



June 5, 2024

Mr. Jeff Templeton
Plan Administrator
Winter Park Police Officers' Retirement System
9154 Lake Burkett Drive
Orlando, Florida 32817

Re: City of Winter Park Police Officers' Retirement System

Dear Jeff:

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

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

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 – 77.4% on a market value of assets basis 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

Enclosure

City of Winter Park 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 5, 2024

Board of Trustees
c/o Mr. Jeff Templeton, System Administrator
Winter Park Police Officers' Retirement System
9154 Lake Burkett Drive
Orlando, Florida 32817

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 Winter Park 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 was based upon information furnished by the City and the Board concerning System benefits, System provisions and System members as used in the corresponding Actuarial Valuation Reports for the Valuation Dates indicated. Financial information was provided by the City and Board as of September 30, 2023. We reviewed the information provided for internal and year-to-year consistency, but did not audit the 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 the results of an actuarial Experience Study for the period October 1, 2017 – September 30, 2022. The mortality assumptions are prescribed by statute. Each assumption represents an estimate of future System experience. 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 Valuation 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. Inclusion of an investment return assumption 2% higher than the investment return assumption utilized in the Actuarial Valuation shows a more complete assessment of the potential range of 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, future contributions are expected to remain relatively stable as a percent of payroll and the funded status is expected to improve. 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 and a level percent of pay amortization payment using an initial amortization period of 20 years.

The System's funded ratio as of October 1, 2023 is 77.4% defined as the ratio of the market value of System assets to the 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.

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 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 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.

Sincerely,

GABRIEL, ROEDER, SMITH AND COMPANY

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

By Jennifer Borregard
Jennifer M. Borregard, M.A.A.A.
Enrolled Actuary No. 23-07624
Consultant & Actuary



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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	<u>September 30, 2023</u>
A. <u>Total Pension Liability (TPL)</u>	
Service Cost	\$ 1,465,199
Interest	5,690,454
Benefit Changes	(11,644)
Difference Between Actual and Expected Experience	309,181
Assumption Changes	0
Benefit Payments	(4,446,860)
Contribution Refunds	(30,011)
Other	0
Net Change in Total Pension Liability	<u>\$ 2,976,319</u>
Total Pension Liability (TPL) - (beginning of year)	<u>76,449,382</u>
Total Pension Liability (TPL) - (end of year)	<u><u>\$ 79,425,701</u></u>
B. <u>System Fiduciary Net Position</u>	
Contributions - City	\$ 2,093,694
Contributions - State	528,654
Contributions - Member	439,283
Net Investment Income	5,060,849
Benefit Payments	(4,446,860)
Contribution Refunds	(30,011)
Administrative Expenses	(145,610)
Other	0
Net Change in System Fiduciary Net Position	<u>\$ 3,499,999</u>
System Fiduciary Net Position - (beginning of year)	<u>58,924,322</u>
System Fiduciary Net Position - (end of year)	<u><u>\$ 62,424,321</u></u>
C. <u>Net Pension Liability (NPL) - (end of year): (A) - (B)</u>	\$ 17,001,380
Valuation Date	October 1, 2022

Certain Key Assumptions

Investment Return Assumption 7.50%

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	\$ 2,318,481
Interest	5,447,787
Benefit Changes	(16,195)
Difference Between Actual and Expected Experience	631,950
Assumption Changes	0
Benefit Payments	(4,446,860)
Contribution Refunds	(30,011)
Other	0
Net Change in Total Pension Liability	\$ 3,905,152
Total Pension Liability (TPL) - (beginning of year)	98,390,376
Total Pension Liability (TPL) - (end of year)	\$ 102,295,528
B. <u>System Fiduciary Net Position</u>	
Contributions - City	\$ 2,093,694
Contributions - State	528,654
Contributions - Member	439,283
Net Investment Income	5,060,849
Benefit Payments	(4,446,860)
Contribution Refunds	(30,011)
Administrative Expenses	(145,610)
Other	0
Net Change in System Fiduciary Net Position	\$ 3,499,999
System Fiduciary Net Position - (beginning of year)	58,924,322
System Fiduciary Net Position - (end of year)	\$ 62,424,321
C. <u>Net Pension Liability (NPL) - (end of year): (A) - (B)</u>	\$ 39,871,207

Valuation Date October 1, 2022

Certain Key Assumptions

Investment Return Assumption 5.50%

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	\$ 973,929
Interest	5,731,413
Benefit Changes	(8,741)
Difference Between Actual and Expected Experience	89,943
Assumption Changes	0
Benefit Payments	(4,446,860)
Contribution Refunds	(30,011)
Other	0
Net Change in Total Pension Liability	\$ 2,309,673
Total Pension Liability (TPL) - (beginning of year)	61,649,633
Total Pension Liability (TPL) - (end of year)	\$ 63,959,306
B. <u>System Fiduciary Net Position</u>	
Contributions - City	\$ 2,093,694
Contributions - State	528,654
Contributions - Member	439,283
Net Investment Income	5,060,849
Benefit Payments	(4,446,860)
Contribution Refunds	(30,011)
Administrative Expenses	(145,610)
Other	0
Net Change in System Fiduciary Net Position	\$ 3,499,999
System Fiduciary Net Position - (beginning of year)	58,924,322
System Fiduciary Net Position - (end of year)	\$ 62,424,321
C. <u>Net Pension Liability (NPL) - (end of year): (A) - (B)</u>	\$ 1,534,985
Valuation Date	October 1, 2022

Certain Key Assumptions

Investment Return Assumption 9.50%

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	\$ 62,110,085	\$ 4,497,084	\$ 4,011,635	\$ 62,595,534
2025	62,595,534	4,523,202	4,267,777	62,850,959
2026	62,850,959	4,531,932	4,527,307	62,855,584
2027	62,855,584	4,521,973	4,783,826	62,593,731
2028	62,593,731	4,492,248	5,034,870	62,051,109
2029	62,051,109	4,441,665	5,280,952	61,211,822
2030	61,211,822	4,372,458	5,436,765	60,147,515
2031	60,147,515	4,286,155	5,598,049	58,835,621
2032	58,835,621	4,181,512	5,753,658	57,263,475
2033	57,263,475	4,057,904	5,895,454	55,425,925
2034	55,425,925	3,914,877	6,025,144	53,315,658
2035	53,315,658	3,750,441	6,178,610	50,887,489
2036	50,887,489	3,563,795	6,291,460	48,159,824
2037	48,159,824	3,355,002	6,396,444	45,118,382
2038	45,118,382	3,124,514	6,455,695	41,787,201
2039	41,787,201	2,872,289	6,515,090	38,144,400
2040	38,144,400	2,597,105	6,564,208	34,177,297
2041	34,177,297	2,298,314	6,595,525	29,880,086
2042	29,880,086	1,975,430	6,610,304	25,245,212
2043	25,245,212	1,627,906	6,608,022	20,265,096
2044	20,265,096	1,255,257	6,586,617	14,933,736
2045	14,933,736	856,996	6,547,029	9,243,703
2046	9,243,703	432,679	6,486,397	3,189,985
2047	3,189,985	48,988	6,407,883	-
2048	-	-	6,310,646	-
2049	-	-	6,193,818	-
2050	-	-	6,060,201	-
2051	-	-	5,908,577	-
2052	-	-	5,741,809	-
2053	-	-	5,559,966	-

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: 23.50

Certain Key Assumptions

Investment return assumption 7.50%

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 future contributions from the City, Members 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	\$ 62,110,085	\$ 3,297,519	\$ 4,011,635	\$ 61,395,969
2025	61,395,969	3,250,674	4,267,777	60,378,866
2026	60,378,866	3,187,065	4,527,307	59,038,624
2027	59,038,624	3,105,772	4,783,826	57,360,570
2028	57,360,570	3,006,061	5,034,870	55,331,761
2029	55,331,761	2,887,205	5,280,952	52,938,014
2030	52,938,014	2,750,945	5,436,765	50,252,194
2031	50,252,194	2,598,460	5,598,049	47,252,605
2032	47,252,605	2,428,884	5,753,658	43,927,831
2033	43,927,831	2,241,832	5,895,454	40,274,209
2034	40,274,209	2,037,051	6,025,144	36,286,116
2035	36,286,116	1,813,171	6,178,610	31,920,677
2036	31,920,677	1,569,737	6,291,460	27,198,954
2037	27,198,954	1,306,940	6,396,444	22,109,450
2038	22,109,450	1,025,267	6,455,695	16,679,022
2039	16,679,022	724,838	6,515,090	10,888,770
2040	10,888,770	404,923	6,564,208	4,729,485
2041	4,729,485	82,453	6,595,525	-
2042	-	-	6,610,304	-
2043	-	-	6,608,022	-
2044	-	-	6,586,617	-
2045	-	-	6,547,029	-
2046	-	-	6,486,397	-
2047	-	-	6,407,883	-
2048	-	-	6,310,646	-
2049	-	-	6,193,818	-
2050	-	-	6,060,201	-
2051	-	-	5,908,577	-
2052	-	-	5,741,809	-
2053	-	-	5,559,966	-

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: 17.67

Certain Key Assumptions

Investment return assumption 5.50%

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 future contributions from the City, Members 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	\$ 62,110,085	\$ 5,696,888	\$ 4,011,635	\$ 63,795,338
2025	63,795,338	5,843,989	4,267,777	65,371,550
2026	65,371,550	5,980,559	4,527,307	66,824,802
2027	66,824,802	6,105,601	4,783,826	68,146,577
2028	68,146,577	6,218,431	5,034,870	69,330,138
2029	69,330,138	6,318,381	5,280,952	70,367,567
2030	70,367,567	6,409,031	5,436,765	71,339,833
2031	71,339,833	6,493,211	5,598,049	72,234,995
2032	72,234,995	6,570,355	5,753,658	73,051,692
2033	73,051,692	6,640,746	5,895,454	73,796,984
2034	73,796,984	6,704,968	6,025,144	74,476,808
2035	74,476,808	6,761,764	6,178,610	75,059,962
2036	75,059,962	6,811,437	6,291,460	75,579,939
2037	75,579,939	6,855,507	6,396,444	76,039,002
2038	76,039,002	6,896,111	6,455,695	76,479,418
2039	76,479,418	6,934,937	6,515,090	76,899,265
2040	76,899,265	6,972,330	6,564,208	77,307,387
2041	77,307,387	7,009,512	6,595,525	77,721,374
2042	77,721,374	7,048,091	6,610,304	78,159,161
2043	78,159,161	7,089,797	6,608,022	78,640,936
2044	78,640,936	7,136,651	6,586,617	79,190,970
2045	79,190,970	7,190,913	6,547,029	79,834,854
2046	79,834,854	7,255,159	6,486,397	80,603,616
2047	80,603,616	7,332,176	6,407,883	81,527,909
2048	81,527,909	7,424,918	6,310,646	82,642,181
2049	82,642,181	7,536,702	6,193,818	83,985,065
2050	83,985,065	7,671,057	6,060,201	85,595,921
2051	85,595,921	7,831,782	5,908,577	87,519,126
2052	87,519,126	8,022,949	5,741,809	89,800,266
2053	89,800,266	8,248,885	5,559,966	92,489,185

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:

All future years

Certain Key Assumptions

Investment return assumption

9.50%

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 future contributions from the City, Members 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	\$ 6,489,759	\$ 6,489,759	\$ 6,489,759
D. Total Minimum Funding Requirement			
1. Total Normal Cost	\$ 1,769,078	\$ 2,755,944	\$ 1,202,374
2. Annual Payment to Amortize Unfunded Actuarial Liability	1,306,427	2,587,425	141,734
3. Interest Adjustment	118,367	148,344	69,988
4. Total Minimum Funding Requirement	\$ 3,193,872	\$ 5,491,713	\$ 1,414,096
E. Expected Payroll of Active Employees for Following Plan Year (\$ / % of pay) (C x 1.035)	\$ 6,716,901 103.50%	\$ 6,716,901 103.50%	\$ 6,716,901 103.50%
F. Expected Contribution Sources (\$ / % of pay)			
1. City	\$ 2,504,023 37.28%	\$ 4,882,288 72.69%	\$ 661,954 9.86%
2. Member	403,014 6.00%	403,014 6.00%	403,014 6.00%
3. State	398,621 5.93%	398,621 5.93%	398,621 5.93%
4. Total	\$ 3,305,658 49.21%	\$ 5,683,923 84.62%	\$ 1,463,589 21.79%



Unfunded Actuarial Accrued Liabilities Bases and Amortization Payments

Amortization Base	Current Unfunded Liabilities	Amortization Payment			Remaining Funding Period
		Valuation and 112.664(1)(a), F.S. Assumptions	112.664(1)(b), F.S. Assumptions	112.664(1)(a), F.S. Assumptions Plus 2%	
10/01/2008 Assumption Change	\$ 2,297,480	\$ 197,072	\$ 174,527	\$ 220,638	15 years
10/01/2009 Actuarial Loss / (Gain)	1,045,399	191,157	182,675	199,667	6 years
10/01/2010 Actuarial Loss / (Gain)	582,242	92,931	88,029	97,875	7 years
10/01/2011 Actuarial Loss / (Gain)	1,547,595	220,074	206,653	233,675	8 years
10/01/2011 System Amendment	(121,838)	(17,326)	(16,269)	(18,397)	8 years
10/01/2012 Actuarial Loss / (Gain)	463,144	59,603	55,487	63,794	9 years
10/01/2013 Actuarial Loss / (Gain)	(254,528)	(30,010)	(27,700)	(32,374)	10 years
10/01/2013 Assumption Change	980,454	115,601	106,703	124,705	10 years
10/01/2014 Actuarial Loss / (Gain)	(1,060,554)	(115,708)	(105,902)	(125,787)	11 years
10/01/2015 Actuarial Loss / (Gain)	110,525	11,250	10,211	12,322	12 years
10/01/2016 Actuarial Loss / (Gain)	1,203,518	115,068	103,578	126,982	13 years
10/01/2016 Assumption Change	194,973	18,641	16,780	20,571	13 years
10/01/2017 Actuarial Loss / (Gain)	(63,540)	(5,740)	(5,125)	(6,380)	14 years
10/01/2017 System Amendment	214,203	19,350	17,276	21,509	14 years
10/01/2018 Actuarial Loss / (Gain)	954,736	81,895	72,526	91,688	15 years
10/01/2018 Assumption Change	1,864,129	159,900	141,607	179,021	15 years
10/01/2019 Actuarial Loss / (Gain)	(55,961)	(4,578)	(4,022)	(5,161)	16 years
10/01/2019 Assumption Change	(1,608,034)	(131,544)	(115,565)	(148,311)	16 years
10/01/2020 Actuarial Loss / (Gain)	503,101	39,399	34,340	44,727	17 years
10/01/2021 Actuarial Loss / (Gain)	(799,211)	(60,117)	(51,988)	(68,709)	18 years
10/01/2022 Actuarial Loss / (Gain)	1,676,363	121,479	104,241	139,761	19 years
10/01/2022 System Amendment	(11,629)	(843)	(723)	(970)	19 years
10/01/2023 Actuarial Loss / (Gain)	3,095,182	216,656	184,493	250,880	20 years
10/01/2023 Assumption Change	174,530	12,217	10,403	14,147	20 years
10/01/2023 Assumption Change - 112.664(1)(b), F.S. Assumptions	23,574,446	N/A	1,405,190	N/A	20 years
10/01/2023 Assumption Change - 112.664(1)(a), F.S. Assumptions Plus 2%	(15,966,147)	N/A	N/A	(1,294,139)	20 years



SECTION B



SUMMARY OF SYSTEM PROVISIONS

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

A. Effective Date:

October 1, 1992. Most recently amended by Ordinance No. 3277-23 adopted August 9, 2023.

B. Eligibility:

All Police Officers shall become members as a condition of employment. Effective September 26, 2016 a new employee who is hired as Police Chief may opt out of the System upon employment.

C. Member:

An actively employed Police Officer who fulfills the Membership Requirements.

D. Contributions:

Employee:	6% of compensation.
State:	Premium Tax Revenue.
City:	Balance required to maintain System on sound actuarial basis.

E. Credited Service:

Total years and fractional parts of years of service as a Police Officer.

F. Purchase of Prior Military Service:

A participant may purchase from 1 year up to 4 years of credited service for military service prior to employment. The cost shall be an amount actuarially determined to fund the cost to the System of adding this credited service.

G. Compensation:

Total pay, excluding special detail pay (includes vacation and comp time accrual as of September 30, 2011).

H. Average Final Compensation (AFC):

Average monthly compensation during the best 60 calendar months out of the last 120 calendar months preceding date of retirement (or termination).



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

I. Normal Retirement:

1. Eligibility:

Earlier of:

(a) Attainment of age 55 with completion of 10 years of credited service.

(b) Completion of 20 years of credited service.

2. Benefit:

3% times AFC times credited service.

J. 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 normal retirement date, payable immediately.

K. Deferred Retirement:

Computed the same as set forth under Normal Retirement, based upon AFC and credited service as of deferred retirement date.

L. Disability Retirement:

1. Service Incurred:

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

2. Non-Service Incurred:

a. Eligibility: 10 or more years of credited service; totally and permanently disabled.

b. Benefit: Accrued benefit, but not less than 25% of AFC.

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

M. Pre-Retirement Death Benefit:

1. Service Incurred:

Police Officers with a spouse as the sole beneficiary receive a life benefit equal to the greater of:

- a. forty-two percent (42%) of the average monthly salary of the Member over the previous twelve (12) month period, or
- b. the Member's unreduced accrued benefit

Police Officers, who are not yet eligible for normal or early retirement, with a non-spouse beneficiary receive an immediate benefit payable for ten (10) years. The benefit shall be the greater of:

- a. forty-two percent (42%) of the average monthly salary of the Member over the previous twelve (12) month period, or
- b. the Member's unreduced accrued benefit at the time of death

Police Officers, who are eligible for normal or early retirement, with a non-spouse beneficiary receive an immediate benefit payable for life. The benefit shall be the benefit determined as if the Member had retired the day before his death and elected the one hundred percent (100%) Joint and Survivor benefit. The minimum amount payable to such Member shall be forty-two percent (42%) of the AFC at the time of their death.

2. Non-Service Incurred:

- a. Eligible for Retirement: Determined as though had retired on the date of death and elected a 100% joint and survivor benefit.
- b. Not Eligible for Retirement: Less than 10 years of credited service - return of employee contributions.

10 or more years - accrued benefit payable for 10 years.

N. 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 employee contributions.

2. Benefit:

Accrued benefit based upon credited service and AFC as of date of termination, payable at normal retirement date or early retirement date with reduction.



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

O. Normal Form of Retirement Income:

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

P. Deferred Retirement Option Program (DROP)

1. Eligibility:

Participant 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 quarterly based upon either the rate of return earned by the Fund or a 6.5% fixed rate of return, as elected by the Member. A deduction is made each quarter for administrative expenses. The period of participation in the DROP is limited to at least 12 months but no more than 60 months. The benefit is paid as a lump sum upon actual termination of employment.

Q. Cost of Living Adjustment (COLA)

Participants who terminate employment on or after October 1, 2002 are entitled to a 3% annual COLA on benefit payments beginning at age 60.

Effective March 1, 2013, only participants who retire on or after Early or Normal Retirement Date (including DROPs) are entitled to a 3% annual COLA on benefit payments beginning at age 60.

R. Changes Since Previous Actuarial Valuation

None affecting calculations.

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
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
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

7.50% (net of investment expenses), compounded annually - includes inflation at 2.75%.

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. Employee Withdrawal Rates

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

<u>Service</u>	<u>Withdrawal Rate</u>
< 5	9.0%
5 - 9	3.5%
10 - 19	3.0%
20 & Over	0.0%

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
25	0.15
30	0.18
35	0.23
40	0.30
45	0.51

F. Salary Increase Factors

Current salary is assumed to increase at a rate based on the table below - includes wage inflation of 3.25%.

<u>Age</u>	<u>Salary Increase</u>
< 30	6.50%
30 - 39	6.00%
40 - 49	5.00%
50 +	4.25%

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

G. Assumed Retirement Age

<u>Age</u>	<u>Annual Rate of Retirement</u>
At First Normal Retirement Eligibility	
All ages	35.0%
Retirement Other Than At First Normal Retirement Eligibility	
< 50	7.5%
50 - 54	13.5%
55 - 57	40.0%
58 - 59	27.5%
60 - 64	25.0%
65 & Over	100.0%

35% of employees are assumed to enter the DROP when first eligible.

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

H. Loading

Active liabilities and normal costs are increased by 1.61% to account for unused annual leave pay at time of retirement for Police Officers hired prior to October 1, 2011.

I. Payroll Growth Assumption

3.5% per annum. For purposes of financing the unfunded liabilities, the payroll growth assumption is capped at the historical 10-year average (5.2% as of October 1, 2023) and no less than 0.0%.

J. 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.

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

K. Cost Method

Normal Retirement, Termination, Disability, and Death Benefits: Entry-Age-Normal Cost Method.

Under this method the normal cost for each active employee is the amount which is calculated to be a level percentage of pay that would be required annually from his entry age to his assumed retirement age to fund his estimated benefits, assuming the System had always been in effect. The normal cost for the System is the sum of such amounts for all employees. The actuarial accrued liability as of any valuation date for each active employee or inactive employee who is eligible to receive benefits under the System is the excess of the actuarial present value of estimated future benefits over the actuarial present value of current and future normal costs. The unfunded actuarial accrued liability as of any valuation date is the excess of the actuarial accrued liability over the assets of the System.

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.

L. Disclosure of Assumptions

The salary increases, withdrawal and retirement rates were updated based on the most recent experience study performed for the five years ending September 30, 2022. The mortality rates are based upon the July 1, 2023 FRS Actuarial Valuation, as required under F.S., Chapter 2015-157.

M. Changes Since Most Recent Actuarial Valuation

1. Salary Increase Factors were:

<u>Age</u>	<u>Salary Increase</u>
< 30	5.25%
30 - 39	5.00%
40 - 49	4.25%
50 +	3.50%

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

M. Changes Since Most Recent Actuarial Valuation (cont'd)

2. Employee Withdrawal Rates were:

<u>Service</u>	<u>Withdrawal Rate</u>
< 5	10.0%
5 - 9	4.0%
10 - 14	3.5%
15 - 19	3.0%
20 & Over	0.0%

3. Assumed Retirement Age were:

<u>Age</u>	<u>Annual Rate of Retirement</u>
At First Normal Retirement Eligibility	
All ages	35.0%
Retirement Other Than At First Normal Retirement Eligibility	
< 55	13.5%
55 - 57	40.0%
58 - 59	27.5%
60 - 64	25.0%
65 & Over	100.0%

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>Annual Required 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 20 years, it is 19 years at the end of one year, 18 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 20 years, the same 20-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.
<i>Vested Benefit Security Ratio</i>	The ratio of the Market Value of Assets to the Actuarial Present Value of Vested Accrued Benefits.