

April 16, 2018

VIA EMAIL

Mr. Bob Rogers
200-76th Avenue
St. Pete Beach, FL 33706

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

Dear Bob:

Please find enclosed the annual disclosures that satisfy the October 1, 2017 financial reporting requirements made under Section 112.664.

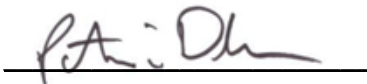
Our office will submit this information electronically to the Department of Management Services. However, it is important for you to be aware that this report must also be made available on the Plan or Plan Sponsor's website, if such website exists. A deadline for this website publication is not made 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.

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

PTD/lke
Enclosures

cc via email: H. Lee Dehner, Board Attorney

CITY OF ST. PETE BEACH
POLICE OFFICERS' RETIREMENT SYSTEM

SECTION 112.664, FLORIDA STATUTES
COMPLIANCE

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.

By: Patrick T. Donlan Date: 4/16/2018

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



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, 2017 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, 2017

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>
	7.00% RP-2000 Generational	5.00% RP-2000 Generational
<u>Total Pension Liability</u>		
Service Cost	-	-
Interest	1,179,519	1,079,367
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience	267,414	336,247
Changes of Assumptions	-	-
Benefit Payments, Including Refunds of Employee Contributions	(1,222,178)	(1,222,178)
Net Change in Total Pension Liability	224,755	193,436
Total Pension Liability - Beginning	17,461,357	22,198,434
Total Pension Liability - Ending (a)	<u>\$ 17,686,112</u>	<u>\$ 22,391,870</u>
<u>Plan Fiduciary Net Position</u>		
Contributions - Employer	472,080	472,080
Contributions - State	93,815	93,815
Contributions - Employee	-	-
Net Investment Income	1,143,369	1,143,369
Benefit Payments, Including Refunds of Employee Contributions	(1,222,178)	(1,222,178)
Administrative Expenses	(26,288)	(26,288)
Net Change in Plan Fiduciary Net Position	460,798	460,798
Plan Fiduciary Net Position - Beginning	11,084,818	11,084,818
Plan Fiduciary Net Position - Ending (b)	<u>\$ 11,545,616</u>	<u>\$ 11,545,616</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 6,140,496</u>	<u>\$ 10,846,254</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
2017	11,545,616	-	1,251,959	-	764,375	11,058,032
2018	11,058,032	-	1,254,454	-	730,156	10,533,734
2019	10,533,734	-	1,268,239	-	692,973	9,958,468
2020	9,958,468	-	1,280,669	-	652,269	9,330,068
2021	9,330,068	-	1,309,104	-	607,286	8,628,250
2022	8,628,250	-	1,315,657	-	557,930	7,870,523
2023	7,870,523	-	1,327,715	-	504,467	7,047,275
2024	7,047,275	-	1,358,597	-	445,758	6,134,436
2025	6,134,436	-	1,371,168	-	381,420	5,144,688
2026	5,144,688	-	1,383,053	-	311,721	4,073,356
2027	4,073,356	-	1,393,313	-	236,369	2,916,412
2028	2,916,412	-	1,404,901	-	154,977	1,666,488
2029	1,666,488	-	1,432,913	-	66,502	300,077
2030	300,077	-	1,441,971	-	-	-

*All Share Balances paid in 2017.

Number of Years Expected Benefit Payments Sustained: 13.21

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
2017	11,545,616	-	1,251,959	-	545,982	10,839,639
2018	10,839,639	-	1,254,454	-	510,621	10,095,806
2019	10,095,806	-	1,268,239	-	473,084	9,300,651
2020	9,300,651	-	1,280,669	-	433,016	8,452,998
2021	8,452,998	-	1,309,104	-	389,922	7,533,816
2022	7,533,816	-	1,315,657	-	343,799	6,561,958
2023	6,561,958	-	1,327,715	-	294,905	5,529,148
2024	5,529,148	-	1,358,597	-	242,492	4,413,043
2025	4,413,043	-	1,371,168	-	186,373	3,228,248
2026	3,228,248	-	1,383,053	-	126,836	1,972,031
2027	1,972,031	-	1,393,313	-	63,769	642,487
2028	642,487	-	1,404,901	-	-	-

*All Share Balances paid in 2017.

Number of Years Expected Benefit Payments Sustained: 11.46

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, 2019

Valuation Date: 10/1/2017

	ACTUAL	HYPOTHETICAL
	7.00%	5.00%
	RP-2000	RP-2000
	Generational	Generational
Total Required Contribution (Fixed \$)	\$722,346	\$944,457
Expected State Money	93,815	93,815
Expected Sponsor Contribution (Fixed \$)	\$628,531	\$850,642

ASSETS

Actuarial Value ¹	11,642,240	11,642,240
Market Value ¹	11,545,616	11,545,616

LIABILITIES

Present Value of Benefits		
Active Members		
Retirement Benefits	0	0
Disability Benefits	0	0
Death Benefits	0	0
Vested Benefits	0	0
Refund of Contributions	0	0
Service Retirees	17,389,891	22,084,148
Beneficiaries	124,655	131,962
Disability Retirees	267,905	294,159
Terminated Vested	540,260	740,756
Share Plan Balances ¹	1,527	1,527
Total:	18,324,238	23,252,552
Present Value of Future Salaries	0	0
Present Value of Future Member Contributions	0	0
Total Normal Cost	0	0
Present Value of Future Normal Costs (Entry Age Normal)	0	0
Total Actuarial Accrued Liability	18,324,238	23,252,552
Unfunded Actuarial Accrued Liability (UAAL)	6,681,998	11,610,312

ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR
ENDING SEPTEMBER 30, 2019

Valuation Date: 10/1/2017

	ACTUAL	HYPOTHETICAL
	7.00%	5.00%
	RP-2000	RP-2000
	Generational	Generational
<u>PENSION COST</u>		
Normal Cost ²	0	0
Administrative Expenses ²	29,048	28,260
Payment Required To Amortize UAAL ²	693,298	916,197
Total Required Contribution	\$722,346	\$944,457

¹ The asset values and liabilities include accumulated Share Plan Balances as of 9/30/2017.

² Contributions developed as of 10/1/2017 displayed above have been adjusted to account for an assumed interest component.