

# Jacksonville Police and Fire Pension Fund

Chapter 112.664, F.S. Compliance Report  
In Connection with the October 1, 2019 Funding Actuarial  
Valuation Report and the Plan's Financial Reporting for the  
Year Ending September 30, 2019





March 18, 2020

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, 2019. 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, 2019 actuarial valuation report. This report is also based on the Plan Provisions, census data, and financial information as summarized in our October 1, 2019 actuarial valuation report. Please refer to the

October 1, 2019 actuarial valuation report, dated February 28, 2020, for summaries and descriptions of this information.

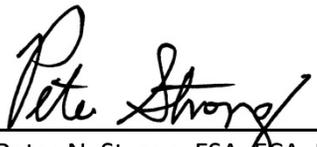
Peter N. Strong and Jeffrey Amrose are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein. The signing actuaries are independent of the plan sponsor.

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

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Senior Consultant & Actuary

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## **CH. 112.664, FLORIDA STATUTES**

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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>2019</u>
<b>1. Total Pension Liability</b>	
a. Service Cost	\$ 65,147,956
b. Interest	269,658,004
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	8,465,296
e. Assumption Changes	-
f. Benefit Payments	(188,392,606)
g. Contribution Refunds	(732,596)
<b>h. Net Change in Total Pension Liability</b>	154,146,054
<b>i. Total Pension Liability - Beginning</b>	3,880,072,506
<b>j. Total Pension Liability - Ending</b>	<u>\$ 4,034,218,560</u>
<b>2. Plan Fiduciary Net Position</b>	
a. Contributions - Employer	\$ 110,527,718
b. Contributions - Employer (from Reserves)	24,736,292
c. Contributions - Member	17,745,867
d. Net Investment Income	54,104,509
e. Benefit Payments	(188,392,606)
f. Contribution Refunds	(732,596)
g. Administrative Expense	(2,116,593)
h. Other	1,929,374
<b>i. Net Change in Plan Fiduciary Net Position</b>	17,801,965
<b>j. Plan Fiduciary Net Position - Beginning</b>	1,881,002,748
<b>k. Plan Fiduciary Net Position - Ending</b>	<u>\$ 1,898,804,713</u>
<b>3. Net Pension Liability / (Asset)</b>	2,135,413,847

**Certain Key Assumptions**

Valuation Date	10/01/2019
Measurement Date	09/30/2019
Investment Return Assumption	7.00%
Mortality Table	FRS Mortality Rates from 7/1/18 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>2019</u>
<b>1. Total Pension Liability</b>	
a. Service Cost	\$ 65,147,956
b. Interest	269,658,004
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	8,465,296
e. Assumption Changes	-
f. Benefit Payments	(188,392,606)
g. Contribution Refunds	(732,596)
<b>h. Net Change in Total Pension Liability</b>	<u>154,146,054</u>
<b>i. Total Pension Liability - Beginning</b>	<u>3,880,072,506</u>
<b>j. Total Pension Liability - Ending</b>	<u><u>\$ 4,034,218,560</u></u>
<b>2. Plan Fiduciary Net Position</b>	
a. Contributions - Employer	\$ 110,527,718
b. Contributions - Employer (from Reserves)	24,736,292
c. Contributions - Member	17,745,867
d. Net Investment Income	54,104,509
e. Benefit Payments	(188,392,606)
f. Contribution Refunds	(732,596)
g. Administrative Expense	(2,116,593)
h. Other	1,929,374
<b>i. Net Change in Plan Fiduciary Net Position</b>	<u>17,801,965</u>
<b>j. Plan Fiduciary Net Position - Beginning</b>	<u>1,881,002,748</u>
<b>k. Plan Fiduciary Net Position - Ending</b>	<u><u>\$ 1,898,804,713</u></u>
<b>3. Net Pension Liability / (Asset)</b>	<b>2,135,413,847</b>

**Certain Key Assumptions**

Valuation Date	10/01/2019
Measurement Date	09/30/2019
Investment Return Assumption	7.00%
Mortality Table	FRS Mortality Rates from 7/1/18 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>2019</u>
<b>1. Total Pension Liability</b>	
a. Service Cost	\$ 116,145,467
b. Interest	259,035,818
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	11,799,603
e. Assumption Changes	-
f. Benefit Payments	(188,392,606)
g. Contribution Refunds	(732,596)
<b>h. Net Change in Total Pension Liability</b>	197,855,686
<b>i. Total Pension Liability - Beginning</b>	5,157,980,117
<b>j. Total Pension Liability - Ending</b>	<u>\$ 5,355,835,803</u>
<b>2. Plan Fiduciary Net Position</b>	
a. Contributions - Employer	\$ 110,527,718
b. Contributions - Employer (from Reserves)	24,736,292
c. Contributions - Member	17,745,867
d. Net Investment Income	54,104,509
e. Benefit Payments	(188,392,606)
f. Contribution Refunds	(732,596)
g. Administrative Expense	(2,116,593)
h. Other	1,929,374
<b>i. Net Change in Plan Fiduciary Net Position</b>	17,801,965
<b>j. Plan Fiduciary Net Position - Beginning</b>	1,881,002,748
<b>k. Plan Fiduciary Net Position - Ending</b>	<u>\$ 1,898,804,713</u>
<b>3. Net Pension Liability / (Asset)</b>	3,457,031,090

**Certain Key Assumptions**

Valuation Date	10/01/2019
Measurement Date	09/30/2019
Investment Return Assumption	5.00%
Mortality Table	FRS Mortality Rates from 7/1/18 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)
2020	1,898,804,713	125,955,717	198,874,644	1,825,885,786
2021	1,825,885,786	120,609,868	205,775,332	1,740,720,322
2022	1,740,720,322	114,328,415	214,914,490	1,640,134,247
2023	1,640,134,247	106,888,708	226,305,406	1,520,717,549
2024	1,520,717,549	98,432,274	229,084,414	1,390,065,409
2025	1,390,065,409	88,824,340	242,292,546	1,236,597,203
2026	1,236,597,203	77,721,176	252,589,391	1,061,728,988
2027	1,061,728,988	65,165,736	261,579,795	865,314,929
2028	865,314,929	51,089,186	270,938,828	645,465,287
2029	645,465,287	35,402,206	279,438,975	401,428,518
2030	401,428,518	17,953,427	289,901,967	129,479,978
2031	129,479,978	-	295,363,507	-
2032	-	-	302,833,542	-
2033	-	-	307,645,680	-
2034	-	-	312,721,777	-
2035	-	-	317,736,974	-
2036	-	-	319,384,394	-
2037	-	-	320,632,873	-
2038	-	-	321,574,487	-
2039	-	-	322,426,750	-
2040	-	-	322,972,037	-
2041	-	-	322,268,546	-
2042	-	-	321,504,926	-
2043	-	-	320,020,718	-
2044	-	-	317,706,161	-
2045	-	-	315,003,790	-

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:** 11.42

**Certain Key Assumptions**

Valuation Investment return assumption 7.00%  
Valuation Mortality Table FRS Mortality Rates from 7/1/18 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)
2020	1,898,804,713	125,955,717	198,874,644	1,825,885,786
2021	1,825,885,786	120,609,868	205,775,332	1,740,720,322
2022	1,740,720,322	114,328,415	214,914,490	1,640,134,247
2023	1,640,134,247	106,888,708	226,305,406	1,520,717,549
2024	1,520,717,549	98,432,274	229,084,414	1,390,065,409
2025	1,390,065,409	88,824,340	242,292,546	1,236,597,203
2026	1,236,597,203	77,721,176	252,589,391	1,061,728,988
2027	1,061,728,988	65,165,736	261,579,795	865,314,929
2028	865,314,929	51,089,186	270,938,828	645,465,287
2029	645,465,287	35,402,206	279,438,975	401,428,518
2030	401,428,518	17,953,427	289,901,967	129,479,978
2031	129,479,978	-	295,363,507	-
2032	-	-	302,833,542	-
2033	-	-	307,645,680	-
2034	-	-	312,721,777	-
2035	-	-	317,736,974	-
2036	-	-	319,384,394	-
2037	-	-	320,632,873	-
2038	-	-	321,574,487	-
2039	-	-	322,426,750	-
2040	-	-	322,972,037	-
2041	-	-	322,268,546	-
2042	-	-	321,504,926	-
2043	-	-	320,020,718	-
2044	-	-	317,706,161	-
2045	-	-	315,003,790	-

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:** 11.42

**Certain Key Assumptions**  
 Valuation Investment return assumption 7.00%  
 Valuation Mortality Table FRS Mortality Rates from 7/1/18 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)
2020	1,898,804,713	89,968,370	198,874,644	1,789,898,439
2021	1,789,898,439	84,350,539	205,775,332	1,668,473,646
2022	1,668,473,646	78,050,820	214,914,490	1,531,609,976
2023	1,531,609,976	70,922,864	226,305,406	1,376,227,434
2024	1,376,227,434	63,084,261	229,084,414	1,210,227,281
2025	1,210,227,281	54,454,050	242,292,546	1,022,388,785
2026	1,022,388,785	44,804,704	252,589,391	814,604,098
2027	814,604,098	34,190,710	261,579,795	587,215,013
2028	587,215,013	22,587,280	270,938,828	338,863,465
2029	338,863,465	9,957,199	279,438,975	69,381,689
2030	69,381,689	-	289,901,967	-
2031	-	-	295,363,507	-
2032	-	-	302,833,542	-
2033	-	-	307,645,680	-
2034	-	-	312,721,777	-
2035	-	-	317,736,974	-
2036	-	-	319,384,394	-
2037	-	-	320,632,873	-
2038	-	-	321,574,487	-
2039	-	-	322,426,750	-
2040	-	-	322,972,037	-
2041	-	-	322,268,546	-
2042	-	-	321,504,926	-
2043	-	-	320,020,718	-
2044	-	-	317,706,161	-
2045	-	-	315,003,790	-

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:** 10.17

**Certain Key Assumptions**  
 Valuation Investment return assumption 5.00%  
 Valuation Mortality Table FRS Mortality Rates from 7/1/18 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.**



<b>ACTUARIALLY DETERMINED CONTRIBUTION</b>			
	Plan's Latest Actuarial Valuation	112.664(1)(a) F.S. Assumptions	112.664(1)(b) F.S. Assumptions
A. Valuation Date	October 1, 2019	October 1, 2019	October 1, 2019
B. Actuarial Determined Contribution (ADC) to Be Paid During Fiscal Year Ending	9/30/2021	9/30/2021	9/30/2021
C. Assumed Date of Employer Contributions	12/1/2020	12/1/2020	12/1/2020
D. Expected Covered Payroll for the Year Beginning on the Valuation Date	\$ 174,124,935	\$ 174,124,935	\$ 174,124,935
E. Annual Payment to Amortize the Unfunded Actuarial Liability	82,496,560	82,496,560	111,506,528
F. Employer Normal Cost	63,203,681	63,203,681	118,144,895
G. ADC if Paid on the Valuation Date	145,700,241	145,700,241	229,651,423
H. Contributions from Court Fines	701,652	701,652	701,652
I. City Contribution if Paid on the Valuation Date as % of Covered Payroll	144,998,589 83.27 %	144,998,589 83.27 %	228,949,771 131.49 %
J. Assumed Rate of Increase in Covered Payroll to Contribution Year	1.25 %	1.25 %	1.25 %
K. Covered Payroll for Contribution Year	176,301,497	176,301,497	176,301,497
L. City Contribution for Contribution Year*	148,475,947	148,475,947	233,704,350
M. Expected Member Contribution in Contribution Year	18,260,153	18,260,153	18,260,153
N. Expected Court Fines in Contribution Year	701,652	701,652	701,652
O. Total Contributions (from All Sources) in Contribution Year	167,437,752	167,437,752	252,666,155
P. Total Contributions as % of Covered Payroll in Contribution Year	94.97 %	94.97 %	143.31 %
Q. Certain Key Assumptions			
Investment Return Assumption	7.00%	7.00%	5.00%
Mortality Table	FRS Mortality Rates from 7/1/18 FRS Valuation	FRS Mortality Rates from 7/1/18 FRS Valuation	FRS Mortality Rates from 7/1/18 FRS Valuation

\* Adjusted for frequency of payments (from October 1, 2019 to December 1, 2019)

