



Gabriel Roeder Smith & Company
Consultants & Actuaries

One East Broward Blvd.
Suite 505
Ft. Lauderdale, FL 33301-1804

954.527.1616 phone
954.525.0083 fax
www.gabrielroeder.com

BOD
8-11-15

June 26, 2015

Ms. Barbara LaDue
Pension Administrator
Renaissance Executive Suites
1500 Gateway Blvd., #220
Boynton Beach, FL 33426

Re: City of Boynton Beach Municipal Police Officers' Retirement Fund

Dear Barbara:

Enclosed is the **REVISED** Chapter 112.664, Florida Statutes Compliance Report for the City of Boynton Beach Municipal Police Officers' Retirement Fund in connection with the October 1, 2014 Funding Actuarial Valuation Report and the Plan's Financial Reporting for the Year Ending September 30, 2014.

This report has been revised after receiving recent guidance from the Division of Retirement that the benefit payment projection should be based only on benefits accrued through the valuation date.

A link to this report, as well as links to the October 1, 2014 Actuarial Valuation Report and the Plan's financial statement, will need to be placed on the City's website since the Pension Plan does not have its own website. The investment consultant will also need to provide certain information to be included on the City's website (the asset allocation and 5-year history of actual versus assumed investment returns).

We welcome your questions and comments.

Sincerely yours,

Peter N. Strong, FSA
Senior Consultant and Actuary

PS/ib
Enclosure

CITY OF BOYNTON BEACH MUNICIPAL POLICE OFFICERS' RETIREMENT FUND
Chapter 112.664, F.S. Compliance Report
In Connection with the October 1, 2014 Funding Actuarial Valuation Report
And the Plan's Financial Reporting for the Year Ending September 30, 2014

June 26, 2015

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, 2014. 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, 2014 actuarial valuation report. This report is also based on the Plan Provisions, census data, and financial information as summarized in our October 1, 2014 actuarial valuation report. Please refer to the October 1, 2014 actuarial valuation report, dated March 6, 2015, 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.

The undersigned 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
Peter N. Strong, FSA, FCA, MAAA
Enrolled Actuary No. 14-06975
Senior Consultant & Actuary

By Jeff Amrose
Jeffrey Amrose, MAAA
Enrolled Actuary No. 14-06599
Senior Consultant & Actuary

TABLE OF CONTENTS

<u>Title</u>	<u>Page</u>
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
4. Using the mandated mortality and funding interest rate +2%	4
Assets Versus Benefit Payments Projections	
1. Using funding assumptions	5
2. Using assumptions prescribed in Section 112.664(1)(a), F.S.	6
3. Using assumptions prescribed in Section 112.664(1)(b), F.S.	7
4. Using the mandated mortality and funding interest rate +2%	8
Actuarially Determined Contribution	9

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,

1. Total pension liability

	2014
a. Service Cost	\$ 2,809,815
b. Interest	8,234,704
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	126,019
e. Assumption Changes	-
f. Benefit Payments	(5,477,189)
g. Contribution Refunds	(42,665)
h. Net Change in Total Pension Liability	5,650,684
i. Total Pension Liability - Beginning	106,132,387
j. Total Pension Liability - Ending	\$ 111,783,071

2. Plan Fiduciary Net Position

a. Contributions - Employer	\$ 4,159,736
b. Contributions - Non-Employer Contributing Entity	645,579
c. Contributions - Member	911,375
d. Net Investment Income	7,154,203
e. Benefit Payments	(5,477,189)
f. Contribution Refunds	(42,665)
g. Administrative Expense	(125,126)
h. Other	28,186
i. Net Change in Plan Fiduciary Net Position	7,254,099
j. Plan Fiduciary Net Position - Beginning	69,027,966
k. Plan Fiduciary Net Position - Ending	\$ 76,282,065

3. Net Pension Liability / (Asset) 35,501,006

Certain Key Assumptions

Valuation Date	10/01/2013
Measurement Date	09/30/2014
Investment Return Assumption	7.75%
Mortality Table	40% 83GAM, 60% RP2000 fully generational using Scale AA

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

Fiscal year ending September 30,

1. Total pension liability

	2014
a. Service Cost	\$ 2,862,517
b. Interest	8,368,982
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	126,019
e. Assumption Changes	-
f. Benefit Payments	(5,477,189)
g. Contribution Refunds	(42,665)
h. Net Change in Total Pension Liability	5,837,664
i. Total Pension Liability - Beginning	107,812,300
j. Total Pension Liability - Ending	\$ 113,649,964

2. Plan Fiduciary Net Position

a. Contributions - Employer	\$ 4,159,736
b. Contributions - Non-Employer Contributing Entity	645,579
c. Contributions - Member	911,375
d. Net Investment Income	7,154,203
e. Benefit Payments	(5,477,189)
f. Contribution Refunds	(42,665)
g. Administrative Expense	(125,126)
h. Other	28,186
i. Net Change in Plan Fiduciary Net Position	7,254,099
j. Plan Fiduciary Net Position - Beginning	69,027,966
k. Plan Fiduciary Net Position - Ending	\$ 76,282,065

3. Net Pension Liability / (Asset) 37,367,899

Certain Key Assumptions

Valuation Date	10/01/2013
Measurement Date	09/30/2014
Investment Return Assumption	7.75%
Mortality Table	RP-2000 fully generational using Scale AA

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

Fiscal year ending September 30,

1. Total pension liability

	2014
a. Service Cost	\$ 4,411,069
b. Interest	7,854,344
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	326,537
e. Assumption Changes	-
f. Benefit Payments	(5,477,189)
g. Contribution Refunds	(42,665)
h. Net Change in Total Pension Liability	7,072,096
i. Total Pension Liability - Beginning	134,874,171
j. Total Pension Liability - Ending	\$ 141,946,267

2. Plan Fiduciary Net Position

a. Contributions - Employer	\$ 4,159,736
b. Contributions - Non-Employer Contributing Entity	645,579
c. Contributions - Member	911,375
d. Net Investment Income	7,154,203
e. Benefit Payments	(5,477,189)
f. Contribution Refunds	(42,665)
g. Administrative Expense	(125,126)
h. Other	28,186
i. Net Change in Plan Fiduciary Net Position	7,254,099
j. Plan Fiduciary Net Position - Beginning	69,027,966
k. Plan Fiduciary Net Position - Ending	\$ 76,282,065

3. Net Pension Liability / (Asset) 65,664,202

Certain Key Assumptions

Valuation Date	10/01/2013
Measurement Date	09/30/2014
Investment Return Assumption	5.75%
Mortality Table	RP-2000 fully generational using Scale AA

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,

	2014
1. Total pension liability	
a. Service Cost	\$ 1,918,768
b. Interest	8,601,421
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	(74,499)
e. Assumption Changes	-
f. Benefit Payments	(5,477,189)
g. Contribution Refunds	(42,665)
h. Net Change in Total Pension Liability	4,925,836
i. Total Pension Liability - Beginning	88,988,891
j. Total Pension Liability - Ending	<u>\$ 93,914,727</u>

2. Plan Fiduciary Net Position

a. Contributions - Employer	\$ 4,159,736
b. Contributions - Non-Employer Contributing Entity	645,579
c. Contributions - Member	911,375
d. Net Investment Income	7,154,203
e. Benefit Payments	(5,477,189)
f. Contribution Refunds	(42,665)
g. Administrative Expense	(125,126)
h. Other	28,186
i. Net Change in Plan Fiduciary Net Position	7,254,099
j. Plan Fiduciary Net Position - Beginning	69,027,966
k. Plan Fiduciary Net Position - Ending	<u>\$ 76,282,065</u>

3. Net Pension Liability / (Asset) 17,632,662

Certain Key Assumptions

Valuation Date	10/01/2013
Measurement Date	09/30/2014
Investment Return Assumption	9.75%
Mortality Table	RP-2000 fully generational using Scale AA

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

FYE	Market Value of Assets (BOY)	Expected Investment Return	Projected Benefit Payments	Market Value of Assets (EOY)
2015	65,652,095	4,884,563	5,250,941	65,285,717
2016	65,285,717	4,853,511	5,319,534	64,819,695
2017	64,819,695	4,808,376	5,552,269	64,075,802
2018	64,075,802	4,738,610	5,864,900	62,949,512
2019	62,949,512	4,642,321	6,097,190	61,494,643
2020	61,494,643	4,517,671	6,404,228	59,608,086
2021	59,608,086	4,362,613	6,632,617	57,338,082
2022	57,338,082	4,174,844	6,938,259	54,574,667
2023	54,574,667	3,950,960	7,189,081	51,336,546
2024	51,336,546	3,689,946	7,448,676	47,577,817
2025	47,577,817	3,384,126	7,823,352	43,138,591
2026	43,138,591	3,032,039	8,031,018	38,139,612
2027	38,139,612	2,633,954	8,306,206	32,467,360
2028	32,467,360	2,191,153	8,388,833	26,269,680
2029	26,269,680	1,705,838	8,517,736	19,457,782
2030	19,457,782	1,176,435	8,555,939	12,078,279
2031	12,078,279	605,324	8,535,282	4,148,322
2032	4,148,322	-	8,527,005	-
2033	-	-	8,481,694	-
2034	-	-	8,423,082	-
2035	-	-	8,294,791	-
2036	-	-	8,179,990	-
2037	-	-	8,032,333	-
2038	-	-	7,876,251	-
2039	-	-	7,707,739	-
2040	-	-	7,530,138	-

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:

17.50

Certain Key Assumptions

Valuation Investment return assumption

7.75%

Valuation Mortality Table

20% 83GAM, 80% RP2000 fully generational using Scale AA

Note: As required in Section 112.664(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)
2015	65,652,095	4,884,545	5,251,427	65,285,213
2016	65,285,213	4,853,382	5,321,862	64,816,733
2017	64,816,733	4,807,974	5,556,717	64,067,990
2018	64,067,990	4,737,741	5,871,690	62,934,041
2019	62,934,041	4,640,761	6,106,504	61,468,298
2020	61,468,298	4,515,159	6,416,375	59,567,082
2021	59,567,082	4,358,840	6,647,983	57,277,939
2022	57,277,939	4,169,442	6,957,363	54,490,019
2023	54,490,019	3,943,493	7,212,470	51,221,042
2024	51,221,042	3,679,922	7,476,357	47,424,606
2025	47,424,606	3,370,962	7,856,635	42,938,933
2026	42,938,933	3,015,078	8,069,396	37,884,616
2027	37,884,616	2,612,459	8,350,938	32,146,136
2028	32,146,136	2,164,258	8,440,448	25,869,946
2029	25,869,946	1,672,589	8,576,316	18,966,218
2030	18,966,218	1,135,781	8,621,957	11,480,043
2031	11,480,043	556,121	8,608,565	3,427,599
2032	3,427,599	-	8,608,570	-
2033	-	-	8,571,182	-
2034	-	-	8,521,046	-
2035	-	-	8,402,300	-
2036	-	-	8,296,166	-
2037	-	-	8,158,024	-
2038	-	-	8,010,821	-
2039	-	-	7,851,887	-
2040	-	-	7,683,466	-

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:

17.42

Certain Key Assumptions

Valuation Investment return assumption

7.75%

Valuation Mortality Table

RP-2000 fully generational using Scale AA

Note: As required in Section 112.664(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)
2015	65,652,095	3,624,017	5,251,427	64,024,685
2016	64,024,685	3,528,416	5,321,862	62,231,239
2017	62,231,239	3,418,541	5,556,717	60,093,063
2018	60,093,063	3,286,540	5,871,690	57,507,912
2019	57,507,912	3,131,143	6,106,504	54,532,552
2020	54,532,552	2,951,151	6,416,375	51,067,328
2021	51,067,328	2,745,242	6,647,983	47,164,587
2022	47,164,587	2,511,940	6,957,363	42,719,164
2023	42,719,164	2,248,993	7,212,470	37,755,688
2024	37,755,688	1,956,007	7,476,357	32,235,337
2025	32,235,337	1,627,654	7,856,635	26,006,355
2026	26,006,355	1,263,370	8,069,396	19,200,330
2027	19,200,330	863,929	8,350,938	11,713,321
2028	11,713,321	430,853	8,440,448	3,703,725
2029	3,703,725	-	8,576,316	-
2030	-	-	8,621,957	-
2031	-	-	8,608,565	-
2032	-	-	8,608,570	-
2033	-	-	8,571,182	-
2034	-	-	8,521,046	-
2035	-	-	8,402,300	-
2036	-	-	8,296,166	-
2037	-	-	8,158,024	-
2038	-	-	8,010,821	-
2039	-	-	7,851,887	-
2040	-	-	7,683,466	-

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:**

14.42

Certain Key Assumptions

Valuation Investment return assumption

5.75%

Valuation Mortality Table

RP-2000 fully generational using Scale AA

Note: As required in Section 112.664(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)
2015	65,652,095	6,145,072	5,251,427	66,545,740
2016	66,545,740	6,228,769	5,321,862	67,452,647
2017	67,452,647	6,305,743	5,556,717	68,201,673
2018	68,201,673	6,363,418	5,871,690	68,693,402
2019	68,693,402	6,399,915	6,106,504	68,986,812
2020	68,986,812	6,413,416	6,416,375	68,983,854
2021	68,983,854	6,401,837	6,647,983	68,737,708
2022	68,737,708	6,362,755	6,957,363	68,143,100
2023	68,143,100	6,292,344	7,212,470	67,222,974
2024	67,222,974	6,189,768	7,476,357	65,936,385
2025	65,936,385	6,045,787	7,856,635	64,125,536
2026	64,125,536	5,858,857	8,069,396	61,914,997
2027	61,914,997	5,629,604	8,350,938	59,193,662
2028	59,193,662	5,359,910	8,440,448	56,113,124
2029	56,113,124	5,052,934	8,576,316	52,589,742
2030	52,589,742	4,707,179	8,621,957	48,674,964
2031	48,674,964	4,326,141	8,608,565	44,392,541
2032	44,392,541	3,908,605	8,608,570	39,692,576
2033	39,692,576	3,452,181	8,571,182	34,573,576
2034	34,573,576	2,955,523	8,521,046	29,008,053
2035	29,008,053	2,418,673	8,402,300	23,024,426
2036	23,024,426	1,840,443	8,296,166	16,568,703
2037	16,568,703	1,217,745	8,158,024	9,628,424
2038	9,628,424	548,244	8,010,821	2,165,847
2039	2,165,847	-	7,851,887	-
2040	-	-	7,683,466	-

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:**

24.25

Certain Key Assumptions

Valuation Investment return assumption

9.75%

Valuation Mortality Table

RP-2000 fully generational using Scale AA

Note: As required in Section 112.664(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, 2014	October 1, 2014	October 1, 2014	October 1, 2014
B. Actuarially Determined Contribution (ADC) to Be Paid During Fiscal Year Ending	9/30/2016	9/30/2016	9/30/2016	9/30/2016
C. Assumed Dates of Employer Contributions	10/1/2015	10/1/2015	10/1/2015	10/1/2015
D. Annual Payment to Amortize Unfunded Actuarial Liability	\$ 2,493,837	\$ 2,541,014	\$ 3,294,653	\$ 1,715,337
E. Employer Normal Cost	2,214,983	2,241,229	3,806,095	1,283,850
F. Employer ADC if Paid on Valuation Date: D + E	4,708,820	4,782,243	7,100,748	2,999,187
G. Employer ADC Adjusted for Frequency of Payments	4,708,820	4,782,243	7,100,748	2,999,187
H. Employer ADC Adjusted for Frequency of Payments as % of Covered Payroll	42.26 %	42.92 %	63.72 %	26.92 %
I. Assumed Rate of Increase in Covered Payroll to Contribution Year	N/A %	N/A %	N/A %	N/A %
J. Covered Payroll for Contribution Year *	11,491,698	11,491,698	11,491,698	11,491,698
K. Employer ADC for Contribution Year: H x J	4,856,392	4,932,237	7,322,510	3,093,565
L. Estimated State Revenue in Contribution Year	465,087	465,087	465,087	465,087
M. Net Employer ADC in Contribution Year	4,391,305	4,467,150	6,857,423	2,628,478
N. Net Employer ADC as % of Covered Payroll in Contribution Year: M ÷ J	38.21 %	38.87 %	59.67 %	22.87 %
O. Expected Member Contributions	804,419	804,419	804,419	804,419
P. Total Contribution (including Members)	5,660,811	5,736,656	8,126,929	3,897,984
Q. Total Contribution as % of Covered Payroll in Contribution Year: P ÷ J	49.26 %	49.92 %	70.72 %	33.92 %
R. Certain Key Assumptions				
Investment Return Assumption	7.75%	7.75%	5.75%	9.75%
Mortality Table	20% 83GAM, 80% RP2000 fully generational using Scale AA	RP-2000 fully generational using Scale AA	RP-2000 fully generational using Scale AA	RP-2000 fully generational using Scale AA

* Estimated payroll provided by the City.