

City of Eustis Municipal Police Officers' Pension and 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





July 1, 2024

Board of Trustees
City of Eustis Municipal Police Officers'
Pension and Retirement System
Eustis, Florida

Dear Board Members:

Gabriel, Roeder, Smith & Company (GRS) has been engaged by the City of Eustis Municipal Police Officers' Pension and Retirement System (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 Plan 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 Retirement 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 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 April 30, 2024 for a summary and description 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.

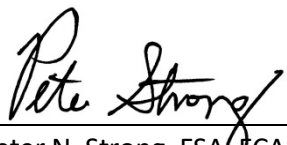
Peter N. Strong and Israel Bichachi are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein. The signing actuaries are independent of the plan sponsor.

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 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 AND COMPANY

By 
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Enrolled Actuary No. 23-6975
Senior Consultant & Actuary


By 
Israel Bichachi, ASA, MAAA
Consultant & Actuary



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CHAPTER 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,

	2023
1. Total pension liability	
a. Service Cost	\$ 618,164
b. Interest	2,175,449
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	315,555
e. Assumption Changes	428,036
f. Benefit Payments	(1,659,763)
g. Contribution Refunds	(7,100)
h. Net Change in Total Pension Liability	1,870,341
i. Total Pension Liability - Beginning	31,743,511
j. Total Pension Liability - Ending	\$ 33,613,852

2. Plan Fiduciary Net Position

a. Contributions - Employer	\$ 1,085,519
b. Contributions - Employer (From State)	205,166
c. Contributions - Non-Employer Contributing Entity	-
d. Contributions - Member	173,580
e. Net Investment Income	2,546,238
f. Benefit Payments	(1,659,763)
g. Contribution Refunds	(7,100)
h. Administrative Expense	(59,883)
i. Other	-
j. Net Change in Plan Fiduciary Net Position	2,283,757
k. Plan Fiduciary Net Position - Beginning	21,186,388
l. Plan Fiduciary Net Position - Ending	\$ 23,470,145

3. Net Pension Liability / (Asset) 10,143,707

Certain Key Assumptions

Valuation Date	10/01/2022
Measurement Date	09/30/2023
Investment Return Assumption	6.80%
Mortality Table	2022 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,

1. Total pension liability

	2023
a. Service Cost	\$ 618,164
b. Interest	2,175,449
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	315,555
e. Assumption Changes	428,036
f. Benefit Payments	(1,659,763)
g. Contribution Refunds	(7,100)
h. Net Change in Total Pension Liability	1,870,341
i. Total Pension Liability - Beginning	31,743,511
j. Total Pension Liability - Ending	\$ 33,613,852

2. Plan Fiduciary Net Position

a. Contributions - Employer	\$ 1,085,519
b. Contributions - Employer (From State)	205,166
c. Contributions - Non-Employer Contributing Entity	-
d. Contributions - Member	173,580
e. Net Investment Income	2,546,238
f. Benefit Payments	(1,659,763)
g. Contribution Refunds	(7,100)
h. Administrative Expense	(59,883)
i. Other	-
j. Net Change in Plan Fiduciary Net Position	2,283,757
k. Plan Fiduciary Net Position - Beginning	21,186,388
l. Plan Fiduciary Net Position - Ending	\$ 23,470,145

3. Net Pension Liability / (Asset) 10,143,707

Certain Key Assumptions

Valuation Date	10/01/2022
Measurement Date	09/30/2023
Investment Return Assumption	6.80%
Mortality Table	2022 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,

1. Total pension liability

	2023
a. Service Cost	\$ 1,042,270
b. Interest	2,070,717
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	48,163
e. Assumption Changes	-
f. Benefit Payments	(1,659,763)
g. Contribution Refunds	(7,100)
h. Net Change in Total Pension Liability	1,494,287
i. Total Pension Liability - Beginning	42,931,089
j. Total Pension Liability - Ending	\$ 44,425,376

2. Plan Fiduciary Net Position

a. Contributions - Employer	\$ 1,085,519
b. Contributions - Employer (From State)	205,166
c. Contributions - Non-Employer Contributing Entity	-
d. Contributions - Member	173,580
e. Net Investment Income	2,546,238
f. Benefit Payments	(1,659,763)
g. Contribution Refunds	(7,100)
h. Administrative Expense	(59,883)
i. Other	-
j. Net Change in Plan Fiduciary Net Position	2,283,757
k. Plan Fiduciary Net Position - Beginning	21,186,388
l. Plan Fiduciary Net Position - Ending	\$ 23,470,145

3. Net Pension Liability / (Asset) 20,955,231

Certain Key Assumptions

Valuation Date	10/01/2022
Measurement Date	09/30/2023
Investment Return Assumption	4.80%
Mortality Table	2022 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,

	2023
1. Total pension liability	
a. Service Cost	\$ 403,809
b. Interest	2,206,376
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	48,163
e. Assumption Changes	-
f. Benefit Payments	(1,659,763)
g. Contribution Refunds	(7,100)
h. Net Change in Total Pension Liability	991,485
i. Total Pension Liability - Beginning	25,502,081
j. Total Pension Liability - Ending	<u>\$ 26,493,566</u>
 2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ 1,085,519
b. Contributions - Employer (From State)	205,166
c. Contributions - Non-Employer Contributing Entity	-
d. Contributions - Member	173,580
e. Net Investment Income	2,546,238
f. Benefit Payments	(1,659,763)
g. Contribution Refunds	(7,100)
h. Administrative Expense	(59,883)
i. Other	-
j. Net Change in Plan Fiduciary Net Position	2,283,757
k. Plan Fiduciary Net Position - Beginning	21,186,388
l. Plan Fiduciary Net Position - Ending	<u>\$ 23,470,145</u>
 3. Net Pension Liability / (Asset)	 3,023,421

Certain Key Assumptions

Valuation Date	10/01/2022
Measurement Date	09/30/2023
Investment Return Assumption	8.80%
Mortality Table	2022 FRS Mortality - Special Risk



Asset and Benefit Payment Projection**Not Reflecting Any Contributions from the Employer, State or Employee****Using Assumptions from Plan's most recent actuarial valuation**

FYE	Market Value of Assets (BOY)	Expected Investment Return	Projected Benefit Payments	Market Value of Assets (EOY)
2024	23,284,907	1,501,692	1,743,202	23,043,397
2025	23,043,397	1,483,667	1,798,231	22,728,833
2026	22,728,833	1,459,941	1,877,323	22,311,451
2027	22,311,451	1,431,220	1,899,922	21,842,749
2028	21,842,749	1,397,960	1,955,351	21,285,358
2029	21,285,358	1,359,073	2,001,365	20,643,066
2030	20,643,066	1,313,955	2,063,608	19,893,413
2031	19,893,413	1,262,297	2,106,312	19,049,398
2032	19,049,398	1,203,677	2,168,129	18,084,946
2033	18,084,946	1,136,745	2,237,192	16,984,499
2034	16,984,499	1,061,046	2,295,981	15,749,564
2035	15,749,564	976,467	2,350,870	14,375,161
2036	14,375,161	882,480	2,407,634	12,850,007
2037	12,850,007	778,876	2,449,973	11,178,910
2038	11,178,910	665,294	2,498,300	9,345,904
2039	9,345,904	541,373	2,531,407	7,355,870
2040	7,355,870	406,396	2,580,511	5,181,755
2041	5,181,755	259,874	2,606,088	2,835,541
2042	2,835,541	102,154	2,621,701	315,994
2043	315,994	-	2,641,449	-
2044	-	-	2,647,946	-
2045	-	-	2,654,637	-
2046	-	-	2,656,253	-
2047	-	-	2,640,846	-
2048	-	-	2,622,754	-
2049	-	-	2,599,258	-

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:

19.08

Certain Key Assumptions

Valuation Investment return assumption

6.70%

Valuation Mortality Table

2023 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	23,284,907	1,501,692	1,743,202	23,043,397
2025	23,043,397	1,483,667	1,798,231	22,728,833
2026	22,728,833	1,459,941	1,877,323	22,311,451
2027	22,311,451	1,431,220	1,899,922	21,842,749
2028	21,842,749	1,397,960	1,955,351	21,285,358
2029	21,285,358	1,359,073	2,001,365	20,643,066
2030	20,643,066	1,313,955	2,063,608	19,893,413
2031	19,893,413	1,262,297	2,106,312	19,049,398
2032	19,049,398	1,203,677	2,168,129	18,084,946
2033	18,084,946	1,136,745	2,237,192	16,984,499
2034	16,984,499	1,061,046	2,295,981	15,749,564
2035	15,749,564	976,467	2,350,870	14,375,161
2036	14,375,161	882,480	2,407,634	12,850,007
2037	12,850,007	778,876	2,449,973	11,178,910
2038	11,178,910	665,294	2,498,300	9,345,904
2039	9,345,904	541,373	2,531,407	7,355,870
2040	7,355,870	406,396	2,580,511	5,181,755
2041	5,181,755	259,874	2,606,088	2,835,541
2042	2,835,541	102,154	2,621,701	315,994
2043	315,994	-	2,641,449	-
2044	-	-	2,647,946	-
2045	-	-	2,654,637	-
2046	-	-	2,656,253	-
2047	-	-	2,640,846	-
2048	-	-	2,622,754	-
2049	-	-	2,599,258	-

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:

19.08

Certain Key Assumptions

Valuation Investment return assumption

6.70%

Valuation Mortality Table

2023 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	23,284,907	1,053,425	1,743,202	22,595,130
2025	22,595,130	1,019,713	1,798,231	21,816,612
2026	21,816,612	981,264	1,877,323	20,920,553
2027	20,920,553	938,618	1,899,922	19,959,249
2028	19,959,249	892,134	1,955,351	18,896,032
2029	18,896,032	841,081	2,001,365	17,735,748
2030	17,735,748	785,085	2,063,608	16,457,225
2031	16,457,225	723,991	2,106,312	15,074,904
2032	15,074,904	657,569	2,168,129	13,564,344
2033	13,564,344	584,950	2,237,192	11,912,102
2034	11,912,102	505,913	2,295,981	10,122,034
2035	10,122,034	420,490	2,350,870	8,191,654
2036	8,191,654	328,428	2,407,634	6,112,448
2037	6,112,448	229,711	2,449,973	3,892,186
2038	3,892,186	124,223	2,498,300	1,518,109
2039	1,518,109	11,863	2,531,407	-
2040	-	-	2,580,511	-
2041	-	-	2,606,088	-
2042	-	-	2,621,701	-
2043	-	-	2,641,449	-
2044	-	-	2,647,946	-
2045	-	-	2,654,637	-
2046	-	-	2,656,253	-
2047	-	-	2,640,846	-
2048	-	-	2,622,754	-
2049	-	-	2,599,258	-

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:

15.58

Certain Key Assumptions

Valuation Investment return assumption

4.70%

Valuation Mortality Table

2023 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	23,284,907	1,949,958	1,743,202	23,491,663
2025	23,491,663	1,965,552	1,798,231	23,658,984
2026	23,658,984	1,976,668	1,877,323	23,758,329
2027	23,758,329	1,984,328	1,899,922	23,842,735
2028	23,842,735	1,989,260	1,955,351	23,876,644
2029	23,876,644	1,990,209	2,001,365	23,865,488
2030	23,865,488	1,986,531	2,063,608	23,788,411
2031	23,788,411	1,977,967	2,106,312	23,660,066
2032	23,660,066	1,964,112	2,168,129	23,456,049
2033	23,456,049	1,943,358	2,237,192	23,162,215
2034	23,162,215	1,915,238	2,295,981	22,781,472
2035	22,781,472	1,879,725	2,350,870	22,310,327
2036	22,310,327	1,836,266	2,407,634	21,738,959
2037	21,738,959	1,784,716	2,449,973	21,073,702
2038	21,073,702	1,724,736	2,498,300	20,300,138
2039	20,300,138	1,655,996	2,531,407	19,424,727
2040	19,424,727	1,577,699	2,580,511	18,421,915
2041	18,421,915	1,489,342	2,606,088	17,305,169
2042	17,305,169	1,391,506	2,621,701	16,074,974
2043	16,074,974	1,283,620	2,641,449	14,717,145
2044	14,717,145	1,165,206	2,647,946	13,234,405
2045	13,234,405	1,035,917	2,654,637	11,615,685
2046	11,615,685	895,018	2,656,253	9,854,450
2047	9,854,450	742,460	2,640,846	7,956,064
2048	7,956,064	578,088	2,622,754	5,911,398
2049	5,911,398	401,224	2,599,258	3,713,364
2050	3,713,364	211,608	2,562,186	1,362,786
2051	1,362,786	8,880	2,521,445	-

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:

27.50

Certain Key Assumptions

Valuation Investment return assumption

8.70%

Valuation Mortality Table

2023 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	Monthly	Monthly	Monthly	Monthly
D. Annual Payment to Amortize Unfunded Actuarial Liability	\$ 887,549	\$ 887,549	\$ 1,529,379	\$ 315,841
E. Total Normal Cost	842,367	842,367	1,341,730	562,071
F. ADC if Paid on Valuation Date: D + E	1,729,916	1,729,916	2,871,109	877,912
G. Total ADC Adjusted for Frequency of Payments	1,790,826	1,790,826	2,942,657	917,699
H. Total ADC as a % of Covered Payroll	61.22 %	61.22 %	100.59 %	31.37 %
I. Assumed Rate of Increase in Covered Payroll to Contribution Year	3.00 %	3.00 %	3.00 %	3.00 %
J. Covered Payroll for Contribution Year	3,013,033	3,013,033	3,013,033	3,013,033
K. Total ADC for Contribution Year: H x J	1,844,579	1,844,579	3,030,810	945,188
L. Estimate of State Revenue in Contribution Year	157,003	157,003	157,003	157,003
M. Expected Member Contribution	225,977	225,977	225,977	195,847
N. Net Required City Contribution: K-L-M	1,461,599	1,461,599	2,647,830	592,338
O. Net Required City Contribution as a % of Covered Payroll	48.51 %	48.51 %	87.88 %	19.66 %
P. Certain Key Assumptions				
Investment Return Assumption	6.70%	6.70%	4.70%	8.70%
Mortality Table	2023 FRS Mortality - Special Risk	2023 FRS Mortality - Special Risk	2023 FRS Mortality - Special Risk	2023 FRS Mortality - Special Risk

