

August 2, 2016

Pompano Beach Police & Firefighters' Retirement System
Board of Trustees
c/o Debra Tocarchick, Executive Director
2335 E. Atlantic Blvd., Suite 400
Pompano Beach, FL 33062

Actuarial Impact Statement
Police Share Plan

Dear Debra:

Section 112.63(3) of the Florida Statutes specifies that an actuarial impact statement is to be issued before a change to retirement benefits is adopted and that a copy of such statement is to be forwarded to the Division of Retirement.

Our understanding is that the amendment would formalize the procedure for allocating excess Chapter 185 State Premium Tax Revenues in compliance with Section 183.35(j) of the Florida Statutes as amended by SB 172 (effective July 1, 2015), allowing for 50% of State Premium Tax Revenues in excess of \$876,088 to be used by the City, and the remaining 50% to be allocated among police officers as follows:

- The initial reserve balance of \$107,581 is to be allocated (one share each) to the share accounts of the 17 police officers who were in active or DROP status as of September 12, 2015.
- Effective January 1, 2016 and each January 1, thereafter, the share account of each police officer who was in active or DROP status as of the preceding September 30 shall receive one share each of the excess for the year.
- Once the number of active/DROP police officers employed on any September 30 is less than 50% of the number of active/DROP police officers employed on September 12, 2015, then each January 1, the annual allocation shall be opened to include all police retirees (one share each).

Since the Police Share Plan is providing extra benefits outside of the System and is being funded with monies that would otherwise have been reserved for extra benefits, this change will not result in any measurable or foreseeable actuarial impact on the City of Pompano Beach Police and Firefighters' Retirement System.

In our opinion these changes are in compliance with Section 14, Article X of the State Constitution and with Section 112.64 Florida Statutes.

Pompano Beach Police & Firefighters' Retirement System
Board of Trustees
c/o Debra Tocarchick, Executive Director
Re: Actuarial Impact Statement (Police Share Plan)
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nyhart

Please let us know if you have any questions or comments.

Sincerely,

A handwritten signature in black ink that reads "David D. Harris". The signature is written in a cursive, flowing style.

David D. Harris, ASA, FCA, MAAA, EA

DDH/di
503501/740

cc: Pedro Herrera