

CITY OF DAYTONA BEACH  
POLICE OFFICERS' AND FIREFIGHTERS' RETIREMENT SYSTEM  
ACTUARIAL VALUATION  
AS OF OCTOBER 1, 2024  
CONTRIBUTIONS APPLICABLE TO THE  
PLAN/FISCAL YEAR ENDING SEPTEMBER 30, 2026



March 24, 2025

Board of Trustees  
City of Daytona Beach  
Firefighters and Police Officers' Pension Board

Re: City of Daytona Beach Police Officers' and Firefighters' Retirement System

Dear Board:

We are pleased to present to the Board this report of the annual actuarial valuation of the City of Daytona Beach Police Officers' and Firefighters' Retirement System. 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 Daytona Beach, 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.

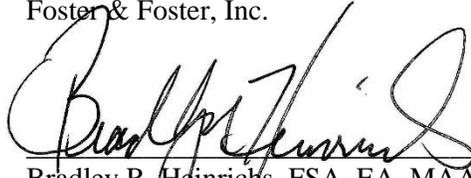
To our knowledge, no associate of Foster & Foster, Inc. working on valuations of the program has any direct financial interest or indirect material interest in the City of Daytona Beach, nor does anyone at Foster & Foster, Inc. act as a member of the Board of Trustees of the Police Officers' and Firefighters' Retirement System. 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:



Bradley R. Heinrichs, FSA, EA, MAAA  
Enrolled Actuary #23-6901

By:



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

BRH/lke

Enclosures

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## SUMMARY OF REPORT

The regular annual actuarial valuation of the City of Daytona Beach Police Officers' and Firefighters' Retirement System, 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                                 | 10/1/2024         | 10/1/2023         |
| Assumed City Contribution Date                 | 10/1/2025         | 10/1/2024         |
| Applicable to Fiscal Year Ending               | <u>9/30/2026</u>  | <u>9/30/2025</u>  |
| <br>   |                   |                   |
| Minimum Required Contribution                  | \$15,057,734      | \$14,047,326      |
| Member Contributions (Est.)                    | 2,368,064         | 2,300,842         |
| <br>   |                   |                   |
| <b>City And State Required Contribution</b>    | <b>12,689,670</b> | <b>11,746,484</b> |
| <br>   |                   |                   |
| State Contribution (Est.) <sup>1</sup>         | 1,657,580         | 1,657,580         |
| <br>   |                   |                   |
| City Required Contribution (Est.) <sup>2</sup> | \$11,032,090      | \$10,088,904      |

<sup>1</sup> Represents the amount received in calendar 2024. As per a Mutual Consent Agreement between the Membership and the City, all State Monies received each year will be available to offset the City's required contribution.

<sup>2</sup> Please note that the City has access to a prepaid contribution of \$825,807.14 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 1, 2023 actuarial valuation report. The increase is mainly attributable to net unfavorable plan experience and an increase in normal cost associated with an increase in active membership.

Plan experience was unfavorable overall on the basis of the plan's actuarial assumptions. Sources of actuarial loss included an investment return of 6.31% (Actuarial Asset Basis) which fell short of the 7.50% assumption and more retirements than expected. There were no significant sources of actuarial gain.

## 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.

COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS

|                                    | <u>10/1/2024</u> | <u>10/1/2023</u> |
|------------------------------------|------------------|------------------|
| <b>A. Participant Data</b>         |                  |                  |
| Actives                            | 315              | 296              |
| Service Retirees                   | 324              | 326              |
| DROP Retirees                      | 24               | 20               |
| Beneficiaries                      | 43               | 42               |
| Disability Retirees                | 60               | 59               |
| Terminated Vested                  | <u>97</u>        | <u>98</u>        |
| <br>Total                          | <br>863          | <br>841          |
| <br>Projected Annual Payroll       | <br>24,041,123   | <br>22,353,762   |
| <br>Annual Rate of Payments to:    |                  |                  |
| Service Retirees                   | 16,267,401       | 15,984,704       |
| DROP Retirees                      | 1,521,745        | 1,285,737        |
| Beneficiaries                      | 924,222          | 804,931          |
| Disability Retirees                | 1,825,236        | 1,757,419        |
| Terminated Vested                  | 128,154          | 128,154          |
| <br><b>B. Assets</b>               |                  |                  |
| Actuarial Value (AVA) <sup>1</sup> | 227,799,687      | 221,107,412      |
| Market Value (MVA) <sup>1</sup>    | 221,042,450      | 199,044,601      |
| <br><b>C. Liabilities</b>          |                  |                  |
| <br>Present Value of Benefits      |                  |                  |
| Actives                            |                  |                  |
| Retirement Benefits                | 83,636,998       | 80,411,270       |
| Disability Benefits                | 4,595,777        | 4,181,638        |
| Death Benefits                     | 1,058,956        | 946,321          |
| Vested Benefits                    | 4,449,057        | 4,043,243        |
| Refund of Contributions            | 1,370,644        | 1,203,293        |
| Service Retirees                   | 185,385,244      | 184,689,488      |
| DROP Retirees <sup>1</sup>         | 24,366,119       | 20,059,374       |
| Beneficiaries                      | 8,471,005        | 7,330,604        |
| Disability Retirees                | 20,591,473       | 19,996,615       |
| Terminated Vested                  | 1,424,222        | 1,381,459        |
| Share Plan Balances <sup>1</sup>   | 0                | 0                |
| COLA Fund Reserve                  | <u>1,600,804</u> | <u>1,372,071</u> |
| <br>Total                          | <br>336,950,299  | <br>325,615,376  |

| C. Liabilities - (Continued)                    | <u>10/1/2024</u> | <u>10/1/2023</u> |
|---|------------------|------------------|
| Present Value of Future Salaries                | 196,211,137      | 179,259,002      |
| Present Value of Future<br>Member Contributions | 17,855,213       | 17,047,531       |
| Normal Cost (Retirement)                        | 3,155,515        | 3,008,105        |
| Normal Cost (Disability)                        | 334,383          | 278,016          |
| Normal Cost (Death)                             | 88,817           | 69,419           |
| Normal Cost (Vesting)                           | 293,601          | 268,590          |
| Normal Cost (Refunds)                           | <u>232,624</u>   | <u>208,860</u>   |
| Total Normal Cost                               | 4,104,940        | 3,832,990        |
| Present Value of Future<br>Normal Costs         | 31,758,251       | 29,222,345       |
| Accrued Liability (Retirement)                  | 58,454,543       | 56,782,124       |
| Accrued Liability (Disability)                  | 1,929,308        | 2,020,993        |
| Accrued Liability (Death)                       | 334,506          | 390,987          |
| Accrued Liability (Vesting)                     | 2,338,087        | 2,107,764        |
| Accrued Liability (Refunds)                     | 296,737          | 261,552          |
| Accrued Liability (Inactives) <sup>1</sup>      | 240,238,063      | 233,457,540      |
| Share Plan Balances <sup>1</sup>                | 0                | 0                |
| COLA Fund Reserve                               | <u>1,600,804</u> | <u>1,372,071</u> |
| Total Actuarial Accrued Liability (EAN AL)      | 305,192,048      | 296,393,031      |
| Unfunded Actuarial Accrued<br>Liability (UAAL)  | 77,392,361       | 75,285,619       |
| Funded Ratio (AVA / EAN AL)                     | 74.6%            | 74.6%            |

| D. Actuarial Present Value of<br>Accrued Benefits                            | <u>10/1/2024</u>  | <u>10/1/2023</u>  |
|--|-------------------|-------------------|
| Vested Accrued Benefits  |                   |                   |
| Inactives <sup>1</sup>   | 240,238,063       | 233,457,540       |
| Actives  | 25,064,806        | 22,512,089        |
| Member Contributions   | <u>15,325,813</u> | <u>14,769,175</u> |
| Total  | 280,628,682       | 270,738,804       |
| Non-vested Accrued Benefits  | <u>11,415,054</u> | <u>10,465,438</u> |
| Total Present Value<br>Accrued Benefits (PVAB)                               | 292,043,736       | 281,204,242       |
| Funded Ratio (MVA / PVAB)  | 75.7%             | 70.8%             |
| Increase (Decrease) in Present Value of<br>Accrued Benefits Attributable to: |                   |                   |
| Plan Amendments  | 0                 |                   |
| Assumption Changes   | 0                 |                   |
| Plan Experience  | 10,062,920        |                   |
| Benefits Paid  | (19,579,512)      |                   |
| Interest   | 20,356,086        |                   |
| Other  | <u>0</u>          |                   |
| Total  | 10,839,494        |                   |

|   |                  |                  |
|---|------------------|------------------|
| 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 <sup>2</sup>  | \$4,282,684      | \$3,998,575      |
| Administrative Expenses <sup>2</sup>  | 274,275          | 293,546          |
| Payment Required to Amortize<br>Unfunded Actuarial Accrued<br>Liability over 26 years<br>(as of 10/1/2024) <sup>2</sup> | 10,500,775       | 9,755,205        |
| Minimum Required Contribution   | 15,057,734       | 14,047,326       |
| Expected Member Contributions <sup>2</sup>  | 2,368,064        | 2,300,842        |
| Expected City and State Contribution  | 12,689,670       | 11,746,484       |
| F. Past Contributions   |                  |                  |
| Plan Years Ending:  | <u>9/30/2024</u> |                  |
| City and State Requirement  | 10,474,188       |                  |
| Actual Contributions Made:  |                  |                  |
| City  | 8,816,609        |                  |
| State   | <u>1,657,580</u> |                  |
| Total   | 10,474,189       |                  |
| G. Net Actuarial (Gain)/Loss  | 5,481,620        |                  |

<sup>1</sup> The asset values and liabilities include accumulated DROP Plan Balances as of 9/30/2024 and 9/30/2023.

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

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

| <u>Year</u> | <u>Projected Unfunded<br/>Actuarial Accrued Liability</u> |
|-------------|---|
| 2024        | 77,392,361  |
| 2025        | 72,376,951  |
| 2026        | 69,964,081  |
| 2032        | 51,174,296  |
| 2038        | 22,933,214  |
| 2044        | 8,833,279   |
| 2050        | 0   |

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

|                      | <u>Actual</u> | <u>Assumed</u> |
|----------------------|---------------|----------------|
| Year Ended 9/30/2024 | 7.02%         | 4.27%          |
| Year Ended 9/30/2023 | 20.88%        | 4.23%          |
| Year Ended 9/30/2022 | 10.17%        | 4.23%          |
| Year Ended 9/30/2021 | 8.24%         | 4.22%          |
| Year Ended 9/30/2020 | 7.86%         | 4.91%          |

(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 | 14.50%              | 6.31%                  | 7.50%          |
| Year Ended 9/30/2023 | 6.51%               | 4.28%                  | 7.50%          |
| Year Ended 9/30/2022 | -16.58%             | 6.23%                  | 7.50%          |
| Year Ended 9/30/2021 | 21.50%              | 11.21%                 | 7.50%          |
| Year Ended 9/30/2020 | 13.40%              | 7.86%                  | 7.50%          |

(iii) Average Annual Payroll Growth

|                         |           |              |
|-------------------------|-----------|--------------|
| (a) Payroll as of:      | 10/1/2024 | \$24,041,123 |
|                         | 10/1/2014 | 15,553,436   |
| (b) Total Increase      |           | 54.57%       |
| (c) Number of Years     |           | 10.00        |
| (d) Average Annual Rate |           | 4.45%        |

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.



Bradley R. Heinrichs, FSA, EA, MAAA  
Enrolled Actuary #23-6901

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                                     | \$75,285,619 |
| (2) Sponsor Normal Cost developed as of October 1, 2023  | 1,707,147    |
| (3) Expected administrative expenses for the year ended September 30, 2024                         | 281,390      |
| (4) Expected interest on (1), (2) and (3)  | 5,785,010    |
| (5) Sponsor contributions to the System during the year ended September 30, 2024                   | 10,474,188   |
| (6) Expected interest on (5)   | 674,237      |
| (7) Expected Unfunded Actuarial Accrued Liability as of September 30, 2024 (1)+(2)+(3)+(4)-(5)-(6) | 71,910,741   |
| (8) Change to UAAL due to Assumption Change  | 0            |
| (9) Change to UAAL due to Actuarial (Gain)/Loss  | 5,481,620    |
| (10) Unfunded Actuarial Accrued Liability as of October 1, 2024                                    | 77,392,361   |

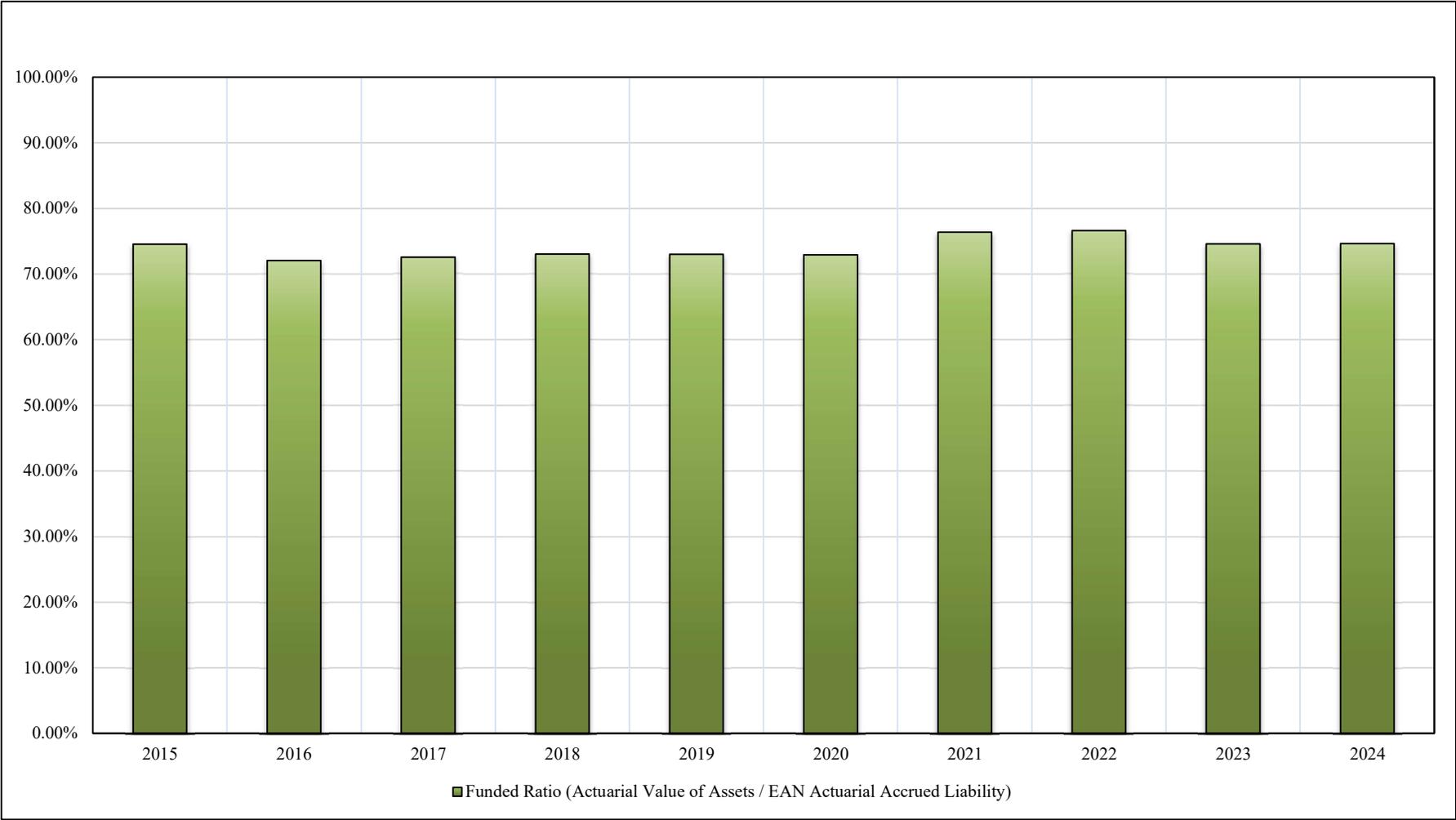
| <u>Type of Base</u> | <u>Date Established</u> | <u>Years Remaining</u> | <u>10/1/2024 Amount</u> | <u>Amortization Amount</u> |
|---------------------|-------------------------|------------------------|-------------------------|----------------------------|
| Fresh Start Base    | 10/1/2004               | 1                      | 2,770,878               | 2,770,878                  |
| Actuarial Gain      | 10/1/2005               | 12                     | (356,656)               | (42,891)                   |
| Plan Amendments     | 10/1/2005               | 12                     | 5,711,697               | 686,880                    |
| Actuarial Gain      | 10/1/2006               | 13                     | (444,133)               | (50,844)                   |
| Actuarial Loss      | 10/1/2007               | 14                     | 550,706                 | 60,346                     |
| Plan Amendments     | 10/1/2007               | 14                     | 8,223,046               | 901,073                    |
| Actuarial Loss      | 10/1/2008               | 15                     | 3,328,529               | 350,772                    |
| Actuarial Loss      | 10/1/2009               | 16                     | 3,893,124               | 396,161                    |
| Actuarial Loss      | 10/1/2010               | 17                     | 152,054                 | 14,993                     |
| Assump Change       | 10/1/2011               | 18                     | 901,318                 | 86,383                     |
| Actuarial Loss      | 10/1/2011               | 18                     | 3,972,345               | 380,713                    |
| Plan Amendments     | 10/1/2011               | 18                     | (2,301,113)             | (220,541)                  |
| Plan Amendments     | 10/1/2011               | 18                     | (1,372,627)             | (131,554)                  |
| Actuarial Loss      | 10/1/2012               | 19                     | 1,445,846               | 135,050                    |
| Method Change       | 10/1/2013               | 20                     | 5,288,718               | 482,588                    |
| Actuarial Gain      | 10/1/2013               | 20                     | (1,216,374)             | (110,992)                  |
| Assump Change       | 10/1/2013               | 20                     | (645,847)               | (58,933)                   |
| Plan Amendments     | 10/1/2013               | 20                     | 232,003                 | 21,170                     |
| Actuarial Gain      | 10/1/2014               | 21                     | (1,533,399)             | (136,978)                  |

| Type of<br><u>Base</u> | Date<br><u>Established</u> | Years<br><u>Remaining</u> | 10/1/2024<br><u>Amount</u> | Amortization<br><u>Amount</u> |
|------------------------|----------------------------|---------------------------|----------------------------|-------------------------------|
| Actuarial Loss         | 10/1/2015                  | 22                        | 4,922,204                  | 431,262                       |
| Assump Change          | 10/1/2016                  | 23                        | 6,274,168                  | 540,076                       |
| Actuarial Loss         | 10/1/2016                  | 23                        | 4,890,920                  | 421,007                       |
| Actuarial Loss         | 10/1/2017                  | 23                        | 1,879,387                  | 161,776                       |
| Actuarial Loss         | 10/1/2018                  | 24                        | 3,151,172                  | 266,897                       |
| Method Change          | 10/1/2018                  | 24                        | (66,349)                   | (5,620)                       |
| Benefits Change        | 10/1/2018                  | 24                        | (18,629)                   | (1,578)                       |
| Benefits Change        | 10/1/2018                  | 24                        | (5,150)                    | (436)                         |
| Actuarial Loss         | 10/1/2019                  | 25                        | 4,547,820                  | 379,524                       |
| Actuarial Loss         | 10/1/2020                  | 26                        | 4,083,180                  | 336,149                       |
| Assump Change          | 10/1/2020                  | 26                        | 1,729,494                  | 142,381                       |
| Actuarial Gain         | 10/1/2021                  | 12                        | (5,782,197)                | (695,358)                     |
| Benefits Change        | 10/1/2021                  | 12                        | 1,277,894                  | 153,678                       |
| Actuarial Loss         | 10/1/2022                  | 13                        | 4,742,722                  | 542,939                       |
| Actuarial Loss         | 10/1/2023                  | 14                        | 11,683,990                 | 1,280,319                     |
| Actuarial Loss         | 10/1/2024                  | 15                        | 5,481,620                  | 577,672                       |
|                        |                            |                           | <u>77,392,361</u>          | <u>10,064,962</u>             |

DETAILED ACTUARIAL (GAIN)/LOSS ANALYSIS

|   |                |
|---|----------------|
| (1) Unfunded Actuarial Accrued Liability (UAAL) as of October 1, 2023 | \$75,285,619   |
| (2) Expected UAAL as of October 1, 2024                               | 71,910,741     |
| (3) Summary of Actuarial (Gain)/Loss, by component:                   |                |
| Investment Return (Actuarial Asset Basis)                             | 2,606,471      |
| Salary Increases  | 516,052        |
| Active Decrements   | 2,200,045      |
| Inactive Mortality  | (295,496)      |
| Other   | <u>454,548</u> |
| Increase in UAAL due to (Gain)/Loss                                   | 5,481,620      |
| Assumption Changes  | <u>0</u>       |
| (4) Actual UAAL as of October 1, 2024                                 | \$77,392,361   |

# 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 (Above Median) 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 (Above 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, 2021 FRS valuation report for special risk employees, with appropriate adjustments made based on plan demographics.

75% of active Police Officer deaths and 90% of active Firefighters deaths are assumed to be service-incurred.

### Interest Rate

7.50% 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>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>Salary Increase Rates</u>      | See table later in this section. The rates were adopted as part of the July 30, 2020 experience study.  |
| <u>Administrative Expenses</u>    | \$262,892 annually, based on the average of actual expenses incurred in the prior two fiscal years.   |
| <u>Amortization Method</u>        | New UAAL amortization bases are amortized over 15 years.<br><br>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.<br><br>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. |
| <u>Retirement Rates</u>           | See tables later in this section. The rates were adopted as part of the July 30, 2020 experience study.   |
| <u>Withdrawal Rates</u>           | See tables later in this section. The rates were adopted as part of the July 30, 2020 experience study. Employees are assumed to take a refund of contributions if not vested upon termination. If vested upon termination, monthly benefits are assumed to commence at age 52.   |
| <u>Disability Rates</u>           | See table later in this section. 75% of Police Officer disabilities and 90% of Firefighter disabilities are assumed to be service connected. There are no assumed rates of recovery.<br><br>Service-connected disability benefits for active employees are assumed to be offset by the greater of 2/3 of AFC or the current Florida weekly wages projected by 2.0% inflation (based on Florida Statute 440.12). Current worker's compensation offsets are assumed to continue in the future.  |
| <u>Cost-of-Living Adjustments</u> | See later in this section.  |
| <u>Marital Assumptions</u>        | 80% of employees are assumed to be married and males are assumed to be 3 years older than females.  |

Funding Method

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

Interest – 3.75% for expected member contributions, based on current 7.50% assumption.

Salary - A full year, based on current 4.33% assumption.

Asset Valuation Method

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

Low-Default-Risk Obligation Measure

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

Assumed COLA Percentages - Police Officers

| <u>Service as of September 30, 2011</u> | <u>COLA %</u> |
|---|---------------|
| Less than 5 years                       | 1.0%          |
| Greater than 5, less than 15            | 1.5%          |
| Greater than 15                         | 2.0%          |

Assumed COLA Percentages - Firefighters

| <u>Service as of September 18, 2012</u> | <u>COLA %</u> |
|---|---------------|
| Less than 5 years                       | 1.0%          |
| Greater than 5, less than 15            | 1.5%          |
| Greater than 15                         | 2.0%          |

| % Retiring During the Year - Police Officers |        | % Retiring During the Year - Firefighters |        |
|--|--------|---|--------|
| Years Past NRD                               | Rate   | Years Past NRD                            | Rate   |
| 0  | 35.0%  | 0   | 20.0%  |
| 1  | 35.0%  | 1   | 20.0%  |
| 2  | 20.0%  | 2   | 30.0%  |
| 3  | 20.0%  | 3   | 40.0%  |
| 4  | 20.0%  | 4   | 40.0%  |
| 5  | 35.0%  | 5   | 50.0%  |
| 6  | 50.0%  | 6   | 50.0%  |
| 7  | 50.0%  | 7   | 50.0%  |
| 8  | 50.0%  | 8   | 50.0%  |
| 9  | 50.0%  | 9   | 50.0%  |
| 10   | 100.0% | 10  | 100.0% |

| % Terminating During the Year - Police Officers |       | % Terminating During the Year - Firefighters |       |
|---|-------|--|-------|
| Service   | Rate  | Service                                      | Rate  |
| 0   | 15.0% | <2   | 10.0% |
| 1   | 12.0% | 2-6  | 5.0%  |
| 2   | 9.0%  | 7-8  | 3.0%  |
| 3-7   | 6.0%  | 9  | 1.0%  |
| 8-12  | 4.0%  | 10   | 5.0%  |
| 13-17   | 2.0%  | 11-14  | 2.0%  |
| 18+   | 1.0%  | 15+  | 1.0%  |

| % Becoming Disabled During the Year |       | Salary Scale |       |
|-------------------------------------|-------|--------------|-------|
| Age                                 | Rate  | Service      | Rate  |
| 20                                  | 0.14% | <5           | 5.00% |
| 25                                  | 0.15% | 5-9          | 4.50% |
| 30                                  | 0.18% | 10-14        | 4.00% |
| 35                                  | 0.23% | 15-19        | 3.50% |
| 40                                  | 0.30% | 20+          | 3.00% |
| 45                                  | 0.51% |              |       |
| 50                                  | 1.00% |              |       |
| 55                                  | 1.50% |              |       |
| 60+                                 | 2.09% |              |       |

## 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 79.3% on October 1, 2014 to 68.8% 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 78.7%. 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 stayed approximately the same from October 1, 2014 to October 1, 2024.
- The Net Cash Flow Ratio, determined as the ratio of the Net Cash Flow (contributions minus benefit payments and administrative expenses) to the Market Value of Assets, decreased from -2.1% on October 1, 2014 to -3.2% on October 1, 2024. The current Net Cash Flow Ratio of -3.2% 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 9 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 \$456,599,528. 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                           | 315              | 296              | 333              | 295              |
| Total Inactives <sup>1</sup>            | 458              | 454              | 423              | 372              |
| Actives / Inactives <sup>1</sup>        | 68.8%            | 65.2%            | 78.7%            | 79.3%            |
| <br><u>Asset Volatility Ratio</u>       |                  |                  |                  |                  |
| Market Value of Assets (MVA)            | 221,042,450      | 199,044,601      | 185,645,576      | 169,556,122      |
| Total Annual Payroll                    | 24,281,452       | 22,353,762       | 18,896,481       | 15,553,436       |
| MVA / Total Annual Payroll              | 910.3%           | 890.4%           | 982.4%           | 1,090.2%         |
| <br><u>Accrued Liability (AL) Ratio</u> |                  |                  |                  |                  |
| Inactive Accrued Liability              | 240,238,063      | 233,457,540      | 203,378,338      | 158,886,887      |
| Total Accrued Liability (EAN)           | 305,192,048      | 296,393,031      | 260,872,047      | 215,615,408      |
| Inactive AL / Total AL                  | 78.7%            | 78.8%            | 78.0%            | 73.7%            |
| <br><u>Funded Ratio</u>                 |                  |                  |                  |                  |
| Actuarial Value of Assets (AVA)         | 227,799,687      | 221,107,412      | 190,492,879      | 161,713,172      |
| Total Accrued Liability (EAN)           | 305,192,048      | 296,393,031      | 260,872,047      | 215,615,408      |
| AVA / Total Accrued Liability (EAN)     | 74.6%            | 74.6%            | 73.0%            | 75.0%            |
| <br><u>Net Cash Flow Ratio</u>          |                  |                  |                  |                  |
| Net Cash Flow <sup>2</sup>              | (7,061,805)      | (7,235,772)      | (6,681,636)      | (3,551,552)      |
| Market Value of Assets (MVA)            | 221,042,450      | 199,044,601      | 185,645,576      | 169,556,122      |
| Ratio                                   | -3.2%            | -3.6%            | -3.6%            | -2.1%            |

<sup>1</sup> Excludes terminated participants awaiting a refund of member contributions.

<sup>2</sup> Determined as total contributions minus benefit payments and administrative expenses.

PARTIAL HISTORY OF PREMIUM TAX REFUNDS

| <u>Received During<br/>Fiscal Year</u> | <u>Amount</u> | <u>Increase from<br/>Previous Year</u> |
|--|---------------|--|
| 1999                                   | 523,970.51    | _____ %                                |
| 2000                                   | 574,246.02    | 9.6%                                   |
| 2001                                   | 538,123.35    | -6.3%                                  |
| 2002                                   | 615,255.80    | 14.3%                                  |
| 2003                                   | 674,312.52    | 9.6%                                   |
| 2004                                   | 734,461.77    | 8.9%                                   |
| 2005                                   | 772,862.51    | 5.2%                                   |
| 2006                                   | 809,080.10    | 4.7%                                   |
| 2007                                   | 956,355.70    | 18.2%                                  |
| 2008                                   | 989,349.33    | 3.4%                                   |
| 2009                                   | 804,171.97    | -18.7%                                 |
| 2010                                   | 775,103.16    | -3.6%                                  |
| 2011                                   | 755,346.11    | -2.5%                                  |
| 2012                                   | 791,942.28    | 4.8%                                   |
| 2013                                   | 785,387.76    | -0.8%                                  |
| 2014                                   | 845,038.62    | 7.6%                                   |
| 2015                                   | 919,408.94    | 8.8%                                   |
| 2016                                   | 903,454.66    | -1.7%                                  |
| 2017                                   | 813,174.67    | -10.0%                                 |
| 2018                                   | 937,925.10    | 15.3%                                  |
| 2019                                   | 983,698.11    | 4.9%                                   |
| 2020                                   | 1,058,682.42  | 7.6%                                   |
| 2021                                   | 1,081,809.98  | 2.2%                                   |
| 2022                                   | 1,134,302.03  | 4.9%                                   |
| 2023                                   | 1,393,607.02  | 22.9%                                  |
| 2024                                   | 1,657,579.50  | 18.9%                                  |

STATEMENT OF FIDUCIARY NET POSITION  
SEPTEMBER 30, 2024

| <u>ASSETS</u>                            | COST VALUE         | MARKET VALUE       |
|--|--------------------|--------------------|
| Cash and Cash Equivalents:               |                    |                    |
| Short Term Investments                   | 3,307,980.31       | 3,307,980.31       |
| Transfer in Transit                      | 250,255.03         | 250,255.03         |
| Cash                                     | 15,047.44          | 15,047.44          |
| <br>Total Cash and Equivalents           | <br>3,573,282.78   | <br>3,573,282.78   |
| Receivables:                             |                    |                    |
| Member Contributions                     | 2,934.11           | 2,934.11           |
| State Contributions                      | 32,005.69          | 32,005.69          |
| Investment Income                        | 120,474.22         | 120,474.22         |
| <br>Total Receivable                     | <br>155,414.02     | <br>155,414.02     |
| Investments:                             |                    |                    |
| Stocks                                   | 17,336,624.74      | 22,353,120.30      |
| Mutual Funds:                            |                    |                    |
| Fixed Income                             | 40,612,110.50      | 41,352,587.04      |
| Equity                                   | 45,271,925.25      | 54,803,930.15      |
| Pooled/Common/Commingled Funds:          |                    |                    |
| Fixed Income                             | 17,445,641.99      | 21,551,053.70      |
| Equity                                   | 61,276,895.64      | 65,557,624.03      |
| Real Estate                              | 14,107,958.37      | 12,899,010.86      |
| <br>Total Investments                    | <br>196,051,156.49 | <br>218,517,326.08 |
| <br>Total Assets                         | <br>199,779,853.29 | <br>222,246,022.88 |
| <br><u>LIABILITIES</u>                   |                    |                    |
| Payables:                                |                    |                    |
| Refunds of Member Contributions          | 16,080.49          | 16,080.49          |
| Benefit Payments                         | 1,516.39           | 1,516.39           |
| DROP Distributions                       | 161,946.44         | 161,946.44         |
| Investment Expenses                      | 169,513.53         | 169,513.53         |
| Administrative Expenses                  | 28,709.25          | 28,709.25          |
| Prepaid City Contribution                | 825,807.14         | 825,807.14         |
| <br>Total Liabilities                    | <br>1,203,573.24   | <br>1,203,573.24   |
| <br>NET POSITION RESTRICTED FOR PENSIONS | <br>198,576,280.05 | <br>221,042,449.64 |

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

ADDITIONS

|   |                 |               |               |
|---|-----------------|---------------|---------------|
| Contributions:                            |                 |               |               |
| Member                                    |                 | 2,254,838.73  |               |
| Buy-Back                                  |                 | 61,515.20     |               |
| City                                      |                 | 8,816,608.50  |               |
| State                                     |                 | 1,657,579.50  |               |
| Total Contributions                       |                 |               | 12,790,541.93 |
| Investment Income:                        |                 |               |               |
| Net Realized Gain (Loss)                  | 34,156,184.00   |               |               |
| Unrealized Gain (Loss)                    | (14,114,862.28) |               |               |
| Net Increase in Fair Value of Investments |                 | 20,041,321.72 |               |
| Interest & Dividends                      |                 | 9,666,633.98  |               |
| Less Investment Expense <sup>1</sup>      |                 | (648,302.31)  |               |
| Net Investment Income                     |                 |               | 29,059,653.39 |
| Total Additions                           |                 |               | 41,850,195.32 |

DEDUCTIONS

|                                      |  |               |                |
|--------------------------------------|--|---------------|----------------|
| Distributions to Members:            |  |               |                |
| Benefit Payments                     |  | 18,652,871.40 |                |
| Lump Sum DROP Distributions          |  | 793,166.60    |                |
| Lump Sum Share Distributions         |  | 0.00          |                |
| Lump Sum PLOP Distributions          |  | 0.00          |                |
| Refunds of Member Contributions      |  | 133,473.90    |                |
| Total Distributions                  |  |               | 19,579,511.90  |
| Administrative Expense               |  |               | 272,834.51     |
| Total Deductions                     |  |               | 19,852,346.41  |
| Net Increase in Net Position         |  |               | 21,997,848.91  |
| NET POSITION RESTRICTED FOR PENSIONS |  |               |                |
| Beginning of the Year                |  |               | 199,044,600.73 |
| End of the Year                      |  |               | 221,042,449.64 |

<sup>1</sup>Investment 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<br>Ending | Gain/(Loss)  | <u>Gains/Losses Not Yet Recognized</u>       |                    |                  |                  |          |
|---------------------|--------------|--|--------------------|------------------|------------------|----------|
|                     |              | Amounts Not Yet Recognized by Valuation Year |                    |                  |                  |          |
|                     |              | 2024   | 2025               | 2026             | 2027             | 2028     |
| 09/30/2020          | 11,226,951   | 0  | 0                  | 0                | 0                | 0        |
| 09/30/2021          | 28,904,473   | 5,780,893                                    | 0                  | 0                | 0                | 0        |
| 09/30/2022          | (57,626,272) | (23,050,510)                                 | (11,525,256)       | 0                | 0                | 0        |
| 09/30/2023          | (1,617,782)  | (970,670)                                    | (647,114)          | (323,558)        | 0                | 0        |
| 09/30/2024          | 14,353,813   | 11,483,050                                   | 8,612,287          | 5,741,524        | 2,870,761        | 0        |
| <b>Total</b>        |              | <b>(6,757,237)</b>                           | <b>(3,560,083)</b> | <b>5,417,966</b> | <b>2,870,761</b> | <b>0</b> |

Development of Investment Gain/Loss

|   |                   |
|---|-------------------|
| Market Value of Assets, including Prepaid Contributions, 09/30/2023 | 199,347,130       |
| Contributions Less Benefit Payments & Admin Expenses                | (6,538,527)       |
| Expected Investment Earnings*                                       | 14,705,840        |
| Actual Net Investment Earnings                                      | 29,059,653        |
| 2024 Actuarial Investment Gain/(Loss)                               | <u>14,353,813</u> |

\*Expected Investment Earnings =  $0.075 * (199,347,130 - 0.5 * 6,538,527)$

Development of Actuarial Value of Assets

|   |                    |
|---|--------------------|
| (1) Market Value of Assets, 09/30/2024                                | 221,042,450        |
| (2) Gains/(Losses) Not Yet Recognized                                 | (6,757,237)        |
| (3) Actuarial Value of Assets, 09/30/2024, (1) - (2)                  | <u>227,799,687</u> |
| (4) Limited Actuarial Value of Assets, 09/30/2024                     | 227,799,687        |
| <br>(A) 09/30/2023 Actuarial Assets, including Prepaid Contributions: | <br>221,409,941    |
| <br>(I) Net Investment Income:  |                    |
| 1. Interest and Dividends   | 9,666,634          |
| 2. Realized Gain (Loss)   | 34,156,184         |
| 3. Unrealized Gain (Loss)   | (14,114,862)       |
| 4. Change in Actuarial Value  | (15,305,574)       |
| 5. Investment Expenses  | (648,302)          |
| Total   | <u>13,754,079</u>  |
| <br>(B) 09/30/2024 Actuarial Assets, including Prepaid Contributions: | <br>228,625,494    |
| <br>Actuarial Assets Rate of Return = $2I/(A+B-I)$ :                  | <br>6.31%          |
| Market Value of Assets Rate of Return:                                | 14.50%             |

Actuarial Gain/(Loss) due to Investment Return (Actuarial Asset Basis) (2,606,471)

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

REVENUES

|   |                 |                   |
|---|-----------------|-------------------|
| Contributions:                          |                 |                   |
| Member                                  | 2,254,838.73    |                   |
| Buy-Back                                | 61,515.20       |                   |
| City                                    | 8,816,608.50    |                   |
| State                                   | 1,657,579.50    |                   |
| <br>Total Contributions                 |                 | <br>12,790,541.93 |
| Earnings from Investments:              |                 |                   |
| Interest & Dividends                    | 9,666,633.98    |                   |
| Net Realized Gain (Loss)                | 34,156,184.00   |                   |
| Unrealized Gain (Loss)                  | (14,114,862.28) |                   |
| Change in Actuarial Value               | (15,305,574.00) |                   |
| <br>Total Earnings and Investment Gains |                 | <br>14,402,381.70 |

EXPENDITURES

|   |               |                    |
|---|---------------|--------------------|
| Distributions to Members:                   |               |                    |
| Benefit Payments                            | 18,652,871.40 |                    |
| Lump Sum DROP Distributions                 | 793,166.60    |                    |
| Lump Sum Share Distributions                | 0.00          |                    |
| Lump Sum PLOP Distributions                 | 0.00          |                    |
| Refunds of Member Contributions             | 133,473.90    |                    |
| <br>Total Distributions                     |               | <br>19,579,511.90  |
| Expenses:                                   |               |                    |
| Investment related <sup>1</sup>             | 648,302.31    |                    |
| Administrative                              | 272,834.51    |                    |
| <br>Total Expenses                          |               | <br>921,136.82     |
| <br>Change in Net Assets for the Year       |               | <br>6,692,274.91   |
| <br>Net Assets Beginning of the Year        |               | <br>221,107,411.73 |
| <br>Net Assets End of the Year <sup>2</sup> |               | <br>227,799,686.64 |

<sup>1</sup>Investment related expenses include investment advisory, custodial and performance monitoring fees.

<sup>2</sup>Net Assets may be limited for actuarial consideration.

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

|                               |              |
|-------------------------------|--------------|
| Beginning of the Year Balance | 2,108,369.02 |
| Plus Additions                | 1,382,452.78 |
| Investment Return Earned      | 165,855.97   |
| Less Distributions            | (793,166.60) |
| End of the Year Balance       | 2,863,511.17 |

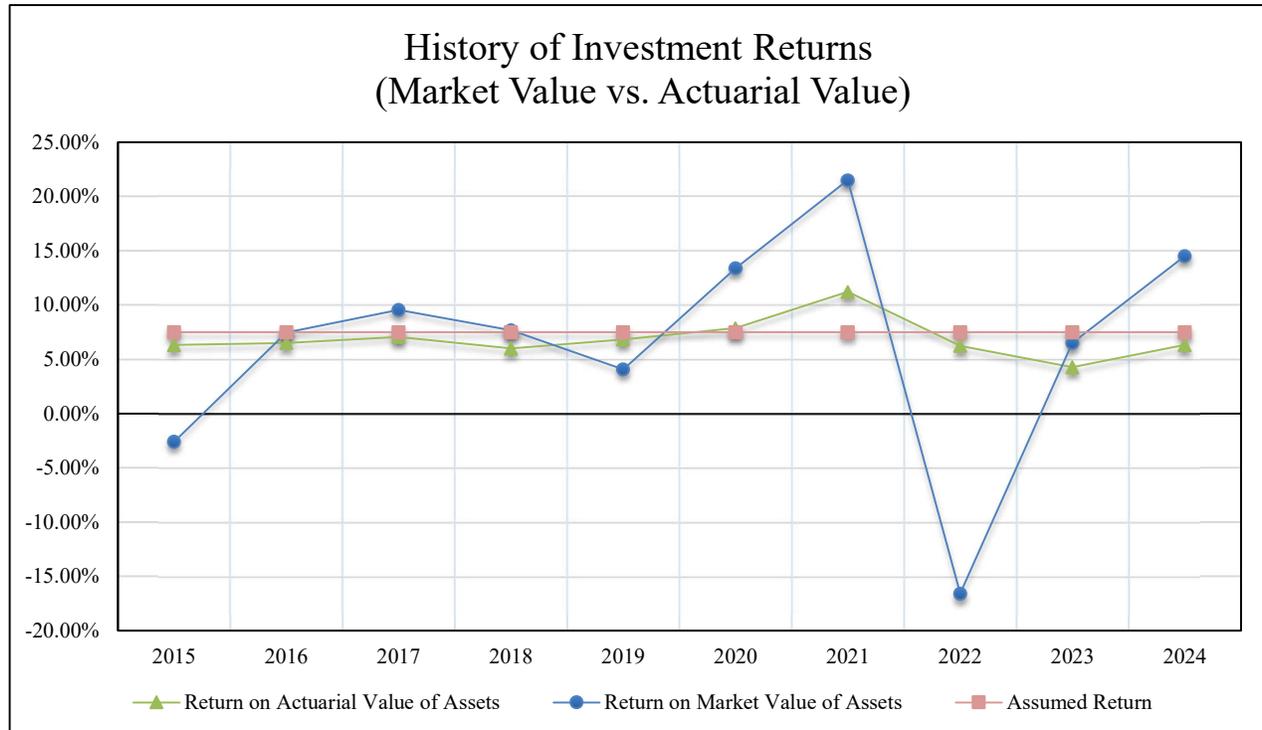
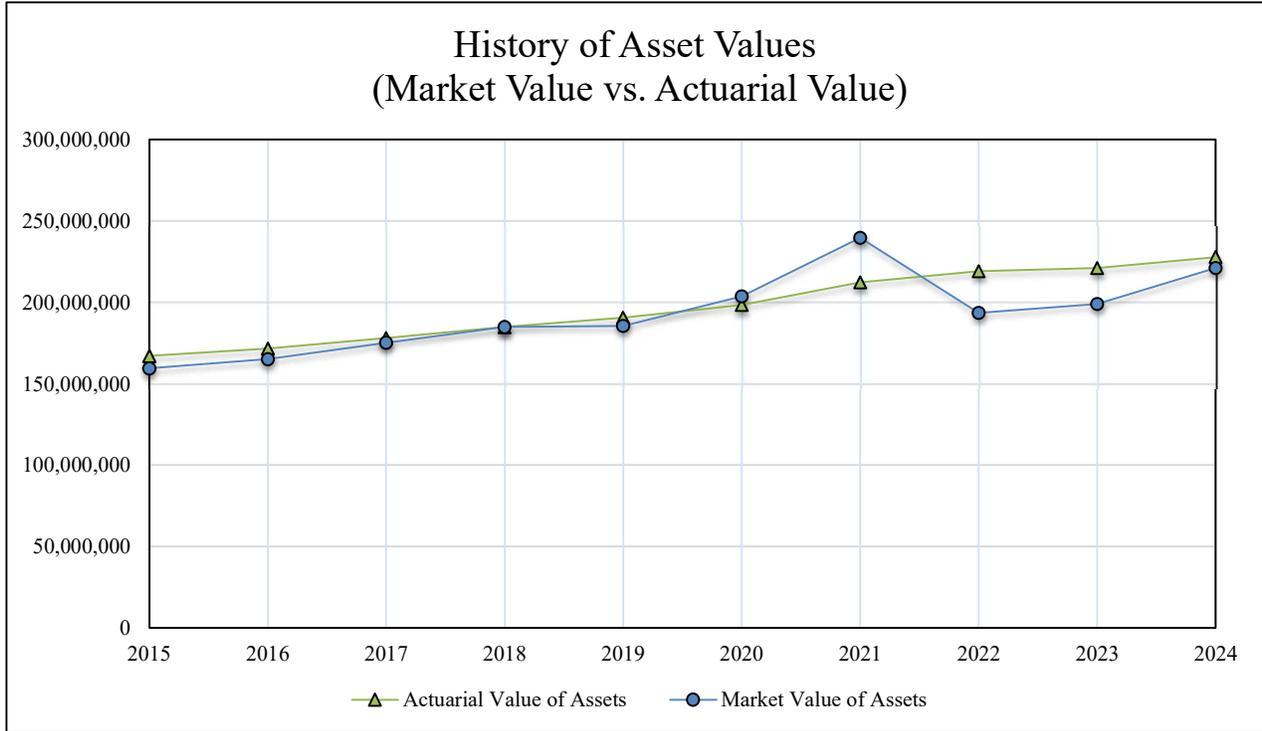
RECONCILIATION OF CITY SHORTFALL/(PREPAID) CONTRIBUTION  
FOR THE FISCAL YEAR ENDED (FYE) SEPTEMBER 30, 2024

|  |                       |
|--|-----------------------|
| (1) Required City and State Contributions                                      | \$10,474,188.00       |
| (2) Less Allowable State Contribution  | <u>(1,657,579.50)</u> |
| (3) Required City Contribution for Fiscal 2024                                 | 8,816,608.50          |
| (4) Less 2023 Prepaid Contribution   | (302,529.56)          |
| (5) Less Actual City Contributions   | <u>(9,339,886.08)</u> |
| (6) Equals City's Shortfall/(Prepaid) Contribution as of<br>September 30, 2024 | (\$825,807.14)        |

## RECONCILIATION OF COLA FUND ASSETS

|     |  |                |
|-----|--|----------------|
| (1) | COLA Fund Assets, beginning of year    | \$1,372,071    |
| (2) | Distributions                          | (11,729)       |
| (3) | Investment Return (Market Value Basis) | <u>240,462</u> |
| (4) | COLA Fund Assets, end of year          | \$1,600,804    |

# 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                              | 315              | 296              | 284              | 309              |
| Average Current Age                 | 35.2             | 35.5             | 36.0             | 35.8             |
| Average Age at Employment           | 26.8             | 26.7             | 26.7             | 26.8             |
| Average Past Service                | 8.4              | 8.8              | 9.3              | 9.0              |
| Average Annual Salary               | \$77,084         | \$75,519         | \$66,440         | \$62,353         |
| <u>Service Retirees</u>             |                  |                  |                  |                  |
| Number                              | 324              | 326              | 320              | 315              |
| Average Current Age                 | 64.8             | 64.5             | 64.3             | 64.2             |
| Average Annual Benefit              | \$50,208         | \$49,033         | \$47,986         | \$47,189         |
| <u>DROP Retirees</u>                |                  |                  |                  |                  |
| Number                              | 24               | 20               | 17               | 11               |
| Average Current Age                 | 50.5             | 50.7             | 50.3             | 49.9             |
| Average Annual Benefit              | \$63,406         | \$64,287         | \$60,455         | \$58,489         |
| <u>Beneficiaries</u>                |                  |                  |                  |                  |
| Number                              | 43               | 42               | 39               | 37               |
| Average Current Age                 | 76.9             | 76.8             | 76.0             | 74.5             |
| Average Annual Benefit              | \$21,494         | \$19,165         | \$18,326         | \$17,811         |
| <u>Disability Retirees</u>          |                  |                  |                  |                  |
| Number                              | 60               | 59               | 60               | 60               |
| Average Current Age                 | 60.3             | 60.3             | 59.7             | 59.5             |
| Average Annual Benefit              | \$30,421         | \$29,787         | \$29,120         | \$29,344         |
| <u>Terminated Vested</u>            |                  |                  |                  |                  |
| Number                              | 97               | 98               | 105              | 96               |
| Average Current Age <sup>1</sup>    | 44.4             | 43.4             | 45.0             | 43.0             |
| Average Annual Benefit <sup>1</sup> | \$18,308         | \$18,308         | \$18,852         | \$18,751         |

<sup>1</sup> 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      | 2         |           |           |           |           |           |           |           |          |          |          | 2          |
| 20 - 24      | 13        | 13        |           | 1         | 1         |           |           |           |          |          |          | 28         |
| 25 - 29      | 3         | 17        | 5         | 10        | 6         | 24        |           |           |          |          |          | 65         |
| 30 - 34      | 4         | 6         | 4         | 8         | 3         | 33        | 5         |           |          |          |          | 63         |
| 35 - 39      | 2         | 3         | 2         | 3         | 1         | 21        | 20        | 10        |          |          |          | 62         |
| 40 - 44      | 1         | 1         |           |           |           | 12        | 10        | 19        |          |          |          | 43         |
| 45 - 49      |           | 3         |           |           | 1         | 1         | 5         | 13        | 3        | 1        |          | 27         |
| 50 - 54      | 1         | 1         |           |           |           |           | 3         | 9         | 2        | 2        |          | 18         |
| 55 - 59      |           |           |           |           |           | 1         |           | 2         | 2        |          |          | 5          |
| 60 - 64      |           |           |           |           |           |           | 2         |           |          |          |          | 2          |
| 65+          |           |           |           |           |           |           |           |           |          |          |          | 0          |
| <b>Total</b> | <b>26</b> | <b>44</b> | <b>11</b> | <b>22</b> | <b>12</b> | <b>92</b> | <b>45</b> | <b>53</b> | <b>7</b> | <b>3</b> | <b>0</b> | <b>315</b> |

## VALUATION PARTICIPANT RECONCILIATION

### 1. Active lives

|   |     |
|---|-----|
| a. Number in prior valuation 10/1/2023                            | 296 |
| b. Terminations   |     |
| i. Vested (partial or full) with deferred annuity                 | 0   |
| ii. Vested in refund of member contributions only                 | (3) |
| iii. Refund of member contributions or full lump sum distribution | (5) |
| c. Deaths   |     |
| i. Beneficiary receiving benefits                                 | 0   |
| ii. No future benefits payable                                    | 0   |
| d. Disabled   | (2) |
| e. Retired  | (3) |
| f. DROP   | (8) |
| g. Continuing participants  | 275 |
| h. New entrants / Rehires   | 40  |
| i. Total active life participants in valuation                    | 315 |

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

|                               | Service<br>Retirees,<br>Vested<br>Receiving | DROP<br>Benefits | Receiving<br>Death<br>Benefits | Receiving<br>Disability<br>Benefits | Vested<br>(Deferred<br>Annuity) | Vested<br>(Due<br>Refund) | <u>Total</u> |
|-------------------------------|---|------------------|--------------------------------|-------------------------------------|---------------------------------|---------------------------|--------------|
| a. Number prior valuation     | 326   | 20               | 42                             | 59                                  | 7                               | 91                        | 545          |
| Retired                       | 7   | (4)              |                                |                                     |                                 |                           | 3            |
| DROP                          |   | 8                |                                |                                     |                                 |                           | 8            |
| Vested (Deferred Annuity)     |   |                  |                                |                                     |                                 |                           | 0            |
| Vested (Due Refund)           |   |                  |                                |                                     |                                 | 3                         | 3            |
| Hired/Terminated in Same Year |   |                  |                                |                                     |                                 | 2                         | 2            |
| Death, With Survivor          | (3)   |                  | 4                              | (1)                                 |                                 |                           | 0            |
| Death, No Survivor            | (6)   |                  | (3)                            |                                     |                                 |                           | (9)          |
| Disabled                      |   |                  |                                | 2                                   |                                 |                           | 2            |
| Refund of Contributions       |   |                  |                                |                                     |                                 | (4)                       | (4)          |
| Rehires                       |   |                  |                                |                                     |                                 | (2)                       | (2)          |
| Expired Annuities             |   |                  |                                |                                     |                                 |                           | 0            |
| Data Corrections              |   |                  |                                |                                     |                                 |                           | 0            |
| b. Number current valuation   | 324   | 24               | 43                             | 60                                  | 7                               | 90                        | 548          |

## SUMMARY OF CURRENT PLAN

|   |  |
|---|--|
| <u>Plan Status</u>                      | Plan established in 1959 under the Code of Ordinances for the City of Daytona Beach, Florida, Subpart C Sections 1-35 & Subpart D Sections 1-28 and was most recently amended by Ordinance No. 2022.258.   |
| <u>Eligibility</u>                      | Police Officers and Firefighters actively employed full-time by the City are Members of the Retirement System.   |
| <u>Credited Service</u>                 | <p>Credited Service means the total number of years and fractional parts of years of service as a Police Officer or Firefighter with Member contributions, when required, omitting intervening years or fractional parts of years when such Member was not employed by the City as a Police Officer or Firefighter. Credited Service includes service purchased from a prior period of employment as a public safety officer, purchased military service, and qualified military service under USERRA.</p> <p>Leave conversions of unused accrued paid time off shall not be permitted to be applied toward the accrual of Credited Service either during each Plan Year of a Member's employment with the City or in the Plan Year in which the Member terminates employment.</p> |
| <u>Base Pay</u>                         | <p>Base Pay means the established rate of annual or monthly Compensation including up to the first seventy-five (75) hours annually of overtime paid during the Plan Year. Base Pay excludes bonuses, career development, supplemental, overtime over the first seventy-five (75) hours annually of overtime paid, shift differential, uniform subsistence, travel, bonus, and other similar pay.</p> <p>Effective prospectively beginning October 1, 2006 for Police Officers, Base Pay includes up to 300 hours annually of overtime paid during the Plan Year.</p>  |
| <u>Compensation</u>                     | Compensation means the Member's Base Pay as indicated in the pay plan.   |
| <u>Average Final Compensation (AFC)</u> | Average Final Compensation mean the average of the annual Base Pay received during the highest three (3) years of Credited Service.  |

Monthly Accrued Benefit

Police Officers

*Eligible for Normal Retirement on September 30, 2011:*

AFC multiplied by 3.38% per year of Credited Service

*Not Eligible for Normal Retirement on September 30, 2011:*

AFC multiplied by 3.38% per year of Credited Service before September 30, 2011 and 3.0% per year of Credited Service after September 30, 2011. The maximum benefit is 90% of AFC.

Firefighters

*Eligible for Normal Retirement on September 18, 2012:*

AFC multiplied by 3.50% per year of Credited Service

*Not Eligible for Normal Retirement on September 18, 2012:*

AFC multiplied by 3.50% per year of Credited Service before September 18, 2012 and 3.0% per year of Credited Service after September 18, 2012. The maximum benefit is 90% of AFC.

Firefighters Supplement

Effective December 1, 2010, \$8.50 per month for each year of Credited Service up to a maximum of \$215 per month.

Member Contributions

Police Officers are required to contribute 10.0% of Compensation and Firefighters contribute 9.7% of Compensation. Member Contributions accrue interest at 6.0% per year for the period October 1, 1997 through October 1, 2017 and 1.0% per year thereafter. Member Contributions are reduced to 0.50% upon attainment of the maximum accrued benefit of \$5,500 per month.

State Contributions

State premium tax revenue under Chapter 175/185 received annually is used to offset required contributions.

Normal Retirement

Date

Earlier of:

- (1) Age 55 with 10 or more years of service, or
- (2) 20 years of service regardless of age.

Benefit

Monthly Accrued Benefit

Maximum Benefit

\$5,500 per month. The Maximum Benefit does not apply for Police Officers Members as of September 30, 2011 whose Compensation exceeded \$73,333.33 for the fiscal year ending September 30, 2010 or Firefighters Members as of September 18, 2012 whose Compensation exceeded \$73,333.33 for the fiscal year ending September 30, 2012.

Early Retirement

|         |  |
|---------|--|
| Date    | Age 50 with 10 or more years of service  |
| Benefit | Monthly Accrued Benefit deferred to Normal Retirement Date or immediate commencement with reduction of 3.0% per year prior to Normal Retirement date. Normal Retirement Date is determined as the date on what would have been the Normal Retirement Date had employment continued as a Police Officer or Firefighter. |

Vesting

|                |  |
|----------------|--|
| Schedule       | 100% after 10 years of Credited Service.   |
| Benefit Amount | <p>Members that terminate employment with 10 or more years of service, the Monthly Accrued Benefit is payable at age 52. A vested Member may request a refund of Accumulated Contributions but would not be entitled to any further benefits under the plan.</p> <p>Members that terminate employment with less than 10 years of service will be eligible to receive a refund of Member contributions with interest. Members may voluntarily leave contributions in the Plan for a period of five years after separation and receive service credit upon rehire within the five-year period. If a Member who is not vested and is not reemployed within five (5) years, Accumulated Contributions will be automatically be returned if \$1,000 or less. Accumulated Contributions that are more than \$1,000 will be returned only upon the written request of the Member.</p> |

Disability – Service Incurred

| Eligibility                  | Permanent and totally disabled in the line of duty.  |                         |                 |       |     |        |     |     |     |
|------------------------------|--|-------------------------|-----------------|-------|-----|--------|-----|-----|-----|
| Benefit                      | <p><i>Police Officers:</i> AFC multiplied by 3.0% per year of Credited Service (to a maximum of 90% of AFC)</p> <p><i>Firefighters:</i> AFC multiplied by 3.0% per year of Credited Service (to a maximum of 90% of AFC)</p>   |                         |                 |       |     |        |     |     |     |
| Minimum Benefit              | <p>The minimum amount of disability benefit paid:</p> <table><thead><tr><th><u>Credited Service</u></th><th><u>% of AFC</u></th></tr></thead><tbody><tr><td>0 – 5</td><td>42%</td></tr><tr><td>5 – 10</td><td>50%</td></tr><tr><td>10+</td><td>60%</td></tr></tbody></table>               | <u>Credited Service</u> | <u>% of AFC</u> | 0 – 5 | 42% | 5 – 10 | 50% | 10+ | 60% |
| <u>Credited Service</u>      | <u>% of AFC</u>  |                         |                 |       |     |        |     |     |     |
| 0 – 5                        | 42%  |                         |                 |       |     |        |     |     |     |
| 5 – 10                       | 50%  |                         |                 |       |     |        |     |     |     |
| 10+                          | 60%  |                         |                 |       |     |        |     |     |     |
| Workers' Compensation Offset | The disability benefit is reduced for workers' compensation benefits pursuant to Florida Statute, Chapter 440 for the same disability. In no event shall the disability pension benefit be reduced below the greater of 42% of AFC or AFC multiplied by 3.0% per year of Credited Service. |                         |                 |       |     |        |     |     |     |

Disability - Non-Service Incurred

|                 |   |
|-----------------|---|
| Eligibility     | After 10 or more years of Credited Service, permanent and totally disabled not in the line of duty.   |
| Benefit         | <i>Police Officers:</i> AFC multiplied by 3.0% per year of Credited Service (to a maximum of 90% of AFC)<br><br><i>Firefighters:</i> AFC multiplied by 3.5% per year of Credited Service (to a maximum of 90% of AFC) |
| Minimum Benefit | The minimum amount of disability benefit paid shall be 25% of Average Final Compensation:   |

Death Benefits – Service Connected

|             |   |
|-------------|---|
| Eligibility | Death, injury, illness or disease resulting in death as the result of the performance of duty in the service of the City.   |
| Benefit     | 50% of Average Final Compensation payable to the spouse. If no surviving spouse, 25% of Average Final Compensation payable to each child until the attainment of age 18, with a maximum of 50% of Average Final Compensation. If no surviving spouse or children, 50% of the Average Final Compensation payable to dependent parents. |

Death Benefits - Nonservice Connected

|             |  |
|-------------|--|
| Eligibility | After 5 or more years of Credited Service, death, injury, illness or disease resulting in death not as the result of the performance of duty in the service of the City.   |
| Benefit     | 50% of the nonservice connected disability benefit payable to the spouse. If no surviving spouse, 25% of nonservice connected disability benefit payable to each child until the attainment of age 18, with a maximum of 50% of nonservice connected disability benefit. |

Minimum Pre-Retirement Death Benefit

|                        |   |
|------------------------|---|
| Death prior to Vesting | Refund of Member Contributions.   |
| Death after Vesting    | The surviving spouse may elect to receive the Monthly Accrued Benefit immediately, at early retirement, or at normal retirement for a period of 10 years. For non-spousal beneficiaries, the benefit will begin, for a period of 10 years, on the December 31 of the calendar year following the calendar year of the date of death. The Monthly Accrued Benefit will be adjusted for early commencement and further adjusted actuarially for commencement prior to early retirement date, and does not include the Firefighter Supplement. |

Minimum Pre-Retirement Death Benefit (Continued)

Death after Retirement Eligible      The spouse may elect to receive the Monthly Accrued Benefit immediately or at normal retirement for a period of 10 years. For non-spousal beneficiaries, the benefit will begin on the first of the month following the date of death for a period of 10 years. The Monthly Accrued Benefit will be adjusted for early commencement and does not include the Firefighter Supplement.

Share Plan      Pursuant to Chapter 2015-39, Laws of Florida, a supplemental benefit component for special benefits exists but is currently not funded as the City and Membership mutually consented to allow the City use of all future State Monies.

Deferred Retirement Option Plan (“DROP”)

Eligibility      A Member may elect to enter the DROP upon reaching normal retirement date.

Participation      Members may participate for a maximum of 60 months.

Rate of Return      DROP accounts are credited at the end of each quarter with the net investment return of the Retirement System, with a minimum rate of 1.0% and a maximum rate of 6.5%.

Distribution      Lump sum and/or rollover to qualified retirement plan(s) at termination of employment.

Normal Form of Payment      Ten Year Certain and Life Annuity

Optional Forms of Payment

Actuarial Equivalence      Interest rate: 6.5%

Member Mortality Table: RP 2000 Group Annuity Table for males projected to 2010

Beneficiary Mortality Table: RP 2000 Group Annuity Table for females projected to 2010

Forms of Payment      50%, 66 2/3%, and 75% Joint and Contingent Survivor Annuity, reducing upon the death of the Member

50%, 66 2/3%, 75%, and 100% Joint and Last Survivor Annuity, reducing upon the death of either the Member or Beneficiary

Social Security Level Income Annuity

Partial Lump Sum of 5%, 10%, 20%, and 25%, with the remaining lump sum value paid as an annuity under the Normal Form or Optional Forms of Payment above

Cost of Living Adjustment (“COLA”)

|                           |  |
|---------------------------|--|
| Grandfathered Eligibility | Police Officers Members as of September 30, 2011 and Firefighter Members as of September 19, 2012, who are (1) actively employed and eligible for Normal Retirement, (2) Retired, (3) participating in DROP, or (4) otherwise inactive.  |
| Grandfathered Benefit     | 2.0% per year beginning on the first day of the month following 6 years of retirement and each year thereafter   |
| Eligibility               | Police Officers Members as of September 30, 2011 and Firefighter Members as of September 19, 2012, who are actively employed and not eligible for Normal Retirement.   |
| Benefit                   | 1.0% per year beginning on the first day of the month following 6 years of retirement and each year thereafter. Beginning October 2, 2012, a COLA Fund is established and funded by a percent of excess investment return on the actuarial value of assets. The amount transferred to the COLA fund is equal to 50% of the first 3.0% of excess return subject to the main Fund remaining in a net positive experience position determined on a cumulative basis from October 1, 2011. |
| Maximum COLA              | The accumulated increases in COLA shall not exceed \$1,500 per month. The \$1,500 per month maximum is subject to the following reductions: <ul style="list-style-type: none"><li>• Partial lump sum payments</li><li>• Joint and survivor factors</li><li>• Early retirement benefits</li><li>• Reduction to joint and survivor options upon death</li></ul>  |

COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS

|                                    | Firefighters<br><u>10/1/2024</u> | Police Officers<br><u>10/1/2024</u> | Total<br><u>10/1/2024</u> |
|------------------------------------|----------------------------------|-------------------------------------|---------------------------|
| <b>A. Participant Data</b>         |                                  |                                     |                           |
| Actives                            | 105                              | 210                                 | 315                       |
| Service Retirees                   | 101                              | 223                                 | 324                       |
| DROP Retirees                      | 6                                | 18                                  | 24                        |
| Beneficiaries                      | 18                               | 25                                  | 43                        |
| Disability Retirees                | 22                               | 38                                  | 60                        |
| Terminated Vested                  | <u>17</u>                        | <u>80</u>                           | <u>97</u>                 |
| <b>Total</b>                       | <b>269</b>                       | <b>594</b>                          | <b>863</b>                |
| <br>Payroll Under Assumed Ret. Age | <br>7,605,382                    | <br>16,435,741                      | <br>24,041,123            |
| <br>Annual Rate of Payments to:    |                                  |                                     |                           |
| Service Retirees                   | 5,700,793                        | 10,566,608                          | 16,267,401                |
| DROP Retirees                      | 369,824                          | 1,151,921                           | 1,521,745                 |
| Beneficiaries                      | 379,203                          | 545,019                             | 924,222                   |
| Disability Retirees                | 683,503                          | 1,141,733                           | 1,825,236                 |
| Terminated Vested                  | 13,600                           | 114,554                             | 128,154                   |
| <br><b>B. Assets</b>               |                                  |                                     |                           |
| Actuarial Value (AVA)              | 77,077,667                       | 150,722,020                         | 227,799,687               |
| Market Value (MVA)                 | 74,791,307                       | 146,251,143                         | 221,042,450               |
| <br><b>C. Liabilities</b>          |                                  |                                     |                           |
| <b>Present Value of Benefits</b>   |                                  |                                     |                           |
| <b>Actives</b>                     |                                  |                                     |                           |
| Retirement Benefits                | 32,897,881                       | 50,739,117                          | 83,636,998                |
| Disability Benefits                | 1,428,461                        | 3,167,316                           | 4,595,777                 |
| Death Benefits                     | 359,271                          | 699,685                             | 1,058,956                 |
| Vested Benefits                    | 1,058,774                        | 3,390,283                           | 4,449,057                 |
| Refund of Contributions            | 267,470                          | 1,103,174                           | 1,370,644                 |
| Service Retirees                   | 61,507,875                       | 123,877,369                         | 185,385,244               |
| DROP Retirees                      | 5,943,854                        | 18,422,265                          | 24,366,119                |
| Beneficiaries                      | 3,288,258                        | 5,182,747                           | 8,471,005                 |
| Disability Retirees                | 7,035,803                        | 13,555,670                          | 20,591,473                |
| Terminated Vested                  | 156,937                          | 1,267,285                           | 1,424,222                 |
| Share Plan Balances <sup>1</sup>   | 0                                | 0                                   | 0                         |
| COLA Fund Reserve <sup>1</sup>     | <u>541,644</u>                   | <u>1,059,160</u>                    | <u>1,600,804</u>          |
| <b>Total</b>                       | <b>114,486,228</b>               | <b>222,464,071</b>                  | <b>336,950,299</b>        |

COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS (CONTINUED)

| C. Liabilities - (Continued)                 | Firefighters<br><u>10/1/2024</u> | Police Officers<br><u>10/1/2024</u> | Total<br><u>10/1/2024</u> |
|--|----------------------------------|-------------------------------------|---------------------------|
| Present Value of Future Salaries             | 61,887,046                       | 134,324,091                         | 196,211,137               |
| Present Value of Future Member Contributions | 4,422,804                        | 13,432,409                          | 17,855,213                |
| Normal Cost (Retirement)                     | 1,175,417                        | 1,980,098                           | 3,155,515                 |
| Normal Cost (Disability)                     | 103,816                          | 230,567                             | 334,383                   |
| Normal Cost (Death)                          | 30,070                           | 58,747                              | 88,817                    |
| Normal Cost (Vesting)                        | 71,735                           | 221,866                             | 293,601                   |
| Normal Cost (Refunds)                        | 48,430                           | 184,194                             | 232,624                   |
| Total Normal Cost                            | <u>1,429,468</u>                 | <u>2,675,472</u>                    | <u>4,104,940</u>          |
| Present Value of Future Normal Costs         | 11,222,298                       | 20,535,953                          | 31,758,251                |
| Accrued Liability (Retirement)               | 23,488,493                       | 34,966,050                          | 58,454,543                |
| Accrued Liability (Disability)               | 614,925                          | 1,314,383                           | 1,929,308                 |
| Accrued Liability (Death)                    | 114,430                          | 220,076                             | 334,506                   |
| Accrued Liability (Vesting)                  | 532,149                          | 1,805,938                           | 2,338,087                 |
| Accrued Liability (Refunds)                  | 39,562                           | 257,175                             | 296,737                   |
| Accrued Liability (Inactives)                | 77,932,727                       | 162,305,336                         | 240,238,063               |
| Share Plan Balances <sup>1</sup>             | 0                                | 0                                   | 0                         |
| COLA Fund Reserve <sup>1</sup>               | 541,644                          | 1,059,160                           | 1,600,804                 |
| Total Actuarial Accrued Liability (EAN AL)   | <u>103,263,930</u>               | <u>201,928,118</u>                  | <u>305,192,048</u>        |
| Unfunded Actuarial Accrued Liability (UAAL)  | 26,186,263                       | 51,206,098                          | 77,392,361                |
| Funded Ratio (AVA / EAN AL)                  | 74.6%                            | 74.6%                               | 74.6%                     |

COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS (CONTINUED)

| D. Actuarial Present Value of<br>Accrued Benefits | Firefighters<br><u>10/1/2024</u> | Police Officers<br><u>10/1/2024</u> | Total<br><u>10/1/2024</u> |
|---|----------------------------------|-------------------------------------|---------------------------|
| Vested Accrued Benefits                           |                                  |                                     |                           |
| Inactives   | 77,932,727                       | 162,305,336                         | 240,238,063               |
| Actives   | 11,104,061                       | 13,960,745                          | 25,064,806                |
| Member Contributions                              | <u>5,521,649</u>                 | <u>9,804,164</u>                    | <u>15,325,813</u>         |
| Total   | 94,558,437                       | 186,070,245                         | 280,628,682               |
| Non-vested Accrued Benefits                       | <u>4,083,573</u>                 | <u>7,331,481</u>                    | <u>11,415,054</u>         |
| Total Present Value<br>Accrued Benefits (PVAB)    | 98,642,010                       | 193,401,726                         | 292,043,736               |
| Funded Ratio (MVA / PVAB)                         | 75.8%                            | 75.6%                               | 75.7%                     |

COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS (CONTINUED)

|  | Firefighters        | Police Officers     | Total                |
|--|---------------------|---------------------|----------------------|
| Valuation Date   | 10/1/2024           | 10/1/2024           | 10/1/2024            |
| Applicable to Fiscal Year Ending   | <u>9/30/2025</u>    | <u>9/30/2025</u>    | <u>9/30/2025</u>     |
| E. Pension Cost  |                     |                     |                      |
| Normal Cost <sup>1</sup>   | 1,491,364           | 2,791,320           | 4,282,684            |
| Administrative Expenses <sup>1</sup>   | 92,803              | 181,472             | 274,275              |
| Payment Required to Amortize<br>Unfunded Actuarial Accrued<br>Liability (UAAL)<br>(as of 10/1/2024) <sup>2</sup> | 3,553,013           | 6,947,762           | 10,500,775           |
| Minimum Required Contribution  | 5,137,180           | 9,920,554           | 15,057,734           |
| Expected Member Contributions <sup>1</sup>   | 709,386             | 1,658,678           | 2,368,064            |
| Expected City and State Contribution   | 4,427,794           | 8,261,876           | 12,689,670           |
| Estimated State Contribution   | 821,033             | 836,547             | 1,657,580            |
| Estimated City Contribution<br>as a % of payroll   | 3,606,761<br>47.42% | 7,425,329<br>45.18% | 11,032,090<br>45.89% |

<sup>1</sup> The asset values and liabilities include accumulated DROP and Share Plan Balances as of 9/30/2024. The actuarial value of assets, COLA Fund Reserve, and Share Plan Balances are allocated based on actuarial accrued liability.

<sup>1</sup> Contributions developed as of 10/1/2024 displayed above have been adjusted to account for assumed salary increase components. Administrative expenses and the payment required to amortize the UAAL are allocated based on actuarial accrued liability.