

BONITA SPRINGS FIRE CONTROL AND RESCUE DISTRICT  
FIREFIGHTER'S RETIREMENT SYSTEM

ACTUARIAL VALUATION  
AS OF OCTOBER 1, 2024

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



**FOSTER & FOSTER**  
ACTUARIES AND CONSULTANTS



February 17, 2025

Board of Trustees  
Bonita Springs Fire Control and Rescue District  
Firefighters' Pension Board

Re: Bonita Springs Fire Control and Rescue District Firefighter's Retirement System

Dear Board:

We are pleased to present to the Board this report of the annual actuarial valuation of the Bonita Springs Fire Control and Rescue District Firefighter's Retirement System. The valuation was performed to determine whether the assets and contributions are sufficient to provide the prescribed benefits and to develop the appropriate funding requirements for the applicable plan year. Use of the results for other purposes may not be applicable and may produce significantly different results.

The valuation has been conducted in accordance with generally accepted actuarial principles and practices, including the applicable Actuarial Standards of Practice as issued by the Actuarial Standards Board, and reflects laws and regulations issued to date pursuant to the provisions of Chapters 112 and 175, Florida Statutes, as well as applicable federal laws and regulations. In our opinion, the assumptions used in the valuation, as adopted by the Board of Trustees, represent reasonable expectations of anticipated plan experience.

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



In conducting the valuation, we have relied on personnel, plan design, and asset information supplied by the Bonita Springs Fire Control and Rescue District, financial reports prepared by the custodian bank, and the actuarial assumptions and methods described in the Actuarial Assumptions section of this report.

While we cannot verify the accuracy of all this information, the supplied information was reviewed for consistency and reasonableness. As a result of this review, we have no reason to doubt the substantial accuracy of the information and believe that it has produced appropriate results. This information, along with any adjustments or modifications, is summarized in various sections of this report.

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

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

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


To our knowledge, no associate of Foster & Foster, Inc. working on valuations of the program has any direct financial interest or indirect material interest in the Bonita Springs Fire Control and Rescue District, nor does anyone at Foster & Foster, Inc. act as a member of the Board of Trustees of the Firefighter's Retirement System. Thus, there is no relationship existing that might affect our capacity to prepare and certify this actuarial report.




If there are any questions, concerns, or comments about any of the items contained in this report, please contact us at 239-433-5500.

Respectfully submitted,

Foster & Foster, Inc.

By:   
Patrick T. Donlan, EA, ASA, MAAA  
Enrolled Actuary #23-6595

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

Enclosures



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## SUMMARY OF REPORT

The regular annual actuarial valuation of the Bonita Springs Fire Control and Rescue District Firefighter's Retirement System, performed as of October 1, 2024, has been completed and the results are presented in this Report. The contribution amounts set forth herein are applicable to the plan/fiscal year ending September 30, 2026.

The contribution requirements, compared with those set forth in the January 6, 2025 actuarial impact statement, are as follows:

Valuation Date Applicable to Fiscal Year Ending	10/1/2024 <u>9/30/2026</u>	10/1/2023 <u>9/30/2025</u>
Minimum Required Contribution % of Projected Annual Payroll	70.2%	69.9%
Member Contributions (Est.) % of Projected Annual Payroll	7.0%	7.0%
<b>District And State Required Contribution</b> <b>% of Projected Annual Payroll</b>	<b>63.2%</b>	<b>62.9%</b>
State Contribution (Est.) <sup>1</sup> % of Projected Annual Payroll (Est.)	\$1,413,948 12.2%	\$1,413,948 12.2%
District Required Contribution (Est.) <sup>2</sup> % of Projected Annual Payroll (Est.)	51.0%	50.7%

<sup>1</sup> Represents the new "frozen" amount. \$1,414,227.01 was received in calendar 2024. As per a Mutual Consent Agreement between the Membership and the District, all State Monies received each year up to \$1,413,948 will be available to offset the District's required contribution. State Monies received in excess of this amount will be reserved for benefit improvements.

<sup>2</sup> The required contribution from the combination of District and State sources for the year ending September 30, 2026, is 63.2% of the actual payroll realized in that year. As a budgeting tool, the District may contribute 51.0% of each Member's Salary and then make a one-time adjustment to account for the actual State Monies

received. Please note that a shortfall contribution of \$25,809.19 is due in addition to the above stated requirements for the fiscal year ending September 30, 2025.

As you can see, the Minimum Required Contribution shows an increase when compared to the results set forth in the January 6, 2025 actuarial impact statement. The increase is largely attributable to reducing the investment return assumption.

Plan experience was unfavorable overall on the basis of the plan's actuarial assumptions. The primary source of actuarial loss was an average salary increase of 8.72% which exceeded the 4.44% assumption. This loss was offset in part by a gain associated with an investment return of 8.29% (Actuarial Asset Basis) which exceeded the 7.45% assumption.

## CHANGES SINCE PRIOR VALUATION

### Plan Changes

Since the prior valuation, 3 Resolutions were adopted:

Resolution 2024-06-01 was adopted on June 3, 2024 which provided that Firefighters may now enter DROP at eligibility for Early Retirement and clarified that Credited Service used for Share Account purposes includes time participating in DROP. Our letter dated May 24, 2024 determined that these changes had no immediate impact on the funding requirements to the Plan.

Resolution 2024-09-03 was adopted on October 14, 2024 which provided that State Monies received in excess of \$1,000,155 beginning in fiscal 2024 will be used for benefit enhancements rather than going into the Share Plan. Our letter dated October 16, 2024 determined that this change had no immediate impact on the funding requirements to the Plan.

Resolution 2025-01-01 was adopted on January 13, 2025 which increased the benefit accrual rate from 3.0% to 3.45% of Average Final Compensation for each year of Credited Service for all Firefighters hired on or after June 1, 2010. The impact of this change on the funding requirements can be found in our Actuarial Impact Statement dated January 6, 2025.

### Actuarial Assumption/Method Changes

Since the prior valuation, the Board approved to lower the investment return assumption from 7.45% to 7.40%, net of investment-related expenses. The impact of this change on the funding requirements can be seen in the Comparative Summary of Principal Valuation Results section that follows.

## CONTRIBUTION IMPACT OF ANNUAL CHANGES

(1) Contribution Determined as of October 1, 2023 <i>(As set forth in the January 6, 2025 Actuarial Impact Statement)</i>	50.1%
(2) Summary of Contribution Impact by component:	
Change in State Contribution Percentage	0.6%
Change in Normal Cost Rate	0.1%
Change in Administrative Expense Percentage	0.0%
Payroll Change Effect on UAAL Amortization	-1.7%
Investment Return (Actuarial Asset Basis)	-0.8%
Salary Increases	1.1%
Active Decrements	0.0%
Inactive Mortality	0.3%
UAAL Amortization Impact from Contribution Policy	-0.1%
Assumption Change	1.0%
Other	<u>0.4%</u>
Total Change in Contribution	0.9%
(3) Contribution Determined as of October 1, 2024	51.0%

COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS

	New Assump <u>10/1/2024</u>	Old Assump <u>10/1/2024</u>	<u>10/1/2023</u>
A. Participant Data			
Actives	99	99	98
Service Retirees	49	49	47
DROP Retirees	5	5	6
Beneficiaries	4	4	4
Disability Retirees	3	3	3
Terminated Vested	<u>6</u>	<u>6</u>	<u>6</u>
 Total	 166	 166	 164
 Projected Annual Payroll	 11,558,486	 11,558,486	 11,046,468
Annual Rate of Payments to:			
Service Retirees	4,669,504	4,669,504	4,361,153
DROP Retirees	375,396	375,396	443,669
Beneficiaries	138,373	138,373	134,343
Disability Retirees	160,097	160,097	155,434
Terminated Vested	167,175	167,175	167,175
B. Assets			
Actuarial Value (AVA) <sup>1</sup>	111,662,336	111,662,336	101,767,210
Market Value (MVA) <sup>1</sup>	117,531,966	117,531,966	95,409,162
C. Liabilities			
Present Value of Benefits			
Actives			
Retirement Benefits	98,588,929	97,661,042	88,697,064
Disability Benefits	902,948	895,719	864,855
Death Benefits	281,390	279,324	269,835
Vested Benefits	2,761,707	2,730,237	2,548,360
Refund of Contributions	123,683	123,542	113,563
Service Retirees	55,758,362	55,516,287	53,021,119
DROP Retirees <sup>1</sup>	8,572,986	8,545,953	10,297,117
Beneficiaries	967,480	961,696	1,025,056
Disability Retirees	2,080,498	2,070,497	2,059,229
Terminated Vested	1,402,186	1,392,163	1,324,453
Share Plan Balances <sup>1</sup>	<u>241,306</u>	<u>241,306</u>	<u>198,365</u>
 Total	 171,681,475	 170,417,766	 160,419,016

C. Liabilities - (Continued)	New Assump <u>10/1/2024</u>	Old Assump <u>10/1/2024</u>	<u>10/1/2023</u>
Present Value of Future Salaries	98,722,713	98,445,922	93,652,604
Present Value of Future Member Contributions	6,910,590	6,891,215	6,555,682
Normal Cost (Retirement)	3,141,550	3,103,223	2,955,590
Normal Cost (Disability)	57,737	57,299	55,308
Normal Cost (Death)	13,816	13,697	13,053
Normal Cost (Vesting)	133,574	131,913	127,841
Normal Cost (Refunds)	20,822	20,809	17,690
Total Normal Cost	<u>3,367,499</u>	<u>3,326,941</u>	<u>3,169,482</u>
Present Value of Future Normal Costs	28,060,572	27,639,956	26,368,625
Accrued Liability (Retirement)	72,462,661	71,929,668	64,118,032
Accrued Liability (Disability)	427,495	425,222	409,967
Accrued Liability (Death)	167,102	166,364	161,538
Accrued Liability (Vesting)	1,508,478	1,496,293	1,406,806
Accrued Liability (Refunds)	32,349	32,361	28,709
Accrued Liability (Inactives) <sup>1</sup>	68,781,512	68,486,596	67,726,974
Share Plan Balances <sup>1</sup>	241,306	241,306	198,365
Total Actuarial Accrued Liability (EAN AL)	<u>143,620,903</u>	<u>142,777,810</u>	<u>134,050,391</u>
Unfunded Actuarial Accrued Liability (UAAL)	31,958,567	31,115,474	32,283,181
Funded Ratio (AVA / EAN AL)	77.7%	78.2%	75.9%

D. Actuarial Present Value of Accrued Benefits	New Assump <u>10/1/2024</u>	Old Assump <u>10/1/2024</u>	<u>10/1/2023</u>
Vested Accrued Benefits			
Inactives + Share Plan Balances <sup>1</sup>	69,022,818	68,727,902	67,925,339
Actives	36,632,612	36,324,632	30,277,271
Member Contributions	<u>7,434,133</u>	<u>7,434,133</u>	<u>6,696,296</u>
Total	113,089,563	112,486,667	104,898,906
Non-vested Accrued Benefits	<u>9,212,846</u>	<u>9,112,216</u>	<u>8,519,108</u>
Total Present Value Accrued Benefits (PVAB)	122,302,409	121,598,883	113,418,014
Funded Ratio (MVA / PVAB)	96.1%	96.7%	84.1%
Increase (Decrease) in Present Value of Accrued Benefits Attributable to:			
Plan Amendments	0	0	
Assumption Changes	703,526	0	
Plan Experience	0	6,471,074	
Benefits Paid	0	(6,497,804)	
Interest	0	8,207,599	
Other	<u>0</u>	<u>0</u>	
Total	703,526	8,180,869	

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

E. Pension Cost

Normal Cost (with interest) % of Projected Annual Payroll <sup>2</sup>	30.2	29.9	29.8
Administrative Expenses (with interest) % of Projected Annual Payroll <sup>2</sup>	0.8	0.8	0.8
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 15 years (as of 10/1/2024, with interest) % of Projected Annual Payroll <sup>2</sup>	39.2	38.5	39.3
Minimum Required Contribution % of Projected Annual Payroll <sup>2</sup>	70.2	69.2	69.9
Expected Member Contributions % of Projected Annual Payroll <sup>2</sup>	7.0	7.0	7.0
Expected District and State Contribution % of Projected Annual Payroll <sup>2</sup>	63.2	62.2	62.9

F. Past Contributions

Plan Years Ending:	<u>9/30/2024</u>
Total Required Contribution	7,516,651
District and State Requirement	6,676,131
Actual Contributions Made:	
Members (excluding buyback)	840,520
District	5,675,975
State	<u>1,414,227</u>
Total	7,930,722

G. Net Actuarial (Gain)/Loss 1,078,704

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

<sup>2</sup> Contributions developed as of 10/1/2024 are expressed as a percentage of Projected Annual Payroll at 10/1/2024 of \$11,558,486.

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

<u>Year</u>	<u>Projected Unfunded Actuarial Accrued Liability</u>
2024	31,958,567
2025	29,624,951
2026	27,118,649
2029	18,431,032
2033	7,214,603
2036	2,518,039
2039	0

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

	<u>Actual</u>	<u>Assumed</u>
Year Ended 9/30/2024	8.72%	4.44%
Year Ended 9/30/2023	12.88%	4.47%
Year Ended 9/30/2022	6.28%	5.05%
Year Ended 9/30/2021	7.16%	5.37%
Year Ended 9/30/2020	8.86%	5.52%

(ii) 5 Year Comparison of Investment Return on Market Value and Actuarial Value

	<u>Market Value</u>	<u>Actuarial Value</u>	<u>Assumed</u>
Year Ended 9/30/2024	21.65%	8.29%	7.45%
Year Ended 9/30/2023	11.34%	4.72%	7.50%
Year Ended 9/30/2022	-16.61%	2.29%	7.50%
Year Ended 9/30/2021	21.76%	9.32%	7.50%
Year Ended 9/30/2020	6.38%	7.25%	7.60%

(iii) Average Annual Payroll Growth

(a) Payroll as of:	10/1/2024	\$11,558,486
	10/1/2014	6,426,162
(b) Total Increase		79.87%
(c) Number of Years		10.00
(d) Average Annual Rate		6.05%

STATEMENT BY ENROLLED ACTUARY

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



Patrick T. Donlan, EA, ASA, MAAA  
Enrolled Actuary #23-6595

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

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

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

RECONCILIATION OF UNFUNDED ACTUARIAL ACCRUED LIABILITIES

(1) Unfunded Actuarial Accrued Liability as of October 1, 2023	\$32,283,181
(2) Sponsor Normal Cost developed as of October 1, 2023	2,396,229
(3) Expected administrative expenses for the year ended September 30, 2024	83,945
(4) Expected interest on (1), (2) and (3)	2,586,743
(5) Sponsor contributions to the System during the year ended September 30, 2024 <sup>1</sup>	7,090,202
(6) Expected interest on (5)	223,126
(7) Expected Unfunded Actuarial Accrued Liability as of September 30, 2024 (1)+(2)+(3)+(4)-(5)-(6)	30,036,770
(8) Change to UAAL due to Assumption Change	843,093
(9) Change to UAAL due to Actuarial (Gain)/Loss	1,078,704
(10) Unfunded Actuarial Accrued Liability as of October 1, 2024	31,958,567

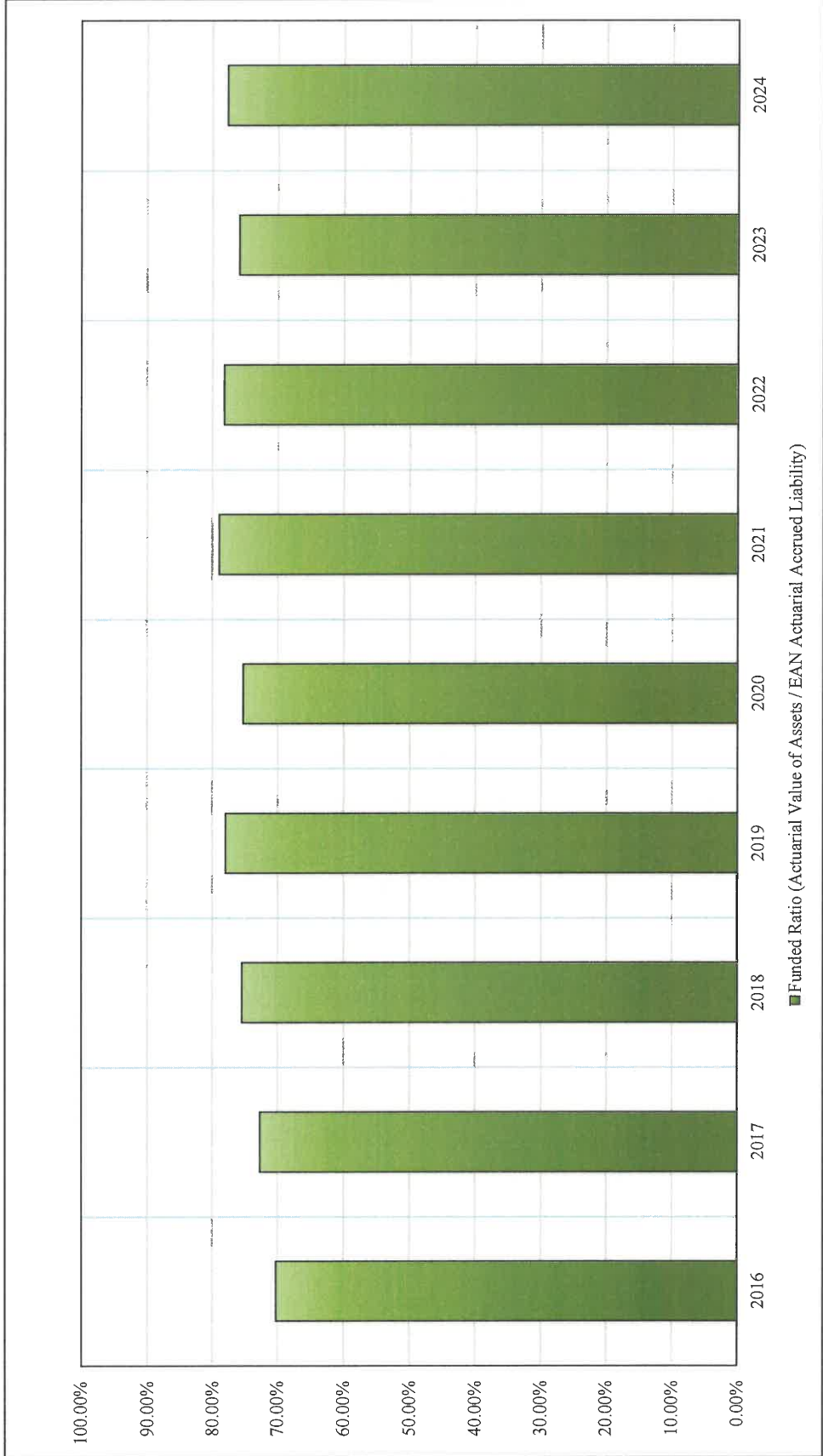
Type of Base	Date Established	Years Remaining	10/1/2024 Amount	Amortization Amount
Consolidation	10/1/2018	7.5	13,487,480	2,241,560
Benefit	10/1/2018	9	(4,977)	(723)
Actuarial Loss	10/1/2019	10	354,131	47,818
Benefits Change	10/1/2019	10	481,958	65,078
Actuarial Loss	10/1/2020	11	1,787,188	226,354
Assump Change	10/1/2020	11	3,549,299	449,533
Actuarial Gain	10/1/2021	12	(892,344)	(106,848)
Actuarial Loss	10/1/2022	13	4,341,881	494,740
Assump Change	10/1/2023	14	746,408	81,384
Actuarial Loss	10/1/2023	14	4,920,900	536,548
Benefits Change <sup>1</sup>	10/1/2023	14	1,264,846	137,912
Actuarial Loss	10/1/2024	15	1,078,704	113,078
Assump Change	10/1/2024	15	843,093	88,379
			31,958,567	4,374,813

<sup>1</sup> Of the \$1,414,227.01 State Monies received in FY 2024, \$414,071.58 was to be used for benefit improvements. This money was used to help pay down the 10/1/2023 Benefits Change base.

DETAILED ACTUARIAL (GAIN)/LOSS ANALYSIS

(1) Unfunded Actuarial Accrued Liability (UAAL) as of October 1, 2023	\$32,283,181
(2) Expected UAAL as of October 1, 2024	30,036,770
(3) Summary of Actuarial (Gain)/Loss, by component:	
Investment Return (Actuarial Asset Basis)	(860,924)
Salary Increases	1,189,531
Active Decrements	(5,988)
Inactive Mortality	358,095
Interest Crediting on Share Plan Balances	28,167
Other	<u>369,823</u>
Increase in UAAL due to (Gain)/Loss	1,078,704
Assumption Changes	<u>843,093</u>
(4) Actual UAAL as of October 1, 2024	\$31,958,567

# HISTORY OF FUNDING PROGRESS



## ACTUARIAL ASSUMPTIONS AND METHODS

### Mortality Rate

#### *Healthy Active Lives:*

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

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

#### *Healthy Retiree Lives:*

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

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

#### *Beneficiary Lives:*

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

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

#### *Disabled Lives:*

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

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

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

90% of active deaths are assumed to be service-incurred.

Interest Rate

7.40% (prior year 7.45%) per year compounded annually, net of investment related expenses. This is supported by the target asset allocation of the trust and the expected long-term return by asset class.

Salary Increases

<u>Credited Service</u>	<u>Assumed Rate</u>
Years 1-4	10.0%
Greater than 4 years	4.0%

These rates are based on the results of an experience study issued August 17, 2020.

Payroll Growth

0.00% for purposes of amortizing the Unfunded Actuarial Accrued Liability. This assumption cannot exceed the ten-year average payroll growth, in compliance with Part VII of Chapter 112, Florida Statutes.

Administrative Expenses

\$84,395 annually, based on the average of actual expenses incurred in the prior two fiscal years.

Amortization Method

New UAAL amortization bases are amortized over 15 years.

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

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

Funding Method

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

Interest - A half year, based on current 7.40% assumption.

Salary - None.

Termination Rates

<u>Credited Service</u>	<u>Assumed Rate</u>
First Year	8.0%
Next 4 Years	2.5%
Next 5 Years	1.5%
Greater than 10 Years	1.0%

These rates are based on the results of an experience study issued August 17, 2020.

Disability Rates

It is assumed that 90% of disablements and active Member deaths are service related.

<u>Age</u>	<u>% Becoming Disabled During the Year</u>
20	0.03%
30	0.04
40	0.07
50	0.18

These rates are consistent with rates used in other fire Plans and remained unchanged based on August 17, 2020 Experience Study.

Retirement Age

Earlier of Age 55 and 10 years of service or Age 50 and 25 years of service. This assumption is deemed reasonable based on plan provisions and is supported by the August 17, 2020 experience study.

Early Retirement

Commencing upon a member's eligibility for Early Retirement (Age 50 with 10 years of credited service), members are assumed to retire with an immediate subsidized benefit at the rate of 5% per year. This assumption is deemed reasonable based on plan provisions and is supported by the August 17, 2020 experience study.

Asset Valuation Method

Each year, the prior Actuarial Value of Assets is brought forward utilizing the historical geometric 4-year average Market Value return. It is possible that over time this technique will produce an insignificant bias above or below Market Value.

Low-Default-Risk Obligation Measure

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

## GLOSSARY

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

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

- (a) The normal cost accrual rate equals:
  - (i) the present value of future benefits for the participant, determined as of the participant's entry age, divided by
  - (ii) the present value of the compensation expected to be paid to the participant for each year of the participant's anticipated future service, determined as of the participant's entry age.
- (b) In calculating the present value of future compensation, the salary scale is applied both retrospectively and prospectively to estimate compensation in years prior to and subsequent to the valuation year based on the compensation used for the valuation.
- (c) The accrued liability is the sum of the individual accrued liabilities for all participants and beneficiaries. A participant's accrued liability equals the present value, at the participant's attained age, of future benefits less the present value at the participant's attained age of the individual normal costs payable in the future. A beneficiary's accrued liability equals the present value, at the beneficiary's attained age, of future benefits. The unfunded accrued liability equals the total accrued liability less the actuarial value of assets.
- (d) Under this method, the entry age used for each active participant is the participant's age at the time he or she would have commenced participation if the plan had always been in existence under current terms, or the age as of which he or she first earns service credits for purposes of benefit accrual under the current terms of the plan.

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

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

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

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

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

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

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

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

## DISCUSSION OF RISK

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

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

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

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

## Impact of Plan Maturity on Risk

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

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

- The Support Ratio, determined as the ratio of active to inactive members, has decreased from 168.9% on October 1, 2014 to 152.3% on October 1, 2024, indicating that the plan has been maturing during the period.
- The Accrued Liability Ratio, determined as the ratio of the Inactive Accrued Liability, which is the liability associated with members who are no longer employed but are due a benefit from the plan, to the Total Accrued Liability, is 47.9%. With a plan of this maturity, losses due to lower than expected investment returns or demographic factors may result in lower volatility in contribution requirements when compared to a more mature plan. Please note Chapter 112, Florida Statutes, requires that the plan sponsor contributes the minimum required contribution; thus, there is minimal solvency risk to the plan.
- The Funded Ratio, determined as the ratio of the Actuarial Value of Assets to the Total Accrued Liability, has increased from 63.8% on October 1, 2014 to 77.7% on October 1, 2024.
- The Net Cash Flow Ratio, determined as the ratio of the Net Cash Flow (contributions minus benefit payments and administrative expenses) to the Market Value of Assets, decreased from 4.6% on October 1, 2014 to 1.2% on October 1, 2024. The current Net Cash Flow Ratio of 1.2% indicates that contributions are generally covering the plan's benefit payments and administrative expenses.

### Low Default-Risk Obligation Measure

ASOP No. 4, Measuring Pension Obligations and Determining Pension Plan Costs or Contributions, was revised as of December 2021 to include a “low-default-risk obligation measure” (LDROM). This liability measure is consistent with the determination of the actuarial accrued liability shown on page 11 in terms of member data, plan provisions, and assumptions/methods, under the Entry Age Normal Cost Method, except that the interest rate is tied to low-default-risk fixed income securities. The S&P Municipal Bond 20 Year High Grade Rate Index (daily rate closest to, but not later than, the measurement date) was selected to represent a current market rate of low risk but longer-term investments that could be included in a low-risk asset portfolio. The interest rate used in this valuation was 4.06%, resulting in an LDROM of \$224,419,089. The LDROM should not be considered the “correct” liability measurement; it simply shows a possible outcome if the Board elected to hold a very low risk asset portfolio. The Board actually invests the pension plan’s contributions in a diversified portfolio of stocks and bonds and other investments with the objective of maximizing investment returns at a reasonable level of risk. Consequently, the difference between the plan’s Actuarial Accrued Liability disclosed earlier in this section and the LDROM can be thought of as representing the expected taxpayer savings from investing in the plan’s diversified portfolio compared to investing only in high quality bonds.

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

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

PLAN MATURITY MEASURES AND OTHER RISK METRICS

	<u>10/1/2024</u>	<u>10/1/2023</u>	<u>10/1/2019</u>	<u>10/1/2014</u>
<u>Support Ratio</u>				
Total Actives	99	98	97	76
Total Inactives <sup>1</sup>	65	64	56	45
Actives / Inactives <sup>1</sup>	152.3%	153.1%	173.2%	168.9%

Asset Volatility Ratio

Market Value of Assets (MVA)	117,531,966	95,409,162	73,803,033	50,022,032
Total Annual Payroll	12,433,036	11,484,084	9,060,926	6,426,162
MVA / Total Annual Payroll	945.3%	830.8%	814.5%	778.4%

Accrued Liability (AL) Ratio

Inactive Accrued Liability	68,781,512	67,726,974	56,934,365	45,430,595
Total Accrued Liability (EAN)	143,620,903	134,050,391	96,873,887	71,060,657
Inactive AL / Total AL	47.9%	50.5%	58.8%	63.9%

Funded Ratio

Actuarial Value of Assets (AVA)	111,662,336	101,767,210	75,528,254	45,342,028
Total Accrued Liability (EAN)	143,620,903	134,050,391	96,873,887	71,060,657
AVA / Total Accrued Liability (EAN)	77.7%	75.9%	78.0%	63.8%

Net Cash Flow Ratio

Net Cash Flow <sup>2</sup>	1,398,626	1,396,303	2,047,621	2,303,779
Market Value of Assets (MVA)	117,531,966	95,409,162	73,803,033	50,022,032
Ratio	1.2%	1.5%	2.8%	4.6%

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

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

PARTIAL HISTORY OF PREMIUM TAX REFUNDS

<u>Received During Fiscal Year</u>	<u>Amount</u>	<u>Increase from Previous Year</u>
1999	83,576.24	_____%
2000	113,991.40	36.4%
2001	142,687.43	25.2%
2002	204,053.35	43.0%
2003	266,383.07	30.5%
2004	308,557.20	15.8%
2005	357,891.78	16.0%
2006	440,565.24	23.1%
2007	518,217.57	17.6%
2008	638,819.90	23.3%
2009	603,170.07	-5.6%
2010	525,706.56	-12.8%
2011	548,627.86	4.4%
2012	569,492.15	3.8%
2013	552,532.41	-3.0%
2014	583,891.66	5.7%
2015	585,583.85	0.3%
2016	567,161.77	-3.1%
2017	550,061.99	-3.0%
2018	554,750.22	0.9%
2019	736,951.41	32.8%
2020	838,785.67	13.8%
2021	909,227.32	8.4%
2022	923,272.86	1.5%
2023	1,198,522.97	29.8%
2024	1,414,227.01	18.0%

STATEMENT OF FIDUCIARY NET POSITION  
SEPTEMBER 30, 2024

<u>ASSETS</u>	COST VALUE	MARKET VALUE
Cash and Cash Equivalents:		
Short Term Investments	4,722,203.87	4,722,203.87
Total Cash and Equivalents	4,722,203.87	4,722,203.87
Receivables:		
Additional District Contributions	25,809.19	25,809.19
Investment Income	78,752.42	78,752.42
Total Receivable	104,561.61	104,561.61
Investments:		
U. S. Bonds and Bills	1,446,701.95	1,504,815.65
Federal Agency Guaranteed Securities	2,455,870.99	2,487,321.86
Corporate Bonds	3,701,153.23	3,800,172.70
Mutual Funds:		
Fixed Income	13,846,802.63	14,153,690.00
Equity	40,708,664.49	64,653,422.49
Pooled/Common/Commingled Funds:		
Fixed Income	4,500,000.00	4,598,568.00
Equity	4,577,849.58	13,384,284.76
Real Estate	7,614,051.28	8,131,719.78
Total Investments	78,851,094.15	112,713,995.24
Total Assets	83,677,859.63	117,540,760.72
<u>LIABILITIES</u>		
Payables:		
Investment Expenses	8,794.38	8,794.38
Total Liabilities	8,794.38	8,794.38
NET POSITION RESTRICTED FOR PENSIONS	83,669,065.25	117,531,966.34

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

ADDITIONS

Contributions:

Member	840,520.07
Buy-Back	49,636.10
District	5,675,975.41
State	1,414,227.01

Total Contributions 7,980,358.59

Investment Income:

Net Realized Gain (Loss)	7,663,720.14
Unrealized Gain (Loss)	9,841,319.95
Net Increase in Fair Value of Investments	17,505,040.09
Interest & Dividends	3,486,949.52
Less Investment Expense <sup>1</sup>	(267,811.87)

Net Investment Income 20,724,177.74

Total Additions 28,704,536.33

DEDUCTIONS

Distributions to Members:

Benefit Payments	4,690,353.90
Lump Sum DROP Distributions	889,761.73
Lump Sum Share Distributions	0.00
Lump Sum PLOP Distributions	0.00
Lump Sum PRIA Distributions	917,687.87
Refunds of Member Contributions	0.00

Total Distributions 6,497,803.50

Administrative Expense 83,928.67

Total Deductions 6,581,732.17

Net Increase in Net Position 22,122,804.16

NET POSITION RESTRICTED FOR PENSIONS

Beginning of the Year 95,409,162.18

End of the Year 117,531,966.34

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

ACTUARIAL ASSET VALUATION  
SEPTEMBER 30, 2024

Actuarial Assets for funding purposes are developed by increasing the Actuarial Assets used in the most recent actuarial valuation of the Fund by the average annual market value rate of return (net of investment related expenses) for the past four years. Actuarial Assets shall not be less than 80% nor greater than 120% of Market Value of Assets.

Details of the derivation are set forth as follows:

Plan Year End	Rate of Return <sup>1</sup>	
09/30/2021	21.76%	
09/30/2022	-16.61%	
09/30/2023	11.34%	
09/30/2024	21.65%	
Annualized Rate of Return for prior four (4) years:		8.29%
(A) 10/01/2023 Actuarial Assets, including Prepaid Contributions:		\$101,797,893.94
(I) Net Investment Income:		
1. Interest and Dividends	3,486,949.52	
2. Realized Gain (Loss)	7,663,720.14	
3. Unrealized Gain (Loss)	9,841,319.95	
4. Change in Actuarial Value	(12,227,678.59)	
5. Investment Related Expenses	(267,811.87)	
Total		8,496,499.15
(B) 10/01/2024 Actuarial Assets, excluding Shortfall Contribution:		\$111,636,526.68
Actuarial Asset Rate of Return = 2I/(A+B-I), based on Unlimited Actuarial Assets:		8.29%
10/01/2024 Limited Actuarial Assets, including Shortfall Contribution		\$111,662,335.87
10/01/2024 Market Value of Assets, including Shortfall Contribution		\$117,531,966.34
Actuarial Asset Rate of Return, based on Limited Actuarial Assets:		8.29%
Actuarial Gain/(Loss) due to Investment Return (Limited Actuarial Asset Basis)		\$860,923.92

<sup>1</sup>Market Value Basis, net of investment related expenses.

CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS  
 SEPTEMBER 30, 2024  
 Actuarial Asset Basis

REVENUES

Contributions:		
Member	840,520.07	
Buy-Back	49,636.10	
District	5,675,975.41	
State	1,414,227.01	
 Total Contributions		 7,980,358.59
 Earnings from Investments:		
Interest & Dividends	3,486,949.52	
Net Realized Gain (Loss)	7,663,720.14	
Unrealized Gain (Loss)	9,841,319.95	
Change in Actuarial Value	(12,227,678.59)	
 Total Earnings and Investment Gains		 8,764,311.02

EXPENDITURES

Distributions to Members:		
Benefit Payments	4,690,353.90	
Lump Sum DROP Distributions	889,761.73	
Lump Sum Share Distributions	0.00	
Lump Sum PLOP Distributions	0.00	
Lump Sum PRIA Distributions	917,687.87	
Refunds of Member Contributions	0.00	
 Total Distributions		 6,497,803.50
 Expenses:		
Investment related <sup>1</sup>	267,811.87	
Administrative	83,928.67	
 Total Expenses		 351,740.54
 Change in Net Assets for the Year		 9,895,125.57
 Net Assets Beginning of the Year		 101,767,210.30
 Net Assets End of the Year <sup>2</sup>		 111,662,335.87

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

<sup>2</sup>Net Assets may be limited for actuarial consideration.

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

Beginning of the Year Balance	3,820,581.03
Plus Additions	883,851.54
Investment Return Earned	241,398.26
Less Distributions	(1,807,449.60)
End of the Year Balance	3,138,381.23

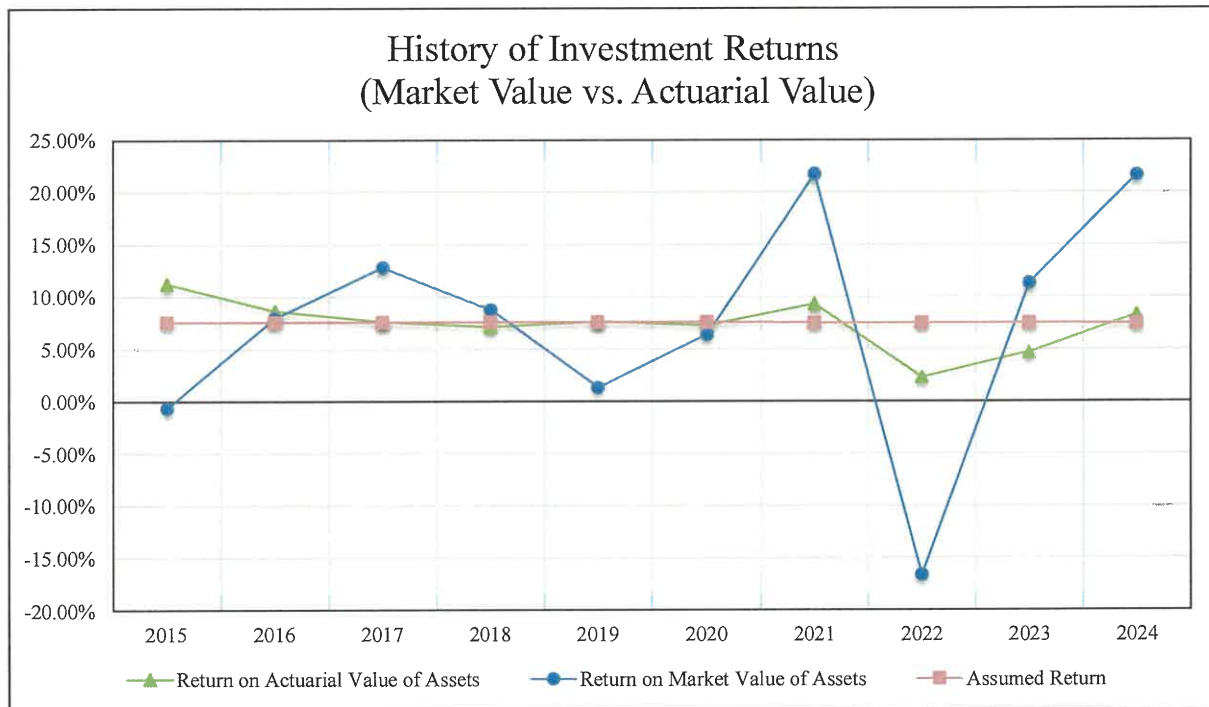
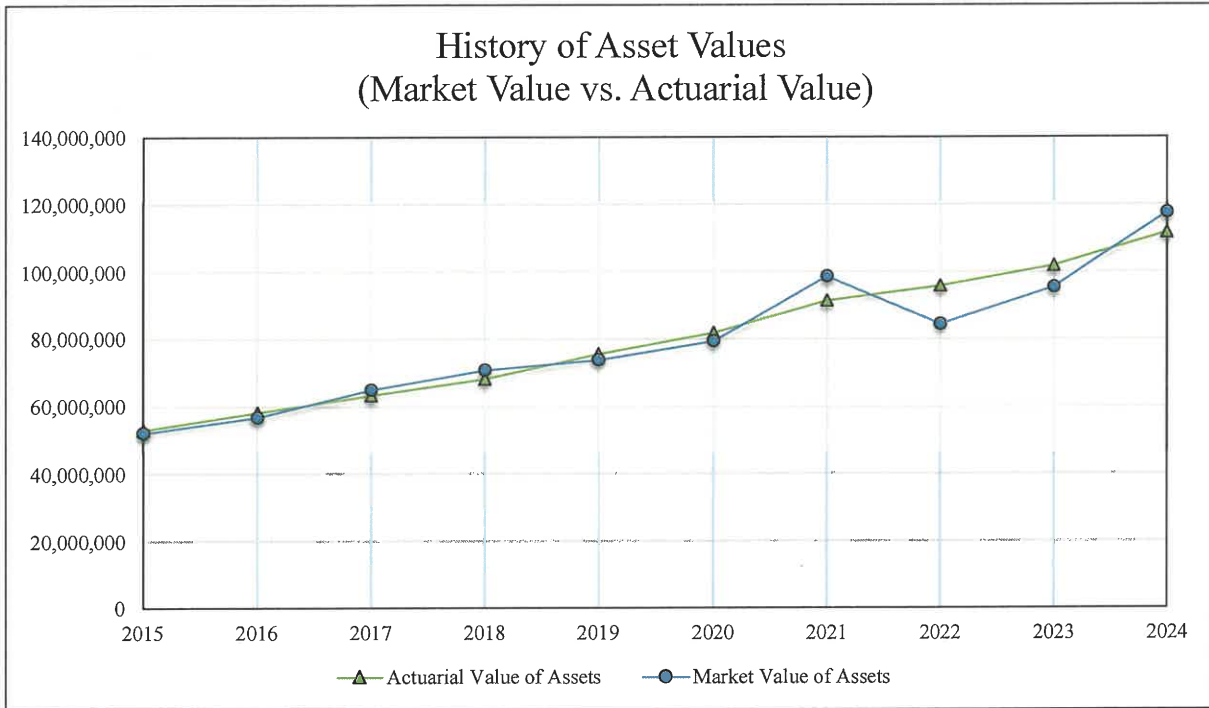
SUPPLEMENTAL CHAPTER 175 SHARE PLAN ACTIVITY  
October 1, 2023 through September 30, 2024

9/30/2023 Balance	198,364.54
Prior Year Adjustment	(3.09)
Plus Additions	0.00
Investment Return Earned (Est.)	42,945.00
Administrative Fees (Est.)	0.00
Less Distributions	<u>0.00</u>
9/30/2024 Balance (Est.)	241,306.45

RECONCILIATION OF DISTRICT SHORTFALL/(PREPAID) CONTRIBUTION  
FOR THE FISCAL YEAR ENDED (FYE) SEPTEMBER 30, 2024

(1)	Total Required Contribution Rate	62.6%
(2)	Pensionable Payroll Derived from Member Contributions	\$12,007,429.57
(3)	Total Required Contribution (1) x (2)	7,516,650.91
(4)	Less Actual Member Contributions	(840,520.07)
(5)	Less Allowable State Contribution	<u>(1,000,155.43)</u>
(6)	Equals Required District Contribution for Fiscal 2024	5,675,975.41
(7)	Less 2023 Prepaid Contribution	(30,683.64)
(8)	Less Actual District Contributions	<u>(5,619,482.58)</u>
(9)	Equals District's Shortfall/(Prepaid) Contribution as of September 30, 2024	\$25,809.19

## HISTORY OF ASSET VALUES AND INVESTMENT RETURNS



STATISTICAL DATA

	<u>10/1/2024</u>	<u>10/1/2023</u>	<u>10/1/2022</u>	<u>10/1/2021</u>
<u>Actives</u>				
Number	99	98	99	97
Average Current Age	41.0	40.4	40.6	40.4
Average Age at Employment	28.3	28.3	28.9	29.1
Average Past Service	12.7	12.1	11.7	11.3
Average Annual Salary	\$125,586	\$117,185	\$109,651	\$105,347
<u>Service Retirees</u>				
Number	49	47	46	45
Average Current Age	64.1	63.4	62.7	62.0
Average Annual Benefit	\$95,296	\$92,790	\$92,371	\$90,799
<u>DROP Retirees</u>				
Number	5	6	5	5
Average Current Age	58.5	57.9	57.5	57.7
Average Annual Benefit	\$75,079	\$73,945	\$66,501	\$71,603
<u>Beneficiaries</u>				
Number	4	4	4	4
Average Current Age	44.2	43.2	42.2	41.2
Average Annual Benefit	\$34,593	\$33,586	\$32,608	\$31,658
<u>Disability Retirees</u>				
Number	3	3	3	3
Average Current Age	54.2	53.2	52.2	51.2
Average Annual Benefit	\$53,366	\$51,811	\$50,302	\$48,837
<u>Terminated Vested</u>				
Number	6	6	5	6
Average Current Age <sup>1</sup>	46.9	45.9	47.7	44.2
Average Annual Benefit <sup>1</sup>	\$41,794	\$41,794	\$35,233	\$36,133

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

## AGE AND SERVICE DISTRIBUTION

### PAST SERVICE

AGE	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30+	Total
15 - 19												0
20 - 24		2										2
25 - 29	2	1	2	1	1	2						9
30 - 34		2	1	2	1	7	2					15
35 - 39			1			8	3	2				14
40 - 44						7	4	10	1			22
45 - 49				1		4	1	9	2			17
50 - 54						1		3	10		2	16
55 - 59						1	1		1		1	4
60 - 64												0
65+												0
Total	2	5	4	4	2	30	11	24	14	0	3	99

VALUATION PARTICIPANT RECONCILIATION

1. Active lives

a. Number in prior valuation 10/1/2023	98
b. Terminations	
i. Vested (partial or full) with deferred annuity	0
ii. Vested in refund of member contributions only	0
iii. Refund of member contributions or full lump sum distribution	0
c. Deaths	
i. Beneficiary receiving benefits	0
ii. No future benefits payable	0
d. Disabled	0
e. Retired	(1)
f. DROP	<u>0</u>
g. Continuing participants	97
h. New entrants / Rehires	<u>2</u>
i. Total active life participants in valuation	99

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

	Service Retirees, Vested Receiving	DROP Benefits	Receiving Death Benefits	Receiving Disability Benefits	Vested (Deferred Annuity)	Vested (Due Refund)	Total
a. Number prior valuation	47	6	4	3	4	2	66
Retired	2	(1)					1
DROP							0
Vested (Deferred Annuity)							0
Vested (Due Refund)							0
Hired/Terminated in Same Year							0
Death, With Survivor							0
Death, No Survivor							0
Disabled							0
Refund of Contributions							0
Rehires							0
Expired Annuities							0
Data Corrections							0
b. Number current valuation	49	5	4	3	4	2	67



Cost of Living Adjustment

Normal and Early Service Retirees after January 1, 2000, and current and future Disability Retirees and Pre-Retirement Death Beneficiaries as of May 11, 2020, receive 3% annual benefit increases for 17 years (12 years for Firefighters hired after June 1, 2010), commencing 1 year after retirement.

Vesting

Schedule

100% after 10 years of Credited Service.

Benefit Amount

Member will receive the vested portion of his (her) accrued benefit payable at the otherwise Normal Retirement Date.

Disability

Eligibility

Service Incurred

Covered from Date of Employment.

Non-Service Incurred

10 years of Credited Service.

Exclusions

Disability resulting from use of drugs, illegal participation in riots, service in military, etc.

Benefit

Benefit accrued to date of disability but not less than 42% of Average Final Compensation (Service Incurred).

Duration

Payable for life (with 120 payments guaranteed), or until recovery (as determined by the Board). Optional forms of payment available.

Death Benefits

Pre-Retirement

Vested

Monthly accrued benefit payable to designated beneficiary for 10 years.

Non-Vested

Refund of accumulated contributions without interest.

Post-Retirement

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

Board of Trustees

- a. Two District appointees,
- b. Two Members of the Department elected by the membership, and
- c. Fifth Member elected by other 4 and appointed by the District.

Deferred Retirement Option Plan

Eligibility	Satisfaction of Normal Retirement or Early Retirement eligibility requirements.
Participation	Not to exceed 60 months.
Rate of Return	At the Member's election: (1) 6.5% annual rate, or (2) actual net rate of investment return (total return net of brokerage commissions, management fees, and transaction costs), credited each fiscal quarter. One change between the above is allowed.
Form of Distribution	Cash lump sum (options available) at termination of employment.

Chapter 175 Share Accounts

Effective March 1, 2010, a share plan was established pursuant to Chapter 175, Florida Statutes.

For plan years on or after October 1, 2009 and before October 1, 2023, all premium tax revenues received by the District in excess of \$1,000,155 shall be allocated to the participants' share accounts as follows:

- Members employed on preceding September 30 receive one share for each month of credited service.
- Interest equal to the System's actual net rate of investment return for the preceding plan year is credited each January 1.

Effective October 1, 2023, no further monies will be allocated to share accounts.

