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January 12, 2005

Board of Trustees  
City of North Miami Beach, Florida  
Non Police / Fire Management Pension Plan  
North Miami Beach, FL

Board Members:

**City of North Miami Beach, Florida  
Non Police / Fire Management Pension Plan  
Actuarial Valuation - October 1, 2004  
For Use During Fiscal Year Beginning 10/1/04**

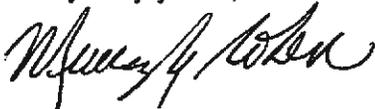
It is our pleasure to forward our Actuarial Review of the Non Police / Fire Management Pension Plan of the City of North Miami Beach. This is the first actuarial valuation of the system.

Our report is divided into the following six sections:

**Review of Costs  
Actuarial Concepts  
Cost Certification  
Funded Status  
Analysis of Assets  
Plan Outline**

This report should be considered as a single document and figures extracted from it should not be used out of context.

Very truly yours,



Murray E. Cohen PhD, ASA, MSPA, EA  
Consulting Actuary  
MEC/cw

Enclosure

**THE CITY OF NORTH MIAMI BEACH PENSION PLAN  
FOR NON POLICE/FIRE MANAGEMENT EMPLOYEES**

**REVIEW OF COSTS  
First Actuarial Valuation of the Plan**

<b>Summary of Valuation Results</b>	<b>Valuation <u>10/1/04</u></b>	<b>Valuation <u>10/1/03</u></b>
Number Covered		
Active	35	31
Retired	1	0
Disabled (Receiving Benefits from System)	0	0
Vested Terminations	0	0
Beneficiaries Receiving Death Benefits	0	0
Covered Annual Payroll	2,767,021	2,473,927
Valuation Payroll	2,886,003	2,577,643
Present Value of Retirement Benefits		
Total	14,459,121	12,637,971
Accrued to Date - Current Salary	9,298,093	7,765,743
Assets		
Market Value	5,743,014	4,546,320
Actuarial	5,743,014	4,546,320
Unfunded Accrued (Past Service) Liability	5,706,321	5,595,117
Total Normal (Current Year's Cost)	497,487	398,632
% of Payroll	17.2%	15.5%
Contribution Deficit	0	0
	0.0%	0.0%
Amortization of the Unfunded		
Accrued Liability	323,946	311,486
% of Payroll	11.2%	12.1%
Total Required Annual Contribution	821,433	710,118
% of Payroll	28.5%	27.5%
Source of Contributions**		
Members	230,880	206,211
% of Payroll	8.0%	8.0%
City (Minimum—Beginning of Plan Year)	590,553	503,906
% of Payroll	20.5%	19.5%

\*This the initial valuation for this System.

See pages 2 and 10 for details

All percentages calculated using valuation payroll

**Cost for Fiscal Year Beginning October 1, 2004**

The Actuarial valuation develops the required minimum Retirement Plan payment for the fiscal year beginning October 1, 2004 under the Florida Protection of Public Employee Retirement Benefits Act. The minimum payment consists of payment of the normal cost and the amortization of the unfunded actuarial liability. The normal cost includes benefit costs and estimated expenses arising during this Plan Year. The total minimum payment amount for the current Plan Year is \$821,433 or 28.5% of the valuation payroll as of October 1, 2004. The employee portion is 8.0% of valuation payroll. The non-employee (City) portion of this amount is \$590,553 or 20.5% of valuation payroll as of October 1, 2004. These cost are beginning of the year costs.

The following is more complete list of possible City contribution schedules:

Estimated minimum City contribution:

Beginning of the Plan Year	\$590,553
% of Valuation Payroll	20.46%
End of the Plan Year	\$637,798
% of Valuation Payroll	22.10%
During the Plan Year with Employee Payroll	\$614,175
% of Valuation Payroll	21.28%
Quarterly	\$620,373
Per quarter	\$155,093
% of Valuation Payroll	21.50%

The only other allowable offset to the city minimum contribution is the amounts in the surplus contribution account. These dollars are available at the discretion of the city. The current surplus is valued at \$1,683. Costs for the Plan Year increased from the previous Plan Year by approximately 1% of payroll. Salary increases greater than the estimated increase was the major cause of the rise in the contribution rate.

## ACTUARIAL BASIS

### What is an Actuarial Valuation?

An Actuarial Valuation is a mathematical device for measuring the liabilities under a pension plan and to determine a schedule of contributions to finance the plan. The actual cost of a pension plan cannot be determined until its entire experience is complete; however, actuarial techniques determine a pattern of contributions which will finance the liabilities in an orderly fashion. Assumptions are made regarding future experience in regard to the rate of investment return on invested funds, the probability of death, disability and other terminations from employment, the rate of future salary increases, etc. The set of actuarial assumptions and the valuation method selected by the actuary become the basis for making a valuation of the pension plan. The degree of conservatism to be reflected in the actuarial assumptions is a matter of judgment of the actuary.

An Actuarial Valuation does not determine ultimate pension plan costs; only the actual experience in regard to the many variables involved will establish the true cost of the plan. An Actuarial Valuation, however, reveals the year to year incidence of contributions necessary to soundly fund pension benefits. The incidence of contributions, or "funding schedule," may be increasing, level or decrease from year to year as a percent payroll, depending on the actuarial funding method utilized and on the degree of conservatism in the set of actuarial assumptions incorporated in the valuation.

Thus, a funding schedule may, within limits, be tailored to the financial requirements of the employer. Annual actuarial valuations are made to adjust contributions gradually as actual experience emerges. Changes in assumptions may be required if actual experience consistently departs from the valuation assumptions.

### Description of Frozen Entry Age Cost Method With Level Percentage Amortization

The valuation method used is known as the Frozen Entry Age Method. The method divides the cost of funding benefits into two parts; normal cost and past service liability. Normal cost is the level percentage payment that would be required to fund the pension if contributions were paid from the date each employee was hired to the date of their separation from the work force. The accrued liability is the present value of the units of benefit accrued in years prior to the valuation year, and is commonly referred to as the past service liability.

The initial accrued liability is the liability for past service at the date the plan was established. The past service liability can be paid off in a variety of ways and is often amortized by level payments or a level percentage of salary over a period of 10 to 30 years. The minimum payment includes a payment to amortize the unfunded past service liability over a specified number of years. Actuarial gains or losses will arise each year from mortality, turnover rates, salary increases, new entrants and investment gains or losses as actual experience differs from the assumptions made in the valuation. In practice, the normal cost is affected by these events and will fluctuate each year to reflect the emerging gains or losses.

**THE CITY OF NORTH MIAMI BEACH PENSION PLAN  
FOR NON POLICE/FIRE MANAGEMENT EMPLOYEES**

**COST CERTIFICATION**

As requested, I have determined the costs arising under the City of North Miami Beach Pension Plan -- for non Police/fire Management Employees for the year beginning October 1, 2004.

Calculations have been based on the employees' data and other information furnished by the City of North Miami Beach Pension Plan, the plan administrators.

A copy of the costs determined, together with the calculation method and assumptions used, is attached.

This actuarial calculations were prepared by me 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 Statutes. There is no benefits 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.

Enrollment I.D. Number 2002 - 2423

 1/12/05

Murray E. Cohen

Date

**THE CITY OF NORTH MIAMI BEACH PENSION PLAN  
FOR NON POLICE/FIRE MANAGEMENT EMPLOYEES**

**ACTUARIAL ASSUMPTIONS FOR VALUATION OF LIABILITIES**

**1. Assumptions Concerning Future Events**

**Mortality Rate**

Before and After Retirement: The 1983 Group Annuity Mortality Table for Males  
With a 5 year set-back for females

Sample Values

<u>Disability Rate</u>	Age:	25	35	45	50
	Male:	0.0009	0.0015	0.0036	0.0061
	Female:	0.0009	0.0015	0.0036	0.0061

(For ages over 50 the disability decrement is contained in the early retirement decrement, the greater benefit is awarded)

**Withdrawal Rate**

Male:	0.0149	0.0074	0.0027	0.0090
Female:	0.0683	0.0149	0.0074	0.0027

**Select Rates:**

	Year:	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>
Ages Younger than 40	Male:	0.250	0.200	0.150	0.120
	Female:	0.270	0.220	0.170	0.140
Ages 40 and Over	Male:	0.170	0.120	0.090	0.060
	Female:	0.190	0.140	0.110	0.080

**Salary Scale**

This reflects seniority and inflationary pay increases of between 0.25% and 0.50% and 3.75% respectively.

**Ultimate Rates:**

4.50% Per Annum for ages to 50 and over  
4.00% Per Annum for ages less than 50

**Rate of Death and Recovery  
Among Disabled Lives**

The 1983 Group Annuity Table with a ten year set forward for males and a 5 year set forward for females

**Rate of Normal and Early Retirement**

Select Rates: Age :

<u>50</u>	<u>52</u>	<u>54</u>	<u>55</u>	<u>56</u>	<u>58</u>	<u>60</u>	<u>62</u>
2.5%	2.5%	2.5%	5%	5%	5%	5%	100%

An extra 10% at attainment of age 55 with 75 points  
Decrements occur at the end of the year.

**Interest Rate**

8.0% Per Annum (Net)

**Termination Benefit Assumptions**

50% of Vested Participants are assumed to elect a deferred benefit until normal retirement age

**Valuation Payroll for Next Year**

Previous Plan Year payroll increased by average expected salary increase.

**Valuation Payroll Increase**

Payroll assumed to increase at a 4.0% per annum rate

**Expenses**

\$15,000

**Valuation of Assets**

Market value for equities.

Market value for bonds, cash and cash equivalents.

The valuation of assets is in conformity with Florida Statute 112.

**Funding Method**

**Normal Retirement**

Frozen Entry Age Cost Method With Level Percentage Amortization (Initially over a 30 Year Period)

**Ancillary Benefits**

Frozen Entry Age Cost Method

**THE CITY OF NORTH MIAMI BEACH PENSION PLAN  
FOR NON POLICE/FIRE MANAGEMENT EMPLOYEES  
PRESENT VALUE OF EXPECTED BENEFITS  
AS OF OCTOBER 1, 2004**

	<b>Valuation</b>	<b>Valuation</b>
<b><u>Active Participants</u></b>	<b><u>10/1/04</u></b>	<b><u>10/1/03</u></b>
Retirement	12,722,085	11,541,155
Termination	622,924	467,888
Disability	282,291	250,039
Death	423,528	378,889
<b>Total</b>	<b>14,050,828</b>	<b>12,637,971</b>
<b><u>Retired and Separated</u></b>		
Longevity	408,293	0
Disability	0	0
Beneficiaries	0	0
Vested Terminated	0	0
<b>Total</b>	<b>408,293</b>	<b>0</b>
 Total Present Value of Expected Benefits	 14,459,121	 12,637,971
 Present Value of Future Salaries	 17,645,066	 16,488,956

**THE CITY OF NORTH MIAMI BEACH PENSION PLAN  
FOR NON POLICE/FIRE MANAGEMENT EMPLOYEES  
PRESENT VALUE OF EXPECTED BENEFITS  
AS OF OCTOBER 1, 2004**

**DEVELOPMENT OF UNFUNDED FROZEN ACTUARIAL ACCRUED LIABILITY  
AS OF  
SEPTEMBER 30, 2004**

(1) Unfunded Frozen Initial Liability as of 10/1/2003	5,595,117
(2) Total Non-Employee Normal Cost for Plan Year 10/1/2003*	199,395
(3) Interest on (1)	447,609
(4) Derived Contributions for Period Non-Employee (page 11)	535,800
(5) Unfunded Frozen Liability as of 9/30/04 - (1)+(2)+(3)-(4)	5,706,321

\*Sum of Benefit Normal Cost at Plan Year End and Actual Expenses (191,614 and 7,781); see page 11.

**SCHEDULE OF AMORTIZATION  
October 1, 2004**

<b>Changes</b>	<b>Year Established</b>	<b>Years Amortize</b>	<b>Years Left</b>	<b>Initial Amount</b>	<b>Balance at Valuation Date</b>	<b>Minimum Level Payment</b>
Initial	10/1/2003	29.68493	28	5,509,177*	5,706,321	323,946
Total				5,509,177	5,706,321	323,946

\* The past service liability from the impact statement brought forward from 10/1/2002 to 1/24/2003.  
Payment based on level percentage of payroll over 29.6849313 years from 1/24/2003 with a 4.0% payroll increase.

**THE CITY OF NORTH MIAMI BEACH PENSION PLAN  
FOR NON POLICE/FIRE MANAGEMENT EMPLOYEES**

**NORMAL COST DEVELOPMENT FOR PLAN YEAR  
BEGINNING OCTOBER 1,2004**

	<u>10/1/04</u>
1. Present Value of Expected Benefits	14,459,121
2. Unfunded Frozen Actuarial Liability	5,706,321
3. Adjusted Actuarial Value of Assets	5,741,331
4. Present Value of Future Contributions (1) - (2) - (3)	3,011,469
5. Present Value of Future Employee Contributions	1,411,605
6. Present Value of Future Non-employee Contributions (5) - (6)	1,599,864
7. Present Value of Future Payroll	17,645,066
8. Non-Employee Cost Rate ( (6) / (7) )	9.0669%
9. Expenses	15,000
10. Valuation Payroll	2,886,003
11. Non-Employee Benefit Normal Cost ( (8) * (10) ) / 1.04 Beginning of the Plan Year	251,607
12. Non-Employee Normal Cost	
Beginning of Plan Year	266,607
% of Valuation Payroll	9.24 %
End of Plan Year	287,936
% of Valuation Payroll	9.98 %

**THE CITY OF NORTH MIAMI BEACH PENSION PLAN  
FOR NON POLICE/FIRE MANAGEMENT EMPLOYEES**

**DEVELOPMENT OF NON EMPLOYEE CONTRIBUTIONS  
FOR YEAR BEGINNING  
OCTOBER 1, 2004**

<u>Non Employee Contribution Requirements</u>	<u>10/1/04</u>
(1) Normal Cost-Non Employee % of Valuation Payroll	266,607 9.24 %
(2) Past Service Liability Cost % of Valuation Payroll	323,946 11.22%
(3) Expense Deficit % of Valuation Payroll	0 0.0%
(4) Contribution Deficit % of Valuation Payroll	0 0.0%
(5) Total Minimum Cost - Non Employee Beginning of the Plan Year (1)+(2)+(3)+(4) % of Valuation Payroll	590,553 20.46%
(6) Estimated Minimum Contribution* Beginning of the Plan Year % of Valuation Payroll	590,553 20.46%
End of the Plan Year % of Valuation Payroll	637,798 22.10%
During the Plan Year % of Valuation Payroll	614,175 21.28%
Quarterly Per quarter % of Valuation Payroll	620,373 155,093 21.50%

\*Contribution at a minimum must be sufficient to bring contributions to total cost amount (adjusted for interest) at the end of the Plan Year. Currently the City has a contribution reserve of \$1,683.

**THE CITY OF NORTH MIAMI BEACH PENSION PLAN  
FOR NON POLICE/FIRE MANAGEMENT EMPLOYEES**

**PAST CONTRIBUTIONS**

**REQUIRED PAYMENTS-10/01/2003 - 9/30/04**

<b>Required Payments - Non Employee</b>	<b><u>As Made</u></b>	<b><u>9/30/04</u></b>
Normal Cost for Benefits*	177,420	191,614
Pension Board Expenses	7,482	7,781
<b>Total Normal Cost Required Contribution - Non-Employee</b>	<b>184,902</b>	<b>199,395</b>
Amortization of Actuarial Past Service Liability	311,486	336,405
<b>Total Required City Cost for the Period</b>	<b>496,388</b>	<b>535,800</b>
<b>Contributions -Non Employee</b>		
City**	516,125	532,708
Other	0	0
<b>Total Non-Employee Contributions</b>	<b>516,125</b>	<b>532,708</b>
Previous Contribution Reserve	4,421	4,775
<b>Contribution Reserve 9/30/04</b>		<b>1,683</b>
<b>Derived City Contribution for the Period Ending 9/30/04 (532,708 - (1,683 - 4,775))</b>		<b>535,800</b>
<b><u>Employees</u></b>		
Total Estimated Contributions	206,211	214,459
Employee Contributions	217,673***	223,697

\*Taken from the 10/1/2003 Actuarial Valuation

\*\* Includes payments after the end of the year totaling \$75,181.

\*\*\* Employees paid an additional \$156,601 to purchase past service.

**THE CITY OF NORTH MIAMI BEACH PENSION PLAN  
FOR NON POLICE/FIRE MANAGEMENT EMPLOYEES**

**COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS**

<b>A. <u>Participant Data</u></b>	<b>Valuation <u>10/1/2004</u></b>	<b>Valuation <u>10/1/2003</u></b>
Number Included		
Active	35	31
Retirees	1	0
Beneficiaries	0	0
Disabilities	0	0
Terminated Vested	0	0
 Total Annual Payroll of Actives Included		
Valuation Payroll	2,767,021	2,473,927
Average Salary	2,886,003	2,577,643
	79,058	79,804
 Total Employee Contributions to Date	4,049,105	3,676,585
 <b>B. <u>Assets</u></b>		
Actuarial Value	5,743,014	4,546,320
Statement Value (using MV of Stocks and Bonds and Contribution Receivables)	5,743,014	4,546,320
 <b>C. <u>Liabilities</u></b>		
Present Value of Retirement Benefits		
Total (Future)	14,459,121	12,637,971
Accrued to Date - Projected Salary	10,493,853	8,825,917
Accrued to Date - Current Salary	9,298,093	7,765,743
 Unfunded Past Service Liability	5,706,321	5,595,117
 <b>D. <u>Pension Cost</u></b>		
Normal Cost	497,487	398,632
	17.2%	15.5%
 Deficit (Expense and/or Contribution)	0	0
	0.0%	0.0%
 Payment Required to Amortize the Unfunded Past Service Liability	323,946	311,486
	11.2%	12.1%
 Total Required Contributions		
Beginning of Plan Year	821,433	710,118
As a % of Payroll	28.5%	27.5%

Estimated Member Contributions As a % of Payroll	230,880 8.0%	206,211 8.0%
Estimated Remaining Non-Employee Minimum Amount to be Contributed (excluding surplus) Beginning of Year As a % of Payroll (Beginning of Plan Year)	590,553 20.5%	503,906 19.5%

**E. Schedule Illustrating the Amortization of Unfunded Liabilities as They Exist This Date**

<u>Year</u>	<u>Projected Unfunded Accrued Liability</u>
10/1/04	5,706,321
10/1/05	5,812,966
10/1/06	5,914,147
10/1/33	0

**F. Comparison of Actual and Assumed Salary Increases**

<u>Year Ended</u>	<u>Actual</u>	<u>Assumed</u>
2003	NA	NA
2004	7.3%	4.3%

**G. Comparison of Actual and Assumed Investment Return**

<u>Year Ended</u>	<u>Actual</u>	<u>Assumed</u>
2003	12.9%	8.0%
2004	6.6%	8.0%

**H. Present Value of Entry Age**

i. Salaries	10,619,804
ii. Contributions - Employees	849,584
iii. Benefits	1,752,132

**THE CITY OF NORTH MIAMI BEACH PENSION PLAN  
FOR NON POLICE/FIRE MANAGEMENT EMPLOYEES**

**YEARLY INFORMATION FOR GASB 25 DISCLOSURES  
FOR YEAR ENDING 9/30/04**

Membership of the plan consisted of the following at October 1, 2004, the date of the latest actuarial valuation:

Retirees and beneficiaries receiving benefits	1
Terminated plan members entitled to but not yet receiving benefits	0
Active plan members	35
Total	36

**SCHEDULES OF FUNDING PROGRESS**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
10/1/03	4,456,320	10,051,437	5,595,117	44.3%	2,473,927	226.2%
10/1/04	5,743,014	11,447,652	5,706,321	50.2%	2,767,021	206.2%

**SCHEDULE OF EMPLOYER CONTRIBUTIONS**

Year Ended September 30	Annual Required Contribution	Percent Contributed
2003	345,271	100%*
2004	535,800	100%**

\*The City contributed more than required. The extra amount was placed in a "City Contribution Surplus Account".

\*\* The City put in the required amount on an aggregate basis but was in a deficit position on a time adjusted basis. The shortfall was taken from the cities "Contribution Surplus Account" and its current value is \$1,683.

This information presented in the previous schedules was determined as part of the actuarial valuations at the date indicated. Additional information as of the latest actuarial valuation follows:

Valuation Date	10/1/04
Actuarial cost method	Frozen Entry Age Normal
Amortization method	30 Year Level Percent of Payroll
Remaining amortization period	28
Asset valuation method	Market Value
Actuarial assumptions:	
Investment rate of return	8.0%
Projected salary increases	4.3% next plan year; 4.3% long run
* Includes inflation at	3.75%
Cost-of-living adjustments	2.25%

**THE CITY OF NORTH MIAMI BEACH PENSION PLAN  
FOR NON POLICE/FIRE MANAGEMENT EMPLOYEES**

**ANALYSIS OF LIVES**

	Valuation	Valuation
	<u>10/1/04</u>	<u>10/1/03</u>
<b>I. <u>Key Statistics Relating to Estimated Active Employees</u></b>		
Number of Employees	35	31
Annual Earnings - Total	2,767,021	2,473,928
Valuation Payroll	2,886,003	2,577,643
Averages:		
Current Age	50.7	50.3
Past Service	10.9	12.3
Age at Hire	39.8	38.0
Annual Earnings	79,058	79,804
<b>II. <u>Key Statistics Relating to Retired Employees</u></b>		
Number of Employees	1	0
Total Annual Pensions	29,847	0
Average Annual Pension	29,847	0
<b>III. <u>Key Statistics Relating to Terminated Employees with Deferred Pensions</u></b>		
Number of Lives	0	0
Total Annual Pensions	0	0
Average Annual Pensions	0	0
<b>IV. <u>Key Statistics Relating to Beneficiaries Receiving Benefits</u></b>		
Number of Lives	0	0
Total Annual Pensions		0
Average Annual Pension	0	0
<b>V. <u>Key Statistics Relating to Disabled Employees Receiving Benefits</u></b>		
Number of Lives	0	0
Total Annual Pensions	0	0
Average Annual Pension	0	0

**EMPLOYEE PARTICIPANTS IN THE PLAN**

	Active	Vested Terminated	Disabled	Retired	Beneficiaries	Total
1. Participants as of 10/1/2003	31	0	0	0	0	31
2. New Entrants During Plan Year	7	0	0	0	0	7
3. Non-Vested Terminations During Plan Year	(2)	0	0	0	0	(2)
4. Vested Termination During Plan Year	0	0	0	0	0	0
5. Deaths During Plan Year	0	0	0	0	0	0
6. Beneficiaries	0	0	0	0	0	0
7. Disabilities During Plan Year	0	0	0	0	0	0
8. Retirement During Plan Year	(1)	0	0	1	0	0
Total Employees as of 9/30/04	35	0	0	1	0	36

## AGE SERVICE DISTRIBUTION

	<u>Male</u>	<u>Female</u>	<u>Total</u>
Participants	26	9	35
Average Age	49.346	54.556	50.686
Average Service	9.769	14.444	10.971
Average Salary	75,017.38	90,729.99	79,057.77

<u>AGE</u>	----- COMPLETED YEARS OF SERVICE -----									<u>Total</u>
	<u>0 to 4</u>	<u>5 to 9</u>	<u>10 to 14</u>	<u>15 to 19</u>	<u>20 to 24</u>	<u>25 to 29</u>	<u>30 to 34</u>	<u>35 to 39</u>	<u>40 and up</u>	
Under 20	0	0	0	0	0	0	0	0	0	0
20 to 24	0	0	0	0	0	0	0	0	0	0
25 to 29	0	0	0	0	0	0	0	0	0	0
30 to 34	0	0	0	0	0	0	0	0	0	0
35 to 39	2	1	0	0	0	0	0	0	0	3
40 to 44	1	2	2	0	0	0	0	0	0	5
45 to 49	4	3	2	1	0	0	0	0	0	10
50 to 54	1	0	1	0	1	0	0	0	0	3
55 to 59	0	1	3	2	2	2	0	0	0	10
60 to 64	0	0	0	0	0	2	0	0	0	2
65 to 69	0	1	1	0	0	0	0	0	0	2
70 to 74	0	0	0	0	0	0	0	0	0	0
75 to 79	0	0	0	0	0	0	0	0	0	0
80 to 84	0	0	0	0	0	0	0	0	0	0
85 to 89	0	0	0	0	0	0	0	0	0	0
90 and up	0	0	0	0	0	0	0	0	0	0
Totals	8	8	9	3	3	4	0	0	0	35

**AVERAGE SALARY DISTRIBUTION**

<u>AGE</u>	<u>COMPLETED YEARS OF SERVICE</u>										<u>AVERAGE</u>	
	<u>0 to 4</u>	<u>5 to 9</u>	<u>10 to 14</u>	<u>15 to 19</u>	<u>20 to 24</u>	<u>25 to 29</u>	<u>30 to 34</u>	<u>35 to 39</u>	<u>40 and up</u>			
Under 20	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
20 to 24	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
25 to 29	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
30 to 34	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
35 to 39	48,551.49	60,853.81	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	52,652.27
40 to 44	44,049.15	71,959.22	80,002.64	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	69,594.57
45 to 49	43,805.57	69,490.74	93,915.19	78,326.64	0.00	0.00	0.00	0.00	0.00	0.00	0.00	64,985.15
50 to 54	42,928.82	0.00	90,801.23	0.00	93,031.12	0.00	0.00	0.00	0.00	0.00	0.00	75,587.05
55 to 59	0.00	99,484.15	67,290.17	101,148.44	117,311.24	126,609.12	0.00	0.00	0.00	0.00	0.00	99,149.22
60 to 64	0.00	0.00	0.00	0.00	0.00	109,056.39	0.00	0.00	0.00	0.00	0.00	109,056.39
65 to 69	0.00	87,133.55	87,741.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	87,437.29
70 to 74	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
75 to 79	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
80 to 84	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
85 to 89	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
90 and up	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Average	44,912.91	74,982.77	80,916.49	93,541.17	109,217.86	117,832.75	0.00	0.00	0.00	0.00	0.00	79,057.77

**THE CITY OF NORTH MIAMI BEACH PENSION PLAN  
FOR NON POLICE/FIRE MANAGEMENT EMPLOYEES**

**ANALYSIS OF ASSETS  
SUMMARY OF RECEIPTS AND DISBURSEMENTS  
October 1, 2003 - SEPTEMBER 30, 2004**

<b>Market Value of Assets as of 10/1/2003</b>			<b>4,547,820</b>
 <b><u>Receipts:</u></b>			
Interest, Dividends, and Realized / Unrealized Gains		336,416	
Contributions -			
Employee	374,274		
City Contribution	516,125	890,399	
Other	0		
Other Income	0		
<b>Total Receipts</b>			<b>1,226,815</b>
 <b><u>Disbursements:</u></b>			
Benefit Payments -			
Retirement	22,385		
Death	0		
Disability	0		
Beneficiaries	0		
Termination	1,754	24,139	
Pension Board Expense -		7,482	
<b>Total Disbursements</b>			<b>31,621</b>
<b>Market Value of Assets as of 9/30/034</b>			<b>5,743,014</b>

Employer contributions made after the end of the Plan Year for this Plan Year are \$75,181 and the employee contributions made after the end of the Plan Year are \$8,640.

**THE CITY OF NORTH MIAMI BEACH PENSION PLAN  
FOR NON POLICE/FIRE MANAGEMENT EMPLOYEES  
MARKET VALUE OF ASSETS  
10/1/04**

Cash & Cash Equivalents	128,464
U.S. Government Bonds, Corporate Bonds and other Asset Backed Securities	2,437,980
Equities	3,092,749
Accrued Income	0
Total Allocated to Trust 10/1/04	5,659,193
Receivables - Contributions	83,821
Accounts Payable	0
Prepaid Expenses	0
<b>Market Value of Assets as of 10/1/04</b>	<b>5,743,014</b>

**ACTUARIAL VALUE  
10/1/04**

<b>Actuarial Value of Assets as of 10/1/04</b>	<b>5,743,014</b>
<b>Contribution Balance Account Surplus</b>	<b>1,683</b>
<b>Adjusted Actuarial Value of Assets (10/1/04)</b>	<b>5,741,331</b>

**THE CITY OF NORTH MIAMI BEACH PENSION PLAN  
FOR NON-POLICE/ FIRE MANAGEMENT EMPLOYEES**

**SUMMARY PLAN DESCRIPTION**

**Effective Date:** 1/24/2003

**Plan Year:** Beginning October 1 and Ending September 30

**Plan:** The Plan represents the Non-Police/Fire Management Employees

**Eligibility:** Employees shall become participants in the plan effective immediately when hired.

**Salary:** The total cash remuneration paid to a plan participant for services rendered, but shall exclude lump sum payments of accumulated annual and sick leave.

**Credited Service:** Total number of years and fractional parts of years of service as measured from date of employment. Participants of the Plan shall have the option to purchase up to four (4) years of credited service at full actuarial cost

**Final Average Compensation:** One-twelfth of the highest average earnings during the five best years of creditable service, prior to separation as an active member or the career average, whichever is greater.

**Normal Retirement Date**  
A member's normal retirement date shall be the first day of the month coincident with, or next following attainment of a combined age and years of service totaling seventy-five (75), but not earlier than age fifty-five (55), or the attainment of age sixty-two (62) with six (6) years of service.

**Normal Retirement Benefit**  
The monthly retirement benefit shall be equal to the number of years of credited service multiplied by 3% and multiplied by final monthly compensation.

**Early Retirement Date:**  
A member may retire on his early retirement date which shall be the first day of any month coincident with or next following the later of the attainment of age fifty (50) and the completion of 10 years of credited service.

**Early Retirement Benefit**  
The amount of the accrued benefit will be reduced 5% for each year before the normal retirement date.

**Disability Benefits:**  
A member deemed to be totally and permanently disabled from injury or disease will receive the greater of a monthly pension equal to 25% of average compensation or an amount equal to the accrued retirement benefit, but not more than 66-2/3% of final monthly compensation, less any monthly benefit paid by any long-term disability insurance policy provided through the Employer.

**Death Prior to Vesting**

The beneficiary of a deceased Member who was not vested or eligible for retirement shall receive a refund of one hundred percent (100%) of the member's accumulated contributions.

**Death after Vesting**

If a member dies prior to retirement, but he is vested, his beneficiary shall receive the pension benefit otherwise payable to the member at the early or normal retirement date.

**Withdrawal and Vesting:** If a member's employment is terminated either voluntarily or involuntarily, the following benefits are payable:

- 1) If the member has less than six (6) years of credited service upon termination the member shall be entitled to a refund of the money he has contributed or the member may leave it deposited with the Fund.
- 2) If the member has six (6) or more years of credited service upon termination the member shall be entitled to their accrued monthly retirement benefit, starting at the member's otherwise normal or early retirement date, provided he does not elect to withdraw his contributions and provided he survives to his normal or early retirement date

**Employee Contributions** Members of the Plan shall be required to make regular contributions to the Fund in the amount of eight percent (8%) of their salary/pre-tax.

The 401(a) balances of employees entering the plan on January 24, 2003 shall be credited to each employee's accumulated contribution account.

**Cost of Living Adjustment:** Commencing October 1, 2003, and on the first day of each October thereafter, the monthly income payable hereunder to each participant or beneficiary who has been receiving benefits under any provision of this plan for one or more years, or to any such participant's or beneficiary's surviving beneficiary, shall be increased by two and one-quarter percent (2.25%).

*This summary was designed only to give you a brief description of the benefits provided does not include all the provisions or exclusions in the Plan Document. The Employee should not rely on this information in making retirement decisions. If this outline disagrees with the Plan Document in any way, the Plan Document will govern.*