

City of West Palm Beach Restated Employees
Defined Benefit Retirement System
Chapter 112.664, F.S. Compliance Report
September 30, 2022





April 10, 2023

Board of Trustees
City of West Palm Beach Restated Employees Defined Benefit Retirement System
West Palm Beach, Florida

Dear Board Members:

Gabriel, Roeder, Smith & Company (GRS) has been engaged by the City of West Palm Beach Restated Employees Defined Benefit Retirement System 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 City and the Board only in its entirety and only with the permission of the City and 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, 2022. 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 System'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 City and the Board concerning Retirement System 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 City.

This report was prepared using certain assumptions prescribed by the Board as described in the final actuarial valuation report dated January 30, 2023 and the GASB Statement No. 67 report dated January 3, 2023.

Note: As required in Section 112.664(c) of the Florida Statutes, the projections of the System assets on pages 5-8 do not include contributions from the employer, employee or state. For this reason, these projections should not be viewed as a representation of the amount of time the System 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.

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;
- The most recent financial statement;
- The most recent actuarial valuation report;
- A link to the Division of Retirement Actuarial Summary Fact Sheet;
- 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; and
- The System's funded ratio as determined in the most recent actuarial valuation.

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.

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 System 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. 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 the signed actuaries or under their direct supervision, and they acknowledge responsibility for the results. To the best of their knowledge, the results are complete and accurate, and in their opinion, meet the requirements of Section 112.664(1), F.S. and Section 60T-1.0035, F.A.C.

Brad Lee Armstrong and Jeffrey T. Tebeau are Members of the American Academy of Actuaries (MAAA) and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

Respectfully submitted,
Gabriel, Roeder, Smith & Company



Brad L. Armstrong, ASA, EA, FCA, MAAA



Jeffrey T. Tebeau, FSA, EA, FCA, MAAA

BLA/JTT:dj



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

Fiscal year ending September 30,

1. Total pension liability

	2022
a. Service Cost	\$ 54,996
b. Interest	3,065,876
c. Benefit Changes	-
d. Difference between actual & expected experience	(1,088,075)
e. Assumption Changes	-
f. Benefit Payments	(3,280,574)
g. Contribution Refunds	-
h. Other	-
i. Net Change in Total Pension Liability	(1,247,777)
j. Total Pension Liability - Beginning	43,900,727
k. Total Pension Liability - Ending	\$ 42,652,950

2. Plan Fiduciary Net Position

a. Contributions - Employer	\$ -
b. Contributions - Non-Employer Contributing Entity	-
c. Contributions - Member	44,886
d. Net Investment Income	(6,811,203)
e. Benefit Payments	(3,280,574)
f. Contribution Refunds	-
g. Administrative Expense	(97,831)
h. Other	1,084
i. Net Change in Plan Fiduciary Net Position	(10,143,638)
j. Plan Fiduciary Net Position - Beginning	51,366,242
k. Plan Fiduciary Net Position - Ending	\$ 41,222,604

3. Net Pension Liability / (Asset)

\$ 1,430,346

Certain Key Assumptions

Investment Return Assumption

7.25%

Mortality Table

Pub-2010 FRS Mandated
Mortality Tables



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

	2022
a. Service Cost	\$ 53,811
b. Interest	3,001,808
c. Benefit Changes	-
d. Difference between actual & expected experience	(1,076,659)
e. Assumption Changes	-
f. Benefit Payments	(3,280,574)
g. Contribution Refunds	-
h. Other	-
i. Net Change in Total Pension Liability	(1,301,614)
j. Total Pension Liability - Beginning	43,017,631
k. Total Pension Liability - Ending	\$ 41,716,017

2. Plan Fiduciary Net Position

a. Contributions - Employer	\$ -
b. Contributions - Non-Employer Contributing Entity	-
c. Contributions - Member	44,886
d. Net Investment Income	(6,811,203)
e. Benefit Payments	(3,280,574)
f. Contribution Refunds	-
g. Administrative Expense	(97,831)
h. Other	1,084
i. Net Change in Plan Fiduciary Net Position	(10,143,638)
j. Plan Fiduciary Net Position - Beginning	51,366,242
k. Plan Fiduciary Net Position - Ending	\$ 41,222,604

3. Net Pension Liability / (Asset)

\$ 493,413

Certain Key Assumptions

Investment Return Assumption

7.25%

Mortality Table

RP-2000 fully generational
using Scale AA



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

	2022
a. Service Cost	\$ 94,810
b. Interest	2,669,037
c. Benefit Changes	-
d. Difference between actual & expected experience	(1,196,631)
e. Assumption Changes	-
f. Benefit Payments	(3,280,574)
g. Contribution Refunds	-
h. Other	-
i. Net Change in Total Pension Liability	(1,713,358)
j. Total Pension Liability - Beginning	52,431,683
k. Total Pension Liability - Ending	\$ 50,718,325

2. Plan Fiduciary Net Position

a. Contributions - Employer	\$ -
b. Contributions - Non-Employer Contributing Entity	-
c. Contributions - Member	44,886
d. Net Investment Income	(6,811,203)
e. Benefit Payments	(3,280,574)
f. Contribution Refunds	-
g. Administrative Expense	(97,831)
h. Other	1,084
i. Net Change in Plan Fiduciary Net Position	(10,143,638)
j. Plan Fiduciary Net Position - Beginning	51,366,242
k. Plan Fiduciary Net Position - Ending	\$ 41,222,604

3. Net Pension Liability / (Asset)

\$ 9,495,721

Certain Key Assumptions

Investment Return Assumption

5.25%

Mortality Table

RP-2000 fully generational
using Scale AA



Schedule of Changes in the Employers' Net Pension Liability
Using Assumptions required under 112.664(1)(b), F.S.
Except 2% higher investment return assumption

Fiscal year ending September 30,

1. Total pension liability

	2022
a. Service Cost	\$ 31,557
b. Interest	3,199,364
c. Benefit Changes	-
d. Difference between actual & expected experience	(978,934)
e. Assumption Changes	-
f. Benefit Payments	(3,280,574)
g. Contribution Refunds	-
h. Other	-
i. Net Change in Total Pension Liability	(1,028,587)
j. Total Pension Liability - Beginning	36,212,230
k. Total Pension Liability - Ending	\$ 35,183,643

2. Plan Fiduciary Net Position

a. Contributions - Employer	\$ -
b. Contributions - Non-Employer Contributing Entity	-
c. Contributions - Member	44,886
d. Net Investment Income	(6,811,203)
e. Benefit Payments	(3,280,574)
f. Contribution Refunds	-
g. Administrative Expense	(97,831)
h. Other	1,084
i. Net Change in Plan Fiduciary Net Position	(10,143,638)
j. Plan Fiduciary Net Position - Beginning	51,366,242
k. Plan Fiduciary Net Position - Ending	\$ 41,222,604

3. Net Pension Liability / (Asset) **\$ (6,038,961)**

Certain Key Assumptions

Investment Return Assumption	9.25%
Mortality Table	RP-2000 fully generational using Scale AA



Asset and Benefit Payment Projection
Not Reflecting Any Contributions from the Employer, State or Employee
Using Financial Reporting Assumptions per GASB Statement No. 67

FYE	Market Value of Assets (BOY)	Expected Investment Return	Projected Benefit Payments	Market Value of Assets (EOY)
2023	\$ 41,222,604	\$ 2,871,603	\$ 3,228,572	\$ 40,865,635
2024	40,865,635	2,843,795	3,281,747	40,427,683
2025	40,427,683	2,809,987	3,338,482	39,899,187
2026	39,899,187	2,768,889	3,415,227	39,252,850
2027	39,252,850	2,720,413	3,459,830	38,513,432
2028	38,513,432	2,665,741	3,489,193	37,689,979
2029	37,689,979	2,604,940	3,519,558	36,775,361
2030	36,775,361	2,538,127	3,533,412	35,780,077
2031	35,780,077	2,466,281	3,524,829	34,721,528
2032	34,721,528	2,389,080	3,537,393	33,573,215
2033	33,573,215	2,307,196	3,499,639	32,380,772
2034	32,380,772	2,222,452	3,452,520	31,150,705
2035	31,150,705	2,135,366	3,394,750	29,891,321
2036	29,891,321	2,046,560	3,325,823	28,612,058
2037	28,612,058	1,956,512	3,251,359	27,317,211
2038	27,317,211	1,865,599	3,169,627	26,013,183
2039	26,013,183	1,774,369	3,078,253	24,709,298
2040	24,709,298	1,683,390	2,980,246	23,412,442
2041	23,412,442	1,593,142	2,876,149	22,129,435
2042	22,129,435	1,504,103	2,766,373	20,867,165
2043	20,867,165	1,416,746	2,651,672	19,632,239
2044	19,632,239	1,331,508	2,533,235	18,430,512
2045	18,430,512	1,248,778	2,411,986	17,267,303
2046	17,267,303	1,168,911	2,288,798	16,147,416
2047	16,147,416	1,092,224	2,164,506	15,075,134

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:

N/A*

Certain Key Assumptions

Valuation Investment Return Assumption

7.25%

Valuation Mortality Table

Pub-2010 FRS Mandated Mortality Tables

* The Fund is not projected to run out of money under these assumptions.



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)
2023	\$ 41,222,604	\$ 2,871,615	\$ 3,228,244	\$ 40,865,975
2024	40,865,975	2,843,892	3,279,761	40,430,106
2025	40,430,106	2,810,321	3,334,125	39,906,302
2026	39,906,302	2,769,660	3,408,176	39,267,786
2027	39,267,786	2,721,899	3,448,711	38,540,974
2028	38,540,974	2,668,311	3,473,358	37,735,926
2029	37,735,926	2,609,057	3,497,873	36,847,110
2030	36,847,110	2,544,347	3,505,351	35,886,106
2031	35,886,106	2,475,257	3,489,251	34,872,113
2032	34,872,113	2,401,505	3,495,808	33,777,810
2033	33,777,810	2,323,842	3,449,646	32,652,005
2034	32,652,005	2,244,255	3,393,523	31,502,737
2035	31,502,737	2,163,371	3,326,261	30,339,847
2036	30,339,847	2,081,917	3,247,493	29,174,272
2037	29,174,272	2,000,479	3,162,907	28,011,844
2038	28,011,844	1,919,546	3,070,708	26,860,681
2039	26,860,681	1,839,778	2,968,870	25,731,590
2040	25,731,590	1,761,840	2,860,686	24,632,744
2041	24,632,744	1,686,307	2,746,670	23,572,381
2042	23,572,381	1,613,754	2,627,398	22,558,738
2043	22,558,738	1,544,740	2,503,952	21,599,527
2044	21,599,527	1,479,783	2,377,441	20,701,869
2045	20,701,869	1,419,367	2,248,787	19,872,450
2046	19,872,450	1,363,937	2,119,058	19,117,329
2047	19,117,329	1,313,893	1,989,345	18,441,876

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:

N/A*

Certain Key Assumptions

Valuation Investment Return Assumption

7.25%

Valuation Mortality Table

RP-2000 fully generational using Scale AA

* The Fund is not projected to run out of money under these assumptions.



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)
2023	\$ 41,222,604	\$ 2,079,445	\$ 3,228,244	\$ 40,073,805
2024	40,073,805	2,017,781	3,279,761	38,811,825
2025	38,811,825	1,950,100	3,334,125	37,427,801
2026	37,427,801	1,875,495	3,408,176	35,895,119
2027	35,895,119	1,793,965	3,448,711	34,240,373
2028	34,240,373	1,706,444	3,473,358	32,473,459
2029	32,473,459	1,613,037	3,497,873	30,588,624
2030	30,588,624	1,513,887	3,505,351	28,597,160
2031	28,597,160	1,409,758	3,489,251	26,517,667
2032	26,517,667	1,300,413	3,495,808	24,322,272
2033	24,322,272	1,186,366	3,449,646	22,058,992
2034	22,058,992	1,069,017	3,393,523	19,734,485
2035	19,734,485	948,746	3,326,261	17,356,971
2036	17,356,971	825,994	3,247,493	14,935,472
2037	14,935,472	701,086	3,162,907	12,473,651
2038	12,473,651	574,261	3,070,708	9,977,203
2039	9,977,203	445,870	2,968,870	7,454,204
2040	7,454,204	316,253	2,860,686	4,909,770
2041	4,909,770	185,663	2,746,670	2,348,764
2042	2,348,764	54,341	2,627,398	-
2043	-	-	2,503,952	-
2044	-	-	2,377,441	-
2045	-	-	2,248,787	-
2046	-	-	2,119,058	-
2047	-	-	1,989,345	-

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:

19.92

Certain Key Assumptions

Valuation Investment Return Assumption

5.25%

Valuation Mortality Table

RP-2000 fully generational using Scale AA



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.
Except 2% higher investment return assumption

FYE	Market Value of Assets (BOY)	Expected Investment Return	Projected Benefit Payments	Market Value of Assets (EOY)
2023	\$ 41,222,604	\$ 3,663,785	\$ 3,228,244	\$ 41,658,144
2024	41,658,144	3,701,689	3,279,761	42,080,073
2025	42,080,073	3,738,203	3,334,125	42,484,152
2026	42,484,152	3,772,156	3,408,176	42,848,131
2027	42,848,131	3,803,949	3,448,711	43,203,370
2028	43,203,370	3,835,669	3,473,358	43,565,680
2029	43,565,680	3,868,049	3,497,873	43,935,856
2030	43,935,856	3,901,944	3,505,351	44,332,450
2031	44,332,450	3,939,374	3,489,251	44,782,573
2032	44,782,573	3,980,707	3,495,808	45,267,471
2033	45,267,471	4,027,695	3,449,646	45,845,520
2034	45,845,520	4,083,760	3,393,523	46,535,757
2035	46,535,757	4,150,718	3,326,261	47,360,214
2036	47,360,214	4,230,623	3,247,493	48,343,344
2037	48,343,344	4,325,475	3,162,907	49,505,911
2038	49,505,911	4,437,277	3,070,708	50,872,480
2039	50,872,480	4,568,394	2,968,870	52,472,004
2040	52,472,004	4,721,354	2,860,686	54,332,672
2041	54,332,672	4,898,739	2,746,670	56,484,741
2042	56,484,741	5,103,321	2,627,398	58,960,665
2043	58,960,665	5,338,054	2,503,952	61,794,767
2044	61,794,767	5,606,059	2,377,441	65,023,385
2045	65,023,385	5,910,657	2,248,787	68,685,255
2046	68,685,255	6,255,380	2,119,058	72,821,577
2047	72,821,577	6,643,989	1,989,345	77,476,220

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:

N/A*

Certain Key Assumptions

Valuation Investment Return Assumption

9.25%

Valuation Mortality Table

RP-2000 fully generational using Scale AA

* The Fund is not projected to run out of money under these assumptions.



ACTUARIALLY DETERMINED CONTRIBUTION				
	GASB No. 67 Assumptions	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	September 30, 2022	September 30, 2022	September 30, 2022	September 30, 2022
B. Actuarial Determined Contribution (ADC) to Be Paid During Fiscal Year Ending	9/30/2024	9/30/2024	9/30/2024	9/30/2024
C. Assumed Dates of Employer Contributions	Beginning of Year	Beginning of Year	Beginning of Year	Beginning of Year
D. Annual Payment to Amortize Unfunded Actuarial Liability	\$ -	\$ -	\$ -	\$ -
E. Total Normal Cost	<u>537,677</u>	<u>407,184</u>	<u>1,552,767</u>	<u>(553,856)</u>
F. ADC: D + E	\$ 537,677	\$ 407,184	\$ 1,552,767	\$ (553,856)
G. As a % of Covered Payroll	65.88 %	49.89 %	190.26 %	(67.86) %
H. Assumed Rate of Increase in Covered Payroll to Contribution Year	0.00 %	0.00 %	0.00 %	0.00 %
I. Covered Payroll for Contribution Year	\$ 816,116	\$ 816,116	\$ 816,116	\$ 816,116
J. ADC for Contribution Year: G x I	537,677	407,184	1,552,767	(553,856)
K. Allowable Credit for State Revenue in Contribution Year	0	0	0	0
L. Expected Member Contributions	<u>46,485</u>	<u>46,485</u>	<u>46,485</u>	<u>46,485</u>
M. Employer ADC in Contribution Year	\$ 491,192	\$ 360,699	\$ 1,506,282	\$ -
N. Employer ADC as % of Covered Payroll in Contribution Year: M ÷ I	60.19 %	44.20 %	184.57 %	0.00 %
O. Certain Key Assumptions				
Investment Return Assumption	7.25%	7.25%	5.25%	9.25%
Mortality Table	Pub-2010 FRS Mandated Mortality Tables	RP-2000 fully generational using Scale AA	RP-2000 fully generational using Scale AA	RP-2000 fully generational using Scale AA