

CITY OF GAINESVILLE
CONSOLIDATED POLICE OFFICERS' AND
FIREFIGHTERS' RETIREMENT PLAN

ACTUARIAL VALUATION
AS OF OCTOBER 1, 2024

CONTRIBUTIONS APPLICABLE TO THE
PLAN/FISCAL YEAR ENDING SEPTEMBER 30, 2026



FOSTER & FOSTER
ACTUARIES AND CONSULTANTS

May 29, 2025

Board of Trustees
City of Gainesville
Consolidated Police Officers' and Retirement Plan

Re: October 1, 2024 Actuarial Valuation - Revised

We are pleased to present to the Board this report of the annual actuarial valuation of the City of Gainesville Consolidated Police Officers' and Firefighters' Retirement Plan. 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 Gainesville, 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.

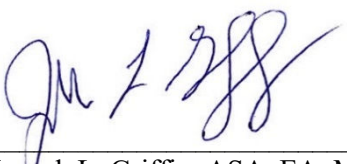
To our knowledge, no associate of Foster & Foster, Inc. working on valuations of the program has any direct financial interest or indirect material interest in the City of Gainesville, nor does anyone at Foster & Foster, Inc. act as a member of the Board of Trustees of the Consolidated Police Officers'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

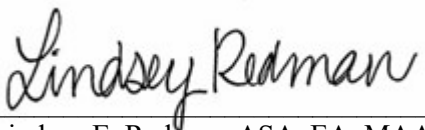
Foster & Foster, Inc.

By:



Joseph L. Griffin, ASA, EA, MAAA
Enrolled Actuary #23-6938

By:



Lindsey E. Redman, ASA, EA, MAAA
Enrolled Actuary #23-9001

TABLE OF CONTENTS

<u>Section</u>	<u>Title</u>	<u>Page</u>
I	<u>Introduction</u>	
	a. Summary of Report	5
	b. Changes Since Prior Report	6
	c. Comparative Summary of Principal Valuation Results	
	i. Total	7
	ii. Firefighters	12
	iii. Police Officers	17
	d. Statement by Enrolled Actuary	22
II	<u>Valuation Information</u>	
	a. Reconciliation of Unfunded Actuarial Accrued Liability	
	i. Total	23
	ii. Firefighters	24
	iii. Police Officers	25
	b. Detailed Actuarial (Gain)/Loss Analysis	
	i. Total	26
	ii. Firefighters	27
	iii. Police Officers	28
	c. History of Funding Progress	29
	d. Actuarial Assumptions and Methods	30
	e. Glossary	34
	f. Discussion of Risk	35
	i. Total	38
	ii. Firefighters	39
	iii. Police Officers	40
	g. Excess State Monies Reserve	
	i. Firefighters	41
	ii. Police Officers	42
	h. Reconciliation of City's Shortfall/(Prepaid) Contribution	
	i. Firefighters	43
	ii. Police Officers	44
III	<u>Trust Fund</u>	45
IV	<u>Member Statistics</u>	
	i. Total	52
	ii. Firefighters	55
	iii. Police Officers	58
V	<u>Summary of Current Plan</u>	61

SUMMARY OF REPORT

The regular annual actuarial valuation of the City of Gainesville Consolidated Police Officers' and Firefighters' Retirement Plan, 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>
City Required Contribution (Firefighters)	\$ 1,596,209	\$ 958,747
% of Projected Annual Payroll	10.18%	7.06%
City Required Contribution (Police Officers)	\$ 2,091,519	\$ 1,398,251
% of Projected Annual Payroll	12.12%	8.80%
City Required Contribution (Total)	\$ 3,687,728	\$ 2,356,998
% of Projected Annual Payroll	11.20%	8.00%

The Minimum Required Contribution reflects an increase for both Firefighters and Police Officers compared to the results determined in the October 1, 2023 actuarial valuation report.

Plan experience was unfavorable overall on the basis of the plan's actuarial assumptions. Sources of actuarial loss included an investment return of 5.22% (Actuarial Asset Basis) which fell short of the 7.75% assumption and an average salary increase of 12.90% which exceeded the 3.92% 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

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

CONSOLIDATED TOTAL
COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS

	<u>10/1/2024</u>	<u>10/1/2023</u>
A. Participant Data		
Actives	389	381
Service Retirees	397	392
DROP Retirees	33	27
Beneficiaries	47	43
Disability Retirees	28	24
Terminated Vested	<u>42</u>	<u>47</u>
Total	936	914
Projected Annual Payroll	31,973,196	28,609,136
Annual Rate of Payments to:		
Service Retirees	17,907,200	17,328,675
DROP Retirees	1,698,456	1,291,772
Beneficiaries	1,159,696	1,044,783
Disability Retirees	580,770	467,065
Terminated Vested	393,732	423,188
B. Assets		
Actuarial Value (AVA) ¹	340,525,150	337,299,611
Market Value (MVA) ¹	348,139,610	302,366,954
C. Liabilities		
Present Value of Benefits		
Actives		
Retirement Benefits	135,430,634	126,677,478
Disability Benefits	6,309,141	5,774,888
Death Benefits	749,441	685,900
Vested Benefits	430,100	380,793
Refund of Contributions	826,747	710,332
Service Retirees	211,587,731	207,070,819
DROP Retirees ¹	27,841,282	21,159,092
Beneficiaries	10,655,177	9,569,462
Disability Retirees	5,762,987	4,559,911
Terminated Vested	2,372,497	2,623,606
Share Plan Balances ¹	4,256,066	3,061,743
Total	<u>406,221,803</u>	<u>382,274,024</u>

CONSOLIDATED TOTAL

C. Liabilities - (Continued)	<u>10/1/2024</u>	<u>10/1/2023</u>
Present Value of Future Salaries	271,606,076	240,004,893
Present Value of Future Member Contributions	22,369,833	19,707,848
Normal Cost (Retirement)	4,735,488	4,258,757
Normal Cost (Disability)	407,750	379,696
Normal Cost (Death)	43,891	40,050
Normal Cost (Vesting)	52,064	48,851
Normal Cost (Refunds)	196,818	185,447
Total Normal Cost	<u>5,436,011</u>	<u>4,912,801</u>
Present Value of Future Normal Costs	45,824,138	40,865,840
Accrued Liability (Retirement)	95,564,627	91,255,570
Accrued Liability (Disability)	2,865,994	2,641,045
Accrued Liability (Death)	371,233	346,489
Accrued Liability (Vesting)	(4,966)	(16,317)
Accrued Liability (Refunds)	(874,963)	(863,236)
Accrued Liability (Inactives) ¹	258,219,674	244,982,890
Share Plan Balances ¹	4,256,066	3,061,743
Total Actuarial Accrued Liability (EAN AL)	<u>360,397,665</u>	<u>341,408,184</u>
Unfunded Actuarial Accrued Liability (UAAL)	19,872,515	4,108,573
Funded Ratio (AVA / EAN AL)	94.5%	98.8%

CONSOLIDATED TOTAL

D. Actuarial Present Value of

Accrued Benefits	<u>10/1/2024</u>	<u>10/1/2023</u>
------------------	------------------	------------------

Vested Accrued Benefits

Inactives + Share Plan Balances ¹	262,475,740	248,044,633
Actives	38,046,433	38,533,947
Member Contributions	<u>19,127,021</u>	<u>18,736,446</u>
Total	319,649,194	305,315,026

Non-vested Accrued Benefits	<u>15,770,729</u>	<u>13,714,856</u>
-----------------------------	-------------------	-------------------

Total Present Value

Accrued Benefits (PVAB)	335,419,923	319,029,882
-------------------------	-------------	-------------

Funded Ratio (MVA / PVAB)	103.8%	94.8%
---------------------------	--------	-------

Increase (Decrease) in Present Value of
Accrued Benefits Attributable to:

Plan Amendments	0	
Assumption Changes	0	
Plan Experience	12,729,998	
Benefits Paid	(20,278,963)	
Interest	23,939,006	
Other	<u>0</u>	
Total	16,390,041	

CONSOLIDATED TOTAL

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

E. Pension Cost

Normal Cost (with interest)	\$5,816,056	\$5,256,267
% of Projected Annual Payroll ²	17.66	17.84
Administrative Expenses (with interest)	312,011	356,434
% of Projected Annual Payroll ²	0.95	1.21
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 30 years (as of 10/1/2023, with interest)	1,404,095	297,456
% of Projected Annual Payroll ²	4.26	1.01
Minimum Required Contribution	7,532,162	5,910,157
% of Projected Annual Payroll ²	22.87	20.06
Expected Member Contributions	2,705,154	2,413,879
% of Projected Annual Payroll ²	8.21	8.19
Expected State Contribution	1,139,280	1,139,280
% of Projected Annual Payroll ²	3.46	3.87
Expected City Contribution	3,687,728	2,356,998
% of Projected Annual Payroll ²	11.20	8.00

F. Past Contributions

Plan Years Ending:	<u>9/30/2024</u>
City and State Requirement	3,492,108
Actual Contributions Made:	
Members (excluding buyback)	2,708,192
City	2,352,828
State	<u>1,139,280</u>
Total	6,200,300

G. Net Actuarial (Gain)/Loss	15,914,411
------------------------------	------------

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

² Contributions developed as of 10/1/2024 are expressed as a percentage of total annual payroll at 4/1/2026 of \$32,932,392.

CONSOLIDATED TOTAL

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	19,872,515
2025	19,998,581
2026	20,104,580
2033	20,076,357
2040	18,185,462
2047	15,215,356
2054	0

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

	<u>Actual</u>	<u>Assumed</u>
Year Ended 9/30/2024	12.90%	3.92%
Year Ended 9/30/2023	10.45%	3.88%
Year Ended 9/30/2022	7.56%	3.93%
Year Ended 9/30/2021	12.98%	3.99%
Year Ended 9/30/2020	9.19%	4.00%

(ii) 5 Year Comparison of Investment Returns on Market and Actuarial Values

	<u>Market</u>	<u>Actuarial</u>	<u>Assumed</u>
Year Ended 9/30/2024	20.43%	5.22%	7.75%
Year Ended 9/30/2023	14.64%	5.93%	7.75%
Year Ended 9/30/2022	-16.08%	-0.48%	7.75%
Year Ended 9/30/2021	23.06%	10.43%	7.90%
Year Ended 9/30/2020	6.65%	7.37%	7.90%

(iii) Average Annual Payroll Growth

(a) Payroll as of:	10/1/2024	\$31,920,173
	10/1/2014	\$23,826,193
(b) Total Increase		33.97%
(c) Number of Years		10
(d) Average Annual Rate		2.97%

FIREFIGHTERS
COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS

	<u>10/1/2024</u>	<u>10/1/2023</u>
A. Participant Data		
Actives	179	173
Service Retirees	153	150
DROP Retirees	7	7
Beneficiaries	21	21
Disability Retirees	9	7
Terminated Vested	<u>7</u>	<u>11</u>
Total	376	369
Projected Annual Payroll	15,224,900	13,192,457
Annual Rate of Payments to:		
Service Retirees	7,481,733	7,117,560
DROP Retirees	448,676	402,000
Beneficiaries	587,224	570,408
Disability Retirees	208,196	150,923
Terminated Vested	72,131	72,131
B. Assets		
Actuarial Value (AVA) ¹	137,468,476	136,208,246
Market Value (MVA) ¹	140,709,924	122,268,194
C. Liabilities		
Present Value of Benefits		
Actives		
Retirement Benefits	63,591,144	57,741,075
Disability Benefits	2,987,473	2,607,742
Death Benefits	383,691	333,351
Vested Benefits	29,610	28,088
Refund of Contributions	326,729	271,980
Service Retirees	85,385,826	82,129,082
DROP Retirees ¹	7,488,833	6,783,499
Beneficiaries	5,486,457	5,311,713
Disability Retirees	2,092,175	1,499,987
Terminated Vested	489,978	517,580
Share Plan Balances ¹	<u>1,298,680</u>	<u>821,870</u>
Total	169,560,596	158,045,967

FIREFIGHTERS

C. Liabilities - (Continued)	<u>10/1/2024</u>	<u>10/1/2023</u>
Present Value of Future Salaries	133,291,813	113,832,032
Present Value of Future Member Contributions	11,996,263	10,244,883
Normal Cost (Retirement)	2,291,417	2,006,966
Normal Cost (Disability)	184,966	161,915
Normal Cost (Death)	21,937	18,980
Normal Cost (Vesting)	3,356	2,716
Normal Cost (Refunds)	71,010	64,184
Total Normal Cost	<u>2,572,686</u>	<u>2,254,761</u>
Present Value of Future Normal Costs	22,428,430	19,339,418
Accrued Liability (Retirement)	43,712,876	40,612,563
Accrued Liability (Disability)	1,317,928	1,167,707
Accrued Liability (Death)	183,222	160,974
Accrued Liability (Vesting)	64	5,687
Accrued Liability (Refunds)	(323,873)	(304,113)
Accrued Liability (Inactives) ¹	100,943,269	96,241,861
Share Plan Balances ¹	1,298,680	821,870
Total Actuarial Accrued Liability (EAN AL)	<u>147,132,166</u>	<u>138,706,549</u>
Unfunded Actuarial Accrued Liability (UAAL)	9,663,690	2,498,303
Funded Ratio (AVA / EAN AL)	93.4%	98.2%

FIREFIGHTERS

D. Actuarial Present Value of Accrued Benefits	<u>10/1/2024</u>	<u>10/1/2023</u>
Vested Accrued Benefits		
Inactives + Share Plan Balances ¹	102,241,949	97,063,731
Actives	16,404,119	16,447,097
Member Contributions	9,188,454	8,744,115
Total	<u>127,834,522</u>	<u>122,254,943</u>
Non-vested Accrued Benefits	<u>7,990,571</u>	<u>6,790,912</u>
Total Present Value Accrued Benefits (PVAB)	135,825,093	129,045,855
Funded Ratio (MVA / PVAB)	103.6%	94.7%
Increase (Decrease) in Present Value of Accrued Benefits Attributable to:		
Plan Amendments	0	
Assumption Changes	0	
Plan Experience	5,813,235	
Benefits Paid	(8,698,003)	
Interest	9,664,006	
Other	0	
Total	<u>6,779,238</u>	

FIREFIGHTERS

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

E. Pension Cost

Normal Cost (with interest)	\$2,752,549	\$2,412,397
% of Projected Annual Payroll ²	17.55	17.75
Administrative Expenses (with interest)	\$154,241	\$172,382
% of Projected Annual Payroll ²	0.98	1.27
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 30 years (as of 10/1/2024, with interest)	\$681,686	\$177,828
% of Projected Annual Payroll ²	4.35	1.31
Minimum Required Contribution	\$3,588,476	\$2,762,607
% of Projected Annual Payroll ²	22.88	20.33
Expected Member Contributions	\$1,411,348	\$1,222,941
% of Projected Annual Payroll ²	9.00	9.00
Expected State Contribution	\$580,919	\$580,919
% of Projected Annual Payroll ²	3.70	4.28
Expected City Contribution	\$1,596,209	\$958,747
% of Projected Annual Payroll ²	10.18	7.06

F. Past Contributions

Plan Years Ending:	<u>9/30/2024</u>
--------------------	------------------

City and State Requirement	1,480,707
----------------------------	-----------

Actual Contributions Made:

Members (excluding buyback)	1,394,507
City	899,788
State	580,919
Total	<u>2,875,214</u>

G. Net Actuarial (Gain)/Loss	7,169,815
------------------------------	-----------

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

² Contributions developed as of 10/1/2024 are expressed as a percentage of Projected Annual Payroll at 04/1/2026 of \$15,681,647.

FIREFIGHTERS

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	9,663,690
2025	9,726,105
2026	9,778,873
2033	9,777,604
2040	8,853,589
2047	7,283,293
2054	0

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

	<u>Actual</u>	<u>Assumed</u>
Year Ended 9/30/2024	15.07%	3.46%
Year Ended 9/30/2023	13.29%	3.38%
Year Ended 9/30/2022	6.34%	3.45%
Year Ended 9/30/2021	10.77%	3.51%
Year Ended 9/30/2020	5.19%	3.53%

(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	20.43%	5.29%	7.75%
Year Ended 9/30/2023	14.64%	5.66%	7.75%
Year Ended 9/30/2022	-16.08%	-0.11%	7.75%
Year Ended 9/30/2021	23.06%	10.45%	7.90%
Year Ended 9/30/2020	6.65%	7.39%	7.90%

POLICE OFFICERS
COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS

	<u>10/1/2024</u>	<u>10/1/2023</u>
A. Participant Data		
Actives	210	208
Service Retirees	244	242
DROP Retirees	26	20
Beneficiaries	26	22
Disability Retirees	19	17
Terminated Vested	<u>35</u>	<u>36</u>
Total	560	545
Projected Annual Payroll	16,748,296	15,416,679
Annual Rate of Payments to:		
Service Retirees	10,425,467	10,211,115
DROP Retirees	1,249,780	889,772
Beneficiaries	572,472	474,375
Disability Retirees	372,574	316,142
Terminated Vested	321,601	351,057
B. Assets		
Actuarial Value (AVA) ¹	203,056,674	201,091,365
Market Value (MVA) ¹	207,429,686	180,098,760
C. Liabilities		
Present Value of Benefits		
Actives		
Retirement Benefits	71,839,490	68,936,403
Disability Benefits	3,321,668	3,167,146
Death Benefits	365,750	352,549
Vested Benefits	400,490	352,705
Refund of Contributions	500,018	438,352
Service Retirees	126,201,905	124,941,737
DROP Retirees ¹	20,352,449	14,375,593
Beneficiaries	5,168,720	4,257,749
Disability Retirees	3,670,812	3,059,924
Terminated Vested	1,882,519	2,106,026
Share Plan Balances ¹	<u>2,957,386</u>	<u>2,239,873</u>
Total	236,661,207	224,228,057

POLICE OFFICERS

C. Liabilities - (Continued)	<u>10/1/2024</u>	<u>10/1/2023</u>
Present Value of Future Salaries	138,314,263	126,172,861
Present Value of Future Member Contributions	10,373,570	9,462,965
Normal Cost (Retirement)	2,444,071	2,251,791
Normal Cost (Disability)	222,784	217,781
Normal Cost (Death)	21,954	21,070
Normal Cost (Vesting)	48,708	46,135
Normal Cost (Refunds)	125,808	121,263
Total Normal Cost	<u>2,863,325</u>	<u>2,658,040</u>
Present Value of Future Normal Costs	23,395,708	21,526,422
Accrued Liability (Retirement)	51,851,751	50,643,007
Accrued Liability (Disability)	1,548,066	1,473,338
Accrued Liability (Death)	188,011	185,515
Accrued Liability (Vesting)	(5,030)	(22,004)
Accrued Liability (Refunds)	(551,090)	(559,123)
Accrued Liability (Inactives) ¹	157,276,405	148,741,029
Share Plan Balances ¹	2,957,386	2,239,873
Total Actuarial Accrued Liability (EAN AL)	<u>213,265,499</u>	<u>202,701,635</u>
Unfunded Actuarial Accrued Liability (UAAL)	10,208,825	1,610,270
Funded Ratio (AVA / EAN AL)	95.2%	99.2%

POLICE OFFICERS

D. Actuarial Present Value of Accrued Benefits	<u>10/1/2024</u>	<u>10/1/2023</u>
Vested Accrued Benefits		
Inactives + Share Plan Balances ¹	160,233,791	150,980,902
Actives	21,642,314	22,086,850
Member Contributions	9,938,567	9,992,331
Total	<u>191,814,672</u>	<u>183,060,083</u>
Non-vested Accrued Benefits	<u>7,780,158</u>	<u>6,923,944</u>
Total Present Value		
Accrued Benefits (PVAB)	199,594,830	189,984,027
Funded Ratio (MVA / PVAB)	103.9%	94.8%
Increase (Decrease) in Present Value of Accrued Benefits Attributable to:		
Plan Amendments	0	
Assumption Changes	0	
Plan Experience	6,916,763	
Benefits Paid	(11,580,960)	
Interest	14,275,000	
Other	0	
Total	<u>9,610,803</u>	

POLICE OFFICERS

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

E. Pension Cost

Normal Cost (with interest)	\$3,063,507	\$2,843,870
% of Projected Annual Payroll ²	17.76	17.91
Administrative Expenses (with interest)	\$157,770	\$184,052
% of Projected Annual Payroll ²	0.91	1.16
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 30 years (as of 10/1/2024, with interest)	\$722,409	\$119,628
% of Projected Annual Payroll ²	4.19	0.75
Minimum Required Contribution	\$3,943,686	\$3,147,550
% of Projected Annual Payroll ²	22.86	19.82
Expected Member Contributions	\$1,293,806	\$1,190,938
% of Projected Annual Payroll ²	7.50	7.50
Expected State Contribution	\$558,361	\$558,361
% of Projected Annual Payroll ²	3.24	3.52
Expected City Contribution	\$2,091,519	\$1,398,251
% of Projected Annual Payroll ²	12.12	8.80

F. Past Contributions

Plan Years Ending:	<u>9/30/2024</u>
City and State Requirement	2,011,401
Actual Contributions Made:	
Members (excluding buyback)	1,313,685
City	1,453,040
State	558,361
Total	<u>3,325,086</u>

G. Net Actuarial (Gain)/Loss	8,744,596
------------------------------	-----------

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

² Contributions developed as of 10/1/2024 are expressed as a percentage of Projected Annual Payroll at 04/1/2026 of \$17,250,745.

POLICE OFFICERS

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	10,208,825
2025	10,272,476
2026	10,325,707
2033	10,298,753
2040	9,331,873
2047	7,932,063
2054	0

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

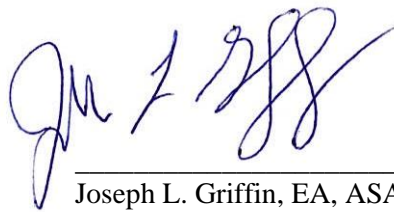
	<u>Actual</u>	<u>Assumed</u>
Year Ended 9/30/2024	10.98%	4.32%
Year Ended 9/30/2023	8.10%	4.30%
Year Ended 9/30/2022	8.55%	4.31%
Year Ended 9/30/2021	14.67%	4.36%
Year Ended 9/30/2020	12.29%	4.37%

(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	20.43%	5.18%	7.75%
Year Ended 9/30/2023	14.64%	6.11%	7.75%
Year Ended 9/30/2022	-16.08%	-0.73%	7.75%
Year Ended 9/30/2021	23.06%	10.41%	7.90%
Year Ended 9/30/2020	6.65%	7.36%	7.90%

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.

A handwritten signature in blue ink, appearing to read "JL Griffin", is positioned above a horizontal line.

Joseph L. Griffin, EA, ASA, MAAA
Enrolled Actuary #23-6938

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

CONSOLIDATED TOTAL
RECONCILIATION OF UNFUNDED ACTUARIAL ACCRUED LIABILITIES

(1)	Unfunded Actuarial Accrued Liability as of October 1, 2023	\$4,108,573
(2)	Sponsor Normal Cost developed as of October 1, 2023	2,569,229
(3)	Expected administrative expenses for the year ended September 30, 2024	333,143
(4)	Expected interest on (1), (2) and (3)	530,439
(5)	Sponsor contributions to the System during the year ended September 30, 2024	3,492,108
(6)	Expected interest on (5)	91,172
(7)	Expected Unfunded Actuarial Accrued Liability as of September 30, 2024 (1)+(2)+(3)+(4)-(5)-(6)	3,958,104
(8)	Change to UAAL due to Actuarial (Gain)/Loss	15,914,411
(9)	Unfunded Actuarial Accrued Liability as of October 1, 2024	19,872,515

Type of	Date	Years	10/1/2024	Amortization
<u>Base</u>	<u>Established</u>	<u>Remaining</u>	<u>Amount</u>	<u>Amount</u>
Assum. Change	10/1/2003	9	\$137,686	\$18,788
Actuarial Loss	10/1/2003	9	88,845	12,123
Assum. Change	10/1/2004	10	(98,690)	(12,422)
Actuarial Loss	10/1/2004	10	58,691	7,387
Actuarial Gain	10/1/2005	11	(19,416)	(2,276)
Actuarial Gain	10/1/2006	12	(100,292)	(11,042)
Assum. Change	10/1/2007	13	(22,675)	(2,360)
Benefit Change	10/1/2007	13	184,770	19,233
Actuarial Gain	10/1/2007	13	(374,033)	(38,932)
Actuarial Loss	10/1/2008	14	221,738	21,945
Assum. Change	10/1/2009	15	110,952	10,491
Actuarial Loss	10/1/2009	15	841,123	79,535
Actuarial Loss	10/1/2010	16	495,015	44,912
Assum. Change	10/1/2010	16	26,762	2,428
Actuarial Loss	10/1/2011	17	930,794	81,328
Assum. Change	10/1/2011	17	(8,682)	(759)
Actuarial Loss	10/1/2012	18	125,536	10,597
Benefit Change	10/1/2012	18	(183,488)	(15,490)
Actuarial Gain	10/1/2013	19	(216,428)	(17,702)
Assum. Change	10/1/2013	19	170,115	13,914
Actuarial Gain	10/1/2014	20	(286,341)	(22,751)
Assum. Change	10/1/2014	20	178,131	14,154
Actuarial Loss	10/1/2015	21	34,468	2,666
Assum. Change	10/1/2015	21	183,680	14,209
Actuarial Loss	10/1/2016	22	195,378	14,745
Assum. Change	10/1/2016	22	350,470	26,449
Actuarial Gain	10/1/2017	23	(256,674)	(18,933)
Assum. Change	10/1/2017	23	305,775	22,555
Actuarial Gain	10/1/2018	24	(294,727)	(21,284)
Assum. Change	10/1/2018	24	207,423	14,980
Actuarial Loss	10/1/2019	25	3,215	227
Actuarial Gain	10/1/2020	26	(3,704,248)	(257,538)
Assump Change	10/1/2020	26	(5,611,122)	(390,114)
Actuarial Gain	10/1/2021	27	(314,290)	(21,482)
Assump Change	10/1/2021	27	(30,187,511)	(2,063,340)
Actuarial Loss	10/1/2022	28	32,593,740	2,192,707
Actuarial Loss	10/1/2023	29	8,192,414	543,028
Actuarial Loss	10/1/2024	30	15,914,411	1,040,370
			19,872,515	1,312,346

FIREFIGHTERS
RECONCILIATION OF UNFUNDED ACTUARIAL ACCRUED LIABILITIES

(1)	Unfunded Actuarial Accrued Liability as of October 1, 2023	\$2,498,303
(2)	Sponsor Normal Cost developed as of October 1, 2023	1,067,440
(3)	Expected administrative expenses for the year ended September 30, 2024	161,118
(4)	Expected interest on (1), (2) and (3)	282,588
(5)	Sponsor contributions to the System during the year ended September 30, 2024	1,480,707
(6)	Expected interest on (5)	34,867
(7)	Expected Unfunded Actuarial Accrued Liability as of September 30, 2024 (1)+(2)+(3)+(4)-(5)-(6)	2,493,875
(8)	Change to UAAL due to Actuarial (Gain)/Loss	7,169,815
(9)	Unfunded Actuarial Accrued Liability as of October 1, 2024	9,663,690

Type of Base	Date Established	Years Remaining	10/1/2024 Amount	Amortization Amount
Assum. Change	10/1/2003	9	55,711	7,602
Actuarial Loss	10/1/2003	9	35,949	4,905
Assum. Change	10/1/2004	10	(39,931)	(5,026)
Actuarial Loss	10/1/2004	10	23,748	2,989
Actuarial Gain	10/1/2005	11	(7,855)	(921)
Actuarial Gain	10/1/2006	12	(40,580)	(4,468)
Assum. Change	10/1/2007	13	(9,175)	(955)
Benefit Change	10/1/2007	13	74,761	7,782
Actuarial Gain	10/1/2007	13	(151,342)	(15,753)
Actuarial Loss	10/1/2008	14	89,718	8,879
Assum. Change	10/1/2009	15	44,894	4,245
Actuarial Loss	10/1/2009	15	340,335	32,181
Actuarial Loss	10/1/2010	16	200,293	18,172
Assum. Change	10/1/2010	16	10,829	982
Actuarial Loss	10/1/2011	17	376,617	32,907
Assum. Change	10/1/2011	17	(3,514)	(307)
Actuarial Loss	10/1/2012	18	50,795	4,288
Benefit Change	10/1/2012	18	(10,042)	(848)
Actuarial Gain	10/1/2013	19	(44,333)	(3,626)
Assum. Change	10/1/2013	19	66,158	5,411
Actuarial Gain	10/1/2014	20	(11,153)	(886)
Assum. Change	10/1/2014	20	70,438	5,597
Actuarial Gain	10/1/2015	21	(34,229)	(2,648)
Assum. Change	10/1/2015	21	70,635	5,464
Actuarial Loss	10/1/2016	22	64,741	4,886
Assum. Change	10/1/2016	22	130,044	9,814
Actuarial Gain	10/1/2017	23	(132,379)	(9,765)
Assum. Change	10/1/2017	23	119,032	8,780
Actuarial Gain	10/1/2018	24	(109,739)	(7,925)
Assum. Change	10/1/2018	24	80,560	5,818
Actuarial Loss	10/1/2019	25	38,263	2,709
Actuarial Gain	10/1/2020	26	(1,646,944)	(114,504)
Assump Change	10/1/2020	26	(2,587,708)	(179,911)
Actuarial Gain	10/1/2021	27	(570,921)	(39,023)
Asmp/Mthd Change	10/1/2021	27	(12,378,483)	(846,079)
Actuarial Loss	10/1/2022	28	12,896,124	867,572
Actuarial Loss	10/1/2023	29	5,432,558	360,093
Actuarial Loss	10/1/2024	30	7,169,815	468,711
			<u>9,663,690</u>	<u>637,142</u>

POLICE OFFICERS
RECONCILIATION OF UNFUNDED ACTUARIAL ACCRUED LIABILITIES

(1)	Unfunded Actuarial Accrued Liability as of October 1, 2023	\$1,610,270
(2)	Sponsor Normal Cost developed as of October 1, 2023	1,501,789
(3)	Expected administrative expenses for the year ended September 30, 2024	172,025
(4)	Expected interest on (1), (2) and (3)	247,851
(5)	Sponsor contributions to the System during the year ended September 30, 2024	2,011,401
(6)	Expected interest on (5)	56,305
(7)	Expected Unfunded Actuarial Accrued Liability as of September 30, 2024 (1)+(2)+(3)+(4)-(5)-(6)	1,464,229
(8)	Change to UAAL due to Actuarial (Gain)/Loss	8,744,596
(9)	Unfunded Actuarial Accrued Liability as of October 1, 2024	10,208,825

Type of Base	Date Established	Years Remaining	10/1/2024 Amount	Amortization Amount
Assum. Change	10/1/2003	9	81,975	11,186
Actuarial Loss	10/1/2003	9	52,896	7,218
Assum. Change	10/1/2004	10	(58,759)	(7,396)
Actuarial Loss	10/1/2004	10	34,943	4,398
Actuarial Gain	10/1/2005	11	(11,561)	(1,355)
Actuarial Gain	10/1/2006	12	(59,712)	(6,574)
Assum. Change	10/1/2007	13	(13,500)	(1,405)
Benefit Change	10/1/2007	13	110,009	11,451
Actuarial Gain	10/1/2007	13	(222,691)	(23,179)
Actuarial Loss	10/1/2008	14	132,020	13,066
Assum. Change	10/1/2009	15	66,058	6,246
Actuarial Loss	10/1/2009	15	500,788	47,354
Actuarial Loss	10/1/2010	16	294,722	26,740
Assum. Change	10/1/2010	16	15,933	1,446
Actuarial Loss	10/1/2011	17	554,177	48,421
Assum. Change	10/1/2011	17	(5,168)	(452)
Actuarial Loss	10/1/2012	18	74,741	6,309
Benefit Change	10/1/2012	18	(173,446)	(14,642)
Actuarial Gain	10/1/2013	19	(172,095)	(14,076)
Assum. Change	10/1/2013	19	103,957	8,503
Actuarial Gain	10/1/2014	20	(275,188)	(21,865)
Assum. Change	10/1/2014	20	107,693	8,557
Actuarial Loss	10/1/2015	21	68,697	5,314
Assum. Change	10/1/2015	21	113,045	8,745
Actuarial Loss	10/1/2016	22	130,637	9,859
Assum. Change	10/1/2016	22	220,426	16,635
Actuarial Gain	10/1/2017	23	(124,295)	(9,168)
Assum. Change	10/1/2017	23	186,743	13,775
Actuarial Gain	10/1/2018	24	(184,988)	(13,359)
Assum. Change	10/1/2018	24	126,863	9,162
Actuarial Gain	10/1/2019	25	(35,048)	(2,482)
Actuarial Gain	10/1/2020	26	(2,057,304)	(143,034)
Assump Change	10/1/2020	26	(3,023,414)	(210,203)
Actuarial Loss	10/1/2021	27	256,631	17,541
Asmp/Mthd Change	10/1/2021	27	(17,809,028)	(1,217,261)
Actuarial Loss	10/1/2022	28	19,697,616	1,325,135
Actuarial Loss	10/1/2023	29	2,759,856	182,935
Actuarial Loss	10/1/2024	30	8,744,596	571,659
			<u>10,208,825</u>	<u>675,204</u>

CONSOLIDATED TOTAL
DETAILED ACTUARIAL (GAIN)/LOSS ANALYSIS

(1) Unfunded Actuarial Accrued Liability (UAAL) as of October 1, 2023	\$4,108,573
(2) Expected UAAL as of October 1, 2024	3,958,104
(3) Summary of Actuarial (Gain)/Loss, by component:	
Investment Return (Actuarial Asset Basis)	8,252,760
Salary Increases	6,206,469
Active Decrements	856,720
Inactive Mortality	1,640,147
Other	<u>(1,041,685)</u>
Increase in UAAL due to (Gain)/Loss	15,914,411
Assumption Changes	0
(4) Actual UAAL as of October 1, 2024	\$19,872,515

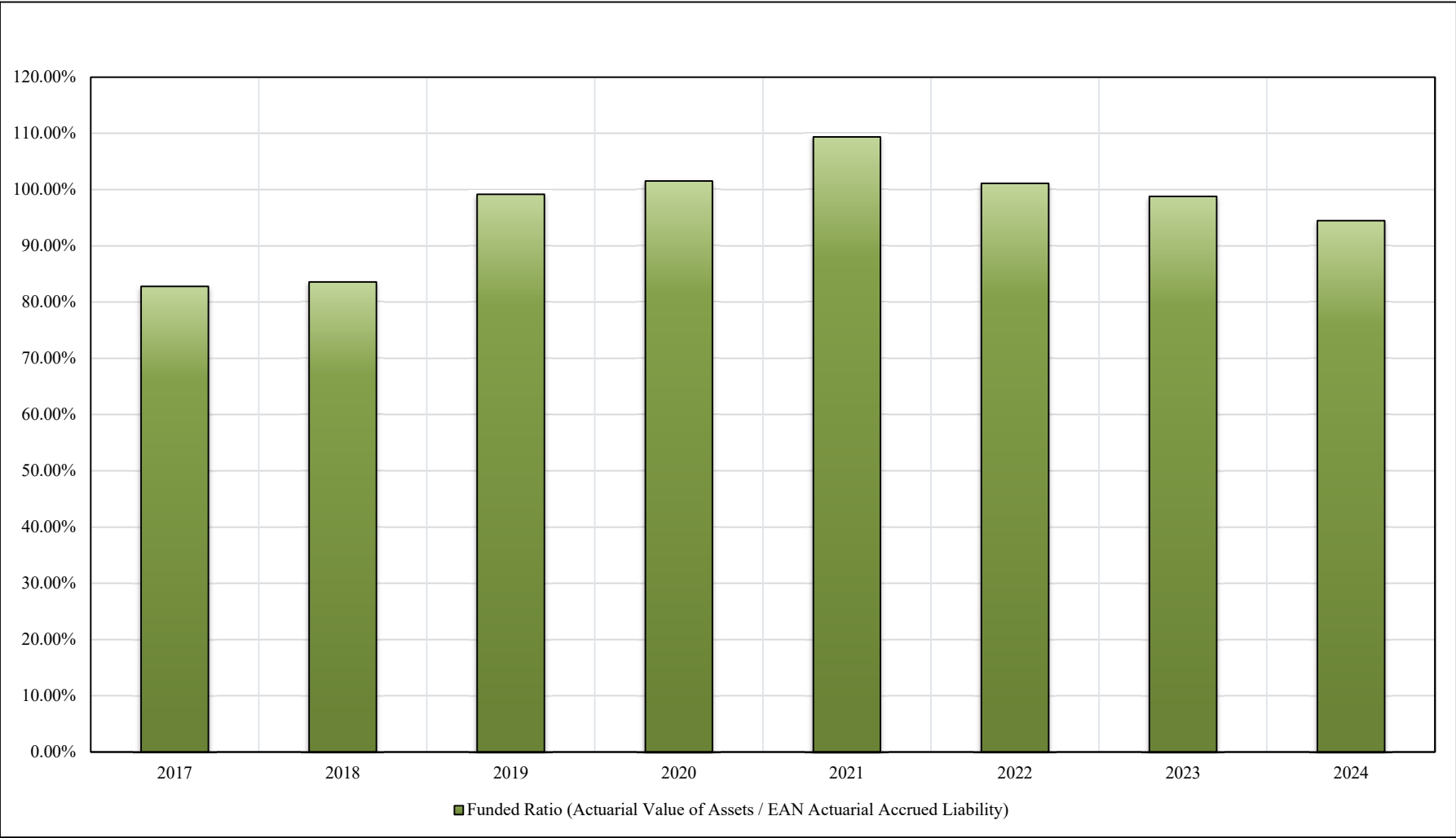
FIREFIGHTERS
DETAILED ACTUARIAL (GAIN)/LOSS ANALYSIS

(1) Unfunded Actuarial Accrued Liability (UAAL) as of October 1, 2023	\$2,498,303
(2) Expected UAAL as of October 1, 2024	2,493,875
(3) Summary of Actuarial (Gain)/Loss, by component:	
Investment Return (Actuarial Asset Basis)	3,259,570
Salary Increases	3,443,671
Active Decrements	319,523
Inactive Mortality	316,070
Other	<u>(169,019)</u>
Increase in UAAL due to (Gain)/Loss	7,169,815
Assumption Changes	<u>0</u>
(4) Actual UAAL as of October 1, 2024	\$9,663,690

POLICE OFFICERS
DETAILED ACTUARIAL (GAIN)/LOSS ANALYSIS

(1) Unfunded Actuarial Accrued Liability (UAAL) as of October 1, 2023	\$1,610,270
(2) Expected UAAL as of October 1, 2024	1,464,229
(3) Summary of Actuarial (Gain)/Loss, by component:	
Investment Return (Actuarial Asset Basis)	4,993,190
Salary Increases	2,762,798
Active Decrements	537,197
Inactive Mortality	1,324,077
Other	<u>(872,666)</u>
Increase in UAAL due to (Gain)/Loss	8,744,596
Assumption Changes	<u>0</u>
(4) Actual UAAL as of October 1, 2024	\$10,208,825

HISTORY OF FUNDING PROGRESS



ACTUARIAL ASSUMPTIONS AND METHODS

The assumptions were set by the prior actuary based on an experience study conducted in 2017 reflecting plan experience for the six-year period ending September 30, 2015.

Mortality Rate

Healthy Active Lives:

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

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

Healthy Retiree Lives:

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

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

Beneficiary Lives:

Female: PubG.H-2010 for Healthy Retirees.

Male: PubG.H-2010 for Healthy Retirees, set back one year.

Disabled Lives:

80% PubG.H-2010 for Disabled Retirees / 20% PubS.H-2010 for Disabled Retirees.

All rates for healthy lives are projected generationally with Mortality Improvement Scale MP-2018. We feel this assumption sufficiently accommodates future mortality improvements.

The previously described mortality assumption rates were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumptions used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in Milliman's July 1, 2021 FRS valuation report for special risk employees, with appropriate adjustments made based on plan demographics.

Interest Rate

7.75% 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.

Administrative Expenses

\$291,623 annually, based on the average of actual non-investment related expenses incurred in the prior two fiscal years.

Marital Assumptions

90% of active members are assumed to be married with males 2 years older than females.

ACTUARIAL ASSUMPTIONS AND METHODS (CONTINUED)

Payroll Growth

3.0% per year for projecting aggregate payroll to the following fiscal year, and 2.11% for determining amortization payments towards 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

Rates of salary increases are shown below.

<u>Service</u>	<u>Firefighters</u>	<u>Police Officer</u>
0 – 4	5.0%	6.0%
5 – 9	4.0%	5.0%
10 – 14	3.0%	4.0%
15+	2.0%	3.0%

Termination Rates

Sample rates of termination are shown below.

<u>Service</u>	<u>Firefighters</u>	<u>Police Officers</u>
0 – 5	0.5%	0.7%
6 – 9	1.5%	3.5%
10 – 11	0.0%	2.5%
12+	0.0%	0.0%

Non vested members are assumed to withdraw their contributions and vested members are assumed to commence an annuity at age 55.

Retirement Rates

Rates of retirement are shown below.

<u>Service</u>	<u>Firefighters</u>	<u>Police Officers</u>
20	17.5%	25%
21 – 24	5.0%	5.0%
25	100%	100%

Firefighters who entered the plan on or after January 1, 2014 and Police Officers who are not eligible to retire by July 1, 2013 are assumed to retire at a rate of 1.0% per year once the sum of age and years of Credited Service is at least 70, with 100% assumed to retire upon reaching 25 years of Credited Service. In addition, all Members are assumed to retire no later than age 58.

Disability Rates

Sample rates of disability are shown below.

<u>Age</u>	<u>Disability Rate</u>
25	0.105%
30	0.144%
35	0.182%
40	0.308%
45	0.434%
50	0.854%
55	1.274%

100% of disablements are assumed to be service related.

ACTUARIAL ASSUMPTIONS AND METHODS (CONTINUED)

<u>State Contributions</u>	State premium tax revenue is assumed to be the same as the most recent distribution.
<u>Overtime Pay</u>	Overtime pay is assumed to equal to 6.5% of non-overtime related pensionable earnings in the years preceding retirement.
<u>Vacation Payout upon Termination</u>	Accumulated vacation that is payable upon termination of employment is assumed to be equal to the vacation balance as of July 1, 2013 for police officers and January 1, 2014 for firefighters.
<u>Accumulated Sick Leave</u>	Accumulated sick leave is assumed to increase benefit service according to the balance as of July 1, 2013 for police officers and January 1, 2014 for firefighters.
<u>Funding Method</u>	<p>Entry Age Normal Actuarial Cost Method. The following loads are applied for determining the minimum required contribution:</p> <p>Interest - A half year, based on current 7.75% assumption.</p> <p>Salary - A full year, based on current 3.00% assumption.</p>
<u>Asset Allocation Method</u>	Assets were allocated to police officers and firefighters separately as of October 1, 2012. The allocation was performed based on the accrued actuarial liability of each group (net of DROP accounts) with recognition that certain assets (DROP account and State Premium Tax Revenue) are already designated to each group. Future investment returns are allocated to each group such that the investment return as a percentage will be the same as the return on the total assets by taking into account the cash flow of each group separately.
<u>Actuarial Asset Method</u>	Assets are smoothed by recognizing investment gains or losses ratably over a five-year period. The investment gain or loss is determined based on the difference between the actual investment return for the year and the expected investment return by applying the assumed rate of return to the beginning of year market value of assets and cash flows during the year. The resulting asset value is constrained to no less than 80% nor greater than 120% of the market value of assets.
<u>Amortization Method</u>	Changes in Unfunded Liability are amortized over 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.

ACTUARIAL ASSUMPTIONS AND METHODS (CONTINUED)

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.

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

Projected 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.

DISCUSSION OF RISK (CONTINUED)

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 78.5% on October 1, 2018 to 73.4% on October 1, 2024, indicating that the plan’s maturity level has increased.
- 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 71.6%. 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 99.2% on October 1, 2019 to 94.5% on October 1, 2024.
- The Net Cash Flow Ratio, determined as the ratio of the Net Cash Flow (contributions minus benefit payments and administrative expenses) to the Market Value of Assets, increased from -4.1% on October 1, 2019 to -3.8% on October 1, 2024. The current Net Cash Flow Ratio of -3.8% indicates that contributions are not currently covering the plan's benefit payments and administrative expenses.

DISCUSSION OF RISK (CONTINUED)

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 4.06%, resulting in an LDROM of \$561,528,359. 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 in this section 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.

CONSOLIDATED TOTAL
PLAN MATURITY MEASURES AND OTHER RISK METRICS

	<u>10/1/2024</u>	<u>10/1/2023</u>	<u>10/1/2021</u>	<u>10/1/2019</u>
<u>Support Ratio</u>				
Total Actives	389	381	389	391
Total Inactives ¹	530	513	500	498
Actives / Inactives ¹	73.4%	74.3%	77.8%	78.5%
<u>Asset Volatility Ratio</u>				
Market Value of Assets (MVA)	348,139,610	302,366,954	348,217,157	290,738,332
Total Annual Payroll	32,877,778	30,037,859	27,508,120	24,710,307
MVA / Total Annual Payroll	1,058.9%	1,006.6%	1,265.9%	1,176.6%
<u>Accrued Liability (AL) Ratio</u>				
Inactive Accrued Liability	258,219,674	244,982,890	235,056,098	229,739,757
Total Accrued Liability (EAN)	360,397,665	341,408,184	318,301,175	294,971,028
Inactive AL / Total AL	71.6%	71.8%	73.8%	77.9%
<u>Funded Ratio</u>				
Actuarial Value of Assets (AVA)	340,525,150	337,299,611	348,217,157	292,543,799
Total Accrued Liability (EAN)	360,397,665	341,408,184	318,301,175	294,971,028
AVA / Total Accrued Liability (EAN)	94.5%	98.8%	109.4%	99.2%
<u>Net Cash Flow Ratio</u>				
Net Cash Flow ²	(13,268,478)	(13,952,529)	(13,927,928)	(11,794,677)
Market Value of Assets (MVA)	348,139,610	302,366,954	348,217,157	290,738,332
Ratio	-3.8%	-4.6%	-4.0%	-4.1%

¹ Excludes terminated participants awaiting a refund of member contributions.

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

FIREFIGHTERS
PLAN MATURITY MEASURES AND OTHER RISK METRICS

	<u>10/1/2024</u>	<u>10/1/2023</u>	<u>10/1/2021</u>	<u>10/1/2019</u>
<u>Support Ratio</u>				
Total Actives	179	173	163	154
Total Inactives ¹	193	188	189	193
Actives / Inactives ¹	92.7%	92.0%	86.2%	79.8%
<u>Asset Volatility Ratio</u>				
Market Value of Assets (MVA)	140,709,924	122,268,194	141,635,852	120,062,772
Total Annual Payroll	15,480,920	13,657,062	11,693,756	10,083,025
MVA / Total Annual Payroll	908.9%	895.3%	1,211.2%	1,190.7%
<u>Accrued Liability (AL) Ratio</u>				
Inactive Accrued Liability	100,943,269	96,241,861	94,787,151	97,331,680
Total Accrued Liability (EAN)	147,132,166	138,706,549	128,586,099	121,783,667
Inactive AL / Total AL	68.6%	69.4%	73.7%	79.9%
<u>Funded Ratio</u>				
Actuarial Value of Assets (AVA)	137,468,476	136,208,246	141,635,852	120,692,580
Total Accrued Liability (EAN)	147,132,166	138,706,549	128,586,099	121,783,667
AVA / Total Accrued Liability (EAN)	93.4%	98.2%	110.1%	99.1%
<u>Net Cash Flow Ratio</u>				
Net Cash Flow ²	(5,539,155)	(6,271,980)	(6,433,820)	(5,577,819)
Market Value of Assets (MVA)	140,709,924	122,268,194	141,635,852	120,062,772
Ratio	-3.9%	-5.1%	-4.5%	-4.6%

¹ Excludes terminated participants awaiting a refund of member contributions.

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

POLICE OFFICERS
PLAN MATURITY MEASURES AND OTHER RISK METRICS

	<u>10/1/2024</u>	<u>10/1/2023</u>	<u>10/1/2021</u>	<u>10/1/2019</u>
<u>Support Ratio</u>				
Total Actives	210	208	226	237
Total Inactives ¹	337	325	311	305
Actives / Inactives ¹	62.3%	64.0%	72.7%	77.7%
<u>Asset Volatility Ratio</u>				
Market Value of Assets (MVA)	207,429,686	180,098,760	206,581,305	170,675,560
Total Annual Payroll	17,396,858	16,380,797	15,814,364	14,627,282
MVA / Total Annual Payroll	1,192.3%	1,099.5%	1,306.3%	1,166.8%
<u>Accrued Liability (AL) Ratio</u>				
Inactive Accrued Liability	157,276,405	148,741,029	140,268,947	132,408,077
Total Accrued Liability (EAN)	213,265,499	202,701,635	189,715,076	173,187,361
Inactive AL / Total AL	73.7%	73.4%	73.9%	76.5%
<u>Funded Ratio</u>				
Actuarial Value of Assets (AVA)	203,056,674	201,091,365	206,581,305	171,851,219
Total Accrued Liability (EAN)	213,265,499	202,701,635	189,715,076	173,187,361
AVA / Total Accrued Liability (EAN)	95.2%	99.2%	108.9%	99.2%
<u>Net Cash Flow Ratio</u>				
Net Cash Flow ²	(7,729,322)	(7,680,548)	(7,494,107)	(6,216,858)
Market Value of Assets (MVA)	207,429,686	180,098,760	206,581,305	170,675,560
Ratio	-3.7%	-4.3%	-3.6%	-3.6%

¹ Excludes terminated participants awaiting a refund of member contributions.

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

FIREFIGHTERS
EXCESS STATE MONIES RESERVE

Firefighters' Distribution			
	<u>Actual</u> <u>State Contribution</u>	<u>Applicable</u> <u>"Frozen" Amount</u>	<u>Excess State</u> <u>Monies Reserve</u>
1998	\$310,569.70	\$310,569.70	\$0.00
1999	308,826.01	310,569.70	0.00
2000	340,476.79	310,569.70	29,907.09
2001	365,050.96	310,569.70	54,481.26
2002	386,831.39	310,569.70	76,261.69
2003	404,962.46	310,569.70	94,392.76
2004	420,900.88	310,569.70	110,331.18
2005	478,607.14	310,569.70	168,037.44
2006	539,517.35	310,569.70	228,947.65
2007	639,048.86	580,918.87	58,129.99
2008	653,591.00	580,918.87	72,672.13
2009	586,462.27	580,918.87	5,543.40
2010	566,345.69	580,918.87	0.00
2011	572,537.52	580,918.87	0.00
2012	578,012.52	580,918.87	0.00
2013	573,439.20	580,918.87	0.00
2014	616,730.22	580,918.87	35,811.35
2015	597,606.37	580,918.87	16,687.50
2016	554,610.96	580,918.87	0.00
2017	519,432.67	580,918.87	0.00
2018	573,771.90	580,918.87	0.00
2019	553,982.69	580,918.87	0.00
2020	646,766.57	580,918.87	65,847.70
2021	670,841.96	580,918.87	89,923.09
2022	671,610.17	580,918.87	90,691.30
2023	901,570.52	580,918.87	320,651.65
2024	988,086.87	580,918.87	407,168.00
Total Excess State Monies			1,925,485.18
Amount Allocated to Benefit Improvements			<u>(1,925,485.18)</u>
Equals Current State Monies Reserve			\$0.00

POLICE OFFICERS
EXCESS STATE MONIES RESERVE

Police Officers' Distribution			
	<u>Actual State Contribution</u>	<u>Applicable "Frozen" Amount</u>	<u>Excess State Monies Reserve</u>
1998	\$485,156.16	\$485,156.16	\$0.00
1999	484,907.97	485,156.16	0.00
2000	479,761.05	485,156.16	0.00
2001	532,645.23	485,156.16	47,489.07
2002	577,629.43	485,156.16	92,473.27
2003	613,690.66	485,156.16	128,534.50
2004	599,120.94	485,156.16	113,964.78
2005	607,282.55	485,156.16	122,126.39
2006	632,775.65	485,156.16	147,619.49
2007	614,350.42	558,361.13	55,989.29
2008	641,820.00	558,361.13	83,458.87
2009	667,804.62	558,361.13	109,443.49
2010	614,258.14	558,361.13	55,897.01
2011	609,604.08	558,361.13	51,242.95
2012	599,909.03	558,361.13	41,547.90
2013	596,585.28	558,361.13	38,224.15
2014	643,264.53	558,361.13	84,903.40
2015	672,221.27	558,361.13	113,860.14
2016	688,129.56	558,361.13	129,768.43
2017	738,850.69	558,361.13	180,489.56
2018	792,532.36	558,361.13	234,171.23
2019	1,029,476.16	558,361.13	471,115.03
2020	911,505.90	558,361.13	353,144.77
2021	866,580.46	558,361.13	308,219.33
2022	914,921.22	558,361.13	356,560.09
2023	1,053,891.74	558,361.13	495,530.61
2024	1,194,478.51	558,361.13	636,117.38
Total Excess State Monies			4,451,891.13
Amount Allocated to Benefit Improvements			<u>(4,451,891.13)</u>
Equals Current State Monies Reserve			\$0.00

FIREFIGHTERS
CITY CONTRIBUTIONS IN EXCESS OF MINIMUM REQUIREMENT
FOR THE FISCAL YEAR ENDED (FYE) SEPTEMBER 30, 2024

(1) City Required Contribution	\$1,480,707.28
(2) Less Allowable State Contribution	<u>(580,918.87)</u>
(3) Equals Required City Contribution for Fiscal 2024	899,788.41
(4) Less Actual City Contributions	<u>(899,788.41)</u>
(5) Equals City's Shortfall/(Prepaid) Contribution as of September 30, 2024	\$0.00

POLICE OFFICERS
CITY CONTRIBUTIONS IN EXCESS OF MINIMUM REQUIREMENT
FOR THE FISCAL YEAR ENDED (FYE) SEPTEMBER 30, 2024

(1) City Required Contribution	\$2,011,400.86
(2) Less Allowable State Contribution	<u>(558,361.13)</u>
(3) Equals Required City Contribution for Fiscal 2024	1,453,039.73
(4) Less Actual City Contributions	<u>(1,453,039.73)</u>
(5) Equals City's Shortfall/(Prepaid) Contribution as of September 30, 2024	\$0.00

STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2024

ASSETS

MARKET VALUE

Cash and Cash Equivalents:

Cash	12,884,991
Due from City of Gainesville	6,487,360
Dividends Receivable	438,605
Investments, at Fair Value	328,368,242

Total Assets	348,179,198
--------------	-------------

LIABILITIES

Payables:

Accounts Payable	38,926
Wages Payable	662

Total Liabilities	39,588
-------------------	--------

NET POSITION RESTRICTED FOR PENSIONS	348,139,610
--------------------------------------	-------------

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

	<u>SEPTEMBER 30, 2024</u>	<u>SEPTEMBER 30, 2023</u>
<u>ADDITIONS</u>		
Contributions:		
Member	\$ 2,718,735	\$ 2,552,695
Buy-Back	10,543	0
City	2,352,828	2,204,346
State	2,182,565	1,955,462
Total Contributions	<u>\$ 7,264,672</u>	<u>\$ 6,712,503</u>
Investment Income:		
Net Increase in Fair Value of Investments	\$ 56,538,739	\$ 36,754,555
Interest & Dividends	3,937,439	3,246,514
Investment Income:	<u>\$ 60,476,178</u>	<u>\$ 40,001,069</u>
 Total Additions	 \$ 67,740,850	 \$ 46,713,572
<u>DEDUCTIONS</u>		
Distributions to Members:		
Benefit Payments	\$ 19,049,376	\$ 18,481,498
Retiree DROP Payouts and Rollovers	807,415	1,525,718
Refunds of Member Contributions	422,172	318,214
Investment Expense	871,605	833,277
Administrative Expense	594,144	705,101
Transfer to Share Plan	<u>1,417,805</u>	<u>488,977</u>
 Total Deductions	 \$ 23,162,517	 \$ 22,352,786
Net Increase in Net Position	44,578,333	24,360,786
NET POSITION RESTRICTED FOR PENSIONS		
Beginning of the Year	\$ 299,305,211	\$ 274,944,639
Adjustment to Beginning of Year ¹	\$ -	\$ (214)
Adjusted Beginning of Year	\$ 299,305,211	\$ 274,944,425
 End of the Year	 \$ 343,883,544	 \$ 299,305,211
Receivable from State	<u>0</u>	<u>0</u>
Total Fund including Receivable from State	\$ 343,883,544	\$ 299,305,211
Share Plan Balance	<u>4,256,066</u>	<u>3,061,743</u>
Total Fund including Share Plan Balance	\$ 348,139,610	\$ 302,366,954
Rate of Investment Return	20.43%	14.64%

¹ \$214 ICMA DROP account balance

CITY OF GAINESVILLE
CONSOLIDATED POLICE OFFICERS' AND FIREFIGHTERS' RETIREMENT PLAN
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2024
Market Value Basis

<u>ADDITIONS</u>	<u>FIREFIGHTERS</u>	<u>POLICE OFFICERS</u>
Contributions:		
Member	\$ 1,394,507	\$ 1,324,228
City	899,788	1,453,040
State	988,087	1,194,479
Total Contributions	<u>\$ 3,282,382</u>	<u>\$ 3,982,289</u>
Investment Income:		
Net Increase in Fair Value of Investments	\$ 22,930,373	\$ 33,608,366
Interest & Dividends	1,596,904	2,340,535
Investment Income	<u>\$ 24,527,277</u>	<u>\$ 35,948,901</u>
Total Additions	\$ 27,809,659	\$ 39,931,190
<u>DEDUCTIONS</u>		
Distributions to Members:		
Benefit Payments	\$ 7,897,684	\$ 11,151,692
Lump Sum DROP Distributions	634,570	172,846
Refunds of Member Contributions	165,750	256,423
Investment Expense	353,496	518,109
Administrative Expense	298,785	295,359
Transfer to Share Plan	494,455	923,350
Total Deductions	<u>\$ 9,844,739</u>	<u>\$ 13,317,778</u>
Net Increase in Net Position	\$ 17,964,921	\$ 26,613,413
NET POSITION RESTRICTED FOR PENSIONS		
Beginning of the Year	\$ 121,446,324	\$ 177,858,887
Adjustment to Beginning of Year ¹	0	0
Adjusted Beginning of Year	<u>\$ 121,446,324</u>	<u>\$ 177,858,887</u>
End of the Year	\$ 139,411,244	\$ 204,472,300
Receivable from State	<u>0</u>	<u>0</u>
Total Fund including Receivable from State	\$ 139,411,244	\$ 204,472,300
Share Plan Balance	<u>1,298,679</u>	<u>2,957,386</u>
Total Fund including Share Plan Balance	\$ 140,709,924	\$ 207,429,686
Rate of Investment Return	20.43%	20.43%

CITY OF GAINESVILLE
CONSOLIDATED POLICE OFFICERS' AND FIREFIGHTERS' RETIREMENT PLAN
DEVELOPMENT OF ACTUARIAL VALUE OF ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2024
Actuarial Value Basis

	<u>FIREFIGHTERS</u>	<u>POLICE OFFICERS</u>		
A. Market Value of Assets Beginning of the Year	\$ 121,446,324	\$ 177,858,887		
B. Net Cash Flow				
1. Member Contributions	\$ 1,394,507	\$ 1,324,228		
2. City Contributions	899,788	1,453,040		
3. Transfer to POB	0	0		
4. Distributions (Excluding Investment Expenses)	(9,491,243)	(12,799,669)		
5. Net Cash Flow During the Plan Year	(7,196,947)	(10,022,401)		
6. State Contributions (Made at Year End)	988,087	1,194,479		
7. Net Cash Flow (B5 + B6)	\$ (6,208,860)	\$ (8,827,923)		
C. Expected Return of 7.75% (A + B3 + (B5 - B3) / 2) * 0.0775	\$ 9,133,208	\$ 13,395,696		
D. Expected Market Value End of Year (A + B7 + C)	\$ 124,370,672	\$ 182,426,660		
E. Actual Market Value (MV) End of Year	\$ 139,411,244	\$ 204,472,300		
F. Gain/(Loss) on Market Value (E - D)	\$ 15,040,573	\$ 22,045,639		
G. Deferred Gains/(Losses) on Market Value of Assets				
<u>Fiscal Year Ending</u>	<u>Gain / (Loss)</u>	<u>Amount Deferred</u>	<u>Gain / (Loss)</u>	<u>Amount Deferred</u>
September 30, 2024	\$15,040,573	\$ 12,032,458	\$22,045,639	\$ 17,636,511
September 30, 2023	\$7,535,358	\$ 4,521,215	\$10,973,556	\$ 6,584,134
September 30, 2022	(33,280,563)	(13,312,225)	(49,619,083)	(19,847,633)
September 30, 2021	0	0	0	0
Total Deferred		\$ 3,241,448		\$ 4,373,012
H. Actuarial Value (AV) End of Year				
1. Preliminary AV end of year: (E - G)	\$ 136,169,796		\$ 200,099,288	
2. Upper corridor limit: 120% * E	167,293,493		245,366,759	
3. Lower corridor limit: 80% * E	111,528,996		163,577,840	
4. Actuarial value end of year	\$ 136,169,796		\$ 200,099,288	
I. Share Plan Balance	\$ 1,298,679		\$ 2,957,386	
J. Actuarial Value including Share Plan Balance¹	\$ 137,468,476		\$ 203,056,674	
K. Rate of Investment Return on Actuarial Value	5.29%		5.18%	

CITY OF GAINESVILLE
CONSOLIDATED POLICE OFFICERS' AND FIREFIGHTERS' RETIREMENT PLAN
RECONCILIATION OF DROP ACCOUNTS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	<u>SEPTEMBER 30, 2024</u>	<u>SEPTEMBER 30, 2023</u>
Market Value Beginning of the Year	\$ 2,916,535	\$ 3,140,349
<u>ADDITIONS</u>		
Contributions	\$ 1,904,218	\$ 1,217,169
Investment Income	<u>120,400</u>	<u>84,948</u>
Total Additions	\$ 2,024,618	\$ 1,302,117
<u>DEDUCTIONS</u>		
Benefit Payments ¹	\$ (807,416)	\$ (1,525,931)
Investment Income	<u>0</u>	<u>0</u>
Total Deductions	\$ (807,416)	\$ (1,525,931)
Market Value of Assets End of the Year	\$ 4,133,737	\$ 2,916,535

	<u>FIREFIGHTERS SEPTEMBER 30, 2024</u>	<u>POLICE OFFICERS SEPTEMBER 30, 2024</u>
Market Value Beginning of the Year	\$ 743,200	\$ 2,173,335
<u>ADDITIONS</u>		
Contributions	\$ 723,051	\$ 1,181,167
Investment Income	<u>24,950</u>	<u>95,450</u>
Total Additions	\$ 748,001	\$ 1,276,617
<u>DEDUCTIONS</u>		
Benefit Payments	\$ (634,570)	\$ (172,846)
Investment Income	<u>0</u>	<u>0</u>
Total Deductions	\$ (634,570)	\$ (172,846)
Market Value of Assets End of the Year	\$ 856,631	\$ 3,277,106

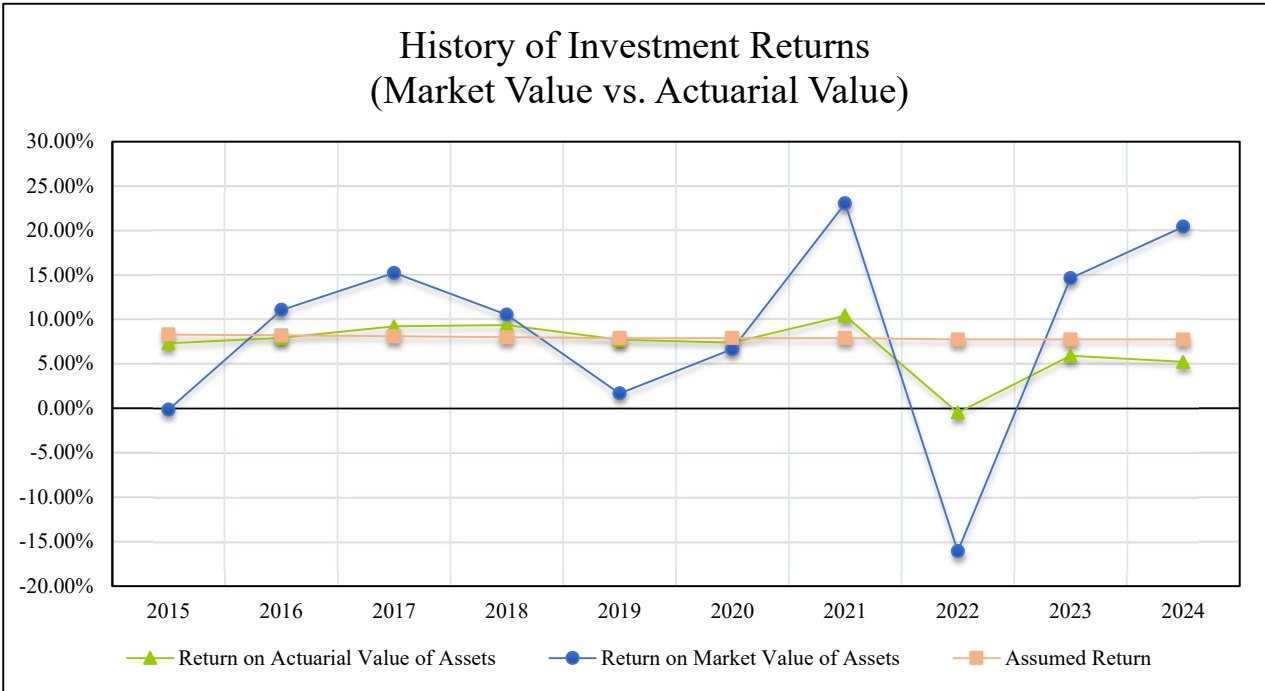
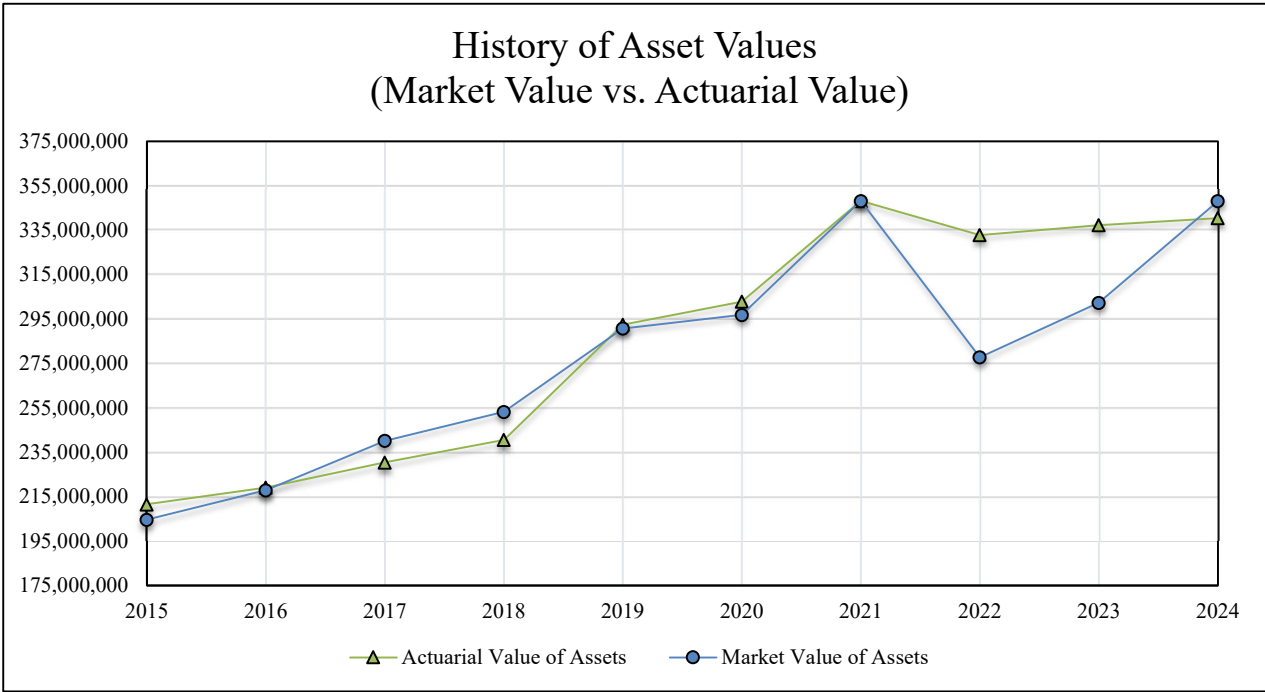
¹ Includes remaining balance from the ICMA DROP account for Fiscal Year 2023.

CITY OF GAINESVILLE
CONSOLIDATED POLICE OFFICERS' AND FIREFIGHTERS' RETIREMENT PLAN
RECONCILIATION OF SHARE ACCOUNTS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	<u>SEPTEMBER 30, 2024</u>	<u>SEPTEMBER 30, 2023</u>
Market Value Beginning of the Year	\$ 3,061,743	\$ 2,905,925
<u>ADDITIONS</u>		
Contributions	\$ 1,417,805	\$ 488,978
Investment Income	<u>0</u>	<u>0</u>
Total Additions	\$ 1,417,805	\$ 488,978
<u>DEDUCTIONS</u>		
Share Plan Distributions	\$ (223,482)	\$ (333,160)
Expenses	<u>0</u>	<u>0</u>
Total Deductions	\$ (223,482)	\$ (333,160)
Market Value of Assets End of the Year	\$ 4,256,066	\$ 3,061,743

	<u>FIREFIGHTERS SEPTEMBER 30, 2024</u>	<u>POLICE OFFICERS SEPTEMBER 30, 2024</u>
Market Value Beginning of the Year	\$ 821,870	\$ 2,239,873
<u>ADDITIONS</u>		
Contributions	\$ 494,455	\$ 923,350
Investment Income	<u>0</u>	<u>0</u>
Total Additions	\$ 494,455	\$ 923,350
<u>DEDUCTIONS</u>		
Benefit Payments	\$ (17,645)	\$ (205,837)
Expenses	<u>0</u>	<u>0</u>
Total Deductions	\$ (17,645)	\$ (205,837)
Market Value of Assets End of the Year	\$ 1,298,680	\$ 2,957,386

HISTORY OF ASSET VALUES AND INVESTMENT RETURNS



CONSOLIDATED TOTAL
STATISTICAL DATA

	<u>10/1/2024</u>	<u>10/1/2023</u>	<u>10/1/2022</u>	<u>10/1/2021</u>
<u>Actives</u>				
Number	389	381	390	389
Average Current Age	37.3	38.0	38.1	38.1
Average Age at Employment	27.6	27.8	28.1	28.2
Average Past Service	9.7	10.1	10.1	10.0
Average Annual Salary	\$84,519	\$78,840	\$73,861	\$70,715
<u>Service Retirees</u>				
Number	397	392	390	373
Average Current Age	66.9	66.6	66.4	66.4
Average Annual Benefit	\$45,106	\$44,206	\$43,356	\$42,518
<u>DROP Retirees</u>				
Number	33	27	25	34
Average Current Age	54.8	54.6	53.9	54.7
Average Annual Benefit	\$51,468	\$47,844	\$47,320	\$51,127
<u>Beneficiaries</u>				
Number	47	43	41	41
Average Current Age	76.1	75.9	75.6	75.0
Average Annual Benefit	\$24,674	\$24,297	\$23,515	\$22,283
<u>Disability Retirees</u>				
Number	28	24	23	25
Average Current Age	62.2	63.2	62.3	62.5
Average Annual Benefit	\$20,742	\$19,461	\$19,435	\$18,964
<u>Terminated Vested</u>				
Number	42	47	38	42
Average Current Age ¹	44.9	46.4	45.6	47.5
Average Annual Benefit ¹	\$15,749	\$15,673	\$15,246	\$16,684

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

CONSOLIDATED TOTAL
AGE AND SERVICE DISTRIBUTION

AGE	PAST SERVICE											Total
	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30+	
15 - 19	1	1										2
20 - 24	16	11	6	1								34
25 - 29	8	9	6	6	8	11						48
30 - 34	6	7	8	4	7	38	1					71
35 - 39	5	2	2	3	5	26	26	13				82
40 - 44	2		1	1	2	6	17	28	6			63
45 - 49	1		1			3	6	14	19	1		45
50 - 54						4	3	13	15			35
55 - 59						1			3	2	1	7
60 - 64							1					1
65+						1						1
Total	39	30	24	15	22	90	54	68	43	3	1	389

CONSOLIDATED TOTAL
VALUATION PARTICIPANT RECONCILIATION

1. Active lives

a. Number in prior valuation 10/1/2023	381
b. Terminations	
i. Vested (partial or full) with deferred benefits	(2)
ii. Vested in refund of member contributions only	(5)
iii. Refund of member contributions or full lump sum distribution	(5)
c. Deaths	
i. Beneficiary receiving benefits	0
ii. No future benefits payable	0
d. Disabled	(3)
e. Retired	(7)
f. DROP	(11)
g. Data corrections	<u>(1)</u>
h. Continuing participants	347
i. New entrants / rehires	<u>42</u>
j. Total active life participants in valuation	389

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) <u> </u>	Vested (Due Refund) <u> </u>	<u>Total</u>
a. Number prior valuation	392	27	43	24	27	20	533
Retired	14	(5)			(2)		7
DROP		11					11
Vested (Deferred Annuity)					2		2
Vested (Due Refund)						5	5
Hired/Terminated in Same Year						3	3
Death, With Survivor	(5)		5		(1)	1	0
Death, No Survivor	(4)		(1)				(5)
Disabled				3			3
Refund of Contributions						(13)	(13)
Rehires					(1)		(1)
Expired Annuities							0
Data Corrections				1		1	2
b. Number current valuation	397	33	47	28	25	17	547

FIREFIGHTERS
STATISTICAL DATA

	<u>10/1/2024</u>	<u>10/1/2023</u>	<u>10/1/2022</u>	<u>10/1/2021</u>
<u>Actives</u>				
Number	179	173	172	163
Average Current Age	36.2	36.6	36.8	36.9
Average Age at Employment	26.9	27.0	27.3	27.4
Average Past Service	9.3	9.6	9.5	9.5
Average Annual Salary	\$86,486	\$78,943	\$73,465	\$71,741
<u>Service Retirees</u>				
Number	153	150	147	144
Average Current Age	68.9	68.7	68.6	68.5
Average Annual Benefit	\$48,900	\$47,450	\$46,689	\$44,748
<u>DROP Retirees</u>				
Number	7	7	9	14
Average Current Age	53.6	53.3	53.1	55.1
Average Annual Benefit	\$64,097	\$57,429	\$53,899	\$57,891
<u>Beneficiaries</u>				
Number	21	21	21	20
Average Current Age	76.9	76.7	76.3	75.5
Average Annual Benefit	\$27,963	\$27,162	\$25,202	\$24,279
<u>Disability Retirees</u>				
Number	9	7	7	8
Average Current Age	65.2	65.0	64.0	64.4
Average Annual Benefit	\$23,133	\$21,560	\$21,216	\$19,987
<u>Terminated Vested</u>				
Number	7	11	6	11
Average Current Age ¹	46.1	45.1	44.1	48.5
Average Annual Benefit ¹	\$24,044	\$24,044	\$24,044	\$22,404

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

FIREFIGHTERS
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	1	1										2
20 - 24	5	7	5	1								18
25 - 29	5	3	2	3	2	6						21
30 - 34	3	3	5		5	24						40
35 - 39	3	1		1		17	5	4				31
40 - 44			1			4	12	13	5			35
45 - 49						2	2	4	8			16
50 - 54						1	2	2	9			14
55 - 59									1	1		2
60 - 64												0
65+												0
Total	17	15	13	5	7	54	21	23	23	1	0	179

FIREFIGHTERS
VALUATION PARTICIPANT RECONCILIATION

1. Active lives

a. Number in prior valuation 10/1/2023	173
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	(2)
c. Deaths	
i. Beneficiary receiving benefits	0
ii. No future benefits payable	0
d. Disabled	(1)
e. Retired	(4)
f. DROP	(2)
g. Continuing participants	162
h. New entrants / Rehires	17
i. Total active life participants in valuation	179

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

	Service Retirees, Vested Receiving <u>Benefits</u>	DROP <u>Benefits</u>	Receiving Death <u>Benefits</u>	Receiving Disability <u>Benefits</u>	Vested (Deferred Annuity)	Vested (Due Refund)	<u>Total</u>
a. Number prior valuation	150	7	21	7	3	8	196
Retired	6	(2)					4
DROP		2					2
Vested (Deferred Annuity)							0
Vested (Due Refund)						2	2
Hired/Terminated in Same Year							0
Death, With Survivor	(1)		1				0
Death, No Survivor	(2)		(1)				(3)
Disabled				1			1
Refund of Contributions						(6)	(6)
Rehires							0
Expired Annuities							0
Data Corrections				1			1
b. Number current valuation	153	7	21	9	3	4	197

POLICE OFFICERS
STATISTICAL DATA

	<u>10/1/2024</u>	<u>10/1/2023</u>	<u>10/1/2022</u>	<u>10/1/2021</u>
<u>Actives</u>				
Number	210	208	218	226
Average Current Age	38.3	39.1	39.2	39.0
Average Age at Employment	28.2	28.5	28.7	28.7
Average Past Service	10.1	10.6	10.5	10.3
Average Annual Salary	\$82,842	\$78,754	\$74,174	\$69,975
<u>Service Retirees</u>				
Number	244	242	243	229
Average Current Age	65.6	65.3	65.1	65.0
Average Annual Benefit	\$42,727	\$42,195	\$41,340	\$41,116
<u>DROP Retirees</u>				
Number	26	20	16	20
Average Current Age	55.1	55.0	54.4	54.4
Average Annual Benefit	\$48,068	\$44,489	\$43,620	\$46,392
<u>Beneficiaries</u>				
Number	26	22	20	21
Average Current Age	75.4	75.1	74.8	74.6
Average Annual Benefit	\$22,018	\$21,563	\$21,743	\$20,383
<u>Disability Retirees</u>				
Number	19	17	16	17
Average Current Age	60.8	62.5	61.6	61.6
Average Annual Benefit	\$19,609	\$18,597	\$18,656	\$18,482
<u>Terminated Vested</u>				
Number	35	36	32	31
Average Current Age ¹	44.7	46.6	45.8	47.1
Average Annual Benefit ¹	\$14,618	\$14,627	\$14,268	\$14,654

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

POLICE OFFICERS
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	11	4	1									16
25 - 29	3	6	4	3	6	5						27
30 - 34	3	4	3	4	2	14	1					31
35 - 39	2	1	2	2	5	9	21	9				51
40 - 44	2			1	2	2	5	15	1			28
45 - 49	1		1			1	4	10	11	1		29
50 - 54						3	1	11	6			21
55 - 59						1			2	1	1	5
60 - 64							1					1
65+						1						1
Total	22	15	11	10	15	36	33	45	20	2	1	210

POLICE OFFICERS
VALUATION PARTICIPANT RECONCILIATION

1. Active lives

a. Number in prior valuation 10/1/2023	208
b. Terminations	
i. Vested (partial or full) with deferred annuity	(2)
ii. Vested in refund of member contributions only	(3)
iii. Refund of member contributions or full lump sum distribution	(3)
c. Deaths	
i. Beneficiary receiving benefits	0
ii. No future benefits payable	0
d. Disabled	(2)
e. Retired	(3)
f. DROP	(9)
g. Data Corrections	(1)
h. Continuing participants	185
i. New entrants / Rehires	25
j. Total active life participants in valuation	210

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	242	20	22	17	24	12	337
Retired	8	(3)			(2)		3
DROP		9					9
Vested (Deferred Annuity)					2		2
Vested (Due Refund)						3	3
Hired/Terminated in Same Year						3	3
Death, With Survivor	(4)		4		(1)	1	0
Death, No Survivor	(2)						(2)
Disabled				2			2
Refund of Contributions						(7)	(7)
Rehires					(1)		(1)
Expired Annuities							0
Data Corrections						1	1
b. Number current valuation	244	26	26	19	22	13	350

SUMMARY OF CURRENT PLAN

Eligibility

Any full-time regular employee who is certified as a firefighter as a condition of employment in accordance with the provisions of F.S. § 633.35, and whose duty it is to extinguish fires, to protect life, and to protect property, or any full-time regular employee who is certified or required to be certified as a law enforcement officer in compliance with F.S. § 943.14, who is vested with authority to bear arms and make arrests, and whose primary responsibility is the prevention and detection of crime or the enforcement of the penal, criminal, traffic, or highway laws of the state.

Member Contributions

Members are required to contribute 7.5% of gross pay. Effective with the first full pay period following January 1, 2014, firefighters contribute 9.0% of gross pay.

State Contributions

State premium tax revenue under Chapter 175/185 received annually is used to offset required contributions. Chapter 185 premium tax revenue up to \$558,361.13 will be used to offset annual required contributions with excess amounts going to the Supplemental Retirement Program. Chapter 175 premium tax revenue up to \$580,918.87 will be used to offset annual required contributions with excess amounts reserved for extra benefits.

Credited Service

Credited Service means the total number of months of service with the City, expressed in terms of full and fractional years, where a member earns one month of service for at least 10 days of service within each month beginning on the day of the month corresponding to the member's date of employment. Credited Service will include unused sick leave credits, any authorized leave of absence up to 90 days, and military service as required by Federal law.

Unused sick leave will be limited to the lesser of the number of credits at retirement and the credits earned as of July 1, 2013 for police officers and credits earned as of January 1, 2014 for firefighters.

Limited Participant Service

Service worked for the City as an ineligible member of the plan will be counted for any purpose of the Plan, except for the purpose of determining the member's accrued benefit.

Gross Pay

Types of compensation, at the discretion of the City, which will have member contribution deducted, provided that such types of compensation will also be included for determining Earnings.

SUMMARY OF CURRENT PLAN (CONTINUED)

Earnings

Earnings include base pay (including all paid leaves), overtime pay, working out of classification pay, longevity pay, Florida city firefighters supplemental education incentive payments, Florida police officer educational salary incentive payments, police security overtime pay, special assignment pay, special duty assignment pay, paramedic certification pay, stand-by pay, call-back pay, acting out of classification pay, and termination vacation pay, except as provided for by collective bargaining agreements. In addition, for those employees who become a member of the plan on or after October 1, 1996, earnings are limited to \$150,000 per year (as indexed).

Effective July 1, 2013 for police officers and January 1, 2014 for firefighters, overtime is limited to 300 hours per year. In addition, accumulated vacation pay included in earnings will be the lesser of the number of credited hours at retirement and the number of hours as of July 1, 2013 for police officers and the number of hours as of January 1, 2014 for firefighters.

Final Average Earnings (FAE)

Final Average Earnings mean average earnings for the highest 36 consecutive months, or highest 48 consecutive months for police officers who become members on or after July 1, 2013.

Monthly Accrued Benefit

Final average earnings multiplied by a percentage per year of credited service as follows:

<u>Date</u>	<u>Firefighters</u>	<u>Police Officers</u>
Prior to October 1, 2005	2.5%	2.5%
October 1, 2005 to July 1, 2013	2.625%	2.625%
July 1, 2013 to January 1, 2014	2.625%	2.5%
After January 1, 2014	2.5%	2.5%

Normal Retirement

Date

First day of the month coincident with or following the earlier of:

- (1) 20 years of service
- (2) Age 55 with 10 or more years of service
- (3) Age plus service equal 70

For police officers who become participants on or after July 1, 2013, and firefighters who become participants on or after January 1, 2014, item (1) above is equal to 25 years of service.

Benefit

Monthly Accrued Benefit

Normal Form of Payment

Ten Year Certain & Life

SUMMARY OF CURRENT PLAN (CONTINUED)

Vesting

Schedule	100% after 10 years of Credited Service.
Benefit Amount	<p>Members that terminate employment with 10 or more years of service, the Monthly Accrued Benefit is payable unreduced at age 55. The benefit can be commenced at age 50, actuarially reduced, but not to exceed 3.0% per year prior to age 55.</p> <p>Members that terminate employment with less than 10 years of service will be eligible to receive a refund of Member contributions without interest. Members may voluntarily leave contributions in the Plan for a period of five years after separation and receive service credit upon rehire within the five-year period. After five years, Member contributions will automatically be refunded without interest.</p>

Optional Forms of Payment

Actuarial Equivalence	<p>Interest rate: 9.5%</p> <p>Mortality Table: 1994 Group Annuity Mortality Basic Table-Unisex 50/50</p>
Form of Payment	<p>Life Annuity, 100% Joint and Last Survivor, 75% Joint and Last Survivor, 66 2/3% Joint and Last Survivor, 66 2/3% Joint and Survivor, 50% Joint and Last Survivor</p> <p>Joint and Last Survivor reduces upon death of the Member or Beneficiary. Joint and Survivor reduces only upon death of the Member. All forms above guarantee the Member will receive the Member's contributions.</p>

Disability

Eligibility	
Service Incurred	Permanent and totally disabled in the line of duty.
Non-Service Incurred	Permanent and totally disabled not in the line of duty after completion of 5 years of credited service.
Benefit	
Service Incurred	The greater of the Monthly Accrued Benefit and 42% of Final Average Earnings.
Non-Service Incurred	The greater of the Monthly Accrued Benefit and 25% of Final Average Earnings.

SUMMARY OF CURRENT PLAN (CONTINUED)

Death Benefits

Pre-Retirement

Eligibility

Death prior to retirement.

Benefit

If the Member has less than 10 years of service upon death, the beneficiary will receive the member's contributions without interest. If the Member has 10 or more years of service, the beneficiary will receive the member's accrued benefit payable at normal or early retirement in the form of benefit chosen by the beneficiary.

Post-Retirement

Benefits payable to beneficiary in accordance with option selected at retirement.

Deferred Retirement Option Plan ("DROP")

Eligibility

A Member who has earned at least 25 years of service or age plus service equal 70.

Participation

Members may participate for 96 months but must cease at the conclusion of a total of 33 years of regular employment with the City.

Rate of Return

DROP benefits accumulate with interest at 4.5% per year for police officers and 65% of the assumed rate of return on investments for firefighters.

Distribution

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

Reverse DROP

Members can select a date in the past for participation in the DROP. Reverse DROP members may participate for 60 months, but the end of the DROP period and termination of employment must occur no later than a total of 30 years of regular employment with the City.

Cost of Living Adjustment ("COLA")

Firefighters

- (1) Retired after October 1, 1999 with less than 20 years of service with age plus service at least 70 receive a 2.0% increase each October 1st following age 62.
- (2) Retired prior to October 1, 1999 receive a 2.0% increase each October 1st following age 62.
- (3) Retired after October 1, 1999 with at least 25 years of service receive a 2.0% increase each October 1st following age 55.
- (4) Retired after October 1, 1999 with at least 20 years but less than 25 years of service receive a 2.0% increase each October 1st following age 62.

SUMMARY OF CURRENT PLAN (CONTINUED)

Cost of Living Adjustment (continued)

Police Officers

- (1) Retired prior to October 1, 1999 receive a 2.0% increase each October 1st following age 62.
- (2) Retired after October 1, 1999, had at least 20 years of service on July 1, 2013, and retired with at least 25 years of service receive a 2.0% increase each October 1st following age 55.
- (3) Retired after October 1, 1999, had at least 20 years of service on July 1, 2013, and retired with less than 25 years of service receive a 2.0% increase each October 1st following age 62.
- (4) Retired after October 1, 1999, had less than 20 years of service on July 1, 2013, and retired with at least 25 years of service receive a 1.0% increase each October 1st following age 55, increasing to 2.0% each October 1st following age 62.

Members who are receiving a disability retirement after October 1, 1999 receive a 2.0% increase each October 1st following attainment of age 62.

Supplemental Retirement Program

Firefighters

Effective February 1, 2017, firefighters hired on or after October 1, 1998 are eligible to participate in the Supplemental Retirement Program, which includes full-time active, retired, and beneficiaries of firefighters who died in the line of duty or while in the military.

The initial allocation was based on a pro rata distribution of excess State premium tax revenues for plan years 1999 through 2006. Subsequent annual allocations will be pro rata based on State premium tax revenue received annually in excess of \$580,918.87. For allocations after September 30, 2022, firefighters must have 10 years of credited service and be employed on September 30th to receive an annual allocation.

Police Officers

Effective July 1, 2013, police officers hired on or after October 1, 2000 are eligible to participate in the Supplemental Retirement Program, which includes full-time active, retired, and beneficiaries of police officers who died in the line of duty or while in the military.

The initial allocation was based on a pro rata distribution of excess State premium tax revenues for plan years 2001 through 2012. Subsequent annual allocations will be pro rata based on State premium tax revenue received annually in excess of \$558,361.13.