

City of Boynton Beach Municipal Police Officers' Retirement Fund

Chapter 112.664, F.S. Compliance Report

In Connection with the October 1, 2020 Funding
Actuarial Valuation Report and the Plan's Financial
Reporting for the Year Ending September 30 ,2020





July 9, 2021

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, 2020. 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, 2020 actuarial valuation report. This report is also based on the Plan Provisions, census data, and financial information as summarized in our October 1, 2020 actuarial valuation report. Please refer to the October 1, 2020 actuarial valuation report, dated May 10, 2021, 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.

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 this report 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.

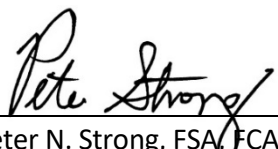
Peter N. Strong and Israel Bichachi are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein. The signing actuaries are independent of the plan sponsor.

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 
Peter N. Strong, FSA, FCA, MAAA
Enrolled Actuary No. 20-06975
Senior Consultant & Actuary

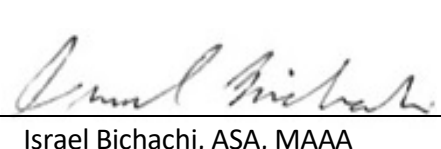
By 
Israel Bichachi, ASA, MAAA
Senior Actuarial Analyst



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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>2020</u>
a. Service Cost	\$ 3,151,301
b. Interest	10,983,024
c. Benefit Changes	16,771
d. Difference between actual & expected experience & Other	1,307,606
e. Assumption Changes	-
f. Benefit Payments	(7,755,642)
g. Contribution Refunds	(97,633)
h. Net Change in Total Pension Liability	<u>7,605,427</u>
i. Total Pension Liability - Beginning	<u>151,965,967</u>
j. Total Pension Liability - Ending	<u>\$ 159,571,394</u>

2. Plan Fiduciary Net Position

a. Contributions - Employer	\$ 5,815,515
b. Contributions - Employer (From State)	907,957
c. Contributions - Non-Employer Contributing Entity	-
d. Contributions - Member	1,166,999
e. Net Investment Income	4,736,754
f. Benefit Payments	(7,755,642)
g. Contribution Refunds	(97,633)
h. Administrative Expense	(165,414)
i. Other	59,006
j. Net Change in Plan Fiduciary Net Position	<u>4,667,542</u>
k. Plan Fiduciary Net Position - Beginning	<u>107,146,116</u>
l. Plan Fiduciary Net Position - Ending	<u>\$ 111,813,658</u>

3. Net Pension Liability / (Asset) 47,757,736

Certain Key Assumptions

Valuation Date	10/01/2019
Measurement Date	9/30/2020
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,

1. Total pension liability

	<u>2020</u>
a. Service Cost	\$ 3,126,307
b. Interest	10,853,793
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	598,703
e. Assumption Changes	-
f. Benefit Payments	(7,755,642)
g. Contribution Refunds	(97,633)
h. Net Change in Total Pension Liability	<u>6,725,528</u>
i. Total Pension Liability - Beginning	<u>150,208,470</u>
j. Total Pension Liability - Ending	<u>\$ 156,933,998</u>

2. Plan Fiduciary Net Position

a. Contributions - Employer	\$ 5,815,515
b. Contributions - Employer (From State)	907,957
c. Contributions - Non-Employer Contributing Entity	-
d. Contributions - Member	1,166,999
e. Net Investment Income	4,736,754
f. Benefit Payments	(7,755,642)
g. Contribution Refunds	(97,633)
h. Administrative Expense	(165,414)
i. Other	59,006
j. Net Change in Plan Fiduciary Net Position	<u>4,667,542</u>
k. Plan Fiduciary Net Position - Beginning	<u>107,146,116</u>
l. Plan Fiduciary Net Position - Ending	<u>\$ 111,813,658</u>

3. Net Pension Liability / (Asset) 45,120,340

Certain Key Assumptions

Valuation Date	10/01/2019
Measurement Date	9/30/2020
Investment Return Assumption	7.25%
Mortality Table	Florida Retirement System - 2019 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>2020</u>
1. Total pension liability	
a. Service Cost	\$ 4,801,940
b. Interest	9,790,117
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	598,703
e. Assumption Changes	-
f. Benefit Payments	(7,755,642)
g. Contribution Refunds	(97,633)
h. Net Change in Total Pension Liability	<u>7,337,485</u>
i. Total Pension Liability - Beginning	<u>185,303,762</u>
j. Total Pension Liability - Ending	<u>\$ 192,641,247</u>
2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ 5,815,515
b. Contributions - Employer (From State)	907,957
c. Contributions - Non-Employer Contributing Entity	-
d. Contributions - Member	1,166,999
e. Net Investment Income	4,736,754
f. Benefit Payments	(7,755,642)
g. Contribution Refunds	(97,633)
h. Administrative Expense	(165,414)
i. Other	59,006
j. Net Change in Plan Fiduciary Net Position	<u>4,667,542</u>
k. Plan Fiduciary Net Position - Beginning	<u>107,146,116</u>
l. Plan Fiduciary Net Position - Ending	<u>\$ 111,813,658</u>
3. Net Pension Liability / (Asset)	80,827,589

Certain Key Assumptions

Valuation Date	10/01/2019
Measurement Date	9/30/2020
Investment Return Assumption	5.25%
Mortality Table	Florida Retirement System - 2019 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>2020</u>
a. Service Cost	\$ 2,102,719
b. Interest	11,497,429
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	598,703
e. Assumption Changes	-
f. Benefit Payments	(7,755,642)
g. Contribution Refunds	(97,633)
h. Net Change in Total Pension Liability	<u>6,345,576</u>
i. Total Pension Liability - Beginning	<u>125,821,101</u>
j. Total Pension Liability - Ending	<u>\$ 132,166,677</u>

2. Plan Fiduciary Net Position

a. Contributions - Employer	\$ 5,815,515
b. Contributions - Employer (From State)	907,957
c. Contributions - Non-Employer Contributing Entity	-
d. Contributions - Member	1,166,999
e. Net Investment Income	4,736,754
f. Benefit Payments	(7,755,642)
g. Contribution Refunds	(97,633)
h. Administrative Expense	(165,414)
i. Other	59,006
j. Net Change in Plan Fiduciary Net Position	<u>4,667,542</u>
k. Plan Fiduciary Net Position - Beginning	<u>107,146,116</u>
l. Plan Fiduciary Net Position - Ending	<u>\$ 111,813,658</u>

3. Net Pension Liability / (Asset) 20,353,019

Certain Key Assumptions

Valuation Date	10/01/2019
Measurement Date	9/30/2020
Investment Return Assumption	9.25%
Mortality Table	Florida Retirement System - 2019 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)
2021	93,897,251	6,290,695	8,060,361	92,127,585
2022	92,127,585	6,151,615	8,494,737	89,784,463
2023	89,784,463	5,968,402	9,043,167	86,709,698
2024	86,709,698	5,744,012	9,304,773	83,148,937
2025	83,148,937	5,474,277	9,889,955	78,733,259
2026	78,733,259	5,151,228	10,288,571	73,595,916
2027	73,595,916	4,780,326	10,611,094	67,765,148
2028	67,765,148	4,370,533	10,657,918	61,477,763
2029	61,477,763	3,923,712	10,849,477	54,551,998
2030	54,551,998	3,434,310	10,980,855	47,005,453
2031	47,005,453	2,905,623	10,993,107	38,917,969
2032	38,917,969	2,341,368	10,939,698	30,319,639
2033	30,319,639	1,740,593	10,908,036	21,152,196
2034	21,152,196	1,102,516	10,803,927	11,450,785
2035	11,450,785	427,233	10,694,907	1,183,111
2036	1,183,111	-	10,601,751	-
2037	-	-	10,490,628	-
2038	-	-	10,349,216	-
2039	-	-	10,187,123	-
2040	-	-	10,003,955	-
2041	-	-	9,810,442	-
2042	-	-	9,606,239	-
2043	-	-	9,386,831	-
2044	-	-	9,163,268	-
2045	-	-	8,927,778	-
2046	-	-	8,683,343	-

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:** 15.08

Certain Key Assumptions

Valuation Investment return assumption 7.00%
 Valuation Mortality Table Florida Retirement System - 2019 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)
2021	93,897,251	6,290,695	8,060,361	92,127,585
2022	92,127,585	6,151,615	8,494,737	89,784,463
2023	89,784,463	5,968,402	9,043,167	86,709,698
2024	86,709,698	5,744,012	9,304,773	83,148,937
2025	83,148,937	5,474,277	9,889,955	78,733,259
2026	78,733,259	5,151,228	10,288,571	73,595,916
2027	73,595,916	4,780,326	10,611,094	67,765,148
2028	67,765,148	4,370,533	10,657,918	61,477,763
2029	61,477,763	3,923,712	10,849,477	54,551,998
2030	54,551,998	3,434,310	10,980,855	47,005,453
2031	47,005,453	2,905,623	10,993,107	38,917,969
2032	38,917,969	2,341,368	10,939,698	30,319,639
2033	30,319,639	1,740,593	10,908,036	21,152,196
2034	21,152,196	1,102,516	10,803,927	11,450,785
2035	11,450,785	427,233	10,694,907	1,183,111
2036	1,183,111	-	10,601,751	-
2037	-	-	10,490,628	-
2038	-	-	10,349,216	-
2039	-	-	10,187,123	-
2040	-	-	10,003,955	-
2041	-	-	9,810,442	-
2042	-	-	9,606,239	-
2043	-	-	9,386,831	-
2044	-	-	9,163,268	-
2045	-	-	8,927,778	-
2046	-	-	8,683,343	-

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:** 15.08

Certain Key Assumptions

Valuation Investment return assumption 7.00%
 Valuation Mortality Table Florida Retirement System - 2019 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)
2021	93,897,251	4,493,354	8,060,361	90,330,244
2022	90,330,244	4,304,144	8,494,737	86,139,651
2023	86,139,651	4,080,903	9,043,167	81,177,387
2024	81,177,387	3,826,250	9,304,773	75,698,864
2025	75,698,864	3,537,694	9,889,955	69,346,603
2026	69,346,603	3,210,116	10,288,571	62,268,148
2027	62,268,148	2,848,130	10,611,094	54,505,184
2028	54,505,184	2,458,811	10,657,918	46,306,077
2029	46,306,077	2,044,067	10,849,477	37,500,667
2030	37,500,667	1,600,512	10,980,855	28,120,324
2031	28,120,324	1,131,189	10,993,107	18,258,406
2032	18,258,406	639,428	10,939,698	7,958,136
2033	7,958,136	125,206	10,908,036	-
2034	-	-	10,803,927	-
2035	-	-	10,694,907	-
2036	-	-	10,601,751	-
2037	-	-	10,490,628	-
2038	-	-	10,349,216	-
2039	-	-	10,187,123	-
2040	-	-	10,003,955	-
2041	-	-	9,810,442	-
2042	-	-	9,606,239	-
2043	-	-	9,386,831	-
2044	-	-	9,163,268	-
2045	-	-	8,927,778	-
2046	-	-	8,683,343	-

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:** 12.67

Certain Key Assumptions

Valuation Investment return assumption 5.00%
 Valuation Mortality Table Florida Retirement System - 2019 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)
2021	93,897,251	8,088,036	8,060,361	93,924,926
2022	93,924,926	8,070,980	8,494,737	93,501,169
2023	93,501,169	8,008,163	9,043,167	92,466,165
2024	92,466,165	7,903,240	9,304,773	91,064,632
2025	91,064,632	7,750,769	9,889,955	88,925,446
2026	88,925,446	7,540,304	10,288,571	86,177,179
2027	86,177,179	7,278,447	10,611,094	82,844,532
2028	82,844,532	6,976,402	10,657,918	79,163,016
2029	79,163,016	6,636,445	10,849,477	74,949,984
2030	74,949,984	6,251,360	10,980,855	70,220,489
2031	70,220,489	5,825,154	10,993,107	65,052,536
2032	65,052,536	5,362,442	10,939,698	59,475,280
2033	59,475,280	4,861,914	10,908,036	53,429,158
2034	53,429,158	4,322,448	10,803,927	46,947,679
2035	46,947,679	3,744,020	10,694,907	39,996,792
2036	39,996,792	3,122,632	10,601,751	32,517,673
2037	32,517,673	2,454,512	10,490,628	24,481,557
2038	24,481,557	1,737,625	10,349,216	15,869,966
2039	15,869,966	969,876	10,187,123	6,652,719
2040	6,652,719	148,567	10,003,955	-
2041	-	-	9,810,442	-
2042	-	-	9,606,239	-
2043	-	-	9,386,831	-
2044	-	-	9,163,268	-
2045	-	-	8,927,778	-
2046	-	-	8,683,343	-

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:**

19.67

Certain Key Assumptions

Valuation Investment return assumption	9.00%
Valuation Mortality Table	Florida Retirement System - 2019 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, 2020	October 1, 2020	October 1, 2020	October 1, 2020
B. Actuarially Determined Contribution (ADC) to Be Paid During Fiscal Year Ending	9/30/2022	9/30/2022	9/30/2022	9/30/2022
C. Assumed Dates of Employer Contributions	10/1/2021	10/1/2021	10/1/2021	10/1/2021
D. Annual Payment to Amortize Unfunded Actuarial Liability	\$ 4,232,377	\$ 4,232,377	\$ 6,163,380	\$ 2,489,342
E. Employer Normal Cost	2,747,186	2,747,186	4,631,184	1,611,478
F. Employer ADC if Paid on Valuation Date: D + E	6,979,563	6,979,563	10,794,564	4,100,820
G. Employer ADC Adjusted for Frequency of Payments	6,979,563	6,979,563	10,794,564	4,100,820
H. Employer ADC Adjusted for Frequency of Payments as % of Covered Payroll	55.11 %	55.11 %	85.23 %	32.38 %
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	12,982,308	12,982,308	12,982,308	12,982,308
K. Employer ADC for Contribution Year: H x J	7,154,550	7,154,550	11,064,821	4,203,671
L. Allowable Credit for State Revenue in Contribution Year*	465,087	465,087	465,087	465,087
M. Net Employer ADC in Contribution Year	6,689,463	6,689,463	10,599,734	3,738,584
N. Net Employer ADC as % of Covered Payroll in Contribution Year: M ÷ J	51.53 %	51.53 %	81.65 %	28.80 %
O. Expected Member Contribution	908,762	908,762	908,762	908,762
P. Total Contribution (Including Members) in Contribution Year	8,063,312	8,063,312	11,973,583	5,112,433
Q. Total Contribution as % of Covered Payroll in Contribution Year: P ÷ J	62.11 %	62.11 %	92.23 %	39.38 %
R. Certain Key Assumptions				
Investment Return Assumption	7.00 %	7.00 %	5.00 %	9.00 %
Mortality Table	Florida Retirement System - 2019 Special Risk Mortality	Florida Retirement System - 2019 Special Risk Mortality	Florida Retirement System - 2019 Special Risk Mortality	Florida Retirement System - 2019 Special Risk Mortality

