

City of Melbourne Firefighters' Retirement System

Actuarial Valuation Report as of October 1, 2025

Annual Employer Contribution for the Fiscal Year Ending
September 30, 2027





February 4, 2026

Board of Trustees
City of Melbourne Firefighters'
Retirement System
Melbourne, Florida

Dear Members of the Board:

The results of the October 1, 2025 Actuarial Valuation of the City of Melbourne (City) Firefighters' Retirement System (Plan) are presented in this report.

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

The purposes of the valuation are to measure the Plan's funding progress, to determine the employer contribution rate for the fiscal year ending September 30, 2027, and to determine the actuarial information for Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 960 for the plan year ending September 30, 2025. This report should not be relied on for any purpose other than the purposes described herein. Determinations of financial results associated with the benefits described in this report for purposes other than those identified above may be significantly different.

The contribution rate in this report is determined using the actuarial assumptions and methods disclosed in Section B of this report. This report includes risk metrics in Section A but does not include a more robust assessment of the risks of future experience not meeting the actuarial assumptions. Additional assessment of risks was outside the scope of this assignment.

This valuation assumed the continuing ability of the plan sponsor to make the contributions necessary to fund this plan. A determination regarding whether or not the plan sponsor is actually able to do so is outside our scope of expertise and was not performed.

The findings in this report are based on data or other information through October 1, 2025. The valuation was based upon information furnished by the Plan Administrator and the City concerning retirement plan benefits, financial transactions, plan provisions and active members, terminated members, retirees and beneficiaries. We checked for internal reasonability and year-to-year consistency, but did not audit the data. We are not responsible for the accuracy or completeness of the information provided by the Plan Administrator and the City.

In addition, this report was prepared using certain assumptions approved by the Board as authorized under Florida Statutes and prescribed by the Florida Statutes, as described in the section of this report entitled "Actuarial Assumptions and Methods". The investment return assumption was prescribed by the Board, and the assumed mortality rates detailed in the Actuarial Assumptions and Cost Methods section were prescribed by Chapter 112.63, Florida Statutes. All actuarial assumptions used in this report are

reasonable for purposes of this valuation. The combined effect of the assumptions, excluding prescribed assumptions or methods set by law, is expected to have no significant bias (i.e., they are not significantly optimistic or pessimistic).

This report was prepared using ProVal's valuation model, a software product of Winklevoss Technologies. We are relying on the ProVal model. We performed tests of the ProVal model with this assignment and made a reasonable attempt to understand the developer's intended purpose of, general operation of, major sensitivities and dependencies within, and key strengths and limitations of the ProVal model. In our professional judgment, the ProVal valuation model has the capability to provide results that are consistent with the purposes of the valuation and has no material limitations or known weaknesses.

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

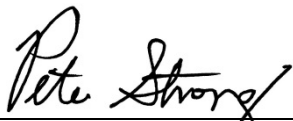
Peter N. Strong and Nicolas Lahaye are members of the American Academy of Actuaries. These actuaries meet the Academy's Qualification Standards to render the actuarial opinions contained herein.

The signing actuaries are independent of the plan sponsor.

This actuarial valuation and/or cost determination was prepared and completed by us or under our direct supervision, and we acknowledge responsibility for the results. To the best of our knowledge, the results are complete and accurate. In our opinion, the techniques and assumptions used are reasonable, meet the requirements and intent of Part VII, Chapter 112, Florida Statutes, and are based on generally accepted actuarial principles and practices. 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.

Gabriel, Roeder, Smith & Company will be pleased to review this valuation report with the Board of Trustees and to answer any questions pertaining to the valuation.

Respectfully submitted,
Gabriel, Roeder, Smith & Company



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TABLE OF CONTENTS

Section	Title	Page
A	Discussion of Valuation Results	
	1. Discussion of Valuation Results	1
	2. Risks Associated with Measuring the Accrued Liability and ADC	5
	3. Low-Default-Risk Obligation Measure	8
	4. Chapter Revenue	9
B	Valuation Results	
	1. Participant Data	10
	2. Actuarially Determined Contribution	11
	3. Actuarial Value of Benefits and Assets	12
	4. Calculation of Employer Normal Cost	13
	5. Liquidation of the Unfunded Actuarial Accrued Liability	14
	6. Actuarial Gains and Losses	15
	7. Recent History of Valuation Results	19
	8. Recent History of Required and Actual Contributions	19
	9. Actuarial Assumptions and Methods	20
	10. Glossary of Terms	27
C	Pension Fund Information	
	1. Summary of Assets	30
	2. Pension Fund Income and Disbursements	31
	3. Actuarial Value of Assets	32
	4. Investment Rate of Return	33
	5. DROP and Share Plan Reconciliations	34
	6. History of State Contributions	35
	7. Enhanced Benefit Account	36
	8. History of Enhanced Benefit Account	37
D	Financial Accounting Information	
	1. FASB ASC 960	38
E	Miscellaneous Information	
	1. Reconciliation of Membership Data	39
	2. Active Participant Distribution	40
	3. Inactive Participant Distribution	41
F	Summary of Plan Provisions	42



SECTION A

DISCUSSION OF VALUATION RESULTS

DISCUSSION OF VALUATION RESULTS

Comparison of Required Employer Contributions

The following is a comparison of the required employer contributions developed in this year's versus last year's actuarial valuations.

	For FYE 9/30/2027 Based on 10/1/2025 Valuation	For FYE 9/30/2026 Based on 10/1/2024 Valuation	Increase (Decrease)
Required Total Employer Contribution	\$ 5,240,900	\$ 4,740,314	\$ 500,586
As % of Covered Payroll	46.53 %	48.13 %	(1.60) %
Estimated State Contribution	\$ 774,751	\$ 746,219	\$ 28,532
As % of Covered Payroll	6.88 %	7.58 %	(0.70) %
Expected Net Required City Contribution	\$ 4,466,149	\$ 3,994,095	\$ 472,054
As % of Covered Payroll	39.65 %	40.55 %	(0.90) %
Expected Net Required City Contribution Rate As % of Covered Payroll including DROP Payroll	34.38 %	34.09 %	0.29 %

The contributions shown above have been adjusted for interest on the basis that City contributions are made biweekly and the State contribution is received at the end of the year. The required City contribution has been computed under the assumption that the amount to be received from the State in 2027 that can be used to fund the Plan will be equal to the amount used to fund the Plan in 2025 (\$774,751). If the actual payment from the State that can be used to fund the Plan falls below this amount, then the City must increase its contribution by the difference.

Per Ordinance No. 2017-46, effective October 10, 2017, for premium tax revenues received in any plan year after October 1, 2015 over that for calendar year 2012 in the amount of \$587,845, 50% is allocated to the Share Plan and 50% is used to reduce the City's required contribution. The actual amount of State money received in 2025 was \$961,657. Of this, \$186,906 has been allocated to Share Plan accounts and \$774,751 has been allocated towards the required employer contribution.

Revisions in Benefits

There were no revisions in benefits since the previous valuation.



Revisions in Actuarial Assumptions and Methods

As approved by the Board of Trustees, the following revisions in assumptions were reflected in this valuation based on the Assumption Study and Experience Investigation for the Six Years Ended September 30, 2024 (report dated October 23, 2025)*:

- Updated future salary increase assumption to reflect higher observed real salary increases (net of actual inflation) than expected during the first 7 years of service, but lower observed real salary increases (net of actual inflation) than expected after completion of 7 years.

** Based on the collective bargaining agreement between the City and the International Association of Firefighters Local 1951 Union for the period October 1, 2024 through September 30, 2027, a temporary floor was applied to the updated total salary increase rates adopted pursuant to the experience study to reflect negotiated across-the-board base wage increases of 9% per year effective October 1, 2025 and October 1, 2026.*

- Updated assumed rates of future retirement to reflect generally lower observed retirement experience than expected, but higher observed early retirement experience than expected for members with 20-24 years of service at ages less than 55, and as selected by the Board, reflecting an adjustment to a 100% probability of retirement/DROP Entry when service is greater than 25 years.
- Updated assumed rates of future separation from employment to reflect higher overall average observed rates of separation experience than expected, particularly for members with less than 5 years of service (but lower than expected for members with 5 or more years of service at ages 45+).
- Updated the mortality assumption to the current mortality assumption being used by the Florida Retirement System (FRS), which was updated effective July 1, 2024 by the FRS, as required under Florida Statutes.
- Updated the investment assumption to 6.90%, with further annual incremental reductions over the next two years, i.e., to 6.80% as of October 1, 2026, and to 6.75% as of October 1, 2027. These reductions exceed the minimum reduction recommended in the experience study (i.e., lowering the prior assumption of 7.125% to at most 7.00%).

The combined impact of these assumption changes increased the required City contribution by 1.88% of covered payroll and increased the unfunded actuarial accrued liability by \$4,377,669.

Actuarial Experience

There was a net actuarial experience gain of \$158,366 for the year, which means actual overall plan experience was slightly more favorable than expected. The actuarial gain was primarily due to favorable investment experience. The recognized investment return on the smoothed actuarial value of assets was 9.5% which was higher than the assumed rate of 7.125%. Based on the market value of assets, the investment return during the year ending September 30, 2025 was 10.8%, but the lower than assumed return on the market value of assets during fiscal year 2022 (-11.8%) is still being phased-in to the actuarial value of assets, and this phase-in offsets the phase-ins of the market value gains during fiscal years 2021



(17.2%), 2023 (9.7%), 2024 (22.1%) and 2025 (10.8%). The average return on the market value of assets over the five-year period through fiscal year 2025 was 8.9%. Investment experience (on the smoothed actuarial value of assets) accounted for \$2,125,247 in total actuarial experience gains.

The actuarial experience gain on the actuarial value of assets was partially offset by a net actuarial experience loss on the accrued liability due to demographic experience, primarily significantly higher than expected average salary increases for continuing active members (12.6% actual versus 6.0% expected) mainly attributable to a 10% across-the-board salary increase effective in October 2024 pursuant to the aforementioned CBA, two plan entry date adjustments to reflect service purchases completed during the year, and overall lower than expected inactive member mortality experience. This demographic experience accounted for approximately \$1,967,000 in actuarial experience losses (of which approximately \$1.3 million was due to salary increase experience).

The net overall actuarial experience gain decreased the required City contribution by 0.13% of covered payroll.

Funded Ratio

The funded ratio as of October 1, 2025 is 81.0% (84.1% before assumption changes) compared to 81.9% as of October 1, 2024. The funded ratio is equal to the actuarial value of assets divided by the actuarial accrued (past service) liability.

Analysis of Change in City Contribution

The components of change in the required City contribution are as follows:

City Contribution Rate for FYE 9/30/2026	40.55 %
Changes in Benefit/Plan Provisions	0.00
Changes in Actuarial Assumptions/Methods	1.88
Change in Amortization Payment on UAAL	(2.51)
Experience (Gain)/Loss	(0.13)
Change in Normal Cost Rate	(0.60)
Change in Administrative Expenses	0.13
Change in State Contribution	<u>0.33</u>
City Contribution Rate for FYE 9/30/2027	39.65 %

Variability of Future Contribution Rates

The Actuarial Cost Method used to determine the contribution rate is intended to produce contribution rates which are generally level as a percent of payroll. Even so, when experience differs from the assumptions, as it often does, the employer's contribution rate can vary significantly from year-to-year.

Over time, if the year-to-year gains and losses offset each other, the contribution rate would be expected to return to the current level, but this does not always happen.

The Market Value of Assets exceeds the Actuarial Value of Assets by \$7,478,280 as of the valuation date (see Section C). This difference will be recognized over the next few years in the absence of offsetting



gains/losses. This is expected to decrease the required employer contribution rate by approximately 5.84% of covered payroll.

Relationship to Market Value

If the Market Value of Assets had been the basis for this valuation, the City contribution rate would have been 33.81% (or a dollar amount of \$3,808,264), and the funded ratio would have been 87.2% (90.5% prior to recognizing the assumption changes). In the absence of future gains and losses, assumption changes or plan changes, the City contribution rate should decrease towards that level over the next few years. The funded ratio on a Market Value basis was 87.0% as of October 1, 2024.

Conclusion

It is our opinion that the current investment return assumption of 6.90% does not fall outside of a reasonable range based on current capital market forecasts and the plan's current and target asset allocation, but we recommend and support the Board's decision to continue reducing the assumption incrementally over the next two years, i.e., lowering it to 6.80% as of October 1, 2026 and to 6.75% as of October 1, 2027.

When the investment return assumption is lowered, the required City contribution will increase in the short-term, but there will be a higher probability the Plan will meet or exceed its assumed return in future years. In other words, there would be a lower probability the Plan will experience investment losses.

The remainder of this report includes detailed actuarial valuation results, financial information, miscellaneous information and statistics, a summary of actuarial assumptions, and a summary of plan provisions.

RISKS ASSOCIATED WITH MEASURING THE ACCRUED LIABILITY AND ACTUARIALLY DETERMINED CONTRIBUTION

The determination of the accrued liability and the actuarially determined contribution requires the use of assumptions regarding future economic and demographic experience. Risk measures, as illustrated in this report, are intended to aid in the understanding of the effects of future experience differing from the assumptions used in the course of the actuarial valuation. Risk measures may also help with illustrating the potential volatility in the accrued liability and the actuarially determined contribution that result from the differences between actual experience and the actuarial assumptions.

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

Examples of risk that may reasonably be anticipated to significantly affect the plan's future financial condition include:

1. Investment risk – actual investment returns may differ from the expected returns;
2. Contribution risk – actual contributions may differ from expected future contributions. For example, actual contributions may not be made in accordance with the plan's funding policy or material changes may occur in the anticipated number of covered employees, covered payroll, or other relevant contribution base;
3. Salary and Payroll risk – actual salaries and total payroll may differ from expected, resulting in actual future accrued liability and contributions differing from expected;
4. Longevity risk – members may live longer or shorter than expected and receive pensions for a period of time other than assumed;
5. Other demographic risks – members may terminate, retire or become disabled at times or with benefits other than assumed resulting in actual future accrued liability and contributions differing from expected.

The effects of certain trends in experience can generally be anticipated. For example if the investment return since the most recent actuarial valuation is less (or more) than the assumed rate, the cost of the plan can be expected to increase (or decrease). Likewise if longevity is improving (or worsening), increases (or decreases) in cost can be anticipated.

The contribution rate shown on page 1 may be considered a minimum contribution rate that complies with the Board’s funding policy and state statutes. The timely receipt of the actuarially determined contributions is critical to support the financial health of the plan. Users of this report should be aware that contributions made at the actuarially determined rate do not necessarily guarantee benefit security.

Plan Maturity Values

Risks facing a pension plan evolve over time. A young plan with virtually no investments and paying few benefits may experience little investment risk. An older plan with a large number of members in pay status and a significant trust may be much more exposed to investment risk. Generally accepted plan maturity measures include the following:

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Ratio of the market value of assets to total payroll	9.3	9.7	8.5
Ratio of actuarial accrued liability to payroll	10.7	11.2	11.3
Ratio of actives to retirees and beneficiaries	1.0	1.0	1.0
Ratio of net cash flow to market value of assets	-1.0%	-1.0%	-1.4%

Ratio of Market Value of Assets to Payroll

The relationship between assets and payroll is a useful indicator of the potential volatility of contributions. For example, if the market value of assets is 2.0 times the payroll, a return on assets 5% different than assumed would equal 10% of payroll. A higher (lower) or increasing (decreasing) level of this maturity measure generally indicates a higher (lower) or increasing (decreasing) volatility in plan sponsor contributions as a percentage of payroll.

Ratio of Actuarial Accrued Liability to Payroll

The relationship between actuarial accrued liability and payroll is a useful indicator of the potential volatility of contributions for a fully funded plan. A funding policy that targets a funded ratio of 100% is expected to result in the ratio of assets to payroll and the ratio of liability to payroll converging over time. The ratio of liability to payroll may also be used as a measure of sensitivity of the liability itself. For example, if the actuarial accrued liability is 2.5 times the payroll, a change in liability 2% other than assumed would equal 5% of payroll. A higher (lower) or increasing (decreasing) level of this maturity measure generally indicates a higher (lower) or increasing (decreasing) volatility in liability (and also plan sponsor contributions) as a percentage of payroll.

Ratio of Actives to Retirees and Beneficiaries

A young plan with many active members and few retirees will have a high ratio of active to retirees. A mature open plan may have close to the same number of actives to retirees resulting in a ratio near 1.0. A super-mature or closed plan may have significantly more retirees than actives resulting in a ratio below 1.0.



Ratio of Net Cash Flow to Market Value of Assets

A positive net cash flow means contributions exceed benefits and expenses. A negative cash flow means existing funds are being used to make payments. A certain amount of negative net cash flow is generally expected to occur when benefits are prefunded through a qualified trust. Large negative net cash flows as a percent of assets may indicate a super-mature plan or a need for additional contributions.

Additional Risk Assessment

Additional risk assessment is outside the scope of the annual actuarial valuation. Additional assessment may include scenario tests, sensitivity tests, stochastic modeling, stress tests, and a comparison of the present value of accrued benefits at low-risk discount rates with the actuarial accrued liability.

LOW-DEFAULT-RISK OBLIGATION MEASURE

Actuarial Standards of Practice No. 4 (ASOP No. 4) was revised and reissued in December 2021 by the Actuarial Standards Board (ASB). It includes a calculation called a low-default-risk obligation measure (LDROM) to be prepared and issued annually for defined benefit pension plans. The transmittal memorandum for ASOP No. 4 includes the following explanation:

“The ASB believes that the calculation and disclosure of this measure provides appropriate, useful information for the intended user regarding the funded status of a pension plan. The calculation and disclosure of this additional measure is not intended to suggest that this is the “right” liability measure for a pension plan. However, the ASB does believe that this additional disclosure provides a more complete assessment of a plan’s funded status and provides additional information regarding the security of benefits that members have earned as of the measurement date.”

The following information has been prepared in compliance with this requirement. Unless otherwise noted, the measurement date, actuarial cost methods, and assumptions used are the same as for the funding valuation covered in this actuarial valuation report.

A. Low-default-risk Obligation Measure of benefits earned as of the measurement date: \$148,869,932 (compared to AAL of \$120,189,325 developed using funding assumptions)

B. Discount rate used to calculate the LDROM: 4.90% based on Bond Buyer “20-Bond GO Index” as of September 25, 2025

C. Other significant assumptions that differ from those used for the funding valuation: None

D. Actuarial cost method used to calculate the LDROM: Individual Entry-Age Actuarial Cost Method

E. Valuation procedures to value any significant plan provisions that are difficult to measure using traditional valuation procedures, and that differ from the procedures used in the funding valuation: None

F. Commentary to help the intended user understand the significance of the LDROM with respect to the funded status of the plan, plan contributions, and the security of participant benefits: The LDROM is a market-based measurement of the pension obligation. It estimates the amount the plan would need to invest in low risk securities to provide the benefits with greater certainty. This measure may not be appropriate for assessing the need for or amount of future contributions. This measure may not be appropriate for assessing the sufficiency of plan assets to cover the estimated cost of settling the plan’s benefit obligation.

The difference between the two measures (Valuation and LDROM) is one illustration of the savings the sponsor anticipates by taking on the risk in a diversified portfolio.



CHAPTER REVENUE

Under Chapter 175, as amended by Senate Bill 172, State premium tax revenue may be used in any way as long as mutual consent exists between the parties and as long as all Chapter minimum benefits are in place. As of the valuation date, all minimum Chapter requirements have been met.

Per Ordinance No. 2017-46, effective October 10, 2017, for premium tax revenues received in any plan year after October 1, 2015 over that for calendar year 2012 in the amount of \$587,845, 50% is allocated to the Share Plan and 50% is used to reduce the City's required contribution.

Actuarial Confirmation of the Use of State Chapter Money	
1. Regular Amount Received for Previous Plan Year	\$ 694,005
Supplemental Amount Received for Previous Plan Year	<u>267,652</u>
Total Amount Received for Previous Plan Year	961,657
2. Base Amount (Applied toward Required Contribution)	587,845
3. Excess Funds for Previous Plan Year: (1) - (2)	373,812
4. 50% of Excess Applied to Share Plan Allocations	186,906
5. 50% of Excess Applied to Offset Required City Contribution	186,906
6. Total Applied Toward Required Employer Contribution: (2) + (5)	774,751
7. Estimated Amount Expected to be Received This Plan Year	961,657

SECTION B

VALUATION RESULTS

PARTICIPANT DATA		
	October 1, 2025	October 1, 2024
ACTIVE MEMBERS		
Number	135	135
Covered Annual Payroll	\$ 11,264,390	\$ 9,849,270
Average Annual Payroll	\$ 83,440	\$ 72,958
Average Age	37.0	36.6
Average Past Service	10.5	9.9
Average Age at Hire	26.5	26.7
SERVICE RETIREES, DROP RETIREES & BENEFICIARIES**		
Number	126	126
Annual Benefits	\$ 6,168,305	\$ 6,067,339
Average Annual Benefit	\$ 48,955	\$ 48,153
Average Age	67.4	66.9
DISABILITY RETIREES		
Number	5	5
Annual Benefits	\$ 104,981	\$ 104,981
Average Annual Benefit	\$ 20,996	\$ 20,996
Average Age	56.0	55.0
TERMINATED VESTED MEMBERS & MEMBERS DUE REFUNDS		
Number Due Refunds	14	4
Number Due a Deferred Benefit	5	5
Annual Benefits*	\$ 144,794	\$ 144,794
Average Annual Benefit*	\$ 28,959	\$ 28,959
Average Age*	43.4	42.4

* Excludes terminated members due a refund of contributions.

** Excludes 1 beneficiary only receiving DROP distributions.



ACTUARIALLY DETERMINED CONTRIBUTION (ADC)

	October 1, 2025	October 1, 2025	October 1, 2024
	<i>After Assumption Changes</i>	<i>Before Assumption Changes</i>	
A. Valuation Date	October 1, 2025	October 1, 2025	October 1, 2024
B. ADC to Be Paid During Fiscal Year Ending	September 30, 2027	September 30, 2027	September 30, 2026
C. Assumed Dates of Employer Contributions			
1. City	Biweekly	Biweekly	Biweekly
2. State	End of Year	End of Year	End of Year
D. Annual Payment to Amortize Unfunded Actuarial Accrued Liability	\$ 2,411,252	\$ 2,085,611	\$ 2,152,580
E. Total Normal Cost	3,069,201	2,957,464	2,763,706
F. Total ADC if Paid on the Valuation Date: D + E	5,480,453	5,043,075	4,916,286
G. Total ADC Projected to Beginning of Contribution Year (at assumed interest rate)	5,858,604	5,402,394	5,266,571
H. Total ADC Adjusted for Frequency of Payments to Contribution Year	6,085,729	5,620,619	5,479,009
I. Covered Payroll	11,264,390	10,703,412	9,849,270
J. Total ADC as % of Covered Payroll	54.03%	52.51%	55.63%
K. Estimate of State Revenue in Contribution Year	774,751	774,751	746,219
L. Estimate of State Revenue in Contribution Year as of % of Covered Payroll	6.88%	7.24%	7.58%
M. Expected Member Contribution	844,829	802,756	738,695
N. Expected Member Contribution Rate	7.50%	7.50%	7.50%
O. Net Required City Contribution in Contribution Year: H - K - M	4,466,149	4,043,112	3,994,095
P. Net Required City Contribution as a % of Covered Payroll in Contribution Year	39.65%	37.77%	40.55%



ACTUARIAL VALUE OF BENEFITS AND ASSETS

A. Valuation Date	October 1, 2025 <i>After Assumption Changes</i>	October 1, 2025 <i>Before Assumption Changes</i>	October 1, 2024
B. Actuarial Present Value of All Projected Benefits for			
1. Active Members			
a. Service/DROP Retirement Benefits	\$ 61,029,573	\$ 58,663,305	\$ 52,688,990
b. Vested Deferred Benefits	1,810,564	1,410,844	1,314,306
c. Return of Member Contributions	183,263	182,748	176,607
d. Preretirement Death Benefits	467,413	562,872	523,684
e. Disability Benefits	<u>3,845,491</u>	<u>4,958,094</u>	<u>4,651,374</u>
f. Total	67,336,304	65,777,863	59,354,961
2. Inactive Members			
a. Service/DROP Retirees*	69,866,798	67,019,129	66,847,347
b. Terminated Vested Members**	1,425,280	1,340,458	1,182,362
c. Beneficiaries	6,183,272	5,894,186	5,465,688
d. Disability Retirees	<u>1,117,811</u>	<u>1,083,525</u>	<u>1,097,450</u>
e. Total	78,593,161	75,337,298	74,592,847
3. Share Plan Balances	752,996	752,996	515,789
4. Total for All Members	146,682,461	141,868,157	134,463,597
C. Actuarial Accrued (Past Service) Liability (Entry Age Normal)	120,189,325	115,811,656	109,931,664
D. Actuarial Value of Accumulated Plan Benefits per FASB ASC 960	110,301,683	105,322,115	100,614,297
E. Plan Assets			
1. Market Value	104,860,050	104,860,050	95,685,936
2. Actuarial Value	97,381,770	97,381,770	89,997,662
F. Unfunded Actuarial Accrued Liability	22,807,555	18,429,886	19,934,002
G. Actuarial Present Value of Projected Covered Payroll	106,453,882	102,907,501	95,509,482
H. Actuarial Present Value of Projected Member Contributions	7,984,041	7,718,063	7,163,211
I. Accumulated Member Contributions	5,731,901	5,731,901	5,228,592
J. Funded Ratio: E2 ÷ C	81.0%	84.1%	81.9%

* Includes DROP balances.

** Includes terminated members due refunds of contributions.



CALCULATION OF EMPLOYER NORMAL COST

A. Valuation Date	October 1, 2025	October 1, 2025	October 1, 2024
	<i>After Assumption Changes</i>	<i>Before Assumption Changes</i>	
B. Normal Cost for			
1. Service/DROP Retirement Benefits	\$ 2,405,277	\$ 2,226,760	\$ 2,086,261
2. Vested Deferred Benefits	129,267	102,139	93,909
3. Return of Member Contributions	30,703	26,663	25,216
4. Preretirement Death Benefits	40,492	49,189	46,450
5. Disability Benefits	<u>290,045</u>	<u>379,296</u>	<u>363,485</u>
6. Total for Future Benefits	2,895,784	2,784,047	2,615,321
7. Assumed Amount for Administrative Expenses	<u>173,417</u>	<u>173,417</u>	<u>148,385</u>
8. Total Normal Cost	3,069,201	2,957,464	2,763,706
C. Expected Member Contributions	844,829	802,756	738,695
D. Employer Normal Cost: B8 - C	2,224,372	2,154,708	2,025,011
E. Employer Normal Cost as a % of Covered Payroll	19.75%	20.13%	20.56%

LIQUIDATION OF THE UNFUNDED ACTUARIAL ACCRUED LIABILITY (UAAL)

UAAL Amortization Period and Payments						
Date	Source	Original Amount	Years Remaining	Current Amount	Payment Before Changes	Payment After Changes
10/1/2017	Fresh Start	\$ 17,612,523	10.15183	\$ 10,794,699	\$ 1,428,010	\$ 1,416,038
10/1/2018	(Gain)/Loss	(710,692)	18	(537,350)	(50,317)	(49,611)
10/1/2018	Assumption Changes	2,094,555	18	1,583,681	148,295	146,215
10/1/2019	(Gain)/Loss	315,063	19	247,145	22,531	22,201
10/1/2019	Assumption Changes	2,267,987	19	1,779,082	162,192	159,816
10/1/2020	(Gain)/Loss	(371,713)	20	(301,199)	(26,798)	(26,390)
10/1/2020	Assumption Changes	(2,196,715)	20	(1,779,999)	(158,371)	(155,955)
10/1/2021	(Gain)/Loss	(1,395,967)	21	(1,196,157)	(104,087)	(102,438)
10/1/2021	Assumption Changes	1,166,660	21	999,671	86,989	85,611
10/1/2022	(Gain)/Loss	3,054,635	22	2,777,271	236,816	232,931
10/1/2023	(Gain)/Loss	4,352,698	23	4,116,199	344,523	338,683
10/1/2024	(Gain)/Loss	108,781	24	105,209	8,657	8,506
10/1/2025	(Gain)/Loss	(158,366)	25	(158,366)	(12,829)	(12,598)
10/1/2025	Assumption Changes	4,377,669	25	4,377,669	N/A	348,243
		<u>\$ 30,517,118</u>		<u>\$ 22,807,555</u>	<u>\$ 2,085,611</u>	<u>\$ 2,411,252</u>

Amortization Schedule	
Year	Expected UAAL
2025	\$ 22,807,555
2026	21,803,648
2027	20,730,471
2028	19,583,245
2029	18,356,861
2030	17,045,856
2035	9,002,466
2040	6,152,905
2045	2,891,848
2050	-

The UAAL above is being amortized as a level dollar amount over the number of years remaining in the amortization period.



ACTUARIAL GAINS AND LOSSES

The assumptions used to anticipate mortality, employment turnover, investment income, expenses, salary increases, and other factors have been based on long range trends and expectations. Actual experience can vary from these expectations. The variance is measured by the gain and loss for the period involved. If significant long term experience reveals consistent deviation from what has been expected and that deviation is expected to continue, the assumptions should be modified. The net actuarial gain (loss) for the past year is computed as follows:

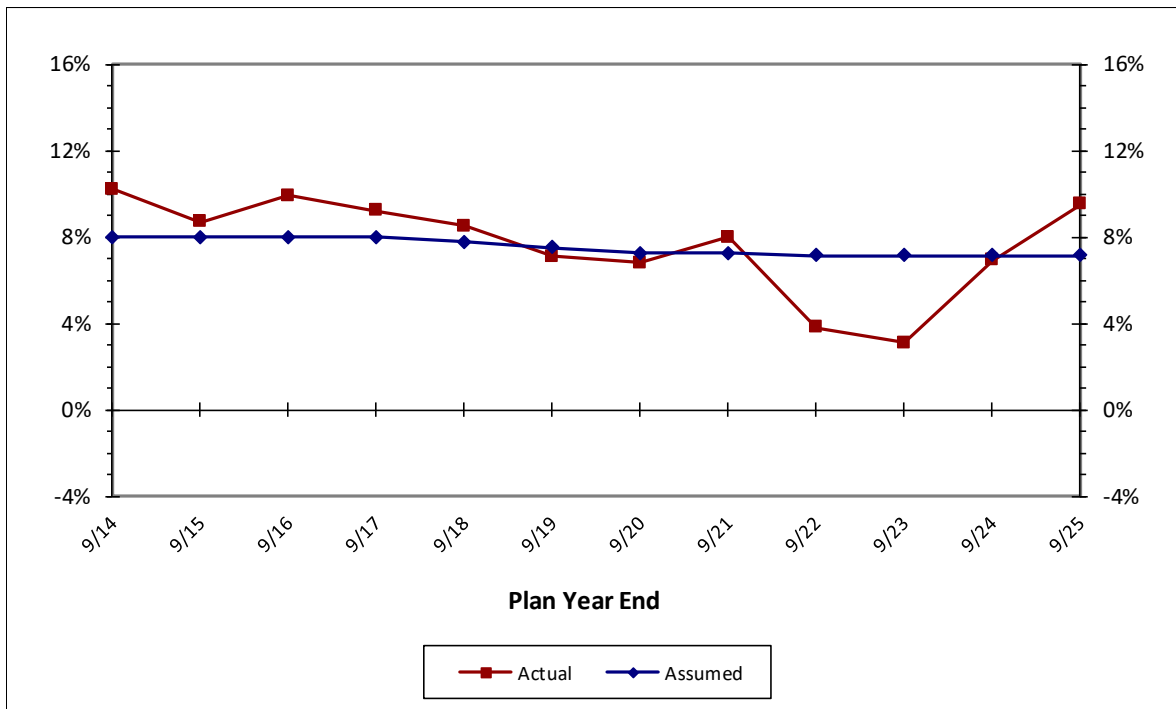
1. Last Year's UAAL	\$ 19,934,002
2. Last Year's Employer Normal Cost (including actual administrative expenses and subtracting actual employee contributions, adjusted for timing)	1,793,932
3. Last Year's Employer Contributions	4,740,096
4. Interest at the Assumed Rate on:	
a. 1 and 2 for one year	1,548,115
b. 3 from dates paid	134,607
c. a - b	1,413,508
5. This Year's Expected UAAL (before any changes in benefits or assumptions): 1 + 2 - 3 + 4c	18,401,346
6. Change in UAAL due to changes in benefits or assumptions	4,377,669
7. Share Plan Annual Allocation (immediately recognized)	186,906
8. This Year's Expected UAAL (after any changes in benefits or assumptions): 5 + 6 + 7	22,965,921
9. This Year's Actual UAAL	22,807,555
10. Net Actuarial Gain (Loss): 8 - 9	158,366
11. Gain (Loss) due to Investments	2,125,247
12. Gain (Loss) from Other Sources	(1,966,881)

The fund earnings and salary increase assumptions have considerable impact on the cost of the Plan so it is important that they are in line with the actual experience. The following table shows the actual fund earnings and salary increase rates compared to the assumed rates for the last few years:

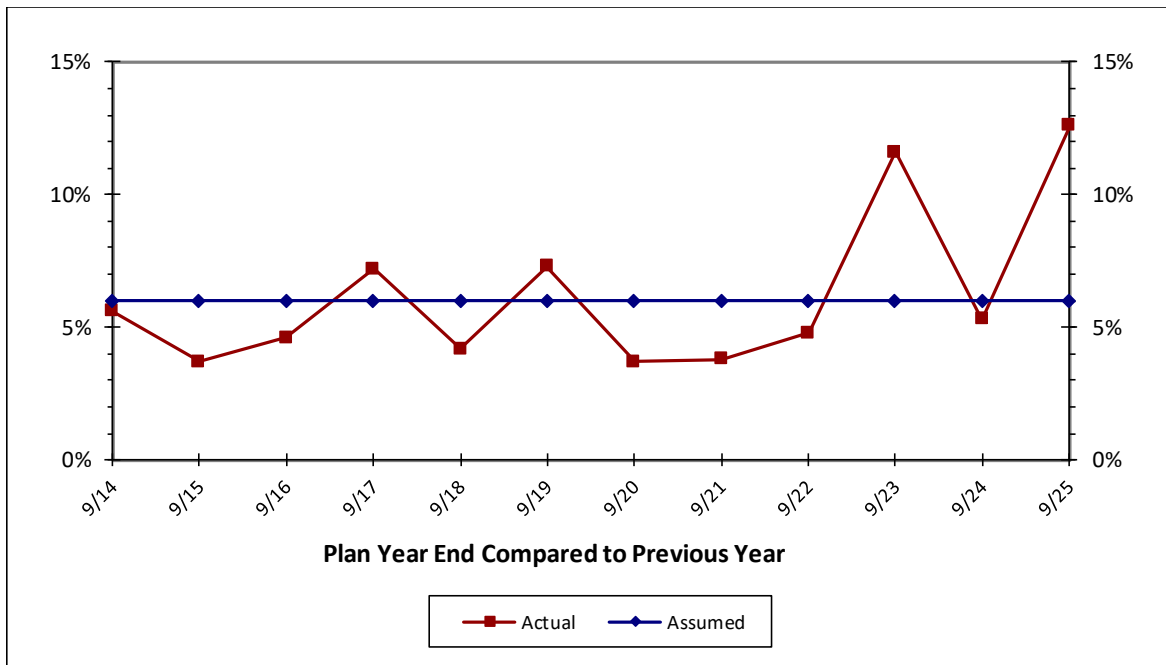
Year Ending	Investment Return		Salary Increases	
	Actual	Assumed	Actual	Assumed
9/30/2014	10.2 %	8.000 %	5.6 %	6.0 %
9/30/2015	8.7	8.000	3.7	6.0
9/30/2016	9.9	8.000	4.6	6.0
9/30/2017	9.2	8.000	7.2	6.0
9/30/2018	8.5	7.750	4.2	6.0
9/30/2019	7.1	7.500	7.3	6.0
9/30/2020	6.8	7.250	3.7	6.0
9/30/2021	8.0	7.250	3.8	6.0
9/30/2022	3.8	7.125	4.8	6.0
9/30/2023	3.1	7.125	11.6	6.0
9/30/2024	6.9	7.125	5.3	6.0
9/30/2025	9.5	7.125	12.6	6.0
Average	7.6 %	7.52 %	6.2 %	6.0 %

The actual investment return rates shown above are based on the actuarial value of assets. The actual salary increase rates shown above are the increases received by those active members who were included in the actuarial valuations both at the beginning and the end of each year.

History of Investment Return Based on Actuarial Value of Assets



History of Salary Increases



**Actual (A) Compared to Expected (E) Decrements
Among Active Employees**

Year Ended	Number Added During Year		Service/DROP Retirement		Disability Retirement		Death		Terminations				Active Members End of Year
	A	E	A	E	A	E	A	E	Vested	Other	Totals		
									A	A	A	E	
9/30/2022													132
9/30/2023	2	10	6	4	2	1	0	0	1	1	2	2	124
9/30/2024	16	5	3	4	0	1	0	0	0	2	2	2	135
9/30/2025	8	8	2	3	0	1	0	0	0	6	6	2	135
9/30/2026		9		5		1		0				3	



HISTORY OF VALUATION RESULTS									
Valuation Date	Number of		Covered Annual Payroll	Actuarial Value of Assets	Actuarial Accrued Liability - Entry Age	UAAL - Entry Age	Funded Ratio	Employer Normal Cost	
	Active Members	Inactive Members						Amount	% of Payroll
10/1/2022	132	130	\$ 8,694,334	\$ 83,639,808	\$ 101,142,299	\$ 17,502,491	82.7 %	\$ 1,544,582	17.77 %
10/1/2023	124	135	8,957,047	85,123,343	105,913,781	20,790,438	80.4	1,620,714	18.09
10/1/2024	135	140	9,849,270	89,997,662	109,931,664	19,934,002	81.9	1,793,932	18.21
10/1/2025 (b)	135	150	10,703,412	97,381,770	115,811,656	18,429,886	84.1	2,154,708	20.13
10/1/2025 (a)	135	150	11,264,390	97,381,770	120,189,325	22,807,555	81.0	2,224,372	19.75

HISTORY OF REQUIRED AND ACTUAL EMPLOYER CONTRIBUTIONS										
Valuation Date	Fiscal Year Ending	Required Employer Contributions						Actual Contributions		
		Total		Estimated State*		Estimated Net City		City	State*	Total
		Amount	% of Payroll	Amount	% of Payroll	Amount	% of Payroll			
10/1/2022	9/30/2024	\$ 4,064,512	46.75 %	\$ 588,390	6.77 %	\$ 3,476,122	39.98 %	\$ 3,318,293	\$ 746,219	\$ 4,064,512
10/1/2023	9/30/2025	4,553,190	50.84	745,770	8.33	3,807,420	42.51	3,778,439	774,751	4,553,190
10/1/2024	9/30/2026	4,740,314	48.13	746,219	7.58	3,994,095	40.55	---	---	---
10/1/2025 (b)	9/30/2027	4,817,863	45.01	774,751	7.24	4,043,112	37.77	---	---	---
10/1/2025 (a)	9/30/2027	5,240,900	46.53	774,751	6.88	4,466,149	39.65	---	---	---

* Net of Share Plan Allocation

(b) Before changes in actuarial assumptions/methods and/or plan provisions.

(a) After changes in actuarial assumptions/methods and/or plan provisions.



ACTUARIAL ASSUMPTIONS AND METHODS

Valuation Methods

Actuarial Cost Method - Normal cost and the allocation of benefit values between service rendered before and after the valuation date were determined using an **Individual Entry-Age Normal Actuarial Cost Method** having the following characteristics:

- (i) the annual normal cost for each individual active member, payable from the date of employment to the date of retirement, is sufficient to accumulate the value of the member's benefit at the time of retirement;
- (ii) each annual normal cost is a constant percentage of the member's year by year projected covered pay.

Actuarial gains/(losses), as they occur, reduce (increase) the Unfunded Actuarial Accrued Liability.

Financing of Unfunded Actuarial Accrued Liabilities - Unfunded Actuarial Accrued Liabilities (full funding credit if assets exceed liabilities) were amortized by level (principal & interest combined) dollar contributions over 25 years (except for the "Fresh Start" amortization base as of 10/1/2017).

Actuarial Value of Assets - The Actuarial Value of Assets phases in the difference between the expected and actual return on the Market Value of Assets at the rate of 20% per year. The Actuarial Value of Assets will be further adjusted to the extent necessary to fall within the corridor whose lower limit is 80% of the Market Value of Assets and whose upper limit is 120% of the Market Value of Assets. During periods when investment performance exceeds the assumed rate, Actuarial Value of Assets will tend to be less than Market Value. During periods when investment performance is less than assumed rate, Actuarial Value of Assets will tend to be greater than Market Value.

Valuation Assumptions

The actuarial assumptions used in the valuation are shown in this Section. Certain actuarial assumptions used in this valuation were adopted following the experience study report dated October 23, 2025.

Economic Assumptions

The investment return rate assumed in the valuation is 6.90% per year, compounded annually (net after investment expenses).

The inflation rate assumed in this valuation is 2.50% per year. The inflation rate is defined to be the expected long-term rate of increases in the prices of goods and services.

The assumed **real rate of return** over inflation is defined to be the portion of total investment return that is more than the assumed inflation rate. Considering other economic assumptions, the 6.90% investment return rate translates to an assumed real rate of return over inflation of 4.40%.

The assumed rate of increase in covered payroll from the current year to the contribution year is 0% per year.



The rates of salary increase used for individual members are below. This assumption is used to project a member’s current salary to the salaries upon which benefits will be based.

SALARY INCREASE ASSUMPTION			
Completed Years of Service	Assumed Inflation	Promotion, Productivity & Seniority	Total Rate*
0	2.50%	10.50%	13.00%
1 - 6	2.50%	3.75%	6.25%
7 - 12	2.50%	2.75%	5.25%
13 & Over	2.50%	1.75%	4.25%

**A temporary floor is applied to the total salary increase rates to reflect negotiated across-the-board base wage increases of 9% per year effective October 1, 2025 and October 1, 2026.*

If applicable, final year salary is increased using individual percentages equal to actual total accrued leave hours as of October 1, 2014 multiplied by hourly rate of pay at October 1, 2014 divided by annualized fiscal 2014 salary after removing pay for overtime in excess of 300 hours.

Demographic Assumptions

The **mortality tables** used in the valuation are the Pub-2010 Mortality Tables described below, with mortality improvements projected for all lives (including disabled lives) to all future years after 2010 using Scale MP-2021.

	Pre-Retirement Pub-2010 Table	Post-Retirement Pub-2010 Table
Female Healthy Participants	Benefits Weighted Safety Employee Female	Benefits Weighted Safety Healthy Retiree Female
Male Healthy Participants	Benefits Weighted Safety Employee Male, set forward 1 year	Benefits Weighted Safety Healthy Retiree Male, set forward 1 year
Female Disabled Participants	N/A	Headcount Weighted General Disabled Retiree Female, set forward 1 year
Male Disabled Participants	N/A	Headcount Weighted General Disabled Retiree Male
Female Beneficiaries	N/A	Headcount Weighted General Healthy Retiree Female
Male Beneficiaries	N/A	Headcount Weighted General Healthy Retiree Male, set back 1 year



These are the same rates used by the Florida Retirement System (FRS) in their July 1, 2024 Actuarial Valuation Report for Special Risk Class members (participants) and for Other than Special Risk or K-12 School Instructional members (beneficiaries). Florida Statutes Chapter 112.63(1)(f) mandates the use of the mortality tables used in either of the two most recently published actuarial valuation reports of FRS.

The following table presents post-retirement mortality rates and life expectancies at illustrative ages. These assumptions are used to measure the probabilities of each benefit payment being made after retirement.

FRS Healthy Post-Retirement Mortality for Special Risk Class Members

Sample Attained Ages (in 2025)	Probability of Dying Next Year		Future Life Expectancy (years)	
	Male	Female	Male	Female
50	0.20 %	0.13 %	34.83	37.81
55	0.32	0.25	29.78	32.70
60	0.57	0.45	24.92	27.78
65	0.98	0.72	20.34	23.11
70	1.61	1.15	16.10	18.70
75	2.77	1.97	12.26	14.61
80	5.02	3.53	8.93	10.98

The following table presents pre-retirement mortality rates and life expectancies at illustrative ages. These assumptions are used to measure the probabilities of active members dying prior to retirement.

FRS Healthy Pre-Retirement Mortality for Special Risk Class Members

Sample Attained Ages (in 2025)	Probability of Dying Next Year		Future Life Expectancy (years)	
	Male	Female	Male	Female
50	0.12 %	0.08 %	37.31	40.61
55	0.18	0.12	32.21	35.50
60	0.29	0.17	27.20	30.44
65	0.46	0.21	22.32	25.42
70	0.79	0.39	17.61	20.48
75	1.41	0.77	13.13	15.70
80	5.02	1.60	8.93	11.19

The following table presents disabled post-retirement mortality rates and life expectancies at illustrative ages. These assumptions are used to measure the probabilities of each benefit payment being made after disability retirement.

FRS Disabled Mortality for Special Risk Class Members

Sample Attained Ages	Probability of Dying Next Year		Future Life Expectancy (years)	
	Male	Female	Male	Female
50	1.61 %	1.38 %	25.55	28.20
55	2.09	1.73	22.07	24.57
60	2.73	2.14	18.92	21.18
65	3.36	2.41	16.06	17.92
70	3.96	2.88	13.35	14.66
75	4.99	4.01	10.70	11.51
80	7.06	6.23	8.23	8.71

The following table presents post-retirement mortality rates and life expectancies at illustrative ages for beneficiaries only. These assumptions are used to measure the probabilities of each survivor benefit payment being made after the death of a member (if any).

**FRS Healthy Post-Retirement Mortality for
Other than Special Risk or K-12 School Instructional Members
(Beneficiaries Only)**

Sample Attained Ages (in 2025)	Probability of Dying Next Year		Future Life Expectancy (years)	
	Male	Female	Male	Female
50	0.15 %	0.35 %	35.11	37.77
55	0.57	0.39	30.36	33.00
60	0.77	0.47	25.83	28.25
65	1.03	0.64	21.46	23.58
70	1.50	1.00	17.28	19.09
75	2.43	1.72	13.40	14.88
80	4.22	3.16	9.97	11.09



The rates of retirement used to measure the probability of eligible members retiring during the next year are as follows:

RETIREMENT ASSUMPTION		
Years of Service	Age	Rate
Under 20	Under 55	3%
	55 - 59	50%
	60 & Over	100%
20 - 24	Under 50	10%
	50 - 54	15%
	55 & Over	100%
25	Under 50	60%
	50 - 54	80%
	55 & Over	100%
26 & Over	All Ages	100%

Rates of separation from active membership were as shown below (rates do not apply to members eligible to retire and do not include separation on account of death or disability). This assumption measures the probabilities of members separating from employment for reasons other than death, disability, or retirement.

SEPARATION ASSUMPTION		
Completed Years of Service	Age	Rate
Less Than 1 1 - 4	Any	6.50%
	Any	4.50%
5 & Over	Under 45	1.75%
	45 - 50	0.40%
	Over 50	0.00%

Rates of disability among active member are shown below (100% of disabilities are assumed to be service-connected).

DISABILITY ASSUMPTION	
Age	Rate
30 & Under	0.20%
35	0.41%
40	0.63%
45	0.79%
50 & Over	1.44%

Changes from previous valuation:

As approved by the Board of Trustees, the following revisions in assumptions were reflected in this valuation based on the Assumption Study and Experience Investigation for the Six Years Ended September 30, 2024 (report dated October 23, 2025)*:

- Updated future salary increase assumption to reflect higher observed real salary increases (net of actual inflation) than expected during the first 7 years of service, but lower observed real salary increases (net of actual inflation) than expected after completion of 7 years.

** Based on the collective bargaining agreement between the City and the International Association of Firefighters Local 1951 Union for the period October 1, 2024 through September 30, 2027, a temporary floor was applied to the updated total salary increase rates adopted pursuant to the experience study to reflect negotiated across-the-board base wage increases of 9% per year effective October 1, 2025 and October 1, 2026.*

- Updated assumed rates of future retirement to reflect generally lower observed retirement experience than expected, but higher observed early retirement experience than expected for members with 20-24 years of service at ages less than 55, and as selected by the Board, reflecting an adjustment to a 100% probability of retirement when service is greater than 25 years..
- Updated assumed rates of future separation from employment to reflect higher overall average observed rates of separation experience than expected, particularly for members with less than 5 years of service (but lower than expected for members with 5 or more years of service at ages 45+).
- Updated the mortality assumption to the current mortality assumption being used by the Florida Retirement System (FRS), which was updated effective July 1, 2024 by the FRS, as required under Florida Statutes.
- Updated the investment assumption to 6.90%, with further annual incremental reductions over the next two years, i.e., to 6.80% as of October 1, 2026, and to 6.75% as of October 1, 2027.



MISCELLANEOUS AND TECHNICAL ASSUMPTIONS

<i>Administrative & Investment Expenses</i>	The investment return assumption is intended to be the return net of investment expenses. Annual administrative expenses are assumed to be equal to the prior year's expenses. Assumed administrative expenses are added to the Normal Cost.
<i>Benefit Service</i>	Exact fractional service is used to determine the amount of benefit payable.
<i>Decrement Operation</i>	Disability and mortality decrements operate during retirement eligibility.
<i>Decrement Timing</i>	Decrements of all types are assumed to occur at the beginning of the year.
<i>Eligibility Testing</i>	Eligibility for benefits is determined based upon the age nearest birthday and service nearest whole year on the date the decrement is assumed to occur.
<i>Forfeitures</i>	It is assumed that members separating from employment prior to becoming vested will receive a refund of their contributions. Any Member separating from employment after becoming vested is assumed to receive the monthly benefit earned through the termination date, beginning at what would have been the Member's normal retirement date had they not separated from employment.
<i>Incidence of Contributions</i>	City contributions are assumed to be made in equal biweekly installments during the year, and the State contribution is assumed to be made at the end of the year. Member contributions are assumed to be received continuously throughout the year based upon the computed percent of payroll shown in this report, and the actual payroll payable at the time contributions are made.
<i>Marriage Assumption</i>	100% of males and 100% of females are assumed to be married for purposes of death-in-service benefits. Male spouses are assumed to be the same age as female spouses for active member valuation purposes.
<i>Normal Form of Benefit</i>	A 10-year certain and life annuity is the normal form of benefit.
<i>Pay Increase Timing</i>	Beginning of fiscal year. This is equivalent to assuming that reported pays represent amounts paid to members during the year ended on the valuation date.
<i>Service Credit Accruals</i>	It is assumed that members accrue one year of service credit per year.

GLOSSARY

<i>Actuarial Accrued Liability (AAL)</i>	The difference between the Actuarial Present Value of Future Benefits, and the Actuarial Present Value of Future Normal Costs.
<i>Actuarial Assumptions</i>	Assumptions about future plan experience that affect costs or liabilities, such as: mortality, withdrawal, disablement, and retirement; future increases in salary; future rates of investment earnings; future investment and administrative expenses; characteristics of members not specified in the data, such as marital status; characteristics of future members; future elections made by members; and other items.
<i>Actuarial Cost Method</i>	A procedure for allocating the Actuarial Present Value of Future Benefits between the Actuarial Present Value of Future Normal Costs and the Actuarial Accrued Liability.
<i>Actuarial Equivalent</i>	Of equal Actuarial Present Value, determined as of a given date and based on a given set of Actuarial Assumptions.
<i>Actuarial Present Value (APV)</i>	The amount of funds required to provide a payment or series of payments in the future. It is determined by discounting the future payments with an assumed interest rate and with the assumed probability each payment will be made.
<i>Actuarial Present Value of Future Benefits (APVFB)</i>	The Actuarial Present Value of amounts which are expected to be paid at various future times to active members, retired members, beneficiaries receiving benefits, and inactive, non-retired members entitled to either a refund or a future retirement benefit. Expressed another way, it is the value that would have to be invested on the valuation date so that the amount invested plus investment earnings would provide sufficient assets to pay all projected benefits and expenses when due.
<i>Actuarial Valuation</i>	The determination, as of a valuation date, of the Normal Cost, Actuarial Accrued Liability, Actuarial Value of Assets, and related Actuarial Present Values for a plan. An Actuarial Valuation for a governmental retirement system typically also includes calculations of items needed for compliance with GASB.
<i>Actuarial Value of Assets</i>	The value of the assets as of a given date, used by the actuary for valuation purposes. This may be the market or fair value of plan assets or a smoothed value in order to reduce the year-to-year volatility of calculated results, such as the funded ratio and the actuarially determined contribution (ADC).

Actuarially Determined Contribution (ADC)

The employer's periodic required contributions, expressed as a dollar amount or a percentage of covered plan compensation. The ADC consists of the Employer Normal Cost and Amortization Payment.

Amortization Method

A method for determining the Amortization Payment. The most common methods used are level dollar and level percentage of payroll. Under the Level Dollar method, the Amortization Payment is one of a stream of payments, all equal, whose Actuarial Present Value is equal to the UAAL. Under the Level Percentage of Pay method, the Amortization Payment is one of a stream of increasing payments, whose Actuarial Present Value is equal to the UAAL. Under the Level Percentage of Pay method, the stream of payments increases at the rate at which total covered payroll of all active members is assumed to increase.

Amortization Payment

That portion of the plan contribution or ADC which is designed to pay interest on and to amortize the Unfunded Actuarial Accrued Liability.

Amortization Period

The period used in calculating the Amortization Payment.

Closed Amortization Period

A specific number of years that is reduced by one each year, and declines to zero with the passage of time. For example if the amortization period is initially set at 25 years, it is 24 years at the end of one year, 23 years at the end of two years, etc.

Employer Normal Cost

The portion of the Normal Cost to be paid by the employer. This is equal to the Normal Cost less expected member contributions.

Equivalent Single Amortization Period

For plans that do not establish separate amortization bases (separate components of the UAAL), this is the same as the Amortization Period. For plans that do establish separate amortization bases, this is the period over which the UAAL would be amortized if all amortization bases were combined upon the current UAAL payment.

Experience Gain/Loss

A measure of the difference between actual experience and that expected based upon a set of Actuarial Assumptions, during the period between two actuarial valuations. To the extent that actual experience differs from that assumed, Unfunded Actuarial Accrued Liabilities emerge which may be larger or smaller than projected. Gains are due to favorable experience, e.g., the assets earn more than projected, salaries do not increase as fast as assumed, members retire later than assumed, etc. Favorable experience means actual results produce actuarial liabilities not as large as projected by the actuarial assumptions. On the other hand, losses are the result of unfavorable experience, i.e., actual results that produce Unfunded Actuarial Accrued Liabilities which are larger than projected.



<i>Funded Ratio</i>	The ratio of the Actuarial Value of Assets to the Actuarial Accrued Liability.
<i>GASB</i>	Governmental Accounting Standards Board.
<i>Normal Cost</i>	The annual cost assigned, under the Actuarial Cost Method, to the current plan year.
<i>Open Amortization Period</i>	An open amortization period is one which is used to determine the Amortization Payment but which does not change over time. In other words, if the initial period is set as 25 years, the same 25-year period is used in determining the Amortization Period each year. In theory, if an Open Amortization Period is used to amortize the Unfunded Actuarial Accrued Liability, the UAAL will never completely disappear, but will become smaller each year, either as a dollar amount or in relation to covered payroll.
<i>Unfunded Actuarial Accrued Liability</i>	The difference between the Actuarial Accrued Liability and Actuarial Value of Assets.
<i>Valuation Date</i>	The date as of which the Actuarial Present Value of Future Benefits are determined. The benefits expected to be paid in the future are discounted to this date.

SECTION C

PENSION FUND INFORMATION

Statement of Plan Assets at Market Value

Item	September 30	
	2025	2024
A. Cash and Cash Equivalents	\$ 2,971,258	\$ 2,415,304
B. Receivables		
1. Member Contributions	\$ -	\$ -
2. Employer Contributions	-	-
3. Accounts Receivable	-	166,690
4. Investment Income and Other Receivables	104,940	95,953
5. Due from Other Funds	257,830	244,388
6. Total Receivables	<u>\$ 362,770</u>	<u>\$ 507,031</u>
C. Investments		
1. U.S. Bonds and Bills	13,666,753	12,786,299
2. Corporate Bonds	765,734	1,377,925
3. U.S. Common Stocks	65,429,226	56,358,179
4. Real Estate Funds	8,913,239	9,845,124
5. Foreign Bond Funds	2,535,728	2,364,055
6. Private Debt	5,415,355	5,642,471
7. Foreign Equity Funds	5,737,847	4,940,805
8. Total Investments	<u>\$ 102,463,882</u>	<u>\$ 93,314,858</u>
D. Liabilities		
1. Accounts Payable and Accrued Expenses	(94,029)	(69,301)
2. Due to Other Funds	-	-
3. Prepaid Contribution	(843,831)	(481,956)
4. Total Liabilities	<u>\$ (937,860)</u>	<u>\$ (551,257)</u>
E. Total Market Value of Assets Available for Benefits	\$ 104,860,050	\$ 95,685,936
F. Allocation of Investments		
1. U.S. Bonds and Bills	13.3%	13.7%
2. Corporate Bonds	0.7%	1.5%
3. U.S. Common Stocks	63.9%	60.4%
4. Real Estate Funds	8.7%	10.6%
5. Foreign Bond Funds	2.5%	2.5%
6. Private Debt	5.3%	6.0%
7. Foreign Equity Funds	5.6%	5.3%
8. Total Investments	<u>100.0%</u>	<u>100.0%</u>



Reconciliation of Plan Assets

Item	September 30	
	2025	2024
A. Market Value of Assets at Beginning of Year	\$ 95,685,936	\$ 79,203,666
B. Revenues and Expenditures		
1. Contributions		
a. Employee Contributions	\$ 1,024,068	\$ 916,251
b. Employer Contributions - City	3,778,439	3,318,293
c. Employer Contributions - State	961,657	904,593
d. Other	-	-
e. Total	\$ 5,764,164	\$ 5,139,137
2. Investment Income		
a. Interest, Dividends, and Other Income	\$ 2,487,826	\$ 2,107,819
b. Net Realized Gains/(Losses)	3,351,007	1,988,916
c. Net Unrealized Gains/(Losses)	4,871,068	13,765,078
d. Investment Expenses	(455,074)	(449,777)
e. Net Investment Income	\$ 10,254,827	\$ 17,412,036
3. Benefits and Refunds		
a. Regular Monthly Benefits	\$ (5,248,454)	\$ (5,254,207)
b. DROP Distributions	(1,345,796)	(646,304)
c. Share Plan Distributions	(3,980)	(3,783)
d. Refunds	(73,230)	(16,224)
e. Total	\$ (6,671,460)	\$ (5,920,518)
4. Administrative and Miscellaneous Expenses	\$ (173,417)	\$ (148,385)
5. Other	\$ -	\$ -
C. Market Value of Assets at End of Year	\$ 104,860,050	\$ 95,685,936

Development of Actuarial Value of Assets

Valuation Date – September 30	2024	2025	2026	2027	2028	2029
A. Actuarial Value of Assets Beginning of Year	\$ 85,123,343	\$ 89,997,662				
B. Market Value End of Year	95,685,936	104,860,050				
C. Market Value Beginning of Year	79,203,666	95,685,936				
D. Non-Investment/Administrative Net Cash Flow	(929,766)	(1,080,713)				
E. Investment Income						
E1. Actual Market Total: B - C - D	17,412,036	10,254,827				
E2. Assumed Rate of Return	7.125%	7.125%				
E3. Assumed Amount of Return	5,577,912	6,744,864				
E4. Amount Subject to Phase-In: E1 - E3	11,834,124	3,509,963				
F. Phased-In Recognition of Investment Income						
F1. Current Year: 20% * E4	2,366,825	701,993				
F2. First Prior Year	380,774	2,366,825	701,993			
F3. Second Prior Year	(3,191,711)	380,774	2,366,825	701,993		
F4. Third Prior Year	1,462,077	(3,191,711)	380,774	2,366,825	701,993	
F5. Fourth Prior Year	(791,792)	1,462,076	(3,191,713)	380,775	2,366,824	701,991
F6. Total Phase-Ins	226,173	1,719,957	257,879	3,449,593	3,068,817	701,991
G. Actuarial Value of Assets End of Year						
G1. Preliminary Actuarial Value of Assets End of Year:						
A + D + E3 + F6	\$ 89,997,662	\$ 97,381,770				
G2. Upper Corridor Limit: 120% * B	114,823,123	125,832,060				
G3. Lower Corridor Limit: 80% * B	76,548,749	83,888,040				
G4. Final Actuarial Value of Assets End of Year	89,997,662	97,381,770				
H. Difference between Market and Actuarial Value of Assets	5,688,274	7,478,280				
I. Actuarial Rate of Return	6.9%	9.5%				
J. Market Value Rate of Return	22.1%	10.8%				
K. Ratio of Actuarial Value of Assets to Market Value	94.1%	92.9%				

The Actuarial Value of Assets recognizes assumed investment return (line E3) fully each year. Differences between actual and assumed investment income (Line E4) are phased-in over a closed 5-year period. During periods when investment performance exceeds the assumed rate, Actuarial Value of Assets will tend to be less than Market Value. During periods when investment performance is less than the assumed rate, Actuarial Value of Assets will tend to be greater than Market Value. If assumed rates are exactly realized for 5 consecutive years, Actuarial Value of Assets will become equal to Market Value.



Year Ending September 30	Investment Rate of Return	
	Market Value Basis*	Actuarial Value Basis
1996	13.3 %	11.4 %
1997	30.2	17.2
1998	5.2	15.7
1999	12.5	14.5
2000	9.9	13.5
2001	(3.0)	6.0
2002	(7.4)	2.7
2003	16.5	3.6
2004	9.7	3.6
2005	10.7	7.0
2006	8.7	11.2
2007	12.7	10.4
2008	(11.3)	4.7
2009	(4.2)	0.7
2010	6.6	3.2
2011	(1.8)	(0.2)
2012	19.3	(2.5)
2013	13.4	3.1
2014	11.2	10.2
2015	0.2	8.7
2016	10.6	9.9
2017	12.4	9.2
2018	8.3	8.5
2019	4.4	7.1
2020	1.9	6.8
2021	17.2	8.0
2022	(11.8)	3.8
2023	9.7	3.1
2024	22.1	6.9
2025	10.8	9.5

Average Returns:

Last 5 Years	8.9 %	6.2 %
Last 10 Years	8.2 %	7.3 %
All Years Shown	7.5 %	7.1 %

*The above rates are based on the retirement system's financial information reported to the actuary. They may differ from figures that the investment consultant reports, in part because of differences in the handling of administrative and investment expenses, and in part because of differences in the handling of cash flows.



Reconciliation of DROP Accounts	
Value at Beginning of Year	\$ 7,351,214
Adjustments	0
Additions	1,068,318
Investment Return	529,536
Distributions	<u>(1,345,796)</u>
Value at End of Year	7,603,272

Reconciliation of Share Plan Accounts	
Value at Beginning of Year	\$ 515,789
Adjustments	0
Allocations	186,906
Forfeitures	2,849
Forfeiture Re-Allocation	(2,849)
Investment Earnings Credited	54,281
Distributions	<u>(3,980)</u>
Value at End of Year	752,996

HISTORY OF STATE CONTRIBUTIONS

<u>Year Ending September 30</u>	<u>Regular</u>	<u>Supplemental</u>	<u>Total</u>
1998	267,933	-	267,933
1999	286,709	-	286,709
2000	310,698	-	310,698
2001	295,965	-	295,965
2002	340,995	-	340,995
2003	392,038	-	392,038
2004	424,627	-	424,627
2005	468,885	-	468,885
2006	481,939	8,382	490,321
2007	497,785	187,105	684,890
2008	519,992	262,030	782,022
2009	505,855	62,143	567,998
2010	525,935	37,974	563,909
2011	495,487	49,815	545,302
2012	489,487	78,491	567,978
2013	512,084	75,762	587,845
2014	500,390	103,616	604,006
2015	499,843	69,994	569,837
2016	510,798	34,763	545,561
2017	508,280	6,703	514,983
2018	543,271	3,567	546,838
2019	518,691	-	518,691
2020	545,677	2,045	547,722
2021	584,114	-	584,114
2022	583,997	4,940	588,936
2023	646,271	257,424	903,695
2024	650,222	254,371	904,593
2025	694,005	267,652	961,657

ENHANCED BENEFIT ACCOUNT

<u>Year Ended September 30,</u>	<u>2025</u>	<u>2024</u>
1. Enhanced Benefit Account BOY	(6,727,080)	(6,822,413)
2. Interest on Beginning Balance		
a. Return on Actuarial Value of Assets	9.5 %	6.9 %
b. Interest on Beginning Balance	0	0
3. Net Investment Income Allocation		
a. Actuarial Value Beginning of Year (A)	89,997,662	85,123,343
b. Actuarial Value End of Year (B)	97,381,770	89,997,662
c. Contributions (C)	5,764,164	5,139,137
d. Benefits Paid (P)	(6,671,460)	(5,920,518)
e. Administrative Expenses (E)	(173,417)	(148,385)
f. Net Investment Income (I) = (B)-(A)-(C)-(P)-(E)	8,464,821	5,804,085
g. Return on Actuarial Value of Assets = 2I/(A + B - I)	9.5 %	6.9 %
h. Net Investment Income (if Expected Earned)	6,339,574	5,999,689
i. Net Investment Income in Excess of Expected	2,125,247	(195,604)
j. 50% of (i)	1,062,624	(97,802)
4. Premium Tax Distribution Allocation		
a. Premium Tax Distribution During Year	961,657	904,593
b. Covered Payroll During Year*	10,053,183	9,196,907
c. Premium Tax as % of Covered Payroll	9.6 %	9.8 %
d. Excess of Premium Tax Over 5.6%	4.0 %	4.2 %
e. 50% x (b) x (d)	201,064	193,135
5. Allocation to Members in Payment Status/DROP	0	0
6. Net Allocation to Enhanced Benefit Account	1,263,688	95,333
7. Enhanced Benefit Account at End of Year	(5,463,392)	(6,727,080)
8. Comparison of Investment Income to Gains/Losses		
a. Annual Net Actuarial Gains and (Losses)	158,366	(108,781)
b. Cumulative Net Actuarial Gains and (Losses)	(8,269,631)	(8,427,997)
c. (3)(j)	1,062,624	(97,802)
d. Cumulative Net Investment Income Allocation	(6,841,217)	(7,903,841)

*Note: Per Board direction, no interest is applied to the beginning balance if negative. The premium tax distribution allocation does not actually use State money toward the Enhanced Benefit Account nor are any actuarial gains actually set up as a liability. The "Covered Payroll During Year" in line 4.b. is calculated as an average of the reported annual active member payroll for the current and prior years (the reported payrolls for fiscal years 2025, 2024 and 2023 were \$10,535,753, \$9,570,613, and \$8,823,200, respectively).



HISTORY OF ENHANCED BENEFIT ACCOUNT

Ending 9/30	EBA BOY	Actuarial ROR	Interest on Beginning Balance	50% of Net Excess Actuarial Investment Income	50% Excess Premium Tax Over 5.6% Payroll	Allocation to Members in Payment Status/ DROP	Net Allocation to EBA	EBA EOY	Annual Net Actuarial Gains and (Losses)	Cumulative Net Actuarial Gains and (Losses)	Cumulative Net Investment Income Allocation
1996	\$ -	11.4%	\$ -	\$ 274,468	\$ 23,268	\$ -	\$ 297,736	\$ 297,736	\$ 593,282	\$ 593,282	\$ 274,468
1997	297,736	17.2%	-	837,059	22,558	-	859,617	1,157,353	1,783,513	2,376,795	1,111,527
1998	1,157,353	15.7%	-	838,054	20,994	23,401	835,647	1,993,000	1,376,514	3,753,309	1,949,581
1999	1,993,000	14.5%	-	810,864	15,633	13,711	812,786	2,805,786	1,522,035	5,275,344	2,760,445
2000	2,805,786	13.5%	377,640	781,964	14,307	22,956	1,150,955	3,956,741	1,391,747	6,667,091	3,542,409
2001	3,956,741	6.0%	254,023	(226,370)	15,998	25,831	17,820	3,974,560	(42,738)	6,624,353	3,316,039
2002	3,974,560	2.7%	105,425	(887,504)	18,911	26,722	(789,890)	3,184,671	(154,495)	6,469,858	2,428,535
2003	3,184,671	3.6%	113,406	(736,209)	64,271	26,267	(584,799)	2,599,871	712,792	7,182,650	1,692,326
2004	2,599,871	3.6%	92,512	(744,155)	72,944	27,621	(606,320)	1,993,550	785,731	7,968,381	948,171
2005	1,993,550	7.0%	138,756	(176,580)	83,029	21,889	23,316	2,016,866	(1,470,591)	6,497,790	771,591
2006	2,016,866	11.2%	226,696	573,248	73,312	58,225	815,031	2,831,897	(880,911)	5,616,879	1,344,839
2007	2,831,897	10.4%	295,084	463,530	55,898	57,819	756,693	3,588,590	(302,886)	5,313,993	1,808,369
2008	3,588,590	4.7%	168,664	(684,570)	40,698	57,694	(2,605,934)	982,656	(887,818)	4,426,175	1,123,799
2009	982,656	0.7%	7,272	(1,617,980)	35,024	58,628	(1,634,312)	(651,656)	(2,537,911)	1,888,264	(494,181)
2010	(651,656)	3.2%	-	(1,082,281)	40,106	-	(1,042,175)	(1,693,831)	(1,396,478)	491,786	(1,576,462)
2011	(1,693,831)	-0.2%	-	(1,848,820)	53,746	-	(1,795,074)	(3,488,905)	(3,758,443)	(3,266,657)	(3,425,282)
2012	(3,488,905)	-2.5%	-	(2,313,548)	72,792	-	(2,240,756)	(5,729,661)	(4,711,885)	(7,978,542)	(5,738,830)
2013	(5,729,661)	3.1%	-	(1,055,525)	127,202	-	(928,323)	(6,657,984)	(459,535)	(8,438,077)	(6,794,355)
2014	(6,657,984)	10.2%	-	563,505	136,221	-	699,726	(5,958,258)	1,802,297	(6,635,780)	(6,230,850)
2015	(5,958,258)	8.7%	-	198,827	111,195	-	310,022	(5,648,236)	816,622	(5,819,158)	(6,032,023)
2016	(5,648,236)	9.9%	-	573,254	86,056	-	659,310	(4,988,926)	1,881,803	(3,937,355)	(5,458,769)
2017	(4,988,926)	9.2%	-	398,776	57,045	-	455,821	(4,533,105)	862,163	(3,075,192)	(5,059,993)
2018	(4,533,105)	8.5%	-	256,001	63,552	-	319,553	(4,213,552)	710,692	(2,364,500)	(4,803,992)
2019	(4,213,552)	7.1%	-	(139,180)	39,366	-	(99,814)	(4,313,366)	(315,063)	(2,679,563)	(4,943,172)
2020	(4,313,366)	6.8%	-	(149,401)	37,696	-	(111,705)	(4,425,071)	371,713	(2,307,850)	(5,092,573)
2021	(4,425,071)	8.0%	-	296,008	51,520	-	347,528	(4,077,543)	1,395,967	(911,883)	(4,796,565)
2022	(4,077,543)	3.8%	-	(1,347,992)	55,708	-	(1,292,284)	(5,369,827)	(3,054,635)	(3,966,518)	(6,144,557)
2023	(5,369,827)	3.1%	-	(1,661,482)	208,896	-	(1,452,586)	(6,822,413)	(4,352,698)	(8,319,216)	(7,806,039)
2024	(6,822,413)	6.9%	-	(97,802)	193,135	-	95,333	(6,727,080)	(108,781)	(8,427,997)	(7,903,841)
2025	(6,727,080)	9.5%	-	1,062,624	201,064	-	1,263,688	(5,463,392)	158,366	(8,269,631)	(6,841,217)

Note: Effective October 13, 2009, Ordinance No. 2009-35 reduced EBA funds retroactively to October 1, 2008 by a one-time deduction of \$2,073,032, which was related to the cost to provide the increased 3.25% benefit accrual rate.



SECTION D

FINANCIAL ACCOUNTING INFORMATION

FASB ASC 960 (STATEMENT NO. 35) INFORMATION

A. Valuation Date	October 1, 2025	October 1, 2024
B. Actuarial Present Value of Accumulated Plan Benefits		
1. Vested Benefits		
a. Members Currently Receiving Payments*	\$ 77,167,881	\$ 73,410,485
b. Terminated Vested Members & Refunds Due	1,425,280	1,182,362
c. Other Members	<u>25,952,034</u>	<u>21,759,918</u>
d. Total	104,545,195	96,352,765
2. Share Plan Balances	752,996	515,789
3. Non-Vested Benefits	5,003,492	3,745,743
4. Total Actuarial Present Value of Accumulated Plan Benefits: 1d + 2 + 3	110,301,683	100,614,297
5. Accumulated Contributions of Active Members	5,731,901	5,228,592
C. Changes in the Actuarial Present Value of Accumulated Plan Benefits		
1. Total Value at Beginning of Period	100,614,297	98,057,773
2. Increase (Decrease) During the Period Attributable to:		
a. Plan Amendment	0	0
b. Change in Actuarial Assumptions	4,979,568	0
c. Share Plan Allocation	186,906	158,374
d. Latest Member Data, Benefits Accumulated and Decrease in the Discount Period	11,192,372	8,318,668
e. Benefits Paid	<u>(6,671,460)</u>	<u>(5,920,518)</u>
f. Net Increase	9,687,386	2,556,524
3. Total Value at End of Period	110,301,683	100,614,297
D. Market Value of Assets	104,860,050	95,685,936
E. Actuarial Assumptions - See page entitled Actuarial Assumptions and Methods		

* Includes DROP balances.



SECTION E

MISCELLANEOUS INFORMATION

RECONCILIATION OF MEMBERSHIP DATA		
	From 10/1/24 To 10/1/25	From 10/1/23 To 10/1/24
A. Active Members		
1. Number Included in Last Valuation	135	124
2. New Hires	7	17
3. New Hire Employment Terminations - Refunded	0	(3)
4. New Hire Employment Terminations - Due Refunds	0	0
5. Non-Vested Employment Terminations - Refunded	(2)	(1)
6. Non-Vested Employment Terminations - Due Refunds	(4)	(1)
7. Vested Employment Terminations	0	0
8. Service Retirements	(1)	(1)
9. DROP Retirements	(1)	(2)
10. Disability Retirements	0	0
11. Deaths	0	0
12. Other (New Reported Members Hired Prior to Last Valuation)	1	2
13. Number Included in This Valuation	<u>135</u>	<u>135</u>
B. Terminated Vested Members & Members Due Refunds		
1. Number Included in Last Valuation	9	5
2. Additions from Active Members	4	4
3. Refunds	(4) **	0
4. Payments Commenced	0	0
5. Deaths	0	0
6. Other (Members Due Refunds Prior to Last Valuation)	10 **	0
7. Number Included in This Valuation	<u>19</u>	<u>9</u>
C. DROP Members		
1. Number Included in Last Valuation	16	14
2. Additions from Active Members	1	2
3. Payments commenced	(3)	0
4. Deaths	0	0
5. Other	0	0
6. Number Included in This Valuation	<u>14</u>	<u>16</u>
D. Service Retirees, Disability Retirees and Beneficiaries*		
1. Number Included in Last Valuation	115	116
2. Additions from Active Members	1	1
3. Additions from Terminated Vested Members	0	0
4. Additions from DROP Members	3	0
5. Deaths Resulting in No Further Payments	(2)	(2)
6. Deaths Resulting in New Survivor Benefits	0	0
7. Other	0	0
8. Number Included in This Valuation	<u>117</u>	<u>115</u>

* Excludes 1 beneficiary only receiving DROP distributions.

** Includes 3 members terminated prior to last valuation.



ACTIVE PARTICIPANT DISTRIBUTION

Age Group	Years of Service to Valuation Date										Total	
	<1	1	2	3	4	5-9	10-14	15-19	20-24	25-29		30+
20-24	4	5	1	4	1							15
TOT PAY	\$214,541	\$270,093	\$57,075	\$246,990	\$73,116							\$861,815
AVG PAY	\$53,635	\$54,019	\$57,075	\$61,748	\$73,116							\$57,454
25-29	2	4	1	1	3	11						22
TOT PAY	\$105,930	\$223,517	\$52,079	\$59,023	\$187,208	\$778,133						\$1,405,890
AVG PAY	\$52,965	\$55,879	\$52,079	\$59,023	\$62,403	\$70,739						\$63,904
30-34	1	1	2	3		10	3					20
TOT PAY	\$54,289	\$52,790	\$126,537	\$199,420		\$778,815	\$277,152					\$1,489,003
AVG PAY	\$54,289	\$52,790	\$63,269	\$66,473		\$77,882	\$92,384					\$74,450
35-39		1		1	1	9	9	5				26
TOT PAY		\$57,105		\$57,305	\$74,692	\$583,332	\$741,182	\$469,328				\$1,982,944
AVG PAY		\$57,105		\$57,305	\$74,692	\$64,815	\$82,354	\$93,866				\$76,267
40-44						5	8	7	3			23
TOT PAY						\$341,048	\$718,862	\$678,909	\$313,463			\$2,052,282
AVG PAY						\$68,210	\$89,858	\$96,987	\$104,488			\$89,230
45-49						1	3	5	8	1		18
TOT PAY						\$65,351	\$266,920	\$435,388	\$814,739	\$110,266		\$1,692,664
AVG PAY						\$65,351	\$88,973	\$87,078	\$101,842	\$110,266		\$94,037
50-54							1	6	3			10
TOT PAY							\$77,271	\$547,964	\$325,424			\$950,659
AVG PAY							\$77,271	\$91,327	\$108,475			\$95,066
55-59								1				1
TOT PAY								\$100,497				\$100,497
AVG PAY								\$100,497				\$100,497
60+												
TOT PAY												
AVG PAY												
Total	7	11	4	9	5	36	24	24	14	1		135
TOT AMT	\$374,760	\$603,505	\$235,691	\$562,738	\$335,016	\$2,546,679	\$2,081,387	\$2,232,086	\$1,453,626	\$110,266		\$10,535,754
AVG AMT	\$53,537	\$54,864	\$58,923	\$62,526	\$67,003	\$70,741	\$86,724	\$93,004	\$103,830	\$110,266		\$78,043



INACTIVE PARTICIPANT DISTRIBUTION

Age Group	Terminated Vested (Deferred)		Disabled		Retired/DROP		Beneficiaries	
	Number	Total Benefits	Number	Total Benefits	Number	Total Benefits	Number	Total Benefits
Under 20	-	-	-	-	-	-	-	-
20-24	-	-	-	-	-	-	-	-
25-29	-	-	-	-	-	-	-	-
30-34	-	-	-	-	-	-	-	-
35-39	1	19,960	-	-	-	-	-	-
40-44	1	34,647	-	-	-	-	-	-
45-49	3	90,187	1	18,359	4	169,533	-	-
50-54	-	-	3	80,240	12	754,761	-	-
55-59	-	-	-	-	17	1,083,197	2	79,729
60-64	-	-	-	-	22	1,371,615	2	113,876
65-69	-	-	-	-	17	998,553	1	39,022
70-74	-	-	1	6,382	12	499,506	4	149,400
75-79	-	-	-	-	11	390,432	5	177,884
80-84	-	-	-	-	7	156,683	3	54,431
85-89	-	-	-	-	5	118,521	1	8,811
90-94	-	-	-	-	-	-	1	2,351
95-99	-	-	-	-	-	-	-	-
100 & Over	-	-	-	-	-	-	-	-
Total	5	144,794	5	104,981	107	5,542,801	19	625,504
Average Age		43.4		56.0		66.2		74.2

SECTION F

SUMMARY OF PLAN PROVISIONS

SUMMARY OF PLAN PROVISIONS

A. Ordinances

The Plan was established under the Code of Ordinances for the City of Melbourne, Florida, Chapter 44, Article V, as most recently amended under Ordinance No. 2022-41. The Plan is also governed by certain provisions of Chapter 175, Florida Statutes, Part VII, Chapter 112, Florida Statutes and the Internal Revenue Code.

B. Effective Date

October 1, 1975

C. Plan Year

October 1 through September 30

D. Type of Plan

Qualified, governmental defined benefit retirement plan; for GASB purposes it is a single employer plan.

E. Eligibility Requirements

All full-time Firefighters participate in the Plan as a condition of employment.

F. Credited Service

Service is measured as the total number of years and fractional parts of years of service as a Firefighter, with Member contributions, when required. Credited Service also includes certain military service. Additional Credited Service may be purchased.

G. Salary

One-twelfth of the employee's annual base pay rate plus any incentive pay. Effective on March 24, 2015, salary shall exclude payments of overtime in excess of 300 hours per fiscal year, and shall exclude payments for accrued sick and annual leave; provided, for members employed on the effective date of this ordinance, salary shall include the lesser of the amount of sick and annual leave time accrued as of such effective date, or the actual amount of sick and annual leave time for which the member receives payment at the time of retirement. Effective for benefits calculated after October, 2016, Salary used is that for the fiscal year.

H. Average Final Compensation (AFC)

The average monthly Salary paid during the highest 5 years within the last 10 years immediately prior to termination, retirement or death (or the career average, if greater).



I. Normal Retirement

Eligibility: A member may retire on the first day of the month coincident with or next following the earlier of:

- (1) age 55 and 10 years of Credited Service, or
- (2) 25 years of Credited Service regardless of age.

For members who did not earn 25 years of Credited Service upon termination of employment, the Normal Retirement Date is the first day of the month coincident with or next following the earlier of (i) age 55 and completion of 10 years of Credited Service, or (ii) the date the member would have earned 25 years of Credited Service.

Benefit: The Accrued Benefit plus the Supplemental Benefit.

Per Ordinance No. 2015-06, the maximum pension benefit is limited to \$90,000 annually for members hired on or after March 24, 2015 and also members employed on March 24, 2015 who have not reached the normal retirement date (except that the accrued a benefit in excess of \$90,000 annually as of March 24, 2015 is not reduced to \$90,000 but no additional benefits will accrue).

The \$90,000 limit does not apply to the Supplemental Benefit.

Per Ordinance No. 2017-46, the Accrued Benefit is defined as follows:

- (1) For members employed after October 10, 2017: 3.0% of AFC multiplied by Credited Service.
- (2) For members employed on or before October 10, 2017 and retiring on or after October 1, 2008: 3.25% of AFC multiplied by Credited Service.

For members retiring on or after October 1, 1995 the multiplier was 3.0%. Prior to October 1, 1995 the multiplier was 2.5%.

Normal Form of Benefit: 10 Years Certain and Life Thereafter; other options are also available.

COLA: See Section W.

J. Early Retirement

Eligibility: A member may elect to retire earlier than the Normal Retirement Eligibility upon attainment of age 50 or 20 years of Credited Service.

For those who did not earn 20 years of Credited Service upon termination of employment, the Early Retirement Date is the first day of the month coincident with or next following the earlier of attainment of age 50 or the date the member would have earned 20 years of Credited Service.



Benefit: The Accrued Benefit reduced by 3.0% for each year by which the Early Retirement date precedes the Normal Retirement date, plus the Supplemental Benefit.

Normal Form of Benefit: 10 Years Certain and Life thereafter; other options are also available.

COLA: See Section W.

K. Delayed Retirement

Same as Normal Retirement taking into account compensation earned and service credited until the date of actual retirement.

L. Service-Connected Disability

Eligibility: Any member who becomes totally and permanently disabled in the line of duty is immediately eligible for a disability benefit.

Benefit: The greater of (i) 2% x Average Final Compensation x Credited Service, (ii) 42% x AFC, and (iii) 40% x Regular Base Salary. The Supplemental Benefit is also payable.

Normal Form of Benefit: 10 Years Certain and Life Thereafter or until recovery from disability; other options are also available.

COLA: See Section W.

M. Non-Service-Connected Disability

Eligibility: Any member with 10 years of Credited Service who becomes totally and permanently disabled not in the line of duty.

Benefit: The greater of (i) 2% x AFC x Credited Service, (ii) the Accrued Benefit as reduced for Early Retirement, further reduced actuarially in the event of disability prior to the Early Retirement Date, and (iii) 25% x AFC. The Supplemental Benefit is also payable.

Normal Form of Benefit: 10 Years Certain and Life thereafter or until recovery from disability; other options are also available.

COLA: See Section W.

N. Service-Connected Pre-Retirement Death

Eligibility: Any member deceased in the line of duty is eligible for survivor benefits.



Benefit: Prior to retirement eligibility, 40% of Regular Base Salary is payable to the spouse until their death. If there is no spouse, or upon the death of the spouse, 15% of Regular Base Salary is payable for each unmarried child until the age of 18 (or age 22 if a full-time student). The maximum amount payable to all such children is 40% of Regular Base Salary.

For members eligible for retirement at their date of death, the greater in actuarial value between (i) the benefit defined for line-of duty-death prior to retirement eligibility and (ii) the benefit payable if the member had retired on the date of death. The resulting amount is payable monthly for 10 years.

Normal Form of Benefit: See above; other actuarially equivalent options may be available if approved by the Board of Trustees.

COLA: See Section W.

O. Non-Service-Connected Pre-Retirement Death

Eligibility: Any member deceased not in the line of duty is eligible for survivor benefits.

Benefit: Prior to retirement eligibility, the Employee Contributions accumulated with interest, or an actuarially equivalent 10-year Certain annuity reduced actuarially from the Early Retirement Date.

For members eligible for retirement at their date of death, the greater in actuarial value between (i) the benefit defined for line-of duty-death prior to retirement eligibility and (ii) the benefit payable if the member had retired on the date of death. The resulting amount is payable monthly for 10 years.

Normal Form of Benefit: See above; other actuarially equivalent options may be available if approved by the Board of Trustees.

COLA: See Section W.

P. Post-Retirement Death

Benefit determined by the form of benefit elected upon retirement.

Q. Optional Forms

In lieu of electing the Normal Form of benefit, the optional forms of benefits available to all retirees are a Single Life Annuity, a 50%, 66 2/3%, 75% or 100% Joint and Survivor Annuity, or a Social Security level income option (if a member retires prior to the time at which Social Security benefits are payable).

Members who do not participate in the DROP may elect to receive up to 20% of the present value of their benefits as a single lump sum and the remainder of the value of their benefits in the Normal Form, a Single Life Annuity, or a 50%, 66 2/3%, 75% or 100% Joint and Survivor Annuity.

R. Vested Termination

Eligibility: A member has earned a non-forfeitable right to Plan benefits after the completion of 10 years of Credited Service.

Benefit: Vested members who terminate employment prior to being eligible to receive an immediate annuity may leave their accumulated contributions in the fund, and upon reaching Early or Normal Retirement eligibility, begin commencement of the reduced (or unreduced if eligible for Normal Retirement) Accrued Benefit plus the Supplemental Benefit, as defined under Early/Normal Retirement.

Normal Form of Benefit: 10 Years Certain and Life Thereafter; other options are also available.

COLA: N/A

S. Refunds

Eligibility: All members who terminate employment with less than 10 years of Credited Service. Optionally, vested members may elect a refund in lieu of receiving the vested deferred monthly benefits otherwise due.

Benefit: Refund of accumulated Employee Contributions with interest at 4% per year. Contributions may be repaid with interest upon re-entry into the Plan due to rehire. The annual 4% interest crediting is not applied to employee contributions associated with a service purchase.

T. Member Contributions

Prior to Ordinance No. 2009-35 adopted October 13, 2009, employees hired prior to May 9, 1978 contributed 5.0% of Salary. Employees hired after May 9, 1978 contributed 4.75% of Salary.

Effective October 13, 2009, Ordinance No. 2009-35 revised employee contributions to 6.0% of Salary.

Effective December 13, 2011, Ordinance No. 2011-57 put special rules in place related to the multiplier increase from 3.0% to 3.25% associated with the 1.25% employee contribution rate increase from 4.75% to 6.0%.

Effective April 1, 2015, Ordinance No. 2015-06 revised employee contributions from 6.0% to 7.5% of Salary. Ordinance No. 2017-46 requires employee contributions of 6.5% of Salary from Members who enter the DROP after October 10, 2017.



U. State Contributions

Chapter 175 Premium Tax Distributions

V. Employer Contributions

The amount determined by the actuary needed to fund the Plan according to State laws.

W. Cost of Living Adjustment (COLA) / Enhanced Benefit Account (EBA)

Provides for a lump sum variable cost of living adjustment for all members who retired, became disabled, or terminated vested on or after September 30, 1996, and their beneficiaries.

Commencing annually from March 1, 1997, the sum of (a) and (b), as follows, is credited to or deducted from the EBA to provide a lump sum variable cost of living adjustment:

- (a) 50% of positive or negative net investment income compared to fund's investment objective for the preceding fiscal year, and
- (b) 50% of the amount by which the premium taxes collected and distributed by the state exceed 5.6% of covered payroll during the preceding fiscal year.

Covered payroll during the preceding fiscal year has historically been the calculated as an average of the total reported salary for the current and prior valuation.

The cumulative value of the EBA allocation provided by (a), above, may not exceed the cumulative net actuarial gains and losses from all sources incurred from the inception of this provision. Note that any amount allocated to the EBA based on the language in (b) does not actually reduce premium taxes available to fund other benefits.

Effective October 13, 2009, Ordinance No. 2009-35 reduced EBA funds retroactively to October 1, 2008 by a one-time deduction equal to the cost to provide the increased 3.25% benefit accrual rate minus the amount of any unallocated premium tax money and defined use of EBA funds to first pay for an additional Supplemental Benefit of \$2.50 for each full year of Credited Service after the fifth year of retirement (prior to the payment of any lump sum variable cost of living adjustment described in the following).

Each April 1 the EBA is allocated among the retirees as of the preceding September 30 based upon (i) the number of full months of retirement during the preceding fiscal year, and (ii) in proportion to the amount of each retiree's actual monthly retirement benefit. The allocation is limited to a maximum of 3% of the pension benefit (prorated if retired less than a full year). In the event that in any year the balance in the fund would result in a higher payment, the excess is returned to the EBA and carried forward to the next year. Any funds carried forward in the EBA are credited with the rate of return achieved by the fund. Per direction of the Board of Trustees at their January 25, 2017 meeting, in years when the beginning balance of the EBA is negative, there is no interest crediting applied in carrying forward the EBA balance to the next year. This change was made retroactively to when the EBA first became negative with the October 1, 2017 actuarial valuation.

Effective March 24, 2015 Ordinance No. 2015-06 provides that if there are insufficient funds available in the EBA to pay for both the \$2.50 increased supplement and the variable cost of living adjustment, the monthly supplement is payable first and then the remaining funds in the EBA are used to provide the variable cost of living adjustment on a pro rata basis.

X. 13th Check

Not Applicable

Y. Supplemental Benefit

Effective October 1, 2003, a Supplemental Benefit is payable monthly equal to \$5 for each full year of Credited Service. This benefit is payable for the lifetime of the member. Ordinance No. 2009-35 provided for all current and future retirees to potentially receive an additional \$2.50 for each full year of Credited Service (for a total of \$7.50 for each full year of Credited Service) beginning on the fifth anniversary of retirement. DROP participation counts toward the satisfaction of the five years of retirement. The additional \$2.50 is only provided through available funds from the Enhanced Benefit Account, if any.

Effective March 24, 2015, Ordinance No. 2015-06 provided that if there are insufficient funds available in the Enhanced Benefit Account to pay for both the \$2.50 increased supplement and the variable cost of living adjustment, the additional \$2.50 monthly supplement is payable first and then any remaining funds in the Enhanced Benefit Account are used to provide the variable cost of living adjustment on a pro rata basis.

Z. Deferred Retirement Option Plan (DROP)

Eligibility: A member may enter the DROP any time after becoming eligible for Normal Retirement.

Benefit: The Accrued Benefit plus Supplemental Benefit is frozen. The Accrued Benefit accumulates in the DROP account with interest, as described below. DROP participants are not eligible for death or disability benefits.

A Member's final DROP account value for distribution is the value of the account at the end of the quarter immediately preceding termination of participation in the DROP, plus any monthly periodic additions made to the DROP account subsequent to the end of the previous quarter and prior to distribution.

The Supplemental Benefit is payable once the member actually terminates from employment and begins to receive monthly pension payments after the end of the DROP. The \$90,000 annual limit does limit deposits to the DROP, but does not limit DROP balance payouts.

Maximum

DROP Period: 60 months.



Interest: Credited quarterly, as elected by the Member (where this election may be changed by the Member annually effective October 1):

- (a) An annual rate of 6.5%, compounded monthly, on the prior month's ending balance for members who enter the DROP before March 24, 2015, and 1.3%, compounded monthly, on the prior month's ending balance for members who enter the DROP on or after March 24, 2015. However, any member who was Normal Retirement eligible by October 1, 2012 receives 6.5% annual crediting even if they enter the DROP on or after March 24, 2015 per the legal opinion dated August 13, 2012.
- (b) The average daily balance in the member's DROP account is credited or debited at a rate equal to the net investment return realized for the quarter.
- (c) 50% of (a) plus 50% of (b).

AA. Share Plan

Per Section 175.351(6), Florida Statutes, a defined contribution component (Share Plan) is established to be funded exclusively with Chapter 175 premium tax revenues where the accumulated excess premium tax revenues as of October 1, 2015 (totaling \$258,620) are split where 50% is allocated to the Share Plan and 50% is used to pay down the unfunded liability of the Plan. For premium tax revenues received in any Plan year after October 1, 2015 over that for calendar 2012 in the amount of \$587,845, 50% is allocated to the Share Plan and 50% is used to reduce the city's annual required pension contributions. Per Ordinance 2017-46, the Share Plan becomes operative when the city and the union reach agreement on the details of the Share Plan.

As stated in the draft IAFF local 1951 collective bargaining agreement for October 1, 2018 through September 30, 2021, individual share accounts are established for active members and members in DROP effective October 1, 2018, as follows:

- (a) \$129,310 is split evenly among each member during the first pay period in October, 2018, or as soon as practicable thereafter.
- (b) An equal share of 50% of premium tax revenues in excess of \$587,845 is credited within 30 days of receipt, or as soon as practicable thereafter.

In order to receive a share allocation, active members must be employed on October 1 for the year in which premium tax revenues are received. Members vest in the share account after 10 years of employment as determined by their hire date. The share account of employees who terminate prior to vesting is reallocated to all other share accounts. Share account money is commingled with other assets of the Plan for investment purposes. Share accounts are credited with net gains and losses at the same rate as the other assets of the Plan at the end of each calendar quarter. Share accounts are adjusted annually to account for costs, fees and expenses of share account administration. The share account balance is paid to vested participants upon leaving employment with the City for any reason, other than entering DROP. The Board of Trustees is authorized to adopt any rules necessary for the efficient operation of the Share Plan.



BB. Other Ancillary Benefits

There are no ancillary retirement type benefits not required by statutes but which might be deemed a City of Melbourne Firefighters' Retirement System liability if continued beyond the availability of funding by the current funding source.

CC. Changes from Previous Valuation

None