

CITY OF COCOA
POLICE OFFICERS' RETIREMENT PLAN

SECTION 112.664, FLORIDA STATUTES COMPLIANCE
DETERMINED AS OF THE
OCTOBER 1, 2019 VALUATION DATE



INTRODUCTION Section 112.664, F.S. Requirements

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, 2019 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.

SECTION I - GASB Section 112.664, F.S. Requirements

SCHEDULE OF CHANGES IN NET PENSION LIABILITY FISCAL YEAR SEPTEMBER 30, 2019

	ACTUAL	HYPOTHETICAL	
	7.50% RP-2000 Generational	5.50% RP-2000 Generational	9.50% RP-2000 Generational
<u>Total Pension Liability</u>			
Service Cost	622,141	991,608	410,762
Interest	2,416,957	2,312,479	2,439,891
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	768,679	1,393,726	434,458
Changes of Assumptions	-	-	-
Contributions - Buy Back	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(1,688,734)	(1,688,734)	(1,688,734)
Net Change in Total Pension Liability	2,119,043	3,009,079	1,596,377
Total Pension Liability - Beginning	32,448,317	41,897,827	26,116,671
Total Pension Liability - Ending (a)	\$ 34,567,360	\$ 44,906,906	\$ 27,713,048
<u>Plan Fiduciary Net Position</u>			
Contributions - Employer	867,341	867,341	867,341
Contributions - State	182,386	182,386	182,386
Contributions - Employee	212,363	212,363	212,363
Contributions - Buy Back	-	-	-
Net Investment Income	1,488,348	1,488,348	1,488,348
Benefit Payments, Including Refunds of Employee Contributions	(1,688,734)	(1,688,734)	(1,688,734)
Administrative Expenses	(95,675)	(95,675)	(95,675)
Net Change in Plan Fiduciary Net Position	966,029	966,029	966,029
Plan Fiduciary Net Position - Beginning	30,379,434	30,379,434	30,379,434
Plan Fiduciary Net Position - Ending (b)	\$ 31,345,463	\$ 31,345,463	\$ 31,345,463
Net Pension Liability - Ending (a) - (b)	\$ 3,221,897	\$ 13,561,443	\$ (3,632,415)

SECTION II - ASSET SUSTAINABILITY Section 112.664, F.S. Requirements

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
2019	31,345,463	-	2,262,321	-	2,266,073	31,349,215
2020	31,349,215	-	1,862,072	-	2,281,363	31,768,506
2021	31,768,506	-	1,973,163	-	2,308,644	32,103,987
2022	32,103,987	-	2,163,904	-	2,326,653	32,266,736
2023	32,266,736	-	2,218,803	-	2,336,800	32,384,733
2024	32,384,733	-	2,261,451	-	2,344,051	32,467,333
2025	32,467,333	-	2,344,232	-	2,347,141	32,470,242
2026	32,470,242	-	2,376,370	-	2,346,154	32,440,026
2027	32,440,026	-	2,442,458	-	2,341,410	32,338,978
2028	32,338,978	-	2,498,883	-	2,331,715	32,171,810
2029	32,171,810	-	2,545,422	-	2,317,432	31,943,820
2030	31,943,820	-	2,577,785	-	2,299,120	31,665,155
2031	31,665,155	-	2,642,388	-	2,275,797	31,298,564
2032	31,298,564	-	2,682,193	-	2,246,810	30,863,181
2033	30,863,181	-	2,723,891	-	2,212,593	30,351,883
2034	30,351,883	-	2,739,157	-	2,173,673	29,786,399
2035	29,786,399	-	2,753,796	-	2,130,713	29,163,316
2036	29,163,316	-	2,767,651	-	2,083,462	28,479,127
2037	28,479,127	-	2,774,519	-	2,031,890	27,736,498
2038	27,736,498	-	2,791,699	-	1,975,549	26,920,348
2039	26,920,348	-	2,789,748	-	1,914,411	26,045,011
2040	26,045,011	-	2,787,422	-	1,848,848	25,106,437
2041	25,106,437	-	2,777,752	-	1,778,817	24,107,502
2042	24,107,502	-	2,767,065	-	1,704,298	23,044,735
2043	23,044,735	-	2,750,453	-	1,625,213	21,919,495
2044	21,919,495	-	2,729,087	-	1,541,621	20,732,029
2045	20,732,029	-	2,702,656	-	1,453,553	19,482,926
2046	19,482,926	-	2,671,855	-	1,361,025	18,172,096
2047	18,172,096	-	2,637,835	-	1,263,988	16,798,249
2048	16,798,249	-	2,597,153	-	1,162,475	15,363,571
2049	15,363,571	-	2,551,627	-	1,056,582	13,868,526
2050	13,868,526	-	2,499,322	-	946,415	12,315,619
2051	12,315,619	-	2,440,773	-	832,142	10,706,988
2052	10,706,988	-	2,376,026	-	713,923	9,044,885
2053	9,044,885	-	2,304,986	-	591,929	7,331,828
2054	7,331,828	-	2,228,562	-	466,316	5,569,582
2055	5,569,582	-	2,146,429	-	337,228	3,760,381
2056	3,760,381	-	2,059,263	-	204,806	1,905,924
2057	1,905,924	-	1,967,523	-	-	-

*All DROP Balances paid in 2019.

Number of Years Expected Benefit Payments Sustained: 38.97

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.

SECTION II - ASSET SUSTAINABILITY Section 112.664, F.S. Requirements

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
2019	31,345,463	-	2,262,321	-	1,661,787	30,744,929
2020	30,744,929	-	1,862,072	-	1,639,764	30,522,621
2021	30,522,621	-	1,973,163	-	1,624,482	30,173,940
2022	30,173,940	-	2,163,904	-	1,600,059	29,610,095
2023	29,610,095	-	2,218,803	-	1,567,538	28,958,830
2024	28,958,830	-	2,261,451	-	1,530,546	28,227,925
2025	28,227,925	-	2,344,232	-	1,488,069	27,371,762
2026	27,371,762	-	2,376,370	-	1,440,097	26,435,489
2027	26,435,489	-	2,442,458	-	1,386,784	25,379,815
2028	25,379,815	-	2,498,883	-	1,327,171	24,208,103
2029	24,208,103	-	2,545,422	-	1,261,447	22,924,128
2030	22,924,128	-	2,577,785	-	1,189,938	21,536,281
2031	21,536,281	-	2,642,388	-	1,111,830	20,005,723
2032	20,005,723	-	2,682,193	-	1,026,554	18,350,084
2033	18,350,084	-	2,723,891	-	934,348	16,560,541
2034	16,560,541	-	2,739,157	-	835,503	14,656,887
2035	14,656,887	-	2,753,796	-	730,399	12,633,490
2036	12,633,490	-	2,767,651	-	618,732	10,484,571
2037	10,484,571	-	2,774,519	-	500,352	8,210,404
2038	8,210,404	-	2,791,699	-	374,800	5,793,505
2039	5,793,505	-	2,789,748	-	241,925	3,245,682
2040	3,245,682	-	2,787,422	-	101,858	560,118
2041	560,118	-	2,777,752	-	-	-

*All DROP Balances paid in 2019.

Number of Years Expected Benefit Payments Sustained: 22.20

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.

SECTION II - ASSET SUSTAINABILITY Section 112.664, F.S. Requirements

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
2019	31,345,463	-	2,262,321	-	2,870,359	31,953,501
2020	31,953,501	-	1,862,072	-	2,947,134	33,038,563
2021	33,038,563	-	1,973,163	-	3,044,938	34,110,338
2022	34,110,338	-	2,163,904	-	3,137,697	35,084,131
2023	35,084,131	-	2,218,803	-	3,227,599	36,092,927
2024	36,092,927	-	2,261,451	-	3,321,409	37,152,885
2025	37,152,885	-	2,344,232	-	3,418,173	38,226,826
2026	38,226,826	-	2,376,370	-	3,518,671	39,369,127
2027	39,369,127	-	2,442,458	-	3,624,050	40,550,719
2028	40,550,719	-	2,498,883	-	3,733,621	41,785,457
2029	41,785,457	-	2,545,422	-	3,848,711	43,088,746
2030	43,088,746	-	2,577,785	-	3,970,986	44,481,947
2031	44,481,947	-	2,642,388	-	4,100,272	45,939,831
2032	45,939,831	-	2,682,193	-	4,236,880	47,494,518
2033	47,494,518	-	2,723,891	-	4,382,594	49,153,221
2034	49,153,221	-	2,739,157	-	4,539,446	50,953,510
2035	50,953,510	-	2,753,796	-	4,709,778	52,909,492
2036	52,909,492	-	2,767,651	-	4,894,938	55,036,779
2037	55,036,779	-	2,774,519	-	5,096,704	57,358,964
2038	57,358,964	-	2,791,699	-	5,316,496	59,883,761
2039	59,883,761	-	2,789,748	-	5,556,444	62,650,457
2040	62,650,457	-	2,787,422	-	5,819,391	65,682,426
2041	65,682,426	-	2,777,752	-	6,107,887	69,012,561
2042	69,012,561	-	2,767,065	-	6,424,758	72,670,254
2043	72,670,254	-	2,750,453	-	6,773,028	76,692,829
2044	76,692,829	-	2,729,087	-	7,156,187	81,119,929
2045	81,119,929	-	2,702,656	-	7,578,017	85,995,290
2046	85,995,290	-	2,671,855	-	8,042,639	91,366,074
2047	91,366,074	-	2,637,835	-	8,554,480	97,282,719
2048	97,282,719	-	2,597,153	-	9,118,494	103,804,060
2049	103,804,060	-	2,551,627	-	9,740,183	110,992,616
2050	110,992,616	-	2,499,322	-	10,425,581	118,918,875
2051	118,918,875	-	2,440,773	-	11,181,356	127,659,458
2052	127,659,458	-	2,376,026	-	12,014,787	137,298,219
2053	137,298,219	-	2,304,986	-	12,933,844	147,927,077
2054	147,927,077	-	2,228,562	-	13,947,216	159,645,731
2055	159,645,731	-	2,146,429	-	15,064,389	172,563,691
2056	172,563,691	-	2,059,263	-	16,295,736	186,800,164
2057	186,800,164	-	1,967,523	-	17,652,558	202,485,199
2058	202,485,199	-	1,871,709	-	19,147,188	219,760,678
2059	219,760,678	-	1,772,649	-	20,793,064	238,781,093
2060	238,781,093	-	1,671,597	-	22,604,803	259,714,299
2061	259,714,299	-	1,569,473	-	24,598,308	282,743,134
2062	282,743,134	-	1,466,534	-	26,790,937	308,067,537
2063	308,067,537	-	1,364,316	-	29,201,611	335,904,832
2064	335,904,832	-	1,264,174	-	31,850,911	366,491,569
2065	366,491,569	-	1,166,837	-	34,761,274	400,086,006
2066	400,086,006	-	1,072,723	-	37,957,216	436,970,499
2067	436,970,499	-	982,306	-	41,465,538	477,453,731
2068	477,453,731	-	895,609	-	45,315,563	521,873,685
2069	521,873,685	-	812,666	-	49,539,398	570,600,417
2070	570,600,417	-	733,455	-	54,172,201	624,039,163

SECTION II - ASSET SUSTAINABILITY Section 112.664, F.S. Requirements

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
2071	624,039,163	-	657,947	-	59,252,468	682,633,684
2072	682,633,684	-	586,524	-	64,822,340	746,869,500
2073	746,869,500	-	519,461	-	70,927,928	817,277,967
2074	817,277,967	-	456,897	-	77,619,704	894,440,774
2075	894,440,774	-	398,656	-	84,952,937	978,995,055
2076	978,995,055	-	344,583	-	92,988,163	1,071,638,635
2077	1,071,638,635	-	294,572	-	101,791,678	1,173,135,741
2078	1,173,135,741	-	248,551	-	111,436,089	1,284,323,279
2079	1,284,323,279	-	207,432	-	122,000,858	1,406,116,705
2080	1,406,116,705	-	171,254	-	133,572,952	1,539,518,403
2081	1,539,518,403	-	139,803	-	146,247,608	1,685,626,208
2082	1,685,626,208	-	112,832	-	160,129,130	1,845,642,506
2083	1,845,642,506	-	89,932	-	175,331,766	2,020,884,340
2084	2,020,884,340	-	70,796	-	191,980,649	2,212,794,193
2085	2,212,794,193	-	54,828	-	210,212,844	2,422,952,209
2086	2,422,952,209	-	41,829	-	230,178,473	2,653,088,853
2087	2,653,088,853	-	31,350	-	252,041,952	2,905,099,455
2088	2,905,099,455	-	23,208	-	275,983,346	3,181,059,593
2089	3,181,059,593	-	16,958	-	302,199,856	3,483,242,491
2090	3,483,242,491	-	12,207	-	330,907,457	3,814,137,741
2091	3,814,137,741	-	8,672	-	362,342,673	4,176,471,742
2092	4,176,471,742	-	6,073	-	396,764,527	4,573,230,196
2093	4,573,230,196	-	4,207	-	434,456,669	5,007,682,658
2094	5,007,682,658	-	2,876	-	475,729,716	5,483,409,498
2095	5,483,409,498	-	1,953	-	520,923,810	6,004,331,355
2096	6,004,331,355	-	1,314	-	570,411,416	6,574,741,457
2097	6,574,741,457	-	881	-	624,600,397	7,199,340,973
2098	7,199,340,973	-	590	-	683,937,364	7,883,277,747
2099	7,883,277,747	-	393	-	748,911,367	8,632,188,721
2100	8,632,188,721	-	260	-	820,057,916	9,452,246,377
2101	9,452,246,377	-	166	-	897,963,398	10,350,209,609
2102	10,350,209,609	-	102	-	983,269,908	11,333,479,415
2103	11,333,479,415	-	66	-	1,076,680,541	12,410,159,890
2104	12,410,159,890	-	42	-	1,178,965,188	13,589,125,036
2105	13,589,125,036	-	27	-	1,290,966,877	14,880,091,886
2106	14,880,091,886	-	17	-	1,413,608,728	16,293,700,597
2107	16,293,700,597	-	10	-	1,547,901,556	17,841,602,143
2108	17,841,602,143	-	6	-	1,694,952,203	19,536,554,340
2109	19,536,554,340	-	4	-	1,855,972,662	21,392,526,998
2110	21,392,526,998	-	2	-	2,032,290,065	23,424,817,061
2111	23,424,817,061	-	1	-	2,225,357,621	25,650,174,681
2112	25,650,174,681	-	1	-	2,436,766,595	28,086,941,275
2113	28,086,941,275	-	-	-	2,668,259,421	30,755,200,696

*All DROP Balances paid in 2019.

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.

SECTION III - FUNDING Section 112.664, F.S. Requirements

ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR ENDING SEPTEMBER 30, 2021

Valuation Date: 10/1/2019

	ACTUAL	HYPOTHETICAL	
	7.50% RP-2000 Generational	5.50% RP-2000 Generational	9.50% RP-2000 Generational
Minimum Required Contribution (Fixed \$)	\$1,055,534	\$2,112,057	\$428,522
Minimum Required Contribution (% of Payroll)	30.42%	60.87%	12.35%
Expected Member Contribution	225,526	225,526	225,526
Expected State Money	182,386	182,386	182,386
Expected Sponsor Contribution (Fixed \$)	\$647,622	\$1,704,145	\$20,610
Expected Sponsor Contribution (% of Payroll)	18.66%	49.11%	0.59%
<u>ASSETS</u>			
Actuarial Value ¹	32,412,586	32,412,586	32,412,586
Market Value ¹	31,345,463	31,345,463	31,345,463
<u>LIABILITIES</u>			
Present Value of Benefits			
Active Members			
Retirement Benefits	14,053,660	21,127,556	9,941,888
Disability Benefits	662,412	909,308	503,226
Death Benefits	72,919	95,661	56,974
Vested Benefits	1,118,448	1,802,181	731,410
Refund of Contributions	120,420	128,075	113,617
Service Retirees	17,688,711	22,205,538	14,589,652
DROP Retirees ¹	2,083,028	2,637,123	1,739,730
Beneficiaries	814,375	1,009,454	679,297
Disability Retirees	1,775,606	2,248,465	1,460,895
Terminated Vested	1,161,326	1,524,071	922,963
Share Plan Balances ¹	0	0	0
Total:	39,550,905	53,687,432	30,739,652
Present Value of Future Salaries	24,692,763	27,523,749	22,402,437
Present Value of Future Member Contributions	1,605,030	1,789,044	1,456,158
Total Normal Cost	656,368	1,055,255	428,522
Present Value of Future Normal Costs (Entry Age Normal)	4,421,587	8,036,617	2,582,708
Total Actuarial Accrued Liability ¹	35,129,318	45,650,815	28,156,944
Unfunded Actuarial Accrued Liability(UAAL)	2,716,732	13,238,229	(4,255,642)

SECTION III - FUNDING Section 112.664, F.S. Requirements

ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR ENDING SEPTEMBER 30, 2021

Valuation Date: 10/1/2019

	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)	656,368	1,055,255	428,522
Administrative Expenses (with interest)	88,159	88,159	88,159
Payment Required To Amortize UAAL (with interest)	311,007	968,643	(307,169)
Minimum Required Contribution	\$1,055,534	\$2,112,057	\$428,522 ²

¹ The asset values and liabilities include accumulated DROP and Share Plan Balances as of 9/30/2019.

² Per Florida Statutes, the Minimum Required Contribution may be no less than the Normal Cost.