CITY OF KEY WEST MUNICIPAL
POLICE OFFICERS' & FIREFIGHTERS'
RETIREMENT 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: Donald DuLaney Date: 8/8/16

Donald A. DuLaney, Jr. A.S.A.
Senior Consulting Actuary
Enrolled Actuary #14-4191

DuLaney and Company

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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, 2015 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: 8.60% 1983 GAM 9/30/2015	Discount Rate: 8.60% RP2000 Generational 9/30/2015	Discount Rate: 6.60% RP2000 Generational 9/30/2015	Discount Rate: 10.60% RP2000 Generational 9/30/2015
1. Total pension liability:				
a. Service cost	$ 1,454,688	$ 1,496,453	$ 2,247,770	$ 1,028,443
b. Interest	$ 7,402,128	$ 7,583,811	$ 7,083,971	$ 7,902,381
c. Benefit changes	$ -	$ -	$ -	$ -
d. Difference between expected and actual experience	$ 473,539	$ 434,671	$ 928,251	$ 61,876
e. Changes in assumptions	$ 2,284,845	$ 2,398,841	$ 3,403,466	$ 1,755,007
f. Benefit payments	$ (4,300,292)	$ (4,300,292)	$ (4,300,292)	$ (4,300,292)
g. Contribution refunds	$ -	$ -	$ -	$ -
h. Net change in total pension liability	$ 7,314,908	$ 7,613,484	$ 9,363,166	$ 6,447,415
i. Total pension liability – beginning	$ 84,481,868	$ 86,438,702	$ 103,831,808	$ 73,917,462
j. Total pension liability – ending	$ 91,796,776	$ 94,052,186	$ 113,194,974	$ 80,364,877
2. Plan fiduciary net position:				
a. Contributions – City	$ 2,801,375	$ 2,801,375	$ 2,801,375	$ 2,801,375
b. Contributions – State	$ 578,511	$ 578,511	$ 578,511	$ 578,511
c. Contributions – Member	$ 777,269	$ 777,269	$ 777,269	$ 777,269
d. Net investment income	$ 614,042	$ 614,042	$ 614,042	$ 614,042
e. Benefit payments	$ (4,300,292)	$ (4,300,292)	$ (4,300,292)	$ (4,300,292)
f. Contributions refunds	$ -	$ -	$ -	$ -
g. Administrative expense	$ (142,080)	$ (142,080)	$ (142,080)	$ (142,080)
h. Other	$ -	$ -	$ -	$ -
i. Net change in plan fiduciary net position	$ 328,825	$ 328,825	$ 328,825	$ 328,825
j. Plan fiduciary net position – beginning	$ 80,267,046	$ 80,267,046	$ 80,267,046	$ 80,267,046
k. Plan fiduciary net position – ending	$ 80,595,871	$ 80,595,871	$ 80,595,871	$ 80,595,871
3. Net pension liability/(asset) [(a)1.j. minus (a)2.k.]	$ 11,200,905	$ 13,456,315	$ 32,599,103	$ (230,994)

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Plan Assumptions: 7.50% and 1983 GAM

Year	Projected Beginning Fiduciary Net Position	Projected Benefit Payments	Projected Investment Earnings	Projected Ending Fiduciary Net Position
10/1/2015	$80,595,871	$6,227,675	$5,811,153	$80,179,349
10/1/2016	$80,179,349	$6,519,217	$5,768,981	$79,429,112
10/1/2017	$79,429,112	$6,719,295	$5,705,210	$78,415,027
10/1/2018	$78,415,027	$6,814,609	$5,625,579	$77,225,997
10/1/2019	$77,225,997	$6,907,276	$5,532,927	$75,851,648
10/1/2020	$75,851,648	$6,901,549	$5,430,066	$74,380,164
10/1/2021	$74,380,164	$6,873,044	$5,320,773	$72,827,894
10/1/2022	$72,827,894	$6,958,181	$5,201,160	$71,070,873
10/1/2023	$71,070,873	$7,126,944	$5,063,055	$69,006,984
10/1/2024	$69,006,984	$7,244,626	$4,903,850	$66,666,208
10/1/2025	$66,666,208	$7,153,262	$4,731,718	$64,244,665
10/1/2026	$64,244,665	$7,155,522	$4,550,018	$61,639,160
10/1/2027	$61,639,160	$7,131,131	$4,355,520	$58,863,549
10/1/2028	$58,863,549	$7,046,537	$4,150,521	$55,967,533
10/1/2029	$55,967,533	$6,986,475	$3,935,572	$52,916,630
10/1/2030	$52,916,630	$6,891,411	$3,710,319	$49,735,538
10/1/2031	$49,735,538	$6,774,801	$3,476,110	$46,436,848
10/1/2032	$46,436,848	$6,688,011	$3,231,963	$42,980,800
10/1/2033	$42,980,800	$6,538,164	$2,978,379	$39,421,015
10/1/2034	$39,421,015	$6,378,152	$2,717,395	$35,760,258
10/1/2035	$35,760,258	$6,227,473	$2,448,489	$31,981,274
10/1/2036	$31,981,274	$6,064,683	$2,171,170	$28,087,761
10/1/2037	$28,087,761	$5,880,038	$1,886,081	$24,093,804
10/1/2038	$24,093,804	$5,689,523	$1,593,678	$19,997,959
10/1/2039	$19,997,959	$5,490,106	$1,293,968	$15,801,821
10/1/2040	$15,801,821	$5,274,343	$987,349	$11,514,827
10/1/2041	$11,514,827	$5,066,606	$673,614	$7,121,835

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Plan Assumptions: 7.50% and 1983 GAM

Year	Projected Beginning Fiduciary Net Position	Projected Benefit Payments	Projected Investment Earnings	Projected Ending Fiduciary Net Position
10/1/2042	$7,121,835	$4,835,789	$352,796	$2,638,842
10/1/2043	$2,638,842	$4,607,604		

Number of Years Expected Benefit Payments Sustained: 28.6

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: 8.60% and RP2000 Generational

Year	Projected Beginning Fiduciary Net Position	Projected Benefit Payments	Projected Investment Earnings	Projected Ending Fiduciary Net Position
10/1/2015	$80,595,871	$6,232,982	$6,663,227	$81,026,116
10/1/2016	$81,026,116	$6,538,851	$6,687,075	$81,174,340
10/1/2017	$81,174,340	$6,754,046	$6,690,569	$81,110,863
10/1/2018	$81,110,863	$6,863,171	$6,680,418	$80,928,110
10/1/2019	$80,928,110	$6,969,182	$6,660,143	$80,619,071
10/1/2020	$80,619,071	$6,977,522	$6,633,207	$80,274,755
10/1/2021	$80,274,755	$6,966,290	$6,604,079	$79,912,544
10/1/2022	$79,912,544	$7,064,479	$6,568,706	$79,416,771
10/1/2023	$79,416,771	$7,245,761	$6,518,275	$78,689,285
10/1/2024	$78,689,285	$7,375,100	$6,450,149	$77,764,334
10/1/2025	$77,764,334	$7,338,235	$6,372,189	$76,798,288
10/1/2026	$76,798,288	$7,362,745	$6,288,055	$75,723,597
10/1/2027	$75,723,597	$7,360,698	$6,195,719	$74,558,619
10/1/2028	$74,558,619	$7,295,937	$6,098,316	$73,360,998
10/1/2029	$73,360,998	$7,255,585	$5,997,056	$72,102,468
10/1/2030	$72,102,468	$7,179,188	$5,892,107	$70,815,387
10/1/2031	$70,815,387	$7,080,556	$5,785,659	$69,520,491
10/1/2032	$69,520,491	$7,014,463	$5,677,140	$68,183,168
10/1/2033	$68,183,168	$6,884,950	$5,567,700	$66,865,918
10/1/2034	$66,865,918	$6,744,291	$5,460,464	$65,582,091
10/1/2035	$65,582,091	$6,610,466	$5,355,810	$64,327,435
10/1/2036	$64,327,435	$6,464,001	$5,254,207	$63,117,641
10/1/2037	$63,117,641	$6,294,408	$5,157,458	$61,980,691
10/1/2038	$61,980,691	$6,116,599	$5,067,326	$60,931,417
10/1/2039	$60,931,417	$5,929,282	$4,985,143	$59,987,278
10/1/2040	$59,987,278	$5,722,523	$4,912,837	$59,177,593
10/1/2041	$59,177,593	$5,522,322	$4,851,813	$58,507,084

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Plan Assumptions: 8.60% and RP2000 Generational

Year	Projected Beginning Fiduciary Net Position	Projected Benefit Payments	Projected Investment Earnings	Projected Ending Fiduciary Net Position
10/1/2042	$58,507,084	$5,297,160	$4,803,831	$58,013,755
10/1/2043	$58,013,755	$5,071,831	$4,771,094	$57,713,018
10/1/2044	$57,713,018	$4,848,764	$4,754,823	$57,619,077
10/1/2045	$57,619,077	$4,621,292	$4,756,525	$57,754,310
10/1/2046	$57,754,310	$4,382,927	$4,778,405	$58,149,788
10/1/2047	$58,149,788	$4,139,073	$4,822,902	$58,833,617
10/1/2048	$58,833,617	$3,892,795	$4,892,301	$59,833,122
10/1/2049	$59,833,122	$3,651,111	$4,988,651	$61,170,662
10/1/2050	$61,170,662	$3,404,476	$5,114,284	$62,880,471
10/1/2051	$62,880,471	$3,156,906	$5,271,974	$64,995,538
10/1/2052	$64,995,538	$2,923,865	$5,463,890	$67,535,563
10/1/2053	$67,535,563	$2,695,019	$5,692,173	$70,532,717
10/1/2054	$70,532,717	$2,477,867	$5,959,265	$74,014,115
10/1/2055	$74,014,115	$2,270,973	$6,267,562	$78,010,704
10/1/2056	$78,010,704	$2,072,671	$6,619,796	$82,557,829
10/1/2057	$82,557,829	$1,883,134	$7,018,999	$87,693,694
10/1/2058	$87,693,694	$1,702,149	$7,468,465	$93,460,010
10/1/2059	$93,460,010	$1,531,495	$7,971,707	$99,900,221
10/1/2060	$99,900,221	$1,369,752	$8,532,520	$107,062,989
10/1/2061	$107,062,989	$1,219,335	$9,154,986	$114,998,640
10/1/2062	$114,998,640	$1,079,611	$9,843,460	$123,762,488
10/1/2063	$123,762,488	$950,750	$10,602,692	$133,414,430
10/1/2064	$133,414,430	$832,844	$11,437,829	$144,019,415
10/1/2065	$144,019,415	$725,730	$12,354,463	$155,648,148
10/1/2066	$155,648,148	$628,995	$13,358,694	$168,377,847
10/1/2067	$168,377,847	$542,209	$14,457,180	$182,292,818

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Plan Assumptions: 8.60% and RP2000 Generational

Year	Projected Beginning Fiduciary Net Position	Projected Benefit Payments	Projected Investment Earnings	Projected Ending Fiduciary Net Position
10/1/2068	$182,292,818	$464,842	$15,657,194	$197,485,170
10/2/2069	$197,485,170	$396,263	$16,966,685	$214,055,593
10/2/2070	$214,055,593	$335,690	$18,394,346	$232,114,249
10/2/2071	$232,114,249	$282,444	$19,949,680	$251,781,485
10/1/2072	$251,781,485	$235,908	$21,643,064	$273,188,641
10/2/2073	$273,188,641	$195,386	$23,485,822	$296,479,076

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.

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Plan Assumptions: 6.60% and RP2000 Generational

Year	Projected Beginning Fiduciary Net Position	Projected Benefit Payments	Projected Investment Earnings	Projected Ending Fiduciary Net Position
10/1/2015	$80,595,871	$6,232,982	$5,113,639	$79,476,528
10/1/2016	$79,476,528	$6,538,851	$5,029,669	$77,967,346
10/1/2017	$77,967,346	$6,754,046	$4,922,961	$76,136,261
10/1/2018	$76,136,261	$6,863,171	$4,798,509	$74,071,599
10/1/2019	$74,071,599	$6,969,182	$4,658,743	$71,761,159
10/1/2020	$71,761,159	$6,977,522	$4,505,978	$69,289,616
10/1/2021	$69,289,616	$6,966,290	$4,343,227	$66,666,553
10/1/2022	$66,666,553	$7,064,479	$4,166,865	$63,768,938
10/1/2023	$63,768,938	$7,245,761	$3,969,640	$60,492,817
10/1/2024	$60,492,817	$7,375,100	$3,749,148	$56,866,865
10/1/2025	$56,866,865	$7,338,235	$3,511,051	$53,039,681
10/1/2026	$53,039,681	$7,362,745	$3,257,648	$48,934,584
10/1/2027	$48,934,584	$7,360,698	$2,986,780	$44,560,666
10/1/2028	$44,560,666	$7,295,937	$2,700,238	$39,964,967
10/1/2029	$39,964,967	$7,255,585	$2,398,254	$35,107,635
10/1/2030	$35,107,635	$7,179,188	$2,080,191	$30,008,638
10/1/2031	$30,008,638	$7,080,556	$1,746,912	$24,674,994
10/1/2032	$24,674,994	$7,014,463	$1,397,072	$19,057,603
10/1/2033	$19,057,603	$6,884,950	$1,030,598	$13,203,252
10/1/2034	$13,203,252	$6,744,291	$648,853	$7,107,814
10/1/2035	$7,107,814	$6,610,466	$250,970	$748,318
10/1/2036	$748,318	$6,464,001		

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Plan Assumptions: 6.60% and RP2000 Generational

Number of Years Expected Benefit Payments Sustained: 21.12

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: 10.60% and RP2000 Generational

Year	Projected Beginning Fiduciary Net Position	Projected Benefit Payments	Projected Investment Earnings	Projected Ending Fiduciary Net Position
10/1/2015	$80,595,871	$6,232,982	$8,212,814	$82,575,703
10/1/2016	$82,575,703	$6,538,851	$8,406,465	$84,443,318
10/1/2017	$84,443,318	$6,754,046	$8,593,027	$86,282,299
10/1/2018	$86,282,299	$6,863,171	$8,782,176	$88,201,304
10/1/2019	$88,201,304	$6,969,182	$8,979,972	$90,212,093
10/1/2020	$90,212,093	$6,977,522	$9,192,673	$92,427,244
10/1/2021	$92,427,244	$6,966,290	$9,428,075	$94,889,029
10/1/2022	$94,889,029	$7,064,479	$9,683,820	$97,508,370
10/1/2023	$97,508,370	$7,245,761	$9,951,862	$100,214,470
10/1/2024	$100,214,470	$7,375,100	$10,231,854	$103,071,224
10/1/2025	$103,071,224	$7,338,235	$10,536,623	$106,269,612
10/1/2026	$106,269,612	$7,362,745	$10,874,353	$109,781,221
10/1/2027	$109,781,221	$7,360,698	$11,246,692	$113,667,215
10/1/2028	$113,667,215	$7,295,937	$11,662,040	$118,033,318
10/1/2029	$118,033,318	$7,255,585	$12,126,986	$122,904,719
10/1/2030	$122,904,719	$7,179,188	$12,647,403	$128,372,934
10/1/2031	$128,372,934	$7,080,556	$13,232,262	$134,524,640
10/1/2032	$134,524,640	$7,014,463	$13,887,845	$141,398,022
10/1/2033	$141,398,022	$6,884,950	$14,623,288	$149,136,360
10/1/2034	$149,136,360	$6,744,291	$15,451,007	$157,843,076
10/1/2035	$157,843,076	$6,610,466	$16,381,011	$167,613,621
10/1/2036	$167,613,621	$6,464,001	$17,424,452	$178,574,072
10/1/2037	$178,574,072	$6,294,408	$18,595,248	$190,874,912
10/1/2038	$190,874,912	$6,116,599	$19,908,561	$204,666,874
10/1/2039	$204,666,874	$5,929,282	$21,380,437	$220,118,028
10/1/2040	$220,118,028	$5,722,523	$23,029,217	$237,424,722
10/1/2041	$237,424,722	$5,522,322	$24,874,338	$256,776,738

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Plan Assumptions: 10.60% and RP2000 Generational

Year	Projected Beginning Fiduciary Net Position	Projected Benefit Payments	Projected Investment Earnings	Projected Ending Fiduciary Net Position
10/1/2042	$256,776,738	$5,297,160	$26,937,585	$278,417,163
10/1/2043	$278,417,163	$5,071,831	$29,243,412	$302,588,744
10/1/2044	$302,588,744	$4,848,764	$31,817,422	$329,557,402
10/1/2045	$329,557,402	$4,621,292	$34,688,156	$359,624,266
10/1/2046	$359,624,266	$4,382,927	$37,887,877	$393,129,217
10/1/2047	$393,129,217	$4,139,073	$41,452,326	$430,442,470
10/1/2048	$430,442,470	$3,892,795	$45,420,584	$471,970,258
10/1/2049	$471,970,258	$3,651,111	$49,835,339	$518,154,486
10/1/2050	$518,154,486	$3,404,476	$54,743,938	$569,493,948
10/1/2051	$569,493,948	$3,156,906	$60,199,042	$626,536,085
10/1/2052	$626,536,085	$2,923,865	$66,257,860	$689,870,080
10/1/2053	$689,870,080	$2,695,019	$72,983,392	$760,158,453
10/1/2054	$760,158,453	$2,477,867	$80,445,469	$838,126,055
10/1/2055	$838,126,055	$2,270,973	$88,721,000	$924,576,083
10/1/2056	$924,576,083	$2,072,671	$97,895,213	$1,020,398,625
10/1/2057	$1,020,398,625	$1,883,134	$108,062,448	$1,126,577,939
10/1/2058	$1,126,577,939	$1,702,149	$119,327,048	$1,244,202,837
10/1/2059	$1,244,202,837	$1,531,495	$131,804,332	$1,374,475,674
10/1/2060	$1,374,475,674	$1,369,752	$145,621,825	$1,518,727,747
10/1/2061	$1,518,727,747	$1,219,335	$160,920,516	$1,678,428,928
10/1/2062	$1,678,428,928	$1,079,611	$177,856,247	$1,855,205,564
10/1/2063	$1,855,205,564	$950,750	$196,601,400	$2,050,856,214
10/1/2064	$2,050,856,214	$832,844	$217,346,618	$2,267,369,988
10/1/2065	$2,267,369,988	$725,730	$240,302,755	$2,506,947,013
10/1/2066	$2,506,947,013	$628,995	$265,703,047	$2,772,021,065
10/1/2067	$2,772,021,065	$542,209	$293,805,496	$3,065,284,351

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Plan Assumptions: 10.60% and RP2000 Generational

Year	Projected Beginning Fiduciary Net Position	Projected Benefit Payments	Projected Investment Earnings	Projected Ending Fiduciary Net Position
10/1/2068	$3,065,284,351	$464,842	$324,895,505	$3,389,715,014
10/2/2069	$3,389,715,014	$396,263	$359,288,790	$3,748,607,541
10/2/2070	$3,748,607,541	$335,690	$397,334,608	$4,145,606,458
10/2/2071	$4,145,606,458	$282,444	$439,419,315	$4,584,743,329
10/1/2072	$4,584,743,329	$235,908	$485,970,290	$5,070,477,711
10/2/2073	$5,070,477,711	$195,386	$537,460,282	$5,607,742,607

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, 2016
Valuation Date: 10/1/2015

PENSION COST	ACTUAL Interest Rate: 7.5% 1983 GAM	Interest Rate: 8.60% RP2000 Generational	Interest Rate: 6.60% RP2000 Generational	Interest Rate: 10.60% RP2000 Generational
Normal Cost	1,929,254	1,614,672	2,383,885	1,128,630
Administrative Expenses	142,080	142,080	142,080	142,080
Payment Required to Amortize UAAL	1,893,260	1,363,581	2,815,658	46,510
Interest Adjustment	184,617	174,804	204,489	90,371
Total Required Contribution	**4,149,211**	**3,295,137**	**5,546,112**	**1,407,591**