

CITY OF BOCA RATON EXECUTIVE EMPLOYEES' RETIREMENT PLAN

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





April 18, 2024

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, 2022 to the measurement date, September 30, 2023. The liabilities for this purpose were based on the October 1, 2022 actuarial valuation report, dated February 9, 2023.

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 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, 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 February 6, 2024, and the GASB Nos. 67 and 68 actuarial disclosure report, dated December 19, 2023, 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.

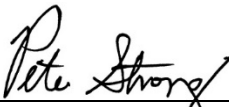
Peter N. Strong and Jennifer Cagasan are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein. The signing actuaries are independent of the plan sponsor.

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

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

Respectfully submitted,

GABRIEL, ROEDER, SMITH AND COMPANY

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


By 
Jennifer Cagasan, MAAA
Enrolled Actuary No. 23-08977
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,

1. Total pension liability

	2023
a. Service Cost	\$ 1,126,253
b. Interest	5,209,960
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	2,204,903
e. Assumption Changes	411,575
f. Benefit Payments	(3,219,386)
g. Contribution Refunds	(449,012)
h. Net Change in Total Pension Liability	5,284,293
i. Total Pension Liability - Beginning	74,608,087
j. Total Pension Liability - Ending	\$ 79,892,380

2. Plan Fiduciary Net Position

a. Contributions - Employer	\$ 2,296,520
b. Contributions - State	-
c. Contributions - Member	846,449
d. Net Investment Income	5,737,676
e. Benefit Payments	(3,219,386)
f. Contribution Refunds	(449,012)
g. Administrative Expense	(91,246)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	5,121,001
j. Plan Fiduciary Net Position - Beginning	54,664,380
k. Plan Fiduciary Net Position - Ending	\$ 59,785,381

3. Net Pension Liability / (Asset) 20,106,999

Certain Key Assumptions

Valuation Date	10/01/2022
Measurement Date	09/30/2023
Investment Return Assumption	7.00%
Mortality Table	2022 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

	2023
a. Service Cost	\$ 1,126,253
b. Interest	5,209,960
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	2,204,903
e. Assumption Changes	411,575
f. Benefit Payments	(3,219,386)
g. Contribution Refunds	(449,012)
h. Net Change in Total Pension Liability	5,284,293
i. Total Pension Liability - Beginning	74,608,087
j. Total Pension Liability - Ending	\$ 79,892,380

2. Plan Fiduciary Net Position

a. Contributions - Employer	\$ 2,296,520
b. Contributions - State	-
c. Contributions - Member	846,449
d. Net Investment Income	5,737,676
e. Benefit Payments	(3,219,386)
f. Contribution Refunds	(449,012)
g. Administrative Expense	(91,246)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	5,121,001
j. Plan Fiduciary Net Position - Beginning	54,664,380
k. Plan Fiduciary Net Position - Ending	\$ 59,785,381

3. Net Pension Liability / (Asset) 20,106,999

Certain Key Assumptions

Valuation Date	10/01/2022
Measurement Date	09/30/2023
Investment Return Assumption	7.00%
Mortality Table	2022 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

	2023
a. Service Cost	\$ 1,713,356
b. Interest	4,856,025
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	-
e. Assumption Changes	-
f. Benefit Payments	(3,219,386)
g. Contribution Refunds	(449,012)
h. Net Change in Total Pension Liability	2,900,983
i. Total Pension Liability - Beginning	97,241,344
j. Total Pension Liability - Ending	\$ 100,142,327

2. Plan Fiduciary Net Position

a. Contributions - Employer	\$ 2,296,520
b. Contributions - State	-
c. Contributions - Member	846,449
d. Net Investment Income	5,737,676
e. Benefit Payments	(3,219,386)
f. Contribution Refunds	(449,012)
g. Administrative Expense	(91,246)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	5,121,001
j. Plan Fiduciary Net Position - Beginning	54,664,380
k. Plan Fiduciary Net Position - Ending	\$ 59,785,381

3. Net Pension Liability / (Asset) 40,356,946

Certain Key Assumptions

Valuation Date	10/01/2022
Measurement Date	09/30/2023
Investment Return Assumption	5.00%
Mortality Table	2022 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,	<u>2023</u>
1. Total pension liability	
a. Service Cost	\$ 788,101
b. Interest	5,602,709
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	-
e. Assumption Changes	-
f. Benefit Payments	(3,219,386)
g. Contribution Refunds	(449,012)
h. Net Change in Total Pension Liability	<u>2,722,412</u>
i. Total Pension Liability - Beginning	<u>63,298,423</u>
j. Total Pension Liability - Ending	<u>\$ 66,020,835</u>
 2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ 2,296,520
b. Contributions - State	-
c. Contributions - Member	846,449
d. Net Investment Income	5,737,676
e. Benefit Payments	(3,219,386)
f. Contribution Refunds	(449,012)
g. Administrative Expense	(91,246)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	<u>5,121,001</u>
j. Plan Fiduciary Net Position - Beginning	<u>54,664,380</u>
k. Plan Fiduciary Net Position - Ending	<u>\$ 59,785,381</u>
 3. Net Pension Liability / (Asset)	 6,235,454
 Certain Key Assumptions	
Valuation Date	10/01/2022
Measurement Date	09/30/2023
Investment Return Assumption	9.00%
Mortality Table	2022 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)
2024	55,279,959	3,712,228	4,496,250	54,495,937
2025	54,495,937	3,651,926	4,651,137	53,496,726
2026	53,496,726	3,570,719	4,972,919	52,094,526
2027	52,094,526	3,465,486	5,175,167	50,384,845
2028	50,384,845	3,336,695	5,435,559	48,285,981
2029	48,285,981	3,183,660	5,610,260	45,859,381
2030	45,859,381	3,008,093	5,773,240	43,094,234
2031	43,094,234	2,809,563	5,915,253	39,988,544
2032	39,988,544	2,588,591	6,017,353	36,559,782
2033	36,559,782	2,345,614	6,102,029	32,803,367
2034	32,803,367	2,078,889	6,209,912	28,672,344
2035	28,672,344	1,786,442	6,303,474	24,155,312
2036	24,155,312	1,467,830	6,372,624	19,250,518
2037	19,250,518	1,122,335	6,434,336	13,938,517
2038	13,938,517	750,108	6,445,383	8,243,242
2039	8,243,242	352,515	6,414,618	2,181,139
2040	2,181,139	-	6,376,105	-
2041	-	-	6,312,362	-
2042	-	-	6,233,406	-
2043	-	-	6,139,433	-
2044	-	-	6,044,256	-
2045	-	-	5,928,714	-
2046	-	-	5,788,535	-
2047	-	-	5,642,579	-
2048	-	-	5,479,475	-
2049	-	-	5,304,046	-

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: 16.33

Certain Key Assumptions

Valuation Investment Return Assumption 7.00%
 Valuation Mortality Table 2022 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)
2024	55,279,959	3,712,228	4,496,250	54,495,937
2025	54,495,937	3,651,926	4,651,137	53,496,726
2026	53,496,726	3,570,719	4,972,919	52,094,526
2027	52,094,526	3,465,486	5,175,167	50,384,845
2028	50,384,845	3,336,695	5,435,559	48,285,981
2029	48,285,981	3,183,660	5,610,260	45,859,381
2030	45,859,381	3,008,093	5,773,240	43,094,234
2031	43,094,234	2,809,563	5,915,253	39,988,544
2032	39,988,544	2,588,591	6,017,353	36,559,782
2033	36,559,782	2,345,614	6,102,029	32,803,367
2034	32,803,367	2,078,889	6,209,912	28,672,344
2035	28,672,344	1,786,442	6,303,474	24,155,312
2036	24,155,312	1,467,830	6,372,624	19,250,518
2037	19,250,518	1,122,335	6,434,336	13,938,517
2038	13,938,517	750,108	6,445,383	8,243,242
2039	8,243,242	352,515	6,414,618	2,181,139
2040	2,181,139	-	6,376,105	-
2041	-	-	6,312,362	-
2042	-	-	6,233,406	-
2043	-	-	6,139,433	-
2044	-	-	6,044,256	-
2045	-	-	5,928,714	-
2046	-	-	5,788,535	-
2047	-	-	5,642,579	-
2048	-	-	5,479,475	-
2049	-	-	5,304,046	-

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: 16.33

Certain Key Assumptions

Valuation Investment Return Assumption	7.00%
Valuation Mortality Table	2022 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)
2024	55,279,959	2,651,592	4,496,250	53,435,301
2025	53,435,301	2,555,487	4,651,137	51,339,651
2026	51,339,651	2,442,660	4,972,919	48,809,392
2027	48,809,392	2,311,090	5,175,167	45,945,315
2028	45,945,315	2,161,377	5,435,559	42,671,133
2029	42,671,133	1,993,300	5,610,260	39,054,173
2030	39,054,173	1,808,378	5,773,240	35,089,311
2031	35,089,311	1,606,584	5,915,253	30,780,642
2032	30,780,642	1,388,598	6,017,353	26,151,887
2033	26,151,887	1,155,044	6,102,029	21,204,902
2034	21,204,902	904,997	6,209,912	15,899,987
2035	15,899,987	637,413	6,303,474	10,233,926
2036	10,233,926	352,381	6,372,624	4,213,683
2037	4,213,683	49,826	6,434,336	-
2038	-	-	6,445,383	-
2039	-	-	6,414,618	-
2040	-	-	6,376,105	-
2041	-	-	6,312,362	-
2042	-	-	6,233,406	-
2043	-	-	6,139,433	-
2044	-	-	6,044,256	-
2045	-	-	5,928,714	-
2046	-	-	5,788,535	-
2047	-	-	5,642,579	-
2048	-	-	5,479,475	-
2049	-	-	5,304,046	-

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	2022 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)
2024	55,279,959	4,772,865	4,496,250	55,556,574
2025	55,556,574	4,790,790	4,651,137	55,696,227
2026	55,696,227	4,788,879	4,972,919	55,512,187
2027	55,512,187	4,763,214	5,175,167	55,100,234
2028	55,100,234	4,714,421	5,435,559	54,379,096
2029	54,379,096	4,641,657	5,610,260	53,410,493
2030	53,410,493	4,547,149	5,773,240	52,184,402
2031	52,184,402	4,430,410	5,915,253	50,699,559
2032	50,699,559	4,292,179	6,017,353	48,974,385
2033	48,974,385	4,133,103	6,102,029	47,005,459
2034	47,005,459	3,951,045	6,209,912	44,746,592
2035	44,746,592	3,743,537	6,303,474	42,186,655
2036	42,186,655	3,510,031	6,372,624	39,324,062
2037	39,324,062	3,249,620	6,434,336	36,139,346
2038	36,139,346	2,962,499	6,445,383	32,656,462
2039	32,656,462	2,650,424	6,414,618	28,892,268
2040	28,892,268	2,313,379	6,376,105	24,829,542
2041	24,829,542	1,950,602	6,312,362	20,467,782
2042	20,467,782	1,561,597	6,233,406	15,795,973
2043	15,795,973	1,145,363	6,139,433	10,801,903
2044	10,801,903	700,180	6,044,256	5,457,827
2045	5,457,827	224,412	5,928,714	-
2046	-	-	5,788,535	-
2047	-	-	5,642,579	-
2048	-	-	5,479,475	-
2049	-	-	5,304,046	-

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:

21.92

Certain Key Assumptions

Valuation Investment Return Assumption

9.00%

Valuation Mortality Table

2022 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, 2023	October 1, 2023	October 1, 2023	October 1, 2023
B. Actuarial 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*	Monthly	Monthly	Monthly	Monthly
D. Annual Payment to Amortize Unfunded Actuarial Liability	\$ 2,032,518	\$ 2,032,518	\$ 2,740,029	\$ 1,274,033
E. Employer Normal Cost	711,027	711,027	1,367,319	314,898
F. Employer ADC if Paid on Valuation Date: D + E	2,743,545	2,743,545	4,107,348	1,588,931
G. Employer ADC Adjusted for Frequency of Payments	2,845,418	2,845,418	4,216,929	1,664,348
H. Employer ADC Adjusted for Frequency of Payments as % of Covered Payroll	45.88 %	45.88 %	67.99 %	26.84 %
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	6,372,534	6,372,534	6,372,534	6,372,534
K. Employer ADC for Contribution Year: H x J	2,923,667	2,923,667	4,332,894	1,710,117
L. Estimated State Revenue in Contribution Year	0	0	0	0
M. Net Employer ADC in Contribution Year	2,923,667	2,923,667	4,332,894	1,710,117
N. Net Employer ADC as % of Covered Payroll in Contribution Year: M ÷ J	45.88 %	45.88 %	67.99 %	26.84 %
O. Expected Member Contributions	700,979	700,979	700,979	700,979
P. Total Contribution (including Members)	3,624,646	3,624,646	5,033,873	2,411,096
Q. Total Contribution as % of Covered Payroll in Contribution Year: P ÷ J	56.88 %	56.88 %	78.99 %	37.84 %
R. Certain Key Assumptions				
Investment Return Assumption	7.00%	7.00%	5.00%	9.00%
Mortality Table	2022 FRS Mortality - Regular Class	2022 FRS Mortality - Regular Class	2022 FRS Mortality - Regular Class	2022 FRS Mortality - Regular Class

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

