

NORTH MIAMI POLICE PENSION PLAN

Chapter 112.664, F.S. Compliance Report

In Connection with the October 1, 2016 Funding Actuarial Valuation Report

And the Plan's Financial Reporting for the Year Ending September 30, 2016

June 9, 2017

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, 2016. 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, 2016 actuarial valuation report. This report is also based on the Plan Provisions, census data, and financial information as summarized in our October 1, 2016 actuarial valuation report. Please refer to the October 1, 2016 actuarial valuation report, dated April 11, 2017, 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.

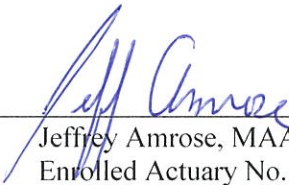
Jeffrey Amrose and Trisha Amrose are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein. The signing actuaries are independent of the plan sponsor.

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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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>2016</u>
1. Total pension liability	
a. Service Cost	\$ 2,688,621
b. Interest	6,699,774
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	(722,729)
e. Assumption Changes	1,055,450
f. Benefit Payments	(2,859,026)
g. Contribution Refunds	(160,092)
h. Net Change in Total Pension Liability	<u>6,701,998</u>
i. Total Pension Liability - Beginning	<u>80,525,495</u>
j. Total Pension Liability - Ending	<u><u>\$ 87,227,493</u></u>
 2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ 3,558,223
b. Contributions - State	576,823
c. Contributions - Member	1,014,411
d. Net Investment Income	5,759,158
e. Benefit Payments	(2,859,026)
f. Contribution Refunds	(160,092)
g. Administrative Expense	(136,260)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	<u>7,753,237</u>
j. Plan Fiduciary Net Position - Beginning	<u>55,388,280</u>
k. Plan Fiduciary Net Position - Ending	<u><u>\$ 63,141,517</u></u>
 3. Net Pension Liability / (Asset)	 24,085,976
 Certain Key Assumptions	
Valuation Date	10/01/2015
Measurement Date	09/30/2016
Investment Return Assumption	8.10%
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>2016</u>
1. Total pension liability	
a. Service Cost	\$ 2,688,621
b. Interest	6,699,774
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	(722,729)
e. Assumption Changes	1,055,450
f. Benefit Payments	(2,859,026)
g. Contribution Refunds	(160,092)
h. Net Change in Total Pension Liability	<u>6,701,998</u>
i. Total Pension Liability - Beginning	<u>80,525,495</u>
j. Total Pension Liability - Ending	<u>\$ 87,227,493</u>
2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ 3,558,223
b. Contributions - State	576,823
c. Contributions - Member	1,014,411
d. Net Investment Income	5,759,158
e. Benefit Payments	(2,859,026)
f. Contribution Refunds	(160,092)
g. Administrative Expense	(136,260)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	<u>7,753,237</u>
j. Plan Fiduciary Net Position - Beginning	<u>55,388,280</u>
k. Plan Fiduciary Net Position - Ending	<u>\$ 63,141,517</u>
3. Net Pension Liability / (Asset)	24,085,976
Certain Key Assumptions	
Valuation Date	10/01/2015
Measurement Date	09/30/2016
Investment Return Assumption	8.10%
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>2016</u>
1. Total pension liability	
a. Service Cost	\$ 4,413,602
b. Interest	6,613,678
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	-
e. Assumption Changes	-
f. Benefit Payments	(2,859,026)
g. Contribution Refunds	(160,092)
h. Net Change in Total Pension Liability	<u>8,008,162</u>
i. Total Pension Liability - Beginning	<u>105,516,901</u>
j. Total Pension Liability - Ending	<u>\$ 113,525,063</u>
2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ 3,558,223
b. Contributions - State	576,823
c. Contributions - Member	1,014,411
d. Net Investment Income	5,759,158
e. Benefit Payments	(2,859,026)
f. Contribution Refunds	(160,092)
g. Administrative Expense	(136,260)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	<u>7,753,237</u>
j. Plan Fiduciary Net Position - Beginning	<u>55,388,280</u>
k. Plan Fiduciary Net Position - Ending	<u>\$ 63,141,517</u>
3. Net Pension Liability / (Asset)	50,383,546
Certain Key Assumptions	
Valuation Date	10/01/2015
Measurement Date	09/30/2016
Investment Return Assumption	6.10%
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>2016</u>
1. Total pension liability	
a. Service Cost	\$ 1,789,789
b. Interest	6,511,810
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	-
e. Assumption Changes	-
f. Benefit Payments	(2,859,026)
g. Contribution Refunds	(160,092)
h. Net Change in Total Pension Liability	<u>5,282,481</u>
i. Total Pension Liability - Beginning	<u>64,193,137</u>
j. Total Pension Liability - Ending	<u>\$ 69,475,618</u>
2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ 3,558,223
b. Contributions - State	576,823
c. Contributions - Member	1,014,411
d. Net Investment Income	5,759,158
e. Benefit Payments	(2,859,026)
f. Contribution Refunds	(160,092)
g. Administrative Expense	(136,260)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	<u>7,753,237</u>
j. Plan Fiduciary Net Position - Beginning	<u>55,388,280</u>
k. Plan Fiduciary Net Position - Ending	<u>\$ 63,141,517</u>
3. Net Pension Liability / (Asset)	6,334,101
Certain Key Assumptions	
Valuation Date	10/01/2015
Measurement Date	09/30/2016
Investment Return Assumption	10.10%
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)
2017	63,141,517	4,609,584	3,360,788	64,390,313
2018	64,390,313	4,683,922	3,876,041	65,198,194
2019	65,198,194	4,729,362	4,280,079	65,647,477
2020	65,647,477	4,752,631	4,558,129	65,841,979
2021	65,841,979	4,756,430	4,845,829	65,752,580
2022	65,752,580	4,741,515	5,064,765	65,429,330
2023	65,429,330	4,708,818	5,290,184	64,847,964
2024	64,847,964	4,654,492	5,576,152	63,926,304
2025	63,926,304	4,572,707	5,913,749	62,585,262
2026	62,585,262	4,462,318	6,175,381	60,872,199
2027	60,872,199	4,326,376	6,374,370	58,824,205
2028	58,824,205	4,165,488	6,568,738	56,420,955
2029	56,420,955	3,978,555	6,747,122	53,652,388
2030	53,652,388	3,763,865	6,935,039	50,481,214
2031	50,481,214	3,519,588	7,106,758	46,894,044
2032	46,894,044	3,245,440	7,243,013	42,896,471
2033	42,896,471	2,940,803	7,371,542	38,465,732
2034	38,465,732	2,603,242	7,511,665	33,557,309
2035	33,557,309	2,230,912	7,623,625	28,164,596
2036	28,164,596	1,822,810	7,720,913	22,266,493
2037	22,266,493	1,376,962	7,814,009	15,829,446
2038	15,829,446	890,018	7,925,069	8,794,395
2039	8,794,395	359,034	8,014,560	1,138,869
2040	1,138,869	-	8,087,973	-
2041	-	-	8,143,879	-
2042	-	-	8,184,100	-

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:**

23.17

Certain Key Assumptions

Valuation Investment return assumption

7.50%

Valuation Mortality Table

FRS Mortality Rates from 7/1/16 FRS Valuation

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)
2017	63,141,517	4,609,584	3,360,788	64,390,313
2018	64,390,313	4,683,922	3,876,041	65,198,194
2019	65,198,194	4,729,362	4,280,079	65,647,477
2020	65,647,477	4,752,631	4,558,129	65,841,979
2021	65,841,979	4,756,430	4,845,829	65,752,580
2022	65,752,580	4,741,515	5,064,765	65,429,330
2023	65,429,330	4,708,818	5,290,184	64,847,964
2024	64,847,964	4,654,492	5,576,152	63,926,304
2025	63,926,304	4,572,707	5,913,749	62,585,262
2026	62,585,262	4,462,318	6,175,381	60,872,199
2027	60,872,199	4,326,376	6,374,370	58,824,205
2028	58,824,205	4,165,488	6,568,738	56,420,955
2029	56,420,955	3,978,555	6,747,122	53,652,388
2030	53,652,388	3,763,865	6,935,039	50,481,214
2031	50,481,214	3,519,588	7,106,758	46,894,044
2032	46,894,044	3,245,440	7,243,013	42,896,471
2033	42,896,471	2,940,803	7,371,542	38,465,732
2034	38,465,732	2,603,242	7,511,665	33,557,309
2035	33,557,309	2,230,912	7,623,625	28,164,596
2036	28,164,596	1,822,810	7,720,913	22,266,493
2037	22,266,493	1,376,962	7,814,009	15,829,446
2038	15,829,446	890,018	7,925,069	8,794,395
2039	8,794,395	359,034	8,014,560	1,138,869
2040	1,138,869	-	8,087,973	-
2041	-	-	8,143,879	-
2042	-	-	8,184,100	-

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:** 23.17

Certain Key Assumptions

Valuation Investment return assumption 7.50%
Valuation Mortality Table FRS Mortality Rates from 7/1/16 FRS Valuation

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)
2017	63,141,517	3,380,362	3,360,788	63,161,091
2018	63,161,091	3,367,269	3,876,041	62,652,319
2019	62,652,319	3,328,175	4,280,079	61,700,415
2020	61,700,415	3,268,174	4,558,129	60,410,460
2021	60,410,460	3,189,315	4,845,829	58,753,946
2022	58,753,946	3,092,186	5,064,765	56,781,367
2023	56,781,367	2,977,495	5,290,184	54,468,678
2024	54,468,678	2,842,433	5,576,152	51,734,959
2025	51,734,959	2,682,795	5,913,749	48,504,005
2026	48,504,005	2,497,897	6,175,381	44,826,521
2027	44,826,521	2,290,163	6,374,370	40,742,314
2028	40,742,314	2,060,187	6,568,738	36,233,763
2029	36,233,763	1,807,311	6,747,122	31,293,952
2030	31,293,952	1,530,454	6,935,039	25,889,367
2031	25,889,367	1,228,479	7,106,758	20,011,088
2032	20,011,088	901,427	7,243,013	13,669,502
2033	13,669,502	549,105	7,371,542	6,847,065
2034	6,847,065	170,018	7,511,665	-
2035	-	-	7,623,625	-
2036	-	-	7,720,913	-
2037	-	-	7,814,009	-
2038	-	-	7,925,069	-
2039	-	-	8,014,560	-
2040	-	-	8,087,973	-
2041	-	-	8,143,879	-
2042	-	-	8,184,100	-

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:** 17.92

Certain Key Assumptions

Valuation Investment return assumption 5.50%
Valuation Mortality Table FRS Mortality Rates from 7/1/16 FRS Valuation

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)
2017	63,141,517	5,838,807	3,360,788	65,619,536
2018	65,619,536	6,049,744	3,876,041	67,793,239
2019	67,793,239	6,237,054	4,280,079	69,750,214
2020	69,750,214	6,409,759	4,558,129	71,601,844
2021	71,601,844	6,571,998	4,845,829	73,328,013
2022	73,328,013	6,725,585	5,064,765	74,988,833
2023	74,988,833	6,872,655	5,290,184	76,571,304
2024	76,571,304	7,009,407	5,576,152	78,004,559
2025	78,004,559	7,129,530	5,913,749	79,220,340
2026	79,220,340	7,232,602	6,175,381	80,277,561
2027	80,277,561	7,323,586	6,374,370	81,226,777
2028	81,226,777	7,404,529	6,568,738	82,062,568
2029	82,062,568	7,475,456	6,747,122	82,790,902
2030	82,790,902	7,535,721	6,935,039	83,391,584
2031	83,391,584	7,584,629	7,106,758	83,869,455
2032	83,869,455	7,623,555	7,243,013	84,249,997
2033	84,249,997	7,653,601	7,371,542	84,532,056
2034	84,532,056	7,673,741	7,511,665	84,694,132
2035	84,694,132	7,683,820	7,623,625	84,754,327
2036	84,754,327	7,684,918	7,720,913	84,718,332
2037	84,718,332	7,677,076	7,814,009	84,581,399
2038	84,581,399	7,658,792	7,925,069	84,315,122
2039	84,315,122	7,629,245	8,014,560	83,929,807
2040	83,929,807	7,589,153	8,087,973	83,430,987
2041	83,430,987	7,539,110	8,143,879	82,826,218
2042	82,826,218	7,479,746	8,184,100	82,121,864

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:**

25+

Certain Key Assumptions

Valuation Investment return assumption

9.50%

Valuation Mortality Table

FRS Mortality Rates from 7/1/16 FRS Valuation

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, 2016	October 1, 2016	October 1, 2016	October 1, 2016
B. Actuarially Determined Contribution (ADC) to Be Paid During Fiscal Year Ending	9/30/2018	9/30/2018	9/30/2018	9/30/2018
C. Assumed Dates of Employer Contributions	10/1/2017	10/1/2017	10/1/2017	10/1/2017
D. Annual Payment to Amortize Unfunded Actuarial Liability	\$ 2,250,535	\$ 2,250,535	\$ 3,878,697	\$ 750,354
E. Employer Normal Cost	1,717,092	1,717,092	3,506,617	729,178
F. Employer ADC if Paid on Valuation Date: D + E	3,967,627	3,967,627	7,385,314	1,479,532
G. Employer ADC Adjusted for Frequency of Payments	3,967,627	3,967,627	7,385,314	1,479,532
H. Employer ADC Adjusted for Frequency of Payments as % of Covered Payroll	43.80 %	43.80 %	81.53 %	16.33 %
I. Assumed Rate of Increase in Covered Payroll to Contribution Year	0.00 %	0.00 %	0.00 %	0.00 %
J. Covered Payroll for Contribution Year	9,058,510	9,058,510	9,058,510	9,058,510
K. Employer ADC for Contribution Year: H x J	3,967,627	3,967,627	7,385,314	1,479,532
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	3,884,945	3,884,945	7,302,632	1,396,850
N. Net Employer ADC as % of Covered Payroll in Contribution Year: M ÷ J	42.89 %	42.89 %	80.62 %	15.42 %
O. Expected Member Contributions	1,042,634	1,042,634	1,042,634	1,042,634
P. Total Contribution (including Members) in Contributing Year: K + O	5,010,261	5,010,261	8,427,948	2,522,166
Q. Total Contribution as a % of covered payroll in Contribution Year: P ÷ J	55.31 %	55.31 %	93.04 %	27.84 %
R. Certain Key Assumptions				
Investment Return Assumption	7.50%	7.50%	5.50%	9.50%
Mortality Table	FRS Mortality Rates from 7/1/16 FRS Valuation	FRS Mortality Rates from 7/1/16 FRS Valuation	FRS Mortality Rates from 7/1/16 FRS Valuation	FRS Mortality Rates from 7/1/16 FRS Valuation