

CITY OF BARTOW
GENERAL EMPLOYEES' RETIREMENT PLAN

SECTION 112.664, FLORIDA STATUTES COMPLIANCE
DETERMINED AS OF THE
OCTOBER 1, 2020 VALUATION DATE

April 12, 2021

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, 2020 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 #20-6595

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, 2020 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, 2020

	ACTUAL	HYPOTHETICAL	
	7.50%	5.50%	9.50%
<u>Total Pension Liability</u>			
Service Cost	747,116	1,176,282	496,386
Interest	2,826,188	2,640,558	2,894,558
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	570,119	815,519	393,656
Changes of Assumptions	(506,559)	(781,446)	(342,974)
Contributions - Buy Back	187,878	187,878	187,878
Benefit Payments, Including Refunds of Employee Contributions	(1,572,968)	(1,572,968)	(1,572,968)
Net Change in Total Pension Liability	2,251,774	2,465,823	2,056,536
Total Pension Liability - Beginning	37,721,868	47,620,348	30,759,134
Total Pension Liability - Ending (a)	<u>\$ 39,973,642</u>	<u>\$ 50,086,171</u>	<u>\$ 32,815,670</u>
<u>Plan Fiduciary Net Position</u>			
Contributions - Employer	1,531,822	1,531,822	1,531,822
Contributions - Employee	332,261	332,261	332,261
Contributions - Buy Back	187,878	187,878	187,878
Net Investment Income	2,998,365	2,998,365	2,998,365
Benefit Payments, Including Refunds of Employee Contributions	(1,572,968)	(1,572,968)	(1,572,968)
Administrative Expenses	(43,000)	(43,000)	(43,000)
Net Change in Plan Fiduciary Net Position	3,434,358	3,434,358	3,434,358
Plan Fiduciary Net Position - Beginning	30,057,124	30,057,124	30,057,124
Plan Fiduciary Net Position - Ending (b)	<u>\$ 33,491,482</u>	<u>\$ 33,491,482</u>	<u>\$ 33,491,482</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 6,482,160</u>	<u>\$ 16,594,689</u>	<u>\$ (675,812)</u>

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1
Plan Assumptions: 7.50%

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
2020	33,490,544	-	2,599,782	-	2,414,299	33,305,061
2021	33,305,061	-	2,133,506	-	2,417,873	33,589,428
2022	33,589,428	-	2,293,320	-	2,433,208	33,729,316
2023	33,729,316	-	2,435,630	-	2,438,363	33,732,049
2024	33,732,049	-	2,571,287	-	2,433,480	33,594,242
2025	33,594,242	-	2,694,828	-	2,418,512	33,317,926
2026	33,317,926	-	2,795,966	-	2,393,996	32,915,956
2027	32,915,956	-	2,874,178	-	2,360,915	32,402,693
2028	32,402,693	-	2,924,647	-	2,320,528	31,798,574
2029	31,798,574	-	2,974,974	-	2,273,332	31,096,932
2030	31,096,932	-	3,037,247	-	2,218,373	30,278,058
2031	30,278,058	-	3,047,218	-	2,156,584	29,387,424
2032	29,387,424	-	3,052,368	-	2,089,593	28,424,649
2033	28,424,649	-	3,040,242	-	2,017,840	27,402,247
2034	27,402,247	-	3,016,293	-	1,942,058	26,328,012
2035	26,328,012	-	2,991,260	-	1,862,429	25,199,181
2036	25,199,181	-	2,946,100	-	1,779,460	24,032,541
2037	24,032,541	-	2,887,995	-	1,694,141	22,838,687
2038	22,838,687	-	2,826,027	-	1,606,926	21,619,586
2039	21,619,586	-	2,767,843	-	1,517,675	20,369,418
2040	20,369,418	-	2,699,259	-	1,426,484	19,096,643
2041	19,096,643	-	2,609,872	-	1,334,378	17,821,149
2042	17,821,149	-	2,527,892	-	1,241,790	16,535,047
2043	16,535,047	-	2,451,053	-	1,148,214	15,232,208
2044	15,232,208	-	2,363,055	-	1,053,801	13,922,954
2045	13,922,954	-	2,288,746	-	958,394	12,592,602
2046	12,592,602	-	2,193,428	-	862,192	11,261,366
2047	11,261,366	-	2,089,332	-	766,253	9,938,287
2048	9,938,287	-	1,981,793	-	671,054	8,627,548
2049	8,627,548	-	1,878,194	-	576,634	7,325,988
2050	7,325,988	-	1,772,769	-	482,970	6,036,189
2051	6,036,189	-	1,669,558	-	390,106	4,756,737
2052	4,756,737	-	1,560,622	-	298,232	3,494,347
2053	3,494,347	-	1,456,691	-	207,450	2,245,106
2054	2,245,106	-	1,355,807	-	117,540	1,006,839
2055	1,006,839	-	1,251,358	-	-	-

*All DROP Balances paid in 2020.

Number of Years Expected Benefit Payments Sustained: 35.80

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%

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
2020	33,490,544	-	2,599,782	-	1,770,486	32,661,248
2021	32,661,248	-	2,133,506	-	1,737,697	32,265,439
2022	32,265,439	-	2,293,320	-	1,711,533	31,683,652
2023	31,683,652	-	2,435,630	-	1,675,621	30,923,643
2024	30,923,643	-	2,571,287	-	1,630,090	29,982,446
2025	29,982,446	-	2,694,828	-	1,574,927	28,862,545
2026	28,862,545	-	2,795,966	-	1,510,551	27,577,130
2027	27,577,130	-	2,874,178	-	1,437,702	26,140,654
2028	26,140,654	-	2,924,647	-	1,357,308	24,573,315
2029	24,573,315	-	2,974,974	-	1,269,721	22,868,062
2030	22,868,062	-	3,037,247	-	1,174,219	21,005,034
2031	21,005,034	-	3,047,218	-	1,071,478	19,029,294
2032	19,029,294	-	3,052,368	-	962,671	16,939,597
2033	16,939,597	-	3,040,242	-	848,071	14,747,426
2034	14,747,426	-	3,016,293	-	728,160	12,459,293
2035	12,459,293	-	2,991,260	-	603,001	10,071,034
2036	10,071,034	-	2,946,100	-	472,889	7,597,823
2037	7,597,823	-	2,887,995	-	338,460	5,048,288
2038	5,048,288	-	2,826,027	-	199,940	2,422,201
2039	2,422,201	-	2,767,843	-	-	-

*All DROP Balances paid in 2020.

Number of Years Expected Benefit Payments Sustained: 19.88

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%

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
2020	33,490,544	-	2,599,782	-	3,058,112	33,948,874
2021	33,948,874	-	2,133,506	-	3,123,801	34,939,169
2022	34,939,169	-	2,293,320	-	3,210,288	35,856,137
2023	35,856,137	-	2,435,630	-	3,290,641	36,711,148
2024	36,711,148	-	2,571,287	-	3,365,423	37,505,284
2025	37,505,284	-	2,694,828	-	3,434,998	38,245,454
2026	38,245,454	-	2,795,966	-	3,500,510	38,949,998
2027	38,949,998	-	2,874,178	-	3,563,726	39,639,546
2028	39,639,546	-	2,924,647	-	3,626,836	40,341,735
2029	40,341,735	-	2,974,974	-	3,691,154	41,057,915
2030	41,057,915	-	3,037,247	-	3,756,233	41,776,901
2031	41,776,901	-	3,047,218	-	3,824,063	42,553,746
2032	42,553,746	-	3,052,368	-	3,897,618	43,398,996
2033	43,398,996	-	3,040,242	-	3,978,493	44,337,247
2034	44,337,247	-	3,016,293	-	4,068,765	45,389,719
2035	45,389,719	-	2,991,260	-	4,169,938	46,568,397
2036	46,568,397	-	2,946,100	-	4,284,058	47,906,355
2037	47,906,355	-	2,887,995	-	4,413,924	49,432,284
2038	49,432,284	-	2,826,027	-	4,561,831	51,168,088
2039	51,168,088	-	2,767,843	-	4,729,496	53,129,741
2040	53,129,741	-	2,699,259	-	4,919,111	55,349,593
2041	55,349,593	-	2,609,872	-	5,134,242	57,873,963
2042	57,873,963	-	2,527,892	-	5,377,952	60,724,023
2043	60,724,023	-	2,451,053	-	5,652,357	63,925,327
2044	63,925,327	-	2,363,055	-	5,960,661	67,522,933
2045	67,522,933	-	2,288,746	-	6,305,963	71,540,150
2046	71,540,150	-	2,193,428	-	6,692,126	76,038,848
2047	76,038,848	-	2,089,332	-	7,124,447	81,073,963
2048	81,073,963	-	1,981,793	-	7,607,891	86,700,061
2049	86,700,061	-	1,878,194	-	8,147,292	92,969,159
2050	92,969,159	-	1,772,769	-	8,747,864	99,944,254
2051	99,944,254	-	1,669,558	-	9,415,400	107,690,096
2052	107,690,096	-	1,560,622	-	10,156,430	116,285,904
2053	116,285,904	-	1,456,691	-	10,977,968	125,807,181
2054	125,807,181	-	1,355,807	-	11,887,281	136,338,655
2055	136,338,655	-	1,251,358	-	12,892,733	147,980,030
2056	147,980,030	-	1,156,118	-	14,003,187	160,827,099
2057	160,827,099	-	1,059,562	-	15,228,245	174,995,782
2058	174,995,782	-	968,624	-	16,578,590	190,605,748
2059	190,605,748	-	880,884	-	18,065,704	207,790,568
2060	207,790,568	-	798,957	-	19,702,154	226,693,765
2061	226,693,765	-	721,163	-	21,501,652	247,474,254
2062	247,474,254	-	649,518	-	23,479,202	270,303,938
2063	270,303,938	-	582,490	-	25,651,206	295,372,654

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 3
Hypothetical Assumptions: 9.50%

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	295,372,654	-	520,821	-	28,035,663	322,887,496
2065	322,887,496	-	464,444	-	30,652,251	353,075,303
2066	353,075,303	-	413,129	-	33,522,530	386,184,704
2067	386,184,704	-	366,725	-	36,670,127	422,488,106
2068	422,488,106	-	324,952	-	40,120,935	462,284,089
2069	462,284,089	-	287,514	-	43,903,332	505,899,907
2070	505,899,907	-	254,064	-	48,048,423	553,694,266
2071	553,694,266	-	224,264	-	52,590,303	606,060,305
2072	606,060,305	-	197,757	-	57,566,336	663,428,884
2073	663,428,884	-	174,206	-	63,017,469	726,272,147
2074	726,272,147	-	153,278	-	68,988,573	795,107,442
2075	795,107,442	-	134,679	-	75,528,810	870,501,573
2076	870,501,573	-	118,145	-	82,692,038	953,075,466
2077	953,075,466	-	103,434	-	90,537,256	1,043,509,288
2078	1,043,509,288	-	90,330	-	99,129,092	1,142,548,050
2079	1,142,548,050	-	78,632	-	108,538,330	1,251,007,748
2080	1,251,007,748	-	68,172	-	118,842,498	1,369,782,074
2081	1,369,782,074	-	58,825	-	130,126,503	1,499,849,752
2082	1,499,849,752	-	50,491	-	142,483,328	1,642,282,589
2083	1,642,282,589	-	43,089	-	156,014,799	1,798,254,299
2084	1,798,254,299	-	36,543	-	170,832,423	1,969,050,179
2085	1,969,050,179	-	30,787	-	187,058,305	2,156,077,697
2086	2,156,077,697	-	25,757	-	204,826,158	2,360,878,098
2087	2,360,878,098	-	21,399	-	224,282,403	2,585,139,102
2088	2,585,139,102	-	17,649	-	245,587,376	2,830,708,829
2089	2,830,708,829	-	14,448	-	268,916,652	3,099,611,033
2090	3,099,611,033	-	11,735	-	294,462,491	3,394,061,789
2091	3,394,061,789	-	9,452	-	322,435,421	3,716,487,758
2092	3,716,487,758	-	7,547	-	353,065,979	4,069,546,190
2093	4,069,546,190	-	5,969	-	386,606,605	4,456,146,826
2094	4,456,146,826	-	4,672	-	423,333,727	4,879,475,881
2095	4,879,475,881	-	3,616	-	463,550,037	5,343,022,302
2096	5,343,022,302	-	2,765	-	507,586,987	5,850,606,524
2097	5,850,606,524	-	2,086	-	555,807,521	6,406,411,959
2098	6,406,411,959	-	1,550	-	608,609,062	7,015,019,471
2099	7,015,019,471	-	1,134	-	666,426,796	7,681,445,133
2100	7,681,445,133	-	816	-	729,737,249	8,411,181,566
2101	8,411,181,566	-	576	-	799,062,221	9,210,243,211
2102	9,210,243,211	-	400	-	874,973,086	10,085,215,897
2103	10,085,215,897	-	271	-	958,095,497	11,043,311,123
2104	11,043,311,123	-	180	-	1,049,114,548	12,092,425,491
2105	12,092,425,491	-	117	-	1,148,780,416	13,241,205,790
2106	13,241,205,790	-	74	-	1,257,914,547	14,499,120,263
2107	14,499,120,263	-	46	-	1,377,416,423	15,876,536,640
2108	15,876,536,640	-	28	-	1,508,270,979	17,384,807,591
2109	17,384,807,591	-	16	-	1,651,556,720	19,036,364,295
2110	19,036,364,295	-	9	-	1,808,454,608	20,844,818,894

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 3
Hypothetical Assumptions: 9.50%

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
2111	20,844,818,894	-	5	-	1,980,257,795	22,825,076,684
2112	22,825,076,684	-	3	-	2,168,382,285	24,993,458,966
2113	24,993,458,966	-	1	-	2,374,378,602	27,367,837,567
2114	27,367,837,567	-	1	-	2,599,944,569	29,967,782,135
2115	29,967,782,135	-	-	-	2,846,939,303	32,814,721,438

*All DROP Balances paid in 2020.

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, 2022

Valuation Date: 10/1/2020

	ACTUAL	HYPOTHETICAL	
	7.50%	5.50%	9.50%
Minimum Required Contribution (Fixed \$)	\$1,854,734	\$2,977,339	\$909,525
Minimum Required Contribution (% of Payroll)	20.5%	32.9%	10.0%
Expected Member Contribution	375,733	372,111	379,354
Expected Sponsor Contribution (Fixed \$)	\$1,479,001	\$2,605,228	\$530,171
Expected Sponsor Contribution (% of Payroll)	16.5%	28.9%	6.0%

ASSETS

Actuarial Value ¹	33,490,544	33,490,544	33,490,544
Market Value ¹	33,490,544	33,490,544	33,490,544

LIABILITIES

Present Value of Benefits

Active Members

Retirement Benefits	24,235,582	33,932,265	18,055,579
Disability Benefits	1,008,839	1,356,233	778,893
Death Benefits	198,877	259,494	155,918
Vested Benefits	658,523	1,262,185	361,650
Refund of Contributions	102,365	105,346	99,588
Service Retirees	13,561,712	16,004,654	11,733,140
DROP Retirees ¹	3,924,330	4,699,492	3,376,003
Beneficiaries	349,116	402,507	316,919
Disability Retirees	472,336	572,675	400,183
Terminated Vested	1,377,424	1,858,500	1,069,369
Total:	45,889,104	60,453,351	36,347,242

Present Value of Future Salaries	59,410,941	65,992,059	54,102,523
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Present Value of Future

Member Contributions	2,376,438	2,639,682	2,164,101
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Total Normal Cost	746,409	1,176,692	493,849
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Present Value of Future

Normal Costs (Entry Age Normal)	4,908,606	8,677,855	2,924,136
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Total Actuarial Accrued Liability ¹	40,980,498	51,775,496	33,423,106
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Unfunded Actuarial Accrued Liability (UAAL)	7,489,954	18,284,952	(67,438)
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ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR
ENDING SEPTEMBER 30, 2022

Valuation Date: 10/1/2020

	ACTUAL	HYPOTHETICAL	
	7.50%	5.50%	9.50%
<u>PENSION COST</u>			
Normal Cost ²	812,500	1,268,536	542,758
Administrative Expenses ²	47,790	47,330	48,251
Payment Required To Amortize UAAL ²	994,444	1,661,473	318,516
Minimum Required Contribution	\$1,854,734	\$2,977,339	\$909,525

¹ The asset values and liabilities include accumulated DROP Balances as of 9/30/2020.

² Contributions developed as of 10/1/2020 displayed above have been adjusted to account for assumed salary increase and interest components.