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City of Ocala

Firefighters' Retirement Plan

October 1, 2024 | Actuarial Valuation Report

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At the request of the plan sponsor, this report summarizes the Firefighters' Retirement Plan for the City of Ocala as of October 1, 2024. The purpose of this report is to communicate the following results of the valuation:

- Determine Funded Status; and
- Determine Actuarial Contribution for the fiscal year October 1, 2025 through September 30, 2026

This report has been prepared in accordance with the laws and accounting standards indicated above and their applicable regulations. Consequently, it may not be appropriate for other purposes. Please contact Nyhart prior to disclosing this report to any other party or relying on its content for any purpose other than that explained above. Failure to do so may result in misrepresentation or misinterpretation of this report.

The results in this report were prepared using information provided to us by other parties. The census information has been provided to us by the employer. Asset information has been provided to us by the trustee. We have reviewed the provided data for reasonableness when compared to prior information provided, but have not audited the data. Where relevant data may be missing, we have made assumptions we believe to be reasonable. We are not aware of any significant issues with and have relied on the data provided. Any errors in the data provided may result in a different result than those provided in this report. A summary of the data used in the valuation is included in this report.

The actuarial assumptions and methods were chosen by the Board. In our opinion, all actuarial assumptions and methods are individually reasonable and in combination represent our best estimate of anticipated experience of the plan. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following:

- plan experience differing from that anticipated by the economic or demographic assumptions;
- changes in economic or demographic assumptions;
- increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period); and
- changes in plan provisions or applicable law. We did not perform an analysis of the potential range of future measurements due to the limited scope of our engagement. This report has been prepared in accordance with generally accepted actuarial principles and practice.

In preparing these results, Nyhart used ProVal valuation software developed by Winklevoss Technologies, LLC. This software is widely used for the purpose of performing pension valuations. We coded the plan provisions, assumptions, methods and participant data summarized in this report, and reviewed the liability and cost outputs for reasonableness. We are not aware of any weakness or limitations in the software and have determined it is appropriate for performing this valuation.

This actuarial valuation and/or cost determination was prepared and completed by me or under my direct supervision, and I acknowledge responsibility for the results. To the best of my knowledge, the results are complete and accurate, and in my opinion, the techniques and assumptions used are reasonable and meet the requirements and intent of Part VII, Chapter 112, Florida Statutes. There is no known 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.

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

Neither Nyhart nor any of its employees have any relationship with the plan or its sponsor which could impair or appear to impair the objectivity of this report. To the extent that this report or any attachment concerns tax matters, it is not intended to be used and cannot be used by a taxpayer for the purpose of avoiding penalties that may be imposed by law.

The undersigned are compliant with the continuing education requirements of the Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States and are available for any questions.

Nyhart



Lawrence Watts, Jr., FSA, CFA, EA, MAAA
Enrolled Actuary No. 23-08496



Kerry Sipe, ASA, EA
Enrolled Actuary No. 23-08613

March 4, 2025

Date

Copies of this Report are to be furnished to the Division of Retirement within 60 days of receipt from the actuary at the following addresses:

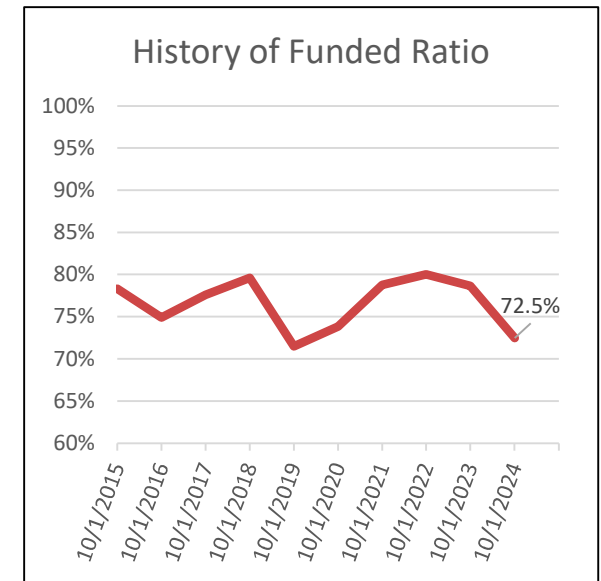
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Summary Results

The actuarial valuation's primary purpose is to produce a scorecard measure displaying the funding progress of the plan toward the ultimate goal of paying benefits at retirement. The accrued liability is based on an individual entry age normal level percentage of pay methodology.

	October 1, 2023	October 1, 2024
Funded Status Measures		
Accrued Liability	\$95,049,856	\$111,565,632
Actuarial Value of Assets	74,746,000	80,861,587
Unfunded Accrued Liability	\$20,303,856	\$30,704,045
Funded Percentage (AVA)	78.6%	72.5%
Funded percentage (MVA)	73.8%	76.5%
Cost Measures		
Recommended Contribution	\$3,738,243	\$4,650,341
Recommended Contribution (as a percentage of payroll)	37.6%	39.8%
Asset Performance		
Market Value of Assets	\$70,151,729	\$85,340,291
Actuarial Value of Assets	\$74,746,000	\$80,861,587
Actuarial Value/Market Value	106.5%	94.8%
Market Value Rate of Return	10.20%	21.52%
Member Information		
Active Members	124	136
Terminated Vested Members	3	3
Retirees, Beneficiaries, and Disabled Members	89	94
DROP Members	17	13
Total	233	246
Expected Payroll	\$9,933,729	\$11,677,997



Changes Since Prior Valuation and Key Notes

Salaries for continuing active members from the 10/1/2022 plan year to the 10/1/2023 plan year increased roughly 21% overall. These material increases in salary resulted in a liability loss and a corresponding increase in the covered payroll.

An experience study was completed for the period of October 1, 2019 – October 1, 2023. The following assumptions were adopted for this October 1, 2024 valuation:

- The interest rate was decreased from 7.00% to 6.75% to better align with future market expectations. This change resulted in an increase in accrued liability and an increase in normal cost.
- The assumed retirement rates were updated to better align with recent plan experience. This change resulted in a decrease in accrued liability and a decrease in normal cost.
- The assumed withdrawal rates were updated to better align with recent plan experience. This change resulted in an increase in accrued liability and an increase in normal cost.
- The assumed rates of annual pay increases were updated to better predict future increases in pay. This change resulted in an increase in accrued liability and an increase in normal cost.

The mortality rates were updated to the Pub-2010 public safety mortality tables projected generationally using Scale MP-2021. These are the same mortality rates used by the Florida Retirement System in their July 1, 2024 actuarial report. This change resulted in an increase in accrued liability and an increase in normal cost.

The impact of the above assumption changes on the recommended employer contribution are being smoothed in over 3 years via direct rate smoothing. The contribution is being determined by weighing the results under the new and prior assumptions over a 3-year period. For example, the 2024 recommended contribution is determined by taking 1/3 of the contribution determined under the updated assumptions and 2/3 of the contribution determined under the prior assumptions. Note all liabilities shown in the report fully reflect the new assumptions.

Five Year Valuation Summary

	10/1/2020	10/1/2021	10/1/2022	10/1/2023	10/1/2024
Funding					
Accrued Liability	\$80,908,874	\$84,703,050	\$88,822,517	\$95,049,856	\$111,565,632
Actuarial Value of Assets	\$59,740,119	\$66,720,136	\$71,075,172	\$74,746,000	\$80,861,587
Unfunded Actuarial Accrued Liability	\$21,168,755	\$17,982,914	\$17,747,345	\$20,303,856	\$30,704,045
Funded Percentage	73.8%	78.8%	80.0%	78.6%	72.5%
Normal Cost (NC)	\$1,426,480	\$1,452,965	\$1,510,777	\$1,667,329	\$3,370,017
NC as a Percent of Covered Payroll	18.5%	18.3%	18.3%	18.1%	29.6%
Actual Contribution	\$3,334,160	\$3,398,109	\$3,376,436	TBD	TBD
Recommended Contribution	\$3,334,160	\$3,398,109	\$3,376,436	\$3,738,243	\$4,650,341
Recommended Contribution (% of Pay)	43.3%	42.7%	40.8%	40.5%	40.8%
Interest Rate	7.00%	7.00%	7.00%	7.00%	6.75%
Rate of Return					
Actuarial Value of Assets	9.01%	11.42%	6.59%	5.85%	9.03%
Market Value of Assets	14.31%	19.78%	-14.99%	9.95%	21.52%
Demographic Information					
Active Members	119	122	122	124	136
Terminated Vested Members	3	4	4	3	3
Retired Members	77	80	82	86	87
Beneficiaries	11	11	10	10	10
Disabled Members	9	9	9	10	10
Total Members	219	226	227	233	246
Covered Payroll	\$7,703,127	\$7,949,354	\$8,272,546	\$9,225,858	\$11,393,168
Average Covered Payroll	\$64,732	\$65,159	\$67,808	\$74,402	\$83,773

Identification of Risks

The results presented in this report are shown as single point values. However, these values are derived using assumptions about future markets and demographic behavior. If actual experience deviates from our assumptions, the actual results for the plan will consequently deviate from those presented in this report. Therefore, it is critical to understand the risks facing this pension plan. The following table shows the risks we believe are most relevant to the City of Ocala Firefighters' Retirement Plan. The risks are generally ordered with those we believe to have the most significance at the top. Also shown are possible methods by which a more detailed assessment of the risk can be performed.

Type of Risk	Additional Information
Investment Return	Portfolio risk and substantial equity position leave the plan open to adverse market results, which could increase costs in the future.
Participant Longevity	The plan has adopted FRS' most recent mortality tables for valuation purposes. These tables are modified from the standard tables, and, compared to the previous tables used by FRS, project a slightly shorter participant longevity overall. There is no guarantee FRS' anticipated mortality experience will mirror your plan's future experience. Deviation from expected mortality rates could impact long-term liabilities and plan cost.
Early Retirement	If more employees than expected avail themselves of the early retirement option, then this could impact estimated plan liabilities.
Salary Growth	The plan has experienced volatility in observed salary increases in the recent past; as benefits are based on final average salary, the salary growth assumption is key to accurately calculating liabilities and future costs.

Type of Risk	Method to Assess Risk
Investment Return	Scenario testing; asset/liability study
Participant Longevity	Benefit projections and contribution strategy
Early Retirement	Scenario testing; review population and retirement rates
Salary Growth	Review salary history and future budgets; scenario testing

Plan Maturity Measures - October 1, 2024

Each pension plan has a distinct life-cycle. New plans promise future benefits to active employees and then accumulate assets to pre-fund those benefits. As the plan matures, benefits are paid and the pre-funded assets begin to decumulate until ultimately, the plan pays out all benefits. A plan's maturity has a dramatic influence on how risks should be viewed. The following maturity measures illustrate where the City of Ocala Firefighters' Retirement Plan falls in its life-cycle.

Duration of Liabilities: 11.6

Duration is the most common measure of plan maturity. It is defined as the sensitivity of the liabilities to a change in the interest rate assumption. The metric also approximates the weighted average length of time, in years, until benefits are expected to be paid. A plan with high duration is, by definition, more sensitive to changes in interest rates. A plan with low duration is more susceptible to risk if asset performance deviates from expectations as there would be less time to make up for market losses in adverse market environments while more favorable environments could result in trapped surplus from gains. Conversely, high duration plans can often take on more risk when investing, and low duration plans are less sensitive to interest rate fluctuations.

Demographic Distribution - Ratio of Actively Accruing Participants to All Participants: 55.3%

A plan with a high ratio is more sensitive to fluctuations in salary (if a salary-based plan) and statutory changes. A plan with a low ratio is at higher risk from demographic experience. Such a plan should pay close attention to valuation assumptions as there will be less opportunity to realize future offsetting gains or losses when current experience deviates from assumptions. Plans with a low ratio also have limited opportunities to make alterations to plan design to affect future funded status.

Asset Leverage - Ratio of Payroll for Plan Participants to Market Value of Assets: 13.4%

Younger plans typically have a large payroll base from which to draw in order to fund the plan while mature plans often have a large pool of assets dedicated to providing benefits to a population primarily consisting of members no longer on payroll. Plans with low asset leverage will find it more difficult to address underfunding, as the contributions needed to make up the deficit will represent a higher percentage of payroll than for a plan with high asset leverage.

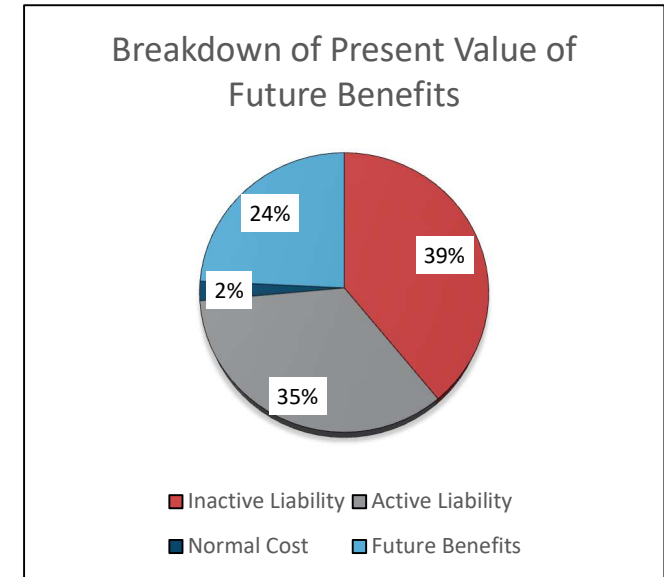
Benefit Payment Percentage - Ratio of Annual Benefit Payments to Market Value of Assets: 6.0%

As a plan enters its decumulation phase, a larger percentage of the pre-funded assets are paid out each year to retirees. A high percentage is not cause for alarm as long as the plan is nearly fully funded. However, such a plan is more sensitive to negative asset performance, especially if cash contributions are not an option to make up for losses.

Present Value of Future Benefits

The Present Value of Future Benefits represents the estimated value of benefits ultimately payable to the plans' current participants.

	October 1, 2024
Present Value of Future Benefits	
Active Members	
Retirement	\$86,589,226
Disability	4,143,481
Death	428,143
Termination	912,715
Refund of Contributions	327,412
Total Active	\$92,400,977
Inactive Members	
Retired Members	\$54,745,467
Beneficiaries	818,280
Disabled Members	3,093,291
Terminated Vested Members	646,875
Total Inactive	\$59,303,913
Total	\$151,704,890
 Present Value of Future Payrolls	 \$132,633,934

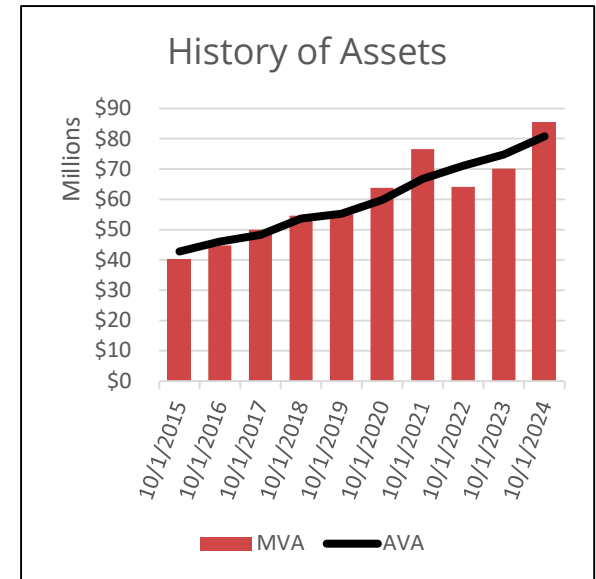


The Accrued Liability measures the present value of benefits earned as of the valuation date, using a specified set of actuarial assumptions. It is not a long-term measurement of the liabilities ultimately payable by the plan.

	October 1, 2024
Accrued Liability	
Active Members	
Retirement	\$49,970,837
Disability	1,623,169
Death	176,447
Termination	365,044
Refund of Contributions	126,222
Total Active	\$52,261,719
Inactive Members	
Retired Members	\$54,745,467
Beneficiaries	818,280
Disabled Members	3,093,291
Terminated Vested Members	646,875
Total Inactive	\$59,303,913
Total	\$111,565,632
Normal Cost	\$3,370,017

The amount of assets backing the pension promise is typically the most significant driver of volatility and future costs within a pension plan. The investment performance of the assets directly offsets the ultimate cost.

	October 1, 2024
Market Value Reconciliation	
Market Value of Assets, beginning of prior year	\$84,719,197
Contributions	
Employer	\$3,376,436
Employee	913,388
Non-Member	776,557
Total	\$5,066,381
Investment Income	18,465,836
Investment Expenses	(227,583)
Benefit Payments	(4,798,219)
Administrative Expenses	(217,711)
Other Expenses	0
Market Value of Assets, beginning of current year	\$103,007,901
Return on Market Value (including Reserved Assets)	21.52%
Reserved Assets	(\$10,246,538)
DROP Account	(\$7,421,072)
Market Value of Assets available for pension benefits	\$85,340,291
Actuarial Value of Assets	
Value at beginning of current year	\$80,861,587



Asset Information (continued)

October 1, 2024

Derivation of Actuarial Value of Assets:

1.	Expected Market Value of Assets		
	(a) Market Value of Assets – beginning of year		\$70,151,729
	(b) Contributions		4,724,041
	(c) Benefit payments		(5,126,800)
	(d) Expenses		(205,840)
	(e) Expected return (7.00%)		4,979,054
	(f) Expected Market Value – end of year		\$74,522,184
2.	Market Value of Assets, beginning of current year		\$85,340,291
3.	Amount subject to phase-in [(2)-(1)(f)]		\$10,818,107
4.	Phase in of asset gain/(loss)		
	(a) Third prior year [20% x \$8,481,678]		\$1,696,336
	(b) Second prior year [40% x (\$17,604,737)]		(7,041,895)
	(c) First prior year [60% x \$1,949,629]		1,169,777
	(d) Current year [80% x \$10,818,107]		8,654,486
	(e) Total phase-in		\$4,478,704
5.	Preliminary Actuarial Value of Assets, beginning of current year [2 - 4(e)]		\$80,861,587
6.	80% Market Value of Assets		\$68,272,233
7.	120% Market Value of Assets		\$102,408,349
8.	Adjusted Actuarial Value of Assets		\$80,861,587
9.	Return on Actuarial Value of Assets		9.03%

Reconciliation of Gain/Loss

October 1, 2024

Liability (gain)/loss

Actuarial Liability, beginning of prior year	\$95,049,856
Normal Cost	1,667,329
Benefit Payments	(5,126,800)
Interest	6,590,765
Assumption Changes	8,298,319
Expected Actuarial Liability, beginning of current year	\$106,479,469
Actual Actuarial Liability	111,565,632
Liability (Gain)/Loss	\$5,086,163

Asset (gain)/loss

Actuarial Value of Assets, beginning of prior year	\$74,746,000
Contributions	4,724,041
Benefit Payments and Expenses	(5,332,640)
Expected Investment Return	5,300,653
Expected Actuarial Value of Assets, beginning of current year	\$79,438,054
Actual Actuarial Value of Assets, beginning of current year	80,861,587
Asset (Gain)/Loss	(\$1,423,533)
Impact of One-Year Lag/Timing Adjustment	(\$246,523)

Total (gain)/loss

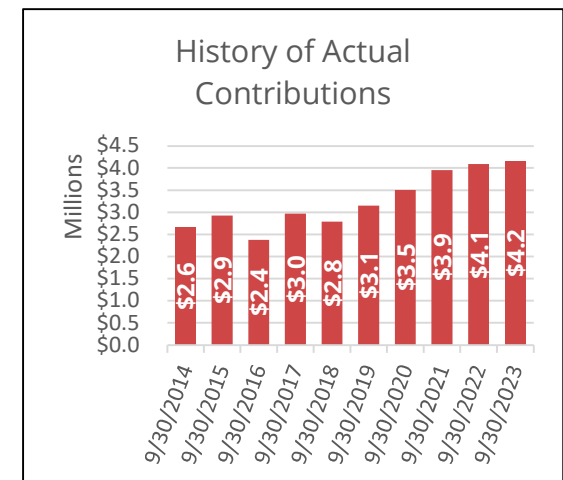
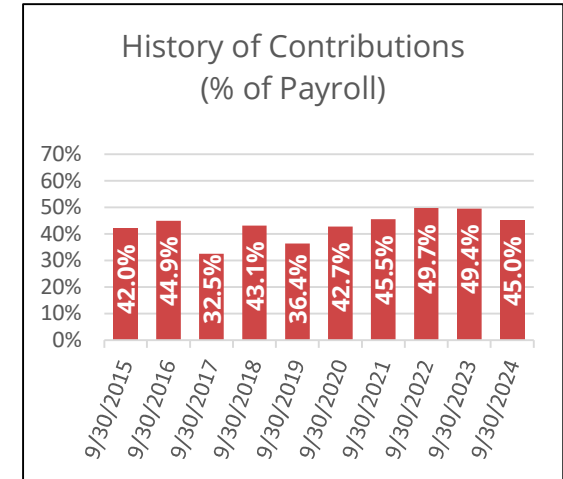
\$3,416,107

Development of Recommended Contribution

The actuarial determined contribution is the annual amount necessary to fund the plan according to funding policies and/or applicable laws. The recommended contribution is composed of the normal cost, administrative expenses, and an amortization charge. In accordance with ASOP No. 4, we reviewed the plan's funding method (liability method, amortization method and period, asset smoothing method), contribution policy and allocation procedures. We believe each to be reasonable, both individually and in combination, as expected plan costs are expected to be fully funded over a reasonable timeframe.

October 1, 2024

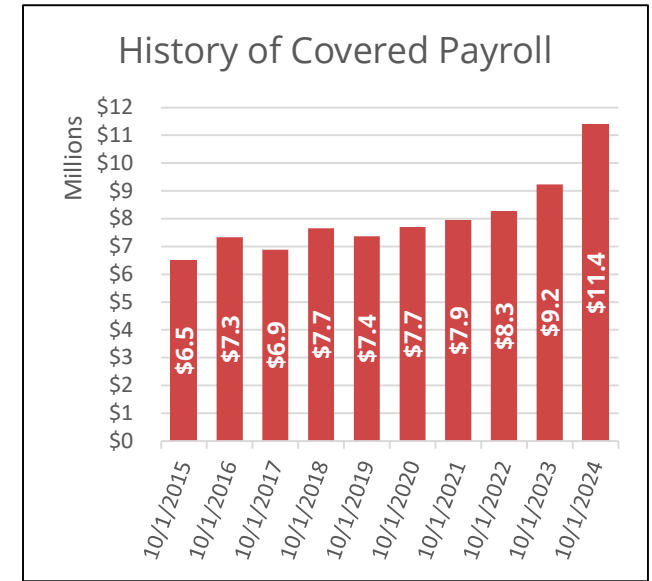
Funded Position	
1. Entry Age Accrued Liability	\$111,565,632
2. Actuarial Value of Assets	(80,861,587)
3. Unfunded Actuarial Accrued Liability	\$30,704,045
Employer Contributions	
4. Normal Cost	
(a) Total Normal Cost	\$3,370,017
(b) Expected Participant Contributions	(873,856)
(c) Net Normal Cost	\$2,496,161
5. Administrative Expenses	217,711
6. Amortization of UAAL	3,114,606
7. Applicable Interest	393,422
8. Total Recommended Contribution as of end of year [(4) + (5) + (6) + (7)]	\$6,221,900
9. Expected Non-Employer Contributions	(200,000)
10. Recommended Contribution before phase-in	\$6,021,900
11. Recommended Contribution prior to 2024 Assumption Changes	3,964,561
12. Phase-in Factor for 2024	1/3
13. Final Recommended Contribution with phase-in [(10) x 1/3 + (11) x 2/3]	\$4,650,341



Demographic Information

The foundation of a reliable actuarial report is the member information provided by the plan sponsor. Monitoring trends in demographic information is crucial for long-term pension planning.

	October 1, 2023	October 1, 2024
Member Counts		
Active Members	124	136
Retired Members	69	74
Beneficiaries	10	10
Disabled Members	10	10
Terminated Vested Members, due a Monthly Benefit	3	3
DROP Members	17	13
Total	233	246
Active Member Demographics		
Average Age	36.9	36.2
Average Service	11.54	11.19
Average Compensation for Prior Year	\$72,208	\$79,915
Covered Payroll	\$9,225,858	\$11,393,168



Demographic Information (continued)

	October 1, 2023	October 1, 2024
Retired Member Statistics		
Average Age	66.1	66.2
Average Monthly Benefit	\$3,851	\$4,004
Beneficiary Statistics		
Average Age	70.6	71.6
Average Monthly Benefit	\$832	\$832
Disabled Member Statistics		
Average Age	65.8	66.8
Average Monthly Benefit	\$2,685	\$2,594
Terminated Vested Member Statistics		
Average Age	49.5	50.5
Average Monthly Benefit for Participants due Monthly Benefit	\$2,420	\$2,420
DROP Member Statistics		
Average Age	55.4	55.6
Average Monthly Benefit	\$6,126	\$6,257

Participant Reconciliation

	Active	Terminated Vested	Disabled	Retired	Beneficiaries	DROP	Totals
Prior Year	124	3	10	69	10	17	233
To Retired	(1)			6		(5)	0
To Terminated Vested							0
To Terminated Non-Vested							0
To Return of Contributions	(2)						(2)
To DROP	(1)					1	0
To Death				(1)			(1)
To Beneficiary							0
To Disabled							0
Additions	16						16
Departures							0
Current Year	136	3	10	74	10	13	246

Active Participant Schedule

Active participant information grouped based on age and service.

Age Group	Years of Service										Total	Average Pay
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & Up		
Under 25	7	11	1								19	\$48,492
25 to 29	5	8	12								25	\$61,986
30 to 34	1	6	14	5							26	\$77,616
35 to 39		2	4	2	5						13	\$91,572
40 to 44			2	1	15	5					23	\$103,322
45 to 49			1	2	3	7	2				15	\$124,094
50 to 54					3	4	6	2			15	\$115,432
55 to 59											0	\$0
60 to 64											0	\$0
65 to 69											0	\$0
70 & up											0	\$0
Total	13	27	34	10	26	16	8	2	0	0	136	\$85,653

The 'Average Pay' displayed is projected pay for the valuation year based on prior year compensation and assumed salary increases.

Plan Status

Established October 1, 1999 under the Code of Ordinances for the City of Ocala, Florida, Chapter 43 Article II Sections 43-21 through 43-45 and was most recently amended by Ordinance No. 2019-14 on January 9, 2019. The Plan is also governed by certain provisions of Chapters 175 and 185, Florida Statutes, Part VII, Chapter 112, Florida Statutes (F.S.) and the Internal Revenue Code.

Eligibility for Participation

Employees in the Fire Department certified as firefighters.

Accrual of Benefits

The accrued benefit is determined as 3% of Average Final Compensation multiplied by Credited Service as of date of determination; maximum of 93% of Average Monthly Earnings.

Vesting

100% after 10 years

Benefits

Normal Retirement

Eligibility	Age 55 and 10 years of credited service, Rule of 70, or 25 years of credited service.
Benefit	Accrued Benefit

Early Retirement

Eligibility	Age 50 and 10 years of credited service
Benefit	Accrued Benefit reduced by 2% for each year prior to normal retirement date.

Termination Benefit

Eligibility	Fully vested after 10 years of credited service
Benefit	Accrued retirement benefit payable at participant's normal retirement date. If the participant terminates prior to 10 years of service a refund of the accumulated contributions without interest will be issued.

Disability Benefit In Line of Duty

Eligibility	Immediately upon permanent disability
Benefit	Accrued benefit, but not less than 42% of AME.

Disability Benefit Not In Line of Duty

Eligibility	Participant without vested benefit
Benefit	Refund of Contributions
Eligibility	Participant with vested benefit
Benefit	If vested, accrued benefit, but not less than 30% of AME.

Death Benefit

Eligibility	Participant without vested benefit
Benefit	Refund of Contributions
Eligibility	Service Incurred; Participant with vested benefit
Benefit	Choice of (i) Accrued benefit payable for 120 months; or (ii) 50% of AME to spouse until death.
Eligibility	Non-Service Incurred; Participant with vested benefit
Benefit	If not eligible for either early or normal retirement, same as for Service-Incurred Death Benefits. If eligible for either early or normal retirement, choice of (i) accrued benefit payable for 120 months; or (ii) 50% of accrued benefit to spouse until death.

Credited Service

For Vesting and Benefit Accruals, Service is defined as years and completed months.

Compensation

Average Monthly Earnings

Within 5 years of normal retirement as of November 1, 2015: Average during highest 3 consecutive of last 5 years of total earnings, including base salary, pick-up contributions, overtime pay, assignment pay, and educational incentive.

Others: Average during highest 5 of last 10 years of earnings, including base salary, state education incentive pay, and up to 300 hours of overtime pay per year, excluding all other compensation

Employee Contributions

7.67% to Regular Fund Retirement Plan and 0.50% to COLA Fund (8.17% total).

Payment Forms

Normal Form

50% joint & contingent survivor, with 10 years' certain, payable for life (married); 10 years' certain and life (single).

Optional Forms

50%, 66 2/3%, 75%, and 100% Joint and Survivor Annuity (last survivor basis) and Life Annuity.

DROP

Up to 5 years; actuarially equivalent BAC-DROP

COLA

Benefit payment schedule is designed by the Board based on sufficiency of reserved COLA Fund assets. Funding of the COLA is from 0.50% member contributions, market returns, and 50% of State Premium Tax Revenues in excess of \$200,000. A portion of excess returns on COLA assets may be transferred to the plan until the plan becomes 90% funded depending on Board Policy. The assets of the COLA Fund are treated as reserved in this valuation and do not impact the funding calculations; the liabilities are not reflected in this report outside of the FL 112.664 and 60T disclosures. Please see the annual COLA Letter and Report to the Board for additional details.

Changes Since Last Valuation

We are aware of a court decision delivered during the year that may impact historical pensionable pays for certain Component A members. Our understanding is that any adjustments would result in revised increased pensionable compensation for impacted members due to recognition of additional overtime hours; no adjustments have been made to the census data for this valuation. Based on our understanding, this is not a true change in plan provisions, rather a clarification of historical interpretation.

Valuation Date	October 1, 2024												
Participant and Asset Information Collected as of	October 1, 2024												
Cost Method	Entry Age Normal Cost Method												
Amortization Method	<p>The following amortization periods will apply for any unfunded actuarial accrued liabilities, all on an increasing payroll basis of 2.50% (as limited by 10-year average payroll growth):</p> <ul style="list-style-type: none"> - Unfunded liability as of October 1, 2001: 25 years - Benefit improvements for actives: 25 years - Benefit improvements for inactives: 15 years - Actuarial gains/losses: 20 years - Changes in actuarial assumptions: 20 years <p>This assumption is limited by the base payroll growth assumption of 2.50%.</p>												
Asset Valuation Method	20% Phase-In Method with a 80%/120% corridor.												
Interest Rates	<p>6.75% net of investment expenses</p> <p>Support for the interest rate assumption has been provided in the experience study report dated November 25, 2024.</p>												
Annual Pay Increases	<p>2.50% inflation plus the below merit increases</p> <table border="0" style="margin-left: 40px;"> <thead> <tr> <th style="text-align: left;"><u>Age</u></th> <th style="text-align: left;"><u>General</u></th> </tr> </thead> <tbody> <tr> <td><=30</td> <td>7.50%</td> </tr> <tr> <td><=35</td> <td>5.50%</td> </tr> <tr> <td><=45</td> <td>4.50%</td> </tr> <tr> <td><=49</td> <td>2.50%</td> </tr> <tr> <td>>=50</td> <td>0.00%</td> </tr> </tbody> </table> <p>The inflation rate and annual pay increases are based on a study of actual experience for the plan during 2019-2023 as well as expected future increases in pay. See the experience study report dated November 25, 2024.</p>	<u>Age</u>	<u>General</u>	<=30	7.50%	<=35	5.50%	<=45	4.50%	<=49	2.50%	>=50	0.00%
<u>Age</u>	<u>General</u>												
<=30	7.50%												
<=35	5.50%												
<=45	4.50%												
<=49	2.50%												
>=50	0.00%												
Expense and/or Contingency Loading	Non-investment expenses in previous year												

Mortality Rates

Pre-Retirement: Pub-2010 Generational using scale MP-2021; Females - Benefits Weighted Safety Employee Female Table; Males - Benefits Weighted Safety Employee Male Table, set forward 1 year

Post-Retirement: Pub-2010 Generational using scale MP-2021; Females - Benefits Weighted Safety Healthy Retiree Female Table; Males - Benefits Weighted Safety Healthy Retiree Male Table, set forward 1 year

Disabled: Pub-2010 Generational using scale MP-2021; Females - Headcount Weighted General Disabled Retiree Female Table, set forward 1 year; Males - Headcount Weighted General Disabled Retiree Male Table

10% of Active deaths are assumed to be in the line of duty

These are the same mortality rates used by the Florida Retirement System in their July 1, 2024 Actuarial Valuation Report.

Retirement Rates

<u>Age + Service</u>	<u>Rate</u>
<70	0%
70-73	10%
74-75	20%
76-77	25%
78-79	35%
>=80	100%

The assumed retirement rates are based on a study of actual experience for the plan during 2019-2023. See the Experience study report dated November 25, 2024.

Disability Rates

<u>Age</u>	<u>Rate</u>
20	0.10%
30	0.14%
40	0.29%
50	0.92%

80% of disabilities are assumed to be in the line of duty.

The disability rates are based on a study of actual experience for the plan during 2019-2023. See the experience study report dated November 25, 2024.

Withdrawal Rates

<u>Service</u>	<u>Rate</u>
<1	10.00%
1	7.50%
2	7.00%
3	6.50%
4	6.00%
5	5.50%
6	5.00%
7	4.50%
8	4.00%
9	1.00%
10-24	0.50%
25+	0.00%

The assumed withdrawal rates are based on a study of actual experience for the plan during 2019-2023. See the experience study report dated November 25, 2024.

Marital Status and Ages

80% of Participants assumed to be married with wives assumed to be 3 years younger than husbands.

Contribution Timing

City contribution is assumed to occur at the beginning of the fiscal year.

Covered Payroll

Most recently reported salary for all actives being valued, projected forward one year based on Annual Pay Increase assumptions above.

Expected Payroll

Covered Payroll increased by the payroll growth assumption of 2.50%.

Changes Since Prior Valuation

An experience study was completed for the period of October 1, 2019 – October 1, 2023.

The following assumptions were adopted for this October 1, 2024 valuation:

The interest rate was decreased from 7.00% to 6.75% to better align with future market expectations.

The assumed retirement rates were updated to better align with recent plan experience.

The assumed withdrawal rates were updated to better align with recent plan experience.

The assumed rates of annual pay increases were updated to better predict future increases in pay.

The mortality rates were updated to the Pub-2010 public safety mortality tables projected generationally using Scale MP-2021. These are the same mortality rates used by the Florida Retirement System in their July 1, 2024 actuarial report.

The actuarial report also shows the necessary items required for plan reporting and any state requirements.

- Reconciliation of unfunded actuarial liability
- Statement of changes on value of assets
- Distribution of Assets
- Schedule of amortizations
- Florida State requirements
 - Comparative Summary of Principal Valuation Results
 - Comparison of Payroll Growth, salary increases and investment results
 - Requirements under Florida Statute 112.664 and F.A.C. 60T – 1.0035
 - Reserve account for benefit improvements under F.L. 99-1 and SB 172
- Accrued (Prepaid) Position
- Determination of COLA Fund Assets
- Low-Default-Risk Obligation Measure (LDROM)

Reconciliation of Unfunded Actuarial Liability

	October 1, 2024
1. Unfunded Actuarial Accrued Liability (UAAL), beginning of Prior Year	\$20,303,856
2. Normal Cost	\$1,667,329
3. Expenses	\$205,840
4. Employer Contributions	(\$3,376,436)
5. Employee Contributions	(\$859,327)
6. Non-Employer Contributions	(\$488,278)
7. Interest	\$1,290,112
8. Expected UAAL based off of Contributions, beginning of Current Year	\$18,743,096
9. 1-year lag adjustment ¹	246,523
10. Expected UAAL based off of Amortization Bases, beginning of Current Year	\$18,989,619
11. Accumulated Reserve Adjustment	\$0
12. Liability changes due to:	
(a) Amendments	\$0
(b) Assumptions	8,298,319
(c) Asset Funding Methods	0
(d) Actuarial Experience (Gain)/Loss	3,416,107
(e) Total	\$11,714,426
13. Unfunded Actuarial Accrued Liability, beginning of Current Year	\$30,704,045

¹ A difference between the "Expected UAAL based off of Contributions" and the "Expected UAAL based off of Amortization Bases" is seen because of the 1 year offset between when the recommended contributions for the fiscal year are calculated and when they are paid by the plan sponsor. Plan practice is to include this difference in the new "Actuarial (Gain) / Loss" base established that year.

City of Ocala Firefighters' Retirement Plan
Actuarial Valuation as of October 1, 2024
Other Measurements

Statement of Changes on Value of Assets

Additions

Contributions:

Employer

\$3,398,109

\$3,376,436

Member

754,044

913,388

Nonemployer contributing entity

692,315

776,557

Total contributions

\$4,844,468

\$5,066,381

Investment income

Net increase in fair value of investments

\$6,170,558

\$16,455,554

Interest and dividends

\$1,700,521

\$2,010,282

Less investment expense, other than from securities lending

(220,966)

(227,583)

Net income other than from securities lending

\$7,650,113

\$18,238,253

Securities lending income

0

0

Less securities lending expense

0

0

Net income from securities lending

0

0

Net investment income

\$7,650,113

\$18,238,253

Other

0

0

Total additions

\$12,494,581

\$23,304,634

Deductions

Benefit payments, including refunds of member contributions

\$4,386,298

\$4,798,219

Administrative expense

164,346

217,711

Other

0

0

Total deductions

\$4,550,644

\$5,015,930

Net increase in market value

\$7,943,937

\$18,288,704

Market Value as of

Beginning of year

\$76,775,260

\$84,719,197

End of year

\$84,719,197

\$103,007,901

City of Ocala Firefighters' Retirement Plan
Actuarial Valuation as of October 1, 2024
Other Measurements

Distribution of Assets

	September 30, 2023	September 30, 2024
Cash and deposits	\$1,239,127	\$3,999,503
Securities lending cash collateral	0	0
Total cash	\$1,239,127	\$3,999,503
Receivables:		
Investment income	\$170,907	\$212,909
Other	66,210	44,720
Total receivables	\$237,117	\$257,629
Investments:		
Mutual Funds	\$0	\$12,111,585
Fixed Income	18,559,520	20,955,883
Domestic Equity	45,324,319	44,571,793
International Equity	10,810,635	13,482,247
Real Estate Funds	8,706,628	7,790,885
Total investments	\$83,401,102	\$98,912,393
Total assets	\$84,877,346	\$103,169,525
Liabilities		
Payables		
Investment management fees	\$33,121	\$33,028
Due to broker for investments purchased	0	0
Collateral payable for securities lending	0	0
Other	125,028	128,596
Total liabilities	\$158,149	\$161,624
Total	\$84,719,197	\$103,007,901
Reserved Assets		
COLA Fund	(\$7,533,107)	(\$9,259,565)
DROP Account	(6,102,300)	(7,421,072)
State Reserve Account	0	0
Accrued (Prepaid) Position	(932,061)	(986,973)
Assets available for benefits	\$70,151,729	\$85,340,291

City of Ocala Firefighters' Retirement Plan
Actuarial Valuation as of October 1, 2024
Other Measurements

					Total	\$30,704,045	October 1, 2024	\$3,114,606
<u>Date Established</u>	<u>Description</u>	<u>Original Amount</u>	<u>Remaining Period Years</u>		<u>Remaining Balance</u>		<u>Annual Payment</u>	
10/1/2001	Original	\$3,756,166	2		\$673,162		\$343,417	
10/1/2004	Software Change	(337,307)	1		(37,885)		(37,885)	
10/1/2004	Actuarial (Gain)/Loss	1,946,896	1		218,674		218,674	
10/1/2004	Assumption Change	(3,172,477)	1		(356,330)		(356,330)	
10/1/2005	Actuarial (Gain)/Loss	770,808	2		170,880		87,175	
10/1/2006	Actuarial (Gain)/Loss	119,465	3		35,418		12,289	
10/1/2007	Actuarial (Gain)/Loss	(339,027)	4		(127,896)		(33,948)	
10/1/2008	Actuarial (Gain)/Loss	4,327,025	5		2,083,635		451,256	
10/1/2009	Actuarial (Gain)/Loss	1,693,744	6		925,562		170,341	
10/1/2010	Actuarial (Gain)/Loss	825,265	7		497,666		80,046	
10/1/2010	Assumption Change	1,779,240	7		1,072,951		172,576	
10/1/2011	Actuarial (Gain)/Loss	844,373	8		551,804		79,172	
10/1/2012	Actuarial (Gain)/Loss	(1,268,648)	9		(884,565)		(114,994)	
10/1/2013	Actuarial (Gain)/Loss	(598,254)	10		(439,627)		(52,424)	
10/1/2014	Actuarial (Gain)/Loss	(183,432)	11		(140,664)		(15,539)	
10/1/2015	Actuarial (Gain)/Loss	806,755	12		701,864		72,419	
10/1/2015	Actuarial (Gain)/Loss	(499,457)	12		(434,520)		(44,834)	
10/1/2016	Actuarial (Gain)/Loss	1,789,200	13		1,611,884		156,404	
10/1/2016	Assumption Change	2,275,563	13		2,050,047		198,920	
10/1/2017	Actuarial (Gain)/Loss	(887,868)	13		(739,100)		(71,716)	
10/1/2018	Actuarial (Gain)/Loss	35,698	14		30,958		2,841	
10/1/2018	Assumption Change	141,256	14		122,509		11,244	
10/1/2019	Actuarial (Gain)/Loss	1,182,361	15		1,060,297		92,507	
10/1/2019	Asset Method Change	1,927,282	15		1,728,318		150,789	
10/1/2019	Assumption Change	6,042,962	15		5,419,109		472,797	
10/1/2020	Actuarial (Gain)/Loss	301,953	16		280,036		23,326	
10/1/2021	Actuarial (Gain)/Loss	(1,984,364)	17		(1,889,216)		(150,805)	
10/1/2022	Actuarial (Gain)/Loss	1,064,879	18		1,038,902		79,739	
10/1/2023	Actuarial (Gain)/Loss	3,796,308	19		3,765,746		278,737	
10/1/2024	Actuarial (Gain)/Loss	3,416,107	20		3,416,107		244,494	
10/1/2024	Assumption Change	8,298,319	20		8,298,319		593,918	

Information to Comply with Florida 60T-1.003(4)(i)

Comparative Summary of Principal Valuation Results

	10/1/2023 7.00%	10/1/2024 6.75%
<hr/>		
Participant Data		
Active members	124	136
Total annual payroll	\$9,371,442	\$11,648,754
Members in DROP	17	13
Total Annualized Benefit	\$1,249,713	\$976,026
Retired members and beneficiaries	79	84
Total annualized benefit	\$3,288,861	\$3,655,693
Disabled members receiving benefits	10	10
Total annualized benefit	\$322,212	\$311,267
Terminated vested members	3	3
Total annualized benefit	\$87,118	\$87,118
Assets		
Actuarial value of assets	\$74,746,000	\$80,861,587
Market value of assets	\$70,151,729	\$85,340,291

Information to Comply with Florida 60T-1.003(4)(i)

Comparative Summary of Principal Valuation Results (continued)

	10/1/2023 7.00%	10/1/2024 6.75%
Liabilities, present value of all future expected benefit payments		
Active members		
Retirement benefits	\$47,770,146	\$86,589,226
Vesting benefits	1,722,648	912,715
Disability benefits	2,245,935	4,143,481
Death benefits	302,534	428,143
Return of contributions	339,412	327,412
Total	\$52,380,675	\$92,400,977
Terminated vested members	557,938	646,875
Retired members and beneficiaries	52,481,964	55,563,747
Disabled members	3,020,047	3,093,291
Total	\$108,440,624	\$151,704,890
Liabilities due and unpaid	\$0	\$0
Actuarial accrued liability	\$95,049,856	\$111,565,632
Unfunded actuarial accrued liability	\$20,303,856	\$30,704,045

Information to Comply with Florida 60T-1.003(4)(i)

Comparative Summary of Principal Valuation Results (continued)

	10/1/2023 7.00%	10/1/2024 6.75%
Actuarial present value of accrued benefits		
Statement of actuarial present value of all accrued benefits		
Vested accrued benefits		
Inactive members and beneficiaries	\$56,059,949	\$59,303,913
Active members	23,569,758	29,456,491
Total value of all vested accrued benefits	\$79,629,707	\$88,760,404
Non-vested accrued benefits	4,511,142	5,027,843
Total actuarial present value of all accrued benefits	\$84,140,849	\$93,788,247
Statement of changes in total actuarial present value of all accrued benefits (ASC 960)		
Actuarial present value of accrued benefits, beginning of year	\$80,045,852	\$84,140,849
Increase (decrease) during year		
Benefits accumulated	\$3,029,009	\$4,360,040
Plan amendment	0	0
Changes in actuarial assumptions	0	4,363,655
Interest	5,452,286	5,721,922
Benefits paid	(4,386,298)	(4,798,219)
Other changes	0	0
Net increase (decrease)	\$4,094,997	\$9,647,398
Actuarial present value of accrued benefits, end of year	\$84,140,849	\$93,788,247

Information to Comply with Florida 60T-1.003(4)(i)

Comparative Summary of Principal Valuation Results (continued)

	10/1/2023 7.00%	10/1/2024 6.75%
Pension cost		
Normal Cost	\$1,667,329	\$3,370,017
Member contributions	\$707,623	\$873,856
Expected plan sponsor contribution	\$3,738,243	\$4,650,341
As % of payroll	37.63%	39.82%
Member Contributions as % of payroll	7.12%	7.48%
Past contributions	9/30/2023	9/30/2024
Required plan sponsor contribution	\$3,398,109	\$3,376,436
Required member contribution	\$707,967	\$859,327
Actual contributions made by:		
Plan's sponsor	\$3,398,109	\$3,376,436
Members	\$707,967	\$859,327
Other	\$446,157	\$488,278
Net actuarial gain (loss) (if applicable)	(\$3,796,308)	(\$3,416,107)
Other disclosures (where applicable)		
Present value of active member		
Future salaries at attained age	\$74,308,750	\$132,633,934
Future contributions at attained age	\$5,257,935	\$9,484,929
Accumulated Member Contributions	\$6,420,365	\$7,086,606

Information to Comply with Florida 60T-1.003(4) (i)

Historical Salary Increases and Asset Performance

September 30, 2024

Year Ending	Payroll Growth	Salary Growth	Expected Salary Growth	Asset Return (Market)	Asset Return (Actuarial)	Asset Return (Expected)
9/30/2024	24.30%	20.71%	4.69%	21.52%	9.03%	7.00%
9/30/2023	12.26%	15.32%	4.69%	9.95%	5.85%	7.00%
9/30/2022	4.03%	9.45%	4.74%	(14.99%)	6.59%	7.00%
9/30/2021	2.71%	7.31%	5.53%	19.78%	11.42%	7.00%
9/30/2020	1.39%	8.37%	5.51%	14.31%	9.01%	7.00%
9/30/2019	(3.80%)	4.73%	5.48%	3.42%	6.60%	7.50%
9/30/2018	11.20%	9.88%	5.27%	8.93%	8.01%	7.50%
9/30/2017	(6.10%)	0.64%	5.23%	11.05%	7.86%	7.50%
9/30/2016	12.70%	13.97%	5.25%	10.33%	7.02%	7.75%
9/30/2015	3.10%	5.59%	5.31%	0.05%	6.07%	7.75%
Averages						
3-year				4.65%	7.15%	
5-year				9.43%	8.36%	
10-year	6.18%			8.04%	7.73%	
20-year				6.88%	6.63%	

Amortization of Unfunded Actuarial Accrued Liability

	UAAL	Amortization
10/1/2024	\$30,704,045	\$3,114,606
10/1/2025	\$29,451,727	\$3,372,400
10/1/2026	\$27,839,681	\$3,004,316
10/1/2027	\$26,511,753	\$3,066,192
10/1/2043	\$1,340,328	\$1,340,328

City of Ocala Firefighters' Retirement Plan
Actuarial Valuation as of October 1, 2024
Other Measurements

Information to Comply with Florida Statute 112.664 and Florida Administrative Code 60T-1.0035¹

	GASB 67/68 ³	- 200 bp ²	Funding Rate	October 1, 2024 + 200 bp ²
	6.75%	4.75%	6.75%	8.75%
Total pension liability				
Service Cost	\$1,787,738	\$1,787,738	\$1,787,738	\$1,787,738
Interest	7,330,731	5,103,459	7,252,284	9,401,109
Benefit changes	0	0	0	0
Difference between expected and actual experience	2,906,676	3,126,756	3,126,756	3,126,756
Changes in assumptions	9,044,065	47,560,259	9,044,065	(14,131,674)
Benefit payments	(4,757,285)	(4,757,285)	(4,757,285)	(4,757,285)
Contribution refunds	(40,934)	(40,934)	(40,934)	(40,934)
Net change in pension liability	\$16,270,991	\$52,779,993	\$16,412,624	(\$4,614,290)
Total pension liability, beginning of year	\$105,336,098	\$108,052,618	\$108,052,618	\$108,052,618
Total pension liability, end of year	\$121,607,089	\$160,832,611	\$124,465,242	\$103,438,328
Plan fiduciary net position				
Contributions - Employer	\$3,376,436	\$3,376,436	\$3,376,436	\$3,376,436
Contributions - State	776,557	776,557	776,557	776,557
Contributions - Member	913,388	913,388	913,388	913,388
Net investment income	18,238,253	18,238,253	18,238,253	18,238,253
Benefit payments	(4,757,285)	(4,757,285)	(4,757,285)	(4,757,285)
Contribution refunds	(40,934)	(40,934)	(40,934)	(40,934)
Administrative expense	(217,711)	(217,711)	(217,711)	(217,711)
Other	0	0	0	0
Net change in plan fiduciary net position	\$18,288,704	\$18,288,704	\$18,288,704	\$18,288,704
Plan fiduciary net position, beginning of year	\$84,719,197	\$84,719,197	\$84,719,197	\$84,719,197
Plan fiduciary net position, end of year	\$103,007,901	\$103,007,901	\$103,007,901	\$103,007,901
Net pension liability/(asset)	\$18,599,188	\$57,824,710	\$21,457,341	\$430,427
Funded ratio	84.71%	64.05%	82.76%	99.58%
Years that Assets support expected benefit payments	19	16	19	25
Estimated contributions				
Annual dollar value	\$5,524,197	\$6,757,255	\$5,524,197	\$4,589,229
Percentage of payroll	47.30%	57.86%	47.30%	39.30%

¹ Includes DROP assets and liabilities

² Based on valuation assumption with the following changes:

- interest rate (as noted)

³GASB utilizes the same assumptions as the funding valuation but is rolled forward from prior year valuation census data.

Information to Comply with Florida Statute 112.664 and Florida Administrative Code 60T-1.0035

October 1, 2024

Sustainment of Expected Benefit Payments

Mortality
Interest

FRS Special Risk Generational
4.75%

<u>Year</u>	<u>Market Value of Assets</u>	<u>Investment Return</u>	<u>Benefit Payments</u>
1	\$103,007,901	\$4,579,812	\$13,181,626
2	94,406,087	4,335,846	6,250,228
3	92,491,705	4,235,633	6,640,949
4	90,086,389	4,112,198	7,027,603
5	87,170,984	3,967,068	7,307,515
6	83,830,537	3,799,134	7,697,554
7	79,932,117	3,604,710	8,086,990
8	75,449,837	3,381,442	8,523,158
9	70,308,121	3,125,692	9,008,178
10	64,425,635	2,835,221	9,473,539
11	57,787,317	2,509,702	9,902,974
12	50,394,045	2,145,067	10,469,462
13	42,069,650	1,741,245	10,823,708
14	32,987,187	1,305,208	11,018,251
15	23,274,144	836,579	11,323,891
16	12,786,832	332,504	11,573,483
17	1,545,853		11,934,622

Information to Comply with Florida Statute 112.664 and Florida Administrative Code 60T-1.0035

October 1, 2024

Sustainment of Expected Benefit Payments

Mortality
Interest

FRS Special Risk Generational
6.75%

<u>Year</u>	<u>Market Value of Assets</u>	<u>Investment Return</u>	<u>Benefit Payments</u>
1	\$103,007,901	\$6,508,153	\$13,181,626
2	96,334,428	6,291,629	6,250,228
3	96,375,829	6,281,236	6,640,949
4	96,016,116	6,243,906	7,027,603
5	95,232,419	6,181,560	7,307,515
6	94,106,464	6,092,394	7,697,554
7	92,501,304	5,970,902	8,086,990
8	90,385,216	5,813,345	8,523,158
9	87,675,403	5,614,064	9,008,178
10	84,281,289	5,369,255	9,473,539
11	80,177,005	5,077,722	9,902,974
12	75,351,753	4,732,899	10,469,462
13	69,615,190	4,333,725	10,823,708
14	63,125,207	3,889,086	11,018,251
15	55,996,042	3,397,552	11,323,891
16	48,069,703	2,854,100	11,573,483
17	39,350,320	2,253,353	11,934,622
18	29,669,051	1,584,024	12,404,049
19	18,849,026	832,270	13,038,186
20	6,643,110		13,875,196

Information to Comply with Florida Statute 112.664 and Florida Administrative Code 60T-1.0035

October 1, 2024

Sustainment of Expected Benefit Payments

Mortality
Interest

FRS Special Risk Generational
8.75%

<u>Year</u>	<u>Market Value of Assets</u>	<u>Investment Return</u>	<u>Benefit Payments</u>
1	\$103,007,901	\$8,436,495	\$13,181,626
2	98,262,770	8,324,545	6,250,228
3	100,337,087	8,488,954	6,640,949
4	102,185,092	8,633,738	7,027,603
5	103,791,227	8,762,029	7,307,515
6	105,245,741	8,872,234	7,697,554
7	106,420,421	8,957,981	8,086,990
8	107,291,412	9,015,110	8,523,158
9	107,783,364	9,036,937	9,008,178
10	107,812,123	9,019,093	9,473,539
11	107,357,677	8,960,542	9,902,974
12	106,415,245	8,853,295	10,469,462
13	104,799,078	8,696,382	10,823,708
14	102,671,752	8,501,730	11,018,251
15	100,155,231	8,268,162	11,323,891
16	97,099,502	7,989,867	11,573,483
17	93,515,886	7,660,500	11,934,622
18	89,241,764	7,265,977	12,404,049
19	84,103,692	6,788,652	13,038,186
20	77,854,158	6,205,199	13,875,196
21	70,184,161	5,505,006	14,539,607
22	61,149,560	4,675,235	15,436,609
23	50,388,186	3,697,902	16,252,897
24	37,833,191	2,563,674	17,068,123
25	23,328,742	1,266,309	17,713,289
26	6,881,762		18,379,090

Accrued/(Prepaid) Position

1. <u>Accrued/(Prepaid) Position 10/01/2023</u>		(\$932,061)
2. <u>Costs</u>		
Minimum Required City Contribution (2023/2024 Plan Year)	\$3,376,436	
State Contribution	\$200,000	
Interest to September 30, 2024	\$0	
Total Costs with Interest		\$3,576,436
3. <u>Contributions</u>		
City Biweekly Contributions	(\$3,376,436)	
State Contribution September 30, 2024	(\$200,000)	
Interest to September 30, 2023	\$10,332	
Total Contributions with Interest		(\$3,566,104)
4. <u>Interest on Beginning of Year Amount</u>		(\$65,244)
5. <u>Accrued/(Prepaid) Position 10/01/2024</u>		(\$986,973)

Determination of COLA Fund Assets

	September 30, 2024
COLA Fund Assets, beginning of Prior Year	\$7,533,107
Distributions	(\$219,486)
Investment Return	\$1,603,604
Asset Transfers ¹	(\$1,567)
Member Contributions	\$55,628
State Contribution Allocation	\$288,279
COLA Fund Assets, beginning of Current Year	\$9,259,565

¹ One participant elected the BAC-DROP during 2024 and received a refund of employee contributions. The Asset Transfer shown above represents the 0.5% contributed by the member to the COLA fund. The BAC-DROP policy states the COLA fund is to reimburse the trust following the BAC-DROP lump sum.

Determination of DROP Account Assets

	<u>Regular DROP Account</u>	<u>Post-DROP Account</u>	<u>Total</u>
DROP Account Assets, beginning of Prior Year	\$3,752,466	\$2,349,834	\$6,102,300
Monthly DROP Payments	\$1,194,302	\$0	\$1,194,302
Distributions	(\$276,249)	(\$369,986)	(\$646,235)
Enter Post-DROP Account	(\$1,452,578)	\$1,452,578	\$0
Fees	\$0	(\$5,300)	(\$5,300)
Miscellaneous Adjustment	(\$6,571)	\$0	(\$6,571)
Investment Income	\$242,563	\$540,013	\$782,576
DROP Account Assets, beginning of Current Year	\$3,453,933	\$3,967,139	\$7,421,072

Low-Default-Risk Obligation Measure (LDRM)

For reports issued after February 15, 2023 the Plan's actuary is generally required to disclose liabilities under an alternative low-default-risk based discount rate. This LDRM liability measure represents the estimated asset value as of the measurement date the Plan would need in order to purchase a low-default-risk fixed income securities portfolio with durations that are reasonably consistent with the timing of benefits expected to be paid from the plan.

October 1, 2024

LDRM liability	\$ (140,001,266)
Market value of assets	\$ <u>85,340,291</u>
LDRM funded status	\$ (54,660,975)

The LDRM liability measure is for informational purposes only. The plan sponsor has no requirements to contribute to the Plan to meet this threshold, and the funded status on this basis is not used for any restrictions.

If Plan assets are invested to earn in excess of a fixed income portfolio, a shortfall on this basis may not necessarily mean the security of participant benefits is at risk. If the plan is fully funded, or nearly fully funded, on the LDRM measure, the plan sponsor may want to consider reducing investment risk in order to offer greater benefit security and lower contribution volatility. We did not perform an analysis of assumption or provision changes resulting from a potential shift in investment policy due to the limited scope of our engagement.

The above LDRM liability measure applies a single effective discount rate of 4.90% which would produce approximately the same discounted cashflows as the FTSE Pension Liability Curve for the month prior to the valuation date. All other data, assumptions, methods and provisions are the same as those detailed in this report.

The measures above do not reflect reserved assets or their associated liabilities.

Five Year History of Assumption, Method, and Plan Changes

Valuation Date	Assumption and Method Changes	Plan Changes
October 1, 2024	<p>An experience study was completed for the period of October 1, 2019 – October 1, 2023:</p> <ul style="list-style-type: none"> - The interest rate was decreased from 7.00% to 6.75% to better align with future market expectations. - The assumed retirement rates were updated to better align with recent plan experience. - The assumed withdrawal rates were updated to better align with recent plan experience. - The assumed rates of annual pay increases were updated to better predict future increases in pay. <p>The mortality rates were updated to the Pub-2010 public safety mortality tables projected generationally using Scale MP-2021. These are the same mortality rates used by the Florida Retirement System in their July 1, 2024 actuarial report.</p> <p>The impact of the above assumption changes on the recommended employer contribution are being smoothed in over 3 years via direct rate smoothing. The contribution is being determined by weighing the results under the new and prior assumptions over a 3-year period.</p>	None
October 1, 2023	<p>The payroll growth assumption used to amortize the unfunded liability was increased to 2.500% from 1.573% in accordance with Florida Statutes, limiting such rate to the lesser of the actual 10-year average payroll growth and the base payroll growth assumption.</p>	<p>Ordinance 2024-8 amended the definition of earnable compensation under Component B to clarify that the 300-hour overtime pay "cap" is on a calendar year basis rather than a fiscal year basis. There was no impact to the liability due to this change.</p>
October 1, 2022	<p>The payroll growth assumption used to amortize the unfunded liability was increased to 1.57% from 0.83% in accordance with Florida Statutes, limiting such rate to the lesser of the actual 10-year average payroll growth and the base payroll growth assumption.</p>	<p>The plan's actuarial equivalence basis was updated from the 1994 Group Annuity Table, male rates for participants, female rates for beneficiaries, and 8.0% interest to the Pub-2010 Public Safety Table projected generationally with Scale MP-2020 to 2035, and 7.0% interest.</p>
October 1, 2021	<p>The payroll growth assumption used to amortize the unfunded liability was decreased to 0.83% from 1.04% in accordance with Florida Statutes, limiting such rate to the lesser of the actual 10-year average payroll growth and the base payroll growth assumption.</p>	None
October 1, 2020	<p>The payroll growth assumption used to amortize the unfunded liability was increased to 1.04% from 0.49% in accordance with Florida Statutes, limiting such rate to the lesser of the actual 10-year average payroll growth and the base payroll growth assumption.</p>	None