



# City of Pompano Beach Police & Firefighters' Retirement System

October 1, 2023  
Actuarial Valuation Report

**Table of Contents**

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<b>Actuarial Certification</b>	<b>3</b>
<b>Executive Summary</b>	<b>5</b>
Summary Results	5
Changes Since Prior Valuation and Key Notes	6
Five Year Valuation Summary	7
Identification of Risks	8
Plan Maturity Measures	9
<b>Assets and Liabilities</b>	<b>10</b>
Present Value of Future Benefits	10
Funding Liabilities	11
Asset Information	12
Reconciliation of Gain/Loss	13
<b>Contribution Requirements</b>	<b>15</b>
Development of Recommended Contribution	15
<b>Demographic Information</b>	<b>16</b>
<b>Participant Reconciliation</b>	<b>18</b>
<b>Plan Provisions</b>	<b>20</b>
<b>Actuarial Assumptions</b>	<b>27</b>
<b>Appendix</b>	<b>30</b>
Reconciliation of Unfunded Actuarial Liability	31
Asset Information	32
Schedule of Amortizations	34
Florida State Requirements	40
Reserve Account under 99-1/SB172	54
Low-Default-Risk Obligation Measure	55

## Actuarial Certification

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At the request of the plan sponsor, this report summarizes the Police and Firefighters' Retirement System for the City of Pompano Beach as of October 1, 2023. 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, 2024 through September 30, 2025

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.

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.

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 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.

**Actuarial Certification**

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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



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Lawrence Watts, Jr., FSA, CFA, EA, MAAA  
Enrolled Actuary No. 23-8496



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Samantha Olson, ASA, EA  
Enrolled Actuary No. 23-9085

**February 22, 2024**

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:

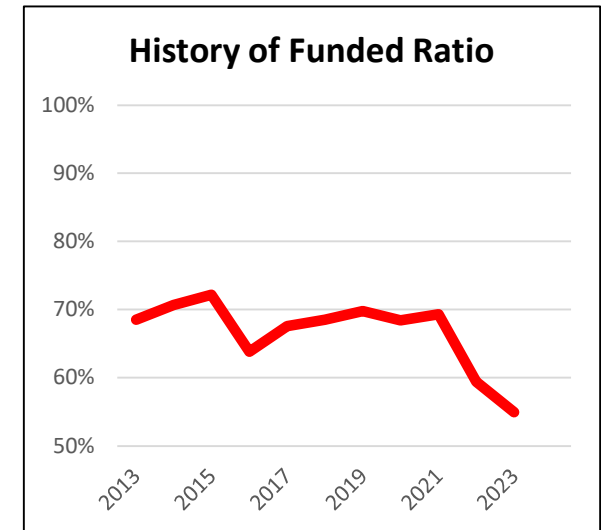
Mr. Stephen Bardin  
Benefits Administrator  
Municipal Police Officers' &  
Firefighters' Trust Funds  
Division of Retirement  
Post Office Box 3010  
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Mr. Keith Brinkman  
Bureau & Chief  
Local Retirement Systems  
Division of Retirement  
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**Executive Summary**

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 entry age level percentage of pay.

	October 1, 2022	October 1, 2023
<b>Funded Status Measures</b>		
Accrued Liability	\$419,176,257	\$450,195,671
Actuarial Value of Assets	249,095,788	247,529,755
Unfunded Accrued Liability	\$170,080,469	\$202,665,916
Funded Percentage (AVA)	59.4%	55.0%
Funded percentage (MVA)	50.1%	48.8%
<b>Cost Measures</b>		
Recommended Contribution	\$20,155,147	\$23,604,213
Recommended Contribution (as a percentage of payroll)	127.1%	139.1%
<b>Asset Performance</b>		
Market Value of Assets	\$210,052,472	\$219,648,136
Actuarial Value of Assets	249,095,788	247,529,755
Actuarial Value/Market Value	118.6%	112.7%
<b>Member Information</b>		
Active Members	188	157
Terminated Vested Members	6 <sup>1</sup>	6 <sup>2</sup>
Retirees, Beneficiaries, and Disabled Members	383	381
DROP Participants	28	56
Total	605	600
Expected Payroll	\$19,022,396	\$17,343,391



<sup>1</sup> Includes one pending death benefit

<sup>2</sup> Includes one pending death benefit

## Executive Summary

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### Changes Since Prior Valuation

The assumed rate of return has been decreased to 7.00%, from 7.10%.

### Key Notes

As a result of the 2022 fire collective bargaining changes, a large number of firefighters entered DROP near the beginning of the 10/1/22-9/30/23 plan year; in addition, meaningful increases in salary were observed, which resulted in notable shifts in the census data and active participant makeup relative to the prior year. We have made an update to the valuation programming to more accurately value accrued benefits based on recent compensation in this report.

We are disclosing that the plan's policy of applying a 1.0048 multiplier to final average earnings at the point of retirement is not being explicitly valued for active employees at this time.

The final two active police members have entered DROP since the prior valuation date. All remaining active members in the plan are fire members.

We recommend an experience study be performed in the near future to ensure assumptions remain as accurate as possible; the last study covered valuation years through 2018.

**Executive Summary**

**Five Year Valuation Summary**

	10/01/2019	10/01/2020	10/01/2021	10/01/2022	10/01/2023
<b>Funding</b>					
Accrued Liability	\$333,397,561	\$342,655,039	\$356,083,207	\$419,176,257	\$450,195,671
Actuarial Value of Assets	\$232,629,949	\$234,435,540	\$246,747,122	\$249,095,788	\$247,529,755
Unfunded Actuarial Accrued Liability	\$100,767,612	\$108,219,499	\$109,336,085	\$170,080,469	\$202,665,916
Funded Percentage	69.78%	68.42%	69.29%	59.43%	54.98%
Total Normal Cost (NC)	\$4,782,737	\$4,935,230	\$5,420,089	\$7,696,837	\$8,473,048
NC as a Percentage of Covered Payroll	29.69%	29.34%	29.35%	40.46%	48.85%
Actual Employer Contribution	\$11,136,794	\$12,061,640	\$12,675,261 <sup>3</sup>	TBD	TBD
Recommended Contribution	\$11,023,272	\$11,915,364	\$12,698,439	\$20,155,147	\$23,604,213
Recommended Contribution (% of Pay)	68.43%	70.85%	68.76%	105.95%	136.10%
Interest Rate	7.30%	7.30%	7.20%	7.10%	7.00%
Expense Load Assumption	\$624,922	\$613,939	\$610,972	\$683,754	\$736,966
<b>Rate of Return</b>					
Actuarial Value of Assets	5.84%	7.21%	9.28%	3.66%	3.46%
Market Value of Assets	4.04%	6.37%	17.93%	(16.29%)	9.06%
<b>Demographic Information</b>					
Active Participants	186	181	186	188	157
Terminated Vested Participants	3	5	6	6	6
Retirees, Beneficiaries, and Disabled	379	383	382	383	381
DROP Participants	23	25	26	28	56
Total Participants	591	594	600	605	600
Covered Payroll	\$16,107,844	\$16,818,135	\$18,466,842	\$19,022,396	\$17,343,391
Average Covered Pay	\$86,601	\$92,918	\$99,284	\$101,183	\$110,467

<sup>3</sup> State 185 Premium Tax contributions were larger than expected. BSO/the employer satisfied the minimum contribution requirements.

**Executive Summary**

**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 Pompano Beach Police & Firefighters' Retirement System. 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.

<b>Type of Risk</b>	<b>Additional Information</b>
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.
Retirement	The plan has relatively generous provisions regarding retirement eligibility; if more employees than expected retire or enter DROP than anticipated, plan liabilities could be impacted.
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.

<b>Type of Risk</b>	<b>Method to Assess Risk</b>
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



## Executive Summary

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### Plan Maturity Measures - October 1, 2023

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 Pompano Beach Police & Firefighters' Retirement System falls in its life-cycle.

#### **Duration of Liabilities: 11.3**

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: 26.2%**

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: 7.9%**

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: 14.7%**

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.

**Assets and Liabilities**

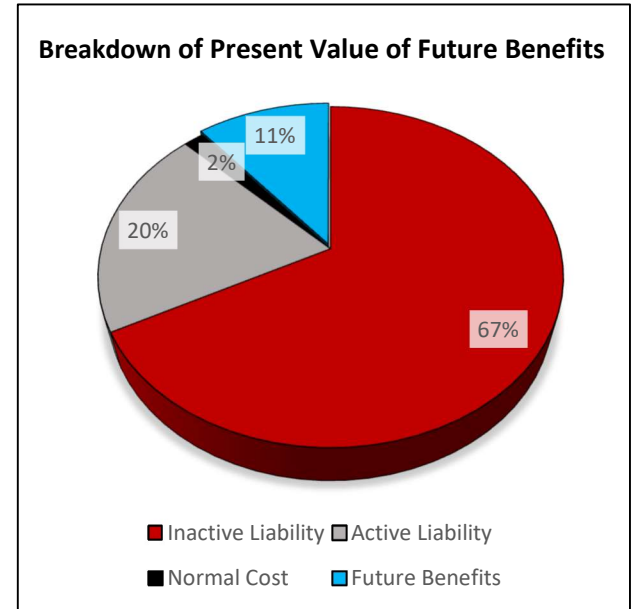
**Present Value of Future Benefits**

The Present Value of Future Benefits represents the discounted value of all future benefits expected to be payable to current members, considering future service and compensation not yet earned.

October 1, 2023

**Present Value of Future Benefits**

Active members	
Retirement	\$158,795,019
Disability	4,837,882
Death	1,764,154
Termination	2,648,779
Return of contributions	268,521
Total active	\$168,314,355
Inactive members	
Retired members	\$305,531,091
Beneficiaries	11,422,597
Disableds	26,786,111
Terminated vested members	2,573,401
Total inactive	\$346,313,200
Total	\$514,627,555
Present value of future payrolls	\$126,448,228



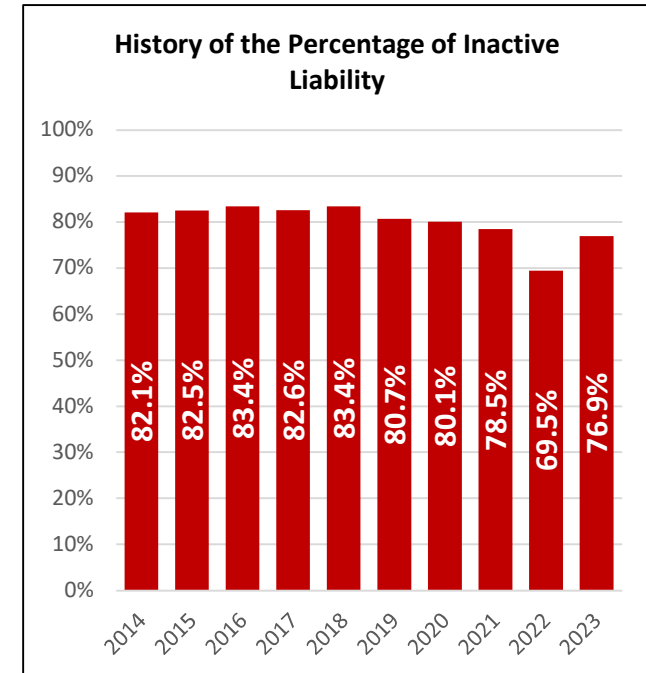
**Assets and Liabilities**

**Accrued Liability**

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 snapshot of the liabilities.

October 1, 2023

<b>Accrued Liabilities</b>	
Active members	
Retirement	\$101,484,981
Disability	1,141,135
Death	322,476
Termination	885,809
Refund of contributions	48,070
<b>Total Active</b>	<b>\$103,882,471</b>
Inactive members	
Retired members	\$305,531,091
Beneficiaries	11,422,597
Disableds	26,786,111
Terminated vested members	2,573,401
<b>Total Inactive</b>	<b>\$346,313,200</b>
<b>Total</b>	<b>\$450,195,671</b>
Normal Cost	\$8,473,048



**Assets and Liabilities**

**Asset Information**

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, 2023
<b>Market Value Reconciliation</b>	
Market value of assets, beginning of prior year	\$232,301,213
Employer contributions (incl. discounted accrued items)	12,675,261
Member contributions	2,028,099
Non-employer contributing entity	3,458,037
Investment income	21,491,981
Investment expenses	(1,254,538)
Benefit payments	(34,572,020)
Administrative expenses	(723,567)
Other expenses	0
Market value of assets, beginning of current year*	\$235,404,466
Return on market value	9.06%
Reserve assets	\$423,254
DROP account	\$15,333,076
Market value of assets available for pension benefits	\$219,648,136
<b>Actuarial value of plan assets</b>	
Value at beginning of current year	\$247,529,755

\* Effective September 30, 2022, the Firefighters' Share Plan was deemed terminated with funds still in the trust. This report reflects the associated assets and liabilities, in line with the System's financial statements.

**Assets and Liabilities**

**Asset Information (continued)**

Plan Assets are used to develop funded percentages and contribution requirements.

	October 1, 2023
1. Expected actuarial value of assets	
(a) Actuarial value of assets, beginning of prior year	\$271,344,529
(b) Contributions	18,161,397
(c) Benefit payments	(34,572,020)
(d) Expenses	(723,567)
(e) Expected return	18,667,627
(f) Expected actuarial value of assets, beginning of current year	\$272,877,966
2. Market value of assets, beginning of current year	\$235,404,466
3. Actual return on market value	\$20,237,443
4. Amount subject to phase in [(3)-(1e)]	\$1,569,816
5. Phase in of asset gain/(loss)	
(a) Current year (20% x \$1,569,816)	\$313,963
(b) First prior year (20% x (\$65,000,426))	(13,000,085)
(c) Second prior year (20% x \$25,879,052)	5,175,810
(d) Third prior year (20% x (\$2,444,237))	(488,847)
(e) Fourth prior year (20% x (\$7,963,610))	(1,592,722)
(f) Total phase-in	(\$9,591,881)
6. Preliminary actuarial value of assets, beginning of current year [(1f)+(5f)]	\$263,286,085
7. 80% Market value of assets	\$188,323,573
8. 120% Market value of assets	\$282,485,359
9. Adjusted actuarial value of assets	\$263,286,085
10. Reserved Assets (including DROP)	(\$15,756,330)
11. Final actuarial value of assets [(9+10)]	\$247,529,755
12. Return on actuarial value of assets	3.46%

**Contribution Requirements**

**Reconciliation of Gain/Loss**

**October 1, 2023**

**Liability (gain)/loss**

Actuarial liability, beginning of prior year	\$419,176,257
Normal cost	7,696,837
Total benefit payments	(34,572,020)
Benefit payments attributable to DROP and Share Plan	11,731,032
Interest	29,511,038
1-year lag adjustment	(5,576,286)
Assumption Changes	4,994,731
Plan Provision Changes	0
Expected actuarial liability, beginning of current year	\$432,961,589
Actual actuarial liability	\$450,195,671
Liability (gain)/loss	\$17,234,082

**Asset (gain)/loss**

Actuarial value of assets, beginning of prior year	\$249,095,788
Contributions	18,161,397
Total benefit payments and expenses	(35,295,587)
Benefit payments attributable to DROP and Share Plan	11,731,032
Investment return	17,497,278
Expected actuarial value of assets, beginning of current year	\$261,189,908
Actual actuarial value of assets, beginning of current year	\$247,529,755
Asset (gain)/loss	\$13,660,153

**Total (gain)/loss**

\$30,894,235

**Contribution Requirements**

**Development of Recommended Contribution**

The minimum recommended 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, plus an amortization charge.

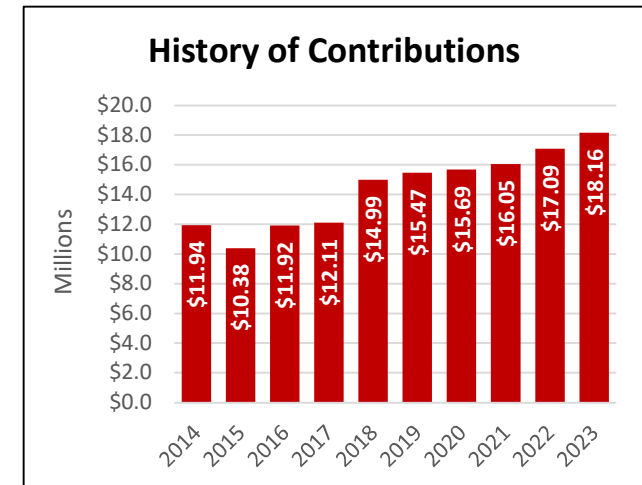
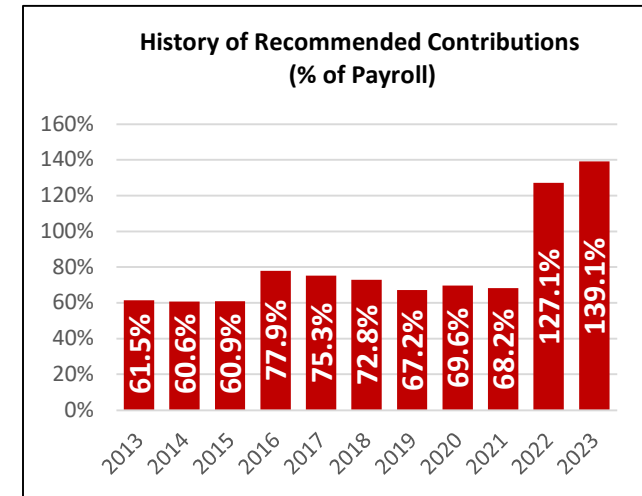
**October 1, 2023**

**Funded Position**

1. Entry age accrued liability	\$450,195,671
2. Actuarial value of assets	<u>(247,529,755)</u>
3. Unfunded actuarial accrued liability (UAAL)	\$202,665,916

**Employer Contributions**

1. Normal Cost	
(a) Total normal cost	\$8,473,048
(b) Less normal cost associated with participant contributions	<u>(1,880,712)</u>
(c) Net normal cost	\$6,592,336
2. Administrative expenses	736,966
3. Amortization of UAAL	17,264,039
4. Applicable interest	<u>1,721,534</u>
5. Total required contribution	\$26,314,875
6. Expected non-employer contributions	(3,105,218)
7. Total recommended contribution	\$23,209,657
As a percentage of expected payroll	139.08%
8. Recommended contributions to be paid on 12/31/2024	\$23,604,213

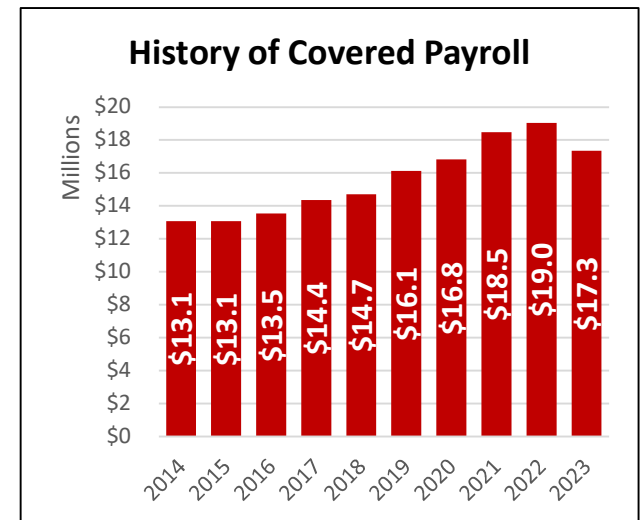


**Demographic Information**

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

**October 1, 2023**

Participant Counts	<u>Police</u>	<u>Fire</u>	<u>Total</u>
Active Participants	0	157	157
Retired Participants	181	132	313
Beneficiaries	19	13	32
Disabled Participants	18	18	36
Terminated Vested Participants	0	6	6
DROP Participants	<u>2</u>	<u>54</u>	<u>56</u>
Total Participants	220	380	600
Active Participant Demographics			
Average Age			37.3
Average Service			9.3
Average Compensation			\$110,467
Covered Payroll			\$17,343,391





**Demographic Information**

October 1, 2023

**Retiree Statistics**

Average Age	68.5
Average Monthly Benefit	\$5,177

**Beneficiary Statistics**

Average Age	71.7
Average Monthly Benefit	\$3,167

**Disabled Participants Statistics**

Average Age	63.9
Average Monthly Benefit	\$5,530

**Terminated Participants Statistics**

Average Age	46.5
Average Monthly Benefit	\$3,354

**DROP Participants Statistics**

Average Age	51.7
Average Monthly Benefit	\$6,972

**Participant Reconciliation**

	<b>Active</b>	<b>Terminated Vested</b>	<b>Disabled</b>	<b>Retired</b>	<b>Beneficiaries</b>	<b>DROP</b>	<b>Totals</b>
<b>Prior Year</b>	188	6	37	311	35	28	605
<b>Active</b>							
To Terminated Vested	(1)	1					
To Disabled							
To Retired	(2)			2			
To DROP	(31)					31	
To Death							
To Lump Sum	(4)						(4)
<b>Terminated Vested</b>							
To Retired							
To Lump Sum		(1)					(1)
<b>Disabled</b>							
To Death			(1)				(1)
<b>Retired</b>							
To Death				(3)			(3)
<b>Beneficiaries</b>							
To Death					(3)		(3)
To End of Certain Period							
<b>DROP</b>							
To Retired				3		(3)	
To Disabled							
<b>Additions</b>	7						7
<b>Departures</b>							
<b>Current Year</b>	157	6	36	313	32	56	600

**Participant Reconciliation**

**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	2	4									6	81,259
25 to 29	3	13	6								22	87,355
30 to 34		15	11	4							30	96,103
35 to 39	1	8	24	10	6						49	113,193
40 to 44		1	10	3	15						29	127,939
45 to 49			2	1	12	1					16	134,086
50 to 54					4						4	124,214
55 to 59					1						1	152,055
60 to 64												
65 to 69												
70 & up												
<b>Total</b>	<b>6</b>	<b>41</b>	<b>53</b>	<b>18</b>	<b>38</b>	<b>1</b>					<b>157</b>	<b>110,467</b>

## Plan Provisions

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### Plan Status

Plan established under the Code of Ordinances for the City of Pompano Beach, Florida, Sections 34.045-34.073 and was most recently stated under Ordinance No. 2024-01, passed and adopted on October 10, 2023. The Plan is also governed by certain provisions of Chapters 175 and 185, Florida Statutes, Part VII, Chapter 112, Florida Statutes and the Internal Revenue Code.

### Eligibility for Participation

- (1) All Police Officers and Dispatchers who were participants of the prior Employees' Pension Plan and
- (2) Police Officers and Dispatchers who elected to remain in the Plan prior to the takeover of the police department by the Broward Sheriff's Office on 8/1/99.
- (3) All Firefighters who were participants in the prior Employees' Pension Plan; and
- (4) All regular, full time Firefighters (20 hours per week and 5 months per year) from age 18, upon date of employment.

### Benefits

#### Normal Retirement

Eligibility	<p>All Police members and Firefighter members hired before May 27, 2014, may retire on the first day of the month coincident with or next following the earlier of:</p> <ol style="list-style-type: none"><li>(1) age 47 with 20 years of Continuous Service, or</li><li>(2) age 55 with 10 years of Continuous Service.</li></ol> <p>Firefighter members hired on or after May 27, 2014, may retire on the first day of the month coincident with or next following the earlier of:</p> <ol style="list-style-type: none"><li>(1) age 50 with 20 years of Continuous Service, or</li><li>(2) age 55 with 10 years of Continuous Service.</li></ol> <p>Active Firefighter members as of October 1, 2022 or hired on or after October 1, 2022, may retire on the first day of the month coincident with or next following the earlier of:</p> <ol style="list-style-type: none"><li>(1) 20 years of Continuous Service, or</li><li>(2) age 47 with 7 years of Continuous Service.</li></ol>
Police Benefit:	3.0% of Average Monthly Earnings (AME) multiplied by years of Continuous Service up to a maximum of 25 years, plus 2.0% of AME multiplied by years of Continuous Service in excess of 37.5.
Firefighter Benefit:	<p>Active firefighters as of October 1, 2022, 4.0% of AME multiplied by years of Continuous Service up to a maximum of 20 years.</p> <p>Otherwise, 3.0% of AME multiplied by the first 10 years Continuous Service, plus 4.0% of AME multiplied by the next 10 years, plus 2.0% of AME multiplied by the next 5 years with a maximum benefit equal to 80% of AME; plus 2% of AME multiplied by each year of service in excess of 40.</p>
Normal Form of Benefit	10 Years Certain and Life; other options are also available.

**Plan Provisions**

COLA Active or DROP firefighters as of October 1, 2022, effective October 1, 2024, beginning one year after benefit payments begin, retirees receive an automatic annual increase of 3% on each October 1. An additional annual increase of up to 1% is payable if certain conditions are met.

Otherwise, beginning five years after benefit payments begin, retirees receive an automatic annual increase of 2% on each October 1. An additional annual increase of up to 1% is payable if certain conditions are met. For Firefighters, if participant leaves the DROP after five years, the COLA begins when participant leaves the DROP.

**Late Retirement (Police Only)**

Eligibility Same as Normal Retirement taking into account compensation earned and service credited until the date of actual retirement.

Benefit Accrued Benefit

Normal Form of Benefit 10 Years Certain and Life; other options are also available.

COLA Beginning five years after benefit payments begin, retirees receive an automatic annual increase of 2% on each October 1. An additional annual increase of up to 1% is payable if certain conditions are met.

**Ordinary Death before Retirement**

Eligibility Any member with 1 or more years of Continuous Service who dies while employed by the City is eligible for survivor benefits.

Benefit

- (A) For members with less than 1 year of Continuous Service, no survivor benefits are payable.
- (B) For members with 1 year, but less than 5 years, of Continuous Service, the designated beneficiary will be paid a \$5,000 lump sum.
- (C) For Firefighters with 5 years, but less than 7 years, of Continuous Service or Police Officers with 5 years, but less than 10 years, of Continuous Service:
  - (1) \$5,000 lump sum paid to the member's designated beneficiary; plus
  - (2) Member's spouse will receive 65% of member's accrued pension as of the date of death subject to a minimum of 20% of AME; plus
  - (3) Each unmarried child under age 18 (22 if full-time student) will receive 7 ½% of member's Earnings. If there is no spouse, benefits increase to 15% of member's Earnings per child.

Maximum benefit to spouse and children is 50% of earnings.
- (D) For Firefighters with 7 or more years of Continuous Service or Police Officers with 10 or more years of Continuous Service: The designated beneficiary can elect to receive benefits described under subsection (C) above or the member's accrued benefit as of the date of death. Benefits are payable at the member's Normal or Early Retirement date and will be reduced for Early Retirement, when applicable.

**Plan Provisions**

Normal Form of Benefit      Spouse's benefits are paid until death or remarriage; children's benefits are paid until the earlier of age 18 (22 if full-time student), marriage or death.

COLA                              Same as Normal Retirement

**Accidental Death before Retirement**

Eligibility                      Any member who dies as a direct result of an occurrence arising in the performance of service for the City is eligible for survivor benefits.

Benefit

(1) \$5,000 lump sum paid to the member's designated beneficiary; plus  
 (2) Member's spouse will receive 75% of member's Earnings; plus  
 (3) Each unmarried child under age 18 (22 if full-time student) will receive 7 ½% of member's Earnings. If there is no spouse, benefits increase to 15% per child.

Maximum benefit to spouse and children is 90% of earnings; if no spouse, maximum for children is 50% of Earnings.

Normal Form of Benefit      Spouse's benefits are paid until death or remarriage; children's benefits are paid until the earlier of age 18 (22 if full-time student), marriage or death.

COLA                              Same as Normal Retirement

**Termination Benefit**

Eligibility                      A Firefighter has earned a non-forfeitable right to Plan benefits after the completion of 7 years of Credited Service (see table).

<u>Years of Credited Service</u>	<u>% of Normal Retirement Benefits</u>
Less Than 7	0%
7 or more	100%

A Police Officer has earned a non-forfeitable right to Plan benefits after the completion of 10 years of Credited Service (see table).

<u>Years of Credited Service</u>	<u>% of Normal Retirement Benefits</u>
Less Than 10	0%
10 or more	100%

Benefit                              The member's accrued Normal Retirement Benefit as of the date of termination. Benefit begins on the member's Normal Retirement date. Alternatively, Police members may elect to receive an actuarially reduced Early Retirement Benefit.

Normal Form of Benefit      10 Years Certain and Life thereafter; other options are also available.

COLA                              Same as Normal Retirement

Plan members who terminate with 0% vesting will receive a refund of accumulated contributions with interest.

**Plan Provisions**

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**Ordinary Disability Benefit**

Eligibility	Any member who becomes totally and permanently disabled and unable to perform regular duties or any other duties available in the Department from an act occurring in the performance of duty for the City is eligible for a disability benefit.
Benefit	75% of rate of Earnings in effect on the date of disability (for Firefighters, not to be less than the accrued benefit).
Normal Form of Benefit	Benefits begin on the first day of the month following the date the Board approves the disability and are payable until death or recovery from disability. If the member dies before receiving payments for 10 years, the member's designated beneficiary will receive the same monthly benefit for the remainder of the 10 year period. Other options are also available.
COLA	Same as Normal Retirement

**Accidental Disability Benefit**

Eligibility	Any Firefighter with 7 or more years of Continuous Service or Police Officer with 10 or more years of Continuous Service who becomes totally and permanently disabled and unable to perform regular duties or any other duties available in the Department from an act not directly caused by the performance of duty for the City is eligible for a disability benefit.
Benefit	3.0% of AME multiplied by years of Continuous Service subject to a maximum of 60% of the rate of Earnings on the date of disability, plus 2.0% of AME multiplied by years of Continuous Service in excess of 25. Disability benefit is guaranteed to be no less than 25% of AME.
Normal Form of Benefit	Benefits begin on the first day of the month following the date the Board approves the disability and are payable until death or recovery from disability. If the member dies before receiving payments for 10 years, the member's designated beneficiary will receive the same monthly benefit for the remainder of the 10 year period. Other options are also available.
COLA	Same as Normal Retirement

## Plan Provisions

### Compensation

#### Earnable Compensation

Police Officers: Basic compensation and regular longevity pay, increased for temporary upgrade pay. Also includes up to 25 hours per year of overtime pay.

Firefighters: Basic compensation and regular longevity pay, increased for temporary upgrade pay and certain assignment pay.

#### Average Monthly Earnings (AME)\*

For members hired before May 27, 2014:

The average of Earnings during the highest 3 years preceding termination; not including lump sum payments of unused leave

For members hired after May 27, 2014:

The average of Earnings during the highest 5 years preceding termination; not including lump sum payments of unused leave

\*Administrative policy applies a 1.0048 multiplier to AME at the point of retirement. This valuation does not reflect this anticipated 0.48% increase pre-retirement.

### Continuous Service

For Vesting and Benefit Accrual, total number of years and completed months from date of employment to date of termination or retirement.

No service is credited for any periods of employment for which a member received a refund of contributions.

### Employee Contributions

Police: 8.6% of Earnings, paid by BSO.

Firefighters: 11.6% of Earnings "picked up" by the City.

### Payment Forms

Normal Form 10 Years Certain and Life Annuity

Optional Forms  
Single Life Annuity  
Joint and 100% Contingent Survivor Annuity\*  
Joint and 75% Contingent Survivor Annuity\*  
Joint and 66 2/3% Contingent Survivor Annuity\*  
Joint and 50% Contingent Survivor Annuity\*  
Any Board-approved, actuarially equivalent benefit

\*Administrative policy allows for a pop-up to the 10 Years Certain and Life Annuity upon the death of a spouse under the Joint and Contingent Survivor Annuity option. This valuation does not reflect this provision for retirees.



**Plan Provisions**

**DROP**

Eligibility	<p>All Police members and Firefighter members hired before May 27, 2014, are eligible for DROP on the first day of the month coincident with or next following the earlier of:</p> <ul style="list-style-type: none"><li>(1) age 47 with 20 years of Continuous Service, or</li><li>(2) age 55 with 10 years of Continuous Service.</li></ul> <p>Firefighter members hired on or after May 27, 2014, are eligible for DROP on the first day of the month coincident with or next following the earlier of:</p> <ul style="list-style-type: none"><li>(1) age 50 with 20 years of Continuous Service, or</li><li>(2) age 55 with 10 years of Continuous Service.</li></ul> <p>Active Firefighter members as of October 1, 2022 or hired on or after October 1, 2022, are eligible for DROP on the first day of the month coincident with or next following the earlier of:</p> <ul style="list-style-type: none"><li>(1) 20 years of Continuous Service, or</li><li>(2) age 47 with 7 years of Continuous Service.</li></ul> <p>Members who meet eligibility must submit a written election to participate in the DROP.</p>
Benefit	<p>The member's Credited Service and AME are frozen upon entry into the DROP. The monthly retirement benefit as described under Normal Retirement is calculated based upon the frozen Credited Service and AME.</p> <p>In addition, the members accumulated sick and annual leave pay will be paid in 5 equal annual installments on the member's DROP participation anniversary dates.</p>
Maximum Period	60 months (police) & 96 months (firefighters)
Interest Credited	<p>The member's DROP account is credited or debited quarterly at a rate equal to one of the following elected by the member:</p> <ul style="list-style-type: none"><li>(1) the actual net rate of investment return realized by the Plan for that quarter, or</li><li>(2) a rate set quarterly by the Board of Trustees, or</li><li>(3) the actual net rate of investment return realized by a separate investment account made available by the Board of Trustees, but the investment proportions designated by the member.</li></ul>
Normal Form of Benefit	<p>The member's DROP account is paid out under one of the following options as elected by the member:</p> <ul style="list-style-type: none"><li>(1) a full single lump sum payment, or</li><li>(2) annual installments in amounts as requested by the member by June 30<sup>th</sup> of each year, or</li><li>(3) equal monthly installments as requested by the member by June 30<sup>th</sup> of each year, or</li><li>(4) a single lump sum of the remaining balance after any annual or monthly installments have been made under options (2) or (3) above.</li></ul>
COLA	Same as Normal Retirement

## **Plan Provisions**

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### **Plan Provisions Not Included**

We are not aware of any explicit plan provisions not included in the valuation; the 1.0048 AME multiplier policy is discussed in the Compensation section.

### **Adjustments Made for Subsequent Events**

We are not aware of any event following the measurement date and prior to the date of this report that would materially impact the results.

### **Changes Since Prior Report**

Ordinances 2023-19 and 2023-32 became effective since the prior valuation date. Ordinance 2024-01 became effective October 10, 2023.

**Actuarial Assumptions**

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**Cost Method**

Individual Entry Age Normal Cost Method; all new bases are to be amortized over 20 years from the date established using a level dollar amortization for police and a level percentage of pay amortization, with a 2.75% payroll growth assumption, for firefighters.

**Asset Valuation Method**

20% Phase-In Method: Actuarial value of assets is equal to expected value phase in the difference between the expected investment earnings and actual investment earnings at the rate of 20% per year. The result cannot be greater than 120% of market value or less than 80% of market value. Fire and Police asset values are notional and based on divisions of gains and losses by prior year divisional actuarial values of assets. Total DROP balances and Share Plan assets are treated as reserved and are generally not reported in adjusted assets or liabilities for funding calculations.

**Interest Rates**

7.00%, compounded annually, net of investment expenses. Nyhart's professional judgment is that the rate is reasonable and has no significant bias. Support for the interest rate assumption has been provided in the experience study report dated August 19, 2019.

**Annual Pay Increases**

2.0%, compounded annually for inflation plus a seniority/merit scale using the following representative rates.

Years of Service	Merit and Seniority
1	9.03%
2	8.03%
3	7.52%
4	6.52%
5	5.01%
6	5.01%
7	4.01%
8-20	2.00%
21 and Higher	0.99%

The assumed rates of pay increase are based on a study of actual experience for the plan from 2012-2018. See the experience study report dated August 19, 2019.

**Expense and/or Contingency Loading**

One-year term cost method; average of prior two years' expenses.

**Mortality Rates**

Pre-Retirement:

Pub-2010 Generational using scale MP-2018, Females, Headcount Weighted Safety Employee Female Table, set forward 1 year; Males, Headcount Weighted Safety Below Median Employee Male Table, set forward 1 year

**Actuarial Assumptions**

Post-Retirement: Pub-2010 Generational using scale MP-2018, Females, Headcount Weighted Safety Healthy Retiree Female Table, set forward 1 year; Males, Headcount Weighted Safety Below Median Healthy Retiree Male Table, set forward 1 year

Disability Pub-2010, Females, 80% Headcount Weighted General Disabled Retiree Female Table / 20% Headcount Weighted Safety Disabled Retiree Female Table; Males, 80% Headcount Weighted General Disabled Retiree Male Table / 20% Headcount Weighted Safety Disabled Retiree Male Table

These are the same mortality rates used by FRS in the July 1, 2023 Actuarial Valuation Report; these rates are prescribed by state law.

**Retirement Rates**

If eligible for Retirement, the following decrements apply, based on service:

<u>After First Eligibility for Normal Retirement</u>	<u>Police</u>	<u>Fire</u>
0	80%	50%
1	50	20
2	75	30
3	100	40
4		50
5+		100

The assumed rates of retirement are based on a study of actual experience for the plan from 2012-2018. See the experience study report dated August 19, 2019.

**Disability Rates**

Specimen rates for all groups are shown below:

<u>Sample Ages</u>	<u>% Becoming Disabled Within Next Year</u>
25	0.15%
30	0.18
35	0.23
40	0.30
45	0.51
50	1.00
55	1.59

The assumed rates of disability are based on a study of actual experience for the plan from 2012-2018. See the experience study report dated August 19, 2019.

**Actuarial Assumptions**

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**Type of Disability or Death:** 75% of disabilities and deaths are assumed to be service-related

**Workers' Compensation Offsets** Current offsets are assumed to continue.

**Withdrawal Rates** 0.5% per year for remaining active police officers in the plan, if any

For firefighters:

<u>Service</u>	<u>Fire Withdrawal Rate</u>
0	5.00%
1	5.00
2	4.00
3	4.00
4	4.00
5	2.00
6	2.00
7	2.00
8	1.25
9	1.25
10	1.25
11	1.25
12	1.25
13+	0.50

The assumed rates of withdrawal are based on a study of actual experience for the plan from 2012-2018. See the experience study report dated August 19, 2019.

**Withdrawal of Employee Contributions** Non-vested terminated employees are assumed to withdraw their contribution balances upon termination. Vested terminated employees are assumed to defer commencement of benefits.

**Marital Status and Ages** 100% of employees are assumed to be married. Females are assumed to be 3 years younger than males.

**State Contributions** Assumed to be the same as in the prior year

**Changes Since Prior Report** The discount rate was lowered from 7.10% to 7.00% in accordance with the Board's policy.

## Other Measurements

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

- Reconciliation of unfunded actuarial liability
- Statement of changes on value of assets
- Distribution Assets
- Schedule of amortizations
- Florida State requirements
  - Corporative Summary of Principal Valuation Results
  - Separation for Police & Fire
  - Comparison of payroll growth, salary increases and investment returns
  - Requirements under Florida Statute 112.664 and F.A.C. 60T – 1.0035
  - Reserve account for benefit improvements under 99-1 and SB 172
- Low-Default-Risk Obligation Measure (LDRM)

**Other Measurements**

**Reconciliation of Unfunded Actuarial Liability**

	October 1, 2023
1. Unfunded Actuarial Accrued Liability beginning of prior year	\$170,080,469
2. Normal Cost	7,696,837
3. Expenses	723,567
4. Employer Contributions	(12,675,261)
5. Employee Contributions	(2,028,099)
6. Non-Employer Contributions	(3,458,037)
7. Interest	12,013,760
8. 1-year lag adjustment	(5,576,286)
9. Expected Unfunded Actuarial Accrued Liability, beginning of current year	\$166,776,950
10. Accumulated Reserve Adjustment	\$0
11. Liability changes due to:	
(a) Amendments	\$0
(b) Assumptions	4,994,731
(c) Funding Methods	0
(d) (Gain)/Loss	30,894,235
(e) Total	\$35,888,966
12. Unfunded Actuarial Liability beginning of current year	\$202,665,916

**Other Measurements**

**Statement of Changes on Value of Assets**

**Additions**

Contributions:

	<u>September 30, 2022</u>	<u>September 30, 2023</u>
Employer	\$12,061,640	\$12,675,261
Member	2,210,960	2,028,099
Nonemployer contributing entity	2,813,294	3,458,037
Total contributions	\$17,085,894	\$18,161,397

Investment income

Net increase in fair value of investments	(\$49,634,577)	\$16,379,320
Interest and dividends	5,120,876	5,072,424
Less investment expense, other than from securities lending	(1,381,667)	(1,254,538)
Net income other than from securities lending	(\$45,895,368)	\$20,197,206
Securities lending income	\$0	\$0
Less securities lending expense	0	0
Net income from securities lending	\$0	\$0
Net investment income	(\$45,895,368)	\$20,197,206

Other	20,786	40,237
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Total additions	(\$28,788,688)	\$38,398,840
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**Deductions**

Benefit payments, including refunds of member contributions	\$24,181,631	\$34,572,020
Administrative expense	750,366	723,567
Other	0	0
Total deductions	\$24,931,997	\$35,295,587

<b>Net increase in market value</b>	(\$53,720,685)	\$3,103,253
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**Market Value as of**

Beginning of year	\$286,021,898	\$232,301,213
End of year	\$232,301,213	\$235,404,466



**Other Measurements**

**Distribution of Assets**

	<b>September 30, 2022</b>	<b>September 30, 2023</b>
Cash and deposits	\$2,228,537	\$2,267,728
Securities lending cash collateral	0	0
Total cash	\$2,228,537	\$2,267,728
Receivables:		
Contributions	\$0	\$0
Due from broker for investments sold	1,436,526	5,758,183
Investment income	405,455	267,196
Other	265,739	545,480
Total receivables	\$2,107,720	\$6,570,859
Investments:		
Equity	\$110,498,671	\$119,775,097
Fixed Income	51,120,721	27,749,261
Real Estate	0	0
Hedge Funds & Private Equity	57,964,413	67,624,561
Short Term Investments	12,322,107	12,744,247
Total investments	\$231,905,912	\$227,893,166
Sub-total	\$236,242,169	\$236,731,753
Payables:		
Investment management fees	\$209,298	\$184,999
Due to broker for investments purchased	3,431,051	879,253
Collateral payable for securities lending	0	0
Other	300,607	263,035
Total liabilities	\$3,940,956	\$1,327,287
Total	\$232,301,213	\$235,404,466

**Other Measurements**

**Schedule of Amortizations - Police**

			<b>October 1, 2023</b>		
			Total	\$58,955,608	\$5,805,379
<u>Date Established</u>	<u>Description</u>	<u>Original Amount</u>	<u>Remaining Period Years</u>	<u>Remaining Balance</u>	<u>Annual Payment</u>
10/1/1994	Assumption Change	768,410	1	70,949	70,949
10/1/1994	Actuarial Loss (Gain)	422,754	1	39,035	39,035
10/1/1995	Assumption Change	(311,136)	2	(62,069)	(32,084)
10/1/1995	Actuarial Loss (Gain)	(271,042)	2	(54,069)	(27,949)
10/1/1996	Assumption Change	(374,561)	3	(111,223)	(39,609)
10/1/1996	Actuarial Loss (Gain)	(276,460)	3	(82,091)	(29,234)
10/1/1997	Assumption Change	1,345,971	4	511,367	141,093
10/1/1997	Actuarial Loss (Gain)	(3,074,778)	4	(1,302,602)	(359,406)
10/1/1998	Plan Amendment	(337,295)	5	(167,267)	(38,126)
10/1/1998	Actuarial Loss (Gain)	(3,155,507)	5	(1,564,823)	(356,678)
10/1/1999	Actuarial Loss (Gain)	(2,565,536)	6	(1,435,520)	(281,464)
10/1/2000	Assumption Change	(18,775,480)	7	(11,116,788)	(1,927,809)
10/1/2000	Plan Amendment	11,651,128	7	6,898,525	1,196,302
10/1/2000	Actuarial Loss (Gain)	3,153,187	7	1,866,975	323,760
10/1/2001	Variable COLA	484,615	8	310,299	48,565
10/1/2001	Plan Amendment	377,521	8	241,725	37,833
10/1/2001	Actuarial Loss (Gain)	5,917,320	8	3,788,825	592,996
10/1/2002	Actuarial Loss (Gain)	13,547,635	9	9,891,317	1,418,863

**Other Measurements**

**Schedule of Amortizations - Police**

**October 1, 2023**

<u>Date Established</u>	<u>Description</u>	<u>Original Amount</u>	<u>Remaining Period Years</u>	<u>Remaining Balance</u>	<u>Annual Payment</u>
10/1/2003	Actuarial Loss (Gain)	8,453,577	10	5,733,413	762,906
10/1/2004	Actuarial Loss (Gain)	7,733,735	11	5,300,722	660,643
10/1/2005	Plan Amendment	528,766	12	308,793	36,334
10/1/2005	Actuarial Loss (Gain)	1,811,918	12	1,268,828	149,297
10/1/2006	Actuarial Loss (Gain)	(2,245,390)	13	(1,631,475)	(182,437)
10/1/2007	Actuarial Loss (Gain)	(3,930,059)	14	(2,986,907)	(319,194)
10/1/2008	Assumption Change	(2,460,748)	15	(1,968,663)	(202,008)
10/1/2008	Actuarial Loss (Gain)	4,312,669	15	3,450,248	354,036
10/1/2009	Assumption Change	2,211,808	16	1,818,542	179,913
10/1/2009	Actuarial Loss (Gain)	4,953,816	16	4,073,017	402,953
10/1/2010	Assumption Change	2,351,731	17	1,953,277	186,976
10/1/2010	Actuarial Loss (Gain)	4,329,632	17	3,596,062	344,231
10/1/2011	Assumption Change	2,628,245	18	2,150,599	199,810
10/1/2011	Actuarial Loss (Gain)	2,882,428	18	2,358,593	219,134
10/1/2012	Valuation Software	(955,577)	19	(801,828)	(72,504)
10/1/2012	Assumption Change	2,734,348	19	2,294,394	207,467
10/1/2012	Actuarial Loss (Gain)	7,401,751	19	6,210,817	561,603
10/1/2013	Assumption Change	(2,014,446)	20	(1,729,859)	(152,604)

**Other Measurements**

**Schedule of Amortizations - Police**

October 1, 2023

<u>Date Established</u>	<u>Description</u>	<u>Original Amount</u>	<u>Remaining Period Years</u>	<u>Remaining Balance</u>	<u>Annual Payment</u>
10/1/2013	Actuarial Loss (Gain)	1,279,029	20	1,098,338	96,893
10/1/2014	Actuarial Loss (Gain)	(1,640,207)	21	(1,438,892)	(124,106)
10/1/2015	Actuarial Loss (Gain)	(532,193)	22	(477,134)	(40,314)
10/1/2016	Assumption Change	14,723,929	23	13,437,586	1,114,113
10/1/2016	Actuarial Loss (Gain)	(1,637,449)	23	(1,494,394)	(123,901)
10/1/2017	Actuarial Loss (Gain)	289,192	24	268,257	21,859
10/1/2018	Actuarial Loss (Gain)	(28,169)	15	(24,306)	(2,494)
10/1/2018	Assumption Change	1,526,587	15	1,317,270	135,167
10/1/2019	Actuarial Loss (Gain)	2,419,119	16	2,162,558	213,947
10/1/2019	Assumption Change	(4,439,151)	16	(3,968,356)	(392,599)
10/1/2020	Actuarial Loss (Gain)	802,666	17	740,946	70,927
10/1/2020	Assumption Change	(367,023)	17	(338,801)	(32,432)
10/1/2021	Actuarial Loss (Gain)	(3,170,932)	18	(3,013,295)	(279,962)
10/1/2021	Assumption Change	1,369,432	18	1,301,353	120,907
10/1/2022	Actuarial Loss (Gain)	2,536,822	19	2,475,614	223,853
10/1/2022	Assumption Changes	1,353,161	19	1,320,512	119,405
10/1/2023	Actuarial Loss (Gain)	5,121,092	20	5,121,092	451,771
10/1/2023	Assumption Changes	1,346,122	20	1,346,122	118,752

**Other Measurements**

**Schedule of Amortizations - Fire**

			<b>October 1, 2023</b>		
			<b>Total</b>	<b>\$143,710,308</b>	<b>\$11,458,660</b>
<u>Date Established</u>	<u>Description</u>	<u>Original Amount</u>	<u>Remaining Period Years</u>	<u>Remaining Balance</u>	<u>Annual Payment</u>
10/1/1994	Assumption Change	610,808	1	62,152	62,152
10/1/1994	Actuarial Loss (Gain)	336,046	1	34,193	34,193
10/1/1995	Assumption Change	(247,322)	2	(55,148)	(28,133)
10/1/1995	Actuarial Loss (Gain)	(215,450)	2	(48,040)	(24,507)
10/1/1996	Assumption Change	(297,737)	3	(100,139)	(34,741)
10/1/1996	Actuarial Loss (Gain)	(219,757)	3	(73,911)	(25,642)
10/1/1997	Assumption Change	1,069,910	4	466,160	123,718
10/1/1997	Actuarial Loss (Gain)	(2,444,135)	4	(1,187,443)	(315,145)
10/1/1998	Plan Amendment	(268,116)	5	(154,271)	(33,405)
10/1/1998	Actuarial Loss (Gain)	(2,508,306)	5	(1,443,276)	(312,514)
10/1/1999	Plan Amendment	114,009	6	74,844	13,771
10/1/1999	Actuarial Loss (Gain)	(2,039,340)	6	(1,338,737)	(246,325)
10/1/2000	Assumption Change	(13,798,204)	7	(9,553,202)	(1,536,140)
10/1/2000	Plan Amendment	8,646,272	7	5,986,256	962,581
10/1/2000	Actuarial Loss (Gain)	676,828	7	468,604	75,351
10/1/2000	Plan Amendment	299,541	7	207,390	33,348
10/1/2001	Actuarial Loss (Gain)	7,539,001	8	5,629,703	807,479
10/1/2002	Actuarial Loss (Gain)	9,466,755	9	9,595,845	1,247,019
10/1/2003	Actuarial Loss (Gain)	7,616,087	10	7,424,291	884,963

Other Measurements

Schedule of Amortizations - Fire

October 1, 2023

<u>Date Established</u>	<u>Description</u>	<u>Original Amount</u>	<u>Remaining Period Years</u>	<u>Remaining Balance</u>	<u>Annual Payment</u>
10/1/2004	Actuarial Loss (Gain)	6,692,396	11	6,572,742	725,776
10/1/2005	Plan Amendment	4,413,733	12	4,388,173	452,555
10/1/2005	Actuarial Loss (Gain)	2,591,529	12	2,576,518	265,718
10/1/2006	Actuarial Loss (Gain)	(2,040,207)	13	(2,063,514)	(200,121)
10/1/2007	Actuarial Loss (Gain)	(868,128)	14	(899,169)	(82,479)
10/1/2008	Assumption Change	(2,812,893)	15	(2,965,025)	(258,531)
10/1/2008	Actuarial Loss (Gain)	3,519,341	15	3,709,682	323,460
10/1/2009	Assumption Change	2,293,100	16	2,441,511	203,236
10/1/2009	Plan Amendment	23,114	16	24,611	2,049
10/1/2009	Actuarial Loss (Gain)	3,014,143	16	3,209,218	267,141
10/1/2010	Assumption Change	2,377,230	17	2,532,009	201,978
10/1/2010	Actuarial Loss (Gain)	(904,732)	17	(963,639)	(76,869)
10/1/2011	Actuarial Loss (Gain)	(1,874,268)	18	(1,957,910)	(150,168)
10/1/2011	Assumption Change	2,629,741	18	2,747,099	210,698
10/1/2012	Valuation Software	(2,713,381)	19	(2,841,151)	(210,140)
10/1/2012	Assumption Change	2,714,228	19	2,842,038	210,206
10/1/2012	Actuarial Loss (Gain)	1,168,034	19	1,223,035	90,460
10/1/2013	Assumption Change	(3,541,424)	20	(3,709,224)	(265,262)
10/1/2013	Actuarial Loss (Gain)	(1,830,796)	20	(1,917,545)	(137,132)

Other Measurements

Schedule of Amortizations - Fire

October 1, 2023

<u>Date Established</u>	<u>Description</u>	<u>Original Amount</u>	<u>Remaining Period Years</u>	<u>Remaining Balance</u>	<u>Annual Payment</u>
10/1/2014	Actuarial Loss (Gain)	(1,597,600)	21	(1,677,621)	(116,277)
10/1/2014	Plan Amendment	589	21	619	43
10/1/2015	Actuarial Loss (Gain)	(1,680,516)	22	(1,765,522)	(118,852)
10/1/2016	Assumption Change	14,229,829	23	14,928,176	977,952
10/1/2016	Actuarial Loss (Gain)	(228,270)	23	(239,472)	(15,688)
10/1/2017	Actuarial Loss (Gain)	1,124,272	24	1,175,717	75,085
10/1/2018	Actuarial Loss (Gain)	(3,291,760)	15	(3,106,190)	(270,840)
10/1/2018	Assumption Change	1,994,558	15	1,882,118	164,109
10/1/2019	Actuarial Loss (Gain)	2,687,801	16	2,581,916	214,923
10/1/2019	Assumption Change	(2,706,507)	16	(2,599,888)	(216,419)
10/1/2020	Actuarial Loss (Gain)	9,297,486	17	9,060,850	722,784
10/1/2020	Assumption Change	(599,422)	17	(584,166)	(46,599)
10/1/2021	Actuarial Loss (Gain)	2,679,081	18	2,640,025	202,485
10/1/2021	Assumption Change	2,238,789	18	2,206,152	169,208
10/1/2022	Actuarial Loss (Gain)	5,524,609	19	5,490,483	406,093
10/1/2022	Plan Changes	50,499,089	19	50,187,145	3,711,999
10/1/2022	Assumption Changes	3,183,147	19	3,163,484	233,981
10/1/2023	Actuarial Loss (Gain)	25,773,143	20	25,773,143	1,843,147
10/1/2023	Assumption Changes	3,648,609	20	3,648,609	260,928

**Other Measurements**

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

**Comparative Summary of Principal Valuation Results**

	<b>10/1/2023</b> <b>7.00%</b> (current methods & assumptions)	<b>10/1/2023</b> <b>7.10%</b> (prior methods & assumptions)	<b>10/1/2022</b> <b>7.10%</b>
<b>Participant Data</b>			
Active members	157	157	188
Total annual payroll	\$17,343,391	\$17,343,391	\$19,022,396
Members in DROP	56	56	28
Total annualized benefit	\$4,684,976	\$4,684,976	\$2,066,414
Retired members and beneficiaries	345	345	346
Total annualized benefit	\$20,662,277	\$20,662,277	\$20,047,125
Disabled members receiving benefits	36	36	37
Total annualized benefit	\$2,388,890	\$2,388,890	\$2,403,724
Terminated vested members	6	6	6
Total annualized benefit	\$201,226	\$201,226	\$201,226
<b>Assets</b>			
Actuarial value of assets	\$247,529,755	\$247,529,755	\$249,095,788
Market value of assets	\$219,648,136	\$219,648,136	\$210,052,472



**Other Measurements**

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

**Comparative Summary of Principal Valuation Results**

	<b>10/1/2023 7.00%</b> (current methods & assumptions)	<b>10/1/2023 7.10%</b> (prior methods & assumptions)	<b>10/1/2022 7.10%</b>
Liabilities, present value of all future expected benefit payments			
Active members			
Retirement benefits	\$158,795,019	\$155,590,975	\$177,484,874
Vesting benefits	2,648,779	2,574,789	2,313,840
Disability benefits	4,837,882	4,753,521	4,440,104
Death benefits	1,764,154	1,727,421	1,603,527
Return of contribution	268,521	268,083	293,393
<b>Total</b>	<b>\$168,314,355</b>	<b>\$164,914,789</b>	<b>\$186,135,738</b>
Terminated vested members	\$2,573,401	\$2,539,178	\$2,071,693
Retired members and beneficiaries	\$316,953,688	\$313,859,330	\$262,021,368
Disabled members	\$26,786,111	\$26,558,643	\$27,070,282
<b>Total</b>	<b>\$514,627,555</b>	<b>\$507,871,940</b>	<b>\$477,299,081</b>
Liabilities due and unpaid	\$0	\$0	\$0
Actuarial accrued liability	\$450,195,671	\$445,200,940	\$419,176,257
Unfunded actuarial accrued liability	\$202,665,916	\$197,671,185	\$170,080,469

**Other Measurements**

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

**Comparative Summary of Principal Valuation Results**

	<b>10/1/2023 7.00%</b> <small>(current methods &amp; assumptions)</small>	<b>10/1/2023 7.10%</b> <small>(prior methods &amp; assumptions)</small>	<b>10/1/2022 7.10%</b>
<b>Actuarial present value of accrued benefits</b>			
Statement of actuarial present value of all accrued benefits			
Vested accrued benefits			
Inactive members and beneficiaries	\$361,646,276	\$358,290,227	\$303,708,477
Active members	61,735,177	60,642,501	99,172,288
Total value of all vested accrued benefits	<u>\$423,381,453</u>	<u>\$418,932,728</u>	<u>\$402,880,765</u>
Non-vested accrued benefits	25,960,929	25,590,485	23,454,039
Total actuarial present value of all accrued benefits	<u>\$449,342,382</u>	<u>\$444,523,213</u>	<u>\$426,334,804</u>
Statement of changes in total actuarial present value of all accrued benefits (ASC 960)			
Actuarial present value of accrued benefits, beginning of year	\$426,334,804	\$426,334,804	\$362,553,483
Increase (decrease) during year			
Benefits accumulated	\$23,696,921	\$23,696,921	\$9,131,867
Plan amendment	0	0	49,200,747
Changes in actuarial assumptions	4,819,169	0	4,381,896
Interest	29,063,508	29,063,508	25,248,442
Benefits paid	(34,572,020)	(34,572,020)	(24,181,631)
Other changes	0	0	0
Net increase (decrease)	<u>\$23,007,578</u>	<u>\$18,188,409</u>	<u>\$63,781,321</u>
Actuarial present value of accrued benefits, end of year	<u>\$449,342,382</u>	<u>\$444,523,213</u>	<u>\$426,334,804</u>

**Other Measurements**

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

**Comparative Summary of Principal Valuation Results**

	10/1/2023 7.00% (current methods & assumptions)	10/1/2023 7.10% (prior methods & assumptions)	10/1/2022 7.10%
<b>Pension cost</b>			
Normal Cost	\$8,473,048	\$8,282,328	\$7,696,837
Member contributions	\$1,880,712	\$1,880,279	\$1,849,387
Expected plan sponsor contribution	\$23,604,213	\$23,130,169	\$20,155,147
As % of payroll	133.82%	131.11%	104.16%
Member Contributions as % of payroll	10.84%	10.84%	9.72%
<b>Past contributions</b>	9/30/2023		9/30/2022
Required plan sponsor contribution	\$15,880,528		\$14,017,297
Required member contribution	\$2,028,099		\$2,210,960
Actual contributions made by:			
Plan's sponsor	\$15,880,528		\$14,017,297
Members	\$2,028,099		\$2,210,960
Other	\$0		\$0
<b>Net actuarial (gain)/loss (if applicable)</b>	\$30,894,235		\$8,061,431
<b>Other disclosures (where applicable)</b>			
Present value of active member			
Future salaries at attained age	\$126,448,228	\$125,836,344	\$116,651,599
Future contributions at attained age	\$13,401,385	\$13,331,111	\$12,306,838

**Other Measurements**

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

**Hypothetical City Contribution Requirement for 2024/2025 Fiscal Year**

	Police	Fire	Total
Unfunded actuarial accrued liability	\$58,955,608	\$143,710,308	\$202,665,916
Liabilities, present value of all future expected benefit payments			
Active members			
Retirement benefits	\$0	\$158,795,019	\$158,795,019
Vesting benefits	0	2,648,779	2,648,779
Disability benefits	0	4,837,882	4,837,882
Death benefits	0	1,764,154	1,764,154
Return of contribution	0	268,521	268,521
Total	\$0	\$168,314,355	\$168,314,355
Terminated vested members	\$0	\$2,573,401	\$2,573,401
Retired members and beneficiaries	\$139,589,365	\$177,364,323	\$316,953,688
Disabled members	\$12,218,289	\$14,567,822	\$26,786,111
Total	\$151,807,654	\$362,819,901	\$514,627,555
Entry age reserve			
Active	\$0	\$103,882,471	\$103,882,471
Inactive	151,807,654	194,505,546	346,313,200
Total	\$151,807,654	\$298,388,017	\$450,195,671
Accumulated Employee Contributions	\$0	\$15,806,258	\$15,806,258
Present Value of Future Salaries	\$0	\$126,448,228	\$126,448,228
Present Value of Future Member Contributions	\$0	\$13,401,385	\$13,401,385
Annual Inactive Benefits	\$12,946,826	\$14,789,318	\$27,736,144
Valuation Payroll	\$0	\$17,343,391	\$17,343,391
ASC 960 Information			
Present Value of Vested Benefits	\$156,298,134	\$267,083,319	\$423,381,453
Present Value of Accrued Benefits	\$156,298,134	\$293,044,248	\$449,342,382

**Other Measurements**

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

**Hypothetical City Contribution Requirement for 2024/2025 Fiscal Year**

	Police	Fire	Total
Actuarial Value at 10/1/2022	\$101,671,343	\$169,673,186	\$271,344,529
Contribution by			
- Members	\$13,409	\$2,014,690	\$2,028,099
- City	0	8,209,199	8,209,199
- BSO	4,466,062	0	4,466,062
- State	1,581,725	1,876,312	3,458,037
- Total	\$6,061,196	\$12,100,201	\$18,161,397
Net Earnings Recognized <sup>1</sup>	\$3,378,406	\$5,697,340	\$9,075,746
Disbursements			
- Benefit Payment	\$13,499,074	\$20,825,500	\$34,324,574
- Refunds	0	247,446	247,446
- Administrative Expenses <sup>2</sup>	269,345	454,222	723,567
- Total	\$13,768,419	\$21,527,168	\$35,295,587
Actuarial Value at 10/1/2023	\$97,342,526	\$165,943,559	\$263,286,085
DROP Account Balance	\$4,122,964	\$11,210,112	\$15,333,076
State Contribution Reserve	\$0	\$0	\$0
Member Plan	\$367,516	\$55,738	\$423,254
Adjusted Actuarial Value at 10/1/2023	\$92,852,046	\$154,677,709	\$247,529,755
Market Value of Assets <sup>3</sup>	\$82,393,240	\$137,254,896	\$219,648,136

<sup>1</sup>Allocated based on Return of Actuarial Value of Assets

<sup>2</sup>Allocated based on Net Earnings Recognized

<sup>3</sup>Allocation based on Adjusted Actuarial Value as of 10/1/2023

**Other Measurements**

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

**Hypothetical City Contribution Requirement for 2024/2025 Fiscal Year**

	Police	Fire	Total
Employer Contributions			
Normal Cost	\$0	\$8,473,048	\$8,473,048
Expected Member Contributions	0	(1,880,712)	(1,880,712)
Net Normal Cost	\$0	\$6,592,336	\$6,592,336
Administrative expense <sup>1</sup>	\$274,332	\$462,634	\$736,966
Amortization of UAAL	\$5,805,379	\$11,458,660	\$17,264,039
Applicable Interest	425,580	1,295,954	1,721,534
Total Recommended Contribution	\$6,505,291	\$19,809,584	\$26,314,875
Expected Non-Employer Contributions	(1,228,906)	(1,876,312)	(3,105,218)
Total Recommended Contribution	\$5,276,385	\$17,933,272	\$23,209,657
As a percentage of payroll	N/A	107.46%	139.08%
Hypothetical Total			\$23,209,657
Total Recommended Contribution (paid in Lump Sum)	\$5,366,082	\$18,238,131	\$23,604,213
Total Recommended Contribution (paid in Quarterly Installments)	\$5,503,306	\$18,704,527	\$24,207,833

<sup>1</sup>Allocated based on Net Earnings Recognized

**Other Measurements**

**Information to Comply with Florida 60T-1.003(3)(f)**

September 30, 2023

**Historical Salary Increases and Asset Performance**

Year Ending	Payroll Growth	Salary Growth	Expected Salary Growth	Asset Return (Market)	Asset Return (Actuarial)	Asset Return (Expected)
9/30/2023	(8.83%)	10.18%	6.70%	9.06%	3.46%	7.10%
9/30/2022	3.01%	3.54%	6.18%	(16.29%)	3.66%	7.20%
9/30/2021	9.80%	11.16%	6.14%	17.93%	9.28%	7.30%
9/30/2020	4.41%	9.20%	6.26%	6.37%	7.21%	7.30%
9/30/2019	9.54%	7.15%	6.06%	4.04%	5.84%	7.40%
9/30/2018	2.45%	2.52%	5.55%	8.59%	7.19%	7.50%
9/30/2017	6.11%	4.43%	5.41%	10.88%	7.91%	7.50%
9/30/2016	3.56%	6.06%	5.27%	7.63%	8.54%	7.50%
9/30/2015	(0.03%)	4.84%	5.41%	(1.71%)	7.46%	7.50%
9/30/2014	0.90%	5.50%	5.20%	10.00%	9.60%	7.50%
9/30/2013	(9.00%)	1.40%	7.00%	13.70%	8.00%	7.70%
9/30/2012	(7.00%)	1.60%	6.90%	16.80%	2.80%	7.90%
9/30/2011	(7.70%)	(1.50%)	6.40%	1.70%	1.20%	8.10%
9/30/2010	(7.60%)	5.00%	6.50%	10.40%	5.60%	8.30%
9/30/2009	(4.00%)	3.00%	7.00%	1.80%	2.30%	8.50%
<b>Averages</b>						
3-year				2.49%	5.43%	
5-year				3.57%	5.87%	
10-year				5.26%	7.00%	
20-year				5.90%	5.92%	
47-year				7.83%	7.32%	

**Other Measurements**

**Information to Comply with Florida 60T-1.003(3)(f)**

**September 30, 2023**

**Amortization of Unfunded Actuarial Accrued Liability**

	UAAL	Amortization
10/1/2023	\$202,665,916	\$17,264,039
10/1/2024	\$198,380,002	\$17,370,174
10/1/2025	\$193,680,519	\$17,806,833
10/1/2026	\$188,184,845	\$18,272,593
10/1/2046	\$161,990	\$161,990



**Other Measurements**

**Information to Comply with Florida Statute 112.664 and Florida Administrative Code 60T-1.0035<sup>1</sup>**

	Valuation	- 200 bp <sup>2</sup>	Funding Rate <sup>2</sup>	October 1, 2023 + 200 bp <sup>2</sup>
	7.10%	5.00%	7.00%	9.00%
Total pension liability				
Service Cost	\$5,551,463	\$5,551,463	\$5,551,463	\$5,551,463
Interest	26,899,487	26,899,487	26,899,487	26,899,487
Benefit changes	57,120,424	0	0	0
Difference between expected and actual experience	(6,614,762)	21,042,906	21,042,906	21,042,906
Changes in assumptions	3,767,774	129,815,555	4,994,731	(79,279,231)
Benefit payments	(34,324,574)	(34,324,574)	(34,324,574)	(34,324,574)
Contribution refunds	(247,446)	(247,446)	(247,446)	(247,446)
Net change in pension liability	\$52,152,366	\$148,737,391	\$23,916,567	(\$60,357,395)
Total pension liability, beginning of year	\$385,338,540	\$442,035,434	\$442,035,434	\$442,035,434
Total pension liability, end of year	\$437,490,906	\$590,772,825	\$465,952,001	\$381,678,039
Plan fiduciary net position				
Contributions - Employer	\$12,675,261	\$12,675,261	\$12,675,261	\$12,675,261
Contributions - State	2,028,099	2,028,099	2,028,099	2,028,099
Contributions - Member	3,458,037	3,458,037	3,458,037	3,458,037
Net investment income	20,197,206	20,197,206	20,197,206	20,197,206
Benefit payments	(34,324,574)	(34,324,574)	(34,324,574)	(34,324,574)
Contribution refunds	(247,446)	(247,446)	(247,446)	(247,446)
Administrative expense	(723,567)	(723,567)	(723,567)	(723,567)
Other	(444,133)	(444,133)	(444,133)	(444,133)
Net change in plan fiduciary net position	\$2,618,883	\$2,618,883	\$2,618,883	\$2,618,883
Plan fiduciary net position, beginning of year	\$232,785,583	\$232,785,583	\$232,785,583	\$232,785,583
Plan fiduciary net position, end of year	\$235,404,466	\$235,404,466	\$235,404,466	\$235,404,466
Net pension liability/(asset)	\$202,086,440	\$355,368,359	\$230,547,535	\$146,273,573
Funded ratio	53.81%	39.85%	50.52%	61.68%
Years that Assets support expected benefit payments	9	8	9	10
Estimated city contribution				
Annual dollar value	\$22,738,243	\$34,539,452	\$23,209,657	\$14,891,590
Percentage of payroll	131.11%	199.15%	133.82%	85.86%

<sup>1</sup>Includes DROP assets and liabilities

<sup>2</sup>Based on valuation assumption with the following changes  
-interest rate (as noted)

**Other Measurements**

**Information to Comply with Florida Statute 112.664 and Florida Administrative Code 60T-1.0035<sup>1</sup>**

October 1, 2023

**Sustainment of Expected Benefit Payments**

Mortality FRS Special Risk Scale MP-2018 Generational  
 Interest 7.10%

<u>Year</u>	<u>Market Value of Assets</u>	<u>Investment Return</u>	<u>Benefit Payments</u>
1	\$235,404,466	\$15,163,314	\$44,435,250 <sup>1</sup>
2	206,132,530	13,593,075	29,873,758
3	189,851,847	12,403,675	30,833,077
4	171,422,445	11,078,642	31,307,286
5	151,193,801	9,610,993	32,207,641
6	128,597,153	7,985,441	32,814,956
7	103,767,638	6,187,331	33,824,241
8	76,130,728	4,211,384	34,217,636
9	46,124,476	2,061,069	34,787,156
10	13,398,389		36,154,606

<sup>1</sup>Benefit payments include the DROP balance and Share Plan Assets at 9/30/2023

**Other Measurements**

**Information to Comply with Florida Statute 112.664 and Florida Administrative Code 60T-1.0035<sup>1</sup>**

October 1, 2023

**Sustainment of Expected Benefit Payments**

Mortality FRS Special Risk Scale MP-2018 Generational  
Interest 5.00%

<u>Year</u>	<u>Market Value of Assets</u>	<u>Investment Return</u>	<u>Benefit Payments</u>
1	\$235,404,466	\$10,672,891	\$44,435,250 <sup>1</sup>
2	201,642,107	9,344,371	29,873,758
3	181,112,720	8,294,211	30,833,077
4	158,573,854	7,155,557	31,307,286
5	134,422,125	5,925,736	32,207,641
6	108,140,220	4,596,643	32,814,956
7	79,921,907	3,160,803	33,824,241
8	49,258,469	1,617,916	34,217,636
9	16,658,749		34,787,156

<sup>1</sup>Benefit payments include the DROP balance and Share Plan Assets at 9/30/2023

**Other Measurements**

**Information to Comply with Florida Statute 112.664 and Florida Administrative Code 60T-1.0035<sup>1</sup>**

October 1, 2023

**Sustainment of Expected Benefit Payments**

Mortality FRS Special Risk Scale MP-2018 Generational  
 Interest 7.00%

<u>Year</u>	<u>Market Value of Assets</u>	<u>Investment Return</u>	<u>Benefit Payments</u>
1	\$235,404,466	\$14,949,383	\$44,435,250 <sup>1</sup>
2	205,918,599	13,386,404	29,873,758
3	189,431,245	12,199,281	30,833,077
4	170,797,449	10,878,599	31,307,286
5	150,368,762	9,417,611	32,207,641
6	127,578,732	7,801,413	32,814,956
7	102,565,189	6,015,737	33,824,241
8	74,756,685	4,055,606	34,217,636
9	44,594,655	1,924,668	34,787,156
10	11,732,167		36,154,606

<sup>1</sup>Benefit payments include the DROP balance and Share Plan Assets at 9/30/2023

**Other Measurements**

**Information to Comply with Florida Statute 112.664 and Florida Administrative Code 60T-1.0035<sup>1</sup>**

October 1, 2023

**Sustainment of Expected Benefit Payments**

Mortality FRS Special Risk Scale MP-2018 Generational  
Interest 9.00%

<u>Year</u>	<u>Market Value of Assets</u>	<u>Investment Return</u>	<u>Benefit Payments</u>
1	\$235,404,466	\$19,229,889	\$44,435,250 <sup>1</sup>
2	210,199,105	17,602,558	29,873,758
3	197,927,905	16,455,911	30,833,077
4	183,550,739	15,141,086	31,307,286
5	167,384,539	13,646,485	32,207,641
6	148,823,383	11,949,241	32,814,956
7	127,957,668	10,026,887	33,824,241
8	104,160,314	7,867,803	34,217,636
9	77,810,481	5,471,242	34,787,156
10	48,494,567	2,772,600	36,154,606
11	15,112,561		36,555,864

<sup>1</sup>Benefit payments include the DROP balance and Share Plan Assets at 9/30/2023

**Other Measurements**

**Reserve Account for Future Benefit Improvements Under F.L. 99-1**

1. Adjusted Base Amount at 10/1/2023

Year		Ch. 185	Ch. 175	Suppl.	Total
<u>Established</u>	<u>Description</u>	<u>Police</u>	<u>Fire</u>	<u>Fire</u>	<u>Fire</u>
	Adjusted Base Amount as of 10/1/10	798,463	704,031	28,723	732,754
2012	Ordinances 2012-30/31	0	88,476	0	88,476
2017	Ordinance 2017-30	77,625	0	0	0
	Adjusted Base Amount	876,088	792,507	28,723	821,230

2. Reserve Account for 2022/2023

	<u>Police</u>		<u>Fire</u>
(a) Reserve Account at September 30, 2022	252,770		N/A
(b) Share Plan Allocation Paid Out*	(605,588)		N/A
(c) Share Plan Allocation for Reserve	<u>352,818</u>		N/A
(d) Reserve Account at September 30, 2023*	0		N/A
(a + b + c)			
(e) City Contribution Receivable for State Premium Shortfall			
i. Premium Tax Distribution for 2022	1,581,725	1,639,820	236,492
ii. Adjusted Base Amount	876,088		N/A
iii. Shortfall of State Premium Tax Distribution	0		N/A

3. Allocation of Accumulated Reserve Account under SB 172

	<u>Police</u>	<u>Fire</u>
(a) Amount allocated to contribution	(352,818)	N/A
(b) Amount allocated to Member Plan	<u>(352,818)</u>	N/A
(c) Total	(705,636)	N/A
(d) Total excess for fiscal year	<u>705,636</u>	N/A
(e) Final Reserve Account at September 30, 2023*	0	N/A

4. Reconciliation of Share Plan Account Balances

	<u>Police</u>	<u>Fire</u>	<u>Total Plan</u>
(a) Starting Balance at September 30, 2022	267,831	9,183,008	9,450,839
(b) Distributions during plan year	(250,266)	(9,127,270)	(9,377,536)
(c) Allocations of Premium Tax during plan year	352,818	0	352,818
(d) Allocated earnings and adjustments	<u>(2,867)</u>	0	<u>(2,867)</u>
(e) Ending Balance at September 30, 2023	367,516	55,738	423,254

\*Note that this treatment is slightly different from in prior reports. The State Moneys are allocated to the Share Plan as of 9/30, so we will be reporting as such going forward. Accumulated Share Plan account balances (for those retirees still in DROP or those with account balances not yet distributed as of the valuation date) still in the trust as of the valuation date will still be treated as reserved assets for funding purposes.

**Other Measurements**

**Low-Default-Risk Obligation Measure (LDROM)**

The LDROM liability 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, 2023
LDROM liability	\$ (514,327,036)
Market value of assets	\$ <u>219,648,136</u>
LDROM funded status	\$ (294,678,900)

The LDROM 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.

The LDROM funding target could reasonably be viewed as the assets needed to immunize the Plan against investment risk. If Plan assets are not funded to this level, it does not necessarily mean the security of participant benefits is at risk. If Plan assets are invested to earn in excess of a fixed income portfolio, future investment returns could make up the underfunding. If the plan is fully funded, or nearly fully funded, on the LDROM measure, the plan sponsor may want to consider reducing investment risk in order to offer greater benefit security and lower contribution volatility.

The above LDROM liability measure applies a single effective discount rate, 5.87%, that would produce approximately the same discounted plan cashflows as the FTSE Above Median Double-A Pension Discount Curve as of September 30, 2023. All other data, assumptions, methods and provisions are the same as those detailed in this report. 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.