



Bureau of Local Retirement Systems
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Ron DeSantis, Governor
Jonathan R. Satter, Secretary

January 14, 2021

Mr. Lee Feldman, Plan Administrator
Gainesville Police Officers' and Firefighters'
Consolidated Retirement Plan
200 East University Avenue
Gainesville, FL 32601

Re: City of Gainesville Police Officers' and Firefighters' Consolidated Retirement Plan;
10/1/2016, 10/1/2015, 10/1/2014 and 10/1/2013 Actuarial Valuations

Dear Mr. Feldman:

This is to notify you that I have reviewed the above referenced actuarial reports for compliance with Part VII of Chapter 112, F.S. and Chapter 60T, F.A.C. Based upon the results of this review, I have determined the **Plan** to be **state accepted**. By this letter, **all reports and actuarial impact statements effective prior to the above valuation date (10/1/2016) and received** by the Division of Retirement may likewise be considered to be **state accepted**.

The 10/1/2017, 10/1/2018 and 10/1/2019 actuarial valuations have been received. However, the reports use the incorrect payroll growth assumption as determined by the provisions of section 112.64(5) FS and will need to be corrected. The valuations will be reviewed before 4/30/2021. In order for the reports to be state accepted and for the Plan to receive state monies released after 6/30/2021, the payroll growth assumption will need to be corrected. Please forward the corrected valuations for those dates.

The investment return assumption used in the October 1, 2016 actuarial valuation was 8.10%. Based on the plan's balance sheet asset allocation (73% domestic equities; 6% fixed income; 10% real estate; 9% cash equivalents; 2% other) and consensus capital market outlook expectations for future inflation and real returns as of the valuation date, we would consider an investment return assumption in the range of 5.50% to 7.00% to be a more reasonable 50th percentile expectation of future long-term geometric average annual return. We recommend that the Board consider lowering the Plan's investment return assumption.

This review relied upon the actuarial costs and asset amounts as determined by the Plan actuary in the above referenced actuarial reports. Although I reviewed the reports for compliance, consistency and reasonableness, I did not audit the asset or employee data information for accuracy. Accordingly, no opinion is expressed on the reasonableness of the estimates of the financial status of the Plan. An audit may or may not uncover material issues in the actuarial work performed in the above referenced reports.

Sincerely,

Joseph M. Edmonds, FSA, EA, FCA, MAAA
Actuary
Florida Division of Retirement

cc: Joseph Griffin, ASA
Mr. William Johnston, City of Gainesville
Mr. Robert Klausner, Esq.
Tommy Wright, Division of Retirement

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