

**TOWN OF DAVIE POLICE
PENSION PLAN**

**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:

Donald DuLaney, Jr. Date: 4/11/19

Donald A. DuLaney, Jr. A.S.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.

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

	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: 7.50%	Discount Rate: 7.50%	Discount Rate: 5.50%	Discount Rate: 9.50%
	FRS 7/1/2017	FRS 7/1/2017	FRS 7/1/2017	FRS 7/1/2017
	Mortality 9/30/2018	Mortality 9/30/2018	Mortality 9/30/2018	Mortality 9/30/2018
1. Total pension liability:				
a. Service cost	\$ 4,574,502	\$ 4,574,502	\$ 7,226,564	\$ 3,017,646
b. Interest	\$ 13,902,470	\$ 13,902,470	\$ 13,238,418	\$ 14,122,803
c. Benefit changes	\$ -	\$ -	\$ -	\$ -
d. Difference between expected and actual experience	\$ 2,349,033	\$ 2,349,033	\$ 3,095,438	\$ 1,788,206
e. Changes in assumptions	\$ -	\$ -	\$ -	\$ -
f. Benefit payments	\$ (6,331,700)	\$ (6,331,700)	\$ (6,331,700)	\$ (6,331,700)
g. Contribution refunds	\$ (106,404)	\$ (106,404)	\$ (106,404)	\$ (106,404)
h. Net change in total pension liability	\$ 14,387,901	\$ 14,387,901	\$ 17,122,316	\$ 12,490,551
i. Total pension liability – beginning	\$ 184,010,816	\$ 184,010,816	\$ 236,691,004	\$ 148,862,493
j. Total pension liability – ending	\$ 198,398,717	\$ 198,398,717	\$ 253,813,320	\$ 161,353,044
2. Plan fiduciary net position:				
a. Contributions – Town	\$ 6,223,000	\$ 6,223,000	\$ 6,223,000	\$ 6,223,000
b. Contributions – State	\$ 938,653	\$ 938,653	\$ 938,653	\$ 938,653
c. Contributions – Member	\$ 2,458,252	\$ 2,458,252	\$ 2,458,252	\$ 2,458,252
d. Net investment income	\$ 13,757,131	\$ 13,757,131	\$ 13,757,131	\$ 13,757,131
e. Benefit payments	\$ (6,331,700)	\$ (6,331,700)	\$ (6,331,700)	\$ (6,331,700)
f. Contributions refunds	\$ (106,404)	\$ (106,404)	\$ (106,404)	\$ (106,404)
g. Administrative expense	\$ (200,479)	\$ (200,479)	\$ (200,479)	\$ (200,479)
h. Other	\$ -	\$ -	\$ -	\$ -
i. Net change in plan fiduciary net position	\$ 16,738,453	\$ 16,738,453	\$ 16,738,453	\$ 16,738,453
j. Plan fiduciary net position – beginning	\$ 153,060,867	\$ 153,060,867	\$ 153,060,867	\$ 153,060,867
k. Plan fiduciary net position – ending	\$ 169,799,320	\$ 169,799,320	\$ 169,799,320	\$ 169,799,320
3. Net pension liability/(asset) [(a)1.j. minus (a)2.k.]	\$ 28,599,397	\$ 28,599,397	\$ 84,014,000	\$ (8,446,276)

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Plan Assumptions: 7.50% 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	\$157,321,380	\$9,584,737	\$11,439,676	\$159,176,319
10/1/2019	\$159,176,319	\$10,228,207	\$11,554,666	\$160,502,778
10/1/2020	\$160,502,778	\$10,922,592	\$11,628,111	\$161,208,297
10/1/2021	\$161,208,297	\$11,548,895	\$11,657,539	\$161,316,941
10/1/2022	\$161,316,941	\$12,015,997	\$11,648,171	\$160,949,115
10/1/2023	\$160,949,115	\$12,506,749	\$11,602,181	\$160,044,546
10/1/2024	\$160,044,546	\$13,033,591	\$11,514,581	\$158,525,536
10/1/2025	\$158,525,536	\$13,390,634	\$11,387,266	\$156,522,169
10/1/2026	\$156,522,169	\$13,676,586	\$11,226,291	\$154,071,874
10/1/2027	\$154,071,874	\$14,081,478	\$11,027,335	\$151,017,731
10/1/2028	\$151,017,731	\$14,345,854	\$10,788,360	\$147,460,237
10/1/2029	\$147,460,237	\$14,566,454	\$10,513,276	\$143,407,059
10/1/2030	\$143,407,059	\$14,716,219	\$10,203,671	\$138,894,511
10/1/2031	\$138,894,511	\$14,860,620	\$9,859,815	\$133,893,706
10/1/2032	\$133,893,706	\$15,009,282	\$9,479,180	\$128,363,604
10/1/2033	\$128,363,604	\$15,109,304	\$9,060,671	\$122,314,971
10/1/2034	\$122,314,971	\$15,169,408	\$8,604,770	\$115,750,333
10/1/2035	\$115,750,333	\$15,206,184	\$8,111,043	\$108,655,192
10/1/2036	\$108,655,192	\$15,225,465	\$7,578,184	\$101,007,912
10/1/2037	\$101,007,912	\$15,196,205	\$7,005,736	\$92,817,442
10/1/2038	\$92,817,442	\$15,122,993	\$6,394,196	\$84,088,645
10/1/2039	\$84,088,645	\$15,020,482	\$5,743,380	\$74,811,544
10/1/2040	\$74,811,544	\$14,903,253	\$5,051,994	\$64,960,284
10/1/2041	\$64,960,284	\$14,747,125	\$4,319,004	\$54,532,164
10/1/2042	\$54,532,164	\$14,577,538	\$3,543,255	\$43,497,880
10/1/2043	\$43,497,880	\$14,382,332	\$2,723,004	\$31,838,552

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10/1/2044	\$31,838,552	\$14,159,872	\$1,856,896	\$19,535,576
10/1/2045	\$19,535,576	\$13,919,620	\$943,182	\$6,559,138
10/1/2046	\$6,559,138	\$13,654,564		

Number of Years Expected Benefit Payments Sustained: 28.48

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: 7.50% 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	\$157,321,380	\$9,584,737	\$11,439,676	\$159,176,319
10/1/2019	\$159,176,319	\$10,228,207	\$11,554,666	\$160,502,778
10/1/2020	\$160,502,778	\$10,922,592	\$11,628,111	\$161,208,297
10/1/2021	\$161,208,297	\$11,548,895	\$11,657,539	\$161,316,941
10/1/2022	\$161,316,941	\$12,015,997	\$11,648,171	\$160,949,115
10/1/2023	\$160,949,115	\$12,506,749	\$11,602,181	\$160,044,546
10/1/2024	\$160,044,546	\$13,033,591	\$11,514,581	\$158,525,536
10/1/2025	\$158,525,536	\$13,390,634	\$11,387,266	\$156,522,169
10/1/2026	\$156,522,169	\$13,676,586	\$11,226,291	\$154,071,874
10/1/2027	\$154,071,874	\$14,081,478	\$11,027,335	\$151,017,731
10/1/2028	\$151,017,731	\$14,345,854	\$10,788,360	\$147,460,237
10/1/2029	\$147,460,237	\$14,566,454	\$10,513,276	\$143,407,059
10/1/2030	\$143,407,059	\$14,716,219	\$10,203,671	\$138,894,511
10/1/2031	\$138,894,511	\$14,860,620	\$9,859,815	\$133,893,706
10/1/2032	\$133,893,706	\$15,009,282	\$9,479,180	\$128,363,604
10/1/2033	\$128,363,604	\$15,109,304	\$9,060,671	\$122,314,971
10/1/2034	\$122,314,971	\$15,169,408	\$8,604,770	\$115,750,333
10/1/2035	\$115,750,333	\$15,206,184	\$8,111,043	\$108,655,192
10/1/2036	\$108,655,192	\$15,225,465	\$7,578,184	\$101,007,912
10/1/2037	\$101,007,912	\$15,196,205	\$7,005,736	\$92,817,442
10/1/2038	\$92,817,442	\$15,122,993	\$6,394,196	\$84,088,645
10/1/2039	\$84,088,645	\$15,020,482	\$5,743,380	\$74,811,544
10/1/2040	\$74,811,544	\$14,903,253	\$5,051,994	\$64,960,284
10/1/2041	\$64,960,284	\$14,747,125	\$4,319,004	\$54,532,164
10/1/2042	\$54,532,164	\$14,577,538	\$3,543,255	\$43,497,880
10/1/2043	\$43,497,880	\$14,382,332	\$2,723,004	\$31,838,552

10/1/2044	\$31,838,552	\$14,159,872	\$1,856,896	\$19,535,576
10/1/2045	\$19,535,576	\$13,919,620	\$943,182	\$6,559,138
10/1/2046	\$6,559,138	\$13,654,564		

Number of Years Expected Benefit Payments Sustained: 28.48

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: 5.50% 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	\$157,321,380	\$9,584,737	\$8,389,096	\$156,125,739
10/1/2019	\$156,125,739	\$10,228,207	\$8,305,640	\$154,203,172
10/1/2020	\$154,203,172	\$10,922,592	\$8,180,803	\$151,461,383
10/1/2021	\$151,461,383	\$11,548,895	\$8,012,781	\$147,925,269
10/1/2022	\$147,925,269	\$12,015,997	\$7,805,450	\$143,714,722
10/1/2023	\$143,714,722	\$12,506,749	\$7,560,374	\$138,768,347
10/1/2024	\$138,768,347	\$13,033,591	\$7,273,835	\$133,008,592
10/1/2025	\$133,008,592	\$13,390,634	\$6,947,230	\$126,565,188
10/1/2026	\$126,565,188	\$13,676,586	\$6,584,979	\$119,473,581
10/1/2027	\$119,473,581	\$14,081,478	\$6,183,806	\$111,575,909
10/1/2028	\$111,575,909	\$14,345,854	\$5,742,164	\$102,972,219
10/1/2029	\$102,972,219	\$14,566,454	\$5,262,895	\$93,668,660
10/1/2030	\$93,668,660	\$14,716,219	\$4,747,080	\$83,699,521
10/1/2031	\$83,699,521	\$14,860,620	\$4,194,807	\$73,033,708
10/1/2032	\$73,033,708	\$15,009,282	\$3,604,099	\$61,628,524
10/1/2033	\$61,628,524	\$15,109,304	\$2,974,063	\$49,493,283
10/1/2034	\$49,493,283	\$15,169,408	\$2,304,972	\$36,628,847
10/1/2035	\$36,628,847	\$15,206,184	\$1,596,417	\$23,019,080
10/1/2036	\$23,019,080	\$15,225,465	\$847,349	\$8,640,964
10/1/2037	\$8,640,964	\$15,196,205		

Number of Years Expected Benefit Payments Sustained: 19.57

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: 9.50% 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	\$157,321,380	\$9,584,737	\$14,490,256	\$162,226,899
10/1/2019	\$162,226,899	\$10,228,207	\$14,925,716	\$166,924,408
10/1/2020	\$166,924,408	\$10,922,592	\$15,338,996	\$171,340,811
10/1/2021	\$171,340,811	\$11,548,895	\$15,728,805	\$175,520,721
10/1/2022	\$175,520,721	\$12,015,997	\$16,103,709	\$179,608,432
10/1/2023	\$179,608,432	\$12,506,749	\$16,468,731	\$183,570,414
10/1/2024	\$183,570,414	\$13,033,591	\$16,820,094	\$187,356,917
10/1/2025	\$187,356,917	\$13,390,634	\$17,162,852	\$191,129,135
10/1/2026	\$191,129,135	\$13,676,586	\$17,507,630	\$194,960,179
10/1/2027	\$194,960,179	\$14,081,478	\$17,852,347	\$198,731,047
10/1/2028	\$198,731,047	\$14,345,854	\$18,198,021	\$202,583,215
10/1/2029	\$202,583,215	\$14,566,454	\$18,553,499	\$206,570,260
10/1/2030	\$206,570,260	\$14,716,219	\$18,925,154	\$210,779,195
10/1/2031	\$210,779,195	\$14,860,620	\$19,318,144	\$215,236,719
10/1/2032	\$215,236,719	\$15,009,282	\$19,734,547	\$219,961,984
10/1/2033	\$219,961,984	\$15,109,304	\$20,178,697	\$225,031,377
10/1/2034	\$225,031,377	\$15,169,408	\$20,657,434	\$230,519,403
10/1/2035	\$230,519,403	\$15,206,184	\$21,177,050	\$236,490,269
10/1/2036	\$236,490,269	\$15,225,465	\$21,743,366	\$243,008,169
10/1/2037	\$243,008,169	\$15,196,205	\$22,363,956	\$250,175,921
10/1/2038	\$250,175,921	\$15,122,993	\$23,048,370	\$258,101,298
10/1/2039	\$258,101,298	\$15,020,482	\$23,806,150	\$266,886,967
10/1/2040	\$266,886,967	\$14,903,253	\$24,646,357	\$276,630,071
10/1/2041	\$276,630,071	\$14,747,125	\$25,579,368	\$287,462,314
10/1/2042	\$287,462,314	\$14,577,538	\$26,616,487	\$299,501,263
10/1/2043	\$299,501,263	\$14,382,332	\$27,769,459	\$312,888,390

10/1/2044	\$312,888,390	\$14,159,872	\$29,357,612	\$328,086,130
10/1/2045	\$328,086,130	\$13,919,620	\$30,828,127	\$344,994,636
10/1/2046	\$344,994,636	\$13,654,564	\$32,464,066	\$363,804,139
10/1/2047	\$363,804,139	\$13,370,553	\$34,283,411	\$384,716,996
10/1/2048	\$384,716,996	\$13,068,404	\$36,305,548	\$407,954,141
10/1/2049	\$407,954,141	\$12,746,303	\$38,551,775	\$433,759,612
10/1/2050	\$433,759,612	\$12,406,990	\$41,045,387	\$462,398,010
10/1/2051	\$462,398,010	\$12,049,777	\$43,811,820	\$494,160,052
10/1/2052	\$494,160,052	\$11,675,347	\$46,878,948	\$529,363,654
10/1/2053	\$529,363,654	\$11,283,059	\$50,277,324	\$568,357,919
10/1/2054	\$568,357,919	\$10,872,599	\$54,040,475	\$611,525,795
10/1/2055	\$611,525,795	\$10,445,645	\$58,205,085	\$659,285,236
10/1/2056	\$659,285,236	\$10,003,836	\$62,811,198	\$712,092,598
10/1/2057	\$712,092,598	\$9,548,602	\$67,902,557	\$770,446,553
10/1/2058	\$770,446,553	\$9,082,404	\$73,526,914	\$834,891,062
10/1/2059	\$834,891,062	\$8,607,074	\$79,736,402	\$906,020,391
10/1/2060	\$906,020,391	\$8,124,849	\$86,587,965	\$984,483,506
10/1/2061	\$984,483,506	\$7,639,345	\$94,143,728	\$1,070,987,889
10/1/2062	\$1,070,987,889	\$7,153,940	\$102,471,448	\$1,166,305,398
10/1/2063	\$1,166,305,398	\$6,671,281	\$111,645,097	\$1,271,279,213

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.

PENSION COST	ACTUAL			
	Interest Rate: 7.5% FRS 7/1/2017 Mortality	Interest Rate: 7.5% FRS 7/1/2017 Mortality	Interest Rate: 5.5% FRS 7/1/2017 Mortality	Interest Rate: 9.5% FRS 7/1/2017 Mortality
Normal Cost	\$ 4,413,896	\$ 4,413,896	\$ 6,965,404	\$ 2,916,049
Administrative Expenses	\$ 210,870	\$ 210,870	\$ 210,870	\$ 210,870
Payment Required to Amortize UAAL	\$ 3,536,119	\$ 3,536,119	\$ 7,543,386	\$ 97,896
Interest Adjustment	\$ 385,254	\$ 385,254	\$ 505,495	\$ 201,456
Total Required Contribution	\$ 8,546,139	\$ 8,546,139	\$ 15,225,155	\$ 3,426,271
TRC as % of Payroll	56.09%	56.09%	99.93%	22.49%