



The City of Coral Gables

Finance Department

CITY HALL 405 BILTMORE WAY
CORAL GABLES, FLORIDA 33134

VIA EMAIL

October 1, 2015

Chairman Hoff and Board Members
City of Coral Gables Retirement System Board of Trustees

RE: Extra Payment Allocation

Dear Chairman Hoff and Board Members:

As part of an ongoing effort to address the unfunded pension liability, the City will be making additional annual payments in excess of the annual required contribution (ARC). With a commitment to maintain equivalent annual funding levels during the budgeting process until the unfunded pension liability is paid off, the City Commission had allocated \$1,876,780 in the prior year's budget (Fiscal Year 2015), and \$2,200,000 in the current year's budget (Fiscal Year 2016), to pay down certain unfunded liabilities and improve the funded status.

It is the City's intention to begin the elimination of outstanding UAAL amortization bases by applying this payment to the outstanding Unfunded Loss bases first. Therefore, this payment shall be applied in the following order:

Date Established	Type of Amortization Base	Years Remaining*	Amount Outstanding	10/1/15 Payment	Credit for Extra-Payment Applied*	Balance Remaining*
1/1/1988	Actuarial Loss	2	\$ 355,045	\$ 127,283	\$ 227,762	\$ 0
1/1/1991	Actuarial Loss	5	\$ 1,770,633	\$ 352,775	\$ 1,417,858	\$ 0
1/1/1993	Actuarial Loss	7	\$ 1,551,260	\$ 248,155	\$ 1,303,105	\$ 0
1/1/1994	Actuarial Loss	8	\$ 928,405	\$ 136,498	\$ 791,907	\$ 0
1/1/1995	Actuarial Loss	9	\$ 3,626,185	\$ 495,899	\$ 336,148	\$ 3,130,286
Total Payment					\$ 4,076,780	

Note: Above information obtained from page 23 of the 10/1/14 Actuarial Valuation Report prepared by GRS (Revised 5/15/15). *Adjusted for the application of the 10/1/15 payment (ARC).

Each subsequent year that the City makes additional payments beyond the annual required contribution, the City will continue to apply the payment to the Unfunded Loss bases first.

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The City is requesting that the Pension Board pass a resolution directing the Plan Actuary to apply the additional contribution, in the amount of \$4,076,780, in the manner explained above. Any differences/adjustments not reflected in the above table would be applied consistently with the intent of this methodology. Additionally, the resolution would state that future additional contributions made by the City will be applied in the manner designated by the City of Coral Gables based on instructions provided at the time of the additional payment. Once the resolution has been adopted, and a copy provided to me, the City will transfer the additional funds.

Please let me know if you have any questions or if you need additional information.

Sincerely,

A handwritten signature in blue ink, appearing to read "Diana M. Gomez", with a long horizontal flourish extending to the right.

Diana M. Gomez
Finance Director

Enclosure

cc City of Coral Gables Commission
Cathy Swanson-Rivenbark, City Manager
Craig Leen, City Attorney
Kimberly Groome, Administrative Manager
Alan E. Greenfield, Plan Attorney
Peter Strong, GRS, Plan Actuary

A. UAAL AMORTIZATION PERIOD AND PAYMENTS - TOTAL						
Original UAAL				Current UAAL		
Date Established	Type of Amortization Base	Amortization Period (Years)	Amount	Years Remaining	Amount	Payment
1/1/1986	Actuarial (Gain)/Loss	30	(3,168,745)	1	(230,419)	(230,419)
1/1/1987	Actuarial (Gain)/Loss	30	(2,143,883)	2	(303,439)	(157,379)
1/1/1987	Plan Amendment	30	1,936,138	2	274,036	142,129
1/1/1988	Plan Amendment	30	1,240,788	3	283,540	101,649
1/1/1988	Actuarial (Gain)/Loss	30	1,553,614	3	355,045	127,283
1/1/1989	Plan Amendment	30	7,408,049	4	2,237,426	623,453
1/1/1989	Assumption Change	30	(11,980,416)	4	(3,618,379)	(1,008,252)
1/1/1989	Actuarial (Gain)/Loss	30	(1,274,382)	4	(384,866)	(107,241)
1/1/1990	Plan Amendment	30	3,214,117	5	1,167,097	269,498
1/1/1990	Actuarial (Gain)/Loss	30	(2,127,490)	5	(772,553)	(178,393)
1/1/1991	Actuarial (Gain)/Loss	30	4,224,229	6	1,770,633	352,775
1/1/1992	Actuarial (Gain)/Loss	30	(6,086,043)	7	(2,862,580)	(505,920)
1/1/1992	Plan Amendment	30	10,063,418	7	4,733,326	836,549
1/1/1993	Actuarial (Gain)/Loss	30	2,997,588	8	1,551,260	248,155
1/1/1994	Actuarial (Gain)/Loss	30	1,619,324	9	928,405	136,498
1/1/1994	Plan Amendment	30	77,614	9	23,324	3,429
1/1/1995	Actuarial (Gain)/Loss	30	6,035,838	10	3,626,185	495,899
1/1/1996	Actuarial (Gain)/Loss	30	(12,826,310)	11	(8,177,190)	(1,050,188)
1/1/1996	Retiree COLA	30	2,751,331	11	1,754,050	225,272
1/1/1996	Assumption Change	30	2,113,784	11	1,347,618	173,073
1/1/1997	Actuarial (Gain)/Loss	30	942,133	12	632,235	76,855
1/1/1997	Retiree COLA	30	1,179,537	12	791,538	96,220
1/1/1997	Assumption Change	30	(4,686,714)	12	(3,145,085)	(382,317)
1/1/1998	Actuarial (Gain)/Loss	30	(14,413,961)	13	(10,123,732)	(1,172,449)
1/1/1998	Retiree COLA	30	1,112,438	13	781,323	90,486
1/1/1999	Actuarial (Gain)/Loss	30	(9,828,307)	14	(7,185,977)	(797,235)
1/1/1999	Retiree COLA	30	1,416,724	14	1,035,842	114,920
1/1/2000	Actuarial (Gain)/Loss	30	1,889,769	15	1,425,646	152,226
1/1/2000	Retiree COLA	30	1,919,018	15	1,447,711	154,581
1/1/2000	Plan Amendment	30	236,822	15	178,660	19,077
1/1/2000	Assumption Change	30	(4,757,004)	15	(3,588,707)	(383,191)
1/1/2001	Actuarial (Gain)/Loss	30	26,457,751	16	20,557,827	2,121,178
1/1/2001	Asset Method Change	30	(13,323,841)	16	(10,352,707)	(1,068,204)
1/1/2002	Actuarial (Gain)/Loss	30	13,298,945	17	10,634,641	1,064,037
1/1/2002	Plan Amendment	30	371,833	17	297,339	29,751

A. UAAL AMORTIZATION PERIOD AND PAYMENTS - TOTAL (CONTD.)						
Original UAAL				Current UAAL		
Date Established	Type of Amortization Base	Amortization Period (Years)	Amount	Years Remaining	Amount	Payment
1/1/2003	Actuarial (Gain)/Loss	30	\$46,662,623	18	\$ 38,279,625	\$ 3,725,238
1/1/2003	Method Change	30	1,594,671	18	1,308,191	127,309
1/1/2003	Retiree COLA	30	3,101,233	18	2,544,084	247,581
1/1/2003	Assumption Change	30	17,625,471	18	14,459,038	1,407,103
1/1/2004	Actuarial (Gain)/Loss	30	23,736,342	19	19,945,951	1,893,005
1/1/2004	Retiree COLA	30	6,640,654	19	5,580,225	529,601
1/1/2004	Assumption Change	30	14,194,057	19	11,927,446	1,131,995
1/1/2005	Actuarial (Gain)/Loss	30	20,236,223	20	15,469,224	1,435,153
1/1/2005	Retiree COLA	30	2,818,784	20	2,422,637	224,760
10/1/2005	Actuarial (Gain)/Loss	30	15,261,034	21	13,639,636	1,239,569
10/1/2005	Plan Amendment	30	1,128,517	21	1,008,612	91,662
10/1/2006	Actuarial (Gain)/Loss	30	7,371,714	22	6,712,381	598,674
10/1/2006	Retiree COLA	30	4,028,350	22	3,668,052	327,151
10/1/2006	Assumption Change	30	(5,386,397)	22	(4,904,628)	(437,442)
10/1/2007	Retiree COLA	30	5,004,523	23	5,040,739	441,952
10/1/2007	Actuarial (Gain)/Loss	30	(19,235,295)	23	(19,374,501)	(1,698,676)
10/1/2008	Actuarial (Gain)/Loss	30	27,415,318	24	28,045,216	2,420,760
10/1/2008	Plan Amendment	30	1,998,907	24	2,044,832	176,502
10/1/2009	Actuarial (Gain)/Loss	30	27,577,164	25	28,613,593	2,434,782
10/1/2009	Plan Amendment	30	(15,418,663)	25	(16,011,224)	(1,362,424)
10/1/2010	Actuarial (Gain)/Loss	30	15,074,929	25	15,845,840	1,348,352
10/1/2011	Actuarial (Gain)/Loss	30	20,969,312	25	22,305,464	1,898,013
10/1/2011	Assumption Change	30	20,605,952	25	21,918,949	1,865,123
10/1/2011	Plan Amendment	30	(8,449,690)	25	(8,070,458)	(686,729)
10/1/2012	Actuarial (Gain)/Loss	30	22,681,760	25	22,411,793	1,907,059
10/1/2012	Assumption Change	30	(1,588,279)	25	(1,569,377)	(133,542)
10/1/2012	Plan Amendment	30	(3,787,231)	25	(3,719,091)	(316,464)
10/1/2012	Plan Amendment	30	297,000	25	293,594	24,983
10/1/2013	Actuarial (Gain)/Loss	30	1,608,800	25	1,593,934	135,630
10/1/2013	Plan Amendment	30	3,980	25	3,944	336
10/1/2014	Actuarial (Gain)/Loss	30	(1,436,491)	25	(1,436,491)	(122,235)
10/1/2014	Assumption Change	30	<u>3,747,111</u>	25	<u>3,747,111</u>	<u>318,848</u>
					\$240,833,414	\$ 21,807,434
	Excess Contribution Reserve				<u>(894,353)</u>	
			\$263,526,089		\$239,939,061	