

CITY OF COCOA
GENERAL EMPLOYEES' 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	
	6.80% RP-2000 Generational	4.80% RP-2000 Generational	8.80% RP-2000 Generational
<u>Total Pension Liability</u>			
Service Cost	8,673	16,890	4,613
Interest	1,146,191	1,006,402	1,234,900
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	(449,972)	(476,358)	(424,780)
Changes of Assumptions	303,069	437,562	218,327
Benefit Payments, Including Refunds of Employee Contributions	(1,469,442)	(1,469,442)	(1,469,442)
Net Change in Total Pension Liability	(461,481)	(484,946)	(436,382)
Total Pension Liability - Beginning	17,100,204	20,845,865	14,451,219
Total Pension Liability - Ending (a)	\$ 16,638,723	\$ 20,360,919	\$ 14,014,837
<u>Plan Fiduciary Net Position</u>			
Contributions - Employer	540,614	540,614	540,614
Contributions - Employee	3,631	3,631	3,631
Net Investment Income	364,341	364,341	364,341
Benefit Payments, Including Refunds of Employee Contributions	(1,469,442)	(1,469,442)	(1,469,442)
Administrative Expenses	(69,029)	(69,029)	(69,029)
Net Change in Plan Fiduciary Net Position	(629,885)	(629,885)	(629,885)
Plan Fiduciary Net Position - Beginning	14,587,473	14,587,473	14,587,473
Plan Fiduciary Net Position - Ending (b)	\$ 13,957,588	\$ 13,957,588	\$ 13,957,588
Net Pension Liability - Ending (a) - (b)	\$ 2,681,135	\$ 6,403,331	\$ 57,249

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: 6.80% 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	13,939,606	-	1,478,280	-	897,632	13,358,958
2020	13,358,958	-	1,274,908	-	865,062	12,949,112
2021	12,949,112	-	1,271,606	-	837,305	12,514,811
2022	12,514,811	-	1,266,296	-	807,953	12,056,468
2023	12,056,468	-	1,261,719	-	776,941	11,571,690
2024	11,571,690	-	1,256,501	-	744,154	11,059,343
2025	11,059,343	-	1,249,110	-	709,566	10,519,799
2026	10,519,799	-	1,234,646	-	673,368	9,958,521
2027	9,958,521	-	1,221,928	-	635,634	9,372,227
2028	9,372,227	-	1,207,047	-	596,272	8,761,452
2029	8,761,452	-	1,189,836	-	555,324	8,126,940
2030	8,126,940	-	1,172,476	-	512,768	7,467,232
2031	7,467,232	-	1,154,332	-	468,524	6,781,424
2032	6,781,424	-	1,136,768	-	422,487	6,067,143
2033	6,067,143	-	1,117,990	-	374,554	5,323,707
2034	5,323,707	-	1,097,976	-	324,681	4,550,412
2035	4,550,412	-	1,076,782	-	272,817	3,746,447
2036	3,746,447	-	1,054,488	-	218,906	2,910,865
2037	2,910,865	-	1,031,168	-	162,879	2,042,576
2038	2,042,576	-	1,006,767	-	104,665	1,140,474
2039	1,140,474	-	981,171	-	44,192	203,495
2040	203,495	-	954,381	-	-	-

*All DROP Balances paid in 2019.

Number of Years Expected Benefit Payments Sustained: 21.21

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 6.80% 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: 4.80% 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	13,939,606	-	1,478,280	-	633,622	13,094,948
2020	13,094,948	-	1,274,908	-	597,960	12,418,000
2021	12,418,000	-	1,271,606	-	565,545	11,711,939
2022	11,711,939	-	1,266,296	-	531,782	10,977,425
2023	10,977,425	-	1,261,719	-	496,635	10,212,341
2024	10,212,341	-	1,256,501	-	460,036	9,415,876
2025	9,415,876	-	1,249,110	-	421,983	8,588,749
2026	8,588,749	-	1,234,646	-	382,628	7,736,731
2027	7,736,731	-	1,221,928	-	342,037	6,856,840
2028	6,856,840	-	1,207,047	-	300,159	5,949,952
2029	5,949,952	-	1,189,836	-	257,042	5,017,158
2030	5,017,158	-	1,172,476	-	212,684	4,057,366
2031	4,057,366	-	1,154,332	-	167,050	3,070,084
2032	3,070,084	-	1,136,768	-	120,082	2,053,398
2033	2,053,398	-	1,117,990	-	71,731	1,007,139
2034	1,007,139	-	1,097,976	-	-	-

*All DROP Balances paid in 2019.

Number of Years Expected Benefit Payments Sustained: 15.92

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 4.80% 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: 8.80% 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	13,939,606	-	1,478,280	-	1,161,641	13,622,967
2020	13,622,967	-	1,274,908	-	1,142,725	13,490,784
2021	13,490,784	-	1,271,606	-	1,131,238	13,350,416
2022	13,350,416	-	1,266,296	-	1,119,120	13,203,240
2023	13,203,240	-	1,261,719	-	1,106,369	13,047,890
2024	13,047,890	-	1,256,501	-	1,092,928	12,884,317
2025	12,884,317	-	1,249,110	-	1,078,859	12,714,066
2026	12,714,066	-	1,234,646	-	1,064,513	12,543,933
2027	12,543,933	-	1,221,928	-	1,050,101	12,372,106
2028	12,372,106	-	1,207,047	-	1,035,635	12,200,694
2029	12,200,694	-	1,189,836	-	1,021,308	12,032,166
2030	12,032,166	-	1,172,476	-	1,007,242	11,866,932
2031	11,866,932	-	1,154,332	-	993,499	11,706,099
2032	11,706,099	-	1,136,768	-	980,119	11,549,450
2033	11,549,450	-	1,117,990	-	967,160	11,398,620
2034	11,398,620	-	1,097,976	-	954,768	11,255,412
2035	11,255,412	-	1,076,782	-	943,098	11,121,728
2036	11,121,728	-	1,054,488	-	932,315	10,999,555
2037	10,999,555	-	1,031,168	-	922,589	10,890,976
2038	10,890,976	-	1,006,767	-	914,108	10,798,317
2039	10,798,317	-	981,171	-	907,080	10,724,226
2040	10,724,226	-	954,381	-	901,739	10,671,584
2041	10,671,584	-	926,412	-	898,337	10,643,509
2042	10,643,509	-	897,204	-	897,152	10,643,457
2043	10,643,457	-	866,519	-	898,497	10,675,435
2044	10,675,435	-	834,147	-	902,736	10,744,024
2045	10,744,024	-	799,956	-	910,276	10,854,344
2046	10,854,344	-	763,750	-	921,577	11,012,171
2047	11,012,171	-	725,454	-	937,151	11,223,868
2048	11,223,868	-	685,226	-	957,550	11,496,192
2049	11,496,192	-	643,262	-	983,361	11,836,291
2050	11,836,291	-	599,698	-	1,015,207	12,251,800
2051	12,251,800	-	554,781	-	1,053,748	12,750,767
2052	12,750,767	-	509,346	-	1,099,656	13,341,077
2053	13,341,077	-	463,887	-	1,153,604	14,030,794
2054	14,030,794	-	418,842	-	1,216,281	14,828,233
2055	14,828,233	-	375,108	-	1,288,380	15,741,505
2056	15,741,505	-	333,089	-	1,370,597	16,779,013
2057	16,779,013	-	292,984	-	1,463,662	17,949,691
2058	17,949,691	-	255,196	-	1,568,344	19,262,839
2059	19,262,839	-	219,921	-	1,685,453	20,728,371
2060	20,728,371	-	187,036	-	1,815,867	22,357,202
2061	22,357,202	-	156,740	-	1,960,537	24,160,999
2062	24,160,999	-	129,476	-	2,120,471	26,151,994
2063	26,151,994	-	105,442	-	2,296,736	28,343,288

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: 8.80% 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
2064	28,343,288	-	84,866	-	2,490,475	30,748,897
2065	30,748,897	-	67,700	-	2,702,924	33,384,121
2066	33,384,121	-	53,440	-	2,935,451	36,266,132
2067	36,266,132	-	41,941	-	3,189,574	39,413,765
2068	39,413,765	-	32,717	-	3,466,972	42,848,020
2069	42,848,020	-	25,532	-	3,769,502	46,591,990
2070	46,591,990	-	19,970	-	4,099,216	50,671,236
2071	50,671,236	-	15,866	-	4,458,371	55,113,741
2072	55,113,741	-	12,872	-	4,849,443	59,950,312
2073	59,950,312	-	10,770	-	5,275,154	65,214,696
2074	65,214,696	-	9,303	-	5,738,484	70,943,877
2075	70,943,877	-	8,287	-	6,242,697	77,178,287
2076	77,178,287	-	7,590	-	6,791,355	83,962,052
2077	83,962,052	-	7,106	-	7,388,348	91,343,294
2078	91,343,294	-	6,768	-	8,037,912	99,374,438
2079	99,374,438	-	6,527	-	8,744,663	108,112,574
2080	108,112,574	-	6,341	-	9,513,628	117,619,861
2081	117,619,861	-	6,190	-	10,350,275	127,963,946
2082	127,963,946	-	6,061	-	11,260,561	139,218,446
2083	139,218,446	-	5,941	-	12,250,962	151,463,467
2084	151,463,467	-	5,820	-	13,328,529	164,786,176
2085	164,786,176	-	5,698	-	14,500,933	179,281,411
2086	179,281,411	-	5,573	-	15,776,519	195,052,357
2087	195,052,357	-	5,442	-	17,164,368	212,211,283
2088	212,211,283	-	5,306	-	18,674,359	230,880,336
2089	230,880,336	-	5,161	-	20,317,242	251,192,417
2090	251,192,417	-	5,007	-	22,104,712	273,292,122
2091	273,292,122	-	4,837	-	24,049,494	297,336,779
2092	297,336,779	-	4,641	-	26,165,432	323,497,570
2093	323,497,570	-	4,416	-	28,467,592	351,960,746
2094	351,960,746	-	4,161	-	30,972,363	382,928,948
2095	382,928,948	-	3,875	-	33,697,577	416,622,650
2096	416,622,650	-	3,560	-	36,662,637	453,281,727
2097	453,281,727	-	3,218	-	39,888,650	493,167,159
2098	493,167,159	-	2,856	-	43,398,584	536,562,887
2099	536,562,887	-	2,479	-	47,217,425	583,777,833
2100	583,777,833	-	2,093	-	51,372,357	635,148,097
2101	635,148,097	-	1,709	-	55,892,957	691,039,345
2102	691,039,345	-	1,360	-	60,811,403	751,849,388
2103	751,849,388	-	1,058	-	66,162,700	818,011,030
2104	818,011,030	-	797	-	71,984,936	889,995,169
2105	889,995,169	-	584	-	78,319,549	968,314,134
2106	968,314,134	-	412	-	85,211,626	1,053,525,348
2107	1,053,525,348	-	282	-	92,710,218	1,146,235,284
2108	1,146,235,284	-	184	-	100,868,697	1,247,103,797

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: 8.80% 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
2109	1,247,103,797	-	116	-	109,745,129	1,356,848,810
2110	1,356,848,810	-	70	-	119,402,692	1,476,251,432
2111	1,476,251,432	-	42	-	129,910,124	1,606,161,514
2112	1,606,161,514	-	25	-	141,342,212	1,747,503,701
2113	1,747,503,701	-	15	-	153,780,325	1,901,284,011
2114	1,901,284,011	-	9	-	167,312,993	2,068,596,995
2115	2,068,596,995	-	5	-	182,036,535	2,250,633,525
2116	2,250,633,525	-	3	-	198,055,750	2,448,689,272
2117	2,448,689,272	-	2	-	215,484,656	2,664,173,926
2118	2,664,173,926	-	1	-	234,447,305	2,898,621,230
2119	2,898,621,230	-	1	-	255,078,668	3,153,699,897
2120	3,153,699,897	-	-	-	277,525,591	3,431,225,488

*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 8.80% 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	
	6.80% RP-2000 Generational	4.80% RP-2000 Generational	8.80% RP-2000 Generational
Minimum Required Contribution (Fixed \$)	\$240,212	\$456,954	\$13,753
Minimum Required Contribution (% of Payroll)	310.6%	591.0%	17.7%
Expected Member Contribution	4,130	4,052	4,207
Expected Sponsor Contribution (Fixed \$)	\$236,082	\$452,902	\$9,546
Expected Sponsor Contribution (% of Payroll)	305.6%	586.0%	12.7%

ASSETS

Actuarial Value ¹	14,533,801	14,533,801	14,533,801
Market Value ¹	13,939,606	13,939,606	13,939,606

LIABILITIES

Present Value of Benefits			
Active Members			
Retirement Benefits	991,821	1,304,296	786,216
Disability Benefits	2,311	2,760	1,983
Death Benefits	938	1,022	866
Vested Benefits	0	0	0
Refund of Contributions	0	0	0
Service Retirees	12,039,339	14,686,529	10,152,389
DROP Retirees ¹	1,479,428	1,819,976	1,250,312
Beneficiaries	1,474,873	1,824,017	1,225,601
Disability Retirees	51,947	62,291	44,445
Terminated Vested	0	0	0
Total:	16,040,657	19,700,891	13,461,812
Present Value of Future Salaries	77,334	77,334	77,334
Present Value of Future Member Contributions	3,867	3,867	3,867
Total Normal Cost	5,389	11,036	2,736
Present Value of Future Normal Costs (Entry Age Normal)	5,389	11,036	2,736
Total Actuarial Accrued Liability ¹	16,035,268	19,689,855	13,459,076
Unfunded Actuarial Accrued Liability(UAAL)	1,501,467	5,156,054	(1,074,725)

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	
	6.80% RP-2000 Generational	4.80% RP-2000 Generational	8.80% RP-2000 Generational
<u>PENSION COST</u>			
Normal Cost ²	5,755	11,566	2,977
Administrative Expenses ²	71,680	70,338	73,022
Payment Required To Amortize UAAL ²	162,777	375,050	(62,246)
Minimum Required Contribution	\$240,212	\$456,954	\$13,753

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

² Contributions developed as of 10/1/2019 displayed above have been adjusted to account for assumed salary increase and interest components.