

WEST PALM BEACH POLICE PENSION FUND

Chapter 112.664, F.S. Compliance Report

In Connection with the September 30, 2015 Funding Actuarial Valuation Report

And the Plan's Financial Reporting for the Year Ending September 30, 2015



May 9, 2016

The Board of Trustees
West Palm Beach Police Pension Fund
West Palm Beach, Florida

Dear Board Members:

Gabriel, Roeder, Smith & Company (GRS) has been engaged by the West Palm Beach Police 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 System 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, 2015. 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 as described in our September 30, 2015 actuarial valuation report. This report is also based on the Plan Provisions, census data, and financial information as summarized in our September 30, 2015 actuarial valuation report. Please refer to the September 30, 2015 actuarial valuation report, dated March 10, 2016, 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.

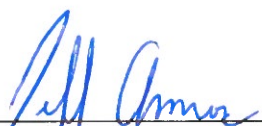
The undersigned are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein. The signing actuaries are independent of the plan sponsor.

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  _____
Jeffrey Amrose, MAAA
Enrolled Actuary No. 14-6599

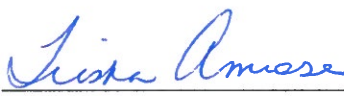
By  _____
Trisha Amrose, MAAA
Enrolled Actuary No. 14-8010

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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,	<u>2015</u>
1. Total pension liability	
a. Service Cost	\$ 3,720,389
b. Interest	23,790,608
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	2,550,172
e. Assumption Changes	2,221,969
f. Benefit Payments	(14,788,140)
g. Contribution Refunds	(60,567)
h. Net Change in Total Pension Liability	17,434,431
i. Total Pension Liability - Beginning	302,946,753
j. Total Pension Liability - Ending	<u>\$ 320,381,184</u>
2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ 8,644,805
b. Contributions - State	1,212,205
c. Contributions - Member	2,154,131
d. Net Investment Income	1,873,520
e. Benefit Payments	(14,788,140)
f. Contribution Refunds	(60,567)
g. Administrative Expense	(266,916)
h. Other	898,188
i. Net Change in Plan Fiduciary Net Position	(332,774)
j. Plan Fiduciary Net Position - Beginning	259,166,994
k. Plan Fiduciary Net Position - Ending	<u>\$ 258,834,220</u>
3. Net Pension Liability / (Asset)	61,546,964
Certain Key Assumptions	
Valuation Date	09/30/2014
Measurement Date	09/30/2015
Investment Return Assumption	8.00%
Mortality Table	80% recognition of RP-2000 fully generational using Scale AA and 20% recognition of 1983 GAM with no projection

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

Fiscal year ending September 30,

	2015
1. Total pension liability	
a. Service Cost	\$ 3,794,046
b. Interest	24,149,732
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	2,110,393
e. Assumption Changes	-
f. Benefit Payments	(14,788,140)
g. Contribution Refunds	(60,567)
h. Net Change in Total Pension Liability	<u>15,205,464</u>
i. Total Pension Liability - Beginning	<u>307,398,984</u>
j. Total Pension Liability - Ending	<u>\$ 322,604,448</u>
2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ 8,644,805
b. Contributions - State	1,212,205
c. Contributions - Member	2,154,131
d. Net Investment Income	1,873,520
e. Benefit Payments	(14,788,140)
f. Contribution Refunds	(60,567)
g. Administrative Expense	(266,916)
h. Other	898,188
i. Net Change in Plan Fiduciary Net Position	<u>(332,774)</u>
j. Plan Fiduciary Net Position - Beginning	<u>259,166,994</u>
k. Plan Fiduciary Net Position - Ending	<u>\$ 258,834,220</u>
3. Net Pension Liability / (Asset)	63,770,228
Certain Key Assumptions	
Valuation Date	09/30/2014
Measurement Date	09/30/2015
Investment Return Assumption	8.00%
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>2015</u>
1. Total pension liability	
a. Service Cost	\$ 6,133,205
b. Interest	22,079,063
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	2,110,393
e. Assumption Changes	-
f. Benefit Payments	(14,788,140)
g. Contribution Refunds	(60,567)
h. Net Change in Total Pension Liability	<u>15,473,954</u>
i. Total Pension Liability - Beginning	<u>372,342,139</u>
j. Total Pension Liability - Ending	<u>\$ 387,816,093</u>
2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ 8,644,805
b. Contributions - State	1,212,205
c. Contributions - Member	2,154,131
d. Net Investment Income	1,873,520
e. Benefit Payments	(14,788,140)
f. Contribution Refunds	(60,567)
g. Administrative Expense	(266,916)
h. Other	898,188
i. Net Change in Plan Fiduciary Net Position	<u>(332,774)</u>
j. Plan Fiduciary Net Position - Beginning	<u>259,166,994</u>
k. Plan Fiduciary Net Position - Ending	<u>\$ 258,834,220</u>
3. Net Pension Liability / (Asset)	128,981,873
Certain Key Assumptions	
Valuation Date	09/30/2014
Measurement Date	09/30/2015
Investment Return Assumption	6.00%
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>2015</u>
1. Total pension liability	
a. Service Cost	\$ 2,453,109
b. Interest	25,746,416
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	2,110,393
e. Assumption Changes	-
f. Benefit Payments	(14,788,140)
g. Contribution Refunds	(60,567)
h. Net Change in Total Pension Liability	15,461,211
i. Total Pension Liability - Beginning	263,661,955
j. Total Pension Liability - Ending	<u>\$ 279,123,166</u>
2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ 8,644,805
b. Contributions - State	1,212,205
c. Contributions - Member	2,154,131
d. Net Investment Income	1,873,520
e. Benefit Payments	(14,788,140)
f. Contribution Refunds	(60,567)
g. Administrative Expense	(266,916)
h. Other	898,188
i. Net Change in Plan Fiduciary Net Position	(332,774)
j. Plan Fiduciary Net Position - Beginning	259,166,994
k. Plan Fiduciary Net Position - Ending	<u>\$ 258,834,220</u>
3. Net Pension Liability / (Asset)	20,288,946
Certain Key Assumptions	
Valuation Date	09/30/2014
Measurement Date	09/30/2015
Investment Return Assumption	10.00%
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)
2016	167,290,456	12,873,514	12,743,053	167,420,917
2017	167,420,917	12,871,029	13,066,105	167,225,842
2018	167,225,842	12,839,027	13,476,018	166,588,851
2019	166,588,851	12,766,735	14,009,331	165,346,255
2020	165,346,255	12,642,476	14,630,619	163,358,112
2021	163,358,112	12,457,431	15,280,445	160,535,098
2022	160,535,098	12,206,678	15,903,240	156,838,536
2023	156,838,536	11,885,197	16,547,139	152,176,594
2024	152,176,594	11,489,023	17,127,616	146,538,001
2025	146,538,001	11,018,771	17,606,733	139,950,039
2026	139,950,039	10,474,894	18,027,730	132,397,203
2027	132,397,203	9,854,684	18,427,317	123,824,570
2028	123,824,570	9,154,544	18,785,544	114,193,570
2029	114,193,570	8,372,691	19,069,856	103,496,405
2030	103,496,405	7,507,634	19,301,954	91,702,086
2031	91,702,086	6,555,191	19,524,387	78,732,890
2032	78,732,890	5,509,974	19,716,438	64,526,426
2033	64,526,426	4,367,087	19,875,674	49,017,839
2034	49,017,839	3,121,415	20,000,310	32,138,945
2035	32,138,945	1,767,080	20,100,890	13,805,135
2036	13,805,135	297,467	20,173,597	-
2037	-	-	20,200,163	-
2038	-	-	20,181,576	-
2039	-	-	20,120,296	-
2040	-	-	20,020,883	-
2041	-	-	19,876,735	-

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:** 20.67

Certain Key Assumptions

Valuation Investment return assumption 8.00%
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)(a), F.S.

FYE	Market Value of Assets (BOY)	Expected Investment Return	Projected Benefit Payments	Market Value of Assets (EOY)
2016	167,290,456	12,873,514	12,743,053	167,420,917
2017	167,420,917	12,871,029	13,066,105	167,225,842
2018	167,225,842	12,839,027	13,476,018	166,588,851
2019	166,588,851	12,766,735	14,009,331	165,346,255
2020	165,346,255	12,642,476	14,630,619	163,358,112
2021	163,358,112	12,457,431	15,280,445	160,535,098
2022	160,535,098	12,206,678	15,903,240	156,838,536
2023	156,838,536	11,885,197	16,547,139	152,176,594
2024	152,176,594	11,489,023	17,127,616	146,538,001
2025	146,538,001	11,018,771	17,606,733	139,950,039
2026	139,950,039	10,474,894	18,027,730	132,397,203
2027	132,397,203	9,854,684	18,427,317	123,824,570
2028	123,824,570	9,154,544	18,785,544	114,193,570
2029	114,193,570	8,372,691	19,069,856	103,496,405
2030	103,496,405	7,507,634	19,301,954	91,702,086
2031	91,702,086	6,555,191	19,524,387	78,732,890
2032	78,732,890	5,509,974	19,716,438	64,526,426
2033	64,526,426	4,367,087	19,875,674	49,017,839
2034	49,017,839	3,121,415	20,000,310	32,138,945
2035	32,138,945	1,767,080	20,100,890	13,805,135
2036	13,805,135	297,467	20,173,597	-
2037	-	-	20,200,163	-
2038	-	-	20,181,576	-
2039	-	-	20,120,296	-
2040	-	-	20,020,883	-
2041	-	-	19,876,735	-

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:

20.67

Certain Key Assumptions

Valuation Investment return assumption

8.00%

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)
2016	167,290,456	9,655,136	12,743,053	164,202,539
2017	164,202,539	9,460,169	13,066,105	160,596,604
2018	160,596,604	9,231,516	13,476,018	156,352,102
2019	156,352,102	8,960,846	14,009,331	151,303,617
2020	151,303,617	8,639,298	14,630,619	145,312,296
2021	145,312,296	8,260,324	15,280,445	138,292,175
2022	138,292,175	7,820,433	15,903,240	130,209,368
2023	130,209,368	7,316,148	16,547,139	120,978,377
2024	120,978,377	6,744,874	17,127,616	110,595,635
2025	110,595,635	6,107,536	17,606,733	99,096,438
2026	99,096,438	5,404,954	18,027,730	86,473,662
2027	86,473,662	4,635,600	18,427,317	72,681,945
2028	72,681,945	3,797,350	18,785,544	57,693,751
2029	57,693,751	2,889,529	19,069,856	41,513,424
2030	41,513,424	1,911,747	19,301,954	24,123,218
2031	24,123,218	861,661	19,524,387	5,460,492
2032	5,460,492	-	19,716,438	-
2033	-	-	19,875,674	-
2034	-	-	20,000,310	-
2035	-	-	20,100,890	-
2036	-	-	20,173,597	-
2037	-	-	20,200,163	-
2038	-	-	20,181,576	-
2039	-	-	20,120,296	-
2040	-	-	20,020,883	-
2041	-	-	19,876,735	-

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:

16.25

Certain Key Assumptions

Valuation Investment return assumption

6.00%

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)
2016	167,290,456	16,091,893	12,743,053	170,639,296
2017	170,639,296	16,410,624	13,066,105	173,983,816
2018	173,983,816	16,724,581	13,476,018	177,232,379
2019	177,232,379	17,022,771	14,009,331	180,245,819
2020	180,245,819	17,293,051	14,630,619	182,908,251
2021	182,908,251	17,526,803	15,280,445	185,154,609
2022	185,154,609	17,720,299	15,903,240	186,971,668
2023	186,971,668	17,869,810	16,547,139	188,294,339
2024	188,294,339	17,973,053	17,127,616	189,139,776
2025	189,139,776	18,033,641	17,606,733	189,566,684
2026	189,566,684	18,055,282	18,027,730	189,594,236
2027	189,594,236	18,038,058	18,427,317	189,204,977
2028	189,204,977	17,981,221	18,785,544	188,400,654
2029	188,400,654	17,886,573	19,069,856	187,217,371
2030	187,217,371	17,756,639	19,301,954	185,672,057
2031	185,672,057	17,590,986	19,524,387	183,738,656
2032	183,738,656	17,388,044	19,716,438	181,410,262
2033	181,410,262	17,147,243	19,875,674	178,681,831
2034	178,681,831	16,868,168	20,000,310	175,549,690
2035	175,549,690	16,549,924	20,100,890	171,998,724
2036	171,998,724	16,191,193	20,173,597	168,016,320
2037	168,016,320	15,791,624	20,200,163	163,607,781
2038	163,607,781	15,351,699	20,181,576	158,777,905
2039	158,777,905	14,871,776	20,120,296	153,529,384
2040	153,529,384	14,351,894	20,020,883	147,860,396
2041	147,860,396	13,792,203	19,876,735	141,775,863
2042	141,775,863	13,193,558	19,680,567	135,288,854
2043	135,288,854	12,557,097	19,435,773	128,410,178
2044	128,410,178	11,883,842	19,143,511	121,150,510
2045	121,150,510	11,174,957	18,801,873	113,523,594
2046	113,523,594	10,431,768	18,411,818	105,543,544
2047	105,543,544	9,655,352	17,980,040	97,218,856
2048	97,218,856	8,846,503	17,507,650	88,557,709
2049	88,557,709	8,005,998	16,995,460	79,568,247
2050	79,568,247	7,134,559	16,445,318	70,257,488
2051	70,257,488	6,232,761	15,859,747	60,630,502
2052	60,630,502	5,300,940	15,242,193	50,689,248
2053	50,689,248	4,338,988	14,598,738	40,429,498
2054	40,429,498	3,346,219	13,934,610	29,841,107
2055	29,841,107	2,321,393	13,254,351	18,908,149
2056	18,908,149	1,262,652	12,563,257	7,607,545
2057	7,607,545	167,417	11,866,752	-

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:**

41.67

Certain Key Assumptions

Valuation Investment return assumption

10.00%

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 EXPRESSED AS PERCENT OF PAYROLL

	Plan's Latest Actuarial Valuation Assumptions	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	September 30, 2015	September 30, 2015	September 30, 2015	September 30, 2015
B. Actuarially Determined Contribution (ADC) to Be Paid During Fiscal Year Ending	9/30/2017	9/30/2017	9/30/2017	9/30/2017
C. Assumed Dates of Employer Contributions	Quarterly	Quarterly	Quarterly	Quarterly
D. Total Normal Cost	21.12 %	21.12 %	34.13 %	13.68 %
E. Amortization of Unfunded Actuarial Accrued Liability	37.32 %	37.32 %	56.43 %	18.73 %
F. Administrative Expenses	0.92 %	0.92 %	0.92 %	0.92 %
G. Total ADC Adjusted for Timing and Frequency of Payments	59.36 %	59.36 %	91.48 %	33.33 %
H. Expected Covered Payroll for Contribution Year	\$ 20,520,962	\$ 20,520,962	\$ 20,520,962	\$ 20,520,962
I. ADC as a Dollar Amount in the Contribution Year G x H	\$ 12,181,245	\$ 12,181,245	\$ 18,772,576	\$ 6,839,637
J. Member Portion of Contribution	\$ 2,257,306	\$ 2,257,306	\$ 2,257,306	\$ 2,257,306
K. Employer ADC in Contribution Year	\$ 9,923,939	\$ 9,923,939	\$ 16,515,270	\$ 4,582,331
L. Employer ADC as % of Covered Payroll in Contribution Year: K ÷ H	48.36 %	48.36 %	80.48 %	22.33 %
M. Certain Key Assumptions				
Investment Return Assumption	8.00%	8.00%	6.00%	10.00%
Mortality Table	RP-2000 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