

CITY OF LAKELAND
FIREFIGHTERS' RETIREMENT SYSTEM

SECTION 112.664, FLORIDA STATUTES COMPLIANCE
DETERMINED AS OF THE
OCTOBER 1, 2023 VALUATION DATE

June 28, 2024

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, 2023 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.

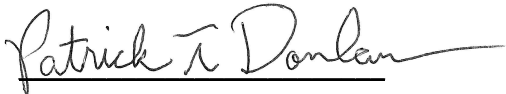
In addition to the enclosed report, the Plan or Plan Sponsor's website must provide a link to the Division of Retirement's Actuarial Summary Fact Sheet for the Plan, and also report the previous five years' assumed and actual rates of return, along with their respective asset allocations. The Board should 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, 2023 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, 2023

	ACTUAL	HYPOTHETICAL	HYPOTHETICAL
	7.00%	5.00%	9.00%
Discount Rate:			
<u>Total Pension Liability</u>			
Service Cost	3,336,799	5,295,146	2,159,576
Interest	9,340,518	8,485,906	9,732,196
Share Plan Allocation	243,922	243,922	243,922
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual			
Experience	(755,352)	(713,073)	(760,437)
Changes of Assumptions	-	-	-
Contributions - Buy Back	131,452	131,452	131,452
Benefit Payments, Including Refunds of Employee			
Contributions	(5,908,454)	(5,908,454)	(5,908,454)
Net Change in Total Pension Liability	6,388,885	7,534,899	5,598,255
Total Pension Liability - Beginning	133,053,406	167,377,203	108,930,164
Total Pension Liability - Ending (a)	\$ 139,442,291	\$ 174,912,102	\$ 114,528,419
<u>Plan Fiduciary Net Position</u>			
Contributions - Employer	1,986,876	1,986,876	1,986,876
Contributions - State	1,221,400	1,221,400	1,221,400
Contributions - Employee	1,357,047	1,357,047	1,357,047
Contributions - Buy Back	131,452	131,452	131,452
Net Investment Income	12,987,008	12,987,008	12,987,008
Benefit Payments, Including Refunds of Employee			
Contributions	(5,908,454)	(5,908,454)	(5,908,454)
Administrative Expenses	(166,868)	(166,868)	(166,868)
Net Change in Plan Fiduciary Net Position	11,608,461	11,608,461	11,608,461
Plan Fiduciary Net Position - Beginning	110,151,870	110,151,870	110,151,870
Plan Fiduciary Net Position - Ending (b)	\$ 121,760,331	\$ 121,760,331	\$ 121,760,331
Net Pension Liability - Ending (a) - (b)	\$ 17,681,960	\$ 53,151,771	\$ (7,231,912)

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
2023	120,987,014	-	10,483,572	-	8,102,166	118,605,608
2024	118,605,608	-	8,191,877	-	8,015,677	118,429,408
2025	118,429,408	-	8,318,542	-	7,998,910	118,109,776
2026	118,109,776	-	8,419,449	-	7,973,004	117,663,331
2027	117,663,331	-	8,532,410	-	7,937,799	117,068,720
2028	117,068,720	-	8,622,582	-	7,893,020	116,339,158
2029	116,339,158	-	8,679,014	-	7,839,976	115,500,120
2030	115,500,120	-	8,963,766	-	7,771,277	114,307,631
2031	114,307,631	-	9,407,065	-	7,672,287	112,572,853
2032	112,572,853	-	9,805,497	-	7,536,907	110,304,263
2033	110,304,263	-	9,882,863	-	7,375,398	107,796,798
2034	107,796,798	-	9,861,869	-	7,200,610	105,135,539
2035	105,135,539	-	9,864,565	-	7,014,228	102,285,202
2036	102,285,202	-	9,844,614	-	6,815,403	99,255,991
2037	99,255,991	-	9,789,392	-	6,605,291	96,071,890
2038	96,071,890	-	9,764,669	-	6,383,269	92,690,490
2039	92,690,490	-	9,681,320	-	6,149,488	89,158,658
2040	89,158,658	-	9,561,231	-	5,906,463	85,503,890
2041	85,503,890	-	9,399,373	-	5,656,294	81,760,811
2042	81,760,811	-	9,260,209	-	5,399,149	77,899,751
2043	77,899,751	-	9,100,258	-	5,134,474	73,933,967
2044	73,933,967	-	8,915,831	-	4,863,324	69,881,460
2045	69,881,460	-	8,701,354	-	4,587,155	65,767,261
2046	65,767,261	-	8,467,391	-	4,307,350	61,607,220
2047	61,607,220	-	8,219,634	-	4,024,818	57,412,404
2048	57,412,404	-	7,958,291	-	3,740,328	53,194,441
2049	53,194,441	-	7,682,993	-	3,454,706	48,966,154
2050	48,966,154	-	7,400,146	-	3,168,626	44,734,634
2051	44,734,634	-	7,108,554	-	2,882,625	40,508,705
2052	40,508,705	-	6,807,949	-	2,597,331	36,298,087
2053	36,298,087	-	6,501,004	-	2,313,331	32,110,414
2054	32,110,414	-	6,187,136	-	2,031,179	27,954,457
2055	27,954,457	-	5,869,801	-	1,751,369	23,836,025
2056	23,836,025	-	5,550,784	-	1,474,244	19,759,485
2057	19,759,485	-	5,231,568	-	1,200,059	15,727,976
2058	15,727,976	-	4,913,972	-	928,969	11,742,973
2059	11,742,973	-	4,599,452	-	661,027	7,804,548
2060	7,804,548	-	4,289,515	-	396,185	3,911,218
2061	3,911,218	-	3,985,955	-	-	-

*All DROP and Share Balances paid in 2023.

Number of Years Expected Benefit Payments Sustained: 38.98

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
2023	120,987,014	-	10,483,572	-	5,787,261	116,290,703
2024	116,290,703	-	8,191,877	-	5,609,738	113,708,564
2025	113,708,564	-	8,318,542	-	5,477,465	110,867,487
2026	110,867,487	-	8,419,449	-	5,332,888	107,780,926
2027	107,780,926	-	8,532,410	-	5,175,736	104,424,252
2028	104,424,252	-	8,622,582	-	5,005,648	100,807,318
2029	100,807,318	-	8,679,014	-	4,823,391	96,951,695
2030	96,951,695	-	8,963,766	-	4,623,491	92,611,420
2031	92,611,420	-	9,407,065	-	4,395,394	87,599,749
2032	87,599,749	-	9,805,497	-	4,134,850	81,929,102
2033	81,929,102	-	9,882,863	-	3,849,384	75,895,623
2034	75,895,623	-	9,861,869	-	3,548,234	69,581,988
2035	69,581,988	-	9,864,565	-	3,232,485	62,949,908
2036	62,949,908	-	9,844,614	-	2,901,380	56,006,674
2037	56,006,674	-	9,789,392	-	2,555,599	48,772,881
2038	48,772,881	-	9,764,669	-	2,194,527	41,202,739
2039	41,202,739	-	9,681,320	-	1,818,104	33,339,523
2040	33,339,523	-	9,561,231	-	1,427,945	25,206,237
2041	25,206,237	-	9,399,373	-	1,025,328	16,832,192
2042	16,832,192	-	9,260,209	-	610,104	8,182,087
2043	8,182,087	-	9,100,258	-	-	-

*All DROP and Share Balances paid in 2023.

Number of Years Expected Benefit Payments Sustained: 20.90

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
2023	120,987,014	-	10,483,572	-	10,417,071	120,920,513
2024	120,920,513	-	8,191,877	-	10,514,212	123,242,848
2025	123,242,848	-	8,318,542	-	10,717,522	125,641,828
2026	125,641,828	-	8,419,449	-	10,928,889	128,151,268
2027	128,151,268	-	8,532,410	-	11,149,656	130,768,514
2028	130,768,514	-	8,622,582	-	11,381,150	133,527,082
2029	133,527,082	-	8,679,014	-	11,626,882	136,474,950
2030	136,474,950	-	8,963,766	-	11,879,376	139,390,560
2031	139,390,560	-	9,407,065	-	12,121,832	142,105,327
2032	142,105,327	-	9,805,497	-	12,348,232	144,648,062
2033	144,648,062	-	9,882,863	-	12,573,597	147,338,796
2034	147,338,796	-	9,861,869	-	12,816,708	150,293,635
2035	150,293,635	-	9,864,565	-	13,082,522	153,511,592
2036	153,511,592	-	9,844,614	-	13,373,036	157,040,014
2037	157,040,014	-	9,789,392	-	13,693,079	160,943,701
2038	160,943,701	-	9,764,669	-	14,045,523	165,224,555
2039	165,224,555	-	9,681,320	-	14,434,551	169,977,786
2040	169,977,786	-	9,561,231	-	14,867,745	175,284,300
2041	175,284,300	-	9,399,373	-	15,352,615	181,237,542
2042	181,237,542	-	9,260,209	-	15,894,669	187,872,002
2043	187,872,002	-	9,100,258	-	16,498,969	195,270,713
2044	195,270,713	-	8,915,831	-	17,173,152	203,528,034
2045	203,528,034	-	8,701,354	-	17,925,962	212,752,642
2046	212,752,642	-	8,467,391	-	18,766,705	223,051,956
2047	223,051,956	-	8,219,634	-	19,704,793	234,537,115
2048	234,537,115	-	7,958,291	-	20,750,217	247,329,041
2049	247,329,041	-	7,682,993	-	21,913,879	261,559,927
2050	261,559,927	-	7,400,146	-	23,207,387	277,367,168
2051	277,367,168	-	7,108,554	-	24,643,160	294,901,774
2052	294,901,774	-	6,807,949	-	26,234,802	314,328,627
2053	314,328,627	-	6,501,004	-	27,997,031	335,824,654
2054	335,824,654	-	6,187,136	-	29,945,798	359,583,316
2055	359,583,316	-	5,869,801	-	32,098,357	385,811,872
2056	385,811,872	-	5,550,784	-	34,473,283	414,734,371
2057	414,734,371	-	5,231,568	-	37,090,673	446,593,476
2058	446,593,476	-	4,913,972	-	39,972,284	481,651,788
2059	481,651,788	-	4,599,452	-	43,141,686	520,194,022
2060	520,194,022	-	4,289,515	-	46,624,434	562,528,941
2061	562,528,941	-	3,985,955	-	50,448,237	608,991,223
2062	608,991,223	-	3,690,493	-	54,643,138	659,943,868
2063	659,943,868	-	3,404,455	-	59,241,748	715,781,161
2064	715,781,161	-	3,129,331	-	64,279,485	776,931,315
2065	776,931,315	-	2,865,883	-	69,794,854	843,860,286
2066	843,860,286	-	2,614,763	-	75,829,761	917,075,284
2067	917,075,284	-	2,376,498	-	82,429,833	997,128,619
2068	997,128,619	-	2,151,407	-	89,644,762	1,084,621,974
2069	1,084,621,974	-	1,939,745	-	97,528,689	1,180,210,918
2070	1,180,210,918	-	1,741,688	-	106,140,607	1,284,609,837
2071	1,284,609,837	-	1,557,356	-	115,544,804	1,398,597,285
2072	1,398,597,285	-	1,386,733	-	125,811,353	1,523,021,905
2073	1,523,021,905	-	1,229,659	-	137,016,637	1,658,808,883

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
2074	1,658,808,883	-	1,085,759	-	149,243,940	1,806,967,064
2075	1,806,967,064	-	954,452	-	162,584,085	1,968,596,697
2076	1,968,596,697	-	835,018	-	177,136,127	2,144,897,806
2077	2,144,897,806	-	726,725	-	193,008,100	2,337,179,181
2078	2,337,179,181	-	628,940	-	210,317,824	2,546,868,065
2079	2,546,868,065	-	541,151	-	229,193,774	2,775,520,688
2080	2,775,520,688	-	462,833	-	249,776,034	3,024,833,889
2081	3,024,833,889	-	393,417	-	272,217,346	3,296,657,818
2082	3,296,657,818	-	332,338	-	296,684,248	3,593,009,728
2083	3,593,009,728	-	279,014	-	323,358,320	3,916,089,034
2084	3,916,089,034	-	232,829	-	352,437,536	4,268,293,741
2085	4,268,293,741	-	193,116	-	384,137,746	4,652,238,371
2086	4,652,238,371	-	159,181	-	418,694,290	5,070,773,480
2087	5,070,773,480	-	130,359	-	456,363,747	5,527,006,868
2088	5,527,006,868	-	106,016	-	497,425,847	6,024,326,699
2089	6,024,326,699	-	85,575	-	542,185,552	6,566,426,676
2090	6,566,426,676	-	68,508	-	590,975,318	7,157,333,486
2091	7,157,333,486	-	54,355	-	644,157,568	7,801,436,699
2092	7,801,436,699	-	42,715	-	702,127,381	8,503,521,365
2093	8,503,521,365	-	33,234	-	765,315,427	9,268,803,558
2094	9,268,803,558	-	25,589	-	834,191,169	10,102,969,138
2095	10,102,969,138	-	19,491	-	909,266,345	11,012,215,992
2096	11,012,215,992	-	14,687	-	991,098,778	12,003,300,083
2097	12,003,300,083	-	10,948	-	1,080,296,515	13,083,585,650
2098	13,083,585,650	-	8,070	-	1,177,522,345	14,261,099,925
2099	14,261,099,925	-	5,880	-	1,283,498,729	15,544,592,774
2100	15,544,592,774	-	4,235	-	1,399,013,159	16,943,601,698
2101	16,943,601,698	-	3,014	-	1,524,924,017	18,468,522,701
2102	18,468,522,701	-	2,119	-	1,662,166,948	20,130,687,530
2103	20,130,687,530	-	1,470	-	1,811,761,812	21,942,447,872
2104	21,942,447,872	-	1,005	-	1,974,820,263	23,917,267,130
2105	23,917,267,130	-	675	-	2,152,554,011	26,069,820,466
2106	26,069,820,466	-	445	-	2,346,283,822	28,416,103,843
2107	28,416,103,843	-	287	-	2,557,449,333	30,973,552,889
2108	30,973,552,889	-	181	-	2,787,619,752	33,761,172,460
2109	33,761,172,460	-	111	-	3,038,505,516	36,799,677,865
2110	36,799,677,865	-	67	-	3,311,971,005	40,111,648,803
2111	40,111,648,803	-	39	-	3,610,048,391	43,721,697,155
2112	43,721,697,155	-	22	-	3,934,952,743	47,656,649,876
2113	47,656,649,876	-	12	-	4,289,098,488	51,945,748,352
2114	51,945,748,352	-	7	-	4,675,117,351	56,620,865,696
2115	56,620,865,696	-	3	-	5,095,877,913	61,716,743,606
2116	61,716,743,606	-	2	-	5,554,506,924	67,271,250,528
2117	67,271,250,528	-	1	-	6,054,412,547	73,325,663,074

*All DROP and Share Balances paid in 2023.

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, 2025**

Valuation Date: 10/1/2023

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>	<u>HYPOTHETICAL</u>
Investment Rate of Return:	7.00%	5.00%	9.00%
Minimum Required Contribution (Fixed \$)	\$5,452,282	\$9,277,201	\$2,373,779
Minimum Required Contribution (% of Payroll)	34.76%	59.13%	15.14%
Expected Member Contribution	1,748,906	3,489,748	639,428
Expected State Money	977,478	977,478	977,478
Expected Sponsor Contribution (Fixed \$)	\$2,725,898	\$4,809,975	\$756,873
Expected Sponsor Contribution (% of Payroll)	17.39%	30.83%	4.64%

ASSETS

Actuarial Value ¹	127,497,332	127,497,332	127,497,332
Market Value ¹	120,987,014	120,987,014	120,987,014

LIABILITIES

Present Value of Benefits			
Actives			
Retirement Benefits	101,667,722	154,391,351	71,037,368
Disability Benefits	2,611,066	3,743,758	1,905,976
Death Benefits	362,412	510,181	264,730
Vested Benefits	1,930,522	3,415,741	1,153,550
Refund of Contributions	347,409	372,080	325,534
Service Retirees	55,666,109	66,668,590	47,625,486
DROP Retirees ¹	11,680,174	14,157,074	9,987,026
Beneficiaries	4,164,351	4,809,497	3,666,659
Disability Retirees	0	0	0
Terminated Vested	879,175	1,221,899	657,566
Funding Credit Balance ¹	4,096,605	4,096,605	4,096,605
Share Plan Balances ¹	506,656	506,656	506,656
Total:	<u>183,912,201</u>	<u>253,893,432</u>	<u>141,227,156</u>
Present Value of Future Salaries	162,544,223	188,341,728	142,563,128
Present Value of Future Member Contributions	17,506,013	40,870,155	5,559,962
Total Normal Cost	3,007,404	5,232,478	1,650,648
Present Value of Future Normal Costs (Entry Age Normal)	38,870,979	72,409,790	21,751,383
Total Actuarial Accrued Liability (EAN) ¹	145,041,222	181,483,642	119,475,773
Unfunded Actuarial Accrued Liability (UAAL)	23,404,240	59,846,660	(2,161,209)

ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR
ENDING SEPTEMBER 30, 2025

Valuation Date: 10/1/2023

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>	<u>HYPOTHETICAL</u>
Investment Rate of Return:	7.00%	5.00%	9.00%
<u>PENSION COST</u>			
Normal Cost ²	3,297,867	5,682,406	1,827,560
Administrative Expenses ²	171,885	170,224	173,546
Payment Required To Amortize UAAL ²	<u>1,982,530</u>	<u>3,424,571</u>	<u>372,673</u>
Minimum Required Contribution	\$5,452,282	\$9,277,201	\$2,373,779

¹ The asset values and liabilities include accumulated DROP and Share Plan Balances as of 9/30/2023.

² Contributions developed as of 10/1/2023 displayed above have been adjusted to account for assumed salary increase and interest components.