

CITY OF DAYTONA BEACH
POLICE OFFICERS' AND FIREFIGHTERS' RETIREMENT SYSTEM

SECTION 112.664, FLORIDA STATUTES COMPLIANCE
DETERMINED AS OF THE
OCTOBER 1, 2024 VALUATION DATE



May 30, 2025

Ms. Ferrell Jenne, Plan Administrator
City of Daytona Beach
Police Officers' and Firefighters' Retirement System
2503 Del Prado Blvd. S., Suite 502
Cape Coral, FL 33904

Re: City of Daytona Beach Police Officers' and Firefighters' Retirement System
Section 112.664, Florida Statutes Compliance

Dear Ferrell:

Please find enclosed the annual disclosures that satisfy the October 1, 2024 financial reporting requirements made under Section 112.664.

Our office will submit this information electronically to the Department of Management Services. However, it is important for you to be aware that this report must also be made available on the Plan or Plan Sponsor's website, if such website exists. A deadline for this website publication is not made clear in the law.

In addition to the enclosed report, the Plan or Plan Sponsor's website must provide a link to the Division of Retirement's Actuarial Summary Fact Sheet for the Plan, and also report the previous five years' assumed and actual rates of return, along with their respective asset allocations. The Board should contact its Investment Consultant for this information.

With respect to the reporting standards for defined benefit retirement plans or systems contained in Section 112.664(1), Florida Statutes, the actuarial disclosures required under this section were prepared and completed by me or under my direct supervision and I acknowledge responsibility for the results. To the best of my knowledge, the results are complete and accurate, and in my opinion, meet the requirements of Section 112.664(1), Florida Statutes, and Rule 60T-1.0035, Florida Administrative Code.

Respectfully submitted,

Foster & Foster, Inc.



Sara E. Carlson, ASA, EA, MAAA
Enrolled Actuary #23-8546

Enclosures

cc via email: Pedro Herrera, Board Attorney
cc via email: Jessica A. De la Torre Vila, Paralegal / Legal Assistant

When reviewing the following schedules, please note the following:

- 1) The purpose of producing this report is solely to satisfy the requirements set forth by Section 112.664, Florida Statutes, and is mandatory for every Florida public pension fund, excluding the Florida Retirement System (FRS).
- 2) None of the schedules shown have any impact on the funding requirements of the Plan. These schedules are for statutory compliance purposes only.
- 3) In the schedules that follow, the columns labeled “ACTUAL” represent the final recorded GASB 67/68 results. The columns labeled “HYPOTHETICAL” illustrate what the results would have been if different assumptions were used.
- 4) It is our opinion that the Plan’s actual assumptions utilized in the October 1, 2024 Actuarial Valuation Report, as adopted by the Board of Trustees, are reasonable individually and in the aggregate, and represent our best estimate of future Plan experience.
- 5) The “Number of Years Expected Benefit Payments Sustained” calculated in Section II: Asset Sustainability should not be interpreted as the number of years the Plan has left until it is insolvent. This calculation is required by 112.664, Florida Statutes, but the numeric result is irrelevant, since in its calculation we are to assume there will be no further contributions to the Fund. As long as the Actuarially Determined Contribution is made each year the Plan will never become insolvent.

SCHEDULE OF CHANGES IN NET PENSION LIABILITY
FISCAL YEAR SEPTEMBER 30, 2024

	ACTUAL	HYPOTHETICAL	HYPOTHETICAL
Discount Rate:	7.50%	5.50%	9.50%
<u>Total Pension Liability</u>			
Service Cost	3,812,357	6,025,167	2,519,491
Interest	21,324,747	19,667,221	22,200,145
Changes of Benefit Terms	-	-	-
Experience Gains/Losses	5,435,199	7,160,092	4,242,675
Changes of Assumptions	-	-	-
Contributions - Buy Back	61,515	61,515	61,515
Benefit Payments	(19,579,512)	(19,579,512)	(19,579,512)
Net Change in Total Pension Liability	11,054,306	13,334,483	9,444,314
Total Pension Liability - Beginning	290,307,362	361,350,421	240,956,000
Total Pension Liability - Ending (a)	<u>\$ 301,361,668</u>	<u>\$ 374,684,904</u>	<u>\$ 250,400,314</u>
<u>Plan Fiduciary Net Position</u>			
Contributions - Employer	9,339,886	9,339,886	9,339,886
Contributions - State	1,657,580	1,657,580	1,657,580
Contributions - Employee	2,254,839	2,254,839	2,254,839
Contributions - Buy Back	61,515	61,515	61,515
Net Investment Income	29,059,654	29,059,654	29,059,654
Benefit Payments	(19,579,512)	(19,579,512)	(19,579,512)
Administrative Expense	(272,835)	(272,835)	(272,835)
Net Change in Plan Fiduciary Net Position	22,521,127	22,521,127	22,521,127
Plan Fiduciary Net Position - Beginning	199,347,130	199,347,130	199,347,130
Plan Fiduciary Net Position - Ending (b)	<u>\$ 221,868,257</u>	<u>\$ 221,868,257</u>	<u>\$ 221,868,257</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 79,493,411</u>	<u>\$ 152,816,647</u>	<u>\$ 28,532,057</u>

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1
Plan Assumptions: Investment Rate of Return = 7.50%

Fiscal Year Beginning 10/1	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments*	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2024	221,042,450	-	24,377,733	-	15,664,019	212,328,736
2025	212,328,736	-	21,588,053	-	15,115,103	205,855,786
2026	205,855,786	-	22,084,202	-	14,611,026	198,382,610
2027	198,382,610	-	22,489,053	-	14,035,356	189,928,913
2028	189,928,913	-	22,848,976	-	13,387,832	180,467,769
2029	180,467,769	-	23,132,916	-	12,667,598	170,002,451
2030	170,002,451	-	23,362,597	-	11,874,086	158,513,940
2031	158,513,940	-	23,505,564	-	11,007,087	146,015,463
2032	146,015,463	-	23,612,057	-	10,065,708	132,469,114
2033	132,469,114	-	23,666,844	-	9,047,677	117,849,947
2034	117,849,947	-	23,677,781	-	7,950,829	102,122,995
2035	102,122,995	-	23,656,839	-	6,772,093	85,238,249
2036	85,238,249	-	23,578,308	-	5,508,682	67,168,623
2037	67,168,623	-	23,474,621	-	4,157,348	47,851,350
2038	47,851,350	-	23,320,488	-	2,714,333	27,245,195
2039	27,245,195	-	23,142,522	-	1,175,545	5,278,218
2040	5,278,218	-	22,889,616	-	-	-

*All DROP Balances paid in 2024.

Number of Years Expected Benefit Payments Sustained: 16.23

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 7.50% interest.

It is important to note that as long as the Actuarially Determined Contribution is made each year, the Plan will never become insolvent. Furthermore, State and local laws mandate that the Actuarially Determined Contribution be made each year.

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 2
Hypothetical Assumptions: Investment Rate of Return = 5.50%

Fiscal Year Beginning 10/1	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments*	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2024	221,042,450	-	24,377,733	-	11,486,947	208,151,664
2025	208,151,664	-	21,588,053	-	10,854,670	197,418,281
2026	197,418,281	-	22,084,202	-	10,250,690	185,584,769
2027	185,584,769	-	22,489,053	-	9,588,713	172,684,429
2028	172,684,429	-	22,848,976	-	8,869,297	158,704,750
2029	158,704,750	-	23,132,916	-	8,092,606	143,664,440
2030	143,664,440	-	23,362,597	-	7,259,073	127,560,916
2031	127,560,916	-	23,505,564	-	6,369,447	110,424,799
2032	110,424,799	-	23,612,057	-	5,424,032	92,236,774
2033	92,236,774	-	23,666,844	-	4,422,184	72,992,114
2034	72,992,114	-	23,677,781	-	3,363,427	52,677,760
2035	52,677,760	-	23,656,839	-	2,246,714	31,267,635
2036	31,267,635	-	23,578,308	-	1,071,316	8,760,643
2037	8,760,643	-	23,474,621	-	-	-

*All DROP Balances paid in 2024.

Number of Years Expected Benefit Payments Sustained: 13.37

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 5.50% interest.

It is important to note that as long as the Actuarially Determined Contribution is made each year, the Plan will never become insolvent. Furthermore, State and local laws mandate that the Actuarially Determined Contribution be made each year.

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 3
Hypothetical Assumptions: Investment Rate of Return = 9.50%

Fiscal Year Beginning 10/1	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments*	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2024	221,042,450	-	24,377,733	-	19,841,090	216,505,807
2025	216,505,807	-	21,588,053	-	19,542,619	214,460,373
2026	214,460,373	-	22,084,202	-	19,324,736	211,700,907
2027	211,700,907	-	22,489,053	-	19,043,356	208,255,210
2028	208,255,210	-	22,848,976	-	18,698,919	204,105,153
2029	204,105,153	-	23,132,916	-	18,291,176	199,263,413
2030	199,263,413	-	23,362,597	-	17,820,301	193,721,117
2031	193,721,117	-	23,505,564	-	17,286,992	187,502,545
2032	187,502,545	-	23,612,057	-	16,691,169	180,581,657
2033	180,581,657	-	23,666,844	-	16,031,082	172,945,895
2034	172,945,895	-	23,677,781	-	15,305,165	164,573,279
2035	164,573,279	-	23,656,839	-	14,510,762	155,427,202
2036	155,427,202	-	23,578,308	-	13,645,615	145,494,509
2037	145,494,509	-	23,474,621	-	12,706,934	134,726,822
2038	134,726,822	-	23,320,488	-	11,691,325	123,097,659
2039	123,097,659	-	23,142,522	-	10,595,008	110,550,145
2040	110,550,145	-	22,889,616	-	9,415,007	97,075,536
2041	97,075,536	-	22,601,222	-	8,148,618	82,622,932
2042	82,622,932	-	22,258,696	-	6,791,890	67,156,126
2043	67,156,126	-	21,876,683	-	5,340,690	50,620,133
2044	50,620,133	-	21,462,628	-	3,789,438	32,946,943
2045	32,946,943	-	21,009,258	-	2,132,020	14,069,705
2046	14,069,705	-	20,541,413	-	-	-

*All DROP Balances paid in 2024.

Number of Years Expected Benefit Payments Sustained: 22.68

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 9.50% interest.

It is important to note that as long as the Actuarially Determined Contribution is made each year, the Plan will never become insolvent. Furthermore, State and local laws mandate that the Actuarially Determined Contribution be made each year.

ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR
ENDING SEPTEMBER 30, 2026

Valuation Date: 10/1/2024

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>	<u>HYPOTHETICAL</u>
Investment Rate of Return:	7.50%	5.50%	9.50%
Minimum Required Contribution (Fixed \$)	\$15,057,734	\$21,720,540	\$9,513,172
Minimum Required Contribution (% of Payroll)	60.1%	86.6%	37.9%
Expected Member Contribution	2,368,064	2,282,471	2,282,471
Expected State Money	1,657,580	1,657,580	1,657,580
Expected Sponsor Contribution (Fixed \$)	\$11,032,090	\$17,780,489	\$5,573,121
Expected Sponsor Contribution (% of Payroll)	44.1%	70.6%	21.9%

ASSETS

Actuarial Value ¹	227,799,687	227,799,687	227,799,687
Market Value ¹	221,042,450	221,042,450	221,042,450

LIABILITIES

Present Value of Benefits			
Actives			
Retirement Benefits	83,636,998	125,487,281	58,928,282
Disability Benefits	4,595,777	6,675,889	3,334,141
Death Benefits	1,058,956	1,558,433	763,655
Vested Benefits	4,449,057	7,708,733	2,713,448
Refund of Contributions	1,370,644	1,448,260	1,300,955
Service Retirees	185,385,244	224,880,290	157,116,997
DROP Retirees ¹	24,366,119	30,400,023	20,344,997
Beneficiaries	8,471,005	9,934,336	7,376,953
Disability Retirees	20,591,473	25,104,379	17,407,971
Terminated Vested	1,424,222	1,856,211	1,148,073
Share Plan Balances ¹	0	0	0
COLA Fund Reserve	1,600,804	1,600,804	1,600,804
Total:	<u>336,950,299</u>	<u>436,654,639</u>	<u>272,036,276</u>
Present Value of Future Salaries	196,211,137	220,144,981	176,840,255
Present Value of Future Member Contributions	17,855,213	20,033,193	16,092,463
Total Normal Cost	4,104,940	6,470,298	2,721,831
Present Value of Future Normal Costs (Entry Age Normal)	31,758,251	56,527,361	18,829,581
Total Actuarial Accrued Liability (EAN) ¹	305,192,048	380,127,278	253,206,695
Unfunded Actuarial Accrued Liability (UAAL)	77,392,361	152,327,591	25,407,008

ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR
ENDING SEPTEMBER 30, 2026

Valuation Date: 10/1/2024

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>	<u>HYPOTHETICAL</u>
Investment Rate of Return:	7.50%	5.50%	9.50%
<u>PENSION COST</u>			
Normal Cost ²	4,282,684	6,750,462	2,839,686
Administrative Expenses ²	274,275	274,275	274,275
Payment Required To Amortize UAAL ²	<u>10,500,775</u>	<u>14,695,803</u>	<u>6,399,211</u>
Minimum Required Contribution	\$15,057,734	\$21,720,540	\$9,513,172

¹ The asset values and liabilities include accumulated DROP Plan Balances as of 9/30/2024.

² Contributions developed as of 10/1/2024 displayed above have been adjusted to account for assumed salary increase components.