

CITY OF ST. PETE BEACH
POLICE OFFICERS' RETIREMENT SYSTEM

SECTION 112.664, FLORIDA STATUTES COMPLIANCE
DETERMINED AS OF THE
OCTOBER 1, 2019 VALUATION DATE



March 26, 2020

VIA E-MAIL

Kim Kilgore, Plan Administrator
2503 Del Pardo Blvd. S., Suite 502
Cape Coral, FL 33904

Re: City of St. Pete Beach Police Officers' Retirement System
Section 112.664, Florida Statutes Compliance

Dear Kim:

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.

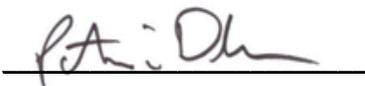
With respect to the reporting standards for defined benefit retirement plans or systems contained in Section 112.664(1), F.S., the actuarial disclosures required under this section were prepared and completed by me or under my direct supervision and I acknowledge responsibility for the results. To the 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: _____



Patrick T. Donlan, EA, ASA, MAAA
Enrolled Actuary #17-6595

Enclosures

cc via email: Bonni Jensen, 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, 2019 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>
	7.00% RP-2000 Generational	5.00% RP-2000 Generational
<u>Total Pension Liability</u>		
Service Cost	-	-
Interest	1,238,416	1,125,619
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience	246,567	296,204
Changes of Assumptions	-	-
Benefit Payments, Including Refunds of Employee Contributions	(1,247,733)	(1,247,733)
Net Change in Total Pension Liability	237,250	174,090
Total Pension Liability - Beginning	18,315,518	23,136,240
Total Pension Liability - Ending (a)	<u>\$ 18,552,768</u>	<u>\$ 23,310,330</u>
<u>Plan Fiduciary Net Position</u>		
Contributions - Employer	614,925	614,925
Contributions - State	107,421	107,421
Contributions - Employee	-	-
Net Investment Income	526,266	526,266
Benefit Payments, Including Refunds of Employee Contributions	(1,247,733)	(1,247,733)
Administrative Expenses	(35,687)	(35,687)
Net Change in Plan Fiduciary Net Position	(34,808)	(34,808)
Plan Fiduciary Net Position - Beginning	11,693,699	11,693,699
Plan Fiduciary Net Position - Ending (b)	<u>\$ 11,658,891</u>	<u>\$ 11,658,891</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 6,893,877</u>	<u>\$ 11,651,439</u>

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1
Plan Assumptions: 7.00% 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	11,658,891	-	1,277,784	-	771,400	11,152,507
2020	11,152,507	-	1,293,142	-	735,416	10,594,781
2021	10,594,781	-	1,326,934	-	695,192	9,963,039
2022	9,963,039	-	1,337,642	-	650,595	9,275,992
2023	9,275,992	-	1,351,750	-	602,008	8,526,250
2024	8,526,250	-	1,384,398	-	548,384	7,690,236
2025	7,690,236	-	1,398,140	-	489,382	6,781,478
2026	6,781,478	-	1,410,838	-	425,324	5,795,964
2027	5,795,964	-	1,423,623	-	355,891	4,728,232
2028	4,728,232	-	1,435,732	-	280,726	3,573,226
2029	3,573,226	-	1,461,929	-	198,958	2,310,255
2030	2,310,255	-	1,470,912	-	110,236	949,579
2031	949,579	-	1,476,760	-	-	-

Number of Years Expected Benefit Payments Sustained: 12.64

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 7.00% 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: 5.00% 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	11,658,891	-	1,277,784	-	551,000	10,932,107
2020	10,932,107	-	1,293,142	-	514,277	10,153,242
2021	10,153,242	-	1,326,934	-	474,489	9,300,797
2022	9,300,797	-	1,337,642	-	431,599	8,394,754
2023	8,394,754	-	1,351,750	-	385,944	7,428,948
2024	7,428,948	-	1,384,398	-	336,837	6,381,387
2025	6,381,387	-	1,398,140	-	284,116	5,267,363
2026	5,267,363	-	1,410,838	-	228,097	4,084,622
2027	4,084,622	-	1,423,623	-	168,641	2,829,640
2028	2,829,640	-	1,435,732	-	105,589	1,499,497
2029	1,499,497	-	1,461,929	-	38,427	75,995
2030	75,995	-	1,470,912	-	-	-

Number of Years Expected Benefit Payments Sustained: 11.05

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 5.00% 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

	ACTUAL	HYPOTHETICAL
	7.00%	5.00%
	RP-2000	RP-2000
	Generational	Generational
<u>PENSION COST</u>		
Normal Cost ²	0	0
Administrative Expenses ²	45,422	44,189
Payment Required To Amortize UAAL ²	713,376	935,768
Minimum Required Contribution	\$758,798	\$979,957

¹ The asset values and liabilities include accumulated Share Plan Balances as of 9/30/2019.

² Contributions developed as of 10/1/2019 displayed above have been adjusted to account for assumed salary increase and interest components.