

January 29, 2013

Mr. Martin Lebowitz  
Plan Administrator  
City of North Miami Beach  
17011 N.E. 19th Avenue – Room 311  
North Miami Beach, Florida 33162-3100

**Re: Retirement Plan for General Employees of the City of North Miami Beach  
Plan Reform Projection Study**

Dear Marty:

As requested, we are pleased to present our *revised* Plan Reform Projection Study as of October 1, 2012 for the Retirement Plan for General Employees of the City of North Miami Beach (Plan).

**Purpose** – The purpose of the Study is to evaluate options for Plan redesign that would meet the overall goals and objectives of the City and to provide thirty (30) year projections illustrating projected City costs under each option.

We understand the goal of the City is to redesign a schedule of Plan benefits that will lower the current City cost by \$1 million.

**Background** – The City's preliminary FYE 2014 minimum required City contribution is 40.3% (\$4,362,400) of projected covered payroll (\$10,824,813) assuming no changes in Plan benefits or actuarial methods. Members currently contribute 7% of covered pay.

The Board is interested in modifying the following current provisions:

1. Normal retirement eligibility is the earlier of (1) attainment of age sixty-two (62) or (2) attainment of age fifty-five (55) with twenty (20) years of service.
2. Early retirement eligibility is the earlier of (1) attainment of age fifty-five (55) with fifteen (15) years of service or (2) completion of twenty (20) years of service, regardless of age.
3. Early retirement benefits are actuarially reduced for benefit commencement prior to normal retirement date.
4. Benefit accrual rate is three percent (3.00%) for each year of credited service.
5. Plan participants are 100% vested upon completion of six (6) years of credited service.
6. Maximum period of DROP participation is five (5) years.
7. COLA adjustments are 2.25% per annum. COLA adjustments are not payable to DROP participants.

**Proposed Changes** – We understand the City wishes to determine the effect on its Plan contribution of the following proposed changes.

**All Scenarios**

1. Normal retirement eligibility is the earlier of (1) attainment of age sixty-two (62) with ten (10) years of service or (2) attainment of age sixty (60) with twenty-five (25) years of service (future accruals).
2. Early retirement eligibility is the earlier of (1) attainment of age fifty-five (55) with twenty (20) years of service or (2) completion of twenty-five (25) years of service, regardless of age (future accruals).
3. Early retirement reduction factor is 1/15 for the first five (5) years and 1/30 for the next five (5) years benefit commencement precedes normal retirement date (future accruals).
4. Vesting is 100% after ten (10) years of service (for currently non-vested members)
5. Maximum period of DROP participation is thirty-six (36) months (future DROPs).
6. COLA is deferred three (3) years following termination of employment (future retirees and DROPs).

Under all Scenarios benefits accrued as of October 1, 2012 and eligibilities for those benefits are unchanged. In addition, no changes in benefits or eligibilities are contemplated for active members who have already reached normal retirement age.

Benefits accrued after October 1, 2012 are payable under the above proposed normal and early retirement eligibility dates.

**Scenario 1** – Current multiplier and COLA provisions

1. Future service multiplier: 3.00% (future accruals)
2. COLA rate: 2.25% per annum (future accruals)

**Scenario 2** – Requested by Board

3. Future service multiplier: 2.50% (future accruals)
4. COLA rate: 0.75% per annum (future accruals)

**Scenario 3**

1. Future service multiplier: 3.00% (future accruals)
2. COLA rate: 0.00% per annum (future accruals)

**Scenario 4**

1. Future service multiplier: 2.35% (future accruals)
2. COLA rate: 0.00% per annum (future accruals)

**Scenario 5**

1. Future service multiplier: 2.50% (future accruals)
2. COLA rate: 0.00% per annum (future accruals)

**Scenario 6**

1. Future service multiplier: 2.20% (future accruals)
2. COLA rate: 1.00% per annum (future accruals)

**Results** – The following table shows the cumulative projected minimum required net City contributions (\$thousands) over five (5), ten (10) and thirty (30) years, beginning with FYE 2014, for the baseline (current Plan) and for each Scenario described above.

|                |           | Accumulated Net City Cost (\$thousands) |            |                   |            |                   |            |                   |            |                   |            |                   |            |                   |  |
|----------------|-----------|---|------------|-------------------|------------|-------------------|------------|-------------------|------------|-------------------|------------|-------------------|------------|-------------------|--|
|                |           | Current Plan                            |            | Scenario 1        |            | Scenario 2        |            | Scenario 3        |            | Scenario 4        |            | Scenario 5        |            | Scenario 6        |  |
|                |           | 3.00% Accrual                           |            | 3.00% Accrual     |            | 2.50% Accrual     |            | 3.00% Accrual     |            | 2.35% Accrual     |            | 2.50% Accrual     |            | 2.20% Accrual     |  |
|                |           | 2.25% COLA                              |            | 2.25% COLA        |            | 0.75% COLA        |            | 0.00% COLA        |            | 0.00% COLA        |            | 0.00% COLA        |            | 1.00% COLA        |  |
|                |           | Amount                                  |            | Amount (Decrease) |            | Amount (Decrease) |            | Amount (Decrease) |            | Amount (Decrease) |            | Amount (Decrease) |            | Amount (Decrease) |  |
| 5 Years        | \$21,704  | \$18,544                                | (\$3,160)  | \$16,677          | (\$5,027)  | \$17,264          | (\$4,440)  | \$16,059          | (\$5,645)  | \$16,356          | (\$5,348)  | \$16,185          | (\$5,519)  |                   |  |
| Average Annual | \$4,341   | \$3,709                                 | (\$632)    | \$3,335           | (\$1,005)  | \$3,453           | (\$888)    | \$3,212           | (\$1,129)  | \$3,271           | (\$1,070)  | \$3,237           | (\$1,104)  |                   |  |
| 10 Years       | \$43,507  | \$36,675                                | (\$6,832)  | \$32,454          | (\$11,053) | \$33,879          | (\$9,628)  | \$31,040          | (\$12,467) | \$31,737          | (\$11,770) | \$31,269          | (\$12,238) |                   |  |
| Average Annual | \$4,351   | \$3,668                                 | (\$683)    | \$3,245           | (\$1,105)  | \$3,388           | (\$963)    | \$3,104           | (\$1,247)  | \$3,174           | (\$1,177)  | \$3,127           | (\$1,224)  |                   |  |
| 30 Years       | \$123,472 | \$96,735                                | (\$26,737) | \$80,408          | (\$43,064) | \$86,587          | (\$36,885) | \$75,028          | (\$48,444) | \$77,776          | (\$45,696) | \$75,487          | (\$47,985) |                   |  |
| Average Annual | \$4,116   | \$3,225                                 | (\$891)    | \$2,680           | (\$1,435)  | \$2,886           | (\$1,230)  | \$2,501           | (\$1,615)  | \$2,593           | (\$1,523)  | \$2,516           | (\$1,600)  |                   |  |

**Actuarial Assumptions and Methods, Plan Provisions, Financial Data, Member Census Data**

Throughout the forecast period, members are assumed to be hired each year at a rate sufficient to maintain a constant active headcount – stationary population. New employees are assumed to have the same average demographic characteristics (age, gender, salary – adjusted each year for inflation) as those members hired over the past five (5) years.

Projections are deterministic – throughout the projection period Plan experience is expected to match the assumptions – including a market value 7.75% annual investment return.

The Actuarial Value of Assets method has been updated from the five (5) year smoothed method to the market value method. This results in an initial reduction of the City's required contribution of approximately \$194,847 (1.8% of covered payroll) for the FYE 2014.

The actuarial assumptions and methods and Plan provisions employed for purposes of our Actuarial Study are the same actuarial assumptions and methods and plan provisions utilized for the October 1, 2011 Actuarial Valuation with the exception of the following:

1. The following rates of retirement were used for new employees hired on or after October 1, 2012.

| <b>Rates of Retirement</b> |                     |                      |                  |
|----------------------------|---------------------|----------------------|------------------|
| <b>Age</b>                 | <b>&lt;20 years</b> | <b>20 – 24 years</b> | <b>25+ years</b> |
| <55                        | N/A                 | N/A                  | 8%               |
| 55 – 59                    | N/A                 | 5%                   | 8%               |
| 60                         | N/A                 | 5%                   | 40%              |
| 61                         | N/A                 | 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                         | 100%                | 100%                 | 100%             |

Unaudited financial data and member census data was provided as of October 1, 2012 by the plan administrator. This information was not audited by us but was reviewed for reasonableness.

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This Actuarial Study describes the financial effect of the proposed changes on the Plan, from a neutral perspective.

These calculations are based upon assumptions regarding future events. However, the Plan's long term costs will be determined by actual future events, which may differ materially from the assumptions made. These calculations are also based upon present and proposed Plan provisions that are outlined or referenced in this Actuarial Projection Study. If you have reason to believe the assumptions used are unreasonable, the Plan provisions are incorrectly described or referenced, important Plan provisions relevant to this proposed Actuarial Study are not described or that conditions have changed since the calculations were made, you should contact the undersigned prior to relying on information in this Actuarial Study.

If you have reason to believe that the information provided in this Actuarial Projection Study is inaccurate, or is in any way incomplete, or if you need further information in order to make an

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informed decision on the subject matter of this report, please contact the undersigned prior to making such decision.

Future actuarial measurements may differ significantly from the current measurements presented in this Study due to such factors as the following: Plans experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period); 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 Actuarial Study 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 Study in a manner other than the intended purpose may produce significantly different results.

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 opinion contained herein.

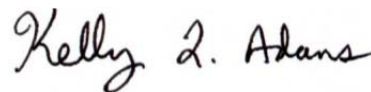
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If you should have any question concerning the above or if we may be of further assistance with this matter, please do not hesitate to contact us.

Sincerest regards,



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



Kelly L. Adams, A.S.A.  
Consultant and Actuary

Enclosures

**RETIREMENT PLAN FOR GENERAL EMPLOYEES  
OF THE CITY OF NORTH MIAMI BEACH  
ACTUARIAL STUDY AS OF OCTOBER 1, 2012**

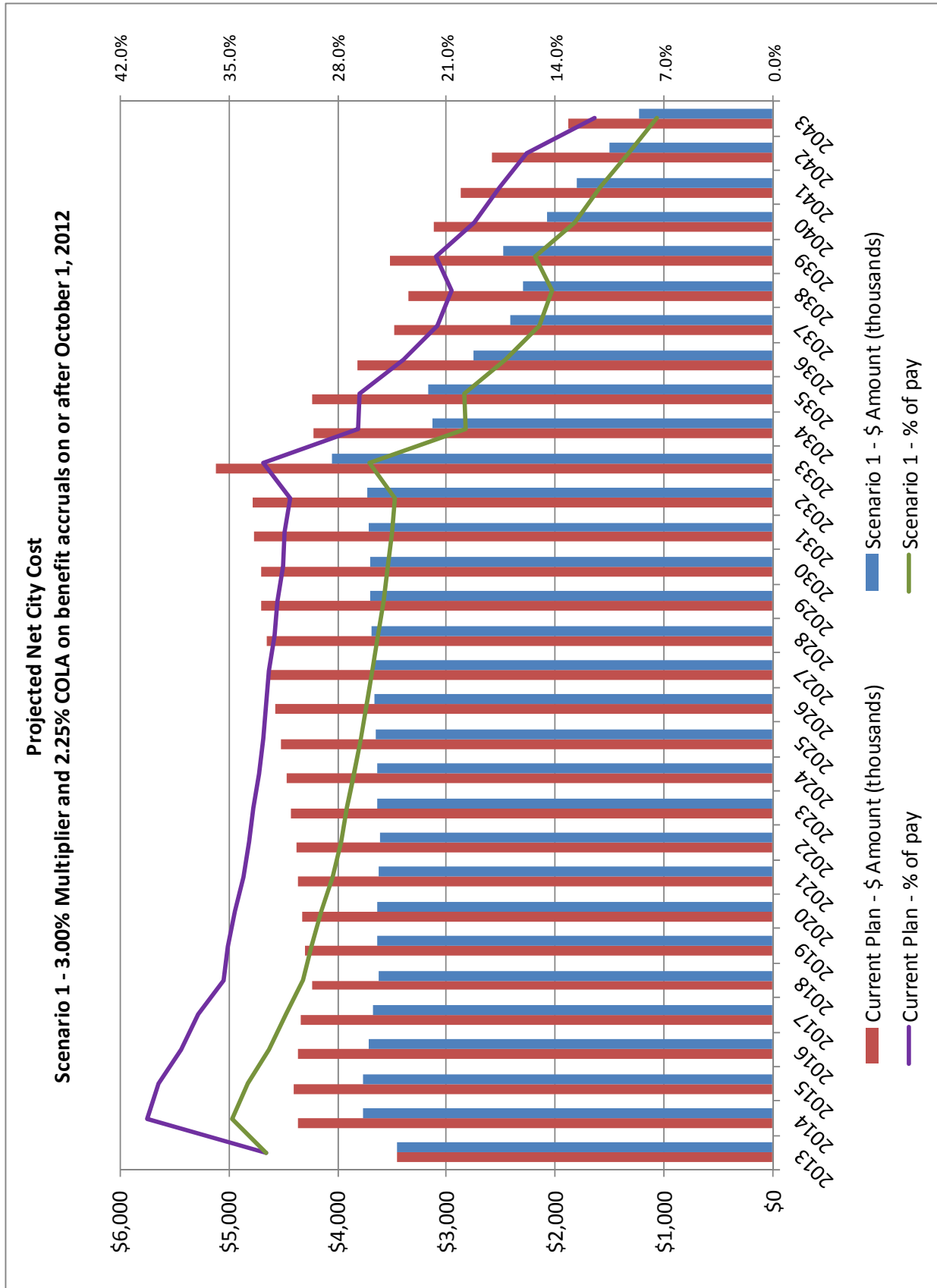
*Scenario 1* – The benefit accrual rate of three percent (3.00%) per year of credited service and the annual COLA of two and a quarter percent (2.25%) remain unchanged on benefits accrued after September 30, 2012.

The following Table shows the projected covered payroll (\$thousands) and a comparison of City costs (\$thousands) under the baseline forecast versus Scenario 1.

| Fiscal Year End         | Current Plan<br>5-Year Smoothing of Assets |                            |          | Current Plan<br>Market Value of Assets |                            |          | Scenario 1      |                            |          | Cumulative             |                        |
|-------------------------|--|----------------------------|----------|--|----------------------------|----------|-----------------|----------------------------|----------|------------------------|------------------------|
|                         | Covered Payroll                            | Projected City Cost Dollar | % of Pay | Covered Payroll                        | Projected City Cost Dollar | % of Pay | Covered Payroll | Projected City Cost Dollar | % of Pay | Reduction in City Cost | Reduction in City Cost |
| 2013                    | 10,612                                     | 3,460                      | 32.6%    | 10,612                                 | 3,460                      | 32.6%    | 10,612          | 3,460                      | 32.6%    | 0                      | 0                      |
| 2014                    | 10,825                                     | 4,362                      | 40.3%    | 10,825                                 | 4,168                      | 38.5%    | 10,825          | 3,767                      | 34.8%    | 595                    | 595                    |
| 2015                    | 11,144                                     | 4,402                      | 39.5%    | 11,144                                 | 4,246                      | 38.1%    | 11,144          | 3,767                      | 33.8%    | 635                    | 1,230                  |
| 2016                    | 11,452                                     | 4,363                      | 38.1%    | 11,452                                 | 4,260                      | 37.2%    | 11,452          | 3,710                      | 32.4%    | 653                    | 1,883                  |
| 2017                    | 11,743                                     | 4,345                      | 37.0%    | 11,743                                 | 4,274                      | 36.4%    | 11,747          | 3,677                      | 31.3%    | 668                    | 2,551                  |
| 2018                    | 11,988                                     | 4,232                      | 35.3%    | 11,988                                 | 4,280                      | 35.7%    | 11,997          | 3,623                      | 30.2%    | 609                    | 3,160                  |
| 2019                    | 12,250                                     | 4,300                      | 35.1%    | 12,250                                 | 4,336                      | 35.4%    | 12,273          | 3,633                      | 29.7%    | 667                    | 3,827                  |
| 2020                    | 12,518                                     | 4,331                      | 34.6%    | 12,518                                 | 4,381                      | 35.0%    | 12,566          | 3,631                      | 29.0%    | 700                    | 4,527                  |
| 2021                    | 12,783                                     | 4,359                      | 34.1%    | 12,783                                 | 4,410                      | 34.5%    | 12,859          | 3,626                      | 28.4%    | 733                    | 5,260                  |
| 2022                    | 13,010                                     | 4,384                      | 33.7%    | 13,010                                 | 4,423                      | 34.0%    | 13,119          | 3,608                      | 27.7%    | 776                    | 6,036                  |
| 2023                    | 13,261                                     | 4,429                      | 33.4%    | 13,261                                 | 4,482                      | 33.8%    | 13,405          | 3,633                      | 27.4%    | 796                    | 6,832                  |
| 2024                    | 13,506                                     | 4,470                      | 33.1%    | 13,506                                 | 4,524                      | 33.5%    | 13,686          | 3,641                      | 27.0%    | 829                    | 7,661                  |
| 2025                    | 13,766                                     | 4,515                      | 32.8%    | 13,766                                 | 4,570                      | 33.2%    | 13,962          | 3,644                      | 26.5%    | 871                    | 8,532                  |
| 2026                    | 14,013                                     | 4,568                      | 32.6%    | 14,013                                 | 4,610                      | 32.9%    | 14,215          | 3,668                      | 26.2%    | 900                    | 9,432                  |
| 2027                    | 14,266                                     | 4,622                      | 32.4%    | 14,266                                 | 4,665                      | 32.7%    | 14,464          | 3,674                      | 25.8%    | 948                    | 10,380                 |
| 2028                    | 14,503                                     | 4,655                      | 32.1%    | 14,503                                 | 4,699                      | 32.4%    | 14,688          | 3,687                      | 25.4%    | 968                    | 11,348                 |
| 2029                    | 14,752                                     | 4,706                      | 31.9%    | 14,752                                 | 4,750                      | 32.2%    | 14,917          | 3,699                      | 25.1%    | 1,007                  | 12,355                 |
| 2030                    | 14,951                                     | 4,709                      | 31.5%    | 14,951                                 | 4,754                      | 31.8%    | 15,091          | 3,697                      | 24.7%    | 1,012                  | 13,367                 |
| 2031                    | 15,179                                     | 4,766                      | 31.4%    | 15,179                                 | 4,812                      | 31.7%    | 15,306          | 3,719                      | 24.5%    | 1,047                  | 14,414                 |
| 2032                    | 15,377                                     | 4,782                      | 31.1%    | 15,377                                 | 4,828                      | 31.4%    | 15,485          | 3,732                      | 24.3%    | 1,050                  | 15,464                 |
| 2033                    | 15,605                                     | 5,118                      | 32.8%    | 15,605                                 | 5,165                      | 33.1%    | 15,693          | 4,049                      | 25.9%    | 1,069                  | 16,533                 |
| 2034                    | 15,800                                     | 4,219                      | 26.7%    | 15,800                                 | 4,266                      | 27.0%    | 15,870          | 3,126                      | 19.8%    | 1,093                  | 17,626                 |
| 2035                    | 15,931                                     | 4,238                      | 26.6%    | 15,931                                 | 4,285                      | 26.9%    | 16,050          | 3,162                      | 19.8%    | 1,076                  | 18,702                 |
| 2036                    | 16,019                                     | 3,812                      | 23.8%    | 16,019                                 | 3,860                      | 24.1%    | 16,197          | 2,754                      | 17.2%    | 1,058                  | 19,760                 |
| 2037                    | 16,092                                     | 3,476                      | 21.6%    | 16,092                                 | 3,524                      | 21.9%    | 16,344          | 2,419                      | 15.0%    | 1,057                  | 20,817                 |
| 2038                    | 16,172                                     | 3,348                      | 20.7%    | 16,172                                 | 3,396                      | 21.0%    | 16,508          | 2,295                      | 14.2%    | 1,053                  | 21,870                 |
| 2039                    | 16,227                                     | 3,521                      | 21.7%    | 16,227                                 | 3,570                      | 22.0%    | 16,665          | 2,483                      | 15.3%    | 1,038                  | 22,908                 |
| 2040                    | 16,262                                     | 3,122                      | 19.2%    | 16,262                                 | 3,171                      | 19.5%    | 16,761          | 2,078                      | 12.8%    | 1,044                  | 23,952                 |
| 2041                    | 16,290                                     | 2,867                      | 17.6%    | 16,290                                 | 2,916                      | 17.9%    | 16,853          | 1,803                      | 11.1%    | 1,064                  | 25,016                 |
| 2042                    | 16,305                                     | 2,576                      | 15.8%    | 16,305                                 | 2,625                      | 16.1%    | 16,933          | 1,507                      | 9.2%     | 1,069                  | 26,085                 |
| 2043                    | 16,303                                     | 1,875                      | 11.5%    | 16,303                                 | 1,924                      | 11.8%    | 16,992          | 1,223                      | 7.5%     | 652                    | 26,737                 |
| <b>5 Year Totals *</b>  | <b>57,152</b>                              | <b>21,704</b>              |          | <b>57,152</b>                          | <b>21,228</b>              |          | <b>57,165</b>   | <b>18,544</b>              |          | <b>3,160</b>           |                        |
| <b>10 Year Totals *</b> | <b>120,974</b>                             | <b>43,507</b>              |          | <b>120,974</b>                         | <b>43,260</b>              |          | <b>121,387</b>  | <b>36,675</b>              |          | <b>6,832</b>           |                        |
| <b>30 Year Totals *</b> | <b>428,293</b>                             | <b>123,472</b>             |          | <b>428,293</b>                         | <b>124,174</b>             |          | <b>434,067</b>  | <b>96,735</b>              |          | <b>26,737</b>          |                        |

\* Beginning Fiscal Year Ending in 2014

# RETIREMENT PLAN FOR GENERAL EMPLOYEES OF THE CITY OF NORTH MIAMI BEACH ACTUARIAL STUDY AS OF OCTOBER 1, 2012



**RETIREMENT PLAN FOR GENERAL EMPLOYEES  
OF THE CITY OF NORTH MIAMI BEACH  
ACTUARIAL STUDY AS OF OCTOBER 1, 2012**

*Scenario 2* – Reduce the benefit accrual rate to two and a half percent (2.50%) per year of credited service after September 30, 2012 and reduce the annual COLA to three quarter percent (0.75%) on benefits accrued after September 30, 2012.

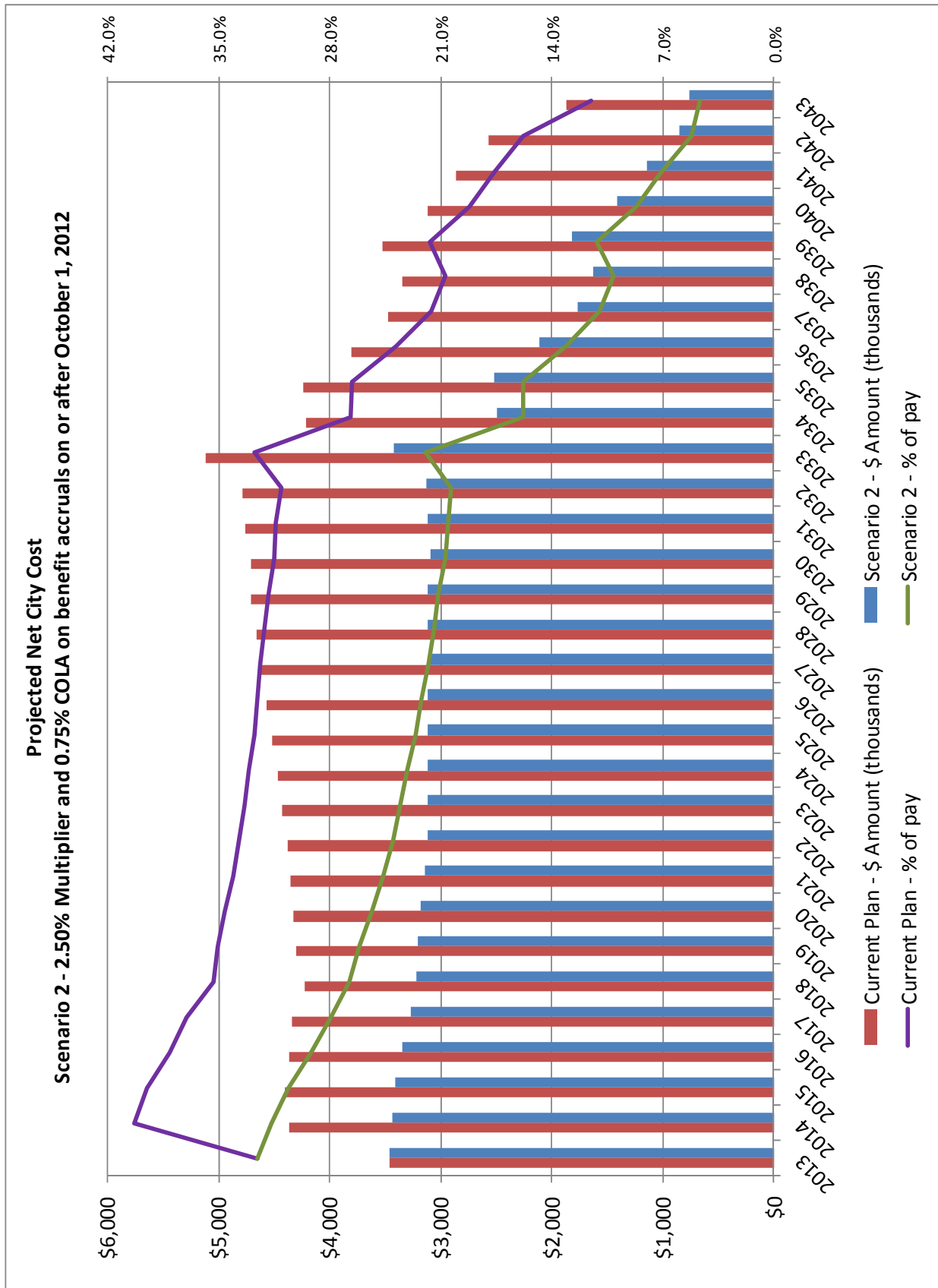
The following Table shows the projected covered payroll (\$thousands) and a comparison of City costs (\$thousands) under the baseline forecast versus Scenario 2.

| Fiscal<br>Year<br>End       | Current Plan<br>5-Year Smoothing of Assets |                     |          | Current Plan<br>Market Value of Assets |                     |          | Scenario 2         |                     |          | Cumulative                |                           |
|-----------------------------|--|---------------------|----------|--|---------------------|----------|--------------------|---------------------|----------|---------------------------|---------------------------|
|                             | Covered<br>Payroll                         | Projected City Cost |          | Covered<br>Payroll                     | Projected City Cost |          | Covered<br>Payroll | Projected City Cost |          | Reduction in<br>City Cost | Reduction in<br>City Cost |
|                             |  | Dollar              | % of Pay |  | Dollar              | % of Pay |                    | Dollar              | % of Pay |                           |                           |
| 2013                        | 10,612                                     | 3,460               | 32.6%    | 10,612                                 | 3,460               | 32.6%    | 10,612             | 3,460               | 32.6%    | 0                         | 0                         |
| 2014                        | 10,825                                     | 4,362               | 40.3%    | 10,825                                 | 4,168               | 38.5%    | 10,825             | 3,431               | 31.7%    | 931                       | 931                       |
| 2015                        | 11,144                                     | 4,402               | 39.5%    | 11,144                                 | 4,246               | 38.1%    | 11,144             | 3,410               | 30.6%    | 992                       | 1,923                     |
| 2016                        | 11,452                                     | 4,363               | 38.1%    | 11,452                                 | 4,260               | 37.2%    | 11,452             | 3,344               | 29.2%    | 1,019                     | 2,942                     |
| 2017                        | 11,743                                     | 4,345               | 37.0%    | 11,743                                 | 4,274               | 36.4%    | 11,747             | 3,277               | 27.9%    | 1,068                     | 4,010                     |
| 2018                        | 11,988                                     | 4,232               | 35.3%    | 11,988                                 | 4,280               | 35.7%    | 11,997             | 3,215               | 26.8%    | 1,017                     | 5,027                     |
| 2019                        | 12,250                                     | 4,300               | 35.1%    | 12,250                                 | 4,336               | 35.4%    | 12,273             | 3,203               | 26.1%    | 1,097                     | 6,124                     |
| 2020                        | 12,518                                     | 4,331               | 34.6%    | 12,518                                 | 4,381               | 35.0%    | 12,566             | 3,179               | 25.4%    | 1,152                     | 7,276                     |
| 2021                        | 12,783                                     | 4,359               | 34.1%    | 12,783                                 | 4,410               | 34.5%    | 12,859             | 3,150               | 24.6%    | 1,209                     | 8,485                     |
| 2022                        | 13,010                                     | 4,384               | 33.7%    | 13,010                                 | 4,423               | 34.0%    | 13,119             | 3,122               | 24.0%    | 1,262                     | 9,747                     |
| 2023                        | 13,261                                     | 4,429               | 33.4%    | 13,261                                 | 4,482               | 33.8%    | 13,405             | 3,123               | 23.6%    | 1,306                     | 11,053                    |
| 2024                        | 13,506                                     | 4,470               | 33.1%    | 13,506                                 | 4,524               | 33.5%    | 13,686             | 3,120               | 23.1%    | 1,350                     | 12,403                    |
| 2025                        | 13,766                                     | 4,515               | 32.8%    | 13,766                                 | 4,570               | 33.2%    | 13,962             | 3,114               | 22.6%    | 1,401                     | 13,804                    |
| 2026                        | 14,013                                     | 4,568               | 32.6%    | 14,013                                 | 4,610               | 32.9%    | 14,215             | 3,113               | 22.2%    | 1,455                     | 15,259                    |
| 2027                        | 14,266                                     | 4,622               | 32.4%    | 14,266                                 | 4,665               | 32.7%    | 14,464             | 3,110               | 21.8%    | 1,512                     | 16,771                    |
| 2028                        | 14,503                                     | 4,655               | 32.1%    | 14,503                                 | 4,699               | 32.4%    | 14,688             | 3,114               | 21.5%    | 1,541                     | 18,312                    |
| 2029                        | 14,752                                     | 4,706               | 31.9%    | 14,752                                 | 4,750               | 32.2%    | 14,917             | 3,118               | 21.1%    | 1,588                     | 19,900                    |
| 2030                        | 14,951                                     | 4,709               | 31.5%    | 14,951                                 | 4,754               | 31.8%    | 15,091             | 3,094               | 20.7%    | 1,615                     | 21,515                    |
| 2031                        | 15,179                                     | 4,766               | 31.4%    | 15,179                                 | 4,812               | 31.7%    | 15,306             | 3,122               | 20.6%    | 1,644                     | 23,159                    |
| 2032                        | 15,377                                     | 4,782               | 31.1%    | 15,377                                 | 4,828               | 31.4%    | 15,485             | 3,128               | 20.3%    | 1,654                     | 24,813                    |
| 2033                        | 15,605                                     | 5,118               | 32.8%    | 15,605                                 | 5,165               | 33.1%    | 15,693             | 3,421               | 21.9%    | 1,697                     | 26,510                    |
| 2034                        | 15,800                                     | 4,219               | 26.7%    | 15,800                                 | 4,266               | 27.0%    | 15,870             | 2,492               | 15.8%    | 1,727                     | 28,237                    |
| 2035                        | 15,931                                     | 4,238               | 26.6%    | 15,931                                 | 4,285               | 26.9%    | 16,050             | 2,520               | 15.8%    | 1,718                     | 29,955                    |
| 2036                        | 16,019                                     | 3,812               | 23.8%    | 16,019                                 | 3,860               | 24.1%    | 16,197             | 2,106               | 13.1%    | 1,706                     | 31,661                    |
| 2037                        | 16,092                                     | 3,476               | 21.6%    | 16,092                                 | 3,524               | 21.9%    | 16,344             | 1,765               | 11.0%    | 1,711                     | 33,372                    |
| 2038                        | 16,172                                     | 3,348               | 20.7%    | 16,172                                 | 3,396               | 21.0%    | 16,508             | 1,634               | 10.1%    | 1,714                     | 35,086                    |
| 2039                        | 16,227                                     | 3,521               | 21.7%    | 16,227                                 | 3,570               | 22.0%    | 16,665             | 1,817               | 11.2%    | 1,704                     | 36,790                    |
| 2040                        | 16,262                                     | 3,122               | 19.2%    | 16,262                                 | 3,171               | 19.5%    | 16,761             | 1,408               | 8.7%     | 1,714                     | 38,504                    |
| 2041                        | 16,290                                     | 2,867               | 17.6%    | 16,290                                 | 2,916               | 17.9%    | 16,853             | 1,146               | 7.0%     | 1,721                     | 40,225                    |
| 2042                        | 16,305                                     | 2,576               | 15.8%    | 16,305                                 | 2,625               | 16.1%    | 16,933             | 847                 | 5.2%     | 1,729                     | 41,954                    |
| 2043                        | 16,303                                     | 1,875               | 11.5%    | 16,303                                 | 1,924               | 11.8%    | 16,992             | 765                 | 4.7%     | 1,110                     | 43,064                    |
| <b>5 Year<br/>Totals *</b>  | <b>57,152</b>                              | <b>21,704</b>       |          | <b>57,152</b>                          | <b>21,228</b>       |          | <b>57,165</b>      | <b>16,677</b>       |          | <b>5,027</b>              |                           |
| <b>10 Year<br/>Totals *</b> | <b>120,974</b>                             | <b>43,507</b>       |          | <b>120,974</b>                         | <b>43,260</b>       |          | <b>121,387</b>     | <b>32,454</b>       |          | <b>11,053</b>             |                           |
| <b>30 Year<br/>Totals *</b> | <b>428,293</b>                             | <b>123,472</b>      |          | <b>428,293</b>                         | <b>124,174</b>      |          | <b>434,067</b>     | <b>80,408</b>       |          | <b>43,064</b>             |                           |

\* Beginning Fiscal Year Ending in 2014



**RETIREMENT PLAN FOR GENERAL EMPLOYEES  
OF THE CITY OF NORTH MIAMI BEACH  
ACTUARIAL STUDY AS OF OCTOBER 1, 2012**



**RETIREMENT PLAN FOR GENERAL EMPLOYEES  
OF THE CITY OF NORTH MIAMI BEACH  
ACTUARIAL STUDY AS OF OCTOBER 1, 2012**

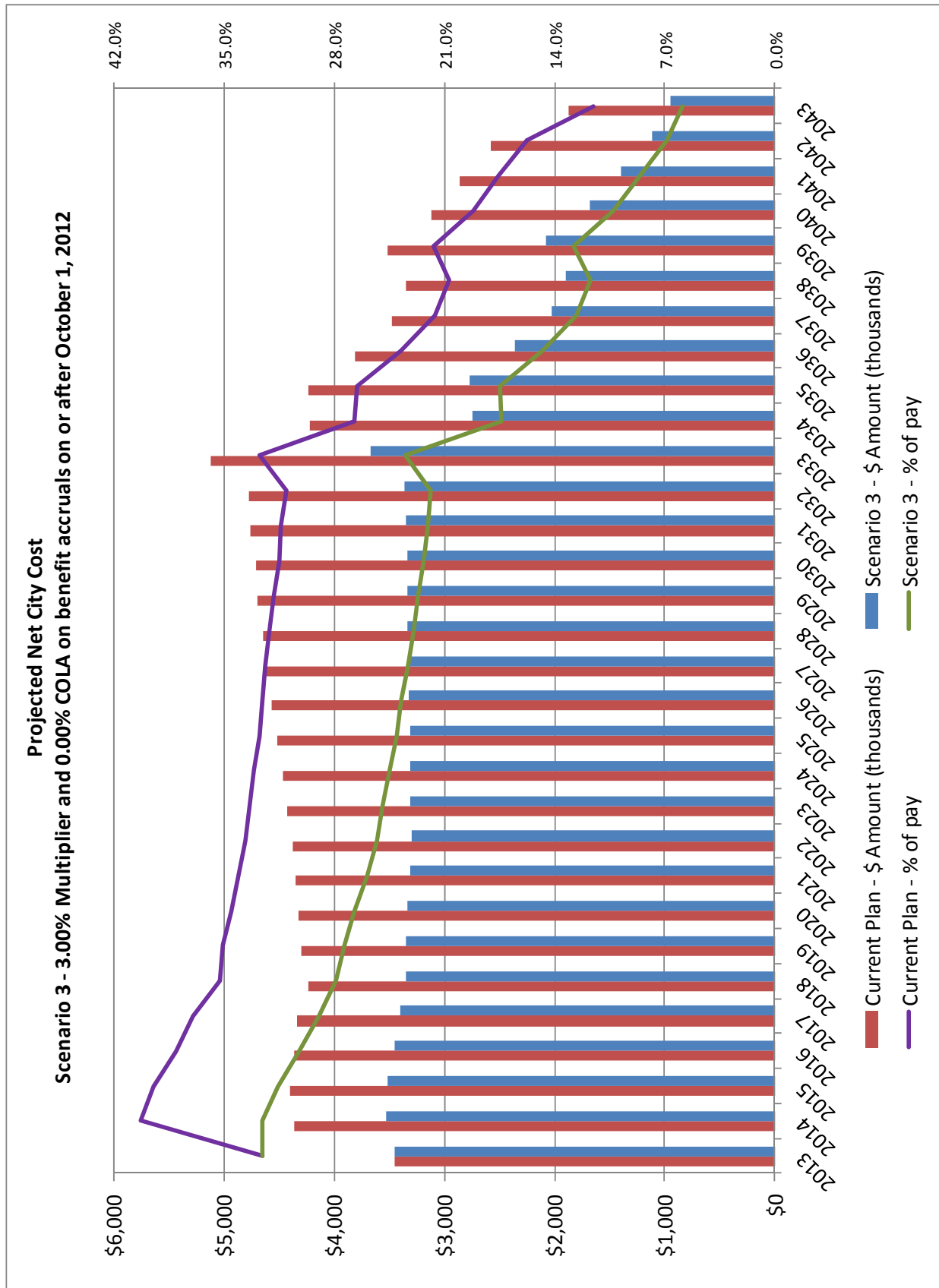
*Scenario 3* – Eliminate the annual COLA (0.00%) on benefits accrued after September 30, 2012.

The following Table shows the projected covered payroll (\$thousands) and a comparison of City costs (\$thousands) under the baseline forecast versus Scenario 3.

| Fiscal<br>Year<br>End | Current Plan<br>5-Year Smoothing of Assets |                               |          | Current Plan<br>Market Value of Assets |                               |          | Scenario 3         |                               |          | Cumulative                |                           |
|-----------------------|--|-------------------------------|----------|--|-------------------------------|----------|--------------------|-------------------------------|----------|---------------------------|---------------------------|
|                       | Covered<br>Payroll                         | Projected City Cost<br>Dollar | % of Pay | Covered<br>Payroll                     | Projected City Cost<br>Dollar | % of Pay | Covered<br>Payroll | Projected City Cost<br>Dollar | % of Pay | Reduction in<br>City Cost | Reduction in<br>City Cost |
| 2013                  | 10,612                                     | 3,460                         | 32.6%    | 10,612                                 | 3,460                         | 32.6%    | 10,612             | 3,460                         | 32.6%    | 0                         | 0                         |
| 2014                  | 10,825                                     | 4,362                         | 40.3%    | 10,825                                 | 4,168                         | 38.5%    | 10,825             | 3,529                         | 32.6%    | 833                       | 833                       |
| 2015                  | 11,144                                     | 4,402                         | 39.5%    | 11,144                                 | 4,246                         | 38.1%    | 11,144             | 3,522                         | 31.6%    | 880                       | 1,713                     |
| 2016                  | 11,452                                     | 4,363                         | 38.1%    | 11,452                                 | 4,260                         | 37.2%    | 11,452             | 3,459                         | 30.2%    | 904                       | 2,617                     |
| 2017                  | 11,743                                     | 4,345                         | 37.0%    | 11,743                                 | 4,274                         | 36.4%    | 11,747             | 3,407                         | 29.0%    | 938                       | 3,555                     |
| 2018                  | 11,988                                     | 4,232                         | 35.3%    | 11,988                                 | 4,280                         | 35.7%    | 11,997             | 3,347                         | 27.9%    | 885                       | 4,440                     |
| 2019                  | 12,250                                     | 4,300                         | 35.1%    | 12,250                                 | 4,336                         | 35.4%    | 12,273             | 3,351                         | 27.4%    | 949                       | 5,389                     |
| 2020                  | 12,518                                     | 4,331                         | 34.6%    | 12,518                                 | 4,381                         | 35.0%    | 12,566             | 3,342                         | 26.7%    | 989                       | 6,378                     |
| 2021                  | 12,783                                     | 4,359                         | 34.1%    | 12,783                                 | 4,410                         | 34.5%    | 12,859             | 3,318                         | 26.0%    | 1,041                     | 7,419                     |
| 2022                  | 13,010                                     | 4,384                         | 33.7%    | 13,010                                 | 4,423                         | 34.0%    | 13,119             | 3,293                         | 25.3%    | 1,091                     | 8,510                     |
| 2023                  | 13,261                                     | 4,429                         | 33.4%    | 13,261                                 | 4,482                         | 33.8%    | 13,405             | 3,311                         | 25.0%    | 1,118                     | 9,628                     |
| 2024                  | 13,506                                     | 4,470                         | 33.1%    | 13,506                                 | 4,524                         | 33.5%    | 13,686             | 3,312                         | 24.5%    | 1,158                     | 10,786                    |
| 2025                  | 13,766                                     | 4,515                         | 32.8%    | 13,766                                 | 4,570                         | 33.2%    | 13,962             | 3,309                         | 24.0%    | 1,206                     | 11,992                    |
| 2026                  | 14,013                                     | 4,568                         | 32.6%    | 14,013                                 | 4,610                         | 32.9%    | 14,215             | 3,326                         | 23.7%    | 1,242                     | 13,234                    |
| 2027                  | 14,266                                     | 4,622                         | 32.4%    | 14,266                                 | 4,665                         | 32.7%    | 14,464             | 3,327                         | 23.3%    | 1,295                     | 14,529                    |
| 2028                  | 14,503                                     | 4,655                         | 32.1%    | 14,503                                 | 4,699                         | 32.4%    | 14,688             | 3,334                         | 23.0%    | 1,321                     | 15,850                    |
| 2029                  | 14,752                                     | 4,706                         | 31.9%    | 14,752                                 | 4,750                         | 32.2%    | 14,917             | 3,341                         | 22.6%    | 1,365                     | 17,215                    |
| 2030                  | 14,951                                     | 4,709                         | 31.5%    | 14,951                                 | 4,754                         | 31.8%    | 15,091             | 3,335                         | 22.3%    | 1,374                     | 18,589                    |
| 2031                  | 15,179                                     | 4,766                         | 31.4%    | 15,179                                 | 4,812                         | 31.7%    | 15,306             | 3,352                         | 22.1%    | 1,414                     | 20,003                    |
| 2032                  | 15,377                                     | 4,782                         | 31.1%    | 15,377                                 | 4,828                         | 31.4%    | 15,485             | 3,360                         | 21.9%    | 1,422                     | 21,425                    |
| 2033                  | 15,605                                     | 5,118                         | 32.8%    | 15,605                                 | 5,165                         | 33.1%    | 15,693             | 3,672                         | 23.5%    | 1,446                     | 22,871                    |
| 2034                  | 15,800                                     | 4,219                         | 26.7%    | 15,800                                 | 4,266                         | 27.0%    | 15,870             | 2,745                         | 17.4%    | 1,474                     | 24,345                    |
| 2035                  | 15,931                                     | 4,238                         | 26.6%    | 15,931                                 | 4,285                         | 26.9%    | 16,050             | 2,777                         | 17.4%    | 1,461                     | 25,806                    |
| 2036                  | 16,019                                     | 3,812                         | 23.8%    | 16,019                                 | 3,860                         | 24.1%    | 16,197             | 2,365                         | 14.8%    | 1,447                     | 27,253                    |
| 2037                  | 16,092                                     | 3,476                         | 21.6%    | 16,092                                 | 3,524                         | 21.9%    | 16,344             | 2,027                         | 12.6%    | 1,449                     | 28,702                    |
| 2038                  | 16,172                                     | 3,348                         | 20.7%    | 16,172                                 | 3,396                         | 21.0%    | 16,508             | 1,898                         | 11.7%    | 1,450                     | 30,152                    |
| 2039                  | 16,227                                     | 3,521                         | 21.7%    | 16,227                                 | 3,570                         | 22.0%    | 16,665             | 2,083                         | 12.8%    | 1,438                     | 31,590                    |
| 2040                  | 16,262                                     | 3,122                         | 19.2%    | 16,262                                 | 3,171                         | 19.5%    | 16,761             | 1,676                         | 10.3%    | 1,446                     | 33,036                    |
| 2041                  | 16,290                                     | 2,867                         | 17.6%    | 16,290                                 | 2,916                         | 17.9%    | 16,853             | 1,399                         | 8.6%     | 1,468                     | 34,504                    |
| 2042                  | 16,305                                     | 2,576                         | 15.8%    | 16,305                                 | 2,625                         | 16.1%    | 16,933             | 1,118                         | 6.9%     | 1,458                     | 35,962                    |
| 2043                  | 16,303                                     | 1,875                         | 11.5%    | 16,303                                 | 1,924                         | 11.8%    | 16,992             | 952                           | 5.8%     | 923                       | 36,885                    |
| <b>5 Year</b>         |  |                               |          |  |                               |          |                    |                               |          |                           |                           |
| <b>Totals *</b>       | <b>57,152</b>                              | <b>21,704</b>                 |          | <b>57,152</b>                          | <b>21,228</b>                 |          | <b>57,165</b>      | <b>17,264</b>                 |          | <b>4,440</b>              |                           |
| <b>10 Year</b>        |  |                               |          |  |                               |          |                    |                               |          |                           |                           |
| <b>Totals *</b>       | <b>120,974</b>                             | <b>43,507</b>                 |          | <b>120,974</b>                         | <b>43,260</b>                 |          | <b>121,387</b>     | <b>33,879</b>                 |          | <b>9,628</b>              |                           |
| <b>30 Year</b>        |  |                               |          |  |                               |          |                    |                               |          |                           |                           |
| <b>Totals *</b>       | <b>428,293</b>                             | <b>123,472</b>                |          | <b>428,293</b>                         | <b>124,174</b>                |          | <b>434,067</b>     | <b>86,587</b>                 |          | <b>36,885</b>             |                           |

\* Beginning Fiscal Year Ending in 2014

# RETIREMENT PLAN FOR GENERAL EMPLOYEES OF THE CITY OF NORTH MIAMI BEACH ACTUARIAL STUDY AS OF OCTOBER 1, 2012



**RETIREMENT PLAN FOR GENERAL EMPLOYEES  
OF THE CITY OF NORTH MIAMI BEACH  
ACTUARIAL STUDY AS OF OCTOBER 1, 2012**

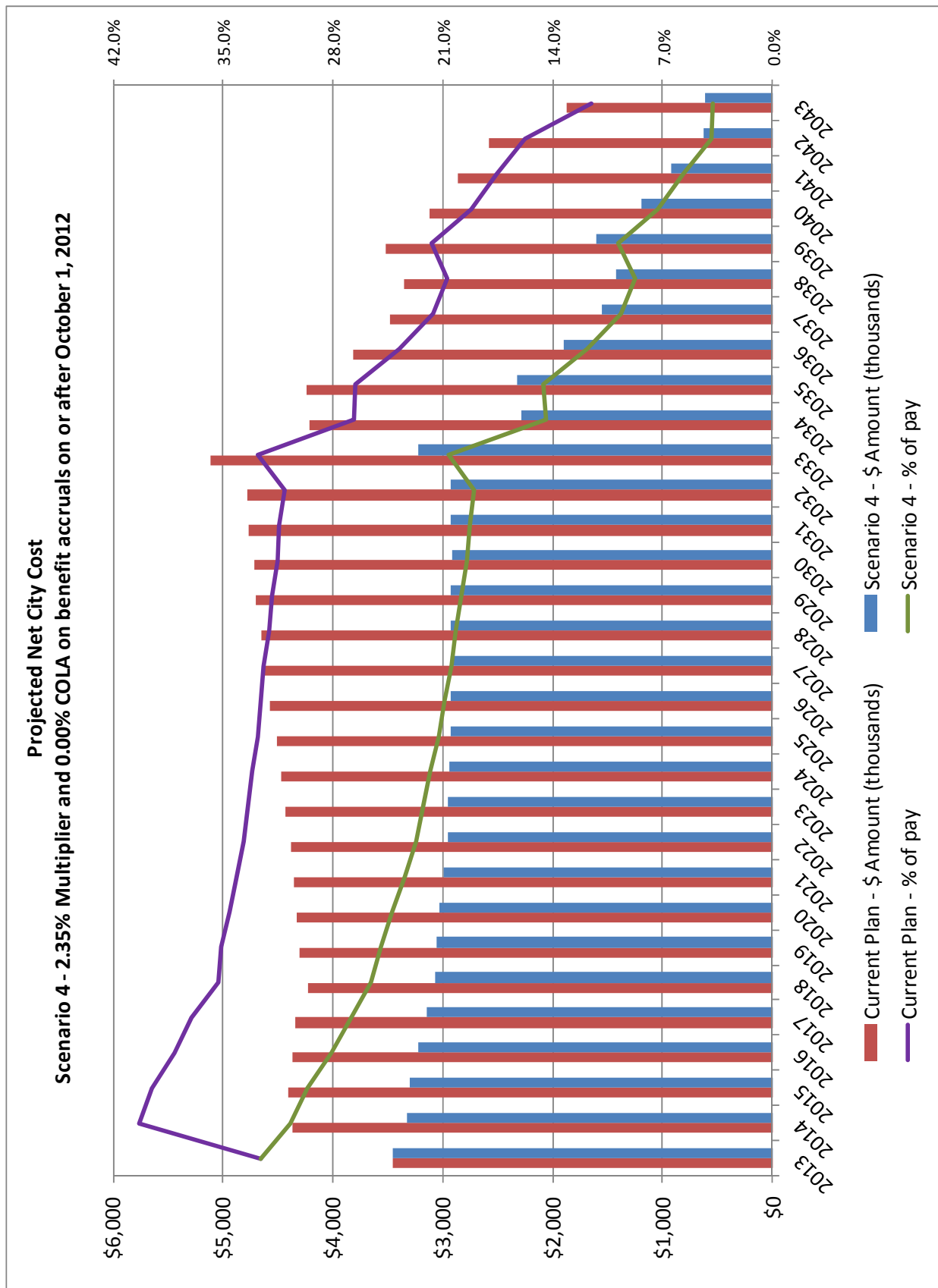
*Scenario 4* – Reduce the benefit accrual rate to 2.35% per year of credited service after September 30, 2012 and eliminate the annual COLA (0.00%) on benefits accrued after September 30, 2012.

The following Table shows the projected covered payroll (\$thousands) and a comparison of City costs (\$thousands) under the baseline forecast versus Scenario 4.

| Fiscal Year End         | Current Plan<br>5-Year Smoothing of Assets |                  |                    | Current Plan<br>Market Value of Assets |                  |                    | Scenario 4      |                  |                    | Cumulative             |                        |
|-------------------------|--|------------------|--------------------|--|------------------|--------------------|-----------------|------------------|--------------------|------------------------|------------------------|
|                         | Covered Payroll                            | Projected Dollar | City Cost % of Pay | Covered Payroll                        | Projected Dollar | City Cost % of Pay | Covered Payroll | Projected Dollar | City Cost % of Pay | Reduction in City Cost | Reduction in City Cost |
| 2013                    | 10,612                                     | 3,460            | 32.6%              | 10,612                                 | 3,460            | 32.6%              | 10,612          | 3,460            | 32.6%              | 0                      | 0                      |
| 2014                    | 10,825                                     | 4,362            | 40.3%              | 10,825                                 | 4,168            | 38.5%              | 10,825          | 3,323            | 30.7%              | 1,039                  | 1,039                  |
| 2015                    | 11,144                                     | 4,402            | 39.5%              | 11,144                                 | 4,246            | 38.1%              | 11,144          | 3,299            | 29.6%              | 1,103                  | 2,142                  |
| 2016                    | 11,452                                     | 4,363            | 38.1%              | 11,452                                 | 4,260            | 37.2%              | 11,452          | 3,218            | 28.1%              | 1,145                  | 3,287                  |
| 2017                    | 11,743                                     | 4,345            | 37.0%              | 11,743                                 | 4,274            | 36.4%              | 11,747          | 3,148            | 26.8%              | 1,197                  | 4,484                  |
| 2018                    | 11,988                                     | 4,232            | 35.3%              | 11,988                                 | 4,280            | 35.7%              | 11,997          | 3,071            | 25.6%              | 1,161                  | 5,645                  |
| 2019                    | 12,250                                     | 4,300            | 35.1%              | 12,250                                 | 4,336            | 35.4%              | 12,273          | 3,056            | 24.9%              | 1,244                  | 6,889                  |
| 2020                    | 12,518                                     | 4,331            | 34.6%              | 12,518                                 | 4,381            | 35.0%              | 12,566          | 3,028            | 24.2%              | 1,303                  | 8,192                  |
| 2021                    | 12,783                                     | 4,359            | 34.1%              | 12,783                                 | 4,410            | 34.5%              | 12,859          | 2,996            | 23.4%              | 1,363                  | 9,555                  |
| 2022                    | 13,010                                     | 4,384            | 33.7%              | 13,010                                 | 4,423            | 34.0%              | 13,119          | 2,952            | 22.7%              | 1,432                  | 10,987                 |
| 2023                    | 13,261                                     | 4,429            | 33.4%              | 13,261                                 | 4,482            | 33.8%              | 13,405          | 2,949            | 22.2%              | 1,480                  | 12,467                 |
| 2024                    | 13,506                                     | 4,470            | 33.1%              | 13,506                                 | 4,524            | 33.5%              | 13,686          | 2,943            | 21.8%              | 1,527                  | 13,994                 |
| 2025                    | 13,766                                     | 4,515            | 32.8%              | 13,766                                 | 4,570            | 33.2%              | 13,962          | 2,932            | 21.3%              | 1,583                  | 15,577                 |
| 2026                    | 14,013                                     | 4,568            | 32.6%              | 14,013                                 | 4,610            | 32.9%              | 14,215          | 2,928            | 20.9%              | 1,640                  | 17,217                 |
| 2027                    | 14,266                                     | 4,622            | 32.4%              | 14,266                                 | 4,665            | 32.7%              | 14,464          | 2,922            | 20.5%              | 1,700                  | 18,917                 |
| 2028                    | 14,503                                     | 4,655            | 32.1%              | 14,503                                 | 4,699            | 32.4%              | 14,688          | 2,923            | 20.2%              | 1,732                  | 20,649                 |
| 2029                    | 14,752                                     | 4,706            | 31.9%              | 14,752                                 | 4,750            | 32.2%              | 14,917          | 2,924            | 19.8%              | 1,782                  | 22,431                 |
| 2030                    | 14,951                                     | 4,709            | 31.5%              | 14,951                                 | 4,754            | 31.8%              | 15,091          | 2,913            | 19.5%              | 1,796                  | 24,227                 |
| 2031                    | 15,179                                     | 4,766            | 31.4%              | 15,179                                 | 4,812            | 31.7%              | 15,306          | 2,923            | 19.3%              | 1,843                  | 26,070                 |
| 2032                    | 15,377                                     | 4,782            | 31.1%              | 15,377                                 | 4,828            | 31.4%              | 15,485          | 2,927            | 19.0%              | 1,855                  | 27,925                 |
| 2033                    | 15,605                                     | 5,118            | 32.8%              | 15,605                                 | 5,165            | 33.1%              | 15,693          | 3,217            | 20.6%              | 1,901                  | 29,826                 |
| 2034                    | 15,800                                     | 4,219            | 26.7%              | 15,800                                 | 4,266            | 27.0%              | 15,870          | 2,285            | 14.5%              | 1,934                  | 31,760                 |
| 2035                    | 15,931                                     | 4,238            | 26.6%              | 15,931                                 | 4,285            | 26.9%              | 16,050          | 2,327            | 14.6%              | 1,911                  | 33,671                 |
| 2036                    | 16,019                                     | 3,812            | 23.8%              | 16,019                                 | 3,860            | 24.1%              | 16,197          | 1,895            | 11.8%              | 1,917                  | 35,588                 |
| 2037                    | 16,092                                     | 3,476            | 21.6%              | 16,092                                 | 3,524            | 21.9%              | 16,344          | 1,553            | 9.7%               | 1,923                  | 37,511                 |
| 2038                    | 16,172                                     | 3,348            | 20.7%              | 16,172                                 | 3,396            | 21.0%              | 16,508          | 1,420            | 8.8%               | 1,928                  | 39,439                 |
| 2039                    | 16,227                                     | 3,521            | 21.7%              | 16,227                                 | 3,570            | 22.0%              | 16,665          | 1,600            | 9.9%               | 1,921                  | 41,360                 |
| 2040                    | 16,262                                     | 3,122            | 19.2%              | 16,262                                 | 3,171            | 19.5%              | 16,761          | 1,190            | 7.3%               | 1,932                  | 43,292                 |
| 2041                    | 16,290                                     | 2,867            | 17.6%              | 16,290                                 | 2,916            | 17.9%              | 16,853          | 927              | 5.7%               | 1,940                  | 45,232                 |
| 2042                    | 16,305                                     | 2,576            | 15.8%              | 16,305                                 | 2,625            | 16.1%              | 16,933          | 627              | 3.8%               | 1,949                  | 47,181                 |
| 2043                    | 16,303                                     | 1,875            | 11.5%              | 16,303                                 | 1,924            | 11.8%              | 16,992          | 612              | 3.8%               | 1,263                  | 48,444                 |
| <b>5 Year Totals *</b>  | <b>57,152</b>                              | <b>21,704</b>    |                    | <b>57,152</b>                          | <b>21,228</b>    |                    | <b>57,165</b>   | <b>16,059</b>    |                    | <b>5,645</b>           |                        |
| <b>10 Year Totals *</b> | <b>120,974</b>                             | <b>43,507</b>    |                    | <b>120,974</b>                         | <b>43,260</b>    |                    | <b>121,387</b>  | <b>31,040</b>    |                    | <b>12,467</b>          |                        |
| <b>30 Year Totals *</b> | <b>428,293</b>                             | <b>123,472</b>   |                    | <b>428,293</b>                         | <b>124,174</b>   |                    | <b>434,067</b>  | <b>75,028</b>    |                    | <b>48,444</b>          |                        |

\* Beginning Fiscal Year Ending in 2014

**RETIREMENT PLAN FOR GENERAL EMPLOYEES  
OF THE CITY OF NORTH MIAMI BEACH  
ACTUARIAL STUDY AS OF OCTOBER 1, 2012**



**RETIREMENT PLAN FOR GENERAL EMPLOYEES  
OF THE CITY OF NORTH MIAMI BEACH  
ACTUARIAL STUDY AS OF OCTOBER 1, 2012**

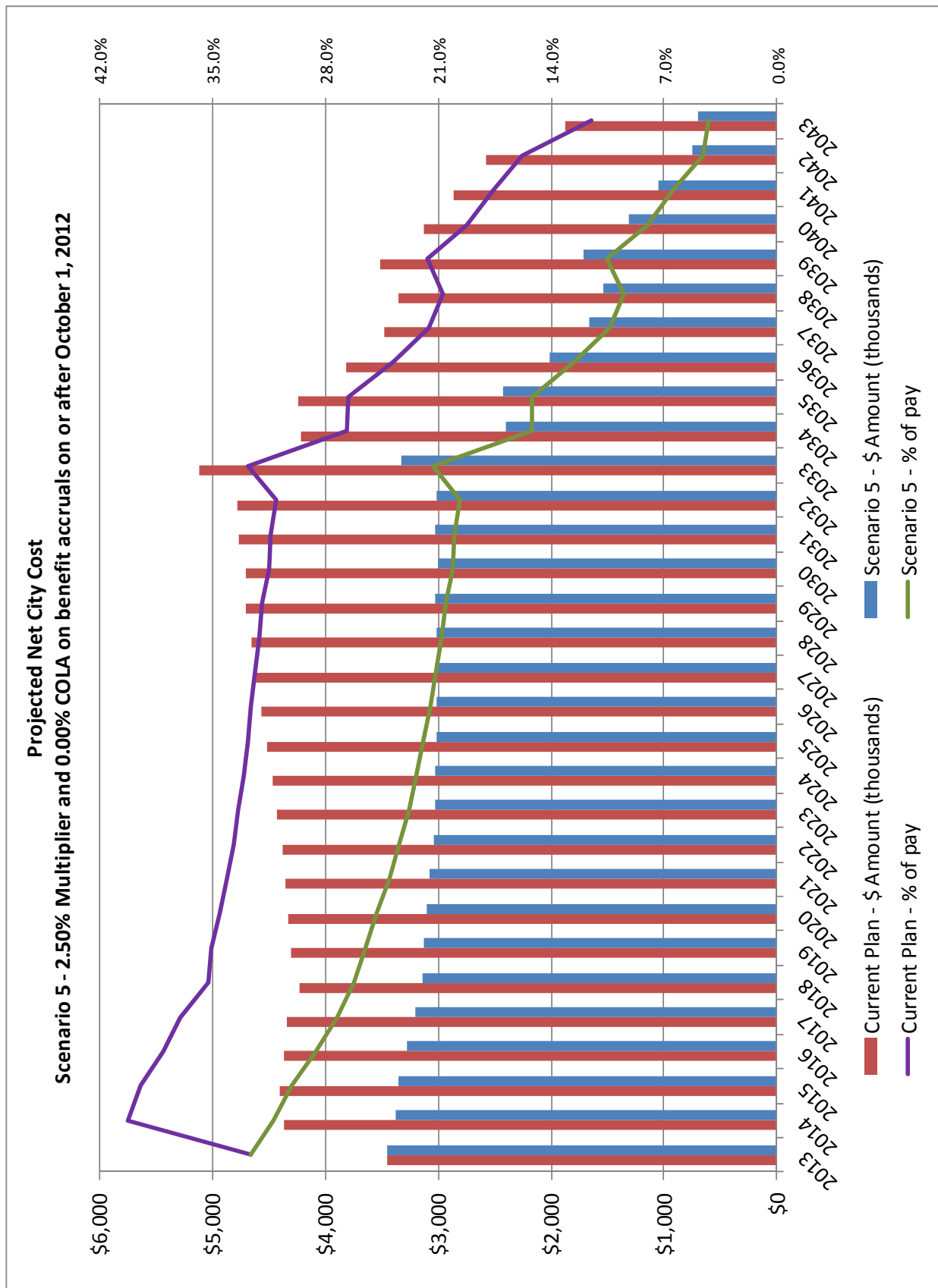
*Scenario 5* – Reduce the benefit accrual rate to 2.50% per year of credited service after September 30, 2012 and eliminate the annual COLA (0.00%) on benefits accrued after September 30, 2012.

The following Table shows the projected covered payroll (\$thousands) and a comparison of City costs (\$thousands) under the baseline forecast versus Scenario 5.

| Fiscal<br>Year<br>End | Current Plan<br>5-Year Smoothing of Assets |                     |          | Current Plan<br>Market Value of Assets |                     |          | Scenario 5         |                     |          | Reduction in<br>City Cost | Cumulative<br>Reduction in<br>City Cost |
|-----------------------|--|---------------------|----------|--|---------------------|----------|--------------------|---------------------|----------|---------------------------|---|
|                       | Covered<br>Payroll                         | Projected City Cost |          | Covered<br>Payroll                     | Projected City Cost |          | Covered<br>Payroll | Projected City Cost |          |                           |   |
|                       |  | Dollar              | % of Pay |  | Dollar              | % of Pay |                    | Dollar              | % of Pay |                           |   |
| 2013                  | 10,612                                     | 3,460               | 32.6%    | 10,612                                 | 3,460               | 32.6%    | 10,612             | 3,460               | 32.6%    | 0                         | 0                                       |
| 2014                  | 10,825                                     | 4,362               | 40.3%    | 10,825                                 | 4,168               | 38.5%    | 10,825             | 3,377               | 31.2%    | 985                       | 985                                     |
| 2015                  | 11,144                                     | 4,402               | 39.5%    | 11,144                                 | 4,246               | 38.1%    | 11,144             | 3,354               | 30.1%    | 1,048                     | 2,033                                   |
| 2016                  | 11,452                                     | 4,363               | 38.1%    | 11,452                                 | 4,260               | 37.2%    | 11,452             | 3,275               | 28.6%    | 1,088                     | 3,121                                   |
| 2017                  | 11,743                                     | 4,345               | 37.0%    | 11,743                                 | 4,274               | 36.4%    | 11,747             | 3,207               | 27.3%    | 1,138                     | 4,259                                   |
| 2018                  | 11,988                                     | 4,232               | 35.3%    | 11,988                                 | 4,280               | 35.7%    | 11,997             | 3,143               | 26.2%    | 1,089                     | 5,348                                   |
| 2019                  | 12,250                                     | 4,300               | 35.1%    | 12,250                                 | 4,336               | 35.4%    | 12,273             | 3,130               | 25.6%    | 1,170                     | 6,518                                   |
| 2020                  | 12,518                                     | 4,331               | 34.6%    | 12,518                                 | 4,381               | 35.0%    | 12,566             | 3,104               | 24.8%    | 1,227                     | 7,745                                   |
| 2021                  | 12,783                                     | 4,359               | 34.1%    | 12,783                                 | 4,410               | 34.5%    | 12,859             | 3,073               | 24.0%    | 1,286                     | 9,031                                   |
| 2022                  | 13,010                                     | 4,384               | 33.7%    | 13,010                                 | 4,423               | 34.0%    | 13,119             | 3,044               | 23.4%    | 1,340                     | 10,371                                  |
| 2023                  | 13,261                                     | 4,429               | 33.4%    | 13,261                                 | 4,482               | 33.8%    | 13,405             | 3,030               | 22.8%    | 1,399                     | 11,770                                  |
| 2024                  | 13,506                                     | 4,470               | 33.1%    | 13,506                                 | 4,524               | 33.5%    | 13,686             | 3,025               | 22.4%    | 1,445                     | 13,215                                  |
| 2025                  | 13,766                                     | 4,515               | 32.8%    | 13,766                                 | 4,570               | 33.2%    | 13,962             | 3,016               | 21.9%    | 1,499                     | 14,714                                  |
| 2026                  | 14,013                                     | 4,568               | 32.6%    | 14,013                                 | 4,610               | 32.9%    | 14,215             | 3,014               | 21.5%    | 1,554                     | 16,268                                  |
| 2027                  | 14,266                                     | 4,622               | 32.4%    | 14,266                                 | 4,665               | 32.7%    | 14,464             | 3,023               | 21.2%    | 1,599                     | 17,867                                  |
| 2028                  | 14,503                                     | 4,655               | 32.1%    | 14,503                                 | 4,699               | 32.4%    | 14,688             | 3,011               | 20.8%    | 1,644                     | 19,511                                  |
| 2029                  | 14,752                                     | 4,706               | 31.9%    | 14,752                                 | 4,750               | 32.2%    | 14,917             | 3,028               | 20.5%    | 1,678                     | 21,189                                  |
| 2030                  | 14,951                                     | 4,709               | 31.5%    | 14,951                                 | 4,754               | 31.8%    | 15,091             | 3,003               | 20.1%    | 1,706                     | 22,895                                  |
| 2031                  | 15,179                                     | 4,766               | 31.4%    | 15,179                                 | 4,812               | 31.7%    | 15,306             | 3,031               | 20.0%    | 1,735                     | 24,630                                  |
| 2032                  | 15,377                                     | 4,782               | 31.1%    | 15,377                                 | 4,828               | 31.4%    | 15,485             | 3,020               | 19.6%    | 1,762                     | 26,392                                  |
| 2033                  | 15,605                                     | 5,118               | 32.8%    | 15,605                                 | 5,165               | 33.1%    | 15,693             | 3,327               | 21.3%    | 1,791                     | 28,183                                  |
| 2034                  | 15,800                                     | 4,219               | 26.7%    | 15,800                                 | 4,266               | 27.0%    | 15,870             | 2,396               | 15.2%    | 1,823                     | 30,006                                  |
| 2035                  | 15,931                                     | 4,238               | 26.6%    | 15,931                                 | 4,285               | 26.9%    | 16,050             | 2,424               | 15.2%    | 1,814                     | 31,820                                  |
| 2036                  | 16,019                                     | 3,812               | 23.8%    | 16,019                                 | 3,860               | 24.1%    | 16,197             | 2,008               | 12.5%    | 1,804                     | 33,624                                  |
| 2037                  | 16,092                                     | 3,476               | 21.6%    | 16,092                                 | 3,524               | 21.9%    | 16,344             | 1,667               | 10.4%    | 1,809                     | 35,433                                  |
| 2038                  | 16,172                                     | 3,348               | 20.7%    | 16,172                                 | 3,396               | 21.0%    | 16,508             | 1,535               | 9.5%     | 1,813                     | 37,246                                  |
| 2039                  | 16,227                                     | 3,521               | 21.7%    | 16,227                                 | 3,570               | 22.0%    | 16,665             | 1,717               | 10.6%    | 1,804                     | 39,050                                  |
| 2040                  | 16,262                                     | 3,122               | 19.2%    | 16,262                                 | 3,171               | 19.5%    | 16,761             | 1,307               | 8.0%     | 1,815                     | 40,865                                  |
| 2041                  | 16,290                                     | 2,867               | 17.6%    | 16,290                                 | 2,916               | 17.9%    | 16,853             | 1,045               | 6.4%     | 1,822                     | 42,687                                  |
| 2042                  | 16,305                                     | 2,576               | 15.8%    | 16,305                                 | 2,625               | 16.1%    | 16,933             | 745                 | 4.6%     | 1,831                     | 44,518                                  |
| 2043                  | 16,303                                     | 1,875               | 11.5%    | 16,303                                 | 1,924               | 11.8%    | 16,992             | 697                 | 4.3%     | 1,178                     | 45,696                                  |
| <b>5 Year</b>         |  |                     |          |  |                     |          |                    |                     |          |                           |   |
| <b>Totals *</b>       | <b>57,152</b>                              | <b>21,704</b>       |          | <b>57,152</b>                          | <b>21,228</b>       |          | <b>57,165</b>      | <b>16,356</b>       |          | <b>5,348</b>              |   |
| <b>10 Year</b>        |  |                     |          |  |                     |          |                    |                     |          |                           |   |
| <b>Totals *</b>       | <b>120,974</b>                             | <b>43,507</b>       |          | <b>120,974</b>                         | <b>43,260</b>       |          | <b>121,387</b>     | <b>31,737</b>       |          | <b>11,770</b>             |   |
| <b>30 Year</b>        |  |                     |          |  |                     |          |                    |                     |          |                           |   |
| <b>Totals *</b>       | <b>428,293</b>                             | <b>123,472</b>      |          | <b>428,293</b>                         | <b>124,174</b>      |          | <b>434,067</b>     | <b>77,776</b>       |          | <b>45,696</b>             |   |

\* Beginning Fiscal Year Ending in 2014

**RETIREMENT PLAN FOR GENERAL EMPLOYEES  
OF THE CITY OF NORTH MIAMI BEACH  
ACTUARIAL STUDY AS OF OCTOBER 1, 2012**



**RETIREMENT PLAN FOR GENERAL EMPLOYEES  
OF THE CITY OF NORTH MIAMI BEACH  
ACTUARIAL STUDY AS OF OCTOBER 1, 2012**

*Scenario 6* – Reduce the benefit accrual rate to 2.20% per year of credited service after September 30, 2012 and reduce the annual COLA to 1.00% on benefits accrued after September 30, 2012.

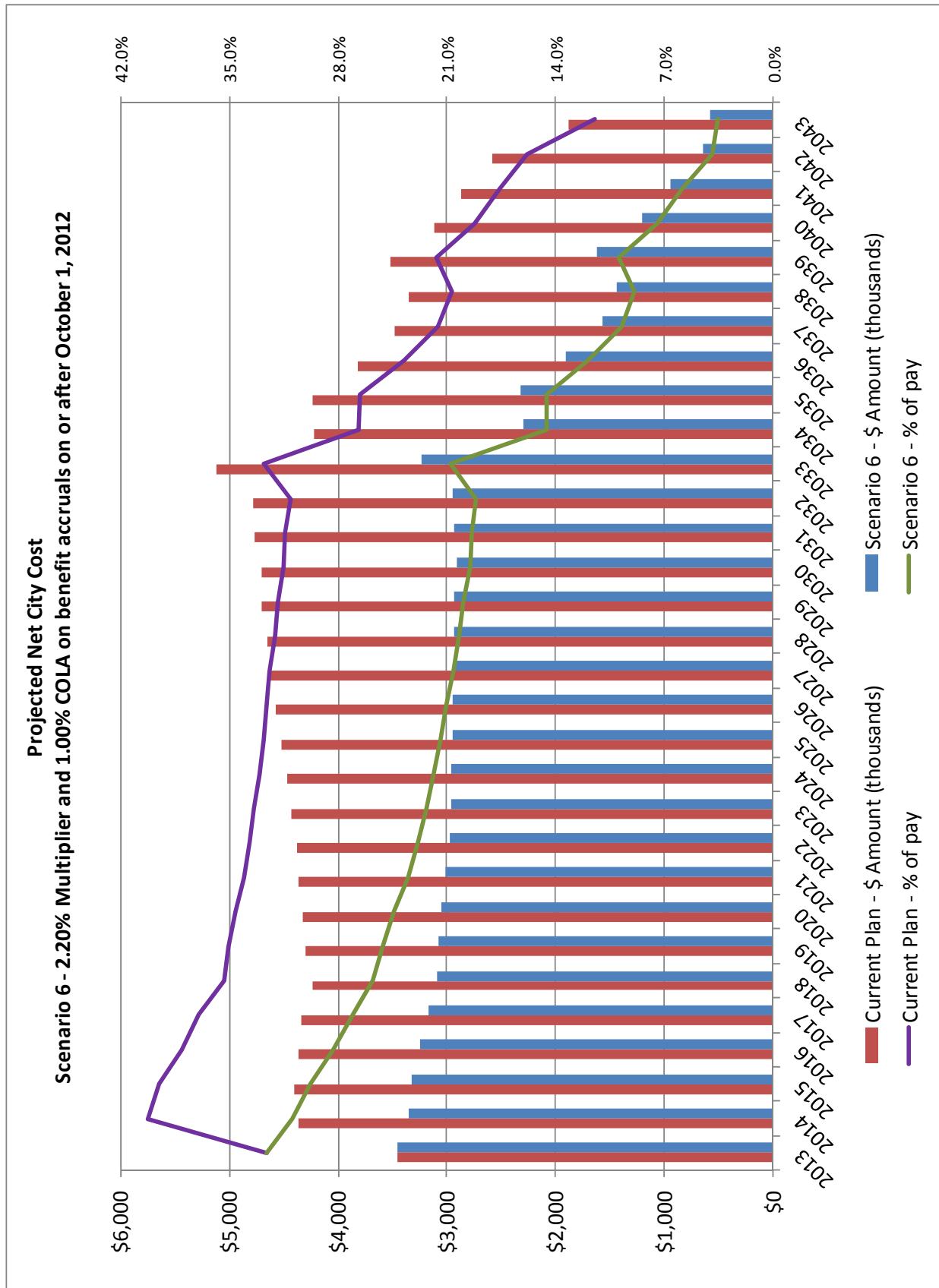
The following Table shows the projected covered payroll (\$thousands) and a comparison of City costs (\$thousands) under the baseline forecast versus Scenario 6.

| Fiscal Year End         | Current Plan<br>5-Year Smoothing of Assets |                            |          | Current Plan<br>Market Value of Assets |                            |          | Scenario 6      |                            |          | Cumulative             |                        |
|-------------------------|--|----------------------------|----------|--|----------------------------|----------|-----------------|----------------------------|----------|------------------------|------------------------|
|                         | Covered Payroll                            | Projected City Cost Dollar | % of Pay | Covered Payroll                        | Projected City Cost Dollar | % of Pay | Covered Payroll | Projected City Cost Dollar | % of Pay | Reduction in City Cost | Reduction in City Cost |
| 2013                    | 10,612                                     | 3,460                      | 32.6%    | 10,612                                 | 3,460                      | 32.6%    | 10,612          | 3,460                      | 32.6%    | 0                      | 0                      |
| 2014                    | 10,825                                     | 4,362                      | 40.3%    | 10,825                                 | 4,168                      | 38.5%    | 10,825          | 3,356                      | 31.0%    | 1,006                  | 1,006                  |
| 2015                    | 11,144                                     | 4,402                      | 39.5%    | 11,144                                 | 4,246                      | 38.1%    | 11,144          | 3,321                      | 29.8%    | 1,081                  | 2,087                  |
| 2016                    | 11,452                                     | 4,363                      | 38.1%    | 11,452                                 | 4,260                      | 37.2%    | 11,452          | 3,241                      | 28.3%    | 1,122                  | 3,209                  |
| 2017                    | 11,743                                     | 4,345                      | 37.0%    | 11,743                                 | 4,274                      | 36.4%    | 11,747          | 3,172                      | 27.0%    | 1,173                  | 4,382                  |
| 2018                    | 11,988                                     | 4,232                      | 35.3%    | 11,988                                 | 4,280                      | 35.7%    | 11,997          | 3,095                      | 25.8%    | 1,137                  | 5,519                  |
| 2019                    | 12,250                                     | 4,300                      | 35.1%    | 12,250                                 | 4,336                      | 35.4%    | 12,273          | 3,081                      | 25.2%    | 1,219                  | 6,738                  |
| 2020                    | 12,518                                     | 4,331                      | 34.6%    | 12,518                                 | 4,381                      | 35.0%    | 12,566          | 3,053                      | 24.4%    | 1,278                  | 8,016                  |
| 2021                    | 12,783                                     | 4,359                      | 34.1%    | 12,783                                 | 4,410                      | 34.5%    | 12,859          | 3,009                      | 23.5%    | 1,350                  | 9,366                  |
| 2022                    | 13,010                                     | 4,384                      | 33.7%    | 13,010                                 | 4,423                      | 34.0%    | 13,119          | 2,978                      | 22.9%    | 1,406                  | 10,772                 |
| 2023                    | 13,261                                     | 4,429                      | 33.4%    | 13,261                                 | 4,482                      | 33.8%    | 13,405          | 2,963                      | 22.3%    | 1,466                  | 12,238                 |
| 2024                    | 13,506                                     | 4,470                      | 33.1%    | 13,506                                 | 4,524                      | 33.5%    | 13,686          | 2,956                      | 21.9%    | 1,514                  | 13,752                 |
| 2025                    | 13,766                                     | 4,515                      | 32.8%    | 13,766                                 | 4,570                      | 33.2%    | 13,962          | 2,946                      | 21.4%    | 1,569                  | 15,321                 |
| 2026                    | 14,013                                     | 4,568                      | 32.6%    | 14,013                                 | 4,610                      | 32.9%    | 14,215          | 2,943                      | 21.0%    | 1,625                  | 16,946                 |
| 2027                    | 14,266                                     | 4,622                      | 32.4%    | 14,266                                 | 4,665                      | 32.7%    | 14,464          | 2,936                      | 20.6%    | 1,686                  | 18,632                 |
| 2028                    | 14,503                                     | 4,655                      | 32.1%    | 14,503                                 | 4,699                      | 32.4%    | 14,688          | 2,938                      | 20.3%    | 1,717                  | 20,349                 |
| 2029                    | 14,752                                     | 4,706                      | 31.9%    | 14,752                                 | 4,750                      | 32.2%    | 14,917          | 2,939                      | 19.9%    | 1,767                  | 22,116                 |
| 2030                    | 14,951                                     | 4,709                      | 31.5%    | 14,951                                 | 4,754                      | 31.8%    | 15,091          | 2,913                      | 19.5%    | 1,796                  | 23,912                 |
| 2031                    | 15,179                                     | 4,766                      | 31.4%    | 15,179                                 | 4,812                      | 31.7%    | 15,306          | 2,939                      | 19.4%    | 1,827                  | 25,739                 |
| 2032                    | 15,377                                     | 4,782                      | 31.1%    | 15,377                                 | 4,828                      | 31.4%    | 15,485          | 2,942                      | 19.1%    | 1,840                  | 27,579                 |
| 2033                    | 15,605                                     | 5,118                      | 32.8%    | 15,605                                 | 5,165                      | 33.1%    | 15,693          | 3,233                      | 20.7%    | 1,885                  | 29,464                 |
| 2034                    | 15,800                                     | 4,219                      | 26.7%    | 15,800                                 | 4,266                      | 27.0%    | 15,870          | 2,301                      | 14.6%    | 1,918                  | 31,382                 |
| 2035                    | 15,931                                     | 4,238                      | 26.6%    | 15,931                                 | 4,285                      | 26.9%    | 16,050          | 2,327                      | 14.6%    | 1,911                  | 33,293                 |
| 2036                    | 16,019                                     | 3,812                      | 23.8%    | 16,019                                 | 3,860                      | 24.1%    | 16,197          | 1,911                      | 11.9%    | 1,901                  | 35,194                 |
| 2037                    | 16,092                                     | 3,476                      | 21.6%    | 16,092                                 | 3,524                      | 21.9%    | 16,344          | 1,569                      | 9.8%     | 1,907                  | 37,101                 |
| 2038                    | 16,172                                     | 3,348                      | 20.7%    | 16,172                                 | 3,396                      | 21.0%    | 16,508          | 1,436                      | 8.9%     | 1,912                  | 39,013                 |
| 2039                    | 16,227                                     | 3,521                      | 21.7%    | 16,227                                 | 3,570                      | 22.0%    | 16,665          | 1,617                      | 10.0%    | 1,904                  | 40,917                 |
| 2040                    | 16,262                                     | 3,122                      | 19.2%    | 16,262                                 | 3,171                      | 19.5%    | 16,761          | 1,207                      | 7.4%     | 1,915                  | 42,832                 |
| 2041                    | 16,290                                     | 2,867                      | 17.6%    | 16,290                                 | 2,916                      | 17.9%    | 16,853          | 944                        | 5.8%     | 1,923                  | 44,755                 |
| 2042                    | 16,305                                     | 2,576                      | 15.8%    | 16,305                                 | 2,625                      | 16.1%    | 16,933          | 643                        | 3.9%     | 1,933                  | 46,688                 |
| 2043                    | 16,303                                     | 1,875                      | 11.5%    | 16,303                                 | 1,924                      | 11.8%    | 16,992          | 578                        | 3.5%     | 1,297                  | 47,985                 |
| <b>5 Year Totals *</b>  | <b>57,152</b>                              | <b>21,704</b>              |          | <b>57,152</b>                          | <b>21,228</b>              |          | <b>57,165</b>   | <b>16,185</b>              |          | <b>5,519</b>           |                        |
| <b>10 Year Totals *</b> | <b>120,974</b>                             | <b>43,507</b>              |          | <b>120,974</b>                         | <b>43,260</b>              |          | <b>121,387</b>  | <b>31,269</b>              |          | <b>12,238</b>          |                        |
| <b>30 Year Totals *</b> | <b>428,293</b>                             | <b>123,472</b>             |          | <b>428,293</b>                         | <b>124,174</b>             |          | <b>434,067</b>  | <b>75,487</b>              |          | <b>47,985</b>          |                        |

\* Beginning Fiscal Year Ending in 2014



# RETIREMENT PLAN FOR GENERAL EMPLOYEES OF THE CITY OF NORTH MIAMI BEACH ACTUARIAL STUDY AS OF OCTOBER 1, 2012



**RETIREMENT PLAN FOR GENERAL EMPLOYEES  
OF THE CITY OF NORTH MIAMI BEACH  
ACTUARIAL STUDY AS OF OCTOBER 1, 2012**

| Fiscal<br>Year<br>End             | Summary of Reduction in City Cost (\$thousands) |          |            |          |            |          |            |          |            |          |            |          |
|-----------------------------------|---|----------|------------|----------|------------|----------|------------|----------|------------|----------|------------|----------|
|                                   | Scenario 1                                      | % of Pay | Scenario 2 | % of Pay | Scenario 3 | % of Pay | Scenario 4 | % of Pay | Scenario 5 | % of Pay | Scenario 6 | % of Pay |
| 2013                              | 0   | 0.0%     | 0          | 0.0%     | 0          | 0.0%     | 0          | 0.0%     | 0          | 0.0%     | 0          | 0.0%     |
| 2014                              | 595   | 5.5%     | 931        | 8.6%     | 833        | 7.7%     | 1,039      | 9.6%     | 985        | 9.1%     | 1,006      | 9.3%     |
| 2015                              | 635   | 5.7%     | 992        | 8.9%     | 880        | 7.9%     | 1,103      | 9.9%     | 1,048      | 9.4%     | 1,081      | 9.7%     |
| 2016                              | 653   | 5.7%     | 1,019      | 8.9%     | 904        | 7.9%     | 1,145      | 10.0%    | 1,088      | 9.5%     | 1,122      | 9.8%     |
| 2017                              | 668   | 5.7%     | 1,068      | 9.1%     | 938        | 8.0%     | 1,197      | 10.2%    | 1,138      | 9.7%     | 1,173      | 10.0%    |
| 2018                              | 609   | 5.1%     | 1,017      | 8.5%     | 885        | 7.4%     | 1,161      | 9.7%     | 1,089      | 9.1%     | 1,137      | 9.5%     |
| 2019                              | 667   | 5.4%     | 1,097      | 8.9%     | 949        | 7.7%     | 1,244      | 10.1%    | 1,170      | 9.5%     | 1,219      | 9.9%     |
| 2020                              | 700   | 5.6%     | 1,152      | 9.2%     | 989        | 7.9%     | 1,303      | 10.4%    | 1,227      | 9.8%     | 1,278      | 10.2%    |
| 2021                              | 733   | 5.7%     | 1,209      | 9.4%     | 1,041      | 8.1%     | 1,363      | 10.6%    | 1,286      | 10.0%    | 1,350      | 10.5%    |
| 2022                              | 776   | 5.9%     | 1,262      | 9.6%     | 1,091      | 8.3%     | 1,432      | 10.9%    | 1,340      | 10.2%    | 1,406      | 10.7%    |
| 2023                              | 796   | 5.9%     | 1,306      | 9.7%     | 1,118      | 8.3%     | 1,480      | 11.0%    | 1,399      | 10.4%    | 1,466      | 10.9%    |
| 2024                              | 829   | 6.1%     | 1,350      | 9.9%     | 1,158      | 8.5%     | 1,527      | 11.2%    | 1,445      | 10.6%    | 1,514      | 11.1%    |
| 2025                              | 871   | 6.2%     | 1,401      | 10.0%    | 1,206      | 8.6%     | 1,583      | 11.3%    | 1,499      | 10.7%    | 1,569      | 11.2%    |
| 2026                              | 900   | 6.3%     | 1,455      | 10.2%    | 1,242      | 8.7%     | 1,640      | 11.5%    | 1,554      | 10.9%    | 1,625      | 11.4%    |
| 2027                              | 948   | 6.6%     | 1,512      | 10.5%    | 1,295      | 9.0%     | 1,700      | 11.8%    | 1,599      | 11.1%    | 1,686      | 11.7%    |
| 2028                              | 968   | 6.6%     | 1,541      | 10.5%    | 1,321      | 9.0%     | 1,732      | 11.8%    | 1,644      | 11.2%    | 1,717      | 11.7%    |
| 2029                              | 1,007   | 6.8%     | 1,588      | 10.6%    | 1,365      | 9.2%     | 1,782      | 11.9%    | 1,678      | 11.2%    | 1,767      | 11.8%    |
| 2030                              | 1,012   | 6.7%     | 1,615      | 10.7%    | 1,374      | 9.1%     | 1,796      | 11.9%    | 1,706      | 11.3%    | 1,796      | 11.9%    |
| 2031                              | 1,047   | 6.8%     | 1,644      | 10.7%    | 1,414      | 9.2%     | 1,843      | 12.0%    | 1,735      | 11.3%    | 1,827      | 11.9%    |
| 2032                              | 1,050   | 6.8%     | 1,654      | 10.7%    | 1,422      | 9.2%     | 1,855      | 12.0%    | 1,762      | 11.4%    | 1,840      | 11.9%    |
| 2033                              | 1,069   | 6.8%     | 1,697      | 10.8%    | 1,446      | 9.2%     | 1,901      | 12.1%    | 1,791      | 11.4%    | 1,885      | 12.0%    |
| 2034                              | 1,093   | 6.9%     | 1,727      | 10.9%    | 1,474      | 9.3%     | 1,934      | 12.2%    | 1,823      | 11.5%    | 1,918      | 12.1%    |
| 2035                              | 1,076   | 6.7%     | 1,718      | 10.7%    | 1,461      | 9.1%     | 1,911      | 11.9%    | 1,814      | 11.3%    | 1,911      | 11.9%    |
| 2036                              | 1,058   | 6.5%     | 1,706      | 10.5%    | 1,447      | 8.9%     | 1,917      | 11.8%    | 1,804      | 11.1%    | 1,901      | 11.7%    |
| 2037                              | 1,057   | 6.5%     | 1,711      | 10.5%    | 1,449      | 8.9%     | 1,923      | 11.8%    | 1,809      | 11.1%    | 1,907      | 11.7%    |
| 2038                              | 1,053   | 6.4%     | 1,714      | 10.4%    | 1,450      | 8.8%     | 1,928      | 11.7%    | 1,813      | 11.0%    | 1,912      | 11.6%    |
| 2039                              | 1,038   | 6.2%     | 1,704      | 10.2%    | 1,438      | 8.6%     | 1,921      | 11.5%    | 1,804      | 10.8%    | 1,904      | 11.4%    |
| 2040                              | 1,044   | 6.2%     | 1,714      | 10.2%    | 1,446      | 8.6%     | 1,932      | 11.5%    | 1,815      | 10.8%    | 1,915      | 11.4%    |
| 2041                              | 1,064   | 6.3%     | 1,721      | 10.2%    | 1,468      | 8.7%     | 1,940      | 11.5%    | 1,822      | 10.8%    | 1,923      | 11.4%    |
| 2042                              | 1,069   | 6.3%     | 1,729      | 10.2%    | 1,458      | 8.6%     | 1,949      | 11.5%    | 1,831      | 10.8%    | 1,933      | 11.4%    |
| 2043                              | 652   | 3.8%     | 1,110      | 6.5%     | 923        | 5.4%     | 1,263      | 7.4%     | 1,178      | 6.9%     | 1,297      | 7.6%     |
| <b>5 Year<br/>Savings (\$) *</b>  | 3,160   |          | 5,027      |          | 4,440      |          | 5,645      |          | 5,348      |          | 5,519      |          |
| <b>5 Year<br/>Savings (%) *</b>   | 14.6%   |          | 23.2%      |          | 20.5%      |          | 26.0%      |          | 24.6%      |          | 25.4%      |          |
| <b>5 Yr Average</b>               | 632   |          | 1,005      |          | 888        |          | 1,129      |          | 1,070      |          | 1,104      |          |
| <b>30 Year<br/>Savings (\$) *</b> | 26,737  |          | 43,064     |          | 36,885     |          | 48,444     |          | 45,696     |          | 47,985     |          |
| <b>30 Year<br/>Savings (%) *</b>  | 21.7%   |          | 34.9%      |          | 29.9%      |          | 39.2%      |          | 37.0%      |          | 38.9%      |          |
| <b>30 Yr Average</b>              | 891   |          | 1,435      |          | 1,230      |          | 1,615      |          | 1,523      |          | 1,600      |          |

\* Beginning Fiscal Year Ending 2014