

# Miami Shores Village 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



September 28, 2018

Board of Trustees  
Miami Shores Village General Employees'  
Retirement System  
Miami Shores, Florida

Dear Board Members:

Gabriel, Roeder, Smith & Company (GRS) has been engaged by the Miami Shores Village General Employees' 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 Board and those designated or approved by the Board. This report may be provided to parties other than the Plan 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 Village 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 otherwise audit the data. We are not responsible for the accuracy or completeness of the information provided by the Village.

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 May 4, 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.

Melissa R. Moskovitz and Jeffrey 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 Melissa R. Moskovitz  
Melissa R. Moskovitz, FCA, MAAA  
Enrolled Actuary No. 17-6467  
Consultant & Actuary

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## **CH. 112.664, FLORIDA STATUTES**

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### **RESULTS**

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

Fiscal year ending September 30,	<u>2017</u>
<b>1. Total pension liability</b>	
a. Service Cost	\$ 345,113
b. Interest	1,134,060
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	-
e. Assumption Changes	-
f. Benefit Payments	(630,350)
g. Contribution Refunds	-
<b>h. Net Change in Total Pension Liability</b>	<u>848,823</u>
<b>i. Total Pension Liability - Beginning</b>	<u>15,090,867</u>
<b>j. Total Pension Liability - Ending</b>	<u>\$ 15,939,690</u>
<b>2. Plan Fiduciary Net Position</b>	
a. Contributions - Employer	\$ 443,102
b. Contributions - State	-
c. Contributions - Member	186,555
d. Net Investment Income	1,531,913
e. Benefit Payments	(630,350)
f. Contribution Refunds	-
g. Administrative Expense	(42,936)
h. Other	-
<b>i. Net Change in Plan Fiduciary Net Position</b>	<u>1,488,284</u>
<b>j. Plan Fiduciary Net Position - Beginning</b>	<u>12,299,360</u>
<b>k. Plan Fiduciary Net Position - Ending</b>	<u>\$ 13,787,644</u>
<b>3. Net Pension Liability / (Asset)</b>	2,152,046
<b>Certain Key Assumptions</b>	
Valuation Date	10/01/2015
Measurement Date	09/30/2017
Investment Return Assumption	7.50%
Mortality Table	RP-2000 fully generational using Scale BB

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

Fiscal year ending September 30,	<u>2017</u>
<b>1. Total pension liability</b>	
a. Service Cost	\$ 341,445
b. Interest	1,112,433
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	-
e. Assumption Changes	-
f. Benefit Payments	(630,350)
g. Contribution Refunds	-
<b>h. Net Change in Total Pension Liability</b>	<u>823,528</u>
<b>i. Total Pension Liability - Beginning</b>	<u>14,806,168</u>
<b>j. Total Pension Liability - Ending</b>	<u>\$ 15,629,696</u>
<b>2. Plan Fiduciary Net Position</b>	
a. Contributions - Employer	\$ 443,102
b. Contributions - State	-
c. Contributions - Member	186,555
d. Net Investment Income	1,531,913
e. Benefit Payments	(630,350)
f. Contribution Refunds	-
g. Administrative Expense	(42,936)
h. Other	-
<b>i. Net Change in Plan Fiduciary Net Position</b>	<u>1,488,284</u>
<b>j. Plan Fiduciary Net Position - Beginning</b>	<u>12,299,360</u>
<b>k. Plan Fiduciary Net Position - Ending</b>	<u>\$ 13,787,644</u>
<b>3. Net Pension Liability / (Asset)</b>	1,842,052
<b>Certain Key Assumptions</b>	
Valuation Date	10/01/2015
Measurement Date	09/30/2017
Investment Return Assumption	7.50%
Mortality Table	RP-2000 fully generational using Scale AA

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

Fiscal year ending September 30,

	<u>2017</u>
<b>1. Total pension liability</b>	
a. Service Cost	\$ 501,158
b. Interest	1,029,578
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	-
e. Assumption Changes	-
f. Benefit Payments	(630,350)
g. Contribution Refunds	-
<b>h. Net Change in Total Pension Liability</b>	<u>900,386</u>
<b>i. Total Pension Liability - Beginning</b>	<u>18,533,614</u>
<b>j. Total Pension Liability - Ending</b>	<u><u>\$ 19,434,000</u></u>
<b>2. Plan Fiduciary Net Position</b>	
a. Contributions - Employer	\$ 443,102
b. Contributions - State	-
c. Contributions - Member	186,555
d. Net Investment Income	1,531,913
e. Benefit Payments	(630,350)
f. Contribution Refunds	-
g. Administrative Expense	(42,936)
h. Other	-
<b>i. Net Change in Plan Fiduciary Net Position</b>	<u>1,488,284</u>
<b>j. Plan Fiduciary Net Position - Beginning</b>	<u>12,299,360</u>
<b>k. Plan Fiduciary Net Position - Ending</b>	<u><u>\$ 13,787,644</u></u>
<b>3. Net Pension Liability / (Asset)</b>	5,646,356

**Certain Key Assumptions**

Valuation Date	10/01/2015
Measurement Date	09/30/2017
Investment Return Assumption	5.50%
Mortality Table	RP-2000 fully generational using Scale AA



**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,	<u>2017</u>
<b>1. Total pension liability</b>	
a. Service Cost	\$ 244,092
b. Interest	1,150,260
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	-
e. Assumption Changes	-
f. Benefit Payments	(630,350)
g. Contribution Refunds	-
<b>h. Net Change in Total Pension Liability</b>	<u>764,002</u>
<b>i. Total Pension Liability - Beginning</b>	<u>12,179,085</u>
<b>j. Total Pension Liability - Ending</b>	<u><u>\$ 12,943,087</u></u>
<b>2. Plan Fiduciary Net Position</b>	
a. Contributions - Employer	\$ 443,102
b. Contributions - State	-
c. Contributions - Member	186,555
d. Net Investment Income	1,531,913
e. Benefit Payments	(630,350)
f. Contribution Refunds	-
g. Administrative Expense	(42,936)
h. Other	-
<b>i. Net Change in Plan Fiduciary Net Position</b>	<u>1,488,284</u>
<b>j. Plan Fiduciary Net Position - Beginning</b>	<u>12,299,360</u>
<b>k. Plan Fiduciary Net Position - Ending</b>	<u><u>\$ 13,787,644</u></u>
<b>3. Net Pension Liability / (Asset)</b>	<b>(844,557)</b>
<b>Certain Key Assumptions</b>	
Valuation Date	10/01/2015
Measurement Date	09/30/2017
Investment Return Assumption	9.50%
Mortality Table	RP-2000 fully generational using Scale AA

**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	13,141,846	958,112	734,044	13,365,914
2019	13,365,914	973,899	761,182	13,578,631
2020	13,578,631	986,523	849,983	13,715,171
2021	13,715,171	992,325	968,346	13,739,150
2022	13,739,150	993,970	972,437	13,760,683
2023	13,760,683	995,521	974,146	13,782,058
2024	13,782,058	997,671	959,549	13,820,180
2025	13,820,180	998,513	1,013,352	13,805,341
2026	13,805,341	997,142	1,020,217	13,782,266
2027	13,782,266	995,408	1,020,315	13,757,359
2028	13,757,359	993,552	1,019,999	13,730,912
2029	13,730,912	990,997	1,035,244	13,686,665
2030	13,686,665	986,488	1,066,987	13,606,166
2031	13,606,166	979,377	1,095,602	13,489,941
2032	13,489,941	971,231	1,080,402	13,380,770
2033	13,380,770	962,954	1,082,778	13,260,946
2034	13,260,946	954,195	1,076,688	13,138,453
2035	13,138,453	945,156	1,072,745	13,010,864
2036	13,010,864	936,673	1,043,779	12,903,758
2037	12,903,758	929,802	1,012,800	12,820,760
2038	12,820,760	924,254	994,750	12,750,264
2039	12,750,264	920,082	965,017	12,705,329
2040	12,705,329	917,550	942,645	12,680,234
2041	12,680,234	916,940	908,735	12,688,439
2042	12,688,439	918,350	887,540	12,719,249
2043	12,719,249	921,418	867,359	12,773,308

Number of years for which current market value of assets are 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:** N/A

**Certain Key Assumptions**

Valuation Investment Return Assumption 7.50%  
 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 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	13,141,846	958,112	734,044	13,365,914
2019	13,365,914	973,899	761,182	13,578,631
2020	13,578,631	986,523	849,983	13,715,171
2021	13,715,171	992,325	968,346	13,739,150
2022	13,739,150	993,970	972,437	13,760,683
2023	13,760,683	995,521	974,146	13,782,058
2024	13,782,058	997,671	959,549	13,820,180
2025	13,820,180	998,513	1,013,352	13,805,341
2026	13,805,341	997,142	1,020,217	13,782,266
2027	13,782,266	995,408	1,020,315	13,757,359
2028	13,757,359	993,552	1,019,999	13,730,912
2029	13,730,912	990,997	1,035,244	13,686,665
2030	13,686,665	986,488	1,066,987	13,606,166
2031	13,606,166	979,377	1,095,602	13,489,941
2032	13,489,941	971,231	1,080,402	13,380,770
2033	13,380,770	962,954	1,082,778	13,260,946
2034	13,260,946	954,195	1,076,688	13,138,453
2035	13,138,453	945,156	1,072,745	13,010,864
2036	13,010,864	936,673	1,043,779	12,903,758
2037	12,903,758	929,802	1,012,800	12,820,760
2038	12,820,760	924,254	994,750	12,750,264
2039	12,750,264	920,082	965,017	12,705,329
2040	12,705,329	917,550	942,645	12,680,234
2041	12,680,234	916,940	908,735	12,688,439
2042	12,688,439	918,350	887,540	12,719,249
2043	12,719,249	921,418	867,359	12,773,308

Number of years for which current market value of assets are 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:** N/A

**Certain Key Assumptions**

Valuation Investment Return Assumption 7.50%  
 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 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	13,141,846	702,615	734,044	13,110,417
2019	13,110,417	700,140	761,182	13,049,375
2020	13,049,375	694,341	849,983	12,893,733
2021	12,893,733	682,526	968,346	12,607,913
2022	12,607,913	666,693	972,437	12,302,169
2023	12,302,169	649,830	974,146	11,977,853
2024	11,977,853	632,394	959,549	11,650,698
2025	11,650,698	612,921	1,013,352	11,250,267
2026	11,250,267	590,709	1,020,217	10,820,759
2027	10,820,759	567,083	1,020,315	10,367,527
2028	10,367,527	542,164	1,019,999	9,889,692
2029	9,889,692	515,464	1,035,244	9,369,912
2030	9,369,912	486,003	1,066,987	8,788,928
2031	8,788,928	453,262	1,095,602	8,146,588
2032	8,146,588	418,351	1,080,402	7,484,537
2033	7,484,537	381,873	1,082,778	6,783,632
2034	6,783,632	343,491	1,076,688	6,050,435
2035	6,050,435	303,273	1,072,745	5,280,963
2036	5,280,963	261,749	1,043,779	4,498,933
2037	4,498,933	219,589	1,012,800	3,705,722
2038	3,705,722	176,459	994,750	2,887,431
2039	2,887,431	132,271	965,017	2,054,685
2040	2,054,685	87,085	942,645	1,199,125
2041	1,199,125	40,962	908,735	331,352
2042	331,352	-	887,540	-
2043	-	-	867,359	-

Number of years for which current market value of assets are 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:** 24.33

**Certain Key Assumptions**

Valuation Investment Return Assumption 5.50%  
 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	13,141,846	1,213,608	734,044	13,621,410
2019	13,621,410	1,257,878	761,182	14,118,106
2020	14,118,106	1,300,846	849,983	14,568,969
2021	14,568,969	1,338,056	968,346	14,938,679
2022	14,938,679	1,372,984	972,437	15,339,226
2023	15,339,226	1,410,955	974,146	15,776,035
2024	15,776,035	1,453,145	959,549	16,269,631
2025	16,269,631	1,497,481	1,013,352	16,753,760
2026	16,753,760	1,543,147	1,020,217	17,276,690
2027	17,276,690	1,592,821	1,020,315	17,849,196
2028	17,849,196	1,647,224	1,019,999	18,476,421
2029	18,476,421	1,706,086	1,035,244	19,147,263
2030	19,147,263	1,768,308	1,066,987	19,848,584
2031	19,848,584	1,833,574	1,095,602	20,586,556
2032	20,586,556	1,904,404	1,080,402	21,410,558
2033	21,410,558	1,982,571	1,082,778	22,310,351
2034	22,310,351	2,068,341	1,076,688	23,302,004
2035	23,302,004	2,162,735	1,072,745	24,391,994
2036	24,391,994	2,267,660	1,043,779	25,615,875
2037	25,615,875	2,385,400	1,012,800	26,988,475
2038	26,988,475	2,516,655	994,750	28,510,380
2039	28,510,380	2,662,648	965,017	30,208,011
2040	30,208,011	2,824,985	942,645	32,090,351
2041	32,090,351	3,005,418	908,735	34,187,034
2042	34,187,034	3,205,610	887,540	36,505,104
2043	36,505,104	3,426,785	867,359	39,064,530

Number of years for which current market value of assets are 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:**

N/A

### Certain Key Assumptions

Valuation Investment Return Assumption

9.50%

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 EMPLOYER CONTRIBUTION (ADEC)**

	Plans 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 Employer Contribution (ADEC) 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	12/31/2018	12/31/2018	12/31/2018	12/31/2018
D. Annual Payment to Amortize Unfunded Actuarial Liability	\$ 159,088	\$ 159,088	\$ 451,634	\$ 0
E. Employer Normal Cost	209,260	209,260	375,972	108,030
F. ADEC if Paid on Valuation Date: D + E	368,348	368,348	827,606	108,030
G. ADEC Adjusted for Contribution Timing	403,199	403,199	884,890	121,007
H. Covered Payroll for Contribution Year	3,363,931	3,363,931	3,363,931	3,363,931
I. ADEC as % of Covered Payroll in Contribution Year: G ÷ H	11.99 %	11.99 %	26.31 %	3.60 %
J. Expected Member Contributions (6.0%)	201,836	201,836	201,836	201,836
K. Total Contribution (including Members) in Contribution Year: G + J	605,035	605,035	1,086,726	322,843
L. Total Contribution as a % of covered payroll in Contribution Year: K ÷ H	17.99 %	17.99 %	32.31 %	9.60 %
M. Certain Key Assumptions				
Investment Return Assumption	7.50%	7.50%	5.50%	9.50%
Mortality Table	FRS Mortality - Regular Class	FRS Mortality - Regular Class	FRS Mortality - Regular Class	FRS Mortality - Regular Class