

CITY OF TALLAHASSEE PENSION PLAN FOR FIREFIGHTERS

CHAPTER 112.664, F.S. COMPLIANCE REPORT

IN CONNECTION WITH THE OCTOBER 1, 2020
FUNDING ACTUARIAL VALUATION REPORT
AND THE PLAN'S FINANCIAL REPORTING FOR THE
YEAR ENDING SEPTEMBER 30, 2020





May 28, 2021

Board of Trustees
Pension Plan for the City of Tallahassee
Tallahassee, Florida

Dear Board Members:

Gabriel, Roeder, Smith & Company (GRS) has been engaged by the City of Tallahassee Pension Plan for Firefighters (Plan) 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 City and is intended for use by the Retirement System and those designated or approved by the City. This report may be provided to parties other than the System only in its entirety and only with the permission of the City.

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.

For financial reporting purposes under GASB 67, the liabilities were “rolled forward” from October 1, 2019 to the measurement date, September 30, 2020. The liabilities for this purpose were based on the October 1, 2019 Actuarial Valuation report dated April 21, 2020.

The findings in this report are based on data or other information through September 30, 2020. 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 Plan Administrator concerning Retirement Plan 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 otherwise audit the data. We are not responsible for the accuracy or completeness of the information provided by the City and Plan Administrator.

Except as otherwise indicated as required for the disclosures contained herein, this report was prepared using certain assumptions selected by the Board as described in our October 1, 2020 Actuarial Valuation report. This report is also based on the Plan Provisions, census data, and financial information as summarized in our October 1, 2020 Actuarial Valuation report. Please refer to the October 1, 2020

Actuarial Valuation report, dated March 19, 2021, and the GASB No. 67 actuarial disclosure report, dated December 30, 2020, for summaries and descriptions of this information.

The use of an investment return assumption that is 2% higher than the investment return assumption used to determine the funding requirements does not represent an estimate of future Plan experience nor does it reflect an observation of future return estimates inherent in financial market data. The use of this investment return assumption is provided as a counterpart to the Chapter 112.664, Florida Statutes requirement to utilize an investment return assumption that is 2% lower than the assumption used to determine the funding requirements. The inclusion of the additional exhibits showing the effect of using a 2% higher investment return assumption shows a more complete assessment of the range of possible results as opposed to showing a one-sided range as required by Florida Statutes.

This report was prepared using ProVal's valuation model, a software product of Winklevoss Technologies. We are relying on the ProVal model. We performed tests of the ProVal model with this assignment and made a reasonable attempt to understand the developer's intended purpose of, general operation of, major sensitivities and dependencies within, and key strengths and limitations of the ProVal model. In our professional judgment, the ProVal valuation model has the capability to provide results that are consistent with the purposes of the valuation and has no material limitations or known weaknesses.

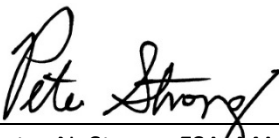
Peter N. Strong and Jeffrey Amrose are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein. The signing actuaries are independent of the plan sponsor.

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 Retirement Plan 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.

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

Respectfully submitted,

GABRIEL, ROEDER, SMITH AND COMPANY

By 
Peter N. Strong, FSA, MAAA
Enrolled Actuary No. 20-06975
Senior Consultant & Actuary

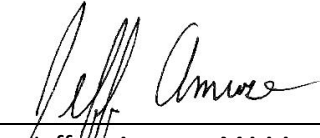
By 
Jeffrey Amrose, MAAA
Enrolled Actuary No. 20-06599
Senior Consultant & Actuary



TABLE OF CONTENTS

<u>Title</u>	<u>Page</u>
Ch. 112.664, F.S. Results	
Schedule of Changes in Net Pension Liability	
1. Using financial reporting assumptions per GASB Statement No. 67	1
2. Using assumptions prescribed in Section 112.664(1)(a), F.S.	2
3. Using assumptions prescribed in Section 112.664(1)(b), F.S.	3
4. Using the mandated mortality and funding interest rate +2%	4
Assets Versus Benefit Payments Projections	
5. Using assumptions from the Plan's latest actuarial valuation	5
6. Using assumptions prescribed in Section 112.664(1)(a), F.S.	6
7. Using assumptions prescribed in Section 112.664(1)(b), F.S.	7
8. Using the mandated mortality and funding interest rate +2%	8
Actuarially Determined Contribution	9



CH. 112.664, FLORIDA STATUTES

RESULTS

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

Fiscal year ending September 30,	2020
1. Total pension liability	
a. Service Cost	\$ 4,636,000
b. Interest	21,357,000
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	2,063,000
e. Assumption Changes	-
f. Benefit Payments	(15,960,000)
g. Contribution Refunds	(155,000)
h. Net Change in Total Pension Liability	11,941,000
i. Total Pension Liability - Beginning	286,119,000
j. Total Pension Liability - Ending	\$ 298,060,000
2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ 6,444,000
b. Contributions - State	-
c. Contributions - Member	3,384,000
d. Net Investment Income	14,654,000
e. Benefit Payments	(15,960,000)
f. Contribution Refunds	(155,000)
g. Administrative Expense	(117,000)
h. Other	4,961,000
i. Net Change in Plan Fiduciary Net Position	13,211,000
j. Plan Fiduciary Net Position - Beginning	217,526,000
k. Plan Fiduciary Net Position - Ending	\$ 230,737,000
3. Net Pension Liability / (Asset)	67,323,000
Certain Key Assumptions	
Valuation Date	10/01/2019
Measurement Date	09/30/2020
Investment Return Assumption	7.50%
Mortality Table	2018 FRS Mortality - Special Risk



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

Fiscal year ending September 30,	2020
1. Total pension liability	
a. Service Cost	\$ 4,518,000
b. Interest	20,485,000
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	-
e. Assumption Changes	-
f. Benefit Payments	(15,960,000)
g. Contribution Refunds	(155,000)
h. Net Change in Total Pension Liability	8,888,000
i. Total Pension Liability - Beginning	276,668,000
j. Total Pension Liability - Ending	\$ 285,556,000
2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ 6,444,000
b. Contributions - State	-
c. Contributions - Member	3,384,000
d. Net Investment Income	14,654,000
e. Benefit Payments	(15,960,000)
f. Contribution Refunds	(155,000)
g. Administrative Expense	(117,000)
h. Other	4,961,000
i. Net Change in Plan Fiduciary Net Position	13,211,000
j. Plan Fiduciary Net Position - Beginning	217,526,000
k. Plan Fiduciary Net Position - Ending	\$ 230,737,000
3. Net Pension Liability / (Asset)	54,819,000
Certain Key Assumptions	
Valuation Date	10/01/2019
Measurement Date	09/30/2020
Investment Return Assumption	7.50%
Mortality Table	2019 FRS Mortality - Special Risk



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

Fiscal year ending September 30,	2020
1. Total pension liability	
a. Service Cost	\$ 7,361,000
b. Interest	19,525,000
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	-
e. Assumption Changes	-
f. Benefit Payments	(15,960,000)
g. Contribution Refunds	(155,000)
h. Net Change in Total Pension Liability	10,771,000
i. Total Pension Liability - Beginning	355,699,000
j. Total Pension Liability - Ending	\$ 366,470,000
 2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ 6,444,000
b. Contributions - State	-
c. Contributions - Member	3,384,000
d. Net Investment Income	14,654,000
e. Benefit Payments	(15,960,000)
f. Contribution Refunds	(155,000)
g. Administrative Expense	(117,000)
h. Other	4,961,000
i. Net Change in Plan Fiduciary Net Position	13,211,000
j. Plan Fiduciary Net Position - Beginning	217,526,000
k. Plan Fiduciary Net Position - Ending	\$ 230,737,000
 3. Net Pension Liability / (Asset)	135,733,000
 Certain Key Assumptions	
Valuation Date	10/01/2019
Measurement Date	09/30/2020
Investment Return Assumption	5.50%
Mortality Table	2019 FRS Mortality - Special Risk



Schedule of Changes in the Employers' Net Pension Liability
Using Assumptions under 112.664(1)(b), F.S. except 2% higher investment return assumption

Fiscal year ending September 30,	2020
1. Total pension liability	
a. Service Cost	\$ 2,888,000
b. Interest	20,700,000
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	-
e. Assumption Changes	-
f. Benefit Payments	(15,960,000)
g. Contribution Refunds	(155,000)
h. Net Change in Total Pension Liability	7,473,000
i. Total Pension Liability - Beginning	223,062,000
j. Total Pension Liability - Ending	\$ 230,535,000
2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ 6,444,000
b. Contributions - State	-
c. Contributions - Member	3,384,000
d. Net Investment Income	14,654,000
e. Benefit Payments	(15,960,000)
f. Contribution Refunds	(155,000)
g. Administrative Expense	(117,000)
h. Other	4,961,000
i. Net Change in Plan Fiduciary Net Position	13,211,000
j. Plan Fiduciary Net Position - Beginning	217,526,000
k. Plan Fiduciary Net Position - Ending	\$ 230,737,000
3. Net Pension Liability / (Asset)	(202,000)
Certain Key Assumptions	
Valuation Date	10/01/2019
Measurement Date	09/30/2020
Investment Return Assumption	9.50%
Mortality Table	2019 FRS Mortality - Special Risk



Asset and Benefit Payment Projection
Not Reflecting Any Contributions from the Employer, State or Employee
Using Assumptions from the Plan's Latest Actuarial Valuation

FYE	Market Value of Assets (BOY)	Expected Investment Return	Projected Benefit Payments	Market Value of Assets (EOY)
2021	230,737,000	16,465,000	16,483,000	230,719,000
2022	230,719,000	16,444,000	17,001,000	230,162,000
2023	230,162,000	16,386,000	17,472,000	229,076,000
2024	229,076,000	16,288,000	17,943,000	227,421,000
2025	227,421,000	16,144,000	18,511,000	225,054,000
2026	225,054,000	15,947,000	19,116,000	221,885,000
2027	221,885,000	15,693,000	19,640,000	217,938,000
2028	217,938,000	15,385,000	20,069,000	213,254,000
2029	213,254,000	15,022,000	20,511,000	207,765,000
2030	207,765,000	14,601,000	20,910,000	201,456,000
2031	201,456,000	14,119,000	21,307,000	194,268,000
2032	194,268,000	13,575,000	21,646,000	186,197,000
2033	186,197,000	12,966,000	21,954,000	177,209,000
2034	177,209,000	12,290,000	22,250,000	167,249,000
2035	167,249,000	11,544,000	22,493,000	156,300,000
2036	156,300,000	10,725,000	22,740,000	144,285,000
2037	144,285,000	9,828,000	22,941,000	131,172,000
2038	131,172,000	8,854,000	23,058,000	116,968,000
2039	116,968,000	7,800,000	23,130,000	101,638,000
2040	101,638,000	6,665,000	23,130,000	85,173,000
2041	85,173,000	5,449,000	23,073,000	67,549,000
2042	67,549,000	4,149,000	22,967,000	48,731,000
2043	48,731,000	2,763,000	22,778,000	28,716,000
2044	28,716,000	1,291,000	22,527,000	7,480,000
2045	7,480,000	-	22,202,000	-
2046	-	-	21,808,000	-

Number of years for which current market value of assets is adequate to sustain the payment of expected retirement benefits, reflecting no contributions from the Employer, Employee or State, contrary to Florida Statutes and Plan provisions: 24.33

Certain Key Assumptions

Valuation Investment Return Assumption	7.40%
Valuation Mortality Table	2019 FRS Mortality - Special Risk

Note: As required in Section 112.664(1)(c) of the Florida Statutes, the projection of the Fund assets do not include contributions from the Employer, Employee or State, which is contrary to Florida Statutes and Plan provisions. 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.



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.

FYE	Market Value of Assets (BOY)	Expected Investment Return	Projected Benefit Payments	Market Value of Assets (EOY)
2021	230,737,000	16,465,000	16,483,000	230,719,000
2022	230,719,000	16,444,000	17,001,000	230,162,000
2023	230,162,000	16,386,000	17,472,000	229,076,000
2024	229,076,000	16,288,000	17,943,000	227,421,000
2025	227,421,000	16,144,000	18,511,000	225,054,000
2026	225,054,000	15,947,000	19,116,000	221,885,000
2027	221,885,000	15,693,000	19,640,000	217,938,000
2028	217,938,000	15,385,000	20,069,000	213,254,000
2029	213,254,000	15,022,000	20,511,000	207,765,000
2030	207,765,000	14,601,000	20,910,000	201,456,000
2031	201,456,000	14,119,000	21,307,000	194,268,000
2032	194,268,000	13,575,000	21,646,000	186,197,000
2033	186,197,000	12,966,000	21,954,000	177,209,000
2034	177,209,000	12,290,000	22,250,000	167,249,000
2035	167,249,000	11,544,000	22,493,000	156,300,000
2036	156,300,000	10,725,000	22,740,000	144,285,000
2037	144,285,000	9,828,000	22,941,000	131,172,000
2038	131,172,000	8,854,000	23,058,000	116,968,000
2039	116,968,000	7,800,000	23,130,000	101,638,000
2040	101,638,000	6,665,000	23,130,000	85,173,000
2041	85,173,000	5,449,000	23,073,000	67,549,000
2042	67,549,000	4,149,000	22,967,000	48,731,000
2043	48,731,000	2,763,000	22,778,000	28,716,000
2044	28,716,000	1,291,000	22,527,000	7,480,000
2045	7,480,000	-	22,202,000	-
2046	-	-	21,808,000	-

Number of years for which current market value of assets is adequate to sustain the payment of expected retirement benefits, **reflecting no contributions from the Employer, Employee or State, contrary to Florida Statutes and Plan provisions:**

24.33

Certain Key Assumptions

Valuation Investment Return Assumption

7.40%

Valuation Mortality Table

2019 FRS Mortality - Special Risk

Note: As required in Section 112.664(1)(c) of the Florida Statutes, the projection of the Fund assets do not include contributions from the Employer, Employee or State, which is contrary to Florida Statutes and Plan provisions. 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.



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.

FYE	Market Value of Assets (BOY)	Expected Investment Return	Projected Benefit Payments	Market Value of Assets (EOY)
2021	230,737,000	12,015,000	16,483,000	226,269,000
2022	226,269,000	11,759,000	17,001,000	221,027,000
2023	221,027,000	11,464,000	17,472,000	215,019,000
2024	215,019,000	11,127,000	17,943,000	208,203,000
2025	208,203,000	10,743,000	18,511,000	200,435,000
2026	200,435,000	10,307,000	19,116,000	191,626,000
2027	191,626,000	9,818,000	19,640,000	181,804,000
2028	181,804,000	9,276,000	20,069,000	171,011,000
2029	171,011,000	8,681,000	20,511,000	159,181,000
2030	159,181,000	8,031,000	20,910,000	146,302,000
2031	146,302,000	7,325,000	21,307,000	132,320,000
2032	132,320,000	6,561,000	21,646,000	117,235,000
2033	117,235,000	5,738,000	21,954,000	101,019,000
2034	101,019,000	4,854,000	22,250,000	83,623,000
2035	83,623,000	3,908,000	22,493,000	65,038,000
2036	65,038,000	2,898,000	22,740,000	45,196,000
2037	45,196,000	1,821,000	22,941,000	24,076,000
2038	24,076,000	678,000	23,058,000	1,696,000
2039	1,696,000	-	23,130,000	-
2040	-	-	23,130,000	-
2041	-	-	23,073,000	-
2042	-	-	22,967,000	-
2043	-	-	22,778,000	-
2044	-	-	22,527,000	-
2045	-	-	22,202,000	-
2046	-	-	21,808,000	-

Number of years for which current market value of assets is adequate to sustain the payment of expected retirement benefits, reflecting no contributions from the Employer, Employee or State, contrary to Florida Statutes and Plan provisions:

18.00

Certain Key Assumptions

Valuation Investment Return Assumption

5.40%

Valuation Mortality Table

2019 FRS Mortality - Special Risk

Note: As required in Section 112.664(1)(c) of the Florida Statutes, the projection of the Fund assets do not include contributions from the Employer, Employee or State, which is contrary to Florida Statutes and Plan provisions. 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.



Asset and Benefit Payment Projection

Not Reflecting Any Contributions from the Employer, State or Employee

Using Assumptions under 112.664(1)(b), F.S. except 2% higher investment return assumption

FYE	Market Value of Assets (BOY)	Expected Investment Return	Projected Benefit Payments	Market Value of Assets (EOY)
2021	230,737,000	20,915,000	16,483,000	235,169,000
2022	235,169,000	21,307,000	17,001,000	239,475,000
2023	239,475,000	21,689,000	17,472,000	243,692,000
2024	243,692,000	22,064,000	17,943,000	247,813,000
2025	247,813,000	22,424,000	18,511,000	251,726,000
2026	251,726,000	22,764,000	19,116,000	255,374,000
2027	255,374,000	23,082,000	19,640,000	258,816,000
2028	258,816,000	23,385,000	20,069,000	262,132,000
2029	262,132,000	23,676,000	20,511,000	265,297,000
2030	265,297,000	23,955,000	20,910,000	268,342,000
2031	268,342,000	24,223,000	21,307,000	271,258,000
2032	271,258,000	24,481,000	21,646,000	274,093,000
2033	274,093,000	24,733,000	21,954,000	276,872,000
2034	276,872,000	24,980,000	22,250,000	279,602,000
2035	279,602,000	25,225,000	22,493,000	282,334,000
2036	282,334,000	25,471,000	22,740,000	285,065,000
2037	285,065,000	25,718,000	22,941,000	287,842,000
2038	287,842,000	25,973,000	23,058,000	290,757,000
2039	290,757,000	26,244,000	23,130,000	293,871,000
2040	293,871,000	26,537,000	23,130,000	297,278,000
2041	297,278,000	26,860,000	23,073,000	301,065,000
2042	301,065,000	27,221,000	22,967,000	305,319,000
2043	305,319,000	27,629,000	22,778,000	310,170,000
2044	310,170,000	28,097,000	22,527,000	315,740,000
2045	315,740,000	28,636,000	22,202,000	322,174,000
2046	322,174,000	29,259,000	21,808,000	329,625,000

Number of years for which current market value of assets is adequate to sustain the payment of expected retirement benefits, reflecting no contributions from the Employer, Employee or State, contrary to Florida Statutes and Plan provisions:

All future years

Certain Key Assumptions

Valuation Investment Return Assumption

9.40%

Valuation Mortality Table

2019 FRS Mortality - Special Risk

Note: As required in Section 112.664(1)(c) of the Florida Statutes, the projection of the Fund assets do not include contributions from the Employer, Employee or State, which is contrary to Florida Statutes and Plan provisions. 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.



ACTUARIALLY DETERMINED CONTRIBUTION

	Plan's Latest Actuarial Valuation	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
A. Valuation Date	October 1, 2020	October 1, 2020	October 1, 2020	October 1, 2020
B. Actuarial Determined Contribution (ADC) to Be Paid During Fiscal Year Ending	9/30/2022	9/30/2022	9/30/2022	9/30/2022
C. Assumed Dates of Employer Contributions	Biweekly	Biweekly	Biweekly	Biweekly
D. Annual Payment to Amortize Unfunded Actuarial Liability	\$ 4,130,000	\$ 4,130,000	\$ 9,267,000	\$ 250,000
E. Employer Normal Cost	1,809,000	1,809,000	4,712,000	148,000
F. Employer ADC if Paid on Valuation Date: D + E	5,939,000	5,939,000	13,979,000	398,000
G. Employer ADC Adjusted for Frequency of Payments	6,261,000	6,261,000	14,431,000	546,000
H. Employer ADC Adjusted for Frequency of Payments as % of Covered Payroll	43.31 %	43.31 %	99.83 %	3.78 %
I. Assumed Rate of Increase in Covered Payroll to Contribution Year	3.05 %	3.05 %	3.05 %	3.05 %
J. Covered Payroll for Contribution Year	14,897,000	14,897,000	14,897,000	14,897,000
K. Employer ADC for Contribution Year: H x J	6,452,000	6,452,000	14,872,000	563,000
L. Estimated State Revenue in Contribution Year	0	0	0	0
M. Net Employer ADC in Contribution Year	6,452,000	6,452,000	14,872,000	563,000
N. Net Employer ADC as % of Covered Payroll in Contribution Year: M ÷ J	43.31 %	43.31 %	99.83 %	3.78 %
O. Expected Member Contributions	3,082,000	3,082,000	3,082,000	3,082,000
P. Total Contribution (including Members)	9,534,000	9,534,000	17,954,000	3,645,000
Q. Total Contribution as % of Covered Payroll in Contribution Year: P ÷ J	64.00 %	64.00 %	120.52 %	24.47 %
R. Certain Key Assumptions				
Investment Return Assumption	7.40%	7.40%	5.40%	9.40%
Mortality Table	FRS Mortality - Special Risk	FRS Mortality - Special Risk	FRS Mortality - Special Risk	FRS Mortality - Special Risk

