

CITY OF BOYNTON BEACH PENSION PLAN FOR GENERAL EMPLOYEES

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 9, 2017

Board of Trustees
City of Boynton Beach Pension Plan
For General Employees
Boynton Beach, Florida

Dear Board Members:

Gabriel, Roeder, Smith & Company (GRS) has been engaged by the City of Boynton Beach Pension Plan for General Employees (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 Plan only in its entirety and only with the permission of the Board. GRS is not responsible for unauthorized use of this report.

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 Plan Administrator 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 Plan Administrator.

Except as otherwise indicated as required for the disclosures contained herein, this report was prepared using certain assumptions selected by the Board and prescribed by the Florida Statutes 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 May 18, 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 complete 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, MAAA, FCA
Enrolled Actuary No. 17-6975
Senior Consultant & Actuary

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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,

1. Total pension liability

	2016
a. Service Cost	\$ 2,990,326
b. Interest	12,699,614
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	(4,854,715)
e. Assumption Changes	-
f. Benefit Payments	(8,304,937)
g. Contribution Refunds	(211,319)
h. Net Change in Total Pension Liability	2,318,969
i. Total Pension Liability - Beginning	170,595,985
j. Total Pension Liability - Ending	\$ 172,914,954

2. Plan Fiduciary Net Position

a. Contributions - Employer	\$ 7,615,053
b. Contributions - State	-
c. Contributions - Member	1,450,369
d. Net Investment Income	16,354,236
e. Benefit Payments	(8,304,937)
f. Contribution Refunds	(211,319)
g. Administrative Expense	(141,114)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	16,762,288
j. Plan Fiduciary Net Position - Beginning	132,863,087
k. Plan Fiduciary Net Position - Ending	\$ 149,625,375

3. Net Pension Liability / (Asset) 23,289,579

Certain Key Assumptions

Valuation Date	10/01/2015
Measurement Date	09/30/2016
Investment Return Assumption	7.50%
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)(a), F.S.

Fiscal year ending September 30,

1. Total pension liability

	2016
a. Service Cost	\$ 2,990,326
b. Interest	12,699,614
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	(4,854,715)
e. Assumption Changes	-
f. Benefit Payments	(8,304,937)
g. Contribution Refunds	(211,319)
h. Net Change in Total Pension Liability	2,318,969
i. Total Pension Liability - Beginning	170,595,985
j. Total Pension Liability - Ending	\$ 172,914,954

2. Plan Fiduciary Net Position

a. Contributions - Employer	\$ 7,615,053
b. Contributions - State	-
c. Contributions - Member	1,450,369
d. Net Investment Income	16,354,236
e. Benefit Payments	(8,304,937)
f. Contribution Refunds	(211,319)
g. Administrative Expense	(141,114)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	16,762,288
j. Plan Fiduciary Net Position - Beginning	132,863,087
k. Plan Fiduciary Net Position - Ending	\$ 149,625,375

3. Net Pension Liability / (Asset) 23,289,579

Certain Key Assumptions

Valuation Date	10/01/2015
Measurement Date	09/30/2016
Investment Return Assumption	7.50%
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

	2016
a. Service Cost	\$ 4,635,813
b. Interest	11,202,406
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	36,826
e. Assumption Changes	-
f. Benefit Payments	(8,304,937)
g. Contribution Refunds	(211,319)
h. Net Change in Total Pension Liability	7,358,789
i. Total Pension Liability - Beginning	203,302,433
j. Total Pension Liability - Ending	\$ 210,661,222

2. Plan Fiduciary Net Position

a. Contributions - Employer	\$ 7,615,053
b. Contributions - State	-
c. Contributions - Member	1,450,369
d. Net Investment Income	16,354,236
e. Benefit Payments	(8,304,937)
f. Contribution Refunds	(211,319)
g. Administrative Expense	(141,114)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	16,762,288
j. Plan Fiduciary Net Position - Beginning	132,863,087
k. Plan Fiduciary Net Position - Ending	\$ 149,625,375

3. Net Pension Liability / (Asset) 61,035,847

Certain Key Assumptions

Valuation Date	10/01/2015
Measurement Date	09/30/2016
Investment Return Assumption	5.50%
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,

1. Total pension liability

	2016
a. Service Cost	\$ 2,018,566
b. Interest	13,000,316
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	36,826
e. Assumption Changes	-
f. Benefit Payments	(8,304,937)
g. Contribution Refunds	(211,319)
h. Net Change in Total Pension Liability	6,539,452
i. Total Pension Liability - Beginning	139,084,996
j. Total Pension Liability - Ending	\$ 145,624,448

2. Plan Fiduciary Net Position

a. Contributions - Employer	\$ 7,615,053
b. Contributions - State	-
c. Contributions - Member	1,450,369
d. Net Investment Income	16,354,236
e. Benefit Payments	(8,304,937)
f. Contribution Refunds	(211,319)
g. Administrative Expense	(141,114)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	16,762,288
j. Plan Fiduciary Net Position - Beginning	132,863,087
k. Plan Fiduciary Net Position - Ending	\$ 149,625,375

3. Net Pension Liability / (Asset) (4,000,927)

Certain Key Assumptions

Valuation Date	10/01/2015
Measurement Date	09/30/2016
Investment Return Assumption	9.50%
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)
2017	138,100,434	9,827,264	10,599,129	137,328,569
2018	137,328,569	9,751,876	11,092,920	135,987,525
2019	135,987,525	9,639,905	11,437,082	134,190,348
2020	134,190,348	9,495,671	11,740,929	131,945,090
2021	131,945,090	9,322,286	11,936,513	129,330,863
2022	129,330,863	9,112,419	12,380,131	126,063,151
2023	126,063,151	8,865,584	12,515,913	122,412,822
2024	122,412,822	8,587,330	12,735,650	118,264,502
2025	118,264,502	8,278,699	12,780,384	113,762,817
2026	113,762,817	7,936,370	13,029,140	108,670,047
2027	108,670,047	7,555,347	13,141,520	103,083,874
2028	103,083,874	7,139,613	13,205,230	97,018,257
2029	97,018,257	6,690,137	13,222,006	90,486,388
2030	90,486,388	6,210,583	13,119,189	83,577,782
2031	83,577,782	5,703,456	13,008,099	76,273,139
2032	76,273,139	5,167,230	12,891,421	68,548,948
2033	68,548,948	4,602,123	12,716,198	60,434,873
2034	60,434,873	4,009,273	12,511,003	51,933,143
2035	51,933,143	3,387,521	12,311,654	43,009,010
2036	43,009,010	2,736,693	12,053,345	33,692,358
2037	33,692,358	2,056,689	11,798,531	23,950,516
2038	23,950,516	1,344,827	11,554,345	13,740,998
2039	13,740,998	600,208	11,260,158	3,081,048
2040	3,081,048	-	10,933,481	-
2041	-	-	10,640,583	-
2042	-	-	10,317,274	-

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:**

23.25

Certain Key Assumptions

Valuation Investment Return Assumption

7.40%

Valuation Mortality Table

FRS Mortality - Regular Class

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	138,100,434	9,827,264	10,599,129	137,328,569
2018	137,328,569	9,751,876	11,092,920	135,987,525
2019	135,987,525	9,639,905	11,437,082	134,190,348
2020	134,190,348	9,495,671	11,740,929	131,945,090
2021	131,945,090	9,322,286	11,936,513	129,330,863
2022	129,330,863	9,112,419	12,380,131	126,063,151
2023	126,063,151	8,865,584	12,515,913	122,412,822
2024	122,412,822	8,587,330	12,735,650	118,264,502
2025	118,264,502	8,278,699	12,780,384	113,762,817
2026	113,762,817	7,936,370	13,029,140	108,670,047
2027	108,670,047	7,555,347	13,141,520	103,083,874
2028	103,083,874	7,139,613	13,205,230	97,018,257
2029	97,018,257	6,690,137	13,222,006	90,486,388
2030	90,486,388	6,210,583	13,119,189	83,577,782
2031	83,577,782	5,703,456	13,008,099	76,273,139
2032	76,273,139	5,167,230	12,891,421	68,548,948
2033	68,548,948	4,602,123	12,716,198	60,434,873
2034	60,434,873	4,009,273	12,511,003	51,933,143
2035	51,933,143	3,387,521	12,311,654	43,009,010
2036	43,009,010	2,736,693	12,053,345	33,692,358
2037	33,692,358	2,056,689	11,798,531	23,950,516
2038	23,950,516	1,344,827	11,554,345	13,740,998
2039	13,740,998	600,208	11,260,158	3,081,048
2040	3,081,048	-	10,933,481	-
2041	-	-	10,640,583	-
2042	-	-	10,317,274	-

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:**

23.25

Certain Key Assumptions

Valuation Investment Return Assumption

7.40%

Valuation Mortality Table

FRS Mortality - Regular Class

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	138,100,434	7,171,247	10,599,129	134,672,552
2018	134,672,552	6,972,809	11,092,920	130,552,441
2019	130,552,441	6,741,031	11,437,082	125,856,390
2020	125,856,390	6,479,240	11,740,929	120,594,701
2021	120,594,701	6,189,828	11,936,513	114,848,016
2022	114,848,016	5,867,529	12,380,131	108,335,414
2023	108,335,414	5,512,183	12,515,913	101,331,684
2024	101,331,684	5,128,048	12,735,650	93,724,082
2025	93,724,082	4,716,030	12,780,384	85,659,728
2026	85,659,728	4,273,839	13,029,140	76,904,427
2027	76,904,427	3,798,018	13,141,520	67,560,925
2028	67,560,925	3,291,749	13,205,230	57,647,444
2029	57,647,444	2,755,968	13,222,006	47,181,406
2030	47,181,406	2,193,578	13,119,189	36,255,795
2031	36,255,795	1,606,594	13,008,099	24,854,290
2032	24,854,290	994,063	12,891,421	12,956,932
2033	12,956,932	356,337	12,716,198	597,071
2034	597,071	-	12,511,003	-
2035	-	-	12,311,654	-
2036	-	-	12,053,345	-
2037	-	-	11,798,531	-
2038	-	-	11,554,345	-
2039	-	-	11,260,158	-
2040	-	-	10,933,481	-
2041	-	-	10,640,583	-
2042	-	-	10,317,274	-

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

5.40%

Valuation Mortality Table

FRS Mortality - Regular Class

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	138,100,434	12,483,282	10,599,129	139,984,587
2018	139,984,587	12,637,184	11,092,920	141,528,851
2019	141,528,851	12,766,169	11,437,082	142,857,938
2020	142,857,938	12,876,823	11,740,929	143,993,832
2021	143,993,832	12,974,404	11,936,513	145,031,723
2022	145,031,723	13,051,116	12,380,131	145,702,708
2023	145,702,708	13,107,807	12,515,913	146,294,602
2024	146,294,602	13,153,117	12,735,650	146,712,069
2025	146,712,069	13,190,256	12,780,384	147,121,941
2026	147,121,941	13,217,093	13,029,140	147,309,894
2027	147,309,894	13,229,479	13,141,520	147,397,853
2028	147,397,853	13,234,752	13,205,230	147,427,375
2029	147,427,375	13,236,739	13,222,006	147,442,108
2030	147,442,108	13,242,956	13,119,189	147,565,875
2031	147,565,875	13,259,812	13,008,099	147,817,588
2032	147,817,588	13,288,956	12,891,421	148,215,123
2033	148,215,123	13,334,560	12,716,198	148,833,485
2034	148,833,485	13,402,330	12,511,003	149,724,812
2035	149,724,812	13,495,485	12,311,654	150,908,643
2036	150,908,643	13,618,905	12,053,345	152,474,203
2037	152,474,203	13,778,044	11,798,531	154,453,716
2038	154,453,716	13,975,595	11,554,345	156,874,966
2039	156,874,966	14,217,019	11,260,158	159,831,827
2040	159,831,827	14,510,318	10,933,481	163,408,664
2041	163,408,664	14,860,307	10,640,583	167,628,388
2042	167,628,388	15,272,157	10,317,274	172,583,271

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:

N/A

Certain Key Assumptions

Valuation Investment Return Assumption

9.40%

Valuation Mortality Table

FRS Mortality - Regular Class

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 (ADC)				
	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. Actuarial Determined Contribution (ADC) to Be Paid During Fiscal Year Ending	9/30/2018	9/30/2018	9/30/2018	9/30/2018
C. Assumed Date(s) of Employer Contributions	10/1/2017	10/1/2017	10/1/2017	10/1/2017
D. Annual Payment to Amortize Unfunded Actuarial Liability	\$ 4,999,520	\$ 4,999,520	\$ 7,341,057	\$ 2,608,401
E. Employer Normal Cost	1,917,292	1,917,292	3,728,015	858,624
F. Employer ADC if Paid on Valuation Date: D + E	6,916,812	6,916,812	11,069,072	3,467,025
G. Employer ADC Adjusted for Frequency of Payments	6,916,812	6,916,812	11,069,072	3,467,025
H. Employer ADC Adjusted for Frequency of Payments as % of Covered Payroll	33.55 %	33.55 %	53.69 %	16.82 %
I. Covered Payroll for Contribution Year	21,193,138	21,193,138	21,193,138	21,193,138
J. Employer ADC for Contribution Year: H x I	7,110,298	7,110,298	11,378,596	3,564,686
K. Estimated State Revenue in Contribution Year	0	0	0	0
L. Net Employer ADC in Contribution Year	7,110,298	7,110,298	11,378,596	3,564,686
M. Net Employer ADC as % of Covered Payroll in Contribution Year: L ÷ I	33.55 %	33.55 %	53.69 %	16.82 %
N. Expected Member Contribution	1,483,520	1,483,520	1,483,520	1,483,520
O. Total Contribution (Including Members) in Contribution Year	8,593,818	8,593,818	12,862,116	5,048,206
P. Total Contribution as % of Covered Payroll in Contribution Year: O ÷ I	40.55 %	40.55 %	60.69 %	23.82 %
Q. Certain Key Assumptions				
Investment Return Assumption	7.40%	7.40%	5.40%	9.40%
Mortality Table	FRS Mortality - Regular Class	FRS Mortality - Regular Class	FRS Mortality - Regular Class	FRS Mortality - Regular Class