

CITY OF DELRAY BEACH FIREFIGHTERS' RETIREMENT SYSTEM

Chapter 112.664, F.S. Compliance Report

In Connection with the October 1, 2023 Funding Actuarial
Valuation Report

And the Plan's Financial Reporting for the Year Ending
September 30, 2023





June 19, 2024

Board of Trustees
City of Delray Beach Firefighters' Retirement System
Delray Beach, Florida

Dear Board Members:

Gabriel, Roeder, Smith & Company (GRS) has been engaged by the City of Delray Beach Firefighters' 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, 2023. 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, 2023 actuarial valuation report. This report is also based on the Plan Provisions, census data, and financial information as summarized in our October 1, 2023 actuarial valuation report. Please refer to the October 1, 2023 actuarial valuation report, dated April 30, 2024, 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.

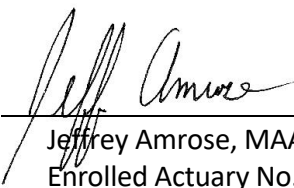
This report was prepared using our proprietary valuation model and related software which in our professional judgment has the capability to provide results that are consistent with the purposes of the valuation and has no material limitations or known weaknesses. We performed tests to ensure that the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

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.

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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Enrolled Actuary No. 23-6599
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CH. 112.664, FLORIDA STATUTES

RESULTS

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

Fiscal year ending September 30,	<u>2023</u>
1. Total pension liability	
a. Service Cost	\$ 3,961,550
b. Interest	13,986,577
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	(1,574,046)
e. Assumption Changes	-
f. Benefit Payments	(10,078,163)
g. Contribution Refunds	(226,601)
h. Net Change in Total Pension Liability	<u>6,069,317</u>
i. Total Pension Liability - Beginning	<u>212,308,976</u>
j. Total Pension Liability - Ending	<u>\$ 218,378,293</u>
2. Plan Fiduciary Net Position	
a. Contributions - Employer and Non-Employer	\$ 8,300,261
b. Contributions - State	1,796,317
c. Contributions - Member	1,301,713
d. Net Investment Income	16,233,942
e. Benefit Payments	(10,078,163)
f. Contribution Refunds	(226,601)
g. Administrative Expense	(165,835)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	<u>17,161,634</u>
j. Plan Fiduciary Net Position - Beginning	<u>141,116,274</u>
k. Plan Fiduciary Net Position - Ending	<u>\$ 158,277,908</u>
3. Net Pension Liability / (Asset)	60,100,385

Certain Key Assumptions

Valuation Date	10/01/2022
Measurement Date	09/30/2023
Investment Return Assumption	6.625%
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>2023</u>
1. Total pension liability	
a. Service Cost	\$ 3,961,550
b. Interest	13,986,577
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	(1,574,046)
e. Assumption Changes	-
f. Benefit Payments	(10,078,163)
g. Contribution Refunds	(226,601)
h. Net Change in Total Pension Liability	<u>6,069,317</u>
i. Total Pension Liability - Beginning	<u>212,308,976</u>
j. Total Pension Liability - Ending	<u><u>\$ 218,378,293</u></u>
2. Plan Fiduciary Net Position	
a. Contributions - Employer and Non-Employer	\$ 8,300,261
b. Contributions - State	1,796,317
c. Contributions - Member	1,301,713
d. Net Investment Income	16,233,942
e. Benefit Payments	(10,078,163)
f. Contribution Refunds	(226,601)
g. Administrative Expense	(165,835)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	<u>17,161,634</u>
j. Plan Fiduciary Net Position - Beginning	<u>141,116,274</u>
k. Plan Fiduciary Net Position - Ending	<u><u>\$ 158,277,908</u></u>
3. Net Pension Liability / (Asset)	60,100,385
Certain Key Assumptions	
Valuation Date	10/01/2022
Measurement Date	09/30/2023
Investment Return Assumption	6.625%
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>2023</u>
1. Total pension liability	
a. Service Cost	\$ 6,390,632
b. Interest	12,287,189
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	-
e. Assumption Changes	-
f. Benefit Payments	(10,078,163)
g. Contribution Refunds	(226,601)
h. Net Change in Total Pension Liability	<u>8,373,057</u>
i. Total Pension Liability - Beginning	<u>264,430,693</u>
j. Total Pension Liability - Ending	<u>\$ 272,803,750</u>
2. Plan Fiduciary Net Position	
a. Contributions - Employer and Non-Employer	\$ 8,300,261
b. Contributions - State	1,796,317
c. Contributions - Member	1,301,713
d. Net Investment Income	16,233,942
e. Benefit Payments	(10,078,163)
f. Contribution Refunds	(226,601)
g. Administrative Expense	(165,835)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	<u>17,161,634</u>
j. Plan Fiduciary Net Position - Beginning	<u>141,116,274</u>
k. Plan Fiduciary Net Position - Ending	<u>\$ 158,277,908</u>
3. Net Pension Liability / (Asset)	114,525,842
Certain Key Assumptions	
Valuation Date	10/01/2022
Measurement Date	09/30/2023
Investment Return Assumption	4.625%
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,	<u>2023</u>
1. Total pension liability	
a. Service Cost	\$ 2,561,471
b. Interest	14,831,254
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	-
e. Assumption Changes	-
f. Benefit Payments	(10,078,163)
g. Contribution Refunds	(226,601)
h. Net Change in Total Pension Liability	<u>7,087,961</u>
i. Total Pension Liability - Beginning	<u>174,547,474</u>
j. Total Pension Liability - Ending	<u><u>\$ 181,635,435</u></u>
2. Plan Fiduciary Net Position	
a. Contributions - Employer and Non-Employer	\$ 8,300,261
b. Contributions - State	1,796,317
c. Contributions - Member	1,301,713
d. Net Investment Income	16,233,942
e. Benefit Payments	(10,078,163)
f. Contribution Refunds	(226,601)
g. Administrative Expense	(165,835)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	<u>17,161,634</u>
j. Plan Fiduciary Net Position - Beginning	<u>141,116,274</u>
k. Plan Fiduciary Net Position - Ending	<u><u>\$ 158,277,908</u></u>
3. Net Pension Liability / (Asset)	23,357,527
Certain Key Assumptions	
Valuation Date	10/01/2022
Measurement Date	09/30/2023
Investment Return Assumption	8.625%
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)
2024	143,292,980	8,613,136	10,965,621	140,940,495
2025	140,940,495	8,455,995	11,289,136	138,107,354
2026	138,107,354	8,269,988	11,575,093	134,802,249
2027	134,802,249	8,048,094	12,065,501	130,784,842
2028	130,784,842	7,786,816	12,391,579	126,180,079
2029	126,180,079	7,489,545	12,694,709	120,974,915
2030	120,974,915	7,157,039	12,924,570	115,207,384
2031	115,207,384	6,788,638	13,178,346	108,817,676
2032	108,817,676	6,383,970	13,348,321	101,853,325
2033	101,853,325	5,944,865	13,470,971	94,327,219
2034	94,327,219	5,471,000	13,582,445	86,215,774
2035	86,215,774	4,960,133	13,707,300	77,468,607
2036	77,468,607	4,410,088	13,814,391	68,064,304
2037	68,064,304	3,821,447	13,842,298	58,043,453
2038	58,043,453	3,195,439	13,832,850	47,406,042
2039	47,406,042	2,531,115	13,816,398	36,120,759
2040	36,120,759	1,826,498	13,793,584	24,153,673
2041	24,153,673	1,081,444	13,701,151	11,533,966
2042	11,533,966	295,953	13,597,434	-
2043	-	-	13,523,307	-
2044	-	-	13,357,869	-
2045	-	-	13,184,943	-
2046	-	-	12,950,397	-
2047	-	-	12,691,488	-
2048	-	-	12,412,701	-
2049	-	-	12,113,894	-

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:** 18.83

Certain Key Assumptions

Valuation Investment Return Assumption 6.25%
 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)
2024	143,292,980	8,613,136	10,965,621	140,940,495
2025	140,940,495	8,455,995	11,289,136	138,107,354
2026	138,107,354	8,269,988	11,575,093	134,802,249
2027	134,802,249	8,048,094	12,065,501	130,784,842
2028	130,784,842	7,786,816	12,391,579	126,180,079
2029	126,180,079	7,489,545	12,694,709	120,974,915
2030	120,974,915	7,157,039	12,924,570	115,207,384
2031	115,207,384	6,788,638	13,178,346	108,817,676
2032	108,817,676	6,383,970	13,348,321	101,853,325
2033	101,853,325	5,944,865	13,470,971	94,327,219
2034	94,327,219	5,471,000	13,582,445	86,215,774
2035	86,215,774	4,960,133	13,707,300	77,468,607
2036	77,468,607	4,410,088	13,814,391	68,064,304
2037	68,064,304	3,821,447	13,842,298	58,043,453
2038	58,043,453	3,195,439	13,832,850	47,406,042
2039	47,406,042	2,531,115	13,816,398	36,120,759
2040	36,120,759	1,826,498	13,793,584	24,153,673
2041	24,153,673	1,081,444	13,701,151	11,533,966
2042	11,533,966	295,953	13,597,434	-
2043	-	-	13,523,307	-
2044	-	-	13,357,869	-
2045	-	-	13,184,943	-
2046	-	-	12,950,397	-
2047	-	-	12,691,488	-
2048	-	-	12,412,701	-
2049	-	-	12,113,894	-

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: 18.83

Certain Key Assumptions

Valuation Investment Return Assumption	6.25%
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)
2024	143,292,980	5,856,932	10,965,621	138,184,291
2025	138,184,291	5,632,938	11,289,136	132,528,093
2026	132,528,093	5,386,473	11,575,093	126,339,473
2027	126,339,473	5,113,036	12,065,501	119,387,008
2028	119,387,008	4,810,627	12,391,579	111,806,056
2029	111,806,056	4,481,995	12,694,709	103,593,342
2030	103,593,342	4,128,070	12,924,570	94,796,842
2031	94,796,842	3,748,826	13,178,346	85,367,322
2032	85,367,322	3,344,459	13,348,321	75,363,460
2033	75,363,460	2,916,689	13,470,971	64,809,178
2034	64,809,178	2,465,763	13,582,445	53,692,496
2035	53,692,496	1,990,651	13,707,300	41,975,847
2036	41,975,847	1,490,418	13,814,391	29,651,874
2037	29,651,874	966,056	13,842,298	16,775,632
2038	16,775,632	419,016	13,832,850	3,361,798
2039	3,361,798	-	13,816,398	-
2040	-	-	13,793,584	-
2041	-	-	13,701,151	-
2042	-	-	13,597,434	-
2043	-	-	13,523,307	-
2044	-	-	13,357,869	-
2045	-	-	13,184,943	-
2046	-	-	12,950,397	-
2047	-	-	12,691,488	-
2048	-	-	12,412,701	-
2049	-	-	12,113,894	-

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:** 15.25

Certain Key Assumptions

Valuation Investment Return Assumption	4.25%
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)
2024	143,292,980	11,369,339	10,965,621	143,696,698
2025	143,696,698	11,389,301	11,289,136	143,796,863
2026	143,796,863	11,385,769	11,575,093	143,607,539
2027	143,607,539	11,349,920	12,065,501	142,891,958
2028	142,891,958	11,277,434	12,391,579	141,777,813
2029	141,777,813	11,173,013	12,694,709	140,256,117
2030	140,256,117	11,037,991	12,924,570	138,369,538
2031	138,369,538	10,871,880	13,178,346	136,063,072
2032	136,063,072	10,674,585	13,348,321	133,389,336
2033	133,389,336	10,448,943	13,470,971	130,367,308
2034	130,367,308	10,195,027	13,582,445	126,979,890
2035	126,979,890	9,910,415	13,707,300	123,183,005
2036	123,183,005	9,592,754	13,814,391	118,961,368
2037	118,961,368	9,243,318	13,842,298	114,362,388
2038	114,362,388	8,864,292	13,832,850	109,393,830
2039	109,393,830	8,455,065	13,816,398	104,032,497
2040	104,032,497	8,013,696	13,793,584	98,252,609
2041	98,252,609	7,540,668	13,701,151	92,092,126
2042	92,092,126	7,036,706	13,597,434	85,531,398
2043	85,531,398	6,498,504	13,523,307	78,506,595
2044	78,506,595	5,925,782	13,357,869	71,074,508
2045	71,074,508	5,319,768	13,184,943	63,209,333
2046	63,209,333	4,680,566	12,950,397	54,939,502
2047	54,939,502	4,008,985	12,691,488	46,256,999
2048	46,256,999	3,304,179	12,412,701	37,148,477
2049	37,148,477	2,565,051	12,113,894	27,599,634
2050	27,599,634	1,790,390	11,795,871	17,594,153
2051	17,594,153	978,712	11,461,959	7,110,906
2052	7,110,906	128,296	11,111,603	-

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: 28.67

Certain Key Assumptions

Valuation Investment Return Assumption 8.25%
 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, 2023	October 1, 2023	October 1, 2023	October 1, 2023
B. Actuarially Determined Contribution (ADC) to Be Paid During Fiscal Year Ending	9/30/2025	9/30/2025	9/30/2025	9/30/2025
C. Assumed Dates of Employer Contributions	Biweekly	Biweekly	Biweekly	Biweekly
D. Annual Payment to Amortize Unfunded Actuarial Liability	\$ 7,335,016	\$ 7,335,016	\$ 11,655,138	\$ 3,782,853
E. Employer Normal Cost	3,061,503	3,061,503	5,693,372	1,556,779
F. ADC if Paid on Valuation Date: D + E	10,396,519	10,396,519	17,348,510	5,339,632
G. ADC Adjusted for Frequency of Payments	10,724,113	10,724,113	17,723,758	5,559,625
H. ADC as % of Covered Payroll	82.57 %	82.57 %	136.46 %	42.81 %
I. Assumed Rate of Increase in Covered Payroll to Contribution Year	5.55 %	5.55 %	5.55 %	5.55 %
J. Covered Payroll for Contribution Year	13,708,899	13,708,899	13,708,899	13,708,899
K. ADC for Contribution Year: H x J	11,319,438	11,319,438	18,707,164	5,868,780
L. Estimated Credit for State Revenue in Contribution Year	1,206,994	1,206,994	1,206,994	1,206,994
M. Required Employer Contribution (REC) in Contribution Year	10,112,444	10,112,444	17,500,170	4,661,786
N. REC as % of Covered Payroll in Contribution Year: M ÷ J	73.77 %	73.77 %	127.66 %	34.01 %
O. Expected Member Contributions	1,380,845	1,380,845	1,380,845	1,380,845
P. Total Contribution (Including Members) in Contribution Year	12,700,283	12,700,283	20,088,009	7,249,625
Q. Total Contribution as % of Covered Payroll in Contribution Year: P ÷ J	92.64 %	92.64 %	146.53 %	52.88 %
R. Certain Key Assumptions				
Investment Return Assumption	6.25 %	6.25 %	4.25 %	8.25 %
Mortality Table	FRS Mortality - Special Risk	FRS Mortality - Special Risk	FRS Mortality - Special Risk	FRS Mortality - Special Risk

