

June 25, 2015

VIA EMAIL

Ms. Luann Price
Trustmark National Bank
Attn: Trust Dept.
P. O. Box 59350
Panama City, FL 32412

Re: City of Panama City Municipal Firefighters' Pension Trust Fund
Senate Bill 534 (Section 112.664, Florida Statutes) Compliance

Dear Luann:

Please find enclosed the annual disclosures that satisfy the October 1, 2014 financial reporting requirements made under Section 112.664.

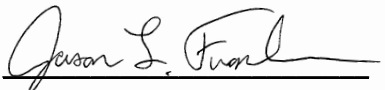
Our office will submit this information electronically to the Department of Management Services by the June 28, 2015 deadline. However, it is important for you to be aware that this report must also be made available on the Plan or Plan Sponsor's website, if such website exists. A deadline for this website publication is not made clear in the law.

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

If there are any questions, concerns, or comments about any of the items contained in this report, please feel free to contact me.

Respectfully submitted,

Foster & Foster, Inc.

By: 

Jason L. Franken, FSA, EA, MAAA
Enrolled Actuary #14-6888

JLF/lke

Enclosures

cc via email: H. Lee Dehner, Board Attorney

CITY OF PANAMA CITY
MUNICIPAL FIREFIGHTERS' PENSION TRUST FUND

SECTION 112.664, FLORIDA STATUTES
COMPLIANCE

With respect to the reporting standards for defined benefit retirement plans or systems contained in Section 112.664(1), F.S., the actuarial disclosures required under this section were prepared and completed by me or under my direct supervision and I acknowledge responsibility for the results. To the best of my knowledge, the results are complete and accurate, and in my opinion, meet the requirements of Section 112.664(1), Florida Statutes, and Rule 60T-1.0035, Florida Administrative Code.

By: Jason L. Franken Date: 6/25/2015

Jason L. Franken, FSA, EA, MAAA
Enrolled Actuary #14-6888



When reviewing the following schedules, please note the following:

- 1) The purpose of producing this report is solely to satisfy the requirements set forth by Section 112.664, Florida Statutes, and is mandatory for every Florida public pension fund, excluding the Florida Retirement System (FRS).
- 2) None of the schedules shown have any impact on the funding requirements of the Plan. These schedules are for statutory compliance purposes only.
- 3) In the schedules that follow, the columns labeled “ACTUAL” represent the final recorded GASB 67/68 results. The columns labeled “HYPOTHETICAL” illustrate what the results would have been if different assumptions were used.
- 4) It is our opinion that the Plan’s actual assumptions utilized in the October 1, 2014 Actuarial Valuation Report, as adopted by the Board of Trustees, are reasonable individually and in the aggregate, and represent our best estimate of future Plan experience.
- 5) The “Number of Years Expected Benefit Payments Sustained” calculated in Section II: Asset Sustainability should not be interpreted as the number of years the Plan has left until it is insolvent. This calculation is required by 112.664, Florida Statutes, but the numeric result is irrelevant, since in its calculation we are to assume there will be no further contributions to the Fund. As long as the Actuarially Determined Contribution is made each year the Plan will never become insolvent.

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

	ACTUAL	HYPOTHETICAL		
	8.00% RP-2000 Static 9/30/2014	8.00% RP-2000 Generational 9/30/2014	6.00% RP-2000 Generational 9/30/2014	10.00% RP-2000 Generational 9/30/2014
Total Pension Liability				
Service Cost	753,886	797,779	1,288,846	511,702
Interest	3,478,697	3,593,503	3,427,746	3,655,532
Change in Excess State Money	-	-	-	-
Change in Funding Standard Account	-	-	-	-
Share Plan Allocation	-	-	-	-
Changes of Benefit Terms	-	-	-	-
Differences Between Expected and Actual Experience	-	-	-	-
Changes of Assumptions	-	-	-	-
Contributions - Buy Back	-	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(2,984,580)	(2,984,580)	(2,984,580)	(2,984,580)
Net Change in Total Pension Liability	1,248,003	1,406,702	1,732,012	1,182,654
Total Pension Liability - Beginning	44,228,422	45,619,596	57,338,852	37,542,213
Total Pension Liability - Ending (a)	45,476,425	\$ 47,026,298	\$ 59,070,864	\$ 38,724,867
Plan Fiduciary Net Position				
Contributions - Employer	1,433,019	1,433,019	1,433,019	1,433,019
Contributions - State	355,576	355,576	355,576	355,576
Contributions - Employee	207,185	207,185	207,185	207,185
Contributions - Buy Back	-	-	-	-
Net Investment Income	3,164,093	3,164,093	3,164,093	3,164,093
Benefit Payments, Including Refunds of Employee Contributions	(2,984,580)	(2,984,580)	(2,984,580)	(2,984,580)
Administrative Expense	(26,647)	(26,647)	(26,647)	(26,647)
Other	-	-	-	-
Net Change in Plan Fiduciary Net Position	2,148,646	2,148,646	2,148,646	2,148,646
Plan Fiduciary Net Position - Beginning	31,713,016	31,713,016	31,713,016	31,713,016
Plan Fiduciary Net Position - Ending (b)	\$ 33,861,662	\$ 33,861,662	\$ 33,861,662	\$ 33,861,662
Net Pension Liability - Ending (a) - (b)	\$ 11,614,763	\$ 13,164,636	\$ 25,209,202	\$ 4,863,205

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1
Plan Assumptions: 8.00% and RP-2000 Static Mortality

Year	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments*	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2014	33,861,662	-	4,206,539	-	2,540,671	32,195,794
2015	32,195,794	-	3,051,425	-	2,453,607	31,597,976
2016	31,597,976	-	3,083,354	-	2,404,504	30,919,126
2017	30,919,126	-	3,109,502	-	2,349,150	30,158,774
2018	30,158,774	-	3,245,044	-	2,282,900	29,196,630
2019	29,196,630	-	3,327,929	-	2,202,613	28,071,314
2020	28,071,314	-	3,371,282	-	2,110,854	26,810,886
2021	26,810,886	-	3,416,178	-	2,008,224	25,402,932
2022	25,402,932	-	3,407,149	-	1,895,949	23,891,732
2023	23,891,732	-	3,509,788	-	1,770,947	22,152,891
2024	22,152,891	-	3,541,175	-	1,630,584	20,242,300
2025	20,242,300	-	3,575,829	-	1,476,351	18,142,822
2026	18,142,822	-	3,599,217	-	1,307,457	15,851,062
2027	15,851,062	-	3,612,408	-	1,123,589	13,362,243
2028	13,362,243	-	3,596,578	-	925,116	10,690,781
2029	10,690,781	-	3,597,120	-	711,378	7,805,039
2030	7,805,039	-	3,649,265	-	478,433	4,634,207
2031	4,634,207	-	3,626,599	-	225,673	1,233,281
2032	1,233,281	-	3,595,425	-	-	-

*All DROP Balances paid in 2014.

Number of Years Expected Benefit Payments Sustained: 18.34

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 8.00% interest.

It is important to note that as long as the Actuarially Determined Contribution is made each year, the Plan will never become insolvent.

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 2
Hypothetical Assumptions: 8.00% and RP-2000 Generational Mortality

Year	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments*	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2014	33,861,662	-	4,207,150	-	2,540,647	32,195,159
2015	32,195,159	-	3,054,721	-	2,453,424	31,593,862
2016	31,593,862	-	3,089,652	-	2,403,923	30,908,133
2017	30,908,133	-	3,119,251	-	2,347,881	30,136,763
2018	30,136,763	-	3,258,879	-	2,280,586	29,158,470
2019	29,158,470	-	3,346,347	-	2,198,824	28,010,947
2020	28,010,947	-	3,394,633	-	2,105,090	26,721,404
2021	26,721,404	-	3,445,716	-	1,999,884	25,275,572
2022	25,275,572	-	3,442,686	-	1,884,338	23,717,224
2023	23,717,224	-	3,552,471	-	1,755,279	21,920,032
2024	21,920,032	-	3,592,106	-	1,609,918	19,937,844
2025	19,937,844	-	3,637,284	-	1,449,536	17,750,096
2026	17,750,096	-	3,669,920	-	1,273,211	15,353,387
2027	15,353,387	-	3,693,233	-	1,080,542	12,740,696
2028	12,740,696	-	3,689,962	-	871,657	9,922,391
2029	9,922,391	-	3,703,741	-	645,642	6,864,292
2030	6,864,292	-	3,769,498	-	398,363	3,493,157
2031	3,493,157	-	3,761,050	-	-	-

*All DROP Balances paid in 2014.

Number of Years Expected Benefit Payments Sustained: 17.93

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 8.00% interest.

It is important to note that as long as the Actuarially Determined Contribution is made each year, the Plan will never become insolvent.

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 3
Hypothetical Assumptions: 6.00% and RP-2000 Generational Mortality

Year	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments*	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2014	33,861,662	-	4,207,150	-	1,905,485	31,559,997
2015	31,559,997	-	3,054,721	-	1,801,958	30,307,234
2016	30,307,234	-	3,089,652	-	1,725,744	28,943,326
2017	28,943,326	-	3,119,251	-	1,643,022	27,467,097
2018	27,467,097	-	3,258,879	-	1,550,259	25,758,477
2019	25,758,477	-	3,346,347	-	1,445,118	23,857,248
2020	23,857,248	-	3,394,633	-	1,329,596	21,792,211
2021	21,792,211	-	3,445,716	-	1,204,161	19,550,656
2022	19,550,656	-	3,442,686	-	1,069,759	17,177,729
2023	17,177,729	-	3,552,471	-	924,090	14,549,348
2024	14,549,348	-	3,592,106	-	765,198	11,722,440
2025	11,722,440	-	3,637,284	-	594,228	8,679,384
2026	8,679,384	-	3,669,920	-	410,665	5,420,129
2027	5,420,129	-	3,693,233	-	214,411	1,941,307
2028	1,941,307	-	3,689,962	-	-	-

*All DROP Balances paid in 2014.

Number of Years Expected Benefit Payments Sustained: 14.53

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 6.00% interest.

It is important to note that as long as the Actuarially Determined Contribution is made each year, the Plan will never become insolvent.

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 4
Hypothetical Assumptions: 10.00% and RP-2000 Generational Mortality

Year	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments*	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2014	33,861,662	-	4,207,150	-	3,175,809	32,830,321
2015	32,830,321	-	3,054,721	-	3,130,296	32,905,896
2016	32,905,896	-	3,089,652	-	3,136,107	32,952,351
2017	32,952,351	-	3,119,251	-	3,139,273	32,972,373
2018	32,972,373	-	3,258,879	-	3,134,293	32,847,787
2019	32,847,787	-	3,346,347	-	3,117,461	32,618,901
2020	32,618,901	-	3,394,633	-	3,092,158	32,316,426
2021	32,316,426	-	3,445,716	-	3,059,357	31,930,067
2022	31,930,067	-	3,442,686	-	3,020,872	31,508,253
2023	31,508,253	-	3,552,471	-	2,973,202	30,928,984
2024	30,928,984	-	3,592,106	-	2,913,293	30,250,171
2025	30,250,171	-	3,637,284	-	2,843,153	29,456,040
2026	29,456,040	-	3,669,920	-	2,762,108	28,548,228
2027	28,548,228	-	3,693,233	-	2,670,161	27,525,156
2028	27,525,156	-	3,689,962	-	2,568,018	26,403,212
2029	26,403,212	-	3,703,741	-	2,455,134	25,154,605
2030	25,154,605	-	3,769,498	-	2,326,986	23,712,093
2031	23,712,093	-	3,761,050	-	2,183,157	22,134,200
2032	22,134,200	-	3,743,896	-	2,026,225	20,416,529
2033	20,416,529	-	3,701,508	-	1,856,578	18,571,599
2034	18,571,599	-	3,643,278	-	1,674,996	16,603,317
2035	16,603,317	-	3,589,627	-	1,480,850	14,494,540
2036	14,494,540	-	3,567,289	-	1,271,090	12,198,341
2037	12,198,341	-	3,512,985	-	1,044,185	9,729,541
2038	9,729,541	-	3,477,439	-	799,082	7,051,184
2039	7,051,184	-	3,404,718	-	534,883	4,181,349
2040	4,181,349	-	3,319,324	-	252,169	1,114,194
2041	1,114,194	-	3,229,814	-	-	-

*All DROP Balances paid in 2014.

Number of Years Expected Benefit Payments Sustained: 27.34

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 10.00% interest.

It is important to note that as long as the Actuarially Determined Contribution is made each year, the Plan will never become insolvent.

ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR
ENDING SEPTEMBER 30, 2016

Valuation Date: 10/1/2014

	ACTUAL		HYPOTHETICAL	
	8.00% RP-2000 Static	8.00% RP-2000 Generational	6.00% RP-2000 Generational	10.00% RP-2000 Generational
Total Required Contribution	\$2,217,542	\$2,384,362	\$3,495,138	\$1,504,137
Expected Member Contribution	247,843	247,843	245,460	250,226
Expected State Money	355,576	355,576	355,576	355,576
Expected Sponsor Contribution (Fixed \$)	\$1,614,123	\$1,780,943	\$2,894,102	\$898,335
Expected Sponsor Contribution (% of Payroll)	50.8%	56.0%	91.1%	28.3%

ASSETS

Actuarial Value ¹	32,288,119	32,288,119	32,288,119	32,288,119
Market Value ¹	33,861,662	33,861,662	33,861,662	33,861,662

LIABILITIES

Present Value of Benefits				
Active Members				
Retirement Benefits	18,846,955	20,043,815	31,948,254	13,342,621
Disability Benefits	467,865	489,157	699,007	357,623
Death Benefits	180,580	132,744	187,239	99,310
Vested Benefits	223,339	238,568	441,772	134,523
Refund of Contributions	46,982	46,994	49,854	44,449
Service Retirees	24,467,925	25,169,457	30,432,045	21,369,984
Beneficiaries	1,523,973	1,566,086	1,826,337	1,367,798
Terminated Vested	45,631	45,631	45,631	45,631
Disability Retirees	178,580	189,340	222,153	164,396
DROP Retirees ¹	7,923,306	8,045,042	9,810,752	6,834,577
Excess State Monies Reserve	6,303	6,303	6,303	6,303
Total:	53,911,439	55,973,137	75,669,347	43,767,215
Present Value of Future Salaries	29,570,644	29,609,023	33,656,374	26,366,286
Present Value of Future Member Contributions	2,217,798	2,220,677	2,524,228	1,977,471
Total Normal Cost (Entry Age Normal)	835,175	885,125	1,436,986	564,091
Present Value of Future Normal Costs (Entry Age Normal)	8,141,783	8,676,180	16,158,653	4,883,854
Total Actuarial Accrued Liability ¹	45,769,656	47,296,957	59,510,694	38,883,361
Unfunded Actuarial Accrued Liability (Entry Age Normal)	13,481,537	15,008,838	27,222,575	6,595,242

ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR
ENDING SEPTEMBER 30, 2016

Valuation Date: 10/1/2014

	ACTUAL	HYPOTHETICAL		
	8.00% RP-2000 Static	8.00% RP-2000 Generational	6.00% RP-2000 Generational	10.00% RP-2000 Generational
<u>PENSION COST</u>				
Normal Cost ²	920,697	975,762	1,568,901	627,833
Administrative Expenses ²	29,376	29,376	29,093	29,658
Payment Required To Amortize UAAL ²	1,267,469	1,379,224	1,897,144	846,646
Total Required Contribution	\$2,217,542	\$2,384,362	\$3,495,138	\$1,504,137

¹ The asset values and liabilities for DROP Members include accumulated DROP Balances as of 9/30/2014.

² Contributions displayed above have been adjusted to account for assumed interest and salary increase components.