

CITY OF MIRAMAR MANAGEMENT RETIREMENT PLAN

Chapter 112.664, F.S. Compliance Report
In Connection with the October 1, 2018 Funding Actuarial
Valuation Report and the Plan's Financial Reporting for the
Year Ending September 30, 2018





July 25, 2019

Board of Trustees
City of Miramar Management Retirement Plan
Miramar, Florida

Dear Board Members:

Gabriel, Roeder, Smith & Company (GRS) has been engaged by the City of Miramar Management Retirement 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 and is intended for use by the Retirement Board and those designated or approved by the Board. This report may be provided to parties other than the System only in its entirety and only with the permission of the Board. GRS is not responsible for any unauthorized use of this report.

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 City and the Board 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 City or administrator.

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, 2018 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 10, 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 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.

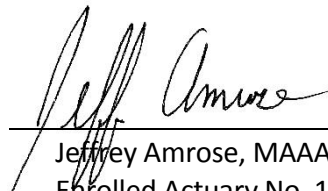
The undersigned are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein. The signing actuaries are independent of the plan sponsor.

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 complete 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 

Jeffrey Amrose, MAAA
Enrolled Actuary No. 17-6599
Senior Consultant & Actuary

By 

Trisha Amrose, MAAA
Enrolled Actuary No. 17-8010
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>2018</u>
a. Service Cost	\$ 2,991,499
b. Interest	4,048,676
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	508,992
e. Assumption Changes	-
f. Benefit Payments	(2,423,993)
g. Contribution Refunds	(58,236)
h. Net Change in Total Pension Liability	<u>5,066,938</u>
i. Total Pension Liability - Beginning	<u>56,087,847</u>
j. Total Pension Liability - Ending	<u><u>\$ 61,154,785</u></u>

2. Plan Fiduciary Net Position

a. Contributions - Employer	\$ 3,111,065
b. Contributions - Non-Employer Contributing Entity	-
c. Contributions - Member	1,762,120
d. Net Investment Income	4,214,420
e. Benefit Payments	(2,423,993)
f. Contribution Refunds	(58,236)
g. Administrative Expense	(98,630)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	<u>6,506,746</u>
j. Plan Fiduciary Net Position - Beginning	<u>37,296,999</u>
k. Plan Fiduciary Net Position - Ending	<u><u>\$ 43,803,745</u></u>

3. Net Pension Liability / (Asset) 17,351,040

Certain Key Assumptions

Valuation Date	10/01/2017
Measurement Date	09/30/2018
Investment Return Assumption	7.00%
Mortality Table	FRS Mortality Rates from 7/1/16 FRS 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,

	<u>2018</u>
1. Total pension liability	
a. Service Cost	\$ 2,991,499
b. Interest	4,048,676
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	508,992
e. Assumption Changes	-
f. Benefit Payments	(2,423,993)
g. Contribution Refunds	(58,236)
h. Net Change in Total Pension Liability	<u>5,066,938</u>
i. Total Pension Liability - Beginning	<u>56,087,847</u>
j. Total Pension Liability - Ending	<u><u>\$ 61,154,785</u></u>
2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ 3,111,065
b. Contributions - Non-Employer Contributing Entity	-
c. Contributions - Member	1,762,120
d. Net Investment Income	4,214,420
e. Benefit Payments	(2,423,993)
f. Contribution Refunds	(58,236)
g. Administrative Expense	(98,630)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	<u>6,506,746</u>
j. Plan Fiduciary Net Position - Beginning	<u>37,296,999</u>
k. Plan Fiduciary Net Position - Ending	<u><u>\$ 43,803,745</u></u>
3. Net Pension Liability / (Asset)	17,351,040
Certain Key Assumptions	
Valuation Date	10/01/2017
Measurement Date	09/30/2018
Investment Return Assumption	7.00%
Mortality Table	FRS Mortality Rates from 7/1/16 FRS Valuation

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

Fiscal year ending September 30,

1. Total pension liability

	<u>2018</u>
a. Service Cost	\$ 4,374,090
b. Interest	3,811,164
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	-
e. Assumption Changes	-
f. Benefit Payments	(2,423,993)
g. Contribution Refunds	(58,236)
h. Net Change in Total Pension Liability	<u>5,703,025</u>
i. Total Pension Liability - Beginning	<u>73,090,303</u>
j. Total Pension Liability - Ending	<u><u>\$ 78,793,328</u></u>

2. Plan Fiduciary Net Position

a. Contributions - Employer	\$ 3,111,065
b. Contributions - Non-Employer Contributing Entity	-
c. Contributions - Member	1,762,120
d. Net Investment Income	4,214,420
e. Benefit Payments	(2,423,993)
f. Contribution Refunds	(58,236)
g. Administrative Expense	(98,630)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	<u>6,506,746</u>
j. Plan Fiduciary Net Position - Beginning	<u>37,296,999</u>
k. Plan Fiduciary Net Position - Ending	<u><u>\$ 43,803,745</u></u>

3. Net Pension Liability / (Asset) 34,989,583

Certain Key Assumptions

Valuation Date	10/01/2017
Measurement Date	09/30/2018
Investment Return Assumption	5.00%
Mortality Table	FRS Mortality Rates from 7/1/16 FRS Valuation

Schedule of Changes in the Employers' Net Pension Liability

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

Fiscal year ending September 30,	<u>2018</u>
1. Total pension liability	
a. Service Cost	\$ 2,151,346
b. Interest	4,218,185
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	-
e. Assumption Changes	-
f. Benefit Payments	(2,423,993)
g. Contribution Refunds	(58,236)
h. Net Change in Total Pension Liability	<u>3,887,302</u>
i. Total Pension Liability - Beginning	<u>45,958,488</u>
j. Total Pension Liability - Ending	<u>\$ 49,845,790</u>
2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ 3,111,065
b. Contributions - Non-Employer Contributing Entity	-
c. Contributions - Member	1,762,120
d. Net Investment Income	4,214,420
e. Benefit Payments	(2,423,993)
f. Contribution Refunds	(58,236)
g. Administrative Expense	(98,630)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	<u>6,506,746</u>
j. Plan Fiduciary Net Position - Beginning	<u>37,296,999</u>
k. Plan Fiduciary Net Position - Ending	<u>\$ 43,803,745</u>
3. Net Pension Liability / (Asset)	6,042,045
Certain Key Assumptions	
Valuation Date	10/01/2017
Measurement Date	09/30/2018
Investment Return Assumption	9.00%
Mortality Table	FRS Mortality Rates from 7/1/16 FRS 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

FYE	Market Value of Assets (BOY)	Expected Investment Return	Projected Benefit Payments	Market Value of Assets (EOY)
2019	42,209,208	2,847,626	3,057,670	41,999,164
2020	41,999,164	2,829,335	3,160,191	41,668,308
2021	41,668,308	2,802,680	3,260,052	41,210,936
2022	41,210,936	2,767,066	3,362,837	40,615,165
2023	40,615,165	2,721,897	3,461,846	39,875,216
2024	39,875,216	2,662,580	3,676,731	38,861,064
2025	38,861,064	2,585,097	3,862,205	37,583,957
2026	37,583,957	2,486,713	4,118,971	35,951,699
2027	35,951,699	2,367,320	4,265,682	34,053,337
2028	34,053,337	2,229,382	4,410,040	31,872,679
2029	31,872,679	2,071,647	4,555,442	29,388,884
2030	29,388,884	1,893,558	4,676,110	26,606,332
2031	26,606,332	1,694,176	4,807,634	23,492,874
2032	23,492,874	1,468,554	5,027,076	19,934,351
2033	19,934,351	1,214,562	5,166,919	15,981,995
2034	15,981,995	935,918	5,223,476	11,694,437
2035	11,694,437	632,300	5,323,158	7,003,579
2036	7,003,579	301,209	5,401,190	1,903,598
2037	1,903,598	-	5,532,977	-
2038	-	-	5,638,516	-
2039	-	-	5,691,024	-
2040	-	-	5,727,817	-
2041	-	-	5,722,872	-
2042	-	-	5,713,745	-
2043	-	-	5,689,429	-
2044	-	-	5,598,933	-

sustain the payment of expected retirement benefits, **reflecting no contributions from the Employer, Employee or State, contrary to Florida**

Statutes and Plan provisions: 18.33

Certain Key Assumptions

Valuation Investment return assumption 7.00%
Valuation Mortality Table FRS Mortality

Note: As required in Section 112.664(1)(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	42,209,208	2,847,626	3,057,670	41,999,164
2020	41,999,164	2,829,335	3,160,191	41,668,308
2021	41,668,308	2,802,680	3,260,052	41,210,936
2022	41,210,936	2,767,066	3,362,837	40,615,165
2023	40,615,165	2,721,897	3,461,846	39,875,216
2024	39,875,216	2,662,580	3,676,731	38,861,064
2025	38,861,064	2,585,097	3,862,205	37,583,957
2026	37,583,957	2,486,713	4,118,971	35,951,699
2027	35,951,699	2,367,320	4,265,682	34,053,337
2028	34,053,337	2,229,382	4,410,040	31,872,679
2029	31,872,679	2,071,647	4,555,442	29,388,884
2030	29,388,884	1,893,558	4,676,110	26,606,332
2031	26,606,332	1,694,176	4,807,634	23,492,874
2032	23,492,874	1,468,554	5,027,076	19,934,351
2033	19,934,351	1,214,562	5,166,919	15,981,995
2034	15,981,995	935,918	5,223,476	11,694,437
2035	11,694,437	632,300	5,323,158	7,003,579
2036	7,003,579	301,209	5,401,190	1,903,598
2037	1,903,598	-	5,532,977	-
2038	-	-	5,638,516	-
2039	-	-	5,691,024	-
2040	-	-	5,727,817	-
2041	-	-	5,722,872	-
2042	-	-	5,713,745	-
2043	-	-	5,689,429	-
2044	-	-	5,598,933	-

sustain the payment of expected retirement benefits, **reflecting no contributions from the Employer, Employee or State, contrary to Florida**

Statutes and Plan provisions: 18.33

Certain Key Assumptions

Valuation Investment return assumption 7.00%
 Valuation Mortality Table FRS Mortality

Note: As required in Section 112.664(1)(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. assumption

FYE	Market Value of Assets (BOY)	Expected Investment Return	Projected Benefit Payments	Market Value of Assets (EOY)
2019	42,209,208	2,034,019	3,057,670	41,185,557
2020	41,185,557	1,980,273	3,160,191	40,005,639
2021	40,005,639	1,918,781	3,260,052	38,664,367
2022	38,664,367	1,849,147	3,362,837	37,150,678
2023	37,150,678	1,770,988	3,461,846	35,459,820
2024	35,459,820	1,681,073	3,676,731	33,464,161
2025	33,464,161	1,576,653	3,862,205	31,178,609
2026	31,178,609	1,455,956	4,118,971	28,515,594
2027	28,515,594	1,319,138	4,265,682	25,569,050
2028	25,569,050	1,168,202	4,410,040	22,327,212
2029	22,327,212	1,002,475	4,555,442	18,774,244
2030	18,774,244	821,809	4,676,110	14,919,943
2031	14,919,943	625,806	4,807,634	10,738,116
2032	10,738,116	411,229	5,027,076	6,122,269
2033	6,122,269	176,940	5,166,919	1,132,290
2034	1,132,290	-	5,223,476	-
2035	-	-	5,323,158	-
2036	-	-	5,401,190	-
2037	-	-	5,532,977	-
2038	-	-	5,638,516	-
2039	-	-	5,691,024	-
2040	-	-	5,727,817	-
2041	-	-	5,722,872	-
2042	-	-	5,713,745	-
2043	-	-	5,689,429	-
2044	-	-	5,598,933	-

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:**

15.25

Certain Key Assumptions

Valuation Investment return assumption
 Valuation Mortality Table

5.00%
 FRS Mortality

Note: As required in Section 112.664(1)(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	42,209,208	3,661,234	3,057,670	42,812,772
2020	42,812,772	3,710,941	3,160,191	43,363,521
2021	43,363,521	3,756,015	3,260,052	43,859,484
2022	43,859,484	3,796,026	3,362,837	44,292,673
2023	44,292,673	3,830,557	3,461,846	44,661,384
2024	44,661,384	3,854,072	3,676,731	44,838,725
2025	44,838,725	3,861,686	3,862,205	44,838,206
2026	44,838,206	3,850,085	4,118,971	44,569,320
2027	44,569,320	3,819,283	4,265,682	44,122,921
2028	44,122,921	3,772,611	4,410,040	43,485,492
2029	43,485,492	3,708,699	4,555,442	42,638,750
2030	42,638,750	3,627,063	4,676,110	41,589,702
2031	41,589,702	3,526,730	4,807,634	40,308,798
2032	40,308,798	3,401,573	5,027,076	38,683,295
2033	38,683,295	3,248,985	5,166,919	36,765,361
2034	36,765,361	3,073,826	5,223,476	34,615,711
2035	34,615,711	2,875,872	5,323,158	32,168,425
2036	32,168,425	2,652,105	5,401,190	29,419,340
2037	29,419,340	2,398,757	5,532,977	26,285,120
2038	26,285,120	2,111,928	5,638,516	22,758,531
2039	22,758,531	1,792,172	5,691,024	18,859,679
2040	18,859,679	1,439,619	5,727,817	14,571,481
2041	14,571,481	1,053,904	5,722,872	9,902,513
2042	9,902,513	634,108	5,713,745	4,822,876
2043	4,822,876	178,035	5,689,429	-
2044	-	-	5,598,933	-

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: 24.83

Certain Key Assumptions

Valuation Investment return assumption 9.00%
 Valuation Mortality Table FRS Mortality

Note: As required in Section 112.664(1)(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	112.664(1)(a) F.S. Assumptions	112.664(1)(b) F.S. Assumption	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	Monthly	Monthly	Monthly	Monthly
D. Annual Payment to Amortize Unfunded Actuarial Liability	\$ 1,313,736	\$ 1,313,736	\$ 2,135,292	\$ 586,282
E. Employer Normal Cost	1,860,466	1,860,466	3,437,525	901,140
F. ADC if Paid on Valuation Date: D + E	3,174,202	3,174,202	5,572,817	1,487,422
G. ADC Adjusted for Frequency of Payments	3,174,202	3,174,202	5,572,817	1,487,422
H. ADC Adjusted for Frequency of Payments as % of Covered Payroll	25.43 %	25.43 %	44.64 %	11.92 %
I. Assumed Rate of Increase in Covered Payroll to Contribution Year	3.50 %	3.50 %	3.50 %	3.50 %
J. Covered Payroll for Contribution Year	12,919,427	12,919,427	12,919,427	12,919,427
K. ADC for Contribution Year: H x J	3,285,410	3,285,410	5,767,232	1,539,996
L. Allowable Credit for State Revenue in Contribution Year	0	0	0	0
M. Employer ADC in Contribution Year	3,285,410	3,285,410	5,767,232	1,539,996
N. Employer ADC as % of Covered Payroll in Contribution Year: M ÷ J	25.43 %	25.43 %	44.64 %	11.92 %
O. Expected Member Contributions	1,746,061	1,746,061	1,746,061	1,746,061
P. Total Contribution (including Members) in Contributing Year	5,031,471	5,031,471	7,513,293	3,286,057
Q. Total Contribution as a % of covered payroll in Contribution Year: P ÷ J	38.95 %	38.95 %	58.16 %	25.44 %
R. Certain Key Assumptions				
Investment Return Assumption	7.00%	7.00%	5.00%	9.00%
Mortality Table	FRS Mortality	FRS Mortality	FRS Mortality	FRS Mortality