

CITY OF HOLLYWOOD GENERAL EMPLOYEES' RETIREMENT SYSTEM
Chapter 112.664, F.S. Compliance Report
In Connection with the October 1, 2015 Funding Actuarial Valuation Report
And the Plan's Financial Reporting for the Year Ending September 30, 2015



May 16, 2016

Board of Trustees
City of Hollywood
General Employees' Retirement System
Hollywood, Florida

Dear Board Members:

Gabriel, Roeder, Smith & Company (GRS) has been engaged by the City of Hollywood General Employees' Retirement System 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 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, 2015. 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 otherwise audit the data. We are not responsible for the accuracy or completeness of the information provided by the Plan Administrator and 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, 2015 actuarial valuation report and the GASB 67 disclosure letter for the fiscal year ending September 30, 2015. This report is also based on the plan provisions, census data, and financial information as summarized in our October 1, 2015 actuarial valuation report and September 30, 2015 GASB 67 disclosure letter. Please refer to the October 1, 2015 actuarial valuation report, dated March 15, 2016, and GASB 67 letter, dated February 12, 2016 for summaries and descriptions of this information. As directed, the Net Pension Liability calculations do not include the liability load to prefund the Supplemental Pension Distributions assumed to be paid after the fiscal year ending September 30, 2014.

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.


Jeffrey Amrose 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 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), F.S. and Section 60T-1.0035, F.A.C.

Respectfully submitted,

GABRIEL, ROEDER, SMITH AND COMPANY

By 

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Senior Consultant & Actuary

By 

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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>2015</u>
1. Total pension liability	
a. Service Cost	\$ 4,587,285
b. Interest	33,065,052
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	1,839,725
e. Assumption Changes	4,976,256
f. Benefit Payments	(31,649,219)
g. Contribution Refunds	(434,468)
h. Net Change in Total Pension Liability	<u>12,384,631</u>
i. Total Pension Liability - Beginning	<u>424,767,705</u>
j. Total Pension Liability - Ending	<u><u>\$ 437,152,336</u></u>
2. Plan Fiduciary Net Position	
a. Contributions - Employer and Non-Employer (from City and County)	\$ 23,224,862
b. Contributions - State	-
c. Contributions - Member	2,604,831
d. Net Investment Income	5,108,678
e. Benefit Payments	(31,649,219)
f. Contribution Refunds	(434,468)
g. Administrative Expense	(287,053)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	<u>(1,432,369)</u>
j. Plan Fiduciary Net Position - Beginning	<u>287,775,008</u>
k. Plan Fiduciary Net Position - Ending	<u><u>\$ 286,342,639</u></u>
3. Net Pension Liability / (Asset)	150,809,697
Certain Key Assumptions	
Valuation Date	10/01/2014
Measurement Date	09/30/2015
Investment Return Assumption	7.90%
Mortality Table	RP-2000 projected to 2016 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>2015</u>
1. Total pension liability	
a. Service Cost	\$ 4,297,630
b. Interest	33,676,128
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	-
e. Assumption Changes	-
f. Benefit Payments	(31,649,219)
g. Contribution Refunds	(434,468)
h. Net Change in Total Pension Liability	<u>5,890,071</u>
i. Total Pension Liability - Beginning	<u>438,024,316</u>
j. Total Pension Liability - Ending	<u><u>\$ 443,914,387</u></u>
2. Plan Fiduciary Net Position	
a. Contributions - Employer and Non-Employer (from City and County)	\$ 23,224,862
b. Contributions - State	-
c. Contributions - Member	2,604,831
d. Net Investment Income	5,108,678
e. Benefit Payments	(31,649,219)
f. Contribution Refunds	(434,468)
g. Administrative Expense	(287,053)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	<u>(1,432,369)</u>
j. Plan Fiduciary Net Position - Beginning	<u>287,775,008</u>
k. Plan Fiduciary Net Position - Ending	<u><u>\$ 286,342,639</u></u>
3. Net Pension Liability / (Asset)	157,571,748
Certain Key Assumptions	
Valuation Date	10/01/2014
Measurement Date	09/30/2015
Investment Return Assumption	7.90%
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>2015</u>
1. Total pension liability	
a. Service Cost	\$ 6,539,569
b. Interest	31,288,224
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	-
e. Assumption Changes	-
f. Benefit Payments	(31,649,219)
g. Contribution Refunds	(434,468)
h. Net Change in Total Pension Liability	<u>5,744,106</u>
i. Total Pension Liability - Beginning	<u>539,811,149</u>
j. Total Pension Liability - Ending	<u>\$ 545,555,255</u>
 2. Plan Fiduciary Net Position	
a. Contributions - Employer and Non-Employer (from City and County)	\$ 23,224,862
b. Contributions - State	-
c. Contributions - Member	2,604,831
d. Net Investment Income	5,108,678
e. Benefit Payments	(31,649,219)
f. Contribution Refunds	(434,468)
g. Administrative Expense	(287,053)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	<u>(1,432,369)</u>
j. Plan Fiduciary Net Position - Beginning	<u>287,775,008</u>
k. Plan Fiduciary Net Position - Ending	<u>\$ 286,342,639</u>
 3. Net Pension Liability / (Asset)	 259,212,616
 Certain Key Assumptions	
Valuation Date	10/01/2014
Measurement Date	09/30/2015
Investment Return Assumption	5.90%
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>2015</u>
1. Total pension liability	
a. Service Cost	\$ 2,954,303
b. Interest	34,916,045
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	-
e. Assumption Changes	-
f. Benefit Payments	(31,649,219)
g. Contribution Refunds	(434,468)
h. Net Change in Total Pension Liability	<u>5,786,661</u>
i. Total Pension Liability - Beginning	<u>365,774,864</u>
j. Total Pension Liability - Ending	<u>\$ 371,561,525</u>
2. Plan Fiduciary Net Position	
a. Contributions - Employer and Non-Employer (from City and County)	\$ 23,224,862
b. Contributions - State	-
c. Contributions - Member	2,604,831
d. Net Investment Income	5,108,678
e. Benefit Payments	(31,649,219)
f. Contribution Refunds	(434,468)
g. Administrative Expense	(287,053)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	<u>(1,432,369)</u>
j. Plan Fiduciary Net Position - Beginning	<u>287,775,008</u>
k. Plan Fiduciary Net Position - Ending	<u>\$ 286,342,639</u>
3. Net Pension Liability / (Asset)	85,218,886
Certain Key Assumptions	
Valuation Date	10/01/2014
Measurement Date	09/30/2015
Investment Return Assumption	9.90%
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 Latest Actuarial Valuation**

FYE	Market Value of Assets (BOY)	Investment Return	Projected Benefit Payments	Market Value of Assets (EOY)
2016	264,577,179	19,470,739	29,904,637	254,143,281
2017	254,143,281	18,618,982	30,876,759	241,885,504
2018	241,885,504	17,631,186	31,689,310	227,827,380
2019	227,827,380	16,499,216	32,597,937	211,728,659
2020	211,728,659	15,200,742	33,694,692	193,234,709
2021	193,234,709	13,724,667	34,554,869	172,404,507
2022	172,404,507	12,069,020	35,346,958	149,126,569
2023	149,126,569	10,218,394	36,243,026	123,101,937
2024	123,101,937	8,150,662	37,212,549	94,040,050
2025	94,040,050	5,852,925	38,005,111	61,887,864
2026	61,887,864	3,311,820	38,857,274	26,342,410
2027	26,342,410	513,903	39,507,830	-
2028	-	-	39,923,734	-
2029	-	-	40,140,153	-
2030	-	-	40,178,476	-
2031	-	-	40,146,439	-
2032	-	-	39,917,105	-
2033	-	-	39,608,739	-
2034	-	-	39,093,324	-
2035	-	-	38,520,349	-
2036	-	-	37,865,541	-
2037	-	-	37,096,562	-
2038	-	-	36,272,497	-
2039	-	-	35,299,025	-
2040	-	-	34,277,797	-
2041	-	-	33,128,882	-

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:** 11.67

Certain Key Assumptions

Valuation Investment return assumption 7.80%
Valuation Mortality Table RP-2000 projected to 2016 using Scale AA

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)	Investment Return	Projected Benefit Payments	Market Value of Assets (EOY)
2016	264,577,179	19,470,748	29,904,411	254,143,516
2017	254,143,516	18,619,024	30,876,173	241,886,367
2018	241,886,367	17,631,182	31,691,141	227,826,408
2019	227,826,408	16,498,841	32,605,611	211,719,638
2020	211,719,638	15,199,345	33,712,472	193,206,511
2021	193,206,511	13,721,195	34,587,511	172,340,195
2022	172,340,195	12,061,940	35,399,871	149,002,264
2023	149,002,264	10,205,613	36,322,143	122,885,734
2024	122,885,734	8,129,417	37,324,882	93,690,269
2025	93,690,269	5,819,688	38,157,761	61,352,196
2026	61,352,196	3,262,160	39,059,263	25,555,093
2027	25,555,093	442,366	39,767,471	-
2028	-	-	40,249,939	-
2029	-	-	40,543,508	-
2030	-	-	40,669,012	-
2031	-	-	40,734,085	-
2032	-	-	40,613,735	-
2033	-	-	40,423,688	-
2034	-	-	40,039,278	-
2035	-	-	39,604,800	-
2036	-	-	39,096,513	-
2037	-	-	38,480,717	-
2038	-	-	37,812,719	-
2039	-	-	36,999,405	-
2040	-	-	36,136,263	-
2041	-	-	35,145,269	-

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:**

11.58

Certain Key Assumptions

Valuation Investment return assumption

7.80%

Valuation Mortality Table

RP-2000 fully generational using Scale AA

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)	Investment Return	Projected Benefit Payments	Market Value of Assets (EOY)
2016	264,577,179	14,478,248	29,904,411	249,151,016
2017	249,151,016	13,555,350	30,876,173	231,830,193
2018	231,830,193	12,527,108	31,691,141	212,666,160
2019	212,666,160	11,389,075	32,605,611	191,449,624
2020	191,449,624	10,126,417	33,712,472	167,863,569
2021	167,863,569	8,733,049	34,587,511	142,009,107
2022	142,009,107	7,209,932	35,399,871	113,819,168
2023	113,819,168	5,548,170	36,322,143	83,045,195
2024	83,045,195	3,734,200	37,324,882	49,454,513
2025	49,454,513	1,761,787	38,157,761	13,058,539
2026	13,058,539	-	39,059,263	-
2027	-	-	39,767,471	-
2028	-	-	40,249,939	-
2029	-	-	40,543,508	-
2030	-	-	40,669,012	-
2031	-	-	40,734,085	-
2032	-	-	40,613,735	-
2033	-	-	40,423,688	-
2034	-	-	40,039,278	-
2035	-	-	39,604,800	-
2036	-	-	39,096,513	-
2037	-	-	38,480,717	-
2038	-	-	37,812,719	-
2039	-	-	36,999,405	-
2040	-	-	36,136,263	-
2041	-	-	35,145,269	-

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:** 10.33

Certain Key Assumptions

Valuation Investment return assumption 5.80%
Valuation Mortality Table RP-2000 fully generational using Scale AA

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)	Investment Return	Projected Benefit Payments	Market Value of Assets (EOY)
2016	264,577,179	24,463,247	29,904,411	259,136,015
2017	259,136,015	23,882,397	30,876,173	252,142,239
2018	252,142,239	23,157,074	31,691,141	243,608,172
2019	243,608,172	22,275,926	32,605,611	233,278,487
2020	233,278,487	21,209,381	33,712,472	220,775,396
2021	220,775,396	19,941,201	34,587,511	206,129,086
2022	206,129,086	18,466,057	35,399,871	189,195,272
2023	189,195,272	16,761,352	36,322,143	169,634,481
2024	169,634,481	14,795,260	37,324,882	147,104,859
2025	147,104,859	12,546,546	38,157,761	121,493,644
2026	121,493,644	9,992,473	39,059,263	92,426,854
2027	92,426,854	7,109,226	39,767,471	59,768,609
2028	59,768,609	3,885,077	40,249,939	23,403,747
2029	23,403,747	306,935	40,543,508	-
2030	-	-	40,669,012	-
2031	-	-	40,734,085	-
2032	-	-	40,613,735	-
2033	-	-	40,423,688	-
2034	-	-	40,039,278	-
2035	-	-	39,604,800	-
2036	-	-	39,096,513	-
2037	-	-	38,480,717	-
2038	-	-	37,812,719	-
2039	-	-	36,999,405	-
2040	-	-	36,136,263	-
2041	-	-	35,145,269	-

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:** 13.50

Certain Key Assumptions

Valuation Investment return assumption 9.80%
Valuation Mortality Table RP-2000 fully generational using Scale AA

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				
	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
	October 1, 2015	October 1, 2015	October 1, 2015	October 1, 2015
A. Valuation Date	October 1, 2015	October 1, 2015	October 1, 2015	October 1, 2015
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	Biweekly	Biweekly	Biweekly	Biweekly
D. Annual Payment to Amortize Unfunded Actuarial Liability	\$ 19,441,178	\$ 20,044,061	\$ 24,709,132	\$ 14,598,117
E. Employer Normal Cost	2,270,522	2,461,224	5,004,508	934,583
F. ADC if Paid on Valuation Date: D + E	21,711,700	22,505,285	29,713,640	15,532,700
G. ADC Adjusted for Frequency of Payments	22,559,241	23,383,891	30,584,250	16,287,589
H. ADC Adjusted for Frequency of Payments as % of Covered Payroll	66.08 %	68.49 %	89.58 %	47.71 %
I. Assumed Rate of Increase in Covered Payroll to Contribution Year	3.50 %	3.50 %	3.50 %	3.50 %
J. Covered Payroll for Contribution Year	35,335,959	35,335,959	35,335,959	35,335,959
K. ADC for Contribution Year: H x J	23,350,002	24,201,598	31,653,952	16,858,786
L. Estimated Credit for State Revenue in Contribution Year	0	0	0	0
M. Employer ADC in Contribution Year	23,350,002	24,201,598	31,653,952	16,858,786
N. Employer ADC as % of Covered Payroll in Contribution Year: M ÷ J	66.08 %	68.49 %	89.58 %	47.71 %
O. Expected Member Contributions	2,826,877	2,826,877	2,826,877	2,826,877
P. Total Contribution (including Members) in Contributing Year	26,176,879	27,028,475	34,480,829	19,685,663
Q. Total Contribution as a % of covered payroll in Contribution Year: P ÷ J	74.08 %	76.49 %	97.58 %	55.71 %
R. Certain Key Assumptions	7.80%	7.80%	5.80%	9.80%
Investment Return Assumption	RP-2000 projected	RP-2000 fully	RP-2000 fully	RP-2000 fully
Mortality Table	to 2016 using	generational	generational	generational
	Scale AA	using Scale AA	using Scale AA	using Scale AA