

City of Sarasota Police Officers' Pension Fund

Chapter 112.664, F.S. Compliance Report
In Connection with the September 30, 2023 Funding
Actuarial Valuation Report
And the Plan's Financial Reporting for the Year Ending
September 30, 2023





April 19, 2024

Board of Trustees
City of Sarasota Police Officers' Pension Fund
Sarasota, Florida

Dear Board Members:

Gabriel, Roeder, Smith & Company (GRS) has been engaged by the City of Sarasota Police Officers' Pension Fund (Plan) to prepare a disclosure report to satisfy the requirements set forth in Ch. 112.664, F.S. and as further required pursuant to Ch. 60T-1.0035, F.A.C.

This report was prepared at the request of the Board and is intended for use by the Retirement Board and those designated or approved by the Board. This report may be provided to parties other than the System only in its entirety and only with the permission of the Board.

The purpose of the report is to provide the required information specified in Ch. 112.664, F.S. as well as supplement this information with additional exhibits. This report should not be relied on for any purpose other than the purpose described above.

The findings in this report are based on data or other information through September 30, 2023. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. The scope of this engagement does not include an analysis of the potential range of such measurements.

This report was based upon information furnished by the City and the Board concerning Plan benefits, financial transactions, plan provisions and active members, terminated members, retirees and beneficiaries. We checked for internal and year-to-year consistency, but did not otherwise audit the data. We are not responsible for the accuracy or completeness of the information provided by the City.

Except as otherwise indicated as required for the disclosures contained herein, this report was prepared using certain assumptions selected by the Board as described in our September 30, 2023 actuarial valuation report. This report is also based on the Plan Provisions, census data, and financial information as summarized in our September 30, 2023 actuarial valuation report. Please refer to the September 30, 2023 actuarial valuation report, dated January 30, 2024, for summaries and descriptions of this information.

The use of an investment return assumption that is 2% higher than the investment return assumption used to determine the funding requirements does not represent an estimate of future Plan experience nor does it reflect an observation of future return estimates inherent in financial market data. The use of this investment return assumption is provided as a counterpart to the Chapter 112.664, Florida Statutes requirement to utilize an investment return assumption that is 2% lower than the assumption used to determine the funding requirements. The inclusion of the additional exhibits showing the effect of using a 2% higher investment return assumption shows a more complete assessment of the range of possible results as opposed to showing a one-sided range as required by Florida Statutes.

Peter N. Strong and Israel Bichachi 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.

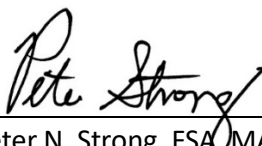
This report was prepared using our proprietary valuation model and related software which in our professional judgment has the capability to provide results that are consistent with the purposes of the valuation and has no material limitations or known weaknesses. We performed tests to ensure that the model reasonably represents that which is intended to be modeled.

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

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

Respectfully submitted,

GABRIEL, ROEDER, SMITH & COMPANY

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


By 
Israel Bichachi, ASA, MAAA
Consultant & Actuary



TABLE OF CONTENTS

<u>Title</u>	<u>Page</u>
Ch. 112.664, F.S. Results	
Schedule of Changes in Net Pension Liability	
1. Using financial reporting assumptions per GASB Statement No. 67	1
2. Using assumptions prescribed in Section 112.664(1)(a), F.S.	2
3. Using assumptions prescribed in Section 112.664(1)(b), F.S.	3
4. Using the mandated mortality and funding interest rate +2%	4
Assets Versus Benefit Payments Projections	
1. Using assumptions from the Plan's latest Actuarial Valuation	5
2. Using assumptions prescribed in Section 112.664(1)(a), F.S.	6
3. Using assumptions prescribed in Section 112.664(1)(b), F.S.	7
4. Using the mandated mortality and funding interest rate +2%	8
Actuarially Determined Contribution	9

CH. 112.664, FLORIDA STATUTES

RESULTS

**Schedule of Changes in the Employers' Net Pension Liability
Using Financial Reporting Assumptions per GASB Statement No. 67**

Fiscal year ending September 30,	<u>2023</u>
1. Total pension liability	
a. Service Cost	\$ 5,028,627
b. Interest	20,396,755
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	2,987,796
e. Assumption Changes	1,481,214
f. Benefit Payments	(17,032,156)
g. Contribution Refunds	(137,407)
h. Net Change in Total Pension Liability	<u>12,724,829</u>
i. Total Pension Liability - Beginning	<u>319,906,278</u>
j. Total Pension Liability - Ending	<u>\$ 332,631,107</u>
2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ 7,266,087
b. Contributions - State	847,304
c. Contributions - Member	1,398,154
d. Net Investment Income	27,243,435
e. Benefit Payments	(17,032,156)
f. Contribution Refunds	(137,407)
g. Administrative Expense	(253,514)
h. Other	14,232
i. Net Change in Plan Fiduciary Net Position	<u>19,346,135</u>
j. Plan Fiduciary Net Position - Beginning	<u>263,148,430</u>
k. Plan Fiduciary Net Position - Ending	<u>\$ 282,494,565</u>
3. Net Pension Liability / (Asset)	50,136,542
Certain Key Assumptions	
Valuation Date	09/30/2022
Measurement Date	09/30/2023
Investment Return Assumption	6.50%
Mortality Table	2021 Florida Retirement System - Special Risk Mortality



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

Fiscal year ending September 30,	2023
1. Total pension liability	
a. Service Cost	\$ 5,028,627
b. Interest	20,396,755
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	2,987,796
e. Assumption Changes	1,481,214
f. Benefit Payments	(17,032,156)
g. Contribution Refunds	(137,407)
h. Net Change in Total Pension Liability	12,724,829
i. Total Pension Liability - Beginning	319,906,278
j. Total Pension Liability - Ending	\$ 332,631,107
 2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ 7,266,087
b. Contributions - State	847,304
c. Contributions - Member	1,398,154
d. Net Investment Income	27,243,435
e. Benefit Payments	(17,032,156)
f. Contribution Refunds	(137,407)
g. Administrative Expense	(253,514)
h. Other	14,232
i. Net Change in Plan Fiduciary Net Position	19,346,135
j. Plan Fiduciary Net Position - Beginning	263,148,430
k. Plan Fiduciary Net Position - Ending	\$ 282,494,565
 3. Net Pension Liability / (Asset)	50,136,542
 Certain Key Assumptions	
Valuation Date	09/30/2022
Measurement Date	09/30/2023
Investment Return Assumption	6.50%
Mortality Table	2021 Florida Retirement System - Special Risk Mortality



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

Fiscal year ending September 30,	<u>2023</u>
1. Total pension liability	
a. Service Cost	\$ 8,401,709
b. Interest	18,643,116
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	36,866
e. Assumption Changes	-
f. Benefit Payments	(17,032,156)
g. Contribution Refunds	(137,407)
h. Net Change in Total Pension Liability	<u>9,912,128</u>
i. Total Pension Liability - Beginning	<u>418,721,618</u>
j. Total Pension Liability - Ending	<u><u>\$ 428,633,746</u></u>
2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ 7,266,087
b. Contributions - State	847,304
c. Contributions - Member	1,398,154
d. Net Investment Income	27,243,435
e. Benefit Payments	(17,032,156)
f. Contribution Refunds	(137,407)
g. Administrative Expense	(253,514)
h. Other	14,232
i. Net Change in Plan Fiduciary Net Position	<u>19,346,135</u>
j. Plan Fiduciary Net Position - Beginning	<u>263,148,430</u>
k. Plan Fiduciary Net Position - Ending	<u><u>\$ 282,494,565</u></u>
3. Net Pension Liability / (Asset)	146,139,181
Certain Key Assumptions	
Valuation Date	09/30/2022
Measurement Date	09/30/2023
Investment Return Assumption	4.50%
Mortality Table	2021 Florida Retirement System - Special Risk Mortality



Schedule of Changes in the Employers' Net Pension Liability
Using Assumptions under 112.664(1)(b), F.S. except 2% higher investment return assumption

Fiscal year ending September 30,	<u>2023</u>
1. Total pension liability	
a. Service Cost	\$ 3,475,786
b. Interest	21,527,427
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	36,866
e. Assumption Changes	-
f. Benefit Payments	(17,032,156)
g. Contribution Refunds	(137,407)
h. Net Change in Total Pension Liability	<u>7,870,516</u>
i. Total Pension Liability - Beginning	<u>260,146,179</u>
j. Total Pension Liability - Ending	<u>\$ 268,016,695</u>
2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ 7,266,087
b. Contributions - State	847,304
c. Contributions - Member	1,398,154
d. Net Investment Income	27,243,435
e. Benefit Payments	(17,032,156)
f. Contribution Refunds	(137,407)
g. Administrative Expense	(253,514)
h. Other	14,232
i. Net Change in Plan Fiduciary Net Position	<u>19,346,135</u>
j. Plan Fiduciary Net Position - Beginning	<u>263,148,430</u>
k. Plan Fiduciary Net Position - Ending	<u>\$ 282,494,565</u>
3. Net Pension Liability / (Asset)	(14,477,870)
Certain Key Assumptions	
Valuation Date	09/30/2022
Measurement Date	09/30/2023
Investment Return Assumption	8.50%
Mortality Table	2021 Florida Retirement System - Special Risk Mortality



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

FYE	Market Value of Assets (BOY)	Expected Investment Return	Projected Benefit Payments	Market Value of Assets (EOY)
2024	279,694,665	17,595,904	17,976,912	279,313,657
2025	279,313,657	17,541,762	18,880,789	277,974,630
2026	277,974,630	17,423,639	19,837,295	275,560,974
2027	275,560,974	17,244,593	20,519,094	272,286,473
2028	272,286,473	17,010,848	21,162,227	268,135,094
2029	268,135,094	16,724,121	21,681,854	263,177,361
2030	263,177,361	16,381,457	22,309,895	257,248,923
2031	257,248,923	15,981,341	22,764,270	250,465,994
2032	250,465,994	15,524,269	23,262,180	242,728,083
2033	242,728,083	15,009,590	23,622,614	234,115,059
2034	234,115,059	14,440,853	23,896,191	224,659,721
2035	224,659,721	13,818,742	24,127,379	214,351,084
2036	214,351,084	13,142,130	24,328,941	203,164,273
2037	203,164,273	12,407,757	24,551,403	191,020,627
2038	191,020,627	11,616,276	24,617,369	178,019,534
2039	178,019,534	10,770,213	24,647,906	164,141,841
2040	164,141,841	9,870,206	24,585,033	149,427,014
2041	149,427,014	8,915,051	24,544,764	133,797,301
2042	133,797,301	7,903,322	24,415,472	117,285,151
2043	117,285,151	6,836,195	24,225,840	99,895,506
2044	99,895,506	5,714,373	23,964,152	81,645,727
2045	81,645,727	4,538,957	23,631,244	62,553,440
2046	62,553,440	3,311,150	23,225,335	42,639,255
2047	42,639,255	2,031,942	22,757,206	21,913,991
2048	21,913,991	701,617	22,239,753	375,855
2049	375,855	-	21,663,317	-

Number of years for which current market value of assets is adequate to sustain the payment of expected retirement benefits, reflecting no contributions from the Employer, Employee or State, contrary to Florida Statutes and Plan provisions: 25.00

Certain Key Assumptions

Valuation Investment return assumption	6.50%
Valuation Mortality Table	2022 Florida Retirement System - Special Risk Mortality

Note: As required in Section 112.664(1)(c) of the Florida Statutes, the projection of the Fund assets do not include contributions from the Employer, Employee or State, which is contrary to Florida Statutes and Plan provisions. For this reason, these projections should not be viewed as a representation of the amount of time the Fund can sustain benefit payments. Under the GASB standards which DO include contributions from the employer, employee and State, the Fund is expected to be able to sustain the benefit payment demands in the near-term and long-term future.



Asset and Benefit Payment Projection
Not Reflecting Any Contributions from the Employer, State or Employee
Using Assumptions required under 112.664(1)(a), F.S.

FYE	Market Value of Assets (BOY)	Expected Investment Return	Projected Benefit Payments	Market Value of Assets (EOY)
2024	279,694,665	17,595,904	17,976,912	279,313,657
2025	279,313,657	17,541,762	18,880,789	277,974,630
2026	277,974,630	17,423,639	19,837,295	275,560,974
2027	275,560,974	17,244,593	20,519,094	272,286,473
2028	272,286,473	17,010,848	21,162,227	268,135,094
2029	268,135,094	16,724,121	21,681,854	263,177,361
2030	263,177,361	16,381,457	22,309,895	257,248,923
2031	257,248,923	15,981,341	22,764,270	250,465,994
2032	250,465,994	15,524,269	23,262,180	242,728,083
2033	242,728,083	15,009,590	23,622,614	234,115,059
2034	234,115,059	14,440,853	23,896,191	224,659,721
2035	224,659,721	13,818,742	24,127,379	214,351,084
2036	214,351,084	13,142,130	24,328,941	203,164,273
2037	203,164,273	12,407,757	24,551,403	191,020,627
2038	191,020,627	11,616,276	24,617,369	178,019,534
2039	178,019,534	10,770,213	24,647,906	164,141,841
2040	164,141,841	9,870,206	24,585,033	149,427,014
2041	149,427,014	8,915,051	24,544,764	133,797,301
2042	133,797,301	7,903,322	24,415,472	117,285,151
2043	117,285,151	6,836,195	24,225,840	99,895,506
2044	99,895,506	5,714,373	23,964,152	81,645,727
2045	81,645,727	4,538,957	23,631,244	62,553,440
2046	62,553,440	3,311,150	23,225,335	42,639,255
2047	42,639,255	2,031,942	22,757,206	21,913,991
2048	21,913,991	701,617	22,239,753	375,855
2049	375,855	-	21,663,317	-

Number of years for which current market value of assets is adequate to sustain the payment of expected retirement benefits, reflecting no contributions from the Employer, Employee or State, contrary to Florida Statutes and Plan provisions: 25.00

Certain Key Assumptions

Valuation Investment return assumption	6.50%
Valuation Mortality Table	2022 Florida Retirement System - Special Risk Mortality

Note: As required in Section 112.664(1)(c) of the Florida Statutes, the projection of the Fund assets do not include contributions from the Employer, Employee or State, which is contrary to Florida Statutes and Plan provisions. For this reason, these projections should not be viewed as a representation of the amount of time the Fund can sustain benefit payments. Under the GASB standards which DO include contributions from the employer, employee and State, the Fund is expected to be able to sustain the benefit payment demands in the near-term and long-term future.



Asset and Benefit Payment Projection
Not Reflecting Any Contributions from the Employer, State or Employee
Using Assumptions required under 112.664(1)(b), F.S.

FYE	Market Value of Assets (BOY)	Expected Investment Return	Projected Benefit Payments	Market Value of Assets (EOY)
2024	279,694,665	12,181,779	17,976,912	273,899,532
2025	273,899,532	11,900,661	18,880,789	266,919,404
2026	266,919,404	11,565,034	19,837,295	258,647,143
2027	258,647,143	11,177,442	20,519,094	249,305,491
2028	249,305,491	10,742,597	21,162,227	238,885,861
2029	238,885,861	10,262,022	21,681,854	227,466,029
2030	227,466,029	9,733,999	22,309,895	214,890,133
2031	214,890,133	9,157,860	22,764,270	201,283,723
2032	201,283,723	8,534,368	23,262,180	186,555,911
2033	186,555,911	7,863,507	23,622,614	170,796,804
2034	170,796,804	7,148,192	23,896,191	154,048,805
2035	154,048,805	6,389,330	24,127,379	136,310,756
2036	136,310,756	5,586,583	24,328,941	117,568,398
2037	117,568,398	4,738,171	24,551,403	97,755,166
2038	97,755,166	3,845,092	24,617,369	76,982,889
2039	76,982,889	2,909,652	24,647,906	55,244,635
2040	55,244,635	1,932,845	24,585,033	32,592,447
2041	32,592,447	914,403	24,544,764	8,962,086
2042	8,962,086	-	24,415,472	-
2043	-	-	24,225,840	-
2044	-	-	23,964,152	-
2045	-	-	23,631,244	-
2046	-	-	23,225,335	-
2047	-	-	22,757,206	-
2048	-	-	22,239,753	-
2049	-	-	21,663,317	-

Number of years for which current market value of assets is adequate to sustain the payment of expected retirement benefits, reflecting no contributions from the Employer, Employee or State, contrary to Florida Statutes and Plan provisions: 18.33

Certain Key Assumptions

Valuation Investment return assumption	4.50%
Valuation Mortality Table	2022 Florida Retirement System - Special Risk Mortality

Note: As required in Section 112.664(1)(c) of the Florida Statutes, the projection of the Fund assets do not include contributions from the Employer, Employee or State, which is contrary to Florida Statutes and Plan provisions. For this reason, these projections should not be viewed as a representation of the amount of time the Fund can sustain benefit payments. Under the GASB standards which DO include contributions from the employer, employee and State, the Fund is expected to be able to sustain the benefit payment demands in the near-term and long-term future.



Asset and Benefit Payment Projection
Not Reflecting Any Contributions from the Employer, State or Employee
Using Assumptions under 112.664(1)(b), F.S. except 2% higher investment return assumption

FYE	Market Value of Assets (BOY)	Expected Investment Return	Projected Benefit Payments	Market Value of Assets (EOY)
2024	279,694,665	23,010,028	17,976,912	284,727,781
2025	284,727,781	23,399,428	18,880,789	289,246,420
2026	289,246,420	23,742,861	19,837,295	293,151,986
2027	293,151,986	24,045,857	20,519,094	296,678,749
2028	296,678,749	24,318,299	21,162,227	299,834,821
2029	299,834,821	24,564,481	21,681,854	302,717,448
2030	302,717,448	24,782,813	22,309,895	305,190,366
2031	305,190,366	24,973,700	22,764,270	307,399,796
2032	307,399,796	25,140,340	23,262,180	309,277,956
2033	309,277,956	25,284,665	23,622,614	310,940,007
2034	310,940,007	25,414,312	23,896,191	312,458,128
2035	312,458,128	25,533,527	24,127,379	313,864,276
2036	313,864,276	25,644,483	24,328,941	315,179,818
2037	315,179,818	25,746,850	24,551,403	316,375,265
2038	316,375,265	25,845,659	24,617,369	317,603,555
2039	317,603,555	25,948,766	24,647,906	318,904,415
2040	318,904,415	26,062,011	24,585,033	320,381,393
2041	320,381,393	26,189,266	24,544,764	322,025,895
2042	322,025,895	26,334,544	24,415,472	323,944,967
2043	323,944,967	26,505,724	24,225,840	326,224,851
2044	326,224,851	26,710,636	23,964,152	328,971,335
2045	328,971,335	26,958,236	23,631,244	332,298,327
2046	332,298,327	27,258,281	23,225,335	336,331,273
2047	336,331,273	27,620,977	22,757,206	341,195,044
2048	341,195,044	28,056,389	22,239,753	347,011,680
2049	347,011,680	28,575,302	21,663,317	353,923,665

Number of years for which current market value of assets is adequate to sustain the payment of expected retirement benefits, reflecting no contributions from the Employer, Employee or State, contrary to Florida Statutes and Plan provisions: All Years

Certain Key Assumptions

Valuation Investment return assumption	8.50%
Valuation Mortality Table	2022 Florida Retirement System - Special Risk Mortality

Note: As required in Section 112.664(1)(c) of the Florida Statutes, the projection of the Fund assets do not include contributions from the Employer, Employee or State, which is contrary to Florida Statutes and Plan provisions. For this reason, these projections should not be viewed as a representation of the amount of time the Fund can sustain benefit payments. Under the GASB standards which DO include contributions from the employer, employee and State, the Fund is expected to be able to sustain the benefit payment demands in the near-term and long-term future.



Actuarially Determined Contribution - Fiscal Year Ending 9/30/2025

	Plan's Latest Actuarial Valuation	112.664(1)(a) F.S. Assumptions	112.664(1)(b) F.S. Assumptions	112.664(1)(b) F.S. except 2% higher investment return assumption
Normal Cost				
Service pensions	23.55 %	23.55 %	39.03 %	14.75 %
Disability pensions				
Service connected	6.02	6.02	8.49	4.48
Non-service connected	0.96	0.96	1.34	0.73
Pre-retirement survivor pensions				
Service connected	0.34	0.34	0.38	0.30
Non-service connected	0.04	0.04	0.05	0.03
Termination Benefits				
Deferred service pensions	1.72	1.72	2.97	1.04
Refunds of member contributions	0.66	0.66	0.60	0.72
Total Normal Cost	33.29	33.29	52.86	22.05
Unfunded Actuarial Accrued Liability	22.09	22.09	56.14	0.00
Administrative Expenses	1.45	1.45	1.45	1.45
Total Contribution Requirement	56.83 %	56.83 %	110.45 %	23.50 %
Member portion	8.00	8.00	8.00	8.00
Chapter 185 Portion *	4.51	4.51	4.51	4.51
City portion #	44.32 %	44.32 %	97.94 %	10.99 %
Estimated City Portion in Dollars	\$7,960,036	\$7,960,036	\$17,590,385	\$1,973,845
Estimated Total Contribution in Dollars	\$10,206,878	\$10,206,878	\$19,837,228	\$4,220,687
Expected covered payroll	\$17,960,369	\$17,960,369	\$17,960,369	\$17,960,369

* Based on estimate of respective fiscal year's payroll; if actual payroll is more than estimated, City's portion will increase.

The Pension Ordinance specifies a minimum City contribution of 8% of payroll.

FS 112.64 requires City contributions to be deposited not less frequently than quarterly. Member contributions, which are in addition to the City contributions, must be deposited immediately.

