

July 30, 2015

VIA EMAIL

Mr. Derek Fraser
City of Bunnell
Firefighters' Pension Board
1800 Old Moody Blvd
Bunnell, FL 32110

Re: City of Bunnell Firefighters' Retirement System
Senate Bill 534 (Section 112.664, Florida Statutes) Compliance

Dear Derek:

Please find enclosed the annual disclosures that satisfy the October 1, 2014 financial reporting requirements made under Section 112.664.

Our office will submit this information electronically to the Department of Management Services by the August 2, 2015 deadline. However, it is important for you to be aware that this report must also be made available on the Plan or Plan Sponsor's website, if such website exists. A deadline for this website publication is not made clear in the law.

In addition to the enclosed report, the Plan or Plan Sponsor's website must provide a link to the Division of Retirement's Actuarial Summary Fact Sheet for the Plan, and also report the previous five years' assumed and actual rates of return, along with their respective asset allocations. The Board should contact its Investment Consultant for this information.

If there are any questions, concerns, or comments about any of the items contained in this report, please feel free to contact me.

Respectfully submitted,

Foster & Foster, Inc.

By: 

Patrick T. Donlan, EA, ASA, MAAA
Enrolled Actuary #14-6595

PTD/lke
Enclosures

cc via email: Scott R. Christiansen, Board Attorney

CITY OF BUNNELL
FIREFIGHTERS' RETIREMENT SYSTEM

SECTION 112.664, FLORIDA STATUTES
COMPLIANCE

With respect to the reporting standards for defined benefit retirement plans or systems contained in Section 112.664(1), F.S., the actuarial disclosures required under this section were prepared and completed by me or under my direct supervision and I acknowledge responsibility for the results. To the best of my knowledge, the results are complete and accurate, and in my opinion, meet the requirements of Section 112.664(1), Florida Statutes, and Rule 60T-1.0035, Florida Administrative Code.

By: Patrick T. Donlan Date: 7/30/2015

Patrick T. Donlan, EA, ASA, MAAA
Enrolled Actuary #14-6595



When reviewing the following schedules, please note the following:

- 1) The purpose of producing this report is solely to satisfy the requirements set forth by Section 112.664, Florida Statutes, and is mandatory for every Florida public pension fund, excluding the Florida Retirement System (FRS).
- 2) None of the schedules shown have any impact on the funding requirements of the Plan. These schedules are for statutory compliance purposes only.
- 3) In the schedules that follow, the columns labeled “ACTUAL” represent the final recorded GASB 67/68 results. The columns labeled “HYPOTHETICAL” illustrate what the results would have been if different assumptions were used.
- 4) It is our opinion that the Plan’s actual assumptions utilized in the October 1, 2014 Actuarial Valuation Report, as adopted by the Board of Trustees, are reasonable individually and in the aggregate, and represent our best estimate of future Plan experience.
- 5) The “Number of Years Expected Benefit Payments Sustained” calculated in Section II: Asset Sustainability should not be interpreted as the number of years the Plan has left until it is insolvent. This calculation is required by 112.664, Florida Statutes, but the numeric result is irrelevant, since in its calculation we are to assume there will be no further contributions to the Fund. As long as the Actuarially Determined Contribution is made each year the Plan will never become insolvent.

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

	ACTUAL	HYPOTHETICAL	
	8.00% RP-2000 Static 9/30/2014	8.00% RP-2000 Generational 9/30/2014	6.00% RP-2000 Generational 9/30/2014
<u>Total Pension Liability</u>			
Service Cost	2,077	2,144	3,494
Interest	42,984	44,438	46,062
Change in Excess State Money	-	-	-
Change in Funding Standard Account	-	-	-
Share Plan Allocation	-	-	-
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	-	-	-
Changes of Assumptions	-	-	-
Contributions - Buy Back	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(13,229)	(13,229)	(13,229)
Net Change in Total Pension Liability	31,833	33,353	36,327
Total Pension Liability - Beginning	541,844	559,944	770,814
Total Pension Liability - Ending (a)	<u>573,676</u>	<u>\$ 593,297</u>	<u>\$ 807,141</u>
<u>Plan Fiduciary Net Position</u>			
Contributions - Employer	10,006	10,006	10,006
Contributions - State	3,964	3,964	3,964
Contributions - Employee	1,176	1,176	1,176
Contributions - Buy Back	-	-	-
Net Investment Income	32,838	32,838	32,838
Benefit Payments, Including Refunds of Employee Contributions	(13,229)	(13,229)	(13,229)
Administrative Expense	(997)	(997)	(997)
Other	-	-	-
Net Change in Plan Fiduciary Net Position	33,758	33,758	33,758
Plan Fiduciary Net Position - Beginning	494,310	494,310	494,310
Plan Fiduciary Net Position - Ending (b)	<u>\$ 528,068</u>	<u>\$ 528,068</u>	<u>\$ 528,068</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 45,608</u>	<u>\$ 65,229</u>	<u>\$ 279,073</u>

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1
Plan Assumptions: 8.00% and RP-2000 Static Mortality

Fiscal Year Beginning 10/1	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2014	528,068	-	14,038	-	41,684	555,714
2015	555,714	-	38,244	-	42,927	560,397
2016	560,397	-	38,220	-	43,303	565,480
2017	565,480	-	38,192	-	43,711	570,999
2018	570,999	-	38,158	-	44,154	576,995
2019	576,995	-	38,118	-	44,635	583,512
2020	583,512	-	38,070	-	45,158	590,600
2021	590,600	-	38,013	-	45,727	598,314
2022	598,314	-	37,946	-	46,347	606,715
2023	606,715	-	37,867	-	47,023	615,871
2024	615,871	-	37,703	-	47,762	625,930
2025	625,930	-	36,127	-	48,629	638,432
2026	638,432	-	35,741	-	49,645	652,336
2027	652,336	-	35,305	-	50,775	667,806
2028	667,806	-	34,896	-	52,029	684,939
2029	684,939	-	36,132	-	53,350	702,157
2030	702,157	-	35,518	-	54,752	721,391
2031	721,391	-	34,838	-	56,318	742,871
2032	742,871	-	34,092	-	58,066	766,845
2033	766,845	-	33,355	-	60,013	793,503
2034	793,503	-	34,620	-	62,095	820,978
2035	820,978	-	33,648	-	64,332	851,662
2036	851,662	-	32,710	-	66,825	885,777
2037	885,777	-	35,500	-	69,442	919,719
2038	919,719	-	36,015	-	72,137	955,841
2039	955,841	-	34,630	-	75,082	996,293
2040	996,293	-	33,287	-	78,372	1,041,378
2041	1,041,378	-	31,890	-	82,035	1,091,523
2042	1,091,523	-	30,447	-	86,104	1,147,180
2043	1,147,180	-	28,969	-	90,616	1,208,827
2044	1,208,827	-	27,319	-	95,613	1,277,121
2045	1,277,121	-	25,949	-	101,132	1,352,304
2046	1,352,304	-	24,390	-	107,209	1,435,123
2047	1,435,123	-	22,579	-	113,907	1,526,451
2048	1,526,451	-	20,897	-	121,280	1,626,834
2049	1,626,834	-	19,346	-	129,373	1,736,861
2050	1,736,861	-	17,838	-	138,235	1,857,258
2051	1,857,258	-	16,387	-	147,925	1,988,796
2052	1,988,796	-	15,011	-	158,503	2,132,288
2053	2,132,288	-	13,721	-	170,034	2,288,601
2054	2,288,601	-	12,532	-	182,587	2,458,656
2055	2,458,656	-	11,439	-	196,235	2,643,452
2056	2,643,452	-	10,465	-	211,058	2,844,045
2057	2,844,045	-	9,596	-	227,140	3,061,589
2058	3,061,589	-	8,822	-	244,574	3,297,341
2059	3,297,341	-	8,131	-	263,462	3,552,672
2060	3,552,672	-	7,511	-	283,913	3,829,074
2061	3,829,074	-	6,947	-	306,048	4,128,175
2062	4,128,175	-	6,428	-	329,997	4,451,744
2063	4,451,744	-	5,941	-	355,902	4,801,705
2064	4,801,705	-	5,477	-	383,917	5,180,145
2065	5,180,145	-	5,030	-	414,210	5,589,325

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1
Plan Assumptions: 8.00% and RP-2000 Static Mortality

Fiscal Year Beginning 10/1	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2066	5,589,325	-	4,594	-	446,962	6,031,693
2067	6,031,693	-	4,169	-	482,369	6,509,893
2068	6,509,893	-	3,753	-	520,641	7,026,781
2069	7,026,781	-	3,348	-	562,009	7,585,442
2070	7,585,442	-	2,957	-	606,717	8,189,202
2071	8,189,202	-	2,583	-	655,033	8,841,652
2072	8,841,652	-	2,228	-	707,243	9,546,667
2073	9,546,667	-	1,896	-	763,658	10,308,429
2074	10,308,429	-	1,589	-	824,611	11,131,451
2075	11,131,451	-	1,311	-	890,464	12,020,604
2076	12,020,604	-	1,063	-	961,606	12,981,147
2077	12,981,147	-	847	-	1,038,458	14,018,758
2078	14,018,758	-	663	-	1,121,474	15,139,569
2079	15,139,569	-	510	-	1,211,145	16,350,204
2080	16,350,204	-	385	-	1,308,001	17,657,820
2081	17,657,820	-	286	-	1,412,614	19,070,148
2082	19,070,148	-	209	-	1,525,603	20,595,542
2083	20,595,542	-	150	-	1,647,637	22,243,029
2084	22,243,029	-	106	-	1,779,438	24,022,361
2085	24,022,361	-	74	-	1,921,786	25,944,073
2086	25,944,073	-	51	-	2,075,524	28,019,546
2087	28,019,546	-	34	-	2,241,562	30,261,074
2088	30,261,074	-	23	-	2,420,885	32,681,936
2089	32,681,936	-	15	-	2,614,554	35,296,475
2090	35,296,475	-	10	-	2,823,718	38,120,183
2091	38,120,183	-	6	-	3,049,614	41,169,791
2092	41,169,791	-	4	-	3,293,583	44,463,370
2093	44,463,370	-	3	-	3,557,069	48,020,436
2094	48,020,436	-	2	-	3,841,635	51,862,069
2095	51,862,069	-	1	-	4,148,965	56,011,033
2096	56,011,033	-	1	-	4,480,883	60,491,915
2097	60,491,915	-	-	-	4,839,353	65,331,268

Number of Years Expected Benefit Payments Sustained: 999.99

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 8.00% interest.

It is important to note that as long as the Actuarially Determined Contribution is made each year, the Plan will never become insolvent. Furthermore, State and local laws mandate that the Actuarially Determined Contribution be made each year.

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 2
Hypothetical Assumptions: 8.00% and RP-2000 Generational Mortality

Fiscal Year Beginning 10/1	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2014	528,068	-	14,032	-	41,684	555,720
2015	555,720	-	38,250	-	42,928	560,398
2016	560,398	-	38,232	-	43,303	565,469
2017	565,469	-	38,210	-	43,709	570,968
2018	570,968	-	38,186	-	44,150	576,932
2019	576,932	-	38,157	-	44,628	583,403
2020	583,403	-	38,123	-	45,147	590,427
2021	590,427	-	38,083	-	45,711	598,055
2022	598,055	-	38,036	-	46,323	606,342
2023	606,342	-	37,980	-	46,988	615,350
2024	615,350	-	37,862	-	47,714	625,202
2025	625,202	-	36,725	-	48,547	637,024
2026	637,024	-	36,450	-	49,504	650,078
2027	650,078	-	36,137	-	50,561	664,502
2028	664,502	-	35,868	-	51,725	680,359
2029	680,359	-	37,262	-	52,938	696,035
2030	696,035	-	36,821	-	54,210	713,424
2031	713,424	-	36,338	-	55,620	732,706
2032	732,706	-	35,807	-	57,184	754,083
2033	754,083	-	35,311	-	58,914	777,686
2034	777,686	-	36,840	-	60,741	801,587
2035	801,587	-	36,137	-	62,681	828,131
2036	828,131	-	35,478	-	64,831	857,484
2037	857,484	-	38,565	-	67,056	885,975
2038	885,975	-	39,369	-	69,303	915,909
2039	915,909	-	38,305	-	71,741	949,345
2040	949,345	-	37,228	-	74,458	986,575
2041	986,575	-	36,074	-	77,483	1,027,984
2042	1,027,984	-	34,841	-	80,845	1,073,988
2043	1,073,988	-	33,539	-	84,577	1,125,026
2044	1,125,026	-	32,093	-	88,718	1,181,651
2045	1,181,651	-	30,829	-	93,299	1,244,121
2046	1,244,121	-	29,346	-	98,356	1,313,131
2047	1,313,131	-	27,680	-	103,943	1,389,394
2048	1,389,394	-	26,025	-	110,111	1,473,480
2049	1,473,480	-	24,404	-	116,902	1,565,978
2050	1,565,978	-	22,770	-	124,367	1,667,575
2051	1,667,575	-	21,118	-	132,561	1,779,018
2052	1,779,018	-	19,490	-	141,542	1,901,070
2053	1,901,070	-	17,920	-	151,369	2,034,519
2054	2,034,519	-	16,441	-	162,104	2,180,182
2055	2,180,182	-	15,053	-	173,812	2,338,941
2056	2,338,941	-	13,778	-	186,564	2,511,727
2057	2,511,727	-	12,653	-	200,432	2,699,506
2058	2,699,506	-	11,656	-	215,494	2,903,344
2059	2,903,344	-	10,772	-	231,837	3,124,409
2060	3,124,409	-	10,008	-	249,552	3,363,953
2061	3,363,953	-	9,342	-	268,743	3,623,354
2062	3,623,354	-	8,755	-	289,518	3,904,117
2063	3,904,117	-	8,235	-	312,000	4,207,882
2064	4,207,882	-	7,753	-	336,320	4,536,449
2065	4,536,449	-	7,295	-	362,624	4,891,778

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 2
Hypothetical Assumptions: 8.00% and RP-2000 Generational Mortality

Fiscal Year Beginning 10/1	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2066	4,891,778	-	6,853	-	391,068	5,275,993
2067	5,275,993	-	6,414	-	421,823	5,691,402
2068	5,691,402	-	5,977	-	455,073	6,140,498
2069	6,140,498	-	5,537	-	491,018	6,625,979
2070	6,625,979	-	5,089	-	529,875	7,150,765
2071	7,150,765	-	4,645	-	571,875	7,717,995
2072	7,717,995	-	4,201	-	617,272	8,331,066
2073	8,331,066	-	3,749	-	666,335	8,993,652
2074	8,993,652	-	3,302	-	719,360	9,709,710
2075	9,709,710	-	2,864	-	776,662	10,483,508
2076	10,483,508	-	2,446	-	838,583	11,319,645
2077	11,319,645	-	2,053	-	905,489	12,223,081
2078	12,223,081	-	1,689	-	977,779	13,199,171
2079	13,199,171	-	1,370	-	1,055,879	14,253,680
2080	14,253,680	-	1,090	-	1,140,251	15,392,841
2081	15,392,841	-	848	-	1,231,393	16,623,386
2082	16,623,386	-	648	-	1,329,845	17,952,583
2083	17,952,583	-	486	-	1,436,187	19,388,284
2084	19,388,284	-	355	-	1,551,049	20,938,978
2085	20,938,978	-	254	-	1,675,108	22,613,832
2086	22,613,832	-	179	-	1,809,099	24,422,752
2087	24,422,752	-	123	-	1,953,815	26,376,444
2088	26,376,444	-	83	-	2,110,112	28,486,473
2089	28,486,473	-	55	-	2,278,916	30,765,334
2090	30,765,334	-	37	-	2,461,225	33,226,522
2091	33,226,522	-	24	-	2,658,121	35,884,619
2092	35,884,619	-	16	-	2,870,769	38,755,372
2093	38,755,372	-	10	-	3,100,429	41,855,791
2094	41,855,791	-	7	-	3,348,463	45,204,247
2095	45,204,247	-	4	-	3,616,340	48,820,583
2096	48,820,583	-	3	-	3,905,647	52,726,227
2097	52,726,227	-	2	-	4,218,098	56,944,323
2098	56,944,323	-	1	-	4,555,546	61,499,868
2099	61,499,868	-	1	-	4,919,989	66,419,856
2100	66,419,856	-	-	-	5,313,588	71,733,444

Number of Years Expected Benefit Payments Sustained: 999.99

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 8.00% interest.

It is important to note that as long as the Actuarially Determined Contribution is made each year, the Plan will never become insolvent. Furthermore, State and local laws mandate that the Actuarially Determined Contribution be made each year.

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 3
Hypothetical Assumptions: 6.00% and RP-2000 Generational Mortality

Fiscal Year Beginning 10/1	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2014	528,068	-	14,032	-	31,263	545,299
2015	545,299	-	38,250	-	31,570	538,619
2016	538,619	-	38,232	-	31,170	531,557
2017	531,557	-	38,210	-	30,747	524,094
2018	524,094	-	38,186	-	30,300	516,208
2019	516,208	-	38,157	-	29,828	507,879
2020	507,879	-	38,123	-	29,329	499,085
2021	499,085	-	38,083	-	28,803	489,805
2022	489,805	-	38,036	-	28,247	480,016
2023	480,016	-	37,980	-	27,662	469,698
2024	469,698	-	37,862	-	27,046	458,882
2025	458,882	-	36,725	-	26,431	448,588
2026	448,588	-	36,450	-	25,822	437,960
2027	437,960	-	36,137	-	25,193	427,016
2028	427,016	-	35,868	-	24,545	415,693
2029	415,693	-	37,262	-	23,824	402,255
2030	402,255	-	36,821	-	23,031	388,465
2031	388,465	-	36,338	-	22,218	374,345
2032	374,345	-	35,807	-	21,386	359,924
2033	359,924	-	35,311	-	20,536	345,149
2034	345,149	-	36,840	-	19,604	327,913
2035	327,913	-	36,137	-	18,591	310,367
2036	310,367	-	35,478	-	17,558	292,447
2037	292,447	-	38,565	-	16,390	270,272
2038	270,272	-	39,369	-	15,035	245,938
2039	245,938	-	38,305	-	13,607	221,240
2040	221,240	-	37,228	-	12,158	196,170
2041	196,170	-	36,074	-	10,688	170,784
2042	170,784	-	34,841	-	9,202	145,145
2043	145,145	-	33,539	-	7,703	119,309
2044	119,309	-	32,093	-	6,196	93,412
2045	93,412	-	30,829	-	4,680	67,263
2046	67,263	-	29,346	-	3,155	41,072
2047	41,072	-	27,680	-	1,634	15,026
2048	15,026	-	26,025	-	-	-

Number of Years Expected Benefit Payments Sustained: 34.58

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 6.00% interest.

It is important to note that as long as the Actuarially Determined Contribution is made each year, the Plan will never become insolvent. Furthermore, State and local laws mandate that the Actuarially Determined Contribution be made each year.

ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR
ENDING SEPTEMBER 30, 2015

Valuation Date: 10/1/2014

	ACTUAL	HYPOTHETICAL	
	8.00% RP-2000 Static	8.00% RP-2000 Generational	6.00% RP-2000 Generational
Total Required Contribution	\$8,777	\$11,803	\$39,497
Expected Member Contribution	1,222	1,222	1,210
Expected State Money	20,815	20,815	20,815
Expected Sponsor Contribution (Fixed \$)	\$0	\$0	\$17,472
Expected Sponsor Contribution (% of Payroll)	0.0%	0.0%	74.3%

ASSETS

Actuarial Value	512,981	512,981	512,981
Market Value	528,068	528,068	528,068

LIABILITIES

Present Value of Benefits			
Active Members			
Retirement Benefits	367,016	381,600	530,327
Disability Benefits	3,041	3,171	4,752
Death Benefits	1,484	1,033	1,496
Vested Benefits	19,463	20,595	38,704
Refund of Contributions	0	0	0
Service Retirees	146,726	149,969	181,699
Beneficiaries	0	0	0
Terminated Vested	0	0	0
Disability Retirees	0	0	0
DROP Retirees	0	0	0
Excess State Monies Reserve	0	0	0
Total:	537,730	556,368	756,978
Present Value of Future Salaries	23,509	23,509	23,509
Present Value of Future Member Contributions	1,175	1,175	1,175
Total Normal Cost (Aggregate)	3,863	6,773	33,771
Present Value of Future Normal Costs (Entry Age Normal)	N/A	N/A	N/A
Total Actuarial Accrued Liability	N/A	N/A	N/A
Unfunded Actuarial Accrued Liability (UAAL)	N/A	N/A	N/A

ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR
ENDING SEPTEMBER 30, 2015

Valuation Date: 10/1/2014

	ACTUAL	HYPOTHETICAL	
	8.00% RP-2000 Static	8.00% RP-2000 Generational	6.00% RP-2000 Generational
<u>PENSION COST</u>			
Normal Cost (with interest)	4,018	7,044	34,784
Administrative Expenses (with interest)	4,759	4,759	4,713
Payment Required To Amortize UAAL (with interest)	0	0	0
Total Required Contribution	\$8,777	\$11,803	\$39,497