

March 17, 2016

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
Revised Senate Bill 534 (Section 112.664, Florida Statutes) Compliance

Dear Luann:

Please find enclosed the revised annual disclosures that satisfy the October 1, 2015 financial reporting requirements made under Section 112.664. These disclosures were revised to update only the Pension Expense calculated under GASB 68. Please discard the earlier delivered version.

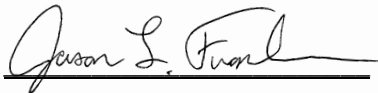
Our office will submit this information electronically to the Department of Management Services. However, it is important for you to be aware that this report must also be made available on the Plan or Plan Sponsor's website, if such website exists. A deadline for this website publication is not made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

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

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

Respectfully submitted,

Foster & Foster, Inc.

By: 

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: 3/17/2016

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, 2015 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.

	ACTUAL		HYPOTHETICAL	
	8.00% RP-2000 Static 9/30/2015	8.00% RP-2000 Generational 9/30/2015	6.00% RP-2000 Generational 9/30/2015	10.00% RP-2000 Generational 9/30/2015
<u>GASB 67: Schedule of Changes in Net Pension Liability</u>				
<u>Total Pension Liability</u>				
Service Cost	840,054	890,126	1,441,679	569,481
Interest	3,604,980	3,732,976	3,555,499	3,804,012
Changes of Benefit Terms	-	-	-	-
Differences Between Expected and Actual Experience	196,997	171,814	321,394	67,691
Changes of Assumptions	-	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(2,495,847)	(2,495,847)	(2,495,847)	(2,495,847)
Net Change in Total Pension Liability	2,146,184	2,299,069	2,822,725	1,945,337
Total Pension Liability - Beginning	45,476,425	47,026,298	59,070,864	38,724,867
Total Pension Liability - Ending (a)	<u>\$ 47,622,609</u>	<u>\$ 49,325,367</u>	<u>\$ 61,893,589</u>	<u>\$ 40,670,204</u>
<u>Plan Fiduciary Net Position</u>				
Contributions - Employer	1,568,772	1,568,772	1,568,772	1,568,772
Contributions - State	327,139	327,139	327,139	327,139
Contributions - Employee	218,870	218,870	218,870	218,870
Net Investment Income	(1,162,379)	(1,162,379)	(1,162,379)	(1,162,379)
Benefit Payments, Including Refunds of Employee Contributions	(2,495,847)	(2,495,847)	(2,495,847)	(2,495,847)
Administrative Expenses	(33,019)	(33,019)	(33,019)	(33,019)
Net Change in Plan Fiduciary Net Position	(1,576,464)	(1,576,464)	(1,576,464)	(1,576,464)
Plan Fiduciary Net Position - Beginning	33,861,662	33,861,662	33,861,662	33,861,662
Plan Fiduciary Net Position - Ending (b)	<u>\$ 32,285,198</u>	<u>\$ 32,285,198</u>	<u>\$ 32,285,198</u>	<u>\$ 32,285,198</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 15,337,411</u>	<u>\$ 17,040,169</u>	<u>\$ 29,608,391</u>	<u>\$ 8,385,006</u>

GASB 68: Pension Expense for Fiscal Year Ending September 30, 2015

Pension Expense	<u>\$ 1,422,088</u>	<u>\$ 1,580,787</u>	<u>\$ 2,405,381</u>	<u>\$ 857,454</u>
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PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

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

Fiscal Year Beginning 10/1	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments*	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2015	32,285,198	-	4,814,457	-	2,390,238	29,860,979
2016	29,860,979	-	3,081,423	-	2,265,621	29,045,177
2017	29,045,177	-	3,108,620	-	2,199,269	28,135,826
2018	28,135,826	-	3,255,685	-	2,120,639	27,000,780
2019	27,000,780	-	3,348,137	-	2,026,137	25,678,780
2020	25,678,780	-	3,395,002	-	1,918,502	24,202,280
2021	24,202,280	-	3,444,166	-	1,798,416	22,556,530
2022	22,556,530	-	3,438,952	-	1,666,964	20,784,542
2023	20,784,542	-	3,554,714	-	1,520,575	18,750,403
2024	18,750,403	-	3,591,802	-	1,356,360	16,514,961
2025	16,514,961	-	3,633,068	-	1,175,874	14,057,767
2026	14,057,767	-	3,658,955	-	978,263	11,377,075
2027	11,377,075	-	3,677,720	-	763,057	8,462,412
2028	8,462,412	-	3,665,541	-	530,371	5,327,242
2029	5,327,242	-	3,673,172	-	279,252	1,933,322
2030	1,933,322	-	3,741,983	-	-	-

*All DROP Balances paid in 2015.

Number of Years Expected Benefit Payments Sustained: 15.52

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. Furthermore, State and local laws mandate that the Actuarially Determined Contribution be made each year.

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

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

Fiscal Year Beginning 10/1	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments*	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2015	32,285,198	-	4,815,213	-	2,390,207	29,860,192
2016	29,860,192	-	3,085,152	-	2,265,409	29,040,449
2017	29,040,449	-	3,115,757	-	2,198,606	28,123,298
2018	28,123,298	-	3,266,872	-	2,119,189	26,975,615
2019	26,975,615	-	3,363,905	-	2,023,493	25,635,203
2020	25,635,203	-	3,415,712	-	1,914,188	24,133,679
2021	24,133,679	-	3,471,006	-	1,791,854	22,454,527
2022	22,454,527	-	3,471,841	-	1,657,489	20,640,175
2023	20,640,175	-	3,594,748	-	1,507,424	18,552,851
2024	18,552,851	-	3,639,976	-	1,338,629	16,251,504
2025	16,251,504	-	3,689,328	-	1,152,547	13,714,723
2026	13,714,723	-	3,725,611	-	948,153	10,937,265
2027	10,937,265	-	3,754,184	-	724,814	7,907,895
2028	7,907,895	-	3,754,447	-	482,454	4,635,902
2029	4,635,902	-	3,775,280	-	219,861	1,080,483
2030	1,080,483	-	3,857,653	-	-	-

*All DROP Balances paid in 2015.

Number of Years Expected Benefit Payments Sustained: 15.28

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. Furthermore, State and local laws mandate that the Actuarially Determined Contribution be made each year.

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

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

Fiscal Year Beginning 10/1	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments*	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2015	32,285,198	-	4,815,213	-	1,792,655	29,262,640
2016	29,262,640	-	3,085,152	-	1,663,204	27,840,692
2017	27,840,692	-	3,115,757	-	1,576,969	26,301,904
2018	26,301,904	-	3,266,872	-	1,480,108	24,515,140
2019	24,515,140	-	3,363,905	-	1,369,991	22,521,226
2020	22,521,226	-	3,415,712	-	1,248,802	20,354,316
2021	20,354,316	-	3,471,006	-	1,117,129	18,000,439
2022	18,000,439	-	3,471,841	-	975,871	15,504,469
2023	15,504,469	-	3,594,748	-	822,426	12,732,147
2024	12,732,147	-	3,639,976	-	654,730	9,746,901
2025	9,746,901	-	3,689,328	-	474,134	6,531,707
2026	6,531,707	-	3,725,611	-	280,134	3,086,230
2027	3,086,230	-	3,754,184	-	-	-

*All DROP Balances paid in 2015.

Number of Years Expected Benefit Payments Sustained: 12.82

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. Furthermore, State and local laws mandate that the Actuarially Determined Contribution be made each year.

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

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

Fiscal Year Beginning 10/1	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments*	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2015	32,285,198	-	4,815,213	-	2,987,759	30,457,744
2016	30,457,744	-	3,085,152	-	2,891,517	30,264,109
2017	30,264,109	-	3,115,757	-	2,870,623	30,018,975
2018	30,018,975	-	3,266,872	-	2,838,554	29,590,657
2019	29,590,657	-	3,363,905	-	2,790,870	29,017,622
2020	29,017,622	-	3,415,712	-	2,730,977	28,332,887
2021	28,332,887	-	3,471,006	-	2,659,738	27,521,619
2022	27,521,619	-	3,471,841	-	2,578,570	26,628,348
2023	26,628,348	-	3,594,748	-	2,483,097	25,516,697
2024	25,516,697	-	3,639,976	-	2,369,671	24,246,392
2025	24,246,392	-	3,689,328	-	2,240,173	22,797,237
2026	22,797,237	-	3,725,611	-	2,093,443	21,165,069
2027	21,165,069	-	3,754,184	-	1,928,798	19,339,683
2028	19,339,683	-	3,754,447	-	1,746,246	17,331,482
2029	17,331,482	-	3,775,280	-	1,544,384	15,100,586
2030	15,100,586	-	3,857,653	-	1,317,176	12,560,109
2031	12,560,109	-	3,840,227	-	1,064,000	9,783,882
2032	9,783,882	-	3,821,457	-	787,315	6,749,740
2033	6,749,740	-	3,781,414	-	485,903	3,454,229
2034	3,454,229	-	3,720,743	-	-	-

*All DROP Balances paid in 2015.

Number of Years Expected Benefit Payments Sustained: 19.93

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. Furthermore, State and local laws mandate that the Actuarially Determined Contribution be made each year.

ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR
ENDING SEPTEMBER 30, 2017

Valuation Date: 10/1/2015

	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 (Fixed \$)	\$2,244,221	\$2,430,657	\$3,648,736	\$1,452,853
Total Required Contribution (% of Payroll)	72.7%	78.7%	118.1%	47.0%
Expected Member Contribution	240,920	240,920	238,604	243,237
Expected State Money	327,139	327,139	327,139	327,139
Expected Sponsor Contribution (Fixed \$)	\$1,676,162	\$1,862,598	\$3,082,993	\$882,477
Expected Sponsor Contribution (% of Payroll)	54.4%	60.4%	99.8%	28.7%

ASSETS

Actuarial Value ¹	34,549,202	34,549,202	34,549,202	34,549,202
Market Value ¹	32,285,198	32,285,198	32,285,198	32,285,198

LIABILITIES

Present Value of Benefits				
Active Members				
Retirement Benefits	18,208,020	19,383,028	30,909,914	12,895,755
Disability Benefits	452,934	473,905	676,023	347,255
Death Benefits	174,838	127,202	178,766	95,561
Vested Benefits	225,899	241,505	445,691	136,791
Refund of Contributions	44,150	44,164	47,089	41,556
Service Retirees	25,257,172	26,018,993	31,434,035	22,105,486
DROP Retirees ¹	8,301,467	8,415,122	10,115,267	7,243,032
Beneficiaries	1,581,746	1,627,941	1,896,335	1,423,030
Disability Retirees	174,748	186,078	217,541	162,018
Terminated Vested	384,234	397,782	524,479	314,786
Excess State Monies Reserve	6,303	6,303	6,303	6,303
Total:	54,811,511	56,922,023	76,451,443	44,771,573
Present Value of Future Salaries	28,651,228	28,689,425	32,600,711	25,557,960
Present Value of Future Member Contributions	2,148,842	2,151,707	2,445,053	1,916,847
Total Normal Cost	805,815	854,748	1,389,208	544,208
Present Value of Future Normal Costs (Entry Age Normal)	7,858,003	8,378,054	15,601,301	4,719,235
Total Actuarial Accrued Liability ¹	46,953,508	48,543,969	60,850,142	40,052,338
Unfunded Actuarial Accrued Liability (UAAL)	12,404,306	13,994,767	26,300,940	5,503,136

ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR
ENDING SEPTEMBER 30, 2017

Valuation Date: 10/1/2015

	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	888,330	942,274	1,516,737	605,704
Administrative Expenses ²	36,400	36,400	36,050	36,750
Payment Required To Amortize UAAL ²	1,319,491	1,451,983	2,095,949	810,399
Total Required Contribution	\$2,244,221	\$2,430,657	\$3,648,736	\$1,452,853

¹ The asset values and liabilities for DROP Members include accumulated DROP Balances as of 9/30/2015.

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