

Orlando Utilities Commission Pension Plan

Chapter 112.664, F.S. Compliance Report

In Connection with the October 1, 2022 Revised Actuarial Valuation Report
And the Plan's Financial Reporting for the Year Ending September 30, 2022





August 7, 2023

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, 2022. 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, 2022 Revised Actuarial Valuation Report and the Revised GASB Statement Nos. 67 and 68 report for the Fiscal Year Ending September 30, 2023, dated April 20, 2023. 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.

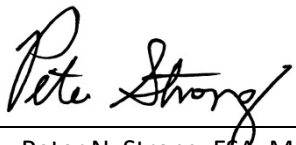
This report has been prepared by actuaries who have substantial experience valuing public employee retirement systems. To the best of our knowledge, the information contained in this report is accurate and fairly presents the actuarial position of the Plan as of the valuation date. All calculations have 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

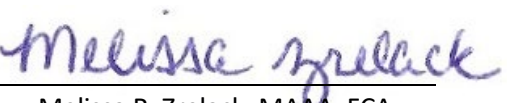
By 
Melissa R. Zrelack, MAAA, FCA
Enrolled Actuary No. 23-06467
Consultant & Actuary



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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>2022</u>
1. Total Pension Liability	
a. Service Cost	\$ 7,157,729
b. Interest	35,752,987
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	(599,512)
e. Assumption Changes	10,627,899
f. Benefit Payments	(37,173,605)
g. Contribution Refunds	-
h. Net Change in Total Pension Liability	<u>15,765,498</u>
i. Total Pension Liability - Beginning	<u>522,186,035</u>
j. Total Pension Liability - Ending	<u>\$ 537,951,533</u>
2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ 17,678,092
b. Contributions - Non-Employer Contributing Entity	-
c. Contributions - Member	310,228
d. Net Investment Income	(89,101,239)
e. Benefit Payments	(37,173,605)
f. Contribution Refunds	-
g. Administrative Expense	(254,083)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	<u>(108,540,607)</u>
j. Plan Fiduciary Net Position - Beginning	<u>539,558,009</u>
k. Plan Fiduciary Net Position - Ending	<u>\$ 431,017,402</u>
3. Net Pension Liability / (Asset)	\$ 106,934,131
Certain Key Assumptions	
Valuation Date	9/30/2022
Measurement Date	9/30/2022
Investment Return Assumption	6.75%
Mortality Table	FRS Mortality (for 7/1/2021 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,	<u>2022</u>
1. Total Pension Liability	
a. Service Cost	\$ 7,157,729
b. Interest	35,752,987
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	(599,512)
e. Assumption Changes	10,627,899
f. Benefit Payments	(37,173,605)
g. Contribution Refunds	-
h. Net Change in Total Pension Liability	<u>15,765,498</u>
i. Total Pension Liability - Beginning	<u>522,186,035</u>
j. Total Pension Liability - Ending	<u>\$ 537,951,533</u>
2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ 17,678,092
b. Contributions - Non-Employer Contributing Entity	-
c. Contributions - Member	310,228
d. Net Investment Income	(89,101,239)
e. Benefit Payments	(37,173,605)
f. Contribution Refunds	-
g. Administrative Expense	(254,083)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	<u>(108,540,607)</u>
j. Plan Fiduciary Net Position - Beginning	<u>539,558,009</u>
k. Plan Fiduciary Net Position - Ending	<u>\$ 431,017,402</u>
3. Net Pension Liability / (Asset)	\$ 106,934,131
Certain Key Assumptions	
Valuation Date	9/30/2022
Measurement Date	9/30/2022
Investment Return Assumption	6.75%
Mortality Table	FRS Mortality (for 7/1/2021 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,	2022
1. Total Pension Liability	
a. Service Cost	\$ 10,176,555
b. Interest	30,686,873
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	581,411
e. Assumption Changes	14,150,528
f. Benefit Payments	(37,173,605)
g. Contribution Refunds	-
h. Net Change in Total Pension Liability	18,421,762
i. Total Pension Liability - Beginning	622,147,705
j. Total Pension Liability - Ending	\$ 640,569,467
 2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ 17,678,092
b. Contributions - Non-Employer Contributing Entity	-
c. Contributions - Member	310,228
d. Net Investment Income	(89,101,239)
e. Benefit Payments	(37,173,605)
f. Contribution Refunds	-
g. Administrative Expense	(254,083)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	(108,540,607)
j. Plan Fiduciary Net Position - Beginning	539,558,009
k. Plan Fiduciary Net Position - Ending	\$ 431,017,402
 3. Net Pension Liability / (Asset)	\$ 209,552,065
 Certain Key Assumptions	
Valuation Date	9/30/2022
Measurement Date	9/30/2022
Investment Return Assumption	4.75%
Mortality Table	FRS Mortality (for 7/1/2021 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,	2022
1. Total Pension Liability	
a. Service Cost	\$ 5,081,352
b. Interest	39,001,419
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	(1,319,460)
e. Assumption Changes	8,140,060
f. Benefit Payments	(37,173,605)
g. Contribution Refunds	-
h. Net Change in Total Pension Liability	13,729,766
i. Total Pension Liability - Beginning	446,854,545
j. Total Pension Liability - Ending	\$ 460,584,311
 2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ 17,678,092
b. Contributions - Non-Employer Contributing Entity	-
c. Contributions - Member	310,228
d. Net Investment Income	(89,101,239)
e. Benefit Payments	(37,173,605)
f. Contribution Refunds	-
g. Administrative Expense	(254,083)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	(108,540,607)
j. Plan Fiduciary Net Position - Beginning	539,558,009
k. Plan Fiduciary Net Position - Ending	\$ 431,017,402
 3. Net Pension Liability / (Asset)	\$ 29,566,909
 Certain Key Assumptions	
Valuation Date	9/30/2022
Measurement Date	9/30/2022
Investment Return Assumption	8.75%
Mortality Table	FRS Mortality (for 7/1/2021 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)
2023	\$ 431,017,402	\$ 27,678,921	\$ 41,918,639	\$ 416,777,684
2024	416,777,684	26,723,154	41,758,214	401,742,624
2025	401,742,624	25,680,130	42,592,522	384,830,232
2026	384,830,232	24,523,269	43,045,073	366,308,428
2027	366,308,428	23,261,594	43,384,452	346,185,570
2028	346,185,570	21,916,130	43,004,336	325,097,364
2029	325,097,364	20,509,265	42,512,791	303,093,838
2030	303,093,838	18,987,991	43,580,533	278,501,296
2031	278,501,296	17,374,554	42,201,006	253,674,844
2032	253,674,844	15,730,798	41,251,955	228,153,687
2033	228,153,687	13,977,471	42,160,078	199,971,080
2034	199,971,080	12,107,410	41,204,078	170,874,412
2035	170,874,412	10,177,046	40,206,708	140,844,750
2036	140,844,750	8,239,835	37,546,254	111,538,331
2037	111,538,331	6,253,829	37,778,024	80,014,136
2038	80,014,136	4,170,941	36,444,827	47,740,250
2039	47,740,250	2,008,146	35,979,865	13,768,531
2040	13,768,531	-	33,989,681	-
2041	-	-	34,232,435	-
2042	-	-	31,157,671	-
2043	-	-	28,963,254	-
2044	-	-	27,142,291	-
2045	-	-	25,380,155	-
2046	-	-	25,246,421	-
2047	-	-	22,646,200	-
2048	-	-	20,485,545	-

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: 17.33

Certain Key Assumptions

Investment Return Assumption 6.75%
Mortality Table FRS Mortality (for 7/1/2021 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)
2023	\$ 431,017,402	\$ 27,678,921	\$ 41,918,639	\$ 416,777,684
2024	416,777,684	26,723,154	41,758,214	401,742,624
2025	401,742,624	25,680,130	42,592,522	384,830,232
2026	384,830,232	24,523,269	43,045,073	366,308,428
2027	366,308,428	23,261,594	43,384,452	346,185,570
2028	346,185,570	21,916,130	43,004,336	325,097,364
2029	325,097,364	20,509,265	42,512,791	303,093,838
2030	303,093,838	18,987,991	43,580,533	278,501,296
2031	278,501,296	17,374,554	42,201,006	253,674,844
2032	253,674,844	15,730,798	41,251,955	228,153,687
2033	228,153,687	13,977,471	42,160,078	199,971,080
2034	199,971,080	12,107,410	41,204,078	170,874,412
2035	170,874,412	10,177,046	40,206,708	140,844,750
2036	140,844,750	8,239,835	37,546,254	111,538,331
2037	111,538,331	6,253,829	37,778,024	80,014,136
2038	80,014,136	4,170,941	36,444,827	47,740,250
2039	47,740,250	2,008,146	35,979,865	13,768,531
2040	13,768,531	-	33,989,681	-
2041	-	-	34,232,435	-
2042	-	-	31,157,671	-
2043	-	-	28,963,254	-
2044	-	-	27,142,291	-
2045	-	-	25,380,155	-
2046	-	-	25,246,421	-
2047	-	-	22,646,200	-
2048	-	-	20,485,545	-

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:** 17.33

Certain Key Assumptions

Investment Return Assumption 6.75%
Mortality Table FRS Mortality (for 7/1/2021 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)
2023	\$ 431,017,402	\$ 19,477,759	\$ 41,918,639	\$ 408,576,522
2024	408,576,522	18,415,627	41,758,214	385,233,935
2025	385,233,935	17,287,040	42,592,522	359,928,453
2026	359,928,453	16,074,281	43,045,073	332,957,661
2027	332,957,661	14,785,108	43,384,452	304,358,317
2028	304,358,317	13,435,667	43,004,336	274,789,648
2029	274,789,648	12,042,829	42,512,791	244,319,686
2030	244,319,686	10,570,147	43,580,533	211,309,300
2031	211,309,300	9,034,918	42,201,006	178,143,212
2032	178,143,212	7,482,069	41,251,955	144,373,326
2033	144,373,326	5,856,431	42,160,078	108,069,679
2034	108,069,679	4,154,713	41,204,078	71,020,314
2035	71,020,314	2,418,556	40,206,708	33,232,162
2036	33,232,162	686,804	37,546,254	-
2037	-	-	37,778,024	-
2038	-	-	36,444,827	-
2039	-	-	35,979,865	-
2040	-	-	33,989,681	-
2041	-	-	34,232,435	-
2042	-	-	31,157,671	-
2043	-	-	28,963,254	-
2044	-	-	27,142,291	-
2045	-	-	25,380,155	-
2046	-	-	25,246,421	-
2047	-	-	22,646,200	-
2048	-	-	20,485,545	-

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:** 13.83

Certain Key Assumptions

Investment Return Assumption	4.75%
Mortality Table	FRS Mortality (for 7/1/2021 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)
2023	\$ 431,017,402	\$ 35,880,082	\$ 41,918,639	\$ 424,978,845
2024	424,978,845	35,358,727	41,758,214	418,579,358
2025	418,579,358	34,762,271	42,592,522	410,749,107
2026	410,749,107	34,057,325	43,045,073	401,761,359
2027	401,761,359	33,256,049	43,384,452	391,632,956
2028	391,632,956	32,386,444	43,004,336	381,015,064
2029	381,015,064	31,478,883	42,512,791	369,981,156
2030	369,981,156	30,466,703	43,580,533	356,867,326
2031	356,867,326	29,379,597	42,201,006	344,045,917
2032	344,045,917	28,299,245	41,251,955	331,093,207
2033	331,093,207	27,126,152	42,160,078	316,059,281
2034	316,059,281	25,852,509	41,204,078	300,707,712
2035	300,707,712	24,552,881	40,206,708	285,053,885
2036	285,053,885	23,299,566	37,546,254	270,807,197
2037	270,807,197	22,042,841	37,778,024	255,072,014
2038	255,072,014	20,724,340	36,444,827	239,351,527
2039	239,351,527	19,369,140	35,979,865	222,740,802
2040	222,740,802	18,002,772	33,989,681	206,753,893
2041	206,753,893	16,593,297	34,232,435	189,114,755
2042	189,114,755	15,184,393	31,157,671	173,141,477
2043	173,141,477	13,882,737	28,963,254	158,060,960
2044	158,060,960	12,642,859	27,142,291	143,561,528
2045	143,561,528	11,451,252	25,380,155	129,632,625
2046	129,632,625	10,238,324	25,246,421	114,624,528
2047	114,624,528	9,038,875	22,646,200	101,017,203
2048	101,017,203	7,942,763	20,485,545	88,474,421
2049	88,474,421	6,901,103	19,209,336	76,166,188
2050	76,166,188	5,875,443	18,036,531	64,005,100
2051	64,005,100	4,895,592	16,110,951	52,789,741
2052	52,789,741	3,985,407	14,484,460	42,290,688
2053	42,290,688	3,112,599	13,436,256	31,967,031
2054	31,967,031	2,282,078	11,772,282	22,476,827
2055	22,476,827	1,493,434	10,818,030	13,152,231
2056	13,152,231	744,357	9,290,590	4,605,998
2057	4,605,998	41,678	8,259,348	-

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:

34.50

Certain Key Assumptions

Investment Return Assumption

8.75%

Mortality Table

FRS Mortality (for 7/1/2021 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	10/1/2022	10/1/2022	10/1/2022	10/1/2022
B. Actuarially Determined Contribution (ADC) to Be Paid During Fiscal Year Ending	9/30/2024	9/30/2024	9/30/2024	9/30/2024
C. Assumed Dates of Employer Contributions	Quarterly	Quarterly	Quarterly	Quarterly
D. Annual Payment to Amortize Unfunded Actuarial Accrued Liability	\$ 9,837,317	\$ 9,837,317	\$ 18,526,503	\$ 0
E. Employer Normal Cost	7,725,942	7,725,942	10,885,525	5,520,905
F. Employer ADC if Paid on Valuation Date: D + E	17,563,259	17,563,259	29,412,028	5,520,905
G. Employer ADC Adjusted for Frequency of Payments	18,285,987	18,285,987	30,269,977	5,813,237
H. Employer ADC Adjusted for Frequency of Payments as % of Covered Payroll	16.22 %	16.22 %	26.85 %	5.16 %
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	116,101,327	116,101,327	116,101,327	116,101,327
K. Employer ADC for Contribution Year: H x J	18,831,635	18,831,635	31,173,206	5,990,828
L. Employer ADC as % of Covered Payroll in Contribution Year: K ÷ J	16.22 %	16.22 %	26.85 %	5.16 %
M. Expected Member Contributions*	280,907	280,907	280,907	280,907
N. Total Contribution (Including Members) in Contribution Year: K + M	19,112,542	19,112,542	31,454,113	6,271,735
O. Total Contribution (Including Members) in Contribution Year: N ÷ J	16.46 %	16.46 %	27.09 %	5.40 %
P. Certain Key Assumptions				
Investment Return Assumption	6.75%	6.75%	4.75%	8.75%
Mortality Table	FRS Mortality (for 7/1/2021 valuation)	FRS Mortality (for 7/1/2021 valuation)	FRS Mortality (for 7/1/2021 valuation)	FRS Mortality (for 7/1/2021 valuation)

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

