

CITY OF HAINES CITY
MUNICIPAL POLICE OFFICERS' RETIREMENT TRUST FUND
ACTUARIAL VALUATION
AS OF OCTOBER 1, 2024
CONTRIBUTIONS APPLICABLE TO THE
PLAN/FISCAL YEAR ENDING SEPTEMBER 30, 2026



FOSTER & FOSTER
ACTUARIES AND CONSULTANTS

March 3, 2025

Board of Trustees
City of Haines City
Municipal Police Officers' Pension Board
Post Office Box 1507
Haines City, FL 33845-1507

Re: City of Haines City Municipal Police Officers' Retirement Trust Fund

Dear Board:

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

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

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

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

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

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

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

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

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

Respectfully submitted,

Foster & Foster, Inc.

By:



Patrick T. Donlan, EA, ASA, MAAA
Enrolled Actuary #23-6595

By:



Kevin H. Peng, ASA, EA, MAAA
Enrolled Actuary #23-7783

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Enclosures

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SUMMARY OF REPORT

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

The contribution requirements, compared with those set forth in the August 27, 2024 actuarial impact statement, are as follows:

Valuation Date Applicable to Fiscal Year Ending	10/1/2024 <u>9/30/2026</u>	10/1/2023 <u>9/30/2025</u>
Minimum Required Contribution % of Projected Annual Payroll	30.1%	28.3%
Member Contributions (Est.) % of Projected Annual Payroll	9.4%	9.4%
City And State Required Contribution % of Projected Annual Payroll	20.7%	18.9%
State Contribution (Est.) ¹ % of Projected Annual Payroll (Est.)	\$249,675 6.1%	\$249,675 6.1%
City Required Contribution (Est.) ² % of Projected Annual Payroll (Est.)	14.6%	12.8%

¹ Reflects the mutual consent agreement between the City and the Membership. The City will be able to utilize annual state contributions up to \$109,171.02 to offset their funding requirements. State contributions received in excess of \$109,171.02 will be split 50/50 between the City and the Excess State Monies Reserve.

² The required contribution from the combination of City and State sources for the year ending September 30, 2026, is 20.7% of the actual payroll realized in that year. As a budgeting tool, the City may contribute 14.6% of each Member's Salary and then make a one-time adjustment to account for the actual State Monies received. Please note that the City has access to a prepaid contribution of \$44,746.44 that is available to offset a portion of the above stated requirements for the fiscal year ending September 30, 2025.

As you can see, the Minimum Required Contribution shows an increase when compared to the results set forth in the August 27, 2024 actuarial impact statement. The increase is partially attributable to the completion of amortizing the assumption change from 1994 and the actuarial gain from 2014 (which were net credits in the prior valuation) and partially attributable to net unfavorable actuarial experience as described in the next paragraph.

Plan experience was unfavorable overall on the basis of the plan's actuarial assumptions. The primary sources of actuarial loss included inactive mortality experience and the assumption that Members with Cross Credit will vest in this Plan. These losses were offset in part by gains associated with an average salary increase of 5.56% which fell short of the 5.64% assumption and an investment return of 7.58% (Actuarial Asset Basis) which exceeded the 7.25% assumption.

CHANGES SINCE PRIOR VALUATION

Plan Changes

Ordinance No. 24-2088 was adopted on September 19, 2024 and amend the plan to provide that City Manager shall be deemed vested after obtaining a total of seven (7) years of service in any of the City's defined benefit plans, for coordination of benefits purposes.

The impact of this benefit change can be found in our August 27, 2024 Actuarial Impact Statement.

Actuarial Assumption/Method Changes

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

CONTRIBUTION IMPACT OF ANNUAL CHANGES

(1) Contribution Determined as of October 1, 2023	12.9%
<i>(As set forth in the August 27, 2024 Actuarial Impact Statement)</i>	
(2) Summary of Contribution Impact by component:	
Change in State Contribution Percentage	-0.1%
Change in Normal Cost Rate	0.0%
Change in Administrative Expense Percentage	0.4%
Payroll Change Effect on UAAL Amortization	0.4%
Investment Return (Actuarial Asset Basis)	-0.1%
Salary Increases	-0.5%
Active Decrements	0.0%
Inactive Mortality	0.2%
UAAL Amortization Impact from Contribution Policy	0.6%
Completed Amortizations of prior Unfunded Actuarial Accrued Liabilities	0.6%
Other	<u>0.2%</u>
Total Change in Contribution	1.7%
(3) Contribution Determined as of October 1, 2024	14.6%

COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS

	<u>10/1/2024</u>	<u>10/1/2023</u>
A. Participant Data		
Actives	59	62
Service Retirees	22	22
DROP Retirees	1	1
Beneficiaries	4	4
Disability Retirees	4	4
Terminated Vested	<u>22</u>	<u>18</u>
Total	112	111
Projected Annual Payroll	4,110,468	4,168,880
Annual Rate of Payments to:		
Service Retirees	776,694	776,694
DROP Retirees	47,043	47,043
Beneficiaries	34,772	34,772
Disability Retirees	100,324	100,324
Terminated Vested	110,138	63,904
B. Assets		
Actuarial Value (AVA) ¹	16,879,965	15,533,129
Market Value (MVA) ¹	17,567,646	14,518,428
C. Liabilities		
Present Value of Benefits		
Actives		
Retirement Benefits	9,011,409	8,322,550
Disability Benefits	304,884	288,752
Death Benefits	46,773	45,239
Vested Benefits	2,324,081	2,290,974
Refund of Contributions	465,369	487,681
Service Retirees	8,395,550	8,516,256
DROP Retirees ¹	742,153	699,924
Beneficiaries	260,588	268,482
Disability Retirees	1,134,950	1,144,117
Terminated Vested	1,095,982	670,187
Excess State Monies Reserve	<u>556,003</u>	<u>395,023</u>
Total	24,337,742	23,129,185

C. Liabilities - (Continued)	<u>10/1/2024</u>	<u>10/1/2023</u>
Present Value of Future Salaries	29,239,625	30,226,261
Present Value of Future Member Contributions	2,748,525	2,841,269
Normal Cost (Retirement)	468,712	476,414
Normal Cost (Disability)	29,927	27,704
Normal Cost (Death)	3,183	3,189
Normal Cost (Vesting)	133,301	135,325
Normal Cost (Refunds)	<u>86,925</u>	<u>89,374</u>
Total Normal Cost	722,048	732,006
Present Value of Future Normal Costs	4,757,680	4,935,573
Accrued Liability (Retirement)	5,813,665	5,007,875
Accrued Liability (Disability)	117,145	106,956
Accrued Liability (Death)	26,285	24,110
Accrued Liability (Vesting)	1,357,351	1,282,827
Accrued Liability (Refunds)	80,390	77,855
Accrued Liability (Inactives) ¹	11,629,223	11,298,966
Excess State Monies Reserve	<u>556,003</u>	<u>395,023</u>
Total Actuarial Accrued Liability (EAN AL)	19,580,062	18,193,612
Unfunded Actuarial Accrued Liability (UAAL)	2,700,097	2,660,483
Funded Ratio (AVA / EAN AL)	86.2%	85.4%

D. Actuarial Present Value of Accrued Benefits	<u>10/1/2024</u>	<u>10/1/2023</u>
Vested Accrued Benefits		
Inactives ¹	11,629,223	11,298,966
Actives	1,886,231	1,468,114
Member Contributions	<u>1,841,556</u>	<u>1,624,914</u>
Total	15,357,010	14,391,994
Non-vested Accrued Benefits	<u>978,637</u>	<u>778,618</u>
Total Present Value		
Accrued Benefits (PVAB)	16,335,647	15,170,612
Funded Ratio (MVA / PVAB)	107.5%	95.7%
Increase (Decrease) in Present Value of Accrued Benefits Attributable to:		
Plan Amendments	0	
Assumption Changes	0	
Plan Experience	1,138,925	
Benefits Paid	(1,036,197)	
Interest	1,062,307	
Other	<u>0</u>	
Total	1,165,035	

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

E. Pension Cost

Normal Cost (with interest) % of Projected Annual Payroll ²	18.2	18.2
Administrative Expenses (with interest) % of Projected Annual Payroll ²	2.0	1.6
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 23 years (as of 10/1/2024, with interest) % of Projected Annual Payroll ²	9.9	8.5
Minimum Required Contribution % of Projected Annual Payroll ²	30.1	28.3
Expected Member Contributions % of Projected Annual Payroll ²	9.4	9.4
Expected City and State Contribution % of Projected Annual Payroll ²	20.7	18.9

F. Past Contributions

Plan Years Ending:	<u>9/30/2024</u>
City and State Requirement	761,704
Actual Contributions Made:	
Members (excluding buyback)	437,682
City	512,030
State	249,675
Total	<u>1,199,387</u>

G. Net Actuarial (Gain)/Loss	197,740
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¹ The asset values and liabilities include accumulated DROP Plan Balances as of 9/30/2024 and 9/30/2023.

² Contributions developed as of 10/1/2024 are expressed as a percentage of Projected Annual Payroll at 10/1/2024 of \$4,110,468.

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

<u>Year</u>	<u>Projected Unfunded Actuarial Accrued Liability</u>
2024	2,700,097
2025	2,473,926
2026	2,237,572
2031	1,297,240
2037	216,345
2042	45,173
2047	0

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

	<u>Actual</u>	<u>Assumed</u>
Year Ended 9/30/2024	5.56%	5.64%
Year Ended 9/30/2023	12.66%	5.68%
Year Ended 9/30/2022	10.88%	5.72%
Year Ended 9/30/2021	4.22%	5.23%
Year Ended 9/30/2020	8.55%	5.37%

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

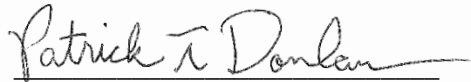
	<u>Market Value</u>	<u>Actuarial Value</u>	<u>Assumed</u>
Year Ended 9/30/2024	20.00%	7.58%	7.25%
Year Ended 9/30/2023	9.32%	4.91%	7.30%
Year Ended 9/30/2022	-13.92%	5.96%	7.35%
Year Ended 9/30/2021	21.53%	10.21%	7.40%
Year Ended 9/30/2020	8.34%	8.03%	7.45%

(iii) Average Annual Payroll Growth

(a) Payroll as of:	10/1/2024	\$4,110,468
	10/1/2014	2,209,930
(b) Total Increase		86.00%
(c) Number of Years		10.00
(d) Average Annual Rate		6.40%

STATEMENT BY ENROLLED ACTUARY

This actuarial valuation was prepared and completed by me or under my direct supervision, and I acknowledge responsibility for the results. To the best of my knowledge, the results are complete and accurate, and in my opinion, the techniques and assumptions used are reasonable and meet the requirements and intent of Part VII, Chapter 112, Florida Statutes. There is no benefit or expense to be provided by the plan and/or paid from the plan's assets for which liabilities or current costs have not been established or otherwise taken into account in the valuation. All known events or trends which may require a material increase in plan costs or required contribution rates have been taken into account in the valuation.



Patrick T. Donlan, EA, ASA, MAAA
Enrolled Actuary #23-6595

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

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

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

RECONCILIATION OF UNFUNDED ACTUARIAL ACCRUED LIABILITIES

(1)	Unfunded Actuarial Accrued Liability as of October 1, 2023	\$2,660,483
(2)	Sponsor Normal Cost developed as of October 1, 2023	340,131
(3)	Expected administrative expenses for the year ended September 30, 2024	64,070
(4)	Expected interest on (1), (2) and (3)	219,867
(5)	Sponsor contributions to the System during the year ended September 30, 2024	761,704
(6)	Expected interest on (5)	20,490
(7)	Expected Unfunded Actuarial Accrued Liability as of September 30, 2024 (1)+(2)+(3)+(4)-(5)-(6)	2,502,357
(8)	Change to UAAL due to Assumption Change	0
(9)	Change to UAAL due to Actuarial (Gain)/Loss	197,740
(10)	Unfunded Actuarial Accrued Liability as of October 1, 2024	2,700,097

Type of <u>Base</u>	Date <u>Established</u>	Years <u>Remaining</u>	10/1/2024 <u>Amount</u>	Amortization <u>Amount</u>
Method Change	10/1/1995	1	(10,162)	(10,162)
Benefit Change	10/1/1997	3	68,157	23,767
Method Change	10/1/2004	10	535,399	65,225
Prior Losses	10/1/2004	4	282,864	75,644
Actuarial Gain	10/1/2005	4	(43,886)	(11,736)
Actuarial Loss	10/1/2006	4	56,625	15,143
Actuarial Gain	10/1/2007	4	(205,430)	(54,937)
Assumption	10/1/2007	13	393,808	39,291
Method Change	10/1/2008	4	100,449	26,862
Benefit Change	10/1/2009	15	28,073	2,529
Benefit Change	10/1/2010	16	(15,084)	(1,300)
Benefit Change	10/1/2012	18	8,870	707
Benefit Change	10/1/2013	19	(247)	(19)
Assumptions	10/1/2014	10	(306,167)	(37,299)
Reserve Allocation	10/1/2015	1	(6,277)	(6,277)
Actuarial Loss	10/1/2015	1	31,500	31,500
Assumption	10/1/2016	12	240,069	25,416
Actuarial Gain	10/1/2016	2	(48,397)	(24,752)
Actuarial Loss	10/1/2017	3	162,407	56,632
Benefit Change	10/1/2017	23	93,016	6,393
Actuarial Loss	10/1/2018	4	180,568	48,288
Actuarial Loss	10/1/2019	5	94,339	20,634
Assump Change	10/1/2019	10	193,093	23,523
Actuarial Loss	10/1/2020	11	26,475	2,995
Asmp/Mthd Change	10/1/2020	11	(63,452)	(7,177)

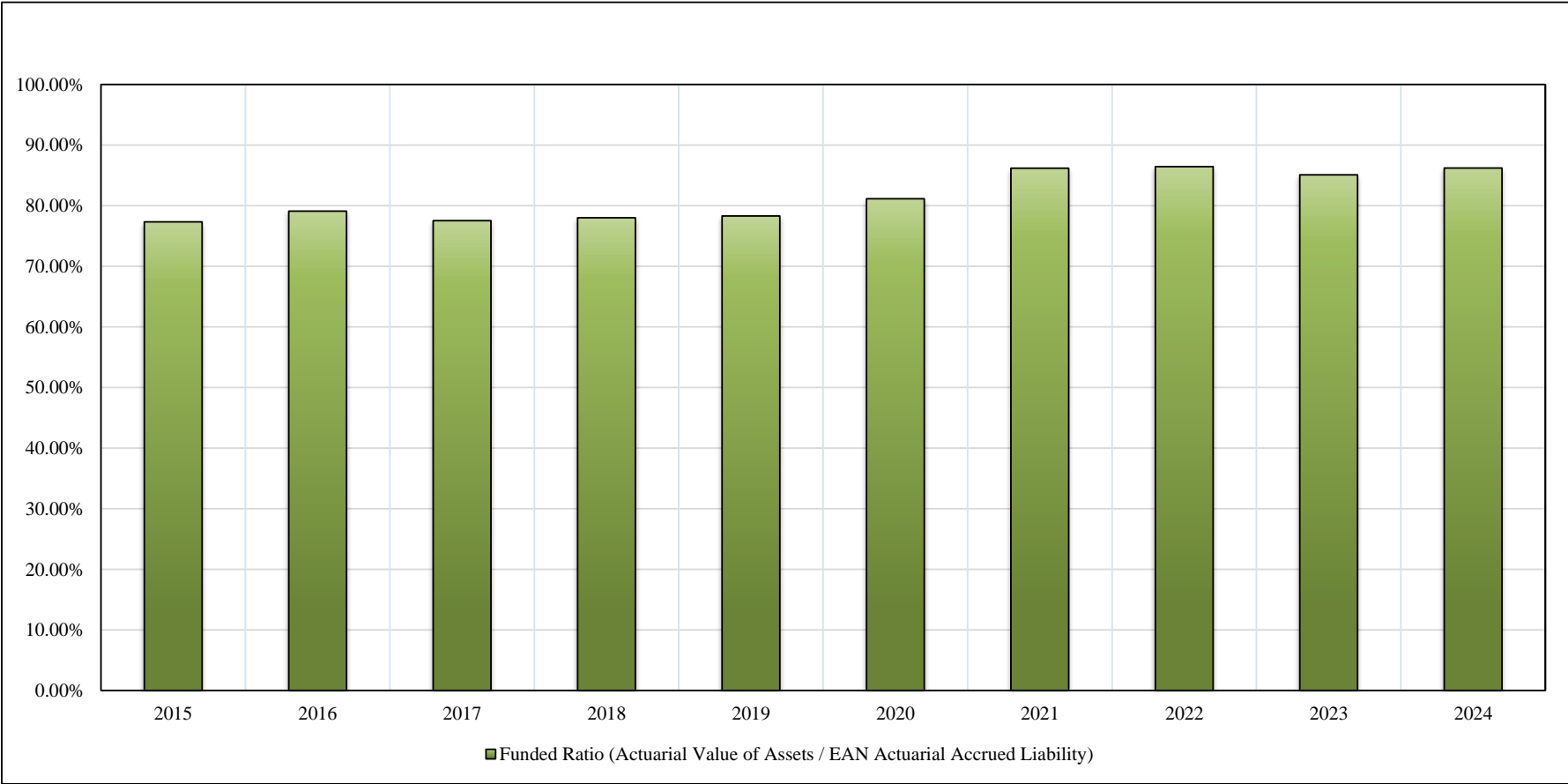
Type of <u>Base</u>	Date <u>Established</u>	Years <u>Remaining</u>	10/1/2024 <u>Amount</u>	Amortization <u>Amount</u>
Actuarial Gain	10/1/2021	12	(410,036)	(43,411)
Assump Change	10/1/2021	12	71,235	7,542
Actuarial Loss	10/1/2022	13	260,061	25,947
Assump Change	10/1/2022	13	83,549	8,336
Assump Change	10/1/2023	14	101,840	9,631
Actuarial Loss	10/1/2023	14	599,099	56,657
Actuarial Loss	10/1/2024	15	197,740	17,813
			<u>2,700,097</u>	<u>393,405</u>

DETAILED ACTUARIAL (GAIN)/LOSS ANALYSIS

(1) Unfunded Actuarial Accrued Liability (UAAL) as of October 1, 2023	\$2,660,483
(2) Expected UAAL as of October 1, 2024	2,502,357
(3) Summary of Actuarial (Gain)/Loss, by component:	
Investment Return (Actuarial Asset Basis)	(51,874)
Salary Increases	(211,917)
Active Decrements	6,512
Inactive Mortality	96,000
Other ¹	<u>359,019</u>
Increase in UAAL due to (Gain)/Loss	197,740
Assumption Changes	<u>0</u>
(4) Actual UAAL as of October 1, 2024	\$2,700,097

¹ A portion of this is the result of valuing the Members who are currently participating in the General Employees' Plan as if they will ultimately vest in this Plan instead of valuing that they will only receive a refund of contributions from this Plan.

HISTORY OF FUNDING PROGRESS



ACTUARIAL ASSUMPTIONS AND METHODS

Mortality Rate

Healthy Active Lives:

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

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

Healthy Retiree Lives:

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

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

Beneficiary Lives:

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

Male: PubG.H-2010 (Below Median) for Healthy Retirees, set back one year.

Disabled Lives:

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

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

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

75% of active deaths are assumed to be service-incurred.

Interest Rate

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

Salary Increases

Service	Rate
0	12.5%
1-9	5.5%
10-14	4.5%
15-19	3.5%
20+	3.0%

This assumption was evaluated and amended in conjunction with an actuarial experience study dated June 4, 2019.

Payroll Growth

2.45% for purposes of amortizing the Unfunded Actuarial Accrued Liability. This assumption cannot exceed the ten-year average payroll growth, in compliance with Part VII of Chapter 112, Florida Statutes.

Administrative Expenses

\$79,885 annually, based on the average of actual expenses incurred in the prior two fiscal years.

Normal Retirement

100% probability at first eligibility for Normal Retirement. This assumption was evaluated and amended in conjunction with an actuarial experience study dated June 4, 2019.

Early Retirement

Commencing with the earliest Early Retirement Age (50), members are assumed to retire with an immediate subsidized benefit at the rate of 7.50% per year. This assumption was evaluated in an actuarial experience study dated June 4, 2019.

Termination Rate

Members are assumed to terminate employment prior to retirement as follows:

Service	Rate
0-6	13.0%
7	7.0%
8-9	1.0%
10+	6.0%

This assumption was evaluated and amended in conjunction with an actuarial experience study dated June 4, 2019.

Disability Rate

Members are assumed to become disabled at varying rates based on age. Sample rates are as follows:

Age	Rate
20	0.051%
30	0.058%
40	0.121%
50	0.429%

Additionally, it is assumed that 75% of disablements are service related. The assumed rates of disablement were developed from those used by other plans containing Florida municipal Police Officers and was evaluated in conjunction with an actuarial experience study dated June 4, 2019.

Marital Assumption

100% of active members are assumed to be married, with husbands 3 years older than their wives.

Amortization Method

New UAAL amortization bases are amortized over 15 years.

The amortization payment is subject to a minimum based on a 30-year amortization of the UAAL, if the UAAL is positive, in order to comply with Actuarial Standard of Practice No. 4.

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

Funding Method

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

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

Salary - None.

Actuarial Asset Method

All assets are valued at market value with an adjustment to uniformly spread actuarial investment gains and losses (as measured by actual market value investment return against expected market value investment return) over a five-year period

Low-Default-Risk Obligation Measure

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

GLOSSARY

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

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

(a) The normal cost accrual rate equals:

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

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

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

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

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

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

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

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

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

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

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

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

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

DISCUSSION OF RISK

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

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

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

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

Impact of Plan Maturity on Risk

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

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

- The Support Ratio, determined as the ratio of active to inactive members, has decreased from 270.6% on October 1, 2014 to 163.9% on October 1, 2024, indicating that the plan has been maturing during the period.
- The Accrued Liability Ratio, determined as the ratio of the Inactive Accrued Liability, which is the liability associated with members who are no longer employed but are due a benefit from the plan, to the Total Accrued Liability, is 59.4%. With a plan of this maturity, losses due to lower than expected investment returns or demographic factors may result in larger increases in contribution requirements than would be needed for a less mature plan. Please note Chapter 112, Florida Statutes, requires that the plan sponsor contributes the minimum required contribution; thus, there is minimal solvency risk to the plan.
- The Funded Ratio, determined as the ratio of the Actuarial Value of Assets to the Total Accrued Liability, has increased from 76.0% on October 1, 2014 to 86.2% on October 1, 2024.
- The Net Cash Flow Ratio, determined as the ratio of the Net Cash Flow (contributions minus benefit payments and administrative expenses) to the Market Value of Assets, decreased from 2.9% on October 1, 2014 to 1.2% on October 1, 2024. The current Net Cash Flow Ratio of 1.2% indicates that contributions are generally covering the plan's benefit payments and administrative expenses.

Low Default-Risk Obligation Measure

ASOP No. 4, Measuring Pension Obligations and Determining Pension Plan Costs or Contributions, was revised as of December 2021 to include a “low-default-risk obligation measure” (LDROM). This liability measure is consistent with the determination of the actuarial accrued liability shown on page 11 in terms of member data, plan provisions, and assumptions/methods, under the Entry Age Normal Cost Method, except that the interest rate is tied to low-default-risk fixed income securities. The S&P Municipal Bond 20 Year High Grade Rate Index (daily rate closest to, but not later than, the measurement date) was selected to represent a current market rate of low risk but longer-term investments that could be included in a low-risk asset portfolio. The interest rate used in this valuation was 4.06%, resulting in an LDROM of \$29,523,878. The LDROM should not be considered the “correct” liability measurement; it simply shows a possible outcome if the Board elected to hold a very low risk asset portfolio. The Board actually invests the pension plan’s contributions in a diversified portfolio of stocks and bonds and other investments with the objective of maximizing investment returns at a reasonable level of risk. Consequently, the difference between the plan’s Actuarial Accrued Liability disclosed earlier in this section and the LDROM can be thought of as representing the expected taxpayer savings from investing in the plan’s diversified portfolio compared to investing only in high quality bonds.

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

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

PLAN MATURITY MEASURES AND OTHER RISK METRICS

	<u>10/1/2024</u>	<u>10/1/2023</u>	<u>10/1/2019</u>	<u>10/1/2014</u>
<u>Support Ratio</u>				
Total Actives	59	62	54	46
Total Inactives ¹	36	34	27	17
Actives / Inactives ¹	163.9%	182.4%	200.0%	270.6%
<u>Asset Volatility Ratio</u>				
Market Value of Assets (MVA)	17,567,646	14,518,428	11,072,486	7,955,508
Total Annual Payroll	4,194,109	4,250,975	3,214,403	2,209,930
MVA / Total Annual Payroll	418.9%	341.5%	344.5%	360.0%
<u>Accrued Liability (AL) Ratio</u>				
Inactive Accrued Liability	11,629,223	11,298,966	8,720,122	4,685,607
Total Accrued Liability (EAN)	19,580,062	18,193,612	14,310,010	9,774,145
Inactive AL / Total AL	59.4%	62.1%	60.9%	47.9%
<u>Funded Ratio</u>				
Actuarial Value of Assets (AVA)	16,879,965	15,533,129	11,204,281	7,427,269
Total Accrued Liability (EAN)	19,580,062	18,193,612	14,310,010	9,774,145
AVA / Total Accrued Liability (EAN)	86.2%	85.4%	78.3%	76.0%
<u>Net Cash Flow Ratio</u>				
Net Cash Flow ²	215,920	247,524	188,756	234,401
Market Value of Assets (MVA)	17,567,646	14,518,428	11,072,486	7,955,508
Ratio	1.2%	1.7%	1.7%	2.9%

¹ Excludes terminated participants awaiting a refund of member contributions.

² Determined as total contributions minus benefit payments and administrative expenses.

PARTIAL HISTORY OF PREMIUM TAX REFUNDS

<u>Received During Fiscal Year</u>	<u>Amount</u>	<u>Increase from Previous Year</u>
1998	64,077.42	_____%
1999	67,304.18	5.0%
2000	64,419.89	-4.3%
2001	67,521.55	4.8%
2002	71,279.20	5.6%
2003	81,824.19	14.8%
2004	108,506.38	32.6%
2005	106,594.33	-1.8%
2006	106,594.33	0.0%
2007	106,594.33	0.0%
2008	106,594.33	0.0%
2009	104,757.47	-1.7%
2010	100,183.71	-4.4%
2011	100,337.62	0.2%
2012	101,723.02	1.4%
2013	109,171.02	7.3%
2014	117,527.44	7.7%
2015	123,637.48	5.2%
2016	140,102.10	13.3%
2017	156,249.49	11.5%
2018	181,470.73	16.1%
2019	205,132.70	13.0%
2020	216,062.06	5.3%
2021	230,249.87	6.6%
2022	270,349.56	17.4%
2023	313,459.04	15.9%
2024	390,178.46	24.5%

EXCESS STATE MONIES RESERVE

	<u>Actual</u> <u>State Contribution</u>	<u>Applicable</u> <u>"Frozen" Amount</u>	<u>Excess State</u> <u>Monies Reserve</u>
1998	\$64,077.42	\$64,077.42	\$0.00
1999	67,304.18	64,077.42	3,226.76
2000	64,419.89	64,077.42	342.47
2001	67,521.55	64,077.42	3,444.13
2002	71,279.20	64,077.42	7,201.78
2003	81,824.19	64,077.42	17,746.77
2004	108,506.38	64,077.42	44,428.96
2005	106,594.33	82,877.42	23,716.91
2006	106,594.33	82,877.42	23,716.91
2007	106,594.33	82,877.42	23,716.91
2008	106,594.33	82,877.42	23,716.91
2009	104,757.47	82,877.42	21,880.05
2010	100,183.71	82,877.42	17,306.29
2011	100,337.62	93,135.42	7,202.20
2012	101,723.02	93,135.42	8,587.60
2013	109,171.02	93,135.42	16,035.60
2014	117,527.44	93,135.42	24,392.02
2015	123,637.48	93,135.42	30,502.06
2016	140,102.10	124,636.56	15,465.54
2017	156,249.49	132,710.26	23,539.23
2018	181,470.73	145,320.88	36,149.85
2019	205,132.70	157,151.86	47,980.84
2020	216,062.06	162,616.54	53,445.52
2021	230,249.87	169,710.45	60,539.42
2022	270,349.56	189,760.29	80,589.27
2023	313,459.04	211,315.03	102,144.01
2024	390,178.46	249,674.74	<u>140,503.72</u>
Total Excess State Monies			857,521.73
Less amounts used in funding Ord. No. 05-1198 (3.2% BR)			(76,390.87)
Less amounts used in funding 3.35% BR			(116,748)
Less amounts used to pay down UAAL by Mutual Consent			(52,012.89)
Less amounts used in funding Ordinance No. 18-1597			(91,017.65)
Interest			<u>34,650.71</u>
Equals Current State Monies Reserve			\$556,003.34

STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2024

<u>ASSETS</u>	COST VALUE	MARKET VALUE
Cash and Cash Equivalents:		
Short Term Investments	280,412.75	280,412.75
Cash	3,003.17	3,003.17
Total Cash and Equivalents	283,415.92	283,415.92
Receivables:		
Member Buy-Back Contributions	52,735.00	52,735.00
Investment Income	28,041.54	28,041.54
Total Receivable	80,776.54	80,776.54
Investments:		
U. S. Bonds and Bills	1,212,619.79	1,196,280.23
Federal Agency Guaranteed Securities	823,328.18	814,677.40
Corporate Bonds	2,669,225.54	2,516,121.48
Municipal Obligations	84,087.45	72,876.82
Stocks	1,669,272.46	2,224,226.06
Mutual Funds:		
Fixed Income	769,709.84	1,036,838.64
Equity	5,343,746.17	8,345,489.57
Pooled/Common/Commingled Funds:		
Real Estate	912,274.74	1,096,078.21
Total Investments	13,484,264.17	17,302,588.41
Total Assets	13,848,456.63	17,666,780.87
<u>LIABILITIES</u>		
Payables:		
Refunds (prior)	2,515.54	2,515.54
To General Employees' Trust Fund	51,872.91	51,872.91
Prepaid City Contribution	44,746.44	44,746.44
Total Liabilities	99,134.89	99,134.89
NET POSITION RESTRICTED FOR PENSIONS	13,749,321.74	17,567,645.98

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

ADDITIONS

Contributions:

Member	384,947.32
Buy-Back	52,735.00
City	512,029.53
State	390,178.46

Total Contributions 1,339,890.31

Investment Income:

Net Realized Gain (Loss)	111,795.67
Unrealized Gain (Loss)	2,422,001.31
Net Increase in Fair Value of Investments	2,533,796.98
Interest & Dividends	398,894.96
Less Investment Expense ¹	(46,658.38)

Net Investment Income 2,886,033.56

Total Additions 4,225,923.87

DEDUCTIONS

Distributions to Members:

Benefit Payments	902,624.64
Lump Sum DROP Distributions	0.00
Refunds of Member Contributions	133,572.46

Total Distributions 1,036,197.10

Administrative Expense 87,773.49

Total Deductions 1,123,970.59

Net Increase in Net Position 3,101,953.28

NET POSITION RESTRICTED FOR PENSIONS

Beginning of the Year 14,465,692.70

End of the Year 17,567,645.98

¹Investment related expenses include investment advisory, custodial and performance monitoring fees.

ACTUARIAL ASSET VALUATION
September 30, 2024

Actuarial Assets for funding purposes are developed by recognizing the total actuarial investment gain or loss for each Plan Year over a five year period. In the first year, 20% of the gain or loss is recognized. In the second year 40%, in the third year 60%, in the fourth year 80%, and in the fifth year 100% of the gain or loss is recognized. The actuarial investment gain or loss is defined as the actual return on investments minus the actuarial assumed investment return. Actuarial Assets shall not be less than 80% nor greater than 120% of Market Value of Assets.

Plan Year Ending	Gain/(Loss)	<u>Gains/Losses Not Yet Recognized</u>				
		Amounts Not Yet Recognized by Valuation Year				
		2024	2025	2026	2027	2028
09/30/2021	1,726,277	345,257	0	0	0	0
09/30/2022	(3,181,514)	(1,272,605)	(636,302)	0	0	0
09/30/2023	254,619	152,771	101,847	50,923	0	0
09/30/2024	1,827,822	1,462,258	1,096,694	731,130	365,566	0
Total		687,681	562,239	782,053	365,566	0

Development of Investment Gain/Loss

Market Value of Assets, 09/30/2023	14,465,693
Contributions Less Benefit Payments & Admin Expenses	260,666
Expected Investment Earnings*	1,058,212
Actual Net Investment Earnings	2,886,034
2024 Actuarial Investment Gain/(Loss)	<u>1,827,822</u>

*Expected Investment Earnings = $0.0725 * (14,465,693 + 0.5 * 260,666)$

Development of Actuarial Value of Assets

(1) Market Value of Assets, 09/30/2024	17,567,646
(2) Gains/(Losses) Not Yet Recognized	<u>687,681</u>
(3) Actuarial Value of Assets, 09/30/2024, (1) - (2)	16,879,965
(4) Limited Actuarial Value of Assets, 09/30/2024	16,879,965

(A) 09/30/2023 Actuarial Assets: 15,480,394

(I) Net Investment Income:	
1. Interest and Dividends	398,895
2. Realized Gain (Loss)	111,796
3. Unrealized Gain (Loss)	2,422,001
4. Change in Actuarial Value	(1,702,382)
5. Investment Expenses	<u>(46,658)</u>
Total	1,183,652

(B) 09/30/2024 Actuarial Assets, including Prepaid Contributions: 16,924,711

Actuarial Assets Rate of Return = $2I/(A+B-I)$: 7.58%
Market Value of Assets Rate of Return: 20.00%

Actuarial Gain/(Loss) due to Investment Return (Actuarial Asset Basis) 51,874

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

REVENUES

Contributions:		
Member	384,947.32	
Buy-Back	52,735.00	
City	512,029.53	
State	390,178.46	
Total Contributions		1,339,890.31
Earnings from Investments:		
Interest & Dividends	398,894.96	
Net Realized Gain (Loss)	111,795.67	
Unrealized Gain (Loss)	2,422,001.31	
Change in Actuarial Value	(1,702,382.00)	
Total Earnings and Investment Gains		1,230,309.94

EXPENDITURES

Distributions to Members:		
Benefit Payments	902,624.64	
Lump Sum DROP Distributions	0.00	
Refunds of Member Contributions	133,572.46	
Total Distributions		1,036,197.10
Expenses:		
Investment related ¹	46,658.38	
Administrative	87,773.49	
Total Expenses		134,431.87
Change in Net Assets for the Year		1,399,571.28
Net Assets Beginning of the Year		15,480,393.70
Net Assets End of the Year ²		16,879,964.98

¹Investment related expenses include investment advisory, custodial and performance monitoring fees.

²Net Assets may be limited for actuarial consideration.

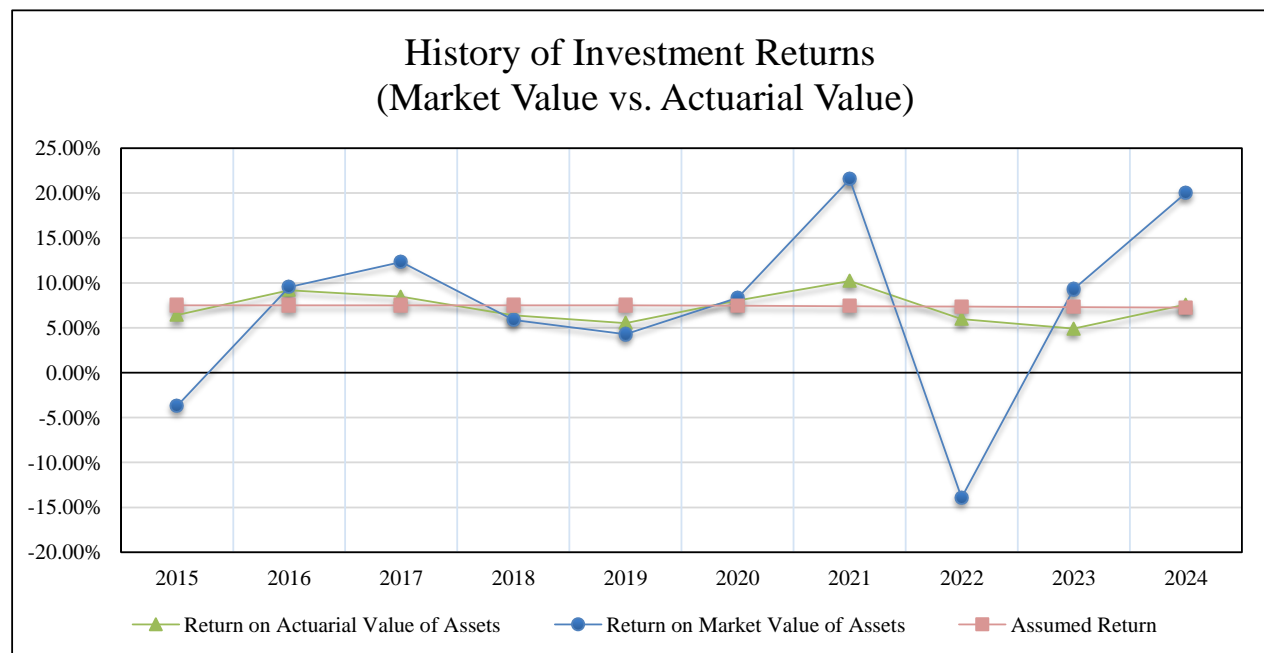
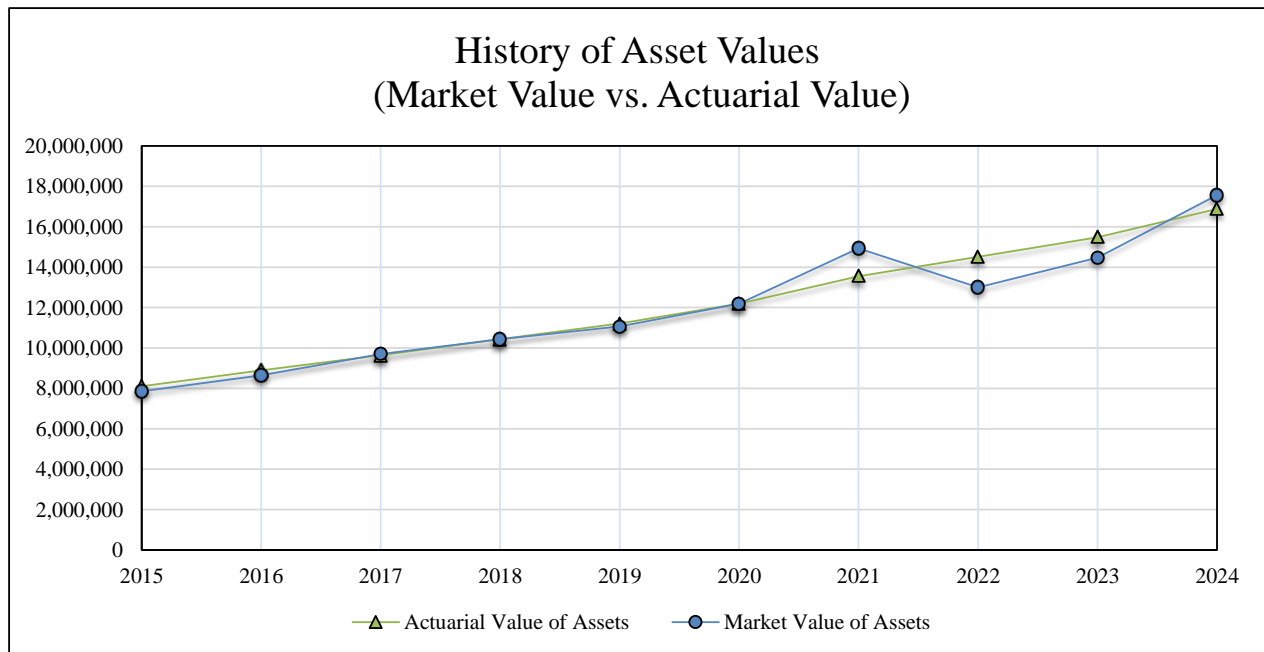
DEFERRED RETIREMENT OPTION PLAN ACTIVITY
October 1, 2023 to September 30, 2024

Beginning of the Year Balance	156,900.23
Plus Additions	47,042.88
Investment Return Earned	2,370.29
Less Distributions	0.00
End of the Year Balance	206,313.40

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

(1) City and State Required Contribution Rate	18.6%
(2) Pensionable Payroll Derived from Member Contributions	\$4,095,184.26
(3) City and State Required Contribution (1) x (2)	761,704.27
(4) Less Allowable State Contribution	<u>(249,674.74)</u>
(5) Equals Required City Contribution for Fiscal 2024	512,029.53
(6) Plus 2023 Shortfall Contribution	32,333.01
(7) Less Actual City Contributions	<u>(589,108.98)</u>
(8) Equals City's Shortfall/(Prepaid) Contribution as of September 30, 2024	(\$44,746.44)

HISTORY OF ASSET VALUES AND INVESTMENT RETURNS



STATISTICAL DATA

	<u>10/1/2024</u>	<u>10/1/2023</u>	<u>10/1/2022</u>	<u>10/1/2021</u>
<u>Actives</u>				
Number	59	62	57	53
Average Current Age	37.4	36.4	36.4	37.4
Average Age at Employment	31.5	31.2	31.0	31.9
Average Past Service	5.9	5.2	5.4	5.5
Average Annual Salary	\$71,087	\$68,564	\$64,403	\$62,289
<u>Service Retirees</u>				
Number	22	22	24	23
Average Current Age	64.9	63.9	63.7	64.8
Average Annual Benefit	\$35,304	\$35,304	\$33,294	\$32,208
<u>DROP Retirees</u>				
Number	1	1	1	1
Average Current Age	65.0	64.0	63.0	62.0
Average Annual Benefit	\$47,043	\$47,043	\$47,043	\$52,502
<u>Beneficiaries</u>				
Number	4	4	3	2
Average Current Age	78.9	77.9	80.3	77.0
Average Annual Benefit	\$8,693	\$8,693	\$9,455	\$9,599
<u>Disability Retirees</u>				
Number	4	4	3	3
Average Current Age	53.8	52.8	59.8	58.8
Average Annual Benefit	\$25,081	\$25,081	\$26,715	\$26,715
<u>Terminated Vested</u>				
Number	22	18	15	13
Average Current Age ¹	51.6	46.6	45.6	44.2
Average Annual Benefit ¹	\$22,028	\$22,302	\$22,302	\$25,693

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

AGE AND SERVICE DISTRIBUTION

PAST SERVICE

AGE	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30+	Total
15 - 19												0
20 - 24	2	3	2	1								8
25 - 29	3	2			1	1						7
30 - 34		3	2		1		1					7
35 - 39	1	3	1	3	1	2	1	1				13
40 - 44						5	2	3				10
45 - 49		1	1		1	2		2				7
50 - 54						3		1				4
55 - 59	1											1
60 - 64				1			1					2
65+												0
Total	7	12	6	5	4	13	5	7	0	0	0	59

VALUATION PARTICIPANT RECONCILIATION

1. Active lives

a. Number in prior valuation 10/1/2023	62
b. Terminations	
i. Vested (partial or full) with deferred annuity	0
ii. Vested in refund of member contributions only	(4)
iii. Refund of member contributions or full lump sum distribution	(6)
c. Deaths	
i. Beneficiary receiving benefits	0
ii. No future benefits payable	0
d. Disabled	0
e. Retired	0
f. DROP	<u>0</u>
g. Continuing participants	52
h. New entrants / Rehires	<u>7</u>
i. Total active life participants in valuation	59

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

	Service Retirees, Vested Receiving <u>Benefits</u>	DROP <u>Benefits</u>	Receiving Death <u>Benefits</u>	Receiving Disability <u>Benefits</u>	Vested (Deferred Annuity)	Vested (Due Refund)	<u>Total</u>
a. Number prior valuation	22	1	4	4	3	15	49
Retired							0
DROP							0
Vested (Deferred Annuity)					1	(1)	0
Vested (Due Refund)						4	4
Hired/Terminated in Same Year							0
Death, With Survivor							0
Death, No Survivor							0
Disabled							0
Refund of Contributions						(1)	(1)
Rehires							0
Expired Annuities							0
Data Corrections					1		1
b. Number current valuation	22	1	4	4	5	17	53

SUMMARY OF CURRENT PLAN
(Through Ordinance No. 24-2088)

<u>Eligibility</u>	Full-time employees who are classified as full-time sworn police officers shall participate in the System as a condition of employment.
<u>Credited Service</u>	Total years and fractional parts of years of employment with the City as a Police Officer.
<u>Salary</u>	Total W-2 compensation plus tax exempt, tax sheltered, and tax deferred items of income. Effective July 1, 2011, Salary shall not include more than three hundred (300) hours of overtime per fiscal year. Additionally, Salary will include the lesser of the amount of sick and vacation time accrued as of July 1, 2011, or the actual amount of sick and vacation leave time for which the retiree receives payment at the time of retirement.
<u>Average Final Compensation</u>	Average Salary for the best 5 years during the 10 years immediately preceding retirement or termination.
<u>Member Contributions</u>	9.4% of Salary.
<u>City and State Contributions</u>	Remaining amount required in order to pay current costs and amortize any unfunded past service cost as provided in Part VII of Chapter 112, F.S.
<u>Normal Retirement</u> Date	Earlier of: 1) age 55 and 10 years of Credited Service, or 2) 25 years of Credited Service, regardless of age.
Benefit	3.35% of Average Final Compensation <u>times</u> Credited Service earned prior to October 1, 2011 <u>plus</u> 3.30% of Average Final Compensation <u>times</u> Credited Service earned after October 1, 2011.
Form of Benefit	Ten Year Certain and Life Annuity (options available).
<u>Early Retirement</u> Eligibility	Age 50 and 10 Years of Credited Service.
Benefit	Accrued benefit, reduced 3% for each year prior to Normal Retirement.

Vesting

Schedule

100% after 10 years of Credited Service. City Manager may elect to buy down the vesting schedule from 10 to 7 years in any of the City's defined benefit plans, for coordination of benefit purposes at their sole expenses.

Benefit Amount

Member will receive the vested portion of his (her) accrued benefit payable at the otherwise Normal Retirement Date.

Disability

Eligibility

Service Incurred

Covered from Date of Employment.

Non-Service Incurred

10 years of Credited Service.

Exclusions

Disability resulting from use of drugs, illegal participation in riots, service in military, etc.

Benefit

Benefit accrued to date of disability but not less than 42% of Average Final Compensation (if Service Incurred).

Duration

Payable for life and ten years certain or until recovery (as determined by the Board). Options available.

Death Benefits

Pre-Retirement

Vested

Monthly accrued benefit payable to designated beneficiary for 10 years.

Non-Vested

Refund of accumulated contributions without interest.

Post-Retirement

Benefits payable to beneficiary in accordance with option selected at retirement.

Board of Trustees

Two Commission appointees, two Members of the Department elected by the membership, and a fifth Member elected by the other four trustees and is appointed by the Commission.

Deferred Retirement Option Plan

Eligibility	Satisfaction of Normal Retirement requirements.
Participation	Not to exceed 60 months.
Rate of Return	Actual net rate of investment return (total return net of brokerage commissions, management fees and transaction costs) credited each fiscal quarter; or, 1.3%, per annum, compounded quarter, if elected.
Form of Distribution	Cash lump sum at termination of employment.