

CITY OF WINTER GARDEN
PENSION PLAN FOR FIREFIGHTERS AND POLICE OFFICERS

SECTION 112.664, FLORIDA STATUTES
COMPLIANCE

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.

By:  Date: 7/1/2019

Douglas H. Lozen, EA, MAAA
Enrolled Actuary #17-7778



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, 2018 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, 2018

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>
	7.25% RP-2000 Generational	5.25% RP-2000 Generational
<u>Total Pension Liability</u>		
Service Cost	1,326,301	2,153,033
Interest	2,768,703	2,681,844
Share Plan Allocation	167,449	167,449
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience	795,401	1,137,070
Changes of Assumptions	-	-
Benefit Payments, Including Refunds of Employee Contributions	(1,493,957)	(1,493,957)
Net Change in Total Pension Liability	3,563,897	4,645,439
Total Pension Liability - Beginning	37,609,691	49,676,691
Total Pension Liability - Ending (a)	<u>\$ 41,173,588</u>	<u>\$ 54,322,130</u>
<u>Plan Fiduciary Net Position</u>		
Contributions - Employer	946,156	946,156
Contributions - State	612,706	612,706
Contributions - Employee	271,701	271,701
Net Investment Income	4,159,949	4,159,949
Benefit Payments, Including Refunds of Employee Contributions	(1,493,957)	(1,493,957)
Administrative Expenses	(63,781)	(63,781)
Net Change in Plan Fiduciary Net Position	4,432,774	4,432,774
Plan Fiduciary Net Position - Beginning	38,032,797	38,032,797
Plan Fiduciary Net Position - Ending (b)	<u>\$ 42,465,571</u>	<u>\$ 42,465,571</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ (1,291,983)</u>	<u>\$ 11,856,559</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
2018	42,310,653	-	2,540,046	-	2,975,446	42,746,053
2019	42,746,053	-	1,700,310	-	3,037,453	44,083,196
2020	44,083,196	-	1,826,693	-	3,129,814	45,386,317
2021	45,386,317	-	1,823,728	-	3,224,398	46,786,987
2022	46,786,987	-	1,873,195	-	3,324,153	48,237,945
2023	48,237,945	-	2,031,149	-	3,423,622	49,630,418
2024	49,630,418	-	2,141,170	-	3,520,588	51,009,836
2025	51,009,836	-	2,190,486	-	3,618,808	52,438,158
2026	52,438,158	-	2,242,457	-	3,720,477	53,916,178
2027	53,916,178	-	2,348,817	-	3,823,778	55,391,139
2028	55,391,139	-	2,425,660	-	3,927,927	56,893,406
2029	56,893,406	-	2,439,670	-	4,036,334	58,490,070
2030	58,490,070	-	2,512,548	-	4,149,450	60,126,972
2031	60,126,972	-	2,687,096	-	4,261,798	61,701,674
2032	61,701,674	-	2,798,019	-	4,371,943	63,275,598
2033	63,275,598	-	2,944,026	-	4,480,760	64,812,332
2034	64,812,332	-	2,999,881	-	4,590,148	66,402,599
2035	66,402,599	-	3,040,311	-	4,703,977	68,066,265
2036	68,066,265	-	3,070,258	-	4,823,507	69,819,514
2037	69,819,514	-	3,107,716	-	4,949,260	71,661,058
2038	71,661,058	-	3,109,871	-	5,082,694	73,633,881
2039	73,633,881	-	3,090,838	-	5,226,413	75,769,456
2040	75,769,456	-	3,072,871	-	5,381,894	78,078,479
2041	78,078,479	-	3,018,376	-	5,551,274	80,611,377
2042	80,611,377	-	2,969,173	-	5,736,692	83,378,896
2043	83,378,896	-	2,901,424	-	5,939,793	86,417,265
2044	86,417,265	-	2,842,366	-	6,162,216	89,737,115
2045	89,737,115	-	2,766,756	-	6,405,646	93,376,005
2046	93,376,005	-	2,694,498	-	6,672,085	97,353,592
2047	97,353,592	-	2,612,487	-	6,963,433	101,704,538
2048	101,704,538	-	2,532,408	-	7,281,779	106,453,909
2049	106,453,909	-	2,451,597	-	7,629,038	111,631,350
2050	111,631,350	-	2,368,912	-	8,007,400	117,269,838
2051	117,269,838	-	2,287,197	-	8,419,152	123,401,793
2052	123,401,793	-	2,204,089	-	8,866,732	130,064,436
2053	130,064,436	-	2,120,754	-	9,352,794	137,296,476
2054	137,296,476	-	2,036,341	-	9,880,177	145,140,312
2055	145,140,312	-	1,951,766	-	10,451,921	153,640,467
2056	153,640,467	-	1,866,006	-	11,071,291	162,845,752
2057	162,845,752	-	1,779,492	-	11,741,810	172,808,070
2058	172,808,070	-	1,691,934	-	12,467,252	183,583,388
2059	183,583,388	-	1,603,651	-	13,251,663	195,231,400
2060	195,231,400	-	1,514,707	-	14,099,368	207,816,061
2061	207,816,061	-	1,425,523	-	15,014,989	221,405,527
2062	221,405,527	-	1,336,484	-	16,003,453	236,072,496
2063	236,072,496	-	1,248,275	-	17,070,006	251,894,227

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
2064	251,894,227	-	1,161,560	-	18,220,225	268,952,892
2065	268,952,892	-	1,076,809	-	19,460,050	287,336,133
2066	287,336,133	-	994,268	-	20,795,827	307,137,692
2067	307,137,692	-	914,289	-	22,234,340	328,457,743
2068	328,457,743	-	837,075	-	23,782,842	351,403,510
2069	351,403,510	-	762,684	-	25,449,107	376,089,933
2070	376,089,933	-	691,345	-	27,241,459	402,640,047
2071	402,640,047	-	622,951	-	29,168,821	431,185,917
2072	431,185,917	-	557,677	-	31,240,763	461,869,003
2073	461,869,003	-	495,845	-	33,467,528	494,840,686
2074	494,840,686	-	437,481	-	35,860,091	530,263,296
2075	530,263,296	-	382,590	-	38,430,220	568,310,926
2076	568,310,926	-	331,294	-	41,190,533	609,170,165
2077	609,170,165	-	283,640	-	44,154,555	653,041,080
2078	653,041,080	-	239,841	-	47,336,784	700,138,023
2079	700,138,023	-	200,208	-	50,752,749	750,690,564
2080	750,690,564	-	164,847	-	54,419,090	804,944,807
2081	804,944,807	-	133,880	-	58,353,645	863,164,572
2082	863,164,572	-	107,216	-	62,575,545	925,632,901
2083	925,632,901	-	84,653	-	67,105,317	992,653,565
2084	992,653,565	-	65,811	-	71,964,998	1,064,552,752
2085	1,064,552,752	-	50,337	-	77,178,250	1,141,680,665
2086	1,141,680,665	-	37,911	-	82,770,474	1,224,413,228
2087	1,224,413,228	-	28,074	-	88,768,941	1,313,154,095
2088	1,313,154,095	-	20,481	-	95,202,929	1,408,336,543
2089	1,408,336,543	-	14,679	-	102,103,867	1,510,425,731
2090	1,510,425,731	-	10,355	-	109,505,490	1,619,920,866
2091	1,619,920,866	-	7,163	-	117,444,003	1,737,357,706
2092	1,737,357,706	-	4,884	-	125,958,257	1,863,311,079
2093	1,863,311,079	-	3,268	-	135,089,935	1,998,397,746
2094	1,998,397,746	-	2,158	-	144,883,758	2,143,279,346
2095	2,143,279,346	-	1,403	-	155,387,702	2,298,665,645
2096	2,298,665,645	-	904	-	166,653,226	2,465,317,967
2097	2,465,317,967	-	575	-	178,735,532	2,644,052,924
2098	2,644,052,924	-	363	-	191,693,824	2,835,746,385
2099	2,835,746,385	-	227	-	205,591,605	3,041,337,763
2100	3,041,337,763	-	141	-	220,496,983	3,261,834,605
2101	3,261,834,605	-	86	-	236,483,006	3,498,317,525
2102	3,498,317,525	-	52	-	253,628,019	3,751,945,492
2103	3,751,945,492	-	31	-	272,016,047	4,023,961,508
2104	4,023,961,508	-	19	-	291,737,209	4,315,698,698
2105	4,315,698,698	-	11	-	312,888,155	4,628,586,842
2106	4,628,586,842	-	6	-	335,572,546	4,964,159,382
2107	4,964,159,382	-	4	-	359,901,555	5,324,060,933
2108	5,324,060,933	-	2	-	385,994,418	5,710,055,349
2109	5,710,055,349	-	1	-	413,979,013	6,124,034,361

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
2110	6,124,034,361	-	1	-	443,992,491	6,568,026,851
2111	6,568,026,851	-	-	-	476,181,947	7,044,208,798

*All DROP and Share Balances paid in 2018.

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
2018	42,310,653	-	2,540,046	-	2,154,633	41,925,240
2019	41,925,240	-	1,700,310	-	2,156,442	42,381,372
2020	42,381,372	-	1,826,693	-	2,177,071	42,731,750
2021	42,731,750	-	1,823,728	-	2,195,544	43,103,566
2022	43,103,566	-	1,873,195	-	2,213,766	43,444,137
2023	43,444,137	-	2,031,149	-	2,227,500	43,640,488
2024	43,640,488	-	2,141,170	-	2,234,920	43,734,238
2025	43,734,238	-	2,190,486	-	2,238,547	43,782,299
2026	43,782,299	-	2,242,457	-	2,239,706	43,779,548
2027	43,779,548	-	2,348,817	-	2,236,770	43,667,501
2028	43,667,501	-	2,425,660	-	2,228,870	43,470,711
2029	43,470,711	-	2,439,670	-	2,218,171	43,249,212
2030	43,249,212	-	2,512,548	-	2,204,629	42,941,293
2031	42,941,293	-	2,687,096	-	2,183,882	42,438,079
2032	42,438,079	-	2,798,019	-	2,154,551	41,794,611
2033	41,794,611	-	2,944,026	-	2,116,936	40,967,521
2034	40,967,521	-	2,999,881	-	2,072,048	40,039,688
2035	40,039,688	-	3,040,311	-	2,022,275	39,021,652
2036	39,021,652	-	3,070,258	-	1,968,042	37,919,436
2037	37,919,436	-	3,107,716	-	1,909,193	36,720,913
2038	36,720,913	-	3,109,871	-	1,846,214	35,457,256
2039	35,457,256	-	3,090,838	-	1,780,371	34,146,789
2040	34,146,789	-	3,072,871	-	1,712,044	32,785,962
2041	32,785,962	-	3,018,376	-	1,642,031	31,409,617
2042	31,409,617	-	2,969,173	-	1,571,064	30,011,508
2043	30,011,508	-	2,901,424	-	1,499,442	28,609,526
2044	28,609,526	-	2,842,366	-	1,427,388	27,194,548
2045	27,194,548	-	2,766,756	-	1,355,086	25,782,878
2046	25,782,878	-	2,694,498	-	1,282,871	24,371,251
2047	24,371,251	-	2,612,487	-	1,210,913	22,969,677
2048	22,969,677	-	2,532,408	-	1,139,432	21,576,701
2049	21,576,701	-	2,451,597	-	1,068,422	20,193,526
2050	20,193,526	-	2,368,912	-	997,976	18,822,590
2051	18,822,590	-	2,287,197	-	928,147	17,463,540
2052	17,463,540	-	2,204,089	-	858,979	16,118,430
2053	16,118,430	-	2,120,754	-	790,548	14,788,224
2054	14,788,224	-	2,036,341	-	722,928	13,474,811
2055	13,474,811	-	1,951,766	-	656,194	12,179,239
2056	12,179,239	-	1,866,006	-	590,427	10,903,660
2057	10,903,660	-	1,779,492	-	525,730	9,649,898
2058	9,649,898	-	1,691,934	-	462,206	8,420,170
2059	8,420,170	-	1,603,651	-	399,963	7,216,482
2060	7,216,482	-	1,514,707	-	339,104	6,040,879
2061	6,040,879	-	1,425,523	-	279,726	4,895,082
2062	4,895,082	-	1,336,484	-	221,909	3,780,507
2063	3,780,507	-	1,248,275	-	165,709	2,697,941
2064	2,697,941	-	1,161,560	-	111,151	1,647,532

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
2065	1,647,532	-	1,076,809	-	58,229	628,952
2066	628,952	-	994,268	-	-	-

*All DROP and Share Balances paid in 2018.

Number of Years Expected Benefit Payments Sustained: 48.63

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, 2020

Valuation Date: 10/1/2018

	ACTUAL	HYPOTHETICAL
	7.25%	5.25%
	RP-2000	RP-2000
	Generational	Generational
<u>PENSION COST</u>		
Normal Cost (with interest)	1,361,551	2,203,621
Administrative Expenses (with interest)	66,093	65,455
Payment Required To Amortize UAAL (with interest)	76,183	931,966
Minimum Required Contribution	\$1,503,827	\$3,201,042

¹ The asset values and liabilities include accumulated DROP and Share Plan Balances as of 9/30/2018.