

**CITY OF LAUDERHILL CONFIDENTIAL AND
MANAGERIAL EMPLOYEES RETIREMENT PLAN**

**SECTION 112.664, FLORIDA STATUTES
COMPLIANCE**

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 me or under my direct supervision and I acknowledge responsibility for the results. To the best of my knowledge, the results are complete and accurate, and in my opinion, meet the requirements of Section 112.664(1), Florida Statutes, and Section 60T-1.0035, Florida Administrative Code.

By:

 Date: 9/4/2019

Donald A. DuLaney, Jr. A.S.A., E.A.
Senior Consulting Actuary Enrolled
Actuary #17-4191

DuLaney and Company

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When reviewing the report, please note the following:

DuLaney and Company has prepared this report in order to satisfy the requirements set forth under Florida Statutes (FS) 112.664 and Ch. 60T-1.0035, F.A.C. These schedules have no impact on the funding requirements of the Plan. We have uploaded the semi-colon delimited file as described under Ch. 60T-1.0035.

The actuarial funding assumptions shown in our October 1, 2018 actuarial valuation report have been used in the preparation of this report, except as required for certain disclosures herein.

This report contains figures using an investment return assumption that is 2.0% higher than the actual funding assumption, in order to provide a balanced view, in light of the requirement to use an investment return assumption that is 2.0% lower than the actual funding assumption.

The schedules showing the projected number of years until the Fund becomes insolvent are required, but do not reflect what will occur. This is because no future contributions from any current funding source are assumed, as required for these disclosures, contrary to Florida Statutes.

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

	Actual	Under Section 112.664(1)(a), F.S.	Under Section 112.664(1)(b), F.S.	Under Section 112.664(1)(b), F.S.
	Discount Rate: 7.25%	Discount Rate: 7.25%	Discount Rate: 5.25%	Discount Rate: 9.25%
	FRS 7/1/2017 Mortality 9/30/2018	FRS 7/1/2017 Mortality 9/30/2018	FRS 7/1/2017 Mortality 9/30/2018	FRS 7/1/2017 Mortality 9/30/2018
1. Total pension liability:				
a. Service cost	\$ 1,012,186	\$ 1,012,186	\$ 1,489,299	\$ 724,894
b. Interest	\$ 2,855,057	\$ 2,855,057	\$ 2,631,290	\$ 2,961,898
c. Benefit changes	\$ -	\$ -	\$ -	\$ -
d. Difference between expected and actual experience	\$ 1,586,548	\$ 1,586,548	\$ 2,227,435	\$ 1,157,299
e. Changes in assumptions	\$ 882,182	\$ 882,182	\$ 1,370,375	\$ 585,579
f. Benefit payments	\$ (1,399,550)	\$ (1,399,550)	\$ (1,399,550)	\$ (1,399,550)
g. Contribution refunds	\$ (35,165)	\$ (35,165)	\$ (35,165)	\$ (35,165)
h. Net change in total pension liability	\$ 4,901,258	\$ 4,901,258	\$ 6,283,684	\$ 3,994,955
i. Total pension liability – beginning	\$ 38,203,089	\$ 38,203,089	\$ 47,977,491	\$ 31,427,403
j. Total pension liability – ending	\$ 43,104,347	\$ 43,104,347	\$ 54,261,175	\$ 35,422,358
2. Plan fiduciary net position:				
a. Contributions – City	\$ 2,564,476	\$ 2,564,476	\$ 2,564,476	\$ 2,564,476
b. Contributions – State	\$ -	\$ -	\$ -	\$ -
c. Contributions – Member	\$ 656,622	\$ 656,622	\$ 656,622	\$ 656,622
d. Net investment income	\$ 1,926,024	\$ 1,926,024	\$ 1,926,024	\$ 1,926,024
e. Benefit payments	\$ (1,399,550)	\$ (1,399,550)	\$ (1,399,550)	\$ (1,399,550)
f. Contributions refunds	\$ (35,165)	\$ (35,165)	\$ (35,165)	\$ (35,165)
g. Administrative expense	\$ (118,430)	\$ (118,430)	\$ (118,430)	\$ (118,430)
h. Other	\$ -	\$ -	\$ -	\$ -
i. Net change in plan fiduciary net position	\$ 3,593,977	\$ 3,593,977	\$ 3,593,977	\$ 3,593,977
j. Plan fiduciary net position – beginning	\$ 25,674,595	\$ 25,674,595	\$ 25,674,595	\$ 25,674,595
k. Plan fiduciary net position – ending	\$ 29,268,572	\$ 29,268,572	\$ 29,268,572	\$ 29,268,572
3. Net pension liability/(asset) [(a)1.j. minus (a)2.k.]	\$ 13,835,775	\$ 13,835,775	\$ 24,992,603	\$ 6,153,786



PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Plan Assumptions: 7.25% and FRS 7/1/2017 Mortality

<u>Year</u>	<u>Projected Beginning Fiduciary Net Position</u>	<u>Projected Benefit Payments</u>	<u>Projected Investment Earnings</u>	<u>Projected Ending Fiduciary Net Position</u>
10/1/2018	\$28,357,030	\$2,148,150	\$1,978,014	\$28,186,894
10/1/2019	\$28,186,894	\$2,490,754	\$1,953,260	\$27,649,400
10/1/2020	\$27,649,400	\$2,619,050	\$1,909,641	\$26,939,991
10/1/2021	\$26,939,991	\$2,860,651	\$1,849,451	\$25,928,791
10/1/2022	\$25,928,791	\$3,039,155	\$1,769,668	\$24,659,304
10/1/2023	\$24,659,304	\$3,107,694	\$1,675,146	\$23,226,756
10/1/2024	\$23,226,756	\$3,131,960	\$1,570,406	\$21,665,202
10/1/2025	\$21,665,202	\$3,155,117	\$1,456,354	\$19,966,439
10/1/2026	\$19,966,439	\$3,195,876	\$1,331,716	\$18,102,279
10/1/2027	\$18,102,279	\$3,200,001	\$1,196,415	\$16,098,693
10/1/2028	\$16,098,693	\$3,172,465	\$1,052,153	\$13,978,382
10/1/2029	\$13,978,382	\$3,138,014	\$899,680	\$11,740,048
10/1/2030	\$11,740,048	\$3,110,730	\$738,389	\$9,367,707
10/1/2031	\$9,367,707	\$3,073,373	\$567,749	\$6,862,083
10/1/2032	\$6,862,083	\$3,021,479	\$387,972	\$4,228,576
10/1/2033	\$4,228,576	\$2,986,017	\$198,329	\$1,440,888
10/1/2034	\$1,440,888	\$2,948,079		

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PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Plan Assumptions: 7.25% and FRS 7/1/2017 Mortality

Number of Years Expected Benefit Payments Sustained: 16.49

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.

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Plan Assumptions: 7.25% and FRS 7/1/2017 Mortality

<u>Year</u>	<u>Projected Beginning Fiduciary Net Position</u>	<u>Projected Benefit Payments</u>	<u>Projected Investment Earnings</u>	<u>Projected Ending Fiduciary Net Position</u>
10/1/2018	\$28,357,030	\$2,148,150	\$1,978,014	\$28,186,894
10/1/2019	\$28,186,894	\$2,490,754	\$1,953,260	\$27,649,400
10/1/2020	\$27,649,400	\$2,619,050	\$1,909,641	\$26,939,991
10/1/2021	\$26,939,991	\$2,860,651	\$1,849,451	\$25,928,791
10/1/2022	\$25,928,791	\$3,039,155	\$1,769,668	\$24,659,304
10/1/2023	\$24,659,304	\$3,107,694	\$1,675,146	\$23,226,756
10/1/2024	\$23,226,756	\$3,131,960	\$1,570,406	\$21,665,202
10/1/2025	\$21,665,202	\$3,155,117	\$1,456,354	\$19,966,439
10/1/2026	\$19,966,439	\$3,195,876	\$1,331,716	\$18,102,279
10/1/2027	\$18,102,279	\$3,200,001	\$1,196,415	\$16,098,693
10/1/2028	\$16,098,693	\$3,172,465	\$1,052,153	\$13,978,382
10/1/2029	\$13,978,382	\$3,138,014	\$899,680	\$11,740,048
10/1/2030	\$11,740,048	\$3,110,730	\$738,389	\$9,367,707
10/1/2031	\$9,367,707	\$3,073,373	\$567,749	\$6,862,083
10/1/2032	\$6,862,083	\$3,021,479	\$387,972	\$4,228,576
10/1/2033	\$4,228,576	\$2,986,017	\$198,329	\$1,440,888
10/1/2034	\$1,440,888	\$2,948,079		

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Plan Assumptions: 7.25% and FRS 7/1/2017 Mortality

Number of Years Expected Benefit Payments Sustained: 16.49

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.

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Plan Assumptions: 5.25% and FRS 7/1/2017 Mortality

<u>Year</u>	<u>Projected Beginning Fiduciary Net Position</u>	<u>Projected Benefit Payments</u>	<u>Projected Investment Earnings</u>	<u>Projected Ending Fiduciary Net Position</u>
10/1/2018	\$28,357,030	\$2,148,150	\$1,432,355	\$27,641,235
10/1/2019	\$27,641,235	\$2,490,754	\$1,385,783	\$26,536,264
10/1/2020	\$26,536,264	\$2,619,050	\$1,324,404	\$25,241,617
10/1/2021	\$25,241,617	\$2,860,651	\$1,250,093	\$23,631,059
10/1/2022	\$23,631,059	\$3,039,155	\$1,160,853	\$21,752,757
10/1/2023	\$21,752,757	\$3,107,694	\$1,060,443	\$19,705,506
10/1/2024	\$19,705,506	\$3,131,960	\$952,325	\$17,525,871
10/1/2025	\$17,525,871	\$3,155,117	\$837,286	\$15,208,040
10/1/2026	\$15,208,040	\$3,195,876	\$714,530	\$12,726,695
10/1/2027	\$12,726,695	\$3,200,001	\$584,151	\$10,110,845
10/1/2028	\$10,110,845	\$3,172,465	\$447,542	\$7,385,922
10/1/2029	\$7,385,922	\$3,138,014	\$305,388	\$4,553,296
10/1/2030	\$4,553,296	\$2,865,817	\$163,820	\$1,851,300
10/1/2031	\$1,851,300	\$2,829,082		

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PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Plan Assumptions: 5.25% and FRS 7/1/2017 Mortality

Number of Years Expected Benefit Payments Sustained: 13.65

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.

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Plan Assumptions: 9.25% and FRS 7/1/2017 Mortality

<u>Year</u>	<u>Projected Beginning Fiduciary Net Position</u>	<u>Projected Benefit Payments</u>	<u>Projected Investment Earnings</u>	<u>Projected Ending Fiduciary Net Position</u>
10/1/2018	\$28,357,030	\$2,148,150	\$2,523,673	\$28,732,553
10/1/2019	\$28,732,553	\$2,490,754	\$2,542,564	\$28,784,363
10/1/2020	\$28,784,363	\$2,619,050	\$2,541,423	\$28,706,736
10/1/2021	\$28,706,736	\$2,860,651	\$2,523,068	\$28,369,153
10/1/2022	\$28,369,153	\$3,039,155	\$2,483,586	\$27,813,583
10/1/2023	\$27,813,583	\$3,107,694	\$2,429,026	\$27,134,915
10/1/2024	\$27,134,915	\$3,131,960	\$2,365,126	\$26,368,081
10/1/2025	\$26,368,081	\$3,155,117	\$2,293,123	\$25,506,088
10/1/2026	\$25,506,088	\$3,195,876	\$2,211,504	\$24,521,716
10/1/2027	\$24,521,716	\$3,200,001	\$2,120,259	\$23,441,973
10/1/2028	\$23,441,973	\$3,172,465	\$2,021,656	\$22,291,164
10/1/2029	\$22,291,164	\$3,138,014	\$1,916,800	\$21,069,950
10/1/2030	\$21,069,950	\$3,110,730	\$1,805,099	\$19,764,319
10/1/2031	\$19,764,319	\$3,073,373	\$1,686,056	\$18,377,002
10/1/2032	\$18,377,002	\$3,021,479	\$1,560,129	\$16,915,652
10/1/2033	\$16,915,652	\$2,986,017	\$1,426,595	\$15,356,230
10/1/2034	\$15,356,230	\$2,948,079	\$1,284,103	\$13,692,253
10/1/2035	\$13,692,253	\$2,894,737	\$1,132,652	\$11,930,168
10/1/2036	\$11,930,168	\$2,854,457	\$971,522	\$10,047,233
10/1/2037	\$10,047,233	\$2,843,564	\$797,854	\$8,001,523
10/1/2038	\$8,001,523	\$2,794,576	\$610,892	\$5,817,839
10/1/2039	\$5,817,839	\$2,744,591	\$411,213	\$3,484,461
10/1/2040	\$3,484,461	\$2,673,142	\$198,680	\$1,009,999
10/1/2041	\$1,009,999	\$2,618,373		



PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Plan Assumptions: 9.25% and FRS 7/1/2017 Mortality

Number of Years Expected Benefit Payments Sustained: 23.39

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.

ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR
 ENDING SEPTEMBER 30, 2019
 Valuation Date: 10/1/2018

PENSION COST	<u>ACTUAL</u>	Interest Rate: 7.25% FRS 7/1/2017 Mortality	Interest Rate: 5.25% FRS 7/1/2017 Mortality	Interest Rate: 9.25% FRS 7/1/2017 Mortality
	Interest Rate: 7.25% FRS 7/1/2017 Mortality			
Normal Cost	963,559	963,559	1,442,409	680,747
Administrative Expenses	118,430	118,430	118,430	118,430
Payment Required to Amortize UAAL	2,165,385	2,165,385	3,063,766	1,423,389
Interest Adjustment	<u>100,446</u>	<u>100,446</u>	<u>111,632</u>	<u>77,770</u>
Total Required Contribution	3,347,820	3,347,820	4,736,237	2,300,336
TRC as % of Payroll	44.30%	44.30%	62.67%	30.44%