

June 25, 2015

VIA EMAIL

Sheila Hutcheson, Plan Administrator  
3860 Grantline Road  
Mims, FL 32754

Re: City of Cocoa General Employees' Retirement Plan  
Senate Bill 534 (Section 112.664, Florida Statutes) Compliance

Dear Sheila:

Please find enclosed the annual disclosures that satisfy the October 1, 2014 financial reporting requirements made under Section 112.664.


Our office will submit this information electronically to the Department of Management Services by the June 28, 2015 deadline. 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 #14-7778

DHL/lke  
Enclosures

cc via email: Scott R. Christiansen, Board Attorney

CITY OF COCOA  
GENERAL EMPLOYEES' RETIREMENT PLAN

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: 6/25/2015

Douglas H. Lozen, EA, MAAA  
Enrolled Actuary #14-7778



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, 2014 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 AND RELATED RATIOS

	ACTUAL	HYPOTHETICAL		
	7.60% RP-2000 Static 9/30/2014	7.60% RP-2000 Generational 9/30/2014	5.60% RP-2000 Generational 9/30/2014	9.60% RP-2000 Generational 9/30/2014
<u>Total Pension Liability</u>				
Service Cost	47,142	48,311	81,296	29,583
Interest	1,212,422	1,235,285	1,117,057	1,307,092
Change in Excess State Money	-	-	-	-
Change in Funding Standard Account	-	-	-	-
Share Plan Allocation	-	-	-	-
Changes of Benefit Terms	-	-	-	-
Differences Between Expected and Actual Experience	-	-	-	-
Changes of Assumptions	-	-	-	-
Contributions - Buy Back	-	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(1,253,011)	(1,253,011)	(1,253,011)	(1,253,011)
Net Change in Total Pension Liability	6,553	30,585	(54,658)	83,664
Total Pension Liability - Beginning	16,532,283	16,831,946	20,492,647	14,212,467
Total Pension Liability - Ending (a)	<u>16,538,836</u>	<u>\$ 16,862,531</u>	<u>\$ 20,437,989</u>	<u>\$ 14,296,131</u>
<u>Plan Fiduciary Net Position</u>				
Contributions - Employer	789,489	789,489	789,489	789,489
Contributions - State	-	-	-	-
Contributions - Employee	14,167	14,167	14,167	14,167
Contributions - Buy Back	-	-	-	-
Net Investment Income	1,269,824	1,269,824	1,269,824	1,269,824
Benefit Payments, Including Refunds of Employee Contributions	(1,253,011)	(1,253,011)	(1,253,011)	(1,253,011)
Administrative Expense	(48,959)	(48,959)	(48,959)	(48,959)
Other	-	-	-	-
Net Change in Plan Fiduciary Net Position	771,510	771,510	771,510	771,510
Plan Fiduciary Net Position - Beginning	12,272,550	12,272,550	12,272,550	12,272,550
Plan Fiduciary Net Position - Ending (b)	<u>\$ 13,044,060</u>	<u>\$ 13,044,060</u>	<u>\$ 13,044,060</u>	<u>\$ 13,044,060</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 3,494,776</u>	<u>\$ 3,818,471</u>	<u>\$ 7,393,929</u>	<u>\$ 1,252,071</u>

## PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1  
Plan Assumptions: 7.60% and RP-2000 Static Mortality

Year	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments*	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2014	13,044,060	-	1,410,729	-	937,741	12,571,072
2015	12,571,072	-	1,437,723	-	900,768	12,034,117
2016	12,034,117	-	1,467,470	-	858,829	11,425,476
2017	11,425,476	-	1,448,369	-	813,298	10,790,405
2018	10,790,405	-	1,453,508	-	764,837	10,101,734
2019	10,101,734	-	1,433,165	-	713,272	9,381,841
2020	9,381,841	-	1,413,556	-	659,305	8,627,590
2021	8,627,590	-	1,394,800	-	602,694	7,835,484
2022	7,835,484	-	1,373,940	-	543,287	7,004,831
2023	7,004,831	-	1,353,511	-	480,934	6,132,254
2024	6,132,254	-	1,332,197	-	415,428	5,215,485
2025	5,215,485	-	1,309,309	-	346,623	4,252,799
2026	4,252,799	-	1,284,431	-	274,404	3,242,772
2027	3,242,772	-	1,257,568	-	198,663	2,183,867
2028	2,183,867	-	1,228,994	-	119,272	1,074,145
2029	1,074,145	-	1,198,561	-	-	-

\*All DROP Balances paid in 2014.

Number of Years Expected Benefit Payments Sustained: 15.9

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 7.60% interest.

**It is important to note that as long as the Actuarially Determined Contribution is made each year, the Plan will never become insolvent.**

## PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 2  
Hypothetical Assumptions: 7.60% and RP-2000 Generational Mortality

Year	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments*	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2014	13,044,060	-	1,410,727	-	937,741	12,571,074
2015	12,571,074	-	1,437,844	-	900,764	12,033,994
2016	12,033,994	-	1,467,993	-	858,800	11,424,801
2017	11,424,801	-	1,449,571	-	813,201	10,788,431
2018	10,788,431	-	1,455,675	-	764,605	10,097,361
2019	10,097,361	-	1,436,556	-	712,810	9,373,615
2020	9,373,615	-	1,418,410	-	658,495	8,613,700
2021	8,613,700	-	1,401,351	-	601,390	7,813,739
2022	7,813,739	-	1,382,416	-	541,312	6,972,635
2023	6,972,635	-	1,364,147	-	478,083	6,086,571
2024	6,086,571	-	1,345,213	-	411,461	5,152,819
2025	5,152,819	-	1,324,977	-	341,265	4,169,107
2026	4,169,107	-	1,302,979	-	267,339	3,133,467
2027	3,133,467	-	1,279,169	-	189,535	2,043,833
2028	2,043,833	-	1,253,881	-	107,684	897,636
2029	897,636	-	1,226,883	-	-	-

\*All DROP Balances paid in 2014.

Number of Years Expected Benefit Payments Sustained: 15.73

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 7.60% interest.

**It is important to note that as long as the Actuarially Determined Contribution is made each year, the Plan will never become insolvent.**

## PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 3  
Hypothetical Assumptions: 5.60% and RP-2000 Generational Mortality

Year	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments*	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2014	13,044,060	-	1,410,727	-	690,967	12,324,300
2015	12,324,300	-	1,437,844	-	649,901	11,536,357
2016	11,536,357	-	1,467,993	-	604,932	10,673,296
2017	10,673,296	-	1,449,571	-	557,117	9,780,842
2018	9,780,842	-	1,455,675	-	506,968	8,832,135
2019	8,832,135	-	1,436,556	-	454,376	7,849,955
2020	7,849,955	-	1,418,410	-	399,882	6,831,427
2021	6,831,427	-	1,401,351	-	343,322	5,773,398
2022	5,773,398	-	1,382,416	-	284,603	4,675,585
2023	4,675,585	-	1,364,147	-	223,637	3,535,075
2024	3,535,075	-	1,345,213	-	160,298	2,350,160
2025	2,350,160	-	1,324,977	-	94,510	1,119,693
2026	1,119,693	-	1,302,979	-	-	-

\*All DROP Balances paid in 2014.

Number of Years Expected Benefit Payments Sustained: 12.86

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 5.60% interest.

**It is important to note that as long as the Actuarially Determined Contribution is made each year, the Plan will never become insolvent.**

## PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 4  
Hypothetical Assumptions: 9.60% and RP-2000 Generational Mortality

Year	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments*	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2014	13,044,060	-	1,410,727	-	1,184,515	12,817,848
2015	12,817,848	-	1,437,844	-	1,161,497	12,541,501
2016	12,541,501	-	1,467,993	-	1,133,520	12,207,028
2017	12,207,028	-	1,449,571	-	1,102,295	11,859,752
2018	11,859,752	-	1,455,675	-	1,068,664	11,472,741
2019	11,472,741	-	1,436,556	-	1,032,428	11,068,613
2020	11,068,613	-	1,418,410	-	994,503	10,644,706
2021	10,644,706	-	1,401,351	-	954,627	10,197,982
2022	10,197,982	-	1,382,416	-	912,650	9,728,216
2023	9,728,216	-	1,364,147	-	868,430	9,232,499
2024	9,232,499	-	1,345,213	-	821,750	8,709,036
2025	8,709,036	-	1,324,977	-	772,469	8,156,528
2026	8,156,528	-	1,302,979	-	720,484	7,574,033
2027	7,574,033	-	1,279,169	-	665,707	6,960,571
2028	6,960,571	-	1,253,881	-	608,029	6,314,719
2029	6,314,719	-	1,226,883	-	547,323	5,635,159
2030	5,635,159	-	1,199,699	-	483,390	4,918,850
2031	4,918,850	-	1,171,429	-	415,981	4,163,402
2032	4,163,402	-	1,142,759	-	344,834	3,365,477
2033	3,365,477	-	1,112,620	-	269,680	2,522,537
2034	2,522,537	-	1,081,065	-	190,272	1,631,744
2035	1,631,744	-	1,048,211	-	106,333	689,866
2036	689,866	-	1,014,312	-	-	-

\*All DROP Balances paid in 2014.

Number of Years Expected Benefit Payments Sustained: 22.68

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 9.60% interest.

**It is important to note that as long as the Actuarially Determined Contribution is made each year, the Plan will never become insolvent.**



ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR  
ENDING SEPTEMBER 30, 2016

Valuation Date: 10/1/2014

	ACTUAL		HYPOTHETICAL	
	7.60% RP-2000 Static	7.60% RP-2000 Generational	5.60% RP-2000 Generational	9.60% RP-2000 Generational
Total Required Contribution	\$663,985	\$690,804	\$918,908	\$467,212
Expected Member Contribution	12,543	12,543	12,422	12,664
Expected Sponsor Contribution (Fixed \$)	\$651,442	\$678,261	\$906,486	\$454,548
Expected Sponsor Contribution (% of Payroll)	269.6%	280.7%	375.1%	188.1%

**ASSETS**

Actuarial Value	12,455,480	12,455,480	12,455,480	12,455,480
Market Value	13,044,060	13,044,060	13,044,060	13,044,060

**LIABILITIES**

## Present Value of Benefits

Active Members				
Retirement Benefits	1,942,246	2,000,019	2,579,306	1,603,652
Disability Benefits	12,856	12,922	15,797	10,852
Death Benefits	3,197	3,168	3,511	2,874
Vested Benefits	40,669	41,455	53,469	33,170
Refund of Contributions	0	0	0	0
Service Retirees	12,263,628	12,461,294	14,920,599	10,666,031
Beneficiaries	511,123	517,409	601,144	454,496
Terminated Vested	160,535	162,309	209,678	129,378
Disability Retirees	64,349	64,819	80,559	53,887
DROP Retirees	1,466,679	1,496,240	1,897,329	1,226,106
Total:	16,465,282	16,759,635	20,361,392	14,180,446
Present Value of Future Salaries	389,942	389,947	395,106	385,072
Present Value of Future Member Contributions	19,497	19,497	19,755	19,254
Total Normal Cost (Entry Age Normal)	39,925	40,921	67,974	25,281
Present Value of Future Normal Costs (Entry Age Normal)	62,314	63,880	109,992	38,221
Total Actuarial Accrued Liability	16,402,968	16,695,755	20,251,400	14,142,225
Unfunded Actuarial Accrued Liability (Entry Age Normal)	3,947,488	4,240,275	7,795,920	1,686,745

ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR  
ENDING SEPTEMBER 30, 2016

Valuation Date: 10/1/2014

	ACTUAL	HYPOTHETICAL		
	7.60% RP-2000 Static	7.60% RP-2000 Generational	5.60% RP-2000 Generational	9.60% RP-2000 Generational
<b><u>PENSION COST</u></b>				
Normal Cost (with interest)	44,136	45,237	74,419	28,217
Administrative Expenses (with interest)	54,123	54,123	53,601	54,644
Payment Required To Amortize UAAL (with interest)	<u>565,726</u>	<u>591,444</u>	<u>790,888</u>	<u>384,351</u>
Total Required Contribution	\$663,985	\$690,804	\$918,908	\$467,212