



May 20, 2009

Mr. Martin Lebowitz  
Administrator  
City of North Miami Beach  
17011 N.E. 19th Avenue  
North Miami Beach, Florida 33162

**Re: Retirement Plan for General Employees of the City of North Miami Beach  
Actuarial Valuation**

Dear Marty:

As requested, we are pleased to enclose twelve (12) copies of the October 1, 2008 Actuarial Valuation Report for the Retirement Plan for General Employees' of the City of North Miami Beach.

Please note that a copy of the Report should be filed with the State at the following address upon approval by the Board.

Mr. Douglas E. Beckendorf, A.S.A.  
Bureau of Local Retirement Services  
Division of Retirement  
Building 8  
1317 Winewood Boulevard  
Tallahassee, Florida 32399-6570

We appreciate the opportunity to have performed this important assignment on behalf of the Board and look forward to presenting the key financial results of our Valuation at the Board Meeting on May 28<sup>th</sup>.

If you should have any questions concerning the above, please do not hesitate to call.

Sincerest regards,

Lawrence F. Wilson, A.S.A.  
Senior Consultant and Actuary

Enclosures



**RETIREMENT PLAN FOR GENERAL EMPLOYEES OF THE CITY OF NORTH  
MIAMI BEACH**

*ACTUARIAL VALUATION AS OF OCTOBER 1, 2008*

This Valuation Determines the Annual Contribution for the Plan Year October 1, 2008 through September 30, 2009 to be Paid in the Fiscal Year October 1, 2009 to September 30, 2010

May 2009



**Retirement Plan for General Employees  
of the City of North Miami Beach**

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May 20, 2009

Retirement Committee  
 c/o Mr. Martin Lebowitz  
 Administrator  
 City of North Miami Beach  
 17011 N.E. 19th Avenue  
 North Miami Beach, FL 33162

Dear Committee Members:

**October 1, 2008 Actuarial Valuation**

We are pleased to present our October 1, 2008 Actuarial Valuation for the Retirement Plan for General Employees of the City of North Miami Beach. The purpose of this report is to indicate appropriate contribution levels, comment on the actuarial stability of the Plan and to satisfy State requirements. Gabriel, Roeder, Smith & Company (GRS), as Plan actuary, is authorized by the Board of Trustees to prepare an annual actuarial valuation under Section 5.06 of the Plan.

This report consists of this commentary, detailed Tables I through XVII and the State Required Exhibit on Table XVIII. The Tables contain basic Plan cost figures plus significant details on the benefits, liabilities and experience of the Plan. We suggest that you thoroughly review the report at your convenience and contact us with any questions that may arise.

**Pension Plan Costs**

Our Actuarial Valuation develops the required minimum Retirement Plan payment for fiscal year beginning October 1, 2008 under the Florida Protection of Public Employee Retirement Benefits Act. The minimum payment consists of payment of annual normal costs plus amortization of the components of the unfunded actuarial accrued liability over various periods as prescribed by law. The total required contribution for the fiscal year ending September 30, 2010 is **\$3,614,450 (27.7%)**. The figure in parentheses is the Plan cost expressed as a percentage of covered annual payroll (\$13,029,957) as of October 1, 2008.

This total cost is to be met by Member and City contributions. We anticipate that Member contributions will be **\$912,097 (7.0%)** leaving **\$2,702,353 (20.7%)** which must be contributed to the Plan by the City for the fiscal year ending September 30, 2010.

The anticipated City Contribution by Department may be summarized as follows:

	<u>Net City Cost</u>	<u>Percent of Payroll</u>
General	\$ 1,954,596	20.7%
Water	\$ 607,875	20.7%
Sewer	\$ 80,108	20.7%
Storm Water	\$ 59,774	20.7%

### **Changes in Actuarial Assumptions, Methods and Plan Benefits**

Plan benefits have not changed since our October 1, 2007 Actuarial Valuation. Plan provisions are outlined on Table X.

The Board adopted the following updated actuarial assumptions based upon the results of our Experience Investigation covering the period October 1, 2001 through September 30, 2007.

1. Assumed mortality rates for healthy members have been updated to the RP-2000 Mortality Table, with separate rates for males and females and annuitants and non-annuitants, with fully generational mortality improvements projected to each future payment date.
2. Assumed mortality rates for disabled participants have been updated to the RP-2000 Disabled Mortality Table, with separate rates for males and females, with fully generational mortality improvements projected to each future payment date.
3. Assumed investment return has been updated to 8.25%, compounded annually, net of investment expenses.
4. Assumed retirement rates, withdrawal rates and salary increase rates have been updated as outlined in Table XI.

The remaining actuarial assumptions and methods remain unchanged from our October 1, 2007 Actuarial Valuation. The actuarial assumptions and methods are outlined on Table XI.

### **Comparison of October 1, 2007 and October 1, 2008 Valuation Results**

Table II of our report provides information of a comparative nature. The left columns of the Table indicate the costs as calculated for October 1, 2007. The center columns indicate the costs as calculated for October 1, 2008 prior to the change in actuarial assumptions. The right columns indicate the costs as calculated for October 1, 2008 after the update in actuarial assumptions.

Comparing the left and center columns of Table II shows the effect of Plan experience during the year. The number of active participants decreased by approximately 5% while covered payroll decreased by approximately 1%. The normal cost increased both as a dollar amount and as a percentage of covered payroll. The unfunded actuarial accrued liability increased both as a dollar amount and as a percentage of covered payroll. The City's required contribution also increased both as a dollar amount and as a percentage of payroll.

Comparing the center and right columns of Table II shows the effect of the update in actuarial assumptions. The unfunded actuarial accrued liability, total normal cost and the City's required contribution all increased.

Your Plan no longer has assets in excess of the value of vested accrued benefits, resulting in a Vested Benefit Security Ratio of 79.4% (81.8% prior to assumption changes) which is a decrease from 103.4% as of October 1, 2007.

### **Plan Experience**

Table VII indicates that the Plan experienced an actuarial loss of \$2,518,093. This suggests actual overall experience was less favorable than expected. This actuarial loss resulted in an increase in the amortization component of the City funding requirement of approximately 1% of covered pay.

Our Actuarial Valuation report tracks the actual experience in three areas that are very significant in determining whether an actuarial gain or loss occurs. Table XVI presents salary experience and tracks employee turnover. Table XVII provides information on investment return.

The salary experience indicates actual salary increases averaged approximately 5.8%. This was in excess of our prior assumption for salary increases of 5.5% and was, generally, a source of actuarial loss. Three, five and ten year average salary increases are 6.2%, 5.8% and 6.3%, respectively. Employee turnover this year was 150% of the prior assumed turnover and was, generally, an offsetting source of actuarial gain. Three, five and ten year average turnover rates are 130%, 120% and 110%, respectively of the prior assumed turnover rates.

The actuarial value investment return of 5.0%, net of investment expense, was less than the 8.5% prior investment return assumption. Three, five and ten year average actuarial value net investment returns are 7.0%, 4.5% and 4.8%, respectively. Investment return was a significant source of actuarial loss during the previous year. Market value net returns for the one, three, five and ten year periods have been -13.8%, 1.6%, 4.4% and 3.3%, respectively.

#### **Member Census and Financial Data**

The Board provided the Member census data used for this valuation to us. This information contains name, Social Security number, date of birth, date of hire, date of participation, October 1, 2008 rate of pay, actual salary paid and employee contributions deducted for the previous year. Dates of termination and retirement are provided where applicable. The Board updated information on inactive participants including retirees, beneficiaries and vested terminees.

We receive financial information concerning fund assets from the Board. We do not audit the Member census data and asset information that is provided to us. However, we perform certain reasonableness checks and on this basis we believe that the information that we received is reliable.

#### **Summary**

In our opinion the benefits provided for under the current Plan will be sufficiently funded through the payment of the amount as indicated in this and future Actuarial Valuation reports. We will continue to update you on the future payment requirements for the Plan through our actuarial reports. These reports will also continue to monitor the future experience of the Plan.

The undersigned 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 in this report. We are available to respond to any questions with regards to matters covered in our report.

Very truly yours,

  
\_\_\_\_\_  
Lawrence F. Wilson, A.S.A.  
Senior Consultant and Actuary

  
\_\_\_\_\_  
Peter N. Strong, A.S.A.  
Consultant

Table I

**Retirement Plan for General Employees  
of the City of North Miami Beach**

**Summary of Retirement Plan Costs as of October 1, 2008**

	<u>Prior Assumptions</u>		<u>Current Assumptions</u>	
	<u>Cost Data</u>	<u>% of Payroll</u>	<u>Cost Data</u>	<u>% of Payroll</u>
<b>A. Participant Data Summary</b>				
1. Active employees	301	N/A	301	N/A
2. Terminated vested	24	N/A	24	N/A
3. Receiving benefits (including DROPs)	192	N/A	192	N/A
4. Annual payroll of active employees	\$ 13,029,957	100.0%	\$ 13,029,957	100.0%
<b>B. Total Normal Costs</b>				
1. Age retirement benefits	1,616,966	12.4%	\$ 1,714,728	13.2%
2. Termination benefits	126,322	1.0%	144,703	1.1%
3. Death benefits	104,480	0.8%	63,826	0.5%
4. Disability benefits	98,807	0.8%	177,049	1.4%
5. Estimated expenses	119,945	0.9%	119,945	0.9%
6. Total annual normal costs (City and Member)	\$ 2,066,520	15.9%	\$ 2,220,251	17.0%
<b>C. Total Actuarial Accrued Liability</b>				
1. Age retirement benefits active employees	\$ 38,205,663	293.2%	\$ 37,279,829	286.1%
2. Termination benefits active employees	203,419	1.6%	308,721	2.4%
3. Death benefits active employees	1,281,105	9.8%	874,273	6.7%
4. Disability benefits active employees	1,406,403	10.8%	2,376,119	18.2%
5. Retired or terminated vested participants receiving benefits (including DROPs)	23,783,366	182.5%	24,940,522	191.4%
6. Terminated vested participants entitled to future benefits	2,386,907	18.3%	2,606,366	20.0%
7. Deceased participants whose beneficiaries are receiving benefits	3,693,290	28.3%	3,772,986	29.0%
8. Disabled participants receiving benefits	1,481,406	11.4%	1,950,378	15.0%
9. Miscellaneous liability	39,140	0.3%	39,140	0.3%
10. Total actuarial accrued liability	\$ 72,480,699	556.3%	\$ 74,148,334	569.1%
<b>D. Net Assets</b>				
1. Actuarial value	\$ 56,504,858	433.7%	\$ 56,504,858	433.7%
2. Market value	\$ 47,981,513	368.2%	\$ 47,981,513	368.2%
<b>E. Unfunded Actuarial Accrued Liability (C. - D.1.)</b>	<b>\$ 15,975,841</b>	<b>122.6%</b>	<b>\$ 17,643,476</b>	<b>135.4%</b>

**Table I  
(Cont'd)**

**Retirement Plan for General Employees  
of the City of North Miami Beach**

**Summary of Retirement Plan Costs as of October 1, 2008**

	<b>Prior Assumptions</b>		<b>Current Assumptions</b>	
	<b>Cost Data</b>	<b>% of Payroll</b>	<b>Cost Data</b>	<b>% of Payroll</b>
F. Total Minimum Funding Requirement				
1. Total normal cost (City and Member)	\$ 2,066,520	15.9%	\$ 2,220,251	17.0%
2. Amortization of unfunded liability	992,658	7.6%	1,063,129	8.2%
3. Interest adjustment	312,517	2.4%	331,070	2.5%
4. Total payment	\$ 3,371,695	25.9%	\$ 3,614,450	27.7%
G. Expected Contribution by Source				
1. Member	\$ 912,097	7.0%	\$ 912,097	7.0%
2. City	\$ 2,459,598	18.9%	\$ 2,702,353	20.7%
H. Allocation of Expected City Contribution				
1. General (20.7% of \$ 9,424,488)	\$ 1,779,012	13.7%	\$ 1,954,596	15.0%
2. Water (20.7% of \$ 2,930,995)	\$ 553,269	4.2%	\$ 607,875	4.7%
3. Sewer (20.7% of \$ 386,259)	\$ 72,912	0.6%	\$ 80,108	0.6%
4. Storm Water (20.7% of \$ 288,215)	\$ 54,405	0.4%	\$ 59,774	0.5%
I. Actuarial Gains (Losses)	\$ (2,518,093)	(19.3%)	\$ (2,518,093)	(19.3%)
J. Actuarial Present Value of Vested Accrued Benefits				
1. Retired, terminated vested, beneficiaries and disabled receiving benefits	\$ 28,958,062	222.2%	\$ 30,663,886	235.3%
2. Terminated vested participants entitled to future benefits and miscellaneous	2,426,047	18.6%	2,645,506	20.3%
3. Active participants entitled to future benefits	27,268,550	209.3%	27,137,258	208.3%
4. Total actuarial present value of vested accrued benefits	\$ 58,652,659	450.1%	\$ 60,446,650	463.9%
K. Unfunded Actuarial Present Value of Vested Accrued Benefits (J. - D.2.)	\$ 10,671,146	81.9%	\$ 12,465,137	95.7%
L. Vested Benefit Security Ratio (D.2. ÷ J.)	81.8%	N/A	79.4%	N/A

**Table II**

**Retirement Plan for General Employees  
of the City of North Miami Beach**

**Comparison of Cost Data of October 1, 2007 and October 1, 2008 Valuations**

	October 1, 2007		Prior Assumptions October 1, 2008		Current Assumptions October 1, 2008	
	Cost Data	% of Annual Compensation	Cost Data	% of Annual Compensation	Cost Data	% of Annual Compensation
A. Participants						
1. Active employees	317	N/A	301	N/A	301	N/A
2. Terminated vested	19	N/A	24	N/A	24	N/A
3. Receiving benefits	186	N/A	192	N/A	192	N/A
4. Annual payroll of active employees	\$ 13,111,784	100.0%	\$ 13,029,957	100.0%	\$ 13,029,957	100.0%
B. Total Normal Costs	\$ 1,928,768	14.7%	\$ 2,066,520	15.9%	\$ 2,220,251	17.0%
C. Total Actuarial Accrued Liability	\$ 67,210,104	512.6%	\$ 72,480,699	556.3%	\$ 74,148,334	569.1%
D. Actuarial Value of Assets	\$ 53,575,555	408.6%	\$ 56,504,858	433.7%	\$ 56,504,858	433.7%
E. Unfunded Actuarial Accrued Liability	\$ 13,634,549	104.0%	\$ 15,975,841	122.6%	\$ 17,643,476	135.4%
F. Expected City Contribution	\$ 2,126,565	16.2%	\$ 2,459,598	18.9%	\$ 2,702,353	20.7%
G. Unfunded Actuarial Present Value of Vested Accrued Benefits	\$ 0	0.0%	\$ 10,671,146	81.9%	\$ 12,465,137	95.7%
H. Actuarial Gain (Loss)	\$ 1,682,494	12.8%	\$ (2,518,093)	(19.3%)	\$ (2,518,093)	(19.3%)
I. Vested Benefit Security Ratio	103.4%	N/A	81.8%	N/A	79.4%	N/A

**Table III****Retirement Plan for General Employees  
of the City of North Miami Beach****Characteristics of Participants in Actuarial  
Valuation as of October 1, 2008****A. Active Plan Participants Summary**

1. Active participants fully vested	238
2. Active participants partially vested	0
3. Active participants non-vested	63
4. Total active participants	<u>301</u>
5. Annual rate of pay of active participants	\$ 13,029,957

**B. Retired and Terminated Vested Participant Summary**

1. Retired or terminated vested participants receiving benefits (including DROPs)	126
2. Terminated vested participants entitled to future benefits	24
3. Deceased participants whose beneficiaries are receiving benefits	51
4. Disabled participants receiving benefits	15

**C. Projected Annual Retirement Benefits**

1. Retired or terminated vested receiving benefits (including DROPs)	\$ 2,434,988
2. Terminated vested entitled to future benefits	\$ 357,885
3. Beneficiaries of deceased participants receiving benefits	\$ 458,654
4. Disabled participants	\$ 190,340

**Table IV****Retirement Plan for General Employees  
of the City of North Miami Beach****Statement of Assets as of October 1, 2008**

	<u>Market Value</u>
A. <u>Cash</u>	\$ 826
B. <u>Investments</u>	
1. Short term investments	\$ 1,339,873
2. Mutual funds	
Pacific Investment Management Company	\$ 19,498,122
American Euro Pacific Growth CI A	\$ 2,855,937
Templeton Institutional Fund Foreign Equity Series	\$ 2,823,862
Franklin Balance Sheet Inc. Fd.	\$ 2,070,503
3. Corporate bonds	\$ 0
4. Government and agency fixed income obligations	\$ 0
5. Common stocks	\$ 19,567,636
C. <u>Receivables</u>	
1. Accrued interest and dividends	\$ 107,037
2. Receivable from other funds	\$ 0
D. <u>Payables</u>	\$ (33,403)
E. <u>Total Fund</u> (A. + B. + C. + D.)	\$ 48,230,393
F. <u>DROP Accounts Balances as of October 1, 2008</u>	\$ 248,880
G. <u>Net Fund</u> (E. - F.)	\$ 47,981,513

Table V

**Retirement Plan for General Employees  
of the City of North Miami Beach**

**Reconciliation of Plan Assets**

A.	<u>Total Market Value of Assets as of October 1, 2007</u>		\$ 55,479,766
B.	<u>Receipts During Period</u>		
	1. Contributions		
	a. Employee	\$ 1,054,435	
	b. City	2,333,440	
	c. Total	\$ 3,387,875	
	2. Investment income		
	a. Interest and dividends	\$ 2,699,584	
	b. Investment expense	(98,169)	
	c. Net	\$ 2,601,415	
	3. Net realized and unrealized appreciation (depreciation)		(10,278,741)
	4. Total receipts during period		\$ (4,289,451)
C.	<u>Disbursements During Period</u>		
	1. Pension payments		\$ 2,723,937
	2. DROP distributions		0
	3. Refunds of accumulated employee contributions		116,040
	4. Administrative expenses		119,945
	5. Total disbursements during period		\$ 2,959,922
D.	<u>Total Market Value of Assets as of September 30, 2008</u>		\$ 48,230,393
E.	<u>Reconciliation of DROP Account Balances</u>		
	1. DROP account balances as of October 1, 2007		\$ 77,846
	2. Benefit payments into DROP accounts during year		160,922
	3. Investment gains (losses) during year		10,112
	4. Distributions from DROP accounts during year		0
	5. DROP account balances as of October 1, 2008		\$ 248,880
F.	<u>Net Market Value of Assets as of September 30, 2008</u>		\$ 47,981,513

**Retirement Plan for General Employees  
of the City of North Miami Beach**

**Development of Actuarial Value of Assets as of September 30**

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
A. Preliminary total actuarial value from prior year	53,653,401	56,753,738			
B. Total market value end of year	48,230,393				
C. Total market value beginning of year	55,479,766	48,230,393			
D. Non-investment net cash flow	427,953				
E. Investment return					
1. Total market value return: B. - C. - D.	(7,677,326)				
2. Amount for immediate recognition (8.5%)	4,733,968				
3. Amount for phased-in recognition: E.1. - E.2.	(12,411,294)				
F. Phased-in recognition of investment return					
1. Current year: 20% of E.3.	(2,482,259)				
2. First prior year	493,608	(2,482,259)			
3. Second prior year	(115,937)	493,608	(2,482,259)		
4. Third prior year	156,743	(115,937)	493,608	(2,482,259)	
5. Fourth prior year	(113,739)	156,742	(115,939)	493,608	(2,482,258)
6. Total phased-in recognition of investment return	<u>(2,061,584)</u>	<u>(1,947,846)</u>	<u>(2,104,590)</u>	<u>(1,988,651)</u>	<u>(2,482,258)</u>
G. Total actuarial value end of year					
1. Preliminary actuarial value end of year:					
A. + D. + E.2. + F.6.	56,753,738				
2. Upper corridor limit: 120% of B.	57,876,472				
3. Lower corridor limit: 80% of B.	38,584,314				
4. Total actuarial value end of year:					
G.1., not more than G.2., nor less than G.3.	56,753,738				
H. Difference between total market value and total actuarial value	(8,523,345)				
I. Actuarial value rate of return	5.0%				
J. Market value rate of return	(13.8%)				
K. DROP account balances	248,880				
L. Net actuarial value of assets	56,504,858				

Table VII

**Retirement Plan for General Employees  
of the City of North Miami Beach**

**Actuarial Gain (Loss) for  
Plan Year Ended September 30, 2008**

**A. Derivation of Actuarial Gain (Loss)**

1. City net normal cost previous valuation	\$	1,010,943
2. Unfunded actuarial accrued previous valuation		13,634,549
3. City contributions previous year		2,333,440
4. Interest on:		
(a) City net normal cost	\$	85,930
(b) Unfunded actuarial accrued liability		1,158,937
(c) Contributions		99,171
(d) Net interest: (a) + (b) - (c)	\$	1,145,696
5. Increase (decrease) in unfunded actuarial accrued liability due to assumption changes	\$	1,667,635
6. Expected unfunded actuarial accrued liability current year: (1. + 2. - 3. + 4. + 5.)		15,125,383
7. Actual unfunded actuarial accrued liability current year		17,643,476
8. Actuarial gain (loss): (6. - 7.)	\$	(2,518,093)

**B. Approximate Portion of Gain (Loss)**

**Due to Investments**

1. Net actuarial value of assets previous year	\$	53,575,555
2. Contributions during year		3,387,875
3. Net benefits and administrative expenses during year		3,120,844
4. Expected appreciation for period		4,565,271
5. Expected net actuarial value of assets current year: (1. + 2. - 3. + 4.)	\$	58,407,857
6. Net actuarial value of assets current year	\$	56,504,858
7. Approximate gain (loss): (6. - 5.)	\$	(1,902,999)

**C. Approximate Portion of Gain (Loss)**

<b><u>Due to Liabilities: A. - B.</u></b>	\$	(615,094)
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Table VIII

**Retirement Plan for General Employees  
of the City of North Miami Beach**

**Amortization of Unfunded Actuarial Accrued Liability**

A. Unfunded Actuarial Accrued Liability

<u>Date</u>	<u>Unfunded Liability</u>	<u>Amortization Payment</u>
October 1, 2008	\$ 17,643,476	\$ 1,063,129
October 1, 2009	\$ 17,948,226	\$ 1,105,654
October 1, 2010	\$ 18,232,084	\$ 1,149,880
October 1, 2011	\$ 18,491,486	\$ 1,195,875
October 1, 2012	\$ 18,722,499	\$ 1,243,710
...		
...		
October 1, 2038	\$ 0	\$ 0

B. Covered Payroll History

<u>Date</u>	<u>Covered Payroll</u>	<u>Annual Increase</u>
October 1, 2008	\$ 13,029,957	(0.6%)
October 1, 2007	\$ 13,111,784	2.0%
October 1, 2006	\$ 12,852,968	0.8%
October 1, 2005	\$ 12,748,757	2.3%
October 1, 2004	\$ 12,467,338	3.6%
October 1, 2003	\$ 12,035,255	11.0%
October 1, 2002	\$ 10,842,137	11.7%
October 1, 2001	\$ 9,707,885	9.4%
October 1, 2000	\$ 8,874,568	10.4%
October 1, 1999	\$ 8,038,335	10.9%
October 1, 1998	\$ 7,247,356	N/A
Ten Year Average Annual Increase		6.0%

Table IX

**Retirement Plan for General Employees  
of the City of North Miami Beach  
Accounting Disclosure Exhibit**

	<u>10/01/2007</u>	<u>Prior Assumptions 10/01/2008</u>	<u>Current Assumptions 10/01/2008</u>
<b>I. <u>Number of Plan Participants</u></b>			
a. Retirees, beneficiaries and disabled receiving benefits	186	192	192
b. Terminated plan participants entitled to but not yet receiving benefits	19	24	24
c. Active plan participants	<u>317</u>	<u>301</u>	<u>301</u>
d. Total	522	517	517
<b>II. <u>Financial Accounting Standards Board Allocation</u></b>			
<u>As of October 1, 2008</u>			
<b>A. <u>Statement of Accumulated Plan Benefits</u></b>			
1. Actuarial present value of accumulated vested plan benefits			
a. Participants currently receiving benefits	\$ 25,030,419	\$ 28,958,062	\$ 30,663,886
b. Other participants	28,532,860	29,694,597	29,782,764
c. Total	<u>\$ 53,563,279</u>	<u>\$ 58,652,659</u>	<u>\$ 60,446,650</u>
2. Actuarial present value of accumulated non-vested plan benefits	<u>617,703</u>	<u>527,191</u>	<u>555,641</u>
3. Total actuarial present value of accumulated plan benefits	\$ 54,180,982	\$ 59,179,850	\$ 61,002,291
<b>B. <u>Statement of Change in Accumulated Plan Benefits</u></b>			
1. Actuarial present value of accumulated plan benefits as of October 1, 2007			\$ 54,180,982
2. Increase (decrease) during year attributable to:			
a. Plan amendment			\$ 0
b. Change in actuarial assumptions and methods			1,822,441
c. Benefits paid (including DROP benefits and refunds)			(3,000,899)
d. Other, including benefits accumulated and increase for interest due to decrease in the discount period			<u>7,999,767</u>
e. Net increase			\$ 6,821,309
3. Actuarial present value of accumulated plan benefits as of October 1, 2008			\$ 61,002,291
<b>C. <u>Significant Matters Affecting Calculations</u></b>			
1. Assumed rate of return used in determining actuarial present values			8.25%
2. Change in plan provisions			None.
3. Change in actuarial assumptions and methods			See Table XI. Item L.

**Retirement Plan for General Employees  
of the City of North Miami Beach**

**Accounting Disclosure Exhibit**

III. Annual Pension Cost For the Current Year and Related Information:

Contribution rates:	
City	20.7%
Members	7.0%
Annual pension cost (thousands)	\$ 2,702
Contributions made (thousands)	To be determined
Actuarial valuation date	October 1, 2008
Actuarial cost method	Entry Age Normal
Amortization method	Level percent of pay, closed
Remaining amortization period	30 Years
Asset valuation method	Smoothed market value
Actuarial assumptions:	
Investment rate of return *	8.25%
Projected salary increases *	4.75% - 7.50%
Cost of living adjustments	2.25%
* Includes inflation at	3.50%

**Table IX  
(Cont'd)**

**Retirement Plan for General Employees  
of the City of North Miami Beach**

**Accounting Disclosure Exhibit**

IV. Historical Trend Information (thousands)

A. Schedule of Employer Costs GASB 25

<u>Fiscal Year Ending</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage of ARC Contributed</u>
09/30/2003	\$ 1,548	98%
09/30/2004	\$ 1,695	102%
09/30/2005	\$ 1,739	100%
09/30/2006	\$ 1,830	102%
09/30/2007	\$ 2,115	101%
09/30/2008	\$ 2,272	103%

B. Schedule of Employer Costs GASB 27

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension (Obligation) Asset</u>
09/30/2003	\$ 1,550	98%	\$ 289,002
09/30/2004	\$ 1,697	102%	\$ 321,630
09/30/2005	\$ 1,731	100%	\$ 329,624
09/30/2006	\$ 1,823	102%	\$ 365,129
09/30/2007	\$ 2,107	101%	\$ 391,770
09/30/2008	\$ 2,263	103%	\$ 462,396

V. Annual Pension Cost and Net Pension Asset (NPA)

<u>Fiscal Year Ended</u>	<u>9/30/2008</u>	<u>9/30/2009</u>
Annual Required Contribution (ARC)	\$ 2,271,608	\$ 2,126,565
Interest on NPA	(33,300)	(38,148)
Adjustment to ARC	24,506	28,103
APC	\$ 2,262,814	\$ 2,116,520
City Contribution	\$ 2,333,440	
Increase (Decrease) in NPA	\$ 70,626	
NPA (beginning of year)	391,770	
NPA (end of year)	\$ 462,396	

**Table IX  
(Cont'd)**

**Retirement Plan for General Employees  
of the City of North Miami Beach**

**Schedule of Funding Progress  
(Dollar Amounts in Thousands)**

V. Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
10/01/2003 *	\$ 44,423	\$ 50,447	\$ 6,024	88.1%	\$ 12,035	50.1%
10/01/2004	\$ 44,968	\$ 54,772	\$ 9,804	82.1%	\$ 12,467	78.6%
10/01/2005	\$ 45,628	\$ 58,943	\$ 13,315	77.4%	\$ 12,749	104.4%
10/01/2006	\$ 48,554	\$ 63,645	\$ 15,091	76.3%	\$ 12,853	117.4%
10/01/2007	\$ 53,576	\$ 67,210	\$ 13,634	79.7%	\$ 13,112	104.0%
10/01/2008 **	\$ 56,505	\$ 72,481	\$ 15,976	78.0%	\$ 13,030	122.6%
10/01/2008	\$ 56,505	\$ 74,148	\$ 17,643	76.2%	\$ 13,030	135.4%

\* Based upon audit report

\*\* Prior Assumptions

**Retirement Plan for General Employees  
of the City of North Miami Beach**

**Outline of Principal Provisions of the Retirement Plan**

A. Effective Date:

July 1, 1957 as Amended and Restated under Ordinance No. 89.19. Most recently amended under Ordinance No. 2008-2.

B. Eligibility Requirements:

1. Permanent full-time or *contract* employees excluding Police Officers, Firefighters, City Councilmen and the City Attorney.
2. Completion of two (2) years of credited service.

C. Credited Service:

Service measured in completed calendar months from date of employment to date of retirement or prior termination.

D. Final Monthly Compensation (FMC):

Average monthly rate of basic compensation during the best 60 successive calendar months out of the last 120 calendar months preceding date of retirement or prior termination. Basic compensation is defined as compensation actually paid to a participant excluding commissions, bonuses, overtime, expense allowances and all other extraordinary compensation.

E. Normal Retirement:

- a. Eligibility: Attainment of age 62, or attainment of age 55 with 20 years of service.
- b. Benefit: 3.0% of FMC times credited service.

F. Early Retirement:

- a. Eligibility: Attainment at age 55 and completion of 15 years of credited service, or completion of 20 years of service.
- b. Benefit: Benefit accrued to date of retirement, actuarially reduced to reflect commencement of benefit at an earlier age.

**Retirement Plan for General Employees  
of the City of North Miami Beach**

**Outline of Principal Provisions of the Retirement Plan**

G. Deferred Retirement:

- a. Eligibility: Retirement subsequent to normal retirement date.
- b. Benefit: Benefit calculated as for normal retirement based upon FMC and credited service as of deferred retirement date.

H. Disability Retirement:

- a. Eligibility: Total and permanent disability prior to normal retirement age for 6 months.
- b. Benefit: The greater of (i) or (ii) below, payable for the lifetime of the participant.
  - (i) A - B, where A is 60% of FMC at date of disability and B is 64% of the monthly Social Security disability benefit to which the participant is entitled.
  - (ii) The participant's accrued benefit as of date of disability.

Monthly disability retirement income payable until the earliest of recovery from disability, death or normal retirement date. If the participant remains disabled until normal retirement date, the same benefit will be payable for 10 years certain (measured from normal retirement date) and life thereafter.

If death of a disabled participant occurs prior to normal retirement date, benefit to beneficiary payable for 10 years certain and life thereafter, which can be supported by the greater of A or B, where A is the single-sum value of the accrued deferred benefit at date of death assuming continued credited service and assuming continued pay at last monthly rate to date of death and B is the lesser of (1) and (2), where (1) is 24 times FMC at date of disability and (2) is 100 times the anticipated monthly normal retirement benefit.

I. Death Benefit:

Benefit to beneficiary (payable for 10 years certain and life thereafter) which can be supported by the greater of A or B, where A is the single-sum value of the accrued deferred benefit at date of death and B is the lesser of (i) and (ii), where (i) is 24 times monthly rate of pay on October 1 preceding date of death and (ii) is 100 times anticipated normal retirement benefit.

If death occurs subsequent to normal retirement date, benefit to beneficiary payable for 10 years certain and life thereafter, which can be supported by the single sum value of the accrued benefit as of date of death.

**Retirement Plan for General Employees  
of the City of North Miami Beach**

**Outline of Principal Provisions of the Retirement Plan**

J. Employee Contributions:

7% of basic annual compensation contributed on a *pre-tax* basis beginning after completion of two years of service eligibility requirement continuing until termination or actual retirement date.

K. Vested Benefit Upon Termination:

- a. Eligibility: 100% vesting upon completion of six (6) years of credited service.
- b. Benefit: Accrued benefit as of date of termination multiplied by vesting percentage, payable as of normal retirement date in the normal form. After 20 years of credited service, an immediate, actuarially reduced benefit is optional.

L. Termination Benefit:

- a. Eligibility: Less than six (6) years of credited service at date of termination.
- b. Benefit: Return of employee contributions plus interest at the rate of 3%, compounded annually.

M. Normal Form of Payment of Retirement Income:

10 years certain and life thereafter, subject to COLA adjustments of 2.25% per annum.

N. Deferred Retirement Option Program (DROP)

1. Eligibility - The earlier of attainment of age 55 and completion of 20 years of service or attainment of age 62.
2. The maximum period of participation in the DROP is sixty (60) months.
3. The COLA is first payable following DROP participation period.
4. Interest is credited at the fixed rate of 6.5% per annum.

O. Changes from Previous Actuarial Valuation

None.

**Retirement Plan for General Employees  
of the City of North Miami Beach**

**Actuarial Assumptions and Actuarial Cost Methods  
Used in the Valuation**

A. Mortality

For healthy participants, the RP-2000 Mortality Table was used, with separate rates for males and females and for annuitants and non-annuitants, and with fully generational mortality improvements projected to each future decrement date.

For disabled participants, the RP-2000 Disabled Mortality Table was used, with separate rates for males and females, and with fully generational mortality improvements projected to each future decrement date.

B. Investment Return

8.25%, compounded annually, net of investment expenses.

C. Allowances for Expenses or Contingencies

Provision for payment of administrative costs added to normal cost based upon non-investment expenses paid in previous year.

D. Employee Withdrawal Rates

<u>Age</u>	<u>Withdrawal Rates Per 100 Employees</u>			
	<u>Males</u>		<u>Females</u>	
	<u>First 4 Years</u>	<u>4+ Years</u>	<u>First 4 Years</u>	<u>4+ Years</u>
20	8.0	8.0	17.0	10.0
25	8.0	8.0	17.0	10.0
30	8.0	6.9	17.0	8.0
35	8.0	5.2	17.0	8.0
40	8.0	3.9	7.0	7.0
45	8.0	2.9	5.5	5.5
50	8.0	1.9	3.0	3.0
55	8.0	0.7	1.0	1.0
60 & Over	0.0	0.0	0.0	0.0

E. Disability Incidence

1985 Class One Disability Study Table with separate rates for males and females.

Retirement Plan for General Employees  
of the City of North Miami Beach

Actuarial Assumptions and Actuarial Cost Methods  
Used in the Valuation

F. Salary Increase Factor

<u>Service</u>	<u>Salary Increase</u>
0 - 5	7.50%
6 - 10	6.25%
11 - 14	6.00%
15 + years	4.75%

G. Increase in Covered Payroll

4.0%, per year not greater than the average annual increase over most recent ten years (6.0%).

H. Rates of Retirement

<u>Age</u>	<u>Rates of Retirement</u>
< 55	2%
55	15%
56 - 60	10%
61	20%
62	30%
63 - 64	15%
65 - 69	20%
70 & Over	100%

35% of employees enter the DROP when first eligible.

Employees eligible for normal retirement as of the valuation date are assumed to retire one year after the valuation date.

I. Deferred Retirement Option Program (DROP)

The assumed period of DROP participation (COLA deferral) is four (4) years.

**Retirement Plan for General Employees  
of the City of North Miami Beach**

**Actuarial Assumptions and Actuarial Cost Methods  
Used in the Valuation**

J. Actuarial Value of Assets

The method used for determining the actuarial value of assets phases in the deviation between the expected and actual return on assets at the rate of 20% per year. The actuarial value of assets will be further adjusted to the extent necessary to fall within the corridor whose lower limit is 80% of the fair market value of plan assets and whose upper limit is 120% of the fair market value of plan assets.

K. Actuarial Cost Method

Normal Retirement, Termination, Disability, and Death Benefits: Entry-Age-Normal Cost Method.

Under this method the normal cost for each active employee is the amount which is calculated to be a level percentage of pay that would be required annually from his entry age to his assumed retirement age to fund his estimated benefits, assuming the Plan had always been in effect. The normal cost for the Plan is the sum of such amounts for all employees. The actuarial accrued liability as of any valuation date for each active employee or inactive employee who is eligible to receive benefits under the Plan is the excess of the actuarial present value of estimated future benefits over the actuarial present value of current and future normal costs. The unfunded actuarial accrued liability as of any valuation date is the excess of the actuarial accrued liability over the assets of the Plan.

L. Changes from Previous Actuarial Valuation

1. The mortality assumption for healthy lives was based on the 1983 Group Annuity Mortality Table with separate rates for males and females.
2. The mortality assumption for healthy lives was based on the 1985 Pension Disability Table with separate rates for males and females.
3. Investment return was 8.5%, compounded annually, net of investment expenses.

**Table XI  
(Cont'd)**

**Retirement Plan for General Employees  
of the City of North Miami Beach**

**Actuarial Assumptions and Actuarial Cost Methods  
Used in the Valuation**

L. Changes from Previous Actuarial Valuation (contd.)

4. Employee withdrawal rates were:

<u>Age</u>	<u>Withdrawal Rates Per 100 Employees</u>	
	<u>Males</u>	<u>Females</u>
20	22.4	37.4
25	14.9	22.4
30	10.4	14.9
35	7.4	10.4
40	4.3	7.4
45	2.7	4.3
50	0.9	2.7
55	0.0	0.9
60 & Over	0.0	0.0

5. Salary increase factor was 5.5% per annum.

6. Rates of retirement were:

<u>Age</u>	<u>Rates of Retirement</u>
55	25%
56	10%
57	10%
58	10%
59	10%
60	20%
61	20%
62 & Over	100%

**Retirement Plan for General Employees  
of the City of North Miami Beach**

**Distribution by Attained Age Groups  
and Service Groups as of October 1, 2008**

**All Active Participants**

<u>Attained Age Group</u>	-----COMPLETED YEARS OF SERVICE-----							<u>Total</u>
	<u>0-4</u>	<u>5-9</u>	<u>10-14</u>	<u>15-19</u>	<u>20-24</u>	<u>25-29</u>	<u>30 &amp; Over</u>	
Under 25	2	-	-	-	-	-	-	2
25-29	10	10	-	-	-	-	-	20
30-34	9	12	3	-	-	-	-	24
35-39	4	10	14	1	-	-	-	29
40-44	5	12	14	2	-	-	-	33
45-49	5	12	17	5	9	2	-	50
50-54	8	7	19	7	5	8	2	56
55-59	1	13	18	4	3	4	1	44
60-64	3	10	9	4	3	4	-	33
65 & Over	-	6	2	1	1	-	-	10
<b>TOTAL</b>	<b>47</b>	<b>92</b>	<b>96</b>	<b>24</b>	<b>21</b>	<b>18</b>	<b>3</b>	<b>301</b>

	<b>Prior Year</b>	<b>Current Year</b>
Average Attained Age	47.50 years	47.60 years
Average Hire Age	36.09 years	35.97 years
Average Pay	\$ 41,362	\$ 43,289
Percent Female	29.0%	29.9%

**Table XII  
(Cont'd)**

**Retirement Plan for General Employees  
of the City of North Miami Beach**

**Distribution by Attained Age Groups  
and Service Groups as of October 1, 2008**

**General Active Employees**

<u>Attained Age Group</u>	-----COMPLETED YEARS OF SERVICE-----							<u>Total</u>
	<u>0-4</u>	<u>5-9</u>	<u>10-14</u>	<u>15-19</u>	<u>20-24</u>	<u>25-29</u>	<u>30 &amp; Over</u>	
Under 25	2	-	-	-	-	-	-	2
25-29	9	7	-	-	-	-	-	16
30-34	6	6	3	-	-	-	-	15
35-39	4	9	13	1	-	-	-	27
40-44	4	6	12	-	-	-	-	22
45-49	2	9	11	2	4	2	-	30
50-54	4	3	16	3	3	5	2	36
55-59	1	11	16	4	3	1	1	37
60-64	3	8	9	4	3	2	-	29
65 & Over	-	4	1	-	-	-	-	5
<b>TOTAL</b>	<b>35</b>	<b>63</b>	<b>81</b>	<b>14</b>	<b>13</b>	<b>10</b>	<b>3</b>	<b>219</b>

	<b>Prior Year</b>	<b>Current Year</b>
Average Attained Age	47.51 years	47.62 years
Average Hire Age	36.21 years	36.25 years
Average Pay	\$ 41,047	\$ 43,034
Percent Female	32.6%	32.9%

**Table XII  
(Cont'd)**

**Retirement Plan for General Employees  
of the City of North Miami Beach**  
**Distribution by Attained Age Groups  
and Service Groups as of October 1, 2008**

**Water Active Employees**

<u>Attained Age Group</u>	-----COMPLETED YEARS OF SERVICE-----							<u>Total</u>
	<u>0-4</u>	<u>5-9</u>	<u>10-14</u>	<u>15-19</u>	<u>20-24</u>	<u>25-29</u>	<u>30 &amp; Over</u>	
Under 25	-	-	-	-	-	-	-	0
25-29	1	1	-	-	-	-	-	2
30-34	3	3	-	-	-	-	-	6
35-39	-	1	1	-	-	-	-	2
40-44	1	4	2	1	-	-	-	8
45-49	1	2	5	2	5	-	-	15
50-54	3	4	3	3	2	3	-	18
55-59	-	2	2	-	-	3	-	7
60-64	-	2	-	-	-	-	-	2
65 & Over	-	2	-	1	1	-	-	4
<b>TOTAL</b>	<b>9</b>	<b>21</b>	<b>13</b>	<b>7</b>	<b>8</b>	<b>6</b>	<b>0</b>	<b>64</b>

	<b>Prior Year</b>	<b>Current Year</b>
Average Attained Age	48.50 years	48.26 years
Average Hire Age	36.42 years	35.58 years
Average Pay	\$ 44,253	\$ 45,797
Percent Female	23.2%	25.0%

**Retirement Plan for General Employees  
of the City of North Miami Beach**

**Distribution by Attained Age Groups  
and Service Groups as of October 1, 2008**

**Sewer Active Employees**

<u>Attained Age Group</u>	-----COMPLETED YEARS OF SERVICE-----							<u>Total</u>
	<u>0-4</u>	<u>5-9</u>	<u>10-14</u>	<u>15-19</u>	<u>20-24</u>	<u>25-29</u>	<u>30 &amp; Over</u>	
Under 25	-	-	-	-	-	-	-	0
25-29	-	-	-	-	-	-	-	0
30-34	-	3	-	-	-	-	-	3
35-39	-	-	-	-	-	-	-	0
40-44	-	2	-	-	-	-	-	2
45-49	1	1	-	1	-	-	-	3
50-54	1	-	-	-	-	-	-	1
55-59	-	-	-	-	-	-	-	0
60-64	-	-	-	-	-	1	-	1
65 & Over	-	-	-	-	-	-	-	0
<b>TOTAL</b>	<b>2</b>	<b>6</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>10</b>

	<b>Prior Year</b>	<b>Current Year</b>
Average Attained Age	42.63 years	43.05 years
Average Hire Age	33.45 years	34.13 years
Average Pay	\$ 36,187	\$ 38,626
Percent Female	7.7%	10.0%

**Table XII  
(Cont'd)**

**Retirement Plan for General Employees  
of the City of North Miami Beach**  
**Distribution by Attained Age Groups  
and Service Groups as of October 1, 2008**

**Storm Water Active Employees**

<u>Attained Age Group</u>	-----COMPLETED YEARS OF SERVICE-----							<u>Total</u>
	<u>0-4</u>	<u>5-9</u>	<u>10-14</u>	<u>15-19</u>	<u>20-24</u>	<u>25-29</u>	<u>30 &amp; Over</u>	
Under 25	-	-	-	-	-	-	-	0
25-29	-	2	-	-	-	-	-	2
30-34	-	-	-	-	-	-	-	0
35-39	-	-	-	-	-	-	-	0
40-44	-	-	-	1	-	-	-	1
45-49	1	-	1	-	-	-	-	2
50-54	-	-	-	1	-	-	-	1
55-59	-	-	-	-	-	-	-	0
60-64	-	-	-	-	-	1	-	1
65 & Over	-	-	1	-	-	-	-	1
<b>TOTAL</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>8</b>

	<b>Prior Year</b>	<b>Current Year</b>
Average Attained Age	46.32 years	47.32 years
Average Hire Age	33.96 years	33.64 years
Average Pay	\$ 33,796	\$ 36,027
Percent Female	12.5%	12.5%

Table XIII

**Retirement Plan for General Employees  
of the City of North Miami Beach**

**Statistics for Participants Entitled to Deferred Benefits  
and Participants Receiving Benefits**

A. Entitled to Deferred Benefits

<b><u>Current Age Group</u></b>	<b><u>Count</u></b>	<b><u>Total Annual Benefit</u></b>	<b><u>Average Annual Benefit</u></b>
<b>Less than 50</b>	11	\$ 141,766	\$ 12,888
50-54	9	174,906	19,434
55-59	3	31,343	10,448
60-64	1	9,870	9,870
65-69	0	0	0
70 & Over	0	0	0
<b>TOTAL</b>	<u>24</u>	<u>\$ 357,885</u>	<u>\$ 14,912</u>

B. Retirees Receiving Benefits & DROPs

<b><u>Current Age Group</u></b>	<b><u>Count</u></b>	<b><u>Total Annual Benefit</u></b>	<b><u>Average Annual Benefit</u></b>
<b>Less than 50</b>	0	\$ 0	\$ 0
50-54	1	11,574	11,574
55-59	11	383,058	34,823
60-64	16	443,886	27,743
65-69	23	585,720	25,466
70-74	25	451,153	18,046
75-79	16	202,943	12,684
80 & Over	34	356,654	10,490
<b>TOTAL</b>	<u>126</u>	<u>\$ 2,434,988</u>	<u>\$ 19,325</u>

Table XIII  
(Cont'd)

Retirement Plan for General Employees  
of the City of North Miami Beach

Statistics for Participants Entitled to Deferred Benefits  
and Participants Receiving Benefits

C. Beneficiaries Receiving Benefits

<u>Current Age Group</u>	<u>Count</u>	<u>Total Annual Benefit</u>	<u>Average Annual Benefit</u>
Less than 50	10	\$ 49,522	\$ 4,952
50-54	6	54,130	9,022
55-59	5	49,398	9,880
60-64	7	78,102	11,157
65-69	7	53,827	7,690
70-74	6	78,021	13,004
75 & Over	10	95,654	9,565
TOTAL	<u>51</u>	<u>\$ 458,654</u>	<u>\$ 8,993</u>

D. Disabled Participants Receiving Benefits

<u>Current Age Group</u>	<u>Count</u>	<u>Total Annual Benefit</u>	<u>Average Annual Benefit</u>
Less than 50	4	\$ 52,537	\$ 13,134
50-54	2	28,487	14,244
55-59	4	71,591	17,898
60-64	0	0	0
65-69	3	25,725	8,575
70-74	0	0	0
75 & Over	2	12,000	6,000
TOTAL	<u>15</u>	<u>\$ 190,340</u>	<u>\$ 12,689</u>

**Retirement Plan for General Employees  
of the City of North Miami Beach**

**Reconciliation of Employee Data**

**A. Active Participants**

1. Active participants previous year	317
2. Retired during year	(9)
3. Entered DROP during year	(5)
4. Deceased during year	(1)
5. Disabled during year	0
6. Terminated refunded during year	(9)
7. Terminated not refunded during year	(1)
8. Terminated vested	(8)
9. Leave of absence	0
10. New active participants	17
11. Rehired participants	0
12. Active participants current year	<u>301</u>

**B. Participants Receiving Benefits**

1. Participants receiving benefits previous year	182
2. New retired participants	9
3. New terminated vested receiving benefits	0
4. New disabled receiving benefits	1
5. New beneficiaries receiving benefits	2
6. Deceased or ceased payment during year	(11)
7. Retirees refunded during the year	0
8. Retired or terminated vested receiving benefits current year	<u>183</u>

**C. DROP Participants**

1. DROP participants previous year	4
2. Died during year	0
3. Became disabled during year	0
4. Employment terminated and retired during year	0
5. Entered DROP during year	5
6. DROP participants current year	<u>9</u>

**D. Terminated Vested Participants Entitled to Future Benefits**

1. Terminated vested entitled previous year	19
2. Deceased during year	(2)
3. Commenced receiving benefits during year	0
4. New terminated vested	8
5. Terminated vested paid lump sum	(1)
6. Terminated vested entitled current year	<u>24</u>

**Retirement Plan for General Employees  
of the City of North Miami Beach**

**Projected Retirement Benefits**

<b><u>Fiscal Year</u></b>	<b><u>Projected Total Annual Payout</u></b>
2009	3,497,633
2010	3,794,760
2011	4,031,650
2012	4,388,303
2013	4,722,322
2014	5,118,833
2015	5,518,336
2016	5,910,130
2017	6,437,846
2018	6,888,727

The above projected payout of plan benefits during the next ten years is based on assumptions involving all decrements. The actual payout may differ from the above estimates depending upon death, salary and retirement experience of the plan. However, since the projected payment is recomputed each valuation date, there is an automatic correction to the extent that actual experience varies from expected experience.

**Retirement Plan for General Employees  
of the City of North Miami Beach**

**Review of Salary and Termination Experience**

A. Salary Experience - Current Year

October 1, 2008 Age Groups	Employees*	Actual % Increase	Assumed % Increase
Under 25	1	5.7%	N/A
25-29	11	7.6%	N/A
30-34	27	6.9%	N/A
35-39	18	7.5%	N/A
40-44	31	5.9%	N/A
45-49	54	5.9%	N/A
50-54	40	5.0%	N/A
55-59	46	5.0%	N/A
60-64	18	5.5%	N/A
65 & Over	8	4.8%	N/A
TOTAL	254	5.8%	5.5%

B. Recent Salary Experience

Year Ended	Employees*	Actual % Increase	Assumed % Increase
09/30/2007	270	6.9%	5.5%
09/30/2006	275	5.9%	5.5%
09/30/2005	284	6.3%	5.5%
09/30/2004	271	3.9%	5.5%
09/30/2003	253	9.3%	5.5%
09/30/2002	238	5.2%	5.5%
09/30/2001	228	6.1%	5.5%
09/30/2000	251	6.4%	5.5%
09/30/1999	241	7.6%	5.5%
Last 3 Years	799	6.2%	5.5%
Last 5 Years	1,354	5.8%	5.5%
Last 10 Years	2,565	6.3%	5.5%

\* Participants who have full years of pay for both years considered.

**Table XVI  
(Cont'd)**

**Retirement Plan for General Employees  
of the City of North Miami Beach**

**Review of Salary and Termination Experience**

C. Termination Experience - Current Year

<u>October 1, 2007 Age Groups</u>	<u>Number of Participants October 1, 2007</u>	<u>Expected Terminations</u>	<u>Actual Terminations</u>	<u>Ratio of Actual to Expected</u>
19 & Under	0	0.0	0	N/A
20-24	1	0.2	0	0.0
25-29	20	3.0	3	1.0
30-34	31	3.2	3	0.9
35-39	26	1.8	3	1.7
40-44	39	1.7	1	0.6
45-49	59	1.5	2	1.3
50-54	47	0.3	2	6.7
55-59	55	0.0	3	N/A
60-64	27	0.0	1	N/A
65 & Over	<u>12</u>	<u>0.0</u>	<u>0</u>	<u>N/A</u>
TOTAL	317	11.7	18	1.5

D. Recent Termination Experience

<u>Period</u>	<u>Number of Participants Previous Year</u>	<u>Expected Terminations</u>	<u>Actual Terminations</u>	<u>Ratio of Actual to Expected</u>
09/30/2007	312	11.0	16	1.5
09/30/2006	324	12.5	10	0.8
09/30/2005	327	12.6	16	1.3
09/30/2004	336	14.5	14	1.0
09/30/2003	314	13.8	7	0.5
09/30/2002	295	13.4	7	0.5
09/30/2001	278	13.0	16	1.2
09/30/2000	263	14.1	16	1.1
09/30/1999	251	13.4	18	1.3
Last 3 Years	953	35.2	44	1.3
Last 5 Years	1,616	62.3	74	1.2
Last 10 Years	3,017	130.0	138	1.1

**Retirement Plan for General Employees  
of the City of North Miami Beach**

**Analysis of Investment Yield as of October 1, 2008**

This Table sets forth the results of an analysis made of investment yields on the assets held under the Retirement Plan for General Employees of the City of North Miami Beach.

The basic sources for this analysis were the Statements produced by the City.

The basic data was initially checked for internal consistency. Since no difficulties were encountered with the data, yield rates were calculated directly from the transaction information submitted. A summary of the transaction information is set forth on the following page.

**Table XVII  
(Cont'd)**

**Retirement Plan for General Employees  
of the City of North Miami Beach**

**Summary of Transaction Information**

<u>Year Ended</u>	<u>Benefits Paid*</u>	<u>Administrative Expenses</u>	<u>Member Contributions</u>	<u>City Contributions</u>	<u>Net Actuarial Value**</u>
09/30/2008	\$ 3,000,899	\$ 119,945	\$ 1,054,435	\$ 2,333,440	\$ 56,504,858
09/30/2007	\$ 2,849,780	\$ 43,851	\$ 900,620	\$ 2,133,251	\$ 53,575,555
09/30/2006	\$ 2,528,070	\$ 116,727	\$ 898,852	\$ 1,858,727	\$ 48,553,562
09/30/2005	\$ 2,433,315	\$ 111,722	\$ 863,779	\$ 1,738,722	\$ 45,627,713
09/30/2004	\$ 2,140,131	\$ 100,910	\$ 851,458	\$ 1,694,679	\$ 44,967,792
09/30/2003	\$ 1,964,374	\$ 76,039	\$ 799,182	\$ 1,547,537	\$ 44,459,457
09/30/2002	\$ 1,798,589	\$ 65,132	\$ 707,765	\$ 701,935	\$ 39,872,430
09/30/2001	\$ 1,798,795	\$ 84,346	\$ 639,170	\$ 634,989	\$ 44,382,287
09/30/2000	\$ 1,578,287	\$ 88,104	\$ 599,825	\$ 576,257	\$ 43,650,926
09/30/1999	\$ 1,539,900	\$ 79,210	\$ 545,770	\$ 533,119	\$ 40,229,429
09/30/1998	\$ 1,579,002	\$ 83,104	\$ 411,522	\$ 411,522	\$ 35,879,000
09/30/1997	\$ 1,624,618	\$ 48,768	\$ 371,603	\$ 349,350	\$ 33,630,000
09/30/1996	\$ 1,185,418	\$ 61,130	\$ 365,210	\$ 274,533	\$ 28,099,000
09/30/1995	\$ 962,600	\$ 138,626	\$ 358,078	\$ 344,348	\$ 25,474,000
09/30/1994	\$ 971,140	\$ 179,416	\$ 357,215	\$ 109,396	\$ 21,909,000

\* Includes refunds and DROP benefit credits

\*\* Market value prior to 2001, thousands prior to October 1, 1998

**Table XVII  
(Cont'd)**

**Retirement Plan for General Employees  
of the City of North Miami Beach**

**Recent Plan Experience**

	<u>Assumed Investment Yield</u>	<u>Market Value Yield <sup>1</sup></u>	<u>Actuarial Value Yield <sup>1,2</sup></u>
09/30/2008	8.5%	(13.8%)	5.0%
09/30/2007	8.5%	13.6%	10.0%
09/30/2006	8.5%	7.2%	6.2%
09/30/2005	8.5%	10.4%	1.3%
09/30/2004	8.5%	7.0%	0.5%
09/30/2003	8.5%	13.3%	10.7%
09/30/2002	8.5%	(9.0%)	(10.1%)
09/30/2001	8.5%	(13.6%)	3.5%
09/30/2000	9.0%	9.8%	9.8%
09/30/1999	7.5%	13.7%	13.7%
Last 3 Years	8.5%	1.6%	7.0%
Last 5 Years	8.5%	4.4%	4.5%
Last 10 Years	8.4%	3.3%	4.8%

<sup>1</sup> Yield calculated as  $2I/(A+B-I)$

<sup>2</sup> Actuarial value was market value prior to September 30, 2001

**Retirement Plan for General Employees  
of the City of North Miami Beach**

**Actuarial Valuation as of October 1, 2008**

**State Required Exhibit**

	<u>10/01/2007</u>	<u>Prior Assumptions 10/01/2008</u>	<u>Current Assumptions 10/01/2008</u>
<b>A. <u>Participant Data</u></b>			
1. Active participants	317	301	301
2. Retired participants and beneficiaries receiving benefits (including DROPs)	172	177	177
3. Disabled participants receiving benefits	14	15	15
4. Terminated vested participants	19	24	24
5. Annual payroll of active participants	\$ 13,111,784	\$ 13,029,957	\$ 13,029,957
6. Annual benefits payable to those currently receiving benefits (including DROPs)	\$ 2,749,171	\$ 3,083,982	\$ 3,083,982
<b>B. <u>Assets</u></b>			
1. Actuarial Value	\$ 53,575,555	\$ 56,504,858	\$ 56,504,858
2. Market Value	\$ 55,401,920	\$ 47,981,513	\$ 47,981,513
<b>C. <u>Liabilities</u></b>			
1. Actuarial present value of future expected benefit payments for active members			
a. Retirement benefits	\$ 48,436,900	\$ 48,539,796	\$ 50,822,057
b. Vesting benefits	1,255,322	1,247,467	1,621,551
c. Death benefits	2,023,316	1,987,867	1,369,821
d. Disability benefits	2,081,327	2,088,007	3,804,768
e. Total	<u>\$ 53,796,865</u>	<u>\$ 53,863,137</u>	<u>\$ 57,618,197</u>
2. Actuarial present value of future expected benefit payments for terminated vested members	\$ 1,503,767	\$ 2,386,907	\$ 2,606,366
3. Actuarial present value of future expected benefit payments for members currently receiving benefits			
a. Service retired (including DROPs)	\$ 20,265,352	\$ 23,783,366	\$ 24,940,522
b. Disability retired	1,262,254	1,481,406	1,950,378
c. Beneficiaries	3,502,813	3,693,290	3,772,986
d. Miscellaneous	36,040	39,140	39,140
e. Total	<u>\$ 25,066,459</u>	<u>\$ 28,997,202</u>	<u>\$ 30,703,026</u>

**Table XVIII  
(Cont'd)**

**Retirement Plan for General Employees  
of the City of North Miami Beach**

**Actuarial Valuation as of October 1, 2008**

**State Required Exhibit**

	<b>10/01/2007</b>	<b>Prior Assumptions 10/01/2008</b>	<b>Current Assumptions 10/01/2008</b>
4. Total actuarial present value of future expected benefit payments	\$ 80,367,091	\$ 85,247,246	\$ 90,927,589
5. Actuarial accrued liabilities	\$ 67,210,104	\$ 72,480,699	\$ 74,148,334
6. Unfunded actuarial liabilities	\$ 13,634,549	\$ 15,975,841	\$ 17,643,476
 <b>D. <u>Statement of Accumulated Plan Benefits</u></b>			
1. Actuarial present value of accumulated vested benefits			
a. Participants currently receiving benefits	\$ 25,030,419	\$ 28,958,062	\$ 30,663,886
b. Other participants	28,532,860	29,694,597	29,782,764
c. Total	\$ 53,563,279	\$ 58,652,659	\$ 60,446,650
2. Actuarial present value of accumulated non-vested plan benefits	617,703	527,191	555,641
3. Total actuarial present value of accumulated plan benefits	\$ 54,180,982	\$ 59,179,850	\$ 61,002,291
 <b>E. <u>Statement of Change in Accumulated Plan Benefits</u></b>			
1. Actuarial present value of accumulated plan benefits as of October 1, 2007			\$ 54,180,982
2. Increase (decrease) during year attributable to:			
a. Plan amendment			\$ 0
b. Change in actuarial assumptions and methods			1,822,441
c. Benefits paid (including DROPs and refunds)			(3,000,899)
d. Other, including benefits accumulated and increase for interest due to decrease in the discount period			7,999,767
e. Net increase			\$ 6,821,309
3. Actuarial present value of accumulated plan benefits as of October 1, 2008			\$ 61,002,291

Retirement Plan for General Employees  
of the City of North Miami Beach

Actuarial Valuation as of October 1, 2008

State Required Exhibit

	<u>10/01/2007</u>	<u>Prior Assumptions 10/01/2008</u>	<u>Current Assumptions 10/01/2008</u>
<b>F. <u>Pension Cost</u></b>			
1. Total normal cost	\$ 1,928,768	\$ 2,066,520	\$ 2,220,251
2. Payment required to amortize unfunded liability	840,549	992,658	1,063,129
3. Interest	275,073	312,517	331,070
4. Total required contributions	\$ 3,044,390	\$ 3,371,695	\$ 3,614,450
5. Item 4 as a percentage of payroll	23.2%	25.9%	27.7%
6. Estimated employee contributions	\$ 917,825	\$ 912,097	\$ 912,097
7. Item 6 as a percentage of payroll	7.0%	7.0%	7.0%
8. Expected City contribution	\$ 2,126,565	\$ 2,459,598	\$ 2,702,353
9. Item 8 as a percentage of payroll	16.2%	18.9%	20.7%
<b>G. <u>Past Contributions</u></b>			
1. Total contribution required (Prior Actuarial Valuation)	\$ 3,171,316	\$ 3,044,390	\$ 3,044,390
2. Actual contributions made:			
a. Employee	\$ 1,054,435	N/A	N/A
b. City	2,333,440	N/A	N/A
c. Total	\$ 3,387,875	N/A	N/A
<b>H. <u>Net Actuarial Gain (Loss)</u></b>	\$ 1,682,494	\$ (2,518,093)	\$ (2,518,093)
<b>I. <u>Disclosure of Following Items:</u></b>			
1. Actuarial present value of future salaries - attained age	\$ 98,837,599	\$ 96,761,444	\$ 108,841,386
2. Actuarial present value of future employee contributions - attained age	\$ 6,918,632	\$ 6,773,301	\$ 7,618,897
3. Actuarial present value of future contributions from other sources	N/A	N/A	N/A
4. Amount of active members' accumulated contributions	\$ 7,734,830	\$ 7,859,958	\$ 7,859,958
5. Actuarial present value of future salaries and future benefits at entry age		Not provided by software	
6. Actuarial present value of future employee contributions at entry age		Not provided by software	

**Table XVIII  
(Cont'd)**

**Retirement Plan for General Employees  
of the City of North Miami Beach**

**Actuarial Valuation as of October 1, 2008**

**State Required Exhibit**

**J. Retirement Experience**

Normal Retirement Eligibility: Earlier of age 62 or age 55 with 20 years of credited service.

Attained Age	9/30/1999 - 9/30/2005		9/30/2006		9/30/2007		9/30/2008	
	Eligible	Retired	Eligible	Retired	Eligible	Retired	Eligible	Retired
55	13	3	2	0	4	0	5	3
56	14	3	1	0	2	0	4	1
57	14	2	1	0	2	0	2	0
58	11	1	2	0	1	1	2	1
59	9	1	3	0	3	0	0	0
60	9	0	2	1	3	0	3	0
61	10	0	1	0	1	0	3	0
62	30	8	8	2	4	3	6	1
63	19	4	3	0	6	0	1	0
64	14	1	2	0	3	0	7	1
65	13	3	2	1	2	0	2	1
66	9	1	1	0	1	0	3	1
67	5	1	2	0	1	0	1	0
68	3	0	2	0	2	2	1	0
69	3	0	1	0	2	0	0	0
70	5	1	0	0	1	0	2	1
71	4	1	1	1	0	0	1	0
72	3	0	1	0	0	0	0	0
73	2	0	1	0	1	0	0	0
74	3	0	0	0	1	0	1	0
75	4	1	0	0	0	0	1	0
76	4	0	0	0	0	0	0	0
77	4	2	0	0	0	0	0	0
78	1	0	1	1	0	0	0	0
79	1	0	0	0	0	0	0	0
80	1	0	0	0	0	0	0	0
81	0	0	1	0	0	0	0	0
82	0	0	0	0	1	0	0	0
83	0	0	0	0	0	0	1	1
Total	208	33	38	6	41	6	46	11

Data prior to September 30, 2001 as reported by the prior actuary.

Retirement Plan for General Employees  
of the City of North Miami Beach

Actuarial Valuation as of October 1, 2008

State Required Exhibit

	<u>Unfunded Actuarial Accrued Liabilities</u>	<u>Current Unfunded Liabilities</u>	<u>Amortization Payment</u>	<u>Remaining Funding Period</u>
10/01/2001	Assumption / Method Change	\$ (2,598,566)	\$ (169,483)	23 years
10/01/2001	Plan Amendment	35,257	2,300	23 years
10/01/2002	Actuarial Loss (Gain)	8,794,197	559,059	24 years
10/01/2003	Actuarial Loss (Gain)	(169,845)	(10,541)	25 years
10/01/2004	Actuarial Loss (Gain)	4,133,782	250,834	26 years
10/01/2005	Actuarial Loss (Gain)	3,482,323	206,873	27 years
10/01/2005	Plan Amendment	38,118	2,264	27 years
10/01/2006	Actuarial Loss (Gain)	1,413,843	82,333	28 years
10/01/2007	Actuarial Loss (Gain)	(1,671,361)	(95,517)	29 years
10/01/2008	Actuarial Loss (Gain)	2,518,093	141,378	30 years
10/01/2008	Assumption Change	1,667,635	93,629	30 years
	TOTAL	\$ 17,643,476	\$ 1,063,129	

This actuarial valuation and/or cost determination was 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, the techniques and assumptions used are reasonable and meet the requirements and intent of Part VII, Chapter 112, Florida Statutes. There is no benefit or expense to be provided by the Plan and/or paid from the Plan's assets for which liabilities or current costs have not been established or otherwise taken into account for in the valuation. All known events or trends which may require a material increase in plan costs or required contribution rates have been taken into account in the valuation.

Enrollment Number: 08-02802

Dated: May 20, 2009



Lawrence F. Wilson, A.S.A.