

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

Chapter 112.664, F.S. Compliance Report

In Connection with the September 30, 2016 Funding
Actuarial Valuation Report and the Plan's Financial
Reporting for the Year Ending September 30, 2016



July 11, 2017

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, 2016. 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, 2016 actuarial valuation report. This report is also based on the Plan Provisions, census data, and financial information as summarized in our October 1, 2016 actuarial valuation report. Please refer to the October 1, 2016 actuarial valuation report, dated February 15, 2017, 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>2016</u>
a. Service Cost	\$ 1,210,258
b. Interest	10,513,323
c. Benefit Changes	(59,081)
d. Difference between actual & expected experience & Other	713,869
e. Assumption Changes	3,730,396
f. Benefit Payments	(12,326,033)
g. Contribution Refunds	-
h. Net Change in Total Pension Liability	<u>3,782,732</u>
i. Total Pension Liability - Beginning	<u>155,143,087</u>
j. Total Pension Liability - Ending	<u>\$ 158,925,819</u>

2. Plan Fiduciary Net Position

a. Contributions - Employer	\$ 2,142,182
b. Contributions - Non-Employer Contributing Entity	-
c. Contributions - Member	629,206
d. Net Investment Income	13,378,244
e. Benefit Payments	(12,326,033)
f. Contribution Refunds	-
g. Administrative Expense	(439,866)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	<u>3,383,733</u>
j. Plan Fiduciary Net Position - Beginning	<u>138,901,756</u>
k. Plan Fiduciary Net Position - Ending	<u>\$ 142,285,489</u>

3. Net Pension Liability / (Asset)

16,640,330

Certain Key Assumptions

Valuation Date	10/01/2015
Measurement Date	09/30/2016
Investment Return Assumption	7.00%
Mortality Table	RP-2000 Fully Generational Using Scale BB with FRS Adjustments

**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

	2016
a. Service Cost	\$ 1,208,133
b. Interest	10,563,145
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	-
e. Assumption Changes	-
f. Benefit Payments	(12,326,033)
g. Contribution Refunds	-
h. Net Change in Total Pension Liability	(554,755)
i. Total Pension Liability - Beginning	155,856,951
j. Total Pension Liability - Ending	\$ 155,302,196

2. Plan Fiduciary Net Position

a. Contributions - Employer	\$ 2,142,182
b. Contributions - Non-Employer Contributing Entity	-
c. Contributions - Member	629,206
d. Net Investment Income	13,378,244
e. Benefit Payments	(12,326,033)
f. Contribution Refunds	-
g. Administrative Expense	(439,866)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	3,383,733
j. Plan Fiduciary Net Position - Beginning	138,901,756
k. Plan Fiduciary Net Position - Ending	\$ 142,285,489

3. Net Pension Liability / (Asset)

13,016,707

Certain Key Assumptions

Valuation Date	10/01/2015
Measurement Date	09/30/2016
Investment Return Assumption	7.00%
Mortality Table	RP-2000 Fully Generational Using Scale AA

**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>2016</u>
a. Service Cost	\$ 1,930,191
b. Interest	9,340,809
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	-
e. Assumption Changes	-
f. Benefit Payments	(12,326,033)
g. Contribution Refunds	-
h. Net Change in Total Pension Liability	<u>(1,055,033)</u>
i. Total Pension Liability - Beginning	<u>191,049,013</u>
j. Total Pension Liability - Ending	<u>\$ 189,993,980</u>

2. Plan Fiduciary Net Position

a. Contributions - Employer	\$ 2,142,182
b. Contributions - Non-Employer Contributing Entity	-
c. Contributions - Member	629,206
d. Net Investment Income	13,378,244
e. Benefit Payments	(12,326,033)
f. Contribution Refunds	-
g. Administrative Expense	(439,866)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	<u>3,383,733</u>
j. Plan Fiduciary Net Position - Beginning	<u>138,901,756</u>
k. Plan Fiduciary Net Position - Ending	<u>\$ 142,285,489</u>

3. Net Pension Liability / (Asset)

47,708,491

Certain Key Assumptions

Valuation Date	10/01/2015
Measurement Date	09/30/2016
Investment Return Assumption	5.00%
Mortality Table	RP-2000 Fully Generational Using Scale AA

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>2016</u>
1. Total pension liability	
a. Service Cost	\$ 779,531
b. Interest	11,238,233
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	-
e. Assumption Changes	-
f. Benefit Payments	(12,326,033)
g. Contribution Refunds	-
h. Net Change in Total Pension Liability	<u>(308,269)</u>
i. Total Pension Liability - Beginning	<u>130,252,744</u>
j. Total Pension Liability - Ending	<u>\$ 129,944,475</u>
2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ 2,142,182
b. Contributions - Non-Employer Contributing Entity	-
c. Contributions - Member	629,206
d. Net Investment Income	13,378,244
e. Benefit Payments	(12,326,033)
f. Contribution Refunds	-
g. Administrative Expense	(439,866)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	<u>3,383,733</u>
j. Plan Fiduciary Net Position - Beginning	<u>138,901,756</u>
k. Plan Fiduciary Net Position - Ending	<u>\$ 142,285,489</u>
3. Net Pension Liability / (Asset)	(12,341,014)
Certain Key Assumptions	
Valuation Date	10/01/2015
Measurement Date	09/30/2016
Investment Return Assumption	9.00%
Mortality Table	RP-2000 Fully Generational Using Scale AA

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)
2017	142,285,489	9,585,684	10,694,300	141,176,872
2018	141,176,872	9,500,783	10,902,789	139,774,867
2019	139,774,867	9,382,708	11,472,366	137,685,209
2020	137,685,209	9,188,062	12,854,363	134,018,908
2021	134,018,908	8,935,312	12,743,173	130,211,047
2022	130,211,047	8,671,364	12,668,827	126,213,584
2023	126,213,584	8,372,590	13,210,317	121,375,857
2024	121,375,857	8,043,004	12,951,613	116,467,248
2025	116,467,248	7,702,261	12,869,904	111,299,604
2026	111,299,604	7,341,381	12,845,479	105,795,506
2027	105,795,506	6,957,202	12,813,812	99,938,896
2028	99,938,896	6,547,366	12,810,179	93,676,083
2029	93,676,083	6,110,079	12,778,467	87,007,696
2030	87,007,696	5,646,443	12,688,463	79,965,675
2031	79,965,675	5,155,346	12,635,758	72,485,263
2032	72,485,263	4,636,822	12,489,896	64,632,189
2033	64,632,189	4,092,910	12,324,080	56,401,020
2034	56,401,020	3,525,009	12,087,507	47,838,521
2035	47,838,521	2,934,611	11,831,023	38,942,109
2036	38,942,109	2,321,624	11,552,103	29,711,630
2037	29,711,630	1,687,278	11,215,327	20,183,581
2038	20,183,581	1,029,548	10,951,512	10,261,616
2039	10,261,616	348,304	10,571,699	38,221
2040	38,221	-	10,118,743	-
2041	-	-	9,775,533	-
2042	-	-	9,380,061	-

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:** 23.00

Certain Key Assumptions

Valuation Investment return assumption 7.00%
Valuation Mortality Table RP-2000 Fully Generational Using Scale BB with FRS Adjustments

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)
2017	142,285,489	9,585,684	10,694,300	141,176,872
2018	141,176,872	9,500,783	10,902,789	139,774,867
2019	139,774,867	9,382,708	11,472,366	137,685,209
2020	137,685,209	9,188,062	12,854,363	134,018,908
2021	134,018,908	8,935,312	12,743,173	130,211,047
2022	130,211,047	8,671,364	12,668,827	126,213,584
2023	126,213,584	8,372,590	13,210,317	121,375,857
2024	121,375,857	8,043,004	12,951,613	116,467,248
2025	116,467,248	7,702,261	12,869,904	111,299,604
2026	111,299,604	7,341,381	12,845,479	105,795,506
2027	105,795,506	6,957,202	12,813,812	99,938,896
2028	99,938,896	6,547,366	12,810,179	93,676,083
2029	93,676,083	6,110,079	12,778,467	87,007,696
2030	87,007,696	5,646,443	12,688,463	79,965,675
2031	79,965,675	5,155,346	12,635,758	72,485,263
2032	72,485,263	4,636,822	12,489,896	64,632,189
2033	64,632,189	4,092,910	12,324,080	56,401,020
2034	56,401,020	3,525,009	12,087,507	47,838,521
2035	47,838,521	2,934,611	11,831,023	38,942,109
2036	38,942,109	2,321,624	11,552,103	29,711,630
2037	29,711,630	1,687,278	11,215,327	20,183,581
2038	20,183,581	1,029,548	10,951,512	10,261,616
2039	10,261,616	348,304	10,571,699	38,221
2040	38,221	-	10,118,743	-
2041	-	-	9,775,533	-
2042	-	-	9,380,061	-

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:** 23.00

Certain Key Assumptions

Valuation Investment return assumption	7.00%
Valuation Mortality Table	RP-2000 Fully Generational Using Scale BB with FRS Adjustments

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)
2017	142,285,489	6,846,917	10,694,300	138,438,106
2018	138,438,106	6,649,336	10,902,789	134,184,652
2019	134,184,652	6,422,423	11,472,366	129,134,710
2020	129,134,710	6,135,376	12,854,363	122,415,723
2021	122,415,723	5,802,207	12,743,173	115,474,757
2022	115,474,757	5,457,017	12,668,827	108,262,947
2023	108,262,947	5,082,889	13,210,317	100,135,519
2024	100,135,519	4,682,986	12,951,613	91,866,892
2025	91,866,892	4,271,597	12,869,904	83,268,585
2026	83,268,585	3,842,292	12,845,479	74,265,398
2027	74,265,398	3,392,925	12,813,812	64,844,511
2028	64,844,511	2,921,971	12,810,179	54,956,303
2029	54,956,303	2,428,353	12,778,467	44,606,189
2030	44,606,189	1,913,098	12,688,463	33,830,824
2031	33,830,824	1,375,647	12,635,758	22,570,714
2032	22,570,714	816,288	12,489,896	10,897,106
2033	10,897,106	236,753	12,324,080	-
2034	-	-	12,087,507	-
2035	-	-	11,831,023	-
2036	-	-	11,552,103	-
2037	-	-	11,215,327	-
2038	-	-	10,951,512	-
2039	-	-	10,571,699	-
2040	-	-	10,118,743	-
2041	-	-	9,775,533	-
2042	-	-	9,380,061	-

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:** 16.92

Certain Key Assumptions

Valuation Investment return assumption 5.00%
Valuation Mortality Table RP-2000 Fully Generational Using Scale BB with FRS Adjustments

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)
2017	142,285,489	12,324,450	10,694,300	143,915,639
2018	143,915,639	12,461,782	10,902,789	145,474,632
2019	145,474,632	12,576,460	11,472,366	146,578,727
2020	146,578,727	12,613,639	12,854,363	146,338,003
2021	146,338,003	12,596,977	12,743,173	146,191,807
2022	146,191,807	12,587,165	12,668,827	146,110,145
2023	146,110,145	12,555,449	13,210,317	145,455,277
2024	145,455,277	12,508,152	12,951,613	145,011,817
2025	145,011,817	12,471,918	12,869,904	144,613,831
2026	144,613,831	12,437,198	12,845,479	144,205,550
2027	144,205,550	12,401,878	12,813,812	143,793,616
2028	143,793,616	12,364,967	12,810,179	143,348,404
2029	143,348,404	12,326,325	12,778,467	142,896,262
2030	142,896,262	12,289,683	12,688,463	142,497,482
2031	142,497,482	12,256,164	12,635,758	142,117,888
2032	142,117,888	12,228,565	12,489,896	141,856,557
2033	141,856,557	12,212,507	12,324,080	141,744,984
2034	141,744,984	12,213,111	12,087,507	141,870,587
2035	141,870,587	12,235,957	11,831,023	142,275,521
2036	142,275,521	12,284,952	11,552,103	143,008,370
2037	143,008,370	12,366,064	11,215,327	144,159,107
2038	144,159,107	12,481,502	10,951,512	145,689,097
2039	145,689,097	12,636,292	10,571,699	147,753,690
2040	147,753,690	12,842,489	10,118,743	150,477,435
2041	150,477,435	13,103,070	9,775,533	153,804,973
2042	153,804,973	13,420,345	9,380,061	157,845,256

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

RP-2000 Fully Generational Using Scale BB with FRS Adjustments

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, 2016	October 1, 2016	October 1, 2016	October 1, 2016
B. Actuarially Determined Contribution (ADC) to Be Paid During Fiscal Year Ending	9/30/2018	9/30/2018	9/30/2018	9/30/2018
C. Assumed Dates of Employer Contributions	Biweekly	Biweekly	Biweekly	Biweekly
D. Annual Payment to Amortize Unfunded Actuarial Liability	\$ 6,439,869	\$ 6,439,869	\$ 24,539,788	\$ 0
E. Total Normal Cost	1,112,830	1,112,830	1,712,852	753,765
F. ADC if Paid on Valuation Date: D + E	7,552,699	7,552,699	26,252,640	753,765
G. ADC Adjusted for Frequency of Payments	8,375,114	8,375,114	28,280,922	859,998
H. Covered Payroll for Contribution Year	16,191,522	16,191,522	16,191,522	16,191,522
I. ADC Adjusted for Frequency of Payments as % of Covered Payroll	51.73 %	51.73 %	174.67 %	5.31 %
J. Expected Member Contributions in Contribution Year	647,661	647,661	647,661	647,661
K. Employer ADC in Contribution Year	7,727,453	7,727,453	27,633,261	212,337
L. Employer ADC as % of Covered Payroll in Contribution Year: H ÷ K	47.73 %	47.73 %	170.66 %	1.31 %
M. Certain Key Assumptions				
Investment Return Assumption	7.00%	7.00%	5.00%	9.00%
Mortality Table	RP-2000 Fully Generational Using Scale BB with FRS	RP-2000 Fully Generational Using Scale BB with FRS	RP-2000 Fully Generational Using Scale BB with FRS	RP-2000 Fully Generational Using Scale BB with FRS