

CITY OF DELRAY BEACH GENERAL EMPLOYEES' RETIREMENT PLAN

CHAPTER 112.664, F.S. COMPLIANCE REPORT

In Connection with the October 1, 2020 Funding Actuarial
Valuation Report and the Plan's Financial Reporting for the Year
Ending September 30, 2020





August 26, 2021

Board of Trustees
City of Delray Beach General Employees' Retirement Plan
Delray Beach, Florida

Dear Board Members:

Gabriel, Roeder, Smith & Company (GRS) has been engaged by the City of Delray Beach General 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 Board 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, 2020. 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 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, 2020 actuarial valuation report. This report is also based on the Plan Provisions, census data, and financial information as summarized in our October 1, 2020 actuarial valuation report. Please refer to the October 1, 2020 actuarial valuation report, dated May 14, 2021, 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.

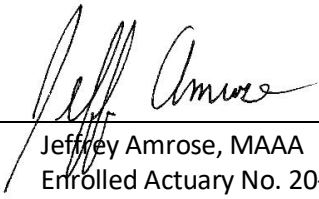
Jeffrey Amrose and Trisha Amrose are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein. The signing actuaries are independent of the plan sponsor.

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.

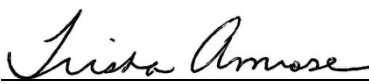
With respect to the reporting standards for defined benefit retirement plans or systems contained in Section 112.664(1) F.S., the actuarial disclosures required under this section were prepared and completed by me or under my direct supervision, and I acknowledge responsibility for the results. To the best of my knowledge, the results are complete and accurate, and in my opinion, meet the requirements of Section 112.664(1), F.S. and Section 60T-1.0035, F.A.C.

Respectfully submitted,

GABRIEL, ROEDER, SMITH AND COMPANY

By 

Jeffrey Amrose, MAAA
Enrolled Actuary No. 20-6599
Senior Consultant & Actuary

By 

Trisha Amrose, MAAA
Enrolled Actuary No. 20-8010
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RESULTS

**Schedule of Changes in the Employers' Net Pension Liability
Using Financial Reporting Assumptions per GASB Statement No. 67**

Fiscal year ending September 30,	2020
1. Total pension liability	
a. Service Cost	\$ 2,825,262
b. Interest	9,387,643
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	1,621,500
e. Assumption Changes	(2,628,018)
f. Benefit Payments	(7,815,429)
g. Contribution Refunds	(102,729)
h. Net Change in Total Pension Liability	3,288,229
i. Total Pension Liability - Beginning	140,210,004
j. Total Pension Liability - Ending	\$ 143,498,233
 2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ 2,866,796
b. Contributions - State	-
c. Contributions - Member	1,098,892
d. Net Investment Income	11,601,492
e. Benefit Payments	(7,815,429)
f. Contribution Refunds	(102,729)
g. Administrative Expense	(121,470)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	7,527,552
j. Plan Fiduciary Net Position - Beginning	132,929,736
k. Plan Fiduciary Net Position - Ending	\$ 140,457,288
 3. Net Pension Liability / (Asset)	 3,040,945
 Certain Key Assumptions	
Valuation Date	10/01/2019
Measurement Date	09/30/2020
Investment Return Assumption	6.75%
Mortality Table	FRS Mortality Rates from 7/1/19 FRS Valuation

**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>2020</u>
1. Total pension liability	
a. Service Cost	\$ 2,825,262
b. Interest	9,387,643
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	1,621,500
e. Assumption Changes	(2,628,018)
f. Benefit Payments	(7,815,429)
g. Contribution Refunds	(102,729)
h. Net Change in Total Pension Liability	<u>3,288,229</u>
i. Total Pension Liability - Beginning	<u>140,210,004</u>
j. Total Pension Liability - Ending	<u>\$ 143,498,233</u>
2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ 2,866,796
b. Contributions - State	-
c. Contributions - Member	1,098,892
d. Net Investment Income	11,601,492
e. Benefit Payments	(7,815,429)
f. Contribution Refunds	(102,729)
g. Administrative Expense	(121,470)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	<u>7,527,552</u>
j. Plan Fiduciary Net Position - Beginning	<u>132,929,736</u>
k. Plan Fiduciary Net Position - Ending	<u>\$ 140,457,288</u>
3. Net Pension Liability / (Asset)	3,040,945
Certain Key Assumptions	
Valuation Date	10/01/2019
Measurement Date	09/30/2020
Investment Return Assumption	6.75%
Mortality Table	FRS Mortality Rates from 7/1/19 FRS Valuation

**Schedule of Changes in the Employers' Net Pension Liability
Using Assumptions required under 112.664(1)(b), F.S.**

Fiscal year ending September 30,

1. Total pension liability

	<u>2020</u>
a. Service Cost	\$ 4,287,442
b. Interest	8,352,402
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	-
e. Assumption Changes	-
f. Benefit Payments	(7,815,429)
g. Contribution Refunds	(102,729)
h. Net Change in Total Pension Liability	<u>4,721,686</u>
i. Total Pension Liability - Beginning	<u>175,511,675</u>
j. Total Pension Liability - Ending	<u><u>\$ 180,233,361</u></u>

2. Plan Fiduciary Net Position

a. Contributions - Employer	\$ 2,866,796
b. Contributions - State	-
c. Contributions - Member	1,098,892
d. Net Investment Income	11,601,492
e. Benefit Payments	(7,815,429)
f. Contribution Refunds	(102,729)
g. Administrative Expense	(121,470)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	<u>7,527,552</u>
j. Plan Fiduciary Net Position - Beginning	<u>132,929,736</u>
k. Plan Fiduciary Net Position - Ending	<u><u>\$ 140,457,288</u></u>

3. Net Pension Liability / (Asset) 39,776,073

Certain Key Assumptions

Valuation Date	10/01/2019
Measurement Date	09/30/2020
Investment Return Assumption	4.75%
Mortality Table	FRS Mortality Rates from 7/1/19 FRS Valuation

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,	2020
1. Total pension liability	
a. Service Cost	\$ 1,844,899
b. Interest	9,781,335
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	-
e. Assumption Changes	-
f. Benefit Payments	(7,815,429)
g. Contribution Refunds	(102,729)
h. Net Change in Total Pension Liability	3,708,076
i. Total Pension Liability - Beginning	113,900,869
j. Total Pension Liability - Ending	\$ 117,608,945
 2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ 2,866,796
b. Contributions - State	-
c. Contributions - Member	1,098,892
d. Net Investment Income	11,601,492
e. Benefit Payments	(7,815,429)
f. Contribution Refunds	(102,729)
g. Administrative Expense	(121,470)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	7,527,552
j. Plan Fiduciary Net Position - Beginning	132,929,736
k. Plan Fiduciary Net Position - Ending	\$ 140,457,288
 3. Net Pension Liability / (Asset)	(22,848,343)
 Certain Key Assumptions	
Valuation Date	10/01/2019
Measurement Date	09/30/2020
Investment Return Assumption	8.75%
Mortality Table	FRS Mortality Rates from 7/1/19 FRS Valuation

Asset and Benefit Payment Projection
Not Reflecting Any Contributions from the Employer, State or Employee
Using assumptions per the Plan's latest actuarial valuation

FYE	Market Value of Assets (BOY)	Expected Investment Return	Projected Benefit Payments	Market Value of Assets (EOY)
2021	143,580,918	9,409,064	8,374,750	144,615,232
2022	144,615,232	9,472,156	8,573,991	145,513,397
2023	145,513,397	9,523,256	8,856,257	146,180,396
2024	146,180,396	9,556,374	9,208,963	146,527,807
2025	146,527,807	9,570,057	9,498,359	146,599,505
2026	146,599,505	9,567,548	9,716,108	146,450,945
2027	146,450,945	9,548,300	9,989,309	146,009,936
2028	146,009,936	9,512,419	10,170,424	145,351,931
2029	145,351,931	9,464,836	10,264,287	144,552,480
2030	144,552,480	9,408,680	10,329,254	143,631,906
2031	143,631,906	9,345,175	10,369,741	142,607,340
2032	142,607,340	9,272,439	10,475,747	141,404,032
2033	141,404,032	9,191,009	10,481,857	140,113,184
2034	140,113,184	9,106,520	10,403,568	138,816,136
2035	138,816,136	9,021,532	10,327,627	137,510,041
2036	137,510,041	8,937,710	10,199,051	136,248,700
2037	136,248,700	8,858,910	10,011,165	135,096,445
2038	135,096,445	8,786,860	9,841,493	134,041,812
2039	134,041,812	8,722,053	9,652,412	133,111,453
2040	133,111,453	8,667,514	9,407,676	132,371,291
2041	132,371,291	8,627,370	9,116,806	131,881,855
2042	131,881,855	8,603,645	8,840,883	131,644,617
2043	131,644,617	8,597,247	8,555,990	131,685,874
2044	131,685,874	8,609,845	8,265,218	132,030,501
2045	132,030,501	8,643,884	7,945,927	132,728,458
2046	132,728,458	8,702,674	7,599,896	133,831,236

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:** All future years

Certain Key Assumptions

Valuation Investment return assumption 6.75%
 Valuation Mortality Table FRS Mortality Rates from 7/1/19 FRS Valuation

Note: As required in Section 112.664(1)(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.

FYE	Market Value of Assets (BOY)	Expected Investment Return	Projected Benefit Payments	Market Value of Assets (EOY)
2021	143,580,918	9,409,064	8,374,750	144,615,232
2022	144,615,232	9,472,156	8,573,991	145,513,397
2023	145,513,397	9,523,256	8,856,257	146,180,396
2024	146,180,396	9,556,374	9,208,963	146,527,807
2025	146,527,807	9,570,057	9,498,359	146,599,505
2026	146,599,505	9,567,548	9,716,108	146,450,945
2027	146,450,945	9,548,300	9,989,309	146,009,936
2028	146,009,936	9,512,419	10,170,424	145,351,931
2029	145,351,931	9,464,836	10,264,287	144,552,480
2030	144,552,480	9,408,680	10,329,254	143,631,906
2031	143,631,906	9,345,175	10,369,741	142,607,340
2032	142,607,340	9,272,439	10,475,747	141,404,032
2033	141,404,032	9,191,009	10,481,857	140,113,184
2034	140,113,184	9,106,520	10,403,568	138,816,136
2035	138,816,136	9,021,532	10,327,627	137,510,041
2036	137,510,041	8,937,710	10,199,051	136,248,700
2037	136,248,700	8,858,910	10,011,165	135,096,445
2038	135,096,445	8,786,860	9,841,493	134,041,812
2039	134,041,812	8,722,053	9,652,412	133,111,453
2040	133,111,453	8,667,514	9,407,676	132,371,291
2041	132,371,291	8,627,370	9,116,806	131,881,855
2042	131,881,855	8,603,645	8,840,883	131,644,617
2043	131,644,617	8,597,247	8,555,990	131,685,874
2044	131,685,874	8,609,845	8,265,218	132,030,501
2045	132,030,501	8,643,884	7,945,927	132,728,458
2046	132,728,458	8,702,674	7,599,896	133,831,236

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:** All future years

Certain Key Assumptions

Valuation Investment return assumption 6.75%
 Valuation Mortality Table FRS Mortality Rates from 7/1/19 FRS Valuation

Note: As required in Section 112.664(1)(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)
2021	143,580,918	6,621,193	8,374,750	141,827,361
2022	141,827,361	6,533,167	8,573,991	139,786,537
2023	139,786,537	6,429,524	8,856,257	137,359,804
2024	137,359,804	6,305,878	9,208,963	134,456,719
2025	134,456,719	6,161,108	9,498,359	131,119,468
2026	131,119,468	5,997,417	9,716,108	127,400,777
2027	127,400,777	5,814,291	9,989,309	123,225,759
2028	123,225,759	5,611,676	10,170,424	118,667,011
2029	118,667,011	5,392,906	10,264,287	113,795,630
2030	113,795,630	5,159,973	10,329,254	108,626,349
2031	108,626,349	4,913,470	10,369,741	103,170,078
2032	103,170,078	4,651,780	10,475,747	97,346,111
2033	97,346,111	4,374,996	10,481,857	91,239,250
2034	91,239,250	4,086,780	10,403,568	84,922,462
2035	84,922,462	3,788,536	10,327,627	78,383,371
2036	78,383,371	3,480,983	10,199,051	71,665,303
2037	71,665,303	3,166,337	10,011,165	64,820,475
2038	64,820,475	2,845,237	9,841,493	57,824,219
2039	57,824,219	2,517,406	9,652,412	50,689,213
2040	50,689,213	2,184,305	9,407,676	43,465,842
2041	43,465,842	1,848,103	9,116,806	36,197,139
2042	36,197,139	1,509,393	8,840,883	28,865,649
2043	28,865,649	1,167,914	8,555,990	21,477,573
2044	21,477,573	823,886	8,265,218	14,036,241
2045	14,036,241	478,006	7,945,927	6,568,320
2046	6,568,320	131,498	7,599,896	-
2047	-	-	7,258,492	-

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:** 25.83

Certain Key Assumptions

Valuation Investment return assumption 4.75%
 Valuation Mortality Table FRS Mortality Rates from 7/1/19 FRS Valuation

Note: As required in Section 112.664(1)(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)
2021	143,580,918	12,196,935	8,374,750	147,403,103
2022	147,403,103	12,522,659	8,573,991	151,351,771
2023	151,351,771	12,855,819	8,856,257	155,351,333
2024	155,351,333	13,190,350	9,208,963	159,332,720
2025	159,332,720	13,526,060	9,498,359	163,360,421
2026	163,360,421	13,868,957	9,716,108	167,513,270
2027	167,513,270	14,220,379	9,989,309	171,744,340
2028	171,744,340	14,582,674	10,170,424	176,156,590
2029	176,156,590	14,964,639	10,264,287	180,856,942
2030	180,856,942	15,373,078	10,329,254	185,900,766
2031	185,900,766	15,812,641	10,369,741	191,343,666
2032	191,343,666	16,284,257	10,475,747	197,152,176
2033	197,152,176	16,792,234	10,481,857	203,462,553
2034	203,462,553	17,347,817	10,403,568	210,406,802
2035	210,406,802	17,958,761	10,327,627	218,037,936
2036	218,037,936	18,632,111	10,199,051	226,470,996
2037	226,470,996	19,378,224	10,011,165	235,838,055
2038	235,838,055	20,205,264	9,841,493	246,201,826
2039	246,201,826	21,120,367	9,652,412	257,669,781
2040	257,669,781	22,134,520	9,407,676	270,396,625
2041	270,396,625	23,260,844	9,116,806	284,540,663
2042	284,540,663	24,510,519	8,840,883	300,210,299
2043	300,210,299	25,894,077	8,555,990	317,548,386
2044	317,548,386	27,423,880	8,265,218	336,707,048
2045	336,707,048	29,114,232	7,945,927	357,875,353
2046	357,875,353	30,981,598	7,599,896	381,257,055

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: All future years

Certain Key Assumptions

Valuation Investment return assumption 8.75%
 Valuation Mortality Table FRS Mortality Rates from 7/1/19 FRS Valuation

Note: As required in Section 112.664(1)(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	October 1, 2020	October 1, 2020	October 1, 2020	October 1, 2020
B. Actuarially Determined Contribution (ADC) to Be Paid During Fiscal Year Ending	9/30/2022	9/30/2022	9/30/2022	9/30/2022
C. Assumed Dates of Employer Contributions	12/31/2021	12/31/2021	12/31/2021	12/31/2021
D. Annual Payment to Amortize Unfunded Actuarial Liability	\$ 548,165	\$ 548,165	\$ 2,960,125	\$ 0
E. Employer Normal Cost	2,152,262	2,152,262	3,822,666	1,168,615
F. ADC if Paid on Valuation Date: D + E	2,700,427	2,700,427	6,782,791	1,168,615
G. ADC Adjusted for Frequency of Payments	2,930,166	2,930,166	7,187,880	1,297,801
H. ADC Adjusted for Frequency of Payments as % of Covered Payroll	12.82 %	12.82 %	31.45 %	5.68 %
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	22,853,685	22,853,685	22,853,685	22,853,685
K. ADC for Contribution Year: H x J	2,930,166	2,930,166	7,187,880	1,297,801
L. Expected Employee Contribution in Contribution Year	1,026,130	1,026,130	1,026,130	1,026,130
M. Total Contribution Requirement in Contribution Year	3,956,296	3,956,296	8,214,010	2,323,931
N. Total Contribution Requirement as % of Covered Payroll in Contribution Year	17.31 %	17.31 %	35.94 %	10.17 %
O. Certain Key Assumptions				
Investment Return Assumption	6.75%	6.75%	4.75%	8.75%
Mortality Table	FRS Mortality Rates from 7/1/20 FRS Valuation	FRS Mortality Rates from 7/1/20 FRS Valuation	FRS Mortality Rates from 7/1/20 FRS Valuation	FRS Mortality Rates from 7/1/20 FRS Valuation