

CITY OF LAKELAND
FIREFIGHTERS' RETIREMENT SYSTEM

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

June 30, 2023

VIA EMAIL

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

Re: City of Lakeland Firefighters' Retirement System
Section 112.664, Florida Statutes Compliance

Dear Ferrell:

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.

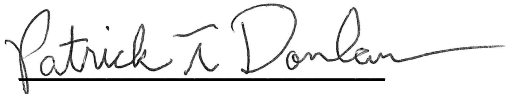
In addition to the enclosed report, the Plan or Plan Sponsor's website must provide a link to the Division of Retirement's Actuarial Summary Fact Sheet for the Plan, and also report the previous five years' assumed and actual rates of return, along with their respective asset allocations. The Board should 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, ASA, EA, MAAA
Enrolled Actuary #23-6595

Enclosures

cc via email: Bonni Jensen, 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, 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

	ACTUAL	HYPOTHETICAL	
	7.00%	5.00%	9.00%
Discount Rate:			
<u>Total Pension Liability</u>			
Service Cost	3,177,900	5,045,839	2,055,040
Interest	9,018,999	8,206,614	9,383,658
Share Plan Allocation	115,439	115,439	115,439
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	(1,286,705)	(1,439,964)	(1,194,637)
Changes of Assumptions	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(7,274,329)	(7,274,329)	(7,274,329)
Net Change in Total Pension Liability	3,751,304	4,653,599	3,085,171
Total Pension Liability - Beginning	129,302,102	162,723,604	105,844,993
Total Pension Liability - Ending (a)	<u>\$ 133,053,406</u>	<u>\$ 167,377,203</u>	<u>\$ 108,930,164</u>
<u>Plan Fiduciary Net Position</u>			
Contributions - Employer	1,774,003	1,774,003	1,774,003
Contributions - State	964,435	964,435	964,435
Contributions - Employee	1,207,662	1,207,662	1,207,662
Net Investment Income	(20,697,912)	(20,697,912)	(20,697,912)
Benefit Payments, Including Refunds of Employee Contributions	(7,274,329)	(7,274,329)	(7,274,329)
Administrative Expenses	(161,259)	(161,259)	(161,259)
Net Change in Plan Fiduciary Net Position	(24,187,400)	(24,187,400)	(24,187,400)
Plan Fiduciary Net Position - Beginning	134,339,270	134,339,270	134,339,270
Plan Fiduciary Net Position - Ending (b)	<u>\$ 110,151,870</u>	<u>\$ 110,151,870</u>	<u>\$ 110,151,870</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 22,901,536</u>	<u>\$ 57,225,333</u>	<u>\$ (1,221,706)</u>

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1
Plan Assumptions: Discount Rate = 7.00%

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	109,675,066	-	8,961,918	-	7,363,587	108,076,735
2023	108,076,735	-	7,902,239	-	7,288,793	107,463,289
2024	107,463,289	-	8,121,002	-	7,238,195	106,580,482
2025	106,580,482	-	8,216,231	-	7,173,066	105,537,317
2026	105,537,317	-	8,295,682	-	7,097,263	104,338,898
2027	104,338,898	-	8,388,898	-	7,010,111	102,960,111
2028	102,960,111	-	8,460,773	-	6,911,081	101,410,419
2029	101,410,419	-	8,503,132	-	6,801,120	99,708,407
2030	99,708,407	-	8,752,551	-	6,673,249	97,629,105
2031	97,629,105	-	9,144,076	-	6,513,995	94,999,024
2032	94,999,024	-	9,412,648	-	6,320,489	91,906,865
2033	91,906,865	-	9,514,912	-	6,100,459	88,492,412
2034	88,492,412	-	9,475,522	-	5,862,826	84,879,716
2035	84,879,716	-	9,452,650	-	5,610,737	81,037,803
2036	81,037,803	-	9,411,081	-	5,343,258	76,969,980
2037	76,969,980	-	9,335,847	-	5,061,144	72,695,277
2038	72,695,277	-	9,285,873	-	4,763,664	68,173,068
2039	68,173,068	-	9,193,097	-	4,450,356	63,430,327
2040	63,430,327	-	9,065,447	-	4,122,832	58,487,712
2041	58,487,712	-	8,895,239	-	3,782,806	53,375,279
2042	53,375,279	-	8,739,877	-	3,430,374	48,065,776
2043	48,065,776	-	8,565,758	-	3,064,803	42,564,821
2044	42,564,821	-	8,371,957	-	2,686,519	36,879,383
2045	36,879,383	-	8,151,200	-	2,296,265	31,024,448
2046	31,024,448	-	7,914,316	-	1,894,710	25,004,842
2047	25,004,842	-	7,664,668	-	1,482,076	18,822,250
2048	18,822,250	-	7,402,419	-	1,058,473	12,478,304
2049	12,478,304	-	7,130,547	-	623,912	5,971,669
2050	5,971,669	-	6,852,809	-	-	-

*All DROP and Share Balances paid in 2022.

Number of Years Expected Benefit Payments Sustained: 28.87

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 7.00% 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 = 5.00%

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	109,675,066	-	8,961,918	-	5,259,705	105,972,853
2023	105,972,853	-	7,902,239	-	5,101,087	103,171,701
2024	103,171,701	-	8,121,002	-	4,955,560	100,006,259
2025	100,006,259	-	8,216,231	-	4,794,907	96,584,935
2026	96,584,935	-	8,295,682	-	4,621,855	92,911,108
2027	92,911,108	-	8,388,898	-	4,435,833	88,958,043
2028	88,958,043	-	8,460,773	-	4,236,383	84,733,653
2029	84,733,653	-	8,503,132	-	4,024,104	80,254,625
2030	80,254,625	-	8,752,551	-	3,793,917	75,295,991
2031	75,295,991	-	9,144,076	-	3,536,198	69,688,113
2032	69,688,113	-	9,412,648	-	3,249,089	63,524,554
2033	63,524,554	-	9,514,912	-	2,938,355	56,947,997
2034	56,947,997	-	9,475,522	-	2,610,512	50,082,987
2035	50,082,987	-	9,452,650	-	2,267,833	42,898,170
2036	42,898,170	-	9,411,081	-	1,909,631	35,396,720
2037	35,396,720	-	9,335,847	-	1,536,440	27,597,313
2038	27,597,313	-	9,285,873	-	1,147,719	19,459,159
2039	19,459,159	-	9,193,097	-	743,131	11,009,193
2040	11,009,193	-	9,065,447	-	323,823	2,267,569
2041	2,267,569	-	8,895,239	-	-	-

*All DROP and Share Balances paid in 2022.

Number of Years Expected Benefit Payments Sustained: 19.25

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 5.00% 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 = 9.00%

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	109,675,066	-	8,961,918	-	9,467,470	110,180,618
2023	110,180,618	-	7,902,239	-	9,560,655	111,839,034
2024	111,839,034	-	8,121,002	-	9,700,068	113,418,100
2025	113,418,100	-	8,216,231	-	9,837,899	115,039,768
2026	115,039,768	-	8,295,682	-	9,980,273	116,724,359
2027	116,724,359	-	8,388,898	-	10,127,692	118,463,153
2028	118,463,153	-	8,460,773	-	10,280,949	120,283,329
2029	120,283,329	-	8,503,132	-	10,442,859	122,223,056
2030	122,223,056	-	8,752,551	-	10,606,210	124,076,715
2031	124,076,715	-	9,144,076	-	10,755,421	125,688,060
2032	125,688,060	-	9,412,648	-	10,888,356	127,163,768
2033	127,163,768	-	9,514,912	-	11,016,568	128,665,424
2034	128,665,424	-	9,475,522	-	11,153,490	130,343,392
2035	130,343,392	-	9,452,650	-	11,305,536	132,196,278
2036	132,196,278	-	9,411,081	-	11,474,166	134,259,363
2037	134,259,363	-	9,335,847	-	11,663,230	136,586,746
2038	136,586,746	-	9,285,873	-	11,874,943	139,175,816
2039	139,175,816	-	9,193,097	-	12,112,134	142,094,853
2040	142,094,853	-	9,065,447	-	12,380,592	145,409,998
2041	145,409,998	-	8,895,239	-	12,686,614	149,201,373
2042	149,201,373	-	8,739,877	-	13,034,829	153,496,325
2043	153,496,325	-	8,565,758	-	13,429,210	158,359,777
2044	158,359,777	-	8,371,957	-	13,875,642	163,863,462
2045	163,863,462	-	8,151,200	-	14,380,908	170,093,170
2046	170,093,170	-	7,914,316	-	14,952,241	177,131,095
2047	177,131,095	-	7,664,668	-	15,596,888	185,063,315
2048	185,063,315	-	7,402,419	-	16,322,589	193,983,485
2049	193,983,485	-	7,130,547	-	17,137,639	203,990,577
2050	203,990,577	-	6,852,809	-	18,050,776	215,188,544
2051	215,188,544	-	6,568,435	-	19,071,389	227,691,498
2052	227,691,498	-	6,276,739	-	20,209,782	241,624,541
2053	241,624,541	-	5,979,942	-	21,477,111	257,121,710
2054	257,121,710	-	5,679,396	-	22,885,381	274,327,695
2055	274,327,695	-	5,377,584	-	24,447,501	293,397,612
2056	293,397,612	-	5,075,252	-	26,177,399	314,499,759
2057	314,499,759	-	4,773,823	-	28,090,156	337,816,092
2058	337,816,092	-	4,474,806	-	30,202,082	363,543,368
2059	363,543,368	-	4,179,509	-	32,530,825	391,894,684
2060	391,894,684	-	3,889,505	-	35,095,494	423,100,673
2061	423,100,673	-	3,606,340	-	37,916,775	457,411,108
2062	457,411,108	-	3,331,587	-	41,017,078	495,096,599
2063	495,096,599	-	3,066,514	-	44,420,701	536,450,786
2064	536,450,786	-	2,812,230	-	48,154,020	581,792,576
2065	581,792,576	-	2,569,418	-	52,245,708	631,468,866
2066	631,468,866	-	2,338,623	-	56,726,960	685,857,203
2067	685,857,203	-	2,120,243	-	61,631,737	745,368,697
2068	745,368,697	-	1,914,492	-	66,997,031	810,451,236
2069	810,451,236	-	1,721,531	-	72,863,142	881,592,847

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 3
Hypothetical Assumptions: Discount Rate = 9.00%

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	881,592,847	-	1,541,456	-	79,273,991	959,325,382
2071	959,325,382	-	1,374,306	-	86,277,441	1,044,228,517
2072	1,044,228,517	-	1,220,007	-	93,925,666	1,136,934,176
2073	1,136,934,176	-	1,078,344	-	102,275,550	1,238,131,382
2074	1,238,131,382	-	948,914	-	111,389,123	1,348,571,591
2075	1,348,571,591	-	831,136	-	121,334,042	1,469,074,497
2076	1,469,074,497	-	724,307	-	132,184,111	1,600,534,301
2077	1,600,534,301	-	627,726	-	144,019,839	1,743,926,414
2078	1,743,926,414	-	540,790	-	156,929,042	1,900,314,666
2079	1,900,314,666	-	463,005	-	171,007,485	2,070,859,146
2080	2,070,859,146	-	393,872	-	186,359,599	2,256,824,873
2081	2,256,824,873	-	332,844	-	203,099,261	2,459,591,290
2082	2,459,591,290	-	279,382	-	221,350,644	2,680,662,552
2083	2,680,662,552	-	232,924	-	241,249,148	2,921,678,776
2084	2,921,678,776	-	192,890	-	262,942,410	3,184,428,296
2085	3,184,428,296	-	158,659	-	286,591,407	3,470,861,044
2086	3,470,861,044	-	129,595	-	312,371,662	3,783,103,111
2087	3,783,103,111	-	105,085	-	340,474,551	4,123,472,577
2088	4,123,472,577	-	84,550	-	371,108,727	4,494,496,754
2089	4,494,496,754	-	67,457	-	404,501,672	4,898,930,969
2090	4,898,930,969	-	53,326	-	440,901,388	5,339,779,031
2091	5,339,779,031	-	41,732	-	480,578,235	5,820,315,534
2092	5,820,315,534	-	32,306	-	523,826,944	6,344,110,172
2093	6,344,110,172	-	24,723	-	570,968,803	6,915,054,252
2094	6,915,054,252	-	18,690	-	622,354,042	7,537,389,604
2095	7,537,389,604	-	13,951	-	678,364,437	8,215,740,090
2096	8,215,740,090	-	10,279	-	739,416,146	8,955,145,957
2097	8,955,145,957	-	7,476	-	805,962,800	9,761,101,281
2098	9,761,101,281	-	5,366	-	878,498,874	10,639,594,789
2099	10,639,594,789	-	3,800	-	957,563,360	11,597,154,349
2100	11,597,154,349	-	2,656	-	1,043,743,772	12,640,895,465
2101	12,640,895,465	-	1,832	-	1,137,680,509	13,778,574,142
2102	13,778,574,142	-	1,248	-	1,240,071,617	15,018,644,511
2103	15,018,644,511	-	839	-	1,351,677,968	16,370,321,640
2104	16,370,321,640	-	556	-	1,473,328,923	17,843,650,007
2105	17,843,650,007	-	363	-	1,605,928,484	19,449,578,128
2106	19,449,578,128	-	232	-	1,750,462,021	21,200,039,917
2107	21,200,039,917	-	146	-	1,908,003,586	23,108,043,357
2108	23,108,043,357	-	90	-	2,079,723,898	25,187,767,165
2109	25,187,767,165	-	54	-	2,266,899,042	27,454,666,153
2110	27,454,666,153	-	31	-	2,470,919,952	29,925,586,074
2111	29,925,586,074	-	18	-	2,693,302,746	32,618,888,802
2112	32,618,888,802	-	10	-	2,935,699,992	35,554,588,784
2113	35,554,588,784	-	5	-	3,199,912,990	38,754,501,769
2114	38,754,501,769	-	3	-	3,487,905,159	42,242,406,925
2115	42,242,406,925	-	1	-	3,801,816,623	46,044,223,547

 PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

 Table 3
 Hypothetical Assumptions: Discount Rate = 9.00%

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
2116	46,044,223,547	-	1	-	4,143,980,119	50,188,203,665
2117	50,188,203,665	-	-	-	4,516,938,330	54,705,141,995

*All DROP and Share Balances paid in 2022.

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 9.00% 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	
	7.00%	5.00%	9.00%
Investment Rate of Return:	7.00%	5.00%	9.00%
Minimum Required Contribution (Fixed \$)	\$4,717,398	\$8,264,225	\$1,834,220
Minimum Required Contribution (% of Payroll)	33.3%	58.4%	13.0%
Expected Member Contribution	1,494,972	2,975,572	295,964
Expected State Money	848,996	848,996	848,996
Expected Sponsor Contribution (Fixed \$)	\$2,373,430	\$4,439,657	\$689,260
Expected Sponsor Contribution (% of Payroll)	16.8%	31.5%	4.6%

ASSETS

Actuarial Value ¹	122,403,192	122,403,192	122,403,192
Market Value ¹	109,675,066	109,675,066	109,675,066

LIABILITIES

Present Value of Benefits			
Active Members			
Retirement Benefits	91,445,029	138,199,020	64,079,740
Disability Benefits	2,450,011	3,548,820	1,778,264
Death Benefits	331,010	463,180	242,915
Vested Benefits	1,711,170	2,981,733	1,031,696
Refund of Contributions	260,479	282,427	248,514
Service Retirees	57,213,303	68,709,638	48,849,481
DROP Retirees ¹	8,527,719	10,517,802	7,187,959
Beneficiaries	4,350,671	5,043,656	3,818,836
Disability Retirees	0	0	0
Terminated Vested	894,910	1,250,127	668,655
Share Plan Balances ¹	247,734	247,734	247,734
Funding Credit Balance ¹	4,157,519	4,157,519	4,157,519
Total:	171,589,555	235,401,656	132,311,313
Present Value of Future Salaries	143,080,191	165,053,031	125,933,267
Total Normal Cost	2,418,934	4,468,232	1,150,041
Present Value of Future			
Normal Costs (Entry Age Normal)	34,390,368	63,646,161	19,345,644
Total Actuarial Accrued Liability (EAN) ¹	137,199,187	171,755,495	112,965,669
Unfunded Actuarial Accrued Liability (UAAL)	23,316,043	57,872,351	(917,475)

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

Valuation Date: 10/1/2022

	ACTUAL	HYPOTHETICAL	
	7.00%	5.00%	9.00%
Investment Rate of Return:	7.00%	5.00%	9.00%
<u>PENSION COST</u>			
Normal Cost ²	2,650,057	4,847,864	1,272,098
Administrative Expenses ²	169,797	168,156	171,437
Payment Required To Amortize UAAL ²	1,897,544	3,248,205	390,685
Minimum Required Contribution	\$4,717,398	\$8,264,225	\$1,834,220

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

² Contributions developed as of 10/1/2022 displayed above have been adjusted to account for assumed salary increase and interest components.