



June 5, 2024

Mr. Jeff Templeton  
Plan Administrator  
Winter Park Firefighters' Retirement System  
9154 Lake Burkett Drive  
Orlando, Florida 32817

**Re: Winter Park Firefighters' Retirement System**

Dear Jeff:

As requested, we are pleased to enclose the October 1, 2023 Chapter 112.664 Compliance Report for the City of Winter Park Firefighters' Retirement System (System).

As required, we will timely upload the required data to the State's online portal.

Please note we understand the following items must be posted on the System's website and must be posted on any website containing budget information relating to the City or actuarial or performance information relating to the System:

- this compliance report
- most recent financial statement
- most recent actuarial valuation report
- a link to the Division of Retirement Actuarial Summary Fact Sheet  
[http://www.dms.myflorida.com/workforce\\_operations/retirement/local\\_retirement\\_plans/local\\_retirement\\_section/actuarial\\_summary\\_fact\\_sheets](http://www.dms.myflorida.com/workforce_operations/retirement/local_retirement_plans/local_retirement_section/actuarial_summary_fact_sheets)
- for the previous five years - a side-by-side comparison of the System's assumed rate of return compared to the actual rate of return as well as the percentages of cash, equity, bond and alternative investments in the System portfolio
- the System's funded ratio as determined in the most recent actuarial valuation – 80.0% on a market value of assets basis as of October 1, 2023

We appreciate the opportunity to work with the Board on this important assignment.

If you should have any questions concerning the above, please do not hesitate to contact us.

Sincerest regards,  
Gabriel, Roeder, Smith & Company

A handwritten signature in black ink that reads "Jennifer Borregard". The signature is written in a cursive, flowing style.

Jennifer M. Borregard, E.A.  
Consultant and Actuary

Enclosure

# City of Winter Park Firefighters' Retirement System

## CHAPTER 112.664, F.S. COMPLIANCE REPORT

In Connection with the October 1, 2023 Funding Actuarial Valuation Report and the System's  
Financial Reporting for the Year Ended September 30, 2023







June 5, 2024

Board of Trustees  
c/o Mr. Jeff Templeton, Plan Administrator  
Winter Park Firefighters' Retirement System  
9154 Lake Burkett Drive  
Orlando, Florida 32817

**Re: October 1, 2023 Chapter 112.664 Compliance Report**

Dear Board Members:

Gabriel, Roeder, Smith & Company (GRS) has been engaged by the Board of Trustees (Board) of the City of Winter Park Firefighters' Retirement System (System) to prepare a disclosure report to satisfy the requirements set forth in Chapter 112.664, F.S. and as further required pursuant to Chapter 60T-1.0035, F.A.C.

This report was prepared at the request of the Board and is intended for use by the Board and those designated or approved by the Board. This report may be provided to parties other than the Board only in its entirety and only with the permission of the Board. GRS is not responsible for unauthorized use of this report.

The purpose of the report is to provide the required information specified in Chapter 112.664, F.S. and to supplement this information with additional exhibits. This report should not be relied on for any purpose other than the purpose described above.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: System experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the System's funded status); and changes in System provisions or applicable law. The scope of this engagement does not include an analysis of the potential range of such measurements.

This report was based upon information furnished by the City and the Board concerning System benefits, System provisions and System members as used in the corresponding Actuarial Valuation Reports for the Valuation Dates indicated. Financial information was provided by the City and Board as of September 30, 2023. We reviewed the information provided for internal and year-to-year consistency, but did not audit the data. The System is responsible for the accuracy of the data.

Except where specific assumptions are required by Chapter 112.664, F.S, this report was prepared using actuarial assumptions adopted by the Board as described in Section C. The Board's assumptions are based upon the results of an actuarial Experience Study for the period October 1, 2017 – September 30, 2022. The mortality assumptions are prescribed by statute. Each assumption represents an estimate of future System experience. All actuarial assumptions used in this report are reasonable for the purposes of this valuation. The combined effect of the assumptions is expected to have no significant bias (i.e. not significantly optimistic or pessimistic). All actuarial assumptions and methods used in the valuation follow the guidance in the applicable Actuarial Standards of Practice.

The investment return assumption of 2% higher than the investment return assumption utilized in the Actuarial Valuation does not represent an estimate of future System experience or observation of the estimates inherent in market data. This assumption is provided as a counterpart to the Chapter 112.664, F.S. requirement to utilize an investment return assumption of 2% lower than the investment return assumption utilized in the Actuarial Valuation. Inclusion of an investment return assumption 2% higher than the investment return assumption utilized in the Actuarial Valuation shows a more complete assessment of the potential range of results as opposed to the *one-sided* range required by statute.

If all actuarial assumptions are met and if all current and future minimum required contributions are paid System assets will be sufficient to pay all System benefits, future contributions are expected to remain relatively stable as a percent of payroll and the funded status is expected to improve. System minimum required contributions are determined in compliance with the requirements of the Florida Protection of Public Employee Retirement Benefits Act and Firefighters Retirement Chapter 175 with normal cost determined as a level percent of covered payroll and a level percent of pay amortization payment using an initial amortization period of 20 years.

The System's funded ratio as of October 1, 2023 is 80.0% defined as the ratio of the market value of System assets to the actuarial accrued liability.

The System's funded ratio and the GASB Net Pension Liability may not be appropriate for assessing the sufficiency of System assets to meet the estimated cost of settling benefit obligations but may be appropriate for assessing the need for or the amount of future contributions.

The undersigned are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein. The signing actuaries are independent of the System sponsor.

This report was prepared using our proprietary valuation model and related software which in our professional judgment has the capability to provide results that are consistent with the purposes of



the valuation and has no material limitations or known weaknesses. We performed tests to ensure that the model reasonably represents that which is intended to be modeled.

This report has been prepared by actuaries who have substantial experience valuing public employee retirement systems. To the best of our knowledge the information contained in this report is accurate and presents the actuarial position of the System as of the valuation date as required by statute. All calculations have been made in conformity with generally accepted actuarial principles and practices, with the Actuarial Standards of Practice issued by the Actuarial Standards Board and with applicable statutes.

With respect to the reporting standards for defined benefit retirement plans or systems contained in Section 112.664(1), F.S., the actuarial disclosures required under this section were prepared and completed by us or under our direct supervision and we acknowledge responsibility for the results. To the best of our knowledge and belief, the results are complete and accurate, and in our opinion, meet the requirements of Section 112.664(1), F.S., and Section 60T-1.0035, F.A.C.

Sincerely,

GABRIEL, ROEDER, SMITH AND COMPANY

By Michelle Jones  
Shelly L. Jones, M.A.A.A.  
Enrolled Actuary No. 23-08646  
Consultant & Actuary

By Jennifer Borregard  
Jennifer M. Borregard, M.A.A.A.  
Enrolled Actuary No. 23-07624  
Consultant & Actuary



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## **SECTION A**

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### **CHAPTER 112.664, F.S. RESULTS**



**Net Pension Liability**  
**Using Financial Reporting Assumptions per GASB Statements No. 67 and No. 68**  
**and Using Assumptions Required Under 112.664(1)(a), F.S.**

Measurement Date	<u>September 30, 2023</u>
<b>A. <u>Total Pension Liability (TPL)</u></b>	
Service Cost	\$ 1,376,441
Interest	5,694,312
Benefit Changes	(12,629)
Difference Between Actual and Expected Experience	1,486,920
Assumption Changes	0
Benefit Payments	(2,930,226)
Contribution Refunds	(24,438)
Other	0
Net Change in Total Pension Liability	<u>\$ 5,590,380</u>
Total Pension Liability (TPL) - (beginning of year)	<u>74,537,080</u>
Total Pension Liability (TPL) - (end of year)	<u><u>\$ 80,127,460</u></u>
<b>B. <u>System Fiduciary Net Position</u></b>	
Contributions - City	\$ 1,281,019
Contributions - State	456,867
Contributions - Member	390,337
Net Investment Income	4,910,043
Benefit Payments	(2,930,226)
Contribution Refunds	(24,438)
Administrative Expenses	(155,213)
Other	0
Net Change in System Fiduciary Net Position	<u>\$ 3,928,389</u>
System Fiduciary Net Position - (beginning of year)	<u>61,283,847</u>
System Fiduciary Net Position - (end of year)	<u><u>\$ 65,212,236</u></u>
<b>C. <u>Net Pension Liability (NPL) - (end of year): (A) - (B)</u></b>	<b>\$ 14,915,224</b>
Valuation Date	October 1, 2022

**Certain Key Assumptions**

Investment Return Assumption 7.50%

**Mortality Table:**

For healthy participants during employment, PUB-2010 Headcount Weighted Safety Employee Female Mortality Table and Safety Below Median Employee Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For healthy participants post employment, PUB-2010 Headcount Weighted Safety Healthy Retiree Female Mortality Table and Safety Below Median Healthy Retiree Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For disabled participants, 80% PUB-2010 Headcount Weighted General Disabled Retiree Mortality Table / 20% PUB-2010 Headcount Weighted Safety Disabled Retiree Mortality Table, separate rates for males and females, without projected mortality improvements.



**Net Pension Liability**  
**Using Assumptions Required Under 112.664(1)(b), F.S.**

Measurement Date	September 30, 2023
<b>A. <u>Total Pension Liability (TPL)</u></b>	
Service Cost	\$ 2,258,179
Interest	5,416,787
Benefit Changes	(17,339)
Difference Between Actual and Expected Experience	2,011,494
Assumption Changes	0
Benefit Payments	(2,930,226)
Contribution Refunds	(24,438)
Other	0
Net Change in Total Pension Liability	\$ 6,714,457
Total Pension Liability (TPL) - (beginning of year)	95,700,516
Total Pension Liability (TPL) - (end of year)	\$ 102,414,973
<b>B. <u>System Fiduciary Net Position</u></b>	
Contributions - City	\$ 1,281,019
Contributions - State	456,867
Contributions - Member	390,337
Net Investment Income	4,910,043
Benefit Payments	(2,930,226)
Contribution Refunds	(24,438)
Administrative Expenses	(155,213)
Other	0
Net Change in System Fiduciary Net Position	\$ 3,928,389
System Fiduciary Net Position - (beginning of year)	61,283,847
System Fiduciary Net Position - (end of year)	\$ 65,212,236
<b>C. <u>Net Pension Liability (NPL) - (end of year): (A) - (B)</u></b>	\$ 37,202,737
Valuation Date	October 1, 2022

**Certain Key Assumptions**

Investment Return Assumption 5.50%

Mortality Table:

For healthy participants during employment, PUB-2010 Headcount Weighted Safety Employee Female Mortality Table and Safety Below Median Employee Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For healthy participants post employment, PUB-2010 Headcount Weighted Safety Healthy Retiree Female Mortality Table and Safety Below Median Healthy Retiree Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For disabled participants, 80% PUB-2010 Headcount Weighted General Disabled Retiree Mortality Table / 20% PUB-2010 Headcount Weighted Safety Disabled Retiree Mortality Table, separate rates for males and females, without projected mortality improvements.



## Net Pension Liability

### Using Assumptions Required Under 112.664(1)(a), F.S. Plus 2% on Investment Return Assumption

Measurement Date	September 30, 2023
<b>A. <u>Total Pension Liability (TPL)</u></b>	
Service Cost	\$ 873,950
Interest	5,777,516
Benefit Changes	(9,614)
Difference Between Actual and Expected Experience	1,187,152
Assumption Changes	0
Benefit Payments	(2,930,226)
Contribution Refunds	(24,438)
Other	0
Net Change in Total Pension Liability	\$ 4,874,340
Total Pension Liability (TPL) - (beginning of year)	60,205,810
Total Pension Liability (TPL) - (end of year)	\$ 65,080,150
<b>B. <u>System Fiduciary Net Position</u></b>	
Contributions - City	\$ 1,281,019
Contributions - State	456,867
Contributions - Member	390,337
Net Investment Income	4,910,043
Benefit Payments	(2,930,226)
Contribution Refunds	(24,438)
Administrative Expenses	(155,213)
Other	0
Net Change in System Fiduciary Net Position	\$ 3,928,389
System Fiduciary Net Position - (beginning of year)	61,283,847
System Fiduciary Net Position - (end of year)	\$ 65,212,236
<b>C. <u>Net Pension Liability (NPL) - (end of year): (A) - (B)</u></b>	\$ (132,086)
Valuation Date	October 1, 2022

#### **Certain Key Assumptions**

Investment Return Assumption 9.50%

#### Mortality Table:

For healthy participants during employment, PUB-2010 Headcount Weighted Safety Employee Female Mortality Table and Safety Below Median Employee Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For healthy participants post employment, PUB-2010 Headcount Weighted Safety Healthy Retiree Female Mortality Table and Safety Below Median Healthy Retiree Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For disabled participants, 80% PUB-2010 Headcount Weighted General Disabled Retiree Mortality Table / 20% PUB-2010 Headcount Weighted Safety Disabled Retiree Mortality Table, separate rates for males and females, without projected mortality improvements.



**Asset and Benefit Payment Projection**  
**Not Reflecting Any Future Contributions**  
**Using Financial Reporting Assumptions per GASB Statements No. 67 and No. 68**  
**and Using Assumptions Required Under 112.664(1)(a), F.S.**

FYE	Market Value of Assets (BOY)	Expected Investment Return	Projected Benefit Payments	Market Value of Assets (EOY)
2024	\$ 61,929,820	\$ 4,474,416	\$ 4,239,345	\$ 62,164,891
2025	62,164,891	4,482,867	4,467,810	62,179,948
2026	62,179,948	4,476,151	4,663,101	61,992,998
2027	61,992,998	4,456,674	4,798,890	61,650,782
2028	61,650,782	4,424,294	4,965,990	61,109,086
2029	61,109,086	4,378,666	5,090,476	60,397,276
2030	60,397,276	4,320,896	5,199,593	59,518,579
2031	59,518,579	4,248,978	5,349,322	58,418,235
2032	58,418,235	4,160,700	5,492,506	57,086,429
2033	57,086,429	4,054,382	5,652,604	55,488,207
2034	55,488,207	3,929,887	5,767,806	53,650,288
2035	53,650,288	3,787,297	5,885,947	51,551,638
2036	51,551,638	3,625,845	5,986,824	49,190,659
2037	49,190,659	3,445,181	6,076,198	46,559,642
2038	46,559,642	3,245,264	6,140,692	43,664,214
2039	43,664,214	3,025,850	6,196,864	40,493,200
2040	40,493,200	2,786,137	6,243,837	37,035,500
2041	37,035,500	2,525,072	6,287,069	33,273,503
2042	33,273,503	2,242,366	6,300,911	29,214,958
2043	29,214,958	1,938,405	6,290,209	24,863,154
2044	24,863,154	1,612,366	6,281,601	20,193,919
2045	20,193,919	1,263,258	6,254,599	15,202,578
2046	15,202,578	890,485	6,215,328	9,877,735
2047	9,877,735	493,411	6,158,361	4,212,785
2048	4,212,785	96,161	6,085,451	0
2049	0	0	6,001,574	0
2050	0	0	5,903,032	0
2051	0	0	5,787,741	0
2052	0	0	5,657,745	0
2053	0	0	5,514,010	0

Number of years for which current market value of assets are adequate to sustain the payment of expected retirement benefits reflecting no contributions from the City, Members or State: 24.67

**Certain Key Assumptions**

Investment return assumption 7.50%

Mortality Table:

For healthy participants during employment, PUB-2010 Headcount Weighted Safety Employee Female Mortality Table and Safety Below Median Employee Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For healthy participants post employment, PUB-2010 Headcount Weighted Safety Healthy Retiree Female Mortality Table and Safety Below Median Healthy Retiree Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For disabled participants, 80% PUB-2010 Headcount Weighted General Disabled Retiree Mortality Table / 20% PUB-2010 Headcount Weighted Safety Disabled Retiree Mortality Table, separate rates for males and females, without projected mortality improvements.

**Note: As required in Section 112.664(c) of the Florida Statutes, the projection of System assets does not include future contributions from the City, Members or State. For this reason, this projection should not be viewed as representative of the amount of time the System can sustain benefit payments. Under the Government Accounting Standards Board standards which include City, Member and State contributions, the System is expected to be able to pay all future benefit payments.**



**Asset and Benefit Payment Projection**  
**Not Reflecting Any Future Contributions**  
**Using Assumptions Required Under 112.664(1)(b), F.S.**

FYE	Market Value of Assets (BOY)	Expected Investment Return	Projected Benefit Payments	Market Value of Assets (EOY)
2024	\$ 61,929,820	\$ 3,280,876	\$ 4,239,345	\$ 60,971,351
2025	60,971,351	3,221,410	4,467,810	59,724,951
2026	59,724,951	3,147,087	4,663,101	58,208,937
2027	58,208,937	3,059,694	4,798,890	56,469,741
2028	56,469,741	2,959,101	4,965,990	54,462,852
2029	54,462,852	2,845,044	5,090,476	52,217,420
2030	52,217,420	2,718,321	5,199,593	49,736,148
2031	49,736,148	2,577,426	5,349,322	46,964,252
2032	46,964,252	2,420,741	5,492,506	43,892,487
2033	43,892,487	2,247,064	5,652,604	40,486,947
2034	40,486,947	2,056,355	5,767,806	36,775,496
2035	36,775,496	1,848,734	5,885,947	32,738,283
2036	32,738,283	1,623,707	5,986,824	28,375,166
2037	28,375,166	1,381,095	6,076,198	23,680,063
2038	23,680,063	1,120,958	6,140,692	18,660,329
2039	18,660,329	843,213	6,196,864	13,306,678
2040	13,306,678	547,374	6,243,837	7,610,215
2041	7,610,215	232,792	6,287,069	1,555,938
2042	1,555,938	6,892	6,300,911	0
2043	0	0	6,290,209	0
2044	0	0	6,281,601	0
2045	0	0	6,254,599	0
2046	0	0	6,215,328	0
2047	0	0	6,158,361	0
2048	0	0	6,085,451	0
2049	0	0	6,001,574	0
2050	0	0	5,903,032	0
2051	0	0	5,787,741	0
2052	0	0	5,657,745	0
2053	0	0	5,514,010	0

Number of years for which current market value of assets are adequate to sustain the payment of expected retirement benefits reflecting no contributions from the City, Members or State: 18.17

**Certain Key Assumptions**

Investment return assumption 5.50%

Mortality Table:

For healthy participants during employment, PUB-2010 Headcount Weighted Safety Employee Female Mortality Table and Safety Below Median Employee Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For healthy participants post employment, PUB-2010 Headcount Weighted Safety Healthy Retiree Female Mortality Table and Safety Below Median Healthy Retiree Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For disabled participants, 80% PUB-2010 Headcount Weighted General Disabled Retiree Mortality Table / 20% PUB-2010 Headcount Weighted Safety Disabled Retiree Mortality Table, separate rates for males and females, without projected mortality improvements.

**Note: As required in Section 112.664(c) of the Florida Statutes, the projection of System assets does not include future contributions from the City, Members or State. For this reason, this projection should not be viewed as representative of the amount of time the System can sustain benefit payments. Under the Government Accounting Standards Board standards which include City, Member and State contributions, the System is expected to be able to pay all future benefit payments.**



**Asset and Benefit Payment Projection**  
**Not Reflecting Any Future Contributions**  
**Using Assumptions Required Under 112.664(1)(a), F.S. Plus 2% on Investment Return Assumption**

<u>FYE</u>	<u>Market Value of Assets (BOY)</u>	<u>Expected Investment Return</u>	<u>Projected Benefit Payments</u>	<u>Market Value of Assets (EOY)</u>
2024	\$ 61,929,820	\$ 5,668,208	\$ 4,239,345	\$ 63,358,683
2025	63,358,683	5,792,356	4,467,810	64,683,229
2026	64,683,229	5,908,278	4,663,101	65,928,406
2027	65,928,406	6,019,679	4,798,890	67,149,195
2028	67,149,195	6,127,175	4,965,990	68,310,380
2029	68,310,380	6,231,170	5,090,476	69,451,074
2030	69,451,074	6,333,999	5,199,593	70,585,480
2031	70,585,480	6,434,170	5,349,322	71,670,328
2032	71,670,328	6,529,964	5,492,506	72,707,786
2033	72,707,786	6,620,399	5,652,604	73,675,581
2034	73,675,581	6,706,493	5,767,806	74,614,268
2035	74,614,268	6,789,673	5,885,947	75,517,994
2036	75,517,994	6,870,408	5,986,824	76,401,578
2037	76,401,578	6,949,814	6,076,198	77,275,194
2038	77,275,194	7,029,534	6,140,692	78,164,036
2039	78,164,036	7,111,124	6,196,864	79,078,296
2040	79,078,296	7,195,595	6,243,837	80,030,054
2041	80,030,054	7,283,818	6,287,069	81,026,803
2042	81,026,803	7,377,807	6,300,911	82,103,699
2043	82,103,699	7,480,655	6,290,209	83,294,145
2044	83,294,145	7,594,184	6,281,601	84,606,728
2045	84,606,728	7,720,250	6,254,599	86,072,379
2046	86,072,379	7,861,480	6,215,328	87,718,531
2047	87,718,531	8,020,755	6,158,361	89,580,925
2048	89,580,925	8,201,382	6,085,451	91,696,856
2049	91,696,856	8,406,652	6,001,574	94,101,934
2050	94,101,934	8,640,135	5,903,032	96,839,037
2051	96,839,037	8,906,010	5,787,741	99,957,306
2052	99,957,306	9,208,842	5,657,745	103,508,403
2053	103,508,403	9,553,490	5,514,010	107,547,883

Number of years for which current market value of assets are adequate to sustain the payment of expected retirement benefits reflecting no contributions from the City, Members or State: All future years

**Certain Key Assumptions**

Investment return assumption 9.50%

**Mortality Table:**

For healthy participants during employment, PUB-2010 Headcount Weighted Safety Employee Female Mortality Table and Safety Below Median Employee Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For healthy participants post employment, PUB-2010 Headcount Weighted Safety Healthy Retiree Female Mortality Table and Safety Below Median Healthy Retiree Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For disabled participants, 80% PUB-2010 Headcount Weighted General Disabled Retiree Mortality Table / 20% PUB-2010 Headcount Weighted Safety Disabled Retiree Mortality Table, separate rates for males and females, without projected mortality improvements.

**Note: As required in Section 112.664(c) of the Florida Statutes, the projection of System assets does not include future contributions from the City, Members or State. For this reason, this projection should not be viewed as representative of the amount of time the System can sustain benefit payments. Under the Government Accounting Standards Board standards which include City, Member and State contributions, the System is expected to be able to pay all future benefit payments.**



**ACTUARIALLY DETERMINED CONTRIBUTION**

	Valuation Assumptions and 112.664(1)(a), F.S. Assumptions	112.664(1)(b), F.S. Assumptions	112.664(1)(a), F.S. Assumptions Plus 2% on Investment Return Assumption
A. Valuation Date	October 1, 2023	October 1, 2023	October 1, 2023
B. Actuarial Determined Contribution to Be Paid During Fiscal Year Ending	September 30, 2025	September 30, 2025	September 30, 2025
C. Annual Payroll of Active Employees	\$ 5,676,161	\$ 5,676,161	\$ 5,676,161
D. Total Minimum Funding Requirement			
1. Total Normal Cost	\$ 1,738,138	\$ 2,739,270	\$ 1,165,281
2. Annual Payment to Amortize Unfunded Actuarial Liability	835,263	2,107,676	(318,821)
3. Interest Adjustment	<u>100,627</u>	<u>135,360</u>	<u>62,391</u>
4. Total Minimum Funding Requirement [1. + 2. (not less than 0) + 3.]	\$ 2,674,028	\$ 4,982,306	\$ 1,227,672
E. Expected Payroll of Active Employees for Following Plan Year (\$ / % of pay) (C x 1.035)	\$ 5,874,827 103.50%	\$ 5,874,827 103.50%	\$ 5,874,827 103.50%
F. Expected Contribution Sources (\$ / % of pay)			
1. City	\$ 1,993,871 33.94%	\$ 4,382,939 74.61%	\$ 496,893 8.46%
2. Member	352,490 6.00%	352,490 6.00%	352,490 6.00%
3. State	<u>421,258 7.17%</u>	<u>421,258 7.17%</u>	<u>421,258 7.17%</u>
4. Total	\$ 2,767,619 47.11%	\$ 5,156,687 87.78%	\$ 1,270,641 21.63%



## Unfunded Actuarial Accrued Liabilities Bases and Amortization Payments

Amortization Base	Amortization Payment				Remaining Funding Period
	Current Unfunded Liabilities	Valuation and 112.664(1)(a), F.S. Assumptions	112.664(1)(b), F.S. Assumptions	112.664(1)(a), F.S. Assumptions Plus 2%	
10/01/2008 Assumption Changes	\$ 913,236	\$ 78,813	\$ 69,820	\$ 88,209	15 years
10/01/2009 Actuarial Loss / (Gain)	433,046	79,368	75,850	82,897	6 years
10/01/2010 Actuarial Loss / (Gain)	363,125	58,118	55,056	61,205	7 years
10/01/2011 Actuarial Loss / (Gain)	847,280	120,871	113,511	128,329	8 years
10/01/2011 System Amendment	(140,443)	(20,035)	(18,815)	(21,272)	8 years
10/01/2012 Actuarial Loss / (Gain)	(89,691)	(11,584)	(10,786)	(12,398)	9 years
10/01/2013 Actuarial Loss / (Gain)	(480,253)	(56,854)	(52,486)	(61,323)	10 years
10/01/2014 Actuarial Loss / (Gain)	(488,295)	(53,512)	(48,986)	(58,163)	11 years
10/01/2015 Actuarial Loss / (Gain)	251,429	25,717	23,346	28,163	12 years
10/01/2016 Actuarial Loss / (Gain)	1,090,333	104,799	94,358	115,621	13 years
10/01/2016 Assumption Changes	(133,184)	(12,801)	(11,526)	(14,123)	13 years
10/01/2017 Actuarial Loss / (Gain)	(320,033)	(29,075)	(25,966)	(32,310)	14 years
10/01/2017 System Amendment	88,557	8,045	7,185	8,941	14 years
10/01/2018 Actuarial Loss / (Gain)	625,857	54,012	47,849	60,451	15 years
10/01/2018 Assumption Changes	952,154	82,171	72,795	91,968	15 years
10/01/2019 Actuarial Loss / (Gain)	759,156	62,505	54,933	70,446	16 years
10/01/2019 Assumption Changes	(1,492,867)	(122,915)	(108,026)	(138,531)	16 years
10/01/2020 Actuarial Loss / (Gain)	626,195	49,376	43,054	56,030	17 years
10/01/2021 Actuarial Loss / (Gain)	(1,557,164)	(117,980)	(102,076)	(134,779)	18 years
10/01/2022 Actuarial Loss / (Gain)	3,562,502	260,128	223,336	299,122	19 years
10/01/2022 System Amendment	(12,852)	(938)	(806)	(1,079)	19 years
10/01/2023 Actuarial Loss / (Gain)	3,912,378	276,047	235,206	319,472	20 years
10/01/2023 Assumption Changes	13,992	987	841	1,143	20 years
10/01/2023 Assumption Change - 112.664(1)(b), F.S. Assumptions	22,788,466	N/A	1,370,009	N/A	20 years
10/01/2023 Assumption Change - 112.664(1)(a), F.S. Assumptions Plus 2%	(15,391,741)	N/A	N/A	(1,256,840)	20 years





## **SECTION B**

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### **SUMMARY OF SYSTEM PROVISIONS**

**Outline of Principal Provisions of the Retirement System  
(as of October 1, 2023)**

A. Effective Date:

October 1, 1992. Most recently amended by Ordinance No. 3276-23 adopted August 9, 2023.

B. Eligibility:

All regular uniformed members of the Fire Department; includes active volunteers.

C. Member:

An actively employed Firefighter who fulfills the eligibility requirements.

D. Contributions:

Employee:	6.0% of compensation.
State:	Premium Tax Revenue.
City:	Balance required to maintain System on sound actuarial basis.

E. Credited Service:

Total years and fractional parts of years of service as a Firefighter with member contributions.

F. Purchase of Prior Military Service:

A participant may purchase from 1 year up to 4 years of credited service for military service prior to employment. The cost shall be an amount actuarially determined to fund the cost to the System of adding this credited service.

G. Compensation:

Total pay, excluding special detail pay (includes vacation and comp time accrual as of September 30, 2011).

H. Average Final Compensation (AFC):

Average monthly compensation during the best 60 calendar months out of the last 120 calendar months preceding date of retirement (or termination).



**Outline of Principal Provisions of the Retirement System  
(as of October 1, 2023)**

I. Normal Retirement:

1. Eligibility:

Earlier of:

- (a) Attainment of age 55 with completion of 10 years of credited service.
- (b) Completion of 20 years of credited service.

2. Benefit:

3.0% times AFC times credited service.

J. Early Retirement:

1. Eligibility:

Attainment of age 50 with completion of 10 years of credited service.

2. Benefit:

Benefit accrued to date of retirement, reduced by 3% for each year early retirement date precedes normal retirement date, payable immediately.

K. Delayed Retirement:

Computed the same as set forth under Normal Retirement, based upon AFC and credited service as of delayed retirement date.

L. Disability Retirement:

1. Service Incurred:

Accrued benefit, but not less than 42% of AFC.

Effective July 1, 2019, a Firefighter who becomes totally and permanently unable to perform useful and efficient service as a Firefighter due to a diagnosis of cancer or circumstances that arise out of the treatment of such cancer will be presumed to be disabled in-line of duty subject to the limitations in Chapter 112.1816, Florida Statutes.

2. Non-Service Incurred:

- a. Eligibility: 10 or more years of credited service; totally and permanently disabled.
- b. Benefit: Accrued benefit, but not less than 25% of AFC.



**Outline of Principal Provisions of the Retirement System  
(as of October 1, 2023)**

**M. Pre-Retirement Death Benefit:**

**1. Service Incurred:**

Firefighters with a spouse as the sole beneficiary receive a life benefit equal to the greater of:

- a. forty-two percent (42%) of the average monthly salary of the Member over the previous twelve (12) month period, or
- b. the Member's unreduced accrued benefit at the time of death

Firefighters, who are not yet eligible for normal or early retirement, with a non-spouse beneficiary receive an immediate benefit payable for ten (10) years. The benefit shall be the

- a. forty-two percent (42%) of the average monthly salary of the Member over the previous twelve (12) month period, or
- b. the Member's unreduced accrued benefit at the time of death

Firefighters, who are eligible for normal or early retirement, with a non-spouse beneficiary receive an immediate benefit payable for life. The benefit shall be the benefit determined as if the Member had retired the day before his death and elected the one hundred percent (100%) Joint and Survivor benefit. The minimum amount payable to such Member shall be forty-two percent (42%) of the AFC at the time of their death.

**2. Non-Service Incurred:**

- a. Eligible for Retirement: Determined as though had retired on the date of death and elected a 100% joint and survivor benefit.
- b. Not Eligible for Normal Retirement: Less than 10 years of credited service - return of employee contributions.  
10 or more years - accrued benefit payable for 10 years.

**N. Termination Benefits:**

**1. Eligibility:**

100% vesting upon the completion of 10 years of credited service. Employees who have not completed 10 years of credited service at date of termination of employment shall only be entitled to the return of their employee contributions.

**2. Benefit:**

Accrued benefit based upon credited service and AFC as of date of termination, payable at normal retirement date or early retirement date with reduction.



**Outline of Principal Provisions of the Retirement System  
(as of October 1, 2023)**

O. Normal Form of Retirement Income:

Monthly benefit payable for ten (10) years certain and life thereafter.

P. Deferred Retirement Option Program (DROP)

1. Eligibility:

Participant must be eligible for Normal Retirement.

2. Benefit:

Retirement benefits are transferred to a hypothetical DROP account within the pension fund. Interest is credited or debited quarterly based upon either the rate of return earned by the Fund or a 6.5% fixed rate of return, as elected by the Member. A deduction is made each quarter for administrative expenses. The period of participation in the DROP is limited to at least 12 months but no more than 84 months. The benefit is paid as a lump sum upon actual termination of employment.

Q. Cost of Living Adjustment (COLA)

A participant who terminates employment on or after October 1, 2002 is entitled to a 3.0% annual COLA on benefit payments beginning at age 60.

Effective March 1, 2013, only participants who retire on or after Early or Normal Retirement Date (including DROPs) are entitled to a 3% annual COLA on benefit payments beginning at age 60.

R. Changes Since Previous Actuarial Valuation

None affecting calculations.

## SECTION C

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### **ACTUARIAL ASSUMPTIONS AND COST METHODS USED FOR FUNDING**

**Actuarial Assumptions and Actuarial Cost Methods Used in the Valuation  
(as of October 1, 2023)**

**A. Mortality**

For healthy participants during employment, PUB-2010 Headcount Weighted Safety Employee Female Mortality Table and Safety Below Median Employee Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018.

For healthy participants post employment, PUB-2010 Headcount Weighted Safety Healthy Retiree Female Mortality Table and Safety Below Median Healthy Retiree Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018.

For disabled participants, 80% PUB-2010 Headcount Weighted General Disabled Retiree Mortality Table / 20% PUB-2010 Headcount Weighted Safety Disabled Retiree Mortality Table, separate rates for males and females, without projected mortality improvements.

Sample Ages (2023)	Pre-retirement Future Life Expectancy (Years)		Post-retirement Future Life Expectancy (Years)	
	Men	Women	Men	Women
	55	30.70	34.54	27.87
60	25.74	29.47	23.27	26.64
62	23.80	27.46	21.53	24.79

Sample Ages (2043)	Pre-retirement Future Life Expectancy (Years)		Post-retirement Future Life Expectancy (Years)	
	Men	Women	Men	Women
	55	32.33	36.03	29.77
60	27.31	30.92	25.06	28.39
62	25.35	28.88	23.27	26.50

**B. Interest to be Earned by Fund**

7.50% (net of investment expenses), compounded annually - includes inflation at 2.75%.

**C. Allowances for Expenses or Contingencies**

Actual administrative expenses incurred during the prior System year.



**Actuarial Assumptions and Actuarial Cost Methods Used in the Valuation  
(as of October 1, 2023)**

D. Employee Withdrawal Rates

Withdrawal rates for males and for females were used in accordance with the following illustrative example.

E. Disability Rates

Disability rates for males and for females were used in accordance with the following illustrative example.

<u>Age</u>	<u>Withdrawal Rates</u>	<u>Disability Rates</u>
	<u>Per 100 Employees</u>	<u>Per 100 Employees</u>
20	3.04	0.14
25	2.89	0.15
30	2.54	0.18
35	1.93	0.23
40	1.32	0.30
45	0.81	0.51

85% of disabilities are assumed to be service incurred - 15% non-service incurred.

F. Salary Increase Factors

Current salary is assumed to increase at a rate based on the table below - includes wage inflation of 3.25%.

<u>Age</u>	<u>Salary Increase</u>
< 40	6.50%
40 - 44	5.50%
45 - 49	5.00%
50 +	4.50%



**Actuarial Assumptions and Actuarial Cost Methods Used in the Valuation  
(as of October 1, 2023)**

G. Rates of Retirement

<u>Age</u>	<u>Annual Rate of Retirement</u>
At First Normal Retirement Eligibility	
< 50	25%
50 - 59	45%
60 & Over	100%
Retirement Other Than At First Normal Retirement Eligibility	
< 51	15%
51 - 54	5%
55 - 59	45%
60 & Over	100%

All active members on the valuation date are assumed to have a minimum of one year of future service.

H. Loading

Active liabilities and normal costs are increased by 1.35% to account for unused annual leave pay at time of retirement for Firefighters hired prior to October 1, 2011.

I. Payroll Growth Assumption

3.5% per annum. For purposes of financing the unfunded liabilities, the payroll growth assumption is capped at the historical 10-year average (3.4% as of October 1, 2023) and no less than 0.0%.

J. Asset Valuation Method

The method used for determining the smoothed value of assets phases in the deviation between the expected and actual return on assets at the rate of 25% per year. The smoothed value of assets will be further adjusted to the extent necessary to fall within the corridor whose lower limit is 80% of the fair market value of System assets and whose upper limit is 120% of the fair market value of System assets.

**Actuarial Assumptions and Actuarial Cost Methods Used in the Valuation  
(as of October 1, 2023)**

K. Cost Method

Normal Retirement, Termination, Disability, and Death Benefits: Entry-Age-Normal Cost Method.

Under this method the normal cost for each active employee is the amount which is calculated to be a level percentage of pay that would be required annually from his entry age to his assumed retirement age to fund his estimated benefits, assuming the System had always been in effect. The normal cost for the System is the sum of such amounts for all employees. The actuarial accrued liability as of any valuation date for each active employee or inactive employee who is eligible to receive benefits under the System is the excess of the actuarial present value of estimated future benefits over the actuarial present value of current and future normal costs. The unfunded actuarial accrued liability as of any valuation date is the excess of the actuarial accrued liability over the assets of the System.

Vested Normal Retirement, Termination, Disability, and Death Benefits: Unit Credit Cost Method

Under this method, the actuarial present value of vested accrued benefits is an amount calculated to be the sum of the present values of each individual's vested accrued or earned benefit under the System as of the valuation date. Each individual's calculation is based on pay and service as of the valuation date.

L. Disclosure of Assumptions

The salary increases, withdrawal and retirement rates were updated based on the most recent experience study performed for the five years ending September 30, 2022. The mortality rates are based upon the July 1, 2023 FRS Actuarial Valuation, as required under F.S., Chapter 2015-157.

M. Changes Since Most Recent Actuarial Valuation

1. Employee Withdrawal Rates were:

<u>Age</u>	<u>Per 100 Employees</u>
20	4.68
25	4.45
30	3.90
35	2.96
40	2.03
45	1.25

**Actuarial Assumptions and Actuarial Cost Methods Used in the Valuation  
(as of October 1, 2023)**

M. Changes Since Most Recent Actuarial Valuation (cont'd)

2. Salary Increase Factors were:

<u>Age</u>	<u>Salary Increase</u>
< 30	8.50%
30 - 39	6.50%
40 - 49	5.25%
50 +	5.00%

3. Rates of Retirement were:

<u>Age</u>	<u>Annual Rate of Retirement</u>
At First Normal Retirement Eligibility	
< 50	25%
50 - 59	50%
60 & Over	100%
Retirement Other Than At First Normal Retirement Eligibility	
< 50	5%
50	30%
51 - 54	10%
55 - 59	35%
60 & Over	100%

**SECTION D**

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**GLOSSARY**

## GLOSSARY

<b><i>Actuarial Accrued Liability</i></b>	The difference between the Actuarial Present Value of Future Benefits, and the Actuarial Present Value of Future Normal Costs.
<b><i>Actuarial Assumptions</i></b>	Assumptions about future plan experience that affect costs or liabilities, such as: mortality, withdrawal, disablement, and retirement; future increases in salary; future rates of investment earnings; future investment and administrative expenses; characteristics of members not specified in the data, such as marital status; characteristics of future members; future elections made by members and other items.
<b><i>Actuarial Cost Method</i></b>	A procedure for allocating the Actuarial Present Value of Future Benefits between the Actuarial Present Value of Future Normal Costs and the Actuarial Accrued Liability.
<b><i>Actuarial Equivalent</i></b>	Of equal Actuarial Present Value, determined as of a given date and based on a given set of Actuarial Assumptions.
<b><i>Actuarial Present Value</i></b>	The amount of funds required to provide a payment or series of payments in the future. It is determined by discounting the future payments with an assumed interest rate and with the assumed probability each payment will be made.
<b><i>Actuarial Present Value of Future Benefits</i></b>	The Actuarial Present Value of amounts which are expected to be paid at various future times to active members, retired members, beneficiaries receiving benefits and inactive, non-retired members entitled to either a refund or a future retirement benefit. Expressed another way, it is the value that would have to be invested on the valuation date so that the amount invested plus investment earnings would provide sufficient assets to pay all projected benefits and expenses when due.
<b><i>Actuarial Valuation</i></b>	The determination, as of a valuation date, of the Normal Cost, Actuarial Accrued Liability, Actuarial Value of Assets, and related Actuarial Present Values for a plan. An Actuarial Valuation for a governmental retirement system typically also includes calculations of items needed for compliance with GASB No. 67.
<b><i>Actuarial Value of Assets</i></b>	The value of the assets as of a given date, used by the actuary for valuation purposes. This may be the market or fair value of plan assets or a smoothed value in order to reduce the year-to-year volatility of calculated results, such as the funded ratio and the actuarially required contribution.

<b><i>Amortization Method</i></b>	A method for determining the Amortization Payment. The most common methods used are level dollar and level percentage of payroll. Under the Level Dollar method, the Amortization Payment is one of a stream of payments, all equal, whose Actuarial Present Value is equal to the UAAL. Under the Level Percentage of Pay method, the Amortization Payment is one of a stream of increasing payments, whose Actuarial Present Value is equal to the UAAL. Under the Level Percentage of Pay method, the stream of payments increases at the rate at which total covered payroll of all active members is assumed to increase.
<b><i>Amortization Payment</i></b>	That portion of the plan contribution which is designed to pay interest on and to amortize the Unfunded Actuarial Accrued Liability.
<b><i>Amortization Period</i></b>	The period used in calculating the Amortization Payment.
<b><i>Annual Required Contribution</i></b>	The employer's periodic required contributions, expressed as a dollar amount or a percentage of covered plan compensation. The annual required contribution consists of the Employer Normal Cost and Amortization Payment plus interest adjustment.
<b><i>Closed Amortization Period</i></b>	A specific number of years that is reduced by one each year, and declines to zero with the passage of time. For example if the amortization period is initially set at 20 years, it is 19 years at the end of one year, 18 years at the end of two years, etc.
<b><i>Employer Normal Cost</i></b>	The portion of the Normal Cost to be paid by the employer. This is equal to the Normal Cost less expected member contributions.
<b><i>Equivalent Single Amortization Period</i></b>	For plans that do not establish separate amortization bases (separate components of the UAAL), this is the same as the Amortization Period. For plans that do establish separate amortization bases, this is the period over which the UAAL would be amortized if all amortization bases were combined upon the current UAAL payment.
<b><i>Experience Gain/Loss</i></b>	A measure of the difference between actual experience and that expected based upon a set of Actuarial Assumptions, during the period between two actuarial valuations. To the extent that actual experience differs from that assumed, Unfunded Actuarial Accrued Liabilities emerge which may be larger or smaller than projected. Gains are due to favorable experience, e.g., the assets earn more than projected, salaries do not increase as fast as assumed, members retire later than assumed, etc. Favorable experience means actual results produce actuarial liabilities not as large as projected by the actuarial assumptions. Losses are the result of unfavorable experience, i.e., actual results that produce Unfunded Actuarial Accrued Liabilities which are larger than projected.
<b><i>Funded Ratio</i></b>	The ratio of the Actuarial Value of Assets to the Actuarial Accrued Liability.

<b><i>GASB</i></b>	Governmental Accounting Standards Board.
<b><i>GASB No. 67 and GASB No. 68</i></b>	These are the governmental accounting standards that set the accounting rules for public retirement plans and the employers that sponsor or contribute to them. Statement No. 67 sets the accounting rules for the plans themselves, while Statement No. 68 sets the accounting rules for the employers that sponsor or contribute to public retirement plans.
<b><i>Normal Cost</i></b>	The annual cost assigned, under the Actuarial Cost Method, to the current plan year.
<b><i>Open Amortization Period</i></b>	An open amortization period is one which is used to determine the Amortization Payment but which does not change over time. In other words, if the initial period is set as 20 years, the same 20-year period is used in determining the Amortization Period each year. In theory, if an Open Amortization Period is used to amortize the Unfunded Actuarial Accrued Liability, the UAAL will never completely disappear, but will become smaller each year, either as a dollar amount or in relation to covered payroll.
<b><i>Unfunded Actuarial Accrued Liability</i></b>	The difference between the Actuarial Accrued Liability and Actuarial Value of Assets.
<b><i>Valuation Date</i></b>	The date as of which the Actuarial Present Value of Future Benefits are determined. The benefits expected to be paid in the future are discounted to this date.
<b><i>Vested Benefit Security Ratio</i></b>	The ratio of the Market Value of Assets to the Actuarial Present Value of Vested Accrued Benefits.