

**CITY OF LAUDERHILL POLICE OFFICERS'
RETIREMENT SYSTEM**

**SECTION 112.664, FLORIDA STATUTES
COMPLIANCE**

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 me or under my direct supervision and I acknowledge responsibility for the results. To the best of my knowledge, the results are complete and accurate, and in my opinion, meet the requirements of Section 112.664(1), Florida Statutes, and Section 60T-1.0035, Florida Administrative Code.

By:



Date:

6/4/19

Donald A. DuLaney, Jr. A.S.A., E.A.
Senior Consulting Actuary
Enrolled Actuary #17-4191

DuLaney and Company

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INTRODUCTION

Section 112.664, F.S. Requirements

When reviewing the report, please note the following:

DuLaney and Company has prepared this report in order to satisfy the requirements set forth under Florida Statutes (FS) 112.664 and Ch. 60T-1.0035, F.A.C. These schedules have no impact on the funding requirements of the Plan. We have uploaded the semi-colon delimited file as described under Ch. 60T-1.0035.

The actuarial funding assumptions shown in our October 1, 2018 actuarial valuation report have been used in the preparation of this report, except as required for certain disclosures herein.

This report contains figures using an investment return assumption that is 2.0% higher than the actual funding assumption, in order to provide a balanced view, in light of the requirement to use an investment return assumption that is 2.0% lower than the actual funding assumption.

The schedules showing the projected number of years until the Fund becomes insolvent are required, but do not reflect what will occur. This is because no future contributions from any current funding source are assumed, as required for these disclosures, contrary to Florida Statutes.

	Actual	Under Section 112.664(1)(a), F.S.	Under Section 112.664(1)(b), F.S.	Under Section 112.664(1)(b), F.S.
	Discount Rate: 7.25%	Discount Rate: 7.25%	Discount Rate: 5.25%	Discount Rate: 9.25%
	FRS 7/1/2017 Mortality 9/30/2018	FRS 7/1/2017 Mortality 9/30/2018	FRS 7/1/2017 Mortality 9/30/2018	FRS 7/1/2017 Mortality 9/30/2018
1. Total pension liability:				
a. Service cost	\$ 2,185,515	\$ 2,185,515	\$ 3,444,053	\$ 1,435,928
b. Interest	\$ 5,934,377	\$ 5,934,377	\$ 5,600,403	\$ 6,040,899
c. Benefit changes	\$ -	\$ -	\$ -	\$ -
d. Difference between expected and actual experience	\$ (1,416,213)	\$ (1,416,213)	\$ (1,431,671)	\$ (1,394,936)
e. Changes in assumptions	\$ 1,404,520	\$ 1,404,520	\$ 2,141,377	\$ 967,918
f. Benefit payments	\$ (3,950,070)	\$ (3,950,070)	\$ (3,950,070)	\$ (3,950,070)
g. Contribution refunds	\$ (10,095)	\$ (10,095)	\$ (10,095)	\$ (10,095)
h. Net change in total pension liability	\$ 4,148,034	\$ 4,148,034	\$ 5,793,997	\$ 3,089,644
i. Total pension liability – beginning	\$ 80,243,530	\$ 80,243,530	\$ 103,068,997	\$ 64,883,255
j. Total pension liability – ending	\$ 84,391,564	\$ 84,391,564	\$ 108,862,994	\$ 67,972,899
2. Plan fiduciary net position:				
a. Contributions – City	\$ 2,938,028	\$ 2,938,028	\$ 2,938,028	\$ 2,938,028
b. Contributions – State	\$ -	\$ -	\$ -	\$ -
c. Contributions – Member	\$ 954,885	\$ 954,885	\$ 954,885	\$ 954,885
d. Net investment income	\$ 5,006,434	\$ 5,006,434	\$ 5,006,434	\$ 5,006,434
e. Benefit payments	\$ (3,950,070)	\$ (3,950,070)	\$ (3,950,070)	\$ (3,950,070)
f. Contributions refunds	\$ (10,095)	\$ (10,095)	\$ (10,095)	\$ (10,095)
g. Administrative expense	\$ (141,321)	\$ (141,321)	\$ (141,321)	\$ (141,321)
h. Other	\$ -	\$ -	\$ -	\$ -
i. Net change in plan fiduciary net position	\$ 4,797,861	\$ 4,797,861	\$ 4,797,861	\$ 4,797,861
j. Plan fiduciary net position – beginning	\$ 66,483,336	\$ 66,483,336	\$ 66,483,336	\$ 66,483,336
k. Plan fiduciary net position – ending	\$ 71,281,197	\$ 71,281,197	\$ 71,281,197	\$ 71,281,197
3. Net pension liability/(asset) [(a)1.j. minus (a)2.k.]	\$ 13,110,367	\$ 13,110,367	\$ 37,581,797	\$ (3,308,298)

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Plan Assumptions: 7.25% and FRS 7/1/2017 Mortality

<u>Year</u>	<u>Projected Beginning Fiduciary Net Position</u>	<u>Projected Benefit Payments</u>	<u>Projected Investment Earnings</u>	<u>Projected Ending Fiduciary Net Position</u>
10/1/2018	\$69,253,723	\$4,082,542	\$4,872,903	\$70,044,084
10/1/2019	\$70,044,084	\$4,316,139	\$4,921,736	\$70,649,681
10/1/2020	\$70,649,681	\$4,381,376	\$4,963,277	\$71,231,582
10/1/2021	\$71,231,582	\$4,462,762	\$5,002,515	\$71,771,334
10/1/2022	\$71,771,334	\$4,759,926	\$5,030,874	\$72,042,283
10/1/2023	\$72,042,283	\$5,001,978	\$5,041,744	\$72,082,049
10/1/2024	\$72,082,049	\$5,222,936	\$5,036,617	\$71,895,730
10/1/2025	\$71,895,730	\$5,579,924	\$5,010,168	\$71,325,974
10/1/2026	\$71,325,974	\$5,778,452	\$4,961,664	\$70,509,186
10/1/2027	\$70,509,186	\$5,988,793	\$4,894,822	\$69,415,215
10/1/2028	\$69,415,215	\$6,049,221	\$4,813,319	\$68,179,313
10/1/2029	\$68,179,313	\$6,138,797	\$4,720,469	\$66,760,985
10/1/2030	\$66,760,985	\$6,208,261	\$4,615,122	\$65,167,846
10/1/2031	\$65,167,846	\$6,199,976	\$4,499,920	\$63,467,790
10/1/2032	\$63,467,790	\$6,174,304	\$4,377,596	\$61,671,082
10/1/2033	\$61,671,082	\$6,193,740	\$4,246,630	\$59,723,972
10/1/2034	\$59,723,972	\$6,203,190	\$4,105,122	\$57,625,904
10/1/2035	\$57,625,904	\$6,262,533	\$3,950,861	\$55,314,233
10/1/2036	\$55,314,233	\$6,256,280	\$3,783,492	\$52,841,444
10/1/2037	\$52,841,444	\$6,242,672	\$3,604,708	\$50,203,480
10/1/2038	\$50,203,480	\$6,233,084	\$3,413,803	\$47,384,199
10/1/2039	\$47,384,199	\$6,219,916	\$3,209,882	\$44,374,166
10/1/2040	\$44,374,166	\$6,150,431	\$2,994,174	\$41,217,909
10/1/2041	\$41,217,909	\$6,072,619	\$2,768,166	\$37,913,456
10/1/2042	\$37,913,456	\$6,002,129	\$2,531,148	\$34,442,475
10/1/2043	\$34,442,475	\$5,918,135	\$2,282,547	\$30,806,887

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10/1/2044	\$30,806,887	\$5,815,269	\$2,022,696	\$27,014,314
10/1/2045	\$27,014,314	\$5,714,588	\$1,751,384	\$23,051,110
10/1/2046	\$23,051,110	\$5,597,239	\$1,468,306	\$18,922,176
10/1/2047	\$18,922,176	\$5,471,901	\$1,173,501	\$14,623,777
10/1/2048	\$14,623,777	\$5,338,429	\$866,706	\$10,152,054
10/1/2049	\$10,152,054	\$5,197,802	\$547,604	\$5,501,855
10/1/2050	\$5,501,855	\$5,056,773	\$215,576	\$660,659
10/1/2051	\$660,659	\$4,907,799		

Number of Years Expected Benefit Payments Sustained: 33.13

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.

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Plan Assumptions: 7.25% and FRS 7/1/2017 Mortality

<u>Year</u>	<u>Projected Beginning Fiduciary Net Position</u>	<u>Projected Benefit Payments</u>	<u>Projected Investment Earnings</u>	<u>Projected Ending Fiduciary Net Position</u>
10/1/2018	\$69,253,723	\$4,082,542	\$4,872,903	\$70,044,084
10/1/2019	\$70,044,084	\$4,316,139	\$4,921,736	\$70,649,681
10/1/2020	\$70,649,681	\$4,381,376	\$4,963,277	\$71,231,582
10/1/2021	\$71,231,582	\$4,462,762	\$5,002,515	\$71,771,334
10/1/2022	\$71,771,334	\$4,759,926	\$5,030,874	\$72,042,283
10/1/2023	\$72,042,283	\$5,001,978	\$5,041,744	\$72,082,049
10/1/2024	\$72,082,049	\$5,222,936	\$5,036,617	\$71,895,730
10/1/2025	\$71,895,730	\$5,579,924	\$5,010,168	\$71,325,974
10/1/2026	\$71,325,974	\$5,778,452	\$4,961,664	\$70,509,186
10/1/2027	\$70,509,186	\$5,988,793	\$4,894,822	\$69,415,215
10/1/2028	\$69,415,215	\$6,049,221	\$4,813,319	\$68,179,313
10/1/2029	\$68,179,313	\$6,138,797	\$4,720,469	\$66,760,985
10/1/2030	\$66,760,985	\$6,208,261	\$4,615,122	\$65,167,846
10/1/2031	\$65,167,846	\$6,199,976	\$4,499,920	\$63,467,790
10/1/2032	\$63,467,790	\$6,174,304	\$4,377,596	\$61,671,082
10/1/2033	\$61,671,082	\$6,193,740	\$4,246,630	\$59,723,972
10/1/2034	\$59,723,972	\$6,203,190	\$4,105,122	\$57,625,904
10/1/2035	\$57,625,904	\$6,262,533	\$3,950,861	\$55,314,233
10/1/2036	\$55,314,233	\$6,256,280	\$3,783,492	\$52,841,444
10/1/2037	\$52,841,444	\$6,242,672	\$3,604,708	\$50,203,480
10/1/2038	\$50,203,480	\$6,233,084	\$3,413,803	\$47,384,199
10/1/2039	\$47,384,199	\$6,219,916	\$3,209,882	\$44,374,166
10/1/2040	\$44,374,166	\$6,150,431	\$2,994,174	\$41,217,909
10/1/2041	\$41,217,909	\$6,072,619	\$2,768,166	\$37,913,456
10/1/2042	\$37,913,456	\$6,002,129	\$2,531,148	\$34,442,475
10/1/2043	\$34,442,475	\$5,918,135	\$2,282,547	\$30,806,887

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10/1/2044	\$30,806,887	\$5,815,269	\$2,022,696	\$27,014,314
10/1/2045	\$27,014,314	\$5,714,588	\$1,751,384	\$23,051,110
10/1/2046	\$23,051,110	\$5,597,239	\$1,468,306	\$18,922,176
10/1/2047	\$18,922,176	\$5,471,901	\$1,173,501	\$14,623,777
10/1/2048	\$14,623,777	\$5,338,429	\$866,706	\$10,152,054
10/1/2049	\$10,152,054	\$5,197,802	\$547,604	\$5,501,855
10/1/2050	\$5,501,855	\$5,056,773	\$215,576	\$660,659
10/1/2051	\$660,659	\$4,907,799		

Number of Years Expected Benefit Payments Sustained: 33.13

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.

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Plan Assumptions: 5.25% and FRS 7/1/2017 Mortality

<u>Year</u>	<u>Projected Beginning Fiduciary Net Position</u>	<u>Projected Benefit Payments</u>	<u>Projected Investment Earnings</u>	<u>Projected Ending Fiduciary Net Position</u>
10/1/2018	\$69,253,723	\$4,082,542	\$3,528,654	\$68,699,835
10/1/2019	\$68,699,835	\$4,316,139	\$3,493,443	\$67,877,138
10/1/2020	\$67,877,138	\$4,381,376	\$3,448,539	\$66,944,301
10/1/2021	\$66,944,301	\$4,462,762	\$3,397,428	\$65,878,967
10/1/2022	\$65,878,967	\$4,759,926	\$3,333,698	\$64,452,739
10/1/2023	\$64,452,739	\$5,001,978	\$3,252,467	\$62,703,228
10/1/2024	\$62,703,228	\$5,222,936	\$3,154,817	\$60,635,109
10/1/2025	\$60,635,109	\$5,579,924	\$3,036,870	\$58,092,056
10/1/2026	\$58,092,056	\$5,778,452	\$2,898,149	\$55,211,752
10/1/2027	\$55,211,752	\$5,988,793	\$2,741,411	\$51,964,370
10/1/2028	\$51,964,370	\$6,049,221	\$2,569,337	\$48,484,487
10/1/2029	\$48,484,487	\$6,138,797	\$2,384,292	\$44,729,982
10/1/2030	\$44,729,982	\$6,208,261	\$2,185,357	\$40,707,078
10/1/2031	\$40,707,078	\$6,199,976	\$1,974,372	\$36,481,474
10/1/2032	\$36,481,474	\$6,174,304	\$1,753,202	\$32,060,372
10/1/2033	\$32,060,372	\$6,193,740	\$1,520,584	\$27,387,216
10/1/2034	\$27,387,216	\$6,203,190	\$1,274,995	\$22,459,021
10/1/2035	\$22,459,021	\$6,262,533	\$1,014,707	\$17,211,195
10/1/2036	\$17,211,195	\$6,256,280	\$739,360	\$11,694,276
10/1/2037	\$11,694,276	\$6,242,672	\$450,079	\$5,901,683
10/1/2038	\$5,901,683	\$6,233,084		

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Number of Years Expected Benefit Payments Sustained: 20.95

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.

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Plan Assumptions: 9.25% and FRS 7/1/2017 Mortality

<u>Year</u>	<u>Projected Beginning Fiduciary Net Position</u>	<u>Projected Benefit Payments</u>	<u>Projected Investment Earnings</u>	<u>Projected Ending Fiduciary Net Position</u>
10/1/2018	\$69,253,723	\$4,082,542	\$6,217,152	\$71,388,333
10/1/2019	\$71,388,333	\$4,316,139	\$6,403,799	\$73,475,993
10/1/2020	\$73,475,993	\$4,381,376	\$6,593,891	\$75,688,508
10/1/2021	\$75,688,508	\$4,462,762	\$6,794,784	\$78,020,530
10/1/2022	\$78,020,530	\$4,759,926	\$6,996,752	\$80,257,357
10/1/2023	\$80,257,357	\$5,001,978	\$7,192,464	\$82,447,843
10/1/2024	\$82,447,843	\$5,222,936	\$7,384,865	\$84,609,771
10/1/2025	\$84,609,771	\$5,579,924	\$7,568,332	\$86,598,180
10/1/2026	\$86,598,180	\$5,778,452	\$7,743,078	\$88,562,806
10/1/2027	\$88,562,806	\$5,988,793	\$7,915,078	\$90,489,091
10/1/2028	\$90,489,091	\$6,049,221	\$8,090,464	\$92,530,334
10/1/2029	\$92,530,334	\$6,138,797	\$8,275,137	\$94,666,674
10/1/2030	\$94,666,674	\$6,208,261	\$8,469,535	\$96,927,948
10/1/2031	\$96,927,948	\$6,199,976	\$8,679,086	\$99,407,058
10/1/2032	\$99,407,058	\$6,174,304	\$8,909,591	\$102,142,345
10/1/2033	\$102,142,345	\$6,193,740	\$9,161,706	\$105,110,312
10/1/2034	\$105,110,312	\$6,203,190	\$9,435,806	\$108,342,928
10/1/2035	\$108,342,928	\$6,262,533	\$9,732,079	\$111,812,474
10/1/2036	\$111,812,474	\$6,256,280	\$10,053,301	\$115,609,495
10/1/2037	\$115,609,495	\$6,242,672	\$10,405,155	\$119,771,978
10/1/2038	\$119,771,978	\$6,233,084	\$10,790,628	\$124,329,521
10/1/2039	\$124,329,521	\$6,219,916	\$11,212,810	\$129,322,415
10/1/2040	\$129,322,415	\$6,150,431	\$11,677,866	\$134,849,850
10/1/2041	\$134,849,850	\$6,072,619	\$12,192,752	\$140,969,983
10/1/2042	\$140,969,983	\$6,002,129	\$12,762,125	\$147,729,979
10/1/2043	\$147,729,979	\$5,918,135	\$13,391,309	\$155,203,154

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10/1/2044	\$155,203,154	\$5,815,269	\$14,087,336	\$163,475,220
10/1/2045	\$163,475,220	\$5,714,588	\$14,857,158	\$172,617,790
10/1/2046	\$172,617,790	\$5,597,239	\$15,708,273	\$182,728,825
10/1/2047	\$182,728,825	\$5,471,901	\$16,649,341	\$193,906,265
10/1/2048	\$193,906,265	\$5,338,429	\$17,689,427	\$206,257,263
10/1/2049	\$206,257,263	\$5,197,802	\$18,838,398	\$219,897,859
10/1/2050	\$219,897,859	\$5,056,773	\$20,106,676	\$234,947,763
10/1/2051	\$234,947,763	\$4,907,799	\$21,505,682	\$251,545,646
10/1/2052	\$251,545,646	\$4,750,494	\$23,048,262	\$269,843,414
10/1/2053	\$269,843,414	\$4,585,824	\$24,748,421	\$290,006,011
10/1/2054	\$290,006,011	\$4,415,171	\$26,621,354	\$312,212,195
10/1/2055	\$312,212,195	\$4,237,106	\$28,683,662	\$336,658,750
10/1/2056	\$336,658,750	\$4,053,608	\$30,953,455	\$363,558,597
10/1/2057	\$363,558,597	\$3,863,663	\$33,450,476	\$393,145,410
10/1/2058	\$393,145,410	\$3,666,753	\$36,196,363	\$425,675,020
10/1/2059	\$425,675,020	\$3,464,003	\$39,214,729	\$461,425,747
10/1/2060	\$461,425,747	\$3,256,377	\$42,531,274	\$500,700,644
10/1/2061	\$500,700,644	\$3,045,614	\$46,173,950	\$543,828,980
10/1/2062	\$543,828,980	\$2,833,286	\$50,173,141	\$591,168,835

Number of Years Expected Benefit Payments Sustained: 999.99

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.

ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR
 ENDING SEPTEMBER 30, 2019
 Valuation Date: 10/1/2018

	<u>ACTUAL</u>			
	<u>Interest Rate: 7.25%</u>	<u>Interest Rate: 7.25%</u>	<u>Interest Rate: 5.25%</u>	<u>Interest Rate: 9.25%</u>
PENSION COST	<u>FRS 7/1/2017 Mortality</u>	<u>FRS 7/1/2017 Mortality</u>	<u>FRS 7/1/2017 Mortality</u>	<u>FRS 7/1/2017 Mortality</u>
Normal Cost	2,268,458	2,268,458	3,580,089	1,488,349
Administrative Expenses	141,321	141,321	141,321	141,321
Payment Required to Amortize UAAL	1,413,309	1,413,309	3,150,392	(87,936)
Interest Adjustment	109,498	109,498	164,662	28,819
Total Required Contribution	3,932,586	3,932,586	7,036,464	1,570,553
TRC as % of Payroll	41.74%	41.74%	74.68%	16.67%

*City 27.08%

Member 10.00%

State 4.66%