

CITY OF HAINES CITY
MUNICIPAL FIREFIGHTERS' RETIREMENT 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: Patrick T. Donlan Date: 6/25/2015

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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		
	7.50% RP-2000 Static 9/30/2014	7.50% RP-2000 Generational 9/30/2014	5.50% RP-2000 Generational 9/30/2014	9.50% RP-2000 Generational 9/30/2014
<u>Total Pension Liability</u>				
Service Cost	130,593	135,343	205,236	96,862
Interest	506,406	521,315	493,734	531,676
Change in Excess State Money	70,342	70,342	70,342	70,342
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	(467,541)	(467,541)	(467,541)	(467,541)
Net Change in Total Pension Liability	239,800	259,459	301,771	231,339
Total Pension Liability - Beginning	7,038,052	7,232,088	9,188,314	5,916,284
Total Pension Liability - Ending (a)	<u>7,277,852</u>	<u>\$ 7,491,547</u>	<u>\$ 9,490,085</u>	<u>\$ 6,147,623</u>
<u>Plan Fiduciary Net Position</u>				
Contributions - Employer	345,113	345,113	345,113	345,113
Contributions - State	110,374	110,374	110,374	110,374
Contributions - Employee	103,164	103,164	103,164	103,164
Contributions - Buy Back	-	-	-	-
Net Investment Income	561,273	561,273	561,273	561,273
Benefit Payments, Including Refunds of Employee Contributions	(467,541)	(467,541)	(467,541)	(467,541)
Administrative Expense	(36,894)	(36,894)	(36,894)	(36,894)
Other	-	-	-	-
Net Change in Plan Fiduciary Net Position	615,488	615,488	615,488	615,488
Plan Fiduciary Net Position - Beginning	4,510,577	4,510,577	4,510,577	4,510,577
Plan Fiduciary Net Position - Ending (b)	<u>\$ 5,126,065</u>	<u>\$ 5,126,065</u>	<u>\$ 5,126,065</u>	<u>\$ 5,126,065</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 2,151,788</u>	<u>\$ 2,365,482</u>	<u>\$ 4,364,020</u>	<u>\$ 1,021,558</u>

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1
Plan Assumptions: 7.50% 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	5,126,065	-	492,424	-	365,989	4,999,630
2015	4,999,630	-	497,002	-	356,335	4,858,963
2016	4,858,963	-	538,592	-	344,225	4,664,596
2017	4,664,596	-	527,250	-	330,073	4,467,419
2018	4,467,419	-	522,777	-	315,452	4,260,094
2019	4,260,094	-	518,135	-	300,077	4,042,036
2020	4,042,036	-	513,959	-	283,879	3,811,956
2021	3,811,956	-	532,416	-	265,931	3,545,471
2022	3,545,471	-	530,473	-	246,018	3,261,016
2023	3,261,016	-	528,993	-	224,739	2,956,762
2024	2,956,762	-	526,837	-	202,001	2,631,926
2025	2,631,926	-	539,862	-	177,150	2,269,214
2026	2,269,214	-	541,180	-	149,897	1,877,931
2027	1,877,931	-	550,368	-	120,206	1,447,769
2028	1,447,769	-	547,722	-	88,043	988,090
2029	988,090	-	539,964	-	53,858	501,984
2030	501,984	-	531,431	-	-	-

Number of Years Expected Benefit Payments Sustained: 16.94

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 7.50% 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: 7.50% 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	5,126,065	-	492,482	-	365,987	4,999,570
2015	4,999,570	-	497,360	-	356,317	4,858,527
2016	4,858,527	-	539,302	-	344,166	4,663,391
2017	4,663,391	-	528,308	-	329,943	4,465,026
2018	4,465,026	-	524,231	-	315,218	4,256,013
2019	4,256,013	-	520,048	-	299,699	4,035,664
2020	4,035,664	-	516,402	-	283,310	3,802,572
2021	3,802,572	-	535,546	-	265,110	3,532,136
2022	3,532,136	-	534,308	-	244,874	3,242,702
2023	3,242,702	-	533,626	-	223,192	2,932,268
2024	2,932,268	-	532,392	-	199,955	2,599,831
2025	2,599,831	-	546,726	-	174,485	2,227,590
2026	2,227,590	-	550,127	-	146,439	1,823,902
2027	1,823,902	-	560,804	-	115,763	1,378,861
2028	1,378,861	-	559,782	-	82,423	901,502
2029	901,502	-	553,760	-	46,847	394,589
2030	394,589	-	547,096	-	-	-

Number of Years Expected Benefit Payments Sustained: 16.72

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 7.50% 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: 5.50% 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	5,126,065	-	492,482	-	268,390	4,901,973
2015	4,901,973	-	497,360	-	255,931	4,660,544
2016	4,660,544	-	539,302	-	241,499	4,362,741
2017	4,362,741	-	528,308	-	225,422	4,059,855
2018	4,059,855	-	524,231	-	208,876	3,744,500
2019	3,744,500	-	520,048	-	191,646	3,416,098
2020	3,416,098	-	516,402	-	173,684	3,073,380
2021	3,073,380	-	535,546	-	154,308	2,692,142
2022	2,692,142	-	534,308	-	133,374	2,291,208
2023	2,291,208	-	533,626	-	111,342	1,868,924
2024	1,868,924	-	532,392	-	88,150	1,424,682
2025	1,424,682	-	546,726	-	63,323	941,279
2026	941,279	-	550,127	-	36,642	427,794
2027	427,794	-	560,804	-	-	-

Number of Years Expected Benefit Payments Sustained: 13.76

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 5.50% 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: 9.50% 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	5,126,065	-	492,482	-	463,583	5,097,166
2015	5,097,166	-	497,360	-	460,606	5,060,412
2016	5,060,412	-	539,302	-	455,122	4,976,232
2017	4,976,232	-	528,308	-	447,647	4,895,571
2018	4,895,571	-	524,231	-	440,178	4,811,518
2019	4,811,518	-	520,048	-	432,392	4,723,862
2020	4,723,862	-	516,402	-	424,238	4,631,698
2021	4,631,698	-	535,546	-	414,573	4,510,725
2022	4,510,725	-	534,308	-	403,139	4,379,556
2023	4,379,556	-	533,626	-	390,711	4,236,641
2024	4,236,641	-	532,392	-	377,192	4,081,441
2025	4,081,441	-	546,726	-	361,767	3,896,482
2026	3,896,482	-	550,127	-	344,035	3,690,390
2027	3,690,390	-	560,804	-	323,949	3,453,535
2028	3,453,535	-	559,782	-	301,496	3,195,249
2029	3,195,249	-	553,760	-	277,245	2,918,734
2030	2,918,734	-	547,096	-	251,293	2,622,931
2031	2,622,931	-	539,070	-	223,573	2,307,434
2032	2,307,434	-	536,551	-	193,720	1,964,603
2033	1,964,603	-	527,393	-	161,586	1,598,796
2034	1,598,796	-	518,822	-	127,242	1,207,216
2035	1,207,216	-	507,388	-	90,585	790,413
2036	790,413	-	501,766	-	51,255	339,902
2037	339,902	-	504,295	-	-	-

Number of Years Expected Benefit Payments Sustained: 23.67

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 9.50% 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		
	7.50% RP-2000 Static	7.50% RP-2000 Generational	5.50% RP-2000 Generational	9.50% RP-2000 Generational
Total Required Contribution	\$450,146	\$467,583	\$598,452	\$362,653
Expected Member Contribution	98,311	98,311	98,311	98,311
Expected State Money	40,031	40,031	40,031	40,031
Expected Sponsor Contribution (Fixed \$)	\$311,804	\$329,241	\$460,110	\$224,311
Expected Sponsor Contribution (% of Payroll)	28.5%	30.1%	42.1%	20.4%

ASSETS

Actuarial Value	4,830,987	4,830,987	4,830,987	4,830,987
Market Value	5,126,065	5,126,065	5,126,065	5,126,065

LIABILITIES

Present Value of Benefits				
Active Members				
Retirement Benefits	1,038,124	1,087,527	1,616,330	771,292
Disability Benefits	43,751	45,607	63,822	34,164
Death Benefits	8,481	6,117	8,560	4,522
Vested Benefits	597,615	633,497	1,153,101	365,714
Refund of Contributions	167,083	167,107	173,835	160,975
Service Retirees	4,816,163	4,925,003	6,034,830	4,137,182
Beneficiaries	0	0	0	0
Terminated Vested	612,946	636,473	831,646	503,184
Disability Retirees	307,920	326,726	379,806	285,849
Excess State Monies Reserve	253,133	253,133	253,133	253,133
Total:	7,845,216	8,081,190	10,515,063	6,516,015
Present Value of Future Salaries	5,981,626	5,985,546	6,527,159	5,535,938
Present Value of Future Member Contributions	538,346	538,699	587,444	498,234
Total Normal Cost (Entry Age Normal)	122,461	126,903	191,509	90,876
Present Value of Future Normal Costs (Entry Age Normal)	505,360	527,859	925,255	330,394
Total Actuarial Accrued Liability	7,339,856	7,553,331	9,589,808	6,185,621
Unfunded Actuarial Accrued Liability (Entry Age Normal)	2,508,869	2,722,344	4,758,821	1,354,634

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

Valuation Date: 10/1/2014

	ACTUAL	HYPOTHETICAL		
	7.50% RP-2000 Static	7.50% RP-2000 Generational	5.50% RP-2000 Generational	9.50% RP-2000 Generational
<u>PENSION COST</u>				
Normal Cost (with interest)	127,053	131,662	196,775	95,193
Administrative Expenses (with interest)	38,284	38,284	37,915	38,653
Payment Required To Amortize UAAL (with interest)	284,809	297,637	363,762	228,807
Total Required Contribution	\$450,146	\$467,583	\$598,452	\$362,653