

Jacksonville Police and Fire Pension 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



July 24, 2018

Board of Trustees
Jacksonville Police and Fire Pension Fund
Jacksonville, Florida

Dear Board Members:

Gabriel, Roeder, Smith & Company (GRS) has been engaged by the Jacksonville Police and Fire Pension 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 Town.

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 May 22, 2018, for summaries and descriptions of this information.

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 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), F.S. and Section 60T-1.0035, F.A.C.

Respectfully submitted,

GABRIEL, ROEDER, SMITH AND COMPANY

By 
Peter N. Strong, FSA, FCA, MAAA
Enrolled Actuary No. 17-6975
Senior Consultant & Actuary

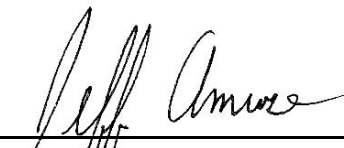
By 
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TABLE OF CONTENTS

Title	Page
Ch. 112.664, F.S. Results	
Schedule of Changes in Net Pension Liability	
1. Using financial reporting assumptions per GASB Statement No. 67	1
2. Using assumptions prescribed in Section 112.664(1)(a), F.S.	2
3. Using assumptions prescribed in Section 112.664(1)(b), F.S.	3
Assets Versus Benefit Payments Projections	
1. Using assumptions from the Plan's latest actuarial valuation	4
2. Using assumptions prescribed in Section 112.664(1)(a), F.S.	5
3. Using assumptions prescribed in Section 112.664(1)(b), F.S.	6
Actuarially Determined Contribution	7

CH. 112.664, FLORIDA STATUTES

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	\$ 45,257,077
b. Interest	233,338,035
c. Benefit Changes	26,818,328
d. Difference between actual & expected experience & Other	24,030,616
e. Assumption Changes	232,927,458
f. Benefit Payments	(170,465,766)
g. Contribution Refunds	(811,383)
h. Net Change in Total Pension Liability	391,094,365
i. Total Pension Liability - Beginning	3,345,515,259
j. Total Pension Liability - Ending	\$ 3,736,609,624
 2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ 174,526,198
b. Contributions - Employer (from State)	5,437,384
c. Contributions - Member	13,570,483
d. Net Investment Income	230,866,546
e. Benefit Payments	(170,465,766)
f. Contribution Refunds	(811,383)
g. Administrative Expense	(2,173,617)
h. Other	810,695
i. Net Change in Plan Fiduciary Net Position	251,760,540
j. Plan Fiduciary Net Position - Beginning	1,513,398,466
k. Plan Fiduciary Net Position - Ending	\$ 1,765,159,006
 3. Net Pension Liability / (Asset)	1,971,450,618
 Certain Key Assumptions	
Valuation Date	10/01/2017
Measurement Date	09/30/2017
Investment Return Assumption	7.00%
Mortality Table	FRS Mortality Rates from 7/1/16 FRS Valuation

**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	\$ 45,257,077
b. Interest	233,338,035
c. Benefit Changes	26,818,328
d. Difference between actual & expected experience & Other	24,030,616
e. Assumption Changes	232,927,458
f. Benefit Payments	(170,465,766)
g. Contribution Refunds	(811,383)
h. Net Change in Total Pension Liability	<u>391,094,365</u>
i. Total Pension Liability - Beginning	<u>3,345,515,259</u>
j. Total Pension Liability - Ending	<u>\$ 3,736,609,624</u>
2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ 174,526,198
b. Contributions - Employer (from State)	5,437,384
c. Contributions - Member	13,570,483
d. Net Investment Income	230,866,546
e. Benefit Payments	(170,465,766)
f. Contribution Refunds	(811,383)
g. Administrative Expense	(2,173,617)
h. Other	810,695
i. Net Change in Plan Fiduciary Net Position	<u>251,760,540</u>
j. Plan Fiduciary Net Position - Beginning	<u>1,513,398,466</u>
k. Plan Fiduciary Net Position - Ending	<u>\$ 1,765,159,006</u>
3. Net Pension Liability / (Asset)	1,971,450,618
Certain Key Assumptions	
Valuation Date	10/01/2017
Measurement Date	09/30/2017
Investment Return Assumption	7.00%
Mortality Table	FRS Mortality Rates from 7/1/16 FRS Valuation

**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	\$ 97,332,297
b. Interest	241,035,640
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	-
e. Assumption Changes	-
f. Benefit Payments	(170,465,766)
g. Contribution Refunds	(811,383)
h. Net Change in Total Pension Liability	167,090,788
i. Total Pension Liability - Beginning	4,807,974,546
j. Total Pension Liability - Ending	\$ 4,975,065,334
 2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ 174,526,198
b. Contributions - Employer (from State)	5,437,384
c. Contributions - Member	13,570,483
d. Net Investment Income	230,866,546
e. Benefit Payments	(170,465,766)
f. Contribution Refunds	(811,383)
g. Administrative Expense	(2,173,617)
h. Other	810,695
i. Net Change in Plan Fiduciary Net Position	251,760,540
j. Plan Fiduciary Net Position - Beginning	1,513,398,466
k. Plan Fiduciary Net Position - Ending	\$ 1,765,159,006
 3. Net Pension Liability / (Asset)	3,209,906,328
 Certain Key Assumptions	
Valuation Date	10/01/2017
Measurement Date	09/30/2017
Investment Return Assumption	5.00%
Mortality Table	FRS Mortality Rates from 7/1/16 FRS Valuation

Asset and Benefit Payment Projection
Not Reflecting Any Contributions from the Employer, State or Employee
Using Assumptions from the Latest Actuarial Valuation

FYE	Market Value of Assets (BOY)	Expected Investment Return	Projected Benefit Payments	Market Value of Assets (EOY)
2018	1,765,159,006	117,345,163	177,599,080	1,704,905,089
2019	1,704,905,089	112,848,311	185,572,715	1,632,180,685
2020	1,632,180,685	107,359,956	196,934,044	1,542,606,597
2021	1,542,606,597	100,715,977	207,613,849	1,435,708,725
2022	1,435,708,725	92,967,102	215,214,543	1,313,461,284
2023	1,313,461,284	84,043,123	225,690,475	1,171,813,932
2024	1,171,813,932	73,858,079	233,397,029	1,012,274,983
2025	1,012,274,983	62,481,510	239,363,976	835,392,516
2026	835,392,516	49,840,107	246,781,984	638,450,639
2027	638,450,639	35,818,919	253,503,604	420,765,953
2028	420,765,953	20,328,795	260,709,200	180,385,548
2029	180,385,548	3,270,348	267,332,579	-
2030	-	-	275,052,713	-
2031	-	-	279,115,050	-
2032	-	-	284,522,553	-
2033	-	-	287,945,063	-
2034	-	-	291,583,907	-
2035	-	-	294,944,441	-
2036	-	-	295,918,832	-
2037	-	-	295,776,613	-
2038	-	-	296,066,870	-
2039	-	-	295,948,025	-
2040	-	-	295,359,487	-
2041	-	-	293,821,032	-
2042	-	-	291,840,941	-
2043	-	-	289,428,332	-

Number of years for which current market value of assets are 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:** 11.67

Certain Key Assumptions

Valuation Investment return assumption 7.00%
 Valuation Mortality Table FRS Mortality Rates from 7/1/16 FRS Valuation

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	1,765,159,006	117,345,163	177,599,080	1,704,905,089
2019	1,704,905,089	112,848,311	185,572,715	1,632,180,685
2020	1,632,180,685	107,359,956	196,934,044	1,542,606,597
2021	1,542,606,597	100,715,977	207,613,849	1,435,708,725
2022	1,435,708,725	92,967,102	215,214,543	1,313,461,284
2023	1,313,461,284	84,043,123	225,690,475	1,171,813,932
2024	1,171,813,932	73,858,079	233,397,029	1,012,274,983
2025	1,012,274,983	62,481,510	239,363,976	835,392,516
2026	835,392,516	49,840,107	246,781,984	638,450,639
2027	638,450,639	35,818,919	253,503,604	420,765,953
2028	420,765,953	20,328,795	260,709,200	180,385,548
2029	180,385,548	3,270,348	267,332,579	-
2030	-	-	275,052,713	-
2031	-	-	279,115,050	-
2032	-	-	284,522,553	-
2033	-	-	287,945,063	-
2034	-	-	291,583,907	-
2035	-	-	294,944,441	-
2036	-	-	295,918,832	-
2037	-	-	295,776,613	-
2038	-	-	296,066,870	-
2039	-	-	295,948,025	-
2040	-	-	295,359,487	-
2041	-	-	293,821,032	-
2042	-	-	291,840,941	-
2043	-	-	289,428,332	-

Number of years for which current market value of assets are 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: 11.67

Certain Key Assumptions

Valuation Investment return assumption 7.00%
 Valuation Mortality Table FRS Mortality Rates from 7/1/16 FRS Valuation

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	1,765,159,006	83,817,973	177,599,080	1,671,377,899
2019	1,671,377,899	78,929,577	185,572,715	1,564,734,761
2020	1,564,734,761	73,313,387	196,934,044	1,441,114,104
2021	1,441,114,104	66,865,359	207,613,849	1,300,365,614
2022	1,300,365,614	59,637,917	215,214,543	1,144,788,988
2023	1,144,788,988	51,597,188	225,690,475	970,695,701
2024	970,695,701	42,699,859	233,397,029	779,998,531
2025	779,998,531	33,015,827	239,363,976	573,650,383
2026	573,650,383	22,512,970	246,781,984	349,381,368
2027	349,381,368	11,131,478	253,503,604	107,009,242
2028	107,009,242	-	260,709,200	-
2029	-	-	267,332,579	-
2030	-	-	275,052,713	-
2031	-	-	279,115,050	-
2032	-	-	284,522,553	-
2033	-	-	287,945,063	-
2034	-	-	291,583,907	-
2035	-	-	294,944,441	-
2036	-	-	295,918,832	-
2037	-	-	295,776,613	-
2038	-	-	296,066,870	-
2039	-	-	295,948,025	-
2040	-	-	295,359,487	-
2041	-	-	293,821,032	-
2042	-	-	291,840,941	-
2043	-	-	289,428,332	-

Number of years for which current market value of assets are 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: 10.42

Certain Key Assumptions

Valuation Investment return assumption 5.00%
 Valuation Mortality Table FRS Mortality Rates from 7/1/16 FRS Valuation

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
A. Valuation Date	October 1, 2017	October 1, 2017	October 1, 2017
B. Actuarial Determined Contribution (ADC) to Be Paid During Fiscal Year Ending	9/30/2019	9/30/2019	9/30/2019
C. Assumed Date of Employer Contributions	12/1/2018	12/1/2018	12/1/2018
D. Expected Covered Payroll for the Year Beginning on the Valuation Date	\$ 149,489,571	\$ 149,489,571	\$ 149,489,571
E. Annual Payment to Amortize the Unfunded Actuarial Liability	78,162,211	78,162,211	101,274,964
F. Employer Normal Cost	54,693,160	54,693,160	101,678,311
G. ADC if Paid on the Valuation Date	132,855,371	132,855,371	202,953,275
H. Contributions from Court Fines	759,291	759,291	759,291
I. City Contribution if Paid on the Valuation Date as % of Covered Payroll	132,096,080 88.36 %	132,096,080 88.36 %	202,193,984 135.26 %
J. Assumed Rate of Increase in Covered Payroll to Contribution Year	1.25 %	1.25 %	1.25 %
K. Covered Payroll for Contribution Year	151,358,191	151,358,191	151,358,191
L. City Contribution for Contribution Year*	135,264,010	135,264,010	206,392,928
M. Expected Member Contribution in Contribution Year	15,832,239	15,832,239	15,832,239
N. Expected Court Fines in Contribution Year	759,291	759,291	759,291
O. Total Contributions (from All Sources) in Contribution Year	151,855,540	151,855,540	222,984,458
P. Total Contributions as % of Covered Payroll in Contribution Year	100.33 %	100.33 %	147.32 %
Q. Certain Key Assumptions			
Investment Return Assumption	7.00%	7.00%	5.00%
Mortality Table	FRS Mortality Rates from 7/1/16 FRS Valuation	FRS Mortality Rates from 7/1/16 FRS Valuation	FRS Mortality Rates from 7/1/16 FRS Valuation

* Adjusted for frequency of payments (from October 1, 2018 to December 1, 2018)