



City of Panama City Beach  
City of Panama City Beach General Municipal Employees' Pension plan  
Fiscal Year Ending September 30, 2015

To whom it may concern:

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), F.S., and Section 60T-1.0035, F.A.C.

Sincerely,

A handwritten signature in black ink, which appears to read "Stephen Lambert-Oswald". The signature is written in a cursive style.

Stephen Lambert-Oswald, ASA, MAAA, EA  
Aon Hewitt  
14-07225  
September 29, 2015

# City of Panama City Beach General Municipal Employees' 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 change in Net Pension Liability.

Changes in the Net Pension Liability and Related Ratios – RP2000, 8.0% Interest

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

	Fiscal Year Ending									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Total Pension Liability</b>										
Service Cost	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$1,040,681
Interest Cost	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$864,624
Changes of Benefit Terms	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$0
Differences Between Expected and Actual Experiences	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$1,874,051
Changes of Assumptions	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$0
Benefit Payments, Including Refunds of Member Contributions	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	(\$1,285,877)
<b>Net Change in Total Pension Liability</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$2,493,478
<b>Total Pension Liability (Beginning)</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$26,922,891
<b>Total Pension Liability (Ending)</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$26,922,891	\$29,416,370
<b>Plan Fiduciary Net Position</b>										
Contributions—Employer	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$1,095,319
Contributions—Member	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$548,921
Net Investment Income	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$2,943,006
Benefit Payments, Including Refunds of Member Contributions	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	(\$1,285,877)
Administrative Expense	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	(\$73,809)
Other	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$0
<b>Net Change in Plan Fiduciary Net Position</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$3,227,560
<b>Plan Fiduciary Net Position (Beginning)</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$26,031,682
<b>Plan Fiduciary Net Position (Ending)</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$26,031,682	\$29,259,242
<b>County's Net Pension Liability (Ending)</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$157,128
<b>Net Position as a % of Pension Liability</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	99.47%
<b>Covered-Employee Payroll</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$5,500,368
<b>Net Pension Liability as a % of Payroll</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	2.86%

# City of Panama City Beach

## General Municipal Employees' Pension Plan

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### GASB Requirements

#### Sensitivity

The following table illustrates the impact of interest rate sensitivity on the Net Pension Liability for fiscal year end September 30, 2013:

	<b>1% Decrease (7.00%)</b>	<b>Current Rate (8.00%)</b>	<b>1% Increase (9.00%)</b>
(1) Total Pension Liability	\$30,059,303	\$26,922,891	\$24,284,853
(2) Plan Fiduciary Net Position	\$26,031,682	\$26,031,682	\$26,031,682
(3) Net Pension Liability	\$4,027,621	\$891,209	(\$1,746,829)

The following table illustrates the impact of interest rate sensitivity on the Net Pension Liability for fiscal year end September 30, 2014:

	<b>1% Decrease (7.00%)</b>	<b>Current Rate (8.00%)</b>	<b>1% Increase (9.00%)</b>
(1) Total Pension Liability	\$32,789,966	\$29,416,370	\$26,574,927
(2) Plan Fiduciary Net Position	\$29,259,242	\$29,259,242	\$29,259,242
(3) Net Pension Liability	\$3,530,724	\$157,128	(\$2,684,315)

# City of Panama City Beach General Municipal Employees' Pension Plan

## FS112.664 Requirements

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

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

	Fiscal Year Ending									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Total Pension Liability</b>										
Service Cost	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$1,518,031
Interest Cost	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$740,645
Changes of Benefit Terms	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$0
Differences Between Expected and Actual Experiences	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$2,036,726
Changes of Assumptions	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$0
Benefit Payments, Including Refunds of Member Contributions	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	(\$1,285,877)
<b>Net Change in Total Pension Liability</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$3,009,524
<b>Total Pension Liability (Beginning)</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$33,820,920
<b>Total Pension Liability (Ending)</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$33,820,920	\$36,830,444
<b>Plan Fiduciary Net Position</b>										
Contributions—Employer	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$1,095,319
Contributions—Member	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$548,921
Net Investment Income	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$2,943,006
Benefit Payments, Including Refunds of Member Contributions	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	(\$1,285,877)
Administrative Expense	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	(\$73,809)
Other	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$0
<b>Net Change in Plan Fiduciary Net Position</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$3,227,560
<b>Plan Fiduciary Net Position (Beginning)</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$26,031,682
<b>Plan Fiduciary Net Position (Ending)</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$26,031,682	\$29,259,242
<b>County's Net Pension Liability (Ending)</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$7,571,202
<b>Net Position as a % of Pension Liability</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	79.44%
<b>Covered-Employee Payroll</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$5,500,368
<b>Net Pension Liability as a % of Payroll</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	137.65%

# City of Panama City Beach General Municipal Employees' Pension Plan

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## FS112.664 Requirements

### Sensitivity

The following table illustrates the impact of interest rate sensitivity on the Net Pension Liability for fiscal year end September 30, 2013:

	<b>2% Decrease (6.00%)</b>	<b>Current Rate (8.00%)</b>	<b>2% Increase (10.00%)</b>
(1) Total Pension Liability	\$33,820,920	\$26,922,891	\$22,047,802
(2) Plan Fiduciary Net Position	\$26,031,682	\$26,031,682	\$26,031,682
(3) Net Pension Liability	\$7,789,238	\$891,209	(\$3,983,880)

The following table illustrates the impact of interest rate sensitivity on the Net Pension Liability for fiscal year end September 30, 2014:

	<b>2% Decrease (6.00%)</b>	<b>Current Rate (8.00%)</b>	<b>2% Increase (10.00%)</b>
(1) Total Pension Liability	\$36,830,444	\$29,416,370	\$24,162,100
(2) Plan Fiduciary Net Position	\$29,259,242	\$29,259,242	\$29,259,242
(3) Net Pension Liability	\$7,571,202	\$157,128	(\$5,097,142)

### 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.

<b>Assumptions</b>	<b>Years and Fractions</b>
RP 2000 Mortality and 8.0% Interest	60.08
RP 2000 Mortality and 6.0% Interest	21.83