

# City of Dania Beach Retirement Plan for General Employees

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



June 28, 2018

Board of Trustees  
City of Dania Beach Retirement Plan  
for General Employees  
Dania Beach, Florida

Dear Board Members:

Gabriel, Roeder, Smith & Company (GRS) has been engaged by the City of Dania Beach Retirement Plan for General Employees (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 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.

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 Plan Administrator and the City concerning Retirement 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 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 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 1, 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.

Melissa R. Moskovitz and Jeffrey Amrose 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 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

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## **CHAPTER 112.664, FLORIDA STATUTES**

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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>
<b>1. Total pension liability</b>	
a. Service Cost	\$ 295,811
b. Interest	1,798,696
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	185,259
e. Assumption Changes	-
f. Benefit Payments	(2,058,718)
g. Contribution Refunds	-
<b>h. Net Change in Total Pension Liability</b>	<u>221,048</u>
<b>i. Total Pension Liability - Beginning</b>	<u>28,405,792</u>
<b>j. Total Pension Liability - Ending</b>	<u><u>\$ 28,626,840</u></u>
<b>2. Plan Fiduciary Net Position</b>	
a. Contributions - Employer	\$ 1,608,734
b. Contributions - Employer (From State)	-
c. Contributions - Non-Employer Contributing Entity	-
d. Contributions - Member	273,005
e. Net Investment Income	2,055,278
f. Benefit Payments	(2,058,718)
g. Contribution Refunds	-
h. Administrative Expense	(83,809)
i. Other	(29,967)
<b>j. Net Change in Plan Fiduciary Net Position</b>	<u>1,764,523</u>
<b>k. Plan Fiduciary Net Position - Beginning</b>	<u>20,576,548</u>
<b>l. Plan Fiduciary Net Position - Ending</b>	<u><u>\$ 22,341,071</u></u>
<b>3. Net Pension Liability / (Asset)</b>	6,285,769

**Certain Key Assumptions**

Valuation Date	10/01/2016
Measurement Date	09/30/2017
Investment Return Assumption	6.50%
Mortality Table	FRS Mortality for Regular Class Members (for the 7/1/2016 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,

**1. Total pension liability**

	<u>2017</u>
a. Service Cost	\$ 295,811
b. Interest	1,798,696
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	185,259
e. Assumption Changes	-
f. Benefit Payments	(2,058,718)
g. Contribution Refunds	-
<b>h. Net Change in Total Pension Liability</b>	<u>221,048</u>
<b>i. Total Pension Liability - Beginning</b>	<u>28,405,792</u>
<b>j. Total Pension Liability - Ending</b>	<u>\$ 28,626,840</u>

**2. Plan Fiduciary Net Position**

a. Contributions - Employer	\$ 1,608,734
b. Contributions - Employer (From State)	-
c. Contributions - Non-Employer Contributing Entity	-
d. Contributions - Member	273,005
e. Net Investment Income	2,055,278
f. Benefit Payments	(2,058,718)
g. Contribution Refunds	-
h. Administrative Expense	(83,809)
i. Other	(29,967)
<b>j. Net Change in Plan Fiduciary Net Position</b>	<u>1,764,523</u>
<b>k. Plan Fiduciary Net Position - Beginning</b>	<u>20,576,548</u>
<b>l. Plan Fiduciary Net Position - Ending</b>	<u>\$ 22,341,071</u>

**3. Net Pension Liability / (Asset)**

6,285,769

**Certain Key Assumptions**

Valuation Date	10/01/2016
Measurement Date	09/30/2017
Investment Return Assumption	6.50%
Mortality Table	FRS Mortality for Regular Class Members (for the 7/1/2016 valuation)

**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**

	<u>2017</u>
a. Service Cost	\$ 431,966
b. Interest	1,559,575
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	-
e. Assumption Changes	-
f. Benefit Payments	(2,058,718)
g. Contribution Refunds	-
<b>h. Net Change in Total Pension Liability</b>	<u>(67,177)</u>
<b>i. Total Pension Liability - Beginning</b>	<u>35,254,618</u>
<b>j. Total Pension Liability - Ending</b>	<u>\$ 35,187,441</u>

**2. Plan Fiduciary Net Position**

a. Contributions - Employer	\$ 1,608,734
b. Contributions - Employer (From State)	-
c. Contributions - Non-Employer Contributing Entity	-
d. Contributions - Member	273,005
e. Net Investment Income	2,055,278
f. Benefit Payments	(2,058,718)
g. Contribution Refunds	-
h. Administrative Expense	(83,809)
i. Other	(29,967)
<b>j. Net Change in Plan Fiduciary Net Position</b>	<u>1,764,523</u>
<b>k. Plan Fiduciary Net Position - Beginning</b>	<u>20,576,548</u>
<b>l. Plan Fiduciary Net Position - Ending</b>	<u>\$ 22,341,071</u>

**3. Net Pension Liability / (Asset)**

12,846,370

**Certain Key Assumptions**

Valuation Date	10/01/2016
Measurement Date	09/30/2017
Investment Return Assumption	4.50%
Mortality Table	FRS Mortality for Regular Class Members (for the 7/1/2016 valuation)

**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,

	<u>2017</u>
<b>1. Total pension liability</b>	
a. Service Cost	\$ 220,302
b. Interest	1,961,009
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	-
e. Assumption Changes	-
f. Benefit Payments	(2,058,718)
g. Contribution Refunds	-
<b>h. Net Change in Total Pension Liability</b>	<u>122,593</u>
<b>i. Total Pension Liability - Beginning</b>	<u>23,879,752</u>
<b>j. Total Pension Liability - Ending</b>	<u>\$ 24,002,345</u>
<b>2. Plan Fiduciary Net Position</b>	
a. Contributions - Employer	\$ 1,608,734
b. Contributions - Employer (From State)	-
c. Contributions - Non-Employer Contributing Entity	-
d. Contributions - Member	273,005
e. Net Investment Income	2,055,278
f. Benefit Payments	(2,058,718)
g. Contribution Refunds	-
h. Administrative Expense	(83,809)
i. Other	(29,967)
<b>j. Net Change in Plan Fiduciary Net Position</b>	<u>1,764,523</u>
<b>k. Plan Fiduciary Net Position - Beginning</b>	<u>20,576,548</u>
<b>l. Plan Fiduciary Net Position - Ending</b>	<u>\$ 22,341,071</u>
<b>3. Net Pension Liability / (Asset)</b>	1,661,274
<b>Certain Key Assumptions</b>	
Valuation Date	10/01/2016
Measurement Date	09/30/2017
Investment Return Assumption	8.50%
Mortality Table	FRS Mortality for Regular Class Members (for the 7/1/2016 valuation)

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

FYE	Market Value of Assets (BOY)	Expected Investment Return	Projected Benefit Payments	Market Value of Assets (EOY)
2018	21,284,508	1,324,339	1,820,138	20,788,709
2019	20,788,709	1,288,774	1,922,825	20,154,658
2020	20,154,658	1,243,798	2,038,605	19,359,851
2021	19,359,851	1,190,744	2,081,432	18,469,163
2022	18,469,163	1,132,174	2,102,206	17,499,131
2023	17,499,131	1,069,325	2,095,966	16,472,489
2024	16,472,489	1,002,999	2,083,478	15,392,010
2025	15,392,010	932,414	2,094,367	14,230,057
2026	14,230,057	856,941	2,092,700	12,994,297
2027	12,994,297	777,229	2,073,844	11,697,683
2028	11,697,683	692,532	2,086,684	10,303,531
2029	10,303,531	602,804	2,059,232	8,847,104
2030	8,847,104	509,235	2,025,451	7,330,887
2031	7,330,887	411,913	1,987,527	5,755,273
2032	5,755,273	310,822	1,946,793	4,119,302
2033	4,119,302	205,569	1,913,418	2,411,453
2034	2,411,453	96,033	1,868,029	639,457
2035	639,457	-	1,819,106	-
2036	-	-	1,768,575	-
2037	-	-	1,716,800	-
2038	-	-	1,660,560	-
2039	-	-	1,603,847	-
2040	-	-	1,545,052	-
2041	-	-	1,484,356	-
2042	-	-	1,421,689	-
2043	-	-	1,356,501	-

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: 17.33

**Certain Key Assumptions**

Valuation Investment return assumption 6.50%  
 Valuation Mortality Table FRS Mortality for Regular Class Members (for the 7/1/2016 valuation)

**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	21,284,508	1,324,339	1,820,138	20,788,709
2019	20,788,709	1,288,774	1,922,825	20,154,658
2020	20,154,658	1,243,798	2,038,605	19,359,851
2021	19,359,851	1,190,744	2,081,432	18,469,163
2022	18,469,163	1,132,174	2,102,206	17,499,131
2023	17,499,131	1,069,325	2,095,966	16,472,489
2024	16,472,489	1,002,999	2,083,478	15,392,010
2025	15,392,010	932,414	2,094,367	14,230,057
2026	14,230,057	856,941	2,092,700	12,994,297
2027	12,994,297	777,229	2,073,844	11,697,683
2028	11,697,683	692,532	2,086,684	10,303,531
2029	10,303,531	602,804	2,059,232	8,847,104
2030	8,847,104	509,235	2,025,451	7,330,887
2031	7,330,887	411,913	1,987,527	5,755,273
2032	5,755,273	310,822	1,946,793	4,119,302
2033	4,119,302	205,569	1,913,418	2,411,453
2034	2,411,453	96,033	1,868,029	639,457
2035	639,457	-	1,819,106	-
2036	-	-	1,768,575	-
2037	-	-	1,716,800	-
2038	-	-	1,660,560	-
2039	-	-	1,603,847	-
2040	-	-	1,545,052	-
2041	-	-	1,484,356	-
2042	-	-	1,421,689	-
2043	-	-	1,356,501	-

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: 17.33

**Certain Key Assumptions**

Valuation Investment return assumption	6.50%
Valuation Mortality Table	FRS Mortality for Regular Class Members (for the 7/1/2016 valuation)

**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)(b), F.S.**

FYE	Market Value of Assets (BOY)	Expected Investment Return	Projected Benefit Payments	Market Value of Assets (EOY)
2018	21,284,508	916,850	1,820,138	20,381,220
2019	20,381,220	873,891	1,922,825	19,332,286
2020	19,332,286	824,084	2,038,605	18,117,765
2021	18,117,765	768,467	2,081,432	16,804,801
2022	16,804,801	708,916	2,102,206	15,411,511
2023	15,411,511	646,359	2,095,966	13,961,904
2024	13,961,904	581,407	2,083,478	12,459,833
2025	12,459,833	513,569	2,094,367	10,879,035
2026	10,879,035	442,471	2,092,700	9,228,806
2027	9,228,806	368,635	2,073,844	7,523,597
2028	7,523,597	291,611	2,086,684	5,728,524
2029	5,728,524	211,451	2,059,232	3,880,743
2030	3,880,743	129,061	2,025,451	1,984,353
2031	1,984,353	44,577	1,987,527	41,403
2032	41,403	-	1,946,793	-
2033	-	-	1,913,418	-
2034	-	-	1,868,029	-
2035	-	-	1,819,106	-
2036	-	-	1,768,575	-
2037	-	-	1,716,800	-
2038	-	-	1,660,560	-
2039	-	-	1,603,847	-
2040	-	-	1,545,052	-
2041	-	-	1,484,356	-
2042	-	-	1,421,689	-
2043	-	-	1,356,501	-

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: 14.00

**Certain Key Assumptions**

Valuation Investment return assumption	4.50%
Valuation Mortality Table	FRS Mortality for Regular Class Members (for the 7/1/2016 valuation)

**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	21,284,508	1,731,827	1,820,138	21,196,197
2019	21,196,197	1,719,957	1,922,825	20,993,329
2020	20,993,329	1,697,792	2,038,605	20,652,516
2021	20,652,516	1,667,003	2,081,432	20,238,087
2022	20,238,087	1,630,894	2,102,206	19,766,775
2023	19,766,775	1,591,097	2,095,966	19,261,906
2024	19,261,906	1,548,714	2,083,478	18,727,143
2025	18,727,143	1,502,797	2,094,367	18,135,572
2026	18,135,572	1,452,584	2,092,700	17,495,456
2027	17,495,456	1,398,975	2,073,844	16,820,587
2028	16,820,587	1,341,066	2,086,684	16,074,969
2029	16,074,969	1,278,855	2,059,232	15,294,592
2030	15,294,592	1,213,959	2,025,451	14,483,100
2031	14,483,100	1,146,594	1,987,527	13,642,166
2032	13,642,166	1,076,845	1,946,793	12,772,219
2033	12,772,219	1,004,318	1,913,418	11,863,119
2034	11,863,119	928,974	1,868,029	10,924,064
2035	10,924,064	851,233	1,819,106	9,956,191
2036	9,956,191	771,112	1,768,575	8,958,728
2037	8,958,728	688,528	1,716,800	7,930,456
2038	7,930,456	603,515	1,660,560	6,873,411
2039	6,873,411	516,076	1,603,847	5,785,641
2040	5,785,641	426,115	1,545,052	4,666,703
2041	4,666,703	333,585	1,484,356	3,515,932
2042	3,515,932	238,432	1,421,689	2,332,676
2043	2,332,676	140,626	1,356,501	1,116,801
2044	1,116,801	40,097	1,290,154	-

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:** 26.83

**Certain Key Assumptions**

Valuation Investment return assumption 8.50%  
 Valuation Mortality Table FRS Mortality for Regular Class Members (for the 7/1/2016 valuation)

**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. Assumptions	112.664(1)(b) F.S. except 2% Higher Investment Return Assumption
A. Valuation Date	10/1/2017	10/1/2017	10/1/2017	10/1/2017
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	Quarterly	Quarterly	Quarterly	Quarterly
D. Annual Payment to Amortize Unfunded Actuarial Liability	\$ 0	\$ 0	\$ 0	\$ 0
E. Employer Normal Cost	1,723,716	1,723,716	3,407,931	456,257
F. Employer ADC if Paid on Valuation Date: D + E	1,723,716	1,723,716	3,407,931	456,257
G. Employer ADC Adjusted for Frequency of Payments	1,792,079	1,792,079	3,502,194	479,745
H. Employer ADC Adjusted for Frequency of Payments as % of Covered Payroll	142.81 %	142.81 %	279.08 %	38.23 %
I. Assumed Rate of Increase in Covered Payroll to Contribution Year	0.00 %	0.00 %	0.00 %	0.00 %
J. Covered Payroll for Contribution Year	1,254,910	1,254,910	1,254,910	1,254,910
K. Employer ADC for Contribution Year: H x J	1,792,079	1,792,079	3,502,194	479,745
L. Allowable Credit for State Revenue in Contribution Year*	0	0	0	0
M. Net Employer ADC in Contribution Year	1,792,079	1,792,079	3,502,194	479,745
N. Net Employer ADC as % of Covered Payroll in Contribution Year: M ÷ J	142.81 %	142.81 %	279.08 %	38.23 %
O. Expected Member Contribution (Including Pick-Up Contributions)	247,719	247,719	247,719	247,719
P. Total Contribution (Including Members) in Contribution Year	2,039,798	2,039,798	3,749,913	727,464
Q. Total Contribution as % of Covered Payroll in Contribution Year: P ÷ J	162.55 %	162.55 %	298.82 %	57.97 %
R. Certain Key Assumptions				
Investment Return Assumption	6.50%	6.50%	4.50%	8.50%
Mortality Table	FRS Mortality for Regular Class Members (for the 7/1/2016 valuation)	FRS Mortality for Regular Class Members (for the 7/1/2016 valuation)	FRS Mortality for Regular Class Members (for the 7/1/2016 valuation)	FRS Mortality for Regular Class Members (for the 7/1/2016 valuation)