

Orlando Utilities Commission Pension Plan

Chapter 112.664, F.S. Compliance Report

In Connection with the October 1, 2023 Actuarial Valuation Report
And the Plan's Financial Reporting for the Year Ending September 30, 2023





July 30, 2024

Pension Plan Trustees
Orlando Utilities Commission Pension Plan
Orlando, Florida

Dear Trustees:

Gabriel, Roeder, Smith & Company (“GRS”) has been engaged by the Orlando Utilities Commission to prepare a disclosure report to satisfy the requirements set forth in Ch. 112.664, F.S. and as further required pursuant to Ch. 60T-1.0035, F.A.C. with respect to the Orlando Utilities Commission Pension Plan (the “Plan”).

This report was prepared at the request of the Pension Plan Trustees and is intended for use by the Plan and those designated or approved by the Trustees. This report may be provided to parties other than the Orlando Utilities Commission only in its entirety and only with the permission of the Trustees. GRS is not responsible for unauthorized use of this report.

The purpose of the report is to provide the required information specified in Ch. 112.664, F.S. as well as supplement this information with additional exhibits. This report should not be relied on for any purpose other than the purpose described above.

The findings in this report are based on data and other information through October 1, 2023. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the Plan’s funded status); and changes in plan provisions or applicable law. The scope of this report does not include an analysis of the potential range of such measurements.

This report was based upon information furnished by the Orlando Utilities Commission concerning plan benefits, financial transactions, plan provisions and active members, terminated members, retirees and beneficiaries. We checked for internal and year-to-year consistency, but did not audit the data. We are not responsible for the accuracy or completeness of the information provided by the Orlando Utilities Commission.

This report complements the October 1, 2023 Actuarial Valuation Report, dated March 15, 2024, and the GASB Statement Nos. 67 and 68 report for the Fiscal Year Ending September 30, 2024, dated April 8, 2024. Except as otherwise indicated as required for the disclosures contained herein, this report was prepared using the same assumptions, plan provisions, census data, and financial information as summarized in those reports. Therefore, such information, and the reliance on and limitations of those reports and their use, should be considered part of this report.

The use of an investment return assumption that is 2% higher than the investment return assumption used to determine the funding requirements does not represent an estimate of future plan experience nor does it reflect an observation of future return estimates inherent in financial market data. The use of this investment return assumption is provided as a counterpart to the Chapter 112.664, Florida Statutes requirement to utilize an investment return assumption that is 2% lower than the assumption used to determine the funding requirements. The inclusion of the additional exhibits showing the effect of using a 2% higher investment return assumption shows a more complete assessment of the range of possible results as opposed to showing a one-sided range as required by Florida Statutes.

This report was prepared using ProVal's valuation model, a software product of Winklevoss Technologies. We are relying on the ProVal model. We performed tests of the ProVal model with this assignment and made a reasonable attempt to understand the developer's intended purpose of, general operation of, major sensitivities and dependencies within, and key strengths and limitations of the ProVal model. In our professional judgment, the ProVal valuation model has the capability to provide results that are consistent with the purposes of the valuation and has no material limitations or known weaknesses.

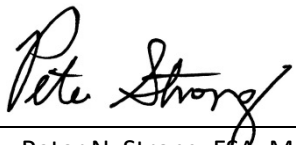
This report has been prepared by actuaries who have substantial experience valuing public employee retirement systems. To the best of our knowledge, the information contained in this report is accurate and fairly presents the actuarial position of the Plan as of the valuation date. All calculations have been made in conformity with generally accepted actuarial principles and practices, with the Actuarial Standards of Practice issued by the Actuarial Standards Board, and with applicable statutes.

Peter N. Strong and Melissa R. Zrelack are members of the American Academy of Actuaries. These actuaries meet the Academy's Qualification Standards to render the actuarial opinions contained herein. The signing actuaries are independent of the plan sponsor.

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 us or under our direct supervision, and we acknowledge responsibility for the results. To the best of our knowledge, the results are complete and accurate, and in our opinion, meet the requirements of Section 112.664(1), F.S. and Section 60T-1.0035, F.A.C.

Respectfully submitted,

GABRIEL, ROEDER, SMITH & COMPANY

By 
Peter N. Strong, FSA, MAAA, FCA
Enrolled Actuary No. 23-06975
Senior Consultant & Actuary

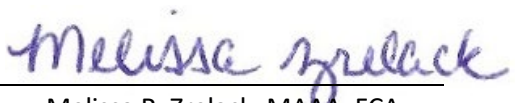
By 
Melissa R. Zrelack, MAAA, FCA
Enrolled Actuary No. 23-06467
Consultant & Actuary



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CH. 112.664, FLORIDA STATUTES

RESULTS

**Schedule of Changes in the Employer's Net Pension Liability
Using Financial Reporting Assumptions per GASB Statement No. 67**

Fiscal year ending September 30,	<u>2023</u>
1. Total Pension Liability	
a. Service Cost	\$ 7,779,491
b. Interest	35,530,844
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	2,399,417
e. Assumption Changes	-
f. Benefit Payments	(38,696,309)
g. Contribution Refunds	-
h. Net Change in Total Pension Liability	<u>7,013,443</u>
i. Total Pension Liability - Beginning	<u>537,951,533</u>
j. Total Pension Liability - Ending	<u>\$ 544,964,976</u>
2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ 14,994,548
b. Contributions - Non-Employer Contributing Entity	-
c. Contributions - Member	243,701
d. Net Investment Income	52,205,799
e. Benefit Payments	(38,696,309)
f. Contribution Refunds	-
g. Administrative Expense	(228,069)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	<u>28,519,670</u>
j. Plan Fiduciary Net Position - Beginning	<u>431,017,402</u>
k. Plan Fiduciary Net Position - Ending	<u>\$ 459,537,072</u>
3. Net Pension Liability / (Asset)	\$ 85,427,904
Certain Key Assumptions	
Valuation Date	9/30/2023
Measurement Date	9/30/2023
Investment Return Assumption	6.75%
Mortality Table	FRS Mortality (for 7/1/2022 valuation)



**Schedule of Changes in the Employer's Net Pension Liability
Using Assumptions required under 112.664(1)(a), F.S.**

Fiscal year ending September 30,	2023
1. Total Pension Liability	
a. Service Cost	\$ 7,779,491
b. Interest	35,530,844
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	2,399,417
e. Assumption Changes	-
f. Benefit Payments	(38,696,309)
g. Contribution Refunds	-
h. Net Change in Total Pension Liability	7,013,443
i. Total Pension Liability - Beginning	537,951,533
j. Total Pension Liability - Ending	\$ 544,964,976
 2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ 14,994,548
b. Contributions - Non-Employer Contributing Entity	-
c. Contributions - Member	243,701
d. Net Investment Income	52,205,799
e. Benefit Payments	(38,696,309)
f. Contribution Refunds	-
g. Administrative Expense	(228,069)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	28,519,670
j. Plan Fiduciary Net Position - Beginning	431,017,402
k. Plan Fiduciary Net Position - Ending	\$ 459,537,072
 3. Net Pension Liability / (Asset)	\$ 85,427,904
 Certain Key Assumptions	
Valuation Date	9/30/2023
Measurement Date	9/30/2023
Investment Return Assumption	6.75%
Mortality Table	FRS Mortality (for 7/1/2022 valuation)



**Schedule of Changes in the Employer's Net Pension Liability
Using Assumptions required under 112.664(1)(b), F.S.**

Fiscal year ending September 30,	2023
1. Total Pension Liability	
a. Service Cost	\$ 10,939,074
b. Interest	30,027,618
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	3,788,521
e. Assumption Changes	-
f. Benefit Payments	(38,696,309)
g. Contribution Refunds	-
h. Net Change in Total Pension Liability	6,058,904
i. Total Pension Liability - Beginning	640,569,467
j. Total Pension Liability - Ending	\$ 646,628,371
 2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ 14,994,548
b. Contributions - Non-Employer Contributing Entity	-
c. Contributions - Member	243,701
d. Net Investment Income	52,205,799
e. Benefit Payments	(38,696,309)
f. Contribution Refunds	-
g. Administrative Expense	(228,069)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	28,519,670
j. Plan Fiduciary Net Position - Beginning	431,017,402
k. Plan Fiduciary Net Position - Ending	\$ 459,537,072
 3. Net Pension Liability / (Asset)	\$ 187,091,299
 Certain Key Assumptions	
Valuation Date	9/30/2023
Measurement Date	9/30/2023
Investment Return Assumption	4.75%
Mortality Table	FRS Mortality (for 7/1/2022 valuation)



Schedule of Changes in the Employer's Net Pension Liability
Using Assumptions under 112.664(1)(b), F.S. except 2% higher investment return assumption

Fiscal year ending September 30,	2023
1. Total Pension Liability	
a. Service Cost	\$ 5,574,454
b. Interest	39,095,928
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	1,492,255
e. Assumption Changes	-
f. Benefit Payments	(38,696,309)
g. Contribution Refunds	-
h. Net Change in Total Pension Liability	7,466,328
i. Total Pension Liability - Beginning	460,584,311
j. Total Pension Liability - Ending	\$ 468,050,639
 2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ 14,994,548
b. Contributions - Non-Employer Contributing Entity	-
c. Contributions - Member	243,701
d. Net Investment Income	52,205,799
e. Benefit Payments	(38,696,309)
f. Contribution Refunds	-
g. Administrative Expense	(228,069)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	28,519,670
j. Plan Fiduciary Net Position - Beginning	431,017,402
k. Plan Fiduciary Net Position - Ending	\$ 459,537,072
 3. Net Pension Liability / (Asset)	\$ 8,513,567
 Certain Key Assumptions	
Valuation Date	9/30/2023
Measurement Date	9/30/2023
Investment Return Assumption	8.75%
Mortality Table	FRS Mortality (for 7/1/2022 valuation)



Asset and Benefit Payment Projection
Not Reflecting Any Contributions from the Employer, State or Employee
Using assumptions from the Plan's latest actuarial valuation

FYE	Market Value of Assets (BOY)	Expected Investment Return	Projected Benefit Payments	Market Value of Assets (EOY)
2024	\$ 459,537,072	\$ 29,560,378	\$ 43,211,078	\$ 445,886,372
2025	445,886,372	28,633,281	43,379,236	431,140,417
2026	431,140,417	27,608,754	44,243,683	414,505,488
2027	414,505,488	26,467,595	44,785,927	396,187,156
2028	396,187,156	25,256,420	44,035,928	377,407,648
2029	377,407,648	24,001,555	43,658,124	357,751,079
2030	357,751,079	22,638,938	44,718,820	335,671,197
2031	335,671,197	21,196,807	43,288,864	313,579,140
2032	313,579,140	19,738,991	42,299,278	291,018,853
2033	291,018,853	18,176,916	43,462,419	265,733,350
2034	265,733,350	16,502,432	42,505,764	239,730,018
2035	239,730,018	14,782,310	41,465,678	213,046,650
2036	213,046,650	13,075,050	38,684,424	187,437,276
2037	187,437,276	11,331,503	39,126,316	159,642,463
2038	159,642,463	9,504,716	37,663,714	131,483,465
2039	131,483,465	7,608,196	37,538,911	101,552,750
2040	101,552,750	5,662,003	35,342,441	71,872,312
2041	71,872,312	3,652,645	35,518,093	40,006,864
2042	40,006,864	1,609,218	32,333,195	9,282,887
2043	9,282,887	-	30,122,401	-
2044	-	-	28,164,135	-
2045	-	-	26,348,855	-
2046	-	-	26,426,564	-
2047	-	-	23,648,035	-
2048	-	-	21,430,062	-
2049	-	-	20,392,346	-

Number of years for which current market value of assets is adequate to sustain the payment of expected retirement benefits, **reflecting no contributions from the Employer, Employee or State, contrary to Florida Statutes and Plan provisions:** 19.25

Certain Key Assumptions

Investment Return Assumption 6.75%
Mortality Table FRS Mortality (for 7/1/2022 valuation)

Note: As required in Section 112.664(1)(c) of the Florida Statutes, the projection of the Fund assets does not include contributions from the Employer, Employee or State, which is contrary to Florida Statutes and Plan provisions. For this reason, these projections should not be viewed as a representation of the amount of time the Fund can sustain benefit payments. Under the GASB standards which DO include contributions from the Employer, Employee and State, the Fund is expected to be able to sustain the benefit payment demands in the near-term and long-term future.



Asset and Benefit Payment Projection
Not Reflecting Any Contributions from the Employer, State or Employee
Using Assumptions required under 112.664(1)(a), F.S.

FYE	Market Value of Assets (BOY)	Expected Investment Return	Projected Benefit Payments	Market Value of Assets (EOY)
2024	\$ 459,537,072	\$ 29,560,378	\$ 43,211,078	\$ 445,886,372
2025	445,886,372	28,633,281	43,379,236	431,140,417
2026	431,140,417	27,608,754	44,243,683	414,505,488
2027	414,505,488	26,467,595	44,785,927	396,187,156
2028	396,187,156	25,256,420	44,035,928	377,407,648
2029	377,407,648	24,001,555	43,658,124	357,751,079
2030	357,751,079	22,638,938	44,718,820	335,671,197
2031	335,671,197	21,196,807	43,288,864	313,579,140
2032	313,579,140	19,738,991	42,299,278	291,018,853
2033	291,018,853	18,176,916	43,462,419	265,733,350
2034	265,733,350	16,502,432	42,505,764	239,730,018
2035	239,730,018	14,782,310	41,465,678	213,046,650
2036	213,046,650	13,075,050	38,684,424	187,437,276
2037	187,437,276	11,331,503	39,126,316	159,642,463
2038	159,642,463	9,504,716	37,663,714	131,483,465
2039	131,483,465	7,608,196	37,538,911	101,552,750
2040	101,552,750	5,662,003	35,342,441	71,872,312
2041	71,872,312	3,652,645	35,518,093	40,006,864
2042	40,006,864	1,609,218	32,333,195	9,282,887
2043	9,282,887	-	30,122,401	-
2044	-	-	28,164,135	-
2045	-	-	26,348,855	-
2046	-	-	26,426,564	-
2047	-	-	23,648,035	-
2048	-	-	21,430,062	-
2049	-	-	20,392,346	-

Number of years for which current market value of assets is adequate to sustain the payment of expected retirement benefits, **reflecting no contributions from the Employer, Employee or State, contrary to Florida Statutes and Plan provisions:** 19.25

Certain Key Assumptions

Investment Return Assumption	6.75%
Mortality Table	FRS Mortality (for 7/1/2022 valuation)

Note: As required in Section 112.664(1)(c) of the Florida Statutes, the projection of the Fund assets does not include contributions from the Employer, Employee or State, which is contrary to Florida Statutes and Plan provisions. For this reason, these projections should not be viewed as a representation of the amount of time the Fund can sustain benefit payments. Under the GASB standards which DO include contributions from the Employer, Employee and State, the Fund is expected to be able to sustain the benefit payment demands in the near-term and long-term future.



Asset and Benefit Payment Projection
Not Reflecting Any Contributions from the Employer, State or Employee
Using Assumptions required under 112.664(1)(b), F.S.

FYE	Market Value of Assets (BOY)	Expected Investment Return	Projected Benefit Payments	Market Value of Assets (EOY)
2024	\$ 459,537,072	\$ 20,801,748	\$ 43,211,078	\$ 437,127,742
2025	437,127,742	19,733,311	43,379,236	413,481,817
2026	413,481,817	18,589,599	44,243,683	387,827,733
2027	387,827,733	17,358,152	44,785,927	360,399,958
2028	360,399,958	16,073,145	44,035,928	332,437,175
2029	332,437,175	14,753,885	43,658,124	303,532,936
2030	303,532,936	13,355,742	44,718,820	272,169,858
2031	272,169,858	11,899,958	43,288,864	240,780,952
2032	240,780,952	10,432,487	42,299,278	208,914,161
2033	208,914,161	8,891,190	43,462,419	174,342,932
2034	174,342,932	7,271,777	42,505,764	139,108,945
2035	139,108,945	5,622,865	41,465,678	103,266,132
2036	103,266,132	3,986,386	38,684,424	68,568,094
2037	68,568,094	2,327,734	39,126,316	31,769,512
2038	31,769,512	614,539	37,663,714	-
2039	-	-	37,538,911	-
2040	-	-	35,342,441	-
2041	-	-	35,518,093	-
2042	-	-	32,333,195	-
2043	-	-	30,122,401	-
2044	-	-	28,164,135	-
2045	-	-	26,348,855	-
2046	-	-	26,426,564	-
2047	-	-	23,648,035	-
2048	-	-	21,430,062	-
2049	-	-	20,392,346	-

Number of years for which current market value of assets is adequate to sustain the payment of expected retirement benefits, **reflecting no contributions from the Employer, Employee or State, contrary to Florida Statutes and Plan provisions:** 14.83

Certain Key Assumptions

Investment Return Assumption 4.75%
Mortality Table FRS Mortality (for 7/1/2022 valuation)

Note: As required in Section 112.664(1)(c) of the Florida Statutes, the projection of the Fund assets does not include contributions from the Employer, Employee or State, which is contrary to Florida Statutes and Plan provisions. For this reason, these projections should not be viewed as a representation of the amount of time the Fund can sustain benefit payments. Under the GASB standards which DO include contributions from the Employer, Employee and State, the Fund is expected to be able to sustain the benefit payment demands in the near-term and long-term future.



Asset and Benefit Payment Projection

Not Reflecting Any Contributions from the Employer, State or Employee

Using Assumptions under 112.664(1)(b), F.S. except 2% higher investment return assumption

FYE	Market Value of Assets (BOY)	Expected Investment Return	Projected Benefit Payments	Market Value of Assets (EOY)
2024	\$ 459,537,072	\$ 38,319,009	\$ 43,211,078	\$ 454,645,003
2025	454,645,003	37,883,596	43,379,236	449,149,363
2026	449,149,363	37,364,908	44,243,683	442,270,588
2027	442,270,588	36,739,292	44,785,927	434,223,953
2028	434,223,953	36,068,024	44,035,928	426,256,049
2029	426,256,049	35,387,361	43,658,124	417,985,286
2030	417,985,286	34,617,264	44,718,820	407,883,730
2031	407,883,730	33,795,939	43,288,864	398,390,805
2032	398,390,805	33,008,602	42,299,278	389,100,129
2033	389,100,129	32,144,780	43,462,419	377,782,490
2034	377,782,490	31,196,341	42,505,764	366,473,067
2035	366,473,067	30,252,270	41,465,678	355,259,659
2036	355,259,659	29,392,777	38,684,424	345,968,012
2037	345,968,012	28,560,425	39,126,316	335,402,121
2038	335,402,121	27,699,898	37,663,714	325,438,305
2039	325,438,305	26,833,524	37,538,911	314,732,918
2040	314,732,918	25,992,899	35,342,441	305,383,376
2041	305,383,376	25,167,129	35,518,093	295,032,412
2042	295,032,412	24,400,759	32,333,195	287,099,976
2043	287,099,976	23,803,393	30,122,401	280,780,968
2044	280,780,968	23,336,154	28,164,135	275,952,987
2045	275,952,987	22,993,124	26,348,855	272,597,256
2046	272,597,256	22,696,098	26,426,564	268,866,790
2047	268,866,790	22,491,243	23,648,035	267,709,998
2048	267,709,998	22,487,060	21,430,062	268,766,996
2049	268,766,996	22,624,947	20,392,346	270,999,597

Number of years for which current market value of assets is adequate to sustain the payment of expected retirement benefits, **reflecting no contributions from the Employer, Employee or State, contrary to Florida Statutes and Plan provisions:**

All Future Years

Certain Key Assumptions

Investment Return Assumption

8.75%

Mortality Table

FRS Mortality (for 7/1/2022 valuation)

Note: As required in Section 112.664(1)(c) of the Florida Statutes, the projection of the Fund assets does not include contributions from the Employer, Employee or State, which is contrary to Florida Statutes and Plan provisions. For this reason, these projections should not be viewed as a representation of the amount of time the Fund can sustain benefit payments. Under the GASB standards which DO include contributions from the Employer, Employee and State, the Fund is expected to be able to sustain the benefit payment demands in the near-term and long-term future.



Actuarially Determined Contribution

	Plan's Latest Actuarial Valuation	112.664(1)(a), F.S. Assumptions	112.664(1)(b), F.S. Assumptions	112.664(1)(b), F.S. Assumptions except 2% higher investment return assumption
A. Valuation Date	10/1/2023	10/1/2023	10/1/2023	10/1/2023
B. Actuarially Determined Contribution (ADC) to Be Paid During Fiscal Year Ending	9/30/2025	9/30/2025	9/30/2025	9/30/2025
C. Assumed Dates of Employer Contributions	Quarterly	Quarterly	Quarterly	Quarterly
D. Annual Payment to Amortize Unfunded Actuarial Accrued Liability	\$ 11,094,160	\$ 11,094,160	\$ 19,669,509	\$ 0
E. Employer Normal Cost	8,123,557	8,123,557	11,288,048	5,883,018
F. Employer ADC if Paid on Valuation Date: D + E	19,217,717	19,217,717	30,957,557	5,883,018
G. Employer ADC Adjusted for Frequency of Payments	20,008,526	20,008,526	31,860,589	6,194,524
H. Employer ADC Adjusted for Frequency of Payments as % of Covered Payroll	16.64 %	16.64 %	26.49 %	5.15 %
I. Assumed Rate of Increase in Covered Payroll to Contribution Year	3.00 %	3.00 %	3.00 %	3.00 %
J. Covered Payroll for Contribution Year	123,862,211	123,862,211	123,862,211	123,862,211
K. Employer ADC for Contribution Year: H x J	20,610,672	20,610,672	32,811,100	6,378,904
L. Employer ADC as % of Covered Payroll in Contribution Year: K ÷ J	16.64 %	16.64 %	26.49 %	5.15 %
M. Expected Member Contributions*	224,284	224,284	224,284	224,284
N. Total Contribution (Including Members) in Contribution Year: K + M	20,834,956	20,834,956	33,035,384	6,603,188
O. Total Contribution (Including Members) in Contribution Year: N ÷ J	16.82 %	16.82 %	26.67 %	5.33 %
P. Certain Key Assumptions				
Investment Return Assumption	6.75%	6.75%	4.75%	8.75%
Mortality Table	FRS Mortality (for 7/1/2022 valuation)	FRS Mortality (for 7/1/2022 valuation)	FRS Mortality (for 7/1/2022 valuation)	FRS Mortality (for 7/1/2022 valuation)

* 4% member contribution rate for employees covered by the traditional pension plan.

