



June 11, 2018

Ms. Cynthia D. Lawson
Director of Finance
City of Vero Beach
1053 20th PL
Vero Beach, FL 32960-5359

**Re: Actuarial Roll-forward of Other Post-Employment Benefits (OPEB)
For Funding During the Fiscal Year Ending September 30, 2018**

Dear Mr. Lawson:

Gabriel Roeder Smith & Company (GRS) has been engaged by the City of Vero Beach to perform an Actuarial Roll-forward pertaining to Other Post-Employment Benefits (OPEB) provided to its retiring employees. We are pleased to present the results herein.

This Actuarial Roll-forward supplements the results of the Actuarial Valuation performed as of October 1, 2016 with results applicable to the fiscal year ending September 30, 2017, which were presented in our Report dated June 7, 2017. The purpose of this Actuarial Roll-forward is to project the results of the October 1, 2016 Actuarial Valuation to be applicable to the fiscal year ending September 30, 2018.

The following table summarizes the employer contribution requirements along with the amounts expected to be reimbursed to the City from the Trust for benefits provided to retirees. More details can be found in the Appendix.

Results Applicable to the Year Ending:	September 30, 2018	September 30, 2017
Actuarially Determined Contribution	2,056,291	1,971,583
Expected Reimbursements from the Trust	1,185,885	1,024,866

This Actuarial Roll-forward was performed on the same basis as the October 1, 2016 Actuarial Valuation. All actuarial calculations were based on information furnished by the City and outlined in the Substantive Plan Provisions and the Actuarial Assumptions and Methods, as set forth in the respective sections of the October 1, 2016 Actuarial Valuation Report.

The total population included in the Actuarial Roll-forward is the same as supplied by the City officials for the October 1, 2016 Actuarial Valuation. Although we did not audit this information, it was reviewed for reasonableness. We are not responsible for the accuracy or completeness of the information provided by the City. We have not given any consideration to employees who might have been hired, terminated or retired after October 1, 2016.

Ms. Cynthia D. Lawson

June 11, 2018

Page 2

The actuarial calculations were prepared for the purposes of funding the City's OPEB program. Determinations of the liability associated with the benefits in this report for purposes other than this purpose (accounting, for example) may produce significantly different results. This Report may be provided to parties other than the City of Vero Beach only in its entirety and only with the permission of the City. GRS is not responsible for unauthorized use of this report.

The calculations are based upon assumptions regarding future events, which may or may not materialize. They are also based upon present and proposed plan provisions that are outlined in the October 1, 2016 Actuarial Valuation Report. If you have reason to believe that the assumptions that were used are unreasonable, that the plan provisions are incorrectly described, that important plan provisions relevant to this proposal are not described, or that conditions have changed since the calculations were made, you should contact the author of this Report prior to relying on information in this Report.

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. Due to the limited scope of the actuary's assignment, the actuary did not perform an analysis of the potential range of such future measurements.

The undersigned is a member of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein. The signing actuary is independent of the plan sponsor.

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 and with the Actuarial Standards of Practice issued by the Actuarial Standards Board. If you have reason to believe that the information provided in this Report is inaccurate, or is in any way incomplete, or if you need further information in order to make an informed decision on the subject matter of this Report, please contact the author of the Report prior to making such decision.

Respectfully submitted,

GABRIEL, ROEDER, SMITH AND COMPANY



Nicolas Lahaye, FSA, EA, MAAA, FCA
Consultant & Actuary



APPENDIX

CITY OF VERO BEACH ACTUARIAL VALUATION RESULTS AS OF OCTOBER 1, 2016

	Total Medical/Rx Costs	Retirees' Medical/Rx Premiums	Direct Premium Subsidy	Life Insurance Benefits	Net Employer Costs
Number of Participants Covered					
Active Participants	356	356	356	356	356
Retired Participants and Surviving Spouses	220	220	220	220	220
Total Participants	576	576	576	576	576
Expected Payroll of Active Participants for FYE 9/30/18	\$ 18,883,845	\$ 18,883,845	\$ 18,883,845	18,883,845	\$ 18,883,845
Actuarial Present Value of Benefits					
Active Participants	9,158,477	(6,548,142)	17,142,969	347,295	20,100,599
Retired Participants	6,755,859	(5,275,204)	12,858,642	308,811	14,648,108
Total Participants	15,914,336	(11,823,346)	30,001,611	656,106	34,748,707
Actuarial Accrued Liability					
Active Participants	6,931,853	(4,948,478)	13,204,222	260,981	15,448,578
Retired Participants	6,755,859	(5,275,204)	12,858,642	308,811	14,648,108
Total Participants	13,687,712	(10,223,682)	26,062,864	569,792	30,096,686
Actuarial Value of Assets	-	-	-	-	-
Unfunded Actuarial Accrued Liability (EANC)	13,687,712	(10,223,682)	26,062,864	569,792	30,096,686
Actuarially Determined Contribution (ADC) of the Employer for YE 9/30/18 (Entry Age Normal Cost Actuarial Method)					
Normal Cost	265,677	(191,388)	456,997	12,786	544,072
26-Year Amortization of UAAL	687,744	(513,692)	1,309,538	28,630	1,512,219
Interest	-	-	-	-	-
Total Actuarially Determined Contribution for FYE 9/30/18	\$ 953,421	\$ (705,080)	1,766,535	41,416	\$ 2,056,291
Per Active Participant	\$ 2,678	\$ (1,981)	\$ 4,962	\$ 116	\$ 5,776
As % of Expected Payroll	5.0%	(3.7%)	9.35%	0.22%	10.9%
Expected Reimbursements from the Trust for FYE 9/30/18					\$ 1,185,885