

CITY OF DUNEDIN
FIREFIGHTERS' RETIREMENT SYSTEM

GASB DISCLOSURE INFORMATION
STATEMENTS 67/68
MEASUREMENT DATE: SEPTEMBER 30, 2024

GASB 68 REPORTING
AS OF SEPTEMBER 30, 2025



FOSTER & FOSTER
ACTUARIES AND CONSULTANTS



January 27, 2025

Board of Trustees
City of Dunedin
Firefighters' Pension Board

RE: GASB statements 67/68 – City of Dunedin Firefighters' Retirement System

Dear Board:

We are pleased to present this report of the GASB statements 67/68 measured as of September 30, 2024 for the City of Dunedin Firefighters' Retirement System.

The calculation of the liability associated with the benefits referenced in this report was performed to satisfy the requirements of GASB 67/68 and is not applicable for other purposes, such as determining the plan's funding requirements. Use of the results for other purposes may not be applicable and may produce significantly different results.

The total pension liability, net pension liability, and certain sensitivity information shown in this report are based on an actuarial valuation performed as of October 1, 2023. The total pension liability was rolled forward from the valuation date to the plan's fiscal year ending September 30, 2024 using generally accepted actuarial principles. It is our opinion that the assumptions used for this purpose are internally consistent, reasonable, and comply with the requirements under GASB 67/68.

In conducting the valuation, we have relied on personnel and plan design information supplied by the City and asset information supplied by the custodian bank. The actuarial assumptions and methods are described in the Assumptions section of this report. While we cannot verify the accuracy of all this information, the supplied information was reviewed for consistency and reasonableness. As a result of this review, we have no reason to doubt the substantial accuracy of the information and believe that it has produced appropriate results. This information, along with any adjustments or modifications, is summarized in various sections of this report.

In performing the analysis, we used third-party software to model (calculate) the underlying liabilities and costs. These results are reviewed in the aggregate and for individual sample lives. The output from the software is either used directly or input into internally developed models to generate the costs. All internally developed models are reviewed as part of the process. As a result of this review, we believe that the models have produced reasonable results. We do not believe there are any material inconsistencies among assumptions or unreasonable output produced due to the aggregation of assumptions.

To the best of our knowledge, these statements are complete and accurate and are in accordance with generally recognized actuarial practices and methods. Future actuarial measurements may differ significantly from the current measurements presented in this report for a variety of reasons including: changes in applicable laws, changes in plan provisions, changes in assumptions, or plan experience differing from expectations. Due to the limited scope of the valuation, we did not perform an analysis of the potential range of such future measurements.

If there are any questions, concerns, or comments about any of the items contained in this report, please contact us at (239) 433-5500.

Respectfully submitted,
Foster & Foster, Inc.

A handwritten signature in dark ink, appearing to read "P. T. Donlan", is written over a horizontal line.

Patrick T. Donlan, ASA, EA, MAAA
Enrolled Actuary #23-6595

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I. SUMMARY

Valuation Date	10/01/2023	10/01/2022
GASB 67/68 Measurement Date	09/30/2024	09/30/2023
GASB 68 Reporting Date	09/30/2025	09/30/2024
Plan Membership		
Inactives Currently Receiving Benefits	66	61
Inactives Not Yet Receiving Benefits	10	9
Active Plan Members	<u>50</u>	<u>44</u>
Total	126	114
Covered Payroll	\$ 3,695,558	\$ 3,349,227
Net Pension Liability/(Asset)		
Total Pension Liability	\$ 41,356,888	\$ 39,487,861
Plan Fiduciary Net Position	<u>39,086,267</u>	<u>33,238,635</u>
Net Pension Liability/(Asset)	\$ 2,270,621	\$ 6,249,226
Plan Fiduciary Net Position		
As a % of Total Pension Liability	94.51%	84.17%
Net Pension Liability/(Asset)		
As a % of Covered Payroll	61.44%	186.59%
Total Pension Expense/(Income)	\$ 1,702,979	\$ 2,653,984
Development of Single Discount Rate		
Single Discount Rate	7.25%	7.25%
Long-Term Expected Rate of Return	7.25%	7.25%
High-quality Municipal Bond Rate	4.06%	4.87%
Number of Years Future Benefit Payments Are Expected to be Paid	All Years	All Years

II. FIDUCIARY NET POSITION

STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2024

<u>ASSETS</u>	MARKET VALUE
Cash and Cash Equivalents:	
Short Term Investments	564,276
Prepaid Expenses	1,334
Total Cash and Equivalents	565,610
Receivables:	
State Contributions	42,811
Investment Income	72,370
Total Receivables	115,181
Investments:	
U. S. Bonds and Bills	6,024,469
Federal Agency Guaranteed Securities	1,757,175
Corporate Bonds	1,732,490
Stocks	3,402,900
Mutual Funds:	
Equity	22,963,249
Pooled/Common/Commingled Funds:	
Real Estate	2,552,422
Total Investments	38,432,705
Total Assets	39,113,496
<u>LIABILITIES</u>	
Payables:	
Investment Expenses	23,064
Administrative Expenses	4,165
Total Liabilities	27,229
NET POSITION RESTRICTED FOR PENSIONS	39,086,267

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2024
Market Value Basis

ADDITIONS

Contributions:

Member	203,257
Buy-Back	58,864
City	741,076
State	432,785

Total Contributions	1,435,982
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Investment Income:

Net Increase in Fair Value of Investments	6,511,616
Interest & Dividends	838,086
Less Investment Expense ¹	(121,833)

Net Investment Income	7,227,869
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Total Additions	8,663,851
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DEDUCTIONS

Distributions to Members:

Benefit Payments	2,229,911
Lump Sum DROP Distributions	406,657
Lump Sum Share Distributions	29,506
Refunds of Member Contributions	55,482

Total Distributions	2,721,556
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Administrative Expense	94,663
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Total Deductions	2,816,219
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Net Increase in Net Position	5,847,632
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NET POSITION RESTRICTED FOR PENSIONS

Beginning of the Year	33,238,635
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End of the Year	39,086,267
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¹ Investment related expenses include investment advisory, custodial and performance monitoring fees.

III. GASB EXHIBITS

SCHEDULE OF CHANGES IN NET PENSION LIABILITY

GASB 67/68 Measurement Date	09/30/2024	09/30/2023	09/30/2022
GASB 68 Reporting Period Ending	09/30/2025	09/30/2024	09/30/2023
Total Pension Liability			
Service Cost	813,383	801,990	777,458
Interest	2,823,184	2,693,960	2,536,334
Share Plan Allocation	112,301	115,488	49,644
Changes in Benefit Terms	168,646	0	0
Experience Gains/Losses	614,205	637,306	752,714
Changes of Assumptions	0	0	0
Contributions – Buy Back	58,864	56,250	0
Benefit Payments	(2,721,556)	(2,346,430)	(1,586,627)
Net Change in Total Pension Liability	1,869,027	1,958,564	2,529,523
Total Pension Liability – Beginning	39,487,861	37,529,297	34,999,774
Total Pension Liability – Ending (a)	\$ 41,356,888	\$ 39,487,861	\$ 37,529,297
Plan Fiduciary Net Position			
Contributions – Employer	741,076	560,275	518,801
Contributions – State	432,785	437,034	349,243
Contributions – Employee	203,257	184,208	182,669
Contributions – Buy Back	58,864	56,250	0
Net Investment Income	7,227,869	3,069,334	(5,306,179)
Benefit Payments	(2,721,556)	(2,346,430)	(1,586,627)
Administrative Expense	(94,663)	(110,719)	(80,633)
Other	0	0	0
Net Change in Plan Fiduciary Net Position	5,847,632	1,849,952	(5,922,726)
Plan Fiduciary Net Position – Beginning	33,238,635	31,388,683	37,311,409
Adjustment to beginning of year	0	0	0
Plan Fiduciary Net Position – Ending (b)	\$ 39,086,267	\$ 33,238,635	\$ 31,388,683
Net Pension Liability – Ending (a) – (b)	\$ 2,270,621	\$ 6,249,226	\$ 6,140,614
Plan Fiduciary Net Position			
As % of Total Pension Liability	94.51%	84.17%	83.64%
Covered Payroll	\$ 3,695,558	\$ 3,349,227	\$ 3,321,233
Net Pension Liability			
As % of Covered Payroll	61.44%	186.59%	184.89%

SENSITIVITY TO CHANGES IN DISCOUNT RATE

GASB 67/68 Measurement Date	09/30/2024	09/30/2023
GASB 68 Reporting Date	09/30/2025	09/30/2024
Discount Rate	7.25%	7.25%
+ 1% Discount Rate	8.25%	8.25%
- 1% Discount Rate	6.25%	6.25%
Sponsor's Net Pension Liability		
Current Discount Rate	\$ 2,270,621	\$ 6,249,226
1% Increase in Discount Rate	(1,399,249)	2,650,192
1% Decrease in Discount Rate	6,658,772	10,549,159

FINAL PENSION EXPENSE
YEAR-END SEPTEMBER 30, 2024

For the year ended September 30, 2024, the Sponsor will recognize a Pension Expense/(Income) of \$2,653,984. Below is a summary of the components of the Pension expense.

Fiscal Year End	09/30/2024
Beginning of Measurement Period	10/01/2022
End of Measurement Period	09/30/2023
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Service Cost	\$ 801,990
Interest on Total Pension Liability	2,693,960
Share Plan Allocation	115,488
Changes in Benefit Terms	0
Contributions – Employee	(184,208)
Projected Earnings on Investments	(2,231,477)
Administrative Expenses	110,719
Recognition of deferred outflows/(inflows)	
Experience Gains/Losses	232,758
Assumption Changes	256,060
Investment Returns	858,694
Total Pension Expense	<hr/> 2,653,984

FINAL PENSION DEFERRED OUTFLOWS/INFLOWS
YEAR-END SEPTEMBER 30, 2024

On September 30, 2024, the Sponsor reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	854,339	80,638
Changes of assumptions	288,171	32,111
Net difference between projected and actual earnings on pension plan investments	2,536,422	0
Employer and State contributions subsequent to the measurement date	<u>1,173,861</u>	<u>0</u>
Total	\$ 4,852,793	\$ 112,749

The outcome of the deferred outflows of resources related to pensions resulting from Employer and State contributions subsequent to the measurement date has been recognized as a reduction of the Net Pension Liability in the year ended September 30, 2024.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year-ended September 30:

2025	\$ 1,073,896
2026	\$ 1,070,321
2027	\$ 1,589,537
2028	\$ (167,571)
2029	\$ 0
Thereafter	\$ 0

PRELIMINARY PENSION EXPENSE
YEAR-END SEPTEMBER 30, 2025

For the year ended September 30, 2025, the Sponsor will recognize a Pension Expense/(Income) of \$1,702,979. Below is a summary of the components of the Pension expense.

Fiscal Year End	09/30/2025
Beginning of Measurement Period	10/01/2023
End of Measurement Period	09/30/2024
<hr/>	
Service Cost	\$ 813,383
Interest on Total Pension Liability	2,823,184
Share Plan Allocation	112,301
Changes in Benefit Terms	168,646
Contributions – Employee	(203,257)
Projected Earnings on Investments	(2,359,767)
Administrative Expenses	94,663
Recognition of deferred outflows/(inflows)	
Experience Gains/Losses	420,420
Assumption Changes	256,060
Investment Returns	(422,654)
Total Pension Expense	<hr/> 1,702,979

PRELIMINARY PENSION DEFERRED OUTFLOWS/INFLOWS
YEAR-END SEPTEMBER 30, 2025

On September 30, 2025, the Sponsor reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	967,486	0
Changes of assumptions	0	0
Net difference between projected and actual earnings on pension plan investments	0	1,909,026
Employer and State contributions subsequent to the measurement date	TBD	0
Total	\$ TBD	\$ 1,909,026

The outcome of the deferred outflows of resources related to pensions resulting from Employer and State contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended September 30, 2025.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year-ended September 30:

2026	\$ 250,252
2027	\$ 769,468
2028	\$ (987,640)
2029	\$ (973,620)
2030	\$ 0
Thereafter	\$ 0

IV. SUPPLEMENTARY GASB 68 EXPENSE DETAIL

AMORTIZATION SCHEDULE – EXPERIENCE

Year		Initial Base	Recognition Period		2024		2025		2026		2027		2028		Thereafter
2024	\$	614,205	4	\$	0	\$	153,552	\$	153,551	\$	153,551	\$	153,551	\$	0
2023		637,306	4		159,325		159,327		159,327		159,327		0		0
2022		752,714	4		188,179		188,179		188,179		0		0		0
2021		(148,847)	4		(37,212)		(37,212)		0		0		0		0
2020		(217,129)	5		(43,426)		(43,426)		0		0		0		0
2019		(170,541)	5		(34,108)		0		0		0		0		0
Net Increase (Decrease) in Pension Expense				\$	232,758	\$	420,420	\$	501,057	\$	312,878	\$	153,551	\$	0

AMORTIZATION SCHEDULE – CHANGES OF ASSUMPTIONS

Year	Initial Base	Recognition Period	2024	2025	2026	2027	2028	Thereafter
2021	\$ 1,152,682	4	\$ 288,171	\$ 288,171	\$ 0	\$ 0	\$ 0	0
2020	(160,554)	5	(32,111)	(32,111)	0	0	0	0
Net Increase (Decrease) in Pension Expense			\$ 256,060	\$ 256,060	\$ 0	\$ 0	\$ 0	0

AMORTIZATION SCHEDULE – INVESTMENTS

Year		Initial Base	Recognition Period		2024		2025		2026		2027		2028		Thereafter
2024	\$	(4,868,102)	5	\$	0	\$	(973,622)	\$	(973,620)	\$	(973,620)	\$	(973,620)	\$	(973,620)
2023		(837,857)	5		(167,573)		(167,571)		(167,571)		(167,571)		(167,571)		0
2022		7,988,906	5		1,597,781		1,597,781		1,597,781		1,597,781		0		0
2021		(3,536,975)	5		(707,395)		(707,395)		(707,395)		0		0		0
2020		(859,234)	5		(171,847)		(171,847)		0		0		0		0
2019		1,538,639	5		307,728		0		0		0		0		0
Net Increase (Decrease) in Pension Expense				\$	858,694	\$	(422,654)	\$	(250,805)	\$	456,590	\$	(1,141,191)	\$	(973,620)

V. ADDITIONAL INFORMATION

SCHEDULE OF CONTRIBUTIONS

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contrib. as % of Covered Payroll
09/30/2024	\$ 1,040,675	\$ 1,061,560	\$ (20,885)	\$ 3,695,558	28.73%
09/30/2023	\$ 869,586	\$ 881,821	\$ (12,235)	\$ 3,349,227	26.33%

The following assumptions were used to determine the Actuarially Determined Contribution for the plan year ended September 30, 2024:

Calculation Timing	The Actuarially Determined Contribution is calculated using a October 1, 2022 valuation date.
Interest Rate	7.25%
Assumptions	All other assumptions and methods used for determining the Actuarially Determined Contribution can be found in the October 1, 2022 Actuarial Valuation Report for the City of Dunedin Firefighters' Retirement System prepared by Foster & Foster Actuaries and Consultants.

INVESTMENT DISCLOSURES

Schedule of Investment Returns

For the year ended September 30, 2024, the annual money-weighted return on Pension Plan investments, net of pension plan investment expense, was 22.17 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Fiscal Year Ended	Annual Money-Weighted Rate of Return Net of Investment Expense
09/30/2024	22.17%
09/30/2023	9.96%

Support for Long-Term Expected Rate of Return

The Long-Term Expected Rate of Return on Pension Plan investments can be determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of Pension Plan investment expenses and inflation) are developed for each major asset class.

These ranges are combined to produce the Long-Term Expected Rate of Return by weighting the expected future real rates of return by target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the Pension Plan's target asset allocation adopted as of September 30, 2024, as provided by Mariner, are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Domestic Equity	52.50%	7.50%
International Equity	12.50%	8.50%
Domestic Fixed Income	25.00%	2.50%
Real Estate	10.00%	4.50%
Total	100.00%	

Inflation rate of investment advisor 2.50%

Concentrations

The Plan did not hold investments in any one organization that represent 5 percent or more of the Pension Plan's fiduciary net position.

ASSUMPTIONS

Valuation Date	October 1, 2023
GASB 67/68 Measurement Date	September 30, 2024
GASB 68 Reporting Date	September 30, 2025
Discount Rate	7.25%
Long-Term Rate of Return	7.25%
Cost Method	Entry Age Normal
Latest Experience Study Date	August 16, 2021
Mortality	
<i>Healthy Active Lives:</i>	PubS.H-2010 (Below Median) for Employees, set forward one year.
<i>Healthy Retiree Lives:</i>	PubS.H-2010 for Healthy Retirees, set forward one year.
<i>Beneficiary Lives:</i>	Female: PubG.H-2010 for Healthy Retirees. Male: PubG.H-2010 for Healthy Retirees, set back one year.
<i>Disabled Lives:</i>	80% PubG.H-2010 for Disabled Retirees / 20% PubS.H-2010 for Disabled Retirees.
	All rates for healthy lives are projected generationally with Mortality Improvement Scale MP-2018.
	The previously described mortality assumption rates were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumptions used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in Milliman's July 1, 2021 FRS valuation report for special risk employees, with appropriate adjustments made based on plan demographics.
	90% of active deaths are assumed to be service-incurred.
Salary Scale	Service based
Inflation	2.50%

A summary of other assumptions reflected in the valuation can be found in the October 1, 2023 Actuarial Valuation Report for the City of Dunedin Firefighters' Retirement System by Foster & Foster Actuaries and Consultants.

Changes in Assumptions

Total Pension Liability as of the September 30, 2024 measurement date reflects no assumption changes.

Development of the Discount Rate

The projection of cash flows used to determine the Discount Rate assumed that current Plan Member contributions will be made at the current contribution rate and that Sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the Member rate.

Based on those assumptions, the Pension Plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the Long-Term Expected Rate of Return on Pension Plan investments (7.25 percent) was applied to all periods of projected benefit payments to determine the Total Pension Liability.

No projected benefit payments were discounted using a high-quality municipal bond rate of 4.06 percent. The high-quality municipal bond rate was based on the daily rate closest to, but not later than the measurement date of the S&P Municipal Bond 20-Year High Grade Rate Index.

The single equivalent Discount Rate was 7.25 percent.

SUMMARY OF CURRENT PLAN

Plan Description

The Plan is a single-employer defined benefit pension plan administered by the Plan's Board of Trustees comprised of: Two Council appointees, two Members of the Plan elected by the membership, and a fifth Member elected by other 4 and appointed by Council as a ministerial duty.

All actively employed full-time firefighters participate in the Plan as a condition of employment.

Benefits Provided

The Plan provides retirement, termination, disability and death benefits.

A summary of the benefit provisions can be found in the Actuarial Valuation as of October 1, 2023 for the City of Dunedin Firefighters' Retirement System prepared by Foster & Foster Actuaries and Consultants.

Benefit Changes

The valuation reflects the following benefit changes:

- Increase the maximum period of DROP participation from 5 to 8 years, or the completion of 33 years of service as a Firefighter. This change extends to both current and future DROP participants.
- Change the cap on the 3.0% benefit accrual rate from 25 years to 33 years (the benefit rate will be 3.0% for the first 33 years of service for Firefighters who separate from service on or after October 1, 2024).
- In conjunction with the above first benefit change, the following change was made to the assumptions: The assumed rate at first eligibility for Normal Retirement was increased from 20% to 30% and the assumed rates of retirement one to four years after first eligibility were increased from 10% to 20%.

Deferred Retirement Option Program

Eligibility:

A member may retire on the first day of the month coincident with or next following the earlier of: (1) age 52 and 25 years of Credited Service, or (2) age 55 and 10 years of Credited Service, or (3) 20 years of Credited Service regardless of age. Members who meet eligibility must submit a written election to participate in the DROP.

Benefit	<p>The member's Credited Service and FAC are frozen upon entry into the DROP. The monthly retirement benefit as described under Normal Retirement is calculated based upon the frozen Credited Service and FAC.</p> <p>In addition, a supplemental benefit of \$13 per year of Credited Service up to a maximum of \$325 is payable monthly to members who meet the requirements for Normal Retirement and retire. DROP participants do not receive the supplement until actual termination of employment.</p>
Maximum DROP Period	The earlier of 8 years of participation in the DROP or when the member has completed 33 years of Credited Service.
DROP balance:	The DROP balance as of September 30, 2024 is \$962,469.