

MIAMI SPRINGS GENERAL EMPLOYEES RETIREMENT SYSTEM

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





June 22, 2018

Board of Trustees
City of Miami Springs General
Employees Retirement System
Miami Springs, Florida

Dear Board Members:

Gabriel, Roeder, Smith & Company (GRS) has been engaged by the Miami Springs General Employees Retirement System 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 City concerning Retirement System 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 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 April 25, 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.

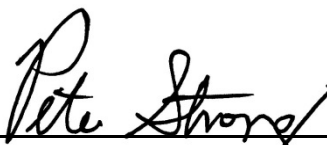
Peter N. Strong and Trisha Amrose are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein. The signing actuaries are independent of the plan sponsor.

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 & COMPANY

By 
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Enrolled Actuary No. 17-6975
Senior Consultant & Actuary


By 
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Enrolled Actuary No. 17-8010
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CH. 112.664, FLORIDA STATUTES

RESULTS

**Schedule of Changes in the Employers' Net Pension Liability
Using Financial Reporting Assumptions per GASB Statement No. 67**

Fiscal year ending September 30,

1. Total pension liability

	<u>2017</u>
a. Service Cost	\$ 425,585
b. Interest	1,346,316
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	603,966
e. Assumption Changes	347,759
f. Benefit Payments	(1,585,026)
g. Contribution Refunds	(18,047)
h. Net Change in Total Pension Liability	<u>1,120,553</u>
i. Total Pension Liability - Beginning	<u>18,326,833</u>
j. Total Pension Liability - Ending	<u>\$ 19,447,386</u>

2. Plan Fiduciary Net Position

a. Contributions - Employer	\$ 338,551
b. Contributions - State	-
c. Contributions - Member	283,972
d. Net Investment Income	2,021,370
e. Benefit Payments	(1,585,026)
f. Contribution Refunds	(18,047)
g. Administrative Expense	(83,952)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	<u>956,868</u>
j. Plan Fiduciary Net Position - Beginning	<u>18,089,807</u>
k. Plan Fiduciary Net Position - Ending	<u>\$ 19,046,675</u>

3. Net Pension Liability / (Asset)

400,711

Certain Key Assumptions

Valuation Date	10/01/2016
Measurement Date	09/30/2017
Investment Return Assumption	7.50%
Mortality Table	FRS Mortality - Regular Class

**Schedule of Changes in the Employers' Net Pension Liability
Using Assumptions required under 112.664(1)(a), F.S.**

Fiscal year ending September 30,	2017
1. Total pension liability	
a. Service Cost	\$ 425,585
b. Interest	1,346,316
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	603,966
e. Assumption Changes	347,759
f. Benefit Payments	(1,585,026)
g. Contribution Refunds	(18,047)
h. Net Change in Total Pension Liability	1,120,553
i. Total Pension Liability - Beginning	18,326,833
j. Total Pension Liability - Ending	\$ 19,447,386
 2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ 338,551
b. Contributions - State	-
c. Contributions - Member	283,972
d. Net Investment Income	2,021,370
e. Benefit Payments	(1,585,026)
f. Contribution Refunds	(18,047)
g. Administrative Expense	(83,952)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	956,868
j. Plan Fiduciary Net Position - Beginning	18,089,807
k. Plan Fiduciary Net Position - Ending	\$ 19,046,675
 3. Net Pension Liability / (Asset)	 400,711
 Certain Key Assumptions	
Valuation Date	10/01/2016
Measurement Date	09/30/2017
Investment Return Assumption	7.50%
Mortality Table	FRS Mortality - Regular Class

**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	\$ 654,182
b. Interest	1,276,061
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	-
e. Assumption Changes	-
f. Benefit Payments	(1,585,026)
g. Contribution Refunds	(18,047)
h. Net Change in Total Pension Liability	<u>327,170</u>
i. Total Pension Liability - Beginning	<u>23,348,460</u>
j. Total Pension Liability - Ending	<u>\$ 23,675,630</u>

2. Plan Fiduciary Net Position

a. Contributions - Employer	\$ 338,551
b. Contributions - State	-
c. Contributions - Member	283,972
d. Net Investment Income	2,021,370
e. Benefit Payments	(1,585,026)
f. Contribution Refunds	(18,047)
g. Administrative Expense	(83,952)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	<u>956,868</u>
j. Plan Fiduciary Net Position - Beginning	<u>18,089,807</u>
k. Plan Fiduciary Net Position - Ending	<u>\$ 19,046,675</u>

3. Net Pension Liability / (Asset)

4,628,955

Certain Key Assumptions

Valuation Date	10/01/2016
Measurement Date	09/30/2017
Investment Return Assumption	5.50%
Mortality Table	FRS Mortality - Regular Class

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,

1. Total pension liability

	<u>2017</u>
a. Service Cost	\$ 286,669
b. Interest	1,496,864
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	-
e. Assumption Changes	-
f. Benefit Payments	(1,585,026)
g. Contribution Refunds	(18,047)
h. Net Change in Total Pension Liability	<u>180,460</u>
i. Total Pension Liability - Beginning	<u>16,271,335</u>
j. Total Pension Liability - Ending	<u>\$ 16,451,795</u>

2. Plan Fiduciary Net Position

a. Contributions - Employer	\$ 338,551
b. Contributions - State	-
c. Contributions - Member	283,972
d. Net Investment Income	2,021,370
e. Benefit Payments	(1,585,026)
f. Contribution Refunds	(18,047)
g. Administrative Expense	(83,952)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	<u>956,868</u>
j. Plan Fiduciary Net Position - Beginning	<u>18,089,807</u>
k. Plan Fiduciary Net Position - Ending	<u>\$ 19,046,675</u>

3. Net Pension Liability / (Asset) (2,594,880)

Certain Key Assumptions

Valuation Date	10/01/2016
Measurement Date	09/30/2017
Investment Return Assumption	9.50%
Mortality Table	FRS Mortality - 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)
2018	18,262,527	1,266,800	1,578,839	17,950,488
2019	17,950,488	1,248,982	1,446,297	17,753,173
2020	17,753,173	1,234,134	1,461,270	17,526,037
2021	17,526,037	1,218,238	1,445,519	17,298,756
2022	17,298,756	1,201,433	1,454,530	17,045,659
2023	17,045,659	1,182,916	1,459,156	16,769,419
2024	16,769,419	1,162,070	1,481,730	16,449,759
2025	16,449,759	1,139,325	1,469,867	16,119,217
2026	16,119,217	1,115,735	1,459,548	15,775,404
2027	15,775,404	1,091,417	1,442,742	15,424,079
2028	15,424,079	1,066,343	1,431,793	15,058,629
2029	15,058,629	1,040,629	1,410,242	14,689,016
2030	14,689,016	1,014,882	1,381,281	14,322,617
2031	14,322,617	989,124	1,359,048	13,952,693
2032	13,952,693	963,039	1,338,781	13,576,951
2033	13,576,951	936,593	1,316,851	13,196,693
2034	13,196,693	910,222	1,283,819	12,823,096
2035	12,823,096	884,492	1,246,400	12,461,188
2036	12,461,188	859,400	1,214,778	12,105,810
2037	12,105,810	835,025	1,176,461	11,764,374
2038	11,764,374	811,579	1,140,349	11,435,604
2039	11,435,604	789,175	1,100,863	11,123,916
2040	11,123,916	768,066	1,059,808	10,832,174
2041	10,832,174	748,311	1,021,295	10,559,190
2042	10,559,190	729,973	981,183	10,307,980
2043	10,307,980	713,155	942,725	10,078,410

Number of years for which current market value of assets is 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

Valuation Investment return assumption
 Valuation Mortality Table

7.25%
 FRS Mortality - Regular Class

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	18,262,527	1,266,800	1,578,839	17,950,488
2019	17,950,488	1,248,982	1,446,297	17,753,173
2020	17,753,173	1,234,134	1,461,270	17,526,037
2021	17,526,037	1,218,238	1,445,519	17,298,756
2022	17,298,756	1,201,433	1,454,530	17,045,659
2023	17,045,659	1,182,916	1,459,156	16,769,419
2024	16,769,419	1,162,070	1,481,730	16,449,759
2025	16,449,759	1,139,325	1,469,867	16,119,217
2026	16,119,217	1,115,735	1,459,548	15,775,404
2027	15,775,404	1,091,417	1,442,742	15,424,079
2028	15,424,079	1,066,343	1,431,793	15,058,629
2029	15,058,629	1,040,629	1,410,242	14,689,016
2030	14,689,016	1,014,882	1,381,281	14,322,617
2031	14,322,617	989,124	1,359,048	13,952,693
2032	13,952,693	963,039	1,338,781	13,576,951
2033	13,576,951	936,593	1,316,851	13,196,693
2034	13,196,693	910,222	1,283,819	12,823,096
2035	12,823,096	884,492	1,246,400	12,461,188
2036	12,461,188	859,400	1,214,778	12,105,810
2037	12,105,810	835,025	1,176,461	11,764,374
2038	11,764,374	811,579	1,140,349	11,435,604
2039	11,435,604	789,175	1,100,863	11,123,916
2040	11,123,916	768,066	1,059,808	10,832,174
2041	10,832,174	748,311	1,021,295	10,559,190
2042	10,559,190	729,973	981,183	10,307,980
2043	10,307,980	713,155	942,725	10,078,410

Number of years for which current market value of assets is 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

Valuation Investment return assumption
 Valuation Mortality Table

7.25%
 FRS Mortality - Regular Class

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	18,262,527	917,338	1,578,839	17,601,026
2019	17,601,026	886,089	1,446,297	17,040,818
2020	17,040,818	856,285	1,461,270	16,435,833
2021	16,435,833	824,936	1,445,519	15,815,250
2022	15,815,250	792,119	1,454,530	15,152,839
2023	15,152,839	757,221	1,459,156	14,450,904
2024	14,450,904	719,777	1,481,730	13,688,951
2025	13,688,951	680,086	1,469,867	12,899,170
2026	12,899,170	638,893	1,459,548	12,078,515
2027	12,078,515	596,250	1,442,742	11,232,023
2028	11,232,023	552,097	1,431,793	10,352,327
2029	10,352,327	506,478	1,410,242	9,448,563
2030	9,448,563	459,791	1,381,281	8,527,073
2031	8,527,073	411,996	1,359,048	7,580,021
2032	7,580,021	362,808	1,338,781	6,604,048
2033	6,604,048	312,145	1,316,851	5,599,342
2034	5,599,342	260,265	1,283,819	4,575,788
2035	4,575,788	207,511	1,246,400	3,536,899
2036	3,536,899	153,799	1,214,778	2,475,920
2037	2,475,920	99,104	1,176,461	1,398,563
2038	1,398,563	43,490	1,140,349	301,704
2039	301,704	-	1,100,863	-
2040	-	-	1,059,808	-
2041	-	-	1,021,295	-
2042	-	-	981,183	-
2043	-	-	942,725	-

Number of years for which current market value of assets is 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:** 21.25

Certain Key Assumptions

Valuation Investment return assumption 5.25%
 Valuation Mortality Table FRS Mortality - Regular Class

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	18,262,527	1,616,262	1,578,839	18,299,950
2019	18,299,950	1,625,854	1,446,297	18,479,507
2020	18,479,507	1,641,771	1,461,270	18,660,008
2021	18,660,008	1,659,195	1,445,519	18,873,684
2022	18,873,684	1,678,544	1,454,530	19,097,698
2023	19,097,698	1,699,051	1,459,156	19,337,593
2024	19,337,593	1,720,197	1,481,730	19,576,060
2025	19,576,060	1,742,804	1,469,867	19,848,997
2026	19,848,997	1,768,528	1,459,548	20,157,977
2027	20,157,977	1,797,886	1,442,742	20,513,121
2028	20,513,121	1,831,243	1,431,793	20,912,571
2029	20,912,571	1,869,189	1,410,242	21,371,518
2030	21,371,518	1,912,981	1,381,281	21,903,218
2031	21,903,218	1,963,192	1,359,048	22,507,362
2032	22,507,362	2,020,012	1,338,781	23,188,593
2033	23,188,593	2,084,040	1,316,851	23,955,782
2034	23,955,782	2,156,533	1,283,819	24,828,496
2035	24,828,496	2,238,990	1,246,400	25,821,086
2036	25,821,086	2,332,267	1,214,778	26,938,575
2037	26,938,575	2,437,407	1,176,461	28,199,521
2038	28,199,521	2,555,715	1,140,349	29,614,887
2039	29,614,887	2,688,462	1,100,863	31,202,486
2040	31,202,486	2,837,214	1,059,808	32,979,892
2041	32,979,892	3,003,405	1,021,295	34,962,002
2042	34,962,002	3,188,605	981,183	37,169,424
2043	37,169,424	3,394,571	942,725	39,621,270

Number of years for which current market value of assets is 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

Valuation Investment return assumption

9.25%

Valuation Mortality Table

FRS Mortality - Regular Class

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 (ADC)

	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	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	10/1/2018	10/1/2018	10/1/2018	10/1/2018
D. Annual Payment to Amortize Unfunded Actuarial Liability	\$ 169,482	\$ 169,482	\$ 430,334	\$ 0
E. Employer Normal Cost	363,119	363,119	620,768	212,779
F. Employer ADC if Paid on Valuation Date: D + E	532,601	532,601	1,051,102	212,779
G. Employer ADC Adjusted for Payment Frequency	532,601	532,601	1,051,102	212,779
H. Employer ADC Adjusted for Payment Frequency as % of Covered Payroll	16.11 %	16.11 %	31.80 %	6.44 %
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	3,421,441	3,421,441	3,421,441	3,421,441
K. Employer ADC for Contribution Year Before Threshold: H x J	551,194	551,194	1,088,018	220,341
L. Employer ADC as % of Covered Payroll in Contribution Year Before 10% Threshold: K ÷ J	16.11 %	16.11 %	31.80 %	6.44 %
M. Net Employer ADC After Threshold	440,599	440,599	710,743	220,341
N. Net Employer ADC as % of Covered Payroll in Contribution Year After Threshold: M ÷ J	12.88 %	12.88 %	20.77 %	6.44 %
O. Member Contribution Rate*	8.35 %	8.35 %	16.32 %	5.00 %
P. Expected Member Contributions	285,690	285,690	558,379	171,072
Q. Total Contribution (including Members)	726,289	726,289	1,269,122	391,413
R. Total Contribution as % of Covered Payroll in Contribution Year: Q ÷ J	21.23 %	21.23 %	37.09 %	11.44 %
S. Certain Key Assumptions				
Investment Return Assumption	7.25%	7.25%	5.25%	9.25%
Mortality Table	FRS Mortality - Regular Class	FRS Mortality - Regular Class	FRS Mortality - Regular Class	FRS Mortality - Regular Class

* Member Contributions are still assumed to be made evenly throughout the year.