



June 28, 2024

Board of Trustees  
City of Okeechobee Firefighters' Retirement System  
c/o Mr. Scott Baur  
Resource Centers, LLC  
4360 Northlake Blvd., Suite 206  
Palm Beach Gardens, Florida 33410

**Re: City of Okeechobee Firefighters' Retirement System**

Dear Scott:

As requested, we are pleased to enclose a copy of the October 1, 2023 Chapter 112.664 Compliance Report for the City of Okeechobee Firefighters' Retirement System (System).

As required, we will timely upload the required data to the State's online portal prior to the filing deadline.

Please note we understand the following items must be posted on the System's website and must be posted on any website containing budget information relating to the City or actuarial or performance information relating to the System:

- this compliance report
- most recent financial statement
- most recent actuarial valuation report
- a link to the Division of Retirement Actuarial Summary Fact Sheet  
[http://www.dms.myflorida.com/workforce\\_operations/retirement/local\\_retirement\\_plans/local\\_retirement\\_section/actuarial\\_summary\\_fact\\_sheets](http://www.dms.myflorida.com/workforce_operations/retirement/local_retirement_plans/local_retirement_section/actuarial_summary_fact_sheets)
- for the previous five years - a side-by-side comparison of the System'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 System portfolio
- the System's funded ratio as determined in the most recent actuarial valuation – 100.0% defined as the ratio of the market value of System assets to the entry age normal actuarial accrued liability as of October 1, 2023

We appreciate the opportunity to work with the Board on this important assignment.

If you should have any questions concerning the above, please do not hesitate to contact us.

Sincerest regards,  
Gabriel, Roeder, Smith & Company

A handwritten signature in black ink that reads "Jennifer Borregard". The signature is written in a cursive, flowing style.

Jennifer M. Borregard, E.A.  
Consultant and Actuary

Enclosures

# City of Okeechobee Firefighters' Retirement System

## CHAPTER 112.664, F.S. COMPLIANCE REPORT

In Connection with the October 1, 2023 Funding Actuarial Valuation Report and the System's Financial Reporting for the Year Ended September 30, 2023







June 28, 2024

Board of Trustees  
City of Okeechobee Firefighters' Retirement System  
c/o Mr. Scott Baur  
Resource Centers, LLC  
4360 Northlake Blvd., Suite 206  
Palm Beach Gardens, Florida 33410

**Re: October 1, 2023 Chapter 112.664 Compliance Report**

Dear Board Members:

Gabriel, Roeder, Smith & Company (GRS) has been engaged by the Board of Trustees (Board) of the City of Okeechobee Firefighters' Retirement System (System) to prepare a disclosure report to satisfy the requirements set forth in Chapter 112.664, F.S. and as further required pursuant to Chapter 60T-1.0035, F.A.C.

This report was prepared at the request of the Board and is intended for use by the Board and those designated or approved by the Board. This report may be provided to parties other than the Board only in its entirety and only with the permission of the Board. GRS is not responsible for unauthorized use of this report.

The purpose of the report is to provide the required information specified in Chapter 112.664, F.S. and to supplement this information with additional exhibits. This report should not be relied on for any purpose other than the purpose described above.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: system 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 system's funded status); and changes in system provisions or applicable law. The scope of this engagement does not include an analysis of the potential range of such measurements.

This report is based upon information furnished by the Board concerning System benefits, System provisions and System members as used in the corresponding Actuarial Valuations for the Valuation Dates indicated. Financial information was provided by the Board as of September 30, 2023. We

reviewed the information provided for internal and year-to-year consistency, but did not audit this data. The System is responsible for the accuracy of the data.

Except where specific assumptions are required by Chapter 112.664, F.S, this report was prepared using actuarial assumptions adopted by the Board as described in Section C. The Board's assumptions are based upon past and expected future System experience and represent an estimate of future System experience. The mortality assumptions are prescribed by statute. Each assumption represents an estimate of future System experience. All actuarial assumptions used in this report are reasonable for the purposes of this valuation. The combined effect of the assumptions is expected to have no significant bias (i.e. not significantly optimistic or pessimistic). All actuarial assumptions and methods used in the valuation follow the guidance in the applicable Actuarial Standards of Practice.

The investment return assumption of 2% higher than the investment return assumption utilized in the Actuarial Valuations does not represent an estimate of future System experience or observation of the estimates inherent in market data. This assumption is provided as a counterpart to the Chapter 112.664, F.S. requirement to utilize an investment return assumption of 2% lower than the investment return assumption utilized in the Actuarial Valuation Reports. The inclusion of the additional 2% higher assumption shows a more complete assessment of the range of potential results as opposed to the *one-sided* range required by statute.

If all actuarial assumptions are met and if all current and future minimum required contributions are paid, System assets will be sufficient to pay all System benefits, benefits and future contributions are expected to remain relatively stable. System minimum required contributions are determined in compliance with the requirements of the Florida Protection of Public Employee Retirement Benefits Act and Firefighters' Retirement Chapter 175 with normal cost determined as a level dollar amount (expected administrative expenses) and a level dollar amortization payment of the unfunded actuarial accrued liability using an initial amortization period of 10 years.

The System's funded ratio as of October 1, 2023 is 100.0% defined as the ratio of the market value of System assets to the entry age normal actuarial accrued liability.

The System's funded ratio and the GASB Net Pension Liability may not be appropriate for assessing the sufficiency of System assets to meet the estimated cost of settling benefit obligations but may be appropriate for assessing the need for or the amount of future contributions.

This report was prepared using our proprietary valuation model and related software which in our professional judgment has the capability to provide results that are consistent with the purposes of the valuation and has no material limitations or known weaknesses. We performed tests to ensure that the model reasonably represents that which is intended to be modeled.



The undersigned are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

The signing actuaries are independent of the System sponsor.

This report has been prepared by actuaries who have substantial experience valuing public employee retirement systems. To the best of our knowledge the information contained in this report is accurate and fairly presents the actuarial position of the System as of the valuation date as required by statute. All calculations have been made in conformity with generally accepted actuarial principles and practices, with the Actuarial Standards of Practice issued by the Actuarial Standards Board and with applicable statutes.

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

Respectfully submitted,

GABRIEL, ROEDER, SMITH AND COMPANY

By *Jennifer Borregard*  
Jennifer M. Borregard, M.A.A.A.  
Enrolled Actuary No. 23-07624  
Consultant & Actuary

By *Michelle Jones*  
Shelly L. Jones, M.A.A.A.  
Enrolled Actuary No. 23-08646  
Consultant & Actuary



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## SECTION A

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### CHAPTER 112.664, F.S. RESULTS



**Net Pension Liability**  
**Using Financial Reporting Assumptions per GASB Statements No. 67 and No. 68**  
**and Using Assumptions Required Under 112.664(1)(a), F.S.**

Measurement Date	September 30, 2023
<b>A. <u>Total Pension Liability (TPL)</u></b>	
Service Cost	\$ 0
Interest	199,748
Benefit Changes	0
Difference Between Actual and Expected Experience	(273,706)
Assumption Changes	0
Benefit Payments	(231,868)
Contribution Refunds	0
Other	0
<b>Net Change in Total Pension Liability</b>	<b>\$ (305,826)</b>
<b>Total Pension Liability (TPL) - (beginning of year)</b>	<b>3,720,263</b>
<b>Total Pension Liability (TPL) - (end of year)</b>	<b>\$ 3,414,437</b>
<b>B. <u>System Fiduciary Net Position</u></b>	
Contributions - City	\$ 11,909
Contributions - State	77,569
Contributions - Member	0
Net Investment Income	503,627
Benefit Payments	(231,868)
Contribution Refunds	0
Administrative Expenses	(62,323)
Other	1,657
<b>Net Change in System Fiduciary Net Position</b>	<b>\$ 300,571</b>
<b>System Fiduciary Net Position - (beginning of year)</b>	<b>4,007,139</b>
<b>System Fiduciary Net Position - (end of year)</b>	<b>\$ 4,307,710</b>
<b>C. <u>Net Pension Liability (NPL) - (end of year): (A) - (B)</u></b>	<b>\$ (893,273)</b>
Valuation Date	October 1, 2022

**Certain Key Assumptions**

Investment Return Assumption 6.0%

**Mortality Table:**

For healthy participants during employment, PUB-2010 Headcount Weighted Safety Employee Female Mortality Table and Safety Below Median Employee Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For healthy participants post employment, PUB-2010 Headcount Weighted Safety Healthy Retiree Female Mortality Table and Safety Below Median Healthy Retiree Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For disabled participants, 80% PUB-2010 Headcount Weighted General Disabled Retiree Mortality Table / 20% PUB-2010 Headcount Weighted Safety Disabled Retiree Mortality Table, separate rates for males and females, without projected mortality improvements.



**Net Pension Liability**  
Using Assumptions Required Under 112.664(1)(b), F.S.

Measurement Date	September 30, 2023
<b>A. <u>Total Pension Liability (TPL)</u></b>	
Service Cost	\$ 0
Interest	173,495
Benefit Changes	0
Difference Between Actual and Expected Experience	(336,577)
Assumption Changes	0
Benefit Payments	(231,868)
Contribution Refunds	0
Other	0
<b>Net Change in Total Pension Liability</b>	<b>\$ (394,950)</b>
<b>Total Pension Liability (TPL) - (beginning of year)</b>	<b>4,791,393</b>
<b>Total Pension Liability (TPL) - (end of year)</b>	<b>\$ 4,396,443</b>
<b>B. <u>System Fiduciary Net Position</u></b>	
Contributions - City	\$ 11,909
Contributions - State	77,569
Contributions - Member	0
Net Investment Income	503,627
Benefit Payments	(231,868)
Contribution Refunds	0
Administrative Expenses	(62,323)
Other	1,657
<b>Net Change in System Fiduciary Net Position</b>	<b>\$ 300,571</b>
<b>System Fiduciary Net Position - (beginning of year)</b>	<b>4,007,139</b>
<b>System Fiduciary Net Position - (end of year)</b>	<b>\$ 4,307,710</b>
<b>C. <u>Net Pension Liability (NPL) - (end of year): (A) - (B)</u></b>	<b>\$ 88,733</b>
Valuation Date	October 1, 2022

**Certain Key Assumptions**

Investment Return Assumption 4.0%

**Mortality Table:**

For healthy participants during employment, PUB-2010 Headcount Weighted Safety Employee Female Mortality Table and Safety Below Median Employee Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For healthy participants post employment, PUB-2010 Headcount Weighted Safety Healthy Retiree Female Mortality Table and Safety Below Median Healthy Retiree Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For disabled participants, 80% PUB-2010 Headcount Weighted General Disabled Retiree Mortality Table / 20% PUB-2010 Headcount Weighted Safety Disabled Retiree Mortality Table, separate rates for males and females, without projected mortality improvements.



**Net Pension Liability**  
Using Assumptions Required Under 112.664(1)(a), F.S. Plus 2% on Investment Return Assumption

Measurement Date	September 30, 2023
<b>A. <u>Total Pension Liability (TPL)</u></b>	
Service Cost	\$ 0
Interest	213,039
Benefit Changes	0
Difference Between Actual and Expected Experience	(221,953)
Assumption Changes	0
Benefit Payments	(231,868)
Contribution Refunds	0
Other	0
<b>Net Change in Total Pension Liability</b>	<b>\$ (240,782)</b>
<b>Total Pension Liability (TPL) - (beginning of year)</b>	<b>3,002,373</b>
<b>Total Pension Liability (TPL) - (end of year)</b>	<b>\$ 2,761,591</b>
<b>B. <u>System Fiduciary Net Position</u></b>	
Contributions - City	\$ 11,909
Contributions - State	77,569
Contributions - Member	0
Net Investment Income	503,627
Benefit Payments	(231,868)
Contribution Refunds	0
Administrative Expenses	(62,323)
Other	1,657
<b>Net Change in System Fiduciary Net Position</b>	<b>\$ 300,571</b>
<b>System Fiduciary Net Position - (beginning of year)</b>	<b>4,007,139</b>
<b>System Fiduciary Net Position - (end of year)</b>	<b>\$ 4,307,710</b>
<b>C. <u>Net Pension Liability (NPL) - (end of year): (A) - (B)</u></b>	<b>\$ (1,546,119)</b>
Valuation Date	October 1, 2022

**Certain Key Assumptions**

Investment Return Assumption 8.0%

**Mortality Table:**

For healthy participants during employment, PUB-2010 Headcount Weighted Safety Employee Female Mortality Table and Safety Below Median Employee Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For healthy participants post employment, PUB-2010 Headcount Weighted Safety Healthy Retiree Female Mortality Table and Safety Below Median Healthy Retiree Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For disabled participants, 80% PUB-2010 Headcount Weighted General Disabled Retiree Mortality Table / 20% PUB-2010 Headcount Weighted Safety Disabled Retiree Mortality Table, separate rates for males and females, without projected mortality improvements.



**Asset and Benefit Payment Projection**  
**Not Reflecting Any Future Contributions**  
Using Financial Reporting Assumptions per GASB Statements No. 67 and No. 68  
and Using Assumptions Required Under 112.664(1)(a), F.S.

<b>FYE</b>	<b>Market Value of Assets (BOY)</b>	<b>Expected Investment Return</b>	<b>Projected Benefit Payments</b>	<b>Market Value of Assets (EOY)</b>
2024	\$ 3,513,605	\$ 202,845	\$ 247,479	\$ 3,468,971
2025	3,468,971	200,245	245,042	3,424,174
2026	3,424,174	197,655	242,015	3,379,814
2027	3,379,814	195,110	238,379	3,336,545
2028	3,336,545	192,651	234,149	3,295,047
2029	3,295,047	190,315	229,363	3,255,999
2030	3,255,999	188,142	224,081	3,220,060
2031	3,220,060	186,170	218,375	3,187,855
2032	3,187,855	184,432	212,323	3,159,964
2033	3,159,964	182,388	223,829	3,118,523
2034	3,118,523	179,658	231,399	3,066,782
2035	3,066,782	176,042	247,268	2,995,556
2036	2,995,556	171,217	264,402	2,902,371
2037	2,902,371	165,824	258,255	2,809,940
2038	2,809,940	160,471	252,269	2,718,142
2039	2,718,142	155,150	246,469	2,626,823
2040	2,626,823	149,851	240,867	2,535,807
2041	2,535,807	144,564	235,470	2,444,901
2042	2,444,901	139,276	230,285	2,353,892
2043	2,353,892	134,021	223,911	2,264,002
2044	2,264,002	128,825	217,787	2,175,040
2045	2,175,040	123,702	211,125	2,087,617
2046	2,087,617	118,682	204,131	2,002,168
2047	2,002,168	113,724	198,887	1,917,005
2048	1,917,005	108,782	193,682	1,832,105
2049	1,832,105	103,855	188,482	1,747,478
2050	1,747,478	98,946	183,254	1,663,170
2051	1,663,170	94,058	177,965	1,579,263
2052	1,579,263	89,197	172,585	1,495,875
2053	1,495,875	84,370	167,089	1,413,156

Number of years for which current market value of assets are adequate to sustain the payment of expected retirement benefits reflecting no contributions from the City, Members or State: 60.58

**Certain Key Assumptions**

Investment return assumption 6.0%

**Mortality Table:**

For healthy participants during employment, PUB-2010 Headcount Weighted Safety Employee Female Mortality Table and Safety Below Median Employee Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For healthy participants post employment, PUB-2010 Headcount Weighted Safety Healthy Retiree Female Mortality Table and Safety Below Median Healthy Retiree Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For disabled participants, 80% PUB-2010 Headcount Weighted General Disabled Retiree Mortality Table / 20% PUB-2010 Headcount Weighted Safety Disabled Retiree Mortality Table, separate rates for males and females, without projected mortality improvements.

**Note: As required in Section 112.664(c) of the Florida Statutes, the projection of System assets does not include contributions from the City, Member or State. For this reason, this projection should not be viewed as representative of the amount of time the System can sustain benefit payments. Under the Government Accounting Standards Board standards which include City, Member and State contributions, the System is expected to be able to pay all future benefit payments.**



**Asset and Benefit Payment Projection**  
**Not Reflecting Any Future Contributions**  
Using Assumptions Required Under 112.664(1)(b), F.S.

<b>FYE</b>	<b>Market Value of Assets (BOY)</b>	<b>Expected Investment Return</b>	<b>Projected Benefit Payments</b>	<b>Market Value of Assets (EOY)</b>
2024	\$ 3,513,605	\$ 135,214	\$ 247,479	\$ 3,401,340
2025	3,401,340	130,776	245,042	3,287,074
2026	3,287,074	126,271	242,015	3,171,330
2027	3,171,330	121,719	238,379	3,054,670
2028	3,054,670	117,144	234,149	2,937,665
2029	2,937,665	112,567	229,363	2,820,869
2030	2,820,869	108,009	224,081	2,704,797
2031	2,704,797	103,489	218,375	2,589,911
2032	2,589,911	99,024	212,323	2,476,612
2033	2,476,612	94,244	223,829	2,347,027
2034	2,347,027	88,897	231,399	2,204,525
2035	2,204,525	82,856	247,268	2,040,113
2036	2,040,113	75,910	264,402	1,851,621
2037	1,851,621	68,503	258,255	1,661,869
2038	1,661,869	61,042	252,269	1,470,642
2039	1,470,642	53,518	246,469	1,277,691
2040	1,277,691	45,920	240,867	1,082,744
2041	1,082,744	38,238	235,470	885,512
2042	885,512	30,461	230,285	685,688
2043	685,688	22,605	223,911	484,382
2044	484,382	14,685	217,787	281,280
2045	281,280	6,704	211,125	76,859
2046	76,859	453	204,131	-
2047	-	-	198,887	-
2048	-	-	193,682	-
2049	-	-	188,482	-
2050	-	-	183,254	-
2051	-	-	177,965	-
2052	-	-	172,585	-
2053	-	-	167,089	-

Number of years for which current market value of assets are adequate to sustain the payment of expected retirement benefits reflecting no contributions from the City, Members or State: 22.33

**Certain Key Assumptions**

Investment return assumption 4.0%

**Mortality Table:**

For healthy participants during employment, PUB-2010 Headcount Weighted Safety Employee Female Mortality Table and Safety Below Median Employee Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For healthy participants post employment, PUB-2010 Headcount Weighted Safety Healthy Retiree Female Mortality Table and Safety Below Median Healthy Retiree Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For disabled participants, 80% PUB-2010 Headcount Weighted General Disabled Retiree Mortality Table / 20% PUB-2010 Headcount Weighted Safety Disabled Retiree Mortality Table, separate rates for males and females, without projected mortality improvements.

**Note: As required in Section 112.664(c) of the Florida Statutes, the projection of System assets does not include contributions from the City, Member or State. For this reason, this projection should not be viewed as representative of the amount of time the System can sustain benefit payments. Under the Government Accounting Standards Board standards which include City, Member and State contributions, the System is expected to be able to pay all future benefit payments.**



**Asset and Benefit Payment Projection**  
**Not Reflecting Any Future Contributions**  
Using Assumptions Required Under 112.664(1)(a), F.S. Plus 2% on Investment Return Assumption

FYE	Market Value of Assets (BOY)	Expected Investment Return	Projected Benefit Payments	Market Value of Assets (EOY)
2024	\$ 3,513,605	\$ 270,490	\$ 247,479	\$ 3,536,616
2025	3,536,616	272,436	245,042	3,564,010
2026	3,564,010	274,757	242,015	3,596,752
2027	3,596,752	277,532	238,379	3,635,905
2028	3,635,905	280,845	234,149	3,682,601
2029	3,682,601	284,786	229,363	3,738,024
2030	3,738,024	289,446	224,081	3,803,389
2031	3,803,389	294,919	218,375	3,879,933
2032	3,879,933	301,302	212,323	3,968,912
2033	3,968,912	307,928	223,829	4,053,011
2034	4,053,011	314,331	231,399	4,135,943
2035	4,135,943	320,286	247,268	4,208,961
2036	4,208,961	325,394	264,402	4,269,953
2037	4,269,953	330,537	258,255	4,342,235
2038	4,342,235	336,576	252,269	4,426,542
2039	4,426,542	343,569	246,469	4,523,642
2040	4,523,642	351,577	240,867	4,634,352
2041	4,634,352	360,664	235,470	4,759,546
2042	4,759,546	370,902	230,285	4,900,163
2043	4,900,163	382,424	223,911	5,058,676
2044	5,058,676	395,368	217,787	5,236,257
2045	5,236,257	409,859	211,125	5,434,991
2046	5,434,991	426,058	204,131	5,656,918
2047	5,656,918	444,036	198,887	5,902,067
2048	5,902,067	463,871	193,682	6,172,256
2049	6,172,256	485,709	188,482	6,469,483
2050	6,469,483	509,711	183,254	6,795,940
2051	6,795,940	536,054	177,965	7,154,029
2052	7,154,029	564,932	172,585	7,546,376
2053	7,546,376	596,555	167,089	7,975,842

Number of years for which current market value of assets are adequate to sustain the payment of expected retirement benefits reflecting no contributions from the City, Members or State: 99.99

**Certain Key Assumptions**

Investment return assumption 8.0%

**Mortality Table:**

For healthy participants during employment, PUB-2010 Headcount Weighted Safety Employee Female Mortality Table and Safety Below Median Employee Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For healthy participants post employment, PUB-2010 Headcount Weighted Safety Healthy Retiree Female Mortality Table and Safety Below Median Healthy Retiree Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For disabled participants, 80% PUB-2010 Headcount Weighted General Disabled Retiree Mortality Table / 20% PUB-2010 Headcount Weighted Safety Disabled Retiree Mortality Table, separate rates for males and females, without projected mortality improvements.

**Note: As required in Section 112.664(c) of the Florida Statutes, the projection of System assets does not include contributions from the City, Member or State. For this reason, this projection should not be viewed as representative of the amount of time the System can sustain benefit payments. Under the Government Accounting Standards Board standards which include City, Member and State contributions, the System is expected to be able to pay all future benefit payments.**



**ACTUARIALLY DETERMINED CONTRIBUTION**

	Valuation Assumptions and 112.664(1)(a), F.S. Assumptions	112.664(1)(b), F.S. Assumptions	112.664(1)(a), F.S. Assumptions Plus 2% on Investment Return Assumption
A. Valuation Date	October 1, 2023	October 1, 2023	October 1, 2023
B. Actuarial Determined Contribution to Be Paid During Fiscal Year Ending	September 30, 2025	September 30, 2025	September 30, 2025
C. Annual Payroll of Active Employees	\$ 0	\$ 0	\$ 0
D. Total Minimum Funding Requirement			
1. Total Normal Cost	\$ 62,325	\$ 62,325	\$ 62,325
2. Annual Payment to Amortize Unfunded Actuarial Liability	0	119,817	(92,039)
3. Interest Adjustment	5,609	10,929	(3,566)
4. Total Minimum Funding Requirement (1. + 2. + 3., not less than 1.)	\$ 67,934	\$ 193,071	\$ 62,325
E. Expected Payroll of Active Employees for Following Plan Year (\$ / % of pay) (C x 1.000)	\$ 0 0.00%	\$ 0 0.00%	\$ 0 0.00%
F. Expected Contribution Sources (\$ / % of pay)			
1. City / State	\$ 67,934 0.00%	\$ 193,071 0.00%	\$ 62,325 0.00%
2. Member	0 0.00%	0 0.00%	0 0.00%
3. Total	\$ 67,934 0.00%	\$ 193,071 0.00%	\$ 62,325 0.00%

Unfunded Actuarial Accrued Liability Bases and Amortization Payments

<u>Amortization Base</u>	<u>Current Unfunded Liabilities</u>	<u>Amortization Payment</u>			<u>Remaining Funding Period</u>
		<u>Valuation and 112.664(1)(a), F.S. Assumptions</u>	<u>112.664(1)(b), F.S. Assumptions</u>	<u>112.664(1)(a), F.S. Assumptions Plus 2%</u>	
10/01/2023 Unfunded Actuarial Accrued Liability	\$ 0	\$ 0	\$ 0	\$ 0	10 years
10/01/2023 Assumption Change - 112.664(1)(b), F.S. Assumptions	1,010,695	N/A	119,817	N/A	10 years
10/01/2023 Assumption Change - 112.664(1)(a), F.S. Assumptions Plus 2%	(666,998)	N/A	N/A	(92,039)	10 years



## SECTION B

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### SUMMARY OF SYSTEM PROVISIONS

Outline of Principal Provisions of the Retirement System  
as of October 1, 2023

A. Effective Date:

January 1, 1972. Most recently amended by the Interlocal Agreement between Okeechobee County and the City of Okeechobee for Fire Services dated December 1, 2020 and Ordinance No. 1229 adopted August 3, 2021 and Ordinance No. 1286 adopted March 5, 2024.

B. Eligibility:

All actively employed full time Firefighters who elect to remain members of the System following the merger with the County are eligible on date of employment. After August 2, 2021 the System is closed to new or reemployed members.

C. Contributions:

Employee:	5.0% of Salary.
State:	Premium Tax Revenue.
City:	Balance required to maintain System on sound actuarial basis.

D. Credited Service:

Service is measured as the total number of years and fractional part of years of continuous service as a Member. No service is credited for any periods of employment for which the Member received a refund of Employee Contributions. [System is being administered and valued based upon total number of years and completed months of service as a Member].

E. Salary:

Basic compensation including tax deferred, tax sheltered and tax exempt income which would otherwise be included in base income, derived from elective employee payroll deductions or salary reductions.

F. Average Final Compensation:

Average Final Compensation (AFC) is determined by the average basic salary over the highest 5 years of the last 10.

G. Normal Retirement:

1. Eligibility:

Earlier of:

- (a) Attainment of age 55 with completion of 10 years of Credited Service.
- (b) Completion of 25 years of Credited Service.

2. Benefit:

3.0% times AFC times Credited Service.



Outline of Principal Provisions of the Retirement System  
as of October 1, 2023

H. Early Retirement:

1. Eligibility:

Attainment of age 50 with completion of 10 years of Credited Service.

2. Benefit:

Benefit accrued to date of retirement, reduced by 3% for each year early retirement date precedes age 55.

I. Delayed Retirement:

Computed the same as set forth under Normal Retirement, based upon AFC and Credited Service as of delayed retirement date.

J. Disability Retirement:

1. Service Incurred:

Accrued benefit, but not less than 42% of AFC.

2. Non-Service Incurred:

a. Eligibility: 5 or more years of Credited Service; totally and permanently disabled.

b. Benefit: The greatest of:  
(i) Accrued benefit  
(ii) 2% of AFC times Credited Service  
(iii) 25% of AFC

K. Pre-Retirement Death Benefit:

a. Not Vested: Refund of accumulated contributions.

b. Vested but Not Eligible for Early or Normal Retirement: Greater of (a) 50% of the present value of vested accrued benefit or (b) refund of accumulated contributions.

c. Eligible for Early or Normal Retirement: Greater of (a) accrued benefit, determined as though the deceased had retired immediately preceding date of death and elected the 10 year certain and life form of payment or (b) 50% of present value of vested accrued benefit.

In the event a vested Member's spouse is the sole beneficiary, the beneficiary shall be entitled to the accrued normal or early retirement benefit payable at the deceased Member's early or normal retirement age less the value of any benefits paid above.



Outline of Principal Provisions of the Retirement System  
as of October 1, 2023

L. Termination Benefits:

1. Eligibility:

100% vesting upon the completion of 10 years of credited service. Employees who have not completed 10 years of credited service at date of termination of employment shall only be entitled to the return of their accumulated contributions with 3.0% interest.

2. Benefit:

Accrued benefit based upon credited service and AFC as of date of termination, payable at age 55.

M. Normal Form of Retirement Income:

Monthly benefit payable for ten (10) years certain and life thereafter.

N. Optional Forms of Retirement Income:

In lieu of electing the normal form of payment, the optional forms of payment available are the Single Life Annuity option and the 50%, 66 2/3%, 75% and 100% Joint and Contingent options. A Social Security option is available for Members retiring prior to being eligible for Social Security retirement benefits. A 20% Partial Lump Sum is available for Members who do not participate in the DROP.

O. Deferred Retirement Option Program (DROP)

1. Eligibility:

Member must be eligible for Normal Retirement.

2. Benefit:

Retirement benefits are transferred to a hypothetical DROP account within the pension fund. Interest is credited or debited based upon either the quarterly rate of return earned by the Fund or a monthly 6.5% fixed rate of return, as elected by the Member. Members may elect to change their interest crediting election once during the DROP period. The period of participation in the DROP is limited to no more than 60 months. The benefit is paid as a lump sum upon actual termination of employment.

Outline of Principal Provisions of the Retirement System  
as of October 1, 2023

P. Cost of Living Adjustment (COLA)

Beginning October 1, 1999 and October 1 of every odd-numbered year thereafter, monthly benefits of all retirees (service, disability, DROP), beneficiaries and vested terminated participants who have been in the DROP or in pay status for at least one year on the adjustment date will be increased by 0.5%.

Q. Firefighter Reserve and Medical Stipend

A reserve account will be established to pay a medical stipend to retired Firefighters. The initial and subsequent amount of the reserve will be a dollar amount to bring the funded ratio for Firefighter assets and liabilities to 100% based on current actuarial assumptions. In subsequent years, if the Funded Ratio falls below 95% the Board will transfer the dollar amount from the reserve to increase the funded ratio to 95%. Retired Firefighters who are receiving pension benefit payments (excluding members in early retirement) will receive a medical stipend based on the retiree's years of Credited Service, as follows:

<u>Years of Credited Service</u>	<u>Monthly Stipend</u>
$x \geq 20.0$	\$1,000
$17.5 \leq x < 20.0$	\$850
$15.0 \leq x < 17.5$	\$700
$12.5 \leq x < 15.0$	\$550
$10.0 \leq x < 12.5$	\$400

The Board will adjust the Monthly Stipend pro-rata based on the balance remaining in the Reserve as of October 1st each Plan Year, if the Reserve does not have enough funds to pay the full stipend.

If there are no funds in the Reserve, no Stipend shall be paid. If no retired Firefighter members remain, the Reserve shall be returned to the Retirement System.

R. Changes Since Previous Actuarial Valuation (included in prior Actuarial Impact Statement)

There was no Firefighter Reserve and Medical Stipend.

## SECTION C

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### **ACTUARIAL ASSUMPTIONS AND COST METHODS USED FOR FUNDING**

**Actuarial Assumptions and Actuarial Cost Methods**  
**Used in the Valuation as of October 1, 2023**

**A. Mortality**

For healthy participants during employment, PUB-2010 Headcount Weighted Safety Employee Female Mortality Table and Safety Below Median Employee Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018.

For healthy participants post employment, PUB-2010 Headcount Weighted Safety Healthy Retiree Female Mortality Table and Safety Below Median Healthy Retiree Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018.

For disabled participants, 80% PUB-2010 Headcount Weighted General Disabled Retiree Mortality Table / 20% PUB-2010 Headcount Weighted Safety Disabled Retiree Mortality Table, separate rates for males and females, without projected mortality improvements.

Sample Ages (2023)	Pre-retirement Future Life Expectancy (Years)		Post-retirement Future Life Expectancy (Years)	
	Men	Women	Men	Women
55	30.70	34.54	27.87	31.44
60	25.74	29.47	23.27	26.64
62	23.80	27.46	21.53	24.79

  

Sample Ages (2043)	Pre-retirement Future Life Expectancy (Years)		Post-retirement Future Life Expectancy (Years)	
	Men	Women	Men	Women
55	32.33	36.03	29.77	33.27
60	27.31	30.92	25.06	28.39
62	25.35	28.88	23.27	26.50

**B. Interest to be Earned by Fund**

6.0% (net of investment expenses), compounded annually - includes inflation at 2.5%.

**C. Allowances for Expenses or Contingencies**

Actual administrative expenses incurred during the prior System year.

Actuarial Assumptions and Actuarial Cost Methods  
Used in the Valuation as of October 1, 2023

D. Cost Methods

Normal Retirement, Termination, Disability, and Death Benefits: Entry Age Normal

Under this method the normal cost for each active employee is the amount which is calculated to be a level percentage of pay that would be required annually from his entry age to his assumed retirement age to fund his estimated benefits, assuming the System had always been in effect. The normal cost for the System is the sum of such amounts for all employees. The actuarial accrued liability as of any valuation date for each active employee or inactive employee who is eligible to receive benefits under the System is the excess of the actuarial present value of estimated future benefits over the actuarial present value of current and future normal costs. The unfunded actuarial accrued liability as of any valuation date is the excess of the actuarial accrued liability over the assets of the System.

E. Amortization of the Unfunded Actuarial Accrued Liability

The Unfunded Actuarial Accrued Liability (UAAL) is being amortized as a level dollar amount over the number of years remaining in the amortization period. However, a 10-year rolling amortization period is being used as long as the UAAL is negative.

F. Asset Valuation Method

Market value.

G. Disclosure of Assumptions

The investment return, salary increases, withdrawal and retirement rates were set based upon System expected experience. The mortality rates are based upon the July 1, 2023 FRS Actuarial Valuation, as required under F.S., Chapter 2015-157.

H. Changes Since Previous Actuarial Valuation (included in prior Actuarial Impact Statement)

Asset Valuation Method was:

The method used for determining the smoothed value of assets phases in the deviation between the expected and actual return on assets at the rate of 25% per year. The smoothed value of assets will be further adjusted to the extent necessary to fall within the corridor whose lower limit is 80% of the fair market value of System assets and whose upper limit is 120% of the fair market value of System assets.



## SECTION D

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### GLOSSARY

## GLOSSARY

<b><i>Actuarial Accrued Liability</i></b>	The difference between the Actuarial Present Value of Future Benefits, and the Actuarial Present Value of Future Normal Costs.
<b><i>Actuarial Assumptions</i></b>	Assumptions about future plan experience that affect costs or liabilities, such as: mortality, withdrawal, disablement, and retirement; future increases in salary; future rates of investment earnings; future investment and administrative expenses; characteristics of members not specified in the data, such as marital status; characteristics of future members; future elections made by members and other items.
<b><i>Actuarial Cost Method</i></b>	A procedure for allocating the Actuarial Present Value of Future Benefits between the Actuarial Present Value of Future Normal Costs and the Actuarial Accrued Liability.
<b><i>Actuarial Equivalent</i></b>	Of equal Actuarial Present Value, determined as of a given date and based on a given set of Actuarial Assumptions.
<b><i>Actuarial Present Value</i></b>	The amount of funds required to provide a payment or series of payments in the future. It is determined by discounting the future payments with an assumed interest rate and with the assumed probability each payment will be made.
<b><i>Actuarial Present Value of Future Benefits</i></b>	The Actuarial Present Value of amounts which are expected to be paid at various future times to active members, retired members, beneficiaries receiving benefits and inactive, non-retired members entitled to either a refund or a future retirement benefit. Expressed another way, it is the value that would have to be invested on the valuation date so that the amount invested plus investment earnings would provide sufficient assets to pay all projected benefits and expenses when due.
<b><i>Actuarial Valuation</i></b>	The determination, as of a valuation date, of the Normal Cost, Actuarial Accrued Liability, Actuarial Value of Assets, and related Actuarial Present Values for a plan. An Actuarial Valuation for a governmental retirement system typically also includes calculations of items needed for compliance with GASB No. 67.
<b><i>Actuarial Value of Assets</i></b>	The value of the assets as of a given date, used by the actuary for valuation purposes. This may be the market or fair value of plan assets or a smoothed value in order to reduce the year-to-year volatility of calculated results, such as the funded ratio and the actuarially required contribution.

<b><i>Amortization Method</i></b>	A method for determining the Amortization Payment. The most common methods used are level dollar and level percentage of payroll. Under the Level Dollar method, the Amortization Payment is one of a stream of payments, all equal, whose Actuarial Present Value is equal to the UAAL. Under the Level Percentage of Pay method, the Amortization Payment is one of a stream of increasing payments, whose Actuarial Present Value is equal to the UAAL. Under the Level Percentage of Pay method, the stream of payments increases at the rate at which total covered payroll of all active members is assumed to increase.
<b><i>Amortization Payment</i></b>	That portion of the plan contribution which is designed to pay interest on and to amortize the Unfunded Actuarial Accrued Liability.
<b><i>Amortization Period</i></b>	The period used in calculating the Amortization Payment.
<b><i>Annual Required Contribution</i></b>	The employer's periodic required contributions, expressed as a dollar amount or a percentage of covered plan compensation. The annual required contribution consists of the Employer Normal Cost and Amortization Payment plus interest adjustment.
<b><i>Closed Amortization Period</i></b>	A specific number of years that is reduced by one each year, and declines to zero with the passage of time. For example if the amortization period is initially set at 30 years, it is 29 years at the end of one year, 28 years at the end of two years, etc.
<b><i>Employer Normal Cost</i></b>	The portion of the Normal Cost to be paid by the employer. This is equal to the Normal Cost less expected member contributions.
<b><i>Equivalent Single Amortization Period</i></b>	For plans that do not establish separate amortization bases (separate components of the UAAL), this is the same as the Amortization Period. For plans that do establish separate amortization bases, this is the period over which the UAAL would be amortized if all amortization bases were combined upon the current UAAL payment.
<b><i>Experience Gain/Loss</i></b>	A measure of the difference between actual experience and that expected based upon a set of Actuarial Assumptions, during the period between two actuarial valuations. To the extent that actual experience differs from that assumed, Unfunded Actuarial Accrued Liabilities emerge which may be larger or smaller than projected. Gains are due to favorable experience, e.g., the assets earn more than projected, salaries do not increase as fast as assumed, members retire later than assumed, etc. Favorable experience means actual results produce actuarial liabilities not as large as projected by the actuarial assumptions. Losses are the result of unfavorable experience, i.e., actual results that produce Unfunded Actuarial Accrued Liabilities which are larger than projected.
<b><i>Funded Ratio</i></b>	The ratio of the Actuarial Value of Assets to the Actuarial Accrued Liability.

<b><i>GASB</i></b>	Governmental Accounting Standards Board.
<b><i>GASB No. 67 and GASB No. 68</i></b>	These are the governmental accounting standards that set the accounting rules for public retirement plans and the employers that sponsor or contribute to them. Statement No. 67 sets the accounting rules for the plans themselves, while Statement No. 68 sets the accounting rules for the employers that sponsor or contribute to public retirement plans.
<b><i>Normal Cost</i></b>	The annual cost assigned, under the Actuarial Cost Method, to the current plan year.
<b><i>Open Amortization Period</i></b>	An open amortization period is one which is used to determine the Amortization Payment but which does not change over time. In other words, if the initial period is set as 30 years, the same 30-year period is used in determining the Amortization Period each year. In theory, if an Open Amortization Period is used to amortize the Unfunded Actuarial Accrued Liability, the UAAL will never completely disappear, but will become smaller each year, either as a dollar amount or in relation to covered payroll.
<b><i>Unfunded Actuarial Accrued Liability</i></b>	The difference between the Actuarial Accrued Liability and Actuarial Value of Assets.
<b><i>Valuation Date</i></b>	The date as of which the Actuarial Present Value of Future Benefits are determined. The benefits expected to be paid in the future are discounted to this date.