

CITY OF HAINES CITY  
GENERAL EMPLOYEES' PENSION PLAN

SECTION 112.664, FLORIDA STATUTES COMPLIANCE  
DETERMINED AS OF THE  
OCTOBER 1, 2022 VALUATION DATE



June 30, 2023

VIA E-MAIL

Mr. Omar DeJesus  
City of Haines City  
620 E. Main St.  
Haines City, FL 33844

Re: City of Haines City General Employees' Pension Plan  
Section 112.664, Florida Statutes Compliance

Dear Omar:

Please find enclosed the annual disclosures that satisfy the October 1, 2022 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:



Patrick T. Donlan, EA, ASA, MAAA  
Enrolled Actuary #23-6595

Enclosures

cc via email: Caleb Hynson, Plan Administrator  
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, 2022 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, 2022**

	ACTUAL	HYPOTHETICAL	
	7.25%	5.25%	9.25%
Discount Rate:			
<b><u>Total Pension Liability</u></b>			
Service Cost	736,534	1,140,596	497,806
Interest	1,648,527	1,505,787	1,722,380
Changes of Benefit Terms	4,345,450	6,172,928	3,181,704
Differences Between Expected and Actual			
Experience	(581,851)	(640,640)	(540,406)
Changes of Assumptions	-	-	-
Benefit Payments, Including Refunds of			
Employee Contributions	<u>(1,246,331)</u>	<u>(1,246,331)</u>	<u>(1,246,331)</u>
Net Change in Total Pension Liability	4,902,329	6,932,340	3,615,153
Total Pension Liability - Beginning	18,279,490	21,991,303	15,563,979
Total Pension Liability - Ending (a)	<u>\$ 23,181,819</u>	<u>\$ 28,923,643</u>	<u>\$ 19,179,132</u>
<b><u>Plan Fiduciary Net Position</u></b>			
Contributions - Employer	255,800	255,800	255,800
Net Investment Income	(2,509,439)	(2,509,439)	(2,509,439)
Benefit Payments, Including Refunds of			
Employee Contributions	<u>(1,246,331)</u>	<u>(1,246,331)</u>	<u>(1,246,331)</u>
Administrative Expenses	<u>(82,581)</u>	<u>(82,581)</u>	<u>(82,581)</u>
Net Change in Plan Fiduciary Net Position	(3,582,551)	(3,582,551)	(3,582,551)
Plan Fiduciary Net Position - Beginning	19,442,189	19,442,189	19,442,189
Plan Fiduciary Net Position - Ending (b)	<u>\$ 15,859,638</u>	<u>\$ 15,859,638</u>	<u>\$ 15,859,638</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 7,322,181</u>	<u>\$ 13,064,005</u>	<u>\$ 3,319,494</u>

## PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1  
Plan Assumptions: Discount Rate = 7.25%

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
2022	15,851,012	-	1,557,637	-	1,092,734	15,386,109
2023	15,386,109	-	1,583,736	-	1,058,082	14,860,455
2024	14,860,455	-	1,587,534	-	1,019,835	14,292,756
2025	14,292,756	-	1,597,960	-	978,299	13,673,095
2026	13,673,095	-	1,615,976	-	932,720	12,989,839
2027	12,989,839	-	1,616,641	-	883,160	12,256,358
2028	12,256,358	-	1,618,643	-	829,910	11,467,625
2029	11,467,625	-	1,602,366	-	773,317	10,638,576
2030	10,638,576	-	1,595,199	-	713,471	9,756,848
2031	9,756,848	-	1,604,832	-	649,196	8,801,212
2032	8,801,212	-	1,590,910	-	580,417	7,790,719
2033	7,790,719	-	1,585,853	-	507,340	6,712,206
2034	6,712,206	-	1,547,431	-	430,541	5,595,316
2035	5,595,316	-	1,508,599	-	350,974	4,437,691
2036	4,437,691	-	1,469,269	-	268,472	3,236,894
2037	3,236,894	-	1,425,145	-	183,013	1,994,762
2038	1,994,762	-	1,382,871	-	94,491	706,382
2039	706,382	-	1,345,537	-	-	-

Number of Years Expected Benefit Payments Sustained: 17.52

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: Discount Rate = 5.25%

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
2022	15,851,012	-	1,557,637	-	791,290	15,084,665
2023	15,084,665	-	1,583,736	-	750,372	14,251,301
2024	14,251,301	-	1,587,534	-	706,521	13,370,288
2025	13,370,288	-	1,597,960	-	659,994	12,432,322
2026	12,432,322	-	1,615,976	-	610,278	11,426,624
2027	11,426,624	-	1,616,641	-	557,461	10,367,444
2028	10,367,444	-	1,618,643	-	501,801	9,250,602
2029	9,250,602	-	1,602,366	-	443,594	8,091,830
2030	8,091,830	-	1,595,199	-	382,947	6,879,578
2031	6,879,578	-	1,604,832	-	319,051	5,593,797
2032	5,593,797	-	1,590,910	-	251,913	4,254,800
2033	4,254,800	-	1,585,853	-	181,748	2,850,695
2034	2,850,695	-	1,547,431	-	109,041	1,412,305
2035	1,412,305	-	1,508,599	-	-	-

Number of Years Expected Benefit Payments Sustained: 13.94

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.**

## PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 3  
Hypothetical Assumptions: Discount Rate = 9.25%

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
2022	15,851,012	-	1,557,637	-	1,394,178	15,687,553
2023	15,687,553	-	1,583,736	-	1,377,851	15,481,668
2024	15,481,668	-	1,587,534	-	1,358,631	15,252,765
2025	15,252,765	-	1,597,960	-	1,336,975	14,991,780
2026	14,991,780	-	1,615,976	-	1,312,001	14,687,805
2027	14,687,805	-	1,616,641	-	1,283,852	14,355,016
2028	14,355,016	-	1,618,643	-	1,252,977	13,989,350
2029	13,989,350	-	1,602,366	-	1,219,905	13,606,889
2030	13,606,889	-	1,595,199	-	1,184,859	13,196,549
2031	13,196,549	-	1,604,832	-	1,146,457	12,738,174
2032	12,738,174	-	1,590,910	-	1,104,702	12,251,966
2033	12,251,966	-	1,585,853	-	1,059,961	11,726,074
2034	11,726,074	-	1,547,431	-	1,013,093	11,191,736
2035	11,191,736	-	1,508,599	-	965,463	10,648,600
2036	10,648,600	-	1,469,269	-	917,042	10,096,373
2037	10,096,373	-	1,425,145	-	868,002	9,539,230
2038	9,539,230	-	1,382,871	-	818,421	8,974,780
2039	8,974,780	-	1,345,537	-	767,936	8,397,179
2040	8,397,179	-	1,302,545	-	716,496	7,811,130
2041	7,811,130	-	1,249,124	-	664,758	7,226,764
2042	7,226,764	-	1,194,745	-	613,219	6,645,238
2043	6,645,238	-	1,143,288	-	561,807	6,063,757
2044	6,063,757	-	1,091,137	-	510,432	5,483,052
2045	5,483,052	-	1,034,234	-	459,349	4,908,167
2046	4,908,167	-	976,103	-	408,861	4,340,925
2047	4,340,925	-	916,983	-	359,125	3,783,067
2048	3,783,067	-	854,485	-	310,414	3,238,996
2049	3,238,996	-	792,192	-	262,968	2,709,772
2050	2,709,772	-	730,930	-	216,848	2,195,690
2051	2,195,690	-	671,051	-	172,065	1,696,704
2052	1,696,704	-	619,237	-	128,305	1,205,772
2053	1,205,772	-	563,937	-	85,452	727,287
2054	727,287	-	511,587	-	43,613	259,313
2055	259,313	-	462,497	-	-	-

Number of Years Expected Benefit Payments Sustained: 33.56

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 9.25% 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, 2024**

Valuation Date: 10/1/2022

	ACTUAL	HYPOTHETICAL	
Investment Rate of Return:	7.25%	5.25%	9.25%
Minimum Required Contribution (Fixed \$)	\$1,248,851	\$1,943,146	\$697,578
Minimum Required Contribution (% of Payroll)	18.0%	28.0%	10.0%
Expected Member Contribution	347,342	347,342	347,342
Expected Sponsor Contribution (Fixed \$)	\$901,509	\$1,595,804	\$350,236
Expected Sponsor Contribution (% of Payroll)	13.0%	23.0%	5.0%

**ASSETS**

Actuarial Value	19,178,724	19,178,724	19,178,724
Market Value	17,356,142	17,356,142	17,356,142

**LIABILITIES**

Present Value of Benefits			
Active Members			
Retirement Benefits	9,844,513	14,474,330	7,118,622
Disability Benefits	407,501	601,560	292,083
Death Benefits	64,539	88,203	49,145
Vested Benefits	1,273,781	2,430,067	705,104
Refund of Contributions	235,487	254,800	218,205
Service Retirees	12,230,554	14,462,946	10,555,605
Beneficiaries	234,706	267,028	210,770
Disability Retirees	102,813	119,178	90,251
Terminated Vested	2,422,844	3,181,664	1,916,754
Total:	26,816,738	35,879,776	21,156,539

Present Value of Future Salaries	44,748,811	50,178,039	40,475,814
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Present Value of Future Member Contributions	2,237,441	2,508,902	2,023,791
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Total Normal Cost	647,748	1,012,451	432,889
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Present Value of Future Normal Costs (Entry Age Normal)	4,158,316	7,594,372	2,433,173
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Total Actuarial Accrued Liability (EAN)	22,658,422	28,285,404	18,723,366
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Unfunded Actuarial Accrued Liability (UAAL)	3,479,698	9,106,680	(455,358)
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ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR  
ENDING SEPTEMBER 30, 2024

Valuation Date: 10/1/2022

	ACTUAL	HYPOTHETICAL	
Investment Rate of Return:	7.25%	5.25%	9.25%
<b><u>PENSION COST</u></b>			
Normal Cost (with interest)	671,229	1,039,028	452,910
Administrative Expenses (with interest)	71,479	70,790	72,169
Payment Required To Amortize UAAL (with interest)	506,143	833,328	172,499
Minimum Required Contribution	\$1,248,851	\$1,943,146	\$697,578

## FIVE-YEAR HISTORY OF RATES OF RETURN AND ASSET ALLOCATION

## RATES OF RETURN FOR THE FISCAL YEARS ENDING SEPTEMBER 30

Fiscal Year Ending	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018
Investment Return	-13.44%	18.72%	10.78%	5.34%	9.80%
Actuarial Assumption Rate	7.25%	7.25%	7.25%	7.50%	7.50%

## ASSET ALLOCATIONS FOR THE FISCAL YEARS ENDING SEPTEMBER 30

Fiscal Year Ending	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018
Asset Class					
Domestic Equity	48.49%	51.19%	54.41%	53.28%	54.01%
Domestic Fixed Income	24.93%	24.18%	22.55%	24.22%	33.03%
Global Fixed Income	4.79%	4.93%	3.27%	3.58%	3.60%
International Equity	7.88%	9.98%	8.33%	7.62%	7.67%
Real Estate	13.08%	8.80%	9.11%	9.68%	0.00%
Cash & Equivalents	0.84%	0.93%	2.33%	1.62%	1.70%

It is important to note that the above historical investment returns and asset classes were provided by the Board's investment consultant, and were not audited by Foster & Foster.