

Miami Springs Police and Firefighters' Retirement System

Chapter 112.664, F.S. Compliance Report

In Connection with the October 1, 2018 Funding
Actuarial Valuation Report and the Plan's Financial
Reporting for the Year Ending September 30 ,2018





June 27, 2019

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, 2018. 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 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 Plan Administrator or 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, 2018 actuarial valuation report. This report is also based on the Plan Provisions, census data, and financial information as summarized in our October 1, 2018 actuarial valuation report. Please refer to the October 1, 2018 actuarial valuation report, dated April 25, 2019, 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.

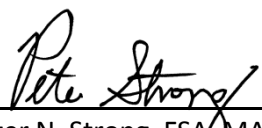
Peter N. Strong and Nicolas Lahaye are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein. The signing actuaries are independent of the plan sponsor.

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 
Peter N. Strong, FSA, MAAA, FCA
Enrolled Actuary No. 17-6975
Senior Consultant & Actuary


By 
Nicolas Lahaye, FSA, MAAA, FCA
Enrolled Actuary No. 17-7775
Consultant & Actuary

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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

	2018
a. Service Cost	\$ 590,707
b. Interest	2,299,169
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	107,190
e. Assumption Changes	1,341,696
f. Benefit Payments	(1,751,725)
g. Contribution Refunds	-
h. Net Change in Total Pension Liability	2,587,037
i. Total Pension Liability - Beginning	30,940,740
j. Total Pension Liability - Ending	\$ 33,527,777

2. Plan Fiduciary Net Position

a. Contributions - Employer	\$ 623,984
b. Contributions - State	122,822
c. Contributions - Member	338,943
d. Net Investment Income	3,464,364
e. Benefit Payments	(1,751,725)
f. Contribution Refunds	-
g. Administrative Expense	(83,463)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	2,714,925
j. Plan Fiduciary Net Position - Beginning	30,332,993
k. Plan Fiduciary Net Position - Ending	\$ 33,047,918

3. Net Pension Liability / (Asset)

479,859

Certain Key Assumptions

Valuation Date	10/01/2017
Measurement Date	09/30/2018
Investment Return Assumption	7.00%
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

	2018
a. Service Cost	\$ 590,707
b. Interest	2,299,169
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	107,190
e. Assumption Changes	1,341,696
f. Benefit Payments	(1,751,725)
g. Contribution Refunds	-
h. Net Change in Total Pension Liability	2,587,037
i. Total Pension Liability - Beginning	30,940,740
j. Total Pension Liability - Ending	\$ 33,527,777

2. Plan Fiduciary Net Position

a. Contributions - Employer	\$ 623,984
b. Contributions - State	122,822
c. Contributions - Member	338,943
d. Net Investment Income	3,464,364
e. Benefit Payments	(1,751,725)
f. Contribution Refunds	-
g. Administrative Expense	(83,463)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	2,714,925
j. Plan Fiduciary Net Position - Beginning	30,332,993
k. Plan Fiduciary Net Position - Ending	\$ 33,047,918

3. Net Pension Liability / (Asset)

479,859

Certain Key Assumptions

Valuation Date	10/01/2017
Measurement Date	09/30/2018
Investment Return Assumption	7.00%
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

	2018
a. Service Cost	\$ 865,482
b. Interest	2,019,208
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	(3,717)
e. Assumption Changes	-
f. Benefit Payments	(1,751,725)
g. Contribution Refunds	-
h. Net Change in Total Pension Liability	1,129,248
i. Total Pension Liability - Beginning	40,394,550
j. Total Pension Liability - Ending	\$ 41,523,798

2. Plan Fiduciary Net Position

a. Contributions - Employer	\$ 623,984
b. Contributions - State	122,822
c. Contributions - Member	338,943
d. Net Investment Income	3,464,364
e. Benefit Payments	(1,751,725)
f. Contribution Refunds	-
g. Administrative Expense	(83,463)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	2,714,925
j. Plan Fiduciary Net Position - Beginning	30,332,993
k. Plan Fiduciary Net Position - Ending	\$ 33,047,918

3. Net Pension Liability / (Asset)

8,475,880

Certain Key Assumptions

Valuation Date	10/01/2017
Measurement Date	09/30/2018
Investment Return Assumption	5.00%
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>2018</u>
a. Service Cost	\$ 372,131
b. Interest	2,380,935
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	(3,717)
e. Assumption Changes	-
f. Benefit Payments	(1,751,725)
g. Contribution Refunds	-
h. Net Change in Total Pension Liability	<u>997,624</u>
i. Total Pension Liability - Beginning	<u>26,958,565</u>
j. Total Pension Liability - Ending	<u>\$ 27,956,189</u>

2. Plan Fiduciary Net Position

a. Contributions - Employer	\$ 623,984
b. Contributions - State	122,822
c. Contributions - Member	338,943
d. Net Investment Income	3,464,364
e. Benefit Payments	(1,751,725)
f. Contribution Refunds	-
g. Administrative Expense	(83,463)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	<u>2,714,925</u>
j. Plan Fiduciary Net Position - Beginning	<u>30,332,993</u>
k. Plan Fiduciary Net Position - Ending	<u>\$ 33,047,918</u>

3. Net Pension Liability / (Asset) (5,091,729)

Certain Key Assumptions

Valuation Date	10/01/2017
Measurement Date	09/30/2018
Investment Return Assumption	9.00%
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)
2019	32,022,203	2,165,294	2,178,849	32,008,648
2020	32,008,648	2,162,104	2,242,889	31,927,863
2021	31,927,863	2,155,123	2,280,781	31,802,205
2022	31,802,205	2,143,999	2,347,288	31,598,916
2023	31,598,916	2,128,380	2,386,971	31,340,325
2024	31,340,325	2,108,502	2,437,722	31,011,105
2025	31,011,105	2,083,865	2,483,215	30,611,755
2026	30,611,755	2,055,956	2,481,901	30,185,810
2027	30,185,810	2,024,879	2,517,941	29,692,748
2028	29,692,748	1,990,699	2,508,376	29,175,071
2029	29,175,071	1,954,640	2,503,276	28,626,435
2030	28,626,435	1,916,467	2,496,658	28,046,244
2031	28,046,244	1,876,293	2,484,129	27,438,408
2032	27,438,408	1,834,355	2,466,663	26,806,100
2033	26,806,100	1,791,002	2,440,728	26,156,374
2034	26,156,374	1,746,743	2,405,791	25,497,326
2035	25,497,326	1,701,837	2,370,740	24,828,423
2036	24,828,423	1,656,474	2,329,020	24,155,877
2037	24,155,877	1,610,915	2,285,623	23,481,169
2038	23,481,169	1,565,346	2,238,177	22,808,338
2039	22,808,338	1,520,015	2,187,663	22,140,690
2040	22,140,690	1,475,139	2,134,560	21,481,269
2041	21,481,269	1,430,682	2,085,922	20,826,029
2042	20,826,029	1,386,709	2,031,787	20,180,951
2043	20,180,951	1,343,556	1,974,595	19,549,912
2044	19,549,912	1,301,620	1,910,688	18,940,844

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

7.00%
 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.

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)
2019	32,022,203	2,165,294	2,178,849	32,008,648
2020	32,008,648	2,162,104	2,242,889	31,927,863
2021	31,927,863	2,155,123	2,280,781	31,802,205
2022	31,802,205	2,143,999	2,347,288	31,598,916
2023	31,598,916	2,128,380	2,386,971	31,340,325
2024	31,340,325	2,108,502	2,437,722	31,011,105
2025	31,011,105	2,083,865	2,483,215	30,611,755
2026	30,611,755	2,055,956	2,481,901	30,185,810
2027	30,185,810	2,024,879	2,517,941	29,692,748
2028	29,692,748	1,990,699	2,508,376	29,175,071
2029	29,175,071	1,954,640	2,503,276	28,626,435
2030	28,626,435	1,916,467	2,496,658	28,046,244
2031	28,046,244	1,876,293	2,484,129	27,438,408
2032	27,438,408	1,834,355	2,466,663	26,806,100
2033	26,806,100	1,791,002	2,440,728	26,156,374
2034	26,156,374	1,746,743	2,405,791	25,497,326
2035	25,497,326	1,701,837	2,370,740	24,828,423
2036	24,828,423	1,656,474	2,329,020	24,155,877
2037	24,155,877	1,610,915	2,285,623	23,481,169
2038	23,481,169	1,565,346	2,238,177	22,808,338
2039	22,808,338	1,520,015	2,187,663	22,140,690
2040	22,140,690	1,475,139	2,134,560	21,481,269
2041	21,481,269	1,430,682	2,085,922	20,826,029
2042	20,826,029	1,386,709	2,031,787	20,180,951
2043	20,180,951	1,343,556	1,974,595	19,549,912
2044	19,549,912	1,301,620	1,910,688	18,940,844

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

7.00%
 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.

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)
2019	32,022,203	1,546,639	2,178,849	31,389,993
2020	31,389,993	1,513,427	2,242,889	30,660,531
2021	30,660,531	1,476,007	2,280,781	29,855,757
2022	29,855,757	1,434,106	2,347,288	28,942,575
2023	28,942,575	1,387,454	2,386,971	27,943,058
2024	27,943,058	1,336,210	2,437,722	26,841,546
2025	26,841,546	1,279,997	2,483,215	25,638,328
2026	25,638,328	1,219,869	2,481,901	24,376,296
2027	24,376,296	1,155,866	2,517,941	23,014,221
2028	23,014,221	1,088,002	2,508,376	21,593,847
2029	21,593,847	1,017,110	2,503,276	20,107,681
2030	20,107,681	942,968	2,496,658	18,553,991
2031	18,553,991	865,596	2,484,129	16,935,458
2032	16,935,458	785,106	2,466,663	15,253,901
2033	15,253,901	701,677	2,440,728	13,514,850
2034	13,514,850	615,598	2,405,791	11,724,657
2035	11,724,657	526,964	2,370,740	9,880,881
2036	9,880,881	435,819	2,329,020	7,987,680
2037	7,987,680	342,243	2,285,623	6,044,300
2038	6,044,300	246,261	2,238,177	4,052,384
2039	4,052,384	147,928	2,187,663	2,012,649
2040	2,012,649	47,268	2,134,560	-
2041	-	-	2,085,922	-
2042	-	-	2,031,787	-
2043	-	-	1,974,595	-
2044	-	-	1,910,688	-

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:** 21.92

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)
2019	32,022,203	2,783,950	2,178,849	32,627,304
2020	32,627,304	2,835,527	2,242,889	33,219,942
2021	33,219,942	2,887,160	2,280,781	33,826,321
2022	33,826,321	2,938,741	2,347,288	34,417,774
2023	34,417,774	2,990,186	2,386,971	35,020,989
2024	35,020,989	3,042,192	2,437,722	35,625,459
2025	35,625,459	3,094,547	2,483,215	36,236,791
2026	36,236,791	3,149,626	2,481,901	36,904,516
2027	36,904,516	3,208,099	2,517,941	37,594,674
2028	37,594,674	3,270,644	2,508,376	38,356,942
2029	38,356,942	3,339,477	2,503,276	39,193,143
2030	39,193,143	3,415,033	2,496,658	40,111,518
2031	40,111,518	3,498,251	2,484,129	41,125,640
2032	41,125,640	3,590,308	2,466,663	42,249,285
2033	42,249,285	3,692,603	2,440,728	43,501,160
2034	43,501,160	3,806,844	2,405,791	44,902,213
2035	44,902,213	3,934,516	2,370,740	46,465,989
2036	46,465,989	4,077,133	2,329,020	48,214,102
2037	48,214,102	4,236,416	2,285,623	50,164,895
2038	50,164,895	4,414,123	2,238,177	52,340,841
2039	52,340,841	4,612,231	2,187,663	54,765,409
2040	54,765,409	4,832,832	2,134,560	57,463,681
2041	57,463,681	5,077,865	2,085,922	60,455,624
2042	60,455,624	5,349,576	2,031,787	63,773,413
2043	63,773,413	5,650,750	1,974,595	67,449,568
2044	67,449,568	5,984,480	1,910,688	71,523,360

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

9.00%

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.

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, 2018	October 1, 2018	October 1, 2018	October 1, 2018
B. Actuarially Determined Contribution (ADC) to Be Paid During Fiscal Year Ending	9/30/2020	9/30/2020	9/30/2020	9/30/2020
C. Assumed Dates of Employer Contributions	Evenly	Evenly	Evenly	Evenly
D. Annual Payment to Amortize Unfunded Actuarial Liability	\$ 237,520	\$ 237,520	\$ 706,215	\$ 0
E. Employer Normal Cost	385,913	385,913	695,991	203,100
F. Employer ADC if Paid on Valuation Date: D + E	623,433	623,433	1,402,206	203,100
G. Employer ADC Adjusted for Frequency of Payments	690,527	690,527	1,509,643	231,294
H. Employer ADC Adjusted for Frequency of Payments as % of Covered Payroll	25.80 %	25.80 %	56.40 %	8.64 %
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	2,676,755	2,676,755	2,676,755	2,676,755
K. ADC for Contribution Year: H x J	690,527	690,527	1,509,643	231,294
L. Allowable Credit for State Revenue in Contribution Year	126,870	126,870	126,870	126,870
M. Net Employer ADC After State Revenue in Contribution Year*	563,657	563,657	1,382,773	104,424
N. Net Employer ADC as % of Covered Payroll in Contribution Year*: M ÷ J	21.06 %	21.06 %	51.66 %	3.90 %
O. Expected Member Contributions (Before Reflecting Cost Sharing)	240,908	240,908	240,908	240,908
P. Total Contribution (including Members) in Contributing Year: K + O	931,435	931,435	1,750,551	472,202
Q. Total Contribution as a % of covered payroll in Contribution Year: P ÷ J	34.80 %	34.80 %	65.40 %	17.64 %
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.