

CITY OF WILTON MANORS VOLUNTEER FIREFIGHTERS' RETIREMENT SYSTEM

CHAPTER 112.664, F.S. COMPLIANCE REPORT

In Connection with the October 1, 2017 Funding Actuarial
Valuation Report and the Plan's Financial Reporting for the
Year Ending September 30, 2017





August 3, 2018

Board of Trustees
City of Wilton Manors Volunteer Firefighters' Retirement System
Wilton Manors, Florida

Dear Board Members:

Gabriel, Roeder, Smith & Company (GRS) has been engaged by the City of Wilton Manors Volunteer Firefighters' Retirement System 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 System 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, 2017. 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 and Plan Administrator 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 audit the data. We are not responsible for the accuracy or completeness of the information provided by the City and Plan Administrator.

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, 2017 actuarial valuation report. This report is also based on the Plan Provisions, census data, and financial information as summarized in our October 1, 2017 actuarial valuation report. Please refer to the October 1, 2017 actuarial valuation report, dated June 4, 2018, 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.

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.

Theora Braccialarghe and Melissa Moskowitz 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.

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 us or under our direct supervision, and we acknowledge responsibility for the results. To the best of our knowledge, the results are complete and accurate, and in our 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 Theora Braccialarghe

Theora P. Braccialarghe, FSA, MAAA, FCA
Enrolled Actuary No. 17-2826
Senior Consultant & Actuary

By Melissa R. Moskowitz

Melissa R. Moskowitz, MAAA, FCA
Enrolled Actuary No. 17-6467
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 funding assumptions	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,	2017
1. Total pension liability	
a. Service Cost	\$ 2,785
b. Interest	136,401
c. Benefit Changes	-
d. Difference between actual & expected experience	(547,430)
e. Assumption Changes	157,023
f. Benefit Payments	(93,206)
g. Contribution Refunds	-
h. Net Change in Total Pension Liability	(344,427)
i. Total Pension Liability - Beginning	1,992,404
j. Total Pension Liability - Ending	\$ 1,647,977
 2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ -
b. Contributions - Non-Employer Contributing Entity	93,880
c. Contributions - Member	-
d. Net Investment Income	163,275
e. Benefit Payments	(93,206)
f. Contribution Refunds	-
g. Administrative Expense	(36,978)
h. Other	1
i. Net Change in Plan Fiduciary Net Position	126,972
j. Plan Fiduciary Net Position - Beginning	1,528,156
k. Plan Fiduciary Net Position - Ending	\$ 1,655,128
 3. Net Pension Liability / (Asset)	(7,151)
 Certain Key Assumptions	
Valuation Date	10/01/2016
Measurement Date	09/30/2017
Investment Return Assumption	6.00%
Mortality Table	FRS Mortality Rates from 7/1/16 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,

	<u>2017</u>
1. Total pension liability	
a. Service Cost	\$ 2,785
b. Interest	136,401
c. Benefit Changes	-
d. Difference between actual & expected experience	(547,430)
e. Assumption Changes	157,023
f. Benefit Payments	(93,206)
g. Contribution Refunds	-
h. Net Change in Total Pension Liability	<u>(344,427)</u>
i. Total Pension Liability - Beginning	<u>1,992,404</u>
j. Total Pension Liability - Ending	<u>\$ 1,647,977</u>
2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ -
b. Contributions - Non-Employer Contributing Entity	93,880
c. Contributions - Member	-
d. Net Investment Income	163,275
e. Benefit Payments	(93,206)
f. Contribution Refunds	-
g. Administrative Expense	(36,978)
h. Other	1
i. Net Change in Plan Fiduciary Net Position	<u>126,972</u>
j. Plan Fiduciary Net Position - Beginning	<u>1,528,156</u>
k. Plan Fiduciary Net Position - Ending	<u>\$ 1,655,128</u>
3. Net Pension Liability / (Asset)	(7,151)

Certain Key Assumptions

Valuation Date	10/01/2016
Measurement Date	09/30/2017
Investment Return Assumption	6.00%
Mortality Table	FRS Mortality Rates from 7/1/16 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>2017</u>
1. Total pension liability	
a. Service Cost	\$ 6,097
b. Interest	81,998
c. Benefit Changes	-
d. Difference between actual & expected experience	-
e. Assumption Changes	-
f. Benefit Payments	(93,206)
g. Contribution Refunds	-
h. Net Change in Total Pension Liability	<u>(5,111)</u>
i. Total Pension Liability - Beginning	<u>2,090,460</u>
j. Total Pension Liability - Ending	<u>\$ 2,085,349</u>
2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ -
b. Contributions - Non-Employer Contributing Entity	93,880
c. Contributions - Member	-
d. Net Investment Income	163,275
e. Benefit Payments	(93,206)
f. Contribution Refunds	-
g. Administrative Expense	(36,978)
h. Other	1
i. Net Change in Plan Fiduciary Net Position	<u>126,972</u>
j. Plan Fiduciary Net Position - Beginning	<u>1,528,156</u>
k. Plan Fiduciary Net Position - Ending	<u>\$ 1,655,128</u>
3. Net Pension Liability / (Asset)	430,221
Certain Key Assumptions	
Valuation Date	10/01/2016
Measurement Date	09/30/2017
Investment Return Assumption	4.00%
Mortality Table	FRS Mortality Rates from 7/1/16 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,	<u>2017</u>
1. Total pension liability	
a. Service Cost	\$ 2,091
b. Interest	103,393
c. Benefit Changes	-
d. Difference between actual & expected experience	-
e. Assumption Changes	-
f. Benefit Payments	(93,206)
g. Contribution Refunds	-
h. Net Change in Total Pension Liability	<u>12,278</u>
i. Total Pension Liability - Beginning	<u>1,336,921</u>
j. Total Pension Liability - Ending	<u>\$ 1,349,199</u>
2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ -
b. Contributions - Non-Employer Contributing Entity	93,880
c. Contributions - Member	-
d. Net Investment Income	163,275
e. Benefit Payments	(93,206)
f. Contribution Refunds	-
g. Administrative Expense	(36,978)
h. Other	1
i. Net Change in Plan Fiduciary Net Position	<u>126,972</u>
j. Plan Fiduciary Net Position - Beginning	<u>1,528,156</u>
k. Plan Fiduciary Net Position - Ending	<u>\$ 1,655,128</u>
3. Net Pension Liability / (Asset)	(305,929)
Certain Key Assumptions	
Valuation Date	10/01/2016
Measurement Date	09/30/2017
Investment Return Assumption	8.00%
Mortality Table	FRS Mortality Rates from 7/1/16 FRS Valuation

Asset and Benefit Payment Projection
Not Reflecting Any Contributions from the Employer, State or Employee
Using Assumptions from the Plan's Latest Actuarial Valuation

FYE	Market Value of Assets (BOY)	Expected Investment Return	Projected Benefit Payments	Market Value of Assets (EOY)
2018	1,107,866	63,390	102,725	1,068,531
2019	1,068,531	60,770	111,392	1,017,909
2020	1,017,909	57,744	111,027	964,626
2021	964,626	54,558	110,638	908,546
2022	908,546	51,020	116,412	843,154
2023	843,154	47,069	117,334	772,889
2024	772,889	42,882	116,378	699,393
2025	699,393	38,491	115,740	622,144
2026	622,144	33,777	118,372	537,549
2027	537,549	28,628	120,846	445,331
2028	445,331	23,140	119,319	349,152
2029	349,152	17,420	117,637	248,935
2030	248,935	11,440	116,530	143,845
2031	143,845	5,170	115,342	33,673
2032	33,673	-	113,555	-
2033	-	-	111,974	-
2034	-	-	110,408	-
2035	-	-	108,721	-
2036	-	-	106,643	-
2037	-	-	104,376	-
2038	-	-	102,221	-
2039	-	-	99,912	-

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:** 14.33

Certain Key Assumptions

Valuation Investment return assumption 6.00%
 Valuation Mortality Table FRS Mortality Rates from 7/1/16 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)
2018	1,107,866	63,390	102,725	1,068,531
2019	1,068,531	60,770	111,392	1,017,909
2020	1,017,909	57,744	111,027	964,626
2021	964,626	54,558	110,638	908,546
2022	908,546	51,020	116,412	843,154
2023	843,154	47,069	117,334	772,889
2024	772,889	42,882	116,378	699,393
2025	699,393	38,491	115,740	622,144
2026	622,144	33,777	118,372	537,549
2027	537,549	28,628	120,846	445,331
2028	445,331	23,140	119,319	349,152
2029	349,152	17,420	117,637	248,935
2030	248,935	11,440	116,530	143,845
2031	143,845	5,170	115,342	33,673
2032	33,673	-	113,555	-
2033	-	-	111,974	-
2034	-	-	110,408	-
2035	-	-	108,721	-
2036	-	-	106,643	-
2037	-	-	104,376	-
2038	-	-	102,221	-
2039	-	-	99,912	-

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:** 14.33

Certain Key Assumptions

Valuation Investment return assumption 6.00%
 Valuation Mortality Table FRS Mortality Rates from 7/1/16 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)
2018	1,107,866	42,260	102,725	1,047,401
2019	1,047,401	39,668	111,392	975,677
2020	975,677	36,807	111,027	901,457
2021	901,457	33,846	110,638	824,665
2022	824,665	30,658	116,412	738,911
2023	738,911	27,210	117,334	648,787
2024	648,787	23,624	116,378	556,033
2025	556,033	19,927	115,740	460,220
2026	460,220	16,041	118,372	357,889
2027	357,889	11,899	120,846	248,942
2028	248,942	7,571	119,319	137,194
2029	137,194	3,135	117,637	22,692
2030	22,692	-	116,530	-
2031	-	-	115,342	-
2032	-	-	113,555	-
2033	-	-	111,974	-
2034	-	-	110,408	-
2035	-	-	108,721	-
2036	-	-	106,643	-
2037	-	-	104,376	-
2038	-	-	102,221	-
2039	-	-	99,912	-

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: 12.17

Certain Key Assumptions

Valuation Investment return assumption 4.00%
 Valuation Mortality Table FRS Mortality Rates from 7/1/16 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)
2018	1,107,866	84,520	102,725	1,089,661
2019	1,089,661	82,717	111,392	1,060,986
2020	1,060,986	80,438	111,027	1,030,397
2021	1,030,397	78,006	110,638	997,765
2022	997,765	75,165	116,412	956,518
2023	956,518	71,828	117,334	911,012
2024	911,012	68,226	116,378	862,860
2025	862,860	64,399	115,740	811,519
2026	811,519	60,187	118,372	753,334
2027	753,334	55,433	120,846	687,921
2028	687,921	50,261	119,319	618,863
2029	618,863	44,804	117,637	546,030
2030	546,030	39,021	116,530	468,521
2031	468,521	32,868	115,342	386,047
2032	386,047	26,342	113,555	298,834
2033	298,834	19,428	111,974	206,288
2034	206,288	12,087	110,408	107,967
2035	107,967	4,289	108,721	3,535
2036	3,535	-	106,643	-
2037	-	-	104,376	-
2038	-	-	102,221	-
2039	-	-	99,912	-

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:

18.00

Certain Key Assumptions

Valuation Investment return assumption

8.00%

Valuation Mortality Table

FRS Mortality Rates from 7/1/16 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 (ADC)

	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, 2017	October 1, 2017	October 1, 2017	October 1, 2017
B. Actuarial Determined Contribution (ADC) to Be Paid During Fiscal Year Ending	9/30/2018	9/30/2018	9/30/2018	9/30/2018
C. Assumed Dates of Employer Contributions	August	August	August	August
D. Annual Payment to Amortize Unfunded Actuarial Liability	\$ 52,500	\$ 52,500	\$ 84,787	\$ 25,908
E. Total Normal Cost	35,570	35,570	38,187	34,137
F. ADC if Paid on Valuation Date: D + E	88,070	88,070	122,974	60,045
G. ADC Adjusted for Frequency of Payments	92,659	92,659	127,257	64,207
H. Adjusted for Frequency of 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	N/A	N/A	N/A	N/A
K. ADC for Contribution Year	92,659	92,659	127,257	64,207
L. Funding Standard Account Credit Balance	547,262	547,262	547,262	547,262
M. Expected State Premium Tax Refund	93,880	93,880	93,880	93,880
1. Percent to Share Plan	50%	50%	50%	50%
2. Percent to Retirement System	50%	50%	50%	50%
N. Employer ADC in Contribution Year	0	0	0	0
O. Employer ADC as % of Covered Payroll in Contribution Year: N ÷ J	N/A	N/A	N/A	N/A
P. Certain Key Assumptions				
Investment Return Assumption	6.00%	6.00%	4.00%	8.00%
Mortality Table	FRS Mortality Rates from 7/1/16 FRS Valuation			