



# CITY OF Boca Raton

CITY HALL  
201 WEST PALMETTO PARK ROAD • BOCA RATON, FL 33432  
PHONE (561) 393-7700  
(FOR HEARING IMPAIRED) TDD (561) 367-7043  
[www.myboca.us](http://www.myboca.us)

**DATE:** May 4, 2026  
**TO:** Mayor and City Council  
**FROM:** Mark Sohaney  
City Manager *[Signature]*  
**SUBJECT:** Amendment to the Executive Employees' Retirement Plan (EERP)

**RECOMMENDATION:** I recommend adoption of the proposed amendment to Chapter 12, Article V, "Executive Employees' Retirement Plan," of the City Code of Ordinances.

**BACKGROUND:** Attached for your consideration is a proposed amendment to the Executive Employees' Retirement Plan ("EERP") intended to clarify the definition of Average Final Compensation to ensure consistency with past practice and actuarial methodologies, while preserving the Plan's existing benefit structure.

The ordinance does not increase benefit multipliers, expand eligibility, modify retirement ages, or enhance cost-of-living or supplemental benefits. Rather, it focuses on a technical update, internal consistency, and actuarial integrity to ensure the Plan operates as intended and remains aligned with current professional standards and administrative practices. Accordingly, the proposed amendment shall apply retroactively to all affected Plan members, retirees, and their beneficiaries, as appropriate.

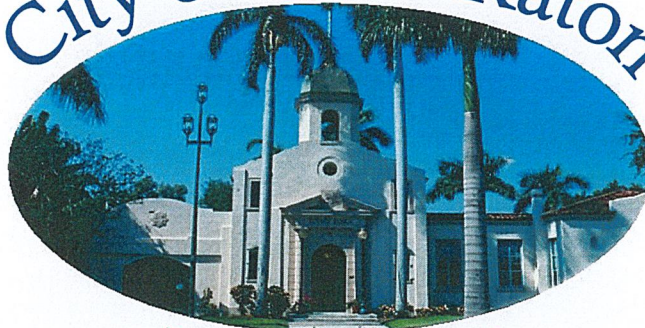
Average Final Compensation

The ordinance updates the definition of "Average Final Compensation" to bring technical consistency with how the plan has been administered from inception. The code currently describes a computation based on a specified number of pay periods to calculate annual earnings. However, because a full year is not evenly divided into biweekly pay periods, the strict application of this code as currently worded produces a value that is 0.34126% short of actual annual compensation. Because of this, the plan has been administered since inception and valued by the actuaries using actual annual compensation for the specified number of years in the calculation of Average Final Compensation. The proposed amendment would remove the reference to specific number of pay periods and replace it with corresponding periods expressed in years, within the definition of Average Final Compensation. For example, 130 (biweekly) pay periods is changed to 5 consecutive years. This change also brings consistency with similar provisions in the City's other two pension plans.

**FISCAL IMPACT:** The ordinance does not increase pension costs or liabilities as it simply ensures the code is consistent with the Plan's administration and valuation under current actuarial standards. An actuarial impact statement has been obtained in accordance with Section 112.63, Florida Statutes, and is attached to this memorandum. This statement concludes that in the actuary's opinion this Ordinance will not impact the actuarial liability or cost of the EERP.

**STRATEGIC IMPACT:** This Ordinance supports the following Strategic Focus Area: Financially Sound

# City of Boca Raton



Incorporated 1925

## ORDINANCE

5789

1  
2 AN ORDINANCE OF THE CITY OF BOCA RATON  
3 AMENDING CHAPTER 12, "PENSIONS AND RETIREMENT",  
4 ARTICLE V, "EXECUTIVE EMPLOYEES' RETIREMENT  
5 PLAN," SECTION 12-160, CODE OF ORDINANCES,  
6 RELATING TO THE DEFINITION AND CALCULATION OF  
7 "AVERAGE FINAL COMPENSATION" TO CLARIFY AND  
8 ALIGN WITH LONGSTANDING PLAN ADMINISTRATION;  
9 PROVIDING FOR SEVERABILITY; PROVIDING FOR  
10 REPEALER; PROVIDING FOR CODIFICATION; PROVIDING  
11 AN EFFECTIVE DATE

12  
13 WHEREAS, the City of Boca Raton maintains the Executive Employees'  
14 Retirement Plan (the "Plan") as set forth in Chapter 12, Article V of the Code of  
15 Ordinances; and

16 WHEREAS, Section 12-160 of the Code defines "Average Final Compensation,"  
17 which serves as a core component in the calculation of retirement benefits under the Plan;  
18 and

1           WHEREAS, since the inception of the Plan, Average Final Compensation has  
2 been calculated in a consistent manner by the Plan's actuary based on a time-based  
3 averaging methodology reflecting the highest years of compensation within a defined  
4 period; and

5           WHEREAS, the City has determined that the current text of the definition of  
6 Average Final Compensation, which references a specified number of pay periods, does  
7 not fully reflect the methodology that has been consistently applied in the administration  
8 of the Plan; and

9           WHEREAS, the City Council finds that it is appropriate and in the best interest of  
10 the City and Plan participants to amend the definition of Average Final Compensation to  
11 clarify and conform the Plan's language to its longstanding administrative application and  
12 to align such definition with the structure used in other City retirement plans; and

13           WHEREAS, the City Council further finds that the amendments adopted herein  
14 are intended to clarify and conform the methodology historically applied in the  
15 administration and actuarial valuation of the Plan and to apply retroactively to affected  
16 members, retirees, and beneficiaries, as applicable; now therefore

17  
18                           THE CITY OF BOCA RATON HEREBY ORDAINS:  
19

20           Section 1. Chapter 12, "Pensions and Retirement," Article V, "Executive Employees'  
21 Retirement Plan," Section 12-160, "Definitions," Code of Ordinances, is amended to read:

22           Sec. 12-160. – Definitions

23           "Average final compensation" shall mean 1/12 of the arithmetic average of  
24           annual compensation paid for the highest 5 consecutive years ~~130 pay periods~~

1 within the last 10 years ~~260 pay periods~~ of vesting service which yield the  
2 highest average, or such shorter period if less than 5 years ~~130 pay periods~~, so  
3 that compensation may be counted up to the actual date of termination.  
4 Notwithstanding the foregoing, for a division 4 member who retires or enters the  
5 DROP before January 26, 2021, "average final compensation" shall mean 1/12  
6 of the arithmetic average of annual compensation paid for the highest two  
7 consecutive years ~~52 pay periods~~ within the last 10 years ~~260 pay periods~~ of  
8 vesting service which yield the highest average, or such shorter period if vesting  
9 service is less than two consecutive years ~~52 pay periods~~, so that compensation  
10 may be counted up to the actual date of termination.

11 Section 2. If any section, subsection, clause or provision of this ordinance is held  
12 invalid, the remainder shall not be affected by such invalidity.

13 Section 3. All ordinances and resolutions or parts of ordinances and resolutions and  
14 all sections and parts of sections in conflict herewith shall be and hereby are repealed.

15 Section 4. Codification of this ordinance in the City Code of Ordinances is hereby  
16 authorized and directed.

17 Section 5. This ordinance shall take effect immediately upon adoption. The  
18 amendments adopted herein are intended to clarify and conform the definition of "Average Final  
19 Compensation" to the methodology historically applied in the administration of the Plan and shall  
20 apply retroactively to all affected members, retirees, and beneficiaries, as applicable.

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PASSED AND ADOPTED by the City Council of the City of Boca Raton this \_\_\_\_ day  
of \_\_\_\_\_, 2026.

CITY OF BOCA RATON, FLORIDA

ATTEST:

\_\_\_\_\_  
Andy Thomson, Mayor

\_\_\_\_\_  
Mary Siddons, City Clerk

Approved as to form:



\_\_\_\_\_  
Joshua Pariente Koehler  
City Attorney

COUNCIL MEMBER	YES	NO	ABSTAINED
MAYOR ANDY THOMSON			
DEPUTY MAYOR MICHELLE GRAU			
COUNCIL MEMBER YVETTE DRUCKER			
COUNCIL MEMBER JON PEARLMAN			
COUNCIL MEMBER STACY SIPPLE			



May 4, 2026

CONFIDENTIAL

Ms. Laura Underhill  
Senior Financial Analyst  
Florida League of Cities, Inc.  
P.O. Box 1757  
Tallahassee, FL 32302

**Re: City of Boca Raton Executive Employees' Retirement Plan  
"No Actuarial Impact" Letter for Proposed Ordinance**

Dear Laura:

We have reviewed the proposed Ordinance draft (rev 5.1.2026) for the City of Boca Raton Executive Employees' Retirement Plan (Plan), which if passed would amend Section 12-160 – Definitions, "Average final compensation" under Chapter 12, Article V of the City of Boca Raton Code of Ordinances, to change "highest 130 pay periods with the last 260 pay periods" to "highest 5 consecutive years within the last 10 years" and other references to "52 pay periods", "130 pay periods" and "260 pay periods" to "2 years", "5 years" and "10 years", respectively.

This Ordinance clarifies the way the Plan has been previously interpreted and administered, as all historical benefit calculations have been prepared using a time-based averaging methodology rather than using the specific highest 130 biweekly pay periods out of the last 260 pay periods. The updated Ordinance language also matches the way the Plan is currently set up for actuarial valuation purposes. As such, it is our opinion that this Ordinance will not have an actuarial impact on the cost of the Plan. Therefore, a formal Actuarial Impact Statement is not required. However, we recommend you send a copy of this letter and the Ordinance to the Bureau of Local Retirement Systems.

Peter N. Strong 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 signing actuary is independent of the plan sponsor.

If there are any questions, please let us know.

Sincerely yours,  
Gabriel, Roeder, Smith & Company

A handwritten signature in black ink that reads "Peter N. Strong". The signature is written in a cursive, flowing style.

Peter N. Strong, FSA, EA, MAAA, FCA  
Senior Consultant and Actuary

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