

CITY OF TAMPA
PENSION FUND FOR
FIREFIGHTERS AND POLICE OFFICERS

SECTION 112.664, FLORIDA STATUTES COMPLIANCE

DETERMINED AS OF THE
OCTOBER 1, 2019 VALUATION DATE

July 14, 2020

VIA EMAIL

Ms. Tiffany Ernst, Plan Administrator
The City of Tampa Pension Fund for Firefighters and Police Officers
3001 North Boulevard
Tampa, FL 33603

Re: City of Tampa Pension Fund for Firefighters and Police Officers
Section 112.664, Florida Statutes Compliance

Dear Tiffany:

Please find enclosed the annual disclosures that satisfy the October 1, 2019 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.

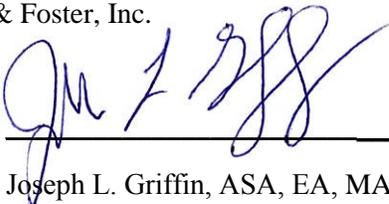
In addition to the enclosed report, the Plan or Plan Sponsor's website must provide a link to the Division of Retirement's Actuarial Summary Fact Sheet for the Plan, and also report the previous five years' assumed and actual rates of return, along with their respective asset allocations. The Board should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

Joseph L. Griffin, ASA, EA, MAAA
Enrolled Actuary #20-6938

cc via email: Stu Kaufman, Board Attorney
cc via email: Tiffany Corry, Assistant Plan Administrator

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 GASB 67/68 results for the Base and DROP accounts only, which is consistent with the development of funding requirements under Florida Statute. 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, 2018 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, 2019

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>
	8.50% RP-2000 Generational	6.50% RP-2000 Generational
<u>Total Pension Liability</u>		
Service Cost	30,222,053	44,927,812
Interest	111,600,642	106,361,309
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience	(8,831,900)	(8,910,881)
Changes of Assumptions	-	-
Contributions - Buy Back	1,029,427	1,029,427
Benefit Payments, Including Refunds of Employee Contributions	(87,889,494)	(87,889,494)
Net Change in Total Pension Liability	46,130,728	55,518,173
Total Pension Liability - Beginning	1,326,671,419	1,635,344,769
Total Pension Liability - Ending (a)	<u>\$ 1,372,802,147</u>	<u>\$ 1,690,862,942</u>
<u>Plan Fiduciary Net Position</u>		
Contributions - Employer	16,182,001	16,182,001
Contributions - State	7,008,388	7,008,388
Contributions - Employee	12,076,120	12,076,120
Contributions - Buy Back	1,029,427	1,029,427
Net Investment Income	80,254,839	80,254,839
Benefit Payments, Including Refunds of Employee Contributions	(87,889,494)	(87,889,494)
Administrative Expenses	(2,407,302)	(2,407,302)
Net Change in Plan Fiduciary Net Position	26,253,979	26,253,979
Plan Fiduciary Net Position - Beginning	1,241,867,283	1,241,867,283
Plan Fiduciary Net Position - Ending (b)	<u>\$ 1,268,121,262</u>	<u>\$ 1,268,121,262</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 104,680,885</u>	<u>\$ 422,741,680</u>

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1
Plan Assumptions: 8.50% and RP-2000 Generational Mortality

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
2019	1,268,121,262	-	140,936,580	-	101,800,503	1,228,985,185
2020	1,228,985,185	-	93,380,092	-	100,495,087	1,236,100,180
2021	1,236,100,180	-	96,680,309	-	100,959,602	1,240,379,473
2022	1,240,379,473	-	99,853,266	-	101,188,491	1,241,714,698
2023	1,241,714,698	-	103,058,904	-	101,165,746	1,239,821,540
2024	1,239,821,540	-	105,964,418	-	100,881,343	1,234,738,465
2025	1,234,738,465	-	108,585,405	-	100,337,890	1,226,490,950
2026	1,226,490,950	-	111,010,106	-	99,533,801	1,215,014,645
2027	1,215,014,645	-	113,130,604	-	98,468,194	1,200,352,235
2028	1,200,352,235	-	114,808,437	-	97,150,581	1,182,694,379
2029	1,182,694,379	-	115,996,980	-	95,599,151	1,162,296,550
2030	1,162,296,550	-	116,842,510	-	93,829,400	1,139,283,440
2031	1,139,283,440	-	117,382,572	-	91,850,333	1,113,751,201
2032	1,113,751,201	-	117,659,555	-	89,668,321	1,085,759,967
2033	1,085,759,967	-	117,639,604	-	87,289,914	1,055,410,277
2034	1,055,410,277	-	117,336,973	-	84,723,052	1,022,796,356
2035	1,022,796,356	-	116,758,265	-	81,975,464	988,013,555
2036	988,013,555	-	115,918,788	-	79,054,604	951,149,371
2037	951,149,371	-	114,836,264	-	75,967,155	912,280,262
2038	912,280,262	-	113,506,663	-	72,719,789	871,493,388
2039	871,493,388	-	111,988,234	-	69,317,438	828,822,592
2040	828,822,592	-	110,311,789	-	65,761,669	784,272,472
2041	784,272,472	-	108,499,422	-	62,051,935	737,824,985
2042	737,824,985	-	106,563,119	-	58,186,191	689,448,057
2043	689,448,057	-	104,512,808	-	54,161,291	639,096,540
2044	639,096,540	-	102,353,826	-	49,973,168	586,715,882
2045	586,715,882	-	100,095,465	-	45,616,793	532,237,210
2046	532,237,210	-	97,741,329	-	41,086,156	475,582,037
2047	475,582,037	-	95,292,028	-	36,374,562	416,664,571
2048	416,664,571	-	92,749,749	-	31,474,624	355,389,446
2049	355,389,446	-	90,111,759	-	26,378,353	291,656,040
2050	291,656,040	-	87,377,582	-	21,077,216	225,355,674
2051	225,355,674	-	84,549,205	-	15,561,891	156,368,360
2052	156,368,360	-	81,631,113	-	9,821,988	84,559,235
2053	84,559,235	-	78,629,599	-	3,845,777	9,775,413
2054	9,775,413	-	75,554,505	-	-	-

*All DROP Balances paid in 2019.

Number of Years Expected Benefit Payments Sustained: 35.13

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 8.50% 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: 6.50% and RP-2000 Generational Mortality

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
2019	1,268,121,262	-	140,936,580	-	77,847,443	1,205,032,125
2020	1,205,032,125	-	93,380,092	-	75,292,235	1,186,944,268
2021	1,186,944,268	-	96,680,309	-	74,009,267	1,164,273,226
2022	1,164,273,226	-	99,853,266	-	72,432,529	1,136,852,489
2023	1,136,852,489	-	103,058,904	-	70,545,997	1,104,339,582
2024	1,104,339,582	-	105,964,418	-	68,338,229	1,066,713,393
2025	1,066,713,393	-	108,585,405	-	65,807,345	1,023,935,333
2026	1,023,935,333	-	111,010,106	-	62,947,968	975,873,195
2027	975,873,195	-	113,130,604	-	59,755,013	922,497,604
2028	922,497,604	-	114,808,437	-	56,231,070	863,920,237
2029	863,920,237	-	115,996,980	-	52,384,914	800,308,171
2030	800,308,171	-	116,842,510	-	48,222,650	731,688,311
2031	731,688,311	-	117,382,572	-	43,744,807	658,050,546
2032	658,050,546	-	117,659,555	-	38,949,350	579,340,341
2033	579,340,341	-	117,639,604	-	33,833,835	495,534,572
2034	495,534,572	-	117,336,973	-	28,396,296	406,593,895
2035	406,593,895	-	116,758,265	-	22,633,960	312,469,590
2036	312,469,590	-	115,918,788	-	16,543,163	213,093,965
2037	213,093,965	-	114,836,264	-	10,118,929	108,376,630
2038	108,376,630	-	113,506,663	-	-	-

*All DROP Balances paid in 2019.

Number of Years Expected Benefit Payments Sustained: 19.95

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 6.50% 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, 2021

Valuation Date: 10/1/2019

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>
	8.50%	6.50%
	RP-2000	RP-2000
	Generational	Generational
Minimum Required Contribution (Fixed \$)	\$49,872,305	\$92,440,836
Minimum Required Contribution (% of Payroll)	36.64%	67.91%
Expected Member Contribution	18,317,913	36,509,593
Expected State Money	7,008,388	7,008,388
Expected Sponsor Contribution (Fixed \$)	\$24,546,004	\$48,922,855
Expected Sponsor Contribution (% of Payroll)	18.03%	35.94%

ASSETS

Actuarial Value ¹	1,305,479,692	1,305,479,692
Market Value ¹	1,268,121,262	1,268,121,262

LIABILITIES

Present Value of Benefits		
Active Members		
Retirement Benefits	635,130,644	940,729,039
Disability Benefits	61,331,309	82,494,582
Death Benefits	8,138,305	11,747,173
Vested Benefits	2,630,688	2,879,169
Service Retirees	671,935,563	813,310,105
DROP Retirees ¹	179,023,117	209,747,562
Beneficiaries	42,161,953	49,449,063
Disability Retirees	83,076,206	99,360,092
Terminated Vested	2,926,759	3,770,096
Excess State Monies Reserve	0	0
Total:	<u>1,686,354,544</u>	<u>2,213,486,881</u>
Present Value of Future Salaries	1,159,603,563	1,301,672,594
Total Normal Cost	34,513,036	50,905,478
Present Value of Future		
Normal Costs (Entry Age Normal)	305,288,169	507,780,547
Total Actuarial Accrued Liability ¹	1,381,066,375	1,705,706,334
Unfunded Actuarial Accrued	75,586,683	400,226,642
Liability (UAAL)		

ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR
ENDING SEPTEMBER 30, 2021

Valuation Date: 10/1/2019

	ACTUAL	HYPOTHETICAL
	8.50%	6.50%
	RP-2000	RP-2000
	Generational	Generational
<u>PENSION COST</u>		
Normal Cost (with interest)	39,395,226	56,381,984
Administrative Expenses (with interest)	2,004,845	1,981,876
Payment Required To Amortize UAAL (with interest)	8,472,234	34,076,976
Minimum Required Contribution	\$49,872,305	\$92,440,836

¹ The asset values and liabilities include accumulated DROP Plan Balances as of 09/30/2019.