

April 19, 2016

VIA EMAIL

Ms. Sara Rector  
City of Tarpon Springs  
Firefighters' Pension Trust Fund  
444 Huey Ave. S.  
Tarpon Springs, FL 34689

Re: City of Tarpon Springs Firefighters' Pension Trust Fund  
Senate Bill 534 (Section 112.664, Florida Statutes) Compliance

Dear Sara:

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:   
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Douglas H. Lozen, EA, MAAA  
Enrolled Actuary #14-7778

DHL/lke  
Enclosures

cc via email: H. Lee Dehner, Board Attorney  
cc via email: Ron Haring, Finance Director

CITY OF TARPON SPRINGS  
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: 4/19/2016

Douglas H. Lozen, EA, MAAA  
Enrolled Actuary #14-7778



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, 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		
	7.90% RP-2000 Static 9/30/2015	7.90% RP-2000 Generational 9/30/2015	5.90% RP-2000 Generational 9/30/2015	9.90% 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	433,596	454,042	697,250	308,411
Interest	1,901,472	1,971,380	1,881,273	2,004,533
Change in Excess State Money	4,353	4,353	4,353	4,353
Changes of Benefit Terms	-	-	-	-
Differences Between Expected and Actual Experience	(141,504)	(154,685)	(153,154)	(165,686)
Changes of Assumptions	-	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(989,960)	(989,960)	(989,960)	(989,960)
Net Change in Total Pension Liability	1,207,957	1,285,130	1,439,762	1,161,651
Total Pension Liability - Beginning	24,195,022	25,059,479	31,748,088	20,498,742
Total Pension Liability - Ending (a)	\$ 25,402,979	\$ 26,344,609	\$ 33,187,850	\$ 21,660,393
<b><u>Plan Fiduciary Net Position</u></b>				
Contributions - Employer	974,041	974,041	974,041	974,041
Contributions - State	242,782	242,782	242,782	242,782
Contributions - Employee	183,224	183,224	183,224	183,224
Net Investment Income	316,096	316,096	316,096	316,096
Benefit Payments, Including Refunds of Employee Contributions	(989,960)	(989,960)	(989,960)	(989,960)
Administrative Expenses	(66,388)	(66,388)	(66,388)	(66,388)
Net Change in Plan Fiduciary Net Position	659,795	659,795	659,795	659,795
Plan Fiduciary Net Position - Beginning	21,140,832	21,140,832	21,140,832	21,140,832
Plan Fiduciary Net Position - Ending (b)	\$ 21,800,627	\$ 21,800,627	\$ 21,800,627	\$ 21,800,627
Net Pension Liability - Ending (a) - (b)	\$ 3,602,352	\$ 4,543,982	\$ 11,387,223	\$ (140,234)

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

Pension Expense	\$ 777,029	\$ 864,087	\$ 1,358,575	\$ 407,856
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## PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1  
Plan Assumptions: 7.90% 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	21,580,687	-	2,791,838	-	1,594,597	20,383,446
2016	20,383,446	-	1,526,275	-	1,550,004	20,407,175
2017	20,407,175	-	1,555,282	-	1,550,733	20,402,626
2018	20,402,626	-	1,620,532	-	1,547,796	20,329,890
2019	20,329,890	-	1,663,253	-	1,540,363	20,207,000
2020	20,207,000	-	1,755,142	-	1,527,025	19,978,883
2021	19,978,883	-	1,841,748	-	1,505,583	19,642,718
2022	19,642,718	-	1,899,047	-	1,476,762	19,220,433
2023	19,220,433	-	1,924,288	-	1,442,405	18,738,550
2024	18,738,550	-	1,974,005	-	1,402,372	18,166,917
2025	18,166,917	-	2,025,762	-	1,355,169	17,496,324
2026	17,496,324	-	2,053,861	-	1,301,082	16,743,545
2027	16,743,545	-	2,071,574	-	1,240,913	15,912,884
2028	15,912,884	-	2,081,112	-	1,174,914	15,006,686
2029	15,006,686	-	2,090,996	-	1,102,934	14,018,624
2030	14,018,624	-	2,105,033	-	1,024,322	12,937,913
2031	12,937,913	-	2,119,150	-	938,389	11,757,152
2032	11,757,152	-	2,118,516	-	845,134	10,483,770
2033	10,483,770	-	2,119,043	-	744,516	9,109,243
2034	9,109,243	-	2,110,104	-	636,281	7,635,420
2035	7,635,420	-	2,092,629	-	520,539	6,063,330
2036	6,063,330	-	2,073,675	-	397,093	4,386,748
2037	4,386,748	-	2,048,367	-	265,643	2,604,024
2038	2,604,024	-	2,016,452	-	126,068	713,640
2039	713,640	-	1,978,242	-	-	-

\*All DROP Balances paid in 2015.

Number of Years Expected Benefit Payments Sustained: 24.36

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 7.90% 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: 7.90% 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	21,580,687	-	2,792,042	-	1,594,589	20,383,234
2016	20,383,234	-	1,527,271	-	1,549,948	20,405,911
2017	20,405,911	-	1,557,227	-	1,550,557	20,399,241
2018	20,399,241	-	1,623,686	-	1,547,404	20,322,959
2019	20,322,959	-	1,667,792	-	1,539,636	20,194,803
2020	20,194,803	-	1,761,438	-	1,525,813	19,959,178
2021	19,959,178	-	1,850,126	-	1,503,695	19,612,747
2022	19,612,747	-	1,909,796	-	1,473,970	19,176,921
2023	19,176,921	-	1,937,550	-	1,438,444	18,677,815
2024	18,677,815	-	1,990,224	-	1,396,934	18,084,525
2025	18,084,525	-	2,048,352	-	1,347,768	17,383,941
2026	17,383,941	-	2,082,106	-	1,291,088	16,592,923
2027	16,592,923	-	2,105,508	-	1,227,673	15,715,088
2028	15,715,088	-	2,122,250	-	1,157,663	14,750,501
2029	14,750,501	-	2,139,842	-	1,080,766	13,691,425
2030	13,691,425	-	2,163,534	-	996,163	12,524,054
2031	12,524,054	-	2,188,485	-	902,955	11,238,524
2032	11,238,524	-	2,199,725	-	800,954	9,839,753
2033	9,839,753	-	2,213,072	-	689,924	8,316,605
2034	8,316,605	-	2,218,624	-	569,376	6,667,357
2035	6,667,357	-	2,217,161	-	439,143	4,889,339
2036	4,889,339	-	2,215,370	-	298,751	2,972,720
2037	2,972,720	-	2,208,352	-	147,615	911,983
2038	911,983	-	2,195,625	-	-	-

\*All DROP Balances paid in 2015.

Number of Years Expected Benefit Payments Sustained: 23.42

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 7.90% 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: 5.90% 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	21,580,687	-	2,792,042	-	1,190,895	19,979,540
2016	19,979,540	-	1,527,271	-	1,133,738	19,586,007
2017	19,586,007	-	1,557,227	-	1,109,636	19,138,416
2018	19,138,416	-	1,623,686	-	1,081,268	18,595,998
2019	18,595,998	-	1,667,792	-	1,047,964	17,976,170
2020	17,976,170	-	1,761,438	-	1,008,632	17,223,364
2021	17,223,364	-	1,850,126	-	961,600	16,334,838
2022	16,334,838	-	1,909,796	-	907,416	15,332,458
2023	15,332,458	-	1,937,550	-	847,457	14,242,365
2024	14,242,365	-	1,990,224	-	781,588	13,033,729
2025	13,033,729	-	2,048,352	-	708,564	11,693,941
2026	11,693,941	-	2,082,106	-	628,520	10,240,355
2027	10,240,355	-	2,105,508	-	542,068	8,676,915
2028	8,676,915	-	2,122,250	-	449,332	7,003,997
2029	7,003,997	-	2,139,842	-	350,110	5,214,265
2030	5,214,265	-	2,163,534	-	243,817	3,294,548
2031	3,294,548	-	2,188,485	-	129,818	1,235,881
2032	1,235,881	-	2,199,725	-	-	-

\*All DROP Balances paid in 2015.

Number of Years Expected Benefit Payments Sustained: 17.56

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 5.90% 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: 9.90% 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	21,580,687	-	2,792,042	-	1,998,282	20,786,927
2016	20,786,927	-	1,527,271	-	1,982,306	21,241,962
2017	21,241,962	-	1,557,227	-	2,025,872	21,710,607
2018	21,710,607	-	1,623,686	-	2,068,978	22,155,899
2019	22,155,899	-	1,667,792	-	2,110,878	22,598,985
2020	22,598,985	-	1,761,438	-	2,150,108	22,987,655
2021	22,987,655	-	1,850,126	-	2,184,197	23,321,726
2022	23,321,726	-	1,909,796	-	2,214,316	23,626,246
2023	23,626,246	-	1,937,550	-	2,243,090	23,931,786
2024	23,931,786	-	1,990,224	-	2,270,731	24,212,293
2025	24,212,293	-	2,048,352	-	2,295,624	24,459,565
2026	24,459,565	-	2,082,106	-	2,318,433	24,695,892
2027	24,695,892	-	2,105,508	-	2,340,671	24,931,055
2028	24,931,055	-	2,122,250	-	2,363,123	25,171,928
2029	25,171,928	-	2,139,842	-	2,386,099	25,418,185
2030	25,418,185	-	2,163,534	-	2,409,305	25,663,956
2031	25,663,956	-	2,188,485	-	2,432,402	25,907,873
2032	25,907,873	-	2,199,725	-	2,455,993	26,164,141
2033	26,164,141	-	2,213,072	-	2,480,703	26,431,772
2034	26,431,772	-	2,218,624	-	2,506,924	26,720,072
2035	26,720,072	-	2,217,161	-	2,535,538	27,038,449
2036	27,038,449	-	2,215,370	-	2,567,146	27,390,225
2037	27,390,225	-	2,208,352	-	2,602,319	27,784,192
2038	27,784,192	-	2,195,625	-	2,641,952	28,230,519
2039	28,230,519	-	2,177,662	-	2,687,027	28,739,884
2040	28,739,884	-	2,152,161	-	2,738,717	29,326,440
2041	29,326,440	-	2,118,799	-	2,798,437	30,006,078
2042	30,006,078	-	2,078,407	-	2,867,721	30,795,392
2043	30,795,392	-	2,030,105	-	2,948,254	31,713,541
2044	31,713,541	-	1,973,469	-	3,041,954	32,782,026
2045	32,782,026	-	1,908,959	-	3,150,927	34,023,994
2046	34,023,994	-	1,836,125	-	3,277,487	35,465,356
2047	35,465,356	-	1,754,625	-	3,424,216	37,134,947
2048	37,134,947	-	1,665,803	-	3,593,903	39,063,047
2049	39,063,047	-	1,570,254	-	3,789,514	41,282,307
2050	41,282,307	-	1,469,126	-	4,014,227	43,827,408
2051	43,827,408	-	1,364,004	-	4,271,395	46,734,799
2052	46,734,799	-	1,256,334	-	4,564,557	50,043,022
2053	50,043,022	-	1,148,267	-	4,897,420	53,792,175
2054	53,792,175	-	1,041,562	-	5,273,868	58,024,481
2055	58,024,481	-	937,943	-	5,697,995	62,784,533
2056	62,784,533	-	839,135	-	6,174,132	68,119,530
2057	68,119,530	-	745,777	-	6,706,918	74,080,671
2058	74,080,671	-	658,122	-	7,301,409	80,723,958
2059	80,723,958	-	577,314	-	7,963,095	88,109,739
2060	88,109,739	-	503,579	-	8,697,937	96,304,097
2061	96,304,097	-	436,430	-	9,512,502	105,380,169
2062	105,380,169	-	375,767	-	10,414,036	115,418,438
2063	115,418,438	-	321,492	-	11,410,512	126,507,458
2064	126,507,458	-	273,213	-	12,510,714	138,744,959
2065	138,744,959	-	230,805	-	13,724,326	152,238,480
2066	152,238,480	-	193,489	-	15,062,032	167,107,023



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

Table 4  
Hypothetical Assumptions: 9.90% 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	167,107,023	-	160,941	-	16,535,629	183,481,711
2068	183,481,711	-	133,013	-	18,158,105	201,506,803
2069	201,506,803	-	109,164	-	19,943,770	221,341,409
2070	221,341,409	-	88,903	-	21,908,399	243,160,905
2071	243,160,905	-	71,928	-	24,069,369	267,158,346
2072	267,158,346	-	57,811	-	26,445,815	293,546,350
2073	293,546,350	-	46,148	-	29,058,804	322,559,006
2074	322,559,006	-	36,640	-	31,931,528	354,453,894
2075	354,453,894	-	28,943	-	35,089,503	389,514,454
2076	389,514,454	-	22,691	-	38,560,808	428,052,571
2077	428,052,571	-	17,675	-	42,376,330	470,411,226
2078	470,411,226	-	13,668	-	46,570,035	516,967,593
2079	516,967,593	-	10,457	-	51,179,274	568,136,410
2080	568,136,410	-	7,938	-	56,245,112	624,373,584
2081	624,373,584	-	5,957	-	61,812,690	686,180,317
2082	686,180,317	-	4,394	-	67,931,634	754,107,557
2083	754,107,557	-	3,208	-	74,656,489	828,760,838
2084	828,760,838	-	2,307	-	82,047,209	910,805,740
2085	910,805,740	-	1,622	-	90,169,688	1,000,973,806
2086	1,000,973,806	-	1,128	-	99,096,351	1,100,069,029
2087	1,100,069,029	-	771	-	108,906,796	1,208,975,054
2088	1,208,975,054	-	514	-	119,688,505	1,328,663,045
2089	1,328,663,045	-	337	-	131,537,625	1,460,200,333
2090	1,460,200,333	-	216	-	144,559,822	1,604,759,939
2091	1,604,759,939	-	136	-	158,871,227	1,763,631,030
2092	1,763,631,030	-	84	-	174,599,468	1,938,230,414
2093	1,938,230,414	-	52	-	191,884,808	2,130,115,170
2094	2,130,115,170	-	32	-	210,881,400	2,340,996,538
2095	2,340,996,538	-	19	-	231,758,656	2,572,755,175
2096	2,572,755,175	-	12	-	254,702,762	2,827,457,925
2097	2,827,457,925	-	7	-	279,918,334	3,107,376,252
2098	3,107,376,252	-	4	-	307,630,249	3,415,006,497
2099	3,415,006,497	-	3	-	338,085,643	3,753,092,137
2100	3,753,092,137	-	2	-	371,556,121	4,124,648,256
2101	4,124,648,256	-	1	-	408,340,177	4,532,988,432
2102	4,532,988,432	-	1	-	448,765,855	4,981,754,286
2103	4,981,754,286	-	-	-	493,193,674	5,474,947,960

\*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 9.90% 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		
	7.90% RP-2000 Static	7.90% RP-2000 Generational	5.90% RP-2000 Generational	9.90% RP-2000 Generational
Total Required Contribution (Fixed \$)	\$1,128,642	\$1,238,544	\$1,971,709	\$629,426
Total Required Contribution (% of Payroll)	56.5%	62.0%	98.7%	31.5%
Expected Member Contribution	196,237	196,237	194,349	198,125
Expected State Money	238,429	238,429	238,429	238,429
Expected Sponsor Contribution (Fixed \$)	\$693,976	\$803,878	\$1,538,931	\$192,872
Expected Sponsor Contribution (% of Payroll)	34.7%	40.2%	77.0%	9.7%

**ASSETS**

Actuarial Value <sup>1</sup>	21,985,329	21,985,329	21,985,329	21,985,329
Market Value <sup>1</sup>	21,580,687	21,580,687	21,580,687	21,580,687

**LIABILITIES**

Present Value of Benefits				
Active Members				
Retirement Benefits	9,353,699	9,862,501	14,610,891	7,039,644
Disability Benefits	372,045	389,905	554,149	287,612
Death Benefits	60,783	45,422	55,837	37,582
Vested Benefits	570,093	591,923	949,637	387,767
Refund of Contributions	98,097	98,117	104,025	92,846
Service Retirees	11,415,221	11,812,499	14,674,667	9,807,044
DROP Retirees <sup>1</sup>	5,618,078	5,770,978	6,946,227	4,966,241
Beneficiaries	775,397	797,475	970,608	673,803
Disability Retirees	378,034	402,130	486,414	340,232
Terminated Vested	432,814	447,833	592,531	349,898
Excess State Monies Reserve	68,720	68,720	68,720	68,720
Total:	29,142,981	30,287,503	40,013,706	24,051,389
Present Value of Future Salaries	14,730,479	14,746,010	16,475,265	13,345,081
Present Value of Future Member Contributions	1,392,030	1,393,498	1,556,913	1,261,110
Total Normal Cost	464,983	488,052	758,062	327,117
Present Value of Future Normal Costs (Entry Age Normal)	3,420,619	3,611,289	6,356,367	2,161,372
Total Actuarial Accrued Liability <sup>1</sup>	25,722,362	26,676,214	33,657,339	21,890,017
Unfunded Actuarial Accrued Liability (UAAL)	3,737,033	4,690,885	11,672,010	(95,312)

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

Valuation Date: 10/1/2015

	ACTUAL	HYPOTHETICAL		
	7.90% RP-2000 Static	7.90% RP-2000 Generational	5.90% RP-2000 Generational	9.90% RP-2000 Generational
<b><u>PENSION COST</u></b>				
Normal Cost <sup>2</sup>	513,994	539,495	829,904	365,075
Administrative Expenses <sup>2</sup>	73,386	73,386	72,680	74,092
Payment Required To Amortize UAAL <sup>2</sup>	541,262	625,663	1,069,125	190,259
Total Required Contribution	\$1,128,642	\$1,238,544	\$1,971,709	\$629,426

<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.