

# City of Boynton Beach Municipal Police Officers' Retirement Fund

Chapter 112.664, F.S. Compliance Report

In Connection with the October 1, 2019 Funding  
Actuarial Valuation Report and the Plan's Financial  
Reporting for the Year Ending September 30 ,2019





June 26, 2020

Board of Trustees  
City of Boynton Beach Municipal  
Police Officers' Retirement Fund  
Boynton Beach, Florida

Dear Board Members:

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

This report was prepared at the request of the Board and is intended for use by the Retirement Board and those designated or approved by the Board. This report may be provided to parties other than the System only in its entirety and only with the permission of the Board.

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

The findings in this report are based on data or other information through September 30, 2019. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. The scope of this engagement does not include an analysis of the potential range of such measurements.

This report was based upon information furnished by the City and the Board concerning Plan benefits, financial transactions, plan provisions and active members, terminated members, retirees and beneficiaries. We checked for internal and year-to-year consistency, but did not audit the data. We are not responsible for the accuracy or completeness of the information provided by the City.

Except as otherwise indicated as required for the disclosures contained herein, this report was prepared using certain assumptions selected by the Board as described in our October 1, 2018 actuarial valuation report. This report is also based on the Plan Provisions, census data, and financial information as summarized in our October 1, 2019 actuarial valuation report. Please refer to the October 1, 2019 actuarial valuation report, dated May 13, 2020, for summaries and descriptions of this information.

The use of an investment return assumption that is 2% higher than the investment return assumption used to determine the funding requirements does not represent an estimate of future Plan experience nor does it reflect an observation of future return estimates inherent in financial market data. The use of this investment return assumption is provided as a counterpart to the Chapter 112.664, Florida Statutes requirement to utilize an investment return assumption that is 2% lower than the assumption used to determine the funding requirements. The inclusion of the additional exhibits showing the effect of using a 2% higher investment return assumption shows a more complete assessment of the range of possible results as opposed to showing a one-sided range as required by Florida Statutes.

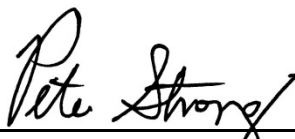
Peter N. Strong and Jeffrey Amrose are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein. The signing actuaries are independent of the plan sponsor.


This report has been prepared by actuaries who have substantial experience valuing public employee retirement systems. To the best of our knowledge the information contained in this report is accurate and fairly presents the actuarial position of the Retirement Plan as of the valuation date. All calculations have been made in conformity with generally accepted actuarial principles and practices, with the Actuarial Standards of Practice issued by the Actuarial Standards Board and with applicable statutes.

With respect to the reporting standards for defined benefit retirement plans or systems contained in Section 112.664(1) F.S., the actuarial disclosures required under this section were prepared and completed by us or under our direct supervision, and we acknowledge responsibility for the results. To the best of our knowledge, the results are complete and accurate, and in our opinion, meet the requirements of Section 112.664(1), F.S. and Section 60T-1.0035, F.A.C.

Respectfully submitted,

GABRIEL, ROEDER, SMITH AND COMPANY

By   
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Enrolled Actuary No. 20-06975  
Senior Consultant & Actuary

By   
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**CH. 112.664, Florida Statutes**

**RESULTS**



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

Fiscal year ending September 30,

**1. Total pension liability**

	<u>2019</u>
a. Service Cost	\$ 3,138,898
b. Interest	10,487,401
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	1,042,518
e. Assumption Changes	-
f. Benefit Payments	(7,828,430)
g. Contribution Refunds	(19,613)
<b>h. Net Change in Total Pension Liability</b>	<u>6,820,774</u>
<b>i. Total Pension Liability - Beginning</b>	<u>145,145,193</u>
<b>j. Total Pension Liability - Ending</b>	<u>\$ 151,965,967</u>

**2. Plan Fiduciary Net Position**

a. Contributions - Employer	\$ 5,809,713
b. Contributions - Employer (From State)	861,862
c. Contributions - Non-Employer Contributing Entity	-
d. Contributions - Member	983,971
e. Net Investment Income	5,426,455
f. Benefit Payments	(7,828,430)
g. Contribution Refunds	(19,613)
h. Administrative Expense	(178,668)
i. Other	108,110
<b>j. Net Change in Plan Fiduciary Net Position</b>	<u>5,163,400</u>
<b>k. Plan Fiduciary Net Position - Beginning</b>	<u>101,982,716</u>
<b>l. Plan Fiduciary Net Position - Ending</b>	<u>\$ 107,146,116</u>

**3. Net Pension Liability / (Asset)**

44,819,851

**Certain Key Assumptions**

Valuation Date	10/01/2018
Measurement Date	9/30/2019
Investment Return Assumption	7.25%
Mortality Table	Florida Retirement System - 2018 Special Risk Mortality



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

Fiscal year ending September 30,

**2019**

**1. Total pension liability**

a. Service Cost	\$	3,138,898
b. Interest		10,487,401
c. Benefit Changes		-
d. Difference between actual & expected experience & Other		1,042,518
e. Assumption Changes		-
f. Benefit Payments		(7,828,430)
g. Contribution Refunds		(19,613)
<b>h. Net Change in Total Pension Liability</b>		<b>6,820,774</b>
<b>i. Total Pension Liability - Beginning</b>		<b>145,145,193</b>
<b>j. Total Pension Liability - Ending</b>	<b>\$</b>	<b>151,965,967</b>

**2. Plan Fiduciary Net Position**

a. Contributions - Employer	\$	5,809,713
b. Contributions - Employer (From State)		861,862
c. Contributions - Non-Employer Contributing Entity		-
d. Contributions - Member		983,971
e. Net Investment Income		5,426,455
f. Benefit Payments		(7,828,430)
g. Contribution Refunds		(19,613)
h. Administrative Expense		(178,668)
i. Other		108,110
<b>j. Net Change in Plan Fiduciary Net Position</b>		<b>5,163,400</b>
<b>k. Plan Fiduciary Net Position - Beginning</b>		<b>101,982,716</b>
<b>l. Plan Fiduciary Net Position - Ending</b>	<b>\$</b>	<b>107,146,116</b>

**3. Net Pension Liability / (Asset)**

44,819,851

**Certain Key Assumptions**

Valuation Date	10/01/2018
Measurement Date	9/30/2019
Investment Return Assumption	7.25%
Mortality Table	Florida Retirement System - 2018 Special Risk Mortality



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

Fiscal year ending September 30,

	<u>2019</u>
<b>1. Total pension liability</b>	
a. Service Cost	\$ 4,873,104
b. Interest	9,578,171
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	587,472
e. Assumption Changes	-
f. Benefit Payments	(7,828,430)
g. Contribution Refunds	(19,613)
<b>h. Net Change in Total Pension Liability</b>	<u>7,190,704</u>
<b>i. Total Pension Liability - Beginning</b>	<u>181,198,536</u>
<b>j. Total Pension Liability - Ending</b>	<u>\$ 188,389,240</u>
<b>2. Plan Fiduciary Net Position</b>	
a. Contributions - Employer	\$ 5,809,713
b. Contributions - Employer (From State)	861,862
c. Contributions - Non-Employer Contributing Entity	-
d. Contributions - Member	983,971
e. Net Investment Income	5,426,455
f. Benefit Payments	(7,828,430)
g. Contribution Refunds	(19,613)
h. Administrative Expense	(178,668)
i. Other	108,110
<b>j. Net Change in Plan Fiduciary Net Position</b>	<u>5,163,400</u>
<b>k. Plan Fiduciary Net Position - Beginning</b>	<u>101,982,716</u>
<b>l. Plan Fiduciary Net Position - Ending</b>	<u>\$ 107,146,116</u>
<b>3. Net Pension Liability / (Asset)</b>	81,243,124

**Certain Key Assumptions**

Valuation Date	10/01/2018
Measurement Date	9/30/2019
Investment Return Assumption	5.25%
Mortality Table	Florida Retirement System - 2018 Special Risk Mortality





**Schedule of Changes in the Employers' Net Pension Liability**

**Using Assumptions under 112.664(1)(b), F.S. except 2% higher investment return assumption**

Fiscal year ending September 30,

**1. Total pension liability**

	<u>2019</u>
a. Service Cost	\$ 2,092,794
b. Interest	11,056,471
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	587,472
e. Assumption Changes	-
f. Benefit Payments	(7,828,430)
g. Contribution Refunds	(19,613)
<b>h. Net Change in Total Pension Liability</b>	<u>5,888,694</u>
<b>i. Total Pension Liability - Beginning</b>	<u>121,066,908</u>
<b>j. Total Pension Liability - Ending</b>	<u>\$ 126,955,602</u>

**2. Plan Fiduciary Net Position**

a. Contributions - Employer	\$ 5,809,713
b. Contributions - Employer (From State)	861,862
c. Contributions - Non-Employer Contributing Entity	-
d. Contributions - Member	983,971
e. Net Investment Income	5,426,455
f. Benefit Payments	(7,828,430)
g. Contribution Refunds	(19,613)
h. Administrative Expense	(178,668)
i. Other	108,110
<b>j. Net Change in Plan Fiduciary Net Position</b>	<u>5,163,400</u>
<b>k. Plan Fiduciary Net Position - Beginning</b>	<u>101,982,716</u>
<b>l. Plan Fiduciary Net Position - Ending</b>	<u>\$ 107,146,116</u>

**3. Net Pension Liability / (Asset)**

19,809,486

**Certain Key Assumptions**

Valuation Date	10/01/2018
Measurement Date	9/30/2019
Investment Return Assumption	9.25%
Mortality Table	Florida Retirement System - 2018 Special Risk Mortality



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

FYE	Market Value of Assets (BOY)	Expected Investment Return	Projected Benefit Payments	Market Value of Assets (EOY)
2020	90,705,952	6,301,575	7,575,365	89,432,162
2021	89,432,162	6,200,944	7,803,809	87,829,297
2022	87,829,297	6,075,734	8,052,142	85,852,889
2023	85,852,889	5,922,054	8,338,758	83,436,185
2024	83,436,185	5,738,224	8,576,542	80,597,867
2025	80,597,867	5,519,972	8,920,649	77,197,190
2026	77,197,190	5,261,399	9,252,341	73,206,248
2027	73,206,248	4,961,262	9,550,086	68,617,424
2028	68,617,424	4,622,437	9,719,336	63,520,525
2029	63,520,525	4,246,559	9,894,602	57,872,482
2030	57,872,482	3,833,262	9,999,799	51,705,945
2031	51,705,945	3,383,051	10,086,339	45,002,657
2032	45,002,657	2,896,621	10,098,521	37,800,757
2033	37,800,757	2,376,965	10,030,054	30,147,668
2034	30,147,668	1,824,099	9,975,362	21,996,405
2035	21,996,405	1,235,924	9,898,346	13,333,983
2036	13,333,983	610,650	9,822,457	4,122,176
2037	4,122,176	-	9,719,326	-
2038	-	-	9,601,119	-
2039	-	-	9,457,073	-
2040	-	-	9,308,852	-
2041	-	-	9,149,147	-
2042	-	-	8,978,408	-
2043	-	-	8,808,556	-
2044	-	-	8,635,974	-
2045	-	-	8,445,735	-

Number of years for which current market value of assets is adequate to sustain the payment of expected retirement benefits, **reflecting no contributions from the Employer, Employee or State, contrary to Florida Statutes and Plan provisions:** 17.42

**Certain Key Assumptions**

Valuation Investment return assumption 7.25%  
 Valuation Mortality Table Florida Retirement System - 2018 Special Risk Mortality

**Note: As required in Section 112.664(1)(c) of the Florida Statutes, the projection of the Fund assets do not include contributions from the Employer, Employee or State, which is contrary to Florida Statutes and Plan provisions. For this reason, these projections should not be viewed as a representation of the amount of time the Fund can sustain benefit payments. Under the GASB standards which DO include contributions from the employer, employee and State, the Fund is expected to be able to sustain the benefit payment demands in the near-term and long-term future.**



**Asset and Benefit Payment Projection**  
**Not Reflecting Any Contributions from the Employer, State or Employee**  
**Using Assumptions required under 112.664(1)(a), F.S.**

FYE	Market Value of Assets (BOY)	Expected Investment Return	Projected Benefit Payments	Market Value of Assets (EOY)
2020	90,705,952	6,301,575	7,575,365	89,432,162
2021	89,432,162	6,200,944	7,803,809	87,829,297
2022	87,829,297	6,075,734	8,052,142	85,852,889
2023	85,852,889	5,922,054	8,338,758	83,436,185
2024	83,436,185	5,738,224	8,576,542	80,597,867
2025	80,597,867	5,519,972	8,920,649	77,197,190
2026	77,197,190	5,261,399	9,252,341	73,206,248
2027	73,206,248	4,961,262	9,550,086	68,617,424
2028	68,617,424	4,622,437	9,719,336	63,520,525
2029	63,520,525	4,246,559	9,894,602	57,872,482
2030	57,872,482	3,833,262	9,999,799	51,705,945
2031	51,705,945	3,383,051	10,086,339	45,002,657
2032	45,002,657	2,896,621	10,098,521	37,800,757
2033	37,800,757	2,376,965	10,030,054	30,147,668
2034	30,147,668	1,824,099	9,975,362	21,996,405
2035	21,996,405	1,235,924	9,898,346	13,333,983
2036	13,333,983	610,650	9,822,457	4,122,176
2037	4,122,176	-	9,719,326	-
2038	-	-	9,601,119	-
2039	-	-	9,457,073	-
2040	-	-	9,308,852	-
2041	-	-	9,149,147	-
2042	-	-	8,978,408	-
2043	-	-	8,808,556	-
2044	-	-	8,635,974	-
2045	-	-	8,445,735	-

Number of years for which current market value of assets is adequate to sustain the payment of expected retirement benefits, **reflecting no contributions from the Employer, Employee or State, contrary to Florida Statutes and Plan provisions:** 17.42

**Certain Key Assumptions**

Valuation Investment return assumption 7.25%  
 Valuation Mortality Table Florida Retirement System - 2018 Special Risk Mortality

**Note: As required in Section 112.664(1)(c) of the Florida Statutes, the projection of the Fund assets do not include contributions from the Employer, Employee or State, which is contrary to Florida Statutes and Plan provisions. For this reason, these projections should not be viewed as a representation of the amount of time the Fund can sustain benefit payments. Under the GASB standards which DO include contributions from the employer, employee and State, the Fund is expected to be able to sustain the benefit payment demands in the near-term and long-term future.**



**Asset and Benefit Payment Projection**  
**Not Reflecting Any Contributions from the Employer, State or Employee**  
**Using Assumptions required under 112.664(1)(b), F.S.**

FYE	Market Value of Assets (BOY)	Expected Investment Return	Projected Benefit Payments	Market Value of Assets (EOY)
2020	90,705,952	4,563,209	7,575,365	87,693,796
2021	87,693,796	4,399,074	7,803,809	84,289,061
2022	84,289,061	4,213,807	8,052,142	80,450,726
2023	80,450,726	4,004,771	8,338,758	76,116,739
2024	76,116,739	3,770,995	8,576,542	71,311,192
2025	71,311,192	3,509,671	8,920,649	65,900,214
2026	65,900,214	3,216,887	9,252,341	59,864,760
2027	59,864,760	2,892,210	9,550,086	53,206,884
2028	53,206,884	2,538,229	9,719,336	46,025,777
2029	46,025,777	2,156,620	9,894,602	38,287,795
2030	38,287,795	1,747,615	9,999,799	30,035,611
2031	30,035,611	1,312,103	10,086,339	21,261,375
2032	21,261,375	851,136	10,098,521	12,013,990
2033	12,013,990	367,446	10,030,054	2,351,382
2034	2,351,382	-	9,975,362	-
2035	-	-	9,898,346	-
2036	-	-	9,822,457	-
2037	-	-	9,719,326	-
2038	-	-	9,601,119	-
2039	-	-	9,457,073	-
2040	-	-	9,308,852	-
2041	-	-	9,149,147	-
2042	-	-	8,978,408	-
2043	-	-	8,808,556	-
2044	-	-	8,635,974	-
2045	-	-	8,445,735	-

Number of years for which current market value of assets is adequate to sustain the payment of expected retirement benefits, **reflecting no contributions from the Employer, Employee or State, contrary to Florida Statutes and Plan provisions:** 14.17

**Certain Key Assumptions**

Valuation Investment return assumption	5.25%
Valuation Mortality Table	Florida Retirement System - 2018 Special Risk Mortality

**Note: As required in Section 112.664(1)(c) of the Florida Statutes, the projection of the Fund assets do not include contributions from the Employer, Employee or State, which is contrary to Florida Statutes and Plan provisions. For this reason, these projections should not be viewed as a representation of the amount of time the Fund can sustain benefit payments. Under the GASB standards which DO include contributions from the employer, employee and State, the Fund is expected to be able to sustain the benefit payment demands in the near-term and long-term future.**



**Asset and Benefit Payment Projection**

**Not Reflecting Any Contributions from the Employer, State or Employee**

**Using Assumptions under 112.664(1)(b), F.S. except 2% higher investment return assumption**

FYE	Market Value of Assets (BOY)	Expected Investment Return	Projected Benefit Payments	Market Value of Assets (EOY)
2020	90,705,952	8,039,940	7,575,365	91,170,527
2021	91,170,527	8,072,348	7,803,809	91,439,066
2022	91,439,066	8,085,702	8,052,142	91,472,626
2023	91,472,626	8,075,550	8,338,758	91,209,418
2024	91,209,418	8,040,206	8,576,542	90,673,082
2025	90,673,082	7,974,680	8,920,649	89,727,113
2026	89,727,113	7,871,837	9,252,341	88,346,609
2027	88,346,609	7,730,370	9,550,086	86,526,893
2028	86,526,893	7,554,218	9,719,336	84,361,775
2029	84,361,775	7,345,839	9,894,602	81,813,012
2030	81,813,012	7,105,213	9,999,799	78,918,426
2031	78,918,426	6,833,461	10,086,339	75,665,548
2032	75,665,548	6,532,007	10,098,521	72,099,034
2033	72,099,034	6,205,271	10,030,054	68,274,251
2034	68,274,251	5,854,008	9,975,362	64,152,897
2035	64,152,897	5,476,344	9,898,346	59,730,895
2036	59,730,895	5,070,819	9,822,457	54,979,257
2037	54,979,257	4,636,062	9,719,326	49,895,993
2038	49,895,993	4,171,328	9,601,119	44,466,202
2039	44,466,202	3,675,734	9,457,073	38,684,863
2040	38,684,863	3,147,815	9,308,852	32,523,826
2041	32,523,826	2,585,306	9,149,147	25,959,985
2042	25,959,985	1,986,047	8,978,408	18,967,624
2043	18,967,624	1,347,110	8,808,556	11,506,178
2044	11,506,178	664,908	8,635,974	3,535,112
2045	3,535,112	-	8,445,735	-

Number of years for which current market value of assets is adequate to sustain the payment of expected retirement benefits, reflecting no contributions from the Employer, Employee or State, contrary to Florida Statutes and Plan provisions:

25.42

**Certain Key Assumptions**

Valuation Investment return assumption

9.25%

Valuation Mortality Table

Florida Retirement System - 2018 Special Risk Mortality

**Note: As required in Section 112.664(1)(c) of the Florida Statutes, the projection of the Fund assets do not include contributions from the Employer, Employee or State, which is contrary to Florida Statutes and Plan provisions. For this reason, these projections should not be viewed as a representation of the amount of time the Fund can sustain benefit payments. Under the GASB standards which DO include contributions from the employer, employee and State, the Fund is expected to be able to sustain the benefit payment demands in the near-term and long-term future.**



**ACTUARIALLY DETERMINED CONTRIBUTION**

	Plan's Latest Actuarial Valuation	112.664(1)(a) F.S. Assumptions	112.664(1)(b) F.S. Assumptions	112.664(1)(b) F.S. Investment Return Assumption
A. Valuation Date	October 1, 2019	October 1, 2019	October 1, 2019	October 1, 2019
B. Actuarially Determined Contribution (ADC) to Be Paid During Fiscal Year Ending	9/30/2021	9/30/2021	9/30/2021	9/30/2021
C. Assumed Dates of Employer Contributions	10/1/2020	10/1/2020	10/1/2020	10/1/2020
D. Annual Payment to Amortize Unfunded Actuarial Liability	\$ 3,767,889	\$ 3,767,889	\$ 5,652,187	\$ 2,078,735
E. Employer Normal Cost	2,538,904	2,538,904	4,262,421	1,497,323
F. Employer ADC if Paid on Valuation Date: D + E	6,306,793	6,306,793	9,914,608	3,576,058
G. Employer ADC Adjusted for Frequency of Payments	6,306,793	6,306,793	9,914,608	3,576,058
H. Employer ADC Adjusted for Frequency of Payments as % of Covered Payroll	56.19 %	56.19 %	88.33 %	31.86 %
I. Assumed Rate of Increase in Covered Payroll to Contribution Year	2.50 %	2.50 %	2.50 %	2.50 %
J. Covered Payroll for Contribution Year	11,504,747	11,504,747	11,504,747	11,504,747
K. Employer ADC for Contribution Year: H x J	6,464,517	6,464,517	10,162,143	3,665,412
L. Allowable Credit for State Revenue in Contribution Year*	465,087	465,087	465,087	465,087
M. Net Employer ADC in Contribution Year	5,999,430	5,999,430	9,697,056	3,200,325
N. Net Employer ADC as % of Covered Payroll in Contribution Year: M ÷ J	52.15 %	52.15 %	84.29 %	27.82 %
O. Expected Member Contribution	805,332	805,332	805,332	805,332
P. Total Contribution (Including Members) in Contribution Year	7,269,849	7,269,849	10,967,475	4,470,744
Q. Total Contribution as % of Covered Payroll in Contribution Year: P ÷ J	63.19 %	63.19 %	95.33 %	38.86 %
R. Certain Key Assumptions				
Investment Return Assumption	7.25 %	7.25 %	5.25 %	9.25 %
Mortality Table	Florida Retirement System - 2018 Special Risk Mortality	Florida Retirement System - 2018 Special Risk Mortality	Florida Retirement System - 2018 Special Risk Mortality	Florida Retirement System - 2018 Special Risk Mortality

