

CITY OF WINTER GARDEN
PENSION PLAN FOR FIREFIGHTERS AND POLICE OFFICERS
ACTUARIAL VALUATION
AS OF OCTOBER 1, 2024
CONTRIBUTIONS APPLICABLE TO THE
PLAN/FISCAL YEAR ENDING SEPTEMBER 30, 2026



FOSTER & FOSTER
ACTUARIES AND CONSULTANTS

May 5, 2025

Board of Trustees
City of Winter Garden
Firefighters and Police Officers' Pension Board

Re: City of Winter Garden Pension Plan for Firefighters and Police Officers

Dear Board:

We are pleased to present to the Board this report of the annual actuarial valuation of the City of Winter Garden Pension Plan for Firefighters and Police Officers. 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, 175, and 185, Florida Statutes, as well as applicable federal laws and regulations. In our opinion, the assumptions used in the valuation, as adopted by the Board of Trustees, represent reasonable expectations of anticipated plan experience.

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

In conducting the valuation, we have relied on personnel, plan design, and asset information supplied by the City of Winter Garden, 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 Winter Garden, nor does anyone at Foster & Foster, Inc. act as a member of the Board of Trustees of the Pension Plan for Firefighters and Police Officers. 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: 

Douglas H. Lozen, EA, MAAA
Enrolled Actuary #23-7778

By: 

Monica San Miguel

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Enclosures

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SUMMARY OF REPORT

The regular annual actuarial valuation of the City of Winter Garden Pension Plan for Firefighters and Police Officers, 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 1, 2023 actuarial valuation report, are as follows:

Valuation Date Applicable to Fiscal Year Ending	10/1/2024 <u>9/30/2026</u>	10/1/2023 <u>9/30/2025</u>
Minimum Required Contribution % of Projected Annual Payroll	24.47%	25.66%
Member Contributions (Est.) % of Projected Annual Payroll	3.50%	3.50%
City And State Required Contribution % of Projected Annual Payroll	20.97%	22.16%
State Contribution (Est.) ¹ % of Projected Annual Payroll (Est.)	\$92,202 0.69%	\$92,202 0.69%
City Required Contribution (Est.) ² % of Projected Annual Payroll (Est.)	20.28%	21.47%

¹ Reflects Mutual Consent between the City and Membership under Chapter 2015-39, Laws of Florida (per Collective Bargaining Agreements signed July 11, 2019 for both the IAFF and FOP). Under both agreements, 40% of the applicable premium tax revenues in excess of \$46,100.85 will be allocated to the Share Plan and 60% will be used as a credit to the Unfunded Actuarial Accrued Liability (UAAL). Given that the UAAL as of October 1, 2024 is positive, the City's portion of excess premium tax revenues will be applied as a credit to the UAAL in conjunction with the October 1, 2024 valuation. Accordingly, the amount of State Monies available to the City as a funding credit for the fiscal year ending September 30, 2025 is \$92,202.

² The required contribution from the combination of City and State sources for the year ending September 30, 2026, is 20.97% of the actual payroll realized in that year. As a budgeting tool, the City may contribute 20.28% 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 \$57,406.71 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 decreased in comparison to the results set forth in the October 1, 2023 actuarial valuation report. The decrease is primarily attributable to the 12% increase in the Projected Annual Payroll, thereby reducing payment for the Unfunded Actuarial Accrued Liability (UAAL) when expressed as a percentage of payroll, in addition to the allocation of Excess State Monies to the UAAL (as described on the prior page). This decrease was partially offset by net unfavorable actuarial experience described in the next paragraph.

Plan experience was unfavorable overall on the basis of the plan's actuarial assumptions. The primary source of actuarial loss was inactive mortality experience. This loss was offset in part by a gain associated with an investment return of 8.21% (Actuarial Asset Basis) which exceeded the 7.00% assumption.

CHANGES SINCE PRIOR VALUATION

Plan Changes

There have been no changes in benefits since the prior valuation.

Actuarial Assumption/Method Changes

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

CONTRIBUTION IMPACT OF ANNUAL CHANGES

(1) Contribution Determined as of October 1, 2023	21.39%
(2) Summary of Contribution Impact by component:	
Change in State Contribution Percentage	0.08%
Change in Normal Cost Rate	-0.21%
Change in Administrative Expense Percentage	-0.03%
Payroll Change Effect on UAAL Amortization	-0.64%
Investment Return (Actuarial Asset Basis)	-0.59%
Salary Increases	0.12%
Active Decrements	0.06%
Inactive Mortality	0.18%
UAAL Amortization Impact from Contribution Policy	-0.57%
Interest Crediting on Share Plan Balances	0.25%
Rehire of Former Vested, Terminated Member	0.11%
Interest Crediting on DROP Balances	0.10%
Assumption Change	0.00%
Other	<u>0.03%</u>
Total Change in Contribution	-1.11%
(3) Contribution Determined as of October 1, 2024	20.28%

COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS

	<u>10/1/2024</u>	<u>10/1/2023</u>
A. Participant Data		
Actives	153	140
Service Retirees	43	42
DROP Retirees	4	4
Beneficiaries	6	6
Disability Retirees	8	8
Terminated Vested	<u>81</u>	<u>74</u>
 Total	 295	 274
 Projected Annual Payroll	 13,335,989	 11,906,668
 Annual Rate of Payments to:		
Service Retirees	1,609,538	1,576,111
DROP Retirees	319,626	301,803
Beneficiaries	162,592	162,592
Disability Retirees	238,185	238,185
Terminated Vested	419,845	354,657
 B. Assets		
Actuarial Value (AVA) ¹	67,745,643	60,693,808
Market Value (MVA) ¹	72,130,864	56,774,069
 C. Liabilities		
 Present Value of Benefits		
Actives		
Retirement Benefits	54,444,741	48,808,614
Disability Benefits	2,587,633	2,434,373
Death Benefits	359,318	337,854
Vested Benefits	3,461,005	3,286,429
Refund of Contributions	131,773	106,850
Service Retirees	17,063,058	16,924,195
DROP Retirees ¹	5,128,027	4,419,722
Beneficiaries	1,524,759	1,565,382
Disability Retirees	2,706,393	2,738,126
Terminated Vested	2,852,545	2,445,770
Share Plan Balances ¹	<u>2,774,325</u>	<u>1,873,983</u>
 Total	 93,033,577	 84,941,298

C. Liabilities - (Continued)	<u>10/1/2024</u>	<u>10/1/2023</u>
Present Value of Future Salaries	110,821,089	100,960,822
Present Value of Future Member Contributions	3,878,738	3,533,629
Normal Cost (Retirement)	1,889,622	1,687,770
Normal Cost (Disability)	188,853	181,956
Normal Cost (Death)	17,350	15,900
Normal Cost (Vesting)	233,433	220,546
Normal Cost (Refunds)	32,857	27,042
Total Normal Cost	<u>2,362,115</u>	<u>2,133,214</u>
Present Value of Future Normal Costs	18,685,282	17,060,384
Accrued Liability (Retirement)	39,123,114	34,860,436
Accrued Liability (Disability)	1,222,370	1,150,002
Accrued Liability (Death)	220,347	208,386
Accrued Liability (Vesting)	1,708,827	1,674,445
Accrued Liability (Refunds)	24,530	20,467
Accrued Liability (Inactives) ¹	29,274,782	28,093,195
Share Plan Balances ¹	2,774,325	1,873,983
Total Actuarial Accrued Liability (EAN AL)	<u>74,348,295</u>	<u>67,880,914</u>
Unfunded Actuarial Accrued Liability (UAAL)	6,602,652	7,187,106
Funded Ratio (AVA / EAN AL)	91.1%	89.4%

D. Actuarial Present Value of Accrued Benefits	<u>10/1/2024</u>	<u>10/1/2023</u>
Vested Accrued Benefits		
Inactives + Share Plan Balances ¹	32,049,107	29,967,178
Actives	17,780,794	16,029,569
Member Contributions	<u>2,988,481</u>	<u>2,659,958</u>
Total	52,818,382	48,656,705
Non-vested Accrued Benefits	<u>4,481,016</u>	<u>3,996,689</u>
Total Present Value		
Accrued Benefits (PVAB)	57,299,398	52,653,394
Funded Ratio (MVA / PVAB)	125.9%	107.8%
Increase (Decrease) in Present Value of Accrued Benefits Attributable to:		
Plan Amendments	0	
Assumption Changes	0	
Plan Experience	3,064,515	
Benefits Paid	(2,033,090)	
Interest	3,614,579	
Other	<u>0</u>	
Total	4,646,004	

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

E. Pension Cost

Normal Cost (with interest) % of Projected Annual Payroll ²	18.33	18.54
Administrative Expenses (with interest) % of Projected Annual Payroll ²	0.60	0.63
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 15 years (as of 10/1/2024, with interest) % of Projected Annual Payroll ²	5.54	6.49
Minimum Required Contribution % of Projected Annual Payroll ²	24.47	25.66
Expected Member Contributions % of Projected Annual Payroll ²	3.50	3.50
Expected City and State Contribution % of Projected Annual Payroll ²	20.97	22.16

F. Past Contributions

Plan Years Ending:	<u>9/30/2024</u>
City and State Requirement	2,489,944
Actual Contributions Made:	
City	2,397,742
State ³	<u>792,739</u>
Total	3,190,481

G. Net Actuarial (Gain)/Loss 299,998

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 \$13,335,989.

³ Includes State Monies Credit of \$700,537.40 (Respective Police and Fire amounts in excess of \$46,100.85)

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	6,602,652
2025	6,301,444
2026	5,979,151
2029	4,870,482
2033	2,994,778
2036	1,202,571
2039	0

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

	<u>Actual</u>	<u>Assumed</u>
Year Ended 9/30/2024	7.48%	4.95%
Year Ended 9/30/2023	20.73%	5.11%
Year Ended 9/30/2022	6.60%	4.73%
Year Ended 9/30/2021	6.58%	4.62%
Year Ended 9/30/2020	7.55%	4.80%

(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	23.42%	8.21%	7.00%
Year Ended 9/30/2023	10.52%	4.18%	7.00%
Year Ended 9/30/2022	-15.67%	5.44%	7.00%
Year Ended 9/30/2021	20.10%	10.96%	7.25%
Year Ended 9/30/2020	9.97%	8.50%	7.25%

(iii) Average Annual Payroll Growth

(a) Payroll as of:	10/1/2024	\$13,335,989
	10/1/2014	7,416,742
(b) Total Increase		79.81%
(c) Number of Years		10.00
(d) Average Annual Rate		6.04%

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.



Douglas H. Lozen, EA, MAAA
Enrolled Actuary #23-7778

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	\$7,187,106
(2) Sponsor Normal Cost developed as of October 1, 2023	1,716,481
(3) Expected administrative expenses for the year ended September 30, 2024	72,400
(4) Expected interest on (1), (2) and (3)	625,785
(5) Sponsor contributions to the System during the year ended September 30, 2024 ¹	3,190,481
(6) Expected interest on (5)	108,637
(7) Expected Unfunded Actuarial Accrued Liability as of September 30, 2024 (1)+(2)+(3)+(4)-(5)-(6)	6,302,654
(8) Assumption Change	0
(9) Change to UAAL due to Actuarial (Gain)/Loss	299,998
(10) Unfunded Actuarial Accrued Liability as of October 1, 2024	6,602,652

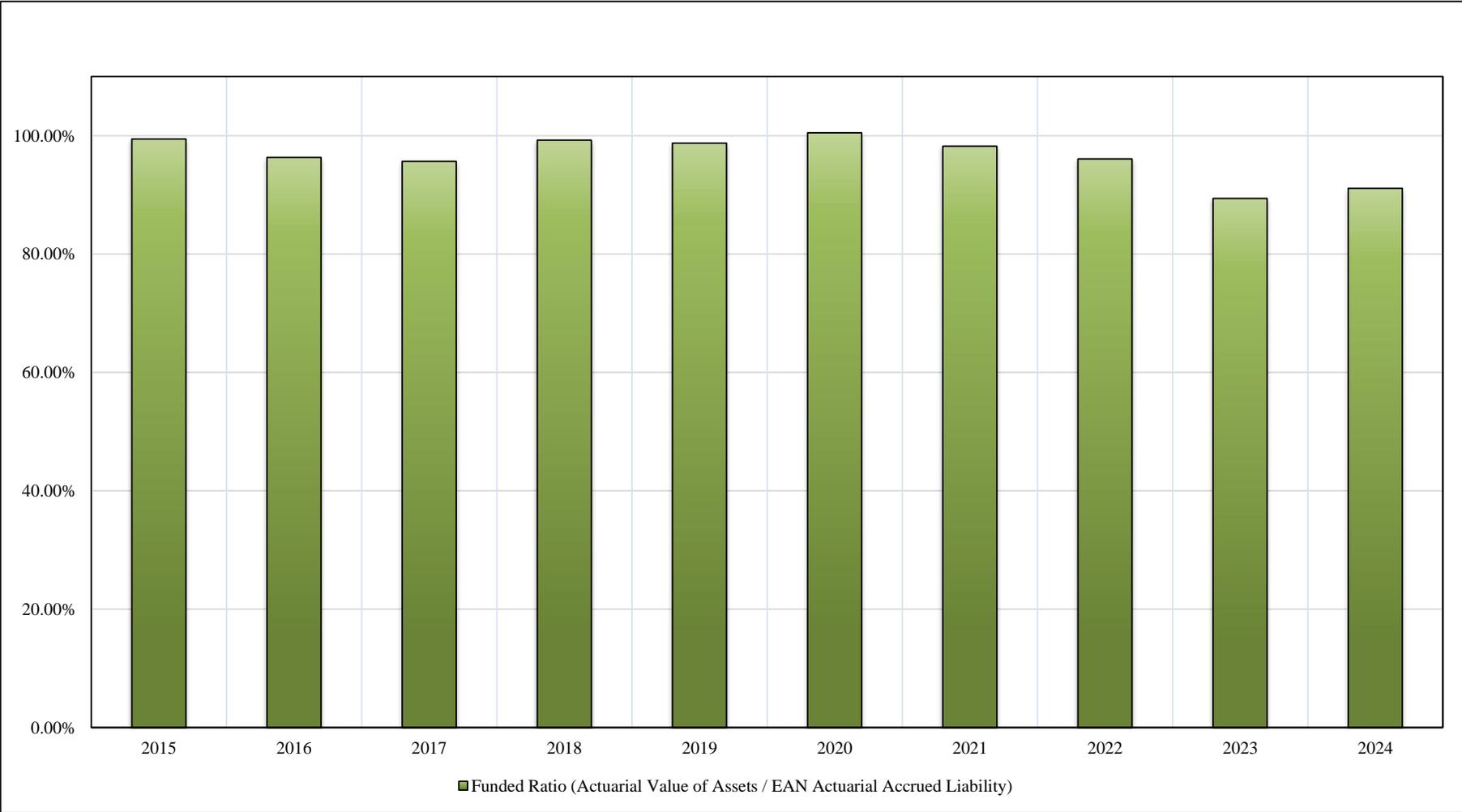
<u>Type of Base</u>	<u>Date Established</u>	<u>Years Remaining</u>	<u>10/1/2024 Amount</u>	<u>Amortization Amount</u>
Reconciliation Base	10/1/2019	10	(157,326)	(20,934)
Actuarial Loss	10/1/2019	10	451,560	60,086
State Monies Credit	10/1/2019	10	(121,533)	(16,172)
Actuarial Gain	10/1/2020	11	(211,433)	(26,351)
Assump Change	10/1/2020	11	(228,128)	(28,432)
Reconciliation Base	10/1/2021	12	(102,460)	(12,056)
Actuarial Gain	10/1/2021	12	(541,538)	(63,720)
Assump Change	10/1/2021	12	1,460,098	171,803
Actuarial Loss	10/1/2022	13	1,075,059	120,217
State Monies Credit	10/1/2022	13	(284,138)	(31,773)
Actuarial Loss	10/1/2023	14	4,971,047	531,228
Actuarial Loss	10/1/2024	15	299,998	30,783
			6,602,652	713,452

¹ Includes State Monies Credit of \$700,537.40 (Respective Police and Fire amounts in excess of \$46,100.85)

DETAILED ACTUARIAL (GAIN)/LOSS ANALYSIS

(1) Unfunded Actuarial Accrued Liability (UAAL) as of October 1, 2023	\$7,187,106
(2) Expected UAAL as of October 1, 2024	6,302,654
 (3) Summary of Actuarial (Gain)/Loss, by component:	
Investment Return (Actuarial Asset Basis)	(746,902)
Salary Increases	145,896
Active Decrements	80,304
Inactive Mortality	221,356
Interest Crediting on Share Plan Balances	310,050
Rehire of Former Vested, Terminated Member	140,240
Interest Crediting on DROP Balances	130,997
Other	<u>18,057</u>
Increase in UAAL due to (Gain)/Loss	299,998
Assumption Change	<u>0</u>
(4) Actual UAAL as of October 1, 2024	\$6,602,652

HISTORY OF FUNDING PROGRESS



ACTUARIAL ASSUMPTIONS AND METHODS

Mortality Rate

Healthy Active Lives:

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

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

Healthy Retiree Lives:

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

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

Beneficiary Lives:

Female: PubG.H-2010 for Healthy Retirees.

Male: PubG.H-2010 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

7.00% per year compounded annually, net of investment related expenses. This is supported by the target asset allocation of the trust and the expected long-term return by asset class.

Salary Increases

Salary Scale	
Service	Rate
0	15.00%
1-4	4.50%
5-14	4.25%
15+	4.00%

The above rates were adopted by the Board of Trustees in conjunction with the September 3, 2021 Experience Study.

Terminal Leave Pay

Present Value of Retirement Liability	Hired prior to 7/1/2001	Percentage Increase to Liability	
		Hired 7/1/2001 – 7/1/2006	Hired after 7/1/2006
Normal	5.0%	3.75%	2.5%
Early	2.5%	1.875%	1.25%
Vesting	2.5%	1.875%	1.25%
Death	2.5%	1.875%	1.25%
Disability	2.5%	1.875%	1.25%

The assumed rates are based on data provided by the City. Also, no liability increases are utilized for Members hired after June 30, 2011.

Payroll Growth

None.

Administrative Expenses

\$76,731 annually, based on the average of actual expenses incurred in the prior two fiscal years.

Amortization Method

New UAAL amortization bases are amortized over 15 years; the amortization payment is subject to a minimum based on a 30-year amortization of the UAAL, if the UAAL is positive, in order to comply with Actuarial Standard of Practice No. 4.

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

Funding Method

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

Interest - A half year, based on current 7.00% assumption.

Salary - None.

Retirement Rates

<u>% Retiring During the Year (6-24 Years of Service)</u>		<u>% Retiring During the Year (>= 25 Years of Service)</u>	
<u>Age</u>	<u>Rate</u>	<u>Service</u>	<u>Rate</u>
50-54	5.0%	25-27	50.0%
55-63	10.0%	28+	100.0%
64+	100.0%		

The above rates were adopted by the Board as the result of an Experience Study dated September 3, 2021.

Termination Rates

<u>% Terminating During the Year</u>	
<u>Service</u>	<u>Rate</u>
0	15.0%
1-4	10.0%
5-14	4.0%
15+	2.0%

The above rates were adopted by the Board of Trustees in conjunction with the September 3, 2021 Experience Study.

Disability Rates

<u>% Becoming Disabled During the Year</u>	
<u>Age</u>	<u>Rate</u>
20	0.14%
25	0.15%
30	0.18%
35	0.23%
40	0.30%
45	0.51%
50	1.00%
55	1.55%
60+	2.09%

The above sample rates were adopted by the Board of Trustees in conjunction with the September 3, 2021 Experience Study. Additionally, it is assumed that 75% of Police Officer disablements are service-related, and 90% of Firefighter disablements are assumed to be service-related.

Actuarial Value of Assets

The Actuarial Value of Assets utilizes a five-year smoothing methodology. The annual difference between expected and actual investment earnings (Market Value, net of investment-related expenses), is phased-in over a five-year period.

Low-Default-Risk Obligation Measure

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

GLOSSARY

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

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

(a) The normal cost accrual rate equals:

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

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

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

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

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

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

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

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

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

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

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

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

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

DISCUSSION OF RISK

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

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

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

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

Impact of Plan Maturity on Risk

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

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

- The Support Ratio, determined as the ratio of active to inactive members, has decreased from 246.8% on October 1, 2014 to 186.6% on October 1, 2024, indicating that the plan has been maturing during the period.
- The Accrued Liability Ratio, determined as the ratio of the Inactive Accrued Liability, which is the liability associated with members who are no longer employed but are due a benefit from the plan, to the Total Accrued Liability, is 39.4%. With a plan of this maturity, losses due to lower than expected investment returns or demographic factors may result in lower volatility in contribution requirements when compared to a more 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 decreased from 93.8% on October 1, 2014 to 91.1% 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, increased from 1.1% on October 1, 2014 to 2.8% on October 1, 2024. The current Net Cash Flow Ratio of 2.8% indicates that contributions are generally in excess of 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 \$109,816,120. 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	153	140	139	116
Total Inactives ¹	82	78	64	47
Actives / Inactives ¹	186.6%	179.5%	217.2%	246.8%
<u>Asset Volatility Ratio</u>				
Market Value of Assets (MVA)	72,130,864	56,774,069	44,384,637	30,108,080
Total Annual Payroll	13,506,635	12,066,139	9,227,336	7,416,742
MVA / Total Annual Payroll	534.0%	470.5%	481.0%	405.9%
<u>Accrued Liability (AL) Ratio</u>				
Inactive Accrued Liability	29,274,782	28,093,195	20,985,672	13,723,608
Total Accrued Liability (EAN)	74,348,295	67,880,914	44,743,993	30,541,196
Inactive AL / Total AL	39.4%	41.4%	46.9%	44.9%
<u>Funded Ratio</u>				
Actuarial Value of Assets (AVA)	67,745,643	60,693,808	44,189,036	28,640,942
Total Accrued Liability (EAN)	74,348,295	67,880,914	44,743,993	30,541,196
AVA / Total Accrued Liability (EAN)	91.1%	89.4%	98.8%	93.8%
<u>Net Cash Flow Ratio</u>				
Net Cash Flow ²	1,986,827	1,038,248	529,512	331,509
Market Value of Assets (MVA)	72,130,864	56,774,069	44,384,637	30,108,080
Ratio	2.8%	1.8%	1.2%	1.1%

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>
1999	109,431.71	_____%
2000	116,285.25	6.3%
2001	143,255.06	23.2%
2002	154,813.02	8.1%
2003	167,494.78	8.2%
2004	212,965.87	27.1%
2005	235,167.58	10.4%
2006	292,419.90	24.3%
2007	315,397.91	7.9%
2008	375,416.07	19.0%
2009	479,938.23	27.8%
2010	394,816.89	-17.7%
2011	385,389.67	-2.4%
2012	407,306.15	5.7%
2013	436,384.06	7.1%
2014	449,044.38	2.9%
2015	464,800.33	3.5%
2016	527,034.80	13.4%
2017	569,314.24	8.0%
2018	612,706.30	7.6%
2019	665,084.89	8.5%
2020	755,092.52	13.5%
2021	812,193.94	7.6%
2022	888,986.98	9.5%
2023	980,243.08	10.3%
2024	1,259,764.04	28.5%

STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2024

<u>ASSETS</u>	COST VALUE	MARKET VALUE
Cash and Cash Equivalents:		
Short Term Investments	4,072,683.79	4,072,683.79
Cash	7,500.40	7,500.40
Total Cash and Equivalents	4,080,184.19	4,080,184.19
Receivables:		
Member Contributions in Transit	4,356.54	4,356.54
City Contributions in Transit	571,993.54	571,993.54
Investment Income	69,108.01	69,108.01
Total Receivable	645,458.09	645,458.09
Investments:		
U. S. Bonds and Bills	6,140,144.76	5,937,576.95
Federal Agency Guaranteed Securities	5,957,321.48	6,133,129.32
Corporate Bonds	1,519,719.07	1,432,495.35
Stocks	16,086,875.15	21,910,530.62
Mutual Funds:		
Equity	12,595,304.60	27,323,660.11
Pooled/Common/Commingled Funds:		
Real Estate	4,061,168.00	4,800,668.00
Total Investments	46,360,533.06	67,538,060.35
Total Assets	51,086,175.34	72,263,702.63
<u>LIABILITIES</u>		
Payables:		
DROP Distributions	47,161.92	47,161.92
Investment Expenses	17,684.25	17,684.25
Administrative Expenses	2,083.20	2,083.20
Miscellaneous	15.91	15.91
Prepaid Member Contribution	8,486.83	8,486.83
Prepaid City Contribution	57,406.71	57,406.71
Total Liabilities	132,838.82	132,838.82
NET POSITION RESTRICTED FOR PENSIONS	50,953,336.52	72,130,863.81

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

ADDITIONS

Contributions:

Member	446,455.08
City	2,397,742.06
State	1,259,764.04

Total Contributions 4,103,961.18

Investment Income:

Net Realized Gain (Loss)	109,928.07	
Unrealized Gain (Loss)	11,598,532.93	
Net Increase in Fair Value of Investments		11,708,461.00
Interest & Dividends		1,892,275.38
Less Investment Expense ¹		(230,769.07)

Net Investment Income 13,369,967.31

Total Additions 17,473,928.49

DEDUCTIONS

Distributions to Members:

Benefit Payments	1,967,774.76
Lump Sum DROP Distributions	47,161.92
Lump Sum Share Distributions	8,847.58
Lump Sum PLOP Distributions	0.00
Refunds of Member Contributions	9,306.18

Total Distributions 2,033,090.44

Administrative Expense 84,043.54

Total Deductions 2,117,133.98

Net Increase in Net Position 15,356,794.51

NET POSITION RESTRICTED FOR PENSIONS

Beginning of the Year 56,774,069.30

End of the Year 72,130,863.81

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

DEVELOPMENT OF ACTUARIAL VALUE OF ASSETS AS OF SEPTEMBER 30

	2024	2025	2026	2027	2028
A. Preliminary Actuarial Value Prior Year	60,693,808				
B. Market Value Beginning of Year	56,774,069				
C. Market Value End of Year	72,130,864				
D. Non-investment net cash flow	1,986,827				
E. Investment Return					
1. Actual market return net of investment expenses: C - B - D	13,369,967				
2. Expected return of 7.00%: (B + D/2) * 0.07	4,043,724				
3. Excess/(shortfall): E1 - E2	9,326,243				
F. Phased-in recognition of Investment Return					
1. Current year: 20% of E3	1,865,249				
2. 20% from first prior year	347,923	1,865,249			
3. 20% from second prior year	(2,687,110)	347,923	1,865,249		
4. 20% from third prior year	1,254,681	(2,687,110)	347,923	1,865,249	
5. 20% from fourth prior year	240,541	1,254,681	(2,687,110)	347,926	1,865,247
6. Total phased in investment return	1,021,284	780,743	(473,938)	2,213,175	1,865,247
G. Actuarial Value (AV) End of Year					
1. Preliminary AV end of year: A + D + E2 + F6	67,745,643				
2. Upper corridor limit: 120% * C	86,557,037				
3. Lower corridor limit: 80% * C	57,704,691				
4. Actuarial value end of year	67,745,643				
H. Difference between MV and AV:	4,385,221				
I. Net Investment Income:					
1. Interest and Dividends	1,892,275				
2. Realized Gain (Loss)	109,928				
3. Unrealized Gain (Loss)	11,598,533				
4. Change in Actuarial Value	(8,304,959)				
5. Investment Expenses	(230,769)				
	5,065,008				
Actuarial Assets Rate of Return = 2I/(A+G-I):	8.21%				
Market Value of Assets Rate of Return:	23.42%				
Actuarial Gain/(Loss) due to Investment Return: (Actuarial Asset Basis)	746,902				

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

REVENUES

Contributions:		
Member	446,455.08	
City	2,397,742.06	
State	1,259,764.04	
 Total Contributions		 4,103,961.18
Earnings from Investments:		
Interest & Dividends	1,892,275.38	
Net Realized Gain (Loss)	109,928.07	
Unrealized Gain (Loss)	11,598,532.93	
Change in Actuarial Value	(8,304,959.31)	
 Total Earnings and Investment Gains		 5,295,777.07

EXPENDITURES

Distributions to Members:		
Benefit Payments	1,967,774.76	
Lump Sum DROP Distributions	47,161.92	
Lump Sum Share Distributions	8,847.58	
Lump Sum PLOP Distributions	0.00	
Refunds of Member Contributions	9,306.18	
 Total Distributions		 2,033,090.44
Expenses:		
Investment related ¹	230,769.07	
Administrative	84,043.54	
 Total Expenses		 314,812.61
 Change in Net Assets for the Year		 7,051,835.20
 Net Assets Beginning of the Year		 60,693,808.02
 Net Assets End of the Year ²		 67,745,643.22

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

²Net Assets may be limited for actuarial consideration.

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

Beginning of the Year Balance	603,003.09
Plus Additions	378,677.94
Investment Return Earned	184,809.78
Less Distributions	(47,161.92)
End of the Year Balance	1,119,328.89

Note: Election option updated and investment earnings included from 2023 for one new DROP participant.

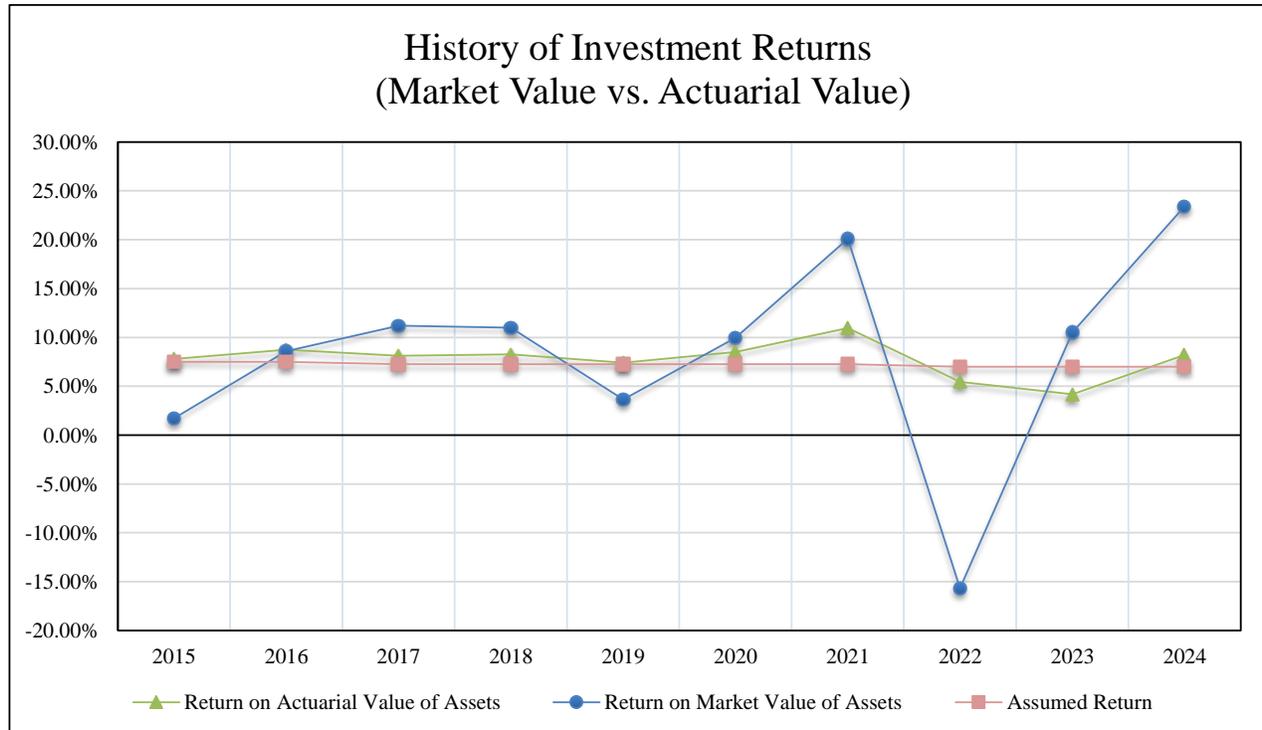
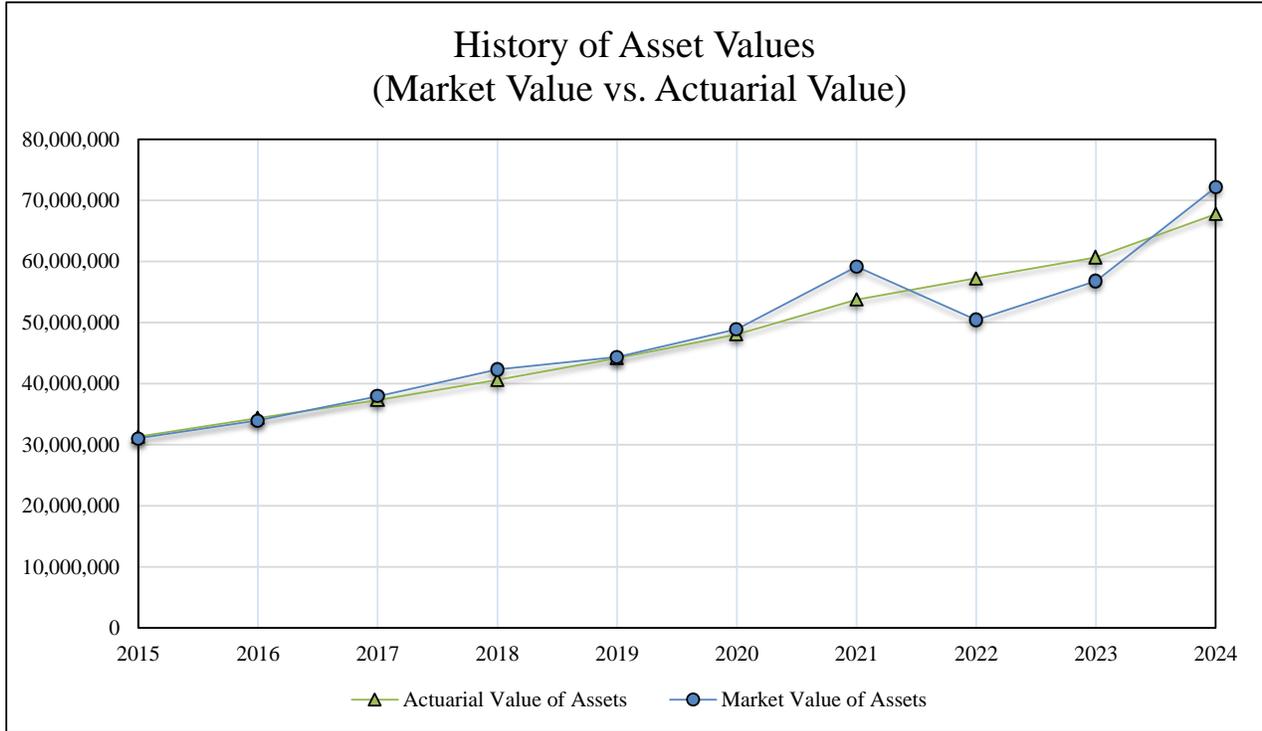
SUPPLEMENTAL CHAPTER 175/185 SHARE PLAN ACTIVITY
October 1, 2023 through September 30, 2024

9/30/2023 Balance	1,873,982.58
Prior Year Adjustment	1,511.57
Plus Additions	467,024.94
Investment Return Earned	440,715.24
Administrative Fees	(61.55)
Less Distributions	<u>(8,847.58)</u>
9/30/2024 Balance	2,774,325.20

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

(1)	Total Required Contribution Rate	23.02%
(2)	Pensionable Payroll Derived from Member Contributions	\$12,755,859.43
(3)	Total Required Contribution (1) x (2)	2,936,398.84
(4)	Less Actual Member Contributions	(446,455.08)
(5)	Less Allowable State Contribution	<u>(92,201.70)</u>
(6)	Equals Required City Contribution for Fiscal 2024	2,397,742.06
(7)	Less 2023 Prepaid Contribution	(39,847.49)
(8)	Less Actual City Contributions	<u>(2,415,301.28)</u>
(9)	Equals City's Shortfall/(Prepaid) Contribution as of September 30, 2024	(\$57,406.71)

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	153	140	136	137
Average Current Age	38.9	39.3	39.1	38.1
Average Age at Employment	29.8	30.0	30.0	29.1
Average Past Service	9.1	9.3	9.1	9.0
Average Annual Salary	\$88,279	\$86,187	\$74,219	\$71,541
<u>Service Retirees</u>				
Number	43	42	40	37
Average Current Age	66.8	66.1	65.8	66.2
Average Annual Benefit	\$37,431	\$37,526	\$37,044	\$37,917
<u>DROP Retirees</u>				
Number	4	4	4	2
Average Current Age	54.9	53.8	53.0	53.0
Average Annual Benefit	\$79,907	\$75,451	\$84,479	\$68,433
<u>Beneficiaries</u>				
Number	6	6	4	4
Average Current Age	69.6	68.6	70.0	69.0
Average Annual Benefit	\$27,099	\$27,099	\$33,886	\$33,886
<u>Disability Retirees</u>				
Number	8	8	9	8
Average Current Age	59.6	58.6	58.2	57.2
Average Annual Benefit	\$29,773	\$29,773	\$28,900	\$28,016
<u>Terminated Vested</u>				
Number	81	74	73	71
Average Current Age ¹	43.9	44.9	44.5	45.6
Average Annual Benefit ¹	\$19,993	\$19,703	\$18,951	\$19,536

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	7	5	1									13
25 - 29	5	7	5	3	1	5						26
30 - 34	1	2	1	2		10						16
35 - 39		3	1			8	4	4				20
40 - 44	1	3	1		1	4	6	9	7			32
45 - 49	1		3	2		3	2	5	4			20
50 - 54	1	1	2				2	5	6	1		18
55 - 59						1	1	3	1			6
60 - 64							1					1
65+						1						1
Total	16	21	14	7	2	32	16	26	18	1	0	153

VALUATION PARTICIPANT RECONCILIATION

1. Active lives

a. Number in prior valuation 10/1/2023	140
b. Terminations	
i. Vested (partial or full) with deferred annuity	(4)
ii. Vested in refund of member contributions only	(2)
iii. Refund of member contributions or full lump sum distribution	(3)
c. Deaths	
i. Beneficiary receiving benefits	0
ii. No future benefits payable	0
d. Disabled	0
e. Retired	0
f. DROP	(1)
g. Continuing participants	130
h. New entrants / Rehires	23
i. Total active life participants in valuation	153

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

	Service Retirees, Vested Receiving <u>Benefits</u>	DROP <u>Benefits</u>	Receiving Death <u>Benefits</u>	Receiving Disability <u>Benefits</u>	Vested (Deferred Annuity)	Vested (Due Refund)	<u>Total</u>
a. Number prior valuation	42	4	6	8	18	56	134
Retired	1	(1)					0
DROP		1					1
Vested (Deferred Annuity)					4		4
Vested (Due Refund)						2	2
Hired/Terminated in Same Year						2	2
Death, With Survivor							0
Death, No Survivor							0
Disabled							0
Refund of Contributions							0
Rehires					(1)		(1)
Expired Annuities							0
Data Corrections							0
b. Number current valuation	43	4	6	8	21	60	142

SUMMARY OF CURRENT PLAN
(Through Ordinance 23-01)

<u>Eligibility</u>	Full-time employees who are classified as Police Officers or Firefighters participate as a condition of employment.
<u>Credited Service</u>	Total years and fractional parts of years of employment with the City as a Police Officer or Firefighter.
<u>Salary</u>	Gross Compensation, excluding extra duty detail work performed for a second party.
<u>Average Final Compensation</u>	Average Salary for the 5 best years of the 10 years immediately preceding retirement or termination.
<u>Member Contributions</u>	3.5% of Salary.
<u>City and State Contributions</u>	Remaining amount required in order to pay current costs and amortize unfunded past service cost, if any, as provided in Part VII, Chapter 112, F.S.
<u>Normal Retirement</u>	
Date	Earlier of: 1) age 55 with 6 years of Credited Service, or 2) the completion of 25 years of Credited Service, regardless of age.
Benefit	3.0% of Average Final Compensation for each year of Credited Service.
Maximum Benefit	95% of Average Final Compensation.
Form of Benefit	Ten Year Certain and Life Annuity (options available).
<u>Early Retirement</u>	
Eligibility	Age 50 with 6 years of Credited Service.
Benefit	Accrued benefit, reduced 3% per year that the benefit commencement date precedes age 55.
<u>Vesting</u>	
Schedule	100% after 6 years of Credited Service.
Benefit Amount	Member will receive the vested portion of his (her) accrued benefit payable at the Early (reduced) or Normal Retirement Date.

Disability

Eligibility	
Service Incurred	Covered from Date of Employment.
Non-Service Incurred	10 years of Credited Service.
Exclusions	Disability resulting from use of drugs, illegal participation in riots, service in military, etc.
Benefit	Benefit accrued to date of disability but not less than 42% of Average Final Compensation (25% for Non-Service Incurred). The maximum benefit is 95% of Average Final Compensation.
Duration	Payable for life (with 120 payments guaranteed) or until recovery (as determined by the Board). Optional forms of payment are available.

Death Benefits

10 or more years of Credited Service	Monthly accrued benefit payable to designated beneficiary for 10 years at otherwise Early (reduced) or Normal (unreduced) Retirement Date.
Less than 10 years of Credited Service	Refund of accumulated contributions.
Post-Retirement	Benefits payable to beneficiary in accordance with option selected at retirement.

Deferred Retirement Option Plan

Eligibility	Firefighters only upon satisfaction of Normal Retirement requirements.
Participation	Up to thirty-six (36) months, but not beyond age 58. For firefighters who had first reached age 55 prior to the effective date the DROP option was added to this plan, participation up to 36 months is permitted without regard to the age 58 limitation.
Rate of Return	Actual net rate of investment return (total return net of brokerage commissions, management fees and transaction costs) credited each Plan/Fiscal quarter.
Form of Distribution	Cash lump sum (options available) at termination of employment.

Supplement Benefit

Initial Crediting	Pursuant to a Mutual Consent Agreement between the City and Membership, \$81,875.69 from the Excess State Monies Reserve is allocated to eligible Firefighters for the fiscal year ended September 30, 2015.
Annual Crediting	As set forth in the respective Collective Bargaining Agreements between the City and Plan Membership. Applicable State Monies are allocated using a Credited Service methodology.
Investment earnings	Eligible Share Accounts shall be credited or debited annually, based on the Plan's net-of-fees investment performance for the immediately preceding Plan Year.
Expenses	Allocated annually in proportion to individual Share Account Balances as a percentage of total plan assets.
Vesting	100% upon completion of six years of Credited Service, unless eligible for payment of benefits upon termination of employment.
Eligibility for Distribution	As soon as administratively practicable following the valuation date after termination of employment.