

SOUTH WALTON FIRE DISTRICT
FIREFIGHTERS' RETIREMENT SYSTEM

ACTUARIAL VALUATION
AS OF OCTOBER 1, 2024
(REVISED MARCH 20, 2025)

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



FOSTER & FOSTER
ACTUARIES AND CONSULTANTS

March 20, 2025

Board of Trustees
South Walton Fire District
Firefighters' Pension Board

Re: South Walton Fire District Firefighters' Retirement System

Dear Board:

We are pleased to present to the Board this report of the annual actuarial valuation of the South Walton Fire District Firefighters' 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 South Walton Fire 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 South Walton Fire District, nor does anyone at Foster & Foster, Inc. act as a member of the Board of Trustees of the Firefighters' 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.

A handwritten signature in blue ink, appearing to read "JL Griffin".

By:

Joseph L. Griffin, ASA, EA, MAAA
Enrolled Actuary #23-6938

A handwritten signature in black ink, appearing to read "Tyler Koftan".

By:

Tyler A. Koftan, EA, MAAA
Enrolled Actuary #23-8685

JLG/lke

Enclosures

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SUMMARY OF REPORT

The regular annual actuarial valuation of the South Walton Fire District Firefighters' 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 October 1, 2023 actuarial valuation report, are as follows:

Valuation Date	10/1/2024	10/1/2023
Applicable to Fiscal Year Ending	<u>9/30/2026</u>	<u>9/30/2025</u>
Minimum Required Contribution	\$4,182,243	\$4,501,497
Member Contributions (Est.)	615,109	618,000
District And State Required Contribution	3,567,134	3,883,497
State Contribution (Est.) ¹	999,371	999,371
District Required Contribution (Est.)	\$2,567,763	\$2,884,126

¹ Represents the amount received in calendar 2024 and the terms established in the Mutual Consent Agreement signed September 27, 2016. The District will use any State Monies, up to \$639,789.34, to offset its required contribution. 50% of the State Monies received by the District in excess of \$639,789.34 shall be allocated to the Share Plan, with the remaining 50% used by the District.

As you can see, the Minimum Required Contribution shows a decrease when compared to the results set forth in the October 1, 2023 actuarial valuation report. The decrease is attributable to favorable experience described on the following page, as well as the paying off of an amortization base with an amortization amount of approximately \$350,000. The decrease was offset by a Board-approved change of actuarial assumptions based on the March 3, 2025 experience study.

Plan experience was favorable overall on the basis of the plan's actuarial assumptions. Sources of actuarial gain included an investment return of 9.47% (Actuarial Asset Basis) which exceeded the 7.00% assumption and inactive mortality experience. There were no significant sources of actuarial loss.

CHANGES SINCE PRIOR VALUATION

Plan Changes

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

Actuarial Assumption/Method Changes

Since the previous valuation, the Board approved the following assumption changes based on the March 3, 2025 experience study:

- The early retirement rates were reduced from 5% to 4% per year.
- The disability rates were multiplied by 1.25 at all ages.
- The termination rates and salary rates were adjusted to align with observed experience.

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

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	104	104	107
Service Retirees	26	26	22
DROP Retirees	9	9	6
Beneficiaries	1	1	1
Disability Retirees	7	7	7
Terminated Vested	<u>10</u>	<u>10</u>	<u>10</u>
Total	157	157	153
Projected Annual Payroll	10,705,682	10,670,757	10,396,132
Annual Rate of Payments to:			
Service Retirees	1,743,905	1,743,905	1,440,663
DROP Retirees	767,818	767,818	526,211
Beneficiaries	11,691	11,691	11,691
Disability Retirees	285,783	285,783	285,783
Terminated Vested	60,084	60,084	105,261
B. Assets			
Actuarial Value (AVA) ¹	86,882,487	86,882,487	77,590,152
Market Value (MVA) ¹	94,101,781	94,101,781	75,010,969
C. Liabilities			
Present Value of Benefits			
Actives			
Retirement Benefits	77,076,091	74,819,133	75,099,659
Disability Benefits	3,264,599	2,580,730	2,521,803
Death Benefits	211,201	206,750	209,922
Vested Benefits	38,582	1,301,976	1,281,329
Refund of Contributions	51,888	51,888	47,192
Service Retirees	20,860,707	20,860,707	17,070,886
DROP Retirees ¹	11,409,091	11,409,091	7,664,868
Beneficiaries	36,460	36,460	45,411
Disability Retirees	3,510,453	3,510,453	3,542,428
Terminated Vested	576,969	576,969	1,056,126
Share Plan Balances ¹	<u>1,839,065</u>	<u>1,839,065</u>	<u>1,233,805</u>
Total	118,875,106	117,193,222	109,773,429

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	99,093,359	99,180,307	95,038,712
Present Value of Future Member Contributions	4,191,867	4,175,115	4,165,357
Normal Cost (Retirement)	3,074,525	2,926,174	2,921,091
Normal Cost (Disability)	236,233	184,836	177,789
Normal Cost (Death)	13,217	12,827	12,761
Normal Cost (Vesting)	5,195	80,068	78,117
Normal Cost (Refunds)	10,054	10,054	8,797
Total Normal Cost	<u>3,339,224</u>	<u>3,213,959</u>	<u>3,198,555</u>
Present Value of Future Normal Costs	28,794,649	27,813,380	27,210,227
Accrued Liability (Retirement)	50,503,972	49,499,023	50,283,811
Accrued Liability (Disability)	1,245,381	976,963	984,758
Accrued Liability (Death)	102,250	100,398	104,578
Accrued Liability (Vesting)	(8,154)	566,450	573,622
Accrued Liability (Refunds)	4,263	4,263	2,909
Accrued Liability (Inactives) ¹	36,393,680	36,393,680	29,379,719
Share Plan Balances ¹	1,839,065	1,839,065	1,233,805
Total Actuarial Accrued Liability (EAN AL)	<u>90,080,457</u>	<u>89,379,842</u>	<u>82,563,202</u>
Unfunded Actuarial Accrued Liability (UAAL)	3,197,970	2,497,355	4,973,050
Funded Ratio (AVA / EAN AL)	96.4%	97.2%	94.0%

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 ¹	38,232,745	38,232,745	30,613,524
Actives	30,999,325	30,951,463	31,081,873
Member Contributions	<u>5,361,217</u>	<u>5,361,217</u>	<u>5,511,596</u>
Total	74,593,287	74,545,425	67,206,993
Non-vested Accrued Benefits	<u>5,243,195</u>	<u>5,258,179</u>	<u>5,355,942</u>
Total Present Value Accrued Benefits (PVAB)	79,836,482	79,803,604	72,562,935
Funded Ratio (MVA / PVAB)	117.9%	117.9%	103.4%
Increase (Decrease) in Present Value of Accrued Benefits Attributable to:			
Plan Amendments	0	0	
Assumption Changes	32,878	0	
Plan Experience	0	4,564,454	
Benefits Paid	0	(2,321,923)	
Interest	0	4,998,138	
Other	<u>0</u>	<u>0</u>	
Total	32,878	7,240,669	

	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 ²	\$3,700,443	\$3,549,985	\$3,528,005
Administrative Expenses ²	94,158	93,850	87,040
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 15 years (as of 10/1/2024) ²	387,642	315,773	886,452
Minimum Required Contribution	4,182,243	3,959,608	4,501,497
Expected Member Contributions ²	615,109	610,794	618,000
Expected District and State Contribution	3,567,134	3,348,814	3,883,497
F. Past Contributions			
Plan Years Ending:	<u>9/30/2024</u>		
District and State Requirement	3,320,851		
Actual Contributions Made:			
District	2,321,481		
State	<u>999,371</u>		
Total	3,320,852		
G. Net Actuarial (Gain)/Loss	(2,311,615)		

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

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

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

<u>Year</u>	<u>Projected Unfunded Actuarial Accrued Liability</u>
2024	3,197,970
2025	3,047,540
2026	2,879,094
2029	2,251,026
2033	1,063,217
2036	143,135
2039	0

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

		<u>Actual</u>	<u>Assumed</u>
Year Ended	9/30/2024	6.51%	6.27%
Year Ended	9/30/2023	8.28%	6.07%
Year Ended	9/30/2022	10.50%	5.67%
Year Ended	9/30/2021	4.39%	5.48%
Year Ended	9/30/2020	5.48%	5.27%

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

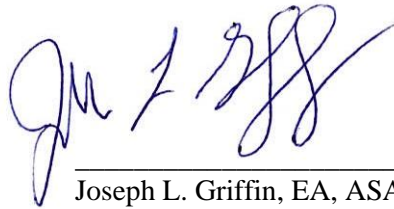
		<u>Market Value</u>	<u>Actuarial Value</u>	<u>Assumed</u>
Year Ended	9/30/2024	22.86%	9.47%	7.00%
Year Ended	9/30/2023	10.85%	6.12%	7.00%
Year Ended	9/30/2022	-10.78%	6.57%	7.00%
Year Ended	9/30/2021	18.42%	10.56%	7.25%
Year Ended	9/30/2020	11.71%	8.12%	7.25%

(iii) Average Annual Payroll Growth

(a) Payroll as of:	10/1/2024	\$10,705,682
	10/1/2014	6,241,351
(b) Total Increase		71.53%
(c) Number of Years		10.00
(d) Average Annual Rate		5.54%

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.



Joseph L. Griffin, EA, ASA, MAAA
Enrolled Actuary #23-6938

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

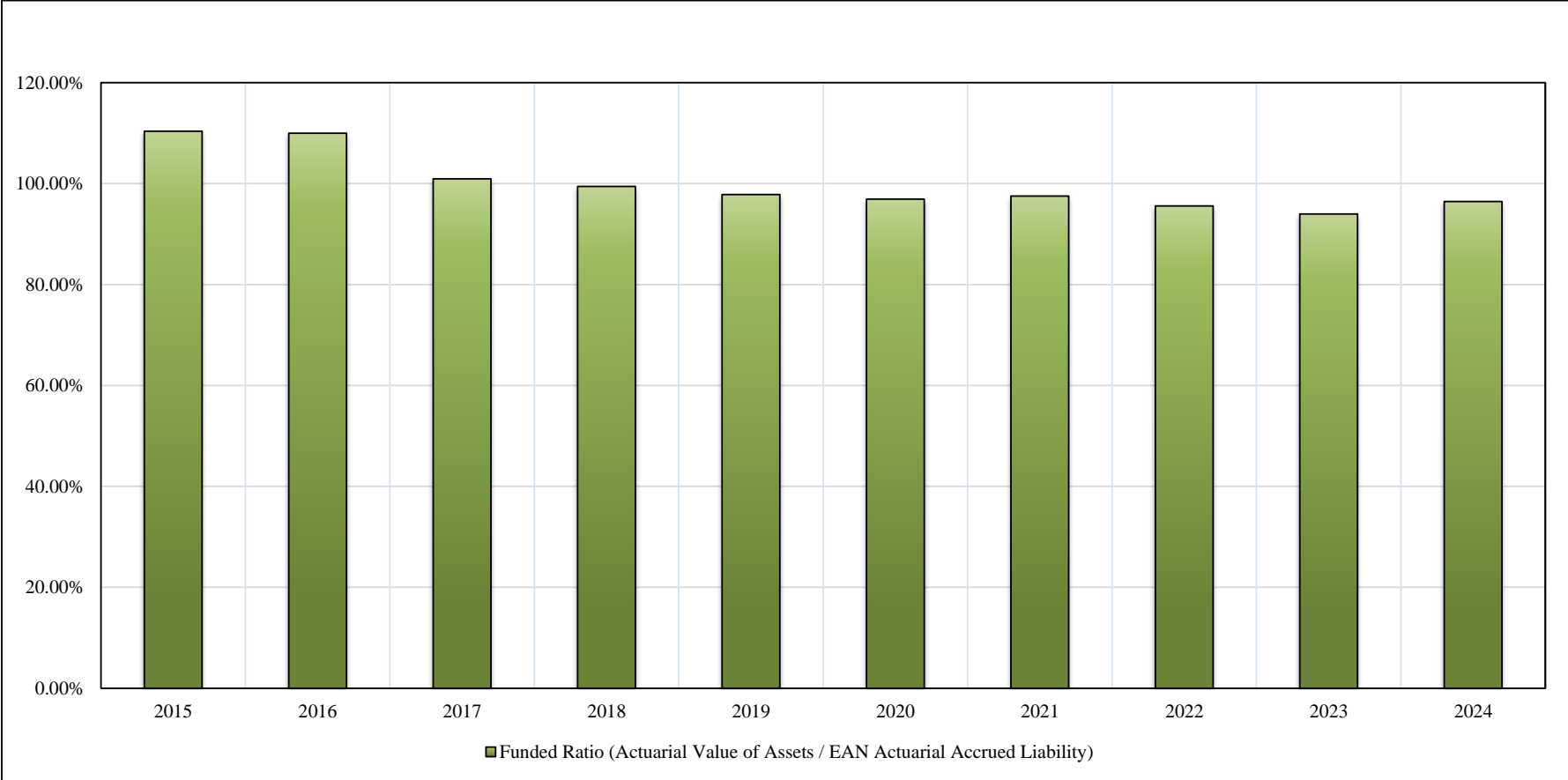
(1)	Unfunded Actuarial Accrued Liability as of October 1, 2023	\$4,973,050
(2)	Sponsor Normal Cost developed as of October 1, 2023	2,633,005
(3)	Expected administrative expenses for the year ended September 30, 2024	78,912
(4)	Expected interest on (1), (2) and (3)	535,186
(5)	Sponsor contributions to the System during the year ended September 30, 2024	3,320,852
(6)	Expected interest on (5)	90,331
(7)	Expected Unfunded Actuarial Accrued Liability as of September 30, 2024 (1)+(2)+(3)+(4)-(5)-(6)	4,808,970
(8)	Change to UAAL due to Assumption Change	700,615
(9)	Change to UAAL due to Actuarial (Gain)/Loss	(2,311,615)
(10)	Unfunded Actuarial Accrued Liability as of October 1, 2024	3,197,970

<u>Type of Base</u>	<u>Date Established</u>	<u>Years Remaining</u>	<u>10/1/2024 Amount</u>	<u>Amortization Amount</u>
Asmp/Mthd Change	10/1/2019	10	600,640	73,798
Actuarial Gain	10/1/2020	11	(753,639)	(86,045)
Assump Change	10/1/2020	11	1,445,834	165,075
Actuarial Gain	10/1/2021	12	(2,648,064)	(283,235)
Assump Change	10/1/2021	12	2,405,070	257,245
Actuarial Loss	10/1/2022	13	1,966,048	198,341
Actuarial Loss	10/1/2023	14	1,793,081	171,599
Actuarial Gain	10/1/2024	15	(2,311,615)	(210,895)
Assump Change	10/1/2024	15	700,615	63,919
			3,197,970	349,802

DETAILED ACTUARIAL (GAIN)/LOSS ANALYSIS

(1) Unfunded Actuarial Accrued Liability (UAAL) as of October 1, 2023	\$4,973,050
(2) Expected UAAL as of October 1, 2024	4,808,970
(3) Summary of Actuarial (Gain)/Loss, by component:	
Investment Return (Actuarial Asset Basis)	(1,942,313)
Salary Increases	(16,408)
Active Decrements	37,872
Inactive Mortality	(537,639)
Interest Crediting on Share Plan Balances	186,511
Other	<u>(39,638)</u>
Increase in UAAL due to (Gain)/Loss	(2,311,615)
Assumption Changes	<u>700,615</u>
(4) Actual UAAL as of October 1, 2024	\$3,197,970

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.

Interest Rate

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

Salary Increases

See rates below. The assumed rates were determined based on the March 3, 2025 experience study.

Salary Scale	
Service	Rate
0	10.00%
1	11.00%
2	12.00%
3	12.00%
4	11.00%
5	10.00%
6	8.50%
7	6.50%
8	6.00%
9	5.50%
10+	4.50%

Previously, the following rates were used.

Salary Scale	
Service	Rate
0	12.00%
1	11.50%
2	11.00%
3	10.50%
4	10.00%
5	9.00%
6	8.00%
7	7.00%
8	6.00%
9	5.00%
10+	4.00%

Retirement Age

Earlier of age 55 and 10 years of service or the completion of 25 years of service. Also, any member who has reached Normal Retirement is assumed to continue employment for one additional year. This assumption was evaluated and left unchanged with the March 3, 2025 experience study.

Early Retirement

Commencing with the earliest Early Retirement Age (50), members are assumed to retire with an immediate subsidized benefit at the rate of 4% per year (previously 5% per year). This is based on the March 3, 2025 experience study.

Termination Rate

See rates below. The assumed rates were determined based on the March 3, 2025 experience study.

% Terminating During the Year	
Service	Rate
0 - 3	7.0%
4 - 9	1.0%
10+	0.0%

Previously, the following rates were used.

% Terminating During the Year	
Service	Rate
0	7.0%
1 - 6	2.0%
7 - 9	0.0%
10+	0.5%

Disability Rate

See rates below. The assumed rates were determined based on the March 3, 2025 experience study. It is assumed that 90% of disablements are service related.

% Becoming Disabled During the Year	
Age	Rate
20	0.15%
30	0.23%
40	0.34%
50	0.88%
60	4.50%
61+	6.25%

The assumed rates were determined based on the March 3, 2025 experience study.

Previously, the following disability rates were used:

% Becoming Disabled During the Year	
Age	Rate
20	0.12%
30	0.18%
40	0.27%
50	0.70%
60	3.60%
61+	5.00%

Payroll Growth

2.00% 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

\$84,967 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.

Asset Valuation Method

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

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 7.00% assumption.

Salary - A full year, based on current 7.07% assumption.

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.
- Payroll Growth: The plan's payroll growth assumption, if one is used, causes a predictable annual increase in the plan's amortization payment in order to produce an amortization payment that remains constant as a percentage of payroll if all assumptions are realized. If payroll increases less than the plan's payroll growth assumption, the plan's amortization payment can increase significantly as a percentage of payroll even if all assumptions other than the payroll growth assumption are realized.
- 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 910.0% on October 1, 2014 to 231.1% 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 40.4%. 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 decreased from 98.8% on October 1, 2014 to 96.4% 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 6.7% on October 1, 2014 to 2.0% on October 1, 2024. The current Net Cash Flow Ratio of 2.0% 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 10 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 \$130,815,990. 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	104	107	87	91
Total Inactives ¹	45	39	27	10
Actives / Inactives ¹	231.1%	274.4%	322.2%	910.0%

Asset Volatility Ratio

Market Value of Assets (MVA)	94,101,781	75,010,969	54,052,805	31,265,895
Total Annual Payroll	10,705,682	10,396,132	7,232,618	6,241,351
MVA / Total Annual Payroll	879.0%	721.5%	747.3%	500.9%

Accrued Liability (AL) Ratio

Inactive Accrued Liability	36,393,680	29,379,719	18,369,005	3,435,366
Total Accrued Liability (EAN)	90,080,457	82,563,202	55,250,846	30,457,076
Inactive AL / Total AL	40.4%	35.6%	33.2%	11.3%

Funded Ratio

Actuarial Value of Assets (AVA)	86,882,487	77,590,152	54,052,805	30,100,124
Total Accrued Liability (EAN)	90,080,457	82,563,202	55,250,846	30,457,076
AVA / Total Accrued Liability (EAN)	96.4%	94.0%	97.8%	98.8%

Net Cash Flow Ratio

Net Cash Flow ²	1,853,828	1,672,010	1,092,790	2,107,830
Market Value of Assets (MVA)	94,101,781	75,010,969	54,052,805	31,265,895
Ratio	2.0%	2.2%	2.0%	6.7%

¹ Excludes terminated participants awaiting a refund of member contributions.

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

PARTIAL HISTORY OF PREMIUM TAX REFUNDS

<u>Received During Fiscal Year</u>	<u>Amount</u>	<u>Increase from Previous Year</u>
1998	-	_____%
1999	33,311.88	N/A
2000	59,361.52	78.2%
2001	97,188.10	63.7%
2002	117,587.47	21.0%
2003	154,506.03	31.4%
2004	170,845.03	10.6%
2005	243,536.49	42.5%
2006	274,610.68	12.8%
2007	470,084.79	71.2%
2008	772,030.92	64.2%
2009	585,800.35	-24.1%
2010	589,573.18	0.6%
2011	596,499.26	1.2%
2012	592,265.65	-0.7%
2013	632,791.44	6.8%
2014	704,774.20	11.4%
2015	756,246.71	7.3%
2016	686,162.41	-9.3%
2017	649,587.98	-5.3%
2018	681,518.08	4.9%
2019	725,387.35	6.4%
2020	778,356.52	7.3%
2021	968,968.29	24.5%
2022	1,013,141.68	4.6%
2023	1,176,789.27	16.2%
2024	1,358,952.02	15.5%

STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2024

<u>ASSETS</u>	COST VALUE	MARKET VALUE
Cash and Cash Equivalents:		
Short Term Investments	377,772.96	377,772.96
Cash	3,088.40	3,088.40
Total Cash and Equivalents	380,861.36	380,861.36
Receivables:		
Member Contributions in Transit	5.82	5.82
District Contributions in Transit	377,414.00	377,414.00
Investment Income	65,284.07	65,284.07
Total Receivable	442,703.89	442,703.89
Investments:		
U. S. Bonds and Bills	6,815,010.98	6,630,080.50
Federal Agency Guaranteed Securities	6,994,737.34	7,185,587.91
Corporate Bonds	1,505,362.37	1,456,901.05
Mutual Funds:		
Fixed Income	6,712,763.78	6,512,772.87
Equity	37,208,223.65	55,226,338.80
Pooled/Common/Commingled Funds:		
Equity	3,817,405.86	6,385,061.00
Real Estate	7,970,774.01	9,932,176.00
Total Investments	71,024,277.99	93,328,918.13
Total Assets	71,847,843.24	94,152,483.38
<u>LIABILITIES</u>		
Payables:		
Investment Expenses	45,252.75	45,252.75
Administrative Expenses	5,449.80	5,449.80
Total Liabilities	50,702.55	50,702.55
NET POSITION RESTRICTED FOR PENSIONS	71,797,140.69	94,101,780.83

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

ADDITIONS

Contributions:			
Member		543,265.52	
Buy-Back		43,257.00	
District		2,321,481.00	
State		1,358,952.02	
Total Contributions			4,266,955.54
Investment Income:			
Net Realized Gain (Loss)	1,941,913.24		
Unrealized Gain (Loss)	12,002,761.38		
Net Increase in Fair Value of Investments		13,944,674.62	
Interest & Dividends		3,470,450.42	
Less Investment Expense ¹		(178,140.61)	
Net Investment Income			17,236,984.43
Total Additions			21,503,939.97

DEDUCTIONS

Distributions to Members:			
Benefit Payments		1,873,321.87	
Lump Sum DROP Distributions		399,243.22	
Lump Sum Share Distributions		23,926.20	
Refunds of Member Contributions		25,432.10	
Total Distributions			2,321,923.39
Administrative Expense			91,204.61
Total Deductions			2,413,128.00
Net Increase in Net Position			19,090,811.97
NET POSITION RESTRICTED FOR PENSIONS			
Beginning of the Year			75,010,968.86
End of the Year			94,101,780.83

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

ACTUARIAL ASSET VALUATION
September 30, 2024

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

Plan Year Ending	Gain/(Loss)	<u>Gains/Losses Not Yet Recognized</u>				
		Amounts Not Yet Recognized by Valuation Year				
		2024	2025	2026	2027	2028
09/30/2020	2,366,009	0	0	0	0	0
09/30/2021	6,756,707	1,351,343	0	0	0	0
09/30/2022	(12,943,720)	(5,177,488)	(2,588,744)	0	0	0
09/30/2023	2,513,955	1,508,373	1,005,582	502,791	0	0
09/30/2024	11,921,332	9,537,066	7,152,800	4,768,534	2,384,268	0
Total		7,219,294	5,569,638	5,271,325	2,384,268	0

Development of Investment Gain/Loss

Market Value of Assets, 09/30/2023	75,010,969
Contributions Less Benefit Payments & Admin Expenses	1,853,828
Expected Investment Earnings*	5,315,652
Actual Net Investment Earnings	17,236,984
2024 Actuarial Investment Gain/(Loss)	11,921,332

*Expected Investment Earnings = $0.07 * (75,010,969 + 0.5 * 1,853,828)$

Development of Actuarial Value of Assets

(1) Market Value of Assets, 09/30/2024	94,101,781
(2) Gains/(Losses) Not Yet Recognized	7,219,294
(3) Actuarial Value of Assets, 09/30/2024, (1) - (2)	86,882,487
(4) Limited Actuarial Value of Assets, 09/30/2024	86,882,487

(A) 09/30/2023 Actuarial Assets: 77,590,152

(I) Net Investment Income:	
1. Interest and Dividends	3,470,450
2. Realized Gain (Loss)	1,941,913
3. Unrealized Gain (Loss)	12,002,761
4. Change in Actuarial Value	(9,798,477)
5. Investment Expenses	(178,141)
Total	7,438,507

(B) 09/30/2024 Actuarial Assets: 86,882,487

Actuarial Assets Rate of Return = $2I/(A+B-I)$: 9.47%
Market Value of Assets Rate of Return: 22.86%

Actuarial Gain/(Loss) due to Investment Return (Actuarial Asset Basis) 1,942,313

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

REVENUES

Contributions:		
Member	543,265.52	
Buy-Back	43,257.00	
District	2,321,481.00	
State	1,358,952.02	
Total Contributions		4,266,955.54
Earnings from Investments:		
Interest & Dividends	3,470,450.42	
Net Realized Gain (Loss)	1,941,913.24	
Unrealized Gain (Loss)	12,002,761.38	
Change in Actuarial Value	(9,798,477.00)	
Total Earnings and Investment Gains		7,616,648.04

EXPENDITURES

Distributions to Members:		
Benefit Payments	1,873,321.87	
Lump Sum DROP Distributions	399,243.22	
Lump Sum Share Distributions	23,926.20	
Refunds of Member Contributions	25,432.10	
Total Distributions		2,321,923.39
Expenses:		
Investment related ¹	178,140.61	
Administrative	91,204.61	
Total Expenses		269,345.22
Change in Net Assets for the Year		9,292,334.97
Net Assets Beginning of the Year		77,590,151.86
Net Assets End of the Year²		86,882,486.83

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

²Net Assets may be limited for actuarial consideration.

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

Beginning of the Year Balance	1,019,479.46
Plus Additions	656,672.03
Investment Return Earned	81,980.68
Less Distributions	(399,243.22)
End of the Year Balance	1,358,888.95

Note: Election option assumption for new DROP participants is the Normal Form.
Therefore, Investment Return Earned is not included for those individuals.

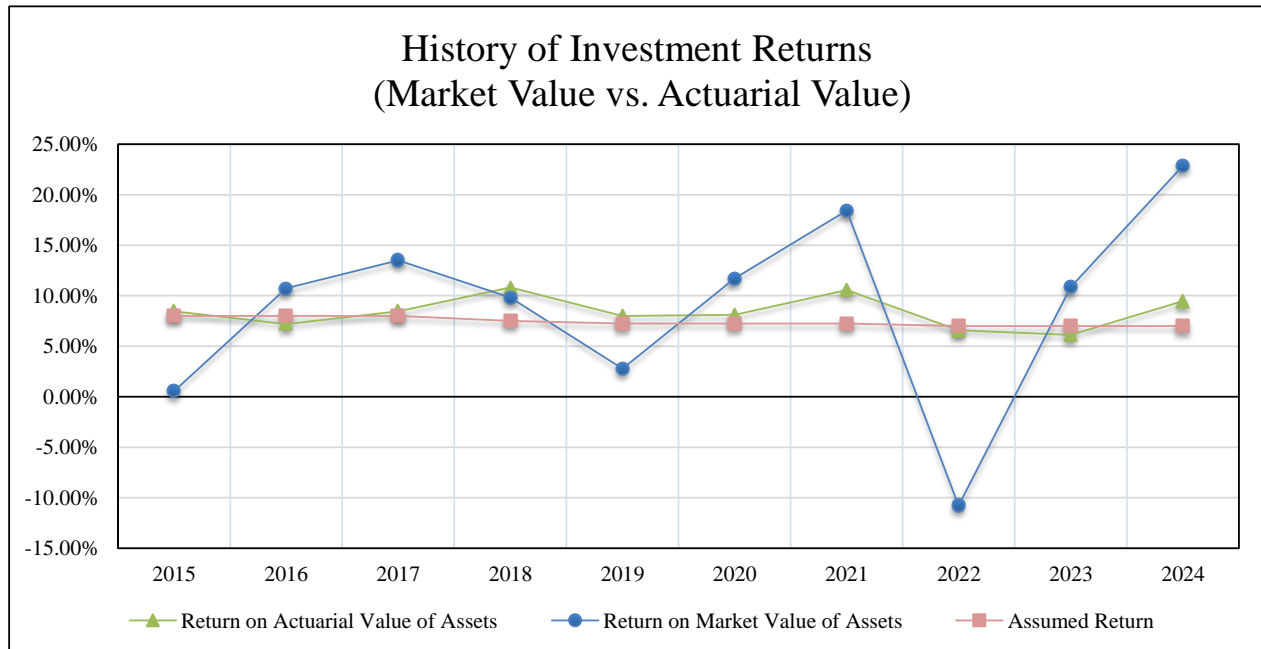
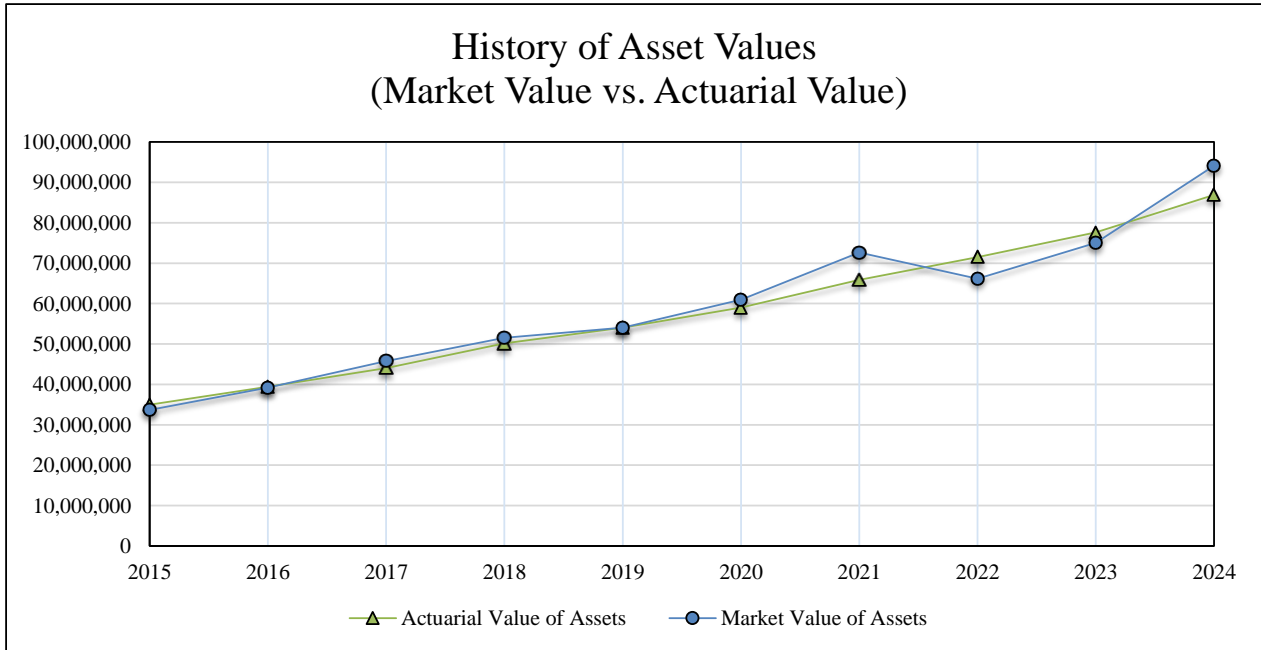
SUPPLEMENTAL CHAPTER 175 SHARE PLAN ACTIVITY
October 1, 2023 through September 30, 2024

9/30/2023 Balance	1,233,804.83
Prior Year Adjustment	1,233.44
Plus Additions	359,581.34
Investment Return Earned	271,289.06
Administrative Fees	(2,917.00)
Less Distributions	<u>(23,926.20)</u>
9/30/2024 Balance	1,839,065.47

DISTRICT CONTRIBUTIONS IN EXCESS OF MINIMUM REQUIREMENT
FOR THE FISCAL YEAR ENDED (FYE) SEPTEMBER 30, 2024

(1) Required District and State Contributions	\$3,320,851.00
(2) Less Allowable State Contribution	<u>(999,370.68)</u>
(3) Required District Contribution for Fiscal 2024	2,321,480.32
(4) Less 2023 Prepaid Contribution	0.00
(5) Less Actual District Contributions	<u>(2,321,481.00)</u>
(6) District Contributions in Excess of Minimum Requirement Applied to Reduce Unfunded Actuarial Accrued Liability as of September 30, 2024	(\$0.68)

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 - Hired before 10/1/2011</u>				
Number	44	51	55	59
Average Current Age	47.3	46.9	46.3	45.6
Average Age at Employment	27.2	27.2	27.5	27.7
Average Past Service	20.1	19.7	18.8	17.9
Average Annual Salary	\$117,121	\$110,043	\$103,095	\$94,212
<u>Actives - Hired on or after 10/1/2011</u>				
Number	60	56	45	36
Average Current Age	34.5	34.0	33.8	34.2
Average Age at Employment	29.9	30.0	30.0	30.3
Average Past Service	4.6	4.0	3.8	3.9
Average Annual Salary	\$92,540	\$85,428	\$79,829	\$74,528
<u>Service Retirees</u>				
Number	26	22	21	20
Average Current Age	59.8	59.9	59.1	58.4
Average Annual Benefit	\$67,073	\$65,485	\$64,756	\$63,831
<u>DROP Retirees</u>				
Number	9	6	4	4
Average Current Age	52.0	52.9	52.5	52.0
Average Annual Benefit	\$85,313	\$87,702	\$84,958	\$83,821
<u>Beneficiaries</u>				
Number	1	1	1	1
Average Current Age	59.8	58.8	57.8	56.8
Average Annual Benefit	\$11,691	\$11,691	\$11,691	\$11,691
<u>Disability Retirees</u>				
Number	7	7	6	4
Average Current Age	51.7	50.7	49.3	48.4
Average Annual Benefit	\$40,826	\$40,826	\$39,175	\$29,091
<u>Terminated Vested</u>				
Number	10	10	10	7
Average Current Age ¹	49.8	50.4	49.4	46.8
Average Annual Benefit ¹	\$30,042	\$35,087	\$35,087	\$30,042

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

AGE AND SERVICE DISTRIBUTION

PAST SERVICE

AGE	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30+	Total
15 - 19												0
20 - 24	2	3	1			1						7
25 - 29	3	1	3	1	1							9
30 - 34	2	1	2		3	5	1					14
35 - 39	2	2	2	1		6	4	1				18
40 - 44		1	1		1	2	3	10	2			20
45 - 49		1		1		1	2	6	7			18
50 - 54	1						1	4	9			15
55 - 59								1	2			3
60 - 64												0
65+												0
Total	10	9	9	3	5	15	11	22	20	0	0	104

VALUATION PARTICIPANT RECONCILIATION

1. Active lives

a. Number in prior valuation 10/1/2023	107
b. Terminations	
i. Vested (partial or full) with deferred annuity	0
ii. Vested in refund of member contributions only	(2)
iii. Refund of member contributions or full lump sum distribution	(4)
c. Deaths	
i. Beneficiary receiving benefits	0
ii. No future benefits payable	0
d. Disabled	0
e. Retired	(3)
f. DROP	(4)
g. Continuing participants	94
h. New entrants / Rehires	10
i. Total active life participants in valuation	104

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

	Service Retirees, Vested Receiving <u>Benefits</u>	DROP <u>Benefits</u>	Receiving Death <u>Benefits</u>	Receiving Disability <u>Benefits</u>	Vested (Deferred Annuity)	Vested (Due Refund)	<u>Total</u>
a. Number prior valuation	22	6	1	7	3	7	46
Retired	5	(1)			(1)		3
DROP		4					4
Vested (Deferred Annuity)							0
Vested (Due Refund)						2	2
Hired/Terminated in Same Year							0
Death, With Survivor							0
Death, No Survivor	(1)						(1)
Disabled							0
Refund of Contributions						(1)	(1)
Rehires							0
Expired Annuities							0
Data Corrections							0
b. Number current valuation	26	9	1	7	2	8	53

SUMMARY OF CURRENT PLAN
(Through Resolution No. 2020-07)

CREDITED SERVICE	Years and fractional parts of years of service with the District as a firefighter. Purchase of prior military or prior fire service permitted.
AVERAGE FINAL COMPENSATION	Average Salary paid during the five (5) highest years of the last ten (10) years of Credited Service.
SALARY	Base compensation. (Lump sum payments of accrued sick and/or vacation at termination are excluded.)
NORMAL RETIREMENT	
Eligibility	Earlier of age 55 and the completion of 10 years of Credited Service or the completion of 25 years of Credited Service, regardless of age.
Benefit Amount	<u>Members hired prior to October 1, 2011:</u> 4% of Average Final Compensation times Credited Service. Additionally, these Members will receive a \$550.00 per month supplemental retirement benefit, payable to the earlier of death or age 65 (Normal Retirement only). <u>Members hired on and after October 1, 2011:</u> 3% of Average Final Compensation times Credited Service
Form of Benefit	10 year certain and life thereafter (options available).
EARLY RETIREMENT	
Eligibility	Age 50 and 10 years of Credited Service.
Benefit Amount	Accrued benefit, reduced by 3% per year prior to Normal Retirement Date.
DISABILITY	
Eligibility	a) 10 years of credited service for non-service related; coverage from date of hire for service-incurred. b) Total and permanent disability prior to Normal Retirement Date.
Benefit Amount	Accrued benefit, but not less than 42% of Average Final Compensation for service related disabilities.

DEATH

Less than 10 years of
Credited Service

Refund of Member Contributions

10 years or more

Beneficiary is entitled to either: 1) the benefits otherwise payable to the firefighter at his early or normal retirement date, payable for 10 years, or 2) a refund of Member Contributions.

VESTING (TERMINATION)

Less than 10 years of
Credited Service

Refund of Member Contributions

10 years or more

Accrued benefit payable at age 50 or later, on reduced basis if to commence prior to Normal Retirement Date, or a refund of Member Contributions.

CONTRIBUTIONS

Employee

Members hired prior to October 1, 2011: 7.0% of base pay (8.0% from 10/7/2012 to 9/30/2013).

Members hired on and after October 1, 2011: 3.5% of base pay (4.5% from 10/7/2012 to 9/30/2013).

Premium Tax

1.85% tax on premiums for fire insurance policies.

District

Remaining amount necessary for payment of Normal (current year's) Cost and amortization of the accrued past service liability as provided in Part VII of Chapter 112, Florida Statutes.

BOARD OF TRUSTEES

- a) Two District Board appointees,
- b) Two Members of the System elected by a majority of the other covered Firefighters, and
- c) A fifth Member elected by the other 4 and appointed by the District Board.

DEFERRED RETIREMENT OPTION PLAN

Eligibility

Satisfaction of Normal Retirement requirements.

Participation

Not to exceed 60 months.

Rate of Return

Choice of 6.5% per annum (compounded monthly, credited quarterly), or actual net rate of return.

Form of Distribution

Lump sum payment at termination of employment.

CHAPTER 175 SHARE ACCOUNT

Pursuant to Chapter 2015-39, a share plan was established as of September 30, 2016 based on a mutual consent agreement between the District and the membership. The initial allocation included the balance of the Excess State Monies Reserve (\$422,952.69) and was allocated based on a formula to all active members and DROP participants employed by the District on October 1, 2016. Future allocations are subject to the mutual consent agreement on how to treat future Chapter 175 premium tax distributions. A reconciliation of all funds in the share plan will be performed in conjunction with each actuarial valuation and will be subject to the provisions outlined in Resolution No. 17-02.