

CITY OF DELTONA  
FIREFIGHTERS' PENSION PLAN

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



June 30, 2023

VIA E-MAIL

Ms. Lora Murphy  
Lauterbach & Amen, LLP  
668 N. River Road  
Naperville, IL 60563

Re: City of Deltona Firefighters' Pension Plan  
Section 112.664, Florida Statutes Compliance

Dear Lora:

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.

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

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.

Respectfully submitted,

Foster & Foster, Inc.

By: 

Sara E. Carlson, EA, ASA, MAAA  
Enrolled Actuary #23-8546

Enclosures

cc via email: Pedro Herrera, Board Attorney  
cc via email: Jessica A. De la Torre Vila, Legal Assistant

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:	7.50%	5.50%
<u>Total Pension Liability</u>		
Service Cost	1,215,872	1,973,474
Interest	3,495,668	3,392,829
Share Plan Allocation	52,087	52,087
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience	1,059,889	1,450,345
Changes of Assumptions	-	-
Contributions - Buy Back	11,343	11,343
Benefit Payments, Including Refunds of Employee Contributions	(1,828,544)	(1,828,544)
Net Change in Total Pension Liability	4,006,315	5,051,534
Total Pension Liability - Beginning	45,694,036	59,527,038
Total Pension Liability - Ending (a)	<u>\$ 49,700,351</u>	<u>\$ 64,578,572</u>
<u>Plan Fiduciary Net Position</u>		
Contributions - Employer	1,467,404	1,467,404
Contributions - State	554,173	554,173
Contributions - Employee	560,259	560,259
Contributions - Buy Back	11,343	11,343
Net Investment Income	(6,630,390)	(6,630,390)
Benefit Payments, Including Refunds of Employee Contributions	(1,828,544)	(1,828,544)
Administrative Expenses	(101,681)	(101,681)
Net Change in Plan Fiduciary Net Position	(5,967,436)	(5,967,436)
Plan Fiduciary Net Position - Beginning	42,205,193	42,205,193
Plan Fiduciary Net Position - Ending (b)	<u>\$ 36,237,757</u>	<u>\$ 36,237,757</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 13,462,594</u>	<u>\$ 28,340,815</u>

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

Table 1  
Plan Assumptions: Discount Rate = 7.50%

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	36,237,757	-	3,776,050	-	2,576,230	35,037,937
2023	35,037,937	-	2,445,756	-	2,536,129	35,128,310
2024	35,128,310	-	2,507,180	-	2,540,604	35,161,734
2025	35,161,734	-	2,593,695	-	2,539,866	35,107,905
2026	35,107,905	-	2,695,234	-	2,532,022	34,944,693
2027	34,944,693	-	2,843,959	-	2,514,204	34,614,938
2028	34,614,938	-	2,946,263	-	2,485,635	34,154,310
2029	34,154,310	-	3,030,330	-	2,447,936	33,571,916
2030	33,571,916	-	3,166,369	-	2,399,155	32,804,702
2031	32,804,702	-	3,390,203	-	2,333,220	31,747,719
2032	31,747,719	-	3,546,280	-	2,248,093	30,449,532
2033	30,449,532	-	3,675,739	-	2,145,875	28,919,668
2034	28,919,668	-	3,739,451	-	2,028,746	27,208,963
2035	27,208,963	-	3,823,207	-	1,897,302	25,283,058
2036	25,283,058	-	3,942,160	-	1,748,398	23,089,296
2037	23,089,296	-	3,959,561	-	1,583,214	20,712,949
2038	20,712,949	-	3,975,624	-	1,404,385	18,141,710
2039	18,141,710	-	3,976,952	-	1,211,493	15,376,251
2040	15,376,251	-	3,964,440	-	1,004,552	12,416,363
2041	12,416,363	-	3,944,665	-	783,302	9,255,000
2042	9,255,000	-	3,909,012	-	547,537	5,893,525
2043	5,893,525	-	3,871,697	-	296,826	2,318,654
2044	2,318,654	-	3,822,531	-	-	-

\*All DROP and Share Balances paid in 2022.

Number of Years Expected Benefit Payments Sustained: 22.61

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 7.50% 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 = 5.50%

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	36,237,757	-	3,776,050	-	1,889,235	34,350,942
2023	34,350,942	-	2,445,756	-	1,822,044	33,727,230
2024	33,727,230	-	2,507,180	-	1,786,050	33,006,100
2025	33,006,100	-	2,593,695	-	1,744,009	32,156,414
2026	32,156,414	-	2,695,234	-	1,694,484	31,155,664
2027	31,155,664	-	2,843,959	-	1,635,353	29,947,058
2028	29,947,058	-	2,946,263	-	1,566,066	28,566,861
2029	28,566,861	-	3,030,330	-	1,487,843	27,024,374
2030	27,024,374	-	3,166,369	-	1,399,265	25,257,270
2031	25,257,270	-	3,390,203	-	1,295,919	23,162,986
2032	23,162,986	-	3,546,280	-	1,176,442	20,793,148
2033	20,793,148	-	3,675,739	-	1,042,540	18,159,949
2034	18,159,949	-	3,739,451	-	895,962	15,316,460
2035	15,316,460	-	3,823,207	-	737,267	12,230,520
2036	12,230,520	-	3,942,160	-	564,269	8,852,629
2037	8,852,629	-	3,959,561	-	378,007	5,271,075
2038	5,271,075	-	3,975,624	-	180,579	1,476,030
2039	1,476,030	-	3,976,952	-	-	-

\*All DROP and Share Balances paid in 2022.

Number of Years Expected Benefit Payments Sustained: 17.37

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 5.50% 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:	7.50%	5.50%
Minimum Required Contribution (Fixed \$)	\$2,433,504	\$4,180,017
Minimum Required Contribution (% of Payroll)	48.4%	83.2%
Expected Member Contribution	572,268	572,268
Expected State Money	450,000	450,000
Expected Sponsor Contribution (Fixed \$)	\$1,411,236	\$3,157,749
Expected Sponsor Contribution (% of Payroll)	28.0%	62.8%

**ASSETS**

Actuarial Value <sup>1</sup>	41,307,313	41,307,313
Market Value <sup>1</sup>	36,237,757	36,237,757

**LIABILITIES**

Present Value of Benefits		
Active Members		
Retirement Benefits	27,518,167	44,747,883
Disability Benefits	2,840,390	4,220,347
Death Benefits	456,855	706,648
Vested Benefits	1,120,612	1,829,284
Refund of Contributions	135,152	143,802
Service Retirees	21,109,975	25,984,330
DROP Retirees <sup>1</sup>	7,295,719	9,063,364
Beneficiaries	180,915	219,460
Disability Retirees	2,256,958	2,769,175
Terminated Vested	906,029	1,152,128
Share Plan Balances <sup>1</sup>	206,316	206,316
Total:	64,027,088	91,042,737
Present Value of Future Salaries	50,449,864	57,761,836
Present Value of Future Member Contributions	5,751,284	6,584,849
Total Normal Cost	1,259,785	2,073,711
Present Value of Future Normal Costs (Entry Age Normal)	12,365,461	23,585,320
Total Actuarial Accrued Liability (EAN) <sup>1</sup>	51,661,627	67,457,417
Unfunded Actuarial Accrued Liability (UAAL)	10,354,314	26,150,104

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

Valuation Date: 10/1/2022

	ACTUAL	HYPOTHETICAL
Investment Rate of Return:	7.50%	5.50%
<b><u>PENSION COST</u></b>		
Normal Cost (with interest)	1,307,027	2,130,738
Administrative Expenses (with interest)	97,383	96,444
Payment Required To Amortize UAAL (with interest)	1,029,094	1,952,835
Minimum Required Contribution	\$2,433,504	\$4,180,017

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