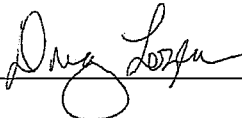


CITY OF PORT ST. LUCIE  
MUNICIPAL POLICE OFFICERS' RETIREMENT TRUST FUND

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 Rule 60T-1.0035, Florida Administrative Code.

By:  Date: 2/13/2017

Douglas H. Lozen, EA, MAAA  
Enrolled Actuary #14-7778



When reviewing the following schedules, please note the following:

- 1) The purpose of producing this report is solely to satisfy the requirements set forth by Section 112.664, Florida Statutes, and is mandatory for every Florida public pension fund, excluding the Florida Retirement System (FRS).
- 2) None of the schedules shown have any impact on the funding requirements of the Plan. These schedules are for statutory compliance purposes only.
- 3) In the schedules that follow, the columns labeled "ACTUAL" represent the final recorded GASB 67/68 results. The columns labeled "HYPOTHETICAL" illustrate what the results would have been if different assumptions were used.
- 4) It is our opinion that the Plan's actual assumptions utilized in the October 1, 2016 Actuarial Valuation Report, as adopted by the Board of Trustees, are reasonable individually and in the aggregate, and represent our best estimate of future Plan experience.
- 5) The "Number of Years Expected Benefit Payments Sustained" calculated in Section II: Asset Sustainability should not be interpreted as the number of years the Plan has left until it is insolvent. This calculation is required by 112.664, Florida Statutes, but the numeric result is irrelevant, since in its calculation we are to assume there will be no further contributions to the Fund. As long as the Actuarially Determined Contribution is made each year the Plan will never become insolvent.

GASB 67: SCHEDULE OF CHANGES IN NET PENSION LIABILITY  
FISCAL YEAR SEPTEMBER 30, 2016

	ACTUAL	HYPOTHETICAL	
	7.75% RP-2000 Generational	5.75% RP-2000 Generational	9.75% RP-2000 Generational
<u>Total Pension Liability</u>			
Service Cost	3,431,980	5,540,359	2,411,404
Interest	7,302,342	7,378,705	7,514,041
Change in Excess State Money	(1,508,953)	(1,508,953)	(1,508,953)
Changes of Benefit Terms	2,751,119	3,836,795	2,195,917
Differences Between Expected and Actual Experience	(660,201)	(566,024)	(824,573)
Changes of Assumptions	2,757,260	(1,490,287)	(1,024,420)
Contributions - Buy Back	480,952	480,952	480,952
Benefit Payments, Including Refunds of Employee Contributions	(2,511,841)	(2,511,841)	(2,511,841)
Net Change in Total Pension Liability	12,042,658	11,159,706	6,732,527
Total Pension Liability - Beginning	90,805,548	121,713,021	75,224,636
Total Pension Liability - Ending (a)	<u>\$ 102,848,206</u>	<u>\$ 132,872,727</u>	<u>\$ 81,957,163</u>
<u>Plan Fiduciary Net Position</u>			
Contributions - Employer	3,781,111	3,781,111	3,781,111
Contributions - State	1,247,468	1,247,468	1,247,468
Contributions - Employee	1,489,224	1,489,224	1,489,224
Contributions - Buy Back	480,952	480,952	480,952
Net Investment Income	7,021,629	7,021,629	7,021,629
Benefit Payments, Including Refunds of Employee Contributions	(2,511,841)	(2,511,841)	(2,511,841)
Administrative Expenses	(189,990)	(189,990)	(189,990)
Net Change in Plan Fiduciary Net Position	11,318,553	11,318,553	11,318,553
Plan Fiduciary Net Position - Beginning	70,456,290	70,456,290	70,456,290
Plan Fiduciary Net Position - Ending (b)	<u>\$ 81,774,843</u>	<u>\$ 81,774,843</u>	<u>\$ 81,774,843</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 21,073,363</u>	<u>\$ 51,097,884</u>	<u>\$ 182,320</u>

GASB 68: PENSION EXPENSE  
FISCAL YEAR SEPTEMBER 30, 2016

	ACTUAL	HYPOTHETICAL	
	7.75%	5.75%	9.75%
Pension Expense	<u>\$ 4,677,983</u>	<u>\$ 7,899,170</u>	<u>\$ 2,943,847</u>

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1  
Plan Assumptions: 7.75% and RP-2000 Generational Mortality

Fiscal Year Beginning 10/1	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments*	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2016	81,244,475	-	6,435,365	-	6,047,076	80,856,186
2017	80,856,186	-	3,765,005	-	6,120,460	83,211,641
2018	83,211,641	-	3,974,041	-	6,294,908	85,532,508
2019	85,532,508	-	4,342,770	-	6,460,487	87,650,225
2020	87,650,225	-	4,683,490	-	6,611,407	89,578,142
2021	89,578,142	-	5,169,766	-	6,741,978	91,150,354
2022	91,150,354	-	5,753,831	-	6,841,191	92,237,714
2023	92,237,714	-	6,265,268	-	6,905,644	92,878,090
2024	92,878,090	-	6,753,702	-	6,936,346	93,060,734
2025	93,060,734	-	7,124,032	-	6,936,151	92,872,853
2026	92,872,853	-	7,429,480	-	6,909,754	92,353,127
2027	92,353,127	-	7,714,189	-	6,858,443	91,497,381
2028	91,497,381	-	7,960,604	-	6,782,574	90,319,351
2029	90,319,351	-	8,089,267	-	6,686,291	88,916,375
2030	88,916,375	-	8,220,293	-	6,572,483	87,268,565
2031	87,268,565	-	8,333,494	-	6,440,391	85,375,462
2032	85,375,462	-	8,376,916	-	6,291,993	83,290,539
2033	83,290,539	-	8,361,454	-	6,131,010	81,060,095
2034	81,060,095	-	8,357,654	-	5,958,298	78,660,739
2035	78,660,739	-	8,293,744	-	5,774,825	76,141,820
2036	76,141,820	-	8,226,156	-	5,582,228	73,497,892
2037	73,497,892	-	8,102,678	-	5,382,108	70,777,322
2038	70,777,322	-	7,966,686	-	5,176,533	67,987,169
2039	67,987,169	-	7,828,487	-	4,965,652	65,124,334
2040	65,124,334	-	7,689,945	-	4,749,151	62,183,540
2041	62,183,540	-	7,522,006	-	4,527,747	59,189,281
2042	59,189,281	-	7,352,716	-	4,302,252	56,138,817
2043	56,138,817	-	7,170,871	-	4,072,887	53,040,833
2044	53,040,833	-	6,974,195	-	3,840,415	49,907,053
2045	49,907,053	-	6,770,962	-	3,605,422	46,741,513
2046	46,741,513	-	6,559,369	-	3,368,292	43,550,436
2047	43,550,436	-	6,342,690	-	3,129,380	40,337,126
2048	40,337,126	-	6,119,253	-	2,889,006	37,106,879
2049	37,106,879	-	5,889,076	-	2,647,581	33,865,384
2050	33,865,384	-	5,651,753	-	2,405,562	30,619,193
2051	30,619,193	-	5,410,347	-	2,163,337	27,372,183
2052	27,372,183	-	5,164,222	-	1,921,231	24,129,192
2053	24,129,192	-	4,914,636	-	1,679,570	20,894,126
2054	20,894,126	-	4,661,212	-	1,438,673	17,671,587
2055	17,671,587	-	4,404,225	-	1,198,884	14,466,246
2056	14,466,246	-	4,144,355	-	960,540	11,282,431
2057	11,282,431	-	3,882,841	-	723,928	8,123,518
2058	8,123,518	-	3,620,851	-	489,265	4,991,932
2059	4,991,932	-	3,359,703	-	256,686	1,888,915
2060	1,888,915	-	3,101,191	-	-	-

\*All DROP Balances paid in 2016.

Number of Years Expected Benefit Payments Sustained: 44.61

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 7.75% interest.

**It is important to note that as long as the Actuarially Determined Contribution is made each year, the Plan will never become insolvent. Furthermore, State and local laws mandate that the Actuarially Determined Contribution be made each year.**

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 2  
Hypothetical Assumptions: 5.75% and RP-2000 Generational Mortality

Fiscal Year Beginning 10/1	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments*	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2016	81,244,475	-	6,435,365	-	4,486,541	79,295,651
2017	79,295,651	-	3,765,005	-	4,451,256	79,981,902
2018	79,981,902	-	3,974,041	-	4,484,706	80,492,567
2019	80,492,567	-	4,342,770	-	4,503,468	80,653,265
2020	80,653,265	-	4,683,490	-	4,502,912	80,472,687
2021	80,472,687	-	5,169,766	-	4,478,549	79,781,470
2022	79,781,470	-	5,753,831	-	4,422,012	78,449,651
2023	78,449,651	-	6,265,268	-	4,330,728	76,515,111
2024	76,515,111	-	6,753,702	-	4,205,450	73,966,859
2025	73,966,859	-	7,124,032	-	4,048,278	70,891,105
2026	70,891,105	-	7,429,480	-	3,862,641	67,324,266
2027	67,324,266	-	7,714,189	-	3,649,362	63,259,439
2028	63,259,439	-	7,960,604	-	3,408,550	58,707,385
2029	58,707,385	-	8,089,267	-	3,143,108	53,761,226
2030	53,761,226	-	8,220,293	-	2,854,937	48,395,870
2031	48,395,870	-	8,333,494	-	2,543,175	42,605,551
2032	42,605,551	-	8,376,916	-	2,208,983	36,437,618
2033	36,437,618	-	8,361,454	-	1,854,771	29,930,935
2034	29,930,935	-	8,357,654	-	1,480,746	23,054,027
2035	23,054,027	-	8,293,744	-	1,087,161	15,847,444
2036	15,847,444	-	8,226,156	-	674,726	8,296,014
2037	8,296,014	-	8,102,678	-	244,069	437,405
2038	437,405	-	7,966,686	-	-	-

\*All DROP Balances paid in 2016.

Number of Years Expected Benefit Payments Sustained: 22.05

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 5.75% interest.

**It is important to note that as long as the Actuarially Determined Contribution is made each year, the Plan will never become insolvent. Furthermore, State and local laws mandate that the Actuarially Determined Contribution be made each year.**

## PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 3  
Hypothetical Assumptions: 9.75% and RP-2000 Generational Mortality

Fiscal Year Beginning 10/1	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments*	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2016	81,244,475	-	6,435,365	-	7,607,612	82,416,722
2017	82,416,722	-	3,765,005	-	7,852,086	86,503,803
2018	86,503,803	-	3,974,041	-	8,240,386	90,770,148
2019	90,770,148	-	4,342,770	-	8,638,379	95,065,757
2020	95,065,757	-	4,683,490	-	9,040,591	99,422,858
2021	99,422,858	-	5,169,766	-	9,441,703	103,694,795
2022	103,694,795	-	5,753,831	-	9,829,743	107,770,707
2023	107,770,707	-	6,265,268	-	10,202,212	111,707,651
2024	111,707,651	-	6,753,702	-	10,562,253	115,516,202
2025	115,516,202	-	7,124,032	-	10,915,533	119,307,703
2026	119,307,703	-	7,429,480	-	11,270,314	123,148,537
2027	123,148,537	-	7,714,189	-	11,630,916	127,065,264
2028	127,065,264	-	7,960,604	-	12,000,784	131,105,444
2029	131,105,444	-	8,089,267	-	12,388,429	135,404,606
2030	135,404,606	-	8,220,293	-	12,801,210	139,985,523
2031	139,985,523	-	8,333,494	-	13,242,331	144,894,360
2032	144,894,360	-	8,376,916	-	13,718,825	150,236,269
2033	150,236,269	-	8,361,454	-	14,240,415	156,115,230
2034	156,115,230	-	8,357,654	-	14,813,799	162,571,375
2035	162,571,375	-	8,293,744	-	15,446,389	169,724,020
2036	169,724,020	-	8,226,156	-	16,147,067	177,644,931
2037	177,644,931	-	8,102,678	-	16,925,375	186,467,628
2038	186,467,628	-	7,966,686	-	17,792,218	196,293,160
2039	196,293,160	-	7,828,487	-	18,756,944	207,221,617
2040	207,221,617	-	7,689,945	-	19,829,223	219,360,895
2041	219,360,895	-	7,522,006	-	21,020,989	232,859,878
2042	232,859,878	-	7,352,716	-	22,345,393	247,852,555
2043	247,852,555	-	7,170,871	-	23,816,044	264,497,728
2044	264,497,728	-	6,974,195	-	25,448,536	282,972,069
2045	282,972,069	-	6,770,962	-	27,259,692	303,460,799
2046	303,460,799	-	6,559,369	-	29,267,659	326,169,089
2047	326,169,089	-	6,342,690	-	31,492,280	351,318,679
2048	351,318,679	-	6,119,253	-	33,955,258	379,154,684
2049	379,154,684	-	5,889,076	-	36,680,489	409,946,097
2050	409,946,097	-	5,651,753	-	39,694,221	443,988,565
2051	443,988,565	-	5,410,347	-	43,025,131	481,603,349
2052	481,603,349	-	5,164,222	-	46,704,571	523,143,698
2053	523,143,698	-	4,914,636	-	50,766,922	568,995,984
2054	568,995,984	-	4,661,212	-	55,249,874	619,584,646
2055	619,584,646	-	4,404,225	-	60,194,797	675,375,218
2056	675,375,218	-	4,144,355	-	65,647,046	736,877,909
2057	736,877,909	-	3,882,841	-	71,656,308	804,651,376
2058	804,651,376	-	3,620,851	-	78,276,993	879,307,518
2059	879,307,518	-	3,359,703	-	85,568,697	961,516,512
2060	961,516,512	-	3,101,191	-	93,596,677	1,052,011,998
2061	1,052,011,998	-	2,847,241	-	102,432,367	1,151,597,124
2062	1,151,597,124	-	2,599,344	-	112,154,002	1,261,151,782
2063	1,261,151,782	-	2,358,608	-	122,847,317	1,381,640,491
2064	1,381,640,491	-	2,126,519	-	134,606,280	1,514,120,252
2065	1,514,120,252	-	1,904,835	-	147,533,864	1,659,749,281

## PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 3  
Hypothetical Assumptions: 9.75% and RP-2000 Generational Mortality

Fiscal Year Beginning 10/1	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments*	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2066	1,659,749,281	-	1,695,305	-	161,742,909	1,819,796,885
2067	1,819,796,885	-	1,499,545	-	177,357,093	1,995,654,433
2068	1,995,654,433	-	1,318,472	-	194,512,032	2,188,847,993
2069	2,188,847,993	-	1,152,841	-	213,356,478	2,401,051,630
2070	2,401,051,630	-	1,002,666	-	234,053,654	2,634,102,618
2071	2,634,102,618	-	867,310	-	256,782,724	2,890,018,032
2072	2,890,018,032	-	745,921	-	281,740,394	3,171,012,505
2073	3,171,012,505	-	637,760	-	309,142,628	3,479,517,373
2074	3,479,517,373	-	541,724	-	339,226,535	3,818,202,184
2075	3,818,202,184	-	457,169	-	372,252,426	4,189,997,441
2076	4,189,997,441	-	383,384	-	408,506,061	4,598,120,118
2077	4,598,120,118	-	319,410	-	448,301,140	5,046,101,848
2078	5,046,101,848	-	264,325	-	491,982,044	5,537,819,567
2079	5,537,819,567	-	217,334	-	539,926,813	6,077,529,046
2080	6,077,529,046	-	177,465	-	592,550,431	6,669,902,012
2081	6,669,902,012	-	143,837	-	650,308,434	7,320,066,609
2082	7,320,066,609	-	115,680	-	713,700,855	8,033,651,784
2083	8,033,651,784	-	92,363	-	783,276,546	8,816,835,967
2084	8,816,835,967	-	73,190	-	859,637,939	9,676,400,716
2085	9,676,400,716	-	57,549	-	943,446,264	10,619,789,431
2086	10,619,789,431	-	44,754	-	1,035,427,288	11,655,171,965
2087	11,655,171,965	-	34,385	-	1,136,377,590	12,791,515,170
2088	12,791,515,170	-	26,078	-	1,247,171,458	14,038,660,550
2089	14,038,660,550	-	19,537	-	1,368,768,451	15,407,409,464
2090	15,407,409,464	-	14,438	-	1,502,221,719	16,909,616,745
2091	16,909,616,745	-	10,530	-	1,648,687,119	18,558,293,334
2092	18,558,293,334	-	7,566	-	1,809,433,231	20,367,718,999
2093	20,367,718,999	-	5,359	-	1,985,852,341	22,353,565,981
2094	22,353,565,981	-	3,727	-	2,179,472,501	24,533,034,755
2095	24,533,034,755	-	2,540	-	2,391,970,765	26,925,002,980
2096	26,925,002,980	-	1,693	-	2,625,187,708	29,550,188,995
2097	29,550,188,995	-	1,111	-	2,881,143,373	32,431,331,257
2098	32,431,331,257	-	717	-	3,162,054,763	35,593,385,303
2099	35,593,385,303	-	456	-	3,470,355,045	39,063,739,892
2100	39,063,739,892	-	287	-	3,808,714,625	42,872,454,230
2101	42,872,454,230	-	178	-	4,180,064,279	47,052,518,331
2102	47,052,518,331	-	109	-	4,587,620,532	51,640,138,754
2103	51,640,138,754	-	66	-	5,034,913,525	56,675,052,213
2104	56,675,052,213	-	40	-	5,525,817,589	62,200,869,762
2105	62,200,869,762	-	24	-	6,064,584,801	68,265,454,539
2106	68,265,454,539	-	14	-	6,655,881,817	74,921,336,342
2107	74,921,336,342	-	8	-	7,304,830,293	82,226,166,627
2108	82,226,166,627	-	5	-	8,017,051,246	90,243,217,868
2109	90,243,217,868	-	3	-	8,798,713,742	99,041,931,607
2110	99,041,931,607	-	1	-	9,656,588,332	108,698,519,938
2111	108,698,519,938	-	1	-	10,598,105,694	119,296,625,631
2112	119,296,625,631	-	-	-	11,631,420,999	130,928,046,630

\*All DROP Balances paid in 2016.

Number of Years Expected Benefit Payments Sustained: 999.99

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 9.75% interest.

**It is important to note that as long as the Actuarially Determined Contribution is made each year, the Plan will never become insolvent. Furthermore, State and local laws mandate that the Actuarially Determined Contribution be made each year.**

SECTION III - FUNDING

Section 112.664, F.S. Requirements

ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR  
ENDING SEPTEMBER 30, 2018

Valuation Date: 10/1/2016

	ACTUAL	HYPOTHETICAL	
	7.75% RP-2000 Generational	5.75% RP-2000 Generational	9.75% RP-2000 Generational
Total Required Contribution (Fixed \$)	\$7,498,619	\$10,982,598	\$4,793,482
Total Required Contribution (% of Payroll)	41.1%	60.2%	26.3%
Expected Member Contribution	1,704,933	1,688,520	1,721,346
Expected State Money	1,247,468	1,247,468	1,247,468
Expected Sponsor Contribution (Fixed \$)	\$4,546,218	\$8,046,610	\$1,824,668
Expected Sponsor Contribution (% of Payroll)	24.9%	44.1%	10.0%

**ASSETS**

Actuarial Value <sup>1</sup>	82,876,241	82,876,241	82,876,241
Market Value <sup>1</sup>	81,244,475	81,244,475	81,244,475

**LIABILITIES**

Present Value of Benefits			
Active Members			
Retirement Benefits	78,673,604	116,791,528	55,514,520
Disability Benefits	1,248,422	1,715,847	942,494
Death Benefits	1,666,118	2,147,068	1,317,931
Vested Benefits	9,449,001	14,817,535	6,346,975
Refund of Contributions	261,653	268,268	255,457
Service Retirees	21,525,457	26,079,941	18,252,920
DROP Retirees <sup>1</sup>	15,835,616	18,844,596	13,727,216
Beneficiaries	671,959	814,064	569,643
Disability Retirees	1,382,516	1,594,332	1,220,805
Terminated Vested	2,544,062	3,407,270	1,968,399
Total:	133,258,408	186,480,449	100,116,360
Present Value of Future Salaries	147,023,522	164,976,536	132,547,464
Present Value of Future Member Contributions	13,232,117	14,847,888	11,929,272
Total Normal Cost	3,409,777	5,451,800	2,202,783
Present Value of Future Normal Costs (Entry Age Normal)	26,719,296	48,322,027	15,409,052
Total Actuarial Accrued Liability <sup>1</sup>	106,539,112	138,158,422	84,707,308
Unfunded Actuarial Accrued Liability (UAAL)	23,662,871	55,282,181	1,831,067



ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR  
ENDING SEPTEMBER 30, 2018

Valuation Date: 10/1/2016

	ACTUAL	HYPOTHETICAL	
	7.75% RP-2000 Generational	5.75% RP-2000 Generational	9.75% RP-2000 Generational
<b><u>PENSION COST</u></b>			
Normal Cost <sup>2</sup>	3,775,672	5,978,703	2,462,640
Administrative Expenses <sup>2</sup>	210,377	208,352	212,403
Payment Required To Amortize UAAL <sup>2</sup>	3,512,570	4,795,543	2,118,439
Total Required Contribution	\$7,498,619	\$10,982,598	\$4,793,482

<sup>1</sup> The asset values and liabilities for DROP Members include accumulated DROP Balances as of 9/30/2016.

<sup>2</sup> Contributions developed as of 10/1/2016 displayed above have been adjusted to account for assumed salary increase and interest components.