

**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: 8/26/15

Donald A. DuLaney, Jr., A.S.A., E.A.
Senior Consulting Actuary
Enrolled Actuary #14-4191

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, 2014 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: 7.31% RP2000 Generational 9/30/2014	Discount Rate: 7.31% RP2000 Generational 9/30/2014	Discount Rate: 5.31% RP2000 Generational 9/30/2014	Discount Rate: 9.31% RP2000 Generational 9/30/2014
1. Total pension liability:				
a. Service cost	\$ 909,893	\$ 909,893	\$ 1,290,038	\$ 667,754
b. Interest	\$ 1,986,883	\$ 1,986,883	\$ 1,828,147	\$ 2,063,297
c. Benefit changes	\$ -	\$ -	\$ -	\$ -
d. Difference between expected and actual experience	\$ (729,411)	\$ (729,411)	\$ (903,939)	\$ (611,275)
e. Changes in assumptions	\$ -	\$ -	\$ -	\$ -
f. Benefit payments	\$ (1,517,087)	\$ (1,517,087)	\$ (1,517,087)	\$ (1,517,087)
g. Contribution refunds	\$ -	\$ -	\$ -	\$ -
h. Net change in total pension liability	\$ 650,278	\$ 650,278	\$ 697,159	\$ 602,689
i. Total pension liability – beginning	\$ 27,028,999	\$ 27,028,999	\$ 33,896,890	\$ 22,252,952
j. Total pension liability – ending	\$ 27,679,277	\$ 27,679,277	\$ 34,594,049	\$ 22,855,641
2. Plan fiduciary net position:				
a. Contributions – City	\$ 1,733,274	\$ 1,733,274	\$ 1,733,274	\$ 1,733,274
b. Contributions – State	\$ -	\$ -	\$ -	\$ -
c. Contributions – Member	\$ 404,147	\$ 404,147	\$ 404,147	\$ 404,147
d. Net investment income	\$ 1,382,606	\$ 1,382,606	\$ 1,382,606	\$ 1,382,606
e. Benefit payments	\$ (1,517,087)	\$ (1,517,087)	\$ (1,517,087)	\$ (1,517,087)
f. Contributions refunds	\$ -	\$ -	\$ -	\$ -
g. Administrative expense	\$ (84,843)	\$ (84,843)	\$ (84,843)	\$ (84,843)
h. Other	\$ -	\$ -	\$ -	\$ -
i. Net change in plan fiduciary net position	\$ 1,918,097	\$ 1,918,097	\$ 1,918,097	\$ 1,918,097
j. Plan fiduciary net position – beginning	\$ 16,196,307	\$ 16,196,307	\$ 16,196,307	\$ 16,196,307
k. Plan fiduciary net position – ending	\$ 18,114,404	\$ 18,114,404	\$ 18,114,404	\$ 18,114,404
3. Net pension liability/(asset) [(a)1.j. minus (a)2.k.]	\$ 9,564,873	\$ 9,564,873	\$ 16,479,645	\$ 4,741,237

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Plan Assumptions: 7.75% and RP 2000 Generational

<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>
10/1/2014	\$18,114,404	\$1,564,521	\$1,343,241	\$17,893,124
10/1/2015	\$17,893,124	\$1,971,708	\$1,310,313	\$17,231,730
10/1/2016	\$17,231,730	\$1,981,661	\$1,258,670	\$16,508,738
10/1/2017	\$16,508,738	\$1,985,654	\$1,202,483	\$15,725,567
10/1/2018	\$15,725,567	\$2,009,918	\$1,140,847	\$14,856,497
10/1/2019	\$14,856,497	\$2,039,893	\$1,072,333	\$13,888,936
10/1/2020	\$13,888,936	\$2,093,743	\$995,260	\$12,790,453
10/1/2021	\$12,790,453	\$2,117,344	\$909,213	\$11,582,322
10/1/2022	\$11,582,322	\$2,103,298	\$816,127	\$10,295,151
10/1/2023	\$10,295,151	\$2,122,800	\$715,616	\$8,887,967
10/1/2024	\$8,887,967	\$2,114,017	\$606,899	\$7,380,849
10/1/2025	\$7,380,849	\$2,096,809	\$490,764	\$5,774,805
10/1/2026	\$5,774,805	\$2,090,059	\$366,558	\$4,051,303
10/1/2027	\$4,051,303	\$2,067,906	\$233,845	\$2,217,242
10/1/2028	\$2,217,242	\$2,038,068	\$92,861	\$272,035
10/1/2029	\$272,035	\$2,001,174		

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Plan Assumptions: 7.75% and RP 2000 Generational

Number of Years Expected Benefit Payments Sustained: 15.14

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: 7.31% and RP2000 Generational

<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>
10/1/2014	\$18,114,404	\$1,564,521	\$1,266,980	\$17,816,863
10/1/2015	\$17,816,863	\$1,971,708	\$1,230,347	\$17,075,501
10/1/2016	\$17,075,501	\$1,981,661	\$1,175,789	\$16,269,630
10/1/2017	\$16,269,630	\$1,985,654	\$1,116,734	\$15,400,710
10/1/2018	\$15,400,710	\$2,009,918	\$1,052,329	\$14,443,122
10/1/2019	\$14,443,122	\$2,039,893	\$981,234	\$13,384,463
10/1/2020	\$13,384,463	\$2,093,743	\$901,878	\$12,192,598
10/1/2021	\$12,192,598	\$2,117,344	\$813,890	\$10,889,144
10/1/2022	\$10,889,144	\$2,103,298	\$719,121	\$9,504,966
10/1/2023	\$9,504,966	\$2,122,800	\$617,225	\$7,999,391
10/1/2024	\$7,999,391	\$2,114,017	\$507,488	\$6,392,862
10/1/2025	\$6,392,862	\$2,096,809	\$390,680	\$4,686,733
10/1/2026	\$4,686,733	\$2,090,059	\$266,209	\$2,862,883
10/1/2027	\$2,862,883	\$2,067,906	\$133,695	\$928,671
10/1/2028	\$928,671	\$2,038,068		

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Plan Assumptions: 7.31% and RP2000 Generational

Number of Years Expected Benefit Payments Sustained: 14.47

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: 5.31% and RP2000 Generational

<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>
10/1/2014	\$18,114,404	\$1,564,521	\$920,337	\$17,470,220
10/1/2015	\$17,470,220	\$1,971,708	\$875,320	\$16,373,832
10/1/2016	\$16,373,832	\$1,981,661	\$816,837	\$15,209,008
10/1/2017	\$15,209,008	\$1,985,654	\$754,879	\$13,978,233
10/1/2018	\$13,978,233	\$2,009,918	\$688,881	\$12,657,196
10/1/2019	\$12,657,196	\$2,039,893	\$617,938	\$11,235,241
10/1/2020	\$11,235,241	\$2,093,743	\$541,002	\$9,682,500
10/1/2021	\$9,682,500	\$2,117,344	\$457,925	\$8,023,082
10/1/2022	\$8,023,082	\$2,103,298	\$370,183	\$6,289,967
10/1/2023	\$6,289,967	\$2,122,800	\$277,637	\$4,444,804
10/1/2024	\$4,444,804	\$2,114,017	\$179,892	\$2,510,679
10/1/2025	\$2,510,679	\$2,096,809	\$77,647	\$491,516
10/1/2026	\$491,516	\$2,090,059		

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Plan Assumptions: 5.31% and RP2000 Generational

Number of Years Expected Benefit Payments Sustained: 12.24

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: 9.31% and RP2000 Generational

<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>
10/1/2014	\$18,114,404	\$1,564,521	\$1,613,623	\$18,163,506
10/1/2015	\$18,163,506	\$1,971,708	\$1,599,239	\$17,791,037
10/1/2016	\$17,791,037	\$1,981,661	\$1,564,099	\$17,373,475
10/1/2017	\$17,373,475	\$1,985,654	\$1,525,038	\$16,912,859
10/1/2018	\$16,912,859	\$2,009,918	\$1,481,026	\$16,383,967
10/1/2019	\$16,383,967	\$2,039,893	\$1,430,390	\$15,774,464
10/1/2020	\$15,774,464	\$2,093,743	\$1,371,139	\$15,051,860
10/1/2021	\$15,051,860	\$2,117,344	\$1,302,766	\$14,237,282
10/1/2022	\$14,237,282	\$2,103,298	\$1,227,582	\$13,361,566
10/1/2023	\$13,361,566	\$2,122,800	\$1,145,145	\$12,383,912
10/1/2024	\$12,383,912	\$2,114,017	\$1,054,535	\$11,324,430
10/1/2025	\$11,324,430	\$2,096,809	\$956,698	\$10,184,319
10/1/2026	\$10,184,319	\$2,090,059	\$850,868	\$8,945,127
10/1/2027	\$8,945,127	\$2,067,906	\$736,530	\$7,613,752
10/1/2028	\$7,613,752	\$2,038,068	\$613,968	\$6,189,652
10/1/2029	\$6,189,652	\$2,001,174	\$483,102	\$4,671,580
10/1/2030	\$4,671,580	\$1,968,696	\$343,281	\$3,046,165
10/1/2031	\$3,046,165	\$1,944,526	\$193,080	\$1,294,720
10/1/2032	\$1,294,720	\$1,898,697		

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Plan Assumptions: 9.31% and RP2000 Generational

Number of Years Expected Benefit Payments Sustained: 18.69

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, 2015
 Valuation Date: 10/1/2014

PENSION COST	<u>ACTUAL</u>	Interest Rate: 7.31% <u>RP2000 Generational</u>	Interest Rate: 5.31% <u>RP2000 Generational</u>	Interest Rate: 9.31% <u>RP2000 Generational</u>
	Interest Rate: 7.75% <u>RP2000 Generational</u>			
Normal Cost	851,995	913,099	1,283,490	676,417
Administrative Expenses	84,843	84,843	84,843	84,843
Payment Required to Amortize UAAL	962,074	1,067,747	1,610,097	616,879
Interest Adjustment	62,912	65,846	73,887	49,870
Total Required Contribution	1,961,824	2,131,535	3,052,317	1,428,009