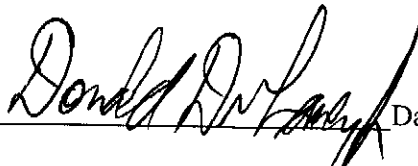


**CITY OF KEY WEST MUNICIPAL
POLICE OFFICERS' & FIREFIGHTERS'
RETIREMENT PLAN**

**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:



Date: 7/22/2019

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

DuLancy 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, 2018 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: 8.44%	Discount Rate: 8.44%	Discount Rate: 6.44%	Discount Rate: 10.44%
	FRS 7/1/2016 Mortality 9/30/2018	FRS 7/1/2016 Mortality 9/30/2018	FRS 7/1/2016 Mortality 9/30/2018	FRS 7/1/2016 Mortality 9/30/2018
1. Total pension liability:				
a. Service cost	\$ 1,916,291	\$ 1,916,291	\$ 2,863,857	\$ 1,327,812
b. Interest	\$ 9,352,467	\$ 9,352,467	\$ 8,768,000	\$ 9,729,660
c. Benefit changes	\$ -	\$ -	\$ -	\$ -
d. Difference between expected and actual experience	\$ (710,726)	\$ (710,726)	\$ (389,328)	\$ (998,630)
e. Changes in assumptions	\$ -	\$ -	\$ -	\$ -
f. Benefit payments	\$ (5,835,862)	\$ (5,835,862)	\$ (5,835,862)	\$ (5,835,862)
g. Contribution refunds	\$ -	\$ -	\$ -	\$ -
h. Net change in total pension liability	\$ 4,722,170	\$ 4,722,170	\$ 5,406,667	\$ 4,222,980
i. Total pension liability – beginning	\$ 111,812,858	\$ 111,812,858	\$ 136,203,144	\$ 94,786,097
j. Total pension liability – ending	\$ 116,535,028	\$ 116,535,028	\$ 141,609,811	\$ 99,009,077
2. Plan fiduciary net position:				
a. Contributions – City	\$ 3,765,235	\$ 3,765,235	\$ 3,765,235	\$ 3,765,235
b. Contributions – State	\$ 645,479	\$ 645,479	\$ 645,479	\$ 645,479
c. Contributions – Member	\$ 872,519	\$ 872,519	\$ 872,519	\$ 872,519
d. Net investment income	\$ 10,642,484	\$ 10,642,484	\$ 10,642,484	\$ 10,642,484
e. Benefit payments	\$ (5,835,862)	\$ (5,835,862)	\$ (5,835,862)	\$ (5,835,862)
f. Contributions refunds	\$ -	\$ -	\$ -	\$ -
g. Administrative expense	\$ (165,342)	\$ (165,342)	\$ (165,342)	\$ (165,342)
h. Other	\$ -	\$ -	\$ -	\$ -
i. Net change in plan fiduciary net position	\$ 9,924,513	\$ 9,924,513	\$ 9,924,513	\$ 9,924,513
j. Plan fiduciary net position – beginning	\$ 98,107,598	\$ 98,107,598	\$ 98,107,598	\$ 98,107,598
k. Plan fiduciary net position – ending	\$ 108,032,111	\$ 108,032,111	\$ 108,032,111	\$ 108,032,111
3. Net pension liability/(asset) [(a)1-j. minus (a)2.k.]	\$ 8,502,917	\$ 8,502,917	\$ 33,577,700	\$ (9,023,034)



PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Plan Assumptions: 7.40% and FRS 7/1/2017 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>
10/1/2018	\$93,137,332	\$7,399,933	\$6,618,365	\$92,355,764
10/1/2019	\$92,355,764	\$7,582,233	\$6,553,784	\$91,327,315
10/1/2020	\$91,327,315	\$7,629,150	\$6,475,943	\$90,174,108
10/1/2021	\$90,174,108	\$7,651,927	\$6,389,763	\$88,911,943
10/1/2022	\$88,911,943	\$7,800,954	\$6,290,849	\$87,401,838
10/1/2023	\$87,401,838	\$8,147,412	\$6,166,282	\$85,420,708
10/1/2024	\$85,420,708	\$8,396,353	\$6,010,467	\$83,034,822
10/1/2025	\$83,034,822	\$8,509,670	\$5,829,719	\$80,354,871
10/1/2026	\$80,354,871	\$8,687,686	\$5,624,816	\$77,292,001
10/1/2027	\$77,292,001	\$8,766,693	\$5,395,240	\$73,920,549
10/1/2028	\$73,920,549	\$8,713,133	\$5,147,735	\$70,355,150
10/1/2029	\$70,355,150	\$8,795,528	\$4,880,847	\$66,440,469
10/1/2030	\$66,440,469	\$8,786,794	\$4,591,483	\$62,245,158
10/1/2031	\$62,245,158	\$8,747,057	\$4,282,501	\$57,780,602
10/1/2032	\$57,780,602	\$8,754,046	\$3,951,865	\$52,978,420
10/1/2033	\$52,978,420	\$8,655,731	\$3,600,141	\$47,922,831
10/1/2034	\$47,922,831	\$8,574,258	\$3,229,042	\$42,577,614
10/1/2035	\$42,577,614	\$8,504,313	\$2,836,084	\$36,909,385
10/1/2036	\$36,909,385	\$8,411,617	\$2,420,065	\$30,917,833
10/1/2037	\$30,917,833	\$8,285,345	\$1,981,362	\$24,613,850
10/1/2038	\$24,613,850	\$8,150,418	\$1,519,859	\$17,983,291
10/1/2039	\$17,983,291	\$8,000,937	\$1,034,729	\$11,017,083
10/1/2040	\$11,017,083	\$7,851,390	\$524,763	\$3,690,456
10/1/2041	\$3,690,456	\$7,691,652		



PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Plan Assumptions: 7.40% and FRS 7/1/2017 Mortality

Number of Years Expected Benefit Payments Sustained: 23.48

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: 8.44% and FRS 7/1/2017 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>
10/1/2018	\$93,137,332	\$7,399,933	\$7,548,514	\$93,285,913
10/1/2019	\$93,285,913	\$7,582,233	\$7,553,361	\$93,257,040
10/1/2020	\$93,257,040	\$7,629,150	\$7,548,944	\$93,176,835
10/1/2021	\$93,176,835	\$7,651,927	\$7,541,214	\$93,066,121
10/1/2022	\$93,066,121	\$7,800,954	\$7,525,580	\$92,790,747
10/1/2023	\$92,790,747	\$8,147,412	\$7,487,718	\$92,131,054
10/1/2024	\$92,131,054	\$8,396,353	\$7,421,535	\$91,156,236
10/1/2025	\$91,156,236	\$8,509,670	\$7,334,478	\$89,981,044
10/1/2026	\$89,981,044	\$8,687,686	\$7,227,780	\$88,521,137
10/1/2027	\$88,521,137	\$8,766,693	\$7,101,230	\$86,855,674
10/1/2028	\$86,855,674	\$8,713,133	\$6,962,925	\$85,105,466
10/1/2029	\$85,105,466	\$8,795,528	\$6,811,730	\$83,121,668
10/1/2030	\$83,121,668	\$8,786,794	\$6,644,666	\$80,979,540
10/1/2031	\$80,979,540	\$8,747,057	\$6,465,547	\$78,698,030
10/1/2032	\$78,698,030	\$8,754,046	\$6,272,693	\$76,216,677
10/1/2033	\$76,216,677	\$8,655,731	\$6,067,416	\$73,628,362
10/1/2034	\$73,628,362	\$8,574,258	\$5,852,400	\$70,906,504
10/1/2035	\$70,906,504	\$8,504,313	\$5,625,627	\$68,027,818
10/1/2036	\$68,027,818	\$8,411,617	\$5,386,578	\$65,002,778
10/1/2037	\$65,002,778	\$8,285,345	\$5,136,593	\$61,854,026
10/1/2038	\$61,854,026	\$8,150,418	\$4,876,532	\$58,580,141
10/1/2039	\$58,580,141	\$8,000,937	\$4,606,524	\$55,185,728
10/1/2040	\$55,185,728	\$7,851,390	\$4,326,347	\$51,660,685
10/1/2041	\$51,660,685	\$7,691,652	\$4,035,574	\$48,004,607
10/1/2042	\$48,004,607	\$7,502,835	\$3,734,969	\$44,236,741



PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Plan Assumptions: 8.44% and FRS 7/1/2017 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>
10/1/2043	\$44,236,741	\$7,318,570	\$3,424,737	\$40,342,908
10/1/2044	\$40,342,908	\$7,119,803	\$3,104,486	\$36,327,591
10/1/2045	\$36,327,591	\$6,924,010	\$2,773,855	\$32,177,436
10/1/2046	\$32,177,436	\$6,711,867	\$2,432,535	\$27,898,104
10/1/2047	\$27,898,104	\$6,487,293	\$2,080,836	\$23,491,647
10/1/2048	\$23,491,647	\$6,254,627	\$1,718,750	\$18,955,770
10/1/2049	\$18,955,770	\$6,026,604	\$1,345,544	\$14,274,710
10/1/2050	\$14,274,710	\$5,787,528	\$960,552	\$9,447,734
10/1/2051	\$9,447,734	\$5,534,181	\$563,846	\$4,477,400
10/1/2052	\$4,477,400	\$5,291,515		

Number of Years Expected Benefit Payments Sustained: 34.85

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: 6.44% and FRS 7/1/2017 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>
10/1/2018	\$93,137,332	\$7,399,933	\$5,759,766	\$91,497,165
10/1/2019	\$91,497,165	\$7,582,233	\$5,648,270	\$89,563,202
10/1/2020	\$89,563,202	\$7,629,150	\$5,522,212	\$87,456,263
10/1/2021	\$87,456,263	\$7,651,927	\$5,385,791	\$85,190,128
10/1/2022	\$85,190,128	\$7,800,954	\$5,235,054	\$82,624,227
10/1/2023	\$82,624,227	\$8,147,412	\$5,058,654	\$79,535,469
10/1/2024	\$79,535,469	\$8,396,353	\$4,851,722	\$75,990,837
10/1/2025	\$75,990,837	\$8,509,670	\$4,619,799	\$72,100,966
10/1/2026	\$72,100,966	\$8,687,686	\$4,363,559	\$67,776,839
10/1/2027	\$67,776,839	\$8,766,693	\$4,082,541	\$63,092,687
10/1/2028	\$63,092,687	\$8,713,133	\$3,782,606	\$58,162,160
10/1/2029	\$58,162,160	\$8,795,528	\$3,462,427	\$52,829,059
10/1/2030	\$52,829,059	\$8,786,794	\$3,119,257	\$47,161,522
10/1/2031	\$47,161,522	\$8,747,057	\$2,755,547	\$41,170,011
10/1/2032	\$41,170,011	\$8,754,046	\$2,369,468	\$34,785,434
10/1/2033	\$34,785,434	\$8,655,731	\$1,961,467	\$28,091,170
10/1/2034	\$28,091,170	\$8,574,258	\$1,532,980	\$21,049,892
10/1/2035	\$21,049,892	\$8,504,313	\$1,081,774	\$13,627,354
10/1/2036	\$13,627,354	\$8,411,617	\$606,748	\$5,822,484
10/1/2037	\$5,822,484	\$8,285,345		



PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Plan Assumptions: 6.44% and FRS 7/1/2017 Mortality

Number of Years Expected Benefit Payments Sustained: 19.70

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: 10.44% and FRS 7/1/2017 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>
10/1/2018	\$93,137,332	\$7,399,933	\$9,337,261	\$95,074,660
10/1/2019	\$95,074,660	\$7,582,233	\$9,530,002	\$97,022,429
10/1/2020	\$97,022,429	\$7,629,150	\$9,730,900	\$99,124,179
10/1/2021	\$99,124,179	\$7,651,927	\$9,949,134	\$101,421,386
10/1/2022	\$101,421,386	\$7,800,954	\$10,181,183	\$103,801,614
10/1/2023	\$103,801,614	\$8,147,412	\$10,411,594	\$106,065,796
10/1/2024	\$106,065,796	\$8,396,353	\$10,634,979	\$108,304,422
10/1/2025	\$108,304,422	\$8,509,670	\$10,862,777	\$110,657,529
10/1/2026	\$110,657,529	\$8,687,686	\$11,099,149	\$113,068,992
10/1/2027	\$113,068,992	\$8,766,693	\$11,346,781	\$115,649,081
10/1/2028	\$115,649,081	\$8,713,133	\$11,618,938	\$118,554,886
10/1/2029	\$118,554,886	\$8,795,528	\$11,918,004	\$121,677,362
10/1/2030	\$121,677,362	\$8,786,794	\$12,244,446	\$125,135,014
10/1/2031	\$125,135,014	\$8,747,057	\$12,607,499	\$128,995,456
10/1/2032	\$128,995,456	\$8,754,046	\$13,010,164	\$133,251,574
10/1/2033	\$133,251,574	\$8,655,731	\$13,459,635	\$138,055,478
10/1/2034	\$138,055,478	\$8,574,258	\$13,965,416	\$143,446,636
10/1/2035	\$143,446,636	\$8,504,313	\$14,531,904	\$149,474,227
10/1/2036	\$149,474,227	\$8,411,617	\$15,166,023	\$156,228,632
10/1/2037	\$156,228,632	\$8,285,345	\$15,877,774	\$163,821,062
10/1/2038	\$163,821,062	\$8,150,418	\$16,677,467	\$172,348,111
10/1/2039	\$172,348,111	\$8,000,937	\$17,575,494	\$181,922,667
10/1/2040	\$181,922,667	\$7,851,390	\$18,582,884	\$192,654,161
10/1/2041	\$192,654,161	\$7,691,652	\$19,711,590	\$204,674,100
10/1/2042	\$204,674,100	\$7,502,835	\$20,976,328	\$218,147,593



PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Plan Assumptions: 10.44% and FRS 7/1/2017 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>
10/1/2043	\$218,147,593	\$7,318,570	\$22,392,579	\$233,221,602
10/1/2044	\$233,221,602	\$7,119,803	\$23,976,682	\$250,078,480
10/1/2045	\$250,078,480	\$6,924,010	\$25,746,760	\$268,901,231
10/1/2046	\$268,901,231	\$6,711,867	\$27,722,929	\$289,912,293
10/1/2047	\$289,912,293	\$6,487,293	\$29,928,207	\$313,353,206
10/1/2048	\$313,353,206	\$6,254,627	\$32,387,583	\$339,486,162
10/1/2049	\$339,486,162	\$6,026,604	\$35,127,767	\$368,587,325
10/1/2050	\$368,587,325	\$5,787,528	\$38,178,408	\$400,978,205
10/1/2051	\$400,978,205	\$5,534,181	\$41,573,240	\$437,017,264
10/1/2052	\$437,017,264	\$5,291,515	\$45,348,385	\$477,074,134
10/1/2053	\$477,074,134	\$5,050,556	\$49,542,901	\$521,566,479
10/1/2054	\$521,566,479	\$4,811,478	\$54,200,381	\$570,955,382
10/1/2055	\$570,955,382	\$4,570,717	\$59,369,150	\$625,753,816

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, 2019
 Valuation Date: 10/1/2018

PENSION COST	ACTUAL			
	Interest Rate: 7.40% FRS 7/1/2017 Mortality	Interest Rate: 8.44% FRS 7/1/2017 Mortality	Interest Rate: 6.44% FRS 7/1/2017 Mortality	Interest Rate: 10.44% FRS 7/1/2017 Mortality
Normal Cost	2,301,732	1,883,330	2,796,224	1,314,687
Administrative Expenses	165,342	165,342	165,342	165,342
Payment Required to Amortize UAAL	2,546,092	1,564,794	3,515,654	(173,580)
Interest Adjustment	228,826	165,837	294,710	62,019
Total Required Contribution	5,241,992	3,779,303	6,771,930	1,368,468
TRC as % of Payroll	42.79%	30.85%	55.29%	11.17%

