

**BONITA SPRINGS FIRE CONTROL AND RESCUE DISTRICT
FIREFIGHTERS' RETIREMENT SYSTEM**

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



January 23, 2020

VIA E-MAIL

Ms. Lisa Gendron
Bonita Springs Fire Control & Rescue District
27701 Bonita Grande Drive
Bonita Springs, FL 34135

Re: Bonita Springs Fire Control and Rescue District Firefighters' Retirement System
Section 112.664, Florida Statutes Compliance

Dear Lisa:

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: 

Christine M. O'Neal, FSA, EA, MAAA
Enrolled Actuary #17-7916

Enclosures

cc via email: Scott R. Christiansen, Board Attorney
cc via email: Chrissy Stoker, Pension Administrator

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	
	7.60% RP-2000 Generational	5.60% RP-2000 Generational	9.60% RP-2000 Generational
<u>Total Pension Liability</u>			
Service Cost	2,349,475	3,817,170	1,491,398
Interest	6,872,486	6,618,140	6,872,895
Changes of Benefit Terms	(7,100)	(8,798)	(5,885)
Differences Between Expected and Actual Experience	44,227	250,400	(98,034)
Changes of Assumptions	-	-	-
Contributions - Buy Back	59,882	59,882	59,882
Benefit Payments, Including Refunds of Employee Contributions	(3,907,194)	(3,907,194)	(3,907,194)
Net Change in Total Pension Liability	5,411,777	6,829,600	4,413,062
Total Pension Liability - Beginning	90,038,670	116,326,297	72,060,738
Total Pension Liability - Ending (a)	<u>\$ 95,450,447</u>	<u>\$ 123,155,897</u>	<u>\$ 76,473,800</u>
<u>Plan Fiduciary Net Position</u>			
Contributions - Employer	4,730,535	4,730,535	4,730,535
Contributions - State	736,952	736,952	736,952
Contributions - Employee	619,281	619,281	619,281
Contributions - Buy Back	59,882	59,882	59,882
Net Investment Income	960,555	960,555	960,555
Benefit Payments, Including Refunds of Employee Contributions	(3,907,194)	(3,907,194)	(3,907,194)
Administrative Expenses	(77,171)	(77,171)	(77,171)
Net Change in Plan Fiduciary Net Position	3,122,840	3,122,840	3,122,840
Plan Fiduciary Net Position - Beginning	70,794,926	70,794,926	70,794,926
Plan Fiduciary Net Position - Ending (b)	<u>\$ 73,917,766</u>	<u>\$ 73,917,766</u>	<u>\$ 73,917,766</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 21,532,681</u>	<u>\$ 49,238,131</u>	<u>\$ 2,556,034</u>

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1
Plan Assumptions: 7.60% 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	73,803,033	-	5,861,554	-	5,386,291	73,327,770
2020	73,327,770	-	4,851,974	-	5,388,536	73,864,332
2021	73,864,332	-	4,999,742	-	5,423,699	74,288,289
2022	74,288,289	-	5,070,618	-	5,453,226	74,670,897
2023	74,670,897	-	5,288,153	-	5,474,038	74,856,782
2024	74,856,782	-	5,611,357	-	5,475,884	74,721,309
2025	74,721,309	-	5,858,358	-	5,456,202	74,319,153
2026	74,319,153	-	6,436,783	-	5,403,658	73,286,028
2027	73,286,028	-	6,702,860	-	5,315,029	71,898,197
2028	71,898,197	-	6,917,939	-	5,201,381	70,181,639
2029	70,181,639	-	7,025,320	-	5,066,842	68,223,161
2030	68,223,161	-	7,285,127	-	4,908,125	65,846,159
2031	65,846,159	-	7,467,881	-	4,720,529	63,098,807
2032	63,098,807	-	7,646,857	-	4,504,929	59,956,879
2033	59,956,879	-	7,724,945	-	4,263,175	56,495,109
2034	56,495,109	-	7,846,162	-	3,995,474	52,644,421
2035	52,644,421	-	7,952,933	-	3,698,765	48,390,253
2036	48,390,253	-	7,938,964	-	3,375,979	43,827,268
2037	43,827,268	-	7,959,215	-	3,028,422	38,896,475
2038	38,896,475	-	7,911,685	-	2,655,488	33,640,278
2039	33,640,278	-	7,831,776	-	2,259,054	28,067,556
2040	28,067,556	-	7,753,084	-	1,838,517	22,152,989
2041	22,152,989	-	7,676,015	-	1,391,939	15,868,913
2042	15,868,913	-	7,565,520	-	918,548	9,221,941
2043	9,221,941	-	7,435,755	-	418,309	2,204,495
2044	2,204,495	-	7,271,394	-	-	-

*All DROP Balances paid in 2019.

Number of Years Expected Benefit Payments Sustained: 25.30

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 7.60% 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: 5.60% 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	73,803,033	-	5,861,554	-	3,968,846	71,910,325
2020	71,910,325	-	4,851,974	-	3,891,123	70,949,474
2021	70,949,474	-	4,999,742	-	3,833,178	69,782,910
2022	69,782,910	-	5,070,618	-	3,765,866	68,478,158
2023	68,478,158	-	5,288,153	-	3,686,709	66,876,714
2024	66,876,714	-	5,611,357	-	3,587,978	64,853,335
2025	64,853,335	-	5,858,358	-	3,467,753	62,462,730
2026	62,462,730	-	6,436,783	-	3,317,683	59,343,630
2027	59,343,630	-	6,702,860	-	3,135,563	55,776,333
2028	55,776,333	-	6,917,939	-	2,929,772	51,788,166
2029	51,788,166	-	7,025,320	-	2,703,428	47,466,274
2030	47,466,274	-	7,285,127	-	2,454,128	42,635,275
2031	42,635,275	-	7,467,881	-	2,178,475	37,345,869
2032	37,345,869	-	7,646,857	-	1,877,257	31,576,269
2033	31,576,269	-	7,724,945	-	1,551,973	25,403,297
2034	25,403,297	-	7,846,162	-	1,202,892	18,760,027
2035	18,760,027	-	7,952,933	-	827,879	11,634,973
2036	11,634,973	-	7,938,964	-	429,267	4,125,276
2037	4,125,276	-	7,959,215	-	-	-

*All DROP Balances paid in 2019.

Number of Years Expected Benefit Payments Sustained: 18.52

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 5.60% 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: 9.60% 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	73,803,033	-	5,861,554	-	6,803,737	74,745,216
2020	74,745,216	-	4,851,974	-	6,942,646	76,835,888
2021	76,835,888	-	4,999,742	-	7,136,258	78,972,404
2022	78,972,404	-	5,070,618	-	7,337,961	81,239,747
2023	81,239,747	-	5,288,153	-	7,545,184	83,496,778
2024	83,496,778	-	5,611,357	-	7,746,346	85,631,767
2025	85,631,767	-	5,858,358	-	7,939,448	87,712,857
2026	87,712,857	-	6,436,783	-	8,111,469	89,387,543
2027	89,387,543	-	6,702,860	-	8,259,467	90,944,150
2028	90,944,150	-	6,917,939	-	8,398,577	92,424,788
2029	92,424,788	-	7,025,320	-	8,535,564	93,935,032
2030	93,935,032	-	7,285,127	-	8,668,077	95,317,982
2031	95,317,982	-	7,467,881	-	8,792,068	96,642,169
2032	96,642,169	-	7,646,857	-	8,910,599	97,905,911
2033	97,905,911	-	7,724,945	-	9,028,170	99,209,136
2034	99,209,136	-	7,846,162	-	9,147,461	100,510,435
2035	100,510,435	-	7,952,933	-	9,267,261	101,824,763
2036	101,824,763	-	7,938,964	-	9,394,107	103,279,906
2037	103,279,906	-	7,959,215	-	9,532,829	104,853,520
2038	104,853,520	-	7,911,685	-	9,686,177	106,628,012
2039	106,628,012	-	7,831,776	-	9,860,364	108,656,600
2040	108,656,600	-	7,753,084	-	10,058,886	110,962,402
2041	110,962,402	-	7,676,015	-	10,283,942	113,570,329
2042	113,570,329	-	7,565,520	-	10,539,607	116,544,416
2043	116,544,416	-	7,435,755	-	10,831,348	119,940,009
2044	119,940,009	-	7,271,394	-	11,165,214	123,833,829
2045	123,833,829	-	7,095,954	-	11,547,442	128,285,317
2046	128,285,317	-	6,904,917	-	11,983,954	133,364,354
2047	133,364,354	-	6,698,200	-	12,481,464	139,147,618
2048	139,147,618	-	6,480,599	-	13,047,103	145,714,122
2049	145,714,122	-	6,252,324	-	13,688,444	153,150,242
2050	153,150,242	-	6,007,716	-	14,414,053	161,556,579
2051	161,556,579	-	5,755,773	-	15,233,154	171,033,960
2052	171,033,960	-	5,497,914	-	16,155,360	181,691,406
2053	181,691,406	-	5,235,126	-	17,191,089	193,647,369
2054	193,647,369	-	4,969,400	-	18,351,616	207,029,585
2055	207,029,585	-	4,702,649	-	19,649,113	221,976,049
2056	221,976,049	-	4,437,971	-	21,096,678	238,634,756
2057	238,634,756	-	4,175,300	-	22,708,522	257,167,978
2058	257,167,978	-	3,914,961	-	24,500,208	277,753,225
2059	277,753,225	-	3,658,334	-	26,488,710	300,583,601
2060	300,583,601	-	3,406,264	-	28,692,525	325,869,862
2061	325,869,862	-	3,159,257	-	31,131,862	353,842,467
2062	353,842,467	-	2,917,846	-	33,828,820	384,753,441
2063	384,753,441	-	2,682,530	-	36,807,569	418,878,480
2064	418,878,480	-	2,454,031	-	40,094,541	456,518,990
2065	456,518,990	-	2,233,518	-	43,718,614	498,004,086
2066	498,004,086	-	2,022,422	-	47,711,316	543,692,980
2067	543,692,980	-	1,821,772	-	52,107,081	593,978,289
2068	593,978,289	-	1,632,742	-	56,943,544	649,289,091
2069	649,289,091	-	1,456,233	-	62,261,854	710,094,712
2070	710,094,712	-	1,292,233	-	68,107,065	776,909,544
2071	776,909,544	-	1,140,717	-	74,528,562	850,297,389

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 3
Hypothetical Assumptions: 9.60% 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
2072	850,297,389	-	1,001,581	-	81,580,473	930,876,281
2073	930,876,281	-	874,269	-	89,322,158	1,019,324,170
2074	1,019,324,170	-	758,445	-	97,818,715	1,116,384,440
2075	1,116,384,440	-	653,470	-	107,141,540	1,222,872,510
2076	1,222,872,510	-	558,794	-	117,368,939	1,339,682,655
2077	1,339,682,655	-	473,523	-	128,586,806	1,467,795,938
2078	1,467,795,938	-	397,061	-	140,889,351	1,608,288,228
2079	1,608,288,228	-	329,059	-	154,379,875	1,762,339,044
2080	1,762,339,044	-	269,197	-	169,171,627	1,931,241,474
2081	1,931,241,474	-	217,153	-	185,388,758	2,116,413,079
2082	2,116,413,079	-	172,766	-	203,167,363	2,319,407,676
2083	2,319,407,676	-	135,569	-	222,656,630	2,541,928,737
2084	2,541,928,737	-	105,017	-	244,020,118	2,785,843,838
2085	2,785,843,838	-	80,330	-	267,437,153	3,053,200,661
2086	3,053,200,661	-	60,684	-	293,104,351	3,346,244,328
2087	3,346,244,328	-	45,237	-	321,237,284	3,667,436,375
2088	3,667,436,375	-	33,345	-	352,072,291	4,019,475,321
2089	4,019,475,321	-	24,355	-	385,868,462	4,405,319,428
2090	4,405,319,428	-	17,620	-	422,909,819	4,828,211,627
2091	4,828,211,627	-	12,634	-	463,507,710	5,291,706,703
2092	5,291,706,703	-	8,974	-	508,003,413	5,799,701,142
2093	5,799,701,142	-	6,325	-	556,771,006	6,356,465,823
2094	6,356,465,823	-	4,407	-	610,220,507	6,966,681,923
2095	6,966,681,923	-	3,029	-	668,801,319	7,635,480,213
2096	7,635,480,213	-	2,041	-	733,006,002	8,368,484,174
2097	8,368,484,174	-	1,351	-	803,374,416	9,171,857,239
2098	9,171,857,239	-	879	-	880,498,253	10,052,354,613
2099	10,052,354,613	-	562	-	965,026,016	11,017,380,067
2100	11,017,380,067	-	351	-	1,057,668,470	12,075,048,186
2101	12,075,048,186	-	217	-	1,159,204,615	13,234,252,584
2102	13,234,252,584	-	132	-	1,270,488,242	14,504,740,694
2103	14,504,740,694	-	80	-	1,392,455,103	15,897,195,717
2104	15,897,195,717	-	48	-	1,526,130,787	17,423,326,456
2105	17,423,326,456	-	28	-	1,672,639,338	19,095,965,766
2106	19,095,965,766	-	16	-	1,833,212,713	20,929,178,463
2107	20,929,178,463	-	10	-	2,009,201,132	22,938,379,585
2108	22,938,379,585	-	6	-	2,202,084,440	25,140,464,019
2109	25,140,464,019	-	3	-	2,413,484,546	27,553,948,562
2110	27,553,948,562	-	2	-	2,645,179,062	30,199,127,622
2111	30,199,127,622	-	1	-	2,899,116,252	33,098,243,873
2112	33,098,243,873	-	-	-	3,177,431,412	36,275,675,285

*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 9.60% 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>	
	7.60% RP-2000 Generational	5.60% RP-2000 Generational	9.60% RP-2000 Generational
Minimum Required Contribution (Fixed \$)	\$5,019,762	\$8,133,406	\$2,538,774
Minimum Required Contribution (% of Payroll)	55.4%	89.7%	28.1%
Expected Member Contribution	634,265	634,265	634,265
Expected State Money	736,951	736,951	736,951
Expected Sponsor Contribution (Fixed \$)	\$3,648,546	\$6,762,190	\$1,167,558
Expected Sponsor Contribution (% of Payroll)	40.3%	74.6%	13.0%
<hr/>			
<u>ASSETS</u>			
Actuarial Value ¹	75,528,254	75,528,254	75,528,254
Market Value ¹	73,803,033	73,803,033	73,803,033
<u>LIABILITIES</u>			
Present Value of Benefits			
Active Members			
Retirement Benefits	55,246,641	84,650,540	37,962,049
Disability Benefits	542,973	740,910	413,194
Death Benefits	303,213	411,118	228,408
Vested Benefits	3,584,567	5,785,814	2,330,715
Refund of Contributions	147,028	157,611	137,620
Service Retirees	46,901,409	57,148,221	39,524,771
DROP Retirees ¹	7,049,128	8,587,233	6,011,966
Beneficiaries	276,376	298,921	257,002
Disability Retirees	1,448,867	1,772,760	1,223,204
Share Plan Balances ¹	0	0	0
Total:	116,191,651	160,531,621	88,596,292
Present Value of Future Salaries	80,032,226	89,975,125	71,991,437
Present Value of Future Member Contributions	5,602,256	6,298,259	5,039,401
Total Normal Cost	2,339,356	3,799,878	1,484,060
Present Value of Future Normal Costs (Entry Age Normal)	19,971,445	36,517,086	11,387,308
Total Actuarial Accrued Liability ¹	96,220,206	124,014,535	77,208,984
Unfunded Actuarial Accrued Liability (UAAL)	20,691,952	48,486,281	1,680,730

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

Valuation Date: 10/1/2019

	ACTUAL	HYPOTHETICAL	
	7.60% RP-2000 Generational	5.60% RP-2000 Generational	9.60% RP-2000 Generational
<u>PENSION COST</u>			
Normal Cost (with interest)	2,428,252	3,906,275	1,555,295
Administrative Expenses (with interest)	67,822	67,168	68,475
Payment Required To Amortize UAAL (with interest)	2,523,688	4,159,963	915,004
Minimum Required Contribution	\$5,019,762	\$8,133,406	\$2,538,774

¹ The asset values and liabilities include accumulated DROP and Share Plan Balances as of 9/30/2019.