

City of Sarasota

## Firefighters' Pension Fund

Chapter 112.664, F.S. Compliance Report

September 30, 2023





May 23, 2024

Board of Trustees  
City of Sarasota Firefighters' Pension Fund  
Sarasota, Florida

Dear Board Members:

Gabriel, Roeder, Smith & Company (GRS) has been engaged by the City of Sarasota Firefighter's Pension Fund to prepare a disclosure report to satisfy the requirements set forth in Ch. 112.664, F.S. and as further required pursuant to Ch. 60T-1.0035, F.A.C.

This report was prepared at the request of the Board and is intended for use by the Retirement Board and those designated or approved by the Board. This report may be provided to parties other than the City and the Board only in its entirety and only with the permission of the City and the Board. GRS is not responsible for unauthorized use of this report. The purpose of the report is to provide the required information specified in Ch. 112.664, F.S. as well as supplement this information with additional exhibits. This report should not be relied on for any purpose other than the purpose described above.

The findings in this report are based on data or other information through September 30, 2023. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. The scope of this engagement does not include an analysis of the potential range of such measurements.

This report was based upon information furnished by the City and the Board concerning Fund benefits, financial transactions, plan provisions and active members, terminated members, retirees and beneficiaries. We checked for internal and year-to-year consistency, but did not audit the data. We are not responsible for the accuracy or completeness of the information provided by the City.

This report was prepared using certain assumptions prescribed by the Board as described in the actuarial valuation report dated March 8, 2024 and the GASB Statement No. 67 report dated March 1, 2024.

Note: As required in Section 112.664(c) of the Florida Statutes, the projections of the Fund assets on pages 5-8 do not include contributions from the employer, employee or state. For this reason, these projections should not be viewed as a representation of the amount of time the Fund can sustain benefit payments. Under the GASB standards which do include contributions from the employer, employee and State, the Fund is expected to be able to sustain the benefit payment demands in the near-term and long-term future.

We understand the following items must be posted on the Fund's website and must be posted on any website containing budget information relating to the City or actuarial or performance information relating to the System:

- This compliance report;
- The most recent financial statement;
- The most recent actuarial valuation report;
- A link to the Division of Retirement Actuarial Summary Fact Sheet;
- For the previous five years: a side-by-side comparison of the System's assumed rate of return compared to the actual rate of return as well as the percentages of cash, equity, bond and alternative investments in the Fund portfolio; and
- The Fund's funded ratio as determined in the most recent actuarial valuation.

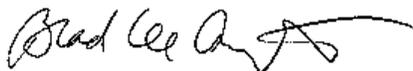
This report was prepared using our proprietary valuation model and related software which, in our professional judgment, has the capability to provide results that are consistent with the purposes of the valuation and has no material limitations or known weaknesses. We performed tests to ensure that the model reasonably represents that which is intended to be modeled.

This report has been prepared by actuaries who have substantial experience valuing public employee retirement systems. To the best of our knowledge the information contained in this report is accurate and fairly presents the actuarial position of the Pension Fund as of the valuation date. All calculations have been made in conformity with generally accepted actuarial principles and practices, with the Actuarial Standards of Practice issued by the Actuarial Standards Board and with applicable statutes. The signing actuaries are independent of the plan sponsor.

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 the signed actuaries or under their direct supervision, and they acknowledge responsibility for the results. To the best of their knowledge, the results are complete and accurate, and in their opinion, meet the requirements of Section 112.664(1), F.S. and Section 60T-1.0035, F.A.C.

Brad Lee Armstrong and Jeffrey T. Tebeau are Members of the American Academy of Actuaries (MAAA) and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

Respectfully submitted,  
Gabriel, Roeder, Smith & Company



Brad L. Armstrong, ASA, EA, FCA, MAAA



Jeffrey T. Tebeau, FSA, EA, FCA, MAAA

BLA/JTT:dj



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**Schedule of Changes in the Employers' Net Pension Liability  
Using Financial Reporting Assumptions per GASB Statement No. 67**

Fiscal year ending September 30,	<u>2023</u>
<b>1. Total pension liability</b>	
a. Service Cost	\$ -
b. Interest	11,563,099
c. Benefit Changes	-
d. Difference between actual & expected experience	2,366,339
e. Assumption Changes	2,569,674
f. Benefit Payments	(13,408,919)
g. Contribution Refunds	-
<b>h. Net Change in Total Pension Liability</b>	<u>3,090,193</u>
<b>i. Total Pension Liability - Beginning</b>	<u>175,508,829</u>
<b>j. Total Pension Liability - Ending</b>	<u><u>\$ 178,599,022</u></u>
 <b>2. Plan Fiduciary Net Position</b>	
a. Contributions - Employer	\$ 1,200,824
b. Contributions - Non-Employer Contributing Entity	587,911
c. Contributions - Member	-
d. Net Investment Income	13,959,575
e. Benefit Payments	(13,408,919)
f. Contribution Refunds	-
g. Administrative Expense	(271,606)
h. Other - Includes Share Accounts/Reserve	(211,157)
<b>i. Net Change in Plan Fiduciary Net Position</b>	<u>1,856,628</u>
<b>j. Plan Fiduciary Net Position - Beginning</b>	<u>157,306,522</u>
<b>k. Plan Fiduciary Net Position - Ending</b>	<u><u>\$ 159,163,150</u></u>
 <b>3. Net Pension Liability / (Asset)</b>	 \$ 19,435,872

**Certain Key Assumptions**

Investment Return Assumption	6.70%
Mortality Table	Pub-2010 FRS Mandated Mortality Tables



**Schedule of Changes in the Employers' Net Pension Liability  
Using Assumptions required under 112.664(1)(a), F.S.**

Fiscal year ending September 30,

**1. Total pension liability**

**2023**

a. Service Cost	\$ -
b. Interest	11,728,842
c. Benefit Changes	-
d. Difference between actual & expected experience	2,010,845
e. Assumption Changes	2,605,100
f. Benefit Payments	(13,408,919)
g. Contribution Refunds	-
<b>h. Net Change in Total Pension Liability</b>	<b>2,935,868</b>
<b>i. Total Pension Liability - Beginning</b>	<b>177,928,437</b>
<b>j. Total Pension Liability - Ending</b>	<b>\$ 180,864,305</b>

**2. Plan Fiduciary Net Position**

a. Contributions - Employer	\$ 1,200,824
b. Contributions - Non-Employer Contributing Entity	587,911
c. Contributions - Member	-
d. Net Investment Income	13,959,575
e. Benefit Payments	(13,408,919)
f. Contribution Refunds	-
g. Administrative Expense	(271,606)
h. Other - Includes Share Accounts/Reserve	(211,157)
<b>i. Net Change in Plan Fiduciary Net Position</b>	<b>1,856,628</b>
<b>j. Plan Fiduciary Net Position - Beginning</b>	<b>157,306,522</b>
<b>k. Plan Fiduciary Net Position - Ending</b>	<b>\$ 159,163,150</b>

**3. Net Pension Liability / (Asset)**

\$ 21,701,155

**Certain Key Assumptions**

Investment Return Assumption

6.70%

Mortality Table

RP-2000 fully generational  
using Scale AA



**Schedule of Changes in the Employers' Net Pension Liability  
Using Assumptions required under 112.664(1)(b), F.S.**

Fiscal year ending September 30,

**1. Total pension liability**

	<u>2023</u>
a. Service Cost	\$ -
b. Interest	10,335,225
c. Benefit Changes	-
d. Difference between actual & expected experience	2,833,579
e. Assumption Changes	3,218,181
f. Benefit Payments	(13,408,919)
g. Contribution Refunds	-
<b>h. Net Change in Total Pension Liability</b>	<u>2,978,066</u>
<b>i. Total Pension Liability - Beginning</b>	<u>219,801,875</u>
<b>j. Total Pension Liability - Ending</b>	<u><u>\$ 222,779,941</u></u>

**2. Plan Fiduciary Net Position**

a. Contributions - Employer	\$ 1,200,824
b. Contributions - Non-Employer Contributing Entity	587,911
c. Contributions - Member	-
d. Net Investment Income	13,959,575
e. Benefit Payments	(13,408,919)
f. Contribution Refunds	-
g. Administrative Expense	(271,606)
h. Other - Includes Share Accounts/Reserve	<u>(211,157)</u>
<b>i. Net Change in Plan Fiduciary Net Position</b>	<u>1,856,628</u>
<b>j. Plan Fiduciary Net Position - Beginning</b>	<u>157,306,522</u>
<b>k. Plan Fiduciary Net Position - Ending</b>	<u><u>\$ 159,163,150</u></u>

**3. Net Pension Liability / (Asset)**

\$ 63,616,791

**Certain Key Assumptions**

Investment Return Assumption

4.70%

Mortality Table

RP-2000 fully generational  
using Scale AA



**Schedule of Changes in the Employers' Net Pension Liability  
Using Assumptions required under 112.664(1)(b), F.S.  
Except 2% Higher Investment Return Assumption**

Fiscal year ending September 30,	<b>2023</b>
<b>1. Total pension liability</b>	
a. Service Cost	\$ -
b. Interest	12,522,632
c. Benefit Changes	-
d. Difference between actual & expected experience	1,486,535
e. Assumption Changes	2,169,884
f. Benefit Payments	(13,408,919)
g. Contribution Refunds	-
<b>h. Net Change in Total Pension Liability</b>	2,770,132
<b>i. Total Pension Liability - Beginning</b>	148,203,125
<b>j. Total Pension Liability - Ending</b>	\$ 150,973,257
 <b>2. Plan Fiduciary Net Position</b>	
a. Contributions - Employer	\$ 1,200,824
b. Contributions - Non-Employer Contributing Entity	587,911
c. Contributions - Member	-
d. Net Investment Income	13,959,575
e. Benefit Payments	(13,408,919)
f. Contribution Refunds	-
g. Administrative Expense	(271,606)
h. Other - Includes Share Accounts/Reserve	(211,157)
<b>i. Net Change in Plan Fiduciary Net Position</b>	1,856,628
<b>j. Plan Fiduciary Net Position - Beginning</b>	157,306,522
<b>k. Plan Fiduciary Net Position - Ending</b>	\$ 159,163,150
 <b>3. Net Pension Liability / (Asset)</b>	\$ (8,189,893)
 <b>Certain Key Assumptions</b>	
Investment Return Assumption	8.70%
Mortality Table	RP-2000 fully generational using Scale AA



**Asset and Benefit Payment Projection**  
**Not Reflecting Any Contributions from the Employer, State or Employee**  
**Using Financial Reporting Assumptions per GASB Statement No. 67**

<b>FYE</b>	<b>Market Value of Assets (BOY)</b>	<b>Expected Investment Return</b>	<b>Projected Benefit Payments</b>	<b>Market Value of Assets (EOY)</b>
2024	\$ 158,659,588	\$ 10,188,432	\$ 13,186,864	\$ 155,661,157
2025	155,661,157	9,980,323	13,402,210	152,239,270
2026	152,239,270	9,744,546	13,596,563	148,387,253
2027	148,387,253	9,480,729	13,767,659	144,100,323
2028	144,100,323	9,188,624	13,913,360	139,375,587
2029	139,375,587	8,868,107	14,031,563	134,212,131
2030	134,212,131	8,519,186	14,120,205	128,611,112
2031	128,611,112	8,142,003	14,177,362	122,575,753
2032	122,575,753	7,736,832	14,201,303	116,111,281
2033	116,111,281	7,304,071	14,190,607	109,224,744
2034	109,224,744	6,844,224	14,144,281	101,924,688
2035	101,924,688	6,357,886	14,061,737	94,220,836
2036	94,220,836	5,845,720	13,942,569	86,123,987
2037	86,123,987	5,308,459	13,786,510	77,645,936
2038	77,645,936	4,746,900	13,593,368	68,799,469
2039	68,799,469	4,161,905	13,362,977	59,598,396
2040	59,598,396	3,554,395	13,095,457	50,057,334
2041	50,057,334	2,925,330	12,791,392	40,191,272
2042	40,191,272	2,275,680	12,451,802	30,015,150
2043	30,015,150	1,606,404	12,077,948	19,543,606
2044	19,543,606	918,434	11,671,276	8,790,763
2045	8,790,763	212,656	11,233,574	-
2046	-	-	10,767,058	-
2047	-	-	10,274,368	-
2048	-	-	9,758,670	-

Number of years for which current market value of assets are adequate to sustain the payment of expected retirement benefits reflecting no contributions from the Employer, Employee or State: 21.75

**Certain Key Assumptions**

Valuation Investment Return Assumption 6.70%  
 Valuation Mortality Table Pub-2010 FRS Mandated Mortality Tables

Share Accounts are excluded from the Market Value of Assets for the purpose of this projection.



**Asset and Benefit Payment Projection**  
**Not Reflecting Any Contributions from the Employer, State or Employee**  
**Using Assumptions Required under 112.664(1)(a), F.S.**

<b>FYE</b>	<b>Market Value of Assets (BOY)</b>	<b>Expected Investment Return</b>	<b>Projected Benefit Payments</b>	<b>Market Value of Assets (EOY)</b>
2024	\$ 158,659,588	\$ 10,188,094	\$ 13,196,955	\$ 155,650,727
2025	155,650,727	9,978,536	13,434,705	152,194,558
2026	152,194,558	9,739,619	13,654,211	148,279,967
2027	148,279,967	9,470,666	13,853,498	143,897,134
2028	143,897,134	9,171,093	14,030,309	139,037,918
2029	139,037,918	8,840,432	14,182,337	133,696,013
2030	133,696,013	8,478,355	14,306,799	127,867,569
2031	127,867,569	8,084,724	14,400,095	121,552,197
2032	121,552,197	7,659,625	14,458,882	114,752,940
2033	114,752,940	7,203,340	14,480,795	107,475,485
2034	107,475,485	6,716,315	14,463,962	99,727,838
2035	99,727,838	6,199,143	14,406,640	91,520,341
2036	91,520,341	5,652,528	14,308,503	82,864,365
2037	82,864,365	5,077,249	14,169,050	73,772,565
2038	73,772,565	4,474,173	13,987,741	64,258,996
2039	64,258,996	3,844,205	13,765,594	54,337,607
2040	54,337,607	3,188,265	13,503,127	44,022,745
2041	44,022,745	2,507,294	13,200,880	33,329,159
2042	33,329,159	1,802,293	12,858,531	22,272,921
2043	22,272,921	1,074,342	12,475,923	10,871,340
2044	10,871,340	324,537	12,055,010	-
2045	-	-	11,595,527	-
2046	-	-	11,098,232	-
2047	-	-	10,566,028	-
2048	-	-	9,998,972	-

Number of years for which current market value of assets are adequate to sustain the payment of expected retirement benefits reflecting no contributions from the Employer, Employee or State: 20.92

**Certain Key Assumptions**

Valuation Investment Return Assumption 6.70%  
 Valuation Mortality Table RP-2000 fully generational using Scale AA

Share Accounts are excluded from the Market Value of Assets for the purpose of this projection.



**Asset and Benefit Payment Projection**  
**Not Reflecting Any Contributions from the Employer, State or Employee**  
**Using Assumptions Required under 112.664(1)(b), F.S.**

<b>FYE</b>	<b>Market Value of Assets (BOY)</b>	<b>Expected Investment Return</b>	<b>Projected Benefit Payments</b>	<b>Market Value of Assets (EOY)</b>
2024	\$ 158,659,588	\$ 7,146,872	\$ 13,196,955	\$ 152,609,505
2025	152,609,505	6,856,931	13,434,705	146,031,731
2026	146,031,731	6,542,617	13,654,211	138,920,138
2027	138,920,138	6,203,689	13,853,498	131,270,329
2028	131,270,329	5,839,993	14,030,309	123,080,013
2029	123,080,013	5,451,476	14,182,337	114,349,151
2030	114,349,151	5,038,200	14,306,799	105,080,552
2031	105,080,552	4,600,384	14,400,095	95,280,841
2032	95,280,841	4,138,416	14,458,882	84,960,375
2033	84,960,375	3,652,839	14,480,795	74,132,419
2034	74,132,419	3,144,321	14,463,962	62,812,777
2035	62,812,777	2,613,644	14,406,640	51,019,782
2036	51,019,782	2,061,680	14,308,503	38,772,958
2037	38,772,958	1,489,356	14,169,050	26,093,265
2038	26,093,265	897,672	13,987,741	13,003,195
2039	13,003,195	287,659	13,765,594	-
2040	-	-	13,503,127	-
2041	-	-	13,200,880	-
2042	-	-	12,858,531	-
2043	-	-	12,475,923	-
2044	-	-	12,055,010	-
2045	-	-	11,595,527	-
2046	-	-	11,098,232	-
2047	-	-	10,566,028	-
2048	-	-	9,998,972	-

Number of years for which current market value of assets are adequate to sustain the payment of expected retirement benefits reflecting no contributions from the Employer, Employee or State: 15.92

**Certain Key Assumptions**

Valuation Investment Return Assumption 4.70%  
 Valuation Mortality Table RP-2000 fully generational using Scale AA

Share Accounts are excluded from the Market Value of Assets for the purpose of this projection.



**Asset and Benefit Payment Projection**  
**Not Reflecting Any Contributions from the Employer, State or Employee**  
**Using Assumptions required under 112.664(1)(b), F.S.**  
**Except 2% Higher Investment Return Assumption**

<b>FYE</b>	<b>Market Value of Assets (BOY)</b>	<b>Expected Investment Return</b>	<b>Projected Benefit Payments</b>	<b>Market Value of Assets (EOY)</b>
2024	\$ 158,659,588	\$ 13,229,317	\$ 13,196,955	\$ 158,691,949
2025	158,691,949	13,221,790	13,434,705	158,479,034
2026	158,479,034	13,193,718	13,654,211	158,018,542
2027	158,018,542	13,144,986	13,853,498	157,310,029
2028	157,310,029	13,075,654	14,030,309	156,355,374
2029	156,355,374	12,985,986	14,182,337	155,159,023
2030	155,159,023	12,876,489	14,306,799	153,728,713
2031	153,728,713	12,747,994	14,400,095	152,076,611
2032	152,076,611	12,601,704	14,458,882	150,219,433
2033	150,219,433	12,439,176	14,480,795	148,177,814
2034	148,177,814	12,262,287	14,463,962	145,976,139
2035	145,976,139	12,073,235	14,406,640	143,642,735
2036	143,642,735	11,874,498	14,308,503	141,208,729
2037	141,208,729	11,668,806	14,169,050	138,708,486
2038	138,708,486	11,459,172	13,987,741	136,179,916
2039	136,179,916	11,248,849	13,765,594	133,663,171
2040	133,663,171	11,041,310	13,503,127	131,201,353
2041	131,201,353	10,840,279	13,200,880	128,840,753
2042	128,840,753	10,649,799	12,858,531	126,632,021
2043	126,632,021	10,474,283	12,475,923	124,630,381
2044	124,630,381	10,318,450	12,055,010	122,893,822
2045	122,893,822	10,187,357	11,595,527	121,485,652
2046	121,485,652	10,086,479	11,098,232	120,473,898
2047	120,473,898	10,021,607	10,566,028	119,929,477
2048	119,929,477	9,998,909	9,998,972	119,929,415

Number of years for which current market value of assets are adequate to sustain the payment of expected retirement benefits reflecting no contributions from the Employer, Employee or State: N/A\*

**Certain Key Assumptions**

Valuation Investment Return Assumption 8.70%

Valuation Mortality Table RP-2000 fully generational using Scale AA

\* The Pension Fund is not projected to run out of money under these assumptions.

Share Accounts are excluded from the Market Value of Assets for the purpose of this projection.



**ACTUARIALLY DETERMINED CONTRIBUTION**

	GASB No. 67 Assumptions	112.664(1)(a) F.S. Assumptions	112.664(1)(b) F.S. Assumptions	112.664(1)(b) F.S. Except 2% Higher Investment Return Assumption
A. Valuation Date	September 30, 2023	September 30, 2023	September 30, 2023	September 30, 2023
B. Actuarial Determined Contribution (ADC) to Be Paid During Fiscal Year Ending	9/30/2025	9/30/2025	9/30/2025	9/30/2025
C. Assumed Dates of Employer Contributions	Bi-Weekly	Bi-Weekly	Bi-Weekly	Bi-Weekly
D. Annual Payment to Amortize Unfunded Actuarial Liability	\$ 1,560,992	\$ 1,809,548	\$ 6,790,014	\$ -
E. Total Normal Cost	<u>1,178,691</u>	<u>1,178,691</u>	<u>1,178,691</u>	<u>1,178,691</u>
F. ADC: D + E	\$ 2,739,683	\$ 2,988,239	\$ 7,968,705	\$ 1,178,691
G. As a % of Covered Payroll	0.00 %	0.00 %	0.00 %	0.00 %
H. Assumed Rate of Increase in Covered Payroll to Contribution Year	0.00 %	0.00 %	0.00 %	0.00 %
I. Covered Payroll for Contribution Year	\$ -	\$ -	\$ -	\$ -
J. ADC for Contribution Year: G x I	2,739,683	2,988,239	7,968,705	1,178,691
K. Allowable Credit for State Revenue in Contribution Year	292,389	292,389	292,389	292,389
L. Plan Funding Reserve	63,116	63,116	63,116	63,116
M. Member Contributions	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
N. Employer ADC in Contribution Year	\$ 2,384,178	\$ 2,632,734	\$ 7,613,200	\$ 823,186
O. Employer ADC as % of Covered Payroll in Contribution Year: M ÷ I	0.00 %	0.00 %	0.00 %	0.00 %
P. Certain Key Assumptions				
Q. Investment Return Assumption	6.70%	6.70%	4.70%	8.70%
Mortality Table	Pub-2010 FRS Mandated Mortality Tables	RP-2000 fully generational using Scale AA	RP-2000 fully generational using Scale AA	RP-2000 fully generational using Scale AA

