

CITY OF PLANT CITY  
SAFETY EMPLOYEES' RETIREMENT SYSTEM

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



June 30, 2023

VIA E-MAIL

Kerri Miller, City Clerk  
City of Plant City  
302 W. Reynolds St.  
Plant City, FL 33563

Re: City of Plant City Safety Employees' Retirement System  
Section 112.664, Florida Statutes Compliance

Dear Kerri:

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: David Burnett  
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	
	7.50%	5.50%	9.50%
Discount Rate:	7.50%	5.50%	9.50%
<b><u>Total Pension Liability</u></b>			
Service Cost	1,731,542	2,655,523	1,172,885
Interest	5,544,424	5,139,120	5,741,408
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	912,203	1,410,711	617,069
Changes of Assumptions	-	-	-
Contributions - Buy Back	67,085	67,085	67,085
Benefit Payments, Including Refunds of Employee Contributions	(3,450,505)	(3,450,505)	(3,450,505)
Net Change in Total Pension Liability	4,804,749	5,821,934	4,147,942
Total Pension Liability - Beginning	73,919,360	92,508,284	60,988,238
Total Pension Liability - Ending (a)	<u>\$ 78,724,109</u>	<u>\$ 98,330,218</u>	<u>\$ 65,136,180</u>
<b><u>Plan Fiduciary Net Position</u></b>			
Contributions - Employer	2,079,640	2,079,640	2,079,640
Contributions - State	745,768	745,768	745,768
Contributions - Employee	756,987	756,987	756,987
Contributions - Buy Back	67,085	67,085	67,085
Net Investment Income	(9,791,117)	(9,791,117)	(9,791,117)
Benefit Payments, Including Refunds of Employee Contributions	(3,450,505)	(3,450,505)	(3,450,505)
Administrative Expenses	(69,259)	(69,259)	(69,259)
Net Change in Plan Fiduciary Net Position	(9,661,401)	(9,661,401)	(9,661,401)
Plan Fiduciary Net Position - Beginning	66,039,442	66,039,442	66,039,442
Plan Fiduciary Net Position - Ending (b)	<u>\$ 56,378,041</u>	<u>\$ 56,378,041</u>	<u>\$ 56,378,041</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 22,346,068</u>	<u>\$ 41,952,177</u>	<u>\$ 8,758,139</u>

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

Table 1  
Plan Assumptions: Discount Rate = 7.50%

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	56,378,041	-	6,523,340	-	3,983,728	53,838,429
2023	53,838,429	-	4,562,194	-	3,866,800	53,143,035
2024	53,143,035	-	4,824,007	-	3,804,827	52,123,855
2025	52,123,855	-	5,254,467	-	3,712,247	50,581,635
2026	50,581,635	-	5,541,727	-	3,585,808	48,625,716
2027	48,625,716	-	5,745,200	-	3,431,484	46,312,000
2028	46,312,000	-	5,877,571	-	3,252,991	43,687,420
2029	43,687,420	-	5,973,446	-	3,052,552	40,766,526
2030	40,766,526	-	5,987,652	-	2,832,953	37,611,827
2031	37,611,827	-	6,036,091	-	2,594,534	34,170,270
2032	34,170,270	-	6,111,708	-	2,333,581	30,392,143
2033	30,392,143	-	6,051,924	-	2,052,464	26,392,683
2034	26,392,683	-	6,020,438	-	1,753,685	22,125,930
2035	22,125,930	-	6,007,562	-	1,434,161	17,552,529
2036	17,552,529	-	5,941,058	-	1,093,650	12,705,121
2037	12,705,121	-	5,863,347	-	733,009	7,574,783
2038	7,574,783	-	5,812,675	-	350,133	2,112,241
2039	2,112,241	-	5,729,759	-	-	-

\*All DROP Balances paid in 2022.

Number of Years Expected Benefit Payments Sustained: 17.37

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 7.50% 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 = 5.50%

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	56,378,041	-	6,523,340	-	2,921,400	52,776,101
2023	52,776,101	-	4,562,194	-	2,777,225	50,991,132
2024	50,991,132	-	4,824,007	-	2,671,852	48,838,977
2025	48,838,977	-	5,254,467	-	2,541,646	46,126,156
2026	46,126,156	-	5,541,727	-	2,384,541	42,968,970
2027	42,968,970	-	5,745,200	-	2,205,300	39,429,070
2028	39,429,070	-	5,877,571	-	2,006,966	35,558,465
2029	35,558,465	-	5,973,446	-	1,791,446	31,376,465
2030	31,376,465	-	5,987,652	-	1,561,045	26,949,858
2031	26,949,858	-	6,036,091	-	1,316,250	22,230,017
2032	22,230,017	-	6,111,708	-	1,054,579	17,172,888
2033	17,172,888	-	6,051,924	-	778,081	11,899,045
2034	11,899,045	-	6,020,438	-	488,885	6,367,492
2035	6,367,492	-	6,007,562	-	185,004	544,934
2036	544,934	-	5,941,058	-	-	-

\*All DROP Balances paid in 2022.

Number of Years Expected Benefit Payments Sustained: 14.09

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 5.50% 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 = 9.50%

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	56,378,041	-	6,523,340	-	5,046,055	54,900,756
2023	54,900,756	-	4,562,194	-	4,998,868	55,337,430
2024	55,337,430	-	4,824,007	-	5,027,916	55,541,339
2025	55,541,339	-	5,254,467	-	5,026,840	55,313,712
2026	55,313,712	-	5,541,727	-	4,991,571	54,763,556
2027	54,763,556	-	5,745,200	-	4,929,641	53,947,997
2028	53,947,997	-	5,877,571	-	4,845,875	52,916,301
2029	52,916,301	-	5,973,446	-	4,743,310	51,686,165
2030	51,686,165	-	5,987,652	-	4,625,772	50,324,285
2031	50,324,285	-	6,036,091	-	4,494,093	48,782,287
2032	48,782,287	-	6,111,708	-	4,344,011	47,014,590
2033	47,014,590	-	6,051,924	-	4,178,920	45,141,586
2034	45,141,586	-	6,020,438	-	4,002,480	43,123,628
2035	43,123,628	-	6,007,562	-	3,811,385	40,927,451
2036	40,927,451	-	5,941,058	-	3,605,908	38,592,301
2037	38,592,301	-	5,863,347	-	3,387,760	36,116,714
2038	36,116,714	-	5,812,675	-	3,154,986	33,459,025
2039	33,459,025	-	5,729,759	-	2,906,444	30,635,710
2040	30,635,710	-	5,644,001	-	2,642,302	27,634,011
2041	27,634,011	-	5,553,914	-	2,361,420	24,441,517
2042	24,441,517	-	5,452,624	-	2,062,944	21,051,837
2043	21,051,837	-	5,348,472	-	1,745,872	17,449,237
2044	17,449,237	-	5,247,010	-	1,408,445	13,610,672
2045	13,610,672	-	5,142,400	-	1,048,750	9,517,022
2046	9,517,022	-	5,028,465	-	665,265	5,153,822
2047	5,153,822	-	4,909,700	-	256,402	500,524
2048	500,524	-	4,776,178	-	-	-

\*All DROP Balances paid in 2022.

Number of Years Expected Benefit Payments Sustained: 26.10

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 9.50% 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	
	7.50%	5.50%	9.50%
Investment Rate of Return:	7.50%	5.50%	9.50%
Minimum Required Contribution (Fixed \$)	\$3,452,316	\$5,370,313	\$1,913,211
Minimum Required Contribution (% of Payroll)	39.5%	61.5%	21.9%
Expected Member Contribution	907,142	898,399	915,886
Expected State Money	745,768	745,768	745,768
Expected Sponsor Contribution (Fixed \$)	\$1,799,406	\$3,726,146	\$251,557
Expected Sponsor Contribution (% of Payroll)	20.5%	42.5%	2.9%

**ASSETS**

Actuarial Value <sup>1</sup>	64,138,541	64,138,541	64,138,541
Market Value <sup>1</sup>	56,378,041	56,378,041	56,378,041

**LIABILITIES**

Present Value of Benefits			
Active Members			
Retirement Benefits	37,915,305	54,683,414	27,752,251
Disability Benefits	702,142	990,358	523,190
Death Benefits	119,976	157,990	94,316
Vested Benefits	3,232,617	5,259,019	2,119,108
Refund of Contributions	426,503	451,661	403,987
Service Retirees	33,026,608	40,006,792	28,026,768
DROP Retirees <sup>1</sup>	10,786,741	12,903,875	9,349,487
Beneficiaries	1,124,859	1,407,886	935,351
Disability Retirees	0	0	0
Terminated Vested	4,727,451	6,088,503	3,798,353
Share Plan Balances <sup>1</sup>	0	0	0
Total:	92,062,202	121,949,498	73,002,811
Present Value of Future Salaries	62,089,023	70,318,877	55,616,448
Present Value of Future Member Contributions	6,208,902	7,031,888	5,561,645
Total Normal Cost	1,817,180	2,821,770	1,212,299
Present Value of Future Normal Costs (Entry Age Normal)	12,416,832	22,114,174	7,341,630
Total Actuarial Accrued Liability (EAN) <sup>1</sup>	79,645,370	99,835,324	65,661,181
Unfunded Actuarial Accrued Liability (UAAL)	15,506,829	35,696,783	1,522,640



ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR  
ENDING SEPTEMBER 30, 2024

	Valuation Date: 10/1/2022		
	ACTUAL	HYPOTHETICAL	
Investment Rate of Return:	7.50%	5.50%	9.50%
<b><u>PENSION COST</u></b>			
Normal Cost <sup>2</sup>	1,923,303	2,986,561	1,283,097
Administrative Expenses <sup>2</sup>	79,435	79,435	79,435
Payment Required To Amortize UAAL <sup>2</sup>	1,449,578	2,304,317	550,679
Minimum Required Contribution	\$3,452,316	\$5,370,313	\$1,913,211

<sup>1</sup> The asset values and liabilities include accumulated DROP and Share Plan Balances as of 9/30/2022.

<sup>2</sup> Contributions developed as of 10/1/2022 displayed above have been adjusted to account for assumed salary increase and interest components.