

City of Starke Firefighters' Retirement System

CHAPTER 112.664, F.S. COMPLIANCE REPORT

In Connection with the October 1, 2024 Funding Actuarial Valuation Report and the System's Financial Reporting for the Year Ended September 30, 2024





August 28, 2025

Board of Trustees
c/o Mr. Scott Baur
Resource Centers, LLC
City of Starke Firefighters' Retirement System
4360 Northlake Blvd. Suite 206
Palm Beach Gardens, Florida 33410

Re: October 1, 2024 Chapter 112.664 Compliance Report

Dear Board Members:

Gabriel, Roeder, Smith & Company (GRS) has been engaged by the Board of Trustees (Board) of the City of Starke Firefighters' Retirement System (System) to prepare a disclosure report to satisfy the requirements set forth in Chapter 112.664, F.S. and as further required pursuant to Chapter 60T-1.0035, F.A.C.

This report was prepared at the request of the Board and is intended for use by the Board and those designated or approved by the Board. This report may be provided to parties other than the Board only in its entirety and only with the permission of the Board. GRS is not responsible for unauthorized use of this report.

The purpose of the report is to provide the required information specified in Chapter 112.664, F.S. and to supplement this information with additional exhibits. This report should not be relied on for any purpose other than the purpose described above.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: System 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 System's funded status); and changes in System provisions or applicable law. The scope of this engagement does not include an analysis of the potential range of such measurements.

This report was based upon information furnished by the City and the Board concerning System benefits, System provisions and System members as used in the corresponding Actuarial Valuation Reports for the Valuation Dates indicated. Financial information was provided by the City and Board as of September 30, 2024. We reviewed the information provided for internal and year-to-year consistency, but did not audit the data. The System is responsible for the accuracy of the data.

Except where specific assumptions are required by Chapter 112.664, F.S, this report was prepared using actuarial assumptions adopted by the Board as described in Section C. The economic and non-prescribed demographic actuarial assumptions are based upon the results of an actuarial experience study for the period October 1, 2014 – September 30, 2019. The mortality assumptions are prescribed by statute. Each assumption represents an estimate of future System experience. All actuarial assumptions used in this report are reasonable for the purposes of this valuation. The combined effect of the assumptions is expected to have no significant bias (i.e. not significantly optimistic or pessimistic). All actuarial assumptions and methods used in the valuation follow the guidance in the applicable Actuarial Standards of Practice.

The investment return assumption of 2% higher than the investment return assumption utilized in the Actuarial Valuation Report does not represent an estimate of future System experience nor observation of the estimates inherent in market data. This assumption is provided as a counterpart to the Chapter 112.664, F.S. requirement to utilize an investment return assumption of 2% lower than the investment return assumption utilized in the Actuarial Valuation Report. The inclusion of the additional 2% higher assumption shows a more complete assessment of the range of potential results as opposed to the *one-sided* range required by statute.

If all actuarial assumptions are met and if all current and future minimum required contributions are paid System assets will be sufficient to pay all System benefits, future contributions are expected to remain relatively stable as a percent of payroll and the funded status is expected to improve. System minimum required contributions are determined in compliance with the requirements of the Florida Protection of Public Employee Retirement Benefits Act and Firefighters Retirement Chapter 175 with normal cost determined as a level percent of covered payroll and a level percent of pay amortization payment using a maximum amortization period of 30 years.

The System's funded ratio as of October 1, 2024 is 91.3% defined as the ratio of the market value of System assets to the actuarial accrued liability.

The System's funded ratio and the GASB Net Pension Liability may not be appropriate for assessing the sufficiency of System assets to meet the estimated cost of settling benefit obligations but may be appropriate for assessing the need for or the amount of future contributions.

This report was prepared using our proprietary valuation model and related software which in our professional judgment has the capability to provide results that are consistent with the purposes of the valuation and has no material limitations or known weaknesses. We performed tests to ensure that the model reasonably represents that which is intended to be modeled.

The undersigned are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.



The signing actuaries are independent of the System sponsor.

This report has been prepared by actuaries who have substantial experience valuing public employee retirement systems. To the best of our knowledge the information contained in this report is accurate and presents the actuarial position of the System as of the valuation date as required by statute. All calculations have been made in conformity with generally accepted actuarial principles and practices, with the Actuarial Standards of Practice issued by the Actuarial Standards Board and with applicable statutes.

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 us or under our direct supervision and we acknowledge responsibility for the results. To the best of our knowledge, the results are complete and accurate, and in our opinion, meet the requirements of Section 112.664(1), F.S., and Section 60T-1.0035, F.A.C.

Sincerely,

GABRIEL, ROEDER, SMITH AND COMPANY

By Michelle Jones
Shelly L. Jones, M.A.A.A.
Enrolled Actuary No. 23-08646
Consultant & Actuary

By Jennifer Borregard
Jennifer M. Borregard, M.A.A.A.
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Consultant & Actuary



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SECTION A

CHAPTER 112.664, F.S. RESULTS

Net Pension Liability
Using Financial Reporting Assumptions per GASB Statements No. 67 and No. 68
and Using Assumptions Required Under 112.664(1)(a), F.S.

Measurement Date	September 30, 2024
A. <u>Total Pension Liability (TPL)</u>	
Service Cost	\$ 157,666
Interest	547,418
Benefit Changes	0
Difference Between Actual and Expected Experience	617,680
Assumption Changes	0
Benefit Payments	(362,076)
Contribution Refunds	0
Other	0
Net Change in Total Pension Liability	\$ 960,688
Total Pension Liability (TPL) - (beginning of year)	6,548,955
Total Pension Liability (TPL) - (end of year)	<u>\$ 7,509,643</u>
B. <u>System Fiduciary Net Position</u>	
Contributions - City	\$ 177,329
Contributions - State	55,639
Contributions - Member	27,183
Net Investment Income	1,390,928
Benefit Payments	(362,076)
Contribution Refunds	0
Administrative Expenses	(98,239)
Other	0
Net Change in System Fiduciary Net Position	\$ 1,190,764
System Fiduciary Net Position - (beginning of year)	5,031,978
System Fiduciary Net Position - (end of year)	<u>\$ 6,222,742</u>
C. <u>Net Pension Liability (NPL) - (end of year): (A) - (B)</u>	\$ 1,286,901
Valuation Date	October 1, 2023

Certain Key Assumptions

Investment Return Assumption 7.25%

Mortality Table:

For healthy participants during employment, PUB-2010 Headcount Weighted Safety Employee Female Mortality Table and Safety Below Median Employee Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For healthy participants post employment, PUB-2010 Headcount Weighted Safety Healthy Retiree Female Mortality Table and Safety Below Median Healthy Retiree Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For disabled participants, 80% PUB-2010 Headcount Weighted General Disabled Retiree Mortality Table / 20% PUB-2010 Headcount Weighted Safety Disabled Retiree Mortality Table, separate rates for males and females, without projected mortality improvements.



Net Pension Liability
Using Assumptions Required Under 112.664(1)(b), F.S.

Measurement Date	September 30, 2024
A. <u>Total Pension Liability (TPL)</u>	
Service Cost	\$ 258,528
Interest	517,966
Benefit Changes	0
Difference Between Actual and Expected Experience	799,488
Assumption Changes	0
Benefit Payments	(362,076)
Contribution Refunds	0
Other	0
Net Change in Total Pension Liability	\$ 1,213,906
Total Pension Liability (TPL) - (beginning of year)	8,354,487
Total Pension Liability (TPL) - (end of year)	\$ 9,568,393
B. <u>System Fiduciary Net Position</u>	
Contributions - City	\$ 177,329
Contributions - State	55,639
Contributions - Member	27,183
Net Investment Income	1,390,928
Benefit Payments	(362,076)
Contribution Refunds	0
Administrative Expenses	(98,239)
Other	0
Net Change in System Fiduciary Net Position	\$ 1,190,764
System Fiduciary Net Position - (beginning of year)	5,031,978
System Fiduciary Net Position - (end of year)	\$ 6,222,742
C. <u>Net Pension Liability (NPL) - (end of year): (A) - (B)</u>	\$ 3,345,651
Valuation Date	October 1, 2023

Certain Key Assumptions

Investment Return Assumption 5.25%

Mortality Table:

For healthy participants during employment, PUB-2010 Headcount Weighted Safety Employee Female Mortality Table and Safety Below Median Employee Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For healthy participants post employment, PUB-2010 Headcount Weighted Safety Healthy Retiree Female Mortality Table and Safety Below Median Healthy Retiree Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For disabled participants, 80% PUB-2010 Headcount Weighted General Disabled Retiree Mortality Table / 20% PUB-2010 Headcount Weighted Safety Disabled Retiree Mortality Table, separate rates for males and females, without projected mortality improvements.



Net Pension Liability

Using Assumptions Required Under 112.664(1)(a), F.S. Plus 2% on Investment Return Assumption

Measurement Date	September 30, 2024
A. <u>Total Pension Liability (TPL)</u>	
Service Cost	\$ 98,576
Interest	552,119
Benefit Changes	0
Difference Between Actual and Expected Experience	499,270
Assumption Changes	0
Benefit Payments	(362,076)
Contribution Refunds	0
Other	0
Net Change in Total Pension Liability	\$ 787,889
Total Pension Liability (TPL) - (beginning of year)	5,273,474
Total Pension Liability (TPL) - (end of year)	\$ 6,061,363
B. <u>System Fiduciary Net Position</u>	
Contributions - City	\$ 177,329
Contributions - State	55,639
Contributions - Member	27,183
Net Investment Income	1,390,928
Benefit Payments	(362,076)
Contribution Refunds	0
Administrative Expenses	(98,239)
Other	0
Net Change in System Fiduciary Net Position	\$ 1,190,764
System Fiduciary Net Position - (beginning of year)	5,031,978
System Fiduciary Net Position - (end of year)	\$ 6,222,742
C. <u>Net Pension Liability (NPL) - (end of year): (A) - (B)</u>	\$ (161,379)
Valuation Date	October 1, 2023

Certain Key Assumptions

Investment Return Assumption 9.25%

Mortality Table:

For healthy participants during employment, PUB-2010 Headcount Weighted Safety Employee Female Mortality Table and Safety Below Median Employee Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For healthy participants post employment, PUB-2010 Headcount Weighted Safety Healthy Retiree Female Mortality Table and Safety Below Median Healthy Retiree Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For disabled participants, 80% PUB-2010 Headcount Weighted General Disabled Retiree Mortality Table / 20% PUB-2010 Headcount Weighted Safety Disabled Retiree Mortality Table, separate rates for males and females, without projected mortality improvements.



Asset and Benefit Payment Projection
Not Reflecting Any Future Contributions
Using Financial Reporting Assumptions per GASB Statements No. 67 and No. 68
and Using Assumptions Required Under 112.664(1)(a), F.S.

FYE	Market Value of Assets (BOY)	Expected Investment Return	Projected Benefit Payments	Market Value of Assets (EOY)
2025	\$ 6,002,419	\$ 423,766	\$ 293,661	\$ 6,132,524
2026	6,132,524	432,437	313,264	6,251,697
2027	6,251,697	440,300	333,269	6,358,728
2028	6,358,728	447,245	354,258	6,451,715
2029	6,451,715	453,099	377,079	6,527,735
2030	6,527,735	457,676	401,143	6,584,268
2031	6,584,268	460,942	422,576	6,622,634
2032	6,622,634	462,951	442,453	6,643,132
2033	6,643,132	463,516	466,181	6,640,467
2034	6,640,467	462,388	490,228	6,612,627
2035	6,612,627	459,434	514,317	6,557,744
2036	6,557,744	454,664	534,670	6,477,738
2037	6,477,738	448,458	545,102	6,381,094
2038	6,381,094	441,192	551,782	6,270,504
2039	6,270,504	433,031	555,478	6,148,057
2040	6,148,057	424,096	556,948	6,015,205
2041	6,015,205	414,456	557,172	5,872,489
2042	5,872,489	404,099	557,437	5,719,151
2043	5,719,151	393,090	554,649	5,557,592
2044	5,557,592	381,521	550,941	5,388,172
2045	5,388,172	369,390	547,030	5,210,532
2046	5,210,532	356,728	541,443	5,025,817
2047	5,025,817	343,648	533,416	4,836,049
2048	4,836,049	330,326	522,185	4,644,190
2049	4,644,190	316,839	511,313	4,449,716
2050	4,449,716	303,206	499,309	4,253,613
2051	4,253,613	289,510	485,891	4,057,232
2052	4,057,232	275,851	471,000	3,862,083
2053	3,862,083	262,352	454,265	3,670,170
2054	3,670,170	249,097	437,332	3,481,935

Number of years for which current market value of assets are adequate to sustain the payment of expected retirement benefits reflecting no contributions from the City, Members or State: All Future Years

Certain Key Assumptions

Investment return assumption 7.25%

Mortality Table:

For healthy participants during employment, PUB-2010 Headcount Weighted Safety Employee Female Mortality Table and Safety Below Median Employee Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For healthy participants post employment, PUB-2010 Headcount Weighted Safety Healthy Retiree Female Mortality Table and Safety Below Median Healthy Retiree Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For disabled participants, 80% PUB-2010 Headcount Weighted General Disabled Retiree Mortality Table / 20% PUB-2010 Headcount Weighted Safety Disabled Retiree Mortality Table, separate rates for males and females, without projected mortality improvements.

Note: As required in Section 112.664(1)(c) of the Florida Statutes, the projection of System assets does not include future contributions from the City, Members or State. For this reason, this projection should not be viewed as representative of the amount of time the System can sustain benefit payments. Under the Government Accounting Standards Board standards which include City, Member and State contributions, the System is expected to be able to pay all future benefit payments.



Asset and Benefit Payment Projection
Not Reflecting Any Future Contributions
Using Assumptions Required Under 112.664(1)(b), F.S.

FYE	Market Value of Assets (BOY)	Expected Investment Return	Projected Benefit Payments	Market Value of Assets (EOY)
2025	\$ 6,002,419	\$ 306,841	\$ 293,661	\$ 6,015,599
2026	6,015,599	306,980	313,264	6,009,315
2027	6,009,315	306,086	333,269	5,982,132
2028	5,982,132	304,066	354,258	5,931,940
2029	5,931,940	300,787	377,079	5,855,648
2030	5,855,648	296,103	401,143	5,750,608
2031	5,750,608	289,984	422,576	5,618,016
2032	5,618,016	282,462	442,453	5,458,025
2033	5,458,025	273,393	466,181	5,265,237
2034	5,265,237	262,593	490,228	5,037,602
2035	5,037,602	249,963	514,317	4,773,248
2036	4,773,248	235,510	534,670	4,474,088
2037	4,474,088	219,509	545,102	4,148,495
2038	4,148,495	202,227	551,782	3,798,940
2039	3,798,940	183,771	555,478	3,427,233
2040	3,427,233	164,215	556,948	3,034,500
2041	3,034,500	143,591	557,172	2,620,919
2042	2,620,919	121,870	557,437	2,185,352
2043	2,185,352	99,081	554,649	1,729,784
2044	1,729,784	75,269	550,941	1,254,112
2045	1,254,112	50,406	547,030	757,488
2046	757,488	24,491	541,443	240,536
2047	240,536	2,318	533,416	-
2048	-	-	522,185	-
2049	-	-	511,313	-
2050	-	-	499,309	-
2051	-	-	485,891	-
2052	-	-	471,000	-
2053	-	-	454,265	-
2054	-	-	437,332	-

Number of years for which current market value of assets are adequate to sustain the payment of expected retirement benefits reflecting no contributions from the City, Members or State: 22.42

Certain Key Assumptions

Investment return assumption 5.25%

Mortality Table:

For healthy participants during employment, PUB-2010 Headcount Weighted Safety Employee Female Mortality Table and Safety Below Median Employee Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For healthy participants post employment, PUB-2010 Headcount Weighted Safety Healthy Retiree Female Mortality Table and Safety Below Median Healthy Retiree Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For disabled participants, 80% PUB-2010 Headcount Weighted General Disabled Retiree Mortality Table / 20% PUB-2010 Headcount Weighted Safety Disabled Retiree Mortality Table, separate rates for males and females, without projected mortality improvements.

Note: As required in Section 112.664(1)(c) of the Florida Statutes, the projection of System assets does not include future contributions from the City, Members or State. For this reason, this projection should not be viewed as representative of the amount of time the System can sustain benefit payments. Under the Government Accounting Standards Board standards which include City, Member and State contributions, the System is expected to be able to pay all future benefit payments.



Asset and Benefit Payment Projection
Not Reflecting Any Future Contributions
Using Assumptions Required Under 112.664(1)(a), F.S. Plus 2% on Investment Return Assumption

FYE	Market Value of Assets (BOY)	Expected Investment Return	Projected Benefit Payments	Market Value of Assets (EOY)
2025	\$ 6,002,419	\$ 540,709	\$ 293,661	\$ 6,249,467
2026	6,249,467	562,592	313,264	6,498,795
2027	6,498,795	584,666	333,269	6,750,192
2028	6,750,192	606,883	354,258	7,002,817
2029	7,002,817	629,123	377,079	7,254,861
2030	7,254,861	651,247	401,143	7,504,965
2031	7,504,965	673,323	422,576	7,755,712
2032	7,755,712	695,534	442,453	8,008,793
2033	8,008,793	717,771	466,181	8,260,383
2034	8,260,383	739,855	490,228	8,510,010
2035	8,510,010	761,755	514,317	8,757,448
2036	8,757,448	783,637	534,670	9,006,415
2037	9,006,415	806,151	545,102	9,267,464
2038	9,267,464	829,967	551,782	9,545,649
2039	9,545,649	855,517	555,478	9,845,688
2040	9,845,688	883,198	556,948	10,171,938
2041	10,171,938	913,365	557,172	10,528,131
2042	10,528,131	946,300	557,437	10,916,994
2043	10,916,994	982,407	554,649	11,344,752
2044	11,344,752	1,022,158	550,941	11,815,969
2045	11,815,969	1,065,939	547,030	12,334,878
2046	12,334,878	1,114,214	541,443	12,907,649
2047	12,907,649	1,167,592	533,416	13,541,825
2048	13,541,825	1,226,809	522,185	14,246,449
2049	14,246,449	1,292,524	511,313	15,027,660
2050	15,027,660	1,365,379	499,309	15,893,730
2051	15,893,730	1,446,154	485,891	16,853,993
2052	16,853,993	1,535,714	471,000	17,918,707
2053	17,918,707	1,635,027	454,265	19,099,469
2054	19,099,469	1,745,085	437,332	20,407,222

Number of years for which current market value of assets are adequate to sustain the payment of expected retirement benefits reflecting no contributions from the City, Members or State: All Future Years

Certain Key Assumptions

Investment return assumption 9.25%

Mortality Table:

For healthy participants during employment, PUB-2010 Headcount Weighted Safety Employee Female Mortality Table and Safety Below Median Employee Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For healthy participants post employment, PUB-2010 Headcount Weighted Safety Healthy Retiree Female Mortality Table and Safety Below Median Healthy Retiree Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For disabled participants, 80% PUB-2010 Headcount Weighted General Disabled Retiree Mortality Table / 20% PUB-2010 Headcount Weighted Safety Disabled Retiree Mortality Table, separate rates for males and females, without projected mortality improvements.

Note: As required in Section 112.664(1)(c) of the Florida Statutes, the projection of System assets does not include future contributions from the City, Members or State. For this reason, this projection should not be viewed as representative of the amount of time the System can sustain benefit payments. Under the Government Accounting Standards Board standards which include City, Member and State contributions, the System is expected to be able to pay all future benefit payments.



ACTUARIALLY DETERMINED CONTRIBUTION

	Valuation Assumptions and 112.664(1)(a), F.S. Assumptions	112.664(1)(b), F.S. Assumptions	112.664(1)(a), F.S. Assumptions Plus 2% on Investment Return Assumption
A. Valuation Date	October 1, 2024	October 1, 2024	October 1, 2024
B. Actuarial Determined Contribution to Be Paid During Fiscal Year Ending	September 30, 2026	September 30, 2026	September 30, 2026
C. Annual Payroll of Active Employees	\$ 522,361	\$ 522,361	\$ 522,361
D. Total Minimum Funding Requirement			
1. Total Normal Cost	\$ 189,929	\$ 263,136	\$ 146,628
2. Annual Payment to Amortize Unfunded Actuarial Liability	102,686	168,187	30,652
3. Interest Adjustment	<u>10,766</u>	<u>11,419</u>	<u>8,505</u>
4. Total Minimum Funding Requirement	\$ 303,381	\$ 442,742	\$ 185,785
E. Expected Payroll of Active Employees for Following Plan Year (\$ / % of pay) (C x 1.040)	\$ 543,255 104.00%	\$ 543,255 104.00%	\$ 543,255 104.00%
F. Expected Contribution Sources (\$ / % of pay)			
1. City (includes Member <i>Pick-Up</i>)	\$ 256,905 47.29%	\$ 401,841 73.97%	\$ 134,605 24.78%
2. Member	28,363 5.22%	28,363 5.22%	28,363 5.22%
3. State	<u>30,248 5.57%</u>	<u>30,248 5.57%</u>	<u>30,248 5.57%</u>
4. Total	\$ 315,516 58.08%	\$ 460,452 84.76%	\$ 193,216 35.57%

Unfunded Actuarial Accrued Liabilities Bases and Amortization Payments

Amortization Base		Amortization Payment				
		Current	Valuation and		112.664(1)(a), F.S.	
		Unfunded	112.664(1)(a), F.S.	112.664(1)(b),	Assumptions	Remaining
		Liabilities	Assumptions	F.S. Assumptions	Plus 2%	Funding Period
10/01/1995	Actuarial Loss / (Gain)	\$ (386)	\$ (386)	\$ (386)	\$ (386)	1 year
10/01/1995	Assumption and Method Change	1,291	1,291	1,291	1,291	1 year
10/01/1996	Actuarial Loss / (Gain)	115	59	58	59	2 years
10/01/1997	Actuarial Loss / (Gain)	(3,896)	(1,349)	(1,324)	(1,373)	3 years
10/01/1997	Assumption and Method Change	3,993	1,383	1,357	1,408	3 years
10/01/1998	Actuarial Loss / (Gain)	2,940	778	757	799	4 years
10/01/1999	Actuarial Loss / (Gain)	4,250	917	884	949	5 years
10/01/2000	Actuarial Loss / (Gain)	(647)	(118)	(113)	(124)	6 years
10/01/2001	Actuarial Loss / (Gain)	54,375	8,693	8,234	9,156	7 years
10/01/2001	System Amendment	9,192	1,470	1,392	1,548	7 years
10/01/2002	Actuarial Loss / (Gain)	43,087	6,139	5,764	6,519	8 years
10/01/2002	System Amendment	52,879	7,534	7,074	8,000	8 years
10/01/2003	Actuarial Loss / (Gain)	(43,202)	(5,572)	(5,186)	(5,964)	9 years
10/01/2003	System Amendment	3,341	431	401	461	9 years
10/01/2004	Actuarial Loss / (Gain)	5,108	604	557	651	10 years
10/01/2005	Actuarial Loss / (Gain)	68,179	7,458	6,825	8,109	11 years
10/01/2006	Actuarial Loss / (Gain)	(10,942)	(1,117)	(1,014)	(1,224)	12 years
10/01/2006	System Amendment	9,662	986	895	1,080	12 years
10/01/2007	Actuarial Loss / (Gain)	(22,773)	(2,184)	(1,966)	(2,410)	13 years
10/01/2008	Actuarial Loss / (Gain)	77,857	7,057	6,300	7,845	14 years
10/01/2009	Actuarial Loss / (Gain)	156,563	13,478	11,935	15,091	15 years
10/01/2009	Assumption Change	45,988	3,959	3,506	4,433	15 years
10/01/2010	Actuarial Loss / (Gain)	164,855	13,538	11,892	15,264	16 years
10/01/2011	Actuarial Loss / (Gain)	95,214	7,487	6,525	8,500	17 years
10/01/2012	Actuarial Loss / (Gain)	(36,691)	(2,772)	(2,397)	(3,168)	18 years
10/01/2012	Assumption Change	(8,336)	(630)	(545)	(720)	18 years
10/01/2013	Actuarial Loss / (Gain)	(69,471)	(5,057)	(4,339)	(5,818)	19 years
10/01/2014	Actuarial Loss / (Gain)	(186,379)	(13,108)	(11,162)	(15,179)	20 years
10/01/2015	Actuarial Loss / (Gain)	175,634	11,963	10,110	13,940	21 years
10/01/2015	Assumption Change	17,223	1,173	991	1,367	21 years

Unfunded Actuarial Accrued Liabilities Bases and Amortization Payments

Amortization Base		Current Unfunded Liabilities	Amortization Payment			Remaining Funding Period
			Valuation and 112.664(1)(a), F.S. Assumptions	112.664(1)(b), F.S. Assumptions	112.664(1)(a), F.S. Assumptions Plus 2%	
10/01/2016	Actuarial Loss / (Gain)	113,824	7,524	6,311	8,823	22 years
10/01/2016	Assumption Change	(14,129)	(934)	(783)	(1,095)	22 years
10/01/2017	Actuarial Loss / (Gain)	171,015	10,993	9,153	12,968	23 years
10/01/2018	Actuarial Loss / (Gain)	(7,157)	(448)	(370)	(532)	24 years
10/01/2018	System Amendment	171,991	10,771	8,903	12,781	24 years
10/01/2019	Actuarial Loss / (Gain)	(91,486)	(5,590)	(4,587)	(6,672)	25 years
10/01/2019	Assumption Change	(82,308)	(5,029)	(4,127)	(6,003)	25 years
10/01/2020	Actuarial Loss / (Gain)	8,237	492	401	590	26 years
10/01/2020	Assumption Change	113,497	6,777	5,522	8,135	26 years
10/01/2021	Actuarial Loss / (Gain)	(153,193)	(8,951)	(7,242)	(10,804)	27 years
10/01/2022	Actuarial Loss / (Gain)	341,071	19,524	15,687	23,695	28 years
10/01/2022	System Amendment	124,674	7,137	5,734	8,661	28 years
10/01/2023	Actuarial Loss / (Gain)	677,574	38,046	30,359	46,418	29 years
10/01/2024	Actuarial Loss / (Gain)	(756,858)	(41,731)	(33,074)	(51,178)	30 years
10/01/2024	Assumption Change - 112.664(1)(b), F.S. Assumptions	1,784,584	N/A	77,984	N/A	30 years
10/01/2024	Assumption Change - 112.664(1)(a), F.S. Assumptions Plus 2%	(1,260,583)	N/A	N/A	(85,239)	30 years
TOTAL			\$ 102,686	\$ 168,187	\$ 30,652	

SECTION B

SUMMARY OF SYSTEM PROVISIONS

Outline of Principal Provisions of the Retirement System
(as of October 1, 2024)

A. Normal Retirement:

1. Eligibility

Earlier of:

- (a) Attainment of age 55 with completion of 10 years of Credited Service.
- (b) Completion of 25 years of Credited Service.

2. Mandatory Retirement Age

Age 60. Extensions granted with employer consent.

3. Amount of Pension

Total service times 3.50% of Final Average Salary. Maximum 100% of Final Average Salary.

4. Normal Form

The Normal Form of pension is a 10 year Certain and Life. Upon his or her death, 100% of the reduced benefit is continued for the remainder of the Certain period, if any. Optional forms are available on an actuarial equivalent basis.

5. Final Average Salary

Highest 3 consecutive years out of last 10. Salary includes base pay plus longevity pay and up to the first 250 hours of overtime per year. Lump sum payments paid at the time of retirement are not included in the determination of Final Average Salary.

B. Early Retirement:

1. Eligibility

Attainment of age 50 with completion of 10 years of Credited Service.

2. Amount of Pension

Computed as a Normal Retirement pension but reduced 3.0% for each year (0.25% for each month) that Early Retirement precedes the date the Member would have been eligible for Normal Retirement.

Outline of Principal Provisions of the Retirement System
(as of October 1, 2024)

C. Deferred Retirement:

1. Eligibility

10 or more years of Credited Service. Pension begins at age 55.

2. Benefit

Computed as a Normal Retirement pension but based upon service and Final Average Salary at time of termination.

D. Duty Disability Retirement:

1. Eligibility

No age or service requirement. Must be in receipt of worker's compensation.

Effective July 1, 2019, a Firefighter who becomes totally and permanently unable to perform useful and efficient service as a Firefighter due to a diagnosis of cancer or circumstances that arise out of the treatment of such cancer will be presumed to be duty disabled subject to the limitations in Chapter 112.1816, Florida Statutes.

2. Benefit

Computed as a Normal Retirement pension. Minimum benefit shall be 42% of Final Average Salary. Worker's compensation payments are offset, to the extent permitted by law.

E. Non-Duty Disability Retirement:

1. Eligibility

10 or more years of service.

2. Benefit

Computed as a Normal Retirement pension. Minimum benefit shall be 42% of Final Average Salary. Worker's compensation payments are offset, to the extent permitted by law.

F. Death Before Retirement:

1. Eligibility

10 or more years of service.

2. Benefit

Computed as a Normal Retirement pension but actuarially reduced in accordance with a 100% joint and survivor election.

Outline of Principal Provisions of the Retirement System
(as of October 1, 2024)

G. Deferred Retirement Option Plan (DROP):

Members may elect to freeze their retirement benefit at Normal Retirement eligibility, and continue working for a maximum of 5 years. The retirement benefit will be calculated as of the date the Member elects the DROP. This retirement benefit will be accumulated with interest at 4% during the DROP period in a DROP account. At actual termination, the Member can rollover the DROP account balance or receive the balance directly with appropriate tax consequences. The retirement benefit calculated as of the date of the DROP election becomes payable directly to the retiree or beneficiary thereafter. Member pick-up contributions will cease at the date of DROP election. Disability and death before retirement provisions will no longer apply to members who enter the DROP.

H. Post-Retirement Cost-of-Living Adjustments:

Effective October 1, 1994 all current retired Members and beneficiaries received an increase in their pension of \$75/month. Effective October 1, 2004, all current retired Members and beneficiaries received an increase in their pension of \$100/month. Effective October 1, 2022 all current retired members, DROP participants and beneficiaries received a pension increase of 5%.

I. Annual Holiday Bonus:

\$100

J. Member Contributions:

5.00% of annual salary for full-time Firefighters. 6.00% of annual salary for volunteer Firefighters. This amount is refunded upon termination. The City currently picks-up the former 5.00% Member contribution for full-time Firefighters. For all employees hired prior to December 31, 1999, this amount is refunded upon termination of membership with 3 or more years of Credited Service in the absence of a pension. For all employees hired after December 31, 1999, this amount is refunded upon termination of membership with 10 or more years of Credited Service in the absence of a pension. Should a Member die and no pension becomes or will become available, picked-up Member contributions will be refunded even if the required years of service have not been attained.

If you terminate employment and receive a refund of contributions, you forfeit any rights to future benefits from the Retirement System. The taxable portion of any refund you receive is subject to an automatic 20% withholding for Federal income tax purposes, and a possible 10% excise tax. These taxes can be avoided, however, if you roll the taxable portion over to an Individual Retirement Account (IRA) or another qualified employer plan. This rollover will result in no tax being due until you begin withdrawing funds from the IRA or other qualified employer plan. The rollover of the distribution, however, **MUST** be made directly by the System to your chosen IRA or other qualified employer plan.



Outline of Principal Provisions of the Retirement System
(as of October 1, 2024)

K. City Contributions:

Actuarially determined amounts which together with Member contributions and premium tax monies are sufficient to at least cover the requirements of the funding objective.

L. Premium Tax Monies:

A distribution of property insurance premium tax monies collected by the State pursuant to Chapter 175, Florida Statutes.

M. Forfeiture of Retirement Benefits:

Retirement benefits granted by the Retirement System are subject to forfeiture if an employee is convicted of an offense specified in Section 112.3173 and 175.195, Florida Statutes, pursuant to the procedures set forth in the cited statutes.

N. Claims Procedure:

Claims for benefits should be filed with the Board of Trustees at the City Clerk's office. If the claim is denied, you will be notified and informed of the procedure to request a hearing before the Board of Trustees. An applicant for benefits must appeal said denial within 60 days of being informed of the denial by filing an appeal with the Board at the City Clerk's office. If no appeal is filed within the time period then the denial shall be final.

O. Disclaimer:

The preceding summary briefly describes the principal benefits of the Retirement System. Detailed benefit conditions and limitations are contained in the Retirement Ordinance which establishes the System. The Internal Revenue Code, Florida Statutes, and the Ordinance all govern the operation of the System, and should be consulted before taking any action concerning your participation or benefits. In the case of any conflict between this summary and the provisions of the Ordinance or other applicable law, the Ordinance or other applicable law will prevail. Copies of the Ordinance are available at the City Clerk's office.

P. Change From Previous Valuation:

None.

SECTION C

ACTUARIAL ASSUMPTIONS AND COST METHODS USED FOR FUNDING

**Actuarial Assumptions and Actuarial Cost Methods Used in the Valuation
(as of October 1, 2024)**

A. Mortality

For healthy participants during employment, PUB-2010 Headcount Weighted Safety Employee Female Mortality Table and Safety Below Median Employee Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018.

For healthy participants post employment, PUB-2010 Headcount Weighted Safety Healthy Retiree Female Mortality Table and Safety Below Median Healthy Retiree Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018.

For disabled participants, 80% PUB-2010 Headcount Weighted General Disabled Retiree Mortality Table / 20% PUB-2010 Headcount Weighted Safety Disabled Retiree Mortality Table, separate rates for males and females, without projected mortality improvements.

Sample Ages (2024)	Pre-retirement Future Life Expectancy (Years)		Post-retirement Future Life Expectancy (Years)	
	Men	Women	Men	Women
55	30.78	34.62	27.96	31.53
60	25.82	29.54	23.36	26.73
62	23.88	27.53	21.61	24.88

Sample Ages (2044)	Pre-retirement Future Life Expectancy (Years)		Post-retirement Future Life Expectancy (Years)	
	Men	Women	Men	Women
55	32.42	36.10	29.86	33.36
60	27.39	30.99	25.15	28.48
62	25.43	28.96	23.35	26.59

B. Interest to be Earned by Fund

7.25%, compounded annually, net of investment expenses - includes inflation at 2.5%.

C. Allowances for Expenses or Contingencies

Administrative expenses are projected to continue at the same dollar amount as the average of the preceding three fiscal years, rounded to the nearest thousand.

D. Employee Withdrawal Rates

The rates do not apply to Members eligible to retire and do not include separation on account of death or disability. This estimate measures the probabilities of Members leaving employment.

**Actuarial Assumptions and Actuarial Cost Methods Used in the Valuation
(as of October 1, 2024)**

D. Employee Withdrawal Rates (Cont'd)

<u>Sample Ages</u>	<u>Years of Service</u>	<u>Withdrawal Rates Per 100 Employees</u>
ALL	0	9.0
	1	6.0
	2	4.0
	3	3.0
	4	2.5
Under 35	5 & Over	2.25
35 - 39		1.00
40 - 44		0.50
45 & Over		0.20

E. Disability Rates

These estimates represent the probabilities of active Members becoming disabled.

<u>Sample Ages</u>	<u>Percent Becoming Disabled Within Next Year</u>	
	<u>Male</u>	<u>Female</u>
20	0.07%	0.03%
25	0.09%	0.05%
30	0.10%	0.07%
35	0.14%	0.13%
40	0.21%	0.19%
45	0.32%	0.28%
50	0.52%	0.45%
55	0.92%	0.76%
60	1.53%	1.10%

75% of disabilities are assumed to be service incurred - 25% non-service incurred.

F. Salary Increase Factors

Employee salaries are estimated to increase between the date of hire and date of retirement. Salary increases occur in recognition of (i) individual merit and seniority, (ii) inflation-related depreciation of the purchasing power of salaries, and (iii) competition from other employers for personnel.

<u>Age</u>	<u>Salary Increase</u>
Under 35	5.0%
35 - 54	4.0%
55 & Over	3.5%

General increase in wage level due to inflation is 3%.

**Actuarial Assumptions and Actuarial Cost Methods Used in the Valuation
(as of October 1, 2024)**

G. Payroll Growth Assumption

4.0% per annum. For purposes of financing the unfunded liabilities, the payroll growth assumption is capped at the historical 10-year average (3.2% as of October 1, 2024) but not less than 0.0%.

H. Retirement Rates

These rates are used to measure the probabilities of an eligible Member retiring during the next year.

Retirement <u>Ages</u>	Percent <u>Retiring</u>
< 56	17%
56 - 63	10%
64	20%
65	100%

A Firefighter is eligible for retirement after 25 years of service or after attaining age 55 with 10 or more years of Credited Service.

A Firefighter is eligible for Early Retirement at age 50 with 10 or more years of Credited Service.

Benefits accruing after age 65 are offset by actuarial gains from the deferred retirement.

I. Asset Valuation Method

The method used for determining the smoothed actuarial value of assets phases in the deviation between the expected and actual return on assets at the rate of 25% per year. The smoothed actuarial value of assets will be further adjusted to the extent necessary to remain within the corridor whose lower and upper limits are 80% and 120%, respectively, of the fair market value of System assets.

J. Cost Method

Normal Retirement, Termination, Disability, and Death Benefits: Entry-Age-Normal Cost Method.

Under this method the normal cost for each active employee is the amount which is calculated to be a level percentage of pay that would be required annually from his entry age to his assumed retirement age to fund his estimated benefits, assuming the System had always been in effect. The normal cost for the System is the sum of such amounts for all employees. The actuarial accrued liability as of any valuation date for each active employee or inactive employee who is eligible to receive benefits under the System is the excess of the actuarial present value of estimated future benefits over the actuarial present value of current and future normal costs. The unfunded actuarial accrued liability as of any valuation date is the excess of the actuarial accrued liability over the assets of the System.

Vested Normal Retirement, Termination, Disability, and Death Benefits: Unit Credit Cost Method

Under this method, the actuarial present value of vested accrued benefits is an amount calculated to be the sum of the present values of each individual's vested accrued or earned benefit under the Plan as of the valuation date. Each individual's calculation is based on pay and service as of the valuation date.

**Actuarial Assumptions and Actuarial Cost Methods Used in the Valuation
(as of October 1, 2024)**

K. Disclosure of Assumptions

The investment return, salary increases, payroll growth assumption, withdrawal and retirement rates were updated based on the most recent experience study performed for the five years ending September 30, 2019. The mortality rates are based upon the July 1, 2023 FRS Actuarial Valuation, as required under F.S., Chapter 2015-157.

L. Changes From Previous Valuation

None.

M. Technical Assumptions

1. Pay Increase Timing:

Beginning of (Fiscal) year. This is equivalent to assuming that reported pays represent amounts paid to members during the year ended on the valuation date.

2. Decrement Timing:

Decrements are assumed to occur mid-year.

3. Eligibility Testing:

Eligibility for benefits is determined based upon the age nearest birthday and service nearest whole year on the date the decrement is assumed to occur.

4. Benefit Service:

Exact fractional service is used to determine the amount of benefit payable.

5. Decrement Relativity:

Decrement rates are used directly from tabular rates - no adjustment for multiple decrement table effects.

6. Decrement Operation:

Disability and mortality decrements do not operate during the first 5 years of service. Disability and withdrawal do not operate during periods of retirement eligibility.

7. Incidence of Contributions:

Contributions are assumed to be received continuously throughout the year based upon the computed percent of payroll shown in this report, and the actual payroll payable at the time contributions are made. New entrant normal cost contributions are applied to the funding of new entrant benefits.

8. Marriage Assumption:

100% of Members are assumed to be married. Male spouses are assumed to be three years older than female spouses.

**Actuarial Assumptions and Actuarial Cost Methods Used in the Valuation
(as of October 1, 2024)**

M. Technical Assumptions (cont'd)

9. Normal Form of Benefit:

The assumed Normal Form of benefit is a benefit payable for life with 10 years of guaranteed payments. Optional forms are available on an actuarial equivalent basis for Normal Retirement.

10. Actuarial Equivalence Basis for Optional Forms of Payment:

7.5% interest and the RP 2000 Combined Healthy Male Mortality Table with Blue Collar adjustment projected to the fiscal year that contains the benefit commencement date for participants and the RP 2000 Combined Healthy Female Mortality Table projected to the fiscal year that contains the benefit commencement date for beneficiaries. Disabled lives are set forward 5 years.

11. Duty and Non-Duty Related Assumption:

50% are assumed in-service and 50% are assumed non-service for pre-retirement death benefits.

12. Vested Members:

Vested Members who terminate with a benefit worth less than 100% of their accumulated employee contribution balance are assumed to withdraw the balance of their accumulated employee contributions and forfeit any vested benefit.

13. Salary:

Salary reported for the Actuarial Valuation includes all amounts included in the Final Average Compensation for benefit purposes.

SECTION D

GLOSSARY

GLOSSARY

<i>Actuarial Accrued Liability</i>	The difference between the Actuarial Present Value of Future Benefits, and the Actuarial Present Value of Future Normal Costs.
<i>Actuarial Assumptions</i>	Assumptions about future plan experience that affect costs or liabilities, such as: mortality, withdrawal, disablement, and retirement; future increases in salary; future rates of investment earnings; future investment and administrative expenses; characteristics of members not specified in the data, such as marital status; characteristics of future members; future elections made by members and other items.
<i>Actuarial Cost Method</i>	A procedure for allocating the Actuarial Present Value of Future Benefits between the Actuarial Present Value of Future Normal Costs and the Actuarial Accrued Liability.
<i>Actuarial Equivalent</i>	Of equal Actuarial Present Value, determined as of a given date and based on a given set of Actuarial Assumptions.
<i>Actuarial Present Value</i>	The amount of funds required to provide a payment or series of payments in the future. It is determined by discounting the future payments with an assumed interest rate and with the assumed probability each payment will be made.
<i>Actuarial Present Value of Future Benefits</i>	The Actuarial Present Value of amounts which are expected to be paid at various future times to active members, retired members, beneficiaries receiving benefits and inactive, non-retired members entitled to either a refund or a future retirement benefit. Expressed another way, it is the value that would have to be invested on the valuation date so that the amount invested plus investment earnings would provide sufficient assets to pay all projected benefits and expenses when due.
<i>Actuarial Valuation</i>	The determination, as of a valuation date, of the Normal Cost, Actuarial Accrued Liability, Actuarial Value of Assets, and related Actuarial Present Values for a plan. An Actuarial Valuation for a governmental retirement system typically also includes calculations of items needed for compliance with GASB No. 67.
<i>Actuarial Value of Assets</i>	The value of the assets as of a given date, used by the actuary for valuation purposes. This may be the market or fair value of plan assets or a smoothed value in order to reduce the year-to-year volatility of calculated results, such as the funded ratio and the actuarially required contribution.

<i>Amortization Method</i>	A method for determining the Amortization Payment. The most common methods used are level dollar and level percentage of payroll. Under the Level Dollar method, the Amortization Payment is one of a stream of payments, all equal, whose Actuarial Present Value is equal to the UAAL. Under the Level Percentage of Pay method, the Amortization Payment is one of a stream of increasing payments, whose Actuarial Present Value is equal to the UAAL. Under the Level Percentage of Pay method, the stream of payments increases at the rate at which total covered payroll of all active members is assumed to increase.
<i>Amortization Payment</i>	That portion of the plan contribution which is designed to pay interest on and to amortize the Unfunded Actuarial Accrued Liability.
<i>Amortization Period</i>	The period used in calculating the Amortization Payment.
<i>Annual Required Contribution</i>	The employer's periodic required contributions, expressed as a dollar amount or a percentage of covered plan compensation. The annual required contribution consists of the Employer Normal Cost and Amortization Payment plus interest adjustment.
<i>Closed Amortization Period</i>	A specific number of years that is reduced by one each year, and declines to zero with the passage of time. For example if the amortization period is initially set at 30 years, it is 29 years at the end of one year, 28 years at the end of two years, etc.
<i>Employer Normal Cost</i>	The portion of the Normal Cost to be paid by the employer. This is equal to the Normal Cost less expected member contributions.
<i>Equivalent Single Amortization Period</i>	For plans that do not establish separate amortization bases (separate components of the UAAL), this is the same as the Amortization Period. For plans that do establish separate amortization bases, this is the period over which the UAAL would be amortized if all amortization bases were combined upon the current UAAL payment.
<i>Experience Gain/Loss</i>	A measure of the difference between actual experience and that expected based upon a set of Actuarial Assumptions, during the period between two actuarial valuations. To the extent that actual experience differs from that assumed, Unfunded Actuarial Accrued Liabilities emerge which may be larger or smaller than projected. Gains are due to favorable experience, e.g., the assets earn more than projected, salaries do not increase as fast as assumed, members retire later than assumed, etc. Favorable experience means actual results produce actuarial liabilities not as large as projected by the actuarial assumptions. Losses are the result of unfavorable experience, i.e., actual results that produce Unfunded Actuarial Accrued Liabilities which are larger than projected.
<i>Funded Ratio</i>	The ratio of the Actuarial Value of Assets to the Actuarial Accrued Liability.

<i>GASB</i>	Governmental Accounting Standards Board.
<i>GASB No. 67 and GASB No. 68</i>	These are the governmental accounting standards that set the accounting rules for public retirement plans and the employers that sponsor or contribute to them. Statement No. 67 sets the accounting rules for the plans themselves, while Statement No. 68 sets the accounting rules for the employers that sponsor or contribute to public retirement plans.
<i>Normal Cost</i>	The annual cost assigned, under the Actuarial Cost Method, to the current plan year.
<i>Open Amortization Period</i>	An open amortization period is one which is used to determine the Amortization Payment but which does not change over time. In other words, if the initial period is set as 30 years, the same 30-year period is used in determining the Amortization Period each year. In theory, if an Open Amortization Period is used to amortize the Unfunded Actuarial Accrued Liability, the UAAL will never completely disappear, but will become smaller each year, either as a dollar amount or in relation to covered payroll.
<i>Unfunded Actuarial Accrued Liability</i>	The difference between the Actuarial Accrued Liability and Actuarial Value of Assets.
<i>Valuation Date</i>	The date as of which the Actuarial Present Value of Future Benefits are determined. The benefits expected to be paid in the future are discounted to this date.