

NORTH MIAMI POLICE PENSION PLAN

Chapter 112.664, F.S. Compliance Report

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





July 23, 2015

Board of Trustees
North Miami Police Pension Plan
North Miami, Florida

Dear Board Members:

Gabriel, Roeder, Smith & Company (GRS) has been engaged by the North Miami Police Pension Plan (Plan) to prepare a disclosure report to satisfy the requirements set forth in Ch. 112.664, F.S. and as further required pursuant to Ch. 60T-1.0035, F.A.C.

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

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

The findings in this report are based on data or other information through September 30, 2014. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. The scope of this engagement does not include an analysis of the potential range of such measurements.

This report was based upon information furnished by the Plan Administrator concerning Plan benefits, financial transactions, plan provisions and active members, terminated members, retirees and beneficiaries. We checked for internal and year-to-year consistency, but did not otherwise audit the data. We are not responsible for the accuracy or completeness of the information provided by the Plan Administrator.

Except as otherwise indicated as required for the disclosures contained herein, this report was prepared using certain assumptions selected by the Board as described in our October 1, 2014 actuarial valuation report. This report is also based on the Plan Provisions, census data, and financial information as summarized in our October 1, 2014 actuarial valuation report. Please refer to the October 1, 2014 actuarial valuation report, dated May 21, 2015, for summaries and descriptions of this information.

The use of an investment return assumption that is 2% higher than the investment return assumption used to determine the funding requirements does not represent an estimate of future Plan experience nor does it reflect an observation of future return estimates inherent in financial market data. The use of this investment return assumption is provided as a counterpart to the Chapter 112.664, Florida Statutes requirement to utilize an investment return assumption that is 2% lower than the assumption used to determine the funding requirements. The inclusion of the additional exhibits showing the effect of using a 2% higher investment return assumption shows a more complete assessment of the range of possible results as opposed to showing a one-sided range as required by Florida Statutes.

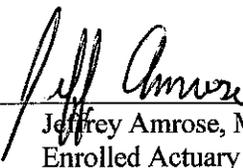
Jeffrey Amrose and Trisha Amrose are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein. The signing actuaries are independent of the plan sponsor.

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

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

Respectfully submitted,

GABRIEL, ROEDER, SMITH AND COMPANY

By  _____
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Enrolled Actuary No. 14-6599
Senior Consultant & Actuary

By  _____
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RESULTS

**Schedule of Changes in the Employers' Net Pension Liability
Using Financial Reporting Assumptions per GASB Statement No. 67**

Fiscal year ending September 30,	<u>2014</u>
1. Total pension liability	
a. Service Cost	\$ 2,474,226
b. Interest	5,987,806
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	-
e. Assumption Changes	-
f. Benefit Payments	(3,537,499)
g. Contribution Refunds	(72,946)
h. Net Change in Total Pension Liability	4,851,587
i. Total Pension Liability - Beginning	71,473,243
j. Total Pension Liability - Ending	<u>\$ 76,324,830</u>
2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ 3,194,000
b. Contributions - Non-Employer Contributing Entity	82,682
c. Contributions - Member	791,906
d. Net Investment Income	4,798,319
e. Benefit Payments	(3,537,499)
f. Contribution Refunds	(72,946)
g. Administrative Expense	(132,094)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	5,124,368
j. Plan Fiduciary Net Position - Beginning	47,422,133
k. Plan Fiduciary Net Position - Ending	<u>\$ 52,546,501</u>
3. Net Pension Liability / (Asset)	23,778,329
Certain Key Assumptions	
Valuation Date	10/01/2013
Measurement Date	09/30/2014
Investment Return Assumption	8.30%
Mortality Table	RP-2000 fully generational using Scale AA

**Schedule of Changes in the Employers' Net Pension Liability
Using Assumptions required under 112.664(1)(a), F.S.**

Fiscal year ending September 30,

	<u>2014</u>
1. Total pension liability	
a. Service Cost	\$ 2,474,226
b. Interest	5,987,806
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	-
e. Assumption Changes	-
f. Benefit Payments	(3,537,499)
g. Contribution Refunds	(72,946)
h. Net Change in Total Pension Liability	<u>4,851,587</u>
i. Total Pension Liability - Beginning	<u>71,473,243</u>
j. Total Pension Liability - Ending	<u>\$ 76,324,830</u>
2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ 3,194,000
b. Contributions - Non-Employer Contributing Entity	82,682
c. Contributions - Member	791,906
d. Net Investment Income	4,798,319
e. Benefit Payments	(3,537,499)
f. Contribution Refunds	(72,946)
g. Administrative Expense	(132,094)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	<u>5,124,368</u>
j. Plan Fiduciary Net Position - Beginning	<u>47,422,133</u>
k. Plan Fiduciary Net Position - Ending	<u>\$ 52,546,501</u>
3. Net Pension Liability / (Asset)	23,778,329
Certain Key Assumptions	
Valuation Date	10/01/2013
Measurement Date	09/30/2014
Investment Return Assumption	8.30%
Mortality Table	RP-2000 fully generational using Scale AA

**Schedule of Changes in the Employers' Net Pension Liability
Using Assumptions required under 112.664(1)(b), F.S.**

Fiscal year ending September 30,

	<u>2014</u>
1. Total pension liability	
a. Service Cost	\$ 3,940,092
b. Interest	6,020,985
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	-
e. Assumption Changes	-
f. Benefit Payments	(3,537,499)
g. Contribution Refunds	(72,946)
h. Net Change in Total Pension Liability	<u>6,350,632</u>
i. Total Pension Liability - Beginning	<u>93,436,314</u>
j. Total Pension Liability - Ending	<u>\$ 99,786,946</u>
2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ 3,194,000
b. Contributions - Non-Employer Contributing Entity	82,682
c. Contributions - Member	791,906
d. Net Investment Income	4,798,319
e. Benefit Payments	(3,537,499)
f. Contribution Refunds	(72,946)
g. Administrative Expense	(132,094)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	<u>5,124,368</u>
j. Plan Fiduciary Net Position - Beginning	<u>47,422,133</u>
k. Plan Fiduciary Net Position - Ending	<u>\$ 52,546,501</u>
3. Net Pension Liability / (Asset)	47,240,445
Certain Key Assumptions	
Valuation Date	10/01/2013
Measurement Date	09/30/2014
Investment Return Assumption	6.30%
Mortality Table	RP-2000 fully generational using Scale AA

Schedule of Changes in the Employers' Net Pension Liability
Using Assumptions under 112.664(1)(b), F.S. except 2% higher investment return assumption

Fiscal year ending September 30,	<u>2014</u>
1. Total pension liability	
a. Service Cost	\$ 1,622,905
b. Interest	5,816,694
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	-
e. Assumption Changes	-
f. Benefit Payments	(3,537,499)
g. Contribution Refunds	(72,946)
h. Net Change in Total Pension Liability	<u>3,829,154</u>
i. Total Pension Liability - Beginning	<u>56,655,071</u>
j. Total Pension Liability - Ending	<u>\$ 60,484,225</u>
2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ 3,194,000
b. Contributions - Non-Employer Contributing Entity	82,682
c. Contributions - Member	791,906
d. Net Investment Income	4,798,319
e. Benefit Payments	(3,537,499)
f. Contribution Refunds	(72,946)
g. Administrative Expense	(132,094)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	<u>5,124,368</u>
j. Plan Fiduciary Net Position - Beginning	<u>47,422,133</u>
k. Plan Fiduciary Net Position - Ending	<u>\$ 52,546,501</u>
3. Net Pension Liability / (Asset)	7,937,724
Certain Key Assumptions	
Valuation Date	10/01/2013
Measurement Date	09/30/2014
Investment Return Assumption	10.30%
Mortality Table	RP-2000 fully generational using Scale AA

Asset and Benefit Payment Projection
Not Reflecting Any Contributions from the Employer, State or Employee
Using Assumptions per the Plan's latest Actuarial Valuation

FYE	Market Value of Assets (BOY)	Expected Investment Return	Projected Benefit Payments	Market Value of Assets (EOY)
2015	52,546,501	4,188,064	2,945,106	53,789,459
2016	53,789,459	4,261,708	3,634,832	54,416,335
2017	54,416,335	4,300,591	3,940,196	54,776,730
2018	54,776,730	4,321,206	4,158,201	54,939,735
2019	54,939,735	4,318,960	4,538,990	54,719,705
2020	54,719,705	4,289,610	4,814,776	54,194,539
2021	54,194,539	4,236,008	5,071,812	53,358,735
2022	53,358,735	4,160,038	5,253,135	52,265,638
2023	52,265,638	4,063,065	5,432,119	50,896,584
2024	50,896,584	3,939,118	5,717,127	49,118,575
2025	49,118,575	3,781,972	5,993,933	46,906,614
2026	46,906,614	3,593,969	6,155,454	44,345,129
2027	44,345,129	3,377,499	6,312,245	41,410,383
2028	41,410,383	3,129,988	6,479,584	38,060,787
2029	38,060,787	2,849,870	6,612,555	34,298,102
2030	34,298,102	2,533,908	6,793,567	30,038,443
2031	30,038,443	2,178,453	6,943,890	25,273,006
2032	25,273,006	1,782,769	7,063,848	19,991,927
2033	19,991,927	1,345,110	7,176,294	14,160,743
2034	14,160,743	862,179	7,292,728	7,730,194
2035	7,730,194	330,975	7,387,826	673,343
2036	673,343	-	7,459,440	-
2037	-	-	7,525,482	-
2038	-	-	7,616,472	-
2039	-	-	7,668,989	-
2040	-	-	7,681,890	-

Number of years for which current market value of assets are adequate to sustain the payment of expected retirement benefits, reflecting no contributions from the Employer, Employee or State, contrary to Florida Statutes and Plan provisions: 21.08

Certain Key Assumptions

Valuation Investment return assumption 8.20%
Valuation Mortality Table RP-2000 fully generational using Scale AA

Note: As required in Section 112.664(c) of the Florida Statutes, the projection of the Fund assets do not include contributions from the Employer, Employee or State, which is contrary to Florida Statutes and Plan provisions. For this reason, these projections should not be viewed as a representation of the amount of time the Fund can sustain benefit payments. Under the GASB standards which DO include contributions from the employer, employee and State, the Fund is expected to be able to sustain the benefit payment demands in the near-term and long-term future.

Asset and Benefit Payment Projection
Not Reflecting Any Contributions from the Employer, State or Employee
Using Assumptions required under 112.664(1)(a), F.S.

FYE	Market Value of Assets (BOY)	Expected Investment Return	Projected Benefit Payments	Market Value of Assets (EOY)
2015	52,546,501	4,188,064	2,945,106	53,789,459
2016	53,789,459	4,261,708	3,634,832	54,416,335
2017	54,416,335	4,300,591	3,940,196	54,776,730
2018	54,776,730	4,321,206	4,158,201	54,939,735
2019	54,939,735	4,318,960	4,538,990	54,719,705
2020	54,719,705	4,289,610	4,814,776	54,194,539
2021	54,194,539	4,236,008	5,071,812	53,358,735
2022	53,358,735	4,160,038	5,253,135	52,265,638
2023	52,265,638	4,063,065	5,432,119	50,896,584
2024	50,896,584	3,939,118	5,717,127	49,118,575
2025	49,118,575	3,781,972	5,993,933	46,906,614
2026	46,906,614	3,593,969	6,155,454	44,345,129
2027	44,345,129	3,377,499	6,312,245	41,410,383
2028	41,410,383	3,129,988	6,479,584	38,060,787
2029	38,060,787	2,849,870	6,612,555	34,298,102
2030	34,298,102	2,533,908	6,793,567	30,038,443
2031	30,038,443	2,178,453	6,943,890	25,273,006
2032	25,273,006	1,782,769	7,063,848	19,991,927
2033	19,991,927	1,345,110	7,176,294	14,160,743
2034	14,160,743	862,179	7,292,728	7,730,194
2035	7,730,194	330,975	7,387,826	673,343
2036	673,343	-	7,459,440	-
2037	-	-	7,525,482	-
2038	-	-	7,616,472	-
2039	-	-	7,668,989	-
2040	-	-	7,681,890	-

Number of years for which current market value of assets are adequate to sustain the payment of expected retirement benefits, reflecting no contributions from the Employer, Employee or State, contrary to Florida Statutes and Plan provisions: 21.08

Certain Key Assumptions

Valuation Investment return assumption 8.20%
Valuation Mortality Table RP-2000 fully generational using Scale AA

Note: As required in Section 112.664(c) of the Florida Statutes, the projection of the Fund assets do not include contributions from the Employer, Employee or State, which is contrary to Florida Statutes and Plan provisions. For this reason, these projections should not be viewed as a representation of the amount of time the Fund can sustain benefit payments. Under the GASB standards which DO include contributions from the employer, employee and State, the Fund is expected to be able to sustain the benefit payment demands in the near-term and long-term future.

Asset and Benefit Payment Projection
Not Reflecting Any Contributions from the Employer, State or Employee
Using Assumptions required under 112.664(1)(b), F.S.

FYE	Market Value of Assets (BOY)	Expected Investment Return	Projected Benefit Payments	Market Value of Assets (EOY)
2015	52,546,501	3,166,585	2,945,106	52,767,980
2016	52,767,980	3,158,935	3,634,832	52,292,083
2017	52,292,083	3,119,963	3,940,196	51,471,850
2018	51,471,850	3,062,350	4,158,201	50,375,999
2019	50,375,999	2,982,603	4,538,990	48,819,612
2020	48,819,612	2,877,558	4,814,776	46,882,394
2021	46,882,394	2,749,482	5,071,812	44,560,064
2022	44,560,064	2,599,877	5,253,135	41,906,806
2023	41,906,806	2,429,826	5,432,119	38,904,513
2024	38,904,513	2,234,849	5,717,127	35,422,235
2025	35,422,235	2,010,367	5,993,933	31,438,669
2026	31,438,669	1,758,378	6,155,454	27,041,593
2027	27,041,593	1,480,899	6,312,245	22,210,247
2028	22,210,247	1,176,168	6,479,584	16,906,831
2029	16,906,831	843,234	6,612,555	11,137,510
2030	11,137,510	479,925	6,793,567	4,823,868
2031	4,823,868	83,819	6,943,890	-
2032	-	-	7,063,848	-
2033	-	-	7,176,294	-
2034	-	-	7,292,728	-
2035	-	-	7,387,826	-
2036	-	-	7,459,440	-
2037	-	-	7,525,482	-
2038	-	-	7,616,472	-
2039	-	-	7,668,989	-
2040	-	-	7,681,890	-

Number of years for which current market value of assets are adequate to sustain the payment of expected retirement benefits, reflecting no contributions from the Employer, Employee or State, contrary to Florida Statutes and Plan provisions: 16.67

Certain Key Assumptions

Valuation Investment return assumption
Valuation Mortality Table

6.20%
RP-2000 fully generational using Scale AA

Note: As required in Section 112.664(c) of the Florida Statutes, the projection of the Fund assets do not include contributions from the Employer, Employee or State, which is contrary to Florida Statutes and Plan provisions. For this reason, these projections should not be viewed as a representation of the amount of time the Fund can sustain benefit payments. Under the GASB standards which DO include contributions from the employer, employee and State, the Fund is expected to be able to sustain the benefit payment demands in the near-term and long-term future.

Asset and Benefit Payment Projection
Not Reflecting Any Contributions from the Employer, State or Employee
Using Assumptions under 112.664(1)(b), F.S. except 2% higher investment return assumption

FYE	Market Value of Assets (BOY)	Expected Investment Return	Projected Benefit Payments	Market Value of Assets (EOY)
2015	52,546,501	5,209,543	2,945,106	54,810,938
2016	54,810,938	5,405,339	3,634,832	56,581,445
2017	56,581,445	5,570,357	3,940,196	58,211,606
2018	58,211,606	5,725,516	4,158,201	59,778,921
2019	59,778,921	5,865,961	4,538,990	61,105,892
2020	61,105,892	5,987,247	4,814,776	62,278,363
2021	62,278,363	6,093,731	5,071,812	63,300,282
2022	63,300,282	6,188,719	5,253,135	64,235,866
2023	64,235,866	6,275,020	5,432,119	65,078,767
2024	65,078,767	6,346,461	5,717,127	65,708,101
2025	65,708,101	6,396,536	5,993,933	66,110,704
2026	66,110,704	6,429,364	6,155,454	66,384,614
2027	66,384,614	6,449,306	6,312,245	66,521,675
2028	66,521,675	6,454,752	6,479,584	66,496,843
2029	66,496,843	6,445,438	6,612,555	66,329,726
2030	66,329,726	6,419,160	6,793,567	65,955,319
2031	65,955,319	6,373,304	6,943,890	65,384,733
2032	65,384,733	6,308,987	7,063,848	64,629,872
2033	64,629,872	6,226,256	7,176,294	63,679,834
2034	63,679,834	6,123,414	7,292,728	62,510,520
2035	62,510,520	5,999,294	7,387,826	61,121,988
2036	61,121,988	5,854,011	7,459,440	59,516,559
2037	59,516,559	5,686,889	7,525,482	57,677,966
2038	57,677,966	5,494,712	7,616,472	55,556,206
2039	55,556,206	5,275,615	7,668,989	53,162,832
2040	53,162,832	5,030,832	7,681,890	50,511,774

Number of years for which current market value of assets are adequate to sustain the payment of expected retirement benefits, reflecting no contributions from the Employer, Employee or State, contrary to Florida Statutes and Plan provisions: 37.33

Certain Key Assumptions

Valuation Investment return assumption
Valuation Mortality Table

10.20%
RP-2000 fully generational using Scale AA

Note: As required in Section 112.664(c) of the Florida Statutes, the projection of the Fund assets do not include contributions from the Employer, Employee or State, which is contrary to Florida Statutes and Plan provisions. For this reason, these projections should not be viewed as a representation of the amount of time the Fund can sustain benefit payments. Under the GASB standards which DO include contributions from the employer, employee and State, the Fund is expected to be able to sustain the benefit payment demands in the near-term and long-term future.

ACTUARIALLY DETERMINED CONTRIBUTION				
	Plan's Latest Actuarial Valuation Assumptions	112.664(1)(a) F.S. Assumptions	112.664(1)(b) F.S. Assumptions	112.664(1)(b) F.S. except 2% higher investment return assumption
A. Valuation Date	October 1, 2014	October 1, 2014	October 1, 2014	October 1, 2014
B. Actuarially Determined Contribution (ADC) to Be Paid During Fiscal Year Ending	9/30/2016	9/30/2016	9/30/2016	9/30/2016
C. Assumed Dates of Employer Contributions	10/1/2015	10/1/2015	10/1/2015	10/1/2015
D. Annual Payment to Amortize Unfunded Actuarial Liability	\$ 1,750,003	\$ 1,750,003	\$ 2,826,220	\$ 710,647
E. Employer Normal Cost	1,751,194	1,751,194	3,211,374	907,681
F. Employer ADC if Paid on Valuation Date: D + E	3,501,197	3,501,197	6,037,594	1,618,328
G. Employer ADC Adjusted for Frequency of Payments	3,501,197	3,501,197	6,037,594	1,618,328
H. Employer ADC Adjusted for Frequency of Payments as % of Covered Payroll	42.16 %	42.16 %	72.71 %	19.49 %
I. Assumed Rate of Increase in Covered Payroll to Contribution Year	4.00 %	4.00 %	4.00 %	4.00 %
J. Covered Payroll for Contribution Year	8,635,923	8,635,923	8,635,923	8,635,923
K. Employer ADC for Contribution Year: H x J	3,640,905	3,640,905	6,279,180	1,683,141
L. Allowable Credit for State Revenue in Contribution Year	82,682	82,682	82,682	82,682
M. Net Employer ADC After State Revenue in Contribution Year	3,558,223	3,558,223	6,196,498	1,600,459
N. Net Employer ADC as % of Covered Payroll in Contribution Year: M ÷ J	41.20 %	41.20 %	71.75 %	18.53 %
O. Expected Member Contributions	821,277	821,277	821,277	821,277
P. Total Contribution (including Members) in Contributing Year: K + O	4,462,182	4,462,182	7,100,457	2,504,418
Q. Total Contribution as a % of covered payroll in Contribution Year: P ÷ J	51.67 %	51.67 %	82.22 %	29.00 %
R. Certain Key Assumptions				
Investment Return Assumption	8.20%	8.20%	6.20%	10.20%
Mortality Table	RP-2000 fully generational using Scale AA	RP-2000 fully generational using Scale AA	RP-2000 fully generational using Scale AA	RP-2000 fully generational using Scale AA