

# CITY OF WILTON MANORS VOLUNTEER FIREFIGHTERS' RETIREMENT SYSTEM

CHAPTER 112.664, F.S. COMPLIANCE REPORT

In Connection with the October 1, 2018 Funding Actuarial  
Valuation Report and the Plan's Financial Reporting for the  
Year Ending September 30, 2018





July 1, 2019

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, 2018. 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 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 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, 2018 actuarial valuation report. This report is also based on the Plan Provisions, census data, and financial information as summarized in our October 1, 2018 actuarial valuation report. Please refer to the October 1, 2018 actuarial valuation report, dated June 4, 2019, 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

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## **CH. 112.664, FLORIDA STATUTES**

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### **RESULTS**

**Schedule of Changes in the Employers' Net Pension Liability  
Using Financial Reporting Assumptions per GASB Statement No. 67**

Fiscal year ending September 30,

	<u>2018</u>
<b>1. Total pension liability</b>	
a. Service Cost	\$ 3,548
b. Interest	96,276
c. Benefit Changes	-
d. Difference between actual & expected experience	(5,234)
e. Assumption Changes	-
f. Benefit Payments	(93,863)
g. Contribution Refunds	-
h. Other - Increase in Share Plan Reserve	43,915
<b>i. Net Change in Total Pension Liability</b>	<u>44,642</u>
<b>j. Total Pension Liability - Beginning</b>	<u>1,647,977</u>
<b>k. Total Pension Liability - Ending</b>	<u>\$ 1,692,619</u>
<b>2. Plan Fiduciary Net Position</b>	
a. Contributions - Employer	\$ -
b. Contributions - State	87,830
c. Contributions - Member	-
d. Net Investment Income	187,918
e. Benefit Payments	(93,863)
f. Contribution Refunds	-
g. Administrative Expense	(40,155)
h. Other	-
<b>i. Net Change in Plan Fiduciary Net Position</b>	<u>141,730</u>
<b>j. Plan Fiduciary Net Position - Beginning</b>	<u>1,655,128</u>
<b>k. Plan Fiduciary Net Position - Ending</b>	<u>\$ 1,796,858</u>
<b>3. Net Pension Liability / (Asset)</b>	(104,239)

**Certain Key Assumptions**

Valuation Date	10/01/2017
Measurement Date	09/30/2018
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>2018</u>
<b>1. Total pension liability</b>	
a. Service Cost	\$ 3,548
b. Interest	96,276
c. Benefit Changes	-
d. Difference between actual & expected experience	(5,234)
e. Assumption Changes	-
f. Benefit Payments	(93,863)
g. Contribution Refunds	-
h. Other - Increase in Share Plan Reserve	43,915
<b>i. Net Change in Total Pension Liability</b>	<u>44,642</u>
<b>j. Total Pension Liability - Beginning</b>	<u>1,647,977</u>
<b>k. Total Pension Liability - Ending</b>	<u>\$ 1,692,619</u>
<b>2. Plan Fiduciary Net Position</b>	
a. Contributions - Employer	\$ -
b. Contributions - State	87,830
c. Contributions - Member	-
d. Net Investment Income	187,918
e. Benefit Payments	(93,863)
f. Contribution Refunds	-
g. Administrative Expense	(40,155)
h. Other	-
<b>i. Net Change in Plan Fiduciary Net Position</b>	<u>141,730</u>
<b>j. Plan Fiduciary Net Position - Beginning</b>	<u>1,655,128</u>
<b>k. Plan Fiduciary Net Position - Ending</b>	<u>\$ 1,796,858</u>
<b>3. Net Pension Liability / (Asset)</b>	(104,239)

**Certain Key Assumptions**

Valuation Date	10/01/2017
Measurement Date	09/30/2018
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>2018</u>
<b>1. Total pension liability</b>	
a. Service Cost	\$ 6,165
b. Interest	81,677
c. Benefit Changes	-
d. Difference between actual & expected experience	-
e. Assumption Changes	-
f. Benefit Payments	(93,863)
g. Contribution Refunds	-
h. Other - Increase in Share Plan Reserve	43,915
<b>i. Net Change in Total Pension Liability</b>	<u>37,894</u>
<b>j. Total Pension Liability - Beginning</b>	<u>2,082,680</u>
<b>k. Total Pension Liability - Ending</b>	<u>\$ 2,120,574</u>
<b>2. Plan Fiduciary Net Position</b>	
a. Contributions - Employer	\$ -
b. Contributions - State	87,830
c. Contributions - Member	-
d. Net Investment Income	187,918
e. Benefit Payments	(93,863)
f. Contribution Refunds	-
g. Administrative Expense	(40,155)
h. Other	-
<b>i. Net Change in Plan Fiduciary Net Position</b>	<u>141,730</u>
<b>j. Plan Fiduciary Net Position - Beginning</b>	<u>1,655,128</u>
<b>k. Plan Fiduciary Net Position - Ending</b>	<u>\$ 1,796,858</u>
<b>3. Net Pension Liability / (Asset)</b>	<b>323,716</b>

**Certain Key Assumptions**

Valuation Date	10/01/2017
Measurement Date	09/30/2018
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,	<b>2018</b>
<b>1. Total pension liability</b>	
a. Service Cost	\$ 2,115
b. Interest	103,802
c. Benefit Changes	-
d. Difference between actual & expected experience	-
e. Assumption Changes	-
f. Benefit Payments	(93,863)
g. Contribution Refunds	-
h. Other - Increase in Share Plan Reserve	43,915
<b>i. Net Change in Total Pension Liability</b>	<b>55,969</b>
<b>j. Total Pension Liability - Beginning</b>	<b>1,342,347</b>
<b>k. Total Pension Liability - Ending</b>	<b>\$ 1,398,316</b>
 <b>2. Plan Fiduciary Net Position</b>	
a. Contributions - Employer	\$ -
b. Contributions - State	87,830
c. Contributions - Member	-
d. Net Investment Income	187,918
e. Benefit Payments	(93,863)
f. Contribution Refunds	-
g. Administrative Expense	(40,155)
h. Other	-
<b>i. Net Change in Plan Fiduciary Net Position</b>	<b>141,730</b>
<b>j. Plan Fiduciary Net Position - Beginning</b>	<b>1,655,128</b>
<b>k. Plan Fiduciary Net Position - Ending</b>	<b>\$ 1,796,858</b>
 <b>3. Net Pension Liability / (Asset)</b>	 <b>(398,542)</b>
 <b>Certain Key Assumptions</b>	
Valuation Date	10/01/2017
Measurement Date	09/30/2018
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)
2019	1,222,284	70,246	103,051	1,189,479
2020	1,189,479	68,008	112,034	1,145,453
2021	1,145,453	65,378	111,646	1,099,185
2022	1,099,185	62,427	117,456	1,044,156
2023	1,044,156	59,097	118,413	984,840
2024	984,840	55,565	117,512	922,893
2025	922,893	51,867	116,874	857,886
2026	857,886	47,888	119,521	786,253
2027	786,253	43,515	122,008	707,760
2028	707,760	38,829	121,219	625,370
2029	625,370	33,935	119,557	539,748
2030	539,748	28,853	117,730	450,871
2031	450,871	23,556	116,531	357,896
2032	357,896	18,032	114,729	261,199
2033	261,199	12,278	113,135	160,342
2034	160,342	6,274	111,553	55,063
2035	55,063	8	109,852	-
2036	-	-	107,756	-
2037	-	-	105,469	-
2038	-	-	103,295	-
2039	-	-	100,962	-
2040	-	-	98,453	-

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: 16.50

**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)
2019	1,222,284	70,246	103,051	1,189,479
2020	1,189,479	68,008	112,034	1,145,453
2021	1,145,453	65,378	111,646	1,099,185
2022	1,099,185	62,427	117,456	1,044,156
2023	1,044,156	59,097	118,413	984,840
2024	984,840	55,565	117,512	922,893
2025	922,893	51,867	116,874	857,886
2026	857,886	47,888	119,521	786,253
2027	786,253	43,515	122,008	707,760
2028	707,760	38,829	121,219	625,370
2029	625,370	33,935	119,557	539,748
2030	539,748	28,853	117,730	450,871
2031	450,871	23,556	116,531	357,896
2032	357,896	18,032	114,729	261,199
2033	261,199	12,278	113,135	160,342
2034	160,342	6,274	111,553	55,063
2035	55,063	8	109,852	-
2036	-	-	107,756	-
2037	-	-	105,469	-
2038	-	-	103,295	-
2039	-	-	100,962	-
2040	-	-	98,453	-

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:** 16.50

**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)
2019	1,222,284	46,830	103,051	1,166,063
2020	1,166,063	44,402	112,034	1,098,431
2021	1,098,431	41,704	111,646	1,028,489
2022	1,028,489	38,790	117,456	949,823
2023	949,823	35,625	118,413	867,035
2024	867,035	32,331	117,512	781,854
2025	781,854	28,937	116,874	693,917
2026	693,917	25,366	119,521	599,762
2027	599,762	21,550	122,008	499,304
2028	499,304	17,548	121,219	395,633
2029	395,633	13,434	119,557	289,510
2030	289,510	9,226	117,730	181,006
2031	181,006	4,910	116,531	69,385
2032	69,385	481	114,729	-
2033	-	-	113,135	-
2034	-	-	111,553	-
2035	-	-	109,852	-
2036	-	-	107,756	-
2037	-	-	105,469	-
2038	-	-	103,295	-
2039	-	-	100,962	-
2040	-	-	98,453	-

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:**

13.58

**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)
2019	1,222,284	93,661	103,051	1,212,894
2020	1,212,894	92,550	112,034	1,193,410
2021	1,193,410	91,007	111,646	1,172,771
2022	1,172,771	89,123	117,456	1,144,438
2023	1,144,438	86,819	118,413	1,112,844
2024	1,112,844	84,327	117,512	1,079,659
2025	1,079,659	81,698	116,874	1,044,483
2026	1,044,483	78,778	119,521	1,003,740
2027	1,003,740	75,419	122,008	957,151
2028	957,151	71,723	121,219	907,655
2029	907,655	67,830	119,557	855,928
2030	855,928	63,765	117,730	801,963
2031	801,963	59,496	116,531	744,928
2032	744,928	55,005	114,729	685,204
2033	685,204	50,291	113,135	622,360
2034	622,360	45,327	111,553	556,134
2035	556,134	40,097	109,852	486,379
2036	486,379	34,600	107,756	413,223
2037	413,223	28,839	105,469	336,593
2038	336,593	22,796	103,295	256,094
2039	256,094	16,449	100,962	171,581
2040	171,581	9,788	98,453	82,916
2041	82,916	2,803	95,752	-

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 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, 2018	October 1, 2018	October 1, 2018	October 1, 2018
B. Actuarial Determined Contribution (ADC) to Be Paid During Fiscal Year Ending	9/30/2019	9/30/2019	9/30/2019	9/30/2019
C. Assumed Dates of Employer Contributions	End of Year	End of Year	End of Year	End of Year
D. Annual Payment to Amortize Unfunded Actuarial Liability	\$ 51,368	\$ 51,368	\$ 83,287	\$ 24,771
E. Total Normal Cost	38,741	38,741	41,362	37,306
F. ADC if Paid on Valuation Date: D + E	90,109	90,109	124,649	62,077
G. ADC Adjusted for Frequency of Payments	95,516	95,516	129,635	67,043
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	95,516	95,516	129,635	67,043
L. Funding Standard Account Credit Balance	530,659	530,659	530,659	530,659
M. Expected State Premium Tax Refund	87,830	87,830	87,830	87,830
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			