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March 22, 2022

Bureau of Local Retirement Systems
Florida Division of Retirement
P.O. Box 9000
Tallahassee, FL 32315-9000

Re: Chapter 112.664 Filing for City of Vero Beach General Employee Retirement Plan

Dear Sirs:

I am making the following statement as the enrolled actuary for the City of Vero Beach General Employee Retirement Plan:

“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.”

Sincerely yours,

A handwritten signature in black ink that reads "Malichi Waterman".

Malichi S. Waterman
Vice President and Consulting Actuary
Enrollment Number 20-7141

cc: Cindy Lawson, Finance Director, Vero Beach

City of Vero Beach General Employee Retirement Plan
October 1, 2021

	<u>Using assumptions adopted by Board¹</u>	<u>Using assumption changes indicated under Section 112.664(1)(a), F.S.²</u>	<u>Using assumption changes indicated under Section 112.664(1)(b), F.S.²</u>
Total pension liability			
Service cost	\$284,036	\$284,036	\$451,841
Interest	6,962,607	6,962,607	5,654,485
Benefit changes	0	0	0
Differences between expected and actual experience	(20,250)	(20,250)	5,775,217
Changes of assumptions	(1,706,998)	(1,706,998)	(1,706,998)
Benefit payments	(8,067,652)	(8,067,652)	(8,067,652)
Contribution refunds	(19,792)	(19,792)	(19,792)
Net change in total pension liability	\$1,818,725	\$1,818,725	\$2,087,101
Total pension liability – beginning of year	\$110,866,827	\$110,866,827	\$136,638,596
Total pension liability – end of year (a)	\$112,685,552	\$112,685,552	\$138,725,697
Plan fiduciary net position			
Contributions – Employer	\$2,684,129	\$2,684,129	\$2,684,129
Contributions – State	0	0	0
Contributions – Member	0	0	0
Net investment income	19,102,773	19,102,773	19,102,773
Benefit payments	(8,067,652)	(8,067,652)	(8,067,652)
Contribution refunds	(19,792)	(19,792)	(19,792)
Administrative expense	(94,537)	(94,537)	(94,537)
Other	0	0	0
Net change in plan fiduciary net position	\$13,624,713	\$13,624,713	\$13,604,921
Plan fiduciary net position – beginning of year	\$99,243,248	\$99,243,248	\$99,243,248
Plan fiduciary net position – end of year (b)	\$112,867,961	\$112,867,961	\$112,867,961
City's net pension liability – end of year (a) – (b)	(<u>\$182,409</u>)	(<u>\$182,409</u>)	(<u>\$25,857,736</u>)
Number of years for which the Market Value of Assets is adequate to sustain expected retirement benefits, assuming that all contributions and administrative expenses are halted and that no changes are made to ongoing accruals or benefit provisions for current members	26.01	26.01	17.95
Recommended Plan contributions in Annual Dollar Value	\$2,318,725	\$2,318,725	\$7,577,333
Recommended Plan contributions as a Percentage of Valuation Payroll ³	0.00%	0.00%	0.00%

¹ These results are based on the assumptions adopted by the Board of Trustees of the City of Vero Beach General Employee Retirement Plan. These assumptions are reviewed and updated at least every five years with the aim of identifying and addressing funding issues over time. The required contribution developed using these assumptions is consistently paid every year. The funding policy complies with minimum contribution requirements required by Florida Statutes and with compliance reviewed by the office of the State Actuary. It is expected that the Plan will be able to meet all plan obligations as they become due, so long as the City continues to follow a reasonable funding policy that addresses any differences that may arise between actual and expected results.

² These results have been released for the purpose of satisfying disclosure requirements under Section 112.664, F.S. These results are based on the current valuation assumptions with certain assumptions changed as dictated by Section 112.664 for disclosure purposes only. Compliance with this requirement should not be taken as any indication that the Board of Trustees or the Board's professional advisors view these results as being appropriate for any funding or decision-making purpose.

³ The Plan is closed and contributions are determined on a level dollar amortization basis.