

CITY OF BUSHNELL
REGULAR EMPLOYEES' PENSION PLAN

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: Patrick T. Donlan Date: 4/6/2017

Patrick T. Donlan, EA, ASA, MAAA
Enrolled Actuary #17-6595



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, 2016 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.

GASB 67: SCHEDULE OF CHANGES IN NET PENSION LIABILITY
FISCAL YEAR SEPTEMBER 30, 2016

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>
	7.75% RP-2000 Generational	5.75% RP-2000 Generational
<u>Total Pension Liability</u>		
Service Cost	113,579	188,101
Interest	192,514	211,582
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience	(3,405)	28,298
Changes of Assumptions	117,742	58,599
Benefit Payments, Including Refunds of Employee Contributions	(7,992)	(7,992)
Net Change in Total Pension Liability	412,438	478,588
Total Pension Liability - Beginning	2,374,465	3,495,588
Total Pension Liability - Ending (a)	<u>\$ 2,786,903</u>	<u>\$ 3,974,176</u>
<u>Plan Fiduciary Net Position</u>		
Contributions - Employer	172,625	172,625
Net Investment Income	175,725	175,725
Benefit Payments, Including Refunds of Employee Contributions	(7,992)	(7,992)
Administrative Expenses	(9,442)	(9,442)
Net Change in Plan Fiduciary Net Position	330,916	330,916
Plan Fiduciary Net Position - Beginning	2,221,400	2,221,400
Plan Fiduciary Net Position - Ending (b)	<u>\$ 2,552,316</u>	<u>\$ 2,552,316</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 234,587</u>	<u>\$ 1,421,860</u>

GASB 68: PENSION EXPENSE
FISCAL YEAR SEPTEMBER 30, 2016

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>
	7.75%	5.75%
Pension Expense	<u>\$ 165,949</u>	<u>\$ 287,071</u>

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1
Plan Assumptions: 7.75% 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
2016	2,546,025	-	19,870	-	196,547	2,722,702
2017	2,722,702	-	48,534	-	209,129	2,883,297
2018	2,883,297	-	51,817	-	221,448	3,052,928
2019	3,052,928	-	55,352	-	234,457	3,232,033
2020	3,232,033	-	79,489	-	247,402	3,399,946
2021	3,399,946	-	84,808	-	260,210	3,575,348
2022	3,575,348	-	105,934	-	272,985	3,742,399
2023	3,742,399	-	114,367	-	285,604	3,913,636
2024	3,913,636	-	118,733	-	298,706	4,093,609
2025	4,093,609	-	129,502	-	312,236	4,276,343
2026	4,276,343	-	151,090	-	325,562	4,450,815
2027	4,450,815	-	172,628	-	338,249	4,616,436
2028	4,616,436	-	176,375	-	350,939	4,791,000
2029	4,791,000	-	183,669	-	364,185	4,971,516
2030	4,971,516	-	189,366	-	377,955	5,160,105
2031	5,160,105	-	203,141	-	392,036	5,349,000
2032	5,349,000	-	208,027	-	406,486	5,547,459
2033	5,547,459	-	226,866	-	421,137	5,741,730
2034	5,741,730	-	229,527	-	436,090	5,948,293
2035	5,948,293	-	231,976	-	452,004	6,168,321
2036	6,168,321	-	242,531	-	468,647	6,394,437
2037	6,394,437	-	244,291	-	486,103	6,636,249
2038	6,636,249	-	250,054	-	504,620	6,890,815
2039	6,890,815	-	256,820	-	524,086	7,158,081
2040	7,158,081	-	260,077	-	544,673	7,442,677
2041	7,442,677	-	260,393	-	566,717	7,749,001
2042	7,749,001	-	260,320	-	590,460	8,079,141
2043	8,079,141	-	259,906	-	616,062	8,435,297
2044	8,435,297	-	259,101	-	643,695	8,819,891
2045	8,819,891	-	257,932	-	673,547	9,235,506
2046	9,235,506	-	256,483	-	705,813	9,684,836
2047	9,684,836	-	254,672	-	740,706	10,170,870
2048	10,170,870	-	252,541	-	778,456	10,696,785
2049	10,696,785	-	250,019	-	819,313	11,266,079
2050	11,266,079	-	247,044	-	863,548	11,882,583
2051	11,882,583	-	243,617	-	911,460	12,550,426
2052	12,550,426	-	239,727	-	963,369	13,274,068
2053	13,274,068	-	235,388	-	1,019,619	14,058,299
2054	14,058,299	-	230,574	-	1,080,583	14,908,308
2055	14,908,308	-	225,327	-	1,146,662	15,829,643
2056	15,829,643	-	219,802	-	1,218,280	16,828,121
2057	16,828,121	-	214,073	-	1,295,884	17,909,932
2058	17,909,932	-	208,115	-	1,379,955	19,081,772
2059	19,081,772	-	201,852	-	1,471,016	20,350,936
2060	20,350,936	-	195,164	-	1,569,635	21,725,407
2061	21,725,407	-	188,017	-	1,676,433	23,213,823
2062	23,213,823	-	180,361	-	1,792,082	24,825,544
2063	24,825,544	-	172,180	-	1,917,308	26,570,672
2064	26,570,672	-	163,491	-	2,052,892	28,460,073
2065	28,460,073	-	154,405	-	2,199,672	30,505,340

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1
Plan Assumptions: 7.75% 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
2066	30,505,340	-	144,966	-	2,358,546	32,718,920
2067	32,718,920	-	135,226	-	2,530,476	35,114,170
2068	35,114,170	-	125,318	-	2,716,492	37,705,344
2069	37,705,344	-	115,427	-	2,917,691	40,507,608
2070	40,507,608	-	105,696	-	3,135,244	43,537,156
2071	43,537,156	-	96,309	-	3,370,398	46,811,245
2072	46,811,245	-	87,333	-	3,624,487	50,348,399
2073	50,348,399	-	78,739	-	3,898,950	54,168,610
2074	54,168,610	-	70,647	-	4,195,330	58,293,293
2075	58,293,293	-	62,974	-	4,515,290	62,745,609
2076	62,745,609	-	55,751	-	4,860,624	67,550,482
2077	67,550,482	-	48,954	-	5,233,265	72,734,793
2078	72,734,793	-	42,560	-	5,635,297	78,327,530
2079	78,327,530	-	36,537	-	6,068,968	84,359,961
2080	84,359,961	-	30,997	-	6,536,696	90,865,660
2081	90,865,660	-	25,957	-	7,041,083	97,880,786
2082	97,880,786	-	21,436	-	7,584,930	105,444,280
2083	105,444,280	-	17,455	-	8,171,255	113,598,080
2084	113,598,080	-	13,941	-	8,803,311	122,387,450
2085	122,387,450	-	10,971	-	9,484,602	131,861,081
2086	131,861,081	-	8,485	-	10,218,905	142,071,501
2087	142,071,501	-	6,451	-	11,010,291	153,075,341
2088	153,075,341	-	4,810	-	11,863,153	164,933,684
2089	164,933,684	-	3,530	-	12,782,224	177,712,378
2090	177,712,378	-	2,549	-	13,772,611	191,482,440
2091	191,482,440	-	1,805	-	14,839,819	206,320,454
2092	206,320,454	-	1,256	-	15,989,787	222,308,985
2093	222,308,985	-	851	-	17,228,913	239,537,047
2094	239,537,047	-	569	-	18,564,099	258,100,577
2095	258,100,577	-	377	-	20,002,780	278,102,980
2096	278,102,980	-	246	-	21,552,971	299,655,705
2097	299,655,705	-	158	-	23,223,311	322,878,858
2098	322,878,858	-	101	-	25,023,108	347,901,865
2099	347,901,865	-	63	-	26,962,392	374,864,194
2100	374,864,194	-	40	-	29,051,973	403,916,127
2101	403,916,127	-	25	-	31,303,499	435,219,601
2102	435,219,601	-	14	-	33,729,519	468,949,106
2103	468,949,106	-	8	-	36,343,555	505,292,653
2104	505,292,653	-	5	-	39,160,180	544,452,828
2105	544,452,828	-	3	-	42,195,094	586,647,919
2106	586,647,919	-	2	-	45,465,214	632,113,131
2107	632,113,131	-	1	-	48,988,768	681,101,898
2108	681,101,898	-	-	-	52,785,397	733,887,295

Number of Years Expected Benefit Payments Sustained: 999.99

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 7.75% interest.

It is important to note that as long as the Actuarially Determined Contribution is made each year, the Plan will never become insolvent. Furthermore, State and local laws mandate that the Actuarially Determined Contribution be made each year.

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 2
Hypothetical Assumptions: 5.75% 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
2016	2,546,025	-	19,870	-	145,825	2,671,980
2017	2,671,980	-	48,534	-	152,243	2,775,689
2018	2,775,689	-	51,817	-	158,112	2,881,984
2019	2,881,984	-	55,352	-	164,123	2,990,755
2020	2,990,755	-	79,489	-	169,683	3,080,949
2021	3,080,949	-	84,808	-	174,716	3,170,857
2022	3,170,857	-	105,934	-	179,279	3,244,202
2023	3,244,202	-	114,367	-	183,254	3,313,089
2024	3,313,089	-	118,733	-	187,089	3,381,445
2025	3,381,445	-	129,502	-	190,710	3,442,653
2026	3,442,653	-	151,090	-	193,609	3,485,172
2027	3,485,172	-	172,628	-	195,434	3,507,978
2028	3,507,978	-	176,375	-	196,638	3,528,241
2029	3,528,241	-	183,669	-	197,593	3,542,165
2030	3,542,165	-	189,366	-	198,230	3,551,029
2031	3,551,029	-	203,141	-	198,344	3,546,232
2032	3,546,232	-	208,027	-	197,928	3,536,133
2033	3,536,133	-	226,866	-	196,805	3,506,072
2034	3,506,072	-	229,527	-	195,000	3,471,545
2035	3,471,545	-	231,976	-	192,945	3,432,514
2036	3,432,514	-	242,531	-	190,397	3,380,380
2037	3,380,380	-	244,291	-	187,348	3,323,437
2038	3,323,437	-	250,054	-	183,909	3,257,292
2039	3,257,292	-	256,820	-	179,911	3,180,383
2040	3,180,383	-	260,077	-	175,395	3,095,701
2041	3,095,701	-	260,393	-	170,517	3,005,825
2042	3,005,825	-	260,320	-	165,351	2,910,856
2043	2,910,856	-	259,906	-	159,902	2,810,852
2044	2,810,852	-	259,101	-	154,175	2,705,926
2045	2,705,926	-	257,932	-	148,175	2,596,169
2046	2,596,169	-	256,483	-	141,906	2,481,592
2047	2,481,592	-	254,672	-	135,370	2,362,290
2048	2,362,290	-	252,541	-	128,571	2,238,320
2049	2,238,320	-	250,019	-	121,515	2,109,816
2050	2,109,816	-	247,044	-	114,212	1,976,984
2051	1,976,984	-	243,617	-	106,673	1,840,040
2052	1,840,040	-	239,727	-	98,910	1,699,223
2053	1,699,223	-	235,388	-	90,938	1,554,773
2054	1,554,773	-	230,574	-	82,770	1,406,969
2055	1,406,969	-	225,327	-	74,423	1,256,065
2056	1,256,065	-	219,802	-	65,904	1,102,167
2057	1,102,167	-	214,073	-	57,220	945,314
2058	945,314	-	208,115	-	48,372	785,571
2059	785,571	-	201,852	-	39,367	623,086
2060	623,086	-	195,164	-	30,216	458,138
2061	458,138	-	188,017	-	20,937	291,058

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 2
 Hypothetical Assumptions: 5.75% 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
2062	291,058	-	180,361	-	11,550	122,247
2063	122,247	-	172,180	-	-	-

Number of Years Expected Benefit Payments Sustained: 47.71

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 5.75% 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, 2018

Valuation Date: 10/1/2016

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>
	7.75%	5.75%
	RP-2000	RP-2000
	Generational	Generational
Total Required Contribution (Fixed \$)	\$190,982	\$348,262
Total Required Contribution (% of Payroll)	18.6%	33.7%
<u>ASSETS</u>		
Actuarial Value	2,557,013	2,557,013
Market Value	2,546,025	2,546,025
<u>LIABILITIES</u>		
Present Value of Benefits		
Active Members		
Retirement Benefits	2,770,599	4,293,960
Disability Benefits	155,342	217,086
Death Benefits	74,383	119,458
Vested Benefits	167,719	307,488
Refund of Contributions	0	0
Service Retirees	102,955	121,340
Beneficiaries	0	0
Disability Retirees	0	0
Terminated Vested	397,583	571,267
Total:	<u>3,668,581</u>	<u>5,630,599</u>
Present Value of Future Salaries	8,046,506	9,001,165
Present Value of Future Member Contributions	0	0
Total Normal Cost	112,831	185,384
Present Value of Future Normal Costs (Entry Age Normal)	799,500	1,488,257
Total Actuarial Accrued Liability	2,869,081	4,142,342
Unfunded Actuarial Accrued Liability (UAAL)	312,068	1,585,329

ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR
ENDING SEPTEMBER 30, 2018

Valuation Date: 10/1/2016

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>
	7.75% RP-2000 Generational	5.75% RP-2000 Generational
<u>PENSION COST</u>		
Normal Cost (with interest)	117,203	190,714
Administrative Expenses (with interest)	9,868	9,773
Payment Required To Amortize UAAL (with interest)	<u>63,911</u>	<u>147,775</u>
Total Required Contribution	\$190,982	\$348,262