

October 28, 2019

VIA E-MAIL

Ms. Denise McNeill,
Resource Centers, LLC
4360 Northlake Blvd., Ste 206
Palm Beach Gardens, FL 33410

Re: St. Lucie County Fire District Firefighters' Pension Trust Fund
Section 112.664, Florida Statutes Compliance

Dear Denise:

Please find enclosed the annual disclosures that satisfy the October 1, 2018 financial reporting requirements made under Section 112.664.

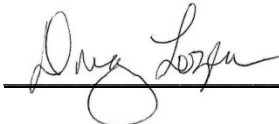
Our office will submit this information electronically to the Department of Management Services. However, it is important for you to be aware that this report must also be made available on the Plan or Plan Sponsor's website, if such website exists. A deadline for this website publication is not made 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: 

Douglas H. Lozen, EA, MAAA
Enrolled Actuary #17-7778

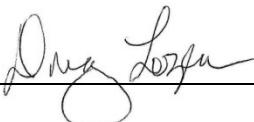
Enclosures

cc via email: Bonni Jensen, Board Attorney

ST. LUCIE COUNTY FIRE DISTRICT
FIREFIGHTERS' PENSION 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:  Date: 10/28/2019

Douglas H. Lozen, EA, MAAA
Enrolled Actuary #17-7778



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, 2018 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, 2018

	ACTUAL	HYPOTHETICAL	
	8.00% RP-2000 Generational	6.00% RP-2000 Generational	10.00% RP-2000 Generational
<u>Total Pension Liability</u>			
Service Cost	8,739,717	13,586,114	5,771,545
Interest	26,235,299	24,702,290	26,977,829
Change in Excess State Money	19,663	19,663	19,663
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	(446,737)	103,809	(979,544)
Changes of Assumptions	-	-	-
Contributions - Buy Back	148,879	148,879	148,879
Benefit Payments, Including Refunds of Employee Contributions	(14,157,492)	(14,157,492)	(14,157,492)
Net Change in Total Pension Liability	20,539,329	24,403,263	17,780,880
Total Pension Liability - Beginning	326,528,655	405,445,865	271,333,884
Total Pension Liability - Ending (a)	<u>\$ 347,067,984</u>	<u>\$ 429,849,128</u>	<u>\$ 289,114,764</u>
<u>Plan Fiduciary Net Position</u>			
Contributions - Employer	12,432,420	12,432,420	12,432,420
Contributions - State	2,131,983	2,131,983	2,131,983
Contributions - Employee	1,375,400	1,375,400	1,375,400
Contributions - Buy Back	148,879	148,879	148,879
Net Investment Income	16,126,023	16,126,023	16,126,023
Benefit Payments, Including Refunds of Employee Contributions	(14,157,492)	(14,157,492)	(14,157,492)
Administrative Expenses	(137,126)	(137,126)	(137,126)
Net Change in Plan Fiduciary Net Position	17,920,087	17,920,087	17,920,087
Plan Fiduciary Net Position - Beginning	230,573,754	230,573,754	230,573,754
Plan Fiduciary Net Position - Ending (b)	<u>\$ 248,493,841</u>	<u>\$ 248,493,841</u>	<u>\$ 248,493,841</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 98,574,143</u>	<u>\$ 181,355,287</u>	<u>\$ 40,620,923</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
2018	248,361,567	-	49,671,327	-	17,882,072	216,572,312
2019	216,572,312	-	16,428,436	-	16,668,648	216,812,524
2020	216,812,524	-	17,230,639	-	16,655,776	216,237,661
2021	216,237,661	-	18,285,426	-	16,567,596	214,519,831
2022	214,519,831	-	19,454,655	-	16,383,400	211,448,576
2023	211,448,576	-	20,711,027	-	16,087,445	206,824,994
2024	206,824,994	-	21,573,697	-	15,683,052	200,934,349
2025	200,934,349	-	22,377,028	-	15,179,667	193,736,988
2026	193,736,988	-	23,240,177	-	14,569,352	185,066,163
2027	185,066,163	-	23,979,796	-	13,846,101	174,932,468
2028	174,932,468	-	24,674,332	-	13,007,624	163,265,760
2029	163,265,760	-	25,340,388	-	12,047,645	149,973,017
2030	149,973,017	-	25,953,842	-	10,959,688	134,978,863
2031	134,978,863	-	26,601,295	-	9,734,257	118,111,825
2032	118,111,825	-	27,166,747	-	8,362,276	99,307,354
2033	99,307,354	-	27,584,048	-	6,841,226	78,564,532
2034	78,564,532	-	27,934,905	-	5,167,766	55,797,393
2035	55,797,393	-	27,980,870	-	3,344,557	31,161,080
2036	31,161,080	-	27,893,491	-	1,377,147	4,644,736
2037	4,644,736	-	27,723,828	-	-	-

*All DROP Balances paid in 2018.

Number of Years Expected Benefit Payments Sustained: 19.17

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
2018	248,361,567	-	49,671,327	-	13,411,554	212,101,794
2019	212,101,794	-	16,428,436	-	12,233,255	207,906,613
2020	207,906,613	-	17,230,639	-	11,957,478	202,633,452
2021	202,633,452	-	18,285,426	-	11,609,444	195,957,470
2022	195,957,470	-	19,454,655	-	11,173,809	187,676,624
2023	187,676,624	-	20,711,027	-	10,639,267	177,604,864
2024	177,604,864	-	21,573,697	-	10,009,081	166,040,248
2025	166,040,248	-	22,377,028	-	9,291,104	152,954,324
2026	152,954,324	-	23,240,177	-	8,480,054	138,194,201
2027	138,194,201	-	23,979,796	-	7,572,258	121,786,663
2028	121,786,663	-	24,674,332	-	6,566,970	103,679,301
2029	103,679,301	-	25,340,388	-	5,460,546	83,799,459
2030	83,799,459	-	25,953,842	-	4,249,352	62,094,969
2031	62,094,969	-	26,601,295	-	2,927,659	38,421,333
2032	38,421,333	-	27,166,747	-	1,490,278	12,744,864
2033	12,744,864	-	27,584,048	-	-	-

*All DROP Balances paid in 2018.

Number of Years Expected Benefit Payments Sustained: 15.46

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
2018	248,361,567	-	49,671,327	-	22,352,590	221,042,830
2019	221,042,830	-	16,428,436	-	21,282,861	225,897,255
2020	225,897,255	-	17,230,639	-	21,728,194	230,394,810
2021	230,394,810	-	18,285,426	-	22,125,210	234,234,594
2022	234,234,594	-	19,454,655	-	22,450,727	237,230,666
2023	237,230,666	-	20,711,027	-	22,687,515	239,207,154
2024	239,207,154	-	21,573,697	-	22,842,031	240,475,488
2025	240,475,488	-	22,377,028	-	22,928,697	241,027,157
2026	241,027,157	-	23,240,177	-	22,940,707	240,727,687
2027	240,727,687	-	23,979,796	-	22,873,779	239,621,670
2028	239,621,670	-	24,674,332	-	22,728,450	237,675,788
2029	237,675,788	-	25,340,388	-	22,500,559	234,835,959
2030	234,835,959	-	25,953,842	-	22,185,904	231,068,021
2031	231,068,021	-	26,601,295	-	21,776,737	226,243,463
2032	226,243,463	-	27,166,747	-	21,266,009	220,342,725
2033	220,342,725	-	27,584,048	-	20,655,070	213,413,747
2034	213,413,747	-	27,934,905	-	19,944,629	205,423,471
2035	205,423,471	-	27,980,870	-	19,143,304	196,585,905
2036	196,585,905	-	27,893,491	-	18,263,916	186,956,330
2037	186,956,330	-	27,723,828	-	17,309,442	176,541,944
2038	176,541,944	-	27,473,694	-	16,280,510	165,348,760
2039	165,348,760	-	27,166,374	-	15,176,557	153,358,943
2040	153,358,943	-	26,824,155	-	13,994,687	140,529,475
2041	140,529,475	-	26,471,078	-	12,729,394	126,787,791
2042	126,787,791	-	26,039,780	-	11,376,790	112,124,801
2043	112,124,801	-	25,580,797	-	9,933,440	96,477,444
2044	96,477,444	-	25,067,715	-	8,394,359	79,804,088
2045	79,804,088	-	24,499,429	-	6,755,437	62,060,096
2046	62,060,096	-	23,893,685	-	5,011,325	43,177,736
2047	43,177,736	-	23,240,248	-	3,155,761	23,093,249
2048	23,093,249	-	22,559,816	-	1,181,334	1,714,767
2049	1,714,767	-	21,852,568	-	-	-

*All DROP Balances paid in 2018.

Number of Years Expected Benefit Payments Sustained: 31.08

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, 2020

Valuation Date: 10/1/2018

	ACTUAL	HYPOTHETICAL	
	8.00% RP-2000 Generational	6.00% RP-2000 Generational	10.00% RP-2000 Generational
Minimum Required Contribution (Fixed \$)	\$18,402,461	\$27,744,088	\$11,012,045
Minimum Required Contribution (% of Payroll)	53.90%	81.30%	32.20%
Expected Member Contribution	2,087,413	2,077,180	2,097,645
Expected State Money	2,212,862	2,212,862	2,212,862
Expected Sponsor Contribution (Fixed \$)	\$14,102,186	\$23,454,046	\$6,701,538
Expected Sponsor Contribution (% of Payroll)	41.35%	68.76%	19.65%
<u>ASSETS</u>			
Actuarial Value ¹	252,105,896	252,105,896	252,105,896
Market Value ¹	248,361,567	248,361,567	248,361,567
<u>LIABILITIES</u>			
Present Value of Benefits			
Active Members			
Retirement Benefits	201,652,672	302,975,574	140,875,836
Disability Benefits	9,003,772	12,548,806	6,709,787
Death Benefits	4,002,091	5,841,877	2,890,426
Vested Benefits	5,619,188	9,532,554	3,472,603
Refund of Contributions	48,744	50,242	47,336
Service Retirees	116,727,390	140,464,355	99,548,711
DROP Retirees ¹	68,575,066	76,931,938	62,820,690
Beneficiaries	5,168,172	6,058,468	4,501,591
Disability Retirees	9,946,396	12,104,425	8,421,407
Terminated Vested	5,323,905	7,137,858	4,126,254
Excess State Monies Reserve	268,056	268,056	268,056
Total:	426,335,452	573,914,153	333,682,697
Present Value of Future Salaries	312,254,237	353,903,404	278,920,840
Present Value of Future Member Contributions	18,416,189	20,915,139	16,416,185
Total Normal Cost	8,545,735	13,457,184	5,556,378
Present Value of Future Normal Costs (Entry Age Normal)	80,473,347	144,265,456	46,518,020
Total Actuarial Accrued Liability ¹	345,862,105	429,648,697	287,164,677
Unfunded Actuarial Accrued Liability (UAAL)	93,756,209	177,542,801	35,058,781

ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR
ENDING SEPTEMBER 30, 2020

Valuation Date: 10/1/2018

	ACTUAL	HYPOTHETICAL	
	8.00% RP-2000 Generational	6.00% RP-2000 Generational	10.00% RP-2000 Generational
<u>PENSION COST</u>			
Normal Cost ²	9,318,099	14,601,516	6,088,262
Administrative Expenses ²	149,519	148,787	150,252
Payment Required To Amortize UAAL ²	8,934,843	12,993,785	4,773,531
Minimum Required Contribution	\$18,402,461	\$27,744,088	\$11,012,045

¹ The asset values and liabilities include accumulated DROP Balances as of 9/30/2018.

² Contributions developed as of 10/1/2018 displayed above have been adjusted to account for assumed salary increase and interest components.