

Destin Fire Control District

Quarterly Meeting

Retirement Trust Fund Board of Trustees

**848 Airport Road
Destin, Florida 32541**

**November 27, 2017
5:00 p.m.**

Destin Fire Control District
Agenda
Quarterly Meeting
Destin Firefighters' Retirement Trust Fund
848 Airport Road
Destin, Florida 32541

November 27, 2017 at 5:00 pm
The meeting is open to the public

- 1. Meeting called to order by the Chairman**
- 2. Public Comments**
- 3. Reports**
 - a. Attorney Lee Dehner with Christiansen and Dehner
 - 1) Legislative updates
 - 2) Assignment of Legal Services
 - 3) Other
 - b. Brendon Vavrica with AndCo Consulting
 - 1) 9/30/2017 Investment Performance Review
 - c. Drew Ballard with Foster & Foster
 - 1) 10/1/2017 Actuarial Valuation
- 4. Review of minutes**
 - a. Regular meeting – August 28, 2017
- 5. Review of Financial Statements**
 - a. September 30, 2017
- 6. Old Business**
 - a. Election of Officers
- 7. New Business**
 - a. Approval of invoices
 - b. Application for service retirement benefits DROP – James A. Taylor
 - c. Application for service retirement benefits – Adam Hoogendoorn
 - d. Determine total expected annual rate of return
 - e. Counting and certification of ballots for election and appointment of Seat 2
 - f. Proposed 2018 meeting dates
 - g. Recognition of Trustees with expiring terms
- 8. Next Meeting - March 5, 2018 at 5:00pm**
- 9. Adjournment**

OCT 6 2017

Law Offices

Christiansen & Dehner, P.A.

63 Sarasota Center Blvd. Suite 107 Sarasota, Florida 34240 • 941-377-2200 • Fax 941-377-4848

October 5, 2017

VIA UPS OVERNIGHT DELIVERY

Ms. Kathryn Wagner
Destin Fire Control District Firefighters' Retirement Trust Fund
848 Airport Road
Destin, Florida 32541

Re: Legal Representation

Dear Kathryn:

Scott and I have decided to begin the transition to the next phase of our careers. Because of our need to reduce our workload as we age, we have decided to reduce the number of pension plans that we represent. We have decided to more geographically centralize the clients that we serve in order to reduce travel time to still be able to serve as many clients as possible. As we have had a long term relationship with most of our clients and we have made many friends in connection with our representation, the decision to discontinue our representation with any of our clients is very difficult for us. After much consideration and with deep regret, we inform you that we must end our legal representation to the Board of Trustees of the Destin Fire Control District Firefighters' Retirement Trust Fund after years of having served the Board as its legal counsel.

To assure that our clients will continue to receive the best legal advice, representation and service, we have decided to enter into a strategic alliance with the law firm of Klausner, Kaufman, Jensen & Levinson, one of the most experienced and respected public pension law firms in Florida. We have both known Bob Klausner and his partners and associates for over 30 years and we share the highest respect and regard for each other.

Since 1979, Klausner, Kaufman, Jensen & Levinson ("Klausner") has served as legal advisor to more than 100 state and local retirement systems, addressing the full range of fiduciary and benefit issues. This familiarity with Florida public pension plans and the laws that govern them means that there will be no "learning curve" required to be able to provide your Board with the services it needs at the level it deserves and has enjoyed in the past. A uniquely qualified, combined team enables Klausner to offer the resources, experience and advice that will best serve your Board of Trustees. We know that you will be well represented by our longtime friends at Klausner.

Ms. Kathryn Wagner
October 5, 2017
Page 2

Effective January 1, 2018, our firm will transfer your legal work to the law firm of Klausner, Kaufman, Jensen & Levinson. Enclosed is some documentation regarding this firm and its outstanding credentials. We intend to have a representative from this firm accompany us at the Board's next meeting prior to January 1 to allow the Board the opportunity to meet them and discuss their legal representation going forward.

Of course, you do have the right to retain other counsel for representation of the Fund, however we hope our recommendation and endorsement will provide the Board with the assurance that the Fund's business will proceed without interruption or delay. Your Plan will be transferred to Klausner on January 1, 2018 if you do not object to the transfer or request additional time (to a date not later than April 1, 2018) to decide on your representation. If you do not notify us by January 1, 2018 that you object to the transfer of your representation to Klausner or that you need additional time (to a date not later than April 1, 2018), we will accomplish the transfer on that date.

Please contact us with any questions.

Yours very truly,



H. Lee Dehner

Yours very truly,



Scott R. Christiansen

HLD/ksh
enclosures

cc: Robert Klausner

PENSION FUND CONSENT TO ASSIGNMENT OF LEGAL SERVICES AGREEMENT

The Board of Trustees of the Destin Fire Control District Firefighters' Retirement Trust Fund ("Fund") hereby consents to the transfer of the legal services from Christiansen & Dehner, P.A. to Klausner, Kaufman, Jensen & Levinson effective January 1, 2018. The Fund also consents to the assignment of the Legal Services Agreement to Klausner, Kaufman, Jensen & Levinson and legal services will be provided under the same terms and conditions as the original agreement for at least a 3 year period from January 1, 2018. Your consent to the substitution of Counsel will be presumed if you do not object before January 1, 2018 or request an extension of time (to a date not later than April 1, 2018).

BOARD OF TRUSTEES OF THE
DESTIN FIRE CONTROL DISTRICT
FIREFIGHTERS' RETIREMENT TRUST FUND

By: _____
As Chairman

By: _____
As Secretary

Date: _____

PENSION FUND OBJECTION TO SUBSTITUTION OF COUNSEL
AND ASSIGNMENT OF LEGAL SERVICES AGREEMENT

The Board of Trustees of the Destin Fire Control District Firefighters' Retirement Trust Fund ("Fund") hereby OBJECTS to the transfer of the legal services from Christiansen & Dehner, P.A. to Klausner, Kaufman, Jensen & Levinson effective January 1, 2018.

BOARD OF TRUSTEES OF THE
DESTIN FIRE CONTROL DISTRICT
FIREFIGHTERS' RETIREMENT TRUST FUND

By: _____
As Chairman

By: _____
As Secretary

Date: _____



FIRM OVERVIEW

The law firm of **Klausner, Kaufman, Jensen & Levinson** specializes exclusively in the representation of retirement and benefit systems. The firm is composed of seven lawyers in South Florida and an Of Counsel tax practitioner in New Orleans. In addition, we have three clerical/paraprofessional employees and an administrator.

As a result of our substantial involvement on a national level in public employee retirement matters, we have developed a unique level of knowledge and experience. By concentrating our practice in the area of public employee retirement, we are able to keep a focus on changing trends in the law that more general practitioners would consider a luxury.

The law firm of Klausner, Kaufman, Jensen & Levinson, among the most highly regarded in the country in the area of pension issues, is frequently called upon as an educational and fiduciary consultant by state and local governments throughout the United States on some of the newest and most sophisticated issues involving public retirement systems. The examples of those areas are:

Plan Design

The firm provides services to public employee pension plans in the area of plan review, design, and legislative drafting. On both the state and local levels, statutes and ordinances are reviewed for the purpose of maintaining compliance with current and pending Internal Revenue Code Regulations affecting public plans and the Pension Protection Act. When benefit changes occur we prepare all necessary legislative drafts and are available to appear before the appropriate legislative body to answer questions concerning those drafts. We also offer

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www.robertdklausner.com

creative solutions to plan design issues brought about by unexpected economic pressures and balancing those solutions against constitutional or statutory benefit guarantees.

Fiduciary Education

The primary duty of a pension fund lawyer is to ensure that the trustees do the right thing. It is our practice to design and present a variety of educational materials and programs which explain the general principles of fiduciary responsibility, as well as more specific principles regarding voting conflicts, compliance with open meeting laws, conflict of interest laws, etc. We regularly apprise the boards of trustees and administrators through newsletters, memoranda and updates on our website of changes in the law, both legislatively and judicially, which impact upon their duties. We also conduct training workshops to improve the trustees' skills in conducting disability and other benefit hearings.

Plan Policies, Rules, and Procedures

It has been our experience that boards of trustees find themselves in costly and unnecessary litigation because of inconsistency in the administration of the fund. Accordingly, we have worked with our trustee clients in developing policies, rules, and procedures for the administration of the trust fund. The development of these rules ensures uniformity of plan practices and guarantees the due process rights of persons appearing before the board. They also serve to help organize and highlight those situations in which the legislation creating the fund may be in need of revision. By utilizing rule making powers, the board of trustees can help give definition and more practical application to sometimes vague legislative language.

Legal Counseling

In the course of its duties, the board of trustees and administrators will be called upon from time to time to interpret various provisions of the ordinance or statute which governs its conduct. The plan will also be presented with various factual situations which do not lend themselves to easy interpretation. As a result, counsel to the plan is responsible for issuing legal opinions to assist the trustees and staff in performing their function in managing the trust.

Summary Plan Descriptions

Florida law requires that pension plans provide their members with a plain language explanation of their benefits and rights under the plan. Given the complexity of most pension laws, it is also good benefits administration practice. Part of the responsibilities of a fiduciary is to ensure that plan members understand their rights and the benefits which they have earned. We frequently draft plain language summary plan descriptions using a format which is easily updatable as plan provisions change. We are also advising plans on liability issues associated with electronic communication between funds and members as part of our continuing effort at efficient risk management.

Litigation

Despite the best efforts and intentions of the trustees and staff, there will be times when the plan finds itself as either a plaintiff or defendant in a legal action. We have successfully defended retirement plans in claims for benefits, actions regarding under-funding, constitutional questions, discrimination in plan design, and failure of plan fiduciaries to fulfill their responsibilities to the trust. The firm has substantial state and federal court trial experience, including the successful defense of a state retirement system in the Supreme Court of the United States. The firm also has a substantial role in monitoring securities litigation and regularly argues complex appellate matters on both the state and federal levels. We pride ourselves on the vigorous representation of our clients while maintaining close watch on the substantial costs that are often associated with litigation. We are often called upon to provide support in a variety of cases brought by others as expert witnesses or through appearance as an *amicus curiae* (Friend of the Court).

Lawyer Bios

ROBERT D. KLAUSNER, Principal
Klausner, Kaufman, Jensen & Levinson
bob@robertdklausner.com

Mr. Klausner is the principal in the law firm of Klausner, Kaufman, Jensen & Levinson. For 40 years, he has been engaged in the practice of law, specializing in the representation of public employee pension funds. The firm represents state and local retirement systems in more than 20 states and territories, and is listed in the U.S. News & World Report's *Best Law Firms*. Mr. Klausner has assisted in the drafting of many state and local laws on public employee retirement throughout the United States. Mr. Klausner is a frequent speaker on pension education programs and has also published numerous articles on fiduciary obligations of public employee pension trustees. He is co-author of the book State and Local Government Employment Liability, published by Thomson-Reuters West Publishers and is the author of the first comprehensive book on the law of public employee retirement systems, State and Local Government Retirement Law: A Guide for Lawyers, Trustees, and Plan Administrators, originally published in April 2009, and an expanded version which was published in November/December 2016. Mr. Klausner graduated *Phi Beta Kappa* from the University of Florida with a Bachelor of Arts and from the University Florida College of Law with the degree of Juris Doctor. Since 1995, Mr. Klausner has been listed in the publication *The Best Lawyers in America* and holds an "AV pre-eminent" rating, the highest rating for competence and ethics, from *Martindale Hubbell* national lawyer rating service. In 2008, Mr. Klausner successfully represented the Commonwealth of Kentucky and the Kentucky Retirement Systems in the United States Supreme Court in *Kentucky Retirement Systems v. Equal Employment Opportunity Commission*, 128 S. Ct. 2361 (2008). Mr. Klausner lives in Cooper City, Florida with his wife of 41 years, Kathy. They have four daughters, 4 sons-in law, and 5 beautiful grandchildren.

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STUART A. KAUFMAN, Partner
Klausner, Kaufman, Jensen & Levinson
stu@robertdklausner.com

Stuart Kaufman is a partner in the law firm of Klausner, Kaufman, Jensen & Levinson. After graduation from the University of Miami School of Law in 1989, Mr. Kaufman returned to New York where he practiced in a small firm in New York City for three years as a general litigator. He returned to Florida in 1993 and joined the law firm as an associate specializing in different facets of labor and employment law, including the representation of public employee pension funds. In 1997, Mr. Kaufman was retained as General Counsel for the Professional Law Enforcement Association of Dade County, an employee organization dedicated to protecting the rights of law enforcement officers, where he served until January, 2001. Mr. Kaufman was also a sole practitioner at the time operating a general civil practice with an emphasis on employment related matters. Additionally, he volunteered and served as General Counsel for Cops for Kids, Inc., a charitable organization operated by police officers which benefits underprivileged children in South Florida. Since rejoining the Law Firm of Klausner, Kaufman, Jensen & Levinson, in February, 2001, he has been solely dedicated to representing public employee pension funds. He is admitted to the New York Bar, the Florida Bar, and is also admitted to practice before the United States District Court, Southern District of Florida, Middle District of Florida, and the United States Court of Appeals, Eleventh Circuit. Mr. Kaufman graduated from the State University of New York at Binghamton, receiving a Bachelor of Arts degree in political science. Mr. Kaufman received his Juris Doctorate from the University of Miami School of Law. Stuart has been married to Tammy for 24 years and they have two daughters, Nicole, 20 and Cali, 18.

BONNI S. JENSEN, Partner
Klausner, Kaufman, Jensen & Levinson
bonni@robertdklausner.com

Bonni S. Jensen is a partner with Klausner, Kaufman, Jensen & Levinson. Since 1990, Ms. Jensen has specialized in, and served as general counsel to, municipal pension funds. Bonni Jensen has had extensive experience in pension and employee benefits law and related local, state and federal law. She has been a speaker on topics which include DROP plans, fiduciary responsibility, 457 plans, the role of collective bargaining in pension issues, pension plan administration,

meeting preparation, Sunshine Law and ethics and financial disclosure laws at the annual State of Florida Police and Firefighter Pension Conferences and Trustee Schools. She has also attended many seminars related to pension fund topics, such as National Association of Public Pension Attorneys annual conference; controlling disability costs in the public sector; tax issues; pension obligation bonds; securities law; and Guns and Hoses conferences. She regularly participates in the Florida Public Pension Trustees Association conferences and schools for municipal pension funds. Ms. Jensen is admitted to the Florida Bar, and is also admitted to practice before the United States District Court, Southern District of Florida, the United States District Court of Appeals, Eleventh Circuit and the U.S. Supreme Court. Ms. Jensen graduated from Stetson University receiving a Bachelor of Arts degree in sociology. She received her Juris Doctorate from Nova University, where she graduated Magna Cum Laude and served as a senior staff member of the Nova Law Review. She is also an associate member of the Florida Public Pension Trustees Association and a member of the National Association of Public Pension Attorneys. She has been married to Steve since 1984 and they have two children, James and Sarah.

ADAM P. LEVINSON, Partner
Klausner, Kaufman, Jensen & Levinson
adam@robertdklausner.com

Adam Levinson is a partner with the law firm of Klausner, Kaufman, Jensen & Levinson. Upon graduation from the University of Miami School of Law, Mr. Levinson clerked for Chief Judge Alan R. Schwartz at the State of Florida Third District Court of Appeal. After completing his judicial clerkship, Mr. Levinson worked as a commercial litigator in one of Florida's oldest and largest law firms. Since joining the law firm of Klausner, Kaufman, Jensen & Levinson, Mr. Levinson has specialized in the representation of public sector pension plans, with an emphasis on plan drafting, board counseling, and fiduciary responsibility in the area of pension investing. He is a member of the Florida and California Bars and is admitted to practice before the United States District Court for the Southern and Middle Districts of Florida and the United States Court of Appeals for the Fifth and Eleventh Circuits. Mr. Levinson graduated Magna Cum Laude from the University of Michigan receiving a Bachelor of Arts degree in history and political science. Mr. Levinson received his Juris Doctorate from the University of Miami School of Law, where he graduated Magna Cum Laude and served as an articles and comments editor for the University of Miami Law Review. Mr. Levinson is a

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frequent speaker at the Florida Public Pension Trustees Association. Adam is married to Leslie Adler Levinson and is the proud father of Max, Mira, and Maya Levinson.

PAUL A. DARAGJATI, Esquire
Klausner, Kaufman, Jensen & Levinson
paul@robertdklausner.com

Paul Daragjati is an associate with the law firm of Klausner, Kaufman, Jensen & Levinson. Mr. Daragjati graduated from the University of North Florida in 1993, and thereafter entered service with the Jacksonville Sheriff's Office, where he worked as a police officer until 2001. At that time Mr. Daragjati attended the Florida State University School of Law, and upon graduation in 2003, entered service with the Office of the State Attorney for the Fourth Judicial Circuit of Florida, where he prosecuted both felonies and misdemeanors. In 2007, Mr. Daragjati was retained by the Fraternal Order of Police, Jacksonville Consolidated Lodge 5-30, where he served as general counsel until he joined the firm in 2013. As general counsel to the Jacksonville FOP, Mr. Daragjati represented over 2500 police and correctional officers in labor, employment, criminal and administrative matters, as well as civil and appellate litigation in state and federal courts. Additionally, Mr. Daragjati represented over 100 officers involved in deadly force encounters. Mr. Daragjati is admitted to practice before the Florida courts and the United States Courts for the Middle and Southern Districts of Florida, the Eleventh Circuit Court of Appeals and the United States Supreme Court. Mr. Daragjati's professional memberships have included the Florida Bar's Fourth Circuit Grievance Committee, where he served as chairman. In addition to his professional memberships, Mr. Daragjati has served as a board member for the Jacksonville Youth Sanctuary, a non-profit organization providing housing for young people involved in the child welfare system, a member of the Knights of Columbus and a lifetime member of the National Rifle Association. At the firm, Mr. Daragjati represents pension funds and related entities and continues to defend police and correctional officers in federal civil rights cases. Mr. Daragjati has been married to his wife Sonila for 23 years and together they are the parents of two beautiful daughters, Rose, 22 (another proud 'Nole!), and Anna, 17.

ANNA R. KLAUSNER PARISH, Esquire
anna@robertdklausner.com

Anna Klausner Parish is an associate with the law firm of Klausner, Kaufman, Jensen & Levinson. Ms. Parish graduated from the University of Florida in 2013 with honors. Ms. Parish graduated from Stetson University College of Law in 2016 and thereafter joined the firm. She is a member of The Florida Bar and Florida Blue Key. Anna lives in Cooper City with her husband, Kyle.

STEPHEN H. CYPEN, Esquire
Senior Counsel to Klausner, Kaufman, Jensen & Levinson

Born May 29, 1944 in St. Petersburg, Florida, Steve grew up in Miami Beach and attended Miami Beach Senior High School. He holds a B.A. from the University of Florida and a J.D. from the University of Miami. Steve began practicing law in 1968 and has been representing Florida Municipal Pensions since that time. He is certified by The Florida Bar in City, County and Local Government Law. He is the past President of the Miami Beach Bar Association; past President of the Miami Beach Civic League; past President of the Miami Beach Kiwanis Club and Chairman *Emeritus*, Miami Jewish Health Systems.

Steve is actively involved in the following pension sector professional activities: Florida Public Pension Trustees' Association (FPPTA), Government Finance Officers' Association (GFOA), National Association of Public Pension Attorneys (NAPPA) and The International Foundation of Employee Benefit Plans (IFEBCP). He serves as general counsel to approximately thirty (30) municipal pension plans, including all police officers' and firefighters' plans involving the City of Miami Beach.

Steve has been married to Arlyn since 1971 and has two daughters and four grandchildren.

ROBERT E. TARCZA, Esquire, Of Counsel
Tarcza & Associates, LLC
1310 Whitney Building
228 St. Charles Avenue
New Orleans, LA 70130
bobt@tqlaw.net

Robert E. Tarcza, Born Alton, Illinois, January 26, 1956; admitted to bar, 1981, Louisiana. Education: Loyola University (B.A., cum laude, 1978; J.D., 1981). Pi Sigma Alpha; Psi Chi; Blue Key. Managing Editor, Loyola Law Review, 1980-1981. Winner, Louisiana Trial Lawyers Association Award for Appellate Advocacy, Loyola, 1979. Mr. Tarcza has written numerous scholarly articles on matters of interest to the bar including: "Jury Review of Tax Consequences of FELA Damage Awards Now Considered Appropriate", Loyola Law Review, (1980); "The Public Trust Doctrine as a Basis for Environmental Litigation in Louisiana", Loyola Law Review (1981); "Keeping Inter Vivos Gifts and Trust Principal Out of the Grantor's Gross Estate", Prentice Hall Successful Estate Planning Ideas and Methods Paragraph 2019 (1985), substantially revised (1990). Mr. Tarcza regularly instructs lawyers and accountants in estate planning and probate law at various trade seminars.

Mr. Tarcza is a member of many professional, civic and charitable associations, including the New Orleans and Louisiana State (Member, Section of Taxation) Bar Associations, the New Orleans Estate Planning Council, the Better Than Ezra Foundation, the Greater New Orleans Entertainment Foundation and the Rotary Club of New Orleans. Mr. Tarcza is a Board Certified Tax Attorney under the plan established by the Louisiana State Bar Association Specialization Board (Taxation). Mr. Tarcza is an Accredited Estate Planner under the rules of the National Association of Estate Planning Councils. He is also listed in Who's Who in American Law, Martindale Hubbell's Bar Register of Preeminent Lawyers and is a Super Lawyer in Tax Law under the Thompson-Reuters evaluation program. Mr. Tarcza has been an "av" rated lawyer (the highest category for legal competence and ethics) for over 25 consecutive years. He has handled regulatory litigation, probate litigation, accounting malpractice actions, officer and director liability litigation and tort matters, both as a plaintiff and defense representative. Mr. Tarcza is admitted to practice before the United States Supreme Court, the U.S. Fifth Circuit Court of Appeals, U.S. District Courts in Louisiana, Mississippi, Texas and Illinois, the U.S. Tax Court and all state courts in Louisiana.

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DESTIN FIRE CONTROL DISTRICT
FIREFIGHTERS' RETIREMENT TRUST FUND

ACTUARIAL VALUATION
AS OF OCTOBER 1, 2017

CONTRIBUTIONS APPLICABLE TO THE PLAN
FISCAL YEAR ENDED SEPTEMBER 30, 2018



November 21, 2017

Board of Trustees
Destin Fire Control District
Firefighters' Retirement Trust Fund
848 Airport Road
Destin, FL 32541

Re: Destin Fire Control District Firefighters' Retirement Trust Fund

Dear Board:

We are pleased to present to the Board this report of the annual actuarial valuation of the Destin Fire Control District Firefighters' Retirement Trust Fund. Included are the related results for GASB Statements No. 67 and No. 68. The funding valuation was performed to determine whether the assets and contributions are sufficient to provide the prescribed benefits and to develop the appropriate funding requirements for the applicable plan year. The calculation of the liability for GASB results was performed for the purpose of satisfying the requirements of GASB Statements No. 67 and No. 68. Use of the results for other purposes may not be applicable and may produce significantly different results.

The valuations have been conducted in accordance with generally accepted actuarial principles and practices, including the applicable Actuarial Standards of Practice as issued by the Actuarial Standards Board, and reflects laws and regulations issued to date pursuant to the provisions of Chapters 112 and 175, Florida Statutes, as well as applicable federal laws and regulations. In our opinion, the assumptions used in this valuation, as adopted by the Board of Trustees, represent reasonable expectations of anticipated plan experience. Future actuarial measurements may differ significantly from the current measurements presented in this report for a variety of reasons including: changes in applicable laws, changes in plan provisions, changes in assumptions, or plan experience differing from expectations.

In conducting the valuations, we have relied on personnel, plan design, and asset information supplied by the Destin Fire Control District, financial reports prepared by the custodian bank, and the actuarial assumptions and methods described in the Actuarial Assumptions section of this report. While we cannot verify the accuracy of all this information, the supplied information was reviewed for consistency and reasonableness. As a result of this review, we have no reason to doubt the substantial accuracy of the information and believe that it has produced appropriate results. This information, along with any adjustments or modifications, is summarized in various sections of this report.

The total pension liability, net pension liability, and certain sensitivity information shown in this report are based on an actuarial valuation performed as of October 1, 2016. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year ending September 30, 2017 using generally accepted actuarial principles. It is our opinion that the assumptions used for this purpose are internally consistent, reasonable, and comply with the requirements under GASB No. 67 and No. 68.

The undersigned is familiar with the immediate and long-term aspects of pension valuations, and meets the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial opinions contained herein. All of the sections of this report are considered an integral part of the actuarial opinions.

To our knowledge, no associate of Foster & Foster, Inc. working on valuations of the program has any direct financial interest or indirect material interest in the Destin Fire Control District, nor does anyone at Foster & Foster, Inc. act as a member of the Board of Trustees of the Firefighters' Retirement System. Thus, there is no relationship existing that might affect our capacity to prepare and certify this actuarial report.

If there are any questions, concerns, or comments about any of the items contained in this report, please contact me at 239-433-5500.

Respectfully submitted,

Foster & Foster, Inc.

By:



Drew D. Ballard, EA, MAAA
Enrolled Actuary #17-8193

DDB/lke

Enclosures

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SUMMARY OF REPORT

The regular annual actuarial valuation of the Destin Fire Control District Firefighters' Retirement Trust Fund, performed as of October 1, 2017, has been completed, and the results are presented in this Report. The results of this valuation are applicable to the plan/fiscal year ended September 30, 2018.

The funding requirements, compared with the amounts set forth in the October 1, 2016 actuarial valuation report, are as follows:

Valuation Date	10/1/2017	10/1/2016
Applicable Fiscal Year End	<u>9/30/2018</u>	<u>9/30/2017</u>
Total Required Contribution % of Total Annual Payroll	79.3%	86.7%
Member Contributions (Est.) % of Total Annual Payroll	6.8%	6.8%
Required District and State Cont. % of Total Annual Payroll	72.5%	79.9%
State Contributions ¹ % of Total Annual Payroll	265,392 15.5%	265,392 15.5%
Balance from District % of Total Annual Payroll	57.0%	64.4%

¹ Amount shown is an estimate based on the amounts received during fiscal 2017. The District and membership have mutually agreed that the District may use all State Contributions when determining its minimum funding requirements for the duration of the current collective bargaining agreement. For budgeting purposes, the required Sponsor Contribution (District and State) is 72.5% of Pensionable Earnings for the fiscal year ending September 30, 2018. The precise District requirement for the year is this amount, less actual allowable State Contributions.

Please note that the District contributed more than what was required in 2017. The excess contribution reduced the plan's unfunded liability by \$283,912.97 and reduced the September 30, 2018 contribution requirement by 1.7% of payroll. As requested, a development of the District's excess contribution can be found on page 26.

As can be seen above, the Total Required Contribution has decreased as a percentage of payroll. The decrease is primarily due to the District's excess contribution during the year as well as Total Annual

Payroll increasing by more than expected. These decreases were offset somewhat by increases associated with net unfavorable experience realized by the plan during the year.

Plan experience was unfavorable overall on the basis of the plan's actuarial assumptions. The principal sources of unfavorable experience were average increases in pensionable salary that were greater than expected, unfavorable turnover experience, no inactive mortality, and a 7.03% investment return (Actuarial Asset basis) that fell short of the 7.50% assumption. There were no significant sources of favorable experience.

For informational purposes, the District's funding requirements, when expressed as a percentage of payroll including an estimate of the annual pay for the DROP Members, is approximately 9% less than the rate shown above. The District should budget based on the information on page 5.

The balance of this Report presents additional details of the actuarial valuation and the general operation of the Fund. The undersigned would be pleased to meet with the Board of Trustees in order to discuss the Report and answer any pending questions concerning its contents.

Respectfully submitted,

FOSTER & FOSTER, INC.

By: 
Jason L. Franken, FSA, EA, MAAA

By: 
Drew D. Ballard, EA, MAAA

CHANGES SINCE PRIOR VALUATION

Plan Changes

There have been no changes since the prior valuation.

Actuarial Assumption/Method Changes

The following change was made in conjunction with this valuation:

- As mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed from the rates used by the Florida Retirement System actuary in the July 1, 2015 actuarial valuation to the rates used in the July 1, 2016 actuarial valuation for special risk lives.

CONTRIBUTION IMPACT OF ANNUAL CHANGES

(1) Contribution Determined as of October 1, 2016	60.4%
(2) Summary of Contribution Impact by component:	
Change in Available State Money	4.0%
Change in Normal Cost Rate	-0.8%
Change in Administrative Expense Percentage	0.2%
Payroll Change Effect on UAAL Amortization	-6.7%
Investment Return (Actuarial Asset Basis)	0.4%
Salary Increases	1.5%
Active Decrements	0.4%
Inactive Mortality	0.2%
Sponsor Contributions More Than Required	-1.7%
Other	<u>-0.9%</u>
Total Change in Contribution	-3.4%
(3) Contribution Determined as of October 1, 2017	57.0%

COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS

	<u>10/1/2017</u>	<u>10/1/2016</u>
A. Participant Data		
Actives	28	25
Service Retirees	10	10
DROP Retirees	4	3
Beneficiaries	1	1
Disability Retirees	1	1
Terminated Vested	<u>8</u>	<u>7</u>
Total	52	47
Total Annual Payroll	\$1,709,674	\$1,507,040
Payroll Under Assumed Ret. Age	1,709,674	1,507,040
Annual Rate of Payments to:		
Service Retirees	720,019	704,831
DROP Retirees	255,881	168,669
Beneficiaries	57,749	56,617
Disability Retirees	14,297	14,297
Terminated Vested	155,026	155,124
B. Assets		
Actuarial Value (AVA) ¹	18,308,131	16,222,499
Market Value (MVA) ¹	18,376,893	15,601,817
C. Liabilities		
Present Value of Benefits		
Actives		
Retirement Benefits	11,311,015	10,798,928
Disability Benefits	53,429	45,593
Death Benefits	30,454	64,655
Vested Benefits	527,433	533,030
Refund of Contributions	26,027	12,810
Service Retirees	10,631,399	10,535,592
DROP Retirees ¹	4,801,104	3,308,136
Beneficiaries	411,376	437,458
Disability Retirees	176,373	177,037
Terminated Vested	<u>1,443,461</u>	<u>1,336,131</u>
Total	29,412,071	27,249,370

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C. Liabilities - (Continued)	<u>10/1/2017</u>	<u>10/1/2016</u>
Present Value of Future Salaries	9,879,644	7,918,292
Present Value of Future Member Contributions	671,816	538,444
Normal Cost (Retirement)	395,765	359,796
Normal Cost (Disability)	5,693	4,684
Normal Cost (Death)	2,466	4,992
Normal Cost (Vesting)	52,203	45,987
Normal Cost (Refunds)	<u>3,192</u>	<u>2,019</u>
Total Normal Cost	459,319	417,478
Present Value of Future Normal Costs	2,307,119	2,040,995
Accrued Liability (Retirement)	9,334,722	9,058,662
Accrued Liability (Disability)	19,016	19,862
Accrued Liability (Death)	17,454	40,511
Accrued Liability (Vesting)	268,291	293,585
Accrued Liability (Refunds)	1,756	1,401
Accrued Liability (Inactives) ¹	<u>17,463,713</u>	<u>15,794,354</u>
Total Actuarial Accrued Liability (EAN AL)	27,104,952	25,208,375
Unfunded Actuarial Accrued Liability (UAAL)	8,796,821	8,985,876
Funded Ratio (AVA / EAN AL)	67.5%	64.4%

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D. Actuarial Present Value of
Accrued Benefits

	<u>10/1/2017</u>	<u>10/1/2016</u>
Vested Accrued Benefits		
Inactives ¹	17,463,713	15,794,354
Actives	5,815,951	5,976,061
Member Contributions	<u>1,116,110</u>	<u>1,095,111</u>
Total	24,395,774	22,865,526
Non-vested Accrued Benefits	<u>1,327,562</u>	<u>1,177,123</u>
Total Present Value		
Accrued Benefits (PVAB)	25,723,336	24,042,649
Funded Ratio (MVA / PVAB)	71.4%	64.9%

Increase (Decrease) in Present Value of
Accrued Benefits Attributable to:

Plan Amendments	0
Assumption Changes	0
New Accrued Benefits	682,324
Benefits Paid	(775,745)
Interest	1,774,108
Other	<u>0</u>
Total	1,680,687

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Valuation Date	10/1/2017	10/1/2016
Applicable to Fiscal Year Ending	<u>9/30/2018</u>	<u>9/30/2017</u>

E. Pension Cost

Normal Cost (with interest)		
% of Total Annual Payroll ²	27.9	28.7
Administrative Expenses (with interest)		
% of Total Annual Payroll ²	1.9	1.7
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 25 years (as of 10/1/2017, with interest)		
% of Total Annual Payroll ²	49.5	56.3
Total Required Contribution		
% of Total Annual Payroll ²	79.3	86.7
Expected Member Contributions		
% of Total Annual Payroll ²	6.8	6.8
Expected District and State Contribution		
% of Total Annual Payroll ²	72.5	79.9

F. Past Contributions

Plan Years Ending: 9/30/2017

Total Required Contribution	1,436,031
District and State Requirement	1,323,401

Actual Contributions Made:

Members (excluding buyback)	112,630
District	1,315,961
State	<u>291,353</u>
Total	1,719,944

G. Net Actuarial (Gain)/Loss 434,905

¹ The asset values and liabilities include accumulated DROP Plan Balances as of 9/30/2017 and 9/30/2016.

² Contributions developed as of 10/1/2017 are expressed as a percentage of total annual payroll at 10/1/2017 of \$1,709,674.

H. Schedule Illustrating the Amortization of the Total Unfunded Actuarial Accrued Liability as of:

<u>Year</u>	<u>Projected Unfunded Actuarial Accrued Liability</u>
2017	8,796,821
2018	8,579,680
2019	8,346,254
2025	6,528,479
2031	3,723,108
2036	575,980
2042	0

I. (i) 3 Year Comparison of Actual and Assumed Salary Increases

		<u>Actual</u>	<u>Assumed</u>
Year Ended	9/30/2017	5.30%	4.61%
Year Ended	9/30/2016	-1.94%	4.63%
Year Ended	9/30/2015	0.70%	7.50%

(ii) 3 Year Comparison of Investment Return on Actuarial Value

		<u>Actual</u>	<u>Assumed</u>
Year Ended	9/30/2017	7.03%	7.50%
Year Ended	9/30/2016	7.75%	8.00%
Year Ended	9/30/2015	6.87%	8.00%

(iii) Average Annual Payroll Growth

(a) Payroll as of:	10/1/2017	\$1,709,674
	10/1/2007	2,019,855
(b) Total Increase		-15.36%
(c) Number of Years		10.00
(d) Average Annual Rate		-1.65%

STATEMENT BY ENROLLED ACTUARY

This actuarial valuation was 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, the techniques and assumptions used are reasonable and meet the requirements and intent of Part VII, Chapter 112, Florida Statutes. There is no benefit or expense to be provided by the plan and/or paid from the plan's assets for which liabilities or current costs have not been established or otherwise taken into account in the valuation. All known events or trends which may require a material increase in plan costs or required contribution rates have been taken into account in the valuation.



Drew D. Ballard, EA, MAAA
Enrolled Actuary #17-8193

Please let us know when the report is approved by the Board and unless otherwise directed we will provide copies of the report to the following offices to comply with Chapter 112 Florida Statutes:

Mr. Keith Brinkman
Bureau of Local
Retirement Systems
Post Office Box 9000
Tallahassee, FL 32315-9000

Ms. Sarah Carr
Municipal Police and Fire
Pension Trust Funds
Division of Retirement
Post Office Box 3010
Tallahassee, FL 32315-3010

RECONCILIATION OF UNFUNDED ACTUARIAL ACCRUED LIABILITIES

(1)	Unfunded Actuarial Accrued Liability as of October 1, 2016	\$8,985,876
(2)	Sponsor Normal Cost developed as of October 1, 2016	314,999
(3)	Expected administrative expenses for the year ended September 30, 2017	25,310
(4)	Expected interest on (1), (2) and (3)	698,515
(5)	Sponsor contributions to the System during the year ended September 30, 2017	1,607,314
(6)	Expected interest on (5)	55,470
(7)	Expected Unfunded Actuarial Accrued Liability as of September 30, 2017 (1)+(2)+(3)+(4)-(5)-(6)	8,361,916
(8)	Change to UAAL due to Assumption Change	0
(9)	Change to UAAL due to Actuarial (Gain)/Loss	434,905
(10)	Unfunded Actuarial Accrued Liability as of October 1, 2017	8,796,821

Type of Base	Date Established	Years Remaining	10/1/2017 Amount	Amortization Amount
Benefit Improv.	10/1/2002	15	463,257	48,820
Benefit Improv.	10/1/2005	18	869,914	83,373
Actuarial Loss	10/1/2006	19	955,957	89,292
Method Change	10/1/2006	19	496,655	46,390
Actuarial Loss	10/1/2007	20	191,858	17,507
Benefit Improv.	10/1/2007	20	1,723,882	157,302
Benefit Improv.	10/1/2007	20	2,796,897	255,213
Actuarial Loss	10/1/2008	20	2,279,080	207,963
Method Change	10/1/2008	20	(138,522)	(12,640)
Actuarial Gain	10/1/2009	20	(822,780)	(75,077)
Assump Change	10/1/2009	20	288,123	26,291
Actuarial Loss	10/1/2010	20	472,325	43,099
Method Change	10/1/2010	20	(30,686)	(2,800)
Actuarial Gain	10/1/2011	20	(192,627)	(17,577)
Actuarial Gain	10/1/2012	20	(125,354)	(11,438)
Benefit Improv.	10/1/2012	20	612,854	55,922
Actuarial Gain	10/1/2013	21	(348,221)	(31,106)
Actuarial Gain	10/1/2014	22	(1,698,847)	(148,846)
Actuarial Gain	10/1/2015	23	(250,278)	(21,544)

Type of <u>Base</u>	Date <u>Established</u>	Years <u>Remaining</u>	10/1/2017 <u>Amount</u>	Amortization <u>Amount</u>
Assump Change	10/1/2015	23	(24,136)	(2,078)
Assump Change	10/1/2016	24	1,652,603	139,972
Actuarial Gain	10/1/2016	24	(810,038)	(68,608)
Actuarial Loss	10/1/2017	25	<u>434,905</u>	<u>36,294</u>
			8,796,821	815,724

DETAILED ACTUARIAL (GAIN)/LOSS ANALYSIS

(1) Unfunded Actuarial Accrued Liability (UAAL) as of October 1, 2016	\$8,985,876
(2) Expected UAAL as of October 1, 2017	8,361,916
(3) Summary of Actuarial (Gain)/Loss, by component:	
Investment Return (Actuarial Asset Basis)	78,949
Salary Increases	290,455
Active Decrements	81,025
Inactive Mortality	48,941
Other	<u>(64,465)</u>
Increase in UAAL due to (Gain)/Loss	434,905
Assumption Changes	<u>0</u>
(4) Actual UAAL as of October 1, 2017	\$8,796,821

ACTUARIAL ASSUMPTIONS AND METHODS

Mortality Rate

Healthy Lives (Inactive):

Female: RP2000 Generational, 100% Annuitant White Collar, Scale BB.

Male: RP2000 Generational, 10% Annuitant White Collar / 90% Annuitant Blue Collar, Scale BB.

Healthy Lives (Active):

Female: RP2000 Generational, 100% Combined Healthy White Collar, Scale BB.

Male: RP2000 Generational, 10% Combined Healthy White Collar / 90% Combined Healthy Blue Collar, Scale BB.

Disabled Lives:

Female: 60% RP2000 Disabled Female set forward two years / 40% Annuitant White Collar with no setback, no projection scale.

Male: 60% RP2000 Disabled Male setback four years / 40% Annuitant White Collar with no setback, no projection scale.

The above assumption rates were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumption used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in Milliman's July 1, 2016 FRS valuation report. Prior assumption was the July 1, 2015 FRS special risk mortality rates. We feel this assumption sufficiently accommodates future mortality improvements.

Interest Rate

7.5% per year compounded annually, net of investment related expenses. This assumption is supported by the Plan's target asset allocation and expected long-term rate of return by asset class.

Retirement Age

Earlier of: 1) Age 55 and 10 years of Credited Service or 2) 20 Years of Credited Service regardless of age (Age 52 with 25 years of Credited Service for Members hired on or after October 1, 2012). Also, any member who has reached Normal Retirement is assumed to continue employment for one additional year. This assumption is reasonable based on plan provisions.

Early Retirement

Commencing with the earliest Early Retirement Age (50), members are assumed to retire with an immediate

subsidized benefit at the rate of 5% per year. This assumption is reasonable based on plan provisions.

Disability Rate

See table below (1201). It is assumed that 75% of disablements are service related. This assumption is based on assumptions used for other plans containing municipal firefighters.

Termination Rate

See table below (1302). This assumption is based on assumptions used for other plans containing municipal firefighters.

Salary Increases

Credited Service	Salary Increase
0	10.0%
1	9.0%
2	8.0%
3	7.5%
4	7.0%
5	6.5%
6	6.0%
7	5.5%
8	5.0%
9	4.5%
10+	4.0%

This assumption is based on the results of an experience study dated August 28, 2015.

Administrative Expenses

\$32,011, based on administrative expenses incurred during the prior fiscal year.

Payroll Increase

None.

Funding Method

Entry Age Normal Actuarial Cost Method

Actuarial Asset Method

All assets are valued at market value with an adjustment made to uniformly spread actuarial investment gains and losses (as measured by actual market value investment return against expected market value investment return) over a five-year period.

	<u>% Becoming Disabled During the Year</u>	<u>% Terminating During the Year</u>
20	0.03%	6.0%
30	0.04%	5.0%
40	0.07%	2.6%
50	0.18%	0.8%

VALUATION NOTES

Total Annual Payroll is the projected annual rate of pay for the fiscal year following the valuation date of all covered Members.

Present Value of Benefits is the single sum value on the valuation date of all future benefits to be paid to current Members, Retirees, Beneficiaries, Disability Retirees and Vested Terminations.

Normal (Current Year's) Cost is determined for each participant as the present value of future benefits, determined as of the member's entry age, amortized as a level percentage of compensation over the anticipated number of years of participation, determined as of the entry age.

Individual Entry Age Normal Actuarial Cost Method (Level Percent of Compensation) is the method used to determine required contributions under the Plan. The use of this method involves the systematic funding of the Normal Cost (described above) and the Unfunded Accrued (Past Service) Liability. The actuarial accrued liability for active participants is the difference between the present value of future benefits and the present value of future Normal Costs. The actuarial accrued liability for inactive participants is the present value of future benefits.

Unfunded Actuarial Accrued Liability (UAAL) is the difference between the actuarial accrued liability (described above) and the actuarial value of assets. Under the Entry Age Normal Actuarial Cost Method, an actuarial gain or loss, based on actual versus expected UAAL, is determined in conjunction with each valuation of the plan.

Total Required Contribution is equal to the Normal Cost plus an amount sufficient to amortize the Unfunded Accrued Liability over no more than 30 years. The required amount is adjusted for interest according to the timing of contributions during the year.

STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2017

<u>ASSETS</u>	COST VALUE	MARKET VALUE
Cash and Cash Equivalents:		
Short Term Investments	234,845.11	234,845.11
Total Cash and Equivalents	234,845.11	234,845.11
Receivables:		
Investment Income	11,781.24	11,781.24
Total Receivable	11,781.24	11,781.24
Investments:		
Mutual Funds:		
Fixed Income	5,261,599.77	5,318,923.25
Equity	10,000,438.33	11,299,649.13
Pooled/Common/Commingled Funds:		
Real Estate	1,496,898.59	1,519,270.09
Total Investments	16,758,936.69	18,137,842.47
Total Assets	17,005,563.04	18,384,468.82
<u>LIABILITIES</u>		
Payables:		
Investment Expenses	7,278.01	7,278.01
Administrative Expenses	297.50	297.50
Total Liabilities	7,575.51	7,575.51
NET POSITION RESTRICTED FOR PENSIONS	16,997,987.53	18,376,893.31

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2017
Market Value Basis

ADDITIONS

Contributions:

Member	112,629.85	
District	1,315,961.01	
State	291,352.69	

Total Contributions		1,719,943.55
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Investment Income:

Net Realized Gain (Loss)	27,768.35	
Unrealized Gain (Loss)	1,393,295.38	
Net Increase in Fair Value of Investments		1,421,063.73
Interest & Dividends		485,591.65
Less Investment Expense ¹		(43,767.40)

Net Investment Income		1,862,887.98
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Total Additions		3,582,831.53
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DEDUCTIONS

Distributions to Members:

Benefit Payments	775,744.53	
Lump Sum DROP Distributions	0.00	
Refunds of Member Contributions	0.00	

Total Distributions		775,744.53
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Administrative Expense		32,010.71
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Total Deductions		807,755.24
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Net Increase in Net Position		2,775,076.29
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NET POSITION RESTRICTED FOR PENSIONS

Beginning of the Year		15,601,817.02
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End of the Year		18,376,893.31
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¹Investment related expenses include investment advisory, custodial and performance monitoring fees.

ACTUARIAL ASSET VALUATION
September 30, 2017

Actuarial Assets for funding purposes are developed by recognizing the total actuarial investment gain or loss for each Plan Year over a five year period. In the first year, 20% of the gain or loss is recognized. In the second year 40%, in the third year 60%, in the fourth year 80%, and in the fifth year 100% of the gain or loss is recognized. The actuarial investment gain or loss is defined as the actual return on investments minus the actuarial assumed investment return. Actuarial Assets shall not be less than 80% nor greater than 120% of Market Value of Assets.

Plan Year Ending	Gain/(Loss)	<u>Gains/Losses Not Yet Recognized</u>				
		Amounts Not Yet Recognized by Valuation Year				
		2017	2018	2019	2020	2021
09/30/2013	243,204	0	0	0	0	0
09/30/2014	519,012	103,804	0	0	0	0
09/30/2015	(1,940,329)	(776,132)	(388,065)	0	0	0
09/30/2016	359,088	215,453	143,635	71,816	0	0
09/30/2017	657,046	525,637	394,228	262,818	131,410	0
Total		68,762	149,798	334,634	131,410	0

<u>Development of Investment Gain/Loss</u>	
Market Value of Assets, including Prepaid Contributions, 09/30/2016	15,641,779
Contributions Less Benefit Payments & Admin Expenses	872,226
Expected Investment Earnings	1,205,842
Actual Net Investment Earnings	1,862,888
2017 Actuarial Investment Gain/(Loss)	<u>657,046</u>

*Expected Investment Earnings = $0.075 * (15,641,779 + 0.5 * 872,226)$

<u>Development of Actuarial Value of Assets</u>	
(1) Market Value of Assets, 09/30/2017	18,376,893
(2) Gains/(Losses) Not Yet Recognized	<u>68,762</u>
(3) Actuarial Value of Assets, 09/30/2017, (1) - (2)	18,308,131
(A) 09/30/2016 Actuarial Assets, including Prepaid Contributions:	16,262,461
(I) Net Investment Income:	
1. Interest and Dividends	485,592
2. Realized Gains (Losses)	27,768
3. Change in Actuarial Value	703,851
4. Investment Expenses	<u>(43,767)</u>
Total	1,173,444
(B) 09/30/2017 Actuarial Assets:	18,308,131
Actuarial Assets Rate of Return = $2I/(A+B-I)$:	7.03%
Market Value of Assets Rate of Return:	11.67%
Actuarial Gain/(Loss) due to Investment Return (Actuarial Asset Basis)	(78,949)
10/01/2017 Limited Actuarial Assets:	18,308,131

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CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
SEPTEMBER 30, 2017
Actuarial Asset Basis

REVENUES

Contributions:		
Member	112,629.85	
District	1,315,961.01	
State	291,352.69	
Total Contributions		1,719,943.55
Earnings from Investments:		
Interest & Dividends	485,591.65	
Net Realized Gain (Loss)	27,768.35	
Change in Actuarial Value	703,851.38	
Total Earnings and Investment Gains		1,217,211.38

EXPENDITURES

Distributions to Members:		
Benefit Payments	775,744.53	
Lump Sum DROP Distributions	0.00	
Refunds of Member Contributions	0.00	
Total Distributions		775,744.53
Expenses:		
Investment related ¹	43,767.40	
Administrative	32,010.71	
Total Expenses		75,778.11
Change in Net Assets for the Year		2,085,632.29
Net Assets Beginning of the Year		16,222,499.02
Net Assets End of the Year ²		18,308,131.31

¹Investment related expenses include investment advisory, custodial and performance monitoring fees.

²Net Assets may be limited for actuarial consideration.

DEFERRED RETIREMENT OPTION PLAN ACTIVITY
October 1, 2016 to September 30, 2017

Beginning of the Year Balance	537,064.37
Plus Additions	168,669.12
Investment Return Earned	40,790.56
Less Distributions	0.00
End of the Year Balance	746,524.05

RECONCILIATION OF DISTRICT'S EXCESS CONTRIBUTION
FOR THE FISCAL YEAR ENDED (FYE) SEPTEMBER 30, 2017

(1) Total Required Contribution Rate	86.70%
(2) Pensionable Payroll Derived from Member Contributions	\$1,656,321.32
(3) Total Required Contribution (1) x (2)	1,436,030.58
(4) Less Actual Member Contributions	(112,629.85)
(5) Less Allowable State Contribution	<u>(291,352.69)</u>
(6) Equals Required District Contribution for Fiscal 2017	1,032,048.04
(7) Less 2016 Prepaid Contribution	(39,961.90)
(8) Less Actual District Contributions	<u>(1,275,999.11)</u>
(9) Equals District's Shortfall/(Excess) Contribution ¹ as of September 30, 2017	(\$283,912.97)

¹ Please note that the District elected to apply the entire contribution towards the September 30, 2017 contribution requirement. As requested, this exhibit develops the amount of the excess contribution. The excess contribution reduces the unfunded liability and does not generate a prepaid contribution to be used in the future.

STATISTICAL DATA ¹

	<u>10/1/2014</u>	<u>10/1/2015</u>	<u>10/1/2016</u>	<u>10/1/2017</u>
<u>Actives - Hired Before 10/1/12</u>				
Number	24	23	21	20
Average Current Age	39.8	40.8	41.9	42.5
Average Age at Employment	26.5	26.8	26.8	27.0
Average Past Service	13.3	14.0	15.1	15.5
Average Annual Salary	\$66,609	\$64,902	\$63,454	\$67,579

Actives - Hired On/After 10/1/12

Number	2	2	4	8
Average Current Age	31.8	32.8	31.8	30.2
Average Age at Employment	31.7	31.7	30.4	28.9
Average Past Service	0.1	1.1	1.4	1.3
Average Annual Salary	\$42,075	\$43,227	\$43,626	\$44,762

Service Retirees

Number	7	9	10	10
Average Current Age	N/A	55.3	56.8	57.8
Average Annual Benefit	\$79,930	\$71,101	\$70,483	\$72,002

DROP Retirees

Number	3	4	3	4
Average Current Age	N/A	49.4	46.8	48.7
Average Annual Benefit	\$54,355	\$53,866	\$56,223	\$63,970

Beneficiaries

Number	0	0	1	1
Average Current Age	N/A	N/A	52.4	53.4
Average Annual Benefit	N/A	N/A	\$56,617	\$57,749

Disability Retirees

Number	1	1	1	1
Average Current Age	N/A	51.9	52.9	53.9
Average Annual Benefit	\$14,297	\$14,297	\$14,297	\$14,297

Terminated Vested

Number	8	6	7	8
Average Current Age	N/A	37.7	38.1	39.1
Average Annual Benefit ²	\$26,252	\$23,820	\$22,161	\$22,147

¹ Prior to 10/1/2015, averages were salary weighted.

² The Average Annual Benefit excludes participants awaiting a refund of contributions.

AGE AND SERVICE DISTRIBUTION

PAST SERVICE

AGE	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30+	Total
15 - 19	0	0	0	0	0	0	0	0	0	0	0	0
20 - 24	2	0	0	1	0	0	0	0	0	0	0	3
25 - 29	1	0	0	0	0	1	0	0	0	0	0	2
30 - 34	1	1	0	0	0	0	0	0	0	0	0	2
35 - 39	0	0	0	0	0	1	1	3	0	0	0	5
40 - 44	1	0	0	0	0	0	2	5	0	0	0	8
45 - 49	0	0	0	1	0	0	0	3	1	0	0	5
50 - 54	0	0	0	0	0	0	2	0	0	0	0	2
55 - 59	0	0	0	0	0	0	0	0	1	0	0	1
60 - 64	0	0	0	0	0	0	0	0	0	0	0	0
65+	0	0	0	0	0	0	0	0	0	0	0	0
Total	5	1	0	2	0	2	5	11	2	0	0	28

VALUATION PARTICIPANT RECONCILIATION

1. Active lives

a. Number in prior valuation 10/1/2016	25
b. Terminations	
i. Vested (partial or full) with deferred benefits	(1)
ii. Non-vested or full lump sum distribution received	0
c. Deaths	
i. Beneficiary receiving benefits	0
ii. No future benefits payable	0
d. Disabled	0
e. Retired	0
f. DROP	(1)
g. Continuing participants	23
h. New entrants	5
i. Total active life participants in valuation	28

2. Non-Active lives (including beneficiaries receiving benefits)

	Service Retirees, Vested Receiving <u>Benefits</u>	DROP <u>Benefits</u>	Receiving Death <u>Benefits</u>	Receiving Disability <u>Benefits</u>	Vested <u>Deferred</u>	<u>Total</u>
a. Number prior valuation	10	3	1	1	7	22
Retired	0	0	0	0	0	0
DROP	0	1	0	0	0	1
Vested Deferred	0	0	0	0	1	1
Death, With Survivor	0	0	0	0	0	0
Death, No Survivor	0	0	0	0	0	0
Disabled	0	0	0	0	0	0
Refund of Contributions	0	0	0	0	0	0
Rehires	0	0	0	0	0	0
Expired Annuities	0	0	0	0	0	0
Data Corrections	0	0	0	0	0	0
b. Number current valuation	10	4	1	1	8	24

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SUMMARY OF PLAN PROVISIONS
(Through Resolution No. 16-09)

<u>Eligibility</u>	Full-time employees who are classified as full-time certified firefighters participate in the System as a condition of employment.
<u>Credited Service</u>	Total years and fractional parts of years of employment with the District as a Firefighter.
<u>Salary</u>	Base pay, plus state supplemental education pay, plus EMT and Paramedic educational differential pay.
<u>Average Final Compensation</u>	Average Salary for the best 5 years during the 10 years immediately preceding retirement or termination.
<u>Member Contributions</u>	6.8% of Salary.
<u>District and State Contributions</u>	Remaining amount required in order to pay current costs and amortize any unfunded past service cost as provided in Part VII of Chapter 112, F.S.
<u>Normal Retirement</u>	
Date	Earlier of: 1) Age 55 and 10 years of Credited Service or 2) 20 Years of Credited Service regardless of age. Members hired on or after October 1, 2012 become eligible following the earlier of 1) Age 55 with 10 years of Credited Service or 2) Age 52 with 25 years of Credited Service.
Benefit	3.5% of Average Final Compensation <u>times</u> Credited Service (2.5% if hired on or after October 1, 2012)
Form of Benefit	Ten Year Certain and Life Annuity (options available).
<u>Early Retirement</u>	
Eligibility	Age 50 and 10 Years of Credited Service.
Benefit	Accrued benefit, reduced 3% for each year prior to Normal Retirement.

Cost-of-Living Adjustment

Service retirees on and after 10/1/02 (hired before 10/1/12) receive annual 2% increases beginning the October 1 following one full year of retirement. Members hired on and after 10/1/12 are not eligible for the cost-of-living adjustment.

Vesting

Schedule

100% after 7 years of contributing service if hired before 10/1/12. Members hired on and after 10/1/12 are 100% vested after 10 years.

Benefit Amount

Member will receive the vested portion of his (her) accrued benefit payable at the otherwise Normal Retirement Date.

Disability

Eligibility

Service Incurred

Covered from Date of Employment.

Non-Service Incurred

10 years of Credited Service.

Exclusions

Disability resulting from use of drugs, illegal participation in riots, service in military, etc.

Benefit

Benefit accrued to date of disability but not less than 42% of Average Final Compensation (if Service Incurred).

Duration

Payable for life and ten years certain or until recovery (as determined by the Board). Options available.

Death Benefits

Pre-Retirement

Vested

Monthly accrued benefit payable to designated beneficiary for 10 years.

Non-Vested

Refund of accumulated contributions without interest.

Post-Retirement

Benefits payable to beneficiary in accordance with option selected at retirement.

Board of Trustees

Two District appointees, two Members of the Department elected by the membership, and a fifth Member elected by other 4 and appointed by the District.

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Deferred Retirement Option Plan

Eligibility	Satisfaction of Normal Retirement requirements.
Participation	Not to exceed 60 months.
Rate of Return	At Member's election: (1) Actual net rate of investment return (total return net of brokerage commissions, management fees and transaction costs) credited each fiscal quarter, or (2) 6.5% per annum compounded monthly. Members may elect to change form of return one time.
Form of Distribution	Cash lump sum (options available) at termination of employment.

Share Plan

Funded Status	Not currently funded.
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STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2017

<u>ASSETS</u>	MARKET VALUE
Cash and Cash Equivalents:	
Short Term Investments	234,845
Total Cash and Equivalents	234,845
Receivables:	
Investment Income	11,781
Total Receivable	11,781
Investments:	
Mutual Funds:	
Fixed Income	5,318,923
Equity	11,299,649
Pooled/Common/Commingled Funds:	
Real Estate	1,519,270
Total Investments	18,137,842
Total Assets	18,384,468
<u>LIABILITIES</u>	
Payables:	
Investment Expenses	7,278
Administrative Expenses	297
Total Liabilities	7,575
NET POSITION RESTRICTED FOR PENSIONS	18,376,893

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2017
Market Value Basis

ADDITIONS

Contributions:

Member	112,630	
District	1,275,999	
State	291,353	
Total Contributions		1,679,982
Investment Income:		
Net Increase in Fair Value of Investments	1,421,064	
Interest & Dividends	485,591	
Less Investment Expense ¹	(43,767)	
Net Investment Income		1,862,888
Total Additions		3,542,870

DEDUCTIONS

Distributions to Members:

Benefit Payments	775,745	
Lump Sum DROP Distributions	0	
Refunds of Member Contributions	0	
Total Distributions		775,745
Administrative Expense		32,011
Total Deductions		807,756
Net Increase in Net Position		2,735,114
NET POSITION RESTRICTED FOR PENSIONS		
Beginning of the Year		15,641,779
End of the Year		18,376,893

¹Investment related expenses include investment advisory, custodial and performance monitoring fees.

NOTES TO THE FINANCIAL STATEMENTS

(For the Year Ended September 30, 2017)

Plan Description

Plan Administration

The Plan is a single-employer defined benefit pension plan administered by the Plan's Board of Trustees comprised of: Two District appointees, two Members of the Department elected by the membership, and a fifth Member elected by other four and appointed by the District.

Plan Membership as of October 1, 2016:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	15
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	7
Active Plan Members	25
	47

Benefits Provided

The Plan provides retirement, termination, disability and death benefits.

Normal Retirement:

Date: Earlier of: 1) Age 55 and 10 years of Credited Service or 2) 20 Years of Credited Service regardless of age.

Benefit: 3.5% of Average Final Compensation times Credited Service (2.5% if hired on or after October 1, 2012).

Early Retirement:

Eligibility: Age 50 and 10 Years of Credited Service.

Benefit: Accrued benefit, reduced 3% for each year prior to Normal Retirement.

Cost-of-Living Adjustment:

Service retirees on and after 10/1/02 (hired before 10/1/12) receive annual 2% increases beginning the October 1 following one full year of retirement. Members hired on and after 10/1/12 are not eligible for the cost-of-living adjustment.

Vesting (Termination):

Schedule: 100% after 7 years of contributing service if hired before 10/1/12, Members hired on and after 10/1/12 are 100% vested after 10 years.

Benefit Amount: Member will receive the vested portion of his (her) accrued benefit payable at the otherwise Normal Retirement Date.

Disability:

Eligibility: Service Incurred: Covered from Date of Employment.

Non-Service Incurred: 10 years of Credited Service.

Benefit: Benefit accrued to date of disability but not less than 42% of Average Final Compensation (if Service Incurred).

Pre-Retirement Death Benefits:

Vested: Monthly accrued benefit payable to designated beneficiary for 10 years.

Non-Vested: Refund of accumulated contributions without interest.

Contributions

Member Contributions: 6.8% of Salary.

District and State Contributions: Remaining amount required in order to pay current costs and amortize unfunded past service cost, if any, as provided in Chapter 112, Florida Statutes.

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Investments

Investment Policy:

The following was the Board's adopted asset allocation policy as of September 30, 2017:

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic Equity	50%
International Equity	10%
Broad Market Fixed Income	25%
Global Fixed Income	5%
Real Estate	10%
<u>Total</u>	<u>100%</u>

Concentrations:

The Plan did not hold investments in any one organization that represent 5 percent or more of the Pension Plan's Fiduciary Net Position.

Rate of Return:

For the year ended September 30, 2017, the annual money-weighted rate of return on Pension Plan investments, net of Pension Plan investment expense, was 11.67 percent.

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Deferred Retirement Option Program

Eligibility: Satisfaction of Normal Retirement requirements.

Participation: Not to exceed 60 months.

Rate of Return: At Member's election:

(1) Actual net rate of investment return (total return net of brokerage commissions, management fees and transaction costs) credited each fiscal quarter, or

(2) 6.5% per annum compounded monthly.

Members may elect to change form of return one time.

The DROP balance as September 30, 2017 is \$746,524.

NET PENSION LIABILITY OF THE SPONSOR

The components of the Net Pension Liability of the Sponsor on September 30, 2017 were as follows:

Total Pension Liability	\$ 26,714,062
Plan Fiduciary Net Position	\$ (18,376,893)
Sponsor's Net Pension Liability	<u>\$ 8,337,169</u>
Plan Fiduciary Net Position as a percentage of Total Pension Liability	68.79%

Actuarial Assumptions:

The Total Pension Liability was determined by an actuarial valuation as of October 1, 2016 updated to September 30, 2017 using the following actuarial assumptions:

Inflation	2.50%
Salary Increases	Service based
Discount Rate	7.50%
Investment Rate of Return	7.50%

Mortality Rate Healthy Lives:

Female: RP2000 Generational, 100% Annuitant White Collar, Scale BB.

Male: RP2000 Generational, 10% Annuitant White Collar /90% Annuitant Blue Collar, Scale BB.

Mortality Rate Disabled Lives:

Female: 60% RP2000 Disabled Female set forward two years / 40% Annuitant White Collar with no setback, no projection scale.

Male: 60% RP2000 Disabled Male setback four years / 40% Annuitant White Collar with no setback, no projection scale.

The most recent actuarial experience study used to review the other significant assumptions was dated August 28, 2015.

The Long-Term Expected Rate of Return on Pension Plan investments can be determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of Pension Plan investment expenses and inflation) are developed for each major asset class.

For 2017 the inflation rate assumption of the investment advisor was 2.50%.

These ranges are combined to produce the Long-Term Expected Rate of Return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of geometric real rates of return for each major asset class included in the Pension Plan's target asset allocation as of September 30, 2017 are summarized in the following table:

Asset Class	Long Term Expected Real Rate of Return
Domestic Equity	7.5%
International Equity	8.5%
Broad Market Fixed Income	2.5%
Global Fixed Income	3.5%
Real Estate	4.5%

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Discount Rate:

The Discount Rate used to measure the Total Pension Liability was 7.50 percent.

The projection of cash flows used to determine the Discount Rate assumed that Plan Member contributions will be made at the current contribution rate and that Sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the Member rate. Based on those assumptions, the Pension Plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the Long-Term Expected Rate of Return on Pension Plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
Sponsor's Net Pension Liability	\$ 11,853,648	\$ 8,337,169	\$ 5,475,193

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
Last 10 Fiscal Years

	09/30/2017	09/30/2016	09/30/2015
Total Pension Liability			
Service Cost	430,846	412,422	540,120
Interest	1,948,687	1,854,384	1,893,391
Changes of benefit terms	-	-	-
Differences between Expected and Actual Experience	(829,240)	(240,493)	(1,748,273)
Changes of assumptions	-	1,634,737	(256,184)
Benefit Payments, including Refunds of Employee Contributions	(775,745)	(977,835)	(600,036)
Net Change in Total Pension Liability	774,548	2,683,215	(170,982)
Total Pension Liability - Beginning	25,939,514	23,256,299	23,427,281
Total Pension Liability - Ending (a)	<u>\$ 26,714,062</u>	<u>\$ 25,939,514</u>	<u>\$ 23,256,299</u>
Plan Fiduciary Net Position			
Contributions - Employer	1,275,999	836,684	687,531
Contributions - State	291,353	293,567	371,910
Contributions - Employee	112,630	107,918	104,560
Net Investment Income	1,862,888	1,482,436	(784,838)
Benefit Payments, including Refunds of Employee Contributions	(775,745)	(977,835)	(600,036)
Administrative Expense	(32,011)	(25,310)	(32,924)
Net Change in Plan Fiduciary Net Position	2,735,114	1,717,460	(253,797)
Plan Fiduciary Net Position - Beginning	15,641,779	13,924,319	14,178,116
Plan Fiduciary Net Position - Ending (b)	<u>\$ 18,376,893</u>	<u>\$ 15,641,779</u>	<u>\$ 13,924,319</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 8,337,169</u>	<u>\$ 10,297,735</u>	<u>\$ 9,331,980</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	68.79%	60.30%	59.87%
Covered Employee Payroll	\$ 1,656,321	\$ 1,587,030	\$ 1,537,650
Net Pension Liability as a percentage of Covered Employee Payroll	503.35%	648.87%	606.90%

Notes to Schedule:*Changes of assumptions:*

For measurement date 09/30/2016, amounts reported as changes of assumptions resulted from the following changes:

- The investment return assumption was reduced from 8.00% to 7.50%.
- As mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed from the RP-2000 Combined Healthy Tables to the mortality tables used by the Florida Retirement System for special risk employees.

For measurement date 09/30/2015, amounts reported as changes of assumptions were in conjunction with the August 28, 2015 experience study, the Board adopted the following assumption changes:

- Salary Increases change from 7.5% per year to a table based on service that grades down from 10% to 4%.
- Mortality Rates change from the RP 2000 table with no-projection for healthy lives to the RP-2000 table projected with scale BB through 2015 (disabled lives are set forward 5 years).

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SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
Last 10 Fiscal Years

	09/30/2014	09/30/2013
Total Pension Liability		
Service Cost	702,391	650,362
Interest	1,756,834	1,616,439
Changes of benefit terms	-	-
Differences between Expected and Actual Experience	-	-
Changes of assumptions	-	-
Benefit Payments, including Refunds of Employee Contributions	(579,955)	(547,818)
Net Change in Total Pension Liability	1,879,270	1,718,983
Total Pension Liability - Beginning	21,548,011	19,829,028
Total Pension Liability - Ending (a)	<u>\$ 23,427,281</u>	<u>\$ 21,548,011</u>
Plan Fiduciary Net Position		
Contributions - Employer	697,413	882,319
Contributions - State	326,318	342,803
Contributions - Employee	126,109	141,681
Net Investment Income	1,510,241	1,092,797
Benefit Payments, including Refunds of Employee Contributions	(579,955)	(547,818)
Administrative Expense	(14,883)	(18,656)
Net Change in Plan Fiduciary Net Position	2,065,243	1,893,126
Plan Fiduciary Net Position - Beginning	12,112,873	10,219,747
Plan Fiduciary Net Position - Ending (b)	<u>\$ 14,178,116</u>	<u>\$ 12,112,873</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 9,249,165</u>	<u>\$ 9,435,138</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	60.52%	56.21%
Covered Employee Payroll	\$ 1,854,542	\$ 2,083,542
Net Pension Liability as a percentage of Covered Employee Payroll	498.73%	452.84%

SCHEDULE OF CONTRIBUTIONS

Last 10 Fiscal Years

	09/30/2017	09/30/2016	09/30/2015	09/30/2014	09/30/2013
Actuarially Determined Contribution	1,323,401	1,090,290	1,059,441	1,023,707	1,225,122
Contributions in relation to the Actuarially Determined Contributions	1,567,352	1,130,251	1,059,441	1,023,731	1,225,122
Contribution Deficiency (Excess)	\$ (243,951)	\$ (39,961)	\$ -	\$ (24)	\$ -
Covered Employee Payroll	\$ 1,656,321	\$ 1,587,030	\$ 1,537,650	\$ 1,854,542	\$ 2,083,542
Contributions as a percentage of Covered Employee Payroll	94.63%	71.22%	68.90%	55.20%	58.80%

Notes to Schedule

Valuation Date: 10/01/2016

Actuarially determined contribution rates are calculated as of October 1, one year prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Funding Method:	Entry Age Normal Actuarial Cost Method.
Amortization Method:	Level percentage of pay, closed.
Remaining Amortization Period:	25 Years (as of 10/01/2016 Valuation).
Mortality:	<p>Healthy Males: RP2000 Generational, 10% Annuitant White Collar / 90% Annuitant Blue Collar, Scale BB.</p> <p>Healthy Females: RP2000 Generational, 100% Annuitant White Collar, Scale BB.</p> <p>Disabled Males: 60% RP2000 Disabled Male setback four years / 40% Annuitant White Collar with no setback, no projection scale.</p> <p>Disabled Females: 60% RP2000 Disabled Female set forward two years / 40% Annuitant White Collar with no setback, no projection scale.</p> <p>The assumed rates of mortality were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumptions used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in the July 1, 2015 FRS actuarial valuation report for special risk employees. We feel this assumption sufficiently accommodates future mortality improvements.</p>
Interest Rate:	7.5% per year compounded annually, net of investment related expenses. This assumption is supported by the Plan's target asset allocation and expected long-term rate of return by asset class.
Retirement Age:	Earlier of: 1) Age 55 and 10 years of Credited Service or 2) 20 Years of Credited Service regardless of age. (Age 52 with 25 years of Credited Service for Members hired on or after October 1, 2012). Also, any member who has reached Normal Retirement is assumed to continue employment for one additional year. This assumption is reasonable based on plan provisions.
Early Retirement:	Commencing with the earliest Early Retirement Age (50), Members are assumed to retire with an immediate subsidized benefit at the rate of 5% per year. This assumption is reasonable based on plan provisions.
Disability Rates:	See Table on following page (1201). It is assumed that 75% of disablements are service related. This assumption is based on assumptions used for other plans containing municipal firefighters.
Termination Rates:	See Table on following page (1302). This assumption is based on assumptions used for other plans containing municipal firefighters.

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Salary Increases:

Credited Service	Salary Increase
0	10.00%
1	9.00%
2	8.00%
3	7.50%
4	7.00%
5	6.50%
6	6.00%
7	5.50%
8	5.00%
9	4.50%
10+	4.00%

This assumption is based on the results of an experience study dated August 28, 2015.

Payroll Increase:

None.

Actuarial Asset Method:

All assets are valued at market value with an adjustment made to uniformly spread actuarial investment gains and losses (as measured by actual market value investment return against expected market value investment return) over a five-year period.

Termination and Disability Rate Tables:

Age	% Becoming Disabled During the Year	% Terminating During the Year
20	0.03%	6.0%
30	0.04%	5.0%
40	0.07%	2.6%
50	0.18%	0.8%

SCHEDULE OF INVESTMENT RETURNS
Last 10 Fiscal Years

	09/30/2017	09/30/2016	09/30/2015	09/30/2014	09/30/2013
Annual Money-Weighted Rate of Return					
Net of Investment Expense	11.67%	10.74%	-5.49%	12.26%	10.08%

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NOTES TO THE FINANCIAL STATEMENTS

(For the Year Ended September 30, 2018)

General Information about the Pension Plan

Plan Description

The Plan is a single-employer defined benefit pension plan administered by the Plan's Board of Trustees comprised of: Two District appointees, two Members of the Department elected by the membership, and a fifth Member elected by other four and appointed by the District.

Full-time employees who are classified as full-time certified firefighters participate in the System as a condition of employment.

Plan Membership as of October 1, 2016:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	15
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	7
Active Plan Members	25
	47

Benefits Provided

The Plan provides retirement, termination, disability and death benefits.

Normal Retirement:

Date: Earlier of: 1) Age 55 and 10 years of Credited Service or 2) 20 Years of Credited Service regardless of age.

Benefit: 3.5% of Average Final Compensation times Credited Service (2.5% if hired on or after October 1, 2012).

Early Retirement:

Eligibility: Age 50 and 10 Years of Credited Service.

Benefit: Accrued benefit, reduced 3% for each year prior to Normal Retirement.

Cost-of-Living Adjustment:

Service retirees on and after 10/1/02 (hired before 10/1/12) receive annual 2% increases beginning the October 1 following one full year of retirement. Members hired on and after 10/1/12 are not eligible for the cost-of-living adjustment.

Vesting (Termination):

Schedule: 100% after 7 years of contributing service if hired before 10/1/12, Members hired on and after 10/1/12 are 100% vested after 10 years.

Benefit Amount: Member will receive the vested portion of his (her) accrued benefit payable at the otherwise Normal Retirement Date.

Disability:

Eligibility: Service Incurred: Covered from Date of Employment.

Non-Service Incurred: 10 years of Credited Service.

Benefit: Benefit accrued to date of disability but not less than 42% of Average Final Compensation (if Service Incurred).

Pre-Retirement Death Benefits:

Vested: Monthly accrued benefit payable to designated beneficiary for 10 years.

Non-Vested: Refund of accumulated contributions without interest.

Contributions

Member Contributions: 6.8% of Salary.

District and State Contributions: Remaining amount required in order to pay current costs and amortize unfunded past service cost, if any, as provided in Chapter 112, Florida Statutes.

Net Pension Liability

The measurement date is September 30, 2017.

The measurement period for the pension expense was October 1, 2016 to September 30, 2017.

The reporting period is October 1, 2017 through September 30, 2018.

The Sponsor's Net Pension Liability was measured as of September 30, 2017.

The Total Pension Liability used to calculate the Net Pension Liability was determined as of that date.

Actuarial Assumptions:

The Total Pension Liability was determined by an actuarial valuation as of October 1, 2016 updated to September 30, 2017 using the following actuarial assumptions:

Inflation	2.50%
Salary Increases	Service based
Discount Rate	7.50%
Investment Rate of Return	7.50%

Mortality Rate Healthy Lives:

Female: RP2000 Generational, 100% Annuitant White Collar, Scale BB.

Male: RP2000 Generational, 10% Annuitant White Collar /90% Annuitant Blue Collar, Scale BB.

Mortality Rate Disabled Lives:

Female: 60% RP2000 Disabled Female set forward two years / 40% Annuitant White Collar with no setback, no projection scale.

Male: 60% RP2000 Disabled Male setback four years / 40% Annuitant White Collar with no setback, no projection scale.

The most recent actuarial experience study used to review the other significant assumptions was dated August 28, 2015.

The Long-Term Expected Rate of Return on Pension Plan investments can be determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, Net of Pension Plan investment expenses and inflation) are developed for each major asset class.

For 2017 the inflation rate assumption of the investment advisor was 2.50%.

These ranges are combined to produce the Long-Term Expected Rate of Return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of geometric real rates of return for each major asset class included in the Pension Plan's target asset allocation as of September 30, 2017 are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Domestic Equity	50%	7.5%
International Equity	10%	8.5%
Broad Market Fixed Income	25%	2.5%
Global Fixed Income	5%	3.5%
Real Estate	10%	4.5%
Total	100%	

Discount Rate:

The Discount Rate used to measure the Total Pension Liability was 7.50 percent.

The projection of cash flows used to determine the Discount Rate assumed that Plan Member contributions will be made at the current contribution rate and that Sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the Member rate.

Based on those assumptions, the Pension Plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current Plan Members. Therefore, the Long-Term Expected Rate of Return on Pension Plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

CHANGES IN NET PENSION LIABILITY

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Reporting period ending at September 30, 2017	\$ 25,939,514	\$ 15,641,779	\$ 10,297,735
Changes for a Year:			
Service Cost	430,846	-	430,846
Interest	1,948,687	-	1,948,687
Differences between Expected and Actual Experience	(829,240)	-	(829,240)
Changes of assumptions	-	-	-
Changes of benefit terms	-	-	-
Contributions - Employer	-	1,275,999	(1,275,999)
Contributions - State	-	291,353	(291,353)
Contributions - Employee	-	112,630	(112,630)
Net Investment Income	-	1,862,888	(1,862,888)
Benefit Payments, including Refunds of Employee Contributions	(775,745)	(775,745)	-
Administrative Expense	-	(32,011)	32,011
Net Changes	774,548	2,735,114	(1,960,566)
Reporting period ending at September 30, 2018	\$ 26,714,062	\$ 18,376,893	\$ 8,337,169

Sensitivity of the Net Pension Liability to changes in the Discount Rate.

	Current Discount		
	1% Decrease	Rate	1% Increase
	6.50%	7.50%	8.50%
Sponsor's Net Pension Liability	\$ 11,853,648	\$ 8,337,169	\$ 5,475,193

Pension Plan Fiduciary Net Position.

Detailed information about the pension Plan's Fiduciary Net Position is available in a separately issued Plan financial report.

**FINAL PENSION EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED
INFLOWS OF RESOURCES RELATED TO PENSIONS
FISCAL YEAR SEPTEMBER 30, 2017**

For the year ended September 30, 2017, the Sponsor has recognized a Pension Expense of \$1,120,745.

On September 30, 2017, the Sponsor reported Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	-	1,054,505
Changes of assumptions	1,226,052	128,092
Net difference between Projected and Actual Earnings on Pension Plan investments	669,322	-
Employer and State contributions subsequent to the measurement date	1,567,352	-
Total	<u>\$ 3,462,726</u>	<u>\$ 1,182,597</u>

The outcome of the Deferred Outflows of resources related to pensions resulting from Employer and State contributions subsequent to the measurement date has been recognized as a reduction of the Net Pension Liability in the year ended September 30, 2017.

Other amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions will be recognized in Pension Expense as follows:

Year ended September 30:

2018	\$ 59,893
2019	\$ 59,893
2020	\$ 664,809
2021	\$ (71,818)
2022	\$ -
Thereafter	\$ -

**PRELIMINARY PENSION EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND
DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS
FISCAL YEAR SEPTEMBER 30, 2018**

For the year ended September 30, 2018, the Sponsor will recognize a Pension Expense of \$814,245.

On September 30, 2018, the Sponsor reported Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	-	1,179,244
Changes of assumptions	817,368	64,046
Net difference between Projected and Actual Earnings on Pension Plan investments	-	68,760
Employer and State contributions subsequent to the measurement date	TBD	-
Total	TBD	\$ 1,312,050

The outcome of the Deferred Outflows of resources related to pensions resulting from Employer and State contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended September 30, 2018.

Other amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions will be recognized in Pension Expense as follows:

Year ended September 30:

2019	\$ (278,826)
2020	\$ 326,090
2021	\$ (410,537)
2022	\$ (131,409)
2023	\$ -
Thereafter	\$ -

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
Last 10 Fiscal Years

Reporting Period Ending Measurement Date	09/30/2018 09/30/2017	09/30/2017 09/30/2016	09/30/2016 09/30/2015
Total Pension Liability			
Service Cost	430,846	412,422	540,120
Interest	1,948,687	1,854,384	1,893,391
Changes of benefit terms	-	-	-
Differences between Expected and Actual Experience	(829,240)	(240,493)	(1,748,273)
Changes of assumptions	-	1,634,737	(256,184)
Benefit Payments, including Refunds of Employee Contributions	(775,745)	(977,835)	(600,036)
Net Change in Total Pension Liability	774,548	2,683,215	(170,982)
Total Pension Liability - Beginning	25,939,514	23,256,299	23,427,281
Total Pension Liability - Ending (a)	<u>\$ 26,714,062</u>	<u>\$ 25,939,514</u>	<u>\$ 23,256,299</u>
Plan Fiduciary Net Position			
Contributions - Employer	1,275,999	836,684	687,531
Contributions - State	291,353	293,567	371,910
Contributions - Employee	112,630	107,918	104,560
Net Investment Income	1,862,888	1,482,436	(784,838)
Benefit Payments, including Refunds of Employee Contributions	(775,745)	(977,835)	(600,036)
Administrative Expense	(32,011)	(25,310)	(32,924)
Net Change in Plan Fiduciary Net Position	2,735,114	1,717,460	(253,797)
Plan Fiduciary Net Position - Beginning	15,641,779	13,924,319	14,178,116
Plan Fiduciary Net Position - Ending (b)	<u>\$ 18,376,893</u>	<u>\$ 15,641,779</u>	<u>\$ 13,924,319</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 8,337,169</u>	<u>\$ 10,297,735</u>	<u>\$ 9,331,980</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	68.79%	60.30%	59.87%
Covered Employee Payroll	\$ 1,656,321	\$ 1,587,030	\$ 1,537,650
Net Pension Liability as a percentage of Covered Employee Payroll	503.35%	648.87%	606.90%

Notes to Schedule:*Changes of assumptions:*

For measurement date 09/30/2016, amounts reported as changes of assumptions resulted from the following changes:

- The investment return assumption was reduced from 8.00% to 7.50%.
- As mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed from the RP-2000 Combined Healthy Tables to the mortality tables used by the Florida Retirement System for special risk employees.

For measurement date 09/30/2015, amounts reported as changes of assumptions were in conjunction with the August 28, 2015 experience study, the Board adopted the following assumption changes:

- Salary Increases change from 7.5% per year to a table based on service that grades down from 10% to 4%.
- Mortality Rates change from the RP 2000 table with no-projection for healthy lives to the RP-2000 table projected with scale BB through 2015 (disabled lives are set forward 5 years).

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SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
Last 10 Fiscal Years

Reporting Period Ending	09/30/2015	09/30/2014
Measurement Date	09/30/2014	09/30/2013
Total Pension Liability		
Service Cost	702,391	650,362
Interest	1,756,834	1,616,439
Changes of benefit terms	-	-
Differences between Expected and Actual Experience	-	-
Changes of assumptions	-	-
Benefit Payments, including Refunds of Employee Contributions	(579,955)	(547,818)
Net Change in Total Pension Liability	1,879,270	1,718,983
Total Pension Liability - Beginning	21,548,011	19,829,028
Total Pension Liability - Ending (a)	<u>\$ 23,427,281</u>	<u>\$ 21,548,011</u>
Plan Fiduciary Net Position		
Contributions - Employer	697,413	882,319
Contributions - State	326,318	342,803
Contributions - Employee	126,109	141,681
Net Investment Income	1,510,241	1,092,797
Benefit Payments, including Refunds of Employee Contributions	(579,955)	(547,818)
Administrative Expense	(14,883)	(18,656)
Net Change in Plan Fiduciary Net Position	2,065,243	1,893,126
Plan Fiduciary Net Position - Beginning	12,112,873	10,219,747
Plan Fiduciary Net Position - Ending (b)	<u>\$ 14,178,116</u>	<u>\$ 12,112,873</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 9,249,165</u>	<u>\$ 9,435,138</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	60.52%	56.21%
Covered Employee Payroll	\$ 1,854,542	\$ 2,083,542
Net Pension Liability as a percentage of Covered Employee Payroll	498.73%	452.84%

SCHEDULE OF CONTRIBUTIONS

Last 10 Fiscal Years

	09/30/2017	09/30/2016	09/30/2015	09/30/2014	09/30/2013
Actuarially Determined Contribution	1,323,401	1,090,290	1,059,441	1,023,707	1,225,122
Contributions in relation to the					
Actuarially Determined Contributions	1,567,352	1,130,251	1,059,441	1,023,731	1,225,122
Contribution Deficiency (Excess)	\$ (243,951)	\$ (39,961)	\$ -	\$ (24)	\$ -
Covered Employee Payroll	\$ 1,656,321	\$ 1,587,030	\$ 1,537,650	\$ 1,854,542	\$ 2,083,542
Contributions as a percentage of					
Covered Employee Payroll	94.63%	71.22%	68.90%	55.20%	58.80%

Notes to Schedule

Valuation Date: 10/01/2016

Actuarially determined contribution rates are calculated as of October 1, one year prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Funding Method: Entry Age Normal Actuarial Cost Method.

Amortization Method: Level percentage of pay, closed.

Remaining Amortization Period: 25 Years (as of 10/01/2016 Valuation).

Mortality: Healthy Males: RP2000 Generational, 10% Annuitant White Collar / 90% Annuitant Blue Collar, Scale BB.
 Healthy Females: RP2000 Generational, 100% Annuitant White Collar, Scale BB.
 Disabled Males: 60% RP2000 Disabled Male setback four years / 40% Annuitant White Collar with no setback, no projection scale.
 Disabled Females: 60% RP2000 Disabled Female set forward two years / 40% Annuitant White Collar with no setback, no projection scale.
 The assumed rates of mortality were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumptions used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in the July 1, 2015 FRS actuarial valuation report for special risk employees. We feel 7.5% per year compounded annually, net of investment related expenses. This assumption is supported by the Plan's target asset allocation and expected long-term rate of return by asset class.

Interest Rate: 7.5% per year compounded annually, net of investment related expenses. This assumption is supported by the Plan's target asset allocation and expected long-term rate of return by asset class.

Retirement Age: Earlier of: 1) Age 55 and 10 years of Credited Service or 2) 20 Years of Credited Service regardless of age. (Age 52 with 25 years of Credited Service for Members hired on or after October 1, 2012). Also, any member who has reached Normal Retirement is assumed to continue employment for one additional year. This assumption is reasonable based on plan provisions.

Early Retirement: Commencing with the earliest Early Retirement Age (50), Members are assumed to retire with an immediate subsidized benefit at the rate of 5% per year. This assumption is reasonable based on plan provisions.

Disability Rates: See Table on following page (1201). It is assumed that 75% of disablements are service related. This assumption is based on assumptions used for other plans containing municipal firefighters.

Termination Rates: See Table on following page (1302). This assumption is based on assumptions used for other plans containing municipal firefighters.

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Salary Increases:

Credited Service	Salary Increase
0	10.00%
1	9.00%
2	8.00%
3	7.50%
4	7.00%
5	6.50%
6	6.00%
7	5.50%
8	5.00%
9	4.50%
10+	4.00%

This assumption is based on the results of an experience study dated August 28, 2015.

Payroll Increase:

None.

Actuarial Asset Method:

All assets are valued at market value with an adjustment made to uniformly spread actuarial investment gains and losses (as measured by actual market value investment return against expected market value investment return) over a five-year period.

Termination and Disability Rate Tables:

Age	% Becoming Disabled During the Year	% Terminating During the Year
20	0.03%	6.00%
30	0.04%	5.00%
40	0.07%	2.60%
50	0.18%	0.80%

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FINAL COMPONENTS OF PENSION EXPENSE
FISCAL YEAR SEPTEMBER 30, 2017

	Net Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
Beginning balance	\$ 9,331,980	\$ 1,814,748	\$ 2,682,515	\$ -
Employer and State Contributions made after 09/30/2016	-	-	1,567,352	-
Total Pension Liability Factors:				
Service Cost	412,422	-	-	412,422
Interest	1,854,384	-	-	1,854,384
Changes in benefit terms	-	-	-	-
Differences between Expected and Actual Experience with regard to economic or demographic assumptions	(240,493)	240,493	-	-
Current year amortization of experience difference	-	(497,192)	-	(497,192)
Change in assumptions about future economic or demographic factors or other inputs	1,634,737	-	1,634,737	-
Current year amortization of change in assumptions	-	(64,046)	(408,685)	344,639
Benefit Payments	(977,835)	-	-	-
Net change	2,683,215	(320,745)	2,793,404	2,114,253
Plan Fiduciary Net Position:				
Contributions - Employer	836,684	-	(836,684)	-
Contributions - State	293,567	-	(293,567)	-
Contributions - Employee	107,918	-	-	(107,918)
Projected Net Investment Income	1,123,346	-	-	(1,123,346)
Difference between projected and actual earnings on Pension Plan investments	359,090	359,090	-	-
Current year amortization	-	(175,620)	(388,066)	212,446
Benefit Payments	(977,835)	-	-	-
Administrative Expenses	(25,310)	-	-	25,310
Net change	1,717,460	183,470	(1,518,317)	(993,508)
Ending Balance	\$ 10,297,735	\$ 1,677,473	\$ 3,957,602	\$ 1,120,745

PRELIMINARY COMPONENTS OF PENSION EXPENSE
FISCAL YEAR SEPTEMBER 30, 2018

	Net Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
Beginning balance	\$ 10,297,735	\$ 1,677,473	\$ 3,957,602	\$ -
Employer and State Contributions made after 09/30/2017	-	-	TBD*	-
Total Pension Liability Factors:				
Service Cost	430,846	-	-	430,846
Interest	1,948,687	-	-	1,948,687
Changes in benefit terms	-	-	-	-
Differences between Expected and Actual Experience with regard to economic or demographic assumptions	(829,240)	829,240	-	-
Current year amortization of experience difference	-	(704,501)	-	(704,501)
Change in assumptions about future economic or demographic factors or other inputs	-	-	-	-
Current year amortization of change in assumptions	-	(64,046)	(408,684)	344,638
Benefit Payments	(775,745)	-	-	-
Net change	774,548	60,693	(408,684)	2,019,670
Plan Fiduciary Net Position:				
Contributions - Employer	1,275,999	-	(1,275,999)	-
Contributions - State	291,353	-	(291,353)	-
Contributions - Employee	112,630	-	-	(112,630)
Projected Net Investment Income	1,205,842	-	-	(1,205,842)
Difference between projected and actual earnings on Pension Plan investments	657,046	657,046	-	-
Current year amortization	-	(307,030)	(388,066)	81,036
Benefit Payments	(775,745)	-	-	-
Administrative Expenses	(32,011)	-	-	32,011
Net change	2,735,114	350,016	(1,955,418)	(1,205,425)
Ending Balance	\$ 8,337,169	\$ 2,088,182	TBD	\$ 814,245

* Employer and State Contributions subsequent to the measurement date made after September 30, 2017 but made on or before September 30, 2018 need to be added.

AMORTIZATION SCHEDULE - INVESTMENTS

Increase (Decrease) in Pension Expense Arising from the Recognition of the of Differences Between Projected and Actual Earnings on Pension Plan Investments

Plan Year Ending	Differences Between Projected and Actual Earnings	Recognition Period (Years)	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
2014	\$ (519,011)	5	\$ (103,802)	\$ (103,802)	\$ (103,802)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2015	\$ 1,940,329	5	\$ 388,066	\$ 388,066	\$ 388,066	\$ 388,066	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2016	\$ (359,090)	5	\$ (71,818)	\$ (71,818)	\$ (71,818)	\$ (71,818)	\$ (71,818)	\$ -	\$ -	\$ -	\$ -	\$ -
2017	\$ (657,046)	5	\$ -	\$ (131,410)	\$ (131,409)	\$ (131,409)	\$ (131,409)	\$ (131,409)	\$ -	\$ -	\$ -	\$ -
Net Increase (Decrease) in Pension Expense			\$ 212,446	\$ 81,036	\$ 81,037	\$ 184,839	\$ (203,227)	\$ (131,409)	\$ -	\$ -	\$ -	\$ -

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AMORTIZATION SCHEDULE - CHANGES OF ASSUMPTIONS

Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of Changes of Assumptions

Plan Year Ending	Changes of Assumptions	Recognition Period (Years)	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
2015	\$ (256,184)	4	\$ (64,046)	\$ (64,046)	\$ (64,046)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2016	\$ 1,634,737	4	\$ 408,685	\$ 408,684	\$ 408,684	\$ 408,684	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Increase (Decrease) in Pension Expense			\$ 344,639	\$ 344,638	\$ 344,638	\$ 408,684	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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AMORTIZATION SCHEDULE - EXPERIENCE

Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of Differences between Expected and Actual Experience

Plan Year Ending	Differences Between Expected and Actual Experience	Recognition Period (Years)	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
2015	\$ (1,748,273)	4	\$ (437,068)	\$ (437,068)	\$ (437,068)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2016	\$ (240,493)	4	\$ (60,124)	\$ (60,123)	\$ (60,123)	\$ (60,123)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2017	\$ (829,240)	4	\$ -	\$ (207,310)	\$ (207,310)	\$ (207,310)	\$ (207,310)	\$ -	\$ -	\$ -	\$ -	\$ -
Net Increase (Decrease) in Pension Expense			\$ (497,192)	\$ (704,501)	\$ (704,501)	\$ (267,433)	\$ (207,310)	\$ -	\$ -	\$ -	\$ -	\$ -

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Memorandum

To: All Foster & Foster Clients
From: Brad Heinrichs, President/CEO

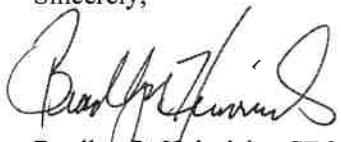
On August 15, 2017, the Florida Division of Retirement (Division) issued a Memorandum indicating that all actuarial valuations performed after September 30, 2017 must be submitted through an online portal similar to the manner in which we now file Annual Reports for plans subject to Chapters 175 and 185. In speaking with the Division, they made it clear that the information must be uploaded or inputted by the actuary. They understand that this new requirement will result in extra expenses to the Boards of Trustees, but they still feel that this is a necessary new requirement. By way of information, we have previously just sent an electronic version of each actuarial valuation to the Division's attention and that was deemed sufficient.

In order for us to comply with their new requirement we will need to create a comprehensive file containing in excess of 100 fields of required actuarial and financial information, assembled into a specific format required by the Division. This new electronic reporting requirement exercise is in addition to their requirement of being provided with an electronic copy of the actuarial valuation report.

Unfortunately, the startup fee to prepare and file the information summarized above will be \$750, and the ongoing fee in subsequent years will be \$300.

If you have any questions, concerns, or would like to discuss this further, please do not hesitate to contact me.

Sincerely,


Bradley R. Heinrichs, CEO

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DESTIN FIRE CONTROL DISTRICT
Regular meeting of the Retirement Board Trustees
Main Station
848 Airport Road
Destin, Florida 32541

August 28, 2017

Minutes

Trustees present: Doug Ingram, TJ Buchanan and Patrick McDowell

Trustees absent: Bob Hensley and Mark Baugh

Present: Division Chief Kathryn Wagner

The meeting was called to order by Trustee Buchanan at 5:00 p.m.

Public Comments:

None

Reports:

a. Attorney Lee Dehner with Christiansen and Dehner (teleconference)

1) Legislative updates- Attorney Dehner stated two amendments to Chapter 118, Public Records, came out of the last session which pertain to Firefighters. He stated confidential information which is extended to active firefighters is now extended to former firefighters as well. He also stated if a civil suit for public record is filed, the attorneys are not entitled to the payment of fees or the reimbursement of costs. Attorney Dehner stated we need to put a notice at the primary administration building where pension records are kept and also post it to the website. The notice should state the location of the public records and provide notice and contact information of who the records management liaison officer is. Kathryn Wagner stated this has been posted to the website and is posted on the wall right next to the front door.

b. Tyler Grumbles with AndCo Consulting

1) 6/30/2017 Investment Performance Review

Tyler Grumbles presented the 6/30/2017 Investment Performance Review. He stated it has been a solid quarter and solid year so far. He stated international equity is up 5.8% overall, with 2.5% of that attributed to the US dollar depreciating against foreign currency. He stated domestic equity S&P was up 3.1% with company earnings continuing to be strong, while fixed income is up 1.4% due to declining interest rates. Mr. Grumbles reviewed page 4 stating healthcare was the best performing sector and energy and telecom services were the worst performers. He explained page 9 and the effect of interest rates. Mr. Grumbles reviewed the asset allocation on pages 10 and 11 stating the overall asset allocation of the plan basically remained the same since last quarter. In reviewing page 12, Mr. Grumbles stated the investment asset allocation is in compliance with the investment policy statement. He reviewed page 13 showing where the plan falls in comparison with other public plans. In reviewing page 16 Mr. Grumbles stated there was strong cash flow into the plan and income and capital gains together

generated \$423,208, which made the quarter up 2.51%. He stated year to date the plan was up 8.47% gross of fees and 8.39% net of fees, which is well ahead of our 7.5% assumed rate of return for the fiscal year. He further explained pages 19.

Review of minutes:

a. Regular meeting- June 5, 2017

The minutes of the regular meeting on June 5, 2017 were presented. Trustee Ingram made a motion to approve the minutes of the regular meeting on June 5, 2017. Trustee McDowell seconded. No discussion. The motion passed unanimously.

Review of the Financial Report:

a. June 30, 2017

Kathryn Wagner presented the June 30, 2017 financial report. Trustee McDowell made a motion to approve the June 30, 2017 financial report. Trustee Ingram seconded. No discussion. The motion passed unanimously.

Old Business:

a. Election of Officers

Trustee Buchanan made a motion to table election of officers until next regular meeting. Trustee McDowell seconded. The motion passed unanimously.

New Business:

a. Approval of Invoices

Trustee Ingram made a motion to approve the invoices. Trustee McDowell seconded. Trustee Ingram inquired whether the fiduciary liability insurance covered the unfunded liability deficit. Attorney Dehner stated usually fiduciary liability insurance will reimburse the fund for anything it has to pay out as a result of fiduciary duty. He also stated the waiver recourse endorsement on the fiduciary liability policy is so the insurance company will agree not to sue the Trustees for money back to the company. The motion passed unanimously.

b. Application for Return of Contribution for Non-Vested Member – Luke V. Turner

Kathryn Wagner explained the circumstances leading to the request for reimbursement of member contributions. Trustee Buchanan made a motion to accept the application for return of contribution for non-vested member Luke V. Turner. Trustee McDowell seconded. With no discussion the motion passed unanimously.

c. Budget for Administrative Expenses for the fiscal year ending 9/30/2018

Kathryn Wagner presented the administrative budget for the fiscal year ending 9/30/2018. Trustee Ingram made a motion to accept the administrative budget. Trustee McDowell seconded. With no discussion the motion passed unanimously.

Next meeting:

Trustee Buchanan stated the next quarterly meeting will be on November 27, 2017 at 5:00 p.m.

Adjournment:

With no additional business to be discussed, the meeting adjourned at 5:28 p.m.

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Destin Fire Control District Firefighters' Retirement Fund

Balance Sheet

As of September 30, 2017

	09/30/2017	06/30/2017	\$ Change	% Change
ASSETS				
Current Assets				
Checking/Savings				
Salem Trust	\$ 234,845.11	\$ 259,527.30	\$ (24,682.19)	-9.51%
Total Checking/Savings	234,845.11	259,527.30	(24,682.19)	-9.51%
Accounts Receivable				
Accounts Receivable	4,935.58	-	4,935.58	0.00%
Total Accounts Receivable	4,935.58	-	4,935.58	0.00%
Other Current Assets				
Investments	15,273,619.27	14,699,601.73	574,017.54	3.90%
Investments - Cash	11,781.24	10,089.25	1,691.99	16.77%
Investments - Real Estate	1,400,000.00	1,400,000.00	-	0.00%
Asset appreciation - FMB of Inv.	1,475,804.36	1,020,765.28	455,039.08	44.58%
Transfer account	(11,581.17)	(9,991.02)	(1,590.15)	15.92%
Total Other Current Assets	18,149,623.70	17,120,465.24	1,029,158.46	6.01%
Total Current Assets	18,389,404.39	17,379,992.54	1,009,411.85	5.81%
TOTAL ASSETS	18,389,404.39	17,379,992.54	1,009,411.85	5.81%
LIABILITIES				
Liabilities				
Current Liabilities				
Accounts Payable				
Accounts payable	7,703.01	9,307.36	(1,604.35)	-17.24%
Total Accounts Payable	7,703.01	9,307.36	(1,604.35)	-17.24%
Total Current Liabilities	7,703.01	9,307.36	(1,604.35)	-17.24%
Total Liabilities	7,703.01	9,307.36	(1,604.35)	-17.24%
Equity				
Net Assets Available	15,911,626.69	15,911,626.69	-	0.00%
Net Revenue over expenditures	2,470,074.69	1,459,058.49	1,011,016.20	69.29%
Net Assets held in trust	18,381,701.38	17,370,685.18	1,011,016.20	5.82%
TOTAL LIABILITIES & EQUITY	\$ 18,389,404.39	\$ 17,379,992.54	\$ 1,009,411.85	5.81%

Unaudited - for management purposes only

Destin Fire Control District Firefighters' Retirement Fund
Statement of Revenue and Expenditures
October 1, 2016 through September 30, 2017

	10/1/16 - 09/30/2017	Budget	Budget Remaining (Over)	% Remaining (Over)
REVENUE				
State trust funds	\$ 265,392.15			
Interest and dividend income	398,050.46			
Net income on investments	39,071.35			
Gain (Loss) on sale of investments	35,940.40			
Unrealized gain (loss)	1,417,248.10			
District contributions	1,038,048.46			
Employee contributions	112,629.85			
TOTAL REVENUE	\$ 3,306,380.77			
EXPENDITURES				
Administrative Expenses - Consultants				
Actuarial consultant	20,380.00	20,000.00	(380.00)	-1.90%
Financial monitor	19,000.00	19,000.00	-	0.00%
Bank fee	9,423.34	10,800.00	1,376.66	12.75%
Legal consultant	8,035.21	7,500.00	(535.21)	-7.14%
Administrative Expenses - Other				
Dues and subscriptions	600.00	600.00	-	0.00%
Fiduciary insurance	3,123.00	3,500.00	377.00	10.77%
IME Physician Fees	-	2,000.00	2,000.00	100.00%
Meetings	-	7,500.00	7,500.00	100.00%
Total Administrative Expenses	60,561.55	70,900.00	10,338.45	14.58%
Benefit Expenses				
Retiree benefit	775,744.53			
Retiree benefit - DROP plan	-			
Total Benefit Expenses	775,744.53			
TOTAL EXPENDITURES	\$ 836,306.08			
NET REVENUE OVER EXPENDITURES	\$ 2,470,074.69			

Unaudited - for management purposes only

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Approval of Invoices

Date	Payee	Description	Amount
08/31/2017	Christiansen & Dehner, P.A.	Legal Services for the month of August 2017	\$297.50
09/22/2017	AndCo Consulting, LLC	Consulting services and performance evaluation for July, August, and September 2017	\$4,750.00
09/30/2017	Christiansen & Dehner, P.A.	Legal Services for the month of September 2017	\$127.50
10/04/2017	Salem Trust	Fee Invoice for Period of 7/1/2017 to 9/30/2017	\$2,528.01
11/08/2017	Florida Public Pension Trustees Association	2018 Pension Board Membership	\$600.00

Christiansen & Dehner, P. A.

63 Sarasota Center Boulevard
Suite 107
Sarasota, FL 34240-

SEP 11 2017

941-377-2200
Phone

941-377-4848
Fax

August 31, 2017

Destin Fire Control District
Firefighters' Retirement Trust Fund
848 Airport Road
Destin, FL 32541
ATTN: Plan Administrator

Invoice Number

In Reference To: Fire Pension Fund

9310

31052

Professional Services

	Hours	Amount
8/28/2017 Preparation and attendance at Board Meeting by phone.	0.70	297.50
For professional services rendered	0.70	\$297.50
Previous balance		\$1,063.40
Accounts receivable transactions		
8/15/2017 Payment - thank you. Check No. 31539		(\$1,063.40)
Total payments and adjustments		(\$1,063.40)
Balance due		\$297.50

** Please note that the "Balance Due" figure at the end of this bill reflects both "Total New Charges - Current Period" and any previous balances due. In most cases, if the previous balance(s) have already been approved for payment but not yet received in our office, you should be paying only the "Total New Charges - for services and/or expenses". Thank you.



AndCo
4901 Vineland Road, Ste 600
Orlando, FL 32811

Date	Invoice #
9/22/2017	23178

Bill To:

Destin Fire Control District
Firefighters' Retirement
Trust Fund
848 Airport Road
Destin, FL 32541

Description	Amount
Consulting services and performance evaluation billed quarterly (July, 2017)	1,583.33
Consulting services and performance evaluation billed quarterly (August, 2017)	1,583.33
Consulting services and performance evaluation billed quarterly (September, 2017)	1,583.34
It is our pleasure to provide 100% independent consulting advice ALWAYS putting clients first!	
Balance Due	\$4,750.00

82
✓

Christiansen & Dehner, P. A.

OCT 12 2017

63 Sarasota Center Boulevard
Suite 107
Sarasota, FL 34240-

941-377-2200
Phone

941-377-4848
Fax

September 30, 2017

Destin Fire Control District
Firefighters' Retirement Trust Fund
848 Airport Road
Destin,, FL 32541
ATTN: Plan Administrator

Invoice Number

In Reference To: Fire Pension Fund

9310

31199

Professional Services

	<u>Hours</u>	<u>Amount</u>
9/1/2017 Review and respond to e-mail from K. Wagner.	0.30	127.50
For professional services rendered	0.30	\$127.50
Previous balance		\$297.50
Balance due		<u>\$425.00</u>

** Please note that the "Balance Due" figure at the end of this bill reflects both "Total New Charges - Current Period" and any previous balances due. In most cases, if the previous balance(s) have already been approved for payment but not yet received in our office, you should be paying only the "Total New Charges - for services and/or expenses". Thank you.



October 4, 2017

Destin Fire Control District
Kathryn Wagner
848 Airport Road
Destin, FL 32541

Fee A/C #3040001495
Destin Fire

Fee Invoice for Period **July 1, 2017** to **September 30, 2017**

Total Market Value for Fund: \$16,853,417.49

Detail of Calculation:

Market Value	Basis Point Rate	Annual Fee	Quarterly Fee
\$16,853,417.49	0.0006	\$10,112.05	\$2,528.01
		Minimum Fee	\$0.00

TOTAL **\$2,528.01**

If you have any questions, please contact Mark Rhein at 877-382-5268

**Florida Public Pension Trustees
Association****Invoice**

Date	Invoice #
11/8/2017	300000065

Bill To
Kathryn Wagner Destin Fire Control 848 Airport Road Destin, FL 32541 United States

Member Information
Kathryn Wagner Destin Fire Control 848 Airport Road Destin, FL 32541 United States

PO	Terms	Due Date
	Due on receipt	11/8/2017

Description	Amount
Pension Board 2018	\$600.00
Total	\$600.00
Balance Due	\$600.00

Please remit payment to

FPPTA

2946 Wellington Circle East

Tallahassee, FL 32309

85



Destin Fire Control District

848 Airport Road - Destin, Florida 32541
Telephone (850) 837-8413 Fax (850) 837-6715



October 20, 2017

Chief Kevin Sasser

Destin Fire Control District
Firefighters' Retirement Trust Fund
Board of Trustees
848 Airport Road
Destin, FL 32541

Dear Trustees,

On September 18, 2017, Battalion Chief James A. Taylor submitted an application for service retirement benefits and has elected to enter the DROP program. As outlined in the current Summary Plan, Mr. Taylor has qualified for this election by meeting the criteria for Normal Retirement. Mr. Taylor was hired prior to October 1, 2012 and has completed over 20 years of credited service (hire date 02/27/1990).

Should you have any questions regarding the DROP process, please let me know.

Sincerely,

Kathryn L. Wagner
Administrative Division Chief



A Heart Ready
Community



An Advanced Life
Support Service

**DESTIN FIRE CONTROL DISTRICT
FIREFIGHTERS' RETIREMENT TRUST FUND**

APPLICATION FOR SERVICE RETIREMENT BENEFITS

Name of Employee: JAMES A. TAYLOR

Social Security Number: _____

Date of Employment: 2/27/1990 Date of Birth: _____

Permanent Address: _____

Daytime Phone Number: _____

Type of benefit for which you are applying:

* Normal (X)

DROP: Yes ✓ No _____

* Early (_____)

Deferred: _____ Immediate: _____

I plan to retire or DROP on: 9/30/17

Last date of work: 9/29/17

If Joint and Survivor option is to be calculated, name of joint annuitant:

Relationship: Wife

Social Security Number: _____

* Date of Birth: _____

Address: _____

* *Attach birth certificate or driver's license for proof of age*

I hereby request that the Board of Trustees calculate my retirement options based on the information provided above. I understand I will make my final retirement option selection upon receipt of the calculation of the monthly amounts for the various benefit options.

I hereby certify that the preceding statements are true and correct to the best of my knowledge. I also certify that I will adhere to the requirements of the Plan. I understand a false statement may disqualify me for benefits.

This application revokes any prior application.

Signature: James A. Taylor Date: 9/18/17

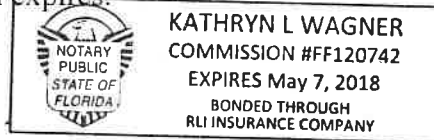
STATE OF Florida

COUNTY OF Okaloosa

The foregoing instrument was sworn before me this 18th day of September, 20 17 by James A. Taylor who is personally known to me or who has procured N/A as identification, and who did take an oath.

Kathryn L Wagner
Notary Public

My commission expires:



"Pursuant to Section 119.071(5)(a)2., Florida Statutes, your social security number is requested for the purpose of determining eligibility for retirement benefits as a plan member, retiree or beneficiary; the processing of retirement benefits; verification of retirement benefits; income reporting; or other notice or disclosures related to retirement benefits. Your social security number will be used solely for one or more of these purposes."

October 20, 2017

VIA EMAIL

CONFIDENTIAL

Kathryn L. Wagner, Financial Administrator
Destin Fire Control District
Retirement Trust Fund
848 Airport Road
Destin, FL 32541

Re: Destin Fire Control District Firefighters' Retirement Trust Fund

Dear Kathryn:

As requested, please find enclosed the Notification of Retirement Benefits Form for the following Member of the referenced Plan:

TAYLOR, James (DROP)

Benefits outlined on the enclosure have been determined using census data provided by you, including precise Average Final Compensation and Credited Service through September 29, 2017, and current Plan provisions.

If you have any questions, please let me know.

Sincerely,



Luke M. Schoenhofen

Enclosure

Destin Fire Control District Firefighters Retirement Trust Fund

Notification of DROP Retirement Benefits

(Final as of October 20, 2017)

Member's Name: James A. Taylor

Date of Birth:

Years of Credited Service: 27.5890

Benefit Rate: 3.50% per Year of Credited Service.

Fiscal Year Earnings History

2018	2,784.00
2017	90,476.78
2016	86,849.52
2015	84,460.59
2014	84,460.59
2010	85,091.29 (Partial Year)

Average Final Compensation: \$7,235.38

Form of Benefit	Monthly Benefits Payable to DROP as of October 1, 2017	
For Retiree's Lifetime Only	7,034.67	
For Retiree's Lifetime with 120 Payments Guaranteed	6,986.59	
Social Security Option* to Age 67 (For Retiree's Lifetime Only)	<u>Before 6/1/33</u>	<u>6/1/33 and After</u>
	7,253.59	6,460.33
Social Security Option* to Age 64 (For Retiree's Lifetime Only)	<u>Before 6/1/30</u>	<u>6/1/30 and After</u>
	7,266.47	6,631.87

*The Member may obtain an accurate determination of Social Security benefits from the Social Security Administration.

*The amounts shown are payable regardless of actual Social Security benefits.

	<u>To Retiree</u>	<u>To Surviving Joint Annuitant</u>
For Retiree's Lifetime with 100% continued to Joint Annuitant	6,524.43	6,524.43
For Retiree's Lifetime with 75% continued to Joint Annuitant	6,644.91	4,983.68
For Retiree's Lifetime with 66 2/3% continued to Joint Annuitant	6,686.06	4,457.60
For Retiree's Lifetime with 50% continued to Joint Annuitant	6,769.97	3,384.99

(Joint Annuitant Information for Survivorship Options:

Female, Born:)

Prepared By: Lake Schuchman

Reviewed By: Tyler Koffler

**DESTIN FIRE CONTROL DISTRICT
FIREFIGHTERS' RETIREMENT TRUST FUND
MEMBER'S ELECTION OF BENEFIT OPTION
(Service Retirements and Terminated Vested)**

I, JAMES A. TAYLOR, have received the calculation of my retirement benefit options and I elect retirement benefits payable as follows:

NORMAL FORM, TEN YEAR CERTAIN AND LIFE ANNUITY - These monthly benefits are paid to the retiree until death. If the retiree dies before 10 years from the date of retirement, the benefits continue to the surviving beneficiary for the balance of the 10 year period. (If the retiree lives beyond the 10 year period, no benefits will be paid to the surviving beneficiary upon the retiree's death.)

Monthly amount \$ _____

LIFE ANNUITY - These benefits are paid to the retiree for as long as he or she lives.

Monthly amount \$ _____

☒ **JOINT AND SURVIVOR** - These monthly benefits are paid to the retiree until death. At death, the applicable percentage will continue to the retiree's joint annuitant until his or her death.

Retiree's Amount \$ 1524.43 Percentage - circle one (100%) 75%, 66-2/3%, 50%)

Joint Annuitant's Amount \$ 6524.43
(Name of Joint Annuitant _____)

SOCIAL SECURITY OPTION - These benefits provide for a larger amount to be paid to a social security eligibility date determined by the member and a reduced amount thereafter, with benefits ceasing upon the death of the Retiree.

Amount \$ _____ paid to _____ and \$ _____, thereafter, until death.
(date)

Please indicate the name of your beneficiary: _____
(Member's Designation of Beneficiary (PF-3) must be completed to confirm this designation)

Signature: James A. Taylor Date: 10/20/2017

STATE OF FLORIDA
COUNTY OF OKALOOSA

The foregoing instrument was acknowledged before me this 20th day of October, 2017 by JAMES M. TAYLOR who is personally known to me or who has procured N/A as identification, and who did not take an oath.

Notary Public

My commission expires:



Destin Fire Control District

848 Airport Road - Destin, Florida 32541
Telephone (850) 837-8413 Fax (850) 837-6715



November 27, 2017

Chief Kevin Sasser

Destin Fire Control District
Firefighters' Retirement Trust Fund
Board of Trustees
848 Airport Road
Destin, FL 32541

Re: Application for Service Retirement Benefits – Adam J. Hoogendoorn

Dear Trustees,

Please accept this letter as verification of Adam J. Hoogendoorn's eligibility to receive retirement benefits. Mr. Hoogendoorn began employment and entered the pension plan with the Destin Fire Control District on February 12, 1998. Mr. Hoogendoorn's last day of employment with the District was on May 31, 2014.

Per Section 1 of Resolution 13-01, adopted by the Board of Commissioners of the Destin Fire Control District on October 1, 2012, "...normal retirement date shall be the first day of the month coincident with, or next following the earlier of the attainment of age fifty-five (55) and the completion of ten (10) years of Credited Service or the completion of twenty (20) years of Credited Service regardless of age."

Upon his termination, Mr. Hoogendoorn was vested in the retirement plan having obtained over 16 years of service. A vested terminated person can begin receiving a benefit at his/her otherwise early or normal retirement date. Mr. Hoogendoorn would have met the requirement of normal retirement for the completion of twenty (20) years of Credited Service on February 11, 2018 had he remained employed.

Therefore, it has been determined that Mr. Hoogendoorn becomes eligible to receive benefits on March 1, 2018, regardless of his discontinued employment with the Destin Fire Control District.

Sincerely,

Kathryn L. Wagner
Administrative Division Chief



A Heart Ready
Community



An Advanced Life
Support Service

NOV 07 2017

DESTIN FIRE CONTROL DISTRICT
FIREFIGHTERS' RETIREMENT TRUST FUND

APPLICATION FOR SERVICE RETIREMENT BENEFITS

Name of Employee: Adam John Hoogendoorn

Social Security Number: _____

Date of Employment: 2-12-1998 Date of Birth: _____

Permanent Address: _____

Daytime Phone Number: _____

Type of benefit for which you are applying:

* Normal (yes)

DROP: Yes _____ No X

* Early (_____) _____

Deferred: _____ Immediate: _____

I plan to retire or DROP on: N/A

Last date of work: May 31, 2014

If Joint and Survivor option is to be calculated, name of joint annuitant:

Relationship: N/A

Social Security Number: N/A

* Date of Birth: N/A

Address: N/A

* *Attach birth certificate or driver's license for proof of age*

I hereby request that the Board of Trustees calculate my retirement options based on the information provided above. I understand I will make my final retirement option selection upon receipt of the calculation of the monthly amounts for the various benefit options.

I hereby certify that the preceding statements are true and correct to the best of my knowledge. I also certify that I will adhere to the requirements of the Plan. I understand a false statement may disqualify me for benefits.

This application revokes any prior application.

Signature: _____

Date: 11/3/17

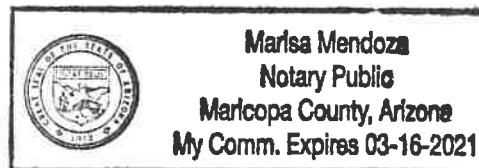
STATE OF Arizona

COUNTY OF Maricopa

The foregoing instrument was sworn before me this 3rd day of November, 20 17 by Adam Hoogendoorn who is personally known to me or who has procured AZ Driver License as identification, and who did take an oath.

Marisa Mendoza
Notary Public

My commission expires: 03-16-2021



"Pursuant to Section 119.071(5)(a)2., Florida Statutes, your social security number is requested for the purpose of determining eligibility for retirement benefits as a plan member, retiree or beneficiary; the processing of retirement benefits; verification of retirement benefits; income reporting; or other notice or disclosures related to retirement benefits. Your social security number will be used solely for one or more of these purposes."



FOSTER & FOSTER
ACTUARIES AND CONSULTANTS

December 15, 2016

VIA EMAIL

CONFIDENTIAL

Kathryn L. Wagner, Financial Administrator
Destin Fire Control District
Retirement Trust Fund
848 Airport Road
Destin, FL 32541

Re: Destin Fire Control District Firefighters' Retirement Trust Fund

Dear Kathryn:

As requested, please find enclosed the Notification of Retirement Benefits Form for the following Member of the referenced Plan:

HOOGENDOORN, Adam
(Deferred, Vested: NORMAL)

Benefits outlined on the enclosure have been determined using census data provided by you, including precise Average Final Compensation and Credited Service through May 31, 2014, and Plan provisions in effect on that date.

If you have any questions, please let me know.

Sincerely,

Luke M. Schoenhofen

Enclosure

Destin Fire Control District Firefighters Retirement Tr. Fund

Notification of Vested, Deferred Normal Retirement Benefits (Final as of December 14, 2016)

Member's Name: Adam Hoogendoorn

Date of Birth: December 22, 1976

Years of Credited Service: 16.2986

Benefit Rate: 3.50% per Year of Credited Service.

Fiscal Year Earnings History

2014	44,981.51
2013	64,587.82
2012	64,947.73
2011	64,237.82
2010	67,191.03
2009	18,984.57 (Partial Year)

Average Final Compensation: \$5,415.51

Form of Benefit	Monthly Benefits as of March 1, 2018	
For Retiree's Lifetime Only	3,097.52	
For Retiree's Lifetime with 120 Payments Guaranteed	3,089.28	
Social Security Option* to Age 67 (For Retiree's Lifetime Only)	<u>Before 1/1/44</u>	<u>1/1/44 and After</u>
	3,168.13	2,382.46
Social Security Option* to Age 64 (For Retiree's Lifetime Only)	<u>Before 1/1/41</u>	<u>1/1/41 and After</u>
	3,176.01	2,547.47

*The Member may obtain an accurate determination of Social Security benefits from the Social Security Administration.

*The amounts shown are payable regardless of actual Social Security benefits.

	<u>To Retiree</u>	<u>To Surviving Joint Annuitant</u>
For Retiree's Lifetime with 100% continued to Joint Annuitant	3,009.61	3,009.61
For Retiree's Lifetime with 75% continued to Joint Annuitant	3,031.12	2,273.34
For Retiree's Lifetime with 66 2/3% continued to Joint Annuitant	3,038.36	2,025.67
For Retiree's Lifetime with 50% continued to Joint Annuitant	3,052.94	1,526.47

(Joint Annuitant Information for Survivorship Options: Derek Hoogendoorn, Male, Born: July 23, 1971)

Prepared By: Luke Schuchman

Reviewed By: Tyler Kofler

**DESTIN FIRE CONTROL DISTRICT
FIREFIGHTERS' RETIREMENT TRUST FUND
MEMBER'S ELECTION OF BENEFIT OPTION
(Service Retirements and Terminated Vested)**

I, Adam J. Hoogendoorn, have received the calculation of my retirement benefit options and I elect retirement benefits payable as follows:

N/A **NORMAL FORM, TEN YEAR CERTAIN AND LIFE ANNUITY** - These monthly benefits are paid to the retiree until death. If the retiree dies before 10 years from the date of retirement, the benefits continue to the surviving beneficiary for the balance of the 10 year period. (If the retiree lives beyond the 10 year period, no benefits will be paid to the surviving beneficiary upon the retiree's death.)

Monthly amount \$ _____

✓ **LIFE ANNUITY** - These benefits are paid to the retiree for as long as he or she lives.

Monthly amount \$ 3097.52

N/A **JOINT AND SURVIVOR** - These monthly benefits are paid to the retiree until death. At death, the applicable percentage will continue to the retiree's joint annuitant until his or her death.

Retiree's Amount \$ _____ Percentage - circle one (100%, 75%, 66-2/3%, 50%)

Joint Annuitant's Amount \$ _____
(Name of Joint Annuitant _____)

N/A **SOCIAL SECURITY OPTION** - These benefits provide for a larger amount to be paid to a social security eligibility date determined by the member and a reduced amount thereafter, with benefits ceasing upon the death of the Retiree.

Amount \$ _____ paid to _____ and \$ _____, thereafter, until death. (date)

Please indicate the name of your beneficiary: _____
(Member's Designation of Beneficiary (PF-3) must be completed to confirm this designation)

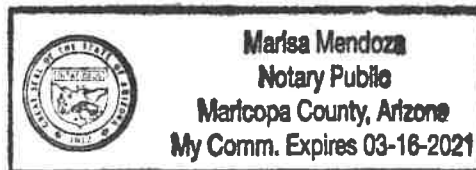
Signature: [Signature] Date: 11/3/17

STATE OF Arizona
COUNTY OF Maricopa

The foregoing instrument was acknowledged before me this 3rd day of November, 2017 by Adam Hoogendoorn who is personally known to me or who has procured AZ Driver License as identification, and who did not take an oath.

Marisa Mendoza
Notary Public

My commission expires: 03-16-2021



Destin Fire Control District
Quarterly Meeting
Destin Firefighters' Retirement Trust Fund

November 27, 2017

Election Results

Seat Two Vacancy – Term January 1, 2018 thru December 31, 2021

<u>Trey Ward</u>	-	_____
_____	-	_____
_____	-	_____
_____	-	_____
_____	-	_____
_____	-	_____
_____	-	_____

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SEP 28 2017

Law Offices

Christiansen & Dehner, P.A.

63 Sarasota Center Blvd. Suite 107 Sarasota, Florida 34240 • 941-377-2200 • Fax 941-377-4848

MEMORANDUM

TO: Destin Fire Control District Firefighters' Pension Trust Fund
FROM: Kristin Hill
RE: Proposed 2018 Meeting Dates
DATE: September 25, 2017

Listed below are the proposed 2018 meeting dates based on the previous year's schedules. Should they meet with the Board's approval, please let us know and we will put them on our calendar. Should there be any discrepancies with any of the dates and/or times, please do not hesitate to contact Kristin at the office, via phone at 941-377-2200 or E-Mail at kristin@cdpension.com, and we will do the best we can to comply with your requests.

ALL MEETINGS WILL BE HELD AT 5:00PM:

March 5, 2018
June 4, 2018
August 27, 2018
December 3, 2018

Thank you.

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