

CITY OF BARTOW
GENERAL EMPLOYEES' RETIREMENT PLAN

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

March 30, 2020

VIA EMAIL

Donna Clark, MMC
Assistant City Clerk
City of Bartow
P.O. Box 1069
Bartow, FL 33831

Re: City of Bartow General Employees' Retirement Plan
Section 112.664, Florida Statutes Compliance

Dear Donna:

Please find enclosed the annual disclosures that satisfy the October 1, 2019 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.

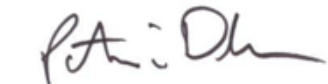
With respect to the reporting standards for defined benefit retirement plans or systems contained in Section 112.664(1), F.S., the actuarial disclosures required under this section were prepared and completed by me or under my direct supervision and I acknowledge responsibility for the results. To the 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.

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:



Patrick T. Donlan, EA, ASA, MAAA
Enrolled Actuary #17-6595

Enclosures

cc via email: Scott Christiansen, Board Attorney

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.

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	707,794	1,113,925	470,623
Interest	2,715,913	2,548,725	2,769,439
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	(494,481)	(557,089)	(450,558)
Changes of Assumptions	-	-	-
Contributions - Buy Back	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(1,423,467)	(1,423,467)	(1,423,467)
Net Change in Total Pension Liability	1,505,759	1,682,094	1,366,037
Total Pension Liability - Beginning	36,216,109	45,938,254	29,393,097
Total Pension Liability - Ending (a)	<u>\$ 37,721,868</u>	<u>\$ 47,620,348</u>	<u>\$ 30,759,134</u>
<u>Plan Fiduciary Net Position</u>			
Contributions - Employer	1,568,825	1,568,825	1,568,825
Contributions - State	-	-	-
Contributions - Employee	321,594	321,594	321,594
Contributions - Buy Back	-	-	-
Net Investment Income	1,334,989	1,334,989	1,334,989
Benefit Payments, Including Refunds of Employee Contributions	(1,423,467)	(1,423,467)	(1,423,467)
Administrative Expenses	(44,806)	(44,806)	(44,806)
Net Change in Plan Fiduciary Net Position	1,757,135	1,757,135	1,757,135
Plan Fiduciary Net Position - Beginning	28,299,989	28,299,989	28,299,989
Plan Fiduciary Net Position - Ending (b)	<u>\$ 30,057,124</u>	<u>\$ 30,057,124</u>	<u>\$ 30,057,124</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 7,664,744</u>	<u>\$ 17,563,224</u>	<u>\$ 702,010</u>

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	30,056,186	-	2,358,530	-	2,165,769	29,863,425
2020	29,863,425	-	1,994,962	-	2,164,946	30,033,409
2021	30,033,409	-	2,109,575	-	2,173,397	30,097,231
2022	30,097,231	-	2,239,754	-	2,173,302	30,030,779
2023	30,030,779	-	2,347,931	-	2,164,261	29,847,109
2024	29,847,109	-	2,466,144	-	2,146,053	29,527,018
2025	29,527,018	-	2,583,186	-	2,117,657	29,061,489
2026	29,061,489	-	2,667,219	-	2,079,591	28,473,861
2027	28,473,861	-	2,731,456	-	2,033,110	27,775,515
2028	27,775,515	-	2,766,866	-	1,979,406	26,988,055
2029	26,988,055	-	2,813,422	-	1,918,601	26,093,234
2030	26,093,234	-	2,865,405	-	1,849,540	25,077,369
2031	25,077,369	-	2,876,198	-	1,772,945	23,974,116
2032	23,974,116	-	2,879,202	-	1,690,089	22,785,003
2033	22,785,003	-	2,865,314	-	1,601,426	21,521,115
2034	21,521,115	-	2,835,523	-	1,507,752	20,193,344
2035	20,193,344	-	2,813,529	-	1,408,993	18,788,808
2036	18,788,808	-	2,772,642	-	1,305,187	17,321,353
2037	17,321,353	-	2,718,536	-	1,197,156	15,799,973
2038	15,799,973	-	2,659,620	-	1,085,262	14,225,615
2039	14,225,615	-	2,605,286	-	969,223	12,589,552
2040	12,589,552	-	2,547,251	-	848,694	10,890,995
2041	10,890,995	-	2,465,420	-	724,371	9,149,946
2042	9,149,946	-	2,389,556	-	596,638	7,357,028
2043	7,357,028	-	2,319,828	-	464,784	5,501,984
2044	5,501,984	-	2,240,497	-	328,630	3,590,117
2045	3,590,117	-	2,175,979	-	187,660	1,601,798
2046	1,601,798	-	2,087,588	-	-	-

*All DROP Balances paid in 2019.

Number of Years Expected Benefit Payments Sustained: 27.77

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.

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	30,056,186	-	2,358,530	-	1,588,231	29,285,887
2020	29,285,887	-	1,994,962	-	1,555,862	28,846,787
2021	28,846,787	-	2,109,575	-	1,528,560	28,265,772
2022	28,265,772	-	2,239,754	-	1,493,024	27,519,042
2023	27,519,042	-	2,347,931	-	1,448,979	26,620,090
2024	26,620,090	-	2,466,144	-	1,396,286	25,550,232
2025	25,550,232	-	2,583,186	-	1,334,225	24,301,271
2026	24,301,271	-	2,667,219	-	1,263,221	22,897,273
2027	22,897,273	-	2,731,456	-	1,184,235	21,350,052
2028	21,350,052	-	2,766,866	-	1,098,164	19,681,350
2029	19,681,350	-	2,813,422	-	1,005,105	17,873,033
2030	17,873,033	-	2,865,405	-	904,218	15,911,846
2031	15,911,846	-	2,876,198	-	796,056	13,831,704
2032	13,831,704	-	2,879,202	-	681,566	11,634,068
2033	11,634,068	-	2,865,314	-	561,078	9,329,832
2034	9,329,832	-	2,835,523	-	435,164	6,929,473
2035	6,929,473	-	2,813,529	-	303,749	4,419,693
2036	4,419,693	-	2,772,642	-	166,835	1,813,886
2037	1,813,886	-	2,718,536	-	-	-

*All DROP Balances paid in 2019.

Number of Years Expected Benefit Payments Sustained: 18.67

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.

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	30,056,186	-	2,358,530	-	2,743,307	30,440,963
2020	30,440,963	-	1,994,962	-	2,797,131	31,243,132
2021	31,243,132	-	2,109,575	-	2,867,893	32,001,450
2022	32,001,450	-	2,239,754	-	2,933,749	32,695,445
2023	32,695,445	-	2,347,931	-	2,994,541	33,342,055
2024	33,342,055	-	2,466,144	-	3,050,353	33,926,264
2025	33,926,264	-	2,583,186	-	3,100,294	34,443,372
2026	34,443,372	-	2,667,219	-	3,145,427	34,921,580
2027	34,921,580	-	2,731,456	-	3,187,806	35,377,930
2028	35,377,930	-	2,766,866	-	3,229,477	35,840,541
2029	35,840,541	-	2,813,422	-	3,271,214	36,298,333
2030	36,298,333	-	2,865,405	-	3,312,235	36,745,163
2031	36,745,163	-	2,876,198	-	3,354,171	37,223,136
2032	37,223,136	-	2,879,202	-	3,399,436	37,743,370
2033	37,743,370	-	2,865,314	-	3,449,518	38,327,574
2034	38,327,574	-	2,835,523	-	3,506,432	38,998,483
2035	38,998,483	-	2,813,529	-	3,571,213	39,756,167
2036	39,756,167	-	2,772,642	-	3,645,135	40,628,660
2037	40,628,660	-	2,718,536	-	3,730,592	41,640,716
2038	41,640,716	-	2,659,620	-	3,829,536	42,810,632
2039	42,810,632	-	2,605,286	-	3,943,259	44,148,605
2040	44,148,605	-	2,547,251	-	4,073,123	45,674,477
2041	45,674,477	-	2,465,420	-	4,221,968	47,431,025
2042	47,431,025	-	2,389,556	-	4,392,443	49,433,912
2043	49,433,912	-	2,319,828	-	4,586,030	51,700,114
2044	51,700,114	-	2,240,497	-	4,805,087	54,264,704
2045	54,264,704	-	2,175,979	-	5,051,788	57,140,513
2046	57,140,513	-	2,087,588	-	5,329,188	60,382,113
2047	60,382,113	-	1,990,942	-	5,641,731	64,032,902
2048	64,032,902	-	1,891,287	-	5,993,290	68,134,905
2049	68,134,905	-	1,795,101	-	6,387,549	72,727,353
2050	72,727,353	-	1,695,240	-	6,828,575	77,860,688
2051	77,860,688	-	1,597,839	-	7,320,868	83,583,717
2052	83,583,717	-	1,495,132	-	7,869,434	89,958,019
2053	89,958,019	-	1,395,515	-	8,479,725	97,042,229
2054	97,042,229	-	1,299,147	-	9,157,302	104,900,384
2055	104,900,384	-	1,199,420	-	9,908,564	113,609,528
2056	113,609,528	-	1,106,143	-	10,740,363	123,243,748
2057	123,243,748	-	1,012,394	-	11,660,067	133,891,421
2058	133,891,421	-	923,135	-	12,675,836	145,644,122
2059	145,644,122	-	837,667	-	13,796,402	158,602,857
2060	158,602,857	-	756,140	-	15,031,355	172,878,072
2061	172,878,072	-	679,202	-	16,391,155	188,590,025
2062	188,590,025	-	607,974	-	17,887,174	205,869,225
2063	205,869,225	-	542,039	-	19,531,830	224,859,016
2064	224,859,016	-	481,767	-	21,338,723	245,715,972
2065	245,715,972	-	427,078	-	23,322,731	268,611,625
2066	268,611,625	-	377,853	-	25,500,156	293,733,928
2067	293,733,928	-	333,811	-	27,888,867	321,288,984
2068	321,288,984	-	294,699	-	30,508,455	351,502,740
2069	351,502,740	-	260,050	-	33,380,408	384,623,098
2070	384,623,098	-	229,402	-	36,528,298	420,921,994

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	420,921,994	-	202,252	-	39,977,982	460,697,724
2072	460,697,724	-	178,188	-	43,757,820	504,277,356
2073	504,277,356	-	156,805	-	47,898,901	552,019,452
2074	552,019,452	-	137,672	-	52,435,309	604,317,089
2075	604,317,089	-	120,544	-	57,404,398	661,600,943
2076	661,600,943	-	105,143	-	62,847,095	724,342,895
2077	724,342,895	-	91,248	-	68,808,241	793,059,888
2078	793,059,888	-	78,696	-	75,336,951	868,318,143
2079	868,318,143	-	67,405	-	82,487,022	950,737,760
2080	950,737,760	-	57,293	-	90,317,366	1,040,997,833
2081	1,040,997,833	-	48,406	-	98,892,495	1,139,841,922
2082	1,139,841,922	-	40,689	-	108,283,050	1,248,084,283
2083	1,248,084,283	-	34,021	-	118,566,391	1,366,616,653
2084	1,366,616,653	-	28,298	-	129,827,238	1,496,415,593
2085	1,496,415,593	-	23,399	-	142,158,370	1,638,550,564
2086	1,638,550,564	-	19,232	-	155,661,390	1,794,192,722
2087	1,794,192,722	-	15,702	-	170,447,563	1,964,624,583
2088	1,964,624,583	-	12,728	-	186,638,731	2,151,250,586
2089	2,151,250,586	-	10,233	-	204,368,320	2,355,608,673
2090	2,355,608,673	-	8,169	-	223,782,436	2,579,382,940
2091	2,579,382,940	-	6,460	-	245,041,072	2,824,417,552
2092	2,824,417,552	-	5,059	-	268,319,427	3,092,731,920
2093	3,092,731,920	-	3,913	-	293,809,347	3,386,537,354
2094	3,386,537,354	-	2,983	-	321,720,907	3,708,255,278
2095	3,708,255,278	-	2,242	-	352,284,145	4,060,537,181
2096	4,060,537,181	-	1,660	-	385,750,953	4,446,286,474
2097	4,446,286,474	-	1,209	-	422,397,158	4,868,682,423
2098	4,868,682,423	-	866	-	462,524,789	5,331,206,346
2099	5,331,206,346	-	610	-	506,464,574	5,837,670,310
2100	5,837,670,310	-	421	-	554,578,659	6,392,248,548
2101	6,392,248,548	-	284	-	607,263,599	6,999,511,863
2102	6,999,511,863	-	188	-	664,953,618	7,664,465,293
2103	7,664,465,293	-	121	-	728,124,197	8,392,589,369
2104	8,392,589,369	-	77	-	797,295,986	9,189,885,278
2105	9,189,885,278	-	48	-	873,039,099	10,062,924,329
2106	10,062,924,329	-	30	-	955,977,810	11,018,902,109
2107	11,018,902,109	-	18	-	1,046,795,700	12,065,697,791
2108	12,065,697,791	-	11	-	1,146,241,290	13,211,939,070
2109	13,211,939,070	-	6	-	1,255,134,211	14,467,073,275
2110	14,467,073,275	-	4	-	1,374,371,961	15,841,445,232
2111	15,841,445,232	-	2	-	1,504,937,297	17,346,382,527
2112	17,346,382,527	-	1	-	1,647,906,340	18,994,288,866
2113	18,994,288,866	-	1	-	1,804,457,442	20,798,746,307
2114	20,798,746,307	-	-	-	1,975,880,899	22,774,627,206

*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.

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

Valuation Date: 10/1/2019

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>	
	7.50% RP-2000 Generational	5.50% RP-2000 Generational	9.50% RP-2000 Generational
Minimum Required Contribution (Fixed \$)	\$1,928,425	\$3,000,237	\$1,035,598
Minimum Required Contribution (% of Payroll)	22.5%	35.0%	12.1%
Expected Member Contribution	355,714	352,285	359,142
Expected Sponsor Contribution (Fixed \$)	\$1,572,711	\$2,647,952	\$676,456
Expected Sponsor Contribution (% of Payroll)	18.5%	31.0%	8.1%

ASSETS

Actuarial Value ¹	30,007,377	30,007,377	30,007,377
Market Value ¹	30,056,186	30,056,186	30,056,186

LIABILITIES

Present Value of Benefits			
Active Members			
Retirement Benefits	23,622,566	33,242,277	17,526,000
Disability Benefits	931,466	1,229,854	729,097
Death Benefits	306,673	403,859	237,939
Vested Benefits	657,980	1,263,919	361,103
Refund of Contributions	87,724	90,415	85,221
Service Retirees	13,196,008	15,637,989	11,380,057
DROP Retirees ¹	2,697,640	3,227,974	2,324,003
Beneficiaries	359,396	410,293	318,817
Disability Retirees	473,126	575,566	400,061
Terminated Vested	1,271,350	1,736,812	975,087
Total:	43,603,929	57,818,958	34,337,385
Present Value of Future Salaries	57,229,319	63,600,971	52,086,130
Present Value of Future Member Contributions	2,289,173	2,544,039	2,083,445
Total Normal Cost	717,352	1,137,777	471,747
Present Value of Future Normal Costs (Entry Age Normal)	4,760,433	8,461,988	2,820,439
Total Actuarial Accrued Liability ¹	38,843,496	49,356,970	31,516,946
Unfunded Actuarial Accrued Liability (UAAL)	8,836,119	19,349,593	1,509,569

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 ²	779,530	1,224,480	517,578
Administrative Expenses ²	50,048	49,566	50,530
Payment Required To Amortize UAAL ²	1,098,847	1,726,191	467,490
Minimum Required Contribution	\$1,928,425	\$3,000,237	\$1,035,598

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.