

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



FOSTER & FOSTER
ACTUARIES AND CONSULTANTS

July 3, 2025

Board of Trustees
City of Fort Lauderdale
Firefighters and Police Officers' Pension Board

Re: City of Fort Lauderdale Police 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 Fort Lauderdale Police 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 Fort Lauderdale, 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.

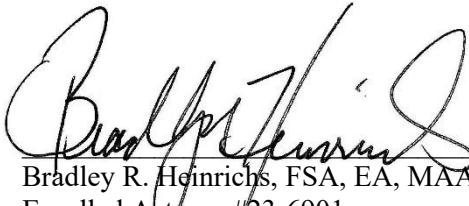
The undersigned are familiar with the immediate and long-term aspects of pension valuations and meet the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial opinions contained herein. All of the sections of this report are considered an integral part of the 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 Fort Lauderdale, nor does anyone at Foster & Foster, Inc. act as a member of the Board of Trustees of the Police 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

TABLE OF CONTENTS

Section	Title	Page
I	Introduction	
	a. Summary of Report	6
	b. Changes Since Prior Valuation	8
	c. Comparative Summary of Principal Valuation Results	9
II	Valuation Information	
	a. Reconciliation of Unfunded Actuarial Accrued Liabilities	15
	b. Detailed Actuarial (Gain)/Loss Analysis	17
	c. History of Funding Progress	19
	d. Actuarial Assumptions and Methods	20
	e. Glossary	24
	f. Discussion of Risk	26
III	Trust Fund	30
IV	Member Statistics	
	a. Statistical Data	37
	b. Age and Service Distribution	40
	c. Valuation Participant Reconciliation	43
V	Summary of Current Plan	44

SUMMARY OF REPORT

The regular annual actuarial valuation of the City of Fort Lauderdale Police 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
Applicable to Fiscal Year Ending	<u>9/30/2026</u>	<u>9/30/2025</u>
Assumed City Contribution Date	10/1/2025	10/1/2024
Minimum Required Contribution	\$45,611,379	\$38,548,770
Member Contributions (Est.)	9,941,834	8,572,249
City And State Required Contribution	35,669,545	29,976,521
State Contribution (Est.) ¹	7,065,109	7,065,109
City Required Contribution (Est.) ²	\$28,604,436	\$22,911,412
As % of Covered Payroll ²	31.4%	29.3%
As % of Covered Payroll (Incl. DROP) ²	23.7%	21.4%

¹ Reflects updated per capita amounts based on recent premium tax distributions. It is important to keep in mind that a slight adjustment to the City's bottom line funding requirement may be necessary, based on actual allowable State Monies received.

² Please note the percentage-of-payroll rates included in the table shown above are for illustration purposes only. The City should budget based on the actual dollar contribution requirements. Additionally, please note that the City has access to a prepaid contribution of \$1,232,772.13 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 unfavorable plan experience, a reduction in the assumed rate of investment return from 7.15% to 7.10%, and an increase in normal cost associated with an increase in active membership. The increase was offset in part by full recognition of the actuarial loss amortization base established on January 1, 2004 and near full recognition of the actuarial loss amortization base established on January 1, 2005.

Plan experience was unfavorable overall on the basis of the plan's actuarial assumptions. The primary source of actuarial loss was an average salary increase of 12.30% which exceeded the 5.27% assumption. and an investment return of 7.00% (Actuarial Asset Basis) which fell short of the 7.15% assumption. 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

As previously approved by the Board of Trustees, the investment return assumption has been lowered from 7.15% to 7.10%, net of investment related expenses.

COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS

	New Assump <u>10/1/2024</u>	Old Assump <u>10/1/2024</u>	<u>10/1/2023</u>
A. Participant Data			
Actives	792	792	728
Service Retirees	852	852	841
DROP Retirees	208	208	216
Beneficiaries	171	171	168
Disability Retirees	38	38	37
Terminated Vested	<u>42</u>	<u>42</u>	<u>39</u>
Total	2,103	2,103	2,029
Projected Annual Payroll	91,142,780	91,142,780	78,118,467
Annual Rate of Payments to:			
Service Retirees	47,141,503	47,141,503	45,339,444
DROP Retirees	18,333,560	18,333,560	18,773,756
Beneficiaries	4,662,686	4,662,686	4,473,114
Disability Retirees	1,876,646	1,876,646	1,807,723
Terminated Vested	714,591	714,591	649,125
B. Assets			
Actuarial Value (AVA)	1,144,124,830	1,144,124,830	1,098,139,421
Market Value (MVA)	1,174,583,535	1,174,583,535	1,036,581,478
C. Liabilities			
Present Value of Benefits			
Actives			
Retirement Benefits	577,088,247	571,032,584	492,650,922
Disability Benefits	10,624,069	10,541,694	8,850,636
Death Benefits	4,318,303	4,280,233	3,611,084
Vested Benefits	23,562,760	23,253,977	19,972,471
Refund of Contributions	1,469,546	1,467,348	1,189,520
Service Retirees	531,069,855	528,686,361	508,568,589
DROP Retirees	349,769,720	348,456,493	340,949,381
Beneficiaries	40,050,676	39,906,546	38,628,070
Disability Retirees	22,091,966	21,985,086	21,423,290
Terminated Vested	<u>6,602,158</u>	<u>6,550,344</u>	<u>5,699,064</u>
Total	1,566,647,300	1,556,160,666	1,441,543,027

C. Liabilities - (Continued)	New Assump <u>10/1/2024</u>	Old Assump <u>10/1/2024</u>	<u>10/1/2023</u>
Present Value of Future Salaries	933,531,900	930,464,692	776,345,258
Normal Cost (Retirement)	23,789,404	23,513,964	20,282,267
Normal Cost (Disability)	947,000	941,494	812,081
Normal Cost (Death)	340,671	338,519	294,701
Normal Cost (Vesting)	1,434,624	1,416,818	1,206,071
Normal Cost (Refunds)	<u>250,180</u>	<u>250,157</u>	<u>213,160</u>
Total Normal Cost	26,761,879	26,460,952	22,808,280
Present Value of Future Normal Costs	267,700,377	263,784,160	220,677,193
Accrued Liability (Retirement)	337,294,861	334,819,955	294,891,917
Accrued Liability (Disability)	2,068,444	2,059,735	1,793,781
Accrued Liability (Death)	703,673	700,242	613,904
Accrued Liability (Vesting)	9,244,390	9,160,559	8,250,210
Accrued Liability (Refunds)	51,180	51,185	47,628
Accrued Liability (Inactives)	<u>949,584,375</u>	<u>945,584,830</u>	<u>915,268,394</u>
Total Actuarial Accrued Liability (EAN AL)	1,298,946,923	1,292,376,506	1,220,865,834
Unfunded Actuarial Accrued Liability (UAAL)	154,822,093	148,251,676	122,726,413
Funded Ratio (AVA / EAN AL)	88.1%	88.5%	89.9%

D. Actuarial Present Value of Accrued Benefits	New Assump <u>10/1/2024</u>	Old Assump <u>10/1/2024</u>	<u>10/1/2023</u>
Vested Accrued Benefits			
Inactives	949,584,375	945,584,830	915,268,394
Actives	152,500,219	150,700,015	136,834,759
Member Contributions	<u>63,934,382</u>	<u>63,934,382</u>	<u>59,204,157</u>
Total	1,166,018,976	1,160,219,227	1,111,307,310
Non-vested Accrued Benefits	<u>51,522,362</u>	<u>51,135,869</u>	<u>45,753,029</u>
Total Present Value			
Accrued Benefits (PVAB)	1,217,541,338	1,211,355,096	1,157,060,339
Funded Ratio (MVA / PVAB)	96.5%	97.0%	89.6%
Increase (Decrease) in Present Value of Accrued Benefits Attributable to:			
Plan Amendments	0	0	
Assumption Changes	6,186,242	0	
Plan Experience	0	43,025,390	
Benefits Paid	0	(68,993,915)	
Interest	0	80,263,282	
Other	<u>0</u>	<u>0</u>	
Total	6,186,242	54,294,757	

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

Assumed City Contribution Date	October 1, 2025	October 1, 2025	October 1, 2024
E. Pension Cost			
Normal Cost ¹	\$28,239,135	\$27,921,597	\$24,044,489
Administrative Expenses ¹	755,523	755,523	672,580
Payment Required to Amortize Unfunded Actuarial Accrued Liability Over 20 years ¹	16,616,721	16,509,575	13,831,701
Applicable Interest ¹	0	0	0
Minimum Required Contribution	45,611,379	45,186,695	38,548,770
Expected Member Contributions ¹	9,941,834	9,941,834	8,572,249
Expected City and State Contribution	35,669,545	35,244,861	29,976,521
Less Expected State Contribution ²	7,065,109	7,065,109	7,065,109
Equals Expected City Required Contribution	28,604,436	28,179,752	22,911,412

F. Past Contributions

Plan Years Ending: 9/30/2024

City and State Requirement 27,611,505

Actual Contributions Made:

Members (excluding buyback)	9,879,660
City	20,539,014
State	<u>7,072,491</u>
Total	37,491,165

G. Net Actuarial (Gain)/Loss 29,495,916

¹ Contribution requirements developed above have been adjusted to account for an applicable assumed salary increase component. Additionally, the above stated requirements reflect no interest as a result of the assumed beginning of year City contribution date. If the required contributions are deposited at a later date, additional interest at the assumed 7.10% annual rate must be added.

² Reflects updated per capita amounts based on recent premium tax distributions.

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

<u>Year</u>	<u>Projected Unfunded Actuarial Accrued Liability</u>
2024	154,822,093
2025	148,948,930
2026	142,790,259
2031	107,157,944
2035	68,805,732
2040	25,566,272
2044	0

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

	<u>Actual</u>	<u>Assumed</u>
Year Ended 9/30/2024	12.30%	5.27%
Year Ended 9/30/2023	3.08%	5.15%
Year Ended 9/30/2022	4.80%	4.98%
Year Ended 9/30/2021	8.43%	4.97%
Year Ended 9/30/2020	3.31%	4.50%

(ii) 5 Year Comparison of Investment Return on Market Value and Actuarial Value

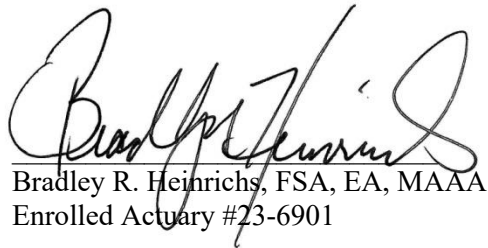
	<u>Market Value</u>	<u>Actuarial Value</u>	<u>Assumed</u>
Year Ended 9/30/2024	16.04%	7.00%	7.15%
Year Ended 9/30/2023	9.02%	4.49%	7.20%
Year Ended 9/30/2022	-10.03%	5.21%	7.25%
Year Ended 9/30/2021	18.98%	9.08%	7.30%
Year Ended 9/30/2020	5.62%	7.03%	7.30%

(iii) Average Annual Payroll Growth

(a) Payroll as of:	10/1/2024	\$91,142,780
	10/1/2014	70,270,174
(b) Total Increase		29.70%
(c) Number of Years		10.00
(d) Average Annual Rate		2.63%

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	\$122,726,413
(2)	Sponsor Normal Cost developed as of October 1, 2023	14,676,759
(3)	Expected administrative expenses for the year ended September 30, 2024	638,000
(4)	Expected interest on (1), (2) and (3)	9,847,135
(5)	Sponsor contributions to the System during the year ended September 30, 2024	27,611,505
(6)	Expected interest on (5)	1,521,042
(7)	Expected Unfunded Actuarial Accrued Liability as of September 30, 2024 (1)+(2)+(3)+(4)-(5)-(6)	118,755,760
(8)	Change to UAAL due to Assumption Change	6,570,417
(9)	Change to UAAL due to Actuarial (Gain)/Loss	29,495,916
(10)	Unfunded Actuarial Accrued Liability as of October 1, 2024	154,822,093

Type of <u>Base</u>	Date <u>Established</u>	Years <u>Remaining</u>	10/1/2024 <u>Amount</u>	Amortization <u>Amount</u>
Software Change	1/1/2005	0.25	(19,635)	(19,635)
Actuarial Loss	1/1/2005	0.25	155,020	155,020
Share Plan Gain	1/1/2006	1.25	(9,990)	(8,049)
Actuarial Loss	1/1/2006	1.25	282,525	227,626
Actuarial Loss	1/1/2007	2.25	171,283	78,856
Actuarial Gain	1/1/2008	3.25	(13,007)	(4,263)
Assump Change	1/1/2008	3.25	223,776	73,339
Asset Smooth Change	1/1/2008	3.25	(1,689,850)	(553,825)
Actuarial Loss	1/1/2009	4.25	6,373,394	1,642,019
Plan Amendment	1/1/2010	5.25	456,552	97,858
Actuarial Loss	1/1/2010	5.25	3,084,082	661,049
Actuarial Gain	1/1/2011	6.25	(109,724)	(20,297)
Actuarial Loss	1/1/2012	7.25	2,000,616	327,702
Assump Change	1/1/2012	7.25	2,548,007	417,365
Actuarial Gain	1/1/2013	8.25	(7,861,440)	(1,162,033)
Assump Change	1/1/2013	8.25	(288,569)	(42,655)
Actuarial Gain	10/1/2013	9	(1,181,267)	(163,244)
Plan Amendment	10/1/2013	9	(19,412)	(2,683)
Actuarial Gain	10/1/2014	10	(6,951,244)	(887,370)

Type of <u>Base</u>	Date <u>Established</u>	Years <u>Remaining</u>	10/1/2024 <u>Amount</u>	Amortization <u>Amount</u>
Plan Amendment	10/1/2014	10	915,440	116,862
Actuarial Loss	10/1/2015	11	4,029,732	479,867
Assump/Method Changes	10/1/2015	11	26,102,574	3,108,336
Actuarial Gain	10/1/2016	12	(2,816,943)	(315,437)
Assump Change	10/1/2016	12	13,450,857	1,506,207
Actuarial Gain	10/1/2017	13	(8,161,896)	(865,219)
Assump Change	10/1/2017	13	8,943,207	948,044
Plan Amendment	10/1/2017	13	9,353	991
Actuarial Gain	10/1/2018	14	(6,205,656)	(626,304)
Assump Change	10/1/2018	14	4,278,740	431,831
Plan Amendment	10/1/2018	14	93,919	9,479
Actuarial Loss	10/1/2019	15	14,066,545	1,358,170
Assump Change	10/1/2019	15	4,825,208	465,889
Actuarial Gain	10/1/2020	16	(532,997)	(49,440)
Assump Change	10/1/2020	16	10,299,056	955,330
Actuarial Gain	10/1/2021	17	(801,267)	(71,665)
Assump Change	10/1/2021	17	5,472,863	489,492
Actuarial Loss	10/1/2022	18	6,775,120	586,159
Assump Change	10/1/2022	18	5,807,011	502,402
Plan Amendment	10/1/2022	18	5,447,296	471,280
Actuarial Loss	10/1/2023	19	23,490,651	1,971,472
Assump Change	10/1/2023	19	6,115,830	513,276
Actuarial Loss	10/1/2024	20	29,495,916	2,407,395
Assump Change	10/1/2024	20	6,570,417	536,264
			<u>154,822,093</u>	<u>15,747,461</u>

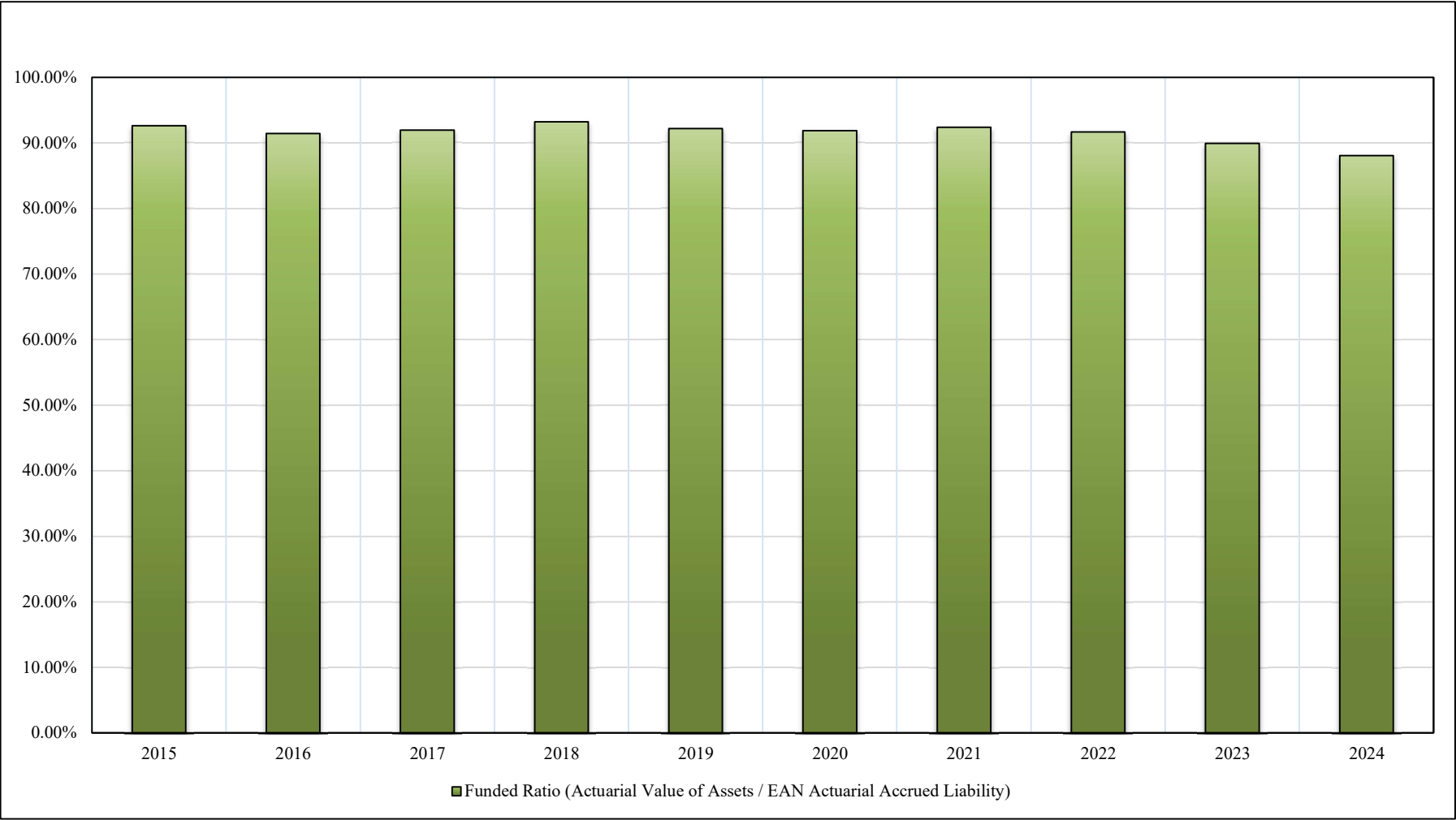
DETAILED ACTUARIAL (GAIN)/LOSS ANALYSIS

(1) Unfunded Actuarial Accrued Liability (UAAL) as of October 1, 2023	\$122,726,413
(2) Expected UAAL as of October 1, 2024	118,755,760
(3) Summary of Actuarial (Gain)/Loss, by component:	
Investment Return (Actuarial Asset Basis)	1,674,344
Salary Increases	22,179,356
Active Decrements	3,837,984
Inactive Mortality	(685,475)
Other	<u>2,489,707</u>
Increase in UAAL due to (Gain)/Loss	29,495,916
Assumption Changes	<u>6,570,417</u>
(4) Actual UAAL as of October 1, 2024	\$154,822,093

DETERMINATION OF CUMULATIVE GAIN/(LOSS) EXPERIENCE POSITION

<u>Valuation Date</u>	<u>Year Ended</u>	<u>Gain/(Loss)</u>	<u>Balance</u>
1/1/1995	12/31/1994	(7,367,475)	(7,367,475)
1/1/1996	12/31/1995	5,757,825	(1,609,650)
1/1/1997	12/31/1996	8,249,398	6,639,748
1/1/1998	12/31/1997	14,303,191	20,942,939
1/1/1999	12/31/1998	26,177,594	47,120,533
1/1/2000	12/31/1999	26,361,263	73,481,796
1/1/2001	12/31/2000	18,708,226	92,190,022
1/1/2002	12/31/2001	(15,137,682)	77,052,340
1/1/2003	12/31/2002	(51,423,738)	25,628,602
1/1/2004	12/31/2003	(28,715,070)	(3,086,468)
1/1/2005	12/31/2004	(23,810,048)	(26,896,516)
1/1/2006	12/31/2005	(8,656,358)	(35,552,874)
1/1/2007	12/31/2006	(3,123,728)	(38,676,602)
1/1/2008	12/31/2007	169,648	(38,506,954)
1/1/2009	12/31/2008	(66,572,825)	(105,079,779)
1/1/2010	12/31/2009	(27,303,032)	(132,382,811)
1/1/2011	12/31/2010	854,077	(131,528,734)
1/1/2012	12/31/2011	(14,047,611)	(145,576,345)
1/1/2013	12/31/2012	12,807,830	(132,768,515)
10/1/2013	9/30/2013	1,811,169	(130,957,346)
10/1/2014	9/30/2014	9,867,338	(121,090,008)
10/1/2015	9/30/2015	(4,973,675)	(126,063,683)
10/1/2016	9/30/2016	3,492,745	(122,570,938)
10/1/2017	9/30/2017	9,924,966	(112,645,972)
10/1/2018	9/30/2018	7,061,664	(105,584,308)
10/1/2019	9/30/2019	(15,252,381)	(120,836,689)
10/1/2020	9/30/2020	571,839	(120,264,850)
10/1/2021	9/30/2021	842,008	(119,422,842)
10/1/2022	9/30/2022	(6,907,444)	(126,330,286)
10/1/2023	9/30/2023	(23,615,025)	(149,945,311)
10/1/2024	9/30/2024	(29,495,916)	(179,441,227)

HISTORY OF FUNDING PROGRESS



ACTUARIAL ASSUMPTIONS AND METHODS

Mortality Rate

Healthy Active Lives:

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

Male: PubS.H-2010 (Above 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 (Above Median) for Healthy Retirees, set forward one year.

Beneficiary Lives:

Female: PubG.H-2010 (Above Median) 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.

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

Interest Rate

7.10% (prior year 7.15%) 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.

Payroll Growth

1.14% 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.

Salary Increases

Salary Scale	
Service	Rate
<7	5.11%
7-10	1.46%
11-25	0.97%
26+	0.49%

Expected increase in annual salary in addition to 2.75% inflationary component. The assumed rates of salary increase were approved in conjunction with an actuarial experience study dated June 8, 2020.

Administrative Expenses

\$716,000 annually, based on the average of actual expenses incurred in the prior two fiscal years.

Amortization Method

New UAAL amortization bases are amortized over 20 years.

The amortization payment is subject to a minimum based on a 30-year amortization of the UAAL, if the UAAL is positive, in order to comply with Actuarial Standard of Practice No. 4.

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

Retirement Rates

% Retiring During the Year		
Service	Police	Fire
10-19	5.0%	4.0%
20	30.0%	25.0%
21	30.0%	25.0%
22	20.0%	37.5%
23	33.3%	37.5%
24	66.7%	50.0%
25+	100.0%	100.0%

No Members are expected to take reduced Early Retirement. The assumed rates of retirement were approved in conjunction with an actuarial experience study dated June 8, 2020.

Cost of Living Adjustments

None.

Funding Method

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

Interest - None, based on current 7.10% assumption.

Salary - A full year, based on current 5.52% assumption.

Marital Status

All employed Members and all retired Members are assumed to be married. Females are assumed to be 3 years younger than males. This assumption was approved in conjunction with an actuarial experience study dated July 10, 2015.

Termination Rates

<u>% Terminating During the Year</u>		
<u>Service</u>	<u>Police</u>	<u>Fire</u>
0	14.0%	7.5%
1	7.0%	2.5%
2	3.5%	0.5%
3	3.5%	0.5%
4	3.5%	0.5%
5+	1.5%	0.5%

The assumed rates of termination were approved in conjunction with an actuarial experience study dated June 8, 2020.

Disability Rates

<u>% Becoming Disabled During the Year</u>		
<u>Age</u>	<u>Police</u>	<u>Fire</u>
20	0.04%	0.11%
25	0.04%	0.12%
30	0.05%	0.14%
35	0.06%	0.18%
40	0.08%	0.24%
45	0.13%	0.41%
50	0.25%	0.80%
55+	0.39%	1.24%

It is assumed that 90% of Firefighter disablements, and 75% of Police Officer disablements are service related. The assumed rates of disablement were approved in conjunction with an actuarial experience study dated June 8, 2020.

Actuarial Value of Assets

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

DROP Participation

DROP participants are assumed to exit the DROP after 6 years. This assumption was approved in conjunction with an actuarial experience study dated June 8, 2020.

Low-Default-Risk Obligation Measure

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

GLOSSARY

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

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

(a) The normal cost accrual rate equals:

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

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

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

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

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

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

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

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

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

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

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

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

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

DISCUSSION OF RISK

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

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

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

- Investment Return: When the rate of return on the Actuarial Value of Assets falls short of the assumption, this produces a loss representing assumed investment earnings that were not realized. Further, it is unlikely that the plan will experience a scenario that matches the assumed return in each year as capital markets can be volatile from year to year. Therefore, contribution amounts can vary in the future.
- Salary Increases: When a plan participant experiences a salary increase that was greater than assumed, this produces a loss representing the cost of an increase in anticipated plan benefits for the participant as compared to the previous year. The total gain or loss associated with salary increases for the plan is the sum of salary gains and losses for all active participants.
- Payroll Growth: The plan's payroll growth assumption, if one is used, causes a predictable annual increase in the plan's amortization payment in order to produce an amortization payment that remains constant as a percentage of payroll if all assumptions are realized. If payroll increases less than the plan's payroll growth assumption, the plan's amortization payment can increase significantly as a percentage of payroll even if all assumptions other than the payroll growth assumption are realized.
- 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 78.2% on October 1, 2014 to 61.6% on October 1, 2024, indicating that the plan has been maturing during the period.
- The Accrued Liability Ratio, determined as the ratio of the Inactive Accrued Liability, which is the liability associated with members who are no longer employed but are due a benefit from the plan, to the Total Accrued Liability, is 73.1%. 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 decreased from 96.7% on October 1, 2014 to 88.1% on October 1, 2024 due mainly to assumption change made during the period.
- 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, stayed approximately the same from October 1, 2014 to October 1, 2024. The current Net Cash Flow Ratio of -2.4% 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 10 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 \$1,859,064,503. 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	792	728	763	798
Total Inactives ¹	1,286	1,278	1,150	1,020
Actives / Inactives ¹	61.6%	57.0%	66.3%	78.2%

Asset Volatility Ratio

Market Value of Assets (MVA)	1,174,583,535	1,036,581,478	927,340,809	760,851,264
Total Annual Payroll	91,412,508	78,366,984	77,841,923	70,953,933
MVA / Total Annual Payroll	1,284.9%	1,322.7%	1,191.3%	1,072.3%

Accrued Liability (AL) Ratio

Inactive Accrued Liability	949,584,375	915,268,394	692,917,982	513,042,598
Total Accrued Liability (EAN)	1,298,946,923	1,220,865,834	1,018,711,326	780,084,565
Inactive AL / Total AL	73.1%	75.0%	68.0%	65.8%

Funded Ratio

Actuarial Value of Assets (AVA)	1,144,124,830	1,098,139,421	939,243,604	754,116,298
Total Accrued Liability (EAN)	1,298,946,923	1,220,865,834	1,018,711,326	780,084,565
AVA / Total Accrued Liability (EAN)	88.1%	89.9%	92.2%	96.7%

Net Cash Flow Ratio

Net Cash Flow ²	(28,702,269)	(28,694,539)	(16,229,916)	(17,601,227)
Market Value of Assets (MVA)	1,174,583,535	1,036,581,478	927,340,809	760,851,264
Ratio	-2.4%	-2.8%	-1.8%	-2.3%

¹ Excludes terminated participants awaiting a refund of member contributions.

² Determined as total contributions minus benefit payments and administrative expenses.

STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2024

<u>ASSETS</u>	MARKET VALUE
Cash and Cash Equivalents:	
Money Market	17,500,572.00
Total Cash and Equivalents	17,500,572.00
Receivables:	
Member Buy-Back Contributions	15,493.77
Due from the City of Fort Lauderdale	384,401.00
State Contributions	631,442.21
From Broker for Investments Sold	2,287,841.00
Investment Income	1,863,346.00
Total Receivable	5,182,523.98
Investments:	
U. S. Bonds and Bills	115,022,913.00
Federal Agency Guaranteed Securities	7,891,056.00
Corporate Bonds and Other Fixed Income	114,932,298.00
Real Estate	148,690,368.00
Hedge Fund of Funds	13,039,183.00
Equity Securities	291,809,144.00
Private Debt and Equity Funds	92,104,138.00
Index Funds and Other	219,820,667.00
Commingled Equity Funds	202,477,102.00
Total Investments	1,205,786,869.00
Intangible right to use leased assets, net of amortization	167,927.00
Total Assets	1,228,637,891.98
<u>LIABILITIES</u>	
Payables:	
To Broker for Investments Purchased	2,488,212.00
Accounts Payable and Accrued Liabilities	772,217.00
Due to the City of Fort Lauderdale	3,141,147.00
Current portion of long-term liabilities	67,510.00
Due in more than one year	103,320.00
Prepaid City Contribution	1,232,772.13
Total Liabilities	7,805,178.13
Net Assets:	
Active and Retired Members' Equity	1,174,583,535.43
Share Plan Benefits	46,249,178.42
NET POSITION RESTRICTED FOR PENSIONS	1,220,832,713.85

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

ADDITIONS

Contributions:

Member	9,879,659.75
Member for Buyback	852,969.02
Member Share for Buyback	321,557.33
City	20,539,014.16
State for Share Plan	2,379,803.13
State for Contribution	7,072,490.84

Total Contributions	41,045,494.23
---------------------	---------------

Investment Income:

Net Increase in Fair Value of Investments	148,272,961.32
Miscellaneous Income	14,047,481.00
Interest & Dividends	16,342,693.48
Less Investment Expense ¹	(7,729,001.51)

Net Investment Income	170,934,134.29
-----------------------	----------------

Total Additions	211,979,628.52
-----------------	----------------

DEDUCTIONS

Distributions to Members:

Benefit Payments	52,819,454.06
Lump Sum DROP Distributions	11,862,811.19
Lump Sum Share Distributions	3,862,506.75
Lump Sum Share for Buybacks	321,557.33
Refunds of Member Contributions	127,586.13

Total Distributions	68,993,915.46
---------------------	---------------

Administrative Expense	753,847.68
------------------------	------------

Administrative Expense for Share	47,888.32
----------------------------------	-----------

Share Account Net Change	4,181,919.61
--------------------------	--------------

Total Deductions	73,977,571.07
------------------	---------------

Net Increase in Net Position	138,002,057.45
------------------------------	----------------

NET POSITION RESTRICTED FOR PENSIONS

Beginning of the Year	1,036,581,477.98
-----------------------	------------------

End of the Year	1,174,583,535.43
-----------------	------------------

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

ACTUARIAL ASSET VALUATION
September 30, 2024

Actuarial Assets for funding purposes are developed by recognizing the total actuarial investment gain or loss for each Plan Year over a five year period. In the first year, 20% of the gain or loss is recognized. In the second year 40%, in the third year 60%, in the fourth year 80%, and in the fifth year 100% of the gain or loss is recognized. The actuarial investment gain or loss is defined as the actual return on investments minus the actuarial assumed investment return. Actuarial Assets shall not be less than 80% nor greater than 120% of Market Value of Assets.

Plan Year Ending	Gain/(Loss)	<u>Gains/Losses Not Yet Recognized</u>				
		Amounts Not Yet Recognized by Valuation Year				
		2024	2025	2026	2027	2028
09/30/2020	(15,983,927)	0	0	0	0	0
09/30/2021	114,653,628	22,930,724	0	0	0	0
09/30/2022	(197,999,533)	(79,199,812)	(39,599,905)	0	0	0
09/30/2023	18,221,391	10,932,835	7,288,557	3,644,279	0	0
09/30/2024	94,743,697	75,794,958	56,846,219	37,897,480	18,948,741	0
Total		30,458,705	24,534,871	41,541,759	18,948,741	0

<u>Development of Investment Gain/Loss</u>	
Market Value of Assets, including Share Account, 09/30/2023	1,080,069,680
Contributions Less Benefit Payments & Admin Expenses	(28,938,328)
Expected Investment Earnings*	76,190,437
Actual Net Investment Earnings	170,934,134
2024 Actuarial Investment Gain/(Loss)	<u>94,743,697</u>

*Expected Investment Earnings = $0.0715 * (1,080,069,680 - 0.5 * 28,938,328)$

<u>Development of Actuarial Value of Assets</u>	
(1) Market Value of Assets, net of Share, 09/30/2024	1,174,583,535
(2) Gains/(Losses) Not Yet Recognized	30,458,705
(3) Actuarial Value of Assets, net of Share, 09/30/2024, (1) - (2)	<u>1,144,124,830</u>
(4) Limited Actuarial Value of Assets (not including Share), 09/30/2024	1,144,124,830
(A) 09/30/2023 Actuarial Assets, including Share:	1,141,627,623
(I) Net Investment Income:	
1. Interest, Dividends and Other Income	30,390,174
2. Net Increase in Fair Value of Investments	148,272,961
3. Change in Actuarial Value	(92,016,648)
4. Investment Expenses	<u>(7,729,002)</u>
Total	<u>78,917,486</u>
(B) 09/30/2024 Actuarial Assets, including Share:	1,191,606,781

Actuarial Assets Rate of Return = $2I/(A+B-I)$: 7.00%
Market Value of Assets Rate of Return: 16.04%

Actuarial Gain/(Loss) due to Investment Return (Actuarial Asset Basis) (1,674,344)

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

REVENUES

Contributions:		
Member	9,879,659.75	
Member for Buyback	852,969.02	
Member Share for Buyback	321,557.33	
City	20,539,014.16	
State for Share Plan	2,379,803.13	
State for Contribution	7,072,490.84	
Total Contributions		41,045,494.23
Earnings from Investments:		
Interest & Dividends	16,342,693.48	
Miscellaneous Income	14,047,481.00	
Net Increase in Fair Value of Investments	148,272,961.32	
Change in Actuarial Value	(92,016,648.00)	
Total Earnings and Investment Gains		86,646,487.80

EXPENDITURES

Distributions to Members:		
Benefit Payments	52,819,454.06	
Lump Sum DROP Distributions	11,862,811.19	
Lump Sum Share Distributions	3,862,506.75	
Lump Sum Share for Buybacks	321,557.33	
Refunds of Member Contributions	127,586.13	
Total Distributions		68,993,915.46
Expenses:		
Investment related ¹	7,729,001.51	
Administrative	753,847.68	
Administrative for Share	47,888.32	
Total Expenses		8,530,737.51
Share Account Net Change		4,181,919.61
Change in Net Assets for the Year		45,985,409.45
Net Assets Beginning of the Year		1,098,139,420.98
Net Assets End of the Year ²		1,144,124,830.43

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

²Net Assets may be limited for actuarial consideration.

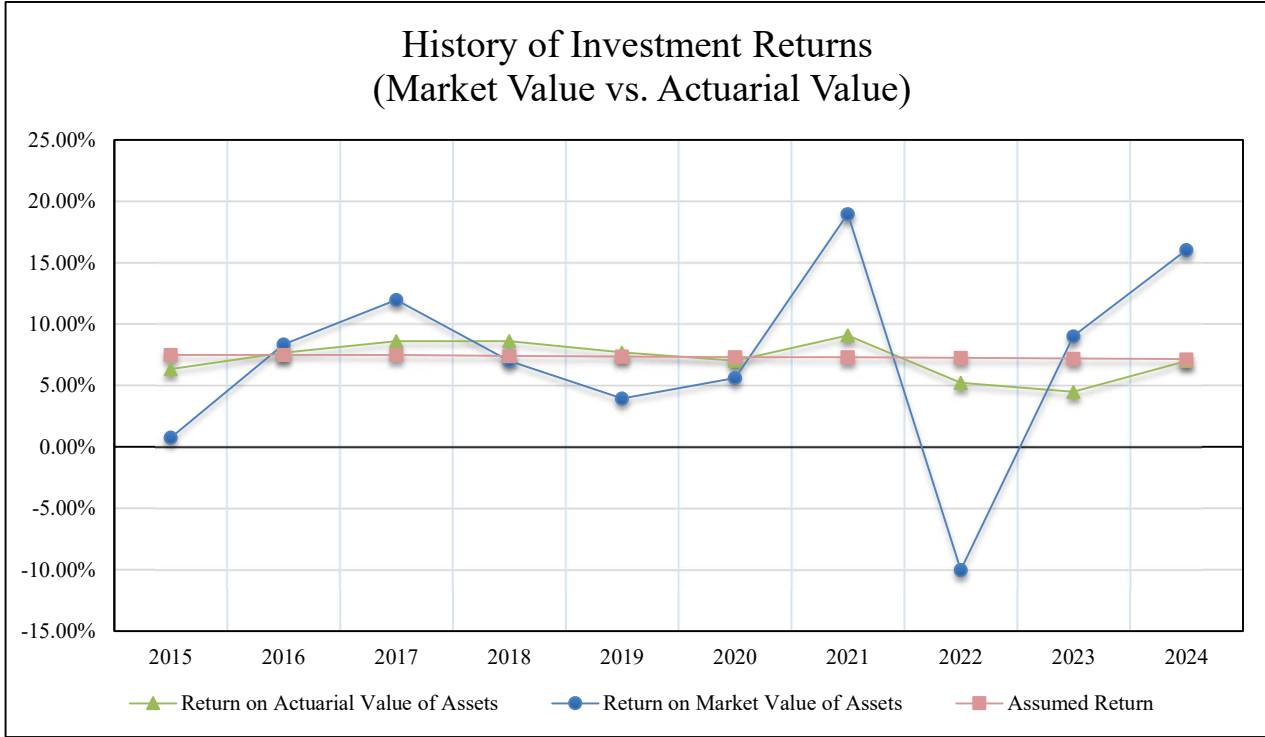
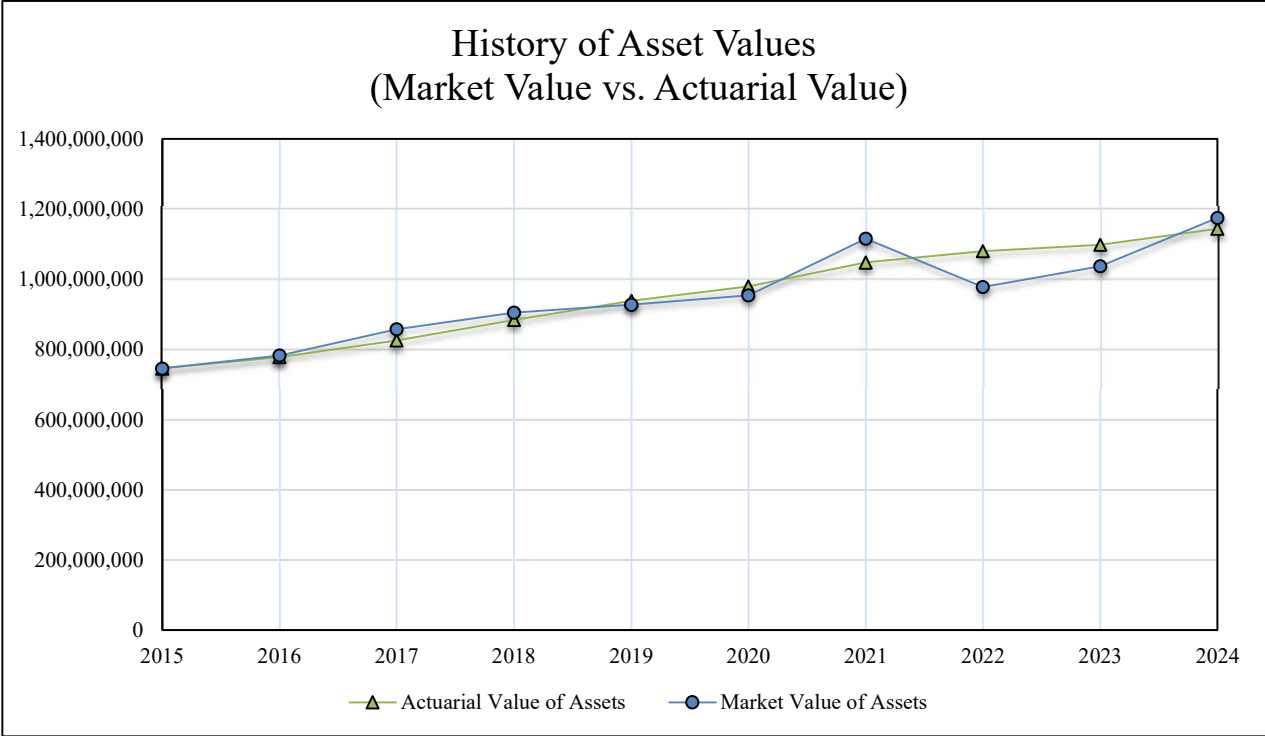
DEFERRED RETIREMENT OPTION PLAN ACTIVITY
October 1, 2023 to September 30, 2024

Beginning of the Year Balance	92,414,626.87
Plus Additions	18,484,379.19
Investment Return Earned	7,017,309.67
Less Distributions	(11,862,811.19)
End of the Year Balance	106,053,504.54

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

(1) Required City and State Contributions	\$27,611,505.00
(2) Less Allowable State Contribution	<u>(7,072,490.84)</u>
(3) Required City Contribution for Fiscal 2024	20,539,014.16
(4) Less 2023 Prepaid Contribution	(1,420,943.29)
(5) Less Actual City Contributions	<u>(20,350,843.00)</u>
(6) Equals City's Shortfall/(Prepaid) Contribution as of September 30, 2024	(\$1,232,772.13)

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 - Hired before 10/1/2014</u>				
Number	355	379	418	472
Average Current Age	43.2	42.8	42.3	42.1
Average Age at Employment	27.0	27.3	27.4	27.7
Average Past Service	16.2	15.5	14.9	14.4
Average Annual Salary	\$134,787	\$121,905	\$121,424	\$118,725
<u>Actives - Hired on or after 10/1/2014</u>				
Number	437	349	281	236
Average Current Age	32.5	32.3	32.3	31.7
Average Age at Employment	28.6	28.5	28.6	28.4
Average Past Service	3.9	3.8	3.7	3.3
Average Annual Salary	\$99,687	\$92,164	\$90,905	\$84,564
<u>Service Retirees</u>				
Number	852	841	804	789
Average Current Age	67.8	67.5	67.4	67.4
Average Annual Benefit	\$55,330	\$53,911	\$52,876	\$51,433
<u>DROP Retirees</u>				
Number	208	216	221	210
Average Current Age	53.2	52.8	52.2	52.4
Average Annual Benefit	\$88,142	\$86,916	\$84,942	\$84,575
<u>Beneficiaries</u>				
Number	171	168	173	172
Average Current Age	76.2	75.1	74.7	74.5
Average Annual Benefit	\$27,267	\$26,626	\$26,065	\$26,006
<u>Disability Retirees</u>				
Number	38	37	35	32
Average Current Age	56.4	56.0	55.8	55.7
Average Annual Benefit	\$49,385	\$48,857	\$47,092	\$45,320

STATISTICAL DATA
(Police Only)

	<u>10/1/2024</u>	<u>10/1/2023</u>	<u>10/1/2022</u>	<u>10/1/2021</u>
<u>Actives - Hired before 10/1/2014</u>				
Number	213	226	250	285
Average Current Age	43.4	42.9	42.3	42.2
Average Age at Employment	26.9	27.2	27.3	27.7
Average Past Service	16.5	15.7	15.0	14.4
Average Annual Salary	\$136,095	\$122,716	\$122,855	\$118,285
<u>Actives - Hired on or after 10/1/2014</u>				
Number	245	201	174	134
Average Current Age	33.1	32.5	32.0	31.5
Average Age at Employment	29.1	28.7	28.6	28.3
Average Past Service	4.0	3.8	3.4	3.2
Average Annual Salary	\$101,960	\$95,016	\$91,182	\$83,754

STATISTICAL DATA
(Fire Only)

	<u>10/1/2024</u>	<u>10/1/2023</u>	<u>10/1/2022</u>	<u>10/1/2021</u>
<u>Actives - Hired before 10/1/2014</u>				
Number	142	153	168	187
Average Current Age	42.9	42.5	42.3	42.0
Average Age at Employment	27.1	27.3	27.6	27.5
Average Past Service	15.8	15.3	14.7	14.4
Average Annual Salary	\$132,825	\$120,706	\$119,293	\$119,394
<u>Actives - Hired on or after 10/1/2014</u>				
Number	192	148	107	102
Average Current Age	31.7	32.0	32.8	31.9
Average Age at Employment	28.0	28.3	28.7	28.6
Average Past Service	3.7	3.7	4.1	3.3
Average Annual Salary	\$96,787	\$88,289	\$90,455	\$85,628

AGE AND SERVICE DISTRIBUTION

PAST SERVICE

AGE	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30+	Total
15 - 19												0
20 - 24	22	10		1								33
25 - 29	39	38	16	10	4	22						129
30 - 34	22	13	14	13	8	59	12					141
35 - 39	7	11	10	6	6	50	62	30				182
40 - 44	4	5	2	7	2	16	34	87	3			160
45 - 49			3	1		5	14	45	13			81
50 - 54	2					6	7	35	2			52
55 - 59	1	1				1	2	7				12
60 - 64								2				2
65+												0
Total	97	78	45	38	20	159	131	206	18	0	0	792

AGE AND SERVICE DISTRIBUTION
(Police Only)

PAST SERVICE

AGE	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30+	Total
15 - 19												0
20 - 24	5	5										10
25 - 29	20	17	11	1	2	14						65
30 - 34	15	4	13	8	7	37	6					90
35 - 39	4	7	7	4	5	30	37	18				112
40 - 44	3	1	2	3	1	6	19	48	1			84
45 - 49			3	1		2	11	31	10			58
50 - 54	2					2	3	20	2			29
55 - 59	1	1				1	1	5				9
60 - 64								1				1
65+												0
Total	50	35	36	17	15	92	77	123	13	0	0	458

AGE AND SERVICE DISTRIBUTION
(Fire Only)

PAST SERVICE

AGE	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30+	Total
15 - 19												0
20 - 24	17	5		1								23
25 - 29	19	21	5	9	2	8						64
30 - 34	7	9	1	5	1	22	6					51
35 - 39	3	4	3	2	1	20	25	12				70
40 - 44	1	4		4	1	10	15	39	2			76
45 - 49						3	3	14	3			23
50 - 54						4	4	15				23
55 - 59							1	2				3
60 - 64								1				1
65+												0
Total	47	43	9	21	5	67	54	83	5	0	0	334

VALUATION PARTICIPANT RECONCILIATION

1. Active lives

a. Number in prior valuation 10/1/2023	728
b. Terminations	
i. Vested (partial or full) with deferred annuity	(1)
ii. Vested in refund of member contributions only	(6)
iii. Refund of member contributions or full lump sum distribution	(4)
c. Deaths	
i. Beneficiary receiving benefits	0
ii. No future benefits payable	0
d. Disabled	(1)
e. Retired	(4)
f. DROP	(19)
g. Continuing participants	693
h. New entrants / Rehires	99
i. Total active life participants in valuation	792

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

	Service Retirees, Vested Receiving <u>Benefits</u>	DROP <u>Benefits</u>	Receiving Death <u>Benefits</u>	Receiving Disability <u>Benefits</u>	Vested (Deferred Annuity)	Vested (Due Refund)	Total
a. Number prior valuation	841	216	168	37	16	23	1,301
Retired	31	(27)					4
DROP		19					19
Vested (Deferred Annuity)					1		1
Vested (Due Refund)						6	6
Hired/Terminated in Same Year						2	2
Death, With Survivor	(14)		14				0
Death, No Survivor	(6)		(9)				(15)
Disabled				1			1
Refund of Contributions						(5)	(5)
Rehires						(1)	(1)
Expired Annuities			(2)				(2)
Data Corrections							0
b. Number current valuation	852	208	171	38	17	25	1,311

SUMMARY OF CURRENT PLAN

<u>Membership</u>	Police officers and firefighters.
<u>Credited Service</u>	Total years and fractional parts of years of years of service of any Member, from the date he first entered employment as a Police Officer or Firefighter until either the date of his DROP Retirement or the date his employment shall be terminated by death, retirement, or discharge.
<u>Compensation</u>	Base pay, assignment pay, and longevity bonuses, including pick-up contributions, and up to eighty (80) hours of overtime for police officers.
<u>Average Final Compensation (AFC)</u>	Average Compensation during the highest 2 years of Credited Service.
<u>Member Contributions</u>	10.00% of Compensation, reducing to 1% one the maximum percent of AFC is attained.
<u>City and State Contributions</u>	Remaining amount required in order to pay current costs and amortize unfunded past service cost, if any, as provided in Part VII, Chapter 112, F.S.
<u>Normal Retirement</u>	
Date	<i>Firefighters hired prior October 1, 2014:</i> Earlier of: 1) Age 55 with 10 years of Credited Service, or 2) attainment of 20 years of Credited Service, regardless of Age. <i>Firefighters hired after September 30, 2014:</i> Earlier of: 1) Age 55 with 10 years of Credited Service, or 2) attainment of 25 years of Credited Service, regardless of Age. <i>Police Officers hired prior to April 1, 2014:</i> Earlier of: 1) Age 55 with 10 years of Credited Service, or 2) attainment of 20 years of Credited Service, regardless of Age. <i>Police Officers hired after March 31, 2014:</i> Earlier of: 1) Age 55 with 10 years of Credited Service, or 2) attainment of 24 years of Credited Service, regardless of Age.
Plan 1 Benefit	3.38% of Average Final Compensation times Credited Service, with a maximum of 81% of Average Final Compensation. Firefighters with 25 or more years of Credited Service on October 1, 2002 (January 1, 2002 for Police Officers) are subject to a maximum of 91.26% of Average Final Compensation. Firefighters employed before December 11, 1993 receive an additional 2.0% of Average Final Compensation (excluded from the 81% maximum percentage).

Plan 2 Benefit	3.0% of Average Final Compensation for the first 20 years of Credited Service, plus 2.0% of Average Final Compensation for each year in excess of 20. Firefighters employed before December 11, 1993 receive an additional 2.0% of Average Final Compensation.
Form of Benefit	60% Joint and Survivor, with an additional 40% death benefit during the first year of retirement (Optional forms available).
<u>Early Retirement (Firefighters Only)</u>	
Eligibility	Age 50 with 10 years of Credited Service.
Benefit	Accrued benefit, reduced 3.0% per year that the benefit commencement date precedes the Normal Retirement date.
<u>Vesting</u>	
Less than 10 Years of Credited Service	Refund of Member contributions. For Police Officers who separate employment with the City on or after December 3, 2013 and Firefighters who separate employment with the City on or after October 1, 2014, no interest will be credited when determining the refund amount.
10 years of Credited Service	Accrued benefit deferred to the earlier of 1) Age 55 or 2) when the Member would have attained age 50 with 20 years of Credited Service had they not separated employment.
<u>Disability</u>	
Eligibility	Covered from Date of Employment.
Exclusions	Disability resulting from use of drugs, illegal participation in riots, service in military, etc.
Benefit	
Non-Service Connected	50% of Average Final Compensation offset by 100% of Social Security Disability benefits, Workers' Compensation benefits, and earned income.
Service Connected	65% of Average Final Compensation.
Duration	Payable for life or until recovery.

Death Benefits

Eligibility

Covered from Date of Employment.

Benefit

Non-Service Connected

50% of the Member's monthly Compensation for eight (8) years. For a Member with at least 10 years of Credited Service, not less than the benefits otherwise payable at early or normal retirement age. The minimum benefit payable is four (4) times the rate of the Member's annual compensation.

Service Connected

50% of Member's monthly Compensation to spouse until death or remarriage. Children's benefits of 10% of Member's monthly benefits per child (50% maximum) until age 18, and a maximum of 80% to spouse and children. For Members who are not married and have no children, a 10-year benefit will be paid to the designated beneficiary. The minimum benefit payable is four (4) times the rate of the Member's annual compensation.

COLA

Adjustment Date

July 1st

Eligibility

Receipt of retirement benefits for one year. Additionally, must have entered Retirement status prior to July 1, 2008.

Amount

Lesser of 1) percentage not greater than CPI (all Urban Consumers) for preceding calendar year, or 2) percentage increase limited to present value of which can be funded by excess gains for preceding calendar year. Maximum cost-of-living adjustment is 5.0%.

The COLA increase may be granted only if the System remains in a net positive experience position, determined on a cumulative basis from January 1, 1987 (in State Statute – not in Ordinance)

DROP

Members eligible for Normal Retirement may elect either a Deferred Retirement Option Plan for up to 96 months or a Benefit Actuarially Calculated Deferred Retirement Option Program for up to 36 months, but not both. Each month a Member delays entry into DROP following attainment of 23.96 years of service, the 96-month maximum DROP participation period shall be correspondingly reduced by one month. Tier 1 DROP participants shall contribute 1.75% of salary during DROP participation. Tier 2 DROP participants shall contribute 10% of salary up to 25 years of service, and 1.50% of salary for each year thereafter. Members will not receive a refund of contributions made while participating in DROP.

DROP accounts earn 6% simple interest for the first 60 months of DROP participation. Thereafter, DROP accounts earn the Plan's net rate of return, limited to between 3% and 6% per year.

An optional self-directed DROP earnings program as an alternative to the guaranteed DROP return is available for Police Officers. Police Officers and Sergeants who elect the self-directed DROP option may voluntarily elect an optional DROP period not to exceed 120 months.