

CITY OF DELRAY BEACH GENERAL EMPLOYEES' RETIREMENT PLAN

CHAPTER 112.664, F.S. COMPLIANCE REPORT

In Connection with the October 1, 2019 Funding Actuarial
Valuation Report and the Plan's Financial Reporting for the Year
Ending September 30, 2019





July 15, 2020

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, 2019. 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, 2019 actuarial valuation report. This report is also based on the Plan Provisions, census data, and financial information as summarized in our October 1, 2019 actuarial valuation report. Please refer to the October 1, 2019 actuarial valuation report, dated May 15, 2020, 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.

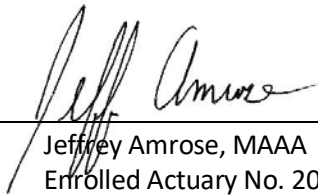
This report has been prepared by actuaries who have substantial experience valuing public employee retirement systems. To the best of our knowledge the information contained in this report is accurate and fairly presents the actuarial position of the Retirement Plan as of the valuation date. All calculations 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
Consultant & Actuary

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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,	2019
1. Total pension liability	
a. Service Cost	\$ 2,741,412
b. Interest	9,169,248
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	1,452,111
e. Assumption Changes	7,018,332
f. Benefit Payments	(7,686,562)
g. Contribution Refunds	(117,583)
h. Net Change in Total Pension Liability	12,576,958
i. Total Pension Liability - Beginning	127,633,046
j. Total Pension Liability - Ending	\$ 140,210,004
 2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ 2,360,582
b. Contributions - State	-
c. Contributions - Member	1,206,890
d. Net Investment Income	3,620,514
e. Benefit Payments	(7,686,562)
f. Contribution Refunds	(117,583)
g. Administrative Expense	(172,197)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	(788,356)
j. Plan Fiduciary Net Position - Beginning	133,718,092
k. Plan Fiduciary Net Position - Ending	\$ 132,929,736
 3. Net Pension Liability / (Asset)	7,280,268
 Certain Key Assumptions	
Valuation Date	10/01/2018
Measurement Date	09/30/2019
Investment Return Assumption	6.75%
Mortality Table	FRS Mortality Rates from 7/1/18 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>2019</u>
1. Total pension liability	
a. Service Cost	\$ 2,741,412
b. Interest	9,169,248
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	1,452,111
e. Assumption Changes	7,018,332
f. Benefit Payments	(7,686,562)
g. Contribution Refunds	(117,583)
h. Net Change in Total Pension Liability	<u>12,576,958</u>
i. Total Pension Liability - Beginning	<u>127,633,046</u>
j. Total Pension Liability - Ending	<u><u>\$ 140,210,004</u></u>
2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ 2,360,582
b. Contributions - State	-
c. Contributions - Member	1,206,890
d. Net Investment Income	3,620,514
e. Benefit Payments	(7,686,562)
f. Contribution Refunds	(117,583)
g. Administrative Expense	(172,197)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	<u>(788,356)</u>
j. Plan Fiduciary Net Position - Beginning	<u>133,718,092</u>
k. Plan Fiduciary Net Position - Ending	<u><u>\$ 132,929,736</u></u>
3. Net Pension Liability / (Asset)	7,280,268
Certain Key Assumptions	
Valuation Date	10/01/2018
Measurement Date	09/30/2019
Investment Return Assumption	6.75%
Mortality Table	FRS Mortality Rates from 7/1/18 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>2019</u>
1. Total pension liability	
a. Service Cost	\$ 4,244,386
b. Interest	9,066,533
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	-
e. Assumption Changes	-
f. Benefit Payments	(7,686,562)
g. Contribution Refunds	(117,583)
h. Net Change in Total Pension Liability	<u>5,506,774</u>
i. Total Pension Liability - Beginning	<u>172,353,555</u>
j. Total Pension Liability - Ending	<u><u>\$ 177,860,329</u></u>
2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ 2,360,582
b. Contributions - State	-
c. Contributions - Member	1,206,890
d. Net Investment Income	3,620,514
e. Benefit Payments	(7,686,562)
f. Contribution Refunds	(117,583)
g. Administrative Expense	(172,197)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	<u>(788,356)</u>
j. Plan Fiduciary Net Position - Beginning	<u>133,718,092</u>
k. Plan Fiduciary Net Position - Ending	<u><u>\$ 132,929,736</u></u>
3. Net Pension Liability / (Asset)	44,930,593

Certain Key Assumptions

Valuation Date	10/01/2018
Measurement Date	09/30/2019
Investment Return Assumption	4.75%
Mortality Table	FRS Mortality Rates from 7/1/18 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,

1. Total pension liability

	<u>2019</u>
a. Service Cost	\$ 1,821,478
b. Interest	10,066,804
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	-
e. Assumption Changes	-
f. Benefit Payments	(7,686,562)
g. Contribution Refunds	(117,583)
h. Net Change in Total Pension Liability	4,084,137
i. Total Pension Liability - Beginning	110,910,909
j. Total Pension Liability - Ending	\$ 114,995,046

2. Plan Fiduciary Net Position

a. Contributions - Employer	\$ 2,360,582
b. Contributions - State	-
c. Contributions - Member	1,206,890
d. Net Investment Income	3,620,514
e. Benefit Payments	(7,686,562)
f. Contribution Refunds	(117,583)
g. Administrative Expense	(172,197)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	(788,356)
j. Plan Fiduciary Net Position - Beginning	133,718,092
k. Plan Fiduciary Net Position - Ending	\$ 132,929,736

3. Net Pension Liability / (Asset) (17,934,690)

Certain Key Assumptions

Valuation Date	10/01/2018
Measurement Date	09/30/2019
Investment Return Assumption	8.75%
Mortality Table	FRS Mortality Rates from 7/1/18 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)
2020	135,796,532	8,889,024	8,214,573	136,470,983
2021	136,470,983	8,924,682	8,506,933	136,888,732
2022	136,888,732	8,948,462	8,637,860	137,199,334
2023	137,199,334	8,960,272	8,909,121	137,250,485
2024	137,250,485	8,953,336	9,216,944	136,986,877
2025	136,986,877	8,928,092	9,437,697	136,477,272
2026	136,477,272	8,888,004	9,606,264	135,759,012
2027	135,759,012	8,832,377	9,817,974	134,773,415
2028	134,773,415	8,761,537	9,945,719	133,589,233
2029	133,589,233	8,679,453	10,009,485	132,259,201
2030	132,259,201	8,588,936	10,031,402	130,816,735
2031	130,816,735	8,491,522	10,032,824	129,275,433
2032	129,275,433	8,385,206	10,100,308	127,560,331
2033	127,560,331	8,270,283	10,075,241	125,755,373
2034	125,755,373	8,151,820	9,975,332	123,931,861
2035	123,931,861	8,031,929	9,880,655	122,083,135
2036	122,083,135	7,912,197	9,730,809	120,264,523
2037	120,264,523	7,796,064	9,534,564	118,526,023
2038	118,526,023	7,684,912	9,350,952	116,859,983
2039	116,859,983	7,579,331	9,147,183	115,292,131
2040	115,292,131	7,482,046	8,893,996	113,880,181
2041	113,880,181	7,396,676	8,599,602	112,677,255
2042	112,677,255	7,325,544	8,301,355	111,701,444
2043	111,701,444	7,269,626	8,006,568	110,964,502
2044	110,964,502	7,230,017	7,706,267	110,488,252
2045	110,488,252	7,208,798	7,382,488	110,314,562

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 7/1/18 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)
2020	135,796,532	8,889,024	8,214,573	136,470,983
2021	136,470,983	8,924,682	8,506,933	136,888,732
2022	136,888,732	8,948,462	8,637,860	137,199,334
2023	137,199,334	8,960,272	8,909,121	137,250,485
2024	137,250,485	8,953,336	9,216,944	136,986,877
2025	136,986,877	8,928,092	9,437,697	136,477,272
2026	136,477,272	8,888,004	9,606,264	135,759,012
2027	135,759,012	8,832,377	9,817,974	134,773,415
2028	134,773,415	8,761,537	9,945,719	133,589,233
2029	133,589,233	8,679,453	10,009,485	132,259,201
2030	132,259,201	8,588,936	10,031,402	130,816,735
2031	130,816,735	8,491,522	10,032,824	129,275,433
2032	129,275,433	8,385,206	10,100,308	127,560,331
2033	127,560,331	8,270,283	10,075,241	125,755,373
2034	125,755,373	8,151,820	9,975,332	123,931,861
2035	123,931,861	8,031,929	9,880,655	122,083,135
2036	122,083,135	7,912,197	9,730,809	120,264,523
2037	120,264,523	7,796,064	9,534,564	118,526,023
2038	118,526,023	7,684,912	9,350,952	116,859,983
2039	116,859,983	7,579,331	9,147,183	115,292,131
2040	115,292,131	7,482,046	8,893,996	113,880,181
2041	113,880,181	7,396,676	8,599,602	112,677,255
2042	112,677,255	7,325,544	8,301,355	111,701,444
2043	111,701,444	7,269,626	8,006,568	110,964,502
2044	110,964,502	7,230,017	7,706,267	110,488,252
2045	110,488,252	7,208,798	7,382,488	110,314,562

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 7/1/18 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)
2020	135,796,532	6,255,239	8,214,573	133,837,198
2021	133,837,198	6,155,227	8,506,933	131,485,492
2022	131,485,492	6,040,412	8,637,860	128,888,044
2023	128,888,044	5,910,590	8,909,121	125,889,513
2024	125,889,513	5,760,849	9,216,944	122,433,418
2025	122,433,418	5,591,442	9,437,697	118,587,163
2026	118,587,163	5,404,741	9,606,264	114,385,640
2027	114,385,640	5,200,141	9,817,974	109,767,807
2028	109,767,807	4,977,760	9,945,719	104,799,848
2029	104,799,848	4,740,268	10,009,485	99,530,631
2030	99,530,631	4,489,459	10,031,402	93,988,688
2031	93,988,688	4,226,183	10,032,824	88,182,047
2032	88,182,047	3,948,765	10,100,308	82,030,504
2033	82,030,504	3,657,162	10,075,241	75,612,425
2034	75,612,425	3,354,676	9,975,332	68,991,769
2035	68,991,769	3,042,443	9,880,655	62,153,557
2036	62,153,557	2,721,187	9,730,809	55,143,935
2037	55,143,935	2,392,891	9,534,564	48,002,262
2038	48,002,262	2,058,022	9,350,952	40,709,332
2039	40,709,332	1,716,448	9,147,183	33,278,597
2040	33,278,597	1,369,501	8,893,996	25,754,102
2041	25,754,102	1,019,079	8,599,602	18,173,579
2042	18,173,579	666,088	8,301,355	10,538,312
2043	10,538,312	310,414	8,006,568	2,842,158
2044	2,842,158	-	7,706,267	-
2045	-	-	7,382,488	-
2046	-	-	7,042,067	-

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:** 24.33

Certain Key Assumptions

Valuation Investment return assumption 4.75%
 Valuation Mortality Table FRS Mortality Rates from 7/1/18 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)
2020	135,796,532	11,522,809	8,214,573	139,104,768
2021	139,104,768	11,799,489	8,506,933	142,397,324
2022	142,397,324	12,081,859	8,637,860	145,841,323
2023	145,841,323	12,371,342	8,909,121	149,303,544
2024	149,303,544	12,660,819	9,216,944	152,747,419
2025	152,747,419	12,952,500	9,437,697	156,262,222
2026	156,262,222	13,252,670	9,606,264	159,908,628
2027	159,908,628	13,562,469	9,817,974	163,653,123
2028	163,653,123	13,884,523	9,945,719	167,591,927
2029	167,591,927	14,226,379	10,009,485	171,808,821
2030	171,808,821	14,594,398	10,031,402	176,371,817
2031	176,371,817	14,993,598	10,032,824	181,332,591
2032	181,332,591	15,424,713	10,100,308	186,656,996
2033	186,656,996	15,891,695	10,075,241	192,473,450
2034	192,473,450	16,405,006	9,975,332	198,903,124
2035	198,903,124	16,971,745	9,880,655	205,994,214
2036	205,994,214	17,598,771	9,730,809	213,862,176
2037	213,862,176	18,295,803	9,534,564	222,623,415
2038	222,623,415	19,070,445	9,350,952	232,342,908
2039	232,342,908	19,929,815	9,147,183	243,125,540
2040	243,125,540	20,884,372	8,893,996	255,115,916
2041	255,115,916	21,946,410	8,599,602	268,462,724
2042	268,462,724	23,127,304	8,301,355	283,288,673
2043	283,288,673	24,437,472	8,006,568	299,719,577
2044	299,719,577	25,888,314	7,706,267	317,901,624
2045	317,901,624	27,493,408	7,382,488	338,012,544

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 7/1/18 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, 2019	October 1, 2019	October 1, 2019	October 1, 2019
B. Actuarially Determined Contribution (ADC) to Be Paid During Fiscal Year Ending	9/30/2021	9/30/2021	9/30/2021	9/30/2021
C. Assumed Dates of Employer Contributions	12/31/2020	12/31/2020	12/31/2020	12/31/2020
D. Annual Payment to Amortize Unfunded Actuarial Liability	\$ 781,264	\$ 781,264	\$ 3,088,987	\$ 0
E. Employer Normal Cost	2,144,853	2,144,853	3,681,968	1,239,425
F. ADC if Paid on Valuation Date: D + E	2,926,117	2,926,117	6,770,955	1,239,425
G. ADC Adjusted for Frequency of Payments	3,175,056	3,175,056	7,175,337	1,376,438
H. ADC Adjusted for Frequency of Payments as % of Covered Payroll	15.12 %	15.12 %	34.17 %	6.56 %
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	20,997,013	20,997,013	20,997,013	20,997,013
K. ADC for Contribution Year: H x J	3,175,056	3,175,056	7,175,337	1,376,438
L. Expected Employee Contribution in Contribution Year	728,198	728,198	728,198	728,198
M. Total Contribution Requirement in Contribution Year	3,903,254	3,903,254	7,903,535	2,104,636
N. Total Contribution Requirement as % of Covered Payroll in Contribution Year	18.59 %	18.59 %	37.64 %	10.02 %
O. Certain Key Assumptions				
Investment Return Assumption	6.75%	6.75%	4.75%	8.75%
Mortality Table	FRS Mortality Rates from 7/1/19 FRS Valuation	FRS Mortality Rates from 7/1/19 FRS Valuation	FRS Mortality Rates from 7/1/19 FRS Valuation	FRS Mortality Rates from 7/1/19 FRS Valuation