



July 26, 2016

Mr. Dan Stauffer  
Finance Director  
City of DeLand  
120 South Florida Avenue  
DeLand, Florida 32720-5422

**Re: Retirement Plan for General Employees of the City of DeLand**

Dear Dan:

As requested, we are pleased to enclose eight (8) copies of the October 1, 2015 Chapter 112.664 Compliance Report for the Retirement Plan for General Employees of the City of DeLand (Plan).

As required, we will timely upload the required data to the State's online portal no later than the filing deadline.

Please note we understand the following items must be posted on the Plan's website and must be posted on any website containing budget information relating to the City or actuarial or performance information relating to the Plan:

- this compliance report
- most recent financial statement
- most recent actuarial valuation report
- a link to the Division of Retirement Actuarial Summary Fact Sheet  
[http://www.dms.myflorida.com/workforce\\_operations/retirement/local\\_retirement\\_plans/local\\_retirement\\_section/actuarial\\_summary\\_fact\\_sheets](http://www.dms.myflorida.com/workforce_operations/retirement/local_retirement_plans/local_retirement_section/actuarial_summary_fact_sheets)
- for the previous five years - a side-by-side comparison of the Plan's assumed rate of return compared to the actual rate of return as well as the percentages of cash, equity, bond and alternative investments in the Plan portfolio
- the Plan's funded ratio as determined in the most recent actuarial valuation – 85.4% on a market value of assets basis as of October 1, 2015.

We appreciate the opportunity to work with the Board on this important assignment.

If you should have any questions concerning the above, please do not hesitate to contact us.

Sincerest regards,

Lawrence F. Wilson, A.S.A.  
Senior Consultant and Actuary

Enclosures

RETIREMENT PLAN FOR GENERAL EMPLOYEES OF THE CITY OF DELAND

*CHAPTER 112.664, F.S. COMPLIANCE REPORT*

In Connection with the October 1, 2015 Funding Actuarial Valuation Report  
and the Plan's Financial Reporting for the Year Ended September 30, 2015





July 26, 2016

Retirement Committee  
c/o Mr. Dan Stauffer, Finance Director  
Retirement Plan for General Employees  
of the City of DeLand  
120 South Florida Avenue  
DeLand, Florida 32720-5422

**Re: October 1, 2015 Chapter 112.664 Compliance Report**

Dear Committee Members:

Gabriel, Roeder, Smith & Company (GRS) has been engaged by the Retirement Committee (Committee) of the Retirement Plan for General Employees of the City of DeLand (Plan) to prepare a disclosure report to satisfy the requirements set forth in Chapter 112.664, F.S. and as further required pursuant to Chapter 60T-1.0035, F.A.C.

This report was prepared at the request of the Committee and is intended for use by the Committee and those designated or approved by the Committee. This report may be provided to parties other than the Committee only in its entirety and only with the permission of the Committee.

The purpose of the report is to provide the required information specified in Chapter 112.664, F.S. and to supplement this information with additional exhibits. This report should not be relied on for any purpose other than the purpose described above.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: Plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the Plan's funded status); and changes in Plan provisions or applicable law. The scope of this engagement does not include an analysis of the potential range of such measurements.

This report was based upon information furnished by the City and the Committee concerning Plan benefits, Plan provisions and Plan members as used in the corresponding Actuarial Valuation Reports for the Valuation Dates indicated. Financial information was provided by the City and Committee as of September 30, 2015. We reviewed the information provided for internal and year-to-year consistency, but did not otherwise audit the data. We are not

responsible for the accuracy or completeness of the information provided by the City and Committee.

Except where specific assumptions are required by Chapter 112.664, F.S, this report was prepared using actuarial assumptions adopted by the Committee as described in Section C. The Committee's economic and demographic actuarial assumptions are based on the results of an actuarial Experience Study for the period October 1, 2005 – September 30, 2010. The assumptions represent an estimate of future Plan experience.

The investment return assumption of 2% higher than the investment return assumption utilized in the Actuarial Valuation Report does not represent an estimate of future Plan experience nor observation of the estimates inherent in market data. This assumption is provided as a counterpart to the Chapter 112.664, F.S. requirement to utilize an investment return assumption of 2% lower than the investment return assumption utilized in the Actuarial Valuation Report. The inclusion of the additional 2% higher assumption shows a more complete assessment of the range of potential results as opposed to the *one-sided* range required by statute.

If all actuarial assumptions are met and if all current and future minimum required contributions are paid Plan assets will be sufficient to pay all Plan benefits. Plan minimum required contributions are determined in compliance with the requirements of the Florida Protection of Public Employee Retirement Benefits Act with normal cost determined as a level percent of covered payroll and a level dollar amortization payment using an initial amortization period of 15 years.

The Plan's funded ratio as of October 1, 2015 is 85.4% defined as the ratio of the market value of Plan assets to the actuarial accrued liability.

The Plan's funded ratio and the GASB Net Pension Liability may not be appropriate for assessing the sufficiency of Plan assets to meet the estimated cost of settling benefit obligations but may be appropriate for assessing the need for or the amount of future contributions.

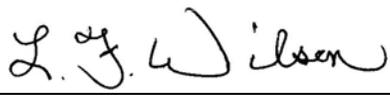
The undersigned are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein. The signing actuaries are independent of the Plan sponsor.

This report has been prepared by actuaries who have substantial experience valuing public employee retirement systems. To the best of our knowledge the information contained in this report is accurate and presents the actuarial position of the Plan as of the valuation date as required by statute. All calculations have been made in conformity with generally accepted actuarial principles and practices, with the Actuarial Standards of Practice issued by the Actuarial Standards Board and with applicable statutes.

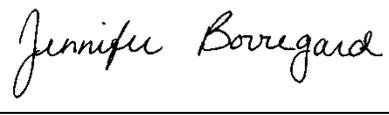
Retirement Committee  
July 26, 2016  
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With respect to the reporting standards for defined benefit retirement plans or systems contained in Section 112.664(1), F.S., the actuarial disclosures required under this section were prepared and completed 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.  
Respectfully submitted,

GABRIEL, ROEDER, SMITH AND COMPANY

By 

Lawrence F. Wilson, M.A.A.A  
Enrolled Actuary No. 14-02802  
Senior Consultant & Actuary

By 

Jennifer M. Borregard, M.A.A.A  
Enrolled Actuary No. 14-07624  
Consultant & Actuary

Date: July 26, 2016

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**SECTION A**

**CHAPTER 112.664, F.S. RESULTS**

**Retirement Plan for General Employees of the City of DeLand**

**Net Pension Liability**

**Using Financial Reporting Assumptions per GASB Statements No. 67 and No. 68**

Measurement Date	<u>September 30, 2015</u>
<b>A. <u>Total Pension Liability (TPL)</u></b>	
Service Cost	\$ 291,773
Interest	2,265,723
Benefit Changes	0
Difference Between Actual and Expected Experience	174,308
Assumption Changes	0
Benefit Payments	(2,195,086)
Contribution Refunds	0
Other	0
Net Change in Total Pension Liability	<u>\$ 536,718</u>
Total Pension Liability (TPL) - (beginning of year)	<u>30,831,445</u>
Total Pension Liability (TPL) - (end of year)	<u><u>\$ 31,368,163</u></u>
<b>B. <u>Plan Fiduciary Net Position</u></b>	
Contributions - City	\$ 608,582
Contributions - State	0
Contributions - Member	163,219
Net Investment Income	458,850
Benefit Payments	(2,195,086)
Contribution Refunds	0
Administrative Expenses	(31,282)
Other	0
Net Change in Plan Fiduciary Net Position	<u>\$ (995,717)</u>
Plan Fiduciary Net Position - (beginning of year)	<u>28,199,816</u>
Plan Fiduciary Net Position - (end of year)	<u><u>\$ 27,204,099</u></u>
<b>C. <u>Net Pension Liability (NPL) - (end of year): (A) - (B)</u></b>	<b>\$ 4,164,064</b>
Valuation Date	October 1, 2014

**Certain Key Assumptions**

Investment Return Assumption 7.5%

Mortality Table:

For healthy members, 1994 UP Mortality Tables, separate rates for males and females, with fully generational mortality improvements projected to each future payment date with Scale AA. For disabled members, RP-2000 Disabled Mortality Tables, separate rates for males and females, with fully generational mortality improvements projected to each future payment date with Scale AA.

**Retirement Plan for General Employees of the City of DeLand**

**Net Pension Liability**

**Using Assumptions Required Under 112.664(1)(a), F.S.**

	September 30, 2015
Measurement Date	
<b>A. <u>Total Pension Liability (TPL)</u></b>	
Service Cost	\$ 292,659
Interest	2,253,422
Benefit Changes	0
Difference Between Actual and Expected Experience	165,038
Assumption Changes	0
Benefit Payments	(2,195,086)
Contribution Refunds	0
Other	0
Net Change in Total Pension Liability	\$ 516,033
Total Pension Liability (TPL) - (beginning of year)	30,675,824
Total Pension Liability (TPL) - (end of year)	\$ 31,191,857
<b>B. <u>Plan Fiduciary Net Position</u></b>	
Contributions - City	\$ 608,582
Contributions - State	0
Contributions - Member	163,219
Net Investment Income	458,850
Benefit Payments	(2,195,086)
Contribution Refunds	0
Administrative Expenses	(31,282)
Other	0
Net Change in Plan Fiduciary Net Position	\$ (995,717)
Plan Fiduciary Net Position - (beginning of year)	28,199,816
Plan Fiduciary Net Position - (end of year)	\$ 27,204,099
<b>C. <u>Net Pension Liability (NPL) - (end of year): (A) - (B)</u></b>	\$ 3,987,758
Valuation Date	October 1, 2014

**Certain Key Assumptions**

Investment Return Assumption 7.5%

Mortality Table:

RP-2000 Combined Healthy Participant Mortality Tables, separate rates for males and females, with fully generational mortality improvements projected to each future payment date with Scale AA.

**Retirement Plan for General Employees of the City of DeLand**

**Net Pension Liability**

**Using Assumptions Required Under 112.664(1)(b), F.S.**

	September 30, 2015
Measurement Date	
<b>A. <u>Total Pension Liability (TPL)</u></b>	
Service Cost	\$ 458,468
Interest	2,022,965
Benefit Changes	0
Difference Between Actual and Expected Experience	173,196
Assumption Changes	0
Benefit Payments	(2,195,086)
Contribution Refunds	0
Other	0
Net Change in Total Pension Liability	\$ 459,543
Total Pension Liability (TPL) - (beginning of year)	37,259,220
Total Pension Liability (TPL) - (end of year)	\$ 37,718,763
 <b>B. <u>Plan Fiduciary Net Position</u></b>	
Contributions - City	\$ 608,582
Contributions - State	0
Contributions - Member	163,219
Net Investment Income	458,850
Benefit Payments	(2,195,086)
Contribution Refunds	0
Administrative Expenses	(31,282)
Other	0
Net Change in Plan Fiduciary Net Position	\$ (995,717)
Plan Fiduciary Net Position - (beginning of year)	28,199,816
Plan Fiduciary Net Position - (end of year)	\$ 27,204,099
 <b>C. <u>Net Pension Liability (NPL) - (end of year): (A) - (B)</u></b>	\$ 10,514,664
 Valuation Date	 October 1, 2014

**Certain Key Assumptions**

Investment Return Assumption 5.5%

Mortality Table:

RP-2000 Combined Healthy Participant Mortality Tables, separate rates for males and females, with fully generational mortality improvements projected to each future payment date with Scale AA.

**Retirement Plan for General Employees of the City of DeLand**

**Net Pension Liability**

**Using Assumptions Required Under 112.664(1)(a), F.S. Plus 2% on Investment Return Assumption**

Measurement Date	<u>September 30, 2015</u>
<b>A. <u>Total Pension Liability (TPL)</u></b>	
Service Cost	\$ 193,903
Interest	2,393,115
Benefit Changes	0
Difference Between Actual and Expected Experience	136,518
Assumption Changes	0
Benefit Payments	(2,195,086)
Contribution Refunds	0
Other	0
Net Change in Total Pension Liability	<u>\$ 528,450</u>
Total Pension Liability (TPL) - (beginning of year)	<u>25,926,344</u>
Total Pension Liability (TPL) - (end of year)	<u><u>\$ 26,454,794</u></u>
<b>B. <u>Plan Fiduciary Net Position</u></b>	
Contributions - City	\$ 608,582
Contributions - State	0
Contributions - Member	163,219
Net Investment Income	458,850
Benefit Payments	(2,195,086)
Contribution Refunds	0
Administrative Expenses	(31,282)
Other	0
Net Change in Plan Fiduciary Net Position	<u>\$ (995,717)</u>
Plan Fiduciary Net Position - (beginning of year)	<u>28,199,816</u>
Plan Fiduciary Net Position - (end of year)	<u><u>\$ 27,204,099</u></u>
<b>C. <u>Net Pension Liability (NPL) - (end of year): (A) - (B)</u></b>	<b>\$ (749,305)</b>
Valuation Date	October 1, 2014

**Certain Key Assumptions**

Investment Return Assumption 9.5%

Mortality Table:

RP-2000 Combined Healthy Participant Mortality Tables, separate rates for males and females, with fully generational mortality improvements projected to each future payment date with Scale AA.

**Retirement Plan for General Employees of the City of DeLand**

**Asset and Benefit Payment Projection  
Not Reflecting Any Future Contributions**

**Using Financial Reporting Assumptions per GASB Statements No. 67 and No. 68**

<b>FYE</b>	<b>Market Value of Assets (BOY)</b>	<b>Expected Investment Return</b>	<b>Projected Benefit Payments</b>	<b>Market Value of Assets (EOY)</b>
2016	26,086,840	1,856,933	2,168,232	25,775,541
2017	25,775,541	1,828,302	2,304,509	25,299,334
2018	25,299,334	1,788,628	2,409,670	24,678,292
2019	24,678,292	1,740,642	2,452,708	23,966,226
2020	23,966,226	1,685,014	2,517,322	23,133,918
2021	23,133,918	1,621,260	2,561,119	22,194,059
2022	22,194,059	1,550,331	2,583,899	21,160,491
2023	21,160,491	1,472,464	2,605,603	20,027,352
2024	20,027,352	1,387,950	2,607,974	18,807,328
2025	18,807,328	1,297,300	2,601,914	17,502,714
2026	17,502,714	1,200,610	2,589,303	16,114,021
2027	16,114,021	1,098,158	2,564,103	14,648,076
2028	14,648,076	990,428	2,526,963	13,111,541
2029	13,111,541	877,082	2,498,746	11,489,877
2030	11,489,877	757,207	2,475,214	9,771,870
2031	9,771,870	630,843	2,434,429	7,968,284
2032	7,968,284	498,288	2,389,025	6,077,547
2033	6,077,547	359,469	2,337,903	4,099,113
2034	4,099,113	214,200	2,284,663	2,028,650
2035	2,028,650	63,063	2,227,043	-
2036	-	-	2,165,236	-

Number of years for which current market value of assets are adequate to sustain the payment of expected retirement benefits reflecting no contributions from the City, Member or State: 19.92

**Certain Key Assumptions**

Investment return assumption 7.45%

Mortality Table:

For healthy members, 1994 UP Mortality Tables, separate rates for males and females, with fully generational mortality improvements projected to each future payment date with Scale AA. For disabled members, RP-2000 Disabled Mortality Tables, separate rates for males and females, with fully generational mortality improvements projected to each future payment date with Scale AA.

**Note: As required in Section 112.664(c) of the Florida Statutes, the projection of Plan assets does not include future contributions from the City or Member. For this reason, this projection should not be viewed as representative of the amount of time the Plan can sustain benefit payments. Under the Government Accounting Standards Board standards which include City and Member contributions, the Plan is expected to be able to pay all future benefit payments.**

**Retirement Plan for General Employees of the City of DeLand**

**Asset and Benefit Payment Projection  
Not Reflecting Any Future Contributions  
Using Assumptions Required Under 112.664(1)(a), F.S.**

<b>FYE</b>	<b>Market Value of Assets (BOY)</b>	<b>Expected Investment Return</b>	<b>Projected Benefit Payments</b>	<b>Market Value of Assets (EOY)</b>
2016	26,086,840	1,856,951	2,167,765	25,776,026
2017	25,776,026	1,828,386	2,303,320	25,301,092
2018	25,301,092	1,788,837	2,407,701	24,682,228
2019	24,682,228	1,741,047	2,449,906	23,973,369
2020	23,973,369	1,685,690	2,513,733	23,145,326
2021	23,145,326	1,622,289	2,556,611	22,211,004
2022	22,211,004	1,551,795	2,578,845	21,183,954
2023	21,183,954	1,474,429	2,600,173	20,058,210
2024	20,058,210	1,390,506	2,601,554	18,847,162
2025	18,847,162	1,300,570	2,594,348	17,553,384
2026	17,553,384	1,204,695	2,581,544	16,176,535
2027	16,176,535	1,103,135	2,556,087	14,723,583
2028	14,723,583	996,425	2,517,642	13,202,366
2029	13,202,366	884,268	2,488,223	11,598,411
2030	11,598,411	765,765	2,463,384	9,900,792
2031	9,900,792	640,983	2,421,033	8,120,742
2032	8,120,742	510,259	2,373,682	6,257,319
2033	6,257,319	373,551	2,320,627	4,310,243
2034	4,310,243	230,706	2,265,206	2,275,743
2035	2,275,743	81,527	2,205,289	151,981
2036	151,981	-	2,140,955	-

Number of years for which current market value of assets are adequate to sustain the payment of expected retirement benefits reflecting no contributions from the City, Member or State: 20.00

**Certain Key Assumptions**

Investment return assumption 7.45%

Mortality Table:

RP-2000 Combined Healthy Participant Mortality Tables, separate rates for males and females, with fully generational mortality improvements projected to each future payment date with Scale AA.

**Note: As required in Section 112.664(c) of the Florida Statutes, the projection of Plan assets does not include future contributions from the City or Member. For this reason, this projection should not be viewed as representative of the amount of time the Plan can sustain benefit payments. Under the Government Accounting Standards Board standards which include City and Member contributions, the Plan is expected to be able to pay all future benefit payments.**

**Retirement Plan for General Employees of the City of DeLand**

**Asset and Benefit Payment Projection  
Not Reflecting Any Future Contributions  
Using Assumptions Required Under 112.664(1)(b), F.S.**

<b>FYE</b>	<b>Market Value of Assets (BOY)</b>	<b>Expected Investment Return</b>	<b>Projected Benefit Payments</b>	<b>Market Value of Assets (EOY)</b>
2016	26,086,840	1,358,257	2,167,765	25,277,332
2017	25,277,332	1,310,170	2,303,320	24,284,182
2018	24,284,182	1,252,987	2,407,701	23,129,468
2019	23,129,468	1,188,819	2,449,906	21,868,381
2020	21,868,381	1,118,221	2,513,733	20,472,869
2021	20,472,869	1,040,910	2,556,611	18,957,168
2022	18,957,168	957,653	2,578,845	17,335,976
2023	17,335,976	868,674	2,600,173	15,604,477
2024	15,604,477	774,267	2,601,554	13,777,190
2025	13,777,190	674,890	2,594,348	11,857,732
2026	11,857,732	570,655	2,581,544	9,846,843
2027	9,846,843	461,807	2,556,087	7,752,563
2028	7,752,563	348,794	2,517,642	5,583,715
2029	5,583,715	231,454	2,488,223	3,326,946
2030	3,326,946	109,187	2,463,384	972,749
2031	972,749	8,379	2,421,033	-
2032	-	-	2,373,682	-
2033	-	-	2,320,627	-
2034	-	-	2,265,206	-
2035	-	-	2,205,289	-
2036	-	-	2,140,955	-

Number of years for which current market value of assets are adequate to sustain the payment of expected retirement benefits reflecting no contributions from the City, Member or State: 15.33

**Certain Key Assumptions**

Investment return assumption 5.45%

Mortality Table:

RP-2000 Combined Healthy Participant Mortality Tables, separate rates for males and females, with fully generational mortality improvements projected to each future payment date with Scale AA.

**Note: As required in Section 112.664(c) of the Florida Statutes, the projection of Plan assets does not include future contributions from the City or Member. For this reason, this projection should not be viewed as representative of the amount of time the Plan can sustain benefit payments. Under the Government Accounting Standards Board standards which include City and Member contributions, the Plan is expected to be able to pay all future benefit payments.**

**Asset and Benefit Payment Projection**  
**Not Reflecting Any Future Contributions**  
Using Assumptions Required Under 112.664(1)(a), F.S. Plus 2% on Investment Return Assumption

<b>FYE</b>	<b>Market Value of Assets (BOY)</b>	<b>Expected Investment Return</b>	<b>Projected Benefit Payments</b>	<b>Market Value of Assets (EOY)</b>
2016	26,086,840	2,355,774	2,167,765	26,274,849
2017	26,274,849	2,366,698	2,303,320	26,338,227
2018	26,338,227	2,367,418	2,407,701	26,297,944
2019	26,297,944	2,361,481	2,449,906	26,209,519
2020	26,209,519	2,349,903	2,513,733	26,045,689
2021	26,045,689	2,332,256	2,556,611	25,821,334
2022	25,821,334	2,309,932	2,578,845	25,552,421
2023	25,552,421	2,283,443	2,600,173	25,235,691
2024	25,235,691	2,253,443	2,601,554	24,887,580
2025	24,887,580	2,220,910	2,594,348	24,514,142
2026	24,514,142	2,186,266	2,581,544	24,118,864
2027	24,118,864	2,150,198	2,556,087	23,712,975
2028	23,712,975	2,113,782	2,517,642	23,309,115
2029	23,309,115	2,077,102	2,488,223	22,897,994
2030	22,897,994	2,039,505	2,463,384	22,474,115
2031	22,474,115	2,001,587	2,421,033	22,054,669
2032	22,054,669	1,964,339	2,373,682	21,645,326
2033	21,645,326	1,928,335	2,320,627	21,253,034
2034	21,253,034	1,894,061	2,265,206	20,881,889
2035	20,881,889	1,862,012	2,205,289	20,538,612
2036	20,538,612	1,832,820	2,140,955	20,230,477

Number of years for which current market value of assets are adequate to sustain the payment of expected retirement benefits reflecting no contributions from the City, Member or State: 99.99

**Certain Key Assumptions**

Investment return assumption 9.45%

Mortality Table:

RP-2000 Combined Healthy Participant Mortality Tables, separate rates for males and females, with fully generational mortality improvements projected to each future payment date with Scale AA.

**Note: As required in Section 112.664(c) of the Florida Statutes, the projection of Plan assets does not include future contributions from the City or Member. For this reason, this projection should not be viewed as representative of the amount of time the Plan can sustain benefit payments. Under the Government Accounting Standards Board standards which include City and Member contributions, the Plan is expected to be able to pay all future benefit payments.**

**Retirement Plan for General Employees of the City of DeLand**

<b>ACTUARIALLY DETERMINED CONTRIBUTION</b>				
	<u>Valuation Assumptions</u>	<u>112.664(1)(a), F.S. Assumptions</u>	<u>112.664(1)(b), F.S. Assumptions</u>	<u>112.664(1)(a), F.S. Assumptions Plus 2% on Investment Return Assumption</u>
A. Valuation Date	October 1, 2015	October 1, 2015	October 1, 2015	October 1, 2015
B. Actuarial Determined Contribution to Be Paid During Fiscal Year Ending	September 30, 2017	September 30, 2017	September 30, 2017	September 30, 2017
C. Annual Payroll of Active Employees	\$ 2,199,383	\$ 2,199,383	\$ 2,199,383	\$ 2,199,383
D. Total Minimum Funding Requirement				
1. Total Normal Cost	\$ 305,867	\$ 306,847	\$ 463,958	\$ 213,618
2. Annual Payment to Amortize Unfunded Actuarial Liability	422,780	402,985	985,024	(112,873)
3. Interest Adjustment	59,253	57,501	92,419	989
4. Total Minimum Funding Requirement	<u>\$ 787,900</u>	<u>\$ 767,333</u>	<u>\$ 1,541,401</u>	<u>\$ 101,734</u>
E. Expected Payroll of Active Employees for Following Plan Year (\$ / % of pay) (C x 1.000)	\$ 2,199,383 100.00%	\$ 2,199,383 100.00%	\$ 2,199,383 100.00%	\$ 2,199,383 100.00%
F. Expected Contribution Sources (\$ / % of pay)				
1. City	\$ 633,943 28.82%	\$ 613,376 27.89%	\$ 1,387,444 63.08%	\$ 59,661 2.71%
2. Member	153,957 7.00%	153,957 7.00%	153,957 7.00%	153,957 7.00%
3. State	0 0.00%	0 0.00%	0 0.00%	0 0.00%
4. Total	<u>\$ 787,900 35.82%</u>	<u>\$ 767,333 34.89%</u>	<u>\$ 1,541,401 70.08%</u>	<u>\$ 213,618 9.71%</u>

**Retirement Plan for General Employees of the City of DeLand**

**Unfunded Actuarial Accrued Liabilities Bases and Amortization Payments**

<u>Amortization Base</u>	Amortization Payment					Remaining Funding Period
	Current Unfunded Liabilities	Valuation Assumptions	112.664(1)(a), F.S. Assumptions	112.664(1)(b), F.S. Assumptions	112.664(1)(a), F.S. Assumptions Plus 2%	
01/01/1986 Plan Amendment	\$ (972)	\$ (972)	\$ (972)	\$ (972)	\$ (972)	0.25 years
01/01/1986 Actuarial Loss / (Gain)	(1,121)	(1,121)	(1,121)	(1,121)	(1,121)	0.25 years
01/01/1987 Actuarial Loss / (Gain)	(7,832)	(6,321)	(6,321)	(6,307)	(6,336)	1.25 years
01/01/1988 Plan Amendment	47,121	21,886	21,886	21,639	22,128	2.25 years
01/01/1988 Actuarial Loss / (Gain)	6,552	3,043	3,043	3,009	3,077	2.25 years
01/01/1989 Asset Method Change	4,646	1,547	1,547	1,516	1,577	3.25 years
01/01/1989 Actuarial Loss / (Gain)	(27,631)	(9,199)	(9,199)	(9,015)	(9,380)	3.25 years
01/01/1990 Plan Amendment	9,407	2,478	2,478	2,408	2,548	4.25 years
01/01/1990 Actuarial Loss / (Gain)	(72,923)	(19,213)	(19,213)	(18,666)	(19,755)	4.25 years
01/01/1991 Plan Amendment	233,419	51,501	51,501	49,613	53,382	5.25 years
01/01/1991 Assumption and Cost Method Change	(26,527)	(5,853)	(5,853)	(5,638)	(6,067)	5.25 years
01/01/1991 Actuarial Loss / (Gain)	25,367	5,597	5,597	5,392	5,801	5.25 years
01/01/1992 Actuarial Loss / (Gain)	(183,188)	(35,106)	(35,106)	(33,541)	(36,674)	6.25 years
01/01/1993 Plan Amendment	45,277	7,731	7,731	7,327	8,138	7.25 years
01/01/1993 Actuarial Loss / (Gain)	(45,576)	(7,782)	(7,782)	(7,376)	(8,192)	7.25 years
01/01/1993 Assumption Change	(37,746)	(6,445)	(6,445)	(6,108)	(6,784)	7.25 years
01/01/1994 Actuarial Loss / (Gain)	(6,602)	(1,024)	(1,024)	(962)	(1,085)	8.25 years
01/01/1994 Plan Amendment	207,964	32,241	32,241	30,316	34,186	8.25 years
01/01/1995 Actuarial Loss / (Gain)	168,307	24,033	24,033	22,425	25,664	9.25 years
01/01/1996 Actuarial Loss / (Gain)	(480,354)	(63,898)	(63,898)	(59,175)	(68,701)	10.25 years
01/01/1996 Assumption Change	126,923	16,884	16,884	15,636	18,153	10.25 years
01/01/1997 Actuarial Loss / (Gain)	(84,053)	(10,512)	(10,512)	(9,664)	(11,377)	11.25 years
01/01/1997 Plan Amendment	100,060	12,513	12,513	11,504	13,543	11.25 years
01/01/1998 Actuarial Loss / (Gain)	(543,001)	(64,323)	(64,323)	(58,713)	(70,062)	12.25 years
01/01/1999 Actuarial Loss / (Gain)	(245,732)	(27,746)	(27,746)	(25,151)	(30,408)	13.25 years
01/01/1999 Plan Amendment	96,242	10,867	10,867	9,850	11,909	13.25 years
01/01/2000 Actuarial Loss / (Gain)	381,119	41,236	41,236	37,126	45,461	14.25 years
01/01/2000 Plan Amendment	114,240	12,360	12,360	11,129	13,627	14.25 years
01/01/2001 Actuarial Loss / (Gain)	1,082,280	112,718	112,718	100,819	124,981	15.25 years
01/01/2001 Assumption and Method Change	(506,380)	(52,739)	(52,739)	(47,171)	(58,476)	15.25 years
01/01/2002 Actuarial Loss / (Gain)	412,047	41,470	41,470	36,855	46,236	16.25 years

**Retirement Plan for General Employees of the City of DeLand**

**Unfunded Actuarial Accrued Liabilities Bases and Amortization Payments**

Date	Amortization Base	Amortization Payment				Remaining Funding Period	
		Current Unfunded Liabilities	Valuation Assumptions	112.664(1)(a), F.S. Assumptions	112.664(1)(b), F.S. Assumptions		112.664(1)(a), F.S. Assumptions Plus 2%
10/01/2002	Actuarial Loss / (Gain)	1,989,975	195,646	195,646	173,059	218,997	17 years
10/01/2003	Actuarial Loss / (Gain)	71,367	6,819	6,819	5,995	7,672	18 years
10/01/2003	Plan Amendment (elected officials)	34,604	3,306	3,306	2,907	3,720	18 years
10/01/2003	Plan Amendment (dispatchers)	(161,044)	(15,387)	(15,387)	(13,528)	(17,312)	18 years
10/01/2004	Actuarial Loss / (Gain)	1,035,263	96,389	96,389	84,241	108,986	19 years
10/01/2005	Actuarial Loss / (Gain)	761,181	69,225	69,225	60,153	78,644	20 years
10/01/2005	Plan Amendment (DC plan)	(347,857)	(31,636)	(31,636)	(27,490)	(35,940)	20 years
10/01/2006	Actuarial Loss / (Gain)	(158,627)	(16,097)	(16,097)	(14,328)	(17,922)	16 years
10/01/2006	Assumption Change	547,130	55,520	55,520	49,420	61,816	16 years
10/01/2007	Actuarial Loss / (Gain)	(329,119)	(32,358)	(32,358)	(28,622)	(36,220)	17 years
10/01/2007	Plan Amendment (COLA)	760,239	74,743	74,743	66,114	83,665	17 years
10/01/2008	Actuarial Loss / (Gain)	232,224	22,188	22,188	19,507	24,964	18 years
10/01/2009	Actuarial Loss / (Gain)	(51)	(5)	(5)	(4)	(5)	19 years
10/01/2010	Actuarial Loss / (Gain)	(11,218)	(1,020)	(1,020)	(887)	(1,159)	20 years
10/01/2011	Actuarial Loss / (Gain)	204,131	20,714	20,714	18,438	23,063	16 years
10/01/2011	Assumption Change	(540,021)	(54,799)	(54,799)	(48,778)	(61,013)	16 years
10/01/2012	Actuarial Loss / (Gain)	147,338	14,486	14,486	12,813	16,215	17 years
10/01/2013	Actuarial Loss / (Gain)	(609,876)	(58,272)	(58,272)	(51,231)	(65,563)	18 years
10/01/2014	Actuarial Loss / (Gain)	(484,613)	(45,120)	(45,120)	(39,434)	(51,017)	19 years
10/01/2015	Actuarial Loss / (Gain)	168,055	17,663	17,663	15,825	19,558	15 years
10/01/2015	Assumption Change	141,991	14,924	14,924	13,370	16,524	15 years
10/01/2015	Assumption Change - 112.664(1)(a), F.S. Assumptions	(188,338)	N/A	(19,795)	N/A	N/A	15 years
10/01/2015	Assumption Change - 112.664(1)(b), F.S. Assumptions	6,483,439	N/A	N/A	610,500	N/A	15 years
10/01/2015	Assumption Change - 112.664(1)(a), F.S. Assumptions Plus 2%	(5,031,694)	N/A	N/A	N/A	(585,567)	15 years

**SECTION B**  
**SUMMARY OF PLAN PROVISIONS**

## Retirement Plan for General Employees of the City of DeLand

### Outline of Principal Provisions of the Retirement Plan (as of October 1, 2015)

#### A. Effective Date:

January 1, 1960; amended and restated January 1, 1972; subsequently restated and amended through Ordinance 99-27 (effective September 20, 1999). Most recently amended by Ordinance 2014-24, adopted December 15, 2014.

#### B. Eligibility Requirements:

Regular full-time employees hired prior to August 5, 2006 who elected not to opt out of the Plan. Department heads and certain other positions are generally excluded.

#### C. Employee Contributions:

7% of basic annual compensation. Effective September 29, 1990, employee contributions are *picked-up* by the City. No contributions are required of elected officials.

#### D. Credited Service:

Service computed in completed months from date of employment to retirement date (or date of termination, if earlier).

#### E. Final Monthly Compensation (FMC):

Average monthly rate of basic compensation during the best 60 successive months out of the last 120 months preceding date of retirement (or termination). Basic compensation means compensation actually paid to a participant and includes overtime pay up to 300 hours and employee contributions *picked-up* by the City. Accrued leave is frozen as of July 1, 2011.

#### F. Normal Retirement:

##### 1. Eligibility:

Earliest of:

- (a) Attainment of age 65 with completion of 10 years of credited service.
- (b) Attainment of age 60 with completion of 20 years of credited service.
- (c) Completion of 25 years of credited service.

##### 2. Benefit:

2.4% times FMC times credited service.

**Retirement Plan for General Employees of the City of DeLand**

**Outline of Principal Provisions of the Retirement Plan**  
**(as of October 1, 2015)**

**G. Early Retirement:**

1. Eligibility:

Attainment of age 55 with completion of 10 years of credited service.

2. Benefit:

Benefit accrued to date of retirement, reduced by 1/15<sup>th</sup> for each of the first five years and 1/30<sup>th</sup> for each year thereafter that early retirement date precedes normal retirement date.

**H. Deferred Retirement:**

Calculated the same as for normal retirement based upon credited service and FMC as of deferred retirement date.

**I. Disability Retirement:**

1. Eligibility:

Total and permanent disability prior to normal retirement date.

2. Benefit:

Service Connected Disability:

Benefit that can be supported by the greater of (a) or (b), where:

- (a) is the single-sum value of the normal retirement benefit accrued to date of disability; and
- (b) is 24 times FMC (limited to the amount which can support 60% of the participant's anticipated normal retirement benefit, where anticipated normal retirement benefit is based on FMC at date of disability and on credited service projected to normal retirement date).

Non-Service Connected Disability:

Benefit which can be supported by the greater of (a) or (b), where:

- (a) is the single-sum value of the normal retirement benefit accrued to date of disability; and
- (b) is 12 times FMC if the participant has completed less than five (5) years of credited service, or 24 times FMC if the participant has completed five (5) or more years of credited service (limited to the amount which can support 60% of the participant's anticipated normal retirement benefit, where the anticipated benefit is based on FMC at date of disability and on credited service projected to normal retirement date).

**Retirement Plan for General Employees of the City of DeLand**

**Outline of Principal Provisions of the Retirement Plan**  
**(as of October 1, 2015)**

**3. Form of Payment:**

Benefit payable for 10 years certain and life thereafter, or until recovery from disability prior to normal retirement age.

**J. Death Benefit:**

Monthly income to beneficiary (payable for ten (10) years certain and life thereafter) which can be provided by the greater of A or B, where A is the single-sum value of the normal retirement benefit accrued to date of death and B is the smaller of (i) and (ii), where (i) is 24 times FMC at date of death and (ii) is 100 times the anticipated normal retirement benefit based upon projected FMC and anticipated credited service at normal retirement date.

**K. Vested Benefit Upon Termination:**

1. Eligibility:

100% vesting upon the completion of 10 years of credited service. Employees who have not completed 10 years of credited service at date of termination of employment shall only be entitled to the return of their employee contributions without interest.

2. Benefit:

Employee's option of benefit accrued to date of termination (payable at normal retirement date or actuarially reduced at early retirement date) or return of employee contributions, with interest at an annual rate of 6%.

**L. Normal Form of Retirement Income:**

Monthly benefit payable for ten (10) years certain and life thereafter.

**M. Deferred Retirement Option Program (DROP):**

The DROP is available only if the participant makes an irrevocable election to participate within 60 days after having met normal retirement eligibility. The maximum participation period in the DROP is five (5) years, after which the participant is deemed separated from the City.

The monthly retirement benefits, including any future cost of living increases, that would have been payable had the member elected to cease employment and receive a normal retirement benefit shall be deposited into the participant's DROP account.

## **Retirement Plan for General Employees of the City of DeLand**

### **Outline of Principal Provisions of the Retirement Plan** **(as of October 1, 2015)**

After each fiscal year quarter, the average daily balance in a participant's deferred retirement option account shall be credited at a rate of six and one-half percent (6.5%) annual interest compounded monthly. The Retirement Committee along with the City shall review the stated rate of return on an annual basis in order to determine the necessity of any adjustment.

If a DROP participant dies before his account balance is paid out in full, the participant's designated beneficiary shall have the same rights as the participant to elect and receive the payout options allowed. DROP payments to a beneficiary shall be in addition to any retirement benefits payable to the participant. Participants who are or have been DROP participants are not eligible for pre-retirement death or disability benefits.

#### **N. Elected Official Benefit:**

1. Eligibility:

Completion of twenty (20) consecutive years of elected service prior to August 5, 2005.

2. Benefit:

50% of pay prior to retirement.

3. Form of Payment:

Monthly life annuity.

#### **O. Cost of Living Adjustment (COLA)**

All current and future retirees who retire on or after Normal Retirement Date (including DROPs), and the beneficiaries of such retired participants, who have been receiving benefits for a minimum of twelve (12) months, will be eligible for an automatic annual cost of living adjustment (COLA) in the amount of 0.5% per annum commencing January 1, 2008.

#### **P. Changes Since Previous Valuation**

None affecting calculations.

**SECTION C**  
**ACTUARIAL ASSUMPTIONS AND COST METHODS**  
**USED FOR FUNDING**

**Retirement Plan for General Employees of the City of DeLand**

**Actuarial Assumptions and Actuarial Cost Methods Used in the Valuation**  
**(as of October 1, 2015)**

**A. Mortality**

For healthy participants, 1994 UP Mortality Tables, separate rates for males and females, with fully generational mortality improvements projected to each future payment date with Scale AA.

For disabled participants, RP-2000 Disabled Mortality Tables, separate rates for males and females, with fully generational mortality improvements projected to each future payment date with Scale AA.

**B. Investment Return**

7.45%, compounded annually, net of investment expense.

**C. Allowances for Expenses or Contingencies**

Estimated expenses are based on the average of actual expenses paid in the previous three years.

**D. Employee Withdrawal Rates**

Withdrawal rates for males and for females were used in accordance with the following illustrative example:

<u>Age</u>	<u>Withdrawal Rates</u> <u>Per 100 Employees</u>
20	8.0
25	8.0
30	7.6
35	7.5
40	6.4
45	4.8
50	4.2
55	4.0
60 & Over	0.0

Elected officials are assumed to withdraw prior to completion of twenty (20) years of elected service.

**E. Disability Rates**

The 1985 Disability Study - Class 1 separate male and female rates were used.

50% of all disablements are assumed to be service related.

**F. Marriage Assumptions**

All active participants are assumed to be married.

Females are assumed to be 3 years younger than their male spouses.

**Retirement Plan for General Employees of the City of DeLand**  
**Actuarial Assumptions and Actuarial Cost Methods Used in the Valuation**  
**(as of October 1, 2015)**

**G. Salary Increase Factors**

Current salary is assumed to increase at a rate based on the table below per year until retirement.

<u>Service</u>	<u>Salary Increase</u>
0 - 20 years	5.25%
21 + years	4.50%

**H. Assumed Retirement Age**

Participants eligible for normal retirement are assumed to retire at the following rates:

<u>Age</u>	<u>Retirement Rate</u>
40-44	10%
45-49	25%
50-54	45%
55-64	65%
65+	100%

In addition, participants eligible for early retirement are assumed to retire at the rate of 10% per year.

**I. Loading**

Service retirement liabilities are increased by 1.25% to account for unused vacation and compensatory leave.

**J. Asset Valuation Method**

The method used for determining the smoothed actuarial value of assets phases in the deviation between the expected and actual return on assets at the rate of 20% per year. The smoothed actuarial value of assets will be further adjusted to the extent necessary to fall within the corridor whose lower limit is 80% of the fair market value of plan assets and whose upper limit is 120% of the fair market value of plan assets.

## **Retirement Plan for General Employees of the City of DeLand**

### **Actuarial Assumptions and Actuarial Cost Methods Used in the Valuation** **(as of October 1, 2015)**

#### **K. Cost Method**

Normal Retirement, Termination, Disability, and Death Benefits: Entry-Age-Normal Cost Method  
Under this method the normal cost for each active employee is the amount which is calculated to be a level percentage of pay that would be required annually from his entry age to his assumed retirement age to fund his estimated benefits, assuming the Plan had always been in effect. The normal cost for the Plan is the sum of such amounts for all employees. The actuarial accrued liability as of any valuation date for each active employee or inactive employee who is eligible to receive benefits under the Plan is the excess of the actuarial present value of estimated future benefits over the actuarial present value of current and future normal costs. The unfunded actuarial accrued liability as of any valuation date is the excess of the actuarial accrued liability over the assets of the Plan.

#### **L. Change From Previous Valuation**

Investment Return was:

7.5%, compounded annually, net of investment expense

## GLOSSARY

<b><i>Actuarial Accrued Liability</i></b>	The difference between the Actuarial Present Value of Future Benefits, and the Actuarial Present Value of Future Normal Costs.
<b><i>Actuarial Assumptions</i></b>	Assumptions about future plan experience that affect costs or liabilities, such as: mortality, withdrawal, disablement, and retirement; future increases in salary; future rates of investment earnings; future investment and administrative expenses; characteristics of members not specified in the data, such as marital status; characteristics of future members; future elections made by members and other items.
<b><i>Actuarial Cost Method</i></b>	A procedure for allocating the Actuarial Present Value of Future Benefits between the Actuarial Present Value of Future Normal Costs and the Actuarial Accrued Liability.
<b><i>Actuarial Equivalent</i></b>	Of equal Actuarial Present Value, determined as of a given date and based on a given set of Actuarial Assumptions.
<b><i>Actuarial Present Value</i></b>	The amount of funds required to provide a payment or series of payments in the future. It is determined by discounting the future payments with an assumed interest rate and with the assumed probability each payment will be made.
<b><i>Actuarial Present Value of Future Benefits</i></b>	The Actuarial Present Value of amounts which are expected to be paid at various future times to active members, retired members, beneficiaries receiving benefits and inactive, non-retired members entitled to either a refund or a future retirement benefit. Expressed another way, it is the value that would have to be invested on the valuation date so that the amount invested plus investment earnings would provide sufficient assets to pay all projected benefits and expenses when due.
<b><i>Actuarial Valuation</i></b>	The determination, as of a valuation date, of the Normal Cost, Actuarial Accrued Liability, Actuarial Value of Assets, and related Actuarial Present Values for a plan. An Actuarial Valuation for a governmental retirement system typically also includes calculations of items needed for compliance with GASB No. 67.
<b><i>Actuarial Value of Assets</i></b>	The value of the assets as of a given date, used by the actuary for valuation purposes. This may be the market or fair value of plan assets or a smoothed value in order to reduce the year-to-year volatility of calculated results, such as the funded ratio and the actuarially required contribution.

<b><i>Amortization Method</i></b>	A method for determining the Amortization Payment. The most common methods used are level dollar and level percentage of payroll. Under the Level Dollar method, the Amortization Payment is one of a stream of payments, all equal, whose Actuarial Present Value is equal to the UAAL. Under the Level Percentage of Pay method, the Amortization Payment is one of a stream of increasing payments, whose Actuarial Present Value is equal to the UAAL. Under the Level Percentage of Pay method, the stream of payments increases at the rate at which total covered payroll of all active members is assumed to increase.
<b><i>Amortization Payment</i></b>	That portion of the plan contribution which is designed to pay interest on and to amortize the Unfunded Actuarial Accrued Liability.
<b><i>Amortization Period</i></b>	The period used in calculating the Amortization Payment.
<b><i>Annual Required Contribution</i></b>	The employer's periodic required contributions, expressed as a dollar amount or a percentage of covered plan compensation. The annual required contribution consists of the Employer Normal Cost and Amortization Payment plus interest adjustment.
<b><i>Closed Amortization Period</i></b>	A specific number of years that is reduced by one each year, and declines to zero with the passage of time. For example if the amortization period is initially set at 30 years, it is 29 years at the end of one year, 28 years at the end of two years, etc.
<b><i>Employer Normal Cost</i></b>	The portion of the Normal Cost to be paid by the employer. This is equal to the Normal Cost less expected member contributions.
<b><i>Equivalent Single Amortization Period</i></b>	For plans that do not establish separate amortization bases (separate components of the UAAL), this is the same as the Amortization Period. For plans that do establish separate amortization bases, this is the period over which the UAAL would be amortized if all amortization bases were combined upon the current UAAL payment.
<b><i>Experience Gain/Loss</i></b>	A measure of the difference between actual experience and that expected based upon a set of Actuarial Assumptions, during the period between two actuarial valuations. To the extent that actual experience differs from that assumed, Unfunded Actuarial Accrued Liabilities emerge which may be larger or smaller than projected. Gains are due to favorable experience, e.g., the assets earn more than projected, salaries do not increase as fast as assumed, members retire later than assumed, etc. Favorable experience means actual results produce actuarial liabilities not as large as projected by the actuarial assumptions. Losses are the result of unfavorable

experience, i.e., actual results that produce Unfunded Actuarial Accrued Liabilities which are larger than projected.

***Funded Ratio*** The ratio of the Actuarial Value of Assets to the Actuarial Accrued Liability.

***GASB*** Governmental Accounting Standards Board.

***GASB No. 67 and  
GASB No. 68*** These are the governmental accounting standards that set the accounting rules for public retirement plans and the employers that sponsor or contribute to them. Statement No. 67 sets the accounting rules for the plans themselves, while Statement No. 68 sets the accounting rules for the employers that sponsor or contribute to public retirement plans.

***Normal Cost*** The annual cost assigned, under the Actuarial Cost Method, to the current plan year.

***Open Amortization Period*** An open amortization period is one which is used to determine the Amortization Payment but which does not change over time. In other words, if the initial period is set as 30 years, the same 30-year period is used in determining the Amortization Period each year. In theory, if an Open Amortization Period is used to amortize the Unfunded Actuarial Accrued Liability, the UAAL will never completely disappear, but will become smaller each year, either as a dollar amount or in relation to covered payroll.

***Unfunded Actuarial  
Accrued Liability*** The difference between the Actuarial Accrued Liability and Actuarial Value of Assets.

***Valuation Date*** The date as of which the Actuarial Present Value of Future Benefits are determined. The benefits expected to be paid in the future are discounted to this date.