



October 10, 2025

Representative John Snyder, Chair
Palm Beach County Legislative Delegation
301 North Olive Avenue, Suite #701.6
West Palm Beach, Florida 33401

Re: West Palm Beach Police Pension Fund
Letter of Intent
Our File Number 150103

Dear Representative Snyder:

This office is the legal counsel for the Board of Trustees ("Board") of the West Palm Beach Police Pension Fund ("Fund"). The Special Act Pension Plan for the Fund is presented for approval to the Palm Beach County Legislative Delegation. An amendment to the Plan is necessary because the City of West Palm Beach and the Florida State Lodge, Fraternal Order of Police, Inc. bargained new benefits. Additionally, the plan has been updated with recent law and tax changes. Finally, housekeeping changes were made. The City of West Palm Beach is in agreement with these changes. This amendment cannot be accomplished locally as the Pension Plan is a creation of the Florida Legislature.

I will be presenting this Bill to the Legislative Delegation on November 13, 2025. Enclosed with this Letter of Intention are the following documents:

1. Summary Fact Sheet
2. Local Bill in draft form
3. Local Bill Economic Impact Statement Form

I am also emailing an electronic copy of the local bill packet in Word© format to the delegation office.

7080 NORTHWEST 4TH STREET, PLANTATION, FLORIDA 33317

PHONE: (954) 916-1202 • FAX: (954) 916-1232
www.klausnerkaufman.com

Representative John Snyder, Chair
Palm Beach County Legislative Delegation
October 10, 2025
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If you have any questions or if I may be of any assistance to you at all, please do not hesitate to contact me at 561-373-6714, which is my direct number.

Sincerely yours,

A handwritten signature in blue ink that reads "Bonni S. Jensen". The signature is fluid and cursive, with a long horizontal stroke at the end.

Bonni S. Jensen

BSJ

Enclosures

ECopy to: Chairman and Secretary
Dave Williams, Administrator
Faye Johnson, City Administrator
Kimberly Rothenburg, City Attorney
Adam Myers

West Palm Beach Police Pension Fund

Summary Fact Sheet

The Special Act Pension Plan for the Fund is presented for approval to the Palm Beach County Legislative Delegation. An amendment to the Plan is necessary because the City of West Palm Beach and the Florida State Lodge, Fraternal Order of Police, Inc bargained new benefits. Additionally, the plan has been updated with recent law and tax changes as well as some housekeeping changes.

Below is a summary of the changes:

- Increases the benefit multiplier to 3.2% for up to 26 years of credited service
- Updates definitions
- Explicitly denotes right to retain services of bookkeeper
- Clarifies application of early retirement for a vested deferred retiree
- Clarifies that benefit option is fixed when a retiree's benefit is first paid
- Explains allocation of 185 money to share accounts in the event a member is reinstated or rehired after prior reallocation of nonvested benefits
- Clarifies that partial lump sum distributions are permitted from the share accounts and DROP accounts
- Updates method to determine actuarial present value using updated definition
- Updates death benefits to include duty related presumptions
- Updates investment provisions to include Florida Statute §215.4725
- Updates review procedures
- Updates IRS benefits limits and minimum distribution provision to incorporate provisions of SECURE Act 2.0
- Updates review procedures
- Requires minimum contribution for service of purchase of employee contributions for the salary
- Clarifies reemployment after retirement criteria
- Removes obsolete language
- Corrects typos and reorders sections for clarity

**HOUSE OF REPRESENTATIVES
LOCAL BILL ECONOMIC IMPACT STATEMENT FORM**

****Read all instructions carefully.****

House local bill policy prohibits a local bill from being considered by a committee or subcommittee without an Economic Impact Statement. This form must be prepared by an individual who is qualified to establish fiscal data and impacts and has personal knowledge of the information given (for example, a chief financial officer of a particular local government) and include information for the first two full fiscal years after the effective date of the local bill. Please file this completed form with the Clerk of the House as soon as possible after a bill is filed. Additional pages may be attached as necessary.

BILL #: _____

SPONSOR(S): Representative Debra Tendrich

RELATING TO: West Palm Beach Police Pension Fund

[Indicate Area Affected (City, County or Special District) and Subject]

Check if this is a revised Economic Impact Statement

I. REVENUES:

These figures are new revenues that would not exist but for the passage of the bill. The term "revenue" contemplates, but is not limited to, taxes, fees, and special assessments. For example, license plate fees may be a revenue source. If the bill will add or remove property or individuals from the tax base, include this information as well.

	<u>First FY</u>	<u>Second FY</u>
Revenue decrease due to bill:	\$ _____ 0	\$ _____ 0
Revenue increase due to bill:	\$ _____ 0	\$ _____ 0

II. COST:

Include all costs, both direct and indirect, including start-up costs. If the bill repeals the existence of a certain entity, state the related costs, such as satisfying liabilities and distributing assets.

Expenditures for Implementation, Administration, and Enforcement:

	<u>First FY</u>	<u>Second FY</u>
	\$ <u>1,048,069</u>	\$ <u>1,085,871</u>

Please include explanations and calculations regarding how each dollar figure was determined in reaching total cost.

The First FY amount is based on the difference if the calculated illustrative City Portion of the annual contributions after the changes (See page 8 of the attached report lines Q and S). The Second FY amount is based on the First FY and increased by the actuarial assumptions used to fund the Plan.

III. FUNDING SOURCE(S):

State the specific sources from which funding will be received, for example, license plate fees, state funds, borrowed funds, or special assessments.

If certain funding changes are anticipated to occur beyond the following two fiscal years, explain the change and at what rate taxes, fees, or assessments will be collected in those years.

	<u>First FY</u>	<u>Second FY</u>
Local:	\$ <u>1,048,069</u>	\$ <u>1,085,871</u>
State:	\$ _____	\$ _____
Federal:	\$ _____	\$ _____

IV. ECONOMIC IMPACT:

Potential Advantages:

Include all possible outcomes linked to the bill, such as increased efficiencies, and positive or negative changes to tax revenue. If an act is being repealed or an entity dissolved, include the increased or decreased efficiencies caused thereby. Include specific figures for anticipated job growth.

1. Advantages to Individuals: Better pay for police officer retirees

2. Advantages to Businesses: N/A

3. Advantages to Government: High seniority police officers are more likely to retirement earlier to be replaced with new recruits at lower wages. Increased multiplier is an attractive feature in recruiting.

Potential Disadvantages:

Include all possible outcomes linked to the bill, such as inefficiencies, shortages, or market changes anticipated. Include reduced business opportunities, such as reduced access to capital or training. State any decreases in tax revenue as a result of the bill.

1. Disadvantages to Individuals: N/A

2. Disadvantages to Businesses: N/A

3. Disadvantages to Government: Increased contributions to Police Pension
Fund

V. DESCRIBE THE POTENTIAL IMPACT OF THE BILL ON PRESENT GOVERNMENTAL SERVICES:

N/A

VI. SPECIFIC DATA USED IN REACHING ESTIMATES:

Include the type(s) and source(s) of data used, percentages, dollar figures, all assumptions made, history of the industry/issue affected by the bill, and any audits.

Contributions were made based upon the member data supplied by the Plan
Administrator and financial data supplied by the City of West Palm Beach for use in
the September 30, 2024 Actuarial Valuation report. The methods and assumptions
used are also the same as those from the September 30, 2024 Actuarial Valuation -
see page 7 of the attached report.

VII. CERTIFICATION BY PREPARER

I hereby certify I am qualified to establish fiscal data and impacts and have personal knowledge of the information given. I have reviewed all available financial information applicable to the substance of the above-stated local bill and confirm the foregoing

Economic Impact Statement is a true and accurate estimate of the economic impact of the bill.

PREPARED BY: 
[Must be signed by Preparer]

Print preparer's name: Bonni S. Jensen

October 10, 2025
Date

TITLE (such as Executive Director, Actuary, Chief Accountant, or Budget Director):

Legal Counsel

REPRESENTING: Klausner, Kaufman, Jensen & Levinson

PHONE: 954-916-1202

E-MAIL ADDRESS: bonni@robertdklausner.com



October 9, 2025

Mr. David M. Williams, Plan Administrator
West Palm Beach Police Pension Fund
2100 N. Florida Mango Road
West Palm Beach, Florida 33409

Re: West Palm Beach Police Pension Fund

Dear Dave:

As requested, we have reviewed the proposed amendment to the West Palm Beach Police Pension Fund (Plan) and prepared the enclosed Actuarial Impact Statement to measure the first-year financial impact on the Plan. This amendment to the Special Act would provide the following:

- Effective for retirements on and after October 1, 2026, the benefit accrual rate is increased from 3% to 3.2% for all years of service up to a total of 26 years, with the same 1% benefit accrual rate for service in excess of 26 years. This benefit is not available to members who terminated or retired, including entry into the DROP, prior to October 1, 2026.
- The definition of actuarial equivalence is updated to refer to the interest rate and mortality table used in the latest actuarial valuation approved by the Board.
- There are additional updates for the purpose of clarification and compliance with the Florida Statutes and Internal Revenue Code.

Summary of Findings

For the benefit accrual rate change as described in the first bullet above:

- The required employer contribution in the first year would increase by \$1,048,069, from \$14,383,335 to \$15,431,404, assuming the contribution is paid in-full on October 1, 2025.
- The Plan's funded ratio (actuarial value of assets divided by actuarial accrued liability) as of September 30, 2024 would decrease from 84.3% to 83.3%.
- The Unfunded Actuarial Accrued Liability (UAAL) as of September 30, 2024 would increase by \$7,232,603. This increase is being amortized over 30 years.

Please note that the impact of the proposed amendment is illustrated using the September 30, 2024 valuation results, which determine the required contribution for the fiscal year ending September 30, 2026. However, the first required contribution that would actually be affected by the amendment is the one for the fiscal year ending September 30, 2027, based on the actuarial valuation as of September 30, 2025.

In our opinion, aside from the change to the benefit accrual rate described above, the other proposed changes will not have an actuarial impact on the cost of the Plan for prefunding purposes. The update to the definition of actuarial equivalence would bring it more in line with the current assumptions used for actuarial valuation purposes, which will reduce the likelihood of future experience gains or losses associated with the election of optional forms of payment.

This Statement must be filed with the Division of Retirement before the final public hearing on the proposed amendment. Please have a member of the Board of Trustees sign the Statement. Then please send the Statement along with a copy of the proposed amendment to Tallahassee.

Risks Associated with Measuring the Accrued Liability and Actuarially Determined Contribution

The determination of the accrued liability and the actuarially determined contribution requires the use of assumptions regarding future economic and demographic experience. Risk measures are intended to aid in the understanding of the effects of future experience differing from the assumptions used in the course of the actuarial valuation. Risk measures may also help with illustrating the potential volatility in the accrued liability and the actuarially determined contribution that result from the differences between actual experience and the actuarial assumptions.

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 due to changing conditions; 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 report does not include an analysis of the potential range of such future measurements.

Examples of risk that may reasonably be anticipated to significantly affect the Plan's future financial condition include:

1. Investment risk – actual investment returns may differ from the either assumed or forecasted returns;
2. Contribution risk – actual contributions may differ from expected future contributions. For example, actual contributions may not be made in accordance with the Plan's funding policy or material changes may occur in the anticipated number of covered employees, covered payroll, or other relevant contribution base;
3. Salary and Payroll risk – actual salaries and total payroll may differ from expected, resulting in actual future accrued liability and contributions differing from expected;
4. Longevity risk – members may live longer or shorter than expected and receive pensions for a period of time other than assumed;
5. Other demographic risks – members may terminate, retire or become disabled at times or with benefits other than assumed resulting in actual future accrued liability and contributions differing from expected.



The effects of certain trends in experience can generally be anticipated. For example, if the investment return is less (or more) than the assumed rate, the cost of the Plan can be expected to increase (or decrease). Likewise, if longevity is improving (or worsening), increases (or decreases) in cost can be anticipated.

The computed contribution amounts may be considered as minimum contributions that comply with the pension Board's funding policy and the State statutes. The timely receipt of the actuarially determined contributions is critical to support the financial health of the Plan. Users of this report should be aware that contributions made at the actuarially determined rate do not necessarily guarantee benefit security.

Additional Risk Assessment

Additional risk assessment is outside the scope of this report. Additional assessment may include scenario tests, sensitivity tests, stochastic modeling, stress tests, and a comparison of the present value of accrued benefits at low-risk discount rates with the actuarial accrued liability. We are prepared to perform such assessment to aid in the decision-making process.

Additional Disclosures

This report was prepared at the request of the Board and is intended for use by the Plan and those designated or approved by the Board. This report may be provided to parties other than the Plan only in its entirety and only with the permission of the Board. GRS is not responsible for unauthorized use of this report.

The purpose of this report is to describe the financial effect of the proposed plan changes. 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.

The calculations in this report are based upon information furnished by the Plan Administrator for the September 30, 2024 Actuarial Valuation concerning Plan benefits, financial transactions, plan provisions and active members, terminated members, retirees and beneficiaries. We reviewed this information for internal and year-to-year consistency, but did not audit the data. We are not responsible for the accuracy or completeness of the information provided by the Plan Administrator.

The calculations in this report are based on data or other information through September 30, 2024. 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.



Mr. David M. Williams
October 9, 2025
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The calculations are based upon assumptions regarding future events, which may or may not materialize. 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.

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 Plan as of the valuation date. All calculations have been made in conformity with generally accepted actuarial principles and practices, and with the Actuarial Standards of Practice issued by the Actuarial Standards Board, and with applicable statutes.

Jeffrey Amrose and Trisha Amrose are members of the American Academy of Actuaries. These actuaries meet the Academy's Qualification Standards to render the actuarial opinions contained herein. The actuaries are independent of the plan sponsor.

This actuarial valuation and/or cost determination was 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. In our opinion, the techniques and assumptions used are reasonable, meet the requirements and intent of Part VII, Chapter 112, Florida Statutes, and are based on generally accepted actuarial principles and practices. 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 increase in plan costs or required contribution rates have been taken into account in the valuation.

We welcome your questions and comments.

Sincerely yours,
Gabriel, Roeder, Smith & Company


Jeffrey Amrose, EA, MAAA, FCA
Senior Consultant & Actuary


Trisha Amrose, EA, MAAA, FCA
Consultant & Actuary

Enclosures

This communication shall not be construed to provide tax advice, legal advice or investment advice.



West Palm Beach Police Pension Fund

Actuarial Impact Statement – October 9, 2025

Description of Amendment

The proposed amendment to the Special Act would provide the following:

- Effective for retirements on and after October 1, 2026, the benefit accrual rate is increased from 3% to 3.2% for all years of service up to a total of 26 years, with the same 1% benefit accrual rate for service in excess of 26 years. This benefit is not available to members who terminated or retired, including entry into the DROP, prior to October 1, 2026.
- The definition of actuarial equivalence is updated to refer to the interest rate and mortality table used in the latest actuarial valuation approved by the Board.
- There are additional updates for the purpose of clarification and compliance with the Florida Statutes and Internal Revenue Code.

Funding Implications of Amendment

See attached exhibits.

Certification of Administrator

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.

A handwritten signature in blue ink, followed by a horizontal line and the date "10/09/2025" written in blue ink.

For the Board of Trustees
as Plan Administrator



Actuarial Impact Statement

Plan

West Palm Beach Police Pension Fund

Actuarial Valuation Date

September 30, 2024

Date of Report

October 9, 2025

Report Requested by

Board of Trustees

Prepared by

Gabriel, Roeder, Smith & Company

Group Valued

All active and inactive members of the Plan.

Plan Changes Being Proposed

- Effective for retirements on and after October 1, 2026, the benefit accrual rate is increased from 3% to 3.2% for all years of service up to a total of 26 years, with the same 1% benefit accrual rate for service in excess of 26 years. This benefit is not available to members who terminated or retired, including entry into the DROP, prior to October 1, 2026.
- The definition of actuarial equivalence is updated to refer to the interest rate and mortality table used in the latest actuarial valuation approved by the Board.
- There are additional updates for the purpose of clarification and compliance with the Florida Statutes and Internal Revenue Code.

Participants Affected

Active participants on and after the plan change effective date.



Actuarial Assumptions and Methods

Same as September 30, 2024 Actuarial Valuation Report.

Some of the key assumptions/methods are:

Investment Return	7.00%
Salary increase	3.5% to 8.5% per year depending on service
Cost Method	Entry Age Normal
Mortality Table	PUB-2010 Benefits Weighted Safety Healthy Employee Male Table (pre-retirement), the PUB-2010 Benefits Weighted Safety Healthy Employee Female Table (pre-retirement), the PUB-2010 Benefits Weighted Safety Healthy Retiree Male Table (post-retirement) and the PUB-2010 Benefits Weighted Safety Healthy Retiree Female Table (post-retirement). These tables use ages set forward one year for males and mortality improvements to all future years after 2010 using Scale MP-2021. These are the same rates used for Special Risk Class members in the July 1, 2024 Actuarial Valuation of the Florida Retirement System (FRS), as required under Florida Statutes, Chapter 112.63(1)(f).

Amortization Period for Any Change in Actuarial Accrued Liability

30 years

Summary of Data Used in Report

See page 11. Same as used in the September 30, 2024 Actuarial Valuation.

Actuarial Impact of Proposal(s)

See attached page(s) for the first-year impact of the proposed benefit multiplier change.

Other Cost Considerations

None

Actuarially Determined Contribution (ADC)

A. Valuation Date	September 30, 2024 <i>Valuation</i>	September 30, 2024 <i>Proposed Amendment</i>
B. ADC to Be Paid During Fiscal Year Ending	9/30/2026	9/30/2026
C. Assumed Date of Employer Contributions	Quarterly	Quarterly
D. Annual Payment to Amortize Unfunded Actuarial Accrued Liability (UAAL)	\$ 7,046,358	\$ 7,474,932
E. Normal Cost	10,443,217	11,051,107
F. Total Required Contribution if Paid Continuously During Year Beginning on Valuation Date	17,489,575	18,526,039
G. Covered Payroll	29,556,869	29,556,869
H. Total Required Contribution as % of Covered Payroll	59.17 %	62.68 %
I. Member Contribution as % of Covered Payroll	11.00 %	11.00 %
J. State Contribution as % of Covered Payroll	0.00 %	0.00 %
K. Required Employer Contribution (REC) as % of Covered Payroll	48.17 %	51.68 %
L. Projected Covered Payroll for Contribution Year	30,886,929	30,886,929
M. REC for Contribution Year: K x L	14,878,237	15,962,367
N. REC as % of Covered Payroll in Contribution Year: M ÷ L	48.17 %	51.68 %
O. Change in REC for Contribution Year		1,084,130
P. Change in REC as % of Covered Payroll in Contribution Year		3.51 %
If the City Makes its Contribution on October 1st:		
Q. REC for Contribution Year	14,383,335	15,431,404
R. REC as % of Covered Payroll in Contribution Year	46.57 %	49.96 %
S. Change in REC for Contribution Year		1,048,069
T. Change in REC as % of Covered Payroll in Contribution Year		3.39 %

Actuarial Value of Benefits and Assets

A. Valuation Date	September 30, 2024 <i>Valuation</i>	September 30, 2024 <i>Proposed Amendment</i>
B. Actuarial Present Value of All Projected Benefits for		
1. Active Members		
a. Service Retirement Benefits	\$ 187,976,803	\$ 199,973,157
b. Vesting Benefits	8,175,936	8,717,134
c. Disability Benefits	10,174,569	10,396,286
d. Preretirement Death Benefits	1,237,272	1,265,853
e. Return of Member Contributions	<u>821,910</u>	<u>821,910</u>
f. Total	208,386,490	221,174,340
2. Inactive Members		
a. Service Retirees & Beneficiaries	290,588,819	290,588,819
b. Terminated Vested Members	<u>3,128,260</u>	<u>3,128,260</u>
c. Total	293,717,079	293,717,079
3. Share Plan / DROP Accounts / Contribution Stabilization Reserve	186,583,742	186,583,742
4. Total for All Members	688,687,311	701,475,161
5. Change in Actuarial Present Value of All Projected Benefits	N/A	12,787,850
C. Actuarial Accrued (Past Service) Liability	598,006,264	605,238,867
D. Actuarial Present Value of Accumulated Plan Benefits per FASB Statement No. 35	N/A	N/A
E. Plan Assets		
1. Market Value	495,760,974	495,760,974
2. Actuarial Value	503,913,490	503,913,490
F. Unfunded Actuarial Accrued Liability (UAAL)	94,092,774	101,325,377
G. Change in UAAL	N/A	7,232,603
H. Actuarial Present Value of Projected Covered Payroll	271,217,413	271,217,413
I. Actuarial Present Value of Projected Member Contributions	29,833,916	29,833,916
J. Funded Ratio: E2/C	84.3 %	83.3 %

Calculation of Normal Cost

A. Valuation Date	September 30, 2024 <i>Valuation</i>	September 30, 2024 <i>Proposed Amendment</i>
B. Normal Cost for		
1. Service Retirement Benefits	\$ 8,529,010	\$ 9,086,382
2. Vesting Benefits	552,226	588,248
3. Disability Benefits	703,944	716,858
4. Preretirement Death Benefits	73,099	74,681
5. Return of Member Contributions	<u>191,832</u>	<u>191,832</u>
6. Total for Future Benefits	10,050,111	10,658,001
As % of Covered Payroll	34.00 %	36.06 %
7. Assumed Amount for Administrative Expenses	<u>393,106</u>	<u>393,106</u>
As % of Covered Payroll	1.33 %	1.33 %
8. Total Normal Cost	10,443,217	11,051,107
As % of Covered Payroll	35.33 %	37.39 %

Participant Data		
	September 30, 2024 <i>Valuation</i>	September 30, 2024 <i>Proposed Amendment</i>
ACTIVE MEMBERS		
Number	249	249
Covered Annual Payroll	29,556,869	29,556,869
Average Annual Payroll	\$ 118,702	\$ 118,702
Average Age	38.1	\$ 38.1
Average Past Service	9.5	9.5
Average Age at Hire	28.6	28.6
RETIREES, BENEFICIARIES & DROP PARTICIPANTS		
Number	300	300
Annual Benefits	\$ 19,480,780	\$ 19,480,780
Average Annual Benefit	\$ 64,936	\$ 64,936
Average Age	64.7	64.7
DISABILITY RETIREES		
Number	28	28
Annual Benefits	\$ 1,489,716	\$ 1,489,716
Average Annual Benefit	\$ 53,204	\$ 53,204
Average Age	53.5	53.5
TERMINATED VESTED MEMBERS		
Number	10	10
Annual Benefits	\$ 282,790	\$ 282,790
Average Annual Benefit	\$ 28,279	\$ 28,279
Average Age	44.4	44.4