

CITY OF HAINES CITY
GENERAL EMPLOYEES' PENSION PLAN

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



June 13, 2024

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, 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, 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: Adam Levinson, 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:	7.25%	5.25%	9.25%
<u>Total Pension Liability</u>			
Service Cost	696,347	1,075,098	471,726
Interest	1,684,058	1,540,821	1,757,600
Changes of Benefit Terms	(118,391)	(162,478)	(74,627)
Differences Between Expected and Actual Experience	(778,904)	(982,130)	(661,865)
Changes of Assumptions	-	-	-
Contributions - Buy Back	3,812,369	3,812,369	3,812,369
Benefit Payments, Including Refunds of Employee Contributions	(1,299,549)	(1,299,549)	(1,299,549)
Net Change in Total Pension Liability	3,995,930	3,984,131	4,005,654
Total Pension Liability - Beginning	23,181,819	28,923,643	19,179,132
Total Pension Liability - Ending (a)	<u>\$ 27,177,749</u>	<u>\$ 32,907,774</u>	<u>\$ 23,184,786</u>
<u>Plan Fiduciary Net Position</u>			
Contributions - Employer	1,429,532	1,429,532	1,429,532
Contributions - Employee	320,545	320,545	320,545
Contributions - Buy Back	3,812,369	3,812,369	3,812,369
Net Investment Income	1,547,749	1,547,749	1,547,749
Benefit Payments, Including Refunds of Employee Contributions	(1,299,549)	(1,299,549)	(1,299,549)
Administrative Expenses	(128,780)	(128,780)	(128,780)
Net Change in Plan Fiduciary Net Position	5,681,866	5,681,866	5,681,866
Plan Fiduciary Net Position - Beginning	15,859,638	15,859,638	15,859,638
Plan Fiduciary Net Position - Ending (b)	<u>\$ 21,541,504</u>	<u>\$ 21,541,504</u>	<u>\$ 21,541,504</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 5,636,245</u>	<u>\$ 11,366,270</u>	<u>\$ 1,643,282</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
2023	20,897,969	-	1,936,354	-	1,444,910	20,406,525
2024	20,406,525	-	1,892,947	-	1,410,854	19,924,432
2025	19,924,432	-	1,890,813	-	1,375,979	19,409,598
2026	19,409,598	-	1,900,100	-	1,338,317	18,847,815
2027	18,847,815	-	1,892,514	-	1,297,863	18,253,164
2028	18,253,164	-	1,896,651	-	1,254,601	17,611,114
2029	17,611,114	-	1,878,799	-	1,208,699	16,941,014
2030	16,941,014	-	1,881,941	-	1,160,003	16,219,076
2031	16,219,076	-	1,902,595	-	1,106,914	15,423,395
2032	15,423,395	-	1,894,880	-	1,049,507	14,578,022
2033	14,578,022	-	1,883,080	-	988,645	13,683,587
2034	13,683,587	-	1,840,543	-	925,340	12,768,384
2035	12,768,384	-	1,794,032	-	860,674	11,835,026
2036	11,835,026	-	1,758,677	-	794,287	10,870,636
2037	10,870,636	-	1,710,170	-	726,127	9,886,593
2038	9,886,593	-	1,668,517	-	656,294	8,874,370
2039	8,874,370	-	1,630,584	-	584,283	7,828,069
2040	7,828,069	-	1,593,163	-	509,783	6,744,689
2041	6,744,689	-	1,534,205	-	433,375	5,643,859
2042	5,643,859	-	1,480,135	-	355,525	4,519,249
2043	4,519,249	-	1,440,326	-	275,434	3,354,357
2044	3,354,357	-	1,389,611	-	192,817	2,157,563
2045	2,157,563	-	1,331,261	-	108,165	934,467
2046	934,467	-	1,270,827	-	-	-

Number of Years Expected Benefit Payments Sustained: 23.74

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
2023	20,897,969	-	1,936,354	-	1,046,314	20,007,929
2024	20,007,929	-	1,892,947	-	1,000,726	19,115,708
2025	19,115,708	-	1,890,813	-	953,941	18,178,836
2026	18,178,836	-	1,900,100	-	904,511	17,183,247
2027	17,183,247	-	1,892,514	-	852,442	16,143,175
2028	16,143,175	-	1,896,651	-	797,730	15,044,254
2029	15,044,254	-	1,878,799	-	740,505	13,905,960
2030	13,905,960	-	1,881,941	-	680,662	12,704,681
2031	12,704,681	-	1,902,595	-	617,053	11,419,139
2032	11,419,139	-	1,894,880	-	549,764	10,074,023
2033	10,074,023	-	1,883,080	-	479,455	8,670,398
2034	8,670,398	-	1,840,543	-	406,882	7,236,737
2035	7,236,737	-	1,794,032	-	332,835	5,775,540
2036	5,775,540	-	1,758,677	-	257,051	4,273,914
2037	4,273,914	-	1,710,170	-	179,489	2,743,233
2038	2,743,233	-	1,668,517	-	100,221	1,174,937
2039	1,174,937	-	1,630,584	-	-	-

Number of Years Expected Benefit Payments Sustained: 16.72

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
2023	20,897,969	-	1,936,354	-	1,843,506	20,805,121
2024	20,805,121	-	1,892,947	-	1,836,925	20,749,099
2025	20,749,099	-	1,890,813	-	1,831,842	20,690,128
2026	20,690,128	-	1,900,100	-	1,825,957	20,615,985
2027	20,615,985	-	1,892,514	-	1,819,450	20,542,921
2028	20,542,921	-	1,896,651	-	1,812,500	20,458,770
2029	20,458,770	-	1,878,799	-	1,805,542	20,385,513
2030	20,385,513	-	1,881,941	-	1,798,620	20,302,192
2031	20,302,192	-	1,902,595	-	1,789,958	20,189,555
2032	20,189,555	-	1,894,880	-	1,779,896	20,074,571
2033	20,074,571	-	1,883,080	-	1,769,805	19,961,296
2034	19,961,296	-	1,840,543	-	1,761,295	19,882,048
2035	19,882,048	-	1,794,032	-	1,756,115	19,844,131
2036	19,844,131	-	1,758,677	-	1,754,243	19,839,697
2037	19,839,697	-	1,710,170	-	1,756,077	19,885,604
2038	19,885,604	-	1,668,517	-	1,762,249	19,979,336
2039	19,979,336	-	1,630,584	-	1,772,674	20,121,426
2040	20,121,426	-	1,593,163	-	1,787,548	20,315,811
2041	20,315,811	-	1,534,205	-	1,808,256	20,589,862
2042	20,589,862	-	1,480,135	-	1,836,106	20,945,833
2043	20,945,833	-	1,440,326	-	1,870,874	21,376,381
2044	21,376,381	-	1,389,611	-	1,913,046	21,899,816
2045	21,899,816	-	1,331,261	-	1,964,162	22,532,717
2046	22,532,717	-	1,270,827	-	2,025,501	23,287,391
2047	23,287,391	-	1,210,999	-	2,098,075	24,174,467
2048	24,174,467	-	1,140,334	-	2,183,398	25,217,531
2049	25,217,531	-	1,075,275	-	2,282,890	26,425,146
2050	26,425,146	-	1,004,428	-	2,397,871	27,818,589
2051	27,818,589	-	936,749	-	2,529,895	29,411,735
2052	29,411,735	-	873,360	-	2,680,193	31,218,568
2053	31,218,568	-	806,714	-	2,850,407	33,262,261
2054	33,262,261	-	742,889	-	3,042,401	35,561,773
2055	35,561,773	-	686,272	-	3,257,724	38,133,225
2056	38,133,225	-	631,094	-	3,498,135	41,000,266
2057	41,000,266	-	579,625	-	3,765,717	44,186,358
2058	44,186,358	-	529,668	-	4,062,741	47,719,431
2059	47,719,431	-	490,057	-	4,391,382	51,620,756
2060	51,620,756	-	447,423	-	4,754,227	55,927,560
2061	55,927,560	-	412,611	-	5,154,216	60,669,165
2062	60,669,165	-	377,099	-	5,594,457	65,886,523
2063	65,886,523	-	344,990	-	6,078,548	71,620,081
2064	71,620,081	-	315,511	-	6,610,265	77,914,835
2065	77,914,835	-	288,865	-	7,193,762	84,819,732
2066	84,819,732	-	264,698	-	7,833,583	92,388,617
2067	92,388,617	-	242,787	-	8,534,718	100,680,548
2068	100,680,548	-	222,825	-	9,302,645	109,760,368
2069	109,760,368	-	204,551	-	10,143,374	119,699,191
2070	119,699,191	-	187,736	-	11,063,492	130,574,947
2071	130,574,947	-	172,198	-	12,070,218	142,472,967
2072	142,472,967	-	157,772	-	13,171,452	155,486,647
2073	155,486,647	-	144,319	-	14,375,840	169,718,168
2074	169,718,168	-	131,728	-	15,692,838	185,279,278

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
2075	185,279,278	-	119,921	-	17,132,787	202,292,144
2076	202,292,144	-	108,849	-	18,706,989	220,890,284
2077	220,890,284	-	98,478	-	20,427,797	241,219,603
2078	241,219,603	-	88,790	-	22,308,707	263,439,520
2079	263,439,520	-	79,765	-	24,364,466	287,724,221
2080	287,724,221	-	71,384	-	26,611,189	314,264,026
2081	314,264,026	-	63,631	-	29,066,479	343,266,874
2082	343,266,874	-	56,485	-	31,749,573	374,959,962
2083	374,959,962	-	49,930	-	34,681,487	409,591,519
2084	409,591,519	-	43,950	-	37,885,183	447,432,752
2085	447,432,752	-	38,522	-	41,385,748	488,779,978
2086	488,779,978	-	33,620	-	45,210,593	533,956,951
2087	533,956,951	-	29,220	-	49,389,667	583,317,398
2088	583,317,398	-	25,293	-	53,955,690	637,247,795
2089	637,247,795	-	21,806	-	58,944,413	696,170,402
2090	696,170,402	-	18,724	-	64,394,896	760,546,574
2091	760,546,574	-	16,012	-	70,349,818	830,880,380
2092	830,880,380	-	13,634	-	76,855,805	907,722,551
2093	907,722,551	-	11,554	-	83,963,802	991,674,799
2094	991,674,799	-	9,739	-	91,729,468	1,083,394,528
2095	1,083,394,528	-	8,158	-	100,213,617	1,183,599,987
2096	1,183,599,987	-	6,784	-	109,482,685	1,293,075,888
2097	1,293,075,888	-	5,591	-	119,609,261	1,412,679,558
2098	1,412,679,558	-	4,559	-	130,672,648	1,543,347,647
2099	1,543,347,647	-	3,671	-	142,759,488	1,686,103,464
2100	1,686,103,464	-	2,915	-	155,964,436	1,842,064,985
2101	1,842,064,985	-	2,278	-	170,390,906	2,012,453,613
2102	2,012,453,613	-	1,749	-	186,151,878	2,198,603,742
2103	2,198,603,742	-	1,316	-	203,370,785	2,401,973,211
2104	2,401,973,211	-	970	-	222,182,477	2,624,154,718
2105	2,624,154,718	-	698	-	242,734,279	2,866,888,299
2106	2,866,888,299	-	490	-	265,187,145	3,132,074,954
2107	3,132,074,954	-	334	-	289,716,918	3,421,791,538
2108	3,421,791,538	-	222	-	316,515,707	3,738,307,023
2109	3,738,307,023	-	143	-	345,793,393	4,084,100,273
2110	4,084,100,273	-	89	-	377,779,271	4,461,879,455
2111	4,461,879,455	-	54	-	412,723,847	4,874,603,248
2112	4,874,603,248	-	31	-	450,900,799	5,325,504,016
2113	5,325,504,016	-	18	-	492,609,121	5,818,113,119
2114	5,818,113,119	-	10	-	538,175,463	6,356,288,572
2115	6,356,288,572	-	5	-	587,956,693	6,944,245,260
2116	6,944,245,260	-	3	-	642,342,686	7,586,587,943
2117	7,586,587,943	-	1	-	701,759,385	8,288,347,327

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 9.25% 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, 2025**

Valuation Date: 10/1/2023

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>	<u>HYPOTHETICAL</u>
Investment Rate of Return:	7.25%	5.25%	9.25%
Minimum Required Contribution (Fixed \$)	\$1,672,084	\$2,554,069	\$987,711
Minimum Required Contribution (% of Payroll)	21.1%	32.2%	12.5%
Expected Member Contribution	396,660	396,660	396,660
Expected Sponsor Contribution (Fixed \$)	\$1,275,424	\$2,157,409	\$591,051
Expected Sponsor Contribution (% of Payroll)	16.1%	27.2%	7.5%

ASSETS

Actuarial Value ¹	22,213,715	22,213,715	22,213,715
Market Value ¹	20,897,969	20,897,969	20,897,969

LIABILITIES

Present Value of Benefits			
Actives			
Retirement Benefits	14,047,321	20,293,774	10,341,225
Disability Benefits	358,569	529,482	254,356
Death Benefits	60,285	85,261	44,290
Vested Benefits	1,996,796	3,772,960	1,121,402
Refund of Contributions	365,652	386,212	346,887
Service Retirees	12,625,476	14,929,806	10,899,039
DROP Retirees ¹	493,280	600,749	416,071
Beneficiaries	166,140	194,792	145,241
Disability Retirees	97,396	111,391	86,382
Terminated Vested	2,052,159	2,707,769	1,618,682
Total:	32,263,074	43,612,196	25,273,575
Present Value of Future Salaries	52,162,901	58,308,027	47,279,414
Present Value of Future Member Contributions	2,608,145	2,915,401	2,363,971
Total Normal Cost	897,496	1,378,875	612,993
Present Value of Future Normal Costs (Entry Age Normal)	5,694,001	10,171,384	3,415,291
Total Actuarial Accrued Liability (EAN) ¹	26,569,073	33,440,812	21,858,284
Unfunded Actuarial Accrued Liability (UAAL)	4,355,358	11,227,097	(355,431)

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:	7.25%	5.25%	9.25%
<u>PENSION COST</u>			
Normal Cost (with interest)	930,030	1,415,070	641,344
Administrative Expenses (with interest)	109,512	108,455	110,569
Payment Required To Amortize UAAL (with interest)	<u>632,542</u>	<u>1,030,544</u>	<u>235,798</u>
Minimum Required Contribution	\$1,672,084	\$2,554,069	\$987,711

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

Haines City General Employees' Pension Plan
Asset Allocation History
As of September 30, 2023

Asset Allocation Attributes										
	Sep-2023		Sep-2022		Sep-2021		Sep-2020		Sep-2019	
	(\$)	%	(\$)	%	(\$)	%	(\$)	%	(\$)	%
Domestic Equity	11,000,098	50.99	7,685,933	48.49	9,953,378	51.19	9,370,775	54.41	8,936,291	53.28
Domestic Fixed Income	5,482,042	25.41	3,951,704	24.93	4,700,826	24.18	3,883,913	22.55	4,062,563	24.22
Global Fixed Income	1,026,739	4.76	759,313	4.79	958,950	4.93	563,841	3.27	599,680	3.58
International Equity	1,957,903	9.08	1,248,558	7.88	1,939,762	9.98	1,433,996	8.33	1,278,199	7.62
Real Estate	1,740,815	8.07	2,074,001	13.08	1,711,944	8.80	1,568,896	9.11	1,622,840	9.68
Cash & Equivalents	364,283	1.69	132,385	0.84	179,979	0.93	401,634	2.33	272,106	1.62
Total Fund	21,571,879	100.00	15,851,894	100.00	19,444,840	100.00	17,223,054	100.00	16,771,680	100.00

Comparative Performance

