

PENSION BOARD CONSULTANTS, INC.
CONSULTING, ACTUARIAL & ADMINISTRATIVE SERVICES

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VIA EMAIL ONLY

May 20, 2016

State of Florida
Department of Management Services
Division of Retirement
P.O. Box 9000
Tallahassee, FL 32315-9000

City of Pensacola Police Officers' Retirement Plan

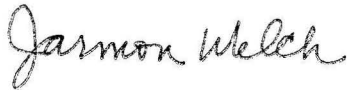
This replaces our prior submission dated May 13, 2016.

Attached is a copy of the Local Retirement Annual Financial Statement for the above named Plan in compliance with the requirements in Sections 112.664(1)(a) and (b), F.S., and Section 60T-1.0035, F.A.C.

This information is based on the most recent actuarial valuation dated October 1, 2015.

Please contact us if you have any questions.

Cordially yours,



Jarmon Welch, A.S.A.
President

cc: Mr. Richard Barker, Jr.
Ms. P. Cheryl Jackson

CERTIFICATION STATEMENT FOR

City of Pensacola Police Officers' Retirement Plan

Most Recent Valuation Date: October 1, 2015

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.

I am a member of the American Academy of Actuaries and meet its Qualification Standards to render the actuarial opinion contained herein.

Signature: Jarmon Welch

Name: Jarmon Welch

Enrollment Number: 14-01108

Date: May 20, 2016

CITY OF PENSACOLA POLICE OFFICERS' RETIREMENT FUND

Schedule of Changes in Net Pension Liability and Related Ratios

	Actuarial Valuation i=7.125% 2015	112.664(1)(a) i=7.125% 2015	112.664(1)(b) i=5.125% 2015
Total pension liability			
Service Cost (BOY)	\$818,742	\$820,246	\$1,378,207
Interest	\$8,390,513	\$8,392,106	\$8,061,175
Changes of benefit terms	\$0	\$0	\$0
Differences between expected and actual experience	\$312,274	\$313,000	\$400,000
Changes of assumptions	\$6,217,609	\$3,417,802	\$4,000,000
Benefit payments, including refunds of member contributions	(\$6,446,003)	(\$6,446,003)	(\$6,446,003)
Net change in total pension liability	\$9,293,135	\$6,497,151	\$7,393,379
Total pension liability -- beginning	\$118,079,087	\$118,099,547	\$155,349,764
Total pension liability -- ending(a)	\$127,372,222	\$124,596,698	\$162,743,143
Plan fiduciary net position			
Contributions--employer	\$3,830,839	\$3,830,839	\$3,830,839
Contributions--member	\$240,097	\$240,097	\$240,097
Net investment income	(\$2,362,487)	(\$2,362,487)	(\$2,362,487)
Benefit payments, including refunds of member contributions	(\$6,446,003)	(\$6,446,003)	(\$6,446,003)
Administrative expense	(\$82,441)	(\$82,441)	(\$82,441)
State Insurance	\$512,808	\$512,808	\$512,808
Member buybacks	\$0	\$0	\$0
Other			
Net change in plan fiduciary net position	(\$4,307,187)	(\$4,307,187)	(\$4,307,187)
Plan fiduciary net position -- beginning	\$84,437,986	\$84,437,986	\$84,437,986
Plan fiduciary net position -- ending	\$80,130,799	\$80,130,799	\$80,130,799
less reserve accounts	\$1,203,293	\$1,203,293	\$1,203,293
Total Plan fiduciary net position -- ending(b)	\$78,927,506	\$78,927,506	\$78,927,506
City's net pension liability--ending(a)-(b)	\$48,444,716	\$45,669,192	\$83,815,637
Plan fiduciary net position as a percentage of the total pension liability	62.0%	63.3%	48.5%
Covered-employee payroll	\$4,423,864	\$4,423,864	\$4,423,864
City's net pension liability as a percentage of covered-employee payroll	1095.1%	1032.3%	1894.6%

CITY OF PENSACOLA POLICE OFFICERS' RETIREMENT FUND

Payment of Expected Retirement Benefits

As of October 1, 2015 Actuarial Report
Mortality: RP-2000, projection scale BB, generational*
Investment Assumption = 7.125%

	Plan fiduciary net position on 10/1	Expected Payout	Investment Earnings	Plan fiduciary net position on 9/30
2015	\$82,373,130	\$6,043,391	\$5,438,494	\$81,768,233
2016	81,768,233	6,259,892	5,379,969	80,888,310
2017	80,888,310	6,550,616	5,296,561	79,634,255
2018	79,634,255	6,864,658	5,184,834	77,954,431
2019	77,954,431	7,174,156	5,043,095	75,823,369
2020	75,823,369	7,453,957	4,871,321	73,240,733
2021	73,240,733	7,766,828	4,665,016	70,138,921
2022	70,138,921	8,087,311	4,421,177	66,472,787
2023	66,472,787	8,358,037	4,140,676	62,255,426
2024	62,255,426	8,720,386	3,814,372	57,349,411
2025	57,349,411	9,069,080	3,439,974	51,720,305
2026	51,720,305	9,401,583	3,015,209	45,333,931
2027	45,333,931	9,736,423	2,536,322	38,133,830
2028	38,133,830	10,062,026	2,000,116	30,071,920
2029	30,071,920	10,417,619	1,400,369	21,054,670
2030	21,054,670	10,743,649	734,660	11,045,682
2031	11,045,682	11,024,192	1,531	23,021
2032	23,021	11,301,354		

NOTE: The total Plan fiduciary net position as of October 1, 2015, was \$83,576,423 less reserve accounts of \$1,203,293.

* Pre- and Post-Retirement

Female: 100% Annuitant White Collar

Male: 10% Annuitant White Collar / 90% Annuitant Blue Collar

Post-Disablement

Female: 60% RP2000 Disabled Female set forward two years / 40%
Annuitant White Collar with no setback, no projection scale

Male: 60% RP2000 Disabled Female setback four years / 40%
Annuitant White Collar with no setback, no projection scale

CITY OF PENSACOLA POLICE OFFICERS' RETIREMENT FUND

Payment of Expected Retirement Benefits

Section 112.664(1)(a), F.S.

Mortality: RP-2000, projection scale AA, generational

Investment Assumption = 7.125%

	Plan fiduciary net position on 10/1	Expected Payout	Investment Earnings	Plan fiduciary net position on 9/30
2015	\$78,927,506	\$6,092,940	\$5,189,463	\$78,024,029
2016	78,024,029	6,309,389	5,109,668	76,824,308
2017	76,824,308	6,600,501	5,003,446	75,227,253
2018	75,227,253	6,914,880	4,867,257	73,179,630
2019	73,179,630	7,145,770	4,704,913	70,738,772
2020	70,738,772	7,432,785	4,510,552	67,816,539
2021	67,816,539	7,749,773	4,279,757	64,346,523
2022	64,346,523	8,076,724	4,009,223	60,279,022
2023	60,279,022	8,360,564	3,699,190	55,617,648
2024	55,617,648	8,729,499	3,340,781	50,228,930
2025	50,228,930	9,081,468	2,931,757	44,079,219
2026	44,079,219	9,416,294	2,469,733	37,132,658
2027	37,132,658	9,745,604	1,951,328	29,338,381
2028	29,338,381	10,064,377	1,373,273	20,647,277
2029	20,647,277	10,411,944	729,267	10,964,601
2030	10,964,601	10,729,180	16,774	252,195
2031	252,195	10,999,397		

NOTE: The total Plan fiduciary net position as of October 1, 2015, was \$80,130,799 less reserve accounts of \$1,203,293.

CITY OF PENSACOLA POLICE OFFICERS' RETIREMENT FUND

Payment of Expected Retirement Benefits

Section 112.664(1)(b), F.S.

Mortality: RP-2000, projection scale AA, generational

Investment Assumption = 5.125%

	Plan fiduciary net position on 10/1	Expected Payout	Investment Earnings	Plan fiduciary net position on 9/30
2015	\$78,927,506	\$6,092,940	\$3,732,772	\$76,567,338
2016	76,567,338	6,309,389	3,600,720	73,858,668
2017	73,858,668	6,600,501	3,446,981	70,705,148
2018	70,705,148	6,914,880	3,269,251	67,059,520
2019	67,059,520	7,145,770	3,070,580	62,984,329
2020	62,984,329	7,432,785	2,847,017	58,398,561
2021	58,398,561	7,749,773	2,595,750	53,244,538
2022	53,244,538	8,076,724	2,314,850	47,482,665
2023	47,482,665	8,360,564	2,005,008	41,127,109
2024	41,127,109	8,729,499	1,660,377	34,057,987
2025	34,057,987	9,081,468	1,280,047	26,256,566
2026	26,256,566	9,416,294	863,064	17,703,336
2027	17,703,336	9,745,604	407,834	8,365,565
2028	8,365,565	10,064,377		

NOTE: The total Plan fiduciary net position as of October 1, 2015, was \$80,130,799 less reserve accounts of \$1,203,293.

CITY OF PENSACOLA POLICE OFFICERS' RETIREMENT FUND

Derivation of Recommended Plan Contributions as of October 1, 2015

	Actuarial Report i=7.125% <u>October 1, 2015</u>	112.664(1)(a) i=7.125% <u>October 1, 2015</u>	112.664(1)(b) i=5.125% <u>October 1, 2015</u>
1. Covered October 1 Payroll (non DROP)	\$4,423,864	\$4,423,864	\$4,423,864
2. Entry Age Actuarial Accrued Liabilities			
a. Active Participants	\$26,612,767	\$26,385,223	\$37,654,656
b. Inactive Participants	<u>\$100,759,455</u>	<u>\$98,211,482</u>	<u>\$125,088,487</u>
c. Total (a. + b.)	\$127,372,222	\$124,596,705	\$162,743,143
3. Value of Assets*			
a. Actuarial Value of Assets	\$83,576,423	\$80,130,799	\$80,130,799
b. Contribution Surplus Account	\$806,396	\$806,396	\$806,396
c. Accumulated Chapter 185 Premium Tax	<u>\$396,897</u>	<u>\$396,897</u>	<u>\$396,897</u>
d. Net Actuarial Value of Assets (a. - b. - c.)	\$82,373,130	\$78,927,506	\$78,927,506
4. Unfunded Actuarial Accrued Liability	\$44,999,092	\$45,669,199	\$83,815,637
5. Annual Plan Cost			
a. UAAL Amortization Payment (16 years)	\$4,483,574	\$4,550,339	\$7,422,231
b. Individual Entry Age Normal Cost	\$912,596	\$906,047	\$1,550,082
c. Annual Expense Load	\$70,000	\$70,000	\$70,000
d. Total Required Contribution BOY (a. + b. + c.)	\$5,466,170	\$5,526,386	\$9,042,313
e. As a Percentage of Covered Payroll	123.56%	124.92%	204.40%

* Actuarial Value of Assets used for Actuarial Report
Market Value of Assets used for Chapter 112.664(1)(a) and (b)