



June 28, 2024

Board of Trustees
City of Okeechobee
Police Officers' Retirement System
c/o Mr. Scott Baur
Resource Centers, LLC
4360 Northlake Blvd., Suite 206
Palm Beach Gardens, Florida 33410

Re: City of Okeechobee Police Officers' Retirement System

Dear Scott:

As requested, we are pleased to enclose a copy of the October 1, 2023 Chapter 112.664 Compliance Report for the City of Okeechobee Police Officers' Retirement System (System).

As required, we will timely upload the required data to the State's online portal prior to the filing deadline.

Please note we understand the following items must be posted on the System's website and must be posted on any website containing budget information relating to the City or actuarial or performance information relating to the System:

- this compliance report
- most recent financial statement
- most recent actuarial valuation report
- a link to the Division of Retirement Actuarial Summary Fact Sheet
http://www.dms.myflorida.com/workforce_operations/retirement/local_retirement_plans/local_retirement_section/actuarial_summary_fact_sheets
- for the previous five years - a side-by-side comparison of the System's assumed rate of return compared to the actual rate of return as well as the percentages of cash, equity, bond and alternative investments in the System portfolio
- the System's funded ratio as determined in the most recent actuarial valuation – 104.1% defined as the ratio of the market value of System assets to the entry age normal actuarial accrued liability as of October 1, 2023

We appreciate the opportunity to work with the Board on this important assignment.

If you should have any questions concerning the above, please do not hesitate to contact us.

Sincerest regards,
Gabriel, Roeder, Smith & Company

A handwritten signature in black ink that reads "Jennifer Borregard". The signature is written in a cursive, flowing style.

Jennifer M. Borregard, E.A.
Consultant and Actuary

Enclosures

City of Okeechobee Police Officers' Retirement System

CHAPTER 112.664, F.S. COMPLIANCE REPORT

In Connection with the October 1, 2023 Funding Actuarial Valuation Report and the System's Financial Reporting for the Year Ended September 30, 2023





June 28, 2024

Board of Trustees
City of Okeechobee Police Officers' Retirement System
c/o Mr. Scott Baur
Resource Centers, LLC
4360 Northlake Blvd., Suite 206
Palm Beach Gardens, Florida 33410

Re: October 1, 2023 Chapter 112.664 Compliance Report

Dear Board Members:

Gabriel, Roeder, Smith & Company (GRS) has been engaged by the Board of Trustees (Board) of the City of Okeechobee Police Officers' Retirement System (System) to prepare a disclosure report to satisfy the requirements set forth in Chapter 112.664, F.S. and as further required pursuant to Chapter 60T-1.0035, F.A.C.

This report was prepared at the request of the Board and is intended for use by the Board and those designated or approved by the Board. This report may be provided to parties other than the Board only in its entirety and only with the permission of the Board. GRS is not responsible for unauthorized use of this report.

The purpose of the report is to provide the required information specified in Chapter 112.664, F.S. and to supplement this information with additional exhibits. This report should not be relied on for any purpose other than the purpose described above.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: System 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 System's funded status); and changes in System provisions or applicable law. The scope of this engagement does not include an analysis of the potential range of such measurements.

This report is based upon information furnished by the Board concerning System benefits, System provisions and System members as used in the corresponding Actuarial Valuations for the Valuation Dates indicated. Financial information was provided by the Board as of September 30, 2023. We reviewed the information provided for internal and year-to-year consistency, but did not audit this data. The System is responsible for the accuracy of the data.

Except where specific assumptions are required by Chapter 112.664, F.S., this report was prepared using actuarial assumptions adopted by the Board as described in Section C. The Board's assumptions are based upon past and expected future System experience and represent an estimate of future System experience. The mortality assumptions are prescribed by statute. All actuarial assumptions used in this report are reasonable for the purposes of this valuation. The combined effect of the assumptions is expected to have no significant bias (i.e. not significantly optimistic or pessimistic). All actuarial assumptions and methods used in the valuation follow the guidance in the applicable Actuarial Standards of Practice.

The investment return assumption of 2% higher than the investment return assumption utilized in the Actuarial Valuations does not represent an estimate of future System experience or observation of the estimates inherent in market data. This assumption is provided as a counterpart to the Chapter 112.664, F.S. requirement to utilize an investment return assumption of 2% lower than the investment return assumption utilized in the Actuarial Valuation Report. The inclusion of the additional 2% higher assumption shows a more complete assessment of the range of potential results as opposed to the *one-sided* range required by statute.

If all actuarial assumptions are met and if all current and future minimum required contributions are paid, System assets will be sufficient to pay all System benefits and future contributions are expected to remain relatively stable as a percent of payroll. System minimum required contributions are determined in compliance with the requirements of the Florida Protection of Public Employee Retirement Benefits Act and Police Officers Retirement Chapter 185 with normal cost determined as a level percent of covered payroll.

The System's funded ratio as of October 1, 2023 is 104.1% defined as the ratio of the market value of System assets to the entry age normal actuarial accrued liability.

The System's funded ratio and the GASB Net Pension Liability may not be appropriate for assessing the sufficiency of System assets to meet the estimated cost of settling benefit obligations but may be appropriate for assessing the need for or the amount of future contributions.

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.

The undersigned 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 System 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 System as of the valuation date as required by statute. 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 *Jennifer Borregard*
Jennifer M. Borregard, M.A.A.A.
Enrolled Actuary No. 23-07624
Consultant & Actuary

By *Michelle Jones*
Shelly L. Jones, M.A.A.A.
Enrolled Actuary No. 23-08646
Consultant & Actuary



TABLE OF CONTENTS

<u>Section</u>	<u>Title</u>	<u>Page</u>
A	Chapter 112.664, F.S. Results	
	Net Pension Liability	
	1. Using financial reporting assumptions per GASB Statement No. 67 and No. 68 and using assumptions required under Section 112.664(1)(a), F.S.	1
	2. Using assumptions required under Section 112.664(1)(b), F.S.	2
	3. Using assumptions required under Section 112.664(1)(a), F.S. plus 2%	3
	Asset and Benefit Payments Projection	
	1. Using financial reporting assumptions per GASB Statement No. 67 and No. 68 and using assumptions required under Section 112.664(1)(a), F.S.	4
	2. Using assumptions required under Section 112.664(1)(b), F.S.	5
	3. Using assumptions required under Section 112.664(1)(a), F.S. plus 2%	6
	Actuarially Determined Contribution	7
B	Summary of System Provisions	8
C	Actuarial Assumptions and Cost Methods Used for Funding	12
D	Glossary	15

SECTION A

CHAPTER 112.664, F.S. RESULTS

Net Pension Liability
Using Financial Reporting Assumptions per GASB Statements No. 67 and No. 68
and Using Assumptions Required Under 112.664(1)(a), F.S.

Measurement Date	September 30, 2023
A. <u>Total Pension Liability (TPL)</u>	
Service Cost	\$ 274,718
Interest	645,176
Benefit Changes	0
Difference Between Actual and Expected Experience	(589,604)
Assumption Changes	0
Benefit Payments	(631,205)
Contribution Refunds	0
Other	0
Net Change in Total Pension Liability	\$ (300,915)
Total Pension Liability (TPL) - (beginning of year)	9,829,173
Total Pension Liability (TPL) - (end of year)	\$ 9,528,258
B. <u>System Fiduciary Net Position</u>	
Contributions - City	\$ 37,808
Contributions - State	103,937
Contributions - Member	62,446
Net Investment Income	1,176,125
Benefit Payments	(631,205)
Contribution Refunds	0
Administrative Expenses	(58,674)
Other	0
Net Change in System Fiduciary Net Position	\$ 690,437
System Fiduciary Net Position - (beginning of year)	9,486,273
System Fiduciary Net Position - (end of year)	\$ 10,176,710
C. <u>Net Pension Liability (NPL) - (end of year): (A) - (B)</u>	\$ (648,452)
Valuation Date	October 1, 2022

Certain Key Assumptions

Investment Return Assumption 7.0%

Mortality Table:

For healthy participants during employment, PUB-2010 Headcount Weighted Safety Employee Female Mortality Table and Safety Below Median Employee Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For healthy participants post employment, PUB-2010 Headcount Weighted Safety Healthy Retiree Female Mortality Table and Safety Below Median Healthy Retiree Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For disabled participants, 80% PUB-2010 Headcount Weighted General Disabled Retiree Mortality Table / 20% PUB-2010 Headcount Weighted Safety Disabled Retiree Mortality Table, separate rates for males and females, without projected mortality improvements.



Net Pension Liability
Using Assumptions Required Under 112.664(1)(b), F.S.

Measurement Date	September 30, 2023
A. <u>Total Pension Liability (TPL)</u>	
Service Cost	\$ 436,482
Interest	587,111
Benefit Changes	0
Difference Between Actual and Expected Experience	(832,272)
Assumption Changes	0
Benefit Payments	(631,205)
Contribution Refunds	0
Other	0
Net Change in Total Pension Liability	\$ (439,884)
Total Pension Liability (TPL) - (beginning of year)	12,414,747
Total Pension Liability (TPL) - (end of year)	\$ 11,974,863
B. <u>System Fiduciary Net Position</u>	
Contributions - City	\$ 37,808
Contributions - State	103,937
Contributions - Member	62,446
Net Investment Income	1,176,125
Benefit Payments	(631,205)
Contribution Refunds	0
Administrative Expenses	(58,674)
Other	0
Net Change in System Fiduciary Net Position	\$ 690,437
System Fiduciary Net Position - (beginning of year)	9,486,273
System Fiduciary Net Position - (end of year)	\$ 10,176,710
C. <u>Net Pension Liability (NPL) - (end of year): (A) - (B)</u>	\$ 1,798,153
Valuation Date	October 1, 2022

Certain Key Assumptions

Investment Return Assumption 5.0%

Mortality Table:

For healthy participants during employment, PUB-2010 Headcount Weighted Safety Employee Female Mortality Table and Safety Below Median Employee Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For healthy participants post employment, PUB-2010 Headcount Weighted Safety Healthy Retiree Female Mortality Table and Safety Below Median Healthy Retiree Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For disabled participants, 80% PUB-2010 Headcount Weighted General Disabled Retiree Mortality Table / 20% PUB-2010 Headcount Weighted Safety Disabled Retiree Mortality Table, separate rates for males and females, without projected mortality improvements.



Net Pension Liability

Using Assumptions Required Under 112.664(1)(a), F.S. Plus 2% on Investment Return Assumption

Measurement Date	September 30, 2023
A. <u>Total Pension Liability (TPL)</u>	
Service Cost	\$ 179,212
Interest	672,698
Benefit Changes	0
Difference Between Actual and Expected Experience	(430,168)
Assumption Changes	0
Benefit Payments	(631,205)
Contribution Refunds	0
Other	0
Net Change in Total Pension Liability	\$ (209,463)
Total Pension Liability (TPL) - (beginning of year)	8,032,379
Total Pension Liability (TPL) - (end of year)	<u><u>\$ 7,822,916</u></u>
B. <u>System Fiduciary Net Position</u>	
Contributions - City	\$ 37,808
Contributions - State	103,937
Contributions - Member	62,446
Net Investment Income	1,176,125
Benefit Payments	(631,205)
Contribution Refunds	0
Administrative Expenses	(58,674)
Other	0
Net Change in System Fiduciary Net Position	\$ 690,437
System Fiduciary Net Position - (beginning of year)	9,486,273
System Fiduciary Net Position - (end of year)	<u><u>\$ 10,176,710</u></u>
C. <u>Net Pension Liability (NPL) - (end of year): (A) - (B)</u>	\$ (2,353,794)
Valuation Date	October 1, 2022

Certain Key Assumptions

Investment Return Assumption 9.0%

Mortality Table:

For healthy participants during employment, PUB-2010 Headcount Weighted Safety Employee Female Mortality Table and Safety Below Median Employee Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For healthy participants post employment, PUB-2010 Headcount Weighted Safety Healthy Retiree Female Mortality Table and Safety Below Median Healthy Retiree Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For disabled participants, 80% PUB-2010 Headcount Weighted General Disabled Retiree Mortality Table / 20% PUB-2010 Headcount Weighted Safety Disabled Retiree Mortality Table, separate rates for males and females, without projected mortality improvements.



Asset and Benefit Payment Projection
Not Reflecting Any Future Contributions
Using Financial Reporting Assumptions per GASB Statements No. 67 and No. 68
and 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	\$ 9,856,313	\$ 672,316	\$ 469,715	\$ 10,058,914
2025	10,058,914	682,710	570,659	10,170,965
2026	10,170,965	689,943	586,935	10,273,973
2027	10,273,973	697,212	585,364	10,385,821
2028	10,385,821	705,079	584,366	10,506,534
2029	10,506,534	713,633	581,609	10,638,558
2030	10,638,558	721,573	616,293	10,743,838
2031	10,743,838	729,090	612,366	10,860,562
2032	10,860,562	737,361	609,683	10,988,240
2033	10,988,240	744,595	655,080	11,077,755
2034	11,077,755	750,959	652,478	11,176,236
2035	11,176,236	757,295	667,331	11,266,200
2036	11,266,200	762,912	685,458	11,343,654
2037	11,343,654	768,468	681,895	11,430,227
2038	11,430,227	774,660	678,389	11,526,498
2039	11,526,498	781,395	678,479	11,629,414
2040	11,629,414	788,754	674,351	11,743,817
2041	11,743,817	796,718	675,524	11,865,011
2042	11,865,011	805,507	667,388	12,003,130
2043	12,003,130	815,883	648,540	12,170,473
2044	12,170,473	828,291	630,028	12,368,736
2045	12,368,736	842,967	608,785	12,602,918
2046	12,602,918	859,911	594,086	12,868,743
2047	12,868,743	879,312	572,963	13,175,092
2048	13,175,092	901,326	557,787	13,518,631
2049	13,518,631	925,908	543,547	13,900,992
2050	13,900,992	953,552	520,133	14,334,411
2051	14,334,411	984,763	496,884	14,822,290
2052	14,822,290	1,019,736	475,003	15,367,023
2053	15,367,023	1,058,744	451,635	15,974,132

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 City, Members or State: 99.99

Certain Key Assumptions

Investment return assumption 7.0%

Mortality Table:

For healthy participants during employment, PUB-2010 Headcount Weighted Safety Employee Female Mortality Table and Safety Below Median Employee Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For healthy participants post employment, PUB-2010 Headcount Weighted Safety Healthy Retiree Female Mortality Table and Safety Below Median Healthy Retiree Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For disabled participants, 80% PUB-2010 Headcount Weighted General Disabled Retiree Mortality Table / 20% PUB-2010 Headcount Weighted Safety Disabled Retiree Mortality Table, separate rates for males and females, without projected mortality improvements.

Note: As required in Section 112.664(c) of the Florida Statutes, the projection of System assets does not include contributions from the City, Member or State. For this reason, this projection should not be viewed as representative of the amount of time the System can sustain benefit payments. Under the Government Accounting Standards Board standards which include City, Member and State contributions, the System is expected to be able to pay all future benefit payments.



Asset and Benefit Payment Projection
Not Reflecting Any Future Contributions
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	\$ 9,856,313	\$ 480,189	\$ 469,715	\$ 9,866,787
2025	9,866,787	477,999	570,659	9,774,127
2026	9,774,127	472,929	586,935	9,660,121
2027	9,660,121	467,271	585,364	9,542,028
2028	9,542,028	461,393	584,366	9,419,055
2029	9,419,055	455,318	581,609	9,292,764
2030	9,292,764	448,071	616,293	9,124,542
2031	9,124,542	439,766	612,366	8,951,942
2032	8,951,942	431,208	609,683	8,773,467
2033	8,773,467	421,064	655,080	8,539,451
2034	8,539,451	409,433	652,478	8,296,406
2035	8,296,406	396,881	667,331	8,025,956
2036	8,025,956	382,872	685,458	7,723,370
2037	7,723,370	367,838	681,895	7,409,313
2038	7,409,313	352,230	678,389	7,083,154
2039	7,083,154	335,919	678,479	6,740,594
2040	6,740,594	318,902	674,351	6,385,145
2041	6,385,145	301,098	675,524	6,010,719
2042	6,010,719	282,596	667,388	5,625,927
2043	5,625,927	263,863	648,540	5,241,250
2044	5,241,250	245,126	630,028	4,856,348
2045	4,856,348	226,452	608,785	4,474,015
2046	4,474,015	207,731	594,086	4,087,660
2047	4,087,660	188,981	572,963	3,703,678
2048	3,703,678	170,190	557,787	3,316,081
2049	3,316,081	151,193	543,547	2,923,727
2050	2,923,727	132,204	520,133	2,535,798
2051	2,535,798	113,433	496,884	2,152,347
2052	2,152,347	94,849	475,003	1,772,193
2053	1,772,193	76,469	451,635	1,397,027
2054	1,397,027	58,283	430,336	1,024,974
2055	1,024,974	40,175	411,932	653,217
2056	653,217	22,195	389,322	286,090
2057	286,090	4,968	368,686	-

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 City, Members or State: 33.75

Certain Key Assumptions

Investment return assumption 5.0%

Mortality Table:

For healthy participants during employment, PUB-2010 Headcount Weighted Safety Employee Female Mortality Table and Safety Below Median Employee Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For healthy participants post employment, PUB-2010 Headcount Weighted Safety Healthy Retiree Female Mortality Table and Safety Below Median Healthy Retiree Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For disabled participants, 80% PUB-2010 Headcount Weighted General Disabled Retiree Mortality Table / 20% PUB-2010 Headcount Weighted Safety Disabled Retiree Mortality Table, separate rates for males and females, without projected mortality improvements.

Note: As required in Section 112.664(c) of the Florida Statutes, the projection of System assets does not include contributions from the City, Member or State. For this reason, this projection should not be viewed as representative of the amount of time the System can sustain benefit payments. Under the Government Accounting Standards Board standards which include City, Member and State contributions, the System is expected to be able to pay all future benefit payments.



Asset and Benefit Payment Projection
Not Reflecting Any Future Contributions
Using Assumptions Required Under 112.664(1)(a), F.S. Plus 2% on Investment Return Assumption

FYE	Market Value of Assets (BOY)	Expected Investment Return	Projected Benefit Payments	Market Value of Assets (EOY)
2024	\$ 9,856,313	\$ 864,471	\$ 469,715	\$ 10,251,069
2025	10,251,069	895,143	570,659	10,575,553
2026	10,575,553	923,563	586,935	10,912,181
2027	10,912,181	953,935	585,364	11,280,752
2028	11,280,752	987,155	584,366	11,683,541
2029	11,683,541	1,023,539	581,609	12,125,471
2030	12,125,471	1,061,644	616,293	12,570,822
2031	12,570,822	1,101,914	612,366	13,060,370
2032	13,060,370	1,146,103	609,683	13,596,790
2033	13,596,790	1,192,196	655,080	14,133,906
2034	14,133,906	1,240,662	652,478	14,722,090
2035	14,722,090	1,292,884	667,331	15,347,643
2036	15,347,643	1,348,312	685,458	16,010,497
2037	16,010,497	1,408,140	681,895	16,736,742
2038	16,736,742	1,473,671	678,389	17,532,024
2039	17,532,024	1,545,242	678,479	18,398,787
2040	18,398,787	1,623,449	674,351	19,347,885
2041	19,347,885	1,708,811	675,524	20,381,172
2042	20,381,172	1,802,199	667,388	21,515,983
2043	21,515,983	1,905,238	648,540	22,772,681
2044	22,772,681	2,019,232	630,028	24,161,885
2045	24,161,885	2,145,282	608,785	25,698,382
2046	25,698,382	2,284,274	594,086	27,388,570
2047	27,388,570	2,437,407	572,963	29,253,014
2048	29,253,014	2,605,937	557,787	31,301,164
2049	31,301,164	2,790,956	543,547	33,548,573
2050	33,548,573	2,994,349	520,133	36,022,789
2051	36,022,789	3,218,147	496,884	38,744,052
2052	38,744,052	3,464,113	475,003	41,733,162
2053	41,733,162	3,734,257	451,635	45,015,784

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 City, Members or State: 99.99

Certain Key Assumptions

Investment return assumption 9.0%

Mortality Table:

For healthy participants during employment, PUB-2010 Headcount Weighted Safety Employee Female Mortality Table and Safety Below Median Employee Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For healthy participants post employment, PUB-2010 Headcount Weighted Safety Healthy Retiree Female Mortality Table and Safety Below Median Healthy Retiree Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For disabled participants, 80% PUB-2010 Headcount Weighted General Disabled Retiree Mortality Table / 20% PUB-2010 Headcount Weighted Safety Disabled Retiree Mortality Table, separate rates for males and females, without projected mortality improvements.

Note: As required in Section 112.664(c) of the Florida Statutes, the projection of System assets does not include contributions from the City, Member or State. For this reason, this projection should not be viewed as representative of the amount of time the System can sustain benefit payments. Under the Government Accounting Standards Board standards which include City, Member and State contributions, the System is expected to be able to pay all future benefit payments.



ACTUARIALLY DETERMINED CONTRIBUTION

	Valuation Assumptions and 112.664(1)(a), F.S. Assumptions	112.664(1)(b), F.S. Assumptions	112.664(1)(a), F.S. Assumptions Plus 2% on Investment Return Assumption
A. Valuation Date	October 1, 2023	October 1, 2023	October 1, 2023
B. Actuarial Determined Contribution to Be Paid During Fiscal Year Ending	September 30, 2025	September 30, 2025	September 30, 2025
C. Annual Payroll of Active Employees	\$ 1,305,756	\$ 1,305,756	\$ 1,305,756
D. Total Minimum Funding Requirement			
1. Total Normal Cost	\$ 196,386	\$ 605,388	\$ 0
2. Estimated Administrative Expenses	58,674	58,674	58,674
3. Interest Adjustment	<u>16,754</u>	<u>42,643</u>	<u>0</u>
4. Total Minimum Funding Requirement (1. + 2. + 3., not less than 1.)	\$ 271,814	\$ 706,705	\$ 58,674
E. Expected Payroll of Active Employees for Following Plan Year (\$ / % of pay) (C x 1.000)	\$ 1,305,756 100.00%	\$ 1,305,756 100.00%	\$ 1,305,756 100.00%
F. Expected Contribution Sources (\$ / % of pay)			
1. City	\$ 102,589 7.86%	\$ 537,480 41.16%	\$ 0 0.00%
2. Member	65,288 5.00%	65,288 5.00%	65,288 5.00%
3. State	<u>103,937 7.96%</u>	<u>103,937 7.96%</u>	<u>103,937 7.96%</u>
4. Total	\$ 271,814 20.82%	\$ 706,705 54.12%	\$ 169,225 12.96%

SECTION B

SUMMARY OF SYSTEM PROVISIONS

Outline of Principal Provisions of the Retirement System
as of October 1, 2023

A. Effective Date:

January 1, 1972. Most recently amended by Ordinance No. 1187 adopted July 16, 2019.

B. Eligibility:

All actively employed full time Police Officers of the City are eligible on date of employment; Participation is mandatory.

C. Contributions:

Employee:	5.0% of Salary.
State:	Premium Tax Revenue.
City:	Balance required to maintain System on sound actuarial basis.

D. Credited Service:

Service is measured as the total number of years and fractional part of years of continuous service as a Member. No service is credited for any periods of employment for which the Member received a refund of Employee Contributions. [System is being administered and valued based upon total number of years and completed months of service as a Member].

E. Salary:

Total compensation including tax deferred, tax sheltered and tax exempt income derived from elective employee payroll deductions or salary reductions.

For service earned after July 1, 2011, compensation shall not include more than 300 hours of overtime per fiscal year and shall also not include payments for accrued unused sick or annual leave.

F. Average Final Compensation:

Average Final Compensation (AFC) is determined by the average total salary, including accumulated sick and vacation time paid in a lump sum, over the highest 5 years of the last 10.

G. Normal Retirement:

1. Eligibility:

Earlier of:

- (a) Attainment of age 55 with completion of 10 years of Credited Service.
- (b) Completion of 25 years of Credited Service.

2. Benefit:

3.0% times AFC times Credited Service.



Outline of Principal Provisions of the Retirement System
as of October 1, 2023

H. Early Retirement:

1. Eligibility:

Attainment of age 50 with completion of 10 years of Credited Service.

2. Benefit:

Benefit accrued to date of retirement, reduced by 3% for each year early retirement date precedes age 55.

I. Delayed Retirement:

Computed the same as set forth under Normal Retirement, based upon AFC and Credited Service as of delayed retirement date.

J. Disability Retirement:

1. Service Incurred:

Accrued benefit, but not less than 42% of AFC.

2. Non-Service Incurred:

- a. Eligibility: 5 or more years of Credited Service; totally and permanently disabled.
- b. Benefit: The greatest of:
 - (i) Accrued benefit
 - (ii) 2% of AFC times Credited Service
 - (iii) 25% of AFC

K. Pre-Retirement Death Benefit:

- a. Not Vested: Refund of accumulated contributions.
- b. Vested but Not Eligible for Early or Normal Retirement: Greater of (a) 50% of the present value of vested accrued benefit or (b) refund of accumulated contributions.
- c. Eligible for Early or Normal Retirement: Greater of (a) accrued benefit, determined as though the deceased had retired immediately preceding date of death and elected the 10 year certain and life form of payment or (b) 50% of present value of vested accrued benefit.

In the event a vested Member's spouse is the sole beneficiary, the beneficiary shall be entitled to the accrued normal or early retirement benefit payable at the deceased Member's early or normal retirement age less the value of any benefits paid above.

Outline of Principal Provisions of the Retirement System
as of October 1, 2023

L. Termination Benefits:

1. Eligibility:

100% vesting upon the completion of 10 years of credited service. Employees who have not completed 10 years of credited service at date of termination of employment shall only be entitled to the return of their accumulated contributions with 3.0% interest.

2. Benefit:

Accrued benefit based upon credited service and AFC as of date of termination, payable at age 55.

M. Normal Form of Retirement Income:

Monthly benefit payable for ten (10) years certain and life thereafter.

N. Optional Forms of Retirement Income:

In lieu of electing the normal form of payment, the optional forms of payment available are the Single Life Annuity option and the 50%, 66 2/3%, 75% and 100% Joint and Contingent options. A Social Security option is available for Members retiring prior to being eligible for Social Security retirement benefits. A 20% Partial Lump Sum is available for Members who do not participate in the DROP.

O. Deferred Retirement Option Program (DROP):

1. Eligibility:

Member must be eligible for Normal Retirement.

2. Benefit:

Retirement benefits are transferred to a hypothetical DROP account within the pension fund. Interest is credited or debited based upon either the quarterly rate of return earned by the Fund or a monthly 6.5% fixed rate of return, as elected by the Member. Members may elect to change their interest crediting election once during the DROP period. The period of participation in the DROP is limited to no more than 60 months. The benefit is paid as a lump sum upon actual termination of employment.

Outline of Principal Provisions of the Retirement System
as of October 1, 2023

P. Cost of Living Adjustment (COLA):

Beginning October 1, 1999 and October 1 of every odd-numbered year thereafter, monthly benefits of all retirees (service, disability, DROP), beneficiaries and vested terminated participants who have been in the DROP or in pay status for at least one year on the adjustment date will be increased by 0.5%.

Q. Changes Since Previous Valuation:

None.

SECTION C

ACTUARIAL ASSUMPTIONS AND COST METHODS USED FOR FUNDING

Actuarial Assumptions and Actuarial Cost Methods Used in the Valuation
as of October 1, 2023

A. Mortality

For healthy participants during employment, PUB-2010 Headcount Weighted Safety Employee Female Mortality Table and Safety Below Median Employee Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018.

For healthy participants post employment, PUB-2010 Headcount Weighted Safety Healthy Retiree Female Mortality Table and Safety Below Median Healthy Retiree Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018.

For disabled participants, 80% PUB-2010 Headcount Weighted General Disabled Retiree Mortality Table / 20% PUB-2010 Headcount Weighted Safety Disabled Retiree Mortality Table, separate rates for males and females, without projected mortality improvements.

Sample Ages (2023)	Pre-retirement Future Life Expectancy (Years)		Post-retirement Future Life Expectancy (Years)	
	Men	Women	Men	Women
55	30.70	34.54	27.87	31.44
60	25.74	29.47	23.27	26.64
62	23.80	27.46	21.53	24.79

Sample Ages (2043)	Pre-retirement Future Life Expectancy (Years)		Post-retirement Future Life Expectancy (Years)	
	Men	Women	Men	Women
55	32.33	36.03	29.77	33.27
60	27.31	30.92	25.06	28.39
62	25.35	28.88	23.27	26.50

B. Interest to be Earned by Fund

7.0% (net of investment expenses), compounded annually - includes inflation at 2.5%.

C. Allowances for Expenses or Contingencies

Actual administrative expenses incurred during the prior System year.



Actuarial Assumptions and Actuarial Cost Methods Used in the Valuation
as of October 1, 2023

D. Salary Increase Factors

Current salary is assumed to increase at a rate of 6.0% - includes wage inflation of 3.5%.

E. Disability Rates

Disability rates for males and for females were used in accordance with the following illustrative example.

<u>Age</u>	<u>Disability Rates Per 100 Employees</u>
20	0.14
30	0.18
40	0.30
50	1.00

F. Employee Withdrawal Rates

Withdrawal rates for males and for females were used in accordance with the following illustrative example.

<u>Age</u>	<u>Withdrawal Rate</u>
20	6.0%
30	5.0%
40	2.6%
50	0.8%
60	0.2%

G. Rates of Retirement

100% at normal retirement age.

All active members on the valuation date are assumed to have a minimum of one year of future service.

Actuarial Assumptions and Actuarial Cost Methods Used in the Valuation
as of October 1, 2023

H. Cost Methods

Normal Retirement, Termination, Disability, and Death Benefits: Aggregate

Under this method the excess of the Actuarial Present Value of Projected Benefits of the group included in the valuation, over the sum of the Smoothed Value of Assets is allocated as a level percentage of earnings of the group between the valuation date and the assumed retirement age. This allocation is performed for the group as a whole, not as a sum of individual allocations. The portion of this Actuarial Present Value allocated to a specific year is called the Normal Cost. Under this method, actuarial gains (losses) reduce (increase) future Normal Costs.

Vested Normal Retirement, Termination, Disability, and Death Benefits: Unit Credit Cost Method

Under this method, the actuarial present value of vested accrued benefits is an amount calculated to be the sum of the present values of each individual's vested accrued or earned benefit under the System as of the valuation date. Each individual's calculation is based on pay and service as of the valuation date.

I. Asset Valuation Method

The method used for determining the smoothed value of assets phases in the deviation between the expected and actual return on assets at the rate of 25% per year. The smoothed value of assets will be further adjusted to the extent necessary to fall within the corridor whose lower limit is 80% of the fair market value of System assets and whose upper limit is 120% of the fair market value of System assets.

J. Disclosure of Assumptions

The investment return, salary increases, withdrawal and retirement rates were set based upon Plan expected experience. The mortality rates are based upon the July 1, 2023 FRS Actuarial Valuation, as required under F.S., Chapter 2015-157.

K. Changes Since Previous Valuation

None.

SECTION D

GLOSSARY

GLOSSARY

<i>Actuarial Accrued Liability</i>	The difference between the Actuarial Present Value of Future Benefits, and the Actuarial Present Value of Future Normal Costs.
<i>Actuarial Assumptions</i>	Assumptions about future plan experience that affect costs or liabilities, such as: mortality, withdrawal, disablement, and retirement; future increases in salary; future rates of investment earnings; future investment and administrative expenses; characteristics of members not specified in the data, such as marital status; characteristics of future members; future elections made by members and other items.
<i>Actuarial Cost Method</i>	A procedure for allocating the Actuarial Present Value of Future Benefits between the Actuarial Present Value of Future Normal Costs and the Actuarial Accrued Liability.
<i>Actuarial Equivalent</i>	Of equal Actuarial Present Value, determined as of a given date and based on a given set of Actuarial Assumptions.
<i>Actuarial Present Value</i>	The amount of funds required to provide a payment or series of payments in the future. It is determined by discounting the future payments with an assumed interest rate and with the assumed probability each payment will be made.
<i>Actuarial Present Value of Future Benefits</i>	The Actuarial Present Value of amounts which are expected to be paid at various future times to active members, retired members, beneficiaries receiving benefits and inactive, non-retired members entitled to either a refund or a future retirement benefit. Expressed another way, it is the value that would have to be invested on the valuation date so that the amount invested plus investment earnings would provide sufficient assets to pay all projected benefits and expenses when due.
<i>Actuarial Valuation</i>	The determination, as of a valuation date, of the Normal Cost, Actuarial Accrued Liability, Actuarial Value of Assets, and related Actuarial Present Values for a plan. An Actuarial Valuation for a governmental retirement system typically also includes calculations of items needed for compliance with GASB No. 67.
<i>Actuarial Value of Assets</i>	The value of the assets as of a given date, used by the actuary for valuation purposes. This may be the market or fair value of plan assets or a smoothed value in order to reduce the year-to-year volatility of calculated results, such as the funded ratio and the actuarially required contribution.

<i>Amortization Method</i>	A method for determining the Amortization Payment. The most common methods used are level dollar and level percentage of payroll. Under the Level Dollar method, the Amortization Payment is one of a stream of payments, all equal, whose Actuarial Present Value is equal to the UAAL. Under the Level Percentage of Pay method, the Amortization Payment is one of a stream of increasing payments, whose Actuarial Present Value is equal to the UAAL. Under the Level Percentage of Pay method, the stream of payments increases at the rate at which total covered payroll of all active members is assumed to increase.
<i>Amortization Payment</i>	That portion of the plan contribution which is designed to pay interest on and to amortize the Unfunded Actuarial Accrued Liability.
<i>Amortization Period</i>	The period used in calculating the Amortization Payment.
<i>Actuarially Determined Contribution</i>	The employer's periodic required contributions, expressed as a dollar amount or a percentage of covered plan compensation. The annual required contribution consists of the Employer Normal Cost and Amortization Payment plus interest adjustment.
<i>Closed Amortization Period</i>	A specific number of years that is reduced by one each year, and declines to zero with the passage of time. For example if the amortization period is initially set at 30 years, it is 29 years at the end of one year, 28 years at the end of two years, etc.
<i>Employer Normal Cost</i>	The portion of the Normal Cost to be paid by the employer. This is equal to the Normal Cost less expected member contributions.
<i>Equivalent Single Amortization Period</i>	For plans that do not establish separate amortization bases (separate components of the UAAL), this is the same as the Amortization Period. For plans that do establish separate amortization bases, this is the period over which the UAAL would be amortized if all amortization bases were combined upon the current UAAL payment.
<i>Experience Gain/Loss</i>	A measure of the difference between actual experience and that expected based upon a set of Actuarial Assumptions, during the period between two actuarial valuations. To the extent that actual experience differs from that assumed, Unfunded Actuarial Accrued Liabilities emerge which may be larger or smaller than projected. Gains are due to favorable experience, e.g., the assets earn more than projected, salaries do not increase as fast as assumed, members retire later than assumed, etc. Favorable experience means actual results produce actuarial liabilities not as large as projected by the actuarial assumptions. Losses are the result of unfavorable experience, i.e., actual results that produce Unfunded Actuarial Accrued Liabilities which are larger than projected.

<i>Funded Ratio</i>	The ratio of the Actuarial Value of Assets to the Actuarial Accrued Liability.
<i>GASB</i>	Governmental Accounting Standards Board.
<i>GASB No. 67 and GASB No. 68</i>	These are the governmental accounting standards that set the accounting rules for public retirement plans and the employers that sponsor or contribute to them. Statement No. 67 sets the accounting rules for the plans themselves, while Statement No. 68 sets the accounting rules for the employers that sponsor or contribute to public retirement plans.
<i>Normal Cost</i>	The annual cost assigned, under the Actuarial Cost Method, to the current plan year.
<i>Open Amortization Period</i>	An open amortization period is one which is used to determine the Amortization Payment but which does not change over time. In other words, if the initial period is set as 30 years, the same 30-year period is used in determining the Amortization Period each year. In theory, if an Open Amortization Period is used to amortize the Unfunded Actuarial Accrued Liability, the UAAL will never completely disappear, but will become smaller each year, either as a dollar amount or in relation to covered payroll.
<i>Unfunded Actuarial Accrued Liability</i>	The difference between the Actuarial Accrued Liability and Actuarial Value of Assets.
<i>Valuation Date</i>	The date as of which the Actuarial Present Value of Future Benefits are determined. The benefits expected to be paid in the future are discounted to this date.