City of Jacksonville Beach

11 North Third Street
Jacksonville Beach, Florida

Agenda

Special City Council Meeting

Wednesday, November 2, 2022 **5:00 PM** **Council Chambers**

MEMORANDUM TO:

The Honorable Mayor and
Members of the City Council
City of Jacksonville Beach, Florida

Council Members:

The following Agenda of Business has been prepared for consideration and action at the Special Meeting of the City Council.

OPENING CEREMONIES: INVOCATION, FOLLOWED BY SALUTE TO THE FLAG

CALL TO ORDER

ROLL CALL

APPROVAL OF MINUTES

ANNOUNCEMENTS

COURTESY OF THE FLOOR TO VISITORS

MAYOR AND CITY COUNCIL

CITY CLERK

CITY MANAGER

RESOLUTIONS

ORDINANCES

A. Approve/Disapprove Ordinance No. 2022-8184 on the first reading amending the City Code of Ordinances, Chapter 2, Article V, Division 5, General Employees' Retirement System, and schedule a second reading for November 7, 2022

B. Approve/Disapprove Ordinance No. 2022-8185 on the first reading amending the City Code of Ordinances, Chapter 2, Article V, Division 6, Police Officers' Retirement System, and schedule a second reading for November 7, 2022

ADJOURNMENT

NOTICE

In accordance with Section 286.0105, Florida Statutes, any person desirous of appealing any decision reached at this meeting may need a record of the proceedings. Such person may need to ensure that a *verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based.*

The public is encouraged to speak on issues on this Agenda that concern them. Anyone who wishes to speak should submit the request to the City Clerk or to the recording secretary prior to the beginning of the meeting. These forms are available at the entrance of the City Council Chambers for your convenience.

In accordance with the Americans with Disabilities Act and Section 286.26, Florida Statutes, persons with disabilities needing a special accommodation to participate in this meeting should contact the City Clerk's Office at (904) 247-6299 no later than one business day before the meeting.

You may use this website http://www.jacksonvillebeach.org/publichearinginfo to find information concerning the hearing process. This information is also available in the City Hall first floor display case.

City of Jacksonville Beach ● 11 North Third Street ● Jacksonville Beach, FL 32250

CITY COUNCIL AGENDA ITEM	
TO:	Michael J. Staffopoulos, City Manager
FROM:	Karen Nelson, Deputy City Manager
DATE:	10/14/2022
SUBJECT:	Ordinance No. 2022-8184 Amending the General Employees' Retirement System

BACKGROUND

Article 29 - Pension of the Collective Bargaining Agreement between the City and the Laborers' International Union of North America has been revised to increase the annual maximum benefit cap set forth in paragraph 29.2 from $90,000 to $100,000 effective October 1, 2022. Administration desires to amend Chapter 2, Article V, Division 5, General Employees' Retirement System, to effectuate the same, and to provide the same benefit to all employees participating in the General Employees' Retirement System.

FINANCIAL IMPACT

Attached is an actuarial impact statement.

REQUESTED ACTION

Approve/Disapprove Ordinance No. 2022-8184 on the first reading amending the City Code of Ordinances, Chapter 2, Article V, Division 5, General Employees' Retirement System, and schedule a second reading for November 7, 2022

ATTACHMENTS

1. Ordinance No. 2022-8184
2. Actuarial Impact Statement General Employees' Plan

AGENDA ITEM:	A.
MEETING DATE:	November 2, 2022

Introduced by: ______________________
1st Reading: ________________________
2nd Reading: _______________________

ORDINANCE NO. 2022-8184

AN ORDINANCE OF THE CITY OF JACKSONVILLE BEACH, FLORIDA, AMENDING CHAPTER 2, ARTICLE V, DIVISION 5, GENERAL EMPLOYEES' RETIREMENT SYSTEM, OF THE CODE OF ORDINANCES OF THE CITY OF JACKSONVILLE BEACH, TO PROVIDE FOR AN INCREASE TO THE BENEFIT CAP; PROVIDING FOR SEVERABILITY AND AN EFFECTIVE DATE.

WHEREAS, the City of Jacksonville Beach ("City") has the authority to adopt this Ordinance pursuant to Article VIII of the Constitution of the State of Florida and Chapter 166, Florida Statutes; and

WHEREAS, the City Council has received, reviewed, and considered an actuarial impact statement relative to the amendment provided for herein; and

WHEREAS, the City Council hereby finds that this Ordinance serves a legitimate government purpose and is a permissible exercise of the City's powers and authority; and

WHEREAS, Article 29 Pension of the Collective Bargaining Agreement between the City and the Laborers' International Union of North America has been revised to increase the annual maximum benefit cap set forth in paragraph 29.2 from $90,000 to $100,000 effective October 1, 2022.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF JACKSONVILLE BEACH, FLORIDA:

SECTION 1. Chapter 2, Article V, Division 5, Section 2-162.10(b)(1) of the Code of Ordinances of the City of Jacksonville Beach is hereby amended as follows[1]:

Sec. 2-162.10. – Amount of Pension.

*****

(b) The benefit formula is:

(1) For normal retirement:

*****

- For retirements with an effective date on or after November 25, 2013<u>, but prior to October 1, 2022</u>, for a member who had not reached normal retirement eligibility on that date, two and one-half percent (2½) of final average compensation multiplied by credited service, to a maximum of seventy-five (75) percent of final average compensation or ninety thousand dollars ($90,000.00) annually, whichever is less; provided, any member

[1] ~~Strikethrough~~ text indicates deletions, <u>underline</u> text indicates additions.

whose accrued benefit as of November 25, 2013, was in excess of ninety thousand dollars ($90,000.00) which is not greater than seventy-five (75) percent of the member's final average compensation, shall retain that accrued benefit, but shall not accrue any additional benefit after that date. <u>Effective October 1, 2022, the maximum allowable benefit shall be seventy-five (75) percent of final average compensation or one hundred thousand dollars ($100,000.00) annually, whichever is less.</u>

*****

SECTION 2. SEVERABILITY. It is the intention of the City Council that if any section, subsection, clause, or provision of this Ordinance is deemed invalid or unconstitutional by a court of competent jurisdiction, such portion will become a separate provision and will not affect the remaining provisions of this Ordinance.

SECTION 3. EFFECTIVE DATE. This Ordinance shall take effect upon final reading and approval by the City Council for the City of Jacksonville Beach.

AUTHENTICATED THIS _____ DAY OF ___________, A.D., 2022.

____
Christine H. Hoffman, Mayor

____
Sheri Gosselin, City Clerk

Approved as to form and legal sufficiency:

____
Sandra R. Robinson, City Attorney

800.521.0498 | P: 248.799.9000 | www.grsconsulting.com

October 21, 2022

CONFIDENTIAL

Mr. Duston Scott
Pension Administrator
City of Jacksonville Beach
11 North Third Street
Jacksonville Beach, Florida 32250

Re: Actuarial Impact Statement – Proposed Ordinance for the General Employees' Retirement System

Dear Mr. Scott:

Enclosed is the Actuarial Impact Statement pertaining to the proposed ordinance affecting current and future members of the General Employees' Retirement System.

We welcome your questions and comments.

Sincerely,
Gabriel, Roeder, Smith & Company

Brad Lee Armstrong, ASA, EA, FCA, MAAA

BLA:ah
Enclosure

One Towne Square | Suite 800 | Southfield, Michigan 48076-3723

City of Jacksonville Beach General Employees' Retirement System
Actuarial Impact Statement
October 21, 2022

Description of Amendments

Current Benefit Provisions

Pension Amount - For retirements with an effective date on or after November 25, 2013, for a member who had not reached normal retirement eligibility on that date, two and one-half percent (2½) of final average compensation multiplied by credited service, to a maximum of seventy-five (75) percent of final average compensation **or ninety thousand dollars ($90,000.00) annually, whichever is less**; provided, any member whose accrued benefit as of November 25, 2013 was in excess of ninety thousand dollars ($90,000.00) which is not greater than seventy-five (75) percent of the member's final average compensation, shall retain that accrued benefit, but shall not accrue any additional benefit after that date.

Proposed Benefit Provision Change

Pension Amount - For retirements with an effective date on or after November 25, 2013, for a member who had not reached normal retirement eligibility on that date, two and one-half percent (2½) of final average compensation multiplied by credited service, to a maximum of seventy-five (75) percent of final average compensation **or one hundred thousand dollars ($100,000.00) annually, whichever is less**; provided, any member whose accrued benefit as of November 25, 2013 was in excess of one hundred thousand dollars ($100,000.00) which is not greater than seventy-five (75) percent of the member's final average compensation, shall retain that accrued benefit, but shall not accrue any additional benefit after that date.

Funding Implications of the Amendments

An actuarial cost estimate for the amendments is attached.

City of Jacksonville Beach General Employees' Retirement System
Actuarial Cost Estimate
October 21, 2022

Certification of Administrator

The actuary has been furnished with a description of the amendments.

I believe the amendment to be in compliance with Part VII, Chapter 112, Florida Statutes and Section 14, Article X of the Constitution of the State of Florida.

Duston G. Scott, Pension Administrator
City of Jacksonville Beach
General Employees' Retirement System

Description of Proposed Amendments

Current Benefit Provisions

Pension Amount - For retirements with an effective date on or after November 25, 2013, for a member who had not reached normal retirement eligibility on that date, two and one-half percent (2½) of final average compensation multiplied by credited service, to a maximum of seventy-five (75) percent of final average compensation **or ninety thousand dollars ($90,000.00) annually, whichever is less**; provided, any member whose accrued benefit as of November 25, 2013 was in excess of ninety thousand dollars ($90,000.00) which is not greater than seventy-five (75) percent of the member's final average compensation, shall retain that accrued benefit, but shall not accrue any additional benefit after that date.

Proposed Benefit Provision Change

Pension Amount - For retirements with an effective date on or after November 25, 2013, for a member who had not reached normal retirement eligibility on that date, two and one-half percent (2½) of final average compensation multiplied by credited service, to a maximum of seventy-five (75) percent of final average compensation **or one hundred thousand dollars ($100,000.00) annually, whichever is less**; provided, any member whose accrued benefit as of November 25, 2013 was in excess of one hundred thousand dollars ($100,000.00) which is not greater than seventy-five (75) percent of the member's final average compensation, shall retain that accrued benefit, but shall not accrue any additional benefit after that date.

Data and Actuarial Assumptions

Actuarial assumptions, methods, and valuation data were consistent with those used in the regular actuarial valuation of the System on the valuation date, unless otherwise noted. Actuarial assumptions are adopted by the Board of Trustees.

Actuarial Disclosures

This report was prepared at the request of the Pension Administrator and is intended for use by the City of Jacksonville Beach General Employees' Retirement System and those designated or approved by the City. This report may be provided to other parties only in its entirety and only with the permission of the City.

City of Jacksonville Beach General Employees' Retirement System
Actuarial Cost Estimate
October 21, 2022

This report is intended to describe the financial effect of the proposed plan changes on the Retirement System. Except as otherwise noted, potential effects on other benefit plans were not considered. No statement in this report is intended to be interpreted as a recommendation in favor of the changes, or in opposition to them. This report should not be relied on for any purpose other than the purpose described above. GRS is not responsible for unauthorized use of this report.

The date of the valuation was October 1, 2021. This means that the results of the supplemental valuation indicate what the October 1, 2021 valuation would have shown if the proposed benefit changes had been in effect on that date. Supplemental valuations do **not** predict the result of future actuarial valuations. Rather, supplemental valuations give an indication of the cost of the **benefit change only** without comment on the complete end result of future valuations.

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.

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. We did not perform an analysis of the potential range of such future measurements under the scope of this assignment.

If you have reason to believe that the assumptions that were used are unreasonable, that the plan provisions are incorrectly described, that important plan provisions relevant to this proposal are not described, or that conditions have changed since the calculations were made, you should contact the author of the report prior to relying on information in the report.

Brad Lee Armstrong is a Member of the American Academy of Actuaries (MAAA) and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

This report has been prepared by actuaries who have substantial experience valuing public employee retirement systems. We certify that, to the best of our knowledge, this report is complete and accurate and has been prepared in accordance with generally recognized and accepted actuarial principles and practices which are consistent with the Code of Professional Conduct and applicable Actuarial Standards of Practice as promulgated by the Actuarial Standards Board.

Gabriel, Roeder, Smith & Company will be pleased to review this valuation and report with the Board of Trustees and to answer any questions pertaining to the valuation.

Respectfully submitted,
Gabriel, Roeder, Smith & Company

Brad Lee Armstrong, ASA, EA, MAAA, FCA [20-5614]

Demographic Information

Active Members			
	Covered	Average in Years	
Number	Payroll	Age	Service
240	$ 13,856,763	45.6	9.3

City of Jacksonville Beach General Employees' Retirement System
Actuarial Cost Estimate
October 21, 2022

Actuarial Statement

October 1, 2021 Data for Fiscal Year Beginning 10/1/2022

	Before Amendment	After Amendment	Change
Normal Cost	11.26%	11.37%	0.11%
Unfunded Actuarial Accrued Liability	11.77%	11.91%	0.14%
Administrative Expenses	0.75%	0.75%	0.00%
Temporary Full Funding Credit	0.00%	0.00%	0.00%
FS 112.64(5) Compliance	0.56%	0.58%	0.02%
Total Adjusted Contribution Requirement	24.34%	24.61%	0.27%
Participant Portion	7.95%	7.95%	0.00%
City and Chapter 185 Portion	16.39%	16.66%	0.27%
Illustrative City and Chapter 185 Portion	$ 2,356,820	$ 2,395,645	$ 38,825

Allocations of Change in Contribution

October 1, 2021 Data for Fiscal Year Beginning 10/1/2022:

To Member	0.00%
To Chapter 185	0.00%
To Employer	0.27%

Actuarial Present Values
($ Amounts in Thousands)

October 1, 2021 Data for Fiscal Year Beginning 10/1/2022:

	Before Amendment	After Amendment	Change
Actuarial present value of active member benefits:			
service retirement	$33,852	$34,240	$388
termination benefits - pension	2,431	2,443	12
disability retirement	746	749	3
survivor benefits (pre-retirement)	1,012	1,018	6
termination benefits - refunds	725	725	0
Total	$38,766	$39,175	$409
Actuarial present value of terminated vested member benefits	1,163	1,163	0
Actuarial present value of retired member benefits:			
total service retirement & survivors	$45,040	$45,040	$0
DROP reserve	0	0	0
disability retirement & survivors	1,430	1,430	0
Total	46,469	46,469	0
Total actuarial present value of future benefit payments	86,398	86,807	409
Actuarial accrued liability	75,743	76,027	284
Unfunded Actuarial Accrued Liability	$ 11,378	$ 11,662	$284
Present value of active member future salaries	$97,033	$97,033	$0
Present value of active member future contribs.	$7,714	$7,714	$0

City of Jacksonville Beach ● 11 North Third Street ● Jacksonville Beach, FL 32250

CITY COUNCIL AGENDA ITEM	
TO:	Michael J. Staffopoulos, City Manager
FROM:	Karen Nelson, Deputy City Manager
DATE:	10/14/2022
SUBJECT:	Ordinance No. 2022-8185 Amending the Police Officers' Pension Plan

BACKGROUND

Article 29 - Pension of the Collective Bargaining Agreement between the City of Jacksonville Beach and the Fraternal Order of Police has been revised to increase the annual maximum benefit cap set forth in paragraph 29.3 from $90,000 to $100,000 effective October 1, 2022. Administration desires to amend Chapter 2, Article V, Division 5, Police Officers' Retirement System, to effectuate the same, and to provide the same benefit to all employees participating in the Police Officers' Retirement System.

At the request of the Board of Trustees, Ordinance No. 2022-8185 also provides for an amendment to the term of office for member-elected trustees from two years to four years in Sec. 2-163.24(a) to align the term of member-elected trustees with the term of member-elected trustees for the General Employees' Retirement System Board of Trustees.

FINANCIAL IMPACT

Attached is an actuarial impact statement.

REQUESTED ACTION

Approve/Disapprove Ordinance No. 2022-8185 on the first reading amending the City Code of Ordinances, Chapter 2, Article V, Division 6, Police Officers' Retirement System, and schedule a second reading for November 7, 2022

ATTACHMENTS

1. Ordinance No. 2022-8185
2. Actuarial Impact Statement Police Officers' Plan

AGENDA ITEM:	B.
MEETING DATE:	November 2, 2022

Introduced by: ______________________
1st Reading: ______________________
2nd Reading: ______________________

ORDINANCE NO. 2022-8185

AN ORDINANCE OF THE CITY OF JACKSONVILLE BEACH, FLORIDA, AMENDING CHAPTER 2, ARTICLE V, DIVISION 6, POLICE OFFICERS' RETIREMENT SYSTEM, OF THE CODE OF ORDINANCES OF THE CITY OF JACKSONVILLE BEACH, TO PROVIDE FOR AN INCREASE TO THE ANNUAL BENEFIT CAP AND TO AMEND THE TERM OF OFFICE FOR MEMBER-ELECTED TRUSTEES; PROVIDING FOR SEVERABILITY AND AN EFFECTIVE DATE.

WHEREAS, the City of Jacksonville Beach ("City") has the authority to adopt this Ordinance pursuant to Article VIII of the Constitution of the State of Florida and Chapter 166, Florida Statutes; and

WHEREAS, the City Council has received, reviewed, and considered an actuarial impact statement relative to the amendment provided for herein; and

WHEREAS, the City Council hereby finds that this Ordinance serves a legitimate government purpose and is a permissible exercise of the City's powers and authority; and

WHEREAS, Article 29 Pension of the Collective Bargaining Agreement between the City and the Fraternal Order of Police has been revised to increase the annual maximum benefit cap set forth in paragraph 29.3 from $90,000 to $100,000 effective October 1, 2022; and

WHEREAS, the Board of Trustees wishes to amend to the term of office for member-elected trustees from two years to four years in Sec. 2-163.24(a) to align the term of member-elected trustees with the term of member-elected trustees for the General Employees' Retirement System Board of Trustees.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF JACKSONVILLE BEACH, FLORIDA:

SECTION 1. Chapter 2, Article V, Division 6, Section 2-163.10(b)(1)d of the Code of Ordinances of the City of Jacksonville Beach (the "Code") is hereby amended as follows[1]:

Sec. 2-163.10. – Amount of Pension.

*****

(b) The benefit formula is:

(1) For normal retirement:

*****

[1] ~~Strikethrough~~ text indicates deletions, <u>underline</u> text indicates additions.

d. For retirements on or after June 23, 2014, and prior to October 1, 2022, the maximum allowable benefit shall be ninety (90) percent of final average compensation or ninety thousand dollars ($90,000.00) annually, whichever is less; provided, any member who has an accrued benefit percentage in excess of ninety (90) percent or an annual benefit of more than ninety thousand dollars ($90,000.00) on June 23, 2014 shall retain that accrued benefit, but shall not accrue any additional benefit after that date. Effective October 1, 2022, the maximum allowable benefit shall be ninety (90) percent of final average compensation or one hundred thousand dollars ($100,000.00) annually, whichever is less.

*****

SECTION 2. Chapter 2, Article V, Division 6, Section 2-163.24 of the Code is hereby amended as follows[2]:

Sec. 2-163.24. – Same – Term of office; oath of office; vacancies.

(a) The term of office of member-elected trustees shall be ~~two (2)~~four (4) years. The city council trustees shall serve two-year terms at the pleasure of the city council. The fifth member shall serve for a two-year term.

*****

SECTION 3. SEVERABILITY. It is the intention of the City Council that if any section, subsection, clause, or provision of this Ordinance is deemed invalid or unconstitutional by a court of competent jurisdiction, such portion will become a separate provision and will not affect the remaining provisions of this Ordinance.

SECTION 4. EFFECTIVE DATE. This Ordinance shall take effect upon final reading and approval by the City Council for the City of Jacksonville Beach.

[2] ~~Strikethrough~~ text indicates deletions, underline text indicates additions.

AUTHENTICATED THIS _____ DAY OF ___________, A.D., 2022.

____
Christine H. Hoffman, Mayor

____
Sheri Gosselin, City Clerk

Approved as to form and legal sufficiency:

____
Sandra R. Robinson, City Attorney

800.521.0498 | P: 248.799.9000 | www.grsconsulting.com

October 19, 2022

<u>CONFIDENTIAL</u>

Mr. Duston Scott
Pension Administrator
City of Jacksonville Beach
11 North Third Street
Jacksonville Beach, Florida 32250

Re: Actuarial Impact Statement – Proposed Ordinance for the Police Officers' Retirement System

Dear Mr. Scott:

Enclosed is the Actuarial Impact Statement pertaining to the proposed ordinance affecting current and future members of the Police Officers' Retirement System.

We welcome your questions and comments.

Sincerely,
Gabriel, Roeder, Smith & Company

Brad Lee Armstrong, ASA, EA, FCA, MAAA

BLA:ah
Enclosure

One Towne Square | Suite 800 | Southfield, Michigan 48076-3723

City of Jacksonville Beach Police Officers' Retirement System
Actuarial Impact Statement
October 19, 2022

Description of Amendments

Current Provisions

Pension Amount - Members not eligible for normal retirement at June 23, 2014: Total credited service times 3.0% of final average compensation. Maximum pension is 90% of final average compensation or $90,000, whichever is less. Accrued benefits at June 23, 2014 in excess of the maximum amount are retained.

Term Length for Member-Elected Trustees – 2-year maximum term length.

Proposed Provision Changes

Pension Amount - Members not eligible for normal retirement at June 23, 2014, and prior to October 1, 2022: Total credited service times 3.0% of final average compensation. Maximum pension is 90% of final average compensation or $90,000, whichever is less. For members eligible for normal retirement on or after October 1, 2022: Total credited service times 3.0% of final average compensation. Maximum pension is 90% of final average compensation or $100,000, whichever is less. Accrued benefits at June 23, 2014 in excess of the maximum amount are retained.

Term Length for Member-Elected Trustees – 4-year maximum term length.

Funding Implications of the Amendments

An actuarial cost estimate for the amendments is attached.

The effect of the proposed change to Term Length limits on contributions and obligations is de minimis.

Certification of Administrator

The actuary has been furnished with a description of the amendments.

I believe the amendment to be in compliance with Part VII, Chapter 112, Florida Statutes and Section 14, Article X of the Constitution of the State of Florida.

____

Duston G. Scott, Pension Administrator
City of Jacksonville Beach
Police Officers' Retirement System

City of Jacksonville Beach Police Officers' Retirement System
Actuarial Cost Estimate
October 19, 2022

Description of Proposed Amendments

Current Provisions

Pension Amount - Members not eligible for normal retirement at June 23, 2014: Total credited service times 3.0% of final average compensation. Maximum pension is 90% of final average compensation or $90,000, whichever is less. Accrued benefits at June 23, 2014 in excess of the maximum amount are retained.

Term Length for Member-Elected Trustees – 2-year maximum term length.

Proposed Provision Changes

Pension Amount - Members not eligible for normal retirement at June 23, 2014, and prior to October 1, 2022: Total credited service times 3.0% of final average compensation. Maximum pension is 90% of final average compensation or $90,000, whichever is less. For members eligible for normal retirement on or after October 1, 2022: Total credited service times 3.0% of final average compensation. Maximum pension is 90% of final average compensation or $100,000, whichever is less. Accrued benefits at June 23, 2014 in excess of the maximum amount are retained.

Term Length for Member-Elected Trustees – 4-year maximum term length.

Data and Actuarial Assumptions

Actuarial assumptions, methods, and valuation data were consistent with those used in the regular actuarial valuation of the System on the valuation date, unless otherwise noted. Actuarial assumptions are adopted by the Board of Trustees.

Actuarial Disclosures

This report was prepared at the request of the Pension Administrator and is intended for use by the City of Jacksonville Beach Police Officers' Retirement System and those designated or approved by the City. This report may be provided to other parties only in its entirety and only with the permission of the City.

This report is intended to describe the financial effect of the proposed plan changes on the Retirement System. Except as otherwise noted, potential effects on other benefit plans were not considered. No statement in this report is intended to be interpreted as a recommendation in favor of the changes, or in opposition to them. This report should not be relied on for any purpose other than the purpose described above. GRS is not responsible for unauthorized use of this report.

City of Jacksonville Beach Police Officers' Retirement System
Actuarial Cost Estimate
October 19, 2022

The date of the valuation was October 1, 2021. This means that the results of the supplemental valuation indicate what the October 1, 2021 valuation would have shown if the proposed benefit changes had been in effect on that date. Supplemental valuations do **not** predict the result of future actuarial valuations. Rather, supplemental valuations give an indication of the cost of the **benefit change only** without comment on the complete end result of future valuations.

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.

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. We did not perform an analysis of the potential range of such future measurements under the scope of this assignment.

If you have reason to believe that the assumptions that were used are unreasonable, that the plan provisions are incorrectly described, that important plan provisions relevant to this proposal are not described, or that conditions have changed since the calculations were made, you should contact the author of the report prior to relying on information in the report.

Brad Lee Armstrong is a Member of the American Academy of Actuaries (MAAA) and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

This report has been prepared by actuaries who have substantial experience valuing public employee retirement systems. We certify that, to the best of our knowledge, this report is complete and accurate and has been prepared in accordance with generally recognized and accepted actuarial principles and practices which are consistent with the Code of Professional Conduct and applicable Actuarial Standards of Practice as promulgated by the Actuarial Standards Board.

Gabriel, Roeder, Smith & Company will be pleased to review this valuation and report with the Board of Trustees and to answer any questions pertaining to the valuation.

Respectfully submitted,
Gabriel, Roeder, Smith & Company

Brad Lee Armstrong

Brad Lee Armstrong, ASA, EA, MAAA, FCA [20-5614]

City of Jacksonville Beach Police Officers' Retirement System
Actuarial Cost Estimate
October 19, 2022

Demographic Information

Active Members			
	Covered	Average in Years	
Number	Payroll	Age	Service
66	$ 5,177,955	42.0	11.0

City of Jacksonville Beach Police Officers' Retirement System
Actuarial Cost Estimate
October 19, 2022

Actuarial Statement

October 1, 2021 Data for Fiscal Year Beginning 10/1/2022:

	Before Amendment	After Amendment	Change
Normal Cost	14.46%	14.90%	0.44%
Unfunded Actuarial Accrued Liability	6.66%	7.54%	0.88%
Administrative Expenses	1.62%	1.62%	0.00%
Temporary Full Funding Credit	0.00%	0.00%	0.00%
FS 112.64(5) Compliance	0.00%	0.00%	0.00%
Total Adjusted Contribution Requirement	22.74%	24.06%	1.32%
Participant Portion	7.95%	7.95%	0.00%
City and Chapter 185 Portion	14.79%	16.11%	1.32%
Illustrative City and Chapter 185 Portion	$ 794,716	$ 865,644	$ 70,928

Allocations of Change in Contribution

October 1, 2021 Data for Fiscal Year Beginning 10/1/2022:

To Member	0.00%
To Chapter 185	0.00%
To Employer	1.32%

City of Jacksonville Beach Police Officers' Retirement System
Actuarial Cost Estimate
October 19, 2022

Actuarial Present Values
($ Amounts in Thousands)

October 1, 2021 Data for Fiscal Year Beginning 10/1/2022:

	Before Amendment	After Amendment	Change
Actuarial present value of active member benefits:			
service retirement	$18,248	$19,078	$831
termination benefits - pension	1,802	1,817	14
disability retirement	778	789	11
survivor benefits (pre-retirement)	348	356	8
termination benefits - refunds	236	236	0
extra benefit reserve	0	0	0
prepaid employer reserve	53	53	0
Total	$21,465	$22,329	$864
Actuarial present value of terminated vested member benefits	900	900	0
Actuarial present value of retired member benefits:			
service retirement & survivors	$11,496	$11,496	$ -
Additional reserve	0	0	0
disability retirement & survivors	1,272	1,272	0
Total	$12,768	$12,768	$ -
Total actuarial present value of future benefit payments	$35,133	$35,997	$864
Actuarial accrued liability	$29,968	$30,636	$668
Unfunded actuarial accrued liability	$383	$1,051	$668
Present value of active member future salaries	$36,686	$36,686	$ -
Present value of active member future contribs.	$2,917	$2,917	$ -