



April 9, 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
Actuarial Valuation**

Dear Marty:

As requested, we are pleased to enclose twelve (12) copies of the October 1, 2014 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
Post Office Box 9000
Tallahassee, Florida 32315-9000

We appreciate the opportunity to have performed this important assignment on behalf of the Board.

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

PROJECTION ACTUARIAL VALUATION AS OF OCTOBER 1, 2014

This Valuation Determines the Annual Contribution for Plan Year October 1, 2015 through September 30, 2016 with City Contribution to be Paid in Fiscal Year October 1, 2015 to September 30, 2016

April 2015

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

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April 9, 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

Dear Committee Members:

October 1, 2014 Projection Actuarial Valuation

We are pleased to present our October 1, 2014 Projection 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 XVIII and the State Required Exhibit on Table XIX. 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, 2015 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, 2016 is **\$4,010,672 (46.6%)**. The figure in parentheses is the Plan cost expressed as a percentage of projected covered annual payroll for fiscal year beginning October 1, 2015 (\$8,613,816).

This total cost is to be met by Member and City contributions. We anticipate Member contributions will be **\$602,967 (7.0%)** leaving **\$3,407,705 (39.6%)** which must be contributed to the Plan by the City for the fiscal year ending September 30, 2016.

Changes in Actuarial Assumptions, Methods and Plan Benefits

Plan benefits remain unchanged from our Actuarial Valuation as of October 1, 2013. Plan provisions are outlined on Table X.

The actuarial assumptions and methods remain unchanged from our Actuarial Valuation as of October 1, 2013. Actuarial assumptions and methods are outlined on Table XI.

Comparison of October 1, 2013 and October 1, 2014 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 our Actuarial Valuation as of October 1, 2013. The right columns indicate the costs as calculated for October 1, 2014.

Comparing the left and right columns of Table II shows the effect of Plan experience during the year. The number of active participants decreased by approximately 8% while covered payroll decreased by approximately 5%. The normal cost decreased both as a dollar amount and as a percentage of covered payroll. The unfunded actuarial accrued liability decreased as a dollar amount but increased as a percentage of covered payroll. The City's minimum required contribution also decreased as a dollar amount but increased as a percentage of covered payroll.

The value of vested accrued benefits exceeds the market value of Plan assets, resulting in a Vested Benefit Security Ratio of 81.7% - an increase from 78.6% as of our Actuarial Valuation as of October 1, 2013.

Plan Experience

Table VII indicates the Plan experienced an actuarial gain of \$314,175. This suggests actual overall experience was more favorable than expected.

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 4.92%. This was more than our assumption for salary increases of 3.75% and was generally an offsetting source of actuarial loss. Three, five and ten-year average salary increases are 1.94%, 2.59% and 4.1%, respectively.

Employee turnover this year was 70% of the assumed turnover and was generally an additional offsetting source of actuarial loss. Three, five and ten-year average turnover experience are 100%, 110% and 120%, respectively of the assumed turnover rates.

Smoothed actuarial value investment return of 9.47%, net of investment expense, was more than the 7.75% investment return assumption. Three, five and ten-year average smoothed actuarial value net investment returns are 7.11%, 5.47% and 5.3%, respectively. Smoothed actuarial value investment return was a source of actuarial gain during the previous year. Market value net returns for the one, three, five and ten-year periods have been 10.51%, 13.78%, 10.21% and 7.1%, respectively.

Member Census and Financial Data

The Board provided the Member census data as of October 1, 2014 used for this actuarial valuation to us. This information contains name, Social Security number, date of birth, date of hire, date of participation, October 1, 2014 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 audited financial information concerning fund assets as of September 30, 2014 from the Board. We do not audit the Member census data and asset information 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 actuarial assumptions used in this Actuarial Valuation are as adopted by the Board of Trustees. Each assumption represents an estimate of future Plan experience. The latest Experience Study is based upon the five-year period ended September 30, 2011.

If all actuarial assumptions are met and if all 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 VSBR may be appropriate for assessing the sufficiency of Plan assets to meet the estimated cost of settling benefit obligations based upon funding assumptions but may not be appropriate for assessing the need for or the amount of future contributions.

The GASB Plan Fiduciary Net Position as a Percentage of Total Pension Liability may not be appropriate for assessing the sufficiency of Plan assets to meet the estimated cost of settling benefit obligations but may be appropriate for assessing the need for or the amount of future contributions.

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 anticipated under 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) and changes in Plan provisions or applicable law. Due to the limited scope of the actuary's assignment, the actuary did not perform an analysis of the potential range of such future measurements.

This report should not be relied on for any purpose other than the purpose described in the primary communication. Determinations of the financial results associated with the benefits described in this report in a manner other than the intended purpose may produce significantly different results.

This report has been prepared by actuaries who have substantial experience valuing public employee retirement systems. To the best of our knowledge the information contained in this report is accurate and fairly presents the actuarial position of the Plan as of the valuation date. All calculations have been made in conformity with generally accepted actuarial principles and practices, with the Actuarial Standards of Practice issued by the Actuarial Standards Board and with applicable statutes.

This report may be provided to parties other than the Board only in its entirety and only with the permission of an approved representative of the Board.

The signing actuaries are independent of the Plan sponsor.

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 this report.

Very truly yours,



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



Jennifer M. Borregard, E.A.
Consultant and Actuary

Table I

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

Summary of Retirement Plan Costs as of October 1, 2014

	<u>Cost Data</u>	<u>% of Payroll</u>
A. Participant Data Summary		
1. Active employees	193	N/A
2. Terminated vested	30	N/A
3. Receiving benefits	230	N/A
4. DROP participants	42	N/A
5. Annual payroll of active employees	\$ 8,613,816	100.0%
B. Total Normal Costs		
1. Age retirement benefits	\$ 844,392	9.8%
2. Termination benefits	186,780	2.2%
3. Death benefits	31,820	0.4%
4. Disability benefits	88,144	1.0%
5. Estimated expenses	165,534	1.9%
6. Total annual normal costs (City and Member)	\$ 1,316,670	15.3%
C. Total Actuarial Accrued Liability		
1. Age retirement benefits active employees	\$ 27,536,815	319.7%
2. Termination benefits active employees	585,197	6.8%
3. Death benefits active employees	322,763	3.7%
4. Disability benefits active employees	1,352,601	15.7%
5. Retired or terminated vested participants receiving benefits	42,659,892	495.2%
6. DROP participants	17,660,918	205.0%
7. Terminated vested participants entitled to future benefits	3,708,053	43.0%
8. Deceased participants whose beneficiaries are receiving benefits	6,365,231	73.9%
9. Disabled participants receiving benefits	2,536,783	29.5%
10. Miscellaneous liability	269,195	3.1%
11. Total actuarial accrued liability	\$ 102,997,448	1195.7%
D. Assets		
1. Smoothed actuarial value	\$ 74,521,908	865.1%
2. Market value	\$ 77,890,314	904.2%
E. Unfunded Actuarial Accrued Liability (C. - D.1.)	\$ 28,475,540	330.6%

Table I

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

Summary of Retirement Plan Costs as of October 1, 2014

	<u>Cost Data</u>	<u>% of Payroll</u>
F. Total Minimum Funding Requirement		
1. Total normal cost (City and Member)	\$ 1,316,670	15.3%
2. Amortization of unfunded liability	2,549,767	29.6%
3. Interest adjustment	144,235	1.7%
4. Total payment	\$ 4,010,672	46.6%
G. Expected payroll of active employees for 2015 - 2016 year (\$8,613,816 x 1.000)	\$ 8,613,816	100.0%
H. Expected Contribution Sources (percent of expected 2015 - 2016 payroll)		
1. Member	\$ 602,967	7.0%
2. City	3,407,705	39.6%
3. Total	\$ 4,010,672	46.6%
I. Actuarial Gains (Losses)	\$ 314,175	3.6%
J. Actuarial Present Value of Vested Accrued Benefits		
1. Retired, terminated vested, beneficiaries and disabled receiving benefits	\$ 51,561,906	598.6%
2. DROP participants	17,660,918	205.0%
3. Terminated vested participants entitled to future benefits and miscellaneous	3,977,248	46.2%
4. Active participants entitled to future benefits	22,093,132	256.5%
5. Total actuarial present value of vested accrued benefits	\$ 95,293,204	1106.3%
K. Unfunded Actuarial Present Value of Vested Accrued Benefits (J. - D.2.)	\$ 17,402,890	202.0%
L. Vested Benefit Security Ratio (D.2. ÷ J.)	81.7%	N/A

Table II

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

Comparison of Cost Data of October 1, 2013 and October 1, 2014 Valuations

	October 1, 2013		October 1, 2014	
	Cost Data	% of Annual Compensation	Cost Data	% of Annual Compensation
A. Participants				
1. Active employees	209	N/A	193	N/A
2. Terminated vested	34	N/A	30	N/A
3. Receiving benefits	210	N/A	230	N/A
4. DROP participants	52	N/A	42	N/A
5. Annual payroll of active employees	\$ 9,032,997	100.0%	\$ 8,613,816	100.0%
B. Total Normal Costs	\$ 1,432,055	15.9%	\$ 1,316,670	15.3%
C. Total Actuarial Accrued Liability	\$ 98,711,527	1092.8%	\$ 102,997,448	1195.7%
D. Smoothed Actuarial Value of Assets	\$ 69,374,663	768.0%	\$ 74,521,908	865.1%
E. Unfunded Actuarial Accrued Liability	\$ 29,336,864	324.8%	\$ 28,475,540	330.6%
F. Expected City Contribution	\$ 3,528,201	39.1%	\$ 3,407,705	39.6%
G. Unfunded Actuarial Present Value of Vested Accrued Benefits	\$ 19,508,548	216.0%	\$ 17,402,890	202.0%
H. Actuarial Gain (Loss)	\$ 109,038	1.2%	\$ 314,175	3.6%
I. Vested Benefit Security Ratio	78.6%	N/A	81.7%	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, 2014****A. Active Plan Participants Summary**

1. Active participants fully vested	164
2. Active participants partially vested	0
3. Active participants non-vested	29
4. Total active participants	<u>193</u>
5. Annual rate of pay of active participants	\$ 8,613,816

B. Retired and Terminated Vested Participant Summary

1. Retired or terminated vested participants receiving benefits	159
2. DROP participants	42
3. Terminated vested participants entitled to future benefits	30
4. Deceased participants whose beneficiaries are receiving benefits	55
5. Disabled participants receiving benefits	16

C. Projected Annual Retirement Benefits

1. Retired or terminated vested receiving benefits	\$ 3,910,549
2. DROP participants	\$ 1,079,171
3. Terminated vested entitled to future benefits	\$ 518,588
4. Beneficiaries of deceased participants receiving benefits	\$ 592,225
5. Disabled participants	\$ 251,251

Table IV**Retirement Plan for General Employees
of the City of North Miami Beach****Statement of Assets as of September 30, 2014**

	<u>Market Value</u>
A. <u>Cash</u>	\$ 8,275
B. <u>Investments</u>	
1. Short term investments	\$ 1,452,831
2. Corporate bonds	\$ 2,297,388
3. Government and agency fixed income obligations	\$ 15,042,505
4. Common stocks	\$ 45,947,769
5. Real Estate	\$ 4,901,100
6. Hedge Funds	\$ 7,592,011
C. <u>Receivables</u>	
1. Accrued interest and dividends	\$ 153,240
2. Receivable from other funds	\$ 577,782
D. <u>Payables</u>	\$ 82,587
E. <u>Total Fund</u> (A. + B. + C. - D.)	\$ 77,890,314

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, 2013</u>		\$ 71,776,351
B.	<u>Receipts During Period</u>		
	1. Contributions		
	a. Employee	\$ 643,099	
	b. City	3,545,108	
	c. Total	\$ 4,188,207	
	2. Investment income		
	a. Interest and dividends	\$ 1,819,778	
	b. Investment expense	(389,691)	
	c. Net	\$ 1,430,087	
	3. Other income		615
	4. Realized appreciation (depreciation)		3,885,190
	5. Unrealized appreciation (depreciation)		2,153,189
	6. Total receipts during period		\$ 11,657,288
C.	<u>Disbursements During Period</u>		
	1. Pension payments		\$ 4,450,726
	2. DROP distributions		882,737
	3. Refunds of accumulated employee contributions		44,328
	4. Administrative expenses		165,534
	5. Total disbursements during period		\$ 5,543,325
D.	<u>Total Market Value of Assets as of September 30, 2014</u>		\$ 77,890,314
E.	<u>Reconciliation of DROP Account Balances</u>		
	1. DROP account balances as of October 1, 2013		\$ 2,510,460
	2. Benefit payments into DROP accounts during year		1,203,841
	3. Investment credits during year		83,202
	4. Distributions from DROP accounts during year		(882,737)
	5. DROP account balances as of September 30, 2014		\$ 2,914,766

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

Development of Smoothed Actuarial Value of Assets as of September 30

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
A. Preliminary total smoothed actuarial value from prior year	65,190,331 *	69,374,663	74,521,908			
B. Total market value end of year	71,776,351	77,890,314				
C. Total market value beginning of year	65,190,331	71,776,351	77,890,314			
D. Non-investment net cash flow	(1,413,565)	(1,355,118)				
E. Investment return						
1. Total market value return: B. - C. - D.	7,999,585	7,469,081				
2. Amount for immediate recognition (7.75%)	4,997,475	5,510,156				
3. Amount for phased-in recognition: E.1. - E.2.	3,002,110	1,958,925				
F. Phased-in recognition of investment return						
1. Current year: 20% of E.3.	600,422	391,785				
2. First prior year		600,422	391,785			
3. Second prior year			600,422	391,785		
4. Third prior year				600,422	391,785	
5. Fourth prior year					600,422	391,785
6. Total phased-in recognition of investment return	<u>600,422</u>	<u>992,207</u>	<u>992,207</u>	<u>992,207</u>	<u>992,207</u>	<u>391,785</u>
G. Total smoothed actuarial value end of year						
1. Preliminary smoothed actuarial value end of year: A. + D. + E.2. + F.6.	69,374,663	74,521,908				
2. Upper corridor limit: 120% of B.	86,131,621	93,468,377				
3. Lower corridor limit: 80% of B.	57,421,081	62,312,251				
4. Total smoothed actuarial value end of year: G.1., not more than G.2., nor less than G.3.	69,374,663	74,521,908				
H. Difference between market value and smoothed actuarial value	2,401,688	3,368,406				
I. Smoothed actuarial value rate of return	8.68%	9.47%				
J. Market value rate of return	12.41%	10.51%				

* Marked to market value as of October 1, 2012 Actuarial Impact Statement

Table VII

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

**Actuarial Gain / (Loss) for
Plan Year Ended September 30, 2014**

A. Derivation of Actuarial Gain / (Loss)

1. City net normal cost previous actuarial valuation	\$	799,745
2. Unfunded actuarial accrued previous actuarial valuation		29,336,864
3. City contributions previous year		3,545,108
4. Interest on:		
(a) City net normal cost	\$	61,980
(b) Unfunded actuarial accrued liability		2,273,607
(c) Contributions		137,373
(d) Net interest: (a) + (b) - (c)	\$	2,198,214
5. Expected unfunded actuarial accrued liability current year (1. + 2. - 3. + 4.)		28,789,715
6. Actual unfunded actuarial accrued liability current year		28,475,540
7. Actuarial gain / (loss): (5. - 6.)	\$	314,175

B. Approximate Portion of Gain / (Loss)
due to Investments

1. Smoothed actuarial value of assets previous year	\$	69,374,663
2. Contributions during year		4,188,207
3. Benefits and administrative expenses during year		5,543,325
4. Expected appreciation for period		5,324,026
5. Expected smoothed actuarial value of assets current year: (1. + 2. - 3. + 4.)	\$	73,343,571
6. Smoothed actuarial value of assets current year	\$	74,521,908
7. Approximate gain / (loss) due to investments: (6. - 5.)	\$	1,178,337

C. Approximate Portion of Gain / (Loss)
due to Liabilities: A. - B.

\$ (864,162)

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, 2014	\$ 28,475,540	\$ 2,549,767
October 1, 2015	\$ 27,935,020	\$ 2,549,767
October 1, 2016	\$ 27,352,610	\$ 2,549,767
October 1, 2017	\$ 26,725,063	\$ 2,549,767
October 1, 2018	\$ 26,048,881	\$ 2,549,767
...		
...		
October 1, 2044	\$ 0	\$ 0

B. Covered Payroll History

<u>Date</u>	<u>Covered Payroll</u>	<u>Annual Increase</u>
October 1, 2014	\$ 8,613,816	(4.6%)
October 1, 2013	\$ 9,032,997	(14.9%)
October 1, 2012	\$ 10,612,185	(6.3%)
October 1, 2011	\$ 11,326,066	(11.2%)
October 1, 2010	\$ 12,754,334	(1.5%)
October 1, 2009	\$ 12,953,446	(0.6%)
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	N/A
Ten-Year Average Annual Increase		(3.6%)

Table IX

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

	10/01/2013	10/01/2014
I. <u>Number of Plan Participants</u>		
a. Retirees, beneficiaries and disableds receiving benefits	210	230
b. DROP participants	52	42
c. Terminated plan participants entitled to but not yet receiving benefits	34	30
d. Active plan participants	209	193
e. Total	505	495
II. <u>Financial Accounting Standards Board Allocation</u>		
<u>As of October 1, 2014</u>		
A. <u>Statement of Accumulated Plan Benefits</u>		
1. Actuarial present value of accumulated vested plan benefits		
a. Participants currently receiving benefits	\$ 44,839,634	\$ 51,561,906
b. DROP participants	18,979,622	17,660,918
c. Other participants	27,465,643	26,070,380
d. Total	\$ 91,284,899	\$ 95,293,204
2. Actuarial present value of accumulated non-vested plan benefits	3,125,792	2,751,207
3. Total actuarial present value of accumulated plan benefits	\$ 94,410,691	\$ 98,044,411
B. <u>Statement of Change in Accumulated Plan Benefits</u>		
1. Actuarial present value of accumulated plan benefits as of October 1, 2013		\$ 94,410,691
2. Increase (decrease) during year attributable to:		
a. Plan amendments / changes in actuarial assumptions		\$ 0
b. Benefits paid (including DROP distributions and refunds)		(5,377,791)
c. Other, including benefits accumulated and increase for interest due to decrease in the discount period		9,011,511
d. Net increase		\$ 3,633,720
3. Actuarial present value of accumulated plan benefits as of October 1, 2014		\$ 98,044,411
C. <u>Significant Matters Affecting Calculations</u>		
1. Assumed rate of return used in determining actuarial present values		7.75%
2. Change in plan provisions		None.
3. Change in actuarial assumptions and methods		None.

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

Accounting Disclosure Exhibit

III. Net Pension Liability and Related Ratios (GASB No. 67)

Measurement Date	Actual 9/30/2014	Projected 9/30/2015*
A. <u>Total Pension Liability (TPL)</u>		
Service Cost	\$ 1,258,325	\$ 1,151,136
Interest	7,539,274	7,845,887
Benefit Changes	0	0
Difference between Actual and Expected Experience	515,726	989,914
Assumption Changes	0	0
Benefit Payments, including Refunds of Member Contributions	(5,377,791)	(5,822,653)
Net Change in Total Pension Liability	\$ 3,935,534	\$ 4,164,284
Total Pension Liability (TPL) - (beginning of year)	98,072,000	102,007,534
Total Pension Liability (TPL) - (end of year)	<u>\$ 102,007,534</u>	<u>\$ 106,171,818</u>
B. <u>Plan Fiduciary Net Position</u>		
Contributions - City	\$ 3,545,108	\$ 3,528,201
Contributions - Member	643,099	602,967
Net Investment Income	7,469,081	5,964,540
Benefit Payments, including Refunds of Member Contributions	(5,377,791)	(5,822,653)
Administrative Expenses	(165,534)	(165,534)
Other	0	0
Net Change in Plan Fiduciary Net Position	\$ 6,113,963	\$ 4,107,521
Plan Fiduciary Net Position - (beginning of year)	71,776,351	77,890,314
Plan Fiduciary Net Position - (end of year)	<u>\$ 77,890,314</u>	<u>\$ 81,997,835</u>
C. <u>Net Pension Liability (NPL) - (end of year): (A) - (B)</u>	\$ 24,117,220	\$ 24,173,983
D. <u>Plan Fiduciary Net Position as a Percentage of TPL: (B) / (A)</u>	76.36 %	77.23 %
E. <u>Covered Employee Payroll</u>	\$ 11,482,161	\$ 11,160,764
F. <u>NPL as a Percentage of Covered Employee Payroll: (C) / (E)</u>	210.04 %	216.60 %
G. <u>Notes to Schedule:</u>		
Valuation Date	10/01/2013	10/01/2014
Update procedures used to roll forward TPL excluding DROP account balances to the measurement dates - actual DROP account balances as of measurement dates included in TPL.		
No assumption changes or benefit changes during 2014 or 2015.		

* Projected - actual amounts will be available after fiscal year end

**Table IX
(Cont'd)**

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

Accounting Disclosure Exhibit

IV. Schedule of Employer Contributions (GASB No. 67)

<u>Fiscal Year Ended 9/30</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll ^{1,2}</u>	<u>Actual Contribution as a % of Covered Payroll</u>
2005	\$ 1,738,722	\$ 1,738,722	\$ 0	12,467,338	13.95%
2006	1,830,267	1,858,727	(28,460)	12,748,757	14.58%
2007	2,114,806	2,133,251	(18,445)	12,852,968	16.60%
2008	2,271,608	2,333,440	(61,832)	13,111,784	17.80%
2009	2,126,565	2,122,612	3,953	13,029,957	16.29%
2010	2,649,170	2,649,170	0	12,953,446	20.45%
2011	2,812,799	2,812,799	0	12,754,334	22.05%
2012	2,677,804	2,927,951	(250,147)	11,326,066	25.85%
2013	3,220,136	3,381,418	(161,282)	10,612,185	31.86%
2014	3,545,108	3,545,108	0	11,482,161	30.87%
2015 ³	3,528,201	3,528,201	0	11,160,764	31.61%

¹ Projected prior to fiscal year ended September 30, 2014

² Excludes DROP payroll, if any, prior to fiscal year ended September 30, 2014

³ Projected - actual amounts will be available after fiscal year end

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

Accounting Disclosure Exhibit

V. Notes to Schedule of Contributions (GASB No. 67)

Valuation Date: Actuarially determined contributions are calculated as of October 1st - two year(s) prior to the fiscal year end in which contributions are paid.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percentage of pay, closed
Amortization Period	30 years
Asset Valuation Method	Smoothed market value
Inflation	3.25%
Salary Increases	3.75% - 8.00%
Investment Rate of Return	7.75%
Payroll Growth Assumption	4.0%, per year not greater than average annual increase over most recent ten years (-3.6%), not less than 0.0%.
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	For healthy participants, the RP 2000 Mortality Table was used, with separate rates for males and females and for annuitants and non-annuitants with fully generational mortality improvements projected to each future decrement date with Scale AA. For disabled participants, the RP 2000 Disabled Mortality Table was used, with separate rates for males and females with fully generational mortality improvements projected to each future decrement date with Scale AA.
Cost-of-Living Increases	0%, 0.75%, 2.25%

Other Information:

Benefit Changes

2012 - Normal retirement eligibility, benefit, vesting and DROP participation changed to: (members not eligible for normal retirement as of September 30, 2013 and non-IUPA members) earlier of age 62 with 10 years of credited service or age 60 with 25 years of credited service along with a multiplier of 2.5% for service after September 30, 2013 - vesting requirement increased to 10 years of service (members with less than 6 years of service as of September 30, 2013) - maximum DROP participation period reduced to 36 months. Normal retirement eligibility, benefit, vesting and DROP participation changed to: (IUPA members not eligible for normal retirement as of December 31, 2013) earlier of age 66 with 6 years of credited service or age 59 with 30 years of credited service along with a multiplier of 2.0% for service after December 31, 2013 - DROP closed to IUPA members not age 55 with 20 years of credited service as of December 31, 2013. Effective July 1, 2012: DROP interest credit reduced to 3% per annum. 2006 - DROP program adopted.

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

Accounting Disclosure Exhibit

V. Notes to Schedule of Contributions (GASB No. 67) (continued)

Assumption Changes

2012 - Assumed DROP participation period 48 months for members eligible to participate in DROP for sixty 60 months - assumed DROP participation period 36 months for members eligible to participate in the DROP for 36 months. Smoothed value of assets marked to market value. 2011 - assumed retirement rates updated - investment return assumption reduced to 7.75% - assumed employee withdrawal rates, rates of retirement along with salary increase assumptions updated. 2008 - mortality assumptions for healthy and impaired lives updated - investment return assumption reduced to 8.25% - employee withdrawal rates and rates of retirement were updated. 2006 - retirement rates updated in conjunction with adoption of DROP program.

VI. Discount Rate (GASB No. 67)

A discount rate of 7.75% was used to measure the TPL. This discount rate was based on the expected rate of return on Plan investments of 7.75%. The projection of cash flows used to determine this discount rate assumed member contributions will be made at the current contribution rate and employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension Plan's fiduciary net position was projected to be available to make all projected future expected benefit payments of current Plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the TPL.

VII. Sensitivity of the NPL to the Discount Rate Assumption (GASB No. 67)

Measurement date: 9/30/2014

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Discount Rate	6.75%	7.75%	8.75%
NPL	\$ 35,576,231	\$ 24,117,220	\$ 14,515,198

Measurement date: 9/30/2015*

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Discount Rate	6.75%	7.75%	8.75%
NPL	\$ 35,883,663	\$ 24,173,983	\$ 14,356,506

* Projected - actual amounts will be available after fiscal year end

**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. 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

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

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

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.

**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 with Scale AA.

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 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 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**

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**

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**

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, 2012.0

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

Actuarial Assumptions and Actuarial Cost Methods
Used in the Valuation

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.

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

**Distribution by Attained Age Groups
and Service Groups as of October 1, 2014**

All Active Participants

<u>Attained Age Group</u>	<u>COMPLETED YEARS OF SERVICE</u>							<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 & Over</u>	
Under 25	-	-	-	-	-	-	-	0
25-29	1	4	-	-	-	-	-	5
30-34	1	8	7	-	-	-	-	16
35-39	2	12	7	1	-	-	-	22
40-44	1	9	4	12	2	-	-	28
45-49	1	7	7	13	5	-	-	33
50-54	2	10	4	11	8	5	2	42
55-59	-	8	7	12	3	-	-	30
60-64	-	2	4	5	-	-	-	11
65 & Over	-	3	-	3	-	-	-	6
TOTAL	8	63	40	57	18	5	2	193

	<u>Prior Year</u>	<u>Current Year</u>
Average Attained Age	47.45 years	47.88 years
Average Hire Age	34.60 years	34.43 years
Average Pay	\$ 43,220	\$ 44,631
Percent Female	30.6%	31.6%

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

<u>Current Age Group</u>	<u>Count</u>	<u>Total Annual Benefit</u>	<u>Average Annual Benefit</u>
Less than 50	15	\$ 233,822	\$ 15,588
50-54	9	212,604	23,623
55-59	4	43,271	10,818
60-64	2	28,891	14,446
65 & Over	0	0	0
TOTAL	<u>30</u>	<u>\$ 518,588</u>	<u>\$ 17,286</u>

B. Retirees Receiving Benefits

<u>Current Age Group</u>	<u>Count</u>	<u>Total Annual Benefit</u>	<u>Average Annual Benefit</u>
Less than 50	0	\$ 0	\$ 0
50-54	1	28,847	28,847
55-59	13	398,718	30,671
60-64	33	1,065,165	32,278
65-69	26	706,882	27,188
70-74	26	702,093	27,004
75-79	22	489,020	22,228
80 & Over	38	519,824	13,680
TOTAL	<u>159</u>	<u>\$ 3,910,549</u>	<u>\$ 24,595</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	7	\$ 43,606	\$ 6,229
50-54	5	51,815	10,363
55-59	8	87,753	10,969
60-64	3	6,426	2,142
65-69	12	201,763	16,814
70-74	11	143,043	13,004
75 & Over	9	57,819	6,424
TOTAL	<u>55</u>	<u>\$ 592,225</u>	<u>\$ 10,768</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	2	\$ 21,703	\$ 10,852
50-54	2	38,338	19,169
55-59	2	30,314	15,157
60-64	5	108,210	21,642
65-69	3	30,149	10,050
70-74	2	22,537	11,269
75 & Over	0	0	0
TOTAL	<u>16</u>	<u>\$ 251,251</u>	<u>\$ 15,703</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**

E. DROP Participants

<u>Current Age Group</u>	<u>Count</u>	<u>Total Annual Benefit</u>	<u>Average Annual Benefit</u>
Less than 50	0	\$ 0	\$ 0
50-54	0	0	0
55-59	15	536,509	35,767
60-64	12	258,540	21,545
65-69	13	250,429	19,264
70-74	2	33,693	16,847
75 & Over	0	0	0
TOTAL	42	\$ 1,079,171	\$ 25,695

Table XIV

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

Reconciliation of Employee Data

	Active Participants	DROP	Terminated Vested	Retirees & Beneficiaries	Disabled	Total
Participants as of October 1, 2013	209	52	34	197	13	505
Retired	(4)	(14)	(5)	23	0	0
Terminated Vested	(2)	0	2	0	0	0
Terminated Non-Vested	(1)	0	0	0	0	(1)
Disabled	(3)	0	0	0	3	0
Refunds	(3)	0	0	0	0	(3)
Deceased	0	(1)	0	(6)	0	(7)
Rehired	1	0	(1)	0	0	0
QDRO Put in Pay	0	0	0	0	0	0
Transfers In	0	0	0	0	0	0
Transfers Out	0	0	0	0	0	0
New Hires	1	0	0	0	0	1
DROP	(5)	5	0	0	0	0
Data Adjustment	0	0	0	0	0	0
Net Change	(16)	(10)	(4)	17	3	(10)
Participants as of October 1, 2014	193	42	30	214	16	495

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

Projected Retirement Benefits

<u>Fiscal Year Ending</u>	<u>Projected Total Annual Payout</u>
2015	6,019,087
2016	6,362,266
2017	6,676,657
2018	6,964,342
2019	7,300,483
2020	7,614,307
2021	7,913,484
2022	8,216,093
2023	8,511,860
2024	8,802,388

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

<u>October 1, 2014 Service Groups</u>	<u>Employees*</u>	<u>Actual % Increase</u>	<u>Assumed % Increase</u>
0 - 5	17	6.90%	3.75%
6 - 10	61	5.96%	3.75%
11 - 14	37	2.66%	3.75%
15 + years	70	4.72%	3.75%
TOTAL	185	4.92%	3.75%

B. Recent Salary Experience

<u>Year Ended</u>	<u>Employees*</u>	<u>Actual % Increase</u>	<u>Assumed % Increase</u>
09/30/2013	194	0.73%	3.75%
09/30/2012	220	0.24%	3.75%
09/30/2011	230	3.62%	6.00%
09/30/2010	247	3.50%	5.96%
09/30/2009	256	2.97%	6.00%
09/30/2008	254	5.8%	5.5%
09/30/2007	270	6.9%	5.5%
09/30/2006	275	5.9%	5.5%
09/30/2005	284	6.3%	5.5%
Last 3 Years	599	1.94%	3.75%
Last 5 Years	1,076	2.59%	4.64%
Last 10 Years	2,415	4.1%	5.1%

* 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, 2013 Age Groups</u>	<u>Number of Participants October 1, 2013</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	0	0.0	0	N/A
25-29	7	0.7	1	1.4
30-34	20	1.6	2	1.3
35-39	21	1.6	1	0.6
40-44	30	1.5	0	0.0
45-49	33	1.3	1	0.8
50-54	43	1.1	1	0.9
55-59	33	0.7	0	0.0
60-64	13	0.2	0	0.0
65 & Over	<u>9</u>	<u>0.0</u>	<u>0</u>	<u>N/A</u>
TOTAL	209	8.7	6	0.7

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>
09/30/2013	248	11.1	14	1.3
09/30/2012	261	13.8	12	0.9
09/30/2011	292	9.7	20	2.1
09/30/2010	300	10.1	8	0.8
09/30/2009	301	10.6	12	1.1
09/30/2008	317	11.7	18	1.5
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
Last 3 Years	718	33.6	32	1.0
Last 5 Years	1,310	53.4	60	1.1
Last 10 Years	2,891	111.8	132	1.2

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

Analysis of Investment Yield as of October 1, 2014

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> ¹	<u>Administrative Expenses</u>	<u>Member Contributions</u>	<u>City Contributions</u>	<u>Smoothed Actuarial Value</u> ^{2, 3}
09/30/2014	\$ 5,377,791	\$ 165,534	\$ 643,099	\$ 3,545,108	\$ 74,521,908
09/30/2013	\$ 5,412,901	\$ 173,730	\$ 791,648	\$ 3,381,418	\$ 69,374,663
09/30/2012	\$ 5,054,659	\$ 182,427	\$ 793,842	\$ 2,927,951	\$ 60,520,361
09/30/2011	\$ 4,364,366	\$ 159,677	\$ 866,568	\$ 2,812,799	\$ 60,135,822
09/30/2010	\$ 3,786,521	\$ 161,387	\$ 964,773	\$ 2,649,170	\$ 59,444,402
09/30/2009	\$ 3,320,764	\$ 113,221	\$ 924,190	\$ 2,122,612	\$ 57,832,173
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

¹ Includes DROP distributions (previously included DROP benefit credits), effective for October 1, 2013 valuation date.

² Includes DROP account balances, effective for October 1, 2013 valuation date.

³ 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 Return</u>	<u>Market Value Return ¹</u>	<u>Smoothed Actuarial Value Return ^{1,2}</u>
09/30/2014	7.75%	10.51%	9.47%
09/30/2013	7.75%	12.41%	8.68%
09/30/2012	7.75%	18.59%	3.28%
09/30/2011	8.25%	0.08%	2.69%
09/30/2010	8.25%	10.28%	3.41%
09/30/2009	8.25%	5.29%	3.06%
09/30/2008	8.50%	(13.8%)	5.0%
09/30/2007	8.50%	13.6%	10.0%
09/30/2006	8.50%	7.2%	6.2%
09/30/2005	8.50%	10.4%	1.3%
Last 3 Years	7.75%	13.78%	7.11%
Last 5 Years	7.95%	10.21%	5.47%
Last 10 Years	8.20%	7.1%	5.3%

¹ Return calculated as $2I/(A+B-I)$

² Marked to market value October 1, 2012

Table XVIII

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

City Contribution Information

<u>Valuation Date</u>	<u>Contribution Fiscal Year End</u>	<u>Minimum Required Employer Contributions</u>		<u>Actual Employer Contributions Made</u>
10/01/2014	09/30/2016	\$ 3,407,705		N/A
10/01/2013	09/30/2015	\$ 3,528,201		N/A
10/01/2012	09/30/2014	\$ 3,545,108	\$	3,545,108
10/01/2011	09/30/2013	\$ 3,220,136	*	\$ 3,381,418
10/01/2010	09/30/2012	\$ 2,677,804	*	\$ 2,927,951
10/01/2009	09/30/2011	\$ 2,812,799	*	\$ 2,812,799
10/01/2008	09/30/2010	\$ 2,649,170	*	\$ 2,649,170
10/01/2007	09/30/2009	\$ 2,122,612	*	\$ 2,122,612
10/01/2006	09/30/2008	\$ 2,333,440	*	\$ 2,333,440
10/01/2005	09/30/2007	\$ 2,133,251	*	\$ 2,133,251
10/01/2004	09/30/2006	\$ 1,858,727	*	\$ 1,858,727

* Based on percentage of payroll

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

Actuarial Valuation as of October 1, 2014

State Required Exhibit

	<u>10/01/2013</u>	<u>10/01/2014</u>
A. <u>Participant Data</u>		
1. Active participants	209	193
2. Retired participants and beneficiaries receiving benefits	197	214
3. DROP participants	52	42
4. Disabled participants receiving benefits	13	16
5. Terminated vested participants	34	30
6. Annual payroll of active participants	\$ 9,032,997	\$ 8,613,816
7. Expected payroll of active employees for the following year	\$ 9,032,997	\$ 8,613,816
8. Annual benefits payable to those currently receiving benefits	\$ 4,258,248	\$ 4,754,025
9. DROP participants receiving benefits	\$ 1,234,949	\$ 1,079,171
B. <u>Assets</u>		
1. Smoothed Actuarial Value	\$ 69,374,663	\$ 74,521,908
2. Market Value	\$ 71,776,351	\$ 77,890,314
C. <u>Liabilities</u>		
1. Actuarial present value of future expected benefit payments for active members		
a. Retirement benefits	\$ 33,565,440	\$ 32,641,275
b. Vesting benefits	1,996,622	1,769,147
c. Death benefits	530,595	504,565
d. Disability benefits	1,956,140	1,889,424
e. Total	<u>\$ 38,048,797</u>	<u>\$ 36,804,411</u>
2. Actuarial present value of future expected benefit payments for terminated vested members	\$ 4,466,490	\$ 3,708,053
3. Actuarial present value of future expected benefit payments for members currently receiving benefits		
a. Service retired	\$ 36,745,823	\$ 42,659,892
b. DROP participants	18,979,622	17,660,918
c. Disability retired	1,979,191	2,536,783
d. Beneficiaries	6,114,620	6,365,231
e. Miscellaneous	215,844	269,195
f. Total	<u>\$ 64,035,100</u>	<u>\$ 69,492,019</u>

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

Actuarial Valuation as of October 1, 2014

State Required Exhibit

	10/01/2013	10/01/2014
4. Total actuarial present value of future expected benefit payments	\$ 106,550,387	\$ 110,004,483
5. Actuarial accrued liabilities	\$ 98,711,527	\$ 102,997,448
6. Unfunded actuarial liabilities	\$ 29,336,864	\$ 28,475,540

D. Statement of Accumulated Plan Benefits

1. Actuarial present value of accumulated vested benefits		
a. Participants currently receiving benefits	\$ 44,839,634	\$ 51,561,906
b. DROP participants	18,979,622	17,660,918
c. Other participants	27,465,643	26,070,380
d. Total	\$ 91,284,899	\$ 95,293,204
2. Actuarial present value of accumulated non-vested plan benefits	3,125,792	2,751,207
3. Total actuarial present value of accumulated plan benefits	\$ 94,410,691	\$ 98,044,411

E. Statement of Change in Accumulated Plan Benefits

1. Actuarial present value of accumulated plan benefits as of October 1, 2013	\$ 94,410,691
2. Increase (decrease) during year attributable to:	
a. Plan amendment and change in actuarial assumptions and methods	\$ 0
b. Benefits paid (including DROP distributions and refunds)	(5,377,791)
c. Other, including benefits accumulated and increase for interest due to decrease in the discount period	9,011,511
d. Net increase	\$ 3,633,720
3. Actuarial present value of accumulated plan benefits as of October 1, 2014	\$ 98,044,411

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

Actuarial Valuation as of October 1, 2014

State Required Exhibit

	<u>10/01/2013</u>	<u>10/01/2014</u>
F. <u>Pension Cost</u>		
1. Total normal cost	\$ 1,432,055	\$ 1,316,670
2. Payment required to amortize unfunded liability	2,578,832	2,549,767
3. Interest	149,624	144,235
4. Total required contributions	\$ 4,160,511	\$ 4,010,672
5. Item 4 as a percentage of payroll	46.1%	46.6%
6. Estimated employee contributions	\$ 632,310	\$ 602,967
7. Item 6 as a percentage of payroll	7.0%	7.0%
8. Expected City contribution	\$ 3,528,201	\$ 3,407,705
9. Item 8 as a percentage of payroll	39.1%	39.6%
G. <u>Past Contributions</u>		
1. Total contribution required (Prior Actuarial Impact Statement)	\$ 4,188,207	\$ 4,160,511
2. Actual contributions made:		
a. Employee	\$ 643,099	N/A
b. City	3,545,108	N/A
c. Total	\$ 4,188,207	N/A
H. <u>Net Actuarial Gain (Loss)</u>	\$ 109,038	\$ 314,175
I. <u>Disclosure of Following Items:</u>		
1. Actuarial present value of future salaries - attained age	\$ 53,501,508	\$ 50,377,708
2. Actuarial present value of future employee contributions - attained age	\$ 3,745,106	\$ 3,526,440
3. Actuarial present value of future contributions from other sources	N/A	N/A
4. Amount of active members' accumulated contributions	\$ 7,016,614	\$ 6,978,357
5. Actuarial present value of future salaries and future benefits at entry age	N/A	N/A
6. Actuarial present value of future employee contributions at entry age	N/A	N/A

**Table XIX
(Cont'd)**

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

Actuarial Valuation as of October 1, 2014

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 - 9/30/2011		9/30/2012		9/30/2013		9/30/2014	
	Eligible	Retired	Eligible	Retired	Eligible	Retired	Eligible	Retired
55	34	14	5	2	2	2	2	1
56	25	6	0	0	3	1	2	0
57	24	2	2	1	0	0	2	2
58	23	8	0	0	3	3	0	0
59	18	2	0	0	0	0	0	0
60	19	3	2	1	0	0	0	0
61	18	1	0	0	2	2	0	0
62	77	21	7	4	4	4	7	3
63	49	9	6	2	3	3	0	0
64	35	3	7	2	4	2	0	0
65	31	12	2	1	5	2	2	0
66	19	6	1	0	1	0	3	1
67	12	2	0	0	1	0	1	0
68	10	3	1	0	0	0	1	1
69	8	0	0	0	1	0	0	0
70	10	2	0	0	0	0	1	0
71	8	4	1	1	0	0	0	0
72	5	1	0	0	0	0	0	0
73	4	0	0	0	0	0	0	0
74	5	0	0	0	0	0	0	0
75	6	1	0	0	0	0	0	0
76	6	0	0	0	0	0	0	0
77	6	3	0	0	0	0	0	0
78	3	1	0	0	0	0	0	0
79	1	0	1	0	0	0	0	0
80	1	0	0	0	1	0	0	0
81	1	0	0	0	0	0	1	1
82	1	0	0	0	0	0	0	0
83	1	1	0	0	0	0	0	0
Total	460	105	35	14	30	19	22	9

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

**Table XIX
(Cont'd)**

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

Actuarial Valuation as of October 1, 2014

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	\$ (2,653,264)	\$ (265,469)	17 years
10/01/2001	Plan Amendment	36,000	3,602	17 years
10/01/2002	Actuarial Loss / (Gain)	9,083,392	883,964	18 years
10/01/2003	Actuarial Loss / (Gain)	(177,253)	(16,823)	19 years
10/01/2004	Actuarial Loss / (Gain)	4,354,385	403,977	20 years
10/01/2005	Actuarial Loss / (Gain)	3,699,133	336,177	21 years
10/01/2005	Plan Amendment	40,492	3,680	21 years
10/01/2006	Actuarial Loss / (Gain)	1,513,362	134,976	22 years
10/01/2007	Actuarial Loss / (Gain)	(1,801,462)	(157,945)	23 years
10/01/2008	Actuarial Loss / (Gain)	2,731,332	235,759	24 years
10/01/2008	Assumption Change	1,808,855	156,134	24 years
10/01/2009	Actuarial Loss / (Gain)	3,104,180	264,140	25 years
10/01/2010	Actuarial Loss / (Gain)	3,486,187	292,791	26 years
10/01/2011	Actuarial Loss / (Gain)	2,693,453	223,517	27 years
10/01/2011	Assumption Change	5,516,158	457,760	27 years
10/01/2012	Actuarial Loss / (Gain)	1,702,865	139,767	28 years
10/01/2012	Plan Amendment / Method Change	(5,931,730)	(486,862)	28 years
10/01/2012	Plan Amendment	(308,483)	(25,320)	28 years
10/01/2013	Actuarial Loss / (Gain)	(107,887)	(8,766)	29 years
10/01/2014	Actuarial Loss / (Gain)	(314,175)	(25,292)	30 years
	TOTAL	\$ 28,475,540	\$ 2,549,767	

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: 14-02802
Dated: April 9, 2015



Lawrence F. Wilson, A.S.A.