

CITY OF DELTONA
FIREFIGHTERS' 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: 6/24/2015

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Enrolled Actuary #14-6595



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, 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
<u>Total Pension Liability</u>			
Service Cost	885,170	931,867	1,474,576
Interest	2,001,623	2,090,123	2,078,368
Change in Excess State Money	280,653	280,653	280,653
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	(661,426)	(661,426)	(661,426)
Net Change in Total Pension Liability	2,506,021	2,641,217	3,172,171
Total Pension Liability - Beginning	24,465,835	25,525,389	33,495,609
Total Pension Liability - Ending (a)	<u>26,971,856</u>	<u>\$ 28,166,606</u>	<u>\$ 36,667,780</u>
<u>Plan Fiduciary Net Position</u>			
Contributions - Employer	747,410	747,410	747,410
Contributions - State	435,643	435,643	435,643
Contributions - Employee	322,286	322,286	322,286
Contributions - Buy Back	-	-	-
Net Investment Income	1,994,535	1,994,535	1,994,535
Benefit Payments, Including Refunds of Employee Contributions	(661,426)	(661,426)	(661,426)
Administrative Expense	(53,091)	(53,091)	(53,091)
Other	-	-	-
Net Change in Plan Fiduciary Net Position	2,785,357	2,785,357	2,785,357
Plan Fiduciary Net Position - Beginning	17,519,560	17,519,560	17,519,560
Plan Fiduciary Net Position - Ending (b)	<u>\$ 20,304,917</u>	<u>\$ 20,304,917</u>	<u>\$ 20,304,917</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 6,666,939</u>	<u>\$ 7,861,689</u>	<u>\$ 16,362,863</u>

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	20,304,917	-	1,164,512	-	1,577,813	20,718,218
2015	20,718,218	-	1,287,454	-	1,605,959	21,036,723
2016	21,036,723	-	1,389,941	-	1,627,340	21,274,122
2017	21,274,122	-	1,452,273	-	1,643,839	21,465,688
2018	21,465,688	-	1,538,453	-	1,655,717	21,582,952
2019	21,582,952	-	1,633,902	-	1,661,280	21,610,330
2020	21,610,330	-	1,721,247	-	1,659,977	21,549,060
2021	21,549,060	-	1,825,035	-	1,650,923	21,374,948
2022	21,374,948	-	1,932,376	-	1,632,701	21,075,273
2023	21,075,273	-	1,992,960	-	1,606,303	20,688,616
2024	20,688,616	-	2,020,982	-	1,574,250	20,241,884
2025	20,241,884	-	2,074,147	-	1,536,385	19,704,122
2026	19,704,122	-	2,114,270	-	1,491,759	19,081,611
2027	19,081,611	-	2,178,316	-	1,439,396	18,342,691
2028	18,342,691	-	2,219,120	-	1,378,650	17,502,221
2029	17,502,221	-	2,232,707	-	1,310,869	16,580,383
2030	16,580,383	-	2,296,222	-	1,234,582	15,518,743
2031	15,518,743	-	2,381,039	-	1,146,258	14,283,962
2032	14,283,962	-	2,407,517	-	1,046,416	12,922,861
2033	12,922,861	-	2,421,561	-	936,966	11,438,266
2034	11,438,266	-	2,419,667	-	818,275	9,836,874
2035	9,836,874	-	2,412,223	-	690,461	8,115,112
2036	8,115,112	-	2,386,742	-	553,739	6,282,109
2037	6,282,109	-	2,349,679	-	408,582	4,341,012
2038	4,341,012	-	2,303,155	-	255,155	2,293,012
2039	2,293,012	-	2,248,761	-	93,491	137,742
2040	137,742	-	2,184,787	-	-	-

Number of Years Expected Benefit Payments Sustained: 26.06

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	20,304,917	-	1,164,338	-	1,577,820	20,718,399
2015	20,718,399	-	1,287,497	-	1,605,972	21,036,874
2016	21,036,874	-	1,390,300	-	1,627,338	21,273,912
2017	21,273,912	-	1,452,827	-	1,643,800	21,464,885
2018	21,464,885	-	1,539,375	-	1,655,616	21,581,126
2019	21,581,126	-	1,635,413	-	1,661,074	21,606,787
2020	21,606,787	-	1,723,394	-	1,659,607	21,543,000
2021	21,543,000	-	1,828,827	-	1,650,287	21,364,460
2022	21,364,460	-	1,937,621	-	1,631,652	21,058,491
2023	21,058,491	-	1,999,684	-	1,604,692	20,663,499
2024	20,663,499	-	2,042,151	-	1,571,394	20,192,742
2025	20,192,742	-	2,103,242	-	1,531,290	19,620,790
2026	19,620,790	-	2,151,549	-	1,483,601	18,952,842
2027	18,952,842	-	2,224,443	-	1,427,250	18,155,649
2028	18,155,649	-	2,275,361	-	1,361,437	17,241,725
2029	17,241,725	-	2,300,517	-	1,287,317	16,228,525
2030	16,228,525	-	2,377,264	-	1,203,191	15,054,452
2031	15,054,452	-	2,476,951	-	1,105,278	13,682,779
2032	13,682,779	-	2,519,663	-	993,836	12,156,952
2033	12,156,952	-	2,550,495	-	870,536	10,476,993
2034	10,476,993	-	2,566,476	-	735,500	8,646,017
2035	8,646,017	-	2,577,680	-	588,574	6,656,911
2036	6,656,911	-	2,571,412	-	429,696	4,515,195
2037	4,515,195	-	2,555,129	-	259,010	2,219,076
2038	2,219,076	-	2,529,324	-	-	-

Number of Years Expected Benefit Payments Sustained: 24.88

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	20,304,917	-	1,164,338	-	1,183,365	20,323,944
2015	20,323,944	-	1,287,497	-	1,180,812	20,217,259
2016	20,217,259	-	1,390,300	-	1,171,327	19,998,286
2017	19,998,286	-	1,452,827	-	1,156,312	19,701,771
2018	19,701,771	-	1,539,375	-	1,135,925	19,298,321
2019	19,298,321	-	1,635,413	-	1,108,837	18,771,745
2020	18,771,745	-	1,723,394	-	1,074,603	18,122,954
2021	18,122,954	-	1,828,827	-	1,032,512	17,326,639
2022	17,326,639	-	1,937,621	-	981,470	16,370,488
2023	16,370,488	-	1,999,684	-	922,239	15,293,043
2024	15,293,043	-	2,042,151	-	856,318	14,107,210
2025	14,107,210	-	2,103,242	-	783,335	12,787,303
2026	12,787,303	-	2,151,549	-	702,692	11,338,446
2027	11,338,446	-	2,224,443	-	613,573	9,727,576
2028	9,727,576	-	2,275,361	-	515,394	7,967,609
2029	7,967,609	-	2,300,517	-	409,041	6,076,133
2030	6,076,133	-	2,377,264	-	293,250	3,992,119
2031	3,992,119	-	2,476,951	-	165,219	1,680,387
2032	1,680,387	-	2,519,663	-	-	-

Number of Years Expected Benefit Payments Sustained: 18.67

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.

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
Total Required Contribution	\$1,573,193	\$1,695,201	\$2,554,006
Expected Member Contribution	314,159	314,159	314,159
Expected State Money	422,395	422,395	422,395
Expected Sponsor Contribution (Fixed \$)	\$836,639	\$958,647	\$1,817,452
Expected Sponsor Contribution (% of Payroll)	21.3%	24.4%	46.2%

ASSETS

Actuarial Value ¹	19,691,960	19,691,960	19,691,960
Market Value ¹	20,304,917	20,304,917	20,304,917

LIABILITIES

Present Value of Benefits			
Active Members			
Retirement Benefits	22,520,074	23,792,434	35,385,454
Disability Benefits	546,339	577,461	843,201
Death Benefits	135,136	94,694	124,529
Vested Benefits	1,162,726	1,209,903	1,972,499
Refund of Contributions	79,506	79,519	82,599
Service Retirees	7,650,030	7,899,558	9,987,528
DROP Retirees ¹	0	0	0
Beneficiaries	169,516	172,047	210,605
Terminated Vested	394,829	411,337	582,846
Disability Retirees	1,332,843	1,389,463	1,722,985
Excess State Monies Reserve	280,653	280,653	280,653
Total:	34,271,652	35,907,069	51,192,899
Present Value of Future Salaries	35,230,401	35,282,704	40,094,422
Present Value of Future Member Contributions	2,818,432	2,822,616	3,207,554
Total Normal Cost (Entry Age Normal)	824,183	868,616	1,392,676
Present Value of Future Normal Costs (Entry Age Normal)	7,407,054	7,853,149	14,545,778
Total Actuarial Accrued Liability ¹	26,864,598	28,053,920	36,647,121
Unfunded Actuarial Accrued Liability (Entry Age Normal)	7,172,638	8,361,960	16,955,161

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

Valuation Date: 10/1/2014

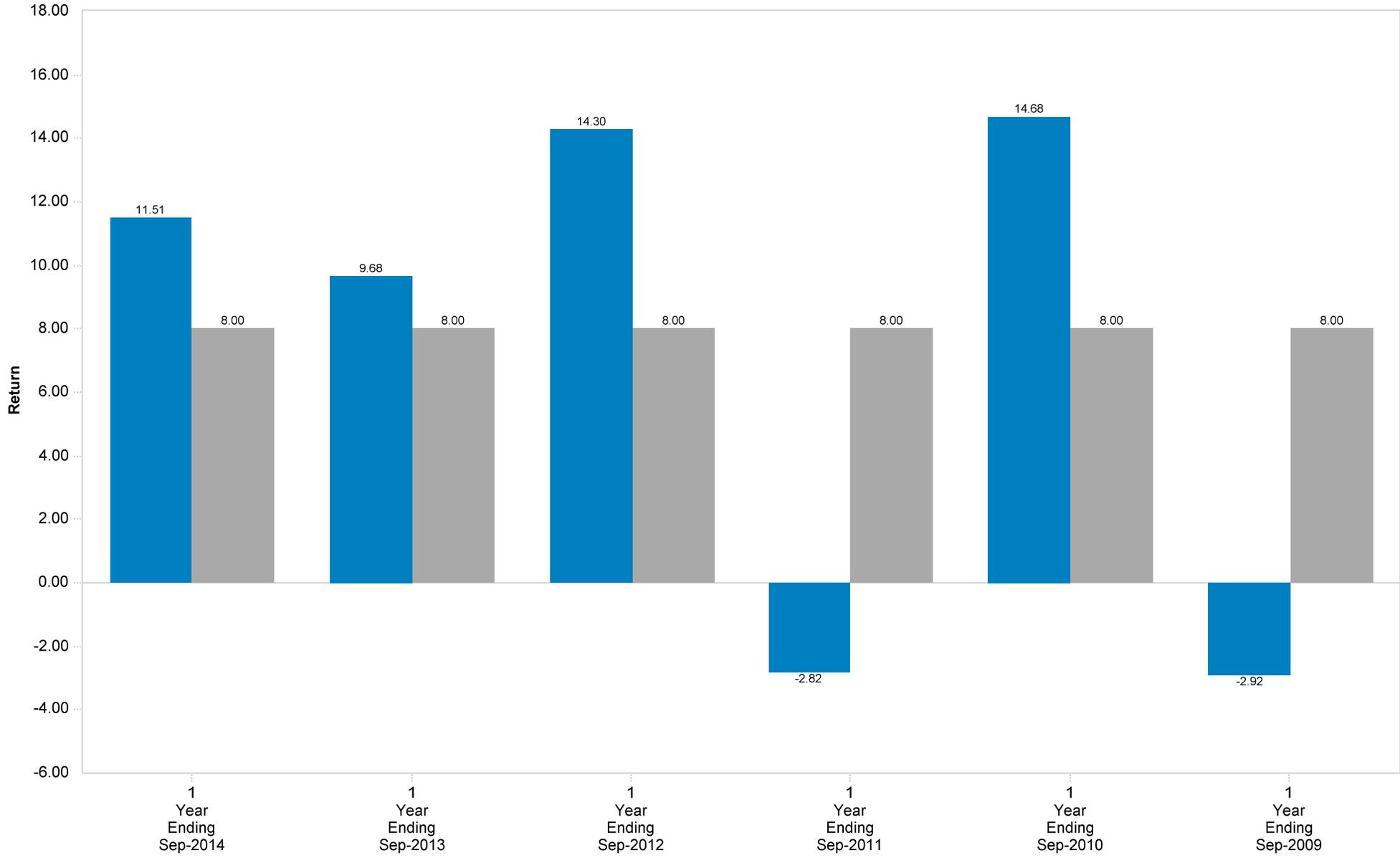
	ACTUAL	HYPOTHETICAL	
	8.00% RP-2000 Static	8.00% RP-2000 Generational	6.00% RP-2000 Generational
<u>PENSION COST</u>			
Normal Cost (with interest)	859,478	905,814	1,437,406
Administrative Expenses (with interest)	55,365	55,365	54,796
Payment Required To Amortize UAAL (with interest)	658,350	734,022	1,061,804
Total Required Contribution	\$1,573,193	\$1,695,201	\$2,554,006

¹ The asset values and liabilities for DROP Members include accumulated DROP Balances as of 09/30/14.

Asset Allocation Attributes

	Sep-2014		Sep-2013		Sep-2012		Sep-2011		Sep-2010		Sep-2009	
	(\$)	%	(\$)	%	(\$)	%	(\$)	%	(\$)	%	(\$)	%
Total Equity	13,013,266	64.06	10,863,735	62.06	8,012,144	52.88	6,487,590	52.01	6,854,192	57.96	6,146,248	64.10
Total Domestic Equity	10,286,934	50.64	8,315,337	47.50	6,216,599	41.03	4,971,578	39.86	5,124,832	43.33	5,160,360	53.80
Total International Equity	2,726,332	13.42	2,548,398	14.56	1,795,545	11.85	1,516,012	12.15	1,729,359	14.62	985,888	10.30
Total Fixed Income	5,952,281	29.30	5,875,723	33.57	5,193,453	34.28	4,892,567	39.23	4,549,218	38.47	2,853,410	29.80
Total Real Estate	638,551	3.14	-	0.00	-	0.00	-	0.00	380,996	0.00	585,997	6.10
Total Cash	708,850	3.49	764,943	4.37	1,944,840	12.84	1,092,887	8.76	42,278	3.20	-	0.00
Total Fund	20,312,949	100	17,504,400	100	15,150,437	100	12,473,045	100	11,826,685	100	9,585,655	100

Comparative Performance Net of Fees



■ Deltona Fire Total Fund ■ 8.00% Annualized Returns