

City of Panama City Beach Firefighters' Pension Plan

FS 112.664 Requirements

State Required Disclosure—Changes in the Net Pension Liability and Related Ratios

Changes in the Net Pension Liability and Related Ratios – RP2000, 6.0% Interest

	Fiscal Year Ending										
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Total Pension Liability											
Service Cost	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$426,055	\$424,619	\$426,983	\$439,869
Interest Cost	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$539,013	\$1,718,907	\$1,293,377	\$1,279,079
Changes of Benefit Terms	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$0	\$0	\$0	\$0
Differences Between Expected and Actual Experiences	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$497,329	\$3,018,254	(\$1,471,448)	(\$98,790)
Changes of Assumptions	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$0	\$0	\$0	(\$70,012)
Benefit Payments, Including Refunds of Member Contributions	N/A	N/A	N/A	N/A	N/A	N/A	N/A	(\$428,064)	(\$461,582)	(\$596,757)	(\$790,069)
DROP Adjustment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$765,571	\$0	\$0
Net Change in Total Pension Liability	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$1,034,333	\$4,700,198	(\$347,844)	\$760,078
Total Pension Liability (Beginning)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$16,130,732	\$16,130,732	\$20,830,930	\$20,483,085
Total Pension Liability (Ending)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$17,165,064	\$20,830,930	\$20,483,085	\$21,243,163
Plan Fiduciary Net Position											
Contributions—Employer	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$501,112	\$416,807	\$383,158	\$266,409
Contributions—Member	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$146,638	\$86,266	\$78,955	\$80,110
Contributions—State								\$206,650	\$187,733	\$193,237	\$176,633
Net Investment Income	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$1,480,292	(\$170,283)	\$1,166,931	\$1,855,648
Benefit Payments, Including Refunds of Member Contributions	N/A	N/A	N/A	N/A	N/A	N/A	N/A	(\$428,064)	(\$461,582)	(\$596,757)	(\$790,069)
Administrative Expense	N/A	N/A	N/A	N/A	N/A	N/A	N/A	(\$62,200)	(\$69,185)	(\$63,487)	(\$64,461)
Other	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$0	\$765,571	\$0	\$0
Net Change in Plan Fiduciary Net Position	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$1,637,777	\$755,328	\$1,162,037	\$1,524,270
Plan Fiduciary Net Position (Beginning)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$11,279,992	\$12,917,769	\$13,673,096	\$14,835,133
Plan Fiduciary Net Position (Ending)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$12,917,769	\$13,673,096	\$14,835,133	\$16,359,403
County's Net Pension Liability (Ending)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$4,247,296	\$7,157,834	\$5,647,952	\$4,883,760
Net Position as a % of Pension Liability	N/A	N/A	N/A	N/A	N/A	N/A	N/A	75.26%	65.64%	72.43%	77.01%
Covered-Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$1,285,641	\$1,308,805	\$1,299,830	\$1,435,315
Net Pension Liability as a % of Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	330.36%	546.90%	434.51%	340.26%

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Sensitivity

The following table illustrates the impact of interest rate sensitivity on the Net Pension Liability for fiscal year end September 30, 2016:

	2% Decrease (6.00%)	Current Rate (8.00%)	2% Increase (10.00%)
(1) Total Pension Liability	\$20,477,316	\$16,236,326	\$13,351,338
(2) Plan Fiduciary Net Position	\$14,835,133	\$14,835,133	\$14,835,133
(3) Net Pension Liability	\$5,642,183	\$1,401,193	(\$1,483,795)

The following table illustrates the impact of interest rate sensitivity on the Net Pension Liability for fiscal year end September 30, 2017:

	2% Decrease (6.00%)	Current Rate (8.00%)	2% Increase (10.00%)
(1) Total Pension Liability	\$21,243,163	\$16,832,605	\$12,606,783
(2) Plan Fiduciary Net Position	\$16,359,403	\$16,359,403	\$16,359,403
(3) Net Pension Liability	\$4,883,760	\$473,202	(\$3,752,620)

Adequacy of Assets

The following table illustrates the number of years and fractions for which the Market Value of Assets are adequate to sustain expected retirement benefits.

<u>Assumptions</u>	<u>Years and Fractions</u>
RP 2000 Mortality and 8.0% Interest	28.00
RP 2000 Mortality and 6.0% Interest	20.67

City of Panama City Beach Firefighters' Pension Plan

GASB 67 Requirements

GASB 67 is effective for fiscal year ending September 30, 2014. The follow exhibit is a 10 year history of contributions.

	Fiscal Year Ending									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Total Pension Liability										
Actuarially Determined Contribution	N/A	N/A	N/A	N/A	N/A	N/A	\$396,234	\$314,947	\$223,668	\$125,213
Contributions made in Relation to the Actuarially Determined Contribution	N/A	N/A	N/A	N/A	N/A	N/A	\$501,112	\$416,807	\$383,158	\$266,409
Contribution Deficiency (excess)	N/A	N/A	N/A	N/A	N/A	N/A	\$104,878	\$101,860	(\$159,490)	(\$141,196)
Covered-Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	\$1,285,641	\$1,460,571	\$1,524,460	\$1,435,315
Contributions as a % of Payroll	N/A	N/A	N/A	N/A	N/A	N/A	38.98%	28.54%	14.67%	8.72%

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method:	Entry age Normal with frozen Initial Liability
Asset Valuation Method:	Actuarial Value – 5-year smoothed market value.
IRS Limit Increases:	4.50%
Salary Increases:	6.00%
Investment Rate of Return:	8.00%, net of pension plan investment expense, including inflation.
Retirement Age:	Graded by age and Division – see assumption section for rates.

Mortality rates were based on the RP-2000 Healthy Annuitant Mortality Table with generational projection using scale AA

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GASB 67 Requirements

Sensitivity

The following table illustrates the impact of interest rate sensitivity on the Net Pension Liability for fiscal year end September 30, 2016:

	1% Decrease (7.00%)	Current Rate (8.00%)	1% Increase (9.00%)
(1) Total Pension Liability	\$18,306,227	\$16,236,326	\$14,535,640
(2) Plan Fiduciary Net Position	\$14,835,133	\$14,835,133	\$14,835,133
(3) Net Pension Liability	\$3,471,093	\$1,401,193	(\$399,493)

The following table illustrates the impact of interest rate sensitivity on the Net Pension Liability for fiscal year end September 30, 2017:

	1% Decrease (7.00%)	Current Rate (8.00%)	1% Increase (9.00%)
(1) Total Pension Liability	\$18,812,488	\$16,832,605	\$15,201,080
(2) Plan Fiduciary Net Position	\$16,359,403	\$16,359,403	\$16,359,403
(3) Net Pension Liability	\$2,453,085	\$473,202	(\$1,158,323)