

CITY OF PERRY
MUNICIPAL FIREFIGHTERS' RETIREMENT TRUST FUND

SECTION 112.664, FLORIDA STATUTES COMPLIANCE
DETERMINED AS OF THE
OCTOBER 1, 2022 VALUATION DATE



June 30, 2023

VIA E-MAIL

Ms. Michelle Rodriguez, Plan Administrator
City of Perry
Firefighters' Retirement Trust Fund
2503 Del Prado Blvd. S., Suite 502
Cape Coral, FL 33904

Re: City of Perry Municipal Firefighters' Retirement Trust Fund
Section 112.664, Florida Statutes Compliance

Dear Michelle:

Please find enclosed the annual disclosures that satisfy the October 1, 2022 financial reporting requirements made under Section 112.664.

Our office will submit this information electronically to the Department of Management Services. However, it is important for you to be aware that this report must also be made available on the Plan or Plan Sponsor's website, if such website exists. A deadline for this website publication is not made clear in the law.


In addition to the enclosed report, the Plan or Plan Sponsor's website must provide a link to the Division of Retirement's Actuarial Summary Fact Sheet for the Plan, and also report the previous five years' assumed and actual rates of return, along with their respective asset allocations. The Board should contact its Investment Consultant for this information.

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.

If there are any questions, concerns, or comments about any of the items contained in this report, please feel free to contact me.

Respectfully submitted,

Foster & Foster, Inc.

By: 
Patrick T. Donlan, EA, ASA, MAAA
Enrolled Actuary #23-6595

Enclosures

cc via email: Stu Kaufman, Board Attorney
cc via email: Penny Staffney, Finance Director

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, 2022 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.

SCHEDULE OF CHANGES IN NET PENSION LIABILITY
FISCAL YEAR SEPTEMBER 30, 2022

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>
Discount Rate:	6.75%	4.75%
<u>Total Pension Liability</u>		
Service Cost	149,160	242,989
Interest	357,616	320,688
Share Plan Allocation	3,830	3,830
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience	79,690	77,306
Changes of Assumptions	-	-
Benefit Payments, Including Refunds of Employee Contributions	(259,771)	(259,771)
Net Change in Total Pension Liability	330,525	385,042
Total Pension Liability - Beginning	5,278,742	6,638,219
Total Pension Liability - Ending (a)	<u>\$ 5,609,267</u>	<u>\$ 7,023,261</u>
<u>Plan Fiduciary Net Position</u>		
Contributions - Employer	260,804	260,804
Contributions - State	48,987	48,987
Contributions - Employee	7,257	7,257
Net Investment Income	(928,352)	(928,352)
Benefit Payments, Including Refunds of Employee Contributions	(259,771)	(259,771)
Administrative Expenses	(34,241)	(34,241)
Net Change in Plan Fiduciary Net Position	(905,316)	(905,316)
Plan Fiduciary Net Position - Beginning	4,961,267	4,961,267
Plan Fiduciary Net Position - Ending (b)	<u>\$ 4,055,951</u>	<u>\$ 4,055,951</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 1,553,316</u>	<u>\$ 2,967,310</u>

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1
Plan Assumptions: Discount Rate = 6.75%

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
2022	4,038,817	-	484,749	-	256,260	3,810,328
2023	3,810,328	-	305,825	-	246,876	3,751,379
2024	3,751,379	-	301,911	-	243,029	3,692,497
2025	3,692,497	-	333,161	-	237,999	3,597,335
2026	3,597,335	-	329,492	-	231,700	3,499,543
2027	3,499,543	-	325,686	-	225,227	3,399,084
2028	3,399,084	-	331,754	-	218,241	3,285,571
2029	3,285,571	-	350,321	-	209,953	3,145,203
2030	3,145,203	-	386,905	-	199,243	2,957,541
2031	2,957,541	-	379,546	-	186,824	2,764,819
2032	2,764,819	-	371,677	-	174,081	2,567,223
2033	2,567,223	-	363,831	-	161,008	2,364,400
2034	2,364,400	-	364,093	-	147,309	2,147,616
2035	2,147,616	-	352,991	-	133,051	1,927,676
2036	1,927,676	-	344,056	-	118,506	1,702,126
2037	1,702,126	-	334,894	-	103,591	1,470,823
2038	1,470,823	-	324,672	-	88,323	1,234,474
2039	1,234,474	-	312,808	-	72,770	994,436
2040	994,436	-	310,089	-	56,659	741,006
2041	741,006	-	308,844	-	39,594	471,756
2042	471,756	-	303,145	-	21,612	190,223
2043	190,223	-	296,369	-	-	-

*All DROP and Share Balances paid in 2022.

Number of Years Expected Benefit Payments Sustained: 21.64

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 6.75% 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: Discount Rate = 4.75%

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
2022	4,038,817	-	484,749	-	180,331	3,734,399
2023	3,734,399	-	305,825	-	170,121	3,598,695
2024	3,598,695	-	301,911	-	163,768	3,460,552
2025	3,460,552	-	333,161	-	156,464	3,283,855
2026	3,283,855	-	329,492	-	148,158	3,102,521
2027	3,102,521	-	325,686	-	139,635	2,916,470
2028	2,916,470	-	331,754	-	130,653	2,715,369
2029	2,715,369	-	350,321	-	120,660	2,485,708
2030	2,485,708	-	386,905	-	108,882	2,207,685
2031	2,207,685	-	379,546	-	95,851	1,923,990
2032	1,923,990	-	371,677	-	82,562	1,634,875
2033	1,634,875	-	363,831	-	69,016	1,340,060
2034	1,340,060	-	364,093	-	55,006	1,030,973
2035	1,030,973	-	352,991	-	40,588	718,570
2036	718,570	-	344,056	-	25,961	400,475
2037	400,475	-	334,894	-	11,069	76,650
2038	76,650	-	324,672	-	-	-

*All DROP and Share Balances paid in 2022.

Number of Years Expected Benefit Payments Sustained: 16.24

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 4.75% 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, 2024

Valuation Date: 10/1/2022

	ACTUAL	HYPOTHETICAL
Investment Rate of Return:	6.75%	4.75%
Minimum Required Contribution (Fixed \$)	\$289,242	\$469,439
Minimum Required Contribution (% of Payroll)	37.3%	60.4%
Expected Member Contribution	7,778	7,778
Expected State Money	45,157	45,157
Expected Sponsor Contribution (Fixed \$)	\$236,307	\$416,504
Expected Sponsor Contribution (% of Payroll)	30.5%	53.6%

ASSETS

Actuarial Value ¹	4,842,285	4,842,285
Market Value ¹	4,038,817	4,038,817

LIABILITIES

Present Value of Benefits		
Active Members		
Retirement Benefits	3,583,700	5,549,344
Disability Benefits	39,855	57,036
Death Benefits	21,330	27,132
Vested Benefits	145,244	251,729
Refund of Contributions	5,418	5,702
Service Retirees	2,351,947	2,777,583
DROP Retirees ¹	734,053	849,781
Beneficiaries	131,916	144,409
Disability Retirees	0	0
Terminated Vested	16,899	18,869
Share Plan Balances ¹	4,719	4,719
Total:	7,035,081	9,686,304
Present Value of Future Salaries	6,942,202	7,859,165
Present Value of Future Member Contributions	69,422	78,592
Total Normal Cost	158,608	257,971
Present Value of Future Normal Costs (Entry Age Normal)	1,398,137	2,597,022
Total Actuarial Accrued Liability (EAN) ¹	5,636,944	7,089,282
Unfunded Actuarial Accrued Liability (UAAL)	794,659	2,246,997

ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR
ENDING SEPTEMBER 30, 2024

Valuation Date: 10/1/2022

	ACTUAL	HYPOTHETICAL
Investment Rate of Return:	6.75%	4.75%
<u>PENSION COST</u>		
Normal Cost (with interest)	163,961	264,098
Administrative Expenses (with interest)	40,077	39,690
Payment Required To Amortize UAAL (with interest)	85,204	165,651
Minimum Required Contribution	\$289,242	\$469,439

¹ The asset values and liabilities include accumulated DROP and Share Plan Balances as of 9/30/2022.