

CITY OF ST. PETE BEACH  
GENERAL EMPLOYEES' RETIREMENT SYSTEM

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: 6/2/2016

Patrick T. Donlan, EA, ASA, MAAA  
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, 2015 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.

	ACTUAL		HYPOTHETICAL	
	7.75% RP-2000 Static 9/30/2015	7.75% RP-2000 Generational 9/30/2015	5.75% RP-2000 Generational 9/30/2015	9.75% RP-2000 Generational 9/30/2015
<b><u>GASB 67: Schedule of Changes in Net Pension Liability</u></b>				
<b><u>Total Pension Liability</u></b>				
Service Cost	67,894	69,155	98,282	51,022
Interest	1,244,204	1,266,217	1,164,994	1,324,208
Changes of Benefit Terms	-	-	-	-
Differences Between Expected and Actual Experience	(2,077)	10,414	52,556	(21,115)
Changes of Assumptions	-	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(1,234,650)	(1,234,650)	(1,234,650)	(1,234,650)
Net Change in Total Pension Liability	75,371	111,136	81,182	119,465
Total Pension Liability - Beginning	16,603,678	16,920,298	20,821,455	14,176,280
Total Pension Liability - Ending (a)	\$ 16,679,049	\$ 17,031,434	\$ 20,902,637	\$ 14,295,745
<b><u>Plan Fiduciary Net Position</u></b>				
Contributions - Employer	585,936	585,936	585,936	585,936
Contributions - Employee	29,971	29,971	29,971	29,971
Net Investment Income	(6,633)	(6,633)	(6,633)	(6,633)
Benefit Payments, Including Refunds of Employee Contributions	(1,234,650)	(1,234,650)	(1,234,650)	(1,234,650)
Administrative Expenses	(30,510)	(30,510)	(30,510)	(30,510)
Net Change in Plan Fiduciary Net Position	(655,886)	(655,886)	(655,886)	(655,886)
Plan Fiduciary Net Position - Beginning	11,944,765	11,944,765	11,944,765	11,944,765
Plan Fiduciary Net Position - Ending (b)	\$ 11,288,879	\$ 11,288,879	\$ 11,288,879	\$ 11,288,879
Net Pension Liability - Ending (a) - (b)	\$ 5,390,170	\$ 5,742,555	\$ 9,613,758	\$ 3,006,866

**GASB 68: Pension Expense for Fiscal Year Ending September 30, 2015**

Pension Expense	\$ 385,317	\$ 409,633	\$ 525,526	\$ 263,783
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## PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1  
Plan Assumptions: 7.65% and RP-2000 Static 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
2015	11,288,879	-	1,418,321	-	809,348	10,679,906
2016	10,679,906	-	1,209,611	-	770,745	10,241,040
2017	10,241,040	-	1,283,641	-	734,340	9,691,739
2018	9,691,739	-	1,305,049	-	691,500	9,078,190
2019	9,078,190	-	1,323,646	-	643,852	8,398,396
2020	8,398,396	-	1,323,481	-	591,854	7,666,769
2021	7,666,769	-	1,340,831	-	535,221	6,861,159
2022	6,861,159	-	1,346,248	-	473,385	5,988,296
2023	5,988,296	-	1,360,292	-	406,073	5,034,077
2024	5,034,077	-	1,362,435	-	332,994	4,004,636
2025	4,004,636	-	1,356,387	-	254,473	2,902,722
2026	2,902,722	-	1,350,455	-	170,403	1,722,670
2027	1,722,670	-	1,346,748	-	80,271	456,193
2028	456,193	-	1,360,183	-	-	-

\*All DROP Balances paid in 2015.

Number of Years Expected Benefit Payments Sustained: 13.34

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 7.65% 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: 7.65% 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
2015	11,288,879	-	1,418,321	-	809,348	10,679,906
2016	10,679,906	-	1,209,656	-	770,743	10,240,993
2017	10,240,993	-	1,283,839	-	734,329	9,691,483
2018	9,691,483	-	1,305,512	-	691,463	9,077,434
2019	9,077,434	-	1,324,523	-	643,761	8,396,672
2020	8,396,672	-	1,324,915	-	591,667	7,663,424
2021	7,663,424	-	1,342,959	-	534,884	6,855,349
2022	6,855,349	-	1,349,281	-	472,824	5,978,892
2023	5,978,892	-	1,364,389	-	405,197	5,019,700
2024	5,019,700	-	1,367,800	-	331,689	3,983,589
2025	3,983,589	-	1,363,571	-	252,588	2,872,606
2026	2,872,606	-	1,359,964	-	167,736	1,680,378
2027	1,680,378	-	1,358,929	-	76,570	398,019
2028	398,019	-	1,375,283	-	-	-

\*All DROP Balances paid in 2015.

Number of Years Expected Benefit Payments Sustained: 13.29

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 7.65% 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 3  
Hypothetical Assumptions: 5.65% 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
2015	11,288,879	-	1,418,321	-	597,754	10,468,312
2016	10,468,312	-	1,209,656	-	557,287	9,815,943
2017	9,815,943	-	1,283,839	-	518,332	9,050,436
2018	9,050,436	-	1,305,512	-	474,469	8,219,393
2019	8,219,393	-	1,324,523	-	426,978	7,321,848
2020	7,321,848	-	1,324,915	-	376,256	6,373,189
2021	6,373,189	-	1,342,959	-	322,147	5,352,377
2022	5,352,377	-	1,349,281	-	264,292	4,267,388
2023	4,267,388	-	1,364,389	-	202,563	3,105,562
2024	3,105,562	-	1,367,800	-	136,824	1,874,586
2025	1,874,586	-	1,363,571	-	67,393	578,408
2026	578,408	-	1,359,964	-	-	-

\*All DROP Balances paid in 2015.

Number of Years Expected Benefit Payments Sustained: 11.43

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 5.65% 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 4  
Hypothetical Assumptions: 9.65% 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
2015	11,288,879	-	1,418,321	-	1,020,943	10,891,501
2016	10,891,501	-	1,209,656	-	992,664	10,674,509
2017	10,674,509	-	1,283,839	-	968,145	10,358,815
2018	10,358,815	-	1,305,512	-	936,635	9,989,938
2019	9,989,938	-	1,324,523	-	900,121	9,565,536
2020	9,565,536	-	1,324,915	-	859,147	9,099,768
2021	9,099,768	-	1,342,959	-	813,330	8,570,139
2022	8,570,139	-	1,349,281	-	761,916	7,982,774
2023	7,982,774	-	1,364,389	-	704,506	7,322,891
2024	7,322,891	-	1,367,800	-	640,663	6,595,754
2025	6,595,754	-	1,363,571	-	570,698	5,802,881
2026	5,802,881	-	1,359,964	-	494,360	4,937,277
2027	4,937,277	-	1,358,929	-	410,879	3,989,227
2028	3,989,227	-	1,375,283	-	318,603	2,932,547
2029	2,932,547	-	1,378,716	-	216,468	1,770,299
2030	1,770,299	-	1,376,274	-	104,429	498,454
2031	498,454	-	1,369,864	-	-	-

\*All DROP Balances paid in 2015.

Number of Years Expected Benefit Payments Sustained: 16.36

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 9.65% 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.**

SECTION III - FUNDING

Section 112.664, F.S. Requirements

ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR  
ENDING SEPTEMBER 30, 2017

Valuation Date: 10/1/2015

	ACTUAL		HYPOTHETICAL	
	7.65% RP-2000 Static	7.65% RP-2000 Generational	5.65% RP-2000 Generational	5.65% RP-2000 Generational
Total Required Contribution (Fixed \$)	\$577,052	\$602,847	\$831,049	\$337,910
Total Required Contribution (% of Payroll)	69.8%	72.9%	100.6%	40.9%
Expected Member Contribution	24,790	24,790	24,790	24,790
Expected Sponsor Contribution (Fixed \$)	\$552,262	\$578,057	\$806,259	\$313,120
Expected Sponsor Contribution (% of Payroll)	66.8%	69.9%	97.6%	37.9%

**ASSETS**

Actuarial Value <sup>1</sup>	11,853,891	11,853,891	11,853,891	11,853,891
Market Value <sup>1</sup>	11,288,879	11,288,879	11,288,879	11,288,879

**LIABILITIES**

Present Value of Benefits

Active Members

Retirement Benefits	2,045,921	2,102,147	2,774,318	1,652,515
Disability Benefits	34,128	35,136	45,609	28,000
Death Benefits	13,263	12,610	17,203	9,622
Vested Benefits	36,106	36,859	51,603	27,845
Refund of Contributions	14,224	14,225	15,219	13,339
Service Retirees	11,019,711	11,212,613	13,745,964	9,411,221
DROP Retirees <sup>1</sup>	1,131,325	1,144,732	1,355,241	997,541
Beneficiaries	1,006,078	1,026,477	1,288,270	845,902
Disability Retirees	3,738	3,743	3,874	3,623
Terminated Vested	1,267,685	1,285,960	1,619,356	1,053,266
Total:	16,572,179	16,874,502	20,916,657	14,042,874

Present Value of Future Salaries	3,880,722	3,882,410	4,208,375	3,608,897
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Present Value of Future Member Contributions	116,422	116,472	126,251	108,267
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Total Normal Cost	52,079	53,301	77,025	38,337
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Present Value of Future Normal Costs (Entry Age Normal)	238,334	244,659	378,895	164,431
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Total Actuarial Accrued Liability <sup>1</sup>	16,333,845	16,629,843	20,537,762	13,878,443
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Unfunded Actuarial Accrued Liability (UAAL)	4,479,954	4,775,952	8,683,871	2,024,552
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ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR  
ENDING SEPTEMBER 30, 2017

Valuation Date: 10/1/2015

	ACTUAL	HYPOTHETICAL		
	7.65% RP-2000 Static	7.65% RP-2000 Generational	5.65% RP-2000 Generational	5.65% RP-2000 Generational
<b><u>PENSION COST</u></b>				
Normal Cost (with interest)	54,071	55,340	79,201	39,420
Administrative Expenses (with interest)	31,677	31,677	31,372	31,372
Payment Required To Amortize UAAL (with interest)	491,304	515,830	720,476	267,118
Total Required Contribution	\$577,052	\$602,847	\$831,049	\$337,910

<sup>1</sup> The asset values and liabilities for DROP Members include accumulated DROP Balances as of 9/30/2015.