



February 3, 2025

Board of Trustees
 Attn: Alicia Gaither (AGaither@ocalafl.org)
 City of Ocala Firefighters' Retirement Plan
 3001 N.E. 21st Street
 Ocala, Florida 34470

2025 COLA Table

Dear Board Members:

Nyhart has performed its annual analysis of the COLA Fund based on asset and demographic information provided by the City of Ocala and advises that the "node" for the determination of COLA benefits could be increased to \$738 (2025) from \$718 (2024) in order to maintain previously stated reserve goals. This 2.8% increase in the COLA node affects the future level of benefits, but it does not impede the year-by-year increases due to movement along the table. The increase requires Board approval before becoming effective.

For example, a person with 25 years of service at retirement started receiving \$86/month in 2024. This amount would typically have increased to \$115/month in 2025. However, due to the increase in the table, the monthly amount would become \$118/month.

2024: Monthly Benefit Payable from COLA Fund									
Credited Service at Retirement	Years Since Retirement/DROP Exit								
	0	1	2	...	20	21	22	23	24
...
24	83	110	138	...	634	662	689	717	744
25	86	115	144	...	661	689	718	747	775
26	90	119	149	...	687	717	747	777	806
...

2025: Monthly Benefit Payable from COLA Fund									
Credited Service at Retirement	Years Since Retirement/DROP Exit								
	0	1	2	...	20	21	22	23	24
...
24	85	113	142	...	652	680	708	737	765
25	89	118	148	...	679	708	738	768	797
26	92	123	154	...	706	737	768	798	829

Enclosed with this letter is a display of current retirees eligible for benefits from the COLA Fund, their monthly payment to start January 2025 (based on the recommended table), and the increase to their COLA Fund benefit over their previous monthly COLA Fund benefit. If approved, the new benefit should be paid retroactive to January 1, 2025. Please note that the following individuals in the DROP program are assumed to exit the DROP in 2025 to commence receipt of a COLA benefit:

Member	Assumed Exit from DROP	Start of COLA Fund Benefit	COLA Service	2025 COLA Benefit
T McEarchern	5/31/2025	6/1/2025	40	\$142
Marvin Davis Jr	6/30/2025	7/1/2025	30	\$106
Daniel Pinkston	7/31/2025	8/1/2025	35	\$124
Michael MaGee	12/31/2025	1/1/2026	31	\$110

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;
- Changes in plan provisions or applicable law.

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.

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.

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

Respectfully Submitted,

Nyhart



Lawrence Watts, Jr.
FSA, CFA, MAAA, EA



Kerry Sipe
ASA, EA

Enclosure

COLA Asset Reconciliation

September 30, 2024

Assets, beginning of fiscal year	\$7,533,107
Member Contributions	55,628
BAC-DROP Reimbursement ¹	(1,567)
State Premium Tax Revenues	288,279
COLA Benefits	(219,486)
Investment Income	1,603,604
Assets, end of fiscal year	\$9,259,565

Member Contributions

1 Total Employee Contributions	\$913,388
2 Buyback Contributions	(4,434)
3 Employee Contributions (based on payroll)	\$908,954
4 COLA Fund Contributions [(3) / 8.17% x 0.50%]	\$55,628

State Premium Tax Revenues

1 Total State Premium Tax Revenues	\$776,557
2 Base Benefit Amount	(200,000)
3 Excess Amount [(1) + (2)]	\$576,557
4 COLA Fund Contribution [50% x (3)]	\$288,279

Rate of Return on Assets 21.52%

¹ One participant elected the BAC-DROP during 2024 and received a refund of employee contributions. The 'BAC-DROP reimbursement' amount 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.

**City of Ocala Firefighters Retirement Plan
2025 COLA Table
Calculation of Increase/Decrease to Table**

I. Determination of Available Assets for COLA Fund Distributions

COLA Fund Assets as of September 30, 2024	\$9,259,565
Chapter 175 Reserve Fund Transfer	0
Present Value of Future Member Contributions	1,075,467
Present Value of Future State Premium Tax Revenue	2,550,963
	\$12,885,995
COLA Assets Available at September 30, 2024	\$12,885,995
COLA Assets Available at January 1, 2025	\$13,098,149

II. Determination of COLA Table

1	COLA Assets Available	\$13,098,149
2	Present Value of Existing COLA Benefits (based on \$718 table)	
	(a) Inactive Members	5,568,736
	(b) Reserve for Current Members	4,019,941
	(c) Reserve for Future Members [15% of (b)]	602,991
	(d) Total	\$10,191,668
3	Contingency Reserve [20% of 1.]	\$2,619,630
4	Total Liability [2(d) + 3.]	\$12,811,298
5	Net Reserve [(100% - 2.(d)) / 1.]	22.19%
6	Unallocated Reserve [1. - 4.]	\$286,851
7	Contingency Reserve as % COLA assets available	20.00%

**III. Determination of Potential Increase/(Decrease) to COLA Table
(to maintain 20% Contingency Reserve)**

1	Unallocated Reserve	\$286,851
2	Increase Ratio [III.1 / II.2(d)]	2.81%
3	Current COLA Table Amount	\$718
4	Potential Table Increase/(Decrease) [2. x 3.] (rounded down)	\$20
5	Potential New COLA Table Amount [3. + 4.]	\$738

**City of Ocala Firefighters Retirement Plan
COLA Fund**

Plan Provisions

Established	January 1, 2016
Eligibility	All members, excluding members who retired or left employment prior to the creation of the reserve under 99-1
Initial Funding	COLA Fund assets as of September 30, 2015 (\$1,130,461) Chapter 175 Reserve Fund Transfer (\$2,515,081)
Future Funding	Member contributes 8.17% of pay, of which 0.50% is allocated to the COLA Fund 50% of State Premium Tax Revenues in excess of \$200,000
Investments	The COLA Fund will be comingled with the pension fund assets for investment purposes and will be credited with the same market rate of investment return as the pension fund, net of all investment related expenses. The 10-year average investment earnings on the COLA Fund in excess of 7% shall be applied to reduce the UAAL of the pension fund until the pension fund reaches a funded ratio of 90%.
Form of Benefit	COLA benefits are paid as a single life annuity, regardless of the optional form chosen for Plan benefits, and cease upon the death of the member.
Credited Service	Determined at DROP exit. Therefore, COLA credited service may be greater than credited service used to determine Retirement Plan benefits. Credited service includes buyback service.
Death/Disability	Service-incurred deaths and disabilities are treated as having at least 25 years of credited service
Deferred Vested	Deferred vested members will begin COLA benefits at their normal retirement date.

**City of Ocala Firefighters Retirement Plan
COLA Fund**

Assumptions

Unless otherwise indicated below, additional assumptions are as disclosed in the forthcoming October 1, 2024 annual actuarial funding valuation report.

Discount Rate	6.75%
Future Funding	Member contributes 8.17% of pay, of which 0.50% is allocated to the COLA Fund 50% of State Premium Tax Revenues in excess of \$200,000, plus any additional excess amounts not needed to fund the pension to a 90% funded level.
Future Payroll Growth	1.50% per year
Future State Premium Tax Revenue	The smaller of this year's current premium tax revenue, the 5-year average of premium tax revenue, and the 10-year of average of premium tax revenue.
Liability Reserve for Future Active Members	15%
Asset Contingency Reserve	20%
DROP	Members in DROP are assumed to participate in DROP for five years.
Changes Since Prior Report	An experience study was completed for the period October 1, 2019 – October 1, 2023. The following assumptions were adopted for the October 1, 2024 valuation and for this report: The discount rate was updated 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. Assumed rates of salary increases were updated to better predict future increases in pay. The mortality rates were updated to the Pub-2010 public safety tables projected generationally using Scale MP-2021, the same mortality rates used by the Florida Retirement System in their July 1, 2024 actuarial report.

**CITY OF OCALA FIREFIGHTERS RETIREMENT PLAN
\$738 COLA TABLE**



		Years Since Retirement/DROP Exit															
		0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Years of Credited Service at Retirement/DROP Exit	10	35	47	59	71	83	94	106	118	130	142	154	165	177	189	201	213
	11	39	52	65	78	91	104	117	130	143	156	169	182	195	208	221	234
	12	43	57	71	85	99	113	128	142	156	170	184	198	213	227	241	255
	13	46	61	77	92	107	123	138	154	169	184	200	215	230	246	261	276
	14	50	66	83	99	116	132	149	165	182	198	215	231	248	264	281	298
	15	53	71	89	106	124	142	159	177	195	213	230	248	266	283	301	319
	16	57	76	94	113	132	151	170	189	208	227	246	264	283	302	321	340
	17	60	80	100	120	141	161	181	201	221	241	261	281	301	321	341	361
	18	64	85	106	128	149	170	191	213	234	255	276	298	319	340	361	383
	19	67	90	112	135	157	179	202	224	247	269	292	314	337	359	381	404
	20	71	94	118	142	165	189	213	236	260	283	307	331	354	378	401	425
	21	74	99	124	149	174	198	223	248	273	298	322	347	372	397	422	446
	22	78	104	130	156	182	208	234	260	286	312	338	364	390	416	442	468
	23	81	109	136	163	190	217	244	272	299	326	353	380	407	435	462	489
	24	85	113	142	170	198	227	255	283	312	340	368	397	425	453	482	510
	25	89	118	148	177	207	236	266	295	325	354	384	413	443	472	502	531
	26	92	123	154	184	215	246	276	307	338	368	399	430	461	491	522	553
	27	96	128	159	191	223	255	287	319	351	383	414	446	478	510	542	574
	28	99	132	165	198	231	264	298	331	364	397	430	463	496	529	562	595
	29	103	137	171	205	240	274	308	342	377	411	445	479	514	548	582	616
30	106	142	177	213	248	283	319	354	390	425	461	496	531	567	602	638	
31	110	146	183	220	256	293	329	366	403	439	476	512	549	586	622	659	
32	113	151	189	227	264	302	340	378	416	453	491	529	567	605	642	680	
33	117	156	195	234	273	312	351	390	429	468	507	546	584	623	662	701	
34	120	161	201	241	281	321	361	401	442	482	522	562	602	642	683	723	
35	124	165	207	248	289	331	372	413	455	496	537	579	620	661	703	744	

**CITY OF OCALA FIREFIGHTERS RETIREMENT PLAN
\$738 COLA TABLE**



		Years Since Retirement/DROP Exit															
		16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31
Years of Credited Service at Retirement/DROP Exit	10	224	236	248	260	272	283	295	307	319	331	342	354	366	378	390	401
	11	247	260	273	286	299	312	325	338	351	364	377	390	403	416	429	442
	12	269	283	298	312	326	340	354	368	383	397	411	425	439	453	468	482
	13	292	307	322	338	353	368	384	399	414	430	445	461	476	491	507	522
	14	314	331	347	364	380	397	413	430	446	463	479	496	512	529	546	562
	15	337	354	372	390	407	425	443	461	478	496	514	531	549	567	584	602
	16	359	378	397	416	435	453	472	491	510	529	548	567	586	605	623	642
	17	381	401	422	442	462	482	502	522	542	562	582	602	622	642	662	683
	18	404	425	446	468	489	510	531	553	574	595	616	638	659	680	701	723
	19	426	449	471	494	516	538	561	583	606	628	651	673	695	718	740	763
	20	449	472	496	520	543	567	590	614	638	661	685	708	732	756	779	803
	21	471	496	521	546	570	595	620	645	670	694	719	744	769	793	818	843
	22	494	520	546	572	597	623	649	675	701	727	753	779	805	831	857	883
	23	516	543	570	597	625	652	679	706	733	760	788	815	842	869	896	923
	24	538	567	595	623	652	680	708	737	765	793	822	850	879	907	935	964
	25	561	590	620	649	679	708	738	768	797	827	856	886	915	945	974	1,004
	26	583	614	645	675	706	737	768	798	829	860	890	921	952	982	1,013	1,044
	27	606	638	670	701	733	765	797	829	861	893	925	956	988	1,020	1,052	1,084
	28	628	661	694	727	760	793	827	860	893	926	959	992	1,025	1,058	1,091	1,124
	29	651	685	719	753	788	822	856	890	925	959	993	1,027	1,062	1,096	1,130	1,164
30	673	708	744	779	815	850	886	921	956	992	1,027	1,063	1,098	1,134	1,169	1,204	
31	695	732	769	805	842	879	915	952	988	1,025	1,062	1,098	1,135	1,171	1,208	1,245	
32	718	756	793	831	869	907	945	982	1,020	1,058	1,096	1,134	1,171	1,209	1,247	1,285	
33	740	779	818	857	896	935	974	1,013	1,052	1,091	1,130	1,169	1,208	1,247	1,286	1,325	
34	763	803	843	883	923	964	1,004	1,044	1,084	1,124	1,164	1,204	1,245	1,285	1,325	1,365	
35	785	827	868	909	951	992	1,033	1,075	1,116	1,157	1,199	1,240	1,281	1,322	1,364	1,405	

**CITY OF OCALA FIREFIGHTERS RETIREMENT PLAN
\$738 COLA TABLE**



		Years Since Retirement/DROP Exit															
		16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31
Years of Credited Service at Retirement/DROP Exit	36	808	850	893	935	978	1,020	1,063	1,105	1,148	1,190	1,233	1,275	1,318	1,360	1,403	1,445
	37	830	874	917	961	1,005	1,049	1,092	1,136	1,180	1,223	1,267	1,311	1,354	1,398	1,442	1,485
	38	853	897	942	987	1,032	1,077	1,122	1,167	1,212	1,256	1,301	1,346	1,391	1,436	1,481	1,526
	39	875	921	967	1,013	1,059	1,105	1,151	1,197	1,243	1,289	1,335	1,382	1,428	1,474	1,520	1,566
	40	897	945	992	1,039	1,086	1,134	1,181	1,228	1,275	1,322	1,370	1,417	1,464	1,511	1,559	1,606
	41	920	968	1,017	1,065	1,113	1,162	1,210	1,259	1,307	1,356	1,404	1,452	1,501	1,549	1,598	1,646
	42	942	992	1,041	1,091	1,141	1,190	1,240	1,289	1,339	1,389	1,438	1,488	1,537	1,587	1,637	1,686
	43	965	1,015	1,066	1,117	1,168	1,219	1,269	1,320	1,371	1,422	1,472	1,523	1,574	1,625	1,676	1,726
	44	987	1,039	1,091	1,143	1,195	1,247	1,299	1,351	1,403	1,455	1,507	1,559	1,611	1,663	1,715	1,766
	45	1,010	1,063	1,116	1,169	1,222	1,275	1,328	1,382	1,435	1,488	1,541	1,594	1,647	1,700	1,753	1,807
	46	1,032	1,086	1,141	1,195	1,249	1,304	1,358	1,412	1,467	1,521	1,575	1,630	1,684	1,738	1,792	1,847
	47	1,054	1,110	1,165	1,221	1,276	1,332	1,387	1,443	1,498	1,554	1,609	1,665	1,720	1,776	1,831	1,887
	48	1,077	1,134	1,190	1,247	1,304	1,360	1,417	1,474	1,530	1,587	1,644	1,700	1,757	1,814	1,870	1,927
	49	1,099	1,157	1,215	1,273	1,331	1,389	1,446	1,504	1,562	1,620	1,678	1,736	1,794	1,851	1,909	1,967
	50	1,122	1,181	1,240	1,299	1,358	1,417	1,476	1,535	1,594	1,653	1,712	1,771	1,830	1,889	1,948	2,007