February 15, 2023

Board of Trustees
Attn: Alicia Gaither (AGaither@Ocalafl.org)
City of Ocala Firefighters Retirement Plan
3001 N.E. 21st Street
Ocala, Florida 34470

2023 COLA Table

Dear Board Members:

Nyhart has performed its annual analysis of the COLA Fund based on asset and demographic information provided by the City of Ocala and advises that the "node" for the determination of COLA benefits could be decreased to $703 (2023) from $781 (2022). At the $703 node, no retiree will receive a decrease from the prior year COLA amount. There are three participants who left DROP during 2022 who should be receiving a decreased COLA amount at 1/1/2023, but in following past practice, their January 1st change has been set to $0. The decrease not reflected this year will be absorbed in next year's movement along the table. Under the $703 node, the Contingency Reserve will be 18% of the available COLA assets. This is less than the previously stated 20% reserve goal. This 10.0% decrease in the COLA node affects the future level of benefits, but it does not impede the year-by-year increases due to movement along the table. The change requires Board approval before becoming effective.

For example, a person with 25 years of service at retirement started receiving $94/month in 2022. This amount would typically have increased to $125/month in 2023. However, due to the decrease in the table, the monthly amount would become $112/month.

2022: Monthly Benefit Payable from COLA Fund									
Credited Service at Retirement	**Years Since Retirement/DROP Exit**								
	0	1	2	...	20	21	22	23	24
...	...	...	...	...	...	...	...	...	...
24	90	120	150	...	690	720	750	780	810
25	**94**	**125**	156	...	719	750	**781**	812	843
26	97	130	162	...	747	780	812	845	877
...			...	...	...	...	...	...	...

2023: Monthly Benefit Payable from COLA Fund									
Credited Service at Retirement	**Years Since Retirement/DROP Exit**								
	0	1	2	…	20	21	22	23	24
…	…	…	…	…	…	…	…	…	…
24	81	108	135	…	621	648	675	702	729
25	**84**	**112**	141	…	647	675	**703**	731	759
26	88	117	146	…	673	702	731	760	790
…			…	…	…	…	…	…	…

Enclosed with this letter is a display of current retirees eligible for benefits from the COLA Fund, their monthly payment to start January 2023 (based on the recommended table), and the increase to their COLA Fund benefit over their previous monthly COLA Fund benefit. If approved, the new benefit should be paid retroactive to January 1, 2023. Please note that the following individuals in the DROP program are assumed to exit the DROP in 2023 to commence receipt of a COLA benefit during 2023:

Member	Assumed Exit from DROP	Start of COLA Fund Benefit	COLA Service	2023 COLA Benefit
Richard Doucett	8/31/2023	9/1/2023	36	$121

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following:

- Plan experience differing from that anticipated by the economic or demographic assumptions;
- Changes in economic or demographic assumptions;
- Increases or decreases expected as part of the natural operation of the methodology used for these measurements;
- Changes in plan provisions or applicable law.

In preparing these results, Nyhart used ProVal valuation software developed by Winklevoss Technologies, LLC. This software is widely used for the purpose of performing pension valuations. We coded the plan provisions, assumptions, methods and participant data summarized in this report, and reviewed the liability and cost outputs for reasonableness. We are not aware of any weakness or limitations in the software and have determined it is appropriate for performing this valuation.

We did not perform an analysis of the potential range of future measurements due to the limited scope of our engagement. This report has been prepared in accordance with generally accepted actuarial principles and practice.

The undersigned are compliant with the continuing education requirements of the Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States.

Respectfully Submitted,

Nyhart

Lawrence Watts, Jr.
FSA, CFA, MAAA, EA

Kerry Sipe
ASA, EA

Enclosure

nyhart
part of FuturePlan by Ascensus

COLA Asset Reconciliation

	September 30, 2022
Assets, beginning of fiscal year	$7,868,177
Member Contributions	41,227
State Premium Tax Revenues	207,359
COLA Benefits	(179,075)
Investment Income	(1,167,834)
Assets, end of fiscal year	$6,769,854

Member Contributions

1	Total Employee Contributions	$677,091
2	Buyback Contributions	(3,438)
3	Employee Contributions (based on payroll)	$673,653
4	COLA Fund Contributions [(3) / 8.17% x 0.50%]	$41,227

State Premium Tax Revenues

1	Total State Premium Tax Revenues	$614,717
2	Base Benefit Amount	(200,000)
3	Excess Amount [(1) + (2)]	$414,717
4	COLA Fund Contribution [50% x (3)]	$207,359

Rate of Return on Assets	-14.99%

City of Ocala Firefighters Retirement Plan
2023 COLA Table
Calculation of Increase/Decrease to Table

I. Determination of Available Assets for COLA Fund Distributions

COLA Fund assets as of September 30, 2022	$6,769,854
Chapter 175 Reserve Fund Transfer	0
Present Value of Future Member Contributions	760,818
Present Value of Future State Premium Tax Revenue	2,045,843
COLA Assets Available at 9/30/2022	$9,576,515
COLA Assets Available at 1/1/2023	$9,739,876

II. Determination of COLA Table

1	COLA Assets Available	$9,739,876
2	Present Value of Existing COLA Benefits (based on $781 table)	
	(a) Inactive Members	4,932,550
	(b) Reserve for Current Members	3,435,829
	(c) Reserve for Future Members [15% of (b)]	515,374
	(d) Total	$8,883,753
3	Contingency Reserve [18% of 1.]	$1,743,356
4	Total Liability [2(d) + 3.]	$10,627,109
5	Net Reserve [(100% – 2.(d)) / 1.]	8.79%
6	Unallocated Reserve [1. – 4.]	($887,233)
7	Contingency Reserve as % COLA assets available	17.90%

III. Determination of Potential Increase/(Decrease) to COLA Table (to maintain 18% Contingency Reserve)

1	Unallocated Reserve	($887,233)
2	Increase Ratio [III.1 / II.2(d)]	-9.99%
3	Current COLA Table Amount	$781
4	Potential Table Increase/(Decrease) [2. x 3.] (rounded down)	($78)
5	Potential New COLA Table Amount [3. + 4.]	$703

City of Ocala Firefighters Retirement Plan
COLA Fund

Plan Provisions

Established	January 1, 2016
Eligibility	All members, excluding members who retired or left employment prior to the creation of the reserve under 99-1
Initial Funding	COLA Fund assets as of September 30, 2015 ($1,130,461) Chapter 175 Reserve Fund Transfer ($2,515,081)
Future Funding	Member contributes 8.17% of pay, of which 0.50% is allocated to the COLA Fund 50% of State Premium Tax Revenues in excess of $200,000
Investments	The COLA Fund will be comingled with the pension fund assets for investment purposes and will be credited with the same market rate of investment return as the pension fund, net of all investment related expenses. The 10-year average investment earnings on the COLA Fund in excess of 7% shall be applied to reduce the UAAL of the pension fund until the pension fund reaches a funded ratio of 90%.
Form of Benefit	COLA benefits are paid as a single life annuity, regardless of the optional form chosen for Plan benefits, and cease upon the death of the member.
Credited Service	Determined at DROP exit. Therefore, COLA credited service may be greater than credited service used to determine Retirement Plan benefits
Death/Disability	Service-incurred deaths and disabilities are treated as having at least 25 years of credited service
Deferred Vested	Deferred vested members will begin COLA benefits at their normal retirement date.

City of Ocala Firefighters Retirement Plan
COLA Fund

Assumptions

Unless otherwise indicated below, additional assumptions are as disclosed in the most recent October 1 annual actuarial funding valuation report.

Discount Rate	7.00%
Future Funding	Member contributes 8.17% of pay, of which 0.50% is allocated to the COLA Fund 50% of State Premium Tax Revenues in excess of $200,000, plus any additional excess amounts not needed to fund the pension to a 90% funded level.
Future Payroll Growth	1.50% per year
Future State Premium Tax Revenue	The smaller of this year's current premium tax revenue, the 5-year average of premium tax revenue, and the 10-year of average of premium tax revenue.
Liability Reserve for Future Active Members	15%
Asset Contingency Reserve	20%
DROP	Members in DROP are assumed to participate in DROP for five years.

CITY OF OCALA FIREFIGHTERS RETIREMENT PLAN
$703 COLA TABLE

Years of Credited Service at Retirement/DROP Exit	Years Since Retirement/DROP Exit															
	0	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**13**	**14**	**15**
10	34	45	56	67	79	90	101	112	124	135	146	157	169	180	191	202
11	37	49	62	74	87	99	111	124	136	148	161	173	186	198	210	223
12	40	54	67	81	94	108	121	135	148	162	175	189	202	216	229	243
13	44	58	73	88	102	117	132	146	161	175	190	205	219	234	249	263
14	47	63	79	94	110	126	142	157	173	189	205	220	236	252	268	283
15	51	67	84	101	118	135	152	169	186	202	219	236	253	270	287	304
16	54	72	90	108	126	144	162	180	198	216	234	252	270	288	306	324
17	57	76	96	115	134	153	172	191	210	229	249	268	287	306	325	344
18	61	81	101	121	142	162	182	202	223	243	263	283	304	324	344	364
19	64	85	107	128	150	171	192	214	235	256	278	299	321	342	363	385
20	67	90	112	135	157	180	202	225	247	270	292	315	337	360	382	405
21	71	94	118	142	165	189	213	236	260	283	307	331	354	378	402	425
22	74	99	124	148	173	198	223	247	272	297	322	346	371	396	421	445
23	78	103	129	155	181	207	233	259	285	310	336	362	388	414	440	466
24	81	108	135	162	189	216	243	270	297	324	351	378	405	432	459	486
25	84	112	141	169	197	225	253	281	309	337	366	394	422	450	478	506
26	88	117	146	175	205	234	263	292	322	351	380	409	439	468	497	526
27	91	121	152	182	213	243	273	304	334	364	395	425	456	486	516	547
28	94	126	157	189	220	252	283	315	346	378	409	441	472	504	535	567
29	98	130	163	196	228	261	294	326	359	391	424	457	489	522	555	587
30	101	135	169	202	236	270	304	337	371	405	439	472	506	540	574	607
31	105	139	174	209	244	279	314	349	384	418	453	488	523	558	593	628
32	108	144	180	216	252	288	324	360	396	432	468	504	540	576	612	648
33	111	148	186	223	260	297	334	371	408	445	483	520	557	594	631	668
34	115	153	191	229	268	306	344	382	421	459	497	535	574	612	650	688
35	118	157	197	236	276	315	354	394	433	472	512	551	591	630	669	709

CITY OF OCALA FIREFIGHTERS RETIREMENT PLAN
$703 COLA TABLE

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Years of Credited Service at Retirement/DROP Exit	Years Since Retirement/DROP Exit															
	16	**17**	**18**	**19**	**20**	**21**	**22**	**23**	**24**	**25**	**26**	**27**	**28**	**29**	**30**	**31**
10	214	225	236	247	259	270	281	292	304	315	326	337	349	360	371	382
11	235	247	260	272	285	297	309	322	334	346	359	371	384	396	408	421
12	256	270	283	297	310	324	337	351	364	378	391	405	418	432	445	459
13	278	292	307	322	336	351	366	380	395	409	424	439	453	468	483	497
14	299	315	331	346	362	378	394	409	425	441	457	472	488	504	520	535
15	321	337	354	371	388	405	422	439	456	472	489	506	523	540	557	574
16	342	360	378	396	414	432	450	468	486	504	522	540	558	576	594	612
17	363	382	402	421	440	459	478	497	516	535	555	574	593	612	631	650
18	385	405	425	445	466	486	506	526	547	567	587	607	628	648	668	688
19	406	427	449	470	492	513	534	556	577	598	620	641	663	684	705	727
20	427	450	472	495	517	540	562	585	607	630	652	675	697	720	742	765
21	449	472	496	520	543	567	591	614	638	661	685	709	732	756	779	803
22	470	495	520	544	569	594	619	643	668	693	718	742	767	792	817	841
23	492	517	543	569	595	621	647	673	699	724	750	776	802	828	854	880
24	513	540	567	594	621	648	675	702	729	756	783	810	837	864	891	918
	534	562	591	619	647	675	703	731	759	787	815	844	872	900	928	956
26	556	585	614	643	673	702	731	760	790	819	848	877	907	936	965	994
27	577	607	638	668	699	729	759	790	820	850	881	911	941	972	1,002	1,033
28	598	630	661	693	724	756	787	819	850	882	913	945	976	1,008	1,039	1,071
29	620	652	685	718	750	783	815	848	881	913	946	979	1,011	1,044	1,076	1,109
30	641	675	709	742	776	810	844	877	911	945	979	1,012	1,046	1,080	1,114	1,147
31	663	697	732	767	802	837	872	907	941	976	1,011	1,046	1,081	1,116	1,151	1,186
32	684	720	756	792	828	864	900	936	972	1,008	1,044	1,080	1,116	1,152	1,188	1,224
33	705	742	779	817	854	891	928	965	1,002	1,039	1,076	1,114	1,151	1,188	1,225	1,262
34	727	765	803	841	880	918	956	994	1,033	1,071	1,109	1,147	1,186	1,224	1,262	1,300
35	748	787	827	866	905	945	984	1,024	1,063	1,102	1,142	1,181	1,220	1,260	1,299	1,339

CITY OF OCALA FIREFIGHTERS RETIREMENT PLAN
$703 COLA TABLE

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Years of Credited Service at Retirement/DROP Exit	Years Since Retirement/DROP Exit															
	0	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**13**	**14**	**15**
36	121	162	202	243	283	324	364	405	445	486	526	567	607	648	688	729
37	125	166	208	250	291	333	375	416	458	499	541	583	624	666	707	749
38	128	171	214	256	299	342	385	427	470	513	556	598	641	684	727	769
39	132	175	219	263	307	351	395	439	483	526	570	614	658	702	746	790
40	135	180	225	270	315	360	405	450	495	540	585	630	675	720	765	810
41	138	184	231	277	323	369	415	461	507	553	600	646	692	738	784	830
42	142	189	236	283	331	378	425	472	520	567	614	661	709	756	803	850
43	145	193	242	290	339	387	435	484	532	580	629	677	725	774	822	871
44	148	198	247	297	346	396	445	495	544	594	643	693	742	792	841	891
45	152	202	253	304	354	405	456	506	557	607	658	709	759	810	860	911
46	155	207	259	310	362	414	466	517	569	621	673	724	776	828	880	931
47	159	211	264	317	370	423	476	529	582	634	687	740	793	846	899	952
48	162	216	270	324	378	432	486	540	594	648	702	756	810	864	918	972
49	165	220	276	331	386	441	496	551	606	661	716	772	827	882	937	992
50	169	225	281	337	394	450	506	562	619	675	731	787	844	900	956	1,012

CITY OF OCALA FIREFIGHTERS RETIREMENT PLAN
$703 COLA TABLE

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Years of Credited Service at Retirement/DROP Exit	Years Since Retirement/DROP Exit															
	16	**17**	**18**	**19**	**20**	**21**	**22**	**23**	**24**	**25**	**26**	**27**	**28**	**29**	**30**	**31**
36	769	810	850	891	931	972	1,012	1,053	1,093	1,134	1,174	1,215	1,255	1,296	1,336	1,377
37	791	832	874	916	957	999	1,040	1,082	1,124	1,165	1,207	1,249	1,290	1,332	1,373	1,415
38	812	855	898	940	983	1,026	1,069	1,111	1,154	1,197	1,240	1,282	1,325	1,368	1,410	1,453
39	833	877	921	965	1,009	1,053	1,097	1,141	1,184	1,228	1,272	1,316	1,360	1,404	1,448	1,491
40	855	900	945	990	1,035	1,080	1,125	1,170	1,215	1,260	1,305	1,350	1,395	1,440	1,485	1,530
41	876	922	968	1,015	1,061	1,107	1,153	1,199	1,245	1,291	1,337	1,384	1,430	1,476	1,522	1,568
42	898	945	992	1,039	1,087	1,134	1,181	1,228	1,276	1,323	1,370	1,417	1,464	1,512	1,559	1,606
43	919	967	1,016	1,064	1,112	1,161	1,209	1,258	1,306	1,354	1,403	1,451	1,499	1,548	1,596	1,644
44	940	990	1,039	1,089	1,138	1,188	1,237	1,287	1,336	1,386	1,435	1,485	1,534	1,584	1,633	1,683
45	962	1,012	1,063	1,114	1,164	1,215	1,265	1,316	1,367	1,417	1,468	1,518	1,569	1,620	1,670	1,721
46	983	1,035	1,087	1,138	1,190	1,242	1,294	1,345	1,397	1,449	1,500	1,552	1,604	1,656	1,707	1,759
47	1,004	1,057	1,110	1,163	1,216	1,269	1,322	1,375	1,427	1,480	1,533	1,586	1,639	1,692	1,745	1,797
48	1,026	1,080	1,134	1,188	1,242	1,296	1,350	1,404	1,458	1,512	1,566	1,620	1,674	1,728	1,782	1,836
49	1,047	1,102	1,157	1,213	1,268	1,323	1,378	1,433	1,488	1,543	1,598	1,653	1,709	1,764	1,819	1,874
50	1,069	1,125	1,181	1,237	1,294	1,350	1,406	1,462	1,518	1,575	1,631	1,687	1,743	1,800	1,856	1,912