

# CITY OF DELRAY BEACH POLICE OFFICERS' RETIREMENT SYSTEM

Chapter 112.664, F.S. Compliance Report

In Connection with the October 1, 2022 Funding Actuarial  
Valuation Report

And the Plan's Financial Reporting for the Year Ending  
September 30, 2022





July 13, 2023

Board of Trustees  
City of Delray Beach Police Officers Retirement System  
Delray Beach, Florida

Dear Board Members:

Gabriel, Roeder, Smith & Company (GRS) has been engaged by the City of Delray Beach Police Officers' Retirement System (System) 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, 2022. 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 City and the Board 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 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, 2022 actuarial valuation report. This report is also based on the Plan Provisions, census data, and financial information as summarized in our October 1, 2022 actuarial valuation report. Please refer to the October 1, 2022 actuarial valuation report, dated May 17, 2023, 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.

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.

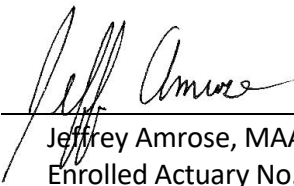
Jeffrey Amrose and Trisha Amrose are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein. The signing actuaries are independent of the plan sponsor.


This report 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.

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 complete 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 & COMPANY

By   
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## **CH. 112.664, FLORIDA STATUTES**

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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,	<b>2022</b>
<b>1. Total pension liability</b>	
a. Service Cost	\$ 3,254,371
b. Interest	12,333,708
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	1,325,865
e. Assumption Changes	-
f. Benefit Payments	(8,843,308)
g. Contribution Refunds	(176,790)
<b>h. Net Change in Total Pension Liability</b>	7,893,846
<b>i. Total Pension Liability - Beginning</b>	183,977,283
<b>j. Total Pension Liability - Ending</b>	\$ 191,871,129
<b>2. Plan Fiduciary Net Position</b>	
a. Contributions - Employer and Non-Employer	\$ 8,119,171
b. Contributions - State	896,146
c. Contributions - Member	1,159,973
d. Net Investment Income	(24,517,373)
e. Benefit Payments	(8,843,308)
f. Contribution Refunds	(176,790)
g. Administrative Expense	(171,447)
h. Other	-
<b>i. Net Change in Plan Fiduciary Net Position</b>	(23,533,628)
<b>j. Plan Fiduciary Net Position - Beginning</b>	143,159,063
<b>k. Plan Fiduciary Net Position - Ending</b>	\$ 119,625,435
<b>3. Net Pension Liability / (Asset)</b>	72,245,694
<b>Certain Key Assumptions</b>	
Valuation Date	10/01/2021
Measurement Date	09/30/2022
Investment Return Assumption	6.75%
Mortality Table	FRS Mortality - Special Risk



**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>2022</u>
<b>1. Total pension liability</b>	
a. Service Cost	\$ 3,254,371
b. Interest	12,333,708
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	1,325,865
e. Assumption Changes	-
f. Benefit Payments	(8,843,308)
g. Contribution Refunds	(176,790)
<b>h. Net Change in Total Pension Liability</b>	<u>7,893,846</u>
<b>i. Total Pension Liability - Beginning</b>	<u>183,977,283</u>
<b>j. Total Pension Liability - Ending</b>	<u>\$ 191,871,129</u>
<b>2. Plan Fiduciary Net Position</b>	
a. Contributions - Employer and Non-Employer	\$ 8,119,171
b. Contributions - State	896,146
c. Contributions - Member	1,159,973
d. Net Investment Income	(24,517,373)
e. Benefit Payments	(8,843,308)
f. Contribution Refunds	(176,790)
g. Administrative Expense	(171,447)
h. Other	-
<b>i. Net Change in Plan Fiduciary Net Position</b>	<u>(23,533,628)</u>
<b>j. Plan Fiduciary Net Position - Beginning</b>	<u>143,159,063</u>
<b>k. Plan Fiduciary Net Position - Ending</b>	<u>\$ 119,625,435</u>
<b>3. Net Pension Liability / (Asset)</b>	72,245,694
<b>Certain Key Assumptions</b>	
Valuation Date	10/01/2021
Measurement Date	09/30/2022
Investment Return Assumption	6.75%
Mortality Table	FRS Mortality - Special Risk



**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>2022</u>
<b>1. Total pension liability</b>	
a. Service Cost	\$ 5,338,589
b. Interest	11,242,049
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	-
e. Assumption Changes	-
f. Benefit Payments	(8,843,308)
g. Contribution Refunds	(176,790)
<b>h. Net Change in Total Pension Liability</b>	<u>7,560,540</u>
<b>i. Total Pension Liability - Beginning</b>	<u>235,846,182</u>
<b>j. Total Pension Liability - Ending</b>	<u>\$ 243,406,722</u>
<b>2. Plan Fiduciary Net Position</b>	
a. Contributions - Employer and Non-Employer	\$ 8,119,171
b. Contributions - State	896,146
c. Contributions - Member	1,159,973
d. Net Investment Income	(24,517,373)
e. Benefit Payments	(8,843,308)
f. Contribution Refunds	(176,790)
g. Administrative Expense	(171,447)
h. Other	-
<b>i. Net Change in Plan Fiduciary Net Position</b>	<u>(23,533,628)</u>
<b>j. Plan Fiduciary Net Position - Beginning</b>	<u>143,159,063</u>
<b>k. Plan Fiduciary Net Position - Ending</b>	<u>\$ 119,625,435</u>
<b>3. Net Pension Liability / (Asset)</b>	123,781,287
<b>Certain Key Assumptions</b>	
Valuation Date	10/01/2021
Measurement Date	09/30/2022
Investment Return Assumption	4.75%
Mortality Table	FRS Mortality - Special Risk





**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,	<b>2022</b>
<b>1. Total pension liability</b>	
a. Service Cost	\$ 2,084,486
b. Interest	13,016,587
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	-
e. Assumption Changes	-
f. Benefit Payments	(8,843,308)
g. Contribution Refunds	(176,790)
<b>h. Net Change in Total Pension Liability</b>	<b>6,080,975</b>
<b>i. Total Pension Liability - Beginning</b>	<b>151,186,561</b>
<b>j. Total Pension Liability - Ending</b>	<b>\$ 157,267,536</b>
<b>2. Plan Fiduciary Net Position</b>	
a. Contributions - Employer and Non-Employer	\$ 8,119,171
b. Contributions - State	896,146
c. Contributions - Member	1,159,973
d. Net Investment Income	(24,517,373)
e. Benefit Payments	(8,843,308)
f. Contribution Refunds	(176,790)
g. Administrative Expense	(171,447)
h. Other	-
<b>i. Net Change in Plan Fiduciary Net Position</b>	<b>(23,533,628)</b>
<b>j. Plan Fiduciary Net Position - Beginning</b>	<b>143,159,063</b>
<b>k. Plan Fiduciary Net Position - Ending</b>	<b>\$ 119,625,435</b>
<b>3. Net Pension Liability / (Asset)</b>	<b>37,642,101</b>
<b>Certain Key Assumptions</b>	
Valuation Date	10/01/2021
Measurement Date	09/30/2022
Investment Return Assumption	8.75%
Mortality Table	FRS Mortality - Special Risk



**Asset and Benefit Payment Projection**  
**Not Reflecting Any Contributions from the Employer, State or Employee**  
**Using Assumptions from the Plan's Latest Actuarial Valuation**

FYE	Market Value of Assets (BOY)	Expected Investment Return	Projected Benefit Payments	Market Value of Assets (EOY)
2023	109,396,630	7,045,364	10,041,725	106,400,269
2024	106,400,269	6,834,154	10,307,085	102,927,338
2025	102,927,338	6,587,208	10,678,133	98,836,413
2026	98,836,413	6,297,103	11,092,006	94,041,510
2027	94,041,510	5,960,917	11,463,247	88,539,180
2028	88,539,180	5,579,346	11,764,409	82,354,117
2029	82,354,117	5,155,290	11,958,888	75,550,519
2030	75,550,519	4,690,804	12,114,256	68,127,067
2031	68,127,067	4,179,740	12,409,997	59,896,810
2032	59,896,810	3,619,255	12,556,423	50,959,642
2033	50,959,642	3,008,195	12,787,578	41,180,259
2034	41,180,259	2,346,872	12,823,583	30,703,548
2035	30,703,548	1,636,685	12,912,736	19,427,497
2036	19,427,497	872,835	12,993,229	7,307,103
2037	7,307,103	56,324	12,945,350	-
2038	-	-	12,908,560	-
2039	-	-	12,852,513	-
2040	-	-	12,785,836	-
2041	-	-	12,699,662	-
2042	-	-	12,592,131	-
2043	-	-	12,451,411	-
2044	-	-	12,264,841	-
2045	-	-	12,047,613	-
2046	-	-	11,797,409	-
2047	-	-	11,532,857	-
2048	-	-	11,249,574	-

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:** 14.50

**Certain Key Assumptions**

Valuation Investment Return Assumption 6.75%  
 Valuation Mortality Table FRS Mortality - Special Risk

**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)
2023	109,396,630	7,045,364	10,041,725	106,400,269
2024	106,400,269	6,834,154	10,307,085	102,927,338
2025	102,927,338	6,587,208	10,678,133	98,836,413
2026	98,836,413	6,297,103	11,092,006	94,041,510
2027	94,041,510	5,960,917	11,463,247	88,539,180
2028	88,539,180	5,579,346	11,764,409	82,354,117
2029	82,354,117	5,155,290	11,958,888	75,550,519
2030	75,550,519	4,690,804	12,114,256	68,127,067
2031	68,127,067	4,179,740	12,409,997	59,896,810
2032	59,896,810	3,619,255	12,556,423	50,959,642
2033	50,959,642	3,008,195	12,787,578	41,180,259
2034	41,180,259	2,346,872	12,823,583	30,703,548
2035	30,703,548	1,636,685	12,912,736	19,427,497
2036	19,427,497	872,835	12,993,229	7,307,103
2037	7,307,103	56,324	12,945,350	-
2038	-	-	12,908,560	-
2039	-	-	12,852,513	-
2040	-	-	12,785,836	-
2041	-	-	12,699,662	-
2042	-	-	12,592,131	-
2043	-	-	12,451,411	-
2044	-	-	12,264,841	-
2045	-	-	12,047,613	-
2046	-	-	11,797,409	-
2047	-	-	11,532,857	-
2048	-	-	11,249,574	-

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: 14.50

**Certain Key Assumptions**

Valuation Investment Return Assumption 6.75%  
 Valuation Mortality Table FRS Mortality - Special Risk

**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)
2023	109,396,630	4,957,849	10,041,725	104,312,754
2024	104,312,754	4,710,063	10,307,085	98,715,732
2025	98,715,732	4,435,392	10,678,133	92,472,991
2026	92,472,991	4,129,032	11,092,006	85,510,017
2027	85,510,017	3,789,474	11,463,247	77,836,244
2028	77,836,244	3,417,817	11,764,409	69,489,652
2029	69,489,652	3,016,735	11,958,888	60,547,499
2030	60,547,499	2,588,293	12,114,256	51,021,536
2031	51,021,536	2,128,786	12,409,997	40,740,325
2032	40,740,325	1,636,950	12,556,423	29,820,852
2033	29,820,852	1,112,785	12,787,578	18,146,059
2034	18,146,059	557,378	12,823,583	5,879,854
2035	5,879,854	-	12,912,736	-
2036	-	-	12,993,229	-
2037	-	-	12,945,350	-
2038	-	-	12,908,560	-
2039	-	-	12,852,513	-
2040	-	-	12,785,836	-
2041	-	-	12,699,662	-
2042	-	-	12,592,131	-
2043	-	-	12,451,411	-
2044	-	-	12,264,841	-
2045	-	-	12,047,613	-
2046	-	-	11,797,409	-
2047	-	-	11,532,857	-
2048	-	-	11,249,574	-

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: 12.42

**Certain Key Assumptions**

Valuation Investment Return Assumption 4.75%  
 Valuation Mortality Table FRS Mortality - Special Risk

**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)
2023	109,396,630	9,132,880	10,041,725	108,487,785
2024	108,487,785	9,041,746	10,307,085	107,222,446
2025	107,222,446	8,914,796	10,678,133	105,459,109
2026	105,459,109	8,742,397	11,092,006	103,109,500
2027	103,109,500	8,520,564	11,463,247	100,166,817
2028	100,166,817	8,249,904	11,764,409	96,652,312
2029	96,652,312	7,933,876	11,958,888	92,627,300
2030	92,627,300	7,574,890	12,114,256	88,087,934
2031	88,087,934	7,164,757	12,409,997	82,842,694
2032	82,842,694	6,699,392	12,556,423	76,985,663
2033	76,985,663	6,176,789	12,787,578	70,374,874
2034	70,374,874	5,596,770	12,823,583	63,148,061
2035	63,148,061	4,960,523	12,912,736	55,195,848
2036	55,195,848	4,261,183	12,993,229	46,463,802
2037	46,463,802	3,499,224	12,945,350	37,017,676
2038	37,017,676	2,674,297	12,908,560	26,783,413
2039	26,783,413	1,781,251	12,852,513	15,712,151
2040	15,712,151	815,433	12,785,836	3,741,748
2041	3,741,748	-	12,699,662	-
2042	-	-	12,592,131	-
2043	-	-	12,451,411	-
2044	-	-	12,264,841	-
2045	-	-	12,047,613	-
2046	-	-	11,797,409	-
2047	-	-	11,532,857	-
2048	-	-	11,249,574	-

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: 18.25

**Certain Key Assumptions**

Valuation Investment Return Assumption 8.75%

Valuation Mortality Table FRS Mortality - Special Risk

**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, 2022	October 1, 2022	October 1, 2022	October 1, 2022
B. Actuarially Determined Contribution (ADC) to Be Paid During Fiscal Year Ending	9/30/2024	9/30/2024	9/30/2024	9/30/2024
C. Assumed Dates of Employer Contributions	Biweekly	Biweekly	Biweekly	Biweekly
D. Annual Payment to Amortize Unfunded Actuarial Liability	\$ 5,950,233	\$ 5,950,233	\$ 8,954,465	\$ 3,328,376
E. Employer Normal Cost	2,341,835	2,341,835	4,495,986	1,132,515
F. ADC if Paid on Valuation Date: D + E	8,292,068	8,292,068	13,450,451	4,460,891
G. ADC Adjusted for Frequency of Payments	8,573,584	8,573,584	13,774,741	4,655,386
H. ADC as % of Covered Payroll	66.14 %	66.14 %	106.26 %	35.91 %
I. Assumed Rate of Increase in Covered Payroll to Contribution Year	5.67 %	5.67 %	5.67 %	5.67 %
J. Covered Payroll for Contribution Year	13,697,699	13,697,699	13,697,699	13,697,699
K. ADC for Contribution Year: H x J	9,059,658	9,059,658	14,555,175	4,918,844
L. Estimated Credit for State Revenue in Contribution Year	606,595	606,595	606,595	606,595
M. Required Employer Contribution (REC) in Contribution Year	8,453,063	8,453,063	13,948,580	4,312,249
N. REC as % of Covered Payroll in Contribution Year: M ÷ J	61.71 %	61.71 %	101.83 %	31.48 %
O. Expected Member Contributions	1,274,234	1,274,234	1,274,234	1,274,234
P. Total Contribution (Including Members) in Contribution Year	10,333,892	10,333,892	15,829,409	6,193,078
Q. Total Contribution as % of Covered Payroll in Contribution Year: P ÷ J	75.44 %	75.44 %	115.56 %	45.21 %
R. Certain Key Assumptions				
Investment Return Assumption	6.75 %	6.75 %	4.75 %	8.75 %
Mortality Table	FRS Mortality - Special Risk	FRS Mortality - Special Risk	FRS Mortality - Special Risk	FRS Mortality - Special Risk

