



September 20, 2024

Mr. Nick Schiess, Pension Administrator
City of Fort Lauderdale General Employees Retirement System
401 NE Fourth Street, Suite 201
Fort Lauderdale, Florida 33301

**Re: City of Fort Lauderdale General Employees Retirement System
Cost Study for Additional Service Credit for Active Member Lynn Wenguer**

Dear Nick:

As requested, we have prepared the enclosed analysis for the City of Fort Lauderdale ("City") General Employees Retirement System ("Plan"), which estimates the employee cost and employer cost of additional service credit for active member Lynn Wenguer under 3 scenarios:

1. The amount of additional service credit resulting in Ms. Wenguer's plan entry date being revised from 7/15/2003 back to her original hire date of 2/1/1993
2. 7 years of additional service credit resulting in Ms. Wenguer's plan entry date being revised from 7/15/2003 to 7/15/1996
3. 9 years of additional service credit resulting in Ms. Wenguer's plan entry date being revised from 7/15/2003 to 7/15/1994

The results summarized below do not reflect interest on employee contributions.

Summary of Findings

	Employee Contributions	Employer Cost	Total Cost
Scenario 1: Revised Plan Entry Date 2/1/1993	\$48,213	\$546,909	\$595,122
Scenario 2: Revised Plan Entry Date 7/15/1996 (7 Years of Additional Service Credit)	\$35,267	\$394,543	\$429,810
Scenario 3: Revised Plan Entry Date 7/15/1994 (9 Years of Additional Service Credit)	\$43,224	\$496,794	\$540,018

Note: The figures above assume payment is made on 11/1/2024. If actual payment is made after 11/1/2024, additional interest at the System's 6.75% assumed annual rate would need to be added to the above Employer Costs and Total Costs.

The Total Costs shown in the exhibit on the previous page represent the full actuarial cost of the additional service, which is calculated as the change in the actuarial present value of projected future benefits as of September 30, 2023 (adjusted for interest to the November 1, 2024 assumed payment date). This assumes all of the actuarial assumptions are met each year. The Employee Contributions are the amount of additional employee contributions that the member would have paid had the member participated in the Plan from each of the 3 dates. Please note that the Employee Contributions do not include interest. The Employer Cost is the difference between the Total Cost and the Employee Contributions.

Risks Associated with Measuring the Present Value Projected Benefits and Accrued Liability

The determination of the present value of projected benefits and accrued liability requires the use of assumptions regarding future economic and demographic experience. Risk measures are intended to aid in the understanding of the effects of future experience differing from the assumptions used in the course of the actuarial valuation. Risk measures may also help with illustrating the potential volatility in the present value of projected benefits and accrued liability that result from the differences between actual experience and the actuarial assumptions.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: actual experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions due to changing conditions; increases or decreases expected as part of the natural operation of the methodology used for these measurements; and changes in Plan provisions or applicable law. The scope of this assignment does not include an analysis of the potential range of such future measurements.

Examples of risk that may reasonably be anticipated to significantly affect the Plan's future financial condition include:

1. Investment risk – actual investment returns may differ from the either assumed or forecasted returns;
2. Contribution risk – actual contributions may differ from expected future contributions. For example, actual contributions may not be made in accordance with the plan's funding policy or material changes may occur in the anticipated number of covered employees, covered payroll, or other relevant contribution base;
3. Salary risk – actual salaries may differ from expected, resulting in actual future accrued liability differing from expected;
4. Longevity risk – members may live longer or shorter than expected and receive pensions for a period of time other than assumed;
5. Other demographic risks – members may terminate, retire or become disabled at times or with benefits other than assumed resulting in actual future accrued liability and contributions differing from expected.



The effects of certain trends in experience can generally be anticipated. For example, if the investment return is less (or more) than the assumed rate, the cost of the Plan can be expected to increase (or decrease). Likewise, if longevity is improving (or worsening), increases (or decreases) in cost can be anticipated.

Risk Assessment

Risk assessment was outside the scope of this assignment. Risk assessment may include scenario tests, sensitivity tests, stochastic modeling, stress tests, and a comparison of the present value of accrued benefits at low-risk discount rates with the actuarial accrued liability. We are prepared to perform such assessment to aid in the decision-making process.

Required Disclosures

This report was prepared at the request of the Board of Trustees and is intended for use by the Board and the Plan and those designated or approved by them. This report may be provided to parties other than the Board and the Plan only in its entirety and only with their permission. GRS is not responsible for unauthorized use of this report.

The purpose of this report is to estimate the financial effect of additional service credit for active member Lynn Wenguer. No statement in this report is intended to be interpreted as a recommendation in favor of, or in opposition to, additional service credit for the member. This report should not be relied on for any purpose other than the purpose described herein. Determinations of financial results associated with the benefits described in this report for purposes other than those identified herein may be significantly different.

The calculations in this report are based upon information furnished by the Plan Administrator in the cost study request e-mail dated September 20, 2024 and in related discussions and correspondence, as well as information furnished for the September 30, 2023 actuarial valuation concerning plan benefits, financial transactions, plan provisions and active members, terminated members, retirees and beneficiaries. We reviewed this information 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.

The calculations are based upon assumptions regarding future events, which may or may not materialize. They are also based on the assumptions, methods, and plan provisions outlined in this report and the September 30, 2023 actuarial valuation report dated April 9, 2024, with the exception of the retirement rates. For purposes of this study, the retirement probabilities were assumed to be 0% in the valuation year and then 100% in the year following the valuation year. If you have reason to believe that the assumptions that were used are unreasonable, that the plan provisions are incorrectly described, that important plan provisions relevant to this proposal are not described, or that conditions have changed since the calculations were made, you should contact the author of the report prior to relying on information in the report.



In the event that more than one change is being considered, the results of separate actuarial valuations cannot generally be added together to produce a correct estimate of the combined effects of all the changes. The total can differ considerably from the sum of the parts due to the interaction of the various plan provisions with each other and with the assumptions that must be used.

This report was prepared using our proprietary valuation model and related software which in our professional judgment has the capability to provide results that are consistent with the purposes of the valuation and has no material limitations or known weaknesses. We performed tests to ensure that the model reasonably represents that which is intended to be modeled.

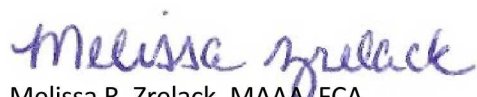
This report has been prepared by actuaries who have substantial experience valuing public employee retirement systems. To the best of our knowledge, the information contained in this report is accurate and fairly presents the actuarial position of the Plan as of the valuation date. All calculations have been made in conformity with generally accepted actuarial principles and practices, and with the Actuarial Standards of Practice issued by the Actuarial Standards Board, and with applicable statutes.

Melissa R. Zrelack and Piotr Krekora 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 actuarial valuation and/or cost determination was 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. In our opinion, the techniques and assumptions used are reasonable, meet the requirements and intent of Part VII, Chapter 112, Florida Statutes, and are based on generally accepted actuarial principles and practices. There is no benefit or expense to be provided by the Plan and/or paid from the Plan's assets for which liabilities or current costs have not been established or otherwise taken into account in the valuation. All known events or trends which may require a material increase in plan costs or required contribution rates have been taken into account in the valuation.

We welcome your questions and comments.

Respectfully submitted,
Gabriel, Roeder, Smith & Company



Melissa R. Zrelack, MAAA, FCA
Enrolled Actuary No. 23-6467
Consultant & Actuary



Piotr Krekora, ASA, MAAA, FCA
Enrolled Actuary No. 23-8432
Senior Consultant & Actuary

