

February 1, 2016

VIA EMAIL

Ms. Susy Pita, Plan Administrator  
21629 Stirling Pass  
Leesburg, FL 34748

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

Dear Susy:

Please find enclosed the annual disclosures that satisfy the October 1, 2015 financial reporting requirements made under Section 112.664.

Our office will submit this information electronically to the Department of Management Services by the February 1, 2016 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 LEESBURG  
RETIREMENT 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: Patrick T. Donlan Date: 2/1/2016

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, 2015 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.

	ACTUAL		HYPOTHETICAL	
	7.50% RP-2000 Static 9/30/2015	7.50% RP-2000 Generational 9/30/2015	5.50% RP-2000 Generational 9/30/2015	9.50% RP-2000 Generational 9/30/2015
<b><u>GASB 67: Schedule of Changes in Net Pension Liability</u></b>				
<b><u>Total Pension Liability</u></b>				
Service Cost	152,878	158,018	268,385	97,904
Interest	2,944,455	3,017,171	2,780,342	3,134,343
Changes of Benefit Terms	-	-	-	-
Differences Between Expected and Actual Experience	(1,744,070)	(1,859,749)	(2,191,894)	(1,619,275)
Changes of Assumptions	-	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(2,992,933)	(2,992,933)	(2,992,933)	(2,992,933)
Net Change in Total Pension Liability	(1,639,670)	(1,677,493)	(2,136,100)	(1,379,961)
Total Pension Liability - Beginning	40,602,995	41,567,393	51,779,747	34,391,642
Total Pension Liability - Ending (a)	<u>\$ 38,963,325</u>	<u>\$ 39,889,900</u>	<u>\$ 49,643,647</u>	<u>\$ 33,011,681</u>
<b><u>Plan Fiduciary Net Position</u></b>				
Contributions - Employer	1,435,084	1,435,084	1,435,084	1,435,084
Net Investment Income	502,864	502,864	502,864	502,864
Benefit Payments, Including Refunds of Employee Contributions	(2,992,933)	(2,992,933)	(2,992,933)	(2,992,933)
Administrative Expenses	(73,823)	(73,823)	(73,823)	(73,823)
Net Change in Plan Fiduciary Net Position	(1,128,808)	(1,128,808)	(1,128,808)	(1,128,808)
Plan Fiduciary Net Position - Beginning	34,948,909	34,948,909	34,948,909	34,948,909
Plan Fiduciary Net Position - Ending (b)	<u>\$ 33,820,101</u>	<u>\$ 33,820,101</u>	<u>\$ 33,820,101</u>	<u>\$ 33,820,101</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 5,143,224</u>	<u>\$ 6,069,799</u>	<u>\$ 15,823,546</u>	<u>\$ (808,420)</u>

**GASB 68: Pension Expense for Fiscal Year Ending September 30, 2015**

Pension Expense	<u>\$ 269,915</u>	<u>\$ 309,210</u>	<u>\$ 488,858</u>	<u>\$ 29,598</u>
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## PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1  
Plan Assumptions: 7.50% 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
2015	33,820,101	-	2,766,313	-	2,432,771	33,486,559
2016	33,486,559	-	2,790,577	-	2,406,845	33,102,827
2017	33,102,827	-	2,846,519	-	2,375,968	32,632,276
2018	32,632,276	-	2,919,733	-	2,337,931	32,050,474
2019	32,050,474	-	3,014,150	-	2,290,755	31,327,079
2020	31,327,079	-	3,093,664	-	2,233,519	30,466,934
2021	30,466,934	-	3,179,509	-	2,165,788	29,453,213
2022	29,453,213	-	3,256,562	-	2,086,870	28,283,521
2023	28,283,521	-	3,344,607	-	1,995,841	26,934,755
2024	26,934,755	-	3,387,444	-	1,893,077	25,440,388
2025	25,440,388	-	3,417,227	-	1,779,883	23,803,044
2026	23,803,044	-	3,445,452	-	1,656,024	22,013,616
2027	22,013,616	-	3,452,627	-	1,521,548	20,082,537
2028	20,082,537	-	3,448,718	-	1,376,863	18,010,682
2029	18,010,682	-	3,437,464	-	1,221,896	15,795,114
2030	15,795,114	-	3,430,802	-	1,055,978	13,420,290
2031	13,420,290	-	3,399,141	-	879,054	10,900,203
2032	10,900,203	-	3,360,961	-	691,479	8,230,721
2033	8,230,721	-	3,301,949	-	493,481	5,422,253
2034	5,422,253	-	3,242,681	-	285,068	2,464,640
2035	2,464,640	-	3,180,709	-	-	-

Number of Years Expected Benefit Payments Sustained: 20.77

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. 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: 7.50% 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
2015	33,820,101	-	2,766,313	-	2,432,771	33,486,559
2016	33,486,559	-	2,790,772	-	2,406,838	33,102,625
2017	33,102,625	-	2,847,423	-	2,375,919	32,631,121
2018	32,631,121	-	2,921,922	-	2,337,762	32,046,961
2019	32,046,961	-	3,018,226	-	2,290,339	31,319,074
2020	31,319,074	-	3,100,281	-	2,232,670	30,451,463
2021	30,451,463	-	3,189,368	-	2,164,258	29,426,353
2022	29,426,353	-	3,270,598	-	2,084,329	28,240,084
2023	28,240,084	-	3,363,777	-	1,991,865	26,868,172
2024	26,868,172	-	3,412,197	-	1,887,156	25,343,131
2025	25,343,131	-	3,448,528	-	1,771,415	23,666,018
2026	23,666,018	-	3,483,822	-	1,644,308	21,826,504
2027	21,826,504	-	3,498,998	-	1,505,775	19,833,281
2028	19,833,281	-	3,503,735	-	1,356,106	17,685,652
2029	17,685,652	-	3,502,408	-	1,195,084	15,378,328
2030	15,378,328	-	3,505,613	-	1,021,914	12,894,629
2031	12,894,629	-	3,484,419	-	836,431	10,246,641
2032	10,246,641	-	3,457,954	-	638,825	7,427,512
2033	7,427,512	-	3,411,496	-	429,132	4,445,148
2034	4,445,148	-	3,364,330	-	207,224	1,288,042
2035	1,288,042	-	3,315,267	-	-	-

Number of Years Expected Benefit Payments Sustained: 20.39

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. 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: 5.50% 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
2015	33,820,101	-	2,766,313	-	1,784,032	32,837,820
2016	32,837,820	-	2,790,772	-	1,729,334	31,776,382
2017	31,776,382	-	2,847,423	-	1,669,397	30,598,356
2018	30,598,356	-	2,921,922	-	1,602,557	29,278,991
2019	29,278,991	-	3,018,226	-	1,527,343	27,788,108
2020	27,788,108	-	3,100,281	-	1,443,088	26,130,915
2021	26,130,915	-	3,189,368	-	1,349,493	24,291,040
2022	24,291,040	-	3,270,598	-	1,246,066	22,266,508
2023	22,266,508	-	3,363,777	-	1,132,154	20,034,885
2024	20,034,885	-	3,412,197	-	1,008,083	17,630,771
2025	17,630,771	-	3,448,528	-	874,858	15,057,101
2026	15,057,101	-	3,483,822	-	732,335	12,305,614
2027	12,305,614	-	3,498,998	-	580,586	9,387,202
2028	9,387,202	-	3,503,735	-	419,943	6,303,410
2029	6,303,410	-	3,502,408	-	250,371	3,051,373
2030	3,051,373	-	3,505,613	-	-	-

Number of Years Expected Benefit Payments Sustained: 15.87

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. 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 4  
Hypothetical Assumptions: 9.50% 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
2015	33,820,101	-	2,766,313	-	3,081,510	34,135,298
2016	34,135,298	-	2,790,772	-	3,110,292	34,454,818
2017	34,454,818	-	2,847,423	-	3,137,955	34,745,350
2018	34,745,350	-	2,921,922	-	3,162,017	34,985,445
2019	34,985,445	-	3,018,226	-	3,180,252	35,147,471
2020	35,147,471	-	3,100,281	-	3,191,746	35,238,936
2021	35,238,936	-	3,189,368	-	3,196,204	35,245,772
2022	35,245,772	-	3,270,598	-	3,192,995	35,168,169
2023	35,168,169	-	3,363,777	-	3,181,197	34,985,589
2024	34,985,589	-	3,412,197	-	3,161,552	34,734,944
2025	34,734,944	-	3,448,528	-	3,136,015	34,422,431
2026	34,422,431	-	3,483,822	-	3,104,649	34,043,258
2027	34,043,258	-	3,498,998	-	3,067,907	33,612,167
2028	33,612,167	-	3,503,735	-	3,026,728	33,135,160
2029	33,135,160	-	3,502,408	-	2,981,476	32,614,228
2030	32,614,228	-	3,505,613	-	2,931,835	32,040,450
2031	32,040,450	-	3,484,419	-	2,878,333	31,434,364
2032	31,434,364	-	3,457,954	-	2,822,012	30,798,422
2033	30,798,422	-	3,411,496	-	2,763,804	30,150,730
2034	30,150,730	-	3,364,330	-	2,704,514	29,490,914
2035	29,490,914	-	3,315,267	-	2,644,162	28,819,809
2036	28,819,809	-	3,253,687	-	2,583,332	28,149,454
2037	28,149,454	-	3,162,796	-	2,523,965	27,510,623
2038	27,510,623	-	3,073,484	-	2,467,519	26,904,658
2039	26,904,658	-	2,992,452	-	2,413,801	26,326,007
2040	26,326,007	-	2,887,993	-	2,363,791	25,801,805
2041	25,801,805	-	2,783,928	-	2,318,935	25,336,812
2042	25,336,812	-	2,678,744	-	2,279,757	24,937,825
2043	24,937,825	-	2,587,675	-	2,246,179	24,596,329
2044	24,596,329	-	2,468,610	-	2,219,392	24,347,111
2045	24,347,111	-	2,348,453	-	2,201,424	24,200,082
2046	24,200,082	-	2,224,958	-	2,193,322	24,168,446
2047	24,168,446	-	2,096,496	-	2,196,419	24,268,369
2048	24,268,369	-	1,964,968	-	2,212,159	24,515,560
2049	24,515,560	-	1,832,676	-	2,241,926	24,924,810
2050	24,924,810	-	1,697,158	-	2,287,242	25,514,894
2051	25,514,894	-	1,562,927	-	2,349,676	26,301,643
2052	26,301,643	-	1,430,481	-	2,430,708	27,301,870
2053	27,301,870	-	1,300,574	-	2,531,900	28,533,196
2054	28,533,196	-	1,177,056	-	2,654,743	30,010,883
2055	30,010,883	-	1,058,860	-	2,800,738	31,752,761
2056	31,752,761	-	946,750	-	2,971,542	33,777,553
2057	33,777,553	-	841,735	-	3,168,885	36,104,703
2058	36,104,703	-	744,193	-	3,394,598	38,755,108
2059	38,755,108	-	654,071	-	3,650,667	41,751,704
2060	41,751,704	-	571,780	-	3,939,252	45,119,176
2061	45,119,176	-	496,951	-	4,262,717	48,884,942
2062	48,884,942	-	429,671	-	4,623,660	53,078,931
2063	53,078,931	-	369,371	-	5,024,953	57,734,513
2064	57,734,513	-	315,680	-	5,469,784	62,888,617
2065	62,888,617	-	268,262	-	5,961,676	68,582,031
2066	68,582,031	-	226,634	-	6,504,528	74,859,925

## PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 4  
Hypothetical Assumptions: 9.50% 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
2067	74,859,925	-	190,290	-	7,102,654	81,772,289
2068	81,772,289	-	158,742	-	7,760,827	89,374,374
2069	89,374,374	-	131,468	-	8,484,321	97,727,227
2070	97,727,227	-	108,093	-	9,278,952	106,898,086
2071	106,898,086	-	88,124	-	10,151,132	116,961,094
2072	116,961,094	-	71,179	-	11,107,923	127,997,838
2073	127,997,838	-	56,957	-	12,157,089	140,097,970
2074	140,097,970	-	45,125	-	13,307,164	153,360,009
2075	153,360,009	-	35,353	-	14,567,522	167,892,178
2076	167,892,178	-	27,356	-	15,948,458	183,813,280
2077	183,813,280	-	20,911	-	17,461,268	201,253,637
2078	201,253,637	-	15,802	-	19,118,345	220,356,180
2079	220,356,180	-	11,761	-	20,933,278	241,277,697
2080	241,277,697	-	8,619	-	22,920,972	264,190,050
2081	264,190,050	-	6,238	-	25,097,758	289,281,570
2082	289,281,570	-	4,449	-	27,481,538	316,758,659
2083	316,758,659	-	3,122	-	30,091,924	346,847,461
2084	346,847,461	-	2,161	-	32,950,406	379,795,706
2085	379,795,706	-	1,474	-	36,080,522	415,874,754
2086	415,874,754	-	991	-	39,508,055	455,381,818
2087	455,381,818	-	658	-	43,261,241	498,642,401
2088	498,642,401	-	432	-	47,371,008	546,012,977
2089	546,012,977	-	280	-	51,871,220	597,883,917
2090	597,883,917	-	180	-	56,798,964	654,682,701
2091	654,682,701	-	114	-	62,194,851	716,877,438
2092	716,877,438	-	71	-	68,103,353	784,980,720
2093	784,980,720	-	44	-	74,573,166	859,553,842
2094	859,553,842	-	27	-	81,657,614	941,211,429
2095	941,211,429	-	17	-	89,415,085	1,030,626,497
2096	1,030,626,497	-	10	-	97,909,517	1,128,536,004
2097	1,128,536,004	-	6	-	107,210,920	1,235,746,918
2098	1,235,746,918	-	3	-	117,395,957	1,353,142,872
2099	1,353,142,872	-	2	-	128,548,573	1,481,691,443
2100	1,481,691,443	-	1	-	140,760,687	1,622,452,129
2101	1,622,452,129	-	1	-	154,132,952	1,776,585,080
2102	1,776,585,080	-	-	-	168,775,583	1,945,360,663

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 9.50% interest.

**It is important to note that as long as the Actuarially Determined Contribution is made each year, the Plan will never become insolvent. 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: 10/1/2015

	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 (Fixed \$)	\$1,010,847	\$1,087,130	\$1,778,934	\$406,197
Total Required Contribution (% of Payroll)	10.7%	11.5%	18.8%	4.3%

**ASSETS**

Actuarial Value	35,239,358	35,239,358	35,239,358	35,239,358
Market Value	33,820,101	33,820,101	33,820,101	33,820,101

**LIABILITIES**

## Present Value of Benefits

## Active Members

Retirement Benefits	7,607,753	7,852,635	10,561,398	6,050,403
Disability Benefits	1,073,019	1,112,072	1,480,269	864,911
Death Benefits	138,653	132,197	179,639	101,386
Vested Benefits	894,622	917,018	1,320,311	665,281
Refund of Contributions	0	0	0	0
Service Retirees	23,867,042	24,261,035	28,818,531	20,884,044
Beneficiaries	1,307,788	1,325,499	1,537,356	1,164,808
Disability Retirees	573,765	586,221	684,667	511,456
Terminated Vested	4,116,575	4,263,528	6,177,316	3,060,926
Total:	39,579,217	40,450,205	50,759,487	33,303,215

## Present Value of Future Salaries

N/A

N/A

N/A

N/A

## Present Value of Future

## Member Contributions

0

0

0

0

## Total Normal Cost

107,518

110,971

180,565

71,290

## Present Value of Future

## Normal Costs (Entry Age Normal)

407,133

421,023

734,515

253,996

## Total Actuarial Accrued Liability

39,172,084

40,029,182

50,024,972

33,049,219

## Unfunded Actuarial Accrued

## Liability (UAAL)

3,932,726

4,789,824

14,785,614

(2,190,139)

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

Valuation Date: 10/1/2015

	ACTUAL	HYPOTHETICAL		
	7.50% RP-2000 Static	7.50% RP-2000 Generational	5.50% RP-2000 Generational	9.50% RP-2000 Generational
<b><u>PENSION COST</u></b>				
Normal Cost (with interest)	115,582	119,294	190,496	78,063
Administrative Expenses (with interest)	79,360	79,360	77,883	80,836
Payment Required To Amortize UAAL (with interest)	815,905	888,476	1,510,555	247,298
Total Required Contribution	\$1,010,847	\$1,087,130	\$1,778,934	\$406,197