



August 3, 2017

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: DROP provisions

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 ordinance would provide for the following:

1. To clarify that the certain conditions of the DROP apply to all participants of the program.
2. Make a corrective reference regarding the application of administrative expenses in the DROP.
3. Add clarifying language regarding the interest rate applying to loans from the DROP.
4. Clarify the benefit provisions of the Fire Chief upon reemployment.

The ordinance changes do not have any cost impact to the System.

The impact of these changes have been based on the data, plan provisions, and assumptions reflected in the October 1, 2016 actuarial valuation of the City of Pompano Beach Police and Firefighters' Retirement System.

This analysis has been prepared in accordance with generally accepted actuarial principles and practice. Future actuarial measurements may differ significantly from the current measurements presented in this analysis 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; and
- Changes in plan provisions or applicable law.

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We did not perform an analysis of the potential range of future measurements due to the limited scope of our engagement. The undersigned is compliant with the continuing education requirements of the Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States.

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

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  
Actuary

cc: Pedro Herrera