

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

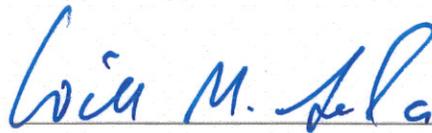
IMPACT STATEMENT FOR ORDINANCE 2014-2

PART ONE: CERTIFICATION OF THE PLAN ADMINISTRATOR

I have enclosed a copy of Ordinance 2014-2 of the City of North Miami Beach, which ordinance makes the following change to the Retirement Plan for the General Management Employees of the City of North Miami Beach:

A Charter Officer (City Clerk, City Attorney, or City Manager) employed by the City on the effective date of this ordinance may opt out of the defined benefit pension plan and participate instead in a defined contribution plan provided by the City. A Charter Officer hired from outside of the City after the effective date of this ordinance will not be eligible to participate in this plan.

The plan's enrolled actuary, Charles T. Carr of Southern Actuarial Services Company, Inc., was provided with a copy of the proposed ordinance. In addition, the described plan change meets the requirements of Part VII, Chapter 112, Florida Statutes, and Section 14, Article X of the State Constitution.



Mr. William M. Serda, Chair, Board of Trustees

PART TWO: CERTIFICATION OF THE ENROLLED ACTUARY

Chapter 112 requires disclosure of the effect of changes in assumptions, methods, and plan provisions on certain liabilities. I have determined the impact of Ordinance 2014-2 based on the results of the October 1, 2013 actuarial valuation and assuming that the City Manager retroactively opts out of the plan. On this basis, the ordinance decreases the annual contribution required from the City by **\$9,780** for the 2013/14 plan year.

The following table sets forth the required disclosures in connection with the plan change which has been described above:



Retirement Plan for the General Management Employees of the City of North Miami Beach
 Impact Statement for Ordinance 2014-2 (continued)

	As of October 1, 2013 (Old Plan Provisions)	As of October 1, 2013 (New Plan Provisions)
Present value of future expected benefit payments:		
for active participants		
<i>retirement benefits</i>	\$ 6,145,677	\$ 6,068,095
<i>termination benefits</i>	11,128	11,128
<i>disability benefits</i>	72,863	72,863
<i>death benefits</i>	175,750	173,186
<i>return of contributions</i>	137,719	127,797
<i>sub-total</i>	<u>\$ 6,543,137</u>	<u>\$ 6,453,069</u>
for terminated participants	\$ 1,803,258	\$ 1,803,258
for retired participants and beneficiaries		
<i>retired (other than disab.) & benef.</i>	\$ 14,164,607	\$ 14,164,607
<i>disabled retirees</i>	0	0
<i>sub-total</i>	<u>\$ 14,164,607</u>	<u>\$ 14,164,607</u>
total	<u>\$ 22,511,002</u>	<u>\$ 22,420,934</u>
Entry age normal accrued liability:		
for active participants		
<i>retirement benefits</i>	\$ 3,995,504	\$ 3,995,504
<i>termination benefits</i>	7,898	7,898
<i>disability benefits</i>	49,930	49,930
<i>death benefits</i>	98,442	98,442
<i>return of contributions</i>	75,523	75,107
<i>sub-total</i>	<u>\$ 4,227,297</u>	<u>\$ 4,226,881</u>
for terminated participants	\$ 1,803,258	\$ 1,803,258
for retired participants and beneficiaries		
<i>retired (other than disab.) & benef.</i>	\$ 14,164,607	\$ 14,164,607
<i>disabled retirees</i>	0	0
<i>sub-total</i>	<u>\$ 14,164,607</u>	<u>\$ 14,164,607</u>
total	<u>\$ 20,195,162</u>	<u>\$ 20,194,746</u>
Actuarial value of assets	(15,781,755)	(15,780,673)
Unfunded accrued liability	<u>\$ 4,413,407</u>	<u>\$ 4,414,073</u>
Actuarial present value of accrued benefits	\$ 19,879,681	\$ 19,878,207
Present value of active participants':		
Future salaries	\$ 18,325,958	\$ 17,575,174
Future contributions	\$ 1,466,076	\$ 1,406,013
Present value of future contributions from the employer (excluding future expenses)	\$ 5,263,171	\$ 5,234,248
Expected annual compensation (FY 2014)	\$ 2,398,885	\$ 2,281,589
Minimum required contribution (FY 2014):		
Annual normal cost (incl. expenses)	\$ 728,954	\$ 719,504
Amortization payment	0	0
Interest adjustment	25,429	25,099
Total	<u>\$ 754,383</u>	<u>\$ 744,603</u>
(% of payroll)	31.45%	32.64%



*Retirement Plan for the General Management Employees of the City of North Miami Beach
Impact Statement for Ordinance 2014-2 (continued)*

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 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.

Respectfully submitted,

Charles T. Carr

Charles T. Carr, A.S.A.

Consulting Actuary

Enrolled Actuary No. 14-04927

4/4/14

Date signed

