

April 4, 2019

VIA EMAIL

Ms. Eileen Clark
City of Cocoa Beach
2 South Orlando Avenue
P.O. Box 322430
Cocoa Beach, FL 32932-2430

Re: City of Cocoa Beach General Employees' Pension Trust Fund
Section 112.664, Florida Statutes Compliance

Dear Eileen:

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: 

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

DHL/lke
Enclosures

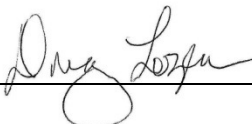
cc via email: Ken Harrison, Board Attorney

CITY OF COCOA BEACH
GENERAL EMPLOYEES' 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:



Date: 4/4/2019

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, 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

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>
	7.75% RP-2000 Generational	5.75% RP-2000 Generational
<u>Total Pension Liability</u>		
Service Cost	625,201	927,762
Interest	1,988,818	1,829,364
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience	(107,227)	(38,252)
Changes of Assumptions	-	-
Benefit Payments, Including Refunds of Employee Contributions	(1,282,573)	(1,282,573)
Net Change in Total Pension Liability	1,224,219	1,436,301
Total Pension Liability - Beginning	25,678,257	31,528,548
Total Pension Liability - Ending (a)	<u>\$ 26,902,476</u>	<u>\$ 32,964,849</u>
<u>Plan Fiduciary Net Position</u>		
Contributions - Employer	510,000	510,000
Contributions - Employee	279,093	279,093
Contributions - Buy Back	-	-
Net Investment Income	1,981,691	1,981,691
Benefit Payments, Including Refunds of Employee Contributions	(1,282,573)	(1,282,573)
Administrative Expenses	(27,732)	(27,732)
Net Change in Plan Fiduciary Net Position	1,460,479	1,460,479
Plan Fiduciary Net Position - Beginning	25,431,847	25,431,847
Plan Fiduciary Net Position - Ending (b)	<u>\$ 26,892,326</u>	<u>\$ 26,892,326</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 10,150</u>	<u>\$ 6,072,523</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
2018	26,856,137	-	1,693,736	-	2,015,718	27,178,119
2019	27,178,119	-	1,757,346	-	2,038,207	27,458,980
2020	27,458,980	-	1,848,888	-	2,056,427	27,666,519
2021	27,666,519	-	1,935,081	-	2,069,171	27,800,609
2022	27,800,609	-	2,008,895	-	2,076,703	27,868,417
2023	27,868,417	-	2,067,940	-	2,079,670	27,880,147
2024	27,880,147	-	2,143,800	-	2,077,639	27,813,986
2025	27,813,986	-	2,217,845	-	2,069,642	27,665,783
2026	27,665,783	-	2,260,787	-	2,056,493	27,461,489
2027	27,461,489	-	2,298,182	-	2,039,211	27,202,518
2028	27,202,518	-	2,323,839	-	2,018,146	26,896,825
2029	26,896,825	-	2,309,275	-	1,995,020	26,582,570
2030	26,582,570	-	2,293,761	-	1,971,266	26,260,075
2031	26,260,075	-	2,252,443	-	1,947,874	25,955,506
2032	25,955,506	-	2,215,797	-	1,925,690	25,665,399
2033	25,665,399	-	2,168,416	-	1,905,042	25,402,025
2034	25,402,025	-	2,126,120	-	1,886,270	25,162,175
2035	25,162,175	-	2,070,068	-	1,869,853	24,961,960
2036	24,961,960	-	2,010,782	-	1,856,634	24,807,812
2037	24,807,812	-	1,951,364	-	1,846,990	24,703,438
2038	24,703,438	-	1,885,045	-	1,841,471	24,659,864
2039	24,659,864	-	1,811,171	-	1,840,957	24,689,650
2040	24,689,650	-	1,745,857	-	1,845,796	24,789,589
2041	24,789,589	-	1,662,747	-	1,856,762	24,983,604
2042	24,983,604	-	1,584,713	-	1,874,822	25,273,713
2043	25,273,713	-	1,501,207	-	1,900,541	25,673,047
2044	25,673,047	-	1,414,282	-	1,934,858	26,193,623
2045	26,193,623	-	1,328,227	-	1,978,537	26,843,933
2046	26,843,933	-	1,245,393	-	2,032,146	27,630,686
2047	27,630,686	-	1,159,782	-	2,096,437	28,567,341
2048	28,567,341	-	1,075,631	-	2,172,288	29,663,998
2049	29,663,998	-	993,565	-	2,260,459	30,930,892
2050	30,930,892	-	914,133	-	2,361,721	32,378,480
2051	32,378,480	-	835,792	-	2,476,945	34,019,633
2052	34,019,633	-	760,153	-	2,607,066	35,866,546
2053	35,866,546	-	688,224	-	2,752,989	37,931,311
2054	37,931,311	-	619,632	-	2,915,666	40,227,345
2055	40,227,345	-	554,985	-	3,096,114	42,768,474
2056	42,768,474	-	495,509	-	3,295,356	45,568,321
2057	45,568,321	-	439,417	-	3,514,517	48,643,421
2058	48,643,421	-	387,780	-	3,754,839	52,010,480
2059	52,010,480	-	340,887	-	4,017,603	55,687,196
2060	55,687,196	-	298,577	-	4,304,188	59,692,807
2061	59,692,807	-	261,094	-	4,616,075	64,047,788
2062	64,047,788	-	228,102	-	4,954,865	68,774,551
2063	68,774,551	-	199,373	-	5,322,302	73,897,480
2064	73,897,480	-	174,586	-	5,720,289	79,443,183
2065	79,443,183	-	153,150	-	6,150,912	85,440,945
2066	85,440,945	-	134,644	-	6,616,456	91,922,757
2067	91,922,757	-	118,598	-	7,119,418	98,923,577

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
2068	98,923,577	-	104,689	-	7,662,521	106,481,409
2069	106,481,409	-	92,589	-	8,248,721	114,637,541
2070	114,637,541	-	82,070	-	8,881,229	123,436,700
2071	123,436,700	-	72,857	-	9,563,521	132,927,364
2072	132,927,364	-	64,710	-	10,299,363	143,162,017
2073	143,162,017	-	57,516	-	11,092,828	154,197,329
2074	154,197,329	-	51,100	-	11,948,313	166,094,542
2075	166,094,542	-	45,322	-	12,870,571	178,919,791
2076	178,919,791	-	40,092	-	13,864,730	192,744,429
2077	192,744,429	-	35,322	-	14,936,325	207,645,432
2078	207,645,432	-	30,989	-	16,091,320	223,705,763
2079	223,705,763	-	27,031	-	17,336,149	241,014,881
2080	241,014,881	-	23,403	-	18,677,746	259,669,224
2081	259,669,224	-	20,073	-	20,123,587	279,772,738
2082	279,772,738	-	17,046	-	21,681,727	301,437,419
2083	301,437,419	-	14,338	-	23,360,844	324,783,925
2084	324,783,925	-	11,940	-	25,170,292	349,942,277
2085	349,942,277	-	9,847	-	27,120,145	377,052,575
2086	377,052,575	-	8,030	-	29,221,263	406,265,808
2087	406,265,808	-	6,465	-	31,485,350	437,744,693
2088	437,744,693	-	5,123	-	33,925,015	471,664,585
2089	471,664,585	-	4,004	-	36,553,850	508,214,431
2090	508,214,431	-	3,090	-	39,386,499	547,597,840
2091	547,597,840	-	2,352	-	42,438,741	590,034,229
2092	590,034,229	-	1,770	-	45,727,584	635,760,043
2093	635,760,043	-	1,314	-	49,271,352	685,030,081
2094	685,030,081	-	966	-	53,089,794	738,118,909
2095	738,118,909	-	702	-	57,204,188	795,322,395
2096	795,322,395	-	507	-	61,637,466	856,959,354
2097	856,959,354	-	363	-	66,414,336	923,373,327
2098	923,373,327	-	259	-	71,561,423	994,934,491
2099	994,934,491	-	184	-	77,107,416	1,072,041,723
2100	1,072,041,723	-	129	-	83,083,229	1,155,124,823
2101	1,155,124,823	-	89	-	89,522,170	1,244,646,904
2102	1,244,646,904	-	60	-	96,460,133	1,341,106,977
2103	1,341,106,977	-	40	-	103,935,789	1,445,042,726
2104	1,445,042,726	-	26	-	111,990,810	1,557,033,510
2105	1,557,033,510	-	17	-	120,670,096	1,677,703,589
2106	1,677,703,589	-	11	-	130,022,028	1,807,725,606
2107	1,807,725,606	-	7	-	140,098,734	1,947,824,333
2108	1,947,824,333	-	4	-	150,956,386	2,098,780,715
2109	2,098,780,715	-	2	-	162,655,505	2,261,436,218
2110	2,261,436,218	-	1	-	175,261,307	2,436,697,524
2111	2,436,697,524	-	1	-	188,844,058	2,625,541,581
2112	2,625,541,581	-	1	-	203,479,472	2,829,021,052
2113	2,829,021,052	-	-	-	219,249,132	3,048,270,184

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 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
2018	26,856,137	-	1,693,736	-	1,495,533	26,657,934
2019	26,657,934	-	1,757,346	-	1,482,308	26,382,896
2020	26,382,896	-	1,848,888	-	1,463,861	25,997,869
2021	25,997,869	-	1,935,081	-	1,439,244	25,502,032
2022	25,502,032	-	2,008,895	-	1,408,611	24,901,748
2023	24,901,748	-	2,067,940	-	1,372,397	24,206,205
2024	24,206,205	-	2,143,800	-	1,330,223	23,392,628
2025	23,392,628	-	2,217,845	-	1,281,313	22,456,096
2026	22,456,096	-	2,260,787	-	1,226,228	21,421,537
2027	21,421,537	-	2,298,182	-	1,165,666	20,289,021
2028	20,289,021	-	2,323,839	-	1,099,808	19,064,990
2029	19,064,990	-	2,309,275	-	1,029,845	17,785,560
2030	17,785,560	-	2,293,761	-	956,724	16,448,523
2031	16,448,523	-	2,252,443	-	881,032	15,077,112
2032	15,077,112	-	2,215,797	-	803,230	13,664,545
2033	13,664,545	-	2,168,416	-	723,369	12,219,498
2034	12,219,498	-	2,126,120	-	641,495	10,734,873
2035	10,734,873	-	2,070,068	-	557,741	9,222,546
2036	9,222,546	-	2,010,782	-	472,486	7,684,250
2037	7,684,250	-	1,951,364	-	385,743	6,118,629
2038	6,118,629	-	1,885,045	-	297,626	4,531,210
2039	4,531,210	-	1,811,171	-	208,473	2,928,512
2040	2,928,512	-	1,745,857	-	118,196	1,300,851
2041	1,300,851	-	1,662,747	-	-	-

Number of Years Expected Benefit Payments Sustained: 23.78

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.

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

Valuation Date: 10/1/2018

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>
	7.75%	5.75%
	RP-2000	RP-2000
	Generational	Generational
Minimum Required Contribution (Fixed \$)	\$754,279	\$1,422,000
Minimum Required Contribution (% of Payroll)	13.57%	25.59%
Expected Member Contribution	277,852	277,852
Expected Sponsor Contribution (Fixed \$)	\$476,427	\$1,144,148
Expected Sponsor Contribution (% of Payroll)	8.57%	20.59%

ASSETS

Actuarial Value	26,067,118	26,067,118
Market Value	26,856,137	26,856,137

LIABILITIES

Present Value of Benefits		
Active Members		
Retirement Benefits	14,585,231	20,396,394
Disability Benefits	1,029,532	1,416,314
Death Benefits	234,652	367,745
Vested Benefits	314,154	531,959
Refund of Contributions	106,543	109,416
Service Retirees	11,636,446	13,755,603
Beneficiaries	942,682	1,118,031
Disability Retirees	458,994	561,073
Terminated Vested	1,472,274	1,845,578
Total:	<u>30,780,508</u>	<u>40,102,113</u>
Present Value of Future Salaries	40,269,749	46,049,960
Present Value of Future Member Contributions	2,013,487	2,302,498
Total Normal Cost	739,943	1,028,393
Present Value of Future Normal Costs (Entry Age Normal)	3,937,763	7,097,734
Total Actuarial Accrued Liability	26,842,745	33,004,379
Unfunded Actuarial Accrued Liability (UAAL)	(648,691)	5,512,943

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

Valuation Date: 10/1/2018

	ACTUAL	HYPOTHETICAL
	7.75%	5.75%
	RP-2000	RP-2000
	Generational	Generational
<u>PENSION COST</u>		
Normal Cost (with interest)	754,279	1,043,176
Administrative Expenses (with interest)	28,269	28,131
Payment Required To Amortize UAAL (with interest)	(74,724)	350,693
Minimum Required Contribution	\$754,279 ¹	\$1,422,000

¹ Per Florida Statutes, the Minimum Required Contribution may be no less than the Normal Cost.