

CITY OF DELRAY BEACH GENERAL EMPLOYEES' RETIREMENT PLAN

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 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, 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 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, 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 9, 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 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.

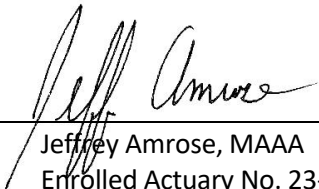
Jeffrey Amrose and Trisha Amrose are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein. The signing actuaries are independent of the plan sponsor.

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 
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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	\$ 3,298,952
b. Interest	10,283,312
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	1,245,558
e. Assumption Changes	-
f. Benefit Payments	(8,238,834)
g. Contribution Refunds	(124,445)
h. Net Change in Total Pension Liability	<u>6,464,543</u>
i. Total Pension Liability - Beginning	<u>153,228,056</u>
j. Total Pension Liability - Ending	<u><u>\$ 159,692,599</u></u>
2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ 2,357,598
b. Contributions - State	-
c. Contributions - Member	1,665,136
d. Net Investment Income	20,953,749
e. Benefit Payments	(8,238,834)
f. Contribution Refunds	(124,445)
g. Administrative Expense	(130,830)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	<u>16,482,374</u>
j. Plan Fiduciary Net Position - Beginning	<u>143,851,697</u>
k. Plan Fiduciary Net Position - Ending	<u><u>\$ 160,334,071</u></u>
3. Net Pension Liability / (Asset)	(641,472)

Certain Key Assumptions

Valuation Date	10/01/2022
Measurement Date	09/30/2023
Investment Return Assumption	6.75%
Mortality Table	FRS Mortality Rates from 7/1/21 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>2023</u>
1. Total pension liability	
a. Service Cost	\$ 3,298,952
b. Interest	10,283,312
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	1,245,558
e. Assumption Changes	-
f. Benefit Payments	(8,238,834)
g. Contribution Refunds	(124,445)
h. Net Change in Total Pension Liability	<u>6,464,543</u>
i. Total Pension Liability - Beginning	<u>153,228,056</u>
j. Total Pension Liability - Ending	<u>\$ 159,692,599</u>
2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ 2,357,598
b. Contributions - State	-
c. Contributions - Member	1,665,136
d. Net Investment Income	20,953,749
e. Benefit Payments	(8,238,834)
f. Contribution Refunds	(124,445)
g. Administrative Expense	(130,830)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	<u>16,482,374</u>
j. Plan Fiduciary Net Position - Beginning	<u>143,851,697</u>
k. Plan Fiduciary Net Position - Ending	<u>\$ 160,334,071</u>
3. Net Pension Liability / (Asset)	(641,472)
Certain Key Assumptions	
Valuation Date	10/01/2022
Measurement Date	09/30/2023
Investment Return Assumption	6.75%
Mortality Table	FRS Mortality Rates from 7/1/21 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,	<u>2023</u>
1. Total pension liability	
a. Service Cost	\$ 5,100,037
b. Interest	9,258,652
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	-
e. Assumption Changes	-
f. Benefit Payments	(8,238,834)
g. Contribution Refunds	(124,445)
h. Net Change in Total Pension Liability	<u>5,995,410</u>
i. Total Pension Liability - Beginning	<u>194,000,586</u>
j. Total Pension Liability - Ending	<u>\$ 199,995,996</u>
2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ 2,357,598
b. Contributions - State	-
c. Contributions - Member	1,665,136
d. Net Investment Income	20,953,749
e. Benefit Payments	(8,238,834)
f. Contribution Refunds	(124,445)
g. Administrative Expense	(130,830)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	<u>16,482,374</u>
j. Plan Fiduciary Net Position - Beginning	<u>143,851,697</u>
k. Plan Fiduciary Net Position - Ending	<u>\$ 160,334,071</u>
3. Net Pension Liability / (Asset)	39,661,925
Certain Key Assumptions	
Valuation Date	10/01/2022
Measurement Date	09/30/2023
Investment Return Assumption	4.75%
Mortality Table	FRS Mortality Rates from 7/1/21 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,	<u>2023</u>
1. Total pension liability	
a. Service Cost	\$ 2,237,417
b. Interest	10,891,295
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	-
e. Assumption Changes	-
f. Benefit Payments	(8,238,834)
g. Contribution Refunds	(124,445)
h. Net Change in Total Pension Liability	<u>4,765,433</u>
i. Total Pension Liability - Beginning	<u>126,416,167</u>
j. Total Pension Liability - Ending	<u>\$ 131,181,600</u>
2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ 2,357,598
b. Contributions - State	-
c. Contributions - Member	1,665,136
d. Net Investment Income	20,953,749
e. Benefit Payments	(8,238,834)
f. Contribution Refunds	(124,445)
g. Administrative Expense	(130,830)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	<u>16,482,374</u>
j. Plan Fiduciary Net Position - Beginning	<u>143,851,697</u>
k. Plan Fiduciary Net Position - Ending	<u>\$ 160,334,071</u>
3. Net Pension Liability / (Asset)	(29,152,471)
Certain Key Assumptions	
Valuation Date	10/01/2022
Measurement Date	09/30/2023
Investment Return Assumption	8.75%
Mortality Table	FRS Mortality Rates from 7/1/21 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)
2024	162,863,318	10,685,652	9,114,731	164,434,239
2025	164,434,239	10,772,071	9,696,002	165,510,308
2026	165,510,308	10,828,929	10,163,448	166,175,789
2027	166,175,789	10,857,301	10,653,763	166,379,327
2028	166,379,327	10,863,058	10,890,260	166,352,125
2029	166,352,125	10,852,676	11,143,487	166,061,314
2030	166,061,314	10,825,751	11,359,626	165,527,439
2031	165,527,439	10,783,821	11,534,270	164,776,990
2032	164,776,990	10,725,890	11,749,834	163,753,046
2033	163,753,046	10,653,264	11,853,813	162,552,497
2034	162,552,497	10,572,593	11,842,980	161,282,110
2035	161,282,110	10,486,976	11,839,004	159,930,082
2036	159,930,082	10,398,108	11,768,085	158,560,105
2037	158,560,105	10,310,978	11,609,736	157,261,347
2038	157,261,347	10,227,706	11,479,555	156,009,498
2039	156,009,498	10,148,708	11,316,536	154,841,670
2040	154,841,670	10,078,156	11,071,299	153,848,527
2041	153,848,527	10,020,592	10,790,626	153,078,493
2042	153,078,493	9,978,533	10,496,740	152,560,286
2043	152,560,286	9,953,525	10,201,320	152,312,491
2044	152,312,491	9,947,300	9,890,159	152,369,632
2045	152,369,632	9,961,088	9,595,921	152,734,799
2046	152,734,799	9,998,095	9,229,738	153,503,156
2047	153,503,156	10,061,777	8,879,574	154,685,359
2048	154,685,359	10,153,855	8,515,743	156,323,471
2049	156,323,471	10,276,669	8,153,047	158,447,093

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 7/1/22 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)
2024	162,863,318	10,685,652	9,114,731	164,434,239
2025	164,434,239	10,772,071	9,696,002	165,510,308
2026	165,510,308	10,828,929	10,163,448	166,175,789
2027	166,175,789	10,857,301	10,653,763	166,379,327
2028	166,379,327	10,863,058	10,890,260	166,352,125
2029	166,352,125	10,852,676	11,143,487	166,061,314
2030	166,061,314	10,825,751	11,359,626	165,527,439
2031	165,527,439	10,783,821	11,534,270	164,776,990
2032	164,776,990	10,725,890	11,749,834	163,753,046
2033	163,753,046	10,653,264	11,853,813	162,552,497
2034	162,552,497	10,572,593	11,842,980	161,282,110
2035	161,282,110	10,486,976	11,839,004	159,930,082
2036	159,930,082	10,398,108	11,768,085	158,560,105
2037	158,560,105	10,310,978	11,609,736	157,261,347
2038	157,261,347	10,227,706	11,479,555	156,009,498
2039	156,009,498	10,148,708	11,316,536	154,841,670
2040	154,841,670	10,078,156	11,071,299	153,848,527
2041	153,848,527	10,020,592	10,790,626	153,078,493
2042	153,078,493	9,978,533	10,496,740	152,560,286
2043	152,560,286	9,953,525	10,201,320	152,312,491
2044	152,312,491	9,947,300	9,890,159	152,369,632
2045	152,369,632	9,961,088	9,595,921	152,734,799
2046	152,734,799	9,998,095	9,229,738	153,503,156
2047	153,503,156	10,061,777	8,879,574	154,685,359
2048	154,685,359	10,153,855	8,515,743	156,323,471
2049	156,323,471	10,276,669	8,153,047	158,447,093

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 7/1/22 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)
2024	162,863,318	7,519,533	9,114,731	161,268,120
2025	161,268,120	7,429,956	9,696,002	159,002,074
2026	159,002,074	7,311,217	10,163,448	156,149,843
2027	156,149,843	7,164,091	10,653,763	152,660,171
2028	152,660,171	6,992,714	10,890,260	148,762,625
2029	148,762,625	6,801,567	11,143,487	144,420,705
2030	144,420,705	6,590,192	11,359,626	139,651,271
2031	139,651,271	6,359,496	11,534,270	134,476,497
2032	134,476,497	6,108,575	11,749,834	128,835,238
2033	128,835,238	5,838,146	11,853,813	122,819,571
2034	122,819,571	5,552,659	11,842,980	116,529,250
2035	116,529,250	5,253,963	11,839,004	109,944,209
2036	109,944,209	4,942,858	11,768,085	103,118,982
2037	103,118,982	4,622,420	11,609,736	96,131,666
2038	96,131,666	4,293,615	11,479,555	88,945,726
2039	88,945,726	3,956,154	11,316,536	81,585,344
2040	81,585,344	3,612,360	11,071,299	74,126,405
2041	74,126,405	3,264,727	10,790,626	66,600,506
2042	66,600,506	2,914,226	10,496,740	59,017,992
2043	59,017,992	2,561,073	10,201,320	51,377,745
2044	51,377,745	2,205,552	9,890,159	43,693,138
2045	43,693,138	1,847,521	9,595,921	35,944,738
2046	35,944,738	1,488,169	9,229,738	28,203,169
2047	28,203,169	1,128,761	8,879,574	20,452,356
2048	20,452,356	769,238	8,515,743	12,705,851
2049	12,705,851	409,893	8,153,047	4,962,697
2050	4,962,697	51,213	7,769,052	-

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

4.75%

Valuation Mortality Table

FRS Mortality Rates from 7/1/22 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)
2024	162,863,318	13,851,771	9,114,731	167,600,358
2025	167,600,358	14,240,831	9,696,002	172,145,187
2026	172,145,187	14,618,053	10,163,448	176,599,792
2027	176,599,792	14,986,380	10,653,763	180,932,409
2028	180,932,409	15,355,137	10,890,260	185,397,286
2029	185,397,286	15,734,735	11,143,487	189,988,534
2030	189,988,534	16,127,013	11,359,626	194,755,921
2031	194,755,921	16,536,519	11,534,270	199,758,170
2032	199,758,170	16,964,785	11,749,834	204,973,121
2033	204,973,121	17,416,544	11,853,813	210,535,852
2034	210,535,852	17,903,757	11,842,980	216,596,629
2035	216,596,629	18,434,249	11,839,004	223,191,874
2036	223,191,874	19,014,435	11,768,085	230,438,224
2037	230,438,224	19,655,419	11,609,736	238,483,907
2038	238,483,907	20,365,111	11,479,555	247,369,463
2039	247,369,463	21,149,730	11,316,536	257,202,657
2040	257,202,657	22,020,863	11,071,299	268,152,221
2041	268,152,221	22,991,229	10,790,626	280,352,824
2042	280,352,824	24,071,640	10,496,740	293,927,724
2043	293,927,724	25,272,368	10,201,320	308,998,772
2044	308,998,772	26,604,698	9,890,159	325,713,311
2045	325,713,311	28,080,093	9,595,921	344,197,483
2046	344,197,483	29,713,479	9,229,738	364,681,224
2047	364,681,224	31,521,126	8,879,574	387,322,776
2048	387,322,776	33,518,179	8,515,743	412,325,212
2049	412,325,212	35,721,760	8,153,047	439,893,925

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 7/1/22 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, 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	12/31/2024	12/31/2024	12/31/2024	12/31/2024
D. Annual Payment to Amortize Unfunded Actuarial Liability	\$ 238,724	\$ 238,724	\$ 2,950,676	\$ 0
E. Employer Normal Cost	2,593,529	2,593,529	4,638,383	1,386,531
F. ADC if Paid on Valuation Date: D + E	2,832,253	2,832,253	7,589,059	1,386,531
G. ADC Adjusted for Frequency of Payments	3,073,207	3,073,207	8,042,300	1,539,806
H. ADC Adjusted for Frequency of Payments as % of Covered Payroll	11.10 %	11.10 %	29.04 %	5.56 %
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	27,695,348	27,695,348	27,695,348	27,695,348
K. ADC for Contribution Year: H x J	3,073,207	3,073,207	8,042,300	1,539,806
L. Expected Employee Contribution in Contribution Year	1,342,622	1,342,622	1,342,622	1,342,622
M. Total Contribution Requirement in Contribution Year	4,415,829	4,415,829	9,384,922	2,882,428
N. Total Contribution Requirement as % of Covered Payroll in Contribution Year	15.94 %	15.94 %	33.89 %	10.41 %
O. Certain Key Assumptions				
Investment Return Assumption	6.75%	6.75%	4.75%	8.75%
Mortality Table	FRS Mortality Rates from 7/1/21 FRS Valuation	FRS Mortality Rates from 7/1/21 FRS Valuation	FRS Mortality Rates from 7/1/21 FRS Valuation	FRS Mortality Rates from 7/1/21 FRS Valuation

