

Jacksonville Police and Fire Pension Fund

Chapter 112.664, F.S. Compliance Report
In Connection with the October 1, 2018 Funding Actuarial
Valuation Report and the Plan's Financial Reporting for the
Year Ending September 30, 2018



March 15, 2019

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, 2018. 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, 2018 actuarial valuation report. This report is also based on the Plan Provisions, census data, and financial information as summarized in our October 1, 2018 actuarial valuation report. Please refer to the October 1, 2018 actuarial valuation report, dated February 11, 2019, 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 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 
Peter N. Strong, FSA, FCA, MAAA
Enrolled Actuary No. 17-6975
Senior Consultant & Actuary

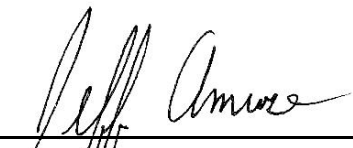
By 
Jeffrey Amrose, MAAA
Enrolled Actuary No. 17-6599
Senior Consultant & Actuary



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,	<u>2018</u>
1. Total Pension Liability	
a. Service Cost	\$ 60,154,158
b. Interest	259,433,546
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	8,132,052
e. Assumption Changes	-
f. Benefit Payments	(183,474,634)
g. Contribution Refunds	(782,240)
h. Net Change in Total Pension Liability	<u>143,462,882</u>
i. Total Pension Liability - Beginning	<u>3,736,609,624</u>
j. Total Pension Liability - Ending	<u>\$ 3,880,072,506</u>
2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ 115,690,989
b. Contributions - Employer (from Reserves)	20,000,000
c. Contributions - Member	16,636,624
d. Net Investment Income	149,052,986
e. Benefit Payments	(183,474,634)
f. Contribution Refunds	(782,240)
g. Administrative Expense	(2,137,969)
h. Other	857,986
i. Net Change in Plan Fiduciary Net Position	<u>115,843,742</u>
j. Plan Fiduciary Net Position - Beginning	<u>1,765,159,006</u>
k. Plan Fiduciary Net Position - Ending	<u>\$ 1,881,002,748</u>
3. Net Pension Liability / (Asset)	1,999,069,758
Certain Key Assumptions	
Valuation Date	10/01/2018
Measurement Date	09/30/2018
Investment Return Assumption	7.00%
Mortality Table	FRS Mortality Rates from 7/1/17 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>2018</u>
1. Total Pension Liability	
a. Service Cost	\$ 60,154,158
b. Interest	259,433,546
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	8,132,052
e. Assumption Changes	-
f. Benefit Payments	(183,474,634)
g. Contribution Refunds	(782,240)
h. Net Change in Total Pension Liability	<u>143,462,882</u>
i. Total Pension Liability - Beginning	<u>3,736,609,624</u>
j. Total Pension Liability - Ending	<u>\$ 3,880,072,506</u>
2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ 115,690,989
b. Contributions - Employer (from Reserves)	20,000,000
c. Contributions - Member	16,636,624
d. Net Investment Income	149,052,986
e. Benefit Payments	(183,474,634)
f. Contribution Refunds	(782,240)
g. Administrative Expense	(2,137,969)
h. Other	857,986
i. Net Change in Plan Fiduciary Net Position	<u>115,843,742</u>
j. Plan Fiduciary Net Position - Beginning	<u>1,765,159,006</u>
k. Plan Fiduciary Net Position - Ending	<u>\$ 1,881,002,748</u>
3. Net Pension Liability / (Asset)	1,999,069,758
Certain Key Assumptions	
Valuation Date	10/01/2018
Measurement Date	09/30/2018
Investment Return Assumption	7.00%
Mortality Table	FRS Mortality Rates from 7/1/17 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,	<u>2018</u>
1. Total Pension Liability	
a. Service Cost	\$ 107,139,309
b. Interest	249,559,995
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	10,472,353
e. Assumption Changes	-
f. Benefit Payments	(183,474,634)
g. Contribution Refunds	(782,240)
h. Net Change in Total Pension Liability	<u>182,914,783</u>
i. Total Pension Liability - Beginning	<u>4,975,065,334</u>
j. Total Pension Liability - Ending	<u>\$ 5,157,980,117</u>
2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ 115,690,989
b. Contributions - Employer (from Reserves)	20,000,000
c. Contributions - Member	16,636,624
d. Net Investment Income	149,052,986
e. Benefit Payments	(183,474,634)
f. Contribution Refunds	(782,240)
g. Administrative Expense	(2,137,969)
h. Other	857,986
i. Net Change in Plan Fiduciary Net Position	<u>115,843,742</u>
j. Plan Fiduciary Net Position - Beginning	<u>1,765,159,006</u>
k. Plan Fiduciary Net Position - Ending	<u>\$ 1,881,002,748</u>
3. Net Pension Liability / (Asset)	3,276,977,369
Certain Key Assumptions	
Valuation Date	10/01/2018
Measurement Date	09/30/2018
Investment Return Assumption	5.00%
Mortality Table	FRS Mortality Rates from 7/1/17 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)
2019	1,881,002,748	125,163,321	185,910,598	1,820,255,471
2020	1,820,255,471	120,528,229	196,847,253	1,743,936,448
2021	1,743,936,448	114,903,832	204,906,274	1,653,934,005
2022	1,653,934,005	108,128,525	218,481,592	1,543,580,938
2023	1,543,580,938	100,254,827	222,738,255	1,421,097,510
2024	1,421,097,510	91,272,261	234,416,136	1,277,953,635
2025	1,277,953,635	81,012,644	241,260,298	1,117,705,981
2026	1,117,705,981	69,496,369	249,801,427	937,400,922
2027	937,400,922	56,608,185	257,425,144	736,583,963
2028	736,583,963	42,272,640	265,378,205	513,478,398
2029	513,478,398	26,399,863	272,675,007	267,203,254
2030	267,203,254	8,850,509	281,534,818	-
2031	-	-	286,178,894	-
2032	-	-	292,349,247	-
2033	-	-	296,315,816	-
2034	-	-	300,473,010	-
2035	-	-	304,572,219	-
2036	-	-	305,901,134	-
2037	-	-	306,386,058	-
2038	-	-	306,888,264	-
2039	-	-	307,189,843	-
2040	-	-	307,164,205	-
2041	-	-	306,040,923	-
2042	-	-	304,647,360	-
2043	-	-	302,548,363	-
2044	-	-	299,895,368	-

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:** 11.92

Certain Key Assumptions

Valuation Investment return assumption	7.00%
Valuation Mortality Table	FRS Mortality Rates from 7/1/17 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)
2019	1,881,002,748	125,163,321	185,910,598	1,820,255,471
2020	1,820,255,471	120,528,229	196,847,253	1,743,936,448
2021	1,743,936,448	114,903,832	204,906,274	1,653,934,005
2022	1,653,934,005	108,128,525	218,481,592	1,543,580,938
2023	1,543,580,938	100,254,827	222,738,255	1,421,097,510
2024	1,421,097,510	91,272,261	234,416,136	1,277,953,635
2025	1,277,953,635	81,012,644	241,260,298	1,117,705,981
2026	1,117,705,981	69,496,369	249,801,427	937,400,922
2027	937,400,922	56,608,185	257,425,144	736,583,963
2028	736,583,963	42,272,640	265,378,205	513,478,398
2029	513,478,398	26,399,863	272,675,007	267,203,254
2030	267,203,254	8,850,509	281,534,818	-
2031	-	-	286,178,894	-
2032	-	-	292,349,247	-
2033	-	-	296,315,816	-
2034	-	-	300,473,010	-
2035	-	-	304,572,219	-
2036	-	-	305,901,134	-
2037	-	-	306,386,058	-
2038	-	-	306,888,264	-
2039	-	-	307,189,843	-
2040	-	-	307,164,205	-
2041	-	-	306,040,923	-
2042	-	-	304,647,360	-
2043	-	-	302,548,363	-
2044	-	-	299,895,368	-

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:** 11.92

Certain Key Assumptions

Valuation Investment return assumption	7.00%
Valuation Mortality Table	FRS Mortality Rates from 7/1/17 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)
2019	1,881,002,748	89,402,372	185,910,598	1,784,494,522
2020	1,784,494,522	84,303,545	196,847,253	1,671,950,814
2021	1,671,950,814	78,474,884	204,906,274	1,545,519,424
2022	1,545,519,424	71,813,931	218,481,592	1,398,851,764
2023	1,398,851,764	64,374,132	222,738,255	1,240,487,640
2024	1,240,487,640	56,163,979	234,416,136	1,062,235,483
2025	1,062,235,483	47,080,267	241,260,298	868,055,452
2026	868,055,452	37,157,737	249,801,427	655,411,762
2027	655,411,762	26,334,959	257,425,144	424,321,577
2028	424,321,577	14,581,624	265,378,205	173,524,996
2029	173,524,996	1,859,375	272,675,007	-
2030	-	-	281,534,818	-
2031	-	-	286,178,894	-
2032	-	-	292,349,247	-
2033	-	-	296,315,816	-
2034	-	-	300,473,010	-
2035	-	-	304,572,219	-
2036	-	-	305,901,134	-
2037	-	-	306,386,058	-
2038	-	-	306,888,264	-
2039	-	-	307,189,843	-
2040	-	-	307,164,205	-
2041	-	-	306,040,923	-
2042	-	-	304,647,360	-
2043	-	-	302,548,363	-
2044	-	-	299,895,368	-

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: 10.58

Certain Key Assumptions

Valuation Investment return assumption	5.00%
Valuation Mortality Table	FRS Mortality Rates from 7/1/17 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, 2018	October 1, 2018	October 1, 2018
B. Actuarial Determined Contribution (ADC) to Be Paid During Fiscal Year Ending	9/30/2020	9/30/2020	9/30/2020
C. Assumed Date of Employer Contributions	12/1/2019	12/1/2019	12/1/2019
D. Expected Covered Payroll for the Year Beginning on the Valuation Date	\$ 162,003,561	\$ 162,003,561	\$ 162,003,561
E. Annual Payment to Amortize the Unfunded Actuarial Liability	78,785,998	78,785,998	104,642,714
F. Employer Normal Cost	58,996,678	58,996,678	109,994,189
G. ADC if Paid on the Valuation Date	137,782,676	137,782,676	214,636,903
H. Contributions from Court Fines	775,741	775,741	775,741
I. City Contribution if Paid on the Valuation Date as % of Covered Payroll	137,006,935 84.57 %	137,006,935 84.57 %	213,861,162 132.01 %
J. Assumed Rate of Increase in Covered Payroll to Contribution Year	1.25 %	1.25 %	1.25 %
K. Covered Payroll for Contribution Year	164,028,606	164,028,606	164,028,606
L. City Contribution for Contribution Year*	140,292,637	140,292,637	218,302,397
M. Expected Member Contribution in Contribution Year	17,082,176	17,082,176	17,082,176
N. Expected Court Fines in Contribution Year	775,741	775,741	775,741
O. Total Contributions (from All Sources) in Contribution Year	158,150,554	158,150,554	236,160,314
P. Total Contributions as % of Covered Payroll in Contribution Year	96.42 %	96.42 %	143.98 %
Q. Certain Key Assumptions			
Investment Return Assumption	7.00%	7.00%	5.00%
Mortality Table	FRS Mortality Rates from 7/1/17 FRS Valuation	FRS Mortality Rates from 7/1/17 FRS Valuation	FRS Mortality Rates from 7/1/17 FRS Valuation

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