

CITY OF SEMINOLE
MUNICIPAL FIREFIGHTERS' PENSION TRUST FUND

SECTION 112.664, FLORIDA STATUTES
COMPLIANCE

With respect to the reporting standards for defined benefit retirement plans or systems contained in Section 112.664(1), F.S., the actuarial disclosures required under this section were prepared and completed by me or under my direct supervision and I acknowledge responsibility for the results. To the best of my knowledge, the results are complete and accurate, and in my opinion, meet the requirements of Section 112.664(1), Florida Statutes, and Rule 60T-1.0035, Florida Administrative Code.

By:  Date 5/16/2016
Douglas H. Lozen, EA, MAAA
Enrolled Actuary #14-7778



When reviewing the following schedules, please note the following:

- 1) The purpose of producing this report is solely to satisfy the requirements set forth by Section 112.664, Florida Statutes, and is mandatory for every Florida public pension fund, excluding the Florida Retirement System (FRS).
- 2) None of the schedules shown have any impact on the funding requirements of the Plan. These schedules are for statutory compliance purposes only.
- 3) In the schedules that follow, the columns labeled “ACTUAL” represent the final recorded GASB 67/68 results. The columns labeled “HYPOTHETICAL” illustrate what the results would have been if different assumptions were used.
- 4) It is our opinion that the Plan’s actual assumptions utilized in the October 1, 2015 Actuarial Valuation Report, as adopted by the Board of Trustees, are reasonable individually and in the aggregate, and represent our best estimate of future Plan experience.
- 5) The “Number of Years Expected Benefit Payments Sustained” calculated in Section II: Asset Sustainability should not be interpreted as the number of years the Plan has left until it is insolvent. This calculation is required by 112.664, Florida Statutes, but the numeric result is irrelevant, since in its calculation we are to assume there will be no further contributions to the Fund. As long as the Actuarially Determined Contribution is made each year the Plan will never become insolvent.

	ACTUAL	HYPOTHETICAL	
	7.75% RP-2000 Static 9/30/2015	7.75% RP-2000 Generational 9/30/2015	5.75% RP-2000 Generational 9/30/2015
<u>GASB 67: Schedule of Changes in Net Pension Liability</u>			
<u>Total Pension Liability</u>			
Service Cost	673,538	703,379	1,093,776
Interest	2,967,687	3,080,340	2,875,177
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	(446,275)	(530,083)	(473,335)
Changes of Assumptions	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(2,836,936)	(2,836,936)	(2,836,936)
Net Change in Total Pension Liability	358,014	416,700	658,682
Total Pension Liability - Beginning	39,041,022	40,464,770	50,331,122
Total Pension Liability - Ending (a)	<u>\$ 39,399,036</u>	<u>\$ 40,881,470</u>	<u>\$ 50,989,804</u>
<u>Plan Fiduciary Net Position</u>			
Contributions - Employer	60,525	60,525	60,525
Contributions - State	284,794	284,794	284,794
Contributions - Employee	424,681	424,681	424,681
Net Investment Income	(292,760)	(292,760)	(292,760)
Benefit Payments, Including Refunds of Employee Contributions	(2,836,936)	(2,836,936)	(2,836,936)
Administrative Expenses	(52,016)	(52,016)	(52,016)
Net Change in Plan Fiduciary Net Position	(2,411,712)	(2,411,712)	(2,411,712)
Plan Fiduciary Net Position - Beginning	38,183,827	38,183,827	38,183,827
Plan Fiduciary Net Position - Ending (b)	<u>\$ 35,772,115</u>	<u>\$ 35,772,115</u>	<u>\$ 35,772,115</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 3,626,921</u>	<u>\$ 5,109,355</u>	<u>\$ 15,217,689</u>
<u>GASB 68: Pension Expense for Fiscal Year Ending September 30, 2015</u>			
Pension Expense	<u>\$ 237,062</u>	<u>\$ 272,805</u>	<u>\$ 341,469</u>

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1
Plan Assumptions: 7.75% and RP-2000 Static Mortality

Fiscal Year Beginning 10/1	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2015	35,772,115	-	2,733,570	-	2,666,413	35,704,958
2016	35,704,958	-	2,756,761	-	2,660,310	35,608,507
2017	35,608,507	-	2,818,464	-	2,650,444	35,440,487
2018	35,440,487	-	2,977,424	-	2,631,263	35,094,326
2019	35,094,326	-	3,132,356	-	2,598,431	34,560,401
2020	34,560,401	-	3,144,897	-	2,556,566	33,972,070
2021	33,972,070	-	3,180,406	-	2,509,595	33,301,259
2022	33,301,259	-	3,183,670	-	2,457,480	32,575,069
2023	32,575,069	-	3,185,208	-	2,401,141	31,791,002
2024	31,791,002	-	3,158,213	-	2,341,422	30,974,211
2025	30,974,211	-	3,158,390	-	2,278,114	30,093,935
2026	30,093,935	-	3,154,949	-	2,210,026	29,149,012
2027	29,149,012	-	3,158,326	-	2,136,663	28,127,349
2028	28,127,349	-	3,157,625	-	2,057,512	27,027,236
2029	27,027,236	-	3,165,428	-	1,971,950	25,833,758
2030	25,833,758	-	3,124,945	-	1,881,025	24,589,838
2031	24,589,838	-	3,086,904	-	1,786,095	23,289,029
2032	23,289,029	-	3,041,965	-	1,687,024	21,934,088
2033	21,934,088	-	2,989,269	-	1,584,058	20,528,877
2034	20,528,877	-	2,952,998	-	1,476,559	19,052,438
2035	19,052,438	-	2,886,437	-	1,364,715	17,530,716
2036	17,530,716	-	2,811,077	-	1,249,701	15,969,340
2037	15,969,340	-	2,735,283	-	1,131,632	14,365,689
2038	14,365,689	-	2,653,608	-	1,010,514	12,722,595
2039	12,722,595	-	2,560,547	-	886,780	11,048,828
2040	11,048,828	-	2,464,516	-	760,784	9,345,096
2041	9,345,096	-	2,363,488	-	632,660	7,614,268
2042	7,614,268	-	2,253,624	-	502,778	5,863,422
2043	5,863,422	-	2,139,360	-	371,515	4,095,577
2044	4,095,577	-	2,020,073	-	239,129	2,314,633
2045	2,314,633	-	1,899,154	-	105,792	521,271
2046	521,271	-	1,776,592	-	-	-

Number of Years Expected Benefit Payments Sustained: 31.29

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 7.75% interest.

It is important to note that as long as the Actuarially Determined Contribution is made each year, the Plan will never become insolvent. Furthermore, State and local laws mandate that the Actuarially Determined Contribution be made each year.

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 2
Hypothetical Assumptions: 7.75% and RP-2000 Generational Mortality

Fiscal Year Beginning 10/1	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2015	35,772,115	-	2,734,937	-	2,666,360	35,703,538
2016	35,703,538	-	2,761,532	-	2,660,015	35,602,021
2017	35,602,021	-	2,827,122	-	2,649,606	35,424,505
2018	35,424,505	-	2,990,319	-	2,629,524	35,063,710
2019	35,063,710	-	3,150,108	-	2,595,371	34,508,973
2020	34,508,973	-	3,168,780	-	2,551,655	33,891,848
2021	33,891,848	-	3,209,829	-	2,502,237	33,184,256
2022	33,184,256	-	3,219,519	-	2,447,023	32,411,760
2023	32,411,760	-	3,227,420	-	2,386,849	31,571,189
2024	31,571,189	-	3,207,272	-	2,322,485	30,686,402
2025	30,686,402	-	3,215,567	-	2,253,593	29,724,428
2026	29,724,428	-	3,220,473	-	2,178,850	28,682,805
2027	28,682,805	-	3,233,707	-	2,097,611	27,546,709
2028	27,546,709	-	3,245,723	-	2,009,098	26,310,084
2029	26,310,084	-	3,267,281	-	1,912,424	24,955,227
2030	24,955,227	-	3,239,205	-	1,808,511	23,524,533
2031	23,524,533	-	3,214,783	-	1,698,578	22,008,328
2032	22,008,328	-	3,184,012	-	1,582,265	20,406,581
2033	20,406,581	-	3,146,406	-	1,459,587	18,719,762
2034	18,719,762	-	3,126,987	-	1,329,611	16,922,386
2035	16,922,386	-	3,077,530	-	1,192,231	15,037,087
2036	15,037,087	-	3,020,233	-	1,048,340	13,065,194
2037	13,065,194	-	2,963,403	-	897,721	10,999,512
2038	10,999,512	-	2,901,507	-	740,029	8,838,034
2039	8,838,034	-	2,828,574	-	575,340	6,584,800
2040	6,584,800	-	2,751,955	-	403,684	4,236,529
2041	4,236,529	-	2,670,026	-	224,867	1,791,370
2042	1,791,370	-	2,578,260	-	-	-

Number of Years Expected Benefit Payments Sustained: 27.69

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 7.75% interest.

It is important to note that as long as the Actuarially Determined Contribution is made each year, the Plan will never become insolvent. Furthermore, State and local laws mandate that the Actuarially Determined Contribution be made each year.

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 3
Hypothetical Assumptions: 5.75% and RP-2000 Generational Mortality

Fiscal Year Beginning 10/1	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2015	35,772,115	-	2,734,937	-	1,978,267	35,015,445
2016	35,015,445	-	2,761,532	-	1,933,994	34,187,907
2017	34,187,907	-	2,827,122	-	1,884,525	33,245,310
2018	33,245,310	-	2,990,319	-	1,825,634	32,080,625
2019	32,080,625	-	3,150,108	-	1,754,070	30,684,587
2020	30,684,587	-	3,168,780	-	1,673,261	29,189,068
2021	29,189,068	-	3,209,829	-	1,586,089	27,565,328
2022	27,565,328	-	3,219,519	-	1,492,445	25,838,254
2023	25,838,254	-	3,227,420	-	1,392,911	24,003,745
2024	24,003,745	-	3,207,272	-	1,288,006	22,084,479
2025	22,084,479	-	3,215,567	-	1,177,410	20,046,322
2026	20,046,322	-	3,220,473	-	1,060,075	17,885,924
2027	17,885,924	-	3,233,707	-	935,472	15,587,689
2028	15,587,689	-	3,245,723	-	802,978	13,144,944
2029	13,144,944	-	3,267,281	-	661,900	10,539,563
2030	10,539,563	-	3,239,205	-	512,898	7,813,256
2031	7,813,256	-	3,214,783	-	356,837	4,955,310
2032	4,955,310	-	3,184,012	-	193,390	1,964,688
2033	1,964,688	-	3,146,406	-	-	-

Number of Years Expected Benefit Payments Sustained: 18.62

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 5.75% interest.

It is important to note that as long as the Actuarially Determined Contribution is made each year, the Plan will never become insolvent. Furthermore, State and local laws mandate that the Actuarially Determined Contribution be made each year.

ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR
ENDING SEPTEMBER 30, 2017

Valuation Date: 10/1/2015

	ACTUAL	HYPOTHETICAL	
	7.75% RP-2000 Static	7.75% RP-2000 Generational	5.75% RP-2000 Generational
Total Required Contribution (Fixed \$)	\$1,061,267	\$1,224,900	\$2,346,676
Total Required Contribution (% of Payroll)	24.60%	28.40%	54.40%
Expected Member Contribution	388,065	469,971	1,031,096
Expected State Money	284,793	284,793	284,793
Expected Sponsor Contribution (Fixed \$)	\$388,409	\$470,136	\$1,030,787
Expected Sponsor Contribution (% of Payroll)	9.64%	11.67%	25.59%

ASSETS

Actuarial Value	37,640,721	37,640,721	37,640,721
Market Value	35,772,115	35,772,115	35,772,115

LIABILITIES

Present Value of Benefits			
Active Members			
Retirement Benefits	15,202,234	15,963,015	24,064,565
Disability Benefits	1,381,114	1,448,017	2,087,446
Death Benefits	146,618	98,918	132,912
Vested Benefits	1,025,476	1,071,419	1,704,719
Refund of Contributions	150,484	160,492	247,101
Service Retirees	24,530,166	25,305,874	30,689,997
Beneficiaries	825,118	834,243	954,938
Disability Retirees	2,179,899	2,312,842	2,709,841
Terminated Vested	807,490	839,833	1,076,413
Excess State Monies Reserve	479,272	479,272	468,766
	3,356	3,356	3,356
Total:	46,731,227	48,517,281	64,140,054
Present Value of Future Salaries	37,666,863	37,729,983	43,091,465
Present Value of Future Member Contributions	3,379,606	4,013,912	9,672,516
Total Normal Cost	712,553	747,036	1,175,612
Present Value of Future Normal Costs (Entry Age Normal)	6,462,933	6,807,812	12,267,595
Total Actuarial Accrued Liability	40,268,294	41,709,469	51,872,459
Unfunded Actuarial Accrued Liability (UAAL)	2,627,573	4,068,748	14,231,738

ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR
ENDING SEPTEMBER 30, 2017

Valuation Date: 10/1/2015

	ACTUAL	HYPOTHETICAL	
	7.75% RP-2000 Static	7.75% RP-2000 Generational	5.75% RP-2000 Generational
<u>PENSION COST</u>			
Normal Cost (with interest)	774,730	812,222	1,265,890
Administrative Expenses (with interest)	56,555	56,555	56,010
Payment Required To Amortize UAAL (with interest)	229,982	356,123	1,024,776
Total Required Contribution	\$1,061,267	\$1,224,900	\$2,346,676