

Village of North Palm Beach General Retirement Fund

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





April 7, 2020

Board of Trustees
Village of North Palm Beach General Retirement Fund
North Palm Beach, Florida

Dear Board Members:

Gabriel, Roeder, Smith & Company (GRS) has been engaged by the Village of North Palm Beach General Retirement Fund 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 Fund and those designated or approved by the Board. This report may be provided to parties other than the Fund 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 and other information through October 1, 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 Village concerning Retirement Fund 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 Village.

This report complements the October 1, 2019 actuarial valuation report, dated February 7, 2020, and should be considered in conjunction with that report. Except as otherwise indicated as required for the disclosures contained herein, this report was prepared using certain assumptions selected by the Board and prescribed by the Florida Statutes 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

Board of Trustees
Village of North Palm Beach General Retirement Fund
April 7, 2020

October 1, 2019 actuarial valuation report, dated February 7, 2020, for summaries and descriptions of this information and for all relevant actuarial disclosures.

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 Fund 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.


Dina Lerner and Travis Robinson are members of the American Academy of Actuaries. These actuaries meet the Academy's Qualification Standards 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 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 & COMPANY

By 
Dina Lerner, ASA, MAAA, FCA
Enrolled Actuary No. 20-08236


By 
Travis Robinson, ASA, MAAA, FCA
Enrolled Actuary No. 20-08351



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CHAPTER 112.664, FLORIDA STATUTES

RESULTS

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

Fiscal year ending September 30,

1. Total Pension Liability

	2019
a. Service Cost	\$ 251,678
b. Interest	1,201,578
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	(625,948)
e. Assumption Changes	-
f. Benefit Payments	(555,952)
g. Contribution Refunds	(11,520)
h. Net Change in Total Pension Liability	259,836
i. Total Pension Liability - Beginning	17,833,215
j. Total Pension Liability - Ending	\$ 18,093,051

2. Plan Fiduciary Net Position

a. Contributions - Employer	\$ 358,152
b. Contributions - State	-
c. Contributions - Member	97,522
d. Net Investment Income	721,727
e. Benefit Payments	(555,952)
f. Contribution Refunds	(11,520)
g. Administrative Expense	(38,690)
h. Other	59
i. Net Change in Plan Fiduciary Net Position	571,298
j. Plan Fiduciary Net Position - Beginning	16,399,189
k. Plan Fiduciary Net Position - Ending	\$ 16,970,487

3. Net Pension Liability / (Asset)

\$ 1,122,564

Certain Key Assumptions

Valuation Date	10/01/2018
Measurement Date	09/30/2019
Investment Return Assumption	6.75%
Mortality Table	FRS Mortality for Regular Class Members (for 7/1/2016 Valuation)



Schedule of Changes in the Employer's Net Pension Liability
Using Assumptions required under 112.664(1)(a), F.S.

Fiscal year ending September 30,

1. Total Pension Liability

	2019
a. Service Cost	\$ 251,678
b. Interest	1,201,578
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	(625,948)
e. Assumption Changes	-
f. Benefit Payments	(555,952)
g. Contribution Refunds	(11,520)
h. Net Change in Total Pension Liability	259,836
i. Total Pension Liability - Beginning	17,833,215
j. Total Pension Liability - Ending	\$ 18,093,051

2. Plan Fiduciary Net Position

a. Contributions - Employer	\$ 358,152
b. Contributions - State	-
c. Contributions - Member	97,522
d. Net Investment Income	721,727
e. Benefit Payments	(555,952)
f. Contribution Refunds	(11,520)
g. Administrative Expense	(38,690)
h. Other	59
i. Net Change in Plan Fiduciary Net Position	571,298
j. Plan Fiduciary Net Position - Beginning	16,399,189
k. Plan Fiduciary Net Position - Ending	\$ 16,970,487

3. Net Pension Liability / (Asset)

\$ 1,122,564

Certain Key Assumptions

Valuation Date	10/01/2018
Measurement Date	09/30/2019
Investment Return Assumption	6.75%
Mortality Table	FRS Mortality for Regular Class Members (for 7/1/2016 Valuation)



Schedule of Changes in the Employer's Net Pension Liability
Using Assumptions required under 112.664(1)(b), F.S.

Fiscal year ending September 30,

1. Total Pension Liability

	2019
a. Service Cost	\$ 413,220
b. Interest	1,086,672
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	-
e. Assumption Changes	-
f. Benefit Payments	(555,952)
g. Contribution Refunds	(11,520)
h. Net Change in Total Pension Liability	932,420
i. Total Pension Liability - Beginning	22,747,831
j. Total Pension Liability - Ending	\$ 23,680,251

2. Plan Fiduciary Net Position

a. Contributions - Employer	\$ 358,152
b. Contributions - State	-
c. Contributions - Member	97,522
d. Net Investment Income	721,727
e. Benefit Payments	(555,952)
f. Contribution Refunds	(11,520)
g. Administrative Expense	(38,690)
h. Other	59
i. Net Change in Plan Fiduciary Net Position	571,298
j. Plan Fiduciary Net Position - Beginning	16,399,189
k. Plan Fiduciary Net Position - Ending	\$ 16,970,487

3. Net Pension Liability / (Asset) **\$ 6,709,764**

Certain Key Assumptions

Valuation Date	10/01/2018
Measurement Date	09/30/2019
Investment Return Assumption	4.75%
Mortality Table	FRS Mortality for Regular Class Members (for 7/1/2016 Valuation)



Schedule of Changes in the Employer's Net Pension Liability**Using Assumptions under 112.664(1)(b), F.S. except 2% higher investment return assumption**

Fiscal year ending September 30,

2019**1. Total Pension Liability**

a. Service Cost	\$ 165,733
b. Interest	1,173,212
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	-
e. Assumption Changes	-
f. Benefit Payments	(555,952)
g. Contribution Refunds	(11,520)
h. Net Change in Total Pension Liability	771,473
i. Total Pension Liability - Beginning	13,526,137
j. Total Pension Liability - Ending	\$ 14,297,610

2. Plan Fiduciary Net Position

a. Contributions - Employer	\$ 358,152
b. Contributions - State	-
c. Contributions - Member	97,522
d. Net Investment Income	721,727
e. Benefit Payments	(555,952)
f. Contribution Refunds	(11,520)
g. Administrative Expense	(38,690)
h. Other	59
i. Net Change in Plan Fiduciary Net Position	571,298
j. Plan Fiduciary Net Position - Beginning	16,399,189
k. Plan Fiduciary Net Position - Ending	\$ 16,970,487

3. Net Pension Liability / (Asset)**\$ (2,672,877)****Certain Key Assumptions**

Valuation Date	10/01/2018
Measurement Date	09/30/2019
Investment Return Assumption	8.75%
Mortality Table	FRS Mortality for Regular Class Members (for 7/1/2016 Valuation)



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)
2020	\$ 16,970,487	\$ 1,119,928	\$ 757,933	\$ 17,332,482
2021	17,332,482	1,141,589	840,111	17,633,960
2022	17,633,960	1,159,886	900,941	17,892,905
2023	17,892,905	1,175,035	969,971	18,097,969
2024	18,097,969	1,186,866	1,029,541	18,255,294
2025	18,255,294	1,195,523	1,087,674	18,363,143
2026	18,363,143	1,200,003	1,170,641	18,392,505
2027	18,392,505	1,199,926	1,231,648	18,360,783
2028	18,360,783	1,196,619	1,266,191	18,291,211
2029	18,291,211	1,190,090	1,320,497	18,160,804
2030	18,160,804	1,179,658	1,368,771	17,971,691
2031	17,971,691	1,166,342	1,385,115	17,752,918
2032	17,752,918	1,149,354	1,450,915	17,451,357
2033	17,451,357	1,128,651	1,461,211	17,118,797
2034	17,118,797	1,105,229	1,490,066	16,733,960
2035	16,733,960	1,078,596	1,509,534	16,303,022
2036	16,303,022	1,049,429	1,511,852	15,840,599
2037	15,840,599	1,018,115	1,514,838	15,343,876
2038	15,343,876	984,957	1,503,839	14,824,994
2039	14,824,994	950,021	1,501,224	14,273,791
⋮	⋮	⋮	⋮	⋮
2071	537,819	30,637	167,867	400,589
2072	400,589	22,087	146,749	275,927
2073	275,927	14,318	127,622	162,623
2074	162,623	7,259	110,160	59,722
2075	59,722	846	94,378	-

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: 55.67

Certain Key Assumptions

Investment Return Assumption 6.75%
Mortality Table FRS Mortality for Regular Class Members (for 7/1/2018 Valuation)

Note: As required in Section 112.664(1)(c) of the Florida Statutes, the projection of the Fund assets does 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	\$ 16,970,487	\$ 1,119,928	\$ 757,933	\$ 17,332,482
2021	17,332,482	1,141,589	840,111	17,633,960
2022	17,633,960	1,159,886	900,941	17,892,905
2023	17,892,905	1,175,035	969,971	18,097,969
2024	18,097,969	1,186,866	1,029,541	18,255,294
2025	18,255,294	1,195,523	1,087,674	18,363,143
2026	18,363,143	1,200,003	1,170,641	18,392,505
2027	18,392,505	1,199,926	1,231,648	18,360,783
2028	18,360,783	1,196,619	1,266,191	18,291,211
2029	18,291,211	1,190,090	1,320,497	18,160,804
2030	18,160,804	1,179,658	1,368,771	17,971,691
2031	17,971,691	1,166,342	1,385,115	17,752,918
2032	17,752,918	1,149,354	1,450,915	17,451,357
2033	17,451,357	1,128,651	1,461,211	17,118,797
2034	17,118,797	1,105,229	1,490,066	16,733,960
2035	16,733,960	1,078,596	1,509,534	16,303,022
2036	16,303,022	1,049,429	1,511,852	15,840,599
2037	15,840,599	1,018,115	1,514,838	15,343,876
2038	15,343,876	984,957	1,503,839	14,824,994
2039	14,824,994	950,021	1,501,224	14,273,791
⋮	⋮	⋮	⋮	⋮
2071	537,819	30,637	167,867	400,589
2072	400,589	22,087	146,749	275,927
2073	275,927	14,318	127,622	162,623
2074	162,623	7,259	110,160	59,722
2075	59,722	846	94,378	-

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:**

55.67

Certain Key Assumptions

Investment Return Assumption

6.75%

Mortality Table

FRS Mortality for Regular Class Members (for 7/1/2018 Valuation)

Note: As required in Section 112.664(1)(c) of the Florida Statutes, the projection of the Fund assets does 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	\$ 16,970,487	\$ 788,097	\$ 757,933	\$ 17,000,651
2021	17,000,651	787,578	840,111	16,948,118
2022	16,948,118	783,638	900,941	16,830,815
2023	16,830,815	776,427	969,971	16,637,271
2024	16,637,271	765,819	1,029,541	16,373,549
2025	16,373,549	751,911	1,087,674	16,037,786
2026	16,037,786	733,992	1,170,641	15,601,137
2027	15,601,137	711,802	1,231,648	15,081,291
2028	15,081,291	686,289	1,266,191	14,501,389
2029	14,501,389	657,454	1,320,497	13,838,346
2030	13,838,346	624,813	1,368,771	13,094,388
2031	13,094,388	589,087	1,385,115	12,298,360
2032	12,298,360	549,713	1,450,915	11,397,158
2033	11,397,158	506,661	1,461,211	10,442,608
2034	10,442,608	460,635	1,490,066	9,413,177
2035	9,413,177	411,274	1,509,534	8,314,917
2036	8,314,917	359,052	1,511,852	7,162,117
2037	7,162,117	304,223	1,514,838	5,951,502
2038	5,951,502	246,980	1,503,839	4,694,643
2039	4,694,643	187,341	1,501,224	3,380,760
2040	3,380,760	125,105	1,493,955	2,011,910
2041	2,011,910	60,626	1,471,163	601,373
2042	601,373	-	1,444,120	-
2043	-	-	1,427,020	-
2044	-	-	1,392,016	-
2045	-	-	1,351,817	-
2046	-	-	1,307,659	-

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

Investment Return Assumption 4.75%
Mortality Table FRS Mortality for Regular Class Members (for 7/1/2018 Valuation)

Note: As required in Section 112.664(1)(c) of the Florida Statutes, the projection of the Fund assets does 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	\$ 16,970,487	\$ 1,451,758	\$ 757,933	\$ 17,664,312
2021	17,664,312	1,508,872	840,111	18,333,073
2022	18,333,073	1,564,728	900,941	18,996,860
2023	18,996,860	1,619,789	969,971	19,646,678
2024	19,646,678	1,674,042	1,029,541	20,291,179
2025	20,291,179	1,727,892	1,087,674	20,931,397
2026	20,931,397	1,780,282	1,170,641	21,541,038
2027	21,541,038	1,830,956	1,231,648	22,140,346
2028	22,140,346	1,881,884	1,266,191	22,756,039
2029	22,756,039	1,933,382	1,320,497	23,368,924
2030	23,368,924	1,984,897	1,368,771	23,985,050
2031	23,985,050	2,038,093	1,385,115	24,638,028
2032	24,638,028	2,092,350	1,450,915	25,279,463
2033	25,279,463	2,148,025	1,461,211	25,966,277
2034	25,966,277	2,206,859	1,490,066	26,683,070
2035	26,683,070	2,268,727	1,509,534	27,442,263
2036	27,442,263	2,335,054	1,511,852	28,265,465
2037	28,265,465	2,406,954	1,514,838	29,157,581
2038	29,157,581	2,485,495	1,503,839	30,139,237
2039	30,139,237	2,571,505	1,501,224	31,209,518
2040	31,209,518	2,665,472	1,493,955	32,381,035
2041	32,381,035	2,768,977	1,471,163	33,678,849
2042	33,678,849	2,883,719	1,444,120	35,118,448
2043	35,118,448	3,010,432	1,427,020	36,701,860
2044	36,701,860	3,150,512	1,392,016	38,460,356
2045	38,460,356	3,306,139	1,351,817	40,414,678
2046	40,414,678	3,479,074	1,307,659	42,586,093

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

Investment Return Assumption

8.75%

Mortality Table

FRS Mortality for Regular Class Members (for 7/1/2018 Valuation)

Note: As required in Section 112.664(1)(c) of the Florida Statutes, the projection of the Fund assets does 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 Employer Contribution (ADEC)

	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 Employer Contribution (ADEC) 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	Biweekly	Biweekly	Biweekly	Biweekly
D. Annual Payment to Amortize Unfunded Actuarial Accrued Liability	\$ 219,963	\$ 219,963	\$ 525,200	\$ 0
E. Employer Normal Cost	(37,153)	(37,153)	110,165	(121,614)
F. ADEC if Paid on Valuation Date D + E, not less than 0	182,810	182,810	635,365	0
G. ADEC Adjusted for Frequency of Payments	189,016	189,016	650,684	0
H. ADEC Adjusted for Frequency of Payments as % of Covered Payroll	11.64 %	11.64 %	40.06 %	0.00 %
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	1,672,966	1,672,966	1,672,966	1,672,966
K. ADEC for Contribution Year: H x J	194,733	194,733	670,190	0
L. Estimated State Revenue in Contribution Year	0	0	0	0
M. Net ADEC in Contribution Year	194,733	194,733	670,190	0
N. Net ADEC as % of Covered Payroll in Contribution Year: M ÷ J	11.64 %	11.64 %	40.06 %	0.00 %
O. Expected Member Contributions	87,378	87,378	87,378	87,378
P. Total Contribution (including Members) in Contribution Year	282,111	282,111	757,568	87,378
Q. Total Contribution as a % of Covered Payroll in Contribution Year: P ÷ J	16.86 %	16.86 %	45.28 %	5.22 %
R. Certain Key Assumptions				
Investment Return Assumption	6.75%	6.75%	4.75%	8.75%
Mortality Table	FRS Mortality for Regular Class Members (for 7/1/2018 Valuation)	FRS Mortality for Regular Class Members (for 7/1/2018 Valuation)	FRS Mortality for Regular Class Members (for 7/1/2018 Valuation)	FRS Mortality for Regular Class Members (for 7/1/2018 Valuation)

