

March 11, 2010

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

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

Dear Marty:

As requested, we are pleased to enclose twelve (12) copies of the October 1, 2009 Actuarial Valuation Report for the Retirement Plan for General Employees' of the City of North Miami Beach.

Please note that a copy of the Report should be filed with the State at the following address upon approval by the Board.

Mr. Douglas E. Beckendorf, A.S.A.
Bureau of Local Retirement Services
Division of Retirement
Building 8
1317 Winewood Boulevard
Tallahassee, Florida 32399-6570

We appreciate the opportunity to have performed this important assignment on behalf of the Board and look forward to presenting the key financial results of our Valuation at the Board Meeting on March 17th.

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

Sincerest regards,



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

Enclosures



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

ACTUARIAL VALUATION AS OF OCTOBER 1, 2009

This Valuation Determines the Annual Contribution for Plan Year October 1, 2009 through September 30, 2010 with City Contribution to be Paid in Fiscal Year October 1, 2010 to September 30, 2011

March 2010

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

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March 11, 2010

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

Dear Committee Members:

October 1, 2009 Actuarial Valuation

We are pleased to present our October 1, 2009 Actuarial Valuation for the Retirement Plan for General Employees of the City of North Miami Beach. The purpose of this report is to indicate appropriate contribution levels, comment on the actuarial stability of the Plan and to satisfy State requirements. Gabriel, Roeder, Smith & Company (GRS), as Plan actuary, is authorized by the Board of Trustees to prepare an annual actuarial valuation under Section 5.06 of the Plan.

This report consists of this commentary, detailed Tables I through XVII and the State Required Exhibit on Table XVIII. The Tables contain basic Plan cost figures plus significant details on the benefits, liabilities and experience of the Plan. We suggest that you thoroughly review the report at your convenience and contact us with any questions that may arise.

Pension Plan Costs

Our Actuarial Valuation develops the required minimum Retirement Plan payment for fiscal year beginning October 1, 2009 under the Florida Protection of Public Employee Retirement Benefits Act. The minimum payment consists of payment of annual normal costs plus amortization of the components of the unfunded actuarial accrued liability over various periods as prescribed by law. The total required contribution for the fiscal year ending September 30, 2011 is **\$3,869,164 (29.9%)**. The figure in parentheses is the Plan cost expressed as a percentage of covered annual payroll (\$12,953,446) as of October 1, 2009.

This total cost is to be met by Member and City contributions. We anticipate that Member contributions will be **\$906,741 (7.0%)** leaving **\$2,962,423 (22.9%)** which must be contributed to the Plan by the City for the fiscal year ending September 30, 2011.

The anticipated City Contribution by Department may be summarized as follows:

	<u>Net City Cost</u>	<u>Percent of Payroll</u>
General	\$ 2,143,745	22.9%
Water	\$ 683,833	22.9%
Sewer	\$ 81,174	22.9%
Storm Water	\$ 53,671	22.9%

Changes in Actuarial Assumptions, Methods and Plan Benefits

Plan benefits remain unchanged from our October 1, 2008 Actuarial Valuation. Plan provisions are outlined on Table X.

The actuarial assumptions and methods remain unchanged from our October 1, 2008 Actuarial Valuation. The actuarial assumptions and methods are outlined on Table XI.

Comparison of October 1, 2008 and October 1, 2009 Valuation Results

Table II of our report provides information of a comparative nature. The left columns of the Table indicate the costs as calculated for October 1, 2008. The right columns indicate the costs as calculated for October 1, 2009.

Comparing the left and right columns of Table II shows the effect of Plan experience during the year. The number of active participants decreased by approximately 0.3% while covered payroll decreased by approximately 0.6%. The normal cost decreased as a dollar amount but increased slightly as a percentage of covered payroll. The unfunded actuarial accrued liability increased both as a dollar amount and as a percentage of covered payroll. The City's required contribution also increased both as a dollar amount and as a percentage of payroll.

The value of vested accrued benefits exceeds the market value of Plan assets, resulting in a Vested Benefit Security Ratio of 76.3% which is a decrease from 79.4% as of October 1, 2008.

Plan Experience

Table VII indicates that the Plan experienced an actuarial loss of \$2,962,719. This suggests actual overall experience was less favorable than expected. This actuarial loss resulted in an increase in the amortization component of the City funding requirement of approximately 1.3% of covered pay.

Our Actuarial Valuation report tracks the actual experience in three areas that are very significant in determining whether an actuarial gain or loss occurs. Table XVI presents salary experience and tracks employee turnover. Table XVII provides information on investment return.

The salary experience indicates actual salary increases averaged approximately 2.97%. This was less than our assumption for salary increases of 6.00% and was, generally, an offsetting source of actuarial gain. Three, five and ten year average salary increases are 5.2%, 5.6% and 5.9%, respectively. Employee turnover this year was 110% of the assumed turnover and was, generally, an additional offsetting source of actuarial gain. Three, five and ten year average turnover rates are 140%, 120% and 100%, respectively of the assumed turnover rates.

The actuarial value investment return of 3.06%, net of investment expense, was less than the 8.25% investment return assumption. Three, five and ten year average actuarial value net investment returns

are 6.0%, 5.1% and 3.8%, respectively. Investment return was a significant source of actuarial loss during the previous year. Market value net returns for the one, three, five and ten year periods have been 5.29%, 1.0%, 4.1% and 2.5%, respectively.

Member Census and Financial Data

The Board provided the Member census data used for this valuation to us. This information contains name, Social Security number, date of birth, date of hire, date of participation, October 1, 2009 rate of pay, actual salary paid and employee contributions deducted for the previous year. Dates of termination and retirement are provided where applicable. The Board updated information on inactive participants including retirees, beneficiaries and vested terminees.

We receive financial information concerning fund assets from the Board. We do not audit the Member census data and asset information that is provided to us. However, we perform certain reasonableness checks and on this basis we believe that the information that we received is reliable.

Summary

In our opinion the benefits provided for under the current Plan will be sufficiently funded through the payment of the amount as indicated in this and future Actuarial Valuation reports. We will continue to update you on the future payment requirements for the Plan through our actuarial reports. These reports will also continue to monitor the future experience of the Plan.

The undersigned are Members of the American Academy of Actuaries and meet the qualification standards of the American Academy of Actuaries to render the actuarial opinions contained in this report. We are available to respond to any questions with regards to matters covered in our report.

Very truly yours,



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



Peter N. Strong, A.S.A.
Consultant

Table I

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

Summary of Retirement Plan Costs as of October 1, 2009

	<u>Cost Data</u>	<u>% of Payroll</u>
A. Participant Data Summary		
1. Active employees	300	N/A
2. Terminated vested	26	N/A
3. Receiving benefits (including DROPs)	208	N/A
4. Annual payroll of active employees	\$ 12,953,446	100.0%
B. Total Normal Costs		
1. Age retirement benefits	\$ 1,717,568	13.3%
2. Termination benefits	143,114	1.1%
3. Death benefits	63,379	0.5%
4. Disability benefits	178,360	1.4%
5. Estimated expenses	113,221	0.9%
6. Total annual normal costs (City and Member)	<u>\$ 2,215,642</u>	17.1%
C. Total Actuarial Accrued Liability		
1. Age retirement benefits active employees	\$ 37,261,310	287.7%
2. Termination benefits active employees	293,296	2.3%
3. Death benefits active employees	866,289	6.7%
4. Disability benefits active employees	2,398,317	18.5%
5. Retired or terminated vested participants receiving benefits (including DROPs)	29,677,962	229.1%
6. Terminated vested participants entitled to future benefits	1,979,791	15.3%
7. Deceased participants whose beneficiaries are receiving benefits	4,574,757	35.3%
8. Disabled participants receiving benefits	2,008,546	15.5%
9. Miscellaneous liability	39,594	0.3%
10. Total actuarial accrued liability	<u>\$ 79,099,862</u>	610.6%
D. Net Assets		
1. Actuarial value	\$ 57,832,173	446.5%
2. Market value	\$ 50,116,833	386.9%
E. Unfunded Actuarial Accrued Liability (C. - D.1.)	\$ 21,267,689	164.2%

**Table I
(Cont'd)**

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

Summary of Retirement Plan Costs as of October 1, 2009

	Current Assumptions	
	<u>Cost Data</u>	<u>% of Payroll</u>
F. Total Minimum Funding Requirement		
1. Total normal cost (City and Member)	\$ 2,215,642	17.1%
2. Amortization of unfunded liability	1,294,009	10.0%
3. Interest adjustment	359,513	2.8%
4. Total payment	\$ 3,869,164	29.9%
G. Expected Contribution by Source		
1. Member	\$ 906,741	7.0%
2. City	\$ 2,962,423	22.9%
H. Allocation of Expected City Contribution		
1. General (22.9% of \$ 9,373,708)	\$ 2,143,745	16.5%
2. Water (22.9% of \$ 2,990,117)	\$ 683,833	5.3%
3. Sewer (22.9% of \$ 354,939)	\$ 81,174	0.6%
4. Storm Water (22.9% of \$ 234,682)	\$ 53,671	0.4%
I. Actuarial Gains (Losses)	\$ (2,962,719)	(22.9%)
J. Actuarial Present Value of Vested Accrued Benefits		
1. Retired, terminated vested, beneficiaries and disabled receiving benefits	\$ 36,261,265	279.9%
2. Terminated vested participants entitled to future benefits and miscellaneous	2,019,385	15.6%
3. Active participants entitled to future benefits	27,397,594	211.5%
4. Total actuarial present value of vested accrued benefits	\$ 65,678,244	507.0%
K. Unfunded Actuarial Present Value of Vested Accrued Benefits (J. - D.2.)	\$ 15,561,411	120.1%
L. Vested Benefit Security Ratio (D.2. ÷ J.)	76.3%	N/A

Table II

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

Comparison of Cost Data of October 1, 2008 and October 1, 2009 Valuations

	October 1, 2008		October 1, 2009	
	Cost Data	% of Annual Compensation	Cost Data	% of Annual Compensation
A. Participants				
1. Active employees	301	N/A	300	N/A
2. Terminated vested	24	N/A	26	N/A
3. Receiving benefits	192	N/A	208	N/A
4. Annual payroll of active employees	\$ 13,029,957	100.0%	\$ 12,953,446	100.0%
B. Total Normal Costs	\$ 2,220,251	17.0%	\$ 2,215,642	17.1%
C. Total Actuarial Accrued Liability	\$ 74,148,334	569.1%	\$ 79,099,862	610.6%
D. Actuarial Value of Assets	\$ 56,504,858	433.7%	\$ 57,832,173	446.5%
E. Unfunded Actuarial Accrued Liability	\$ 17,643,476	135.4%	\$ 21,267,689	164.2%
F. Expected City Contribution	\$ 2,702,353	20.7%	\$ 2,962,423	22.9%
G. Unfunded Actuarial Present Value of Vested Accrued Benefits	\$ 12,465,137	95.7%	\$ 15,561,411	120.1%
H. Actuarial Gain (Loss)	\$ (2,518,093)	(19.3%)	\$ (2,962,719)	(22.9%)
I. Vested Benefit Security Ratio	79.4%	N/A	76.3%	N/A

Table III**Retirement Plan for General Employees
of the City of North Miami Beach****Characteristics of Participants in Actuarial
Valuation as of October 1, 2009****A. Active Plan Participants Summary**

1. Active participants fully vested	232
2. Active participants partially vested	0
3. Active participants non-vested	68
4. Total active participants	<u>300</u>
5. Annual rate of pay of active participants	\$ 12,953,446

B. Retired and Terminated Vested Participant Summary

1. Retired or terminated vested participants receiving benefits (including DROPs)	138
2. Terminated vested participants entitled to future benefits	26
3. Deceased participants whose beneficiaries are receiving benefits	55
4. Disabled participants receiving benefits	15

C. Projected Annual Retirement Benefits

1. Retired or terminated vested receiving benefits (including DROPs)	\$ 2,836,804
2. Terminated vested entitled to future benefits	\$ 366,673
3. Beneficiaries of deceased participants receiving benefits	\$ 541,517
4. Disabled participants	\$ 196,669

Table IV**Retirement Plan for General Employees
of the City of North Miami Beach****Statement of Assets as of October 1, 2009**

	<u>Market Value</u>
A. <u>Cash</u>	\$ 289,939
B. <u>Investments</u>	
1. Short term investments	\$ 905,559
2. Corporate bonds	\$ 9,628,061
3. Government and agency fixed income obligations	\$ 9,595,642
4. Common stocks	\$ 29,903,338
C. <u>Receivables</u>	
1. Accrued interest and dividends	\$ 237,292
2. Receivable from other funds	\$ 54,966
D. <u>Payables</u>	\$ (104,334)
E. <u>Total Fund</u> (A. + B. + C. + D.)	\$ 50,510,463
F. <u>DROP Accounts Balances as of October 1, 2009</u>	\$ 393,630
G. <u>Net Fund</u> (E. - F.)	\$ 50,116,833

Table V

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

Reconciliation of Plan Assets

A. <u>Total Market Value of Assets as of October 1, 2008</u>	\$ 48,230,393
B. <u>Receipts During Period</u>	
1. Contributions	
a. Employee	\$ 924,190
b. City	2,122,612
c. Total	<u>\$ 3,046,802</u>
2. Investment income	
a. Interest and dividends	\$ 1,878,275
b. Investment expense	<u>(206,192)</u>
c. Net	\$ 1,672,083
3. Other income	43,030
4. Realized appreciation (depreciation)	(3,132,026)
5. Unrealized appreciation (depreciation)	<u>3,960,259</u>
6. Total receipts during period	\$ 5,590,148
C. <u>Disbursements During Period</u>	
1. Pension payments	\$ 2,973,194
2. DROP distributions	161,422
3. Refunds of accumulated employee contributions	62,241
4. Administrative expenses	<u>113,221</u>
5. Total disbursements during period	\$ 3,310,078
D. <u>Total Market Value of Assets as of September 30, 2009</u>	\$ 50,510,463
E. <u>Reconciliation of DROP Account Balances</u>	
1. DROP account balances as of October 1, 2008	\$ 248,880
2. Benefit payments into DROP accounts during year	285,329
3. Investment gains (losses) during year	20,843
4. Distributions from DROP accounts during year	<u>(161,422)</u>
5. DROP account balances as of October 1, 2009	\$ 393,630
F. <u>Net Market Value of Assets as of September 30, 2009</u>	\$ 50,116,833

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

Development of Actuarial Value of Assets as of September 30

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
A. Preliminary total actuarial value from prior year	56,753,738	58,225,803			
B. Total market value end of year	50,510,463				
C. Total market value beginning of year	48,230,393	50,510,463			
D. Non-investment net cash flow	(263,276)				
E. Investment return					
1. Total market value return: B. - C. - D.	2,543,346				
2. Amount for immediate recognition (8.25%)	3,968,147				
3. Amount for phased-in recognition: E.1. - E.2.	(1,424,801)				
F. Phased-in recognition of investment return					
1. Current year: 20% of E.3.	(284,960)				
2. First prior year	(2,482,259)	(284,960)			
3. Second prior year	493,608	(2,482,259)	(284,960)		
4. Third prior year	(115,937)	493,608	(2,482,259)	(284,960)	
5. Fourth prior year	156,742	(115,939)	493,608	(2,482,258)	(284,961)
6. Total phased-in recognition of investment return	<u>(2,232,806)</u>	<u>(2,389,550)</u>	<u>(2,273,611)</u>	<u>(2,767,218)</u>	<u>(284,961)</u>
G. Total actuarial value end of year					
1. Preliminary actuarial value end of year:					
A. + D. + E.2. + F.6.	58,225,803				
2. Upper corridor limit: 120% of B.	60,612,556				
3. Lower corridor limit: 80% of B.	40,408,370				
4. Total actuarial value end of year:					
G.1., not more than G.2., nor less than G.3.	58,225,803				
H. Difference between total market value and total actuarial value	(7,715,340)				
I. Actuarial value rate of return	3.06%				
J. Market value rate of return	5.29%				
K. DROP account balances	393,630				
L. Net actuarial value of assets	57,832,173				

Table VII

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

**Actuarial Gain (Loss) for
Plan Year Ended September 30, 2009**

A. Derivation of Actuarial Gain (Loss)

1. City net normal cost previous valuation	\$	1,308,154
2. Unfunded actuarial accrued previous valuation		17,643,476
3. City contributions previous year		2,122,612
4. Interest on:		
(a) City net normal cost	\$	107,923
(b) Unfunded actuarial accrued liability		1,455,587
(c) Contributions		87,558
(d) Net interest: (a) + (b) - (c)	\$	1,475,952
5. Expected unfunded actuarial accrued liability current year: (1. + 2. - 3. + 4.)		18,304,970
6. Actual unfunded actuarial accrued liability current year		21,267,689
7. Actuarial gain (loss): (5. - 6.)	\$	(2,962,719)

B. Approximate Portion of Gain (Loss)

Due to Investments

1. Net actuarial value of assets previous year	\$	56,504,858
2. Contributions during year		3,046,802
3. Net benefits and administrative expenses during year		3,433,985
4. Expected appreciation for period		4,645,679
5. Expected net actuarial value of assets current year: (1. + 2. - 3. + 4.)	\$	60,763,354
6. Net actuarial value of assets current year	\$	57,832,173
7. Approximate gain (loss): (6. - 5.)	\$	(2,931,181)

C. Approximate Portion of Gain (Loss)

Due to Liabilities: A. - B.

\$ (31,538)

Table VIII

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

Amortization of Unfunded Actuarial Accrued Liability

A. Unfunded Actuarial Accrued Liability

<u>Date</u>	<u>Unfunded Liability</u>	<u>Amortization Payment</u>
October 1, 2009	\$ 21,267,689	\$ 1,294,009
October 1, 2010	\$ 21,621,509	\$ 1,345,769
October 1, 2011	\$ 21,948,489	\$ 1,399,600
October 1, 2012	\$ 22,244,172	\$ 1,455,584
October 1, 2013	\$ 22,503,647	\$ 1,513,807
...		
...		
October 1, 2039	\$ 0	\$ 0

B. Covered Payroll History

<u>Date</u>	<u>Covered Payroll</u>	<u>Annual Increase</u>
October 1, 2009	\$ 12,953,446	(0.6%)
October 1, 2008	\$ 13,029,957	(0.6%)
October 1, 2007	\$ 13,111,784	2.0%
October 1, 2006	\$ 12,852,968	0.8%
October 1, 2005	\$ 12,748,757	2.3%
October 1, 2004	\$ 12,467,338	3.6%
October 1, 2003	\$ 12,035,255	11.0%
October 1, 2002	\$ 10,842,137	11.7%
October 1, 2001	\$ 9,707,885	9.4%
October 1, 2000	\$ 8,874,568	10.4%
October 1, 1999	\$ 8,038,335	N/A
Ten Year Average Annual Increase		4.9%

Table IX

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

	<u>10/01/2008</u>	<u>10/01/2009</u>
I. <u>Number of Plan Participants</u>		
a. Retirees, beneficiaries and disableds receiving benefits	192	208
b. Terminated plan participants entitled to but not yet receiving benefits	24	26
c. Active plan participants	<u>301</u>	<u>300</u>
d. Total	517	534
II. <u>Financial Accounting Standards Board Allocation</u> <u>As of October 1, 2009</u>		
A. <u>Statement of Accumulated Plan Benefits</u>		
1. Actuarial present value of accumulated vested plan benefits		
a. Participants currently receiving benefits	\$ 30,663,886	\$ 36,261,265
b. Other participants	29,782,764	29,416,979
c. Total	<u>\$ 60,446,650</u>	<u>\$ 65,678,244</u>
2. Actuarial present value of accumulated non-vested plan benefits	<u>555,641</u>	<u>659,294</u>
3. Total actuarial present value of accumulated plan benefits	\$ 61,002,291	\$ 66,337,538
B. <u>Statement of Change in Accumulated Plan Benefits</u>		
1. Actuarial present value of accumulated plan benefits as of October 1, 2008		\$ 61,002,291
2. Increase (decrease) during year attributable to:		
a. Plan amendment		\$ 0
b. Change in actuarial assumptions and methods		0
c. Benefits paid (including DROP benefits and refunds)		(3,320,764)
d. Other, including benefits accumulated and increase for interest due to decrease in the discount period		<u>8,656,011</u>
e. Net increase		\$ 5,335,247
3. Actuarial present value of accumulated plan benefits as of October 1, 2009		\$ 66,337,538
C. <u>Significant Matters Affecting Calculations</u>		
1. Assumed rate of return used in determining actuarial present values		8.25%
2. Change in plan provisions		None.
3. Change in actuarial assumptions and methods		None.

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

Accounting Disclosure Exhibit

III. Annual Pension Cost For the Current Year and Related Information:

Contribution rates:	
City	22.9%
Members	7.0%
Annual pension cost (thousands)	\$ 2,962
Contributions made (thousands)	To be determined
Actuarial valuation date	October 1, 2009
Actuarial cost method	Entry Age Normal
Amortization method	Level percent of pay, closed
Remaining amortization period	30 Years
Asset valuation method	Smoothed market value
Actuarial assumptions:	
Investment rate of return *	8.25%
Projected salary increases *	4.75% - 7.50%
Cost of living adjustments	2.25%
* Includes inflation at	3.50%

**Table IX
(Cont'd)**

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

Accounting Disclosure Exhibit

IV. Historical Trend Information (thousands)

A. Schedule of Employer Costs GASB 25

<u>Fiscal Year Ending</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage of ARC Contributed</u>
09/30/2004	\$ 1,695	102%
09/30/2005	\$ 1,739	100%
09/30/2006	\$ 1,830	102%
09/30/2007	\$ 2,115	101%
09/30/2008	\$ 2,272	103%
09/30/2009	\$ 2,127	100%

B. Schedule of Employer Costs GASB 27

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension (Obligation) Asset</u>
09/30/2004	\$ 1,697	102%	\$ 321,630
09/30/2005	\$ 1,731	100%	\$ 329,624
09/30/2006	\$ 1,823	102%	\$ 365,129
09/30/2007	\$ 2,107	101%	\$ 391,770
09/30/2008	\$ 2,263	103%	\$ 462,396
09/30/2009	\$ 2,117	100%	\$ 468,488

V. Annual Pension Cost and Net Pension Asset (NPA)

<u>Fiscal Year Ended</u>	<u>9/30/2009</u>	<u>9/30/2010</u>
Annual Required Contribution (ARC)	\$ 2,126,565	\$ 2,702,353
Interest on NPA	(38,148)	(38,650)
Adjustment to ARC	28,103	28,473
APC	<u>\$ 2,116,520</u>	<u>\$ 2,692,176</u>
City Contribution	<u>\$ 2,122,612</u>	
Increase (Decrease) in NPA	\$ 6,092	
NPA (beginning of year)	<u>462,396</u>	
NPA (end of year)	\$ 468,488	

**Table IX
(Cont'd)**

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

**Schedule of Funding Progress
(Dollar Amounts in Thousands)**

V. Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
10/01/2004	\$ 44,968	\$ 54,772	\$ 9,804	82.1%	\$ 12,467	78.6%
10/01/2005	\$ 45,628	\$ 58,943	\$ 13,315	77.4%	\$ 12,749	104.4%
10/01/2006	\$ 48,554	\$ 63,645	\$ 15,091	76.3%	\$ 12,853	117.4%
10/01/2007	\$ 53,576	\$ 67,210	\$ 13,634	79.7%	\$ 13,112	104.0%
10/01/2008	\$ 56,505	\$ 74,148	\$ 17,643	76.2%	\$ 13,030	135.4%
10/01/2009	\$ 57,832	\$ 79,100	\$ 21,268	73.1%	\$ 12,953	164.2%

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

Outline of Principal Provisions of the Retirement Plan

A. Effective Date:

July 1, 1957 as Amended and Restated under Ordinance No. 89.19. Most recently amended under Ordinance No. 2008-2.

B. Eligibility Requirements:

1. Permanent full-time or *contract* employees excluding Police Officers, Firefighters, City Councilmen and the City Attorney.
2. Completion of two (2) years of credited service.

C. Credited Service:

Service measured in completed calendar months from date of employment to date of retirement or prior termination.

D. Final Monthly Compensation (FMC):

Average monthly rate of basic compensation during the best 60 successive calendar months out of the last 120 calendar months preceding date of retirement or prior termination. Basic compensation is defined as compensation actually paid to a participant excluding commissions, bonuses, overtime, expense allowances and all other extraordinary compensation.

E. Normal Retirement:

- a. Eligibility: Attainment of age 62, or attainment of age 55 with 20 years of service.
- b. Benefit: 3.0% of FMC times credited service.

F. Early Retirement:

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

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

Outline of Principal Provisions of the Retirement Plan

G. Deferred Retirement:

- a. Eligibility: Retirement subsequent to normal retirement date.
- b. Benefit: Benefit calculated as for normal retirement based upon FMC and credited service as of deferred retirement date.

H. Disability Retirement:

- a. Eligibility: Total and permanent disability prior to normal retirement age for 6 months.
- b. Benefit: The greater of (i) or (ii) below, payable for the lifetime of the participant.
 - (i) A - B, where A is 60% of FMC at date of disability and B is 64% of the monthly Social Security disability benefit to which the participant is entitled.
 - (ii) The participant's accrued benefit as of date of disability.

Monthly disability retirement income payable until the earliest of recovery from disability, death or normal retirement date. If the participant remains disabled until normal retirement date, the same benefit will be payable for 10 years certain (measured from normal retirement date) and life thereafter.

If death of a disabled participant occurs prior to normal retirement date, benefit to beneficiary payable for 10 years certain and life thereafter, which can be supported by the greater of A or B, where A is the single-sum value of the accrued deferred benefit at date of death assuming continued credited service and assuming continued pay at last monthly rate to date of death and B is the lesser of (1) and (2), where (1) is 24 times FMC at date of disability and (2) is 100 times the anticipated monthly normal retirement benefit.

I. Death Benefit:

Benefit to beneficiary (payable for 10 years certain and life thereafter) which can be supported by the greater of A or B, where A is the single-sum value of the accrued deferred benefit at date of death and B is the lesser of (i) and (ii), where (i) is 24 times monthly rate of pay on October 1 preceding date of death and (ii) is 100 times anticipated normal retirement benefit.

If death occurs subsequent to normal retirement date, benefit to beneficiary payable for 10 years certain and life thereafter, which can be supported by the single sum value of the accrued benefit as of date of death.

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

Outline of Principal Provisions of the Retirement Plan

J. Employee Contributions:

7% of basic annual compensation contributed on a *pre-tax* basis beginning after completion of two years of service eligibility requirement continuing until termination or actual retirement date.

K. Vested Benefit Upon Termination:

- a. Eligibility: 100% vesting upon completion of six (6) years of credited service.
- b. Benefit: Accrued benefit as of date of termination multiplied by vesting percentage, payable as of normal retirement date in the normal form. After 20 years of credited service, an immediate, actuarially reduced benefit is optional.

L. Termination Benefit:

- a. Eligibility: Less than six (6) years of credited service at date of termination.
- b. Benefit: Return of employee contributions plus interest at the rate of 3%, compounded annually.

M. Normal Form of Payment of Retirement Income:

10 years certain and life thereafter, subject to COLA adjustments of 2.25% per annum.

N. Deferred Retirement Option Program (DROP)

1. Eligibility - The earlier of attainment of age 55 and completion of 20 years of service or attainment of age 62.
2. The maximum period of participation in the DROP is sixty (60) months.
3. The COLA is first payable following DROP participation period.
4. Interest is credited at the fixed rate of 6.5% per annum.

O. Changes from Previous Actuarial Valuation

None.

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

**Actuarial Assumptions and Actuarial Cost Methods
Used in the Valuation**

A. Mortality

For healthy participants, the RP-2000 Mortality Table was used, with separate rates for males and females and for annuitants and non-annuitants, and with fully generational mortality improvements projected to each future decrement date.

For disabled participants, the RP-2000 Disabled Mortality Table was used, with separate rates for males and females, and with fully generational mortality improvements projected to each future decrement date.

B. Investment Return

8.25%, compounded annually, net of investment expenses.

C. Allowances for Expenses or Contingencies

Provision for payment of administrative costs added to normal cost based upon non-investment expenses paid in previous year.

D. Employee Withdrawal Rates

<u>Age</u>	<u>Withdrawal Rates Per 100 Employees</u>			
	<u>Males</u>		<u>Females</u>	
	<u>First 4 Years</u>	<u>4+ Years</u>	<u>First 4 Years</u>	<u>4+ Years</u>
20	8.0	8.0	17.0	10.0
25	8.0	8.0	17.0	10.0
30	8.0	6.9	17.0	8.0
35	8.0	5.2	17.0	8.0
40	8.0	3.9	7.0	7.0
45	8.0	2.9	5.5	5.5
50	8.0	1.9	3.0	3.0
55	8.0	0.7	1.0	1.0
60 & Over	0.0	0.0	0.0	0.0

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

**Actuarial Assumptions and Actuarial Cost Methods
Used in the Valuation**

E. Disability Incidence

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

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

F. Salary Increase Factor

<u>Service</u>	<u>Salary Increase</u>
0 - 5	7.50%
6 - 10	6.25%
11 - 14	6.00%
15 + years	4.75%

G. Increase in Covered Payroll

4.0%, per year not greater than the average annual increase over most recent ten years (4.9%).

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

**Actuarial Assumptions and Actuarial Cost Methods
Used in the Valuation**

H. Rates of Retirement

<u>Age</u>	<u>Rates of Retirement</u>
< 55	2%
55	15%
56 - 60	10%
61	20%
62	30%
63 - 64	15%
65 - 69	20%
70 & Over	100%

35% of employees enter the DROP when first eligible.

Employees eligible for normal retirement as of the valuation date are assumed to retire one year after the valuation date.

I. Deferred Retirement Option Program (DROP)

The assumed period of DROP participation (COLA deferral) is four (4) years.

J. Actuarial Value of Assets

The method used for determining the actuarial value of assets phases in the deviation between the expected and actual return on assets at the rate of 20% per year. The actuarial value of assets will be further adjusted to the extent necessary to fall within the corridor whose lower limit is 80% of the fair market value of plan assets and whose upper limit is 120% of the fair market value of plan assets.

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

**Actuarial Assumptions and Actuarial Cost Methods
Used in the Valuation**

K. Actuarial Cost Method

Normal Retirement, Termination, Disability, and Death Benefits: Entry-Age-Normal Cost Method.
Under this method the normal cost for each active employee is the amount which is calculated to be a level percentage of pay that would be required annually from his entry age to his assumed retirement age to fund his estimated benefits, assuming the Plan had always been in effect. The normal cost for the Plan is the sum of such amounts for all employees. The actuarial accrued liability as of any valuation date for each active employee or inactive employee who is eligible to receive benefits under the Plan is the excess of the actuarial present value of estimated future benefits over the actuarial present value of current and future normal costs. The unfunded actuarial accrued liability as of any valuation date is the excess of the actuarial accrued liability over the assets of the Plan.

L. Changes from Previous Actuarial Valuation

None.

**Retirement Plan for General Employees
of the City of North Miami Beach**
**Distribution by Attained Age Groups
and Service Groups as of October 1, 2009**

All Active Participants

<u>Attained Age Group</u>	<u>COMPLETED YEARS OF SERVICE</u>							<u>Total</u>
	<u>0-4</u>	<u>5-9</u>	<u>10-14</u>	<u>15-19</u>	<u>20-24</u>	<u>25-29</u>	<u>30 & Over</u>	
Under 25	1	-	-	-	-	-	-	1
25-29	11	6	-	-	-	-	-	17
30-34	9	14	1	-	-	-	-	24
35-39	10	9	10	2	-	-	-	31
40-44	6	8	14	5	-	-	-	33
45-49	9	6	14	8	8	1	-	46
50-54	10	9	15	10	5	5	5	59
55-59	6	6	15	8	3	4	1	43
60-64	3	14	11	6	2	1	1	38
65 & Over	1	3	1	2	1	-	-	8
TOTAL	66	75	81	41	19	11	7	300

	Prior Year	Current Year
Average Attained Age	47.60 years	47.93 years
Average Hire Age	35.97 years	36.42 years
Average Pay	\$ 43,289	\$ 43,178
Percent Female	29.9%	31.3%

**Table XII
(Cont'd)**

**Retirement Plan for General Employees
of the City of North Miami Beach
Distribution by Attained Age Groups
and Service Groups as of October 1, 2009**

General Active Employees

<u>Attained Age Group</u>	<u>COMPLETED YEARS OF SERVICE</u>							<u>Total</u>
	<u>0-4</u>	<u>5-9</u>	<u>10-14</u>	<u>15-19</u>	<u>20-24</u>	<u>25-29</u>	<u>30 & Over</u>	
Under 25	1	-	-	-	-	-	-	1
25-29	10	4	-	-	-	-	-	14
30-34	8	8	1	-	-	-	-	17
35-39	6	8	10	1	-	-	-	25
40-44	4	3	12	3	-	-	-	22
45-49	6	5	9	3	3	1	-	27
50-54	5	5	11	5	4	4	3	37
55-59	5	4	14	8	2	2	1	36
60-64	3	12	9	6	2	-	1	33
65 & Over	1	2	1	2	1	-	-	7
TOTAL	49	51	67	28	12	7	5	219

	Prior Year	Current Year
Average Attained Age	47.62 years	48.14 years
Average Hire Age	36.25 years	36.84 years
Average Pay	\$ 43,034	\$ 42,802
Percent Female	32.9%	34.7%

**Table XII
(Cont'd)**

**Retirement Plan for General Employees
of the City of North Miami Beach
Distribution by Attained Age Groups
and Service Groups as of October 1, 2009**

Water Active Employees

<u>Attained Age Group</u>	-----COMPLETED YEARS OF SERVICE-----							<u>Total</u>
	<u>0-4</u>	<u>5-9</u>	<u>10-14</u>	<u>15-19</u>	<u>20-24</u>	<u>25-29</u>	<u>30 & Over</u>	
Under 25	-	-	-	-	-	-	-	0
25-29	1	1	-	-	-	-	-	2
30-34	1	2	-	-	-	-	-	3
35-39	4	1	-	1	-	-	-	6
40-44	2	3	2	2	-	-	-	9
45-49	1	1	4	3	5	-	-	14
50-54	4	4	4	3	1	1	2	19
55-59	1	2	1	-	1	2	-	7
60-64	-	2	2	-	-	-	-	4
65 & Over	-	1	-	-	-	-	-	1
TOTAL	14	17	13	9	7	3	2	65

	Prior Year	Current Year
Average Attained Age	48.26 years	48.33 years
Average Hire Age	35.58 years	35.97 years
Average Pay	\$ 45,797	\$ 46,002
Percent Female	25.0%	24.6%

**Table XII
(Cont'd)**

**Retirement Plan for General Employees
of the City of North Miami Beach
Distribution by Attained Age Groups
and Service Groups as of October 1, 2009**

Sewer Active Employees

<u>Attained Age Group</u>	-----COMPLETED YEARS OF SERVICE-----							<u>Total</u>
	<u>0-4</u>	<u>5-9</u>	<u>10-14</u>	<u>15-19</u>	<u>20-24</u>	<u>25-29</u>	<u>30 & Over</u>	
Under 25	-	-	-	-	-	-	-	0
25-29	-	-	-	-	-	-	-	0
30-34	-	3	-	-	-	-	-	3
35-39	-	-	-	-	-	-	-	0
40-44	-	2	-	-	-	-	-	2
45-49	1	-	1	1	-	-	-	3
50-54	1	-	-	-	-	-	-	1
55-59	-	-	-	-	-	-	-	0
60-64	-	-	-	-	-	-	-	0
65 & Over	-	-	-	-	-	-	-	0
TOTAL	2	5	1	1	0	0	0	9

	Prior Year	Current Year
Average Attained Age	43.05 years	41.96 years
Average Hire Age	34.13 years	34.01 years
Average Pay	\$ 38,626	\$ 39,438
Percent Female	10.0%	11.1%

**Table XII
(Cont'd)**

**Retirement Plan for General Employees
of the City of North Miami Beach
Distribution by Attained Age Groups
and Service Groups as of October 1, 2009**

Storm Water Active Employees

<u>Attained Age Group</u>	-----COMPLETED YEARS OF SERVICE-----							<u>Total</u>
	<u>0-4</u>	<u>5-9</u>	<u>10-14</u>	<u>15-19</u>	<u>20-24</u>	<u>25-29</u>	<u>30 & Over</u>	
Under 25	-	-	-	-	-	-	-	0
25-29	-	1	-	-	-	-	-	1
30-34	-	1	-	-	-	-	-	1
35-39	-	-	-	-	-	-	-	0
40-44	-	-	-	-	-	-	-	0
45-49	1	-	-	1	-	-	-	2
50-54	-	-	-	2	-	-	-	2
55-59	-	-	-	-	-	-	-	0
60-64	-	-	-	-	-	1	-	1
65 & Over	-	-	-	-	-	-	-	0
TOTAL	1	2	0	3	0	1	0	7

	Prior Year	Current Year
Average Attained Age	47.32 years	45.18 years
Average Hire Age	33.64 years	30.58 years
Average Pay	\$ 36,027	\$ 33,526
Percent Female	12.5%	14.3%

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

**Statistics for Participants Entitled to Deferred Benefits
and Participants Receiving Benefits**

A. Entitled to Deferred Benefits

<u>Current Age Group</u>	<u>Count</u>	<u>Total Annual Benefit</u>	<u>Average Annual Benefit</u>
Less than 50	15	\$ 201,637	\$ 13,442
50-54	7	122,844	17,549
55-59	4	42,192	10,548
60-64	0	0	0
65-69	0	0	0
70 & Over	0	0	0
TOTAL	<u>26</u>	<u>\$ 366,673</u>	<u>\$ 14,103</u>

B. Retirees Receiving Benefits & DROPs

<u>Current Age Group</u>	<u>Count</u>	<u>Total Annual Benefit</u>	<u>Average Annual Benefit</u>
Less than 50	0	\$ 0	\$ 0
50-54	1	11,834	11,834
55-59	16	539,859	33,741
60-64	15	447,568	29,838
65-69	25	628,742	25,150
70-74	29	579,503	19,983
75-79	20	290,571	14,529
80 & Over	32	338,727	10,585
TOTAL	<u>138</u>	<u>\$ 2,836,804</u>	<u>\$ 20,557</u>

Table XIII
(Cont'd)

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

Statistics for Participants Entitled to Deferred Benefits
and Participants Receiving Benefits

C. Beneficiaries Receiving Benefits

<u>Current Age Group</u>	<u>Count</u>	<u>Total Annual Benefit</u>	<u>Average Annual Benefit</u>
Less than 50	11	\$ 57,453	\$ 5,223
50-54	7	60,120	8,589
55-59	3	41,213	13,738
60-64	10	124,387	12,439
65-69	6	83,241	13,874
70-74	6	73,353	12,226
75 & Over	12	101,750	8,479
TOTAL	<u>55</u>	<u>\$ 541,517</u>	<u>\$ 9,846</u>

D. Disabled Participants Receiving Benefits

<u>Current Age Group</u>	<u>Count</u>	<u>Total Annual Benefit</u>	<u>Average Annual Benefit</u>
Less than 50	4	\$ 53,720	\$ 13,430
50-54	2	29,127	14,564
55-59	3	60,515	20,172
60-64	2	19,001	9,501
65-69	3	26,304	8,768
70-74	0	0	0
75 & Over	1	8,002	8,002
TOTAL	<u>15</u>	<u>\$ 196,669</u>	<u>\$ 13,111</u>

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

Reconciliation of Employee Data

A. <u>Active Participants</u>	
1. Active participants previous year	301
2. Retired during year	(9)
3. Entered DROP during year	(5)
4. Deceased during year	(2)
5. Disabled during year	(1)
6. Terminated refunded during year	(5)
7. Terminated not refunded during year	(1)
8. Terminated vested	(6)
9. Leave of absence	0
10. New active participants	27
11. Rehired participants	1
12. Active participants current year	<u>300</u>
B. <u>Participants Receiving Benefits</u>	
1. Participants receiving benefits previous year	183
2. New retired participants	11
3. New terminated vested receiving benefits	2
4. New disabled receiving benefits	1
5. New beneficiaries receiving benefits	5
6. Deceased or ceased payment during year	(6)
7. Retirees refunded during the year	0
8. Retired or terminated vested receiving benefits current year	<u>196</u>
C. <u>DROP Participants</u>	
1. DROP participants previous year	9
2. Died during year	0
3. Became disabled during year	0
4. Employment terminated and retired during year	(2)
5. Entered DROP during year	5
6. DROP participants current year	<u>12</u>
D. <u>Terminated Vested Participants Entitled to Future Benefits</u>	
1. Terminated vested entitled previous year	24
2. Deceased during year	(1)
3. Commenced receiving benefits during year	(2)
4. New terminated vested	6
5. Terminated vested paid lump sum	0
6. Rehired during the year	(1)
7. Terminated vested entitled current year	<u>26</u>

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

Projected Retirement Benefits

<u>Fiscal Year</u>	<u>Projected Total Annual Payout</u>
2010	3,901,834
2011	4,144,544
2012	4,486,850
2013	4,787,129
2014	5,165,790
2015	5,545,069
2016	5,923,852
2017	6,438,216
2018	6,876,536
2019	7,400,560

The above projected payout of plan benefits during the next ten years is based on assumptions involving all decrements. The actual payout may differ from the above estimates depending upon death, salary and retirement experience of the plan. However, since the projected payment is recomputed each valuation date, there is an automatic correction to the extent that actual experience varies from expected experience.

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

Review of Salary and Termination Experience

A. Salary Experience - Current Year

<u>October 1, 2009 Service Groups</u>	<u>Employees*</u>	<u>Actual % Increase</u>	<u>Assumed % Increase</u>
0 - 5	35	4.51%	7.50%
6 - 10	90	3.14%	6.25%
11 - 14	72	2.00%	6.00%
15 + years	59	2.97%	4.75%
TOTAL	256	2.97%	6.00%

B. Recent Salary Experience

<u>Year Ended</u>	<u>Employees*</u>	<u>Actual % Increase</u>	<u>Assumed % Increase</u>
09/30/2008	254	5.8%	5.5%
09/30/2007	270	6.9%	5.5%
09/30/2006	275	5.9%	5.5%
09/30/2005	284	6.3%	5.5%
09/30/2004	271	3.9%	5.5%
09/30/2003	253	9.3%	5.5%
09/30/2002	238	5.2%	5.5%
09/30/2001	228	6.1%	5.5%
09/30/2000	251	6.4%	5.5%
Last 3 Years	780	5.2%	5.7%
Last 5 Years	1,339	5.6%	5.6%
Last 10 Years	2,580	5.9%	5.5%

* Participants who have full years of pay for both years considered.

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

Review of Salary and Termination Experience

C. Termination Experience - Current Year

<u>October 1, 2008 Age Groups</u>	<u>Number of Participants October 1, 2008</u>	<u>Expected Terminations</u>	<u>Actual Terminations</u>	<u>Ratio of Actual to Expected</u>
19 & Under	0	0.0	0	N/A
20-24	2	0.3	1	3.3
25-29	20	1.9	0	0.0
30-34	24	1.8	6	3.3
35-39	29	1.9	2	1.1
40-44	33	1.6	1	0.6
45-49	50	1.7	1	0.6
50-54	56	1.1	1	0.9
55-59	44	0.3	0	0.0
60-64	33	0.0	0	N/A
65 & Over	<u>10</u>	<u>0.0</u>	<u>0</u>	<u>N/A</u>
TOTAL	301	10.6	12	1.1

D. Recent Termination Experience

<u>Period</u>	<u>Number of Participants Previous Year</u>	<u>Expected Terminations</u>	<u>Actual Terminations</u>	<u>Ratio of Actual to Expected</u>
09/30/2008	317	11.7	18	1.5
09/30/2007	312	11.0	16	1.5
09/30/2006	324	12.5	10	0.8
09/30/2005	327	12.6	16	1.3
09/30/2004	336	14.5	14	1.0
09/30/2003	314	13.8	7	0.5
09/30/2002	295	13.4	7	0.5
09/30/2001	278	13.0	16	1.2
09/30/2000	263	14.1	16	1.1
Last 3 Years	930	33.3	46	1.4
Last 5 Years	1,581	58.4	72	1.2
Last 10 Years	3,067	127.2	132	1.0

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

Analysis of Investment Yield as of October 1, 2009

This Table sets forth the results of an analysis made of investment yields on the assets held under the Retirement Plan for General Employees of the City of North Miami Beach.

The basic sources for this analysis were the Statements produced by the City.

The basic data was initially checked for internal consistency. Since no difficulties were encountered with the data, yield rates were calculated directly from the transaction information submitted. A summary of the transaction information is set forth on the following page.

**Table XVII
(Cont'd)**

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

Summary of Transaction Information

<u>Year Ended</u>	<u>Benefits Paid*</u>	<u>Administrative Expenses</u>	<u>Member Contributions</u>	<u>City Contributions</u>	<u>Net Actuarial Value**</u>
09/30/2009	\$ 3,320,764	\$ 113,221	\$ 924,190	\$ 2,122,612	\$ 57,832,173
09/30/2008	\$ 3,000,899	\$ 119,945	\$ 1,054,435	\$ 2,333,440	\$ 56,504,858
09/30/2007	\$ 2,849,780	\$ 43,851	\$ 900,620	\$ 2,133,251	\$ 53,575,555
09/30/2006	\$ 2,528,070	\$ 116,727	\$ 898,852	\$ 1,858,727	\$ 48,553,562
09/30/2005	\$ 2,433,315	\$ 111,722	\$ 863,779	\$ 1,738,722	\$ 45,627,713
09/30/2004	\$ 2,140,131	\$ 100,910	\$ 851,458	\$ 1,694,679	\$ 44,967,792
09/30/2003	\$ 1,964,374	\$ 76,039	\$ 799,182	\$ 1,547,537	\$ 44,459,457
09/30/2002	\$ 1,798,589	\$ 65,132	\$ 707,765	\$ 701,935	\$ 39,872,430
09/30/2001	\$ 1,798,795	\$ 84,346	\$ 639,170	\$ 634,989	\$ 44,382,287
09/30/2000	\$ 1,578,287	\$ 88,104	\$ 599,825	\$ 576,257	\$ 43,650,926
09/30/1999	\$ 1,539,900	\$ 79,210	\$ 545,770	\$ 533,119	\$ 40,229,429
09/30/1998	\$ 1,579,002	\$ 83,104	\$ 411,522	\$ 411,522	\$ 35,879,000
09/30/1997	\$ 1,624,618	\$ 48,768	\$ 371,603	\$ 349,350	\$ 33,630,000
09/30/1996	\$ 1,185,418	\$ 61,130	\$ 365,210	\$ 274,533	\$ 28,099,000
09/30/1995	\$ 962,600	\$ 138,626	\$ 358,078	\$ 344,348	\$ 25,474,000

* Includes refunds and DROP benefit credits

** Market value prior to 2001, thousands prior to October 1, 1998

**Table XVII
(Cont'd)**

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

Recent Plan Experience

	<u>Assumed Investment Yield</u>	<u>Market Value Yield ¹</u>	<u>Actuarial Value Yield ^{1,2}</u>
09/30/2009	8.25%	5.29%	3.06%
09/30/2008	8.50%	(13.8%)	5.0%
09/30/2007	8.50%	13.6%	10.0%
09/30/2006	8.50%	7.2%	6.2%
09/30/2005	8.50%	10.4%	1.3%
09/30/2004	8.50%	7.0%	0.5%
09/30/2003	8.50%	13.3%	10.7%
09/30/2002	8.50%	(9.0%)	(10.1%)
09/30/2001	8.50%	(13.6%)	3.5%
09/30/2000	9.00%	9.8%	9.8%
Last 3 Years	8.40%	1.0%	6.0%
Last 5 Years	8.40%	4.1%	5.1%
Last 10 Years	8.50%	2.5%	3.8%

¹ Yield calculated as $2I/(A+B-I)$

² Actuarial value was market value prior to September 30, 2001

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

Actuarial Valuation as of October 1, 2009

State Required Exhibit

	10/01/2008	10/01/2009
A. <u>Participant Data</u>		
1. Active participants	301	300
2. Retired participants and beneficiaries receiving benefits (including DROPs)	177	193
3. Disabled participants receiving benefits	15	15
4. Terminated vested participants	24	26
5. Annual payroll of active participants	\$ 13,029,957	\$ 12,953,446
6. Annual benefits payable to those currently receiving benefits (including DROPs)	\$ 3,083,982	\$ 3,574,990
 B. <u>Net Assets</u>		
1. Actuarial Value	\$ 56,504,858	\$ 57,832,173
2. Market Value	\$ 47,981,513	\$ 50,116,833
 C. <u>Liabilities</u>		
1. Actuarial present value of future expected benefit payments for active members		
a. Retirement benefits	\$ 50,822,057	\$ 50,753,767
b. Vesting benefits	1,621,551	1,581,180
c. Death benefits	1,369,821	1,354,777
d. Disability benefits	3,804,768	3,824,748
e. Total	\$ 57,618,197	\$ 57,514,472
2. Actuarial present value of future expected benefit payments for terminated vested members	\$ 2,606,366	\$ 1,979,791
3. Actuarial present value of future expected benefit payments for members currently receiving benefits		
a. Service retired (including DROPs)	\$ 24,940,522	\$ 29,677,962
b. Disability retired	1,950,378	2,008,546
c. Beneficiaries	3,772,986	4,574,757
d. Miscellaneous	39,140	39,594
e. Total	\$ 30,703,026	\$ 36,300,859

**Table XVIII
(Cont'd)**

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

Actuarial Valuation as of October 1, 2009

State Required Exhibit

	10/01/2008	10/01/2009
4. Total actuarial present value of future expected benefit payments	\$ 90,927,589	\$ 95,795,122
5. Actuarial accrued liabilities	\$ 74,148,334	\$ 79,099,862
6. Unfunded actuarial liabilities	\$ 17,643,476	\$ 21,267,689

D. Statement of Accumulated Plan Benefits

1. Actuarial present value of accumulated vested benefits		
a. Participants currently receiving benefits	\$ 30,663,886	\$ 36,261,265
b. Other participants	29,782,764	29,416,979
c. Total	\$ 60,446,650	\$ 65,678,244
2. Actuarial present value of accumulated non-vested plan benefits	555,641	659,294
3. Total actuarial present value of accumulated plan benefits	\$ 61,002,291	\$ 66,337,538

E. Statement of Change in Accumulated Plan Benefits

1. Actuarial present value of accumulated plan benefits as of October 1, 2008		\$ 61,002,291
2. Increase (decrease) during year attributable to:		
a. Plan amendment		\$ 0
b. Change in actuarial assumptions and methods		0
c. Benefits paid (including DROPs and refunds)		(3,320,764)
d. Other, including benefits accumulated and increase for interest due to decrease in the discount period		8,656,011
e. Net increase		\$ 5,335,247
3. Actuarial present value of accumulated plan benefits as of October 1, 2009		\$ 66,337,538

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

Actuarial Valuation as of October 1, 2009

State Required Exhibit

	<u>10/01/2008</u>	<u>10/01/2009</u>
F. <u>Pension Cost</u>		
1. Total normal cost	\$ 2,220,251	\$ 2,215,642
2. Payment required to amortize unfunded liability	1,063,129	1,294,009
3. Interest	331,070	359,513
4. Total required contributions	\$ 3,614,450	\$ 3,869,164
5. Item 4 as a percentage of payroll	27.7%	29.9%
6. Estimated employee contributions	\$ 912,097	\$ 906,741
7. Item 6 as a percentage of payroll	7.0%	7.0%
8. Expected City contribution	\$ 2,702,353	\$ 2,962,423
9. Item 8 as a percentage of payroll	20.7%	22.9%
G. <u>Past Contributions</u>		
1. Total contribution required (Prior Actuarial Valuation)	\$ 3,044,390	\$ 3,614,450
2. Actual contributions made:		
a. Employee	\$ 924,190	N/A
b. City	2,122,612	N/A
c. Total	\$ 3,046,802	N/A
H. <u>Net Actuarial Gain (Loss)</u>	\$ (2,518,093)	\$ (2,962,719)
I. <u>Disclosure of Following Items:</u>		
1. Actuarial present value of future salaries - attained age	\$ 108,841,386	\$ 107,349,496
2. Actuarial present value of future employee contributions - attained age	\$ 7,618,897	\$ 7,514,465
3. Actuarial present value of future contributions from other sources	N/A	N/A
4. Amount of active members' accumulated contributions	\$ 7,859,958	\$ 7,957,621
5. Actuarial present value of future salaries and future benefits at entry age		Not provided by software
6. Actuarial present value of future employee contributions at entry age		Not provided by software

**Table XVIII
(Cont'd)**

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

Actuarial Valuation as of October 1, 2009

State Required Exhibit

J. Retirement Experience

Normal Retirement Eligibility: Earlier of age 62 or age 55 with 20 years of credited service.

Attained Age	9/30/1999 - 9/30/2006		9/30/2007		9/30/2008		9/30/2009	
	Eligible	Retired	Eligible	Retired	Eligible	Retired	Eligible	Retired
55	15	3	4	0	5	3	2	2
56	15	3	2	0	4	1	2	1
57	15	2	2	0	2	0	3	0
58	13	1	1	1	2	1	2	1
59	12	1	3	0	0	0	1	0
60	11	1	3	0	3	0	0	0
61	11	0	1	0	3	0	3	1
62	38	10	4	3	6	1	8	1
63	22	4	6	0	1	0	5	0
64	16	1	3	0	7	1	1	0
65	15	4	2	0	2	1	6	3
66	10	1	1	0	3	1	1	1
67	7	1	1	0	1	0	2	1
68	5	0	2	2	1	0	1	0
69	4	0	2	0	0	0	1	0
70	5	1	1	0	2	1	0	0
71	5	2	0	0	1	0	1	1
72	4	0	0	0	0	0	1	1
73	3	0	1	0	0	0	0	0
74	3	0	1	0	1	0	0	0
75	4	1	0	0	1	0	1	0
76	4	0	0	0	0	0	1	0
77	4	2	0	0	0	0	0	0
78	2	1	0	0	0	0	0	0
79	1	0	0	0	0	0	0	0
80	1	0	0	0	0	0	0	0
81	1	0	0	0	0	0	0	0
82	0	0	1	0	0	0	0	0
83	0	0	0	0	1	1	0	0
Total	246	39	41	6	46	11	42	13

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

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

Actuarial Valuation as of October 1, 2009

State Required Exhibit

	<u>Unfunded Actuarial Accrued Liabilities</u>	<u>Current Unfunded Liabilities</u>	<u>Amortization Payment</u>	<u>Remaining Funding Period</u>
10/01/2001	Assumption / Method Change	\$ (2,686,354)	\$ (180,075)	22 years
10/01/2001	Plan Amendment	36,448	2,443	22 years
10/01/2002	Actuarial Loss (Gain)	9,102,135	593,657	23 years
10/01/2003	Actuarial Loss (Gain)	(175,984)	(11,188)	24 years
10/01/2004	Actuarial Loss (Gain)	4,287,461	266,091	25 years
10/01/2005	Actuarial Loss (Gain)	3,615,093	219,360	26 years
10/01/2005	Plan Amendment	39,572	2,401	26 years
10/01/2006	Actuarial Loss (Gain)	1,468,987	87,268	27 years
10/01/2007	Actuarial Loss (Gain)	(1,737,903)	(101,204)	28 years
10/01/2008	Actuarial Loss (Gain)	2,620,235	149,744	29 years
10/01/2008	Assumption Change	1,735,280	99,170	29 years
10/01/2009	Actuarial Loss (Gain)	2,962,719	166,342	30 years
	TOTAL	\$ 21,267,689	\$ 1,294,009	

This actuarial valuation and/or cost determination was prepared and completed by me or under my direct supervision, and I acknowledge responsibility for the results. To the best of my knowledge, the results are complete and accurate, and in my opinion, the techniques and assumptions used are reasonable and meet the requirements and intent of Part VII, Chapter 112, Florida Statutes. There is no benefit or expense to be provided by the Plan and/or paid from the Plan's assets for which liabilities or current costs have not been established or otherwise taken into account for in the valuation. All known events or trends which may require a material increase in plan costs or required contribution rates have been taken into account in the valuation.

Enrollment Number: 08-02802

Dated: March 11, 2010



Lawrence F. Wilson, A.S.A.