

CITY OF DUNEDIN
FIREFIGHTERS' RETIREMENT SYSTEM

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



June 11, 2024

VIA E-MAIL

Mr. Pat Kroeger, Plan Administrator
City of Dunedin
Firefighters' Retirement System
P.O. Box 548
Palm Harbor, FL 34682

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

Dear Pat:

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, EA, ASA, MAAA
Enrolled Actuary #23-6595

Enclosures

cc via email: Scott Christiansen, 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
	7.25%	5.25%	9.25%
Discount Rate:	7.25%	5.25%	9.25%
<u>Total Pension Liability</u>			
Service Cost	801,990	1,229,152	542,050
Interest	2,693,960	2,447,822	2,825,665
Share Plan Allocation	115,488	115,488	115,488
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	637,306	909,810	474,278
Changes of Assumptions	-	-	-
Contributions - Buy Back	56,250	56,250	56,250
Benefit Payments, Including Refunds of Employee Contributions	(2,346,430)	(2,346,430)	(2,346,430)
Net Change in Total Pension Liability	1,958,564	2,412,092	1,667,301
Total Pension Liability - Beginning	37,529,297	46,569,241	31,178,899
Total Pension Liability - Ending (a)	\$ 39,487,861	\$ 48,981,333	\$ 32,846,200
<u>Plan Fiduciary Net Position</u>			
Contributions - Employer	560,275	560,275	560,275
Contributions - State	437,034	437,034	437,034
Contributions - Employee	184,208	184,208	184,208
Contributions - Buy Back	56,250	56,250	56,250
Net Investment Income	3,069,334	3,069,334	3,069,334
Benefit Payments, Including Refunds of Employee Contributions	(2,346,430)	(2,346,430)	(2,346,430)
Administrative Expenses	(110,719)	(110,719)	(110,719)
Net Change in Plan Fiduciary Net Position	1,849,952	1,849,952	1,849,952
Plan Fiduciary Net Position - Beginning	31,388,683	31,388,683	31,388,683
Plan Fiduciary Net Position - Ending (b)	\$ 33,238,635	\$ 33,238,635	\$ 33,238,635
Net Pension Liability - Ending (a) - (b)	\$ 6,249,226	\$ 15,742,698	\$ (392,435)

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
2023	33,220,733	-	3,788,815	-	2,271,159	31,703,077
2024	31,703,077	-	2,681,904	-	2,201,254	31,222,427
2025	31,222,427	-	2,808,151	-	2,161,830	30,576,106
2026	30,576,106	-	2,912,384	-	2,111,194	29,774,916
2027	29,774,916	-	2,948,588	-	2,051,795	28,878,123
2028	28,878,123	-	2,960,633	-	1,986,341	27,903,831
2029	27,903,831	-	3,034,753	-	1,913,018	26,782,096
2030	26,782,096	-	3,040,761	-	1,831,474	25,572,809
2031	25,572,809	-	3,033,461	-	1,744,066	24,283,414
2032	24,283,414	-	3,011,005	-	1,651,399	22,923,808
2033	22,923,808	-	3,027,413	-	1,552,232	21,448,627
2034	21,448,627	-	3,017,202	-	1,445,652	19,877,077
2035	19,877,077	-	2,973,508	-	1,333,298	18,236,867
2036	18,236,867	-	2,927,221	-	1,216,061	16,525,707
2037	16,525,707	-	2,885,043	-	1,093,531	14,734,195
2038	14,734,195	-	2,859,577	-	964,569	12,839,187
2039	12,839,187	-	2,811,829	-	828,912	10,856,270
2040	10,856,270	-	2,760,982	-	686,994	8,782,282
2041	8,782,282	-	2,708,935	-	538,517	6,611,864
2042	6,611,864	-	2,661,148	-	382,894	4,333,610
2043	4,333,610	-	2,610,482	-	219,557	1,942,685
2044	1,942,685	-	2,550,931	-	-	-

*All DROP and Share Balances paid in 2023.

Number of Years Expected Benefit Payments Sustained: 21.76

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
2023	33,220,733	-	3,788,815	-	1,644,632	31,076,550
2024	31,076,550	-	2,681,904	-	1,561,119	29,955,765
2025	29,955,765	-	2,808,151	-	1,498,964	28,646,578
2026	28,646,578	-	2,912,384	-	1,427,495	27,161,689
2027	27,161,689	-	2,948,588	-	1,348,588	25,561,689
2028	25,561,689	-	2,960,633	-	1,264,272	23,865,328
2029	23,865,328	-	3,034,753	-	1,173,267	22,003,842
2030	22,003,842	-	3,040,761	-	1,075,382	20,038,463
2031	20,038,463	-	3,033,461	-	972,391	17,977,393
2032	17,977,393	-	3,011,005	-	864,774	15,831,162
2033	15,831,162	-	3,027,413	-	751,666	13,555,415
2034	13,555,415	-	3,017,202	-	632,458	11,170,671
2035	11,170,671	-	2,973,508	-	508,406	8,705,569
2036	8,705,569	-	2,927,221	-	380,203	6,158,551
2037	6,158,551	-	2,885,043	-	247,592	3,521,100
2038	3,521,100	-	2,859,577	-	109,794	771,317
2039	771,317	-	2,811,829	-	-	-

*All DROP and Share Balances paid in 2023.

Number of Years Expected Benefit Payments Sustained: 16.27

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
2023	33,220,733	-	3,788,815	-	2,897,685	32,329,603
2024	32,329,603	-	2,681,904	-	2,866,450	32,514,149
2025	32,514,149	-	2,808,151	-	2,877,682	32,583,680
2026	32,583,680	-	2,912,384	-	2,879,293	32,550,589
2027	32,550,589	-	2,948,588	-	2,874,557	32,476,558
2028	32,476,558	-	2,960,633	-	2,867,152	32,383,077
2029	32,383,077	-	3,034,753	-	2,855,077	32,203,401
2030	32,203,401	-	3,040,761	-	2,838,179	32,000,819
2031	32,000,819	-	3,033,461	-	2,819,778	31,787,136
2032	31,787,136	-	3,011,005	-	2,801,051	31,577,182
2033	31,577,182	-	3,027,413	-	2,780,871	31,330,640
2034	31,330,640	-	3,017,202	-	2,758,539	31,071,977
2035	31,071,977	-	2,973,508	-	2,736,633	30,835,102
2036	30,835,102	-	2,927,221	-	2,716,863	30,624,744
2037	30,624,744	-	2,885,043	-	2,699,356	30,439,057
2038	30,439,057	-	2,859,577	-	2,683,357	30,262,837
2039	30,262,837	-	2,811,829	-	2,669,265	30,120,273
2040	30,120,273	-	2,760,982	-	2,658,430	30,017,721
2041	30,017,721	-	2,708,935	-	2,651,351	29,960,137
2042	29,960,137	-	2,661,148	-	2,648,235	29,947,224
2043	29,947,224	-	2,610,482	-	2,649,383	29,986,125
2044	29,986,125	-	2,550,931	-	2,655,736	30,090,930
2045	30,090,930	-	2,492,663	-	2,668,125	30,266,392
2046	30,266,392	-	2,430,440	-	2,687,233	30,523,185
2047	30,523,185	-	2,365,164	-	2,714,006	30,872,027
2048	30,872,027	-	2,296,566	-	2,749,446	31,324,907
2049	31,324,907	-	2,222,794	-	2,794,750	31,896,863
2050	31,896,863	-	2,147,459	-	2,851,140	32,600,544
2051	32,600,544	-	2,070,245	-	2,919,801	33,450,100
2052	33,450,100	-	1,990,987	-	3,002,051	34,461,164
2053	34,461,164	-	1,909,842	-	3,099,327	35,650,649
2054	35,650,649	-	1,827,143	-	3,213,180	37,036,686
2055	37,036,686	-	1,742,936	-	3,345,283	38,639,033
2056	38,639,033	-	1,657,425	-	3,497,455	40,479,063
2057	40,479,063	-	1,571,047	-	3,671,652	42,579,668
2058	42,579,668	-	1,484,176	-	3,869,976	44,965,468
2059	44,965,468	-	1,397,135	-	4,094,688	47,663,021
2060	47,663,021	-	1,310,219	-	4,348,232	50,701,034
2061	50,701,034	-	1,223,965	-	4,633,237	54,110,306
2062	54,110,306	-	1,138,927	-	4,952,528	57,923,907
2063	57,923,907	-	1,055,614	-	5,309,139	62,177,432
2064	62,177,432	-	974,474	-	5,706,343	66,909,301
2065	66,909,301	-	895,905	-	6,147,675	72,161,071
2066	72,161,071	-	820,219	-	6,636,964	77,977,816
2067	77,977,816	-	747,695	-	7,178,367	84,408,488
2068	84,408,488	-	678,543	-	7,776,403	91,506,348
2069	91,506,348	-	612,942	-	8,435,989	99,329,395
2070	99,329,395	-	551,062	-	9,162,482	107,940,815
2071	107,940,815	-	493,042	-	9,961,722	117,409,495
2072	117,409,495	-	438,968	-	10,840,076	127,810,603
2073	127,810,603	-	388,821	-	11,804,498	139,226,280
2074	139,226,280	-	342,526	-	12,862,589	151,746,343

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
2075	151,746,343	-	299,991	-	14,022,662	165,469,014
2076	165,469,014	-	261,152	-	15,293,806	180,501,668
2077	180,501,668	-	225,931	-	16,685,955	196,961,692
2078	196,961,692	-	194,195	-	18,209,975	214,977,472
2079	214,977,472	-	165,797	-	19,877,748	234,689,423
2080	234,689,423	-	140,576	-	21,702,270	256,251,117
2081	256,251,117	-	118,354	-	23,697,754	279,830,517
2082	279,830,517	-	98,921	-	25,879,748	305,611,344
2083	305,611,344	-	82,067	-	28,265,254	333,794,531
2084	333,794,531	-	67,586	-	30,872,868	364,599,813
2085	364,599,813	-	55,273	-	33,722,926	398,267,466
2086	398,267,466	-	44,910	-	36,837,664	435,060,220
2087	435,060,220	-	36,266	-	40,241,393	475,265,347
2088	475,265,347	-	29,116	-	43,960,698	519,196,929
2089	519,196,929	-	23,248	-	48,024,641	567,198,322
2090	567,198,322	-	18,471	-	52,464,991	619,644,842
2091	619,644,842	-	14,607	-	57,316,472	676,946,707
2092	676,946,707	-	11,497	-	62,617,039	739,552,249
2093	739,552,249	-	9,010	-	68,408,166	807,951,405
2094	807,951,405	-	7,032	-	74,735,180	882,679,553
2095	882,679,553	-	5,463	-	81,647,606	964,321,696
2096	964,321,696	-	4,223	-	89,199,562	1,053,517,035
2097	1,053,517,035	-	3,245	-	97,450,176	1,150,963,966
2098	1,150,963,966	-	2,477	-	106,464,052	1,257,425,541
2099	1,257,425,541	-	1,876	-	116,311,776	1,373,735,441
2100	1,373,735,441	-	1,410	-	127,070,463	1,500,804,494
2101	1,500,804,494	-	1,050	-	138,824,367	1,639,627,811
2102	1,639,627,811	-	775	-	151,665,537	1,791,292,573
2103	1,791,292,573	-	565	-	165,694,537	1,956,986,545
2104	1,956,986,545	-	408	-	181,021,237	2,138,007,374
2105	2,138,007,374	-	290	-	197,765,669	2,335,772,753
2106	2,335,772,753	-	203	-	216,058,970	2,551,831,520
2107	2,551,831,520	-	140	-	236,044,409	2,787,875,789
2108	2,787,875,789	-	95	-	257,878,506	3,045,754,200
2109	3,045,754,200	-	64	-	281,732,261	3,327,486,397
2110	3,327,486,397	-	42	-	307,792,490	3,635,278,845
2111	3,635,278,845	-	27	-	336,263,292	3,971,542,110
2112	3,971,542,110	-	17	-	367,367,644	4,338,909,737
2113	4,338,909,737	-	10	-	401,349,150	4,740,258,877
2114	4,740,258,877	-	6	-	438,473,946	5,178,732,817
2115	5,178,732,817	-	4	-	479,032,785	5,657,765,598
2116	5,657,765,598	-	2	-	523,343,318	6,181,108,914
2117	6,181,108,914	-	1	-	571,752,574	6,752,861,487

*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 9.25% 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, 2025

Valuation Date: 10/1/2023

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>	<u>HYPOTHETICAL</u>
Investment Rate of Return:	7.25%	5.25%	9.25%
Minimum Required Contribution (Fixed \$)	\$1,493,720	\$2,564,171	\$696,042
Minimum Required Contribution (% of Payroll)	40.3%	69.2%	18.9%
Expected Member Contribution	210,943	208,907	212,978
Expected State Money	321,546	321,546	321,546
Expected Sponsor Contribution (Fixed \$)	\$961,231	\$2,033,718	\$161,518
Expected Sponsor Contribution (% of Payroll)	25.6%	54.5%	4.2%

ASSETS

Actuarial Value ¹	35,757,155	35,757,155	35,757,155
Market Value ¹	33,220,733	33,220,733	33,220,733

LIABILITIES

Present Value of Benefits			
Actives			
Retirement Benefits	16,872,419	24,882,449	12,128,436
Disability Benefits	985,213	1,400,305	725,136
Death Benefits	224,745	331,820	161,716
Vested Benefits	206,967	352,717	127,472
Refund of Contributions	110,112	116,336	104,488
Service Retirees	19,258,356	23,500,971	16,268,686
DROP Retirees ¹	4,554,194	5,466,119	3,924,462
Beneficiaries	1,593,206	1,895,357	1,370,024
Disability Retirees	1,796,206	2,144,824	1,545,959
Terminated Vested	947,368	1,262,115	741,377
Share Plan Balances ¹	350,459	350,459	350,459
Total:	<u>46,899,245</u>	<u>61,703,472</u>	<u>37,448,215</u>
Present Value of Future Salaries	29,504,996	33,728,191	26,193,038
Present Value of Future Member Contributions	1,622,775	1,855,051	1,440,617
Total Normal Cost	800,041	1,238,016	534,615
Present Value of Future Normal Costs (Entry Age Normal)	6,682,740	11,857,814	3,952,525
Total Actuarial Accrued Liability (EAN) ¹	40,216,505	49,845,658	33,495,690
Unfunded Actuarial Accrued Liability (UAAL)	4,459,350	14,088,503	(2,261,465)

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:	7.25%	5.25%	9.25%
<u>PENSION COST</u>			
Normal Cost ²	875,054	1,341,027	590,384
Administrative Expenses ²	104,648	103,638	105,658
Payment Required To Amortize UAAL ²	<u>514,018</u>	<u>1,119,506</u>	<u>(101,623)</u>
Minimum Required Contribution ³	\$1,493,720	\$2,564,171	\$696,042

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.

³ Reflects normal cost minimum funding requirements of Chapter 112, Florida Statutes.