

CITY OF WILTON MANORS PENSION PLAN FOR GENERAL EMPLOYEES & POLICE OFFICERS

CHAPTER 112.664, F.S. COMPLIANCE REPORT

In Connection with the October 1, 2016 Funding Actuarial
Valuation Report and the Plan's Financial Reporting for the
Year Ending September 30, 2016





August 4, 2017

Board of Trustees
City of Wilton Manors Pension Plan for General Employees and Police Officers
Wilton Manors, Florida

Dear Board Members:

Gabriel, Roeder, Smith & Company (GRS) has been engaged by the City of Wilton Manors Pension Plan for General Employees and Police Officers 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, 2016. 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 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, 2016 actuarial valuation report. This report is also based on the Plan Provisions, census data, and financial information as summarized in our October 1, 2016 actuarial valuation report. Please refer to the October 1, 2016 actuarial valuation report, dated June 5, 2017, 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.

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.

Theora Braccialarghe and Melissa Moskowitz 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.

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 Theora Braccialarghe

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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,	<u>2016</u>
1. Total pension liability	
a. Service Cost	\$ 141,736
b. Interest	2,545,418
c. Benefit Changes	-
d. Difference between actual & expected experience	(360,289)
e. Assumption Changes	-
f. Benefit Payments	(2,706,165)
g. Contribution Refunds	-
h. Net Change in Total Pension Liability	<u>(379,300)</u>
i. Total Pension Liability - Beginning	<u>37,934,752</u>
j. Total Pension Liability - Ending	<u><u>\$ 37,555,452</u></u>
2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ 1,638,492
b. Contributions - Non-Employer Contributing Entity	-
c. Contributions - Member	63,650
d. Net Investment Income	1,717,354
e. Benefit Payments	(2,706,165)
f. Contribution Refunds	-
g. Administrative Expense	(95,119)
h. Other	(1)
i. Net Change in Plan Fiduciary Net Position	<u>618,211</u>
j. Plan Fiduciary Net Position - Beginning	<u>23,065,544</u>
k. Plan Fiduciary Net Position - Ending	<u><u>\$ 23,683,755</u></u>
3. Net Pension Liability / (Asset)	13,871,697
Certain Key Assumptions	
Valuation Date	10/01/2015
Measurement Date	09/30/2016
Investment Return Assumption	7.00%
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)(a), F.S.**

Fiscal year ending September 30,

	<u>2016</u>
1. Total pension liability	
a. Service Cost	\$ 141,736
b. Interest	2,545,418
c. Benefit Changes	-
d. Difference between actual & expected experience	(360,289)
e. Assumption Changes	-
f. Benefit Payments	(2,706,165)
g. Contribution Refunds	-
h. Net Change in Total Pension Liability	<u>(379,300)</u>
i. Total Pension Liability - Beginning	<u>37,934,752</u>
j. Total Pension Liability - Ending	<u>\$ 37,555,452</u>
2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ 1,638,492
b. Contributions - Non-Employer Contributing Entity	-
c. Contributions - Member	63,650
d. Net Investment Income	1,717,354
e. Benefit Payments	(2,706,165)
f. Contribution Refunds	-
g. Administrative Expense	(95,119)
h. Other	(1)
i. Net Change in Plan Fiduciary Net Position	<u>618,211</u>
j. Plan Fiduciary Net Position - Beginning	<u>23,065,544</u>
k. Plan Fiduciary Net Position - Ending	<u>\$ 23,683,755</u>
3. Net Pension Liability / (Asset)	13,871,697
Certain Key Assumptions	
Valuation Date	10/01/2015
Measurement Date	09/30/2016
Investment Return Assumption	7.00%
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>2016</u>
1. Total pension liability	
a. Service Cost	\$ 226,025
b. Interest	2,297,808
c. Benefit Changes	-
d. Difference between actual & expected experience	-
e. Assumption Changes	-
f. Benefit Payments	(2,706,165)
g. Contribution Refunds	-
h. Net Change in Total Pension Liability	<u>(182,332)</u>
i. Total Pension Liability - Beginning	<u>47,083,208</u>
j. Total Pension Liability - Ending	<u>\$ 46,900,876</u>
2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ 1,638,492
b. Contributions - Non-Employer Contributing Entity	-
c. Contributions - Member	63,650
d. Net Investment Income	1,717,354
e. Benefit Payments	(2,706,165)
f. Contribution Refunds	-
g. Administrative Expense	(95,119)
h. Other	(1)
i. Net Change in Plan Fiduciary Net Position	<u>618,211</u>
j. Plan Fiduciary Net Position - Beginning	<u>23,065,544</u>
k. Plan Fiduciary Net Position - Ending	<u>\$ 23,683,755</u>
3. Net Pension Liability / (Asset)	23,217,121
Certain Key Assumptions	
Valuation Date	10/01/2015
Measurement Date	09/30/2016
Investment Return Assumption	5.00%
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,	2016
1. Total pension liability	
a. Service Cost	\$ 93,443
b. Interest	2,679,173
c. Benefit Changes	-
d. Difference between actual & expected experience	-
e. Assumption Changes	-
f. Benefit Payments	(2,706,165)
g. Contribution Refunds	-
h. Net Change in Total Pension Liability	66,451
i. Total Pension Liability - Beginning	31,028,227
j. Total Pension Liability - Ending	\$ 31,094,678
 2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ 1,638,492
b. Contributions - Non-Employer Contributing Entity	-
c. Contributions - Member	63,650
d. Net Investment Income	1,717,354
e. Benefit Payments	(2,706,165)
f. Contribution Refunds	-
g. Administrative Expense	(95,119)
h. Other	(1)
i. Net Change in Plan Fiduciary Net Position	618,211
j. Plan Fiduciary Net Position - Beginning	23,065,544
k. Plan Fiduciary Net Position - Ending	\$ 23,683,755
 3. Net Pension Liability / (Asset)	7,410,923
 Certain Key Assumptions	
Valuation Date	10/01/2015
Measurement Date	09/30/2016
Investment Return Assumption	9.00%
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)
2017	23,406,901	1,548,013	2,584,866	22,370,048
2018	22,370,048	1,472,041	2,681,772	21,160,317
2019	21,160,317	1,384,728	2,756,975	19,788,070
2020	19,788,070	1,286,718	2,812,757	18,262,032
2021	18,262,032	1,178,812	2,843,725	16,597,118
2022	16,597,118	1,061,538	2,864,578	14,794,078
2023	14,794,078	935,151	2,869,565	12,859,664
2024	12,859,664	799,844	2,866,638	10,792,870
2025	10,792,870	655,411	2,859,726	8,588,555
2026	8,588,555	501,451	2,849,947	6,240,059
2027	6,240,059	337,359	2,841,299	3,736,118
2028	3,736,118	162,427	2,831,471	1,067,074
2029	1,067,074	-	2,815,116	-
2030	-	-	2,796,375	-
2031	-	-	2,775,103	-
2032	-	-	2,751,207	-
2033	-	-	2,724,550	-
2034	-	-	2,694,984	-
2035	-	-	2,662,402	-
2036	-	-	2,626,763	-
2037	-	-	2,588,195	-
2038	-	-	2,546,493	-
2039	-	-	2,501,297	-
2040	-	-	2,452,465	-
2041	-	-	2,400,002	-
2042	-	-	2,343,849	-

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:** 12.42

Certain Key Assumptions

Valuation Investment return assumption 7.00%
 Valuation Mortality Table FRS Mortality Rates from 7/1/16 FRS Valuation

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.

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)
2017	23,406,901	1,548,013	2,584,866	22,370,048
2018	22,370,048	1,472,041	2,681,772	21,160,317
2019	21,160,317	1,384,728	2,756,975	19,788,070
2020	19,788,070	1,286,718	2,812,757	18,262,032
2021	18,262,032	1,178,812	2,843,725	16,597,118
2022	16,597,118	1,061,538	2,864,578	14,794,078
2023	14,794,078	935,151	2,869,565	12,859,664
2024	12,859,664	799,844	2,866,638	10,792,870
2025	10,792,870	655,411	2,859,726	8,588,555
2026	8,588,555	501,451	2,849,947	6,240,059
2027	6,240,059	337,359	2,841,299	3,736,118
2028	3,736,118	162,427	2,831,471	1,067,074
2029	1,067,074	-	2,815,116	-
2030	-	-	2,796,375	-
2031	-	-	2,775,103	-
2032	-	-	2,751,207	-
2033	-	-	2,724,550	-
2034	-	-	2,694,984	-
2035	-	-	2,662,402	-
2036	-	-	2,626,763	-
2037	-	-	2,588,195	-
2038	-	-	2,546,493	-
2039	-	-	2,501,297	-
2040	-	-	2,452,465	-
2041	-	-	2,400,002	-
2042	-	-	2,343,849	-

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: 12.42

Certain Key Assumptions

Valuation Investment return assumption 7.00%
 Valuation Mortality Table FRS Mortality Rates from 7/1/16 FRS Valuation

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.

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)
2017	23,406,901	1,105,723	2,584,866	21,927,758
2018	21,927,758	1,029,344	2,681,772	20,275,330
2019	20,275,330	944,842	2,756,975	18,463,197
2020	18,463,197	852,841	2,812,757	16,503,281
2021	16,503,281	754,071	2,843,725	14,413,627
2022	14,413,627	649,067	2,864,578	12,198,116
2023	12,198,116	538,167	2,869,565	9,866,718
2024	9,866,718	421,670	2,866,638	7,421,750
2025	7,421,750	299,594	2,859,726	4,861,618
2026	4,861,618	171,832	2,849,947	2,183,503
2027	2,183,503	38,143	2,841,299	-
2028	-	-	2,831,471	-
2029	-	-	2,815,116	-
2030	-	-	2,796,375	-
2031	-	-	2,775,103	-
2032	-	-	2,751,207	-
2033	-	-	2,724,550	-
2034	-	-	2,694,984	-
2035	-	-	2,662,402	-
2036	-	-	2,626,763	-
2037	-	-	2,588,195	-
2038	-	-	2,546,493	-
2039	-	-	2,501,297	-
2040	-	-	2,452,465	-
2041	-	-	2,400,002	-
2042	-	-	2,343,849	-

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: 10.75

Certain Key Assumptions

Valuation Investment return assumption 5.00%
 Valuation Mortality Table FRS Mortality Rates from 7/1/16 FRS Valuation

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.

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)
2017	23,406,901	1,990,302	2,584,866	22,812,337
2018	22,812,337	1,932,431	2,681,772	22,062,996
2019	22,062,996	1,861,606	2,756,975	21,167,626
2020	21,167,626	1,778,512	2,812,757	20,133,382
2021	20,133,382	1,684,037	2,843,725	18,973,694
2022	18,973,694	1,578,726	2,864,578	17,687,842
2023	17,687,842	1,462,775	2,869,565	16,281,052
2024	16,281,052	1,336,296	2,866,638	14,750,710
2025	14,750,710	1,198,876	2,859,726	13,089,861
2026	13,089,861	1,049,840	2,849,947	11,289,753
2027	11,289,753	888,219	2,841,299	9,336,674
2028	9,336,674	712,884	2,831,471	7,218,087
2029	7,218,087	522,948	2,815,116	4,925,919
2030	4,925,919	317,496	2,796,375	2,447,040
2031	2,447,040	95,354	2,775,103	-
2032	-	-	2,751,207	-
2033	-	-	2,724,550	-
2034	-	-	2,694,984	-
2035	-	-	2,662,402	-
2036	-	-	2,626,763	-
2037	-	-	2,588,195	-
2038	-	-	2,546,493	-
2039	-	-	2,501,297	-
2040	-	-	2,452,465	-
2041	-	-	2,400,002	-
2042	-	-	2,343,849	-

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: 14.92

Certain Key Assumptions

Valuation Investment return assumption 9.00%
 Valuation Mortality Table FRS Mortality Rates from 7/1/16 FRS Valuation

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.

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, 2016	October 1, 2016	October 1, 2016	October 1, 2016
B. Actuarially Determined Contribution (ADC) to Be Paid During Fiscal Year Ending	9/30/2017	9/30/2017	9/30/2017	9/30/2017
C. Assumed Dates of Employer Contributions	Monthly	Monthly	Monthly	Monthly
D. Annual Payment to Amortize Unfunded Actuarial Liability	\$ 1,455,133	\$ 1,455,133	\$ 2,262,173	\$ 807,326
E. Total Normal Cost	235,162	235,162	320,524	187,010
F. Total ADC if Paid on Valuation Date: D + E	1,690,295	1,690,295	2,582,697	994,336
G. Total ADC Adjusted for Frequency of Payments	1,752,393	1,752,393	2,651,079	1,040,890
H. Total ADC Adjusted for Frequency of Payments as % of Covered Payroll	278.79 %	278.79 %	421.76 %	165.60 %
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	628,572	628,572	628,572	628,572
K. ADC for Contribution Year: H x J	1,752,393	1,752,393	2,651,079	1,040,890
L. Allowable Credit for State Revenue in Contribution Year	0	0	0	0
M Net ADC After State Revenue in Contribution Year	1,752,393	1,752,393	2,651,079	1,040,890
N. Net ADC as % of Covered Payroll in Contribution Year: M ÷ J	278.79 %	278.79 %	421.76 %	165.60 %
O. Expected Member Contributions in Contribution Year: K - O	67,151	67,151	67,151	67,151
P. Employer Contribution in Contribution Year: K - O	1,685,242	1,685,242	2,583,928	973,739
Q. Employer Contribution as a % of covered payroll in Contribution Year: P ÷ J	268.11 %	268.11 %	411.08 %	154.91 %
R. Certain Key Assumptions				
Investment Return Assumption	7.00%	7.00%	5.00%	9.00%
Mortality Table	FRS Mortality Rates from 7/1/16 FRS Valuation			