City of Marathon Firefighters' Pension Plan

8900 Overseas Highway
Marathon, FL 33030
May 10, 2024
9:00 a.m.

Meeting Agenda

I. Call to Order

Roll Call

Christopher Cameron, FF, Chairman Term March 11, 2022, thru March 11, 2024
Michael Card, 5th Member Term June 2, 2022, thru June 2, 2024
Edwin Marquez, FF, Secretary Term March 11, 2022, thru March 11, 2024
Michael Puto, Appointed Term July 14, 2022, thru June 14, 2024
Mary Rice, Appointed Term July 14, 2022, thru June 14, 2024

II. Public Comment

III. Administrative Report

a) Approval of minutes from February 28, 2024 regular meeting Pg 3
b) Trustee Reappointments
c) Ratification of Expenses and Distributions Pg 7
d) Actuarial Valuation 2023 Pg 11
e) Set Annual Expected Rate of Return
f) 2024 Presidential Election-Comparing Fiscal Agendas Pg 59

IV. Pension Attorney

a) 1099R reporting of disability income Pg 61
b) Electronic Financial Disclosure Management System for Form 1 Pg 63

V. New Business

a)

VI. Adjournment

City of Marathon Firefighters' Pension Plan

8900 Overseas Highway
Marathon, FL 33030
May 10, 2024
9:00 a.m.

a) Next Meeting Scheduled: **May 29, 2024**

THE PUBLIC MAY PARTICIPATE IN THE MEETING SEVERAL WAYS:

Videoconference – the meeting will be hosted online using Zoom.

Topic: Marathon Board Meeting
Time: May 10, 2024, 09:00 AM Eastern Time (US and Canada)

Join Zoom Meeting

https://us02web.zoom.us/j/6642118963?pwd=K0NhR2Fvby9PQm01aEdpT1IjVGF1Zz09

Meeting ID: 664 211 8963
Passcode: 189262

After registering, you will receive a confirmation email containing information about joining the meeting.

VERBATIM RECORD

PLEASE NOTE: IN ACCORDANCE WITH THE FLORIDA STATUTE §286.0105: ANY PERSON WHO DESIRES TO APPEAL ANY DECISION AT THIS MEETING WILL NEED A RECORD OF THE PROCEEDINGS AND FOR THIS PURPOSE MAY NEED TO ENSURE THAT A VERBATIM RECORD OF THE PROCEEDING IS MADE WHICH INCLUDES THE TESTIMONY AND EVIDENCE UPON WHICH THE APPEAL IS BASED.

ADA COMPLIANCE:

ADA ASSISTANCE: ANYONE NEEDING SPECIAL ASSISTANCE AT THE CITY COUNCIL HEARING DUE TO DISABILITY SHOULD CONTACT THE CITY OF MARATHON CITY ATTORNEY AT (305) 289-4130 AT LEAST FIVE DAYS PRIOR THERETO. PLEASE CONTACT THE CITY CLERK AT CLAVIERD@CI.MARATHON.FL.US IF YOU WOULD LIKE TO RECEIVE ANY OF THE ITEMS ON THE AGENDA BY EMAIL.

8900 Overseas Highway
Marathon, FL 33050

CITY OF MARATHON FIREFIGHTERS' PENSION PLAN

MEETING MINUTES

Wednesday, February 28, 2024 AT 9:00 A.M.

The meeting of the Firefighters' Pension Plan Board of the City of Marathon, Florida was called to order at 9:08 A.M. by Chairman Cameron.

ROLL CALL

Present:

Absent: Mary Rice, Appointed

Edwin Marquez, FF Secretary
Michael Puto, Appointed
Michael Card, 5th member

Also Present:
Jeremy Langley, FMPTF-via Zoom

Members and Guest Present: None

2. PUBLIC COMMENT

There was no public comment.

3. TRUSTEE REAPPOINTMENTS

There was discussion on upcoming trustee reappoints. The Board will reach out to City to include reappointment of Trustee Puto and Rice at an upcoming meeting. Chairman Cameron will send out an email for the election of his and Trustee Marqueze's seats.

3. APPROVAL OF MINUTES DATED November 7TH , 2023

Board Member Card moved to approve the minutes from the November 7th regular meeting. Board Member Marquez seconded the motion. All were in favor, and the motion carried.

4. QUARTERLY REPORT: DECEMBER 2023

8900 Overseas Highway
Marathon, FL 33050

Mr. Langley informed the Board of the quarter ending balances for December 31, 2023, for the contributions, earnings, distributions, and fees. The fiscal year to date was 7.93%, the three-year return was 3.09%, the five-year return was 8.23% and the ten-year return was 6.35%.

Chairman Cameron asked if it was possible to request a certain amount of funds be placed in a particular investment. Mr. Langley explained that FMPTF offers three different asset allocations. The board can choose which allocation to participate in. It is possible to build a unique portfolio within certain perimeters, but doing so greatly increases the costs. By participating in the FMPTF, costs are greatly reduced because they are split between all the members.

5. RATIFICATION OF BILLS AND EXPENSES

Mr. Langley presented the bills, expenses, and distributions for ratification

Requisition and Invoice #	Date	Description	Amount
R-2023-Qrtrly4-040	10/1/2023	9/30/2023 Quarterly Fees	$5,792
R-2024-11-00070	11/16/2023	Klausner, Kaufman, Jensen & Levington: Legal Services	$350
R-2024-12-00119	12/15/2023	Klausner, Kaufman, Jensen & Levington: Legal Services	$35
R-2023-09-00546	12/31/2023	FMPTF Benefit Calculation for Eric Dunford	$337.50
R-2024-01-00040	1/1/2024	FMPTF 12/31/2023 Quarterly Fees	$6,289.09
R-2024-01-00163	1/31/2024	FMPTF Board Meeting November 6, 2023	$750
R-2024-01-00197	1/31/2024	Klausner, Kaufman, Jensen & Levington: Legal Services	$175
R-2024-02-00222	2/9/2024	Klausner, Kaufman, Jensen & Levington: Legal Services	$47.50
			$14,776.09

Retiree	Date	Description	Amount
Eric Dunford	12/1/2023	New retiree monthly benefit	$3,552.88
Eric Dunford	1/5/2024	Share Plan Distribution	$21,125.34

Board Member Card moved to approve the bills and expenses as presented. Board Member Card seconded the motion. All were in favor, and the motion carried.

8900 Overseas Highway
Marathon, FL 33050

6. FY2023 ADMINISTRATIVE ACCOUNTING REPORT

Board Member Card moved to approve the FY2023 Accounting Report. Board Member Puto seconded the motion. All were in favor, and the motion carried.

7. FY2024 PROPOSED BOARD BUDGET

Board Member Card moved to approve the proposed FY2024 Board Budget. Board Member Puto seconded the motion. All were in favor, and the motion carried.

7. HB 3 Summary Report

Mr. Langley informed the Board the HB 3 Comprehensive report was approved by the state.

7. GRAYSTONE FEE ANALYSIS

Mr. Langley and the Board discussed and compared the fees of Graystone Consulting to that of FMPTF. Chairman Cameron has a follow up meeting with Graystone to further discuss actual costs. It appears the costs do not include many services offered and included in the plan with FMPTF.

8. ADJOURNMENT

The meeting adjourned at 10:14 A.M.

Next Meeting Scheduled: May 29, 2024

8900 Overseas Highway
Marathon, FL 33050

______________________________ ____________________________________

Jeremy Langley, Recording Secretary Chris Cameron, Chairman

Marathon Fire

Requisitions for payment since March 1, 2024

Requisitions and Invoices #	Date	Vendor: Description	Amount
R-2024-03-00295	3/25/2024	Florida Municipal Insurance Trust-Fiduciary Liability Renewal 2425	$1,603.88
R-2024-01-00197	3/31/2024	Klausner, Kaufman, Jensen & Levington: Legal Services	$140.00
R-2024-02-00222	4/16/2024	Klausner, Kaufman, Jensen & Levington: Legal Services	$350.00
			$2,093.88

w Retirees and Return of Employee Contributions

Employee	Date	Description	Amount

INVOICE
SPECIAL COVERAGES

3/5/2024 FMIT# 0928
INVOICE ID: ANC-10154B-2324

Ms. Elizabeth Schut
Insurance Administrator
City of Marathon
c/o Jessica Johnson P.O. Box 1757
Tallahassee, FL 32302

MAKE CHECKS PAYABLE TO:

FLORIDA MUNICIPAL INSURANCE TRUST
POST OFFICE BOX 1757
TALLAHASSEE FL 32302-1757

MAKE ACH PAYMENTS TO:
BANK: Capital City Bank, 217 N. Monroe St., Tallahassee, FL 32301
RTN#/ABA#: 063100688
ACCT#: 0032620702
ACCT TYPE: Checking
ACCT NAME: Florida Municipal Insurance Trust

PLEASE INCLUDE A COPY OF THIS INVOICE WITH YOUR PAYMENT BY 3/20/2024.
IF FULL PREMIUM PAYMENT IS NOT RECEIVED BY 3/20/2024, THE POLICY IS SUBJECT TO CANCELLATION FOR NON-PAYMENT OF PREMIUM BY THE INSURER.

DESCRIPTION	POLICY NUMBER	EFFECTIVE DATE	EXPIRATION DATE
A-3 BONDS FIDUCIARY LIABILITY CITY OF MARATHON FIREFIGHTERS PENSION PLAN TOTAL LIMIT: $1,000,000	**107833914**	**4/4/2024**	**4/4/2025**

PREMIUMS

BASE PREMIUM:	**$1,588.00**
ADDITIONAL INSURED(S):	
TERRORISM:	
INSPECTION FEE:	
POLICY FEE:	
FEES:	**15.88**
TOTAL POLICY PREMIUM:	**$1,603.88**

Ancillary insurance coverage includes any insurance coverage not currently available directly from the Florida Municipal Insurance Trust. When the Florida League of Cities, Inc. acts as intermediary or agency in facilitating ancillary insurance coverage for a member with a third party insurer, the Florida League of Cities, Inc. shall not be liable to the member if the third party insurer becomes insolvent at any time after coverage has commenced. The Florida League of Cities, Inc. shall use reasonable skill and judgment in securing any such ancillary insurance coverage. However, it is not a guarantor of the financial condition of any third party insurer and is entitled to reasonably rely upon generally accepted financial, actuarial and/or insurance industry data when facilitating ancillary insurance coverage.

Klausner, Kaufman, Jensen & Levinson

A Partnership of Professional Associations
Attorneys At Law
7080 N.W. 4th Street
Plantation, Florida 33317

Tel. (954) 916-1202
Fax (954) 916-1232

www.klausnerkaufman.com
Tax I.D.: 45-4083636

MARATHON FIREFIGHTERS' PENSION PLAN AND TRUST FUND
Attn: CHRIS CAMERON
8900 OVERSEAS HIGHWAY
MARATHON, FL 33050

February 29, 2024
Bill # 34599

CLIENT:	MARATHON FIREFIGHTERS' PENSION PLAN AND TRUST	: 160037
MATTER:	MARATHON FIREFIGHTERS' PENSION PLAN AND TRUST FUND	: 160037

Professional Fees

Date	Attorney	Description	Hours	Amount
02/27/24	BSJ	REVIEW EMAILS FROM JEREMY LANGLEY AND CHUCK CARR REGARDING STATE MONEY USE; REVIEW EMAILS REGARDING CBA PROPOSED CHANGES; EMAIL TO JEREMY LANGLEY	0.40	140.00
		Total for Services	**0.40**	**$140.00**

CURRENT BILL TOTAL AMOUNT DUE **$ 140.00**

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Tax I.D.: 45-4083636

MARATHON FIREFIGHTERS' PENSION PLAN AND TRUST FUND
Attn: CHRIS CAMERON
8900 OVERSEAS HIGHWAY
MARATHON, FL 33050

March 31, 2024
Bill # 34801

CLIENT:	MARATHON FIREFIGHTERS' PENSION PLAN AND TRUST	: 160037
MATTER:	MARATHON FIREFIGHTERS' PENSION PLAN AND TRUST FUND	: 160037

Professional Fees

Date	Attorney	Description	Hours	Amount
03/04/24	BSJ	REVIEW EMAIL FROM JEREMY LANGLEY WITH ATTACHED CBA; REVIEW CBA; EMAIL TO CHUCK CARR REGARDING ARTICLE 15 OF THE CBA	1.00	350.00
		Total for Services	**1.00**	**$350.00**

CURRENT BILL TOTAL AMOUNT DUE	**$ 350.00**
Past Due Balance	140.00
AMOUNT DUE	**$490.00**

Retirement Plan for the Firefighters of the City of Marathon

Actuarial Valuation
As of October 1, 2023

Determines the Contribution
For the 2024/25 Fiscal Year

SOUTHERN ACTUARIAL SERVICES

March 3, 2024

Introduction

This report presents the revised results of the October 1, 2023 actuarial valuation for the Retirement Plan for the Firefighters of the City of Marathon. The report is based on the participant data and asset information provided by the pension plan administrator and, except for a cursory review for reasonableness including a comparison to the data provided for the previous valuation, we have not attempted to verify the accuracy of this information. The revision reflects several changes to the income statement for the prior year.

The primary purpose of this report is to provide a summary of the funded status of the plan as of October 1, 2023 and to determine the minimum required contribution under Chapter 112, Florida Statutes, for the 2024/25 plan year. In addition, this report provides a projection of the long-term funding requirements of the plan, statistical information concerning the assets held in the trust, statistical information concerning the participant population, and a summary of any recent plan changes.

The liabilities and cost presented in this report are based on numerous assumptions concerning the cost of benefits to be provided in the future, long-term investment returns, and the future demographic experience of the current participants. Anyone referring to this report should remember that the cost developed herein is only an *estimate* of the true cost of providing post-employment pension benefits. No one can predict with certainty whether the true cost will be higher or lower than the cost presented in this report. The calculated cost is entirely dependent upon the assumptions that are described in Table IV-A. If any of the assumptions is changed, then the cost shown in this report will change accordingly. Likewise, if any of the assumptions is not completely realized, then the cost shown in this report will change in the future.

Certain assumptions play a bigger role than others in determining the cost of the post-employment pension benefits. In some cases, relatively small changes in a particular assumption can have a dramatic impact on the anticipated cost of benefits. Although a thorough analysis of the impact of such changes is beyond the scope of this report, Table I-B illustrates the impact that alternative long-term investment returns would have on the normal cost rate.

Minimum Required Contribution

Table I-A shows the development of the minimum required contribution for the 2024/25 plan year. The minimum required contribution rate is 35.96% of covered payroll, which represents an increase of 10.48% of payroll from the prior valuation.

The normal cost rate is 35.18%, which is 9.93% higher than the normal cost rate that was developed in the prior valuation. Table I-C provides a breakdown of the sources of change in the normal cost rate. Significantly, the rate increased by 1.98% of payroll due to investment shortfalls and increased by another 7.95% of payroll due to demographic experience. Although the market value of assets earned 8.60% during the 2022/23 plan year, the actuarial value of assets is based on a five-year phase-in of the unexpected investment gains and losses. On this basis, the actuarial value of assets only earned 4.10% during the 2022/23 plan year, whereas a 6.75% annual investment return was required to maintain a stable contribution rate.

Chapter 112, Florida Statutes, sets forth the rules concerning the minimum required contribution for public pension plans within the state. Essentially, the City must contribute an amount equal to the annual normal cost of the plan plus an adjustment as necessary to reflect interest on any delayed payment of the contribution beyond the valuation date. On this basis, the City's 2024/25 minimum required contribution will be equal to 35.96% multiplied by the total pensionable earnings for the 2024/25 plan year for the active employees who are covered by the plan and reduced by the portion of the Chapter 175/185 contribution that is allowed to be recognized during the 2024/25 plan year.

Based on the current assets, participant data, and actuarial assumptions and methods that are used to value the plan, the present-day value of the total long-term funding requirement is $22,157,624. As illustrated in Table I-A, current assets are sufficient to cover $14,192,985 of this amount, the employer's 2023/24 expected contribution will cover $533,136 of this amount, the employer's 2024/25 expected contribution will cover $782,488 of this amount, and future employee contributions are expected to cover $893,667 of this amount, leaving $5,755,348 to be covered by future employer funding beyond the 2024/25 fiscal year. Again, demographic and investment experience that differs from that assumed will either increase or decrease the future employer funding requirement.

Employer Contribution and Allowable Chapter 175 Distribution

As of September 30, 2023, the City owed the plan $109,107 and we have carried this amount as an employer contribution receivable for the October 1, 2023 actuarial valuation. The first $109,107 of contributions made by the City during the 2023/24 fiscal year will be credited to the 2022/23 fiscal year.

It is our understanding that, effective with the 2023/24 fiscal year, the bargaining parties have agreed to allow the City to use the first $195,515 of Chapter 175 distributions each year as an offset to the minimum required contribution. In addition, to the extent that the City's required contribution net of the allowable Chapter 175 distribution exceeds 23% of pensionable earnings, the City must first use any balance from the contribution stabilization fund to cover the excess above 23% and, if the remaining required contribution still exceeds 23% of pensionable earnings, then the City may use the portion of the Chapter 175 distribution in excess of $195,515 to reduce the remaining required contribution to 23% of pensionable earnings. For any year during which the City's net required contribution is less than 23% of pensionable earnings, the difference between the actual net required contribution and 23% of pensionable earnings will be credited to a contribution stabilization fund to reduce future City contributions to 23%.

For the 2023/24 fiscal year, the estimated City contribution net of $195,515 of Chapter 175 distributions is 16.14% of payroll, which is 6.86% of payroll less than 23%. Therefore, we estimate that 6.86% of pensionable earnings will be deposited into the contribution stabilization account during the 2023/24 fiscal year to cover future City contributions in excess of 23% of payroll.

For the 2024/25 fiscal year, the estimated City contribution net of $195,515 of Chapter 175 distributions is 26.98% of payroll, which is 3.98% higher than 23%. Therefore, we estimate that the 6.86% contribution stabilization balance will be sufficient to reduce the net City contribution to 23% of payroll for the 2024/25 fiscal year.

Note that the percentages shown in the paragraphs above are estimates only based on expected Chapter 175 distributions and expected payroll for each year. If these estimates are correct, then the allowable Chapter 175 distribution for each of the 2023/24 and 2024/25 fiscal years will be $195,515 and any excess Chapter 175 distributions above $195,515 should be deposited into the share plan and divided among eligible participants.

Identification and Assessment of Risk

The liabilities and cost presented in this report are based on numerous assumptions concerning the cost of benefits to be provided in the future, long-term investment returns, and the future demographic experience of the current participants. Anyone referring to this report should remember that the cost developed herein is only an *estimate* of the true cost of providing post-employment pension benefits. No one can predict with certainty whether the true cost will be higher or lower than the cost presented in this report. The calculated cost is entirely dependent upon the assumptions that are described in Table IV-A. If any of the assumptions is changed, then the cost shown in this report will change accordingly. Likewise, there is always a risk that, should these assumptions not be realized, the liabilities of the plan, the contributions required to fund the plan, and the funded status of the plan may be significantly different than the amounts shown in this report.

Although a thorough analysis of the risk of not meeting the assumptions is beyond the scope of this report, this discussion is intended to identify the significant risks faced by the plan. In some cases, a more detailed review of the risks, including numerical analysis, may be appropriate to help the plan sponsor and other interested parties assess the specific impact of not realizing certain assumptions. For example, Table I-B illustrates the impact that alternative long-term investment returns would have on the contribution rate. Note that this report is not intended to provide advice on the management or reduction of the identified risks nor is this report intended to provide investment advice.

The most significant risk faced by most defined benefit pension plans is investment risk, i.e. the risk that long-term investment returns will be less than assumed. Other related risks include a risk that, if the investments of the plan decline dramatically over a short period of time (such as occurred with many pension plans in 2008), the plan's assets may not have sufficient time to recover before benefits become due. Even if the assets of the plan grow in accordance with the assumed investment return over time, if benefit payments are expected to be large in the short-term (for example, if the plan provides an actuarial equivalent lump sum payment option and a large number of participants are expected to become entitled to such a lump sum in the near future), the plan's assets may not be sufficient to support such a high level of benefit payments. We have provided a 10-year projection of the expected benefit payments in Table III-G to help the Trustees in formulating an investment policy that is expected to provide an investment return that meets both the short- and long-term cash flow needs of the pension plan.

Another source of risk is demographic experience. This is the risk that participants will receive salary increases that are different than the amount assumed, that participants will retire, become disabled, or terminate their employment at a rate that is different than assumed, and that participants will live longer than assumed, just to cite a few examples of the demographic risk faced by the plan. Although for most pension plans, the demographic risk is not as significant as the investment risk, particularly in light of the fact that the mortality assumption includes a component for future life expectancy increases, the demographic risk can nevertheless be a significant contributing factor to liabilities and contribution rates that become higher than anticipated.

A third source of risk is the risk that the plan sponsor (or other contributing entities) will not make, or will not have the ability to make, the contributions that are required to keep the plan funded at a sufficient level. Material changes in the number of covered employees, covered payroll, and, in some cases, hours worked by active participants can also significantly impact the plan's liabilities and the level of contributions received by the plan.

Finally, an actuarial funding method has been used to allocate the gap between projected liablities and assets to each year in the future. The contribution rate under some funding methods is higher during the early years of the plan and then is lower during the later years of the plan. Other funding methods provide for lower contribution rates initially, with increasing contribution rates over time.

The Trustees have adopted the aggregate funding method for this plan, which is expected to result in a contribution rate that is level as a percentage of payroll over the working life of the plan's active participants. A brief description of the actuarial funding method is provided in Table IV-A.

Contents of the Report

Tables I-D through I-G provide a detailed breakdown of various liability amounts by type of benefit and by participant group. Tables II-A through II-F provide information concerning the assets of the trust fund. Tables III-A through III-G provide statistical information concerning the plan's participant population. In particular, Table III-G gives a 10-year projection of the cash that is expected to be required from the trust fund in order to pay benefits to the current group of participants. Finally, Tables IV-A through V-B provide a summary of the actuarial assumptions and methods that are used to value the plan's benefits and of the relevant plan provisions as of October 1, 2023, as well as a summary of the changes that have occurred since the previous valuation report was prepared.

Certification

This actuarial valuation was prepared 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 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 change in plan costs or required contribution rates have been taken into account in the valuation.

For the firm,

Charles T. Carr/cz

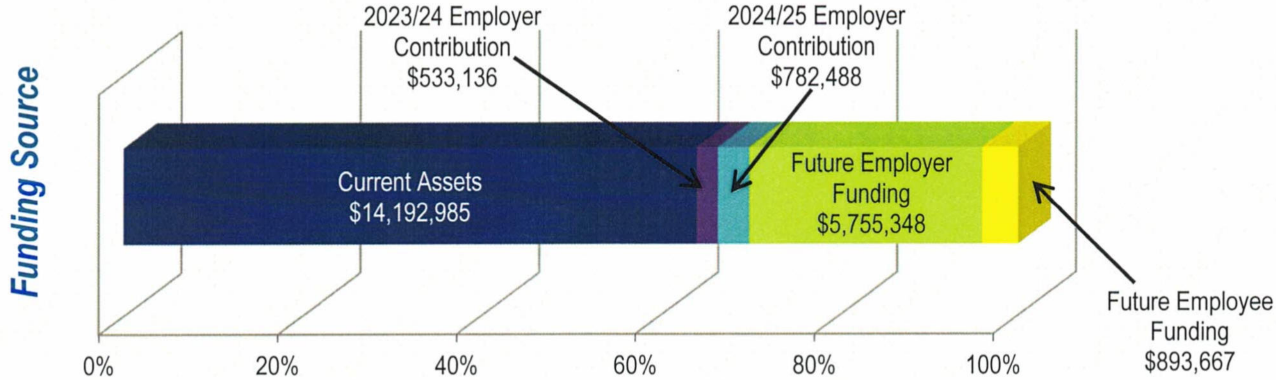
Charles T. Carr
Consulting Actuary
Southern Actuarial Services Company, Inc.

Enrolled Actuary No. 23-04927

The individual above is a member of the American Academy of Actuaries and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

Minimum Required Contribution

Table I-A



	For the 2024/25 Plan Year
Present Value of Future Benefits	$20,956,016
Present Value of Future Administrative Expenses	$419,120
Actuarial Value of Assets	($14,192,985)
Present Value of Future Employee Contributions	($893,667)
Present Value of Future Normal Costs	$6,288,484
Present Value of Future Payroll	*÷ $17,873,311*
Normal Cost Rate	*= 35.1837%*
Expected Payroll	*x $2,092,371*
Normal Cost	$736,173
Adjustment to Reflect Quarterly Employer Contributions	$30,548
Expected Employer Contribution for the 2023/24 Plan Year	($533,136)
Remaining Contribution Due/(Credit) for the 2023/24 Plan Year	$233,585
	x 0.0675
One Year's Interest Charge/(Credit) on the Remaining Contribution	$15,767
Preliminary Employer Contribution for the 2024/25 Plan Year	$782,488
Expected Payroll for the 2024/25 Plan Year	*÷ $2,176,066*
Minimum Required Contribution Rate	**35.96%**

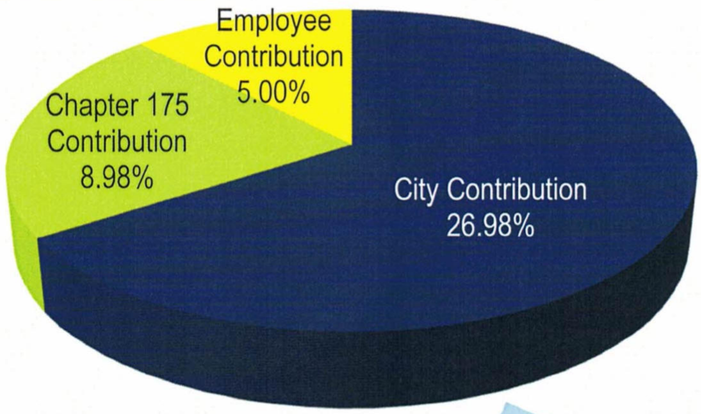
(The actual contribution should be based on the minimum required contribution rate multiplied by the actual payroll for the year.)

Minimum Required Contribution

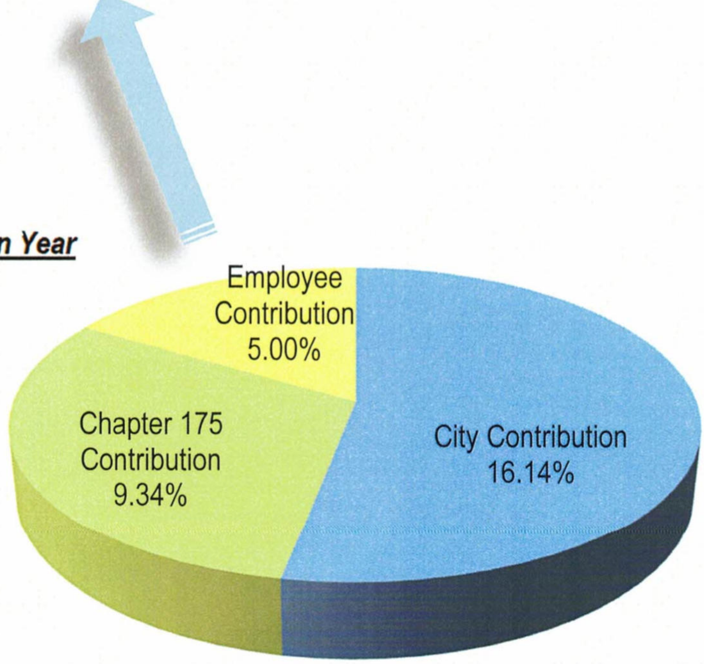
Table I-A
(continued)

The minimum required contribution rate of 35.96% includes both the City contribution and the allowable Chapter 175 contribution. In addition, employees are required to contribute 5.00% of pensionable earnings. The actual City contribution rate is expected to be approximately 26.98% based on the allowable Chapter 175 contribution for the previous year. The chart below shows the expected contribution rate by source for the 2024/25 plan year based on the expected payroll. A comparative chart shows the contribution rate by source for the previous plan year.

For the 2024/25 Plan Year

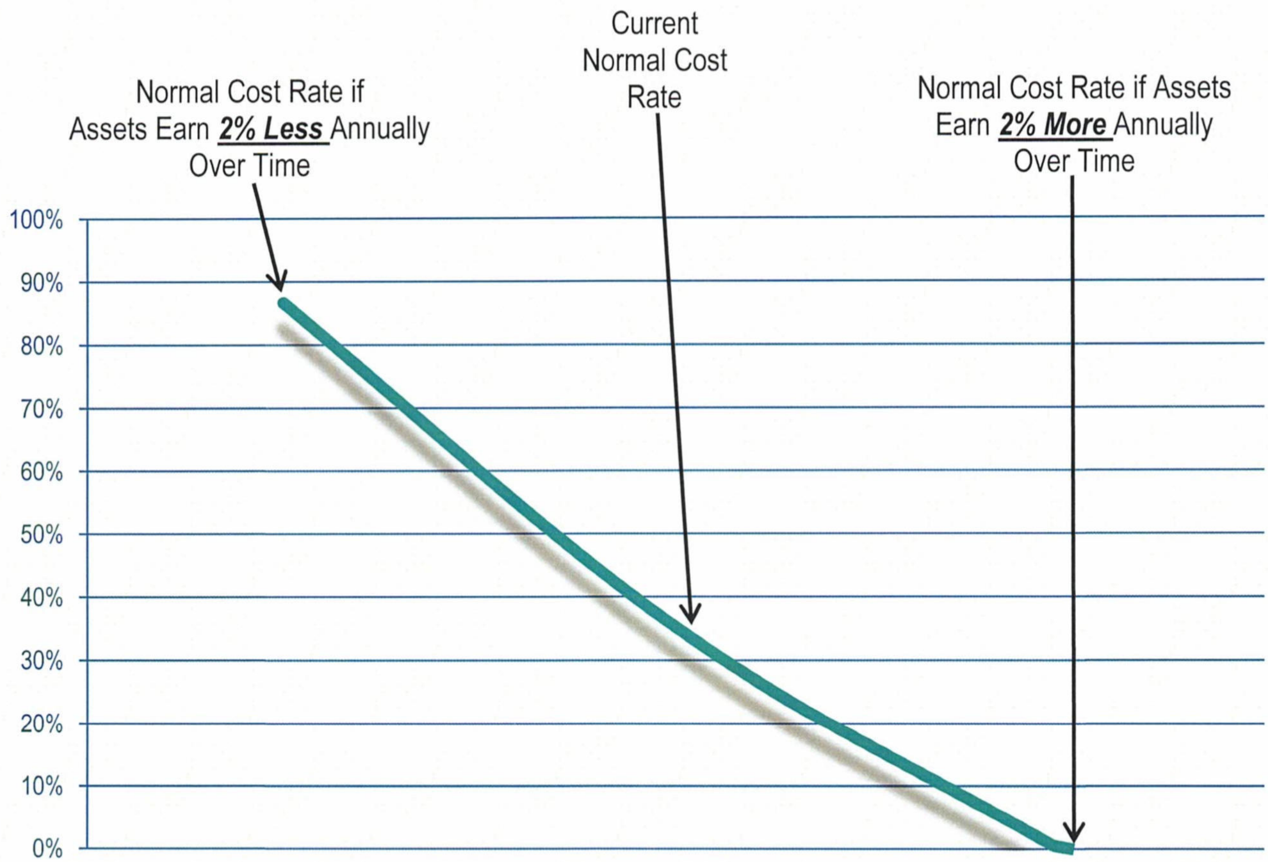


For the 2023/24 Plan Year



Sensitivity Analysis

Table I-B



The line above illustrates the sensitivity of the normal cost rate to changes in the long-term investment return.

Gain and Loss Analysis

Table I-C

Previous normal cost rate	25.25%
Increase (decrease) due to investment gains and losses	1.98%
Increase (decrease) due to demographic experience	7.95%
Increase (decrease) due to plan amendments	0.00%
Increase (decrease) due to actuarial assumption changes	0.00%
Increase (decrease) due to actuarial method changes	0.00%
Current normal cost rate	35.18%

Present Value of Future Benefits

Table I-D

	Old Assumptions w/o Amendment	Old Assumptions w/ Amendment	New Assumptions w/ Amendment
Actively Employed Participants			
Retirement benefits	$18,824,689	$18,824,689	$18,824,689
Termination benefits	$0	$0	$0
Disability benefits	$0	$0	$0
Death benefits	$0	$0	$0
Refund of employee contributions	$0	$0	$0
Sub-total	**$18,824,689**	**$18,824,689**	**$18,824,689**
Deferred Vested Participants			
Retirement benefits	$1,451,159	$1,451,159	$1,451,159
Termination benefits	$0	$0	$0
Disability benefits	$0	$0	$0
Death benefits	$0	$0	$0
Refund of employee contributions	$0	$0	$0
Sub-total	**$1,451,159**	**$1,451,159**	**$1,451,159**
Due a Refund of Contributions	**$6,193**	**$6,193**	**$6,193**
Deferred Beneficiaries	**$0**	**$0**	**$0**
Retired Participants			
Service retirements	$371,691	$371,691	$371,691
Disability retirements	$0	$0	$0
Beneficiaries receiving	$0	$0	$0
DROP participants	$302,284	$302,284	$302,284
Sub-total	**$673,975**	**$673,975**	**$673,975**
Grand Total	**$20,956,016**	**$20,956,016**	**$20,956,016**
Present Value of Future Payroll	$17,873,311	$17,873,311	$17,873,311
Present Value of Future Employee Contribs.	$893,667	$893,667	$893,667
Present Value of Future Employer Contribs.	$6,288,484	$6,288,484	$6,288,484

Present Value of Accrued Benefits

Table I-E

	Old Assumptions w/o Amendment	Old Assumptions w/ Amendment	New Assumptions w/ Amendment
Actively Employed Participants			
Retirement benefits	$8,897,844	$8,897,844	$8,897,844
Termination benefits	$0	$0	$0
Disability benefits	$0	$0	$0
Death benefits	$0	$0	$0
Refund of employee contributions	$0	$0	$0
Sub-total	**$8,897,844**	**$8,897,844**	**$8,897,844**
Deferred Vested Participants			
Retirement benefits	$1,451,159	$1,451,159	$1,451,159
Termination benefits	$0	$0	$0
Disability benefits	$0	$0	$0
Death benefits	$0	$0	$0
Refund of employee contributions	$0	$0	$0
Sub-total	**$1,451,159**	**$1,451,159**	**$1,451,159**
Due a Refund of Contributions	**$6,193**	**$6,193**	**$6,193**
Deferred Beneficiaries	**$0**	**$0**	**$0**
Retired Participants			
Service retirements	$371,691	$371,691	$371,691
Disability retirements	$0	$0	$0
Beneficiaries receiving	$0	$0	$0
DROP participants	$302,284	$302,284	$302,284
Sub-total	**$673,975**	**$673,975**	**$673,975**
Grand Total	**$11,029,171**	**$11,029,171**	**$11,029,171**
Funded Percentage	120.47%	120.47%	120.47%

(Note: Funded percentage is equal to the ratio of the usable portion of the market value of assets divided by the present value of accrued benefits.)

Present Value of Vested Benefits

Table I-F

	Old Assumptions w/o Amendment	Old Assumptions w/ Amendment	New Assumptions w/ Amendment
Actively Employed Participants			
Retirement benefits	$6,249,936	$6,249,936	$6,249,936
Termination benefits	$0	$0	$0
Disability benefits	$0	$0	$0
Death benefits	$0	$0	$0
Refund of employee contributions	$0	$0	$0
Sub-total	**$6,249,936**	**$6,249,936**	**$6,249,936**
Deferred Vested Participants			
Retirement benefits	$1,451,159	$1,451,159	$1,451,159
Termination benefits	$0	$0	$0
Disability benefits	$0	$0	$0
Death benefits	$0	$0	$0
Refund of employee contributions	$0	$0	$0
Sub-total	**$1,451,159**	**$1,451,159**	**$1,451,159**
Due a Refund of Contributions	**$6,193**	**$6,193**	**$6,193**
Deferred Beneficiaries	**$0**	**$0**	**$0**
Retired Participants			
Service retirements	$371,691	$371,691	$371,691
Disability retirements	$0	$0	$0
Beneficiaries receiving	$0	$0	$0
DROP participants	$302,284	$302,284	$302,284
Sub-total	**$673,975**	**$673,975**	**$673,975**
Grand Total	**$8,381,263**	**$8,381,263**	**$8,381,263**

Entry Age Normal Accrued Liability

Table I-G

	Old Assumptions w/o Amendment	Old Assumptions w/ Amendment	New Assumptions w/ Amendment
Actively Employed Participants			
Retirement benefits	$11,327,121	$11,327,121	$11,327,121
Termination benefits	$0	$0	$0
Disability benefits	$0	$0	$0
Death benefits	$0	$0	$0
Refund of employee contributions	$0	$0	$0
Sub-total	**$11,327,121**	**$11,327,121**	**$11,327,121**
Deferred Vested Participants			
Retirement benefits	$1,451,159	$1,451,159	$1,451,159
Termination benefits	$0	$0	$0
Disability benefits	$0	$0	$0
Death benefits	$0	$0	$0
Refund of employee contributions	$0	$0	$0
Sub-total	**$1,451,159**	**$1,451,159**	**$1,451,159**
Due a Refund of Contributions	**$6,193**	**$6,193**	**$6,193**
Deferred Beneficiaries	**$0**	**$0**	**$0**
Retired Participants			
Service retirements	$371,691	$371,691	$371,691
Disability retirements	$0	$0	$0
Beneficiaries receiving	$0	$0	$0
DROP participants	$302,284	$302,284	$302,284
Sub-total	**$673,975**	**$673,975**	**$673,975**
Grand Total	**$13,458,448**	**$13,458,448**	**$13,458,448**

Actuarial Value of Assets

Table II-A

	Unexpected Investment Gain (Loss)		*Unrecognized Gain (Loss)*
For the 2019/20 plan year	*($51,917)*	*x 20%*	*($10,383)*
For the 2020/21 plan year	*$1,388,586*	*x 40%*	*$555,434*
For the 2021/22 plan year	*($2,716,909)*	*x 60%*	*($1,630,145)*
For the 2022/23 plan year	*$223,253*	*x 80%*	*$178,602*
			($906,492)

Market Value of Assets as of October 1, 2023	$13,341,550
Minus DROP account balances	($55,057)
Minus advance employer contributions	$0
Minus excess Chapter 175/185 contributions	$0
Adjustment for unrecognized gain or loss as shown above, but restricted to an amount that keeps the actuarial value of assets within an 80%-120% corridor of the market value	$906,492
Actuarial Value of Assets as of October 1, 2023	**$14,192,985**

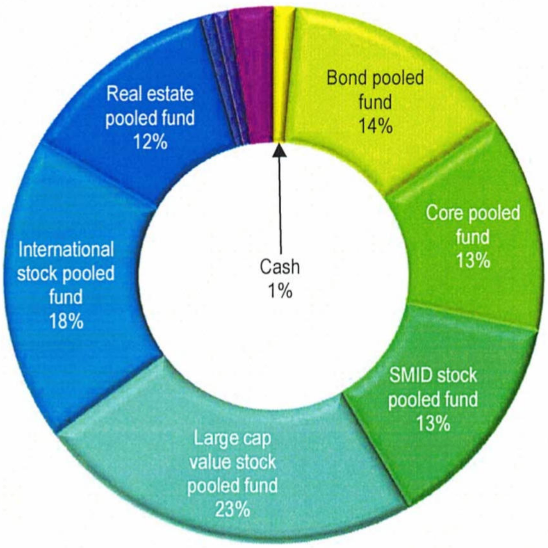
Historical Actuarial Value of Assets

October 1, 2014	N/A
October 1, 2015	$5,252,172
October 1, 2016	$6,790,899
October 1, 2017	$7,759,986
October 1, 2018	$8,709,048
October 1, 2019	$9,719,229
October 1, 2020	$10,780,960
October 1, 2021	$12,141,824
October 1, 2022	$13,095,238
October 1, 2023	$14,192,985

Market Value of Assets

Table II-B

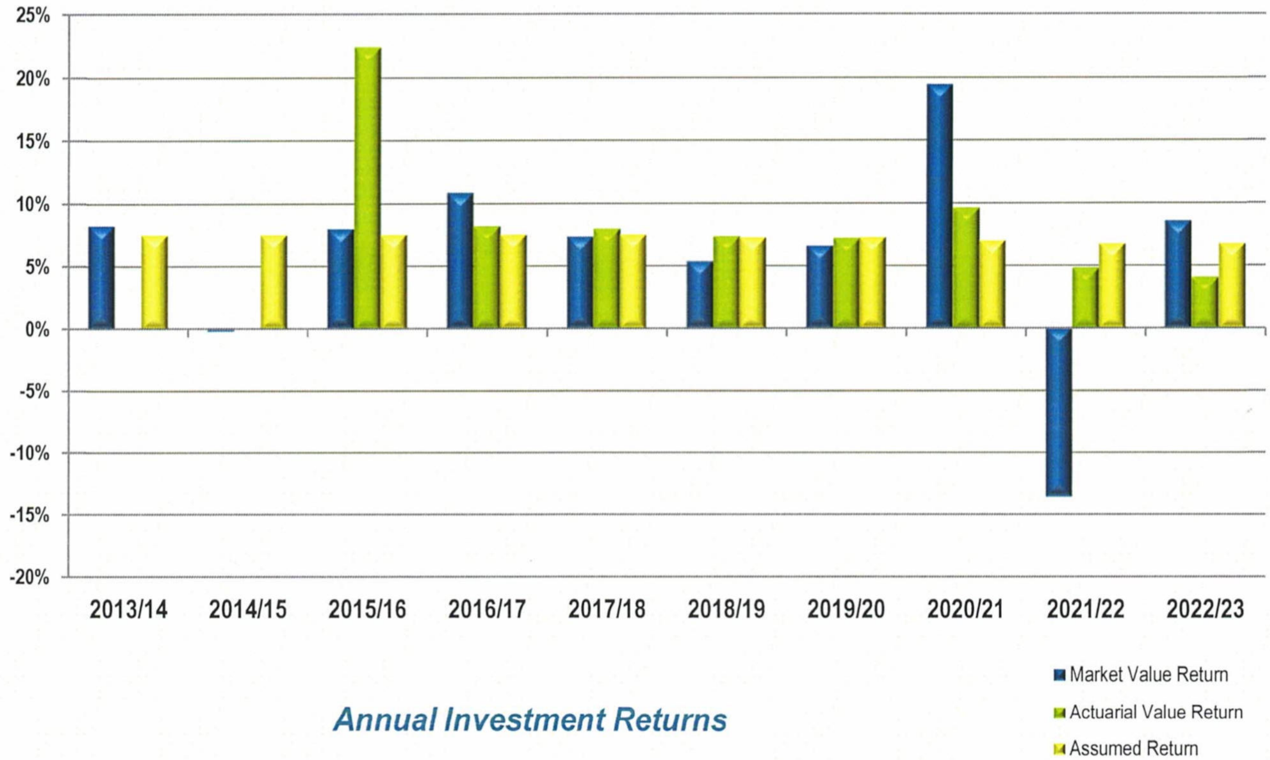
	As of October 1, 2023
Market Value of Assets	**$13,341,550**
Cash	$188,235
Bond pooled fund	$1,963,021
Core pooled fund	$1,828,567
SMID stock pooled fund	$1,868,903
Large cap value stock pooled fund	$3,280,664
International stock pooled fund	$2,594,952
Real estate pooled fund	$1,721,004
Employer contribution receivable	$109,107
State contribution receivable	$122,837
Employee contribution receivable	$22,131
Payable to share plan	($357,871)



Historical Market Value of Assets	
October 1, 2014	$5,631,838
October 1, 2015	$5,971,359
October 1, 2016	$6,786,445
October 1, 2017	$7,939,933
October 1, 2018	$8,862,675
October 1, 2019	$9,712,907
October 1, 2020	$10,785,528
October 1, 2021	$13,211,218
October 1, 2022	$11,737,247
October 1, 2023	$13,341,550

Investment Return

Table II-C



Annual Investment Returns

Plan Year	Market Value Return	Actuarial Value Return	Assumed Return
2013/14	8.26%	N/A	7.50%
2014/15	-0.18%	N/A	7.50%
2015/16	8.00%	22.43%	7.50%
2016/17	10.85%	8.20%	7.50%
2017/18	7.37%	8.02%	7.50%
2018/19	5.39%	7.39%	7.25%
2019/20	6.60%	7.23%	7.25%
2020/21	19.45%	9.65%	7.00%
2021/22	-13.56%	4.84%	6.75%
2022/23	8.60%	4.10%	6.75%
10yr. Avg.	5.76%	8.86%	7.25%

Asset Reconciliation

Table II-D

	Market Value	Actuarial Value
As of October 1, 2022	**$11,737,247**	**$13,095,238**
Increases Due To:		
Employer Contributions	$358,618	$358,618
Chapter 175/185 Contributions	$193,515	$193,515
Employee Contributions	$118,535	$118,535
Service Purchase Contributions	$0	$0
Total Contributions	$670,668	$670,668
Interest and Dividends	$0	
Realized Gains (Losses)	$0	
Unrealized Gains (Losses)	$1,034,436	
Total Investment Income	$1,034,436	$548,189
Other Income	$0	
Total Income	**$1,705,104**	**$1,218,857**
Decreases Due To:		
Monthly Benefit Payments	($25,654)	($25,654)
Refund of Employee Contributions	($30,189)	($30,189)
DROP Credits		($20,309)
Total Benefit Payments	($55,843)	($76,152)
Share Plan Deposit	$0	
Administrative Expenses	($44,958)	($44,958)
Advance Employer Contribution		$0
Excess Chapter 175/185 Contribution		$0
Total Expenses	**($100,801)**	**($121,110)**
As of October 1, 2023	**$13,341,550**	**$14,192,985**

Historical Trust Fund Detail

Table II-E

Income

Plan Year	Employer Contribs.	Chapter Contribs.	Employee Contribs.	Service Purchase Contribs.	Interest / Dividends	Realized Gains / Losses	Unrealized Gains / Losses	Other Income
2013/14	$72,352	$237,046	$65,447	$0	$0	$0	$417,331	$0
2014/15	$143,206	$176,093	$74,043	$0	$0	$0	-$10,345	$0
2015/16	$153,658	$163,986	$81,554	$0	$0	$0	$490,849	$0
2016/17	$232,241	$143,011	$90,947	$0	$0	$0	$923,538	$0
2017/18	$159,399	$135,578	$93,200	$0	$0	$0	$608,666	$0
2018/19	$183,820	$154,786	$96,101	$0	$0	$0	$497,133	$0
2019/20	$266,084	$158,031	$90,890	$0	$0	$0	$666,725	$0
2020/21	$191,316	$148,494	$100,855	$0	$0	$0	$2,126,541	$0
2021/22	$138,136	$166,081	$102,641	$0	$0	$0	-$1,813,868	$0
2022/23	$358,618	$193,515	$118,535	$0	$0	$0	$1,034,436	$0

Expenses / *Other Actuarial Adjustments*

Plan Year	Monthly Benefit Payments	Contrib. Refunds	Admin. Expenses	Share Plan Deposit	DROP Credits	Advance Employer Contribs.	Excess Chapter Contribs.
2013/14	$0	$17,052	$35,373	$0	$0	$0	$43,531
2014/15	$0	$16,003	$27,473	$0	$0	$0	$0
2015/16	$0	$50,293	$24,668	$0	$0	$0	$0
2016/17	$0	$38,480	$31,860	$165,909	$0	$0	-$165,909
2017/18	$23,597	$4,527	$34,576	$11,401	$0	$0	$0
2018/19	$23,951	$0	$48,082	$9,575	$0	$0	$0
2019/20	$24,311	$20,997	$51,932	$11,869	$0	$59,035	$0
2020/21	$25,736	$53,095	$62,685	$0	$15,964	-$22,450	$0
2021/22	$25,275	$0	$41,686	$0	$18,784	-$36,585	$0
2022/23	$25,654	$30,189	$44,958	$0	$20,309	$0	$0

Note: Information was not available to separate the investment expenses from the investment income nor was information available to separate the investment income by source.

Other Reconciliations

Table II-F

Advance Employer Contribution

Advance Employer Contribution as of October 1, 2022	$0
Additional Employer Contribution	$552,133
Minimum Required Contribution	($552,133)
Net Increase in Advance Employer Contribution	$0
Advance Employer Contribution as of October 1, 2023	$0

Excess Chapter 175/185 Contribution

Excess Chapter 175/185 Contribution as of October 1, 2022	$0
Additional Chapter 175/185 Contribution	$193,515
Allowable Chapter 175/185 Contribution	($193,515)
Net Increase in Excess Chapter 175/185 Contribution	$0
Excess Chapter 175/185 Contribution as of October 1, 2023	$0

DROP Account Reconciliation

DROP Balance as of October 1, 2022	$34,748
DROP Benefits Paid	$17,714
DROP Investment Return	$2,595
DROP Expense Charge	$0
Net DROP Credit	$20,309
DROP Balance as of October 1, 2023	$55,057

Historical Chapter 175/185 Contributions

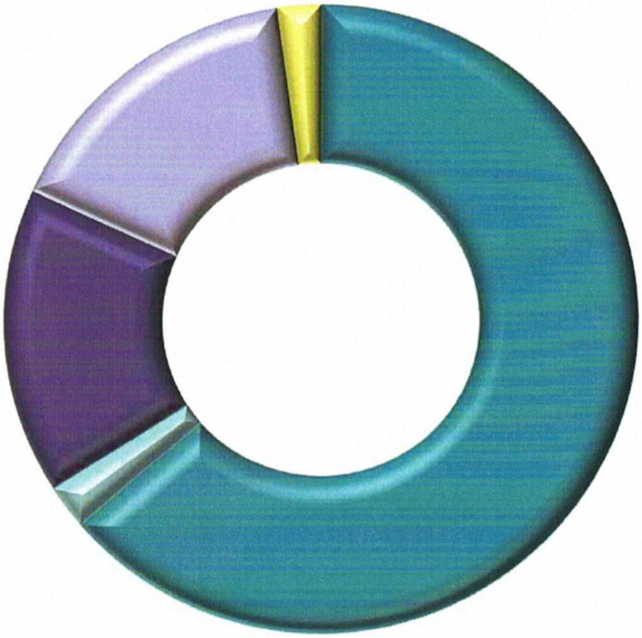
Table II-G

Total Accumulated Excess Chapter 175/185 Contribution **$0**

	Chapter 175 Regular Distribution	Chapter 175 Supplemental Distribution	Chapter 185 Distribution	Allowable Amount
2005 Distribution	$88,437	$53,069	$0	($141,506)
2006 Distribution	$143,904	$122,560	$0	($193,515)
2007 Distribution	$0	$216,059	$0	($193,515)
2008 Distribution	$75,366	$17,292	$0	($92,658)
2009 Distribution	$93,454	$46,042	$0	($139,496)
2010 Distribution	$110,323	$52,795	$0	($163,118)
2011 Distribution	$125,182	$67,972	$0	($193,154)
2012 Distribution	$143,027	$77,373	$0	($193,515)
2013 Distribution	$152,634	$84,412	$0	($193,515)
2014 Distribution	$122,651	$53,442	$0	($176,093)
2015 Distribution	$130,990	$32,996	$0	($163,986)
2016 Distribution	$135,631	$7,380	$0	($143,011)
2017 Distribution	$135,578	$0	$0	($135,578)
2018 Distribution	$150,076	$4,710	$0	($154,786)
2019 Distribution	$158,031	$0	$0	($158,031)
2020 Distribution	$148,494	$0	$0	($148,494)
2021 Distribution	$161,871	$4,210	$0	($166,081)
2022 Distribution	$225,861	$122,837	$0	($193,515)
Transfer to Share Plan				($321,092)

Summary of Participant Data

Table III-A



Participant Distribution by Status

As of October 1, 2023

Actively Employed Participants	
Active Participants	28
DROP Participants	1
Inactive Participants	
Deferred Vested Participants	7
Due a Refund of Contributions	7
Deferred Beneficiaries	0
Participants Receiving a Benefit	
Service Retirements	1
Disability Retirements	0
Beneficiaries Receiving	0
Total Participants	**44**

Number of Participants Included in Prior Valuations

	Active	*DROP*	*Inactive*	*Retired*	*Total*
October 1, 2014	N/A	N/A	N/A	N/A	N/A
October 1, 2015	25	0	6	0	31
October 1, 2016	25	0	10	0	35
October 1, 2017	27	0	6	1	34
October 1, 2018	27	0	6	1	34
October 1, 2019	26	0	13	1	40
October 1, 2020	24	0	13	1	38
October 1, 2021	27	1	12	1	41
October 1, 2022	27	1	15	1	44
October 1, 2023	28	1	14	1	44

Data Reconciliation

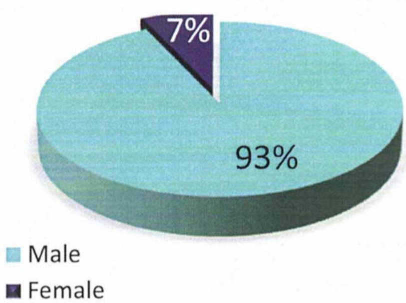
Table III-B

	Active	DROP	Deferred Vested	Due a Refund	Def. Benef.	Service Retiree	Disabled Retiree	Benef. Rec'v.	Total
October 1, 2022	27	1	7	8	0	1	0	0	**44**
Change in Status									
Re-employed									
Terminated	(2)			2					
Retired									
Participation Ended									
Transferred Out									
Cashed Out				(3)					**(3)**
Died									
Participation Began									
Newly Hired	3								**3**
Transferred In									
New Beneficiary									
Other Adjustment									
October 1, 2023	28	1	7	7	0	1	0	0	**44**

Active Participant Data

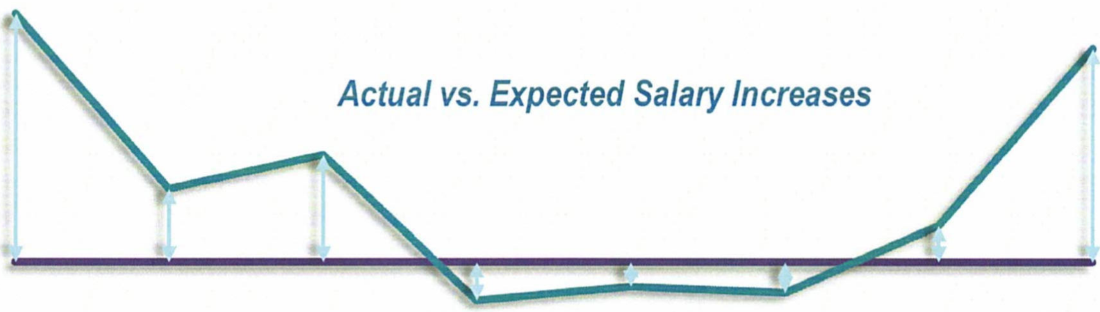
Table III-C

Gender Mix



As of October 1, 2023

Average Age	37.8 years
Average Service	8.1 years
Total Annualized Compensation for the Prior Year	$2,441,015
Total Expected Compensation for the Current Year	$2,092,371
Average Increase in Compensation for the Prior Year	20.20%
Expected Increase in Compensation for the Current Year	4.00%

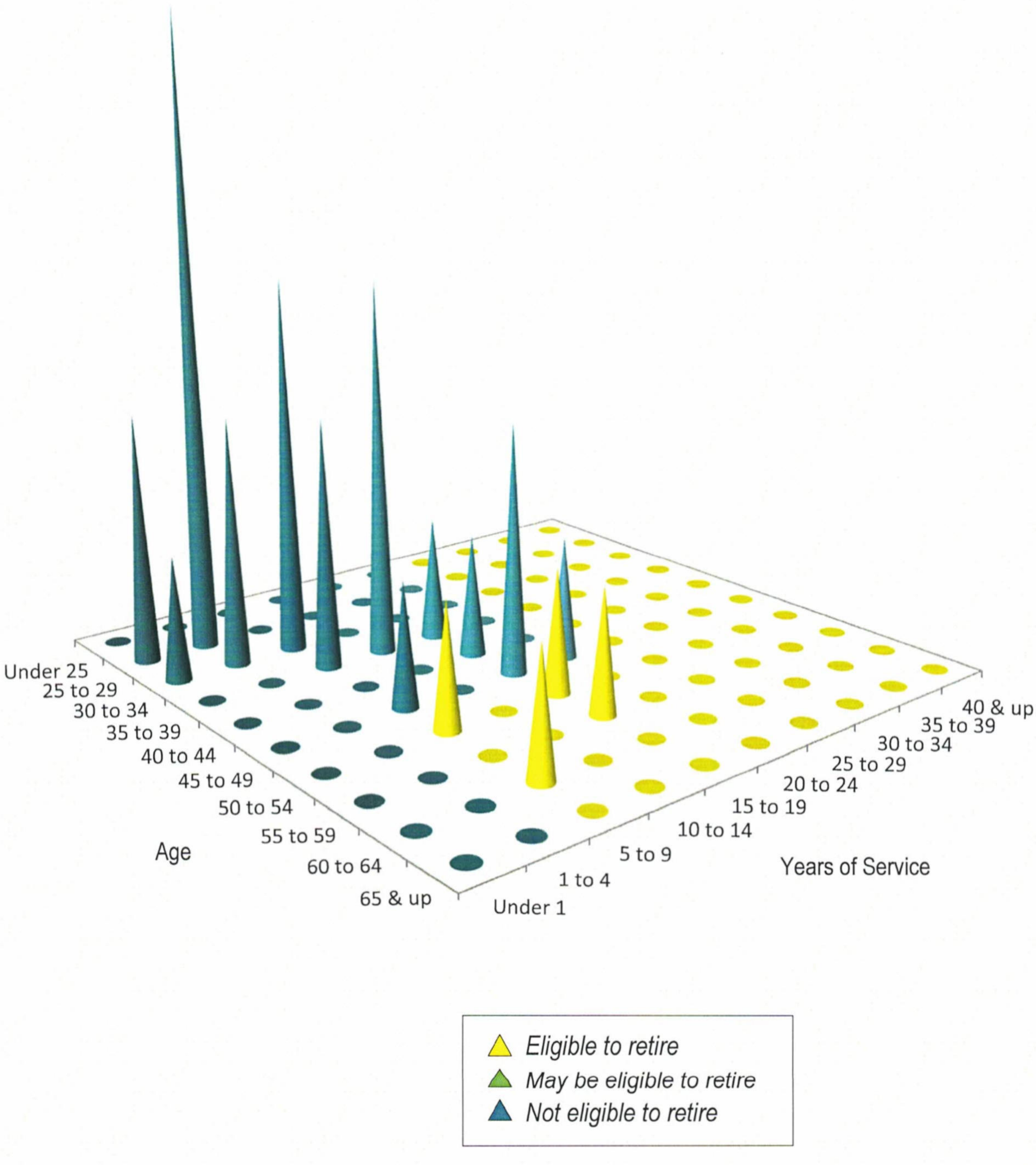


Active Participant Statistics From Prior Valuations

	Average Age	*Average Service*	*Average Salary*	*Average Expected Salary Increase*	*Average Actual Salary Increase*
October 1, 2014	N/A	N/A	N/A	4.00%	0.88%
October 1, 2015	N/A	N/A	N/A	4.00%	13.04%
October 1, 2016	N/A	N/A	N/A	4.00%	22.94%
October 1, 2017	N/A	N/A	N/A	4.00%	9.52%
October 1, 2018	37.3	6.7	$72,960	4.00%	12.13%
October 1, 2019	38.0	7.4	$71,931	4.00%	1.13%
October 1, 2020	39.6	7.7	$72,966	4.00%	2.18%
October 1, 2021	38.2	7.1	$73,203	4.00%	1.72%
October 1, 2022	38.2	7.6	$77,260	4.00%	6.73%
October 1, 2023	37.8	8.1	$87,179	4.00%	20.20%

Active Age-Service Distribution

Table III-D



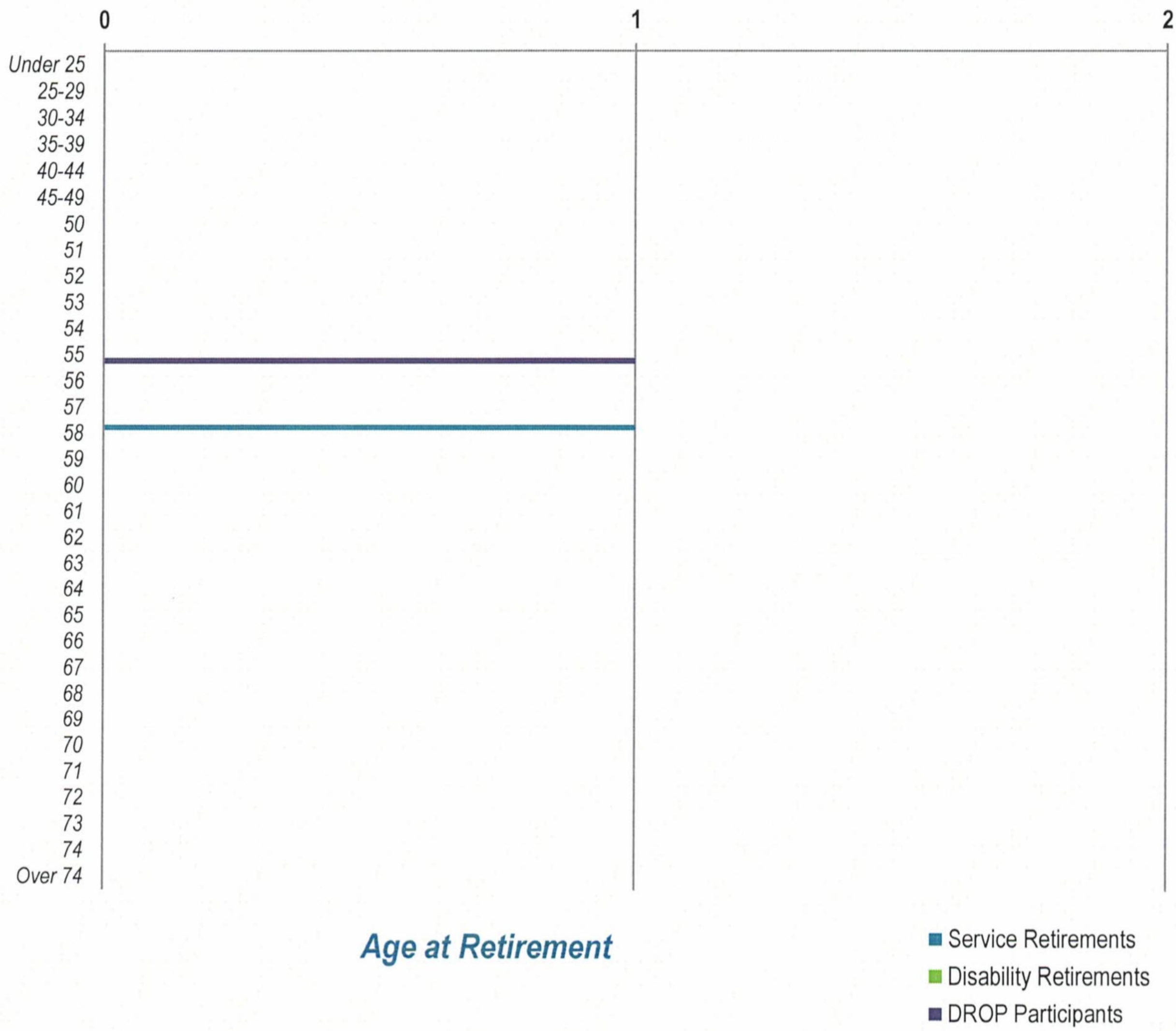
Active Age-Service-Salary Table

Table III-E

Attained Age	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	Total
	Completed Years of Service										
Under 25	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Avg.Pay	0	0	0	0	0	0	0	0	0	0	0
25 to 29	**2**	**5**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**7**
Avg.Pay	45,721	66,015	0	0	0	0	0	0	0	0	60,217
30 to 34	**1**	**2**	**3**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**6**
Avg.Pay	49,134	67,222	78,508	0	0	0	0	0	0	0	69,850
35 to 39	**0**	**0**	**2**	**3**	**1**	**0**	**0**	**0**	**0**	**0**	**6**
Avg.Pay	0	0	87,482	96,961	126,989	0	0	0	0	0	98,806
40 to 44	**0**	**0**	**0**	**0**	**1**	**0**	**0**	**0**	**0**	**0**	**1**
Avg.Pay	0	0	0	0	114,671	0	0	0	0	0	114,671
45 to 49	**0**	**0**	**1**	**0**	**2**	**1**	**0**	**0**	**0**	**0**	**4**
Avg.Pay	0	0	91,492	0	124,779	125,610	0	0	0	0	116,665
50 to 54	**0**	**0**	**1**	**0**	**1**	**0**	**0**	**0**	**0**	**0**	**2**
Avg.Pay	0	0	93,256	0	122,719	0	0	0	0	0	107,988
55 to 59	**0**	**0**	**0**	**0**	**1**	**0**	**0**	**0**	**0**	**0**	**1**
Avg.Pay	0	0	0	0	108,884	0	0	0	0	0	108,884
60 to 64	**0**	**0**	**1**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**1**
Avg.Pay	0	0	101,373	0	0	0	0	0	0	0	101,373
65 & up	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Avg.Pay	0	0	0	0	0	0	0	0	0	0	0
Total	**3**	**7**	**8**	**3**	**6**	**1**	**0**	**0**	**0**	**0**	**28**
Avg.Pay	46,859	66,360	87,076	96,961	120,470	125,610	0	0	0	0	87,179

Inactive Participant Data

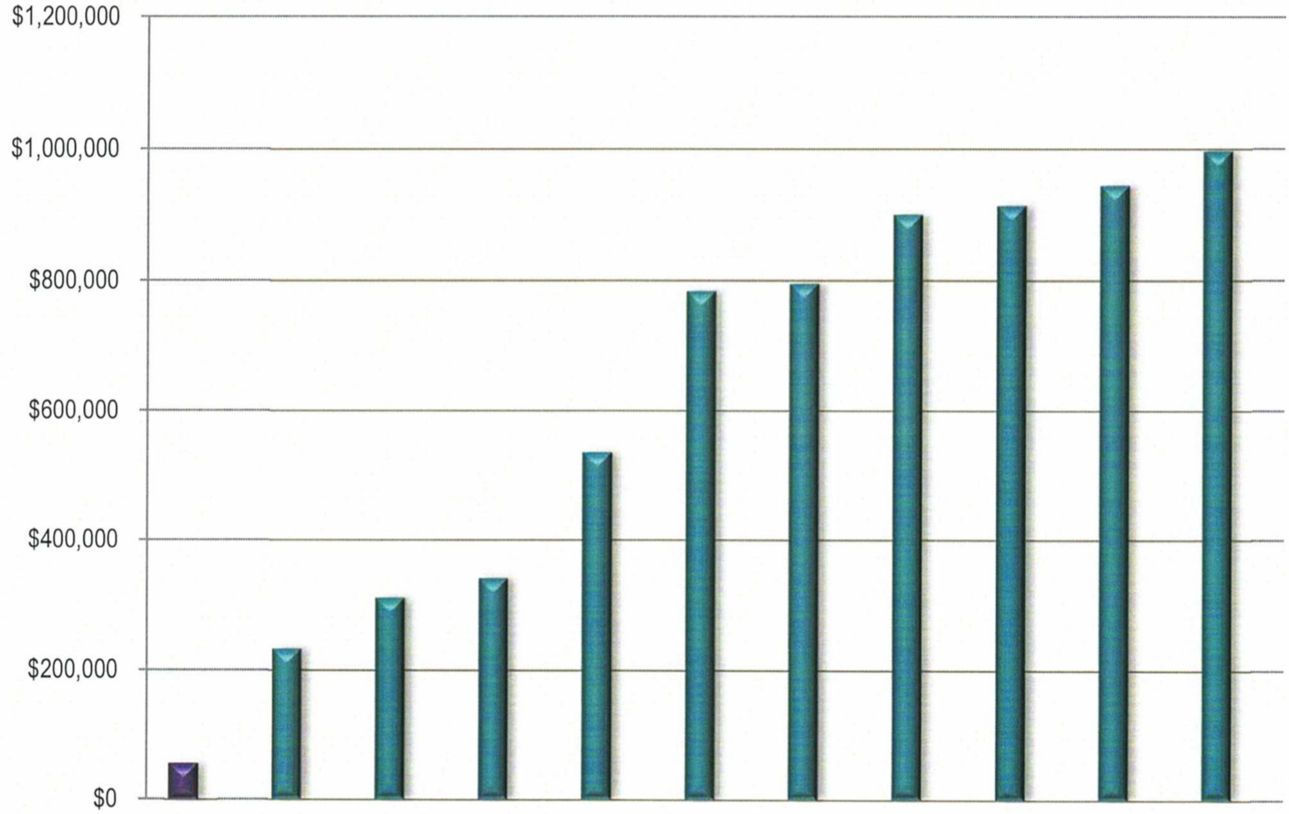
Table III-F



	Average Monthly Benefit
Service Retirements	*$2,169.89*
Disability Retirements	*Not applicable*
Beneficiaries Receiving	*Not applicable*
DROP Participants	*$1,476.12*
Deferred Vested Participants	*$1,995.91*
Deferred Beneficiaries	*Not applicable*

Projected Benefit Payments

Table III-G



Actual

For the period October 1, 2022 through September 30, 2023	$55,843

Projected

For the period October 1, 2023 through September 30, 2024	$232,556
For the period October 1, 2024 through September 30, 2025	$311,186
For the period October 1, 2025 through September 30, 2026	$341,272
For the period October 1, 2026 through September 30, 2027	$535,365
For the period October 1, 2027 through September 30, 2028	$783,816
For the period October 1, 2028 through September 30, 2029	$795,606
For the period October 1, 2029 through September 30, 2030	$901,426
For the period October 1, 2030 through September 30, 2031	$914,952
For the period October 1, 2031 through September 30, 2032	$945,256
For the period October 1, 2032 through September 30, 2033	$996,840

Summary of Actuarial Methods and Assumptions — Table IV-A

NOTE: The following assumptions and methods have been selected and approved by the Board of Trustees based in part on the advice of the plan's enrolled actuary in accordance with the authority granted to the Board under the pension ordinances and State law.

1. **Actuarial Cost Method**

   Aggregate cost method. Under this actuarial cost method, a funding cost is developed for the plan as a level percentage of payroll. The level funding percentage is calculated as the excess of the total future benefit liability over accumulated assets and future employee contributions, with this excess spread over the expected future payroll for current active participants. The normal cost is equal to the level funding percentage multiplied by the expected payroll for the year immediately following the valuation date. The actuarial accrued liability is equal to the accumulated assets. Therefore, under the aggregate cost method, no unfunded accrued liability is developed.

2. **Asset Method**

   The actuarial value of assets is equal to the market value of assets, adjusted to reflect a five-year phase-in of the unexpected investment earnings.

3. **Interest (or Discount) Rate**

   6.75% per annum

4. **Salary Increases**

   Plan compensation is assumed to increase at the rate of 4.00% per annum, unless actual plan compensation is known for a prior plan year.

5. **Decrements**

   - Pre-retirement mortality: None is assumed.
   - Post-retirement mortality: For non-disabled retirees, sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Healthy Retiree Mortality Table for public safety employees (Below Median table for males), with full generational improvements in mortality using Scale MP-2018 and with ages set forward one year; for disabled retirees, sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Disabled Retiree Mortality Table (80% general employee rates plus 20% public safety employee rates), with full generational improvements in mortality using Scale MP-2018

Summary of Actuarial Methods and Assumptions — Table IV-A

(continued)

5. Decrements (continued)

• Disability:	None is assumed.
• Termination:	None is assumed.
• Retirement:	Retirement is assumed to occur at normal retirement age.

6. Form of Payment

Future retirees have been assumed to select the 10-year certain and life annuity.

7. Expenses

The total projected benefit liability has been loaded by 2.00% to account for anticipated administrative expenses. In addition, the interest rate set forth in item 3. above is assumed to be net of investment expenses and commissions.

Changes in Actuarial Methods and Assumptions — Table IV-B

No assumptions or methods were changed since the completion of the previous valuation.

The following additional assumption and method changes were made during the past 10 years:

(1) Effective October 1, 2021, the assumed interest (or discount) rate was decreased from 7.00% per annum to 6.75% per annum.

(2) Effective October 1, 2020, the assumed interest (or discount) rate was decreased from 7.25% per annum to 7.00% per annum.

(3) Effective October 1, 2019, the mortality basis was changed from selected RP-2000 Mortality Tables with generational improvements in mortality using Scale BB to selected PUB-2010 Mortality Tables with generational improvements in mortality using Scale MP-2018.

(4) Effective October 1, 2018, the interest (or discount) rate was decreased from 7.50% per annum to 7.25% per annum.

Summary of Plan Provisions — Table V-A

1. **<u>Benefit Formula</u>**

   3.50% of Average Monthly Earnings multiplied by Credited Service

2. **<u>Service Retirement</u>**

Normal retirement:	Age 55 with at least six years of credited service; or
	Any age with at least 20 years of credited service
Early retirement:	Age 50 with at least six years of credited service

(Note: In the case of early retirement, the participant's benefit is reduced by 3% for each year by which the participant's early retirement age precedes his normal retirement age.)

3. **<u>Disability Retirement</u>**

Service-based disability:	Participant must be disabled during the course of his employment with the City.
Non-service disability:	Participant must have earned at least eight years of credited service.

The disability benefit is a monthly 10-year certain and life annuity equal to the monthly accrued benefit, but not less than 65% of average monthly earnings (in the case of a service-based disability) or 25% of average monthly earnings (otherwise) and offset as necessary to preclude the total of the participant's worker's compensation, disability benefit, and other City-financed disability or salary continuation benefit from exceeding his average monthly earnings. The participant may convert his disability benefit into any of the optional forms of payment that are otherwise available under the plan.

(A participant is disabled if he is found to have a mental or physical condition resulting from bodily injury, disease, or a mental disorder that renders him incapable of employment as a firefighter.)

4. **<u>Deferred Vested Retirement</u>**

A vested participant who terminates employment before becoming eligible for retirement receives a deferred vested retirement benefit payable at the participant's early or normal retirement age. If the benefit is payable prior to normal retirement age, then the benefit is reduced by 3% for each year by which the participant's early retirement age precedes his normal retirement age.

A non-vested participant who terminates employment receives his accumulated contributions.

Summary of Plan Provisions

Table V-A

(continued)

5. **Vesting**

An employee becomes 100% vested upon the attainment of six years of credited service.

6. **Pre-Retirement Death Benefit**

If a participant dies in the line of duty prior to retirement, the participant's beneficiary will receive an immediate monthly life annuity equal to 100% of the participant's plan compensation at the time of his death (or the participant's vested accrued pension benefit payable at the participant's early or normal retirement age and reduced for payment prior to the participant's normal retirement age at the rate of 3% per year, if applicable).

If a vested participant dies prior to retirement, the participant's beneficiary receives a 10-year certain annuity commencing at the participant's normal or early retirement age and reduced for payment prior to the participant's normal retirement age at the rate of 3% per year, if applicable.

If a non-vested participant dies prior to retirement, the participant's beneficiary receives the participant's accumulated contributions.

7. **Form of Payment**

Actuarially increased single life annuity *(optional)*;

10-year certain and life annuity *(normal form of payment)*;

Actuarially reduced 50% joint and contingent annuity *(optional)*;

Actuarially reduced 66⅔% joint and contingent annuity *(optional)*;

Actuarially reduced 75% joint and contingent annuity *(optional)*;

Actuarially reduced 100% joint and contingent annuity *(optional)*; or

Actuarially equivalent single lump sum distribution *(automatic if the single sum value of the participant's benefit is less than or equal to $1,000)*

(Note: All forms of payment guarantee at least the return of the participant's accumulated contributions. Furthermore, a participant may change his joint annuitant up to two times after retirement subject to an actuarially equivalent adjustment.)

Summary of Plan Provisions

Table V-A

(continued)

8. **Automatic Cost-of-Living Adjustment**

Participants receive an automatic annual 1.50% cost-of-living adjustment beginning on the October 1 immediately following retirement.

9. **Average Monthly Earnings**

Average monthly earnings during the highest five years of compensation or career average earnings, if greater. Earnings include only fixed monthly compensation and cannot exceed the maximum amount allowed under Internal Revenue Code (IRC) section 401(a)(17).

10. **Credited Service**

The elapsed time from the participant's date of hire until his date of termination, retirement, or death.

11. **Employee Contribution**

Employees are required to contribute 5.00% of basic salary. Employee contributions are accumulated without interest.

12. **City Contribution**

The City is required to make periodic contributions at least on a quarterly basis as determined under Chapter 112, Florida Statutes.

13. **Participant Requirement**

All firefighters of the City of Safety Harbor automatically become participants in the plan on their date of hire; a new employee who is hired as a fire chief may irrevocably opt out of participation in the plan.

14. **Actuarial Equivalence**

Based on 7.00% interest per annum and the mortality table promulgated by the Internal Revenue Service (IRS) for purposes of determining minimum lump sum distributions pursuant to Internal Revenue Code (IRC) section 417(e)(3).

Summary of Plan Provisions

Table V-A

(continued)

15. **Plan Effective Date**

The plan was originally effective on October 1, 2005.

16. **Deferred Retirement Option Plan (DROP)**

A participant who reaches his Normal Retirement Age is eligible to participate in the DROP for a period of up to 84 months. Interest is credited on the DROP accounts at the rate of 6.50% per annum.

Summary of Plan Amendments

Table V-B

No significant plan amendments were adopted since the completion of the previous valuation.

Retirement Plan for the Firefighters of the City of Marathon

Actuarial Valuation
As of October 1, 2022

GASB 67/68 Supplement
As of September 30, 2023

SOUTHERN ACTUARIAL SERVICES

DISCLOSURES RELATED TO THE FIREFIGHTERS' PENSION PLAN

This report was issued on March 3, 2024 as a supplement to the October 1, 2022 actuarial valuation report, which report provides important information related to the assumptions, participant data, and assets used to prepare the following disclosures under Governmental Accounting Standards Board Statements Nos. 67 and 68 (GASB 67/68).

NET PENSION LIABILITY AS OF SEPTEMBER 30, 2023

Total pension liability	$12,131,720 *
Less fiduciary net position	(13,341,550)
Net pension liability	**$(1,209,830)** **

* *This amount has been rolled forward from October 1, 2022.*
** *This amount is recognized on the employer's balance sheet.*

PENSION EXPENSE FOR THE 2022/23 FISCAL YEAR

Service cost	$704,709
Other recognized changes in net pension liability:	
Expected interest growth	(29,114)
Investment gain/loss	287,953
Demographic gain/loss	(249,841)
Employee contributions	(118,535)
Administrative expenses	44,958
Changes in benefit terms	0
Assumption changes	70,201
Pension expense	**$710,331** *

* *This amount is recognized on the employer's income statement, along with the employer contribution for the 2022/23 fiscal year.*

DEFERRED INFLOW AND OUTFLOW OF RESOURCES

	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Balance as of September 30, 2022	$2,855,606	$1,899,764
Change due to:		
Amortization payments	$(714,875)	$(606,562)
Investment gain/loss	$0	$193,221
Demographic gain/loss	$0	$298,173
Assumption changes	$0	$0
Total change	$(714,875)	$(115,168)
Balance as of September 30, 2023	**$2,140,731** *	**$1,784,596** *

* *These amounts are recognized on the employer's balance sheet.*

BALANCE EQUATION

Net pension liability as of September 30, 2022	$(768,321)
Plus pension expense for the 2022/23 fiscal year	$710,331
Minus employer contribution for the 2022/23 fiscal year	$(552,133)
Plus change in balance of deferred outflows of resources	$(714,875)
Minus change in balance of deferred inflows of resources	$115,168
Net pension liability as of September 30, 2023	$(1,209,830)

DISCLOSURES RELATED TO THE FIREFIGHTERS' PENSION PLAN ***(continued)***

DEFERRED INFLOW AND OUTFLOW OF RESOURCES *(continued)*

Amortization schedule for deferred outflows and inflows of resources:

	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Balance as of September 30, 2023	$2,140,731	$1,784,596
Amount recognized in the 2023/24 pension expense:		
Investment gain/loss	$562,443	$310,896
Demographic gain/loss	$40,745	$290,586
Assumption changes	$75,281	$5,080
Total	$678,469	$606,562
Balance as of September 30, 2024	$1,462,262	$1,178,034
Amount recognized in the 2024/25 pension expense:		
Investment gain/loss	$550,070	$310,897
Demographic gain/loss	$40,745	$290,583
Assumption changes	$75,279	$5,080
Total	$666,094	$606,560
Balance as of September 30, 2025	$796,168	$571,474
Amount recognized in the 2025/26 pension expense:		
Investment gain/loss	$550,068	$38,644
Demographic gain/loss	$40,747	$228,545
Assumption changes	$61,411	$5,080
Total	$652,226	$272,269
Balance as of September 30, 2026	$143,942	$299,205
Amount recognized in the 2026/27 pension expense:		
Investment gain/loss	$0	$38,645
Demographic gain/loss	$36,660	$212,903
Assumption changes	$61,411	$5,080
Total	$98,071	$256,628
Balance as of September 30, 2027	$45,871	$42,577
Amount recognized in the 2027/28 pension expense:		
Investment gain/loss	$0	$0
Demographic gain/loss	$36,659	$25,835
Assumption changes	$9,212	$5,081
Total	$45,871	$30,916
Balance as of September 30, 2028	$0	$11,661

DISCLOSURES RELATED TO THE FIREFIGHTERS' PENSION PLAN ***(continued)***

CHANGES IN THE NET PENSION LIABILITY

	Total Pension Liability	Fiduciary Net Position	Net Pension Liability
Balance as of September 30, 2022	$10,968,926	$(11,737,247)	$(768,321)
Change due to:			
Service cost	$704,709	$0	$704,709
Expected interest growth	$812,101	$(841,215)	$(29,114)
Unexpected investment income	$0	$(193,221)	$(193,221)
Demographic experience	$(298,173)	$0	$(298,173)
Employer contributions	$0	$(552,133)	$(552,133)
Employee contributions	$0	$(118,535)	$(118,535)
Benefit payments & refunds	$(55,843)	$55,843	$0
Administrative expenses	$0	$44,958	$44,958
Changes in benefit terms	$0	$0	$0
Assumption changes	$0	$0	$0
Balance as of September 30, 2023	$12,131,720	$(13,341,550)	$(1,209,830)

COMPARISON OF NET PENSION LIABILITY USING ALTERNATIVE DISCOUNT RATES

	Discount Rate Minus 1.00%	7.00% Discount Rate	Discount Rate Plus 1.00%
Total pension liability	$14,102,810	$12,131,720	$10,551,481
Less fiduciary net position	(13,341,550)	(13,341,550)	(13,341,550)
Net pension liability	$761,260	$(1,209,830)	$(2,790,069)

HISTORICAL TREND INFORMATION

Measurement Date	Total Pension Liability	Fiduciary Net Position	Net Pension Liability	Funded Percentage	Covered Payroll	Net Pension Liability as a % of Covered Payroll
September 30, 2023	$12,131,720	$13,341,550	$(1,209,830)	109.97%	$1,898,694	*Not applicable*
September 30, 2022	$10,968,926	$11,737,247	$(768,321)	107.00%	$1,957,500	*Not applicable*
September 30, 2021	$9,638,780	$13,211,218	$(3,572,438)	137.06%	$1,655,777	*Not applicable*
September 30, 2020	$8,880,976	$10,785,528	$(1,904,552)	121.45%	$1,760,652	*Not applicable*
September 30, 2019	$7,812,978	$9,733,882	$(1,920,904)	124.59%	$1,969,908	*Not applicable*
September 30, 2018	$6,351,157	$8,874,070	$(2,522,913)	139.72%	$1,759,178	*Not applicable*
September 30, 2017	$5,451,703	$7,940,100	$(2,488,397)	145.64%	$1,602,399	*Not applicable*
September 30, 2016	$4,985,536	$6,612,931	$(1,627,395)	132.64%	$1,502,540	*Not applicable*
September 30, 2015	$4,179,062	$5,796,422	$(1,617,360)	138.70%	$1,358,418	*Not applicable*
September 30, 2014	$3,655,742	$5,451,245	$(1,795,503)	149.11%	$1,295,521	*Not applicable*

HISTORICAL TREND INFORMATION *(continued)*

Changes in the net pension liability by source

Fiscal Year	Service Cost	Expected Interest Growth	Unexpected Investment Income	Demographic Experience	Employer Contributions	Employee Contributions	Benefit Payments & Refunds	Administrative Expenses	Changes In Benefit Terms	Assumption Changes
2022/23	$704,709	$(29,114)	$(193,221)	$(298,173)	$(552,133)	$(118,535)	$0	$44,958	$0	$0
2021/22	$715,229	$(214,851)	$2,750,348	$(81,437)	$(304,217)	$(102,641)	$0	$41,686	$0	$0
2020/21	$592,561	$(105,082)	$(1,361,261)	$(416,124)	$(339,810)	$(100,855)	$0	$62,685	$0	$0
2019/20	$630,244	$(107,610)	$61,865	$(605,574)	$(424,115)	$(90,890)	$0	$51,932	$0	$500,500
2018/19	$646,079	$(155,261)	$182,022	$366,599	$(335,215)	$(99,496)	$0	$48,082	$0	$(50,801)
2017/18	$579,233	$(156,440)	$(960)	$(102,921)	$(298,366)	$(89,805)	$0	$34,743	$0	$0
2016/17	$526,211	$(99,168)	$(412,434)	$(558,330)	$(366,697)	$(107,272)	$0	$31,860	$0	$124,828
2015/16	$465,383	$(100,497)	$(43,906)	$44,937	$(321,575)	$(79,045)	$0	$24,668	$0	$0
2014/15	$421,863	$(110,352)	$425,917	$(187,760)	$(319,245)	$(79,753)	$0	$27,473	$0	$0

Note: The amortization period for demographic experience and assumption changes was 12.00 years for the 2014/15 fiscal year, 11.00 years for the 2015/16 fiscal year, 9.00 years for the 2016/17 fiscal year, 10.00 years for the 2017/18 and 2018/19 fiscal years, 8.15 years for the 2019/20 fiscal year, 7.06 years for the 2020/21 fiscal year, 8.17 years for the 2021/22 fiscal year, and 5.02 years for the 2022/23 fiscal year.

DISCLOSURES RELATED TO THE FIREFIGHTERS' PENSION PLAN ***(continued)***

HISTORICAL TREND INFORMATION *(continued)*

Fiscal Year End	(1) Actuarially Determined Contribution	(2) Contributions Recognized By the Plan	(3) Difference Between (1) and (2)	Covered Payroll	Column (2) as a % of Covered Payroll
September 30, 2023	$552,133	$552,133	$0	$1,898,694	29.08%
September 30, 2022	$340,802	$304,217	$(36,585)	$1,957,500	15.54%
September 30, 2021	$362,260	$339,810	$(22,450)	$1,655,777	20.52%
September 30, 2020	$365,080	$424,115	$59,035	$1,760,652	24.09%
September 30, 2019	$320,324	$335,215	$14,891	$1,969,908	17.02%
September 30, 2018	$294,839	$298,323	$3,484	$1,759,178	16.96%
September 30, 2017	$362,276	$348,470	$(13,806)	$1,602,399	21.75%
September 30, 2016	$317,409	$321,575	$4,166	$1,502,540	21.40%
September 30, 2015	$314,079	$316,719	$2,640	$1,358,418	23.32%
September 30, 2014	$260,648	$264,774	$4,126	$1,295,521	20.44%

INFORMATION USED TO DETERMINE THE NET PENSION LIABILITY

Employer's reporting date: *September 30, 2023*
Measurement date: *September 30, 2023*
Actuarial valuation date: *October 1, 2022*

Actuarial assumption

Discount rate: *7.00% per annum (2.62% per annum is attributable to long-term inflation); this rate was used to discount all future benefit payments.*

Salary increases: *4.00% per annum*

Cost-of-living increases: *1.50% per annum*

Pre-retirement mortality: *Sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Employee Mortality Table for public safety employees (Below Median table for males), with full generational improvements in mortality using Scale MP-2018 and with ages set forward one year*

Post-retirement mortality: *For non-disabled retirees, sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Healthy Retiree Mortality Table for public safety employees (Below Median table for males), with full generational improvements in mortality using Scale MP-2018 and with ages set forward one year; for disabled retirees, sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Disabled Retiree Mortality Table (80% general employee rates plus 20% public safety employee rates), with full generational improvements in mortality using Scale MP-2018*

Retirement: *Retirement is assumed to occur at normal retirement age.*

Other decrements: *None assumed*

Future contributions: *Contributions from the employer and employees are assumed to be made as legally required.*

Changes: *No assumptions were changed since the prior measurement date.*

DETERMINATION OF THE LONG-TERM EXPECTED RATE OF RETURN ON PLAN ASSETS

Investment Category	Target Allocation	Expected Long-Term Real Return
Core bonds	15.00%	1.60% per annum
Core plus	15.00%	2.10% per annum
U.S. large cap equity	25.00%	4.60% per annum
U.S. small cap equity	14.00%	5.50% per annum
Non-U.S. equity	21.00%	6.70% per annum
Core real estate	10.00%	5.00% per annum
Total or weighted arithmetic average	100.00%	4.38% per annum

DISCLOSURES RELATED TO THE FIREFIGHTERS' PENSION PLAN *(continued)*

PENSION PLAN DESCRIPTION

Name of the pension plan:	*Retirement Plan for the Firefighters of the City of Marathon*
Legal plan administrator:	*Board of Trustees of the Retirement Plan for the Firefighters of the City of Marathon*
Plan type:	*Single-employer defined benefit pension plan*
Number of covered individuals:	*44 (one inactive employee or beneficiary currently receiving benefits; 15 inactive employees entitled to but not yet receiving benefits; 28 active employees)*
Contribution requirement:	*Employer contributions are actuarially determined; employees must contribute 5.00% of pensionable earnings; employee contribution requirement may be amended by City ordinance, but employer contribution requirement is subject to State minimums.*
Pension plan reporting:	*The plan issues a stand-alone financial report each year, which contains information about the plan's fiduciary net position. The plan's fiduciary net position has been determined on the same basis used by the pension plan and is equal to the market value of assets calculated under the accrual basis of accounting. This report is available to the public at the plan's administrative office: Retirement Department, Florida League of Cities, Inc., P. O. Box 1757, Tallahassee, FL 32302, (800) 342-8112.*

Description of the benefit terms

Employees covered:	*Firefighters employed by the City of Marathon*
Types of benefits offered:	*Retirement, disability, and pre-retirement death benefits*
Basic pension formula:	*3.50% of average earnings x service*
Early retirement adjustment:	*Early retirement pension is reduced by 3% for each year by which the early retirement date precedes the normal retirement date.*
Disability pension:	*Larger of basic pension formula or 65% of average earnings (for service-connected disabilities); offset by worker's compensation and other City-provided disability compensation, but not below 100% of average earnings* *Larger of basic pension formula or 25% of average earnings (for non-service-connected disabilities if the participant has earned at least eight years of service); offset by worker's compensation and other City-provided disability compensation to the extent necessary to keep the total of the City-provided disability benefits from exceeding average earnings*
Pre-retirement death benefit:	*50% of pensionable earnings (payable immediately for life to the beneficiary of a participant who dies in the line of duty)* *Basic pension formula payable at early or normal retirement age (payable to the beneficiary of a vested participant)* *Return of accumulated employee contributions (payable to the beneficiary of a non-vested participant)*
Normal retirement age:	*Age 55 with at least six years of service, or* *Any age with at least 20 years of service*
Early retirement age:	*Age 50 with at least six years of service*
Vesting requirement:	*100% vesting after six years of service*
Form of payment:	*10-year certain and life annuity* *Actuarially equivalent 50%, 66⅔%, 75%, or 100% joint and contingent annuity* *Actuarially equivalent single lump sum payment*
Average earnings:	*Average of the highest five years of pensionable earnings*
Cost-of-living adjustment:	*1.50% per annum*
DROP:	*A deferred retirement option plan (DROP) is available to those participants who have attained their normal retirement age and individuals may participate in the DROP for up to 84 months; DROP accounts are credited with interest at the rate of 6.50% per annum, compounded monthly.*
Legal authority:	*The plan was established effective October 1, 2005 pursuant to City ordinance and has been amended several times since that date.*
Changes:	*No plan changes were adopted since the prior measurement date.*

DISCLOSURES RELATED TO THE FIREFIGHTERS' PENSION PLAN ***(continued)***

PROJECTION OF THE FIDUCIARY NET POSITION

Date	BOY Balance	Contributions	Benefit Payments	Administrative Expenses	Investment Earnings	EOY Balance
October 1, 2022	$11,737,247	$670,668	$55,843	$44,958	$1,034,436	$13,341,550
October 1, 2023	$13,341,550	$601,871	$205,944	$46,756	$945,923	$14,636,644
October 1, 2024	$14,636,644	$625,946	$286,809	$48,626	$1,034,561	$15,961,716
October 1, 2025	$15,961,716	$650,984	$313,462	$50,571	$1,127,194	$17,375,861
October 1, 2026	$17,375,861	$677,023	$479,825	$52,594	$1,221,286	$18,741,751
October 1, 2027	$18,741,751	$704,104	$730,917	$54,698	$1,309,118	$19,969,358
October 1, 2028	$19,969,358	$732,268	$741,905	$56,886	$1,395,566	$21,298,401
October 1, 2029	$21,298,401	$761,559	$833,662	$59,161	$1,486,372	$22,653,509
October 1, 2030	$22,653,509	$792,021	$846,165	$61,527	$1,581,766	$24,119,604
October 1, 2031	$24,119,604	$823,702	$875,423	$63,988	$1,684,391	$25,688,286
October 1, 2032	$25,688,286	$856,650	$919,627	$66,548	$1,793,723	$27,352,484
October 1, 2033	$27,352,484	$537,104	$1,095,056	$69,210	$1,893,094	$28,618,416
October 1, 2034	$28,618,416	$0	$1,103,465	$71,978	$1,962,844	$29,405,817
October 1, 2035	$29,405,817	$0	$1,292,914	$74,857	$2,011,345	$30,049,391
October 1, 2036	$30,049,391	$0	$1,371,402	$77,851	$2,053,591	$30,653,729
October 1, 2037	$30,653,729	$0	$1,478,360	$80,965	$2,092,108	$31,186,512
October 1, 2038	$31,186,512	$0	$1,559,613	$84,204	$2,126,495	$31,669,190
October 1, 2039	$31,669,190	$0	$1,651,127	$87,572	$2,157,018	$32,087,509
October 1, 2040	$32,087,509	$0	$1,750,559	$91,075	$2,182,759	$32,428,634
October 1, 2041	$32,428,634	$0	$2,025,974	$94,718	$2,197,036	$32,504,978
October 1, 2042	$32,504,978	$0	$2,279,803	$98,507	$2,193,515	$32,320,183
October 1, 2043	$32,320,183	$0	$2,293,245	$102,447	$2,179,982	$32,104,473
October 1, 2044	$32,104,473	$0	$2,314,175	$106,545	$2,164,021	$31,847,774
October 1, 2045	$31,847,774	$0	$2,323,955	$110,807	$2,145,569	$31,558,581
October 1, 2046	$31,558,581	$0	$2,339,597	$115,239	$2,124,635	$31,228,380
October 1, 2047	$31,228,380	$0	$2,346,957	$119,616	$2,101,117	$30,862,924
October 1, 2048	$30,862,924	$0	$2,357,104	$118,216	$2,075,234	$30,462,838
October 1, 2049	$30,462,838	$0	$2,367,326	$116,684	$2,046,929	$30,025,757
October 1, 2050	$30,025,757	$0	$2,375,537	$115,010	$2,016,108	$29,551,318
October 1, 2051	$29,551,318	$0	$2,369,094	$113,192	$1,983,182	$29,052,214
October 1, 2052	$29,052,214	$0	$2,361,956	$111,281	$1,948,556	$28,527,533
October 1, 2053	$28,527,533	$0	$2,361,990	$109,271	$1,911,896	$27,968,168
October 1, 2054	$27,968,168	$0	$2,359,472	$107,128	$1,872,901	$27,374,469
October 1, 2055	$27,374,469	$0	$2,354,176	$104,854	$1,831,602	$26,747,041
October 1, 2056	$26,747,041	$0	$2,345,955	$102,451	$1,788,048	$26,086,683
October 1, 2057	$26,086,683	$0	$2,334,650	$99,922	$1,742,299	$25,394,410
October 1, 2058	$25,394,410	$0	$2,320,073	$97,270	$1,694,433	$24,671,500
October 1, 2059	$24,671,500	$0	$2,302,126	$94,501	$1,644,542	$23,919,415
October 1, 2060	$23,919,415	$0	$2,280,662	$91,620	$1,592,733	$23,139,866
October 1, 2061	$23,139,866	$0	$2,255,547	$88,634	$1,539,132	$22,334,817
October 1, 2062	$22,334,817	$0	$2,226,643	$85,551	$1,483,879	$21,506,502
October 1, 2063	$21,506,502	$0	$2,193,838	$82,378	$1,427,135	$20,657,421
October 1, 2064	$20,657,421	$0	$2,157,110	$79,126	$1,369,075	$19,790,260
October 1, 2065	$19,790,260	$0	$2,116,492	$75,804	$1,309,886	$18,907,850
October 1, 2066	$18,907,850	$0	$2,072,148	$72,424	$1,249,759	$18,013,037
October 1, 2067	$18,013,037	$0	$2,024,194	$68,997	$1,188,890	$17,108,736
October 1, 2068	$17,108,736	$0	$1,972,844	$65,533	$1,127,475	$16,197,834
October 1, 2069	$16,197,834	$0	$1,918,325	$62,044	$1,065,708	$15,283,173
October 1, 2070	$15,283,173	$0	$1,860,683	$58,540	$1,003,785	$14,367,735
October 1, 2071	$14,367,735	$0	$1,800,097	$55,034	$941,910	$13,454,514
October 1, 2072	$13,454,514	$0	$1,736,754	$51,536	$880,284	$12,546,508
October 1, 2073	$12,546,508	$0	$1,670,697	$48,058	$819,117	$11,646,870
October 1, 2074	$11,646,870	$0	$1,601,914	$44,612	$758,627	$10,758,971

<u>DISCLOSURES RELATED TO THE FIREFIGHTERS' PENSION PLAN</u> ***(continued)***

<u>PROJECTION OF THE FIDUCIARY NET POSITION *(continued)*</u>

Date	BOY Balance	Contributions	Benefit Payments	Administrative Expenses	Investment Earnings	EOY Balance
October 1, 2075	$10,758,971	$0	$1,529,999	$0	$700,484	$9,929,456
October 1, 2076	$9,929,456	$0	$1,456,414	$0	$644,950	$9,117,992
October 1, 2077	$9,117,992	$0	$1,380,703	$0	$590,752	$8,328,041
October 1, 2078	$8,328,041	$0	$1,302,823	$0	$538,135	$7,563,353
October 1, 2079	$7,563,353	$0	$1,223,478	$0	$487,337	$6,827,212
October 1, 2080	$6,827,212	$0	$1,143,035	$0	$438,575	$6,122,752
October 1, 2081	$6,122,752	$0	$1,061,900	$0	$392,055	$5,452,907
October 1, 2082	$5,452,907	$0	$980,540	$0	$347,965	$4,820,332
October 1, 2083	$4,820,332	$0	$899,537	$0	$306,472	$4,227,267
October 1, 2084	$4,227,267	$0	$819,492	$0	$267,712	$3,675,487
October 1, 2085	$3,675,487	$0	$740,691	$0	$231,798	$3,166,594
October 1, 2086	$3,166,594	$0	$663,867	$0	$198,819	$2,701,546
October 1, 2087	$2,701,546	$0	$590,069	$0	$168,805	$2,280,282
October 1, 2088	$2,280,282	$0	$519,404	$0	$141,748	$1,902,626
October 1, 2089	$1,902,626	$0	$452,331	$0	$117,620	$1,567,915
October 1, 2090	$1,567,915	$0	$389,164	$0	$96,364	$1,275,115
October 1, 2091	$1,275,115	$0	$330,838	$0	$77,875	$1,022,152
October 1, 2092	$1,022,152	$0	$277,366	$0	$62,007	$806,793
October 1, 2093	$806,793	$0	$229,209	$0	$48,589	$626,173
October 1, 2094	$626,173	$0	$185,916	$0	$37,435	$477,692
October 1, 2095	$477,692	$0	$148,690	$0	$28,322	$357,324
October 1, 2096	$357,324	$0	$116,687	$0	$20,998	$261,635
October 1, 2097	$261,635	$0	$89,777	$0	$15,225	$187,083
October 1, 2098	$187,083	$0	$67,787	$0	$10,763	$130,059
October 1, 2099	$130,059	$0	$49,497	$0	$7,401	$87,963
October 1, 2100	$87,963	$0	$35,690	$0	$4,929	$57,202
October 1, 2101	$57,202	$0	$24,519	$0	$3,160	$35,843
October 1, 2102	$35,843	$0	$16,813	$0	$1,931	$20,961
October 1, 2103	$20,961	$0	$10,571	$0	$1,104	$11,494
October 1, 2104	$11,494	$0	$6,148	$0	$593	$5,939
October 1, 2105	$5,939	$0	$3,569	$0	$293	$2,663
October 1, 2106	$2,663	$0	$1,849	$0	$123	$937
October 1, 2107	$937	$0	$712	$0	$41	$266
October 1, 2108	$266	$0	$0	$0	$19	$285

NOTES: *The fiduciary net position is projected to be sufficient to cover all future benefit payments when due.*
The plan requires only a 7% average investment return per year to avoid a crossover date.
The projection shown above does not reflect future new entrants into the pension plan.

DISCLOSURES RELATED TO THE FIREFIGHTERS' PENSION PLAN *(continued)*

AMORTIZATION BASES ATTRIBUTABLE TO UNEXPECTED INVESTMENT INCOME

	YEAR DURING WHICH THE GAIN OR LOSS AROSE					
	2018/19	2019/20	2020/21	2021/22	2022/23	TOTAL
Payment Year						
2022/23	$36,406	$12,373	-$272,252	$550,070	-$38,644	$287,953
2023/24		$12,373	-$272,252	$550,070	-$38,644	$251,547
2024/25			-$272,253	$550,070	-$38,644	$239,173
2025/26				$550,068	-$38,644	$511,424
2026/27					-$38,645	-$38,645
Remaining Balance	$36,406	$24,746	-$816,757	$2,200,278	-$193,221	$1,251,452

AMORTIZATION BASES ATTRIBUTABLE TO DEMOGRAPHIC EXPERIENCE

	YEAR DURING WHICH THE GAIN OR LOSS AROSE									
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	TOTAL
Payment Year										
2022/23	-$15,647	$4,085	-$62,037	-$10,292	$36,660	-$74,304	-$58,941	-$9,968	-$59,397	-$249,841
2023/24	-$15,647	$4,085	-$62,037	-$10,292	$36,660	-$74,304	-$58,941	-$9,968	-$59,397	-$249,841
2024/25	-$15,647	$4,085	-$62,034	-$10,292	$36,660	-$74,304	-$58,941	-$9,968	-$59,397	-$249,838
2025/26	-$15,643	$4,087		-$10,292	$36,660	-$74,304	-$58,941	-$9,968	-$59,397	-$187,798
2026/27				-$10,293	$36,660	-$74,304	-$58,941	-$9,968	-$59,397	-$176,243
2027/28					$36,659	-$11,142	-$3,537	-$9,968	-$1,188	$10,824
2028/29								-$9,968		-$9,968
2029/30								-$1,693		-$1,693
Remaining Balance	-$62,584	$16,342	-$186,108	-$51,461	$219,959	-$382,662	-$298,242	-$71,469	-$298,173	-$1,114,398

AMORTIZATION BASES ATTRIBUTABLE TO ASSUMPTION CHANGES

	YEAR DURING WHICH THE GAIN OR LOSS AROSE			
	2016/17	2018/19	2019/20	TOTAL
Payment Year				
2022/23	$13,870	-$5,080	$61,411	$70,201
2023/24	$13,870	-$5,080	$61,411	$70,201
2024/25	$13,868	-$5,080	$61,411	$70,199
2025/26		-$5,080	$61,411	$56,331
2026/27		-$5,080	$61,411	$56,331
2027/28		-$5,081	$9,212	$4,131
Remaining Balance	$41,608	-$30,481	$316,267	$327,394

SUMMARY OF DEFERRED OUTFLOWS AND INFLOWS AS OF SEPTEMBER 30, 2023

	Deferred Outflows	Deferred Inflows
Unexpected investment income	$1,662,581	$699,082
Demographic experience	$195,556	$1,060,113
Assumption changes	$282,594	$25,401
Total	$2,140,731	$1,784,596

2024 Presidential Election – Comparing Fiscal Agendas — April 2024

- **The 2024 Presidential election is set as a rematch between current President Joe Biden and former President Donald Trump**
- **Each candidate's fiscal priorities have already been on display in their first terms and give insight into second-term agendas**
- **Growing borrowing costs for the treasury are putting a greater burden on the federal budget and could constrain spending**

A Unique Election

With both candidates having clinched their respective primaries, the 2024 Presidential election matchup is set as a rematch between incumbent President Joe Biden and challenger Donald Trump. Given the unusual circumstances of both men having already been president, each candidate now has a track record that gives insight into what a 2nd term agenda could look like.

Covid relief aside, each candidate oversaw significant fiscal policy legislation in their respective first terms. Trump's signature piece of legislation was the Tax Cuts and Jobs Act (TCJA), which ushered in some of the largest changes to the US tax system since the 1980s. The act reduced tax rates for businesses and individuals and modified deductions, tax credits, and the alternative minimum tax. However, much of the law is set to expire after 2025.

Biden entered office with an ambitious spending plan called "Build Back Better" that was motivated by the sense of crisis from the pandemic. Many of his priorities failed to make it into law, but he did find some success in areas of bipartisan agreement such as infrastructure spending and subsidies for semiconductor manufacturing. He also signed the Inflation Reduction Act (IRA), which invested in clean energy, agriculture, and conservation programs. The IRA also has tax credits for healthcare premiums that expire at the end of 2025.

Both candidates had a unified government for the first two years of their terms and a divided congress in the next two. Neither the TCJA or the IRA would have passed in a divided government, as both had zero opposition support. They also required use of the budget reconciliation process to bypass the Senate filibuster, which does not allow a bill to increase the long-term deficit and is the reason for the eventual expiration of parts of both bills.

	US House		US Senate	
	Democrats	Republicans	Democrats	Republicans
Current Seats	213	219	51	49
Up for Reelection	213	219	23	10
Needed for Majority	+5*			+1 or 2**

* There are currently three vacancies in the House
**The Vice President will be the tie-breaking vote in the event of a 50-50 Senate split

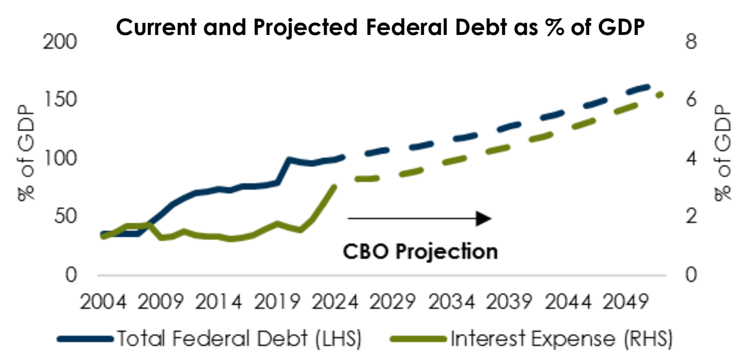
What Are the 2nd Term Priorities?

With multiple tax laws set to expire after 2025, major tax legislation is almost certain to be proposed regardless of who controls the presidency and Congress. A Trump priority would be the complete extension of the TCJA. Biden has vowed not to raise taxes on anyone earning less than $400,000 annually, which would require extending some Trump-era provisions. He would also like to expand healthcare, child, and mortgage relief tax credits. To help pay for these cuts Biden would seek to raise taxes on corporations and high earners. Each candidate's goals would require cooperation from both houses of Congress. A divided government would increase the potential for a bargain, extending parts of the TCJA while also expanding other tax credits that Democrats seek.

Prospects for spending changes are more limited and dependent on control of congress. Trump's White House budget proposals typically included large spending cuts but no major legislation was ever passed, and spending actually increased, even prior to the pandemic. Cuts would still presumably remain a goal, and a Republican-led congress under Trump would possibly tighten work requirements for federal benefits to help pay for tax cuts. Biden's goals include parts of Build Back Better that have yet to pass such as universal Pre-K and paid family leave, but even with full Democratic control, additional spending would potentially have trouble garnering support from moderates.

What Is the Market Impact?

The backdrop of any fiscal legislation is different from both Trump's first term and the first part of Biden's term, with higher interest rates and a greater federal debt load. Deficit debates are ever-present in American politics, but lately the debt burden appears to be having a growing impact on financial markets. Treasury auctions have become heavily scrutinized for signs of weak demand, and the market's struggle to absorb the increased issuance has likely contributed to higher bond yields. The optics of any legislation that isn't at least deficit-neutral are politically challenging at a time when the Congressional Budget Office estimates that interest alone on the nation's debt will top $1 trillion a year by 2026. However, addressing the debt comes with a downside, as government spending is roughly 20% of GDP and any changes translate fairly directly to growth. Spending cuts or tax hikes would likely contribute to slower GDP growth.



Source: ACG Research, Congressional Budget Office

ACG's Position

Significant deficit reductions in the next presidential term are unlikely, as neither Trump nor Biden has shown much fiscal restraint. There will be a push to renew much of the TCJA regardless of election outcomes. Democratic control could result in higher corporate tax rates, but this would probably be paired with new tax credits and/or spending and not provide budget relief. Large fiscal stimulus is also unlikely in any election scenario given the need to contend with Senate filibuster rules and the increasingly burdensome debt situation. As a result, the next several years should see government contribution to GDP growth fade relative to the pandemic-era, but fiscal impulse is also unlikely to become contractionary.

Disclosures and Legal Notice

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KLAUSNER KAUFMAN JENSEN & LEVINSON

A PARTNERSHIP OF PROFESSIONAL ASSOCIATIONS
ATTORNEYS AT LAW

MEMORANDUM

To: Board of Trustees

From: Klausner, Kaufman, Jensen & Levinson

Subject: Form 1099-R: Reporting of disability annuity payments to first responders and other disabled taxpayers

Date: April 2024

On March 15, 2024, the IRS provided notice that they made changes to the 2023 Instructions for Forms 1099-R and 5498 to help clarify how to report disability annuity payments to first responders or other taxpayers on the Form 1099-R.

Revenue Ruling 85-105, 1985-2 C.B. 53 states that disability retirement payments made to a taxpayer "under a workmen's compensation act or under a statute in the nature of a workmen's compensation act" as compensation for personal injuries or sickness incurred during the course of employment may not be subject to federal income tax.

> **A new paragraph was added to the 2023 Instructions:**
>
> **Box 2a, Taxable Amount, now references Rev. Rul. 85-105 to help you determine the taxable and/or non-taxable amount of the disability payments. If the annuity payments are fully non-taxable, there should be a zero in box 2a.**

If a portion of the pension benefit is based on age or length of service under the retirement plan, enter that portion of the annuity in box 2a. See Rev. Rul. 85-105, 1985-2 C.B. 53. Enter distribution code 3 in box 7. This occurs when a member has an accrued benefit in excess of the fixed percentage of compensation awarded for service incurred disability. That "years-of-service" based amount in excess of the fixed percentage is taxable. This distinction was explained in *Sewards v. Commissioner of Internal Revenue*, 785 F.3d 1331 (9th Cir. 2015). Worker's compensation benefits are not dependent on years of service.

In light of this guidance, the firm recommends that your Fund should report any hybrid disability payments which are both taxable and potentially non-taxable on two separate 1099Rs. Any part of the disability pension that is based on the member's age or length

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of service should be reported as taxable. You may still code the fixed percentage disability portion as "taxable amount not determined" since Revenue Ruling 85-105 uses the language that such payment "may" not be subject to federal income taxes. Alternatively, if you have been reporting the fixed percentage disability portion as non-taxable, you may continue to do so. It is also recommended that members on disability retirement be advised to consult a qualified tax professional.

You should also be aware of the tax treatment of disabilities based on a presumptive disease. If the presumption is rebuttable, the disability based on a presumption is non-taxable. The IRS made this distinction in the case of *Take v. Commissioner*, 804 F.2d 553 (9^{th} Cir. 1986). Thomas Take was an Anchorage, Alaska firefighter who retired on a service-connected disability based on heart disease. In his plan, the presumption could not be rebutted. The court determined that since the presumption could be rebutted for worker's compensation, but not under the pension, the benefit "was not in the nature of worker's compensation." In Florida, all presumptive disease clauses can be rebutted by other evidence with the sole exception of the firefighter cancer presumption. For that reason, disability retirement based on the cancer presumption is taxable.

To assist members in their tax filings, future disability orders will contain a paragraph regarding the method for determining the benefit whether a fixed percentage, based on years of service/age, or hybrid and if based on a presumption, whether that presumption is rebuttable or not. Our office will need to work with the administrator and actuary to document the calculation of the benefit.

As always, if there are any questions, please contact our office.

MEMORANDUM

To: Boards of Trustees

From: Klausner, Kaufman, Jensen & Levinson

Subject: Electronic Financial Disclosure Management System for Form 1 filing

Date: January 2024

Beginning January 1, 2024, the Form 1 – Statement of Financial Interests ("Form 1") will be filed via the Electronic Financial Disclosure Management System (EFDMS). https://disclosure.floridaethics.gov/Account/Login The Form 1s are still due by July 1, 2024. Trustee Form 1s will no longer be filed with the County Supervisor of Elections office – the online portal is a direct filing with the Florida Commission on Ethics ("Commission").

Instructions, FAQs, and tutorials are available from the dashboard within EFDMS. Additional assistance can be obtained Monday-Friday from 8:00 a.m. until 5:00 p.m. by contacting the Commission at (850)488-7864.

Please be advised that pension fund trustees are NOT subject to the new expanded requirement for Mayors and Elected members of governing bodies of municipalities to file the Form 6.

Please contact us if you have any questions.