

RETIREMENT PLAN FOR GENERAL EMPLOYEES OF THE CITY OF DELAND

CHAPTER 112.664, F.S. COMPLIANCE REPORT

In Connection with the October 1, 2014 Funding Actuarial Valuation Report
and the Plan's Financial Reporting for the Year Ended September 30, 2014



July 9, 2015

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

Re: October 1, 2014 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, 2014. 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. Inclusion of an investment return 2% higher than the investment return assumption utilized in the Actuarial Valuation Report shows a more complete assessment of the range of 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 20 years.

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.

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 L. F. Wilson
Lawrence F. Wilson, M.A.A.A
Enrolled Actuary No. 14-02802
Senior Consultant & Actuary
Date: July 9, 2015

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SECTION A

CHAPTER 112.664, F.S. RESULTS

Net Pension Liability
Using Financial Reporting Assumptions per GASB Statements No. 67 and No. 68

Measurement Date	9/30/2014
A. <u>Total Pension Liability (TPL)</u>	
Service Cost	\$ 310,280
Interest	2,215,991
Benefit Changes	0
Difference Between Actual and Expected Experience	77,014
Assumption Changes	0
Benefit Payments	(1,789,516)
Contribution Refunds	(57,156)
Other	0
Net Change in Total Pension Liability	756,613
Total Pension Liability - (beginning of year)	30,074,832
Total Pension Liability - (end of year)	\$ 30,831,445
 B. <u>Plan Fiduciary Net Position</u>	
Contributions - Employer	\$ 676,540
Contributions - State	0
Contributions - Member	171,079
Net Investment Income	2,078,491
Benefit Payments	(1,789,516)
Contribution Refunds	(57,156)
Administrative Expenses	(39,287)
Other	0
Net Change in Plan Fiduciary Net Position	1,040,151
Plan Fiduciary Net Position - (beginning of year)	27,159,665
Plan Fiduciary Net Position - (end of year)	\$ 28,199,816
 C. <u>Net Pension Liability (NPL) - (end of year): (A) - (B)</u>	
	\$ 2,631,629
 Valuation Date	 10/1/2013

Certain Key Assumptions

Investment Return Assumption 7.5%

Mortality Table:

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. 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.

Net Pension Liability
Using Assumptions Required Under 112.664(1)(a), F.S.

Measurement Date	9/30/2014
A. <u>Total Pension Liability (TPL)</u>	
Service Cost	\$ 311,198
Interest	2,205,134
Benefit Changes	0
Difference Between Actual and Expected Experience	64,330
Assumption Changes	0
Benefit Payments	(1,789,516)
Contribution Refunds	(57,156)
Other	0
Net Change in Total Pension Liability	733,990
Total Pension Liability - (beginning of year)	29,941,834
Total Pension Liability - (end of year)	\$ 30,675,824
 B. <u>Plan Fiduciary Net Position</u>	
Contributions - Employer	\$ 676,540
Contributions - State	0
Contributions - Member	171,079
Net Investment Income	2,078,491
Benefit Payments	(1,789,516)
Contribution Refunds	(57,156)
Administrative Expenses	(39,287)
Other	0
Net Change in Plan Fiduciary Net Position	1,040,151
Plan Fiduciary Net Position - (beginning of year)	27,159,665
Plan Fiduciary Net Position - (end of year)	\$ 28,199,816
 C. <u>Net Pension Liability (NPL) - (end of year): (A) - (B)</u>	 \$ 2,476,008
 Valuation Date	 10/1/2013

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.

Net Pension Liability
Using Assumptions Required Under 112.664(1)(b), F.S.

Measurement Date	9/30/2014
A. <u>Total Pension Liability (TPL)</u>	
Service Cost	\$ 490,411
Interest	1,989,892
Benefit Changes	0
Difference Between Actual and Expected Experience	210,544
Assumption Changes	0
Benefit Payments	(1,789,516)
Contribution Refunds	(57,156)
Other	0
Net Change in Total Pension Liability	844,175
Total Pension Liability - (beginning of year)	36,415,045
Total Pension Liability - (end of year)	\$ 37,259,220
 B. <u>Plan Fiduciary Net Position</u>	
Contributions - Employer	\$ 676,540
Contributions - State	0
Contributions - Member	171,079
Net Investment Income	2,078,491
Benefit Payments	(1,789,516)
Contribution Refunds	(57,156)
Administrative Expenses	(39,287)
Other	0
Net Change in Plan Fiduciary Net Position	1,040,151
Plan Fiduciary Net Position - (beginning of year)	27,159,665
Plan Fiduciary Net Position - (end of year)	\$ 28,199,816
 C. <u>Net Pension Liability (NPL) - (end of year): (A) - (B)</u>	
	\$ 9,059,404
 Valuation Date	 10/1/2013

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.

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

Measurement Date	9/30/2014
A. <u>Total Pension Liability (TPL)</u>	
Service Cost	\$ 205,355
Interest	2,331,883
Benefit Changes	0
Difference Between Actual and Expected Experience	(38,395)
Assumption Changes	0
Benefit Payments	(1,789,516)
Contribution Refunds	(57,156)
Other	0
Net Change in Total Pension Liability	652,171
Total Pension Liability - (beginning of year)	25,274,173
Total Pension Liability - (end of year)	\$ 25,926,344
B. <u>Plan Fiduciary Net Position</u>	
Contributions - Employer	\$ 676,540
Contributions - State	0
Contributions - Member	171,079
Net Investment Income	2,078,491
Benefit Payments	(1,789,516)
Contribution Refunds	(57,156)
Administrative Expenses	(39,287)
Other	0
Net Change in Plan Fiduciary Net Position	1,040,151
Plan Fiduciary Net Position - (beginning of year)	27,159,665
Plan Fiduciary Net Position - (end of year)	\$ 28,199,816
C. <u>Net Pension Liability (NPL) - (end of year): (A) - (B)</u>	\$ (2,273,472)
Valuation Date	10/1/2013

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.

Asset and Benefit Payment Projection
Not Reflecting Any Future Contributions
Using Financial Reporting Assumptions per GASB Statements No. 67 and No. 68

FYE	Market Value of Assets (BOY)	Expected Investment Return	Projected Benefit Payments	Market Value of Assets (EOY)
2015	27,064,206	1,947,137	2,057,889	26,953,455
2016	26,953,455	1,933,743	2,184,539	26,702,658
2017	26,702,658	1,910,285	2,300,226	26,312,717
2018	26,312,717	1,877,847	2,379,696	25,810,868
2019	25,810,868	1,838,982	2,410,209	25,239,640
2020	25,239,640	1,794,159	2,459,528	24,574,271
2021	24,574,271	1,742,839	2,494,790	23,822,320
2022	23,822,320	1,685,850	2,509,537	22,998,633
2023	22,998,633	1,623,436	2,525,426	22,096,643
2024	22,096,643	1,555,796	2,525,176	21,127,263
2025	21,127,263	1,483,661	2,511,024	20,099,901
2026	20,099,901	1,407,348	2,492,635	19,014,614
2027	19,014,614	1,327,067	2,464,865	17,876,817
2028	17,876,817	1,243,305	2,425,722	16,694,399
2029	16,694,399	1,155,838	2,395,494	15,454,743
2030	15,454,743	1,063,884	2,370,113	14,148,514
2031	14,148,514	967,616	2,327,812	12,788,318
2032	12,788,318	867,471	2,281,264	11,374,525
2033	11,374,525	763,528	2,229,204	9,908,849
2034	9,908,849	655,775	2,175,131	8,389,494
2035	8,389,494	544,159	2,117,005	6,816,648
2036	6,816,648	428,685	2,055,040	5,190,293
2037	5,190,293	309,366	1,988,882	3,510,777
2038	3,510,777	186,199	1,919,270	1,777,706
2039	1,777,706	59,208	1,846,287	-
2040	-	-	1,769,160	-

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 Employer, Employee or State: 24.92

Certain Key Assumptions

Investment return assumption 7.5%

Mortality Table:

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. 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.

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

FYE	Market Value of Assets (BOY)	Expected Investment Return	Projected Benefit Payments	Market Value of Assets (EOY)
2015	27,064,206	1,947,149	2,057,588	26,953,768
2016	26,953,768	1,933,799	2,183,715	26,703,852
2017	26,703,852	1,910,428	2,298,900	26,315,381
2018	26,315,381	1,878,125	2,377,737	25,815,769
2019	25,815,769	1,839,458	2,407,510	25,247,717
2020	25,247,717	1,794,903	2,456,086	24,586,533
2021	24,586,533	1,743,931	2,490,500	23,839,965
2022	23,839,965	1,687,363	2,504,825	23,022,503
2023	23,022,503	1,625,424	2,520,504	22,127,423
2024	22,127,423	1,558,338	2,519,374	21,166,387
2025	21,166,387	1,486,815	2,505,556	20,147,646
2026	20,147,646	1,411,175	2,486,499	19,072,323
2027	19,072,323	1,331,666	2,458,127	17,945,862
2028	17,945,862	1,248,813	2,417,508	16,777,167
2029	16,777,167	1,162,432	2,385,890	15,553,709
2030	15,553,709	1,071,752	2,359,025	14,266,436
2031	14,266,436	976,973	2,315,057	12,928,352
2032	12,928,352	878,566	2,266,518	11,540,400
2033	11,540,400	776,639	2,212,539	10,104,500
2034	10,104,500	671,203	2,156,355	8,619,348
2035	8,619,348	562,239	2,096,064	7,085,523
2036	7,085,523	449,785	2,031,773	5,503,535
2037	5,503,535	333,889	1,963,267	3,874,156
2038	3,874,156	214,577	1,891,278	2,197,456
2039	2,197,456	91,854	1,815,880	473,430
2040	473,430	3,368	1,736,430	-

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 Employer, Employee or State: 25.25

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.

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)(b), F.S.

FYE	Market Value of Assets (BOY)	Expected Investment Return	Projected Benefit Payments	Market Value of Assets (EOY)
2015	27,064,206	1,427,734	2,057,588	26,434,352
2016	26,434,352	1,389,365	2,183,715	25,640,002
2017	25,640,002	1,342,272	2,298,900	24,683,375
2018	24,683,375	1,287,328	2,377,737	23,592,966
2019	23,592,966	1,226,476	2,407,510	22,411,932
2020	22,411,932	1,160,084	2,456,086	21,115,930
2021	21,115,930	1,087,787	2,490,500	19,713,217
2022	19,713,217	1,010,214	2,504,825	18,218,607
2023	18,218,607	927,548	2,520,504	16,625,651
2024	16,625,651	839,968	2,519,374	14,946,245
2025	14,946,245	748,009	2,505,556	13,188,698
2026	13,188,698	651,907	2,486,499	11,354,107
2027	11,354,107	551,843	2,458,127	9,447,823
2028	9,447,823	448,198	2,417,508	7,478,513
2029	7,478,513	340,820	2,385,890	5,433,443
2030	5,433,443	229,135	2,359,025	3,303,553
2031	3,303,553	113,290	2,315,057	1,101,787
2032	1,101,787	12,111	2,266,518	-
2033	-	-	2,212,539	-
2034	-	-	2,156,355	-
2035	-	-	2,096,064	-
2036	-	-	2,031,773	-
2037	-	-	1,963,267	-
2038	-	-	1,891,278	-
2039	-	-	1,815,880	-
2040	-	-	1,736,430	-

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 Employer, Employee or State: 17.42

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.

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

FYE	Market Value of Assets (BOY)	Expected Investment Return	Projected Benefit Payments	Market Value of Assets (EOY)
2015	27,064,206	2,466,687	2,057,588	27,473,306
2016	27,473,306	2,499,152	2,183,715	27,788,743
2017	27,788,743	2,523,273	2,298,900	28,013,116
2018	28,013,116	2,540,588	2,377,737	28,175,967
2019	28,175,967	2,554,548	2,407,510	28,323,005
2020	28,323,005	2,566,051	2,456,086	28,432,970
2021	28,432,970	2,574,752	2,490,500	28,517,222
2022	28,517,222	2,582,029	2,504,825	28,594,426
2023	28,594,426	2,588,568	2,520,504	28,662,490
2024	28,662,490	2,595,091	2,519,374	28,738,207
2025	28,738,207	2,602,985	2,505,556	28,835,636
2026	28,835,636	2,613,208	2,486,499	28,962,346
2027	28,962,346	2,626,685	2,458,127	29,130,904
2028	29,130,904	2,644,760	2,417,508	29,358,156
2029	29,358,156	2,667,953	2,385,890	29,640,219
2030	29,640,219	2,696,112	2,359,025	29,977,307
2031	29,977,307	2,730,367	2,315,057	30,392,617
2032	30,392,617	2,772,284	2,266,518	30,898,383
2033	30,898,383	2,823,071	2,212,539	31,508,914
2034	31,508,914	2,883,923	2,156,355	32,236,482
2035	32,236,482	2,956,101	2,096,064	33,096,519
2036	33,096,519	3,041,067	2,031,773	34,105,813
2037	34,105,813	3,140,426	1,963,267	35,282,972
2038	35,282,972	3,255,910	1,891,278	36,647,603
2039	36,647,603	3,389,376	1,815,880	38,221,099
2040	38,221,099	3,542,889	1,736,430	40,027,558

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 Employer, Employee or State: 99.99

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.

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.

ACTUARIAL DETERMINED CONTRIBUTION

	<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, 2014	October 1, 2014	October 1, 2014	October 1, 2014
B. Actuarial Determined Contribution to Be Paid During Fiscal Year Ending	9/30/2016	9/30/2016	9/30/2016	9/30/2016
C. Annual payroll of Active Employees	\$ 2,364,693	\$ 2,364,693	\$ 2,364,693	\$ 2,364,693
D. Total Minimum Funding Requirement				
1. Total Normal Cost	\$ 330,632	\$ 331,518	\$ 497,327	\$ 232,762
2. Annual Payment to Amortize Unfunded Actuarial Liability	385,640	370,594	846,439	(75,449)
3. Interest Adjustment	57,839	56,512	85,556	6,887
4. Total Minimum Funding Requirement	<u>\$ 774,111</u>	<u>\$ 758,624</u>	<u>\$ 1,429,322</u>	<u>\$ 164,200</u>
E. Expected Payroll of Active Employees for Following Plan Year (\$ / % of pay) (C x 1.000)	\$ 2,364,693 100.00%	\$ 2,364,693 100.00%	\$ 2,364,693 100.00%	\$ 2,364,693 100.00%
F. Expected Contribution Sources (\$ / % of pay)				
1. City	\$ 608,582 25.74%	\$ 593,095 25.08%	\$ 1,263,793 53.44%	\$ 67,233 2.84%
2. Member	165,529 7.00%	165,529 7.00%	165,529 7.00%	165,529 7.00%
3. State	0 0.00%	0 0.00%	0 0.00%	0 0.00%
4. Total	<u>\$ 774,111 32.74%</u>	<u>\$ 758,624 32.08%</u>	<u>\$ 1,429,322 60.44%</u>	<u>\$ 232,762 9.84%</u>

Unfunded Actuarial Accrued Liabilities Bases and Amortization Payments

Amortization Base	Current Unfunded Liabilities	Amortization Payment				Remaining Funding Period
		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%	
01/01/1985 Actuarial Loss / (Gain)	\$ 183	\$ 183	\$ 183	\$ 183	\$ 183	0.25 years
01/01/1986 Plan Amendment	(5,619)	(4,535)	(4,535)	(4,525)	(4,546)	1.25 years
01/01/1986 Actuarial Loss / (Gain)	(6,487)	(5,236)	(5,236)	(5,224)	(5,248)	1.25 years
01/01/1987 Actuarial Loss / (Gain)	(14,096)	(6,549)	(6,549)	(6,475)	(6,621)	2.25 years
01/01/1988 Plan Amendment	67,061	22,337	22,337	21,890	22,777	3.25 years
01/01/1988 Actuarial Loss / (Gain)	9,325	3,106	3,106	3,044	3,167	3.25 years
01/01/1989 Asset Method Change	5,954	1,570	1,570	1,525	1,614	4.25 years
01/01/1989 Actuarial Loss / (Gain)	(35,413)	(9,337)	(9,337)	(9,071)	(9,600)	4.25 years
01/01/1990 Plan Amendment	11,360	2,509	2,509	2,417	2,600	5.25 years
01/01/1990 Actuarial Loss / (Gain)	(88,059)	(19,447)	(19,447)	(18,735)	(20,157)	5.25 years
01/01/1991 Plan Amendment	271,250	52,040	52,040	49,723	54,362	6.25 years
01/01/1991 Assumption and Cost Method Change	(30,826)	(5,914)	(5,914)	(5,651)	(6,178)	6.25 years
01/01/1991 Actuarial Loss / (Gain)	29,479	5,656	5,656	5,404	5,908	6.25 years
01/01/1992 Actuarial Loss / (Gain)	(207,259)	(35,437)	(35,437)	(33,587)	(37,298)	7.25 years
01/01/1993 Plan Amendment	50,227	7,798	7,798	7,333	8,268	8.25 years
01/01/1993 Actuarial Loss / (Gain)	(50,559)	(7,850)	(7,850)	(7,382)	(8,323)	8.25 years
01/01/1993 Assumption Change	(41,873)	(6,501)	(6,501)	(6,114)	(6,893)	8.25 years
01/01/1994 Actuarial Loss / (Gain)	(7,215)	(1,032)	(1,032)	(963)	(1,102)	9.25 years
01/01/1994 Plan Amendment	227,258	32,506	32,506	30,333	34,708	9.25 years
01/01/1995 Actuarial Loss / (Gain)	181,754	24,223	24,223	22,435	26,041	10.25 years
01/01/1996 Actuarial Loss / (Gain)	(513,796)	(64,386)	(64,386)	(59,199)	(69,676)	11.25 years
01/01/1996 Assumption Change	135,759	17,012	17,012	15,642	18,410	11.25 years
01/01/1997 Actuarial Loss / (Gain)	(89,201)	(10,590)	(10,590)	(9,668)	(11,533)	12.25 years
01/01/1997 Plan Amendment	106,189	12,607	12,607	11,509	13,730	12.25 years
01/01/1998 Actuarial Loss / (Gain)	(572,498)	(64,795)	(64,795)	(58,744)	(71,000)	13.25 years
01/01/1999 Actuarial Loss / (Gain)	(257,650)	(27,947)	(27,947)	(25,167)	(30,806)	14.25 years
01/01/1999 Plan Amendment	100,910	10,946	10,946	9,857	12,065	14.25 years
01/01/2000 Actuarial Loss / (Gain)	397,719	41,533	41,533	37,156	46,042	15.25 years
01/01/2000 Plan Amendment	119,217	12,450	12,450	11,138	13,801	15.25 years

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%	
01/01/2001	Actuarial Loss / (Gain)	\$ 1,124,831	\$ 113,529	\$ 113,529	\$ 100,919	\$ 126,546	16.25 years
01/01/2001	Assumption and Method Change	(526,288)	(53,118)	(53,118)	(47,218)	(59,209)	16.25 years
01/01/2002	Actuarial Loss / (Gain)	426,735	41,769	41,769	36,899	46,804	17.25 years
10/01/2002	Actuarial Loss / (Gain)	2,056,056	197,054	197,054	173,293	221,652	18 years
10/01/2003	Actuarial Loss / (Gain)	73,530	6,868	6,868	6,004	7,763	19 years
10/01/2003	Plan Amendment (elected officials)	35,653	3,330	3,330	2,911	3,764	19 years
10/01/2003	Plan Amendment (dispatchers)	(165,925)	(15,498)	(15,498)	(13,549)	(17,519)	19 years
10/01/2004	Actuarial Loss / (Gain)	1,063,997	97,088	97,088	84,393	110,264	20 years
10/01/2005	Actuarial Loss / (Gain)	780,586	69,729	69,729	60,275	79,551	21 years
10/01/2005	Plan Amendment (DC plan)	(356,726)	(31,866)	(31,866)	(27,546)	(36,355)	21 years
10/01/2006	Actuarial Loss / (Gain)	(164,419)	(16,212)	(16,212)	(14,345)	(18,143)	17 years
10/01/2006	Assumption Change	567,109	55,920	55,920	49,477	62,579	17 years
10/01/2007	Actuarial Loss / (Gain)	(340,047)	(32,590)	(32,590)	(28,661)	(36,659)	18 years
10/01/2007	Plan Amendment (COLA)	785,485	75,282	75,282	66,204	84,679	18 years
10/01/2008	Actuarial Loss / (Gain)	239,262	22,348	22,348	19,538	25,262	19 years
10/01/2009	Actuarial Loss / (Gain)	(53)	(5)	(5)	(4)	(5)	20 years
10/01/2010	Actuarial Loss / (Gain)	(11,504)	(1,028)	(1,028)	(888)	(1,172)	21 years
10/01/2011	Actuarial Loss / (Gain)	211,585	20,863	20,863	18,459	23,348	17 years
10/01/2011	Assumption Change	(559,740)	(55,193)	(55,193)	(48,834)	(61,766)	17 years
10/01/2012	Actuarial Loss / (Gain)	152,231	14,590	14,590	12,831	16,411	18 years
10/01/2013	Actuarial Loss / (Gain)	(628,360)	(58,692)	(58,692)	(51,311)	(66,344)	19 years
10/01/2014	Actuarial Loss / (Gain)	(498,064)	(45,448)	(45,448)	(39,505)	(51,615)	20 years
10/01/2014	Assumption Change - 112.664(1)(a), F.S. Assumptions	(164,891)	N/A	(15,046)	N/A	N/A	20 years
10/01/2014	Assumption Change - 112.664(1)(b), F.S. Assumptions	6,404,854	N/A	N/A	508,013	N/A	20 years
10/01/2014	Assumption Change - 112.664(1)(a), F.S. Assumptions Plus 2%	(4,921,084)	N/A	N/A	N/A	(509,980)	20 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, 2014)

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 2014-05, adopted March 17, 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, 2014)

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 1/15th for each of the first five years and 1/30th 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, 2014)**

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, 2014)**

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, 2014)

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

7.5%, 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, 2014)

Actuarial Assumptions and Actuarial Cost Methods Used in the Valuation

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, 2014)

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

None.

GLOSSARY

<i>Actuarial Accrued Liability</i>	The difference between the Actuarial Present Value of Future Benefits, and the Actuarial Present Value of Future Normal Costs.
<i>Actuarial Assumptions</i>	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.
<i>Actuarial Cost Method</i>	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.
<i>Actuarial Equivalent</i>	Of equal Actuarial Present Value, determined as of a given date and based on a given set of Actuarial Assumptions.
<i>Actuarial Present Value</i>	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.
<i>Actuarial Present Value of Future Benefits</i>	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.
<i>Actuarial Valuation</i>	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.
<i>Actuarial Value of Assets</i>	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.

<i>Amortization Method</i>	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.
<i>Amortization Payment</i>	That portion of the plan contribution which is designed to pay interest on and to amortize the Unfunded Actuarial Accrued Liability.
<i>Amortization Period</i>	The period used in calculating the Amortization Payment.
<i>Annual Required Contribution</i>	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.
<i>Closed Amortization Period</i>	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.
<i>Employer Normal Cost</i>	The portion of the Normal Cost to be paid by the employer. This is equal to the Normal Cost less expected member contributions.
<i>Equivalent Single Amortization Period</i>	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.
<i>Experience Gain/Loss</i>	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.
<i>Funded Ratio</i>	The ratio of the Actuarial Value of Assets to the Actuarial Accrued Liability.
<i>GASB</i>	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.