

CITY OF MIRAMAR MANAGEMENT RETIREMENT PLAN

Chapter 112.664, F.S. Compliance Report
In Connection with the October 1, 2017 Funding Actuarial
Valuation Report and the Plan's Financial Reporting for the
Year Ending September 30, 2017





July 9, 2018

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, 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 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, 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 May 8, 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 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.

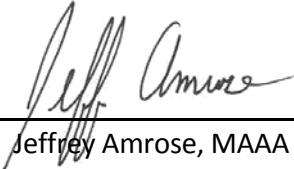
The undersigned are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein. The signing actuaries are independent of the plan sponsor.

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 

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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,

	<u>2017</u>
1. Total pension liability	
a. Service Cost	\$ 2,861,698
b. Interest	3,463,509
c. Benefit Changes	85,811
d. Difference between actual & expected experience & Other	3,175,232
e. Assumption Changes	1,201,912
f. Benefit Payments	(2,417,125)
g. Contribution Refunds	(217,512)
h. Net Change in Total Pension Liability	<u>8,153,525</u>
i. Total Pension Liability - Beginning	<u>47,934,322</u>
j. Total Pension Liability - Ending	<u><u>\$ 56,087,847</u></u>
2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ 2,496,156
b. Contributions - Non-Employer Contributing Entity	-
c. Contributions - Member	2,498,920
d. Net Investment Income	3,767,761
e. Benefit Payments	(2,417,125)
f. Contribution Refunds	(217,512)
g. Administrative Expense	(114,287)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	<u>6,013,913</u>
j. Plan Fiduciary Net Position - Beginning	<u>31,283,086</u>
k. Plan Fiduciary Net Position - Ending	<u><u>\$ 37,296,999</u></u>
3. Net Pension Liability / (Asset)	18,790,848
Certain Key Assumptions	
Valuation Date	10/01/2016
Measurement Date	09/30/2017
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>2017</u>
1. Total pension liability	
a. Service Cost	\$ 2,861,698
b. Interest	3,463,509
c. Benefit Changes	85,811
d. Difference between actual & expected experience & Other	3,175,232
e. Assumption Changes	1,201,912
f. Benefit Payments	(2,417,125)
g. Contribution Refunds	(217,512)
h. Net Change in Total Pension Liability	8,153,525
i. Total Pension Liability - Beginning	47,934,322
j. Total Pension Liability - Ending	<u>\$ 56,087,847</u>
2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ 2,496,156
b. Contributions - Non-Employer Contributing Entity	-
c. Contributions - Member	2,498,920
d. Net Investment Income	3,767,761
e. Benefit Payments	(2,417,125)
f. Contribution Refunds	(217,512)
g. Administrative Expense	(114,287)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	6,013,913
j. Plan Fiduciary Net Position - Beginning	31,283,086
k. Plan Fiduciary Net Position - Ending	<u>\$ 37,296,999</u>
3. Net Pension Liability / (Asset)	18,790,848
Certain Key Assumptions	
Valuation Date	10/01/2016
Measurement Date	09/30/2017
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,

	<u>2017</u>
1. Total pension liability	
a. Service Cost	\$ 4,311,795
b. Interest	3,521,817
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	-
e. Assumption Changes	-
f. Benefit Payments	(2,417,125)
g. Contribution Refunds	(217,512)
h. Net Change in Total Pension Liability	<u>5,198,975</u>
i. Total Pension Liability - Beginning	<u>67,441,855</u>
j. Total Pension Liability - Ending	<u>\$ 72,640,830</u>
2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ 2,496,156
b. Contributions - Non-Employer Contributing Entity	-
c. Contributions - Member	2,498,920
d. Net Investment Income	3,767,761
e. Benefit Payments	(2,417,125)
f. Contribution Refunds	(217,512)
g. Administrative Expense	(114,287)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	<u>6,013,913</u>
j. Plan Fiduciary Net Position - Beginning	<u>31,283,086</u>
k. Plan Fiduciary Net Position - Ending	<u>\$ 37,296,999</u>
3. Net Pension Liability / (Asset)	35,343,831
Certain Key Assumptions	
Valuation Date	10/01/2016
Measurement Date	09/30/2017
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 assump

Fiscal year ending September 30,	<u>2017</u>
1. Total pension liability	
a. Service Cost	\$ 2,099,885
b. Interest	3,882,668
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	-
e. Assumption Changes	-
f. Benefit Payments	(2,417,125)
g. Contribution Refunds	(217,512)
h. Net Change in Total Pension Liability	<u>3,347,916</u>
i. Total Pension Liability - Beginning	<u>42,358,189</u>
j. Total Pension Liability - Ending	<u><u>\$ 45,706,105</u></u>
2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ 2,496,156
b. Contributions - Non-Employer Contributing Entity	-
c. Contributions - Member	2,498,920
d. Net Investment Income	3,767,761
e. Benefit Payments	(2,417,125)
f. Contribution Refunds	(217,512)
g. Administrative Expense	(114,287)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	<u>6,013,913</u>
j. Plan Fiduciary Net Position - Beginning	<u>31,283,086</u>
k. Plan Fiduciary Net Position - Ending	<u><u>\$ 37,296,999</u></u>
3. Net Pension Liability / (Asset)	8,409,106
Certain Key Assumptions	
Valuation Date	10/01/2016
Measurement Date	09/30/2017
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)
2018	35,798,291	2,402,695	2,948,150	35,252,836
2019	35,252,836	2,359,182	3,100,469	34,511,549
2020	34,511,549	2,305,289	3,157,695	33,659,143
2021	33,659,143	2,244,746	3,182,673	32,721,217
2022	32,721,217	2,177,103	3,239,484	31,658,836
2023	31,658,836	2,099,846	3,322,071	30,436,611
2024	30,436,611	2,010,218	3,438,434	29,008,395
2025	29,008,395	1,904,704	3,596,675	27,316,424
2026	27,316,424	1,777,596	3,844,376	25,249,644
2027	25,249,644	1,627,886	3,988,256	22,889,274
2028	22,889,274	1,458,046	4,120,090	20,227,230
2029	20,227,230	1,268,465	4,212,606	17,283,089
2030	17,283,089	1,059,106	4,305,993	14,036,203
2031	14,036,203	829,077	4,384,479	10,480,801
2032	10,480,801	574,528	4,546,510	6,508,819
2033	6,508,819	292,656	4,656,045	2,145,430
2034	2,145,430	-	4,754,082	-
2035	-	-	4,839,778	-
2036	-	-	4,887,478	-
2037	-	-	4,928,690	-
2038	-	-	4,961,009	-
2039	-	-	4,939,710	-
2040	-	-	4,929,096	-
2041	-	-	4,879,952	-
2042	-	-	4,819,078	-
2043	-	-	4,744,252	-

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 7.00%
 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)
2018	35,798,291	2,402,695	2,948,150	35,252,836
2019	35,252,836	2,359,182	3,100,469	34,511,549
2020	34,511,549	2,305,289	3,157,695	33,659,143
2021	33,659,143	2,244,746	3,182,673	32,721,217
2022	32,721,217	2,177,103	3,239,484	31,658,836
2023	31,658,836	2,099,846	3,322,071	30,436,611
2024	30,436,611	2,010,218	3,438,434	29,008,395
2025	29,008,395	1,904,704	3,596,675	27,316,424
2026	27,316,424	1,777,596	3,844,376	25,249,644
2027	25,249,644	1,627,886	3,988,256	22,889,274
2028	22,889,274	1,458,046	4,120,090	20,227,230
2029	20,227,230	1,268,465	4,212,606	17,283,089
2030	17,283,089	1,059,106	4,305,993	14,036,203
2031	14,036,203	829,077	4,384,479	10,480,801
2032	10,480,801	574,528	4,546,510	6,508,819
2033	6,508,819	292,656	4,656,045	2,145,430
2034	2,145,430	-	4,754,082	-
2035	-	-	4,839,778	-
2036	-	-	4,887,478	-
2037	-	-	4,928,690	-
2038	-	-	4,961,009	-
2039	-	-	4,939,710	-
2040	-	-	4,929,096	-
2041	-	-	4,879,952	-
2042	-	-	4,819,078	-
2043	-	-	4,744,252	-

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 7.00%
 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)
2018	35,798,291	1,716,211	2,948,150	34,566,352
2019	34,566,352	1,650,806	3,100,469	33,116,689
2020	33,116,689	1,576,892	3,157,695	31,535,886
2021	31,535,886	1,497,227	3,182,673	29,850,440
2022	29,850,440	1,411,535	3,239,484	28,022,491
2023	28,022,491	1,318,073	3,322,071	26,018,493
2024	26,018,493	1,214,964	3,438,434	23,795,023
2025	23,795,023	1,099,834	3,596,675	21,298,182
2026	21,298,182	968,800	3,844,376	18,422,606
2027	18,422,606	821,424	3,988,256	15,255,774
2028	15,255,774	659,786	4,120,090	11,795,470
2029	11,795,470	484,458	4,212,606	8,067,322
2030	8,067,322	295,716	4,305,993	4,057,046
2031	4,057,046	93,240	4,384,479	-
2032	-	-	4,546,510	-
2033	-	-	4,656,045	-
2034	-	-	4,754,082	-
2035	-	-	4,839,778	-
2036	-	-	4,887,478	-
2037	-	-	4,928,690	-
2038	-	-	4,961,009	-
2039	-	-	4,939,710	-
2040	-	-	4,929,096	-
2041	-	-	4,879,952	-
2042	-	-	4,819,078	-
2043	-	-	4,744,252	-

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:**

13.92

Certain Key Assumptions

Valuation Investment return assumption

5.00%

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. except 2% higher investment return assumption

FYE	Market Value of Assets (BOY)	Expected Investment Return	Projected Benefit Payments	Market Value of Assets (EOY)
2018	35,798,291	3,089,179	2,948,150	35,939,320
2019	35,939,320	3,095,018	3,100,469	35,933,869
2020	35,933,869	3,091,952	3,157,695	35,868,126
2021	35,868,126	3,084,911	3,182,673	35,770,364
2022	35,770,364	3,073,556	3,239,484	35,604,436
2023	35,604,436	3,054,906	3,322,071	35,337,271
2024	35,337,271	3,025,625	3,438,434	34,924,462
2025	34,924,462	2,981,351	3,596,675	34,309,138
2026	34,309,138	2,914,826	3,844,376	33,379,588
2027	33,379,588	2,824,691	3,988,256	32,216,023
2028	32,216,023	2,714,038	4,120,090	30,809,971
2029	30,809,971	2,583,330	4,212,606	29,180,695
2030	29,180,695	2,432,493	4,305,993	27,307,195
2031	27,307,195	2,260,346	4,384,479	25,183,062
2032	25,183,062	2,061,883	4,546,510	22,698,435
2033	22,698,435	1,833,337	4,656,045	19,875,727
2034	19,875,727	1,574,882	4,754,082	16,696,527
2035	16,696,527	1,284,897	4,839,778	13,141,646
2036	13,141,646	962,812	4,887,478	9,216,980
2037	9,216,980	607,737	4,928,690	4,896,027
2038	4,896,027	217,397	4,961,009	152,415
2039	152,415	-	4,939,710	-
2040	-	-	4,929,096	-
2041	-	-	4,879,952	-
2042	-	-	4,819,078	-
2043	-	-	4,744,252	-

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: 21.00

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, 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	Monthly	Monthly	Monthly	Monthly
D. Annual Payment to Amortize Unfunded Actuarial Liability	\$ 1,360,710	\$ 1,360,710	\$ 2,109,590	\$ 736,191
E. Employer Normal Cost	1,631,147	1,631,147	3,013,738	790,994
F. ADC if Paid on Valuation Date: D + E	2,991,857	2,991,857	5,123,328	1,527,185
G. ADC Adjusted for Frequency of Payments	2,991,857	2,991,857	5,123,328	1,527,185
H. ADC Adjusted for Frequency of Payments as % of Covered Payroll	27.07 %	27.07 %	46.35 %	13.82 %
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	11,439,947	11,439,947	11,439,947	11,439,947
K. ADC for Contribution Year: H x J	3,096,794	3,096,794	5,302,415	1,581,001
L. Allowable Credit for State Revenue in Contribution Year	0	0	0	0
M. Employer ADC in Contribution Year	3,096,794	3,096,794	5,302,415	1,581,001
N. Employer ADC as % of Covered Payroll in Contribution Year: M ÷ J	27.07 %	27.07 %	46.35 %	13.82 %
O. Expected Member Contributions	1,546,109	1,546,109	1,546,109	1,546,109
P. Total Contribution (including Members) in Contributing Year	4,642,903	4,642,903	6,848,524	3,127,110
Q. Total Contribution as a % of covered payroll in Contribution Year: P ÷ J	40.59 %	40.59 %	59.86 %	27.34 %
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