

City of Vero Beach Firefighters Relief and Pension Fund

Chapter 112.664, F.S. Compliance Report

In Connection with the October 1, 2021 Funding
Actuarial Valuation Report And the Plan's Financial
Reporting for the Year Ending September 30, 2021



March 25, 2022

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, 2021. 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, 2021 actuarial valuation report. This report is also based on the Plan Provisions, census data, and financial information as summarized in our October 1, 2021 actuarial valuation report. Please refer to the October 1, 2021 actuarial valuation report, dated February 3, 2022, 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 

Jeffrey Amrose, MAAA
Enrolled Actuary No. 20-6599
Senior Consultant & Actuary

By 

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



TABLE OF CONTENTS

<u>Title</u>	<u>Page</u>
Ch. 112.664, F.S. Results	
Schedule of Changes in Net Pension Liability	
1. Using financial reporting assumptions per GASB Statement No. 67	1
2. Using assumptions prescribed in Section 112.664(1)(a), F.S.	2
3. Using assumptions prescribed in Section 112.664(1)(b), F.S.	3
4. Using the mandated mortality and funding interest rate +2%	4
Assets Versus Benefit Payments Projections	
1. Using assumptions from the Plan's latest Actuarial Valuation	5
2. Using assumptions prescribed in Section 112.664(1)(a), F.S.	6
3. Using assumptions prescribed in Section 112.664(1)(b), F.S.	7
4. Using the mandated mortality and funding interest rate +2%	8
Actuarially Determined Contribution	9



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,	2021
1. Total Pension Liability	
a. Service Cost	\$ -
b. Interest	448,188
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	177,678
e. Assumption Changes	(658,674)
f. Benefit Payments	(729,349)
g. Contribution Refunds	-
h. Net Change in Total Pension Liability	(762,157)
i. Total Pension Liability - Beginning	7,834,479
j. Total Pension Liability - Ending	\$ 7,072,322
 2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ -
b. Contributions - State	163,564
c. Contributions - Non-Employer Contributing Entity	-
d. Contributions - Member	-
e. Net Investment Income	1,527,760
f. Benefit Payments	(729,349)
g. Contribution Refunds	-
h. Administrative Expense	(15,588)
i. Other	-
j. Net Change in Plan Fiduciary Net Position	946,387
k. Plan Fiduciary Net Position - Beginning	7,048,190
l. Plan Fiduciary Net Position - Ending	\$ 7,994,577
 3. Net Pension Liability / (Asset)	(922,255)
 Certain Key Assumptions	
Valuation Date	10/01/2020
Measurement Date	09/30/2021
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)(a), F.S.**

Fiscal year ending September 30,	2021
1. Total Pension Liability	
a. Service Cost	\$ -
b. Interest	448,188
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	177,678
e. Assumption Changes	(658,674)
f. Benefit Payments	(729,349)
g. Contribution Refunds	-
h. Net Change in Total Pension Liability	(762,157)
i. Total Pension Liability - Beginning	7,834,479
j. Total Pension Liability - Ending	\$ 7,072,322
2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ -
b. Contributions - State	163,564
c. Contributions - Non-Employer Contributing Entity	-
d. Contributions - Member	-
e. Net Investment Income	1,527,760
f. Benefit Payments	(729,349)
g. Contribution Refunds	-
h. Administrative Expense	(15,588)
i. Other	-
j. Net Change in Plan Fiduciary Net Position	946,387
k. Plan Fiduciary Net Position - Beginning	7,048,190
l. Plan Fiduciary Net Position - Ending	\$ 7,994,577
3. Net Pension Liability / (Asset)	(922,255)
Certain Key Assumptions	
Valuation Date	10/01/2020
Measurement Date	09/30/2021
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,	<u>2021</u>
1. Total Pension Liability	
a. Service Cost	\$ -
b. Interest	329,292
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	-
e. Assumption Changes	-
f. Benefit Payments	(729,349)
g. Contribution Refunds	-
h. Net Change in Total Pension Liability	<u>(400,057)</u>
i. Total Pension Liability - Beginning	<u>8,596,986</u>
j. Total Pension Liability - Ending	<u><u>\$ 8,196,929</u></u>
2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ -
b. Contributions - State	163,564
c. Contributions - Non-Employer Contributing Entity	-
d. Contributions - Member	-
e. Net Investment Income	1,527,760
f. Benefit Payments	(729,349)
g. Contribution Refunds	-
h. Administrative Expense	(15,588)
i. Other	-
j. Net Change in Plan Fiduciary Net Position	<u>946,387</u>
k. Plan Fiduciary Net Position - Beginning	<u>7,048,190</u>
l. Plan Fiduciary Net Position - Ending	<u><u>\$ 7,994,577</u></u>
3. Net Pension Liability / (Asset)	202,352
Certain Key Assumptions	
Valuation Date	10/01/2020
Measurement Date	09/30/2021
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,	2021
1. Total Pension Liability	
a. Service Cost	\$ -
b. Interest	486,084
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	-
e. Assumption Changes	-
f. Benefit Payments	(729,349)
g. Contribution Refunds	-
h. Net Change in Total Pension Liability	(243,265)
i. Total Pension Liability - Beginning	6,440,727
j. Total Pension Liability - Ending	\$ 6,197,462
2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ -
b. Contributions - State	163,564
c. Contributions - Non-Employer Contributing Entity	-
d. Contributions - Member	-
e. Net Investment Income	1,527,760
f. Benefit Payments	(729,349)
g. Contribution Refunds	-
h. Administrative Expense	(15,588)
i. Other	-
j. Net Change in Plan Fiduciary Net Position	946,387
k. Plan Fiduciary Net Position - Beginning	7,048,190
l. Plan Fiduciary Net Position - Ending	\$ 7,994,577
3. Net Pension Liability / (Asset)	(1,797,115)
Certain Key Assumptions	
Valuation Date	10/01/2020
Measurement Date	09/30/2021
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)
2022	7,994,577	457,887	726,256	7,726,208
2023	7,726,208	442,118	715,158	7,453,168
2024	7,453,168	426,114	702,537	7,176,745
2025	7,176,745	409,955	688,310	6,898,390
2026	6,898,390	393,732	672,395	6,619,727
2027	6,619,727	377,542	654,710	6,342,559
2028	6,342,559	361,497	635,203	6,068,853
2029	6,068,853	345,716	613,830	5,800,740
2030	5,800,740	330,327	590,566	5,540,501
2031	5,540,501	315,467	565,422	5,290,546
2032	5,290,546	301,279	538,448	5,053,378
2033	5,053,378	287,910	509,771	4,831,516
2034	4,831,516	275,503	479,595	4,627,424
2035	4,627,424	264,200	448,166	4,443,459
2036	4,443,459	254,134	415,779	4,281,814
2037	4,281,814	245,426	382,759	4,144,481
2038	4,144,481	238,185	349,450	4,033,216
2039	4,033,216	232,507	316,205	3,949,518
2040	3,949,518	228,471	283,349	3,894,640
2041	3,894,640	226,141	251,241	3,869,540
2042	3,869,540	225,565	220,252	3,874,853
2043	3,874,853	226,769	190,755	3,910,866
2044	3,910,866	229,759	163,101	3,977,524
2045	3,977,524	234,524	137,571	4,074,478
2046	4,074,478	241,038	114,351	4,201,165
2047	4,201,165	249,264	93,530	4,356,899

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:** 999.99

Certain Key Assumptions

Valuation Investment return assumption 6.00%
 Valuation Mortality Table FRS Mortality Rates from 7/1/20 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)
2022	7,994,577	457,887	726,256	7,726,208
2023	7,726,208	442,118	715,158	7,453,168
2024	7,453,168	426,114	702,537	7,176,745
2025	7,176,745	409,955	688,310	6,898,390
2026	6,898,390	393,732	672,395	6,619,727
2027	6,619,727	377,542	654,710	6,342,559
2028	6,342,559	361,497	635,203	6,068,853
2029	6,068,853	345,716	613,830	5,800,740
2030	5,800,740	330,327	590,566	5,540,501
2031	5,540,501	315,467	565,422	5,290,546
2032	5,290,546	301,279	538,448	5,053,378
2033	5,053,378	287,910	509,771	4,831,516
2034	4,831,516	275,503	479,595	4,627,424
2035	4,627,424	264,200	448,166	4,443,459
2036	4,443,459	254,134	415,779	4,281,814
2037	4,281,814	245,426	382,759	4,144,481
2038	4,144,481	238,185	349,450	4,033,216
2039	4,033,216	232,507	316,205	3,949,518
2040	3,949,518	228,471	283,349	3,894,640
2041	3,894,640	226,141	251,241	3,869,540
2042	3,869,540	225,565	220,252	3,874,853
2043	3,874,853	226,769	190,755	3,910,866
2044	3,910,866	229,759	163,101	3,977,524
2045	3,977,524	234,524	137,571	4,074,478
2046	4,074,478	241,038	114,351	4,201,165
2047	4,201,165	249,264	93,530	4,356,899

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: 999.99

Certain Key Assumptions

Valuation Investment return assumption 6.00%
 Valuation Mortality Table FRS Mortality Rates from 7/1/20 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)
2022	7,994,577	305,258	726,256	7,573,579
2023	7,573,579	288,640	715,158	7,147,061
2024	7,147,061	271,832	702,537	6,716,356
2025	6,716,356	254,888	688,310	6,282,934
2026	6,282,934	237,869	672,395	5,848,408
2027	5,848,408	220,842	654,710	5,414,540
2028	5,414,540	203,878	635,203	4,983,215
2029	4,983,215	187,052	613,830	4,556,437
2030	4,556,437	170,446	590,566	4,136,317
2031	4,136,317	154,144	565,422	3,725,039
2032	3,725,039	138,233	538,448	3,324,824
2033	3,324,824	122,798	509,771	2,937,850
2034	2,937,850	107,922	479,595	2,566,177
2035	2,566,177	93,684	448,166	2,211,695
2036	2,211,695	80,152	415,779	1,876,068
2037	1,876,068	67,388	382,759	1,560,697
2038	1,560,697	55,439	349,450	1,266,686
2039	1,266,686	44,343	316,205	994,824
2040	994,824	34,126	283,349	745,601
2041	745,601	24,799	251,241	519,159
2042	519,159	16,361	220,252	315,269
2043	315,269	8,796	190,755	133,309
2044	133,309	2,070	163,101	-
2045	-	-	137,571	-
2046	-	-	114,351	-
2047	-	-	93,530	-

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: 22.83

Certain Key Assumptions

Valuation Investment return assumption 4.00%
 Valuation Mortality Table FRS Mortality Rates from 7/1/20 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)
2022	7,994,577	610,516	726,256	7,878,837
2023	7,878,837	601,701	715,158	7,765,380
2024	7,765,380	593,129	702,537	7,655,971
2025	7,655,971	584,945	688,310	7,552,607
2026	7,552,607	577,313	672,395	7,457,524
2027	7,457,524	570,414	654,710	7,373,228
2028	7,373,228	564,450	635,203	7,302,475
2029	7,302,475	559,645	613,830	7,248,290
2030	7,248,290	556,241	590,566	7,213,965
2031	7,213,965	554,500	565,422	7,203,043
2032	7,203,043	554,706	538,448	7,219,300
2033	7,219,300	557,153	509,771	7,266,683
2034	7,266,683	562,151	479,595	7,349,238
2035	7,349,238	570,012	448,166	7,471,085
2036	7,471,085	581,056	415,779	7,636,361
2037	7,636,361	595,599	382,759	7,849,201
2038	7,849,201	613,958	349,450	8,113,709
2039	8,113,709	636,449	316,205	8,433,953
2040	8,433,953	663,382	283,349	8,813,986
2041	8,813,986	695,069	251,241	9,257,814
2042	9,257,814	731,815	220,252	9,769,377
2043	9,769,377	773,920	190,755	10,352,542
2044	10,352,542	821,679	163,101	11,011,120
2045	11,011,120	875,387	137,571	11,748,936
2046	11,748,936	935,341	114,351	12,569,926
2047	12,569,926	1,001,853	93,530	13,478,249

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:** 999.99

Certain Key Assumptions

Valuation Investment return assumption 8.00%
 Valuation Mortality Table FRS Mortality Rates from 7/1/20 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, 2021	October 1, 2021	October 1, 2021	October 1, 2021
B. Actuarially Determined Contribution (ADC) to Be Paid During Fiscal Year Ending	9/30/2022	9/30/2022	9/30/2022	9/30/2022
C. Assumed Dates of Employer Contributions	Quarterly	Quarterly	Quarterly	Quarterly
D. Annual Payment to Amortize Unfunded Actuarial Liability	\$ 0	\$ 0	\$ 0	\$ 0
E. Employer Normal Cost	15,185	15,185	15,185	15,185
F. Employer ADC if Paid on Valuation Date: D + E	15,185	15,185	15,185	15,185
G. Employer ADC Adjusted for Frequency of Payments	15,742	15,742	15,559	15,922
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	15,742	15,742	15,559	15,922
L. Estimated Credit for State Revenue in Contribution Year	0	0	0	0
M. Net Employer ADC in Contribution Year	15,742	15,742	15,559	15,922
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	15,742	15,742	15,559	15,922
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 7/1/20 FRS Valuation	FRS Mortality Rates from 7/1/20 FRS Valuation	FRS Mortality Rates from 7/1/20 FRS Valuation	FRS Mortality Rates from 7/1/20 FRS Valuation

