

SOUTH MIAMI  
PENSION PLAN  
ACTUARIAL VALUATION  
AS OF OCTOBER 1, 2024  
CONTRIBUTIONS APPLICABLE TO THE  
PLAN/FISCAL YEAR ENDING SEPTEMBER 30, 2026



**FOSTER & FOSTER**  
ACTUARIES AND CONSULTANTS

June 6, 2025

Board of Trustees  
South Miami Pension Plan

Re: South Miami Pension Plan  
October 1, 2024 Actuarial Valuation

Dear Board:

We are pleased to present to the Board this report of the annual actuarial valuation of the South Miami Pension 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, 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 Administrator and City of South Miami, 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 is familiar with the immediate and long-term aspects of pension valuations, and meets 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 South Miami, nor does anyone at Foster & Foster, Inc. act as a member of the Board of Trustees of the South Miami Pension 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:   
Sara E. Carlson, ASA, EA, MAAA  
Enrolled Actuary #23-8546

By:   
Dante Curcione

Enclosures

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SUMMARY OF REPORT

The regular annual actuarial valuation of the South Miami Pension 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 prepared by Gabriel, Roeder, Smith & Company, 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>
Minimum Required Contribution <sup>1</sup>	\$1,829,783	\$1,522,413
Member Contributions (Est.)	526,649	457,533
<b>City And State Required Contribution</b>	<b>1,303,134</b>	<b>1,064,880</b>
State Contribution (Est.) <sup>2</sup>	79,228	79,228
City Required Contribution (Est.)	\$1,223,906	\$985,652

<sup>1</sup> Reflects normal cost minimum funding requirements of Chapter 112, Florida Statutes.

<sup>2</sup> Represents the amount received in calendar 2024.

As you can see, the Minimum Required Contribution shows an increase when compared to the results set forth in the October 1, 2023 actuarial valuation report. The increase is attributable to an increase in the Normal Cost component due to the active population growth, and unfavorable actuarial experience, as described below.

Plan experience was unfavorable overall on the basis of the plan’s actuarial assumptions. The primary source of actuarial loss was average salary increases which exceeded the assumption. This loss was offset in part by an actuarial gain from an investment return on the smoothed Actuarial Value of Assets which exceeded the 7.375% assumption. The return on the Actuarial Value of Assets was 8.54% and the return on the Market Value of Assets was 23.09%.

The funded ratio is 97.5% as of October 1, 2024 compared to 99.2% as of October 1, 2023. The funded ratio is equal to the Actuarial Value of Assets divided by the Actuarial Accrued Liability. If the Market Value of Assets had been used instead, the funded ratio would have been 103.9% as of October 1, 2024 and 93.2% as of October 1, 2023.

The Minimum Required Contribution for the fiscal year ending September 30, 2026 for each Plan is presented in the table below. Please note that the percentages are the contributions represented as a percentage of the Projected Annual Payroll for each respective Plan.

	General Employees (Tier 1)	General Employees (Tier 2)	AMSC	Police Officers
Member Contributions	57,890	75,653	122,183	270,923
% of Payroll	7.0	3.0	7.0	7.5
State Contributions	N/A	N/A	N/A	79,228
% of Payroll	N/A	N/A	N/A	2.2
City Contributions	54,224	111,038	558,967	499,677
% of Payroll	6.5	4.5	32.1	13.8
Total Contributions	112,114	186,691	681,150	849,828
% of Payroll	13.5	7.5	39.1	23.5

## CHANGES SINCE PRIOR VALUATION

### Plan Changes

There have been no changes in benefits since the prior valuation.

### Actuarial Assumption/Method Changes

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

COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS  
GENERAL EMPLOYEES TIER 1

	<u>10/1/2024</u>	<u>10/1/2023</u>
A. Participant Data		
Actives	10	10
Service Retirees	28	29
DROP Retirees	1	2
Beneficiaries	3	2
Disability Retirees	0	0
Terminated Vested	<u>15</u>	<u>15</u>
Total	57	58
Total Annual Payroll	\$827,001	\$768,250
Projected Annual Payroll	827,001	N/A
Annual Rate of Payments to:		
Service Retirees	760,592	788,427
DROP Retirees	51,046	85,908
Beneficiaries	70,443	35,522
Disability Retirees	0	0
Terminated Vested	50,537	50,537
B. Assets		
Actuarial Value (AVA) <sup>1</sup>	19,545,160	18,876,489
Market Value (MVA) <sup>1</sup>	20,880,069	17,772,073
C. Liabilities		
Present Value of Benefits		
Actives		
Retirement Benefits	4,798,166	4,206,795
Disability Benefits	231,762	236,065
Death Benefits	42,659	43,777
Vested Benefits	108,932	164,158
Refund of Contributions	0	0
Service Retirees	8,782,606	8,961,750
DROP Retirees <sup>1</sup>	846,663	1,403,858
Beneficiaries	696,670	444,056
Disability Retirees	0	0
Terminated Vested	<u>505,547</u>	<u>474,435</u>
Total	16,013,005	15,934,894

GENERAL EMPLOYEES TIER 1

C. Liabilities - (Continued)	<u>10/1/2024</u>	<u>10/1/2023</u>
Present Value of Future Salaries	4,818,008	4,716,647
Present Value of Future Member Contributions	337,261	330,165
Normal Cost (Retirement)	42,837	42,235
Normal Cost (Disability)	3,964	3,920
Normal Cost (Death)	769	887
Normal Cost (Vesting)	5,327	14,940
Normal Cost (Refunds)	0	N/A
Total Normal Cost	<u>52,897</u>	<u>61,982</u>
Present Value of Future Normal Costs	275,965	358,554
Accrued Liability (Retirement)	4,561,926	3,962,664
Accrued Liability (Disability)	210,716	213,962
Accrued Liability (Death)	38,838	38,955
Accrued Liability (Vesting)	94,074	76,660
Accrued Liability (Refunds)	0	N/A
Accrued Liability (Inactives) <sup>1</sup>	10,831,486	11,284,099
Total Actuarial Accrued Liability (EAN AL)	<u>15,737,040</u>	<u>15,576,340</u>
Unfunded Actuarial Accrued Liability (UAAL)	(3,808,120)	(3,300,149)
Funded Ratio (AVA / EAN AL)	124.2%	121.2%

GENERAL EMPLOYEES TIER 1

D. Actuarial Present Value of Accrued Benefits	<u>10/1/2024</u>	<u>10/1/2023</u>
Vested Accrued Benefits		
Inactives <sup>1</sup>	10,831,486	11,284,099
Actives	2,421,857	2,224,881
Member Contributions	896,074	838,267
Total	<u>14,149,417</u>	<u>14,347,247</u>
Non-vested Accrued Benefits	<u>0</u>	<u>0</u>
Total Present Value Accrued Benefits (PVAB)	14,149,417	14,347,247
Funded Ratio (MVA / PVAB)	147.6%	123.9%
Increase (Decrease) in Present Value of Accrued Benefits Attributable to:		
Plan Amendments	0	
Assumption Changes	0	
Plan Experience	(232,820)	
Benefits Paid	(986,734)	
Interest	1,021,724	
Other	0	
Total	<u>(197,830)</u>	

GENERAL EMPLOYEES TIER 1

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

E. Pension Cost

Normal Cost <sup>2</sup>	\$54,848	\$61,982
% of Projected Annual Payroll <sup>2 3</sup>	6.6	8.1
Administrative Expenses <sup>2</sup>	57,266	64,585
% of Projected Annual Payroll <sup>2 3</sup>	6.9	8.4
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 25 years (as of 10/1/2024) <sup>2</sup>	(448,200)	(364,848)
% of Projected Annual Payroll <sup>2 3</sup>	(54.2)	(47.5)
Interest from 10/1/2024 to 10/1/2025 <sup>4</sup>	N/A, included above	4,501 0.6
Minimum Required Contribution <sup>4</sup>	112,114	131,068
% of Projected Annual Payroll <sup>2 3 3</sup>	13.5	17.1
Expected Member Contributions <sup>2</sup>	57,890	53,778
% of Projected Annual Payroll <sup>2 3</sup>	7.0	7.0
Expected City and State Contribution	54,224	77,290
% of Projected Annual Payroll <sup>2 3 3</sup>	6.5	10.1

F. Past Contributions

Plan Years Ending:	<u>9/30/2024</u>
City Requirement	78,836
Actual Contributions Made:	
City	78,836

G. Net Actuarial (Gain)/Loss (258,618)

- <sup>1</sup> The asset values and liabilities include accumulated DROP Plan Balances as of 9/30/2024 and 9/30/2023.
- <sup>2</sup> Contributions developed as of 10/1/2024 and 10/1/2023 displayed above have been adjusted to account for assumed salary increase and interest components.
- <sup>3</sup> Contributions developed as of 10/1/2024 displayed above are expressed as a percentage of Projected Annual Payroll, and contributions developed as of 10/1/2023 displayed above are expressed as a percentage of Total Annual Payroll.
- <sup>4</sup> Reflects normal cost minimum funding requirements of Chapter 112, Florida Statutes.

GENERAL EMPLOYEES TIER 1

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	(3,808,120) <sup>1</sup>
2025	(3,624,830)
2026	(3,428,023)
2032	(1,902,014)
2037	(845,068)
2048	(21,363)
2049	0

I. (i) 5 Year Comparison of Actual and Assumed Salary Increases <sup>1</sup>

	<u>Actual</u>	<u>Assumed</u>
Year Ended 9/30/2024	14.17%	3.99%
Year Ended 9/30/2023	10.10%	4.60%
Year Ended 9/30/2022	6.40%	4.60%
Year Ended 9/30/2021	3.00%	4.70%
Year Ended 9/30/2020	7.10%	4.70%

(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	23.09%	8.54%	7.375%
Year Ended 9/30/2023	10.19%	4.35%	7.375%
Year Ended 9/30/2022	-14.22%	5.70%	7.375%
Year Ended 9/30/2021	23.22%	10.63%	7.375%
Year Ended 9/30/2020	7.02%	8.01%	7.375%

<sup>1</sup> Prior to Year Ending 9/30/2024, salary increases included all General Employees (including AMSC).

COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS  
GENERAL EMPLOYEES TIER 2

	<u>10/1/2024</u>	<u>10/1/2023</u>
A. Participant Data		
Actives	38	34
Service Retirees	1	1
DROP Retirees	0	0
Beneficiaries	0	0
Disability Retirees	0	0
Terminated Vested	<u>9</u>	<u>7</u>
Total	48	42
Total Annual Payroll	\$2,424,769	\$1,862,374
Projected Annual Payroll	2,424,769	N/A
Annual Rate of Payments to:		
Service Retirees	10,619	10,619
DROP Retirees	0	0
Beneficiaries	0	0
Disability Retirees	0	0
Terminated Vested	10,394	10,394
B. Assets		
Actuarial Value (AVA) <sup>1</sup>	1,410,333	1,199,697
Market Value (MVA) <sup>1</sup>	1,526,605	1,145,449
C. Liabilities		
Present Value of Benefits		
Actives		
Retirement Benefits	1,836,987	1,492,531
Disability Benefits	151,219	136,157
Death Benefits	30,895	29,020
Vested Benefits	487,168	391,734
Refund of Contributions	57,019	35,165
Service Retirees	104,784	106,567
DROP Retirees <sup>1</sup>	0	0
Beneficiaries	0	0
Disability Retirees	0	0
Terminated Vested	<u>25,617</u>	<u>14,492</u>
Total	2,693,689	2,205,666

GENERAL EMPLOYEES TIER 2

C. Liabilities - (Continued)	<u>10/1/2024</u>	<u>10/1/2023</u>
Present Value of Future Salaries	20,304,435	15,214,397
Present Value of Future Member Contributions	609,133	456,432
Normal Cost (Retirement)	114,352	95,296
Normal Cost (Disability)	9,292	8,691
Normal Cost (Death)	1,798	1,810
Normal Cost (Vesting)	29,513	27,147
Normal Cost (Refunds)	10,153	N/A
Total Normal Cost	<u>165,108</u>	<u>132,944</u>
Present Value of Future Normal Costs	1,245,250	1,033,007
Accrued Liability (Retirement)	974,908	778,662
Accrued Liability (Disability)	75,476	67,520
Accrued Liability (Death)	16,820	14,643
Accrued Liability (Vesting)	237,891	190,775
Accrued Liability (Refunds)	12,943	N/A
Accrued Liability (Inactives) <sup>1</sup>	130,401	121,059
Total Actuarial Accrued Liability (EAN AL)	<u>1,448,439</u>	<u>1,172,659</u>
Unfunded Actuarial Accrued Liability (UAAL)	38,106	(27,038)
Funded Ratio (AVA / EAN AL)	97.4%	102.3%

GENERAL EMPLOYEES TIER 2

D. Actuarial Present Value of Accrued Benefits	<u>10/1/2024</u>	<u>10/1/2023</u>
Vested Accrued Benefits		
Inactives <sup>1</sup>	130,401	121,059
Actives	175,114	118,057
Member Contributions	290,844	238,990
Total	<u>596,359</u>	<u>478,106</u>
Non-vested Accrued Benefits	<u>161,518</u>	<u>138,652</u>
Total Present Value Accrued Benefits (PVAB)	757,877	616,758
Funded Ratio (MVA / PVAB)	201.4%	185.7%
Increase (Decrease) in Present Value of Accrued Benefits Attributable to:		
Plan Amendments	0	
Assumption Changes	0	
Plan Experience	106,644	
Benefits Paid	(10,619)	
Interest	45,094	
Other	0	
Total	<u>141,119</u>	

GENERAL EMPLOYEES TIER 2

Valuation Date	10/1/2024	10/1/2023
Applicable to Fiscal Year Ending	<u>9/30/2026</u>	<u>9/30/2025</u>
<b>E. Pension Cost</b>		
Normal Cost <sup>2</sup>	\$178,044	\$138,262
% of Projected Annual Payroll <sup>2 3</sup>	7.1	7.1
Administrative Expenses <sup>2</sup>	4,117	3,363
% of Projected Annual Payroll <sup>2 3</sup>	0.2	0.2
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 25 years (as of 10/1/2024) <sup>2</sup>	4,530	(1,286)
% of Projected Annual Payroll <sup>2 3</sup>	0.2	(0.1)
Interest from 10/1/2024 to 10/1/2025 <sup>4</sup>	N/A, included above	5,037 0.3
Minimum Required Contribution <sup>4</sup>	186,691	146,662
% of Projected Annual Payroll <sup>2 3</sup>	7.5	7.6
Expected Member Contributions <sup>2</sup>	75,653	58,106
% of Projected Annual Payroll <sup>2 3</sup>	3.0	3.0
Expected City and State Contribution	111,038	88,556
% of Projected Annual Payroll <sup>2 3</sup>	4.5	4.6
<b>F. Past Contributions</b>		
Plan Years Ending:	<u>9/30/2024</u>	
City Requirement	52,211	
Actual Contributions Made:		
City	52,211	
<b>G. Net Actuarial (Gain)/Loss</b>	<b>35,164</b>	

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

<sup>2</sup> Contributions developed as of 10/1/2024 and 10/1/2023 displayed above have been adjusted to account for assumed salary increase and interest components.

<sup>3</sup> Contributions developed as of 10/1/2024 displayed above are expressed as a percentage of Projected Annual Payroll, and contributions developed as of 10/1/2023 displayed above are expressed as a percentage of Total Annual Payroll.

<sup>4</sup> Contributions developed as of 10/1/2023 reflect normal cost minimum funding requirements of Chapter 112, Florida Statutes.

GENERAL EMPLOYEES TIER 2

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	38,106
2025	36,405
2026	34,578
2032	20,417
2037	3,005
2048	5,442
2049	0

I. (i) 5 Year Comparison of Actual and Assumed Salary Increases <sup>1</sup>

	<u>Actual</u>	<u>Assumed</u>
Year Ended 9/30/2024	26.06%	4.30%
Year Ended 9/30/2023	10.10%	4.60%
Year Ended 9/30/2022	6.40%	4.60%
Year Ended 9/30/2021	3.00%	4.70%
Year Ended 9/30/2020	7.10%	4.70%

(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	23.09%	8.54%	7.375%
Year Ended 9/30/2023	10.19%	4.35%	7.375%
Year Ended 9/30/2022	-14.22%	5.70%	7.375%
Year Ended 9/30/2021	23.22%	10.63%	7.375%
Year Ended 9/30/2020	7.02%	8.01%	7.375%

<sup>1</sup> Prior to Year Ending 9/30/2024, salary increases included all General Employees (including AMSC).

COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS  
AMSC

	<u>10/1/2024</u>	<u>10/1/2023</u>
A. Participant Data		
Actives	11	10
Service Retirees	5	5
DROP Retirees	0	0
Beneficiaries	0	0
Disability Retirees	0	0
Terminated Vested	<u>2</u>	<u>2</u>
Total	18	17
Total Annual Payroll	\$1,785,863	\$1,471,787
Projected Annual Payroll	1,678,340	N/A
Annual Rate of Payments to:		
Service Retirees	201,832	196,511
DROP Retirees	0	0
Beneficiaries	0	0
Disability Retirees	0	0
Terminated Vested	40,936	40,936
B. Assets		
Actuarial Value (AVA) <sup>1</sup>	4,208,361	3,737,452
Market Value (MVA) <sup>1</sup>	4,468,668	3,496,257
C. Liabilities		
Present Value of Benefits		
Actives		
Retirement Benefits	6,479,474	5,449,324
Disability Benefits	309,609	277,021
Death Benefits	65,573	49,558
Vested Benefits	644,539	490,187
Refund of Contributions	31,436	15,221
Service Retirees	2,290,651	2,294,429
DROP Retirees <sup>1</sup>	0	0
Beneficiaries	0	0
Disability Retirees	0	0
Terminated Vested	<u>307,775</u>	<u>286,631</u>
Total	10,129,057	8,862,371

## AMSC

C. Liabilities - (Continued)	<u>10/1/2024</u>	<u>10/1/2023</u>
Present Value of Future Salaries	14,327,440	12,347,111
Present Value of Future Member Contributions	1,002,921	864,298
Normal Cost (Retirement)	262,359	208,337
Normal Cost (Disability)	15,090	12,188
Normal Cost (Death)	3,176	2,277
Normal Cost (Vesting)	40,591	13,192
Normal Cost (Refunds)	6,722	N/A
Total Normal Cost	<u>327,938</u>	<u>235,994</u>
Present Value of Future Normal Costs	2,598,102	2,176,902
Accrued Liability (Retirement)	4,338,983	3,575,289
Accrued Liability (Disability)	181,470	164,398
Accrued Liability (Death)	40,839	29,880
Accrued Liability (Vesting)	363,553	334,842
Accrued Liability (Refunds)	7,684	N/A
Accrued Liability (Inactives) <sup>1</sup>	<u>2,598,426</u>	<u>2,581,060</u>
Total Actuarial Accrued Liability (EAN AL)	<u>7,530,955</u>	<u>6,685,469</u>
Unfunded Actuarial Accrued Liability (UAAL)	3,322,594	2,948,017
Funded Ratio (AVA / EAN AL)	55.9%	55.9%

AMSC

D. Actuarial Present Value of Accrued Benefits	<u>10/1/2024</u>	<u>10/1/2023</u>
Vested Accrued Benefits		
Inactives <sup>1</sup>	2,598,426	2,581,060
Actives	1,166,290	800,200
Member Contributions	728,643	609,973
Total	<u>4,493,359</u>	<u>3,991,233</u>
Non-vested Accrued Benefits	<u>751,396</u>	<u>494,785</u>
Total Present Value Accrued Benefits (PVAB)	5,244,755	4,486,018
Funded Ratio (MVA / PVAB)	85.2%	77.9%
Increase (Decrease) in Present Value of Accrued Benefits Attributable to:		
Plan Amendments	0	
Assumption Changes	0	
Plan Experience	632,097	
Benefits Paid	(196,942)	
Interest	323,582	
Other	0	
Total	<u>758,737</u>	

AMSC

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

E. Pension Cost

Normal Cost <sup>2</sup>	\$353,632	\$245,434
% of Projected Annual Payroll <sup>2 3</sup>	20.3	16.0
Administrative Expenses <sup>2</sup>	12,273	13,344
% of Projected Annual Payroll <sup>2 3</sup>	0.7	0.9
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 25 years (as of 10/1/2024) <sup>2</sup>	315,245	265,818
% of Projected Annual Payroll <sup>2 3</sup>	18.1	17.4
Interest from 10/1/2024 to 10/1/2025	N/A, included above	18,656
		1.2
Minimum Required Contribution	681,150	543,252
% of Projected Annual Payroll <sup>2</sup>	39.1	35.5
Expected Member Contributions <sup>2</sup>	122,183	107,146
% of Projected Annual Payroll <sup>2 3</sup>	7.0	7.0
Expected City and State Contribution	558,967	436,106
% of Projected Annual Payroll <sup>2 3</sup>	32.1	28.5

F. Past Contributions

Plan Years Ending:	<u>9/30/2024</u>
City Requirement	234,750
Actual Contributions Made:	
City	234,750

G. Net Actuarial (Gain)/Loss

244,487

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

<sup>2</sup> Contributions developed as of 10/1/2024 and 10/1/2023 displayed above have been adjusted to account for assumed salary increase and interest components.

<sup>3</sup> Contributions developed as of 10/1/2024 displayed above are expressed as a percentage of Projected Annual Payroll, and contributions developed as of 10/1/2023 displayed above are expressed as a percentage of Total Annual Payroll.

AMSC

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	3,322,594
2025	3,253,735
2026	3,179,739
2032	2,606,451
2037	1,901,514
2048	20,217
2049	0

I. (i) 5 Year Comparison of Actual and Assumed Salary Increases <sup>1</sup>

	<u>Actual</u>	<u>Assumed</u>
Year Ended 9/30/2024	20.16%	5.84%
Year Ended 9/30/2023	10.10%	4.60%
Year Ended 9/30/2022	6.40%	4.60%
Year Ended 9/30/2021	3.00%	4.70%
Year Ended 9/30/2020	7.10%	4.70%

(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	23.09%	8.54%	7.375%
Year Ended 9/30/2023	10.19%	4.35%	7.375%
Year Ended 9/30/2022	-14.22%	5.70%	7.375%
Year Ended 9/30/2021	23.22%	10.63%	7.375%
Year Ended 9/30/2020	7.02%	8.01%	7.375%

<sup>1</sup> Prior to Year Ending 9/30/2024, salary increases included all General Employees (including AMSC).

COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS  
POLICE OFFICERS

	<u>10/1/2024</u>	<u>10/1/2023</u>
A. Participant Data		
Actives	38	36
Service Retirees	23	22
DROP Retirees	6	8
Beneficiaries	0	0
Disability Retirees	0	0
Terminated Vested	<u>11</u>	<u>10</u>
Total	78	76
Total Annual Payroll	\$3,647,604	\$3,057,725
Projected Annual Payroll	3,473,372	N/A
Annual Rate of Payments to:		
Service Retirees	1,122,632	1,035,179
DROP Retirees	337,044	438,923
Beneficiaries	0	0
Disability Retirees	0	0
Terminated Vested	186,719	186,719
B. Assets		
Actuarial Value (AVA) <sup>1</sup>	34,374,498	32,555,204
Market Value (MVA) <sup>1</sup>	36,587,150	30,539,809
C. Liabilities		
Present Value of Benefits		
Actives		
Retirement Benefits	16,989,276	13,933,992
Disability Benefits	272,150	283,078
Death Benefits	57,877	47,845
Vested Benefits	1,143,218	886,505
Refund of Contributions	233,647	201,057
Service Retirees	14,078,674	12,979,298
DROP Retirees <sup>1</sup>	6,380,802	7,536,151
Beneficiaries	0	0
Disability Retirees	0	0
Terminated Vested	<u>1,081,582</u>	<u>1,017,070</u>
Total	40,237,226	36,884,996

POLICE OFFICERS

C. Liabilities - (Continued)	<u>10/1/2024</u>	<u>10/1/2023</u>
Present Value of Future Salaries	24,603,187	20,694,915
Present Value of Future Member Contributions	1,845,239	1,552,119
Normal Cost (Retirement)	441,730	392,398
Normal Cost (Disability)	13,230	14,609
Normal Cost (Death)	2,808	2,655
Normal Cost (Vesting)	52,594	78,564
Normal Cost (Refunds)	43,853	N/A
Total Normal Cost	<u>554,215</u>	<u>488,226</u>
Present Value of Future Normal Costs	3,881,916	3,494,558
Accrued Liability (Retirement)	13,801,062	11,125,845
Accrued Liability (Disability)	184,993	189,445
Accrued Liability (Death)	41,288	31,181
Accrued Liability (Vesting)	723,878	511,448
Accrued Liability (Refunds)	63,031	N/A
Accrued Liability (Inactives) <sup>1</sup>	<u>21,541,058</u>	<u>21,532,519</u>
Total Actuarial Accrued Liability (EAN AL)	<u>36,355,310</u>	<u>33,390,438</u>
Unfunded Actuarial Accrued Liability (UAAL)	1,980,812	835,234
Funded Ratio (AVA / EAN AL)	94.6%	97.5%

POLICE OFFICERS

D. Actuarial Present Value of Accrued Benefits	<u>10/1/2024</u>	<u>10/1/2023</u>
Vested Accrued Benefits		
Inactives <sup>1</sup>	21,541,058	21,532,519
Actives	5,617,775	4,448,074
Member Contributions	2,594,570	2,370,141
Total	<u>29,753,403</u>	<u>28,350,734</u>
Non-vested Accrued Benefits	<u>1,912,582</u>	<u>1,597,726</u>
Total Present Value Accrued Benefits (PVAB)	31,665,985	29,948,460
Funded Ratio (MVA / PVAB)	115.5%	102.0%
Increase (Decrease) in Present Value of Accrued Benefits Attributable to:		
Plan Amendments	0	
Assumption Changes	0	
Plan Experience	989,922	
Benefits Paid	(1,428,423)	
Interest	2,156,026	
Other	0	
Total	<u>1,717,525</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 <sup>2</sup>	\$597,638	\$507,755
% of Projected Annual Payroll <sup>2 3</sup>	16.5	16.0
Administrative Expenses <sup>2</sup>	103,432	114,296
% of Projected Annual Payroll <sup>2 3</sup>	2.9	3.6
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 25 years (as of 10/1/2024) <sup>2</sup>	148,758	53,877
% of Projected Annual Payroll <sup>2 3</sup>	4.1	1.7
Interest from 10/1/2024 to 10/1/2025	N/A, included above	25,503 0.8
Minimum Required Contribution	849,828	701,431
% of Projected Annual Payroll <sup>2 3</sup>	23.5	22.1
Expected Member Contributions <sup>2</sup>	270,923	238,503
% of Projected Annual Payroll <sup>2 3</sup>	7.5	7.5
Expected City and State Contribution	578,905	462,928
% of Projected Annual Payroll <sup>2 3</sup>	16.0	14.6

F. Past Contributions

Plan Years Ending:	<u>9/30/2024</u>
City and State Requirement	337,013
Actual Contributions Made:	
City	257,785
State	<u>79,228</u>
Total	<u>337,013</u>

G. Net Actuarial (Gain)/Loss 1,038,762

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

<sup>2</sup> Contributions developed as of 10/1/2024 and 10/1/2023 displayed above have been adjusted to account for assumed salary increase and interest components.

<sup>3</sup> Contributions developed as of 10/1/2024 displayed above are expressed as a percentage of Projected Annual Payroll, and contributions developed as of 10/1/2023 displayed above are expressed as a percentage of Total Annual Payroll.

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	1,980,812
2025	1,978,772
2026	1,975,249
2032	1,915,493
2037	1,796,447
2048	98,445
2049	0

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

	<u>Actual</u>	<u>Assumed</u>
Year Ended 9/30/2024	13.22%	4.67%
Year Ended 9/30/2023	10.30%	4.60%
Year Ended 9/30/2022	9.60%	4.50%
Year Ended 9/30/2021	2.20%	4.50%
Year Ended 9/30/2020	5.50%	4.40%

(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	23.09%	8.54%	7.375%
Year Ended 9/30/2023	10.19%	4.35%	7.375%
Year Ended 9/30/2022	-14.22%	5.70%	7.375%
Year Ended 9/30/2021	23.22%	10.63%	7.375%
Year Ended 9/30/2020	7.02%	8.01%	7.375%

(iii) Average Annual Payroll Growth

(a) Payroll as of:	10/1/2024	\$3,473,372
	10/1/2014	3,127,368
(b) Total Increase		11.06%
(c) Number of Years		10.00
(d) Average Annual Rate		1.05%

COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS  
ALL PARTICIPANTS

	<u>10/1/2024</u>	<u>10/1/2023</u>
A. Participant Data		
Actives	97	90
Service Retirees	57	57
DROP Retirees	7	10
Beneficiaries	3	2
Disability Retirees	0	0
Terminated Vested	<u>37</u>	<u>34</u>
Total	201	193
Total Annual Payroll	8,685,237	7,160,136
Projected Annual Payroll	8,403,482	N/A
Annual Rate of Payments to:		
Service Retirees	2,095,675	2,030,736
DROP Retirees	388,090	524,831
Beneficiaries	70,443	35,522
Disability Retirees	0	0
Terminated Vested	288,586	288,586
B. Assets		
Actuarial Value (AVA) <sup>1</sup>	59,538,352	56,368,842
Market Value (MVA) <sup>1</sup>	63,462,493	52,953,588
C. Liabilities		
Present Value of Benefits		
Actives		
Retirement Benefits	30,103,903	25,082,642
Disability Benefits	964,740	932,321
Death Benefits	197,004	170,200
Vested Benefits	2,383,857	1,932,584
Refund of Contributions	322,102	251,443
Service Retirees	25,256,715	24,342,044
DROP Retirees <sup>1</sup>	7,227,465	8,940,009
Beneficiaries	696,670	444,056
Disability Retirees	0	0
Terminated Vested	<u>1,920,521</u>	<u>1,792,628</u>
Total	69,072,977	63,887,927

ALL PARTICIPANTS

C. Liabilities - (Continued)	<u>10/1/2024</u>	<u>10/1/2023</u>
Present Value of Future Salaries	64,053,070	52,973,070
Present Value of Future Member Contributions	3,794,554	3,203,014
Normal Cost (Retirement)	861,278	738,266
Normal Cost (Disability)	41,576	39,408
Normal Cost (Death)	8,551	7,629
Normal Cost (Vesting)	128,025	133,843
Normal Cost (Refunds)	60,728	N/A
Total Normal Cost	<u>1,100,158</u>	<u>919,146</u>
Present Value of Future Normal Costs	8,001,233	7,063,021
Accrued Liability (Retirement)	23,676,879	19,442,460
Accrued Liability (Disability)	652,655	635,325
Accrued Liability (Death)	137,785	114,659
Accrued Liability (Vesting)	1,419,396	1,113,725
Accrued Liability (Refunds)	83,658	N/A
Accrued Liability (Inactives) <sup>1</sup>	<u>35,101,371</u>	<u>35,518,737</u>
Total Actuarial Accrued Liability (EAN AL)	61,071,744	56,824,906
Unfunded Actuarial Accrued Liability (UAAL)	1,533,392	456,064
Funded Ratio (AVA / EAN AL)	97.5%	99.2%

ALL PARTICIPANTS

D. Actuarial Present Value of Accrued Benefits	<u>10/1/2024</u>	<u>10/1/2023</u>
Vested Accrued Benefits		
Inactives <sup>1</sup>	35,101,371	35,518,737
Actives	9,381,036	7,591,212
Member Contributions	4,510,131	4,057,371
Total	<u>48,992,538</u>	<u>47,167,320</u>
Non-vested Accrued Benefits	<u>2,825,496</u>	<u>2,231,163</u>
Total Present Value Accrued Benefits (PVAB)	51,818,034	49,398,483
Funded Ratio (MVA / PVAB)	122.5%	107.2%
Increase (Decrease) in Present Value of Accrued Benefits Attributable to:		
Plan Amendments	0	
Assumption Changes	0	
Plan Experience	1,495,843	
Benefits Paid	(2,622,718)	
Interest	3,546,426	
Other	0	
Total	<u>2,419,551</u>	

ALL PARTICIPANTS

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

E. Pension Cost

Normal Cost <sup>2</sup>	\$1,184,162	\$953,433
Administrative Expenses <sup>2</sup>	177,088	195,588
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 25 years (as of 10/1/2024) <sup>2</sup>	20,333	(46,439)
Interest from 10/1/2024 to 10/1/2025	N/A, included above	53,697
Preliminary Minimum Required Contribution	1,381,583	1,156,279
	15.9	15.6
Minimum Required Contribution <sup>4</sup> % of Projected Annual Payroll <sup>2 3</sup>	1,829,783	1,522,413
	21.0	20.5
Expected Member Contributions <sup>2</sup> % of Projected Annual Payroll <sup>2 3</sup>	526,649	457,533
	6.0	6.2
Expected City and State Contribution % of Projected Annual Payroll <sup>2 3</sup>	1,303,134	1,064,880
	15.0	14.4

F. Past Contributions

Plan Years Ending:	<u>9/30/2024</u>
City and State Requirement	702,810
Actual Contributions Made:	
City	623,582
State	<u>79,228</u>
Total	702,810

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

<sup>2</sup> Contributions developed as of 10/1/2024 and 10/1/2023 displayed above have been adjusted to account for assumed salary increase and interest components.

<sup>3</sup> Contributions developed as of 10/1/2024 displayed above are expressed as a percentage of Projected Annual Payroll, and contributions developed as of 10/1/2023 displayed above are expressed as a percentage of Total Annual Payroll.

<sup>4</sup> Reflects normal cost minimum funding requirements of Chapter 112, Florida Statutes.

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.



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

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

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

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

RECONCILIATION OF UNFUNDED ACTUARIAL ACCRUED LIABILITIES  
GENERAL EMPLOYEES TIER 1

(1) Unfunded Actuarial Accrued Liability as of October 1, 2023	(\$3,300,149)
(2) Sponsor Normal Cost developed as of October 1, 2023	8,204
(3) Expected administrative expenses for the year ended September 30, 2024	64,585
(4) Expected interest on (1), (2) and (3)	(240,399)
(5) Sponsor contributions to the System during the year ended September 30, 2024	78,836
(6) Expected interest on (5)	2,907
(7) Expected Unfunded Actuarial Accrued Liability as of September 30, 2024 (1)+(2)+(3)+(4)-(5)-(6)	(3,549,502)
(8) Change to UAAL due to Assumption Change	0
(9) Change to UAAL due to Actuarial (Gain)/Loss	(258,618)
(10) Unfunded Actuarial Accrued Liability as of October 1, 2024	(3,808,120)

<u>Type of Base</u>	<u>Date Established</u>	<u>Years Remaining</u>	<u>10/1/2024 Amount</u>	<u>Amortization Amount</u>
Combined Bases <sup>1</sup>	10/1/2015	10	(1,753,297)	(236,531)
Actuarial Gain	10/1/2016	17	(644,174)	(63,053)
Assumption Change	10/1/2016	17	664,706	65,063
Actuarial Gain	10/1/2017	18	(438,874)	(41,739)
Actuarial Gain	10/1/2018	19	(2,020,079)	(187,175)
Plan Amendment	10/1/2018	19	1,037,052	96,091
Actuarial Gain	10/1/2019	20	(1,156,697)	(104,667)
Assumption Change	10/1/2019	20	(345,146)	(31,232)
Actuarial Gain	10/1/2020	21	(76,767)	(6,798)
Actuarial Gain	10/1/2021	22	(221,389)	(19,224)
Actuarial Loss	10/1/2022	23	355,840	30,347
Actuarial Loss	10/1/2023	24	1,060,320	88,952
Assumption Change	10/1/2023	24	(10,997)	(923)
Actuarial Gain	10/1/2024	25	(258,618)	(21,371)
			<u>(3,808,120)</u>	<u>(432,260)</u>

<sup>1</sup> Combined per Internal Revenue Code Regulation 1.412(b)-1

RECONCILIATION OF UNFUNDED ACTUARIAL ACCRUED LIABILITIES  
GENERAL EMPLOYEES TIER 2

(1)	Unfunded Actuarial Accrued Liability as of October 1, 2023	(\$27,038)
(2)	Sponsor Normal Cost developed as of October 1, 2023	77,073
(3)	Expected administrative expenses for the year ended September 30, 2024	3,234
(4)	Expected interest on (1), (2) and (3)	3,809
(5)	Sponsor contributions to the System during the year ended September 30, 2024	52,211
(6)	Expected interest on (5)	1,925
(7)	Expected Unfunded Actuarial Accrued Liability as of September 30, 2024 (1)+(2)+(3)+(4)-(5)-(6)	2,942
(8)	Change to UAAL due to Assumption Change	0
(9)	Change to UAAL due to Actuarial (Gain)/Loss	35,164
(10)	Unfunded Actuarial Accrued Liability as of October 1, 2024	38,106

<u>Type of Base</u>	<u>Date Established</u>	<u>Years Remaining</u>	<u>10/1/2024 Amount</u>	<u>Amortization Amount</u>
Initial Base	10/1/2017	17	116,493	11,403
Actuarial Loss	10/1/2018	19	37,413	3,467
Plan Amendment	10/1/2018	19	139,843	12,957
Actuarial Gain	10/1/2019	20	(210,068)	(19,009)
Assumption Change	10/1/2019	20	(17,718)	(1,603)
Actuarial Gain	10/1/2020	21	(136,372)	(12,077)
Actuarial Loss	10/1/2021	22	9,673	840
Actuarial Loss	10/1/2022	23	9,708	828
Actuarial Loss	10/1/2023	24	22,645	1,900
Assumption Change	10/1/2023	24	679	57
Reconciliation Base	10/1/2024	25	30,646	2,532
Actuarial Loss	10/1/2024	25	35,164	2,906
			38,106	4,201

RECONCILIATION OF UNFUNDED ACTUARIAL ACCRUED LIABILITIES  
AMSC

(1)	Unfunded Actuarial Accrued Liability as of October 1, 2023	\$2,948,017
(2)	Sponsor Normal Cost developed as of October 1, 2023	132,969
(3)	Expected administrative expenses for the year ended September 30, 2024	12,831
(4)	Expected interest on (1), (2) and (3)	227,696
(5)	Sponsor contributions to the System during the year ended September 30, 2024	234,750
(6)	Expected interest on (5)	8,656
(7)	Expected Unfunded Actuarial Accrued Liability as of September 30, 2024 (1)+(2)+(3)+(4)-(5)-(6)	3,078,107
(8)	Change to UAAL due to Assumption Change	0
(9)	Change to UAAL due to Actuarial (Gain)/Loss	244,487
(10)	Unfunded Actuarial Accrued Liability as of October 1, 2024	3,322,594

<u>Type of Base</u>	<u>Date Established</u>	<u>Years Remaining</u>	<u>10/1/2024 Amount</u>	<u>Amortization Amount</u>
Combined Bases <sup>1</sup>	10/1/2017	17	214,909	21,036
Actuarial Loss	10/1/2018	19	566,355	52,477
Plan Amendment	10/1/2018	19	256,970	23,810
Plan Amendment	10/1/2018	19	560,445	51,929
Actuarial Gain	10/1/2019	20	(544,895)	(49,307)
Assumption Change	10/1/2019	20	(70,721)	(6,399)
Actuarial Loss	10/1/2020	21	172,083	15,239
Plan Amendment	10/1/2020	21	287,069	25,422
Actuarial Loss	10/1/2021	22	204,045	17,718
Actuarial Loss	10/1/2022	23	65,552	5,591
Plan Amendment	10/1/2022	23	60	5
Actuarial Loss	10/1/2023	24	1,086,187	91,122
Assumption Change	10/1/2023	24	280,048	23,494
Actuarial Loss	10/1/2024	25	244,487	20,203
			3,322,594	292,340

<sup>1</sup> Combined per Internal Revenue Code Regulation 1.412(b)-1

RECONCILIATION OF UNFUNDED ACTUARIAL ACCRUED LIABILITIES  
POLICE OFFICERS

(1) Unfunded Actuarial Accrued Liability as of October 1, 2023	\$835,234
(2) Sponsor Normal Cost developed as of October 1, 2023	258,897
(3) Expected administrative expenses for the year ended September 30, 2024	109,900
(4) Expected interest on (1), (2) and (3)	84,745
(5) Sponsor contributions to the System during the year ended September 30, 2024	337,013
(6) Expected interest on (5)	9,713
(7) Expected Unfunded Actuarial Accrued Liability as of September 30, 2024 (1)+(2)+(3)+(4)-(5)-(6)	942,050
(8) Change to UAAL due to Assumption Change	0
(9) Change to UAAL due to Actuarial (Gain)/Loss	1,038,762
(10) Unfunded Actuarial Accrued Liability as of October 1, 2024	1,980,812

<u>Type of Base</u>	<u>Date Established</u>	<u>Years Remaining</u>	<u>10/1/2024 Amount</u>	<u>Amortization Amount</u>
Combined Bases <sup>1</sup>	10/1/2018	15	(651,634)	(64,778)
Plan Amendment	10/1/2018	19	465,379	40,481
Actuarial Loss	10/1/2019	20	372,905	31,594
Assumption Change	10/1/2019	20	(1,255,430)	(106,365)
Actuarial Loss	10/1/2020	21	119,295	9,866
Actuarial Gain	10/1/2021	22	(236,887)	(19,162)
Actuarial Loss	10/1/2022	23	910,401	72,158
Actuarial Loss	10/1/2023	24	952,721	74,108
Assumption Change	10/1/2023	24	265,300	20,636
Actuarial Loss	10/1/2024	25	<u>1,038,762</u>	<u>79,412</u>
			1,980,812	137,950

<sup>1</sup> Combined per Internal Revenue Code Regulation 1.412(b)-1

DETAILED ACTUARIAL (GAIN)/LOSS ANALYSIS  
GENERAL EMPLOYEES TIER 1

A. Approximate Portion of (Gain)/Loss due to Investments

(1) Actuarial Value of Assets, 09/30/2023	\$18,876,489
(2) Contributions Less Benefit Payments & Administrative Expenses	(905,319)
(3) Expected Investment Earnings	1,358,758
(4) Expected Actuarial Value of Assets, 09/30/2024 (1) + (2) + (3)	19,329,928
(5) Actual Actuarial Value of Assets, 09/30/2024	19,545,160
(6) Approximate (Gain)/Loss due to Investments	(215,232)

B. Total Actuarial (Gain)/Loss Analysis

(1) Unfunded Actuarial Accrued Liability (UAAL) as of October 1, 2023	(\$3,300,149)
(2) Expected UAAL as of October 1, 2024	(3,549,502)
(3) Summary of Actuarial (Gain)/Loss, by component:	
Investment Return (Actuarial Asset Basis)	(215,232)
Salary Increases	122,080
Active Decrements	57,780
Inactive Mortality	(244,384)
Other	<u>21,138</u>
Increase in UAAL due to (Gain)/Loss	(258,618)
Assumption Changes	<u>0</u>
(4) Actual UAAL as of October 1, 2024	(\$3,808,120)

DETAILED ACTUARIAL (GAIN)/LOSS ANALYSIS  
GENERAL EMPLOYEES TIER 2

A. Approximate Portion of (Gain)/Loss due to Investments

(1) Actuarial Value of Assets, 09/30/2023	\$1,199,697
(2) Contributions Less Benefit Payments & Administrative Expenses	103,713
(3) Expected Investment Earnings	92,302
(4) Expected Actuarial Value of Assets, 09/30/2024 (1) + (2) + (3)	1,395,712
(5) Actual Actuarial Value of Assets, 09/30/2024	1,410,333
(6) Approximate (Gain)/Loss due to Investments	(14,621)

B. Total Actuarial (Gain)/Loss Analysis

(1) Unfunded Actuarial Accrued Liability (UAAL) as of October 1, 2023	(\$27,038)
(2) Expected UAAL as of October 1, 2024	2,942
(3) Summary of Actuarial (Gain)/Loss, by component:	
Investment Return (Actuarial Asset Basis)	(14,621)
Salary Increases	37,498
Active Decrements	6,059
Inactive Mortality	1,428
Other	<u>4,800</u>
Increase in UAAL due to (Gain)/Loss	35,164
Assumption Changes	<u>0</u>
(4) Actual UAAL as of October 1, 2024	\$38,106

DETAILED ACTUARIAL (GAIN)/LOSS ANALYSIS  
AMSC

A. Approximate Portion of (Gain)/Loss due to Investments

(1) Actuarial Value of Assets, 09/30/2023	\$3,737,452
(2) Contributions Less Benefit Payments & Administrative Expenses	145,400
(3) Expected Investment Earnings	280,998
(4) Expected Actuarial Value of Assets, 09/30/2024 (1) + (2) + (3)	4,163,850
(5) Actual Actuarial Value of Assets, 09/30/2024	4,208,361
(6) Approximate (Gain)/Loss due to Investments	(44,511)

B. Total Actuarial (Gain)/Loss Analysis

(1) Unfunded Actuarial Accrued Liability (UAAL) as of October 1, 2023	\$2,948,017
(2) Expected UAAL as of October 1, 2024	3,078,107
(3) Summary of Actuarial (Gain)/Loss, by component:	
Investment Return (Actuarial Asset Basis)	(44,511)
Salary Increases	17,823
Active Decrements	166,095
Inactive Mortality	32,998
Other	<u>72,082</u>
Increase in UAAL due to (Gain)/Loss	244,487
Assumption Changes	<u>0</u>
(4) Actual UAAL as of October 1, 2024	\$3,322,594

DETAILED ACTUARIAL (GAIN)/LOSS ANALYSIS  
POLICE OFFICERS

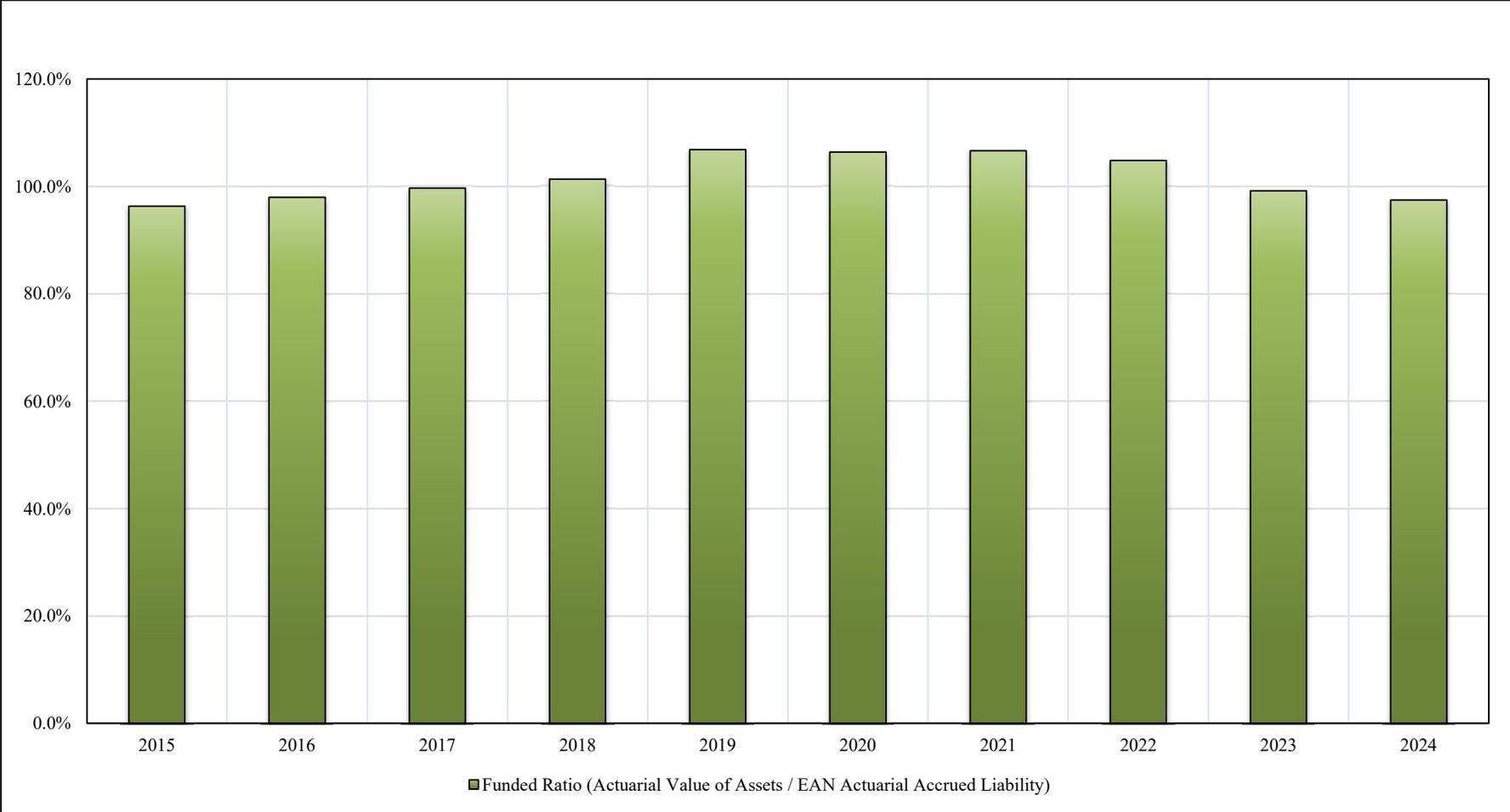
A. Approximate Portion of (Gain)/Loss due to Investments

(1) Actuarial Value of Assets, 09/30/2023	\$32,555,204
(2) Contributions Less Benefit Payments & Administrative Expenses	(922,563)
(3) Expected Investment Earnings	2,366,926
(4) Expected Actuarial Value of Assets, 09/30/2024 (1) + (2) + (3)	33,999,567
(5) Actual Actuarial Value of Assets, 09/30/2024	34,374,498
(6) Approximate (Gain)/Loss due to Investments	(374,931)

B. Total Actuarial (Gain)/Loss Analysis

(1) Unfunded Actuarial Accrued Liability (UAAL) as of October 1, 2023	\$835,234
(2) Expected UAAL as of October 1, 2024	942,050
(3) Summary of Actuarial (Gain)/Loss, by component:	
Investment Return (Actuarial Asset Basis)	(374,931)
Salary Increases	686,593
Active Decrements	249,296
Inactive Mortality	(129,986)
Other	<u>607,790</u>
Increase in UAAL due to (Gain)/Loss	1,038,762
Assumption Changes	<u>0</u>
(4) Actual UAAL as of October 1, 2024	\$1,980,812

# HISTORY OF FUNDING PROGRESS



## ACTUARIAL ASSUMPTIONS AND METHODS

### Mortality Rate

#### General Employees (including AMSC):

**Female:** PubG.H-2010 (Below Median) for Employees.

**Male:** PubG.H-2010 (Below Median) for Employees, set back one year.

#### *Healthy Retiree Lives:*

**Female:** PubG.H-2010 (Below Median) for Healthy Retirees.

**Male:** PubG.H-2010 (Below Median) Healthy Retirees, set back one year.

#### *Beneficiary Lives:*

**Female:** PubG.H-2010 (Below Median) for Healthy Retirees.

**Male:** PubG.H-2010 (Below Median) for Healthy Retirees, set back one year.

#### *Disabled Lives:*

PubG.H-2010 for Disabled Retirees, set forward three years.

#### Police Officers:

#### *Healthy Active Lives:*

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

#### *Beneficiary Lives:*

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

**Male:** PubS.H-2010 (Below Median) for Healthy Retirees, set forward 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, 2023 FRS valuation report for special risk employees.

Interest Rate

7.375% per year compounded annually, net of investment related expenses.

Salary Increases

	General	AMSC	Police
Service	Rate	Rate	Rate
< 35	6.00%	7.50%	4.75%
35 - 39	5.00%	6.00%	4.75%
40 - 44	4.50%	6.00%	4.75%
45 - 49	4.25%	5.25%	4.50%
50 - 54	4.00%	5.25%	4.50%
55+	3.50%	5.25%	4.50%

Assumed salary increases were developed based on a wage inflation assumption of 3.25% per year.

Payroll Growth

For Police Officers, 0.90% for purposes of amortizing the Unfunded Actuarial Accrued Liability. This assumption cannot exceed the ten-year average payroll growth, in compliance with Part VII of Chapter 112, Florida Statutes. Level dollar amortization used for all other groups.

Administrative Expenses

\$166,345 annually, based on the actual expenses incurred in the prior fiscal year.

Cost-of-Living Adjustments (COLAs)

Future COLAs are assumed to be 3.0% per annum.

Marriage Assumption

100% of participants are assumed to be married for purposes of death-in-service benefits. Husbands are assumed to be three years older than wives.

Normal Retirement

Age	< 25 Years of Service		
	General <sup>1</sup>	AMSC <sup>2</sup>	Police
55 - 59	10.0%	20.0%	25.0%
60 - 61	10.0%	20.0%	30.0%
62 - 64	25.0%	30.0%	30.0%
65	25.0%	30.0%	75.0%
66	25.0%	30.0%	100.0%
67 - 69	75.0%	50.0%	100.0%
70+	100.0%	100.0%	100.0%

25+ Years of Service	
Police	
Age	Rate
25 - 29	90.0%
30+	100.0%

<sup>1</sup> Rates are at least 25% for Tier 2 Members for each year upon meeting 33 years of service until 100% at age 70.

<sup>2</sup> Rates are at least 30% for AMSC Members for each year upon meeting 33 years of service until 100% at age 70.

Tier 1 General Employees who retire prior to age 60 but after attainment of 10 years of Credited Service (55 & 10) are assumed to receive an actuarially reduced benefit payable immediately upon retirement.

Early Retirement

5% per year for Police Officers.

Termination Rates

General		AMSC	Police	
Service	Rate	Rate	Service	Rate
0 - 1	25.0%	8.5%	0 - 4	14.5%
2 - 8	7.5%	8.5%	5 - 8	7.5%
9+	4.5%	2.5%	9+	4.0%

Disability Rates

1985 Disability Study, Class 1 with separate rates for females. Sample rates below.

	Male	Female
Age	Rate	Rate
20	0.03%	0.03%
30	0.05%	0.08%
40	0.12%	0.21%
50	0.36%	0.53%
60	1.26%	1.16%

Amortization Method

New UAAL amortization bases are amortized over 25 years.

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

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

Funding Method

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

Interest - A half year, based on current 7.375% assumption.

Salary - For Tier 1 General Employees, none. For all other employees, a full year, based on current 4.00% assumption.

Actuarial Asset Method

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

Low-Default-Risk Obligation Measure

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

It is important to note that the investment return, salary increases, withdrawal and retirement rates are based on the actuarial experience study for the period October 1, 2013 through September 30, 2022, performed by the prior actuary Gabriel, Roeder, Smith & Company.

## GLOSSARY

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

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

(a) The normal cost accrual rate equals:

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

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

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

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

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

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

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

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

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

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

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

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

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

## DISCUSSION OF RISK

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

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

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

- Investment Return: When the rate of return on the Actuarial Value of Assets falls short of the assumption, this produces a loss representing assumed investment earnings that were not realized. Further, it is unlikely that the plan will experience a scenario that matches the assumed return in each year as capital markets can be volatile from year to year. Therefore, contribution amounts can vary in the future.
- Salary Increases: When a plan participant experiences a salary increase that was greater than assumed, this produces a loss representing the cost of an increase in anticipated plan benefits for the participant as compared to the previous year. The total gain or loss associated with salary increases for the plan is the sum of salary gains and losses for all active participants.
- Demographic Assumptions: Actuarial results take into account various potential events that could happen to a plan participant, such as retirement, termination, disability, and death. Each of these potential events is assigned a liability based on the likelihood of the event and the financial consequence of the event for the plan. Accordingly, actuarial liabilities reflect a blend of financial consequences associated with various possible outcomes (such as retirement at one of various possible ages). Once the outcome is known (e.g. the participant retires) the liability is adjusted to reflect the known outcome. This adjustment produces a gain or loss depending on whether the outcome was more or less favorable than other outcomes that could have occurred.

### Impact of Plan Maturity on Risk

For newer pension plans, most of the participants and associated liabilities are related to active members who have not yet reached retirement age. As pension plans continue in operation and active members reach retirement ages, liabilities begin to shift from being primarily related to active members to being shared amongst active and retired members. Plan maturity is a measure of the extent to which this shift has occurred. It is important to understand that plan maturity can have an impact on risk tolerance and the overall risk characteristics of the plan. For example, closed plans with a large amount of retired liability do not have as long of a time horizon to recover from losses (such as losses on investments due to lower than expected investment returns) as plans where the majority of the liability is attributable to active members. For this reason, less tolerance for investment risk may be warranted for highly mature closed plans with a substantial inactive liability. Similarly, mature closed plans paying substantial retirement benefits resulting in a small positive or net negative cash flow can be more sensitive to near term investment volatility, particularly if the size of the fund is shrinking, which can result in less assets being available for investment in the market.

To assist with determining the maturity of the plan, we have provided some relevant metrics in the table following titled “Plan Maturity Measures and Other Risk Metrics”. Highlights of this information are discussed below:

- The Support Ratio, determined as the ratio of active to inactive members, has stayed about the same from October 1, 2021 to October 1, 2024, indicating that the plan's maturity level has not significantly changed during the period.
- The Accrued Liability Ratio, determined as the ratio of the Inactive Accrued Liability, which is the liability associated with members who are no longer employed but are due a benefit from the plan, to the Total Accrued Liability, is 57.5%. 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 106.6% on October 1, 2021 to 97.5% 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, decreased from -1.4% on October 1, 2021 to -2.5% on October 1, 2024. The current Net Cash Flow Ratio of -2.5% indicates that contributions are not currently covering the plan's benefit payments and administrative expenses.

### Low Default-Risk Obligation Measure

ASOP No. 4, Measuring Pension Obligations and Determining Pension Plan Costs or Contributions, was revised as of December 2021 to include a “low-default-risk obligation measure” (LDROM). This liability measure is consistent with the determination of the actuarial accrued liability shown on page 29 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 \$96,570,023. The LDROM should not be considered the “correct” liability measurement; it simply shows a possible outcome if the Board elected to hold a very low risk asset portfolio. The Board actually invests the pension plan’s contributions in a diversified portfolio of stocks and bonds and other investments with the objective of maximizing investment returns at a reasonable level of risk. Consequently, the difference between the plan’s Actuarial Accrued Liability disclosed earlier in this section and the LDROM can be thought of as representing the expected taxpayer savings from investing in the plan’s diversified portfolio compared to investing only in high quality bonds.

The actuarial valuation reports the funded status and develops contributions based on the expected return of the plan’s investment portfolio. If instead, the plan switched to investing exclusively in high quality bonds, the LDROM illustrates that reported funded status would be lower (which also implies that the Actuarially Determined Contributions would be higher), perhaps significantly. Unnecessarily high contribution requirements in the near term may not be affordable and could imperil plan sustainability and benefit security.

It is important to note that the actuary has identified the risks above as the most significant risks based on the characteristics of the plan and the nature of the project, however, it is not an exhaustive list of potential risks that could be considered. Additional advanced modeling, as well as the identification of additional risks, can be provided at the request of the audience addressed on page 2 of this report.

## PLAN MATURITY MEASURES AND OTHER RISK METRICS

	<u>10/1/2024</u>	<u>10/1/2023</u>	<u>10/1/2022</u>	<u>10/1/2021</u>
<u>Support Ratio</u>				
Total Actives	97	90	82	89
Total Inactives <sup>1</sup>	79	81	75	73
Actives / Inactives <sup>1</sup>	122.8%	111.1%	109.3%	121.9%
<u>Asset Volatility Ratio</u>				
Market Value of Assets (MVA)	63,462,493	52,953,588	49,186,762	58,413,726
Total Annual Payroll	8,685,237	7,160,136	6,262,907	6,377,456
MVA / Total Annual Payroll	730.7%	739.6%	785.4%	915.9%
<u>Accrued Liability (AL) Ratio</u>				
Inactive Accrued Liability	35,101,371	35,518,737	32,136,460	29,672,923
Total Accrued Liability (EAN)	61,071,744	56,824,906	52,629,799	49,866,324
Inactive AL / Total AL	57.5%	62.5%	61.1%	59.5%
<u>Funded Ratio</u>				
Actuarial Value of Assets (AVA)	59,538,352	56,368,842	55,181,869	53,169,656
Total Accrued Liability (EAN)	61,071,744	56,824,906	52,629,799	49,866,324
AVA / Total Accrued Liability (EAN)	97.5%	99.2%	104.8%	106.6%
<u>Net Cash Flow Ratio</u>				
Net Cash Flow <sup>2</sup>	(1,578,770)	(1,186,510)	(991,644)	(800,347)
Market Value of Assets (MVA)	63,462,493	52,953,588	49,186,762	58,413,726
Ratio	-2.5%	-2.2%	-2.0%	-1.4%

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

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

STATEMENT OF FIDUCIARY NET POSITION  
SEPTEMBER 30, 2024

<u>ASSETS</u>	COST VALUE	MARKET VALUE
Cash and Cash Equivalents:		
Prepaid Expenses	4,194.03	4,194.03
Money Market	1,536,913.14	1,536,913.14
Total Cash and Equivalents	1,541,107.17	1,541,107.17
Receivables:		
Member Contributions in Transit	19,478.47	19,478.47
Member Buy-Back Contributions	60.60	60.60
From Member for Overpayment	33,943.49	33,943.49
Investment Income	100,171.32	100,171.32
Total Receivable	153,653.88	153,653.88
Investments:		
U. S. Bonds and Bills	3,258,787.04	3,273,996.08
Federal Agency Guaranteed Securities	2,886,517.16	2,732,648.93
Corporate Bonds	6,302,853.28	6,021,812.00
Mutual Funds:		
Equity	26,321,552.28	43,044,127.15
Pooled/Common/Commingled Funds:		
Real Estate	6,580,000.00	6,815,754.00
Total Investments	45,349,709.76	61,888,338.16
Total Assets	47,044,470.81	63,583,099.21
<u>LIABILITIES</u>		
Payables:		
Benefit Payments	28,860.68	28,860.68
DROP Distributions	46,897.87	46,897.87
Investment Expenses	27,914.38	27,914.38
Administrative Expenses	16,933.33	16,933.33
Total Liabilities	120,606.26	120,606.26
NET POSITION RESTRICTED FOR PENSIONS	46,923,864.55	63,462,492.95

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

ADDITIONS

Contributions:			
Member		505,846.72	
Buy-Back		1,636.20	
City		623,581.10	
State		79,228.00	
Total Contributions			1,210,292.02
Investment Income:			
Net Realized Gain (Loss)	2,829,664.32		
Unrealized Gain (Loss)	8,326,425.95		
Net Increase in Fair Value of Investments		11,156,090.27	
Interest & Dividends		1,148,793.02	
Less Investment Expense <sup>1</sup>		(217,208.10)	
Net Investment Income			12,087,675.19
Total Additions			13,297,967.21

DEDUCTIONS

Distributions to Members:			
Benefit Payments		2,049,971.86	
Lump Sum DROP Distributions		520,116.54	
Refunds of Member Contributions		52,629.44	
Total Distributions			2,622,717.84
Administrative Expense			166,344.79
Total Deductions			2,789,062.63
Net Increase in Net Position			10,508,904.58
NET POSITION RESTRICTED FOR PENSIONS			
Beginning of the Year			52,953,588.37
End of the Year			63,462,492.95

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

ACTUARIAL ASSET VALUATION  
September 30, 2024

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

Plan Year Ending	Gain/(Loss)	<u>Gains/Losses Not Yet Recognized</u>				
		Amounts Not Yet Recognized by Valuation Year				
		2024	2025	2026	2027	2028
09/30/2020	(160,796)	0	0	0	0	0
09/30/2021	7,563,284	1,512,656	0	0	0	0
09/30/2022	(12,506,765)	(5,002,706)	(2,501,353)	0	0	0
09/30/2023	1,369,565	821,739	547,826	273,913	0	0
09/30/2024	8,240,565	6,592,452	4,944,339	3,296,226	1,648,113	0
Total		3,924,141	2,990,812	3,570,139	1,648,113	0

Development of Investment Gain/Loss

Market Value of Assets, 09/30/2023	52,953,588
Contributions Less Benefit Payments & Admin Expenses	(1,578,771)
Expected Investment Earnings*	3,847,110
Actual Net Investment Earnings	12,087,675
2024 Actuarial Investment Gain/(Loss)	8,240,565

\*Expected Investment Earnings =  $0.07375 * (52,953,588 - 0.5 * 1,578,771)$

Development of Actuarial Value of Assets

(1) Market Value of Assets, 09/30/2024	63,462,493
(2) Gains/(Losses) Not Yet Recognized	3,924,141
(3) Actuarial Value of Assets, 09/30/2024, (1) - (2)	59,538,352
(4) Limited Actuarial Value of Assets, 09/30/2024	59,538,352
(A) 09/30/2023 Actuarial Assets:	56,368,842
(I) Net Investment Income:	
1. Interest and Dividends	1,148,793
2. Realized Gain (Loss)	2,829,664
3. Unrealized Gain (Loss)	8,326,426
4. Change in Actuarial Value	(7,339,395)
5. Investment Expenses	(217,208)
Total	4,748,281
(B) 09/30/2024 Actuarial Assets:	59,538,352

Actuarial Assets Rate of Return = $2I/(A+B-I)$ :	8.54%
Market Value of Assets Rate of Return:	23.09%

Actuarial Gain/(Loss) due to Investment Return (Actuarial Asset Basis)	649,296
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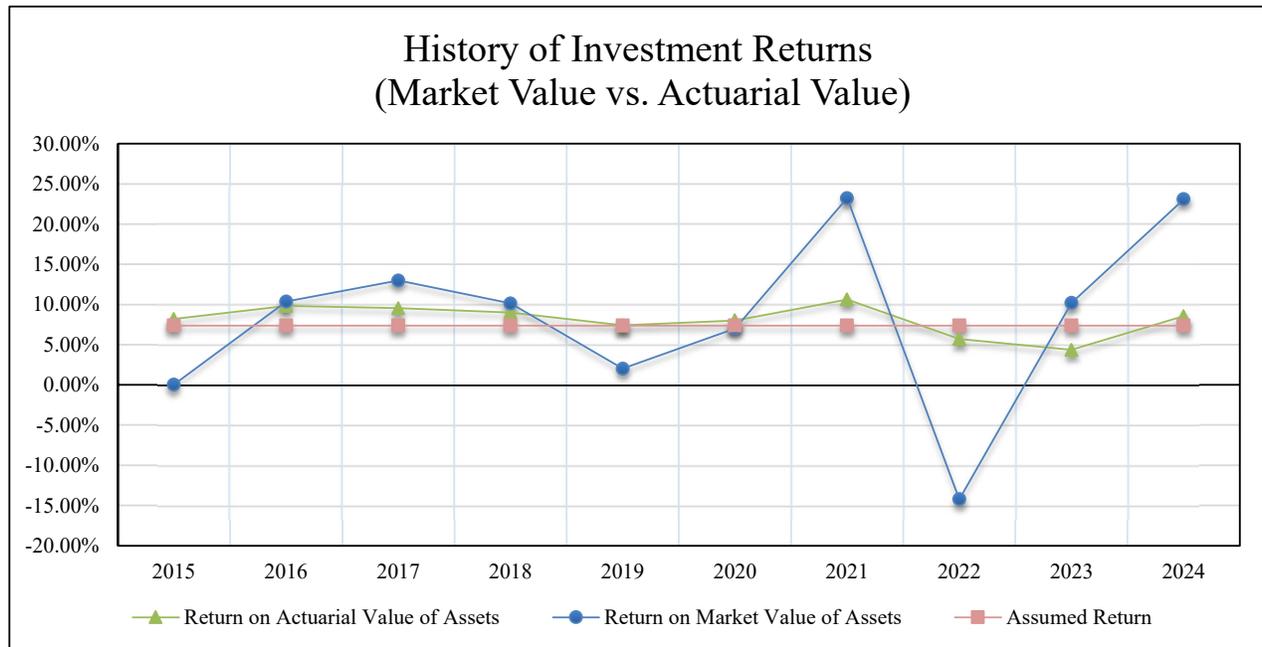
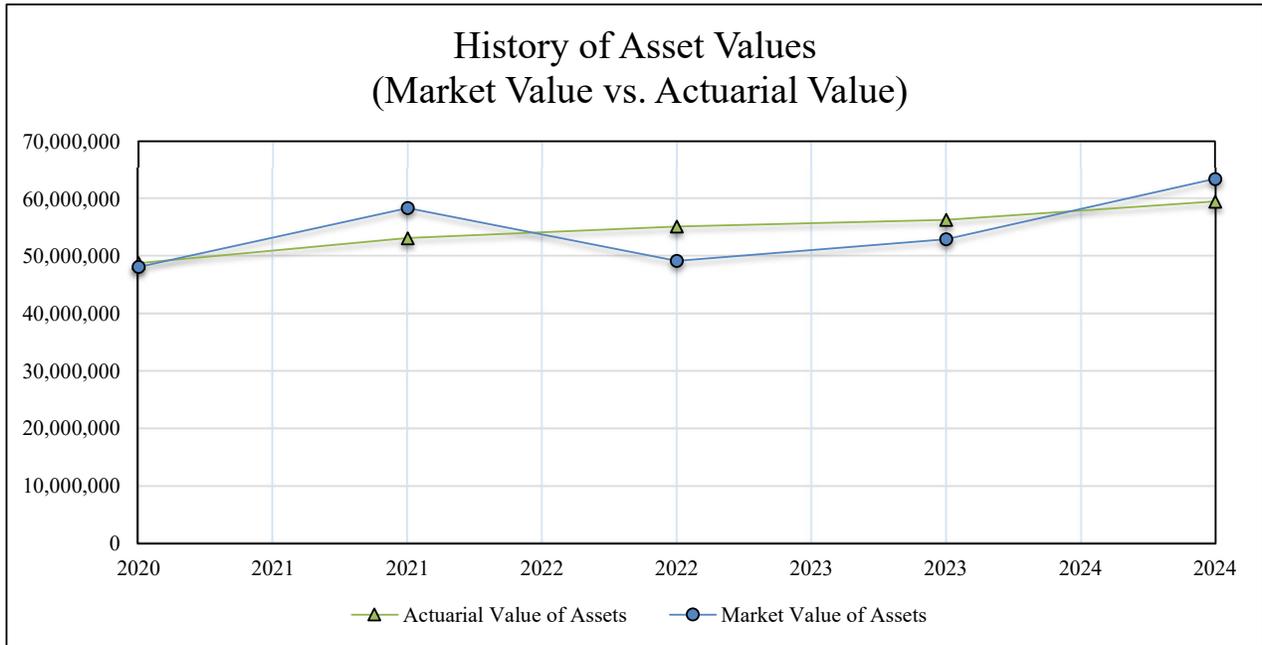
ALLOCATION OF SMOOTHED VALUE OF ASSETS FOR BUDGETING PURPOSES  
SEPTEMBER 30, 2024

	General					
	<u>Tier 1</u>	<u>Tier 2</u>	<u>AMSC</u>	<u>Police</u>	<u>Total</u>	
A. <u>Smoothed Value as of October 1, 2023</u>	\$ 18,876,489	\$ 1,199,697	\$ 3,737,452	\$ 32,555,204	\$ 56,368,842	
B. <u>Receipts During Period</u>						
1. Member Contributions	\$ 57,808	\$ 65,939	\$ 118,972	\$ 264,764	\$ 507,483	
2. City Contributions	78,836	52,211	234,750	257,784	623,581	
3. State Contributions	-	-	-	79,228	79,228	
4. Other	-	-	-	-	-	
5. Net Investment Return	1,573,990	106,923	325,510	2,741,858	4,748,281	
6. Total Receipts During Period	\$ 1,710,634	\$ 225,073	\$ 679,232	\$ 3,343,634	\$ 5,958,573	
C. <u>Disbursements During Period</u>						
1. Benefit Payments	\$ 788,139	\$ 10,619	\$ 196,942	\$ 1,054,272	\$ 2,049,972	
2. DROP Distributions	196,583	-	-	323,534	520,117	
3. Contribution Refunds	2,012	-	-	50,617	52,629	
4. Administrative Expenses	55,229	3,818	11,381	95,917	166,345	
5. Total Disbursements During Period	\$ 1,041,963	\$ 14,437	\$ 208,323	\$ 1,524,340	\$ 2,789,063	
D. <u>Internal Transfer</u>	\$ -	\$ -	\$ -	\$ -	\$ -	
E. <u>Smoothed Value as of September 30, 2024</u>	\$ 19,545,160	\$ 1,410,333	\$ 4,208,361	\$ 34,374,498	\$ 59,538,352	

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

Beginning of the Year Balance	1,305,623.42
Plus Additions	496,482.71
Investment Return Earned	71,517.45
Less Distributions	(520,116.54)
End of the Year Balance	1,353,507.04

## HISTORY OF ASSET VALUES AND INVESTMENT RETURNS



STATISTICAL DATA  
GENERAL EMPLOYEES (INCLUDING AMSC)

	<u>10/1/2024</u>	<u>10/1/2023</u>	<u>10/1/2022</u>	<u>10/1/2021</u>
<u>Actives</u>				
Number	59	54	48	48
Average Current Age	46.3	47.3	49.5	49.5
Average Age at Employment	36.8	35.3	35.8	36.0
Average Past Service	9.5	12.0	13.7	13.5
Average Annual Salary	\$85,384	\$75,971	\$72,633	\$69,578
<u>Service Retirees</u>				
Number	34	35	30	30
Average Current Age	71.2	N/A	N/A	N/A
Average Annual Benefit	\$28,619	\$28,444	\$26,646	\$25,751
<u>DROP Retirees</u>				
Number	1	2	3	3
Average Current Age	64.7	N/A	N/A	N/A
Average Annual Benefit	\$51,046	\$42,954	\$33,014	\$23,004
<u>Beneficiaries</u>				
Number	3	2	1	1
Average Current Age	70.7	N/A	N/A	N/A
Average Annual Benefit	\$23,481	\$17,761	\$17,194	\$15,872
<u>Disability Retirees</u>				
Number	0	0	0	0
Average Current Age	N/A	N/A	N/A	N/A
Average Annual Benefit	N/A	N/A	N/A	N/A
<u>Terminated Vested</u>				
Number <sup>1</sup>	26	24	6	4
Average Current Age <sup>2</sup>	46.5	N/A	N/A	N/A
Average Annual Benefit <sup>2</sup>	\$20,373	\$20,373	\$20,931	\$22,604

<sup>1</sup> Prior to 10/1/2023, the number of Vested Terminateds excludes participants awaiting a refund of contributions.

<sup>2</sup> The Average Current Age and Average Annual Benefit exclude participants awaiting a refund of contributions

STATISTICAL DATA  
POLICE OFFICERS

	<u>10/1/2024</u>	<u>10/1/2023</u>	<u>10/1/2022</u>	<u>10/1/2021</u>
<u>Actives</u>				
Number	38	36	34	39
Average Current Age	38.1	38.8	40.8	40.7
Average Age at Employment	28.5	29.6	30.4	31.2
Average Past Service	9.6	9.2	10.4	9.5
Average Annual Salary	\$95,990	\$84,937	\$81,663	\$74,322
<u>Service Retirees</u>				
Number	23	22	21	22
Average Current Age	68.4	N/A	N/A	N/A
Average Annual Benefit	\$48,810	\$47,054	\$45,281	\$42,667
<u>DROP Retirees</u>				
Number	6	8	8	7
Average Current Age	59.7	N/A	N/A	N/A
Average Annual Benefit	\$56,174	\$54,865	\$53,926	\$52,112
<u>Beneficiaries</u>				
Number	0	0	0	0
Average Current Age	N/A	N/A	N/A	N/A
Average Annual Benefit	N/A	N/A	N/A	N/A
<u>Disability Retirees</u>				
Number	0	0	0	0
Average Current Age	N/A	N/A	N/A	N/A
Average Annual Benefit	N/A	N/A	N/A	N/A
<u>Terminated Vested</u>				
Number <sup>1</sup>	11	10	6	6
Average Current Age <sup>2</sup>	48.4	N/A	N/A	N/A
Average Annual Benefit <sup>2</sup>	\$26,674	\$26,674	\$22,985	\$22,931

<sup>1</sup> Prior to 10/1/2023, the number of Vested Terminateds excludes participants awaiting a refund of contributions.

<sup>2</sup> The Average Current Age and Average Annual Benefit exclude participants awaiting a refund of contributions

AGE AND SERVICE DISTRIBUTION  
GENERAL EMPLOYEES (INCLUDING AMSC)

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	2	2	1									5
25 - 29	2	1										3
30 - 34		1	2			1						4
35 - 39		2				2	1	1				6
40 - 44						5	1					6
45 - 49			1			2			1			4
50 - 54	1		1			5	1	2	1			11
55 - 59		2			1	5	1	1		2		12
60 - 64		1				1			2	1		5
65+			1			1					1	3
Total	5	9	6	0	1	22	4	4	4	3	1	59

AGE AND SERVICE DISTRIBUTION  
POLICE OFFICERS

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	2	1										3
25 - 29	3	2	1		1	1						8
30 - 34		1	2			6	1					10
35 - 39						1		1				2
40 - 44					1			5				6
45 - 49												0
50 - 54									2		1	3
55 - 59						1		2	1			4
60 - 64						2						2
65+												0
Total	5	4	3	0	2	11	1	8	3	0	1	38

VALUATION PARTICIPANT RECONCILIATION  
GENERAL EMPLOYEES (INCLUDING AMSC)

1. Active lives

a. Number in prior valuation 10/1/2023	54
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	(1)
c. Deaths	
i. Beneficiary receiving benefits	0
ii. No future benefits payable	0
d. Disabled	0
e. Retired	0
f. DROP	<u>0</u>
g. Continuing participants	51
h. New entrants / Rehires	<u>8</u>
i. Total active life participants in valuation	<u>59</u>

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	35	2	2	0	5	19	63
Retired	1	(1)					0
DROP							0
Vested (Deferred Annuity)							0
Vested (Due Refund)						2	2
Hired/Terminated in Same Year							0
Death, With Survivor	(1)		1				0
Death, No Survivor	(1)						(1)
Disabled							0
Refund of Contributions							0
Rehires							0
Expired Annuities							0
Data Corrections							0
b. Number current valuation	34	1	3	0	5	21	64

VALUATION PARTICIPANT RECONCILIATION  
POLICE OFFICERS

1. Active lives

a. Number in prior valuation 10/1/2023	36
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	(1)
c. Deaths	
i. Beneficiary receiving benefits	0
ii. No future benefits payable	0
d. Disabled	0
e. Retired	0
f. DROP	<u>0</u>
g. Continuing participants	33
h. New entrants / Rehires	<u>5</u>
i. Total active life participants in valuation	<u>38</u>

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	22	8	0	0	7	3	40
Retired	2	(2)					0
DROP							0
Vested (Deferred Annuity)							0
Vested (Due Refund)						2	2
Hired/Terminated in Same Year							0
Death, With Survivor							0
Death, No Survivor	(1)						(1)
Disabled							0
Refund of Contributions						(1)	(1)
Rehires							0
Expired Annuities							0
Data Corrections							0
b. Number current valuation	23	6	0	0	7	4	40

SUMMARY OF CURRENT PLAN  
(Through Ordinance 05-24-2490)

Eligibility

Tier 1 General Employees – Regular full-time general employees hired prior to October 1, 2011. Tier 1 General Employees become Members on or after their 20<sup>th</sup> birthday with 6 months of service. Tier 1 members exclude elected officials. The City Manager, the City Clerk, and department heads hired prior to October 1, 2011 had a one-time option to opt out of Tier 1 Membership.

Tier 2 General Employees – Regular full-time general employees hired on or after October 1, 2016 electing to join the South Miami Pension Plan, regular full-time general employees hired prior to October 1, 2016 not previously members of the Plan electing to join the South Miami Pension Plan and regular full-time general employees who previously participated in the City of South Miami Defined Contribution Plan and subsequently opted-out during the annual open enrollment period and joined the South Miami Pension Plan.

Administration Management Service Class (AMSC) – Include the City Manager, City Attorney, City Clerk, Assistant City Manager, Finance and Administration Director, Police Chief, Planning Director, Building Director, Public Works Director, Chief Administrative Officer, Chief Procurement Officer, Director of Parks, Recreation and Culture, Development Services Director, Community Redevelopment Agency Director, Personnel Manager, Project Manager, Special Assistant to the Manager, Superintendent of Maintenance, and the Assistant Director of Parks and Recreation.

Police Officers – Regular full-time employees hired and classified as a Police Officer, Sergeant, Lieutenant or Captain as a sworn law enforcement officer.

Credited Service

Completed months of continuous employment with the City of South Miami while a member of the Plan. Continuous employment prior to becoming a member of the South Miami Pension Plan counts as Credited Service for Tier 2 Members and AMSC Members for all purposes except benefit accrual.

## Earnings

General Employees (including AMSC) – Earnings prior to October 1, 2011 include regular wages and salaries, hazardous pay, overtime pay, vacation, sick leave, holiday pay, clothing allowance, educational incentive, and extra duty pay, but excludes accruals such as vacation, holiday pay, sick leave and compensatory time. Earnings after October 1, 2011 include only basic compensation but excludes commissions, overtime pay, bonuses and any other forms of additional compensation other than base wages.

Police Officers – Earnings prior to October 1, 2011 (October 1, 2016 for Lieutenants and Captains) include regular wages and salaries, hazardous pay, overtime pay, vacation, sick leave, holiday pay, clothing allowance, educational incentive, and extra duty pay, but excludes accruals such as vacation, holiday pay, sick leave and compensatory time. Earnings after October 1, 2011 (October 1, 2016 for Lieutenants and Captains) include regular wages and salaries, hazardous pay, up to 300 hours overtime pay in a fiscal year, vacation, sick leave, holiday pay, clothing allowance and educational incentive but excludes extra duty or outside duty detail, accrued unused sick and annual leave, shift differential pay, assignment pay, and bonuses.

## Final Average Compensation (FAC)

Tier 1 General Employees – FAC as of October 1, 2011 consists of the average of the last 3 years of earnings. FAC after October 1, 2011 consists of the greater of the October 1, 2011 FAC or the average of the last 5 years of basic compensation.

Tier 2 General Employees – Average earnings for the highest 8 years of Credited Service.

AMSC – Average earnings for the highest 5 years of Credited Service.

Police Officers – FAC as of October 1, 2011 (October 1, 2016 for Lieutenants and Captains) consists of the greater of the highest 5 years of earnings in the last 10 years of service or the average of the last 3 years of earnings. FAC after October 1, 2011 (October 1, 2016 for Lieutenants and Captains) consists of the greater of the October 1, 2011 (October 1, 2016 for Lieutenants and Captains) FAC or the average earnings for the highest 5 years.

Normal Retirement

Eligibility

Tier 1 General Employees – Age 55 with 10 years of Credited Service for benefits accrued as of September 30, 2011. Age 60 with 10 years of Credited Service for benefits accrued after September 30, 2011, including increases in the accrued benefit as of September 30, 2011 due to increases in the Final Average Compensation.

Tier 2 General Employees – Earlier of 1) Age 65 with 10 years of Credited Service, or 2) 33 years of Credited Service, regardless of age.

AMSC – Earlier of 1) Age 60 with 5 years of Credited Service, 2) age 55 with 20 years of Credited Service, or 3) 33 years of Credited Service, regardless of age.

Police Officers – Earlier of 1) Age 55 with 10 years of Credited Service, or 2) 25 years of Credited Service, regardless of age.

Benefit

Product of 1) Final Average Compensation, 2) Credited Service, and 3) benefit percentage. The benefit percentages are as follows:

Tier 1 General Employees:

<u>Credited Service</u>	<u>Percentage</u>
Prior to 10/1/1999:	2.50%
10/1/1999 – 9/30/2011:	2.75%
On and after 10/1/2011:	2.25%

Tier 2 General Employees:

<u>Credited Service</u>	<u>Percentage</u>
On and after 10/1/2016:	1.60%

AMSC:

<u>Credited Service</u>	<u>Percentage</u>
On and after 10/1/2016:	3.00%

Police Officers:

<u>Credited Service</u>	<u>Percentage</u>
Prior to 10/1/1995:	2.00%
10/1/1995 – 9/30/1996	2.25%
10/1/1996 – 9/30/1997	2.50%
10/1/1997 – 9/30/2001	2.75%
10/1/2001 – 9/30/2002	2.80%
10/1/2002 – 9/30/2003	2.90%
On and after 10/1/2003	3.00%

Form of Benefit

Life annuity with a guarantee of a refund of accumulated Member Contributions.

Early Retirement (Police Officers)

Eligibility

Age 50 with 10 years of Credited Service

Benefit

Accrued benefit, reduced 3.0% per year from the Normal

Disability Retirement

Eligibility

Totally and permanently disabled for a six-month period while actively employed.

Benefit

Accrued benefit as of the date of disability, actuarially reduced as for Early retirement for early commencement.

Pre-Retirement Death Benefit

Vested

Beneficiary will receive benefit payable as if the deceased Member had terminated employment on the day before death and survived to the earliest retirement date and elected the 50% Joint and Contingent form of payment, reduced for early retirement, and died the next day. The beneficiary may elect to defer payment until the deceased Member's Normal Retirement Date.

Non-Vested

Refund of Member's Accumulated Contributions

Terminated Benefit

Vesting Schedule

For AMSC Members, 100% after 5 years of Credited Service. For all other members, 100% after 10 years of Credited Service.

Benefit Amount

Member will receive the vested portion of the accrued benefit payable at the Normal Retirement Date. A terminated Member may elect to receive a refund of Accumulated Contributions without interest in lieu of receiving any other Plan benefits.

Member Contributions

Tier 1 General Employees – 7.0% of annual compensation. Should the actuarially determined City contribution exceed 7.0%, not including expenses, both the City and Tier 1 General Employees will share equally in the amount more than 7.0%. Tier 1 General Employees' Contributions are capped at 10%.

Tier 2 General Employees – 3.0% of annual compensation.

AMSC – 7.0% of annual compensation.

Police Officers – 7.5% of annual compensation. Should the actuarially determined City contribution exceed 7.5%, not including expenses, both the City and the Police Officers will share equally in the amount more than 7.5%. Police Officers' Contributions are capped at 12.0%.

Cost-of-Living Adjustments (COLAs)

Based on the consumer price index, with the cumulative increase limited to 3% per year. No COLA is provided for Tier 2 General Employees and AMSC employees who retired or entered the DROP prior to October 1, 2019. No COLA is provided on the portion of the benefit accrued after September 30, 2011 for Tier 1 General Employees who retired or entered the DROP prior to October 1, 2019.

Deferred Retirement Option Plan (DROP)

Eligibility	Satisfaction of Normal Retirement requirements.
Participation	Not to exceed 60 months.
Rate of Return	Credited monthly with interest in an amount equal to 50% of the net yearly interest earned by the Plan for the preceding fiscal year, up to a maximum of 5% and a minimum of 0%. Effective June 21, 2022, the maximum interest credit is 6%.
Form of Distribution	Cash lump sum, periodic payments, an annuity or a combination thereof, only payable following separation of employment.