

**TOWN OF DAVIE POLICE
PENSION PLAN**

**SECTION 112.664, FLORIDA STATUTES
COMPLIANCE**

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), Florida Statutes, and Section 60T-1.0035, Florida Administrative Code.

By:

 Date: 5/15/17

Donald A. DuLaney, Jr. A.S.A.
Senior Consulting Actuary
Enrolled Actuary #17-4191

DuLaney and Company

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INTRODUCTION

Section 112.664, F.S. Requirements

When reviewing the report, please note the following:

DuLaney and Company has prepared this report in order to satisfy the requirements set forth under Florida Statutes (FS) 112.664 and Ch. 60T-1.0035, F.A.C. These schedules have no impact on the funding requirements of the Plan. We have uploaded the semi-colon delimited file as described under Ch. 60T-1.0035.

The actuarial funding assumptions shown in our October 1, 2016 actuarial valuation report have been used in the preparation of this report, except as required for certain disclosures herein.

This report contains figures using an investment return assumption that is 2.0% higher than the actual funding assumption, in order to provide a balanced view, in light of the requirement to use an investment return assumption that is 2.0% lower than the actual funding assumption.

The schedules showing the projected number of years until the Fund becomes insolvent are required, but do not reflect what will occur. This is because no future contributions from any current funding source are assumed, as required for these disclosures, contrary to Florida Statutes.

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

	Actual	Under Section 112.664(1)(a), F.S.	Under Section 112.664(1)(b), F.S.	Under Section 112.664(1)(b), F.S.
	Discount Rate: 7.60%	Discount Rate: 7.60%	Discount Rate: 5.60%	Discount Rate: 9.60%
	FRS 7/1/2015 Mortality 9/30/2016	FRS 7/1/2015 Mortality 9/30/2016	FRS 7/1/2015 Mortality 9/30/2016	FRS 7/1/2015 Mortality 9/30/2016
1. Total pension liability:				
a. Service cost	\$ 4,314,154	\$ 4,314,154	\$ 6,793,408	\$ 2,851,328
b. Interest	\$ 11,826,681	\$ 11,826,681	\$ 11,374,052	\$ 11,912,420
c. Benefit changes	\$ -	\$ -	\$ -	\$ -
d. Difference between expected and actual experience	\$ 5,022,406	\$ 5,022,406	\$ 6,724,321	\$ 3,974,270
e. Changes in assumptions	\$ 4,916,835	\$ 776,238	\$ 1,968,892	\$ 286,865
f. Benefit payments	\$ (6,691,573)	\$ (6,691,573)	\$ (6,691,573)	\$ (6,691,573)
g. Contribution refunds	\$ -	\$ -	\$ -	\$ -
h. Net change in total pension liability	\$ 19,388,503	\$ 15,247,906	\$ 20,169,100	\$ 12,333,310
i. Total pension liability – beginning	\$ 149,729,022	\$ 153,869,619	\$ 197,691,566	\$ 124,295,301
j. Total pension liability – ending	\$ 169,117,525	\$ 169,117,525	\$ 217,860,666	\$ 136,628,611
2. Plan fiduciary net position:				
a. Contributions – Town	\$ 5,672,500	\$ 5,672,500	\$ 5,672,500	\$ 5,672,500
b. Contributions – State	\$ 858,749	\$ 858,749	\$ 858,749	\$ 858,749
c. Contributions – Member	\$ 1,946,185	\$ 1,946,185	\$ 1,946,185	\$ 1,946,185
d. Net investment income	\$ 10,696,539	\$ 10,696,539	\$ 10,696,539	\$ 10,696,539
e. Benefit payments	\$ (6,691,573)	\$ (6,691,573)	\$ (6,691,573)	\$ (6,691,573)
f. Contributions refunds	\$ -	\$ -	\$ -	\$ -
g. Administrative expense	\$ (192,512)	\$ (192,512)	\$ (192,512)	\$ (192,512)
h. Other	\$ -	\$ -	\$ -	\$ -
i. Net change in plan fiduciary net position	\$ 12,289,888	\$ 12,289,888	\$ 12,289,888	\$ 12,289,888
j. Plan fiduciary net position – beginning	\$ 121,246,764	\$ 121,246,764	\$ 121,246,764	\$ 121,246,764
k. Plan fiduciary net position – ending	\$ 133,536,652	\$ 133,536,652	\$ 133,536,652	\$ 133,536,652
3. Net pension liability/(asset) [(a)1-j. minus (a)2.k.]	\$ 35,580,873	\$ 35,580,873	\$ 84,324,014	\$ 3,091,959

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Plan Assumptions: 7.60% and FRS 7/1/2015 Mortality

<u>Year</u>	<u>Projected Beginning Fiduciary Net Position</u>	<u>Projected Benefit Payments</u>	<u>Projected Investment Earnings</u>	<u>Projected Ending Fiduciary Net Position</u>
10/1/2016	\$133,536,652	\$7,676,664	\$9,857,072	\$135,717,060
10/1/2017	\$135,717,060	\$8,357,636	\$9,996,906	\$137,356,331
10/1/2018	\$137,356,331	\$8,900,800	\$10,100,851	\$138,556,381
10/1/2019	\$138,556,381	\$9,515,921	\$10,168,680	\$139,209,140
10/1/2020	\$139,209,140	\$10,071,875	\$10,197,163	\$139,334,429
10/1/2021	\$139,334,429	\$10,582,238	\$10,187,292	\$138,939,482
10/1/2022	\$138,939,482	\$10,960,561	\$10,142,899	\$138,121,821
10/1/2023	\$138,121,821	\$11,330,247	\$10,066,709	\$136,858,283
10/1/2024	\$136,858,283	\$11,736,415	\$9,955,246	\$135,077,114
10/1/2025	\$135,077,114	\$12,037,482	\$9,808,436	\$132,848,068
10/1/2026	\$132,848,068	\$12,255,334	\$9,630,750	\$130,223,484
10/1/2027	\$130,223,484	\$12,512,876	\$9,421,496	\$127,132,104
10/1/2028	\$127,132,104	\$12,694,842	\$9,179,636	\$123,616,898
10/1/2029	\$123,616,898	\$12,854,102	\$8,906,428	\$119,669,224
10/1/2030	\$119,669,224	\$12,953,822	\$8,602,616	\$115,318,018
10/1/2031	\$115,318,018	\$13,050,691	\$8,268,243	\$110,535,570
10/1/2032	\$110,535,570	\$13,140,243	\$7,901,374	\$105,296,701
10/1/2033	\$105,296,701	\$13,185,845	\$7,501,487	\$99,612,343
10/1/2034	\$99,612,343	\$13,185,521	\$7,069,488	\$93,496,310
10/1/2035	\$93,496,310	\$13,160,716	\$6,605,612	\$86,941,207
10/1/2036	\$86,941,207	\$13,131,998	\$6,108,516	\$79,917,725
10/1/2037	\$79,917,725	\$13,067,075	\$5,577,198	\$72,427,848
10/1/2038	\$72,427,848	\$12,967,226	\$5,011,762	\$64,472,384
10/1/2039	\$64,472,384	\$12,846,192	\$4,411,746	\$56,037,938
10/1/2040	\$56,037,938	\$12,710,919	\$3,775,868	\$47,102,887
10/1/2041	\$47,102,887	\$12,546,728	\$3,103,044	\$37,659,203

10/1/2042	\$37,659,203	\$12,370,614	\$2,392,016	\$27,680,605
10/1/2043	\$27,680,605	\$12,171,750	\$1,641,199	\$17,150,054
10/1/2044	\$17,150,054	\$11,951,153	\$849,260	\$6,048,161
10/1/2045	\$6,048,161	\$11,715,099		

Number of Years Expected Benefit Payments Sustained: 29.51

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.

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Plan Assumptions: 7.60% and FRS 7/1/2015 Mortality

<u>Year</u>	<u>Projected Beginning</u>		<u>Projected Benefit</u>		<u>Projected Investment</u>		<u>Projected Ending</u>	
	<u>Fiduciary Net Position</u>	<u>Payments</u>	<u>Earnings</u>	<u>Fiduciary Net Position</u>	<u>Earnings</u>	<u>Fiduciary Net Position</u>	<u>Fiduciary Net Position</u>	<u>Fiduciary Net Position</u>
10/1/2016	\$133,536,652	\$7,676,664	\$9,857,072	\$135,717,060				
10/1/2017	\$135,717,060	\$8,357,636	\$9,996,906	\$137,356,331				
10/1/2018	\$137,356,331	\$8,900,800	\$10,100,851	\$138,556,381				
10/1/2019	\$138,556,381	\$9,515,921	\$10,168,680	\$139,209,140				
10/1/2020	\$139,209,140	\$10,071,875	\$10,197,163	\$139,334,429				
10/1/2021	\$139,334,429	\$10,582,238	\$10,187,292	\$138,939,482				
10/1/2022	\$138,939,482	\$10,960,561	\$10,142,899	\$138,121,821				
10/1/2023	\$138,121,821	\$11,330,247	\$10,066,709	\$136,858,283				
10/1/2024	\$136,858,283	\$11,736,415	\$9,955,246	\$135,077,114				
10/1/2025	\$135,077,114	\$12,037,482	\$9,808,436	\$132,848,068				
10/1/2026	\$132,848,068	\$12,255,334	\$9,630,750	\$130,223,484				
10/1/2027	\$130,223,484	\$12,512,876	\$9,421,496	\$127,132,104				
10/1/2028	\$127,132,104	\$12,694,842	\$9,179,636	\$123,616,898				
10/1/2029	\$123,616,898	\$12,854,102	\$8,906,428	\$119,669,224				
10/1/2030	\$119,669,224	\$12,953,822	\$8,602,616	\$115,318,018				
10/1/2031	\$115,318,018	\$13,050,691	\$8,268,243	\$110,535,570				
10/1/2032	\$110,535,570	\$13,140,243	\$7,901,374	\$105,296,701				
10/1/2033	\$105,296,701	\$13,185,845	\$7,501,487	\$99,612,343				
10/1/2034	\$99,612,343	\$13,185,521	\$7,069,488	\$93,496,310				
10/1/2035	\$93,496,310	\$13,160,716	\$6,605,612	\$86,941,207				
10/1/2036	\$86,941,207	\$13,131,998	\$6,108,516	\$79,917,725				
10/1/2037	\$79,917,725	\$13,067,075	\$5,577,198	\$72,427,848				
10/1/2038	\$72,427,848	\$12,967,226	\$5,011,762	\$64,472,384				
10/1/2039	\$64,472,384	\$12,846,192	\$4,411,746	\$56,037,938				
10/1/2040	\$56,037,938	\$12,710,919	\$3,775,868	\$47,102,887				
10/1/2041	\$47,102,887	\$12,546,728	\$3,103,044	\$37,659,203				
10/1/2042	\$37,659,203	\$12,370,614	\$2,392,016	\$27,680,605				

10/1/2043	\$27,680,605	\$12,171,750	\$1,641,199	\$17,150,054
10/1/2044	\$17,150,054	\$11,951,153	\$849,260	\$6,048,161
10/1/2045	\$6,048,161	\$11,715,099		

Number of Years Expected Benefit Payments Sustained: 29.51

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.

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Plan Assumptions: 5.60% and FRS 7/1/2015 Mortality

<u>Year</u>	<u>Projected Beginning Fiduciary Net Position</u>	<u>Projected Benefit Payments</u>	<u>Projected Investment Earnings</u>	<u>Projected Ending Fiduciary Net Position</u>
10/1/2016	\$133,536,652	\$7,676,664	\$7,263,106	\$133,123,094
10/1/2017	\$133,123,094	\$8,357,636	\$7,220,879	\$131,986,337
10/1/2018	\$131,986,337	\$8,900,800	\$7,142,012	\$130,227,550
10/1/2019	\$130,227,550	\$9,515,921	\$7,026,297	\$127,737,926
10/1/2020	\$127,737,926	\$10,071,875	\$6,871,311	\$124,537,362
10/1/2021	\$124,537,362	\$10,582,238	\$6,677,790	\$120,632,914
10/1/2022	\$120,632,914	\$10,960,561	\$6,448,547	\$116,120,900
10/1/2023	\$116,120,900	\$11,330,247	\$6,185,524	\$110,976,177
10/1/2024	\$110,976,177	\$11,736,415	\$5,886,046	\$105,125,808
10/1/2025	\$105,125,808	\$12,037,482	\$5,549,996	\$98,638,322
10/1/2026	\$98,638,322	\$12,255,334	\$5,180,597	\$91,563,585
10/1/2027	\$91,563,585	\$12,512,876	\$4,777,200	\$83,827,909
10/1/2028	\$83,827,909	\$12,694,842	\$4,338,907	\$75,471,974
10/1/2029	\$75,471,974	\$12,854,102	\$3,866,516	\$66,484,388
10/1/2030	\$66,484,388	\$12,953,822	\$3,360,419	\$56,890,984
10/1/2031	\$56,890,984	\$13,050,691	\$2,820,476	\$46,660,769
10/1/2032	\$46,660,769	\$13,140,243	\$2,245,076	\$35,765,602
10/1/2033	\$35,765,602	\$13,185,845	\$1,633,670	\$24,213,428
10/1/2034	\$24,213,428	\$13,185,521	\$986,757	\$12,014,664
10/1/2035	\$12,014,664	\$13,160,716	\$304,321	

Number of Years Expected Benefit Payments Sustained: 19.91

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.

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Plan Assumptions: 9.60% and FRS 7/1/2015 Mortality

<u>Year</u>	<u>Projected Beginning Fiduciary Net Position</u>	<u>Projected Benefit Payments</u>	<u>Projected Investment Earnings</u>	<u>Projected Ending Fiduciary Net Position</u>
10/1/2016	\$133,536,652	\$7,676,664	\$12,451,039	\$138,311,027
10/1/2017	\$138,311,027	\$8,357,636	\$12,876,692	\$142,830,083
10/1/2018	\$142,830,083	\$8,900,800	\$13,284,450	\$147,213,732
10/1/2019	\$147,213,732	\$9,515,921	\$13,675,754	\$151,373,565
10/1/2020	\$151,373,565	\$10,071,875	\$14,048,412	\$155,350,103
10/1/2021	\$155,350,103	\$10,582,238	\$14,405,662	\$159,173,527
10/1/2022	\$159,173,527	\$10,960,561	\$14,754,552	\$162,967,518
10/1/2023	\$162,967,518	\$11,330,247	\$15,101,030	\$166,738,301
10/1/2024	\$166,738,301	\$11,736,415	\$15,443,529	\$170,445,415
10/1/2025	\$170,445,415	\$12,037,482	\$15,784,961	\$174,192,893
10/1/2026	\$174,192,893	\$12,255,334	\$16,134,262	\$178,071,821
10/1/2027	\$178,071,821	\$12,512,876	\$16,494,277	\$182,053,222
10/1/2028	\$182,053,222	\$12,694,842	\$16,867,757	\$186,226,137
10/1/2029	\$186,226,137	\$12,854,102	\$17,260,712	\$190,632,747
10/1/2030	\$190,632,747	\$12,953,822	\$17,678,960	\$195,357,885
10/1/2031	\$195,357,885	\$13,050,691	\$18,127,924	\$200,435,118
10/1/2032	\$200,435,118	\$13,140,243	\$18,611,040	\$205,905,914
10/1/2033	\$205,905,914	\$13,185,845	\$19,134,047	\$211,854,117
10/1/2034	\$211,854,117	\$13,185,521	\$19,705,090	\$218,373,686
10/1/2035	\$218,373,686	\$13,160,716	\$20,332,159	\$225,545,129
10/1/2036	\$225,545,129	\$13,131,998	\$21,021,997	\$233,435,128
10/1/2037	\$233,435,128	\$13,067,075	\$21,782,553	\$242,150,606
10/1/2038	\$242,150,606	\$12,967,226	\$22,624,031	\$251,807,411
10/1/2039	\$251,807,411	\$12,846,192	\$23,556,894	\$262,518,113
10/1/2040	\$262,518,113	\$12,710,919	\$24,591,615	\$274,398,809
10/1/2041	\$274,398,809	\$12,546,728	\$25,740,043	\$287,592,124

10/1/2042	\$287,592,124	\$12,370,614	\$27,015,054	\$302,236,564
10/1/2043	\$302,236,564	\$12,171,750	\$28,430,466	\$318,495,280
10/1/2044	\$318,495,280	\$11,951,153	\$30,001,892	\$336,546,019
10/1/2045	\$336,546,019	\$11,715,099	\$31,746,093	\$356,577,013
10/1/2046	\$356,577,013	\$11,460,122	\$33,681,307	\$378,798,198
10/1/2047	\$378,798,198	\$11,189,310	\$35,827,540	\$403,436,428
10/1/2048	\$403,436,428	\$10,902,947	\$38,206,556	\$430,740,037
10/1/2049	\$430,740,037	\$10,602,696	\$40,842,114	\$460,979,455
10/1/2050	\$460,979,455	\$10,288,659	\$43,760,172	\$494,450,968
10/1/2051	\$494,450,968	\$9,960,846	\$46,989,172	\$531,479,294
10/1/2052	\$531,479,294	\$9,619,669	\$50,560,268	\$572,419,893
10/1/2053	\$572,419,893	\$9,264,622	\$54,507,608	\$617,662,879
10/1/2054	\$617,662,879	\$8,895,595	\$58,868,648	\$667,635,932
10/1/2055	\$667,635,932	\$8,514,049	\$63,684,375	\$722,806,258
10/1/2056	\$722,806,258	\$8,121,563	\$68,999,566	\$783,684,261
10/1/2057	\$783,684,261	\$7,719,615	\$74,863,148	\$850,827,794
10/1/2058	\$850,827,794	\$7,310,757	\$81,328,552	\$924,845,588
10/1/2059	\$924,845,588	\$6,896,765	\$88,454,132	\$1,006,402,955
10/1/2060	\$1,006,402,955	\$6,479,655	\$96,303,660	\$1,096,226,960
10/1/2061	\$1,096,226,960	\$6,063,103	\$104,946,759	\$1,195,110,617

Number of Years Expected Benefit Payments Sustained: 999.99

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.

ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR
 ENDING SEPTEMBER 30, 2017
 Valuation Date: 10/1/2016

PENSION COST	ACTUAL			
	Interest Rate: 7.6% FRS 7/1/2015 Mortality	Interest Rate: 7.6% FRS 7/1/2015 Mortality	Interest Rate: 5.6% FRS 7/1/2015 Mortality	Interest Rate: 9.6% FRS 7/1/2015 Mortality
Normal Cost	\$ 4,567,940	\$ 4,567,940	\$ 7,184,124	\$ 3,023,934
Administrative Expenses	\$ 192,512	\$ 192,512	\$ 192,512	\$ 192,512
Payment Required to Amortize UAAL	\$ 3,499,995	\$ 3,499,995	\$ 7,977,452	\$ 515,623
Interest Adjustment	\$ 386,750	\$ 386,750	\$ 712,557	\$ 178,764
Total Required Contribution	\$ 8,647,197	\$ 8,647,197	\$ 16,066,645	\$ 3,910,833
TRC as % of Payroll	56.60%	56.60%	105.16%	25.60%
	15,278,632	15,278,632	15,278,632	15,278,632