

CITY OF BROOKSVILLE
FIREFIGHTERS' 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 13, 2025

Susan Mae McCrary
Plan Administrator
City of Brooksville
Firefighters' Pension Board
85 Veterans Drive
Brooksville, FL34601

Re: City of Brooksville Firefighters' Retirement Trust Fund

Dear Board:

We are pleased to present to the Board this report of the annual actuarial valuation of the City of Brooksville Firefighters' 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 175, 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 Brooksville, 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 Brooksville, nor does anyone at Foster & Foster, Inc. act as a member of the Board of Trustees of the Firefighters' 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

PTD/lke

Enclosures

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SUMMARY OF REPORT

The regular annual actuarial valuation of the City of Brooksville Firefighters' 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 October 30, 2024 actuarial impact statement, are as follows:

Valuation Date	10/1/2024	10/1/2023
Applicable to Fiscal Year Ending	<u>9/30/2026</u>	<u>9/30/2025</u>
Minimum Required Contribution % of Projected Annual Payroll	39.10%	38.72%
Member Contributions (Est.) % of Projected Annual Payroll	8.66%	8.66%
City And State Required Contribution % of Projected Annual Payroll	30.44%	30.06%
State Contribution (Est.) ¹ % of Projected Annual Payroll (Est.)	\$116,908 11.67%	\$116,908 11.67%
City Required Contribution (Est.) ² % of Projected Annual Payroll (Est.)	18.77%	18.39%

¹ Reflects the amount received in calendar 2024. As per a Mutual Consent Agreement, all State Monies received each year, up to \$103,781.86 (based on Ordinance 931), can be used by the City to offset their funding requirements, with amounts over this threshold allocated equally between the Share Plan and the City's required contribution.

² The required contribution from the combination of City and State sources for the year ending September 30, 2026, is 30.44% of the actual payroll realized in that year. As a budgeting tool, the City may contribute 18.77% 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 \$60,224.68 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 October 30, 2024 actuarial impact statement. The increase is attributable to unfavorable actuarial experience as described in the next paragraph. The increase was offset in part by a reduction in the Normal Cost Rate.

Plan experience was unfavorable overall on the basis of the plan's actuarial assumptions. Sources of actuarial loss included an average salary increase of 12.49% which exceeded the 6.47% assumption and unfavorable turnover experience. There were no significant sources of actuarial gain.

CHANGES SINCE PRIOR VALUATION

Plan Changes

Ordinance No. 991 was adopted on February 3, 2025. This ordinance provided the following changes:

- The Member contribution rate is increased from 3.29% of Salary to 8.66% of Salary.
- The Benefit Accrual Rate will be 3.5% of Average Final Compensation for each year of Credited Service instead of the current 3.1% for all Members separating from service or entering DROP on or after the effective date. The new accrual rate will apply to all years of service for those who are affected.

The impact of these changes on the funding requirements is outlined in our Actuarial Impact Statement dated October 30, 2024.

Actuarial Assumption/Method Changes

Based on the actuarial experience study dated December 15, 2024, the Board made the following changes to assumptions and methods:

- Changed the amortization period over 15 years for all future UAAL bases.
- Reduced interest rate to 7.25%.
- Updated retirement and termination rates.
- Adjusted salary increase rates upward with higher rates for service between 2-5 years.
- Changed the Entry Age Normal Cost Spread Method to spread Normal Costs over the full career of each Member instead of starting from the first valuation date an employee becomes a Member.

CONTRIBUTION IMPACT OF ANNUAL CHANGES

(1) Contribution Determined as of October 1, 2023	18.25%
<i>(As set forth in the October 30, 2024 Actuarial Impact Statement)</i>	
(2) Summary of Contribution Impact by component:	
Change in State Contribution Percentage	0.14%
Change in Normal Cost Rate	-1.29%
Change in Administrative Expense Percentage	0.17%
Payroll Change Effect on UAAL Amortization	-0.09%
Investment Return (Actuarial Asset Basis)	0.14%
Salary Increases	0.90%
Active Decrements	1.13%
Inactive Mortality	-0.02%
UAAL Amortization Impact from Contribution Policy	-0.58%
Assumption/Method Change	0.06%
Other	<u>-0.04%</u>
Total Change in Contribution	0.52%
(3) Contribution Determined as of October 1, 2024	18.77%

COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS

	New Asmp/Mthd <u>10/1/2024</u>	Old Asmp/Mthd <u>10/1/2024</u>	<u>10/1/2023</u>
A. Participant Data			
Actives	16	16	19
Service Retirees	16	16	15
DROP Retirees	0	0	0
Beneficiaries	0	0	1
Disability Retirees	0	0	0
Terminated Vested	<u>23</u>	<u>23</u>	<u>21</u>
Total	55	55	56
 Projected Annual Payroll	 1,001,847	 996,655	 990,231
Annual Rate of Payments to:			
Service Retirees	548,569	548,569	484,191
DROP Retirees	0	0	0
Beneficiaries	0	0	12,797
Disability Retirees	0	0	0
Terminated Vested	40,668	40,668	40,668
 B. Assets			
Actuarial Value (AVA) ¹	8,549,262	8,549,262	8,135,233
Market Value (MVA) ¹	8,903,336	8,903,336	7,520,772
 C. Liabilities			
Present Value of Benefits			
Actives			
Retirement Benefits	3,129,684	3,304,669	3,685,523
Disability Benefits	28,120	29,187	33,081
Death Benefits	8,364	8,720	7,532
Vested Benefits	343,822	293,164	243,277
Refund of Contributions	104,269	90,006	80,461
Service Retirees	6,488,823	6,311,167	5,514,449
DROP Retirees ¹	0	0	0
Beneficiaries	0	0	53,207
Disability Retirees	0	0	0
Terminated Vested	351,599	337,477	311,665
Share Plan Balances ¹	<u>17,308</u>	<u>17,308</u>	<u>3,454</u>
 Total	 10,471,989	 10,391,698	 9,932,649

C. Liabilities - (Continued)	New Asmp/Mthd <u>10/1/2024</u>	Old Asmp/Mthd <u>10/1/2024</u>	<u>10/1/2023</u>
Present Value of Future Salaries	5,850,703	6,178,938	5,811,059
Present Value of Future Member Contributions	506,671	535,096	503,238
Normal Cost (Retirement)	111,634	139,342	153,047
Normal Cost (Disability)	3,553	3,758	5,466
Normal Cost (Death)	518	618	565
Normal Cost (Vesting)	19,365	19,201	15,740
Normal Cost (Refunds)	14,839	13,595	12,849
Total Normal Cost	<u>149,909</u>	<u>176,514</u>	<u>187,667</u>
Present Value of Future Normal Costs	832,230	1,048,594	1,039,603
Accrued Liability (Retirement)	2,496,158	2,463,032	2,833,692
Accrued Liability (Disability)	9,782	8,725	6,667
Accrued Liability (Death)	5,377	4,939	4,133
Accrued Liability (Vesting)	228,658	171,321	144,269
Accrued Liability (Refunds)	42,054	29,135	21,510
Accrued Liability (Inactives) ¹	6,840,422	6,648,644	5,879,321
Share Plan Balances ¹	17,308	17,308	3,454
Total Actuarial Accrued Liability (EAN AL)	<u>9,639,759</u>	<u>9,343,104</u>	<u>8,893,046</u>
Unfunded Actuarial Accrued Liability (UAAL)	1,090,497	793,842	757,813
Funded Ratio (AVA / EAN AL)	88.7%	91.5%	91.5%

D. Actuarial Present Value of Accrued Benefits	New Asmp/Mthd <u>10/1/2024</u>	Old Asmp/Mthd <u>10/1/2024</u>	<u>10/1/2023</u>
Vested Accrued Benefits			
Inactives + Share Plan Balances ¹	6,857,730	6,665,952	5,882,775
Actives	1,100,656	1,058,594	1,678,335
Member Contributions	<u>196,435</u>	<u>196,435</u>	<u>210,228</u>
Total	8,154,821	7,920,981	7,771,338
Non-vested Accrued Benefits	<u>614,881</u>	<u>645,736</u>	<u>499,688</u>
Total Present Value Accrued Benefits (PVAB)	8,769,702	8,566,717	8,271,026
Funded Ratio (MVA / PVAB)	101.5%	103.9%	90.9%
Increase (Decrease) in Present Value of Accrued Benefits Attributable to:			
Plan Amendments	0	0	
Assumption/Method Changes	202,985	0	
Plan Experience	0	197,840	
Benefits Paid	0	(507,455)	
Interest	0	605,306	
Other	<u>0</u>	<u>0</u>	
Total	202,985	295,691	

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

E. Pension Cost

Normal Cost (with interest)			
% of Projected Annual Payroll ²	15.51	18.38	19.67
Administrative Expenses (with interest)			
% of Projected Annual Payroll ²	5.38	5.41	5.24
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 29 years (as of 10/1/2024, with interest)			
% of Projected Annual Payroll ²	18.21	15.25	13.81
Minimum Required Contribution			
% of Projected Annual Payroll ²	39.10	39.04	38.72
Expected Member Contributions			
% of Projected Annual Payroll ²	8.66	8.66	8.66
Expected City and State Contribution			
% of Projected Annual Payroll ²	30.44	30.38	30.06

F. Past Contributions

Plan Years Ending:	<u>9/30/2024</u>
Total Required Contribution	362,469
City and State Requirement	321,362
Actual Contributions Made:	
Members (excluding buyback)	41,107
City	204,454
State	<u>116,908</u>
Total	362,469

G. Net Actuarial (Gain)/Loss 148,683

¹ The asset values and liabilities include accumulated DROP and Share 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 \$1,001,847 after assumption changes and of \$996,655 before assumption changes.

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	1,090,497
2025	980,769
2026	941,633
2033	475,725
2040	233,905
2046	147,675
2053	0

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

		<u>Actual</u>	<u>Assumed</u>
Year Ended	9/30/2024	12.49%	6.47%
Year Ended	9/30/2023	8.65%	6.56%
Year Ended	9/30/2022	18.19%	5.68%
Year Ended	9/30/2021	6.08%	6.43%
Year Ended	9/30/2020	3.84%	7.76%

(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	21.08%	7.43%	7.55%
Year Ended	9/30/2023	10.72%	4.55%	7.55%
Year Ended	9/30/2022	-14.68%	5.52%	7.55%
Year Ended	9/30/2021	19.26%	9.93%	7.65%
Year Ended	9/30/2020	9.58%	8.37%	7.65%

(iii) Average Annual Payroll Growth

(a) Payroll as of:	10/1/2024	\$1,001,847
	10/1/2014	598,402
(b) Total Increase		67.42%
(c) Number of Years		10.00
(d) Average Annual Rate		5.29%

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

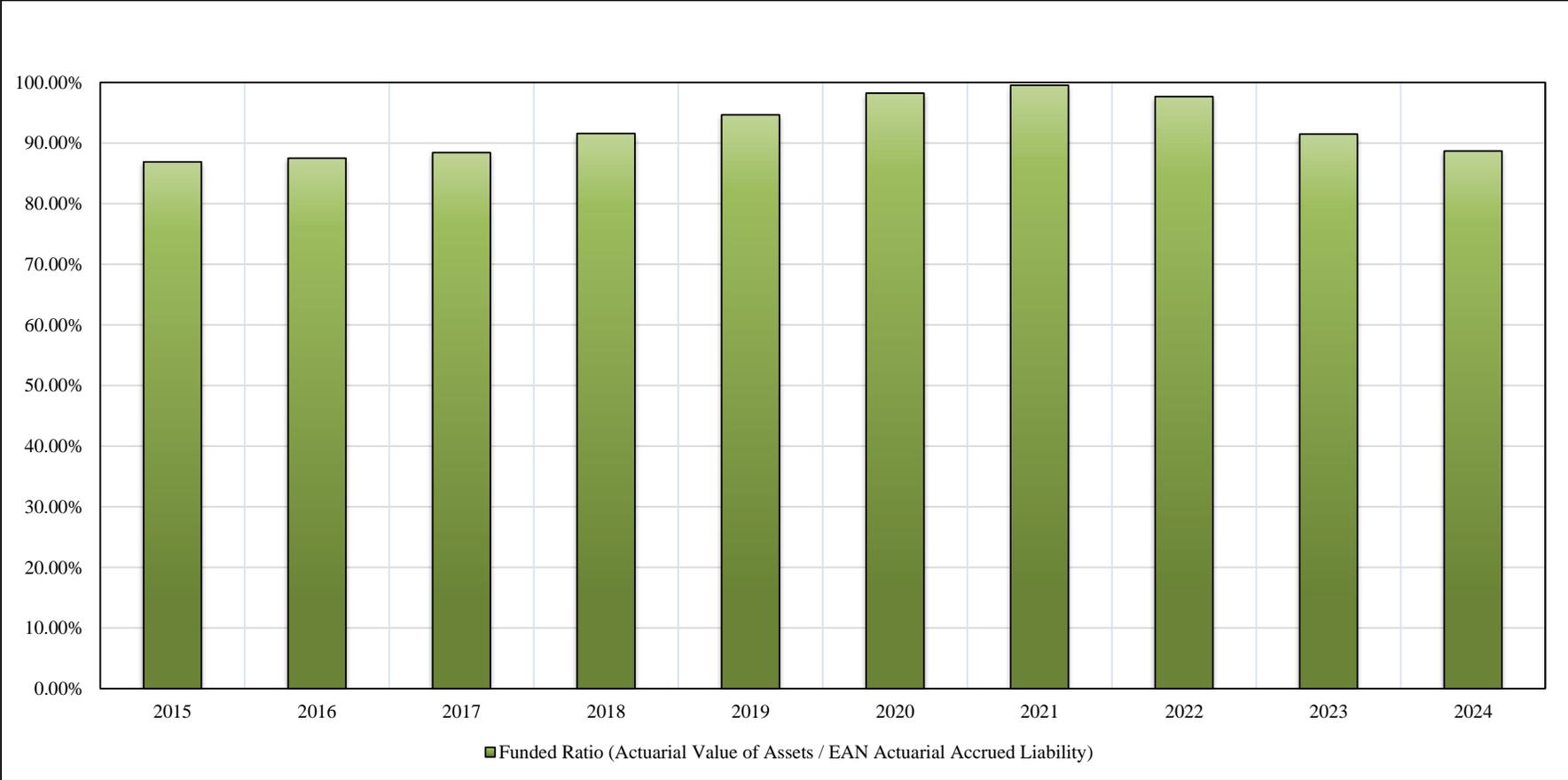
(1)	Unfunded Actuarial Accrued Liability as of October 1, 2023	\$757,813
(2)	Sponsor Normal Cost developed as of October 1, 2023	101,913
(3)	Expected administrative expenses for the year ended September 30, 2024	50,046
(4)	Expected interest on (1), (2) and (3)	66,799
(5)	Sponsor contributions to the System during the year ended September 30, 2024	321,362
(6)	Expected interest on (5)	10,050
(7)	Expected Unfunded Actuarial Accrued Liability as of September 30, 2024 (1)+(2)+(3)+(4)-(5)-(6)	645,159
(8)	Change to UAAL due to Assumption/Method Change	296,655
(9)	Change to UAAL due to Actuarial (Gain)/Loss	148,683
(10)	Unfunded Actuarial Accrued Liability as of October 1, 2024	1,090,497

<u>Type of Base</u>	<u>Date Established</u>	<u>Years Remaining</u>	<u>10/1/2024 Amount</u>	<u>Amortization Amount</u>
Fresh Start	10/1/2018	1	73,148	73,148
Benefit Change	10/1/2018	24	(101)	(8)
Reconciliation Base	10/1/2019	5	(56,030)	(12,827)
Actuarial Gain	10/1/2019	5	(1,166)	(267)
Actuarial Gain	10/1/2020	6	(42,606)	(8,399)
Asmp/Mthd Change	10/1/2020	16	(46,753)	(4,691)
Reconciliation Base	10/1/2021	7	(39,991)	(6,979)
Actuarial Gain	10/1/2021	7	(43,900)	(7,661)
Assump Change	10/1/2021	17	63,183	6,139
Reconciliation Base	10/1/2022	8	(30,407)	(4,794)
Actuarial Loss	10/1/2022	8	179,467	28,295
Actuarial Loss	10/1/2023	9	259,160	37,484
Benefits Change	10/1/2023	29	331,155	25,771
Actuarial Loss	10/1/2024	10	148,683	19,967
Asmp/Mthd Change	10/1/2024	15	296,655	30,851
			1,090,497	176,029

DETAILED ACTUARIAL (GAIN)/LOSS ANALYSIS

(1) Unfunded Actuarial Accrued Liability (UAAL) as of October 1, 2023	\$757,813
(2) Expected UAAL as of October 1, 2024	645,159
(3) Summary of Actuarial (Gain)/Loss, by component:	
Investment Return (Actuarial Asset Basis)	9,836
Salary Increases	63,477
Active Decrements	79,721
Inactive Mortality	(1,684)
Interest Crediting on Share Plan Balances	467
Other	<u>(3,134)</u>
Increase in UAAL due to (Gain)/Loss	148,683
Assumption/Method Changes	<u>296,655</u>
(4) Actual UAAL as of October 1, 2024	\$1,090,497

HISTORY OF FUNDING PROGRESS



ACTUARIAL ASSUMPTIONS AND METHODS

Mortality Rate

Healthy Active Lives:

Female: PubS.H-2010 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.

Interest Rate

7.25% (prior year 7.55%) 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.

<u>Salary Increases</u>	See table later in this section. These rates were developed in a December 15, 2024 Experience Study. Final salary in year of retirement is increased individually to account for additional non-regular compensation.
<u>Payroll Growth</u>	0.00% 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.
<u>Administrative Expenses</u>	\$51,971 annually, based on the average of actual expenses incurred in the prior two fiscal years.
<u>Termination Rates</u>	See table later in this section. These rates were developed in the December 15, 2024 Experience Study
<u>Disability Rates</u>	See Sample rates later in this section. These rates were deemed reasonable in the December 15, 2024 Experience Study. 90% of disabilities are assumed to occur in the line of duty.
<u>Normal Retirement</u>	See table later in this section. These rates were developed in the December 15, 2024 Experience Study.
<u>Early Retirement</u>	Commencing upon a Member's eligibility for Early Retirement (Age 50 with 10 years of Credited Service), Members are assumed to retire with an immediate subsidized benefit at the rate of 5% per year. This rate was deemed reasonable in the December 15, 2024 Experience Study
<u>Funding Method</u>	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.
<u>Asset Valuation Method</u>	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.

Amortization Method

New UAAL amortization bases are amortized over 15 years. Previously, the amortization periods are as follows:

Experience: 10 Years.
 Assumption/Method Changes: 20 Years.
 Benefit Changes: 30 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.

Assumption Tables

% Terminating During the Year		
Service	Current Rate	Prior Rate
0-1	25.0%	20.0%
2-9	12.5%	10.0%
10+	7.5%	6.0%

% Becoming Disabled During the Year	
Age	Rate
20	0.03%
30	0.04%
40	0.07%
50	0.18%

Salary Scale		
Service	Current Rate	Prior Rate
<2	10.00%	10.00%
2-5	7.00%	5.00%
6+	5.00%	5.00%

% Retiring During the Year		
Years Following First Eligibility	Current Rate	Prior Rate
0-1	50.0%	50.0%
2-3	50.0%	100.0%
4+	100.0%	100.0%

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.
- 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 stayed about the same from October 1, 2014 to October 1, 2024, indicating that the plan's maturity level has not significantly changed 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 71.0%. 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 82.7% on October 1, 2014 to 88.7% 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 0.4% on October 1, 2014 to -2.1% on October 1, 2024. The current Net Cash Flow Ratio of -2.1% indicates that contributions are not currently 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 \$14,347,839. 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	16	19	19	16
Total Inactives ¹	21	21	24	22
Actives / Inactives ¹	76.2%	90.5%	79.2%	72.7%

Asset Volatility Ratio

Market Value of Assets (MVA)	8,903,336	7,520,772	6,893,126	6,024,186
Total Annual Payroll	1,099,856	1,175,379	1,014,954	598,402
MVA / Total Annual Payroll	809.5%	639.9%	679.2%	1,006.7%

Accrued Liability (AL) Ratio

Inactive Accrued Liability	6,840,422	5,879,321	5,180,887	5,332,505
Total Accrued Liability (EAN)	9,639,759	8,893,046	7,451,949	6,953,087
Inactive AL / Total AL	71.0%	66.1%	69.5%	76.7%

Funded Ratio

Actuarial Value of Assets (AVA)	8,549,262	8,135,233	7,053,931	5,752,586
Total Accrued Liability (EAN)	9,639,759	8,893,046	7,451,949	6,953,087
AVA / Total Accrued Liability (EAN)	88.7%	91.5%	94.7%	82.7%

Net Cash Flow Ratio

Net Cash Flow ²	(187,008)	(455,784)	(64,429)	24,239
Market Value of Assets (MVA)	8,903,336	7,520,772	6,893,126	6,024,186
Ratio	-2.1%	-6.1%	-0.9%	0.4%

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	84,812.44	_____%
1999	66,771.57	-21.3%
2000	81,354.16	21.8%
2001	80,419.06	-1.1%
2002	89,799.33	11.7%
2003	95,688.18	6.6%
2004	91,992.46	-3.9%
2005	93,472.70	1.6%
2006	98,795.12	5.7%
2007	107,921.42	9.2%
2008	138,717.80	28.5%
2009	136,311.29	-1.7%
2010	102,370.58	-24.9%
2011	92,150.49	-10.0%
2012	63,865.78	-30.7%
2013	103,781.86	62.5%
2014	88,211.68	-15.0%
2015	84,221.88	-4.5%
2016	71,579.90	-15.0%
2017	86,827.52	21.3%
2018	77,142.30	-11.2%
2019	74,872.41	-2.9%
2020	66,751.29	-10.8%
2021	59,955.12	-10.2%
2022	76,428.21	27.5%
2023	110,690.48	44.8%
2024	130,034.17	17.5%

STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2024

<u>ASSETS</u>	COST VALUE	MARKET VALUE
Cash and Cash Equivalents:		
Short Term Investments	183,802.65	183,802.65
Prepaid Expenses	2,826.00	2,826.00
Cash	3,543.61	3,543.61
Total Cash and Equivalents	190,172.26	190,172.26
Receivables:		
State Contributions	14,355.26	14,355.26
Investment Income	16,758.68	16,758.68
Total Receivable	31,113.94	31,113.94
Investments:		
U. S. Bonds and Bills	304,080.99	307,327.04
Federal Agency Guaranteed Securities	887,817.62	849,155.43
Corporate Bonds	1,003,518.93	985,568.57
Mutual Funds:		
Fixed Income	417,824.56	387,097.30
Equity	3,415,438.22	5,505,040.25
Pooled/Common/Commingled Funds:		
Real Estate	753,738.78	720,112.57
Total Investments	6,782,419.10	8,754,301.16
Total Assets	7,003,705.30	8,975,587.36
<u>LIABILITIES</u>		
Payables:		
Refunds of Member Contributions	2,208.11	2,208.11
Investment Expenses	7,718.25	7,718.25
Administrative Expenses	2,100.00	2,100.00
Prepaid City Contribution	60,224.68	60,224.68
Total Liabilities	72,251.04	72,251.04
NET POSITION RESTRICTED FOR PENSIONS	6,931,454.26	8,903,336.32

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

ADDITIONS

Contributions:

Member	41,107.31
City	204,453.70
State	130,034.17

Total Contributions 375,595.18

Investment Income:

Net Realized Gain (Loss)	265,192.41
Unrealized Gain (Loss)	1,142,566.16
Net Increase in Fair Value of Investments	1,407,758.57
Interest & Dividends	192,378.70
Less Investment Expense ¹	(30,565.46)

Net Investment Income 1,569,571.81

Total Additions 1,945,166.99

DEDUCTIONS

Distributions to Members:

Benefit Payments	497,672.07
Lump Sum DROP Distributions	0.00
Lump Sum Share Distributions	0.00
Refunds of Member Contributions	9,783.02

Total Distributions 507,455.09

Administrative Expense 55,148.00

Total Deductions 562,603.09

Net Increase in Net Position 1,382,563.90

NET POSITION RESTRICTED FOR PENSIONS

Beginning of the Year 7,520,772.42

End of the Year 8,903,336.32

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	835,926	167,186	0	0	0	0
09/30/2022	(1,888,764)	(755,505)	(377,752)	0	0	0
09/30/2023	230,532	138,320	92,214	46,108	0	0
09/30/2024	1,005,091	804,073	603,055	402,037	201,019	0
Total		354,074	317,517	448,145	201,019	0

Development of Investment Gain/Loss

Market Value of Assets, including Prepaid Contributions, 09/30/2023	7,559,155
Contributions Less Benefit Payments & Admin Expenses	(165,166)
Expected Investment Earnings*	564,481
Actual Net Investment Earnings	<u>1,569,572</u>
2024 Actuarial Investment Gain/(Loss)	1,005,091

*Expected Investment Earnings = $0.0755 * (7,559,155 - 0.5 * 165,166)$

Development of Actuarial Value of Assets

(1) Market Value of Assets, 09/30/2024	8,903,336
(2) Gains/(Losses) Not Yet Recognized	354,074
(3) Actuarial Value of Assets, 09/30/2024, (1) - (2)	<u>8,549,262</u>
(4) Limited Actuarial Value of Assets, 09/30/2024	8,549,262

(A) 09/30/2023 Actuarial Assets, including Prepaid Contributions: 8,173,616

(I) Net Investment Income:

1. Interest and Dividends	192,379
2. Realized Gain (Loss)	265,192
3. Unrealized Gain (Loss)	1,142,566
4. Change in Actuarial Value	(968,535)
5. Investment Expenses	<u>(30,565)</u>
Total	601,037

(B) 09/30/2024 Actuarial Assets, including Prepaid Contributions: 8,609,487

Actuarial Assets Rate of Return = $2I/(A+B-I)$: 7.43%
Market Value of Assets Rate of Return: 21.08%

Actuarial Gain/(Loss) due to Investment Return (Actuarial Asset Basis) (9,836)

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

REVENUES

Contributions:		
Member	41,107.31	
City	204,453.70	
State	130,034.17	
Total Contributions		375,595.18
Earnings from Investments:		
Interest & Dividends	192,378.70	
Net Realized Gain (Loss)	265,192.41	
Unrealized Gain (Loss)	1,142,566.16	
Change in Actuarial Value	(968,535.00)	
Total Earnings and Investment Gains		631,602.27

EXPENDITURES

Distributions to Members:		
Benefit Payments	497,672.07	
Lump Sum DROP Distributions	0.00	
Lump Sum Share Distributions	0.00	
Refunds of Member Contributions	9,783.02	
Total Distributions		507,455.09
Expenses:		
Investment related ¹	30,565.46	
Administrative	55,148.00	
Total Expenses		85,713.46
Change in Net Assets for the Year		414,028.90
Net Assets Beginning of the Year		8,135,233.42
Net Assets End of the Year²		8,549,262.32

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

²Net Assets may be limited for actuarial consideration.

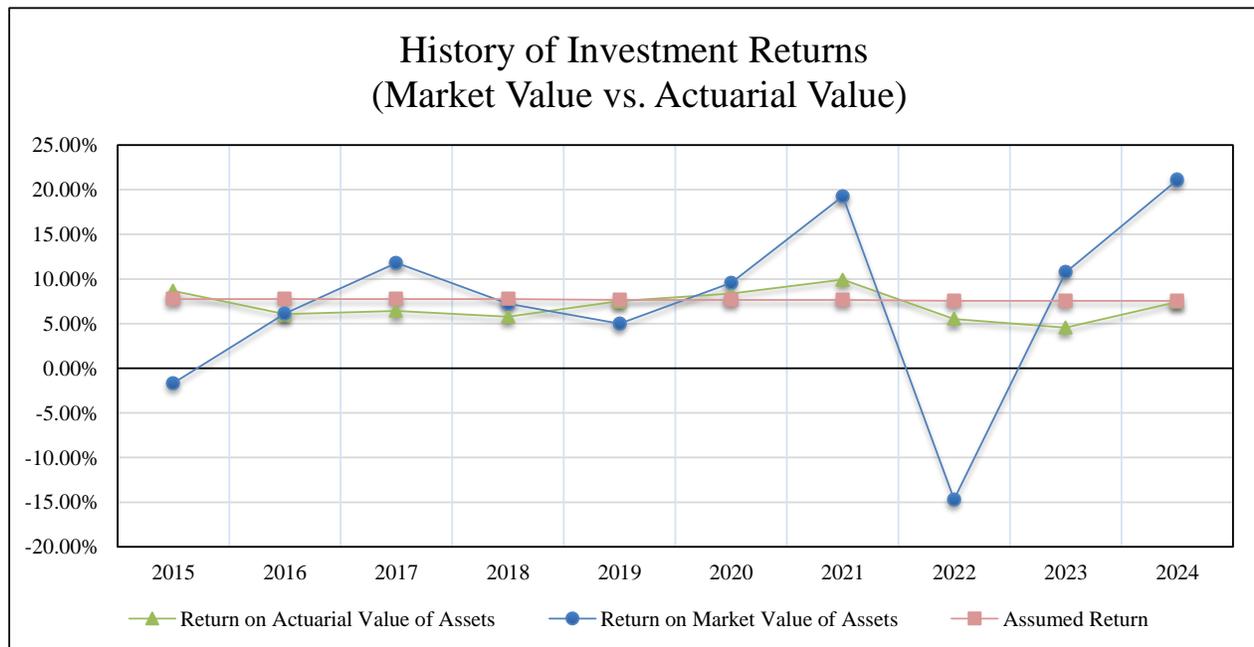
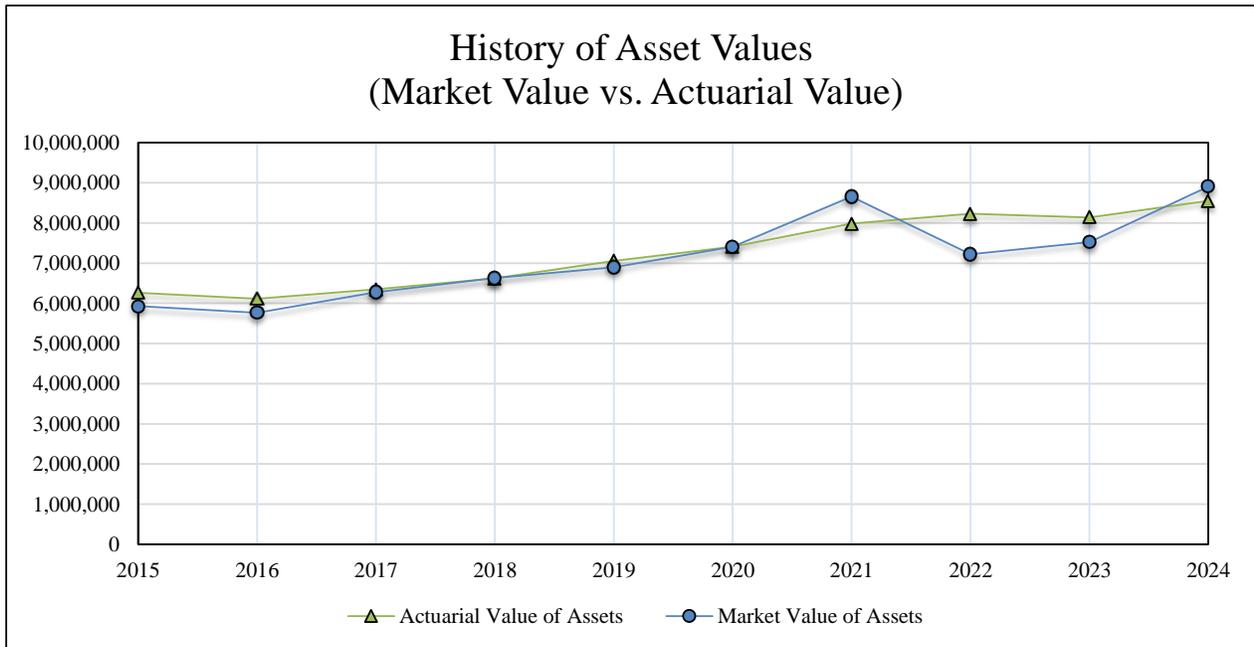
SUPPLEMENTAL CHAPTER 175 SHARE PLAN ACTIVITY
October 1, 2023 through September 30, 2024

9/30/2023 Balance	3,454.24
Prior Year Adjustment	0.00
Plus Additions	13,126.16
Investment Return Earned (Est.)	728.00
Administrative Fees (Est.)	0.00
Less Distributions	<u>0.00</u>
9/30/2024 Balance (Est.)	17,308.40

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

(1)	Total Required Contribution Rate	29.01%
(2)	Pensionable Payroll Derived from Member Contributions	\$1,249,462.31
(3)	Total Required Contribution (1) x (2)	362,469.02
(4)	Less Actual Member Contributions	(41,107.31)
(5)	Less Allowable State Contribution	<u>(116,908.01)</u>
(6)	Equals Required City Contribution for Fiscal 2024	204,453.70
(7)	Less 2023 Prepaid Contribution	(38,382.38)
(8)	Less Actual City Contributions	<u>(226,296.00)</u>
(9)	Equals City's Shortfall/(Prepaid) Contribution as of September 30, 2024	(\$60,224.68)

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	16	19	19	18
Average Current Age	39.3	42.1	40.2	38.7
Average Age at Employment	32.3	35.6	34.2	32.5
Average Past Service	7.0	6.5	6.0	6.2
Average Annual Salary	\$68,741	\$61,862	\$57,585	\$55,566
<u>Service Retirees</u>				
Number	16	15	14	15
Average Current Age	65.1	65.5	64.9	66.3
Average Annual Benefit	\$34,286	\$32,279	\$28,993	\$27,427
<u>DROP Retirees</u>				
Number	0	0	1	1
Average Current Age	N/A	N/A	58.9	57.9
Average Annual Benefit	N/A	N/A	\$68,925	\$63,076
<u>Beneficiaries</u>				
Number	0	1	2	2
Average Current Age	N/A	90.4	74.8	73.8
Average Annual Benefit	N/A	\$12,797	\$7,186	\$7,163
<u>Disability Retirees</u>				
Number	0	0	0	0
Average Current Age	N/A	N/A	N/A	N/A
Average Annual Benefit	N/A	N/A	N/A	N/A
<u>Terminated Vested</u>				
Number	23	21	20	20
Average Current Age ¹	47.4	46.4	47.0	47.7
Average Annual Benefit ¹	\$8,134	\$8,134	\$8,085	\$7,095

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	1		1									2
25 - 29			1		1	1						3
30 - 34			1			1						2
35 - 39						1						1
40 - 44	1							2				3
45 - 49						1						1
50 - 54			2									2
55 - 59						1						1
60 - 64												0
65+									1			1
Total	2	0	5	0	1	5	0	2	1	0	0	16

VALUATION PARTICIPANT RECONCILIATION

1. Active lives

a. Number in prior valuation 10/1/2023	19
b. Terminations	
i. Vested (partial or full) with deferred annuity	0
ii. Vested in refund of member contributions only	(2)
iii. Refund of member contributions or full lump sum distribution	(2)
c. Deaths	
i. Beneficiary receiving benefits	0
ii. No future benefits payable	0
d. Disabled	0
e. Retired	(1)
f. DROP	<u>0</u>
g. Continuing participants	14
h. New entrants / Rehires	<u>2</u>
i. Total active life participants in valuation	16

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

	Service Retirees, Vested Receiving <u>Benefits</u>	<u>DROP 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	15	0	1	0	5	16	37
Retired	1						1
DROP							0
Vested (Deferred Annuity)							0
Vested (Due Refund)						2	2
Hired/Terminated in Same Year						1	1
Death, With Survivor							0
Death, No Survivor			(1)				(1)
Disabled							0
Refund of Contributions						(1)	(1)
Rehires							0
Expired Annuities							0
Data Corrections							0
b. Number current valuation	16	0	0	0	5	18	39

SUMMARY OF CURRENT PLAN
(Through Ordinance 991)

<u>Date of Latest Restatement</u>	February 3, 2025
<u>Eligibility</u>	Employees who are classified as full-time and volunteer Firefighters shall participate in the System as a condition of employment.
<u>Credited Service</u>	Total years and fractional parts of years of service with the City as a Firefighter.
<u>Salary</u>	W-2 Earnings, plus tax deferred, tax sheltered and tax exempt income. Overtime is limited to 300 hours per year and pensionable lump sick and vacation payouts are limited to the amounts accrued as of July 1, 2013.
<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>	8.66% of Salary effective January 1, 2025.
<u>City and State Contributions</u>	Remaining amount required in order to pay current costs and amortize unfunded past service cost, if any. In no event will the City's contribution be less than 5% of the total Salary of the Members, as provided in Part VII of Chapter 112, Florida Statutes.
<u>Normal Retirement</u>	
Date	Earlier of age 60, age 55 and 10 years of Credited Service, or 20 years of Credited Service regardless of age.
Benefit	3.5% of Average Final Compensation times Credited Service
Form of Benefit	10 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% per year.
<u>Cost of Living Adjustment</u>	3% increase each January 1 from age 55 through age 65.
<u>Vesting</u>	
Schedule	100% after 10 years of Credited Service.
Benefit Amount	Member will receive the vested portion of his (her) accrued benefit payable at Normal Retirement, or, on a reduced basis at Early Retirement.

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 (Service Incurred).

Duration

Payable for life, with 120 payments guaranteed, 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

- a. Two Council appointees,
- b. Two Members of the Department elected by the membership, and
- c. Fifth Member elected by other 4 and appointed by Council.

Share Plan

Funded Status

50% of State Monies received each year that exceed \$103,782 will be used to fund Share Plan.

Deferred Retirement Option Plan

Eligibility

Satisfaction of Normal Retirement requirements.

Participation

Not to exceed the earlier of 60 months or the completion of 30 years of service with the City as a Firefighter.

Rate of Return

At Member's election: 6.5% or Net Investment Return

Distribution

Cash lump sum (options available) at termination of employment.