

January 10, 2024

VIA EMAIL

Ms. Chrissy Stoker, Plan Administrator
2503 Del Prado Blvd. S
Suite 502
Cape Coral, FL 33904

Re: Greater Naples Fire Rescue District Firefighters' Pension Plan

Dear Chrissy:

In response to your e-mail request dated December 14, 2023, we have reviewed the draft resolution providing for a "13th check", which allocates an individual share account for each retiree or beneficiary commencing a normal or disability retirement benefit on or after October 1, 2022.

It is our opinion that adoption of this resolution will have no impact on the assumptions used in determining the funding requirements of the program. Because this will not result in an immediate change in the valuation results, it is our opinion that a formal Actuarial Impact Statement is not required in support of its adoption. However, since the Division of Retirement must be aware of the current provisions of all public pension programs, it is recommended that you send a copy of this letter and a copy of the fully executed Resolution to each of the following offices:

Mr. Keith Brinkman
Bureau of Local Retirement Systems
Division of Retirement
3189 S. Blair Stone Rd.
Tallahassee, FL 32301

Mr. Steve Bardin
Municipal Police and Fire
Pension Trust Funds
Division of Retirement
3189 S. Blair Stone Rd.
Tallahassee, FL 32301

The undersigned is familiar with the immediate and long-term aspects of pension valuations, and meets the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial opinions contained herein.

If you have any questions, please let me know.

Sincerely,



Sara E. Carlson, ASA, EA, MAAA

cc via email: Ken Harrison, Board Attorney
cc via email: Marcus Braswell, Board Attorney

RESOLUTION 2024 - 04

**GREATER NAPLES FIRE RESCUE DISTRICT
RESOLUTION AMENDING THE GREATER NAPLES FIRE
RESCUE DISTRICT FIREFIGHTERS' PENSION PLAN AS
RESTATED IN RESOLUTION 2022-16, AMENDING
SECTION 11, OPTIONAL FORMS OF BENEFIT,
PROVIDING FOR A 13TH CHECK; PROVIDING FOR
REPEAL OF CONFLICTING RESOLUTIONS; PROVIDING
FOR SEVERABILITY; AND PROVIDING FOR AN
EFFECTIVE DATE.**

WHEREAS, the Greater Naples Fire Rescue District maintains for the benefit of firefighters employed by the District a local law pension plan pursuant to Chapter 175, Florida Statutes, known as the Greater Naples Fire Rescue District Firefighters' Pension Plan (the "Plan"), which plan is set forth in the District's Resolution 96-03, as restated in Resolution 2022-16; and

WHEREAS, the District and the bargaining representative of the firefighters of the Plan, IAFF Local 2396, have agreed to provide for a 13TH Check; and

WHEREAS, an actuarial impact statement has been produced in connection with the amendment to the Plan contained in this Resolution, a copy of which statement has been attached to this Resolution; and

WHEREAS, public notice of a meeting of the Board of Fire Commissioners for the consideration of the present Resolution was duly effectuated by publication in a newspaper of general circulation in the District as provided by law; and

WHEREAS, a public meeting before the Board of Fire Commissioners was held pursuant to the notice referenced above, at which meeting all interested persons were afforded an opportunity to be heard;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF FIRE COMMISSIONERS OF THE GREATER NAPLES FIRE RESCUE DISTRICT, COLLIER COUNTY, FLORIDA:

Section 1. Resolution 2022-16 is hereby amended by adding the following underlined language and deleting the following stricken language from Section 11, Optional Forms of Benefit, subsection f., *Supplemental Retirement Benefit*, as follows:

Section 11. Optional Forms of Benefit.

[...]

f. *Supplemental Retirement Benefit*: Effective October 1, 2009, there is hereby created a supplemental retirement benefit in accordance with this subsection (e). This supplemental retirement benefit shall consist of an individual share account for each active Firefighter, including DROP participants, on or after the effective date hereof. Effective upon enactment, Participants retiring on or after October 1, 2022, receiving either a normal or disability retirement, shall be eligible for the supplemental retirement benefit as specified herein. The supplemental retirement benefit shall be funded solely by premium tax revenues received by the District pursuant to Chapter 175, Florida Statutes, as provided in this subsection. The total initial amount to be allocated to the participants' share accounts as provided herein shall be \$1,217,569. For plan years beginning October 1, 2009 and later, all premium tax revenues received by the District pursuant to Chapter 175, Florida Statutes, in excess of \$679,098.83 shall be allocated to the participants' share accounts as provided herein. Participants' share accounts shall be credited with premium tax revenues and investment earnings or losses, and interest, and distributed as follows:

- (1) Initial crediting: No later than 180 days after the adoption of this resolution, the share account of each active Firefighter and DROP participant on the District's payroll as of September 30, 2007, shall be credited retroactively as follows. Each Member who was employed on September 30, 2007 as a Firefighter shall receive one share for each month of Credited Service, as defined in §2(g), earned from date of hire through September 30, 2007. The total number of shares thus determined shall be divided into the initial amount of premium tax revenues to be allocated (\$1,217,569) to derive the initial value of each share.
- (2) Annual crediting:

- (i) Effective January 1, 2020, and each January 1 thereafter, the share account of each active Firefighter and DROP participant on the District's payroll as of the preceding September 30 shall be credited as follows. Each active Firefighter and DROP participant who was employed on the preceding September 30 shall receive one share for each month of Credited Service, as defined in §2(g), earned during the plan year ending on the same September 30. The total number of shares thus determined shall be divided into the premium tax revenues received during that plan year (or in the case of a supplemental distribution, revenues applicable to that plan year even if received after the end of the plan year) in excess of \$679,098.83, to determine the amount to be credited to the share account of each eligible share plan participant.
- (ii) Effective upon enactment, eligible Participants who retire on or after October 1, 2022 shall become eligible for supplemental retirement benefits in the form of a thirteenth check calculated in the same manner as specified in this section. Each such eligible retiree shall be entitled to a one-time annual allocation to their share account based on their total Credited Service, as defined in Sec. 2(g), as of the earlier of either their DROP entry date or normal or disability retirement on or after October 1, 2022.
- (3) Investment earnings and losses, or interest: Effective January 1, 2010, and each January 1 thereafter, the share account of each active Firefighter and DROP participant shall be credited or debited with earnings or losses based upon the amount in the share account at the close of the immediately preceding calendar year at a rate equal to the Pension Plan's actual net rate of investment return for the preceding plan year. Share plan participants who are within 5 years of their expected Normal Retirement Date shall have the option to make a one-time irrevocable election in writing, as defined in Section 7 herein, to have interest credited to their share account from a money market mutual fund selected by the Board, rather than credited or debited at the Pension Plan's actual net rate of investment return. Effective October 1, 2022, the share account of each eligible retiree shall also be credited with earnings at a rate equal to the Pension Plan's actual net rate of investment return for the preceding plan year prorated from the October 1st when the retiree's share account is credited to the date that the "13th check" is paid to the eligible retiree.
- (4) Distribution of Share Accounts:

(i) An active Firefighter or DROP participant with eight (8) or more years of Credited Service upon termination of employment shall be eligible to receive a distribution of one hundred percent (100%) of the balance in his or her share account, together with all earnings and losses and interest credited to the share account through the date of termination of employment. No benefit shall be payable to an active Firefighter who terminates covered employment with less than eight (8) years of Credited Service. The share account balances of such non-vested terminated Members shall be redistributed among all eligible participant's share accounts in the same manner as premium tax revenues in the following calendar year. The designated Beneficiary of an active Firefighter who dies shall receive the accumulated total of his share account balance, and an active Firefighter awarded a disability pension from the Pension Plan shall receive the accumulated total of his share account balance. There shall be no forfeiture of a Member's share account based on the Member's death, disability or termination of employment with six or more years of Credited Service. Payment of share account benefits shall be by lump sum, which shall consist of the accumulated total balance of the active Firefighter's share account, or, at the participant's direction, the share account balance may be rolled over to another qualified plan in accordance with Section 23 hereof, with an additional payment made for any amount credited in the year following termination of employment.

(ii) The share account of each eligible retiree shall be paid to the eligible retiree, or if the eligible retiree is deceased, to the retiree's designated beneficiary, by February 28th of each year (i.e. the "13th check.").

(5) Notwithstanding any provision above to the contrary, in the event any additional pension benefits are mandated by state law in the future, the \$679,098.83 "applicable frozen amount" shall be adjusted such that the additional benefits are paid for with premium tax revenues in accordance with Chapter 175, Florida Statutes. In such event, all provisions of this section shall remain in effect, except that the adjusted applicable frozen amount shall be applied instead of the \$679,098.83 applicable frozen amount.

Section 2. All resolutions or parts of resolutions in conflict with this resolution are hereby repealed to the extent of such conflict.

Section 3. If any provision of this resolution or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this resolution which can be given effect without the invalid provision or application, and to this end the provisions of this resolution are declared severable.

Section 4. This Resolution shall become effective immediately upon adoption.

We, the undersigned hereby certify that the Greater Naples Fire Rescue District Board of Fire Commissioners is comprised of five members, of whom ____, constituting a quorum, were present at a meeting duly and regularly called, noticed, convened and held this 20th day of February, 2024, and that the foregoing Resolution was duly adopted at said meeting by the affirmative vote of ____ members, and opposed by ____ members, and that said Resolution has been duly recorded in the Official records and is in full force and effect.

Nick Biondo, Chairman