

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									
	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	\$1,518,031	\$1,485,885	\$1,429,137	\$1,587,947
Interest Cost	N/A	N/A	N/A	N/A	N/A	N/A	\$740,645	\$3,015,106	\$2,471,562	\$2,617,007
Changes of Benefit Terms	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	\$2,036,726	\$220,847	(\$617,750)	(\$653,329)
Changes of Assumptions	N/A	N/A	N/A	N/A	N/A	N/A	\$0	\$0	\$0	\$486,743
Benefit Payments, Including Refunds of Member Contributions	N/A	N/A	N/A	N/A	N/A	N/A	(\$1,285,877)	(\$1,255,002)	(\$1,067,417)	(\$967,953)
DROP Adjustment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$534,139	\$0	\$0
Net Change in Total Pension Liability	N/A	N/A	N/A	N/A	N/A	N/A	\$3,009,524	\$3,466,835	\$2,215,532	\$3,070,415
Total Pension Liability (Beginning)	N/A	N/A	N/A	N/A	N/A	N/A	\$33,820,920	\$36,830,444	\$40,297,279	\$42,512,811
Total Pension Liability (Ending)	N/A	N/A	N/A	N/A	N/A	\$33,820,920	\$36,830,444	\$40,297,279	\$42,512,811	\$45,583,226
Plan Fiduciary Net Position										
Contributions—Employer	N/A	N/A	N/A	N/A	N/A	N/A	\$1,095,319	\$995,644	\$892,284	\$809,369
Contributions—Member	N/A	N/A	N/A	N/A	N/A	N/A	\$548,921	\$538,751	\$563,913	\$571,937
Net Investment Income	N/A	N/A	N/A	N/A	N/A	N/A	\$2,943,006	(\$710,422)	\$2,592,981	\$4,199,232
Benefit Payments, Including Refunds of Member Contributions	N/A	N/A	N/A	N/A	N/A	N/A	(\$1,285,877)	(\$1,255,002)	(\$1,067,417)	(\$967,953)
Administrative Expense	N/A	N/A	N/A	N/A	N/A	N/A	(\$73,809)	(\$103,110)	(\$92,103)	(\$91,878)
Other	N/A	N/A	N/A	N/A	N/A	N/A	\$0	\$534,139	\$0	\$0
Net Change in Plan Fiduciary Net Position	N/A	N/A	N/A	N/A	N/A	N/A	\$3,227,560	\$0	\$2,889,657	\$4,520,708
Plan Fiduciary Net Position (Beginning)	N/A	N/A	N/A	N/A	N/A	N/A	\$26,031,682	\$29,492,669	\$29,492,670	\$32,382,327
Plan Fiduciary Net Position (Ending)	N/A	N/A	N/A	N/A	N/A	\$29,259,242	\$29,259,242	\$29,492,669	\$32,382,327	\$36,903,035
County's Net Pension Liability (Ending)	N/A	N/A	N/A	N/A	N/A	N/A	\$7,571,202	\$2,906,474	\$2,037,954	\$8,680,191
Net Position as a % of Pension Liability	N/A	N/A	N/A	N/A	N/A	N/A	79.44%	73.19%	76.17%	80.96%
Covered-Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	\$5,500,368	\$6,238,976	\$6,483,319	\$6,573,994
Net Pension Liability as a % of Payroll	N/A	N/A	N/A	N/A	N/A	N/A	137.65%	46.59%	31.43%	132.04%

City of Panama City Beach

General Municipal Employees' Pension Plan

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, 2016:

	2% Decrease (6.00%)	Current Rate (8.00%)	2% Increase (10.00%)
(1) Total Pension Liability	\$42,512,811	\$34,420,281	\$29,822,005
(2) Plan Fiduciary Net Position	\$32,382,327	\$32,382,327	\$32,382,327
(3) Net Pension Liability	\$10,130,484	\$2,037,954	(\$2,560,322)

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	\$45,583,226	\$36,916,335	\$31,742,505
(2) Plan Fiduciary Net Position	\$36,903,035	\$36,903,035	\$36,903,035
(3) Net Pension Liability	\$8,680,191	\$13,300	(\$5,160,530)

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	26.58
RP 2000 Mortality and 6.0% Interest	19.17

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									
	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	\$1,040,681	\$1,057,918	\$1,015,476.00	\$1,081,152
Interest Cost	N/A	N/A	N/A	N/A	N/A	N/A	\$864,624	\$2,488,143	\$2,715,866	\$2,878,833
Changes of Benefit Terms	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	\$1,874,051	\$157,575	(\$642,786)	(\$982,721)
Changes of Assumptions	N/A	N/A	N/A	N/A	N/A	N/A	\$0	\$0	\$0	\$486,743
Benefit Payments, Including Refunds of Member Contributions	N/A	N/A	N/A	N/A	N/A	N/A	(\$1,285,877)	(\$1,255,002)	(\$1,067,417)	(\$967,953)
DROP Adjustment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$534,139	\$0	\$0
Net Change in Total Pension Liability	N/A	N/A	N/A	N/A	N/A	N/A	\$2,493,478	\$2,982,773	\$2,021,139	\$2,496,054
Total Pension Liability (Beginning)	N/A	N/A	N/A	N/A	N/A	N/A	\$26,922,891	\$29,416,370	\$32,399,143	\$34,420,281
Total Pension Liability (Ending)	N/A	N/A	N/A	N/A	N/A	\$26,922,891	\$29,416,370	\$32,399,143	\$34,420,281	\$36,916,335
Plan Fiduciary Net Position										
Contributions—Employer	N/A	N/A	N/A	N/A	N/A	N/A	\$1,095,319	\$995,644	\$892,284	\$809,369
Contributions—Member	N/A	N/A	N/A	N/A	N/A	N/A	\$48,921.44	\$38,750.92	\$563,913	\$571,937
Net Investment Income	N/A	N/A	N/A	N/A	N/A	N/A	\$2,943,006	(\$476,995)	\$2,592,981	\$4,199,232
Benefit Payments, Including Refunds of Member Contributions	N/A	N/A	N/A	N/A	N/A	N/A	(\$1,285,877)	(\$1,255,002)	(\$1,067,417)	(\$967,953)
Administrative Expense	N/A	N/A	N/A	N/A	N/A	N/A	(\$73,809)	(\$103,110)	(\$92,103)	(\$91,878)
Other	N/A	N/A	N/A	N/A	N/A	N/A	\$0	\$534,139	\$0	\$0
Net Change in Plan Fiduciary Net Position	N/A	N/A	N/A	N/A	N/A	N/A	\$3,227,560	\$233,427	\$2,889,657	\$4,520,708
Plan Fiduciary Net Position (Beginning)	N/A	N/A	N/A	N/A	N/A	N/A	\$26,031,682	\$29,259,242	\$29,492,670	\$32,382,327
Plan Fiduciary Net Position (Ending)	N/A	N/A	N/A	N/A	N/A	\$26,031,682	\$29,259,242	\$29,492,669	\$32,382,327	\$36,903,035
County's Net Pension Liability (Ending)	N/A	N/A	N/A	N/A	N/A	N/A	\$157,128	\$2,906,474	\$2,037,954	\$13,300
Net Position as a % of Pension Liability	N/A	N/A	N/A	N/A	N/A	N/A	99.47%	91.03%	94.08%	99.96%
Covered-Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	\$5,500,368	\$6,238,976	\$6,483,319	\$6,573,994
Net Pension Liability as a % of Payroll	N/A	N/A	N/A	N/A	N/A	N/A	2.86%	46.59%	31.43%	0.20%

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 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	\$1,013,264	\$659,797	\$672,608	\$642,937
Contributions made in Relation to the Actuarially Determined Contribution	N/A	N/A	N/A	N/A	N/A	N/A	\$1,095,319	\$995,644	\$892,284	\$809,369
Contribution Deficiency (excess)	N/A	N/A	N/A	N/A	N/A	N/A	(\$82,055)	(\$335,847)	(\$219,676)	(\$166,433)
Covered-Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	\$6,238,976	\$6,238,976	\$6,483,319	\$6,586,018
Contributions as a % of Payroll	N/A	N/A	N/A	N/A	N/A	N/A	17.56%	15.96%	13.76%	12.29%

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

City of Panama City Beach

General Municipal Employees' Pension Plan

GASB 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	\$38,446,926	\$34,420,281	\$31,043,162
(2) Plan Fiduciary Net Position	\$32,382,327	\$32,382,327	\$32,382,327
(3) Net Pension Liability	\$6,064,599	\$2,037,954	(\$1,339,165)

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	\$41,014,889	\$36,916,335	\$33,522,701
(2) Plan Fiduciary Net Position	\$36,903,035	\$36,903,035	\$36,903,035
(3) Net Pension Liability	\$4,111,854	\$13,300	(\$3,380,334)