

February 9, 2018

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, 2017 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

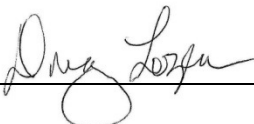
DHL/lke  
Enclosures

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: 2/9/2018

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, 2017 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, 2017

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>
	7.75% RP-2000 Generational	5.75% RP-2000 Generational
<u>Total Pension Liability</u>		
Service Cost	584,519	874,176
Interest	1,853,234	1,711,474
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience	469,323	600,510
Changes of Assumptions	40,962	49,771
Contributions - Buy Back	6,585	6,585
Benefit Payments, Including Refunds of Employee Contributions	(1,209,098)	(1,209,098)
Net Change in Total Pension Liability	1,745,525	2,033,418
Total Pension Liability - Beginning	23,932,732	29,495,130
Total Pension Liability - Ending (a)	<u>\$ 25,678,257</u>	<u>\$ 31,528,548</u>
<u>Plan Fiduciary Net Position</u>		
Contributions - Employer	425,001	425,001
Contributions - Employee	284,664	284,664
Contributions - Buy Back	6,585	6,585
Net Investment Income	2,639,271	2,639,271
Benefit Payments, Including Refunds of Employee Contributions	(1,209,098)	(1,209,098)
Administrative Expenses	(22,069)	(22,069)
Net Change in Plan Fiduciary Net Position	2,124,354	2,124,354
Plan Fiduciary Net Position - Beginning	23,307,493	23,307,493
Plan Fiduciary Net Position - Ending (b)	<u>\$ 25,431,847</u>	<u>\$ 25,431,847</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 246,410</u>	<u>\$ 6,096,701</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
2017	25,416,762	-	1,546,807	-	1,909,860	25,779,815
2018	25,779,815	-	1,684,089	-	1,932,677	26,028,403
2019	26,028,403	-	1,755,937	-	1,949,159	26,221,625
2020	26,221,625	-	1,832,144	-	1,961,180	26,350,661
2021	26,350,661	-	1,910,514	-	1,968,144	26,408,291
2022	26,408,291	-	1,972,470	-	1,970,209	26,406,030
2023	26,406,030	-	2,024,377	-	1,968,023	26,349,676
2024	26,349,676	-	2,088,497	-	1,961,171	26,222,350
2025	26,222,350	-	2,139,587	-	1,949,323	26,032,086
2026	26,032,086	-	2,170,224	-	1,933,390	25,795,252
2027	25,795,252	-	2,190,499	-	1,914,250	25,519,003
2028	25,519,003	-	2,208,347	-	1,892,149	25,202,805
2029	25,202,805	-	2,188,602	-	1,868,409	24,882,612
2030	24,882,612	-	2,170,499	-	1,844,296	24,556,409
2031	24,556,409	-	2,126,912	-	1,820,704	24,250,201
2032	24,250,201	-	2,088,328	-	1,798,468	23,960,341
2033	23,960,341	-	2,039,085	-	1,777,912	23,699,168
2034	23,699,168	-	1,995,327	-	1,759,367	23,463,208
2035	23,463,208	-	1,938,697	-	1,743,274	23,267,785
2036	23,267,785	-	1,878,785	-	1,730,450	23,119,450
2037	23,119,450	-	1,819,312	-	1,721,259	23,021,397
2038	23,021,397	-	1,754,391	-	1,716,176	22,983,182
2039	22,983,182	-	1,682,423	-	1,716,003	23,016,762
2040	23,016,762	-	1,618,872	-	1,721,068	23,118,958
2041	23,118,958	-	1,539,100	-	1,732,079	23,311,937
2042	23,311,937	-	1,464,644	-	1,749,920	23,597,213
2043	23,597,213	-	1,384,227	-	1,775,145	23,988,131
2044	23,988,131	-	1,301,511	-	1,808,647	24,495,267
2045	24,495,267	-	1,220,211	-	1,851,100	25,126,156
2046	25,126,156	-	1,142,067	-	1,903,022	25,887,111
2047	25,887,111	-	1,061,036	-	1,965,136	26,791,211
2048	26,791,211	-	981,557	-	2,038,284	27,847,938
2049	27,847,938	-	904,170	-	2,123,179	29,066,947
2050	29,066,947	-	829,517	-	2,220,545	30,457,975
2051	30,457,975	-	756,437	-	2,331,181	32,032,719
2052	32,032,719	-	686,144	-	2,455,948	33,802,523
2053	33,802,523	-	619,289	-	2,595,698	35,778,932
2054	35,778,932	-	555,767	-	2,751,331	37,974,496
2055	37,974,496	-	496,191	-	2,923,796	40,402,101
2056	40,402,101	-	441,115	-	3,114,070	43,075,056
2057	43,075,056	-	389,670	-	3,323,217	46,008,603
2058	46,008,603	-	342,596	-	3,552,391	49,218,398
2059	49,218,398	-	299,758	-	3,802,810	52,721,450
2060	52,721,450	-	261,289	-	4,075,787	56,535,948
2061	56,535,948	-	227,230	-	4,372,731	60,681,449
2062	60,681,449	-	197,387	-	4,695,164	65,179,226
2063	65,179,226	-	171,473	-	5,044,745	70,052,498
2064	70,052,498	-	149,084	-	5,423,292	75,326,706
2065	75,326,706	-	129,674	-	5,832,795	81,029,827
2066	81,029,827	-	112,946	-	6,275,435	87,192,316

## 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
2067	87,192,316	-	98,484	-	6,753,588	93,847,420
2068	93,847,420	-	86,004	-	7,269,842	101,031,258
2069	101,031,258	-	75,204	-	7,827,008	108,783,062
2070	108,783,062	-	65,867	-	8,428,135	117,145,330
2071	117,145,330	-	57,745	-	9,076,525	126,164,110
2072	126,164,110	-	50,624	-	9,775,757	135,889,243
2073	135,889,243	-	44,397	-	10,529,696	146,374,542
2074	146,374,542	-	38,910	-	11,342,519	157,678,151
2075	157,678,151	-	34,050	-	12,218,737	169,862,838
2076	169,862,838	-	29,729	-	13,163,218	182,996,327
2077	182,996,327	-	25,859	-	14,181,213	197,151,681
2078	197,151,681	-	22,414	-	15,278,387	212,407,654
2079	212,407,654	-	19,329	-	16,460,844	228,849,169
2080	228,849,169	-	16,553	-	17,735,169	246,567,785
2081	246,567,785	-	14,046	-	19,108,459	265,662,198
2082	265,662,198	-	11,802	-	20,588,363	286,238,759
2083	286,238,759	-	9,821	-	22,183,123	308,412,061
2084	308,412,061	-	8,087	-	23,901,621	332,305,595
2085	332,305,595	-	6,593	-	25,753,428	358,052,430
2086	358,052,430	-	5,309	-	27,748,858	385,795,979
2087	385,795,979	-	4,216	-	29,899,025	415,690,788
2088	415,690,788	-	3,291	-	32,215,909	447,903,406
2089	447,903,406	-	2,529	-	34,712,416	482,613,293
2090	482,613,293	-	1,912	-	37,402,456	520,013,837
2091	520,013,837	-	1,424	-	40,301,017	560,313,430
2092	560,313,430	-	1,047	-	43,424,250	603,736,633
2093	603,736,633	-	758	-	46,789,560	650,525,435
2094	650,525,435	-	542	-	50,415,700	700,940,593
2095	700,940,593	-	383	-	54,322,881	755,263,091
2096	755,263,091	-	268	-	58,532,879	813,795,702
2097	813,795,702	-	185	-	63,069,160	876,864,677
2098	876,864,677	-	128	-	67,957,008	944,821,557
2099	944,821,557	-	88	-	73,223,667	1,018,045,136
2100	1,018,045,136	-	60	-	78,898,496	1,096,943,572
2101	1,096,943,572	-	41	-	85,013,125	1,181,956,656
2102	1,181,956,656	-	27	-	91,601,640	1,273,558,269
2103	1,273,558,269	-	18	-	98,700,765	1,372,259,016
2104	1,372,259,016	-	11	-	106,350,073	1,478,609,078
2105	1,478,609,078	-	7	-	114,592,203	1,593,201,274
2106	1,593,201,274	-	4	-	123,473,099	1,716,674,369
2107	1,716,674,369	-	3	-	133,042,263	1,849,716,629
2108	1,849,716,629	-	2	-	143,353,039	1,993,069,666
2109	1,993,069,666	-	1	-	154,462,899	2,147,532,564
2110	2,147,532,564	-	1	-	166,433,774	2,313,966,337
2111	2,313,966,337	-	-	-	179,332,391	2,493,298,728

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
2017	25,416,762	-	1,546,807	-	1,416,993	25,286,948
2018	25,286,948	-	1,684,089	-	1,405,582	25,008,441
2019	25,008,441	-	1,755,937	-	1,387,502	24,640,006
2020	24,640,006	-	1,832,144	-	1,364,126	24,171,988
2021	24,171,988	-	1,910,514	-	1,334,962	23,596,436
2022	23,596,436	-	1,972,470	-	1,300,087	22,924,053
2023	22,924,053	-	2,024,377	-	1,259,932	22,159,608
2024	22,159,608	-	2,088,497	-	1,214,133	21,285,244
2025	21,285,244	-	2,139,587	-	1,162,388	20,308,045
2026	20,308,045	-	2,170,224	-	1,105,319	19,243,140
2027	19,243,140	-	2,190,499	-	1,043,504	18,096,145
2028	18,096,145	-	2,208,347	-	977,038	16,864,836
2029	16,864,836	-	2,188,602	-	906,806	15,583,040
2030	15,583,040	-	2,170,499	-	833,623	14,246,164
2031	14,246,164	-	2,126,912	-	758,006	12,877,258
2032	12,877,258	-	2,088,328	-	680,403	11,469,333
2033	11,469,333	-	2,039,085	-	600,863	10,031,111
2034	10,031,111	-	1,995,327	-	519,423	8,555,207
2035	8,555,207	-	1,938,697	-	436,187	7,052,697
2036	7,052,697	-	1,878,785	-	351,515	5,525,427
2037	5,525,427	-	1,819,312	-	265,407	3,971,522
2038	3,971,522	-	1,754,391	-	177,924	2,395,055
2039	2,395,055	-	1,682,423	-	89,346	801,978
2040	801,978	-	1,618,872	-	-	-

Number of Years Expected Benefit Payments Sustained: 23.50

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, 2019

Valuation Date: 10/1/2017

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>
	7.75%	5.75%
	RP-2000	RP-2000
	Generational	Generational
	<u>                    </u>	<u>                    </u>
Total Required Contribution (Fixed \$)	\$771,371	\$1,416,669
Total Required Contribution (% of Payroll)	14.19%	26.07%
Expected Member Contribution	271,710	271,710
Expected Sponsor Contribution (Fixed \$)	\$499,661	\$1,144,959
Expected Sponsor Contribution (% of Payroll)	9.19%	21.07%

**ASSETS**

Actuarial Value	25,064,234	25,064,234
Market Value	25,416,762	25,416,762

**LIABILITIES**

Present Value of Benefits		
Active Members		
Retirement Benefits	14,397,029	19,934,320
Disability Benefits	1,019,670	1,379,318
Death Benefits	227,058	345,122
Vested Benefits	265,665	435,574
Refund of Contributions	100,370	102,813
Service Retirees	10,995,820	13,030,425
Beneficiaries	755,458	903,448
Disability Retirees	562,209	679,668
Terminated Vested	1,301,083	1,632,913
Total:	<u>29,624,362</u>	<u>38,443,601</u>
Present Value of Future Salaries	37,257,153	42,095,896
Present Value of Future Member Contributions	1,862,858	2,104,795
Total Normal Cost	756,710	1,035,497
Present Value of Future Normal Costs (Entry Age Normal)	3,786,584	6,619,994
Total Actuarial Accrued Liability	25,837,777	31,823,608
Unfunded Actuarial Accrued Liability (UAAL)	(627,906)	5,357,925



ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR  
ENDING SEPTEMBER 30, 2019

Valuation Date: 10/1/2017

	ACTUAL	HYPOTHETICAL
	7.75%	5.75%
	RP-2000	RP-2000
	Generational	Generational
<b><u>PENSION COST</u></b>		
Normal Cost (with interest)	771,371	1,050,382
Administrative Expenses (with interest)	22,497	22,386
Payment Required To Amortize UAAL (with interest)	(69,479)	343,901
Total Required Contribution	\$771,371 <sup>1</sup>	\$1,416,669

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