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Town of Jupiter

Police Officers' Retirement Fund

Actuarial Valuation as of October 1, 2024

February 17, 2025

REPORT TO DETERMINE MINIMUM FUNDING REQUIREMENTS
FOR THE PLAN AND FISCAL YEAR
ENDING SEPTEMBER 30, 2026

FLA
FREIMAN LITTLE ACTUARIES

February 17, 2025

Board of Trustees
Town of Jupiter Police Officers' Retirement Fund
Jupiter, Florida

RE: Actuarial Valuation as of October 1, 2024

Dear Board Members:

We are pleased to present the actuarial valuation as of October 1, 2024 for the Town of Jupiter Police Officers' Retirement Fund (the Plan). This report provides a review of the current funded status of the Plan, establishes the minimum funding requirements for the fiscal year ending September 30, 2026 and provides an analysis of experience since the last valuation. In addition to providing the summary and derivation of actuarial findings, this report describes the data, assumptions, and methods used to create these results.

In producing our work product, we rely on various models, internal and external, which were used for their intended purposes. Underlying data, assumptions, methodologies, model inputs and resulting outputs have been reviewed. The 7.0% net assumed return is a prescribed assumption set by another party, as it is set by the Board. While we find all other inputs and outputs to be reasonable individually and in aggregate, this prescribed assumption significantly conflicts with our judgment regarding what would constitute a reasonable assumption for the purpose of the measurement. We continue to recommend lowering the net assumed return.

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 or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law.

Statement by Enrolled Actuary:

"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."

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We look forward to the presentation of these results to you in person and we are always available to answer any questions you may have.

Sincerely,

Chad M. Little, ASA, EA
Partner, Consulting Actuary
Enrollment Number 23-6619

Paula C. Freiman, ASA, EA
Partner, Consulting Actuary
Enrollment Number 23-5796

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Section 1 Board Summary

This report presents the results of the October 1, 2024 actuarial valuation of the Town of Jupiter Police Officers' Retirement Fund (the Plan).

Summary of Principal Valuation Results

A summary of the key valuation findings as of October 1, 2024 are compared with the results of the prior two valuations below.

Minimum Funding Requirements

Fiscal Year Ending September 30,	2024	2025	2026
As a Dollar Amount			
Expected Town Contribution	$2,545,418	$3,084,324	$3,263,252
Estimated State Contribution	611,245	611,245	611,245
Town plus State Contribution	$3,156,663	$3,695,569	$3,874,497
As a % of Payroll			
Expected Town Contribution	29.92%	32.12%	31.95%
Estimated State Contribution	7.18%	6.36%	5.99%
Town plus State Contribution	37.10%	38.48%	37.94%

Funded Status

Valuation Date October 1,	2022	2023	2024
Accrued Liability (AL)	$109,451,763	$115,983,651	$122,539,900
Actuarial Value of Assets	101,915,023	104,343,789	111,040,926
Unfunded Accrued Liability (UAL)	$7,536,740	$11,639,862	$11,498,974
Funded Percentage	93.11%	89.96%	90.62%

Key Assumptions

Valuation Date October 1,	2022	2023	2024
Assumed Net Rate of Return	7.00%	7.00%	7.00%
Salary Increase Assumption	12.27%-5.00%	12.27%-5.00%	12.27%-5.00%
Funding Method	Entry Age Normal	Entry Age Normal	Entry Age Normal

Summary of Significant Events

Determination of the funded status of the Plan and minimum funding requirements are based on participant data, asset information, Plan provisions, actuarial methods and assumptions, as well as contributions made to the Plan by the State of Florida. Any significant events associated with these items are discussed in the following.

In preparing our report we relied, without audit, on information (some oral and some written) supplied by the Plan Administrator. This information includes, but is not limited to, statutory provisions, employee census, and financial information. In our examination of these data, we have found them to be reasonably consistent and comparable with data used for other purposes. Since the valuation results are dependent on the integrity of the data supplied, the results can be expected to differ if the underlying data is incomplete or missing. It should be noted that if any data or other information is inaccurate or incomplete, our calculations may need to be revised.

Participant Data

The number of active members increased from 90 to 93 while valuation payroll increased 6.3% from the prior year. Individual salary increased 5.6% on average from the prior year in comparison to an expected 8.4% average individual salary increase.

The following provides a summary of the total payroll increase as well as providing a comparison of the actual average payroll increase to that expected for continuing active members for the 12-month periods ending on the date specified over the last 10 years.

Valuation as of October 1,	Valuation Payroll	Increase (Decrease)	Year Ended September 30,	Actual	Expected
2024	10,324,899	6.3 %	2024	5.6 %	8.4 %
2023	9,717,352	8.6 %	2023	11.1 %	8.4 %
2022	8,947,330	8.1 %	2022	8.1 %	8.4 %
2021	8,273,904	(7.2)%	2021	6.6 %	8.2 %
2020	8,919,342	2.4 %	2020	8.4 %	8.0 %
2019	8,713,149	5.3 %	2019	12.6 %	8.1 %
2018	8,275,347	(4.1)%	2018	2.1 %	8.2 %
2017	8,631,288	0.6 %	2017	7.7 %	8.0 %
2016	8,577,516	12.6 %	2016	12.8 %	7.7 %
2015	7,619,457	0.4 %	2015	5.4 %	7.9 %
Ten Year Average		3.1 %		8.0 %	8.1 %

In general, there was a very small demographic gain for the year mainly due to payroll increases more less than expected and non-vested termination experience.

A table of information is found in Section 2 of this report to monitor year-by-year actuarial gains and losses to help identify any trends that should be reflected in actuarial assumptions. Various notes provide information regarding the changes in assumptions and methods over the last several years.

Assets

While the return on the Market Value of Assets was 21.30%, the return on the Actuarial Value of Assets used for funding purposes was 6.61%.

Note only a portion of actual investment gains or losses are recognized in the current year Actuarial Value of Assets with the remainder recognized over the next four years. Even if all assumptions are realized in the next several years, the Plan will experience changes in the required contribution rate until prior gains and losses are fully recognized.

An actuarial loss resulted due to the return on the Actuarial Value of Assets being less than the 7.0% net assumed rate of return for the year ending September 30, 2024.

Investment returns less than the assumed rate of return result in increased annual minimum required contributions in the future.

Assumptions

The net assumed rate of investment return is 7.0% for this October 1, 2024 actuarial valuation of the Plan as directed by the Board of Trustees. The 7.0% net assumed return is a prescribed assumption set by another party, as it is set by the Board. The prescribed assumption significantly conflicts with our judgment regarding what would constitute a reasonable assumption for the purpose of the measurement. As discussed with the Board we recommend lowering the net assumed return.

See the Required Disclosure Under F.S. 112.664(1) found near the end of section 2 of this report which provides the funding results using a net assumed return assumption 2% higher and 2% lower than the net assumed return used in this actuarial valuation. The Reasonable Actuarially Determined Contribution (RADC) is roughly half-way between the result for the 7.0% net assumed return and that for the 5.0% net assumed return assumption.

A review was performed comparing actual and expected demographic experience over the five-year period ending October 1, 2019 on August 10, 2020. We recommend an experience review be performed.

The impact of any changes in assumptions and methods may be found in the reconciliation of the funded status and minimum funding requirements found near the end of Section 2 of this report. See "Reconciliations" in the table of contents.

Methods

There were no changes in methods since the prior actuarial valuation.

Plan Provisions

There were no changes in Plan provisions since the prior actuarial valuation.

However, $452,286 of premium tax contributions received from the state of Florida were allocated to share accounts for the year ending September 30, 2024.

State Contributions

The "Expected Town Contribution" shown on page 1 assumes that the premium tax money received from the State will be at least $611,245. Should the amount received be less than expected the Town must contribute the difference.

Historical Information

As requested by the State, DROP balances and State premium tax reserves are included in the Market and Actuarial Value for the computation of investment returns for 2002 and later in the below table.

	Member Count							
10/1	Active	Inactive	Covered Payroll	Employer Cost	% Pay	State Contribs.	Return % (MVA)	Return % (AVA)
1981	24	0	433,105	45,000	10.39	22,256	10.2	10.9
1983	30	0	586,289	74,570	12.72	37,642	13.9	13.9
1985	34	0	707,735	89,618	12.66	55,937	8.6	8.6
1987	38	1	860,099	105,018	12.21	105,663	11.5	12.5
1988	49	1	1,146,929	148,527	12.95	125,952	5.8	5.8
1989	51	1	1,343,194	172,063	12.81	144,595	13.2	12.2
1990	64	2	1,733,655	263,367	15.19	151,246	4.9	5.6
1991	69	1	2,004,761	295,633	14.75	162,901	16.3	15.2
1992	68	1	2,060,861	291,618	14.15	160,329	11.6	10.7
1993	67	4	2,045,820	307,740	15.04	171,072	9.2	8.6
1994	69	4	2,228,738	323,896	14.53	172,730	0.6	6.0
1995	70	5	2,342,203	318,820	13.61	195,833	14.6	8.2
1996	80	6	2,952,602	384,412	13.02	229,028	12.1	7.4
1997	78	7	3,003,811	371,098	12.35	254,063	26.6	11.1
1998	79	8	3,223,063	423,645	13.14	263,995	4.2	9.5
1999	90	9	3,756,604	492,986	13.12	267,367	10.8	10.7
2000	91	9	4,186,335	587,457	14.03	263,186	8.0	9.9
2001	91	13	4,091,599	679,017	16.60	285,362	(14.7)	3.5
2002	94	16	4,635,380	889,807	19.19	323,560	(9.1)	(1.7)
2003	96	22	5,090,906	1,279,739	25.14	372,366	14.1	0.6
2004	103	24	5,961,340	1,874,271	31.44	445,083	9.7	0.9
2005	96	27	5,802,340	1,962,276	33.82	498,215	9.7	2.5
2006	97	29	7,162,426	2,651,307	37.02	771,596	6.3	6.6
2007	104	32	7,486,458	2,932,853	39.18	562,358	12.5	10.2
2008	101	36	7,713,220	3,065,330	37.97	498,215	(10.8)	4.3
2009	104	40	8,142,853	3,141,755	37.10	647,532	2.0	2.6
2010	101	44	8,105,374	2,082,682	28.25 *	571,647	7.7	3.3
2011	97	51	8,074,317	2,433,363	31.67 **	611,245	0.0	2.7
2012	98	55	7,683,583	2,431,252	31.35 **	523,095	17.1	4.1
2013	97	57	7,602,240	2,374,127	31.09 **	482,537	11.9	8.4
2014	97	58	7,587,568	2,251,726	29.08 **	527,943	9.3	9.5
2015	95	65	7,619,457	2,211,161	28.98 **	559,470	(2.0)	7.3
2016	100	68	8,577,516	2,476,765	29.81 **	730,605	8.5	7.7
2017	99	73	8,631,288	2,346,166	28.84 **	632,241	9.8	7.1
2018	96	78	8,275,347	2,308,308	29.58 **	743,715	7.1	6.7
2019	94	96	8,713,149	2,661,412	33.46 **	786,329	6.1	6.2
2020	91	83	8,919,342	2,597,168	31.88 **	805,628	10.4	8.1
2021	83	94	8,273,904	2,271,218	28.93 **	787,636	20.1	10.6
2022	88	99	8,947,330	2,545,418	29.92 **	835,484	(18.8)	4.7
2023	90	103	9,717,352	3,084,324	32.12 **	996,558	9.2	3.5
2024	93	105	10,324,899	3,263,252	31.95 **	1,063,531	21.3	6.6
						Average	7.4	7.1

*Based on actual state contributions for minimum funding and the actual payroll for fiscal 2012.

**We recommend a contribution deposit by the Town greater than or equal to the dollar amount shown. An additional amount is payable by the Town if actual State contributions received in the funding year are less than expected.

While the average return on the Market Value of Assets has been 7.4% the return on the Actuarial Value of Assets has been 7.1% when looking over the last 41 valuations performed, as shown above.

Assessment and Disclosure of Risk

This section is meant to address the assessment and disclosure of risk in a pension funding valuation. This is not meant to be a comprehensive summary but should provide information regarding risks related to this plan. Additional historical information provided in this report also contains relevant information regarding asset size, asset mix, pay increases, benefits and contributions. This information can be used to understand the changes over time to identify trends.

Actuarial Standards of Practice define risk as "The potential of actual future measurements deviating from expected future measurements resulting from actual future experience deviating from actuarially assumed experience…." The following provides examples of potential risk.

Investment Risk: As noted previously, investment returns less than the assumed rate of return result in increased annual minimum required contributions payable in a subsequent year.

Interest Rate Risk: Interest rates are used to discount the value of benefits. If the long-term expectation of returns is higher or lower than the assumed net investment return, the assumed net investment return should be adjusted. When the assumed net investment return is increased the estimated liability is decreased. When the assumed net investment return is decreased the estimated liability is increased. The chart below shows what the funded status of the plan is on a market value of assets basis after changing the net assumed return by 1% or 2%.

	Funded Status on Market Value of Assets Basis					
As of 10/1	2% Decrease	1% Decrease	Valuation Net Assumed Return	1% Increase	2% Increase	Valuation Net Assumed Return Assumption
2024	75.5%	84.3%	93.1%	102.0%	110.8%	7.00%
2023	65.8%	73.5%	81.3%	89.2%	97.1%	7.00%
2022	64.6%	72.2%	79.9%	87.6%	95.4%	7.00%
2021	84.5%	94.4%	104.5%	114.7%	124.9%	7.00%
2020	76.0%	84.8%	93.7%	102.7%	111.7%	7.20%
2019	71.9%	80.5%	89.3%	98.2%	107.1%	7.30%
2018	72.9%	81.7%	90.7%	99.9%	109.1%	7.40%
2017	71.6%	80.4%	89.3%	98.5%	107.7%	7.50%
2016	67.9%	76.3%	85.0%	93.8%	102.7%	7.50%
2015		75.7%	84.3%	93.2%		7.50%
2014		80.7%	89.9%	99.4%		7.50%

Longevity and Other Demographic Risks: The estimated liability of the Plan is based on assumptions related to mortality, retirement, disability and termination. To the extent that Plan experience is different than these assumptions the gains and losses affect future required contributions and estimated liability.

Contribution Risk: The possibility that the plan sponsor does not make contributions to the plan according to the funding policy.

Intergenerational equity risk: Intergenerational equity is the concept that resources do not belong to a specific generation and they must be preserved for future generations. One way to alleviate this risk is to pay for benefits over the average future service of the group receiving benefits. Members may feel there are inequities when one is paying more than others, receiving less than others, or paying more than others in relation to what they are receiving.

Plan maturity measures may help understand the risks associated with the plan. As the Plan matures, the ratio of the Market Value of Assets to the Covered Payroll increases. As this ratio gets larger, the impact of asset volatility has a larger effect on the volatility of the Minimum Required Contribution as a percentage of pay.

Year Ending 9/30	Market Value of Assets	Covered Valuation Payroll	Asset Volatility Ratio
2024	$114,076,432	$10,324,899	11.0
2023	94,288,102	9,717,352	9.7
2022	87,435,836	8,947,330	9.8
2021	108,292,642	8,273,904	13.1
2020	90,326,773	8,919,342	10.1
2019	80,864,214	8,713,149	9.3
2018	75,357,007	8,275,347	9.1
2017	69,605,542	8,631,288	8.1
2016	62,957,973	8,577,516	7.3
2015	57,068,208	7,619,457	7.5
2014	56,943,073	7,587,568	7.5
2013	50,685,368	7,602,240	6.7
2012	43,960,626	7,683,583	5.7
2011	36,357,994	8,074,317	4.5
2010	33,909,059	8,105,374	4.2
2009	29,094,716	8,142,853	3.6

Another measure of a pension plan's maturity is the Ratio of Benefit Payments to Contributions. Over the life of a pension plan, it is expected that the majority of the benefits will be paid for by returns rather than contributions. For this to happen, as a plan matures, the plan will eventually pay out more in benefits than it receives in contributions. It is important to understand the magnitude of this difference so that steps can be taken, if necessary, to manage cash flows going forward. The table below provides the Ratio of Benefit Payments to Contributions. Note that there are other cash flows to be considered such as interest and dividends earned or expenses paid by a pension plan.

Year Ending 9/30	Benefit Payments	Contributions	Ratio of Benefit Payments to Contributions
2024	$4,856,857	$4,852,191	1.00
2023	5,406,127	4,492,747	1.20
2022	4,956,534	4,490,506	1.10
2021	4,433,605	4,499,815	0.99
2020	2,976,321	4,200,440	0.71
2019	3,159,357	4,176,133	0.76
2018	3,251,402	4,211,884	0.77
2017	3,201,705	3,819,297	0.84
2016	2,712,827	3,886,136	0.70
2015	2,334,850	3,716,738	0.63
2014	2,013,388	3,625,886	0.56
2013	2,070,750	3,625,399	0.57
2012	1,921,629	3,364,787	0.57
2011	1,867,025	4,433,844	0.42
2010	1,513,883	4,140,632	0.37
2009	1,301,265	4,179,489	0.31

When looking at Net Cash Flows, it is useful to understand the relative size of the cash flows in comparison to the Market Value of Assets. The following table provides the ratio of the Net Cash Flows divided by the Market Value of Assets. As mentioned previously, there are other cash flows to be considered such as interest and dividends earned or expenses paid by a pension plan.

Year Ending 9/30	Contributions	Disbursements	Assets	Net Cash Flow Divided by Assets
2024	$4,852,191	$5,016,613	$114,076,432	0.00
2023	4,492,747	5,547,944	94,288,102	(0.01)
2022	4,490,506	5,103,036	87,435,836	(0.01)
2021	4,499,815	4,573,601	108,292,642	0.00
2020	4,200,440	3,125,267	90,326,773	0.01
2019	4,176,133	3,298,762	80,864,214	0.01
2018	4,211,884	3,394,217	75,357,007	0.01
2017	3,819,297	3,335,370	69,605,542	0.01
2016	3,886,136	2,856,487	62,957,973	0.02
2015	3,716,738	2,465,458	57,068,208	0.02
2014	3,625,886	2,137,996	56,943,073	0.03
2013	3,625,399	2,189,591	50,685,368	0.03
2012	3,364,787	2,049,849	43,960,626	0.03
2011	4,433,844	1,999,614	36,357,994	0.07
2010	4,140,632	1,648,553	33,909,059	0.07
2009	4,179,489	1,429,632	29,094,716	0.09

Low-Default-Risk Obligation Measure

This section aims to address the evaluation and disclosure of a Low-Default-Risk Obligation Measure (LDROM) within a pension funding valuation. The LDROM involves a calculation of liability, assuming that the Plan's investments are in low-default-risk securities. Importantly, the LDROM serves as a supplementary calculation and is not intended to replace the funding measures outlined in this report.

Instead, the LDROM offers an additional perspective by providing a measure of the Plan's cost if its investments were shifted to low-default-risk fixed income securities. This adjustment aligns with return profiles that essentially mirror future cash flows, potentially mitigating contribution volatility. Furthermore, the LDROM serves to illustrate the potential savings the Plan experiences by diversifying its portfolio.

The chart below depicts the Actuarial Accrued Liability for funding purposes in comparison to the LDROM. Notably, the assumed rate of return for funding purposes stands at 7.00%, while the LDROM utilizes an assumed rate of return of 4.87%, based on the S&P Municipal Bond 20 Year High Grade Rate Index (yield to maturity) on Friday, September 29, 2023. All other assumptions and methods are the same as described at the end of this report.

It's essential to understand that the LDROM is not the definitive measure of the Plan's liability. Instead, it provides an estimate of the Plan's cost under the scenario where the Board opts for a portfolio exclusively comprised of low-default-risk fixed income investments.

Valuation Date	Funding Accrued Liability	Funding Net Assumed Return	LDROM Accrued Liability	LDROM Rate
10/01/2024	$122,539,900	7.00%	$169,048,518	4.06%
10/01/2023	$115,983,651	7.00%	$145,561,129	4.87%

Section 2 Results Derivation

In this section, the assets and liabilities of the Plan are shown in detail. Assets and liabilities are then compared to determine the funded status and minimum funding requirements. Finally, analysis is performed to explain movement in results from the prior valuation.

While asset information is based on the fair market value of assets, along with any techniques used to smooth out market fluctuations, liabilities are determined through a combination of the benefit provisions, participant census data which contains information for the members who will receive those benefits, and the methods and assumptions used with regard to how benefits will be paid to members. A summary of participant data, an outline of the benefit provisions, and a description of the methods and assumptions used in this valuation are described in Section 4.

Financial Information

Over the life of the Plan, the majority of assets are typically generated from investment return. In this section, we describe how the assets of the Plan are invested, show how the actuarial value of assets is derived, and review the investment results since the prior valuation.

Investment Allocation

Valuation Date	October 1, 2023		October 1, 2024	
Money market funds	$4,439,758	5%	$4,476,290	4%
Certificates of deposit	806,401	1%	1,224,714	1%
U.S. government treasury securities	1,351,894	1%	3,724,398	3%
U.S. government agency securities	13,238,942	14%	19,105,780	17%
Corporate bonds	7,618,550	8%	10,139,519	9%
Asset-backed bonds	366,343	0%	1,572,385	1%
Foreign bonds	1,267,697	1%	1,221,326	1%
Common stocks	10,282,317	11%	11,000,207	10%
Equity mutual funds	32,528,298	35%	42,485,790	38%
Real estate investment trust index fund	2,672,327	3%	3,438,841	3%
Real estate fund	5,517,222	6%	3,940,679	3%
International equity mutual fund	13,893,134	15%	11,288,854	10%
Net receivables	305,219	0%	457,649	0%
Fair Market Value of Assets	$94,288,102	100%	$114,076,432	100%

Reconciliation of Market Value of Assets

Year ending September 30,		2023	2024
1.	**Market Value of Assets beginning of year**	$87,435,836	$94,288,102
2.	Contributions		
	a. Town	$2,271,218	$2,545,418
	b. State	996,558	1,063,531
	c. Regular member contributions	1,170,243	1,243,242
	d. Member service purchase	54,728	0
	e. Total Contributions	$4,492,747	$4,852,191
3.	Investment earnings		
	a. Unrealized gains and losses	$3,716,661	$13,502,253
	b. Realized gains and losses	2,429,927	3,884,589
	c. Interest and dividends	2,032,823	2,878,807
	d. Other	1,628	360
	e. Investment expense	(273,576)	(313,257)
	f. Net investment income	$7,907,463	$19,952,752
4.	Deductions		
	a. Pension benefits	$(3,798,396)	$(4,018,398)
	b. Contribution refunds	0	(83,566)
	c. DROP balance payouts	(1,558,691)	(722,433)
	d. Share payments	(49,040)	(32,460)
	e. Administrative expense	(141,817)	(159,756)
	f. Total deductions	$(5,547,944)	$(5,016,613)
5.	Net increase	$6,852,266	$19,788,330
6.	**Market Value of Assets end of year**	$94,288,102	$114,076,432

Development of Actuarial Value of Assets

1.	Gross Market Value of Assets as of September 30, 2024				$114,076,432
2.	Phase-In gains (losses) over five years				
		Year Ending	Original Gain (Loss)	Percent Unrecognized	Unrecognized Gain (Loss)
	a.	September 30, 2024	$13,395,563	80%	$10,716,450
	b.	September 30, 2023	1,858,766	60%	1,115,260
	c.	September 30, 2022	(27,774,080)	40%	(11,109,632)
	d.	September 30, 2021	11,567,139	20%	2,313,428
	e.	Total			$3,035,506
3.	Preliminary Gross Actuarial Value of Assets				$111,040,926
4.	Corridor around Market Value				
	a.	Minimum = 80% of Market Value of Assets			$91,261,146
	b.	Maximum = 120% of Market Value of Assets			$136,891,718
	c.	Corridor adjustment to preliminary Actuarial Value			$0
5.	Gross Actuarial Value of Assets as of October 1, 2024				$111,040,926
6.	State contribution reserve				$0
7.	Actuarial Value of Assets as of October 1, 2024				$111,040,926

Development of Historical Gain or Loss on Market Value of Assets

		2024	2023
1.	Market Value of Assets - beginning of year	$94,288,102	$87,435,836
2.	Contributions	4,852,191	4,492,747
3.	Benefit payments + administrative expense	(5,016,613)	(5,547,944)
4.	Expected interest	6,557,189	6,048,697
5.	Expected Market Value of Assets	$100,680,869	$92,429,336
6.	Market Value of Assets - end of year	$114,076,432	$94,288,102
7.	Gain (loss) = (6) - (5)	$13,395,563	$1,858,766

		2022	2021
1.	Market Value of Assets - beginning of year	$108,292,642	$90,326,773
2.	Contributions	4,490,506	4,499,815
3.	Benefit payments + administrative expense	(5,103,036)	(4,573,601)
4.	Expected interest	7,529,804	6,472,516
5.	Expected Market Value of Assets	$115,209,916	$96,725,503
6.	Market Value of Assets - end of year	$87,435,836	$108,292,642
7.	Gain (loss) = (6) - (5)	$(27,774,080)	$11,567,139

Historical Asset Values

Value as of October 1,	Market Value of Assets	Actuarial Value of Assets	% Market Return	% Actuarial Return	% Assumed Return
2024	$114,076,432	$111,040,926	21.30%	6.61 %	7.00 %
2023	94,288,102	104,343,789	9.15%	3.45 %	7.00 %
2022	87,435,836	101,915,023	(18.82)%	4.66 %	7.00 %
2021	108,292,642	97,992,113	20.07 %	10.56 %	7.20 %
2020	90,326,773	88,743,461	10.35 %	8.08 %	7.30 %
2019	80,864,214	81,105,111	6.14 %	6.15 %	7.40 %
2018	75,357,007	75,577,156	7.08 %	6.66 %	7.50 %
2017	69,605,542	70,089,029	9.80 %	7.11 %	7.50 %
2016	62,957,973	64,992,441	8.49 %	7.74 %	7.50 %
2015	57,068,208	59,358,328	(1.97)%	7.30 %	7.50 %
		Ten Year Average	6.57 %	6.82 %	7.29 %

DROP Balance Reconciliation

Year Ending September 30,	2023	2024
DROP Balances as of beginning of year	$9,751,582.45	$10,408,678.05
Additions	1,809,997.23	1,810,744.51
Investment return	405,789.24	537,902.94
Distributions	1,558,690.87	722,432.56
DROP Balances as of end of year	$10,408,678.05	$12,034,892.94

Historical Contribution Amounts

Year Ending September 30,	Employer	State	Members	Total
2024	$2,545,418	$1,063,531	$1,243,242	$4,852,191
2023	2,271,218	996,558	1,224,971	4,492,747
2022	2,597,168	835,484	1,057,854	4,490,506
2021	2,661,412	787,636	1,050,767	4,499,815
2020	2,308,308	805,628	1,086,504	4,200,440
2019	2,346,166	786,329	1,043,638	4,176,133
2018	2,476,765	743,715	991,404	4,211,884
2017	2,211,161	632,241	975,895	3,819,297
2016	2,251,726	730,605	903,805	3,886,136
2015	2,374,127	559,470	783,141	3,716,738

Historical Deductions from Fund

Year Ending September 30,	Benefits	Refunds	Administrative Expense	Total
2024	$4,773,291	$83,566	$159,756	$5,016,613
2023	5,406,127	0	141,817	5,547,944
2022	4,956,534	0	146,502	5,103,036
2021	4,433,605	0	139,996	4,573,601
2020	2,900,130	76,191	148,946	3,125,267
2019	2,930,753	228,604	139,405	3,298,762
2018	3,145,024	106,378	142,815	3,394,217
2017	2,972,816	228,889	133,665	3,335,370
2016	2,683,461	29,366	143,660	2,856,487
2015	2,292,396	42,454	130,608	2,465,458

Historical Gain/Loss Effect on Recent Valuation Results

Valuation Date October 1	Investment Gain/(Loss) Market Basis (A)	Investment Gain/(Loss) Actuarial Basis (B)	Demographic Gain/(Loss) (C)	Total Gain/(Loss) (B) + (C)
2024	$13,395,563	$(399,528)	$18,204	$(381,324)
2023	1,858,766	(3,578,277)	(1,273,929)	(4,852,206)
2022	(27,774,080)	(2,273,327)	(823,152)	(3,096,479)
2021	11,567,139	2,963,920	111,593	3,075,513
2020	2,474,460	632,666	136,862	769,528
2019	(949,951)	(945,494)	(1,019,990)	(1,965,484)
2018	(289,391)	(588,990)	986,328	397,338
2017	1,447,356	(256,210)	1,242,300	986,090
2016	568,786	141,375	(1,544,666)	(1,403,291)
2015	(5,422,818)	(109,038)	51,881	(57,157)
2014	932,414	977,591	1,448,507	2,426,098
2013	1,956,139	(145,267)	1,648,178	1,502,911
2012	3,531,150	(1,958,980)	2,572,390	613,410
2011	(2,596,836)	(1,655,547)	1,487,916	(167,631)
2010	68,144	(1,447,911)	235,214	(1,212,697)
2009	(1,475,390)	(1,430,901)	627,016	(803,885)
2008	(5,026,434)	(765,449)	288,249	(477,200)
2007	1,093,387	536,389	408,674	945,063

1 The funding method was revised to Entry Age Normal (level percent of pay) effective 10/1/2006 from the Frozen Entry Age (level percent of pay) used in the 10/1/2005 actuarial valuation of the Plan.

2 The salary scale was revised to use a table of increases based on the service of the member effective 10/1/2006. In addition, retirement benefits are increased 5% for overtime utilization increases near retirement plus a 5% increase for retirement and vested termination benefits for accumulated leave payouts effective 10/1/2006. In comparison, the 10/1/2005 actuarial valuation used a flat 7.0% salary scale assumption.

3 Effective 10/1/2008 the smoothing method used to determine the actuarial value of assets was revised.

4 The assumed investment return was revised from 8.5% used in the 10/1/2005 actuarial valuation of the Plan to 7.75% effective 10/1/2006 and 7.5% effective 10/1/2007.

5 At the request of the Town and the Town's actuary and as approved by the board, the salary scale was lowered 2% at all service levels effective with the 10/1/2010 valuation. Also at the request of the Town and the Town's actuary, the method used to determine minimum funding requirements was revised such that dollar figures for minimum funding are not known until after fiscal year end.

6 The mortality table was revised with the October 1, 2012 actuarial valuation from the 1983 Group Annuity Mortality Table to the RP-2000 Combined Mortality Table projected to the valuation year using Scale AA. Tier 2 members are assumed to retire or enter the DROP at first eligibility with unreduced benefits payable where retirement benefits are increased 3.8% for overtime and accrued leave and vested termination benefits are increased 1% for accrued leave. In addition, the Town requested dollar figures for minimum funding be provided beginning with figures for fiscal 2013.

7 Effective October 1, 2014 the assumption used to amortize unfunded accrued liability as a percentage of payroll was revised from 4.0% to 2.4%. A fresh start was implemented on the

amortization of the unfunded accrued liability over 20 years. Whereas the prior valuation excluded DROP balances from both assets and liabilities, the valuation as of October 1, 2014 includes DROP balances in both assets and liabilities.

8 Effective October 1, 2015 rates of termination were revised and the mortality table adopted by the board of trustees is that used in the July 1, 2014 and 2015 actuarial valuations of the Florida Retirement System for Special Risk members.

9 Effective October 1, 2016 the assumption used to amortize unfunded accrued liability as a percentage of payroll was revised from 2.4% to 1.8%.

10 Effective October 1, 2017 the mortality table was revised to that used in the July 1, 2016 and 2017 actuarial valuations of the Florida Retirement System for Special Risk members. In addition, the assumption used to amortize unfunded accrued liability as a percentage of payroll was revised from 1.8% to 1.4%.

11 Effective October 1, 2018 the net assumed return was revised to 7.4% from 7.5%. The assumption for line-of-duty death was revised to 25% in comparison to 75% used in the prior valuation. The assumption for non-line-of-duty death was revised to 75% in comparison to 25% used in the prior valuation. In addition, the unfunded accrued liability is amortized on a level dollar basis in comparison to being amortized as a percentage of payroll assumed to increase at 1.4% in the prior valuation.

12 Effective October 1, 2019 the net assumed return was revised to 7.3% from 7.4%.

13 Effective October 1, 2020 the net assumed return was revised to 7.2% from 7.3%. In addition mortality rates were revised to that used in the July 1, 2019 and 2020 actuarial valuations of the Florida Retirement System for Special Risk members.

14 Effective October 1, 2021 the net assumed return was revised to 7.0% from 7.2%.

State Contributions

Year Ending September 30	State Contributions	Base Plus Benefit Improvements	Recognized State Funding	Balance Available Upon Benefit Improvement
2024	$1,063,531	$611,245	$1,063,531	$0
2023	996,558	611,245	996,558	0
2022	835,484	611,245	835,484	0
2021	787,636	611,245	787,636	0
2020	805,628	611,245	805,628	0
2019	786,329	611,245	786,329	0
2018	743,715	611,245	743,715	0
2017	632,241	611,245	632,241	0
2016	730,605	611,245	730,605	0
2015	559,470	611,245	559,470	0
2014	527,943	611,245	527,943	0
2013	482,537	611,245	482,537	0
2012	523,095	611,245	523,095	0
2011 *	611,245	292,304	292,304	2,169,270
2010	571,647	292,304	292,304	1,850,329
2009	647,532	292,304	292,304	1,570,986
2008	498,215	292,304	292,304	1,215,758
2007	562,358	292,304	292,304	1,009,847
2006	771,596	292,304	633,702	739,793
2005	498,215	265,009	265,009	601,899
2004	445,083	265,009	265,009	368,693
2003	372,366	265,009	265,009	188,619
2002	323,560	265,009	265,009	81,262
2001	285,362	265,009	265,009	22,711
2000	263,186	265,009	263,186	2,358
1999	267,367	265,009	265,009	2,358
1998	263,995	263,995	263,995	0

Year Ending September 30	Recurring Cost Benefit Improvements	One-Time Cost Benefit Improvements
2024	$0	$452,286
2023	0	385,313
2022	0	224,239
2021	0	176,391
2020	0	194,383
2019	0	175,084
2018	0	132,470
2017	0	20,996
2016	0	119,360
2007-2015	0	0
2006	27,295	341,398
2000-2005	0	0
1999	1,014	0
1998	0	0

*The $2,169,270 cumulative balance available upon benefit improvement was released into the Actuarial Value of Assets as of October 1, 2011 per Ordinance No. 46-11.

Share Balances

Year Ending September 30,	2023	2024
Share Balances as of beginning of year	$1,033,362.13	$1,428,694.81
Additions	385,313.22	452,285.73
Investment return	59,059.44	83,774.31
Distributions	49,039.98	32,460.12
Share Balances as of end of year	$1,428,694.81	$1,932,294.73

Present Value of Benefits

Valuation as of October 1,		2023	2024
1.	**Active members**		
	a. Retirement benefits	$55,303,938	$58,964,283
	b. Deferred benefits	2,637,338	2,786,664
	c. Survivor benefits	446,577	458,145
	d. Disability retirement	2,288,962	2,397,342
	e. Total	$60,676,815	$64,606,434
2.	**Inactive members**		
	a. Retirement benefits	$68,224,660	$71,551,553
	b. Terminated members	292,067	313,495
	c. Beneficiaries	3,412,323	3,343,550
	d. Disability retirement	7,097,376	6,991,392
	e. Total	$79,026,426	$82,199,990
3.	**Share balances**	$1,428,695	$1,932,296
4.	**Present Value of Benefits**	$141,131,936	$148,738,720

Accrued Liability – Entry Age Normal

Valuation as of October 1,		2023	2024
1.	**Active members**		
a.	Retirement benefits	$34,183,625	$36,998,574
b.	Deferred benefits	583,077	607,515
c.	Survivor benefits	135,861	140,569
d.	Disability retirement	625,967	660,956
e.	Total	$35,528,530	$38,407,614
2.	**Inactive members**		
a.	Retirement benefits	$68,224,660	$71,551,553
b.	Terminated members	292,067	313,495
c.	Beneficiaries	3,412,323	3,343,550
d.	Disability retirement	7,097,376	6,991,392
e.	Total	$79,026,426	$82,199,990
3.	**Share balances**	$1,428,695	$1,932,296
4.	**Accrued Liability**	$115,983,651	$122,539,900

Normal Cost – Entry Age Normal

Valuation as of October 1,		2023	2024
1.	**Preliminary Normal Cost**		
a.	Retirement benefits	$2,433,230	$2,575,275
b.	Deferred benefits	219,557	236,685
c.	Survivor benefits	34,164	36,057
d.	Disability retirement	180,414	192,482
e.	Total	$2,867,365	$3,040,499
2.	**Total Normal Cost**		
a.	Preliminary Normal Cost	$2,867,365	$3,040,499
b.	Administrative expense	141,817	159,756
c.	Total Normal Cost	$3,009,182	$3,200,255
d.	As a Percentage of Payroll	30.97 %	31.00 %
3.	**Actual Employer Normal Cost**		
a.	Preliminary Normal Cost	$2,867,365	
b.	Administrative expense	159,756	
c.	Employee Contributions	(1,243,242)	
d.	Employer Normal Cost	$1,783,879	
4.	**Valuation Payroll**	$9,717,352	$10,324,899

Unfunded Accrued Liability

Derivation of Unfunded Accrued Liability (UAL)

Unfunded Accrued Liability as of October 1,		**2024**
1.	Actuarial Accrued Liability	$122,539,900
2.	Actuarial Value of Assets	111,040,926
3.	Unfunded Accrued Liability	$11,498,974

Determination of Expected Unfunded Accrued Liability		
1.	Unfunded Accrued Liability as of prior year	$11,639,862
2.	Employer Normal Cost (including administrative expense)	1,783,879
3.	Interest for a full year on (1) and (2)	939,662
4.	Contributions from Town and State	
	a. Town	(2,545,418)
	b. State	(1,063,531)
	c. Total	(3,608,949)
5.	Interest on contribution for time on deposit	(89,090)
6.	Change in plan, methods or assumptions	452,286
7.	Expected Unfunded Accrued Liability	$11,117,650

Calculation of (Gain) or Loss		
1.	Actual Unfunded Accrued Liability	$11,498,974
2.	Expected Unfunded Accrued Liability	11,117,650
3.	Total (gain) or loss	$381,324
4.	Breakdown of (gain) or loss	
	a. Due to investments	$399,528
	b. Due to demographics	(18,204)
	c. Total	$381,324

Determination of Actuarial Value of Assets Gain (Loss)		
1.	Actuarial Value of Assets - beginning of year	$104,343,789
2.	Contributions	4,852,191
3.	Benefit payments + administrative expense	(5,016,613)
4.	Expected interest	7,261,087
5.	Expected Actuarial Value of Assets	$111,440,454
6.	Actuarial Value of Assets - end of year	$111,040,926
7.	Gain (loss) = (6) - (5)	$(399,528)

Amortization of Unfunded Liability

The Unfunded Accrued Liability is being amortized as a level dollar amount based on the net assumed investment return assumption effective October 1, 2018.

Effective October 1, 2014 a fresh start was implemented on the Unfunded Accrued Liability over 20 years. Future changes in the Unfunded Accrued Liability due to plan changes, assumption changes, method changes, or gains and losses are all amortized over a 20-year period.

Amortization Bases

The original and outstanding balances are shown below along with the remaining years for amortization and the amortization payment included in the minimum funding requirement for the current valuation.

	Date of Origin 10/1	Source	Original Balance	Remaining Balance Before Adjustment	Remaining Balance	Years Remain	Level $ Amort.
1.	2014	Fresh Start	$9,196,545	$3,285,983	$3,262,805	10	$434,159
2.	2015	Assumption Change	(428,678)	(169,076)	(167,883)	11	(20,924)
3.	2015	Actuarial Loss	57,157	22,544	22,385	11	2,790
4.	2016	Actuarial Loss	1,403,291	614,879	610,542	12	71,840
5.	2017	Actuarial Gain	(986,090)	(459,198)	(455,959)	13	(50,987)
6.	2017	Assumption Change	44,485	20,714	20,568	13	2,300
7.	2018	Actuarial Gain	(397,338)	(208,491)	(207,020)	14	(22,123)
8.	2018	Assumption Change	850,361	446,200	443,053	14	47,347
9.	2019	Actuarial Loss	1,965,484	1,174,100	1,165,818	15	119,627
10.	2019	Assumption Change	885,877	529,187	525,454	15	53,918
11.	2020	Actuarial Gain	(769,528)	(490,133)	(486,676)	16	(48,148)
12.	2020	Assumption Change	(430,685)	(274,314)	(272,379)	16	(26,947)
13.	2021	Actuarial Gain	(3,075,513)	(2,216,710)	(2,201,074)	17	(210,697)
14.	2021	Assumption Change	1,971,172	1,420,745	1,410,723	17	135,041
15.	2022	Actuarial Loss	3,096,479	2,766,351	2,746,838	18	255,206
16.	2023	Actuarial Loss	4,852,206	4,733,847	4,700,456	19	425,031
17.	2024	Actuarial Loss	381,324	381,324	381,324	20	33,640
	Amortization Payment						$1,201,073
	Outstanding Bases			$11,577,952	$11,498,975		

Projected Unfunded Accrued Liability and Amortization Payments

Plan Year Beginning October 1,	Outstanding Bases	Amortization Payment
2024	$11,498,975	$1,201,073
2025	11,018,755	1,201,073
2026	10,504,920	1,201,073
2027	9,955,116	1,201,073
2028	9,366,826	1,201,073
2029	8,737,356	1,201,073
2030	8,063,823	1,201,073
2031	7,343,142	1,201,073
2032	6,572,014	1,201,073
2033	5,746,907	1,201,072
2034	4,864,044	766,917
2035	4,383,925	785,042
2036	3,850,805	713,212
2037	3,357,225	761,884
2038	2,777,014	736,657
2039	2,183,182	563,123
2040	1,733,463	638,223
2041	1,171,907	713,874
2042	490,096	458,675
2043	33,620	33,620

Actions Taken to Reduce Unfunded Actuarial Accrued Liability

The required contributions calculated each year include a payment for the amortization of the unfunded actuarial accrued liability. This payment is designed to reduce the unfunded actuarial accrued liability in an orderly fashion over the next 20 years.

Minimum Required Contribution

Valuation as of October 1, Funding for FY Ending September 30,	2023 2025	2024 2026
1. Minimum Required Contribution		
a. Total Normal Cost	$3,009,182	$3,200,255
b. UAL amortization	1,175,724	1,201,073
c. Interest to next fiscal year	292,943	308,093
d. Interest for periodic payment	178,118	186,223
e. Total	$4,655,967	$4,895,644
2. Minimum Required Contribution By Source and as a Percent of Payroll		
a. Net Amount Payable by Town	$3,084,324	$3,263,252
b. Expected Employee Contributions	960,398	1,021,147
c. Recognized State Contribution	611,245	611,245
d. Total Required Contribution	$4,655,967	$4,895,644
e. Net Amount Payable by Town	32.12%	31.95%
f. Expected Employee Contributions	10.00%	10.00%
g. Recognized State Contribution	6.36%	5.99%
h. Total Required Contribution	48.48%	47.94%
3. Valuation Payroll		
a. Year Beginning on Valuation Date	$9,717,352	$10,324,899
b. Year Ending in Funding Year	9,603,981	10,211,468

Reconciliations

Reconciliation of Funded Status

	Unfunded Accrued Liability	Funded Percent	Change in Unfunded Accrued Liability	Change in Funded Percent
As of October 1, 2023	$11,639,862	89.96%		
Changes in Funded Percentage due to:				
Normal operation of Plan	10,665,364	91.27%	$(974,498)	1.31%
Investment experience	11,064,892	90.94%	399,528	(0.33%)
Demographic experience	11,046,688	90.95%	(18,204)	0.01%
Effect of Share Plan	11,498,974	90.62%	452,286	(0.33%)
Total			$(140,888)	0.66%
As of October 1, 2024	$11,498,974	90.62%		

Reconciliation of Town Minimum Funding Requirement

	Dollar	% of Pay
Projected $ Funding for FY 25	$3,084,324	32.12 %
Changes in Contribution due to:		
Normal operation of Plan	$0	0.00 %
Actuarial investment experience	39,033	0.41 %
Demographic experience	139,895	(0.58)%
Total	$178,928	(0.17)%
Projected $ Funding for FY 26	$3,263,252	31.95 %

Section 3 Accounting Information

Information Required by GASB 67/68

A supplemental report provides information under the Governmental Accounting Standards Board No. 67 and 68.

Statement of Accumulated Plan Benefits (FASB 35)

The following table is based on prior accounting standards and is required by the State. The present value of accrued benefits is an estimate of the liability for all benefits accrued to date.

Valuation as of October 1,	2023	2024
1. Actuarial present value of accumulated plan benefits		
a. Participants currently receiving benefits	$79,118,504	$82,395,622
b. Other participants	25,901,216	28,216,064
c. Total vested plan benefits	$105,019,720	$110,611,686
d. Total non-vested plan benefits	4,182,864	5,222,988
e. Total accumulated plan benefits	$109,202,584	$115,834,674
2. Change in accumulated plan benefits		
a. Accumulated plan benefits beginning of year		$109,202,584
b. Increase (decrease) during year attributable to:		
i. Plan amendment		$452,286
ii. Change in assumptions or methods		0
iii. Increase for interest and probability of payment due to decrease in discount period and benefits accrued		11,036,661
iv. Benefits paid		(4,856,857)
v. Other changes		0
vi. Net increase (decrease)		$6,632,090
c. Accumulated plan benefits end of year		$115,834,674

Other Disclosures Required by the State of Florida

Valuation as of October 1,	2023	2024
Other Disclosures Where Applicable		
Present value of active member:		
Future salaries (attained age)	$88,687,156	$92,871,447
Future contributions (attained age)	$8,868,716	$9,287,145
Active Members' Accumulated Contributions with Interest	$7,902,614	$8,648,457

Required Disclosure Under F.S. 112.664(1)

As required under F.S. Section 112.664(1) we have produced the following information:

(a) Total pension liability calculated based on mortality used in one of the last two Florida Retirement System (FRS) valuations.

(b) Total pension liability calculated using an assumed interest rate that is 200 basis points lower than that assumed in the valuation of the Plan.

(c) Determination of the number of months or years for which the current market value of assets is adequate to sustain the payment of expected retirement benefits.

(d) Recommended contribution to the Plan using the most recent valuation and the contributions necessary prepared pursuant to (a) and (b) stated as a dollar amount and % of payroll.

	2% Decrease (5.0%)	Current Discount Rate (7.0%)	2% Increase (9.0%)
Total pension liability	$151,024,014	$122,539,900	$102,914,995
Plan fiduciary net position	(114,076,432)	(114,076,432)	(114,076,432)
Net pension liability	$36,947,582	$8,463,468	$(11,161,437)
Plan fiduciary net position as a percentage of the total pension liability	75.54%	93.09%	110.85%
Years of benefit payments:			
Expected for current members:	100	100	100
Paid for with current assets:	16.50	20.92	38.42
Town Plus State Contribution Requirement, Plus Expected Employee Contributions			
Dollar Amount	$8,672,839	$4,895,644	$2,568,039
Percent of Payroll	84.93%	47.94%	25.15%
Increase (Decrease)	$3,777,195		$(2,327,605)

Required Disclosure Under F.S. 112.664(2)(b)2.

F.S. Section 112.664(2)(b)2. - For the previous five years, beginning with 2013, a side-by-side comparison of the plan's assumed rate of return compared to the actual rate of return, as well as the percentages of cash, equity, bond and alternative investments in the plan portfolio.

Year Ending September 30,	**2024**	**2023**	**2022**	**2021**	**2020**
Assumed rate of return	7.00%	7.00%	7.00%	7.20%	7.30%
Actual rate of return	21.30%	9.15%	(18.82%)	20.07%	10.35%
Percentages of assets in:					
Cash	5%	6%	7%	3%	5%
Equity	58%	61%	61%	65%	63%
Bond	31%	24%	20%	23%	23%
Alternative	6%	9%	12%	9%	9%
Total	100%	100%	100%	100%	100%

Section 4 Supplementary Information

Summary of Participant Data

Member Statistics

Valuation as of October 1,	2023	2024
Active Participants		
Number	90	93
Average Age	37.3	37.2
Average Service	9.6	9.6
Percent Male	90.0	86.0
Average Pay	$104,340	$107,110
Annualized Pay Ending on Valuation Date	$9,390,588	$9,961,217
Valuation Payroll	$9,717,352	$10,324,899
Actual Pay for 12-Months Prior*	$11,702,410	$12,432,415

*Includes pay for DROP members who are paying contributions to the Plan.

Terminated With Rights to Deferred Benefits		
Number	1	1
Average Age	53.9	54.9
Percent Male	0.0	0.0
Average Monthly Benefit	$2,109	$2,109
Total Benefits	$25,313	$25,313
DROP Participants		
Number	24	24
Average Age	51.6	52.1
Percent Male	75.0	79.2
Average Monthly Benefit - At Retirement	$6,055	$6,294
Total Benefits - At Retirement	$1,743,879	$1,812,595
Total of DROP Account Balances	$5,801,808	$7,171,532

Member Statistics (Continued)

Valuation as of October 1,	2023	2024
Service Retirements		
Number	53	55
Average Age	61.6	62.3
Percent Male	92.5	90.9
Average Monthly Benefit	$4,631	$4,609
Total Benefits	$2,945,269	$3,042,164
Total of DROP Account Balances	$4,511,602	$4,766,775
Beneficiaries		
Number	9	9
Average Age	71.1	72.1
Percent Male	0.0	0.0
Average Monthly Benefit	$3,154	$3,154
Total Benefits	$340,683	$340,683
Total of DROP Account Balances	$95,268	$96,585
Disability Retirements		
Number	16	16
Average Age	61.5	62.5
Percent Male	87.5	87.5
Average Monthly Benefit	$3,594	$3,594
Total Benefits	$689,990	$689,990
Total In Payment Status		
Number	78	80
Average Age	62.6	63.5
Percent Male	80.8	80.0
Average Monthly Benefit	$4,248	$4,243
Total Benefits	$3,975,942	$4,072,837

Number of Active Members by Age and Service as of October 1, 2024

	Service						
Age	<1	<5	<10	<15	<20	<25	Total
<25	2	4					6
<30	3	8	2				13
<35	2	3	10				15
<40	2	3	11	6	4		26
<45		1	5	3	8	1	18
<50		1			6	2	9
<55					1	3	4
<60					1	1	2
60+							
Total	9	20	28	9	20	7	93

Active Valuation Pay by Age and Service as of October 1, 2024

	Service						
Age	<1	<5	<10	<15	<20	<25	Total
<25	67,254	75,607					72,823
<30	67,082	79,376	108,676				81,047
<35	71,113	78,766	104,007				94,573
<40	67,540	78,712	103,771	131,271	134,857		109,221
<45		87,784	112,974	134,880	138,765	125,892	127,406
<50		85,196			129,597	142,722	127,580
<55					117,785	132,945	129,155
<60					118,703	135,479	127,091
60+							
Total	68,117	79,143	105,849	132,474	133,181	135,093	107,110

Reconciliation of Plan Participants

	Active	Vested Term.	DROP	Retired	Survivor	Disabled	Totals
October 1, 2023	90	1	24	53	9	16	193
Retired			(2)	2			0
DROP	(2)		2				0
Nonvested Termination	(4)						(4)
New Hires	9						9
October 1, 2024	93	1	24	55	9	16	198

Outline of Plan Provisions

Plan Type: Single-employer Defined Benefit Pension Plan

Legal Authority: The Plan was established and is amended by local ordinance.

Effective Date: February 1, 1972. Plan amended May 17, 1977. Plan provisions have been amended more recently as noted in the following table.

Ordinance	Effective	Adopted	Ordinance	Effective	Adopted
07-21	03/22/2021	03/22/2021	25-09	10/01/2005	07/21/2009
22-20	01/21/2021	01/21/2021	12-09	04/07/2009	04/07/2009
13-15	05/05/2015	05/05/2015	36-06	10/01/2005	07/05/2006
30-14	07/01/2014	07/01/2014	83-04	12/21/2004	12/21/2004
19-14	04/22/2014	04/22/2014	52-03	08/19/2003	08/19/2003
51-13	01/07/2014	01/07/2014	50-03	08/19/2003	08/19/2003
46-11	03/06/2012	03/06/2012	49-03	09/30/2002	08/19/2003
20-11	10/01/2010	05/03/2011	41-02	10/01/2001	06/04/2002
43-10	08/17/2010	08/17/2010	19-01	05/15/2001	05/15/2001
45-10	04/01/2007	08/17/2010	69-00	03/01/2001	02/20/2001
46-10	08/17/2010	08/17/2010	34-00	12/31/1999	06/20/2000

Plan Administrator: The Board of Trustees

Board Composition: Two members are elected from among the police employees of the Town, who are members of the plan, two Town residents appointed by the Commission and one person is chosen by a majority of the previous four members.

Funding Requirements: Employer contributions are actuarially determined and subject to State statute. Employee contributions are as described below and may be amended by ordinance.

Plan Year: The 12-month period from October 1st to the following September 30th.

Member: Any person who enters the employment of the Town as a full-time police officer on or after April 1, 1995 becomes a Member of the Plan immediately upon hire. Police officers hired prior to April 1, 1995 were provided with an opportunity in their first 12 months of employment to elect to not participate in the Plan. Effective retroactively to October 1, 2005, the Chief of Police may "opt-out" of membership in the Plan.

Members hired on and after March 6, 2012 are part of "Tier Two." Members hired prior to March 6, 2012 are part of "Tier One."

Actuarial Equivalence: Actuarial Equivalence is determined using an interest rate of 7% and the 1983 Group Annuity Mortality Table for males, with ages set ahead five years for disability. Different interest assumptions apply to the calculation of a lump sum distribution.

Credited Service: Period of employment with the Town as a police officer from the date of employment to the date of termination of service or retirement during which a person contributes to the Plan. Credited Service also includes certain military service. Additional Credited Service may be purchased.

Vesting: 100% upon earning ten years of service. Service purchased does not count toward vesting.

Salary: Prior to October 1, 2005, Salary was defined as base gross monetary salary. Effective October 1, 2005, Salary is defined as total cash compensation including overtime paid for services rendered to the Town but not including any payments for extra duty or a special detail work performed on behalf of another employer. Effective October 1, 2012, accumulated sick leave does not exceed 50% of the amount accumulated as of April 1, 2011 and accumulated vacation leave does not exceed the amount accumulated as of October 1, 2012. Overtime is limited to 300 hours after October 1, 2012.

Employee Contributions: For Tier One, employee contributions are increased from 7.56% of Salary to 8.78% of Salary effective October 1, 2012, 9.25% effective October 1, 2014, and 10.0% effective October 1, 2015. For Tier Two, employee contributions are 10.0% of Salary. See further information regarding employee contributions in the description of DROP benefits.

A Member who terminates non-vested is entitled to refund of accumulated Employee Contributions with interest not more than 4%. Contributions may be repaid with interest upon reentry into the Plan due to rehire.

Vested Members who terminate employment prior to being eligible to receive an annuity may leave their accrued contributions in the fund, and upon as early as age 50 begin commencement of the Accrued Benefit as defined under Early Retirement or to commence monthly benefits at age 55.

Average Salary: For Tier One members, the average of Salary for the three highest years out of the last 10 years of service. For Tier Two members, the average of Salary for the highest five consecutive years out of the last 10 years of service.

Normal Retirement Date: The Tier One Normal Retirement Date is the first day of the month coincident with or next following the earlier of (i) age plus Credited Service (each computed in full months) of at least 780 months (65 points), or (ii) age 55 with 10 years Credited Service.

The Tier Two Normal Retirement Date is the first day of the month coincident with or next following the earlier of (i) age plus Credited Service (each computed in full months) of at least 840 months (70 points) and 25 years of Credited Service, or (ii) age 55 with 10 years of Credited Service.

Normal Retirement is not earlier than 10 years from the original date of hire for members who purchase Credited Service.

Normal Retirement Benefit: The Accrued Benefit plus the Supplemental Benefit.

Tier One Accrued Benefit: Payable as a 10 year certain and continuous annuity:

3% x Tier One Average Salary x Credited Service

Tier Two Accrued Benefit: Payable as a 10 year certain and continuous annuity:

2.75% x Tier Two Average Salary x Credited Service Limited to 25 Years

Supplemental Benefit: Intended to be available for healthcare, equals $100 per month plus, for Members who retire on or after October 1, 2001, a monthly benefit equal to the lesser of (i) $150 and (ii) the greater of (a) $30 and (b) $5 x Credited Service. Members in the DROP are not eligible to receive Supplemental Benefits until their DROP participation ends.

Early Retirement Date: The first day of the month coincident with or next following the date the Member earns 10 years of service and attains age 50.

Tier One Early Retirement Benefit: Effective October 1, 2005, the Tier One Accrued Benefit, reduced actuarially from age 55 (but in no event to be more than 3% annually), plus the Supplemental Benefit. Prior to October 1, 2005, the Accrued Benefit, reduced actuarially for each year the Member is younger than age 60, plus the Supplemental Benefit.

Tier Two Early Retirement Benefit: The Tier Two Accrued Benefit reduced 3% for every two points Early Retirement occurs prior to 70 points, plus the Supplemental Benefit. However, no reduction is applied for Tier Two members who enter the DROP with at least 22 years of Credited Service.

Disability Retirement: Members become eligible for Disability Retirement if, prior to the Normal Retirement Date, a Member becomes totally and permanently disabled as a result of injuries or disease. Effective March 6, 2012, Members with disability incurred not in the line of duty are eligible for Disability Retirement benefits after completion of 10 years of service. The benefit payable is (a) the greater of (i) 60% of Salary at the time of disability, payable as a 10 year certain and continuous annuity, and (ii) the

Accrued Benefit reduced actuarially from the Normal Retirement Date, plus (b) the Supplemental Benefit.

Death Benefits: In the event the officer dies in the line of duty, (a) the greater of (i) 60% of Average Salary and (ii) the Accrued Benefit, plus (b) the Supplemental Benefit, is payable to the surviving spouse for their life, or until all the police officer's minor children reach age 18, whichever is later. If there is no spouse or surviving children, the benefit is payable to the police officer's estate for 120 monthly payments.

In the event the officer dies not in the line of duty prior to vesting, the police officer's contributions with interest, not more than 4%, is payable. If the police officer is vested, the amount of the monthly income payable is the Accrued Benefit plus the Supplemental Benefit at the date of death.

Optional Forms of Benefit: Pension benefits described above are payable in the form of a 10 year certain and continuous annuity. Members may optionally choose an actuarially equivalent single life annuity, joint and last survivor annuity (with 50%, 66 2/3, or 100% continuance), joint and survivor annuity (with 50%, 75%, or 100% continuance), or the joint and survivor annuity with pop up to the original life annuity optional form.

Deferred Retirement Option Program (DROP): Tier One Members are eligible to enter the DROP at the Tier One Normal Retirement Date. Tier Two Members are eligible to enter the DROP the first of the month coincident with or next following the earlier of (i) 70 points with 25 years of Credited Service and (ii) 22 years of Credited Service regardless of age with no reduction in the Tier Two Accrued Benefit for DROP entry prior to 70 points.

The Accrued Benefit is frozen at DROP entry and accumulates in the DROP. DROP participants are not eligible for death or disability benefits. The Supplemental Benefit is not payable while a Member is in the DROP.

The maximum DROP participation duration is extended from 5 years to 8 years effective March 6, 2012.

- Members in the DROP on March 6, 2012 were allowed to elect the 8 year DROP by agreeing to pay contributions at the employee contribution rate in effect at DROP entry for the remainder of the initial 5 years of DROP participation with 1/3 of these contributions credited to the members' DROP account. However, none exercised this option.
- For Tier One members who enter the DROP after March 6, 2012, employee contributions continue at the rate in effect on the date of entry into the DROP for the first four years of DROP participation with 1/3 of these contributions credited to the members' DROP account.
- For Tier Two DROP entrants, employee contributions continue for all years of DROP participation with 1/4 of these contributions credited to the members' DROP account. Tier Two maximum DROP participation is as shown in the following table, provided however that each member shall be permitted a minimum of 5 years of DROP participation from the date of attainment of Normal Retirement Eligibility:

Credited Service at DROP	Tier Two Maximum DROP Participation	Credited Service at DROP	Tier Two Maximum DROP Participation
22	8	26	4
23	7	27	3
24	6	28	2
25	5	29	1
		30	0

For Members who entered the DROP prior to March 6, 2012, the Accrued Benefit accumulates in the DROP with interest as adopted by the board until termination of employment. For the year beginning October 1, 2011, the actuarial valuation will track earnings, both positive and negative, for purpose of determining the DROP rate of earnings credit. The actual net investment income since October 1, 2011 is shown in the tables below.

While in the DROP:
For Members who entered the DROP after March 6, 2012, the Accrued Benefit accumulates in the DROP with interest credited at the lesser of Plan returns or 1% less than the assumed rate of return on Plan assets with a floor of 2%. Note, the assumed net rate of return is that used to compute actuarially determined contributions payable for that fiscal year end.

Year Ending	Net Fund Return*	Net Investment Income*	Minimum Annual Crediting	Assumed Net Rate of Return	Maximum Annual Crediting	Annual Crediting Rate
09/30/2012	17.3 %	6,287,694	2.0 %	7.5 %	6.5 %	6.5 %
09/30/2013	12.0 %	5,288,934	2.0 %	7.5 %	6.5 %	6.5 %
09/30/2014	9.7 %	4,769,815	2.0 %	7.5 %	6.5 %	6.5 %
09/30/2015	(1.5)%	(1,126,145)	2.0 %	7.5 %	6.5 %	2.0 %
09/30/2016	8.5%	4,860,116	2.0 %	7.5 %	6.5 %	6.5 %
09/30/2017	9.9%	6,163,642	2.0 %	7.5 %	6.5 %	6.5 %
09/30/2018	7.3%	4,933,798	2.0 %	7.5 %	6.5 %	6.5 %
09/30/2019	6.1%	4,629,836	2.0 %	7.5 %	6.5 %	6.1 %
09/30/2020	10.4 %	8,387,386	2.0 %	7.4 %	6.4 %	6.4 %
09/30/2021	20.3 %	18,039,655	2.0 %	7.3 %	6.3 %	6.3 %
09/30/2022	(18.9)%	(20,244,276)	2.0 %	7.2 %	6.2 %	2.0 %
09/30/2023	9.1 %	7,907,463	2.0 %	7.0 %	6.0 %	6.0 %
09/30/2024	21.3 %	19,952,752	2.0 %	7.0 %	6.0 %	6.0 %

After separation of service:
Effective March 6, 2012, Members may leave their balances in the DROP after retirement until distribution becomes required by the IRS. After separation of service, interest is credited at the lesser of Plan returns or 1% less than the assumed rate of return on Plan assets with a floor of 2% provided that if Plan returns are negative the credit will be 0% and will remain 0% until Plan returns below 2% have been offset by positive earnings.

Year Ending	Net Fund Return*	Net Investment Income*	Minimum Annual Crediting	Assumed Net Rate of Return	Maximum Annual Crediting	Annual Crediting Rate
09/30/2012	17.3 %	6,287,694	2.0 %	7.5 %	6.5 %	6.5 %
09/30/2013	12.0 %	5,288,934	2.0 %	7.5 %	6.5 %	6.5 %
09/30/2014	9.7 %	4,769,815	2.0 %	7.5 %	6.5 %	6.5 %
09/30/2015	(1.5)%	(1,126,145)	2.0 %	7.5 %	6.5 %	0.0 %
09/30/2016	8.5%	4,860,116	2.0 %	7.5 %	6.5 %	Varies
09/30/2017	9.9%	6,163,642	2.0 %	7.5 %	6.5 %	6.5 %
09/30/2018	7.3%	4,933,798	2.0 %	7.5 %	6.5 %	6.5 %
09/30/2019	6.1%	4,629,836	2.0 %	7.5 %	6.5 %	6.1 %
09/30/2020	10.4%	8,387,386	2.0 %	7.4 %	6.4 %	6.4 %
09/30/2021	20.3%	18,039,655	2.0 %	7.3 %	6.3 %	6.3 %
09/30/2022	(18.9)%	(20,244,276)	2.0 %	7.2 %	6.2 %	0.0 %
09/30/2023	9.1 %	7,907,463	2.0 %	7.0 %	6.0 %	Varies
09/30/2024	21.3 %	19,952,752	2.0 %	7.0 %	6.0 %	Varies

*The Net Fund Return is as supplied by the investment monitor. Net investment income is as provided by the auditor.

Share Account: Any sums in excess of the actuarially calculated amount in the year in which the stop-start occurs and all years thereafter shall be reserved for distribution to individual accounts of members as determined by the active membership of the Plan and administered by the Board of Trustees. As confirmed with the Board of Trustees on November 14, 2016, state premium tax dollars more than $611,245 are allocated to share accounts. The Board, by administrative rule, shall establish share accounts for members, in a manner approved by a vote of the active members of the Plan.

Description of Assumptions and Methods

Assumed Net Rate of Investment Return: 7.0% annual return net of investment expenses

Salary Increase – Individual: The salary increase assumption varies by year of service as follows:

Service	Assumed Salary Increase	Service	Assumed Salary Increase	Service	Assumed Salary Increase	Service	Assumed Salary Increase
0	12.2731%	4	10.3336%	8	8.3941%	12	6.4546%
1	11.7882%	5	9.8487%	9	7.9092%	13	5.9697%
2	11.3034%	6	9.3639%	10	7.4244%	14	5.4849%
3	10.8185%	7	8.8790%	11	6.9395%	>=15	5.0000%

In addition, retirement benefits are increased 5% for Tier One overtime utilization increases near retirement plus a 5% increase for retirement and vested termination benefits for accumulated leave payouts. Retirement benefits are increased 2.8% for Tier Two overtime utilization increases near retirement plus a 1% increase for retirement and vested termination benefits for accumulated leave payouts.

Salary Increase – Total Payroll: 0% per year

To show fiscal year minimum funding requirements as a percentage of payroll, total payroll in the funding year is as determined by the decrements and individual salary increase assumption for the group of active members as of the valuation date.

Mortality: Mortality rates are those required by state statute. Mortality is as assumed in one of the last two valuations for the Florida Retirement System (FRS) for special risk employees, as follows:

The following sex distinct tables are used with fully generational mortality improvements using sex distinct Scale MP-2018.

Active:	Male:	PubS.H-2010(B) male employee set forward 1 year
	Female:	PubS.H-2010 female employee set forward 1 year
Healthy Retiree:	Male:	PubS.H-2010(B) male healthy retiree set forward 1 year
	Female:	PubS.H-2010 female healthy retiree set forward 1 year

The following sex distinct tables are used with no mortality improvement projection.

Disabled Retiree:	Male:	80% PubG.H-2010 male disabled retiree + 20% PubS.H-2010 male disabled retiree
	Female:	80% PubG.H-2010 female disabled retiree + 20% PubS.H-2010 female disabled retiree

Juvenile rates are used for ages 15-17.

The active tables reference the healthy retiree rates, above, at ages 80+.

The healthy retiree tables reference the active mortality rates, above, before age 44.

Retirement: Tier One unisex rates are as follows:

	Rate
Each year member is eligible for early retirement	5%
Year in which member attains normal retirement	80%
Each of the four years following normal retirement date	40%
Fifth year following normal retirement date	100%

Tier Two members are assumed to retire at a rate of 100% upon reaching unreduced benefit eligibility (the earlier of (1) age 55 with 10 years of service, (2) rule of 70, but not earlier than age 50, or (3) at 22 years of service for DROP entry).

DROP participants are assumed to retire on the valuation date such that no future employee contributions are expected.

Termination: Effective with the October 1, 2015 actuarial valuation of the Plan, termination was assumed using the following unisex rates.

Service	Rate
0	0.00%
1-4	5.00%
5-9	3.00%
10-14	2.50%
>=15	2.00%

Disability: Unisex rates, as follows:

Age	Rate	Age	Rate	Age	Rate	Age	Rate
15-21	0.14%	35	0.23%	44	0.44%	53	1.31%
22-25	0.15%	36	0.24%	45	0.51%	54	1.43%
26-27	0.16%	37	0.25%	46	0.59%	55	1.55%
28-29	0.17%	38	0.26%	47	0.70%	56	1.68%
30	0.18%	39	0.28%	48	0.79%	57	1.81%
31	0.19%	40	0.30%	49	0.90%	58	1.95%
32	0.20%	41	0.32%	50	1.00%	59	2.09%
33	0.21%	42	0.35%	51	1.10%	>=60	0.00%
34	0.22%	43	0.39%	52	1.20%		

Post-Decrement Assumptions: 50% of disabilities are assumed to be service related and 50% of disabilities are assumed to be non-service related. 25% of deaths are assumed to be service related and 75% of deaths are assumed to be non-service related.

Marital Assumption: 100% of members are assumed married where males are assumed to be 3 years older than females.

Administrative Expenses: Prior year's actual administrative expense is added to Normal Cost.

Funding Method: Entry Age Normal (level percent of salary).

A description of the funding method is found on the next page entitled "Glossary of Actuarial Terms."

Glossary of Actuarial Terms

Present Value of Benefits (PVB): The present value, as of the valuation date, of all benefits that will become payable by the Plan for the current group of members in the census.

Normal Cost (NC): Under the Individual Entry Age Normal Cost Method, the annual normal cost for each individual active member is determined as the amount, from the date of employment to the date of retirement, sufficient to accumulate the value of the member's benefit at the time of retirement. The annual normal cost is a constant percentage of the member's projected covered pay.

Accrued Liability (AL): This is the portion of the PVB attributable to the past at the valuation date. For active members, AL is the annual NC accumulated from date of entry to the valuation date for each member. For retired and terminated members, the PVB and the AL are equal. The AL is the estimated liability owed by the pension fund at the valuation date.

Unfunded Accrued Liability (UAL): Any excess of the Accrued Liability over the fund assets. A negative UAL indicates fund assets are greater than the Accrued Liability, otherwise known as a surplus. Actuarial gains/(losses), as they occur, reduce (increase) the Unfunded Actuarial Accrued Liability.

Actuarial Value of Assets: The value of assets used in the actuarial valuation of the Plan which is compared to the AL to determine the UAL and minimum funding requirements. A method may be used to smooth out short term volatility in the fair market value of assets. In this valuation, the Actuarial Value of Assets has been calculated to smooth out unexpected fluctuations in the fair market value of assets over a 5-year period, less any reserve of State contributions.