



June 27, 2025

Mr. Albert Lovingood
The Resource Centers, LLC
4360 Northlake Blvd. Suite 206
Palm Beach Gardens, FL 33410

Re: City of Lake Worth Beach General Employees Retirement System

Dear Albert:

As requested, we have reviewed the proposed ordinance (copy attached) which would amend the City of Lake Worth Beach General Employees Retirement System as follows:

- Amend Section 16-26, Participation in the pension plan, Section 16-44, Cash balance plan created, and Section 16-46, Eligibility, to specify that the person holding, as of August 16, 2025, the position of City Clerk will no longer remain an active participant in the Cash Balance plan. No further principal credits will be accrued after that date; however, interest credits will continue to accrue.

In our opinion, this proposed change would not have an actuarial impact on the Plan's actuarial valuation results for prefunding purposes. Therefore, it is our opinion that a formal Actuarial Impact Statement is not required. However, we recommend that you send a copy of this letter and the ordinance to the Bureau of Local Retirement Systems.

Nicolas Lahaye is a member of the American Academy of Actuaries and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein. The undersigned actuary is independent of the plan sponsor.

Please do not hesitate to contact us if you should have any questions.

Sincerely,
Gabriel, Roeder, Smith & Company

A handwritten signature in blue ink that reads "Nicolas Lahaye".

Nicolas Lahaye, FSA, EA, MAAA, FCA
Consultant & Actuary

cc: Madison Levine, Plan Attorney
Carolyn Kershner, City Attorney

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

ORDINANCE NO. 2025-[INSERT] OF THE CITY OF LAKE WORTH BEACH, FLORIDA, AMENDING CHAPTER 16, "PENSIONS AND RETIREMENT", ARTICLE II, "EMPLOYEES' RETIREMENT SYSTEM", DIVISION 2, "PENSION PLAN", SECTION 16-26, "PARTICIPATION IN THE PENSION PLAN", SECTION 16-44, "CASH BALANCE PLAN CREATED", AND SECTION 16-46, "ELIGIBILITY" TO NO LONGER PERMIT A SPECIFIED EMPLOYEE TO ACTIVELY PARTICIPATE IN THE PENSION PLAN; PROVIDING FOR SEVERABILITY, THE REPEAL OF LAWS IN CONFLICT, CODIFICATION, AND AN EFFECTIVE DATE

WHEREAS, the City has established and maintained the City of Lake Worth Beach Employees Retirement System ("Pension Plan"), the provisions of which presently are set forth in Divisions 1 and 2 of Article II of Chapter 16 of the City Code; and

WHEREAS, the City of Lake Worth Beach has entered into an agreement with the employee currently holding the position of City Clerk which provides for certain Pension Plan amendments; and

WHEREAS, it is desirable and consistent with the City's long-term goals for the Pension Plan to implement the amendments.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF LAKE WORTH BEACH, FLORIDA:

SECTION 1. Article II, Division 2, Section 16-26, "Participation in the pension plan" of the Code of Ordinances of the City of Lake Worth Beach, is amended by adding the underlined language as follows:

Sec. 16-26. Participation in the pension plan.

[...]

(b) A person shall remain a participant until the earlier of:

[...]

(4) The person holds or is appointed to a position enumerated in Section 16-15(h)(4), 16-15(h)(5), 16-15(h)(11), 16-15(h)(12), or 16-15(h)(13) on April 4, 2017 or thereafter. Persons holding such positions on the date immediately preceding April 4, 2017, or who are appointed to such positions after that date, and who have been participants in the pension plan, shall have a onetime, irrevocable option either to cease participation in the Pension Plan or to maintain participation in the Pension Plan. Such onetime option must

be exercised no later than within 30 days of the date of appointment to such position or on or before 5:00 p.m., September 30, 2018. Any person who does not exercise the option within the allotted period shall remain in the Pension Plan. Notwithstanding the foregoing provisions of this paragraph (4) and any prior election(s) which may have been made pursuant thereto by the person holding, as of August 16, 2025, the position of city clerk, such person shall no longer remain an active participant in the Pension Plan effective as of 11:59 p.m., August 16, 2025.

- (c) A new benefit structure, the Cash Balance Plan, is created effective October 1, 2018. All employees hired on or after October 1, 2018, and holding a position not identified in PERC certification No. 529, as amended or superseded, shall become participants in the Cash Balance Plan on their first day of full-time service. Active employees hired on October 1, 2010, through September 30, 2018, and who are participants in the City of Lake Worth Employees Retirement System shall have the onetime irrevocable option, to be exercised by submitting to the City a signed writing no later than 5:00 p.m. on September 30, 2018, to participate in the Cash Balance Plan commencing October 1, 2018, and to immediately cease participation in the prior benefit structure. Employees who switch will become 100 percent vested in benefits accrued through September 30, 2018, and payable under the terms and conditions then in effect. Any such employee who fails to make an election shall not become a participant in the Cash Balance Plan. Notwithstanding the foregoing provisions of subsection (c) and any prior election(s) which may have been made pursuant thereto by the person holding, as of August 16, 2025, the position of city clerk, such person shall no longer remain an active participant in the Cash Balance Plan effective as of 11:59 p.m., August 16, 2025. No employee, regardless of position, will be permitted to begin participation in the prior benefit structure after 11:59 p.m., September 30, 2018. For employees holding a position identified in PERC certification No. 529, as amended or superseded, these same provisions in this subsection (c) shall apply, provided only that each occurrence of the date "October 1, 2018," shall be instead "April 1, 2022," and each occurrence of the date "September 30, 2018," shall be instead "March 31, 2022."

SECTION 2. Article II, Division 2, Section 16-44, "Cash balance plan created" of the Code of Ordinances of the City of Lake Worth Beach, is amended by deleting the stricken language and adding the underlined language as follows:

Section 16-44. Cash balance plan created.

Effective October 1, 2018, there is hereby added a cash balance plan feature ("cash balance plan") to the City of Lake Worth Employees Retirement System, set forth in section 16-44. All employees who are hired on or after October 1, 2018 (April 1, 2022 for employees holding a position identified in PERC certification No. 529), and all employees hired before that date and after September 30, 2010, who elect to participate in the cash balance plan shall actively participate in the cash balance plan for so long as

eligible to do so. Notwithstanding the foregoing sentence and any prior election(s) which may have been made in connection therewith by the person holding, as of August 16, 2025, the position of city clerk, such person shall not be eligible to, and shall no longer, actively participate in the cash balance plan effective as of 11:59 p.m., August 16, 2025. With respect to any person, "actively participate" means making employee contributions equal to a percentage of compensation as set forth in subsection (a) of section 16-45 and receiving an allocation of principal credits equal to a percentage of employee compensation to the person's hypothetical cash balance account as set forth in subsection (b) of section 16-45. For the avoidance of doubt, interest credits continue to apply to the hypothetical cash balance account of a person who no longer "actively participates," as set forth in subsection (b) of section 16-45. the The cash balance plan is intended to meet the applicable requirements of Internal Revenue Code Section 401(a), hereinafter referred to as "Code Section". The plan is a "governmental plan" within the meaning of Code Section 414(d), and as such, is exempt from the Employee Retirement Income Security Act of 1974, as amended. Except as otherwise provided below, the terms of the City of Lake Worth Employees Retirement System shall apply to the cash balance plan.

SECTION 3. Article II, Division 2, Section 16-44, "Cash balance plan created" of the Code of Ordinances of the City of Lake Worth Beach, is amended by adding the underlined language as follows:

Sec. 16-46. Eligibility.

Any employee holding a position not identified in PERC certification No. 529, as amended or superseded, and hired on or after October 1, 2018, shall automatically become a participant in the Cash Balance Plan as a mandatory condition of their employment, in addition to those employees electing to participate in the Cash Balance Plan pursuant to Section 16-26(c). Notwithstanding the foregoing sentence and any prior election(s) which may have been made pursuant to Section 16-26(c) by the person holding, as of August 16, 2025, the position of city clerk, such person shall not be eligible to, and shall no longer, actively participate in the cash balance plan effective as of 11:59 p.m., August 16, 2025. For employees holding a position identified in PERC certification No. 529, as amended or superseded, these same provisions of this section shall apply, provided only that each occurrence of the date "October 1, 2018," shall be instead "April 1, 2022."

SECTION 3. Severability. That if any word, phrase, clause, subsection or section of this ordinance for any reason be held unconstitutional or invalid, the invalidity thereof shall not affect the validity of any remaining portions of this ordinance.

SECTION 4. Repeal of Laws in Conflict. That all sections or parts of sections of the Code of Ordinances, all ordinances or parts of ordinances, and all resolutions or parts of resolutions in conflict herewith and the same are hereby repealed to the extent of such conflict.

SECTION 5. Codification. The sections of this Ordinance may become a part of the City Code of Ordinances and may be renumbered or re-lettered to accomplish such, and the word "ordinance" may be changed to "section," "division," or any other appropriate word.

SECTION 6. This Ordinance shall become effective upon its final passage.

The passage of this ordinance on first reading was moved by Commissioner _____ seconded by Commissioner _____, and upon being put to a vote, the vote was as follows:

Mayor Betty Resch
Vice Mayor Sarah Malega
Commissioner Christopher McVoy
Commissioner Mimi May
Commissioner Anthony Segrich

The Mayor thereupon declared this ordinance duly passed on first reading on the ____ day of _____, 2025.

The passage of this ordinance on second reading was moved by Commissioner _____, seconded by Commissioner _____, and upon being put to a vote, the vote was as follows:

Mayor Betty Resch
Vice Mayor Sarah Malega
Commissioner Christopher McVoy
Commissioner Mimi May
Commissioner Anthony Segrich

The Mayor thereupon declared this ordinance duly passed on the ____ day of _____, 2025.

LAKE WORTH BEACH CITY COMMISSION

By: _____
Betty Resch, Mayor

ATTEST:

Melissa Ann Coyne, MMC, City Clerk