

May 8, 2017

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, 2016 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

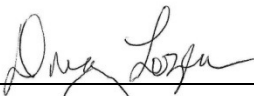
DHL/lke
Enclosures

cc via email: H. Lee Dehner, Board Attorney
cc via email: Ron Harring, 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: 5/8/2017
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, 2016 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.

GASB 67: SCHEDULE OF CHANGES IN NET PENSION LIABILITY
FISCAL YEAR SEPTEMBER 30, 2016

	ACTUAL	HYPOTHETICAL	
	7.90% RP-2000 Generational	5.90% RP-2000 Generational	9.90% RP-2000 Generational
<u>Total Pension Liability</u>			
Service Cost	470,186	761,699	333,565
Interest	1,949,568	1,932,513	2,059,088
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	226,161	364,970	141,861
Changes of Assumptions	954,519	20,548	(128,417)
Benefit Payments, Including Refunds of Employee Contributions	(2,252,731)	(2,252,731)	(2,252,731)
Net Change in Total Pension Liability	1,347,703	826,999	153,366
Total Pension Liability - Beginning	25,402,979	33,187,850	21,660,393
Total Pension Liability - Ending (a)	<u>\$ 26,750,682</u>	<u>\$ 34,014,849</u>	<u>\$ 21,813,759</u>
<u>Plan Fiduciary Net Position</u>			
Contributions - Employer	758,808	758,808	758,808
Contributions - State	223,925	223,925	223,925
Contributions - Employee	197,641	197,641	197,641
Net Investment Income	1,821,061	1,821,061	1,821,061
Benefit Payments, Including Refunds of Employee Contributions	(2,252,731)	(2,252,731)	(2,252,731)
Administrative Expenses	(39,185)	(39,185)	(39,185)
Net Change in Plan Fiduciary Net Position	709,519	709,519	709,519
Plan Fiduciary Net Position - Beginning	21,800,627	21,800,627	21,800,627
Plan Fiduciary Net Position - Ending (b)	<u>\$ 22,510,146</u>	<u>\$ 22,510,146</u>	<u>\$ 22,510,146</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 4,240,536</u>	<u>\$ 11,504,703</u>	<u>\$ (696,387)</u>

GASB 68: PENSION EXPENSE
FISCAL YEAR SEPTEMBER 30, 2016

	ACTUAL	HYPOTHETICAL	
	7.90% RP-2000 Generational	5.90% RP-2000 Generational	9.90% RP-2000 Generational
Pension Expense	<u>\$ 1,087,725</u>	<u>\$ 1,415,149</u>	<u>\$ 508,104</u>

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1
Plan 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
2016	22,252,732	-	2,147,322	-	1,673,147	21,778,557
2017	21,778,557	-	1,585,816	-	1,657,866	21,850,607
2018	21,850,607	-	1,630,315	-	1,661,801	21,882,093
2019	21,882,093	-	1,677,846	-	1,662,410	21,866,657
2020	21,866,657	-	1,789,308	-	1,656,788	21,734,137
2021	21,734,137	-	1,865,436	-	1,643,312	21,512,013
2022	21,512,013	-	1,930,255	-	1,623,204	21,204,962
2023	21,204,962	-	1,961,573	-	1,597,710	20,841,099
2024	20,841,099	-	2,017,586	-	1,566,752	20,390,265
2025	20,390,265	-	2,091,607	-	1,528,212	19,826,870
2026	19,826,870	-	2,112,452	-	1,482,881	19,197,299
2027	19,197,299	-	2,135,903	-	1,432,218	18,493,614
2028	18,493,614	-	2,152,620	-	1,375,967	17,716,961
2029	17,716,961	-	2,167,658	-	1,314,017	16,863,320
2030	16,863,320	-	2,180,455	-	1,246,074	15,928,939
2031	15,928,939	-	2,206,255	-	1,171,239	14,893,923
2032	14,893,923	-	2,216,890	-	1,089,053	13,766,086
2033	13,766,086	-	2,232,189	-	999,349	12,533,246
2034	12,533,246	-	2,237,922	-	901,729	11,197,053
2035	11,197,053	-	2,236,558	-	796,223	9,756,718
2036	9,756,718	-	2,238,283	-	682,369	8,200,804
2037	8,200,804	-	2,236,382	-	559,526	6,523,948
2038	6,523,948	-	2,230,580	-	427,284	4,720,652
2039	4,720,652	-	2,220,820	-	285,209	2,785,041
2040	2,785,041	-	2,204,234	-	132,951	713,758
2041	713,758	-	2,180,590	-	-	-

*All DROP Balances paid in 2016.

Number of Years Expected Benefit Payments Sustained: 25.33

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: 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
2016	22,252,732	-	2,147,322	-	1,249,565	21,354,975
2017	21,354,975	-	1,585,816	-	1,213,162	20,982,321
2018	20,982,321	-	1,630,315	-	1,189,863	20,541,869
2019	20,541,869	-	1,677,846	-	1,162,474	20,026,497
2020	20,026,497	-	1,789,308	-	1,128,779	19,365,968
2021	19,365,968	-	1,865,436	-	1,087,562	18,588,094
2022	18,588,094	-	1,930,255	-	1,039,755	17,697,594
2023	17,697,594	-	1,961,573	-	986,292	16,722,313
2024	16,722,313	-	2,017,586	-	927,098	15,631,825
2025	15,631,825	-	2,091,607	-	860,575	14,400,793
2026	14,400,793	-	2,112,452	-	787,329	13,075,670
2027	13,075,670	-	2,135,903	-	708,455	11,648,222
2028	11,648,222	-	2,152,620	-	623,743	10,119,345
2029	10,119,345	-	2,167,658	-	533,095	8,484,782
2030	8,484,782	-	2,180,455	-	436,279	6,740,606
2031	6,740,606	-	2,206,255	-	332,611	4,866,962
2032	4,866,962	-	2,216,890	-	221,753	2,871,825
2033	2,871,825	-	2,232,189	-	103,588	743,224
2034	743,224	-	2,237,922	-	-	-

*All DROP Balances paid in 2016.

Number of Years Expected Benefit Payments Sustained: 18.33

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 3
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
2016	22,252,732	-	2,147,322	-	2,096,728	22,202,138
2017	22,202,138	-	1,585,816	-	2,119,514	22,735,836
2018	22,735,836	-	1,630,315	-	2,170,147	23,275,668
2019	23,275,668	-	1,677,846	-	2,221,238	23,819,060
2020	23,819,060	-	1,789,308	-	2,269,516	24,299,268
2021	24,299,268	-	1,865,436	-	2,313,288	24,747,120
2022	24,747,120	-	1,930,255	-	2,354,417	25,171,282
2023	25,171,282	-	1,961,573	-	2,394,859	25,604,568
2024	25,604,568	-	2,017,586	-	2,434,982	26,021,964
2025	26,021,964	-	2,091,607	-	2,472,640	26,402,997
2026	26,402,997	-	2,112,452	-	2,509,330	26,799,875
2027	26,799,875	-	2,135,903	-	2,547,460	27,211,432
2028	27,211,432	-	2,152,620	-	2,587,377	27,646,189
2029	27,646,189	-	2,167,658	-	2,629,674	28,108,205
2030	28,108,205	-	2,180,455	-	2,674,780	28,602,530
2031	28,602,530	-	2,206,255	-	2,722,441	29,118,716
2032	29,118,716	-	2,216,890	-	2,773,017	29,674,843
2033	29,674,843	-	2,232,189	-	2,827,316	30,269,970
2034	30,269,970	-	2,237,922	-	2,885,950	30,917,998
2035	30,917,998	-	2,236,558	-	2,950,172	31,631,612
2036	31,631,612	-	2,238,283	-	3,020,735	32,414,064
2037	32,414,064	-	2,236,382	-	3,098,291	33,275,973
2038	33,275,973	-	2,230,580	-	3,183,908	34,229,301
2039	34,229,301	-	2,220,820	-	3,278,770	35,287,251
2040	35,287,251	-	2,204,234	-	3,384,328	36,467,345
2041	36,467,345	-	2,180,590	-	3,502,328	37,789,083
2042	37,789,083	-	2,152,528	-	3,634,569	39,271,124
2043	39,271,124	-	2,119,267	-	3,782,938	40,934,795
2044	40,934,795	-	2,080,079	-	3,949,581	42,804,297
2045	42,804,297	-	2,035,127	-	4,136,887	44,906,057
2046	44,906,057	-	1,983,362	-	4,347,523	47,270,218
2047	47,270,218	-	1,924,129	-	4,584,507	49,930,596
2048	49,930,596	-	1,857,515	-	4,851,182	52,924,263
2049	52,924,263	-	1,783,566	-	5,151,216	56,291,913
2050	56,291,913	-	1,702,158	-	5,488,643	60,078,398
2051	60,078,398	-	1,613,987	-	5,867,869	64,332,280
2052	64,332,280	-	1,520,021	-	6,293,655	69,105,914
2053	69,105,914	-	1,421,190	-	6,771,137	74,455,861
2054	74,455,861	-	1,319,341	-	7,305,823	80,442,343
2055	80,442,343	-	1,215,630	-	7,903,618	87,130,331
2056	87,130,331	-	1,110,992	-	8,570,909	94,590,248
2057	94,590,248	-	1,008,115	-	9,314,533	102,896,666
2058	102,896,666	-	908,429	-	10,141,803	112,130,040
2059	112,130,040	-	812,925	-	11,060,634	122,377,749
2060	122,377,749	-	722,869	-	12,079,615	133,734,495
2061	133,734,495	-	638,687	-	13,208,100	146,303,908
2062	146,303,908	-	560,948	-	14,456,320	160,199,280
2063	160,199,280	-	490,134	-	15,835,467	175,544,613
2064	175,544,613	-	425,991	-	17,357,830	192,476,452
2065	192,476,452	-	368,129	-	19,036,946	211,145,269

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 3
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
2066	211,145,269	-	316,097	-	20,887,735	231,716,907
2067	231,716,907	-	269,554	-	22,926,631	254,373,984
2068	254,373,984	-	228,130	-	25,171,732	279,317,586
2069	279,317,586	-	191,927	-	27,642,941	306,768,600
2070	306,768,600	-	160,437	-	30,362,150	336,970,313
2071	336,970,313	-	133,231	-	33,353,466	370,190,548
2072	370,190,548	-	110,157	-	36,643,411	406,723,802
2073	406,723,802	-	90,829	-	40,261,160	446,894,133
2074	446,894,133	-	74,794	-	44,238,817	491,058,156
2075	491,058,156	-	61,508	-	48,611,713	539,608,361
2076	539,608,361	-	50,535	-	53,418,726	592,976,552
2077	592,976,552	-	41,404	-	58,702,629	651,637,777
2078	651,637,777	-	33,860	-	64,510,464	716,114,381
2079	716,114,381	-	27,605	-	70,893,957	786,980,733
2080	786,980,733	-	22,383	-	77,909,985	864,868,335
2081	864,868,335	-	18,053	-	85,621,072	950,471,354
2082	950,471,354	-	14,444	-	94,095,949	1,044,552,859
2083	1,044,552,859	-	11,403	-	103,410,169	1,147,951,625
2084	1,147,951,625	-	8,873	-	113,646,772	1,261,589,524
2085	1,261,589,524	-	6,779	-	124,897,027	1,386,479,772
2086	1,386,479,772	-	5,081	-	137,261,246	1,523,735,937
2087	1,523,735,937	-	3,739	-	150,849,673	1,674,581,871
2088	1,674,581,871	-	2,700	-	165,783,472	1,840,362,643
2089	1,840,362,643	-	1,904	-	182,195,807	2,022,556,546
2090	2,022,556,546	-	1,313	-	200,233,033	2,222,788,266
2091	2,222,788,266	-	881	-	220,055,995	2,442,843,380
2092	2,442,843,380	-	575	-	241,841,466	2,684,684,271
2093	2,684,684,271	-	366	-	265,783,725	2,950,467,630
2094	2,950,467,630	-	228	-	292,096,284	3,242,563,686
2095	3,242,563,686	-	139	-	321,013,798	3,563,577,345
2096	3,563,577,345	-	85	-	352,794,153	3,916,371,413
2097	3,916,371,413	-	52	-	387,720,767	4,304,092,128
2098	4,304,092,128	-	32	-	426,105,119	4,730,197,215
2099	4,730,197,215	-	19	-	468,289,523	5,198,486,719
2100	5,198,486,719	-	12	-	514,650,185	5,713,136,892
2101	5,713,136,892	-	7	-	565,600,552	6,278,737,437
2102	6,278,737,437	-	4	-	621,595,006	6,900,332,439
2103	6,900,332,439	-	3	-	683,132,911	7,583,465,347
2104	7,583,465,347	-	1	-	750,763,069	8,334,228,415
2105	8,334,228,415	-	1	-	825,088,613	9,159,317,027
2106	9,159,317,027	-	1	-	906,772,386	10,066,089,412
2107	10,066,089,412	-	-	-	996,542,852	11,062,632,264

*All DROP Balances paid in 2016.

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, 2018

Valuation Date: 10/1/2016

	ACTUAL	HYPOTHETICAL	
	7.90% RP-2000 Generational	5.90% RP-2000 Generational	9.90% RP-2000 Generational
Total Required Contribution (Fixed \$)	\$1,142,514	\$1,886,620	\$520,099
Total Required Contribution (% of Payroll)	58.8%	97.1%	26.8%
Expected Member Contribution	190,839	189,003	192,675
Expected State Money	223,099	223,099	223,099
Expected Sponsor Contribution (Fixed \$)	\$728,576	\$1,474,518	\$104,325
Expected Sponsor Contribution (% of Payroll)	37.5%	75.9%	5.4%

ASSETS

Actuarial Value ¹	22,609,921	22,609,921	22,609,921
Market Value ¹	22,252,732	22,252,732	22,252,732

LIABILITIES

Present Value of Benefits			
Active Members			
Retirement Benefits	9,883,619	14,661,215	7,072,410
Disability Benefits	350,342	486,546	263,098
Death Benefits	150,904	187,457	123,724
Vested Benefits	591,924	955,807	385,807
Refund of Contributions	105,099	112,045	98,913
Service Retirees	14,615,984	18,323,290	12,055,949
DROP Retirees ¹	2,811,632	3,411,752	2,405,137
Beneficiaries	824,863	1,011,050	693,439
Disability Retirees	401,798	468,200	351,560
Terminated Vested	655,462	854,081	520,150
Excess State Monies Reserve	68,720	68,720	68,720
Total:	30,460,347	40,540,163	24,038,907
Present Value of Future Salaries	15,354,415	17,219,425	13,848,918
Present Value of Future Member Contributions	1,450,992	1,627,236	1,308,723
Total Normal Cost	446,493	698,295	298,089
Present Value of Future Normal Costs (Entry Age Normal)	3,604,344	6,383,564	2,151,379
Total Actuarial Accrued Liability ¹	26,856,003	34,156,599	21,887,528
Unfunded Actuarial Accrued Liability (UAAL)	4,246,082	11,546,678	(722,393)

ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR
ENDING SEPTEMBER 30, 2018

Valuation Date: 10/1/2016

	ACTUAL	HYPOTHETICAL	
	7.90% RP-2000 Generational	5.90% RP-2000 Generational	9.90% RP-2000 Generational
<u>PENSION COST</u>			
Normal Cost ²	493,091	763,754	332,366
Administrative Expenses ²	43,275	42,858	43,691
Payment Required To Amortize UAAL ²	606,148	1,080,008	144,042
Total Required Contribution	\$1,142,514	\$1,886,620	\$520,099

¹ The asset values and liabilities for DROP Members include accumulated DROP Balances as of 9/30/2016.

² Contributions developed as of 10/1/2016 displayed above have been adjusted to account for assumed salary increase and interest components.