

CITY OF HAINES CITY
MUNICIPAL FIREFIGHTERS' RETIREMENT TRUST FUND

SECTION 112.664, FLORIDA STATUTES COMPLIANCE
DETERMINED AS OF THE
OCTOBER 1, 2023 VALUATION DATE



July 1, 2024

VIA E-MAIL

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

Re: City of Haines City Municipal Firefighters' Retirement Trust Fund
Section 112.664, Florida Statutes Compliance

Dear Omar:

Please find enclosed the annual disclosures that satisfy the October 1, 2023 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.

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, 2023 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, 2023

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>	<u>HYPOTHETICAL</u>
Discount Rate:	7.00%	5.00%	9.00%
<u>Total Pension Liability</u>			
Service Cost	269,236	392,748	197,432
Interest	690,342	651,457	701,112
13 th Check Allocation	437	437	437
Share Plan Allocation	16,469	16,469	16,469
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	87,584	216,463	12,488
Changes of Assumptions	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	<u>(580,860)</u>	<u>(580,860)</u>	<u>(580,860)</u>
Net Change in Total Pension Liability	483,208	696,714	347,078
Total Pension Liability - Beginning	<u>9,883,229</u>	<u>12,926,825</u>	<u>7,883,133</u>
Total Pension Liability - Ending (a)	<u><u>\$ 10,366,437</u></u>	<u><u>\$ 13,623,539</u></u>	<u><u>\$ 8,230,211</u></u>
<u>Plan Fiduciary Net Position</u>			
Contributions - Employer	185,452	185,452	185,452
Contributions - State	164,687	164,687	164,687
Contributions - Employee	177,514	177,514	177,514
Net Investment Income	845,024	845,024	845,024
Benefit Payments, Including Refunds of Employee Contributions	<u>(580,860)</u>	<u>(580,860)</u>	<u>(580,860)</u>
Administrative Expenses	<u>(62,311)</u>	<u>(62,311)</u>	<u>(62,311)</u>
Net Change in Plan Fiduciary Net Position	729,506	729,506	729,506
Plan Fiduciary Net Position - Beginning	<u>8,032,858</u>	<u>8,032,858</u>	<u>8,032,858</u>
Plan Fiduciary Net Position - Ending (b)	<u><u>\$ 8,762,364</u></u>	<u><u>\$ 8,762,364</u></u>	<u><u>\$ 8,762,364</u></u>
Net Pension Liability - Ending (a) - (b)	<u><u>\$ 1,604,073</u></u>	<u><u>\$ 4,861,175</u></u>	<u><u>\$ (532,153)</u></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
2023	8,701,993	-	819,761	-	580,448	8,462,680
2024	8,462,680	-	635,697	-	570,138	8,397,121
2025	8,397,121	-	623,295	-	565,983	8,339,809
2026	8,339,809	-	637,103	-	561,488	8,264,194
2027	8,264,194	-	651,735	-	555,683	8,168,142
2028	8,168,142	-	652,759	-	548,923	8,064,306
2029	8,064,306	-	653,571	-	541,626	7,952,361
2030	7,952,361	-	648,271	-	533,976	7,838,066
2031	7,838,066	-	654,174	-	525,769	7,709,661
2032	7,709,661	-	674,338	-	516,074	7,551,397
2033	7,551,397	-	673,806	-	505,015	7,382,606
2034	7,382,606	-	693,492	-	492,510	7,181,624
2035	7,181,624	-	685,744	-	478,713	6,974,593
2036	6,974,593	-	672,743	-	464,676	6,766,526
2037	6,766,526	-	720,580	-	448,437	6,494,383
2038	6,494,383	-	773,742	-	427,526	6,148,167
2039	6,148,167	-	769,640	-	403,434	5,781,961
2040	5,781,961	-	781,837	-	377,373	5,377,497
2041	5,377,497	-	768,238	-	349,536	4,958,795
2042	4,958,795	-	800,359	-	319,103	4,477,539
2043	4,477,539	-	798,883	-	285,467	3,964,123
2044	3,964,123	-	779,344	-	250,212	3,434,991
2045	3,434,991	-	764,243	-	213,701	2,884,449
2046	2,884,449	-	754,439	-	175,506	2,305,516
2047	2,305,516	-	725,955	-	135,978	1,715,539
2048	1,715,539	-	700,285	-	95,578	1,110,832
2049	1,110,832	-	673,230	-	54,195	491,797
2050	491,797	-	644,867	-	-	-

*All DROP and Share Balances paid in 2023.

Number of Years Expected Benefit Payments Sustained: 27.76

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
2023	8,701,993	-	819,761	-	414,606	8,296,838
2024	8,296,838	-	635,697	-	398,949	8,060,090
2025	8,060,090	-	623,295	-	387,422	7,824,217
2026	7,824,217	-	637,103	-	375,283	7,562,397
2027	7,562,397	-	651,735	-	361,826	7,272,488
2028	7,272,488	-	652,759	-	347,305	6,967,034
2029	6,967,034	-	653,571	-	332,012	6,645,475
2030	6,645,475	-	648,271	-	316,067	6,313,271
2031	6,313,271	-	654,174	-	299,309	5,958,406
2032	5,958,406	-	674,338	-	281,062	5,565,130
2033	5,565,130	-	673,806	-	261,411	5,152,735
2034	5,152,735	-	693,492	-	240,299	4,699,542
2035	4,699,542	-	685,744	-	217,834	4,231,632
2036	4,231,632	-	672,743	-	194,763	3,753,652
2037	3,753,652	-	720,580	-	169,668	3,202,740
2038	3,202,740	-	773,742	-	140,793	2,569,791
2039	2,569,791	-	769,640	-	109,249	1,909,400
2040	1,909,400	-	781,837	-	75,924	1,203,487
2041	1,203,487	-	768,238	-	40,968	476,217
2042	476,217	-	800,359	-	-	-

*All DROP and Share Balances paid in 2023.

Number of Years Expected Benefit Payments Sustained: 19.60

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.

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 3
Hypothetical Assumptions: Discount Rate = 9.00%

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
2023	8,701,993	-	819,761	-	746,290	8,628,522
2024	8,628,522	-	635,697	-	747,961	8,740,786
2025	8,740,786	-	623,295	-	758,622	8,876,113
2026	8,876,113	-	637,103	-	770,181	9,009,191
2027	9,009,191	-	651,735	-	781,499	9,138,955
2028	9,138,955	-	652,759	-	793,132	9,279,328
2029	9,279,328	-	653,571	-	805,729	9,431,486
2030	9,431,486	-	648,271	-	819,662	9,602,877
2031	9,602,877	-	654,174	-	834,821	9,783,524
2032	9,783,524	-	674,338	-	850,172	9,959,358
2033	9,959,358	-	673,806	-	866,021	10,151,573
2034	10,151,573	-	693,492	-	882,434	10,340,515
2035	10,340,515	-	685,744	-	899,788	10,554,559
2036	10,554,559	-	672,743	-	919,637	10,801,453
2037	10,801,453	-	720,580	-	939,705	11,020,578
2038	11,020,578	-	773,742	-	957,034	11,203,870
2039	11,203,870	-	769,640	-	973,715	11,407,945
2040	11,407,945	-	781,837	-	991,532	11,617,640
2041	11,617,640	-	768,238	-	1,011,017	11,860,419
2042	11,860,419	-	800,359	-	1,031,422	12,091,482
2043	12,091,482	-	798,883	-	1,052,284	12,344,883
2044	12,344,883	-	779,344	-	1,075,969	12,641,508
2045	12,641,508	-	764,243	-	1,103,345	12,980,610
2046	12,980,610	-	754,439	-	1,134,305	13,360,476
2047	13,360,476	-	725,955	-	1,169,775	13,804,296
2048	13,804,296	-	700,285	-	1,210,874	14,314,885
2049	14,314,885	-	673,230	-	1,258,044	14,899,699
2050	14,899,699	-	644,867	-	1,311,954	15,566,786
2051	15,566,786	-	617,808	-	1,373,209	16,322,187
2052	16,322,187	-	590,010	-	1,442,446	17,174,623
2053	17,174,623	-	562,225	-	1,520,416	18,132,814
2054	18,132,814	-	535,785	-	1,607,843	19,204,872
2055	19,204,872	-	509,769	-	1,705,499	20,400,602
2056	20,400,602	-	484,120	-	1,814,269	21,730,751
2057	21,730,751	-	460,024	-	1,935,067	23,205,794
2058	23,205,794	-	436,568	-	2,068,876	24,838,102
2059	24,838,102	-	414,211	-	2,216,790	26,640,681
2060	26,640,681	-	392,720	-	2,379,989	28,627,950
2061	28,627,950	-	372,066	-	2,559,773	30,815,657
2062	30,815,657	-	352,109	-	2,757,564	33,221,112
2063	33,221,112	-	333,035	-	2,974,914	35,862,991
2064	35,862,991	-	314,672	-	3,213,509	38,761,828
2065	38,761,828	-	296,940	-	3,475,202	41,940,090
2066	41,940,090	-	279,750	-	3,762,019	45,422,359
2067	45,422,359	-	263,023	-	4,076,176	49,235,512
2068	49,235,512	-	246,691	-	4,420,095	53,408,916
2069	53,408,916	-	230,721	-	4,796,420	57,974,615
2070	57,974,615	-	215,098	-	5,208,036	62,967,553
2071	62,967,553	-	199,818	-	5,658,088	68,425,823
2072	68,425,823	-	184,874	-	6,150,005	74,390,954
2073	74,390,954	-	170,277	-	6,687,523	80,908,200
2074	80,908,200	-	156,046	-	7,274,716	88,026,870

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 3
Hypothetical Assumptions: Discount Rate = 9.00%

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
2075	88,026,870	-	142,215	-	7,916,019	95,800,674
2076	95,800,674	-	128,845	-	8,616,263	104,288,092
2077	104,288,092	-	115,995	-	9,380,709	113,552,806
2078	113,552,806	-	103,740	-	10,215,084	123,664,150
2079	123,664,150	-	92,156	-	11,125,626	134,697,620
2080	134,697,620	-	81,300	-	12,119,127	146,735,447
2081	146,735,447	-	71,202	-	13,202,986	159,867,231
2082	159,867,231	-	61,863	-	14,385,267	174,190,635
2083	174,190,635	-	53,282	-	15,674,759	189,812,112
2084	189,812,112	-	45,464	-	17,081,044	206,847,692
2085	206,847,692	-	38,415	-	18,614,564	225,423,841
2086	225,423,841	-	32,126	-	20,286,700	245,678,415
2087	245,678,415	-	26,569	-	22,109,862	267,761,708
2088	267,761,708	-	21,716	-	24,097,577	291,837,569
2089	291,837,569	-	17,535	-	26,264,592	318,084,626
2090	318,084,626	-	13,981	-	28,626,987	346,697,632
2091	346,697,632	-	11,001	-	31,202,292	377,888,923
2092	377,888,923	-	8,538	-	34,009,619	411,890,004
2093	411,890,004	-	6,532	-	37,069,806	448,953,278
2094	448,953,278	-	4,927	-	40,405,573	489,353,924
2095	489,353,924	-	3,666	-	44,041,688	533,391,946
2096	533,391,946	-	2,689	-	48,005,154	581,394,411
2097	581,394,411	-	1,944	-	52,325,410	633,717,877
2098	633,717,877	-	1,386	-	57,034,547	690,751,038
2099	690,751,038	-	973	-	62,167,550	752,917,615
2100	752,917,615	-	674	-	67,762,555	820,679,496
2101	820,679,496	-	460	-	73,861,134	894,540,170
2102	894,540,170	-	310	-	80,508,601	975,048,461
2103	975,048,461	-	205	-	87,754,352	1,062,802,608
2104	1,062,802,608	-	134	-	95,652,229	1,158,454,703
2105	1,158,454,703	-	86	-	104,260,919	1,262,715,536
2106	1,262,715,536	-	54	-	113,644,396	1,376,359,878
2107	1,376,359,878	-	34	-	123,872,387	1,500,232,231
2108	1,500,232,231	-	20	-	135,020,900	1,635,253,111
2109	1,635,253,111	-	12	-	147,172,779	1,782,425,878
2110	1,782,425,878	-	7	-	160,418,329	1,942,844,200
2111	1,942,844,200	-	4	-	174,855,978	2,117,700,174
2112	2,117,700,174	-	2	-	190,593,016	2,308,293,188
2113	2,308,293,188	-	1	-	207,746,387	2,516,039,574
2114	2,516,039,574	-	1	-	226,443,562	2,742,483,135
2115	2,742,483,135	-	-	-	246,823,482	2,989,306,617

*All DROP and Share Balances paid in 2023.

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 9.00% 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, 2025**

Valuation Date: 10/1/2023

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>	<u>HYPOTHETICAL</u>
Investment Rate of Return:	7.00%	5.00%	9.00%
Minimum Required Contribution (Fixed \$)	\$560,704	\$857,821	\$320,486
Minimum Required Contribution (% of Payroll)	27.9%	42.6%	15.9%
Expected Member Contribution	181,130	181,130	181,130
Expected State Money	131,750	131,750	131,750
Expected Sponsor Contribution (Fixed \$)	\$247,824	\$544,941	\$7,606
Expected Sponsor Contribution (% of Payroll)	12.4%	27.1%	0.4%

ASSETS

Actuarial Value ¹	9,334,509	9,334,509	9,334,509
Market Value ¹	8,701,993	8,701,993	8,701,993

LIABILITIES

Present Value of Benefits

Actives			
Retirement Benefits	3,314,271	4,955,544	2,317,345
Disability Benefits	175,207	234,256	135,680
Death Benefits	23,973	32,096	18,356
Vested Benefits	1,463,830	2,495,382	898,432
Refund of Contributions	220,945	232,732	210,339
Service Retirees	5,450,730	6,560,029	4,639,725
DROP Retirees ¹	398,649	471,917	346,195
Beneficiaries	276,031	321,289	241,053
Disability Retirees	580,333	706,393	491,420
Terminated Vested	522,135	789,586	365,362
Share Plan Balances ¹	86,634	86,634	86,634
13th Check Allocation	16,469	16,469	16,469
Total:	<u>12,529,207</u>	<u>16,902,327</u>	<u>9,767,010</u>

Present Value of Future Salaries	11,848,020	12,905,936	10,962,681
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Present Value of Future Member Contributions	1,066,322	1,161,534	986,641
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Total Normal Cost	285,552	424,324	204,449
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Present Value of Future Normal Costs (Entry Age Normal)	1,544,887	2,533,621	1,010,176
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Total Actuarial Accrued Liability (EAN) ¹	10,984,320	14,368,706	8,756,834
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Unfunded Actuarial Accrued Liability (UAAL)	1,649,811	5,034,197	(577,675)
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**ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR
ENDING SEPTEMBER 30, 2025**

Valuation Date: 10/1/2023

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>	<u>HYPOTHETICAL</u>
Investment Rate of Return:	7.00%	5.00%	9.00%
<u>PENSION COST</u>			
Normal Cost (with interest)	295,546	434,932	213,649
Administrative Expenses (with interest)	59,396	58,822	59,969
Payment Required To Amortize UAAL (with interest)	205,762	364,067	46,868
Minimum Required Contribution	\$560,704	\$857,821	\$320,486

¹ The asset values and liabilities include accumulated DROP and Share Plan Balances as of 9/30/2023.

Haines City Municipal Firefighters' Retirement Trust Fund
Asset Allocation History
As of September 30, 2023

Asset Allocation Attributes											
	Sep-2023		Sep-2022		Sep-2021		Sep-2020		Sep-2019		
	(\$)	%	(\$)	%	(\$)	%	(\$)	%	(\$)	%	
Domestic Equity	4,576,891	52.19	4,051,892	50.41	4,874,743	50.66	4,180,255	51.80	3,634,174	50.14	
International Equity	1,166,521	13.30	941,544	11.71	1,552,038	16.13	1,243,975	15.41	1,082,009	14.93	
Domestic Fixed Income	1,542,677	17.59	1,357,933	16.89	1,718,653	17.86	1,538,148	19.06	1,369,428	18.89	
Global Fixed Income	326,651	3.72	309,211	3.85	372,489	3.87	367,620	4.56	319,977	4.41	
Real Estate	989,710	11.29	1,211,172	15.07	1,009,610	10.49	668,023	8.28	651,179	8.98	
Cash & Equivalents	166,916	1.90	166,726	2.07	94,260	0.98	72,410	0.90	191,143	2.64	
Total Fund Composite	8,769,367	100.00	8,038,478	100.00	9,621,793	100.00	8,070,431	100.00	7,247,908	100.00	

Comparative Performance Net of Fees

