

April 27, 2016

VIA EMAIL

David W. Wright, CPA  
Director of Finance  
City of Bartow  
P.O. Box 1069  
Bartow, FL 33831

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

Dear David:

Please find enclosed the annual disclosures that satisfy the October 1, 2015 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:   
Patrick T. Donlan, EA, ASA, MAAA  
Enrolled Actuary #14-6595

PTD/lke  
Enclosures

cc via email: H. Lee Dehner, Board Attorney

CITY OF BARTOW  
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: Patrick T. Donlan Date: 4/27/2016  
Patrick T. Donlan, EA, ASA, MAAA  
Enrolled Actuary #14-6595



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, 2015 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.

	ACTUAL	HYPOTHETICAL		
	7.75% RP-2000 Static 9/30/2015	7.75% RP-2000 Generational 9/30/2015	5.75% RP-2000 Generational 9/30/2015	9.75% RP-2000 Generational 9/30/2015
<b><u>GASB 67: Schedule of Changes in Net Pension Liability</u></b>				
<b><u>Total Pension Liability</u></b>				
Service Cost	582,546	601,019	942,396	400,103
Interest	2,218,251	2,274,571	2,156,826	2,307,422
Change in Funding Standard Account	(224,714)	(224,714)	(224,714)	(224,714)
Changes of Benefit Terms	-	-	-	-
Differences Between Expected and Actual Experience	(387,282)	(462,055)	(562,847)	(414,778)
Changes of Assumptions	-	-	-	-
Contributions - Buy Back	123,299	123,299	123,299	123,299
Benefit Payments, Including Refunds of Employee Contributions	(775,295)	(775,295)	(775,295)	(775,295)
Net Change in Total Pension Liability	1,536,805	1,536,825	1,659,665	1,416,037
Total Pension Liability - Beginning	28,427,689	29,135,930	36,955,271	23,653,413
Total Pension Liability - Ending (a)	<u>\$ 29,964,494</u>	<u>\$ 30,672,755</u>	<u>\$ 38,614,936</u>	<u>\$ 25,069,450</u>
<b><u>Plan Fiduciary Net Position</u></b>				
Contributions - Employer	1,212,429	1,212,429	1,212,429	1,212,429
Contributions - Employee	291,537	291,537	291,537	291,537
Contributions - Buy Back	123,299	123,299	123,299	123,299
Net Investment Income	(214,127)	(214,127)	(214,127)	(214,127)
Benefit Payments, Including Refunds of Employee Contributions	(775,295)	(775,295)	(775,295)	(775,295)
Administrative Expenses	(34,720)	(34,720)	(34,720)	(34,720)
Net Change in Plan Fiduciary Net Position	603,123	603,123	603,123	603,123
Plan Fiduciary Net Position - Beginning	20,866,595	20,866,595	20,866,595	20,866,595
Plan Fiduciary Net Position - Ending (b)	<u>\$ 21,469,718</u>	<u>\$ 21,469,718</u>	<u>\$ 21,469,718</u>	<u>\$ 21,469,718</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 8,494,776</u>	<u>\$ 9,203,037</u>	<u>\$ 17,145,218</u>	<u>\$ 3,599,732</u>

**GASB 68: Pension Expense for Fiscal Year Ending September 30, 2015**

Pension Expense	<u>\$ 938,266</u>	<u>\$ 1,009,893</u>	<u>\$ 1,573,905</u>	<u>\$ 508,996</u>
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## PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1  
Plan Assumptions: 7.75% and RP-2000 Static 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
2015	21,469,718	-	2,653,784	-	1,561,069	20,377,003
2016	20,377,003	-	1,357,250	-	1,526,624	20,546,377
2017	20,546,377	-	1,501,563	-	1,534,159	20,578,973
2018	20,578,973	-	1,627,630	-	1,531,800	20,483,143
2019	20,483,143	-	1,716,947	-	1,520,912	20,287,108
2020	20,287,108	-	1,808,991	-	1,502,152	19,980,269
2021	19,980,269	-	1,879,129	-	1,475,655	19,576,795
2022	19,576,795	-	1,962,898	-	1,441,139	19,055,036
2023	19,055,036	-	2,015,151	-	1,398,678	18,438,563
2024	18,438,563	-	2,068,115	-	1,348,849	17,719,297
2025	17,719,297	-	2,127,255	-	1,290,814	16,882,856
2026	16,882,856	-	2,148,272	-	1,225,176	15,959,760
2027	15,959,760	-	2,175,011	-	1,152,600	14,937,349
2028	14,937,349	-	2,176,406	-	1,073,309	13,834,252
2029	13,834,252	-	2,174,996	-	987,873	12,647,129
2030	12,647,129	-	2,198,622	-	894,956	11,343,463
2031	11,343,463	-	2,174,029	-	794,875	9,964,309
2032	9,964,309	-	2,147,208	-	689,030	8,506,131
2033	8,506,131	-	2,105,486	-	577,638	6,978,283
2034	6,978,283	-	2,068,168	-	460,675	5,370,790
2035	5,370,790	-	2,031,165	-	337,529	3,677,154
2036	3,677,154	-	1,972,818	-	208,533	1,912,869
2037	1,912,869	-	1,901,480	-	74,565	85,954
2038	85,954	-	1,835,973	-	-	-

\*All DROP Balances paid in 2015.

Number of Years Expected Benefit Payments Sustained: 23.05

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: 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
2015	21,469,718	-	2,653,781	-	1,561,069	20,377,006
2016	20,377,006	-	1,357,265	-	1,526,624	20,546,365
2017	20,546,365	-	1,501,725	-	1,534,151	20,578,791
2018	20,578,791	-	1,628,166	-	1,531,765	20,482,390
2019	20,482,390	-	1,718,117	-	1,520,808	20,285,081
2020	20,285,081	-	1,811,032	-	1,501,916	19,975,965
2021	19,975,965	-	1,882,550	-	1,475,188	19,568,603
2022	19,568,603	-	1,967,964	-	1,440,308	19,040,947
2023	19,040,947	-	2,022,275	-	1,397,310	18,415,982
2024	18,415,982	-	2,077,834	-	1,346,723	17,684,871
2025	17,684,871	-	2,139,917	-	1,287,656	16,832,610
2026	16,832,610	-	2,164,366	-	1,220,658	15,888,902
2027	15,888,902	-	2,195,118	-	1,146,329	14,840,113
2028	14,840,113	-	2,201,130	-	1,064,815	13,703,798
2029	13,703,798	-	2,204,954	-	976,602	12,475,446
2030	12,475,446	-	2,234,567	-	880,258	11,121,137
2031	11,121,137	-	2,216,386	-	776,003	9,680,754
2032	9,680,754	-	2,196,471	-	665,145	8,149,428
2033	8,149,428	-	2,162,152	-	547,797	6,535,073
2034	6,535,073	-	2,132,737	-	423,825	4,826,161
2035	4,826,161	-	2,104,074	-	292,495	3,014,582
2036	3,014,582	-	2,054,055	-	154,035	1,114,562
2037	1,114,562	-	1,991,115	-	-	-

\*All DROP Balances paid in 2015.

Number of Years Expected Benefit Payments Sustained: 22.56

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 3  
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
2015	21,469,718	-	2,653,781	-	1,158,213	19,974,150
2016	19,974,150	-	1,357,265	-	1,109,492	19,726,377
2017	19,726,377	-	1,501,725	-	1,091,092	19,315,744
2018	19,315,744	-	1,628,166	-	1,063,846	18,751,424
2019	18,751,424	-	1,718,117	-	1,028,811	18,062,118
2020	18,062,118	-	1,811,032	-	986,505	17,237,591
2021	17,237,591	-	1,882,550	-	937,038	16,292,079
2022	16,292,079	-	1,967,964	-	880,216	15,204,331
2023	15,204,331	-	2,022,275	-	816,109	13,998,165
2024	13,998,165	-	2,077,834	-	745,157	12,665,488
2025	12,665,488	-	2,139,917	-	666,743	11,192,314
2026	11,192,314	-	2,164,366	-	581,333	9,609,281
2027	9,609,281	-	2,195,118	-	489,424	7,903,587
2028	7,903,587	-	2,201,130	-	391,174	6,093,631
2029	6,093,631	-	2,204,954	-	286,991	4,175,668
2030	4,175,668	-	2,234,567	-	175,857	2,116,958
2031	2,116,958	-	2,216,386	-	-	-

\*All DROP Balances paid in 2015.

Number of Years Expected Benefit Payments Sustained: 16.96

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.**

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

Table 4  
Hypothetical Assumptions: 9.75% 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
2015	21,469,718	-	2,653,781	-	1,963,926	20,779,863
2016	20,779,863	-	1,357,265	-	1,959,870	21,382,468
2017	21,382,468	-	1,501,725	-	2,011,582	21,892,325
2018	21,892,325	-	1,628,166	-	2,055,129	22,319,288
2019	22,319,288	-	1,718,117	-	2,092,372	22,693,543
2020	22,693,543	-	1,811,032	-	2,124,333	23,006,844
2021	23,006,844	-	1,882,550	-	2,151,393	23,275,687
2022	23,275,687	-	1,967,964	-	2,173,441	23,481,164
2023	23,481,164	-	2,022,275	-	2,190,828	23,649,717
2024	23,649,717	-	2,077,834	-	2,204,553	23,776,436
2025	23,776,436	-	2,139,917	-	2,213,882	23,850,401
2026	23,850,401	-	2,164,366	-	2,219,901	23,905,936
2027	23,905,936	-	2,195,118	-	2,223,817	23,934,635
2028	23,934,635	-	2,201,130	-	2,226,322	23,959,827
2029	23,959,827	-	2,204,954	-	2,228,592	23,983,465
2030	23,983,465	-	2,234,567	-	2,229,453	23,978,351
2031	23,978,351	-	2,216,386	-	2,229,840	23,991,805
2032	23,991,805	-	2,196,471	-	2,232,123	24,027,457
2033	24,027,457	-	2,162,152	-	2,237,272	24,102,577
2034	24,102,577	-	2,132,737	-	2,246,030	24,215,870
2035	24,215,870	-	2,104,074	-	2,258,474	24,370,270
2036	24,370,270	-	2,054,055	-	2,275,966	24,592,181
2037	24,592,181	-	1,991,115	-	2,300,671	24,901,737
2038	24,901,737	-	1,934,124	-	2,333,631	25,301,244
2039	25,301,244	-	1,880,744	-	2,375,185	25,795,685
2040	25,795,685	-	1,812,232	-	2,426,733	26,410,186
2041	26,410,186	-	1,730,584	-	2,490,627	27,170,229
2042	27,170,229	-	1,653,810	-	2,568,474	28,084,893
2043	28,084,893	-	1,576,250	-	2,661,435	29,170,078
2044	29,170,078	-	1,497,531	-	2,771,078	30,443,625
2045	30,443,625	-	1,435,659	-	2,898,265	31,906,231
2046	31,906,231	-	1,352,234	-	3,044,936	33,598,933
2047	33,598,933	-	1,266,214	-	3,214,168	35,546,887
2048	35,546,887	-	1,180,262	-	3,408,284	37,774,909
2049	37,774,909	-	1,100,584	-	3,629,400	40,303,725
2050	40,303,725	-	1,015,955	-	3,880,085	43,167,855
2051	43,167,855	-	937,461	-	4,163,165	46,393,559
2052	46,393,559	-	863,834	-	4,481,260	50,010,985
2053	50,010,985	-	786,932	-	4,837,708	54,061,761
2054	54,061,761	-	714,608	-	5,236,185	58,583,338
2055	58,583,338	-	644,336	-	5,680,464	63,619,466
2056	63,619,466	-	578,347	-	6,174,704	69,215,823
2057	69,215,823	-	516,879	-	6,723,345	75,422,289
2058	75,422,289	-	459,727	-	7,331,261	82,293,823
2059	82,293,823	-	407,095	-	8,003,802	89,890,530
2060	89,890,530	-	359,143	-	8,746,818	98,278,205
2061	98,278,205	-	315,683	-	9,566,735	107,529,257
2062	107,529,257	-	276,640	-	10,470,616	117,723,233
2063	117,723,233	-	241,820	-	11,466,226	128,947,639
2064	128,947,639	-	210,966	-	12,562,110	141,298,783
2065	141,298,783	-	183,749	-	13,767,674	154,882,708
2066	154,882,708	-	159,856	-	15,093,271	169,816,123



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

Table 4  
Hypothetical Assumptions: 9.75% 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	169,816,123	-	138,942	-	16,550,299	186,227,480
2068	186,227,480	-	120,589	-	18,151,301	204,258,192
2069	204,258,192	-	104,519	-	19,910,078	224,063,751
2070	224,063,751	-	90,436	-	21,841,807	245,815,122
2071	245,815,122	-	78,020	-	23,963,171	269,700,273
2072	269,700,273	-	67,074	-	26,292,507	295,925,706
2073	295,925,706	-	57,433	-	28,849,956	324,718,229
2074	324,718,229	-	48,952	-	31,657,641	356,326,918
2075	356,326,918	-	41,502	-	34,739,851	391,025,267
2076	391,025,267	-	34,938	-	38,123,260	429,113,589
2077	429,113,589	-	29,235	-	41,837,150	470,921,504
2078	470,921,504	-	24,263	-	45,913,664	516,810,905
2079	516,810,905	-	19,944	-	50,388,091	567,179,052
2080	567,179,052	-	16,259	-	55,299,165	622,461,958
2081	622,461,958	-	13,129	-	60,689,401	683,138,230
2082	683,138,230	-	10,480	-	66,605,467	749,733,217
2083	749,733,217	-	8,283	-	73,098,585	822,823,519
2084	822,823,519	-	6,477	-	80,224,977	903,042,019
2085	903,042,019	-	4,994	-	88,046,353	991,083,378
2086	991,083,378	-	3,805	-	96,630,444	1,087,710,017
2087	1,087,710,017	-	2,866	-	106,051,587	1,193,758,738
2088	1,193,758,738	-	2,125	-	116,391,373	1,310,147,986
2089	1,310,147,986	-	1,552	-	127,739,353	1,437,885,787
2090	1,437,885,787	-	1,120	-	140,193,810	1,578,078,477
2091	1,578,078,477	-	793	-	153,862,613	1,731,940,297
2092	1,731,940,297	-	551	-	168,864,152	1,900,803,898
2093	1,900,803,898	-	377	-	185,328,362	2,086,131,883
2094	2,086,131,883	-	254	-	203,397,846	2,289,529,475
2095	2,289,529,475	-	169	-	223,229,116	2,512,758,422
2096	2,512,758,422	-	111	-	244,993,941	2,757,752,252
2097	2,757,752,252	-	72	-	268,880,841	3,026,633,021
2098	3,026,633,021	-	46	-	295,096,717	3,321,729,692
2099	3,321,729,692	-	29	-	323,868,644	3,645,598,307
2100	3,645,598,307	-	18	-	355,445,834	4,001,044,123
2101	4,001,044,123	-	11	-	390,101,801	4,391,145,913
2102	4,391,145,913	-	7	-	428,136,726	4,819,282,632
2103	4,819,282,632	-	4	-	469,880,056	5,289,162,684
2104	5,289,162,684	-	2	-	515,693,362	5,804,856,044
2105	5,804,856,044	-	1	-	565,973,464	6,370,829,507
2106	6,370,829,507	-	1	-	621,155,877	6,991,985,383
2107	6,991,985,383	-	-	-	681,718,575	7,673,703,958

\*All DROP Balances paid in 2015.

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 9.75% 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, 2017

Valuation Date: 10/1/2015

	ACTUAL		HYPOTHETICAL	
	7.75% RP-2000 Static	7.75% RP-2000 Generational	5.75% RP-2000 Generational	9.75% RP-2000 Generational
Total Required Contribution (Fixed \$)	\$1,643,522	\$1,722,579	\$2,571,198	\$1,026,512
Total Required Contribution (% of Payroll)	20.8%	21.8%	32.6%	13.0%
Expected Member Contribution	327,785	327,785	324,630	330,941
Expected Sponsor Contribution (Fixed \$)	\$1,315,737	\$1,394,794	\$2,246,568	\$695,571
Expected Sponsor Contribution (% of Payroll)	16.7%	17.7%	28.5%	8.8%

**ASSETS**

Actuarial Value <sup>1</sup>	22,376,453	22,376,453	22,376,453	22,376,453
Market Value <sup>1</sup>	21,469,718	21,469,718	21,469,718	21,469,718

**LIABILITIES**

Present Value of Benefits				
Active Members				
Retirement Benefits	19,161,342	19,765,978	27,804,160	14,628,212
Disability Benefits	1,073,171	1,085,256	1,469,433	830,604
Death Benefits	265,657	241,049	318,687	186,382
Vested Benefits	678,816	716,979	1,289,982	425,599
Refund of Contributions	59,893	59,894	61,973	57,967
Service Retirees	6,443,245	6,532,951	7,642,207	5,690,708
DROP Retirees <sup>1</sup>	5,200,021	5,255,133	6,028,413	4,687,288
Beneficiaries	73,564	73,886	81,287	68,190
Disability Retirees	136,985	137,957	169,055	115,950
Terminated Vested	1,200,466	1,234,763	1,656,812	959,706
Funding Credit Balance	33,336	33,336	33,336	33,336
Total:	34,326,496	35,137,182	46,555,345	27,683,942
Present Value of Future Salaries	52,878,917	52,922,934	58,731,720	48,222,738
Present Value of Future Member Contributions	2,115,157	2,116,917	2,349,269	1,928,910
Total Normal Cost	566,078	584,487	932,810	380,852
Present Value of Future Normal Costs (Entry Age Normal)	3,726,740	3,863,561	6,900,708	2,270,561
Total Actuarial Accrued Liability <sup>1</sup>	30,599,756	31,273,621	39,654,637	25,413,381
Unfunded Actuarial Accrued Liability (UAAL)	8,223,303	8,897,168	17,278,184	3,036,928

ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR  
ENDING SEPTEMBER 30, 2017

Valuation Date: 10/1/2015

	ACTUAL	HYPOTHETICAL		
	7.75% RP-2000 Static	7.75% RP-2000 Generational	5.75% RP-2000 Generational	9.75% RP-2000 Generational
<b><u>PENSION COST</u></b>				
Normal Cost <sup>2</sup>	615,944	635,975	1,005,211	418,391
Administrative Expenses <sup>2</sup>	37,779	37,779	37,415	38,142
Payment Required To Amortize UAAL <sup>2</sup>	989,799	1,048,825	1,528,572	569,979
Total Required Contribution	\$1,643,522	\$1,722,579	\$2,571,198	\$1,026,512

<sup>1</sup> The asset values and liabilities for DROP Members include accumulated DROP Balances as of 9/30/2015.

<sup>2</sup> Contributions developed as of 10/1/2015 displayed above have been adjusted to account for assumed salary increase and interest components.