

CITY OF BOCA RATON EXECUTIVE EMPLOYEES' RETIREMENT PLAN

CHAPTER 112.664, F.S. COMPLIANCE REPORT

IN CONNECTION WITH THE OCTOBER 1, 2022
FUNDING ACTUARIAL VALUATION REPORT
AND THE PLAN'S FINANCIAL REPORTING FOR THE
YEAR ENDING SEPTEMBER 30, 2022





April 14, 2023

Board of Trustees
City of Boca Raton Executive Employees' Retirement Plan
Boca Raton, Florida

Dear Trustees:

Gabriel, Roeder, Smith & Company (GRS) has been engaged by the City of Boca Raton Executive Employees' Retirement 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 Plan and those designated or approved by the Board. This report may be provided to parties other than the Plan 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.

For financial reporting purposes under GASB 67, the liabilities were "rolled forward" from October 1, 2021 to the measurement date, September 30, 2022. The liabilities for this purpose were based on the October 1, 2021 actuarial valuation report, dated March 2, 2022.

The findings in this report are based on data or other information through September 30, 2022. 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 Plan Administrator concerning Retirement 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 otherwise audit the data. We are not responsible for the accuracy or completeness of the information provided by the Plan Administrator.

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, 2022 Actuarial Valuation report. This report is also based on the Plan Provisions, census data, and financial information as summarized in our October 1, 2022 Actuarial Valuation report. Please refer to the October 1, 2022

Actuarial Valuation report, dated February 9, 2023, and the GASB Nos. 67 and 68 actuarial disclosure report, dated December 16, 2022, 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 ProVal's valuation model, a software product of Winklevoss Technologies. We are relying on the ProVal model. We performed tests of the ProVal model with this assignment and made a reasonable attempt to understand the developer's intended purpose of, general operation of, major sensitivities and dependencies within, and key strengths and limitations of the ProVal model. In our professional judgment, the ProVal valuation model has the capability to provide results that are consistent with the purposes of the valuation and has no material limitations or known weaknesses.

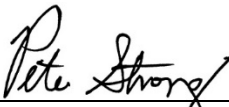
Peter N. Strong and Jeffrey Amrose are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein. The signing actuaries are independent of the plan sponsor.

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

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

Respectfully submitted,

GABRIEL, ROEDER, SMITH AND COMPANY

By 
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Enrolled Actuary No. 23-06975
Senior Consultant & Actuary


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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,	<u>2022</u>
1. Total pension liability	
a. Service Cost	\$ 1,165,162
b. Interest	5,331,239
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	(2,942,073)
e. Assumption Changes	(455,633)
f. Benefit Payments	(3,756,925)
g. Contribution Refunds	(19,528)
h. Net Change in Total Pension Liability	<u>(677,758)</u>
i. Total Pension Liability - Beginning	<u>75,285,845</u>
j. Total Pension Liability - Ending	<u>\$ 74,608,087</u>
2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ 2,560,502
b. Contributions - State	-
c. Contributions - Member	776,671
d. Net Investment Income	(9,123,735)
e. Benefit Payments	(3,756,925)
f. Contribution Refunds	(19,528)
g. Administrative Expense	(163,088)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	<u>(9,726,103)</u>
j. Plan Fiduciary Net Position - Beginning	<u>64,390,483</u>
k. Plan Fiduciary Net Position - Ending	<u>\$ 54,664,380</u>
3. Net Pension Liability / (Asset)	19,943,707
Certain Key Assumptions	
Valuation Date	10/01/2021
Measurement Date	09/30/2022
Investment Return Assumption	7.05%
Mortality Table	2021 FRS Mortality - Regular Class



**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

	2022
a. Service Cost	\$ 1,165,162
b. Interest	5,331,239
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	(2,942,073)
e. Assumption Changes	(455,633)
f. Benefit Payments	(3,756,925)
g. Contribution Refunds	(19,528)
h. Net Change in Total Pension Liability	(677,758)
i. Total Pension Liability - Beginning	75,285,845
j. Total Pension Liability - Ending	\$ 74,608,087

2. Plan Fiduciary Net Position

a. Contributions - Employer	\$ 2,560,502
b. Contributions - State	-
c. Contributions - Member	776,671
d. Net Investment Income	(9,123,735)
e. Benefit Payments	(3,756,925)
f. Contribution Refunds	(19,528)
g. Administrative Expense	(163,088)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	(9,726,103)
j. Plan Fiduciary Net Position - Beginning	64,390,483
k. Plan Fiduciary Net Position - Ending	\$ 54,664,380

3. Net Pension Liability / (Asset) 19,943,707

Certain Key Assumptions

Valuation Date	10/01/2021
Measurement Date	09/30/2022
Investment Return Assumption	7.05%
Mortality Table	2021 FRS Mortality - Regular Class



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

Fiscal year ending September 30,

1. Total pension liability

	2022
a. Service Cost	\$ 1,774,876
b. Interest	4,594,163
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	-
e. Assumption Changes	-
f. Benefit Payments	(3,756,925)
g. Contribution Refunds	(19,528)
h. Net Change in Total Pension Liability	2,592,586
i. Total Pension Liability - Beginning	91,086,880
j. Total Pension Liability - Ending	\$ 93,679,466

2. Plan Fiduciary Net Position

a. Contributions - Employer	\$ 2,560,502
b. Contributions - State	-
c. Contributions - Member	776,671
d. Net Investment Income	(9,123,735)
e. Benefit Payments	(3,756,925)
f. Contribution Refunds	(19,528)
g. Administrative Expense	(163,088)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	(9,726,103)
j. Plan Fiduciary Net Position - Beginning	64,390,483
k. Plan Fiduciary Net Position - Ending	\$ 54,664,380

3. Net Pension Liability / (Asset) 39,015,086

Certain Key Assumptions

Valuation Date	10/01/2021
Measurement Date	09/30/2022
Investment Return Assumption	5.05%
Mortality Table	2021 FRS Mortality - Regular Class



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,	2022
1. Total pension liability	
a. Service Cost	\$ 811,550
b. Interest	5,262,397
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	-
e. Assumption Changes	-
f. Benefit Payments	(3,756,925)
g. Contribution Refunds	(19,528)
h. Net Change in Total Pension Liability	2,297,494
i. Total Pension Liability - Beginning	59,224,714
j. Total Pension Liability - Ending	\$ 61,522,208
 2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ 2,560,502
b. Contributions - State	-
c. Contributions - Member	776,671
d. Net Investment Income	(9,123,735)
e. Benefit Payments	(3,756,925)
f. Contribution Refunds	(19,528)
g. Administrative Expense	(163,088)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	(9,726,103)
j. Plan Fiduciary Net Position - Beginning	64,390,483
k. Plan Fiduciary Net Position - Ending	\$ 54,664,380
 3. Net Pension Liability / (Asset)	 6,857,828
 Certain Key Assumptions	
Valuation Date	10/01/2021
Measurement Date	09/30/2022
Investment Return Assumption	9.05%
Mortality Table	2021 FRS Mortality - Regular Class



Asset and Benefit Payment Projection
Not Reflecting Any Contributions from the Employer, State or Employee
Using Assumptions from the Plan's Latest Actuarial Valuation

FYE	Market Value of Assets (BOY)	Expected Investment Return	Projected Benefit Payments	Market Value of Assets (EOY)
2023	51,515,033	3,444,437	4,617,589	50,341,881
2024	50,341,881	3,368,558	4,439,261	49,271,178
2025	49,271,178	3,288,787	4,577,009	47,982,956
2026	47,982,956	3,189,480	4,837,916	46,334,520
2027	46,334,520	3,068,762	4,990,132	44,413,150
2028	44,413,150	2,926,795	5,203,577	42,136,368
2029	42,136,368	2,762,704	5,338,338	39,560,734
2030	39,560,734	2,576,978	5,493,536	36,644,176
2031	36,644,176	2,368,748	5,609,834	33,403,090
2032	33,403,090	2,139,173	5,686,964	29,855,299
2033	29,855,299	1,889,325	5,729,881	26,014,743
2034	26,014,743	1,617,749	5,808,100	21,824,392
2035	21,824,392	1,322,304	5,868,680	17,278,016
2036	17,278,016	1,002,328	5,918,089	12,362,255
2037	12,362,255	656,556	5,965,764	7,053,047
2038	7,053,047	285,267	5,955,599	1,382,715
2039	1,382,715	-	5,911,671	-
2040	-	-	5,848,772	-
2041	-	-	5,765,412	-
2042	-	-	5,674,686	-
2043	-	-	5,569,998	-
2044	-	-	5,457,970	-
2045	-	-	5,336,395	-
2046	-	-	5,191,632	-
2047	-	-	5,037,518	-
2048	-	-	4,875,901	-

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:** 16.17

Certain Key Assumptions

Valuation Investment Return Assumption	7.00%
Valuation Mortality Table	2021 FRS Mortality - Regular Class

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)
2023	51,515,033	3,444,437	4,617,589	50,341,881
2024	50,341,881	3,368,558	4,439,261	49,271,178
2025	49,271,178	3,288,787	4,577,009	47,982,956
2026	47,982,956	3,189,480	4,837,916	46,334,520
2027	46,334,520	3,068,762	4,990,132	44,413,150
2028	44,413,150	2,926,795	5,203,577	42,136,368
2029	42,136,368	2,762,704	5,338,338	39,560,734
2030	39,560,734	2,576,978	5,493,536	36,644,176
2031	36,644,176	2,368,748	5,609,834	33,403,090
2032	33,403,090	2,139,173	5,686,964	29,855,299
2033	29,855,299	1,889,325	5,729,881	26,014,743
2034	26,014,743	1,617,749	5,808,100	21,824,392
2035	21,824,392	1,322,304	5,868,680	17,278,016
2036	17,278,016	1,002,328	5,918,089	12,362,255
2037	12,362,255	656,556	5,965,764	7,053,047
2038	7,053,047	285,267	5,955,599	1,382,715
2039	1,382,715	-	5,911,671	-
2040	-	-	5,848,772	-
2041	-	-	5,765,412	-
2042	-	-	5,674,686	-
2043	-	-	5,569,998	-
2044	-	-	5,457,970	-
2045	-	-	5,336,395	-
2046	-	-	5,191,632	-
2047	-	-	5,037,518	-
2048	-	-	4,875,901	-

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:** 16.17

Certain Key Assumptions

Valuation Investment Return Assumption	7.00%
Valuation Mortality Table	2021 FRS Mortality - Regular Class

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)
2023	51,515,033	2,460,312	4,617,589	49,357,756
2024	49,357,756	2,356,906	4,439,261	47,275,401
2025	47,275,401	2,249,345	4,577,009	44,947,737
2026	44,947,737	2,126,439	4,837,916	42,236,260
2027	42,236,260	1,987,060	4,990,132	39,233,188
2028	39,233,188	1,831,570	5,203,577	35,861,181
2029	35,861,181	1,659,601	5,338,338	32,182,444
2030	32,182,444	1,471,784	5,493,536	28,160,692
2031	28,160,692	1,267,789	5,609,834	23,818,647
2032	23,818,647	1,048,758	5,686,964	19,180,441
2033	19,180,441	815,775	5,729,881	14,266,335
2034	14,266,335	568,114	5,808,100	9,026,349
2035	9,026,349	304,600	5,868,680	3,462,269
2036	3,462,269	25,161	5,918,089	-
2037	-	-	5,965,764	-
2038	-	-	5,955,599	-
2039	-	-	5,911,671	-
2040	-	-	5,848,772	-
2041	-	-	5,765,412	-
2042	-	-	5,674,686	-
2043	-	-	5,569,998	-
2044	-	-	5,457,970	-
2045	-	-	5,336,395	-
2046	-	-	5,191,632	-
2047	-	-	5,037,518	-
2048	-	-	4,875,901	-

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:** 13.58

Certain Key Assumptions

Valuation Investment Return Assumption	5.00%
Valuation Mortality Table	2021 FRS Mortality - Regular Class

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)
2023	51,515,033	4,428,561	4,617,589	51,326,005
2024	51,326,005	4,419,574	4,439,261	51,306,318
2025	51,306,318	4,411,603	4,577,009	51,140,912
2026	51,140,912	4,384,976	4,837,916	50,687,972
2027	50,687,972	4,337,362	4,990,132	50,035,202
2028	50,035,202	4,269,007	5,203,577	49,100,632
2029	49,100,632	4,178,832	5,338,338	47,941,126
2030	47,941,126	4,067,492	5,493,536	46,515,082
2031	46,515,082	3,933,915	5,609,834	44,839,163
2032	44,839,163	3,779,611	5,686,964	42,931,810
2033	42,931,810	3,606,018	5,729,881	40,807,947
2034	40,807,947	3,411,351	5,808,100	38,411,198
2035	38,411,198	3,192,917	5,868,680	35,735,435
2036	35,735,435	2,949,875	5,918,089	32,767,221
2037	32,767,221	2,680,591	5,965,764	29,482,048
2038	29,482,048	2,385,382	5,955,599	25,911,831
2039	25,911,831	2,066,040	5,911,671	22,066,200
2040	22,066,200	1,722,763	5,848,772	17,940,191
2041	17,940,191	1,355,174	5,765,412	13,529,953
2042	13,529,953	962,335	5,674,686	8,817,602
2043	8,817,602	542,934	5,569,998	3,790,538
2044	3,790,538	95,540	5,457,970	-
2045	-	-	5,336,395	-
2046	-	-	5,191,632	-
2047	-	-	5,037,518	-
2048	-	-	4,875,901	-

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:** 21.67

Certain Key Assumptions

Valuation Investment Return Assumption	9.00%
Valuation Mortality Table	2021 FRS Mortality - Regular Class

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 (ADC)

	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. except 2% higher investment return assumption
A. Valuation Date	October 1, 2022	October 1, 2022	October 1, 2022	October 1, 2022
B. Actuarial Determined Contribution (ADC) to Be Paid During Fiscal Year Ending	9/30/2024	9/30/2024	9/30/2024	9/30/2024
C. Assumed Dates of Employer Contributions*	Monthly	Monthly	Monthly	Monthly
D. Annual Payment to Amortize Unfunded Actuarial Liability	\$ 1,811,226	\$ 1,811,226	\$ 2,668,464	\$ 935,838
E. Employer Normal Cost	646,600	646,600	1,222,763	297,508
F. Employer ADC if Paid on Valuation Date: D + E	2,457,826	2,457,826	3,891,227	1,233,346
G. Employer ADC Adjusted for Frequency of Payments	2,549,090	2,549,090	3,995,042	1,291,886
H. Employer ADC Adjusted for Frequency of Payments as % of Covered Payroll	44.79 %	44.79 %	70.20 %	22.70 %
I. Assumed Rate of Increase in Covered Payroll to Contribution Year	2.75 %	2.75 %	2.75 %	2.75 %
J. Covered Payroll for Contribution Year	5,847,295	5,847,295	5,847,295	5,847,295
K. Employer ADC for Contribution Year: H x J	2,619,189	2,619,189	4,104,906	1,327,413
L. Estimated State Revenue in Contribution Year	0	0	0	0
M. Net Employer ADC in Contribution Year	2,619,189	2,619,189	4,104,906	1,327,413
N. Net Employer ADC as % of Covered Payroll in Contribution Year: M ÷ J	44.79 %	44.79 %	70.20 %	22.70 %
O. Expected Member Contributions	643,202	643,202	643,202	643,202
P. Total Contribution (including Members)	3,262,391	3,262,391	4,748,108	1,970,615
Q. Total Contribution as % of Covered Payroll in Contribution Year: P ÷ J	55.79 %	55.79 %	81.20 %	33.70 %
R. Certain Key Assumptions				
Investment Return Assumption	7.00%	7.00%	5.00%	9.00%
Mortality Table	2021 FRS Mortality Regular Class	2021 FRS Mortality Regular Class	2021 FRS Mortality Regular Class	2021 FRS Mortality Regular Class

*Assumed payable in 12 equal installments beginning October 31 of the year following the valuation date.

