

City of Boynton Beach Municipal Police Officers' Retirement Fund

Chapter 112.664, F.S. Compliance Report

In Connection with the October 1, 2017 Funding
Actuarial Valuation Report and the Plan's Financial
Reporting for the Year Ending September 30 ,2017



April 30, 2018

Board of Trustees
City of Boynton Beach Municipal
Police Officers' Retirement Fund
Boynton Beach, Florida

Dear Board Members:

Gabriel, Roeder, Smith & Company (GRS) has been engaged by the City of Boynton Beach Municipal Police Officers' Retirement Fund (Plan) to prepare a disclosure report to satisfy the requirements set forth in Ch. 112.664, F.S. and as further required pursuant to Ch. 60T-1.0035, F.A.C.

This report was prepared at the request of the Board and is intended for use by the Retirement Board and those designated or approved by the Board. This report may be provided to parties other than the System only in its entirety and only with the permission of the Board.

The purpose of the report is to provide the required information specified in Ch. 112.664, F.S. as well as supplement this information with additional exhibits. This report should not be relied on for any purpose other than the purpose described above.

The findings in this report are based on data or other information through September 30, 2017. 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 Board concerning Plan benefits, financial transactions, plan provisions and active members, terminated members, retirees and beneficiaries. We checked 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.

Except as otherwise indicated as required for the disclosures contained herein, this report was prepared using certain assumptions selected by the Board as described in our October 1, 2017 actuarial valuation report. This report is also based on the Plan Provisions, census data, and financial information as summarized in our October 1, 2017 actuarial valuation report. Please refer to the October 1, 2017 actuarial valuation report, dated March 5, 2018, for summaries and descriptions of this information.

The use of an investment return assumption that is 2% higher than the investment return assumption used to determine the funding requirements does not represent an estimate of future Plan experience nor does it reflect an observation of future return estimates inherent in financial market data. The use of this investment return assumption is provided as a counterpart to the Chapter 112.664, Florida Statutes requirement to utilize an investment return assumption that is 2% lower than the assumption used to determine the funding requirements. The inclusion of the additional exhibits showing the effect of using a 2% higher investment return assumption shows a more complete assessment of the range of possible results as opposed to showing a one-sided range as required by Florida Statutes.

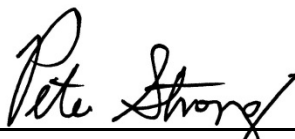
Peter N. Strong and Jeffrey Amrose are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein. The signing actuaries are independent of the plan sponsor.

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 fairly presents the actuarial position of the Retirement Plan as of the valuation date. 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 us or under our direct supervision, and we acknowledge responsibility for the results. To the best of our knowledge, the results are complete and accurate, and in our 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 
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Enrolled Actuary No. 17-06975
Senior Consultant & Actuary


By 
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RESULTS

**Schedule of Changes in the Employers' Net Pension Liability
Using Financial Reporting Assumptions per GASB Statement No. 67**

Fiscal year ending September 30,

	2017
1. Total pension liability	
a. Service Cost	\$ 2,886,162
b. Interest	9,654,424
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	(584,832)
e. Assumption Changes	3,177,559
f. Benefit Payments	(6,259,474)
g. Contribution Refunds	(11,413)
h. Net Change in Total Pension Liability	8,862,426
i. Total Pension Liability - Beginning	124,555,848
j. Total Pension Liability - Ending	\$ 133,418,274

2. Plan Fiduciary Net Position

a. Contributions - Employer	\$ 4,791,528
b. Contributions - Employer (From State)	781,307
c. Contributions - Non-Employer Contributing Entity	-
d. Contributions - Member	976,688
e. Net Investment Income	8,797,727
f. Benefit Payments	(6,259,474)
g. Contribution Refunds	(11,413)
h. Administrative Expense	(167,698)
i. Other	98,740
j. Net Change in Plan Fiduciary Net Position	9,007,405
k. Plan Fiduciary Net Position - Beginning	86,202,090
l. Plan Fiduciary Net Position - Ending	\$ 95,209,495

3. Net Pension Liability / (Asset) 38,208,779

Certain Key Assumptions

Valuation Date	10/01/2016
Measurement Date	9/30/2017
Investment Return Assumption	7.50%
Mortality Table	Florida Retirement System - Special Risk Mortality

**Schedule of Changes in the Employers' Net Pension Liability
Using Assumptions required under 112.664(1)(a), F.S.**

Fiscal year ending September 30,

	<u>2017</u>
1. Total pension liability	
a. Service Cost	\$ 2,886,162
b. Interest	9,654,424
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	(584,832)
e. Assumption Changes	3,177,559
f. Benefit Payments	(6,259,474)
g. Contribution Refunds	(11,413)
h. Net Change in Total Pension Liability	<u>8,862,426</u>
i. Total Pension Liability - Beginning	<u>124,555,848</u>
j. Total Pension Liability - Ending	<u>\$ 133,418,274</u>
2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ 4,791,528
b. Contributions - Employer (From State)	781,307
c. Contributions - Non-Employer Contributing Entity	-
d. Contributions - Member	976,688
e. Net Investment Income	8,797,727
f. Benefit Payments	(6,259,474)
g. Contribution Refunds	(11,413)
h. Administrative Expense	(167,698)
i. Other	98,740
j. Net Change in Plan Fiduciary Net Position	<u>9,007,405</u>
k. Plan Fiduciary Net Position - Beginning	<u>86,202,090</u>
l. Plan Fiduciary Net Position - Ending	<u>\$ 95,209,495</u>
3. Net Pension Liability / (Asset)	38,208,779

Certain Key Assumptions

Valuation Date	10/01/2016
Measurement Date	9/30/2017
Investment Return Assumption	7.50%
Mortality Table	Florida Retirement System - Special Risk Mortality

**Schedule of Changes in the Employers' Net Pension Liability
Using Assumptions required under 112.664(1)(b), F.S.**

Fiscal year ending September 30,

	2017
1. Total pension liability	
a. Service Cost	\$ 4,692,277
b. Interest	8,768,681
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	533,304
e. Assumption Changes	-
f. Benefit Payments	(6,259,474)
g. Contribution Refunds	(11,413)
h. Net Change in Total Pension Liability	7,723,375
i. Total Pension Liability - Beginning	157,607,080
j. Total Pension Liability - Ending	\$ 165,330,455

2. Plan Fiduciary Net Position

a. Contributions - Employer	\$ 4,791,528
b. Contributions - Employer (From State)	781,307
c. Contributions - Non-Employer Contributing Entity	-
d. Contributions - Member	976,688
e. Net Investment Income	8,797,727
f. Benefit Payments	(6,259,474)
g. Contribution Refunds	(11,413)
h. Administrative Expense	(167,698)
i. Other	98,740
j. Net Change in Plan Fiduciary Net Position	9,007,405
k. Plan Fiduciary Net Position - Beginning	86,202,090
l. Plan Fiduciary Net Position - Ending	\$ 95,209,495

3. Net Pension Liability / (Asset)

70,120,960

Certain Key Assumptions

Valuation Date	10/01/2016
Measurement Date	9/30/2017
Investment Return Assumption	5.50%
Mortality Table	Florida Retirement System - Special Risk Mortality

Schedule of Changes in the Employers' Net Pension Liability

Using Assumptions under 112.664(1)(b), F.S. except 2% higher investment return assumption

Fiscal year ending September 30,

1. Total pension liability

	<u>2017</u>
a. Service Cost	\$ 2,023,996
b. Interest	9,910,999
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	533,304
e. Assumption Changes	-
f. Benefit Payments	(6,259,474)
g. Contribution Refunds	(11,413)
h. Net Change in Total Pension Liability	<u>6,197,412</u>
i. Total Pension Liability - Beginning	<u>105,171,104</u>
j. Total Pension Liability - Ending	<u>\$ 111,368,516</u>

2. Plan Fiduciary Net Position

a. Contributions - Employer	\$ 4,791,528
b. Contributions - Employer (From State)	781,307
c. Contributions - Non-Employer Contributing Entity	-
d. Contributions - Member	976,688
e. Net Investment Income	8,797,727
f. Benefit Payments	(6,259,474)
g. Contribution Refunds	(11,413)
h. Administrative Expense	(167,698)
i. Other	98,740
j. Net Change in Plan Fiduciary Net Position	<u>9,007,405</u>
k. Plan Fiduciary Net Position - Beginning	<u>86,202,090</u>
l. Plan Fiduciary Net Position - Ending	<u>\$ 95,209,495</u>

3. Net Pension Liability / (Asset)

16,159,021

Certain Key Assumptions

Valuation Date	10/01/2016
Measurement Date	9/30/2017
Investment Return Assumption	9.50%
Mortality Table	Florida Retirement System - Special Risk Mortality

Asset and Benefit Payment Projection
Not Reflecting Any Contributions from the Employer, State or Employee
Using Assumptions from Plan's most recent actuarial valuation

FYE	Market Value of Assets (BOY)	Expected Investment Return	Projected Benefit Payments	Market Value of Assets (EOY)
2018	81,034,320	5,635,724	6,600,380	80,069,664
2019	80,069,664	5,560,743	6,739,525	78,890,882
2020	78,890,882	5,462,592	7,089,567	77,263,907
2021	77,263,907	5,335,469	7,342,455	75,256,921
2022	75,256,921	5,179,716	7,625,137	72,811,500
2023	72,811,500	4,993,040	7,883,958	69,920,582
2024	69,920,582	4,776,424	8,077,747	66,619,259
2025	66,619,259	4,522,833	8,470,712	62,671,380
2026	62,671,380	4,223,597	8,829,737	58,065,240
2027	58,065,240	3,877,888	9,154,270	52,788,858
2028	52,788,858	3,492,008	9,246,463	47,034,403
2029	47,034,403	3,067,744	9,441,385	40,660,762
2030	40,660,762	2,602,412	9,530,854	33,732,320
2031	33,732,320	2,099,159	9,556,812	26,274,667
2032	26,274,667	1,558,761	9,549,019	18,284,409
2033	18,284,409	979,022	9,561,302	9,702,129
2034	9,702,129	358,122	9,525,018	535,233
2035	535,233	-	9,415,870	-
2036	-	-	9,344,118	-
2037	-	-	9,239,512	-
2038	-	-	9,118,667	-
2039	-	-	8,964,602	-
2040	-	-	8,808,250	-
2041	-	-	8,641,040	-
2042	-	-	8,474,959	-
2043	-	-	8,305,806	-

Number of years for which current market value of assets is adequate to sustain the payment of expected retirement benefits, **reflecting no contributions from the Employer, Employee or State, contrary to Florida Statutes and Plan provisions:** 17.00

Certain Key Assumptions

Valuation Investment return assumption 7.25%
 Valuation Mortality Table Florida Retirement System - Special Risk Mortality

Note: As required in Section 112.664(1)(c) of the Florida Statutes, the projection of the Fund assets do not include contributions from the Employer, Employee or State, which is contrary to Florida Statutes and Plan provisions. For this reason, these projections should not be viewed as a representation of the amount of time the Fund can sustain benefit payments. Under the GASB standards which DO include contributions from the employer, employee and State, the Fund is expected to be able to sustain the benefit payment demands in the near-term and long-term future.

Asset and Benefit Payment Projection
Not Reflecting Any Contributions from the Employer, State or Employee
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)
2018	81,034,320	5,635,724	6,600,380	80,069,664
2019	80,069,664	5,560,743	6,739,525	78,890,882
2020	78,890,882	5,462,592	7,089,567	77,263,907
2021	77,263,907	5,335,469	7,342,455	75,256,921
2022	75,256,921	5,179,716	7,625,137	72,811,500
2023	72,811,500	4,993,040	7,883,958	69,920,582
2024	69,920,582	4,776,424	8,077,747	66,619,259
2025	66,619,259	4,522,833	8,470,712	62,671,380
2026	62,671,380	4,223,597	8,829,737	58,065,240
2027	58,065,240	3,877,888	9,154,270	52,788,858
2028	52,788,858	3,492,008	9,246,463	47,034,403
2029	47,034,403	3,067,744	9,441,385	40,660,762
2030	40,660,762	2,602,412	9,530,854	33,732,320
2031	33,732,320	2,099,159	9,556,812	26,274,667
2032	26,274,667	1,558,761	9,549,019	18,284,409
2033	18,284,409	979,022	9,561,302	9,702,129
2034	9,702,129	358,122	9,525,018	535,233
2035	535,233	-	9,415,870	-
2036	-	-	9,344,118	-
2037	-	-	9,239,512	-
2038	-	-	9,118,667	-
2039	-	-	8,964,602	-
2040	-	-	8,808,250	-
2041	-	-	8,641,040	-
2042	-	-	8,474,959	-
2043	-	-	8,305,806	-

Number of years for which current market value of assets is adequate to sustain the payment of expected retirement benefits, **reflecting no contributions from the Employer, Employee or State, contrary to Florida Statutes and Plan provisions:** 17.00

Certain Key Assumptions

Valuation Investment return assumption 7.25%
 Valuation Mortality Table Florida Retirement System - Special Risk Mortality

Note: As required in Section 112.664(1)(c) of the Florida Statutes, the projection of the Fund assets do not include contributions from the Employer, Employee or State, which is contrary to Florida Statutes and Plan provisions. For this reason, these projections should not be viewed as a representation of the amount of time the Fund can sustain benefit payments. Under the GASB standards which DO include contributions from the employer, employee and State, the Fund is expected to be able to sustain the benefit payment demands in the near-term and long-term future.

Asset and Benefit Payment Projection
Not Reflecting Any Contributions from the Employer, State or Employee
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)
2018	81,034,320	4,081,042	6,600,380	78,514,982
2019	78,514,982	3,945,124	6,739,525	75,720,581
2020	75,720,581	3,789,229	7,089,567	72,420,243
2021	72,420,243	3,609,323	7,342,455	68,687,111
2022	68,687,111	3,405,913	7,625,137	64,467,887
2023	64,467,887	3,177,610	7,883,958	59,761,539
2024	59,761,539	2,925,440	8,077,747	54,609,232
2025	54,609,232	2,644,628	8,470,712	48,783,148
2026	48,783,148	2,329,335	8,829,737	42,282,746
2027	42,282,746	1,979,545	9,154,270	35,108,021
2028	35,108,021	1,600,451	9,246,463	27,462,009
2029	27,462,009	1,193,919	9,441,385	19,214,543
2030	19,214,543	758,579	9,530,854	10,442,268
2031	10,442,268	297,353	9,556,812	1,182,809
2032	1,182,809	-	9,549,019	-
2033	-	-	9,561,302	-
2034	-	-	9,525,018	-
2035	-	-	9,415,870	-
2036	-	-	9,344,118	-
2037	-	-	9,239,512	-
2038	-	-	9,118,667	-
2039	-	-	8,964,602	-
2040	-	-	8,808,250	-
2041	-	-	8,641,040	-
2042	-	-	8,474,959	-
2043	-	-	8,305,806	-

Number of years for which current market value of assets is adequate to sustain the payment of expected retirement benefits, **reflecting no contributions from the Employer, Employee or State, contrary to Florida Statutes and Plan provisions:** 14.08

Certain Key Assumptions

Valuation Investment return assumption 5.25%
 Valuation Mortality Table Florida Retirement System - Special Risk Mortality

Note: As required in Section 112.664(1)(c) of the Florida Statutes, the projection of the Fund assets do not include contributions from the Employer, Employee or State, which is contrary to Florida Statutes and Plan provisions. For this reason, these projections should not be viewed as a representation of the amount of time the Fund can sustain benefit payments. Under the GASB standards which DO include contributions from the employer, employee and State, the Fund is expected to be able to sustain the benefit payment demands in the near-term and long-term future.

Asset and Benefit Payment Projection

Not Reflecting Any Contributions from the Employer, State or Employee

Using Assumptions under 112.664(1)(b), F.S. except 2% higher investment return assumption

FYE	Market Value of Assets (BOY)	Expected Investment Return	Projected Benefit Payments	Market Value of Assets (EOY)
2018	81,034,320	7,190,407	6,600,380	81,624,347
2019	81,624,347	7,238,549	6,739,525	82,123,371
2020	82,123,371	7,268,519	7,089,567	82,302,323
2021	82,302,323	7,273,376	7,342,455	82,233,244
2022	82,233,244	7,253,912	7,625,137	81,862,019
2023	81,862,019	7,207,604	7,883,958	81,185,665
2024	81,185,665	7,136,078	8,077,747	80,243,996
2025	80,243,996	7,030,799	8,470,712	78,804,083
2026	78,804,083	6,881,002	8,829,737	76,855,348
2027	76,855,348	6,685,735	9,154,270	74,386,813
2028	74,386,813	6,453,131	9,246,463	71,593,481
2029	71,593,481	6,185,733	9,441,385	68,337,829
2030	68,337,829	5,880,447	9,530,854	64,687,422
2031	64,687,422	5,541,584	9,556,812	60,672,194
2032	60,672,194	5,170,536	9,549,019	56,293,711
2033	56,293,711	4,764,958	9,561,302	51,497,367
2034	51,497,367	4,322,974	9,525,018	46,295,323
2035	46,295,323	3,846,833	9,415,870	40,726,286
2036	40,726,286	3,335,016	9,344,118	34,717,184
2037	34,717,184	2,784,012	9,239,512	28,261,684
2038	28,261,684	2,192,467	9,118,667	21,335,484
2039	21,335,484	1,558,919	8,964,602	13,929,801
2040	13,929,801	881,125	8,808,250	6,002,676
2041	6,002,676	155,599	8,641,040	-
2042	-	-	8,474,959	-
2043	-	-	8,305,806	-

Number of years for which current market value of assets is adequate to sustain the payment of expected retirement benefits, **reflecting no contributions from the Employer, Employee or State, contrary to Florida Statutes and Plan provisions:**

23.67

Certain Key Assumptions

Valuation Investment return assumption

9.25%

Valuation Mortality Table

Florida Retirement System - Special Risk Mortality

Note: As required in Section 112.664(1)(c) of the Florida Statutes, the projection of the Fund assets do not include contributions from the Employer, Employee or State, which is contrary to Florida Statutes and Plan provisions. For this reason, these projections should not be viewed as a representation of the amount of time the Fund can sustain benefit payments. Under the GASB standards which DO include contributions from the employer, employee and State, the Fund is expected to be able to sustain the benefit payment demands in the near-term and long-term future.

ACTUARIALLY DETERMINED CONTRIBUTION

	Plan's Latest Actuarial Valuation	112.664(1)(a) F.S. Assumptions	112.664(1)(b) F.S. Assumptions	112.664(1)(b) F.S. except 2% Higher Investment Return Assumption
A. Valuation Date	October 1, 2017	October 1, 2017	October 1, 2017	October 1, 2017
B. Actuarially Determined Contribution (ADC) to Be Paid During Fiscal Year Ending	9/30/2019	9/30/2019	9/30/2019	9/30/2019
C. Assumed Dates of Employer Contributions	10/1/2018	10/1/2018	10/1/2018	10/1/2018
D. Annual Payment to Amortize Unfunded Actuarial Liability	\$ 3,411,985	\$ 3,411,985	\$ 4,569,506	\$ 2,208,820
E. Employer Normal Cost	2,709,713	2,709,713	4,572,874	1,584,250
F. Employer ADC if Paid on Valuation Date: D + E	6,121,698	6,121,698	9,142,380	3,793,070
G. Employer ADC Adjusted for Frequency of Payments	6,121,698	6,121,698	9,142,380	3,793,070
H. Employer ADC Adjusted for Frequency of Payments as % of Covered Payroll	51.74 %	51.74 %	77.27 %	32.06 %
I. Assumed Rate of Increase in Covered Payroll to Contribution Year	2.50 %	2.50 %	2.50 %	2.50 %
J. Covered Payroll for Contribution Year	12,127,560	12,127,560	12,127,560	12,127,560
K. Employer ADC for Contribution Year: H x J	6,274,800	6,274,800	9,370,966	3,888,096
L. Allowable Credit for State Revenue in Contribution Year*	465,087	465,087	465,087	465,087
M. Net Employer ADC in Contribution Year	5,809,713	5,809,713	8,905,879	3,423,009
N. Net Employer ADC as % of Covered Payroll in Contribution Year: M ÷ J	47.91 %	47.91 %	73.44 %	28.23 %
O. Expected Member Contribution	848,929	848,929	848,929	848,929
P. Total Contribution (Including Members) in Contribution Year	7,123,729	7,123,729	10,219,895	4,737,025
Q. Total Contribution as % of Covered Payroll in Contribution Year: P ÷ J	58.74 %	58.74 %	84.27 %	39.06 %
R. Certain Key Assumptions				
Investment Return Assumption	7.25 %	7.25 %	5.25 %	9.25 %
Mortality Table	Florida Retirement System - Special Risk Mortality	Florida Retirement System - Special Risk Mortality	Florida Retirement System - Special Risk Mortality	Florida Retirement System - Special Risk Mortality