

**VILLAGE OF KEY BISCAYNE POLICE OFFICERS AND FIREFIGHTERS
RETIREMENT PLAN**

Chapter 112.664, F.S. Compliance Report

In Connection with the October 1, 2015 Funding Actuarial Valuation Report

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



July 8, 2016

Board of Trustees
Village of Key Biscayne
Police Officers and Firefighters Retirement Plan
Key Biscayne, Florida

Dear Board Members:

Gabriel, Roeder, Smith & Company (GRS) has been engaged by the Village of Key Biscayne Police Officers and Firefighters Retirement 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 Board 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 October 1, 2015 actuarial valuation report. This report is also based on the Plan Provisions, census data, and financial information as summarized in our October 1, 2015 actuarial valuation report. Please refer to the October 1, 2015 actuarial valuation report, dated May 24, 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.

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, MAAA
Enrolled Actuary No. 14-06975
Senior Consultant & Actuary

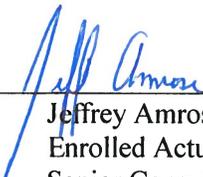
By 
Jeffrey Amrose, MAAA
Enrolled Actuary No. 14-06599
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RESULTS

**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	\$ 905,151
b. Interest	2,423,657
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	116,161
e. Assumption Changes	351,602
f. Benefit Payments	(653,498)
g. Contribution Refunds	(8,759)
h. Net Change in Total Pension Liability	<u>3,134,314</u>
i. Total Pension Liability - Beginning	<u>30,105,178</u>
j. Total Pension Liability - Ending	<u>\$ 33,239,492</u>
2. Plan Fiduciary Net Position	
a. Contributions - Employer (From Village)	\$ 383,181
b. Contributions - Employer (From State)	456,253
c. Contributions - Non-Employer Contributing Entity	-
d. Contributions - Member	579,425
e. Net Investment Income	(103,179)
f. Benefit Payments	(653,498)
g. Contribution Refunds	(8,759)
h. Administrative Expense	(85,607)
i. Other	-
j. Net Change in Plan Fiduciary Net Position	<u>567,816</u>
k. Plan Fiduciary Net Position - Beginning	<u>29,075,128</u>
l. Plan Fiduciary Net Position - Ending	<u>\$ 29,642,944</u>
3. Net Pension Liability / (Asset)	3,596,548
Certain Key Assumptions	
Valuation Date	10/01/2014
Measurement Date	09/30/2015
Investment Return Assumption	7.85%
Mortality Table	70% 83 GAM, 30% RP- 2000 fully generational using Scale BB

**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>2015</u>
1. Total pension liability	
a. Service Cost	\$ 954,516
b. Interest	2,534,806
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	(297,383)
e. Assumption Changes	-
f. Benefit Payments	(653,498)
g. Contribution Refunds	(8,759)
h. Net Change in Total Pension Liability	<u>2,529,682</u>
i. Total Pension Liability - Beginning	<u>31,667,136</u>
j. Total Pension Liability - Ending	<u>\$ 34,196,818</u>
2. Plan Fiduciary Net Position	
a. Contributions - Employer (From Village)	\$ 383,181
b. Contributions - Employer (From State)	456,253
c. Contributions - Non-Employer Contributing Entity	-
d. Contributions - Member	579,425
e. Net Investment Income	(103,179)
f. Benefit Payments	(653,498)
g. Contribution Refunds	(8,759)
h. Administrative Expense	(85,607)
i. Other	-
j. Net Change in Plan Fiduciary Net Position	<u>567,816</u>
k. Plan Fiduciary Net Position - Beginning	<u>29,075,128</u>
l. Plan Fiduciary Net Position - Ending	<u>\$ 29,642,944</u>
3. Net Pension Liability / (Asset)	4,553,874
Certain Key Assumptions	
Valuation Date	10/01/2014
Measurement Date	09/30/2015
Investment Return Assumption	7.85%
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	\$ 1,442,074
b. Interest	2,376,635
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	(297,383)
e. Assumption Changes	-
f. Benefit Payments	(653,498)
g. Contribution Refunds	(8,759)
h. Net Change in Total Pension Liability	<u>2,859,069</u>
i. Total Pension Liability - Beginning	<u>39,515,301</u>
j. Total Pension Liability - Ending	<u>\$ 42,374,370</u>
2. Plan Fiduciary Net Position	
a. Contributions - Employer (From Village)	\$ 383,181
b. Contributions - Employer (From State)	456,253
c. Contributions - Non-Employer Contributing Entity	-
d. Contributions - Member	579,425
e. Net Investment Income	(103,179)
f. Benefit Payments	(653,498)
g. Contribution Refunds	(8,759)
h. Administrative Expense	(85,607)
i. Other	-
j. Net Change in Plan Fiduciary Net Position	<u>567,816</u>
k. Plan Fiduciary Net Position - Beginning	<u>29,075,128</u>
l. Plan Fiduciary Net Position - Ending	<u>\$ 29,642,944</u>
3. Net Pension Liability / (Asset)	12,731,426
Certain Key Assumptions	
Valuation Date	10/01/2014
Measurement Date	09/30/2015
Investment Return Assumption	5.85%
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	\$ 663,618
b. Interest	2,601,445
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	(297,383)
e. Assumption Changes	-
f. Benefit Payments	(653,498)
g. Contribution Refunds	(8,759)
h. Net Change in Total Pension Liability	<u>2,305,423</u>
i. Total Pension Liability - Beginning	<u>26,078,116</u>
j. Total Pension Liability - Ending	<u>\$ 28,383,539</u>
2. Plan Fiduciary Net Position	
a. Contributions - Employer (From Village)	\$ 383,181
b. Contributions - Employer (From State)	456,253
c. Contributions - Non-Employer Contributing Entity	-
d. Contributions - Member	579,425
e. Net Investment Income	(103,179)
f. Benefit Payments	(653,498)
g. Contribution Refunds	(8,759)
h. Administrative Expense	(85,607)
i. Other	-
j. Net Change in Plan Fiduciary Net Position	<u>567,816</u>
k. Plan Fiduciary Net Position - Beginning	<u>29,075,128</u>
l. Plan Fiduciary Net Position - Ending	<u>\$ 29,642,944</u>
3. Net Pension Liability / (Asset)	(1,259,405)
Certain Key Assumptions	
Valuation Date	10/01/2014
Measurement Date	09/30/2015
Investment Return Assumption	9.85%
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	27,565,775	2,107,820	1,084,871	28,588,724
2017	28,588,724	2,176,432	1,371,505	29,393,651
2018	29,393,651	2,220,215	1,858,707	29,755,159
2019	29,755,159	2,238,094	2,123,288	29,869,965
2020	29,869,965	2,236,309	2,398,683	29,707,591
2021	29,707,591	2,208,650	2,783,139	29,133,102
2022	29,133,102	2,162,444	2,818,934	28,476,613
2023	28,476,613	2,109,974	2,851,316	27,735,270
2024	27,735,270	2,051,018	2,880,335	26,905,953
2025	26,905,953	1,985,741	2,895,481	25,996,213
2026	25,996,213	1,912,836	2,945,342	24,963,707
2027	24,963,707	1,832,907	2,929,801	23,866,814
2028	23,866,814	1,746,909	2,941,077	22,672,645
2029	22,672,645	1,653,663	2,943,665	21,382,644
2030	21,382,644	1,553,268	2,937,890	19,998,021
2031	19,998,021	1,445,092	2,942,401	18,500,712
2032	18,500,712	1,328,272	2,943,168	16,885,816
2033	16,885,816	1,202,575	2,936,378	15,152,013
2034	15,152,013	1,068,326	2,911,046	13,309,294
2035	13,309,294	925,701	2,882,674	11,352,321
2036	11,352,321	774,904	2,835,296	9,291,928
2037	9,291,928	616,083	2,786,847	7,121,164
2038	7,121,164	449,134	2,726,066	4,844,232
2039	4,844,232	274,117	2,659,819	2,458,530
2040	2,458,530	90,330	2,600,895	-
2041	-	-	2,539,744	-

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:** 24.92

Certain Key Assumptions

Valuation Investment return assumption 7.80%
Valuation Mortality Table 60% 83 GAM, 40% RP-2000 fully generational using Scale BB

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	27,565,775	2,107,839	1,084,404	28,589,210
2017	28,589,210	2,176,450	1,372,019	29,393,641
2018	29,393,641	2,220,124	1,861,014	29,752,751
2019	29,752,751	2,237,764	2,126,926	29,863,589
2020	29,863,589	2,235,611	2,403,830	29,695,370
2021	29,695,370	2,207,442	2,789,672	29,113,140
2022	29,113,140	2,160,596	2,826,375	28,447,361
2023	28,447,361	2,107,338	2,860,422	27,694,277
2024	27,694,277	2,047,301	2,893,666	26,847,912
2025	26,847,912	1,980,573	2,911,905	25,916,580
2026	25,916,580	1,905,754	2,967,675	24,854,659
2027	24,854,659	1,823,006	2,965,567	23,712,098
2028	23,712,098	1,732,814	2,993,072	22,451,840
2029	22,451,840	1,633,945	3,007,660	21,078,125
2030	21,078,125	1,526,458	3,016,304	19,588,279
2031	19,588,279	1,409,417	3,037,651	17,960,045
2032	17,960,045	1,281,981	3,048,772	16,193,254
2033	16,193,254	1,144,096	3,050,714	14,286,636
2034	14,286,636	995,961	3,035,800	12,246,797
2035	12,246,797	837,581	3,017,160	10,067,218
2036	10,067,218	669,000	2,980,580	7,755,638
2037	7,755,638	490,196	2,942,143	5,303,691
2038	5,303,691	300,880	2,892,505	2,712,066
2039	2,712,066	100,900	2,836,952	-
2040	-	-	2,788,087	-
2041	-	-	2,737,113	-

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:** 23.92

Certain Key Assumptions

Valuation Investment return assumption 7.80%
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	27,565,775	1,567,367	1,084,404	28,048,738
2017	28,048,738	1,587,038	1,372,019	28,263,758
2018	28,263,758	1,585,329	1,861,014	27,988,072
2019	27,988,072	1,561,627	2,126,926	27,422,773
2020	27,422,773	1,520,810	2,403,830	26,539,753
2021	26,539,753	1,458,405	2,789,672	25,208,486
2022	25,208,486	1,380,127	2,826,375	23,762,239
2023	23,762,239	1,295,258	2,860,422	22,197,074
2024	22,197,074	1,203,514	2,893,666	20,506,922
2025	20,506,922	1,104,956	2,911,905	18,699,974
2026	18,699,974	998,536	2,967,675	16,730,834
2027	16,730,834	884,387	2,965,567	14,649,654
2028	14,649,654	762,881	2,993,072	12,419,463
2029	12,419,463	633,107	3,007,660	10,044,910
2030	10,044,910	495,132	3,016,304	7,523,738
2031	7,523,738	348,285	3,037,651	4,834,372
2032	4,834,372	191,979	3,048,772	1,977,579
2033	1,977,579	26,229	3,050,714	-
2034	-	-	3,035,800	-
2035	-	-	3,017,160	-
2036	-	-	2,980,580	-
2037	-	-	2,942,143	-
2038	-	-	2,892,505	-
2039	-	-	2,836,952	-
2040	-	-	2,788,087	-
2041	-	-	2,737,113	-

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:**

17.67

Certain Key Assumptions

Valuation Investment return assumption

5.80%

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	27,565,775	2,648,310	1,084,404	29,129,681
2017	29,129,681	2,787,480	1,372,019	30,545,142
2018	30,545,142	2,902,234	1,861,014	31,586,362
2019	31,586,362	2,991,244	2,126,926	32,450,680
2020	32,450,680	3,062,379	2,403,830	33,109,229
2021	33,109,229	3,108,011	2,789,672	33,427,568
2022	33,427,568	3,137,409	2,826,375	33,738,602
2023	33,738,602	3,166,222	2,860,422	34,044,402
2024	34,044,402	3,194,562	2,893,666	34,345,298
2025	34,345,298	3,223,156	2,911,905	34,656,549
2026	34,656,549	3,250,926	2,967,675	34,939,800
2027	34,939,800	3,278,788	2,965,567	35,253,021
2028	35,253,021	3,308,135	2,993,072	35,568,084
2029	35,568,084	3,338,297	3,007,660	35,898,721
2030	35,898,721	3,370,276	3,016,304	36,252,693
2031	36,252,693	3,403,919	3,037,651	36,618,961
2032	36,618,961	3,439,268	3,048,772	37,009,457
2033	37,009,457	3,477,442	3,050,714	37,436,185
2034	37,436,185	3,519,992	3,035,800	37,920,377
2035	37,920,377	3,568,356	3,017,160	38,471,573
2036	38,471,573	3,624,166	2,980,580	39,115,158
2037	39,115,158	3,689,121	2,942,143	39,862,136
2038	39,862,136	3,764,757	2,892,505	40,734,388
2039	40,734,388	3,852,959	2,836,952	41,750,395
2040	41,750,395	3,954,922	2,788,087	42,917,230
2041	42,917,230	4,071,770	2,737,113	44,251,887

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

9.80%

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 (REQUIRED) 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, 2015	October 1, 2015	October 1, 2015	October 1, 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	Biweekly	Biweekly	Biweekly	Biweekly
D. Annual Payment to Amortize Unfunded Actuarial Liability	\$ 444,660	\$ 503,920	\$ 1,030,195	\$ 0
E. Employer Normal Cost	420,549	449,961	937,392	160,606
F. Employer ADC if Paid on Valuation Date: D + E	865,209	953,881	1,967,587	160,606
G. Employer ADC Adjusted for Payment Frequency	898,983	991,117	2,025,234	168,411
H. Employer ADC Adjusted for Frequency of Payments as % of Covered Payroll	16.47 %	18.16 %	37.11 %	3.09 %
I. Assumed Rate of Increase in Covered Payroll to Contribution Year	4.00 %	4.00 %	4.00 %	4.00 %
J. Covered Payroll for Contribution Year	5,676,057	5,676,057	5,676,057	5,676,057
K. Employer ADC for Contribution Year: H x J	934,876	1,030,772	2,106,385	175,390
L. Estimated Credit for State Revenue in Contribution Year	456,253	456,253	456,253	456,253
M. Net Employer ADC in Contribution Year	478,623	574,519	1,650,132	0
N. Net Employer ADC as % of Covered Payroll in Contribution Year: M ÷ J	8.43 %	10.12 %	29.07 %	0.00 %
O. Expected Member Contributions	595,986	595,986	595,986	595,986
P. Total Contribution (Including Members) in Contribution Year	1,530,862	1,626,758	2,702,371	771,376
Q. Total Contribution as % of Covered Payroll in Contribution Year: P ÷ J	26.97 %	28.66 %	47.61 %	13.59 %
R. Certain Key Assumptions				
Investment Return Assumption	7.80%	7.80%	5.80%	9.80%
Mortality Table	60% 83 GAM, 40% RP-2000 fully generational using Scale BB	RP-2000 fully generational using Scale AA	RP-2000 fully generational using Scale AA	RP-2000 fully generational using Scale AA