

City of Vero Beach Firefighters Relief and Pension Fund

Chapter 112.664, F.S. Compliance Report

In Connection with the October 1, 2020 Funding
Actuarial Valuation Report And the Plan's Financial
Reporting for the Year Ending September 30, 2020



April 9, 2021

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, 2020. 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, 2020 actuarial valuation report. This report is also based on the Plan Provisions, census data, and financial information as summarized in our October 1, 2020 actuarial valuation report. Please refer to the October 1, 2020 actuarial valuation report, dated February 4, 2021, 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 was prepared using our proprietary valuation model and related software which in our professional judgment has the capability to provide results that are consistent with the purposes of the valuation and has no material limitations or known weaknesses. We performed tests to ensure that the model reasonably represents that which is intended to be modeled.

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. 20-6599
Senior Consultant & Actuary

By 

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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>2020</u>
a. Service Cost	\$ -
b. Interest	470,078
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	(106,292)
e. Assumption Changes	-
f. Benefit Payments	(727,877)
g. Contribution Refunds	-
h. Net Change in Total Pension Liability	<u>(364,091)</u>
i. Total Pension Liability - Beginning	<u>8,198,570</u>
j. Total Pension Liability - Ending	<u>\$ 7,834,479</u>

2. Plan Fiduciary Net Position

a. Contributions - Employer	\$ 100,007
b. Contributions - State	141,264
c. Contributions - Non-Employer Contributing Entity	-
d. Contributions - Member	-
e. Net Investment Income	(68,609)
f. Benefit Payments	(727,877)
g. Contribution Refunds	-
h. Administrative Expense	(14,782)
i. Other	-
j. Net Change in Plan Fiduciary Net Position	<u>(569,997)</u>
k. Plan Fiduciary Net Position - Beginning	<u>7,618,187</u>
l. Plan Fiduciary Net Position - Ending	<u>\$ 7,048,190</u>

3. Net Pension Liability / (Asset)

786,289

Certain Key Assumptions

Valuation Date	10/01/2019
Measurement Date	09/30/2020
Investment Return Assumption	6.00%
Mortality Table	FRS Mortality Rates from 7/1/18 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>2020</u>
a. Service Cost	\$ -
b. Interest	428,208
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	-
e. Assumption Changes	-
f. Benefit Payments	(727,877)
g. Contribution Refunds	-
h. Net Change in Total Pension Liability	<u>(299,669)</u>
i. Total Pension Liability - Beginning	<u>7,500,742</u>
j. Total Pension Liability - Ending	<u>\$ 7,201,073</u>

2. Plan Fiduciary Net Position

a. Contributions - Employer	\$ 100,007
b. Contributions - State	141,264
c. Contributions - Non-Employer Contributing Entity	-
d. Contributions - Member	-
e. Net Investment Income	(68,609)
f. Benefit Payments	(727,877)
g. Contribution Refunds	-
h. Administrative Expense	(14,782)
i. Other	-
j. Net Change in Plan Fiduciary Net Position	<u>(569,997)</u>
k. Plan Fiduciary Net Position - Beginning	<u>7,618,187</u>
l. Plan Fiduciary Net Position - Ending	<u>\$ 7,048,190</u>

3. Net Pension Liability / (Asset) 152,883

Certain Key Assumptions

Valuation Date	10/01/2019
Measurement Date	09/30/2020
Investment Return Assumption	6.00%
Mortality Table	FRS Mortality Rates from 7/1/19 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>2020</u>
a. Service Cost	\$ -
b. Interest	336,738
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	-
e. Assumption Changes	-
f. Benefit Payments	(727,877)
g. Contribution Refunds	-
h. Net Change in Total Pension Liability	<u>(391,139)</u>
i. Total Pension Liability - Beginning	<u>8,782,377</u>
j. Total Pension Liability - Ending	<u>\$ 8,391,238</u>

2. Plan Fiduciary Net Position

a. Contributions - Employer	\$ 100,007
b. Contributions - State	141,264
c. Contributions - Non-Employer Contributing Entity	-
d. Contributions - Member	-
e. Net Investment Income	(68,609)
f. Benefit Payments	(727,877)
g. Contribution Refunds	-
h. Administrative Expense	(14,782)
i. Other	-
j. Net Change in Plan Fiduciary Net Position	<u>(569,997)</u>
k. Plan Fiduciary Net Position - Beginning	<u>7,618,187</u>
l. Plan Fiduciary Net Position - Ending	<u>\$ 7,048,190</u>

3. Net Pension Liability / (Asset) 1,343,048

Certain Key Assumptions

Valuation Date	10/01/2019
Measurement Date	09/30/2020
Investment Return Assumption	4.00%
Mortality Table	FRS Mortality Rates from 7/1/19 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,	2020
1. Total Pension Liability	
a. Service Cost	\$ -
b. Interest	492,269
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	-
e. Assumption Changes	-
f. Benefit Payments	(727,877)
g. Contribution Refunds	-
h. Net Change in Total Pension Liability	(235,608)
i. Total Pension Liability - Beginning	6,517,298
j. Total Pension Liability - Ending	\$ 6,281,690
2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ 100,007
b. Contributions - State	141,264
c. Contributions - Non-Employer Contributing Entity	-
d. Contributions - Member	-
e. Net Investment Income	(68,609)
f. Benefit Payments	(727,877)
g. Contribution Refunds	-
h. Administrative Expense	(14,782)
i. Other	-
j. Net Change in Plan Fiduciary Net Position	(569,997)
k. Plan Fiduciary Net Position - Beginning	7,618,187
l. Plan Fiduciary Net Position - Ending	\$ 7,048,190
3. Net Pension Liability / (Asset)	(766,500)
Certain Key Assumptions	
Valuation Date	10/01/2019
Measurement Date	09/30/2020
Investment Return Assumption	8.00%
Mortality Table	FRS Mortality Rates from 7/1/19 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)
2021	7,048,190	400,924	732,251	6,716,863
2022	6,716,863	381,318	723,124	6,375,057
2023	6,375,057	361,129	712,471	6,023,715
2024	6,023,715	340,418	700,171	5,663,962
2025	5,663,962	319,254	686,137	5,297,079
2026	5,297,079	297,716	670,288	4,924,507
2027	4,924,507	275,894	652,553	4,547,847
2028	4,547,847	253,884	632,889	4,168,843
2029	4,168,843	231,792	611,272	3,789,363
2030	3,789,363	209,731	587,700	3,411,394
2031	3,411,394	187,817	562,219	3,036,992
2032	3,036,992	166,172	534,911	2,668,253
2033	2,668,253	144,917	505,933	2,307,237
2034	2,307,237	124,169	475,503	1,955,903
2035	1,955,903	104,038	443,878	1,616,063
2036	1,616,063	84,623	411,362	1,289,324
2037	1,289,324	66,011	378,290	977,045
2038	977,045	48,272	345,014	680,303
2039	680,303	31,462	311,889	399,876
2040	399,876	15,615	279,240	136,251
2041	136,251	753	247,410	-
2042	-	-	216,757	-
2043	-	-	187,635	-
2044	-	-	160,374	-
2045	-	-	135,238	-
2046	-	-	112,396	-

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: 20.58

Certain Key Assumptions

Valuation Investment return assumption 6.00%
 Valuation Mortality Table FRS Mortality Rates from 7/1/19 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)
2021	7,048,190	400,924	732,251	6,716,863
2022	6,716,863	381,318	723,124	6,375,057
2023	6,375,057	361,129	712,471	6,023,715
2024	6,023,715	340,418	700,171	5,663,962
2025	5,663,962	319,254	686,137	5,297,079
2026	5,297,079	297,716	670,288	4,924,507
2027	4,924,507	275,894	652,553	4,547,847
2028	4,547,847	253,884	632,889	4,168,843
2029	4,168,843	231,792	611,272	3,789,363
2030	3,789,363	209,731	587,700	3,411,394
2031	3,411,394	187,817	562,219	3,036,992
2032	3,036,992	166,172	534,911	2,668,253
2033	2,668,253	144,917	505,933	2,307,237
2034	2,307,237	124,169	475,503	1,955,903
2035	1,955,903	104,038	443,878	1,616,063
2036	1,616,063	84,623	411,362	1,289,324
2037	1,289,324	66,011	378,290	977,045
2038	977,045	48,272	345,014	680,303
2039	680,303	31,462	311,889	399,876
2040	399,876	15,615	279,240	136,251
2041	136,251	753	247,410	-
2042	-	-	216,757	-
2043	-	-	187,635	-
2044	-	-	160,374	-
2045	-	-	135,238	-
2046	-	-	112,396	-

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:** 20.58

Certain Key Assumptions

Valuation Investment return assumption 6.00%
 Valuation Mortality Table FRS Mortality Rates from 7/1/19 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)
2021	7,048,190	267,283	732,251	6,583,222
2022	6,583,222	248,866	723,124	6,108,964
2023	6,108,964	230,109	712,471	5,626,602
2024	5,626,602	211,061	700,171	5,137,492
2025	5,137,492	191,777	686,137	4,643,132
2026	4,643,132	172,320	670,288	4,145,163
2027	4,145,163	152,755	652,553	3,645,366
2028	3,645,366	133,157	632,889	3,145,634
2029	3,145,634	113,600	611,272	2,647,961
2030	2,647,961	94,164	587,700	2,154,426
2031	2,154,426	74,933	562,219	1,667,140
2032	1,667,140	55,987	534,911	1,188,216
2033	1,188,216	37,410	505,933	719,693
2034	719,693	19,278	475,503	263,468
2035	263,468	1,661	443,878	-
2036	-	-	411,362	-
2037	-	-	378,290	-
2038	-	-	345,014	-
2039	-	-	311,889	-
2040	-	-	279,240	-
2041	-	-	247,410	-
2042	-	-	216,757	-
2043	-	-	187,635	-
2044	-	-	160,374	-
2045	-	-	135,238	-
2046	-	-	112,396	-

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:** 14.58

Certain Key Assumptions

Valuation Investment return assumption 4.00%
 Valuation Mortality Table FRS Mortality Rates from 7/1/19 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)
2021	7,048,190	534,565	732,251	6,850,504
2022	6,850,504	519,115	723,124	6,646,496
2023	6,646,496	503,221	712,471	6,437,245
2024	6,437,245	486,973	700,171	6,224,047
2025	6,224,047	470,478	686,137	6,008,388
2026	6,008,388	453,860	670,288	5,791,960
2027	5,791,960	437,255	652,553	5,576,662
2028	5,576,662	420,817	632,889	5,364,590
2029	5,364,590	404,716	611,272	5,158,034
2030	5,158,034	389,135	587,700	4,959,469
2031	4,959,469	374,269	562,219	4,771,519
2032	4,771,519	360,325	534,911	4,596,933
2033	4,596,933	347,517	505,933	4,438,517
2034	4,438,517	336,061	475,503	4,299,075
2035	4,299,075	326,171	443,878	4,181,368
2036	4,181,368	318,055	411,362	4,088,061
2037	4,088,061	311,913	378,290	4,021,685
2038	4,021,685	307,934	345,014	3,984,605
2039	3,984,605	306,293	311,889	3,979,009
2040	3,979,009	307,151	279,240	4,006,920
2041	4,006,920	310,657	247,410	4,070,167
2042	4,070,167	316,943	216,757	4,170,353
2043	4,170,353	326,123	187,635	4,308,841
2044	4,308,841	338,292	160,374	4,486,759
2045	4,486,759	353,531	135,238	4,705,053
2046	4,705,053	371,908	112,396	4,964,565

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 7/1/19 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, 2020	October 1, 2020	October 1, 2020	October 1, 2020
B. Actuarially Determined Contribution (ADC) to Be Paid During Fiscal Year Ending	9/30/2021	9/30/2021	9/30/2021	9/30/2021
C. Assumed Dates of Employer Contributions	Quarterly	Quarterly	Quarterly	Quarterly
D. Annual Payment to Amortize Unfunded Actuarial Liability	\$ 136,737	\$ 136,737	\$ 281,497	\$ 6,348
E. Employer Normal Cost	17,604	17,604	17,604	17,604
F. Employer ADC if Paid on Valuation Date: D + E	154,341	154,341	299,101	23,952
G. Employer ADC Adjusted for Frequency of Payments	160,001	160,001	306,468	25,115
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	160,001	160,001	306,468	25,115
L. Estimated Credit for State Revenue in Contribution Year	143,275	143,275	143,275	143,275
M. Net Employer ADC in Contribution Year	16,726	16,726	163,193	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	160,001	160,001	306,468	25,115
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 7/1/19 FRS Valuation	FRS Mortality Rates from 7/1/19 FRS Valuation	FRS Mortality Rates from 7/1/19 FRS Valuation	FRS Mortality Rates from 7/1/19 FRS Valuation

