

CITY OF WINTER GARDEN  
PENSION PLAN FOR GENERAL EMPLOYEES

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



July 10, 2020

VIA E-MAIL

Ariel Kenon  
City of Winter Garden  
300 West Plant Street  
Winter Garden, FL 34787-3009

Re: City of Winter Garden Pension Plan for General Employees  
Section 112.664, Florida Statutes Compliance

Dear Ariel:

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.

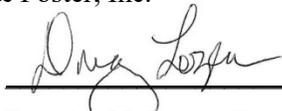
With respect to the reporting standards for defined benefit retirement plans or systems contained in Section 112.664(1), F.S., the actuarial disclosures required under this section were prepared and completed by me or under my direct supervision and I acknowledge responsibility for the results. To the 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	955,323	1,517,962
Interest	2,293,657	2,156,145
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience	336,696	500,667
Changes of Assumptions	-	-
Contributions - Buy Back	-	-
Benefit Payments, Including Refunds of Employee Contributions	(1,490,125)	(1,490,125)
Net Change in Total Pension Liability	2,095,551	2,684,649
Total Pension Liability - Beginning	31,426,393	40,296,520
Total Pension Liability - Ending (a)	<u>\$ 33,521,944</u>	<u>\$ 42,981,169</u>
<u>Plan Fiduciary Net Position</u>		
Contributions - Employer	1,172,985	1,172,985
Contributions - Employee	221,945	221,945
Contributions - Buy Back	-	-
Net Investment Income	1,114,061	1,114,061
Benefit Payments, Including Refunds of Employee Contributions	(1,490,125)	(1,490,125)
Administrative Expenses	(36,422)	(36,422)
Net Change in Plan Fiduciary Net Position	982,444	982,444
Plan Fiduciary Net Position - Beginning	29,296,982	29,296,982
Plan Fiduciary Net Position - Ending (b)	<u>\$ 30,279,426</u>	<u>\$ 30,279,426</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 3,242,518</u>	<u>\$ 12,701,743</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	30,162,069	-	1,968,773	-	2,115,382	30,308,678
2020	30,308,678	-	1,847,662	-	2,130,401	30,591,417
2021	30,591,417	-	1,936,528	-	2,147,679	30,802,568
2022	30,802,568	-	2,018,270	-	2,160,024	30,944,322
2023	30,944,322	-	2,112,144	-	2,166,898	30,999,076
2024	30,999,076	-	2,125,849	-	2,170,371	31,043,598
2025	31,043,598	-	2,155,490	-	2,172,524	31,060,632
2026	31,060,632	-	2,244,342	-	2,170,538	30,986,828
2027	30,986,828	-	2,317,266	-	2,162,544	30,832,106
2028	30,832,106	-	2,353,348	-	2,150,019	30,628,777
2029	30,628,777	-	2,377,286	-	2,134,410	30,385,901
2030	30,385,901	-	2,391,267	-	2,116,294	30,110,928
2031	30,110,928	-	2,403,145	-	2,095,928	29,803,711
2032	29,803,711	-	2,379,407	-	2,074,516	29,498,820
2033	29,498,820	-	2,403,875	-	2,051,524	29,146,469
2034	29,146,469	-	2,449,700	-	2,024,317	28,721,086
2035	28,721,086	-	2,427,167	-	1,994,294	28,288,213
2036	28,288,213	-	2,434,111	-	1,962,659	27,816,761
2037	27,816,761	-	2,380,064	-	1,930,438	27,367,135
2038	27,367,135	-	2,373,935	-	1,898,062	26,891,262
2039	26,891,262	-	2,357,494	-	1,864,157	26,397,925
2040	26,397,925	-	2,335,024	-	1,829,205	25,892,106
2041	25,892,106	-	2,267,453	-	1,794,983	25,419,636
2042	25,419,636	-	2,210,614	-	1,762,789	24,971,811
2043	24,971,811	-	2,155,126	-	1,732,333	24,549,018
2044	24,549,018	-	2,105,773	-	1,703,470	24,146,715
2045	24,146,715	-	2,048,838	-	1,676,366	23,774,243
2046	23,774,243	-	1,993,622	-	1,651,364	23,431,985
2047	23,431,985	-	1,928,609	-	1,628,907	23,132,283
2048	23,132,283	-	1,832,347	-	1,610,668	22,910,604
2049	22,910,604	-	1,736,357	-	1,598,076	22,772,323
2050	22,772,323	-	1,649,052	-	1,591,215	22,714,486
2051	22,714,486	-	1,565,013	-	1,590,069	22,739,542
2052	22,739,542	-	1,474,238	-	1,595,176	22,860,480
2053	22,860,480	-	1,390,107	-	1,606,993	23,077,366
2054	23,077,366	-	1,303,696	-	1,625,850	23,399,520
2055	23,399,520	-	1,224,120	-	1,652,091	23,827,491
2056	23,827,491	-	1,142,582	-	1,686,075	24,370,984
2057	24,370,984	-	1,064,134	-	1,728,321	25,035,171
2058	25,035,171	-	988,790	-	1,779,206	25,825,587
2059	25,825,587	-	916,486	-	1,839,132	26,748,233
2060	26,748,233	-	846,823	-	1,908,550	27,809,960
2061	27,809,960	-	780,393	-	1,987,933	29,017,500
2062	29,017,500	-	717,460	-	2,077,761	30,377,801
2063	30,377,801	-	657,940	-	2,178,540	31,898,401
2064	31,898,401	-	601,960	-	2,290,813	33,587,254
2065	33,587,254	-	549,253	-	2,415,165	35,453,166
2066	35,453,166	-	499,629	-	2,552,243	37,505,780
2067	37,505,780	-	452,956	-	2,702,749	39,755,573
2068	39,755,573	-	409,125	-	2,867,448	42,213,896
2069	42,213,896	-	368,138	-	3,047,162	44,892,920
2070	44,892,920	-	329,918	-	3,242,777	47,805,779

## 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	47,805,779	-	294,235	-	3,455,253	50,966,797
2072	50,966,797	-	261,029	-	3,685,630	54,391,398
2073	54,391,398	-	230,105	-	3,935,035	58,096,328
2074	58,096,328	-	201,472	-	4,204,680	62,099,536
2075	62,099,536	-	175,171	-	4,495,866	66,420,231
2076	66,420,231	-	151,288	-	4,809,983	71,078,926
2077	71,078,926	-	129,845	-	5,148,515	76,097,596
2078	76,097,596	-	110,713	-	5,513,062	81,499,945
2079	81,499,945	-	93,799	-	5,905,346	87,311,492
2080	87,311,492	-	78,892	-	6,327,223	93,559,823
2081	93,559,823	-	65,883	-	6,780,699	100,274,639
2082	100,274,639	-	54,664	-	7,267,930	107,487,905
2083	107,487,905	-	45,113	-	7,791,238	115,234,030
2084	115,234,030	-	37,033	-	8,353,125	123,550,122
2085	123,550,122	-	30,204	-	8,956,289	132,476,207
2086	132,476,207	-	24,475	-	9,603,638	142,055,370
2087	142,055,370	-	19,691	-	10,298,301	152,333,980
2088	152,333,980	-	15,726	-	11,043,643	163,361,897
2089	163,361,897	-	12,460	-	11,843,286	175,192,723
2090	175,192,723	-	9,792	-	12,701,117	187,884,048
2091	187,884,048	-	7,641	-	13,621,316	201,497,723
2092	201,497,723	-	5,924	-	14,608,370	216,100,169
2093	216,100,169	-	4,548	-	15,667,097	231,762,718
2094	231,762,718	-	3,455	-	16,802,672	248,561,935
2095	248,561,935	-	2,585	-	18,020,647	266,579,997
2096	266,579,997	-	1,908	-	19,326,981	285,905,070
2097	285,905,070	-	1,380	-	20,728,068	306,631,758
2098	306,631,758	-	979	-	22,230,767	328,861,546
2099	328,861,546	-	679	-	23,842,437	352,703,304
2100	352,703,304	-	463	-	25,570,973	378,273,814
2101	378,273,814	-	309	-	27,424,840	405,698,345
2102	405,698,345	-	203	-	29,413,123	435,111,265
2103	435,111,265	-	131	-	31,545,562	466,656,696
2104	466,656,696	-	83	-	33,832,607	500,489,220
2105	500,489,220	-	51	-	36,285,467	536,774,636
2106	536,774,636	-	32	-	38,916,160	575,690,764
2107	575,690,764	-	19	-	41,737,580	617,428,325
2108	617,428,325	-	12	-	44,763,553	662,191,866
2109	662,191,866	-	7	-	48,008,910	710,200,769
2110	710,200,769	-	4	-	51,489,556	761,690,321
2111	761,690,321	-	2	-	55,222,548	816,912,867
2112	816,912,867	-	1	-	59,226,183	876,139,049
2113	876,139,049	-	1	-	63,520,081	939,659,129
2114	939,659,129	-	-	-	68,125,287	1,007,784,416

\*All DROP 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	30,162,069	-	1,968,773	-	1,531,828	29,725,124
2020	29,725,124	-	1,847,662	-	1,512,068	29,389,530
2021	29,389,530	-	1,936,528	-	1,492,116	28,945,118
2022	28,945,118	-	2,018,270	-	1,466,639	28,393,487
2023	28,393,487	-	2,112,144	-	1,435,214	27,716,557
2024	27,716,557	-	2,125,849	-	1,399,316	26,990,024
2025	26,990,024	-	2,155,490	-	1,360,395	26,194,929
2026	26,194,929	-	2,244,342	-	1,316,320	25,266,907
2027	25,266,907	-	2,317,266	-	1,265,684	24,215,325
2028	24,215,325	-	2,353,348	-	1,209,529	23,071,506
2029	23,071,506	-	2,377,286	-	1,148,850	21,843,070
2030	21,843,070	-	2,391,267	-	1,083,990	20,535,793
2031	20,535,793	-	2,403,145	-	1,015,047	19,147,695
2032	19,147,695	-	2,379,407	-	942,795	17,711,083
2033	17,711,083	-	2,403,875	-	866,730	16,173,938
2034	16,173,938	-	2,449,700	-	784,827	14,509,065
2035	14,509,065	-	2,427,167	-	698,013	12,779,911
2036	12,779,911	-	2,434,111	-	607,050	10,952,850
2037	10,952,850	-	2,380,064	-	512,548	9,085,334
2038	9,085,334	-	2,373,935	-	414,664	7,126,063
2039	7,126,063	-	2,357,494	-	312,234	5,080,803
2040	5,080,803	-	2,335,024	-	205,448	2,951,227
2041	2,951,227	-	2,267,453	-	95,419	779,193
2042	779,193	-	2,210,614	-	-	-

\*All DROP Balances paid in 2019.

Number of Years Expected Benefit Payments Sustained: 23.35

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 \$)	\$1,476,630	\$2,655,242
Minimum Required Contribution (% of Payroll)	16.45%	29.59%
Expected Member Contribution	224,372	224,372
Expected Sponsor Contribution (Fixed \$)	\$1,252,258	\$2,430,870
Expected Sponsor Contribution (% of Payroll)	13.95%	27.09%

**ASSETS**

Actuarial Value <sup>1</sup>	30,263,004	30,263,004
Market Value <sup>1</sup>	30,162,069	30,162,069

**LIABILITIES**

Present Value of Benefits		
Active Members		
Retirement Benefits	17,831,542	25,915,594
Disability Benefits	1,177,321	1,606,882
Death Benefits	258,078	352,679
Vested Benefits	3,677,683	6,174,335
Refund of Contributions	81,997	84,089
Service Retirees	12,771,930	15,147,148
DROP Retirees <sup>1</sup>	1,361,098	1,606,768
Beneficiaries	594,032	691,698
Disability Retirees	419,929	508,737
Terminated Vested	2,155,088	3,085,801
Total:	<u>40,328,698</u>	<u>55,173,731</u>
Present Value of Future Salaries	60,108,203	67,232,811
Present Value of Future Member Contributions	1,502,705	1,680,820
Total Normal Cost	984,240	1,566,790
Present Value of Future Normal Costs (Entry Age Normal)	5,985,143	10,998,229
Total Actuarial Accrued Liability <sup>1</sup>	34,343,555	44,175,502
Unfunded Actuarial Accrued Liability (UAAL)	4,080,551	13,912,498

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
<b><u>PENSION COST</u></b>		
Normal Cost (with interest)	1,019,919	1,607,918
Administrative Expenses (with interest)	38,265	37,895
Payment Required To Amortize UAAL (with interest)	418,446	1,009,429
Minimum Required Contribution	\$1,476,630	\$2,655,242

<sup>1</sup> The asset values and liabilities include accumulated DROP Balances as of 9/30/2019.