



October 10, 2023

Lt. Nicholas Mathis
Chairman, Board of Trustees
DeLand Municipal Police Officers' Retirement Plan
219 West Howry Avenue
DeLand, Florida 32720-5483

Re: DeLand Municipal Police Officers' Retirement Plan

Dear Lt. Mathis:

As requested, we are pleased to enclose the October 1, 2022 Chapter 112.664 Compliance Report for the DeLand Municipal Police Officers' Retirement Plan (Plan).

As required, we will timely upload the required data to the State's online portal.

Please note we understand the following items must be posted on the Plan's website and must be posted on any website containing budget information relating to the City or actuarial or performance information relating to the Plan:

- this compliance report
- most recent financial statement
- most recent actuarial valuation report
- a link to the Division of Retirement Actuarial Summary Fact Sheet
http://www.dms.myflorida.com/workforce_operations/retirement/local_retirement_plans/local_retirement_section/actuarial_summary_fact_sheets
- for the previous five years - a side-by-side comparison of the Plan's assumed rate of return compared to the actual rate of return as well as the percentages of cash, equity, bond and alternative investments in the Plan portfolio
- the Plan's funded ratio as determined in the most recent actuarial valuation – 72.7% on a market value of assets basis as of October 1, 2022.

We appreciate the opportunity to work with the Board on this important assignment.

If you should have any questions concerning the above, please do not hesitate to contact us.

Sincerest regards,
Gabriel, Roeder, Smith & Company

A handwritten signature in black ink that reads 'Jennifer Borregard'. The signature is written in a cursive, flowing style.

Jennifer M. Borregard, E.A.
Consultant and Actuary

Enclosures

cc: Mr. Dan Stauffer

DeLand Municipal Police Officers' 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 Ended September 30, 2022





October 10, 2023

Lt. Nicholas Mathis
Chairman, Board of Trustees
City of DeLand Municipal Police Officers'
Retirement Plan
219 West Howry Avenue
DeLand, Florida 32720-5483

Re: October 1, 2022 Chapter 112.664 Compliance Report

Dear Lt. Mathis:

Gabriel, Roeder, Smith & Company (GRS) has been engaged by the Board of Trustees (Board) of the DeLand Municipal Police Officers' Retirement Plan (Plan) 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: Plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the Plan's funded status); and changes in Plan provisions or applicable law. The scope of this engagement does not include an analysis of the potential range of such measurements.

This report was based upon information furnished by the City and the Board concerning Plan benefits, Plan provisions and Plan 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 Plan is responsible for the accuracy of the data.

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 Board's assumptions are based on the results of an actuarial Experience Study for the period October 1, 2013 – September 30, 2019. The assumptions represent an estimate of future Plan experience. The mortality assumptions are prescribed by statute and were updated in 2019.

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 Plan 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 Plan assets will be sufficient to pay all Plan benefits, future contributions are expected to remain relatively stable as a percentage of payroll and the funded status of the Plan is expected to improve. Plan minimum required contributions are determined in compliance with the requirements of the Florida Protection of Public Employee Retirement Benefits Act and Police Officers Retirement Chapter 185 with normal cost determined as a level percent of covered payroll and a level dollar amortization payment using an initial amortization period of 30 years.

The Plan's funded ratio as of October 1, 2022 is 72.7% defined as the ratio of the market value of Plan assets to the actuarial accrued liability.

The Plan's funded ratio and the GASB Net Pension Liability may not be appropriate for assessing the sufficiency of Plan 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 Plan sponsor.

This report has been prepared by actuaries who have substantial experience valuing public employee retirement plans. To the best of our knowledge the information contained in this report is accurate and presents the actuarial position of the Plan 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 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 *Jennifer Borregard*

Jennifer M. Borregard, M.A.A.A.
Enrolled Actuary No. 23-07624
Consultant & Actuary

By *Michelle Jones*

Shelly L. Jones, M.A.A.A.
Enrolled Actuary No. 23-08646
Consultant & Actuary



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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.

	September 30, 2022
Measurement Date	
A. <u>Total Pension Liability (TPL)</u>	
Service Cost	\$ 1,087,162
Interest	2,789,445
Benefit Changes	0
Difference Between Actual and Expected Experience	483,288
Assumption Changes	0
Benefit Payments	(1,939,203)
Contribution Refunds	(15,295)
Other	0
Net Change in Total Pension Liability	\$ 2,405,397
Total Pension Liability (TPL) - (beginning of year)	37,718,017
Total Pension Liability (TPL) - (end of year)	\$ 40,123,414
B. <u>Plan Fiduciary Net Position</u>	
Contributions - City	\$ 1,101,132
Contributions - State	351,046
Contributions - Member	393,800
Net Investment Income	(6,920,187)
Benefit Payments	(1,939,203)
Contribution Refunds	(15,295)
Administrative Expenses	(112,604)
Other	0
Net Change in Plan Fiduciary Net Position	\$ (7,141,311)
Plan Fiduciary Net Position - (beginning of year)	36,900,410
Plan Fiduciary Net Position - (end of year)	\$ 29,759,099
C. <u>Net Pension Liability (NPL) - (end of year): (A) - (B)</u>	\$ 10,364,315

Valuation Date October 1, 2021

Certain Key Assumptions

Investment Return Assumption 7.5%

Mortality Table:

For healthy participants during employment, PUB-2010 Headcount Weighted Safety Employee Female Mortality Table and Safety Below Median Employee Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For healthy participants post employment, PUB-2010 Headcount Weighted Safety Healthy Retiree Female Mortality Table and Safety Below Median Healthy Retiree Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For disabled participants, 80% PUB-2010 Headcount Weighted General Disabled Retiree Mortality Table / 20% PUB-2010 Headcount Weighted Safety Disabled Retiree Mortality Table, separate rates for males and females, without projected mortality improvements.



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

	September 30, 2022
Measurement Date	
A. <u>Total Pension Liability (TPL)</u>	
Service Cost	\$ 1,691,337
Interest	2,641,127
Benefit Changes	0
Difference Between Actual and Expected Experience	770,805
Assumption Changes	0
Benefit Payments	(1,939,203)
Contribution Refunds	(15,295)
Other	0
Net Change in Total Pension Liability	\$ 3,148,771
Total Pension Liability (TPL) - (beginning of year)	47,941,786
Total Pension Liability (TPL) - (end of year)	\$ 51,090,557
B. <u>Plan Fiduciary Net Position</u>	
Contributions - City	\$ 1,101,132
Contributions - State	351,046
Contributions - Member	393,800
Net Investment Income	(6,920,187)
Benefit Payments	(1,939,203)
Contribution Refunds	(15,295)
Administrative Expenses	(112,604)
Other	0
Net Change in Plan Fiduciary Net Position	\$ (7,141,311)
Plan Fiduciary Net Position - (beginning of year)	36,900,410
Plan Fiduciary Net Position - (end of year)	\$ 29,759,099
C. <u>Net Pension Liability (NPL) - (end of year): (A) - (B)</u>	\$ 21,331,458
Valuation Date	October 1, 2021

Certain Key Assumptions

Investment Return Assumption 5.5%

Mortality Table:

For healthy participants during employment, PUB-2010 Headcount Weighted Safety Employee Female Mortality Table and Safety Below Median Employee Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For healthy participants post employment, PUB-2010 Headcount Weighted Safety Healthy Retiree Female Mortality Table and Safety Below Median Healthy Retiree Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For disabled participants, 80% PUB-2010 Headcount Weighted General Disabled Retiree Mortality Table / 20% PUB-2010 Headcount Weighted Safety Disabled Retiree Mortality Table, separate rates for males and females, without projected mortality improvements.



Net Pension Liability
Using Assumptions Required Under 112.664(1)(a), F.S. Plus 2% on Investment Return Assumption

	September 30, 2022
Measurement Date	
A. <u>Total Pension Liability (TPL)</u>	
Service Cost	\$ 734,868
Interest	2,838,384
Benefit Changes	0
Difference Between Actual and Expected Experience	304,872
Assumption Changes	0
Benefit Payments	(1,939,203)
Contribution Refunds	(15,295)
Other	0
Net Change in Total Pension Liability	\$ 1,923,626
Total Pension Liability (TPL) - (beginning of year)	30,764,294
Total Pension Liability (TPL) - (end of year)	\$ 32,687,920
B. <u>Plan Fiduciary Net Position</u>	
Contributions - City	\$ 1,101,132
Contributions - State	351,046
Contributions - Member	393,800
Net Investment Income	(6,920,187)
Benefit Payments	(1,939,203)
Contribution Refunds	(15,295)
Administrative Expenses	(112,604)
Other	0
Net Change in Plan Fiduciary Net Position	\$ (7,141,311)
Plan Fiduciary Net Position - (beginning of year)	36,900,410
Plan Fiduciary Net Position - (end of year)	\$ 29,759,099
C. <u>Net Pension Liability (NPL) - (end of year): (A) - (B)</u>	\$ 2,928,821
Valuation Date	October 1, 2021

Certain Key Assumptions

Investment Return Assumption 9.5%

Mortality Table:

For healthy participants during employment, PUB-2010 Headcount Weighted Safety Employee Female Mortality Table and Safety Below Median Employee Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For healthy participants post employment, PUB-2010 Headcount Weighted Safety Healthy Retiree Female Mortality Table and Safety Below Median Healthy Retiree Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For disabled participants, 80% PUB-2010 Headcount Weighted General Disabled Retiree Mortality Table / 20% PUB-2010 Headcount Weighted Safety Disabled Retiree Mortality Table, separate rates for males and females, 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	29,015,496	2,081,476	2,356,787	28,740,185
2024	28,740,185	2,056,652	2,460,711	28,336,126
2025	28,336,126	2,024,726	2,501,078	27,859,774
2026	27,859,774	1,987,285	2,543,746	27,303,313
2027	27,303,313	1,943,343	2,598,688	26,647,968
2028	26,647,968	1,891,618	2,662,757	25,876,829
2029	25,876,829	1,830,955	2,733,133	24,974,651
2030	24,974,651	1,761,616	2,774,837	23,961,430
2031	23,961,430	1,684,528	2,802,133	22,843,825
2032	22,843,825	1,599,656	2,828,311	21,615,170
2033	21,615,170	1,506,914	2,843,066	20,279,018
2034	20,279,018	1,405,964	2,861,465	18,823,517
2035	18,823,517	1,295,527	2,893,165	17,225,879
2036	17,225,879	1,174,767	2,916,492	15,484,154
2037	15,484,154	1,043,781	2,925,384	13,602,551
2038	13,602,551	902,422	2,931,317	11,573,656
2039	11,573,656	749,985	2,938,033	9,385,608
2040	9,385,608	585,803	2,939,999	7,031,412
2041	7,031,412	409,275	2,939,079	4,501,608
2042	4,501,608	219,741	2,934,065	1,787,284
2043	1,787,284	35,381	2,916,138	-
2044	-	-	2,890,607	-
2045	-	-	2,858,496	-
2046	-	-	2,821,950	-
2047	-	-	2,781,487	-
2048	-	-	2,736,767	-
2049	-	-	2,687,589	-
2050	-	-	2,634,123	-
2051	-	-	2,575,819	-
2052	-	-	2,512,619	-

Number of years for which current market value of assets are adequate to sustain the payment of expected retirement benefits reflecting no future contributions from the City, Members or State: 20.58

Certain Key Assumptions

Investment return assumption 7.5%

Mortality Table:

For healthy participants during employment, PUB-2010 Headcount Weighted Safety Employee Female Mortality Table and Safety Below Median Employee Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For healthy participants post employment, PUB-2010 Headcount Weighted Safety Healthy Retiree Female Mortality Table and Safety Below Median Healthy Retiree Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For disabled participants, 80% PUB-2010 Headcount Weighted General Disabled Retiree Mortality Table / 20% PUB-2010 Headcount Weighted Safety Disabled Retiree Mortality Table, separate rates for males and females, without projected mortality improvements.

Note: As required in Section 112.664(c) of the Florida Statutes, the projection of Plan assets does not include future contributions from the City, Members or State. For this reason, this projection should not be viewed as representative of the amount of time the Plan can sustain benefit payments. Under the Government Accounting Standards Board standards which include City, Member and State contributions, the Plan 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.

<u>FYE</u>	<u>Market Value of Assets (BOY)</u>	<u>Expected Investment Return</u>	<u>Projected Benefit Payments</u>	<u>Market Value of Assets (EOY)</u>
2023	29,015,496	1,526,214	2,356,787	28,184,923
2024	28,184,923	1,477,462	2,460,711	27,201,674
2025	27,201,674	1,422,190	2,501,078	26,122,786
2026	26,122,786	1,361,591	2,543,746	24,940,631
2027	24,940,631	1,294,949	2,598,688	23,636,892
2028	23,636,892	1,221,350	2,662,757	22,195,485
2029	22,195,485	1,139,993	2,733,133	20,602,345
2030	20,602,345	1,051,138	2,774,837	18,878,646
2031	18,878,646	955,528	2,802,133	17,032,041
2032	17,032,041	853,191	2,828,311	15,056,921
2033	15,056,921	744,124	2,843,066	12,957,979
2034	12,957,979	628,138	2,861,465	10,724,652
2035	10,724,652	504,369	2,893,165	8,335,856
2036	8,335,856	372,296	2,916,492	5,791,660
2037	5,791,660	232,102	2,925,384	3,098,378
2038	3,098,378	83,796	2,931,317	250,857
2039	250,857	27	2,938,033	-
2040	-	-	2,939,999	-
2041	-	-	2,939,079	-
2042	-	-	2,934,065	-
2043	-	-	2,916,138	-
2044	-	-	2,890,607	-
2045	-	-	2,858,496	-
2046	-	-	2,821,950	-
2047	-	-	2,781,487	-
2048	-	-	2,736,767	-
2049	-	-	2,687,589	-
2050	-	-	2,634,123	-
2051	-	-	2,575,819	-
2052	-	-	2,512,619	-

Number of years for which current market value of assets are adequate to sustain the payment of expected retirement benefits reflecting no future contributions from the City, Members or State: 16.08

Certain Key Assumptions

Investment return assumption 5.5%

Mortality Table:

For healthy participants during employment, PUB-2010 Headcount Weighted Safety Employee Female Mortality Table and Safety Below Median Employee Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For healthy participants post employment, PUB-2010 Headcount Weighted Safety Healthy Retiree Female Mortality Table and Safety Below Median Healthy Retiree Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For disabled participants, 80% PUB-2010 Headcount Weighted General Disabled Retiree Mortality Table / 20% PUB-2010 Headcount Weighted Safety Disabled Retiree Mortality Table, separate rates for males and females, without projected mortality improvements.

Note: As required in Section 112.664(c) of the Florida Statutes, the projection of Plan assets does not include future contributions from the City, Members or State. For this reason, this projection should not be viewed as representative of the amount of time the Plan can sustain benefit payments. Under the Government Accounting Standards Board standards which include City, Member and State contributions, the Plan 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	29,015,496	2,636,877	2,356,787	29,295,586
2024	29,295,586	2,658,212	2,460,711	29,493,087
2025	29,493,087	2,674,926	2,501,078	29,666,935
2026	29,666,935	2,689,277	2,543,746	29,812,466
2027	29,812,466	2,700,314	2,598,688	29,914,092
2028	29,914,092	2,706,717	2,662,757	29,958,052
2029	29,958,052	2,707,322	2,733,133	29,932,241
2030	29,932,241	2,702,754	2,774,837	29,860,158
2031	29,860,158	2,694,521	2,802,133	29,752,546
2032	29,752,546	2,682,969	2,828,311	29,607,204
2033	29,607,204	2,668,413	2,843,066	29,432,551
2034	29,432,551	2,650,887	2,861,465	29,221,973
2035	29,221,973	2,629,274	2,893,165	28,958,082
2036	28,958,082	2,603,021	2,916,492	28,644,611
2037	28,644,611	2,572,790	2,925,384	28,292,017
2038	28,292,017	2,538,992	2,931,317	27,899,692
2039	27,899,692	2,501,380	2,938,033	27,463,039
2040	27,463,039	2,459,799	2,939,999	26,982,839
2041	26,982,839	2,414,226	2,939,079	26,457,986
2042	26,457,986	2,364,620	2,934,065	25,888,541
2043	25,888,541	2,311,432	2,916,138	25,283,835
2044	25,283,835	2,255,281	2,890,607	24,648,509
2045	24,648,509	2,196,554	2,858,496	23,986,567
2046	23,986,567	2,135,524	2,821,950	23,300,141
2047	23,300,141	2,072,367	2,781,487	22,591,021
2048	22,591,021	2,007,270	2,736,767	21,861,524
2049	21,861,524	1,940,463	2,687,589	21,114,398
2050	21,114,398	1,872,199	2,634,123	20,352,474
2051	20,352,474	1,802,775	2,575,819	19,579,430
2052	19,579,430	1,732,543	2,512,619	18,799,354

Number of years for which current market value of assets are adequate to sustain the payment of expected retirement benefits reflecting no future contributions from the City, Members or State:

All future years

Certain Key Assumptions

Investment return assumption

9.5%

Mortality Table:

For healthy participants during employment, PUB-2010 Headcount Weighted Safety Employee Female Mortality Table and Safety Below Median Employee Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For healthy participants post employment, PUB-2010 Headcount Weighted Safety Healthy Retiree Female Mortality Table and Safety Below Median Healthy Retiree Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For disabled participants, 80% PUB-2010 Headcount Weighted General Disabled Retiree Mortality Table / 20% PUB-2010 Headcount Weighted Safety Disabled Retiree Mortality Table, separate rates for males and females, without projected mortality improvements.

Note: As required in Section 112.664(c) of the Florida Statutes, the projection of Plan assets does not include future contributions from the City, Members or State. For this reason, this projection should not be viewed as representative of the amount of time the Plan can sustain benefit payments. Under the Government Accounting Standards Board standards which include City, Member and State contributions, the Plan 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	\$ 4,740,903	\$ 4,740,903	\$ 4,740,903
D. Total Minimum Funding Requirement			
1. Total Normal Cost	\$ 1,317,180	\$ 2,005,241	\$ 915,937
2. Annual Payment to Amortize Unfunded Actuarial Liability	624,033	1,310,939	(31,728)
3. Interest Adjustment	50,422	55,666	39,539
4. Total Minimum Funding Requirement (1. + 2. + 3., not less than 1.)	\$ 1,991,635	\$ 3,371,846	\$ 923,748
E. Expected Payroll of Active Employees for Following Plan Year (\$ / % of pay) (C x 1.000)	\$ 4,740,903 100.00%	\$ 4,740,903 100.00%	\$ 4,740,903 100.00%
F. Expected Contribution Sources (\$ / % of pay)			
1. City	\$ 1,358,315 28.65%	\$ 2,738,526 57.76%	\$ 290,428 6.13%
2. Member	367,420 7.75%	367,420 7.75%	367,420 7.75%
3. State	265,900 5.61%	265,900 5.61%	265,900 5.61%
4. Total	\$ 1,991,635 42.01%	\$ 3,371,846 71.12%	\$ 923,748 19.48%



Unfunded Actuarial Accrued Liabilities Bases and Amortization Payments

Amortization Base	Current Unfunded Liabilities	Amortization Payment			Remaining Funding Period
		Valuation and 112.664(1)(a), F.S. Assumptions	112.664(1)(b), F.S. Assumptions	112.664(1)(a), F.S. Assumptions Plus 2%	
10/01/2017 Combined Credit Bases *	\$ (3,604,078)	\$ (632,978)	\$ (601,127)	\$ (664,980)	7 years
10/01/2017 Combined Charge Bases *	11,429,675	1,374,515	1,257,039	1,494,602	12 years
10/01/2018 Actuarial Loss / (Gain)	(774,634)	(63,772)	(53,742)	(74,216)	26 years
10/01/2019 Actuarial Loss / (Gain)	381,257	30,998	26,002	36,200	27 years
10/01/2019 Assumption Change	(776,813)	(63,158)	(52,980)	(73,757)	27 years
10/01/2020 Actuarial Loss / (Gain)	(823,301)	(66,174)	(55,262)	(77,536)	28 years
10/01/2020 Assumption Change	355,208	28,551	23,843	33,452	28 years
10/01/2021 Actuarial Loss / (Gain)	(979,830)	(77,929)	(64,797)	(91,598)	29 years
10/01/2022 Actuarial Loss / (Gain)	1,193,186	93,980	77,818	110,798	30 years
10/01/2022 Assumption Change - 112.664(1)(b), F.S. Assumptions	11,563,378	N/A	754,145	N/A	30 years
10/01/2022 Assumption Change - 112.664(1)(a), F.S. Assumptions Plus 2%	(7,804,237)	N/A	N/A	(724,693)	30 years

* Combined per Internal Revenue Code Regulation 1.412(b)-1



SECTION B

SUMMARY OF PLAN PROVISIONS

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

A. Effective Date:

January 1, 1973, amended through Ordinance 2017-06, adopted February 6, 2017.

B. Eligibility Requirements:

Certified full time law enforcement officer in the service of the City of DeLand.

C. Employee Contributions:

7.75% of basic compensation. Effective September 29, 1990, employee contributions are *picked-up* by the City.

D. Credited Service:

Service computed in completed months from date of employment to actual retirement date (or date of termination, if earlier).

E. Final Monthly Compensation (FMC):

Average monthly rate of basic compensation during the best 5 years out of the last 10 years preceding date of retirement (or termination). Basic compensation includes overtime pay and employee contributions picked-up by the City but excludes commissions, bonuses and expense allowances. Accrued leave will be frozen as of September 30, 2013.

F. Normal Retirement:

1. Eligibility:

Earlier of:

- (a) Attainment of age 55 with completion of 10 years of credited service.
- (b) Completion of 20 years of credited service.

2. Benefit:

3% times FMC times credited service.

G. Early Retirement:

1. Eligibility:

Attainment of age 50 with completion of 10 years of credited service.



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

G. Early Retirement (cont'd):

2. Benefit:

Benefit accrued to date of retirement, actuarially reduced, but not more than 3% reduction for each year early retirement date precedes normal retirement date.

H. Deferred Retirement:

Computed the same as set forth under Normal Retirement, based upon FMC and credited service as of deferred retirement date.

I. Disability Retirement:

1. Eligibility:

Total and permanent disability.

2. Benefit:

Service Connected Disability:

Monthly Retirement Income:

A monthly retirement income determined as the greater of 60% of FMC as of date of disability or benefit accrued based upon FMC and credited service to date of disability.

Form of Payment:

Monthly retirement income payable until the earliest of recovery from disability, death or normal retirement date. If the participant remains disabled until normal retirement date, the same benefit will be payable for 10 years certain (measured from normal retirement date) and life thereafter.

Non-Service Connected Disability:

Monthly Retirement Income:

A monthly retirement income of 50% of FMC as of date of disability.

Form of Payment:

Monthly retirement income payable for 10 years certain and life thereafter, or until recovery from disability prior to normal retirement date.



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

Death of Disabled Participant Prior to Normal Retirement Date:

Benefit to beneficiary (payable for ten (10) years certain and life thereafter) which can be supported by the greater of A or B, where A is the single-sum value of the accrued deferred benefit at date of death assuming continued credited service and assuming continued pay at last monthly rate to date of death and B is the smaller of (1) and (2), where (1) is 24 times FMC at date of death and (2) is 100 times the anticipated monthly normal retirement benefit.

J. Death Benefit:

Benefit to beneficiary (payable for ten (10) years certain and life thereafter) which can be supported by the greater of A or B, where A is the single-sum value of the accrued deferred benefit at date of death and B is the smaller of (1) and (2), where (1) is 24 times FMC at date of death and (2) is 100 times the anticipated monthly normal retirement benefit.

K. Vested Benefit Upon Termination:

1. Eligibility:

100% vesting upon the completion of 10 years of credited service. Employees who have not completed 10 years of credited service at date of termination of employment shall be entitled to the return of their employee contributions without interest.

2. Benefit at Normal Retirement Date:

Accrued benefit based upon credited service and FMC as of date of termination.

L. Normal Form of Retirement Income:

Monthly benefit payable for ten (10) years certain and life thereafter.

M. Deferred Retirement Option Program (DROP)

The DROP is available only if the participant makes an irrevocable election to participate within 60 days after having met normal retirement eligibility. The maximum participation period in the DROP is five (5) years, after which the participant must terminate employment from the City.

After each fiscal year quarter, the average daily balance in a participant's deferred retirement option account shall be credited at a rate of 6% per annum, compounded monthly.



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

N. Cost of Living Adjustment (COLA)

All current retirees, disableds, beneficiaries, DROPs and terminated vested members, who retired before January 1, 2008 and who have been receiving benefits for a minimum of twelve (12) months, will be eligible for an automatic annual cost of living adjustment (COLA) in the amount of 0.5%, per annum commencing January 1, 2006.

All participants, or the beneficiaries of said participants, who retire on or after January 1, 2008, shall be required to have attained Normal Retirement Date to be eligible to receive the above stated annual COLA.

Effective October 1, 2012, all participants who were employed on or after March 21, 2011 and who retire pursuant to normal retirement eligibility conditions, including entry into the DROP, and active DROP participants employed as of March 21, 2011 with the City shall receive an automatic annual cost of living adjustment (COLA) of 1.5% in addition to the above stated annual COLA of 0.5% in the January following the earlier of (1) attainment of age 55 but not before a period of one (1) year has elapsed from date of retirement or DROP entry or (2) three (3) years following the date of retirement or DROP entry.

O. Changes Since Previous Valuation

None.

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 Safety Employee Female Mortality Table and Safety Below Median Employee Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018.

For healthy participants post employment, PUB-2010 Headcount Weighted Safety Healthy Retiree Female Mortality Table and Safety Below Median Healthy Retiree Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018.

For disabled participants, 80% PUB-2010 Headcount Weighted General Disabled Retiree Mortality Table / 20% PUB-2010 Headcount Weighted Safety Disabled Retiree Mortality Table, separate rates for males and females, without projected mortality improvements.

Sample Ages (2022)	Pre-retirement Future Life Expectancy (Years)		Post-retirement Future Life Expectancy (Years)	
	Men	Women	Men	Women
	55	30.62	34.47	27.78
60	25.66	29.40	23.18	26.55
62	23.73	27.39	21.44	24.71

Sample Ages (2042)	Pre-retirement Future Life Expectancy (Years)		Post-retirement Future Life Expectancy (Years)	
	Men	Women	Men	Women
	55	32.25	35.96	29.67
60	27.23	30.84	24.97	28.30
62	25.27	28.81	23.18	26.42

B. Interest to be Earned by Fund

7.5%, compounded annually, net of investment expenses - includes inflation at 2.5%.



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

C. Allowances for Expenses or Contingencies

Estimated expenses are based on the average of actual expenses paid in the previous three years.

D. Employee Withdrawal Rates

Withdrawal rates for males and for females were used in accordance with the following illustrative example:

<u>Years of Service</u>	<u>Withdrawal Rates Per 100 Employees</u>
1	23.5
2	18.8
3	16.4
4	14.1
5	11.7
6	11.7
7	4.7
8	3.5
9	2.3
10	2.3
11 & Over	1.2

E. Disability Rates

The 1985 Disability Study - Class 2 separate male and female rates were used.

F. Salary Increase Factors

Current salary is assumed to increase at a rate based on the table below per year until retirement - includes wage inflation of 3.0%.

<u>Age</u>	<u>Salary Increase</u>
< 25	9.75%
25 - 29	7.75%
30 - 44	7.00%
45 +	6.50%

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

G. Assumed Retirement Age

<u>Age</u>	<u>Retirement Rates</u>
Early - Age 50 and 10 Years of Service Rule	
All Ages	2.5%
Normal - 20 Years and Out Rule (Prior to 55)	
40 - 44	35%
45 - 54	50%
Normal - Age 55 and 10 Years of Service Rule (Includes 20 Years and Out for age 55+)	
55 - 59	60%
60 and above	100%

However, all active members on the valuation date are assumed to have a minimum of one year of future service.

H. Loading

Service retirement liabilities are increased by 2.5% to account for unused vacation and compensatory leave for members hired prior to October 1, 2013.

I. Asset Valuation Method

The method used for determining the smoothed value of assets phases in the deviation between the expected and actual return on assets at the rate of 20% per year. The smoothed 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 plan 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 Plan had always been in effect. The normal cost for the Plan 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 Plan 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 the assets of the Plan.

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

J. Cost Method (cont'd)

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 salary increases, withdrawal and retirement rates are based on the most recent experience study performed for the six years ended 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. Change from Previous Valuation

None.

SECTION D

GLOSSARY

GLOSSARY

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

<i>Amortization Method</i>	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.
<i>Amortization Payment</i>	That portion of the plan contribution which is designed to pay interest on and to amortize the Unfunded Actuarial Accrued Liability.
<i>Amortization Period</i>	The period used in calculating the Amortization Payment.
<i>Annual Required Contribution</i>	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.
<i>Closed Amortization Period</i>	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.
<i>Employer Normal Cost</i>	The portion of the Normal Cost to be paid by the employer. This is equal to the Normal Cost less expected member contributions.
<i>Equivalent Single Amortization Period</i>	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.
<i>Experience Gain/Loss</i>	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.
<i>Funded Ratio</i>	The ratio of the Actuarial Value of Assets to the Actuarial Accrued Liability.

<i>GASB</i>	Governmental Accounting Standards Board.
<i>GASB No. 67 and GASB No. 68</i>	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.
<i>Normal Cost</i>	The annual cost assigned, under the Actuarial Cost Method, to the current plan year.
<i>Open Amortization Period</i>	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.
<i>Unfunded Actuarial Accrued Liability</i>	The difference between the Actuarial Accrued Liability and Actuarial Value of Assets.
<i>Valuation Date</i>	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.
<i>Vested Benefit Security Ratio</i>	The ratio of the Market Value of Asset to the Actuarial Present Value of Vested Accrued Benefits.