

**CITY OF SARASOTA FIREFIGHTERS' PENSION FUND**  
CHAPTER 112.664, F.S. COMPLIANCE REPORT  
SEPTEMBER 30, 2015

June 16, 2016

Board of Trustees  
City of Sarasota Firefighters' Pension Fund  
Sarasota, Florida

Dear Board Members:

Gabriel, Roeder, Smith & Company (GRS) has been engaged by the City of Sarasota Firefighter's Pension Fund to prepare a disclosure report to satisfy the requirements set forth in Ch. 112.664, F.S. and as further required pursuant to Ch. 60T-1.0035, F.A.C.

This report was prepared at the request of the Board and is intended for use by the Retirement Board and those designated or approved by the Board. This report may be provided to parties other than the City and the Board only in its entirety and only with the permission of the City and the Board.

The purpose of the report is to provide the required information specified in Ch. 112.664, F.S. as well as supplement this information with additional exhibits. This report should not be relied on for any purpose other than the purpose described above.

The findings in this report are based on data or other information through September 30, 2015. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. The scope of this engagement does not include an analysis of the potential range of such measurements.

This report was based upon information furnished by the City and the Board concerning Fund benefits, financial transactions, plan provisions and active members, terminated members, retirees and beneficiaries. We checked for internal and year-to-year consistency, but did not otherwise audit the data. We are not responsible for the accuracy or completeness of the information provided by the City.

This report was prepared using certain assumptions prescribed by the Board as described in the actuarial valuation report dated March 18, 2016 and the GASB Statement No. 67 report dated April 13, 2016.

**Note: As required in Section 112.664(c) of the Florida Statutes, the projections of the Fund assets on pages 5-8 do not include contributions from the employer, employee or state. For this reason, these projections should not be viewed as a representation of the amount of time the Fund can sustain benefit payments. Under the GASB standards which do include contributions from the employer, employee and State, the Fund is expected to be able to sustain the benefit payment demands in the near-term and long-term future.**

The Board of Trustees  
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This report has been prepared by actuaries who have substantial experience valuing public employee retirement systems. To the best of our knowledge the information contained in this report is accurate and fairly presents the actuarial position of the Pension Fund as of the valuation date. All calculations have been made in conformity with generally accepted actuarial principles and practices, with the Actuarial Standards of Practice issued by the Actuarial Standards Board and with applicable statutes. The signing actuaries are independent of the plan sponsor.

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 the signed actuaries or under their direct supervision, and they acknowledge responsibility for the results. To the best of their knowledge, the results are complete and accurate, and in their opinion, meet the requirements of Section 112.664(1), F.S. and Section 60T-1.0035, F.A.C.

Brad Lee Armstrong and Jeffrey T. Tebeau are Members of the American Academy of Actuaries (MAAA) and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

Respectfully submitted,



Brad L. Armstrong  
ASA, EA, FCA, MAAA



Jeffrey T. Tebeau  
ASA, MAAA

BLA/JTT:ah

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**Schedule of Changes in the Employers' Net Pension Liability  
Using Financial Reporting Assumptions per GASB Statement No. 67**

Fiscal year ending September 30,	<u>2015</u>
<b>1. Total pension liability</b>	
a. Service Cost	\$ 169,380
b. Interest	11,533,316
c. Benefit Changes	-
d. Difference between actual & expected experience	(960,345)
e. Assumption Changes *	8,475,663
f. Benefit Payments	(10,953,440)
g. Contribution Refunds	-
<b>h. Net Change in Total Pension Liability</b>	<u>8,264,574</u>
<b>i. Total Pension Liability - Beginning</b>	<u>164,472,251</u>
<b>k. Total Pension Liability - Ending</b>	<u><u>\$ 172,736,825</u></u>
<b>2. Plan Fiduciary Net Position</b>	
a. Contributions - Employer	\$ 7,802,557
b. Contributions - Non-Employer Contributing Entity	800,514
c. Contributions - Member	56,705
d. Net Investment Income	(2,497,277)
e. Benefit Payments	(10,953,440)
f. Contribution Refunds	-
g. Administrative Expense	(178,603)
h. Other - Includes Share Accounts/Reserve	397,178
<b>i. Net Change in Plan Fiduciary Net Position</b>	<u>(4,572,366)</u>
<b>j. Plan Fiduciary Net Position - Beginning</b>	<u>134,507,240</u>
<b>k. Plan Fiduciary Net Position - Ending</b>	<u><u>\$ 129,934,874</u></u>
<b>3. Net Pension Liability / (Asset)</b>	42,801,951

**Certain Key Assumptions**

Investment Return Assumption	7.00%
Mortality Table	RP-2000 Mortality Table for males and females

\* Due to the change in valuation interest rate assumption, from 7.25% to 7.00%, adopted by the Board in the September 30, 2015 actuarial valuation report.

**Schedule of Changes in the Employers' Net Pension Liability  
Using Assumptions required under 112.664(1)(a), F.S.**

Fiscal year ending September 30,	<u>2015</u>
<b>1. Total pension liability</b>	
a. Service Cost	\$ 179,403
b. Interest	12,172,761
c. Benefit Changes	-
d. Difference between actual & expected experience	(1,011,815)
e. Assumption Changes *	4,410,411
f. Benefit Payments	(10,953,440)
g. Contribution Refunds	-
<b>h. Net Change in Total Pension Liability</b>	<u>4,797,321</u>
<b>i. Total Pension Liability - Beginning</b>	<u>173,287,165</u>
<b>k. Total Pension Liability - Ending</b>	<u>\$ 178,084,486</u>
<b>2. Plan Fiduciary Net Position</b>	
a. Contributions - Employer	\$ 7,802,557
b. Contributions - Non-Employer Contributing Entity	800,514
c. Contributions - Member	56,705
d. Net Investment Income	(2,497,277)
e. Benefit Payments	(10,953,440)
f. Contribution Refunds	-
g. Administrative Expense	(178,603)
h. Other - Includes Share Accounts/Reserve	397,178
<b>i. Net Change in Plan Fiduciary Net Position</b>	<u>(4,572,366)</u>
<b>j. Plan Fiduciary Net Position - Beginning</b>	<u>134,507,240</u>
<b>k. Plan Fiduciary Net Position - Ending</b>	<u>\$ 129,934,874</u>
<b>3. Net Pension Liability / (Asset)</b>	48,149,612

**Certain Key Assumptions**

Investment Return Assumption	7.00%
Mortality Table	RP-2000 fully generational using Scale AA

\* Due to the change in valuation interest rate assumption, from 7.25% to 7.00%, adopted by the Board in the September 30, 2015 actuarial valuation report.

**Schedule of Changes in the Employers' Net Pension Liability  
Using Assumptions required under 112.664(1)(b), F.S.**

Fiscal year ending September 30,	<u>2015</u>
<b>1. Total pension liability</b>	
a. Service Cost	\$ 313,316
b. Interest	11,279,464
c. Benefit Changes	-
d. Difference between actual & expected experience	(1,285,543)
e. Assumption Changes *	7,200,491
f. Benefit Payments	(10,953,440)
g. Contribution Refunds	-
<b>h. Net Change in Total Pension Liability</b>	<u>6,554,287</u>
<b>i. Total Pension Liability - Beginning</b>	<u>220,166,986</u>
<b>k. Total Pension Liability - Ending</b>	<u><u>\$ 226,721,273</u></u>
<b>2. Plan Fiduciary Net Position</b>	
a. Contributions - Employer	\$ 7,802,557
b. Contributions - Non-Employer Contributing Entity	800,514
c. Contributions - Member	56,705
d. Net Investment Income	(2,497,277)
e. Benefit Payments	(10,953,440)
f. Contribution Refunds	-
g. Administrative Expense	(178,603)
h. Other - Includes Share Accounts/Reserve	397,178
<b>i. Net Change in Plan Fiduciary Net Position</b>	<u>(4,572,366)</u>
<b>j. Plan Fiduciary Net Position - Beginning</b>	<u>134,507,240</u>
<b>k. Plan Fiduciary Net Position - Ending</b>	<u><u>\$ 129,934,874</u></u>
<b>3. Net Pension Liability / (Asset)</b>	96,786,399

**Certain Key Assumptions**

Investment Return Assumption	5.00%
Mortality Table	RP-2000 fully generational using Scale AA

\* Due to the change in valuation interest rate assumption, from 7.25% to 7.00%, adopted by the Board in the September 30, 2015 actuarial valuation report.

**Schedule of Changes in the Employers' Net Pension Liability  
Using Assumptions required under 112.664(1)(b), F.S.  
Except 2% higher investment return assumption**

Fiscal year ending September 30,	<u>2015</u>
<b>1. Total pension liability</b>	
a. Service Cost	\$ 108,617
b. Interest	12,586,143
c. Benefit Changes	-
d. Difference between actual & expected experience	(826,146)
e. Assumption Changes *	2,636,694
f. Benefit Payments	(10,953,440)
g. Contribution Refunds	-
<b>h. Net Change in Total Pension Liability</b>	<u>3,551,868</u>
<b>i. Total Pension Liability - Beginning</b>	<u>141,488,822</u>
<b>k. Total Pension Liability - Ending</b>	<u><u>\$ 145,040,690</u></u>
 <b>2. Plan Fiduciary Net Position</b>	
a. Contributions - Employer	\$ 7,802,557
b. Contributions - Non-Employer Contributing Entity	800,514
c. Contributions - Member	56,705
d. Net Investment Income	(2,497,277)
e. Benefit Payments	(10,953,440)
f. Contribution Refunds	-
g. Administrative Expense	(178,603)
h. Other - Includes Share Accounts/Reserve	397,178
<b>i. Net Change in Plan Fiduciary Net Position</b>	<u>(4,572,366)</u>
<b>j. Plan Fiduciary Net Position - Beginning</b>	<u>134,507,240</u>
<b>k. Plan Fiduciary Net Position - Ending</b>	<u><u>\$ 129,934,874</u></u>
 <b>3. Net Pension Liability / (Asset)</b>	 15,105,816

**Certain Key Assumptions**

Investment Return Assumption	9.00%
Mortality Table	RP-2000 fully generational using Scale AA

\* Due to the change in valuation interest rate assumption, from 7.25% to 7.00%, adopted by the Board in the September 30, 2015 actuarial valuation report.

**Asset and Benefit Payment Projection  
Not Reflecting Any Contributions from the Employer, State or Employee  
Using Financial Reporting Assumptions per GASB Statement No. 67**

<b>FYE</b>	<b>Market Value of Assets (BOY)</b>	<b>Expected Investment Return</b>	<b>Projected Benefit Payments</b>	<b>Market Value of Assets (EOY)</b>
2016	\$ 127,376,036	\$ 8,532,657	\$ 10,961,870	\$ 124,946,823
2017	124,946,823	8,346,475	11,422,944	121,870,354
2018	121,870,354	8,122,710	11,663,288	118,329,775
2019	118,329,775	7,866,674	11,897,450	114,298,999
2020	114,298,999	7,576,611	12,123,387	109,752,223
2021	109,752,223	7,250,785	12,339,164	104,663,844
2022	104,663,844	6,887,474	12,542,724	99,008,594
2023	99,008,594	6,484,986	12,731,883	92,761,696
2024	92,761,696	6,041,667	12,904,342	85,899,021
2025	85,899,021	5,555,912	13,057,710	78,397,223
2026	78,397,223	5,026,171	13,189,550	70,233,844
2027	70,233,844	4,450,956	13,297,505	61,387,295
2028	61,387,295	3,828,838	13,379,213	51,836,921
2029	51,836,921	3,158,454	13,432,292	41,563,083
2030	41,563,083	2,438,512	13,454,405	30,547,190
2031	30,547,190	1,667,789	13,443,269	18,771,710
2032	18,771,710	845,129	13,396,879	6,219,960
2033	6,219,960	-	13,313,650	-
2034	-	-	13,192,538	-
2035	-	-	13,033,144	-
2036	-	-	12,835,477	-
2037	-	-	12,599,854	-
2038	-	-	12,326,991	-
2039	-	-	12,017,830	-
2040	-	-	11,673,359	-
2041	-	-	11,294,624	-

Number of years for which current market value of assets are adequate to sustain the payment of expected retirement benefits reflecting no contributions from the Employer, Employee or State: 17.50

**Certain Key Assumptions**

Valuation Investment Return Assumption 7.00%  
Valuation Mortality Table RP-2000 Mortality Table for males and females

*Share and DROP Accounts are excluded from the Market Value of Assets for the purpose of this projection.*

**Asset and Benefit Payment Projection  
Not Reflecting Any Contributions from the Employer, State or Employee  
Using Assumptions required under 112.664(1)(a), F.S.**

<b>FYE</b>	<b>Market Value of Assets (BOY)</b>	<b>Expected Investment Return</b>	<b>Projected Benefit Payments</b>	<b>Market Value of Assets (EOY)</b>
2016	\$ 127,376,036	\$ 8,532,328	\$ 10,971,264	\$ 124,937,100
2017	124,937,100	8,344,715	11,453,781	121,828,034
2018	121,828,034	8,117,792	11,719,143	118,226,683
2019	118,226,683	7,856,488	11,982,272	114,100,900
2020	114,100,900	7,558,609	12,241,539	109,417,970
2021	109,417,970	7,221,923	12,495,274	104,144,620
2022	104,144,620	6,844,174	12,741,424	98,247,370
2023	98,247,370	6,423,083	12,978,073	91,692,379
2024	91,692,379	5,956,355	13,203,174	84,445,561
2025	84,445,561	5,441,687	13,414,348	76,472,900
2026	76,472,900	4,876,772	13,609,468	67,740,203
2027	67,740,203	4,259,284	13,786,569	58,212,918
2028	58,212,918	3,586,882	13,943,483	47,856,318
2029	47,856,318	2,857,214	14,077,950	36,635,582
2030	36,635,582	2,067,924	14,187,627	24,515,879
2031	24,515,879	1,216,690	14,269,200	11,463,369
2032	11,463,369	301,258	14,319,378	-
2033	-	-	14,336,044	-
2034	-	-	14,317,354	-
2035	-	-	14,261,272	-
2036	-	-	14,167,123	-
2037	-	-	14,034,596	-
2038	-	-	13,863,045	-
2039	-	-	13,652,440	-
2040	-	-	13,402,899	-
2041	-	-	13,114,790	-

Number of years for which current market value of assets are adequate to sustain the payment of expected retirement benefits reflecting no contributions from the Employer, Employee or State: 16.83

**Certain Key Assumptions**

Valuation Investment Return Assumption 7.00%  
Valuation Mortality Table RP-2000 fully generational using Scale AA

*Share and DROP Accounts are excluded from the Market Value of Assets for the purpose of this projection.*

**Asset and Benefit Payment Projection  
Not Reflecting Any Contributions from the Employer, State or Employee  
Using Assumptions required under 112.664(1)(b), F.S.**

<b>FYE</b>	<b>Market Value of Assets (BOY)</b>	<b>Expected Investment Return</b>	<b>Projected Benefit Payments</b>	<b>Market Value of Assets (EOY)</b>
2016	\$ 127,376,036	\$ 6,094,520	\$ 10,971,264	\$ 122,499,292
2017	122,499,292	5,838,620	11,453,781	116,884,131
2018	116,884,131	5,551,228	11,719,143	110,716,216
2019	110,716,216	5,236,254	11,982,272	103,970,198
2020	103,970,198	4,892,471	12,241,539	96,621,131
2021	96,621,131	4,518,675	12,495,274	88,644,532
2022	88,644,532	4,113,691	12,741,424	80,016,799
2023	80,016,799	3,676,388	12,978,073	70,715,114
2024	70,715,114	3,205,676	13,203,174	60,717,616
2025	60,717,616	2,700,522	13,414,348	50,003,790
2026	50,003,790	2,159,953	13,609,468	38,554,275
2027	38,554,275	1,583,050	13,786,569	26,350,755
2028	26,350,755	968,951	13,943,483	13,376,223
2029	13,376,223	316,862	14,077,950	-
2030	-	-	14,187,627	-
2031	-	-	14,269,200	-
2032	-	-	14,319,378	-
2033	-	-	14,336,044	-
2034	-	-	14,317,354	-
2035	-	-	14,261,272	-
2036	-	-	14,167,123	-
2037	-	-	14,034,596	-
2038	-	-	13,863,045	-
2039	-	-	13,652,440	-
2040	-	-	13,402,899	-
2041	-	-	13,114,790	-

Number of years for which current market value of assets are adequate to sustain the payment of expected retirement benefits reflecting no contributions from the Employer, Employee or State: 13.92

**Certain Key Assumptions**

Valuation Investment Return Assumption 5.00%  
Valuation Mortality Table RP-2000 fully generational using Scale AA

*Share and DROP Accounts are excluded from the Market Value of Assets for the purpose of this projection.*

**Asset and Benefit Payment Projection**  
**Not Reflecting Any Contributions from the Employer, State or Employee**  
**Using Assumptions required under 112.664(1)(b), F.S.**  
**Except 2% higher investment return assumption**

<b>FYE</b>	<b>Market Value of Assets (BOY)</b>	<b>Expected Investment Return</b>	<b>Projected Benefit Payments</b>	<b>Market Value of Assets (EOY)</b>
2016	\$ 127,376,036	\$ 10,970,136	\$ 10,971,264	\$ 127,374,908
2017	127,374,908	10,948,322	11,453,781	126,869,449
2018	126,869,449	10,890,889	11,719,143	126,041,194
2019	126,041,194	10,804,505	11,982,272	124,863,428
2020	124,863,428	10,686,839	12,241,539	123,308,729
2021	123,308,729	10,535,498	12,495,274	121,348,953
2022	121,348,953	10,348,042	12,741,424	118,955,571
2023	118,955,571	10,121,988	12,978,073	116,099,486
2024	116,099,486	9,854,811	13,203,174	112,751,123
2025	112,751,123	9,543,955	13,414,348	108,880,730
2026	108,880,730	9,186,840	13,609,468	104,458,102
2027	104,458,102	8,780,834	13,786,569	99,452,366
2028	99,452,366	8,323,256	13,943,483	93,832,140
2029	93,832,140	7,811,385	14,077,950	87,565,575
2030	87,565,575	7,242,459	14,187,627	80,620,407
2031	80,620,407	6,613,723	14,269,200	72,964,929
2032	72,964,929	5,922,472	14,319,378	64,568,022
2033	64,568,022	5,166,000	14,336,044	55,397,978
2034	55,397,978	4,341,537	14,317,354	45,422,161
2035	45,422,161	3,446,237	14,261,272	34,607,126
2036	34,607,126	2,477,121	14,167,123	22,917,124
2037	22,917,124	1,430,984	14,034,596	10,313,512
2038	10,313,512	304,379	13,863,045	-
2039	-	-	13,652,440	-
2040	-	-	13,402,899	-
2041	-	-	13,114,790	-

Number of years for which current market value of assets are adequate to sustain the payment of expected retirement benefits reflecting no contributions from the Employer, Employee or State: 22.75

**Certain Key Assumptions**

Valuation Investment Return Assumption 9.00%  
 Valuation Mortality Table RP-2000 fully generational using Scale AA

*Share and DROP Accounts are excluded from the Market Value of Assets for the purpose of this projection.*

City of Sarasota Firefighters' Pension Fund

<b>ACTUARIALLY DETERMINED CONTRIBUTION</b>				
	GASB No. 67 Assumptions	112.664(1)(a) F.S. Assumptions	112.664(1)(b) F.S. Assumptions	112.664(1)(b) F.S. Except 2% Higher Investment Return
A. Valuation Date	September 30, 2015	September 30, 2015	September 30, 2015	September 30, 2015
B. Actuarial Determined Contribution (ADC) to Be Paid During Fiscal Year Ending	9/30/2017	9/30/2017	9/30/2017	9/30/2017
C. Assumed Dates of Employer Contributions	Bi-Weekly	Bi-Weekly	Bi-Weekly	Bi-Weekly
D. Annual Payment to Amortize Unfunded Actuarial Liability	\$ 6,662,040	\$ 7,688,263	\$ 15,697,560	\$ 1,465,486
E. Total Normal Cost	<u>1,067,806</u>	<u>1,067,806</u>	<u>1,067,806</u>	<u>1,067,806</u>
F. ADC: D + E	\$ 7,729,846	\$ 8,756,069	\$ 16,765,366	\$ 2,533,292
G. As a % of Covered Payroll	1,376.32 %	1,559.04 %	2,985.12 %	451.06 %
H. Assumed Rate of Increase in Covered Payroll to Contribution Year	0.00 %	0.00 %	0.00 %	0.00 %
I. Covered Payroll for Contribution Year	\$ 561,632	\$ 561,632	\$ 561,632	\$ 561,632
J. ADC for Contribution Year: G x I	7,729,846	8,756,068	16,765,389	2,533,297
K. Allowable Credit for State Revenue in Contribution Year	295,000	295,000	295,000	295,000
L. Member Contributions	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
M. Employer ADC in Contribution Year	\$ 7,434,846	\$ 8,461,068	\$ 16,470,389	\$ 2,238,297
N. Employer ADC as % of Covered Payroll in Contribution Year: M ÷ I	1,323.79 %	1,506.51 %	2,932.59 %	398.53 %
O. Certain Key Assumptions				
Investment Return Assumption	7.00%	7.00%	5.00%	9.00%
Mortality Table	RP-2000 Mortality Table for males and females	RP-2000 fully generational using Scale AA	RP-2000 fully generational using Scale AA	RP-2000 fully generational using Scale AA