

CITY OF CORAL SPRINGS
POLICE OFFICERS' PENSION PLAN
ACTUARIAL VALUATION
AS OF OCTOBER 1, 2023
CONTRIBUTIONS APPLICABLE TO THE
PLAN/FISCAL YEAR ENDING SEPTEMBER 30, 2025



FOSTER & FOSTER
ACTUARIES AND CONSULTANTS

March 14, 2024

Board of Trustees
City of Coral Springs
Police Officers' Pension Board

Re: City of Coral Springs Police Officers' Pension Plan

Dear Board:

We are pleased to present to the Board this report of the annual actuarial valuation of the City of Coral Springs Police Officers' 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 and 185, Florida Statutes, as well as applicable federal laws and regulations. In our opinion, the assumptions used in the valuation, as adopted by the Board of Trustees, represent reasonable expectations of anticipated plan experience.

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

In conducting the valuation, we have relied on personnel, plan design, and asset information supplied by the City of Coral Springs, financial reports prepared by the custodian bank, and the actuarial assumptions and methods described in the Actuarial Assumptions section of this report. While we cannot verify the accuracy of all this information, the supplied information was reviewed for consistency and reasonableness. As a result of this review, we have no reason to doubt the substantial accuracy of the information and believe that it has produced appropriate results. This information, along with any adjustments or modifications, is summarized in various sections of this report.

Additionally, we used third-party software to model (calculate) the underlying liabilities and costs. These results are reviewed in the aggregate and for individual sample lives. The output from the software is either used directly or input into internally developed models that apply the funding rules to generate the results. All internally developed models are reviewed as part of the valuation process. As a result of this review, we believe that the models have produced reasonable results. We do not believe there are any material inconsistencies among assumptions or unreasonable output produced due to the aggregation of assumptions.

In our opinion, the Minimum Required Contribution set forth in this report constitutes a reasonable actuarially determined contribution under Actuarial Standard of Practice No. 4.


The undersigned are familiar with the immediate and long-term aspects of pension valuations, and meet the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial opinions contained herein. All of the sections of this report are considered an integral part of the actuarial opinions.


To our knowledge, no associate of Foster & Foster, Inc. working on valuations of the program has any direct financial interest or indirect material interest in the City of Coral Springs, nor does anyone at Foster & Foster, Inc. act as a member of the Board of Trustees of the Police Officers' 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: 
Bradley R. Heinrichs, FSA, EA, MAAA
Enrolled Actuary #23-6901

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

Enclosures

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SUMMARY OF REPORT

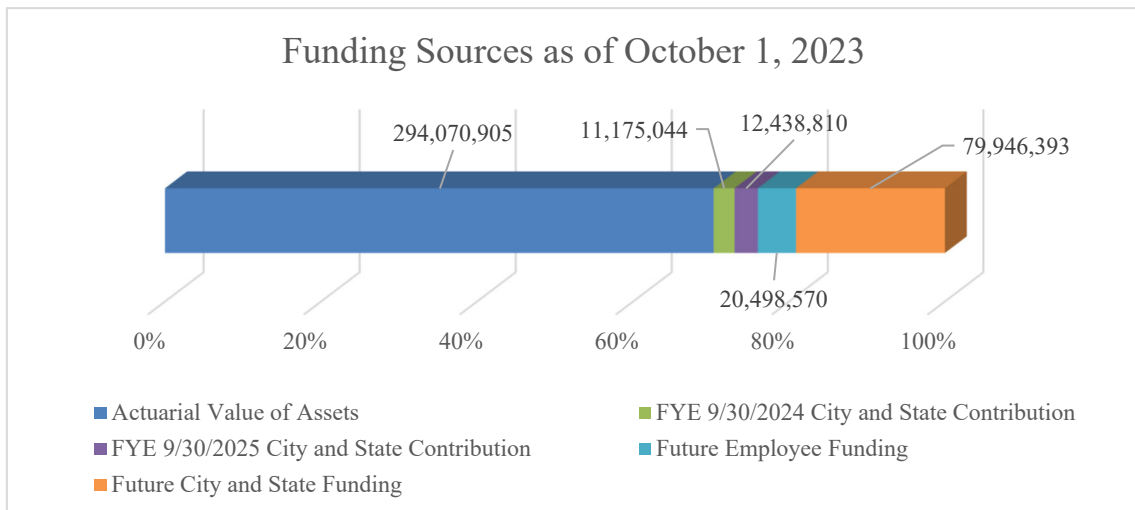
The regular annual actuarial valuation of the City of Coral Springs Police Officers' Pension Plan, performed as of October 1, 2023, has been completed and the results are presented in this Report. The contribution amounts set forth herein are applicable to the plan/fiscal year ending September 30, 2025.

The contribution requirements, compared with those set forth in the October 1, 2022 actuarial valuation report, are as follows:

Valuation Date	10/1/2023	10/1/2022
Applicable to Fiscal Year Ending	<u>9/30/2025</u>	<u>9/30/2024</u>
Minimum Required Contribution	\$14,805,212	\$13,428,878
Member Contributions (Est.)	2,366,402	2,253,834
City And State Required Contribution	12,438,810	11,175,044
State Contribution (Est.) ¹	1,579,510	1,579,510
City Required Contribution (Est.) ²	\$10,859,300	\$9,595,534

¹ Represents the amount received in calendar 2023. As per a Mutual Consent Agreement between the Membership and the City, all State Monies received each year will be available to offset the City's required contribution.

² Please note that the City has access to a prepaid contribution of \$779,204.12 that is available to offset a portion of the above stated requirements for the fiscal year ending September 30, 2024.



As you can see, the Minimum Required Contribution shows an increase when compared to the results set forth in the October 1, 2022 actuarial valuation report. The increase is attributable to unfavorable actuarial experience and updating the actuarial assumptions and methods as described on page 9.

Plan experience was unfavorable overall on the basis of the plan's actuarial assumptions. The primary source of actuarial loss was an investment return of 4.76% (Actuarial Asset Basis) which fell short of the 7.00% assumption. There were no significant sources of actuarial gain.

The approximate impact that each of the components played in the increase in the funding requirements is outlined below:

City Contribution Determined as of October 1, 2022	\$	9,872,292
Change in Normal Cost Rate (% of Payroll)		(9,000)
Normal Cost Expected Growth		328,000
Change in Normal Cost from Additional Payroll Growth		(29,000)
Change in Expected Administrative Expenses		(10,000)
Impact from Contribution Policy		44,000
Experience Loss (Investments)		502,000
Experience Gain (Salary Increases)		(75,000)
Experience Loss (Retirement, Turnover, Disability, Active Mortality)		57,000
Experience Loss (Inactive Mortality)		67,000
Full Recognition of UAAL Amortization Base		(15,000)
Increase in Expected Member Contributions		(98,000)
Increase in Expected State Contributions		(277,000)
Assumption and Method Changes		526,000
Other		(24,000)
Approximate Change in City Contribution		987,000
City Contribution Determined as of October 1, 2023	\$	10,859,300

Also as requested, we have provided a five-year projection of the estimated City’s contribution requirements:

Valuation Date	10/1/2023	10/1/2024	10/1/2025	10/1/2026	10/1/2027
Applicable to Fiscal Year Ending	<u>9/30/2025</u>	<u>9/30/2026</u>	<u>9/30/2027</u>	<u>9/30/2028</u>	<u>9/30/2029</u>
City Required Contribution (est.)	10,860,000	11,030,000	11,580,000	13,060,000	13,150,000

Please note that these projections are based on the same assumptions and methods as utilized in this actuarial valuation, except for a 3.42% payroll growth assumption applied to the Normal Cost and Member Contributions (as supported on page 15 of the report). The projection also assumes no future gains or losses other than the recognition of prior investment experience.

The Board utilizes a five-year smoothing technique for the Actuarial Value of Assets, under which 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. As shown on page 34, the investment loss in fiscal year 2022 was larger than the accumulated gains and losses in fiscal years 2019, 2020, 2021 and 2023. Therefore, absent any future investment gains or losses, there will be a recognition of net deferred losses over the next three years.

CHANGES SINCE PRIOR VALUATION

Plan Changes

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

Actuarial Assumption/Method Changes

As a result of an experience study dated November 22, 2023, the Board of Trustees has implemented the following changes to the assumptions and methods in conjunction with this actuarial valuation report (see Assumption and Methods section of this report for full details):

- Amortization Method – Future Unfunded Actuarial Accrued Liability amortization bases will be amortized over the following periods:
 - Experience: 15 Years
 - Assumptions/Method changes: 15 Years
 - Benefit Changes: 30 Years.
- Entry Age Normal Cost Spread Method – The Normal Costs are spread out over the full career of each Member instead of starting from the first valuation date an employee becomes a Member.
- Salary Increases – The rates were changed from a flat 4.75% to a service-based table.
- Mortality Rates – The rates were modified with appropriate risk and collar adjustments based on plan demographics.
- Retirement Rates – The rates were adjusted resulting in generally fewer retirements than previously assumed.
- Withdrawal Rates – The rates were changed from an age-based table to a service-based table, resulting in generally fewer withdrawals than previously assumed.

COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS

	New Asmp/Mthd <u>10/1/2023</u>	Old Asmp/Mthd <u>10/1/2023</u>	<u>10/1/2022</u>
A. Participant Data			
Actives	184	184	180
Service Retirees	165	165	159
DROP Retirees	30	30	32
Beneficiaries	9	9	10
Disability Retirees	17	17	16
Terminated Vested	<u>22</u>	<u>22</u>	<u>19</u>
Total	427	427	416
Projected Annual Payroll	19,456,701	19,521,406	18,709,842
Annual Rate of Payments to:			
Service Retirees	13,563,988	13,563,988	12,772,228
DROP Retirees	2,809,230	2,809,230	2,972,141
Beneficiaries	660,744	660,744	672,559
Disability Retirees	1,162,237	1,162,237	1,065,833
Terminated Vested	273,757	273,757	236,728
B. Assets			
Actuarial Value (AVA) ¹	294,070,905	294,070,905	285,725,706
Market Value (MVA) ¹	275,366,391	275,366,391	258,203,044
C. Liabilities			
Present Value of Benefits			
Actives			
Retirement Benefits	131,369,614	121,768,593	115,147,935
Disability Benefits	7,829,321	5,527,806	5,576,300
Death Benefits	1,226,168	1,220,867	1,193,521
Vested Benefits	6,521,042	7,797,239	8,009,862
Refund of Contributions	163,491	119,276	115,148
Service Retirees	199,456,235	196,641,967	186,894,568
DROP Retirees ¹	46,401,232	45,706,643	48,692,702
Beneficiaries	7,518,682	7,457,581	7,727,045
Disability Retirees	14,178,064	14,151,020	13,511,851
Terminated Vested	<u>3,465,873</u>	<u>3,394,614</u>	<u>3,193,922</u>
Total	418,129,722	403,785,606	390,062,854

C. Liabilities - (Continued)	New Asmp/Mthd <u>10/1/2023</u>	Old Asmp/Mthd <u>10/1/2023</u>	<u>10/1/2022</u>
Present Value of Future Salaries	178,248,433	145,487,480	142,043,116
Present Value of Future Member Contributions	20,498,570	16,731,060	16,334,958
Normal Cost (Retirement)	5,425,740	5,977,399	5,694,955
Normal Cost (Disability)	642,055	314,879	313,977
Normal Cost (Death)	98,241	123,490	117,072
Normal Cost (Vesting)	416,140	419,704	433,531
Normal Cost (Refunds)	40,153	24,304	23,275
Total Normal Cost	<u>6,622,329</u>	<u>6,859,776</u>	<u>6,582,810</u>
Present Value of Future Normal Costs	58,322,994	48,234,740	47,493,980
Accrued Liability (Retirement)	83,390,762	81,520,281	75,616,707
Accrued Liability (Disability)	2,017,122	2,378,630	2,507,024
Accrued Liability (Death)	321,043	300,501	307,840
Accrued Liability (Vesting)	3,015,106	3,970,886	4,089,092
Accrued Liability (Refunds)	42,609	28,743	28,123
Accrued Liability (Inactives) ¹	<u>271,020,086</u>	<u>267,351,825</u>	<u>260,020,088</u>
Total Actuarial Accrued Liability (EAN AL)	359,806,728	355,550,866	342,568,874
Unfunded Actuarial Accrued Liability (UAAL)	65,735,823	61,479,961	56,843,168
Funded Ratio (AVA / EAN AL)	81.7%	82.7%	83.4%

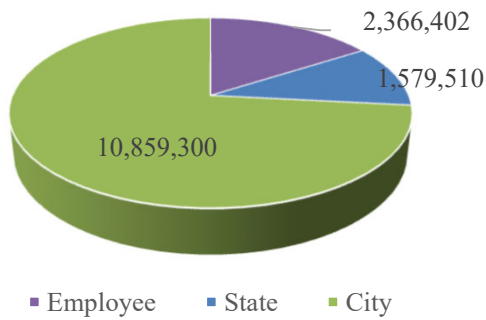
D. Actuarial Present Value of Accrued Benefits	New Asmp/Mthd <u>10/1/2023</u>	Old Asmp/Mthd <u>10/1/2023</u>	<u>10/1/2022</u>
Vested Accrued Benefits			
Inactives ¹	271,020,086	267,351,825	260,020,088
Actives	47,644,445	49,115,024	43,791,520
Member Contributions	<u>16,706,051</u>	<u>16,706,051</u>	<u>15,617,876</u>
Total	335,370,582	333,172,900	319,429,484
Non-vested Accrued Benefits	<u>4,920,551</u>	<u>5,136,685</u>	<u>4,736,761</u>
Total Present Value Accrued Benefits (PVAB)	340,291,133	338,309,585	324,166,245
Funded Ratio (MVA / PVAB)	80.9%	81.4%	79.7%
Increase (Decrease) in Present Value of Accrued Benefits Attributable to:			
Plan Amendments	0	0	
Assumption/Method Changes	1,981,548	0	
Plan Experience	0	9,755,157	
Benefits Paid	0	(17,684,497)	
Interest	0	22,072,680	
Other	<u>0</u>	<u>0</u>	
Total	1,981,548	14,143,340	

	New Asmp/Mthd	Old Asmp/Mthd	
Valuation Date	10/1/2023	10/1/2023	10/1/2022
Applicable to Fiscal Year Ending	<u>9/30/2025</u>	<u>9/30/2025</u>	<u>9/30/2024</u>

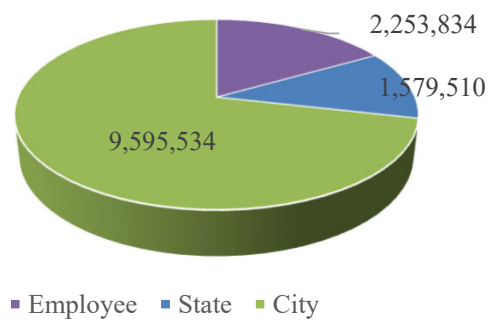
E. Pension Cost

Normal Cost ²	\$7,003,775	\$7,185,615	\$6,895,493
Administrative Expenses ²	272,128	269,529	279,438
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 29 years (as of 10/1/2023) ²	7,529,309	6,809,341	6,253,947
Minimum Required Contribution	14,805,212	14,264,485	13,428,878
Expected Member Contributions ²	2,366,402	2,351,597	2,253,834
Expected City and State Contribution	12,438,810	11,912,888	11,175,044

Contributions by Source for the
Fiscal Year Ending 9/30/2025



Contributions by Source for the
Fiscal Year Ending 9/30/2024



¹ The asset values and liabilities exclude accumulated DROP Plan Balances as of 9/30/2023 and 9/30/2022.

² Contributions developed as of 10/1/2023 displayed above have been adjusted to account for assumed salary increase components.

F. Past Contributions

Plan Years Ending: 9/30/2023

City and State Requirement 10,406,927

Actual Contributions Made:

City 8,827,417

State 1,579,510

Total 10,406,927

G. Net Actuarial (Gain)/Loss 6,666,365

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

<u>Year</u>	<u>Projected Unfunded Actuarial Accrued Liability</u>
2023	65,735,823
2024	62,719,745
2025	60,059,725
2032	37,151,707
2039	7,175,616
2052	0

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

		<u>Actual</u>	<u>Assumed</u>
Year Ended	9/30/2023	4.31%	4.75%
Year Ended	9/30/2022	9.89%	4.75%
Year Ended	9/30/2021	5.99%	4.75%
Year Ended	9/30/2020	5.84%	4.75%
Year Ended	9/30/2019	6.91%	4.75%

(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	9/30/2023	8.58%	4.76%	7.00%
Year Ended	9/30/2022	-13.06%	6.47%	7.00%
Year Ended	9/30/2021	20.74%	11.60%	7.00%
Year Ended	9/30/2020	7.32%	17.85%	7.50%
Year Ended	9/30/2019	5.32%	8.13%	7.50%

(iii) Average Annual Payroll Growth

(a) Payroll as of:	10/1/2023	\$19,456,701
	10/1/2019	17,006,487
(b) Total Increase		14.41%
(c) Number of Years		4.00
(d) Average Annual Rate		3.42%

STATEMENT BY ENROLLED ACTUARY

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



Bradley R. Heinrichs, FSA, EA,
MAAA Enrolled Actuary #23-6901

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

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

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

RECONCILIATION OF UNFUNDED ACTUARIAL ACCRUED LIABILITIES

(1) Unfunded Actuarial Accrued Liability as of October 1, 2022	\$56,843,168
(2) Sponsor Normal Cost developed as of October 1, 2022	4,431,178
(3) Expected administrative expenses for the year ended September 30, 2023	266,767
(4) Expected interest on (1), (2) and (3)	4,298,541
(5) Sponsor contributions to the System during the year ended September 30, 2023	10,406,927
(6) Expected interest on (5)	619,131
(7) Expected Unfunded Actuarial Accrued Liability as of September 30, 2023 (1)+(2)+(3)+(4)-(5)-(6)	54,813,596
(8) Change to UAAL due to Assumption/Method Change	4,255,862
(9) Change to UAAL due to Actuarial (Gain)/Loss	6,666,365
(10) Unfunded Actuarial Accrued Liability as of October 1, 2023	65,735,823

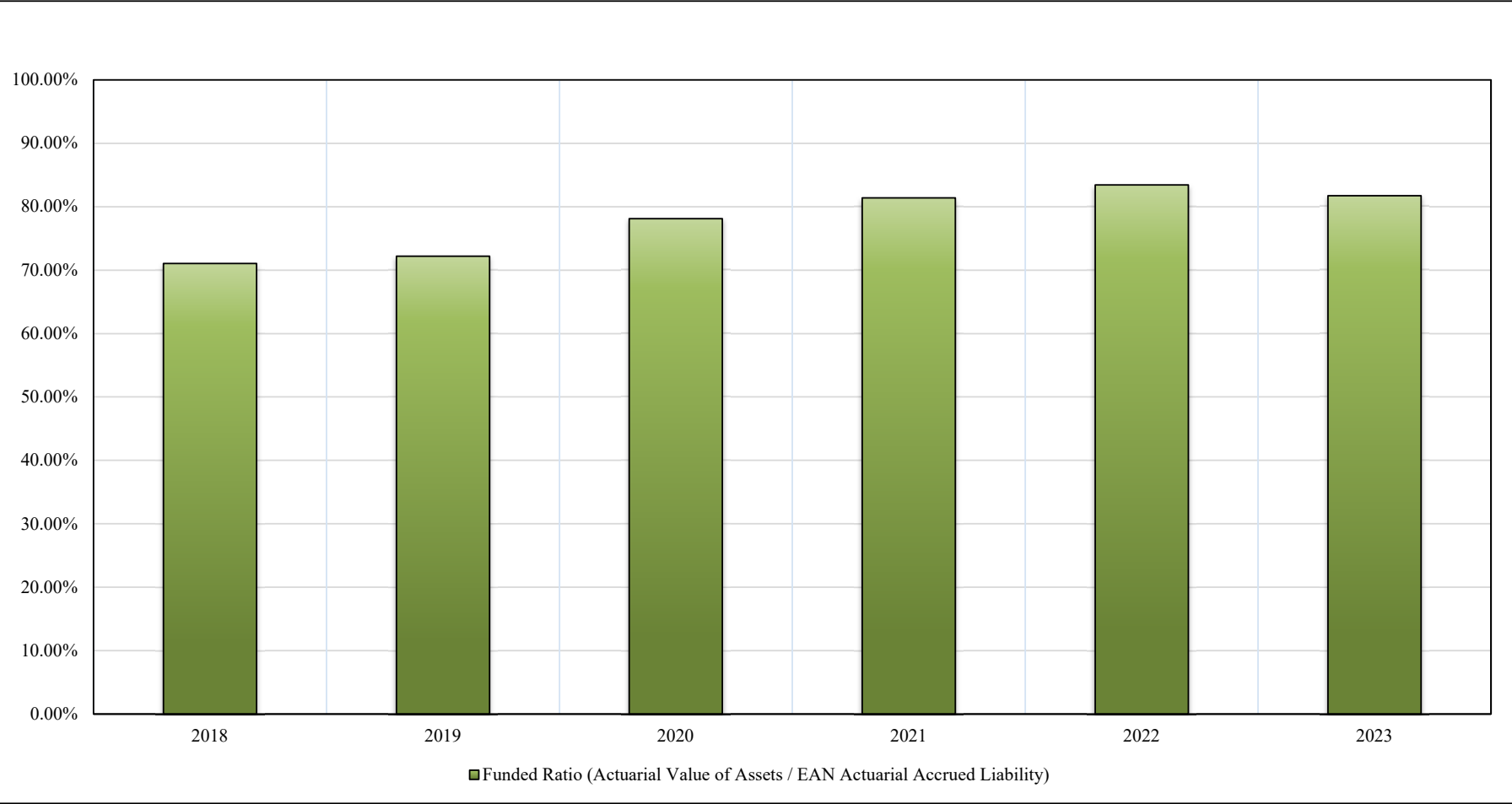
<u>Type of Base</u>	<u>Date Established</u>	<u>Years Remaining</u>	<u>10/1/2023 Amount</u>	<u>Amortization Amount</u>
Plan Amendment	1/1/1994	0.25	(249)	(249)
Combined Base	1/1/1995	1.25	884,048	713,169
Assumption Change	1/1/1998	4.25	(78,418)	(20,529)
Method Change	1/1/1999	5.25	(23,052)	(5,044)
Plan Amendment	1/1/2000	6.25	(45,868)	(8,702)
Combined Base	1/1/2002	8.25	1,631,967	249,593
Plan Amendment	10/1/2004	11	5,782,503	720,689
Combined Base	10/1/2007	14	(292,227)	(31,229)
Method Change	10/1/2008	15	(6,549,561)	(672,062)
Assumption Changes	10/1/2009	16	9,719,712	961,594
Assumption Changes	10/1/2010	17	4,832,292	462,569
Method Change	10/1/2011	18	40,352,230	3,749,084
Combined Base	10/1/2012	19	(7,526,603)	(680,581)
Experience Gain	10/1/2013	20	(2,233,650)	(197,047)
Combined Base	10/1/2014	21	549,082	47,359
Experience Gain	10/1/2015	22	(3,497,539)	(295,512)
Plan Amendment	10/1/2015	22	1,737,194	146,778
Experience Loss	10/1/2016	23	7,147,548	592,605
Assumption Change	10/1/2016	23	7,935,967	657,973
Experience Loss	10/1/2017	24	7,157,198	583,205
Plan Amendment	10/1/2017	24	201,052	16,383

Type of Base	Date Established	Years Remaining	10/1/2023 Amount	Amortization Amount
Experience Loss	10/1/2018	25	247,081	19,815
Plan Amendment	10/1/2019	26	1,159,332	91,621
Experience Loss	10/1/2019	26	1,854,453	146,556
Experience Gain	10/1/2020	27	(2,376,101)	(185,260)
Assumption Change	10/1/2020	27	10,277,928	801,349
Method Change	10/1/2020	27	(17,655,917)	(1,376,596)
Experience Gain	10/1/2021	28	(8,090,751)	(623,002)
Plan Amendment	10/1/2021	28	3,965,424	305,345
Actuarial Gain	10/1/2022	29	(2,251,479)	(171,383)
Actuarial Loss	10/1/2023	15	6,666,365	684,048
Asmp/Mthd Change	10/1/2023	15	4,255,862	436,702
			<u>65,735,823</u>	<u>7,119,241</u>

DETAILED ACTUARIAL (GAIN)/LOSS ANALYSIS

(1) Unfunded Actuarial Accrued Liability (UAAL) as of October 1, 2022	\$56,843,168
(2) Expected UAAL as of October 1, 2023	54,813,596
(3) Summary of Actuarial (Gain)/Loss, by component:	
Investment Return (Actuarial Asset Basis)	6,357,812
Salary Increases	(945,591)
Active Decrements	720,938
Inactive Mortality	845,632
Other	<u>(312,426)</u>
Increase in UAAL due to (Gain)/Loss	6,666,365
Assumption/Method Changes	4,255,862
(4) Actual UAAL as of October 1, 2023	\$65,735,823

HISTORY OF FUNDING PROGRESS



ACTUARIAL ASSUMPTIONS AND METHODS

Mortality Rate

Healthy Active Lives:

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

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

Healthy Retiree Lives:

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

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

Beneficiary Lives:

Female: PubG.H-2010 for Healthy Retirees.

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

Disabled Lives:

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

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

The previously described mortality assumption rates were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumptions used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in Milliman's July 1, 2021 FRS valuation report for special risk employees, with appropriate adjustments made based on plan demographics. Previously, no adjustments were made based on plan demographics.

25% of active deaths are assumed to be service-incurred.

Interest Rate

7.00% per year compounded annually, net of investment related expenses. This is supported by the target asset allocation of the trust and the expected long-term return by asset class.

Salary Increases

Salary Increases	
Years of Service	Rate
0 – 1	10.00%
2 – 4	6.50%
5 – 9	5.50%
10+	4.75%

This assumption was adopted as a result of an actuarial experience study dated November 22, 2023. Previously, the salary increase assumption was 4.75% per annum.

Payroll Growth

0.00% 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.

Administrative Expenses

\$257,307 annually, based on the average of actual expenses incurred in the prior two fiscal years.

Amortization Method

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

Experience: 15 Years.
Assumption/Method Changes: 15 Years.
Benefit Changes: 30 Years.

Previously, all new UAAL amortization bases were amortized over 30 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 - None, based on current 7.00% assumption.
Salary - A full year, based on current 5.76% assumption.

Marriage Assumption

100% of participants are assumed to be married, with male spouses assumed to be three years older than female spouses; participants are not assumed to have any dependents other than a spouse at the time of their death.

Retirement Age

There is no Early Retirement assumption. Participants are assumed to retire upon Normal Retirement eligibility at the below rates:

% Retiring During the Year	
Years of Service	Rate
< 20	100%
20 – 24	50%
25+	100%

This assumption was adopted as a result of an actuarial experience study dated November 22, 2023.

Previously, participants were assumed to retire at their Normal Retirement age. Also, eligible participants are assumed to continue employment for one additional year.

Termination Rate

See sample rates below.

% Terminating During the Year	
Years of Service	Rate
< 1	7.5%
1 – 2	5.0%
3 – 4	4.0%
5+	1.0%

This assumption was adopted as a result of an actuarial experience study dated November 22, 2023. Previously, the below rates were utilized and no terminations were assumed to occur during the first year following the valuation date.

% Terminating During the Year	
Age	Rate
20	6.0%
30	5.0%
40	2.6%
50	0.0%

Disability Rate

See sample rates below.

% Becoming Disabled During the Year	
Age	Rate
20	0.14%
30	0.18%
40	0.30%
50	1.00%

This assumption was discussed in our November 22, 2023 actuarial experience study. Previously, the rates in the table above were utilized and no disablements were assumed to occur during the first year following the valuation date.

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 4.87% per year compounded annually, net of investment related expenses. This rate is consistent with the Yield to Maturity of the S&P Municipal Bond 20-Year High Grade Rate Index as of September 30, 2023. All other assumptions for the Low-Default-Risk Obligation Measure are consistent with the assumptions shown in this section unless otherwise noted.

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 decreased from 86.4% on October 1, 2020 to 80.3% on October 1, 2023, indicating that the plan has been maturing during the period.
- The Accrued Liability Ratio, determined as the ratio of the Inactive Accrued Liability, which is the liability associated with members who are no longer employed but are due a benefit from the plan, to the Total Accrued Liability, is 75.3%. With a plan of this maturity, losses due to lower than expected investment returns or demographic factors may result in larger increases in contribution requirements than would be needed for a less mature plan. Please note Chapter 112, Florida Statutes, requires that the plan sponsor contributes the minimum required contribution; thus, there is minimal solvency risk to the plan.
- The Funded Ratio, determined as the ratio of the Actuarial Value of Assets to the Total Accrued Liability, has increased from 78.1% on October 1, 2020 to 81.7% on October 1, 2023.
- The Net Cash Flow Ratio, determined as the ratio of the Net Cash Flow (contributions minus benefit payments and administrative expenses) to the Market Value of Assets, decreased from -0.7% on October 1, 2020 to -1.9% on October 1, 2023. The current Net Cash Flow Ratio of -1.9% 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 11 in terms of member data, plan provisions, and assumptions/methods, under the Entry Age Normal Cost Method, except that the interest rate is tied to low-default-risk fixed income securities. The S&P Municipal Bond 20 Year High Grade Rate Index (daily rate closest to, but not later than, the measurement date) was selected to represent a current market rate of low risk but longer-term investments that could be included in a low-risk asset portfolio. The interest rate used in this valuation was 4.87%, resulting in an LDROM of \$475,164,939. 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>10/1/2023</u>	<u>10/1/2022</u>	<u>10/1/2021</u>	<u>10/1/2020</u>
<u>Support Ratio</u>				
Total Actives	184	180	169	178
Total Inactives ¹	229	224	217	206
Actives / Inactives ¹	80.3%	80.4%	77.9%	86.4%
 <u>Asset Volatility Ratio</u>				
Market Value of Assets (MVA)	275,366,391	258,203,044	301,474,192	252,393,599
Total Annual Payroll	19,710,513	18,709,842	16,715,037	17,481,543
MVA / Total Annual Payroll	1,397.1%	1,380.0%	1,803.6%	1,443.8%
 <u>Accrued Liability (AL) Ratio</u>				
Inactive Accrued Liability	271,020,086	260,020,088	257,578,000	236,119,137
Total Accrued Liability (EAN)	359,806,728	342,568,874	334,080,129	315,094,715
Inactive AL / Total AL	75.3%	75.9%	77.1%	74.9%
 <u>Funded Ratio</u>				
Actuarial Value of Assets (AVA)	294,070,905	285,725,706	271,845,820	246,048,412
Total Accrued Liability (EAN)	359,806,728	342,568,874	334,080,129	315,094,715
AVA / Total Accrued Liability (EAN)	81.7%	83.4%	81.4%	78.1%
 <u>Net Cash Flow Ratio</u>				
Net Cash Flow ²	(5,160,029)	(3,565,932)	(2,551,931)	(1,810,763)
Market Value of Assets (MVA)	275,366,391	258,203,044	301,474,192	252,393,599
Ratio	-1.9%	-1.4%	-0.8%	-0.7%

¹ Excludes terminated participants awaiting a refund of member contributions.

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

PARTIAL HISTORY OF PREMIUM TAX REFUNDS

<u>Received During Fiscal Year</u>	<u>Amount</u>	<u>Increase from Previous Year</u>
1999	463,206.00	N/A
2000	449,959.00	-2.9%
2001	484,045.00	7.6%
2002	571,556.00	18.1%
2003	642,141.00	12.3%
2004	818,079.00	27.4%
2005	855,381.00	4.6%
2006	870,163.00	1.7%
2007	892,472.00	2.6%
2008	939,864.00	5.3%
2009	918,650.00	-2.3%
2010	862,058.00	-6.2%
2011	801,794.00	-7.0%
2012	845,572.00	5.5%
2013	891,781.00	5.5%
2014	984,087.00	10.4%
2015	983,251.00	-0.1%
2016	1,085,407.00	10.4%
2017	1,102,068.00	1.5%
2018	1,161,760.00	5.4%
2019	1,263,471.00	8.8%
2020	1,270,664.00	0.6%
2021	1,245,118.00	-2.0%
2022	1,302,751.84	4.6%
2023	1,579,510.28	21.2%

STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2023

<u>ASSETS</u>	COST VALUE	MARKET VALUE
Cash and Cash Equivalents:		
Money Market	6,185,767.14	6,185,767.14
Cash	27,241.77	27,241.77
Total Cash and Equivalents	6,213,008.91	6,213,008.91
Receivables:		
Member Contributions in Transit	3,000.00	3,000.00
From Broker for Investments Sold	374,067.40	374,067.40
Investment Income	220,260.01	220,260.01
Total Receivable	597,327.41	597,327.41
Investments:		
U. S. Bonds and Bills	5,659,426.96	5,353,602.20
Federal Agency Guaranteed Securities	12,627,136.80	11,313,247.28
Corporate Bonds	8,583,658.96	7,529,545.09
Stocks	93,845,784.40	101,049,097.89
Alternative	30,401,531.49	26,249,919.51
Mutual Funds:		
Fixed Income	14,197,125.41	12,454,157.40
Equity	58,588,640.63	65,316,321.92
Pooled/Common/Commingled Funds:		
Real Estate	34,880,764.20	40,712,852.87
Total Investments	258,784,068.85	269,978,744.16
Total Assets	265,594,405.17	276,789,080.48
 <u>LIABILITIES</u>		
Payables:		
Investment Expenses	387,770.34	387,770.34
Administrative Expenses	11,412.63	11,412.63
To Broker for Investments Purchased	244,302.81	244,302.81
Prepaid Member Contribution	0.00	0.00
Prepaid City Contribution	779,204.12	779,204.12
Total Liabilities	1,422,689.90	1,422,689.90
NET POSITION RESTRICTED FOR PENSIONS	264,171,715.27	275,366,390.58

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

ADDITIONS

Contributions:

Member	2,129,668.29
Buy-Back	239,611.19
City	8,827,416.72
State	1,579,510.28

Total Contributions 12,776,206.48

Investment Income:

Miscellaneous Income	1,332,823.22	
Net Realized Gain (Loss)	(430,674.06)	
Unrealized Gain (Loss)	15,693,926.49	
Net Increase in Fair Value of Investments	16,596,075.65	
Interest & Dividends	7,494,388.28	
Less Investment Expense ¹	(1,767,088.63)	

Net Investment Income 22,323,375.30

Total Additions 35,099,581.78

DEDUCTIONS

Distributions to Members:

Benefit Payments	14,778,126.07
Monthly DROP Additions to Self-Directed Accounts	2,859,549.03
Refunds of Member Contributions	46,822.34

Total Distributions 17,684,497.44

Administrative Expense 251,738.12

Total Deductions 17,936,235.56

Net Increase in Net Position 17,163,346.22

NET POSITION RESTRICTED FOR PENSIONS

Beginning of the Year 258,203,044.36

End of the Year 275,366,390.58

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

ACTUARIAL ASSET VALUATION
September 30, 2023

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

Plan Year Ending	Gain/(Loss)	<u>Gains/Losses Not Yet Recognized</u>				
		Amounts Not Yet Recognized by Valuation Year				
		2023	2024	2025	2026	2027
09/30/2019	(2,406,915)	0	0	0	0	0
09/30/2020	2,083,328	416,664	0	0	0	0
09/30/2021	34,495,190	13,798,076	6,899,038	0	0	0
09/30/2022	(60,714,654)	(36,428,792)	(24,285,861)	(12,142,930)	0	0
09/30/2023	4,386,922	3,509,538	2,632,154	1,754,770	877,386	0
Total		(18,704,514)	(14,754,669)	(10,388,160)	877,386	0

Development of Investment Gain/Loss

Market Value of Assets, including Prepaid Contributions, 09/30/2022	258,647,856
Contributions Less Benefit Payments & Admin Expenses	(4,825,637)
Expected Investment Earnings*	17,936,453
Actual Net Investment Earnings	22,323,375
2023 Actuarial Investment Gain/(Loss)	4,386,922

*Expected Investment Earnings = 0.07 * (258,647,856 - 0.5 * 4,825,637)

Development of Actuarial Value of Assets

(1) Market Value of Assets, 09/30/2023	275,366,391
(2) Gains/(Losses) Not Yet Recognized	(18,704,514)
(3) Actuarial Value of Assets, 09/30/2023, (1) - (2)	294,070,905
(4) Limited Actuarial Value of Assets, 09/30/2023	294,070,905

(A) 09/30/2022 Actuarial Assets, including Prepaid Contributions: 286,170,518

(I) Net Investment Income:

1. Interest, Dividends, and Miscellaneous Income	8,827,212
2. Realized Gain (Loss)	(430,674)
3. Unrealized Gain (Loss)	15,693,926
4. Change in Actuarial Value	(8,818,148)
5. Investment Expenses	(1,767,089)
Total	13,505,227

(B) 09/30/2023 Actuarial Assets, including Prepaid Contributions: 294,850,109

Actuarial Assets Rate of Return = 2I/(A+B-I): 4.76%
Market Value of Assets Rate of Return: 8.58%

Actuarial Gain/(Loss) due to Investment Return (Actuarial Asset Basis) (6,357,812)

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

REVENUES

Contributions:		
Member	2,129,668.29	
Buy-Back	239,611.19	
City	8,827,416.72	
State	1,579,510.28	
 Total Contributions		 12,776,206.48
Earnings from Investments:		
Interest & Dividends	7,494,388.28	
Miscellaneous Income	1,332,823.22	
Net Realized Gain (Loss)	(430,674.06)	
Unrealized Gain (Loss)	15,693,926.49	
Change in Actuarial Value	(8,818,148.00)	
 Total Earnings and Investment Gains		 15,272,315.93

EXPENDITURES

Distributions to Members:		
Benefit Payments	14,778,126.07	
Monthly DROP Additions to Self-Directed Accounts	2,859,549.03	
Refunds of Member Contributions	46,822.34	
 Total Distributions		 17,684,497.44
Expenses:		
Investment related ¹	1,767,088.63	
Administrative	251,738.12	
 Total Expenses		 2,018,826.75
 Change in Net Assets for the Year		 8,345,198.22
 Net Assets Beginning of the Year		 285,725,706.36
 Net Assets End of the Year ²		 294,070,904.58

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

²Net Assets may be limited for actuarial consideration.

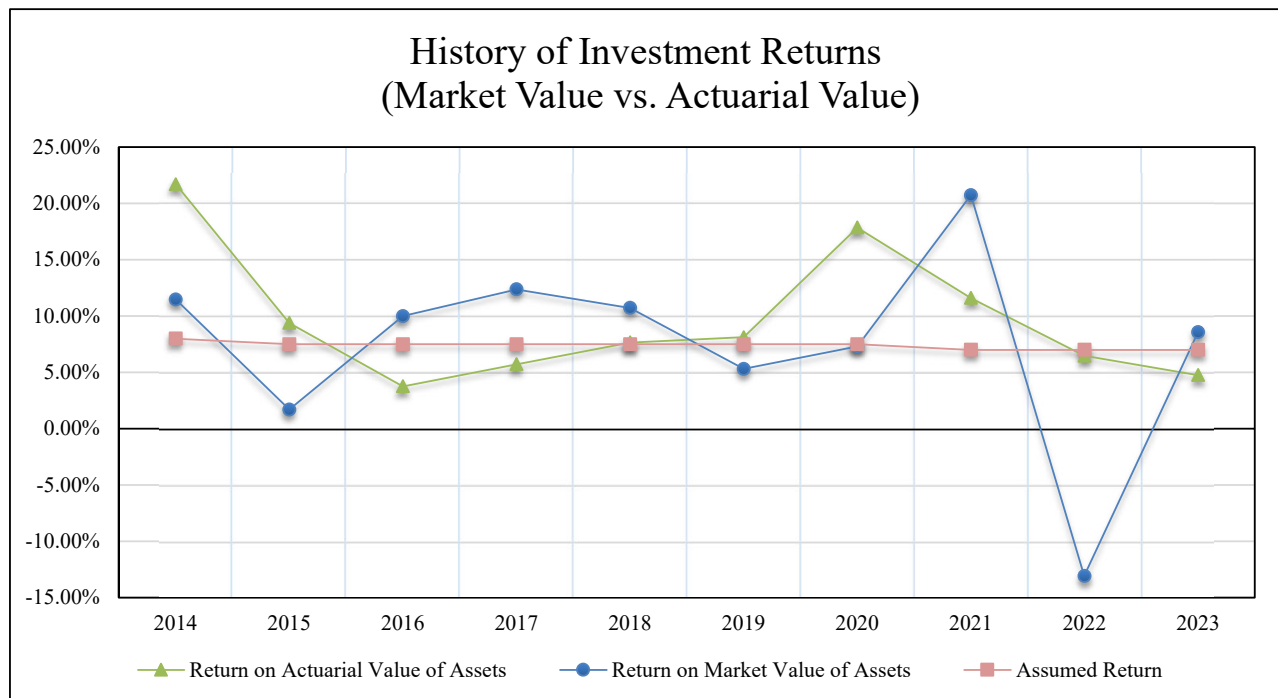
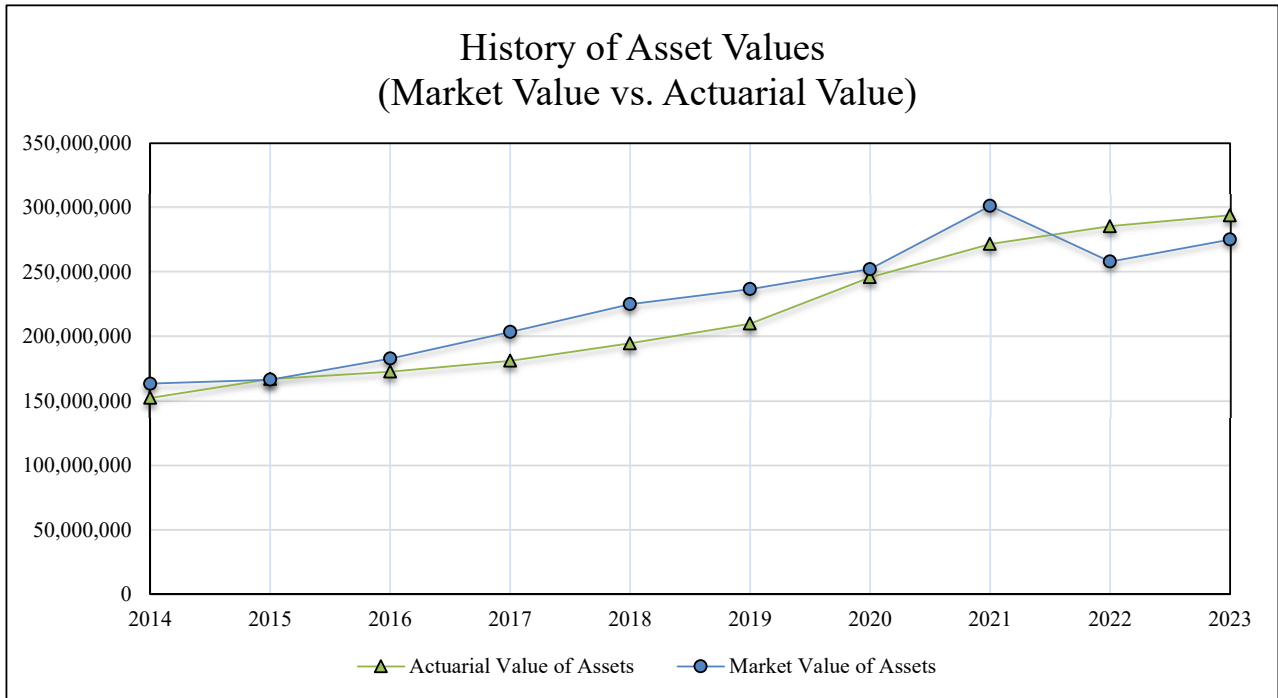
DEFERRED RETIREMENT OPTION PLAN ACTIVITY
October 1, 2022 to September 30, 2023

Beginning of the Year Balance	20,097,987.33
Plus Additions	2,848,629.50
Investment Return Earned	2,680,317.15
Less Distributions	(4,546,258.08)
End of the Year Balance	21,080,675.90

RECONCILIATION OF CITY SHORTFALL/(PREPAID) CONTRIBUTION
FOR THE FISCAL YEAR ENDED (FYE) SEPTEMBER 30, 2023

(1) Required City and State Contributions	\$10,406,927.00
(2) Less Allowable State Contribution	<u>(1,579,510.28)</u>
(3) Required City Contribution for Fiscal 2023	8,827,416.72
(4) Less 2022 Prepaid Contribution	(444,811.84)
(5) Less Actual City Contributions	<u>(9,161,809.00)</u>
(6) Equals City's Shortfall/(Prepaid) Contribution as of September 30, 2023	(\$779,204.12)

HISTORY OF ASSET VALUES AND INVESTMENT RETURNS



STATISTICAL DATA

	<u>10/1/2023</u>	<u>10/1/2022</u>	<u>10/1/2021</u>	<u>10/1/2020</u>
<u>Actives</u>				
Number	184	180	169	178
Average Current Age	38.3	38.0	38.2	38.0
Average Age at Employment	28.4	28.3	28.7	28.5
Average Past Service	9.9	9.7	9.5	9.5
Average Annual Salary	\$107,122	\$103,944	\$94,113	\$93,552
<u>Service Retirees</u>				
Number	165	159	150	141
Average Current Age	62.1	61.6	N/A	N/A
Average Annual Benefit	\$82,206	\$80,328	\$78,022	\$76,279
<u>DROP Retirees</u>				
Number	30	32	36	35
Average Current Age	52.9	52.3	N/A	N/A
Average Annual Benefit	\$93,641	\$92,879	\$95,366	\$90,553
<u>Beneficiaries</u>				
Number	9	10	9	8
Average Current Age	64.6	65.3	N/A	N/A
Average Annual Benefit	\$73,416	\$67,256	\$66,753	\$59,412
<u>Disability Retirees</u>				
Number	17	16	15	14
Average Current Age	61.4	62.1	N/A	N/A
Average Annual Benefit	\$68,367	\$66,615	\$64,949	\$63,090
<u>Terminated Vested</u>				
Number	22	19	19	17
Average Current Age ¹	43.1	44.2	N/A	N/A
Average Annual Benefit ¹	\$34,220	\$33,818	\$28,312	\$25,889

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

AGE AND SERVICE DISTRIBUTION

PAST SERVICE

AGE	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30+	Total
15 - 19												0
20 - 24		1										1
25 - 29	1	9	2	1	4	4						21
30 - 34	3	7	3	1	3	15	4					36
35 - 39	2	3	3		1	14	21	7				51
40 - 44				1		3	13	19	1			37
45 - 49	1		1			3	3	16	1			25
50 - 54		1				3	2	3	1			10
55 - 59							3					3
60 - 64												0
65+												0
Total	7	21	9	3	8	42	46	45	3	0	0	184

VALUATION PARTICIPANT RECONCILIATION

1. Active lives

a. Number in prior valuation 10/1/2022	180
b. Terminations	
i. Vested (partial or full) with deferred annuity	(2)
ii. Vested in refund of member contributions only	0
iii. Refund of member contributions or full lump sum distribution	(3)
c. Deaths	
i. Beneficiary receiving benefits	0
ii. No future benefits payable	0
d. Disabled	(1)
e. Retired	(1)
f. DROP	(3)
g. Continuing participants	170
h. New entrants / Rehires	14
i. Total active life participants in valuation	184

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	159	32	10	16	7	12	236
Retired	7	(5)			(1)		1
DROP		3					3
Vested (Deferred Annuity)					2		2
Vested (Due Refund)							0
Hired/Terminated in Same Year						2	2
Death, With Survivor							0
Death, No Survivor	(1)		(1)				(2)
Disabled				1			1
Refund of Contributions							0
Rehires							0
Expired Annuities							0
Data Corrections							0
b. Number current valuation	165	30	9	17	8	14	243

SUMMARY OF CURRENT PLAN
(Through Ordinance 2023-111)

<u>Eligibility</u>	Full-time Police Officers participate as a condition of employment. The Police Chief may optionally participate in the plan.
<u>Earnings Plus</u>	All compensation excluding leave payouts at separation and off-duty details. For purposes of inclusion in earnings, overtime shall be limited to 300 hours per calendar year, or a prorated amount for a partial year. Compensation other than base salary shall be limited to 14.5% of base salary.
<u>Earnings</u>	Total cash remuneration excluding overtime, off-duty details, annual sick leave conversion payments, vacation payment incentives, and all end of career payouts (sick, vacation/annual, compensatory time). Total cash remuneration other than base salary shall be limited to 7.5% of base salary.
<u>Average Monthly Earnings Plus</u>	One twelfth of the average of the 3 highest consecutive years of earnings plus out of the last 10 years.
<u>Average Monthly Earnings</u>	One twelfth of the average of the 4 highest consecutive years of earnings out of the last 10 years.
<u>Continuous Service</u>	Years and completed months of service with the City as a Police Officer (with Member contributions when required).
<u>Member Contributions</u>	
Amount	11.50% of earnings.
Interest	3.00% per annum.
<u>Normal Retirement</u>	
Date	The earlier of: 1) Age 55 with at least 10 years of Credited Service, or 2) If hired before October 1, 2012: Completion of 20 years of Continuous Service, regardless of age. If hired on or after October 1, 2012: Completion of 23 years of Continuous Service, regardless of age.

Monthly Benefit	3.50% of Average Monthly Earnings Plus for each year of Credited Service earned before October 1, 2012 plus 3.50% of Average Monthly Earnings for each year of Continuous Service earned on and after October 1, 2012. The benefit is subject to a maximum of 87.5% of Average Monthly Earnings.
Form of Benefit	Life Annuity (options available).
<u>Early Retirement</u>	
Date	Age 50 and completion of 10 continuous years of Continuous Service.
Benefit	The normal retirement benefit reduced by 6 2/3% for each year by which the participant's early retirement date precedes his normal retirement date for an immediate retirement benefit. A deferred payment shall be equal to a normal retirement benefit and commence on the normal retirement date.
<u>Disability Benefit</u>	
Eligibility	Total and permanent as determined by the Board if service based (medical proof required). If non-service disability, participant must have at least 10 years of credited service.
Benefit	
Service Incurred	The greater of: 1) The monthly accrued benefit, 2) 70% of the greater of current base monthly salary or average monthly earnings, or 3) 42% of average monthly earnings.
Non-Service Incurred	The greater of: 1) The monthly accrued benefit, or 2) 25% off average monthly earnings.
Duration	Payable for life and 10 years certain, or until recovery (as determined by the Board; optional forms of income are available after normal retirement date).
<u>Death Benefit</u>	
Line of Duty	100% of the participant's base salary at the time of death payable to his surviving spouse for life. If no surviving spouse, the benefit is payable in equal shares to his eligible child dependent(s) until age 18 or 25 if full-time student(s).

Not in Line of Duty

Vested

The greater of:

- 1) An immediate 10-year certain annuity equal to the participant's vested benefit. Alternatively, the pre-retirement death benefit is payable in any other actuarially equivalent form subject to agreement between the beneficiary and the Board, or
- 2) 50% of the participant's average monthly earnings payable for life to the surviving spouse or until age 18 to any minor child in equal shares if no surviving spouse.

Non-Vested

Beneficiary receives the accumulated member contributions.

Termination of Employment

Vesting Schedule

<u>Years of Continuous Service</u>	<u>Vested Percentage</u>
Less than 5	0%
5	50%
6	60%
7	70%
8	80%
9	90%
10	100%

Benefit

Less than 5 years

Accumulated member contributions with interest.

5 or more

Accumulated member contributions with interest or Vested Accrued Benefit payable at normal retirement date.

Deferred Retirement Option Plan

Eligibility

Satisfaction of Normal Retirement requirements.

Participation

Not to exceed 84 months.

Contributions

Effective October 1, 2018, for members hired on and after October 1, 2012 who enter DROP between the 23rd and 25th year of service, Member Contributions will continue until the employment is terminated or the member has 25 years of service with the Coral Springs Police Department as a Police Officer or a supervisory officer or any combination thereof.

Rate of Return

At Member's election, his monthly retirement benefits are deposited into an account of his design for investment. Members may choose any of the investment options made available by the vendor selected by the city. DROP balances will be adjusted for any COLA adjustments that a retiree would receive.

Form of Distribution

Cash lump sum (options available) at termination of employment, periodic payments, an annuity or a combination.

Cost-of-Living Adjustment

Benefits are automatically increased 2.5% as of each January 1 for all Continuous Service earned before October 1, 2012. Benefits are automatically increased 1.0% as of each January 1 that occurs at least five years after retirement for all Continuous Service earned on or after October 1, 2012.

For any member who attained 20 years of service as of October 1, 2012, the entire benefit is automatically increased 2.5% as of each January 1.