

November 19, 2019

Ms. Karen Lauer
 City of New Port Richey
 Firefighters' Retirement System
 5919 Main Street
 New Port Richey, FL 34652

Re: Study of One Time 13th Check

Dear Karen:

As the Board requested, we have performed a special actuarial analysis to determine the impact on the City's funding requirement if a one-time 13th Check were given to retirees (one scenario for those who have been retired at least 10 years as of October 1, 2019 and one scenario for those who have been retired at least one year as of October 1, 2019).

Specifically, each affected retiree would get an extra retirement benefit deposit or check that is the same as their normal monthly deposit or check. This benefit would include all retirees, joint pensioners or beneficiaries who were receiving a benefit on October 1, 2019 who have been receiving benefits since either October 1, 2009 for scenario 1 or October 1, 2018 for scenario 2. The 13th check would be one time and the benefit would not be increased in future years unless a new ordinance was adopted at a later date.

The impact on the City's minimum contribution requirements, determined as of October 1, 2018 (applicable to the fiscal year ending September 30, 2020), is illustrated below. The results in the "Current" column were determined with our September 19, 2019 Actuarial Impact Statement.

	Current	Scenario 1 13th Check Retired 10+	Scenario 2 13th Check Retired 1+
Minimum Required Contribution	502,092	508,279	512,092
Member Contributions (Est.)	99,514	99,514	99,514
City And State Required Contribution	402,578	408,765	412,578
State Contribution (Est.) ¹	108,190	108,190	108,190
City Required Contribution	294,388	300,575	304,388
Increase		6,187	10,000

¹ Represents the amount received in calendar 2019. As per a Mutual Consent Agreement between the Membership and the City, all State Monies received each year will be available to offset the City's required contribution.

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Please note the contents of this analysis, and the October 1, 2018 actuarial valuation report, and the September 19, 2019 Actuarial Impact Statement, are considered an integral part of the actuarial opinions. All assumptions and methods are the same as the September 19, 2019 Actuarial Impact Statement, except as noted. 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.

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 study, we did not perform an analysis of the potential range of such future measurements.

Hopefully the results of this analysis will lead to good discussions. If you have any questions, concerns, or would like to discuss the results in greater detail, please do not hesitate to contact us.

Sincerely,

A handwritten signature in cursive script that reads "Patrick T. Donlan". The signature is written in dark ink and includes a horizontal line extending to the right from the end of the name.

Patrick T. Donlan, EA, ASA, MAAA

PTD/lke