

Miami Springs Police and Firefighters' 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 Police
And Firefighters' Retirement System
Miami Springs, Florida

Dear Board Members:

Gabriel, Roeder, Smith & Company (GRS) has been engaged by the City of Miami Springs Police and Firefighters' Retirement System (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 City and the Board 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 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 26, 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.

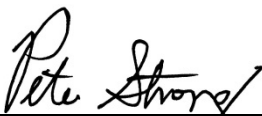
Peter N. Strong and Trisha Amrose are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein. The signing actuaries are independent of the plan sponsor.

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 AND COMPANY

By 
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Enrolled Actuary No. 17-06975
Senior Consultant & Actuary


By 
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TABLE OF CONTENTS

<u>Title</u>	<u>Page</u>
Ch. 112.664, F.S. Results	
Schedule of Changes in Net Pension Liability	
1. Using financial reporting assumptions per GASB Statement No. 67	1
2. Using assumptions prescribed in Section 112.664(1)(a), F.S.	2
3. Using assumptions prescribed in Section 112.664(1)(b), F.S.	3
4. Using the mandated mortality and funding interest rate +2%	4
Assets Versus Benefit Payments Projections	
1. Using assumptions per the Plan's latest actuarial valuation	5
2. Using assumptions prescribed in Section 112.664(1)(a), F.S.	6
3. Using assumptions prescribed in Section 112.664(1)(b), F.S.	7
4. Using the mandated mortality and funding interest rate +2%	8
Actuarially Determined Contribution	9

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	\$ 590,908
b. Interest	2,262,208
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	(51,223)
e. Assumption Changes	(11,268)
f. Benefit Payments	(2,740,461)
g. Contribution Refunds	(103,048)
h. Net Change in Total Pension Liability	<u>(52,884)</u>
i. Total Pension Liability - Beginning	<u>30,993,624</u>
j. Total Pension Liability - Ending	<u>\$ 30,940,740</u>

2. Plan Fiduciary Net Position

a. Contributions - Employer	\$ 678,763
b. Contributions - State	120,798
c. Contributions - Member	381,489
d. Net Investment Income	3,331,989
e. Benefit Payments	(2,740,461)
f. Contribution Refunds	(103,048)
g. Administrative Expense	(76,677)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	<u>1,592,853</u>
j. Plan Fiduciary Net Position - Beginning	<u>28,740,140</u>
k. Plan Fiduciary Net Position - Ending	<u>\$ 30,332,993</u>

3. Net Pension Liability / (Asset)

607,747

Certain Key Assumptions

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

**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

	2017
a. Service Cost	\$ 590,908
b. Interest	2,262,208
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	(51,223)
e. Assumption Changes	(11,268)
f. Benefit Payments	(2,740,461)
g. Contribution Refunds	(103,048)
h. Net Change in Total Pension Liability	(52,884)
i. Total Pension Liability - Beginning	30,993,624
j. Total Pension Liability - Ending	\$ 30,940,740

2. Plan Fiduciary Net Position

a. Contributions - Employer	\$ 678,763
b. Contributions - State	120,798
c. Contributions - Member	381,489
d. Net Investment Income	3,331,989
e. Benefit Payments	(2,740,461)
f. Contribution Refunds	(103,048)
g. Administrative Expense	(76,677)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	1,592,853
j. Plan Fiduciary Net Position - Beginning	28,740,140
k. Plan Fiduciary Net Position - Ending	\$ 30,332,993

3. Net Pension Liability / (Asset)

607,747

Certain Key Assumptions

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

**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	\$ 848,299
b. Interest	2,055,067
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	5,585
e. Assumption Changes	-
f. Benefit Payments	(2,740,461)
g. Contribution Refunds	(103,048)
h. Net Change in Total Pension Liability	<u>65,442</u>
i. Total Pension Liability - Beginning	<u>37,938,311</u>
j. Total Pension Liability - Ending	<u>\$ 38,003,753</u>

2. Plan Fiduciary Net Position

a. Contributions - Employer	\$ 678,763
b. Contributions - State	120,798
c. Contributions - Member	381,489
d. Net Investment Income	3,331,989
e. Benefit Payments	(2,740,461)
f. Contribution Refunds	(103,048)
g. Administrative Expense	(76,677)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	<u>1,592,853</u>
j. Plan Fiduciary Net Position - Beginning	<u>28,740,140</u>
k. Plan Fiduciary Net Position - Ending	<u>\$ 30,332,993</u>

3. Net Pension Liability / (Asset)

7,670,760

Certain Key Assumptions

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

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	\$ 400,599
b. Interest	2,375,767
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	5,585
e. Assumption Changes	-
f. Benefit Payments	(2,740,461)
g. Contribution Refunds	(103,048)
h. Net Change in Total Pension Liability	(61,558)
i. Total Pension Liability - Beginning	26,029,233
j. Total Pension Liability - Ending	\$ 25,967,675

2. Plan Fiduciary Net Position

a. Contributions - Employer	\$ 678,763
b. Contributions - State	120,798
c. Contributions - Member	381,489
d. Net Investment Income	3,331,989
e. Benefit Payments	(2,740,461)
f. Contribution Refunds	(103,048)
g. Administrative Expense	(76,677)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	1,592,853
j. Plan Fiduciary Net Position - Beginning	28,740,140
k. Plan Fiduciary Net Position - Ending	\$ 30,332,993

3. Net Pension Liability / (Asset)

(4,365,318)

Certain Key Assumptions

Valuation Date	10/01/2016
Measurement Date	09/30/2017
Investment Return Assumption	9.50%
Mortality Table	FRS Mortality - Special Risk

Asset and Benefit Payment Projection
Not Reflecting Any Contributions from the Employer, State or Employee
Using Assumptions per the Plan's latest Actuarial Valuation

FYE	Market Value of Assets (BOY)	Expected Investment Return	Projected Benefit Payments	Market Value of Assets (EOY)
2018	29,632,898	2,001,509	2,079,828	29,554,579
2019	29,554,579	1,991,921	2,197,124	29,349,376
2020	29,349,376	1,975,865	2,245,465	29,079,776
2021	29,079,776	1,956,164	2,269,159	28,766,781
2022	28,766,781	1,931,962	2,334,654	28,364,089
2023	28,364,089	1,902,539	2,369,916	27,896,712
2024	27,896,712	1,868,056	2,420,383	27,344,385
2025	27,344,385	1,828,654	2,441,502	26,731,537
2026	26,731,537	1,785,795	2,440,365	26,076,967
2027	26,076,967	1,738,812	2,473,590	25,342,189
2028	25,342,189	1,687,736	2,463,352	24,566,573
2029	24,566,573	1,633,703	2,455,912	23,744,364
2030	23,744,364	1,576,495	2,446,008	22,874,851
2031	22,874,851	1,515,965	2,436,430	21,954,386
2032	21,954,386	1,452,541	2,407,589	20,999,338
2033	20,999,338	1,386,661	2,379,804	20,006,195
2034	20,006,195	1,318,367	2,344,748	18,979,814
2035	18,979,814	1,247,808	2,307,970	17,919,652
2036	17,919,652	1,175,082	2,265,545	16,829,189
2037	16,829,189	1,100,326	2,220,497	15,709,018
2038	15,709,018	1,023,592	2,172,553	14,560,057
2039	14,560,057	944,945	2,121,678	13,383,324
2040	13,383,324	864,439	2,068,379	12,179,384
2041	12,179,384	781,959	2,017,082	10,944,261
2042	10,944,261	697,469	1,960,838	9,680,892
2043	9,680,892	611,076	1,902,475	8,389,493
2044	8,389,493	522,909	1,838,737	7,073,665
2045	7,073,665	432,856	1,780,002	5,726,519
2046	5,726,519	340,951	1,711,576	4,355,894
2047	4,355,894	247,473	1,641,129	2,962,238
2048	2,962,238	152,367	1,571,131	1,543,474
2049	1,543,474	55,653	1,496,866	102,261
2050	102,261	-	1,421,303	-

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:** 32.08

Certain Key Assumptions

Valuation Investment return assumption 7.00%
 Valuation Mortality Table FRS Mortality - Special Risk

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	29,632,898	2,001,509	2,079,828	29,554,579
2019	29,554,579	1,991,921	2,197,124	29,349,376
2020	29,349,376	1,975,865	2,245,465	29,079,776
2021	29,079,776	1,956,164	2,269,159	28,766,781
2022	28,766,781	1,931,962	2,334,654	28,364,089
2023	28,364,089	1,902,539	2,369,916	27,896,712
2024	27,896,712	1,868,056	2,420,383	27,344,385
2025	27,344,385	1,828,654	2,441,502	26,731,537
2026	26,731,537	1,785,795	2,440,365	26,076,967
2027	26,076,967	1,738,812	2,473,590	25,342,189
2028	25,342,189	1,687,736	2,463,352	24,566,573
2029	24,566,573	1,633,703	2,455,912	23,744,364
2030	23,744,364	1,576,495	2,446,008	22,874,851
2031	22,874,851	1,515,965	2,436,430	21,954,386
2032	21,954,386	1,452,541	2,407,589	20,999,338
2033	20,999,338	1,386,661	2,379,804	20,006,195
2034	20,006,195	1,318,367	2,344,748	18,979,814
2035	18,979,814	1,247,808	2,307,970	17,919,652
2036	17,919,652	1,175,082	2,265,545	16,829,189
2037	16,829,189	1,100,326	2,220,497	15,709,018
2038	15,709,018	1,023,592	2,172,553	14,560,057
2039	14,560,057	944,945	2,121,678	13,383,324
2040	13,383,324	864,439	2,068,379	12,179,384
2041	12,179,384	781,959	2,017,082	10,944,261
2042	10,944,261	697,469	1,960,838	9,680,892
2043	9,680,892	611,076	1,902,475	8,389,493
2044	8,389,493	522,909	1,838,737	7,073,664
2045	7,073,664	432,856	1,780,002	5,726,519
2046	5,726,519	340,951	1,711,576	4,355,894
2047	4,355,894	247,473	1,641,129	2,962,238
2048	2,962,238	152,367	1,571,131	1,543,474
2049	1,543,474	55,653	1,496,866	102,261
2050	102,261	-	1,421,303	-

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:** 32.08

Certain Key Assumptions

Valuation Investment return assumption 7.00%
 Valuation Mortality Table FRS Mortality - Special Risk

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	29,632,898	1,429,649	2,079,828	28,982,719
2019	28,982,719	1,394,208	2,197,124	28,179,803
2020	28,179,803	1,352,854	2,245,465	27,287,192
2021	27,287,192	1,307,631	2,269,159	26,325,664
2022	26,325,664	1,257,917	2,334,654	25,248,927
2023	25,248,927	1,203,198	2,369,916	24,082,209
2024	24,082,209	1,143,601	2,420,383	22,805,427
2025	22,805,427	1,079,234	2,441,502	21,443,159
2026	21,443,159	1,011,149	2,440,365	20,013,943
2027	20,013,943	938,857	2,473,590	18,479,210
2028	18,479,210	862,377	2,463,352	16,878,235
2029	16,878,235	782,514	2,455,912	15,204,837
2030	15,204,837	699,092	2,446,008	13,457,921
2031	13,457,921	611,985	2,436,430	11,633,476
2032	11,633,476	521,484	2,407,589	9,747,371
2033	9,747,371	427,873	2,379,804	7,795,440
2034	7,795,440	331,153	2,344,748	5,781,845
2035	5,781,845	231,393	2,307,970	3,705,268
2036	3,705,268	128,625	2,265,545	1,568,348
2037	1,568,348	22,905	2,220,497	-
2038	-	-	2,172,553	-
2039	-	-	2,121,678	-
2040	-	-	2,068,379	-
2041	-	-	2,017,082	-
2042	-	-	1,960,838	-
2043	-	-	1,902,475	-

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:** 19.67

Certain Key Assumptions

Valuation Investment return assumption	5.00%
Valuation Mortality Table	FRS Mortality - Special Risk

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	29,632,898	2,573,369	2,079,828	30,126,439
2019	30,126,439	2,612,509	2,197,124	30,541,824
2020	30,541,824	2,647,718	2,245,465	30,944,077
2021	30,944,077	2,682,855	2,269,159	31,357,773
2022	31,357,773	2,717,140	2,334,654	31,740,259
2023	31,740,259	2,749,977	2,369,916	32,120,320
2024	32,120,320	2,781,912	2,420,383	32,481,849
2025	32,481,849	2,813,499	2,441,502	32,853,846
2026	32,853,846	2,847,030	2,440,365	33,260,511
2027	33,260,511	2,882,134	2,473,590	33,669,055
2028	33,669,055	2,919,364	2,463,352	34,125,067
2029	34,125,067	2,960,740	2,455,912	34,629,895
2030	34,629,895	3,006,620	2,446,008	35,190,507
2031	35,190,507	3,057,506	2,436,430	35,811,583
2032	35,811,583	3,114,701	2,407,589	36,518,695
2033	36,518,695	3,179,591	2,379,804	37,318,482
2034	37,318,482	3,253,150	2,344,748	38,226,884
2035	38,226,884	3,336,561	2,307,970	39,255,475
2036	39,255,475	3,431,043	2,265,545	40,420,973
2037	40,420,973	3,537,965	2,220,497	41,738,441
2038	41,738,441	3,658,695	2,172,553	43,224,583
2039	43,224,583	3,794,737	2,121,678	44,897,642
2040	44,897,642	3,947,711	2,068,379	46,776,974
2041	46,776,974	4,119,159	2,017,082	48,879,051
2042	48,879,051	4,310,877	1,960,838	51,229,090
2043	51,229,090	4,525,007	1,902,475	53,851,622

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

9.00%
 FRS Mortality - Special Risk

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	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	Evenly	Evenly	Evenly	Evenly
D. Annual Payment to Amortize Unfunded Actuarial Liability	\$ 330,625	\$ 330,625	\$ 777,839	\$ 0
E. Employer Normal Cost	414,215	414,215	723,681	230,330
F. Employer ADC if Paid on Valuation Date: D + E	744,840	744,840	1,501,520	230,330
G. Employer ADC Adjusted for Frequency of Payments	825,000	825,000	1,616,567	262,304
H. Employer ADC Adjusted for Frequency of Payments as % of Covered Payroll	31.28 %	31.28 %	61.30 %	9.95 %
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	2,637,346	2,637,346	2,637,346	2,637,346
K. ADC for Contribution Year: H x J	825,000	825,000	1,616,567	262,304
L. Allowable Credit for State Revenue in Contribution Year	192,169	192,169	192,169	192,169
M. Net Employer ADC After State Revenue in Contribution Year*	632,831	632,831	1,424,398	70,135
N. Net Employer ADC as % of Covered Payroll in Contribution Year*: M ÷ J	23.99 %	23.99 %	54.01 %	2.66 %
O. Expected Member Contributions (Before Reflecting Cost Sharing)	237,361	237,361	237,361	237,361
P. Total Contribution (including Members) in Contributing Year: K + O	1,062,361	1,062,361	1,853,928	499,665
Q. Total Contribution as a % of covered payroll in Contribution Year: P ÷ J	40.28 %	40.28 %	70.30 %	18.95 %
R. Certain Key Assumptions				
Investment Return Assumption	7.00%	7.00%	5.00%	9.00%
Mortality Table	FRS Mortality - Special Risk	FRS Mortality - Special Risk	FRS Mortality - Special Risk	FRS Mortality - Special Risk

*The employer and employee contribution amounts shown are prior to reflecting cost sharing adjustments.