

**CITY OF PERRY
MUNICIPAL FIREFIGHTERS' RETIREMENT 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: 5/20/2019

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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
	7.25% RP-2000 Generational	5.25% RP-2000 Generational
<u>Total Pension Liability</u>		
Service Cost	128,341	203,895
Interest	329,241	301,843
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience	(37,464)	(50,836)
Changes of Assumptions	112,233	162,695
Benefit Payments, Including Refunds of Employee Contributions	(234,324)	(234,324)
Net Change in Total Pension Liability	298,027	383,273
Total Pension Liability - Beginning	4,378,707	5,401,320
Total Pension Liability - Ending (a)	<u>\$ 4,676,734</u>	<u>\$ 5,784,593</u>
<u>Plan Fiduciary Net Position</u>		
Contributions - Employer	195,748	195,748
Contributions - State	36,114	36,114
Contributions - Employee	6,098	6,098
Net Investment Income	267,505	267,505
Benefit Payments, Including Refunds of Employee Contributions	(234,324)	(234,324)
Administrative Expenses	(28,303)	(28,303)
Net Change in Plan Fiduciary Net Position	242,838	242,838
Plan Fiduciary Net Position - Beginning	3,574,952	3,574,952
Plan Fiduciary Net Position - Ending (b)	<u>\$ 3,817,790</u>	<u>\$ 3,817,790</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 858,944</u>	<u>\$ 1,966,803</u>

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1
Plan Assumptions: 7.25% 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	3,817,462	-	497,440	-	258,734	3,578,756
2019	3,578,756	-	315,379	-	248,027	3,511,404
2020	3,511,404	-	310,766	-	243,312	3,443,950
2021	3,443,950	-	306,360	-	238,581	3,376,171
2022	3,376,171	-	302,796	-	233,796	3,307,171
2023	3,307,171	-	299,270	-	228,921	3,236,822
2024	3,236,822	-	295,360	-	223,963	3,165,425
2025	3,165,425	-	313,445	-	218,131	3,070,111
2026	3,070,111	-	309,300	-	211,371	2,972,182
2027	2,972,182	-	304,870	-	204,432	2,871,744
2028	2,871,744	-	323,981	-	196,457	2,744,220
2029	2,744,220	-	313,689	-	187,585	2,618,116
2030	2,618,116	-	333,534	-	177,723	2,462,305
2031	2,462,305	-	326,368	-	166,686	2,302,623
2032	2,302,623	-	319,061	-	155,374	2,138,936
2033	2,138,936	-	311,651	-	143,776	1,971,061
2034	1,971,061	-	306,898	-	131,777	1,795,940
2035	1,795,940	-	297,501	-	119,421	1,617,860
2036	1,617,860	-	289,588	-	106,797	1,435,069
2037	1,435,069	-	281,601	-	93,834	1,247,302
2038	1,247,302	-	271,728	-	80,579	1,056,153
2039	1,056,153	-	263,485	-	67,020	859,688
2040	859,688	-	257,193	-	53,004	655,499
2041	655,499	-	251,988	-	38,389	441,900
2042	441,900	-	244,621	-	23,170	220,449
2043	220,449	-	235,635	-	-	-

*All DROP Balances paid in 2018.

Number of Years Expected Benefit Payments Sustained: 25.94

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 7.25% 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: 5.25% 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	3,817,462	-	497,440	-	187,359	3,507,381
2019	3,507,381	-	315,379	-	175,859	3,367,861
2020	3,367,861	-	310,766	-	168,655	3,225,750
2021	3,225,750	-	306,360	-	161,310	3,080,700
2022	3,080,700	-	302,796	-	153,788	2,931,692
2023	2,931,692	-	299,270	-	146,058	2,778,480
2024	2,778,480	-	295,360	-	138,117	2,621,237
2025	2,621,237	-	313,445	-	129,387	2,437,179
2026	2,437,179	-	309,300	-	119,833	2,247,712
2027	2,247,712	-	304,870	-	110,002	2,052,844
2028	2,052,844	-	323,981	-	99,270	1,828,133
2029	1,828,133	-	313,689	-	87,743	1,602,187
2030	1,602,187	-	333,534	-	75,360	1,344,013
2031	1,344,013	-	326,368	-	61,994	1,079,639
2032	1,079,639	-	319,061	-	48,306	808,884
2033	808,884	-	311,651	-	34,286	531,519
2034	531,519	-	306,898	-	19,849	244,470
2035	244,470	-	297,501	-	-	-

*All DROP Balances paid in 2018.

Number of Years Expected Benefit Payments Sustained: 17.82

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 5.25% 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>
	7.25% RP-2000 Generational	5.25% RP-2000 Generational
Minimum Required Contribution (Fixed \$)	\$300,584	\$443,774
Minimum Required Contribution (% of Payroll)	46.9%	69.2%
Expected Member Contribution	6,407	6,407
Expected State Money	36,114	36,114
Expected Sponsor Contribution (Fixed \$)	\$258,063	\$401,253
Expected Sponsor Contribution (% of Payroll)	40.3%	62.6%

ASSETS

Actuarial Value ¹	3,860,010	3,860,010
Market Value ¹	3,817,462	3,817,462

LIABILITIES

Present Value of Benefits

Active Members		
Retirement Benefits	2,686,136	4,172,667
Disability Benefits	28,582	40,320
Death Benefits	22,178	28,671
Vested Benefits	184,327	324,636
Refund of Contributions	4,103	4,449
Service Retirees	2,181,956	2,609,707
DROP Retirees ¹	652,453	739,001
Beneficiaries	163,696	182,094
Disability Retirees	0	0
Terminated Vested	17,316	20,539
Share Plan Balances ¹	0	0
Total:	<u>5,940,747</u>	<u>8,122,084</u>
Present Value of Future Salaries	6,150,561	7,032,900
Present Value of Future Member Contributions	60,545	70,329
Total Normal Cost	136,107	217,142
Present Value of Future Normal Costs (Entry Age Normal)	1,313,878	2,407,292
Total Actuarial Accrued Liability ¹	4,626,869	5,714,792
Unfunded Actuarial Accrued Liability (UAAL)	766,859	1,854,782

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

Valuation Date: 10/1/2018

	ACTUAL	HYPOTHETICAL
	7.25%	5.25%
	RP-2000	RP-2000
	Generational	Generational
<u>PENSION COST</u>		
Normal Cost (with interest)	141,041	222,842
Administrative Expenses (with interest)	29,329	29,046
Payment Required To Amortize UAAL (with interest)	130,214	191,886
Minimum Required Contribution	\$300,584	\$443,774

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