



City of Miami Fire Fighters' and Police Officers' Retirement Trust

October 1, 2024 | Actuarial Valuation Report

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At the request of the plan sponsor, this report summarizes the City of Miami Fire Fighters' and Police Officers' Retirement Trust as of October 1, 2024. The purpose of this report is to communicate the following results of the valuation:

- Determine Funded Status; and
- Determine Recommended Contribution for the fiscal year October 1, 2025 through September 30, 2026.

This report has been prepared in accordance with the applicable Federal and State laws. Consequently, it may not be appropriate for other purposes. Please contact Nyhart prior to disclosing this report to any other party or relying on its content for any purpose other than that explained above. Failure to do so may result in misrepresentation or misinterpretation of this report.

The results in this report were prepared using information provided to us by other parties. The census information has been provided to us by the plan administrator. Asset information has been provided to us by the plan administrator. We have reviewed the provided data for reasonableness when compared to prior information provided, but have not audited the data. Where relevant data may be missing, we have made assumptions we believe to be reasonable. We are not aware of any significant issues with and have relied on the data provided. Any errors in the data provided may result in a different result than those provided in this report. A summary of the data used in the valuation is included in this report.

The actuarial assumptions and methods were chosen by the Board. In our opinion, all actuarial assumptions and methods are individually reasonable and in combination represent our best estimate of anticipated experience of the plan. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following:

- plan experience differing from that anticipated by the economic or demographic assumptions;
- changes in economic or demographic assumptions;
- increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period);
and
- changes in plan provisions or applicable law.

We did not perform an analysis of the potential range of future measurements due to the limited scope of our engagement. This report has been prepared in accordance with generally accepted actuarial principles and practice.

This actuarial valuation and/or cost determination 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.

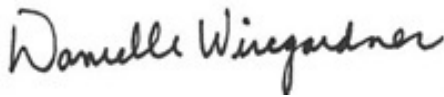
With respect to reporting standards for defined benefit retirement plans or systems contained in Section 112.664(1), F.S., the actuarial disclosures required under this section were prepared and completed by me or under my direct supervision, and I acknowledge responsibility for the results. To the best of my knowledge, the results are complete and accurate, and in my opinion, meet the requirements of Section 112.664 (1), Florida Statutes, and Rule 60T-1.0035, Florida Administrative Code.

In preparing these results, Nyhart used ProVal valuation software developed by Winklevoss Technologies, LLC. This software is widely used for the purpose of performing pension valuations. We coded the plan provisions, assumptions, methods, and participant data summarized in this report, and reviewed the liability and cost outputs for reasonableness. We are not aware of any weaknesses or limitations in the software, and have determined it is appropriate for performing this valuation.

Neither Nyhart nor any of its employees have any relationship with the plan or its sponsor which could impair or appear to impair the objectivity of this report. To the extent that this report or any attachment concerns tax matters, it is not intended to be used and cannot be used by a taxpayer for the purpose of avoiding penalties that may be imposed by law.

The undersigned are compliant with the continuing education requirements of the Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States and are available for any questions.

Nyhart



Danielle Winegardner, FSA, EA, MAAA
Enrolled Actuary No. 23-08260



Lawrence Watts, Jr., FSA, EA, FCA, CFA, MAAA
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June 3, 2025
Date

Copies of this Report are to be furnished to the Division of Retirement within 60 days of receipt from the actuary at the following addresses:

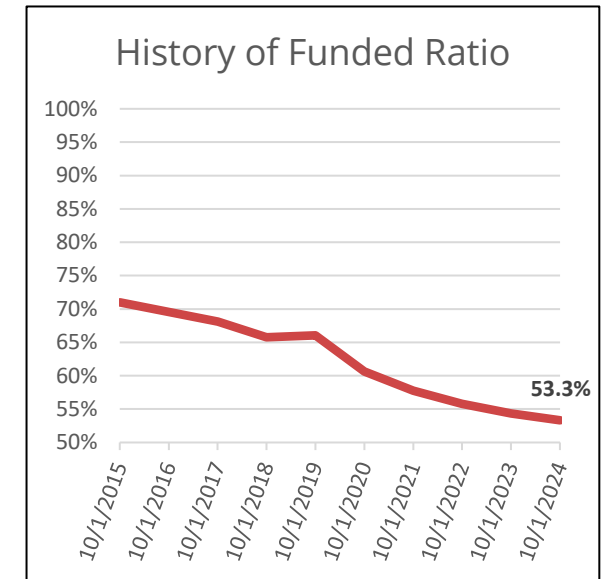
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Summary Results

The actuarial valuation's primary purpose is to produce a scorecard measure displaying the funding progress of the plan toward the ultimate goal of paying benefits at retirement. The accrued liability is based on an entry age level percentage of pay.

	October 1, 2023	October 1, 2024
Funded Status Measures		
Accrued Liability	\$2,227,255,645	\$2,397,675,032
Actuarial Value of Assets	1,210,996,538	1,278,561,750
Unfunded Accrued Liability	\$1,016,259,107	\$1,119,113,282
Funded Percentage (AVA)	54.4%	53.3%
Funded percentage (MVA)	51.1%	55.4%
Cost Measures ¹		
Recommended Contribution For Next Fiscal Year	\$119,076,484	\$147,854,479
Recommended Contribution (as a percentage of payroll)	63.0%	71.5%
Asset Performance		
Market Value of Assets (MVA)	\$1,138,061,164	\$1,329,237,412
Actuarial Value of Assets (AVA)	\$1,210,996,538	\$1,278,561,750
Actuarial Value/Market Value	106.4%	96.2%
Participant Information		
Active Participants	1,855	1,879
Terminated Vested Participants	17	20
Terminated, Due Refund	132	125
Retirees, Beneficiaries, and Disabled	2,018	2,043
DROP Participants	256	214
Total Participants	4,278	4,281
Valuation Payroll	\$189,067,815	\$206,704,372
Total Payroll	\$212,137,200	\$231,155,719



¹Does not include any contribution to the Stabilization Trust. Please see page 45 for more information.

Changes Since Prior Valuation and Key Notes

- Effective 9/30/2026, the FIPO pension plan benefits that were in effect prior to 9/27/2010 were restored for Fire bargaining unit members who were non-vested as of 9/27/2010 but fully vested by 9/26/2015.
- Effective 9/30/2026, firefighters may elect to Forward DROP up to 84 months.
- Police bargaining members may elect up to 200 hours of overtime as pensionable compensation.
- Salary increase assumptions were adjusted as shown to better reflect anticipated plan experience.
Annual Pay Increases: 3.25% inflation plus promotions and salary merit scale below.

<u>Service</u>	<u>Police</u>	<u>Fire</u>
0-6	6.00%	5.25%
7	3.75%	4.75%
8-9	5.25%	4.75%
10-14	3.50%	1.00%
15-16	3.50%	2.50%
17-21	3.25%	1.75%
22+	2.75%	1.00%

- Retirement rate assumptions were adjusted as shown to better reflect anticipated plan experience.
Retirement Rates: The following decrements apply based on service.

<u>Service</u>	<u>Police</u>	<u>Fire</u>
<20	10%	0%
20	20%	10%
21-24	33%	7.5%
25	50%	20%
26-29	40%	25%
30-34	100%	25%
35	100%	100%

- The assumed administrative expense increased from \$2,039,789 to \$2,066,413.
- Note that securities markets have experienced considerable volatility in the months since the valuation date but prior to the publication date of this report. We strongly recommend that users consider subsequent fluctuations in trust asset values and related impacts when making decisions and analyzing the figures presented in this report.

Five Year Valuation Summary

	10/1/2020	10/1/2021	10/1/2022	10/1/2023	10/1/2024
Funding					
Accrued Liability	\$1,940,883,223	\$2,100,049,297	\$2,168,641,844	\$2,227,255,645	\$2,397,675,032
Actuarial Value of Assets	\$1,176,911,870	\$1,213,074,854	\$1,209,691,816	\$1,210,996,538	\$1,278,561,750
Unfunded Actuarial Accrued Liability	\$763,971,353	\$886,974,443	\$958,950,028	\$1,016,259,107	\$1,119,113,282
Funded Percentage	60.6%	57.8%	55.8%	54.4%	53.3%
Actual Employer Contribution ¹	\$65,889,915	\$99,369,914	\$112,614,019	TBD	TBD
Recommended Contribution	\$65,889,915	\$99,369,914	\$112,614,019	\$119,076,484	\$147,854,479
Recommended Contribution (% of Pay)	37.3%	55.7%	59.9%	63.0%	71.5%
Interest Rate	7.00%	7.00%	7.00%	7.00%	7.00%
Expense Load Assumption	\$2,137,199	\$2,244,059	\$2,079,777	\$2,039,789	\$2,066,413
Rate of Return					
Actuarial Value of Assets	6.3%	8.6%	5.2%	4.4%	7.1%
Market Value of Assets	5.7%	19.3%	-12.4%	10.0%	18.0%
Demographic Information					
Active Participants	1,931	1,915	1,926	1,855	1,879
Terminated Vested Participants	27	31	18	17	20
Terminated, Due Refund	116	117	115	132	125
Retirees, Beneficiaries, and Disabled	2,080	2,036	2,033	2,018	2,043
DROP Participants	145	187	203	256	214
Total Participants	4,299	4,286	4,295	4,278	4,281
Covered Payroll	\$176,212,600	\$178,532,455	\$187,880,152	\$189,067,815	\$206,704,372
Average Covered Pay	\$91,514	\$93,228	\$97,549	\$101,923	\$110,008

¹ Recommended contribution is for the following fiscal year (e.g., the October 1, 2024 recommended contribution will be made in the fiscal year beginning October 1, 2025 and will be documented in the October 1, 2026 valuation report).

Plan Maturity Measures – October 1, 2024

Each pension plan has a distinct life-cycle. New plans promise future benefits to active employees and then accumulate assets to pre-fund those benefits. As the plan matures, benefits are paid and the pre-funded assets begin to decumulate until ultimately, the plan pays out all benefits. A plan's maturity has a dramatic influence on how risks should be viewed. The following maturity measures illustrate where the City of Miami Fire Fighters' and Police Officers' Retirement Trust falls in its life-cycle.

Duration of Liabilities: 10.1

Duration is the most common measure of plan maturity. It is defined as the sensitivity of the liabilities to a change in the interest rate assumption. The metric also approximates the weighted average length of time, in years, until benefits are expected to be paid. A plan with high duration is, by definition, more sensitive to changes in interest rates. A plan with low duration is more susceptible to risk if asset performance deviates from expectations as there would be less time to make up for market losses in adverse market environments while more favorable environments could result in trapped surplus from gains. Conversely, high duration plans can often take on more risk when investing, and low duration plans are less sensitive to interest rate fluctuations.

Demographic Distribution - Ratio of Actively Accruing Participants to All Participants: 43.9%

A plan with a high ratio is more sensitive to fluctuations in salary (if a salary-based plan) and statutory changes. A plan with a low ratio is at higher risk from demographic experience. Such a plan should pay close attention to valuation assumptions as there will be less opportunity to realize future offsetting gains or losses when current experience deviates from assumptions. Plans with a low ratio also have limited opportunities to make alterations to plan design to affect future funded status.

Asset Leverage - Ratio of Payroll for Plan Participants to Market Value of Assets: 15.5%

Younger plans typically have a large payroll base from which to draw in order to fund the plan while mature plans often have a large pool of assets dedicated to providing benefits to a population primarily consisting of members no longer on payroll. Plans with low asset leverage will find it more difficult to address underfunding, as the contributions needed to make up the deficit will represent a higher percentage of payroll than for a plan with high asset leverage.

Benefit Payment Percentage - Ratio of Annual Benefit Payments to Market Value of Assets: 11.4%

As a plan enters its decumulation phase, a larger percentage of the pre-funded assets are paid out each year to retirees. A high percentage is not cause for alarm as long as the plan is nearly fully funded. However, such a plan is more sensitive to negative asset performance, especially if cash contributions are not an option to make up for losses.

Identification of Risks

The results presented in this report are shown as single point values. However, these values are derived using assumptions about future markets and demographic behavior. If actual experience deviates from our assumptions, the actual results for the plan will consequently deviate from those presented in this report. Therefore, it is critical to understand the risks facing this pension plan. The following table shows the risks we believe are most relevant to the City of Miami Fire Fighters' and Police Officers' Retirement Trust. The risks are generally ordered with those we believe to have the most significance at the top. Also shown are possible methods by which a more detailed assessment of the risk can be performed.

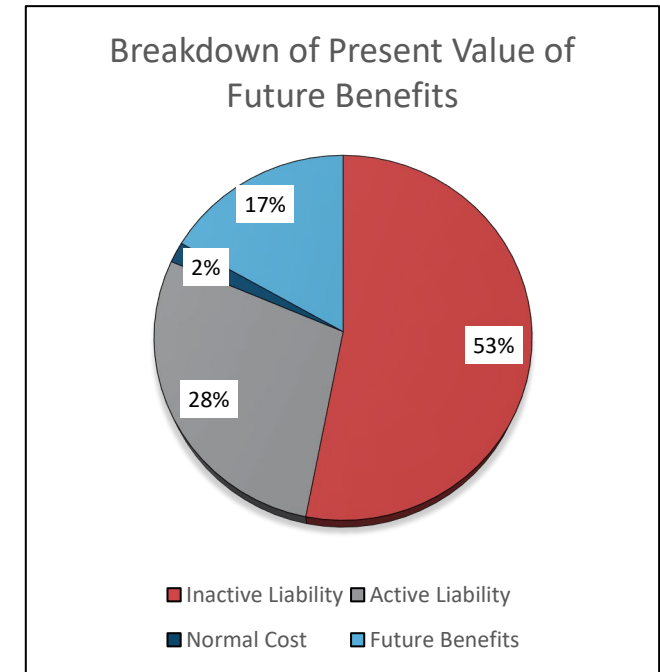
Type of Risk	Additional Information
Investment Return	Portfolio risk and substantial equity position leave the plan open to adverse market results, which could increase costs in the future.
Participant Longevity	In accordance with state law, the plan has adopted FRS' mortality tables for valuation purposes. These tables are modified from the standard tables and are subject to regular review. There is no guarantee FRS' anticipated mortality experience will mirror your plan's future experience. Deviation from expected mortality rates could impact long-term liabilities and plan cost.
Retirement	The plan has a relatively generous provisions regarding retirement eligibility; if more employees than expected retire or avail themselves of early retirement options, then this could impact estimated plan liabilities.
Salary Growth	The plan has experienced volatility in observed salary increases in the recent past; as benefits are based on final average salary, the salary growth assumption is key to accurately calculating liabilities and future costs. The plan currently has maximum benefit caps in place for certain members, which mitigates some impact of future salary growth. However, the cap has been increased or removed for certain participants, historically; if that happens again in the future, calculated contributions and liabilities could experience volatility.

Type of Risk	Method to Assess Risk
Investment Return	Scenario testing; asset/liability study
Participant Longevity	Benefit projections and contribution strategy
Retirement	Scenario testing; review population and retirement rates
Salary Growth	Review salary history and future budgets; scenario testing

Present Value of Future Benefits

The Present Value of Future Benefits represents the current future benefits payable to the participant.

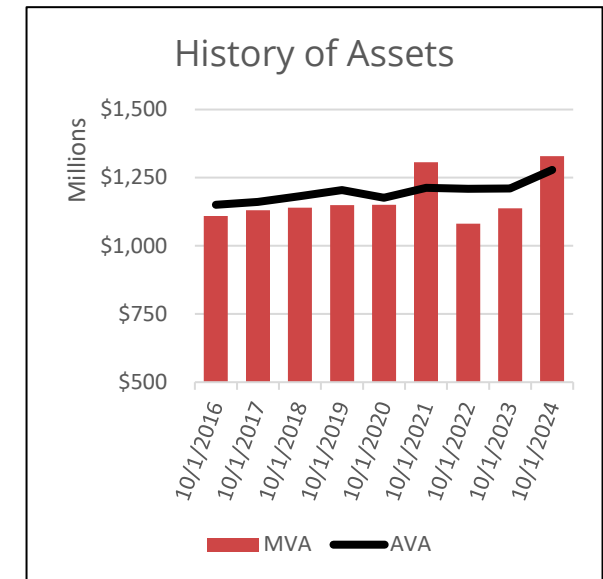
	October 1, 2024
Present Value of Future Benefits	
Active members	
Retirement	\$1,330,111,921
Disability	14,361,610
Death	9,078,806
Termination	27,705,666
Refund of contributions	1,667,549
Total active	<u>\$1,382,925,552</u>
Inactive members	
Retired members	\$1,224,837,420
DROP members	267,510,614
Beneficiaries	37,076,802
Disabled members	26,158,674
Terminated vested members	8,369,367
Total inactive	<u>\$1,563,952,877</u>
Total	\$2,946,878,429
Present value of future payrolls	\$2,240,983,209



Asset Information

The amount of assets backing the pension promise is typically the most significant driver of volatility and future costs within a pension plan. The investment performance of the assets directly offsets the ultimate cost.

	October 1, 2024
Market Value Reconciliation	
Market value of assets, beginning of prior year	\$1,138,061,164
Change in asset allocation method	0
Employer contributions (incl. discounted accrued items)	112,614,019
Member contributions	19,600,500
Investment income, net expenses	212,836,684
Benefit payments and refunds	(151,880,120)
Administrative expenses	(1,994,835)
Other disbursements	0
Market value of asset, beginning of current year	\$1,329,237,412
Return on Market Value	18.00%
Actuarial value of assets	
Value at beginning of current year	\$1,278,561,750



Asset Information (continued)

Plan Assets are used to develop funded percentages and contribution requirements

	October 1, 2024
1. Expected market value of assets	
(a) Market value of assets – beginning of prior year	\$1,138,061,164
(b) City Contributions	112,614,019
(c) Member Contributions	19,600,500
(d) Benefits Payments and Administrative Expenses	(153,874,955)
(e) Expected return	82,927,142
(f) Expected market value of assets – beginning of current year	<u>\$1,199,327,870</u>
2. Market value of assets – beginning of current year	\$1,329,237,412
3. Present value of COLA transfers	
(a) Current year	\$0
(b) Next year	0
(c) Total	<u>\$0</u>
4. Market value net COLA transfer [(2)-(3)]	\$1,329,237,412
5. Amount subject to phase in [(4)-(1f)]	\$129,909,542
6. Phase in of asset gain/(loss)	
(a) Current Year [80% x \$129,909,542]	\$103,927,634
(b) First Prior Year [60% x \$32,962,813]	19,777,688
(c) Second Prior Year [40% x (\$253,140,368)]	(101,256,147)
(d) Third Prior Year [20% x \$141,132,434]	28,226,487
(e) Total Phase-In	<u>\$50,675,662</u>
7. Preliminary actuarial value of assets – beginning of current year [(2)-(6e)]	\$1,278,561,750
8. 80% of Market value of assets	\$1,063,389,930
9. 120% of Market value of assets	\$1,595,084,894
10. Adjusted actuarial value of assets	\$1,278,561,750
11. Contribution surplus account balance	\$0
12. Final actuarial value of assets – beginning of current year [(10)-(11)]	\$1,278,561,750
13. Return on actuarial value of assets	7.11%

Reconciliation of Gain/Loss

October 1, 2024

Liability (gain)/loss

Present value of future benefits	\$2,759,472,969
Present value of employee contributions	(201,158,887)
Expected employee contribution	16,467,554
Benefit payments	(151,880,120)
Interest	175,008,817
Expected liability	\$2,597,910,333
Plan changes	48,596,922
Assumption changes	76,301,135
Expected after changes	\$2,722,808,390
Actual liability	\$2,754,254,767
Liability (gain)/loss	\$31,446,377

Asset (gain)/loss

Actuarial value of assets, beginning of prior year	\$1,210,996,538
Contributions	132,214,519
Benefit payments and expenses	(153,874,955)
Expected Investment return	88,032,618
Expected actuarial value of assets, beginning of current year	\$1,277,368,720
Actual actuarial value of assets, beginning of current year	\$1,278,561,750
Asset (gain)/loss	(\$1,193,030)
Total (gain)/loss	\$30,253,347

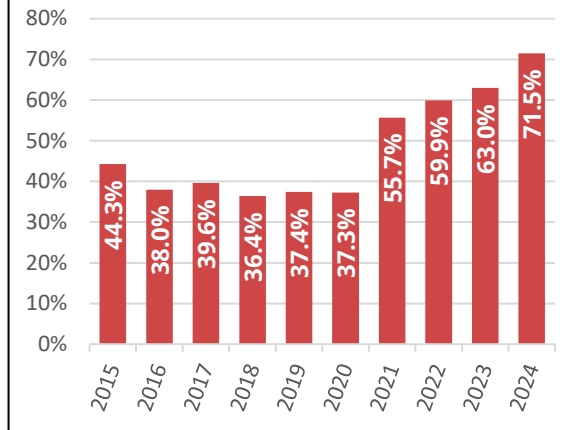
Development of Recommended Contribution

The actuarially determined contribution is the annual amount necessary to fund the plan according to funding policies and/or applicable laws. The contribution as a percentage of payroll is based on valuation payroll as of October 1, 2024

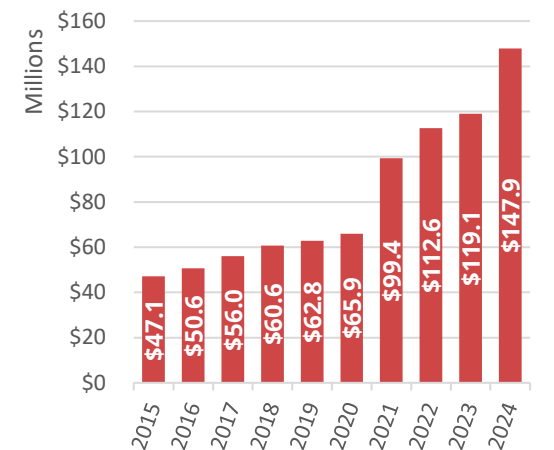
October 1, 2024

1. Present value of future benefits	\$2,946,878,429
2. Actuarial value of assets	1,278,561,750
3. Present value of future member contributions	192,623,662
4. Present value of future normal cost [(1)-(2)-(3)]	\$1,475,693,017
5. Present value of future payroll	\$2,240,983,209
6. Normal cost accrual rate [(4)/(5)]	65.85%
7. Administrative expenses	\$2,066,413
8. Valuation payroll	\$206,704,372
9. Applicable interest	7.00%
10. Normal cost [(6)x(8)+(7)]	\$138,181,756
11. Interest to estimated payment date	\$9,672,723
12. Recommended contribution as of end of year at 7.00% [(10)+(11)]	\$147,854,479
13. As a percentage of valuation payroll	71.53%
14. As a percentage of total payroll	63.96%

History of the Recommended
Contribution by Valuation Date
(% of Payroll)



History of the Recommended
Contribution by Valuation Date



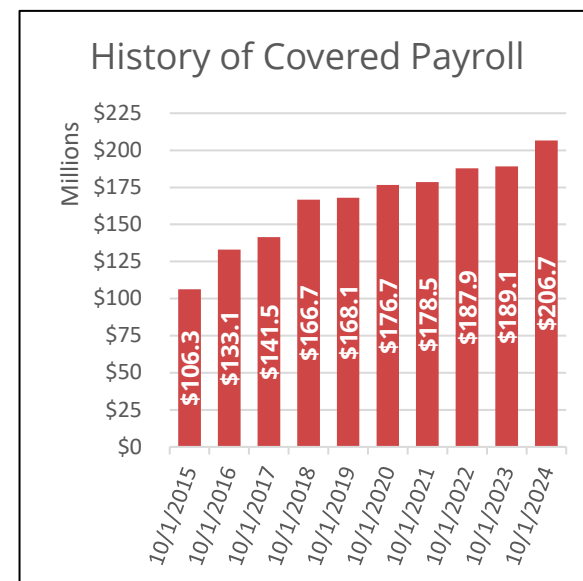
Demographic Information

The foundation of a reliable actuarial report is the member information provided by the plan sponsor. Monitoring trends in demographic information is crucial for long-term pension planning.

	October 1, 2023	October 1, 2024
Member Counts		
Active Members	1,855	1,879
Retired Members	1,652	1,689
Beneficiaries	264	254
Disabled Members	102	100
Terminated Vested Members, Due a Monthly Benefit	17	20
Terminated Members, Due a Refund of Employee Contributions	132	125
DROP Members	256	214
Total	4,278	4,281

Active Participant Demographics

Average Age	38.3	38.8
Average Service	11.4	12.0
Average Compensation	\$101,923	\$110,008
Valuation Payroll	\$189,067,815	\$206,704,372
Total Payroll	\$212,137,200	\$231,155,719



Demographic Information (continued)

	October 1, 2023	October 1, 2024
Retired Member Statistics		
Average Age	67.8	68.1
Average Monthly Benefit	\$5,863	\$6,031
Beneficiary Statistics		
Average Age	77.9	77.6
Average Monthly Benefit	\$1,449	\$1,495
Disabled Member Statistics		
Average Age	72.8	72.3
Average Monthly Benefit	\$2,307	\$2,437
Terminated Member Statistics		
Average Age	39.8	40.9
Average Monthly Benefit for Participants due Monthly Benefit	\$3,395	\$3,402
Average Remaining Contributions for Participants Due a Refund	\$12,076	\$9,317
DROP Member Statistics		
Average Age	53.2	53.3
Average Monthly Benefit	\$8,557	\$8,345
Payroll	\$23,068,385	\$24,451,347

Participant Reconciliation

	Active	Terminated Vested	Disabled	Retired	Beneficiaries	Totals
Prior Year	1,855	149	102	1,908	264	4,278
Active						
To Terminated Vested	(5)	5				
To Retired	(24)			24		
To Disabled	(3)		3			
To Refund	(9)					(9)
To Due Refund	(1)	1				
To Death						
Terminated Vested						
To Retired		(1)		1		
To Refund		(9)				(9)
To Active	1	(1)				
Disabled						
To Death			(5)			(5)
Retired						
To Death				(27)		(27)
Survivor						
To Death					(24)	(24)
Additions	65	1			15	81
Removed				(3)	(1)	(4)
Current Year	1,879	145	100	1,903	254	4,281

Active Participant Schedule

Active participant information grouped based on age and service.

Age Group	Years of Service										Total	Average Pay
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & Up		
Under 25	25	33									58	\$55,248
25 to 29	14	61	95								170	81,133
30 to 34	7	51	252	96	3						409	96,787
35 to 39	3	15	186	181	79	3					467	110,157
40 to 44	3	3	82	83	169	44					384	122,184
45 to 49	1	2	18	25	77	62	24				209	131,728
50 to 54		1	9	10	31	27	40	2			120	132,999
55 to 59			1	4	17	7	11	10	1		51	134,459
60 to 64			1		1	2	2	3			9	131,856
65 to 69			1			1					2	112,147
70 & up											0	0
Total	53	166	645	399	377	146	77	15	1	0	1879	110,008

Plan Status

January 1, 1994 amended January 1, 1995. Provisions most recently amended by Ordinance No. 14299 on July 25, 2024.

Eligibility for Participation

A firefighter or police officer employed by the City of Miami as a firefighter or police officer, whether in the classified or unclassified service of the City.

Accrual of Benefits

The accrued benefit is determined as follows:

For Police Officers who were vested as of 9/27/2010:

3% of Average Final Compensation for the first 15 years of Creditable Service plus 3.5% of Average Final Compensation after 15 years. Maximum of 100% of Average Final Compensation.

For all other Police Officers:

3% of Average Final Compensation for the first 15 years of Creditable Service plus 3.5% of Average Final Compensation after 15 years. Maximum of 100% of Average Final Compensation and the final benefit may not exceed the larger of the 9/30/2010 accrued benefit and \$120,000.

For Firefighters who were vested as of 9/27/2010:

3% of Average Final Compensation for the first 15 years of Creditable Service plus 3.5% of Average Final Compensation after 15 years. Maximum of 100% of Average Final Compensation.

For all other Fire Fighters:

3% of Average Final Compensation for the first 15 years of Creditable Service plus 3.5% of Average Final Compensation after 15 years. Maximum of 100% of Average Final Compensation and the final benefit may not exceed the larger of the 9/30/2010 accrued benefit and \$120,000.

Effective 9/30/26, restore the FIPO pension plan benefits that were in effect prior to September 27, 2010 for Fire bargaining unit members who were non-vested as of September 27, 2010 but fully vested by 9/26/2015.

Benefits

Normal Retirement

Eligibility	Age plus Creditable Service equal to 68 (Rule of 68) for firefighters, except firefighters active 9/30/2009 who were eligible for Rule of 64 at 9/30/2009.
	Age plus Creditable Service equal to 64 (Rule of 64) for police officers.
	Age 50 with 10 years of Creditable Service for all members.
Benefit	Unreduced Accrued Benefit payable immediately.

Early Retirement

Eligibility	Completion of 20 years of Creditable Service.
Benefit	Accrued Benefit adjusted with actuarial equivalence for early commencement.

Late Retirement

Eligibility	Participation continues after normal retirement date.
Benefit	Accrued Benefit

Ordinary Death before Retirement

Eligibility	Participant with 3 years of Creditable Service who dies off duty.
Benefit	Between 3 and 10 years of Creditable Service: Lump sum benefit equal to 50% of Compensation received in year preceding death.
	After 10 years of Creditable Service and before eligibility for Early Service or Rule of 64 Retirement: Accrued benefit, deferred to earlier of police officer member's 49th and firefighter member's 50th birthday or Rule of 64 eligibility, payable for 10 years.
	Beneficiary does not have to survive deferred period or 10 years' certain period.
	If eligible for Service, Early Service, or Rule of 64 retirement, considered to have retired on the date of death. Surviving spouse would receive 40% of the member's monthly retirement allowance.

Accidental Death before Retirement

Eligibility	Member who dies during performance of duties.
Benefit	Pension of 50% of Average Final Compensation to spouse until death or remarriage. If there is no spouse, or if spouse dies or remarries before youngest child is 18, payable to child until attainment of age 18. If no spouse or no children under 18, benefit is payable to dependent parents. After 10 years of Creditable Service - Beneficiary receives benefit otherwise payable to member at early or normal retirement for a period of 10 years.

Termination Benefit

Eligibility	Fully vested after completion of 10 years of Creditable Service.
Benefit	Accrued Benefit payable at the member's Early or Normal Retirement Date. If the member terminates prior to 10 years of Creditable Service a refund of accumulated contributions with interest will be issued.

Ordinary Disability Benefit

Eligibility	Completion of 10 years of Creditable Service.
Benefit	90% of benefit rate times Average Final Compensation times Creditable Service, with a minimum benefit of 30% of Average Final Compensation. The normal form is a 10 year certain and life normal form.

Accidental Disability Benefit

Eligibility	Immediately upon permanent disability
Benefit	66 2/3% of Average Final Compensation, or 66 2/3% of Final Compensation, whichever is greater. The normal form is a 40% joint & survivor annuity, with a minimum of 10 years' certain and life.

Compensation

Earnable Compensation

An employee's base salary, including pick-up contributions, for all straight time hours worked, plus assignment pay and payments received for vacation and sick leave taken, jury duty, and death-in-family leave taken. Earnable compensation shall not include payments for accrued sick leave, accrued vacation leave, or accrued compensatory leave; holiday pay; premium pay for holidays worked; the value of any employment benefits or non-monetary entitlements; or any other form of remuneration.

As of August 1, 2024, a police officer member may elect a maximum of 200 total overtime hours to be included as earnable compensation for the purposes of calculating the average earnings for pension benefits.

Average Final Compensation

The annual earnable compensation of a member during either the last one year or the highest year of membership service, whichever is greater.

Provided, in no event shall the Average Final Compensation of any member who was employed as a police officer or fire fighter on 9/30/2010 and retires on or after 10/1/2010, be less than the highest year of membership service prior to 9/30/2010.

Creditable Service

For Vesting and Benefit Accrual

Service credited under Retirement System; military service (maximum of four years) during wartime for which Member makes contributions; maternity leave (maximum of 180 days for each leave) for which Member makes contributions; up to 5 years, without member contributions, if member was an employee before period of military service.

Accumulated leave balances may be transferred into system immediately prior to retirement to purchase up to 3 whole years of additional Creditable Service, on an actuarially equivalent basis.

457 balances of Firefighters may be transferred into System at retirement to purchase up to 3 whole years of additional Creditable Service for multiplier purposes.

Member Contributions

Police Officers:	7% (10% if hired on or after 10/1/2012)
Fire Fighters:	10%

DROP

Election must be made within 10 years after eligibility for normal retirement. All Members are eligible for forward DROP.

At Retirement Eligibility, Fire and Police participants may enter the City Deferred Retirement Option Program (DROP). The maximum participation in the Forward DROP for fire fighters is 54 months. Effective 9/30/26, firefighters may elect to Forward DROP up to 84 months. The maximum participation in the Forward DROP for police officers is 84 months.

Effective 1/1/2013 members may elect the BACDROP option (maximum of 7 years). Members receive a monthly benefit based on an earlier retirement date and a lump sum of past payments compounded at 3%/year.

COLA

Eligibility	Participant or Beneficiary
Benefit	Amount varies annually with the adjustment on January 1

Payment Forms

Normal Form
Joint and 40% Contingent Survivor

- Optional Forms
- Option 1 – Cash refund annuity based on Present Value at retirement
 - Option 2 – Joint and 100% Contingent Annuity
 - Option 3 – Joint and 50% Contingent Annuity
 - Option 4 – Joint and Contingent Annuity approved by the Board
 - Option 5 – Determined by Board due to incapacity of member
 - Option 6 – Withdrawal of member contributions with interest and benefit that is ½ of normal level

Plan Provision Not Included

The COLA benefits and liabilities are not included in this report; these benefits are reported in a separate COLA report dated December 12, 2024. We are not aware of any other provisions not included in this report.

Adjustments Made for Subsequent Events

We are not aware of any event following the measurement date and prior to the date of this report that would materially impact the results.

Securities markets have experienced considerable volatility in the months since the valuation date but prior to the publication date of this report. We strongly recommend that users consider subsequent fluctuations in trust asset values and related impacts when making decisions and analyzing the figures presented in this report.

Changes Since Prior Report

- Effective 9/30/2026, the FIPO pension plan benefits that were in effect prior to 9/27/2010 were restored for Fire bargaining unit members who were non-vested as of 9/27/2010 but fully vested by 9/26/2015.
- Effective 9/30/2026, firefighters may elect to Forward DROP up to 84 months.
- The plan was amended to allow up to 200 hours of overtime as pensionable compensation for Police bargaining unit members.

Cost Method (CO)

Aggregate Cost Method.

Asset Valuation Method (CO)

20% Phase-In Method: fair market value of assets on the valuation date adjusted for a 5-year phase-in of gains and losses on the fair market value of assets.

The result cannot be greater than 120% of market value or less than 80% of market value (net of pending COLA transfers).

Interest Rates (CO)

7.00% net of investment expenses

Support for the discount rate assumption has been provided in the experience study report dated March 2024.

Annual Pay Increases (FE)

3.25% inflation plus promotions and salary merit scale below.

<u>Service</u>	<u>Police</u>	<u>Fire</u>
0-6	6.00%	5.25%
7	3.75%	4.75%
8-9	5.25%	4.75%
10-14	3.50%	1.00%
15-16	3.50%	2.50%
17-21	3.25%	1.75%
22+	2.75%	1.00%

The annual pay increase assumptions are based on a study of actual experience for the plan during 2017-2023. See the experience study report dated March 2024.

Expense and/or Contingency Loading (FE)

An assumed administrative expense of \$2,066,413 is added to the recommended contribution development.

Mortality Rates (CO)

Pre-Retirement:	Pub-2010 Generational using scale MP-2018; Females, Headcount Weighted Safety Employee Female Table, set forward 1 year; Males, Headcount Weighted Safety Below Median Employee Male Table, set forward 1 year.
Post-Retirement:	Pub-2010 Generational using scale MP-2018; Females, Headcount Weighted Safety Healthy Retiree Female Table, set forward 1 year; Males, Headcount Weighted Safety Below Median Healthy Retiree Male Table, set forward 1 year
Disabled:	Pub-2010; Females, 80% Headcount Weighted General Disabled Retiree Female Table / 20% Headcount Weighted Safety Disabled Retiree Female Table; Males, 80% Headcount Weighted General Disabled Retiree Male Table / 20% Headcount Weighted Safety Disabled Retiree Male Table.

The mortality rate assumptions were set in accordance with the Florida Retirement System Valuation report dated December 2023.

Retirement Rates (FE)

The following decrements apply based on service.

<u>Years of Service</u>	<u>Police %</u>	<u>Fire %</u>
<20	10	0
20	20	10
21-24	33	7.5
25	50	20
26-29	40	25
30-34	100	25
35	100	100

The assumed retirement rates are based on a study of actual experience for the plan during 2018-2023. See the experience study report dated March 2024.

Disability Rates (FE)

100% of the disabilities are expected to be accidental with the following probabilities.
No recovery is assumed.

<u>Age</u>	<u>Rates</u>
35	0.07125%
40	0.09750%
45	0.20000%
50	0.30250%

The disability rates are based on a study of actual experience for the plan during 2018-2023. See the experience study report dated March 2024.

Withdrawal Rates (FE)

Based on Years of Creditable Service using the rates below

<u>Years of Service</u>	<u>Police %</u>	<u>Fire %</u>
0	12.00	7.50
1	4.00	4.00
2-6	1.50	1.75
7-19	0.75	1.00
20+	0.00	0.00

The withdrawal rates are based on a study of actual experience for the plan during 2018-2023. See the experience study report dated March 2024.

Marital Status and Ages

100% of Members are assumed to be married. Female spouses assumed to be three years younger than male spouses.

Compensated Absence Balance Transfers

No liabilities or costs are included for the provision to transfer compensated absence balances into FIPO to purchase additional creditable service, based on our understanding that assets will be transferred immediately prior to retirement to cover 100% of the liability for the additional service.

Withdrawal of Employee Contributions

It is assumed that employees do not withdraw their contribution balances upon employment termination or retirement.

COLA

COLA benefits are assumed to increase as indicated in the COLA table; these liabilities and assets are documented in a separate COLA report. No increase to the table is assumed to occur.

Changes Since Prior Report

The assumption for the administrative expenses increased to \$2,066,413.

Annual pay increase and retirement rate assumptions have been updated to better reflect anticipated plan experience.

FE indicates an assumption representing an estimate of future experience.

MO indicates an assumption representing an observation of estimates inherit to market data.

CO indicates an assumption representing a combination of an estimate of future experience and observations of market data.

The actuarial report also shows the necessary items required for plan reporting and the any state requirements.

- ✓ Market Value Reconciliation
- ✓ Membership and Benefits Cost-Of-Living Adjustment Account Summary
- ✓ Investment Results
- ✓ Florida State Requirements
 - Comparative Summary of Principal Valuation Results
 - Separation for Police & Fire
 - Comparison of payroll growth, salary increases and investment returns
 - Requirements under Florida Statute 112.664 and F.A.C. 60T-1.0035
- ✓ Low-Default-Risk Obligation Measure (LDROM)

Market Value Reconciliation

The amount of assets backing the pension promise is typically the most significant driver of volatility and future costs within a pension plan. The investment performance of the assets directly offsets the ultimate cost.

	October 1, 2024	
	Membership and Benefit Accounts	COLA Account
1. Market value – beginning of prior year	\$1,138,061,164	\$429,633,960
2. Book value – beginning of prior year	\$1,024,145,776	\$389,094,482
3. Change in asset allocation method	\$0	\$0
4. Income		
(a) City contributions	\$112,614,019	\$8,108,494
(b) Member contributions	19,600,500	0
(c) Other contributions	0	0
(d) Interest and dividends	16,755,220	5,980,033
(e) Net realized gains (losses)	56,477,947	19,925,145
(f) Securities lending income	121,433	43,203
(g) Rental and other income	279,626	65,341
(h) Income transfer	0	0
(i) Total	\$205,848,745	\$34,122,216
5. Disbursements		
(a) Benefit payments and refunds	\$151,880,120	\$31,018,019
(b) Custodial and investment expenses	2,670,181	960,471
(c) Administrative expense	1,994,835	0
(d) Other expense	0	0
(e) Securities lending fees	30,335	10,793
(f) Building depreciation	17,373	6,270
(g) Total	\$156,592,844	\$31,995,553
6. Book value – beginning of current year [(2)+(3)+(4i)-(5g)]	\$1,073,401,677	\$391,221,145
7. Net change in unrealized gains (losses)	\$141,920,347	\$49,066,756
8. Unrealized gains (losses)	\$255,835,735	\$89,606,234
9. Market value – beginning of current year [(1)+(3)+(4i)-(5g)+(7)]	\$1,329,237,412	\$480,827,379
10. Current year allocation to COLA II (discounted)	\$0	\$0
11. Net market value – beginning of current year	\$1,329,237,412	\$480,827,379

Membership and Benefits Cost-Of-Living Adjustment Account Summary

	September 30, 2024	
	Market	Book
1. Investments		
(a) Bills, bonds, notes	477,613,362	493,016,389
(b) Domestic stocks	585,830,373	375,316,115
(c) International stocks	418,834,342	338,520,721
(d) Private equity	190,680,566	142,838,813
(e) Money market fund and time deposit	16,502,582	16,502,582
(f) Mutual fund	116,377,854	94,202,490
(g) Real estate	1,986,321	1,986,321
(h) Securities lending adjustment	\$0	\$0
(i) Total investment	\$1,807,825,400	\$1,462,383,431
2. Cash	729,305	729,305
3. Receivables		
(a) City contributions	\$0	\$0
(b) Member contributions	0	0
(c) Accounts receivable	5,989	5,989
(d) Accrued interest and dividend	1,848,035	1,848,035
(e) Securities sold	2,110,042	2,110,042
(f) Total receivables	\$3,964,066	\$3,964,066
4. Payables:		
(a) Budget advance	\$0	\$0
(b) Accrual expense	304	304
(c) Transfer	5	5
(d) Tax withheld	0	0
(e) Accounts payable	361,792	361,792
(f) Securities purchased	2,091,879	2,091,879
(g) Total payables	\$2,453,980	\$2,453,980
5. Total [(1i)+(2)+(3f)-(4g)]	\$1,810,064,791	\$1,464,622,822
6. COLA account	\$480,827,379	\$391,221,145
7. Current year COLA transfer	\$0	\$0
8. Membership & benefits account [(5)-(6)-(7)]	\$1,329,237,412	\$1,073,401,677

Investment Results - Membership and Benefits Accounts

September 30, 2024

Membership and Benefits Accounts

	<u>Dollar Return</u>	<u>Market Return</u>	<u>Book Return</u>
Interest	\$1,544,071	0.1%	0.2%
Dividends	15,211,149	1.3%	1.5%
Rental and Other Income, less Depreciation	262,253	0.0%	0.0%
Realized Gains	56,477,947	4.8%	5.6%
Securities Lending (Net)	91,098	0.0%	0.0%
Increase in Unrealized Gains	141,920,347	12.0%	14.0%
Custodial and Investment Expenses	(2,670,181)	(0.2%)	(0.3%)
	<u>\$212,836,684</u>	<u>18.0%</u>	<u>21.0%</u>

Investment Results – COLA Account

September 30, 2024

COLA Accounts

	<u>Dollar Return</u>	<u>Market Return</u>	<u>Book Return</u>
Interest	\$552,537	0.1%	0.1%
Dividends	5,427,496	1.3%	1.4%
Rental and Other Income, less Depreciation	59,071	0.0%	0.0%
Realized Gains	19,925,145	4.8%	5.3%
Securities Lending (Net)	32,410	0.0%	0.0%
Increase in Unrealized Gains	49,066,756	11.7%	13.0%
Custodial and Investment Expenses	(960,471)	(0.2%)	(0.2%)
	<u>\$74,102,944</u>	<u>17.7%</u>	<u>19.6%</u>

Information to Comply with Florida 60T-1.003(4)(i)

Comparative Summary of Principal Valuation Results

	10/1/2024 7.00% (assumption & plan changes)	10/1/2024 7.00% (prior methods & assumptions)	10/1/2023 7.00%
Participant Data			
Active members	1,879	1,879	1,855
Total annual payroll	\$206,704,372	\$207,537,000	\$189,067,815
Members in DROP	214	214	256
DROP Payroll	\$24,451,347	\$24,451,347	\$23,069,385
Projected Total Payroll	\$231,155,719	\$231,988,347	\$212,137,200
Retired members and beneficiaries	1,943	1,943	1,916
Total annualized benefit	\$126,795,286	\$126,795,286	\$120,796,923
Disabled members receiving benefits	100	100	102
Total annualized benefit	\$2,924,546	\$2,924,546	\$2,823,683
Terminated vested members	145	145	149
Total annualized benefit	\$816,351	\$816,351	\$669,342
Assets			
Actuarial value of assets	\$1,278,561,750	\$1,278,561,750	\$1,210,996,538
Market value of assets	\$1,329,237,412	\$1,329,237,412	\$1,138,061,164

Information to Comply with Florida 60T-1.003(4)(i)

Comparative Summary of Principal Valuation Results (continued)

	10/1/2024 7.00% (assumption & plan changes)	10/1/2024 7.00% (prior methods & assumptions)	10/1/2023 7.00%
Liabilities, present value of all future expected benefit payments			
Active members			
Retirement benefits	\$1,330,111,921	\$1,222,007,550	\$1,141,992,736
Vesting benefits	27,705,666	27,988,891	26,516,301
Disability benefits	14,361,610	14,631,539	14,101,623
Death benefits	9,078,806	10,107,373	9,723,179
Return of contribution	1,667,549	1,667,549	1,882,411
Total	\$1,382,925,552	\$1,276,402,902	\$1,194,216,250
Terminated vested members	8,369,367	8,369,367	7,849,557
Retired members and beneficiaries	1,529,424,836	1,529,424,836	1,532,719,752
Disabled members	26,158,674	26,158,674	24,687,410
Total	\$2,946,878,429	\$2,840,355,779	\$2,759,472,969
Liabilities due and unpaid	\$0	\$0	\$0

Information to Comply with Florida 60T-1.003(4)(i)

Comparative Summary of Principal Valuation Results (continued)

	10/1/2024 7.00% (assumption & plan changes)	10/1/2024 7.00% (prior methods & assumptions)	10/1/2023 7.00%
Actuarial present value of accrued benefits			
Statement of actuarial present value of all accrued benefits			
Vested accrued benefits			
Inactive members and beneficiaries	\$1,563,952,877	\$1,563,952,877	\$1,565,256,719
Active members	601,383,446	569,604,340	477,717,925
Total value of all vested accrued benefits	\$2,165,336,323	\$2,133,557,217	\$2,042,974,644
Non-vested accrued benefits	117,146,455	76,398,598	72,784,999
Total actuarial present value of all accrued benefits	\$2,282,482,778	\$2,209,955,815	\$2,115,759,643
Statement of changes in total actuarial present value of all accrued benefits (ASC 960)			
Actuarial present value of accrued benefits, beginning of year	\$2,115,759,643	\$2,115,759,643	\$2,051,732,396
Increase (decrease) during year			
Benefits accumulated	\$103,199,015	\$103,199,015	\$76,228,046
Plan amendment	36,424,117	0	0
Changes in actuarial assumptions	36,102,846	0	0
Interest	142,877,277	142,877,277	138,438,079
Benefits paid	(151,880,120)	(151,880,120)	(150,638,878)
Other changes	0	0	0
Net increase (decrease)	\$166,723,135	\$94,196,172	\$64,027,247
Actuarial present value of accrued benefits, end of year	\$2,282,482,778	\$2,209,955,815	\$2,115,759,643

Information to Comply with Florida 60T-1.003(4)(i)

Comparative Summary of Principal Valuation Results (continued)

	10/1/2024 7.00% (assumption & plan changes)	10/1/2024 7.00% (prior methods & assumptions)	10/1/2023 7.00%
Pension cost			
Normal Cost	\$167,174,008	\$144,399,046	\$135,610,492
Member contributions	\$19,319,529	\$19,319,529	\$16,534,008
Expected plan sponsor contribution	\$147,854,479	\$125,079,517	\$119,076,484
As % of payroll	71.53%	60.27%	62.98%
As % of Total Payroll	63.96%	53.92%	56.13%
Member Contributions as % of payroll	9.35%	9.31%	8.75%
Past contributions	9/30/2024		9/30/2023
Required plan sponsor contribution	\$112,614,019		\$99,369,914
Required member contribution	\$19,600,500		\$16,887,734
Actual contributions made by:			
Plan's sponsor	\$112,614,019		\$99,369,914
Members	\$19,600,500		\$16,887,734
Other	\$0		\$0
Net actuarial gain (loss) (if applicable)	N/A	N/A	N/A
Other disclosures (where applicable)			
Present value of active member			
Future salaries at attained age	\$2,240,983,209	\$2,441,340,444	\$2,331,736,442
Future contributions at attained age	\$192,623,662	\$210,999,068	\$201,158,887

Information to Comply with Florida 60T-1.003(4)(i)

Hypothetical City Contribution Requirement for 2025/2026 Fiscal Year

	Police	Fire	Total
Liabilities, present value of all future expected benefit payments			
Active members			
Retirement benefits	\$778,177,415	\$551,934,506	\$1,330,111,921
Vesting benefits	18,667,222	9,038,444	\$27,705,666
Disability benefits	8,536,251	5,825,359	\$14,361,610
Death benefits	4,169,156	4,909,650	\$9,078,806
Return of contribution	1,330,679	336,870	1,667,549
Total	\$810,880,723	\$572,044,829	\$1,382,925,552
Terminated vested members	4,575,406	3,793,961	8,369,367
Retired members and beneficiaries	928,220,303	601,204,533	1,529,424,836
Disabled members	23,051,621	3,107,053	26,158,674
Total	\$1,766,728,053	\$1,180,150,376	\$2,946,878,429
Entry age reserve			
Active	\$447,463,500	\$386,258,655	\$833,722,155
Inactive	955,847,330	608,105,547	1,563,952,877
Total	\$1,403,310,830	\$994,364,202	\$2,397,675,032
Actuarial asset value ¹	\$748,316,401	\$530,245,349	\$1,278,561,750

¹Allocated based on Entry Age Reserve

Information to Comply with Florida 60T-1.003(4)(i)

Hypothetical City Contribution Requirement for 2025/2026 Fiscal Year (continued)

	Police	Fire	Total
Normal cost			
Total present value of future benefits	\$1,766,728,053	\$1,180,150,376	\$2,946,878,429
Present value of future member contributions	(109,813,485)	(82,810,177)	(192,623,662)
Actuarial asset value	(748,316,401)	(530,245,349)	(1,278,561,750)
Present value of future normal costs	\$908,598,167	\$567,094,850	\$1,475,693,017
Present value of future payrolls	\$1,317,115,588	\$923,867,621	\$2,240,983,209
Administrative expense ¹	\$1,209,430	\$856,983	\$2,066,413
Current payroll	\$119,587,597	\$87,116,775	\$206,704,372
Interest rate	7.00%	7.00%	7.00%
Normal Cost	\$83,705,661	\$54,331,608	\$138,181,756
Interest to End of Year	\$5,859,396	\$3,803,213	\$9,672,723
Recommended contribution at end of year at 7.00%	\$89,565,057	\$58,134,821	\$147,854,479
As a percentage of payroll	74.89%	66.73%	71.53%
Hypothetical Total			\$147,699,878

¹Allocated based on Entry Age Reserve

Information to Comply with Florida 60T-1.003(4) (i)

Historical Salary Increases and Asset Performance

September 30, 2024

Year Ending	Payroll Growth	Salary Growth	Expected Salary Growth	Asset Return (Market)	Asset Return (Actuarial)	Asset Return (Expected)
9/30/2024	9.33%	11.87%	7.66%	18.00%	7.11%	7.00%
9/30/2023	0.76%	6.63%	7.69%	10.02%	4.40%	7.00%
9/30/2022	5.24%	8.93%	7.70%	(12.35%)	5.15%	7.00%
9/30/2021	1.32%	5.00%	7.72%	19.27%	8.59%	7.00%
9/30/2020	5.15%	11.24%	8.05%	5.65%	6.25%	7.34%
9/30/2019	0.83%	8.21%	7.74%	6.11%	6.48%	7.34%
9/30/2018	5.27%	7.39%	7.85%	6.90%	6.66%	7.34%
9/30/2017	6.32%	7.02%	7.85%	8.24%	6.76%	7.42%
9/30/2016	25.22%	10.46%	7.85%	8.42%	6.51%	7.42%
9/30/2015	13.42%	12.60%	7.79%	2.80%	6.18%	7.42%
Averages						
3-year				4.40%	5.55%	
5-year				7.47%	6.29%	
10-year	7.29%			6.97%	6.40%	

City of Miami Fire Fighters' and Police Officers' Retirement Trust
Actuarial Valuation as of October 1, 2024
Other Measurements

Information to Comply with Florida Statute 112.664 and Florida Administrative Code 60T-1.0035¹

October 1, 2024

	GASB Basis 7.00%	- 200 bp ² 5.00%	Funding Rate ² 7.00%	+ 200 bp ² 9.00%
Total pension liability				
Service Cost	\$46,152,770	\$46,152,770	\$46,152,770	\$46,152,770
Interest	152,891,551	153,822,785	153,822,785	153,822,785
Changes of benefit terms	20,072,720	38,003,272	38,003,272	38,003,272
Differences between expected and actual experience	14,234,574	27,545,560	27,545,560	27,545,560
Changes of assumptions	52,816,350	638,416,005	56,775,120	(353,358,884)
Benefit payments, including refunds of member contributions	(151,880,120)	(151,880,120)	(151,880,120)	(151,880,120)
Net change in pension liability	\$134,287,845	\$752,060,272	\$170,419,387	(\$239,714,617)
Total pension liability, beginning of year	\$2,213,952,305	\$2,227,255,645	\$2,227,255,645	\$2,227,255,645
Total pension liability, end of year	\$2,348,240,150	\$2,979,315,917	\$2,397,675,032	\$1,987,541,028
Plan fiduciary net position				
Contributions - Employer	\$112,614,019	\$112,614,019	\$112,614,019	\$112,614,019
Contributions - State	0	0	0	0
Contributions - Member	19,600,500	19,600,500	19,600,500	19,600,500
Net investment income	212,836,684	212,836,684	212,836,684	212,836,684
Benefit payments	(151,880,120)	(151,880,120)	(151,880,120)	(151,880,120)
Administrative expense	(1,994,835)	(1,994,835)	(1,994,835)	(1,994,835)
Other	0	0	0	0
Net change in plan fiduciary net position	\$191,176,248	\$191,176,248	\$191,176,248	\$191,176,248
Plan fiduciary net position, beginning of year	1,138,061,164	\$1,138,061,164	\$1,138,061,164	\$1,138,061,164
Plan fiduciary net position, end of year	\$1,329,237,412	\$1,329,237,412	\$1,329,237,412	\$1,329,237,412
Net pension liability/(asset)	\$1,019,002,738	\$1,650,078,505	\$1,068,437,620	\$658,303,616
Funded ratio	56.61%	44.62%	55.44%	66.88%
Years that Assets support expected benefit payments	11	9	10	11
Estimated employer and employee contribution				
Annual dollar value	\$165,752,236	\$228,256,475	\$165,752,236	\$117,725,719
Percentage of payroll	79.87%	110.43%	80.19%	56.95%

1 Does not include DROP account assets and liabilities or COLA Fund assets and liabilities

2 Using GASB Basis assumptions with updated census data with the following changes:

- interest rate (as noted)

Information to Comply with Florida Statute 112.664 and Florida Administrative Code 60T-1.0035¹

October 1, 2024

Sustainment of Expected Benefit Payments

Mortality GASB Basis
Interest 7.00%

<u>Year</u>	<u>Market Value of Assets</u>	<u>Investment Return</u>	<u>Benefit Payments</u>
1	\$1,329,237,412	\$87,728,320	\$154,565,570
2	1,262,400,162	82,989,123	156,326,489
3	1,189,062,796	77,774,338	158,685,507
4	1,108,151,627	72,013,003	161,520,686
5	1,018,643,944	65,599,860	165,810,533
6	918,433,271	58,419,741	170,616,726
7	806,236,286	50,404,844	175,299,004
8	681,342,126	41,520,361	179,422,799
9	543,439,688	31,756,677	182,634,670
10	392,561,695	21,028,198	187,488,746
11	226,101,147	9,206,606	192,410,648
12	42,897,105		197,722,815

Information to Comply with Florida Statute 112.664 and Florida Administrative Code 60T-1.0035¹

October 1, 2024

Sustainment of Expected Benefit Payments

Mortality FRS Special Risk Pub-2010 Generational using scale MP-2018
Interest 5.00%

<u>Year</u>	<u>Market Value of Assets</u>	<u>Investment Return</u>	<u>Benefit Payments</u>
1	\$1,329,237,412	\$62,566,407	\$157,742,522
2	1,234,061,297	57,741,197	160,431,487
3	1,131,371,007	52,493,252	165,024,735
4	1,018,839,524	46,740,780	170,122,806
5	895,457,498	40,421,643	176,198,336
6	759,680,805	33,488,237	182,052,601
7	611,116,441	25,933,504	187,175,674
8	449,874,271	17,765,208	191,475,655
9	276,163,824	8,988,427	195,171,040
10	89,981,211		200,343,367

Information to Comply with Florida Statute 112.664 and Florida Administrative Code 60T-1.0035¹

October 1, 2024

Sustainment of Expected Benefit Payments

Mortality FRS Special Risk Pub-2010 Generational using scale MP-2018
Interest 7.00%

<u>Year</u>	<u>Market Value of Assets</u>	<u>Investment Return</u>	<u>Benefit Payments</u>
1	\$1,329,237,412	\$87,619,007	\$157,742,522
2	1,259,113,897	82,617,839	160,431,487
3	1,181,300,249	77,012,839	165,024,735
4	1,093,288,353	70,676,592	170,122,806
5	993,842,139	63,506,310	176,198,336
6	881,150,113	55,416,434	182,052,601
7	754,513,946	46,375,628	187,175,674
8	613,713,900	36,371,670	191,475,655
9	458,609,915	25,387,240	195,171,040
10	288,826,115	13,324,405	200,343,367
11	101,807,153		206,643,709

Information to Comply with Florida Statute 112.664 and Florida Administrative Code 60T-1.0035¹

October 1, 2024

Sustainment of Expected Benefit Payments

Mortality FRS Special Risk Pub-2010 Generational using scale MP-2018
Interest 9.00%

<u>Year</u>	<u>Market Value of Assets</u>	<u>Investment Return</u>	<u>Benefit Payments</u>
1	\$1,329,237,412	\$112,685,861	\$157,742,522
2	1,284,180,751	108,512,365	160,431,487
3	1,232,261,629	103,637,400	165,024,735
4	1,170,874,294	97,888,069	170,122,806
5	1,098,639,557	91,119,433	176,198,336
6	1,013,560,654	83,204,564	182,052,601
7	914,712,617	74,082,669	187,175,674
8	801,619,612	63,714,967	191,475,655
9	673,858,924	52,053,795	195,171,040
10	530,741,679	38,945,502	200,343,367
11	369,343,814	24,142,286	206,643,709
12	186,842,391		213,752,882

Contribution Stabilization Trust

As outlined in City ordinance (Article IV – Division 5), beginning October 1, 2008, any time the city's contributions to normal costs fall below 37%, the difference between the contributions to normal costs and 37% will be deposited into the city firefighters' and police officers' retirement contribution stabilization fund trust ("Stabilization Trust"). The purpose of the trust is to assist in stabilizing the city's annual contributions to the city Firefighters' and Police Officers' Retirement Trust. Whenever the city's annual contributions to the retirement system exceed 37% of valuation payroll, the city may choose to use part of the trust to cover contributions in excess of 37%. The following shows the contributions or use of the funds from the Stabilization Trust.

	October 1, 2024	October 1, 2023
1. City Contribution	\$147,854,479	\$119,076,484
2. Valuation Payroll	\$206,704,372	\$189,067,815
3. City Contribution as a % of Valuation Payroll	71.53%	62.98%
4. Pension Stabilization Contribution, $[(37\% - (1)/(2)) \times (2)]$ (not less than \$0)	\$0	\$0
5. Amount of City Contribution that may be paid from the Stabilization Trust (if funds available), $[(1)/(2) - 37\% \times (2)]$ (not less than \$0)	\$71,373,861	\$49,121,392

If the City followed the stated City ordinance, the following provides the hypothetical cumulative position of the Stabilization Trust.

Valuation Date	Pension Stabilization Contribution	Amount used to satisfy recommended City contribution	Current Stabilization Trust Balance
10/1/2019	\$0	\$0	\$1,035,008
10/1/2020	\$0	\$0	\$1,035,008
10/1/2021	\$0	\$0	\$1,035,008
10/1/2022	\$0	\$0	\$1,035,008
10/1/2023	\$0	\$0	\$1,035,008
10/1/2024	\$0	To be decided	\$1,035,008

Low-Default-Risk Obligation Measure (LDROM)

For reports issued after February 15, 2023 the Plan's actuary is generally required to disclose liabilities under an alternative low-default-risk based discount rate. This LDROM liability measure represents the estimated asset value as of the measurement date the Plan would need in order to purchase a low-default-risk fixed income securities portfolio with durations that are reasonably consistent with the timing of benefits expected to be paid from the plan.

October 1, 2024

LDROM liability	(\$2,955,036,517)
Market value of assets	<u>\$1,329,237,412</u>
LDROM funded status	(\$1,625,799,105)

The LDROM liability and funded status is for informational purposes only. The plan sponsor has no requirements to contribute to the Plan to meet this threshold, and the funded status on this basis is not used for any restrictions.

If Plan assets are invested to earn in excess of a fixed income portfolio, a shortfall on this basis may not necessarily mean the security of participant benefits is at risk. If the plan is fully funded, or nearly fully funded, on the LDROM measure, the plan sponsor may want to consider reducing investment risk in order to offer greater benefit security and lower contribution volatility. We did not perform an analysis of assumption or provision changes resulting from a potential shift in investment policy due to the limited scope of our engagement.

The above LDROM liability measure applies a single effective discount rate of 5.07%. This is the single effective discount rate that would produce approximately the same discounted cashflows as the FTSE Above Median AA Curve as of September 30, 2024. All other data, assumptions, methods and provisions are the same as those detailed in this report.

While intended to be a market consistent measure, the above funded status is not appropriate for assessing the plan's sufficiency to settle plan obligations.

Per ASOP No. 4, we reviewed the plan's funding method, contribution policy, and the computation of the recommended contribution. We believe all to be reasonable as plan costs are expected to be fully funded over a reasonable timeframe.