

City of Fort Lauderdale General Employees Retirement System

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 Fiscal Year Ending September 30, 2018



May 9, 2019

Board of Trustees
City of Fort Lauderdale General
Employees Retirement System
Fort Lauderdale, Florida

Dear Members of the Board:

Gabriel, Roeder, Smith & Company (GRS) has been engaged by the City of Fort Lauderdale (“City”) General Employees Retirement System (“System” or “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 System 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 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 and 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 report does not include an analysis of the potential range of such future measurements.

This report was based upon information furnished by the Plan Administrator and the City 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 audit the data. We are not responsible for the accuracy or completeness of the information provided by the Plan Administrator and the City.

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 September 30, 2018 actuarial valuation report. This report is also based on the plan provisions, census data, and financial information as summarized in our September 30, 2018 actuarial valuation report. Please

refer to the September 30, 2018 actuarial valuation report, dated March 13, 2019, and the GASB Statement No. 67 disclosure report, dated January 31, 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.

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.

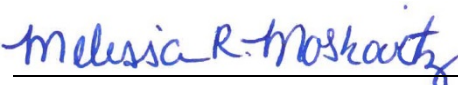
Melissa R. Moskovitz and Piotr Krekora are members of the American Academy of Actuaries. These actuaries meet the Academy's Qualification Standards to render the actuarial opinions contained herein.

The signing actuaries are independent of the plan sponsor.

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 & COMPANY

By 
Melissa R. Moskovitz, MAAA, FCA
Enrolled Actuary No. 17-06467

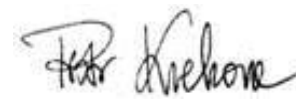
By 
Piotr Krekora, ASA, MAAA, FCA
Enrolled Actuary No. 17-08432

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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,

1. Total Pension Liability

	<u>2018</u>
a. Service Cost	\$ 9,080,935
b. Interest	48,592,554
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	(7,758,188)
e. Assumption Changes	6,581,878
f. Benefit Payments	(40,797,248)
g. Contribution Refunds	(85,828)
h. Net Change in Total Pension Liability	<u>15,614,103</u>
i. Total Pension Liability - Beginning	<u>659,261,317</u>
j. Total Pension Liability - Ending	<u>\$ 674,875,420</u>

2. Plan Fiduciary Net Position

a. Contributions - Employer	\$ 10,459,835
b. Contributions - Non-Employer Contributing Entity	-
c. Contributions - Member	2,741,096
d. Net Investment Income	58,237,325
e. Benefit Payments	(40,797,248)
f. Contribution Refunds	(85,828)
g. Administrative Expense	(472,181)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	<u>30,082,999</u>
j. Plan Fiduciary Net Position - Beginning	<u>654,193,477</u>
k. Plan Fiduciary Net Position - Ending	<u>\$ 684,276,476</u>

3. Net Pension Liability / (Asset) (9,401,056)

Certain Key Assumptions

Valuation Date	09/30/2017
Measurement Date	09/30/2018
Investment Return Assumption	7.40%
Mortality Table	Mortality Rates from 7/1/2016 FRS Valuation (Regular Class)

**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,

1. Total Pension Liability

	<u>2018</u>
a. Service Cost	\$ 9,273,899
b. Interest	47,908,245
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	-
e. Assumption Changes	-
f. Benefit Payments	(40,797,248)
g. Contribution Refunds	(85,828)
h. Net Change in Total Pension Liability	<u>16,299,068</u>
i. Total Pension Liability - Beginning	<u>658,576,352</u>
j. Total Pension Liability - Ending	<u>\$ 674,875,420</u>

2. Plan Fiduciary Net Position

a. Contributions - Employer	\$ 10,459,835
b. Contributions - Non-Employer Contributing Entity	-
c. Contributions - Member	2,741,096
d. Net Investment Income	58,237,325
e. Benefit Payments	(40,797,248)
f. Contribution Refunds	(85,828)
g. Administrative Expense	(472,181)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	<u>30,082,999</u>
j. Plan Fiduciary Net Position - Beginning	<u>654,193,477</u>
k. Plan Fiduciary Net Position - Ending	<u>\$ 684,276,476</u>

3. Net Pension Liability / (Asset) (9,401,056)

Certain Key Assumptions

Valuation Date	09/30/2017
Measurement Date	09/30/2018
Investment Return Assumption	7.40%
Mortality Table	Mortality Rates from 7/1/2016 FRS Valuation (Regular Class)

**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,

1. Total Pension Liability

	<u>2018</u>
a. Service Cost	\$ 14,457,685
b. Interest	43,760,292
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	-
e. Assumption Changes	-
f. Benefit Payments	(40,797,248)
g. Contribution Refunds	(85,828)
h. Net Change in Total Pension Liability	<u>17,334,901</u>
i. Total Pension Liability - Beginning	<u>816,359,626</u>
j. Total Pension Liability - Ending	<u><u>\$ 833,694,527</u></u>

2. Plan Fiduciary Net Position

a. Contributions - Employer	\$ 10,459,835
b. Contributions - Non-Employer Contributing Entity	-
c. Contributions - Member	2,741,096
d. Net Investment Income	58,237,325
e. Benefit Payments	(40,797,248)
f. Contribution Refunds	(85,828)
g. Administrative Expense	(472,181)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	<u>30,082,999</u>
j. Plan Fiduciary Net Position - Beginning	<u>654,193,477</u>
k. Plan Fiduciary Net Position - Ending	<u><u>\$ 684,276,476</u></u>

3. Net Pension Liability / (Asset)

149,418,051

Certain Key Assumptions

Valuation Date	09/30/2017
Measurement Date	09/30/2018
Investment Return Assumption	5.40%
Mortality Table	Mortality Rates from 7/1/2016 FRS Valuation (Regular Class)

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,

1. Total Pension Liability

	<u>2018</u>
a. Service Cost	\$ 6,216,726
b. Interest	50,009,879
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	-
e. Assumption Changes	-
f. Benefit Payments	(40,797,248)
g. Contribution Refunds	(85,828)
h. Net Change in Total Pension Liability	<u>15,343,529</u>
i. Total Pension Liability - Beginning	<u>546,244,806</u>
j. Total Pension Liability - Ending	<u>\$ 561,588,335</u>

2. Plan Fiduciary Net Position

a. Contributions - Employer	\$ 10,459,835
b. Contributions - Non-Employer Contributing Entity	-
c. Contributions - Member	2,741,096
d. Net Investment Income	58,237,325
e. Benefit Payments	(40,797,248)
f. Contribution Refunds	(85,828)
g. Administrative Expense	(472,181)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	<u>30,082,999</u>
j. Plan Fiduciary Net Position - Beginning	<u>654,193,477</u>
k. Plan Fiduciary Net Position - Ending	<u>\$ 684,276,476</u>

3. Net Pension Liability / (Asset) (122,688,141)

Certain Key Assumptions

Valuation Date	09/30/2017
Measurement Date	09/30/2018
Investment Return Assumption	9.40%
Mortality Table	Mortality Rates from 7/1/2016 FRS Valuation (Regular Class)

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	\$ 681,588,169	\$ 48,150,943	\$ 43,972,422	\$ 685,766,690
2020	685,766,690	48,385,238	45,910,417	688,241,511
2021	688,241,511	48,498,065	47,768,913	688,970,663
2022	688,970,663	48,500,775	49,152,959	688,318,479
2023	688,318,479	48,412,456	50,268,292	686,462,643
2024	686,462,643	48,243,648	51,181,515	683,524,776
2025	683,524,776	48,008,032	51,760,995	679,771,813
2026	679,771,813	47,713,641	52,320,577	675,164,877
2027	675,164,877	47,362,509	52,726,775	669,800,611
2028	669,800,611	46,961,302	52,990,212	663,771,701
2029	663,771,701	46,517,610	53,088,343	657,200,968
2030	657,200,968	46,041,094	53,002,091	650,239,971
2031	650,239,971	45,541,643	52,763,706	643,017,908
2032	643,017,908	45,027,553	52,404,235	635,641,226
2033	635,641,226	44,509,501	51,844,067	628,306,660
2034	628,306,660	44,000,795	51,112,075	621,195,380
2035	621,195,380	43,510,851	50,312,642	614,393,589
2036	614,393,589	43,045,979	49,445,289	607,994,279
2037	607,994,279	42,615,367	48,444,244	602,165,402
2038	602,165,402	42,228,634	47,381,929	597,012,107
2039	597,012,107	41,898,862	46,110,183	592,800,786
2040	592,800,786	41,640,130	44,776,079	589,664,837
2041	589,664,837	41,462,893	43,359,998	587,767,732
2042	587,767,732	41,378,427	41,879,929	587,266,230
2043	587,266,230	41,397,115	40,364,928	588,298,417
2044	588,298,417	41,529,966	38,789,536	591,038,847

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:** All future years

Certain Key Assumptions

Investment Return Assumption 7.30%
Mortality Table Mortality Rates from 7/1/2016 FRS Valuation (Regular Class)

Note: As required in Section 112.664(1)(c) of the Florida Statutes, the projection of the Fund assets does 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	\$ 681,588,169	\$ 48,150,943	\$ 43,972,422	\$ 685,766,690
2020	685,766,690	48,385,238	45,910,417	688,241,511
2021	688,241,511	48,498,065	47,768,913	688,970,663
2022	688,970,663	48,500,775	49,152,959	688,318,479
2023	688,318,479	48,412,456	50,268,292	686,462,643
2024	686,462,643	48,243,648	51,181,515	683,524,776
2025	683,524,776	48,008,032	51,760,995	679,771,813
2026	679,771,813	47,713,641	52,320,577	675,164,877
2027	675,164,877	47,362,509	52,726,775	669,800,611
2028	669,800,611	46,961,302	52,990,212	663,771,701
2029	663,771,701	46,517,610	53,088,343	657,200,968
2030	657,200,968	46,041,094	53,002,091	650,239,971
2031	650,239,971	45,541,643	52,763,706	643,017,908
2032	643,017,908	45,027,553	52,404,235	635,641,226
2033	635,641,226	44,509,501	51,844,067	628,306,660
2034	628,306,660	44,000,795	51,112,075	621,195,380
2035	621,195,380	43,510,851	50,312,642	614,393,589
2036	614,393,589	43,045,979	49,445,289	607,994,279
2037	607,994,279	42,615,367	48,444,244	602,165,402
2038	602,165,402	42,228,634	47,381,929	597,012,107
2039	597,012,107	41,898,862	46,110,183	592,800,786
2040	592,800,786	41,640,130	44,776,079	589,664,837
2041	589,664,837	41,462,893	43,359,998	587,767,732
2042	587,767,732	41,378,427	41,879,929	587,266,230
2043	587,266,230	41,397,115	40,364,928	588,298,417
2044	588,298,417	41,529,966	38,789,536	591,038,847

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:** All future years

Certain Key Assumptions

Investment Return Assumption 7.30%
Mortality Table Mortality Rates from 7/1/2016 FRS Valuation (Regular Class)

Note: As required in Section 112.664(1)(c) of the Florida Statutes, the projection of the Fund assets does 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	\$ 681,588,169	\$ 34,958,904	\$ 43,972,422	\$ 672,574,651
2020	672,574,651	34,429,830	45,910,417	661,094,064
2021	661,094,064	33,772,109	47,768,913	647,097,260
2022	647,097,260	32,993,601	49,152,959	630,937,902
2023	630,937,902	32,107,599	50,268,292	612,777,209
2024	612,777,209	31,120,882	51,181,515	592,716,576
2025	592,716,576	30,042,312	51,760,995	570,997,893
2026	570,997,893	28,876,393	52,320,577	547,553,709
2027	547,553,709	27,623,087	52,726,775	522,450,021
2028	522,450,021	26,285,610	52,990,212	495,745,419
2029	495,745,419	24,867,666	53,088,343	467,524,742
2030	467,524,742	23,374,256	53,002,091	437,896,907
2031	437,896,907	21,810,298	52,763,706	406,943,499
2032	406,943,499	20,179,293	52,404,235	374,718,557
2033	374,718,557	18,486,216	51,844,067	341,360,706
2034	341,360,706	16,737,647	51,112,075	306,986,278
2035	306,986,278	14,936,988	50,312,642	271,610,624
2036	271,610,624	13,085,063	49,445,289	235,250,398
2037	235,250,398	11,184,499	48,444,244	197,990,653
2038	197,990,653	9,237,883	47,381,929	159,846,607
2039	159,846,607	7,249,950	46,110,183	120,986,374
2040	120,986,374	5,225,712	44,776,079	81,436,007
2041	81,436,007	3,167,068	43,359,998	41,243,077
2042	41,243,077	1,076,065	41,879,929	439,213
2043	439,213	-	40,364,928	-
2044	-	-	38,789,536	-

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:** 24.00

Certain Key Assumptions

Investment Return Assumption 5.30%
Mortality Table Mortality Rates from 7/1/2016 FRS Valuation (Regular Class)

Note: As required in Section 112.664(1)(c) of the Florida Statutes, the projection of the Fund assets does 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. except 2% higher investment return assumption

FYE	Market Value of Assets (BOY)	Expected Investment Return	Projected Benefit Payments	Market Value of Assets (EOY)
2019	\$ 681,588,169	\$ 61,342,982	\$ 43,972,422	\$ 698,958,729
2020	698,958,729	62,868,327	45,910,417	715,916,639
2021	715,916,639	64,358,993	47,768,913	732,506,719
2022	732,506,719	65,837,512	49,152,959	749,191,272
2023	749,191,272	67,337,313	50,268,292	766,260,293
2024	766,260,293	68,882,267	51,181,515	783,961,045
2025	783,961,045	70,501,491	51,760,995	802,701,541
2026	802,701,541	72,218,336	52,320,577	822,599,300
2027	822,599,300	74,049,940	52,726,775	843,922,465
2028	843,922,465	76,020,744	52,990,212	866,952,997
2029	866,952,997	78,158,021	53,088,343	892,022,675
2030	892,022,675	80,493,512	53,002,091	919,514,096
2031	919,514,096	83,061,299	52,763,706	949,811,689
2032	949,811,689	85,895,690	52,404,235	983,303,144
2033	983,303,144	89,036,443	51,844,067	1,020,495,520
2034	1,020,495,520	92,529,372	51,112,075	1,061,912,817
2035	1,061,912,817	96,418,354	50,312,642	1,108,018,529
2036	1,108,018,529	100,746,517	49,445,289	1,159,319,757
2037	1,159,319,757	105,564,080	48,444,244	1,216,439,593
2038	1,216,439,593	110,925,622	47,381,929	1,279,983,286
2039	1,279,983,286	116,894,322	46,110,183	1,350,767,425
2040	1,350,767,425	123,539,283	44,776,079	1,429,530,629
2041	1,429,530,629	130,930,109	43,359,998	1,517,100,740
2042	1,517,100,740	139,142,952	41,879,929	1,614,363,763
2043	1,614,363,763	148,258,861	40,364,928	1,722,257,696
2044	1,722,257,696	158,366,252	38,789,536	1,841,834,412

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:**

All future years

Certain Key Assumptions

Investment Return Assumption

9.30%

Mortality Table

Mortality Rates from 7/1/2016 FRS Valuation (Regular Class)

Note: As required in Section 112.664(1)(c) of the Florida Statutes, the projection of the Fund assets does 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. Assumptions	112.664(1)(b), F.S. Except 2% Higher Investment Return Assumption
A. Valuation Date	9/30/2018	9/30/2018	9/30/2018	9/30/2018
B. Actuarially Determined Contribution (ADC) to Be Paid During Fiscal Year (FY) 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 Accrued Liability	\$ 1,993,264	\$ 1,993,264	\$ 13,185,432	\$ -
E. Normal Cost (Including Administrative Expenses)	8,650,976	8,650,976	13,291,987	5,926,094
F. ADC if Paid in Full at the Beginning of FY: D + E	10,644,240	10,644,240	26,477,419	5,926,094
G. ADC Adjusted for Frequency and Timing of Payments	11,032,848	11,032,848	27,179,438	6,201,045
H. Covered Payroll for Contribution Year	41,474,622	41,474,622	41,474,622	41,474,622
I. ADC as % of Expected Covered Payroll in the Contribution Year $G \div H$	26.60 %	26.60 %	65.53 %	14.95 %
J. Member Portion of Contribution	2,480,182	2,480,182	2,480,182	2,480,182
K. Employer ADC in Contribution Year	8,552,666	8,552,666	24,699,256	3,720,863
L. Employer ADC as % of Covered Payroll in Contribution Year: $K \div H$	20.62 %	20.62 %	59.55 %	8.97 %
M. Certain Key Assumptions				
Investment Return Assumption	7.30%	7.30%	5.30%	9.30%
Mortality Table	Mortality Rates from 7/1/2016 FRS Valuation (Regular Class)	Mortality Rates from 7/1/2016 FRS Valuation (Regular Class)	Mortality Rates from 7/1/2016 FRS Valuation (Regular Class)	Mortality Rates from 7/1/2016 FRS Valuation (Regular Class)