

City of Boynton Beach Municipal Police Officers' Retirement Fund

Chapter 112.664, F.S. Compliance Report

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





July 8, 2024

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, 2023. 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, 2023 actuarial valuation report. This report is also based on the Plan Provisions, census data, and financial information as summarized in our October 1, 2023 actuarial valuation report. Please refer to the October 1, 2023 actuarial valuation report, dated May 1, 2024, 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.

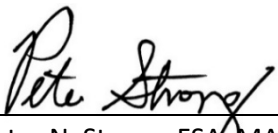
Peter N. Strong and Israel Bichachi are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein. The signing actuaries are independent of the plan sponsor.

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 & COMPANY

By 
Peter N. Strong, FSA, MAAA, FCA
Enrolled Actuary No. 23-06975
Senior Consultant & Actuary


By 
Israel Bichachi, MAAA, ASA
Consultant & Actuary



TABLE OF CONTENTS

<u>Title</u>	<u>Page</u>
Ch. 112.664, F.S. Results	
Schedule of Changes in Net Pension Liability	
1. Using financial reporting assumptions per GASB Statement No. 67	1
2. Using assumptions prescribed in Section 112.664(1)(a), F.S.	2
3. Using assumptions prescribed in Section 112.664(1)(b), F.S.	3
4. Using the mandated mortality and funding interest rate +2%	4
Assets Versus Benefit Payments Projections	
1. Using assumptions from the Plan's latest Actuarial Valuation	5
2. Using assumptions prescribed in Section 112.664(1)(a), F.S.	6
3. Using assumptions prescribed in Section 112.664(1)(b), F.S.	7
4. Using the mandated mortality and funding interest rate +2%	8
Actuarially Determined Contribution	9



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,

2023

1. Total pension liability

a. Service Cost	\$	3,587,627
b. Interest		12,817,142
c. Benefit Changes		-
d. Difference between actual & expected experience & Other		4,611,693
e. Assumption Changes		-
f. Benefit Payments		(9,040,409)
g. Contribution Refunds		(60,104)
h. Net Change in Total Pension Liability		11,915,949
i. Total Pension Liability - Beginning		186,222,489
j. Total Pension Liability - Ending	\$	198,138,438

2. Plan Fiduciary Net Position

a. Contributions - Employer	\$	7,136,079
b. Contributions - Employer (From State)		1,143,969
c. Contributions - Non-Employer Contributing Entity		-
d. Contributions - Member		1,311,731
e. Net Investment Income		12,075,804
f. Benefit Payments		(9,040,409)
g. Contribution Refunds		(60,104)
h. Administrative Expense		(174,987)
i. Other		235,163
j. Net Change in Plan Fiduciary Net Position		12,627,246
k. Plan Fiduciary Net Position - Beginning		113,761,786
l. Plan Fiduciary Net Position - Ending	\$	126,389,032

3. Net Pension Liability / (Asset)

71,749,406

Certain Key Assumptions

Valuation Date	10/01/2022
Measurement Date	9/30/2023
Investment Return Assumption	6.90%
Mortality Table	Florida Retirement System - 2021 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,

2023

1. Total pension liability

a. Service Cost	\$	3,587,627
b. Interest		12,817,142
c. Benefit Changes		-
d. Difference between actual & expected experience & Other		4,611,693
e. Assumption Changes		-
f. Benefit Payments		(9,040,409)
g. Contribution Refunds		(60,104)
h. Net Change in Total Pension Liability		11,915,949
i. Total Pension Liability - Beginning		186,222,489
j. Total Pension Liability - Ending	\$	198,138,438

2. Plan Fiduciary Net Position

a. Contributions - Employer	\$	7,136,079
b. Contributions - Employer (From State)		1,143,969
c. Contributions - Non-Employer Contributing Entity		-
d. Contributions - Member		1,311,731
e. Net Investment Income		12,075,804
f. Benefit Payments		(9,040,409)
g. Contribution Refunds		(60,104)
h. Administrative Expense		(174,987)
i. Other		235,163
j. Net Change in Plan Fiduciary Net Position		12,627,246
k. Plan Fiduciary Net Position - Beginning		113,761,786
l. Plan Fiduciary Net Position - Ending	\$	126,389,032

3. Net Pension Liability / (Asset)

71,749,406

Certain Key Assumptions

Valuation Date	10/01/2022
Measurement Date	9/30/2023
Investment Return Assumption	6.90%
Mortality Table	Florida Retirement System - 2022 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,	2023
1. Total pension liability	
a. Service Cost	\$ 5,569,879
b. Interest	11,555,597
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	991,649
e. Assumption Changes	-
f. Benefit Payments	(9,040,409)
g. Contribution Refunds	(60,104)
h. Net Change in Total Pension Liability	9,016,612
i. Total Pension Liability - Beginning	234,313,064
j. Total Pension Liability - Ending	\$ 243,329,676
 2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ 7,136,079
b. Contributions - Employer (From State)	1,143,969
c. Contributions - Non-Employer Contributing Entity	-
d. Contributions - Member	1,311,731
e. Net Investment Income	12,075,804
f. Benefit Payments	(9,040,409)
g. Contribution Refunds	(60,104)
h. Administrative Expense	(174,987)
i. Other	235,163
j. Net Change in Plan Fiduciary Net Position	12,627,246
k. Plan Fiduciary Net Position - Beginning	113,761,786
l. Plan Fiduciary Net Position - Ending	\$ 126,389,032
 3. Net Pension Liability / (Asset)	 116,940,644
 Certain Key Assumptions	
Valuation Date	10/01/2022
Measurement Date	9/30/2023
Investment Return Assumption	4.90%
Mortality Table	Florida Retirement System - 2022 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,	2023
1. Total pension liability	
a. Service Cost	\$ 2,401,488
b. Interest	13,998,841
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	991,649
e. Assumption Changes	-
f. Benefit Payments	(9,040,409)
g. Contribution Refunds	(60,104)
h. Net Change in Total Pension Liability	8,291,465
i. Total Pension Liability - Beginning	158,943,297
j. Total Pension Liability - Ending	\$ 167,234,762
 2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ 7,136,079
b. Contributions - Employer (From State)	1,143,969
c. Contributions - Non-Employer Contributing Entity	-
d. Contributions - Member	1,311,731
e. Net Investment Income	12,075,804
f. Benefit Payments	(9,040,409)
g. Contribution Refunds	(60,104)
h. Administrative Expense	(174,987)
i. Other	235,163
j. Net Change in Plan Fiduciary Net Position	12,627,246
k. Plan Fiduciary Net Position - Beginning	113,761,786
l. Plan Fiduciary Net Position - Ending	\$ 126,389,032
 3. Net Pension Liability / (Asset)	 40,845,730
 Certain Key Assumptions	
Valuation Date	10/01/2022
Measurement Date	9/30/2023
Investment Return Assumption	8.90%
Mortality Table	Florida Retirement System - 2022 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)
2024	100,749,602	6,598,019	10,252,267	97,095,354
2025	97,095,354	6,330,756	10,690,542	92,735,568
2026	92,735,568	6,013,252	11,173,973	87,574,847
2027	87,574,847	5,636,728	11,766,286	81,445,289
2028	81,445,289	5,210,846	11,851,565	74,804,570
2029	74,804,570	4,741,860	12,163,911	67,382,519
2030	67,382,519	4,220,378	12,435,239	59,167,658
2031	59,167,658	3,649,379	12,556,220	50,260,817
2032	50,260,817	3,034,119	12,576,145	40,718,791
2033	40,718,791	2,374,594	12,608,772	30,484,613
2034	30,484,613	1,670,317	12,554,245	19,600,685
2035	19,600,685	920,375	12,523,820	7,997,240
2036	7,997,240	120,511	12,501,414	-
2037	-	-	12,478,222	-
2038	-	-	12,383,369	-
2039	-	-	12,242,985	-
2040	-	-	12,066,401	-
2041	-	-	11,879,136	-
2042	-	-	11,677,277	-
2043	-	-	11,460,532	-
2044	-	-	11,236,888	-
2045	-	-	11,005,008	-
2046	-	-	10,757,682	-
2047	-	-	10,524,939	-
2048	-	-	10,264,386	-
2049	-	-	9,990,784	-

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:** 12.58

Certain Key Assumptions

Valuation Investment return assumption 6.90%
 Valuation Mortality Table Florida Retirement System - 2022 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)
2024	100,749,602	6,598,019	10,252,267	97,095,354
2025	97,095,354	6,330,756	10,690,542	92,735,568
2026	92,735,568	6,013,252	11,173,973	87,574,847
2027	87,574,847	5,636,728	11,766,286	81,445,289
2028	81,445,289	5,210,846	11,851,565	74,804,570
2029	74,804,570	4,741,860	12,163,911	67,382,519
2030	67,382,519	4,220,378	12,435,239	59,167,658
2031	59,167,658	3,649,379	12,556,220	50,260,817
2032	50,260,817	3,034,119	12,576,145	40,718,791
2033	40,718,791	2,374,594	12,608,772	30,484,613
2034	30,484,613	1,670,317	12,554,245	19,600,685
2035	19,600,685	920,375	12,523,820	7,997,240
2036	7,997,240	120,511	12,501,414	-
2037	-	-	12,478,222	-
2038	-	-	12,383,369	-
2039	-	-	12,242,985	-
2040	-	-	12,066,401	-
2041	-	-	11,879,136	-
2042	-	-	11,677,277	-
2043	-	-	11,460,532	-
2044	-	-	11,236,888	-
2045	-	-	11,005,008	-
2046	-	-	10,757,682	-
2047	-	-	10,524,939	-
2048	-	-	10,264,386	-
2049	-	-	9,990,784	-

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: 12.58

Certain Key Assumptions

Valuation Investment return assumption 6.90%
 Valuation Mortality Table Florida Retirement System - 2022 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)
2024	100,749,602	4,685,550	10,252,267	95,182,885
2025	95,182,885	4,402,043	10,690,542	88,894,386
2026	88,894,386	4,082,063	11,173,973	81,802,476
2027	81,802,476	3,720,047	11,766,286	73,756,237
2028	73,756,237	3,323,692	11,851,565	65,228,364
2029	65,228,364	2,898,174	12,163,911	55,962,627
2030	55,962,627	2,437,505	12,435,239	45,964,893
2031	45,964,893	1,944,652	12,556,220	35,353,325
2032	35,353,325	1,424,197	12,576,145	24,201,377
2033	24,201,377	876,953	12,608,772	12,469,558
2034	12,469,558	303,429	12,554,245	218,742
2035	218,742	-	12,523,820	-
2036	-	-	12,501,414	-
2037	-	-	12,478,222	-
2038	-	-	12,383,369	-
2039	-	-	12,242,985	-
2040	-	-	12,066,401	-
2041	-	-	11,879,136	-
2042	-	-	11,677,277	-
2043	-	-	11,460,532	-
2044	-	-	11,236,888	-
2045	-	-	11,005,008	-
2046	-	-	10,757,682	-
2047	-	-	10,524,939	-
2048	-	-	10,264,386	-
2049	-	-	9,990,784	-

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:** 11.00

Certain Key Assumptions

Valuation Investment return assumption 4.90%
 Valuation Mortality Table Florida Retirement System - 2022 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)
2024	100,749,602	8,510,489	10,252,267	99,007,824
2025	99,007,824	8,335,967	10,690,542	96,653,249
2026	96,653,249	8,104,897	11,173,973	93,584,173
2027	93,584,173	7,805,392	11,766,286	89,623,279
2028	89,623,279	7,449,077	11,851,565	85,220,791
2029	85,220,791	7,043,356	12,163,911	80,100,236
2030	80,100,236	6,575,553	12,435,239	74,240,550
2031	74,240,550	6,048,657	12,556,220	67,732,987
2032	67,732,987	5,468,597	12,576,145	60,625,439
2033	60,625,439	4,834,574	12,608,772	52,851,241
2034	52,851,241	4,145,097	12,554,245	44,442,093
2035	44,442,093	3,398,036	12,523,820	35,316,309
2036	35,316,309	2,586,839	12,501,414	25,401,734
2037	25,401,734	1,705,473	12,478,222	14,628,985
2038	14,628,985	750,920	12,383,369	2,996,536
2039	2,996,536	-	12,242,985	-
2040	-	-	12,066,401	-
2041	-	-	11,879,136	-
2042	-	-	11,677,277	-
2043	-	-	11,460,532	-
2044	-	-	11,236,888	-
2045	-	-	11,005,008	-
2046	-	-	10,757,682	-
2047	-	-	10,524,939	-
2048	-	-	10,264,386	-
2049	-	-	9,990,784	-

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:

15.17

Certain Key Assumptions

Valuation Investment return assumption

8.90%

Valuation Mortality Table

Florida Retirement System - 2022 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, 2023	October 1, 2023	October 1, 2023	October 1, 2023
B. Actuarially Determined Contribution (ADC) to Be Paid During Fiscal Year Ending	9/30/2025	9/30/2025	9/30/2025	9/30/2025
C. Assumed Dates of Employer Contributions	10/1/2024	10/1/2024	10/1/2024	10/1/2024
D. Annual Payment to Amortize Unfunded Actuarial Liability	\$ 5,865,527	\$ 5,865,527	\$ 8,121,859	\$ 3,847,007
E. Employer Normal Cost	2,897,268	2,897,268	4,937,220	1,679,698
F. Employer ADC if Paid on Valuation Date: D + E	8,762,795	8,762,795	13,059,079	5,526,705
G. Employer ADC Adjusted for Frequency of Payments	8,762,795	8,762,795	13,059,079	5,526,705
H. Employer ADC Adjusted for Frequency of Payments as % of Covered Payroll	64.49 %	64.49 %	96.11 %	40.68 %
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	13,927,069	13,927,069	13,927,069	13,927,069
K. Employer ADC for Contribution Year: H x J	8,981,567	8,981,567	13,385,306	5,665,532
L. Allowable Credit for State Revenue in Contribution Year*	465,087	465,087	465,087	465,087
M. Net Employer ADC in Contribution Year	8,516,480	8,516,480	12,920,219	5,200,445
N. Net Employer ADC as % of Covered Payroll in Contribution Year: M ÷ J	61.15 %	61.15 %	92.77 %	37.34 %
O. Expected Member Contribution	974,895	974,895	974,895	974,895
P. Total Contribution (Including Members) in Contribution Year	9,956,462	9,956,462	14,360,201	6,640,427
Q. Total Contribution as % of Covered Payroll in Contribution Year: P ÷ J	71.49 %	71.49 %	103.11 %	47.68 %
R. Certain Key Assumptions Investment Return Assumption	6.90 %	6.90 %	4.90 %	8.90 %
Mortality Table	Florida Retirement System - 2022 Special Risk Mortality	Florida Retirement System - 2022 Special Risk Mortality	Florida Retirement System - 2022 Special Risk Mortality	Florida Retirement System - 2022 Special Risk Mortality

