

February 9, 2018

VIA EMAIL

Ms. Debbie Grant, Administrator
City of Cocoa Beach
Firefighters' Pension Board
2830 Michigan St.
Melbourne, FL 32904

Re: City of Cocoa Beach Firefighters' Retirement System
Section 112.664, Florida Statutes Compliance

Dear Debbie:

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

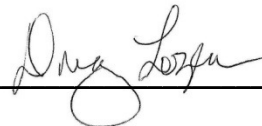
Our office will submit this information electronically to the Department of Management Services. However, it is important for you to be aware that this report must also be made available on the Plan or Plan Sponsor's website, if such website exists. A deadline for this website publication is not made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

Douglas H. Lozen, EA, MAAA
Enrolled Actuary #17-7778

DHL/1ke
Enclosures

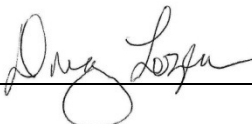
cc via email: Scott R. Christiansen, Board Attorney
cc via email: Eileen Clark, Chief Finance Officer

CITY OF COCOA BEACH
FIREFIGHTERS' 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:



Date: 2/9/2018

Douglas H. Lozen, EA, MAAA
Enrolled Actuary #17-7778



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	
	7.75% RP-2000 Generational	5.75% RP-2000 Generational	9.75% RP-2000 Generational
<u>Total Pension Liability</u>			
Service Cost	223,453	341,426	152,102
Interest	1,106,270	1,032,413	1,141,879
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	483,038	657,750	361,409
Changes of Assumptions	26,411	44,014	14,888
Benefit Payments, Including Refunds of Employee Contributions	(715,766)	(715,766)	(715,766)
Net Change in Total Pension Liability	1,123,406	1,359,837	954,512
Total Pension Liability - Beginning	14,408,881	17,971,462	11,917,361
Total Pension Liability - Ending (a)	<u>\$ 15,532,287</u>	<u>\$ 19,331,299</u>	<u>\$ 12,871,873</u>
<u>Plan Fiduciary Net Position</u>			
Contributions - Employer	475,026	475,026	475,026
Contributions - State	132,166	132,166	132,166
Contributions - Employee	80,832	80,832	80,832
Net Investment Income	1,540,888	1,540,888	1,540,888
Benefit Payments, Including Refunds of Employee Contributions	(715,766)	(715,766)	(715,766)
Administrative Expenses	(29,789)	(29,789)	(29,789)
Net Change in Plan Fiduciary Net Position	1,483,357	1,483,357	1,483,357
Plan Fiduciary Net Position - Beginning	11,836,093	11,836,093	11,836,093
Plan Fiduciary Net Position - Ending (b)	<u>\$ 13,319,450</u>	<u>\$ 13,319,450</u>	<u>\$ 13,319,450</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 2,212,837</u>	<u>\$ 6,011,849</u>	<u>\$ (447,577)</u>

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1
Plan Assumptions: 7.75% 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	13,319,450	-	1,179,071	-	986,568	13,126,947
2018	13,126,947	-	973,776	-	979,605	13,132,776
2019	13,132,776	-	983,770	-	979,669	13,128,675
2020	13,128,675	-	1,050,713	-	976,757	13,054,719
2021	13,054,719	-	1,056,505	-	970,801	12,969,015
2022	12,969,015	-	1,063,520	-	963,887	12,869,382
2023	12,869,382	-	1,206,417	-	950,628	12,613,593
2024	12,613,593	-	1,234,790	-	929,705	12,308,508
2025	12,308,508	-	1,254,820	-	905,285	11,958,973
2026	11,958,973	-	1,252,803	-	878,274	11,584,444
2027	11,584,444	-	1,245,734	-	849,522	11,188,232
2028	11,188,232	-	1,244,177	-	818,876	10,762,931
2029	10,762,931	-	1,255,828	-	785,464	10,292,567
2030	10,292,567	-	1,247,274	-	749,342	9,794,635
2031	9,794,635	-	1,228,944	-	711,463	9,277,154
2032	9,277,154	-	1,206,454	-	672,229	8,742,929
2033	8,742,929	-	1,182,720	-	631,747	8,191,956
2034	8,191,956	-	1,155,124	-	590,116	7,626,948
2035	7,626,948	-	1,132,032	-	547,222	7,042,138
2036	7,042,138	-	1,107,270	-	502,859	6,437,727
2037	6,437,727	-	1,081,977	-	456,997	5,812,747
2038	5,812,747	-	1,053,442	-	409,667	5,168,972
2039	5,168,972	-	1,024,127	-	360,910	4,505,755
2040	4,505,755	-	996,152	-	310,595	3,820,198
2041	3,820,198	-	968,700	-	258,528	3,110,026
2042	3,110,026	-	940,493	-	204,583	2,374,116
2043	2,374,116	-	911,560	-	148,671	1,611,227
2044	1,611,227	-	883,118	-	90,649	818,758
2045	818,758	-	854,341	-	-	-

*All DROP Balances paid in 2017.

Number of Years Expected Benefit Payments Sustained: 28.96

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 7.75% 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: 5.75% 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	13,319,450	-	1,179,071	-	731,970	12,872,349
2018	12,872,349	-	973,776	-	712,164	12,610,737
2019	12,610,737	-	983,770	-	696,834	12,323,801
2020	12,323,801	-	1,050,713	-	678,411	11,951,499
2021	11,951,499	-	1,056,505	-	656,837	11,551,831
2022	11,551,831	-	1,063,520	-	633,654	11,121,965
2023	11,121,965	-	1,206,417	-	604,828	10,520,376
2024	10,520,376	-	1,234,790	-	569,421	9,855,007
2025	9,855,007	-	1,254,820	-	530,587	9,130,774
2026	9,130,774	-	1,252,803	-	489,001	8,366,972
2027	8,366,972	-	1,245,734	-	445,286	7,566,524
2028	7,566,524	-	1,244,177	-	399,305	6,721,652
2029	6,721,652	-	1,255,828	-	350,390	5,816,214
2030	5,816,214	-	1,247,274	-	298,573	4,867,513
2031	4,867,513	-	1,228,944	-	244,550	3,883,119
2032	3,883,119	-	1,206,454	-	188,594	2,865,259
2033	2,865,259	-	1,182,720	-	130,749	1,813,288
2034	1,813,288	-	1,155,124	-	71,054	729,218
2035	729,218	-	1,132,032	-	-	-

*All DROP Balances paid in 2017.

Number of Years Expected Benefit Payments Sustained: 18.64

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 5.75% 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: 9.75% 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	13,319,450	-	1,179,071	-	1,241,167	13,381,546
2018	13,381,546	-	973,776	-	1,257,229	13,664,999
2019	13,664,999	-	983,770	-	1,284,379	13,965,608
2020	13,965,608	-	1,050,713	-	1,310,425	14,225,320
2021	14,225,320	-	1,056,505	-	1,335,464	14,504,279
2022	14,504,279	-	1,063,520	-	1,362,321	14,803,080
2023	14,803,080	-	1,206,417	-	1,384,487	14,981,150
2024	14,981,150	-	1,234,790	-	1,400,466	15,146,826
2025	15,146,826	-	1,254,820	-	1,415,643	15,307,649
2026	15,307,649	-	1,252,803	-	1,431,422	15,486,268
2027	15,486,268	-	1,245,734	-	1,449,182	15,689,716
2028	15,689,716	-	1,244,177	-	1,469,094	15,914,633
2029	15,914,633	-	1,255,828	-	1,490,455	16,149,260
2030	16,149,260	-	1,247,274	-	1,513,748	16,415,734
2031	16,415,734	-	1,228,944	-	1,540,623	16,727,413
2032	16,727,413	-	1,206,454	-	1,572,108	17,093,067
2033	17,093,067	-	1,182,720	-	1,608,916	17,519,263
2034	17,519,263	-	1,155,124	-	1,651,816	18,015,955
2035	18,015,955	-	1,132,032	-	1,701,369	18,585,292
2036	18,585,292	-	1,107,270	-	1,758,087	19,236,109
2037	19,236,109	-	1,081,977	-	1,822,774	19,976,906
2038	19,976,906	-	1,053,442	-	1,896,393	20,819,857
2039	20,819,857	-	1,024,127	-	1,980,010	21,775,740
2040	21,775,740	-	996,152	-	2,074,572	22,854,160
2041	22,854,160	-	968,700	-	2,181,056	24,066,516
2042	24,066,516	-	940,493	-	2,300,636	25,426,659
2043	25,426,659	-	911,560	-	2,434,661	26,949,760
2044	26,949,760	-	883,118	-	2,584,550	28,651,192
2045	28,651,192	-	854,341	-	2,751,842	30,548,693
2046	30,548,693	-	825,210	-	2,938,269	32,661,752
2047	32,661,752	-	795,622	-	3,145,734	35,011,864
2048	35,011,864	-	765,604	-	3,376,334	37,622,594
2049	37,622,594	-	734,884	-	3,632,377	40,520,087
2050	40,520,087	-	703,399	-	3,916,418	43,733,106
2051	43,733,106	-	671,174	-	4,231,258	47,293,190
2052	47,293,190	-	638,289	-	4,579,969	51,234,870
2053	51,234,870	-	604,847	-	4,965,914	55,595,937
2054	55,595,937	-	570,997	-	5,392,768	60,417,708
2055	60,417,708	-	536,822	-	5,864,556	65,745,442
2056	65,745,442	-	502,386	-	6,385,689	71,628,745
2057	71,628,745	-	467,822	-	6,960,996	78,121,919
2058	78,121,919	-	433,258	-	7,595,766	85,284,427
2059	85,284,427	-	398,835	-	8,295,788	93,181,380
2060	93,181,380	-	364,678	-	9,067,406	101,884,108
2061	101,884,108	-	331,012	-	9,917,564	111,470,660
2062	111,470,660	-	298,064	-	10,853,859	122,026,455
2063	122,026,455	-	266,060	-	11,884,609	133,645,004
2064	133,645,004	-	235,363	-	13,018,914	146,428,555
2065	146,428,555	-	206,291	-	14,266,727	160,488,991
2066	160,488,991	-	179,273	-	15,638,937	175,948,655
2067	175,948,655	-	154,783	-	17,147,448	192,941,320
2068	192,941,320	-	132,946	-	18,805,298	211,613,672

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 3
Hypothetical Assumptions: 9.75% 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
2069	211,613,672	-	113,600	-	20,626,795	232,126,867
2070	232,126,867	-	96,659	-	22,627,657	254,657,865
2071	254,657,865	-	81,862	-	24,825,151	279,401,154
2072	279,401,154	-	69,010	-	27,238,248	306,570,392
2073	306,570,392	-	57,920	-	29,887,790	336,400,262
2074	336,400,262	-	48,405	-	32,796,666	369,148,523
2075	369,148,523	-	40,217	-	35,990,020	405,098,326
2076	405,098,326	-	33,259	-	39,495,465	444,560,532
2077	444,560,532	-	27,299	-	43,343,321	487,876,554
2078	487,876,554	-	22,163	-	47,566,884	535,421,275
2079	535,421,275	-	17,795	-	52,202,707	587,606,187
2080	587,606,187	-	14,166	-	57,290,913	644,882,934
2081	644,882,934	-	11,173	-	62,875,541	707,747,302
2082	707,747,302	-	8,721	-	69,004,937	776,743,518
2083	776,743,518	-	6,731	-	75,732,165	852,468,952
2084	852,468,952	-	5,143	-	83,115,472	935,579,281
2085	935,579,281	-	3,901	-	91,218,790	1,026,794,170
2086	1,026,794,170	-	2,936	-	100,112,288	1,126,903,522
2087	1,126,903,522	-	2,198	-	109,872,986	1,236,774,310
2088	1,236,774,310	-	1,630	-	120,585,416	1,357,358,096
2089	1,357,358,096	-	1,199	-	132,342,356	1,489,699,253
2090	1,489,699,253	-	869	-	145,245,635	1,634,944,019
2091	1,634,944,019	-	620	-	159,407,012	1,794,350,411
2092	1,794,350,411	-	430	-	174,949,144	1,969,299,125
2093	1,969,299,125	-	293	-	192,006,650	2,161,305,482
2094	2,161,305,482	-	196	-	210,727,275	2,372,032,561
2095	2,372,032,561	-	128	-	231,273,168	2,603,305,601
2096	2,603,305,601	-	82	-	253,822,292	2,857,127,811
2097	2,857,127,811	-	51	-	278,569,959	3,135,697,719
2098	3,135,697,719	-	31	-	305,730,526	3,441,428,214
2099	3,441,428,214	-	19	-	335,539,250	3,776,967,445
2100	3,776,967,445	-	11	-	368,254,325	4,145,221,759
2101	4,145,221,759	-	7	-	404,159,121	4,549,380,873
2102	4,549,380,873	-	4	-	443,564,635	4,992,945,504
2103	4,992,945,504	-	2	-	486,812,187	5,479,757,689
2104	5,479,757,689	-	1	-	534,276,375	6,014,034,063
2105	6,014,034,063	-	1	-	586,368,321	6,600,402,383
2106	6,600,402,383	-	-	-	643,539,232	7,243,941,615

*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 9.75% 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	
	7.75% RP-2000 Generational	5.75% RP-2000 Generational	9.75% RP-2000 Generational
Total Required Contribution (Fixed \$)	\$736,024	\$1,112,377	\$415,183
Total Required Contribution (% of Payroll)	49.21%	74.37%	27.76%
Expected Member Contribution	74,779	74,779	74,779
Expected State Money	111,188	111,188	111,188
Expected Sponsor Contribution (Fixed \$)	\$550,057	\$926,410	\$229,216
Expected Sponsor Contribution (% of Payroll)	36.78%	61.94%	15.33%

ASSETS

Actuarial Value ¹	12,908,510	12,908,510	12,908,510
Market Value ¹	13,319,450	13,319,450	13,319,450

LIABILITIES

Present Value of Benefits			
Active Members			
Retirement Benefits	6,998,462	9,811,281	5,215,837
Disability Benefits	137,321	180,089	108,179
Death Benefits	51,422	61,800	43,373
Vested Benefits	579,392	859,606	410,109
Refund of Contributions	43,496	45,821	41,398
Service Retirees	6,802,237	8,079,639	5,859,343
DROP Retirees ¹	1,764,998	2,166,495	1,494,560
Beneficiaries	0	0	0
Disability Retirees	408,180	501,338	343,164
Terminated Vested	690,772	897,157	549,150
Share Plan Balances ¹	0	0	0
Total:	17,476,280	22,603,226	14,065,113
Present Value of Future Salaries	10,122,310	11,043,481	9,351,128
Present Value of Future Member Contributions	506,116	552,174	467,556
Total Normal Cost	238,291	372,618	157,856
Present Value of Future Normal Costs (Entry Age Normal)	1,509,432	2,601,599	915,045
Total Actuarial Accrued Liability ¹	15,966,848	20,001,627	13,150,068
Unfunded Actuarial Accrued Liability (UAAL)	3,058,338	7,093,117	241,558

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

Valuation Date: 10/1/2017

	ACTUAL	HYPOTHETICAL	
	7.75% RP-2000 Generational	5.75% RP-2000 Generational	9.75% RP-2000 Generational
<u>PENSION COST</u>			
Normal Cost (with interest)	242,908	377,974	161,704
Administrative Expenses (with interest)	30,366	30,217	30,515
Payment Required To Amortize UAAL (with interest)	462,750	704,186	222,964
Total Required Contribution	\$736,024	\$1,112,377	\$415,183

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