

May 18, 2018

VIA EMAIL

Susy Pita, Plan Administrator
Firefighters' Pension Trust Fund Board
City of Auburndale
21629 Stirling Pass
Leesburg, FL 34748

Re: City of Auburndale Municipal Firefighters' Pension Trust Fund
Section 112.664, Florida Statutes Compliance

Dear Susy:

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

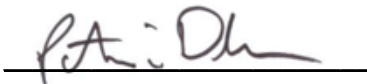
Our office will submit this information electronically to the Department of Management Services. However, it is important for you to be aware that this report must also be made available on the Plan or Plan Sponsor's website, if such website exists. A deadline for this website publication is not made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

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: 5/18/2018

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

	ACTUAL	HYPOTHETICAL	
	7.50% RP-2000 Generational	5.50% RP-2000 Generational	9.50% RP-2000 Generational
<u>Total Pension Liability</u>			
Service Cost	191,780	304,348	125,968
Interest	691,907	652,979	708,307
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	(53,800)	(17,883)	(74,697)
Changes of Assumptions	395,976	610,634	260,532
Benefit Payments, Including Refunds of Employee Contributions	(422,298)	(422,298)	(422,298)
Net Change in Total Pension Liability	803,565	1,127,780	597,812
Total Pension Liability - Beginning	8,947,202	11,262,952	7,349,873
Total Pension Liability - Ending (a)	<u>\$ 9,750,767</u>	<u>\$ 12,390,732</u>	<u>\$ 7,947,685</u>
<u>Plan Fiduciary Net Position</u>			
Contributions - Employer	272,798	272,798	272,798
Contributions - State	127,367	127,367	127,367
Contributions - Employee	85,805	85,805	85,805
Net Investment Income	800,751	800,751	800,751
Benefit Payments, Including Refunds of Employee Contributions	(422,298)	(422,298)	(422,298)
Administrative Expenses	(48,836)	(48,836)	(48,836)
Net Change in Plan Fiduciary Net Position	815,587	815,587	815,587
Plan Fiduciary Net Position - Beginning	6,506,796	6,506,796	6,506,796
Plan Fiduciary Net Position - Ending (b)	<u>\$ 7,322,383</u>	<u>\$ 7,322,383</u>	<u>\$ 7,322,383</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 2,428,384</u>	<u>\$ 5,068,349</u>	<u>\$ 625,302</u>

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1
Plan Assumptions: 7.50% 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
2017	7,322,383	-	984,250	-	512,269	6,850,402
2018	6,850,402	-	570,952	-	492,369	6,771,819
2019	6,771,819	-	596,235	-	485,528	6,661,112
2020	6,661,112	-	622,434	-	476,242	6,514,920
2021	6,514,920	-	619,359	-	465,393	6,360,954
2022	6,360,954	-	612,539	-	454,101	6,202,516
2023	6,202,516	-	609,158	-	442,345	6,035,703
2024	6,035,703	-	611,018	-	429,765	5,854,450
2025	5,854,450	-	663,081	-	414,218	5,605,587
2026	5,605,587	-	659,048	-	395,705	5,342,244
2027	5,342,244	-	650,834	-	376,262	5,067,672
2028	5,067,672	-	645,974	-	355,851	4,777,549
2029	4,777,549	-	665,102	-	333,375	4,445,822
2030	4,445,822	-	666,976	-	308,425	4,087,271
2031	4,087,271	-	691,559	-	280,612	3,676,324
2032	3,676,324	-	707,853	-	249,180	3,217,651
2033	3,217,651	-	707,820	-	214,781	2,724,612
2034	2,724,612	-	699,456	-	178,116	2,203,272
2035	2,203,272	-	687,676	-	139,458	1,655,054
2036	1,655,054	-	679,544	-	98,646	1,074,156
2037	1,074,156	-	669,153	-	55,468	460,471
2038	460,471	-	658,184	-	-	-

*All DROP Balances paid in 2017.

Number of Years Expected Benefit Payments Sustained: 21.70

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 7.50% 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: 5.50% 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
2017	7,322,383	-	984,250	-	375,664	6,713,797
2018	6,713,797	-	570,952	-	353,558	6,496,403
2019	6,496,403	-	596,235	-	340,906	6,241,074
2020	6,241,074	-	622,434	-	326,142	5,944,782
2021	5,944,782	-	619,359	-	309,931	5,635,354
2022	5,635,354	-	612,539	-	293,100	5,315,915
2023	5,315,915	-	609,158	-	275,623	4,982,380
2024	4,982,380	-	611,018	-	257,228	4,628,590
2025	4,628,590	-	663,081	-	236,338	4,201,847
2026	4,201,847	-	659,048	-	212,978	3,755,777
2027	3,755,777	-	650,834	-	188,670	3,293,613
2028	3,293,613	-	645,974	-	163,384	2,811,023
2029	2,811,023	-	665,102	-	136,316	2,282,237
2030	2,282,237	-	666,976	-	107,181	1,722,442
2031	1,722,442	-	691,559	-	75,716	1,106,599
2032	1,106,599	-	707,853	-	41,397	440,143
2033	440,143	-	707,820	-	-	-

*All DROP Balances paid in 2017.

Number of Years Expected Benefit Payments Sustained: 16.62

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 5.50% 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 3
Hypothetical Assumptions: 9.50% 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
2017	7,322,383	-	984,250	-	648,875	6,987,008
2018	6,987,008	-	570,952	-	636,646	7,052,702
2019	7,052,702	-	596,235	-	641,686	7,098,153
2020	7,098,153	-	622,434	-	644,759	7,120,478
2021	7,120,478	-	619,359	-	647,026	7,148,145
2022	7,148,145	-	612,539	-	649,978	7,185,584
2023	7,185,584	-	609,158	-	653,695	7,230,121
2024	7,230,121	-	611,018	-	657,838	7,276,941
2025	7,276,941	-	663,081	-	659,813	7,273,673
2026	7,273,673	-	659,048	-	659,694	7,274,319
2027	7,274,319	-	650,834	-	660,146	7,283,631
2028	7,283,631	-	645,974	-	661,261	7,298,918
2029	7,298,918	-	665,102	-	661,805	7,295,621
2030	7,295,621	-	666,976	-	661,403	7,290,048
2031	7,290,048	-	691,559	-	659,706	7,258,195
2032	7,258,195	-	707,853	-	655,906	7,206,248
2033	7,206,248	-	707,820	-	650,972	7,149,400
2034	7,149,400	-	699,456	-	645,969	7,095,913
2035	7,095,913	-	687,676	-	641,447	7,049,684
2036	7,049,684	-	679,544	-	637,442	7,007,582
2037	7,007,582	-	669,153	-	633,936	6,972,365
2038	6,972,365	-	658,184	-	631,111	6,945,292
2039	6,945,292	-	648,051	-	629,020	6,926,261
2040	6,926,261	-	638,394	-	627,671	6,915,538
2041	6,915,538	-	623,055	-	627,381	6,919,864
2042	6,919,864	-	607,940	-	628,510	6,940,434
2043	6,940,434	-	591,929	-	631,225	6,979,730
2044	6,979,730	-	574,784	-	635,772	7,040,718
2045	7,040,718	-	556,605	-	642,429	7,126,542
2046	7,126,542	-	537,176	-	651,506	7,240,872
2047	7,240,872	-	516,660	-	663,341	7,387,553
2048	7,387,553	-	495,086	-	678,301	7,570,768
2049	7,570,768	-	472,461	-	696,781	7,795,088
2050	7,795,088	-	449,018	-	719,205	8,065,275
2051	8,065,275	-	425,105	-	746,009	8,386,179
2052	8,386,179	-	400,731	-	777,652	8,763,100
2053	8,763,100	-	376,139	-	814,628	9,201,589
2054	9,201,589	-	351,654	-	857,447	9,707,382
2055	9,707,382	-	327,415	-	906,649	10,286,616
2056	10,286,616	-	303,570	-	962,809	10,945,855
2057	10,945,855	-	280,343	-	1,026,540	11,692,052
2058	11,692,052	-	257,812	-	1,098,499	12,532,739
2059	12,532,739	-	236,128	-	1,179,394	13,476,005
2060	13,476,005	-	215,349	-	1,269,991	14,530,647
2061	14,530,647	-	195,569	-	1,371,122	15,706,200
2062	15,706,200	-	176,848	-	1,483,689	17,013,041
2063	17,013,041	-	159,465	-	1,608,664	18,462,240
2064	18,462,240	-	143,614	-	1,747,091	20,065,717
2065	20,065,717	-	129,122	-	1,900,110	21,836,705
2066	21,836,705	-	115,899	-	2,068,982	23,789,788

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 3
Hypothetical Assumptions: 9.50% 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
2067	23,789,788	-	103,910	-	2,255,094	25,940,972
2068	25,940,972	-	93,059	-	2,459,972	28,307,885
2069	28,307,885	-	83,161	-	2,685,299	30,910,023
2070	30,910,023	-	74,087	-	2,932,933	33,768,869
2071	33,768,869	-	65,721	-	3,204,921	36,908,069
2072	36,908,069	-	57,998	-	3,503,512	40,353,583
2073	40,353,583	-	50,856	-	3,831,175	44,133,902
2074	44,133,902	-	44,292	-	4,190,617	48,280,227
2075	48,280,227	-	38,384	-	4,584,798	52,826,641
2076	52,826,641	-	33,116	-	5,016,958	57,810,483
2077	57,810,483	-	28,396	-	5,490,647	63,272,734
2078	63,272,734	-	24,194	-	6,009,761	69,258,301
2079	69,258,301	-	20,541	-	6,578,563	75,816,323
2080	75,816,323	-	17,401	-	7,201,724	83,000,646
2081	83,000,646	-	14,680	-	7,884,364	90,870,330
2082	90,870,330	-	12,338	-	8,632,095	99,490,087
2083	99,490,087	-	10,290	-	9,451,069	108,930,866
2084	108,930,866	-	8,512	-	10,348,028	119,270,382
2085	119,270,382	-	6,997	-	11,330,354	130,593,739
2086	130,593,739	-	5,717	-	12,406,134	142,994,156
2087	142,994,156	-	4,626	-	13,584,225	156,573,755
2088	156,573,755	-	3,718	-	14,874,330	171,444,367
2089	171,444,367	-	2,953	-	16,287,075	187,728,489
2090	187,728,489	-	2,312	-	17,834,097	205,560,274
2091	205,560,274	-	1,774	-	19,528,142	225,086,642
2092	225,086,642	-	1,341	-	21,383,167	246,468,468
2093	246,468,468	-	997	-	23,414,457	269,881,928
2094	269,881,928	-	730	-	25,638,748	295,519,946
2095	295,519,946	-	527	-	28,074,370	323,593,789
2096	323,593,789	-	372	-	30,741,392	354,334,809
2097	354,334,809	-	257	-	33,661,795	387,996,347
2098	387,996,347	-	174	-	36,859,645	424,855,818
2099	424,855,818	-	115	-	40,361,297	465,217,000
2100	465,217,000	-	74	-	44,195,611	509,412,537
2101	509,412,537	-	46	-	48,394,189	557,806,680
2102	557,806,680	-	29	-	52,991,633	610,798,284
2103	610,798,284	-	18	-	58,025,836	668,824,102
2104	668,824,102	-	11	-	63,538,289	732,362,380
2105	732,362,380	-	7	-	69,574,426	801,936,799
2106	801,936,799	-	4	-	76,183,996	878,120,791
2107	878,120,791	-	3	-	83,421,475	961,542,263
2108	961,542,263	-	1	-	91,346,515	1,052,888,777
2109	1,052,888,777	-	1	-	100,024,434	1,152,913,210
2110	1,152,913,210	-	1	-	109,526,755	1,262,439,964
2111	1,262,439,964	-	-	-	119,931,797	1,382,371,761

*All DROP Balances paid in 2017.

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 9.50% 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, 2019

Valuation Date: 10/1/2017

	ACTUAL	HYPOTHETICAL	
	7.50% RP-2000 Generational	5.50% RP-2000 Generational	9.50% RP-2000 Generational
Total Required Contribution (Fixed \$)	\$521,814	\$760,512	\$334,707
Total Required Contribution (% of Payroll)	53.3%	77.7%	34.1%
Expected Member Contribution	89,105	89,105	89,105
Expected State Money	98,254	98,254	98,254
Expected Sponsor Contribution (Fixed \$)	\$334,455	\$573,153	\$147,348
Expected Sponsor Contribution (% of Payroll)	34.2%	58.6%	15.0%

ASSETS

Actuarial Value ¹	7,250,303	7,250,303	7,250,303
Market Value ¹	7,322,383	7,322,383	7,322,383

LIABILITIES

Present Value of Benefits			
Active Members			
Retirement Benefits	3,922,124	6,180,451	2,635,287
Disability Benefits	43,335	61,199	32,045
Death Benefits	23,698	31,600	18,222
Vested Benefits	228,722	387,628	142,552
Refund of Contributions	107,630	114,787	101,218
Service Retirees	4,810,484	5,852,761	4,064,827
DROP Retirees ¹	1,712,812	2,058,631	1,479,464
Beneficiaries	0	0	0
Disability Retirees	99,784	117,100	86,726
Terminated Vested	370,585	476,516	300,801
Share Plan Balances ¹	0	0	0
Total:	11,319,174	15,280,673	8,861,142
Present Value of Future Salaries	7,830,488	8,875,112	7,005,401
Present Value of Future Member Contributions	712,574	807,635	637,491
Total Normal Cost	208,795	337,213	135,939
Present Value of Future Normal Costs (Entry Age Normal)	1,660,049	3,045,671	965,733
Total Actuarial Accrued Liability ¹	9,659,125	12,235,002	7,895,409
Unfunded Actuarial Accrued Liability (UAAL)	2,408,822	4,984,699	645,106

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

Valuation Date: 10/1/2017

	ACTUAL	HYPOTHETICAL	
	7.50% RP-2000 Generational	5.50% RP-2000 Generational	9.50% RP-2000 Generational
<u>PENSION COST</u>			
Normal Cost (with interest)	216,625	346,486	142,396
Administrative Expenses (with interest)	50,667	50,179	51,156
Payment Required To Amortize UAAL (with interest)	254,522	363,847	141,155
Total Required Contribution	\$521,814	\$760,512	\$334,707

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