

May 18, 2018

VIA EMAIL

Ms. Carol Knapp, Administrator
City of Bartow
Municipal Police Officers' Retirement Trust Fund
2404 West Russ Road
Avon Park, FL 33825

Re: City of Bartow Municipal Police Officers' Retirement Trust Fund
Section 112.664, Florida Statutes Compliance

Dear Carol:

Please find enclosed the annual disclosures that satisfy the October 1, 2017 financial reporting requirements made under Section 112.664.

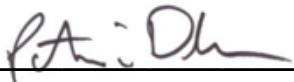
Our office will submit this information electronically to the Department of Management Services by the January 11, 2016 deadline. However, it is important for you to be aware that this report must also be made available on the Plan or Plan Sponsor's website, if such website exists. A deadline for this 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: 

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

PTD/lke
Enclosures

cc via email: H. Lee Dehner, Board Attorney

CITY OF BARTOW
MUNICIPAL POLICE OFFICERS' RETIREMENT 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: Patrick T. Donlan Date: 5/18/2018

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



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, 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

	ACTUAL	HYPOTHETICAL	
	8.00% RP-2000 Generational	6.00% RP-2000 Generational	10.00% RP-2000 Generational
<u>Total Pension Liability</u>			
Service Cost	397,225	607,002	271,764
Interest	1,637,023	1,560,952	1,667,099
Change in Excess State Money	13,219	13,219	13,219
Differences Between Expected and Actual Experience	(18,331)	6,335	(26,485)
Changes of Assumptions	-	-	-
Contributions - Buy Back	26,843	26,843	26,843
Benefit Payments, Including Refunds of Employee Contributions	(1,329,052)	(1,329,052)	(1,329,052)
Net Change in Total Pension Liability	726,927	885,299	623,388
Total Pension Liability - Beginning	20,731,113	26,074,413	17,064,774
Total Pension Liability - Ending (a)	<u>\$ 21,458,040</u>	<u>\$ 26,959,712</u>	<u>\$ 17,688,162</u>
<u>Plan Fiduciary Net Position</u>			
Contributions - Employer	669,669	669,669	669,669
Contributions - State	144,854	144,854	144,854
Contributions - Employee	62,586	62,586	62,586
Contributions - Buy Back	26,843	26,843	26,843
Net Investment Income	1,905,622	1,905,622	1,905,622
Benefit Payments, Including Refunds of Employee Contributions	(1,329,052)	(1,329,052)	(1,329,052)
Administrative Expenses	(69,954)	(69,954)	(69,954)
Net Change in Plan Fiduciary Net Position	1,410,568	1,410,568	1,410,568
Plan Fiduciary Net Position - Beginning	17,084,514	17,084,514	17,084,514
Plan Fiduciary Net Position - Ending (b)	<u>\$ 18,495,082</u>	<u>\$ 18,495,082</u>	<u>\$ 18,495,082</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 2,962,958</u>	<u>\$ 8,464,630</u>	<u>\$ (806,920)</u>

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1
Plan Assumptions: 8.00% 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	18,442,492	-	1,609,726	-	1,411,010	18,243,776
2018	18,243,776	-	1,473,724	-	1,400,553	18,170,605
2019	18,170,605	-	1,516,413	-	1,392,992	18,047,184
2020	18,047,184	-	1,551,509	-	1,381,714	17,877,389
2021	17,877,389	-	1,625,422	-	1,365,174	17,617,141
2022	17,617,141	-	1,657,680	-	1,343,064	17,302,525
2023	17,302,525	-	1,668,260	-	1,317,472	16,951,737
2024	16,951,737	-	1,711,992	-	1,287,659	16,527,404
2025	16,527,404	-	1,724,367	-	1,253,218	16,056,255
2026	16,056,255	-	1,749,046	-	1,214,539	15,521,748
2027	15,521,748	-	1,756,807	-	1,171,468	14,936,409
2028	14,936,409	-	1,757,598	-	1,124,609	14,303,420
2029	14,303,420	-	1,762,058	-	1,073,791	13,615,153
2030	13,615,153	-	1,767,505	-	1,018,512	12,866,160
2031	12,866,160	-	1,774,036	-	958,331	12,050,455
2032	12,050,455	-	1,791,123	-	892,391	11,151,723
2033	11,151,723	-	1,796,957	-	820,260	10,175,026
2034	10,175,026	-	1,789,183	-	742,435	9,128,278
2035	9,128,278	-	1,784,090	-	658,899	8,003,087
2036	8,003,087	-	1,773,038	-	569,325	6,799,374
2037	6,799,374	-	1,758,363	-	473,615	5,514,626
2038	5,514,626	-	1,740,946	-	371,532	4,145,212
2039	4,145,212	-	1,717,562	-	262,914	2,690,564
2040	2,690,564	-	1,690,549	-	147,623	1,147,638
2041	1,147,638	-	1,660,795	-	-	-

*All DROP Balances paid in 2017.

Number of Years Expected Benefit Payments Sustained: 24.69

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 8.00% 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: 6.00% 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	18,442,492	-	1,609,726	-	1,058,258	17,891,024
2018	17,891,024	-	1,473,724	-	1,029,250	17,446,550
2019	17,446,550	-	1,516,413	-	1,001,301	16,931,438
2020	16,931,438	-	1,551,509	-	969,341	16,349,270
2021	16,349,270	-	1,625,422	-	932,194	15,656,042
2022	15,656,042	-	1,657,680	-	889,632	14,887,994
2023	14,887,994	-	1,668,260	-	843,232	14,062,966
2024	14,062,966	-	1,711,992	-	792,418	13,143,392
2025	13,143,392	-	1,724,367	-	736,873	12,155,898
2026	12,155,898	-	1,749,046	-	676,883	11,083,735
2027	11,083,735	-	1,756,807	-	612,320	9,939,248
2028	9,939,248	-	1,757,598	-	543,627	8,725,277
2029	8,725,277	-	1,762,058	-	470,655	7,433,874
2030	7,433,874	-	1,767,505	-	393,007	6,059,376
2031	6,059,376	-	1,774,036	-	310,341	4,595,681
2032	4,595,681	-	1,791,123	-	222,007	3,026,565
2033	3,026,565	-	1,796,957	-	127,685	1,357,293
2034	1,357,293	-	1,789,183	-	-	-

*All DROP Balances paid in 2017.

Number of Years Expected Benefit Payments Sustained: 17.76

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 6.00% 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: 10.00% 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	18,442,492	-	1,609,726	-	1,763,763	18,596,529
2018	18,596,529	-	1,473,724	-	1,785,967	18,908,772
2019	18,908,772	-	1,516,413	-	1,815,057	19,207,416
2020	19,207,416	-	1,551,509	-	1,843,166	19,499,073
2021	19,499,073	-	1,625,422	-	1,868,636	19,742,287
2022	19,742,287	-	1,657,680	-	1,891,345	19,975,952
2023	19,975,952	-	1,668,260	-	1,914,182	20,221,874
2024	20,221,874	-	1,711,992	-	1,936,588	20,446,470
2025	20,446,470	-	1,724,367	-	1,958,429	20,680,532
2026	20,680,532	-	1,749,046	-	1,980,601	20,912,087
2027	20,912,087	-	1,756,807	-	2,003,368	21,158,648
2028	21,158,648	-	1,757,598	-	2,027,985	21,429,035
2029	21,429,035	-	1,762,058	-	2,054,801	21,721,778
2030	21,721,778	-	1,767,505	-	2,083,803	22,038,076
2031	22,038,076	-	1,774,036	-	2,115,106	22,379,146
2032	22,379,146	-	1,791,123	-	2,148,358	22,736,381
2033	22,736,381	-	1,796,957	-	2,183,790	23,123,214
2034	23,123,214	-	1,789,183	-	2,222,862	23,556,893
2035	23,556,893	-	1,784,090	-	2,266,485	24,039,288
2036	24,039,288	-	1,773,038	-	2,315,277	24,581,527
2037	24,581,527	-	1,758,363	-	2,370,235	25,193,399
2038	25,193,399	-	1,740,946	-	2,432,293	25,884,746
2039	25,884,746	-	1,717,562	-	2,502,597	26,669,781
2040	26,669,781	-	1,690,549	-	2,582,451	27,561,683
2041	27,561,683	-	1,660,795	-	2,673,129	28,574,017
2042	28,574,017	-	1,627,850	-	2,776,009	29,722,176
2043	29,722,176	-	1,591,326	-	2,892,651	31,023,501
2044	31,023,501	-	1,549,174	-	3,024,891	32,499,218
2045	32,499,218	-	1,504,864	-	3,174,679	34,169,033
2046	34,169,033	-	1,459,176	-	3,343,945	36,053,802
2047	36,053,802	-	1,410,940	-	3,534,833	38,177,695
2048	38,177,695	-	1,361,159	-	3,749,712	40,566,248
2049	40,566,248	-	1,310,454	-	3,991,102	43,246,896
2050	43,246,896	-	1,258,880	-	4,261,746	46,249,762
2051	46,249,762	-	1,207,497	-	4,564,601	49,606,866
2052	49,606,866	-	1,156,222	-	4,902,876	53,353,520
2053	53,353,520	-	1,105,310	-	5,280,087	57,528,297
2054	57,528,297	-	1,054,751	-	5,700,092	62,173,638
2055	62,173,638	-	1,004,491	-	6,167,139	67,336,286
2056	67,336,286	-	954,661	-	6,685,896	73,067,521
2057	73,067,521	-	905,129	-	7,261,496	79,423,888
2058	79,423,888	-	855,715	-	7,899,603	86,467,776
2059	86,467,776	-	806,520	-	8,606,452	94,267,708
2060	94,267,708	-	757,625	-	9,388,890	102,898,973
2061	102,898,973	-	709,177	-	10,254,438	112,444,234
2062	112,444,234	-	661,091	-	11,211,369	122,994,512
2063	122,994,512	-	613,310	-	12,268,786	134,649,988
2064	134,649,988	-	565,832	-	13,436,707	147,520,863
2065	147,520,863	-	518,781	-	14,726,147	161,728,229
2066	161,728,229	-	472,207	-	16,149,213	177,405,235

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 3
Hypothetical Assumptions: 10.00% 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	177,405,235	-	426,151	-	17,719,216	194,698,300
2068	194,698,300	-	381,022	-	19,450,779	213,768,057
2069	213,768,057	-	337,171	-	21,359,947	234,790,833
2070	234,790,833	-	295,040	-	23,464,331	257,960,124
2071	257,960,124	-	255,177	-	25,783,254	283,488,201
2072	283,488,201	-	217,947	-	28,337,923	311,608,177
2073	311,608,177	-	183,782	-	31,151,629	342,576,024
2074	342,576,024	-	153,052	-	34,249,950	376,672,922
2075	376,672,922	-	125,914	-	37,660,997	414,208,005
2076	414,208,005	-	102,394	-	41,415,681	455,521,292
2077	455,521,292	-	82,337	-	45,548,012	500,986,967
2078	500,986,967	-	65,564	-	50,095,419	551,016,822
2079	551,016,822	-	51,679	-	55,099,098	606,064,241
2080	606,064,241	-	40,379	-	60,604,405	666,628,267
2081	666,628,267	-	31,282	-	66,661,263	733,258,248
2082	733,258,248	-	24,061	-	73,324,622	806,558,809
2083	806,558,809	-	18,379	-	80,654,962	887,195,392
2084	887,195,392	-	13,958	-	88,718,841	975,900,275
2085	975,900,275	-	10,544	-	97,589,500	1,073,479,231
2086	1,073,479,231	-	7,937	-	107,347,526	1,180,818,820
2087	1,180,818,820	-	5,964	-	118,081,584	1,298,894,440
2088	1,298,894,440	-	4,469	-	129,889,221	1,428,779,192
2089	1,428,779,192	-	3,336	-	142,877,752	1,571,653,608
2090	1,571,653,608	-	2,476	-	157,165,237	1,728,816,369
2091	1,728,816,369	-	1,818	-	172,881,546	1,901,696,097
2092	1,901,696,097	-	1,319	-	190,169,544	2,091,864,322
2093	2,091,864,322	-	945	-	209,186,385	2,301,049,762
2094	2,301,049,762	-	667	-	230,104,943	2,531,154,038
2095	2,531,154,038	-	463	-	253,115,381	2,784,268,956
2096	2,784,268,956	-	313	-	278,426,880	3,062,695,523
2097	3,062,695,523	-	207	-	306,269,542	3,368,964,858
2098	3,368,964,858	-	134	-	336,896,479	3,705,861,203
2099	3,705,861,203	-	84	-	370,586,116	4,076,447,235
2100	4,076,447,235	-	50	-	407,644,721	4,484,091,906
2101	4,484,091,906	-	30	-	448,409,189	4,932,501,065
2102	4,932,501,065	-	18	-	493,250,106	5,425,751,153
2103	5,425,751,153	-	11	-	542,575,115	5,968,326,257
2104	5,968,326,257	-	6	-	596,832,625	6,565,158,876
2105	6,565,158,876	-	4	-	656,515,887	7,221,674,759
2106	7,221,674,759	-	2	-	722,167,476	7,943,842,233
2107	7,943,842,233	-	1	-	794,384,223	8,738,226,455
2108	8,738,226,455	-	1	-	873,822,645	9,612,049,099
2109	9,612,049,099	-	-	-	961,204,910	10,573,254,009

*All DROP Balances paid in 2017.

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 10.00% 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

	ACTUAL	HYPOTHETICAL	
	8.00% RP-2000 Generational	6.00% RP-2000 Generational	10.00% RP-2000 Generational
Total Required Contribution (Fixed \$)	\$983,027	\$1,539,338	\$516,494
Total Required Contribution (% of Payroll)	62.0%	97.1%	32.5%
Expected Member Contribution	63,409	63,409	63,409
Expected State Money	131,635	131,635	131,635
Expected Sponsor Contribution (Fixed \$)	\$787,983	\$1,344,294	\$321,450
Expected Sponsor Contribution (% of Payroll)	49.7%	84.8%	20.2%
<u>ASSETS</u>			
Actuarial Value ¹	18,297,276	18,297,276	18,297,276
Market Value ¹	18,442,492	18,442,492	18,442,492
<u>LIABILITIES</u>			
Present Value of Benefits			
Active Members			
Retirement Benefits	6,232,093	8,905,108	4,600,481
Disability Benefits	348,835	472,864	268,149
Death Benefits	23,231	30,077	18,367
Vested Benefits	535,298	842,975	359,315
Refund of Contributions	23,769	24,659	22,946
Service Retirees	12,469,034	15,416,574	10,415,046
DROP Retirees ¹	2,521,757	3,141,247	2,107,712
Beneficiaries	163,310	186,497	144,936
Disability Retirees	725,447	879,411	614,809
Terminated Vested	623,165	774,250	516,963
Excess State Monies Reserve	14,243	14,243	14,243
Total:	23,680,182	30,687,905	19,082,967
Present Value of Future Salaries	8,960,714	9,821,284	8,244,879
Present Value of Future Member Contributions	358,429	392,851	329,795
Total Normal Cost	388,837	590,680	267,519
Present Value of Future Normal Costs (Entry Age Normal)	2,100,112	3,534,027	1,313,400
Total Actuarial Accrued Liability ¹	21,580,070	27,153,878	17,769,567
Unfunded Actuarial Accrued Liability (UAAL)	3,282,794	8,856,602	(527,709)

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

Valuation Date: 10/1/2017

	ACTUAL	HYPOTHETICAL	
	8.00% RP-2000 Generational	6.00% RP-2000 Generational	10.00% RP-2000 Generational
<u>PENSION COST</u>			
Normal Cost (with interest)	404,390	608,400	280,895
Administrative Expenses (with interest)	72,752	72,053	73,452
Payment Required To Amortize UAAL (with interest)	505,885	858,885	162,147
Total Required Contribution	\$983,027	\$1,539,338	\$516,494

¹ The asset values and liabilities include accumulated DROP Balances as of 9/30/2017.