

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

Chapter 112.664, F.S. Compliance Report

In Connection with the September 30, 2018 Funding
Actuarial Valuation Report and the Plan's Financial
Reporting for the Year Ending September 30, 2018



May 31, 2019

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, 2018. 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, 2018 actuarial valuation report. Please refer to the October 1, 2018 actuarial valuation report, dated April 29, 2019, 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

TABLE OF CONTENTS

<u>Title</u>	<u>Page</u>
Ch. 112.664, F.S. Results	
Schedule of Changes in Net Pension Liability	
1. Using financial reporting assumptions per GASB Statement No. 67	1
2. Using assumptions prescribed in Section 112.664(1)(a), F.S.	2
3. Using assumptions prescribed in Section 112.664(1)(b), F.S.	3
4. Using the mandated mortality and funding interest rate +2%	4
Assets Versus Benefit Payments Projections	
1. Using assumptions per the Plan's latest actuarial valuation	5
2. Using assumptions prescribed in Section 112.664(1)(a), F.S.	6
3. Using assumptions prescribed in Section 112.664(1)(b), F.S.	7
4. Using the mandated mortality and funding interest rate +2%	8
Actuarially Determined Contribution	9

CH. 112.664, Florida Statutes

RESULTS

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

Fiscal year ending September 30,

	<u>2018</u>
1. Total pension liability	
a. Service Cost	\$ 111,860
b. Interest	11,162,822
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	(1,784,063)
e. Assumption Changes	15,782,629
f. Benefit Payments	(19,927,907)
g. Contribution Refunds	-
h. Net Change in Total Pension Liability	<u>5,345,341</u>
i. Total Pension Liability - Beginning	<u>169,320,985</u>
j. Total Pension Liability - Ending	<u>\$ 174,666,326</u>
 2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ 26,408,861
b. Contributions - Non-Employer Contributing Entity	-
c. Contributions - Member	232,360
d. Net Investment Income	11,498,983
e. Benefit Payments	(19,927,907)
f. Contribution Refunds	-
g. Administrative Expense	(345,281)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	<u>17,867,016</u>
j. Plan Fiduciary Net Position - Beginning	<u>152,797,764</u>
k. Plan Fiduciary Net Position - Ending	<u>\$ 170,664,780</u>
 3. Net Pension Liability / (Asset)	 4,001,546
 Certain Key Assumptions	
Valuation Date	10/01/2017
Measurement Date	10/01/2018
Investment Return Assumption	6.00%
Mortality Table	FRS Mortality - Regular Class

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

Fiscal year ending September 30,

	2018
1. Total pension liability	
a. Service Cost	\$ 111,860
b. Interest	11,162,822
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	(1,784,063)
e. Assumption Changes	15,782,629
f. Benefit Payments	(19,927,907)
g. Contribution Refunds	-
h. Net Change in Total Pension Liability	5,345,341
i. Total Pension Liability - Beginning	169,320,985
j. Total Pension Liability - Ending	\$ 174,666,326
2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ 26,408,861
b. Contributions - Non-Employer Contributing Entity	-
c. Contributions - Member	232,360
d. Net Investment Income	11,498,983
e. Benefit Payments	(19,927,907)
f. Contribution Refunds	-
g. Administrative Expense	(345,281)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	17,867,016
j. Plan Fiduciary Net Position - Beginning	152,797,764
k. Plan Fiduciary Net Position - Ending	\$ 170,664,780
3. Net Pension Liability / (Asset)	4,001,546
Certain Key Assumptions	
Valuation Date	10/01/2017
Measurement Date	10/01/2018
Investment Return Assumption	6.00%
Mortality Table	FRS Mortality - Regular Class

**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

	2018
a. Service Cost	\$ 175,855
b. Interest	8,245,657
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	-
e. Assumption Changes	-
f. Benefit Payments	(19,927,907)
g. Contribution Refunds	-
h. Net Change in Total Pension Liability	(11,506,395)
i. Total Pension Liability - Beginning	215,929,513
j. Total Pension Liability - Ending	\$ 204,423,118

2. Plan Fiduciary Net Position

a. Contributions - Employer	\$ 26,408,861
b. Contributions - Non-Employer Contributing Entity	-
c. Contributions - Member	232,360
d. Net Investment Income	11,498,983
e. Benefit Payments	(19,927,907)
f. Contribution Refunds	-
g. Administrative Expense	(345,281)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	17,867,016
j. Plan Fiduciary Net Position - Beginning	152,797,764
k. Plan Fiduciary Net Position - Ending	\$ 170,664,780

3. Net Pension Liability / (Asset)

33,758,338

Certain Key Assumptions

Valuation Date	10/01/2017
Measurement Date	10/01/2018
Investment Return Assumption	4.00%
Mortality Table	FRS Mortality - Regular Class

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,	2018
1. Total pension liability	
a. Service Cost	\$ 73,207
b. Interest	10,847,537
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	-
e. Assumption Changes	-
f. Benefit Payments	(19,927,907)
g. Contribution Refunds	-
h. Net Change in Total Pension Liability	(9,007,163)
i. Total Pension Liability - Beginning	145,484,965
j. Total Pension Liability - Ending	\$ 136,477,802
 2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ 26,408,861
b. Contributions - Non-Employer Contributing Entity	-
c. Contributions - Member	232,360
d. Net Investment Income	11,498,983
e. Benefit Payments	(19,927,907)
f. Contribution Refunds	-
g. Administrative Expense	(345,281)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	17,867,016
j. Plan Fiduciary Net Position - Beginning	152,797,764
k. Plan Fiduciary Net Position - Ending	\$ 170,664,780
 3. Net Pension Liability / (Asset)	(34,186,978)
 Certain Key Assumptions	
Valuation Date	10/01/2017
Measurement Date	10/01/2018
Investment Return Assumption	8.00%
Mortality Table	FRS Mortality - Regular Class

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)
2019	170,664,780	9,846,045	13,128,070	167,382,755
2020	167,382,755	9,649,012	13,131,759	163,900,008
2021	163,900,008	9,442,062	13,064,619	160,277,450
2022	160,277,450	9,229,088	12,918,621	156,587,917
2023	156,587,917	9,003,335	13,064,653	152,526,600
2024	152,526,600	8,759,545	13,068,378	148,217,767
2025	148,217,767	8,502,901	13,005,493	143,715,175
2026	143,715,175	8,232,977	12,997,798	138,950,354
2027	138,950,354	7,950,345	12,889,210	134,011,489
2028	134,011,489	7,659,613	12,702,550	128,968,551
2029	128,968,551	7,359,859	12,608,484	123,719,926
2030	123,719,926	7,047,755	12,514,676	118,253,005
2031	118,253,005	6,718,839	12,544,701	112,427,144
2032	112,427,144	6,377,018	12,287,015	106,517,147
2033	106,517,147	6,030,187	12,028,063	100,519,272
2034	100,519,272	5,675,362	11,859,819	94,334,814
2035	94,334,814	5,312,635	11,581,800	88,065,649
2036	88,065,649	4,946,975	11,232,132	81,780,492
2037	81,780,492	4,575,082	11,058,254	75,297,320
2038	75,297,320	4,199,392	10,614,914	68,881,797
2039	68,881,797	3,826,114	10,226,452	62,481,459
2040	62,481,459	3,455,478	9,780,321	56,156,616
2041	56,156,616	3,084,929	9,482,254	49,759,291
2042	49,759,291	2,717,494	8,935,434	43,541,352
2043	43,541,352	2,358,886	8,453,187	37,447,050
2044	37,447,050	2,009,992	7,894,376	31,562,666

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: 32.00

Certain Key Assumptions

Valuation Investment return assumption 6.00%
Valuation Mortality Table FRS Mortality - Regular Class

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)
2019	170,664,780	9,846,045	13,128,070	167,382,755
2020	167,382,755	9,649,012	13,131,759	163,900,008
2021	163,900,008	9,442,062	13,064,619	160,277,450
2022	160,277,450	9,229,088	12,918,621	156,587,917
2023	156,587,917	9,003,335	13,064,653	152,526,600
2024	152,526,600	8,759,545	13,068,378	148,217,767
2025	148,217,767	8,502,901	13,005,493	143,715,175
2026	143,715,175	8,232,977	12,997,798	138,950,354
2027	138,950,354	7,950,345	12,889,210	134,011,489
2028	134,011,489	7,659,613	12,702,550	128,968,551
2029	128,968,551	7,359,859	12,608,484	123,719,926
2030	123,719,926	7,047,755	12,514,676	118,253,005
2031	118,253,005	6,718,839	12,544,701	112,427,144
2032	112,427,144	6,377,018	12,287,015	106,517,147
2033	106,517,147	6,030,187	12,028,063	100,519,272
2034	100,519,272	5,675,362	11,859,819	94,334,814
2035	94,334,814	5,312,635	11,581,800	88,065,649
2036	88,065,649	4,946,975	11,232,132	81,780,492
2037	81,780,492	4,575,082	11,058,254	75,297,320
2038	75,297,320	4,199,392	10,614,914	68,881,797
2039	68,881,797	3,826,114	10,226,452	62,481,459
2040	62,481,459	3,455,478	9,780,321	56,156,616
2041	56,156,616	3,084,929	9,482,254	49,759,291
2042	49,759,291	2,717,494	8,935,434	43,541,352
2043	43,541,352	2,358,886	8,453,187	37,447,050
2044	37,447,050	2,009,992	7,894,376	31,562,666

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:

32.00

Certain Key Assumptions

Valuation Investment return assumption

6.00%

Valuation Mortality Table

FRS Mortality - Regular Class

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)
2019	170,664,780	6,564,030	13,128,070	164,100,740
2020	164,100,740	6,301,394	13,131,759	157,270,375
2021	157,270,375	6,029,523	13,064,619	150,235,278
2022	150,235,278	5,751,039	12,918,621	143,067,695
2023	143,067,695	5,461,415	13,064,653	135,464,457
2024	135,464,457	5,157,211	13,068,378	127,553,290
2025	127,553,290	4,842,022	13,005,493	119,389,819
2026	119,389,819	4,515,637	12,997,798	110,907,658
2027	110,907,658	4,178,522	12,889,210	102,196,970
2028	102,196,970	3,833,828	12,702,550	93,328,248
2029	93,328,248	3,480,960	12,608,484	84,200,724
2030	84,200,724	3,117,735	12,514,676	74,803,783
2031	74,803,783	2,741,257	12,544,701	65,000,340
2032	65,000,340	2,354,273	12,287,015	55,067,599
2033	55,067,599	1,962,143	12,028,063	45,001,679
2034	45,001,679	1,562,871	11,859,819	34,704,730
2035	34,704,730	1,156,553	11,581,800	24,279,483
2036	24,279,483	746,537	11,232,132	13,793,888
2037	13,793,888	330,590	11,058,254	3,066,225
2038	3,066,225	-	10,614,914	-
2039	-	-	10,226,452	-
2040	-	-	9,780,321	-
2041	-	-	9,482,254	-
2042	-	-	8,935,434	-
2043	-	-	8,453,187	-
2044	-	-	7,894,376	-

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: 19.25

Certain Key Assumptions

Valuation Investment return assumption	4.00%
Valuation Mortality Table	FRS Mortality - Regular Class

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)
2019	170,664,780	13,128,060	13,128,070	170,664,769
2020	170,664,769	13,127,911	13,131,759	170,660,921
2021	170,660,921	13,130,289	13,064,619	170,726,591
2022	170,726,591	13,141,382	12,918,621	170,949,352
2023	170,949,352	13,153,362	13,064,653	171,038,061
2024	171,038,061	13,160,310	13,068,378	171,129,993
2025	171,129,993	13,170,180	13,005,493	171,294,680
2026	171,294,680	13,183,662	12,997,798	171,480,545
2027	171,480,545	13,202,875	12,889,210	171,794,210
2028	171,794,210	13,235,435	12,702,550	172,327,094
2029	172,327,094	13,281,828	12,608,484	173,000,438
2030	173,000,438	13,339,448	12,514,676	173,825,211
2031	173,825,211	13,404,229	12,544,701	174,684,739
2032	174,684,739	13,483,298	12,287,015	175,881,022
2033	175,881,022	13,589,359	12,028,063	177,442,319
2034	177,442,319	13,720,993	11,859,819	179,303,493
2035	179,303,493	13,881,007	11,581,800	181,602,700
2036	181,602,700	14,078,931	11,232,132	184,449,499
2037	184,449,499	14,313,630	11,058,254	187,704,875
2038	187,704,875	14,591,793	10,614,914	191,681,754
2039	191,681,754	14,925,482	10,226,452	196,380,784
2040	196,380,784	15,319,250	9,780,321	201,919,713
2041	201,919,713	15,774,287	9,482,254	208,211,745
2042	208,211,745	16,299,522	8,935,434	215,575,834
2043	215,575,834	16,907,939	8,453,187	224,030,586
2044	224,030,586	17,606,672	7,894,376	233,742,882

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

8.00%

Valuation Mortality Table

FRS Mortality - Regular Class

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, 2018	October 1, 2018	October 1, 2018	October 1, 2018
B. Actuarially Determined Contribution (ADC) to Be Paid During Fiscal Year Ending	9/30/2020	9/30/2020	9/30/2020	9/30/2020
C. Assumed Dates of Employer Contributions	Biweekly	Biweekly	Biweekly	Biweekly
D. Annual Payment to Amortize Unfunded Actuarial Liability	\$ 15,609,485	\$ 15,609,485	\$ 50,600,555	\$ 0
E. Total Normal Cost	103,673	103,673	128,947	89,574
F. ADC if Paid on Valuation Date: D + E	15,713,158	15,713,158	50,729,502	89,574
G. ADC Adjusted for Frequency of Payments	17,174,846	17,174,846	53,854,429	100,758
H. Covered Payroll for Contribution Year	172,020	172,020	172,020	172,020
I. ADC Adjusted for Frequency of Payments as % of Covered Payroll	9,984.21 %	9,984.21 %	31,307.07 %	58.57 %
J. Expected Member Contributions in Contribution Year	6,881	6,881	6,881	6,881
K. Employer ADC in Contribution Year	17,167,965	17,167,965	53,847,548	93,877
L. Employer ADC as % of Covered Payroll in Contribution Year: H ÷ K	9,980.21 %	9,980.21 %	31,303.07 %	54.57 %
M. Certain Key Assumptions				
Investment Return Assumption	6.00%	6.00%	4.00%	8.00%
Mortality Table	FRS Mortality - Regular Class	FRS Mortality - Regular Class	FRS Mortality - Regular Class	FRS Mortality - Regular Class