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Users who need accessibility assistance, please contact Jenny Sykes, ADA Specialist, at 863.834.8444 or [Jennifer.Sykes@lakelandgov.net](mailto:Jennifer.Sykes@lakelandgov.net).

Our website and all PDF documents on lakelandgov.net will be reviewed and tested on an ongoing basis, utilizing assistive technologies by users who have knowledge of and depend on the performance of these technologies.

May 28, 2019

VIA EMAIL

Ms. Ferrell Jenne  
Lead Plan Administrator  
Foster & Foster, Inc.  
2503 Del Prado Blvd. S., Suite 502  
Cape Coral, FL 33904

Re: City of Lakeland Police Officers' Retirement System  
Section 112.664, Florida Statutes Compliance

Dear Ferrell:

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: 

Bradley R. Henrichs, FSA, EA, MAAA  
Enrolled Actuary #17-6901

BRH/lke  
Enclosures

cc via email: Scott Christiansen, Board Attorney

CITY OF LAKELAND  
POLICE OFFICERS' RETIREMENT SYSTEM

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: 5/28/2019

Bradley R. Heinrichs, FSA, EA, MAAA  
Enrolled Actuary #17-6901



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	
	7.50% RP-2000 Generational	5.50% RP-2000 Generational	9.50% RP-2000 Generational
<b><u>Total Pension Liability</u></b>			
Service Cost	2,805,388	4,284,266	1,924,522
Interest	11,392,047	10,454,294	11,899,137
Gain Sharing Reserve	(425,192)	(425,192)	(425,192)
Share Plan Allocation	114,527	114,527	114,527
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	1,397,788	2,020,338	949,819
Changes of Assumptions	-	-	-
Contributions - Buy Back	14,494	14,494	14,494
Benefit Payments, Including Refunds of Employee Contributions	(9,183,995)	(9,183,995)	(9,183,995)
Net Change in Total Pension Liability	6,115,057	7,278,732	5,293,312
Total Pension Liability - Beginning	154,105,764	190,811,003	128,346,736
Total Pension Liability - Ending (a)	<u>\$ 160,220,821</u>	<u>\$ 198,089,735</u>	<u>\$ 133,640,048</u>
<b><u>Plan Fiduciary Net Position</u></b>			
Contributions - Employer	3,330,543	3,330,543	3,330,543
Contributions - State	930,511	930,511	930,511
Contributions - Employee	2,319,734	2,319,734	2,319,734
Contributions - Buy Back	14,494	14,494	14,494
Net Investment Income	9,505,294	9,505,294	9,505,294
Benefit Payments, Including Refunds of Employee Contributions	(9,183,995)	(9,183,995)	(9,183,995)
Administrative Expenses	(178,409)	(178,409)	(178,409)
Net Change in Plan Fiduciary Net Position	6,738,172	6,738,172	6,738,172
Plan Fiduciary Net Position - Beginning	119,305,765	119,305,765	119,305,765
Plan Fiduciary Net Position - Ending (b)	<u>\$ 126,043,937</u>	<u>\$ 126,043,937</u>	<u>\$ 126,043,937</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 34,176,884</u>	<u>\$ 72,045,798</u>	<u>\$ 7,596,111</u>

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

Table 1  
Plan Assumptions: 7.50% 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	125,956,788	-	16,406,279	-	8,831,524	118,382,033
2019	118,382,033	-	10,422,807	-	8,487,797	116,447,023
2020	116,447,023	-	10,849,594	-	8,326,667	113,924,096
2021	113,924,096	-	11,151,449	-	8,126,128	110,898,775
2022	110,898,775	-	11,330,283	-	7,892,523	107,461,015
2023	107,461,015	-	11,556,344	-	7,626,213	103,530,884
2024	103,530,884	-	11,683,707	-	7,326,677	99,173,854
2025	99,173,854	-	11,861,009	-	6,993,251	94,306,096
2026	94,306,096	-	12,023,384	-	6,622,080	88,904,792
2027	88,904,792	-	12,104,866	-	6,213,927	83,013,853
2028	83,013,853	-	12,041,771	-	5,774,473	76,746,555
2029	76,746,555	-	12,002,880	-	5,305,884	70,049,559
2030	70,049,559	-	11,876,573	-	4,808,345	62,981,331
2031	62,981,331	-	11,722,114	-	4,284,021	55,543,238
2032	55,543,238	-	11,546,375	-	3,732,754	47,729,617
2033	47,729,617	-	11,365,721	-	3,153,507	39,517,403
2034	39,517,403	-	11,188,355	-	2,544,242	30,873,290
2035	30,873,290	-	10,997,761	-	1,903,081	21,778,610
2036	21,778,610	-	10,783,453	-	1,229,016	12,224,173
2037	12,224,173	-	10,577,070	-	520,173	2,167,276
2038	2,167,276	-	10,342,543	-	-	-

\*All DROP and Share Balances paid in 2018.

Number of Years Expected Benefit Payments Sustained: 20.21

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 7.50% 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: 5.50% 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	125,956,788	-	16,406,279	-	6,476,451	116,026,960
2019	116,026,960	-	10,422,807	-	6,094,856	111,699,009
2020	111,699,009	-	10,849,594	-	5,845,082	106,694,497
2021	106,694,497	-	11,151,449	-	5,561,532	101,104,580
2022	101,104,580	-	11,330,283	-	5,249,169	95,023,466
2023	95,023,466	-	11,556,344	-	4,908,491	88,375,613
2024	88,375,613	-	11,683,707	-	4,539,357	81,231,263
2025	81,231,263	-	11,861,009	-	4,141,542	73,511,796
2026	73,511,796	-	12,023,384	-	3,712,506	65,200,918
2027	65,200,918	-	12,104,866	-	3,253,167	56,349,219
2028	56,349,219	-	12,041,771	-	2,768,058	47,075,506
2029	47,075,506	-	12,002,880	-	2,259,074	37,331,700
2030	37,331,700	-	11,876,573	-	1,726,638	27,181,765
2031	27,181,765	-	11,722,114	-	1,172,639	16,632,290
2032	16,632,290	-	11,546,375	-	597,251	5,683,166
2033	5,683,166	-	11,365,721	-	-	-

\*All DROP and Share Balances paid in 2018.

Number of Years Expected Benefit Payments Sustained: 15.50

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 5.50% 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: 9.50% 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	125,956,788	-	16,406,279	-	11,186,597	120,737,106
2019	120,737,106	-	10,422,807	-	10,974,942	121,289,241
2020	121,289,241	-	10,849,594	-	11,007,122	121,446,769
2021	121,446,769	-	11,151,449	-	11,007,749	121,303,069
2022	121,303,069	-	11,330,283	-	10,985,603	120,958,389
2023	120,958,389	-	11,556,344	-	10,942,121	120,344,166
2024	120,344,166	-	11,683,707	-	10,877,720	119,538,179
2025	119,538,179	-	11,861,009	-	10,792,729	118,469,899
2026	118,469,899	-	12,023,384	-	10,683,530	117,130,045
2027	117,130,045	-	12,104,866	-	10,552,373	115,577,552
2028	115,577,552	-	12,041,771	-	10,407,883	113,943,664
2029	113,943,664	-	12,002,880	-	10,254,511	112,195,295
2030	112,195,295	-	11,876,573	-	10,094,416	110,413,138
2031	110,413,138	-	11,722,114	-	9,932,448	108,623,472
2032	108,623,472	-	11,546,375	-	9,770,777	106,847,874
2033	106,847,874	-	11,365,721	-	9,610,676	105,092,829
2034	105,092,829	-	11,188,355	-	9,452,372	103,356,846
2035	103,356,846	-	10,997,761	-	9,296,507	101,655,592
2036	101,655,592	-	10,783,453	-	9,145,067	100,017,206
2037	100,017,206	-	10,577,070	-	8,999,224	98,439,360
2038	98,439,360	-	10,342,543	-	8,860,468	96,957,285
2039	96,957,285	-	10,101,170	-	8,731,137	95,587,252
2040	95,587,252	-	9,847,140	-	8,613,050	94,353,162
2041	94,353,162	-	9,574,747	-	8,508,750	93,287,165
2042	93,287,165	-	9,287,642	-	8,421,118	92,420,641
2043	92,420,641	-	8,987,446	-	8,353,057	91,786,252
2044	91,786,252	-	8,674,733	-	8,307,644	91,419,163
2045	91,419,163	-	8,354,619	-	8,287,976	91,352,520
2046	91,352,520	-	8,027,305	-	8,297,192	91,622,407
2047	91,622,407	-	7,693,354	-	8,338,694	92,267,747
2048	92,267,747	-	7,356,159	-	8,416,018	93,327,606
2049	93,327,606	-	7,015,298	-	8,532,896	94,845,204
2050	94,845,204	-	6,672,574	-	8,693,347	96,865,977
2051	96,865,977	-	6,328,860	-	8,901,647	99,438,764
2052	99,438,764	-	5,984,808	-	9,162,404	102,616,360
2053	102,616,360	-	5,641,177	-	9,480,598	106,455,781
2054	106,455,781	-	5,298,639	-	9,861,614	111,018,756
2055	111,018,756	-	4,958,404	-	10,311,258	116,371,610
2056	116,371,610	-	4,621,813	-	10,835,767	122,585,564
2057	122,585,564	-	4,289,864	-	11,441,860	129,737,560
2058	129,737,560	-	3,963,828	-	12,136,786	137,910,518
2059	137,910,518	-	3,645,059	-	12,928,359	147,193,818
2060	147,193,818	-	3,334,966	-	13,825,002	157,683,854
2061	157,683,854	-	3,035,009	-	14,835,803	169,484,648
2062	169,484,648	-	2,747,179	-	15,970,551	182,708,020
2063	182,708,020	-	2,472,894	-	17,239,799	197,474,925
2064	197,474,925	-	2,213,582	-	18,654,973	213,916,316
2065	213,916,316	-	1,970,537	-	20,228,450	232,174,229
2066	232,174,229	-	1,744,612	-	21,973,683	252,403,300
2067	252,403,300	-	1,536,183	-	23,905,345	274,772,462

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

Table 3  
Hypothetical Assumptions: 9.50% 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
2068	274,772,462	-	1,345,693	-	26,039,463	299,466,232
2069	299,466,232	-	1,173,506	-	28,393,551	326,686,277
2070	326,686,277	-	1,019,079	-	30,986,790	356,653,988
2071	356,653,988	-	881,689	-	33,840,249	389,612,548
2072	389,612,548	-	760,131	-	36,977,086	425,829,503
2073	425,829,503	-	653,377	-	40,422,767	465,598,893
2074	465,598,893	-	560,425	-	44,205,275	509,243,743
2075	509,243,743	-	479,825	-	48,355,364	557,119,282
2076	557,119,282	-	410,268	-	52,906,844	609,615,858
2077	609,615,858	-	350,155	-	57,896,874	667,162,577
2078	667,162,577	-	298,085	-	63,366,286	730,230,778
2079	730,230,778	-	252,743	-	69,359,919	799,337,954
2080	799,337,954	-	213,048	-	75,926,986	875,051,892
2081	875,051,892	-	178,292	-	83,121,461	957,995,061
2082	957,995,061	-	148,130	-	91,002,495	1,048,849,426
2083	1,048,849,426	-	122,212	-	99,634,890	1,148,362,104
2084	1,148,362,104	-	100,149	-	109,089,643	1,257,351,598
2085	1,257,351,598	-	81,645	-	119,444,524	1,376,714,477
2086	1,376,714,477	-	66,245	-	130,784,729	1,507,432,961
2087	1,507,432,961	-	53,522	-	143,203,589	1,650,583,028
2088	1,650,583,028	-	43,082	-	156,803,341	1,807,343,287
2089	1,807,343,287	-	34,558	-	171,695,971	1,979,004,700
2090	1,979,004,700	-	27,636	-	188,004,134	2,166,981,198
2091	2,166,981,198	-	22,064	-	205,862,166	2,372,821,300
2092	2,372,821,300	-	17,579	-	225,417,188	2,598,220,909
2093	2,598,220,909	-	13,952	-	246,830,324	2,845,037,281
2094	2,845,037,281	-	11,000	-	270,278,019	3,115,304,300
2095	3,115,304,300	-	8,644	-	295,953,498	3,411,249,154
2096	3,411,249,154	-	6,770	-	324,068,348	3,735,310,732
2097	3,735,310,732	-	5,275	-	354,854,269	4,090,159,726
2098	4,090,159,726	-	4,090	-	388,564,980	4,478,720,616
2099	4,478,720,616	-	3,135	-	425,478,310	4,904,195,791
2100	4,904,195,791	-	2,371	-	465,898,488	5,370,091,908
2101	5,370,091,908	-	1,752	-	510,158,648	5,880,248,804
2102	5,880,248,804	-	1,262	-	558,623,576	6,438,871,118
2103	6,438,871,118	-	876	-	611,692,715	7,050,562,957
2104	7,050,562,957	-	596	-	669,803,453	7,720,365,814
2105	7,720,365,814	-	397	-	733,434,733	8,453,800,150
2106	8,453,800,150	-	259	-	803,111,002	9,256,910,893
2107	9,256,910,893	-	166	-	879,406,527	10,136,317,254
2108	10,136,317,254	-	104	-	962,950,134	11,099,267,284
2109	11,099,267,284	-	64	-	1,054,430,389	12,153,697,609
2110	12,153,697,609	-	39	-	1,154,601,271	13,308,298,841
2111	13,308,298,841	-	24	-	1,264,288,389	14,572,587,206
2112	14,572,587,206	-	14	-	1,384,395,784	15,956,982,976
2113	15,956,982,976	-	8	-	1,515,913,382	17,472,896,350
2114	17,472,896,350	-	5	-	1,659,925,153	19,132,821,498
2115	19,132,821,498	-	3	-	1,817,618,042	20,950,439,537
2116	20,950,439,537	-	2	-	1,990,291,756	22,940,731,291

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 3  
 Hypothetical Assumptions: 9.50% 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
2117	22,940,731,291	-	1	-	2,179,369,473	25,120,100,763
2118	25,120,100,763	-	-	-	2,386,409,572	27,506,510,335

\*All DROP and Share Balances paid in 2018.

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 9.50% 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	
	7.50% RP-2000 Generational	5.50% RP-2000 Generational	9.50% RP-2000 Generational
Minimum Required Contribution (Fixed \$)	\$6,469,471	\$9,910,304	\$3,605,070
Minimum Required Contribution (% of Payroll)	43.08%	65.99%	24.01%
Expected Member Contribution	2,527,201	4,246,539	1,096,172
Expected State Money	815,984	815,984	815,984
Expected Sponsor Contribution (Fixed \$)	\$3,126,286	\$4,847,781	\$1,692,914
Expected Sponsor Contribution (% of Payroll)	20.82%	32.28%	11.28%
<b><u>ASSETS</u></b>			
Actuarial Value <sup>1</sup>	123,608,983	123,608,983	123,608,983
Market Value <sup>1</sup>	125,956,788	125,956,788	125,956,788
<b><u>LIABILITIES</u></b>			
Present Value of Benefits			
Active Members			
Retirement Benefits	73,019,498	104,824,654	53,549,891
Disability Benefits	1,067,802	1,467,437	807,872
Death Benefits	429,863	551,009	341,601
Vested Benefits	3,724,402	5,954,803	2,465,166
Refund of Contributions	1,431,660	2,068,308	965,261
Service Retirees	70,473,228	84,059,164	60,507,202
DROP Retirees <sup>1</sup>	22,346,329	26,341,579	19,592,203
Beneficiaries	1,736,483	2,057,776	1,503,414
Disability Retirees	4,274,739	5,313,526	3,568,984
Terminated Vested	4,955,782	6,331,859	4,019,957
Share Plan Balances <sup>1</sup>	206,473	206,473	206,473
Gain Sharing Reserve	0	0	0
Total:	183,666,259	239,176,588	147,528,024
Present Value of Future Salaries	119,451,604	133,891,596	107,842,011
Present Value of Future Member Contributions	20,103,705	37,864,543	7,872,467
Total Normal Cost	2,913,632	4,577,701	1,909,192
Present Value of Future Normal Costs (Entry Age Normal)	22,171,482	39,154,417	13,082,787
Total Actuarial Accrued Liability <sup>1</sup>	161,494,777	200,022,171	134,445,237
Unfunded Actuarial Accrued Liability (UAAL)	37,885,794	76,413,188	10,836,254

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

Valuation Date: 10/1/2018

	ACTUAL	HYPOTHETICAL	
	7.50% RP-2000 Generational	5.50% RP-2000 Generational	9.50% RP-2000 Generational
<b><u>PENSION COST</u></b>			
Normal Cost (with interest)	3,022,893	4,703,588	1,999,879
Administrative Expenses (with interest)	185,099	183,315	186,883
Payment Required To Amortize UAAL (with interest)	3,261,479	5,023,401	1,418,308
Minimum Required Contribution	\$6,469,471	\$9,910,304	\$3,605,070

<sup>1</sup> The asset values and liabilities include accumulated DROP and Share Plan Balances as of 9/30/2018.