



FOSTER & FOSTER
ACTUARIES AND CONSULTANTS

May 28, 2019

VIA EMAIL

Susy Pita, Plan Administrator
City of Auburndale
Municipal Firefighters' Pension Trust Fund
22233 Drawbridge Dr.
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, 2018 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: Scott Christiansen, Board Attorney
cc via email: Shirley Lowrance, Finance Director / City Clerk

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: 5/28/2019

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, 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, 2018

	ACTUAL	HYPOTHETICAL	
	7.50% RP-2000 Generational	5.50% RP-2000 Generational	9.50% RP-2000 Generational
<u>Total Pension Liability</u>			
Service Cost	208,114	336,068	135,524
Interest	716,994	677,789	730,281
Changes of Benefit Terms	(11,615)	(16,013)	(8,688)
Differences Between Expected and Actual Experience	(98,515)	(164,294)	(57,243)
Changes of Assumptions	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(774,695)	(774,695)	(774,695)
Net Change in Total Pension Liability	73,928	92,500	58,824
Total Pension Liability - Beginning	9,750,767	12,390,732	7,947,685
Total Pension Liability - Ending (a)	<u>\$ 9,824,695</u>	<u>\$ 12,483,232</u>	<u>\$ 8,006,509</u>
<u>Plan Fiduciary Net Position</u>			
Contributions - Employer	357,700	357,700	357,700
Contributions - State	105,669	105,669	105,669
Contributions - Employee	91,467	91,467	91,467
Contributions - Buy Back	33,645	33,645	33,645
Net Investment Income	547,767	547,767	547,767
Benefit Payments, Including Refunds of Employee Contributions	(774,695)	(774,695)	(774,695)
Administrative Expenses	(56,562)	(56,562)	(56,562)
Net Change in Plan Fiduciary Net Position	304,991	304,991	304,991
Plan Fiduciary Net Position - Beginning	7,322,383	7,322,383	7,322,383
Plan Fiduciary Net Position - Ending (b)	<u>\$ 7,627,374</u>	<u>\$ 7,627,374</u>	<u>\$ 7,627,374</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 2,197,321</u>	<u>\$ 4,855,858</u>	<u>\$ 379,135</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
2018	7,627,374	-	810,325	-	541,666	7,358,715
2019	7,358,715	-	591,969	-	529,705	7,296,451
2020	7,296,451	-	620,911	-	523,950	7,199,490
2021	7,199,490	-	624,530	-	516,542	7,091,502
2022	7,091,502	-	611,579	-	508,928	6,988,851
2023	6,988,851	-	607,839	-	501,370	6,882,382
2024	6,882,382	-	608,533	-	493,359	6,767,208
2025	6,767,208	-	667,330	-	482,516	6,582,394
2026	6,582,394	-	663,202	-	468,809	6,388,001
2027	6,388,001	-	656,674	-	454,475	6,185,802
2028	6,185,802	-	652,482	-	439,467	5,972,787
2029	5,972,787	-	672,961	-	422,723	5,722,549
2030	5,722,549	-	676,160	-	403,835	5,450,224
2031	5,450,224	-	705,942	-	382,294	5,126,576
2032	5,126,576	-	724,941	-	357,308	4,758,943
2033	4,758,943	-	728,329	-	329,608	4,360,222
2034	4,360,222	-	720,444	-	300,000	3,939,778
2035	3,939,778	-	708,780	-	268,904	3,499,902
2036	3,499,902	-	703,316	-	236,118	3,032,704
2037	3,032,704	-	693,337	-	201,453	2,540,820
2038	2,540,820	-	682,695	-	164,960	2,023,085
2039	2,023,085	-	674,654	-	126,432	1,474,863
2040	1,474,863	-	664,658	-	85,690	895,895
2041	895,895	-	650,161	-	42,811	288,545
2042	288,545	-	636,523	-	-	-

*All DROP Balances paid in 2018.

Number of Years Expected Benefit Payments Sustained: 24.45

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
2018	7,627,374	-	810,325	-	397,222	7,214,271
2019	7,214,271	-	591,969	-	380,506	7,002,808
2020	7,002,808	-	620,911	-	368,079	6,749,976
2021	6,749,976	-	624,530	-	354,074	6,479,520
2022	6,479,520	-	611,579	-	339,555	6,207,496
2023	6,207,496	-	607,839	-	324,697	5,924,354
2024	5,924,354	-	608,533	-	309,105	5,624,926
2025	5,624,926	-	667,330	-	291,019	5,248,615
2026	5,248,615	-	663,202	-	270,436	4,855,849
2027	4,855,849	-	656,674	-	249,013	4,448,188
2028	4,448,188	-	652,482	-	226,707	4,022,413
2029	4,022,413	-	672,961	-	202,726	3,552,178
2030	3,552,178	-	676,160	-	176,775	3,052,793
2031	3,052,793	-	705,942	-	148,490	2,495,341
2032	2,495,341	-	724,941	-	117,308	1,887,708
2033	1,887,708	-	728,329	-	83,795	1,243,174
2034	1,243,174	-	720,444	-	48,562	571,292
2035	571,292	-	708,780	-	-	-

*All DROP Balances paid in 2018.

Number of Years Expected Benefit Payments Sustained: 17.81

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
2018	7,627,374	-	810,325	-	686,110	7,503,159
2019	7,503,159	-	591,969	-	684,682	7,595,872
2020	7,595,872	-	620,911	-	692,115	7,667,076
2021	7,667,076	-	624,530	-	698,707	7,741,253
2022	7,741,253	-	611,579	-	706,369	7,836,043
2023	7,836,043	-	607,839	-	715,552	7,943,756
2024	7,943,756	-	608,533	-	725,752	8,060,975
2025	8,060,975	-	667,330	-	734,094	8,127,739
2026	8,127,739	-	663,202	-	740,633	8,205,170
2027	8,205,170	-	656,674	-	748,299	8,296,795
2028	8,296,795	-	652,482	-	757,203	8,401,516
2029	8,401,516	-	672,961	-	766,178	8,494,733
2030	8,494,733	-	676,160	-	774,882	8,593,455
2031	8,593,455	-	705,942	-	782,846	8,670,359
2032	8,670,359	-	724,941	-	789,249	8,734,667
2033	8,734,667	-	728,329	-	795,198	8,801,536
2034	8,801,536	-	720,444	-	801,925	8,883,017
2035	8,883,017	-	708,780	-	810,220	8,984,457
2036	8,984,457	-	703,316	-	820,116	9,101,257
2037	9,101,257	-	693,337	-	831,686	9,239,606
2038	9,239,606	-	682,695	-	845,335	9,402,246
2039	9,402,246	-	674,654	-	861,167	9,588,759
2040	9,588,759	-	664,658	-	879,361	9,803,462
2041	9,803,462	-	650,161	-	900,446	10,053,747
2042	10,053,747	-	636,523	-	924,871	10,342,095
2043	10,342,095	-	621,549	-	952,975	10,673,521
2044	10,673,521	-	604,592	-	985,266	11,054,195
2045	11,054,195	-	586,500	-	1,022,290	11,489,985
2046	11,489,985	-	566,960	-	1,064,618	11,987,643
2047	11,987,643	-	546,398	-	1,112,872	12,554,117
2048	12,554,117	-	524,707	-	1,167,718	13,197,128
2049	13,197,128	-	501,942	-	1,229,885	13,925,071
2050	13,925,071	-	478,265	-	1,300,164	14,746,970
2051	14,746,970	-	453,988	-	1,379,398	15,672,380
2052	15,672,380	-	429,156	-	1,468,491	16,711,715
2053	16,711,715	-	404,090	-	1,568,419	17,876,044
2054	17,876,044	-	379,117	-	1,680,216	19,177,143
2055	19,177,143	-	354,352	-	1,804,997	20,627,788
2056	20,627,788	-	329,930	-	1,943,968	22,241,826
2057	22,241,826	-	306,063	-	2,098,435	24,034,198
2058	24,034,198	-	282,816	-	2,269,815	26,021,197
2059	26,021,197	-	260,325	-	2,459,648	28,220,520
2060	28,220,520	-	238,668	-	2,669,613	30,651,465
2061	30,651,465	-	217,939	-	2,901,537	33,335,063
2062	33,335,063	-	198,207	-	3,157,416	36,294,272
2063	36,294,272	-	179,753	-	3,439,418	39,553,937
2064	39,553,937	-	162,778	-	3,749,892	43,141,051
2065	43,141,051	-	147,150	-	4,091,410	47,085,311
2066	47,085,311	-	132,789	-	4,466,797	51,419,319
2067	51,419,319	-	119,672	-	4,879,151	56,178,798

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
2068	56,178,798	-	107,713	-	5,331,869	61,402,954
2069	61,402,954	-	96,724	-	5,828,686	67,134,916
2070	67,134,916	-	86,580	-	6,373,704	73,422,040
2071	73,422,040	-	77,170	-	6,971,428	80,316,298
2072	80,316,298	-	68,435	-	7,626,798	87,874,661
2073	87,874,661	-	60,318	-	8,345,228	96,159,571
2074	96,159,571	-	52,834	-	9,132,650	105,239,387
2075	105,239,387	-	46,074	-	9,995,553	115,188,866
2076	115,188,866	-	40,019	-	10,941,041	126,089,888
2077	126,089,888	-	34,567	-	11,976,897	138,032,218
2078	138,032,218	-	29,686	-	13,111,651	151,114,183
2079	151,114,183	-	25,413	-	14,354,640	165,443,410
2080	165,443,410	-	21,709	-	15,716,093	181,137,794
2081	181,137,794	-	18,472	-	17,207,213	198,326,535
2082	198,326,535	-	15,656	-	18,840,277	217,151,156
2083	217,151,156	-	13,166	-	20,628,734	237,766,724
2084	237,766,724	-	10,980	-	22,587,317	260,343,061
2085	260,343,061	-	9,092	-	24,732,159	285,066,128
2086	285,066,128	-	7,477	-	27,080,927	312,139,578
2087	312,139,578	-	6,083	-	29,652,971	341,786,466
2088	341,786,466	-	4,910	-	32,469,481	374,251,037
2089	374,251,037	-	3,917	-	35,553,662	409,800,782
2090	409,800,782	-	3,079	-	38,930,928	448,728,631
2091	448,728,631	-	2,372	-	42,629,107	491,355,366
2092	491,355,366	-	1,798	-	46,678,674	538,032,242
2093	538,032,242	-	1,339	-	51,112,999	589,143,902
2094	589,143,902	-	979	-	55,968,624	645,111,547
2095	645,111,547	-	703	-	61,285,564	706,396,408
2096	706,396,408	-	493	-	67,107,635	773,503,550
2097	773,503,550	-	338	-	73,482,821	846,986,033
2098	846,986,033	-	225	-	80,463,662	927,449,470
2099	927,449,470	-	146	-	88,107,693	1,015,557,017
2100	1,015,557,017	-	92	-	96,477,912	1,112,034,837
2101	1,112,034,837	-	57	-	105,643,307	1,217,678,087
2102	1,217,678,087	-	34	-	115,679,417	1,333,357,470
2103	1,333,357,470	-	21	-	126,668,959	1,460,026,408
2104	1,460,026,408	-	12	-	138,702,508	1,598,728,904
2105	1,598,728,904	-	7	-	151,879,246	1,750,608,143
2106	1,750,608,143	-	4	-	166,307,773	1,916,915,912
2107	1,916,915,912	-	3	-	182,107,011	2,099,022,920
2108	2,099,022,920	-	2	-	199,407,177	2,298,430,095
2109	2,298,430,095	-	1	-	218,350,859	2,516,780,953
2110	2,516,780,953	-	1	-	239,094,190	2,755,875,142
2111	2,755,875,142	-	-	-	261,808,138	3,017,683,280

*All DROP Balances paid in 2018.

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, 2020

Valuation Date: 10/1/2018

	ACTUAL	HYPOTHETICAL	
	7.50% RP-2000 Generational	5.50% RP-2000 Generational	9.50% RP-2000 Generational
Minimum Required Contribution (Fixed \$)	\$536,916	\$781,825	\$340,651
Minimum Required Contribution (% of Payroll)	54.5%	79.3%	34.6%
Expected Member Contribution	89,748	89,748	89,748
Expected State Money	105,668	105,668	105,668
Expected Sponsor Contribution (Fixed \$)	\$341,500	\$586,409	\$145,235
Expected Sponsor Contribution (% of Payroll)	34.7%	59.5%	14.8%
<u>ASSETS</u>			
Actuarial Value ¹	7,478,924	7,478,924	7,478,924
Market Value ¹	7,627,374	7,627,374	7,627,374
<u>LIABILITIES</u>			
Present Value of Benefits			
Active Members			
Retirement Benefits	4,320,735	6,677,427	2,953,285
Disability Benefits	47,397	65,674	35,661
Death Benefits	26,580	34,874	20,740
Vested Benefits	227,455	378,436	144,235
Refund of Contributions	110,215	116,092	104,889
Service Retirees	5,340,094	6,525,362	4,498,215
DROP Retirees ¹	816,852	979,285	706,997
Beneficiaries	174,990	207,534	150,649
Disability Retirees	98,449	115,205	85,752
Terminated Vested	251,121	322,537	205,202
Total:	11,413,888	15,422,426	8,905,625
Present Value of Future Salaries	7,823,850	8,822,840	7,025,391
Present Value of Future Member Contributions	711,970	802,878	639,311
Total Normal Cost	204,346	324,933	135,384
Present Value of Future Normal Costs (Entry Age Normal)	1,606,616	2,904,712	949,594
Total Actuarial Accrued Liability ¹	9,807,272	12,517,714	7,956,031
Unfunded Actuarial Accrued Liability (UAAL)	2,328,348	5,038,790	477,107

ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR
ENDING SEPTEMBER 30, 2020

Valuation Date: 10/1/2018

	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)	212,009	333,869	141,815
Administrative Expenses (with interest)	58,683	58,117	59,249
Payment Required To Amortize UAAL (with interest)	266,224	389,839	139,587
Minimum Required Contribution	\$536,916	\$781,825	\$340,651

¹ The asset values and liabilities include accumulated DROP Balances as of 9/30/2018.