

Retirement Plan for the Firefighters Of the City of Oldsmar

Actuarial Valuation
As of October 1, 2023

Determines the Contribution
For the 2023/24 Fiscal Year



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March 5, 2024

Introduction

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

The primary purpose of this report is to provide a summary of the funded status of the plan as of October 1, 2023 and to determine the minimum required contribution under Chapter 112, Florida Statutes, for the 2023/24 plan year. In addition, this report provides a projection of the long-term funding requirements of the plan, statistical information concerning the assets held in the trust, statistical information concerning the participant population, and a summary of any recent plan changes.

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

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

Minimum Required Contribution

Table I-A shows the development of the minimum required contribution for the 2023/24 plan year. The minimum required contribution rate is 71.43% of covered payroll, which represents an increase of 16.32% of payroll from the prior valuation.

The normal cost rate is 68.99%, which is 15.78% of payroll greater than the normal cost rate that was developed in the prior valuation. Table I-C provides a breakdown of the sources of change in the normal cost rate. Significantly, the rate increased by 6.74% of payroll due to investment shortfalls and increased by another 9.04% of payroll due to demographic experience. The market value of assets earned 8.33% during the 2022/23 plan year. However, the actuarial value of assets is equal to the market value adjusted to reflect a five-year phase-in of the unexpected gains and losses. On this



basis, the actuarial value only earned 4.08%, whereas a 6.75% annual investment return was required to maintain a stable contribution rate.

Chapter 112, Florida Statutes, sets forth the rules concerning the minimum required contribution for public pension plans within the state. Essentially, the City must contribute an amount equal to the annual normal cost of the plan plus an adjustment as necessary to reflect interest on any delayed payment of the contribution beyond the valuation date. On this basis, the City's 2023/24 minimum required contribution will be equal to 71.43% multiplied by the total pensionable earnings for the 2023/24 plan year for the active employees who are covered by the plan and reduced by the portion of the Chapter 175/185 contribution that is allowed to be recognized during the 2023/24 plan year.

Based on the current assets, participant data, and actuarial assumptions and methods that are used to value the plan, the present-day value of the total long-term funding requirement is \$11,433,533. As illustrated in Table I-A, current assets are sufficient to cover \$8,957,323 of this amount, the employer's 2023/24 expected contribution will cover \$521,248 of this amount, and future employee contributions are expected to cover \$167,342 of this amount, leaving \$1,787,620 to be covered by future employer funding beyond the 2023/24 plan year. Again, demographic and investment experience that differs from that assumed will either increase or decrease the future employer funding requirement.

Identification and Assessment of Risk

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

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

The most significant risk faced by most defined benefit pension plans is investment risk, i.e. the risk that long-term investment returns will be less than assumed. Other related risks include a risk that, if the investments of the plan decline dramatically over a short period of time (such as occurred with many pension plans in 2008), the plan's assets may not have sufficient time to recover before benefits become due. Even if the assets of the plan grow in accordance with the assumed investment return over time, if benefit payments are expected to be large in the short-term (for example, if the plan provides an actuarial equivalent lump sum payment option and a large number of participants are expected to



become entitled to such a lump sum in the near future), the plan's assets may not be sufficient to support such a high level of benefit payments. We have provided a 10-year projection of the expected benefit payments in Table III-G to help the Trustees in formulating an investment policy that is expected to provide an investment return that meets both the short- and long-term cash flow needs of the pension plan.

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

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

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

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

Contents of the Report

Tables I-D through I-G provide a detailed breakdown of various liability amounts by type of benefit and by participant group. Tables II-A through II-F provide information concerning the assets of the trust fund. Specifically, Table II-A shows the development of the actuarial value of assets, which is equal to the market value of assets adjusted to reflect any advance employer contributions and excess Chapter 175/185 contributions. Tables III-A through III-G provide statistical information concerning the plan's participant population. In particular, Table III-G gives a 10-year projection of the cash that is expected to be required from the trust fund in order to pay benefits to the current group of participants. Finally, Tables IV-A through V-B provide a summary of the actuarial assumptions and methods that are used to value the plan's benefits and of the relevant plan provisions as of October 1, 2023, as well as a summary of the changes that have occurred since the previous valuation report was prepared.



Certification

This actuarial valuation was prepared by me or under my direct supervision and I acknowledge responsibility for the results. To the best of my knowledge, the results are complete and accurate and, in my opinion, the techniques and assumptions used are reasonable and meet the requirements and intent of Chapter 112, Florida Statutes. There is no benefit or expense to be provided by the plan and/or paid from the plan's assets for which liabilities or current costs have not been established or otherwise taken into account in the valuation. All known events or trends which may require a material change in plan costs or required contribution rates have been taken into account in the valuation.

For the firm,

Charles T. Carr

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

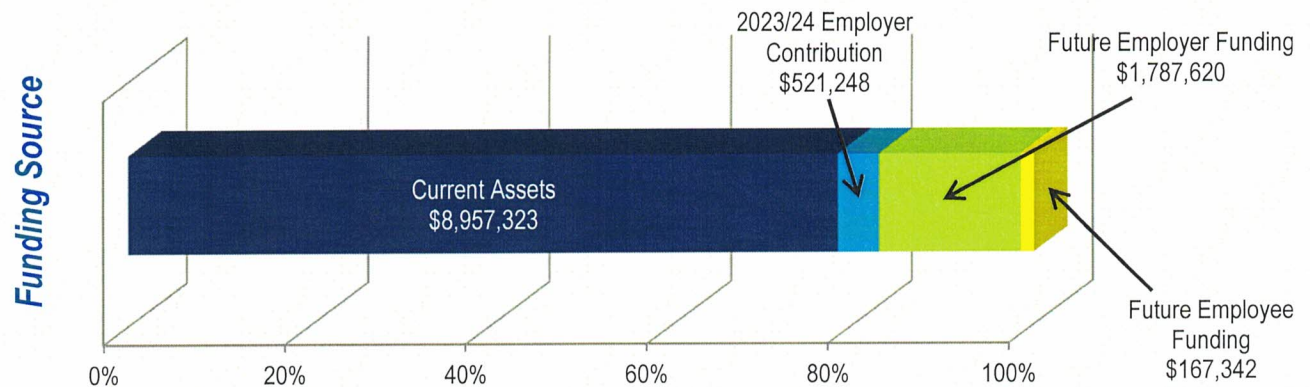
Enrolled Actuary No. 23-04927

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



Minimum Required Contribution

Table I-A



For the 2023/24 Plan Year

Present Value of Future Benefits	\$11,127,526
Present Value of Future Administrative Expenses	\$306,007
Actuarial Value of Assets	(\$8,957,323)
Present Value of Future Employee Contributions	(\$167,342)
Present Value of Future Normal Costs	\$2,308,868
Present Value of Future Payroll	÷ \$3,346,843
Normal Cost Rate	= 68.9864%
Expected Payroll	x \$729,716
Normal Cost	\$503,405
Adjustment to Reflect Monthly Employer Contributions	\$17,843
Preliminary Employer Contribution for the 2023/24 Plan Year	\$521,248
Expected Payroll for the 2023/24 Plan Year	÷ \$729,716

Minimum Required Contribution Rate **71.43%**

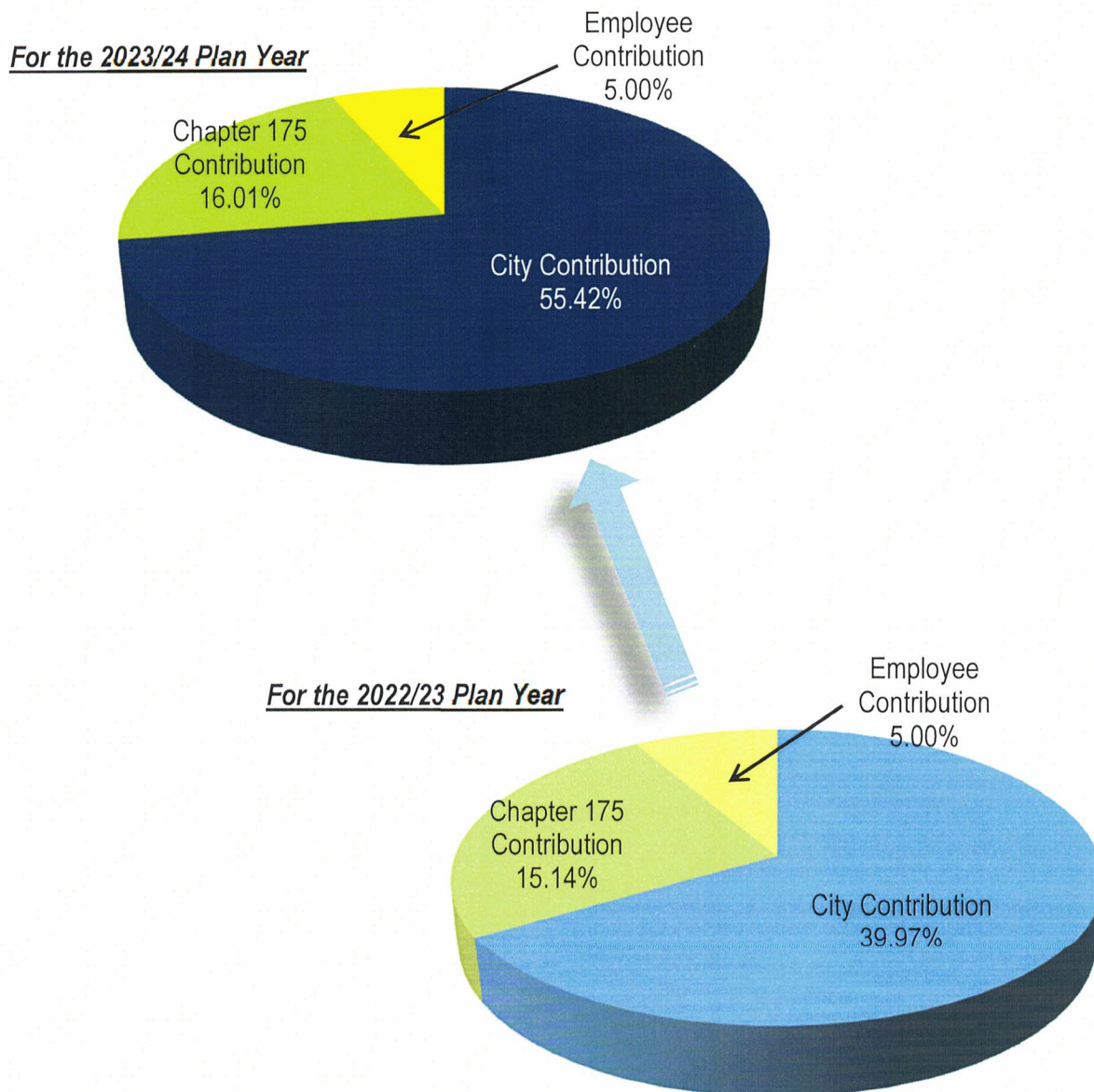
(The actual contribution should be based on the minimum required contribution rate multiplied by the actual payroll for the year.)



Minimum Required Contribution

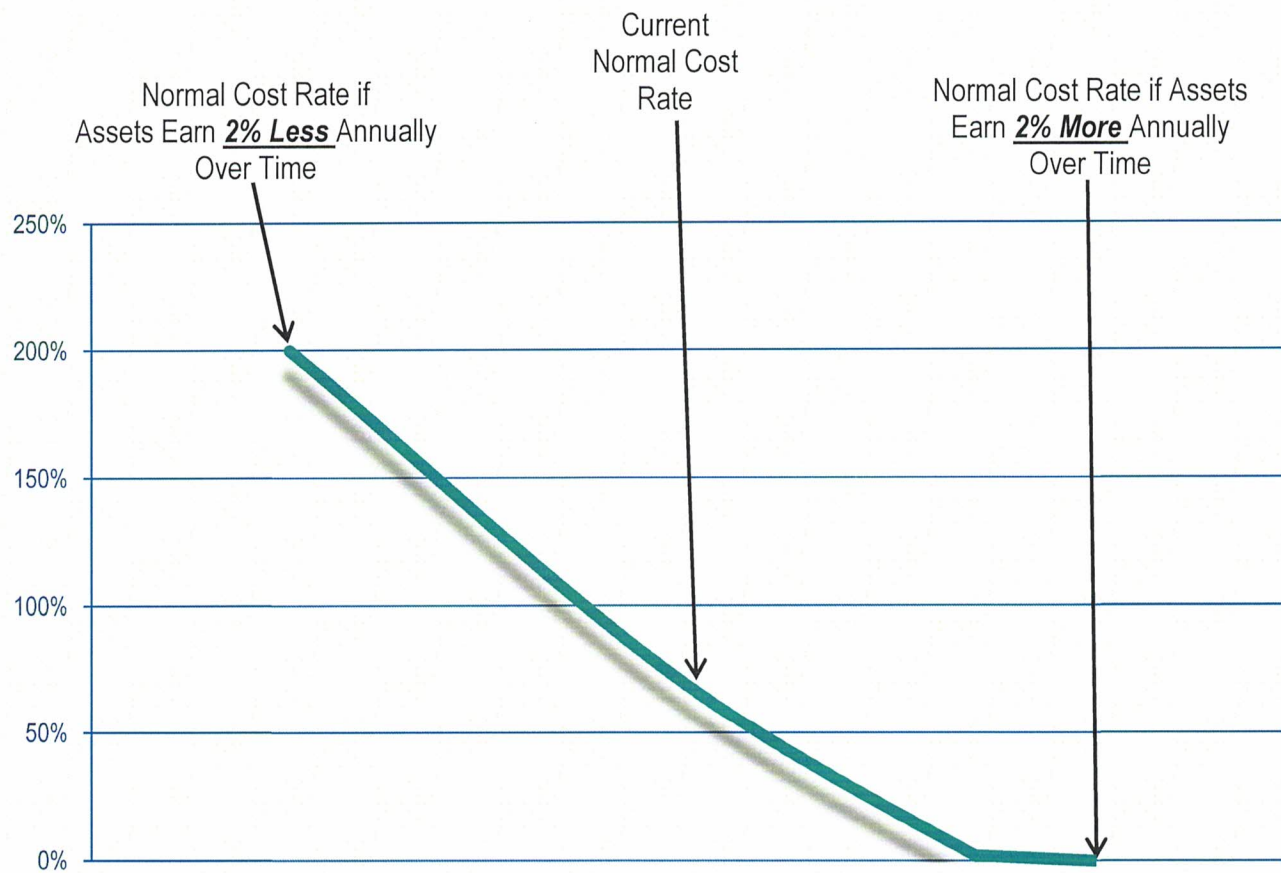
Table I-A
(continued)

The minimum required contribution rate of 71.43% includes both the City contribution and the allowable Chapter 175 contribution. In addition, employees are required to contribute 5.00% of pensionable earnings. The actual City contribution rate is expected to be approximately 55.42% based on the allowable Chapter 175 contribution for the previous year. The chart below shows the expected contribution rate by source for the 2023/24 plan year based on the expected payroll. A comparative chart shows the contribution rate by source for the previous plan year.



Sensitivity Analysis

Table I-B



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



Gain and Loss Analysis

Table I-C

Previous normal cost rate	53.21%
Increase (decrease) due to investment gains and losses	6.74%
Increase (decrease) due to demographic experience	9.04%
Increase (decrease) due to plan amendments	0.00%
Increase (decrease) due to actuarial assumption changes	0.00%
Increase (decrease) due to actuarial method changes	0.00%
Current normal cost rate	<u>68.99%</u>



Present Value of Future Benefits

Table I-D

	Old Assumptions <u>w/o Amendment</u>	Old Assumptions <u>w/ Amendment</u>	New Assumptions <u>w/ Amendment</u>
<u>Actively Employed Participants</u>			
Retirement benefits	\$9,027,693	\$9,027,693	\$9,027,693
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	\$9,027,693	\$9,027,693	\$9,027,693
<u>Deferred Vested Participants</u>			
Retirement benefits	\$240,077	\$240,077	\$240,077
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	\$240,077	\$240,077	\$240,077
<u>Due a Refund of Contributions</u>	\$14,091	\$14,091	\$14,091
<u>Deferred Beneficiaries</u>	\$0	\$0	\$0
<u>Retired Participants</u>			
Service retirements	\$534,829	\$534,829	\$534,829
Disability retirements	\$1,042,843	\$1,042,843	\$1,042,843
Beneficiaries receiving	\$267,993	\$267,993	\$267,993
DROP participants	\$0	\$0	\$0
Sub-total	\$1,845,665	\$1,845,665	\$1,845,665
<u>Grand Total</u>	<u>\$11,127,526</u>	<u>\$11,127,526</u>	<u>\$11,127,526</u>
Present Value of Future Payroll	\$3,346,843	\$3,346,843	\$3,346,843
Present Value of Future Employee Contribs.	\$167,342	\$167,342	\$167,342
Present Value of Future Employer Contribs.	\$2,308,868	\$2,308,868	\$2,308,868



Present Value of Accrued Benefits

Table I-E

	Old Assumptions <u>w/o Amendment</u>	Old Assumptions <u>w/ Amendment</u>	New Assumptions <u>w/ Amendment</u>
<u>Actively Employed Participants</u>			
Retirement benefits	\$6,129,693	\$6,129,693	\$6,129,693
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	\$6,129,693	\$6,129,693	\$6,129,693
<u>Deferred Vested Participants</u>			
Retirement benefits	\$240,077	\$240,077	\$240,077
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	\$240,077	\$240,077	\$240,077
<u>Due a Refund of Contributions</u>	\$14,091	\$14,091	\$14,091
<u>Deferred Beneficiaries</u>	\$0	\$0	\$0
<u>Retired Participants</u>			
Service retirements	\$534,829	\$534,829	\$534,829
Disability retirements	\$1,042,843	\$1,042,843	\$1,042,843
Beneficiaries receiving	\$267,993	\$267,993	\$267,993
DROP participants	\$0	\$0	\$0
Sub-total	\$1,845,665	\$1,845,665	\$1,845,665
<u>Grand Total</u>	<u>\$8,229,526</u>	<u>\$8,229,526</u>	<u>\$8,229,526</u>
<u>Funded Percentage</u>	101.85%	101.85%	101.85%
(Note: Funded percentage is equal to the ratio of the usable portion of the market value of assets divided by the present value of accrued benefits.)			



Present Value of Vested Benefits

Table I-F

	Old Assumptions <u>w/o Amendment</u>	Old Assumptions <u>w/ Amendment</u>	New Assumptions <u>w/ Amendment</u>
<u>Actively Employed Participants</u>			
Retirement benefits	\$6,129,693	\$6,129,693	\$6,129,693
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	\$6,129,693	\$6,129,693	\$6,129,693
<u>Deferred Vested Participants</u>			
Retirement benefits	\$240,077	\$240,077	\$240,077
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	\$240,077	\$240,077	\$240,077
<u>Due a Refund of Contributions</u>	\$14,091	\$14,091	\$14,091
<u>Deferred Beneficiaries</u>	\$0	\$0	\$0
<u>Retired Participants</u>			
Service retirements	\$534,829	\$534,829	\$534,829
Disability retirements	\$1,042,843	\$1,042,843	\$1,042,843
Beneficiaries receiving	\$267,993	\$267,993	\$267,993
DROP participants	\$0	\$0	\$0
Sub-total	\$1,845,665	\$1,845,665	\$1,845,665
<u>Grand Total</u>	<u>\$8,229,526</u>	<u>\$8,229,526</u>	<u>\$8,229,526</u>



Entry Age Normal Accrued Liability

Table I-G

	Old Assumptions <u>w/o Amendment</u>	Old Assumptions <u>w/ Amendment</u>	New Assumptions <u>w/ Amendment</u>
<u>Actively Employed Participants</u>			
Retirement benefits	\$7,658,805	\$7,658,805	\$7,658,805
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	\$7,658,805	\$7,658,805	\$7,658,805
<u>Deferred Vested Participants</u>			
Retirement benefits	\$240,077	\$240,077	\$240,077
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	\$240,077	\$240,077	\$240,077
<u>Due a Refund of Contributions</u>	\$14,091	\$14,091	\$14,091
<u>Deferred Beneficiaries</u>	\$0	\$0	\$0
<u>Retired Participants</u>			
Service retirements	\$534,829	\$534,829	\$534,829
Disability retirements	\$1,042,843	\$1,042,843	\$1,042,843
Beneficiaries receiving	\$267,993	\$267,993	\$267,993
DROP participants	\$0	\$0	\$0
Sub-total	\$1,845,665	\$1,845,665	\$1,845,665
<u>Grand Total</u>	<u>\$9,758,638</u>	<u>\$9,758,638</u>	<u>\$9,758,638</u>



Actuarial Value of Assets

Table II-A

<u>Unexpected Investment Gain (Loss)</u>		<u>Unrecognized Gain (Loss)</u>	
For the 2019/20 plan year	(\$70,332)	x 20%	(\$14,066)
For the 2020/21 plan year	\$912,261	x 40%	\$364,904
For the 2021/22 plan year	(\$1,713,248)	x 60%	(\$1,027,949)
For the 2022/23 plan year	\$120,041	x 80%	\$96,033
			<u>(\$581,078)</u>

Market Value of Assets as of October 1, 2023 \$8,381,694

Minus advance employer contributions (\$5,449)

Minus excess Chapter 175/185 contributions \$0

Adjustment for unrecognized gain or loss as shown above,
but restricted to an amount that keeps the actuarial value
of assets within an 80%-120% corridor of the market value \$581,078

Actuarial Value of Assets as of October 1, 2023 \$8,957,323

Historical Actuarial Value of Assets

October 1, 2014	\$3,880,449
October 1, 2015	\$3,965,362
October 1, 2016	\$4,434,842
October 1, 2017	\$5,244,531
October 1, 2018	\$5,731,241
October 1, 2019	\$6,240,897
October 1, 2020	\$6,854,377
October 1, 2021	\$8,461,994
October 1, 2022	\$8,282,128
October 1, 2023	\$8,957,323

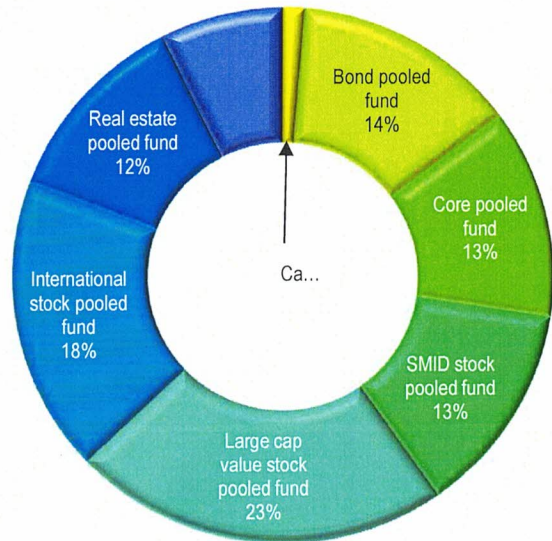


Market Value of Assets

Table II-B

As of October 1, 2023**Market Value of Assets** **\$8,381,694**

Cash	\$127,458
Bond pooled fund	\$1,329,208
Core pooled fund	\$1,238,166
SMID stock pooled fund	\$1,265,479
Large cap value stock pooled fund	\$2,221,416
International stock pooled fund	\$1,757,104
Real estate pooled fund	\$1,165,333
Payable to the share plan	(\$722,470)

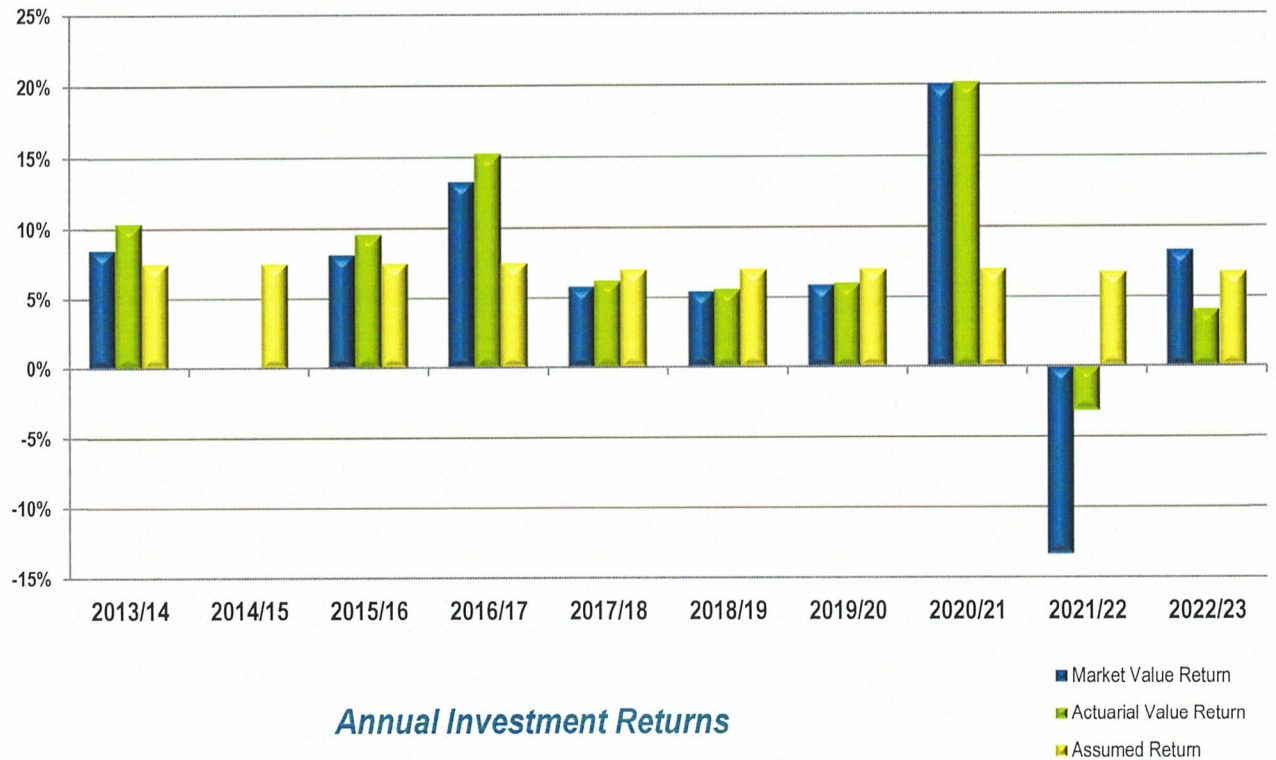
**Historical Market Value of Assets**

October 1, 2014	\$4,635,902
October 1, 2015	\$4,689,517
October 1, 2016	\$5,113,926
October 1, 2017	\$5,873,211
October 1, 2018	\$5,859,921
October 1, 2019	\$6,369,577
October 1, 2020	\$6,936,386
October 1, 2021	\$8,493,797
October 1, 2022	\$7,457,406
October 1, 2023	\$8,381,694



Investment Return

Table II-C

*Annual Investment Returns*

Plan Year	Market Value Return	Actuarial Value Return	Assumed Return
2013/14	8.49%	10.36%	7.50%
2014/15	0.01%	0.01%	7.50%
2015/16	8.15%	9.58%	7.50%
2016/17	13.32%	15.26%	7.50%
2017/18	5.81%	6.23%	7.00%
2018/19	5.47%	5.59%	7.00%
2019/20	5.91%	6.01%	7.00%
2020/21	20.01%	20.17%	7.00%
2021/22	-13.30%	-3.14%	6.75%
2022/23	8.33%	4.08%	6.75%
10yr. Avg.	5.88%	7.22%	7.15%



Asset Reconciliation

Table II-D

	<u>Market Value</u>	<u>Actuarial Value</u>
As of October 1, 2022	\$7,457,406	\$8,282,128
<i>Increases Due To:</i>		
Employer Contributions	\$268,849	\$268,849
Chapter 175/185 Contributions	\$116,798	\$116,798
Employee Contributions	\$38,568	\$38,568
Service Purchase Contributions	\$0	\$0
Total Contributions	<u>\$424,215</u>	<u>\$424,215</u>
Interest and Dividends	\$0	
Realized Gains (Losses)	\$0	
Unrealized Gains (Losses)	<u>\$633,084</u>	
Total Investment Income	\$633,084	\$344,539
Transfer to Share Plan	\$0	
Total Income	<u>\$1,057,299</u>	<u>\$768,754</u>
<i>Decreases Due To:</i>		
Monthly Benefit Payments	(\$87,413)	(\$87,413)
Refund of Employee Contributions	\$0	\$0
Total Benefit Payments	<u>(\$87,413)</u>	<u>(\$87,413)</u>
Investment Expenses	\$0	
Administrative Expenses	(\$45,598)	(\$45,598)
Advance Employer Contribution		\$39,452
Excess Chapter 175/185 Contribution		\$0
Total Expenses	<u>(\$133,011)</u>	<u>(\$93,559)</u>
As of October 1, 2023	<u>\$8,381,694</u>	<u>\$8,957,323</u>



Historical Trust Fund Detail

Table II-E

Income

Plan	Employer	Chapter	Employee	Service		Realized	Unrealized	Transfer
<u>Year</u>	<u>Contribs.</u>	<u>Contribs.</u>	<u>Contribs.</u>	<u>Purchase</u>	<u>Interest /</u>	<u>Gains /</u>	<u>Gains /</u>	<u>to Share</u>
				<u>Contribs.</u>	<u>Dividends</u>	<u>Losses</u>	<u>Losses</u>	<u>Plan</u>
2013/14	\$86,101	\$117,005	\$34,887	\$0	\$0	\$0	\$356,532	\$0
2014/15	\$0	\$112,900	\$29,561	\$0	\$0	\$0	\$251	\$0
2015/16	\$0	\$99,574	\$29,640	\$0	\$0	\$0	\$383,825	\$0
2016/17	\$51,993	\$81,623	\$29,767	\$0	\$0	\$0	\$686,134	\$0
2017/18	\$147,698	\$70,178	\$31,403	\$0	\$0	\$0	\$331,450	-\$500,000
2018/19	\$176,460	\$69,605	\$33,216	\$0	\$0	\$0	\$325,292	\$0
2019/20	\$183,420	\$67,071	\$34,805	\$0	\$0	\$0	\$381,901	\$0
2020/21	\$150,301	\$75,932	\$35,995	\$0	\$0	\$0	\$1,403,117	\$0
2021/22	\$119,275	\$79,645	\$34,335	\$0	\$0	\$0	-\$1,136,590	\$0
2022/23	\$268,849	\$116,798	\$38,568	\$0	\$0	\$0	\$633,084	\$0

Expenses

Plan	Monthly	Contrib.	Admin.	Invest.	<u>Other Actuarial Adjustments</u>	
<u>Year</u>	<u>Benefit</u>	<u>Refunds</u>	<u>Expenses</u>	<u>Expenses</u>	<u>Advance</u>	<u>Excess</u>
	<u>Payments</u>				<u>Employer</u>	<u>Chapter</u>
					<u>Contribs.</u>	<u>Contribs.</u>
2013/14	\$36,885	\$0	\$40,706	\$0	-\$2,520	\$0
2014/15	\$43,486	\$9,048	\$36,563	\$0	-\$31,298	\$0
2015/16	\$50,045	\$0	\$38,585	\$0	-\$45,071	\$0
2016/17	\$51,547	\$0	\$38,685	\$0	-\$50,404	\$0
2017/18	\$53,093	\$0	\$40,926	\$0	\$0	\$0
2018/19	\$54,686	\$0	\$40,231	\$0	\$128,680	-\$128,680
2019/20	\$56,327	\$0	\$44,061	\$0	-\$46,671	\$0
2020/21	\$64,294	\$0	\$43,640	\$0	-\$50,206	\$0
2021/22	\$84,867	\$0	\$48,189	\$0	\$13,098	\$0
2022/23	\$87,413	\$0	\$45,598	\$0	-\$39,452	\$0

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



Other Reconciliations

Table II-F

Advance Employer Contribution

Advance Employer Contribution as of October 1, 2022	\$44,901
Additional Employer Contribution	\$385,647
Minimum Required Contribution	(\$425,099)
Net Increase in Advance Employer Contribution	(\$39,452)
Advance Employer Contribution as of October 1, 2023	\$5,449

Excess Chapter 175/185 Contribution

Excess Chapter 175/185 Contribution as of October 1, 2022	\$0
Additional Chapter 175/185 Contribution	\$116,798
Allowable Chapter 175/185 Contribution	(\$116,798)
Net Increase in Excess Chapter 175/185 Contribution	\$0
Excess Chapter 175/185 Contribution as of October 1, 2023	\$0



Historical Chapter 175/185 Contributions

Table II-G

Total Accumulated Excess Chapter 175/185 Contribution \$0

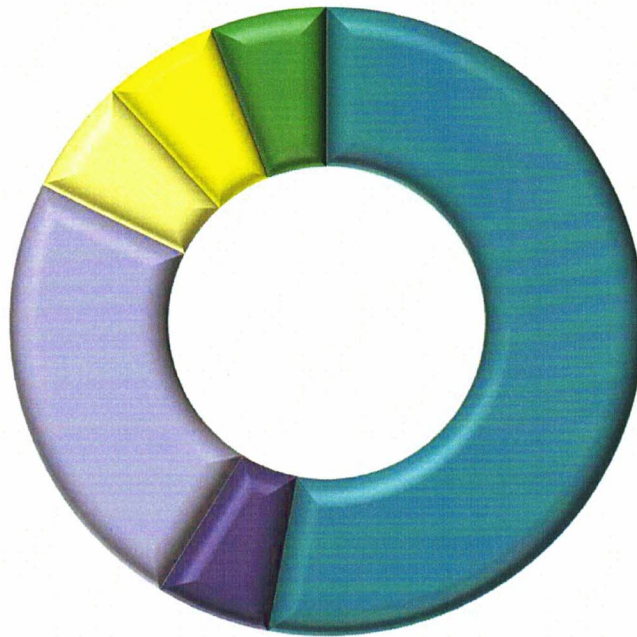
	Chapter 175 Regular <u>Distribution</u>	Chapter 175 Supplemental <u>Distribution</u>	Chapter 185 <u>Distribution</u>	Allowable <u>Amount</u>
1998 Distribution	\$30,507	\$2,631	\$0	(\$30,516)
1999 Distribution	\$24,765	\$6,598	\$0	(\$27,396)
2000 Distribution	\$25,240	\$14,131	\$0	(\$27,871)
2001 Distribution	\$26,934	\$13,263	\$0	(\$30,815)
2002 Distribution	\$34,838	\$14,931	\$0	(\$31,766)
2003 Distribution	\$42,087	\$19,412	\$0	(\$31,766)
2004 Distribution	\$46,781	\$25,276	\$0	(\$84,390)
2005 Distribution	\$57,300	\$27,018	\$0	(\$33,615)
2006 Distribution	\$76,372	\$34,384	\$0	(\$33,615)
2007 Distribution	\$64,337	\$65,044	\$0	(\$33,615)
2008 Distribution	\$77,707	\$50,499	\$0	(\$33,615)
2009 Distribution	\$77,824	\$41,390	\$0	(\$33,615)
2010 Distribution	\$71,369	\$38,341	\$0	(\$33,615)
2011 Distribution	\$76,267	\$34,153	\$0	(\$33,615)
2012 Distribution	\$74,537	\$41,412	\$0	(\$115,949)
2013 Distribution	\$76,683	\$40,322	\$0	(\$117,005)
2014 Distribution	\$70,492	\$42,408	\$0	(\$112,900)
2015 Distribution	\$68,859	\$30,715	\$0	(\$99,574)
2016 Distribution	\$64,277	\$17,346	\$0	(\$81,623)
2017 Distribution	\$66,681	\$3,497	\$0	(\$70,178)
2018 Distribution	\$66,852	\$2,753	\$0	(\$69,605)
2019 Distribution	\$67,071	\$0	\$0	(\$67,071)
2020 Distribution	\$74,977	\$955	\$0	(\$75,932)
2021 Distribution	\$79,645	\$0	\$0	(\$79,645)
2022 Distribution	\$114,726	\$2,072	\$0	(\$116,798)
Interest Adjustment				\$9,106
Transfer to Share Plan				(\$500,000)
Transfer to Adv. Contrib.				(\$128,680)



Summary of Participant Data

Table III-A

As of October 1, 2023

Actively Employed Participants

Active Participants	9
DROP Participants	0

Inactive Participants

Deferred Vested Participants	1
Due a Refund of Contributions	4
Deferred Beneficiaries	0

Participants Receiving a Benefit

Service Retirements	1
Disability Retirements	1
Beneficiaries Receiving	1

Total Participants 17Number of Participants Included in Prior Valuations

	<i>Active</i>	<i>DROP</i>	<i>Inactive</i>	<i>Retired</i>	<i>Total</i>
October 1, 2014	12	0	5	1	18
October 1, 2015	10	0	5	2	17
October 1, 2016	10	0	5	2	17
October 1, 2017	10	0	5	2	17
October 1, 2018	10	0	5	2	17
October 1, 2019	10	0	5	2	17
October 1, 2020	10	0	5	2	17
October 1, 2021	9	0	5	3	17
October 1, 2022	9	0	5	3	17
October 1, 2023	9	0	5	3	17



Data Reconciliation

Table III-B

	<u>Active</u>	<u>DROP</u>	<u>Deferred Vested</u>	<u>Due a Refund</u>	<u>Def. Benef.</u>	<u>Service Retiree</u>	<u>Disabled Retiree</u>	<u>Benef. Rec'v.</u>	<u>Total</u>
<u>October 1, 2022</u>	9	0	1	4	0	1	1	1	17
<u>Change in Status</u>									
Re-employed									
Terminated									
Retired									
<u>Participation Ended</u>									
Transferred Out									
Cashed Out									
Died									
<u>Participation Began</u>									
Newly Hired									
Transferred In									
New Beneficiary									
<u>Other Adjustment</u>									
<u>October 1, 2023</u>	9	0	1	4	0	1	1	1	17

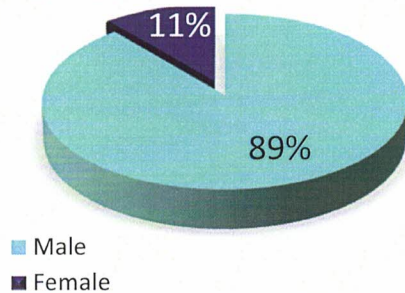


Active Participant Data

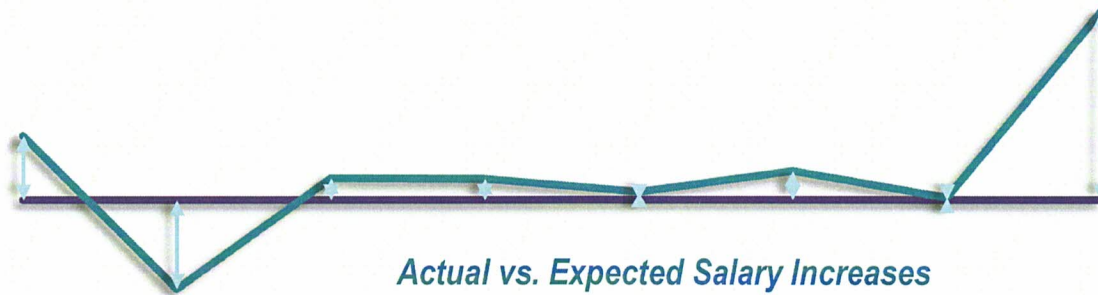
Table III-C

As of October 1, 2023

Gender Mix



Average Age	48.7 years
Average Service	18.8 years
Total Annualized Compensation for the Prior Year	\$771,365
Total Expected Compensation for the Current Year	\$729,716
Average Increase in Compensation for the Prior Year	12.47%
Expected Increase in Compensation for the Current Year	4.50%
Accumulated Contributions for Active Employees	\$397,170



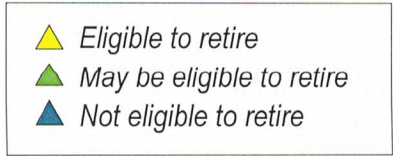
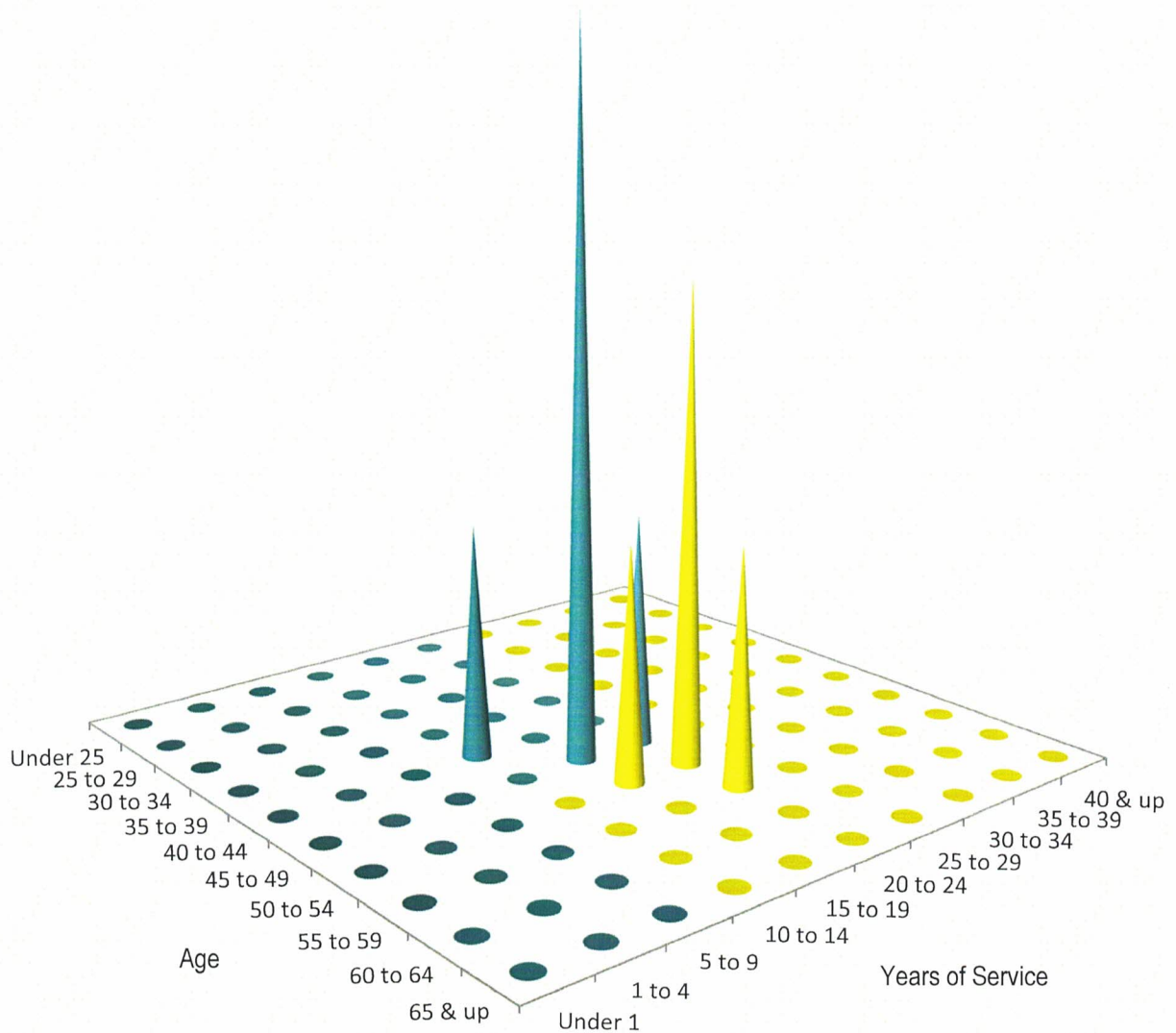
Active Participant Statistics From Prior Valuations

	Average Age	Average Service	Average Salary	Average Expected Salary Increase	Average Actual Salary Increase
October 1, 2014	40.1	9.4	\$52,928	4.50%	1.90%
October 1, 2015	41.6	10.4	\$55,309	4.50%	3.44%
October 1, 2016	42.6	11.4	\$59,280	4.50%	7.25%
October 1, 2017	43.6	12.4	\$59,534	4.50%	0.69%
October 1, 2018	44.6	13.4	\$62,807	4.50%	5.43%
October 1, 2019	45.6	14.4	\$66,432	4.50%	5.41%
October 1, 2020	46.6	15.4	\$69,609	4.50%	4.84%
October 1, 2021	46.7	16.8	\$73,036	4.50%	5.74%
October 1, 2022	47.7	17.8	\$76,300	4.50%	4.60%
October 1, 2023	48.7	18.8	\$85,707	4.50%	12.47%



Active Age-Service Distribution

Table III-D



Active Age-Service-Salary Table

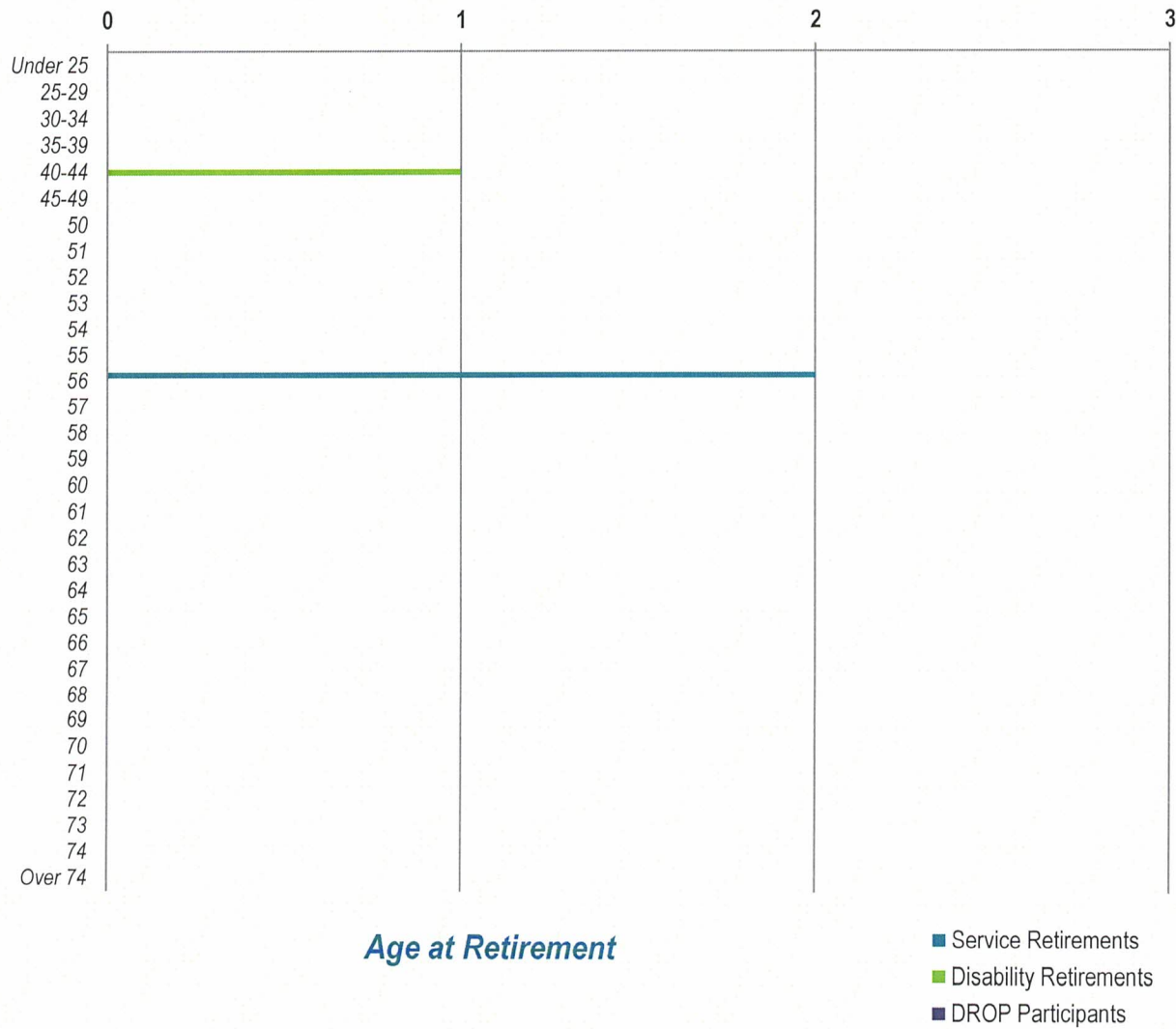
Table III-E

Attained Age	Completed Years of Service										Total
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up	
Under 25	0	0	0	0	0	0	0	0	0	0	0
Avg.Pay	0	0	0	0	0	0	0	0	0	0	0
25 to 29	0	0	0	0	0	0	0	0	0	0	0
Avg.Pay	0	0	0	0	0	0	0	0	0	0	0
30 to 34	0	0	0	0	0	0	0	0	0	0	0
Avg.Pay	0	0	0	0	0	0	0	0	0	0	0
35 to 39	0	0	0	0	0	0	0	0	0	0	0
Avg.Pay	0	0	0	0	0	0	0	0	0	0	0
40 to 44	0	0	0	1	0	0	0	0	0	0	1
Avg.Pay	0	0	0	65,521	0	0	0	0	0	0	65,521
45 to 49	0	0	0	0	3	1	0	0	0	0	4
Avg.Pay	0	0	0	0	76,160	119,818	0	0	0	0	87,075
50 to 54	0	0	0	0	1	2	0	0	0	0	3
Avg.Pay	0	0	0	0	80,486	101,993	0	0	0	0	94,824
55 to 59	0	0	0	0	0	1	0	0	0	0	1
Avg.Pay	0	0	0	0	0	73,073	0	0	0	0	73,073
60 to 64	0	0	0	0	0	0	0	0	0	0	0
Avg.Pay	0	0	0	0	0	0	0	0	0	0	0
65 & up	0	0	0	0	0	0	0	0	0	0	0
Avg.Pay	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	1	4	4	0	0	0	0	9
Avg.Pay	0	0	0	65,521	77,242	99,219	0	0	0	0	85,707



Inactive Participant Data

Table III-F

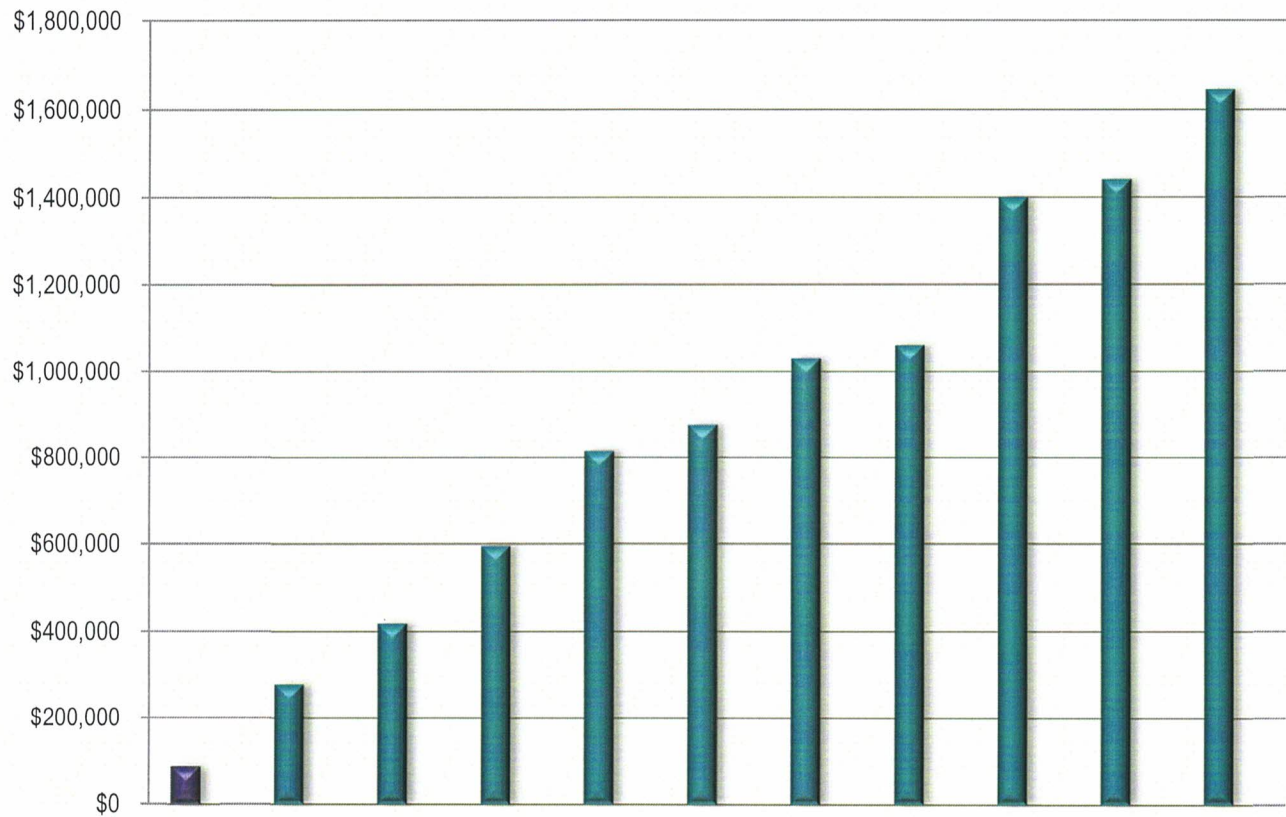
Average Monthly Benefit

Service Retirements	\$2,219.95
Disability Retirements	\$4,089.85
Beneficiaries Receiving	\$1,193.14
DROP Participants	Not applicable
Deferred Vested Participants	\$1,501.24
Deferred Beneficiaries	Not applicable



Projected Benefit Payments

Table III-G

Actual

For the period October 1, 2022 through September 30, 2023

\$87,413

Projected

For the period October 1, 2023 through September 30, 2024

\$278,763

For the period October 1, 2024 through September 30, 2025

\$418,619

For the period October 1, 2025 through September 30, 2026

\$596,619

For the period October 1, 2026 through September 30, 2027

\$815,700

For the period October 1, 2027 through September 30, 2028

\$876,628

For the period October 1, 2028 through September 30, 2029

\$1,031,254

For the period October 1, 2029 through September 30, 2030

\$1,062,408

For the period October 1, 2030 through September 30, 2031

\$1,400,401

For the period October 1, 2031 through September 30, 2032

\$1,442,387

For the period October 1, 2032 through September 30, 2033

\$1,646,081



Summary of Actuarial Methods and Assumptions

Table IV-A

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

1. Actuarial Cost Method

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

2. Asset Method

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

3. Interest (or Discount) Rate

6.75% per annum

4. Salary Increases

Plan compensation is generally assumed to increase at the rate of 4.50% per annum, unless actual plan compensation is known for a prior plan year.

5. Decrements

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



Summary of Actuarial Methods and Assumptions

Table IV-A

(continued)

5. Decrements (continued)

- Termination: None is assumed.
- Retirement: Retirement is assumed to occur at the most valuable retirement age.

6. Form of Payment

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

7. Expenses

The total projected benefit liability has been loaded by 2.75% to account for anticipated administrative expenses. In addition, the interest rate set forth in item 3. above is assumed to be net of investment expenses and commissions.



Changes in Actuarial Methods and Assumptions

Table IV-B

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

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

- (1) Effective October 1, 2022, the actuarial value of assets was changed from the unadjusted market value to the market value adjusted to reflect a five-year phase-in of the unexpected investment gains and losses.*
- (2) Effective October 1, 2021, the interest (or discount) rate was decreased from 7.00% per annum to 6.75% per annum.*
- (3) Effective October 1, 2020, the mortality basis was changed from the RP-2000 Blue Collar Mortality Table with generational improvements in mortality using Scale BB to selected PUB-2010 Mortality Tables with generational improvements in mortality using Scale MP-2018.*
- (4) Effective October 1, 2017, the interest (or discount) rate was decreased from 7.50% per annum to 7.00% per annum.*
- (5) Effective October 1, 2016, the mortality basis was changed from a 2015 projection of the RP-2000 Mortality Table for annuitants to a full generational projection using Scale BB of the RP-2000 Blue Collar Mortality Table as required by State law.*
- (6) Effective October 1, 2013, the assumed increase in future salaries was changed from a range of rates based on service to 4.50% per year.*
- (7) Effective October 1, 2013, the mortality basis was changed from the 1994 Group Annuity Reserving Table, projected to 2002 by Scale AA, to the RP-2000 Mortality Table for annuitants, projected to 2015 by Scale AA, as published by the Internal Revenue Service (IRS) for purposes of Internal Revenue Code (IRC) section 430.*



Summary of Plan Provisions

Table V-A

1. Benefit Formula

3.25% of Average Monthly Earnings multiplied by Credited Service earned prior to June 1, 2012 plus 3.125% of Average Monthly Earnings multiplied by Credited Service earned after May 31, 2012

(The benefit formula is applied separately to periods of service as a full-time firefighter and as a volunteer firefighter.)

2. Service Retirement

Normal retirement: Age 55 with at least 10 years of credited service; or

Any age with at least 25 years of credited service

Early retirement: Age 50 with at least 10 years of credited service

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

3. Disability Retirement

The disability benefit is a monthly 10-year certain and life annuity equal to the accrued normal retirement benefit, but offset as necessary to preclude the total of the participant's worker's compensation, disability benefit, and other City-financed disability or salary continuation benefit from exceeding his average monthly earnings. The disability benefit is not reduced to an amount less than either 66% of average monthly earnings (for service-based disability) or 25% of average monthly earnings (for non-service disability). The participant may convert his disability benefit into any of the optional forms of payment that are otherwise available under the plan.

(A participant is disabled if he is found to have a mental or physical condition resulting from bodily injury, disease, or a mental disorder that renders him incapable of employment as a police officer. However, a participant will not be eligible for a disability benefit if his disability is caused by excessive and habitual use of drugs, intoxicants, or narcotics; by injury or disease sustained while serving in the armed forces; by injury or disease sustained while willfully and illegally participating in fights, riots, or civil insurrections, or while committing a crime; by injury or disease sustained after termination of employment; or by an injury or disease sustained while working for another employer and arising from such employment.)



Summary of Plan Provisions

Table V-A

(continued)

4. Deferred Vested Retirement

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

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

5. Vesting

An employee becomes 100% vested upon the attainment of 10 years of credited service.

6. Pre-Retirement Death Benefit

If a participant dies in the line of duty prior to retirement, the participant's beneficiary receives an immediate monthly life annuity equal to the greater of 50% of the deceased participant's plan compensation at the time of his death or 100% of the participant's accrued benefit.

If a vested participant dies prior to retirement other than in the line of duty, the participant's beneficiary receives a life annuity commencing immediately. The life annuity is equal to 50% of the participant's accrued benefit.

If a non-vested participant dies prior to retirement other than in the line of duty, the participant's beneficiary receives the participant's accumulated contributions.

7. Form of Payment

Actuarially increased single life annuity (*optional*);

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

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

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

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

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



Summary of Plan Provisions

Table V-A

(continued)

Actuarially equivalent single lump sum distribution (*automatic if the single sum value of the participant's benefit is less than or equal to \$5,000 or if the monthly benefit is less than \$100*)

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

8. Automatic Cost-of-Living Adjustment

Participants receive an automatic annual 3% cost-of-living adjustment (COLA) as of each October 1 after having been retired for at least one year. The COLA applies to all benefits payable from the plan including the supplemental benefit.

9. Supplemental Benefit

Participants receiving an early or normal retirement benefit receive a supplemental monthly benefit equal to \$3.00 for each year of credited service to a maximum of \$90.00 per month and payable as a single life annuity.

10. Average Monthly Earnings

Average monthly earnings during the highest five years of compensation out of the 10 years immediately preceding the determination date or career average earnings, if greater. Earnings include total W-2 compensation, except that, effective February 8, 2012, payments for accrued sick and vacation leave in excess of the amount of leave accrued immediately prior to that date and overtime pay in excess of 156 hours per fiscal year are excluded from earnings. Earnings cannot exceed the maximum amount allowed under IRC section 401(a)(17).

11. Credited Service

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

(*Participants may purchase up to four additional years of credited service with another qualified fire department by paying into the plan the full actuarial cost thereof.*)

12. Employee Contribution

Employees must contribute 5.00% of basic salary (2.00% prior to June 1, 2012). Employee contributions are accumulated without interest.



Summary of Plan Provisions

Table V-A

(continued)

13. City Contribution

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

14. Participant Requirement

All full-time firefighters of the City of Oldsmar who are hired prior to October 1, 2014 automatically become participants in the plan on their date of hire.

15. Actuarial Equivalence

Based on 7.00% interest per annum and the unisex mortality table promulgated by the Internal Revenue Service (IRS) for purposes of Internal Revenue Code (IRC) section 417(e)(3)

16. Plan Effective Date

The plan was originally effective on October 1, 1996.



Summary of Plan Amendments

Table V-B

No plan changes were adopted since the completion of the previous valuation.

The following additional plan amendments were adopted during the past 10 years and were reflected in prior valuation reports:

- (1) *Effective January 16, 2018, a share plan was created to receive \$500,000 of the accumulated excess Chapter 175 monies and to allow the City to use the remainder of the excess Chapter 175 monies as a one-time reduction of the unfunded liability. (Ordinance 2018-01)*
- (2) *Effective September 30, 2014, employees hired after that date were precluded from participating in the plan and existing participating employees were allowed to make an irrevocable election to transfer out of the plan into the Florida Retirement System (FRS). (Ordinance 2014-09)*

