

**CITY OF DEERFIELD BEACH NON-UNIFORMED EMPLOYEES' RETIREMENT PLAN**  
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

May 15, 2017

Board of Trustees  
City of Deerfield Beach Non-Uniformed Employees' Retirement Plan  
Deerfield Beach, Florida

Re: City of Deerfield Beach Non-Uniformed Employees' Retirement Plan  
Chapter 112.664 Compliance Report for the Fiscal Year Ending September 30, 2016

Dear Board Members:

Gabriel, Roeder, Smith & Company (GRS) has been engaged by the City of Deerfield Beach Non-Uniformed Employees' Retirement Plan (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 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 Plan Administrator and the City concerning Retirement 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, 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 March 6, 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.

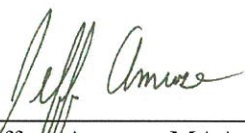
Jeffrey Amrose and Piotr Krekora are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein. The signing actuaries are independent of the plan sponsor.

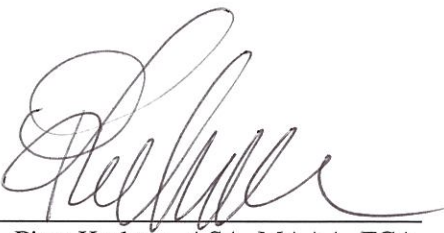
This report has been prepared by actuaries who have substantial experience valuing public employee retirement systems. To the best of our knowledge the information contained in this report is accurate and fairly presents the actuarial position of the Retirement Plan as of the valuation date. All calculations 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 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   
Jeffrey Amrose, MAAA  
Enrolled Actuary No. 17-6599  
Senior Consultant & Actuary

By   
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Enrolled Actuary No. 17-8432  
Consultant & Actuary

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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>
<b>1. Total pension liability</b>	
a. Service Cost	\$ 66,123
b. Interest	4,325,572
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	612,743
e. Assumption Changes	3,377,835
f. Benefit Payments	(5,917,598)
g. Contribution Refunds	-
<b>h. Net Change in Total Pension Liability</b>	<u>2,464,675</u>
<b>i. Total Pension Liability - Beginning</b>	<u>60,695,984</u>
<b>j. Total Pension Liability - Ending</b>	<u>\$ 63,160,659</u>
 <b>2. Plan Fiduciary Net Position</b>	
a. Contributions - Employer	\$ 1,543,620
b. Contributions - Employer (From State)	-
c. Contributions - Non-Employer Contributing Entity	-
d. Contributions - Member	27,643
e. Net Investment Income	4,169,121
f. Benefit Payments	(5,917,598)
g. Contribution Refunds	-
h. Administrative Expense	(102,723)
i. Other	-
<b>j. Net Change in Plan Fiduciary Net Position</b>	<u>(279,937)</u>
<b>k. Plan Fiduciary Net Position - Beginning</b>	<u>55,328,028</u>
<b>l. Plan Fiduciary Net Position - Ending</b>	<u>\$ 55,048,091</u>
 <b>3. Net Pension Liability / (Asset)</b>	 8,112,568
 <b>Certain Key Assumptions</b>	
Valuation Date	10/01/2015
Measurement Date	09/30/2016
Investment Return Assumption	7.00%
Mortality Table	RP-2000 Fully Generational using Scale BB

**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>
<b>1. Total pension liability</b>	
a. Service Cost	\$ 66,494
b. Interest	4,234,904
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	-
e. Assumption Changes	-
f. Benefit Payments	(5,917,598)
g. Contribution Refunds	-
<b>h. Net Change in Total Pension Liability</b>	<u>(1,616,200)</u>
<b>i. Total Pension Liability - Beginning</b>	<u>63,390,940</u>
<b>j. Total Pension Liability - Ending</b>	<u>\$ 61,774,740</u>
<b>2. Plan Fiduciary Net Position</b>	
a. Contributions - Employer	\$ 1,543,620
b. Contributions - Employer (From State)	-
c. Contributions - Non-Employer Contributing Entity	-
d. Contributions - Member	27,643
e. Net Investment Income	4,169,121
f. Benefit Payments	(5,917,598)
g. Contribution Refunds	-
h. Administrative Expense	(102,723)
i. Other	-
<b>j. Net Change in Plan Fiduciary Net Position</b>	<u>(279,937)</u>
<b>k. Plan Fiduciary Net Position - Beginning</b>	<u>55,328,028</u>
<b>l. Plan Fiduciary Net Position - Ending</b>	<u>\$ 55,048,091</u>
<b>3. Net Pension Liability / (Asset)</b>	6,726,649
<b>Certain Key Assumptions</b>	
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>
<b>1. Total pension liability</b>	
a. Service Cost	\$ 103,154
b. Interest	3,615,993
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	-
e. Assumption Changes	-
f. Benefit Payments	(5,917,598)
g. Contribution Refunds	-
<b>h. Net Change in Total Pension Liability</b>	<u>(2,198,451)</u>
<b>i. Total Pension Liability - Beginning</b>	<u>75,175,512</u>
<b>j. Total Pension Liability - Ending</b>	<u>\$ 72,977,061</u>
<b>2. Plan Fiduciary Net Position</b>	
a. Contributions - Employer	\$ 1,543,620
b. Contributions - Employer (From State)	-
c. Contributions - Non-Employer Contributing Entity	-
d. Contributions - Member	27,643
e. Net Investment Income	4,169,121
f. Benefit Payments	(5,917,598)
g. Contribution Refunds	-
h. Administrative Expense	(102,723)
i. Other	-
<b>j. Net Change in Plan Fiduciary Net Position</b>	<u>(279,937)</u>
<b>k. Plan Fiduciary Net Position - Beginning</b>	<u>55,328,028</u>
<b>l. Plan Fiduciary Net Position - Ending</b>	<u>\$ 55,048,091</u>
<b>3. Net Pension Liability / (Asset)</b>	17,928,970
<b>Certain Key Assumptions</b>	
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,	<u>2016</u>
<b>1. Total pension liability</b>	
a. Service Cost	\$ 44,316
b. Interest	4,653,842
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	-
e. Assumption Changes	-
f. Benefit Payments	(5,917,598)
g. Contribution Refunds	-
<b>h. Net Change in Total Pension Liability</b>	<u>(1,219,440)</u>
<b>i. Total Pension Liability - Beginning</b>	<u>54,623,841</u>
<b>j. Total Pension Liability - Ending</b>	<u>\$ 53,404,401</u>
<b>2. Plan Fiduciary Net Position</b>	
a. Contributions - Employer	\$ 1,543,620
b. Contributions - Employer (From State)	-
c. Contributions - Non-Employer Contributing Entity	-
d. Contributions - Member	27,643
e. Net Investment Income	4,169,121
f. Benefit Payments	(5,917,598)
g. Contribution Refunds	-
h. Administrative Expense	(102,723)
i. Other	-
<b>j. Net Change in Plan Fiduciary Net Position</b>	<u>(279,937)</u>
<b>k. Plan Fiduciary Net Position - Beginning</b>	<u>55,328,028</u>
<b>l. Plan Fiduciary Net Position - Ending</b>	<u>\$ 55,048,091</u>
<b>3. Net Pension Liability / (Asset)</b>	(1,643,690)

**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 Plan's most recent actuarial valuation**

FYE	Market Value of Assets (BOY)	Expected Investment Return	Projected Benefit Payments	Market Value of Assets (EOY)
2017	55,048,091	3,640,131	6,092,431	52,595,791
2018	52,595,791	3,472,818	5,968,202	50,100,408
2019	50,100,408	3,299,032	5,942,758	47,456,682
2020	47,456,682	3,117,854	5,831,832	44,742,703
2021	44,742,703	2,931,934	5,715,872	41,958,765
2022	41,958,765	2,741,630	5,585,247	39,115,148
2023	39,115,148	2,547,047	5,457,532	36,204,663
2024	36,204,663	2,347,979	5,324,200	33,228,442
2025	33,228,442	2,144,582	5,183,121	30,189,903
2026	30,189,903	1,936,882	5,040,314	27,086,471
2027	27,086,471	1,724,799	4,892,958	23,918,312
2028	23,918,312	1,508,336	4,741,317	20,685,331
2029	20,685,331	1,287,474	4,585,687	17,387,118
2030	17,387,118	1,062,187	4,426,050	14,023,255
2031	14,023,255	832,430	4,262,809	10,592,875
2032	10,592,875	598,125	4,096,477	7,094,523
2033	7,094,523	359,160	3,927,345	3,526,337
2034	3,526,337	115,395	3,755,663	-
2035	-	-	3,581,626	-
2036	-	-	3,405,535	-
2037	-	-	3,227,727	-
2038	-	-	3,048,845	-
2039	-	-	2,869,801	-
2040	-	-	2,691,163	-
2041	-	-	2,513,515	-
2042	-	-	2,337,408	-

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: 17.92

**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.**

<b>FYE</b>	<b>Market Value of Assets (BOY)</b>	<b>Expected Investment Return</b>	<b>Projected Benefit Payments</b>	<b>Market Value of Assets (EOY)</b>
2017	55,048,091	3,640,131	6,092,431	52,595,791
2018	52,595,791	3,472,818	5,968,202	50,100,408
2019	50,100,408	3,299,032	5,942,758	47,456,682
2020	47,456,682	3,117,854	5,831,832	44,742,703
2021	44,742,703	2,931,934	5,715,872	41,958,765
2022	41,958,765	2,741,630	5,585,247	39,115,148
2023	39,115,148	2,547,047	5,457,532	36,204,663
2024	36,204,663	2,347,979	5,324,200	33,228,442
2025	33,228,442	2,144,582	5,183,121	30,189,903
2026	30,189,903	1,936,882	5,040,314	27,086,471
2027	27,086,471	1,724,799	4,892,958	23,918,312
2028	23,918,312	1,508,336	4,741,317	20,685,331
2029	20,685,331	1,287,474	4,585,687	17,387,118
2030	17,387,118	1,062,187	4,426,050	14,023,255
2031	14,023,255	832,430	4,262,809	10,592,875
2032	10,592,875	598,125	4,096,477	7,094,523
2033	7,094,523	359,160	3,927,345	3,526,337
2034	3,526,337	115,395	3,755,663	-
2035	-	-	3,581,626	-
2036	-	-	3,405,535	-
2037	-	-	3,227,727	-
2038	-	-	3,048,845	-
2039	-	-	2,869,801	-
2040	-	-	2,691,163	-
2041	-	-	2,513,515	-
2042	-	-	2,337,408	-

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: 17.92

**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	55,048,091	2,600,094	6,092,431	51,555,754
2018	51,555,754	2,428,583	5,968,202	48,016,134
2019	48,016,134	2,252,238	5,942,758	44,325,614
2020	44,325,614	2,070,485	5,831,832	40,564,267
2021	40,564,267	1,885,317	5,715,872	36,733,712
2022	36,733,712	1,697,054	5,585,247	32,845,519
2023	32,845,519	1,505,838	5,457,532	28,893,825
2024	28,893,825	1,311,586	5,324,200	24,881,211
2025	24,881,211	1,114,483	5,183,121	20,812,572
2026	20,812,572	914,621	5,040,314	16,686,879
2027	16,686,879	712,020	4,892,958	12,505,941
2028	12,505,941	506,764	4,741,317	8,271,388
2029	8,271,388	298,927	4,585,687	3,984,629
2030	3,984,629	88,580	4,426,050	-
2031	-	-	4,262,809	-
2032	-	-	4,096,477	-
2033	-	-	3,927,345	-
2034	-	-	3,755,663	-
2035	-	-	3,581,626	-
2036	-	-	3,405,535	-
2037	-	-	3,227,727	-
2038	-	-	3,048,845	-
2039	-	-	2,869,801	-
2040	-	-	2,691,163	-
2041	-	-	2,513,515	-
2042	-	-	2,337,408	-

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: 13.92

**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	55,048,091	4,680,169	6,092,431	53,635,829
2018	53,635,829	4,558,656	5,968,202	52,226,282
2019	52,226,282	4,432,941	5,942,758	50,716,466
2020	50,716,466	4,302,049	5,831,832	49,186,683
2021	49,186,683	4,169,587	5,715,872	47,640,398
2022	47,640,398	4,036,300	5,585,247	46,091,451
2023	46,091,451	3,902,642	5,457,532	44,536,561
2024	44,536,561	3,768,701	5,324,200	42,981,062
2025	42,981,062	3,635,055	5,183,121	41,432,996
2026	41,432,996	3,502,156	5,040,314	39,894,838
2027	39,894,838	3,370,352	4,892,958	38,372,232
2028	38,372,232	3,240,142	4,741,317	36,871,057
2029	36,871,057	3,112,039	4,585,687	35,397,409
2030	35,397,409	2,986,595	4,426,050	33,957,953
2031	33,957,953	2,864,389	4,262,809	32,559,534
2032	32,559,534	2,746,017	4,096,477	31,209,073
2033	31,209,073	2,632,086	3,927,345	29,913,815
2034	29,913,815	2,523,238	3,755,663	28,681,390
2035	28,681,390	2,420,152	3,581,626	27,519,916
2036	27,519,916	2,323,543	3,405,535	26,437,924
2037	26,437,924	2,234,165	3,227,727	25,444,363
2038	25,444,363	2,152,795	3,048,845	24,548,312
2039	24,548,312	2,080,207	2,869,801	23,758,719
2040	23,758,719	2,017,182	2,691,163	23,084,738
2041	23,084,738	1,964,518	2,513,515	22,535,741
2042	22,535,741	1,923,033	2,337,408	22,121,366

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:**

N/A

**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**

	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	10/1/2016	10/1/2016	10/1/2016	10/1/2016
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	Quarterly	Quarterly	Quarterly	Quarterly
D. Annual Payment to Amortize Unfunded Actuarial Liability	\$ 1,384,328	\$ 1,384,328	\$ 3,584,285	\$ 0
E. Total Normal Cost	173,765	173,765	211,588	148,318
F. ADC if Paid on Valuation Date: D + E	1,558,093	1,558,093	3,795,873	148,318
G. ADC Adjusted for Frequency of Payments	1,624,516	1,624,516	3,912,311	156,389
H. ADC Adjusted for Frequency of Payments as % of Covered Payroll	498.96 %	498.96 %	1,201.64 %	48.03 %
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	325,581	325,581	325,581	325,581
K. ADC for Contribution Year: H x J	1,624,516	1,624,516	3,912,311	156,389
L. Expected Ee Contributions in Contribution Year	29,302	29,302	29,302	29,302
M. Employer ADC in Contribution Year	1,595,214	1,595,214	3,883,009	127,087
N. Employer ADC as % of Covered Payroll in Contribution Year: M ÷ J	489.96 %	489.96 %	1,192.64 %	39.03 %
O. 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	FRS Mortality Rates from 7/1/16 FRS Valuation	FRS Mortality Rates from 7/1/16 FRS Valuation	FRS Mortality Rates from 7/1/16 FRS Valuation