

CITY OF WINTER GARDEN
PENSION PLAN FOR GENERAL EMPLOYEES

SECTION 112.664, FLORIDA STATUTES COMPLIANCE
DETERMINED AS OF THE
OCTOBER 1, 2021 VALUATION DATE



June 8, 2022

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, 2021 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:  _____
D. _____, MAAA
Enrolled Actuary #20-7778

Enclosures

cc via email: Stu Kaufman, 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, 2021 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, 2021

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>
Discount Rate:	7.00%	5.00%
<u>Total Pension Liability</u>		
Service Cost	1,106,614	1,733,574
Interest	2,601,641	2,441,228
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience	1,081,418	1,336,381
Changes of Assumptions	988,141	1,675,243
Benefit Payments, Including Refunds of Employee Contributions	(2,084,608)	(2,084,608)
Net Change in Total Pension Liability	3,693,206	5,101,818
Total Pension Liability - Beginning	35,820,390	45,808,308
Total Pension Liability - Ending (a)	<u>\$ 39,513,596</u>	<u>\$ 50,910,126</u>
<u>Plan Fiduciary Net Position</u>		
Contributions - Employer	1,394,076	1,394,076
Contributions - Employee	240,803	240,803
Net Investment Income	6,139,882	6,139,882
Benefit Payments, Including Refunds of Employee Contributions	(2,084,608)	(2,084,608)
Administrative Expenses	(50,284)	(50,284)
Net Change in Plan Fiduciary Net Position	5,639,869	5,639,869
Plan Fiduciary Net Position - Beginning	32,346,099	32,346,099
Plan Fiduciary Net Position - Ending (b)	<u>\$ 37,985,968</u>	<u>\$ 37,985,968</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 1,527,628</u>	<u>\$ 12,924,158</u>

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1
Plan Assumptions: Discount Rate = 7.00%

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
2021	37,746,261	-	2,123,842	-	2,567,904	38,190,323
2022	38,190,323	-	2,063,400	-	2,601,104	38,728,027
2023	38,728,027	-	2,172,137	-	2,634,937	39,190,827
2024	39,190,827	-	2,222,812	-	2,665,559	39,633,574
2025	39,633,574	-	2,282,072	-	2,694,478	40,045,980
2026	40,045,980	-	2,393,423	-	2,719,449	40,372,006
2027	40,372,006	-	2,471,784	-	2,739,528	40,639,750
2028	40,639,750	-	2,534,700	-	2,756,068	40,861,118
2029	40,861,118	-	2,575,966	-	2,770,119	41,055,271
2030	41,055,271	-	2,600,976	-	2,782,835	41,237,130
2031	41,237,130	-	2,626,031	-	2,794,688	41,405,787
2032	41,405,787	-	2,618,873	-	2,806,745	41,593,659
2033	41,593,659	-	2,681,499	-	2,817,704	41,729,864
2034	41,729,864	-	2,738,389	-	2,825,247	41,816,722
2035	41,816,722	-	2,745,962	-	2,831,062	41,901,822
2036	41,901,822	-	2,788,904	-	2,835,516	41,948,434
2037	41,948,434	-	2,745,204	-	2,840,308	42,043,538
2038	42,043,538	-	2,740,841	-	2,847,118	42,149,815
2039	42,149,815	-	2,727,196	-	2,855,035	42,277,654
2040	42,277,654	-	2,712,206	-	2,864,509	42,429,957
2041	42,429,957	-	2,650,681	-	2,877,323	42,656,599
2042	42,656,599	-	2,600,795	-	2,894,934	42,950,738
2043	42,950,738	-	2,544,379	-	2,917,498	43,323,857
2044	43,323,857	-	2,495,034	-	2,945,344	43,774,167
2045	43,774,167	-	2,440,542	-	2,978,773	44,312,398
2046	44,312,398	-	2,382,733	-	3,018,472	44,948,137
2047	44,948,137	-	2,325,625	-	3,064,973	45,687,485
2048	45,687,485	-	2,222,835	-	3,120,325	46,584,975
2049	46,584,975	-	2,117,371	-	3,186,840	47,654,444
2050	47,654,444	-	2,027,747	-	3,264,840	48,891,537
2051	48,891,537	-	1,937,086	-	3,354,610	50,309,061
2052	50,309,061	-	1,830,721	-	3,457,559	51,935,899
2053	51,935,899	-	1,732,330	-	3,574,881	53,778,450
2054	53,778,450	-	1,630,062	-	3,707,439	55,855,827
2055	55,855,827	-	1,529,496	-	3,856,376	58,182,707
2056	58,182,707	-	1,431,636	-	4,022,682	60,773,753
2057	60,773,753	-	1,342,466	-	4,207,176	63,638,463
2058	63,638,463	-	1,252,698	-	4,410,848	66,796,613
2059	66,796,613	-	1,167,397	-	4,634,904	70,264,120
2060	70,264,120	-	1,084,042	-	4,880,547	74,060,625
2061	74,060,625	-	1,003,368	-	5,149,126	78,206,383
2062	78,206,383	-	926,625	-	5,442,015	82,721,773
2063	82,721,773	-	853,439	-	5,760,654	87,628,988
2064	87,628,988	-	784,034	-	6,106,588	92,951,542
2065	92,951,542	-	718,251	-	6,481,469	98,714,760
2066	98,714,760	-	656,089	-	6,887,070	104,945,741
2067	104,945,741	-	597,398	-	7,325,293	111,673,636
2068	111,673,636	-	542,185	-	7,798,178	118,929,629
2069	118,929,629	-	490,348	-	8,307,912	126,747,193
2070	126,747,193	-	441,831	-	8,856,839	135,162,201
2071	135,162,201	-	396,582	-	9,447,474	144,213,093
2072	144,213,093	-	354,503	-	10,082,509	153,941,099

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1
Plan Assumptions: Discount Rate = 7.00%

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
2073	153,941,099	-	315,486	-	10,764,835	164,390,448
2074	164,390,448	-	279,423	-	11,497,552	175,608,577
2075	175,608,577	-	246,204	-	12,283,983	187,646,356
2076	187,646,356	-	215,741	-	13,127,694	200,558,309
2077	200,558,309	-	187,958	-	14,032,503	214,402,854
2078	214,402,854	-	162,780	-	15,002,502	229,242,576
2079	229,242,576	-	140,115	-	16,042,076	245,144,537
2080	245,144,537	-	119,846	-	17,155,923	262,180,614
2081	262,180,614	-	101,842	-	18,349,079	280,427,851
2082	280,427,851	-	85,972	-	19,626,941	299,968,820
2083	299,968,820	-	72,104	-	20,995,294	320,892,010
2084	320,892,010	-	60,088	-	22,460,338	343,292,260
2085	343,292,260	-	49,753	-	24,028,717	367,271,224
2086	367,271,224	-	40,927	-	25,707,553	392,937,850
2087	392,937,850	-	33,445	-	27,504,479	420,408,884
2088	420,408,884	-	27,153	-	29,427,672	449,809,403
2089	449,809,403	-	21,908	-	31,485,891	481,273,386
2090	481,273,386	-	17,566	-	33,688,522	514,944,342
2091	514,944,342	-	13,994	-	36,045,614	550,975,962
2092	550,975,962	-	11,075	-	38,567,930	589,532,817
2093	589,532,817	-	8,704	-	41,266,993	630,791,106
2094	630,791,106	-	6,788	-	44,155,140	674,939,458
2095	674,939,458	-	5,247	-	47,245,578	722,179,789
2096	722,179,789	-	4,017	-	50,552,445	772,728,217
2097	772,728,217	-	3,042	-	54,090,869	826,816,044
2098	826,816,044	-	2,273	-	57,877,044	884,690,815
2099	884,690,815	-	1,674	-	61,928,298	946,617,439
2100	946,617,439	-	1,212	-	66,263,178	1,012,879,405
2101	1,012,879,405	-	861	-	70,901,528	1,083,780,072
2102	1,083,780,072	-	599	-	75,864,584	1,159,644,057
2103	1,159,644,057	-	407	-	81,175,070	1,240,818,720
2104	1,240,818,720	-	269	-	86,857,301	1,327,675,752
2105	1,327,675,752	-	173	-	92,937,297	1,420,612,876
2106	1,420,612,876	-	107	-	99,442,898	1,520,055,667
2107	1,520,055,667	-	65	-	106,403,894	1,626,459,496
2108	1,626,459,496	-	38	-	113,852,163	1,740,311,621
2109	1,740,311,621	-	21	-	121,821,813	1,862,133,413
2110	1,862,133,413	-	12	-	130,349,338	1,992,482,739
2111	1,992,482,739	-	6	-	139,473,792	2,131,956,525
2112	2,131,956,525	-	3	-	149,236,957	2,281,193,479
2113	2,281,193,479	-	2	-	159,683,543	2,440,877,020
2114	2,440,877,020	-	1	-	170,861,391	2,611,738,410
2115	2,611,738,410	-	-	-	182,821,689	2,794,560,099

*All DROP Balances paid in 2021.

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 7.00% 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: Discount Rate = 5.00%

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
2021	37,746,261	-	2,123,842	-	1,834,217	37,456,636
2022	37,456,636	-	2,063,400	-	1,821,247	37,214,483
2023	37,214,483	-	2,172,137	-	1,806,421	36,848,767
2024	36,848,767	-	2,222,812	-	1,786,868	36,412,823
2025	36,412,823	-	2,282,072	-	1,763,589	35,894,340
2026	35,894,340	-	2,393,423	-	1,734,881	35,235,798
2027	35,235,798	-	2,471,784	-	1,699,995	34,464,009
2028	34,464,009	-	2,534,700	-	1,659,833	33,589,142
2029	33,589,142	-	2,575,966	-	1,615,058	32,628,234
2030	32,628,234	-	2,600,976	-	1,566,387	31,593,645
2031	31,593,645	-	2,626,031	-	1,514,031	30,481,645
2032	30,481,645	-	2,618,873	-	1,458,610	29,321,382
2033	29,321,382	-	2,681,499	-	1,399,032	28,038,915
2034	28,038,915	-	2,738,389	-	1,333,486	26,634,012
2035	26,634,012	-	2,745,962	-	1,263,052	25,151,102
2036	25,151,102	-	2,788,904	-	1,187,833	23,550,031
2037	23,550,031	-	2,745,204	-	1,108,871	21,913,698
2038	21,913,698	-	2,740,841	-	1,027,164	20,200,021
2039	20,200,021	-	2,727,196	-	941,821	18,414,646
2040	18,414,646	-	2,712,206	-	852,927	16,555,367
2041	16,555,367	-	2,650,681	-	761,501	14,666,187
2042	14,666,187	-	2,600,795	-	668,289	12,733,681
2043	12,733,681	-	2,544,379	-	573,075	10,762,377
2044	10,762,377	-	2,495,034	-	475,743	8,743,086
2045	8,743,086	-	2,440,542	-	376,141	6,678,685
2046	6,678,685	-	2,382,733	-	274,366	4,570,318
2047	4,570,318	-	2,325,625	-	170,375	2,415,068
2048	2,415,068	-	2,222,835	-	65,183	257,416
2049	257,416	-	2,117,371	-	-	-

*All DROP Balances paid in 2021.

Number of Years Expected Benefit Payments Sustained: 28.12

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 5.00% 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, 2023

Valuation Date: 10/1/2021

	ACTUAL	HYPOTHETICAL
Investment Rate of Return:	7.00%	5.00%
Minimum Required Contribution (Fixed \$)	\$1,722,161	\$3,080,196
Minimum Required Contribution (% of Payroll)	18.09%	32.34%
Expected Member Contribution	238,046	238,046
Expected Sponsor Contribution (Fixed \$)	\$1,484,115	\$2,842,150
Expected Sponsor Contribution (% of Payroll)	15.59%	29.84%

ASSETS

Actuarial Value ¹	34,962,525	34,962,525
Market Value ¹	37,746,261	37,746,261

LIABILITIES

Present Value of Benefits		
Active Members		
Retirement Benefits	22,348,759	33,127,258
Disability Benefits	351,829	493,198
Death Benefits	224,161	307,493
Vested Benefits	3,766,573	6,310,804
Refund of Contributions	76,522	78,299
Service Retirees	15,919,319	18,928,237
DROP Retirees ¹	800,837	929,282
Beneficiaries	664,926	759,660
Disability Retirees	419,072	504,981
Terminated Vested	2,640,077	3,788,348
Total:	47,212,075	65,227,560
Present Value of Future Salaries	69,131,849	77,975,342
Present Value of Future Member Contributions	1,728,296	1,949,384
Total Normal Cost	1,126,560	1,801,546
Present Value of Future Normal Costs (Entry Age Normal)	7,442,232	13,862,696
Total Actuarial Accrued Liability (EAN) ¹	39,769,843	51,364,864
Unfunded Actuarial Accrued Liability (UAAL)	4,807,318	16,402,339

ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR
ENDING SEPTEMBER 30, 2023

	Valuation Date: 10/1/2021	
	ACTUAL	HYPOTHETICAL
Investment Rate of Return:	7.00%	5.00%
<u>PENSION COST</u>		
Normal Cost (with interest)	1,165,990	1,846,585
Administrative Expenses (with interest)	45,618	45,177
Payment Required To Amortize UAAL (with interest)	510,553	1,188,434
Minimum Required Contribution	\$1,722,161	\$3,080,196

¹ The asset values and liabilities include accumulated DROP Balances as of 9/30/2021.