

City of Vero Beach Firefighters Relief and Pension Fund

Chapter 112.664, F.S. Compliance Report

In Connection with the October 1, 2019 Funding
Actuarial Valuation Report And the Plan's Financial
Reporting for the Year Ending September 30, 2019



April 17, 2020

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, 2019. 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 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, 2019 actuarial valuation report. This report is also based on the Plan Provisions, census data, and financial information as summarized in our October 1, 2019 actuarial valuation report. Please refer to the October 1, 2019 actuarial valuation report, dated February 12, 2020, 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. 20-6599
Senior Consultant & Actuary

By  _____
Trisha Amrose, MAAA
Enrolled Actuary No. 20-8010
Consultant & Actuary



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CH. 112.664, Florida Statutes

RESULTS



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

Fiscal year ending September 30,

1. Total Pension Liability

	<u>2019</u>
a. Service Cost	\$ -
b. Interest	475,071
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	176,997
e. Assumption Changes	-
f. Benefit Payments	(742,693)
g. Contribution Refunds	-
h. Net Change in Total Pension Liability	<u>(90,625)</u>
i. Total Pension Liability - Beginning	<u>8,289,195</u>
j. Total Pension Liability - Ending	<u><u>\$ 8,198,570</u></u>

2. Plan Fiduciary Net Position

a. Contributions - Employer	\$ 121,788
b. Contributions - State	138,674
c. Contributions - Non-Employer Contributing Entity	-
d. Contributions - Member	-
e. Net Investment Income	185,191
f. Benefit Payments	(742,693)
g. Contribution Refunds	-
h. Administrative Expense	(20,425)
i. Other	-
j. Net Change in Plan Fiduciary Net Position	<u>(317,465)</u>
k. Plan Fiduciary Net Position - Beginning	<u>7,935,652</u>
l. Plan Fiduciary Net Position - Ending	<u><u>\$ 7,618,187</u></u>

3. Net Pension Liability / (Asset) 580,383

Certain Key Assumptions

Valuation Date	10/01/2018
Measurement Date	09/30/2019
Investment Return Assumption	6.00%
Mortality Table	FRS Mortality Rates from 7/1/17 FRS Valuation



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

Fiscal year ending September 30,

1. Total Pension Liability

	<u>2019</u>
a. Service Cost	\$ -
b. Interest	475,071
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	176,997
e. Assumption Changes	-
f. Benefit Payments	(742,693)
g. Contribution Refunds	-
h. Net Change in Total Pension Liability	<u>(90,625)</u>
i. Total Pension Liability - Beginning	<u>8,289,195</u>
j. Total Pension Liability - Ending	<u>\$ 8,198,570</u>

2. Plan Fiduciary Net Position

a. Contributions - Employer	\$ 121,788
b. Contributions - State	138,674
c. Contributions - Non-Employer Contributing Entity	-
d. Contributions - Member	-
e. Net Investment Income	185,191
f. Benefit Payments	(742,693)
g. Contribution Refunds	-
h. Administrative Expense	(20,425)
i. Other	-
j. Net Change in Plan Fiduciary Net Position	<u>(317,465)</u>
k. Plan Fiduciary Net Position - Beginning	<u>7,935,652</u>
l. Plan Fiduciary Net Position - Ending	<u>\$ 7,618,187</u>

3. Net Pension Liability / (Asset) 580,383

Certain Key Assumptions

Valuation Date	10/01/2018
Measurement Date	09/30/2019
Investment Return Assumption	6.00%
Mortality Table	FRS Mortality Rates from 7/1/17 FRS Valuation



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

Fiscal year ending September 30,

1. Total Pension Liability

	<u>2019</u>
a. Service Cost	\$ -
b. Interest	387,208
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	-
e. Assumption Changes	-
f. Benefit Payments	(742,693)
g. Contribution Refunds	-
h. Net Change in Total Pension Liability	<u>(355,485)</u>
i. Total Pension Liability - Beginning	<u>10,051,541</u>
j. Total Pension Liability - Ending	<u>\$ 9,696,056</u>

2. Plan Fiduciary Net Position

a. Contributions - Employer	\$ 121,788
b. Contributions - State	138,674
c. Contributions - Non-Employer Contributing Entity	-
d. Contributions - Member	-
e. Net Investment Income	185,191
f. Benefit Payments	(742,693)
g. Contribution Refunds	-
h. Administrative Expense	(20,425)
i. Other	-
j. Net Change in Plan Fiduciary Net Position	<u>(317,465)</u>
k. Plan Fiduciary Net Position - Beginning	<u>7,935,652</u>
l. Plan Fiduciary Net Position - Ending	<u>\$ 7,618,187</u>

3. Net Pension Liability / (Asset) 2,077,869

Certain Key Assumptions

Valuation Date	10/01/2018
Measurement Date	09/30/2019
Investment Return Assumption	4.00%
Mortality Table	FRS Mortality Rates from 7/1/17 FRS Valuation



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,	2019
1. Total Pension Liability	
a. Service Cost	\$ -
b. Interest	550,925
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	-
e. Assumption Changes	-
f. Benefit Payments	(742,693)
g. Contribution Refunds	-
h. Net Change in Total Pension Liability	(191,768)
i. Total Pension Liability - Beginning	7,257,911
j. Total Pension Liability - Ending	\$ 7,066,143
 2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ 121,788
b. Contributions - State	138,674
c. Contributions - Non-Employer Contributing Entity	-
d. Contributions - Member	-
e. Net Investment Income	185,191
f. Benefit Payments	(742,693)
g. Contribution Refunds	-
h. Administrative Expense	(20,425)
i. Other	-
j. Net Change in Plan Fiduciary Net Position	(317,465)
k. Plan Fiduciary Net Position - Beginning	7,935,652
l. Plan Fiduciary Net Position - Ending	\$ 7,618,187
 3. Net Pension Liability / (Asset)	 (552,044)
 Certain Key Assumptions	
Valuation Date	10/01/2018
Measurement Date	09/30/2019
Investment Return Assumption	8.00%
Mortality Table	FRS Mortality Rates from 7/1/17 FRS Valuation



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)
2020	7,618,187	435,494	719,906	7,333,775
2021	7,333,775	418,553	715,787	7,036,541
2022	7,036,541	400,870	710,748	6,726,663
2023	6,726,663	382,458	704,716	6,404,405
2024	6,404,405	363,336	697,614	6,070,127
2025	6,070,127	343,528	689,327	5,724,328
2026	5,724,328	323,067	679,751	5,367,644
2027	5,367,644	301,995	668,776	5,000,863
2028	5,000,863	280,365	656,216	4,625,013
2029	4,625,013	258,244	641,907	4,241,349
2030	4,241,349	235,710	625,693	3,851,367
2031	3,851,367	212,860	607,413	3,456,813
2032	3,456,813	189,798	587,032	3,059,579
2033	3,059,579	166,640	564,496	2,661,723
2034	2,661,723	143,509	539,828	2,265,403
2035	2,265,403	120,529	513,172	1,872,760
2036	1,872,760	97,830	484,515	1,486,076
2037	1,486,076	75,543	454,042	1,107,577
2038	1,107,577	53,792	422,087	739,282
2039	739,282	32,687	388,987	382,982
2040	382,982	12,323	355,213	40,092
2041	40,092	-	321,129	-
2042	-	-	287,026	-
2043	-	-	253,564	-
2044	-	-	221,288	-
2045	-	-	190,535	-

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: 21.08

Certain Key Assumptions

Valuation Investment return assumption 6.00%
 Valuation Mortality Table FRS Mortality Rates from 7/1/18 FRS Valuation

Note: As required in Section 112.664(1)(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)
2020	7,618,187	435,494	719,906	7,333,775
2021	7,333,775	418,553	715,787	7,036,541
2022	7,036,541	400,870	710,748	6,726,663
2023	6,726,663	382,458	704,716	6,404,405
2024	6,404,405	363,336	697,614	6,070,127
2025	6,070,127	343,528	689,327	5,724,328
2026	5,724,328	323,067	679,751	5,367,644
2027	5,367,644	301,995	668,776	5,000,863
2028	5,000,863	280,365	656,216	4,625,013
2029	4,625,013	258,244	641,907	4,241,349
2030	4,241,349	235,710	625,693	3,851,367
2031	3,851,367	212,860	607,413	3,456,813
2032	3,456,813	189,798	587,032	3,059,579
2033	3,059,579	166,640	564,496	2,661,723
2034	2,661,723	143,509	539,828	2,265,403
2035	2,265,403	120,529	513,172	1,872,760
2036	1,872,760	97,830	484,515	1,486,076
2037	1,486,076	75,543	454,042	1,107,577
2038	1,107,577	53,792	422,087	739,282
2039	739,282	32,687	388,987	382,982
2040	382,982	12,323	355,213	40,092
2041	40,092	-	321,129	-
2042	-	-	287,026	-
2043	-	-	253,564	-
2044	-	-	221,288	-
2045	-	-	190,535	-

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:** 21.08

Certain Key Assumptions

Valuation Investment return assumption 6.00%
 Valuation Mortality Table FRS Mortality Rates from 7/1/18 FRS Valuation

Note: As required in Section 112.664(1)(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)
2020	7,618,187	290,329	719,906	7,188,610
2021	7,188,610	273,229	715,787	6,746,052
2022	6,746,052	255,627	710,748	6,290,931
2023	6,290,931	237,543	704,716	5,823,758
2024	5,823,758	218,998	697,614	5,345,142
2025	5,345,142	200,019	689,327	4,855,834
2026	4,855,834	180,638	679,751	4,356,722
2027	4,356,722	160,893	668,776	3,848,839
2028	3,848,839	140,829	656,216	3,333,452
2029	3,333,452	120,500	641,907	2,812,045
2030	2,812,045	99,968	625,693	2,286,320
2031	2,286,320	79,305	607,413	1,758,212
2032	1,758,212	58,588	587,032	1,229,767
2033	1,229,767	37,901	564,496	703,172
2034	703,172	17,330	539,828	180,675
2035	180,675	-	513,172	-
2036	-	-	484,515	-
2037	-	-	454,042	-
2038	-	-	422,087	-
2039	-	-	388,987	-
2040	-	-	355,213	-
2041	-	-	321,129	-
2042	-	-	287,026	-
2043	-	-	253,564	-
2044	-	-	221,288	-
2045	-	-	190,535	-

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:** 15.33

Certain Key Assumptions

Valuation Investment return assumption 4.00%
 Valuation Mortality Table FRS Mortality Rates from 7/1/18 FRS Valuation

Note: As required in Section 112.664(1)(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)
2020	7,618,187	580,659	719,906	7,478,940
2021	7,478,940	569,684	715,787	7,332,836
2022	7,332,836	558,197	710,748	7,180,285
2023	7,180,285	546,234	704,716	7,021,804
2024	7,021,804	533,840	697,614	6,858,029
2025	6,858,029	521,069	689,327	6,689,772
2026	6,689,772	507,992	679,751	6,518,012
2027	6,518,012	494,690	668,776	6,343,926
2028	6,343,926	481,265	656,216	6,168,976
2029	6,168,976	467,842	641,907	5,994,910
2030	5,994,910	454,565	625,693	5,823,783
2031	5,823,783	441,606	607,413	5,657,976
2032	5,657,976	429,157	587,032	5,500,100
2033	5,500,100	417,428	564,496	5,353,033
2034	5,353,033	406,649	539,828	5,219,854
2035	5,219,854	397,061	513,172	5,103,744
2036	5,103,744	388,919	484,515	5,008,147
2037	5,008,147	382,490	454,042	4,936,596
2038	4,936,596	378,044	422,087	4,892,553
2039	4,892,553	375,845	388,987	4,879,410
2040	4,879,410	376,144	355,213	4,900,342
2041	4,900,342	379,182	321,129	4,958,395
2042	4,958,395	385,191	287,026	5,056,560
2043	5,056,560	394,382	253,564	5,197,378
2044	5,197,378	406,939	221,288	5,383,028
2045	5,383,028	423,021	190,535	5,615,514

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 7/1/18 FRS Valuation

Note: As required in Section 112.664(1)(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, 2019	October 1, 2019	October 1, 2019	October 1, 2019
B. Actuarially Determined Contribution (ADC) to Be Paid During Fiscal Year Ending	9/30/2020	9/30/2020	9/30/2020	9/30/2020
C. Assumed Dates of Employer Contributions	Quarterly	Quarterly	Quarterly	Quarterly
D. Annual Payment to Amortize Unfunded Actuarial Liability	\$ 214,664	\$ 214,664	\$ 387,526	\$ 63,280
E. Employer Normal Cost	18,073	18,073	18,073	18,073
F. Employer ADC if Paid on Valuation Date: D + E	232,737	232,737	405,599	81,353
G. Employer ADC Adjusted for Frequency of Payments	241,271	241,271	415,589	85,302
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	241,271	241,271	415,589	85,302
L. Estimated Credit for State Revenue in Contribution Year	133,272	133,272	133,272	133,272
M. Net Employer ADC in Contribution Year	107,999	107,999	282,317	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	241,271	241,271	415,589	85,302
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 7/1/18 FRS Valuation			

