

**SPECIAL MEETING AGENDA TOWN OF GOLDEN BEACH EMPLOYEES' PENSION PLAN
1 GOLDEN BEACH DRIVE, GOLDEN BEACH, FL 33160**

February 22, 2024 3:00 p.m.

Call in #: 1-720-843-2859 Access Code: 7317441

CALL TO ORDER:

I. ROLL CALL: Chairperson Eric Fishman, Trustee Maria Camacho, Trustee Joseph Bautista, Trustee David Block and Trustee Jon Kessler

II. ACTUARY REPORT – Chuck Carr

III. REPORTS

- a. Attorney
- b. Chairperson
- c. Administrator

IV. PUBLIC COMMENTS

V. NEXT MEETING DATE: TBD

VII. ADJOURN:

Notice is hereby given that two or more members of the Town Council or other Town committees or boards may be in attendance at this meeting, which shall be open to the public at all times. If any person decides to appeal any decision made by the Board with respect to any matter considered at such a meeting, we will need a proceeding of that meeting. And that, for such purpose, he may need to insure a verbatim record of the proceedings, the record is to include the testimony and evidence upon which that appeal is to be based. F.S.S.286.0105. Any individual who believes he or she has a disability which requires a reasonable accommodation in order to participate fully and effectively in a meeting of the Pension Board must so notify the Town Clerk at (305) 932-0744 at least 24 hours prior to the date of the meeting.

Town of Golden Beach
Employees Pension Plan

Actuarial Valuation
As of October 1, 2023

Determines the Contribution
For the 2024/25 Fiscal Year



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February 2, 2024

Introduction

This report presents the results of the October 1, 2023 actuarial valuation for the Town of Golden Beach Employees Pension Plan. The report is based on the participant data and asset information provided by the pension plan administrator and, except for a cursory review for reasonableness including a comparison to the data provided for the previous valuation, we have not attempted to verify the accuracy of this information.

The primary purpose of this report is to provide a summary of the funded status of the plan as of October 1, 2023 and to determine the minimum required contribution under Chapter 112, Florida Statutes, for the 2024/25 plan year. In addition, this report provides a projection of the long-term funding requirements of the plan, statistical information concerning the assets held in the trust, statistical information concerning the participant population, and a summary of any recent plan changes.

The liabilities and cost presented in this report are based on numerous assumptions concerning the cost of benefits to be provided in the future, long-term investment returns, and the future demographic experience of the current participants. Anyone referring to this report should remember that the cost developed herein is only an *estimate* of the true cost of providing post-employment pension benefits. No one can predict with certainty whether the true cost will be higher or lower than the cost presented in this report. The calculated cost is entirely dependent upon the assumptions that are described in Table IV-A. If any of the assumptions is changed, then the cost shown in this report will change accordingly. Likewise, if any of the assumptions is not completely realized, then the cost shown in this report will change in the future.

Certain assumptions play a bigger role than others in determining the cost of the post-employment pension benefits. In some cases, relatively small changes in a particular assumption can have a dramatic impact on the anticipated cost of benefits. Although a thorough analysis of the impact of such changes is beyond the scope of this report, Table I-B illustrates the impact that alternative long-term investment returns would have on the contribution rate.

Minimum Required Contribution

Table I-A shows the development of the minimum required contribution for the 2024/25 plan year. The minimum required contribution is \$1,307,991, which equates to 36.29% of covered payroll. The minimum required contribution increased by \$365,525 from the prior valuation.

Table I-C provides a breakdown of the sources of change in the contribution rate. Significantly, the rate decreased by 0.08% of payroll due to investment gains, decreased by another 2.20% of payroll due to other experience, increased by 0.62% of payroll due to the plan amendment that is described below, and increased by 5.09% of payroll due to the assumption changes that are described below. Although the market value of assets earned 9.44% during the 2022/23 plan year, the actuarial value of assets is based on the market value adjusted to reflect a five-year phase-in of the



unexpected investment appreciation. On this basis, the actuarial value of assets only earned 7.16% during the 2022/23 plan year, whereas a 7.00% annual investment return was required to maintain a stable contribution rate.

Chapter 112, Florida Statutes, sets forth the rules concerning the minimum required contribution for public pension plans within the state. Essentially, the Town must contribute an amount equal to the annual normal cost of the plan plus an amortization payment towards the unfunded accrued liability and an adjustment as necessary to reflect interest on any delayed payment of the contribution beyond the valuation date.

Based on the current assets, participant data, and actuarial assumptions and methods that are used to value the plan, the present-day value of the total long-term funding requirement is \$26,574,167. As illustrated in Table I-A, current assets are sufficient to cover \$14,734,872 of this amount, the employer's 2023/24 contribution will cover \$942,466 of this amount, the employer's 2024/25 contribution will cover \$1,307,991 of this amount, and future employee contributions are expected to cover \$1,418,603 of this amount, leaving \$8,170,235 to be covered by future employer funding beyond the 2024/25 fiscal year. Again, demographic and investment experience that differs from that assumed will either increase or decrease the future employer funding requirement.

Plan Amendment

Since the completion of the previous valuation, Ordinance 604.23 was adopted. Effective September 26, 2023, this ordinance added several new alternative requirements for normal retirement, including normal retirement at either 30 years of service regardless of age or normal retirement at age 55 with at least 25 years of service, both for general employees, or normal retirement at 20 years of service regardless of age for the City Manager. The ordinance also added a Deferred Retirement Option Plan (DROP) for general employees with a maximum DROP participation period of three years, extended the maximum DROP participation period to five years for police officers, and made several other technical changes to the plan. The impact of these plan changes was to increase the minimum required contribution by 0.62% of payroll.

Assumption Changes

In connection with the addition of the alternative retirement ages and DROP described above, the assumed retirement rates were changed as described in Table IV-A. The impact of the assumption change was to increase the minimum required contribution by 5.09% of payroll.

Identification and Assessment of Risk

The liabilities and cost presented in this report are based on numerous assumptions concerning the cost of benefits to be provided in the future, long-term investment returns, and the future demographic experience of the current participants. Anyone referring to this report should remember that the cost developed herein is only an *estimate* of the true cost of providing post-employment pension benefits. No one can predict with certainty whether the true cost will be higher or lower than the cost presented in this report. The calculated cost is entirely dependent upon the assumptions



that are described in Table IV-A. If any of the assumptions is changed, then the cost shown in this report will change accordingly. Likewise, there is always a risk that, should these assumptions not be realized, the liabilities of the plan, the contributions required to fund the plan, and the funded status of the plan may be significantly different than the amounts shown in this report.

Although a thorough analysis of the risk of not meeting the assumptions is beyond the scope of this report, this discussion is intended to identify the significant risks faced by the plan. In some cases, a more detailed review of the risks, including numerical analysis, may be appropriate to help the plan sponsor and other interested parties assess the specific impact of not realizing certain assumptions. For example, Table I-B illustrates the impact that alternative long-term investment returns would have on the contribution rate. Note that this report is not intended to provide advice on the management or reduction of the identified risks nor is this report intended to provide investment advice.

The most significant risk faced by most defined benefit pension plans is investment risk, i.e. the risk that long-term investment returns will be less than assumed. Other related risks include a risk that, if the investments of the plan decline dramatically over a short period of time (such as occurred with many pension plans in 2008), the plan's assets may not have sufficient time to recover before benefits become due. Even if the assets of the plan grow in accordance with the assumed investment return over time, if benefit payments are expected to be large in the short-term (for example, if the plan provides an actuarial equivalent lump sum payment option and a large number of participants are expected to become entitled to such a lump sum in the near future), the plan's assets may not be sufficient to support such a high level of benefit payments. We have provided a 10-year projection of the expected benefit payments in Table III-G to help the Trustees in formulating an investment policy that is expected to provide an investment return that meets both the short- and long-term cash flow needs of the pension plan.

Another source of risk is demographic experience. This is the risk that participants will receive salary increases that are different than the amount assumed, that participants will retire, become disabled, or terminate their employment at a rate that is different than assumed, and that participants will live longer than assumed, just to cite a few examples of the demographic risk faced by the plan. Although for most pension plans, the demographic risk is not as significant as the investment risk, particularly in light of the fact that the mortality assumption includes a component for future life expectancy increases, the demographic risk can nevertheless be a significant contributing factor to liabilities and contribution rates that become higher than anticipated.

A third source of risk is the risk that the plan sponsor (or other contributing entities) will not make, or will not have the ability to make, the contributions that are required to keep the plan funded at a sufficient level. Material changes in the number of covered employees, covered payroll, and, in some cases, hours worked by active participants can also significantly impact the plan's liabilities and the level of contributions received by the plan.

Finally, an actuarial funding method has been used to allocate the gap between projected liabilities and assets to each year in the future. The contribution rate under some funding methods is higher during the early years of the plan and then is lower during the later years of the plan. Other funding methods provide for lower contribution rates initially, with increasing contribution rates over time.



The Trustees have adopted the frozen initial liability funding method for this plan, which is expected to result in a contribution rate that decreases over time as a percentage of payroll. A brief description of the actuarial funding method is provided in Table IV-A.

Contents of the Report

Tables I-D through I-I provide a detailed breakdown of various liability amounts by type of benefit and by participant group. Tables II-A through II-F provide information concerning the assets of the trust fund. Specifically, Table II-A shows the development of the actuarial value of assets. Tables III-A through III-G provide statistical information concerning the plan's participant population. In particular, Table III-G gives a 10-year projection of the cash that is expected to be required from the trust fund in order to pay benefits to the current group of participants. Finally, Tables IV-A through V-B provide a summary of the actuarial assumptions and methods that are used to value the plan's benefits and of the relevant plan provisions as of October 1, 2023, as well as a summary of the changes that have occurred since the previous valuation report was prepared.

Certification

This actuarial valuation was prepared by me or under my direct supervision and I acknowledge responsibility for the results. To the best of my knowledge, the results are complete and accurate and, in my opinion, the techniques and assumptions used are reasonable and meet the requirements and intent of Chapter 112, Florida Statutes. There is no benefit or expense to be provided by the plan and/or paid from the plan's assets for which liabilities or current costs have not been established or otherwise taken into account in the valuation. All known events or trends which may require a material change in plan costs or required contribution rates have been taken into account in the valuation.

For the firm,

Charles T. Carr

Charles T. Carr
Consulting Actuary
Southern Actuarial Services Company, Inc.

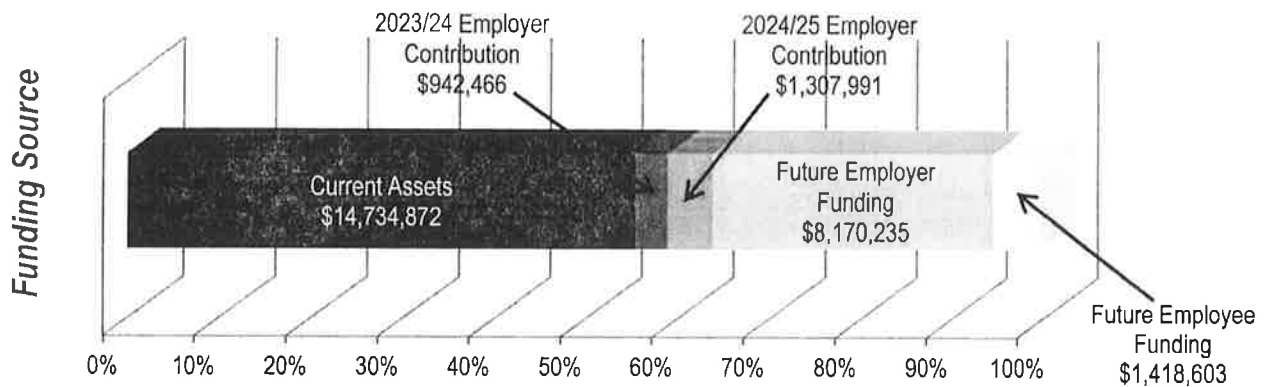
Enrolled Actuary No. 23-04927

The individual above is a member of the American Academy of Actuaries and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.



Minimum Required Contribution

Table I-A



For the 2024/25 Plan Year

Normal Cost for the 2023/24 Plan Year	\$826,639
Unfunded Liability Amortization Payment for the 2023/24 Plan Year	\$330,503
Expense Allowance for the 2023/24 Plan Year	\$80,963
	\$1,238,105
Adjustment to Reflect Monthly Employer Contributions	\$45,973
Adjustment to Reflect One-Year Delay in Application of Valuation Results	\$23,913
	\$69,886
Required Employer Contribution for the 2024/25 Plan Year	\$1,307,991
Expected Payroll for the 2024/25 Plan Year	÷ \$3,604,075
Minimum Required Contribution Rate	36.29%

Additional Disclosures

Present Value of Future Compensation	\$30,269,739
Present Value of Future Employer Contributions	\$10,420,692
Present Value of Future Employee Contributions	\$1,418,603



Minimum Required Contribution

Table I-A
(continued)

For the 2024/25 Plan Year

Estimated Contribution for General Employees Only

Normal Cost for the 2023/24 Plan Year	\$279,214
Unfunded Liability Amortization Payment for the 2023/24 Plan Year	\$116,201
Expense Allowance for the 2023/24 Plan Year	\$28,466
	<hr/>
	\$423,881
Adjustment to Reflect Monthly Employer Contributions	\$15,739
Adjustment to Reflect One-Year Delay in Application of Valuation Results	\$7,911
	<hr/>
Estimated Employer Contribution for the 2024/25 Plan Year	\$447,531
Expected Payroll for the 2024/25 Plan Year	÷ \$1,754,207
	<hr/>
Estimated Minimum Required Contribution Rate	25.51%

Estimated Contribution for Police Officers Only

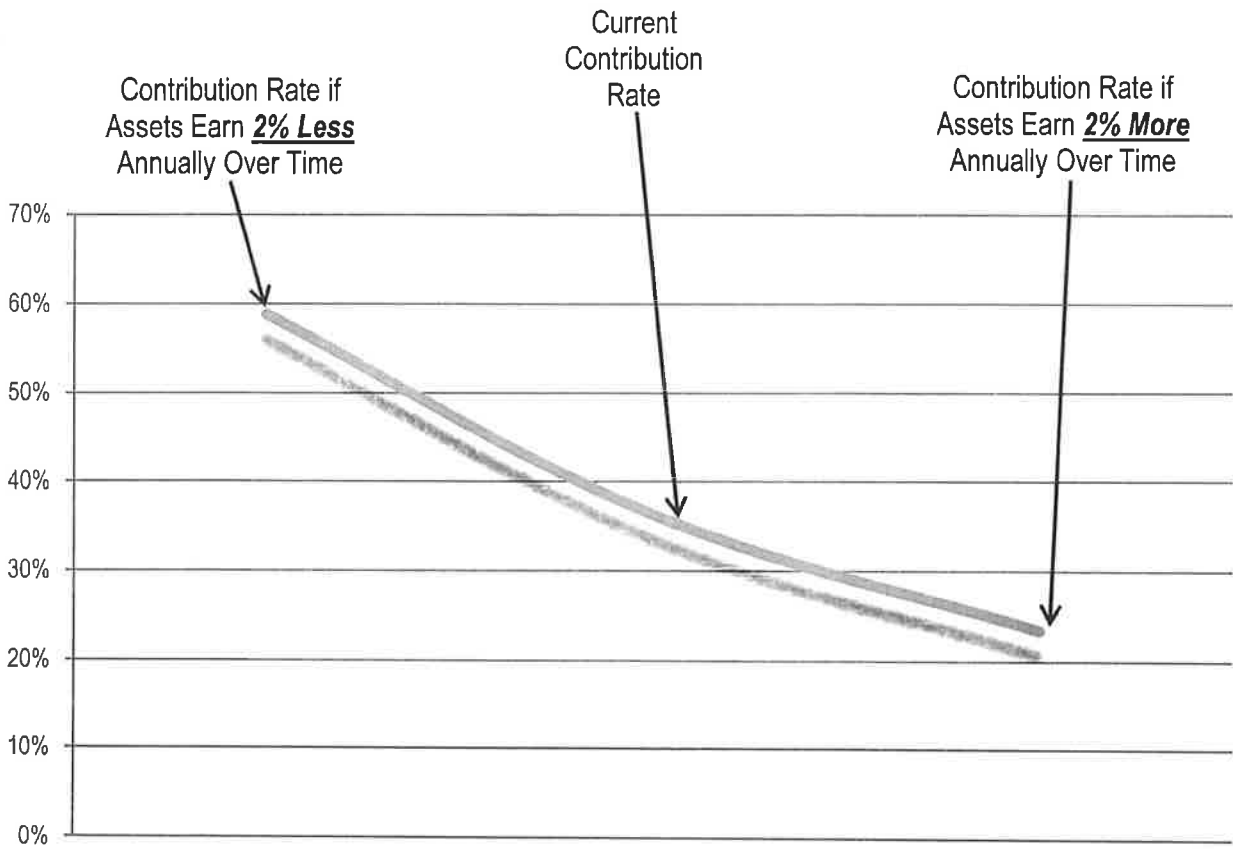
Normal Cost for the 2023/24 Plan Year	\$547,425
Unfunded Liability Amortization Payment for the 2023/24 Plan Year	\$214,302
Expense Allowance for the 2023/24 Plan Year	\$52,497
	<hr/>
	\$814,224
Adjustment to Reflect Monthly Employer Contributions	\$30,234
Adjustment to Reflect One-Year Delay in Application of Valuation Results	\$16,002
	<hr/>
Estimated Employer Contribution for the 2024/25 Plan Year	\$860,460
Expected Payroll for the 2024/25 Plan Year	÷ \$1,849,868
	<hr/>
Estimated Minimum Required Contribution Rate	46.51%

* Note: The amounts shown above are only for informational purposes.



Sensitivity Analysis

Table I-B



The line above illustrates the sensitivity of the contribution rate to changes in the long-term investment return.



Gain and Loss Analysis

Table I-C

Source of Change in the Contribution Rate

Previous minimum required contribution rate	32.86%
Increase (decrease) due to investment gains and losses	-0.08%
Increase (decrease) due to other experience	-2.20%
Increase (decrease) due to plan amendments	0.62%
Increase (decrease) due to actuarial assumption changes	5.09%
Increase (decrease) due to actuarial method changes	0.00%
Current minimum required contribution rate	<u>36.29%</u>

Source of Change in the Unfunded Liability

Previous unfunded liability	\$2,691,004
Increase due to employer normal cost and expenses	\$539,185
Increase due to interest on normal cost and unfunded liability	\$226,113
Decrease due to employer contributions	(\$804,330)
Decrease due to interest on employer contributions	(\$27,674)
Expected unfunded liability	<u>\$2,624,298</u>
Increase (decrease) due to plan amendments	\$100,387
Increase (decrease) due to actuarial assumption changes	\$406,129
Increase (decrease) due to actuarial method changes	\$0
Current unfunded liability	<u>\$3,130,814</u>



Present Value of Future Benefits

Table I-D

	<u>Old Assumptions w/o Amendment</u>	<u>Old Assumptions w/ Amendment</u>	<u>New Assumptions w/ Amendment</u>
<u>Actively Employed Participants</u>			
Retirement benefits	\$16,340,038	\$16,551,281	\$17,519,122
Termination benefits	\$333,032	\$335,643	\$335,643
Disability benefits	\$1,935,681	\$1,940,221	\$1,136,579
Death benefits	\$202,107	\$206,134	\$115,341
Refund of employee contributions	\$95,464	\$95,488	\$82,688
Sub-total	\$18,906,322	\$19,128,767	\$19,189,373
<u>Deferred Vested Participants</u>			
Retirement benefits	\$57,472	\$57,472	\$57,472
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	\$57,472	\$57,472	\$57,472
<u>Due a Refund of Contributions</u>	\$0	\$0	\$0
<u>Deferred Beneficiaries</u>	\$0	\$0	\$0
<u>Retired Participants</u>			
Service retirements	\$5,507,732	\$5,507,732	\$5,507,732
Disability retirements	\$676,193	\$676,193	\$676,193
Beneficiaries receiving	\$679,302	\$679,302	\$679,302
DROP participants	\$464,095	\$464,095	\$464,095
Sub-total	\$7,327,322	\$7,327,322	\$7,327,322
<u>Grand Total</u>	<u>\$26,291,116</u>	<u>\$26,513,561</u>	<u>\$26,574,167</u>
Present Value of Future Payroll	\$35,387,712	\$35,434,584	\$30,269,739
Present Value of Future Employee Contribs.	\$1,628,501	\$1,631,314	\$1,418,603
Present Value of Future Employer Contribs.	\$9,927,743	\$10,147,375	\$10,420,692



Present Value of Accrued Benefits

Table I-E

	Old Assumptions w/o Amendment	Old Assumptions w/ Amendment	New Assumptions w/ Amendment
<u>Actively Employed Participants</u>			
Retirement benefits	\$8,078,367	\$8,140,806	\$9,322,730
Termination benefits	\$103,179	\$104,201	\$104,201
Disability benefits	\$1,039,716	\$1,042,829	\$687,415
Death benefits	\$64,217	\$64,765	\$38,080
Refund of employee contributions	\$40,640	\$40,649	\$36,373
Sub-total	\$9,326,119	\$9,393,250	\$10,188,799
<u>Deferred Vested Participants</u>			
Retirement benefits	\$57,472	\$57,472	\$57,472
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	\$57,472	\$57,472	\$57,472
<u>Due a Refund of Contributions</u>	\$0	\$0	\$0
<u>Deferred Beneficiaries</u>	\$0	\$0	\$0
<u>Retired Participants</u>			
Service retirements	\$5,507,732	\$5,507,732	\$5,507,732
Disability retirements	\$676,193	\$676,193	\$676,193
Beneficiaries receiving	\$679,302	\$679,302	\$679,302
DROP participants	\$464,095	\$464,095	\$464,095
Sub-total	\$7,327,322	\$7,327,322	\$7,327,322
<u>Grand Total</u>	<u>\$16,710,913</u>	<u>\$16,778,044</u>	<u>\$17,573,593</u>
<u>Funded Percentage</u>	85.96%	85.62%	81.74%

(Note: Funded percentage is equal to the ratio of the usable portion of the market value of assets divided by the present value of accrued benefits.)



Present Value of Vested Benefits

Table I-F

	Old Assumptions w/o Amendment	Old Assumptions w/ Amendment	New Assumptions w/ Amendment
<u>Actively Employed Participants</u>			
Retirement benefits	\$8,012,781	\$8,086,947	\$9,050,122
Termination benefits	\$54,839	\$54,839	\$54,839
Disability benefits	\$978,558	\$981,671	\$632,967
Death benefits	\$49,783	\$49,783	\$25,900
Refund of employee contributions	\$65,585	\$65,800	\$60,959
Sub-total	\$9,161,546	\$9,239,040	\$9,824,787
<u>Deferred Vested Participants</u>			
Retirement benefits	\$57,472	\$57,472	\$57,472
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	\$57,472	\$57,472	\$57,472
<u>Due a Refund of Contributions</u>	\$0	\$0	\$0
<u>Deferred Beneficiaries</u>	\$0	\$0	\$0
<u>Retired Participants</u>			
Service retirements	\$5,507,732	\$5,507,732	\$5,507,732
Disability retirements	\$676,193	\$676,193	\$676,193
Beneficiaries receiving	\$679,302	\$679,302	\$679,302
DROP participants	\$464,095	\$464,095	\$464,095
Sub-total	\$7,327,322	\$7,327,322	\$7,327,322
<u>Grand Total</u>	<u>\$16,546,340</u>	<u>\$16,623,834</u>	<u>\$17,209,581</u>



Entry Age Normal Accrued Liability

Table I-G

	Old Assumptions w/o Amendment	Old Assumptions w/ Amendment	New Assumptions w/ Amendment
<u>Actively Employed Participants</u>			
Retirement benefits	\$10,552,193	\$10,647,772	\$11,526,900
Termination benefits	\$155,813	\$157,360	\$157,360
Disability benefits	\$1,021,439	\$1,023,351	\$600,823
Death benefits	\$97,680	\$99,018	\$54,574
Refund of employee contributions	\$46,025	\$46,036	\$40,009
Sub-total	\$11,873,150	\$11,973,537	\$12,379,666
<u>Deferred Vested Participants</u>			
Retirement benefits	\$57,472	\$57,472	\$57,472
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	\$57,472	\$57,472	\$57,472
<u>Due a Refund of Contributions</u>	\$0	\$0	\$0
<u>Deferred Beneficiaries</u>	\$0	\$0	\$0
<u>Retired Participants</u>			
Service retirements	\$5,507,732	\$5,507,732	\$5,507,732
Disability retirements	\$676,193	\$676,193	\$676,193
Beneficiaries receiving	\$679,302	\$679,302	\$679,302
DROP participants	\$464,095	\$464,095	\$464,095
Sub-total	\$7,327,322	\$7,327,322	\$7,327,322
<u>Grand Total</u>	<u>\$19,257,944</u>	<u>\$19,358,331</u>	<u>\$19,764,460</u>



Unfunded Liability Bases

Table I-H

<u>Description</u>	<u>Original Amount</u>	<u>Outstanding Balance</u>	<u>Amortization Payment</u>	<u>Years Rem.</u>
	Total	\$3,130,814	\$330,503	
		↓	↓	
Prior base #1		\$235,420	\$40,825	7
Prior base #2		\$75,750	\$10,080	10
Prior base #3		\$81,164	\$8,674	14
Prior base #4		\$267,757	\$26,490	16
10/1/2017 Assump. Change	\$1,045,814	\$964,427	\$95,413	16
10/1/2017 Amendment	\$105,787	\$100,608	\$9,953	16
10/1/2020 Assump. Change	(\$293,121)	(\$288,488)	(\$28,541)	16
10/1/2021 Amendment	\$365,332	\$368,031	\$36,410	16
10/1/2021 Assump. Change	\$799,599	\$805,505	\$79,691	16
10/1/2022 Amendment		\$14,124	\$1,397	16
10/1/2023 Amendment		\$100,387	\$9,932	16
10/1/2023 Assump. Change		\$406,129	\$40,179	16



Development of the Normal Cost

Table I-1

Normal Cost as of October 1, 2023

Present Value of Future Benefits	\$26,574,167
Unfunded Frozen Liability	(\$3,130,814)
Actuarial Value of Assets	(\$14,734,872)
Present Value of Future Employee Contributions	(\$1,418,603)
Present Value of Future Normal Cost	<u>\$7,289,878</u>
Present Value of Future Compensation	<u>÷ \$30,269,739</u>
Normal Cost Accrual Rate	24.083055%
Expected Payroll for the Current Year	<u>x \$3,432,452</u>
Normal Cost	<u><u>\$826,639</u></u>
Estimated Normal Cost for General Employees	\$279,214 *
Estimated Normal Cost for Police Officers	\$547,425 *

* only for informational purposes



Actuarial Value of Assets

Table II-A

	<u>Unexpected Investment Gain (Loss)</u>		<u>Unrecognized Gain (Loss)</u>
For the 2019/20 plan year	\$393,498	x 20%	\$78,700
For the 2020/21 plan year	\$2,068,069	x 40%	\$827,228
For the 2021/22 plan year	(\$2,612,164)	x 60%	(\$1,567,298)
For the 2022/23 plan year	\$316,644	x 80%	\$253,315
			<u>(\$408,055)</u>

Market Value of Assets as of October 1, 2023 \$14,438,149

Minus DROP account balances (\$72,726)

Minus advance employer contributions (\$38,606)

Adjustment for unrecognized gain or loss as shown above,
but restricted to an amount that keeps the actuarial value
of assets within an 80%-120% corridor of the market value \$408,055

Actuarial Value of Assets as of October 1, 2023 \$14,734,872

<u>Historical Actuarial Value of Assets</u>	
October 1, 2014	\$6,140,492
October 1, 2015	\$6,636,386
October 1, 2016	\$7,290,716
October 1, 2017	\$8,049,582
October 1, 2018	\$8,993,996
October 1, 2019	\$9,850,843
October 1, 2020	\$10,845,226
October 1, 2021	\$12,093,270
October 1, 2022	\$13,355,778
October 1, 2023	\$14,734,872

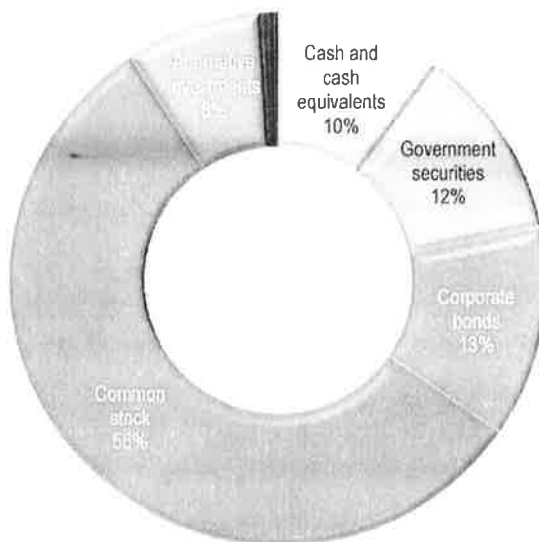


Market Value of Assets

Table II-B

As of October 1, 2023

Market Value of Assets	<u>\$14,438,149</u>
Cash and cash equivalents	\$1,472,010
Government securities	\$1,679,755
Corporate bonds	\$1,868,561
Common stock	\$8,097,874
Alternative investments	\$1,197,810
Prepaid expenses	\$59,245
Income receivable	\$62,399
Employee contribution receivable	\$16,305
Accounts payable	(\$15,810)

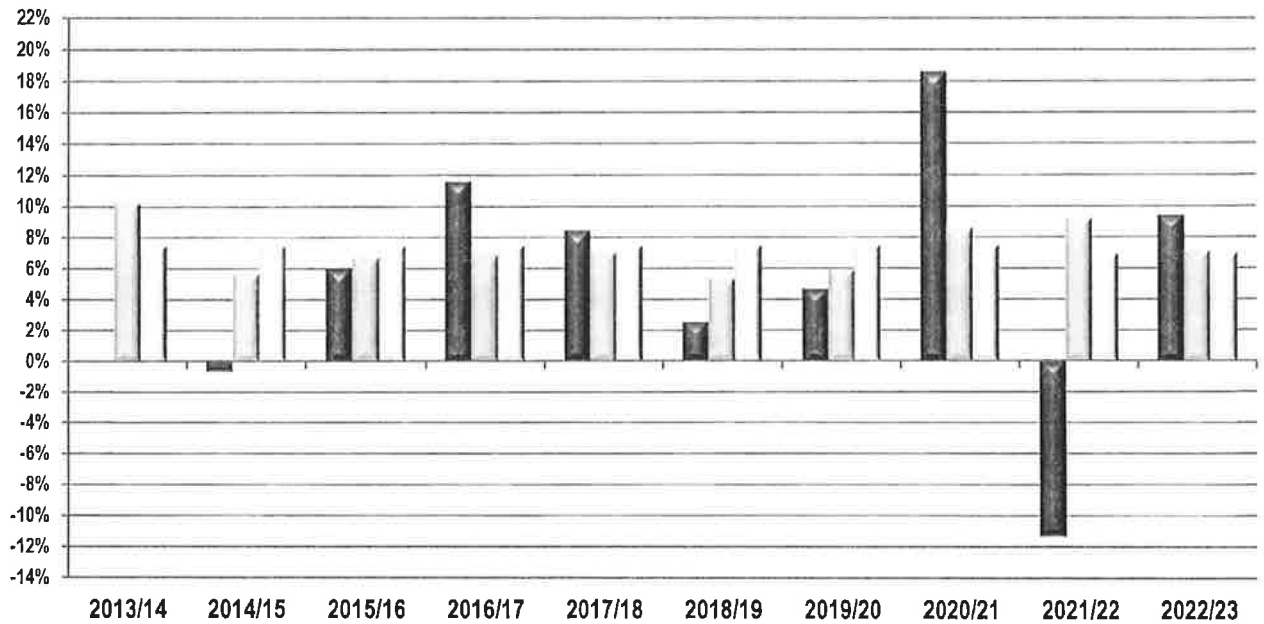


<u>Historical Market Value of Assets</u>	
October 1, 2014	\$7,095,417
October 1, 2015	\$7,188,350
October 1, 2016	\$7,825,704
October 1, 2017	\$8,993,254
October 1, 2018	\$10,129,529
October 1, 2019	\$10,753,331
October 1, 2020	\$11,665,839
October 1, 2021	\$14,167,197
October 1, 2022	\$12,757,648
October 1, 2023	\$14,438,149



Investment Return

Table II-C



Annual Investment Returns

- Market Value Return
- Actuarial Value Return
- Assumed Return

Plan Year	Market Value Return	Actuarial Value Return	Assumed Return
2013/14	N/A	10.26%	7.50%
2014/15	-0.69%	5.69%	7.50%
2015/16	6.01%	6.75%	7.50%
2016/17	11.64%	6.96%	7.50%
2017/18	8.47%	7.12%	7.50%
2018/19	2.56%	5.42%	7.50%
2019/20	4.70%	5.94%	7.50%
2020/21	18.62%	8.61%	7.50%
2021/22	-11.31%	9.24%	7.00%
2022/23	9.44%	7.16%	7.00%
9yr. Avg.	5.19%	7.30%	7.40%



Asset Reconciliation

Table II-D

	<u>Market Value</u>	<u>Actuarial Value</u>
As of October 1, 2022	\$12,757,648	\$13,355,778
<i>Increases Due To:</i>		
Employer Contributions	\$804,330	\$804,330
Employee Contributions	\$217,573	\$217,573
Service Purchase Contributions	\$139,092	\$139,092
Total Contributions	<u>\$1,160,995</u>	<u>\$1,160,995</u>
Interest and Dividends	\$368,832	
Realized Gains (Losses)	\$0	
Unrealized Gains (Losses)	\$953,624	
Total Investment Income	<u>\$1,322,456</u>	\$970,395
Other Income	\$833	
Total Income	<u>\$2,484,284</u>	<u>\$2,131,390</u>
<i>Decreases Due To:</i>		
Monthly Benefit Payments	(\$617,844)	(\$617,844)
Refund of Employee Contributions	(\$7,028)	(\$7,028)
DROP Credits		(\$46,461)
Total Benefit Payments	<u>(\$624,872)</u>	<u>(\$671,333)</u>
Investment Expenses	(\$97,948)	
Administrative Expenses	(\$80,963)	(\$80,963)
Advance Employer Contribution		\$0
Total Expenses	<u>(\$803,783)</u>	<u>(\$752,296)</u>
As of October 1, 2023	<u>\$14,438,149</u>	<u>\$14,734,872</u>



Historical Trust Fund Detail

Table II-E

Income

<u>Plan</u> <u>Year</u>	<u>Employer</u> <u>Contribs.</u>	<u>Employee</u> <u>Contribs.</u>	<u>Service</u> <u>Purchase</u> <u>Contribs.</u>	<u>Interest /</u> <u>Dividends</u>	<u>Realized</u> <u>Gains /</u> <u>Losses</u>	<u>Unrealized</u> <u>Gains /</u> <u>Losses</u>	<u>Other</u> <u>Income</u>
2013/14	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2014/15	\$427,817	\$101,778	\$0	\$121,052	\$0	-\$105,912	\$0
2015/16	\$457,855	\$110,543	\$0	\$134,038	\$0	\$371,166	\$0
2016/17	\$513,696	\$120,499	\$0	\$154,252	\$0	\$837,790	\$0
2017/18	\$588,601	\$152,113	\$0	\$224,331	\$0	\$631,969	\$0
2018/19	\$637,382	\$156,672	\$0	\$215,347	\$0	\$142,448	\$0
2019/20	\$700,022	\$153,944	\$0	\$222,196	\$0	\$393,498	\$0
2020/21	\$708,853	\$159,195	\$0	\$238,720	\$0	\$2,068,069	\$0
2021/22	\$680,369	\$144,087	\$9,371	\$329,141	\$0	-\$1,832,600	\$0
2022/23	\$804,330	\$217,573	\$139,092	\$368,832	\$0	\$953,624	\$833

Expenses

<u>Plan</u> <u>Year</u>	<u>Monthly</u> <u>Benefit</u> <u>Payments</u>	<u>Contrib.</u> <u>Refunds</u>	<u>Admin.</u> <u>Expenses</u>	<u>Invest.</u> <u>Expenses</u>	<u>Other Actuarial Adjustments</u> <u>Advance</u> <u>Employer</u> <u>Contribs.</u>
2013/14	N/A	N/A	N/A	N/A	N/A
2014/15	\$302,974	\$44,361	\$40,111	\$64,356	\$0
2015/16	\$306,358	\$1,613	\$61,092	\$67,185	\$0
2016/17	\$320,173	\$9,354	\$61,904	\$67,256	\$0
2017/18	\$320,175	\$4,143	\$57,496	\$78,925	\$0
2018/19	\$350,908	\$22,713	\$60,517	\$93,909	\$0
2019/20	\$398,771	\$720	\$57,170	\$100,491	\$0
2020/21	\$472,335	\$33,415	\$60,919	\$106,810	\$0
2021/22	\$556,671	\$0	\$73,260	\$109,986	\$38,606
2022/23	\$617,844	\$7,028	\$80,963	\$97,948	\$0

Note: Information was not available to separate the refund of employee contributions from the monthly benefit payments after September 30, 2021 nor to separate the realized gains and losses from the unrealized gains and losses.



Other Reconciliations

Table II-F

Advance Employer Contribution

Advance Employer Contribution as of October 1, 2022	\$38,606
Additional Employer Contribution	\$804,330
Minimum Required Contribution	<u>(\$804,330)</u>
Net Increase in Advance Employer Contribution	\$0
Advance Employer Contribution as of October 1, 2023	<u><u>\$38,606</u></u>

DROP Reconciliation

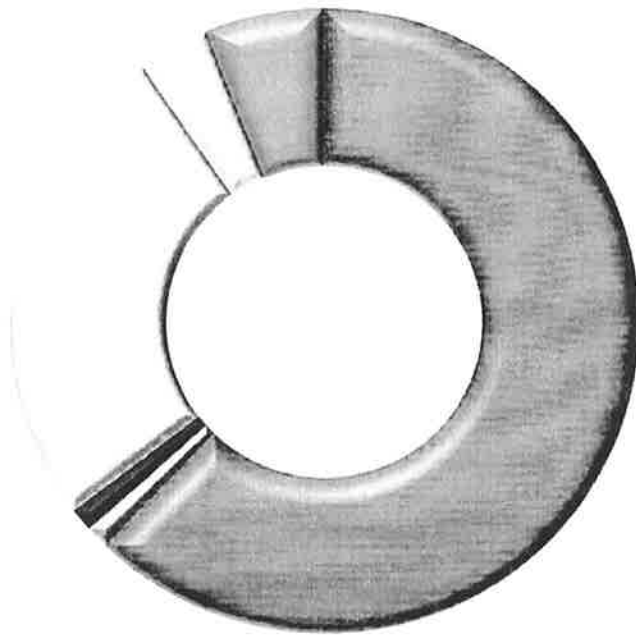
DROP Balance as of October 1, 2022	\$26,265
Benefit Credits	\$42,918
Investment Credits	\$3,543
Benefits Paid Out	<u>\$0</u>
Net Change in DROP Balance	\$46,461
DROP Balance as of October 1, 2023	<u><u>\$72,726</u></u>



Summary of Participant Data

Table III-A

As of October 1, 2023



Participant Distribution by Status

<u>Actively Employed Participants</u>		
◆	Active Participants	51
◆	DROP Participants	1
<u>Inactive Participants</u>		
◆	Deferred Vested Participants	1
◆	Due a Refund of Contributions	0
◆	Deferred Beneficiaries	0
<u>Participants Receiving a Benefit</u>		
◆	Service Retirements	21
◆	Disability Retirements	3
◆	Beneficiaries Receiving	5
Total Participants		82

<u>Number of Participants Included in Prior Valuations</u>					
	<i>Active</i>	<i>DROP</i>	<i>Inactive</i>	<i>Retired</i>	<i>Total</i>
October 1, 2014	N/A	N/A	N/A	N/A	N/A
October 1, 2015	40	0	3	19	62
October 1, 2016	41	0	3	21	65
October 1, 2017	46	0	3	21	70
October 1, 2018	49	0	3	21	73
October 1, 2019	47	0	2	24	73
October 1, 2020	48	0	2	25	75
October 1, 2021	46	0	3	26	75
October 1, 2022	49	1	3	27	80
October 1, 2023	51	1	1	29	82



Data Reconciliation

Table III-B

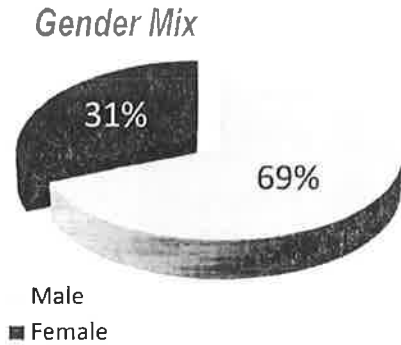
	<u>Active</u>	<u>DROP</u>	<u>Deferred Vested</u>	<u>Due a Refund</u>	<u>Def. Benef.</u>	<u>Service Retiree</u>	<u>Disabled Retiree</u>	<u>Benef. Rec'v.</u>	<u>Total</u>
<u>October 1, 2022</u>	49	1	1	2	0	19	4	4	80
<u>Change in Status</u>									
Re-employed									
Terminated	(1)			1					
Retired	(3)					3			
<u>Participation Ended</u>									
Transferred Out									
Cashed Out				(3)					(3)
Died						(1)	(1)		(2)
<u>Participation Began</u>									
Newly Hired	6								6
Transferred In New Beneficiary								1	1
<u>Other Adjustment</u>									
<u>October 1, 2023</u>	51	1	1	0	0	21	3	5	82



Active Participant Data

Table III-C

As of October 1, 2023



Average Age	44.5 years
Average Service	8.1 years
Total Annualized Compensation for the Prior Year	\$4,282,645
Total Expected Compensation for the Current Year	\$3,432,452
Average Increase in Compensation for the Prior Year	21.75%
Expected Increase in Compensation for the Current Year	5.00%
Accumulated Contributions for Active Employees	\$1,326,500



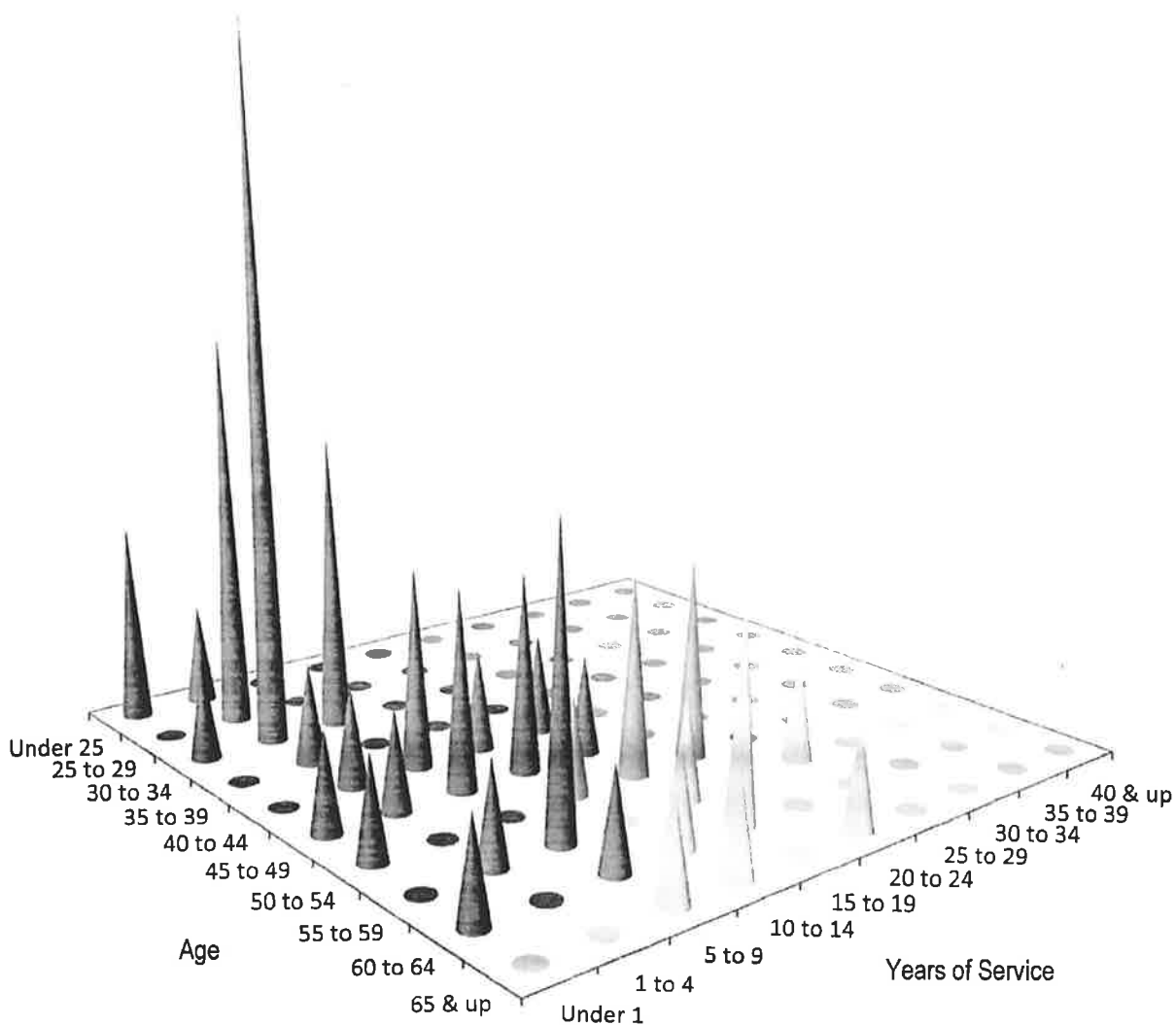
Active Participant Statistics From Prior Valuations

	Average Age	Average Service	Average Salary	Average Expected Salary Increase	Average Actual Salary Increase
October 1, 2014	N/A	N/A	N/A	N/A	N/A
October 1, 2015	47.0	8.0	\$53,766	N/A	N/A
October 1, 2016	49.0	9.0	\$52,055	5.00%	0.77%
October 1, 2017	47.2	8.3	\$56,028	5.00%	7.69%
October 1, 2018	48.1	8.8	\$62,399	5.00%	6.38%
October 1, 2019	47.6	9.0	\$64,717	5.00%	4.30%
October 1, 2020	47.8	9.1	\$64,434	5.00%	2.23%
October 1, 2021	49.2	10.0	\$65,804	5.00%	2.42%
October 1, 2022	45.8	8.9	\$71,969	5.00%	16.71%
October 1, 2023	44.5	8.1	\$83,973	5.00%	21.75%



Active Age-Service Distribution

Table III-D



△ Eligible to retire
▲ May be eligible to retire
▲ Not eligible to retire



Active Age-Service-Salary Table

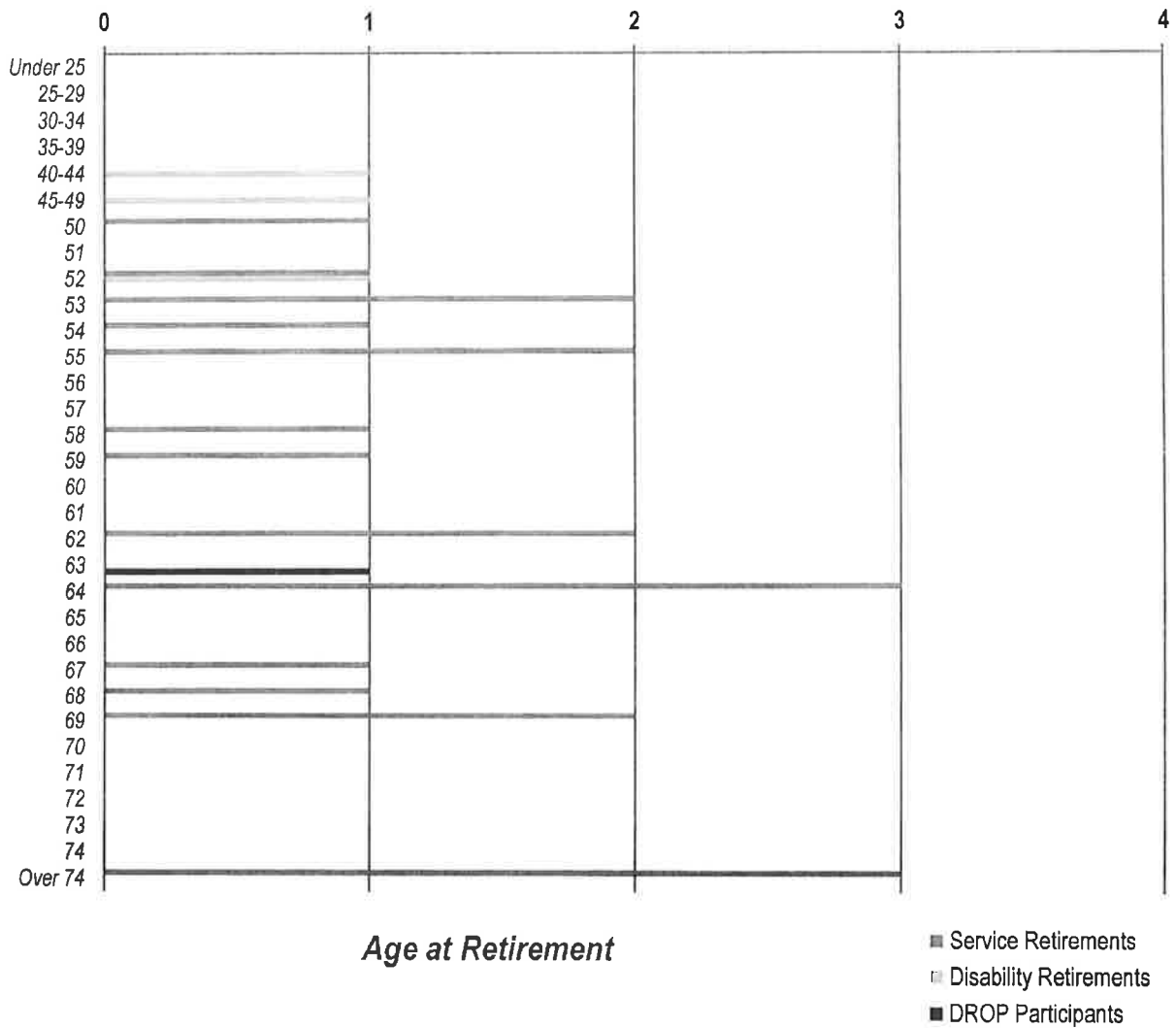
Table III-E

Attained Age	Completed Years of Service										Total	
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up		
Under 25	2	1	0	0	0	0	0	0	0	0	0	3
Avg.Pay	40,548	35,739	0	0	0	0	0	0	0	0	0	38,945
25 to 29	0	4	0	0	0	0	0	0	0	0	0	4
Avg.Pay	0	59,842	0	0	0	0	0	0	0	0	0	59,842
30 to 34	1	7	3	0	0	0	0	0	0	0	0	11
Avg.Pay	39,227	65,201	118,441	0	0	0	0	0	0	0	0	77,359
35 to 39	0	1	0	0	0	0	0	0	0	0	0	1
Avg.Pay	0	54,695	0	0	0	0	0	0	0	0	0	54,695
40 to 44	0	1	2	1	1	0	0	0	0	0	0	5
Avg.Pay	0	83,177	54,391	75,525	120,575	0	0	0	0	0	0	77,612
45 to 49	1	1	2	2	1	0	0	0	0	0	0	7
Avg.Pay	56,916	99,596	188,104	123,346	53,427	0	0	0	0	0	0	118,977
50 to 54	1	0	0	1	2	2	0	0	0	0	0	6
Avg.Pay	61,467	0	0	137,462	122,477	114,461	0	0	0	0	0	112,134
55 to 59	0	1	3	0	1	0	1	0	0	0	0	6
Avg.Pay	0	47,138	55,635	0	110,339	0	117,224	0	0	0	0	73,601
60 to 64	1	0	1	1	2	0	0	0	0	0	0	5
Avg.Pay	78,421	0	47,432	100,868	80,149	0	0	0	0	0	0	77,404
65 & up	0	0	1	1	0	1	0	0	0	0	0	3
Avg.Pay	0	0	124,546	43,853	0	130,075	0	0	0	0	0	99,491
Total	6	16	12	6	7	3	1	0	0	0	0	51
Avg.Pay	52,854	63,507	98,266	100,733	98,513	119,665	117,224	0	0	0	0	83,973



Inactive Participant Data

Table III-F



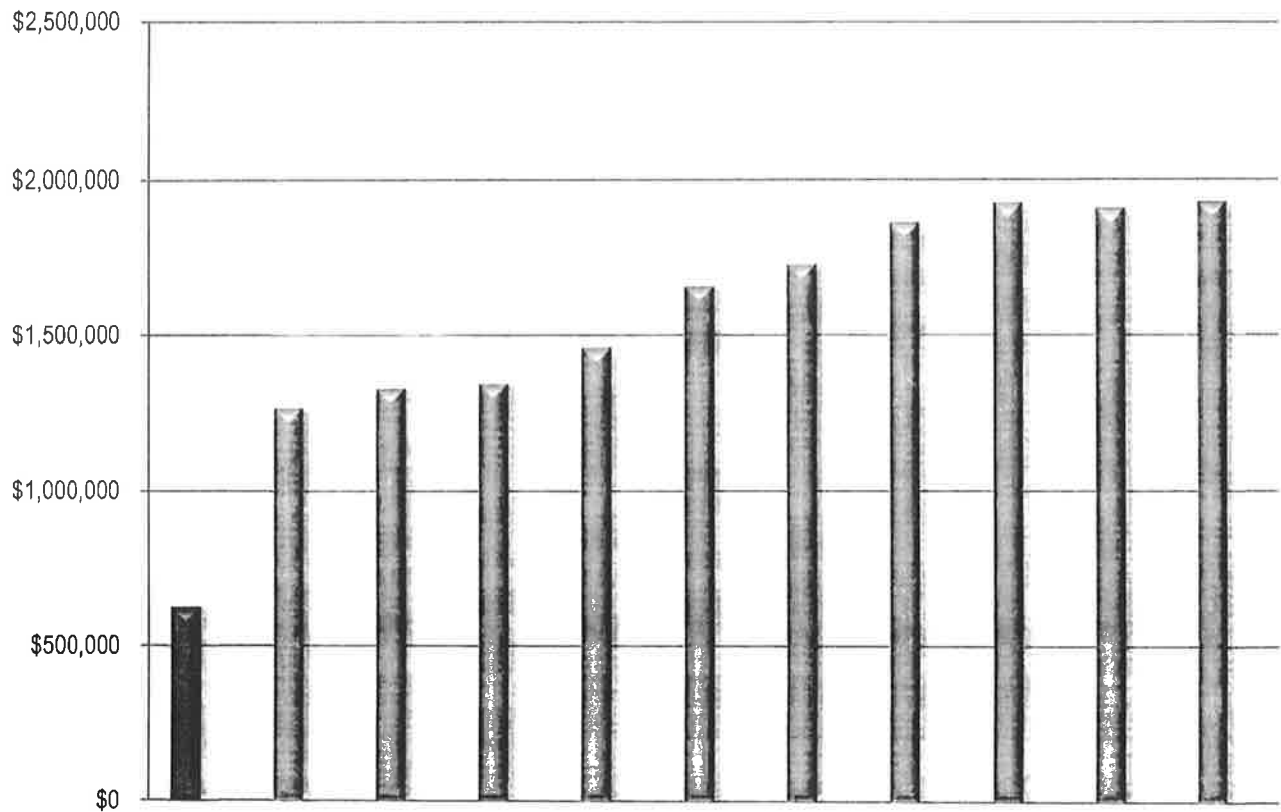
Average Monthly Benefit

Service Retirements	\$2,135.88
Disability Retirements	\$1,751.31
Beneficiaries Receiving	\$1,392.70
DROP Participants	\$3,576.46
Deferred Vested Participants	\$1,575.41
Deferred Beneficiaries	Not applicable



Projected Benefit Payments

Table III-G

Actual

For the period October 1, 2022 through September 30, 2023

\$624,872

Projected

For the period October 1, 2023 through September 30, 2024

\$1,265,191

For the period October 1, 2024 through September 30, 2025

\$1,328,524

For the period October 1, 2025 through September 30, 2026

\$1,342,775

For the period October 1, 2026 through September 30, 2027

\$1,458,758

For the period October 1, 2027 through September 30, 2028

\$1,657,555

For the period October 1, 2028 through September 30, 2029

\$1,727,670

For the period October 1, 2029 through September 30, 2030

\$1,865,173

For the period October 1, 2030 through September 30, 2031

\$1,926,838

For the period October 1, 2031 through September 30, 2032

\$1,909,970

For the period October 1, 2032 through September 30, 2033

\$1,929,584



Summary of Actuarial Methods and Assumptions

Table IV-A

NOTE: The following assumptions and methods have been selected and approved by the Board of Trustees based in part on the advice of the plan's enrolled actuary in accordance with the authority granted to the Board under the pension ordinances and State law.

1. **Actuarial Cost Method**

Frozen initial liability cost method. Under this actuarial cost method, an unfunded liability is developed at the inception of the plan using the individual entry age normal cost method. Over time, this unfunded liability is adjusted to reflect changes in the entry age normal accrued liability due to plan amendments and changes in actuarial assumptions and methods. The employer makes a periodic contribution towards the unfunded liability which is intended to eliminate the unfunded liability over a pre-determined period. In addition, each year the total projected liability in excess of the unfunded liability, accumulated assets, and future employee contributions is divided by the present value of future compensation to develop a level funding percentage for the plan as a whole. The level funding percentage is then multiplied by the covered payroll for the year immediately following the valuation date to determine the normal cost for that year.

2. **Amortization Method**

The unfunded actuarial accrued liability is amortized as a level dollar amount over a period of up to 16 years.

3. **Asset Method**

The actuarial value of assets is equal to the market value of assets, adjusted to reflect a five-year phase-in of the net investment appreciation (or depreciation).

4. **Interest (or Discount) Rate**

7.00% per annum

5. **Salary Increases**

Plan compensation is assumed to increase at the rate of 5.00% per annum, unless actual plan compensation is known for a prior plan year.



Summary of Actuarial Methods and Assumptions

Table IV-A

(continued)

6. Decrements

- **Pre-retirement mortality:** Sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Below Median Employee Mortality Table for general employees, with full generational improvements in mortality using Scale MP-2018 and with male ages set back one year (general employees), or

Sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Employee Mortality Table for public safety employees (Below Median table for males), with full generational improvements in mortality using Scale MP-2018 and with ages set forward one year (police officers)
- **Post-retirement mortality:** Sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Below Median Healthy Retiree Mortality Table for general employees, with full generational improvements in mortality using Scale MP-2018 and with male ages set back one year (general employees), or

For non-disabled retirees, sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Healthy Retiree Mortality Table for public safety employees (Below Median table for males), with full generational improvements in mortality using Scale MP-2018 and with ages set forward one year; for disabled retirees, sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Disabled Retiree Mortality Table (80% general employee rates plus 20% public safety employee rates), with full generational improvements in mortality using Scale MP-2018 (police officers)
- **Disability:** Sex-distinct rates set forth in the Wyatt 1985 Disability Study (Class 2); 25% of disabilities for general employees and 75% of disabilities for police officers are assumed to occur in the line of duty.
- **Termination:** Sex-distinct rates set forth in the Scale 155 Table



Summary of Actuarial Methods and Assumptions

Table IV-A

(continued)

• Retirement:

With respect to general employees, retirement is assumed to occur at the rate of 5% at each of ages 55 through 61, 60% at age 62, 40% at each of ages 63 and 64, and 100% at age 65; alternatively, 100% retirement is assumed to occur upon the attainment of normal retirement age.

With respect to police officers who have earned less than 20 years of service, retirement is assumed to occur at the rate of 5% at each of ages 50 through 54, 70% at age 55, 40% at each of ages 56 through 59, and 100% at age 60; alternatively, 100% retirement is assumed to occur upon the attainment of normal retirement age.

With respect to police officers who have earned at least 20 years of service, retirement is assumed to occur at the rate of 5% at each of ages 50 and 51, 70% at age 52, 40% at each of ages 53 through 56, and 100% at age 57; alternatively, 100% retirement is assumed to occur upon the attainment of normal retirement age.

With respect to the Town Manager, 100% retirement is assumed to occur at normal retirement age.

7. Marriage Assumption

All non-retired participants are assumed to be married, with husbands assumed to be three years older than wives.

8. Form of Payment

Future retirees have been assumed to select the 10-year certain and life annuity.

9. Expenses

Administrative expenses are assumed to be equal to the actual prior year's expenses. In addition, the interest rate set forth in item 4. above is assumed to be net of investment expenses and commissions.



Changes in Actuarial Methods and Assumptions

Table IV-B

Since the completion of the previous valuation, 100% retirement has been assumed to occur at normal retirement age and the retirement rates prior to normal retirement age for general employees have been increased.

The following additional assumption and method changes were made during the past several years:

- (1) *Effective October 1, 2021, the assumed interest (or discount) rate was decreased from 7.50% per annum to 7.00% per annum.*
- (2) *Effective October 1, 2020, the mortality basis was changed from the RP-2000 Combined and Blue Collar Mortality Tables with generational improvements in mortality using Scale BB to selected PUB-2010 Mortality Tables with generational improvements in mortality using Scale MP-2018.*
- (3) *Effective October 1, 2017, the mortality basis was changed from a 2009 projection of the RP-2000 White Collar Mortality Table to the RP-2000 Combined Mortality Table with full generational improvements in mortality using Scale BB.*
- (4) *Effective October 1, 2017, the assumed withdrawal and disability rates were changed to the tables described in Table IV-A.*
- (5) *Effective October 1, 2017, the amortization payment towards the unfunded accrued liability was changed from an increasing payment based on 4.00% annual compounded increases in total covered payroll to a level-dollar payment.*



Summary of Plan Provisions

Table V-A

1. Monthly Accrued Benefit

- 2.25% of Average Final Compensation multiplied by Credited Service earned prior to October 1, 2021 or earned prior to the attainment of 10 years of Credited Service plus 2.50% of Average Final Compensation multiplied by Credited Service in excess of 10 years earned after September 30, 2021 (with respect to contributing general employees); or
- 2.75% of Average Final Compensation multiplied by Credited Service earned prior to October 1, 2006 plus 3.00% of Average Final Compensation multiplied by Credited Service earned after September 30, 2006 (with respect to contributing police officers); or
- 15.00% of Average Final Compensation multiplied by the first two years of Credited Service plus 3.00% of Average Final Compensation multiplied by Credited Service in excess of two years plus an additional 3.00% of Average Final Compensation multiplied by Credited Service earned during the fifth and sixth year of plan participation (with respect to the Town Manager); or
- 2.00% of Average Final Compensation multiplied by Credited Service (with respect to non-contributing employees)

2. Normal Retirement Age and Benefit

- **Age**
 - Age 65 (general employees only); or
 - Age 55 with at least 10 years of Credited Service (police officers only); or
 - Age 55 with at least 25 years of Credited Service (general employees only); or
 - Age 52 with at least 20 years of Credited Service (police officers only); or
 - Any age with at least 30 years of Credited Service (general employees only); or
 - Any age with at least 20 years of Credited Service (Town Manager only)
- **Amount**
 - Monthly Accrued Benefit
- **Form of Payment**
 - Actuarially increased single life annuity (optional);
 - 10-year certain and life annuity (normal form of payment);
 - Actuarially equivalent 50% joint and contingent annuity (optional);
 - Actuarially equivalent 75% joint and contingent annuity (optional);
 - Actuarially equivalent 100% joint and contingent annuity (optional); or
 - Any other actuarially equivalent form of payment approved by the Board of Trustees

(All forms of payment guarantee the return of the employee's contributions to the plan.)



Summary of Plan Provisions

Table V-A

(continued)

3. Early Retirement Age and Benefit

- **Age**
Age 55 with at least 10 years of Credited Service (general employees only), or
Age 50 with at least 10 years of Credited Service (police officers and Town Manager only)
- **Amount**
Monthly Accrued Benefit (payable at Normal Retirement Age); or
Monthly Accrued Benefit reduced by 3% for each year by which the participant's Early Retirement Age precedes normal retirement age (payable at Early Retirement Age)
- **Form of Payment**
Same as for Normal Retirement

4. Delayed Retirement Age and Benefit

- **Age**
After Normal Retirement Age
- **Amount**
Monthly Accrued Benefit
- **Form of Payment**
Same as for Normal Retirement

5. Deferred Vested Benefit

- **Age**
Any age with at least 10 years of Credited Service
- **Amount**
Monthly Accrued Benefit (payable at Normal Retirement Age); or
Monthly Accrued Benefit reduced by 3% for each year by which the participant's Early Retirement Age precedes normal retirement age (payable at Early Retirement Age)
- **Form of Payment**
Same as for Normal Retirement



Summary of Plan Provisions

Table V-A

(continued)

6. Service Incurred Disability Retirement Eligibility and Benefit**• Eligibility**

All participants who become disabled in the line-of-duty are eligible.

• Amount

A monthly benefit equal to the largest of (a), (b), or (c), as follows:

(a) Monthly Accrued Benefit; or

(b) 42% of salary in effect at the time of disability (for general employees only); or

(c) 70% of salary in effect at the time of disability (for police officers and Town Manager only)

• Form of Payment

Same as for Normal Retirement

7. Non-Service Incurred Disability Retirement Eligibility and Benefit**• Eligibility**

10 years of Credited Service

• Amount

A monthly benefit equal to the larger of (a) or (b), as follows:

(a) Monthly Accrued Benefit; or

(b) 25% of salary in effect at the time of disability

• Form of Payment

Same as for Normal Retirement

8. Pre-Retirement Death Benefit

In the case of the death of a participant in the line-of-duty prior to his Normal Retirement Date, the participant's spouse will receive a monthly single life annuity equal to the larger of the participant's Monthly Accrued Benefit or 12% of salary in effect at the time of death. If there is no surviving spouse, the benefit is payable to the participant's dependent children until age 18.

In the case of the death of a participant other than in the line-of-duty prior to his Normal Retirement Date, the participant's beneficiary will receive an immediate 10-year certain annuity equal to the participant's Monthly Accrued Benefit, reduced as if the participant were eligible for early retirement on his date of death and further reduced actuarially to reflect the 100% joint and contingent annuity optional form of payment.

9. Average Final Compensation

Average of the highest consecutive 36 months of Compensation out of the last 10 years



Summary of Plan Provisions

Table V-A

(continued)

10. Compensation

Total cash remuneration, including annual lump sum wage payments but excluding any other extraordinary compensation; annual compensation in excess of \$200,000 (as indexed) is excluded in accordance with Internal Revenue Code (IRC) §401(a)(17).

11. Credited Service

The completed years and months of service from the participant's date of hire until his date of termination, retirement, or death; service earned prior to participation is not considered for purposes of determining the amount of the Town Manager's benefit.

12. Participation Requirement

All full-time employees of the Town of Golden Beach, Florida

13. Participant Contributions

Participating employees must contribute 3.50% (general employees) or 6.00% (police officers and Town Manager) of their pensionable earnings in order to receive the higher benefit formula multiplier; employee contributions are accumulated with interest at the rate of 5.00% per annum.

14. Definition of Actuarially Equivalent

- **Interest Rate**
7.00% per annum
- **Mortality Table**
1983 Group Annuity Mortality Table for males, with the participant's age set forward five years in the case of a disabled participant

15. Plan Effective Date

October 1, 1978



Summary of Plan Provisions

Table V-A

(continued)

16. Deferred Retirement Option Plan (DROP)

With respect to general employees, in order to participate in the DROP, a participant must be employed other than as a police officer and must be otherwise eligible for a normal or early retirement benefit. A participant may irrevocably elect to enter the DROP for a period of up to 36 months after the participant's normal retirement date. The DROP accounts earn interest compounded quarterly based on the actual earnings of the pension trust fund net of investment fees as of the end of each quarter as determined by the plan's investment consultant.

With respect to police officers, in order to participate in the DROP, a participant must be employed as a police officer and must be otherwise eligible for a normal retirement benefit. A participant may irrevocably elect to enter the DROP for a period of up to 60 months after the participant's normal retirement date. The DROP accounts earn interest compounded quarterly based on the actual earnings of the pension trust fund net of investment fees as of the end of each quarter as determined by the plan's investment consultant.



Summary of Plan Amendments

Table V-B

Since the completion of the previous valuation, Ordinance 604.23 was adopted. Effective September 26, 2023, this ordinance added several new alternative requirements for normal retirement, including normal retirement at either 30 years of service regardless of age or normal retirement at age 55 with at least 25 years of service, both for general employees, or normal retirement at 20 years of service regardless of age for the City Manager. The ordinance also added a Deferred Retirement Option Plan (DROP) for general employees with a maximum DROP participation period of three years, extended the maximum DROP participation period to five years for police officers, and made several other technical changes to the plan.

The following additional plan amendments were adopted during the past 10 years and were reflected in prior valuation reports:

- (1) Effective March 15, 2022, a pre-retirement death benefit for active employees who die other than in the line-of-duty was added to the plan. (Ordinance 599.22)*
- (2) Effective September 27, 2021, the averaging period for final average earnings was reduced from five years to three years. (Ordinance 598.21)*
- (3) Effective September 27, 2021, total cash compensation includes annual lump sum wage payments. (Ordinance 598.21)*
- (4) Effective September 27, 2021, the benefit formula multiplier for service earned in excess of 10 years after September 30, 2021 was increased from 2.25% to 2.50%. (Ordinance 598.21)*
- (5) Effective September 27, 2021, the benefit formula multiplier for the Town Manager was increased from 3.00% to 6.00% with respect to service earned during the fifth and sixth year of employment. (Ordinance 598.21)*
- (6) Effective October 17, 2017, the Town Manager (and future Town Managers) was allowed to participate in the plan as a police officer after earning 10 years of service. (Ordinance 576.17)*

