

CITY OF WINTER GARDEN
PENSION PLAN FOR GENERAL EMPLOYEES

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 5/31/2018
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, 2017 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, 2017

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>
	7.25% RP-2000 Generational	5.25% RP-2000 Generational
<u>Total Pension Liability</u>		
Service Cost	843,298	1,349,520
Interest	2,012,263	1,898,132
Changes of Benefit Terms	935,549	1,049,916
Differences Between Expected and Actual Experience	(184,153)	(174,789)
Changes of Assumptions	-	-
Contributions - Buy Back	71,923	71,923
Benefit Payments, Including Refunds of Employee Contributions	(1,323,657)	(1,323,657)
Net Change in Total Pension Liability	2,355,223	2,871,045
Total Pension Liability - Beginning	26,638,334	34,417,296
Total Pension Liability - Ending (a)	<u>\$ 28,993,557</u>	<u>\$ 37,288,341</u>
<u>Plan Fiduciary Net Position</u>		
Contributions - Employer	776,752	776,752
Contributions - Employee	205,137	205,137
Contributions - Buy Back	71,923	71,923
Net Investment Income	2,585,237	2,585,237
Benefit Payments, Including Refunds of Employee Contributions	(1,323,657)	(1,323,657)
Administrative Expenses	(40,070)	(40,070)
Net Change in Plan Fiduciary Net Position	2,275,322	2,275,322
Plan Fiduciary Net Position - Beginning	24,666,781	24,666,781
Plan Fiduciary Net Position - Ending (b)	<u>\$ 26,942,103</u>	<u>\$ 26,942,103</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 2,051,454</u>	<u>\$ 10,346,238</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
2017	26,895,165	-	1,452,211	-	1,897,257	27,340,211
2018	27,340,211	-	1,508,853	-	1,927,469	27,758,827
2019	27,758,827	-	1,646,779	-	1,952,819	28,064,867
2020	28,064,867	-	1,755,555	-	1,971,064	28,280,376
2021	28,280,376	-	1,832,014	-	1,983,917	28,432,279
2022	28,432,279	-	1,889,500	-	1,992,846	28,535,625
2023	28,535,625	-	1,961,664	-	1,997,722	28,571,683
2024	28,571,683	-	1,955,782	-	2,000,550	28,616,451
2025	28,616,451	-	1,973,581	-	2,003,150	28,646,020
2026	28,646,020	-	2,039,546	-	2,002,903	28,609,377
2027	28,609,377	-	2,093,265	-	1,998,299	28,514,411
2028	28,514,411	-	2,110,638	-	1,990,784	28,394,557
2029	28,394,557	-	2,127,442	-	1,981,486	28,248,601
2030	28,248,601	-	2,134,512	-	1,970,648	28,084,737
2031	28,084,737	-	2,138,212	-	1,958,633	27,905,158
2032	27,905,158	-	2,107,420	-	1,946,730	27,744,468
2033	27,744,468	-	2,110,447	-	1,934,970	27,568,991
2034	27,568,991	-	2,141,766	-	1,921,113	27,348,338
2035	27,348,338	-	2,110,924	-	1,906,234	27,143,648
2036	27,143,648	-	2,105,821	-	1,891,578	26,929,405
2037	26,929,405	-	2,051,998	-	1,877,997	26,755,404
2038	26,755,404	-	2,042,954	-	1,865,710	26,578,160
2039	26,578,160	-	2,012,085	-	1,853,979	26,420,054
2040	26,420,054	-	1,986,195	-	1,843,454	26,277,313
2041	26,277,313	-	1,922,359	-	1,835,420	26,190,374
2042	26,190,374	-	1,862,622	-	1,831,282	26,159,034
2043	26,159,034	-	1,808,568	-	1,830,969	26,181,435
2044	26,181,435	-	1,762,614	-	1,834,259	26,253,080
2045	26,253,080	-	1,705,273	-	1,841,532	26,389,339
2046	26,389,339	-	1,652,920	-	1,853,309	26,589,728
2047	26,589,728	-	1,594,380	-	1,869,959	26,865,307
2048	26,865,307	-	1,509,005	-	1,893,033	27,249,335
2049	27,249,335	-	1,423,870	-	1,923,962	27,749,427
2050	27,749,427	-	1,343,156	-	1,963,144	28,369,415
2051	28,369,415	-	1,264,679	-	2,010,938	29,115,674
2052	29,115,674	-	1,186,305	-	2,067,883	29,997,252
2053	29,997,252	-	1,114,185	-	2,134,412	31,017,479
2054	31,017,479	-	1,039,864	-	2,211,072	32,188,687
2055	32,188,687	-	972,155	-	2,298,439	33,514,971
2056	33,514,971	-	904,287	-	2,397,055	35,007,739
2057	35,007,739	-	837,811	-	2,507,690	36,677,618
2058	36,677,618	-	774,802	-	2,631,041	38,533,857
2059	38,533,857	-	715,056	-	2,767,784	40,586,585
2060	40,586,585	-	657,969	-	2,918,676	42,847,292
2061	42,847,292	-	604,094	-	3,084,530	45,327,728
2062	45,327,728	-	553,465	-	3,266,197	48,040,460
2063	48,040,460	-	506,006	-	3,464,591	50,999,045
2064	50,999,045	-	461,673	-	3,680,695	54,218,067
2065	54,218,067	-	420,140	-	3,915,580	57,713,507
2066	57,713,507	-	381,185	-	4,170,411	61,502,733

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
2067	61,502,733	-	344,694	-	4,446,453	65,604,492
2068	65,604,492	-	310,542	-	4,745,069	70,039,019
2069	70,039,019	-	278,677	-	5,067,727	74,828,069
2070	74,828,069	-	249,028	-	5,416,008	79,995,049
2071	79,995,049	-	221,387	-	5,791,616	85,565,278
2072	85,565,278	-	195,691	-	6,196,389	91,565,976
2073	91,565,976	-	171,788	-	6,632,306	98,026,494
2074	98,026,494	-	149,700	-	7,101,494	104,978,288
2075	104,978,288	-	129,451	-	7,606,233	112,455,070
2076	112,455,070	-	111,121	-	8,148,964	120,492,913
2077	120,492,913	-	94,751	-	8,732,301	129,130,463
2078	129,130,463	-	80,225	-	9,359,050	138,409,288
2079	138,409,288	-	67,478	-	10,032,227	148,374,037
2080	148,374,037	-	56,344	-	10,755,075	159,072,768
2081	159,072,768	-	46,703	-	11,531,083	170,557,148
2082	170,557,148	-	38,452	-	12,363,999	182,882,695
2083	182,882,695	-	31,491	-	13,257,854	196,109,058
2084	196,109,058	-	25,666	-	14,216,976	210,300,368
2085	210,300,368	-	20,801	-	15,246,023	225,525,590
2086	225,525,590	-	16,765	-	16,349,998	241,858,823
2087	241,858,823	-	13,414	-	17,534,278	259,379,687
2088	259,379,687	-	10,650	-	18,804,641	278,173,678
2089	278,173,678	-	8,383	-	20,167,288	298,332,583
2090	298,332,583	-	6,534	-	21,628,875	319,954,924
2091	319,954,924	-	5,049	-	23,196,549	343,146,424
2092	343,146,424	-	3,877	-	24,877,975	368,020,522
2093	368,020,522	-	2,950	-	26,681,381	394,698,953
2094	394,698,953	-	2,221	-	28,615,594	423,312,326
2095	423,312,326	-	1,648	-	30,690,084	454,000,762
2096	454,000,762	-	1,204	-	32,915,012	486,914,570
2097	486,914,570	-	859	-	35,301,275	522,214,986
2098	522,214,986	-	601	-	37,860,565	560,074,950
2099	560,074,950	-	408	-	40,605,419	600,679,961
2100	600,679,961	-	272	-	43,549,287	644,228,976
2101	644,228,976	-	178	-	46,706,594	690,935,392
2102	690,935,392	-	114	-	50,092,812	741,028,090
2103	741,028,090	-	72	-	53,724,534	794,752,552
2104	794,752,552	-	45	-	57,619,558	852,372,065
2105	852,372,065	-	27	-	61,796,974	914,169,012
2106	914,169,012	-	16	-	66,277,253	980,446,249
2107	980,446,249	-	10	-	71,082,353	1,051,528,592
2108	1,051,528,592	-	6	-	76,235,823	1,127,764,409
2109	1,127,764,409	-	3	-	81,762,920	1,209,527,326
2110	1,209,527,326	-	2	-	87,690,731	1,297,218,055
2111	1,297,218,055	-	1	-	94,048,309	1,391,266,363
2112	1,391,266,363	-	1	-	100,866,811	1,492,133,173
2113	1,492,133,173	-	-	-	108,179,655	1,600,312,828

*All DROP Balances paid in 2017.

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
2017	26,895,165	-	1,452,211	-	1,373,876	26,816,830
2018	26,816,830	-	1,508,853	-	1,368,276	26,676,253
2019	26,676,253	-	1,646,779	-	1,357,275	26,386,749
2020	26,386,749	-	1,755,555	-	1,339,221	25,970,415
2021	25,970,415	-	1,832,014	-	1,315,356	25,453,757
2022	25,453,757	-	1,889,500	-	1,286,723	24,850,980
2023	24,850,980	-	1,961,664	-	1,253,183	24,142,499
2024	24,142,499	-	1,955,782	-	1,216,142	23,402,859
2025	23,402,859	-	1,973,581	-	1,176,844	22,606,122
2026	22,606,122	-	2,039,546	-	1,133,283	21,699,859
2027	21,699,859	-	2,093,265	-	1,084,294	20,690,888
2028	20,690,888	-	2,110,638	-	1,030,867	19,611,117
2029	19,611,117	-	2,127,442	-	973,738	18,457,413
2030	18,457,413	-	2,134,512	-	912,983	17,235,884
2031	17,235,884	-	2,138,212	-	848,756	15,946,428
2032	15,946,428	-	2,107,420	-	781,868	14,620,876
2033	14,620,876	-	2,110,447	-	712,197	13,222,626
2034	13,222,626	-	2,141,766	-	637,967	11,718,827
2035	11,718,827	-	2,110,924	-	559,827	10,167,730
2036	10,167,730	-	2,105,821	-	478,528	8,540,437
2037	8,540,437	-	2,051,998	-	394,508	6,882,947
2038	6,882,947	-	2,042,954	-	307,727	5,147,720
2039	5,147,720	-	2,012,085	-	217,438	3,353,073
2040	3,353,073	-	1,986,195	-	123,899	1,490,777
2041	1,490,777	-	1,922,359	-	-	-

*All DROP Balances paid in 2017.

Number of Years Expected Benefit Payments Sustained: 24.78

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, 2019

Valuation Date: 10/1/2017

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>
	7.25%	5.25%
	RP-2000	RP-2000
	Generational	Generational
Total Required Contribution (Fixed \$)	\$1,284,834	\$2,361,148
Total Required Contribution (% of Payroll)	15.29%	28.11%
Expected Member Contribution	210,020	210,020
Expected Sponsor Contribution (Fixed \$)	\$1,074,814	\$2,151,128
Expected Sponsor Contribution (% of Payroll)	12.79%	25.61%

ASSETS

Actuarial Value ¹	26,642,304	26,642,304
Market Value ¹	26,895,165	26,895,165

LIABILITIES

Present Value of Benefits		
Active Members		
Retirement Benefits	16,277,905	23,664,998
Disability Benefits	945,398	1,286,986
Death Benefits	232,644	318,336
Vested Benefits	3,219,794	5,429,526
Refund of Contributions	35,621	37,182
Service Retirees	11,433,456	13,568,507
DROP Retirees ¹	74,064	84,738
Beneficiaries	591,459	690,723
Disability Retirees	506,429	610,506
Terminated Vested	2,147,051	3,092,438
Total:	<u>35,463,821</u>	<u>48,783,940</u>
Present Value of Future Salaries	55,413,899	61,999,501
Present Value of Future Member Contributions	1,385,347	1,549,988
Total Normal Cost	910,077	1,456,858
Present Value of Future Normal Costs (Entry Age Normal)	5,458,510	10,066,672
Total Actuarial Accrued Liability ¹	30,005,311	38,717,268
Unfunded Actuarial Accrued Liability (UAAL)	3,363,007	12,074,964

ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR
ENDING SEPTEMBER 30, 2019

Valuation Date: 10/1/2017

	ACTUAL	HYPOTHETICAL
	7.25%	5.25%
	RP-2000	RP-2000
	Generational	Generational
<u>PENSION COST</u>		
Normal Cost (with interest)	943,067	1,495,101
Administrative Expenses (with interest)	41,523	41,122
Payment Required To Amortize UAAL (with interest)	300,244	824,925
Total Required Contribution	\$1,284,834	\$2,361,148

¹ The asset values and liabilities include accumulated DROP Balances as of 9/30/2017.