

**CITY OF VERO BEACH FIREFIGHTERS RELIEF AND PENSION FUND**  
Chapter 112.664, F.S. Compliance Report  
In Connection with the October 1, 2014 Funding Actuarial Valuation Report  
And the Plan's Financial Reporting for the Year Ending September 30, 2014



June 28, 2015

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 Retirement Board and those designated or approved by the Board. This report may be provided to parties other than the System 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, 2014. 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 City 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 otherwise audit the data. We are not responsible for the accuracy or completeness of the information provided by 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, 2014 actuarial valuation report. This report is also based on the Plan Provisions, census data, and financial information as summarized in our October 1, 2014 actuarial valuation report. Please refer to the October 1, 2014 actuarial valuation report, dated January 20, 2015, 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.

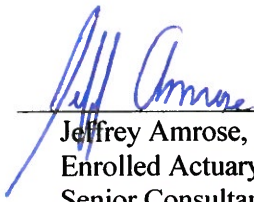
The undersigned are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein. The signing actuaries are independent of the plan sponsor.

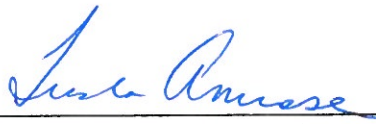
This report has been prepared by actuaries who have substantial experience valuing public employee retirement systems. To the best of our knowledge the information contained in this report is accurate and fairly presents the actuarial position of the Retirement Plan as of the valuation date. All calculations 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  \_\_\_\_\_  
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Enrolled Actuary No. 14-6599  
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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,

	<u>2014</u>
<b>1. Total pension liability</b>	
a. Service Cost	\$ -
b. Interest	529,277
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	-
e. Assumption Changes	-
f. Benefit Payments	(773,744)
g. Contribution Refunds	-
<b>h. Net Change in Total Pension Liability</b>	<u>(244,467)</u>
<b>i. Total Pension Liability - Beginning</b>	<u>8,529,593</u>
<b>j. Total Pension Liability - Ending</b>	<u>\$ 8,285,126</u>

**2. Plan Fiduciary Net Position**

a. Contributions - Employer	\$ 42,311
b. Contributions - Non-Employer Contributing Entity	296,198
c. Contributions - Member	-
d. Net Investment Income	702,893
e. Benefit Payments	(773,744)
f. Contribution Refunds	-
g. Administrative Expense	(8,167)
h. Other	-
<b>i. Net Change in Plan Fiduciary Net Position</b>	<u>259,491</u>
<b>j. Plan Fiduciary Net Position - Beginning</b>	<u>7,233,364</u>
<b>k. Plan Fiduciary Net Position - Ending</b>	<u>\$ 7,492,855</u>

**3. Net Pension Liability / (Asset)** 792,271

**Certain Key Assumptions**

Valuation Date	10/01/2013
Measurement Date	09/30/2014
Investment Return Assumption	6.50%
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,

**1. Total pension liability**

	<u>2014</u>
a. Service Cost	\$ -
b. Interest	529,277
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	-
e. Assumption Changes	-
f. Benefit Payments	(773,744)
g. Contribution Refunds	-
<b>h. Net Change in Total Pension Liability</b>	<u>(244,467)</u>
<b>i. Total Pension Liability - Beginning</b>	<u>8,529,593</u>
<b>j. Total Pension Liability - Ending</b>	<u>\$ 8,285,126</u>

**2. Plan Fiduciary Net Position**

a. Contributions - Employer	\$ 42,311
b. Contributions - Non-Employer Contributing Entity	296,198
c. Contributions - Member	-
d. Net Investment Income	702,893
e. Benefit Payments	(773,744)
f. Contribution Refunds	-
g. Administrative Expense	(8,167)
h. Other	-
<b>i. Net Change in Plan Fiduciary Net Position</b>	<u>259,491</u>
<b>j. Plan Fiduciary Net Position - Beginning</b>	<u>7,233,364</u>
<b>k. Plan Fiduciary Net Position - Ending</b>	<u>\$ 7,492,855</u>

**3. Net Pension Liability / (Asset)** 792,271

**Certain Key Assumptions**

Valuation Date	10/01/2013
Measurement Date	09/30/2014
Investment Return Assumption	6.50%
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>2014</u>
<b>1. Total pension liability</b>	
a. Service Cost	\$ -
b. Interest	441,011
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	-
e. Assumption Changes	-
f. Benefit Payments	(773,744)
g. Contribution Refunds	-
<b>h. Net Change in Total Pension Liability</b>	<u>(332,733)</u>
<b>i. Total Pension Liability - Beginning</b>	<u>10,187,111</u>
<b>j. Total Pension Liability - Ending</b>	<u>\$ 9,854,378</u>
<b>2. Plan Fiduciary Net Position</b>	
a. Contributions - Employer	\$ 42,311
b. Contributions - Non-Employer Contributing Entity	296,198
c. Contributions - Member	-
d. Net Investment Income	702,893
e. Benefit Payments	(773,744)
f. Contribution Refunds	-
g. Administrative Expense	(8,167)
h. Other	-
<b>i. Net Change in Plan Fiduciary Net Position</b>	<u>259,491</u>
<b>j. Plan Fiduciary Net Position - Beginning</b>	<u>7,233,364</u>
<b>k. Plan Fiduciary Net Position - Ending</b>	<u>\$ 7,492,855</u>
<b>3. Net Pension Liability / (Asset)</b>	2,361,523
<b>Certain Key Assumptions</b>	
Valuation Date	10/01/2013
Measurement Date	09/30/2014
Investment Return Assumption	4.50%
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>2014</u>
<b>1. Total pension liability</b>	
a. Service Cost	\$ -
b. Interest	587,403
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	-
e. Assumption Changes	-
f. Benefit Payments	(773,744)
g. Contribution Refunds	-
<b>h. Net Change in Total Pension Liability</b>	<u>(186,341)</u>
<b>i. Total Pension Liability - Beginning</b>	<u>7,297,501</u>
<b>j. Total Pension Liability - Ending</b>	<u>\$ 7,111,160</u>
<b>2. Plan Fiduciary Net Position</b>	
a. Contributions - Employer	\$ 42,311
b. Contributions - Non-Employer Contributing Entity	296,198
c. Contributions - Member	-
d. Net Investment Income	702,893
e. Benefit Payments	(773,744)
f. Contribution Refunds	-
g. Administrative Expense	(8,167)
h. Other	-
<b>i. Net Change in Plan Fiduciary Net Position</b>	<u>259,491</u>
<b>j. Plan Fiduciary Net Position - Beginning</b>	<u>7,233,364</u>
<b>k. Plan Fiduciary Net Position - Ending</b>	<u>\$ 7,492,855</u>
<b>3. Net Pension Liability / (Asset)</b>	(381,695)
<b>Certain Key Assumptions</b>	
Valuation Date	10/01/2013
Measurement Date	09/30/2014
Investment Return Assumption	8.50%
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 the Latest Actuarial Valuation**

FYE	Market Value of Assets (BOY)	Expected Investment Return	Projected Benefit Payments	Market Value of Assets (EOY)
2015	7,492,855	443,983	778,269	7,158,569
2016	7,158,569	423,395	768,485	6,813,479
2017	6,813,479	402,160	757,830	6,457,809
2018	6,457,809	380,285	746,503	6,091,591
2019	6,091,591	357,766	734,664	5,714,693
2020	5,714,693	334,590	722,506	5,326,777
2021	5,326,777	310,737	709,980	4,927,534
2022	4,927,534	286,186	697,100	4,516,620
2023	4,516,620	260,922	683,732	4,093,811
2024	4,093,811	234,934	669,722	3,659,023
2025	3,659,023	208,221	654,989	3,212,254
2026	3,212,254	180,788	639,306	2,753,736
2027	2,753,736	152,654	622,537	2,283,853
2028	2,283,853	123,851	604,468	1,803,236
2029	1,803,236	94,426	584,841	1,312,821
2030	1,312,821	64,444	563,435	813,830
2031	813,830	33,987	540,063	307,755
2032	307,755	3,148	514,760	-
2033	-	-	487,560	-
2034	-	-	458,448	-
2035	-	-	427,700	-
2036	-	-	395,614	-
2037	-	-	362,511	-
2038	-	-	328,728	-
2039	-	-	294,742	-
2040	-	-	261,338	-

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:** 17.58

**Certain Key Assumptions**

Valuation Investment return assumption 6.25%  
Valuation Mortality Table RP-2000 fully generational using Scale AA

**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.**

<b>FYE</b>	<b>Market Value of Assets (BOY)</b>	<b>Expected Investment Return</b>	<b>Projected Benefit Payments</b>	<b>Market Value of Assets (EOY)</b>
2015	7,492,855	443,983	778,269	7,158,569
2016	7,158,569	423,395	768,485	6,813,479
2017	6,813,479	402,160	757,830	6,457,809
2018	6,457,809	380,285	746,503	6,091,591
2019	6,091,591	357,766	734,664	5,714,693
2020	5,714,693	334,590	722,506	5,326,777
2021	5,326,777	310,737	709,980	4,927,534
2022	4,927,534	286,186	697,100	4,516,620
2023	4,516,620	260,922	683,732	4,093,811
2024	4,093,811	234,934	669,722	3,659,023
2025	3,659,023	208,221	654,989	3,212,254
2026	3,212,254	180,788	639,306	2,753,736
2027	2,753,736	152,654	622,537	2,283,853
2028	2,283,853	123,851	604,468	1,803,236
2029	1,803,236	94,426	584,841	1,312,821
2030	1,312,821	64,444	563,435	813,830
2031	813,830	33,987	540,063	307,755
2032	307,755	3,148	514,760	-
2033	-	-	487,560	-
2034	-	-	458,448	-
2035	-	-	427,700	-
2036	-	-	395,614	-
2037	-	-	362,511	-
2038	-	-	328,728	-
2039	-	-	294,742	-
2040	-	-	261,338	-

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: 17.58

**Certain Key Assumptions**

Valuation Investment return assumption 6.25%  
Valuation Mortality Table RP-2000 fully generational using Scale AA

**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.**

<b>FYE</b>	<b>Market Value of Assets (BOY)</b>	<b>Expected Investment Return</b>	<b>Projected Benefit Payments</b>	<b>Market Value of Assets (EOY)</b>
2015	7,492,855	301,908	778,269	7,016,494
2016	7,016,494	281,871	768,485	6,529,880
2017	6,529,880	261,416	757,830	6,033,466
2018	6,033,466	240,559	746,503	5,527,522
2019	5,527,522	219,308	734,664	5,012,166
2020	5,012,166	197,664	722,506	4,487,324
2021	4,487,324	175,624	709,980	3,952,968
2022	3,952,968	153,188	697,100	3,409,056
2023	3,409,056	130,356	683,732	2,855,679
2024	2,855,679	107,135	669,722	2,293,092
2025	2,293,092	83,538	654,989	1,721,641
2026	1,721,641	59,584	639,306	1,141,919
2027	1,141,919	35,303	622,537	554,685
2028	554,685	10,729	604,468	-
2029	-	-	584,841	-
2030	-	-	563,435	-
2031	-	-	540,063	-
2032	-	-	514,760	-
2033	-	-	487,560	-
2034	-	-	458,448	-
2035	-	-	427,700	-
2036	-	-	395,614	-
2037	-	-	362,511	-
2038	-	-	328,728	-
2039	-	-	294,742	-
2040	-	-	261,338	-

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:** 13.92

**Certain Key Assumptions**

Valuation Investment return assumption	4.25%
Valuation Mortality Table	RP-2000 fully generational using Scale AA

**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**

<b>FYE</b>	<b>Market Value of Assets (BOY)</b>	<b>Expected Investment Return</b>	<b>Projected Benefit Payments</b>	<b>Market Value of Assets (EOY)</b>
2015	7,492,855	586,057	778,269	7,300,643
2016	7,300,643	570,603	768,485	7,102,761
2017	7,102,761	554,717	757,830	6,899,648
2018	6,899,648	538,428	746,503	6,691,573
2019	6,691,573	521,750	734,664	6,478,659
2020	6,478,659	504,686	722,506	6,260,839
2021	6,260,839	487,233	709,980	6,038,091
2022	6,038,091	469,387	697,100	5,810,379
2023	5,810,379	451,152	683,732	5,577,799
2024	5,577,799	432,542	669,722	5,340,619
2025	5,340,619	413,583	654,989	5,099,213
2026	5,099,213	394,314	639,306	4,854,221
2027	4,854,221	374,794	622,537	4,606,477
2028	4,606,477	355,100	604,468	4,357,109
2029	4,357,109	335,337	584,841	4,107,605
2030	4,107,605	315,636	563,435	3,859,806
2031	3,859,806	296,156	540,063	3,615,899
2032	3,615,899	277,078	514,760	3,378,217
2033	3,378,217	258,591	487,560	3,149,248
2034	3,149,248	240,902	458,448	2,931,702
2035	2,931,702	224,223	427,700	2,728,225
2036	2,728,225	208,759	395,614	2,541,371
2037	2,541,371	194,709	362,511	2,373,569
2038	2,373,569	182,259	328,728	2,227,100
2039	2,227,100	171,578	294,742	2,103,936
2040	2,103,936	162,795	261,338	2,005,393

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

8.25%

Valuation Mortality Table

RP-2000 fully generational using Scale AA

**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 Assumptions	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, 2014	October 1, 2014	October 1, 2014	October 1, 2014
B. Actuarial Determined Contribution (ADC) to Be Paid During Fiscal Year Ending	9/30/2015	9/30/2015	9/30/2015	9/30/2015
C. Assumed Dates of Employer Contributions	Quarterly	Quarterly	Quarterly	Quarterly
D. Annual Payment to Amortize Unfunded Actuarial Liability	\$ 314,000	\$ 314,000	\$ 499,615	\$ 154,669
E. Employer Normal Cost	10,662	10,662	10,662	10,662
F. ADC if Paid on Valuation Date: D + E	324,662	324,662	510,277	165,331
G. ADC Adjusted for Frequency of Payments	337,054	337,054	523,621	173,601
H. 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. ADC for Contribution Year: H x J	337,054	337,054	523,621	173,601
L. Allowable Credit for State Revenue in Contribution Year	309,307	309,307	309,307	309,307
M. ADC in Contribution Year	27,747	27,747	214,314	0
N. ADC as % of Covered Payroll in Contribution Year: M ÷ J	N/A	N/A	N/A	N/A
O. Certain Key Assumptions				
Investment Return Assumption	6.25%	6.25%	4.25%	8.25%
Mortality Table	RP-2000 fully generational using Scale AA	RP-2000 fully generational using Scale AA	RP-2000 fully generational using Scale AA	RP-2000 fully generational using Scale AA