

CITY OF WINTER GARDEN
PENSION PLAN FOR FIREFIGHTERS AND POLICE OFFICERS

SECTION 112.664, FLORIDA STATUTES COMPLIANCE
DETERMINED AS OF THE
OCTOBER 1, 2019 VALUATION DATE



July 12, 2020

VIA E-MAIL

Susy Pita, Plan Administrator
22233 Drawbridge Dr.
Leesburg, FL 34748

Re: City of Winter Garden Pension Plan for Firefighters and Police Officers
Section 112.664, Florida Statutes Compliance

Dear Susy:

Please find enclosed the annual disclosures that satisfy the October 1, 2019 financial reporting requirements made under Section 112.664.

Our office will submit this information electronically to the Department of Management Services. However, it is important for you to be aware that this report must also be made available on the Plan or Plan Sponsor's website, if such website exists. A deadline for this website publication is not made clear in the law.

In addition to the enclosed report, the Plan or Plan Sponsor's website must provide a link to the Division of Retirement's Actuarial Summary Fact Sheet for the Plan, and also report the previous five years' assumed and actual rates of return, along with their respective asset allocations. The Board should contact its Investment Consultant for this information.

With respect to the reporting standards for defined benefit retirement plans or systems contained in Section 112.664(1), F.S., the actuarial disclosures required under this section were prepared and completed 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, meet the requirements of Section 112.664(1), Florida Statutes, and Rule 60T-1.0035, Florida Administrative Code.

If there are any questions, concerns, or comments about any of the items contained in this report, please feel free to contact me.

Respectfully submitted,

Foster & Foster, Inc.

By: 

Douglas H. Lozen, EA, MAAA
Enrolled Actuary #20-7778

Enclosures

cc via email: Scott R. Christiansen, Board Attorney

When reviewing the following schedules, please note the following:

- 1) The purpose of producing this report is solely to satisfy the requirements set forth by Section 112.664, Florida Statutes, and is mandatory for every Florida public pension fund, excluding the Florida Retirement System (FRS).
- 2) None of the schedules shown have any impact on the funding requirements of the Plan. These schedules are for statutory compliance purposes only.
- 3) In the schedules that follow, the columns labeled “ACTUAL” represent the final recorded GASB 67/68 results. The columns labeled “HYPOTHETICAL” illustrate what the results would have been if different assumptions were used.
- 4) It is our opinion that the Plan’s actual assumptions utilized in the October 1, 2019 Actuarial Valuation Report, as adopted by the Board of Trustees, are reasonable individually and in the aggregate, and represent our best estimate of future Plan experience.
- 5) The “Number of Years Expected Benefit Payments Sustained” calculated in Section II: Asset Sustainability should not be interpreted as the number of years the Plan has left until it is insolvent. This calculation is required by 112.664, Florida Statutes, but the numeric result is irrelevant, since in its calculation we are to assume there will be no further contributions to the Fund. As long as the Actuarially Determined Contribution is made each year the Plan will never become insolvent.

SCHEDULE OF CHANGES IN NET PENSION LIABILITY
FISCAL YEAR SEPTEMBER 30, 2019

	ACTUAL	HYPOTHETICAL
	7.25% RP-2000 Generational	5.25% RP-2000 Generational
<u>Total Pension Liability</u>		
Service Cost	1,312,452	2,124,822
Interest	3,020,659	2,920,041
Change in Excess State Money	-	-
Share Plan Allocation	172,637	172,637
Changes of Benefit Terms	(21,069)	(26,419)
Differences Between Expected and Actual Experience	(924,805)	(1,269,315)
Changes of Assumptions	-	-
Benefit Payments, Including Refunds of Employee Contributions	(1,601,411)	(1,601,411)
Net Change in Total Pension Liability	1,958,463	2,320,355
Total Pension Liability - Beginning	41,173,588	54,322,130
Total Pension Liability - Ending (a)	<u>\$ 43,132,051</u>	<u>\$ 56,642,485</u>
<u>Plan Fiduciary Net Position</u>		
Contributions - Employer	1,214,538	1,214,538
Contributions - State	665,085	665,085
Contributions - Employee	295,744	295,744
Net Investment Income	1,544,471	1,544,471
Benefit Payments, Including Refunds of Employee Contributions	(1,601,411)	(1,601,411)
Administrative Expenses	(56,073)	(56,073)
Net Change in Plan Fiduciary Net Position	2,062,354	2,062,354
Plan Fiduciary Net Position - Beginning	42,465,571	42,465,571
Plan Fiduciary Net Position - Ending (b)	<u>\$ 44,527,925</u>	<u>\$ 44,527,925</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ (1,395,874)</u>	<u>\$ 12,114,560</u>

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1
Plan Assumptions: 7.25% and RP-2000 Generational Mortality

Fiscal Year Beginning 10/1	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments*	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2019	44,384,637	-	2,951,393	-	3,110,898	44,544,142
2020	44,544,142	-	1,839,174	-	3,162,780	45,867,748
2021	45,867,748	-	1,842,327	-	3,258,627	47,284,048
2022	47,284,048	-	1,898,211	-	3,359,283	48,745,120
2023	48,745,120	-	2,079,899	-	3,458,625	50,123,846
2024	50,123,846	-	2,202,253	-	3,554,147	51,475,740
2025	51,475,740	-	2,255,808	-	3,650,218	52,870,150
2026	52,870,150	-	2,313,017	-	3,749,239	54,306,372
2027	54,306,372	-	2,431,614	-	3,849,066	55,723,824
2028	55,723,824	-	2,537,113	-	3,948,007	57,134,718
2029	57,134,718	-	2,557,512	-	4,049,557	58,626,763
2030	58,626,763	-	2,641,927	-	4,154,670	60,139,506
2031	60,139,506	-	2,845,553	-	4,256,963	61,550,916
2032	61,550,916	-	2,975,390	-	4,354,584	62,930,110
2033	62,930,110	-	3,122,569	-	4,449,240	64,256,781
2034	64,256,781	-	3,173,354	-	4,543,583	65,627,010
2035	65,627,010	-	3,224,636	-	4,641,065	67,043,439
2036	67,043,439	-	3,263,339	-	4,742,353	68,522,453
2037	68,522,453	-	3,334,361	-	4,847,007	70,035,099
2038	70,035,099	-	3,341,149	-	4,956,428	71,650,378
2039	71,650,378	-	3,326,295	-	5,074,074	73,398,157
2040	73,398,157	-	3,313,402	-	5,201,256	75,286,011
2041	75,286,011	-	3,261,711	-	5,339,999	77,364,299
2042	77,364,299	-	3,214,517	-	5,492,385	79,642,167
2043	79,642,167	-	3,151,899	-	5,659,801	82,150,069
2044	82,150,069	-	3,097,462	-	5,843,597	84,896,204
2045	84,896,204	-	3,018,471	-	6,045,555	87,923,288
2046	87,923,288	-	2,950,334	-	6,267,489	91,240,443
2047	91,240,443	-	2,866,803	-	6,511,011	94,884,651
2048	94,884,651	-	2,783,741	-	6,778,227	98,879,137
2049	98,879,137	-	2,698,417	-	7,070,920	103,251,640
2050	103,251,640	-	2,610,728	-	7,391,105	108,032,017
2051	108,032,017	-	2,523,214	-	7,740,855	113,249,658
2052	113,249,658	-	2,434,366	-	8,122,354	118,937,646
2053	118,937,646	-	2,343,932	-	8,538,012	125,131,726
2054	125,131,726	-	2,252,316	-	8,990,404	131,869,814
2055	131,869,814	-	2,160,858	-	9,482,230	139,191,186
2056	139,191,186	-	2,067,740	-	10,016,405	147,139,851
2057	147,139,851	-	1,973,890	-	10,596,086	155,762,047
2058	155,762,047	-	1,879,121	-	11,224,630	165,107,556
2059	165,107,556	-	1,783,618	-	11,905,642	175,229,580
2060	175,229,580	-	1,687,398	-	12,642,976	186,185,158
2061	186,185,158	-	1,590,874	-	13,440,755	198,035,039
2062	198,035,039	-	1,494,412	-	14,303,368	210,843,995
2063	210,843,995	-	1,398,804	-	15,235,483	224,680,674
2064	224,680,674	-	1,304,698	-	16,242,054	239,618,030
2065	239,618,030	-	1,212,585	-	17,328,351	255,733,796
2066	255,733,796	-	1,122,738	-	18,500,001	273,111,059
2067	273,111,059	-	1,035,520	-	19,763,014	291,838,553
2068	291,838,553	-	951,148	-	21,123,816	312,011,221
2069	312,011,221	-	869,681	-	22,589,288	333,730,828
2070	333,730,828	-	791,361	-	24,166,798	357,106,265

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1
Plan Assumptions: 7.25% and RP-2000 Generational Mortality

Fiscal Year Beginning 10/1	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments*	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2071	357,106,265	-	716,097	-	25,864,246	382,254,414
2072	382,254,414	-	644,086	-	27,690,097	409,300,425
2073	409,300,425	-	575,667	-	29,653,413	438,378,171
2074	438,378,171	-	510,886	-	31,763,898	469,631,183
2075	469,631,183	-	449,757	-	34,031,957	503,213,383
2076	503,213,383	-	392,417	-	36,468,745	539,289,711
2077	539,289,711	-	338,947	-	39,086,217	578,036,981
2078	578,036,981	-	289,598	-	41,897,183	619,644,566
2079	619,644,566	-	244,729	-	44,915,360	664,315,197
2080	664,315,197	-	204,473	-	48,155,440	712,266,164
2081	712,266,164	-	168,970	-	51,633,172	763,730,366
2082	763,730,366	-	138,081	-	55,365,446	818,957,731
2083	818,957,731	-	111,610	-	59,370,390	878,216,511
2084	878,216,511	-	89,173	-	63,667,465	941,794,803
2085	941,794,803	-	70,402	-	68,277,571	1,010,001,972
2086	1,010,001,972	-	54,997	-	73,223,149	1,083,170,124
2087	1,083,170,124	-	42,472	-	78,528,294	1,161,655,946
2088	1,161,655,946	-	32,483	-	84,218,879	1,245,842,342
2089	1,245,842,342	-	24,550	-	90,322,680	1,336,140,472
2090	1,336,140,472	-	18,362	-	96,869,519	1,432,991,629
2091	1,432,991,629	-	13,553	-	103,891,402	1,536,869,478
2092	1,536,869,478	-	9,906	-	111,422,678	1,648,282,250
2093	1,648,282,250	-	7,146	-	119,500,204	1,767,775,308
2094	1,767,775,308	-	5,101	-	128,163,525	1,895,933,732
2095	1,895,933,732	-	3,598	-	137,455,065	2,033,385,199
2096	2,033,385,199	-	2,513	-	147,420,336	2,180,803,022
2097	2,180,803,022	-	1,731	-	158,108,156	2,338,909,447
2098	2,338,909,447	-	1,176	-	169,570,892	2,508,479,163
2099	2,508,479,163	-	784	-	181,864,711	2,690,343,090
2100	2,690,343,090	-	514	-	195,049,855	2,885,392,431
2101	2,885,392,431	-	330	-	209,190,939	3,094,583,040
2102	3,094,583,040	-	208	-	224,357,263	3,318,940,095
2103	3,318,940,095	-	130	-	240,623,152	3,559,563,117
2104	3,559,563,117	-	80	-	258,068,323	3,817,631,360
2105	3,817,631,360	-	49	-	276,778,272	4,094,409,583
2106	4,094,409,583	-	29	-	296,844,694	4,391,254,248
2107	4,391,254,248	-	17	-	318,365,932	4,709,620,163
2108	4,709,620,163	-	10	-	341,447,461	5,051,067,614
2109	5,051,067,614	-	6	-	366,202,402	5,417,270,010
2110	5,417,270,010	-	4	-	392,752,076	5,810,022,082
2111	5,810,022,082	-	2	-	421,226,601	6,231,248,681
2112	6,231,248,681	-	1	-	451,765,529	6,683,014,209
2113	6,683,014,209	-	1	-	484,518,530	7,167,532,738
2114	7,167,532,738	-	-	-	519,646,124	7,687,178,862

*All DROP and Share Balances paid in 2019.

Number of Years Expected Benefit Payments Sustained: 999.99

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 7.25% interest.

It is important to note that as long as the Actuarially Determined Contribution is made each year, the Plan will never become insolvent. Furthermore, State and local laws mandate that the Actuarially Determined Contribution be made each year.

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 2
Hypothetical Assumptions: 5.25% and RP-2000 Generational Mortality

Fiscal Year Beginning 10/1	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments*	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2019	44,384,637	-	2,951,393	-	2,252,719	43,685,963
2020	43,685,963	-	1,839,174	-	2,245,235	44,092,024
2021	44,092,024	-	1,842,327	-	2,266,470	44,516,167
2022	44,516,167	-	1,898,211	-	2,287,271	44,905,227
2023	44,905,227	-	2,079,899	-	2,302,927	45,128,255
2024	45,128,255	-	2,202,253	-	2,311,424	45,237,426
2025	45,237,426	-	2,255,808	-	2,315,750	45,297,368
2026	45,297,368	-	2,313,017	-	2,317,395	45,301,746
2027	45,301,746	-	2,431,614	-	2,314,512	45,184,644
2028	45,184,644	-	2,537,113	-	2,305,595	44,953,126
2029	44,953,126	-	2,557,512	-	2,292,904	44,688,518
2030	44,688,518	-	2,641,927	-	2,276,797	44,323,388
2031	44,323,388	-	2,845,553	-	2,252,282	43,730,117
2032	43,730,117	-	2,975,390	-	2,217,727	42,972,454
2033	42,972,454	-	3,122,569	-	2,174,086	42,023,971
2034	42,023,971	-	3,173,354	-	2,122,958	40,973,575
2035	40,973,575	-	3,224,636	-	2,066,466	39,815,405
2036	39,815,405	-	3,263,339	-	2,004,646	38,556,712
2037	38,556,712	-	3,334,361	-	1,936,700	37,159,051
2038	37,159,051	-	3,341,149	-	1,863,145	35,681,047
2039	35,681,047	-	3,326,295	-	1,785,940	34,140,692
2040	34,140,692	-	3,313,402	-	1,705,410	32,532,700
2041	32,532,700	-	3,261,711	-	1,622,347	30,893,336
2042	30,893,336	-	3,214,517	-	1,537,519	29,216,338
2043	29,216,338	-	3,151,899	-	1,451,120	27,515,559
2044	27,515,559	-	3,097,462	-	1,363,258	25,781,355
2045	25,781,355	-	3,018,471	-	1,274,286	24,037,170
2046	24,037,170	-	2,950,334	-	1,184,505	22,271,341
2047	22,271,341	-	2,866,803	-	1,093,992	20,498,530
2048	20,498,530	-	2,783,741	-	1,003,100	18,717,889
2049	18,717,889	-	2,698,417	-	911,856	16,931,328
2050	16,931,328	-	2,610,728	-	820,363	15,140,963
2051	15,140,963	-	2,523,214	-	728,666	13,346,415
2052	13,346,415	-	2,434,366	-	636,785	11,548,834
2053	11,548,834	-	2,343,932	-	544,786	9,749,688
2054	9,749,688	-	2,252,316	-	452,735	7,950,107
2055	7,950,107	-	2,160,858	-	360,658	6,149,907
2056	6,149,907	-	2,067,740	-	268,592	4,350,759
2057	4,350,759	-	1,973,890	-	176,600	2,553,469
2058	2,553,469	-	1,879,121	-	84,730	759,078
2059	759,078	-	1,783,618	-	-	-

*All DROP and Share Balances paid in 2019.

Number of Years Expected Benefit Payments Sustained: 40.43

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 5.25% interest.

It is important to note that as long as the Actuarially Determined Contribution is made each year, the Plan will never become insolvent. Furthermore, State and local laws mandate that the Actuarially Determined Contribution be made each year.

ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR
ENDING SEPTEMBER 30, 2021

Valuation Date: 10/1/2019

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>
	7.25% RP-2000 Generational	5.25% RP-2000 Generational
Minimum Required Contribution (Fixed \$)	\$1,898,558	\$3,888,626
Minimum Required Contribution (% of Payroll)	20.57%	42.15%
Expected Member Contribution	322,957	322,957
Expected State Money	277,807	277,807
Expected Sponsor Contribution (Fixed \$)	\$1,297,794	\$3,287,862
Expected Sponsor Contribution (% of Payroll)	14.06%	35.64%

ASSETS

Actuarial Value ¹	44,189,036	44,189,036
Market Value ¹	44,384,637	44,384,637

LIABILITIES

Present Value of Benefits		
Active Members		
Retirement Benefits	32,525,666	51,904,521
Disability Benefits	1,931,542	2,692,744
Death Benefits	411,187	553,648
Vested Benefits	2,615,953	4,653,579
Refund of Contributions	90,106	93,955
Service Retirees	12,932,790	15,567,422
DROP Retirees ¹	2,691,280	3,300,384
Beneficiaries	617,017	733,325
Disability Retirees	2,565,095	3,123,924
Terminated Vested	2,179,490	3,123,863
Share Plan Balances ¹	728,739	728,739
Total:	<u>59,288,865</u>	<u>86,476,104</u>
Present Value of Future Salaries	86,820,153	99,171,631
Present Value of Future Member Contributions	3,038,705	3,471,007
Total Normal Cost	1,668,671	2,722,417
Present Value of Future Normal Costs (Entry Age Normal)	14,544,872	27,444,757
Total Actuarial Accrued Liability ¹	44,743,993	59,031,347
Unfunded Actuarial Accrued Liability (UAAL)	554,957	14,842,311

ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR
ENDING SEPTEMBER 30, 2021

Valuation Date: 10/1/2019

	ACTUAL	HYPOTHETICAL
	7.25%	5.25%
	RP-2000	RP-2000
	Generational	Generational
<u>PENSION COST</u>		
Normal Cost (with interest)	1,729,160	2,793,880
Administrative Expenses (with interest)	62,099	61,500
Payment Required To Amortize UAAL (with interest)	107,299	1,033,246
Minimum Required Contribution	\$1,898,558	\$3,888,626

¹ The asset values and liabilities include accumulated DROP and Share Plan Balances as of 9/30/2019.