

June 20, 2022

Ms. Livia Nixon
Benefits USA, Inc.
3810 Inverrary Boulevard, Suite 302
Lauderhill, FL 33319

**Subject: City of Oakland Park Police Officers' and Firefighters' Retirement System
Actuarial Impact Statement for Plan Amendment**

Dear Livia:

We are pleased to enclose an Actuarial Impact Statement in support of the amendment of the City of Oakland Park Police Officers' and Firefighters' Retirement System. The Actuarial Impact Statement is for the following changes to the Plan:

Section 9-63. – Benefit Amounts and Eligibility. (J)

(4) Notwithstanding any other provision of this system, effective January 1, 2022, firefighter members who completed five (5) or more years of credited service under the Oakland Park Police, Firefighters and Public Safety Officers Retirement System as a firefighter, and who elected to join FRS on the date the City joined FRS shall remain eligible for non-service connected death pre-retirement death benefits as defined in Sec. 9-63(e)(2) until such members terminate City employment or become vested in FRS. Provided, however, any such member who, in accordance with Sec. 9-63(j)(1)-(2), withdraws his or her accumulated employee contributions from the System or receives the value of their accrued benefit, shall not be eligible for the pre-retirement death benefit as defined in Sec. 9-63(e)(2). Only credited service earned under the Oakland Park Police, Firefighters and Public Safety Officers Retirement System as a firefighter shall be included for purposes of determining a member's accrued benefit under Sec. 9-63(e)(2); no City employment for which an employee earns service credit under FRS may be included in the calculation of pre-retirement death benefits hereunder.

* * *

The actuarial impact of this proposed change would be an increase in the annual funding cost of \$2,544, as shown in Item D.16 of page 3 (attached).

We have prepared the Actuarial Impact Statement for filing with the State of Florida. Please note that this Statement must be signed and dated on behalf of the Board of Trustees. A copy of the proposed ordinance upon passage at the first reading along with this Actuarial Impact Statement should be submitted to the State at the following address:

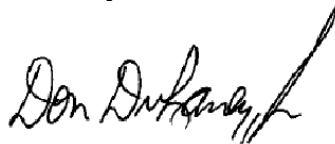
Mr. Douglas Beckendorf, A.S.A.
Bureau of Local Retirement Systems
Florida Division of Retirement
P.O. Box 9000
Tallahassee, FL 32315-9000

Please forward a copy of the ordinance upon passage at second reading to update our files.

We have prepared this Impact Statement based upon the October 1, 2021 census and financial data that was utilized for the October 1, 2021 Actuarial Valuation. The methods and assumptions used in the calculations are the same as those that were utilized for the October 1, 2021 Actuarial Valuation.

If you should have any questions, please let us know.

Sincerely,



Donald A. DuLaney, Jr., A.S.A., E.A.
Senior Consulting Actuary

DAD:cp

cc: Chairwoman Sheryl Dickey, w/ enclosure
Joseph Filkowski, w/ enclosure

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City of Oakland Park Police Officers' and Firefighters' Pension Plan
Actuarial Impact Statement

A. Description of Plan Amendment

Section 9-63. – Benefit Amounts and Eligibility. (J)

(4) Notwithstanding any other provision of this system, effective January 1, 2022, firefighter members who completed five (5) or more years of credited service under the Oakland Park Police, Firefighters and Public Safety Officers Retirement System as a firefighter, and who elected to join FRS on the date the City joined FRS shall remain eligible for non-service connected death pre-retirement death benefits as defined in Sec. 9-63(e)(2) until such members terminate City employment or become vested in FRS. Provided, however, any such member who, in accordance with Sec. 9-63(j)(1)-(2), withdraws his or her accumulated employee contributions from the System or receives the value of their accrued benefit, shall not be eligible for the pre-retirement death benefit as defined in Sec. 9-63(e)(2). Only credited service earned under the Oakland Park Police, Firefighters and Public Safety Officers Retirement System as a firefighter shall be included for purposes of determining a member's accrued benefit under Sec. 9-63(e)(2); no City employment for which an employee earns service credit under FRS may be included in the calculation of pre-retirement death benefits hereunder.

B. An estimate of the cost of implementing this amendment – see attachment, Item D.16 of page 3.

C. In my opinion, the proposed changes are in compliance with Part VII, Chapter 112, Florida Statutes and Section 14, Article X of the State Constitution.

Chairman, Board of Trustees

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**CITY OF OAKLAND PARK POLICE AND FIREFIGHTERS
RETIREMENT SYSTEM**

State Required Exhibit

	<u>Current 10/1/2021</u>	<u>Proposed 10/1/2021</u>
A. <u>Participant Data</u>		
1. Active participants	10	10
2. Retired participants and beneficiaries receiving benefits	124	124
3. DROP participants	5	5
4. Disabled participants receiving benefits	3	3
5. Terminated vested participants	21	21
6. Annual payroll of active participants	\$ 1,121,717	\$ 1,121,717
7. Annual benefits payable to those currently receiving benefits including DROPs	\$ 5,888,672	\$ 5,888,672
B. <u>Value of Assets</u>		
1. Actuarial Value	\$ 60,785,273	\$ 60,785,273
2. Market Value	\$ 65,941,723	\$ 65,941,723
C. <u>Liabilities</u>		
1. Actuarial present value of future expected benefit payments for active members		
a. Retirement benefits	\$ 6,792,155	\$ 6,792,155
b. Vesting benefits	110,379	110,379
c. Death benefits	23,146	23,146
d. Disability benefits	57,498	57,498
e. Total	\$ 6,983,178	\$ 6,983,178
2. Actuarial present value of future expected benefit payments for terminated vested members	\$ 4,099,539	\$ 4,099,539
3. Actuarial present value of future expected benefit payments for those receiving benefits		
a. Service retired including DROPs	\$ 60,834,226	\$ 60,834,226
b. Disability retired	761,539	761,539
c. Beneficiaries	495,836	495,836
d. Miscellaneous (Terminated vested former members now in FRS plan)	0	10,797
e. Total	\$ 62,091,601	\$ 62,102,398

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State Required Exhibit

	<u>Current 10/1/2021</u>	<u>Proposed 10/1/2021</u>
4. Total actuarial present value of future expected benefit payments	\$ 73,174,318	\$ 73,185,115
5. Actuarial accrued liabilities	\$ 72,820,684	\$ 72,831,481
6. Unfunded actuarial accrued liabilities	\$ 12,035,411	\$ 12,046,208

D. Pension Cost

1. Total normal cost	\$ 264,943	\$ 264,943
2. Expected employee contributions	102,383	102,383
3. Item 2. as percentage of covered payroll	<u>9.1%</u>	<u>9.1%</u>
4. Net employer normal cost (1. – 2.)	\$ 162,650	\$ 162,560
5. Payment required to amortize unfunded liability or projected unfunded liability	2,743,294	2,745,755
6. Interest and payment timing adjustments	<u>108,321</u>	<u>108,404</u>
7. Total required employer contribution	\$ 3,014,175	\$ 3,016,719
8. Item 7. as a percentage of payroll	268.7%	268.9%
9. State contributions	\$ 389,916	\$ 389,916
10. Item 9. as a percentage of payroll	34.8%	34.8%
11. Projected annual payroll for the following plan year	\$ 1,121,717	\$ 1,121,717
12. Amount payable by City and State based on projected payroll for the following plan year	\$ 3,014,175	\$ 3,016,719
13. Excess Chapter 175 amounts received in plan year 2012/2013 – 2018/2019	\$ 1,033,813	\$ 1,033,813
14. One seventh (1/7) of Item 13.	\$ 147,688	\$ 147,688
15. Amount payable by City for the following plan year (Item 12. - Item 9. - Item 14.)	\$ 2,476,571	\$ 2,479,115
16. Increase in amount payable by City	N/A	\$ 2,544

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State Required Exhibit

	<u>Current</u> <u>10/1/2021</u>	<u>Proposed</u> <u>10/1/2021</u>
E. <u>Disclosure of Following Items:</u>		
1. Actuarial present value of future salaries - attained age	\$ 3,171,008	\$ 3,171,008
2. Actuarial present value of future employee contributions - attained age	\$ 276,235	\$ 276,235

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