

BONITA SPRINGS FIRE CONTROL AND RESCUE DISTRICT
GENERAL EMPLOYEES' RETIREMENT SYSTEM

SECTION 112.664, FLORIDA STATUTES COMPLIANCE
DETERMINED AS OF THE
OCTOBER 1, 2020 VALUATION DATE



April 9, 2021

VIA E-MAIL

Ms. Anna-Marie Waller
Bonita Springs Fire Station 4
27701 Bonita Grande Drive
Bonita Springs, FL 34135

Re: Bonita Springs Fire Control and Rescue District General Employees' Retirement System
Section 112.664, Florida Statutes Compliance

Dear Anna-Marie:

Please find enclosed the annual disclosures that satisfy the October 1, 2020 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.

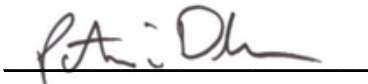
In addition to the enclosed report, the Plan or Plan Sponsor's website must provide a link to the Division of Retirement's Actuarial Summary Fact Sheet for the Plan, and also report the previous five years' assumed and actual rates of return, along with their respective asset allocations. The Board should contact its Investment Consultant for this information.

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.

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 #20-6595

Enclosures

cc via email: Scott Christiansen, Board Attorney

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, 2020 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, 2020

	ACTUAL	HYPOTHETICAL	
	7.40%	5.40%	9.40%
<u>Total Pension Liability</u>			
Service Cost	163,039	248,151	112,676
Interest	320,171	300,711	328,460
Changes of Benefit Terms	23,250	39,929	13,308
Differences Between Expected and Actual Experience	177,861	281,066	108,257
Changes of Assumptions	46,340	56,145	38,088
Benefit Payments, Including Refunds of Employee Contributions	(187,309)	(187,309)	(187,309)
Net Change in Total Pension Liability	543,352	738,693	413,480
Total Pension Liability - Beginning	4,143,390	5,215,334	3,402,442
Total Pension Liability - Ending (a)	<u>\$ 4,686,742</u>	<u>\$ 5,954,027</u>	<u>\$ 3,815,922</u>
<u>Plan Fiduciary Net Position</u>			
Contributions - Employer	246,784	246,784	246,784
Contributions - Employee	70,321	70,321	70,321
Net Investment Income	419,647	419,647	419,647
Benefit Payments, Including Refunds of Employee Contributions	(187,309)	(187,309)	(187,309)
Administrative Expenses	(13,262)	(13,262)	(13,262)
Net Change in Plan Fiduciary Net Position	536,181	536,181	536,181
Plan Fiduciary Net Position - Beginning	3,707,711	3,707,711	3,707,711
Plan Fiduciary Net Position - Ending (b)	<u>\$ 4,243,892</u>	<u>\$ 4,243,892</u>	<u>\$ 4,243,892</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 442,850</u>	<u>\$ 1,710,135</u>	<u>\$ (427,970)</u>

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1
Plan Assumptions: 7.40%

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
2020	4,228,633	-	326,308	-	300,845	4,203,170
2021	4,203,170	-	252,333	-	301,698	4,252,535
2022	4,252,535	-	292,048	-	303,882	4,264,369
2023	4,264,369	-	300,392	-	304,449	4,268,426
2024	4,268,426	-	315,141	-	304,203	4,257,488
2025	4,257,488	-	324,302	-	303,055	4,236,241
2026	4,236,241	-	331,838	-	301,204	4,205,607
2027	4,205,607	-	338,366	-	298,695	4,165,936
2028	4,165,936	-	341,874	-	295,630	4,119,692
2029	4,119,692	-	344,068	-	292,127	4,067,751
2030	4,067,751	-	346,117	-	288,207	4,009,841
2031	4,009,841	-	365,491	-	283,205	3,927,555
2032	3,927,555	-	360,789	-	277,290	3,844,056
2033	3,844,056	-	357,490	-	271,233	3,757,799
2034	3,757,799	-	353,375	-	265,002	3,669,426
2035	3,669,426	-	349,523	-	258,605	3,578,508
2036	3,578,508	-	347,418	-	251,955	3,483,045
2037	3,483,045	-	343,242	-	245,045	3,384,848
2038	3,384,848	-	337,589	-	237,988	3,285,247
2039	3,285,247	-	332,009	-	230,824	3,184,062
2040	3,184,062	-	324,639	-	223,609	3,083,032
2041	3,083,032	-	315,195	-	216,482	2,984,319
2042	2,984,319	-	306,724	-	209,491	2,887,086
2043	2,887,086	-	298,164	-	202,612	2,791,534
2044	2,791,534	-	288,037	-	195,916	2,699,413
2045	2,699,413	-	277,196	-	189,500	2,611,717
2046	2,611,717	-	265,798	-	183,433	2,529,352
2047	2,529,352	-	254,496	-	177,756	2,452,612
2048	2,452,612	-	243,267	-	172,492	2,381,837
2049	2,381,837	-	232,066	-	167,669	2,317,440
2050	2,317,440	-	221,104	-	163,310	2,259,646
2051	2,259,646	-	210,432	-	159,428	2,208,642
2052	2,208,642	-	200,040	-	156,038	2,164,640
2053	2,164,640	-	189,983	-	153,154	2,127,811
2054	2,127,811	-	180,331	-	150,786	2,098,266
2055	2,098,266	-	171,022	-	148,944	2,076,188
2056	2,076,188	-	162,009	-	147,644	2,061,823
2057	2,061,823	-	153,254	-	146,905	2,055,474
2058	2,055,474	-	144,709	-	146,751	2,057,516
2059	2,057,516	-	136,338	-	147,212	2,068,390
2060	2,068,390	-	128,117	-	148,321	2,088,594
2061	2,088,594	-	120,039	-	150,115	2,118,670
2062	2,118,670	-	112,120	-	152,633	2,159,183
2063	2,159,183	-	104,391	-	155,917	2,210,709
2064	2,210,709	-	96,879	-	160,008	2,273,838
2065	2,273,838	-	89,613	-	164,948	2,349,173
2066	2,349,173	-	82,629	-	170,782	2,437,326
2067	2,437,326	-	75,916	-	177,553	2,538,963
2068	2,538,963	-	69,469	-	185,313	2,654,807
2069	2,654,807	-	63,306	-	194,113	2,785,614
2070	2,785,614	-	57,449	-	204,010	2,932,175
2071	2,932,175	-	51,922	-	215,060	3,095,313
2072	3,095,313	-	46,744	-	227,324	3,275,893

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1
Plan Assumptions: 7.40%

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
2073	3,275,893	-	41,920	-	240,865	3,474,838
2074	3,474,838	-	37,458	-	255,752	3,693,132
2075	3,693,132	-	33,361	-	272,057	3,931,828
2076	3,931,828	-	29,617	-	289,859	4,192,070
2077	4,192,070	-	26,199	-	309,244	4,475,115
2078	4,475,115	-	23,082	-	330,304	4,782,337
2079	4,782,337	-	20,242	-	353,144	5,115,239
2080	5,115,239	-	17,636	-	377,875	5,475,478
2081	5,475,478	-	15,230	-	404,622	5,864,870
2082	5,864,870	-	13,007	-	433,519	6,285,382
2083	6,285,382	-	10,965	-	464,713	6,739,130
2084	6,739,130	-	9,109	-	498,359	7,228,380
2085	7,228,380	-	7,443	-	534,625	7,755,562
2086	7,755,562	-	5,971	-	573,691	8,323,282
2087	8,323,282	-	4,698	-	615,749	8,934,333
2088	8,934,333	-	3,624	-	661,007	9,591,716
2089	9,591,716	-	2,740	-	709,686	10,298,662
2090	10,298,662	-	2,027	-	762,026	11,058,661
2091	11,058,661	-	1,468	-	818,287	11,875,480
2092	11,875,480	-	1,043	-	878,747	12,753,184
2093	12,753,184	-	727	-	943,709	13,696,166
2094	13,696,166	-	497	-	1,013,498	14,709,167
2095	14,709,167	-	333	-	1,088,466	15,797,300
2096	15,797,300	-	221	-	1,168,992	16,966,071
2097	16,966,071	-	145	-	1,255,484	18,221,410
2098	18,221,410	-	93	-	1,348,381	19,569,698
2099	19,569,698	-	59	-	1,448,155	21,017,794
2100	21,017,794	-	37	-	1,555,315	22,573,072
2101	22,573,072	-	22	-	1,670,407	24,243,457
2102	24,243,457	-	13	-	1,794,015	26,037,459
2103	26,037,459	-	8	-	1,926,772	27,964,223
2104	27,964,223	-	4	-	2,069,352	30,033,571
2105	30,033,571	-	2	-	2,222,484	32,256,053
2106	32,256,053	-	1	-	2,386,948	34,643,000
2107	34,643,000	-	1	-	2,563,582	37,206,581
2108	37,206,581	-	-	-	2,753,287	39,959,868

*All DROP Balances paid in 2020.

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 7.40% 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: 5.40%

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
2020	4,228,633	-	326,308	-	219,536	4,121,861
2021	4,121,861	-	252,333	-	215,768	4,085,296
2022	4,085,296	-	292,048	-	212,721	4,005,969
2023	4,005,969	-	300,392	-	208,212	3,913,789
2024	3,913,789	-	315,141	-	202,836	3,801,484
2025	3,801,484	-	324,302	-	196,524	3,673,706
2026	3,673,706	-	331,838	-	189,420	3,531,288
2027	3,531,288	-	338,366	-	181,554	3,374,476
2028	3,374,476	-	341,874	-	172,991	3,205,593
2029	3,205,593	-	344,068	-	163,812	3,025,337
2030	3,025,337	-	346,117	-	154,023	2,833,243
2031	2,833,243	-	365,491	-	143,127	2,610,879
2032	2,610,879	-	360,789	-	131,246	2,381,336
2033	2,381,336	-	357,490	-	118,940	2,142,786
2034	2,142,786	-	353,375	-	106,169	1,895,580
2035	1,895,580	-	349,523	-	92,924	1,638,981
2036	1,638,981	-	347,418	-	79,125	1,370,688
2037	1,370,688	-	343,242	-	64,750	1,092,196
2038	1,092,196	-	337,589	-	49,864	804,471
2039	804,471	-	332,009	-	34,477	506,939
2040	506,939	-	324,639	-	18,609	200,909
2041	200,909	-	315,195	-	-	-

*All DROP Balances paid in 2020.

Number of Years Expected Benefit Payments Sustained: 21.64

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 5.40% 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: 9.40%

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
2020	4,228,633	-	326,308	-	382,155	4,284,480
2021	4,284,480	-	252,333	-	390,881	4,423,028
2022	4,423,028	-	292,048	-	402,038	4,533,018
2023	4,533,018	-	300,392	-	411,985	4,644,611
2024	4,644,611	-	315,141	-	421,782	4,751,252
2025	4,751,252	-	324,302	-	431,375	4,858,325
2026	4,858,325	-	331,838	-	441,086	4,967,573
2027	4,967,573	-	338,366	-	451,049	5,080,256
2028	5,080,256	-	341,874	-	461,476	5,199,858
2029	5,199,858	-	344,068	-	472,615	5,328,405
2030	5,328,405	-	346,117	-	484,603	5,466,891
2031	5,466,891	-	365,491	-	496,710	5,598,110
2032	5,598,110	-	360,789	-	509,265	5,746,586
2033	5,746,586	-	357,490	-	523,377	5,912,473
2034	5,912,473	-	353,375	-	539,164	6,098,262
2035	6,098,262	-	349,523	-	556,809	6,305,548
2036	6,305,548	-	347,418	-	576,393	6,534,523
2037	6,534,523	-	343,242	-	598,113	6,789,394
2038	6,789,394	-	337,589	-	622,336	7,074,141
2039	7,074,141	-	332,009	-	649,365	7,391,497
2040	7,391,497	-	324,639	-	679,543	7,746,401
2041	7,746,401	-	315,195	-	713,348	8,144,554
2042	8,144,554	-	306,724	-	751,172	8,589,002
2043	8,589,002	-	298,164	-	793,352	9,084,190
2044	9,084,190	-	288,037	-	840,376	9,636,529
2045	9,636,529	-	277,196	-	892,806	10,252,139
2046	10,252,139	-	265,798	-	951,209	10,937,550
2047	10,937,550	-	254,496	-	1,016,168	11,699,222
2048	11,699,222	-	243,267	-	1,088,293	12,544,248
2049	12,544,248	-	232,066	-	1,168,252	13,480,434
2050	13,480,434	-	221,104	-	1,256,769	14,516,099
2051	14,516,099	-	210,432	-	1,354,623	15,660,290
2052	15,660,290	-	200,040	-	1,462,665	16,922,915
2053	16,922,915	-	189,983	-	1,581,825	18,314,757
2054	18,314,757	-	180,331	-	1,713,112	19,847,538
2055	19,847,538	-	171,022	-	1,857,631	21,534,147
2056	21,534,147	-	162,009	-	2,016,595	23,388,733
2057	23,388,733	-	153,254	-	2,191,338	25,426,817
2058	25,426,817	-	144,709	-	2,383,319	27,665,427
2059	27,665,427	-	136,338	-	2,594,142	30,123,231
2060	30,123,231	-	128,117	-	2,825,562	32,820,676
2061	32,820,676	-	120,039	-	3,079,502	35,780,139
2062	35,780,139	-	112,120	-	3,358,063	39,026,082
2063	39,026,082	-	104,391	-	3,663,545	42,585,236
2064	42,585,236	-	96,879	-	3,998,459	46,486,816
2065	46,486,816	-	89,613	-	4,365,549	50,762,752
2066	50,762,752	-	82,629	-	4,767,815	55,447,938
2067	55,447,938	-	75,916	-	5,208,538	60,580,560
2068	60,580,560	-	69,469	-	5,691,308	66,202,399
2069	66,202,399	-	63,306	-	6,220,050	72,359,143
2070	72,359,143	-	57,449	-	6,799,059	79,100,753
2071	79,100,753	-	51,922	-	7,433,030	86,481,861
2072	86,481,861	-	46,744	-	8,127,098	94,562,215

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 3
Hypothetical Assumptions: 9.40%

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
2073	94,562,215	-	41,920	-	8,886,878	103,407,173
2074	103,407,173	-	37,458	-	9,718,514	113,088,229
2075	113,088,229	-	33,361	-	10,628,726	123,683,594
2076	123,683,594	-	29,617	-	11,624,866	135,278,843
2077	135,278,843	-	26,199	-	12,714,980	147,967,624
2078	147,967,624	-	23,082	-	13,907,872	161,852,414
2079	161,852,414	-	20,242	-	15,213,176	177,045,348
2080	177,045,348	-	17,636	-	16,641,434	193,669,146
2081	193,669,146	-	15,230	-	18,204,184	211,858,100
2082	211,858,100	-	13,007	-	19,914,050	231,759,143
2083	231,759,143	-	10,965	-	21,784,844	253,533,022
2084	253,533,022	-	9,109	-	23,831,676	277,355,589
2085	277,355,589	-	7,443	-	26,071,076	303,419,222
2086	303,419,222	-	5,971	-	28,521,126	331,934,377
2087	331,934,377	-	4,698	-	31,201,611	363,131,290
2088	363,131,290	-	3,624	-	34,134,171	397,261,837
2089	397,261,837	-	2,740	-	37,342,484	434,601,581
2090	434,601,581	-	2,027	-	40,852,453	475,452,007
2091	475,452,007	-	1,468	-	44,692,420	520,142,959
2092	520,142,959	-	1,043	-	48,893,389	569,035,305
2093	569,035,305	-	727	-	53,489,285	622,523,863
2094	622,523,863	-	497	-	58,517,220	681,040,586
2095	681,040,586	-	333	-	64,017,799	745,058,052
2096	745,058,052	-	221	-	70,035,447	815,093,278
2097	815,093,278	-	145	-	76,618,761	891,711,894
2098	891,711,894	-	93	-	83,820,914	975,532,715
2099	975,532,715	-	59	-	91,700,072	1,067,232,728
2100	1,067,232,728	-	37	-	100,319,875	1,167,552,566
2101	1,167,552,566	-	22	-	109,749,940	1,277,302,484
2102	1,277,302,484	-	13	-	120,066,433	1,397,368,904
2103	1,397,368,904	-	8	-	131,352,677	1,528,721,573
2104	1,528,721,573	-	4	-	143,699,828	1,672,421,397
2105	1,672,421,397	-	2	-	157,207,611	1,829,629,006
2106	1,829,629,006	-	1	-	171,985,127	2,001,614,132
2107	2,001,614,132	-	1	-	188,151,728	2,189,765,859
2108	2,189,765,859	-	-	-	205,837,991	2,395,603,850

*All DROP Balances paid in 2020.

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 9.40% 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, 2022

Valuation Date: 10/1/2020

	ACTUAL	HYPOTHETICAL	
	7.40%	5.40%	9.40%
Minimum Required Contribution (Fixed \$)	\$256,548	\$420,615	\$126,942
Minimum Required Contribution (% of Payroll)	26.6%	43.7%	13.1%
Expected Member Contribution	67,402	67,402	67,402
Expected Sponsor Contribution (Fixed \$)	\$189,146	\$353,213	\$59,540
Expected Sponsor Contribution (% of Payroll)	19.6%	36.7%	6.1%

ASSETS

Actuarial Value ¹	4,228,633	4,228,633	4,228,633
Market Value ¹	4,228,633	4,228,633	4,228,633

LIABILITIES

Present Value of Benefits			
Active Members			
Retirement Benefits	3,161,535	4,604,846	2,294,395
Disability Benefits	67,622	92,369	51,583
Death Benefits	11,568	14,653	9,372
Vested Benefits	180,086	279,849	122,245
Refund of Contributions	33,292	34,358	32,301
Service Retirees	1,688,523	2,019,789	1,442,888
DROP Retirees ¹	410,559	469,381	365,955
Beneficiaries	0	0	0
Disability Retirees	283,442	339,862	242,458
Terminated Vested	0	0	0
Total:	5,836,627	7,855,107	4,561,197
Present Value of Future Salaries	6,337,943	7,010,086	5,790,029
Present Value of Future Member Contributions	443,656	490,706	405,302
Total Normal Cost	172,084	258,082	120,344
Present Value of Future Normal Costs (Entry Age Normal)	1,097,061	1,850,337	690,768
Total Actuarial Accrued Liability ¹	4,739,566	6,004,770	3,870,429
Unfunded Actuarial Accrued Liability (UAAL)	510,933	1,776,137	(358,204)

ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR
ENDING SEPTEMBER 30, 2022

Valuation Date: 10/1/2020

	ACTUAL	HYPOTHETICAL	
	7.40%	5.40%	9.40%
<u>PENSION COST</u>			
Normal Cost (with interest)	178,451	265,050	126,000
Administrative Expenses (with interest)	20,930	20,728	21,132
Payment Required To Amortize UAAL (with interest)	57,167	134,837	(20,190)
Minimum Required Contribution	\$256,548	\$420,615	\$126,942

¹ The asset values and liabilities include accumulated DROP Balances as of 9/30/2020.