

June 26, 2015

VIA EMAIL

Ms. Ferrell Jenne
Lead Plan Administrator
Foster & Foster, Inc.
13420 Parker Commons Blvd., Suite 104
Fort Myers, FL 33912

Re: City of Edgewater General Employees' Retirement Plan
Senate Bill 534 (Section 112.664, Florida Statutes) Compliance

Dear Ferrell:

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 June 28, 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:



Douglas H. Lozen, EA, MAAA
Enrolled Actuary #14-7778

DHL/lke
Enclosures

cc via email: H. Lee Dehner, Board Attorney

CITY OF EDGEWATER
GENERAL EMPLOYEES' RETIREMENT PLAN

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: 6/26/2015

Douglas H. Lozen, EA, MAAA
Enrolled Actuary #14-7778



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		
	7.50% RP-2000 Static 9/30/2014	7.50% RP-2000 Generational 9/30/2014	5.50% RP-2000 Generational 9/30/2014	9.50% RP-2000 Generational 9/30/2014
<u>Total Pension Liability</u>				
Service Cost	91,269	92,887	143,487	61,475
Interest	1,241,107	1,259,828	1,139,843	1,328,747
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	(1,288,586)	(1,288,586)	(1,288,586)	(1,288,586)
Net Change in Total Pension Liability	43,790	64,129	(5,256)	101,636
Total Pension Liability - Beginning	17,101,117	17,349,110	21,225,218	14,569,633
Total Pension Liability - Ending (a)	<u>17,144,907</u>	<u>\$ 17,413,239</u>	<u>\$ 21,219,962</u>	<u>\$ 14,671,269</u>
<u>Plan Fiduciary Net Position</u>				
Contributions - Employer	766,179	766,179	766,179	766,179
Contributions - State	-	-	-	-
Contributions - Employee	13,178	13,178	13,178	13,178
Contributions - Buy Back	-	-	-	-
Net Investment Income	1,059,400	1,059,400	1,059,400	1,059,400
Benefit Payments, Including Refunds of Employee Contributions	(1,288,586)	(1,288,586)	(1,288,586)	(1,288,586)
Administrative Expense	(42,302)	(42,302)	(42,302)	(42,302)
Other	-	-	-	-
Net Change in Plan Fiduciary Net Position	507,869	507,869	507,869	507,869
Plan Fiduciary Net Position - Beginning	12,030,936	12,030,936	12,030,936	12,030,936
Plan Fiduciary Net Position - Ending (b)	<u>\$ 12,538,805</u>	<u>\$ 12,538,805</u>	<u>\$ 12,538,805</u>	<u>\$ 12,538,805</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 4,606,102</u>	<u>\$ 4,874,434</u>	<u>\$ 8,681,157</u>	<u>\$ 2,132,464</u>

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1
Plan Assumptions: 7.50% and RP-2000 Static Mortality

Year	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2014	12,538,805	-	1,337,948	-	890,237	12,091,094
2015	12,091,094	-	1,429,493	-	853,226	11,514,827
2016	11,514,827	-	1,445,265	-	809,415	10,878,977
2017	10,878,977	-	1,471,660	-	760,736	10,168,053
2018	10,168,053	-	1,508,664	-	706,029	9,365,418
2019	9,365,418	-	1,509,534	-	645,799	8,501,683
2020	8,501,683	-	1,506,556	-	581,130	7,576,257
2021	7,576,257	-	1,503,371	-	511,843	6,584,729
2022	6,584,729	-	1,494,637	-	437,806	5,527,898
2023	5,527,898	-	1,490,701	-	358,691	4,395,888
2024	4,395,888	-	1,473,818	-	274,423	3,196,493
2025	3,196,493	-	1,458,081	-	185,059	1,923,471
2026	1,923,471	-	1,446,157	-	90,029	567,343
2027	567,343	-	1,422,450	-	-	-

Number of Years Expected Benefit Payments Sustained: 13.40

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 7.50% interest.

It is important to note that as long as the Actuarially Determined Contribution is made each year, the Plan will never become insolvent.

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 2
Hypothetical Assumptions: 7.50% and RP-2000 Generational Mortality

Year	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2014	12,538,805	-	1,337,947	-	890,237	12,091,095
2015	12,091,095	-	1,429,518	-	853,225	11,514,802
2016	11,514,802	-	1,445,383	-	809,408	10,878,827
2017	10,878,827	-	1,471,962	-	760,713	10,167,578
2018	10,167,578	-	1,509,271	-	705,971	9,364,278
2019	9,364,278	-	1,510,571	-	645,674	8,499,381
2020	8,499,381	-	1,508,175	-	580,897	7,572,103
2021	7,572,103	-	1,505,861	-	511,438	6,577,680
2022	6,577,680	-	1,498,191	-	437,144	5,516,633
2023	5,516,633	-	1,495,587	-	357,663	4,378,709
2024	4,378,709	-	1,480,273	-	272,893	3,171,329
2025	3,171,329	-	1,466,424	-	182,859	1,887,764
2026	1,887,764	-	1,457,044	-	86,943	517,663
2027	517,663	-	1,435,970	-	-	-

Number of Years Expected Benefit Payments Sustained: 13.36

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 7.50% interest.

It is important to note that as long as the Actuarially Determined Contribution is made each year, the Plan will never become insolvent.

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 3
Hypothetical Assumptions: 5.50% and RP-2000 Generational Mortality

Year	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2014	12,538,805	-	1,337,947	-	652,841	11,853,699
2015	11,853,699	-	1,429,518	-	612,642	11,036,823
2016	11,036,823	-	1,445,383	-	567,277	10,158,717
2017	10,158,717	-	1,471,962	-	518,250	9,205,005
2018	9,205,005	-	1,509,271	-	464,770	8,160,504
2019	8,160,504	-	1,510,571	-	407,287	7,057,220
2020	7,057,220	-	1,508,175	-	346,672	5,895,717
2021	5,895,717	-	1,505,861	-	282,853	4,672,709
2022	4,672,709	-	1,498,191	-	215,799	3,390,317
2023	3,390,317	-	1,495,587	-	145,339	2,040,069
2024	2,040,069	-	1,480,273	-	71,496	631,292
2025	631,292	-	1,466,424	-	-	-

Number of Years Expected Benefit Payments Sustained: 11.43

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 5.50% interest.

It is important to note that as long as the Actuarially Determined Contribution is made each year, the Plan will never become insolvent.

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 4
Hypothetical Assumptions: 9.50% and RP-2000 Generational Mortality

Year	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2014	12,538,805	-	1,337,947	-	1,127,634	12,328,492
2015	12,328,492	-	1,429,518	-	1,103,305	12,002,279
2016	12,002,279	-	1,445,383	-	1,071,561	11,628,457
2017	11,628,457	-	1,471,962	-	1,034,785	11,191,280
2018	11,191,280	-	1,509,271	-	991,481	10,673,490
2019	10,673,490	-	1,510,571	-	942,229	10,105,148
2020	10,105,148	-	1,508,175	-	888,351	9,485,324
2021	9,485,324	-	1,505,861	-	829,577	8,809,040
2022	8,809,040	-	1,498,191	-	765,695	8,076,544
2023	8,076,544	-	1,495,587	-	696,231	7,277,188
2024	7,277,188	-	1,480,273	-	621,020	6,417,935
2025	6,417,935	-	1,466,424	-	540,049	5,491,560
2026	5,491,560	-	1,457,044	-	452,489	4,487,005
2027	4,487,005	-	1,435,970	-	358,057	3,409,092
2028	3,409,092	-	1,411,587	-	256,813	2,254,318
2029	2,254,318	-	1,386,353	-	148,308	1,016,273
2030	1,016,273	-	1,358,883	-	-	-

Number of Years Expected Benefit Payments Sustained: 16.75

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 9.50% interest.

It is important to note that as long as the Actuarially Determined Contribution is made each year, the Plan will never become insolvent.

ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR
ENDING SEPTEMBER 30, 2016

Valuation Date: 10/1/2014

	ACTUAL		HYPOTHETICAL	
	7.50% RP-2000 Static	7.50% RP-2000 Generational	5.50% RP-2000 Generational	9.50% RP-2000 Generational
Total Required Contribution	\$667,550	\$689,879	\$912,649	\$472,555
Expected Member Contribution	9,725	9,725	9,631	9,819
Expected Sponsor Contribution (Fixed \$)	\$657,825	\$680,154	\$903,018	\$462,736
Expected Sponsor Contribution (% of Payroll)	175.5%	181.4%	240.8%	123.4%

ASSETS

Actuarial Value	11,730,897	11,730,897	11,730,897	11,730,897
Market Value	12,538,805	12,538,805	12,538,805	12,538,805

LIABILITIES

Present Value of Benefits

Active Members

Retirement Benefits	1,806,785	1,843,731	2,349,157	1,491,945
Disability Benefits	48,372	49,316	61,742	40,573
Death Benefits	4,168	4,039	5,162	3,270
Vested Benefits	0	0	0	0
Refund of Contributions	0	0	0	0
Accumulated Leave	36,136	36,875	46,983	29,839
Service Retirees	13,646,532	13,824,452	16,689,024	11,745,763
Beneficiaries	569,180	574,891	696,424	487,404
Terminated Vested	1,392,770	1,422,136	1,832,134	1,140,149
Disability Retirees	56,499	57,108	68,584	48,694
Total:	17,560,442	17,812,548	21,749,210	14,987,637

Present Value of Future Salaries	837,641	837,700	854,931	821,494
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Present Value of Future Member Contributions	20,941	20,943	21,373	20,537
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Total Normal Cost (Entry Age Normal)	60,561	61,671	95,383	40,732
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Present Value of Future Normal Costs (Entry Age Normal)	174,207	177,671	268,694	121,218
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Total Actuarial Accrued Liability	17,386,235	17,634,877	21,480,516	14,866,419
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Unfunded Actuarial Accrued Liability (Entry Age Normal)	5,655,338	5,903,980	9,749,619	3,135,522
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ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR
ENDING SEPTEMBER 30, 2016

Valuation Date: 10/1/2014

	ACTUAL	HYPOTHETICAL		
	7.50% RP-2000 Static	7.50% RP-2000 Generational	5.50% RP-2000 Generational	9.50% RP-2000 Generational
<u>PENSION COST</u>				
Normal Cost (with interest)	65,345	66,543	101,926	44,373
Administrative Expenses (with interest)	45,644	45,644	45,204	46,084
Payment Required To Amortize UAAL (with interest)	556,561	577,692	765,519	382,098
Total Required Contribution	\$667,550	\$689,879	\$912,649	\$472,555