

May 31, 2016

VIA EMAIL

Ms. Kari Giddens
City of Haines City
P.O. Box 1507
Haines City, FL 33845

Re: City of Haines City Municipal Firefighters' Retirement Trust Fund
Senate Bill 534 (Section 112.664, Florida Statutes) Compliance

Dear Kari:

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: Susy Pita, Plan Administrator
cc via email: H. Lee Dehner, Board Attorney

CITY OF HAINES CITY
MUNICIPAL FIREFIGHTERS' 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: 5/31/2016

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		
	7.50% RP-2000 Static 9/30/2015	7.50% RP-2000 Generational 9/30/2015	5.50% RP-2000 Generational 9/30/2015	9.50% RP-2000 Generational 9/30/2015
<u>GASB 67: Schedule of Changes in Net Pension Liability</u>				
<u>Total Pension Liability</u>				
Service Cost	121,753	126,171	189,286	91,161
Interest	516,128	532,487	503,881	543,484
Change in Excess State Money	69,107	69,107	69,107	69,107
Differences Between Expected and Actual Experience	(17,148)	(17,834)	6,648	(32,722)
Changes of Assumptions	-	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(529,529)	(529,529)	(529,529)	(529,529)
Net Change in Total Pension Liability	160,311	180,402	239,393	141,501
Total Pension Liability - Beginning	7,277,852	7,491,547	9,490,085	6,147,623
Total Pension Liability - Ending (a)	<u>\$ 7,438,163</u>	<u>\$ 7,671,949</u>	<u>\$ 9,729,478</u>	<u>\$ 6,289,124</u>
<u>Plan Fiduciary Net Position</u>				
Contributions - Employer	316,046	316,046	316,046	316,046
Contributions - State	109,138	109,138	109,138	109,138
Contributions - Employee	105,765	105,765	105,765	105,765
Net Investment Income	(35,866)	(35,866)	(35,866)	(35,866)
Benefit Payments, Including Refunds of Employee Contributions	(529,529)	(529,529)	(529,529)	(529,529)
Administrative Expenses	(37,523)	(37,523)	(37,523)	(37,523)
Net Change in Plan Fiduciary Net Position	(71,969)	(71,969)	(71,969)	(71,969)
Plan Fiduciary Net Position - Beginning	5,126,064	5,126,064	5,126,064	5,126,064
Plan Fiduciary Net Position - Ending (b)	<u>\$ 5,054,095</u>	<u>\$ 5,054,095</u>	<u>\$ 5,054,095</u>	<u>\$ 5,054,095</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 2,384,068</u>	<u>\$ 2,617,854</u>	<u>\$ 4,675,383</u>	<u>\$ 1,235,029</u>

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

Pension Expense	<u>\$ 146,181</u>	<u>\$ 165,840</u>	<u>\$ 280,754</u>	<u>\$ 65,116</u>
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PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1
Plan Assumptions: 7.50% 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	5,054,095	-	559,434	-	358,078	4,852,739
2016	4,852,739	-	549,907	-	343,334	4,646,166
2017	4,646,166	-	535,261	-	328,390	4,439,295
2018	4,439,295	-	529,341	-	313,097	4,223,051
2019	4,223,051	-	523,121	-	297,112	3,997,042
2020	3,997,042	-	517,723	-	280,364	3,759,683
2021	3,759,683	-	536,107	-	261,872	3,485,448
2022	3,485,448	-	532,998	-	241,421	3,193,871
2023	3,193,871	-	531,117	-	219,623	2,882,377
2024	2,882,377	-	528,715	-	196,351	2,550,013
2025	2,550,013	-	542,185	-	170,919	2,178,747
2026	2,178,747	-	542,429	-	143,065	1,779,383
2027	1,779,383	-	557,381	-	112,552	1,334,554
2028	1,334,554	-	550,319	-	79,455	863,690
2029	863,690	-	542,529	-	44,432	365,593
2030	365,593	-	533,968	-	-	-

Number of Years Expected Benefit Payments Sustained: 15.68

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: 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
2015	5,054,095	-	559,553	-	358,074	4,852,616
2016	4,852,616	-	550,334	-	343,309	4,645,591
2017	4,645,591	-	536,051	-	328,317	4,437,857
2018	4,437,857	-	530,544	-	312,944	4,220,257
2019	4,220,257	-	524,805	-	296,839	3,992,291
2020	3,992,291	-	519,963	-	279,923	3,752,251
2021	3,752,251	-	539,057	-	261,204	3,474,398
2022	3,474,398	-	536,686	-	240,454	3,178,166
2023	3,178,166	-	535,645	-	218,276	2,860,797
2024	2,860,797	-	534,206	-	194,527	2,521,118
2025	2,521,118	-	549,357	-	168,483	2,140,244
2026	2,140,244	-	551,162	-	139,850	1,728,932
2027	1,728,932	-	567,649	-	108,383	1,269,666
2028	1,269,666	-	562,204	-	74,142	781,604
2029	781,604	-	556,174	-	37,764	263,194
2030	263,194	-	549,506	-	-	-

Number of Years Expected Benefit Payments Sustained: 15.48

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 3
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
2015	5,054,095	-	559,553	-	262,588	4,757,130
2016	4,757,130	-	550,334	-	246,508	4,453,304
2017	4,453,304	-	536,051	-	230,190	4,147,443
2018	4,147,443	-	530,544	-	213,519	3,830,418
2019	3,830,418	-	524,805	-	196,241	3,501,854
2020	3,501,854	-	519,963	-	178,303	3,160,194
2021	3,160,194	-	539,057	-	158,987	2,780,124
2022	2,780,124	-	536,686	-	138,148	2,381,586
2023	2,381,586	-	535,645	-	116,257	1,962,198
2024	1,962,198	-	534,206	-	93,230	1,521,222
2025	1,521,222	-	549,357	-	68,560	1,040,425
2026	1,040,425	-	551,162	-	42,066	531,329
2027	531,329	-	567,649	-	-	-

Number of Years Expected Benefit Payments Sustained: 12.94

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 4
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
2015	5,054,095	-	559,553	-	453,560	4,948,102
2016	4,948,102	-	550,334	-	443,929	4,841,697
2017	4,841,697	-	536,051	-	434,499	4,740,145
2018	4,740,145	-	530,544	-	425,113	4,634,714
2019	4,634,714	-	524,805	-	415,370	4,525,279
2020	4,525,279	-	519,963	-	405,203	4,410,519
2021	4,410,519	-	539,057	-	393,394	4,264,856
2022	4,264,856	-	536,686	-	379,669	4,107,839
2023	4,107,839	-	535,645	-	364,802	3,936,996
2024	3,936,996	-	534,206	-	348,640	3,751,430
2025	3,751,430	-	549,357	-	330,291	3,532,364
2026	3,532,364	-	551,162	-	309,394	3,290,596
2027	3,290,596	-	567,649	-	285,643	3,008,590
2028	3,008,590	-	562,204	-	259,111	2,705,497
2029	2,705,497	-	556,174	-	230,604	2,379,927
2030	2,379,927	-	549,506	-	199,992	2,030,413
2031	2,030,413	-	541,496	-	167,168	1,656,085
2032	1,656,085	-	540,227	-	131,667	1,247,525
2033	1,247,525	-	531,115	-	93,287	809,697
2034	809,697	-	523,634	-	52,049	338,112
2035	338,112	-	511,603	-	-	-

Number of Years Expected Benefit Payments Sustained: 20.66

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, 2017

Valuation Date: 10/1/2015

	ACTUAL	HYPOTHETICAL		
	7.50% RP-2000 Static	7.50% RP-2000 Generational	5.50% RP-2000 Generational	9.50% RP-2000 Generational
Total Required Contribution (Fixed \$)	\$437,999	\$456,135	\$584,161	\$352,230
Total Required Contribution (% of Payroll)	42.3%	44.0%	56.3%	34.0%
Expected Member Contribution	93,358	93,358	93,358	93,358
Expected State Money	40,031	40,031	40,031	40,031
Expected Sponsor Contribution (Fixed \$)	\$304,610	\$322,746	\$450,772	\$218,841
Expected Sponsor Contribution (% of Payroll)	29.4%	31.1%	43.4%	21.1%

ASSETS

Actuarial Value	5,163,847	5,163,847	5,163,847	5,163,847
Market Value	5,054,095	5,054,095	5,054,095	5,054,095

LIABILITIES

Present Value of Benefits

Active Members

Retirement Benefits	911,691	960,149	1,471,119	659,303
Disability Benefits	39,626	41,420	58,989	30,464
Death Benefits	8,436	5,972	8,406	4,370
Vested Benefits	602,617	638,819	1,151,448	372,263
Refund of Contributions	158,377	158,409	165,373	152,115
Service Retirees	5,486,052	5,624,031	6,867,734	4,736,304
Beneficiaries	0	0	0	0
Disability Retirees	299,929	319,586	370,075	280,477
Terminated Vested	187,364	196,140	283,714	142,372
Excess State Monies Reserve	322,240	322,240	322,240	322,240
Total:	8,016,332	8,266,766	10,699,098	6,699,908

Present Value of Future Salaries	5,916,063	5,920,269	6,460,621	5,471,212
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Present Value of Future Member Contributions	532,446	532,824	581,456	492,409
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Total Normal Cost	109,635	113,994	174,040	80,890
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Present Value of Future Normal Costs (Entry Age Normal)	514,874	538,765	937,905	338,131
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Total Actuarial Accrued Liability	7,501,458	7,728,001	9,761,193	6,361,777
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Unfunded Actuarial Accrued Liability (UAAL)	2,337,611	2,564,154	4,597,346	1,197,930
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ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR
ENDING SEPTEMBER 30, 2017

Valuation Date: 10/1/2015

	ACTUAL	HYPOTHETICAL		
	7.50% RP-2000 Static	7.50% RP-2000 Generational	5.50% RP-2000 Generational	9.50% RP-2000 Generational
<u>PENSION COST</u>				
Normal Cost (with interest)	113,746	118,269	178,826	84,732
Administrative Expenses (with interest)	38,906	38,906	38,531	39,281
Payment Required To Amortize UAAL (with interest)	285,347	298,960	366,804	228,217
Total Required Contribution	\$437,999	\$456,135	\$584,161	\$352,230