

ST. JOHN'S RIVER POWER PARK SYSTEM EMPLOYEES' RETIREMENT PLAN

Chapter 112.664, F.S. Compliance Report

In Connection with the September 30, 2017 Funding
Actuarial Valuation Report and the Plan's Financial
Reporting for the Year Ending September 30, 2017



May 31, 2018

The SJRPP Pension Committee

Dear Committee Members:

Gabriel, Roeder, Smith & Company (GRS) has been engaged by the St. John's River Power Park System Employees' Retirement Plan (Plan) to prepare a disclosure report to satisfy the requirements set forth in Ch. 112.664, F.S. and as further required pursuant to Ch. 60T-1.0035, F.A.C.

This report was prepared at the request of the Pension Committee and is intended for use by the Committee and those designated or approved by the Committee. This report may be provided to parties other than the System only in its entirety and only with the permission of the Committee.

The purpose of the report is to provide the required information specified in Ch. 112.664, F.S. as well as supplement this information with additional exhibits. This report should not be relied on for any purpose other than the purpose described above.

The findings in this report are based on data or other information through September 30, 2017. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. The scope of this engagement does not include an analysis of the potential range of such measurements.

This report was based upon information furnished by the JEA concerning Plan benefits, financial transactions, plan provisions and active members, terminated members, retirees and beneficiaries. We checked for internal and year-to-year consistency, but did not otherwise audit the data. We are not responsible for the accuracy or completeness of the information provided by the JEA.

Except as otherwise indicated as required for the disclosures contained herein, this report was prepared using certain assumptions selected by the Pension Committee as described in our October 1, 2017 actuarial valuation report. This report is also based on the Plan Provisions, census data, and financial information as summarized in our October 1, 2017 actuarial valuation report. Please refer to the October 1, 2017 actuarial valuation report, dated April 13, 2018, for summaries and descriptions of this information.

The use of an investment return assumption that is 2% higher than the investment return assumption used to determine the funding requirements does not represent an estimate of future Plan experience nor does it reflect an observation of future return estimates inherent in financial market data. The use of this investment return assumption is provided to add context to the Chapter 112.664, Florida Statutes

requirement to utilize an investment return assumption that is 2% lower than the assumption used to determine the funding requirements. The inclusion of the additional exhibits showing the effect of using a 2% higher investment return assumption shows a more complete assessment of the range of possible results as opposed to showing a one-sided range as required by Florida Statutes.

James J. Rizzo and Piotr Krekora are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein. The signing actuaries are independent of the plan sponsor.

This report has been prepared by actuaries who have substantial experience valuing public employee retirement systems. To the best of our knowledge the information contained in this report is accurate and fairly presents the actuarial position of the Retirement Plan as of the valuation date. All calculations have been made in conformity with generally accepted actuarial principles and practices, with the Actuarial Standards of Practice issued by the Actuarial Standards Board and with applicable statutes.

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.

Respectfully submitted,

GABRIEL, ROEDER, SMITH AND COMPANY



By _____

James J. Rizzo, ASA, MAAA
Enrolled Actuary No. 17-3355
Senior Consultant & Actuary



By _____

Piotr Krekora, ASA, MAAA
Enrolled Actuary No. 17-8432
Consultant & Actuary

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RESULTS

**Schedule of Changes in the Employers' Net Pension Liability
Using Financial Reporting Assumptions per GASB Statement No. 67**

Fiscal year ending September 30,

1. Total pension liability

	<u>2017</u>
a. Service Cost	\$ 1,031,999
b. Interest	10,768,054
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	3,309,450
e. Assumption Changes	26,432
f. Benefit Payments	(12,256,937)
g. Contribution Refunds	-
h. Net Change in Total Pension Liability	<u>2,878,998</u>
i. Total Pension Liability - Beginning	<u>158,925,819</u>
j. Total Pension Liability - Ending	<u><u>\$ 161,804,817</u></u>

2. Plan Fiduciary Net Position

a. Contributions - Employer	\$ 8,039,385
b. Contributions - Non-Employer Contributing Entity	-
c. Contributions - Member	624,821
d. Net Investment Income	14,571,201
e. Benefit Payments	(12,256,937)
f. Contribution Refunds	-
g. Administrative Expense	(466,195)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	<u>10,512,275</u>
j. Plan Fiduciary Net Position - Beginning	<u>142,285,489</u>
k. Plan Fiduciary Net Position - Ending	<u><u>\$ 152,797,764</u></u>

3. Net Pension Liability / (Asset)

9,007,053

Certain Key Assumptions

Valuation Date	10/01/2016
Measurement Date	10/01/2017
Investment Return Assumption	7.00%
Mortality Table	Florida Retirement System - Regular Class (for the 7/1/2016 valuation)

**Schedule of Changes in the Employers' Net Pension Liability
Using Assumptions required under 112.664(1)(a), F.S.**

Fiscal year ending September 30,

1. Total pension liability

	<u>2017</u>
a. Service Cost	\$ 1,031,999
b. Interest	10,768,054
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	3,309,450
e. Assumption Changes	26,432
f. Benefit Payments	(12,256,937)
g. Contribution Refunds	-
h. Net Change in Total Pension Liability	<u>2,878,998</u>
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a. Contributions - Employer	\$ 8,039,385
b. Contributions - Non-Employer Contributing Entity	-
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h. Other	-
i. Net Change in Plan Fiduciary Net Position	<u>10,512,275</u>
j. Plan Fiduciary Net Position - Beginning	<u>142,285,489</u>
k. Plan Fiduciary Net Position - Ending	<u>\$ 152,797,764</u>

3. Net Pension Liability / (Asset)

9,007,053

Certain Key Assumptions

Valuation Date	10/01/2016
Measurement Date	10/01/2017
Investment Return Assumption	7.00%
Mortality Table	Florida Retirement System - Regular Class (for the 7/1/2016 valuation)

**Schedule of Changes in the Employers' Net Pension Liability
Using Assumptions required under 112.664(1)(b), F.S.**

Fiscal year ending September 30,

1. Total pension liability

	<u>2017</u>
a. Service Cost	\$ 1,648,707
b. Interest	9,740,185
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	-
e. Assumption Changes	-
f. Benefit Payments	(12,256,937)
g. Contribution Refunds	-
h. Net Change in Total Pension Liability	<u>(868,045)</u>
i. Total Pension Liability - Beginning	<u>199,283,468</u>
j. Total Pension Liability - Ending	<u>\$ 198,415,423</u>

2. Plan Fiduciary Net Position

a. Contributions - Employer	\$ 8,039,385
b. Contributions - Non-Employer Contributing Entity	-
c. Contributions - Member	624,821
d. Net Investment Income	14,571,201
e. Benefit Payments	(12,256,937)
f. Contribution Refunds	-
g. Administrative Expense	(466,195)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	<u>10,512,275</u>
j. Plan Fiduciary Net Position - Beginning	<u>142,285,489</u>
k. Plan Fiduciary Net Position - Ending	<u>\$ 152,797,764</u>

3. Net Pension Liability / (Asset)

45,617,659

Certain Key Assumptions

Valuation Date	10/01/2016
Measurement Date	10/01/2017
Investment Return Assumption	5.00%
Mortality Table	Florida Retirement System - Regular Class (for the 7/1/2016 valuation)

Schedule of Changes in the Employers' Net Pension Liability
Using Assumptions under 112.664(1)(b), F.S. except 2% higher investment return assumption

Fiscal year ending September 30,	<u>2017</u>
1. Total pension liability	
a. Service Cost	\$ 688,651
b. Interest	11,670,028
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	-
e. Assumption Changes	-
f. Benefit Payments	(12,256,937)
g. Contribution Refunds	-
h. Net Change in Total Pension Liability	<u>101,742</u>
i. Total Pension Liability - Beginning	<u>135,106,799</u>
j. Total Pension Liability - Ending	<u>\$ 135,208,541</u>
2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ 8,039,385
b. Contributions - Non-Employer Contributing Entity	-
c. Contributions - Member	624,821
d. Net Investment Income	14,571,201
e. Benefit Payments	(12,256,937)
f. Contribution Refunds	-
g. Administrative Expense	(466,195)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	<u>10,512,275</u>
j. Plan Fiduciary Net Position - Beginning	<u>142,285,489</u>
k. Plan Fiduciary Net Position - Ending	<u>\$ 152,797,764</u>
3. Net Pension Liability / (Asset)	(17,589,223)
Certain Key Assumptions	
Valuation Date	10/01/2016
Measurement Date	10/01/2017
Investment Return Assumption	9.00%
Mortality Table	Florida Retirement System - Regular Class (for the 7/1/2016 valuation)

Asset and Benefit Payment Projection
Not Reflecting Any Contributions from the Employer, State or Employee
Using Financial Reporting Assumptions per GASB Statement No. 67

FYE	Market Value of Assets (BOY)	Expected Investment Return	Projected Benefit Payments	Market Value of Assets (EOY)
2018	152,797,764	10,263,148	12,362,732	150,698,180
2019	150,698,180	10,092,712	13,033,165	147,757,727
2020	147,757,727	9,887,730	13,008,890	144,636,566
2021	144,636,566	9,667,671	13,053,950	141,250,288
2022	141,250,288	9,433,798	12,963,490	137,720,596
2023	137,720,596	9,180,576	13,139,019	133,762,152
2024	133,762,152	8,902,923	13,155,062	129,510,013
2025	129,510,013	8,608,234	13,070,481	125,047,766
2026	125,047,766	8,295,699	13,075,553	120,267,913
2027	120,267,913	7,961,955	13,051,386	115,178,482
2028	115,178,482	7,608,292	12,977,196	109,809,578
2029	109,809,578	7,236,095	12,873,571	104,172,103
2030	104,172,103	6,842,295	12,850,061	98,164,337
2031	98,164,337	6,420,469	12,886,706	91,698,100
2032	91,698,100	5,979,325	12,558,346	85,119,078
2033	85,119,078	5,525,311	12,372,114	78,272,276
2034	78,272,276	5,055,393	12,104,762	71,222,907
2035	71,222,907	4,569,792	11,880,323	63,912,375
2036	63,912,375	4,070,732	11,518,115	56,464,992
2037	56,464,992	3,554,841	11,363,086	48,656,747
2038	48,656,747	3,019,404	11,044,800	40,631,351
2039	40,631,351	2,471,856	10,638,244	32,464,963
2040	32,464,963	1,911,788	10,307,412	24,069,340
2041	24,069,340	1,338,126	9,906,504	15,500,962
2042	15,500,962	754,305	9,450,345	6,804,922
2043	6,804,922	167,576	8,821,962	-

Number of years for which current market value of assets are adequate to sustain the payment of expected retirement benefits, **reflecting no contributions from the Employer, Employee or State, contrary to Florida Statutes and Plan provisions:** 25.75

Certain Key Assumptions

Valuation Investment return assumption 7.00%
Valuation Mortality Table Florida Retirement System - Regular Class (for the 7/1/2016 valuation)

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.

Asset and Benefit Payment Projection
Not Reflecting Any Contributions from the Employer, State or Employee
Using Assumptions required under 112.664(1)(a), F.S.

FYE	Market Value of Assets (BOY)	Expected Investment Return	Projected Benefit Payments	Market Value of Assets (EOY)
2018	152,797,764	10,263,148	12,362,732	150,698,180
2019	150,698,180	10,092,712	13,033,165	147,757,727
2020	147,757,727	9,887,730	13,008,890	144,636,566
2021	144,636,566	9,667,671	13,053,950	141,250,288
2022	141,250,288	9,433,798	12,963,490	137,720,596
2023	137,720,596	9,180,576	13,139,019	133,762,152
2024	133,762,152	8,902,923	13,155,062	129,510,013
2025	129,510,013	8,608,234	13,070,481	125,047,766
2026	125,047,766	8,295,699	13,075,553	120,267,913
2027	120,267,913	7,961,955	13,051,386	115,178,482
2028	115,178,482	7,608,292	12,977,196	109,809,578
2029	109,809,578	7,236,095	12,873,571	104,172,103
2030	104,172,103	6,842,295	12,850,061	98,164,337
2031	98,164,337	6,420,469	12,886,706	91,698,100
2032	91,698,100	5,979,325	12,558,346	85,119,078
2033	85,119,078	5,525,311	12,372,114	78,272,276
2034	78,272,276	5,055,393	12,104,762	71,222,907
2035	71,222,907	4,569,792	11,880,323	63,912,375
2036	63,912,375	4,070,732	11,518,115	56,464,992
2037	56,464,992	3,554,841	11,363,086	48,656,747
2038	48,656,747	3,019,404	11,044,800	40,631,351
2039	40,631,351	2,471,856	10,638,244	32,464,963
2040	32,464,963	1,911,788	10,307,412	24,069,340
2041	24,069,340	1,338,126	9,906,504	15,500,962
2042	15,500,962	754,305	9,450,345	6,804,922
2043	6,804,922	167,576	8,821,962	-

Number of years for which current market value of assets are adequate to sustain the payment of expected retirement benefits, **reflecting no contributions from the Employer, Employee or State, contrary to Florida Statutes and Plan provisions:** 25.75

Certain Key Assumptions

Valuation Investment return assumption 7.00%
Valuation Mortality Table Florida Retirement System - Regular Class (for the 7/1/2016 valuation)

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.

Asset and Benefit Payment Projection
Not Reflecting Any Contributions from the Employer, State or Employee
Using Assumptions required under 112.664(1)(b), F.S.

FYE	Market Value of Assets (BOY)	Expected Investment Return	Projected Benefit Payments	Market Value of Assets (EOY)
2018	152,797,764	7,330,820	12,362,732	147,765,852
2019	147,765,852	7,062,463	13,033,165	141,795,150
2020	141,795,150	6,764,535	13,008,890	135,550,795
2021	135,550,795	6,451,191	13,053,950	128,948,036
2022	128,948,036	6,123,315	12,963,490	122,107,861
2023	122,107,861	5,776,918	13,139,019	114,745,759
2024	114,745,759	5,408,411	13,155,062	106,999,108
2025	106,999,108	5,023,193	13,070,481	98,951,820
2026	98,951,820	4,620,702	13,075,553	90,496,970
2027	90,496,970	4,198,564	13,051,386	81,644,148
2028	81,644,148	3,757,777	12,977,196	72,424,729
2029	72,424,729	3,299,397	12,873,571	62,850,556
2030	62,850,556	2,821,276	12,850,061	52,821,771
2031	52,821,771	2,318,921	12,886,706	42,253,986
2032	42,253,986	1,798,741	12,558,346	31,494,380
2033	31,494,380	1,265,416	12,372,114	20,387,682
2034	20,387,682	716,765	12,104,762	8,999,686
2035	8,999,686	152,976	11,880,323	-
2036	-	-	11,518,115	-
2037	-	-	11,363,086	-
2038	-	-	11,044,800	-
2039	-	-	10,638,244	-
2040	-	-	10,307,412	-
2041	-	-	9,906,504	-
2042	-	-	9,450,345	-
2043	-	-	8,821,962	-

Number of years for which current market value of assets are adequate to sustain the payment of expected retirement benefits, **reflecting no contributions from the Employer, Employee or State, contrary to Florida Statutes and Plan provisions:** 17.75

Certain Key Assumptions

Valuation Investment return assumption 5.00%
Valuation Mortality Table Florida Retirement System - Regular Class (for the 7/1/2016 valuation)

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.

Asset and Benefit Payment Projection

Not Reflecting Any Contributions from the Employer, State or Employee

Using Assumptions under 112.664(1)(b), F.S. except 2% higher investment return assumption

FYE	Market Value of Assets (BOY)	Expected Investment Return	Projected Benefit Payments	Market Value of Assets (EOY)
2018	152,797,764	13,195,476	12,362,732	153,630,508
2019	153,630,508	13,240,253	13,033,165	153,837,596
2020	153,837,596	13,259,984	13,008,890	154,088,689
2021	154,088,689	13,280,554	13,053,950	154,315,294
2022	154,315,294	13,305,019	12,963,490	154,656,823
2023	154,656,823	13,327,858	13,139,019	154,845,662
2024	154,845,662	13,344,132	13,155,062	155,034,731
2025	155,034,731	13,364,954	13,070,481	155,329,204
2026	155,329,204	13,391,229	13,075,553	155,644,880
2027	155,644,880	13,420,727	13,051,386	156,014,221
2028	156,014,221	13,457,306	12,977,196	156,494,331
2029	156,494,331	13,505,179	12,873,571	157,125,939
2030	157,125,939	13,563,082	12,850,061	157,838,960
2031	157,838,960	13,625,605	12,886,706	158,577,859
2032	158,577,859	13,706,882	12,558,346	159,726,394
2033	159,726,394	13,818,630	12,372,114	161,172,911
2034	161,172,911	13,960,848	12,104,762	163,028,997
2035	163,028,997	14,137,995	11,880,323	165,286,669
2036	165,286,669	14,357,485	11,518,115	168,126,038
2037	168,126,038	14,620,005	11,363,086	171,382,956
2038	171,382,956	14,927,450	11,044,800	175,265,606
2039	175,265,606	15,295,184	10,638,244	179,922,546
2040	179,922,546	15,729,196	10,307,412	185,344,329
2041	185,344,329	16,235,197	9,906,504	191,673,022
2042	191,673,022	16,825,306	9,450,345	199,047,984
2043	199,047,984	17,517,330	8,821,962	207,743,352

Number of years for which current market value of assets are adequate to sustain the payment of expected retirement benefits, **reflecting no contributions from the Employer, Employee or State, contrary to Florida Statutes and Plan provisions:**

999.99

Certain Key Assumptions

Valuation Investment return assumption

9.00%

Valuation Mortality Table

Florida Retirement System - Regular Class (for the 7/1/2016 valuation)

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.

ACTUARIALLY DETERMINED CONTRIBUTION				
	Plan's Latest Actuarial Valuation Assumptions	112.664(1)(a) F.S. Assumptions	112.664(1)(b) F.S. Assumptions	112.664(1)(b) F.S. except 2% higher investment return assumption
A. Valuation Date	October 1, 2017	October 1, 2017	October 1, 2017	October 1, 2017
B. Actuarially Determined Contribution (ADC) to Be Paid During Fiscal Year Ending	9/30/2019	9/30/2019	9/30/2019	9/30/2019
C. Assumed Dates of Employer Contributions	Biweekly	Biweekly	Biweekly	Biweekly
D. Annual Payment to Amortize Unfunded Actuarial Liability	\$ 7,456,922	\$ 7,456,922	\$ 41,949,312	\$ 0
E. Total Normal Cost	178,091	178,091	242,086	139,438
F. ADC if Paid on Valuation Date: D + E	7,635,013	7,635,013	42,191,398	139,438
G. ADC Adjusted for Frequency of Payments	8,466,391	8,466,391	45,451,109	159,090
H. Covered Payroll for Contribution Year	1,103,020	1,103,020	1,103,020	1,103,020
I. ADC Adjusted for Frequency of Payments as % of Covered Payroll	767.56 %	767.56 %	4,120.61 %	14.42 %
J. Expected Member Contributions in Contribution Year	44,121	44,121	44,121	44,121
K. Employer ADC in Contribution Year	8,422,270	8,422,270	45,406,988	114,969
L. Employer ADC as % of Covered Payroll in Contribution Year: H ÷ K	763.56 %	763.56 %	4,116.61 %	10.42 %
M. Certain Key Assumptions				
Investment Return Assumption	7.00%	7.00%	5.00%	9.00%
Mortality Table	Florida Retirement System - Regular Class (for the 7/1/2016 valuation)	Florida Retirement System - Regular Class (for the 7/1/2016 valuation)	Florida Retirement System - Regular Class (for the 7/1/2016 valuation)	Florida Retirement System - Regular Class (for the 7/1/2016 valuation)