City of Starke General Employees' Retirement System

CHAPTER 112.664, F.S. COMPLIANCE REPORT

In Connection with the October 1, 2022 Funding Actuarial Valuation Report and the System's Financial Reporting for the Year Ended September 30, 2022

P: 954.527.1616 | F: 954.525.0083 | www.grsconsulting.com

October 26, 2023

Board of Trustees
c/o Ms. Lisa Heeder
Deputy City Clerk
City of Starke General Employees' Retirement System
P.O. Box C – 209 N. Thompson Street
Starke, Florida 32091-1278

Re: October 1, 2022 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 Starke General Employees' 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.

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, 2022. 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.

One East Broward Boulevard | Suite 505 | Ft. Lauderdale, Florida 33301-1804

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 economic and non-prescribed demographic actuarial assumptions are based upon the results of an actuarial experience study for the period October 1, 2014 – September 30, 2019. The mortality assumptions are prescribed by statute. Each assumption represents an estimate of future System experience.

The investment return assumption of 2% higher than the investment return assumption utilized in the Actuarial Valuation Report does not represent an estimate of future System experience nor 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 Report. The inclusion of the additional 2% higher assumption shows a more complete assessment of the range of potential 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 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 30 years.

The System's funded ratio as of October 1, 2022 is 76.5% 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.

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.

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 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	By Jennifer Borregard
Shelly L. Jones, M.A.A.A.	Jennifer M. Borregard, M.A.A.A.
Enrolled Actuary No. 23-08646	Enrolled Actuary No. 23-07624
Consultant & Actuary	Consultant & Actuary

TABLE OF CONTENTS

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		September 30, 2022
A.	**Total Pension Liability (TPL)**		
	Service Cost	$	126,448
	Interest		871,187
	Benefit Changes		0
	Difference Between Actual and Expected Experience		(130,480)
	Assumption Changes		0
	Benefit Payments		(958,794)
	Contribution Refunds		(11,907)
	Other		0
	Net Change in Total Pension Liability	$	(103,546)
	Total Pension Liability (TPL) - (beginning of year)		12,933,452
	Total Pension Liability (TPL) - (end of year)	$	12,829,906
B.	**System Fiduciary Net Position**		
	Contributions - City	$	636,390
	Contributions - Member		20,941
	Net Investment Income		(1,565,442)
	Benefit Payments		(958,794)
	Contribution Refunds		(11,907)
	Administrative Expenses		(37,882)
	Other		0
	Net Change in System Fiduciary Net Position	$	(1,916,694)
	System Fiduciary Net Position - (beginning of year)		11,946,116
	System Fiduciary Net Position - (end of year)	$	10,029,422
C.	**Net Pension Liability (NPL) - (end of year): (A) - (B)**	$	2,800,484
	Valuation Date		October 1, 2021

Certain Key Assumptions

Investment Return Assumption	7.0%

Mortality Table:

For healthy participants during employment, PUB-2010 Headcount Weighted General Below Median Employee Mortality Table, separate rates for males and females, set back 1 year for males, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For healthy participants post employment, PUB-2010 Headcount Weighted General Below Median Healthy Retiree Mortality Table, separate rates for males and females, set back 1 year for males, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For disabled participants, PUB-2010 Headcount Weighted General Disabled Retiree Mortality Table, separate rates for males and females, both set forward 3 years, without projected mortality improvements.

Net Pension Liability
Using Assumptions Required Under 112.664(1)(b), F.S.

	Measurement Date		September 30, 2022
A.	**Total Pension Liability (TPL)**		
	Service Cost	$	185,469
	Interest		763,079
	Benefit Changes		0
	Difference Between Actual and Expected Experience		(183,322)
	Assumption Changes		0
	Benefit Payments		(958,794)
	Contribution Refunds		(11,907)
	Other		0
	Net Change in Total Pension Liability	$	(205,475)
	Total Pension Liability (TPL) - (beginning of year)		15,744,341
	Total Pension Liability (TPL) - (end of year)	$	15,538,866
B.	**System Fiduciary Net Position**		
	Contributions - City	$	636,390
	Contributions - Member		20,941
	Net Investment Income		(1,565,442)
	Benefit Payments		(958,794)
	Contribution Refunds		(11,907)
	Administrative Expenses		(37,882)
	Other		0
	Net Change in System Fiduciary Net Position	$	(1,916,694)
	System Fiduciary Net Position - (beginning of year)		11,946,116
	System Fiduciary Net Position - (end of year)	$	10,029,422
C.	**Net Pension Liability (NPL) - (end of year): (A) - (B)**	$	5,509,444
	Valuation Date		October 1, 2021

Certain Key Assumptions

Investment Return Assumption	5.0%

Mortality Table:

For healthy participants during employment, PUB-2010 Headcount Weighted General Below Median Employee Mortality Table, separate rates for males and females, set back 1 year for males, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For healthy participants post employment, PUB-2010 Headcount Weighted General Below Median Healthy Retiree Mortality Table, separate rates for males and females, set back 1 year for males, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For disabled participants, PUB-2010 Headcount Weighted General Disabled Retiree Mortality Table, separate rates for males and females, both set forward 3 years, 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, 2022
A.	**Total Pension Liability (TPL)**	
	Service Cost	$ 92,712
	Interest	938,004
	Benefit Changes	0
	Difference Between Actual and Expected Experience	(99,803)
	Assumption Changes	0
	Benefit Payments	(958,794)
	Contribution Refunds	(11,907)
	Other	0
	Net Change in Total Pension Liability	$ (39,788)
	Total Pension Liability (TPL) - (beginning of year)	10,912,247
	Total Pension Liability (TPL) - (end of year)	$ 10,872,459
B.	**System Fiduciary Net Position**	
	Contributions - City	$ 636,390
	Contributions - Member	20,941
	Net Investment Income	(1,565,442)
	Benefit Payments	(958,794)
	Contribution Refunds	(11,907)
	Administrative Expenses	(37,882)
	Other	0
	Net Change in System Fiduciary Net Position	$ (1,916,694)
	System Fiduciary Net Position - (beginning of year)	11,946,116
	System Fiduciary Net Position - (end of year)	$ 10,029,422
C.	**Net Pension Liability (NPL) - (end of year): (A) - (B)**	$ 843,037
	Valuation Date	October 1, 2021

Certain Key Assumptions

Investment Return Assumption 9.0%

Mortality Table:

For healthy participants during employment, PUB-2010 Headcount Weighted General Below Median Employee Mortality Table, separate rates for males and females, set back 1 year for males, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For healthy participants post employment, PUB-2010 Headcount Weighted General Below Median Healthy Retiree Mortality Table, separate rates for males and females, set back 1 year for males, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For disabled participants, PUB-2010 Headcount Weighted General Disabled Retiree Mortality Table, separate rates for males and females, both set forward 3 years, 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)
2023	9,970,841	656,953	1,092,769	9,535,025
2024	9,535,025	626,512	1,091,000	9,070,537
2025	9,070,537	593,849	1,094,970	8,569,416
2026	8,569,416	558,617	1,099,061	8,028,972
2027	8,028,972	521,381	1,083,204	7,467,149
2028	7,467,149	482,651	1,067,289	6,882,511
2029	6,882,511	442,388	1,049,635	6,275,264
2030	6,275,264	400,388	1,036,121	5,639,531
2031	5,639,531	356,462	1,020,784	4,975,209
2032	4,975,209	310,926	995,028	4,291,107
2033	4,291,107	263,989	969,731	3,585,365
2034	3,585,365	215,687	940,420	2,860,632
2035	2,860,632	166,075	910,591	2,116,116
2036	2,116,116	115,238	876,483	1,354,871
2037	1,354,871	63,290	840,816	577,345
2038	577,345	12,745	808,271	-
2039	-	-	775,186	-
2040	-	-	738,226	-
2041	-	-	701,529	-
2042	-	-	665,229	-
2043	-	-	630,455	-
2044	-	-	596,368	-
2045	-	-	562,166	-
2046	-	-	528,823	-
2047	-	-	495,987	-
2048	-	-	463,968	-
2049	-	-	433,311	-
2050	-	-	403,900	-
2051	-	-	375,626	-
2052	-	-	349,863	-

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: 15.67

Certain Key Assumptions

Investment return assumption 7.0%

Mortality Table:

For healthy participants during employment, PUB-2010 Headcount Weighted General Below Median Employee Mortality Table, separate rates for males and females, set back 1 year for males, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For healthy participants post employment, PUB-2010 Headcount Weighted General Below Median Healthy Retiree Mortality Table, separate rates for males and females, set back 1 year for males, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For disabled participants, PUB-2010 Headcount Weighted General Disabled Retiree Mortality Table, separate rates for males and females, both set forward 3 years, 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, Member 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)
2023	9,970,841	469,167	1,092,769	9,347,239
2024	9,347,239	438,034	1,091,000	8,694,273
2025	8,694,273	405,279	1,094,970	8,004,582
2026	8,004,582	370,685	1,099,061	7,276,206
2027	7,276,206	334,692	1,083,204	6,527,694
2028	6,527,694	297,694	1,067,289	5,758,099
2029	5,758,099	259,689	1,049,635	4,968,153
2030	4,968,153	220,555	1,036,121	4,152,587
2031	4,152,587	180,189	1,020,784	3,311,992
2032	3,311,992	138,852	995,028	2,455,816
2033	2,455,816	96,723	969,731	1,582,808
2034	1,582,808	53,861	940,420	696,249
2035	696,249	11,885	910,591	-
2036	-	-	876,483	-
2037	-	-	840,816	-
2038	-	-	808,271	-
2039	-	-	775,186	-
2040	-	-	738,226	-
2041	-	-	701,529	-
2042	-	-	665,229	-
2043	-	-	630,455	-
2044	-	-	596,368	-
2045	-	-	562,166	-
2046	-	-	528,823	-
2047	-	-	495,987	-
2048	-	-	463,968	-
2049	-	-	433,311	-
2050	-	-	403,900	-
2051	-	-	375,626	-
2052	-	-	349,863	-

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: 12.75

Certain Key Assumptions

Investment return assumption 5.0%

Mortality Table:

For healthy participants during employment, PUB-2010 Headcount Weighted General Below Median Employee Mortality Table, separate rates for males and females, set back 1 year for males, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For healthy participants post employment, PUB-2010 Headcount Weighted General Below Median Healthy Retiree Mortality Table, separate rates for males and females, set back 1 year for males, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For disabled participants, PUB-2010 Headcount Weighted General Disabled Retiree Mortality Table, separate rates for males and females, both set forward 3 years, 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, Member 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)
2023	9,970,841	844,805	1,092,769	9,722,877
2024	9,722,877	822,573	1,091,000	9,454,450
2025	9,454,450	798,223	1,094,970	9,157,703
2026	9,157,703	771,319	1,099,061	8,829,961
2027	8,829,961	742,585	1,083,204	8,489,342
2028	8,489,342	712,695	1,067,289	8,134,748
2029	8,134,748	681,631	1,049,635	7,766,744
2030	7,766,744	649,161	1,036,121	7,379,784
2031	7,379,784	615,072	1,020,784	6,974,072
2032	6,974,072	579,797	995,028	6,558,841
2033	6,558,841	543,644	969,731	6,132,754
2034	6,132,754	506,706	940,420	5,699,040
2035	5,699,040	469,107	910,591	5,257,556
2036	5,257,556	431,014	876,483	4,812,087
2037	4,812,087	392,638	840,816	4,363,909
2038	4,363,909	353,867	808,271	3,909,505
2039	3,909,505	314,563	775,186	3,448,882
2040	3,448,882	274,885	738,226	2,985,541
2041	2,985,541	234,949	701,529	2,518,961
2042	2,518,961	194,703	665,229	2,048,435
2043	2,048,435	154,029	630,455	1,572,009
2044	1,572,009	112,791	596,368	1,088,432
2045	1,088,432	70,914	562,166	597,180
2046	597,180	28,305	528,823	96,662
2047	96,662	503	495,987	-
2048	-	-	463,968	-
2049	-	-	433,311	-
2050	-	-	403,900	-
2051	-	-	375,626	-
2052	-	-	349,863	-

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: 24.17

Certain Key Assumptions

Investment return assumption 9.0%

Mortality Table:

For healthy participants during employment, PUB-2010 Headcount Weighted General Below Median Employee Mortality Table, separate rates for males and females, set back 1 year for males, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For healthy participants post employment, PUB-2010 Headcount Weighted General Below Median Healthy Retiree Mortality Table, separate rates for males and females, set back 1 year for males, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For disabled participants, PUB-2010 Headcount Weighted General Disabled Retiree Mortality Table, separate rates for males and females, both set forward 3 years, 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, Member 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, 2022			October 1, 2022			October 1, 2022		
B. Actuarial Determined Contribution to Be Paid During Fiscal Year Ending	September 30, 2024			September 30, 2024			September 30, 2024		
C. Annual Payroll of Active Employees	$	1,989,809		$	1,989,809		$	1,989,809	
D. Total Minimum Funding Requirement									
1. Total Normal Cost	$	185,463		$	258,342		$	144,754	
2. Annual Payment to Amortize Unfunded Actuarial Liability		192,251			278,606			90,736	
3. Interest Adjustment		12,773			13,096			10,141	
4. Total Minimum Funding Requirement	$	390,487		$	550,044		$	245,631	
E. Expected Payroll of Active Employees for Following Plan Year ($ / % of pay) (C x 1.040)	$	2,069,401	104.00%	$	2,069,401	104.00%	$	2,069,401	104.00%
F. Expected Contribution Sources ($ / % of pay)									
1. City	$	385,412	18.62%	$	551,352	26.64%	$	234,762	11.34%
2. Member		20,694	1.00%		20,694	1.00%		20,694	1.00%
3. Total	$	406,106	19.62%	$	572,046	27.64%	$	255,456	12.34%

Unfunded Actuarial Accrued Liabilities Bases and Amortization Payments

	Amortization Base	Current Unfunded Liabilities	Amortization Payment: Valuation and 112.664(1)(a), F.S. Assumptions	Amortization Payment: 112.664(1)(b), F.S. Assumptions	Amortization Payment: 112.664(1)(a), F.S. Assumptions Plus 2%	Remaining Funding Period
10/01/1993	Actuarial Loss / (Gain)	24	24	24	24	1 year
10/01/1993	System Amendment	(32)	(32)	(32)	(32)	1 year
10/01/1994	Actuarial Loss / (Gain)	6,015	3,050	3,022	3,078	2 years
10/01/1994	System Amendment	3,530	1,790	1,773	1,806	2 years
10/01/1995	Actuarial Loss / (Gain)	(9,945)	(3,410)	(3,347)	(3,472)	3 years
10/01/1995	Assumption Change	14,820	5,081	4,987	5,174	3 years
10/01/1996	Actuarial Loss / (Gain)	27,421	7,150	6,954	7,345	4 years
10/01/1997	Actuarial Loss / (Gain)	(26,806)	(5,670)	(5,464)	(5,876)	5 years
10/01/1997	Assumption Change	24,806	5,247	5,057	5,438	5 years
10/01/1998	Actuarial Loss / (Gain)	13,283	2,374	2,267	2,482	6 years
10/01/1999	Actuarial Loss / (Gain)	(14,000)	(2,175)	(2,058)	(2,292)	7 years
10/01/2000	Actuarial Loss / (Gain)	92,383	12,729	11,938	13,532	8 years
10/01/2001	Actuarial Loss / (Gain)	185,963	23,090	21,462	24,750	9 years
10/01/2002	Actuarial Loss / (Gain)	202,197	22,904	21,101	24,751	10 years
10/01/2003	Actuarial Loss / (Gain)	111,907	11,681	10,667	12,725	11 years
10/01/2003	System Amendment	32,017	3,342	3,052	3,641	11 years
10/01/2004	Actuarial Loss / (Gain)	31,012	3,007	2,723	3,302	12 years
10/01/2005	Actuarial Loss / (Gain)	1,476	134	120	148	13 years
10/01/2006	Actuarial Loss / (Gain)	169,513	14,471	12,876	16,139	14 years
10/01/2007	Actuarial Loss / (Gain)	23,490	1,897	1,673	2,131	15 years
10/01/2008	Actuarial Loss / (Gain)	38,376	2,943	2,574	3,332	16 years
10/01/2009	Actuarial Loss / (Gain)	368,862	26,978	23,398	30,770	17 years
10/01/2009	Assumption Change	236,116	17,269	14,978	19,697	17 years
10/01/2010	Actuarial Loss / (Gain)	211,012	14,767	12,701	16,965	18 years
10/01/2011	Actuarial Loss / (Gain)	234,157	15,727	13,414	18,198	19 years
10/01/2011	Assumption Changes	7,943	533	455	617	19 years
10/01/2012	Actuarial Loss / (Gain)	207,514	13,413	11,346	15,630	20 years
10/01/2012	System Amendment	(39,227)	(2,535)	(2,145)	(2,955)	20 years

Unfunded Actuarial Accrued Liabilities Bases and Amortization Payments

	Amortization Base	Current Unfunded Liabilities	Amortization Payment: Valuation and 112.664(1)(a), F.S. Assumptions	Amortization Payment: 112.664(1)(b), F.S. Assumptions	Amortization Payment: 112.664(1)(a), F.S. Assumptions Plus 2%	Remaining Funding Period
10/01/2013	Actuarial Loss / (Gain)	(94,902)	(5,918)	(4,965)	(6,943)	21 years
10/01/2014	Actuarial Loss / (Gain)	(229,979)	(13,864)	(11,537)	(16,379)	22 years
10/01/2015	Actuarial Loss / (Gain)	1,852	108	89	129	23 years
10/01/2015	Assumption Changes	509,707	29,768	24,572	35,404	23 years
10/01/2015	System Amendment	98,477	5,751	4,747	6,840	23 years
10/01/2016	Actuarial Loss / (Gain)	33,052	1,873	1,534	2,243	24 years
10/01/2016	Assumption Changes	(2,387)	(135)	(111)	(162)	24 years
10/01/2017	Actuarial Loss / (Gain)	2,252	124	101	150	25 years
10/01/2018	Actuarial Loss / (Gain)	(231,703)	(12,431)	(10,018)	(15,075)	26 years
10/01/2019	Actuarial Loss / (Gain)	(138,865)	(7,264)	(5,808)	(8,865)	27 years
10/01/2019	Assumption Changes	(165,662)	(8,666)	(6,929)	(10,576)	27 years
10/01/2020	Actuarial Loss / (Gain)	(312,578)	(15,964)	(12,665)	(19,602)	28 years
10/01/2020	Assumption Changes	643,712	32,875	26,082	40,368	28 years
10/01/2021	Actuarial Loss / (Gain)	(607,242)	(30,314)	(23,865)	(37,450)	29 years
10/01/2021	System Amendment	599,435	29,924	23,558	36,969	29 years
10/01/2022	Actuarial Loss / (Gain)	(192,318)	(9,395)	(7,340)	(11,676)	30 years
10/01/2022	Assumption Change - 112.664(1)(b), F.S. Assumptions	2,768,211	N/A	105,645	N/A	30 years
10/01/2022	Assumption Change - 112.664(1)(a), F.S. Assumptions Plus 2%	(2,004,288)	N/A	N/A	(121,687)	30 years
	TOTAL		$ 192,251	$ 278,606	$ 90,736	

SECTION B

SUMMARY OF SYSTEM PROVISIONS

Outline of Principal Provisions of the Retirement System
(as of October 1, 2022)

A. Normal Retirement:

1. Eligibility:

For General Employees hired prior to October 1, 2012 and all Elected Officials the earlier of:

(a) Attainment of age 60 with completion of 10 years of Credited Service (8 years of Credited Service for Elected Officials).

(b) Completion of 30 years of Credited Service.

For General Employees hired on or after October 1, 2012 the earlier of:

(a) Attainment of age 65 with completion of 10 years of Credited Service.

(b) Completion of 35 years of Credited Service.

2. Mandatory Retirement Age:

Age 65. Extensions granted with employer consent.

3. Amount of Pension:

Elected Officials: Total Credited Service times 3.00% of Final Average Salary. Maximum 100% of Final Average Salary.

General Employees hired prior to October 1, 2012: Total Credited Service times 2.50% of Final Average Salary. Maximum 100% of Final Average Salary.

General Employees hired on or after October 1, 2012: Total Credited Service times 1.60% of Final Average Salary. Maximum 100% of Final Average Salary.

4. Normal Form:

The Normal Form of pension is a Life Annuity. Optional forms are available on an actuarial equivalent basis.

5. Final Average Salary:

For General Employees eligible for Normal Retirement as of January 31, 2013 and all Elected Officials the highest 3 consecutive years out of last 10. Salary includes base pay plus longevity pay. Lump sum payments paid at the time of retirement are not included in the determination of Final Average Salary.

5. Final Average Salary (cont'd):

   For General Employees hired prior to October 1, 2012 and not eligible for Normal Retirement as of January 31, 2013 or General Employees hired on or after October 1, 2012 the highest 5 consecutive years out of last 10, provided it is not less than the defintion above as of January 31, 2013 for General Employees hired prior to October 1, 2012. Salary includes base pay plus longevity pay. Lump sum payments paid at the time of retirement are not included in the determination of Final Average Salary.

B. Early Retirement:

1. Eligibility:

   25 years of Credited Service for General Employees hired prior to October 1, 2012 and all Elected Officials.

   30 years of Credited Service for General Employees hired on or after October 1, 2012.

2. Amount of Pension:

   Computed as for Normal Retirement but reduced 2.5% for each year (0.2083% for each month) that Early Retirement precedes the date the Member would have been eligible for Normal Retirement.

   For General Employees hired prior to October 1, 2012, benefits accrued after January 31, 2013 are reduced 6.0% for each year (0.5000% for each month) that Early Retirement precedes the date the Member would have been eligible for Normal Retirement.

   For General Employees hired on or after October 1, 2012, benefits are reduced 6.0% for each year (0.5000% for each month) that Early Retirement precedes the date the Member would have been eligible for Normal Retirement.

C. Deferred Retirement:

1. Eligibility:

   8 or more years of Credited Service for Elected Officials and 10 or more years of Credited Service for others. Pension begins at age 60 for Elected Officials and General Employees hired prior to October 1, 2012 and at age 65 for General Employees hired on or after October 1, 2012.

C. Deferred Retirement (cont'd):

2. Benefit:

Computed as a Normal Retirement pension but based upon Credited Service and Final Average Salary at time of termination.

D. Duty Disability Retirement:

1. Eligibility:

No age or service requirement. Must be in receipt of worker's compensation.

2. Benefit:

Computed as a Normal Retirement pension. Worker's compensation payments are offset, to the extent permitted by law.

E. Non-Duty Disability Retirement:

1. Eligibility:

10 or more years of Credited Service.

2. Benefit:

Computed as a Normal Retirement pension. Worker's compensation payments are offset, to the extent permitted by law.

F. Death Before Retirement:

1. Eligibility:

15 or more years of Credited Service.

2. Benefit:

Computed as a Normal Retirement pension but actuarially reduced in accordance with a 100% joint and survivor election.

G. Post-Retirement Cost-of-Living Adjustments:

Effective January 1, 2023 all current retired Members and beneficiaries, including DROPs, received an increase in their pension of $100/month. Effective January 1, 2016, current retirees, disableds, beneficiaries and DROPs who had been receiving benefits for at least ten (10) years received an increase in their pension of $50/month. Effective October 1, 1994 all current retired Members and beneficiaries received an increase in their pension of $75/month.

H. Annual Holiday Bonus:

$100

I. Member Contributions:

The City currently picks-up the former 5.00% member contribution. For all employees hired prior to December 31, 1999, this amount is refunded upon termination of membership with 3 or more years of Credited Service in the absence of a pension. For all employees hired after December 31, 1999, this amount is refunded upon termination of membership with 10 or more years of Credited Service in the absence of a pension. Should a Member die and no pension becomes or will become available, picked-up Member contributions will be refunded even if the required years of service have not been attained.

If you terminate employment and receive a refund of contributions, you forfeit any rights to future benefits from the Retirement System. The taxable portion of any refund you receive is subject to an automatic 20% withholding for Federal income tax purposes, and a possible 10% excise tax. These taxes can be avoided, however, if you roll the taxable portion over to an Individual Retirement Account (IRA) or another qualified employer plan. This rollover will result in no tax being due until you begin withdrawing funds from the IRA or other qualified employer plan. The rollover of the distribution, however, MUST be made directly by the System to your chosen IRA or other qualified employer plan.

General Employees and Elected Officials not eligible for Normal Retirement as of January 31, 2013 will contribute 1.00% of pay beginning February 1, 2013.

J. City Contributions:

Actuarially determined amounts which together with Member pick-up City contributions are sufficient to at least cover the requirements of the funding objective.

K. Forfeiture of Retirement Benefits:

Retirement benefits granted by the Retirement System are subject to forfeiture if an employee is convicted of an offense specified in Section 112.3173, Florida Statutes, pursuant to the procedures set forth in the cited statute.

Outline of Principal Provisions of the Retirement System
(as of October 1, 2022)

L. Deferred Retirement Option Plan (DROP):

Members may elect to freeze their retirement benefit at Normal or Early Retirement eligibility, and continue working for a maximum of 5 years. The retirement benefit will be calculated as of the date the Member elects the DROP including Early Retirement reductions, if any. This retirement benefit will be accumulated with interest at 4% for Members who enter the DROP prior to February 1, 2013 and with interest in an amount equal to 50% of the net investment return for the System for the preceding fiscal year up to a maximum of 4% for Members who enter the DROP on or after February 1, 2013 during the DROP period in a DROP account. At actual termination, the Member can rollover the DROP account balance or receive the balance directly with appropriate tax consequences. The retirement benefit calculated as of the date of the DROP election becomes payable directly to the retiree or beneficiary thereafter. Member pick-up contributions will cease at the date of DROP election. Disability and death before retirement provisions will no longer apply to Members who enter the DROP. Members who enter the DROP on or after February 1, 2013 will be assessed administrative fees.

M. Claims Procedure:

Claims for benefits should be filed with the Board of Trustees at the City Clerk's office. If the claim is denied, you will be notified and informed of the procedure to request a hearing before the Board of Trustees. An applicant for benefits must appeal said denial within 60 days of being informed of the denial by filing an appeal with the Board at the City Clerk's office. If no appeal is filed within the time period then the denial shall be final.

N. Disclaimer:

The preceding summary briefly describes the principal benefits of the Retirement System. Detailed benefit conditions and limitations are contained in the Retirement Ordinance which established the System. The Internal Revenue Code, Florida Statutes, and the Ordinance all govern the operation of the System and should be consulted before you take any action concerning your participation or benefits. In the case of any conflict between this summary and the provisions of the Ordinance or other applicable law, the Ordinance or other applicable law will prevail. Copies of the Ordinance are available at the City Clerk's office.

O. Change From Previous Valuation (included in Actuarial Impact Statement):

Effective January 1, 2016, current retirees, disableds, beneficiaries and DROPs who had been receiving benefits for at least ten (10) years received an increase in their pension of $50/month. Effective October 1, 1994 all current retired Members and beneficiaries received an increase in their pension of $75/month.

SECTION C

ACTUARIAL ASSUMPTIONS AND COST METHODS USED FOR FUNDING

Actuarial Assumptions and Actuarial Cost Methods Used in the Valuation
(as of October 1, 2022)

A. Mortality

For healthy participants during employment, PUB-2010 Headcount Weighted General Below Median Employee Mortality Table, separate rates for males and females, set back 1 year for males, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018.

For healthy participants post employment, PUB-2010 Headcount Weighted General Below Median Healthy Retiree Mortality Table, separate rates for males and females, set back 1 year for males, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018.

For disabled participants, PUB-2010 Headcount Weighted General Disabled Retiree Mortality Table, separate rates for males and females, both set forward 3 years, without projected mortality improvements.

Sample Ages (2022)	Pre-retirement Future Life Expectancy (Years)		Post-retirement Future Life Expectancy (Years)	
	Male	Female	Male	Female
55	32.75	35.17	28.83	32.55
60	27.89	30.14	24.73	28.00
62	25.99	28.16	23.10	26.17

Sample Ages (2042)	Pre-retirement Future Life Expectancy (Years)		Post-retirement Future Life Expectancy (Years)	
	Male	Female	Male	Female
55	34.38	36.65	30.85	34.33
60	29.45	31.58	26.59	29.67
62	27.52	29.57	24.90	27.79

B. Interest to be Earned by Fund

7.0%, compounded annually, net of investment expense - includes inflation of 2.5%.

C. Allowances for Expenses or Contingencies

Administrative expenses are projected to continue at the same dollar amount as the average of the three (3) preceding fiscal years, rounded to the nearest thousand.

D. Employee Withdrawal Rates

The rates do not apply to Members eligible to retire and do not include separation on account of death or disability. This estimate measures the probabilities of Members remaining in employment.

D. Employee Withdrawal Rates (Cont'd)

Sample Ages	Years of Service	Withdrawal Rates Per 100 Employees
ALL	0	40.0
	1	30.0
	2 - 4	20.0
40 & Under	5 & Over	15.0
41		12.0
42		11.0
43		10.0
44		9.0
45		8.0
46		7.0
47		6.0
48		5.0
49		4.0
50 & Over		3.0

E. Disability Rates

Probabilities of active Members becoming disabled.

	Percent Becoming Disabled Within Next Year	
Sample Ages	Male	Female
20	0.07%	0.03%
25	0.09%	0.05%
30	0.10%	0.07%
35	0.14%	0.13%
40	0.21%	0.19%
45	0.32%	0.28%
50	0.52%	0.45%
55	0.92%	0.76%
60	1.53%	1.10%

F. Salary Increase Factors

Employee salaries are estimated to increase between the date of hire and date of retirement. Salary increases occur in recognition of (i) individual merit and seniority, (ii) inflation-related depreciation of the purchasing power of salaries, and (iii) competition from other employers for personnel.

Age	Salary Increase
Under 40	7.00%
40 & After	6.00%

General increase in wage level due to inflation is 3.0%.

Actuarial Assumptions and Actuarial Cost Methods Used in the Valuation (as of October 1, 2022)

G. Payroll Growth Assumption

4.0% per annum - not greater than historical 10-year average (8.9%) - minimum 0.0%

H. Retirement Rates

Probabilities of an eligible Member retiring during the next year.

General Employees hired prior to October 1, 2012 and Elected Officials		General Employees hired after September 30, 2012	
Under 25 Years of Service		Under 30 Years of Service	
Retirement Ages	Percent Retiring	Retirement Ages	Percent Retiring
60 - 61	8%	65 - 67	40%
62 - 64	20%	68 & After	100%
65 - 67	40%		
68 & After	100%		
25+ Years of Service		30+ Years of Service	
Years of Service	Percent Retiring	Years of Service	Percent Retiring
25	20%	30	20%
26 - 29	15%	31 - 34	15%
30 or More	100%	35 or More	100%

A General Employee hired prior to October 1, 2012 is eligible for retirement after 30 years of Credited Service or after attaining age 60 with 10 or more (8 or more if an Elected Official) years of Credited Service. Reduced benefits are available after 25 years of Credited Service. Any subsidy from the reduced benefits is taken into account in the annual funding costs.

A General Employee hired on or after October 1, 2012 is eligible for retirement after 35 years of Credited Service or after attaining age 65 with 10 or more years of Credited Service. Reduced benefits are available after 30 years of Credited Service. Any subsidy from the reduced benefits is taken into account in the annual funding costs.

Benefits accruing after age 65 are offset by actuarial gains from the deferred retirement.

I. Asset Valuation Method

The method used for determining the smoothed actuarial value of assets phases in the deviation between the expected and actual return on assets at the rate of 25% per year. The smoothed actuarial value of assets will be further adjusted to the extent necessary to remain within the corridor whose lower and upper limits are 80% and 120%, respectively, of the fair market value of System assets.

J. 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 System assets.

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 Plan as of the valuation date. Each individual's calculation is based on pay and service as of the valuation date.

K. Disclosure of Assumptions

The investment return, salary increases, payroll growth assumption, withdrawal and retirement rates were updated based on the most recent experience study performed for the five years ending September 30, 2019. The mortality rates are based upon the July 1, 2022 FRS Actuarial Valuation, as required under F.S., Chapter 2015-157.

L. Changes From Previous Valuation / Actuarial Impact Statement

None.

M. Technical Assumptions

1. Pay Increase Timing:
   Beginning of (Fiscal) year.

2. Decrement Timing:
   Decrements are assumed to occur mid-year.

3. Eligibility Testing:
   Eligibility for benefits is determined based upon the age nearest birthday and service nearest whole year on the date the decrement is assumed to occur.

4. Benefit Service:
   Exact fractional service is used to determine the amount of benefit payable.

5. Decrement Relativity:
   Decrement rates are used directly from tabular rates - no adjustment for multiple decrement table effects.

6. Decrement Operation:
   Disability and mortality decrements do not operate during the first 5 years of service. Disability and withdrawal do not operate during years of retirement eligibility.

7. Incidence of Contributions:
   Contributions are assumed to be received continuously throughout the year based upon the computed percent of payroll shown in this report, and the actual payroll payable at the time contributions are made. New entrant normal cost contributions are applied to the funding of new entrant benefits.

8. Marriage Assumption:
   100% of Members are assumed to be married. Male spouses are assumed to be three years older than female spouses.

9. Actuarial Equivalence Basis for Optional Forms of Payment:
   7.5% interest and the RP 2000 Combined Healthy Male Mortality Table projected to the fiscal year that contains the benefit commencement date for participants and the RP 2000 Combined Healthy Female Mortality Table projected to the fiscal year that contains the benefit commencement date for beneficiaries. Disabled lives are set forward 5 years.

10. Duty and Non-Duty Related Assumption:
    50% are assumed in-service and 50% are assumed non-service incurred.

11. Vested Members:
    Vested Members who terminate with a benefit worth less than 100% of their accumulated Member contribution balance are assumed to withdraw their accumulated Member contributions and forfeit any vested benefit.

12. Salary:
    Salary reported for the Actuarial Valuation includes all amounts included in the Final Average Compensation for benefit purposes.

SECTION D

GLOSSARY

GLOSSARY

Actuarial Accrued Liability	The difference between the Actuarial Present Value of Future Benefits, and the Actuarial Present Value of Future Normal Costs.
Actuarial Assumptions	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.
Actuarial Cost Method	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.
Actuarial Equivalent	Of equal Actuarial Present Value, determined as of a given date and based on a given set of Actuarial Assumptions.
Actuarial Present Value	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.
Actuarial Present Value of Future Benefits	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.
Actuarial Valuation	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.
Actuarial Value of Assets	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.

Amortization Method	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.
Amortization Payment	That portion of the plan contribution which is designed to pay interest on and to amortize the Unfunded Actuarial Accrued Liability.
Amortization Period	The period used in calculating the Amortization Payment.
Annual Required Contribution	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.
Closed Amortization Period	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 30 years, it is 29 years at the end of one year, 28 years at the end of two years, etc.
Employer Normal Cost	The portion of the Normal Cost to be paid by the employer. This is equal to the Normal Cost less expected member contributions.
Equivalent Single Amortization Period	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.
Experience Gain/Loss	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.
Funded Ratio	The ratio of the Actuarial Value of Assets to the Actuarial Accrued Liability.

GASB	Governmental Accounting Standards Board.
GASB No. 67 and GASB No. 68	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.
Normal Cost	The annual cost assigned, under the Actuarial Cost Method, to the current plan year.
Open Amortization Period	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 30 years, the same 30-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.
Unfunded Actuarial Accrued Liability	The difference between the Actuarial Accrued Liability and Actuarial Value of Assets.
Valuation Date	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.