

CITY OF VERO BEACH FIREFIGHTERS RELIEF AND PENSION FUND
Chapter 112.664, F.S. Compliance Report
In Connection with the October 1, 2016 Funding Actuarial Valuation Report
And the Plan's Financial Reporting for the Year Ending September 30, 2016



April 19, 2017

Board of Trustees
City of Vero Beach Firefighters
Relief and Pension Fund
Vero Beach, Florida

Dear Board Members:

Gabriel, Roeder, Smith & Company (GRS) has been engaged by the City of Vero Beach Firefighters Relief and Pension Fund (Plan) 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.

This report was prepared at the request of the Board and is intended for use by the Pension Fund and those designated or approved by the Board. This report may be provided to parties other than the Fund only in its entirety and only with the permission of the Board.

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 or other information through September 30, 2016. 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 engagement does not include an analysis of the potential range of such measurements.

This report was based upon information furnished by the Plan Administrator and the City concerning Retirement 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 otherwise audit the data. We are not responsible for the accuracy or completeness of the information provided by the Plan Administrator and the City.

Except as otherwise indicated as required for the disclosures contained herein, this report was prepared using certain assumptions selected by the Board as described in our October 1, 2016 actuarial valuation report. This report is also based on the Plan Provisions, census data, and financial information as summarized in our October 1, 2016 actuarial valuation report. Please refer to the October 1, 2016 actuarial valuation report, dated February 22, 2017, for summaries and descriptions of this information.

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.

Jeffrey Amrose and Trisha Amrose are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein. The signing actuaries are independent of the plan sponsor.

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 Retirement 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.

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), F.S. and Section 60T-1.0035, F.A.C.

Respectfully submitted,

GABRIEL, ROEDER, SMITH AND COMPANY

By 

Jeffrey Amrose, MAAA
Enrolled Actuary No. 17-6599
Senior Consultant & Actuary

By 

Trisha Amrose, MAAA
Enrolled Actuary No. 17-8010
Consultant & Actuary

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RESULTS

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

Fiscal year ending September 30,	<u>2016</u>
1. Total Pension Liability	
a. Service Cost	\$ -
b. Interest	503,480
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	(321,469)
e. Assumption Changes	160,377
f. Benefit Payments	(714,699)
g. Contribution Refunds	-
h. Net Change in Total Pension Liability	<u>(372,311)</u>
i. Total Pension Liability - Beginning	<u>8,413,036</u>
j. Total Pension Liability - Ending	<u>\$ 8,040,725</u>
2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ 104,007
b. Contributions - State	225,939
c. Contributions - Non-Employer Contributing Entity	-
d. Contributions - Member	-
e. Net Investment Income	676,519
f. Benefit Payments	(714,699)
g. Contribution Refunds	-
h. Administrative Expense	(18,271)
i. Other	-
j. Net Change in Plan Fiduciary Net Position	<u>273,495</u>
k. Plan Fiduciary Net Position - Beginning	<u>7,176,961</u>
l. Plan Fiduciary Net Position - Ending	<u>\$ 7,450,456</u>
3. Net Pension Liability / (Asset)	590,269
Certain Key Assumptions	
Valuation Date	10/01/2015
Measurement Date	09/30/2016
Investment Return Assumption	6.00%
Mortality Table	RP-2000 Fully Generational using Scale AA

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

Fiscal year ending September 30,

	<u>2016</u>
1. Total Pension Liability	
a. Service Cost	\$ -
b. Interest	503,480
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	(321,469)
e. Assumption Changes	160,377
f. Benefit Payments	(714,699)
g. Contribution Refunds	-
h. Net Change in Total Pension Liability	<u>(372,311)</u>
i. Total Pension Liability - Beginning	<u>8,413,036</u>
j. Total Pension Liability - Ending	<u>\$ 8,040,725</u>
2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ 104,007
b. Contributions - State	225,939
c. Contributions - Non-Employer Contributing Entity	-
d. Contributions - Member	-
e. Net Investment Income	676,519
f. Benefit Payments	(714,699)
g. Contribution Refunds	-
h. Administrative Expense	(18,271)
i. Other	-
j. Net Change in Plan Fiduciary Net Position	<u>273,495</u>
k. Plan Fiduciary Net Position - Beginning	<u>7,176,961</u>
l. Plan Fiduciary Net Position - Ending	<u>\$ 7,450,456</u>
3. Net Pension Liability / (Asset)	590,269
Certain Key Assumptions	
Valuation Date	10/01/2015
Measurement Date	09/30/2016
Investment Return Assumption	6.00%
Mortality Table	RP-2000 Fully Generational using Scale AA

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

Fiscal year ending September 30,

	<u>2016</u>
1. Total Pension Liability	
a. Service Cost	\$ -
b. Interest	381,340
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	-
e. Assumption Changes	-
f. Benefit Payments	(714,699)
g. Contribution Refunds	-
h. Net Change in Total Pension Liability	<u>(333,359)</u>
i. Total Pension Liability - Beginning	<u>9,890,850</u>
j. Total Pension Liability - Ending	<u>\$ 9,557,491</u>
2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ 104,007
b. Contributions - State	225,939
c. Contributions - Non-Employer Contributing Entity	-
d. Contributions - Member	-
e. Net Investment Income	676,519
f. Benefit Payments	(714,699)
g. Contribution Refunds	-
h. Administrative Expense	(18,271)
i. Other	-
j. Net Change in Plan Fiduciary Net Position	<u>273,495</u>
k. Plan Fiduciary Net Position - Beginning	<u>7,176,961</u>
l. Plan Fiduciary Net Position - Ending	<u>\$ 7,450,456</u>
3. Net Pension Liability / (Asset)	2,107,035
Certain Key Assumptions	
Valuation Date	10/01/2015
Measurement Date	09/30/2016
Investment Return Assumption	4.00%
Mortality Table	RP-2000 Fully Generational using Scale AA

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

Fiscal year ending September 30,	<u>2016</u>
1. Total Pension Liability	
a. Service Cost	\$ -
b. Interest	537,559
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	-
e. Assumption Changes	-
f. Benefit Payments	(714,699)
g. Contribution Refunds	-
h. Net Change in Total Pension Liability	<u>(177,140)</u>
i. Total Pension Liability - Beginning	<u>7,076,842</u>
j. Total Pension Liability - Ending	<u>\$ 6,899,702</u>
2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ 104,007
b. Contributions - State	225,939
c. Contributions - Non-Employer Contributing Entity	-
d. Contributions - Member	-
e. Net Investment Income	676,519
f. Benefit Payments	(714,699)
g. Contribution Refunds	-
h. Administrative Expense	(18,271)
i. Other	-
j. Net Change in Plan Fiduciary Net Position	<u>273,495</u>
k. Plan Fiduciary Net Position - Beginning	<u>7,176,961</u>
l. Plan Fiduciary Net Position - Ending	<u>\$ 7,450,456</u>
3. Net Pension Liability / (Asset)	(550,754)
Certain Key Assumptions	
Valuation Date	10/01/2015
Measurement Date	09/30/2016
Investment Return Assumption	8.00%
Mortality Table	RP-2000 Fully Generational using Scale AA

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

FYE	Market Value of Assets (BOY)	Expected Investment Return	Projected Benefit Payments	Market Value of Assets (EOY)
2017	7,450,456	425,374	721,783	7,154,047
2018	7,154,047	407,660	719,432	6,842,274
2019	6,842,274	389,051	716,198	6,515,127
2020	6,515,127	369,546	712,038	6,172,635
2021	6,172,635	349,151	706,912	5,814,874
2022	5,814,874	327,869	700,771	5,441,973
2023	5,441,973	305,712	693,561	5,054,123
2024	5,054,123	282,691	685,223	4,651,591
2025	4,651,591	258,825	675,680	4,234,736
2026	4,234,736	234,138	664,868	3,804,006
2027	3,804,006	208,659	652,710	3,359,955
2028	3,359,955	182,425	639,065	2,903,315
2029	2,903,315	155,484	623,817	2,434,983
2030	2,434,983	127,893	606,850	1,956,026
2031	1,956,026	99,720	588,040	1,467,707
2032	1,467,707	71,042	567,359	971,389
2033	971,389	41,941	544,753	468,577
2034	468,577	12,507	520,259	-
2035	-	-	494,017	-
2036	-	-	466,025	-
2037	-	-	436,456	-
2038	-	-	405,607	-
2039	-	-	373,769	-
2040	-	-	341,362	-
2041	-	-	308,704	-
2042	-	-	276,044	-

Number of years for which current market value of assets are 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:**

17.92

Certain Key Assumptions

Valuation Investment return assumption

6.00%

Valuation Mortality Table

FRS Mortality Rates from 7/1/16 FRS Valuation

Note: As required in Section 112.664(c) of the Florida Statutes, the projection of the Fund assets do 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)
2017	7,450,456	425,374	721,783	7,154,047
2018	7,154,047	407,660	719,432	6,842,274
2019	6,842,274	389,051	716,198	6,515,127
2020	6,515,127	369,546	712,038	6,172,635
2021	6,172,635	349,151	706,912	5,814,874
2022	5,814,874	327,869	700,771	5,441,973
2023	5,441,973	305,712	693,561	5,054,123
2024	5,054,123	282,691	685,223	4,651,591
2025	4,651,591	258,825	675,680	4,234,736
2026	4,234,736	234,138	664,868	3,804,006
2027	3,804,006	208,659	652,710	3,359,955
2028	3,359,955	182,425	639,065	2,903,315
2029	2,903,315	155,484	623,817	2,434,983
2030	2,434,983	127,893	606,850	1,956,026
2031	1,956,026	99,720	588,040	1,467,707
2032	1,467,707	71,042	567,359	971,389
2033	971,389	41,941	544,753	468,577
2034	468,577	12,507	520,259	-
2035	-	-	494,017	-
2036	-	-	466,025	-
2037	-	-	436,456	-
2038	-	-	405,607	-
2039	-	-	373,769	-
2040	-	-	341,362	-
2041	-	-	308,704	-
2042	-	-	276,044	-

Number of years for which current market value of assets are 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:** 17.92

Certain Key Assumptions

Valuation Investment return assumption 6.00%
Valuation Mortality Table FRS Mortality Rates from 7/1/16 FRS Valuation

Note: As required in Section 112.664(c) of the Florida Statutes, the projection of the Fund assets do 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)
2017	7,450,456	283,583	721,783	7,012,255
2018	7,012,255	266,102	719,432	6,558,925
2019	6,558,925	248,033	716,198	6,090,760
2020	6,090,760	229,390	712,038	5,608,112
2021	5,608,112	210,186	706,912	5,111,386
2022	5,111,386	190,440	700,771	4,601,055
2023	4,601,055	170,171	693,561	4,077,665
2024	4,077,665	149,402	685,223	3,541,844
2025	3,541,844	128,160	675,680	2,994,324
2026	2,994,324	106,476	664,868	2,435,932
2027	2,435,932	84,383	652,710	1,867,605
2028	1,867,605	61,923	639,065	1,290,463
2029	1,290,463	39,142	623,817	705,788
2030	705,788	16,095	606,850	115,032
2031	115,032	-	588,040	-
2032	-	-	567,359	-
2033	-	-	544,753	-
2034	-	-	520,259	-
2035	-	-	494,017	-
2036	-	-	466,025	-
2037	-	-	436,456	-
2038	-	-	405,607	-
2039	-	-	373,769	-
2040	-	-	341,362	-
2041	-	-	308,704	-
2042	-	-	276,044	-

Number of years for which current market value of assets are 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:** 14.17

Certain Key Assumptions

Valuation Investment return assumption 4.00%
Valuation Mortality Table FRS Mortality Rates from 7/1/16 FRS Valuation

Note: As required in Section 112.664(c) of the Florida Statutes, the projection of the Fund assets do 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)
2017	7,450,456	567,165	721,783	7,295,838
2018	7,295,838	554,890	719,432	7,131,296
2019	7,131,296	541,856	716,198	6,956,953
2020	6,956,953	528,075	712,038	6,772,990
2021	6,772,990	513,563	706,912	6,579,641
2022	6,579,641	498,340	700,771	6,377,210
2023	6,377,210	482,434	693,561	6,166,084
2024	6,166,084	465,878	685,223	5,946,738
2025	5,946,738	448,712	675,680	5,719,770
2026	5,719,770	430,987	664,868	5,485,889
2027	5,485,889	412,763	652,710	5,245,942
2028	5,245,942	394,113	639,065	5,000,990
2029	5,000,990	375,127	623,817	4,752,299
2030	4,752,299	355,910	606,850	4,501,359
2031	4,501,359	336,587	588,040	4,249,906
2032	4,249,906	317,298	567,359	3,999,846
2033	3,999,846	298,198	544,753	3,753,290
2034	3,753,290	279,453	520,259	3,512,484
2035	3,512,484	261,238	494,017	3,279,705
2036	3,279,705	243,735	466,025	3,057,415
2037	3,057,415	227,135	436,456	2,848,094
2038	2,848,094	211,623	405,607	2,654,111
2039	2,654,111	197,378	373,769	2,477,720
2040	2,477,720	184,563	341,362	2,320,921
2041	2,320,921	173,325	308,704	2,185,542
2042	2,185,542	163,802	276,044	2,073,300

Number of years for which current market value of assets are 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:**

N/A

Certain Key Assumptions

Valuation Investment return assumption

8.00%

Valuation Mortality Table

FRS Mortality Rates from 7/1/16 FRS Valuation

Note: As required in Section 112.664(c) of the Florida Statutes, the projection of the Fund assets do 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. except 2% Higher Investment Return Assumption
A. Valuation Date	October 1, 2016	October 1, 2016	October 1, 2016	October 1, 2016
B. Actuarially Determined Contribution (ADC) to Be Paid During Fiscal Year Ending	9/30/2017	9/30/2017	9/30/2017	9/30/2017
C. Assumed Dates of Employer Contributions	Quarterly	Quarterly	Quarterly	Quarterly
D. Annual Payment to Amortize Unfunded Actuarial Liability	\$ 240,341	\$ 240,341	\$ 434,089	\$ 75,212
E. Employer Normal Cost	17,811	17,811	17,811	17,811
F. Employer ADC if Paid on Valuation Date: D + E	258,152	258,152	451,900	93,023
G. Employer ADC Adjusted for Frequency of Payments	267,618	267,618	463,030	97,538
H. Employer ADC Adjusted for Frequency of Payments as % of Covered Payroll	N/A	N/A	N/A	N/A
I. Assumed Rate of Increase in Covered Payroll to Contribution Year	0.00 %	0.00 %	0.00 %	0.00 %
J. Covered Payroll for Contribution Year	0	0	0	0
K. Employer ADC for Contribution Year: H x J	267,618	267,618	463,030	97,538
L. Estimated Credit for State Revenue in Contribution Year	194,943	194,943	194,943	194,943
M. Net Employer ADC in Contribution Year	72,675	72,675	268,087	0
N. Net Employer ADC as % of Covered Payroll in Contribution Year: M ÷ J	N/A	N/A	N/A	N/A
O. Expected Member Contribution	0	0	0	0
P. Total Contribution (Including Members) in Contribution Year	267,618	267,618	463,030	97,538
Q. Total Contribution as % of Covered Payroll in Contribution Year: P ÷ J	N/A	N/A	N/A	N/A
R. Certain Key Assumptions				
Investment Return Assumption	6.00%	6.00%	4.00%	8.00%
Mortality Table	FRS Mortality Rates from 7/1/16 FRS Valuation			