CITY OF NAPLES
FIREFIGHTERS' PENSION AND RETIREMENT SYSTEM

ACTUARIAL VALUATION
AS OF OCTOBER 1, 2023

CONTRIBUTIONS APPLICABLE TO THE
PLAN/FISCAL YEAR ENDING SEPTEMBER 30, 2025

FOSTER & FOSTER
ACTUARIES AND CONSULTANTS

December 11, 2023

Board of Trustees
City of Naples
Firefighters' Pension Board

Re: City of Naples Firefighters' Pension and Retirement System

Dear Board:

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

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

In conducting the valuation, we have relied on personnel, plan design, and asset information supplied by the City of Naples, 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 Naples, nor does anyone at Foster & Foster, Inc. act as a member of the Board of Trustees of the Firefighters' Pension and 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: ______________________________
Douglas H. Lozen, EA, MAAA
Enrolled Actuary #23-7778

By: ______________________________
Paul Baugher, EA, FSA, MAAA
Enrolled Actuary #23-6586

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Enclosures

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SUMMARY OF REPORT

The regular annual actuarial valuation of the City of Naples Firefighters' Pension and Retirement System, performed as of October 1, 2023, 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, 2025. It is assumed the City will contribute the entirety of its annual funding obligation as a lump sum each October 1.

The contribution requirements, compared with those set forth in the June 12, 2023 actuarial impact statement, are as follows:

Valuation Date	10/1/2023	10/1/2022
Applicable to Fiscal Year Ending	9/30/2025	9/30/2024
Minimum Required Contribution		
% of Projected Annual Payroll	58.90%	56.34%
Member Contributions (Est.)		
% of Projected Annual Payroll	4.23%	4.30%
City And State Required Contribution		
% of Projected Annual Payroll	**54.67%**	**52.04%**
State Contribution (Est.) [1]	$1,264,503	$1,264,503
% of Projected Annual Payroll (Est.)	26.85%	26.85%
City Required Contribution (Est.) [2]		
% of Projected Annual Payroll (Est.)	27.82%	25.19%

[1] Represents the amount received in calendar 2023. 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.

[2] The required contribution from the combination of City and State sources for the year ending September 30, 2025, is 54.67% of the actual payroll realized in that year. As a budgeting tool, the City may contribute 27.82% of each Member's Salary and then make a one-time adjustment to account for the actual State Monies received.

As you can see, the Minimum Required Contribution shows an increase when compared to the results set forth in the June 12, 2023 actuarial impact statement. The increase is primarily attributable to net unfavorable actuarial experience described in the next paragraph.

Plan experience was unfavorable overall on the basis of the plan's actuarial assumptions. The primary source of actuarial loss was an investment return of 4.59% (Actuarial Asset Basis) which fell short of the 7.00% assumption. There were no significant sources of actuarial gain.

CHANGES SINCE PRIOR VALUATION

Plan Changes

Since the prior valuation, Ordinance 2023-15085 was adopted on May 9, 2023 that provided for the following change:

Effective October 1, 2022, there shall be a one-time increase of five percent (5%) to each of the monthly benefit payments for all retirees and beneficiaries in pay status who are not already eligible for or receiving of any cost-of-living adjustment as previously described herein. The subsequent higher monthly benefit amount after such increases are applied shall then remain in effect and continue to be payable in the same amounts to all eligible retirees and beneficiaries accordingly each month. Participants of the DROP shall not be eligible for the automatic one-time increase as described herein.

The impact of this change can be found in our June 12, 2023 Actuarial Impact Statement.

Actuarial Assumption/Method Changes

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

CONTRIBUTION IMPACT OF ANNUAL CHANGES

(1)	Contribution Determined as of October 1, 2022 *(As set forth in the June 12, 2023 Actuarial Impact Statement)*	39.18%
(2)	Summary of Contribution Impact by component:	
	Change in State Contribution Percentage	-13.99%
	Change in Normal Cost Rate	-0.94%
	Change in Administrative Expense Percentage	0.25%
	Payroll Change Effect on UAAL Amortization	0.19%
	Investment Return (Actuarial Asset Basis)	4.65%
	Salary Increases	0.57%
	Active Decrements	-0.16%
	Inactive Mortality	0.55%
	UAAL Amortization Impact from Contribution Policy	-3.01%
	Change in Effective Member Contribution Rate	0.07%
	Interest Crediting on Share Plan Balances	0.08%
	Assumption Change	0.00%
	Other	0.38%
	Total Change in Contribution	-11.36%
(3)	Contribution Determined as of October 1, 2023	27.82%

COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS

	10/1/2023	10/1/2022
A. Participant Data		
Actives	53	57
Service Retirees	50	51
DROP Retirees	5	1
Beneficiaries	3	3
Disability Retirees	2	2
Terminated Vested	11	9
Total	124	123
Projected Annual Payroll	4,708,937	4,739,773
Annual Rate of Payments to:		
Service Retirees	3,738,798	3,665,599
DROP Retirees	358,075	61,471
Beneficiaries	141,025	137,633
Disability Retirees	79,816	78,391
Terminated Vested	10,957	10,957
B. Assets		
Actuarial Value (AVA) [1]	71,240,194	68,397,936
Market Value (MVA) [1]	68,254,449	61,581,033
C. Liabilities		
Present Value of Benefits		
Actives		
Retirement Benefits	22,718,013	24,944,697
Disability Benefits	1,216,153	1,253,256
Death Benefits	115,444	111,771
Vested Benefits	774,215	765,438
Refund of Contributions	30,512	32,117
Service Retirees	56,761,015	56,435,055
DROP Retirees [1]	6,132,242	1,119,325
Beneficiaries	2,015,589	2,005,818
Disability Retirees	971,892	1,020,450
Terminated Vested	75,575	61,184
Share Plan Balances [1]	724,229	651,176
Total	91,534,879	88,400,287

C. Liabilities - (Continued)	10/1/2023	10/1/2022
Present Value of Future Salaries	41,015,932	40,092,428
Present Value of Future Member Contributions	1,734,974	1,723,974
Normal Cost (Retirement)	834,109	871,949
Normal Cost (Disability)	89,676	99,609
Normal Cost (Death)	6,813	7,199
Normal Cost (Vesting)	49,925	52,236
Normal Cost (Refunds)	6,186	6,383
Total Normal Cost	986,709	1,037,376
Present Value of Future Normal Costs	7,894,264	7,898,993
Accrued Liability (Retirement)	16,066,063	18,307,658
Accrued Liability (Disability)	469,085	484,326
Accrued Liability (Death)	56,418	54,151
Accrued Liability (Vesting)	364,750	357,970
Accrued Liability (Refunds)	3,757	4,181
Accrued Liability (Inactives) [1]	65,956,313	60,641,832
Share Plan Balances [1]	724,229	651,176
Total Actuarial Accrued Liability (EAN AL)	83,640,615	80,501,294
Unfunded Actuarial Accrued Liability (UAAL)	12,400,421	12,103,358
Funded Ratio (AVA / EAN AL)	85.2%	85.0%

D. Actuarial Present Value of Accrued Benefits

	10/1/2023	10/1/2022
Vested Accrued Benefits		
Inactives + Share Plan Balances [1]	66,680,542	61,293,008
Actives	8,378,251	9,909,695
Member Contributions	1,658,579	1,796,553
Total	76,717,372	72,999,256
Non-vested Accrued Benefits	3,822,632	4,741,183
Total Present Value Accrued Benefits (PVAB)	80,540,004	77,740,439
Funded Ratio (MVA / PVAB)	84.7%	79.2%
Increase (Decrease) in Present Value of Accrued Benefits Attributable to:		
Plan Amendments	0	
Assumption Changes	0	
Plan Experience	1,398,157	
Benefits Paid	(3,903,790)	
Interest	5,305,198	
Other	0	
Total	2,799,565	

Valuation Date Applicable to Fiscal Year Ending	10/1/2023 9/30/2025	10/1/2022 9/30/2024
E. Pension Cost		
Normal Cost (with interest)		
% of Projected Annual Payroll [2]	20.95	21.89
Administrative Expenses (with interest)		
% of Projected Annual Payroll [2]	1.99	1.74
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 29 years (as of 10/1/2023, with interest)		
% of Projected Annual Payroll [2]	35.96	32.71
Minimum Required Contribution		
% of Projected Annual Payroll [2]	58.90	56.34
Expected Member Contributions		
% of Projected Annual Payroll [2]	4.23	4.30
Expected City and State Contribution		
% of Projected Annual Payroll [2]	54.67	52.04
F. Past Contributions		
Plan Years Ending:	9/30/2023	
City and State Requirement	2,762,076	
Actual Contributions Made:		
City	2,251,276	
State	1,264,503	
Total	3,515,779	
G. Net Actuarial (Gain)/Loss	2,146,426	

[1] The asset values and liabilities include accumulated DROP and Share Plan Balances as of 9/30/2023 and 9/30/2022.

[2] Contributions developed as of 10/1/2023 are expressed as a percentage of Projected Annual Payroll at 10/1/2023 of $4,708,937.

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

Year	Projected Unfunded Actuarial Accrued Liability
2023	12,400,421
2024	11,456,520
2025	10,446,547
2032	2,316,045
2039	232,520
2045	64,664
2052	0

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

		Actual	Assumed
Year Ended	9/30/2023	7.95%	5.00%
Year Ended	9/30/2022	18.57%	4.89%
Year Ended	9/30/2021	4.47%	4.98%
Year Ended	9/30/2020	6.04%	5.09%
Year Ended	9/30/2019	5.70%	5.08%

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

		Market Value	Actuarial Value	Assumed
Year Ended	9/30/2023	11.28%	4.59%	7.00%
Year Ended	9/30/2022	-12.85%	5.52%	7.00%
Year Ended	9/30/2021	22.07%	9.92%	7.00%
Year Ended	9/30/2020	4.50%	7.49%	7.30%
Year Ended	9/30/2019	3.94%	7.33%	7.40%

(iii) Average Annual Payroll Growth

(a) Payroll as of:	10/1/2023	$4,708,937
	10/1/2013	3,600,660
(b) Total Increase		30.78%
(c) Number of Years		10.00
(d) Average Annual Rate		2.72%

STATEMENT BY ENROLLED ACTUARY

This actuarial valuation was prepared and completed by me or under my direct supervision, and I acknowledge responsibility for the results. To the best of my knowledge, the results are complete and accurate, and in my opinion, the techniques and assumptions used are reasonable and meet the requirements and intent of Part VII, Chapter 112, Florida Statutes. There is no benefit or expense to be provided by the plan and/or paid from the plan's assets for which liabilities or current costs have not been established or otherwise taken into account in the valuation. All known events or trends which may require a material increase in plan costs or required contribution rates have been taken into account in the valuation.

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

Please let us know when the report is approved by the Board and unless otherwise directed we will provide copies of the report to the following offices to comply with Chapter 112, Florida Statutes:

Mr. Keith Brinkman
Bureau of Local
Retirement Systems
Post Office Box 9000
Tallahassee, FL 32315-9000

Mr. Steve Bardin
Municipal Police and Fire
Pension Trust Funds
Division of Retirement
Post Office Box 3010
Tallahassee, FL 32315-3010

RECONCILIATION OF UNFUNDED ACTUARIAL ACCRUED LIABILITIES

(1)	Unfunded Actuarial Accrued Liability as of October 1, 2022	$12,103,358
(2)	Sponsor Normal Cost developed as of October 1, 2022	833,566
(3)	Expected administrative expenses for the year ended September 30, 2023	82,441
(4)	Expected interest on (1), (2) and (3)	908,470
(5)	Sponsor contributions to the System during the year ended September 30, 2023	3,515,779
(6)	Expected interest on (5)	158,061
(7)	Expected Unfunded Actuarial Accrued Liability as of September 30, 2023 (1)+(2)+(3)+(4)-(5)-(6)	10,253,995
(8)	Change to UAAL due to Assumption Change	0
(9)	Change to UAAL due to Actuarial (Gain)/Loss	2,146,426
(10)	Unfunded Actuarial Accrued Liability as of October 1, 2023	12,400,421

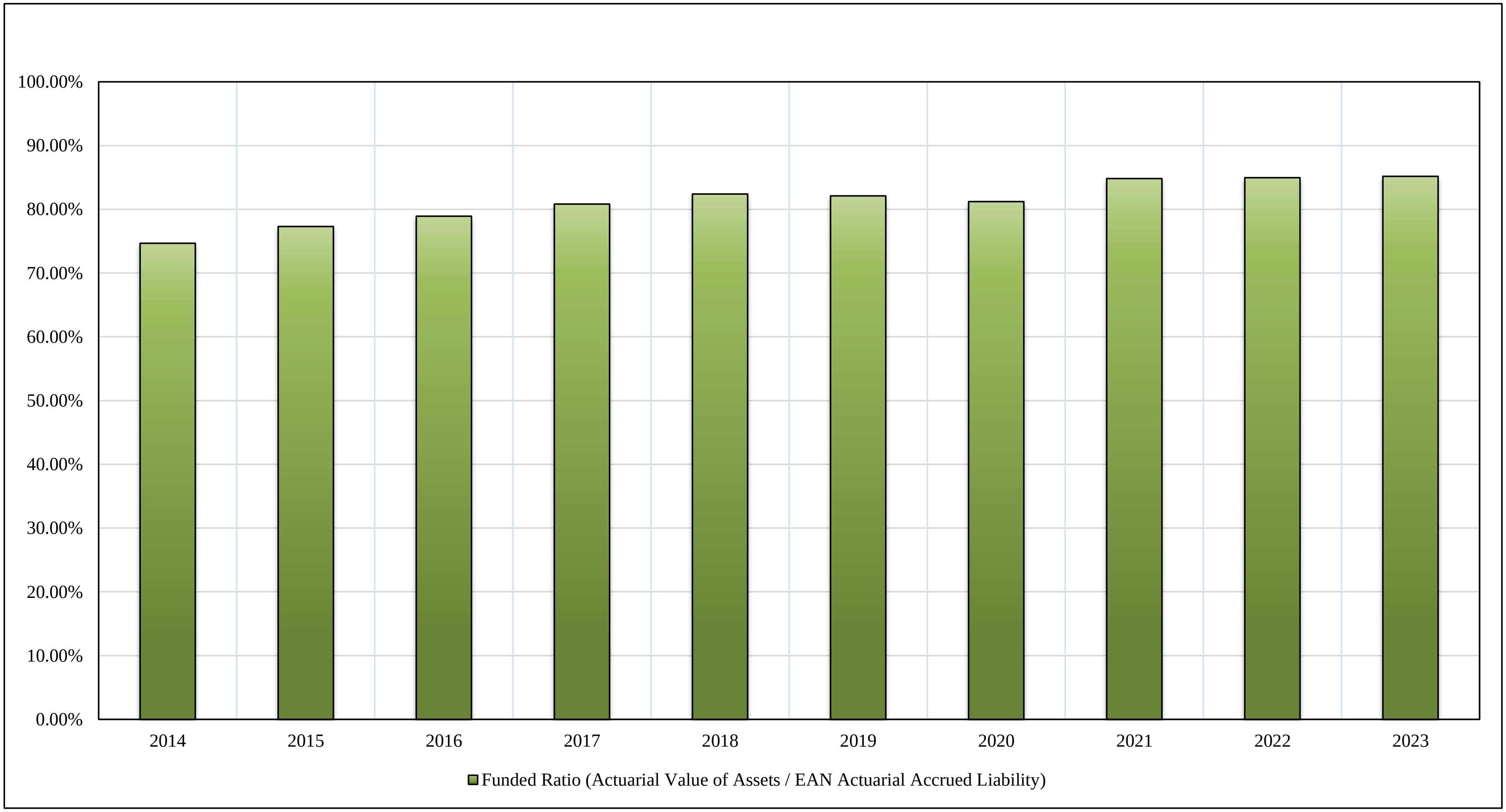
Type of Base	Date Established	Years Remaining	10/1/2023 Amount	Amortization Amount
	10/1/1997	4	491,580	135,634
	10/1/1999	6	977,228	191,606
	10/1/2000	7	(489,498)	(84,886)
	10/1/2002	9	2,290,144	328,510
	10/1/2003	10	1,327,631	176,659
Actuarial Loss	10/1/2004	10	1,521,941	202,514
Amendment	10/1/2004	10	(5,314)	(707)
Actuarial Gain	10/1/2005	10	(181,827)	(24,194)
Assum. Change	10/1/2005	10	717,593	95,485
Actuarial Gain	10/1/2006	10	(285,517)	(37,992)
Assum. Change	10/1/2006	10	762,266	101,429
Actuarial Loss	10/1/2007	10	1,074,820	143,019
Assum./Method Change	10/1/2007	10	78,153	10,399
Amendment	10/1/2007	10	522,627	69,542
Actuarial Loss	10/1/2008	10	2,298,264	305,814
Actuarial Gain	10/1/2009	10	(36,668)	(4,879)
Assumption Changes	10/1/2009	10	(994,867)	(132,380)
Actuarial Loss	10/1/2010	10	1,198,635	159,494
Actuarial Loss	10/1/2011	10	991,635	131,950
Actuarial Gain	10/1/2012	10	(631,967)	(84,091)
Amendment	10/1/2012	10	(3,306,831)	(440,017)

Type of Base	Date Established	Years Remaining	10/1/2023 Amount	Amortization Amount
Actuarial Gain	10/1/2013	10	(121,889)	(16,219)
Actuarial Gain	10/1/2014	10	(824,262)	(109,679)
Assumption Change	10/1/2014	10	(63,591)	(8,462)
Actuarial Gain	10/1/2015	10	(398,917)	(53,081)
Assumption Change	10/1/2016	10	990,572	131,809
Actuarial Gain	10/1/2016	10	(725,312)	(96,512)
Actuarial Gain	10/1/2017	10	(135,148)	(17,983)
Actuarial Gain	10/1/2018	5	(130,448)	(29,734)
Assump Change	10/1/2018	15	387,536	39,766
Benefit Change	10/1/2018	25	(2,772)	(222)
Actuarial Loss	10/1/2019	6	202,380	39,681
Assump Change	10/1/2019	16	615,522	60,895
Actuarial Loss	10/1/2020	7	297,324	51,560
Assump Change	10/1/2020	17	1,387,180	132,787
Actuarial Gain	10/1/2021	8	(1,155,369)	(180,829)
Actuarial Loss	10/1/2022	9	1,462,360	209,769
Benefits Change	10/1/2022	29	148,801	11,327
Actuarial Loss	10/1/2023	10	2,146,426	285,610
			12,400,421	1,693,392

DETAILED ACTUARIAL (GAIN)/LOSS ANALYSIS

(1)	Unfunded Actuarial Accrued Liability (UAAL) as of October 1, 2022	$12,103,358
(2)	Expected UAAL as of October 1, 2023	10,253,995
(3)	Summary of Actuarial (Gain)/Loss, by component:	
	Investment Return (Actuarial Asset Basis)	1,645,010
	Salary Increases	200,625
	Active Decrements	(57,909)
	Inactive Mortality	195,209
	Interest Crediting on Share Plan Balances	27,855
	Other	135,636
	Increase in UAAL due to (Gain)/Loss	2,146,426
	Assumption Changes	0
(4)	Actual UAAL as of October 1, 2023	$12,400,421

HISTORY OF FUNDING PROGRESS



ACTUARIAL ASSUMPTIONS AND METHODS

<u>Mortality Rate</u>	*Healthy Active Lives:* **Female:** PubS.H-2010 (Below Median) for Employees, set forward one year. **Male:** PubS.H-2010 (Below Median) for Employees, set forward one year. *Healthy Retiree Lives:* **Female:** PubS.H-2010 for Healthy Retirees, set forward one year. **Male:** PubS.H-2010 for Healthy Retirees, set forward one year. *Beneficiary Lives:* **Female:** PubG.H-2010 for Healthy Retirees. **Male:** PubG.H-2010 for Healthy Retirees, set back one year. *Disabled Lives:* 80% PubG.H-2010 for Disabled Retirees / 20% PubS.H-2010 for Disabled Retirees. All rates for healthy lives are projected generationally with Mortality Improvement Scale MP-2018. We feel this assumption sufficiently accommodates future mortality improvements. The previously described mortality assumption rates were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumptions used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in Milliman's July 1, 2021 FRS valuation report for special risk employees, with appropriate adjustments made based on plan demographics. 90% of active deaths are assumed to be service-incurred.
<u>Interest Rate</u>	7.00% per year compounded annually, net of investment related expenses. This is supported by the target asset allocation of the trust and the expected long-term return by asset class.

Salary Increases

Salary Scale	
Service	Rate
< 1	6.00%
2 - 9	5.50%
10 - 14	5.00%
15 - 19	4.50%
20+	4.00%

These rates were incorporated with the October 1, 2014 valuation as the result of the October 31, 2014 Experience Study.

Normal Retirement Age

Hired prior to 6/1/13: Earlier of 1) age 55, 2) the completion of 25 years of credited service, or 3) age 50 with 20 years of credited service. See below table for Members age 50 with 20 years of service:

Years after first eligibility for Normal Retirement	Assumed retirement rate
0-1	50%
2 or more	100%

100% assumed retirement upon first eligibility for Members age 55 or older, or with at least 25 years of Credited Service.

Hired after 5/31/2013: 100% assumed retirement upon the earlier of 1) age 55 with completion of 8 years of credited service, or 2) the completion of 25 years of credited service.

The above rates were adopted as the result of the August 4, 2017 Experience Study.

Early Retirement Age

Hired prior to 6/1/13: Age 50, regardless of years of credited service. Members are assumed to retire with an immediate subsidized benefit at the rate of 10% per year.

Hired after 5/31/13: Attainment of age 50 and the completion of 8 years of credited service. Members are assumed to retire with an immediate subsidized benefit at the rate of 5% per year.

The above rates were adopted as the result of the August 4, 2017 Experience Study.

Termination

% Terminating During the Year

Service	Hired Prior to 6/1/2013 Rate	Hired After 5/31/2013 Rate
0	20.0%	20.0%
1	10.0%	10.0%
2	4.0%	4.0%
3	4.0%	4.0%
4	2.0%	4.0%
5	1.0%	4.0%
6	1.0%	4.0%
7	1.0%	2.0%
8+	1.0%	1.0%

The above rates were adopted as the result of the August 4, 2017 Experience Study.

Disability

% Becoming Disabled During the Year

Age	Rate
20	0.14%
25	0.15%
30	0.18%
35	0.23%
40	0.30%
45	0.51%
50	1.00%
55	1.55%
59+	2.09%

It is assumed that 90% of Disability Retirements are service-related. This assumption is in line with the national average for municipal defined benefit pension programs.

Post-Retirement COLA

3% per year beginning at age 50 for Service Retirees, Disability Retirees, and surviving Beneficiaries. No COLA for Vested Terminated Members or benefits accrued after May 31, 2013

Payroll Growth

None for amortization of the Unfunded Actuarial Accrued Liability.

Administrative Expenses

$93,881 annually, based on the average of actual expenses incurred in the prior two fiscal years.

Low-Default-Risk Obligation Measure

Based on the Entry Age Normal Actuarial Cost Method and an interest rate of 4.87% 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, 2023. All other assumptions for the Low-Default-Risk Obligation Measure are consistent with the assumptions shown in this section unless otherwise noted.

Amortization Method

New UAAL amortization bases are amortized over the following amortization periods:

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

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

Funding Method

Entry Age Normal Actuarial Cost Method. A lump sum City contribution is assumed annually on October 1.

Actuarial Asset Method

All assets are valued at market value with an adjustment made 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.

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.

- <u>Investment Return</u>: 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.

- <u>Salary Increases</u>: 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.

- <u>Demographic Assumptions:</u> 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 140.0% on October 1, 2013 to 86.9% on October 1, 2023, 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 78.9%. With a plan of this maturity, losses due to lower than expected investment returns or demographic factors may result in larger increases in contribution requirements than would be needed for a less mature plan. Please note Chapter 112, Florida Statutes, requires that the plan sponsor contributes the minimum required contribution; thus, there is minimal solvency risk to the plan.

- The Funded Ratio, determined as the ratio of the Actuarial Value of Assets to the Total Accrued Liability, has increased from 70.3% on October 1, 2013 to 85.2% on October 1, 2023.

- 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 2.5% on October 1, 2013 to -0.4% on October 1, 2023. The current Net Cash Flow Ratio of -0.4% 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 8 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 4.87%, resulting in an LDROM of $108,921,564. 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

	10/1/2023	10/1/2022	10/1/2018	10/1/2013
Support Ratio				
Total Actives	53	57	46	56
Total Inactives [1]	61	58	58	40
Actives / Inactives [1]	86.9%	98.3%	79.3%	140.0%
Asset Volatility Ratio				
Market Value of Assets (MVA)	68,254,449	61,581,033	59,348,412	39,294,015
Total Annual Payroll	4,875,398	4,988,167	3,272,458	3,872,612
MVA / Total Annual Payroll	1,400.0%	1,234.5%	1,813.6%	1,014.7%
Accrued Liability (AL) Ratio				
Inactive Accrued Liability	65,956,313	60,641,832	56,602,592	29,771,052
Total Accrued Liability (EAN)	83,640,615	80,501,294	69,495,535	51,831,778
Inactive AL / Total AL	78.9%	75.3%	81.4%	57.4%
Funded Ratio				
Actuarial Value of Assets (AVA)	71,240,194	68,397,936	57,266,338	36,452,118
Total Accrued Liability (EAN)	83,640,615	80,501,294	69,495,535	51,831,778
AVA / Total Accrued Liability (EAN)	85.2%	85.0%	82.4%	70.3%
Net Cash Flow Ratio				
Net Cash Flow [2]	(290,624)	(1,402,833)	(247,804)	963,504
Market Value of Assets (MVA)	68,254,449	61,581,033	59,348,412	39,294,015
Ratio	-0.4%	-2.3%	-0.4%	2.5%

[1] Excludes terminated participants awaiting a refund of member contributions.

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

PARTIAL HISTORY OF PREMIUM TAX REFUNDS

Received During Fiscal Year	Amount	Increase from Previous Year
1998	301,079.01	_____%
1999	455,798.85	51.4%
2000	554,631.15	21.7%
2001	575,860.11	3.8%
2002	655,065.93	13.8%
2003	806,425.83	23.1%
2004	857,886.93	6.4%
2005	902,412.83	5.2%
2006	977,382.61	8.3%
2007	1,028,721.85	5.3%
2008	1,223,271.11	18.9%
2009	1,390,851.74	13.7%
2010	893,185.02	-35.8%
2011	765,598.10	-14.3%
2012	834,617.96	9.0%
2013	811,882.25	-2.7%
2014	871,999.13	7.4%
2015	721,101.37	-17.3%
2016	581,196.08	-19.4%
2017	509,867.99	-12.3%
2018	539,925.23	5.9%
2019	544,970.87	0.9%
2020	603,786.08	10.8%
2021	623,357.61	3.2%
2022	609,491.05	-2.2%
2023	1,264,503.26	107.5%

STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2023

ASSETS	COST VALUE	MARKET VALUE
Cash and Cash Equivalents:		
Money Market	2,405,582.00	2,405,582.00
Cash	103.17	103.17
Total Cash and Equivalents	2,405,685.17	2,405,685.17
Receivables:		
Member Contributions in Transit	4,044.56	4,044.56
State Contributions	445,451.26	445,451.26
Total Receivable	449,495.82	449,495.82
Investments:		
Corporate Bonds	11,924,855.02	11,496,414.67
Stocks	34,735,873.60	42,575,440.64
Mutual Funds:		
Equity	6,621,253.36	6,705,522.30
Pooled/Common/Commingled Funds:		
Real Estate	4,102,607.48	4,623,853.51
Total Investments	57,384,589.46	65,401,231.12
Total Assets	60,239,770.45	68,256,412.11
LIABILITIES		
Payables:		
Prepaid Member Contribution	1,962.94	1,962.94
Total Liabilities	1,962.94	1,962.94
NET POSITION RESTRICTED FOR PENSIONS	60,237,807.51	68,254,449.17

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2023
Market Value Basis

ADDITIONS			
Contributions:			
Member		196,749.17	
City		2,251,275.93	
State		1,264,503.26	
Total Contributions			3,712,528.36
Investment Income:			
Net Realized Gain (Loss)	1,427,927.05		
Unrealized Gain (Loss)	4,143,683.57		
Net Increase in Fair Value of Investments		5,571,610.62	
Interest & Dividends		1,678,214.50	
Less Investment Expense[1]		(285,784.52)	
Net Investment Income			6,964,040.60
Total Additions			10,676,568.96
DEDUCTIONS			
Distributions to Members:			
Benefit Payments		3,885,971.27	
Lump Sum DROP Distributions		0.00	
Lump Sum Share Distributions		17,818.90	
Refunds of Member Contributions		0.00	
Total Distributions			3,903,790.17
Administrative Expense			99,362.25
Total Deductions			4,003,152.42
Net Increase in Net Position			6,673,416.54
NET POSITION RESTRICTED FOR PENSIONS			
Beginning of the Year			61,581,032.63
End of the Year			68,254,449.17

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

ACTUARIAL ASSET VALUATION
September 30, 2023

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.

Gains/Losses Not Yet Recognized

Plan Year Ending	Gain/(Loss)	Amounts Not Yet Recognized by Valuation Year				
		2023	2024	2025	2026	2027
09/30/2019	(1,963,300)	0	0	0	0	0
09/30/2020	(1,626,906)	(325,382)	0	0	0	0
09/30/2021	9,218,376	3,687,351	1,843,676	0	0	0
09/30/2022	(14,130,632)	(8,478,380)	(5,652,254)	(2,826,128)	0	0
09/30/2023	2,663,332	2,130,666	1,598,000	1,065,334	532,668	0
Total		(2,985,745)	(2,210,578)	(1,760,794)	532,668	0

Development of Investment Gain/Loss

Market Value of Assets, including Prepaid Contributions, 09/30/2022	61,585,027
Contributions Less Benefit Payments & Admin Expenses	(292,656)
Expected Investment Earnings*	4,300,709
Actual Net Investment Earnings	6,964,041
2023 Actuarial Investment Gain/(Loss)	2,663,332

*Expected Investment Earnings = 0.07 * (61,585,027 - 0.5 * 292,656)

Development of Actuarial Value of Assets

(1) Market Value of Assets, 09/30/2023	68,254,449
(2) Gains/(Losses) Not Yet Recognized	(2,985,745)
(3) Actuarial Value of Assets, 09/30/2023, (1) - (2)	71,240,194
(4) Limited Actuarial Value of Assets, 09/30/2023	71,240,194
(A) 09/30/2022 Actuarial Assets, including Prepaid Contributions:	68,401,930
(I) Net Investment Income:	
1. Interest and Dividends	1,678,215
2. Realized Gain (Loss)	1,427,927
3. Unrealized Gain (Loss)	4,143,684
4. Change in Actuarial Value	(3,831,158)
5. Investment Expenses	(285,785)
Total	3,132,883
(B) 09/30/2023 Actuarial Assets, including Prepaid Contributions:	71,242,157
Actuarial Assets Rate of Return = 2I/(A+B-I):	4.59%
Market Value of Assets Rate of Return:	11.28%
Actuarial Gain/(Loss) due to Investment Return (Actuarial Asset Basis)	(1,645,010)

CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
SEPTEMBER 30, 2023
Actuarial Asset Basis

REVENUES		
Contributions:		
Member	196,749.17	
City	2,251,275.93	
State	1,264,503.26	
Total Contributions		3,712,528.36
Earnings from Investments:		
Interest & Dividends	1,678,214.50	
Net Realized Gain (Loss)	1,427,927.05	
Unrealized Gain (Loss)	4,143,683.57	
Change in Actuarial Value	(3,831,158.00)	
Total Earnings and Investment Gains		3,418,667.12
EXPENDITURES		
Distributions to Members:		
Benefit Payments	3,885,971.27	
Lump Sum DROP Distributions	0.00	
Lump Sum Share Distributions	17,818.90	
Refunds of Member Contributions	0.00	
Total Distributions		3,903,790.17
Expenses:		
Investment related[1]	285,784.52	
Administrative	99,362.25	
Total Expenses		385,146.77
Change in Net Assets for the Year		2,842,258.54
Net Assets Beginning of the Year		68,397,935.63
Net Assets End of the Year[2]		71,240,194.17

[1]Investment related expenses include investment advisory, custodial and performance monitoring fees.
[2]Net Assets may be limited for actuarial consideration.

DEFERRED RETIREMENT OPTION PLAN ACTIVITY
October 1, 2022 to September 30, 2023

Beginning of the Year Balance	143,518.21
Plus Additions	351,939.59
Investment Return Earned	4,314.36
Less Distributions	0.00
End of the Year Balance	499,772.16

SUPPLEMENTAL CHAPTER 175 SHARE PLAN ACTIVITY

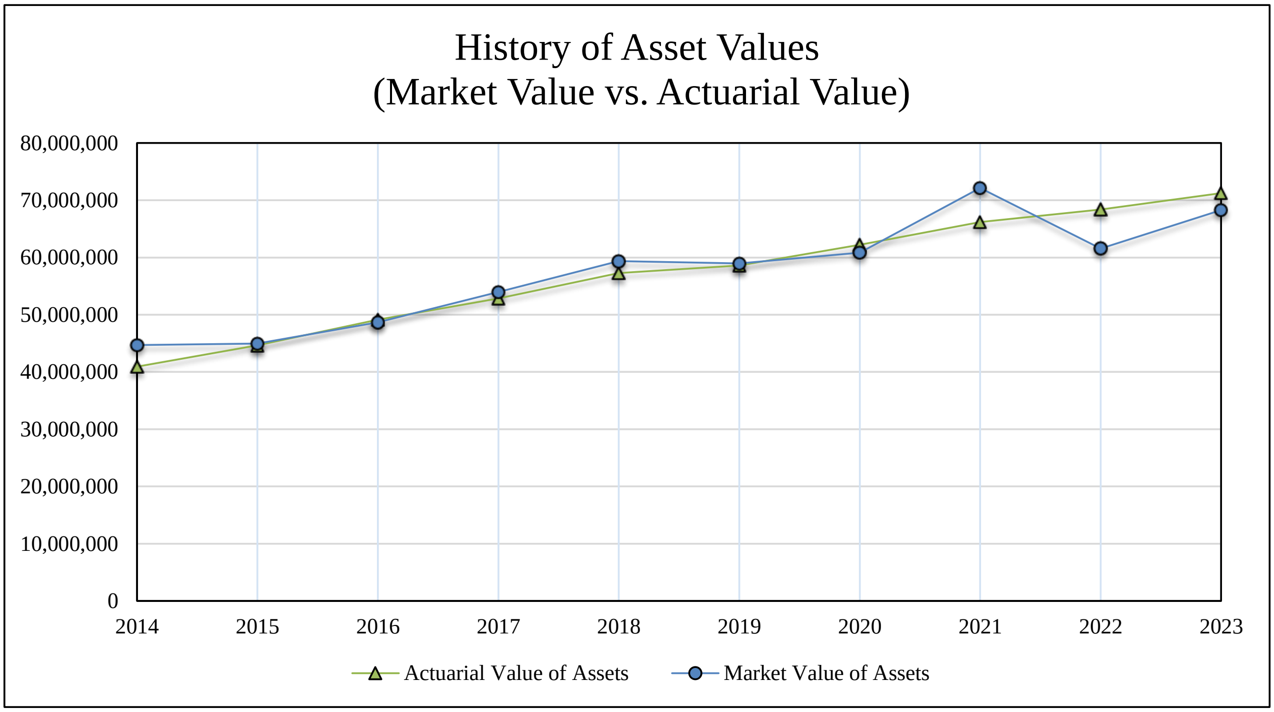
October 1, 2022 through September 30, 2023

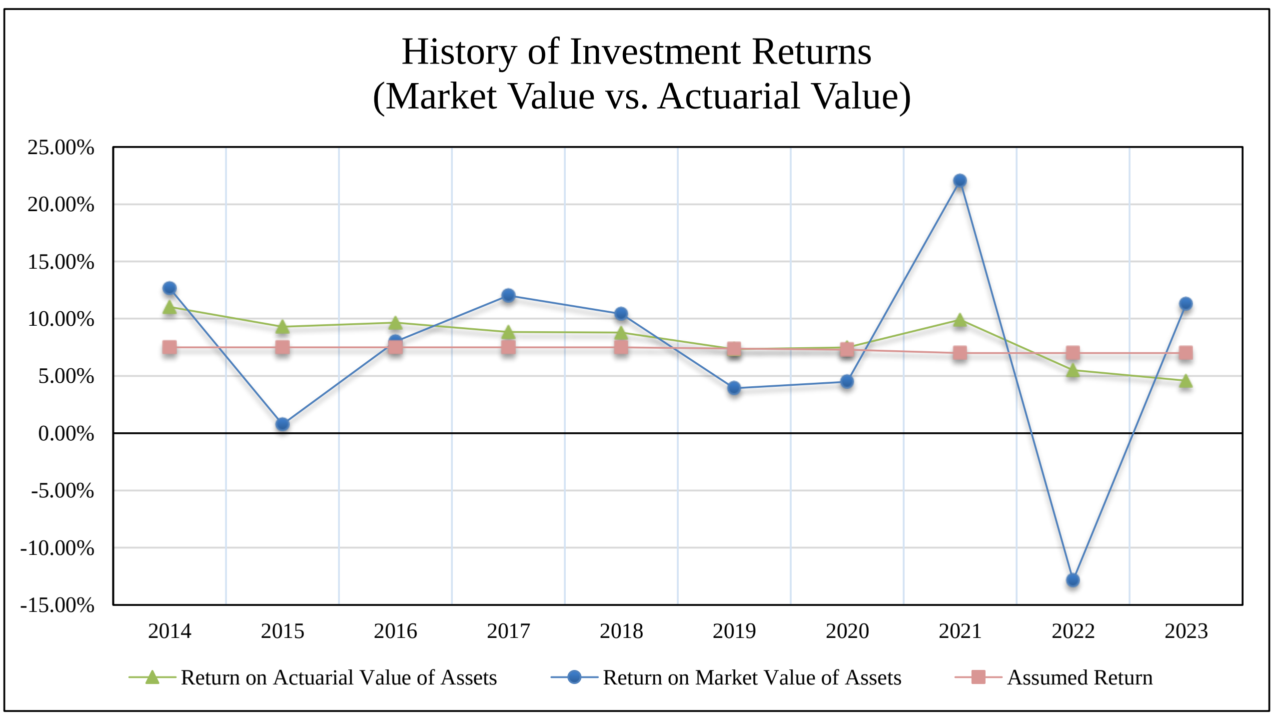
9/30/2022 Balance	651,176.00
Prior Year Adjustment	17,459.47
Plus Additions	0.00
Investment Return Earned (Est.)	73,412.00
Administrative Fees (Est.)	0.00
Less Distributions	(17,818.90)
9/30/2023 Balance (Est.)	724,228.57

CITY CONTRIBUTIONS IN EXCESS OF MINIMUM REQUIREMENT
FOR THE FISCAL YEAR ENDED (FYE) SEPTEMBER 30, 2023

(1)	City and State Required Contribution Rate	58.56%
(2)	Pensionable Payroll Derived from Member Contributions	$4,655,168.47
(3)	City and State Required Contribution (1) x (2)	2,726,066.66
(4)	Less Allowable State Contribution	(1,264,503.26)
(5)	Equals Required City Contribution for Fiscal 2023	1,461,563.40
(6)	Less 2022 Prepaid Contribution	0.00
(7)	Less Actual City Contributions	(2,251,275.93)
(8)	City Contributions in Excess of Minimum Requirement Applied to Reduce Unfunded Actuarial Accrued Liability as of September 30, 2023	($789,712.53)

HISTORY OF ASSET VALUES AND INVESTMENT RETURNS





STATISTICAL DATA

	10/1/2023	10/1/2022	10/1/2021	10/1/2020
Actives - Hired on or before May 31, 2013				
Number	27	31	31	31
Average Current Age	43.2	43.3	42.3	41.3
Average Age at Employment	26.5	26.5	26.5	26.5
Average Past Service	16.7	16.8	15.8	14.8
Average Annual Salary	$110,286	$104,483	$81,420	$80,415
Actives - Hired after May 31, 2013				
Number	26	26	21	18
Average Current Age	31.3	30.4	30.8	30.2
Average Age at Employment	27.3	27.2	27.6	27.5
Average Past Service	4.0	3.2	3.2	2.7
Average Annual Salary	$72,988	$67,277	$59,789	$59,659
Service Retirees				
Number	50	51	52	47
Average Current Age	63.6	63.0	62.4	62.4
Average Annual Benefit	$74,776	$71,874	$68,155	$64,139
DROP Retirees				
Number	5	1	2	6
Average Current Age	52.3	52.6	53.2	52.7
Average Annual Benefit	$71,615	$61,471	$60,516	$81,741
Beneficiaries				
Number	3	3	2	2
Average Current Age	61.1	60.1	62.7	61.7
Average Annual Benefit	$47,008	$45,878	$60,233	$58,098
Disability Retirees				
Number	2	2	2	2
Average Current Age	53.0	52.0	51.0	50.0
Average Annual Benefit	$39,908	$39,196	$38,503	$38,126
Terminated Vested				
Number	11	9	6	7
Average Current Age [1]	41.0	40.0	39.0	43.9
Average Annual Benefit [1]	$10,957	$10,957	$10,957	$37,236

[1] The Average Current Age and Average Annual Benefit exclude participants awaiting a refund of contributions.

AGE AND SERVICE DISTRIBUTION

PAST SERVICE

AGE	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30+	Total
15 - 19												0
20 - 24	1	1	1									3
25 - 29	1	3	1			1						6
30 - 34		2	2		3	6	2					15
35 - 39		1				2	2	3				8
40 - 44							4	3	2			9
45 - 49							1	2	4			7
50 - 54							1	1	2			4
55 - 59						1						1
60 - 64												0
65+												0
Total	2	7	4	0	3	10	10	9	8	0	0	53

VALUATION PARTICIPANT RECONCILIATION

1. Active lives

a. Number in prior valuation 10/1/2022	57
b. Terminations	
i. Vested (partial or full) with deferred annuity	0
ii. Vested in refund of member contributions only	(2)
iii. Refund of member contributions or full lump sum distribution	0
c. Deaths	
i. Beneficiary receiving benefits	0
ii. No future benefits payable	0
d. Disabled	0
e. Retired	0
f. DROP	(4)
g. Continuing participants	51
h. New entrants / Rehires	2
i. Total active life participants in valuation	53

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

	Service Retirees, Vested Receiving Benefits	DROP Benefits	Receiving Death Benefits	Receiving Disability Benefits	Vested (Deferred Annuity)	Vested (Due Refund)	Total
a. Number prior valuation	51	1	3	2	1	8	66
Retired							0
DROP		4					4
Vested (Deferred Annuity)							0
Vested (Due Refund)						2	2
Hired/Terminated in Same Year							0
Death, With Survivor							0
Death, No Survivor	(1)						(1)
Disabled							0
Refund of Contributions							0
Rehires							0
Expired Annuities							0
Data Corrections							0
b. Number current valuation	50	5	3	2	1	10	71

SUMMARY OF CURRENT PLAN
(Through Ordinance No. 2023-15085)

Eligibility	Full-time employees who are classified as certified Firefighters participate in the Plan as a condition of employment.
Credited Service	Total years and completed days of uninterrupted service with the City as a Firefighter.
Salary	Base compensation, excluding overtime pay, holiday pay, and fringe benefits.
Final Average Compensation	Average of compensation paid during the five (5) highest years of the last ten years of service. The average cannot be less than the three-year average (consecutive years) determined as of May 31, 2013.
Normal Retirement	
Date	Earlier of 1) age 55, 2) age 50 and the completion of 20 years of Credited Service, or 3) the completion of 25 years of credited service, regardless of age. For Members hired after May 31, 2013, the Normal Retirement Date is the earlier of 1) Age 55 with 8 years of Credited Service, or 2) the completion of 25 years of Credited Service, regardless of Age.
Benefit	The sum of the following: a.) 4% of Final Average Compensation (using a three-year average, determined as of May 31, 2013) for each year of Credited Service through May 31, 2013, plus b.) 3% of Final Average Compensation (using a five-year average) for Credited Service after May 31, 2013. Members who had attained Normal Retirement eligibility as of May 31, 2013 continue to accrued benefits under Plan provisions in effect prior to Ordinance 13-13283.
Form of Benefit	Ten Year Certain and Life Annuity (options available).

Early Retirement

Date	Age 50, regardless of years of Credited Service. Members hired after May 31, 2013 attain Early Retirement eligibility at age 50 with 8 years of Credited Service.
Benefit	Accrued benefit, reduced 3% for each year Early Retirement precedes the earlier of age 55, or the completion of 20 years of Credited Service, regardless of age. For Members hired after May 31, 2013, the reduction is 3% for each year Early Retirement precedes the earlier of age 55 and 8 years of Credited Service, or the completion of 25 years of Credited Service, regardless of age.

Vesting

Schedule	100% after 5 years of Credited Service. Members hired after May 31, 2013 are fully vested upon the completion of 8 years of Credited Service.
Benefit Amount	Member will receive the vested portion of his (her) accrued benefit payable at age 55 (unreduced), or age 50, reduced as for Early Retirement. Non-vested Members receive a refund of Member contributions accumulated with 5.5% interest.

Disability

Eligibility	Total and permanent as determined by the Board of Trustees. Members are covered from Date of Employment.
Benefit	Accrued Benefit to date of disability but not less than 42% of Final Average Compensation (Service Incurred), or 25% of Final Average Compensation (Non-Service Incurred).
Duration	Payable for life with 10 years certain or until recovery (as determined by the Board).

Death Benefits

Pre-Retirement

Vested	Accrued benefit, actuarially reduced for commencement prior to age 55. The benefit is determined as if the participant had retired immediately prior to death and had chosen the 100% joint survivor option.
Non-Vested	Refund of Member contributions, with 5.5% interest.
Post-Retirement	Benefits payable to beneficiary in accordance with option selected at retirement.

Cost of Living Adjustment

Eligibility	Normal and Early service Retirees and Beneficiaries, including Disability Retirees. Vested, terminated Members are not eligible for the COLA.
Amount	3.0% increase per year following the retiree's 50^{th} birthday. COLAs are not applicable to benefits accrued after May 31, 2013.

Member Contributions	5.0% of Compensation. The contribution rate is 3% for Members hired after May 31, 2013.
City and State Contributions	Remaining amount required in order to pay current costs and amortize unfunded past service cost, if any, over 30 years.

Deferred Retirement Option Plan

Eligibility	Normal Retirement eligibility.
Participation	Not to exceed 60 months.
Rate of Return	1.3% annual effective rate, compounded monthly.
Form of Distribution	Cash lump sum at termination of employment.
Board of Trustees	Two Council appointees, two Members of the Plan elected by the Membership, and a fifth Member elected by other 4 and appointed by Council as a ministerial duty.

Chapter 175 Share Accounts	Effective October 1, 2009, an initial amount of \$663,717.06 was allocated to all members who were employed as of that date. Based on the current Collective Bargaining Agreement, no future State Monies are scheduled for allocation to the Share Plan.