

CITY OF DELRAY BEACH POLICE OFFICERS' 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 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, 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 May 8, 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.

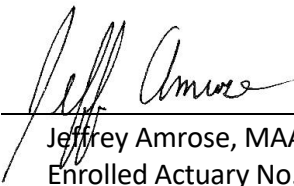
Jeffrey Amrose and Trisha Amrose are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein. The signing actuaries are independent of the plan sponsor.

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

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	\$ 3,362,525
b. Interest	12,853,227
c. Benefit Changes	17,725
d. Difference between actual & expected experience & Other	(1,909,097)
e. Assumption Changes	-
f. Benefit Payments	(9,597,997)
g. Contribution Refunds	(32,969)
h. Net Change in Total Pension Liability	<u>4,693,414</u>
i. Total Pension Liability - Beginning	<u>191,871,129</u>
j. Total Pension Liability - Ending	<u>\$ 196,564,543</u>
2. Plan Fiduciary Net Position	
a. Contributions - Employer and Non-Employer	\$ 7,882,933
b. Contributions - State	1,036,799
c. Contributions - Member	1,252,569
d. Net Investment Income	15,108,173
e. Benefit Payments	(9,597,997)
f. Contribution Refunds	(32,969)
g. Administrative Expense	(182,489)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	<u>15,467,019</u>
j. Plan Fiduciary Net Position - Beginning	<u>119,625,435</u>
k. Plan Fiduciary Net Position - Ending	<u>\$ 135,092,454</u>
3. Net Pension Liability / (Asset)	61,472,089
Certain Key Assumptions	
Valuation Date	10/01/2022
Measurement Date	09/30/2023
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>2023</u>
1. Total pension liability	
a. Service Cost	\$ 3,362,525
b. Interest	12,853,227
c. Benefit Changes	17,725
d. Difference between actual & expected experience & Other	(1,909,097)
e. Assumption Changes	-
f. Benefit Payments	(9,597,997)
g. Contribution Refunds	(32,969)
h. Net Change in Total Pension Liability	<u>4,693,414</u>
i. Total Pension Liability - Beginning	<u>191,871,129</u>
j. Total Pension Liability - Ending	<u>\$ 196,564,543</u>
2. Plan Fiduciary Net Position	
a. Contributions - Employer and Non-Employer	\$ 7,882,933
b. Contributions - State	1,036,799
c. Contributions - Member	1,252,569
d. Net Investment Income	15,108,173
e. Benefit Payments	(9,597,997)
f. Contribution Refunds	(32,969)
g. Administrative Expense	(182,489)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	<u>15,467,019</u>
j. Plan Fiduciary Net Position - Beginning	<u>119,625,435</u>
k. Plan Fiduciary Net Position - Ending	<u>\$ 135,092,454</u>
3. Net Pension Liability / (Asset)	61,472,089
Certain Key Assumptions	
Valuation Date	10/01/2022
Measurement Date	09/30/2023
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>2023</u>
1. Total pension liability	
a. Service Cost	\$ 5,530,400
b. Interest	11,548,958
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	-
e. Assumption Changes	-
f. Benefit Payments	(9,597,997)
g. Contribution Refunds	(32,969)
h. Net Change in Total Pension Liability	<u>7,448,392</u>
i. Total Pension Liability - Beginning	<u>242,421,033</u>
j. Total Pension Liability - Ending	<u>\$ 249,869,425</u>
2. Plan Fiduciary Net Position	
a. Contributions - Employer and Non-Employer	\$ 7,882,933
b. Contributions - State	1,036,799
c. Contributions - Member	1,252,569
d. Net Investment Income	15,108,173
e. Benefit Payments	(9,597,997)
f. Contribution Refunds	(32,969)
g. Administrative Expense	(182,489)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	<u>15,467,019</u>
j. Plan Fiduciary Net Position - Beginning	<u>119,625,435</u>
k. Plan Fiduciary Net Position - Ending	<u>\$ 135,092,454</u>
3. Net Pension Liability / (Asset)	114,776,971
Certain Key Assumptions	
Valuation Date	10/01/2022
Measurement Date	09/30/2023
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,	<u>2023</u>
1. Total pension liability	
a. Service Cost	\$ 2,166,929
b. Interest	13,326,283
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	-
e. Assumption Changes	-
f. Benefit Payments	(9,597,997)
g. Contribution Refunds	(32,969)
h. Net Change in Total Pension Liability	<u>5,862,246</u>
i. Total Pension Liability - Beginning	<u>154,948,926</u>
j. Total Pension Liability - Ending	<u>\$ 160,811,172</u>
2. Plan Fiduciary Net Position	
a. Contributions - Employer and Non-Employer	\$ 7,882,933
b. Contributions - State	1,036,799
c. Contributions - Member	1,252,569
d. Net Investment Income	15,108,173
e. Benefit Payments	(9,597,997)
f. Contribution Refunds	(32,969)
g. Administrative Expense	(182,489)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	<u>15,467,019</u>
j. Plan Fiduciary Net Position - Beginning	<u>119,625,435</u>
k. Plan Fiduciary Net Position - Ending	<u>\$ 135,092,454</u>
3. Net Pension Liability / (Asset)	25,718,718
Certain Key Assumptions	
Valuation Date	10/01/2022
Measurement Date	09/30/2023
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)
2024	123,729,648	7,998,909	10,454,572	121,273,985
2025	121,273,985	7,823,278	10,747,147	118,350,116
2026	118,350,116	7,610,057	11,217,061	114,743,112
2027	114,743,112	7,354,016	11,589,456	110,507,672
2028	110,507,672	7,055,649	11,959,069	105,604,252
2029	105,604,252	6,716,976	12,186,985	100,134,243
2030	100,134,243	6,341,418	12,374,611	94,101,050
2031	94,101,050	5,922,355	12,724,922	87,298,483
2032	87,298,483	5,457,096	12,905,243	79,850,336
2033	79,850,336	4,945,422	13,169,644	71,626,114
2034	71,626,114	4,388,155	13,232,823	62,781,446
2035	62,781,446	3,786,695	13,364,524	53,203,617
2036	53,203,617	3,136,380	13,477,450	42,862,547
2037	42,862,547	2,439,424	13,445,863	31,856,108
2038	31,856,108	1,697,139	13,426,616	20,126,631
2039	20,126,631	906,700	13,388,088	7,645,243
2040	7,645,243	65,772	13,341,675	-
2041	-	-	13,286,957	-
2042	-	-	13,212,101	-
2043	-	-	13,101,398	-
2044	-	-	12,943,285	-
2045	-	-	12,751,078	-
2046	-	-	12,507,576	-
2047	-	-	12,252,775	-
2048	-	-	11,984,371	-
2049	-	-	11,688,116	-

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:** 16.50

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)
2024	123,729,648	7,998,909	10,454,572	121,273,985
2025	121,273,985	7,823,278	10,747,147	118,350,116
2026	118,350,116	7,610,057	11,217,061	114,743,112
2027	114,743,112	7,354,016	11,589,456	110,507,672
2028	110,507,672	7,055,649	11,959,069	105,604,252
2029	105,604,252	6,716,976	12,186,985	100,134,243
2030	100,134,243	6,341,418	12,374,611	94,101,050
2031	94,101,050	5,922,355	12,724,922	87,298,483
2032	87,298,483	5,457,096	12,905,243	79,850,336
2033	79,850,336	4,945,422	13,169,644	71,626,114
2034	71,626,114	4,388,155	13,232,823	62,781,446
2035	62,781,446	3,786,695	13,364,524	53,203,617
2036	53,203,617	3,136,380	13,477,450	42,862,547
2037	42,862,547	2,439,424	13,445,863	31,856,108
2038	31,856,108	1,697,139	13,426,616	20,126,631
2039	20,126,631	906,700	13,388,088	7,645,243
2040	7,645,243	65,772	13,341,675	-
2041	-	-	13,286,957	-
2042	-	-	13,212,101	-
2043	-	-	13,101,398	-
2044	-	-	12,943,285	-
2045	-	-	12,751,078	-
2046	-	-	12,507,576	-
2047	-	-	12,252,775	-
2048	-	-	11,984,371	-
2049	-	-	11,688,116	-

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:** 16.50

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)
2024	123,729,648	5,628,862	10,454,572	118,903,938
2025	118,903,938	5,392,692	10,747,147	113,549,483
2026	113,549,483	5,127,195	11,217,061	107,459,617
2027	107,459,617	4,829,082	11,589,456	100,699,243
2028	100,699,243	4,499,186	11,959,069	93,239,360
2029	93,239,360	4,139,429	12,186,985	85,191,804
2030	85,191,804	3,752,714	12,374,611	76,569,907
2031	76,569,907	3,334,854	12,724,922	67,179,839
2032	67,179,839	2,884,543	12,905,243	57,159,139
2033	57,159,139	2,402,280	13,169,644	46,391,775
2034	46,391,775	1,889,330	13,232,823	35,048,282
2035	35,048,282	1,347,386	13,364,524	23,031,144
2036	23,031,144	773,890	13,477,450	10,327,584
2037	10,327,584	171,221	13,445,863	-
2038	-	-	13,426,616	-
2039	-	-	13,388,088	-
2040	-	-	13,341,675	-
2041	-	-	13,286,957	-
2042	-	-	13,212,101	-
2043	-	-	13,101,398	-
2044	-	-	12,943,285	-
2045	-	-	12,751,078	-
2046	-	-	12,507,576	-
2047	-	-	12,252,775	-
2048	-	-	11,984,371	-
2049	-	-	11,688,116	-

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:** 13.75

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)
2024	123,729,648	10,368,957	10,454,572	123,644,033
2025	123,644,033	10,348,665	10,747,147	123,245,551
2026	123,245,551	10,293,239	11,217,061	122,321,729
2027	122,321,729	10,196,113	11,589,456	120,928,386
2028	120,928,386	10,058,025	11,959,069	119,027,342
2029	119,027,342	9,881,712	12,186,985	116,722,069
2030	116,722,069	9,671,792	12,374,611	114,019,250
2031	114,019,250	9,419,969	12,724,922	110,714,297
2032	110,714,297	9,122,897	12,905,243	106,931,951
2033	106,931,951	8,780,374	13,169,644	102,542,681
2034	102,542,681	8,393,549	13,232,823	97,703,407
2035	97,703,407	7,964,350	13,364,524	92,303,233
2036	92,303,233	7,486,894	13,477,450	86,312,677
2037	86,312,677	6,964,103	13,445,863	79,830,917
2038	79,830,917	6,397,791	13,426,616	72,802,092
2039	72,802,092	5,784,454	13,388,088	65,198,458
2040	65,198,458	5,121,167	13,341,675	56,977,950
2041	56,977,950	4,404,266	13,286,957	48,095,259
2042	48,095,259	3,630,306	13,212,101	38,513,464
2043	38,513,464	2,796,742	13,101,398	28,208,808
2044	28,208,808	1,902,002	12,943,285	17,167,525
2045	17,167,525	944,299	12,751,078	5,360,746
2046	5,360,746	-	12,507,576	-
2047	-	-	12,252,775	-
2048	-	-	11,984,371	-
2049	-	-	11,688,116	-

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:

22.42

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, 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	\$ 6,146,554	\$ 6,146,554	\$ 9,271,419	\$ 3,410,980
E. Employer Normal Cost	2,459,529	2,459,529	4,763,899	1,167,167
F. ADC if Paid on Valuation Date: D + E	8,606,083	8,606,083	14,035,318	4,578,147
G. ADC Adjusted for Frequency of Payments	8,898,260	8,898,260	14,373,710	4,777,754
H. ADC as % of Covered Payroll	63.01 %	63.01 %	101.78 %	33.83 %
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	14,923,598	14,923,598	14,923,598	14,923,598
K. ADC for Contribution Year: H x J	9,403,359	9,403,359	15,189,238	5,048,653
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	8,796,764	8,796,764	14,582,643	4,442,058
N. REC as % of Covered Payroll in Contribution Year: M ÷ J	58.95 %	58.95 %	97.72 %	29.77 %
O. Expected Member Contributions	1,398,627	1,398,627	1,398,627	1,398,627
P. Total Contribution (Including Members) in Contribution Year	10,801,986	10,801,986	16,587,865	6,447,280
Q. Total Contribution as % of Covered Payroll in Contribution Year: P ÷ J	72.38 %	72.38 %	111.15 %	43.20 %
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

