

TOWN OF ORANGE PARK
PENSION PLAN FOR GENERAL EMPLOYEES

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:



Date: 6/14/2017

Drew D. Ballard, EA, MAAA
Enrolled Actuary #17-8193



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, 2016 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.

GASB 67/68: SCHEDULE OF CHANGES IN NET PENSION LIABILITY
FISCAL YEAR SEPTEMBER 30, 2016

	ACTUAL	HYPOTHETICAL	
	7.00% RP-2000 Generational	5.00% RP-2000 Generational	9.00% RP-2000 Generational
<u>Total Pension Liability</u>			
Service Cost	184,303	285,985	124,063
Interest	642,052	596,443	654,591
Changes of Benefit Terms	(32,351)	(48,088)	(22,900)
Differences Between Expected and Actual Experience	19,887	42,399	22,610
Changes of Assumptions	120,280	247,545	57,621
Benefit Payments, Including Refunds of Employee Contributions	(248,893)	(248,893)	(248,893)
Net Change in Total Pension Liability	685,278	875,391	587,092
Total Pension Liability - Beginning	9,144,665	11,815,413	7,296,516
Total Pension Liability - Ending (a)	<u>\$ 9,829,943</u>	<u>\$ 12,690,804</u>	<u>\$ 7,883,608</u>
<u>Plan Fiduciary Net Position</u>			
Contributions - Employer	419,653	419,653	419,653
Contributions - Employee	48,259	48,259	48,259
Net Investment Income	2,010,513	2,010,513	2,010,513
Benefit Payments, Including Refunds of Employee Contributions	(248,893)	(248,893)	(248,893)
Administrative Expenses	(2,575)	(2,575)	(2,575)
Net Change in Plan Fiduciary Net Position	2,226,957	2,226,957	2,226,957
Plan Fiduciary Net Position - Beginning	6,907,381	6,907,381	6,907,381
Plan Fiduciary Net Position - Ending (b)	<u>\$ 9,134,338</u>	<u>\$ 9,134,338</u>	<u>\$ 9,134,338</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 695,605</u>	<u>\$ 3,556,466</u>	<u>\$ (1,250,730)</u>

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1
Plan Assumptions: 7.00% 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
2016	9,134,338	-	496,051	-	622,042	9,260,329
2017	9,260,329	-	498,388	-	630,779	9,392,720
2018	9,392,720	-	515,854	-	639,436	9,516,302
2019	9,516,302	-	543,707	-	647,111	9,619,706
2020	9,619,706	-	552,537	-	654,041	9,721,210
2021	9,721,210	-	594,745	-	659,669	9,786,134
2022	9,786,134	-	631,455	-	662,928	9,817,607
2023	9,817,607	-	634,196	-	665,036	9,848,447
2024	9,848,447	-	672,895	-	665,840	9,841,392
2025	9,841,392	-	737,094	-	663,099	9,767,397
2026	9,767,397	-	736,045	-	657,956	9,689,308
2027	9,689,308	-	758,494	-	651,704	9,582,518
2028	9,582,518	-	750,636	-	644,504	9,476,386
2029	9,476,386	-	777,951	-	636,119	9,334,554
2030	9,334,554	-	788,233	-	625,831	9,172,152
2031	9,172,152	-	777,023	-	614,855	9,009,984
2032	9,009,984	-	768,069	-	603,816	8,845,731
2033	8,845,731	-	756,447	-	592,726	8,682,010
2034	8,682,010	-	745,549	-	581,646	8,518,107
2035	8,518,107	-	725,994	-	570,858	8,362,971
2036	8,362,971	-	707,795	-	560,635	8,215,811
2037	8,215,811	-	700,474	-	550,590	8,065,927
2038	8,065,927	-	682,012	-	540,744	7,924,659
2039	7,924,659	-	661,385	-	531,578	7,794,852
2040	7,794,852	-	645,952	-	523,031	7,671,931
2041	7,671,931	-	635,413	-	514,796	7,551,314
2042	7,551,314	-	608,661	-	507,289	7,449,942
2043	7,449,942	-	601,381	-	500,448	7,349,009
2044	7,349,009	-	588,681	-	493,827	7,254,155
2045	7,254,155	-	573,525	-	487,717	7,168,347
2046	7,168,347	-	546,700	-	482,650	7,104,297
2047	7,104,297	-	518,579	-	479,151	7,064,869
2048	7,064,869	-	491,625	-	477,334	7,050,578
2049	7,050,578	-	463,252	-	477,327	7,064,653
2050	7,064,653	-	432,799	-	479,378	7,111,232
2051	7,111,232	-	407,024	-	483,540	7,187,748
2052	7,187,748	-	379,084	-	489,874	7,298,538
2053	7,298,538	-	352,338	-	498,566	7,444,766
2054	7,444,766	-	326,782	-	509,696	7,627,680
2055	7,627,680	-	302,324	-	523,356	7,848,712
2056	7,848,712	-	278,916	-	539,648	8,109,444
2057	8,109,444	-	256,600	-	558,680	8,411,524
2058	8,411,524	-	235,504	-	580,564	8,756,584
2059	8,756,584	-	215,651	-	605,413	9,146,346
2060	9,146,346	-	197,145	-	633,344	9,582,545
2061	9,582,545	-	180,006	-	664,478	10,067,017
2062	10,067,017	-	164,171	-	698,945	10,601,791
2063	10,601,791	-	149,594	-	736,890	11,189,087
2064	11,189,087	-	136,127	-	778,472	11,831,432
2065	11,831,432	-	123,685	-	823,871	12,531,618

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1
Plan Assumptions: 7.00% 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	12,531,618	-	112,149	-	873,288	13,292,757
2067	13,292,757	-	101,390	-	926,944	14,118,311
2068	14,118,311	-	91,281	-	985,087	15,012,117
2069	15,012,117	-	81,744	-	1,047,987	15,978,360
2070	15,978,360	-	72,737	-	1,115,939	17,021,562
2071	17,021,562	-	64,192	-	1,189,263	18,146,633
2072	18,146,633	-	56,096	-	1,268,301	19,358,838
2073	19,358,838	-	48,485	-	1,353,422	20,663,775
2074	20,663,775	-	41,410	-	1,445,015	22,067,380
2075	22,067,380	-	34,895	-	1,543,495	23,575,980
2076	23,575,980	-	28,975	-	1,649,304	25,196,309
2077	25,196,309	-	23,709	-	1,762,912	26,935,512
2078	26,935,512	-	19,097	-	1,884,817	28,801,232
2079	28,801,232	-	15,147	-	2,015,556	30,801,641
2080	30,801,641	-	11,811	-	2,155,701	32,945,531
2081	32,945,531	-	9,069	-	2,305,870	35,242,332
2082	35,242,332	-	6,854	-	2,466,723	37,702,201
2083	37,702,201	-	5,093	-	2,638,976	40,336,084
2084	40,336,084	-	3,722	-	2,823,396	43,155,758
2085	43,155,758	-	2,674	-	3,020,809	46,173,893
2086	46,173,893	-	1,884	-	3,232,107	49,404,116
2087	49,404,116	-	1,302	-	3,458,243	52,861,057
2088	52,861,057	-	882	-	3,700,243	56,560,418
2089	56,560,418	-	586	-	3,959,209	60,519,041
2090	60,519,041	-	381	-	4,236,320	64,754,980
2091	64,754,980	-	244	-	4,532,840	69,287,576
2092	69,287,576	-	153	-	4,850,125	74,137,548
2093	74,137,548	-	95	-	5,189,625	79,327,078
2094	79,327,078	-	59	-	5,552,893	84,879,912
2095	84,879,912	-	36	-	5,941,593	90,821,469
2096	90,821,469	-	22	-	6,357,502	97,178,949
2097	97,178,949	-	13	-	6,802,526	103,981,462
2098	103,981,462	-	8	-	7,278,702	111,260,156
2099	111,260,156	-	5	-	7,788,211	119,048,362
2100	119,048,362	-	3	-	8,333,385	127,381,744
2101	127,381,744	-	1	-	8,916,722	136,298,465
2102	136,298,465	-	1	-	9,540,893	145,839,357
2103	145,839,357	-	-	-	10,208,755	156,048,112

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 7.00% 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: 5.00% 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
2016	9,134,338	-	496,051	-	444,316	9,082,603
2017	9,082,603	-	498,388	-	441,670	9,025,885
2018	9,025,885	-	515,854	-	438,398	8,948,429
2019	8,948,429	-	543,707	-	433,829	8,838,551
2020	8,838,551	-	552,537	-	428,114	8,714,128
2021	8,714,128	-	594,745	-	420,838	8,540,221
2022	8,540,221	-	631,455	-	411,225	8,319,991
2023	8,319,991	-	634,196	-	400,145	8,085,940
2024	8,085,940	-	672,895	-	387,475	7,800,520
2025	7,800,520	-	737,094	-	371,599	7,435,025
2026	7,435,025	-	736,045	-	353,350	7,052,330
2027	7,052,330	-	758,494	-	333,654	6,627,490
2028	6,627,490	-	750,636	-	312,609	6,189,463
2029	6,189,463	-	777,951	-	290,024	5,701,536
2030	5,701,536	-	788,233	-	265,371	5,178,674
2031	5,178,674	-	777,023	-	239,508	4,641,159
2032	4,641,159	-	768,069	-	212,856	4,085,946
2033	4,085,946	-	756,447	-	185,386	3,514,885
2034	3,514,885	-	745,549	-	157,106	2,926,442
2035	2,926,442	-	725,994	-	128,172	2,328,620
2036	2,328,620	-	707,795	-	98,736	1,719,561
2037	1,719,561	-	700,474	-	68,466	1,087,553
2038	1,087,553	-	682,012	-	37,327	442,868
2039	442,868	-	661,385	-	-	-

Number of Years Expected Benefit Payments Sustained: 23.67

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 5.00% 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: 9.00% 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
2016	9,134,338	-	496,051	-	799,768	9,438,055
2017	9,438,055	-	498,388	-	826,997	9,766,664
2018	9,766,664	-	515,854	-	855,786	10,106,596
2019	10,106,596	-	543,707	-	885,127	10,448,016
2020	10,448,016	-	552,537	-	915,457	10,810,936
2021	10,810,936	-	594,745	-	946,221	11,162,412
2022	11,162,412	-	631,455	-	976,202	11,507,159
2023	11,507,159	-	634,196	-	1,007,105	11,880,068
2024	11,880,068	-	672,895	-	1,038,926	12,246,099
2025	12,246,099	-	737,094	-	1,068,980	12,577,985
2026	12,577,985	-	736,045	-	1,098,897	12,940,837
2027	12,940,837	-	758,494	-	1,130,543	13,312,886
2028	13,312,886	-	750,636	-	1,164,381	13,726,631
2029	13,726,631	-	777,951	-	1,200,389	14,149,069
2030	14,149,069	-	788,233	-	1,237,946	14,598,782
2031	14,598,782	-	777,023	-	1,278,924	15,100,683
2032	15,100,683	-	768,069	-	1,324,498	15,657,112
2033	15,657,112	-	756,447	-	1,375,100	16,275,765
2034	16,275,765	-	745,549	-	1,431,269	16,961,485
2035	16,961,485	-	725,994	-	1,493,864	17,729,355
2036	17,729,355	-	707,795	-	1,563,791	18,585,351
2037	18,585,351	-	700,474	-	1,641,160	19,526,037
2038	19,526,037	-	682,012	-	1,726,653	20,570,678
2039	20,570,678	-	661,385	-	1,821,599	21,730,892
2040	21,730,892	-	645,952	-	1,926,712	23,011,652
2041	23,011,652	-	635,413	-	2,042,455	24,418,694
2042	24,418,694	-	608,661	-	2,170,293	25,980,326
2043	25,980,326	-	601,381	-	2,311,167	27,690,112
2044	27,690,112	-	588,681	-	2,465,619	29,567,050
2045	29,567,050	-	573,525	-	2,635,226	31,628,751
2046	31,628,751	-	546,700	-	2,821,986	33,904,037
2047	33,904,037	-	518,579	-	3,028,027	36,413,485
2048	36,413,485	-	491,625	-	3,255,091	39,176,951
2049	39,176,951	-	463,252	-	3,505,079	42,218,778
2050	42,218,778	-	432,799	-	3,780,214	45,566,193
2051	45,566,193	-	407,024	-	4,082,641	49,241,810
2052	49,241,810	-	379,084	-	4,414,704	53,277,430
2053	53,277,430	-	352,338	-	4,779,113	57,704,205
2054	57,704,205	-	326,782	-	5,178,673	62,556,096
2055	62,556,096	-	302,324	-	5,616,444	67,870,216
2056	67,870,216	-	278,916	-	6,095,768	73,687,068
2057	73,687,068	-	256,600	-	6,620,289	80,050,757
2058	80,050,757	-	235,504	-	7,193,970	87,009,223
2059	87,009,223	-	215,651	-	7,821,126	94,614,698
2060	94,614,698	-	197,145	-	8,506,451	102,924,004
2061	102,924,004	-	180,006	-	9,255,060	111,999,058
2062	111,999,058	-	164,171	-	10,072,528	121,907,415
2063	121,907,415	-	149,594	-	10,964,936	132,722,757
2064	132,722,757	-	136,127	-	11,938,922	144,525,552
2065	144,525,552	-	123,685	-	13,001,734	157,403,601

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 3
Hypothetical Assumptions: 9.00% 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	157,403,601	-	112,149	-	14,161,277	171,452,729
2067	171,452,729	-	101,390	-	15,426,183	186,777,522
2068	186,777,522	-	91,281	-	16,805,869	203,492,110
2069	203,492,110	-	81,744	-	18,310,611	221,720,977
2070	221,720,977	-	72,737	-	19,951,615	241,599,855
2071	241,599,855	-	64,192	-	21,741,098	263,276,761
2072	263,276,761	-	56,096	-	23,692,384	286,913,049
2073	286,913,049	-	48,485	-	25,819,993	312,684,557
2074	312,684,557	-	41,410	-	28,139,747	340,782,894
2075	340,782,894	-	34,895	-	30,668,890	371,416,889
2076	371,416,889	-	28,975	-	33,426,216	404,814,130
2077	404,814,130	-	23,709	-	36,432,205	441,222,626
2078	441,222,626	-	19,097	-	39,709,177	480,912,706
2079	480,912,706	-	15,147	-	43,281,462	524,179,021
2080	524,179,021	-	11,811	-	47,175,580	571,342,790
2081	571,342,790	-	9,069	-	51,420,443	622,754,164
2082	622,754,164	-	6,854	-	56,047,566	678,794,876
2083	678,794,876	-	5,093	-	61,091,310	739,881,093
2084	739,881,093	-	3,722	-	66,589,131	806,466,502
2085	806,466,502	-	2,674	-	72,581,865	879,045,693
2086	879,045,693	-	1,884	-	79,114,028	958,157,837
2087	958,157,837	-	1,302	-	86,234,147	1,044,390,682
2088	1,044,390,682	-	882	-	93,995,122	1,138,384,922
2089	1,138,384,922	-	586	-	102,454,617	1,240,838,953
2090	1,240,838,953	-	381	-	111,675,489	1,352,514,061
2091	1,352,514,061	-	244	-	121,726,255	1,474,240,072
2092	1,474,240,072	-	153	-	132,681,600	1,606,921,519
2093	1,606,921,519	-	95	-	144,622,932	1,751,544,356
2094	1,751,544,356	-	59	-	157,638,989	1,909,183,286
2095	1,909,183,286	-	36	-	171,826,494	2,081,009,744
2096	2,081,009,744	-	22	-	187,290,876	2,268,300,598
2097	2,268,300,598	-	13	-	204,147,053	2,472,447,638
2098	2,472,447,638	-	8	-	222,520,287	2,694,967,917
2099	2,694,967,917	-	5	-	242,547,112	2,937,515,024
2100	2,937,515,024	-	3	-	264,376,352	3,201,891,373
2101	3,201,891,373	-	1	-	288,170,224	3,490,061,596
2102	3,490,061,596	-	1	-	314,105,544	3,804,167,139
2103	3,804,167,139	-	-	-	342,375,043	4,146,542,182

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 9.00% 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, 2017

Valuation Date: 10/1/2016

	ACTUAL	HYPOTHETICAL	
	7.00% RP-2000 Generational	5.00% RP-2000 Generational	9.00% RP-2000 Generational
Total Required Contribution (Fixed \$)	\$320,426	\$607,304	\$153,678
Total Required Contribution (% of Payroll)	17.4%	33.0%	8.4%
Expected Member Contribution	62,784	62,178	63,391
Expected Sponsor Contribution (Fixed \$)	\$257,642	\$545,126	\$90,287
Expected Sponsor Contribution (% of Payroll)	14.1%	29.7%	5.1%

ASSETS

Actuarial Value	9,134,338	9,134,338	9,134,338
Market Value	9,134,338	9,134,338	9,134,338

LIABILITIES

Present Value of Benefits			
Active Members			
Retirement Benefits	6,947,145	9,324,586	5,391,021
Death Benefits	65,989	91,966	49,490
Vested Benefits	298,292	558,679	168,081
Service Retirees	2,515,094	2,974,384	2,169,990
Beneficiaries	83,325	102,413	69,231
Terminated Vested	1,272,457	1,931,495	876,313
Total:	11,182,302	14,983,523	8,724,126
Present Value of Future Salaries	12,673,333	13,971,944	11,613,774
Total Normal Cost	214,252	326,031	147,060
Present Value of Future			
Normal Costs (Entry Age Normal)	1,382,193	2,343,670	865,093
Total Actuarial Accrued Liability	9,800,109	12,639,853	7,859,033
Unfunded Actuarial Accrued Liability (UAAL)	665,771	3,505,515	(1,275,305)

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

Valuation Date: 10/1/2016

	ACTUAL	HYPOTHETICAL	
	7.00% RP-2000 Generational	5.00% RP-2000 Generational	9.00% RP-2000 Generational
<u>PENSION COST</u>			
Normal Cost ¹	221,751	334,182	153,678
Administrative Expenses ¹	2,665	2,639	2,691
Payment Required To Amortize UAAL ¹	96,010	270,483	(79,169)
Total Required Contribution	\$320,426	\$607,304	\$153,678 ²

¹ Contributions developed as of 10/1/2016 displayed above have been adjusted to account for an assumed interest component.

² Per Florida Statutes, the Minimum Required Contribution may be no less than the Normal Cost.