



July 31, 2015

Mr. Martin Lebowitz
Administrator
City of North Miami Beach
17011 N.E. 19th Avenue – Room 311
North Miami Beach, Florida 33162

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

Dear Marty:

As requested, we are pleased to enclose twelve (12) copies of the October 1, 2014 Chapter 112.664 Compliance Report for the Retirement Plan for General Employees of the City of North Miami Beach.

As required, we will timely upload the required data to the State's online portal by the August 17th deadline.

Please note a copy of the report must be posted on any website that contains budget information relating to the plan sponsor or actuarial or performance information related to the system or plan.

We appreciate the opportunity to work with the Board on this important assignment.

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

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

CHAPTER 112.664, F.S. COMPLIANCE REPORT

In Connection with the October 1, 2014 Funding Actuarial Valuation Report
and the Plan's Financial Reporting for the Year Ended September 30, 2014

July 31, 2015

Retirement Committee
c/o Mr. Martin Lebowitz
Administrator
City of North Miami Beach
17011 N.E. 19th Avenue – Room 311
North Miami Beach, Florida 33162

Re: October 1, 2014 Chapter 112.664 Compliance Report

Dear Committee Members:

Gabriel, Roeder, Smith & Company (GRS) has been engaged by the Retirement Committee (Committee) of the Retirement Plan for General Employees of the City of North Miami Beach (Plan) to prepare a disclosure report to satisfy the requirements set forth in Chapter 112.664, F.S. and as further required pursuant to Chapter 60T-1.0035, F.A.C.

This report was prepared at the request of the Committee and is intended for use by the Committee and those designated or approved by the Committee. This report may be provided to parties other than the Committee only in its entirety and only with the permission of the Committee.

The purpose of the report is to provide the required information specified in Chapter 112.664, F.S. and to supplement this information with additional exhibits. This report should not be relied on for any purpose other than the purpose described above.

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 the Committee concerning Plan benefits, Plan provisions and Plan members as used in the corresponding Actuarial Valuation Reports for the Valuation Dates indicated. Financial information was provided by the City and Committee as of September 30, 2014. We reviewed the information provided for internal and year-to-year consistency, but did not otherwise audit the data. We are not responsible for the accuracy or completeness of the information provided by the City and Committee.

Except where specific assumptions are required by Chapter 112.664, F.S, this report was prepared using actuarial assumptions adopted by the Committee as described in Section C. The Committee's economic and demographic actuarial assumptions are based on the results of an actuarial Experience Study for the five year period ended September 30, 2011. The assumptions

represent an estimate of future Plan experience. The investment return assumption of 2% higher than the investment return assumption utilized in the Actuarial Valuation Report does not represent an estimate of future Plan experience nor observation of the estimates inherent in market data. This assumption is provided as a counterpart to the Chapter 112.664, F.S. requirement to utilize an investment return assumption of 2% lower than the investment return assumption utilized in the Actuarial Valuation Report. Inclusion of an investment return 2% higher than the investment return assumption utilized in the Actuarial Valuation Report shows a more complete assessment of the range of results as opposed to the one-sided range required by statute.

If all actuarial assumptions are met and if all current and future minimum required contributions are paid Plan assets will be sufficient to pay all Plan benefits. Plan minimum required contributions are determined in compliance with the requirements of the Florida Protection of Public Employee Retirement Benefits Act with normal cost determined as a level percent of covered payroll and a level percent amortization payment using an initial amortization period of 30 years.

The Plan's funded ratio as of October 1, 2014 is 75.6% defined as the ratio of the market value of Plan assets to the actuarial accrued liability.

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 herein. The signing actuaries are independent of the Plan sponsor.

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 presents the actuarial position of the Plan as of the valuation date as required by statute. All calculations have been made in conformity with generally accepted actuarial principles and practices, with the Actuarial Standards of Practice issued by the Actuarial Standards Board and with applicable statutes.

With respect to the reporting standards for defined benefit retirement plans or systems contained in Section 112.664(1), F.S., the actuarial disclosures required under this section were prepared and completed by me or under my direct supervision and I acknowledge responsibility for the results. To the best of my knowledge, the results are complete and accurate, and in my opinion, meet the requirements of Section 112.664(1), F.S., and Section 60T-1.0035, F.A.C.

Respectfully submitted,

GABRIEL, ROEDER, SMITH AND COMPANY

By 
Lawrence F. Wilson, M.A.A.A
Enrolled Actuary No. 14-02802
Senior Consultant & Actuary
Date: July 31, 2015

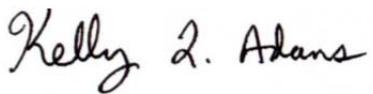
By 
Kelly L. Adams, M.A.A.A
Enrolled Actuary No. 14-06857
Consultant & Actuary

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SECTION A
CHAPTER 112.664, F.S. RESULTS

Net Pension Liability
Using Financial Reporting Assumptions per GASB Statements No. 67 and No. 68

Measurement Date	9/30/2014
A. <u>Total Pension Liability (TPL)</u>	
Service Cost	\$ 1,258,325
Interest	7,539,274
Benefit Changes	0
Difference Between Actual and Expected Experience	515,726
Assumption Changes	0
Benefit Payments	(5,333,463)
Contribution Refunds	(44,328)
Other	0
Net Change in Total Pension Liability	3,935,534
Total Pension Liability - (beginning of year)	98,072,000
Total Pension Liability - (end of year)	\$ 102,007,534
B. <u>Plan Fiduciary Net Position</u>	
Contributions - Employer	\$ 3,545,108
Contributions - State	0
Contributions - Member	643,099
Net Investment Income	7,469,081
Benefit Payments	(5,333,463)
Contribution Refunds	(44,328)
Administrative Expenses	(165,534)
Other	0
Net Change in Plan Fiduciary Net Position	6,113,963
Plan Fiduciary Net Position - (beginning of year)	71,776,351
Plan Fiduciary Net Position - (end of year)	\$ 77,890,314
C. <u>Net Pension Liability (NPL) - (end of year): (A) - (B)</u>	\$ 24,117,220
Valuation Date	10/1/2013

Certain Key Assumptions

Investment Return Assumption 7.75%

Mortality Table:

Healthy Members: RP-2000 Mortality Tables, separate rates for males and females and for annuitants and non-annuitants, with fully generational mortality improvements projected to each future payment date with Scale AA.

Disabled Members: RP-2000 Disabled Mortality Tables, separate rates for males and females, with fully generational mortality improvements projected to each future payment date with Scale AA.

Net Pension Liability
Using Assumptions Required Under 112.664(1)(a), F.S.

Measurement Date	9/30/2014
A. <u>Total Pension Liability (TPL)</u>	
Service Cost	\$ 1,286,281
Interest	7,626,767
Benefit Changes	0
Difference Between Actual and Expected Experience	353,431
Assumption Changes	0
Benefit Payments	(5,333,463)
Contribution Refunds	(44,328)
Other	0
Net Change in Total Pension Liability	3,888,688
Total Pension Liability - (beginning of year)	99,335,279
Total Pension Liability - (end of year)	\$ 103,223,967
 B. <u>Plan Fiduciary Net Position</u>	
Contributions - Employer	\$ 3,545,108
Contributions - State	0
Contributions - Member	643,099
Net Investment Income	7,469,081
Benefit Payments	(5,333,463)
Contribution Refunds	(44,328)
Administrative Expenses	(165,534)
Other	0
Net Change in Plan Fiduciary Net Position	6,113,963
Plan Fiduciary Net Position - (beginning of year)	71,776,351
Plan Fiduciary Net Position - (end of year)	\$ 77,890,314
 C. <u>Net Pension Liability (NPL) - (end of year): (A) - (B)</u>	
	\$ 25,333,653
 Valuation Date	 10/1/2013

Certain Key Assumptions

Investment Return Assumption 7.75%

Mortality Table:

RP-2000 Combined Healthy Participant Mortality Tables, separate rates for males and females, with fully generational mortality improvements projected to each future payment date with Scale AA.

Net Pension Liability
Using Assumptions Required Under 112.664(1)(b), F.S.

Measurement Date	9/30/2014
A. <u>Total Pension Liability (TPL)</u>	
Service Cost	\$ 2,031,781
Interest	7,163,366
Benefit Changes	0
Difference Between Actual and Expected Experience	(59,721)
Assumption Changes	0
Benefit Payments	(5,333,463)
Contribution Refunds	(44,328)
Other	0
Net Change in Total Pension Liability	3,757,635
Total Pension Liability - (beginning of year)	125,226,737
Total Pension Liability - (end of year)	\$ 128,984,372
 B. <u>Plan Fiduciary Net Position</u>	
Contributions - Employer	\$ 3,545,108
Contributions - State	0
Contributions - Member	643,099
Net Investment Income	7,469,081
Benefit Payments	(5,333,463)
Contribution Refunds	(44,328)
Administrative Expenses	(165,534)
Other	0
Net Change in Plan Fiduciary Net Position	6,113,963
Plan Fiduciary Net Position - (beginning of year)	71,776,351
Plan Fiduciary Net Position - (end of year)	\$ 77,890,314
 C. <u>Net Pension Liability (NPL) - (end of year): (A) - (B)</u>	 \$ 51,094,058
 Valuation Date	 10/1/2013

Certain Key Assumptions

Investment Return Assumption 5.75%

Mortality Table:

RP-2000 Combined Healthy Participant Mortality Tables, separate rates for males and females, with fully generational mortality improvements projected to each future payment date with Scale AA.

Net Pension Liability

Using Assumptions Required Under 112.664(1)(a), F.S. Plus 2% on Investment Return Assumption

Measurement Date	9/30/2014
A. <u>Total Pension Liability (TPL)</u>	
Service Cost	\$ 850,401
Interest	7,822,296
Benefit Changes	0
Difference Between Actual and Expected Experience	537,575
Assumption Changes	0
Benefit Payments	(5,333,463)
Contribution Refunds	(44,328)
Other	0
Net Change in Total Pension Liability	3,832,481
Total Pension Liability - (beginning of year)	81,352,374
Total Pension Liability - (end of year)	\$ 85,184,855
B. <u>Plan Fiduciary Net Position</u>	
Contributions - Employer	\$ 3,545,108
Contributions - State	0
Contributions - Member	643,099
Net Investment Income	7,469,081
Benefit Payments	(5,333,463)
Contribution Refunds	(44,328)
Administrative Expenses	(165,534)
Other	0
Net Change in Plan Fiduciary Net Position	6,113,963
Plan Fiduciary Net Position - (beginning of year)	71,776,351
Plan Fiduciary Net Position - (end of year)	\$ 77,890,314
C. <u>Net Pension Liability (NPL) - (end of year): (A) - (B)</u>	\$ 7,294,541
Valuation Date	10/1/2013

Certain Key Assumptions

Investment Return Assumption 9.75%

Mortality Table:

RP-2000 Combined Healthy Participant Mortality Tables, separate rates for males and females, with fully generational mortality improvements projected to each future payment date with Scale AA.

Asset and Benefit Payment Projection
Not Reflecting Any Future Contributions
Using Financial Reporting Assumptions per GASB Statements No. 67 and No. 68

FYE	Market Value of Assets (BOY)	Expected Investment Return	Projected Benefit Payments	Market Value of Assets (EOY)
2015	74,975,548	5,560,810	6,019,087	74,517,271
2016	74,517,271	5,511,691	6,346,854	73,682,108
2017	73,682,108	5,435,240	6,629,396	72,487,952
2018	72,487,952	5,332,432	6,876,643	70,943,741
2019	70,943,741	5,201,204	7,154,995	68,989,951
2020	68,989,951	5,040,099	7,388,396	66,641,654
2021	66,641,654	4,849,918	7,585,709	63,905,862
2022	63,905,862	4,629,495	7,788,085	60,747,272
2023	60,747,272	4,377,476	7,962,267	57,162,481
2024	57,162,481	4,093,239	8,116,863	53,138,856
2025	53,138,856	3,775,491	8,259,438	48,654,909
2026	48,654,909	3,424,838	8,335,256	43,744,491
2027	43,744,491	3,041,566	8,400,678	38,385,379
2028	38,385,379	2,621,502	8,514,727	32,492,154
2029	32,492,154	2,161,573	8,591,932	26,061,794
2030	26,061,794	1,663,660	8,581,324	19,144,130
2031	19,144,130	1,128,986	8,546,507	11,726,609
2032	11,726,609	556,643	8,485,897	3,797,356
2033	3,797,356	53,759	8,417,303	-
2034	-	-	8,346,295	-
2035	-	-	8,258,096	-
2036	-	-	8,132,060	-
2037	-	-	7,987,152	-
2038	-	-	7,829,470	-
2039	-	-	7,648,217	-
2040	-	-	7,443,654	-
2041	-	-	7,212,976	-
2042	-	-	6,974,133	-

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: 18.42

Certain Key Assumptions

Investment return assumption 7.75%

Mortality Table:

Healthy Members: RP-2000 Mortality Tables, separate rates for males and females and for annuitants and non-annuitants, with fully generational mortality improvements projected to each future payment date with Scale AA. Disabled Members: RP-2000 Disabled Mortality Tables, separate rates for males and females, with fully generational mortality improvements projected to each future payment date with Scale AA.

Note: As required in Section 112.664(c) of the Florida Statutes, the projection of Plan assets does not include future contributions from the City or Member. For this reason, this projection should not be viewed as representative of the amount of time the Plan can sustain benefit payments. Under the Government Accounting Standards Board standards which include City and Member contributions, the Plan is expected to be able to pay all future benefit payments.

Asset and Benefit Payment Projection
Not Reflecting Any Future Contributions
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)
2015	74,975,548	5,560,615	6,023,784	74,512,379
2016	74,512,379	5,510,746	6,360,482	73,662,643
2017	73,662,643	5,432,802	6,651,793	72,443,652
2018	72,443,652	5,327,725	6,907,339	70,864,039
2019	70,864,039	5,193,353	7,195,341	68,862,050
2020	68,862,050	5,028,160	7,437,226	66,452,985
2021	66,452,985	4,832,794	7,645,985	63,639,794
2022	63,639,794	4,605,930	7,859,052	60,386,672
2023	60,386,672	4,346,170	8,043,204	56,689,638
2024	56,689,638	4,052,830	8,207,550	52,534,917
2025	52,534,917	3,724,465	8,361,135	47,898,247
2026	47,898,247	3,361,483	8,448,856	42,810,874
2027	42,810,874	2,964,045	8,525,135	37,249,784
2028	37,249,784	2,527,856	8,650,562	31,127,078
2029	31,127,078	2,049,699	8,738,446	24,438,331
2030	24,438,331	1,531,354	8,737,656	17,232,029
2031	17,232,029	973,929	8,712,023	9,493,935
2032	9,493,935	376,392	8,659,857	1,210,469
2033	1,210,469	3,082	8,598,911	-
2034	-	-	8,534,922	-
2035	-	-	8,452,699	-
2036	-	-	8,331,416	-
2037	-	-	8,190,128	-
2038	-	-	8,035,337	-
2039	-	-	7,855,518	-
2040	-	-	7,651,084	-
2041	-	-	7,419,202	-
2042	-	-	7,178,261	-

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: 18.08

Certain Key Assumptions

Investment return assumption 7.75%

Mortality Table:

RP-2000 Combined Healthy Participant Mortality Tables, separate rates for males and females, with fully generational mortality improvements projected to each future payment date with Scale AA.

Note: As required in Section 112.664(c) of the Florida Statutes, the projection of Plan assets does not include future contributions from the City or Member. For this reason, this projection should not be viewed as representative of the amount of time the Plan can sustain benefit payments. Under the Government Accounting Standards Board standards which include City and Member contributions, the Plan is expected to be able to pay all future benefit payments.

Asset and Benefit Payment Projection
Not Reflecting Any Future Contributions
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)
2015	74,975,548	4,125,081	6,023,784	73,076,845
2016	73,076,845	4,005,508	6,360,482	70,721,871
2017	70,721,871	3,861,101	6,651,793	67,931,179
2018	67,931,179	3,692,745	6,907,339	64,716,586
2019	64,716,586	3,499,013	7,195,341	61,020,257
2020	61,020,257	3,279,005	7,437,226	56,862,036
2021	56,862,036	3,033,460	7,645,985	52,249,512
2022	52,249,512	2,761,661	7,859,052	47,152,120
2023	47,152,120	2,462,874	8,043,204	41,571,791
2024	41,571,791	2,136,930	8,207,550	35,501,171
2025	35,501,171	1,783,127	8,361,135	28,923,163
2026	28,923,163	1,402,183	8,448,856	21,876,490
2027	21,876,490	994,644	8,525,135	14,345,998
2028	14,345,998	557,767	8,650,562	6,253,203
2029	6,253,203	113,701	8,738,446	-
2030	-	-	8,737,656	-
2031	-	-	8,712,023	-
2032	-	-	8,659,857	-
2033	-	-	8,598,911	-
2034	-	-	8,534,922	-
2035	-	-	8,452,699	-
2036	-	-	8,331,416	-
2037	-	-	8,190,128	-
2038	-	-	8,035,337	-
2039	-	-	7,855,518	-
2040	-	-	7,651,084	-
2041	-	-	7,419,202	-
2042	-	-	7,178,261	-

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: 14.67

Certain Key Assumptions

Investment return assumption 5.75%

Mortality Table:

RP-2000 Combined Healthy Participant Mortality Tables, separate rates for males and females, with fully generational mortality improvements projected to each future payment date with Scale AA.

Note: As required in Section 112.664(c) of the Florida Statutes, the projection of Plan assets does not include future contributions from the City or Member. For this reason, this projection should not be viewed as representative of the amount of time the Plan can sustain benefit payments. Under the Government Accounting Standards Board standards which include City and Member contributions, the Plan is expected to be able to pay all future benefit payments.

Asset and Benefit Payment Projection
Not Reflecting Any Future Contributions
Using Assumptions Required Under 112.664(1)(a), F.S. Plus 2% on Investment Return Assumption

FYE	Market Value of Assets (BOY)	Expected Investment Return	Projected Benefit Payments	Market Value of Assets (EOY)
2015	74,975,548	6,996,506	6,023,784	75,948,270
2016	75,948,270	7,073,817	6,360,482	76,661,605
2017	76,661,605	7,128,201	6,651,793	77,138,013
2018	77,138,013	7,161,347	6,907,339	77,392,021
2019	77,392,021	7,171,119	7,195,341	77,367,799
2020	77,367,799	7,156,164	7,437,226	77,086,737
2021	77,086,737	7,117,892	7,645,985	76,558,644
2022	76,558,644	7,055,310	7,859,052	75,754,902
2023	75,754,902	6,967,358	8,043,204	74,679,056
2024	74,679,056	6,853,907	8,207,550	73,325,413
2025	73,325,413	6,713,931	8,361,135	71,678,208
2026	71,678,208	6,548,761	8,448,856	69,778,114
2027	69,778,114	6,359,531	8,525,135	67,612,510
2028	67,612,510	6,141,855	8,650,562	65,103,802
2029	65,103,802	5,892,680	8,738,446	62,258,037
2030	62,258,037	5,615,259	8,737,656	59,135,640
2031	59,135,640	5,312,160	8,712,023	55,735,777
2032	55,735,777	4,983,389	8,659,857	52,059,309
2033	52,059,309	4,628,107	8,598,911	48,088,504
2034	48,088,504	4,244,284	8,534,922	43,797,867
2035	43,797,867	3,830,228	8,452,699	39,175,396
2036	39,175,396	3,385,851	8,331,416	34,229,831
2037	34,229,831	2,911,015	8,190,128	28,950,718
2038	28,950,718	2,404,360	8,035,337	23,319,740
2039	23,319,740	1,864,701	7,855,518	17,328,923
2040	17,328,923	1,291,240	7,651,084	10,969,079
2041	10,969,079	683,227	7,419,202	4,233,104
2042	4,233,104	103,671	7,178,261	-

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: 27.58

Certain Key Assumptions

Investment return assumption 9.75%

Mortality Table:

RP-2000 Combined Healthy Participant Mortality Tables, separate rates for males and females, with fully generational mortality improvements projected to each future payment date with Scale AA.

Note: As required in Section 112.664(c) of the Florida Statutes, the projection of Plan assets does not include future contributions from the City or Member. For this reason, this projection should not be viewed as representative of the amount of time the Plan can sustain benefit payments. Under the Government Accounting Standards Board standards which include City and Member contributions, the Plan is expected to be able to pay all future benefit payments.

ACTUARIAL DETERMINED CONTRIBUTION

	<u>Valuation Assumptions</u>	<u>112.664(1)(a), F.S. Assumptions</u>	<u>112.664(1)(b), F.S. Assumptions</u>	<u>112.664(1)(a), F.S. Assumptions Plus 2% on Investment Return Assumption</u>
A. Valuation Date	October 1, 2014	October 1, 2014	October 1, 2014	October 1, 2014
B. Actuarial Determined Contribution to Be Paid During Fiscal Year Ending	9/30/2016	9/30/2016	9/30/2016	9/30/2016
C. Annual Payroll of Employees (including DROPs)	\$ 11,160,764	\$ 11,160,764	\$ 11,160,764	\$ 11,160,764
D. Annual Payroll of Employees (excluding DROPs)	\$ 8,613,816	\$ 8,613,816	\$ 8,613,816	\$ 8,613,816
E. Total Minimum Funding Requirement				
1. Total Normal Cost	\$ 1,316,670	\$ 1,342,759	\$ 2,053,140	\$ 927,331
(% of Annual Payroll including DROPs)	11.80%	12.03%	18.40%	8.31%
(% of Annual Payroll excluding DROPs)	15.29%	15.59%	23.84%	10.77%
2. Annual Payment to Amortize Unfunded Actuarial Liability	2,549,767	2,650,216	4,028,870	1,303,148
3. Interest Adjustment	144,235	148,956	169,971	103,681
4. Total Minimum Funding Requirement	\$ 4,010,672	\$ 4,141,931	\$ 6,251,981	\$ 2,334,160
F. Expected Contribution Sources				
1. City	\$ 3,407,705	\$ 3,538,964	\$ 5,649,014	\$ 1,731,193
2. Member	602,967	602,967	602,967	602,967
3. State	0	0	0	0
4. Total	\$ 4,010,672	\$ 4,141,931	\$ 6,251,981	\$ 2,334,160
(% of Annual Payroll including DROPs)	35.94%	37.11%	56.02%	20.91%
(% of Annual Payroll excluding DROPs)	46.56%	48.08%	72.58%	27.10%

Unfunded Actuarial Accrued Liabilities Bases and Amortization Payments

Amortization Base	Amortization Payment					Remaining Funding Period
	Current Unfunded Liabilities	Valuation Assumptions	112.664(1)(a), F.S. Assumptions	112.664(1)(b), F.S. Assumptions	112.664(1)(a), F.S. Assumptions Plus 2%	
10/01/2001 Assumption / Method Change	\$ (2,653,264)	\$ (265,469)	\$ (265,469)	\$ (235,183)	\$ (296,734)	17 years
10/01/2001 Plan Amendment	36,000	3,602	3,602	3,191	4,026	17 years
10/01/2002 Actuarial Loss / (Gain)	9,083,392	883,964	883,964	778,470	993,024	18 years
10/01/2003 Actuarial Loss / (Gain)	(177,253)	(16,823)	(16,823)	(14,730)	(18,989)	19 years
10/01/2004 Actuarial Loss / (Gain)	4,354,385	403,977	403,977	351,742	458,100	20 years
10/01/2005 Actuarial Loss / (Gain)	3,699,133	336,177	336,177	291,124	382,898	21 years
10/01/2005 Plan Amendment	40,492	3,680	3,680	3,187	4,191	21 years
10/01/2006 Actuarial Loss / (Gain)	1,513,362	134,976	134,976	116,274	154,383	22 years
10/01/2007 Actuarial Loss / (Gain)	(1,801,462)	(157,945)	(157,945)	(135,369)	(181,384)	23 years
10/01/2008 Actuarial Loss / (Gain)	2,731,332	235,759	235,759	201,067	271,789	24 years
10/01/2008 Assumption Change	1,808,855	156,134	156,134	133,159	179,995	24 years
10/01/2009 Actuarial Loss / (Gain)	3,104,180	264,140	264,140	224,200	305,629	25 years
10/01/2010 Actuarial Loss / (Gain)	3,486,187	292,791	292,791	247,375	339,971	26 years
10/01/2011 Actuarial Loss / (Gain)	2,693,453	223,517	223,517	188,005	260,403	27 years
10/01/2011 Assumption Change	5,516,158	457,760	457,760	385,032	533,302	27 years
10/01/2012 Actuarial Loss / (Gain)	1,702,865	139,767	139,767	117,056	163,352	28 years
10/01/2012 Plan Amendment / Method Change	(5,931,730)	(486,862)	(486,862)	(407,749)	(569,018)	28 years
10/01/2012 Plan Amendment	(308,483)	(25,320)	(25,320)	(21,205)	(29,592)	28 years
10/01/2013 Actuarial Loss / (Gain)	(107,887)	(8,766)	(8,766)	(7,311)	(10,277)	29 years
10/01/2014 Actuarial Loss / (Gain)	(314,175)	(25,292)	(25,292)	(21,009)	(29,735)	30 years
10/01/2014 Assumption Change - 112.664(1)(a), F.S. Assumptions	1,247,786	N/A	100,449	N/A	N/A	30 years
10/01/2014 Assumption Change - 112.664(1)(b), F.S. Assumptions	27,389,151	N/A	N/A	1,831,544	N/A	30 years
10/01/2014 Assumption Change - 112.664(1)(a), F.S. Assumptions Plus 2%	(17,033,957)	N/A	N/A	N/A	(1,612,186)	30 years

SECTION B
SUMMARY OF PLAN PROVISIONS

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

Outline of Principal Provisions of the Retirement Plan (as of October 1, 2014)

A. Effective Date:

July 1, 1957 as Amended and Restated under Ordinance No. 89.19. Most recently amended under Ordinance No. 2013-19.

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:

1. For members who are either (1) members of the AFSCME bargaining group or (2) not included in any bargaining unit and have attained age 62 or have attained age 55 with 20 years of credited service as of September 30, 2013 or for members of the IUPA bargaining group who have attained age 62 or have attained age 55 with 20 years of credited service as of December 31, 2013:
 - a. Eligibility: Attainment of age 62, or attainment of age 55 with 20 years of credited service.
 - b. Benefit: 3.0% of FMC times credited service.
2. For all other members of the IUPA bargaining group:
 - a. Eligibility: Attainment of age 66 with 6 years of credited service, or attainment of age 59 with 30 years of credited service.
 - b. Benefit: 3.0% of FMC times credited service through December 31, 2013 - 2.0% of FMC times credited service after December 31, 2013.

Benefits based upon credited service through December 31, 2013 may be paid upon attainment of age 62 or attainment of age 55 with 20 years of credited service.

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

Outline of Principal Provisions of the Retirement Plan (as of October 1, 2014)

3. For all other members who are either (1) members of the AFSCME bargaining group or (2) not included in any bargaining unit:

- a. Eligibility: Attainment of age 62 with 10 years of credited service, or attainment of age 60 with 25 years of credited service.
- b. Benefit: 3.0% of FMC times credited service through September 30, 2013 - 2.5% of FMC times credited service after September 30, 2013.

Benefits based upon credited service through September 30, 2013 may be paid upon attainment of age 62 or attainment of age 55 with 20 years of credited service.

F. Early Retirement:

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

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.

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

Outline of Principal Provisions of the Retirement Plan (as of October 1, 2014)

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.

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 ten (10) years of credited service - members who have completed six (6) years of credited service as of September 30, 2013 are 100% vested. Members of the IUPA bargaining group are 100% vested 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 100% vested at date of termination.
- b. Benefit: Return of employee contributions plus interest at the rate of 3%, compounded annually.

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

Outline of Principal Provisions of the Retirement Plan **(as of October 1, 2014)**

M. Cost of Living Adjustment (COLA)

For members who are either (1) members of the AFSCME bargaining group or (2) not included in any bargaining unit and have attained age 62 or have attained age 55 with 20 years of credited service as of September 30, 2013 or for members of the IUPA bargaining group who have attained age 62 or have attained age 55 with 20 years of credited service as of December 31, 2013, COLA adjustments of 2.25% per annum commencing October 1st following receipt of benefits for one (1) year.

For all other members of the IUPA bargaining group, COLA adjustments of 2.25% per annum commencing October 1st following receipt of benefits for one (1) year for 3.00% accrual service benefits and no automatic COLA adjustments for 2.00% accrual service benefits. The City Council may grant an ad hoc COLA for 2.00% accrual service benefits whenever the cumulative net actuarial gain is sufficient to fund the COLA and the funded ratio of the Plan is 100% or more.

For all other members who are either (1) members of the AFSCME bargaining group or (2) not included in any bargaining unit, COLA adjustments of 2.25% per annum commencing October 1st following receipt of benefits for one (1) year for 3.00% accrual service benefits and COLA adjustments of 0.75% per annum commencing October 1st after three (3) years following termination of employment for 2.50% accrual service benefits.

N. Normal Form of Payment of Retirement Income:

10 years certain and life thereafter, subject to applicable COLA adjustments.

O. Deferred Retirement Option Program (DROP)

1. Eligibility - Upon attainment of normal retirement eligibility. For members of the IUPA bargaining group who have not attained age 62 or have not attained age 55 with 20 years of credited service as of December 31, 2013, the DROP shall be closed.
2. The maximum period of participation in the DROP is sixty (60) months. For members who have not attained age 62 or attained of age 55 with 20 years of credited service as of September 30, 2013 and are either (1) members of the AFSCME bargaining group or (2) not included in any bargaining unit, maximum period of participation in the DROP is thirty-six (36) months.
3. COLA is not payable during DROP participation period.
4. Interest is credited at the fixed rate of 6.5% per annum through June 30, 2012 - 3.0% per annum thereafter.

P. Changes Since Most Recent Actuarial Valuation

None.

SECTION C
ACTUARIAL ASSUMPTIONS AND COST METHODS
USED FOR FUNDING

Retirement Plan for General Employees of the City of North Miami Beach
Actuarial Assumptions and Actuarial Cost Methods Used in the Valuation
(as of October 1, 2014)

A. Mortality

For healthy participants, RP-2000 Mortality Tables, separate rates for males and females and for annuitants and non-annuitants, with fully generational mortality improvements projected to each future payment date with Scale AA.

For disabled participants, RP-2000 Disabled Mortality Tables, separate rates for males and females, with fully generational mortality improvements projected to each future payment date with Scale AA.

B. Investment Return

7.75%, 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</u>			
	<u>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	12.0	8.0	12.0	12.0
25	12.0	7.9	12.0	12.0
30	12.0	7.6	10.0	10.0
35	12.0	7.4	8.0	7.9
40	12.0	5.4	8.0	7.4
45	12.0	3.0	8.0	7.1
50	12.0	3.0	8.0	6.0
55	12.0	3.0	8.0	8.0
60 & Over	12.0	3.0	8.0	8.0

Retirement Plan for General Employees of the City of North Miami Beach
Actuarial Assumptions and Actuarial Cost Methods Used in the Valuation
(as of October 1, 2014)

E. Disability Incidence

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

Disability Rates Per 100 Employees		
<u>Age</u>	<u>Male</u>	<u>Female</u>
20	0.03	0.03
25	0.04	0.05
30	0.05	0.08
35	0.07	0.14
40	0.12	0.21
45	0.20	0.32
50	0.36	0.53
55	0.72	0.95
60	1.26	1.16
65	1.75	1.36
70	0.00	0.00

F. Salary Increase Assumptions

Effective October 1, 2014 salary increase assumptions are as follows:

<u>Service</u>	<u>Salary Increase</u>
0 - 5	8.00%
6 - 10	5.50%
11 - 14	4.50%
15 + years	4.25%

G. Increase in Covered Payroll

4.0%, per year not greater than the average annual increase over most recent ten years (-3.6%), not less than 0.0%.

Retirement Plan for General Employees of the City of North Miami Beach
Actuarial Assumptions and Actuarial Cost Methods Used in the Valuation
(as of October 1, 2014)

H. Rates of Retirement

1. For members of the AFSCME bargaining group or members not included in any bargaining unit hired prior to October 1, 2013 and for members of the IUPA bargaining group hired prior to January 1, 2014:

<u>Age</u>	<u>Rates of Retirement</u>	
	<u><20 years</u>	<u>20+ years</u>
< 55	N/A	8%
55	5%	40%
56 - 59	5%	20%
60	5%	15%
61	25%	15%
62	35%	35%
63 - 64	20%	20%
65	50%	100%
66 - 69	20%	100%
70 - 74	35%	100%
75 & Over	100%	100%

35% of employees enter the DROP when first eligible for members of the AFSCME bargaining group and members not included in any bargaining unit.

2. For members of the IUPA bargaining group hired after December 31, 2013:

<u>Age</u>	<u>Rates of Retirement</u>		
	<u><20 years</u>	<u>20 - 29 years</u>	<u>30+ years</u>
< 55	N/A	8%	8%
55 - 58	5%	8%	8%
59	5%	8%	40%
60	5%	8%	35%
61	25%	25%	25%
62	30%	35%	35%
63 - 64	20%	20%	20%
65 - 74	50%	50%	50%
75 & Over	100%	100%	100%

Retirement Plan for General Employees of the City of North Miami Beach
Actuarial Assumptions and Actuarial Cost Methods Used in the Valuation
(as of October 1, 2014)

3. For members of the AFSCME bargaining group and members not included in any bargaining unit hired after September 30, 2013:

<u>Age</u>	<u>Rates of Retirement</u>		
	<u><20 years</u>	<u>20 - 24 years</u>	<u>25+ years</u>
< 55	N/A	8%	8%
55 - 59	5%	8%	8%
60	5%	8%	40%
61	25%	25%	20%
62	35%	35%	20%
63 - 64	20%	20%	20%
65	50%	50%	15%
66	20%	20%	15%
67	20%	20%	35%
68 - 69	20%	20%	20%
70 - 74	35%	35%	100%
75 & Over	100%	100%	100%

35% of employees enter the DROP when first eligible.

I. Deferred Retirement Option Program (DROP)

The assumed period of DROP participation is four (4) years for members allowed to participate in the DROP for sixty (60) months (5 year COLA deferral). The assumed period of DROP participation is three (3) years for members allowed to participate in the DROP for thirty-six (36) months (6 year COLA deferral).

J. Smoothed Actuarial Value of Assets

The method used for determining the smoothed actuarial value of assets phases in the deviation between the expected and actual return on assets at the rate of 20% per year. The smoothed 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. Smoothed actuarial value of assets marked to market October 1, 2012.

Retirement Plan for General Employees of the City of North Miami Beach
Actuarial Assumptions and Actuarial Cost Methods Used in the Valuation
(as of October 1, 2014)

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 Since Most Recent Actuarial Valuation

None.

GLOSSARY

<i>Actuarial Accrued Liability</i>	The difference between the Actuarial Present Value of Future Benefits, and the Actuarial Present Value of Future Normal Costs.
<i>Actuarial Assumptions</i>	Assumptions about future plan experience that affect costs or liabilities, such as: mortality, withdrawal, disablement, and retirement; future increases in salary; future rates of investment earnings; future investment and administrative expenses; characteristics of members not specified in the data, such as marital status; characteristics of future members; future elections made by members and other items.
<i>Actuarial Cost Method</i>	A procedure for allocating the Actuarial Present Value of Future Benefits between the Actuarial Present Value of Future Normal Costs and the Actuarial Accrued Liability.
<i>Actuarial Equivalent</i>	Of equal Actuarial Present Value, determined as of a given date and based on a given set of Actuarial Assumptions.
<i>Actuarial Present Value</i>	The amount of funds required to provide a payment or series of payments in the future. It is determined by discounting the future payments with an assumed interest rate and with the assumed probability each payment will be made.
<i>Actuarial Present Value of Future Benefits</i>	The Actuarial Present Value of amounts which are expected to be paid at various future times to active members, retired members, beneficiaries receiving benefits and inactive, non-retired members entitled to either a refund or a future retirement benefit. Expressed another way, it is the value that would have to be invested on the valuation date so that the amount invested plus investment earnings would provide sufficient assets to pay all projected benefits and expenses when due.
<i>Actuarial Valuation</i>	The determination, as of a valuation date, of the Normal Cost, Actuarial Accrued Liability, Actuarial Value of Assets, and related Actuarial Present Values for a plan. An Actuarial Valuation for a governmental retirement system typically also includes calculations of items needed for compliance with GASB No. 67.
<i>Actuarial Value of Assets</i>	The value of the assets as of a given date, used by the actuary for valuation purposes. This may be the market or fair value of plan assets or a smoothed value in order to reduce the year-to-year volatility of calculated results, such as the funded ratio and the actuarially required contribution.

<i>Amortization Method</i>	A method for determining the Amortization Payment. The most common methods used are level dollar and level percentage of payroll. Under the Level Dollar method, the Amortization Payment is one of a stream of payments, all equal, whose Actuarial Present Value is equal to the UAAL. Under the Level Percentage of Pay method, the Amortization Payment is one of a stream of increasing payments, whose Actuarial Present Value is equal to the UAAL. Under the Level Percentage of Pay method, the stream of payments increases at the rate at which total covered payroll of all active members is assumed to increase.
<i>Amortization Payment</i>	That portion of the plan contribution which is designed to pay interest on and to amortize the Unfunded Actuarial Accrued Liability.
<i>Amortization Period</i>	The period used in calculating the Amortization Payment.
<i>Annual Required Contribution</i>	The employer's periodic required contributions, expressed as a dollar amount or a percentage of covered plan compensation. The annual required contribution consists of the Employer Normal Cost and Amortization Payment plus interest adjustment.
<i>Closed Amortization Period</i>	A specific number of years that is reduced by one each year, and declines to zero with the passage of time. For example if the amortization period is initially set at 30 years, it is 29 years at the end of one year, 28 years at the end of two years, etc.
<i>Employer Normal Cost</i>	The portion of the Normal Cost to be paid by the employer. This is equal to the Normal Cost less expected member contributions.
<i>Equivalent Single Amortization Period</i>	For plans that do not establish separate amortization bases (separate components of the UAAL), this is the same as the Amortization Period. For plans that do establish separate amortization bases, this is the period over which the UAAL would be amortized if all amortization bases were combined upon the current UAAL payment.
<i>Experience Gain/Loss</i>	A measure of the difference between actual experience and that expected based upon a set of Actuarial Assumptions, during the period between two actuarial valuations. To the extent that actual experience differs from that assumed, Unfunded Actuarial Accrued Liabilities emerge which may be larger or smaller than projected. Gains are due to favorable experience, e.g., the assets earn more than projected, salaries do not increase as fast as assumed, members retire later than assumed, etc. Favorable experience means actual results produce actuarial liabilities not as large as projected by the actuarial assumptions. Losses are the result of unfavorable experience, i.e., actual results that produce Unfunded Actuarial Accrued Liabilities which are larger than projected.
<i>Funded Ratio</i>	The ratio of the Actuarial Value of Assets to the Actuarial Accrued Liability.
<i>GASB</i>	Governmental Accounting Standards Board.

***GASB No. 67 and
GASB No. 68***

These are the governmental accounting standards that set the accounting rules for public retirement plans and the employers that sponsor or contribute to them. Statement No. 67 sets the accounting rules for the plans themselves, while Statement No. 68 sets the accounting rules for the employers that sponsor or contribute to public retirement plans.

Normal Cost

The annual cost assigned, under the Actuarial Cost Method, to the current plan year.

Open Amortization Period

An open amortization period is one which is used to determine the Amortization Payment but which does not change over time. In other words, if the initial period is set as 30 years, the same 30-year period is used in determining the Amortization Period each year. In theory, if an Open Amortization Period is used to amortize the Unfunded Actuarial Accrued Liability, the UAAL will never completely disappear, but will become smaller each year, either as a dollar amount or in relation to covered payroll.

Unfunded Actuarial Accrued Liability

The difference between the Actuarial Accrued Liability and Actuarial Value of Assets.

Valuation Date

The date as of which the Actuarial Present Value of Future Benefits are determined. The benefits expected to be paid in the future are discounted to this date.