

City of Boynton Beach Municipal Police Officers' Retirement Fund

Chapter 112.664, F.S. Compliance Report

In Connection with the October 1, 2016 Funding
Actuarial Valuation Report and the Plan's Financial
Reporting for the Year Ending September 30, 2016



June 22, 2017

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, 2016. 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, 2016 actuarial valuation report. This report is also based on the Plan Provisions, census data, and financial information as summarized in our October 1, 2016 actuarial valuation report. Please refer to the October 1, 2016 actuarial valuation report, dated April 7, 2017, 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.

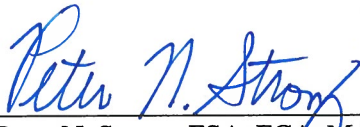
Peter N. Strong and Jeffrey Amrose are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein. The signing actuaries are independent of the plan sponsor.

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 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. 17-06975
Senior Consultant & Actuary

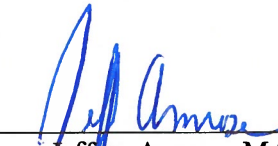
By 
Jeffrey Amrose, MAAA
Enrolled Actuary No. 17-06599
Senior Consultant & Actuary



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 assumptions from the Plan's latest Actuarial Valuation	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,

	2016
1. Total pension liability	
a. Service Cost	\$ 3,047,445
b. Interest	9,076,479
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	2,301,368
e. Assumption Changes	(565,994)
f. Benefit Payments	(6,169,099)
g. Contribution Refunds	(93,339)
h. Net Change in Total Pension Liability	7,596,860
i. Total Pension Liability - Beginning	116,958,988
j. Total Pension Liability - Ending	\$ 124,555,848
2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ 4,391,305
b. Contributions - Employer (From State)	735,945
c. Contributions - Non-Employer Contributing Entity	-
d. Contributions - Member	928,153
e. Net Investment Income	8,254,453
f. Benefit Payments	(6,169,099)
g. Contribution Refunds	(93,339)
h. Administrative Expense	(164,398)
i. Other	109,362
j. Net Change in Plan Fiduciary Net Position	7,992,382
k. Plan Fiduciary Net Position - Beginning	78,209,708
l. Plan Fiduciary Net Position - Ending	\$ 86,202,090
3. Net Pension Liability / (Asset)	38,353,758
Certain Key Assumptions	
Valuation Date	10/01/2015
Measurement Date	09/30/2016
Investment Return Assumption	7.75%
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,

1. Total pension liability

	2016
a. Service Cost	\$ 3,164,191
b. Interest	9,257,755
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	481,282
e. Assumption Changes	-
f. Benefit Payments	(6,169,099)
g. Contribution Refunds	(93,339)
h. Net Change in Total Pension Liability	6,640,790
i. Total Pension Liability - Beginning	119,181,288
j. Total Pension Liability - Ending	\$ 125,822,078

2. Plan Fiduciary Net Position

a. Contributions - Employer	\$ 4,391,305
b. Contributions - Employer (From State)	735,945
c. Contributions - Non-Employer Contributing Entity	-
d. Contributions - Member	928,153
e. Net Investment Income	8,254,453
f. Benefit Payments	(6,169,099)
g. Contribution Refunds	(93,339)
h. Administrative Expense	(164,398)
i. Other	109,362
j. Net Change in Plan Fiduciary Net Position	7,992,382
k. Plan Fiduciary Net Position - Beginning	78,209,708
l. Plan Fiduciary Net Position - Ending	\$ 86,202,090

3. Net Pension Liability / (Asset)

39,619,988

Certain Key Assumptions

Valuation Date	10/01/2015
Measurement Date	09/30/2016
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,	<u>2016</u>
1. Total pension liability	
a. Service Cost	\$ 4,855,210
b. Interest	8,626,445
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	481,282
e. Assumption Changes	-
f. Benefit Payments	(6,169,099)
g. Contribution Refunds	(93,339)
h. Net Change in Total Pension Liability	<u>7,700,499</u>
i. Total Pension Liability - Beginning	<u>148,060,506</u>
j. Total Pension Liability - Ending	<u><u>\$ 155,761,005</u></u>
2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ 4,391,305
b. Contributions - Employer (From State)	735,945
c. Contributions - Non-Employer Contributing Entity	-
d. Contributions - Member	928,153
e. Net Investment Income	8,254,453
f. Benefit Payments	(6,169,099)
g. Contribution Refunds	(93,339)
h. Administrative Expense	(164,398)
i. Other	109,362
j. Net Change in Plan Fiduciary Net Position	<u>7,992,382</u>
k. Plan Fiduciary Net Position - Beginning	<u>78,209,708</u>
l. Plan Fiduciary Net Position - Ending	<u><u>\$ 86,202,090</u></u>
3. Net Pension Liability / (Asset)	69,558,915
Certain Key Assumptions	
Valuation Date	10/01/2015
Measurement Date	09/30/2016
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,	<u>2016</u>
1. Total pension liability	
a. Service Cost	\$ 2,125,463
b. Interest	9,572,918
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	481,282
e. Assumption Changes	-
f. Benefit Payments	(6,169,099)
g. Contribution Refunds	(93,339)
h. Net Change in Total Pension Liability	<u>5,917,225</u>
i. Total Pension Liability - Beginning	<u>98,948,892</u>
j. Total Pension Liability - Ending	<u>\$ 104,866,117</u>
2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ 4,391,305
b. Contributions - Employer (From State)	735,945
c. Contributions - Non-Employer Contributing Entity	-
d. Contributions - Member	928,153
e. Net Investment Income	8,254,453
f. Benefit Payments	(6,169,099)
g. Contribution Refunds	(93,339)
h. Administrative Expense	(164,398)
i. Other	109,362
j. Net Change in Plan Fiduciary Net Position	<u>7,992,382</u>
k. Plan Fiduciary Net Position - Beginning	<u>78,209,708</u>
l. Plan Fiduciary Net Position - Ending	<u>\$ 86,202,090</u>
3. Net Pension Liability / (Asset)	18,664,027
Certain Key Assumptions	
Valuation Date	10/01/2015
Measurement Date	09/30/2016
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 Plan's most recent actuarial valuation

FYE	Market Value of Assets (BOY)	Expected Investment Return	Projected Benefit Payments	Market Value of Assets (EOY)
2017	73,386,776	5,279,830	5,978,081	72,688,525
2018	72,688,525	5,215,780	6,289,582	71,614,723
2019	71,614,723	5,129,346	6,446,886	70,297,183
2020	70,297,183	5,017,126	6,804,347	68,509,962
2021	68,509,962	4,874,535	7,032,314	66,352,183
2022	66,352,183	4,700,232	7,364,840	63,687,575
2023	63,687,575	4,490,611	7,625,532	60,552,654
2024	60,552,654	4,244,631	7,915,135	56,882,150
2025	56,882,150	3,955,019	8,297,127	52,540,042
2026	52,540,042	3,616,744	8,633,590	47,523,196
2027	47,523,196	3,228,067	8,964,602	41,786,661
2028	41,786,661	2,794,731	9,047,157	35,534,235
2029	35,534,235	2,319,439	9,216,752	28,636,922
2030	28,636,922	1,799,778	9,279,764	21,156,936
2031	21,156,936	1,238,563	9,285,520	13,109,979
2032	13,109,979	636,025	9,259,296	4,486,708
2033	4,486,708	-	9,248,535	-
2034	-	-	9,191,142	-
2035	-	-	9,071,366	-
2036	-	-	8,984,850	-
2037	-	-	8,849,903	-
2038	-	-	8,712,690	-
2039	-	-	8,552,713	-
2040	-	-	8,390,617	-
2041	-	-	8,218,864	-
2042	-	-	8,047,361	-

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:** 16.50

Certain Key Assumptions

Valuation Investment return assumption 7.50%
Valuation Mortality Table Florida Retirement System - Special Risk Mortality

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)
2017	73,386,776	5,279,830	5,978,081	72,688,525
2018	72,688,525	5,215,780	6,289,582	71,614,723
2019	71,614,723	5,129,346	6,446,886	70,297,183
2020	70,297,183	5,017,126	6,804,347	68,509,962
2021	68,509,962	4,874,535	7,032,314	66,352,183
2022	66,352,183	4,700,232	7,364,840	63,687,575
2023	63,687,575	4,490,611	7,625,532	60,552,654
2024	60,552,654	4,244,631	7,915,135	56,882,150
2025	56,882,150	3,955,019	8,297,127	52,540,042
2026	52,540,042	3,616,744	8,633,590	47,523,196
2027	47,523,196	3,228,067	8,964,602	41,786,661
2028	41,786,661	2,794,731	9,047,157	35,534,235
2029	35,534,235	2,319,439	9,216,752	28,636,922
2030	28,636,922	1,799,778	9,279,764	21,156,936
2031	21,156,936	1,238,563	9,285,520	13,109,979
2032	13,109,979	636,025	9,259,296	4,486,708
2033	4,486,708	-	9,248,535	-
2034	-	-	9,191,142	-
2035	-	-	9,071,366	-
2036	-	-	8,984,850	-
2037	-	-	8,849,903	-
2038	-	-	8,712,690	-
2039	-	-	8,552,713	-
2040	-	-	8,390,617	-
2041	-	-	8,218,864	-
2042	-	-	8,047,361	-

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**: 16.50

Certain Key Assumptions

Valuation Investment return assumption 7.50%
Valuation Mortality Table Florida Retirement System - Special Risk Mortality

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)
2017	73,386,776	3,871,875	5,978,081	71,280,570
2018	71,280,570	3,747,468	6,289,582	68,738,456
2019	68,738,456	3,603,326	6,446,886	65,894,896
2020	65,894,896	3,437,100	6,804,347	62,527,649
2021	62,527,649	3,245,632	7,032,314	58,740,967
2022	58,740,967	3,028,220	7,364,840	54,404,347
2023	54,404,347	2,782,537	7,625,532	49,561,352
2024	49,561,352	2,508,208	7,915,135	44,154,425
2025	44,154,425	2,200,322	8,297,127	38,057,620
2026	38,057,620	1,855,745	8,633,590	31,279,775
2027	31,279,775	1,473,861	8,964,602	23,789,034
2028	23,789,034	1,059,600	9,047,157	15,801,477
2029	15,801,477	615,621	9,216,752	7,200,346
2030	7,200,346	140,826	9,279,764	-
2031	-	-	9,285,520	-
2032	-	-	9,259,296	-
2033	-	-	9,248,535	-
2034	-	-	9,191,142	-
2035	-	-	9,071,366	-
2036	-	-	8,984,850	-
2037	-	-	8,849,903	-
2038	-	-	8,712,690	-
2039	-	-	8,552,713	-
2040	-	-	8,390,617	-
2041	-	-	8,218,864	-
2042	-	-	8,047,361	-

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**: 13.75

Certain Key Assumptions

Valuation Investment return assumption 5.50%
Valuation Mortality Table Florida Retirement System - Special Risk Mortality

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)
2017	73,386,776	6,687,785	5,978,081	74,096,480
2018	74,096,480	6,740,410	6,289,582	74,547,308
2019	74,547,308	6,775,767	6,446,886	74,876,189
2020	74,876,189	6,790,031	6,804,347	74,861,873
2021	74,861,873	6,777,843	7,032,314	74,607,402
2022	74,607,402	6,737,873	7,364,840	73,980,435
2023	73,980,435	6,665,929	7,625,532	73,020,832
2024	73,020,832	6,561,010	7,915,135	71,666,707
2025	71,666,707	6,414,224	8,297,127	69,783,804
2026	69,783,804	6,219,366	8,633,590	67,369,580
2027	67,369,580	5,974,292	8,964,602	64,379,270
2028	64,379,270	5,686,291	9,047,157	61,018,404
2029	61,018,404	5,358,953	9,216,752	57,160,605
2030	57,160,605	4,989,469	9,279,764	52,870,310
2031	52,870,310	4,581,617	9,285,520	48,166,407
2032	48,166,407	4,135,992	9,259,296	43,043,103
2033	43,043,103	3,649,789	9,248,535	37,444,357
2034	37,444,357	3,120,635	9,191,142	31,373,850
2035	31,373,850	2,549,626	9,071,366	24,852,110
2036	24,852,110	1,934,170	8,984,850	17,801,430
2037	17,801,430	1,270,765	8,849,903	10,222,292
2038	10,222,292	557,265	8,712,690	2,066,867
2039	2,066,867	-	8,552,713	-
2040	-	-	8,390,617	-
2041	-	-	8,218,864	-
2042	-	-	8,047,361	-

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:** 22.25

Certain Key Assumptions

Valuation Investment return assumption 9.50%
Valuation Mortality Table Florida Retirement System - Special Risk Mortality

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, 2016	October 1, 2016	October 1, 2016	October 1, 2016
B. Actuarially Determined Contribution (ADC) to Be Paid During Fiscal Year Ending	9/30/2018	9/30/2018	9/30/2018	9/30/2018
C. Assumed Dates of Employer Contributions	10/1/2017	10/1/2017	10/1/2017	10/1/2017
D. Annual Payment to Amortize Unfunded Actuarial Liability	\$ 3,304,156	\$ 3,304,156	\$ 4,512,364	\$ 2,074,962
E. Employer Normal Cost	2,415,066	2,415,066	4,075,730	1,407,449
F. Employer ADC if Paid on Valuation Date: D + E	5,719,222	5,719,222	8,588,094	3,482,411
G. Employer ADC Adjusted for Frequency of Payments	5,719,222	5,719,222	8,588,094	3,482,411
H. Employer ADC Adjusted for Frequency of Payments as % of Covered Payroll	51.64 %	51.64 %	77.54 %	31.44 %
I. Assumed Rate of Increase in Covered Payroll to Contribution Year	1.76 %	1.76 %	1.76 %	1.76 %
J. Covered Payroll for Contribution Year	11,270,614	11,270,614	11,270,614	11,270,614
K. Employer ADC for Contribution Year: H x J	5,820,145	5,820,145	8,739,234	3,543,481
L. Allowable Credit for State Revenue in Contribution Year*	465,087	465,087	465,087	465,087
M. Net Employer ADC in Contribution Year	5,355,058	5,355,058	8,274,147	3,078,394
N. Net Employer ADC as % of Covered Payroll in Contribution Year: M ÷ J	47.51 %	47.51 %	73.41 %	27.31 %
O. Expected Member Contribution	788,943	788,943	788,943	788,943
P. Total Contribution (Including Members) in Contribution Year	6,609,088	6,609,088	9,528,177	4,332,424
Q. Total Contribution as % of Covered Payroll in Contribution Year: P ÷ J	58.64 %	58.64 %	84.54 %	38.44 %
R. Certain Key Assumptions				
Investment Return Assumption	7.50%	7.50%	5.50%	9.50%
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