

CITY OF TITUSVILLE  
POLICE OFFICERS' AND FIREFIGHTERS' PENSION PLAN

ACTUARIAL VALUATION  
AS OF OCTOBER 1, 2024

CONTRIBUTIONS APPLICABLE TO THE  
PLAN/FISCAL YEAR ENDING SEPTEMBER 30, 2026



February 14, 2025

Board of Trustees  
City of Titusville  
Firefighters and Police Officers' Pension Board

Re: City of Titusville Police Officers' and Firefighters' Pension Plan

Dear Board:

We are pleased to present to the Board this report of the annual actuarial valuation of the City of Titusville Police Officers' and Firefighters' Pension Plan. The valuation was performed to determine whether the assets and contributions are sufficient to provide the prescribed benefits and to develop the appropriate funding requirements for the applicable plan year. Use of the results for other purposes may not be applicable and may produce significantly different results.

The valuation has been conducted in accordance with generally accepted actuarial principles and practices, including the applicable Actuarial Standards of Practice as issued by the Actuarial Standards Board, and reflects laws and regulations issued to date pursuant to the provisions of Chapters 112, 175, and 185, Florida Statutes, as well as applicable federal laws and regulations. In our opinion, the assumptions used in the valuation, as adopted by the Board of Trustees, represent reasonable expectations of anticipated plan experience.

The funding percentages and unfunded accrued liability as measured based on the actuarial value of assets will differ from similar measures based on the market value of assets. These measures, as provided, are appropriate for determining the adequacy of future contributions, but may not be appropriate for the purpose of settling a portion or all of its liabilities. Future actuarial measurements may differ significantly from the current measurements presented in this report for a variety of reasons including: changes in applicable laws, changes in plan provisions, changes in assumptions, or plan experience differing from expectations. Due to the limited scope of the valuation, we did not perform an analysis of the potential range of such future measurements.

In conducting the valuation, we have relied on personnel, plan design, and asset information supplied by the City of Titusville, financial reports prepared by the custodian bank, and the actuarial assumptions and methods described in the Actuarial Assumptions section of this report. While we cannot verify the accuracy of all this information, the supplied information was reviewed for consistency and reasonableness. As a result of this review, we have no reason to doubt the substantial accuracy of the information and believe that it has produced appropriate results. This information, along with any adjustments or modifications, is summarized in various sections of this report.

Additionally, we used third-party software to model (calculate) the underlying liabilities and costs. These results are reviewed in the aggregate and for individual sample lives. The output from the software is either used directly or input into internally developed models that apply the funding rules to generate the results. All internally developed models are reviewed as part of the valuation process. As a result of this review, we believe that the models have produced reasonable results. We do not believe there are any material inconsistencies among assumptions or unreasonable output produced due to the aggregation of assumptions.

In our opinion, the Minimum Required Contribution set forth in this report constitutes a reasonable actuarially determined contribution under Actuarial Standard of Practice No. 4.

The undersigned are familiar with the immediate and long-term aspects of pension valuations and meet the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial opinions contained herein. All of the sections of this report are considered an integral part of the actuarial opinions.

To our knowledge, no associate of Foster & Foster, Inc. working on valuations of the program has any direct financial interest or indirect material interest in the City of Titusville, nor does anyone at Foster & Foster, Inc. act as a member of the Board of Trustees of the Police Officers' and Firefighters' Pension Plan. Thus, there is no relationship existing that might affect our capacity to prepare and certify this actuarial report.

If there are any questions, concerns, or comments about any of the items contained in this report, please contact us at 239-433-5500.

Respectfully submitted,

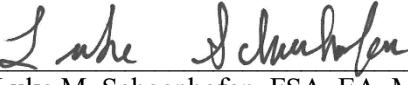
Foster & Foster, Inc.

By:

  
\_\_\_\_\_  
Douglas H. Lozen, EA, MAAA

Enrolled Actuary #23-7778

By:

  
\_\_\_\_\_  
Luke M. Schoenhofen, FSA, EA, MAAA  
Enrolled Actuary #23-8968

LMS/lke

Enclosures

## TABLE OF CONTENTS

Section	Title	Page
I	Introduction	
	a. Summary of Report	6
	b. Changes Since Prior Valuation	8
	c. Comparative Summary of Principal Valuation Results	9
II	Valuation Information	
	a. Reconciliation of Unfunded Actuarial Accrued Liabilities	15
	b. Detailed Actuarial (Gain)/Loss Analysis	16
	c. History of Funding Progress	17
	d. Actuarial Assumptions and Methods	18
	e. Glossary	21
	f. Discussion of Risk	23
	g. Partial History of Premium Tax Refunds	27
	h. Special Actuarial Account Activity	28
	i. Special Actuarial Account	29
III	Trust Fund	30
IV	Member Statistics	
	a. Statistical Data	38
	b. Age and Service Distribution	39
	c. Valuation Participant Reconciliation	40
V	Summary of Current Plan	41

## SUMMARY OF REPORT

The regular annual actuarial valuation of the City of Titusville Police Officers' and Firefighters' Pension Plan, performed as of October 1, 2024, has been completed and the results are presented in this Report. The contribution amounts set forth herein are applicable to the plan/fiscal year ending September 30, 2026.

The contribution requirements, compared with those set forth in the October 1, 2023 actuarial valuation report, are as follows:

Valuation Date	10/1/2024	10/1/2023
Applicable to Fiscal Year Ending	<u>9/30/2026</u>	<u>9/30/2025</u>
Minimum Required Contribution	\$3,248,504	\$3,215,690
Member Contributions (Est.)	809,386	764,035
<b>City And State Required Contribution</b>	<b>2,439,118</b>	<b>2,451,655</b>
State Contribution (Est.) <sup>1</sup>	1,133,059	1,133,059
City Required Contribution (Est.) <sup>2</sup>	\$1,306,059	\$1,318,596

<sup>1</sup> Represents the amount received in calendar 2024. Pursuant to Ordinance 6-2017, the annual Chapter 175 and 185 Premium Tax Monies will be equally shared between the Membership Share Plan and City funding credit once the funded ratio (actuarial value of assets divided by the actuarial accrued liability) reaches or exceeds 90% as of the most recent actuarial valuation; this sharing will occur in the year following attainment of the 90% ratio. As of the October 1, 2024 valuation date, the funded ratio is 86.8%.

<sup>2</sup> Please note that the City has access to a prepaid contribution of \$324,282.03 that is available to offset a portion of the above stated requirements for the fiscal year ending September 30, 2025.

As you can see, the Minimum Required Contribution shows an increase when compared to the results set forth in the October 1, 2023 actuarial valuation report. The increase is mainly attributable to an increase in Normal Cost resulting from salary increases for the ongoing active membership. The increase was offset in part by net favorable plan experience described in the next paragraph.

Plan experience was favorable overall on the basis of the plan's actuarial assumptions. The primary source of actuarial gain was an investment return of 8.62% (Actuarial Asset Basis) which exceeded the 7.25% assumption. This gain was offset in part by a loss associated with an average salary increase of 9.50% which exceeded the 4.40% assumption.

## CHANGES SINCE PRIOR VALUATION

### Plan Changes

There have been no changes in benefits since the prior valuation.

### Actuarial Assumption/Method Changes

There have been no assumption or method changes since the prior valuation.

**COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS**

	<u>10/1/2024</u>	<u>10/1/2023</u>
<b>A. Participant Data</b>		
Actives	156	157
Service Retirees	98	100
DROP Retirees	3	2
Beneficiaries	21	21
Disability Retirees	14	14
Terminated Vested	<u>63</u>	<u>56</u>
 Total	 355	 350
 Projected Annual Payroll	 10,668,488	 10,063,982
 Annual Rate of Payments to:		
Service Retirees	3,776,078	3,681,399
DROP Retirees	186,293	133,914
Beneficiaries	523,747	523,538
Disability Retirees	379,191	378,007
Terminated Vested	433,390	431,547
 <b>B. Assets</b>		
Actuarial Value (AVA) <sup>1</sup>	75,740,313	71,860,532
Market Value (MVA) <sup>1</sup>	78,226,308	66,466,380
 <b>C. Liabilities</b>		
 Present Value of Benefits		
Actives		
Retirement Benefits	29,348,046	27,157,752
Disability Benefits	1,678,765	1,561,084
Death Benefits	522,840	497,557
Vested Benefits	4,977,747	4,633,967
Refund of Contributions	509,969	502,581
Service Retirees	42,081,276	42,362,679
DROP Retirees <sup>1</sup>	2,998,458	2,117,843
Beneficiaries	5,437,262	5,402,018
Disability Retirees	4,612,924	4,637,734
Terminated Vested	4,253,911	4,108,014
Share Plan Balances <sup>1</sup>	<u>1,952,362</u>	<u>1,705,635</u>
 Total	 98,373,560	 94,686,864

C. Liabilities - (Continued)	<u>10/1/2024</u>	<u>10/1/2023</u>
Present Value of Future Salaries	82,079,588	77,687,795
Present Value of Future Member Contributions	5,745,571	5,438,146
Normal Cost (Retirement)	969,107	935,143
Normal Cost (Disability)	116,475	115,822
Normal Cost (Death)	46,092	46,087
Normal Cost (Vesting)	289,797	288,146
Normal Cost (Refunds)	84,399	91,246
Total Normal Cost	1,505,870	1,476,444
Present Value of Future Normal Costs	11,134,097	10,756,866
Accrued Liability (Retirement)	21,921,286	20,069,343
Accrued Liability (Disability)	815,218	712,625
Accrued Liability (Death)	172,044	152,807
Accrued Liability (Vesting)	2,886,766	2,566,762
Accrued Liability (Refunds)	107,956	94,538
Accrued Liability (Inactives) <sup>1</sup>	59,383,831	58,628,288
Share Plan Balances <sup>1</sup>	1,952,362	1,705,635
Total Actuarial Accrued Liability (EAN AL)	87,239,463	83,929,998
Unfunded Actuarial Accrued Liability (UAAL)	11,499,150	12,069,466
Funded Ratio (AVA / EAN AL)	86.8%	85.6%

D. Actuarial Present Value of Accrued Benefits	<u>10/1/2024</u>	<u>10/1/2023</u>
Vested Accrued Benefits		
Inactives + Share Plan Balances <sup>1</sup>	61,336,193	60,333,923
Actives	10,503,551	9,736,889
Member Contributions	<u>5,038,708</u>	<u>4,670,101</u>
Total	76,878,452	74,740,913
Non-vested Accrued Benefits	<u>2,225,273</u>	<u>2,316,049</u>
Total Present Value		
Accrued Benefits (PVAB)	79,103,725	77,056,962
Funded Ratio (MVA / PVAB)	98.9%	86.3%
Increase (Decrease) in Present Value of Accrued Benefits Attributable to:		
Plan Amendments	0	
Assumption Changes	0	
Plan Experience	1,562,025	
Benefits Paid	(4,923,418)	
Interest	5,408,156	
Other	<u>0</u>	
Total	2,046,763	

Valuation Date	10/1/2024	10/1/2023
Applicable to Fiscal Year Ending	<u>9/30/2026</u>	<u>9/30/2025</u>

E. Pension Cost

Normal Cost <sup>2</sup>	\$1,632,083	\$1,601,261
Administrative Expenses <sup>2</sup>	147,197	149,019
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 15 years (as of 10/1/2024) <sup>2</sup>	1,469,224	1,465,410
Minimum Required Contribution	3,248,504	3,215,690
Expected Member Contributions <sup>2</sup>	809,386	764,035
Expected City and State Contribution	2,439,118	2,451,655

F. Past Contributions

Plan Years Ending: 9/30/2024

City and State Requirement 2,073,704

Actual Contributions Made:

City	940,645
State	1,133,059
Total	<u>2,073,704</u>

G. Net Actuarial (Gain)/Loss (293,550)

<sup>1</sup> The asset values and liabilities include accumulated DROP and Share Plan Balances as of 9/30/2024 and 9/30/2023.

<sup>2</sup> Contributions developed as of 10/1/2024 displayed above have been adjusted to account for assumed salary increase and interest components.

H. Schedule Illustrating the Amortization of the Total Unfunded Actuarial Accrued Liability as of:

<u>Year</u>	<u>Projected Unfunded Actuarial Accrued Liability</u>
2024	11,499,150
2025	10,878,952
2026	10,213,791
2029	7,914,719
2033	3,992,775
2036	844,342
2039	0

I. (i) 5 Year Comparison of Actual and Assumed Salary Increases

		<u>Actual</u>	<u>Assumed</u>
Year Ended	9/30/2024	9.50%	4.40%
Year Ended	9/30/2023	12.72%	4.34%
Year Ended	9/30/2022	7.52%	4.10%
Year Ended	9/30/2021	5.00%	4.38%
Year Ended	9/30/2020	6.43%	4.36%

(ii) 5 Year Comparison of Investment Return on Market Value and Actuarial Value

		<u>Market Value</u>	<u>Actuarial Value</u>	<u>Assumed</u>
Year Ended	9/30/2024	21.45%	8.62%	7.25%
Year Ended	9/30/2023	9.30%	5.11%	7.25%
Year Ended	9/30/2022	-15.51%	3.58%	7.25%
Year Ended	9/30/2021	24.12%	10.53%	7.50%
Year Ended	9/30/2020	6.51%	8.25%	7.75%

(iii) Average Annual Payroll Growth

(a) Payroll as of:	10/1/2024	\$10,668,488
	10/1/2014	6,066,620
(b) Total Increase		75.86%
(c) Number of Years		10.00
(d) Average Annual Rate		5.81%

## STATEMENT BY ENROLLED ACTUARY

This actuarial valuation 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.



\_\_\_\_\_  
Douglas H. Lozen, EA, MAAA  
Enrolled Actuary #23-7778

Please let us know when the report is approved by the Board and unless otherwise directed we will provide copies of the report to the following offices to comply with Chapter 112, Florida Statutes:

Mr. Keith Brinkman  
Bureau of Local  
Retirement Systems  
Post Office Box 9000  
Tallahassee, FL 32315-9000

Mr. Steve Bardin  
Municipal Police and Fire  
Pension Trust Funds  
Division of Retirement  
Post Office Box 3010  
Tallahassee, FL 32315-3010

**RECONCILIATION OF UNFUNDED ACTUARIAL ACCRUED LIABILITIES**

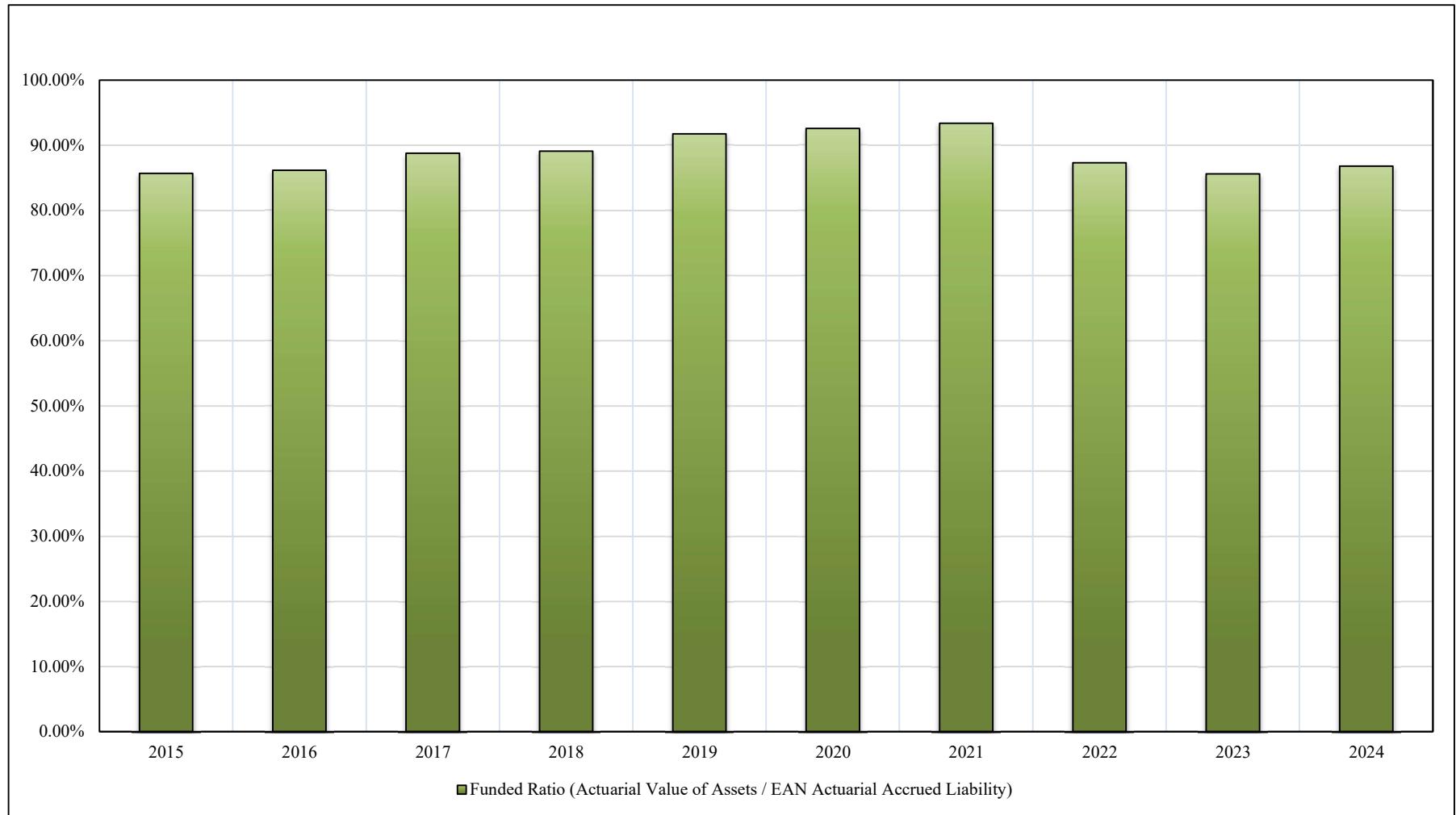
(1)	Unfunded Actuarial Accrued Liability as of October 1, 2023	\$12,069,466
(2)	Sponsor Normal Cost developed as of October 1, 2023	771,965
(3)	Expected administrative expenses for the year ended September 30, 2024	137,403
(4)	Expected interest on (1), (2) and (3)	935,985
(5)	Sponsor contributions to the System during the year ended September 30, 2024	2,073,704
(6)	Expected interest on (5)	48,415
(7)	Expected Unfunded Actuarial Accrued Liability as of September 30, 2024 (1)+(2)+(3)+(4)-(5)-(6)	11,792,700
(8)	Change to UAAL due to Assumption Change	0
(9)	Change to UAAL due to Actuarial (Gain)/Loss	(293,550)
(10)	Unfunded Actuarial Accrued Liability as of October 1, 2024	11,499,150

Type of <u>Base</u>	Date <u>Established</u>	Years <u>Remaining</u>	10/1/2024 <u>Amount</u>	Amortization <u>Amount</u>
Consolidation Base	10/1/2020	11	4,474,568	563,326
Actuarial Gain	10/1/2021	12	(1,597,919)	(190,089)
Assump Change	10/1/2021	12	1,885,982	224,357
Actuarial Loss	10/1/2022	13	2,526,372	285,856
Benefits Change	10/1/2022	13	3,102,985	351,099
Actuarial Loss	10/1/2023	14	1,400,712	151,584
Actuarial Gain	10/1/2024	15	<u>(293,550)</u>	<u>(30,528)</u>
			<u>11,499,150</u>	<u>1,355,605</u>

**DETAILED ACTUARIAL (GAIN)/LOSS ANALYSIS**

(1) Unfunded Actuarial Accrued Liability (UAAL) as of October 1, 2023	\$12,069,466
(2) Expected UAAL as of October 1, 2024	11,792,700
(3) Summary of Actuarial (Gain)/Loss, by component:	
Investment Return (Actuarial Asset Basis)	(972,484)
Salary Increases	341,144
Active Decrements	249,581
Inactive Mortality	11,759
Interest Crediting on Share Plan Balances	228,271
Other	<u>(151,821)</u>
Increase in UAAL due to (Gain)/Loss	(293,550)
Assumption Changes	<u>0</u>
(4) Actual UAAL as of October 1, 2024	\$11,499,150

## HISTORY OF FUNDING PROGRESS



## ACTUARIAL ASSUMPTIONS AND METHODS

### Mortality Rate

#### *Healthy Active Lives:*

**Female:** PubS.H-2010 (Below Median) for Employees, set forward one year.

**Male:** PubS.H-2010 (Below Median) for Employees, set forward one year.

#### *Healthy Retiree Lives:*

**Female:** PubS.H-2010 for Healthy Retirees, set forward one year.

**Male:** PubS.H-2010 (Below Median) for Healthy Retirees, set forward one year.

#### *Beneficiary Lives:*

**Female:** PubG.H-2010 (Above Median) for Healthy Retirees.

**Male:** PubG.H-2010 for Healthy Retirees, set back one year.

#### *Disabled Lives:*

80% PubG.H-2010 for Disabled Retirees / 20% PubS.H-2010 for Disabled Retirees.

All rates for healthy lives are projected generationally with Mortality Improvement Scale MP-2018. We feel this assumption sufficiently accommodates future mortality improvements.

The previously described mortality assumption rates were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumptions used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in Milliman's July 1, 2023 FRS valuation report for special risk employees, with appropriate adjustments made based on plan demographics.

90% of active deaths are assumed to be service-incurred.

### Interest Rate

7.25% per year compounded annually, net of investment related expenses. This is supported by the target asset allocation of the trust and the expected long-term return by asset class.

Salary Increases

See table later in this section. This assumption was adopted as the result of the August 20, 2018 experience study. Assumptions for final salary loads are as follows:

*For Members Eligible for Retirement on June 1, 2013:*

Projected salary at retirement is increased 25% to account for non-regular compensation.

*For Members not eligible for Normal Retirement on June 1, 2013 with at least 10 years of service as of that date:*

The projected frozen benefit as of June 1, 2013 includes a 25% load for the final year included in the averaging period.

*For Members with less than 10 years of service (and not eligible for Normal Retirement) as of June 1, 2013:*

No final salary load is assumed.

Payroll Growth

None.

Administrative Expenses

\$135,814 annually, based on the average of actual expenses incurred in the prior two fiscal years.

Amortization Method

New UAAL amortization bases are amortized over 15 years; the amortization payment is subject to a minimum based on a 30-year amortization of the UAAL, if the UAAL is positive, in order to comply with Actuarial Standard of Practice No. 4.

Bases established prior to the valuation date are adjusted proportionally to match the Expected Unfunded Actuarial Accrued Liability as of the valuation date, in order to align prior year bases with the portion of the current year UAAL associated with prior year sources.

Retirement (Normal and Early)

See tables later in this section. This assumption was adopted as the result of the August 20, 2018 experience study.

Termination Rates

See table later in this section. This assumption was adopted as the result of the August 20, 2018 experience study.

Disability Rates

See table later in this section. This assumption was adopted as the result of the August 20, 2018 experience study. 90% of Disability retirements are assumed to be service-related.

### Asset Smoothing Methodology

The Actuarial Value of Assets is brought forward using the historical four-year geometric average of Market Value Returns (net-of-fees). Over time, this may result in an immaterial bias that is above or below the Market Value of Assets.

### Funding Method

Entry Age Normal Actuarial Cost Method. The following loads are applied for determining the minimum required contribution:

Interest - A half year, based on current 7.25% assumption.

Salary - A full year, based on current 4.59% assumption.

### Assumption Tables

#### % Terminating During the Year

Service	Rate
0-1	14%
2-3	11%
4-9	6%
10+	4%

#### % Becoming Disabled During the Year

Age	Rate
20	0.09%
25	0.10%
30	0.12%
35	0.16%
40	0.21%
45	0.38%
50	0.72%
55	1.09%
60	1.36%

#### Salary Scale

Service	Rate
0	7.00%
1-3	4.50%
4+	4.00%

#### % Retiring During the Year (Less Than 25 Years of Service)

Age	Rate
50-54	15%
55-58	50%
59+	100%

#### % Retiring During the Year (>= 25 Years of Service)

Service	Rate
25-28	50%
29+	100%

### Low-Default-Risk Obligation Measure

Based on the Entry Age Normal Actuarial Cost Method and an interest rate of 4.06% per year compounded annually, net of investment related expenses. This rate is consistent with the Yield to Maturity of the S&P Municipal Bond 20-Year High Grade Rate Index as of September 30, 2024. All other assumptions for the Low-Default-Risk Obligation Measure are consistent with the assumptions shown in this section unless otherwise noted.

## GLOSSARY

Actuarial Value of Assets is the asset value used in the valuation to determine contribution requirements. It represents the plan's Market Value of Assets (see below), with adjustments according to the plan's Actuarial Asset Method. These adjustments produce a "smoothed" value that is likely to be less volatile from year to year than the Market Value of Assets.

Entry Age Normal Cost Method - Under this method, the normal cost is the sum of the individual normal costs for all active participants. For an active participant, the normal cost is the participant's normal cost accrual rate, multiplied by the participant's current compensation.

(a) The normal cost accrual rate equals:

(i) the present value of future benefits for the participant, determined as of the participant's entry age, divided by

(ii) the present value of the compensation expected to be paid to the participant for each year of the participant's anticipated future service, determined as of the participant's entry age.

(b) In calculating the present value of future compensation, the salary scale is applied both retrospectively and prospectively to estimate compensation in years prior to and subsequent to the valuation year based on the compensation used for the valuation.

(c) The accrued liability is the sum of the individual accrued liabilities for all participants and beneficiaries. A participant's accrued liability equals the present value, at the participant's attained age, of future benefits less the present value at the participant's attained age of the individual normal costs payable in the future. A beneficiary's accrued liability equals the present value, at the beneficiary's attained age, of future benefits. The unfunded accrued liability equals the total accrued liability less the actuarial value of assets.

(d) Under this method, the entry age used for each active participant is the participant's age at the time he or she would have commenced participation if the plan had always been in existence under current terms, or the age as of which he or she first earns service credits for purposes of benefit accrual under the current terms of the plan.

Market Value of Assets is the fair market value of plan assets as of the valuation date. This amount may be adjusted to produce an Actuarial Value of Assets for plan funding purposes.

Normal (Current Year's) Cost is the current year's cost for benefits yet to be funded. Under the Entry Age Normal cost method, it is determined for each participant as the present value of future benefits, determined as of the Member's entry age, amortized as a level percentage of compensation over the anticipated number of years of participation, determined as of the entry age.

Payroll Under Assumed Ret. Age is the projected annual rate of pay for the fiscal year beginning on the valuation date of all covered Members, excluding any Members who are assumed to retire with 100% probability on the valuation date.

Projected Annual Payroll is the projected annual rate of pay for the fiscal year following the fiscal year beginning on the valuation date of all covered Members.

Present Value of Benefits is the single sum value on the valuation date of all future benefits to be paid to current plan participants.

Total Annual Payroll is the projected annual rate of pay for the fiscal year beginning on the valuation date of all covered Members.

Total Required Contribution is equal to the Normal Cost plus an amount sufficient to amortize the Unfunded Accrued Liability over no more than 30 years. The required amount is adjusted for interest according to the timing of contributions during the year.

Unfunded Actuarial Accrued Liability (UAAL) is the difference between the actuarial accrued liability (described above) and the Actuarial Value of Assets. Under the Entry Age Normal Actuarial Cost Method, an actuarial gain or loss, based on actual versus expected UAAL, is determined in conjunction with each valuation of the plan.

## DISCUSSION OF RISK

ASOP No. 51, Assessment and Disclosure of Risk Associated with Measuring Pension Obligations and Determining Pension Plan Contributions, states that the actuary should identify risks that, in the actuary's professional judgment, may reasonably be anticipated to significantly affect the plan's future financial condition.

Throughout this report, actuarial results are determined using various actuarial assumptions. These results are based on the premise that all future plan experience will align with the plan's actuarial assumptions; however, there is no guarantee that actual plan experience will align with the plan's assumptions. It is possible that actual plan experience will differ from anticipated experience in an unfavorable manner that will negatively impact the plan's funded position.

Below are examples of ways in which plan experience can deviate from assumptions and the potential impact of that deviation. Typically, this results in an actuarial gain or loss representing the current-year financial impact on the plan's unfunded liability of the experience differing from assumptions; this gain or loss is amortized over a period of time determined by the plan's amortization method. When assumptions are selected that adequately reflect plan experience, gains and losses typically offset one another in the long term, resulting in a relatively low impact on the plan's contribution requirements associated with plan experience. When assumptions are too optimistic, losses can accumulate over time and the plan's amortization payment could potentially grow to an unmanageable level.

- Investment Return: When the rate of return on the Actuarial Value of Assets falls short of the assumption, this produces a loss representing assumed investment earnings that were not realized. Further, it is unlikely that the plan will experience a scenario that matches the assumed return in each year as capital markets can be volatile from year to year. Therefore, contribution amounts can vary in the future.
- Salary Increases: When a plan participant experiences a salary increase that was greater than assumed, this produces a loss representing the cost of an increase in anticipated plan benefits for the participant as compared to the previous year. The total gain or loss associated with salary increases for the plan is the sum of salary gains and losses for all active participants.
- Demographic Assumptions: Actuarial results take into account various potential events that could happen to a plan participant, such as retirement, termination, disability, and death. Each of these potential events is assigned a liability based on the likelihood of the event and the financial consequence of the event for the plan. Accordingly, actuarial liabilities reflect a blend of financial consequences associated with various possible outcomes (such as retirement at one of various possible ages). Once the outcome is known (e.g. the participant retires) the liability is adjusted to reflect the known outcome. This adjustment produces a gain or loss depending on whether the outcome was more or less favorable than other outcomes that could have occurred.

### Impact of Plan Maturity on Risk

For newer pension plans, most of the participants and associated liabilities are related to active members who have not yet reached retirement age. As pension plans continue in operation and active members reach retirement ages, liabilities begin to shift from being primarily related to active members to being shared amongst active and retired members. Plan maturity is a measure of the extent to which this shift has occurred. It is important to understand that plan maturity can have an impact on risk tolerance and the overall risk characteristics of the plan. For example, closed plans with a large amount of retired liability do not have as long of a time horizon to recover from losses (such as losses on investments due to lower than expected investment returns) as plans where the majority of the liability is attributable to active members. For this reason, less tolerance for investment risk may be warranted for highly mature closed plans with a substantial inactive liability. Similarly, mature closed plans paying substantial retirement benefits resulting in a small positive or net negative cash flow can be more sensitive to near term investment volatility, particularly if the size of the fund is shrinking, which can result in less assets being available for investment in the market.

To assist with determining the maturity of the plan, we have provided some relevant metrics in the table following titled “Plan Maturity Measures and Other Risk Metrics”. Highlights of this information are discussed below:

- The Support Ratio, determined as the ratio of active to inactive members, has increased from 86.4% on October 1, 2014 to 96.9% on October 1, 2024, indicating that the plan has experienced a significant growth in active population.
- The Accrued Liability Ratio, determined as the ratio of the Inactive Accrued Liability, which is the liability associated with members who are no longer employed but are due a benefit from the plan, to the Total Accrued Liability, is 68.1%. With a plan of this maturity, losses due to lower than expected investment returns or demographic factors may result in larger increases in contribution requirements than would be needed for a less mature plan. Please note Chapter 112, Florida Statutes, requires that the plan sponsor contributes the minimum required contribution; thus, there is minimal solvency risk to the plan.
- The Funded Ratio, determined as the ratio of the Actuarial Value of Assets to the Total Accrued Liability, has increased from 80.1% on October 1, 2014 to 86.8% on October 1, 2024.
- The Net Cash Flow Ratio, determined as the ratio of the Net Cash Flow (contributions minus benefit payments and administrative expenses) to the Market Value of Assets, increased from -4.2% on October 1, 2014 to -2.9% on October 1, 2024. The current Net Cash Flow Ratio of -2.9% indicates that contributions are not currently covering the plan's benefit payments and administrative expenses.

### Low Default-Risk Obligation Measure

ASOP No. 4, Measuring Pension Obligations and Determining Pension Plan Costs or Contributions, was revised as of December 2021 to include a “low-default-risk obligation measure” (LDROM). This liability measure is consistent with the determination of the actuarial accrued liability shown on page 10 in terms of member data, plan provisions, and assumptions/methods, under the Entry Age Normal Cost Method, except that the interest rate is tied to low-default-risk fixed income securities. The S&P Municipal Bond 20 Year High Grade Rate Index (daily rate closest to, but not later than, the measurement date) was selected to represent a current market rate of low risk but longer-term investments that could be included in a low-risk asset portfolio. The interest rate used in this valuation was 4.06%, resulting in an LDROM of \$127,381,188. The LDROM should not be considered the “correct” liability measurement; it simply shows a possible outcome if the Board elected to hold a very low risk asset portfolio. The Board actually invests the pension plan’s contributions in a diversified portfolio of stocks and bonds and other investments with the objective of maximizing investment returns at a reasonable level of risk. Consequently, the difference between the plan’s Actuarial Accrued Liability disclosed earlier in this section and the LDROM can be thought of as representing the expected taxpayer savings from investing in the plan’s diversified portfolio compared to investing only in high quality bonds.

The actuarial valuation reports the funded status and develops contributions based on the expected return of the plan’s investment portfolio. If instead, the plan switched to investing exclusively in high quality bonds, the LDROM illustrates that reported funded status would be lower (which also implies that the Actuarially Determined Contributions would be higher), perhaps significantly. Unnecessarily high contribution requirements in the near term may not be affordable and could imperil plan sustainability and benefit security.

It is important to note that the actuary has identified the risks above as the most significant risks based on the characteristics of the plan and the nature of the project, however, it is not an exhaustive list of potential risks that could be considered. Additional advanced modeling, as well as the identification of additional risks, can be provided at the request of the audience addressed on page 2 of this report.

## PLAN MATURITY MEASURES AND OTHER RISK METRICS

	<u>10/1/2024</u>	<u>10/1/2023</u>	<u>10/1/2019</u>	<u>10/1/2014</u>
<b><u>Support Ratio</u></b>				
Total Actives	156	157	138	127
Total Inactives <sup>1</sup>	161	162	162	147
Actives / Inactives <sup>1</sup>	96.9%	96.9%	85.2%	86.4%
<b><u>Asset Volatility Ratio</u></b>				
Market Value of Assets (MVA)	78,226,308	66,466,380	62,470,577	49,933,158
Total Annual Payroll	10,789,637	10,063,982	7,519,914	6,066,620
MVA / Total Annual Payroll	725.0%	660.4%	830.7%	823.1%
<b><u>Accrued Liability (AL) Ratio</u></b>				
Inactive Accrued Liability	59,383,831	58,628,288	51,499,392	45,415,865
Total Accrued Liability (EAN)	87,239,463	83,929,998	68,695,327	57,485,308
Inactive AL / Total AL	68.1%	69.9%	75.0%	79.0%
<b><u>Funded Ratio</u></b>				
Actuarial Value of Assets (AVA)	75,740,313	71,860,532	63,045,264	46,070,299
Total Accrued Liability (EAN)	87,239,463	83,929,998	68,695,327	57,485,308
AVA / Total Accrued Liability (EAN)	86.8%	85.6%	91.8%	80.1%
<b><u>Net Cash Flow Ratio</u></b>				
Net Cash Flow <sup>2</sup>	(2,239,057)	(2,568,212)	(1,656,178)	(2,091,507)
Market Value of Assets (MVA)	78,226,308	66,466,380	62,470,577	49,933,158
Ratio	-2.9%	-3.9%	-2.7%	-4.2%

<sup>1</sup> Excludes terminated participants awaiting a refund of member contributions.

<sup>2</sup> Determined as total contributions minus benefit payments and administrative expenses.

### PARTIAL HISTORY OF PREMIUM TAX REFUNDS

<u>Received During Fiscal Year</u>	<u>Amount</u>	<u>Increase from Previous Year</u>
1999	292,120.75	_____ %
2000	284,295.61	-2.7%
2001	303,087.86	6.6%
2002	341,514.06	12.7%
2003	373,360.33	9.3%
2004	428,469.92	14.8%
2005	449,292.46	4.9%
2006	464,257.04	3.3%
2007	512,547.55	10.4%
2008	664,120.76	29.6%
2009	649,318.39	-2.2%
2010	578,165.27	-11.0%
2011	549,312.77	-5.0%
2012	598,656.96	9.0%
2013	671,213.47	12.1%
2014	724,287.49	7.9%
2015	670,200.87	-7.5%
2016	731,349.81	9.1%
2017	681,740.60	-6.8%
2018	724,199.93	6.2%
2019	753,963.14	4.1%
2020	781,108.36	3.6%
2021	792,050.87	1.4%
2022	830,974.33	4.9%
2023	1,001,568.27	20.5%
2024	1,133,058.87	13.1%

**SPECIAL ACTUARIAL ACCOUNT ACTIVITY**  
 10/1/2023 to 10/1/2024

**Growth Assuming 7.25% Return**

(1)	10/1/2023 Beginning Balance	75,088,991
	Contributions	2,801,645
	Investment Earnings	5,362,786
	Non-Investment Expenses	117,284
	Investment Expenses	287,569
	Distributions	4,923,418
(2)	09/30/2024 Ending Balance	77,925,151
(3)	09/30/2024 Actuarial Assets	75,740,313
(4)	Excess Earnings: (3) - (2)	(2,184,838)
(5)	09/30/2024 Actuarial Gain (Loss)	293,550
*	Share Account Allocation: Lesser of: [(4) or (5)] x 70%	(1,529,386)

**Share Account Activity**

10/1/2023	Account Balance	(108,291,226)
	Interest at 7.25%	(7,851,114)
10/1/2024	Addition	(1,529,386)
10/1/2024	Benefits "Purchase"	0
10/1/2024	Account Balance	(117,671,726)

**10/1/2024 Adjusted Actuarial Assets**

(6)	Actuarial Assets (3), above	75,740,313
(7)	10/1/2024 Account Balance	(117,671,726)
	Adjusted Actuarial Assets	75,740,313
	Lesser of: (6) or [(6) - (7)]	

\* Per Ordinance No. 26-1999.

SPECIAL ACTUARIAL ACCOUNT

HISTORY OF BENEFIT "PURCHASES" AND  
ACTUARIAL GAINS AND LOSSES

<u>Plan Year Ended</u>	<u>Benefit "Purchases"</u>		<u>Net Actuarial Gain (Loss)</u>
9/30/1991	106,565	(1)	407,179
9/30/1992	0		481,200
9/30/1993	0		(221,686)
9/30/1994	331,857	(2)	167,994
9/30/1995	251,762	(3)	(145,889)
9/30/1996	509,800	(4)	89,658
9/30/1997	0		678,279
9/30/1998	428,988	(5)	541,465
9/30/1999	716,239	(6)	967,544
9/30/2000	416,578	(7)	502,392
9/30/2001	0		(618,344)
9/30/2002	0		(2,039,277)
9/30/2003	0		(1,740,552)
9/30/2004	0		(1,869,013)
9/30/2005	0		(1,108,361)
9/30/2006	0		(2,471,326)
9/30/2007	0		(18,699)
9/30/2008	0		(1,581,383)
9/30/2009	0		(2,884,794)
9/30/2010	0		(2,634,658)
9/30/2011	0		(590,967)
9/30/2012	0		913,451
9/30/2013	0		1,427,266
9/30/2014	0		2,668,236
9/30/2015	(6,509)	(8)	990,972
9/30/2016	0		203,373
9/30/2017	0		407,936
9/30/2018	0		(108,319)
9/30/2019	(17,340)	(9)	270,508
9/30/2020	0		(296,595)
9/30/2021	0		1,652,889
9/30/2022	3,037,572	(10)	(2,473,116)
9/30/2023	0		(1,420,857)
9/30/2024	0		293,550
Total	<hr/> 5,775,512		<hr/> (9,559,944)

(1) AIS dated 01/21/94  
 (2) AIS dated 07/02/96  
 (3) AIS dated 02/28/97  
 (4) AIS dated 01/22/98  
 (5) AIS dated 08/26/99

(6) AIS dated 05/04/00  
 (7) AIS dated 02/23/01  
 (8) AIS dated 02/10/17  
 (9) AIS dated 01/07/20  
 (10) AIS dated 09/21/2023

**STATEMENT OF FIDUCIARY NET POSITION**  
**SEPTEMBER 30, 2024**

<u>ASSETS</u>	COST	VALUE	MARKET VALUE
Cash and Cash Equivalents:			
Short Term Investments	2,750,024.00		2,750,024.00
Cash	2.77		2.77
 Total Cash and Equivalents	 2,750,026.77		2,750,026.77
Receivables:			
From Broker for Investments Sold	54,179.50		54,179.50
Investment Income	142,966.59		142,966.59
 Total Receivable	 197,146.09		197,146.09
Investments:			
Fixed Income	18,202,938.63		17,773,019.49
Equities	33,071,699.94		39,783,315.50
Pooled/Common/Commingled Funds:			
Equity	7,185,175.51		11,690,446.06
Real Estate	5,833,417.60		6,382,953.29
 Total Investments	 64,293,231.68		75,629,734.34
 Total Assets	 67,240,404.54		78,576,907.20
 <u>LIABILITIES</u>			
Payables:			
Refunds of Member Contributions	4,298.95		4,298.95
To Broker for Investments Purchased	22,018.01		22,018.01
Prepaid City Contribution	324,282.03		324,282.03
 Total Liabilities	 350,598.99		350,598.99
 NET POSITION RESTRICTED FOR PENSIONS	 66,889,805.55		78,226,308.21

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE YEAR ENDED SEPTEMBER 30, 2024  
Market Value Basis**

**ADDITIONS**

Contributions:

Member	727,940.95
City	940,645.13
State	1,133,058.87
 Total Contributions	 2,801,644.95

Investment Income:

Net Realized Gain (Loss)	1,032,940.85
Unrealized Gain (Loss)	10,835,340.36
Net Increase in Fair Value of Investments	11,868,281.21
Interest & Dividends	2,418,273.44
Less Investment Expense <sup>1</sup>	(287,569.15)
 Net Investment Income	 13,998,985.50
 Total Additions	 16,800,630.45

**DEDUCTIONS**

Distributions to Members:

Benefit Payments	4,706,014.15
Lump Sum DROP Distributions	0.00
Lump Sum Share Distributions	82,721.29
Refunds of Member Contributions	134,682.80
 Total Distributions	 4,923,418.24
 Administrative Expense	 117,283.74
 Total Deductions	 5,040,701.98
 Net Increase in Net Position	 11,759,928.47

**NET POSITION RESTRICTED FOR PENSIONS**

Beginning of the Year	66,466,379.74
End of the Year	78,226,308.21

<sup>1</sup>Investment related expenses include investment advisory, custodial and performance monitoring fees.

**ACTUARIAL ASSET VALUATION**  
**SEPTEMBER 30, 2024**

Actuarial Assets for funding purposes are developed by increasing the Actuarial Assets used in the most recent actuarial valuation of the Fund by the average annual market value rate of return (net of investment related expenses) for the past four years. Actuarial Assets shall not be less than 80% nor greater than 120% of Market Value of Assets.

Details of the derivation are set forth as follows:

Plan Year End	Rate of Return <sup>1</sup>
09/30/2021	24.12%
09/30/2022	-15.51%
09/30/2023	9.30%
09/30/2024	21.45%

Annualized Rate of Return for prior four (4) years: 8.62%

(A) 10/01/2023 Actuarial Assets, including Prepaid Contributions: \$71,996,324.50

(I) Net Investment Income:

1. Interest and Dividends	2,418,273.44
2. Realized Gain (Loss)	1,032,940.85
3. Unrealized Gain (Loss)	10,835,340.36
4. Change in Actuarial Value	(7,880,147.36)
5. Investment Related Expenses	(287,569.15)
Total	6,118,838.14

(B) 10/01/2024 Actuarial Assets, including Prepaid Contributions: \$76,064,594.64

Actuarial Asset Rate of Return =  $2I/(A+B-I)$ , based on Unlimited Actuarial Assets: 8.62%

10/01/2024 Limited Actuarial Assets \$75,740,312.61

10/01/2024 Market Value of Assets \$78,226,308.21

Actuarial Asset Rate of Return, based on Limited Actuarial Assets: 8.62%

Actuarial Gain/(Loss) due to Investment Return (Limited Actuarial Asset Basis) \$972,483.56

<sup>1</sup>Market Value Basis, net of investment related expenses.

**CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS**  
**SEPTEMBER 30, 2024**  
**Actuarial Asset Basis**

**REVENUES**

Contributions:	
Member	727,940.95
City	940,645.13
State	1,133,058.87
 Total Contributions	 2,801,644.95
 Earnings from Investments:	
Interest & Dividends	2,418,273.44
Net Realized Gain (Loss)	1,032,940.85
Unrealized Gain (Loss)	10,835,340.36
Change in Actuarial Value	(7,880,147.36)
 Total Earnings and Investment Gains	 6,406,407.29

**EXPENDITURES**

Distributions to Members:	
Benefit Payments	4,706,014.15
Lump Sum DROP Distributions	0.00
Lump Sum Share Distributions	82,721.29
Refunds of Member Contributions	134,682.80
 Total Distributions	 4,923,418.24
 Expenses:	
Investment related <sup>1</sup>	287,569.15
Administrative	117,283.74
 Total Expenses	 404,852.89
 Change in Net Assets for the Year	 3,879,781.11
 Net Assets Beginning of the Year	 71,860,531.50
 Net Assets End of the Year <sup>2</sup>	 75,740,312.61

<sup>1</sup>Investment related expenses include investment advisory, custodial and performance monitoring fees.

<sup>2</sup>Net Assets may be limited for actuarial consideration.

DEFERRED RETIREMENT OPTION PLAN ACTIVITY  
October 1, 2023 to September 30, 2024

Beginning of the Year Balance	499,480.52
Plus Additions	143,806.92
Investment Return Earned	41,625.47
Less Distributions	0.00
End of the Year Balance	684,912.91

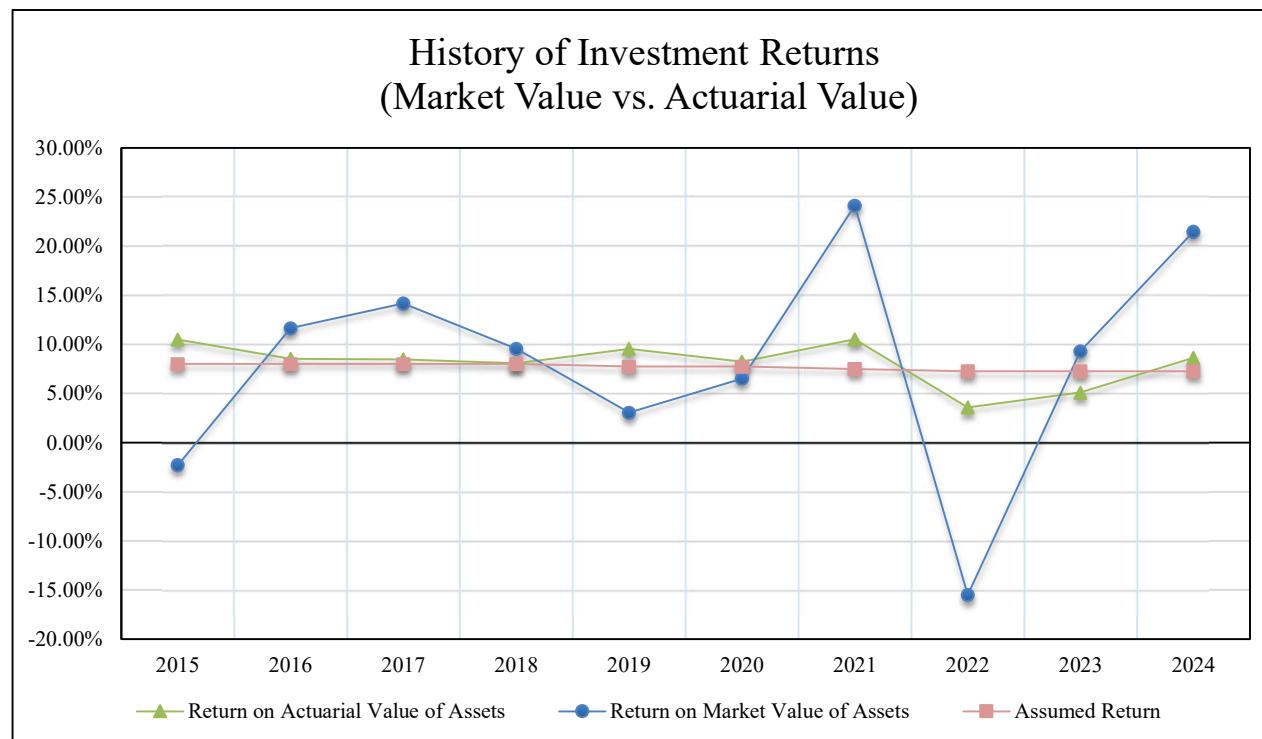
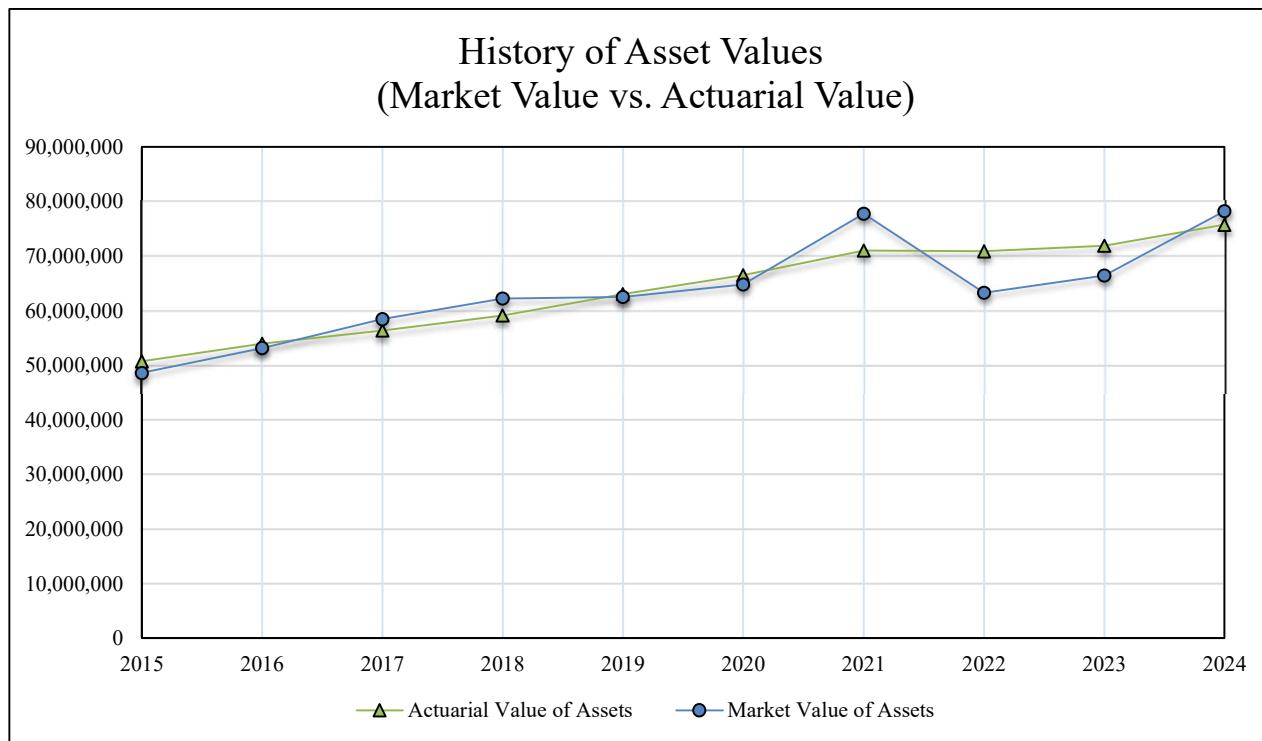
SUPPLEMENTAL CHAPTER 175/185 SHARE PLAN ACTIVITY  
October 1, 2023 through September 30, 2024

9/30/2023 Balance	1,705,635.44
Prior Year Adjustment	(15,370.28)
Plus Additions	0.00
Investment Return Earned (Est.)	344,818.00
Administrative Fees (Est.)	0.00
Less Distributions	<u>(82,721.29)</u>
9/30/2024 Balance (Est.)	1,952,361.87

RECONCILIATION OF CITY SHORTFALL/(PREPAID) CONTRIBUTION  
FOR THE FISCAL YEAR ENDED (FYD) SEPTEMBER 30, 2024

(1) Required City and State Contributions	\$2,073,704.00
(2) Less Allowable State Contribution	<u>(1,133,058.87)</u>
(3) Required City Contribution for Fiscal 2024	940,645.13
(4) Less 2023 Prepaid Contribution	(129,855.30)
(5) Less Actual City Contributions	<u>(1,135,071.86)</u>
(6) Equals City's Shortfall/(Prepaid) Contribution as of September 30, 2024	(\$324,282.03)

## HISTORY OF ASSET VALUES AND INVESTMENT RETURNS



## STATISTICAL DATA

	<u>10/1/2024</u>	<u>10/1/2023</u>	<u>10/1/2022</u>	<u>10/1/2021</u>
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### Actives

Number	156	157	145	141
Average Current Age	36.1	35.8	35.8	35.6
Average Age at Employment	27.3	27.4	27.1	27.1
Average Past Service	8.8	8.4	8.7	8.5
Average Annual Salary	\$69,164	\$64,102	\$59,203	\$56,483

### Service Retirees

Number	98	100	104	103
Average Current Age	67.1	66.8	66.4	65.6
Average Annual Benefit	\$38,531	\$36,814	\$36,819	\$37,408

### DROP Retirees

Number	3	2	2	2
Average Current Age	55.9	55.2	54.2	53.2
Average Annual Benefit	\$62,098	\$66,957	\$66,957	\$66,957

### Beneficiaries

Number	21	21	20	21
Average Current Age	67.3	68.4	67.6	67.8
Average Annual Benefit	\$24,940	\$24,930	\$24,819	\$23,775

### Disability Retirees

Number	14	14	13	12
Average Current Age	58.8	57.8	57.4	57.3
Average Annual Benefit	\$27,085	\$27,001	\$24,991	\$24,924

### Terminated Vested

Number	63	56	52	53
Average Current Age <sup>1</sup>	47.9	48.0	46.8	47.8
Average Annual Benefit <sup>1</sup>	\$17,336	\$17,262	\$17,564	\$16,511

<sup>1</sup> The Average Current Age and Average Annual Benefit exclude participants awaiting a refund of contributions.

## AGE AND SERVICE DISTRIBUTION

### PAST SERVICE

AGE	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30+	Total
15 - 19												0
20 - 24	7	7	4	1	2							21
25 - 29	2	4	6	3	2	4						21
30 - 34	4	7	1	2	3	8	4					29
35 - 39		2	3	3		8	10	4				30
40 - 44		1			2		8	8	4			23
45 - 49	1			1		2	4	5	4			17
50 - 54						1		6	3	2		12
55 - 59	1							1	1			3
60 - 64												0
65+												0
Total	15	21	14	10	9	23	26	24	12	2	0	156

VALUATION PARTICIPANT RECONCILIATION

1. Active lives

a. Number in prior valuation 10/1/2023	157
b. Terminations	
i. Vested (partial or full) with deferred annuity	(1)
ii. Vested in refund of member contributions only	(4)
iii. Refund of member contributions or full lump sum distribution	(10)
c. Deaths	
i. Beneficiary receiving benefits	0
ii. No future benefits payable	0
d. Disabled	0
e. Retired	(1)
f. DROP	<u>(1)</u>
g. Continuing participants	140
h. New entrants / Rehires	16
i. Total active life participants in valuation	<u>156</u>

2. Non-Active lives (including beneficiaries receiving benefits)

	Service Retirees,	Vested Receiving Benefits	DROP Benefits	Receiving Death Benefits	Receiving Disability Benefits	Vested (Deferred Annuity)	Vested (Due Refund)	Total
a. Number prior valuation	100	2	1	21	14	25	31	193
Retired	2					(1)		1
DROP			1					1
Vested (Deferred Annuity)						1		1
Vested (Due Refund)							4	4
Hired/Terminated in Same Year							5	5
Death, With Survivor	(2)			(2)				(4)
Death, No Survivor	(2)			2				0
Disabled								0
Refund of Contributions						(2)	(2)	
Rehires								0
Expired Annuities								0
Data Corrections								0
b. Number current valuation	98	3	1	21	14	25	38	199

SUMMARY OF CURRENT PLAN  
(Through Ordinance 46-2023)

Original Effective Date	December 30, 1966.
Credited Service	Years and fractional parts of years of service with the City as a Police Officer or Firefighter.
Salary	<p><i>Before June 1, 2013 (and for Members eligible for Normal Retirement as of that date):</i></p> <p>Gross earnings including overtime pay, and tax exempt, tax sheltered or tax deferred items of income.</p> <p><i>After June 1, 2013:</i></p> <p>Police Officers: Base pay, special duty incentives paid, and educational incentive pay (not to exceed \$6,750 per year), excluding overtime and all other forms of compensation.</p> <p>Firefighters: Base pay, certification and certain types of incentive pay (not to exceed \$6,750 per year). Excludes overtime and any other forms of compensation.</p> <p>For purposes of determining the frozen accrued benefit as of June 1, 2013 Salary includes payment of accumulated leave that would have been included in salary if the Member retired prior to June 1, 2013, however the leave balance shall be reduced by leave used subsequent to June 1, 2013.</p>
Average Final Compensation	<p><i>Before June 1, 2013 (and for Members eligible for Normal Retirement as of that date):</i> Average of Salary during the highest three (3) years out of the last ten (10) years.</p> <p><i>After June 1, 2013:</i> Average of Salary during the highest five (5) years out of the last ten (10) years.</p>

## Normal Retirement

### *Benefit for Service Prior to June 1, 2013:*

Date	First of the month coinciding with or following the earlier of age 55 and the completion of ten (10) years of Credited Service or the completion of 25 years of Credited Service regardless of age.
Benefit	3.0% of Average Final Compensation (Before June 1, 2013) times Credited Service.
Form of Benefit	Ten Year Certain and Life Annuity (options available).

### *Benefit Accrued for Service After June 1, 2013:*

Date	Remains the same for those with at least ten (10) years of service as of this date.
	Otherwise, first of the month coinciding with or following the earlier of age 55 and the completion of ten (10) years of Credited Service or the completion of 25 years of Credited Service regardless of age.
Benefit	2.75% of Average Final Compensation times Credited Service.
Form of Benefit	Ten Year Certain and Life Annuity (options available).

Members eligible for retirement prior to June 1, 2013 will continue to follow the same structure as before these amendments were adopted.

## Early Retirement

Eligibility	With at least 10 years of Credited Service, age 50.
Benefit	Same as for Normal Retirement but reduced 3% per year prior to age 55 to reflect early payment.

## Vesting

Schedule	<i>Before June 1, 2013:</i> 0% for first 7 years, 100% after 8 years.  <i>After June 1, 2013:</i> 100% for 10 years (All Members are 100% vested in their frozen accrued benefit as of June 1, 2013).
Benefit	Before June 1, 2013: Frozen vested accrued benefit as of June 1, 2013 paid beginning at age 55.

	After June 1, 2013: Vested Accrued benefit based on Service earned after June 1, 2013.
	Terminated Vested Members may elect a refund of contributions or a monthly annuity payable upon reaching age 55.
	Non-vested Members receive a refund of contributions.
Disability	
Eligibility	Total and permanent (as determined by the Board). Members covered from date of hire (Service incurred) or after completion of 10 years of Credited Service (Non-Service incurred).
Benefit	Accrued Benefit (determined as for Normal Retirement). Benefit shall not be less than 50% of Average Final Compensation for service incurred disability.
Form of Benefit	Paid for life and ten years certain, or until recovery (as determined by the Board); optional forms of payment are available.
Maximum	Total of Plan and Workers Compensation benefits shall not exceed 100% of Average Monthly Wage.
Cost-of-Living Adjustment	
Eligibility	Normal and Early Retirees (and Disability Retirees who otherwise meet the requirements for Normal or Early Retirement at the time of Disability Retirement) hired before June 1, 2013.
Benefit	1.277% automatic lifetime COLA, beginning the first October 1 following one full year of retirement. For Members not eligible for Normal Retirement as of June 1, 2013 shall only apply to credited service earned prior to June 1, 2013.
Death Benefits	
Service Incurred	Coverage from date of employment; beneficiary receives greater of accrued benefit or 50% of Average Final Compensation for life, with a maximum payment period of 25 years for non-spouse beneficiaries only.
Non-Service Incurred	Coverage after 8 years of service; same benefit as Service Incurred.
Contributions	

Members	7% of Salary.
State	Tax on premiums for fire and casualty insurance issued to residents of the City as provided in Chapters 175 and 185, Florida Statutes.
City	Remaining amount necessary to pay the Normal Cost and fund the accrued, past service liability over 30 years.
Board of Trustees	Police Chief, Fire Chief, Commander designated by Police Chief, Division Chief designated by Fire Chief, Two elected Members from each Department, one citizen selected by a majority of other Members and appointed by the City Council as a ministerial duty.
<b>Deferred Retirement Option Plan</b>	
Eligibility	The original DROP is closed to any new participants after July 2, 2013. A subsequent program "DROP II" is available to participants effective December 10, 2019.
Participation	Not more than 72 months.
Rate of Return (DROP II)	The Account is credited with the actual net rate of investment return (total return net of investment management fees, brokerage commissions and transaction costs) minus 2% after each fiscal year end. The annual return is subject to a minimum of 0% and a maximum equal to the current valuation investment return assumption as adopted by the Board.
Form of Distribution	Cash lump sum (options available) payable at termination of employment.

#### Chapter 175 Share Plan (Firefighters)

Allocation	Each plan year following a year in which the funded ratio is 90% or greater, 50% of premium tax monies received pursuant to Chapter 175, Florida Statutes will be allocated to individual Member Share accounts in equal shares.
Investment Earnings	Net rate of investment return.
Distribution	Lump sum payable following termination of employment, if vested.
Vesting Service Requirement	Same as for other benefits (see above).

## Chapter 185 Share Plan (Police Officers)

### Allocation

Each plan year following a year in which the funded ratio is 90% or greater, 50% of premium tax monies received pursuant to Chapter 185, Florida Statutes will be allocated to individual Member Share accounts for all police officers, including DROP members, who are active members of the pension plan as of October 1, 2019 and have completed one (1) year of credited service. The allocation is based on years of service (see Allocation Table).

### Allocation Table

Shares allocated to members according to table below.

Years of Service	Shares
1 - 4	1
5 - 9	2
10 - 14	3
15 - 19	4
20 - 24	5
25+	6

### Investment Earnings

Net rate of investment return.

### Distribution

Lump sum payable following termination of employment, if vested.

### Vesting Service Requirement

Same as for other benefits (see above).