



July 1, 2019

VIA EMAIL

Ms. Lauri Patterson
Benefits USA
3810 Inverrary Blvd., Suite 303
Lauderhill, FL 33319

Re: City of Aventura Police Officers' Retirement Plan
Section 112.664, Florida Statutes Compliance

Dear Lauri:

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: _____

Patrick T. Donlan, EA, ASA, MAAA
Enrolled Actuary #17-6595

PTD/lke
Enclosures

cc via email: Pedro Herrera, Board Attorney
cc via email: Jessica A. De la Torre Vila, Legal Assistant

CITY OF AVENTURA
POLICE OFFICERS' RETIREMENT PLAN

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: Patrick T. Donlan Date: 7/1/2019

Patrick T. Donlan, EA, ASA, MAAA
Enrolled Actuary #17-6595



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

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>
	7.25% RP-2000 Generational	5.25% RP-2000 Generational
<u>Total Pension Liability</u>		
Service Cost	1,960,406	3,195,175
Interest	3,627,275	3,541,724
Changes of Benefit Terms	1,173,788	1,347,462
Differences Between Expected and Actual Experience	(794,007)	(762,084)
Changes of Assumptions	1,856,302	2,866,114
Benefit Payments, Including Refunds of Employee Contributions	(691,515)	(691,515)
Net Change in Total Pension Liability	7,132,249	9,496,876
Total Pension Liability - Beginning	46,749,025	61,545,564
Total Pension Liability - Ending (a)	<u>\$ 53,881,274</u>	<u>\$ 71,042,440</u>
<u>Plan Fiduciary Net Position</u>		
Contributions - Employer	1,589,440	1,589,440
Contributions - State	435,103	435,103
Contributions - Employee	956,612	956,612
Net Investment Income	3,511,042	3,511,042
Benefit Payments, Including Refunds of Employee Contributions	(691,515)	(691,515)
Administrative Expenses	(71,805)	(71,805)
Net Change in Plan Fiduciary Net Position	5,728,877	5,728,877
Plan Fiduciary Net Position - Beginning	40,602,706	40,602,706
Plan Fiduciary Net Position - Ending (b)	<u>\$ 46,331,583</u>	<u>\$ 46,331,583</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 7,549,691</u>	<u>\$ 24,710,857</u>

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1
Plan Assumptions: 7.25% 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	46,248,048	-	1,426,908	-	3,301,258	48,122,398
2019	48,122,398	-	1,974,344	-	3,417,304	49,565,358
2020	49,565,358	-	2,585,861	-	3,499,751	50,479,248
2021	50,479,248	-	2,993,486	-	3,551,232	51,036,994
2022	51,036,994	-	3,254,281	-	3,582,214	51,364,927
2023	51,364,927	-	3,415,465	-	3,600,147	51,549,609
2024	51,549,609	-	3,474,754	-	3,611,387	51,686,242
2025	51,686,242	-	3,542,492	-	3,618,837	51,762,587
2026	51,762,587	-	3,837,609	-	3,613,674	51,538,652
2027	51,538,652	-	3,920,229	-	3,594,444	51,212,867
2028	51,212,867	-	3,956,840	-	3,569,497	50,825,524
2029	50,825,524	-	4,015,945	-	3,539,272	50,348,851
2030	50,348,851	-	4,010,839	-	3,504,899	49,842,911
2031	49,842,911	-	4,051,150	-	3,466,757	49,258,518
2032	49,258,518	-	4,080,162	-	3,423,337	48,601,693
2033	48,601,693	-	4,105,498	-	3,374,798	47,870,993
2034	47,870,993	-	4,153,898	-	3,320,068	47,037,163
2035	47,037,163	-	4,181,555	-	3,258,613	46,114,221
2036	46,114,221	-	4,177,445	-	3,191,849	45,128,625
2037	45,128,625	-	4,185,658	-	3,120,095	44,063,062
2038	44,063,062	-	4,182,564	-	3,042,954	42,923,452
2039	42,923,452	-	4,173,900	-	2,960,646	41,710,198
2040	41,710,198	-	4,162,871	-	2,873,085	40,420,412
2041	40,420,412	-	4,141,512	-	2,780,350	39,059,250
2042	39,059,250	-	4,113,546	-	2,682,680	37,628,384
2043	37,628,384	-	4,080,640	-	2,580,135	36,127,879
2044	36,127,879	-	4,048,018	-	2,472,531	34,552,392
2045	34,552,392	-	4,007,411	-	2,359,780	32,904,761
2046	32,904,761	-	3,958,957	-	2,242,083	31,187,887
2047	31,187,887	-	3,904,818	-	2,119,572	29,402,641
2048	29,402,641	-	3,846,322	-	1,992,262	27,548,581
2049	27,548,581	-	3,782,965	-	1,860,140	25,625,756
2050	25,625,756	-	3,714,489	-	1,723,217	23,634,484
2051	23,634,484	-	3,640,661	-	1,581,526	21,575,349
2052	21,575,349	-	3,561,227	-	1,435,118	19,449,240
2053	19,449,240	-	3,476,107	-	1,284,061	17,257,194
2054	17,257,194	-	3,384,045	-	1,128,475	15,001,624
2055	15,001,624	-	3,285,641	-	968,513	12,684,496
2056	12,684,496	-	3,180,724	-	804,325	10,308,097
2057	10,308,097	-	3,068,616	-	636,100	7,875,581
2058	7,875,581	-	2,948,782	-	464,086	5,390,885
2059	5,390,885	-	2,821,173	-	288,572	2,858,284
2060	2,858,284	-	2,685,878	-	109,863	282,269
2061	282,269	-	2,542,761	-	-	-

Number of Years Expected Benefit Payments Sustained: 43.11

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 7.25% 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: 5.25% 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	46,248,048	-	1,426,908	-	2,390,566	47,211,706
2019	47,211,706	-	1,974,344	-	2,426,788	47,664,150
2020	47,664,150	-	2,585,861	-	2,434,489	47,512,778
2021	47,512,778	-	2,993,486	-	2,415,842	46,935,134
2022	46,935,134	-	3,254,281	-	2,378,670	46,059,523
2023	46,059,523	-	3,415,465	-	2,328,469	44,972,527
2024	44,972,527	-	3,474,754	-	2,269,845	43,767,618
2025	43,767,618	-	3,542,492	-	2,204,810	42,429,936
2026	42,429,936	-	3,837,609	-	2,126,834	40,719,161
2027	40,719,161	-	3,920,229	-	2,034,850	38,833,782
2028	38,833,782	-	3,956,840	-	1,934,907	36,811,849
2029	36,811,849	-	4,015,945	-	1,827,204	34,623,108
2030	34,623,108	-	4,010,839	-	1,712,429	32,324,698
2031	32,324,698	-	4,051,150	-	1,590,704	29,864,252
2032	29,864,252	-	4,080,162	-	1,460,769	27,244,859
2033	27,244,859	-	4,105,498	-	1,322,586	24,461,947
2034	24,461,947	-	4,153,898	-	1,175,212	21,483,261
2035	21,483,261	-	4,181,555	-	1,018,105	18,319,811
2036	18,319,811	-	4,177,445	-	852,132	14,994,498
2037	14,994,498	-	4,185,658	-	677,338	11,486,178
2038	11,486,178	-	4,182,564	-	493,232	7,796,846
2039	7,796,846	-	4,173,900	-	299,770	3,922,716
2040	3,922,716	-	4,162,871	-	-	-

Number of Years Expected Benefit Payments Sustained: 22.94

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 5.25% 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
	7.25%	5.25%
	RP-2000	RP-2000
	Generational	Generational
<u>PENSION COST</u>		
Normal Cost (with interest)	2,154,327	3,427,921
Administrative Expenses (with interest)	74,408	73,690
Payment Required To Amortize UAAL (with interest)	952,710	1,965,127
Minimum Required Contribution	\$3,181,445	\$5,466,738

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