FLA

FREIMAN LITTLE ACTUARIES

March 18, 2025

Via Electronic Transmission

Florida Division of Retirement

To whom it may concern:

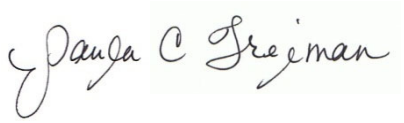
Re: 2024 Disclosure under F.S. 112.664

An attachment provides information under F.S. 112.664(1) for the City of Sunrise Firefighters' Retirement Plan (the Plan) as of October 1, 2024 in the format described in F.A.C. Rule 60T-1.0035. We have uploaded the semi-colon delimited file described by the rule.

The disclosure requirements for F.S. 112.664(2)(b)2. are found at the end of Section 3 in our attached October 1, 2024 actuarial valuation of the Plan. The GASB 67 and GASB 68 Supplements as of September 30, 2024 have also been attached.

Please let us know if you have any questions or need additional information.

Sincerely,



Paula C. Freiman, ASA, EA
Partner, Consulting Actuary

4105 SAVANNAHS TRAIL, MERRITT ISLAND, FL, 32953-8607 • OFFICE (321) 453-6542 • FAX (321) 453-6998 • MOBILE (321) 591-8265 • chad@flactuaries.com • www.flactuaries.com

With respect to the reporting standards for defined benefit retirement plans or systems contained in Section 112.664(1), F.S., the actuarial disclosures required under this section were prepared and completed by me or under my direct supervision and I acknowledge responsibility for the results. To the best of my knowledge, the results are complete and accurate, and in my opinion, meet the requirements of Section 112.664(1), F.S., and Section 60T-1.0035, F.A.C.

(a)	City/District	City of Sunrise
(b)	Plan Name	City of Sunrise Firefighters' Retirement Plan
(c)	Plan Type	Defined Benefit
(d)	Valuation Date	10/01/2024
(e)	Interest Rate:	
(e)(1)	Discount Rate, net of investment fees	7.40%
(e)(2)	Long-Term Expected Rate of Return, net of investment fees	7.40%
(f)	Certification Statement	
(f)(1)	Signature	Paula C Freiman
(f)(2)	Actuary's Name	Paula C. Freiman
(f)(3)	Enrollment Number	23-5796
(f)(4)	Signature Date	03/18/2025
(f)(5)	Cover letter attached (pdf)?	Y

Section 112.664(1)(a), F.S. Total pension liability assuming mortality as used in FRS actuarial valuation

(g)	Total pension liability:	
(g)(1)	Service cost	$5,150,511
(g)(2)	Interest	17,316,889
(g)(3)	Benefit changes	0
(g)(4)	Difference between expected and actual experience	1,965,556
(g)(5)	Changes in assumptions	2,907,032
(g)(6)	Benefit payments	(10,628,942)
(g)(7)	Contribution refunds	(11,411)
(g)(8)	Net change in total pension liability	$16,699,635
(g)(9)	Total pension liability – beginning of year	$231,813,797
(g)(10)	Total pension liability – ending of year	$248,513,432
(h)	Plan fiduciary net position:	
(h)(1)	Contributions – Employer	$6,853,287
(h)(2)	Contributions – State	1,458,670
(h)(3)	Contributions – Member	1,734,125
(h)(4)	Net investment income	29,057,437
(h)(5)	Benefit payments	(10,628,942)
(h)(6)	Contributions refunds	(11,411)
(h)(7)	Administrative expense	(229,604)
(h)(8)	Other	0
(h)(9)	Net change in plan fiduciary net position	$28,233,562
(h)(10)	Plan fiduciary net position – beginning of year	$164,612,838
(h)(11)	Plan fiduciary net position – ending of year	$192,846,400
(i)	Net pension liability/(asset) [(g)(10) minus (h)(11)]	$55,667,032

Section 112.664(1)(b), F.S. Total pension liability assumed interest rate that is 200 basis points lower than that assumed in the valuation of the Plan

(j)	Total pension liability:	
(j)(1)	Service cost	$8,460,860
(j)(2)	Interest	16,626,363
(j)(3)	Benefit changes	0
(j)(4)	Difference between expected and actual experience	2,984,242
(j)(5)	Changes in assumptions	4,495,031
(j)(6)	Benefit payments	(10,628,942)
(j)(7)	Contribution refunds	(11,411)
(j)(8)	Net change in total pension liability	$21,926,143
(j)(9)	Total pension liability – beginning of year	$299,909,090
(j)(10)	Total pension liability – ending of year	$321,835,233
(k)	Plan fiduciary net position:	
(k)(1)	Contributions – Employer	$6,853,287
(k)(2)	Contributions – State	1,458,670
(k)(3)	Contributions – Member	1,734,125
(k)(4)	Net investment income	29,057,437
(k)(5)	Benefit payments	(10,628,942)
(k)(6)	Contributions refunds	(11,411)
(k)(7)	Administrative expense	(229,604)
(k)(8)	Other	0
(k)(9)	Net change in plan fiduciary net position	$28,233,562
(k)(10)	Plan fiduciary net position – beginning of year	$164,612,838
(k)(11)	Plan fiduciary net position – ending of year	$192,846,400
(l)	Net pension liability/(asset) [(j)(10) minus (k)(11)]	$128,988,833

Section 112.664(1)(c), F.S. (on last valuation basis)

(m)	Number of Years, and fractional parts of Years, for which the Market Value of Assets are adequate to sustain expected retirement benefits	17.68

Section 112.664(1)(c), F.S. (on Section 112.664(1)(a), F.S. basis)

(n)	Number of Years, and fractional parts of Years, for which the Market Value of Assets are adequate to sustain expected retirement benefits	17.68

Section 112.664(1)(c), F.S. (on Section 112.664(1)(b), F.S. basis)

(o)	Number of Years, and fractional parts of Years, for which the Market Value of Assets are adequate to sustain expected retirement benefits	14.58

Section 112.664(1)(d), F.S. (on last valuation basis)

(p)	Recommended Plan contributions in Annual Dollar Value	$11,896,247
(q)	Recommended Plan contributions as a Percentage of Valuation Payroll	65.35%

Section 112.664(1)(d), F.S. (on Section 112.664(1)(a), F.S. basis)

(r)	Recommended Plan contributions in Annual Dollar Value	$11,896,247
(s)	Recommended Plan contributions as a Percentage of Valuation Payroll	65.35%

Section 112.664(1)(d), F.S. (on Section 112.664(1)(b), F.S. basis)

(t)	Recommended Plan contributions in Annual Dollar Value	$18,896,868
(u)	Recommended Plan contributions as a Percentage of Valuation Payroll	103.80%

FLA
FREIMAN LITTLE ACTUARIES

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City of Sunrise

Firefighters' Retirement Plan

Actuarial Valuation as of October 1, 2024

February 9, 2025

REPORT TO DETERMINE MINIMUM FUNDING REQUIREMENTS
FOR THE PLAN AND FISCAL YEAR
ENDING SEPTEMBER 30, 2026

FREIMAN LITTLE ACTUARIES

February 9, 2025

Board of Trustees
City of Sunrise Firefighters' Retirement Plan
Sunrise, Florida

RE: Actuarial Valuation as of October 1, 2024

Dear Board Members:

We are pleased to present the actuarial valuation as of October 1, 2024 for the City of Sunrise Firefighters' Retirement Plan (the Plan). This report provides a review of the current funded status of the Plan, establishes the minimum funding requirements for the fiscal year ending September 30, 2026 and provides an analysis of experience since the last valuation. In addition to providing the summary and derivation of actuarial findings, this report describes the data, assumptions, and methods used to create these results.

In producing our work product, we rely on various models, internal and external, which were used for their intended purposes. Underlying data, assumptions, methodologies, model inputs and resulting outputs have been reviewed. The 7.4% net assumed return is a prescribed assumption set by another party, as it is set by the Board. While we find all other inputs and outputs to be reasonable individually and in aggregate, this prescribed assumption significantly conflicts with our judgment regarding what would constitute a reasonable assumption for the purpose of the measurement. We continue to recommend lowering the net assumed return.

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.

Statement by Enrolled Actuary:

"This actuarial valuation and/or cost determination was prepared and completed by me or under my direct supervision, and I acknowledge responsibility for the results. To the best of my knowledge, the results are complete and accurate, and in my opinion, the techniques and assumptions used are reasonable and meet the requirements and intent of Part VII, Chapter 112, Florida Statutes. 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."

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We look forward to the presentation of these results to you in person and we are always available to answer any questions you may have.

Sincerely,

Chad M. Little, ASA, EA
Partner, Consulting Actuary
Enrollment Number 23-6619

Paula C. Freiman, ASA, EA
Partner, Consulting Actuary
Enrollment Number 23-5796

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Section 1 Board Summary

This report presents the results of the October 1, 2024 actuarial valuation of the City of Sunrise Firefighters' Retirement Plan (the Plan).

Summary of Principal Valuation Results

A summary of the key valuation findings as of October 1, 2024 are compared with the results of the prior year below.

Minimum Funding Requirements

Fiscal Year Ending September 30,	**2025**	**2026**
As a Dollar Amount		
Estimated Minimum Required City Contribution*	$7,449,570	$8,557,006
Estimated State Contribution	1,611,113	1,458,670
Total Minimum Funding Requirement (City plus State)	$9,060,683	$10,015,676
As a Percentage of Payroll		
Estimated Minimum Required City Contribution	44.27%	47.01%
Estimated State Contribution	9.57%	8.01%
Total Minimum Funding Requirement (City plus State)	53.84%	55.02%
Estimated Minimum Required City Contribution		
As a Percent of Payroll Including DROP	38.09%	42.01%

Funded Status

Valuation Date as of October 1,	**2023**	**2024**
Accrued Liability (AL)	$231,813,797	$248,513,432
Actuarial Value of Assets	178,947,237	190,130,749
Unfunded Accrued Liability (UAL)	$52,866,560	$58,382,683
Funded Percentage	77.19%	76.51%

Key Assumptions

Valuation Date as of October 1,	**2023**	**2024**
Assumed Rate of Investment Return	7.50%	7.40%
Salary Increase Assumption	13.00% to 4.50%	13.00% to 4.50%
Total Payroll Increase Assumption	3.00%	3.00%
Funding Method	Entry Age	Entry Age

*The total minimum funding requirement has been determined assuming the estimated minimum required City contribution is deposited on the first day of the fiscal year.

Summary of Significant Events

Determination of the funded status of the Plan and minimum funding requirements are based on participant data, asset information, Plan provisions, actuarial methods and assumptions, as well as contributions made to the Plan by the State of Florida. Any significant events associated with these items are discussed in the following.

In preparing our report we relied, without audit, on information (some oral and some written) supplied by the Plan Administrator and the City. This information includes, but is not limited to, statutory provisions, employee census, and financial information. In our examination of these data, we have found them to be reasonably consistent and comparable with data used for other purposes. Since the valuation results are dependent on the integrity of the data supplied, the results can be expected to differ if the underlying data is incomplete or missing. It should be noted that if any data or other information is inaccurate or incomplete, our calculations may need to be revised.

Participant Data

The number of active members increased from 143 to 148 along with a 8.1% increase in total valuation salary in comparison to the 3.0% payroll growth expected. The following provides a summary of the valuation payroll increases over the last 30 years along with the actual to the expected average pay increases for continuing active members for the 12-month periods ending on the date specified. Actual individual salary increases were 8.3% on average as compared to an expected 7.4% increase.

Valuation as of 10/1	Total Valuation Salary	Percent Change	Average Individual Salary Increase for Continuing Actives	
			Actual	Expected
2024	$17,878,043	8.1 %	8.3 %	7.4 %
2023	16,531,980	7.6 %	5.6 %	7.4 %
2022	15,369,130	1.8 %	17.0 %	7.4 %
2021	15,091,440	8.7 %	5.5 %	7.4 %
2020	13,882,964	6.1 %	2.6 %	6.5 %
2019	13,090,808	5.0 %	3.9 %	6.9 %
2018	12,463,721	(0.6)%	6.9 %	7.8 %
2017	12,541,903	2.7 %	8.3 %	7.7 %
2016	12,217,142	6.6 %	10.1 %	7.8 %
2015	11,458,711	3.5 %	4.7 %	7.7 %
2014	11,075,775	0.8 %	3.3 %	7.0 %
2013	10,991,092	2.1 %	8.7 %	7.1 %
2012	10,762,274	(2.2)%	5.9 %	7.5 %
2011	11,009,676	0.8 %	6.5 %	8.1 %
2010	10,926,750	2.6 %	8.7 %	8.4 %
2009	10,646,316	6.8 %	9.6 %	6.5 %
2008	9,972,947	2.2 %	8.1 %	6.4 %
2007	9,758,384	(3.3)%	9.4 %	6.0 %
2006	10,095,003	12.6 %	19.0 %	6.0 %
2005	8,964,808	22.2 %	15.5 %	6.0 %
2004	7,339,091	(2.2)%	6.5 %	6.0 %
2003	7,501,014	7.7 %	6.6 %	6.0 %
2002	6,963,566	(10.7)%	1.1 %	6.2 %
2001	7,800,496	2.8 %	3.3 %	5.9 %
2000	7,587,427	18.6 %	18.0 %	6.0 %
1999	6,398,928	2.1 %	4.8 %	6.2 %
1998	6,264,836	2.7 %	3.0 %	6.3 %
1997	6,100,002	5.1 %	7.5 %	6.4 %
1996	5,804,779	2.0 %	4.6 %	8.6 %
1995	5,688,338	6.1 %	6.5 %	8.6 %
30 Year Geometric Average		4.1 %	7.6 %	7.0 %
10 Year Geometric Average		4.9 %	7.2 %	7.4 %

Overall, there was a very small demographic loss primarily due to pay increases higher than expected, one disability, one DROP entrant, the correction in benefits payable to one DROP member who retired, and the retirement of one vested termination.

Assets

While the return on the Market Value of Assets was 17.41%, the return on the Actuarial Value of Assets used for funding purposes was 6.63%. An actuarial loss resulted due to the return on the Actuarial Value of Assets being less than the 7.50% net assumed rate of return expected for the year ending September 30, 2024.

Note only a portion of actual investment gains or losses are recognized in the current year's Actuarial Value of Assets with the remainder recognized over the next four years. Even if all assumptions are realized in the next several years, the Plan will experience changes in the required contribution rate until prior gains and losses are fully recognized.

The following provides a summary of the actual return on investments for the 12-month periods ending on the date specified.

Year Ending 9/30	Market Value	Market Return	Actuarial Value	Actuarial Return
2024	$192,846,400	17.4 %	$190,130,749	6.6 %
2023	164,612,838	8.2 %	178,947,237	3.8 %
2022	154,973,848	(13.5)%	175,382,039	5.5 %
2021	183,776,715	21.6 %	169,988,026	10.2 %
2020	151,816,631	5.8 %	155,203,516	8.1 %
2019	146,249,304	4.1 %	146,366,705	7.5 %
2018	146,237,269	10.1 %	141,684,463	8.5 %
2017	135,548,638	11.6 %	133,325,268	9.0 %
2016	120,391,017	10.1 %	121,256,853	9.9 %
2015	108,526,799	0.2 %	109,591,534	9.5 %
2014	109,371,318	10.5 %	100,869,650	11.7 %
2013	99,036,104	15.7 %	90,378,144	10.1 %
2012	87,062,354	19.7 %	83,654,894	4.1 %
2011	72,682,594	1.4 %	80,234,911	2.7 %
2010	69,936,309	9.1 %	76,423,148	3.4 %
2009	64,716,039	2.5 %	74,485,927	4.9 %
2008	61,800,073	(11.9)%	69,907,712	4.7 %
2007	67,155,119	14.6 %	63,807,522	11.1 %
2006	58,480,418	7.8 %	57,335,947	7.1 %
2005	53,563,473	11.7 %	52,871,432	4.5 %
2004	47,189,418	9.9 %	49,829,592	5.8 %
2003	42,863,996	16.6 %	47,000,335	6.2 %
2002		(7.6)%	44,143,681	3.8 %
2001		(8.1)%	42,283,875	6.2 %
2000		14.3 %	39,660,141	14.9 %
1999		14.7 %	34,474,748	13.4 %
1998		5.2 %	29,427,605	8.3 %
1997		24.6 %	26,242,175	20.6 %
1996		11.9 %	20,823,116	12.1 %
29 Year Geometric Average		7.8 %		8.0 %
10 Year Geometric Average		7.1 %		7.8 %

Investment returns less than the assumed rate of return result in increased annual minimum required contributions.

Plan Provisions

Ordinance No. 674-24-A was adopted January 23, 2024 states, "The Fire Chief shall … serve as an ex officio voting member of the firefighters' retirement plan board." This change in Plan provisions is not expected to have any effect on benefits payable from the Plan. As such there is no material impact.

The impact of any Plan changes may be found in the reconciliation of the funded status and minimum funding requirements found near the end of Section 2 of this report. See "Reconciliation of Unfunded Accrued Liability" and "Reconciliation of City Minimum Required Contribution" in the table of contents.

Assumptions and Methods

The net assumed rate of investment return was changed to 7.40% for this October 1, 2024 valuation from 7.50% used in the October 1, 2023 valuation. The 7.40% net assumed return is a prescribed assumption set by another party, as it is set by the Board. The prescribed assumption significantly conflicts with our judgment regarding what would constitute a reasonable assumption for the purpose of the measurement. As discussed with the Board we recommend lowering the net assumed return.

See the Required Disclosure Under F.S. 112.664(1) found near the end of section 2 of this report which provides the funding results using a net assumed return assumption 2% higher and 2% lower than the 7.4% net assumed return used in this actuarial valuation. The Reasonable Actuarially Determined Contribution (RADC) is roughly half-way between the result for the 7.4% net assumed return and that for the 5.4% net assumed return assumption.

The impact of any changes in assumptions and methods may be found in the reconciliation of the funded status and minimum funding requirements found near the end of Section 2 of this report. See "Reconciliation of Unfunded Accrued Liability" and "Reconciliation of City Minimum Required Contribution" in the table of contents.

State Contributions

The Estimated Minimum Required City Contribution shown on page 1 assumes that the premium tax money received from the State will be in the same amount received in the prior year. Should the amount received in from the State be less than expected, the City will need to contribute any potential shortfall to the Plan.

Assessment and Disclosure of Risk

This section is meant to address the assessment and disclosure of risk in a pension funding valuation. This is not meant to be a comprehensive summary but should provide information regarding risks related to this plan. Additional historical information provided in this report also contains relevant information regarding asset size, asset mix, pay increases, benefits and contributions. This information can be used to understand the changes over time to identify trends.

Actuarial Standards of Practice define risk as "The potential of actual future measurements deviating from expected future measurements resulting from actual future experience deviating from actuarially assumed experience…." The following provides examples of potential risk.

Investment Risk: As noted previously, investment returns less than the assumed rate of return result in increased annual minimum required contributions payable in a subsequent year.

Interest Rate Risk: Interest rates are used to discount the value of benefits. If the long-term expectation of returns is higher or lower than the assumed net investment return, the assumed net investment return should be adjusted. When the assumed net investment return is increased the estimated liability is decreased. When the assumed net investment return is decreased the estimated liability is increased. The chart below shows what the funded status of the plan is on a market value of assets basis after changing the net assumed return by 1% or 2%.

Funded Status on Market Value of Assets Basis

As of 10/1	2% Decrease	1% Decrease	Valuation Net Assumed Return	1% Increase	2% Increase	Valuation Net Assumed Return Assumption
2024	59.92%	68.58%	77.60%	86.91%	96.45%	7.40%
2023	54.89%	62.79%	71.01%	79.50%	88.22%	7.50%
2022	53.65%	61.36%	69.38%	77.66%	86.14%	7.50%
2021	66.59%	76.05%	85.88%	95.99%	106.34%	7.50%
2020	58.71%	67.01%	75.62%	84.49%	93.57%	7.70%
2019	56.62%	64.85%	73.41%	82.20%	91.19%	7.80%
2018	57.88%	66.20%	74.80%	83.61%	92.56%	7.80%
2017	56.00%	64.05%	72.37%	80.87%	89.50%	7.80%
2016	53.22%	60.91%	68.86%	77.01%	85.30%	7.85%

Longevity and Other Demographic Risks: The estimated liability of the Plan is based on assumptions related to mortality, retirement, disability and termination. To the extent that Plan experience is different than these assumptions the gains and losses affect future required contributions and estimated liability.

Contribution Risk: The possibility that the plan sponsor does not make contributions to the plan according to the funding policy.

Intergenerational equity risk: Intergenerational equity is the concept that resources do not belong to a specific generation and they must be preserved for future generations. One way to alleviate this risk is to pay for benefits over the average future service of the group receiving benefits. Members may feel there are inequities when one is paying more than others, receiving less than others, or paying more than others in relation to what they are receiving.

Plan maturity measures may help understand the risks associated with the plan. As the Plan matures, the ratio of the Market Value of Assets to the Covered Payroll increases. As this ratio gets larger, the impact of asset volatility has a larger effect on the volatility of the Minimum Required Contribution as a percentage of pay.

Year Ending 9/30	Market Value of Assets	Covered Valuation Payroll	Asset Volatility Ratio
2024	$192,846,400	$17,878,043	10.8
2023	164,612,838	16,531,980	10.0
2022	154,973,848	15,369,130	10.1
2021	183,776,715	15,091,440	12.2
2020	151,816,631	13,882,964	10.9
2019	146,249,304	13,090,808	11.2
2018	146,237,269	12,463,721	11.7
2017	135,548,638	12,541,903	10.8
2016	120,391,017	12,217,142	9.9
2015	108,526,799	11,458,711	9.5
2014	109,371,318	11,075,775	9.9
2013	99,036,104	10,991,092	9.0
2012	87,062,354	10,762,274	8.1
2011	72,682,594	11,009,676	6.6
2010	69,936,309	10,926,750	6.4
2009	64,716,039	10,646,316	6.1
2008	61,800,073	9,972,947	6.2
2007	67,155,119	9,758,384	6.9
2006	58,480,418	10,095,003	5.8
2005	53,563,473	8,964,808	6.0
2004	47,189,418	7,339,091	6.4
2003	42,863,996	7,501,014	5.7

Another measure of a pension plan's maturity is the Ratio of Benefit Payments to Contributions. Over the life of a pension plan, it is expected that the majority of the benefits will be paid for by returns rather than contributions. For this to happen, as a plan matures, the plan will eventually pay out more in benefits than it receives in contributions. It is important to understand the magnitude of this difference so that steps can be taken, if necessary, to manage cash flows going forward. The table below provides the Ratio of Benefit Payments to Contributions. Note that there are other cash flows to be considered such as interest and dividends earned or expenses paid by a pension plan.

Year Ending 9/30	Benefit Payments	Contributions	Ratio of Benefit Payments to Contributions
2024	$10,640,353	$10,046,082	1.06
2023	12,497,130	9,499,469	1.32
2022	12,362,686	8,691,450	1.42
2021	9,927,380	8,895,096	1.12
2020	11,463,643	8,564,355	1.34
2019	14,169,964	8,441,926	1.68
2018	10,960,320	8,036,028	1.36
2017	6,463,144	7,538,727	0.86
2016	6,501,439	7,327,250	0.89
2015	8,093,516	7,235,540	1.12
2014	7,121,213	6,976,695	1.02

When looking at Net Cash Flows, it is useful to understand the relative size of the cash flows in comparison to the Market Value of Assets. The following table provides the ratio of the Net Cash Flows divided by the Market Value of Assets. As mentioned previously, there are other cash flows to be considered such as interest and dividends earned or expenses paid by a pension plan.

Year Ending 9/30	Contributions	Disbursements	Assets	Net Cash Flow Divided by Assets
2024	$10,046,082	$10,869,957	$192,846,400	0.00
2023	9,499,469	12,703,705	164,612,838	(0.02)
2022	8,691,450	12,612,072	154,973,848	(0.03)
2021	8,895,096	10,121,256	183,776,715	(0.01)
2020	8,564,355	11,614,992	151,816,631	(0.02)
2019	8,441,926	14,369,744	146,249,304	(0.04)
2018	8,036,028	11,157,789	146,237,269	(0.02)
2017	7,538,727	6,683,436	135,548,638	0.01
2016	7,327,250	6,712,260	120,391,017	0.01
2015	7,235,540	8,256,331	108,526,799	(0.01)
2014	6,976,695	7,281,255	109,371,318	(0.00)

Low-Default-Risk Obligation Measure

This section aims to address the evaluation and disclosure of a Low-Default-Risk Obligation Measure (LDROM) within a pension funding valuation. The LDROM involves a calculation of liability, assuming that the Plan's investments are in low-default-risk securities. Importantly, the LDROM serves as a supplementary calculation and is not intended to replace the funding measures outlined in this report.

Instead, the LDROM offers an additional perspective by providing a measure of the Plan's cost if its investments were shifted to low-default-risk fixed income securities. This adjustment aligns with return profiles that essentially mirror future cash flows, potentially mitigating contribution volatility. Furthermore, the LDROM serves to illustrate the potential savings the Plan experiences by diversifying its portfolio.

The table below depicts the Actuarial Accrued Liability for funding purposes in comparison to the LDROM. The net assumed rate of return for funding purposes is shown as well as the rate used to determine the LDROM based on the S&P Municipal Bond 20 Year High Grade Rate Index (yield to maturity). All other assumptions and methods are the same as described at the end of this report.

It's essential to understand that the LDROM is not the definitive measure of the Plan's liability. Instead, it provides an estimate of the Plan's cost under the scenario where the Board opts for a portfolio exclusively comprised of low-default-risk fixed income investments.

Valuation Date 10/1	Funding Accrued Liability	Funding Net Assumed Return	LDROM Accrued Liability	LDROM Rate
10/01/2024	$248,513,432	7.40%	$393,748,996	4.06%
10/01/2023	$231,813,797	7.50%	$328,550,569	4.87%

Section 2 Results Derivation

In this section, the assets and liabilities of the Plan are shown in detail. Assets and liabilities are then compared to determine the funded status and minimum funding requirements. Finally, analysis is performed to explain movement in results from the prior valuation.

While asset information is based on the fair market value of assets, along with any techniques used to smooth out market fluctuations, liabilities are determined through a combination of the benefit provisions, participant census data which contains information for the members who will receive those benefits, and the methods and assumptions used with regard to how benefits will be paid to members. A summary of participant data, an outline of the benefit provisions, and a description of the methods and assumptions used in this valuation are described in Section 4.

Financial Information

Over the life of the Plan, the majority of assets are typically generated from investment return. In this section, we describe how the assets of the Plan are invested, show how the actuarial value of assets is derived, and review the investment results since the prior valuation.

Valuation Date	**October 1, 2023**		**October 1, 2024**	
Money market funds	$3,897,488	2%	$4,021,522	2%
U.S. government securities	10,192,427	6%	9,406,020	5%
Corporate bonds	4,994,062	3%	7,665,631	4%
Fixed income mutual funds	0	0%	17,918,184	9%
Domestic common stock	42,601,247	26%	39,437,181	21%
Foreign common stock	0	0%	1,882,867	1%
International equity funds	8,317,261	5%	10,517,662	5%
Non-US limited partnership	1,254,927	1%	1,646,682	1%
Collective investment funds	69,187,529	42%	79,965,888	41%
Commingled real estate funds	24,679,762	15%	20,704,068	11%
Net receivables	(511,865)	0%	(319,305)	0%
Fair Market Value	$164,612,838	100%	$192,846,400	100%

Reconciliation of Market Value of Assets

Year Ending September 30,	2023	2024
1. **Market Value of Assets Beginning of Year**	$154,973,848	$164,612,838
2. Contributions		
a. City	$6,256,829	$6,853,287
b. State	1,611,113	1,458,670
c. Plan Members	1,631,527	1,734,125
d. Total Contributions	$9,499,469	$10,046,082
3. Investment earnings		
a. Unrealized gain or (loss)	$11,113,639	$23,413,914
b. Realized gain or (loss)	400,789	3,965,785
c. Interest and dividends	2,021,532	2,370,324
d. Other income	4,872	11,592
e. Investment expense	(697,606)	(704,178)
f. Net investment income	$12,843,226	$29,057,437
4. Deductions		
a. Pension benefits	$(12,466,283)	$(10,628,942)
b. Contribution refunds	(30,847)	(11,411)
c. Administrative expenses	(206,575)	(229,604)
d. Total Deductions	$(12,703,705)	$(10,869,957)
5. Net Increase	$9,638,990	$28,233,562
6. **Market Value of Assets End of Year**	$164,612,838	$192,846,400
7. **Return on Market Value of Assets**	8.25 %	17.41 %

Development of Actuarial Value of Assets

1.	Market Value of Assets as of 9/30/2024				$ 192,846,400
2.	Phase-In Gains (Losses) Over Five Year Period				
		Original Gain (Loss)	**Percent Unrecognized**		**Unrecognized Gain (Loss)**
	a. Year Ending 9/30/2024	$ 16,540,072	80%	$	13,232,058
	b. Year Ending 9/30/2023	1,166,132	60%		699,679
	c. Year Ending 9/30/2022	(38,706,954)	40%		(15,482,782)
	d. Year Ending 9/30/2021	21,333,480	20%		4,266,696
	e. Total			$	2,715,651
3.	Preliminary Actuarial Value of Assets as of 9/30/2024			$	190,130,749
4.	Corridor Around Market Value				
	a. Minimum = 80% of Market Value of Assets			$	154,277,120
	b. Maximum = 120% of Market Value of Assets			$	231,415,680
	c. Corridor Adjustment to Preliminary Actuarial Value			$	0
5.	Actuarial Value of Assets as of 9/30/2024 (3. + 4.c.)			$	190,130,749

Development of Historical Market Gains and Losses for Asset Smoothing

		2024	2023
1.	Market Value of Assets - Beginning of Year	$ 164,612,838	$ 154,973,848
2.	Contributions	10,046,082	9,499,469
3.	Benefit Payments + Administrative Expenses	(10,869,957)	(12,703,705)
4.	Expected Return on Assets	12,517,365	11,677,094
5.	Expected Value of Assets at End of Year	$ 176,306,328	$ 163,446,706
6.	Market Value of Assets - End of Year	$ 192,846,400	$ 164,612,838
7.	Gain (Loss) for Plan Year = (6) - (5)	$ 16,540,072	$ 1,166,132

		2022	2021
1.	Market Value of Assets - Beginning of Year	$ 183,776,715	$ 151,816,631
2.	Contributions	8,691,450	8,895,096
3.	Benefit Payments + Administrative Expenses	(12,612,072)	(10,121,256)
4.	Expected Return on Assets	13,824,709	11,852,764
5.	Expected Value of Assets at End of Year	$ 193,680,802	$ 162,443,235
6.	Market Value of Assets - End of Year	$ 154,973,848	$ 183,776,715
7.	Gain (Loss) for Plan Year = (6) - (5)	$ (38,706,954)	$ 21,333,480

State Contributions

Year Ending September 30	State Contributions	Recurring Cost Benefit Improvements	Base Plus Benefit Improvements	One-time Use Benefit Improvements	Recognized State Funding	Cumulative Balance Available Upon Benefit Improvement
2024	$1,458,670	$0	$2,055,127	$0	$1,458,670	$0
2023	1,611,113	0	2,055,127	0	1,611,113	0
2022	1,025,399	0	2,055,127	0	1,025,399	0
2021	934,286	0	2,055,127	0	934,286	0
2020	861,888	0	2,055,127	0	861,888	0
2019	821,826	0	2,055,127	0	821,826	0
2018	763,749	0	2,055,127	0	763,749	0
2017	766,995	0	2,055,127	0	766,995	0
2016	803,419	0	2,055,127	0	803,419	0
2015	853,244	0	2,055,127	0	853,244	0
2014	879,470	0	2,055,127	0	879,470	0
2013	864,612	0	2,055,127	0	864,612	0
2012	771,973	0	2,055,127	0	771,973	0
2011	769,600	0	2,055,127	0	769,600	0
2010	819,768	0	2,055,127	0	819,768	0
2009	859,647	0	2,055,127	0	859,647	0
2008	941,067	0	2,055,127	0	941,067	0
2007	814,996	0	2,055,127	0	814,996	0
2006	575,948	781,763	2,055,127	0	575,948	0
2005	521,744	979,283	1,273,364	352,586	874,330	0
2004	485,452	0	294,081	0	294,081	352,586
2003	415,465	0	294,081	0	294,081	161,215
2002	330,685	0	294,081	0	294,081	39,831
2001	267,885	0	294,081	0	267,885	3,227
2000	266,742	0	294,081	0	266,742	3,227
1999	297,308	0	294,081	0	294,081	3,227
1998	294,081	0	294,081	0	294,081	0

Note: As provided for in Ordinance No. 124-X-16-C adopted effective July 12, 2016, Chapter 175 contributions received each fiscal year in excess of $2,055,127 may be used to provide Share Plan benefits.

Present Value of Benefits

Valuation as of October 1,	2023	2024
1. **Active Members**		
a. Retirement Benefits	$115,392,170	$129,593,943
b. Deferred Benefits	306,532	284,250
c. Survivor Benefits	914,208	983,005
d. Disability Retirement	6,414,553	6,964,521
e. Total for Active Members	$123,027,463	$137,825,719
2. **Inactive Members**		
a. Retirement Including DROP	$152,415,965	$157,584,455
b. Terminated Vested	1,652,931	909,902
c. Beneficiaries	4,044,381	4,094,920
d. Disability Retirement	2,302,825	3,225,854
e. Total in Payment Status	$160,416,102	$165,815,131
3. **Present Value of Benefits (PVB)**	$283,443,565	$303,640,850

Accrued Liability – Entry Age Normal

Valuation as of October 1,		2023	2024
1.	**Active Members**		
	a. Retirement Benefits	$69,540,499	$80,604,633
	b. Deferred Benefits	(730,430)	(764,419)
	c. Survivor Benefits	457,811	501,519
	d. Disability Retirement	2,129,815	2,356,568
	e. Total for Active Members	$71,397,695	$82,698,301
2.	**Members in Payment Status**		
	a. Retirement Including DROP	$152,415,965	$157,584,455
	b. Terminated Vested	1,652,931	909,902
	c. Beneficiaries	4,044,381	4,094,920
	d. Disability Retirement	2,302,825	3,225,854
	e. Total in Payment Status	$160,416,102	$165,815,131
3.	**Accrued Liability (AL)**	$231,813,797	$248,513,432

Normal Cost – Entry Age Normal

Valuation as of October 1,		2023	2024
1.	**Preliminary Normal Cost**		
	a. Retirement Benefits	$4,571,919	$5,013,513
	b. Deferred Benefits	103,903	107,348
	c. Survivor Benefits	45,940	49,736
	d. Disability Retirement	428,749	468,709
	e. Total Preliminary Normal Cost	$5,150,511	$5,639,306
	f. Preliminary NC as a Percent of Payroll	31.53%	31.91%
2.	**Total Normal Cost**		
	a. Preliminary Normal Cost	$5,150,511	$5,639,306
	b. Estimated Administrative Expense	206,575	229,604
	c. Total Normal Cost	$5,357,086	$5,868,910
	d. Total Normal Cost as a% of Pay	32.79%	33.21%
3.	**Actual Employer Normal Cost**		
	a. Preliminary Normal Cost	$5,150,511	
	b. Actual Expenses	229,604	
	c. Actual Employee Contributions	(1,734,125)	
	d. Actual Employer Normal Cost	$3,645,990	
4.	**Payroll**	$16,336,755	$17,674,013

Unfunded Accrued Liability

Year Beginning October 1,		2024
Unfunded Accrued Liability (UAL)		
1.	Accrued Liability	$248,513,432
2.	Actuarial Value of Assets	190,130,749
3.	Unfunded Accrued Liability	$58,382,683
Determination of Expected Unfunded Accrued Liability		
1.	Unfunded Accrued Liability as of Prior Year	$52,866,560
2.	Employer Normal Cost	3,645,990
3.	Interest on UAL and NC	4,238,441
4.	Contributions	
	a. City	$(6,853,287)
	b. State of Florida	(1,458,670)
	c. Total	$(8,311,957)
5.	Interest on Contribution for Time on Deposit	(513,997)
6.	Change in Plan, Methods or Assumptions	2,907,032
7.	Expected UAL as of Current Year	$54,832,069
Calculation of (Gain) or Loss		
1.	Actual Unfunded Accrued Liability	$58,382,683
2.	Expected UAL	54,832,069
3.	Total (Gain) or Loss	$3,550,614
4.	Breakdown of (Gain) or Loss	
	a. Investment (Gain) or Loss	$1,585,058
	b. Demographic Experience (Gain) or Loss	1,965,556
	c. Total (Gain) or Loss	$3,550,614
Calculation of Actuarial Asset (Gain) or Loss		
1.	Actuarial Value of Assets - Beginning of Year	$178,947,237
2.	Contributions	10,046,082
3.	Benefit Payments + Administrative Expenses	(10,869,957)
4.	Expected Return on Assets	13,592,445
5.	Expected Actuarial Value at End of Year	$191,715,807
6.	Actuarial Value of Assets - End of Year	$190,130,749
7.	Gain (Loss) for Plan Year = (6) - (5)	$(1,585,058)
8.	Actual Investment Income	$12,007,387
9.	Actual % Return	6.63 %

Amortization of Unfunded Liability

The Unfunded Actuarial Accrued Liability is being amortized as a level percentage of payroll based on the net assumed return on investments and a 3.0% payroll growth assumption. Note that a fresh start was implemented effective October 1, 2013 over 24.9945 years. New bases are amortized over a 25-year period.

Amortization Bases

	Date 10/1	Source	Original Balance	Remaining Balance	Remaining Adjusted Balance	Years Remain	Amortization Payment
1.	2013	Fresh Start	$55,204,509	$49,156,920	$49,130,933	13.9945	$4,542,359
2.	2014	Actuarial Gain	(4,786,283)	(4,354,507)	(4,352,205)	15.0000	(382,576)
3.	2014	Assumption Chg	172,854	157,259	157,176	15.0000	13,816
4.	2015	Actuarial Gain	(2,267,545)	(2,112,484)	(2,111,367)	16.0000	(177,277)
5.	2015	Assumption Chg	1,643,838	1,531,429	1,530,619	16.0000	128,516
6.	2016	Actuarial Gain	(641,300)	(608,752)	(608,430)	17.0000	(48,980)
7.	2016	Assumption Chg	4,703,070	4,464,387	4,462,027	17.0000	359,202
8.	2017	Actuarial Gain	(1,244,698)	(1,192,355)	(1,191,725)	18.0000	(92,288)
9.	2017	Assumption Chg	1,196,786	1,146,455	1,145,849	18.0000	88,735
10.	2018	Actuarial Loss	78,564	76,000	75,960	19.0000	5,675
11.	2019	Actuarial Gain	(229,094)	(224,688)	(224,569)	20.0000	(16,231)
12.	2020	Actuarial Gain	(3,285,073)	(3,257,224)	(3,255,502)	21.0000	(228,153)
13.	2020	Assumption Chg	(3,207,909)	(3,180,716)	(3,179,035)	21.0000	(222,794)
14.	2021	Actuarial Gain	(3,936,649)	(3,982,927)	(3,980,821)	22.0000	(271,092)
15.	2021	Plan Change	1,069,286	1,081,855	1,081,283	22.0000	73,635
16.	2021	Assumption Chg	2,765,185	2,797,691	2,796,212	22.0000	190,421
17.	2022	Plan Change	192,020	192,887	192,785	23.0000	12,782
18.	2022	Actuarial Loss	4,220,919	4,239,987	4,237,746	23.0000	280,966
17.	2023	Plan Change	14,829	14,925	14,917	24.0000	965
18.	2023	Actuarial Loss	5,967,737	6,006,359	6,003,184	24.0000	388,182
19.	2024	Actuarial Loss	3,550,614	3,550,614	3,550,614	25.0000	224,278
20.	2024	Assumption Chg	2,907,032	2,907,032	2,907,032	25.0000	183,626
				$58,410,147	$58,382,683		$5,053,767

Projected Unfunded Accrued Liability and Amortization Payments

Year Beginning October 1,	Outstanding Bases	Amortization Payment
2024	$58,382,683	$5,053,765
2025	57,275,258	5,205,380
2026	55,923,049	5,361,541
2027	54,303,059	5,522,387
2028	52,390,442	5,688,060
2029	50,158,359	5,858,699
2030	47,577,834	6,034,460
2031	44,617,584	6,215,495
2032	41,243,844	6,401,959
2033	37,420,184	6,594,018
2034	33,107,302	6,791,840
2035	28,262,807	6,995,594
2036	22,840,986	7,205,463
2037	16,792,552	7,385,695
2038	10,102,964	773,548
2039	10,019,793	1,371,271
2040	9,288,513	1,490,655
2041	8,374,899	1,022,627
2042	7,896,340	1,059,354
2043	7,342,924	1,081,182
2044	6,725,111	1,142,934
2045	5,995,258	2,016,115
2046	4,273,599	2,090,081
2047	2,345,099	1,573,046
2048	829,184	829,184
2049	0	0

Actions Taken to Reduce Unfunded Actuarial Accrued Liability

The required contributions calculated each year include a payment for the amortization of the unfunded accrued liability. This payment is designed to reduce the unfunded actuarial accrued liability in an orderly fashion.

Minimum Funding Requirements

	Valuation as of October 1, **Funding for Fiscal Year Ending September 30,**	**2023** **2025**	**2024** **2026**
1.	Normal Cost	$5,357,086	$5,868,910
2.	Amortization of UAL	4,538,651	5,053,767
3.	Minimum Required Contribution at Valuation Date	$9,895,737	$10,922,677
4.	Interest Adjustment	915,654	973,570
5.	Total Minimum Required Contribution With City Portion Payable on First Day of Funding Year	$10,811,391	$11,896,247
6.	Expected Employee Contributions	$1,750,708	$1,880,571
7.	Expected State Contribution	1,611,113	1,458,670
8.	Estimated City Contribution	7,449,570	8,557,006
9.	Total Minimum Required Contribution With City Portion Payable on First Day of Funding Year	$10,811,391	$11,896,247
10.	Expected Employee Contributions	10.40%	10.33%
11.	Expected State Contribution	9.57%	8.01%
12.	Estimated City Contribution	44.27%	47.01%
13.	Total Minimum Required Contribution Payable on First Day of Funding Year	64.24%	65.35%
14.	Payroll for Active Members on Valuation Date		
	a. In Year After Valuation Date	$16,336,755	$17,674,013
	b. Expected in Funding Year	16,826,858	18,204,233

Note: The Estimated City Contribution shown in item 8. must be deposited on the first day of the fiscal year.

Reconciliation of Unfunded Accrued Liability

	Unfunded Accrued Liability	Funded %	Change in Unfunded Accrued Liability	Change in Funded %
As of Prior Valuation Report	$52,866,560	77.19 %		
Changes in Funded Status Due to:				
Normal Operation of Plan	51,925,037	78.69 %	$(941,523)	1.50 %
Investment Experience	53,510,095	78.04 %	1,585,058	(0.65)%
Demographic Experience	55,475,651	77.41 %	1,965,556	(0.63)%
Net Assumed Return 7.4%	58,382,683	76.51 %	2,907,032	(0.90)%
Total Changes			$5,516,123	(0.68)%
As of Current Valuation	$58,382,683	76.51 %		

Reconciliation of City Minimum Required Contribution

	Dollar Amount	Percent of Pay
As of Prior Valuation Report	$7,449,570	44.27 %
Changes in Contribution due to:		
Normal Operation of Plan	$268,450	0.26 %
Change in Expense	24,757	0.14 %
Change in State $	141,807	0.82 %
Investment Experience	108,622	0.63 %
Demographic Experience	268,362	(0.74)%
Net Assumed Return 7.4%	295,438	1.63 %
Total Changes	$1,107,436	2.74 %
As of Current Valuation	$8,557,006	47.01 %

Section 3 Accounting Information

Information Required by GASB 67/68

Supplemental reports provide information under the Governmental Accounting Standards Board No. 67/68.

Statement of Accumulated Plan Benefits (FASB 35)

The following table is based on prior accounting standards and is required by the State. The present value of accrued benefits is an estimate of the liability for all benefits accrued to date.

Year Beginning October 1,	**2023**	**2024**
1. Actuarial present value of accumulated plan benefits		
a. Participants currently receiving benefits	$158,763,171	$164,905,229
b. Other participants	47,952,186	56,558,819
c. Total vested plan benefits	$206,715,357	$221,464,048
d. Total non-vested plan benefits	5,529,581	6,092,035
e. Total accumulated plan benefits	$212,244,938	$227,556,083
2. Change in present value of accumulated plan benefits		
a. Accumulated plan benefits beginning of year		$212,244,938
b. Increase (decrease) during year due to:		
i. Plan amendment		$0
ii. Change in assumptions or methods		2,638,750
iii. Benefits paid		(10,640,353)
iv. Other		23,312,748
v. Net increase (decrease)		$15,311,145
c. Accumulated plan benefits end of year		$227,556,083

Other Disclosures Required by the State of Florida

This additional disclosure information is provided where applicable.

Year Beginning October 1,	**2023**	**2024**
Present value of active member:		
Future salaries (attained age)	$166,353,587	$177,485,248
Future contributions (attained age)	$17,132,963	$18,005,711
Balance of Active Member Employee Contributions	$13,639,137	$15,017,262

Required Disclosure Under F.S. 112.664(1)

As required under F.S. Section 112.664(1) we have produced the following information:

(a) Total pension liability calculated based on mortality used in one of the last two Florida Retirement System (FRS) valuations.

(b) Total pension liability calculated using an assumed interest rate that is 200 basis points lower than that assumed in the valuation of the Plan.

(c) Determination of the number of months or years for which the current market value of assets is adequate to sustain the payment of expected retirement benefits.

(d) Recommended contribution to the Plan using the most recent valuation and the contributions necessary prepared pursuant to (a) and (b) stated as a dollar amount and % of payroll.

	2% Decrease (5.40%)	Current Discount Rate (7.40%)	2% Increase (9.40%)
Total pension liability	$321,835,233	$248,513,432	$199,941,726
Plan fiduciary net position	(192,846,400)	(192,846,400)	(192,846,400)
Net pension liability	$128,988,833	$55,667,032	$7,095,326
Plan fiduciary net position as a percentage of the total pension liability	59.92%	77.60%	96.45%
Years of benefit payments:			
Expected for current members:	100	100	100
Paid for with current assets:	14.58	17.68	23.67
City Plus State Contribution Requirement, Plus Expected Employee Contributions			
Dollar Amount	$18,896,868	$11,896,247	$6,599,266
Percent of Payroll	103.80%	65.35%	36.25%
Increase (Decrease)	$7,000,621		$(5,296,981)

Required Disclosure Under F.S. 112.664(2)(b)2.

F.S. Section 112.664(2)(b)2. - For the previous five years, beginning with 2013, a side-by-side comparison of the plan's assumed rate of return compared to the actual rate of return, as well as the percentages of cash, equity, bond and alternative investments in the plan portfolio.

Year Ending September 30,	**2024**	**2023**	**2022**	**2021**	**2020**
Assumed rate of return	7.50%	7.50%	7.50%	7.70%	7.80%
Actual rate of return	17.41%	8.25%	(13.50%)	21.56%	5.84%
Percentages of assets in:					
Cash	2%	2%	2%	2%	2%
Equity	69%	74%	68%	77%	76%
Bond	18%	9%	11%	8%	8%
Alternative	11%	15%	19%	13%	14%
Total	100%	100%	100%	100%	100%

Section 4 Supplementary Information

Summary of Participant Data

Member Statistics

Year Beginning October 1,		2023		2024
Active Participants				
Number		143		148
Average Age		37.2		37.1
Average Credited Service		9.9		10.3
Percent Male		83.9		84.5
Average Salary	$	108,030	$	113,265
Annualized Payroll for Prior 12 Month Period	$	15,448,248	$	16,763,163
Total Valuation Salary	$	16,531,980	$	17,878,043
Payroll Covered in Valuation	$	16,336,755	$	17,674,013
Terminated With Rights to Deferred Benefits				
Number		3		2
Average Age		42.8		42.1
Percent Male		100.0		100.0
Average Monthly Benefit	$	4,995	$	4,524
DROP				
Number		21		19
Average Age		55.0		55.8
Percent Male		81.0		79.0
Average Monthly Benefit	$	7,672	$	7,182
DROP Account Balance	$	8,406,796	$	8,465,291

Member Statistics (continued)

Year Beginning October 1,		2023		2024
Service Retirements				
Number		102		105
Average Age		64.5		64.9
Percent Male		96.1		96.2
Average Monthly Benefit	$	6,903	$	7,152
DROP Account Balance	$	0	$	1,354,157
Beneficiaries				
Number		7		7
Average Age		68.6		69.6
Percent Male		0.0		0.0
Average Monthly Benefit	$	4,383	$	4,471
Disability Retirements				
Number		6		7
Average Age		71.2		68.2
Percent Male		100.0		100.0
Average Monthly Benefit	$	3,651	$	4,158
Total In Payment Status				
Number		115		119
Average Age		65.1		65.4
Percent Male		90.4		90.8
Average Monthly Benefit	$	6,580	$	6,819

Note: Average Monthly Benefits exclude any Supplemental Benefits payable.

Number of Active Members by Age and Service as of October 1, 2024

	Service							
Age	< 1	< 5	< 10	< 15	< 20	< 25	<30	Total
< 25	6	4						10
< 30	2	13	7					22
< 35		15	8	5				28
< 40		5	13	9	9			36
< 45			1	7	12	4		24
< 50		1	1	3	9	6		20
< 55			1	2	3		1	7
< 60					1			1
60 +								
Total	8	38	31	26	34	10	1	148

Active Valuation Pay by Age and Service as of October 1, 2024

	Service							
Age	< 1	< 5	< 10	< 15	< 20	< 25	<30	Total
< 25	51,485	72,964						60,077
< 30	51,485	76,117	95,277					79,974
< 35		75,537	96,691	117,575				89,088
< 40		76,645	107,318	127,518	139,151			116,066
< 45			116,533	141,145	150,330	183,944		151,845
< 50		67,088	123,532	132,979	155,226	161,484		147,775
< 55			87,362	115,357	141,776		191,696	133,585
< 60					195,244			195,244
60 +								
Total	51,485	75,388	102,033	128,969	149,233	170,468	191,696	113,265

Reconciliation of Plan Participants

	Active	Vested	DROP	Retiree	Disability	Beneficiary	Total
As of October 1, 2023	**143**	**3**	**21**	**102**	**6**	**7**	**282**
Nonvested Termination	(1)						(1)
Vested Termination							0
Retired		(1)	(3)	4			0
Disabled	(1)				1		0
DROP	(1)		1				0
Deceased				(1)			(1)
New Hires	8						8
As of October 1, 2024	**148**	**2**	**19**	**105**	**7**	**7**	**288**

Outline of Plan Provisions

Plan Type: Single-employer Defined Benefit Pension Plan

Plan Administrator: The Board of Trustees

Board Composition: The trustees consist of five members which may include participants who have at least 18 months remaining in the DROP at the time they take office, none who are elected City officials, and who are selected as follows: (a) two members who are elected current Members of the plan, (b) two members who are legal residents of the City and current or former City employees who are vested in the Plan appointed by City commission, and (c) one member chosen by a majority of the previous four members duly appointed by the City commission as a ministerial act. The term of office for each Board member is two years.

Legal Authority: The Plan is established and amended by local ordinance.

Funding Requirements: Employer contributions are actuarially determined and subject to State statute. Employee contributions are as described below and may be amended by ordinance.

Effective Dates: The Plan was most recently amended by Ordinance No. 124-X-21-B adopted November 19, 2021. This amendment describes benefits payable to Members hired on or after November 19, 2021. In general, benefits which had been defined as payable to Members who were hired prior to September 25, 2012 became payable to those hired prior to November 19, 2021. The following changes were included:

- For Members hired or rehired after November 19, 2021 overtime is excluded in the definition of Salary. Prior to this change overtime was included in the definition of Salary but limited to 300 hours per year effective October 1, 2012.
- Employee Contributions for Members hired or rehired on or after November 19, 2021 is defined as 8.0% of Salary. For Members hired prior to November 19, 2021, 10.63% of Salary.
- Average Final Compensation for those hired or rehired on or after November 19, 2021 is the average of Salary for the five highest years out of the last 10 years of Credited Service. For those hired prior to November 19, 2021, the average of Salary for the three highest consecutive years, or the five highest years out of the last 10 years of Credited Service, whichever is greater.
- Normal Retirement Age for those hired or rehired on or after November 19, 2021 is defined as the earlier of (i) age 55 and completion of 10 years of Credited Service or (ii) age 52 and completion of 25 years of Credited Service. For those hired prior to November 19, 2021, the earliest of (i) age 45 and completion of 25 years of Credited Service, (ii) age 48 and completion of 21 years of Credited Service (which may be accelerated one year to age 47 and completion of 20 years of Credited Service), or (iii) age 50 and completion of 10 years of Credited Service.
- The Normal Retirement Benefit for Members hired or rehired on and after November 19, 2021 is a maximum of 70% of Average Final Compensation calculated as 3.0% x Average Final Compensation x up to 20 Years Credited Service plus 2.0% x Average Final Compensation x Credited Service from 20 to 25 Years. Provided, however, in no event will the Accrued Benefit be less than 2.75% x Average Final Compensation x Credited Service. For Members hired before November 19, 2021, any Member who was actively employed on October 1, 2001 and retired or entered the DROP after January 1, 2004 is due a benefit based on the greater of the following two benefit formulas. Members who were not employed on October 1, 2001 and hired before November 19, 2021 receive a benefit only under formula (1) in effect January 1, 2004.
  (1) For Members hired prior to November 19, 2021 who retire or terminate employment on or after January 1, 2004 the benefit formula is a maximum of 80% of Average Final Compensation calculated as 3.0% x Average Final Compensation x up to 15 Years Credited Service plus 3.5% x Average Final Compensation x Credited Service from 15 to 25 Years.

Provided, however, in no event will the Accrued Benefit be less than 2.0% x Average Final Compensation x Credited Service.

(2) For Members who retired or terminated prior to January 1, 2004, Members who reached Normal Retirement Age were entitled to a retirement benefit of 4.0% x Average Final Compensation x up to 10 Years Credited Service plus 2.0% x Average Final Compensation for Credited Service over 10 Years.

- Early Retirement Age for those hired or rehired on or after November 19, 2021 is age 50 and completion of at least 10 years of Credited Service. For Members hired prior to November 19, 2021, age 47 and completion of 10 years of Credited Service.
- The Early Retirement Benefit for those hired or rehired on or after November 19, 2021 is the accrued Normal Retirement Benefit reduced 3% per year by which the commencement of benefits precedes age 55. For Members hired before November 19, 2021, the accrued Normal Retirement Benefit reduced actuarially from Normal Retirement Age. However, in no event will the reduction for Early Retirement exceed 3% per year by which the commencement of benefits precedes the Normal Retirement Age.
- Service Incurred Disability Retirement benefits are 75% (70% for Members hired or rehired on or after November 19, 2021) of the Member's Salary in effect on the date of disability, subject to offsets not more than would reduce the service incurred disability benefit below the greater of the Member's Accrued Benefit or 42% x Average Final Compensation. The ordinance further describes adjustments that should be performed annually.
- Nonservice Incurred Disability Retirement benefits are the accrued Normal Retirement Benefit no less than 25% of Average Final Compensation for those with 10 years of Credited Service. For Members hired or rehired on or after November 19, 2021 the maximum payable is 50% of Average Final Compensation.
- Pre-Retirement Death benefits were revised to set forth service connected and non-service connected benefits payable to Members hired or rehired on or after November 19, 2021. The service-connected pre-retirement death benefit is the lesser of the accrued Normal Retirement Benefit and 75% of Average Final Compensation *actuarially adjusted for the beneficiary's age* and payable immediately for the lifetime of the Member's beneficiary for those with 10 years of Credited Service. If there is no beneficiary, the benefit is payable to the Member's estate for 10 years. The non-service connected pre-retirement death benefit is the accrued Normal Retirement Benefit *actuarially adjusted for the beneficiary's age* commencing on the date the Member would have attained their Early or Normal Retirement Age for those with 10 years of Credited Service. Pre-Retirement Death Benefits defined payable prior to Ordinance No. 124-X-21-B continue to be payable for those hired prior to November 19, 2021.
- Under Ordinance No. 124-X-21-B adopted November 19, 2021, Members hired or rehired on or after November 19, 2021 may participate in the DROP for a maximum of 4 years if they make the election within 6 months of reaching their Normal Retirement Age. DROP account earnings are 0% if the GASB 68 "fiduciary net position" is less than 100%. If 100% or more, then DROP account earnings are credited using the actual return of the Plan with a minimum of 0% and a maximum of 4%. Although not explicitly stated in the Ordinance, we understand from City correspondence received while preparing the impact statement that Members hired or rehired on or after November 19, 2021 are eligible for BAC-DROP. DROP provisions in effect prior to Ordinance No. 124-X-21-B continue to be applicable for Members hired prior to November 19, 2021.
- Under Ordinance No. 124-X-21-B, Members hired or rehired on or after November 19, 2021 are not entitled to a COLA. However, Members rehired on or after November 19, 2021 may be due a COLA on the benefit payable for service prior to November 19, 2021. COLA provisions prior to Ordinance No. 124-X-21-B continue to be applicable for Members hired prior to November 19, 2021.
- Under Ordinance No. 124-X-21-B, Members hired or rehired on or after November 19, 2021 are <u>not</u> entitled to receive the Supplemental Benefit. However, Members rehired on or after November 19, 2021 may be due a Supplemental Benefit payable for service prior to November 19, 2021. See the provisions of the Supplemental Benefit described below as in effect prior to Ordinance No. 124-X-21-B.

- A 13th check is payable to retired Members hired or rehired on or after November 19, 2021 if the GASB 68 "fiduciary net position" is 100% or greater. The 13th check is prorated based on the "excess investment earnings" available but not more than the monthly retirement benefit payable. "Excess investment earnings" are defined as the market rate of investment earnings on assets net of expenses that exceed the assumed rate of return.
- Under Ordinance No. 124-X-21-B adopted November 19, 2021, Members participating in the DROP on or after November 19, 2021 and who receive a benefit calculation estimate by the Plan actuary that the benefit may exceed the Section 415 limit while the Member is participating in the DROP may elect to exit the DROP and continue City employment where they must terminate City employment no later than the date the Member would have completed their DROP participation. Upon DROP exit the monthly benefit is no longer credited to the DROP balance and is paid directly to the Member. The DROP balance is not paid at DROP exit, but rather accumulates with interest until termination of employment at which time it is paid to the Member. After DROP exit the Member rejoins the Plan as a new contributing Member subject to a new 10-year vesting period but is not eligible for death or disability retirement benefits. The ordinance states,"…If the Member separates from City employment before attaining ten (10) years of creditable service after exiting the DROP, the member shall receive a refund of 100% of the member contributions made during their post-DROP employment, without interest."

The following provides a history of other recent ordinance amendments.

- Ordinance No. 124-X-17-B was adopted September 12, 2017. This ordinance amended the Plan to (1) remove the value of the Plan's cost-of-living adjustment from the initial determination of Section 415(b) limits effective September 29, 2016 and (2) requires that Members receive estimated calculations before retirement or DROP entry to let them know if they are expected to have benefits in excess of Section 415(b) limitations. For Members who retired from employment on and after September 29, 2016 the Section 415(b) limit is adjusted annually after retirement as the Internal Revenue Service releases new calendar year limits under Section 415(d).
- Ordinance No. 124-X-16-C became effective July 12, 2016. This ordinance amended the Plan to (1) allow for a purchase of up to four years active service in the U.S. Armed Forces as noted below under the definition of Credited Service, (2) indicate salary for members of the firefighters' Plan excludes all payment for accrued unused sick and annual leave (although the plan already indicated lump sum payouts of accrued benefits upon termination of employment are not included in salary), (3) state the Normal and Early Retirement dates, Normal and Early Retirement benefits, and Member contributions for rehires on or after September 25, 2012 are the same as for regular hires on or after September 25, 2012, and (4) define Chapter 175 contributions received each fiscal year in excess of $2,055,127 may be used to provide Share Plan benefits.
- Ordinance No. 124-X-13-B was adopted effective August 13, 2013 to increase the annual COLA effective October 1, 2013 to 2.5% commencing at the end of the seventh year following initial receipt of retirement benefits for firefighters who terminate employment and begin receiving Normal Retirement benefits or enter the DROP on or after October 1, 2010, and the beneficiaries of such members.
- Ordinance No. 124-X-C-12 effective December 28, 2012 related to Board composition.
- Ordinance No. 124-X-B-12 effective November 13, 2012 defined employee contributions as 10.63% of Salary.
- Ordinance No. 124-X-A-12 effective September 25, 2012 (1) allowed for service purchases of prior firefighter service, (2) defined eligibility and benefits for hires on and after September 25, 2012, (3) set employee contributions to 9.96% for those hired prior to September 25, 2012 and 9.0% for hires on and after September 25, 2012, (4) extend the DROP to 84 months with 6.0% annual interest accumulation, and (5) allow BAC-DROP for up to 24 months.
- Ordinance No. 124-X-10-A effective April 27, 2010 was to comply with Florida Statutes 2009-97. The ordinance revised the definition of actuarial equivalence, amended the investment policy, revised optional forms of benefit to allow the joint pensioner to be changed up to two

times without approval of board, revised language regarding designated beneficiaries, and added language related to Plan termination such as accrued benefits are nonforfeitable.

- Ordinance No. 124-X-09-A adopted October 13, 2009 amended Plan provisions to provide for a Supplemental Benefit for firefighters.
- Ordinance No. 124-X-08-C adopted October 14, 2008 extended the DROP from 60 months to 72 months. Employee contributions are no longer subject to increase when City contributions are more than 19.2% of pay under this ordinance.
- Ordinance No. 674-24-A was adopted January 23, 2024 states, "The Fire Chief shall … serve as an ex officio voting member of the firefighters' retirement plan board." This change in Plan provisions is not expected to have any effect on benefits payable from the Plan. As such there is no material impact.

Plan Year: The 12-month period from October 1st to the following September 30th.

Member: Full-time firefighters become Members immediately upon hire.

Actuarial Equivalence: Effective April 27, 2010 under Ordinance No. 124-X-10-A, Actuarial Equivalence is based on an 8.0% interest rate, RP-2000 static mortality table (unisex 50/50) projected to 2010 using scale AA. The disabled mortality table is used for disability retirees.

Credited Service: Service with the City as a full-time salaried firefighter where Member contributions are made. Completed months of partial years of service are included in the determination of Credited Service.

Members with at least ten years of service who enter the DROP or retire on or after September 25, 2012 may purchase up to four years of active service in the U.S. Armed Forces or service worked as a full-time firefighter as defined under Florida Statutes section 175.032(8)(a) with another governmental entity prior to employment with the City provided the Member has not received and will not receive a benefit from another retirement plan based on such service. The total combined purchase of prior governmental and military service may not exceed four years. Payment for the purchase must be made in a cash lump sum or a direct transfer of funds from a member's account in the City's 457 plan.

Vesting: 100% upon earning ten years of Credited Service.

Salary: Total actual fixed cash compensation paid yearly for services rendered to the City as a firefighter including regular pay, holiday and other payroll cash incentives and general monthly expense allowances. Overtime was included in the definition of Salary but limited to 300 hours per year effective October 1, 2012. For Members hired or rehired after November 19, 2021 overtime is excluded. In addition, the following are not included in Salary: Lump sum payments of accrued benefits upon termination of employment, auto allowances, uniform allowances, mileage and travel reimbursements, income from private details, and (effective July 12, 2016) all payments for accrued unused sick and annual leave.

Employee Contributions: Ordinance No. 124-X-21-B adopted November 19, 2021 revised Employee Contributions. For Members hired or rehired on or after November 19, 2021, 8.0% of Salary. For Members hired prior to November 19, 2021, 10.63% of Salary.

Prior to Ordinance No. 124-X-21-B adopted November 19, 2021 members hired or rehired on or after September 25, 2012, 10.63% of Salary (prior to November 13, 2012 9.0% of Salary), and the below were defined for those hired before September 25, 2012.

Effective	% of Salary	
11/13/2012	10.63%	
09/25/2012	9.95%	
01/01/2004	10.63%	*

*Any cost sharing provisions in place prior to October 1, 2008 where employees share in contribution increases in excess of 19.2% of budgeted payroll are no longer applicable. Prior to October 1, 2008, Employee Contributions were 10.63% plus 50% of the excess of City contributions over 19.2%.

A Member who terminates non-vested is entitled to refund of accumulated Employee Contributions without interest.

Vested Members who terminate employment prior to being eligible to receive an annuity may leave their accumulated contributions in the fund, and upon Early or Normal Retirement Age begin receipt of pension payments.

Average Final Compensation: Ordinance No. 124-X-21-B adopted November 19, 2021 revised Average Final Compensation. For those hired or rehired on or after November 19, 2021, average of Salary for the five highest years out of the last 10 years of Credited Service. For those hired prior to November 19, 2021, the average of Salary for the three highest consecutive years, or the five highest years out of the last 10 years of Credited Service, whichever is greater.

Prior to Ordinance No. 124-X-21-B, the following was in effect. Prior to October 1, 2004, average of Salary for the five highest years. Effective October 1, 2004, average of Salary for the three highest consecutive years, or the five highest years out of the last 10 years of Credited Service, whichever is greater.

Normal Retirement Age: Ordinance No. 124-X-21-B adopted November 19, 2021 set the Normal Retirement Age for those hired or rehired on or after November 19, 2021 as the earlier of (i) age 55 and completion of 10 years of Credited Service or (ii) age 52 and completion of 25 years of Credited Service. For those hired prior to November 19, 2021, the earliest of (i) age 45 and completion of 25 years of Credited Service, (ii) age 48 and completion of 21 years of Credited Service (which may be accelerated one year to age 47 and completion of 20 years of Credited Service), or (iii) age 50 and completion of 10 years of Credited Service.

Prior to Ordinance No. 124-X-21-B, Normal Retirement Age was as described above except the November 19, 2021 date was September 25, 2012. Prior to January 1, 2004, age 50 and completion of at least 10 years of Credited Service.

Normal Retirement Benefit: The Accrued Benefit.

Accrued Benefit: Ordinance No. 124-X-21-B adopted November 19, 2021 revised the Normal Retirement Benefit. For Members hired or rehired on and after November 19, 2021, a maximum of 70% of Average Final Compensation calculated as 3.0% x Average Final Compensation x up to 20 Years Credited Service plus 2.0% x Average Final Compensation x Credited Service from 20 to 25 Years. Provided, however, in no event will the Accrued Benefit be less than 2.75% x Average Final Compensation x Credited Service. For Members hired before November 19, 2021, any Member who was actively employed on October 1, 2001 and retired or entered the DROP after January 1, 2004 is due a benefit based on the greater of the following two benefit formulas. Members who were not employed on October 1, 2001 and hired before November 19, 2021 receive a benefit only under formula (1) in effect January 1, 2004.

(1) For Members hired prior to November 19, 2021 who retire or terminate employment on or after January 1, 2004 the benefit formula is a maximum of 80% of Average Final Compensation calculated as 3.0% x Average Final Compensation x up to 15 Years Credited Service plus 3.5% x Average Final Compensation x Credited Service from 15 to 25 Years. Provided, however, in no event will the Accrued Benefit be less than 2.0% x Average Final Compensation x Credited Service.
(2) For Members who retired or terminated prior to January 1, 2004, Members who reached Normal Retirement Age were entitled to a retirement benefit of 4.0% x Average Final Compensation x up to 10 Years Credited Service plus 2.0% x Average Final Compensation for Credited Service over 10 Years.

Prior to Ordinance No. 124-X-21-B, for Members hired or rehired on and after September 25, 2012, the benefit formula was a maximum of 80% of Average Final Compensation calculated as 3.0% x Average Final Compensation x up to 25 years Credited Service plus 1.0% x Average Final Compensation x Credited Service from 25 to 30 Years. The benefit payable to Members hired before September 25, 2012 was as described above for those hired before November 19, 2021.

Effective October 1, 2004, the Accrued Benefit is payable as a 10-year certain and continuous annuity. Prior to October 1, 2004 the Accrued Benefit was defined payable as a single life annuity.

Early Retirement Age: Ordinance No. 124-X-21-B adopted November 19, 2021 set the Early Retirement Age for those hired or rehired on or after November 19, 2021 as age 50 and completion of at least 10 years of Credited Service. For Members hired prior to November 19, 2021, age 47 and completion of 10 years of Credited Service.

Prior to Ordinance No. 124-X-21-B, Early Retirement Age was as described above except the November 19, 2021 date was September 25, 2012.

Early Retirement Benefit: Ordinance No. 124-X-21-B adopted November 19, 2021 revised the Early Retirement Benefit. For those hired or rehired on or after November 19, 2021, the accrued Normal Retirement Benefit reduced 3% per year by which the commencement of benefits precedes age 55. For Members hired before November 19, 2021, the accrued Normal Retirement Benefit reduced actuarially from Normal Retirement Age. However, in no event will the reduction for Early Retirement exceed 3% per year by which the commencement of benefits precedes the Normal Retirement Age.

Prior to Ordinance No. 124-X-21-B, the Early Retirement Benefit was as described above except the November 19, 2021 date was September 25, 2012.

Service Incurred Disability Retirement: Members who become totally and permanently disabled as a direct result from the performance of service-related duties to the City are a due a benefit commencing on the earlier of (i) the first day of the month coincident with or next following the date of disability, or (ii) the 90th day following the day the Member submitted a completed application for disability. Any Plan Member receiving Service Incurred Disability Retirement may elect to convert to Normal or Early Retirement upon meeting all eligibility criteria. Plan Members receiving disability retirement benefits may elect to continue making regular contributions to the Plan, and based on such contributions earn additional service credit toward Normal or Early Retirement benefits.

Ordinance No. 124-X-21-B adopted November 19, 2021 revised the service incurred disability benefit to 70% of the Members Salary for those hired or rehired on or after November 19, 2021 as noted in the following.

The amount of the service incurred disability benefit is 75% (70% for Members hired or rehired on or after November 19, 2021) of the Member's Salary in effect on the date of disability, subject to offsets not more than would reduce the service incurred disability benefit below the greater of the Member's Accrued Benefit or 42% x Average Final Compensation. The applicable offset to the service incurred disability benefit includes any disability benefits paid by workers' compensation (excluding any COLA on these benefits) to the extent permitted by law and to the extent that the total of these benefits exceeds the Member's average periodic wage, subject to annual benefit adjustments. Special rules apply in the case of a lump sum settlement paid by workers' compensation.

The monthly service incurred disability benefit is adjusted annually for persons who first qualify for Service Incurred Disability on or after January 11, 2005, based on the sum of the following components calculated for the previous calendar year:

(a) The service incurred disability retirement benefit paid from the Plan;

(b) Worker's compensation disability benefits (excluding medical reimbursements) minus any COLA adjustments since the benefit first went into effect, to the extent permitted by law;
(c) Any Salary (excluding any sick and vacation pay received from the City pursuant to the disability) received by a Member from the date of disability; and
(d) Net earnings from self-employment income.

The Service Incurred Disability Retirement benefit is reduced if the Member's pre-disability Salary is less than the sum of the above components. The monthly reduction in the Service Incurred Disability Retirement benefit is 1/12 of (50% of the first $10,000 in excess plus 100% of the excess which exceeds $10,000).

If the sum of the four components is less than the Service Incurred Disability Retirement benefit computed prior to any applicable offsets, then the benefit will be increased. The monthly increase in the Service Incurred Disability Retirement benefit is 1/12 of the amount of the Service Incurred Disability Retirement benefit prior to offsets minus the sum of the four components.

Nonservice Incurred Disability Retirement: Members who become totally and permanently disabled not in the line of duty are entitled to Nonservice Incurred Disability Retirement upon earning at least 10 years of Credited Service.

The benefit payable to any Member who becomes totally and permanently disabled not in the line of duty is the Accrued Benefit, not less than 25% of Average Final Compensation. This benefit is payable until the Member recovers, begins receipt of disability benefits from Social Security, dies or reaches his Normal or Early Retirement Age, at which time the Member elects to receive Normal or Early Retirement Benefits in lieu of disability benefits.

Prior to October 1, 2004, there was a maximum Nonservice Incurred Disability Retirement benefit which was 50% of Average Final Compensation. Ordinance No. 124-X-21-B adopted November 19, 2021 set the maximum Nonservice Incurred Disability Retirement benefit to 50% of Average Final Compensation for Members hired or rehired on or after November 19, 2021.

Pre-Retirement Death Benefits: Ordinance No. 124-X-21-B adopted November 19, 2021 revised Pre-Retirement Death Benefits for those hired or rehired on or after November 19, 2021 to the following:

- The designated beneficiary of a nonvested Member is due a refund of the Employee Contributions without interest.
- The service-connected pre-retirement death benefit is the lesser of the accrued Normal Retirement Benefit and 75% of Average Final Compensation *actuarially adjusted for the beneficiary's age* and payable immediately for the lifetime of the Member's beneficiary for those with 10 years of Credited Service. If there is no beneficiary, the benefit is payable to the Member's estate for 10 years.
- The non-service connected pre-retirement death benefit is the accrued Normal Retirement Benefit *actuarially adjusted for the beneficiary's age* commencing on the date the Member would have attained their Early or Normal Retirement Age for those with 10 years of Credited Service.

Pre-Retirement Death Benefits defined payable prior to Ordinance No. 124-X-21-B continue to be payable for those hired prior to November 19, 2021, as follows.

- The designated beneficiary of a nonvested Member is due a refund of the Employee Contributions without interest.
- The designated beneficiary of a vested Member who dies prior to retirement is entitled to receive either the refund of Employee Contributions without interest, or an amount equal to the benefit that would have been payable as if the Member terminated on the date of death, survived to the earliest retirement age, retired under the optional form of benefit selected by the Member, and died the next day. If no optional form of benefit was selected then the benefit is payable for a period of 10 years. However, any Member who has attained a vested interest in the Plan and who becomes eligible for retirement and continues to be employed shall be construed to have

selected the option which affords the surviving spouse or joint pensioner the greatest amount of benefits.

Optional Forms of Benefit: Effective October 1, 2004, the Accrued Benefit described above is payable in the form of a 10-year certain and continuous annuity. Prior to October 1, 2004, the Accrued Benefit was payable in the form of a single life annuity. Members may optionally choose an actuarially equivalent joint and survivor annuity (with 50%, 66 2/3, 75% or 100% continuance). The joint and survivor option may include an actuarially equivalent "pop-up" feature such that if the Member's joint pensioner predeceases the Member, the survivorship benefit is deemed cancelled and the Member's annuity is recalculated as an actuarially equivalent life annuity effective on the first day of the month following the death of the Member's joint pensioner.

1999 Retirement Incentive Program: Members who, by November 30, 1999, had earned at least 20 years of Credited Service and had reached Normal Retirement Age (then age 50 with 10 years of Credited Service) were eligible to participate in a Retirement Incentive Program by making an election during a window period of 30 days commencing November 1, 1999. Members who elected to participate were required to terminate employment no later than November 30, 1999 unless they elected to participate in the DROP (where they were required to terminate employment no later than November 30, 2000). The monthly retirement benefit was based on the years of Credited Service and Average Final Compensation on their date of termination or DROP using the benefit formula in effect at that time. Eligible employees who elected this Retirement Incentive Program received, in addition to any other benefits, 18 months of retirement benefits payable at retirement. However, for those who entered the DROP as a part of this Retirement Incentive Program, 18 months of retirement benefit payments were paid into the employee's DROP account at the beginning of the DROP period. Interest was earned in the DROP account at the assumed rate of investment return used for valuation purposes. Under this Retirement Incentive Program, a 2% COLA commenced one year after termination of employment.

2002 Retirement Incentive Program: Members who, by April 15, 2002, were (i) at least age 46 and had completed at least 26 years of Credited Service, or (ii) at least age 50 and had completed at least 10 years of Credited Service, were eligible to participate in the Retirement Incentive Program by making an election during a window period of 30 calendar days commencing February 27, 2002. Members who elected to participate were required to terminate employment no later than April 15, 2002 unless they elected to participate in the DROP (36 months total) or BAC-DROP (up to 18 months reducing the future time in the DROP so no more than 36 months total in BAC-DROP plus the DROP) where they were required to terminate employment no later than April 15, 2005. Members who elected to participate were entitled to unreduced retirement benefits based on the years of Credited Service and Average Final Compensation on their date of retirement using the benefit formula in effect at that time, plus an additional 3% was added to the benefit multiplier. Under the BAC-DROP option, a Member receives a lump sum distribution of up to 18 months of retirement benefits upon entry into the DROP, and the Member's monthly pension is then actuarially reduced to reflect the cost to the Plan for this lump sum distribution. These Members were also eligible to elect an optional COLA.

Note: Any firefighter who retired on or after October 1, 2001 but who is still employed with the City and in the DROP on the date the April 15, 2002 Retirement Incentive Program was adopted may elect by March 28, 2002 to have benefits refigured under the 2002 Retirement Incentive Program.

Deferred Retirement Option Plan (DROP): Effective September 30, 2001, Members are eligible to enter the DROP upon attaining their Normal Retirement Age. DROP participants are not eligible for death or disability benefits. The Accrued Benefit is frozen and no further Employee Contributions are payable at DROP entry.

Under Ordinance No. 124-X-21-B adopted November 19, 2021, Members hired or rehired on or after November 19, 2021 may participate in the DROP for a maximum of 4 years if they make the election within 6 months of reaching their Normal Retirement Age. DROP account earnings are 0% if the GASB 68 "fiduciary net position" is less than 100%. If 100% or more, then DROP account earnings are credited using the actual return of the Plan with a minimum of 0% and a maximum of 4%. Although not explicitly

stated in the Ordinance, we understand from City correspondence received while preparing the impact statement that Members hired or rehired on or after November 19, 2021 are eligible for BAC-DROP.

DROP provisions prior to Ordinance No. 124-X-21-B are as follows. These are the provisions applicable for Members hired prior to November 19, 2021. Effective September 25, 2012, the maximum DROP participation duration is 84 months. Members who commenced participation in the DROP on or after October 1, 2010 and who were participating in the DROP on September 25, 2012 (11 such Members) were allowed to extend their DROP participation from 72 to 84 months if the Member agreed all DROP account earnings are recomputed retroactively to the date of DROP using an annual interest rate of 6.0%. New DROP entrants effective September 25, 2012 receive interest crediting based on an annual interest rate of 6.0%.

For DROP entrants prior to September 25, 2012, the Accrued Benefit was accumulated with interest at the same rate as the investment earnings assumption for the funding valuation of the Plan.

Effective June 10, 2008, the maximum DROP participation duration was 72 months where Members participating in the DROP were allowed to extend their DROP participation from 60 to 72 months. Effective January 1, 2004, the maximum DROP participation duration was 60 months where Members participating in the DROP were allowed to extend their DROP participation from 36 to 60 months. Prior to January 1, 2004 the maximum DROP participation was 36 months.

Effective January 1, 2004, Members were allowed to elect to "BAC-DROP" for up to 18 months, which reduced the maximum 60 month (72 month effective June 10, 2008) DROP period by the same amount of time elected under the BAC-DROP. Effective September 25, 2012 Members may elect to "BAC-DROP" for up to 24 months, which reduces the 84 month DROP period by the same amount of time elected under the BAC-DROP. Under the BAC-DROP option, a Member receives a lump sum distribution of up to 18 months (24 effective September 25, 2012) of retirement benefits upon entry into the DROP, and the Member's monthly pension is then actuarially reduced to reflect the cost to the Plan for this lump sum distribution.

Effective January 1, 2004 and prior to May 17, 2005, for every year (or portion thereof) of deferred entry into the DROP after the 12 month period following their "earliest" Normal Retirement Age, the maximum DROP period is reduced by one year. On and after May 17, 2005, Members who elect to participate in the DROP within the first five years following their "earliest" Normal Retirement Age incur no reduction to the maximum 60 month DROP period (72 month effective June 10, 2008 and 84 month effective September 25, 2012) for DROP entry deferral. However, the maximum DROP period is reduced for Members who elect to participate in the DROP beyond five years following their "earliest" Normal Retirement Age. For members hired prior to September 25, 2012, the Normal Retirement Age is the earliest of age 45 with 20 years of service, age 48 with 21 years of service, and age 50 with 10 years of service where age 48 with 21 years of service may be accelerated to age 47 with 20 years of service. Note that age 47 with 20 years of service is not taken into account for the "earliest" Normal Retirement Age for purposes of determination of DROP period reduction.

Cost of Living Adjustment (COLA): Under Ordinance No. 124-X-21-B, Members hired or rehired on or after November 19, 2021 are not entitled to a COLA. However, Members rehired on or after November 19, 2021 may be due a COLA on the benefit payable for service prior to November 19, 2021.

COLA provisions prior to Ordinance No. 124-X-21-B are as follows. These are the provisions applicable for Members hired prior to November 19, 2021. Ordinance No. 124-X-13-B adopted effective August 13, 2013 revised the annual COLA effective October 1, 2013 to a 1% annual COLA for five years commencing 12 months after initial retirement, then a 2.0% COLA, then a 2.5% annual COLA (commencing at the end of the seventh year following initial receipt of retirement benefits) for firefighters who terminate employment and begin receiving Normal Retirement benefits or enter the DROP on or after October 1, 2010, and the beneficiaries of such members. Note that for DROP members the "initial receipt of retirement benefits" has historically been interpreted to mean the date of DROP.

COLA provisions prior to Ordinance No. 124-X-13-B are as follows.

Effective September 30, 2001, an annual 2% COLA commences at the end of the 4th year following initial receipt of retirement benefits for all Members who reach Early or Normal Retirement Age and begin receipt of benefits (either directly or through the DROP) after September 30, 2001, and the beneficiaries of such Members. Effective January 1, 2004, COLA payments under this provision are deferred 12 months after separation from employment for Members who participate in the DROP for more than 3 years.

Members who retire or terminate employment on or after January 1, 2004 may elect, in lieu of the 2% COLA described above, a 1% annual COLA commencing 12 months after initial receipt of retirement benefits, which would increase to a 2% annual COLA at the end of the 6th year following initial receipt of retirement benefits.

COLAs were also payable as part of the Retirement Incentive Programs. See the description of the Retirement Incentive Programs for a description of the associated COLAs.

Supplemental Benefit: Under Ordinance No. 124-X-21-B, Members hired or rehired on or after November 19, 2021 are not entitled to receive the Supplemental Benefit. However, Members rehired on or after November 19, 2021 may be due a Supplemental Benefit payable for service prior to November 19, 2021.

Ordinance No. 124-X-09-A adopted October 13, 2009 amended Plan provisions to provide for a Supplemental Benefit for firefighters. Effective October 1, 2009, firefighters who terminate employment and begin receiving Normal or Early Retirement benefits on or after October 1, 2007 receive a Supplemental Benefit payable monthly which is:

- The lesser of [(i) $25 x Credited Service and (ii) $500] payable until age 65
- The lesser of [(i) $15 x Credited Service and (ii) $300] payable from age 65 for life

This supplemental benefit is not increased for any COLAs defined under the Plan and is only payable after DROP exit (to members who entered the DROP on or after October 1, 2007). Members who terminate employment on or after October 1, 2007 due a deferred vested benefit receive the supplement upon retirement. Members who retire under disability retirement provisions are not eligible to receive the supplement.

13th Check: Ordinance No. 124-X-21-B adopted effective November 19, 2021 defines a 13th check payable to retired Members hired or rehired on or after November 19, 2021 if the GASB 68 "fiduciary net position" is 100% or greater. The 13th check is prorated based on the "excess investment earnings" available but not more than the monthly retirement benefit payable. "Excess investment earnings" are defined as the market rate of investment earnings on assets net of expenses that exceed the assumed rate of return.

Share Plan: Ordinance No. 124-X-16-C adopted July 12, 2016 amended Plan provisions to indicate that Chapter 175 contributions received each fiscal year in excess of $2,055,127 may be used to provide Share Plan benefits.

Internal Revenue Service Section 415(b) Limitations: Ordinance No. 124-X-17-B adopted September 12, 2017 amended the Plan to (1) remove the value of the Plan's cost-of-living adjustment from the initial determination of Section 415(b) limits effective September 29, 2016 and (2) requires that Members receive estimated calculations before retirement or DROP entry to let them know if they are expected to have benefits in excess of Section 415(b) limitations. For Members who retired from employment on or after September 29, 2016 the Section 415(b) limit is adjusted annually after retirement as the Internal Revenue Service releases new calendar year limits under Section 415(d).

Under Ordinance No. 124-X-21-B adopted November 19, 2021, Members participating in the DROP on or after November 19, 2021 and who receive a benefit calculation estimate by the Plan actuary that the benefit may exceed the Section 415 limit while the Member is participating in the DROP may elect to exit the DROP and continue City employment where they must terminate City employment no later than the date the Member would have completed their DROP participation. Upon DROP exit the monthly benefit is no longer credited to the DROP balance and is paid directly to the Member. The DROP balance is not paid at DROP exit, but rather accumulates with interest until termination of employment at which time it is paid to the Member. After DROP exit the Member rejoins the Plan as a new contributing Member subject to a new 10-year vesting period but is not eligible for death or disability retirement benefits. The ordinance states,"…If the Member separates from City employment before attaining ten (10) years of creditable service after exiting the DROP, the member shall receive a refund of 100% of the member contributions made during their post-DROP employment, without interest."

Description of Assumptions and Methods

Assumed Rate of Investment Return: 7.4% per year net of investment expenses (revised from 7.5% in the prior actuarial valuation)

Salary Increase – Total Payroll: 3.0% per year

Salary Increase – Individual: As follows:

Service	Increase
0-4	13.00%
5-9	6.50%
10-14	5.00%
15+	4.50%

Mortality: Mortality rates are those required by state statute. Mortality is as assumed in one of the last two valuations for the Florida Retirement System (FRS) for special risk employees, as follows:

The following sex distinct tables are used with fully generational mortality improvements using sex distinct Scale MP-2018.

Active:	Male:	PubS.H-2010(B) male employee set forward 1 year
	Female:	PubS.H-2010 female employee set forward 1 year
Healthy Retiree:	Male:	PubS.H-2010(B) male healthy retiree set forward 1 year
	Female:	PubS.H-2010 female healthy retiree set forward 1 year

The following sex distinct tables are used with no mortality improvement projection.

Disabled Retiree:	Male:	80% PubG.H-2010 male disabled retiree + 20% PubS.H-2010 male disabled retiree
	Female:	80% PubG.H-2010 female disabled retiree + 20% PubS.H-2010 female disabled retiree

Juvenile rates are used for ages 15-17.

The active tables reference the healthy retiree rates, above, at ages 80+.

The healthy retiree tables reference the active mortality rates, above, before age 44.

Retirement: Unisex rates, as follows:

	Rates for Tier 1 - Service From					
Age	10-13	14-19	20-23	24	25-29	30+
<=44	0%	0%	0%	0%	0%	0%
45-46	0%	0%	0%	0%	60%	100%
47-49	0%	0%	20%	60%	60%	100%
50-54	10%	10%	20%	20%	20%	100%
55-59	20%	100%	100%	100%	100%	100%
60+	100%	100%	100%	100%	100%	100%

	Rates for Tier 2 - Service From			
Age	10	11-24	25-29	30+
<=49	0%	0%	0%	0%
50	10%	10%	10%	100%
51	10%	0%	0%	100%
52	10%	0%	100%	100%
53	10%	0%	100%	100%
54	10%	0%	100%	100%
55+	100%	100%	100%	100%

Disability: Unisex rates, as follows:

Age	Probability	Age	Probability	Age	Probability	Age	Probability
15-20	0.140%	30	0.180%	40	0.300%	50	1.000%
21	0.142%	31	0.190%	41	0.342%	51	1.110%
22	0.144%	32	0.200%	42	0.384%	52	1.220%
23	0.146%	33	0.210%	43	0.426%	53	1.330%
24	0.148%	34	0.220%	44	0.468%	54	1.440%
25	0.150%	35	0.230%	45	0.510%	55	1.550%
26	0.156%	36	0.244%	46	0.608%	56	1.660%
27	0.162%	37	0.258%	47	0.706%	57	1.770%
28	0.168%	38	0.272%	48	0.804%	58	1.880%
29	0.174%	39	0.286%	49	0.902%	59	1.990%
						60+	0.000%

75% of disabilities are assumed to be service connected.

Termination: Unisex rates, as follows:

Service	Rate
0-1	14.00%
2-3	8.00%
4	7.00%
5	5.00%
6-9	1.25%
10+	0.00%

Plan Expenses: The prior year administrative expense is added to the normal cost.

Marital Assumption: 80% of males are assumed married and 50% of females are assumed married. Husbands are assumed to be four years older than wives.

Funding Method: Entry Age (level percent of salary)

A description of the funding method is found on the next page entitled "Glossary of Actuarial Terms."

Glossary of Actuarial Terms

Present Value of Benefits (PVB): The present value, as of the valuation date, of all benefits that will become payable by the Plan for the current group of members in the census.

Normal Cost (NC): Under the Individual Entry Age Normal Cost Method, the annual normal cost for each individual active member is determined as the amount, from the date of employment to the date of retirement, sufficient to accumulate the value of the member's benefit at the time of retirement. The annual normal cost is a constant percentage of the member's projected covered pay.

Accrued Liability (AL): This is the portion of the PVB attributable to the past at the valuation date. For active members, AL is the annual NC accumulated from date of entry to the valuation date for each member. For retired and terminated members, the PVB and the AL are equal. The AL is the estimated liability owed by the pension fund at the valuation date.

Unfunded Accrued Liability (UAL): Any excess of the Accrued Liability over the fund assets. A negative UAL indicates fund assets are greater than the Accrued Liability, otherwise known as a surplus. Actuarial gains/(losses), as they occur, reduce (increase) the Unfunded Actuarial Accrued Liability.

Actuarial Value of Assets: The value of assets used in the actuarial valuation of the Plan which is compared to the AL to determine the UAL and minimum funding requirements. A method may be used to smooth out short term volatility in the fair market value of assets. In this valuation, the Actuarial Value of Assets has been calculated to smooth out unexpected fluctuations in the fair market value of assets over a 5-year period, less any reserve of State contributions.

FLA
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City of Sunrise

Firefighters' Retirement Plan

GASB 67 Supplement
As of September 30, 2024

REPORT TO PROVIDE DISCLOSURES UNDER GASB STATEMENT NO. 67
FOR THE PLAN FISCAL YEAR ENDING
SEPTEMBER 30, 2024

FLA
FREIMAN LITTLE ACTUARIES

January 11, 2025

Board of Trustees
City of Sunrise Firefighters' Retirement Plan
Sunrise, Florida

RE: GASB 67 Supplement as of September 30, 2024

Dear Board Members:

We are pleased to present the Governmental Accounting Standards Board Statements No. 67 (GASB 67) Supplement as of September 30, 2024 for the City of Sunrise (the City) Firefighters' Retirement Plan (the Plan). This report is a supplement to the actuarial valuation report as of October 1, 2023.

This report provides information required to be disclosed under GASB 67 as described in the statement and the implementation guide. The relevant dates are as follows:

	GASB 67
Valuation Date	10/01/2023
Measurement Date	09/30/2024
Reporting Date	09/30/2024

Please let us know if you have any questions or need additional information.

Sincerely,

Chad M. Little, ASA, EA
Partner, Consulting Actuary
Enrollment Number 23-6619

Paula C. Freiman, ASA, EA
Partner, Consulting Actuary
Enrollment Number 23-5796

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Statement of Fiduciary Net Position

As of September 30,	2024	2023
Assets		
Receivables and prepaid expenses:		
Interest and dividends	$116,952	$110,962
Employee contributions	96,110	85,063
Pending trades receivable	0	11,200
Total receivables	213,062	207,225
Investments, at fair value:		
Money market funds	4,021,522	3,897,488
U.S. government bonds and notes	1,939,368	2,968,441
U.S. government agency securities	0	89,660
Mortgage-backed securities	7,466,652	7,134,326
Corporate obligations	7,665,631	4,994,062
Fixed income mutual funds	17,918,184	0
Domestic common stock	39,437,181	42,601,247
Foreign common stock	1,882,867	0
International equity mutual funds	10,517,662	8,317,261
Non-US limited partnership	1,646,682	1,254,927
Collective investment funds	79,965,888	69,187,529
Commingled real estate funds	20,704,068	24,679,762
Total investments	193,165,705	165,124,703
Total assets	193,378,767	165,331,928
Liabilities		
Accounts payable	532,367	122,287
Pending trades payable	0	11,089
Prepaid employer contributions	0	585,714
Total liabilities	532,367	719,090
Net position restricted for pensions	$192,846,400	$164,612,838

Statement of Changes in Fiduciary Net Position

As of September 30,	2024	2023
Additions		
Contributions:		
Employer	$6,853,287	$6,256,829
State of Florida	1,458,670	1,611,113
Employees	1,734,125	1,631,527
Total contributions	10,046,082	9,499,469
Investment income (loss):		
Net (depreciation) appreciation in fair value of investments	27,379,699	11,514,428
Interest and dividends	2,370,324	2,021,532
Other income	11,592	4,872
Total investment income	29,761,615	13,540,832
Less investment expenses:		
Investment expense	704,178	697,606
Net investment income	29,057,437	12,843,226
Total additions	39,103,519	22,342,695
Deductions		
Participant benefit payments	10,628,942	12,466,283
Refunds of participant contributions	11,411	30,847
Administrative expenses	229,604	206,575
Total deductions	10,869,957	12,703,705
Net increase in net position	28,233,562	9,638,990
Net position restricted for pensions		
Beginning of year	164,612,838	154,973,848
End of year	$192,846,400	$164,612,838

Net Pension Liability

The total pension liability under GASB 67 is based on the October 1, 2023 actuarial valuation updated to the September 30, 2024 measurement date. The following actuarial assumptions are applied to all periods included in the measurement.

Inflation: (as reported by investment monitor)	2.5%
Salary increases:	13.0% to 4.5%, including inflation
Investment return:	7.5% net of investment expense, including inflation
Mortality:	From one of the last two FRS special risk valuations, as required

Assumptions are based on the results of a 6-year experience review for census data from October 1, 2014 through October 1, 2020. See the paragraph entitled "Assumptions and Methods" on page 6 of the October 1, 2021 actuarial valuation report for details.

The long-term expected net rate of return on investments was determined using a building-block method. Best-estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. The long-term expected net rate of return on investments is the best-estimate ranges weighted by the asset allocation plus expected inflation. Best estimates of arithmetic real rates of return for each major asset class as provided by the investment monitor are shown in the following table:

Asset Class	Target Allocation %	Expected Long-Term Real Return	Weighted Average Expected Long-Term Real Return
Domestic Equity	50.0%	7.5%	3.75%
International Equity	15.0%	8.5%	1.28%
Domestic Bonds	20.0%	2.5%	0.50%
Real Estate	15.0%	4.5%	0.68%
	100%		
Net of Inflation			6.20%
Gross of Inflation			8.70%
Inflation from Investment Monitor			2.50%

Note, however, that long-term expected net rates of return for actuarial valuations should be compared to geometric returns.

The discount rate used to measure the total pension liability was 7.5%. This is the single rate that reflects the long-term expected rate of return on pension plan investments expected to be used to finance the payment of benefits. A projection of cash flows used to determine the discount rate assumed that plan member contributions are made at the current contribution rate and that City contributions will be made equal to the difference between the actuarially determined contribution and the member contributions. Based on those assumptions, the pension plan's fiduciary net position is projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments is applied to all periods of projected benefit payments to

determine the total pension liability. For purposes of this determination we understand pension plan assets are expected to be invested using a strategy to achieve the discount rate.

Note: See "Actuarial Assumptions and Methods" for a full description of the assumptions used in the determination of the total pension liability.

For GASB 67 the net pension liability is required to be measured as of the plan's fiscal year end. The net pension liability was measured as of September 30, 2024 under GASB 67 for the plan's fiscal year ending September 30, 2024. The total pension liability used to calculate the net pension liability as of September 30, 2024 was rolled forward from the actuarial valuation as of October 1, 2023.

The components of the net pension liability at September 30, 2024 were as follows.

Measurement Date September 30,	**2024**
Total pension liability	$243,640,846
Plan fiduciary net position	(192,846,400)
Net pension liability	$50,794,446
Plan fiduciary net position as a % of the total pension liability	79.15%

Sensitivity of the net pension liability to changes in the discount rate follows.

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Net pension liability	$82,317,175	$50,794,446	$25,091,403

Schedule of Changes in Net Pension Liability and Related Ratios

Year Ending September 30,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability										
Service cost	$5,150,511	$4,819,081	$4,877,722	$4,041,366	$3,766,990	$3,618,905	$3,649,483	$3,389,400	$3,217,784	$3,090,913
Interest	17,315,779	16,576,686	15,821,074	15,334,513	15,338,231	14,934,297	14,426,543	13,694,521	12,568,229	12,023,905
Changes of benefit terms	15,941	206,422	1,149,479	0	0	0	0	432,669	0	0
Differences between expected and actual experience	(470,537)	744,997	(39,533)	(2,907,373)	(652,093)	1,076,608	231,072	1,152,743	(728,503)	0
Changes of assumptions	0	0	2,765,185	(3,207,909)	0	0	1,196,786	4,703,070	1,643,838	0
Benefit payments	(10,628,942)	(12,466,283)	(12,278,523)	(9,922,633)	(11,463,643)	(14,163,770)	(10,960,320)	(6,456,401)	(6,437,587)	(8,093,516)
Contribution refunds	(11,411)	(30,847)	(84,163)	(4,747)	0	(6,194)	0	(6,743)	(63,852)	0
Net change in total pension liability	11,371,341	9,850,056	12,211,241	3,333,217	6,989,485	5,459,846	8,543,564	16,909,259	10,199,909	7,021,302
Total pension liability - boy	232,269,505	222,419,449	210,208,208	206,874,991	199,885,506	194,425,660	185,882,096	168,972,837	158,772,928	151,751,626
Total pension liability - eoy (a)	$243,640,846	$232,269,505	$222,419,449	$210,208,208	$206,874,991	$199,885,506	$194,425,660	$185,882,096	$168,972,837	$158,772,928
Plan fiduciary net position										
Contributions - employer	$6,853,287	$6,256,829	$6,051,494	$6,391,190	$6,300,844	$6,279,661	$6,027,609	$5,483,453	$5,185,357	$5,225,550
Contributions - State of Florida	1,458,670	1,611,113	1,025,399	934,286	861,888	821,826	763,749	766,995	803,419	853,244
Contributions - employee	1,734,125	1,631,527	1,614,557	1,569,620	1,401,623	1,341,475	1,244,670	1,288,279	1,338,474	1,156,746
Net investment income	29,057,437	12,843,226	(24,882,245)	33,186,244	8,616,928	5,939,853	13,810,392	14,302,330	11,249,228	176,272
Benefit payments	(10,628,942)	(12,466,283)	(12,278,523)	(9,922,633)	(11,463,643)	(14,163,770)	(10,960,320)	(6,456,401)	(6,437,587)	(8,093,516)
Contribution refunds	(11,411)	(30,847)	(84,163)	(4,747)	0	(6,194)	0	(6,743)	(63,852)	0
Administrative expense	(229,604)	(206,575)	(249,386)	(193,876)	(151,349)	(199,780)	(197,469)	(220,292)	(210,821)	(162,815)
Other	0	0	0	0	0	0	0	0	0	0
Net change in plan fiduciary net position	28,233,562	9,638,990	(28,802,867)	31,960,084	5,566,291	13,071	10,688,631	15,157,621	11,864,218	(844,519)
Plan fiduciary net position - boy	164,612,838	154,973,848	183,776,715	151,816,631	146,250,340	146,237,269	135,548,638	120,391,017	108,526,799	109,371,318
Plan fiduciary net position - eoy (b)	$192,846,400	$164,612,838	$154,973,848	$183,776,715	$151,816,631	$146,250,340	$146,237,269	$135,548,638	$120,391,017	$108,526,799
Net pension liability - eoy (a) - (b)	$50,794,446	$67,656,667	$67,445,601	$26,431,493	$55,058,360	$53,635,166	$48,188,391	$50,333,458	$48,581,820	$50,246,129
Plan fiduciary net position as a % of the total pension liability	79.15 %	70.87 %	69.68 %	87.43 %	73.39 %	73.17 %	75.22 %	72.92 %	71.25 %	68.35 %
Expected covered employee %	$16,564,754	$15,490,404	$15,857,199	$14,003,420	$13,099,674	$12,564,427	$11,728,068	$12,036,803	$11,680,780	$10,816,447
Net pension liability as a % of covered employee payroll	306.64 %	436.77 %	425.33 %	188.75 %	420.30 %	426.88 %	410.88 %	418.16 %	415.91 %	464.53 %

Schedule of Contributions

Year Ending September 30,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	$8,311,957	$7,867,942	$7,076,893	$7,325,476	$7,162,732	$7,101,487	$6,791,358	$6,250,448	$5,988,776	$6,078,794
Contributions in relation to the actuarially determined contribution	8,311,957	7,867,942	7,076,893	7,325,476	7,162,732	7,101,487	6,791,358	6,250,448	5,988,776	6,078,794
Contribution deficiency (excess)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Covered-employee payroll	$16,564,754	$15,490,404	$15,857,199	$14,003,420	$13,099,674	$12,564,427	$11,728,068	$12,036,803	$11,680,780	$10,816,447
Contributions as a percentage of covered-employee payroll	50.18 %	50.79 %	44.63 %	52.31 %	54.68 %	56.52 %	57.91 %	51.93 %	51.27 %	56.20 %

Notes to Schedule

Actuarially determined contributions are calculated based on the valuation as of the beginning of the year prior to the fiscal year in which contributions are due.

Methods and assumptions used to determine contributions for the year ending September 30, 2024:

Actuarial cost method	Entry age
Amortization method	Level percent of pay, closed
Remaining amortization period	25 years
Asset valuation method	5-year smoothed market
Inflation	2.5 %
Salary increases	13% to 4.5%, including inflation
Investment rate of return	7.5%, net of investment expenses, including inflation
Retirement age	See "Description of Assumptions and Methods" for the assumed retirement age assumption
Mortality	Mortality rates as used in the actuarial valuation of the Florida Retirement System for special risk, as required by state statute.

Schedule of Investment Returns

Year Ending September 30,	Annual money-weighted rate of return net of investment expense
2024	17.2 %
2023	8.6 %
2022	(13.4)%
2021	22.4 %
2020	8.1 %
2019	4.5 %
2018	10.3 %
2017	11.8 %
2016	10.4 %
2015	0.5 %

Plan Membership Statistics

Year Beginning October 1,	2023	2022
Inactive members or beneficiaries currently receiving benefits	136	135
Inactive members entitled to but not yet receiving benefits	3	1
Active members	143	134
Total number of members	282	270

Plan Description

This is a description of the Plan provisions used to create the October 1, 2023 actuarial valuation of the Plan.

Plan Type: Single-employer Defined Benefit Pension Plan

Plan Administrator: The Board of Trustees

Board Composition: The trustees consist of five members which may include participants who have at least 18 months remaining in the DROP at the time they take office, none who are elected City officials, and who are selected as follows: (a) two members who are elected current Members of the plan, (b) two members who are legal residents of the City and current or former City employees who are vested in the Plan appointed by City commission, and (c) one member chosen by a majority of the previous four members duly appointed by the City commission as a ministerial act. The term of office for each Board member is two years.

Legal Authority: The Plan is established and amended by local ordinance.

Funding Requirements: Employer contributions are actuarially determined and subject to State statute. Employee contributions are as described below and may be amended by ordinance.

Effective Dates: The Plan was most recently amended by Ordinance No. 124-X-21-B adopted November 19, 2021. This amendment describes benefits payable to Members hired on or after November 19, 2021. In general, benefits which had been defined as payable to Members who were hired prior to September 25, 2012 became payable to those hired prior to November 19, 2021. The following changes were included:

- For Members hired or rehired after November 19, 2021 overtime is excluded in the definition of Salary. Prior to this change overtime was included in the definition of Salary but limited to 300 hours per year effective October 1, 2012.
- Employee Contributions for Members hired or rehired on or after November 19, 2021 is defined as 8.0% of Salary. For Members hired prior to November 19, 2021, 10.63% of Salary.
- Average Final Compensation for those hired or rehired on or after November 19, 2021 is the average of Salary for the five highest years out of the last 10 years of Credited Service. For those hired prior to November 19, 2021, the average of Salary for the three highest consecutive years, or the five highest years out of the last 10 years of Credited Service, whichever is greater.
- Normal Retirement Age for those hired or rehired on or after November 19, 2021 is defined as the earlier of (i) age 55 and completion of 10 years of Credited Service or (ii) age 52 and completion of 25 years of Credited Service. For those hired prior to November 19, 2021, the earliest of (i) age 45 and completion of 25 years of Credited Service, (ii) age 48 and completion of 21 years of Credited Service (which may be accelerated one year to age 47 and completion of 20 years of Credited Service), or (iii) age 50 and completion of 10 years of Credited Service.
- The Normal Retirement Benefit for Members hired or rehired on and after November 19, 2021 is a maximum of 70% of Average Final Compensation calculated as 3.0% x Average Final Compensation x up to 20 Years Credited Service plus 2.0% x Average Final Compensation x Credited Service from 20 to 25 Years. Provided, however, in no event will the Accrued Benefit be less than 2.75% x Average Final Compensation x Credited Service. For Members hired before November 19, 2021, any Member who was actively employed on October 1, 2001 and retired or entered the DROP after January 1, 2004 is due a benefit based on the greater of the following two benefit formulas. Members who were not employed on October 1, 2001 and hired before November 19, 2021 receive a benefit only under formula (1) in effect January 1, 2004.

(1) For Members hired prior to November 19, 2021 who retire or terminate employment on or after January 1, 2004 the benefit formula is a maximum of 80% of Average Final Compensation calculated as 3.0% x Average Final Compensation x up to 15 Years Credited Service plus 3.5% x Average Final Compensation x Credited Service from 15 to 25 Years. Provided, however, in no event will the Accrued Benefit be less than 2.0% x Average Final Compensation x Credited Service.
(2) For Members who retired or terminated prior to January 1, 2004, Members who reached Normal Retirement Age were entitled to a retirement benefit of 4.0% x Average Final Compensation x up to 10 Years Credited Service plus 2.0% x Average Final Compensation for Credited Service over 10 Years.

- Early Retirement Age for those hired or rehired on or after November 19, 2021 is age 50 and completion of at least 10 years of Credited Service. For Members hired prior to November 19, 2021, age 47 and completion of 10 years of Credited Service.
- The Early Retirement Benefit for those hired or rehired on or after November 19, 2021 is the accrued Normal Retirement Benefit reduced 3% per year by which the commencement of benefits precedes age 55. For Members hired before November 19, 2021, the accrued Normal Retirement Benefit reduced actuarially from Normal Retirement Age. However, in no event will the reduction for Early Retirement exceed 3% per year by which the commencement of benefits precedes the Normal Retirement Age.
- Service Incurred Disability Retirement benefits are 75% (70% for Members hired or rehired on or after November 19, 2021) of the Member's Salary in effect on the date of disability, subject to offsets not more than would reduce the service incurred disability benefit below the greater of the Member's Accrued Benefit or 42% x Average Final Compensation. The ordinance further describes adjustments that should be performed annually.
- Nonservice Incurred Disability Retirement benefits are the accrued Normal Retirement Benefit no less than 25% of Average Final Compensation for those with 10 years of Credited Service. For Members hired or rehired on or after November 19, 2021 the maximum payable is 50% of Average Final Compensation.
- Pre-Retirement Death benefits were revised to set forth service connected and non-service connected benefits payable to Members hired or rehired on or after November 19, 2021. The service-connected pre-retirement death benefit is the lesser of the accrued Normal Retirement Benefit and 75% of Average Final Compensation *actuarially adjusted for the beneficiary's age* and payable immediately for the lifetime of the Member's beneficiary for those with 10 years of Credited Service. If there is no beneficiary, the benefit is payable to the Member's estate for 10 years. The non-service connected pre-retirement death benefit is the accrued Normal Retirement Benefit *actuarially adjusted for the beneficiary's age* commencing on the date the Member would have attained their Early or Normal Retirement Age for those with 10 years of Credited Service. Pre-Retirement Death Benefits defined payable prior to Ordinance No. 124-X-21-B continue to be payable for those hired prior to November 19, 2021.
- Under Ordinance No. 124-X-21-B adopted November 19, 2021, Members hired or rehired on or after November 19, 2021 may participate in the DROP for a maximum of 4 years if they make the election within 6 months of reaching their Normal Retirement Age. DROP account earnings are 0% if the GASB 68 "fiduciary net position" is less than 100%. If 100% or more, then DROP account earnings are credited using the actual return of the Plan with a minimum of 0% and a maximum of 4%. Although not explicitly stated in the Ordinance, we understand from City correspondence received while preparing the impact statement that Members hired or rehired on or after November 19, 2021 are eligible for BAC-DROP. DROP provisions in effect prior to Ordinance No. 124-X-21-B continue to be applicable for Members hired prior to November 19, 2021.
- Under Ordinance No. 124-X-21-B, Members hired or rehired on or after November 19, 2021 are not entitled to a COLA. However, Members rehired on or after November 19, 2021 may be due a COLA on the benefit payable for service prior to November 19, 2021. COLA provisions prior to Ordinance No. 124-X-21-B continue to be applicable for Members hired prior to November 19, 2021.

- Under Ordinance No. 124-X-21-B, Members hired or rehired on or after November 19, 2021 are not entitled to receive the Supplemental Benefit. However, Members rehired on or after November 19, 2021 may be due a Supplemental Benefit payable for service prior to November 19, 2021. See the provisions of the Supplemental Benefit described below as in effect prior to Ordinance No. 124-X-21-B.
- A 13th check is payable to retired Members hired or rehired on or after November 19, 2021 if the GASB 68 "fiduciary net position" is 100% or greater. The 13th check is prorated based on the "excess investment earnings" available but not more than the monthly retirement benefit payable. "Excess investment earnings" are defined as the market rate of investment earnings on assets net of expenses that exceed the assumed rate of return.
- Under Ordinance No. 124-X-21-B adopted November 19, 2021, Members participating in the DROP on or after November 19, 2021 and who receive a benefit calculation estimate by the Plan actuary that the benefit may exceed the Section 415 limit while the Member is participating in the DROP may elect to exit the DROP and continue City employment where they must terminate City employment no later than the date the Member would have completed their DROP participation. Upon DROP exit the monthly benefit is no longer credited to the DROP balance and is paid directly to the Member. The DROP balance is not paid at DROP exit, but rather accumulates with interest until termination of employment at which time it is paid to the Member. After DROP exit the Member rejoins the Plan as a new contributing Member subject to a new 10-year vesting period but is not eligible for death or disability retirement benefits. The ordinance states,"…If the Member separates from City employment before attaining ten (10) years of creditable service after exiting the DROP, the member shall receive a refund of 100% of the member contributions made during their post-DROP employment, without interest."

The following provides a history of other recent ordinance amendments.

- Ordinance No. 124-X-17-B was adopted September 12, 2017. This ordinance amended the Plan to (1) remove the value of the Plan's cost-of-living adjustment from the initial determination of Section 415(b) limits effective September 29, 2016 and (2) requires that Members receive estimated calculations before retirement or DROP entry to let them know if they are expected to have benefits in excess of Section 415(b) limitations. For Members who retired from employment on and after September 29, 2016 the Section 415(b) limit is adjusted annually after retirement as the Internal Revenue Service releases new calendar year limits under Section 415(d).
- Ordinance No. 124-X-16-C became effective July 12, 2016. This ordinance amended the Plan to (1) allow for a purchase of up to four years active service in the U.S. Armed Forces as noted below under the definition of Credited Service, (2) indicate salary for members of the firefighters' Plan excludes all payment for accrued unused sick and annual leave (although the plan already indicated lump sum payouts of accrued benefits upon termination of employment are not included in salary), (3) state the Normal and Early Retirement dates, Normal and Early Retirement benefits, and Member contributions for rehires on or after September 25, 2012 are the same as for regular hires on or after September 25, 2012, and (4) define Chapter 175 contributions received each fiscal year in excess of $2,055,127 may be used to provide Share Plan benefits.
- Ordinance No. 124-X-13-B was adopted effective August 13, 2013 to increase the annual COLA effective October 1, 2013 to 2.5% commencing at the end of the seventh year following initial receipt of retirement benefits for firefighters who terminate employment and begin receiving Normal Retirement benefits or enter the DROP on or after October 1, 2010, and the beneficiaries of such members.
- Ordinance No. 124-X-C-12 effective December 28, 2012 related to Board composition.
- Ordinance No. 124-X-B-12 effective November 13, 2012 defined employee contributions as 10.63% of Salary.
- Ordinance No. 124-X-A-12 effective September 25, 2012 (1) allowed for service purchases of prior firefighter service, (2) defined eligibility and benefits for hires on and after September 25, 2012, (3) set employee contributions to 9.96% for those hired prior to September 25, 2012 and

9.0% for hires on and after September 25, 2012, (4) extend the DROP to 84 months with 6.0% annual interest accumulation, and (5) allow BAC-DROP for up to 24 months.

- Ordinance No. 124-X-10-A effective April 27, 2010 was to comply with Florida Statutes 2009-97. The ordinance revised the definition of actuarial equivalence, amended the investment policy, revised optional forms of benefit to allow the joint pensioner to be changed up to two times without approval of board, revised language regarding designated beneficiaries, and added language related to Plan termination such as accrued benefits are nonforfeitable.
- Ordinance No. 124-X-09-A adopted October 13, 2009 amended Plan provisions to provide for a Supplemental Benefit for firefighters.
- Ordinance No. 124-X-08-C adopted October 14, 2008 extended the DROP from 60 months to 72 months. Employee contributions are no longer subject to increase when City contributions are more than 19.2% of pay under this ordinance.

Plan Year: The 12-month period from October 1st to the following September 30th.

Member: Full-time firefighters become Members immediately upon hire.

Actuarial Equivalence: Effective April 27, 2010 under Ordinance No. 124-X-10-A, Actuarial Equivalence is based on an 8.0% interest rate, RP-2000 static mortality table (unisex 50/50) projected to 2010 using scale AA. The disabled mortality table is used for disability retirees.

Credited Service: Service with the City as a full-time salaried firefighter where Member contributions are made. Completed months of partial years of service are included in the determination of Credited Service.

Members with at least ten years of service who enter the DROP or retire on or after September 25, 2012 may purchase up to four years of active service in the U.S. Armed Forces or service worked as a full-time firefighter as defined under Florida Statutes section 175.032(8)(a) with another governmental entity prior to employment with the City provided the Member has not received and will not receive a benefit from another retirement plan based on such service. The total combined purchase of prior governmental and military service may not exceed four years. Payment for the purchase must be made in a cash lump sum or a direct transfer of funds from a member's account in the City's 457 plan.

Vesting: 100% upon earning ten years of Credited Service.

Salary: Total actual fixed cash compensation paid yearly for services rendered to the City as a firefighter including regular pay, holiday and other payroll cash incentives and general monthly expense allowances. Overtime was included in the definition of Salary but limited to 300 hours per year effective October 1, 2012. For Members hired or rehired after November 19, 2021 overtime is excluded. In addition, the following are not included in Salary: Lump sum payments of accrued benefits upon termination of employment, auto allowances, uniform allowances, mileage and travel reimbursements, income from private details, and (effective July 12, 2016) all payments for accrued unused sick and annual leave.

Employee Contributions: Ordinance No. 124-X-21-B adopted November 19, 2021 revised Employee Contributions. For Members hired or rehired on or after November 19, 2021, 8.0% of Salary. For Members hired prior to November 19, 2021, 10.63% of Salary.

Prior to Ordinance No. 124-X-21-B adopted November 19, 2021 members hired or rehired on or after September 25, 2012, 10.63% of Salary (prior to November 13, 2012 9.0% of Salary), and the below were defined for those hired before September 25, 2012.

Effective	% of Salary	
11/13/2012	10.63%	
09/25/2012	9.95%	
01/01/2004	10.63%	*

*Any cost sharing provisions in place prior to October 1, 2008 where employees share in contribution increases in excess of 19.2% of budgeted payroll are no longer applicable. Prior to October 1, 2008, Employee Contributions were 10.63% plus 50% of the excess of City contributions over 19.2%.

A Member who terminates non-vested is entitled to refund of accumulated Employee Contributions without interest.

Vested Members who terminate employment prior to being eligible to receive an annuity may leave their accumulated contributions in the fund, and upon Early or Normal Retirement Age begin receipt of pension payments.

Average Final Compensation: Ordinance No. 124-X-21-B adopted November 19, 2021 revised Average Final Compensation. For those hired or rehired on or after November 19, 2021, average of Salary for the five highest years out of the last 10 years of Credited Service. For those hired prior to November 19, 2021, the average of Salary for the three highest consecutive years, or the five highest years out of the last 10 years of Credited Service, whichever is greater.

Prior to Ordinance No. 124-X-21-B, the following was in effect. Prior to October 1, 2004, average of Salary for the five highest years. Effective October 1, 2004, average of Salary for the three highest consecutive years, or the five highest years out of the last 10 years of Credited Service, whichever is greater.

Normal Retirement Age: Ordinance No. 124-X-21-B adopted November 19, 2021 set the Normal Retirement Age for those hired or rehired on or after November 19, 2021 as the earlier of (i) age 55 and completion of 10 years of Credited Service or (ii) age 52 and completion of 25 years of Credited Service. For those hired prior to November 19, 2021, the earliest of (i) age 45 and completion of 25 years of Credited Service, (ii) age 48 and completion of 21 years of Credited Service (which may be accelerated one year to age 47 and completion of 20 years of Credited Service), or (iii) age 50 and completion of 10 years of Credited Service.

Prior to Ordinance No. 124-X-21-B, Normal Retirement Age was as described above except the November 19, 2021 date was September 25, 2012. Prior to January 1, 2004, age 50 and completion of at least 10 years of Credited Service.

Normal Retirement Benefit: The Accrued Benefit.

Accrued Benefit: Ordinance No. 124-X-21-B adopted November 19, 2021 revised the Normal Retirement Benefit. For Members hired or rehired on and after November 19, 2021, a maximum of 70% of Average Final Compensation calculated as 3.0% x Average Final Compensation x up to 20 Years Credited Service plus 2.0% x Average Final Compensation x Credited Service from 20 to 25 Years. Provided, however, in no event will the Accrued Benefit be less than 2.75% x Average Final Compensation x Credited Service. For Members hired before November 19, 2021, any Member who was actively employed on October 1, 2001 and retired or entered the DROP after January 1, 2004 is due a benefit based on the greater of the following two benefit formulas. Members who were not employed on October 1, 2001 and hired before November 19, 2021 receive a benefit only under formula (1) in effect January 1, 2004.

(1) For Members hired prior to November 19, 2021 who retire or terminate employment on or after January 1, 2004 the benefit formula is a maximum of 80% of Average Final Compensation calculated as 3.0% x Average Final Compensation x up to 15 Years Credited Service plus 3.5% x Average Final Compensation x Credited Service from 15 to 25 Years. Provided, however, in no event will the Accrued Benefit be less than 2.0% x Average Final Compensation x Credited Service.
(2) For Members who retired or terminated prior to January 1, 2004, Members who reached Normal Retirement Age were entitled to a retirement benefit of 4.0% x Average Final Compensation x up to 10 Years Credited Service plus 2.0% x Average Final Compensation for Credited Service over 10 Years.

Prior to Ordinance No. 124-X-21-B, for Members hired or rehired on and after September 25, 2012, the benefit formula was a maximum of 80% of Average Final Compensation calculated as 3.0% x Average Final Compensation x up to 25 years Credited Service plus 1.0% x Average Final Compensation x Credited Service from 25 to 30 Years. The benefit payable to Members hired before September 25, 2012 was as described above for those hired before November 19, 2021.

Effective October 1, 2004, the Accrued Benefit is payable as a 10-year certain and continuous annuity. Prior to October 1, 2004 the Accrued Benefit was defined payable as a single life annuity.

Early Retirement Age: Ordinance No. 124-X-21-B adopted November 19, 2021 set the Early Retirement Age for those hired or rehired on or after November 19, 2021 as age 50 and completion of at least 10 years of Credited Service. For Members hired prior to November 19, 2021, age 47 and completion of 10 years of Credited Service.

Prior to Ordinance No. 124-X-21-B, Early Retirement Age was as described above except the November 19, 2021 date was September 25, 2012.

Early Retirement Benefit: Ordinance No. 124-X-21-B adopted November 19, 2021 revised the Early Retirement Benefit. For those hired or rehired on or after November 19, 2021, the accrued Normal Retirement Benefit reduced 3% per year by which the commencement of benefits precedes age 55. For Members hired before November 19, 2021, the accrued Normal Retirement Benefit reduced actuarially from Normal Retirement Age. However, in no event will the reduction for Early Retirement exceed 3% per year by which the commencement of benefits precedes the Normal Retirement Age.

Prior to Ordinance No. 124-X-21-B, the Early Retirement Benefit was as described above except the November 19, 2021 date was September 25, 2012.

Service Incurred Disability Retirement: Members who become totally and permanently disabled as a direct result from the performance of service-related duties to the City are a due a benefit commencing on the earlier of (i) the first day of the month coincident with or next following the date of disability, or (ii) the 90th day following the day the Member submitted a completed application for disability. Any Plan Member receiving Service Incurred Disability Retirement may elect to convert to Normal or Early Retirement upon meeting all eligibility criteria. Plan Members receiving disability retirement benefits may elect to continue making regular contributions to the Plan, and based on such contributions earn additional service credit toward Normal or Early Retirement benefits.

Ordinance No. 124-X-21-B adopted November 19, 2021 revised the service incurred disability benefit to 70% of the Members Salary for those hired or rehired on or after November 19, 2021 as noted in the following.

The amount of the service incurred disability benefit is 75% (70% for Members hired or rehired on or after November 19, 2021) of the Member's Salary in effect on the date of disability, subject to offsets not more than would reduce the service incurred disability benefit below the greater of the Member's Accrued Benefit or 42% x Average Final Compensation. The applicable offset to the service incurred disability benefit includes any disability benefits paid by workers' compensation (excluding any COLA on these benefits) to the extent permitted by law and to the extent that the total of these benefits exceeds the Member's average periodic wage, subject to annual benefit adjustments. Special rules apply in the case of a lump sum settlement paid by workers' compensation.

The monthly service incurred disability benefit is adjusted annually for persons who first qualify for Service Incurred Disability on or after January 11, 2005, based on the sum of the following components calculated for the previous calendar year:

(a) The service incurred disability retirement benefit paid from the Plan;

(b) Worker's compensation disability benefits (excluding medical reimbursements) minus any COLA adjustments since the benefit first went into effect, to the extent permitted by law;
(c) Any Salary (excluding any sick and vacation pay received from the City pursuant to the disability) received by a Member from the date of disability; and
(d) Net earnings from self-employment income.

The Service Incurred Disability Retirement benefit is reduced if the Member's pre-disability Salary is less than the sum of the above components. The monthly reduction in the Service Incurred Disability Retirement benefit is 1/12 of (50% of the first $10,000 in excess plus 100% of the excess which exceeds $10,000).

If the sum of the four components is less than the Service Incurred Disability Retirement benefit computed prior to any applicable offsets, then the benefit will be increased. The monthly increase in the Service Incurred Disability Retirement benefit is 1/12 of the amount of the Service Incurred Disability Retirement benefit prior to offsets minus the sum of the four components.

Nonservice Incurred Disability Retirement: Members who become totally and permanently disabled not in the line of duty are entitled to Nonservice Incurred Disability Retirement upon earning at least 10 years of Credited Service.

The benefit payable to any Member who becomes totally and permanently disabled not in the line of duty is the Accrued Benefit, not less than 25% of Average Final Compensation. This benefit is payable until the Member recovers, begins receipt of disability benefits from Social Security, dies or reaches his Normal or Early Retirement Age, at which time the Member elects to receive Normal or Early Retirement Benefits in lieu of disability benefits.

Prior to October 1, 2004, there was a maximum Nonservice Incurred Disability Retirement benefit which was 50% of Average Final Compensation. Ordinance No. 124-X-21-B adopted November 19, 2021 set the maximum Nonservice Incurred Disability Retirement benefit to 50% of Average Final Compensation for Members hired or rehired on or after November 19, 2021.

Pre-Retirement Death Benefits: Ordinance No. 124-X-21-B adopted November 19, 2021 revised Pre-Retirement Death Benefits for those hired or rehired on or after November 19, 2021 to the following:

- The designated beneficiary of a nonvested Member is due a refund of the Employee Contributions without interest.
- The service-connected pre-retirement death benefit is the lesser of the accrued Normal Retirement Benefit and 75% of Average Final Compensation *actuarially adjusted for the beneficiary's age* and payable immediately for the lifetime of the Member's beneficiary for those with 10 years of Credited Service. If there is no beneficiary, the benefit is payable to the Member's estate for 10 years.
- The non-service connected pre-retirement death benefit is the accrued Normal Retirement Benefit *actuarially adjusted for the beneficiary's age* commencing on the date the Member would have attained their Early or Normal Retirement Age for those with 10 years of Credited Service.

Pre-Retirement Death Benefits defined payable prior to Ordinance No. 124-X-21-B continue to be payable for those hired prior to November 19, 2021, as follows.

- The designated beneficiary of a nonvested Member is due a refund of the Employee Contributions without interest.
- The designated beneficiary of a vested Member who dies prior to retirement is entitled to receive either the refund of Employee Contributions without interest, or an amount equal to the benefit that would have been payable as if the Member terminated on the date of death, survived to the earliest retirement age, retired under the optional form of benefit selected by the Member, and died the next day. If no optional form of benefit was selected then the benefit is payable for a period of 10 years. However, any Member who has attained a vested interest in the Plan and who becomes eligible for retirement and continues to be employed shall be construed to have

selected the option which affords the surviving spouse or joint pensioner the greatest amount of benefits.

Optional Forms of Benefit: Effective October 1, 2004, the Accrued Benefit described above is payable in the form of a 10-year certain and continuous annuity. Prior to October 1, 2004, the Accrued Benefit was payable in the form of a single life annuity. Members may optionally choose an actuarially equivalent joint and survivor annuity (with 50%, 66 2/3, 75% or 100% continuance). The joint and survivor option may include an actuarially equivalent "pop-up" feature such that if the Member's joint pensioner predeceases the Member, the survivorship benefit is deemed cancelled and the Member's annuity is recalculated as an actuarially equivalent life annuity effective on the first day of the month following the death of the Member's joint pensioner.

1999 Retirement Incentive Program: Members who, by November 30, 1999, had earned at least 20 years of Credited Service and had reached Normal Retirement Age (then age 50 with 10 years of Credited Service) were eligible to participate in a Retirement Incentive Program by making an election during a window period of 30 days commencing November 1, 1999. Members who elected to participate were required to terminate employment no later than November 30, 1999 unless they elected to participate in the DROP (where they were required to terminate employment no later than November 30, 2000). The monthly retirement benefit was based on the years of Credited Service and Average Final Compensation on their date of termination or DROP using the benefit formula in effect at that time. Eligible employees who elected this Retirement Incentive Program received, in addition to any other benefits, 18 months of retirement benefits payable at retirement. However, for those who entered the DROP as a part of this Retirement Incentive Program, 18 months of retirement benefit payments were paid into the employee's DROP account at the beginning of the DROP period. Interest was earned in the DROP account at the assumed rate of investment return used for valuation purposes. Under this Retirement Incentive Program, a 2% COLA commenced one year after termination of employment.

2002 Retirement Incentive Program: Members who, by April 15, 2002, were (i) at least age 46 and had completed at least 26 years of Credited Service, or (ii) at least age 50 and had completed at least 10 years of Credited Service, were eligible to participate in the Retirement Incentive Program by making an election during a window period of 30 calendar days commencing February 27, 2002. Members who elected to participate were required to terminate employment no later than April 15, 2002 unless they elected to participate in the DROP (36 months total) or BAC-DROP (up to 18 months reducing the future time in the DROP so no more than 36 months total in BAC-DROP plus the DROP) where they were required to terminate employment no later than April 15, 2005. Members who elected to participate were entitled to unreduced retirement benefits based on the years of Credited Service and Average Final Compensation on their date of retirement using the benefit formula in effect at that time, plus an additional 3% was added to the benefit multiplier. Under the BAC-DROP option, a Member receives a lump sum distribution of up to 18 months of retirement benefits upon entry into the DROP, and the Member's monthly pension is then actuarially reduced to reflect the cost to the Plan for this lump sum distribution. These Members were also eligible to elect an optional COLA.

Note: Any firefighter who retired on or after October 1, 2001 but who is still employed with the City and in the DROP on the date the April 15, 2002 Retirement Incentive Program was adopted may elect by March 28, 2002 to have benefits refigured under the 2002 Retirement Incentive Program.

Deferred Retirement Option Plan (DROP): Effective September 30, 2001, Members are eligible to enter the DROP upon attaining their Normal Retirement Age. DROP participants are not eligible for death or disability benefits. The Accrued Benefit is frozen and no further Employee Contributions are payable at DROP entry.

Under Ordinance No. 124-X-21-B adopted November 19, 2021, Members hired or rehired on or after November 19, 2021 may participate in the DROP for a maximum of 4 years if they make the election within 6 months of reaching their Normal Retirement Age. DROP account earnings are 0% if the GASB 68 "fiduciary net position" is less than 100%. If 100% or more, then DROP account earnings are credited using the actual return of the Plan with a minimum of 0% and a maximum of 4%. Although not explicitly

stated in the Ordinance, we understand from City correspondence received while preparing the impact statement that Members hired or rehired on or after November 19, 2021 are eligible for BAC-DROP.

DROP provisions prior to Ordinance No. 124-X-21-B are as follows. These are the provisions applicable for Members hired prior to November 19, 2021. Effective September 25, 2012, the maximum DROP participation duration is 84 months. Members who commenced participation in the DROP on or after October 1, 2010 and who were participating in the DROP on September 25, 2012 (11 such Members) were allowed to extend their DROP participation from 72 to 84 months if the Member agreed all DROP account earnings are recomputed retroactively to the date of DROP using an annual interest rate of 6.0%. New DROP entrants effective September 25, 2012 receive interest crediting based on an annual interest rate of 6.0%.

For DROP entrants prior to September 25, 2012, the Accrued Benefit was accumulated with interest at the same rate as the investment earnings assumption for the funding valuation of the Plan.

Effective June 10, 2008, the maximum DROP participation duration was 72 months where Members participating in the DROP were allowed to extend their DROP participation from 60 to 72 months. Effective January 1, 2004, the maximum DROP participation duration was 60 months where Members participating in the DROP were allowed to extend their DROP participation from 36 to 60 months. Prior to January 1, 2004 the maximum DROP participation was 36 months.

Effective January 1, 2004, Members were allowed to elect to "BAC-DROP" for up to 18 months, which reduced the maximum 60 month (72 month effective June 10, 2008) DROP period by the same amount of time elected under the BAC-DROP. Effective September 25, 2012 Members may elect to "BAC-DROP" for up to 24 months, which reduces the 84 month DROP period by the same amount of time elected under the BAC-DROP. Under the BAC-DROP option, a Member receives a lump sum distribution of up to 18 months (24 effective September 25, 2012) of retirement benefits upon entry into the DROP, and the Member's monthly pension is then actuarially reduced to reflect the cost to the Plan for this lump sum distribution.

Effective January 1, 2004 and prior to May 17, 2005, for every year (or portion thereof) of deferred entry into the DROP after the 12 month period following their "earliest" Normal Retirement Age, the maximum DROP period is reduced by one year. On and after May 17, 2005, Members who elect to participate in the DROP within the first five years following their "earliest" Normal Retirement Age incur no reduction to the maximum 60 month DROP period (72 month effective June 10, 2008 and 84 month effective September 25, 2012) for DROP entry deferral. However, the maximum DROP period is reduced for Members who elect to participate in the DROP beyond five years following their "earliest" Normal Retirement Age. For members hired prior to September 25, 2012, the Normal Retirement Age is the earliest of age 45 with 20 years of service, age 48 with 21 years of service, and age 50 with 10 years of service where age 48 with 21 years of service may be accelerated to age 47 with 20 years of service. Note that age 47 with 20 years of service is not taken into account for the "earliest" Normal Retirement Age for purposes of determination of DROP period reduction.

Cost of Living Adjustment (COLA): Under Ordinance No. 124-X-21-B, Members hired or rehired on or after November 19, 2021 are not entitled to a COLA. However, Members rehired on or after November 19, 2021 may be due a COLA on the benefit payable for service prior to November 19, 2021.

COLA provisions prior to Ordinance No. 124-X-21-B are as follows. These are the provisions applicable for Members hired prior to November 19, 2021. Ordinance No. 124-X-13-B adopted effective August 13, 2013 revised the annual COLA effective October 1, 2013 to a 1% annual COLA for five years commencing 12 months after initial retirement, then a 2.0% COLA, then a 2.5% annual COLA (commencing at the end of the seventh year following initial receipt of retirement benefits) for firefighters who terminate employment and begin receiving Normal Retirement benefits or enter the DROP on or after October 1, 2010, and the beneficiaries of such members. Note that for DROP members the "initial receipt of retirement benefits" has historically been interpreted to mean the date of DROP.

COLA provisions prior to Ordinance No. 124-X-13-B are as follows.

Effective September 30, 2001, an annual 2% COLA commences at the end of the 4th year following initial receipt of retirement benefits for all Members who reach Early or Normal Retirement Age and begin receipt of benefits (either directly or through the DROP) after September 30, 2001, and the beneficiaries of such Members. Effective January 1, 2004, COLA payments under this provision are deferred 12 months after separation from employment for Members who participate in the DROP for more than 3 years.

Members who retire or terminate employment on or after January 1, 2004 may elect, in lieu of the 2% COLA described above, a 1% annual COLA commencing 12 months after initial receipt of retirement benefits, which would increase to a 2% annual COLA at the end of the 6th year following initial receipt of retirement benefits.

COLAs were also payable as part of the Retirement Incentive Programs. See the description of the Retirement Incentive Programs for a description of the associated COLAs.

Supplemental Benefit: Under Ordinance No. 124-X-21-B, Members hired or rehired on or after November 19, 2021 are not entitled to receive the Supplemental Benefit. However, Members rehired on or after November 19, 2021 may be due a Supplemental Benefit payable for service prior to November 19, 2021.

Ordinance No. 124-X-09-A adopted October 13, 2009 amended Plan provisions to provide for a Supplemental Benefit for firefighters. Effective October 1, 2009, firefighters who terminate employment and begin receiving Normal or Early Retirement benefits on or after October 1, 2007 receive a Supplemental Benefit payable monthly which is:

- The lesser of [(i) $25 x Credited Service and (ii) $500] payable until age 65
- The lesser of [(i) $15 x Credited Service and (ii) $300] payable from age 65 for life

This supplemental benefit is not increased for any COLAs defined under the Plan and is only payable after DROP exit (to members who entered the DROP on or after October 1, 2007). Members who terminate employment on or after October 1, 2007 due a deferred vested benefit receive the supplement upon retirement. Members who retire under disability retirement provisions are not eligible to receive the supplement.

13th Check: Ordinance No. 124-X-21-B adopted effective November 19, 2021 defines a 13th check payable to retired Members hired or rehired on or after November 19, 2021 if the GASB 68 "fiduciary net position" is 100% or greater. The 13th check is prorated based on the "excess investment earnings" available but not more than the monthly retirement benefit payable. "Excess investment earnings" are defined as the market rate of investment earnings on assets net of expenses that exceed the assumed rate of return.

Share Plan: Ordinance No. 124-X-16-C adopted July 12, 2016 amended Plan provisions to indicate that Chapter 175 contributions received each fiscal year in excess of $2,055,127 may be used to provide Share Plan benefits.

Internal Revenue Service Section 415(b) Limitations: Ordinance No. 124-X-17-B adopted September 12, 2017 amended the Plan to (1) remove the value of the Plan's cost-of-living adjustment from the initial determination of Section 415(b) limits effective September 29, 2016 and (2) requires that Members receive estimated calculations before retirement or DROP entry to let them know if they are expected to have benefits in excess of Section 415(b) limitations. For Members who retired from employment on or after September 29, 2016 the Section 415(b) limit is adjusted annually after retirement as the Internal Revenue Service releases new calendar year limits under Section 415(d).

Under Ordinance No. 124-X-21-B adopted November 19, 2021, Members participating in the DROP on or after November 19, 2021 and who receive a benefit calculation estimate by the Plan actuary that the benefit may exceed the Section 415 limit while the Member is participating in the DROP may elect to exit the DROP and continue City employment where they must terminate City employment no later than the date the Member would have completed their DROP participation. Upon DROP exit the monthly benefit is no longer credited to the DROP balance and is paid directly to the Member. The DROP balance is not paid at DROP exit, but rather accumulates with interest until termination of employment at which time it is paid to the Member. After DROP exit the Member rejoins the Plan as a new contributing Member subject to a new 10-year vesting period but is not eligible for death or disability retirement benefits. The ordinance states,"…If the Member separates from City employment before attaining ten (10) years of creditable service after exiting the DROP, the member shall receive a refund of 100% of the member contributions made during their post-DROP employment, without interest."

Actuarial Assumptions and Methods

This is a description of the Actuarial Assumptions and Methods used to create the October 1, 2023 actuarial valuation of the Plan.

Assumed Rate of Investment Return: 7.5% per year net of investment expenses

Salary Increase – Total Payroll: 3.0% per year

Salary Increase – Individual: As follows:

Service	Increase
0-4	13.00%
5-9	6.50%
10-14	5.00%
15+	4.50%

Mortality: Mortality rates are those required by state statute. Mortality is as assumed in one of the last two valuations for the Florida Retirement System (FRS) for special risk employees, as follows:

The following sex distinct tables are used with fully generational mortality improvements using sex distinct Scale MP-2018.

Active:	Male:	PubS.H-2010(B) male employee set forward 1 year
	Female:	PubS.H-2010 female employee set forward 1 year
Healthy Retiree:	Male:	PubS.H-2010(B) male healthy retiree set forward 1 year
	Female:	PubS.H-2010 female healthy retiree set forward 1 year

The following sex distinct tables are used with no mortality improvement projection.

Disabled Retiree:	Male:	80% PubG.H-2010 male disabled retiree + 20% PubS.H-2010 male disabled retiree
	Female:	80% PubG.H-2010 female disabled retiree + 20% PubS.H-2010 female disabled retiree

Juvenile rates are used for ages 15-17.

The active tables reference the healthy retiree rates, above, at ages 80+.

The healthy retiree tables reference the active mortality rates, above, before age 44.

Retirement: Unisex rates, as follows:

	Rates for Tier 1 - Service From					
Age	10-13	14-19	20-23	24	25-29	30+
<=44	0%	0%	0%	0%	0%	0%
45-46	0%	0%	0%	0%	60%	100%
47-49	0%	0%	20%	60%	60%	100%
50-54	10%	10%	20%	20%	20%	100%
55-59	20%	100%	100%	100%	100%	100%
60+	100%	100%	100%	100%	100%	100%

	Rates for Tier 2 - Service From			
Age	10	11-24	25-29	30+
<=49	0%	0%	0%	0%
50	10%	10%	10%	100%
51	10%	0%	0%	100%
52	10%	0%	100%	100%
53	10%	0%	100%	100%
54	10%	0%	100%	100%
55+	100%	100%	100%	100%

Disability: Unisex rates, as follows:

Age	Probability	Age	Probability	Age	Probability	Age	Probability
15-20	0.140%	30	0.180%	40	0.300%	50	1.000%
21	0.142%	31	0.190%	41	0.342%	51	1.110%
22	0.144%	32	0.200%	42	0.384%	52	1.220%
23	0.146%	33	0.210%	43	0.426%	53	1.330%
24	0.148%	34	0.220%	44	0.468%	54	1.440%
25	0.150%	35	0.230%	45	0.510%	55	1.550%
26	0.156%	36	0.244%	46	0.608%	56	1.660%
27	0.162%	37	0.258%	47	0.706%	57	1.770%
28	0.168%	38	0.272%	48	0.804%	58	1.880%
29	0.174%	39	0.286%	49	0.902%	59	1.990%
						60+	0.000%

75% of disabilities are assumed to be service connected.

Termination: Unisex rates, as follows:

Service	Rate
0-1	14.00%
2-3	8.00%
4	7.00%
5	5.00%
6-9	1.25%
10+	0.00%

Plan Expenses: The prior year administrative expense is added to the normal cost.

Marital Assumption: 80% of males are assumed married and 50% of females are assumed married. Husbands are assumed to be four years older than wives.

Funding Method: Entry Age (level percent of salary)

A description of the funding method is found in the October 1, 2023 actuarial valuation report on the page entitled "Glossary of Actuarial Terms."

FLA
FREIMAN LITTLE ACTUARIES

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City of Sunrise

Firefighters' Retirement Plan

GASB 68 Supplement
as of September 30, 2024

REPORT TO PROVIDE DISCLOSURES UNDER GASB STATEMENT NO. 68
FOR THE CITY'S FISCAL YEAR ENDING
SEPTEMBER 30, 2024

FLA
FREIMAN LITTLE ACTUARIES

August 13, 2024

Board of Trustees
City of Sunrise Firefighters' Retirement Plan
Sunrise, Florida

RE: GASB 68 Supplement as of September 30, 2024

Dear Board Members:

We are pleased to present the Governmental Accounting Standards Board Statements No. 68 (GASB 68) Supplement as of September 30, 2024 for the City of Sunrise (the City) Firefighters' Retirement Plan (the Plan). This report is a supplement to the actuarial valuation report as of October 1, 2022.

This report provides information required to be disclosed under GASB 68 as described in the statement and the implementation guide. The relevant dates are as follows:

	GASB 68
Valuation Date	10/01/2022
Measurement Date	09/30/2023
Reporting Date	09/30/2024

Please let us know if you have any questions or need additional information.

Sincerely,

Chad M. Little, ASA, EA
Partner, Consulting Actuary
Enrollment Number 23-6619

Paula C. Freiman, ASA, EA
Partner, Consulting Actuary
Enrollment Number 23-5796

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Statement of Fiduciary Net Position

As of September 30,	2023	2022
Assets		
Receivables and prepaid expenses:		
Interest and dividends	$110,962	$238,548
Employee contributions	85,063	72,842
Pending trades receivable	11,200	0
Total receivables	207,225	311,390
Investments, at fair value:		
Money market funds	3,897,488	2,662,916
U.S. government bonds and notes	2,968,441	4,653,482
U.S. government agency securities	89,660	1,354,828
Mortgage-backed securities	7,134,326	5,091,953
Corporate obligations	4,994,062	6,673,597
Common stock	42,601,247	36,414,563
International equity mutual funds	9,572,188	8,141,479
Collective investment funds	69,187,529	60,536,208
Commingled real estate funds	24,679,762	29,488,363
Total investments	165,124,703	155,017,389
Total assets	165,331,928	155,328,779
Liabilities		
Accounts payable	122,287	152,836
Pending trades payable	11,089	202,095
Prepaid employer contributions	585,714	0
Total liabilities	719,090	354,931
Net position restricted for pensions	$164,612,838	$154,973,848

Statement of Changes in Fiduciary Net Position

As of September 30,	2023	2022
Additions		
Contributions:		
Employer	$6,256,829	$6,051,494
State of Florida	1,611,113	1,025,399
Employees	1,631,527	1,614,557
Total contributions	9,499,469	8,691,450
Investment income (loss):		
Net (depreciation) appreciation in fair value of investments	11,514,428	(27,544,439)
Interest and dividends	2,021,532	3,404,018
Other income	4,872	7,225
Total investment income	13,540,832	(24,133,196)
Less investment expenses:		
Investment expense	697,606	749,049
Net investment income	12,843,226	(24,882,245)
Total additions	22,342,695	(16,190,795)
Deductions		
Participant benefit payments	12,466,283	12,278,523
Refunds of participant contributions	30,847	84,163
Administrative expenses	206,575	249,386
Total deductions	12,703,705	12,612,072
Net increase in net position	9,638,990	(28,802,867)
Net position restricted for pensions		
Beginning of year	154,973,848	183,776,715
End of year	$164,612,838	$154,973,848

Net Pension Liability

The total pension liability under GASB 68 is based on the October 1, 2022 actuarial valuation updated to the September 30, 2023 measurement date. The following actuarial assumptions are applied to all periods included in the measurement.

Inflation: (as reported by investment monitor)	2.8%
Salary increases:	13.0% to 4.5%, including inflation
Investment return:	7.5% net of investment expense, including inflation
Mortality:	From one of the last two FRS special risk valuations, as required

Assumptions are based on the results of a 6-year experience review for census data from October 1, 2014 through October 1, 2020. See the paragraph entitled "Assumptions and Methods" on page 6 of the October 1, 2021 actuarial valuation report for details.

The long-term expected net rate of return on investments for the October 1, 2022 actuarial valuation was determined using a building-block method. Best-estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. The long-term expected net rate of return on investments is the best-estimate ranges weighted by the asset allocation plus expected inflation. Best estimates of arithmetic real rates of return for each major asset class as provided by the investment monitor are shown in the following table:

Investment Category	Target Allocation	Long Term Real Mean Return*
Large Cap	32%	7.9%
Mid Cap	8%	8.6%
Small Cap	10%	8.0%
Int'l Developed	12%	4.5%
Emerging Markets	3%	8.9%
Real Estate	15%	6.8%
Fixed Income	20%	0.2%
	100%	
Weighted Average Long Term Real Annualized Return =		5.8%

*For illustrative purposes, historical long term (20 year) arithmetic average returns have been used as a reasonable expectation of returns.

The expected rate of inflation is 2.8%.

Note, however, that long-term expected net rates of return for actuarial valuations should be compared to geometric returns.

The discount rate used to measure the total pension liability was 7.5%. This is the single rate that reflects the long-term expected rate of return on pension plan investments expected to be used to finance the payment of benefits. A projection of cash flows used to determine the discount rate assumed that plan member contributions are made at the current contribution rate and that City contributions will be made equal to the difference between the actuarially determined contribution and the member contributions. Based on those assumptions, the pension plan's fiduciary net position is projected to be available to

make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments is applied to all periods of projected benefit payments to determine the total pension liability. For purposes of this determination we understand pension plan assets are expected to be invested using a strategy to achieve the discount rate.

Note: See "Actuarial Assumptions and Methods" for a full description of the assumptions used in the determination of the total pension liability.

For GASB 68 the net pension liability is required to be measured as of a date no earlier than the end of the employer's prior fiscal year (the measurement date), consistently applied from period to period. The net pension liability was measured as of September 30, 2023 under GASB 68 for the employer's fiscal year ending September 30, 2024.

The components of the net pension liability at September 30, 2023 were as follows.

Measurement Date September 30,	**2023**
Total pension liability	$232,269,505
Plan fiduciary net position	(164,612,838)
Net pension liability	$67,656,667
Plan fiduciary net position as a % of the total pension liability	70.87%

Sensitivity of the net pension liability to changes in the discount rate follows.

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Net pension liability	$97,947,730	$67,656,667	$42,968,757

Schedule of Changes in Net Pension Liability and Related Ratios

Year Ending September 30,	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability										
Service cost	$4,819,081	$4,877,722	$4,041,366	$3,766,990	$3,618,905	$3,649,483	$3,389,400	$3,217,784	$3,090,913	$3,007,593
Interest	16,576,686	15,821,074	15,334,513	15,338,231	14,934,297	14,426,543	13,694,521	12,568,229	12,023,905	11,602,371
Changes of benefit terms	206,422	1,149,479	0	0	0	0	432,669	0	0	0
Differences between expected and actual experience	744,997	(39,533)	(2,907,373)	(652,093)	1,076,608	231,072	1,152,743	(728,503)	0	(1,492,632)
Changes of assumptions	0	2,765,185	(3,207,909)	0	0	1,196,786	4,703,070	1,643,838	0	172,854
Benefit payments	(12,466,283)	(12,278,523)	(9,922,633)	(11,463,643)	(14,163,770)	(10,960,320)	(6,456,401)	(6,437,587)	(8,093,516)	(7,121,213)
Contribution refunds	(30,847)	(84,163)	(4,747)	0	(6,194)	0	(6,743)	(63,852)	0	0
Net change in total pension liability	9,850,056	12,211,241	3,333,217	6,989,485	5,459,846	8,543,564	16,909,259	10,199,909	7,021,302	6,168,973
Total pension liability - boy	222,419,449	210,208,208	206,874,991	199,885,506	194,425,660	185,882,096	168,972,837	158,772,928	151,751,626	145,582,653
Total pension liability - eoy (a)	$232,269,505	$222,419,449	$210,208,208	$206,874,991	$199,885,506	$194,425,660	$185,882,096	$168,972,837	$158,772,928	$151,751,626
Plan fiduciary net position										
Contributions - employer	$6,256,829	$6,051,494	$6,391,190	$6,300,844	$6,279,661	$6,027,609	$5,483,453	$5,185,357	$5,225,550	$4,972,033
Contributions - State of Florida	1,611,113	1,025,399	934,286	861,888	821,826	763,749	766,995	803,419	853,244	879,470
Contributions - employee	1,631,527	1,614,557	1,569,620	1,401,623	1,341,475	1,244,670	1,288,279	1,338,474	1,156,746	1,125,192
Net investment income	12,843,226	(24,882,245)	33,186,244	8,616,928	5,939,853	13,810,392	14,302,330	11,249,228	176,272	10,639,774
Benefit payments	(12,466,283)	(12,278,523)	(9,922,633)	(11,463,643)	(14,163,770)	(10,960,320)	(6,456,401)	(6,437,587)	(8,093,516)	(7,121,213)
Contribution refunds	(30,847)	(84,163)	(4,747)	0	(6,194)	0	(6,743)	(63,852)	0	0
Administrative expense	(206,575)	(249,386)	(193,876)	(151,349)	(199,780)	(197,469)	(220,292)	(210,821)	(162,815)	(160,042)
Other	0	0	0	0	0	0	0	0	0	0
Net change in plan fiduciary net position	9,638,990	(28,802,867)	31,960,084	5,566,291	13,071	10,688,631	15,157,621	11,864,218	(844,519)	10,335,214
Plan fiduciary net position - boy	154,973,848	183,776,715	151,816,631	146,250,340	146,237,269	135,548,638	120,391,017	108,526,799	109,371,318	99,036,104
Plan fiduciary net position - eoy (b)	$164,612,838	$154,973,848	$183,776,715	$151,816,631	$146,250,340	$146,237,269	$135,548,638	$120,391,017	$108,526,799	$109,371,318
Net pension liability - eoy (a) - (b)	$67,656,667	$67,445,601	$26,431,493	$55,058,360	$53,635,166	$48,188,391	$50,333,458	$48,581,820	$50,246,129	$42,380,308
Plan fiduciary net position as a % of the total pension liability	70.87 %	69.68 %	87.43 %	73.39 %	73.17 %	75.22 %	72.92 %	71.25 %	68.35 %	72.07 %
Expected covered employee %	$15,490,404	$15,857,199	$14,003,420	$13,099,674	$12,564,427	$11,728,068	$12,036,803	$11,680,780	$10,816,447	$10,555,759
Net pension liability as a % of covered employee payroll	436.77 %	425.33 %	188.75 %	420.30 %	426.88 %	410.88 %	418.16 %	415.91 %	464.53 %	401.49 %

Statement of Changes in Net Pension Liability

	Liability (a)	Position (b)	Liability (a) - (b)
Balances at 9/30/2022	$222,419,449	$154,973,848	$67,445,601
Changes for the year:			
Service cost	4,819,081		4,819,081
Interest	16,576,686		16,576,686
Changes of benefit terms	206,422		206,422
Differences between expected and actual experience	744,997		744,997
Changes of assumptions	0		0
Contributions—employer		6,256,829	(6,256,829)
Contributions—State of Florida		1,611,113	(1,611,113)
Contributions—employee		1,631,527	(1,631,527)
Net investment income		12,843,226	(12,843,226)
Benefit payments, including refunds of employee contributions	(12,497,130)	(12,497,130)	0
Administrative expense		(206,575)	206,575
Other changes			0
Net changes	9,850,056	9,638,990	211,066
Balances at 9/30/2023	$232,269,505	$164,612,838	$67,656,667

Pension Expense and Deferred Outflows and Inflows of Resources

Pension expense for the year ended September 30, 2024 is as shown below using a measurement date of September 30, 2023.

Description	Amount
Service cost	$4,819,081
Interest on the total pension liability	16,576,686
Changes of benefit terms	206,422
Differences between expected and actual experience	(317,064)
Changes of assumptions	(106,500)
Employee contributions	(1,631,527)
Projected earnings on pension plan investments	(11,677,094)
Differences between projected and actual earnings on plan investments	4,907,867
Pension plan administrative expense	206,575
Other changes in fiduciary net position	0
Total pension expense	$12,984,446

At the September 30, 2023 measurement date there are deferred outflows and inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$616,549	$1,497,916
Changes of assumptions	1,811,673	1,458,141
Net difference between projected and actual earnings	14,334,605	0
Employer contributions subsequent to NPL measurement	8,311,957	0
Total	$25,074,784	$2,956,057

Employer contributions subsequent to NPL measurement shown above assumes the City contributed the actuarially determined contribution for the fiscal year ending September 30, 2024 as shown in the October 1, 2022 actuarial valuation of the Plan. We were not provided with the actual contributions made.

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended September 30:	
2024	$3,179,316
2025	2,702,910
2026	7,550,615
2027	271,172
2028	102,757

Recognition of Deferred Outflows and Inflows of Resources

Year	Original Amount	Recognition Period	Recognition Year 2023	2024	2025	2026	2027	2028
Differences between Expected and Actual Experience								
2019	1,076,608	5.0	215,320	0	0	0	0	0
2020	(652,093)	5.2	(125,403)	(125,403)	(25,078)	0	0	0
2021	(2,907,373)	5.5	(528,613)	(528,613)	(528,613)	(264,308)	0	0
2022	(39,533)	5.8	(6,816)	(6,816)	(6,816)	(6,816)	(5,453)	0
2023	744,997	5.8	128,448	128,448	128,448	128,448	128,448	102,757
Changes in Assumptions								
2021	(3,207,909)	5.5	(583,256)	(583,256)	(583,256)	(291,629)	0	0
2022	2,765,185	5.8	476,756	476,756	476,756	476,756	381,405	0
Differences Between Projected and Actual Earnings on Pension Plan Investments								
2019	5,448,325	5.0	1,089,665	0	0	0	0	0
2020	2,883,663	5.0	576,733	576,731	0	0	0	0
2021	(21,333,480)	5.0	(4,266,696)	(4,266,696)	(4,266,696)	0	0	0
2022	38,706,954	5.0	7,741,391	7,741,391	7,741,391	7,741,390	0	0
2023	(1,166,132)	5.0	(233,226)	(233,226)	(233,226)	(233,226)	(233,228)	0

Schedule of Contributions

Year Ending September 30,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	$8,311,957	$7,867,942	$7,076,893	$7,325,476	$7,162,732	$7,101,487	$6,791,358	$6,250,448	$5,988,776	$6,078,794
Contributions in relation to the actuarially determined contribution	8,311,957	7,867,942	7,076,893	7,325,476	7,162,732	7,101,487	6,791,358	6,250,448	5,988,776	6,078,794
Contribution deficiency (excess)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Covered-employee payroll	$15,484,440	$15,490,404	$15,857,199	$14,003,420	$13,099,674	$12,564,427	$11,728,068	$12,036,803	$11,680,780	$10,816,447
Contributions as a percentage of covered-employee payroll	53.68 %	50.79 %	44.63 %	52.31 %	54.68 %	56.52 %	57.91 %	51.93 %	51.27 %	56.20 %

Notes to Schedule

Contributions in relation to the actuarially determined contribution shown above assumes that the City contributed the actuarially determined contribution for the fiscal year ending September 30, 2024 as shown in the October 1, 2022 actuarial valuation of the Plan. Covered-employee payroll for the fiscal year ending September 30, 2024 equals that estimated in the October 1, 2022 actuarial valuation.

Actuarially determined contributions are calculated based on the valuation as of the beginning of the year prior to the fiscal year in which contributions are due.

Methods and assumptions used to determine contributions for the year ending September 30, 2024:

Actuarial cost method	Entry age
Amortization method	Level percent of pay, closed
Remaining amortization period	25 years
Asset valuation method	5-year smoothed market
Inflation	2.5 %
Salary increases	13% to 4.5%, including inflation
Investment rate of return	7.5%, net of investment expenses, including inflation
Retirement age	See "Description of Assumptions and Methods" for the assumed retirement age assumption
Mortality	Mortality rates as used in the actuarial valuation of the Florida Retirement System for special risk, as required by state statute.

Schedule of Investment Returns

Year Ending September 30,	Annual money-weighted rate of return net of investment expense
2023	8.6 %
2022	(13.4)%
2021	22.4 %
2020	8.1 %
2019	4.5 %
2018	10.3 %
2017	11.8 %
2016	10.4 %
2015	0.5 %
2014	10.5 %

Note: The returns for the years ending September 30, 2020-2022 have been replaced by information supplied by the new investment monitor.

Plan Membership Statistics

Year Beginning October 1,	2022	2021
Inactive members or beneficiaries currently receiving benefits	135	131
Inactive members entitled to but not yet receiving benefits	1	0
Active members	134	138
Total number of members	270	269

Plan Description

This is a description of the Plan provisions used to create the October 1, 2022 actuarial valuation of the Plan.

Plan Type: Single-employer Defined Benefit Pension Plan

Plan Administrator: The Board of Trustees

Board Composition: The trustees consist of five members which may include participants who have at least 18 months remaining in the DROP at the time they take office, none who are elected City officials, and who are selected as follows: (a) two members who are elected current Members of the plan, (b) two members who are legal residents of the City and current or former City employees who are vested in the Plan appointed by City commission, and (c) one member chosen by a majority of the previous four members duly appointed by the City commission as a ministerial act. The term of office for each Board member is two years.

Legal Authority: The Plan is established and amended by local ordinance.

Funding Requirements: Employer contributions are actuarially determined and subject to State statute. Employee contributions are as described below and may be amended by ordinance.

Effective Dates: The Plan was most recently amended by Ordinance No. 124-X-21-B adopted November 19, 2021. This amendment describes benefits payable to Members hired on or after November 19, 2021. In general, benefits which had been defined as payable to Members who were hired prior to September 25, 2012 became payable to those hired prior to November 19, 2021. The following changes were included:

- For Members hired or rehired after November 19, 2021 overtime is excluded in the definition of Salary. Prior to this change overtime was included in the definition of Salary but limited to 300 hours per year effective October 1, 2012.
- Employee Contributions for Members hired or rehired on or after November 19, 2021 is defined as 8.0% of Salary. For Members hired prior to November 19, 2021, 10.63% of Salary.
- Average Final Compensation for those hired or rehired on or after November 19, 2021 is the average of Salary for the five highest years out of the last 10 years of Credited Service. For those hired prior to November 19, 2021, the average of Salary for the three highest consecutive years, or the five highest years out of the last 10 years of Credited Service, whichever is greater.
- Normal Retirement Age for those hired or rehired on or after November 19, 2021 is defined as the earlier of (i) age 55 and completion of 10 years of Credited Service or (ii) age 52 and completion of 25 years of Credited Service. For those hired prior to November 19, 2021, the earliest of (i) age 45 and completion of 25 years of Credited Service, (ii) age 48 and completion of 21 years of Credited Service (which may be accelerated one year to age 47 and completion of 20 years of Credited Service), or (iii) age 50 and completion of 10 years of Credited Service.
- The Normal Retirement Benefit for Members hired or rehired on and after November 19, 2021 is a maximum of 70% of Average Final Compensation calculated as 3.0% x Average Final Compensation x up to 20 Years Credited Service plus 2.0% x Average Final Compensation x Credited Service from 20 to 25 Years. Provided, however, in no event will the Accrued Benefit be less than 2.75% x Average Final Compensation x Credited Service. For Members hired before November 19, 2021, any Member who was actively employed on October 1, 2001 and retired or entered the DROP after January 1, 2004 is due a benefit based on the greater of the following two benefit formulas. Members who were not employed on October 1, 2001 and hired before November 19, 2021 receive a benefit only under formula (1) in effect January 1, 2004.

(1) For Members hired prior to November 19, 2021 who retire or terminate employment on or after January 1, 2004 the benefit formula is a maximum of 80% of Average Final Compensation calculated as 3.0% x Average Final Compensation x up to 15 Years Credited Service plus 3.5% x Average Final Compensation x Credited Service from 15 to 25 Years. Provided, however, in no event will the Accrued Benefit be less than 2.0% x Average Final Compensation x Credited Service.
(2) For Members who retired or terminated prior to January 1, 2004, Members who reached Normal Retirement Age were entitled to a retirement benefit of 4.0% x Average Final Compensation x up to 10 Years Credited Service plus 2.0% x Average Final Compensation for Credited Service over 10 Years.

- Early Retirement Age for those hired or rehired on or after November 19, 2021 is age 50 and completion of at least 10 years of Credited Service. For Members hired prior to November 19, 2021, age 47 and completion of 10 years of Credited Service.
- The Early Retirement Benefit for those hired or rehired on or after November 19, 2021 is the accrued Normal Retirement Benefit reduced 3% per year by which the commencement of benefits precedes age 55. For Members hired before November 19, 2021, the accrued Normal Retirement Benefit reduced actuarially from Normal Retirement Age. However, in no event will the reduction for Early Retirement exceed 3% per year by which the commencement of benefits precedes the Normal Retirement Age.
- Service Incurred Disability Retirement benefits are 75% (70% for Members hired or rehired on or after November 19, 2021) of the Member's Salary in effect on the date of disability, subject to offsets not more than would reduce the service incurred disability benefit below the greater of the Member's Accrued Benefit or 42% x Average Final Compensation. The ordinance further describes adjustments that should be performed annually.
- Nonservice Incurred Disability Retirement benefits are the accrued Normal Retirement Benefit no less than 25% of Average Final Compensation for those with 10 years of Credited Service. For Members hired or rehired on or after November 19, 2021 the maximum payable is 50% of Average Final Compensation.
- Pre-Retirement Death benefits were revised to set forth service connected and non-service connected benefits payable to Members hired or rehired on or after November 19, 2021. The service-connected pre-retirement death benefit is the lesser of the accrued Normal Retirement Benefit and 75% of Average Final Compensation *actuarially adjusted for the beneficiary's age* and payable immediately for the lifetime of the Member's beneficiary for those with 10 years of Credited Service. If there is no beneficiary, the benefit is payable to the Member's estate for 10 years. The non-service connected pre-retirement death benefit is the accrued Normal Retirement Benefit *actuarially adjusted for the beneficiary's age* commencing on the date the Member would have attained their Early or Normal Retirement Age for those with 10 years of Credited Service. Pre-Retirement Death Benefits defined payable prior to Ordinance No. 124-X-21-B continue to be payable for those hired prior to November 19, 2021.
- Under Ordinance No. 124-X-21-B adopted November 19, 2021, Members hired or rehired on or after November 19, 2021 may participate in the DROP for a maximum of 4 years if they make the election within 6 months of reaching their Normal Retirement Age. DROP account earnings are 0% if the GASB 68 "fiduciary net position" is less than 100%. If 100% or more, then DROP account earnings are credited using the actual return of the Plan with a minimum of 0% and a maximum of 4%. Although not explicitly stated in the Ordinance, we understand from City correspondence received while preparing the impact statement that Members hired or rehired on or after November 19, 2021 are eligible for BAC-DROP. DROP provisions in effect prior to Ordinance No. 124-X-21-B continue to be applicable for Members hired prior to November 19, 2021.
- Under Ordinance No. 124-X-21-B, Members hired or rehired on or after November 19, 2021 are not entitled to a COLA. However, Members rehired on or after November 19, 2021 may be due a COLA on the benefit payable for service prior to November 19, 2021. COLA provisions prior to Ordinance No. 124-X-21-B continue to be applicable for Members hired prior to November 19, 2021.

- Under Ordinance No. 124-X-21-B, Members hired or rehired on or after November 19, 2021 are not entitled to receive the Supplemental Benefit. However, Members rehired on or after November 19, 2021 may be due a Supplemental Benefit payable for service prior to November 19, 2021. See the provisions of the Supplemental Benefit described below as in effect prior to Ordinance No. 124-X-21-B.
- A 13th check is payable to retired Members hired or rehired on or after November 19, 2021 if the GASB 68 "fiduciary net position" is 100% or greater. The 13th check is prorated based on the "excess investment earnings" available but not more than the monthly retirement benefit payable. "Excess investment earnings" are defined as the market rate of investment earnings on assets net of expenses that exceed the assumed rate of return.
- Under Ordinance No. 124-X-21-B adopted November 19, 2021, Members participating in the DROP on or after November 19, 2021 and who receive a benefit calculation estimate by the Plan actuary that the benefit may exceed the Section 415 limit while the Member is participating in the DROP may elect to exit the DROP and continue City employment where they must terminate City employment no later than the date the Member would have completed their DROP participation. Upon DROP exit the monthly benefit is no longer credited to the DROP balance and is paid directly to the Member. The DROP balance is not paid at DROP exit, but rather accumulates with interest until termination of employment at which time it is paid to the Member. After DROP exit the Member rejoins the Plan as a new contributing Member subject to a new 10-year vesting period but is not eligible for death or disability retirement benefits. The ordinance states,"…If the Member separates from City employment before attaining ten (10) years of creditable service after exiting the DROP, the member shall receive a refund of 100% of the member contributions made during their post-DROP employment, without interest."

The following provides a history of other recent ordinance amendments.

- Ordinance No. 124-X-17-B was adopted September 12, 2017. This ordinance amended the Plan to (1) remove the value of the Plan's cost-of-living adjustment from the initial determination of Section 415(b) limits effective September 29, 2016 and (2) requires that Members receive estimated calculations before retirement or DROP entry to let them know if they are expected to have benefits in excess of Section 415(b) limitations. For Members who retired from employment on and after September 29, 2016 the Section 415(b) limit is adjusted annually after retirement as the Internal Revenue Service releases new calendar year limits under Section 415(d).
- Ordinance No. 124-X-16-C became effective July 12, 2016. This ordinance amended the Plan to (1) allow for a purchase of up to four years active service in the U.S. Armed Forces as noted below under the definition of Credited Service, (2) indicate salary for members of the firefighters' Plan excludes all payment for accrued unused sick and annual leave (although the plan already indicated lump sum payouts of accrued benefits upon termination of employment are not included in salary), (3) state the Normal and Early Retirement dates, Normal and Early Retirement benefits, and Member contributions for rehires on or after September 25, 2012 are the same as for regular hires on or after September 25, 2012, and (4) define Chapter 175 contributions received each fiscal year in excess of $2,055,127 may be used to provide Share Plan benefits.
- Ordinance No. 124-X-13-B was adopted effective August 13, 2013 to increase the annual COLA effective October 1, 2013 to 2.5% commencing at the end of the seventh year following initial receipt of retirement benefits for firefighters who terminate employment and begin receiving Normal Retirement benefits or enter the DROP on or after October 1, 2010, and the beneficiaries of such members.
- Ordinance No. 124-X-C-12 effective December 28, 2012 related to Board composition.
- Ordinance No. 124-X-B-12 effective November 13, 2012 defined employee contributions as 10.63% of Salary.
- Ordinance No. 124-X-A-12 effective September 25, 2012 (1) allowed for service purchases of prior firefighter service, (2) defined eligibility and benefits for hires on and after September 25, 2012, (3) set employee contributions to 9.96% for those hired prior to September 25, 2012 and

9.0% for hires on and after September 25, 2012, (4) extend the DROP to 84 months with 6.0% annual interest accumulation, and (5) allow BAC-DROP for up to 24 months.

- Ordinance No. 124-X-10-A effective April 27, 2010 was to comply with Florida Statutes 2009-97. The ordinance revised the definition of actuarial equivalence, amended the investment policy, revised optional forms of benefit to allow the joint pensioner to be changed up to two times without approval of board, revised language regarding designated beneficiaries, and added language related to Plan termination such as accrued benefits are nonforfeitable.
- Ordinance No. 124-X-09-A adopted October 13, 2009 amended Plan provisions to provide for a Supplemental Benefit for firefighters.
- Ordinance No. 124-X-08-C adopted October 14, 2008 extended the DROP from 60 months to 72 months. Employee contributions are no longer subject to increase when City contributions are more than 19.2% of pay under this ordinance.

Plan Year: The 12-month period from October 1st to the following September 30th.

Member: Full-time firefighters become Members immediately upon hire.

Actuarial Equivalence: Effective April 27, 2010 under Ordinance No. 124-X-10-A, Actuarial Equivalence is based on an 8.0% interest rate, RP-2000 static mortality table (unisex 50/50) projected to 2010 using scale AA. The disabled mortality table is used for disability retirees.

Credited Service: Service with the City as a full-time salaried firefighter where Member contributions are made. Completed months of partial years of service are included in the determination of Credited Service.

Members with at least ten years of service who enter the DROP or retire on or after September 25, 2012 may purchase up to four years of active service in the U.S. Armed Forces or service worked as a full-time firefighter as defined under Florida Statutes section 175.032(8)(a) with another governmental entity prior to employment with the City provided the Member has not received and will not receive a benefit from another retirement plan based on such service. The total combined purchase of prior governmental and military service may not exceed four years. Payment for the purchase must be made in a cash lump sum or a direct transfer of funds from a member's account in the City's 457 plan.

Vesting: 100% upon earning ten years of Credited Service.

Salary: Total actual fixed cash compensation paid yearly for services rendered to the City as a firefighter including regular pay, holiday and other payroll cash incentives and general monthly expense allowances. Overtime was included in the definition of Salary but limited to 300 hours per year effective October 1, 2012. For Members hired or rehired after November 19, 2021 overtime is excluded. In addition, the following are not included in Salary: Lump sum payments of accrued benefits upon termination of employment, auto allowances, uniform allowances, mileage and travel reimbursements, income from private details, and (effective July 12, 2016) all payments for accrued unused sick and annual leave.

Employee Contributions: Ordinance No. 124-X-21-B adopted November 19, 2021 revised Employee Contributions. For Members hired or rehired on or after November 19, 2021, 8.0% of Salary. For Members hired prior to November 19, 2021, 10.63% of Salary.

Prior to Ordinance No. 124-X-21-B adopted November 19, 2021 members hired or rehired on or after September 25, 2012, 10.63% of Salary (prior to November 13, 2012 9.0% of Salary), and the below were defined for those hired before September 25, 2012.

Effective	% of Salary	
11/13/2012	10.63%	
09/25/2012	9.95%	
01/01/2004	10.63%	*

*Any cost sharing provisions in place prior to October 1, 2008 where employees share in contribution increases in excess of 19.2% of budgeted payroll are no longer applicable. Prior to October 1, 2008, Employee Contributions were 10.63% plus 50% of the excess of City contributions over 19.2%.

A Member who terminates non-vested is entitled to refund of accumulated Employee Contributions without interest.

Vested Members who terminate employment prior to being eligible to receive an annuity may leave their accumulated contributions in the fund, and upon Early or Normal Retirement Age begin receipt of pension payments.

Average Final Compensation: Ordinance No. 124-X-21-B adopted November 19, 2021 revised Average Final Compensation. For those hired or rehired on or after November 19, 2021, average of Salary for the five highest years out of the last 10 years of Credited Service. For those hired prior to November 19, 2021, the average of Salary for the three highest consecutive years, or the five highest years out of the last 10 years of Credited Service, whichever is greater.

Prior to Ordinance No. 124-X-21-B, the following was in effect. Prior to October 1, 2004, average of Salary for the five highest years. Effective October 1, 2004, average of Salary for the three highest consecutive years, or the five highest years out of the last 10 years of Credited Service, whichever is greater.

Normal Retirement Age: Ordinance No. 124-X-21-B adopted November 19, 2021 set the Normal Retirement Age for those hired or rehired on or after November 19, 2021 as the earlier of (i) age 55 and completion of 10 years of Credited Service or (ii) age 52 and completion of 25 years of Credited Service. For those hired prior to November 19, 2021, the earliest of (i) age 45 and completion of 25 years of Credited Service, (ii) age 48 and completion of 21 years of Credited Service (which may be accelerated one year to age 47 and completion of 20 years of Credited Service), or (iii) age 50 and completion of 10 years of Credited Service.

Prior to Ordinance No. 124-X-21-B, Normal Retirement Age was as described above except the November 19, 2021 date was September 25, 2012. Prior to January 1, 2004, age 50 and completion of at least 10 years of Credited Service.

Normal Retirement Benefit: The Accrued Benefit.

Accrued Benefit: Ordinance No. 124-X-21-B adopted November 19, 2021 revised the Normal Retirement Benefit. For Members hired or rehired on and after November 19, 2021, a maximum of 70% of Average Final Compensation calculated as 3.0% x Average Final Compensation x up to 20 Years Credited Service plus 2.0% x Average Final Compensation x Credited Service from 20 to 25 Years. Provided, however, in no event will the Accrued Benefit be less than 2.75% x Average Final Compensation x Credited Service. For Members hired before November 19, 2021, any Member who was actively employed on October 1, 2001 and retired or entered the DROP after January 1, 2004 is due a benefit based on the greater of the following two benefit formulas. Members who were not employed on October 1, 2001 and hired before November 19, 2021 receive a benefit only under formula (1) in effect January 1, 2004.

(1) For Members hired prior to November 19, 2021 who retire or terminate employment on or after January 1, 2004 the benefit formula is a maximum of 80% of Average Final Compensation calculated as 3.0% x Average Final Compensation x up to 15 Years Credited Service plus 3.5% x Average Final Compensation x Credited Service from 15 to 25 Years. Provided, however, in no event will the Accrued Benefit be less than 2.0% x Average Final Compensation x Credited Service.
(2) For Members who retired or terminated prior to January 1, 2004, Members who reached Normal Retirement Age were entitled to a retirement benefit of 4.0% x Average Final Compensation x up to 10 Years Credited Service plus 2.0% x Average Final Compensation for Credited Service over 10 Years.

Prior to Ordinance No. 124-X-21-B, for Members hired or rehired on and after September 25, 2012, the benefit formula was a maximum of 80% of Average Final Compensation calculated as 3.0% x Average Final Compensation x up to 25 years Credited Service plus 1.0% x Average Final Compensation x Credited Service from 25 to 30 Years. The benefit payable to Members hired before September 25, 2012 was as described above for those hired before November 19, 2021.

Effective October 1, 2004, the Accrued Benefit is payable as a 10-year certain and continuous annuity. Prior to October 1, 2004 the Accrued Benefit was defined payable as a single life annuity.

Early Retirement Age: Ordinance No. 124-X-21-B adopted November 19, 2021 set the Early Retirement Age for those hired or rehired on or after November 19, 2021 as age 50 and completion of at least 10 years of Credited Service. For Members hired prior to November 19, 2021, age 47 and completion of 10 years of Credited Service.

Prior to Ordinance No. 124-X-21-B, Early Retirement Age was as described above except the November 19, 2021 date was September 25, 2012.

Early Retirement Benefit: Ordinance No. 124-X-21-B adopted November 19, 2021 revised the Early Retirement Benefit. For those hired or rehired on or after November 19, 2021, the accrued Normal Retirement Benefit reduced 3% per year by which the commencement of benefits precedes age 55. For Members hired before November 19, 2021, the accrued Normal Retirement Benefit reduced actuarially from Normal Retirement Age. However, in no event will the reduction for Early Retirement exceed 3% per year by which the commencement of benefits precedes the Normal Retirement Age.

Prior to Ordinance No. 124-X-21-B, the Early Retirement Benefit was as described above except the November 19, 2021 date was September 25, 2012.

Service Incurred Disability Retirement: Members who become totally and permanently disabled as a direct result from the performance of service-related duties to the City are a due a benefit commencing on the earlier of (i) the first day of the month coincident with or next following the date of disability, or (ii) the 90th day following the day the Member submitted a completed application for disability. Any Plan Member receiving Service Incurred Disability Retirement may elect to convert to Normal or Early Retirement upon meeting all eligibility criteria. Plan Members receiving disability retirement benefits may elect to continue making regular contributions to the Plan, and based on such contributions earn additional service credit toward Normal or Early Retirement benefits.

Ordinance No. 124-X-21-B adopted November 19, 2021 revised the service incurred disability benefit to 70% of the Members Salary for those hired or rehired on or after November 19, 2021 as noted in the following.

The amount of the service incurred disability benefit is 75% (70% for Members hired or rehired on or after November 19, 2021) of the Member's Salary in effect on the date of disability, subject to offsets not more than would reduce the service incurred disability benefit below the greater of the Member's Accrued Benefit or 42% x Average Final Compensation. The applicable offset to the service incurred disability benefit includes any disability benefits paid by workers' compensation (excluding any COLA on these benefits) to the extent permitted by law and to the extent that the total of these benefits exceeds the Member's average periodic wage, subject to annual benefit adjustments. Special rules apply in the case of a lump sum settlement paid by workers' compensation.

The monthly service incurred disability benefit is adjusted annually for persons who first qualify for Service Incurred Disability on or after January 11, 2005, based on the sum of the following components calculated for the previous calendar year:

(a) The service incurred disability retirement benefit paid from the Plan;

(b) Worker's compensation disability benefits (excluding medical reimbursements) minus any COLA adjustments since the benefit first went into effect, to the extent permitted by law;
(c) Any Salary (excluding any sick and vacation pay received from the City pursuant to the disability) received by a Member from the date of disability; and
(d) Net earnings from self-employment income.

The Service Incurred Disability Retirement benefit is reduced if the Member's pre-disability Salary is less than the sum of the above components. The monthly reduction in the Service Incurred Disability Retirement benefit is 1/12 of (50% of the first $10,000 in excess plus 100% of the excess which exceeds $10,000).

If the sum of the four components is less than the Service Incurred Disability Retirement benefit computed prior to any applicable offsets, then the benefit will be increased. The monthly increase in the Service Incurred Disability Retirement benefit is 1/12 of the amount of the Service Incurred Disability Retirement benefit prior to offsets minus the sum of the four components.

Nonservice Incurred Disability Retirement: Members who become totally and permanently disabled not in the line of duty are entitled to Nonservice Incurred Disability Retirement upon earning at least 10 years of Credited Service.

The benefit payable to any Member who becomes totally and permanently disabled not in the line of duty is the Accrued Benefit, not less than 25% of Average Final Compensation. This benefit is payable until the Member recovers, begins receipt of disability benefits from Social Security, dies or reaches his Normal or Early Retirement Age, at which time the Member elects to receive Normal or Early Retirement Benefits in lieu of disability benefits.

Prior to October 1, 2004, there was a maximum Nonservice Incurred Disability Retirement benefit which was 50% of Average Final Compensation. Ordinance No. 124-X-21-B adopted November 19, 2021 set the maximum Nonservice Incurred Disability Retirement benefit to 50% of Average Final Compensation for Members hired or rehired on or after November 19, 2021.

Pre-Retirement Death Benefits: Ordinance No. 124-X-21-B adopted November 19, 2021 revised Pre-Retirement Death Benefits for those hired or rehired on or after November 19, 2021 to the following:

- The designated beneficiary of a nonvested Member is due a refund of the Employee Contributions without interest.
- The service-connected pre-retirement death benefit is the lesser of the accrued Normal Retirement Benefit and 75% of Average Final Compensation *actuarially adjusted for the beneficiary's age* and payable immediately for the lifetime of the Member's beneficiary for those with 10 years of Credited Service. If there is no beneficiary, the benefit is payable to the Member's estate for 10 years.
- The non-service connected pre-retirement death benefit is the accrued Normal Retirement Benefit *actuarially adjusted for the beneficiary's age* commencing on the date the Member would have attained their Early or Normal Retirement Age for those with 10 years of Credited Service.

Pre-Retirement Death Benefits defined payable prior to Ordinance No. 124-X-21-B continue to be payable for those hired prior to November 19, 2021, as follows.

- The designated beneficiary of a nonvested Member is due a refund of the Employee Contributions without interest.
- The designated beneficiary of a vested Member who dies prior to retirement is entitled to receive either the refund of Employee Contributions without interest, or an amount equal to the benefit that would have been payable as if the Member terminated on the date of death, survived to the earliest retirement age, retired under the optional form of benefit selected by the Member, and died the next day. If no optional form of benefit was selected then the benefit is payable for a period of 10 years. However, any Member who has attained a vested interest in the Plan and who becomes eligible for retirement and continues to be employed shall be construed to have

selected the option which affords the surviving spouse or joint pensioner the greatest amount of benefits.

Optional Forms of Benefit: Effective October 1, 2004, the Accrued Benefit described above is payable in the form of a 10-year certain and continuous annuity. Prior to October 1, 2004, the Accrued Benefit was payable in the form of a single life annuity. Members may optionally choose an actuarially equivalent joint and survivor annuity (with 50%, 66 2/3, 75% or 100% continuance). The joint and survivor option may include an actuarially equivalent "pop-up" feature such that if the Member's joint pensioner predeceases the Member, the survivorship benefit is deemed cancelled and the Member's annuity is recalculated as an actuarially equivalent life annuity effective on the first day of the month following the death of the Member's joint pensioner.

1999 Retirement Incentive Program: Members who, by November 30, 1999, had earned at least 20 years of Credited Service and had reached Normal Retirement Age (then age 50 with 10 years of Credited Service) were eligible to participate in a Retirement Incentive Program by making an election during a window period of 30 days commencing November 1, 1999. Members who elected to participate were required to terminate employment no later than November 30, 1999 unless they elected to participate in the DROP (where they were required to terminate employment no later than November 30, 2000). The monthly retirement benefit was based on the years of Credited Service and Average Final Compensation on their date of termination or DROP using the benefit formula in effect at that time. Eligible employees who elected this Retirement Incentive Program received, in addition to any other benefits, 18 months of retirement benefits payable at retirement. However, for those who entered the DROP as a part of this Retirement Incentive Program, 18 months of retirement benefit payments were paid into the employee's DROP account at the beginning of the DROP period. Interest was earned in the DROP account at the assumed rate of investment return used for valuation purposes. Under this Retirement Incentive Program, a 2% COLA commenced one year after termination of employment.

2002 Retirement Incentive Program: Members who, by April 15, 2002, were (i) at least age 46 and had completed at least 26 years of Credited Service, or (ii) at least age 50 and had completed at least 10 years of Credited Service, were eligible to participate in the Retirement Incentive Program by making an election during a window period of 30 calendar days commencing February 27, 2002. Members who elected to participate were required to terminate employment no later than April 15, 2002 unless they elected to participate in the DROP (36 months total) or BAC-DROP (up to 18 months reducing the future time in the DROP so no more than 36 months total in BAC-DROP plus the DROP) where they were required to terminate employment no later than April 15, 2005. Members who elected to participate were entitled to unreduced retirement benefits based on the years of Credited Service and Average Final Compensation on their date of retirement using the benefit formula in effect at that time, plus an additional 3% was added to the benefit multiplier. Under the BAC-DROP option, a Member receives a lump sum distribution of up to 18 months of retirement benefits upon entry into the DROP, and the Member's monthly pension is then actuarially reduced to reflect the cost to the Plan for this lump sum distribution. These Members were also eligible to elect an optional COLA.

Note: Any firefighter who retired on or after October 1, 2001 but who is still employed with the City and in the DROP on the date the April 15, 2002 Retirement Incentive Program was adopted may elect by March 28, 2002 to have benefits refigured under the 2002 Retirement Incentive Program.

Deferred Retirement Option Plan (DROP): Effective September 30, 2001, Members are eligible to enter the DROP upon attaining their Normal Retirement Age. DROP participants are not eligible for death or disability benefits. The Accrued Benefit is frozen and no further Employee Contributions are payable at DROP entry.

Under Ordinance No. 124-X-21-B adopted November 19, 2021, Members hired or rehired on or after November 19, 2021 may participate in the DROP for a maximum of 4 years if they make the election within 6 months of reaching their Normal Retirement Age. DROP account earnings are 0% if the GASB 68 "fiduciary net position" is less than 100%. If 100% or more, then DROP account earnings are credited using the actual return of the Plan with a minimum of 0% and a maximum of 4%. Although not explicitly

stated in the Ordinance, we understand from City correspondence received while preparing the impact statement that Members hired or rehired on or after November 19, 2021 are eligible for BAC-DROP.

DROP provisions prior to Ordinance No. 124-X-21-B are as follows. These are the provisions applicable for Members hired prior to November 19, 2021. Effective September 25, 2012, the maximum DROP participation duration is 84 months. Members who commenced participation in the DROP on or after October 1, 2010 and who were participating in the DROP on September 25, 2012 (11 such Members) were allowed to extend their DROP participation from 72 to 84 months if the Member agreed all DROP account earnings are recomputed retroactively to the date of DROP using an annual interest rate of 6.0%. New DROP entrants effective September 25, 2012 receive interest crediting based on an annual interest rate of 6.0%.

For DROP entrants prior to September 25, 2012, the Accrued Benefit was accumulated with interest at the same rate as the investment earnings assumption for the funding valuation of the Plan.

Effective June 10, 2008, the maximum DROP participation duration was 72 months where Members participating in the DROP were allowed to extend their DROP participation from 60 to 72 months. Effective January 1, 2004, the maximum DROP participation duration was 60 months where Members participating in the DROP were allowed to extend their DROP participation from 36 to 60 months. Prior to January 1, 2004 the maximum DROP participation was 36 months.

Effective January 1, 2004, Members were allowed to elect to "BAC-DROP" for up to 18 months, which reduced the maximum 60 month (72 month effective June 10, 2008) DROP period by the same amount of time elected under the BAC-DROP. Effective September 25, 2012 Members may elect to "BAC-DROP" for up to 24 months, which reduces the 84 month DROP period by the same amount of time elected under the BAC-DROP. Under the BAC-DROP option, a Member receives a lump sum distribution of up to 18 months (24 effective September 25, 2012) of retirement benefits upon entry into the DROP, and the Member's monthly pension is then actuarially reduced to reflect the cost to the Plan for this lump sum distribution.

Effective January 1, 2004 and prior to May 17, 2005, for every year (or portion thereof) of deferred entry into the DROP after the 12 month period following their "earliest" Normal Retirement Age, the maximum DROP period is reduced by one year. On and after May 17, 2005, Members who elect to participate in the DROP within the first five years following their "earliest" Normal Retirement Age incur no reduction to the maximum 60 month DROP period (72 month effective June 10, 2008 and 84 month effective September 25, 2012) for DROP entry deferral. However, the maximum DROP period is reduced for Members who elect to participate in the DROP beyond five years following their "earliest" Normal Retirement Age. For members hired prior to September 25, 2012, the Normal Retirement Age is the earliest of age 45 with 20 years of service, age 48 with 21 years of service, and age 50 with 10 years of service where age 48 with 21 years of service may be accelerated to age 47 with 20 years of service. Note that age 47 with 20 years of service is not taken into account for the "earliest" Normal Retirement Age for purposes of determination of DROP period reduction.

Cost of Living Adjustment (COLA): Under Ordinance No. 124-X-21-B, Members hired or rehired on or after November 19, 2021 are not entitled to a COLA. However, Members rehired on or after November 19, 2021 may be due a COLA on the benefit payable for service prior to November 19, 2021.

COLA provisions prior to Ordinance No. 124-X-21-B are as follows. These are the provisions applicable for Members hired prior to November 19, 2021. Ordinance No. 124-X-13-B adopted effective August 13, 2013 revised the annual COLA effective October 1, 2013 to a 1% annual COLA for five years commencing 12 months after initial retirement, then a 2.0% COLA, then a 2.5% annual COLA (commencing at the end of the seventh year following initial receipt of retirement benefits) for firefighters who terminate employment and begin receiving Normal Retirement benefits or enter the DROP on or after October 1, 2010, and the beneficiaries of such members. Note that for DROP members the "initial receipt of retirement benefits" has historically been interpreted to mean the date of DROP.

COLA provisions prior to Ordinance No. 124-X-13-B are as follows.

Effective September 30, 2001, an annual 2% COLA commences at the end of the 4th year following initial receipt of retirement benefits for all Members who reach Early or Normal Retirement Age and begin receipt of benefits (either directly or through the DROP) after September 30, 2001, and the beneficiaries of such Members. Effective January 1, 2004, COLA payments under this provision are deferred 12 months after separation from employment for Members who participate in the DROP for more than 3 years.

Members who retire or terminate employment on or after January 1, 2004 may elect, in lieu of the 2% COLA described above, a 1% annual COLA commencing 12 months after initial receipt of retirement benefits, which would increase to a 2% annual COLA at the end of the 6th year following initial receipt of retirement benefits.

COLAs were also payable as part of the Retirement Incentive Programs. See the description of the Retirement Incentive Programs for a description of the associated COLAs.

Supplemental Benefit: Under Ordinance No. 124-X-21-B, Members hired or rehired on or after November 19, 2021 are not entitled to receive the Supplemental Benefit. However, Members rehired on or after November 19, 2021 may be due a Supplemental Benefit payable for service prior to November 19, 2021.

Ordinance No. 124-X-09-A adopted October 13, 2009 amended Plan provisions to provide for a Supplemental Benefit for firefighters. Effective October 1, 2009, firefighters who terminate employment and begin receiving Normal or Early Retirement benefits on or after October 1, 2007 receive a Supplemental Benefit payable monthly which is:

- The lesser of [(i) $25 x Credited Service and (ii) $500] payable until age 65
- The lesser of [(i) $15 x Credited Service and (ii) $300] payable from age 65 for life

This supplemental benefit is not increased for any COLAs defined under the Plan and is only payable after DROP exit (to members who entered the DROP on or after October 1, 2007). Members who terminate employment on or after October 1, 2007 due a deferred vested benefit receive the supplement upon retirement. Members who retire under disability retirement provisions are not eligible to receive the supplement.

13th Check: Ordinance No. 124-X-21-B adopted effective November 19, 2021 defines a 13th check payable to retired Members hired or rehired on or after November 19, 2021 if the GASB 68 "fiduciary net position" is 100% or greater. The 13th check is prorated based on the "excess investment earnings" available but not more than the monthly retirement benefit payable. "Excess investment earnings" are defined as the market rate of investment earnings on assets net of expenses that exceed the assumed rate of return.

Share Plan: Ordinance No. 124-X-16-C adopted July 12, 2016 amended Plan provisions to indicate that Chapter 175 contributions received each fiscal year in excess of $2,055,127 may be used to provide Share Plan benefits.

Internal Revenue Service Section 415(b) Limitations: Ordinance No. 124-X-17-B adopted September 12, 2017 amended the Plan to (1) remove the value of the Plan's cost-of-living adjustment from the initial determination of Section 415(b) limits effective September 29, 2016 and (2) requires that Members receive estimated calculations before retirement or DROP entry to let them know if they are expected to have benefits in excess of Section 415(b) limitations. For Members who retired from employment on or after September 29, 2016 the Section 415(b) limit is adjusted annually after retirement as the Internal Revenue Service releases new calendar year limits under Section 415(d).

Under Ordinance No. 124-X-21-B adopted November 19, 2021, Members participating in the DROP on or after November 19, 2021 and who receive a benefit calculation estimate by the Plan actuary that the benefit may exceed the Section 415 limit while the Member is participating in the DROP may elect to exit the DROP and continue City employment where they must terminate City employment no later than the date the Member would have completed their DROP participation. Upon DROP exit the monthly benefit is no longer credited to the DROP balance and is paid directly to the Member. The DROP balance is not paid at DROP exit, but rather accumulates with interest until termination of employment at which time it is paid to the Member. After DROP exit the Member rejoins the Plan as a new contributing Member subject to a new 10-year vesting period but is not eligible for death or disability retirement benefits. The ordinance states,"…If the Member separates from City employment before attaining ten (10) years of creditable service after exiting the DROP, the member shall receive a refund of 100% of the member contributions made during their post-DROP employment, without interest."

Actuarial Assumptions and Methods

This is a description of the Actuarial Assumptions and Methods used to create the October 1, 2022 actuarial valuation of the Plan.

Assumed Rate of Investment Return: 7.5% per year net of investment expenses

Salary Increase – Total Payroll: 3.0% per year

Salary Increase – Individual: As follows:

Service	Increase
0-4	13.00%
5-9	6.50%
10-14	5.00%
15+	4.50%

Mortality: The mortality table is that used for special risk employees in the valuation of the Florida Retirement System (FRS) as of July 1, 2019, 2020 and 2021, as required by state statue.

The following sex distinct tables are used with fully generational mortality improvements using sex distinct Scale MP-2018.

Active:	Male:	PubS.H-2010(B) male employee set forward 1 year
	Female:	PubS.H-2010 female employee set forward 1 year
Healthy Retiree:	Male:	PubS.H-2010(B) male healthy retiree set forward 1 year
	Female:	PubS.H-2010 female healthy retiree set forward 1 year

The following sex distinct tables are used with no mortality improvement projection.

Disabled Retiree:	Male:	80% PubG.H-2010 male disabled retiree + 20% PubS.H-2010 male disabled retiree
	Female:	80% PubG.H-2010 female disabled retiree + 20% PubS.H-2010 female disabled retiree

Juvenile rates are used for ages 15-17.

The active tables reference the healthy retiree rates, above, at ages 80+.

The healthy retiree tables reference the active mortality rates, above, before age 44.

Retirement: Unisex rates, as follows:

	Rates for Tier 1 - Service From					
Age	10-13	14-19	20-23	24	25-29	30+
<=44	0%	0%	0%	0%	0%	0%
45-46	0%	0%	0%	0%	60%	100%
47-49	0%	0%	20%	60%	60%	100%
50-54	10%	10%	20%	20%	20%	100%
55-59	20%	100%	100%	100%	100%	100%
60+	100%	100%	100%	100%	100%	100%

	Rates for Tier 2 - Service From			
Age	10	11-24	25-29	30+
<=49	0%	0%	0%	0%
50	10%	10%	10%	100%
51	10%	0%	0%	100%
52	10%	0%	100%	100%
53	10%	0%	100%	100%
54	10%	0%	100%	100%
55+	100%	100%	100%	100%

Disability: Unisex rates, as follows:

Age	Probability	Age	Probability	Age	Probability	Age	Probability
15-20	0.140%	30	0.180%	40	0.300%	50	1.000%
21	0.142%	31	0.190%	41	0.342%	51	1.110%
22	0.144%	32	0.200%	42	0.384%	52	1.220%
23	0.146%	33	0.210%	43	0.426%	53	1.330%
24	0.148%	34	0.220%	44	0.468%	54	1.440%
25	0.150%	35	0.230%	45	0.510%	55	1.550%
26	0.156%	36	0.244%	46	0.608%	56	1.660%
27	0.162%	37	0.258%	47	0.706%	57	1.770%
28	0.168%	38	0.272%	48	0.804%	58	1.880%
29	0.174%	39	0.286%	49	0.902%	59	1.990%
						60+	0.000%

75% of disabilities are assumed to be service connected.

Termination: Unisex rates, as follows:

Service	Rate
0-1	14.00%
2-3	8.00%
4	7.00%
5	5.00%
6-9	1.25%
10+	0.00%

Plan Expenses: The prior year administrative expense is added to the normal cost.

Marital Assumption: 80% of males are assumed married and 50% of females are assumed married. Husbands are assumed to be four years older than wives.

Funding Method: Entry Age (level percent of salary)

A description of the funding method is found in the October 1, 2022 actuarial valuation report on the page entitled "Glossary of Actuarial Terms."