

**CITY OF SOUTH PASADENA  
FIREFIGHTERS' RETIREMENT SYSTEM**

**SECTION 112.664, FLORIDA STATUTES COMPLIANCE  
DETERMINED AS OF THE  
OCTOBER 1, 2021 VALUATION DATE**



August 1, 2022

VIA E-MAIL

Ms. Ferrell Jenne, Plan Administrator  
Foster & Foster, Inc.  
2503 Del Prado Blvd. S., Suite 502  
Cape Coral, FL 33904

Re: South Pasadena Firefighters' Retirement System  
Section 112.664, Florida Statutes Compliance

Dear Ferrell:

Please find enclosed the annual disclosures that satisfy the October 1, 2021 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 #20-6595

Enclosures

cc via email: Stu Kaufman, Board Attorney

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, 2021 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, 2021

	ACTUAL	HYPOTHETICAL	
Discount Rate:	7.25%	5.25%	9.25%
<u>Total Pension Liability</u>			
Service Cost	238,667	369,408	159,791
Interest	716,876	654,550	749,010
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	168,759	232,468	123,142
Changes of Assumptions	250,580	354,603	182,877
Benefit Payments, Including Refunds of Employee Contributions	(585,864)	(585,864)	(585,864)
Net Change in Total Pension Liability	789,018	1,025,165	628,956
Total Pension Liability - Beginning	9,612,606	11,824,430	8,017,462
Total Pension Liability - Ending (a)	<u>\$ 10,401,624</u>	<u>\$ 12,849,595</u>	<u>\$ 8,646,418</u>
<u>Plan Fiduciary Net Position</u>			
Contributions - Employer	480,000	480,000	480,000
Contributions - State	44,538	44,538	44,538
Contributions - Employee	88,339	88,339	88,339
Net Investment Income	1,294,221	1,294,221	1,294,221
Benefit Payments, Including Refunds of Employee Contributions	(585,864)	(585,864)	(585,864)
Administrative Expenses	(40,551)	(40,551)	(40,551)
Net Change in Plan Fiduciary Net Position	1,280,683	1,280,683	1,280,683
Plan Fiduciary Net Position - Beginning	7,013,885	7,013,885	7,013,885
Plan Fiduciary Net Position - Ending (b)	<u>\$ 8,294,568</u>	<u>\$ 8,294,568</u>	<u>\$ 8,294,568</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 2,107,056</u>	<u>\$ 4,555,027</u>	<u>\$ 351,850</u>

## PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1  
Plan Assumptions: Discount Rate = 7.25%

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
2021	8,287,637	-	674,599	-	576,399	8,189,437
2022	8,189,437	-	732,670	-	567,175	8,023,942
2023	8,023,942	-	725,893	-	555,422	7,853,471
2024	7,853,471	-	751,891	-	542,121	7,643,701
2025	7,643,701	-	763,079	-	526,507	7,407,129
2026	7,407,129	-	757,881	-	509,544	7,158,792
2027	7,158,792	-	798,766	-	490,057	6,850,083
2028	6,850,083	-	814,935	-	467,090	6,502,238
2029	6,502,238	-	805,802	-	442,202	6,138,638
2030	6,138,638	-	810,701	-	415,663	5,743,600
2031	5,743,600	-	807,346	-	387,145	5,323,399
2032	5,323,399	-	783,419	-	357,547	4,897,527
2033	4,897,527	-	779,876	-	326,800	4,444,451
2034	4,444,451	-	774,817	-	294,136	3,963,770
2035	3,963,770	-	752,723	-	260,087	3,471,134
2036	3,471,134	-	731,061	-	225,156	2,965,229
2037	2,965,229	-	705,025	-	189,422	2,449,626
2038	2,449,626	-	680,226	-	152,940	1,922,340
2039	1,922,340	-	663,793	-	115,307	1,373,854
2040	1,373,854	-	646,177	-	76,180	803,857
2041	803,857	-	628,911	-	35,482	210,428
2042	210,428	-	610,115	-	-	-

\*All Share Balances paid in 2021.

Number of Years Expected Benefit Payments Sustained: 21.34

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 7.25% 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 = 5.25%

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
2021	8,287,637	-	674,599	-	417,393	8,030,431
2022	8,030,431	-	732,670	-	402,365	7,700,126
2023	7,700,126	-	725,893	-	385,202	7,359,435
2024	7,359,435	-	751,891	-	366,633	6,974,177
2025	6,974,177	-	763,079	-	346,113	6,557,211
2026	6,557,211	-	757,881	-	324,359	6,123,689
2027	6,123,689	-	798,766	-	300,526	5,625,449
2028	5,625,449	-	814,935	-	273,944	5,084,458
2029	5,084,458	-	805,802	-	245,782	4,524,438
2030	4,524,438	-	810,701	-	216,252	3,929,989
2031	3,929,989	-	807,346	-	185,132	3,307,775
2032	3,307,775	-	783,419	-	153,093	2,677,449
2033	2,677,449	-	779,876	-	120,094	2,017,667
2034	2,017,667	-	774,817	-	85,589	1,328,439
2035	1,328,439	-	752,723	-	49,984	625,700
2036	625,700	-	731,061	-	-	-

\*All Share Balances paid in 2021.

Number of Years Expected Benefit Payments Sustained: 15.86

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 5.25% 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: Discount Rate = 9.25%

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
2021	8,287,637	-	674,599	-	735,406	8,348,444
2022	8,348,444	-	732,670	-	738,345	8,354,119
2023	8,354,119	-	725,893	-	739,183	8,367,409
2024	8,367,409	-	751,891	-	739,210	8,354,728
2025	8,354,728	-	763,079	-	737,520	8,329,169
2026	8,329,169	-	757,881	-	735,396	8,306,684
2027	8,306,684	-	798,766	-	731,425	8,239,343
2028	8,239,343	-	814,935	-	724,448	8,148,856
2029	8,148,856	-	805,802	-	716,501	8,059,555
2030	8,059,555	-	810,701	-	708,014	7,956,868
2031	7,956,868	-	807,346	-	698,671	7,848,193
2032	7,848,193	-	783,419	-	689,725	7,754,499
2033	7,754,499	-	779,876	-	681,222	7,655,845
2034	7,655,845	-	774,817	-	672,330	7,553,358
2035	7,553,358	-	752,723	-	663,872	7,464,507
2036	7,464,507	-	731,061	-	656,655	7,390,101
2037	7,390,101	-	705,025	-	650,977	7,336,053
2038	7,336,053	-	680,226	-	647,124	7,302,951
2039	7,302,951	-	663,793	-	644,823	7,283,981
2040	7,283,981	-	646,177	-	643,883	7,281,687
2041	7,281,687	-	628,911	-	644,469	7,297,245
2042	7,297,245	-	610,115	-	646,777	7,333,907
2043	7,333,907	-	585,365	-	651,313	7,399,855
2044	7,399,855	-	563,438	-	658,428	7,494,845
2045	7,494,845	-	537,507	-	668,413	7,625,751
2046	7,625,751	-	510,729	-	681,761	7,796,783
2047	7,796,783	-	485,122	-	698,766	8,010,427
2048	8,010,427	-	458,164	-	719,774	8,272,037
2049	8,272,037	-	430,820	-	745,238	8,586,455
2050	8,586,455	-	403,745	-	775,574	8,958,284
2051	8,958,284	-	377,072	-	811,202	9,392,414
2052	9,392,414	-	351,160	-	852,557	9,893,811
2053	9,893,811	-	326,253	-	900,088	10,467,646
2054	10,467,646	-	301,911	-	954,294	11,120,029
2055	11,120,029	-	278,804	-	1,015,708	11,856,933
2056	11,856,933	-	256,719	-	1,084,893	12,685,107
2057	12,685,107	-	235,623	-	1,162,475	13,611,959
2058	13,611,959	-	215,742	-	1,249,128	14,645,345
2059	14,645,345	-	197,032	-	1,345,582	15,793,895
2060	15,793,895	-	179,517	-	1,452,633	17,067,011
2061	17,067,011	-	163,187	-	1,571,151	18,474,975
2062	18,474,975	-	148,014	-	1,702,090	20,029,051
2063	20,029,051	-	133,939	-	1,846,493	21,741,605
2064	21,741,605	-	120,900	-	2,005,507	23,626,212
2065	23,626,212	-	108,842	-	2,180,391	25,697,761
2066	25,697,761	-	97,713	-	2,372,524	27,972,572
2067	27,972,572	-	87,482	-	2,583,417	30,468,507
2068	30,468,507	-	78,105	-	2,814,725	33,205,127
2069	33,205,127	-	69,536	-	3,068,258	36,203,849

## PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 3  
Hypothetical Assumptions: Discount Rate = 9.25%

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
2070	36,203,849	-	61,740	-	3,346,001	39,488,110
2071	39,488,110	-	54,662	-	3,650,122	43,083,570
2072	43,083,570	-	48,238	-	3,982,999	47,018,331
2073	47,018,331	-	42,413	-	4,347,234	51,323,152
2074	51,323,152	-	37,147	-	4,745,674	56,031,679
2075	56,031,679	-	32,392	-	5,181,432	61,180,719
2076	61,180,719	-	28,112	-	5,657,916	66,810,523
2077	66,810,523	-	24,279	-	6,178,850	72,965,094
2078	72,965,094	-	20,865	-	6,748,306	79,692,535
2079	79,692,535	-	17,845	-	7,370,734	87,045,424
2080	87,045,424	-	15,193	-	8,050,999	95,081,230
2081	95,081,230	-	12,873	-	8,794,418	103,862,775
2082	103,862,775	-	10,848	-	9,606,805	113,458,732
2083	113,458,732	-	9,085	-	10,494,513	123,944,160
2084	123,944,160	-	7,554	-	11,464,485	135,401,091
2085	135,401,091	-	6,227	-	12,524,313	147,919,177
2086	147,919,177	-	5,081	-	13,682,289	161,596,385
2087	161,596,385	-	4,098	-	14,947,476	176,539,763
2088	176,539,763	-	3,262	-	16,329,777	192,866,278
2089	192,866,278	-	2,557	-	17,840,012	210,703,733
2090	210,703,733	-	1,972	-	19,490,004	230,191,765
2091	230,191,765	-	1,493	-	21,292,669	251,482,941
2092	251,482,941	-	1,108	-	23,262,121	274,743,954
2093	274,743,954	-	805	-	25,413,779	300,156,928
2094	300,156,928	-	573	-	27,764,489	327,920,844
2095	327,920,844	-	398	-	30,332,660	358,253,106
2096	358,253,106	-	270	-	33,138,400	391,391,236
2097	391,391,236	-	178	-	36,203,681	427,594,739
2098	427,594,739	-	115	-	39,552,508	467,147,132
2099	467,147,132	-	72	-	43,211,106	510,358,166
2100	510,358,166	-	44	-	47,208,128	557,566,250
2101	557,566,250	-	26	-	51,574,877	609,141,101
2102	609,141,101	-	15	-	56,345,551	665,486,637
2103	665,486,637	-	9	-	61,557,514	727,044,142
2104	727,044,142	-	5	-	67,251,583	794,295,720
2105	794,295,720	-	2	-	73,472,354	867,768,072
2106	867,768,072	-	1	-	80,268,547	948,036,618
2107	948,036,618	-	1	-	87,693,387	1,035,730,004
2108	1,035,730,004	-	-	-	95,805,025	1,131,535,029

\*All Share Balances paid in 2021.

Number of Years Expected Benefit Payments Sustained: 999.99

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 9.25% 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, 2023

Valuation Date: 10/1/2021

Investment Rate of Return:	ACTUAL	HYPOTHETICAL	
	7.25%	5.25%	9.25%
Minimum Required Contribution (Fixed \$)	\$646,839	\$930,454	\$416,341
Minimum Required Contribution (% of Payroll)	43.9%	63.1%	28.3%
Expected Member Contribution	91,562	90,678	92,445
Expected State Money	44,538	44,538	44,538
Expected Sponsor Contribution (Fixed \$)	\$510,739	\$795,238	\$279,358
Expected Sponsor Contribution (% of Payroll)	34.7%	53.9%	19.1%

**ASSETS**

Actuarial Value <sup>1</sup>	7,725,677	7,725,677	7,725,677
Market Value <sup>1</sup>	8,287,637	8,287,637	8,287,637

**LIABILITIES**

Present Value of Benefits			
Active Members			
Retirement Benefits	6,101,769	8,787,752	4,463,574
Disability Benefits	153,841	218,011	113,845
Death Benefits	28,688	38,925	21,766
Vested Benefits	393,788	645,045	253,098
Refund of Contributions	43,374	45,117	41,783
Service Retirees	4,776,712	5,616,818	4,142,528
DROP Retirees <sup>1</sup>	0	0	0
Beneficiaries	265,041	294,419	240,745
Disability Retirees	633,167	748,885	546,542
Terminated Vested	11,333	11,333	11,333
Share Plan Balances <sup>1</sup>	9,937	9,937	9,937
Total:	12,417,650	16,416,242	9,845,151
Present Value of Future Salaries	10,838,086	12,261,567	9,707,033
Present Value of Future Member Contributions	650,285	735,694	582,422
Total Normal Cost	250,001	391,530	164,965
Present Value of Future Normal Costs (Entry Age Normal)	1,835,992	3,318,737	1,063,602
Total Actuarial Accrued Liability (EAN) <sup>1</sup>	10,581,658	13,097,505	8,781,549
Unfunded Actuarial Accrued Liability (UAAL)	2,855,981	5,371,828	1,055,872

ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR  
ENDING SEPTEMBER 30, 2023

Valuation Date: 10/1/2021

	ACTUAL	HYPOTHETICAL	
Investment Rate of Return:	7.25%	5.25%	9.25%
<b><u>PENSION COST</u></b>			
Normal Cost <sup>2</sup>	271,628	421,295	180,965
Administrative Expenses <sup>2</sup>	54,034	53,513	54,556
Payment Required To Amortize UAAL <sup>2</sup>	321,177	455,646	180,820
Minimum Required Contribution	\$646,839	\$930,454	\$416,341

<sup>1</sup> The asset values and liabilities include accumulated DROP and Share Plan Balances as of 9/30/2021.

<sup>2</sup> Contributions developed as of 10/1/2021 displayed above have been adjusted to account for assumed salary increase and interest components.