

# City of Hollywood General Employees' Retirement System

Chapter 112.664, F.S. Compliance Report

IN CONNECTION WITH THE OCTOBER 1, 2019 FUNDING ACTUARIAL  
VALUATION REPORT AND THE PLAN'S FINANCIAL REPORTING FOR THE  
YEAR ENDING SEPTEMBER 30, 2019





June 25, 2020

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 (City) 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 Plan 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. GRS is not responsible for unauthorized use of this report.

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 and other information through October 1, 2019. 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 and the City.

Except as otherwise indicated as required for the disclosures contained herein, this report was prepared using certain assumptions approved by the Board as authorized under and prescribed by the Florida Statutes, as described in our October 1, 2019 actuarial valuation report, and the GASB Statement No. 67 disclosure letter for the fiscal year ending September 30, 2019. This report is also based on the plan provisions, census data, and financial information as summarized in our October 1, 2019 actuarial valuation report and the September 30, 2019 GASB Statement No. 67 disclosure letter. Please refer to the October 1, 2019 actuarial valuation report, dated May 17, 2020, and the GASB Statement No. 67 disclosure letter, dated March 6, 2020 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.

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.

Jeffrey Amrose and Trisha Amrose are members of the American Academy of Actuaries. These actuaries meet the Academy's Qualification Standards to render the actuarial opinions contained herein.

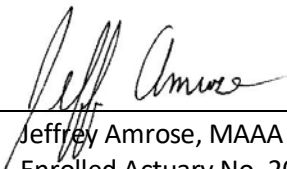
The signing actuaries are independent of the plan sponsor.


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   
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Enrolled Actuary No. 20-6599  
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By   
\_\_\_\_\_  
Trisha Amrose, MAAA  
Enrolled Actuary No. 20-8010  
Consultant & Actuary



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**CH. 112.664, FLORIDA STATUTES**

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**RESULTS**

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

Fiscal year ending September 30,

**1. Total Pension Liability**

	<b>2019</b>
a. Service Cost	\$ 5,887,828
b. Interest	38,173,241
c. Benefit Changes	51,225,519
d. Difference between actual & expected experience & Other	(3,670,131)
e. Assumption Changes	5,212,188
f. Benefit Payments	(41,161,931)
g. Contribution Refunds	(539,713)
<b>h. Net Change in Total Pension Liability</b>	<b>55,127,001</b>
<b>i. Total Pension Liability - Beginning</b>	<b>517,242,485</b>
<b>j. Total Pension Liability - Ending</b>	<b>\$ 572,369,486</b>

**2. Plan Fiduciary Net Position**

a. Contributions - Employer (City) and Non-Employer (County)	\$ 26,931,277
b. Contributions - State	-
c. Contributions - Member	3,561,448
d. Net Investment Income	13,819,384
e. Benefit Payments	(41,161,931)
f. Contribution Refunds	(539,713)
g. Administrative Expense	(671,545)
h. Other	-
<b>i. Net Change in Plan Fiduciary Net Position</b>	<b>1,938,920</b>
<b>j. Plan Fiduciary Net Position - Beginning</b>	<b>331,447,626</b>
<b>k. Plan Fiduciary Net Position - Ending</b>	<b>\$ 333,386,546</b>

**3. Net Pension Liability / (Asset)**

\$ 238,982,940

**Certain Key Assumptions**

Valuation Date	10/01/2018
Measurement Date	09/30/2019
Investment Return Assumption	7.50%
Mortality Table	Mortality Rates from 7/1/18 FRS Valuation



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

Fiscal year ending September 30,

**1. Total Pension Liability**

	<b>2019</b>
a. Service Cost	\$ 5,887,828
b. Interest	38,173,241
c. Benefit Changes	51,225,519
d. Difference between actual & expected experience & Other	(3,670,131)
e. Assumption Changes	5,212,188
f. Benefit Payments	(41,161,931)
g. Contribution Refunds	(539,713)
<b>h. Net Change in Total Pension Liability</b>	<b>55,127,001</b>
<b>i. Total Pension Liability - Beginning</b>	<b>517,242,485</b>
<b>j. Total Pension Liability - Ending</b>	<b>\$ 572,369,486</b>

**2. Plan Fiduciary Net Position**

a. Contributions - Employer (City) and Non-Employer (County)	\$ 26,931,277
b. Contributions - State	-
c. Contributions - Member	3,561,448
d. Net Investment Income	13,819,384
e. Benefit Payments	(41,161,931)
f. Contribution Refunds	(539,713)
g. Administrative Expense	(671,545)
h. Other	-
<b>i. Net Change in Plan Fiduciary Net Position</b>	<b>1,938,920</b>
<b>j. Plan Fiduciary Net Position - Beginning</b>	<b>331,447,626</b>
<b>k. Plan Fiduciary Net Position - Ending</b>	<b>\$ 333,386,546</b>

**3. Net Pension Liability / (Asset)**

\$ 238,982,940

**Certain Key Assumptions**

Valuation Date	10/01/2018
Measurement Date	09/30/2019
Investment Return Assumption	7.50%
Mortality Table	Mortality Rates from 7/1/18 FRS Valuation



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

Fiscal year ending September 30,

**1. Total Pension Liability**

	<b>2019</b>
a. Service Cost	\$ 9,912,859
b. Interest	38,368,651
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	-
e. Assumption Changes	-
f. Benefit Payments	(41,161,931)
g. Contribution Refunds	(539,713)
<b>h. Net Change in Total Pension Liability</b>	<b>6,579,866</b>
<b>i. Total Pension Liability - Beginning</b>	<b>708,549,805</b>
<b>j. Total Pension Liability - Ending</b>	<b>\$ 715,129,671</b>

**2. Plan Fiduciary Net Position**

a. Contributions - Employer (City) and Non-Employer (County)	\$ 26,931,277
b. Contributions - State	-
c. Contributions - Member	3,561,448
d. Net Investment Income	13,819,384
e. Benefit Payments	(41,161,931)
f. Contribution Refunds	(539,713)
g. Administrative Expense	(671,545)
h. Other	-
<b>i. Net Change in Plan Fiduciary Net Position</b>	<b>1,938,920</b>
<b>j. Plan Fiduciary Net Position - Beginning</b>	<b>331,447,626</b>
<b>k. Plan Fiduciary Net Position - Ending</b>	<b>\$ 333,386,546</b>

**3. Net Pension Liability / (Asset)**

\$ 381,743,125

**Certain Key Assumptions**

Valuation Date	10/01/2018
Measurement Date	09/30/2019
Investment Return Assumption	5.50%
Mortality Table	Mortality Rates from 7/1/18 FRS Valuation





**Schedule of Changes in the Employer's Net Pension Liability**  
**Using Assumptions under 112.664(1)(b), F.S. except 2% higher investment return assumption**

Fiscal year ending September 30,	<b>2019</b>
<b>1. Total Pension Liability</b>	
a. Service Cost	\$ 4,415,705
b. Interest	42,820,764
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	-
e. Assumption Changes	-
f. Benefit Payments	(41,161,931)
g. Contribution Refunds	(539,713)
<b>h. Net Change in Total Pension Liability</b>	<b>5,534,825</b>
<b>i. Total Pension Liability - Beginning</b>	<b>467,179,997</b>
<b>j. Total Pension Liability - Ending</b>	<b>\$ 472,714,822</b>
<b>2. Plan Fiduciary Net Position</b>	
a. Contributions - Employer (City) and Non-Employer (County)	\$ 26,931,277
b. Contributions - State	-
c. Contributions - Member	3,561,448
d. Net Investment Income	13,819,384
e. Benefit Payments	(41,161,931)
f. Contribution Refunds	(539,713)
g. Administrative Expense	(671,545)
h. Other	-
<b>i. Net Change in Plan Fiduciary Net Position</b>	<b>1,938,920</b>
<b>j. Plan Fiduciary Net Position - Beginning</b>	<b>331,447,626</b>
<b>k. Plan Fiduciary Net Position - Ending</b>	<b>\$ 333,386,546</b>
<b>3. Net Pension Liability / (Asset)</b>	<b>\$ 139,328,276</b>
<b>Certain Key Assumptions</b>	
Valuation Date	10/01/2018
Measurement Date	09/30/2019
Investment Return Assumption	9.50%
Mortality Table	Mortality Rates from 7/1/18 FRS Valuation



**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)*	Expected Investment Return	Projected Benefit Payments	Market Value of Assets (EOY)*
2020	\$ 337,458,190	\$ 23,939,644	\$ 36,525,867	\$ 324,871,967
2021	324,871,967	22,952,573	37,675,317	310,149,223
2022	310,149,223	21,820,300	38,423,779	293,545,744
2023	293,545,744	20,540,834	39,335,906	274,750,672
2024	274,750,672	19,093,560	40,339,755	253,504,477
2025	253,504,477	17,464,004	41,302,188	229,666,293
2026	229,666,293	15,638,966	42,293,491	203,011,768
2027	203,011,768	13,608,170	43,138,991	173,480,947
2028	173,480,947	11,362,344	43,966,041	140,877,250
2029	140,877,250	8,894,246	44,574,599	105,196,897
2030	105,196,897	6,195,810	45,172,186	66,220,521
2031	66,220,521	3,254,899	45,643,726	23,831,694
2032	23,831,694	66,497	45,890,134	-
2033	-	-	46,075,500	-
2034	-	-	46,015,407	-
2035	-	-	45,907,981	-
2036	-	-	45,697,718	-
2037	-	-	45,381,651	-
2038	-	-	44,937,111	-
2039	-	-	44,348,730	-
2040	-	-	43,687,963	-
2041	-	-	42,914,241	-
2042	-	-	42,074,379	-
2043	-	-	41,147,526	-
2044	-	-	40,091,409	-
2045	-	-	38,975,356	-

\*Net of DROP Accounts and including receivable City contribution as of 9/30/2019

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:**

12.50

**Certain Key Assumptions**

Investment Return Assumption  
Mortality Table

7.50%  
Mortality Rates from 7/1/18 FRS Valuation

**Note: As required in Section 112.664(1)(c) of the Florida Statutes, the projection of the Fund assets does 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)*
2020	\$ 337,458,190	\$ 23,939,644	\$ 36,525,867	\$ 324,871,967
2021	324,871,967	22,952,573	37,675,317	310,149,223
2022	310,149,223	21,820,300	38,423,779	293,545,744
2023	293,545,744	20,540,834	39,335,906	274,750,672
2024	274,750,672	19,093,560	40,339,755	253,504,477
2025	253,504,477	17,464,004	41,302,188	229,666,293
2026	229,666,293	15,638,966	42,293,491	203,011,768
2027	203,011,768	13,608,170	43,138,991	173,480,947
2028	173,480,947	11,362,344	43,966,041	140,877,250
2029	140,877,250	8,894,246	44,574,599	105,196,897
2030	105,196,897	6,195,810	45,172,186	66,220,521
2031	66,220,521	3,254,899	45,643,726	23,831,694
2032	23,831,694	66,497	45,890,134	-
2033	-	-	46,075,500	-
2034	-	-	46,015,407	-
2035	-	-	45,907,981	-
2036	-	-	45,697,718	-
2037	-	-	45,381,651	-
2038	-	-	44,937,111	-
2039	-	-	44,348,730	-
2040	-	-	43,687,963	-
2041	-	-	42,914,241	-
2042	-	-	42,074,379	-
2043	-	-	41,147,526	-
2044	-	-	40,091,409	-
2045	-	-	38,975,356	-

\*Net of DROP Accounts and including receivable City contribution as of 9/30/2019

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:** 12.50

**Certain Key Assumptions**

Investment Return Assumption 7.50%  
Mortality Table Mortality Rates from 7/1/18 FRS Valuation

**Note: As required in Section 112.664(1)(c) of the Florida Statutes, the projection of the Fund assets does 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)*
2020	\$ 337,458,190	\$ 17,555,739	\$ 36,525,867	\$ 318,488,062
2021	318,488,062	16,480,772	37,675,317	297,293,517
2022	297,293,517	15,294,490	38,423,779	274,164,228
2023	274,164,228	13,997,295	39,335,906	248,825,617
2024	248,825,617	12,576,066	40,339,755	221,061,928
2025	221,061,928	11,022,596	41,302,188	190,782,336
2026	190,782,336	9,329,957	42,293,491	157,818,802
2027	157,818,802	7,493,712	43,138,991	122,173,523
2028	122,173,523	5,510,478	43,966,041	83,717,960
2029	83,717,960	3,378,686	44,574,599	42,522,047
2030	42,522,047	1,096,477	45,172,186	-
2031	-	-	45,643,726	-
2032	-	-	45,890,134	-
2033	-	-	46,075,500	-
2034	-	-	46,015,407	-
2035	-	-	45,907,981	-
2036	-	-	45,697,718	-
2037	-	-	45,381,651	-
2038	-	-	44,937,111	-
2039	-	-	44,348,730	-
2040	-	-	43,687,963	-
2041	-	-	42,914,241	-
2042	-	-	42,074,379	-
2043	-	-	41,147,526	-
2044	-	-	40,091,409	-
2045	-	-	38,975,356	-

*\*Net of DROP Accounts and including receivable City contribution as of 9/30/2019*

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:** 10.92

**Certain Key Assumptions**

Investment Return Assumption 5.50%  
Mortality Table Mortality Rates from 7/1/18 FRS Valuation

**Note: As required in Section 112.664(1)(c) of the Florida Statutes, the projection of the Fund assets does 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)*
2020	\$ 337,458,190	\$ 30,323,549	\$ 36,525,867	\$ 331,255,872
2021	331,255,872	29,679,730	37,675,317	323,260,285
2022	323,260,285	28,884,598	38,423,779	313,721,104
2023	313,721,104	27,935,049	39,335,906	302,320,247
2024	302,320,247	26,804,285	40,339,755	288,784,777
2025	288,784,777	25,472,700	41,302,188	272,955,289
2026	272,955,289	23,921,812	42,293,491	254,583,610
2027	254,583,610	22,136,341	43,138,991	233,580,960
2028	233,580,960	20,101,804	43,966,041	209,716,723
2029	209,716,723	17,805,795	44,574,599	182,947,919
2030	182,947,919	15,234,373	45,172,186	153,010,106
2031	153,010,106	12,367,883	45,643,726	119,734,263
2032	119,734,263	9,194,974	45,890,134	83,039,103
2033	83,039,103	5,700,129	46,075,500	42,663,732
2034	42,663,732	1,867,323	46,015,407	-
2035	-	-	45,907,981	-
2036	-	-	45,697,718	-
2037	-	-	45,381,651	-
2038	-	-	44,937,111	-
2039	-	-	44,348,730	-
2040	-	-	43,687,963	-
2041	-	-	42,914,241	-
2042	-	-	42,074,379	-
2043	-	-	41,147,526	-
2044	-	-	40,091,409	-
2045	-	-	38,975,356	-

\*Net of DROP Accounts and including receivable City contribution as of 9/30/2019

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**

Investment Return Assumption 9.50%  
 Mortality Table Mortality Rates from 7/1/18 FRS Valuation

**Note: As required in Section 112.664(1)(c) of the Florida Statutes, the projection of the Fund assets does 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, 2019	October 1, 2019	October 1, 2019	October 1, 2019
B. Actuarially Determined Contribution (ADC) to Be Paid During Fiscal Year Ending	September 30, 2021	September 30, 2021	September 30, 2021	September 30, 2021
C. Assumed Dates of Employer Contributions	Biweekly	Biweekly	Biweekly	Biweekly
D. Annual Payment to Amortize Unfunded Actuarial Accrued Liability	\$ 24,253,031	\$ 24,253,031	\$ 31,146,165	\$ 17,501,548
E. Employer Normal Cost	3,868,791	3,868,791	7,429,074	1,821,261
F. ADC if Paid on Valuation Date: D + E	28,121,822	28,121,822	38,575,239	19,322,809
G. ADC Adjusted for Frequency of Payments	29,178,837	29,178,837	39,648,479	20,234,305
H. ADC Adjusted for Frequency of Payments as % of Covered Payroll	71.39 %	71.39 %	97.01 %	49.51 %
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	42,300,432	42,300,432	42,300,432	42,300,432
K. ADC for Contribution Year: H x J	30,198,278	30,198,278	41,035,649	20,942,944
L. Estimated Credit for State Revenue in Contribution Year	0	0	0	0
M. Employer ADC in Contribution Year	30,198,278	30,198,278	41,035,649	20,942,944
N. Employer ADC as % of Covered Payroll in Contribution Year: M ÷ J	71.39 %	71.39 %	97.01 %	49.51 %
O. Expected Member Contributions	3,593,064	3,593,064	3,593,064	3,593,064
P. Total Contribution (including Members) in Contribution Year	33,791,342	33,791,342	44,628,713	24,536,008
Q. Total Contribution as % of Covered Payroll in Contribution Year: P ÷ J	79.88 %	79.88 %	105.50 %	58.00 %
R. Certain Key Assumptions	7.50%	7.50%	5.50%	9.50%
Investment Return Assumption				
Mortality Table	Mortality Rates from 7/1/18 FRS Valuation	Mortality Rates from 7/1/18 FRS Valuation	Mortality Rates from 7/1/18 FRS Valuation	Mortality Rates from 7/1/18 FRS Valuation

