

**ORLANDO UTILITIES COMMISSION PENSION PLAN**  
Chapter 112.664, F.S. Compliance Report  
In Connection with the October 1, 2016 Funding Actuarial Valuation Report  
And the Plan's Financial Reporting for the Year Ending September 30, 2016

April 20, 2017

Board of Trustees  
Orlando Utilities Commission Pension Plan  
Orlando, Florida

Dear Trustees:

Gabriel, Roeder, Smith & Company (GRS) has been engaged by the Orlando Utilities Commission Pension 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 Board of Trustees and is intended for use by the Plan and those designated or approved by the Board of Trustees. This report may be provided to parties other than the Plan only in its entirety and only with the permission of the Board of Trustees.

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 OUC 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 OUC.

Except as otherwise indicated as required for the disclosures contained herein, this report was prepared using certain assumptions selected by the Board 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 3, 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 as a counterpart 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.

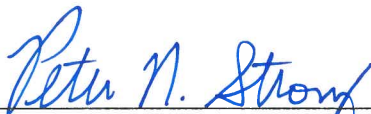
Peter N. Strong and Melissa R. Moskowitz are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein. The signing actuaries are independent of the plan sponsor.

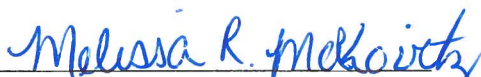
This report has been prepared by actuaries who have substantial experience valuing public employee retirement systems. To the best of our knowledge, the information contained in this report is accurate and fairly presents the actuarial position of the Plan as of the valuation date. All calculations have 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 us or under our direct supervision, and we acknowledge responsibility for the results. To the best of our knowledge, the results are complete and accurate, and in our 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   
Peter N. Strong, FSA, MAAA, FCA  
Enrolled Actuary No. 17-06975  
Senior Consultant & Actuary

By   
Melissa R. Moskowitz, MAAA, FCA  
Enrolled Actuary No. 17-06467  
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 from 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 Employer's Net Pension Liability  
Using Financial Reporting Assumptions per GASB Statement No. 67**

Fiscal year ending September 30,	<u>2016</u>
<b>1. Total Pension Liability</b>	
a. Service Cost	\$ 5,539,315
b. Interest	32,767,166
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	(105,882)
e. Assumption Changes	171,295
f. Benefit Payments	(27,324,387)
g. Contribution Refunds	-
<b>h. Net Change in Total Pension Liability</b>	<u>11,047,507</u>
<b>i. Total Pension Liability - Beginning</b>	<u>460,083,794</u>
<b>j. Total Pension Liability - Ending</b>	<u><u>\$ 471,131,301</u></u>
<b>2. Plan Fiduciary Net Position</b>	
a. Contributions - Employer	\$ 17,802,525
b. Contributions - Non-Employer Contributing Entity	-
c. Contributions - Member	748,224
d. Net Investment Income	29,903,874
e. Benefit Payments	(27,324,387)
f. Contribution Refunds	-
g. Administrative Expense	(35,564)
h. Other	-
<b>i. Net Change in Plan Fiduciary Net Position</b>	<u>21,094,672</u>
<b>j. Plan Fiduciary Net Position - Beginning</b>	<u>327,273,221</u>
<b>k. Plan Fiduciary Net Position - Ending</b>	<u><u>\$ 348,367,893</u></u>
<b>3. Net Pension Liability / (Asset)</b>	122,763,408
<b>Certain Key Assumptions</b>	
Valuation Date	09/30/2016
Measurement Date	09/30/2016
Investment Return Assumption	7.25%
Mortality Table	FRS Mortality (for 7/1/2016 valuation)

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

Fiscal year ending September 30,	<u>2016</u>
<b>1. Total Pension Liability</b>	
a. Service Cost	\$ 5,605,184
b. Interest	32,066,923
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	(105,882)
e. Assumption Changes	10,530,064
f. Benefit Payments	(27,324,387)
g. Contribution Refunds	-
<b>h. Net Change in Total Pension Liability</b>	<u>20,771,902</u>
<b>i. Total Pension Liability - Beginning</b>	<u>450,359,399</u>
<b>j. Total Pension Liability - Ending</b>	<u><u>\$ 471,131,301</u></u>
<b>2. Plan Fiduciary Net Position</b>	
a. Contributions - Employer	\$ 17,802,525
b. Contributions - Non-Employer Contributing Entity	-
c. Contributions - Member	748,224
d. Net Investment Income	29,903,874
e. Benefit Payments	(27,324,387)
f. Contribution Refunds	-
g. Administrative Expense	(35,564)
h. Other	-
<b>i. Net Change in Plan Fiduciary Net Position</b>	<u>21,094,672</u>
<b>j. Plan Fiduciary Net Position - Beginning</b>	<u>327,273,221</u>
<b>k. Plan Fiduciary Net Position - Ending</b>	<u><u>\$ 348,367,893</u></u>
<b>3. Net Pension Liability / (Asset)</b>	122,763,408
<b>Certain Key Assumptions</b>	
Valuation Date	09/30/2016
Measurement Date	09/30/2016
Investment Return Assumption	7.25%
Mortality Table	FRS Mortality (for 7/1/2016 valuation)

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

Fiscal year ending September 30,	<u>2016</u>
<b>1. Total Pension Liability</b>	
a. Service Cost	\$ 8,550,478
b. Interest	28,449,436
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	(105,882)
e. Assumption Changes	17,436,061
f. Benefit Payments	(27,324,387)
g. Contribution Refunds	-
<b>h. Net Change in Total Pension Liability</b>	<u>27,005,706</u>
<b>i. Total Pension Liability - Beginning</b>	<u>547,005,731</u>
<b>j. Total Pension Liability - Ending</b>	<u><u>\$ 574,011,437</u></u>
<b>2. Plan Fiduciary Net Position</b>	
a. Contributions - Employer	\$ 17,802,525
b. Contributions - Non-Employer Contributing Entity	-
c. Contributions - Member	748,224
d. Net Investment Income	29,903,874
e. Benefit Payments	(27,324,387)
f. Contribution Refunds	-
g. Administrative Expense	(35,564)
h. Other	-
<b>i. Net Change in Plan Fiduciary Net Position</b>	<u>21,094,672</u>
<b>j. Plan Fiduciary Net Position - Beginning</b>	<u>327,273,221</u>
<b>k. Plan Fiduciary Net Position - Ending</b>	<u><u>\$ 348,367,893</u></u>
<b>3. Net Pension Liability / (Asset)</b>	225,643,544
<b>Certain Key Assumptions</b>	
Valuation Date	09/30/2016
Measurement Date	09/30/2016
Investment Return Assumption	5.25%
Mortality Table	FRS Mortality (for 7/1/2016 valuation)



**Schedule of Changes in the Employer's 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>
<b>1. Total Pension Liability</b>	
a. Service Cost	\$ 3,751,663
b. Interest	34,137,975
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	(105,882)
e. Assumption Changes	6,417,974
f. Benefit Payments	(27,324,387)
g. Contribution Refunds	-
<b>h. Net Change in Total Pension Liability</b>	<u>16,877,343</u>
<b>i. Total Pension Liability - Beginning</b>	<u>378,969,723</u>
<b>j. Total Pension Liability - Ending</b>	<u>\$ 395,847,066</u>
<b>2. Plan Fiduciary Net Position</b>	
a. Contributions - Employer	\$ 17,802,525
b. Contributions - Non-Employer Contributing Entity	-
c. Contributions - Member	748,224
d. Net Investment Income	29,903,874
e. Benefit Payments	(27,324,387)
f. Contribution Refunds	-
g. Administrative Expense	(35,564)
h. Other	-
<b>i. Net Change in Plan Fiduciary Net Position</b>	<u>21,094,672</u>
<b>j. Plan Fiduciary Net Position - Beginning</b>	<u>327,273,221</u>
<b>k. Plan Fiduciary Net Position - Ending</b>	<u>\$ 348,367,893</u>
<b>3. Net Pension Liability / (Asset)</b>	47,479,173
<b>Certain Key Assumptions</b>	
Valuation Date	09/30/2016
Measurement Date	09/30/2016
Investment Return Assumption	9.25%
Mortality Table	FRS Mortality (for 7/1/2016 valuation)

**Asset and Benefit Payment Projection**  
**Not Reflecting Any Contributions from the Employer, State or Employee**  
**Using assumptions from the Plan's latest actuarial valuation**

<b>FYE</b>	<b>Market Value of Assets (BOY)</b>	<b>Investment Return</b>	<b>Projected Benefit Payments</b>	<b>Market Value of Assets (EOY)</b>
2017	348,367,893	24,098,263	31,956,123	340,510,033
2018	340,510,033	23,503,120	32,658,139	331,355,014
2019	331,355,014	22,786,349	34,121,101	320,020,262
2020	320,020,262	21,927,235	35,151,277	306,796,220
2021	306,796,220	20,947,912	35,719,007	292,025,125
2022	292,025,125	19,832,500	36,946,809	274,910,815
2023	274,910,815	18,585,642	37,114,265	256,382,193
2024	256,382,193	17,232,715	37,379,149	236,235,759
2025	236,235,759	15,773,897	37,329,521	214,680,135
2026	214,680,135	14,198,602	37,674,704	191,204,033
2027	191,204,033	12,493,719	37,753,749	165,944,003
2028	165,944,003	10,674,228	37,426,553	139,191,678
2029	139,191,678	8,757,051	36,809,522	111,139,207
2030	111,139,207	6,713,500	37,078,404	80,774,304
2031	80,774,304	4,538,719	36,342,569	48,970,454
2032	48,970,454	2,273,515	35,223,244	16,020,724
2033	16,020,724	-	35,913,455	-
2034	-	-	34,848,646	-
2035	-	-	32,972,208	-
2036	-	-	31,641,358	-
2037	-	-	31,455,127	-
2038	-	-	30,074,200	-
2039	-	-	29,442,549	-
2040	-	-	27,649,929	-
2041	-	-	26,800,721	-
2042	-	-	25,188,175	-

Number of years for which current market value of assets is 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**:

16.42

**Certain Key Assumptions**

Valuation Investment return assumption

7.25%

Valuation Mortality Table

FRS Mortality (for 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.**

<b>FYE</b>	<b>Market Value of Assets (BOY)</b>	<b>Investment Return</b>	<b>Projected Benefit Payments</b>	<b>Market Value of Assets (EOY)</b>
2017	348,367,893	24,098,263	31,956,123	340,510,033
2018	340,510,033	23,503,120	32,658,139	331,355,014
2019	331,355,014	22,786,349	34,121,101	320,020,262
2020	320,020,262	21,927,235	35,151,277	306,796,220
2021	306,796,220	20,947,912	35,719,007	292,025,125
2022	292,025,125	19,832,500	36,946,809	274,910,815
2023	274,910,815	18,585,642	37,114,265	256,382,193
2024	256,382,193	17,232,715	37,379,149	236,235,759
2025	236,235,759	15,773,897	37,329,521	214,680,135
2026	214,680,135	14,198,602	37,674,704	191,204,033
2027	191,204,033	12,493,719	37,753,749	165,944,003
2028	165,944,003	10,674,228	37,426,553	139,191,678
2029	139,191,678	8,757,051	36,809,522	111,139,207
2030	111,139,207	6,713,500	37,078,404	80,774,304
2031	80,774,304	4,538,719	36,342,569	48,970,454
2032	48,970,454	2,273,515	35,223,244	16,020,724
2033	16,020,724	-	35,913,455	-
2034	-	-	34,848,646	-
2035	-	-	32,972,208	-
2036	-	-	31,641,358	-
2037	-	-	31,455,127	-
2038	-	-	30,074,200	-
2039	-	-	29,442,549	-
2040	-	-	27,649,929	-
2041	-	-	26,800,721	-
2042	-	-	25,188,175	-

Number of years for which current market value of assets is 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:

16.42

**Certain Key Assumptions**

Valuation Investment return assumption

7.25%

Valuation Mortality Table

FRS Mortality (for 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)	Investment Return	Projected Benefit Payments	Market Value of Assets (EOY)
2017	348,367,893	17,450,466	31,956,123	333,862,236
2018	333,862,236	16,670,491	32,658,139	317,874,588
2019	317,874,588	15,792,737	34,121,101	299,546,225
2020	299,546,225	14,803,456	35,151,277	279,198,404
2021	279,198,404	13,720,292	35,719,007	257,199,689
2022	257,199,689	12,533,130	36,946,809	232,786,010
2023	232,786,010	11,247,016	37,114,265	206,918,761
2024	206,918,761	9,882,032	37,379,149	179,421,645
2025	179,421,645	8,439,736	37,329,521	150,531,860
2026	150,531,860	6,913,962	37,674,704	119,771,118
2027	119,771,118	5,296,948	37,753,749	87,314,316
2028	87,314,316	3,601,555	37,426,553	53,489,318
2029	53,489,318	1,841,939	36,809,522	18,521,735
2030	18,521,735	-	37,078,404	-
2031	-	-	36,342,569	-
2032	-	-	35,223,244	-
2033	-	-	35,913,455	-
2034	-	-	34,848,646	-
2035	-	-	32,972,208	-
2036	-	-	31,641,358	-
2037	-	-	31,455,127	-
2038	-	-	30,074,200	-
2039	-	-	29,442,549	-
2040	-	-	27,649,929	-
2041	-	-	26,800,721	-
2042	-	-	25,188,175	-

Number of years for which current market value of assets is 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:**

13.50

**Certain Key Assumptions**

Valuation Investment return assumption

5.25%

Valuation Mortality Table

FRS Mortality (for 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)	Investment Return	Projected Benefit Payments	Market Value of Assets (EOY)
2017	348,367,893	30,746,059	31,956,123	347,157,830
2018	347,157,830	30,601,660	32,658,139	345,101,351
2019	345,101,351	30,343,774	34,121,101	341,324,024
2020	341,324,024	29,946,726	35,151,277	336,119,473
2021	336,119,473	29,439,047	35,719,007	329,839,513
2022	329,839,513	28,801,365	36,946,809	321,694,069
2023	321,694,069	28,040,167	37,114,265	312,619,971
2024	312,619,971	27,188,562	37,379,149	302,429,384
2025	302,429,384	26,248,228	37,329,521	291,348,090
2026	291,348,090	25,207,243	37,674,704	278,880,630
2027	278,880,630	24,050,347	37,753,749	265,177,228
2028	265,177,228	22,797,916	37,426,553	250,548,591
2029	250,548,591	21,473,304	36,809,522	235,212,373
2030	235,212,373	20,042,268	37,078,404	218,176,238
2031	218,176,238	18,500,458	36,342,569	200,334,127
2032	200,334,127	16,901,832	35,223,244	182,012,714
2033	182,012,714	15,175,179	35,913,455	161,274,438
2034	161,274,438	13,306,136	34,848,646	139,731,928
2035	139,731,928	11,400,239	32,972,208	118,159,958
2036	118,159,958	9,466,383	31,641,358	95,984,984
2037	95,984,984	7,423,811	31,455,127	71,953,668
2038	71,953,668	5,264,783	30,074,200	47,144,251
2039	47,144,251	2,999,125	29,442,549	20,700,828
2040	20,700,828	636,017	27,649,929	-
2041	-	-	26,800,721	-
2042	-	-	25,188,175	-

Number of years for which current market value of assets is 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:**

23.75

**Certain Key Assumptions**

Valuation Investment return assumption

9.25%

Valuation Mortality Table

FRS Mortality (for 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.**

<b>ACTUARIALLY DETERMINED CONTRIBUTION</b>				
	Plan's Latest Actuarial Valuation	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	September 30, 2018	September 30, 2018	September 30, 2018	September 30, 2018
C. Assumed Dates of Employer Contributions	Quarterly	Quarterly	Quarterly	Quarterly
D. Annual Payment to Amortize Unfunded Actuarial Liability	\$ 15,853,391	\$ 15,853,391	\$ 24,114,256	\$ 8,529,220
E. Employer Normal Cost	5,086,984	5,086,984	8,051,018	3,215,443
F. Employer ADC if Paid on Valuation Date: D + E	20,940,375	20,940,375	32,165,274	11,744,663
G. Employer ADC Adjusted for Frequency of Payments	21,864,055	21,864,055	33,200,353	12,400,837
H. Employer ADC Adjusted for Frequency of Payments as % of Covered Payroll	25.26 %	25.26 %	38.35 %	14.32 %
I. Assumed Rate of Increase in Covered Payroll to Contribution Year	3.00 %	3.00 %	3.00 %	3.00 %
J. Covered Payroll for Contribution Year	89,170,169	89,170,169	89,170,169	89,170,169
K. Employer ADC for Contribution Year: H x J	22,524,385	22,524,385	34,196,760	12,769,168
L. Estimated Credit for State Revenue in Contribution Year	0	0	0	0
M. Net Employer ADC in Contribution Year	22,524,385	22,524,385	34,196,760	12,769,168
N. Net Employer ADC as % of Covered Payroll in Contribution Year: M ÷ J	25.26 %	25.26 %	38.35 %	14.32 %
O. Expected Member Contributions*	653,296	653,296	653,296	653,296
P. Total Contribution (Including Members) in Contribution Year: M + O	23,177,681	23,177,681	34,850,056	13,422,464
Q. Total Contribution (Including Members) in Contribution Year: P ÷ J	25.99 %	25.99 %	39.08 %	15.05 %
R. Certain Key Assumptions				
Investment Return Assumption	7.25%	7.25%	5.25%	9.25%
Mortality Table	FRS Mortality (for 7/1/2016 valuation)	FRS Mortality (for 7/1/2016 valuation)	FRS Mortality (for 7/1/2016 valuation)	FRS Mortality (for 7/1/2016 valuation)

\* 4% member contribution rate for employees covered by the traditional pension plan.