

North Miami Police Pension Plan

CHAPTER 112.664, F.S. COMPLIANCE REPORT

IN CONNECTION WITH THE OCTOBER 1, 2017 FUNDING ACTUARIAL
VALUATION REPORT AND THE PLAN'S FINANCIAL REPORTING FOR THE
YEAR ENDING SEPTEMBER 30, 2017



June 15, 2018

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, 2017. 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 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, 2017 actuarial valuation report. This report is also based on the Plan Provisions, census data, and financial information as summarized in our October 1, 2017 actuarial valuation report. Please refer to the October 1, 2017 actuarial valuation report, dated April 16, 2018, 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.

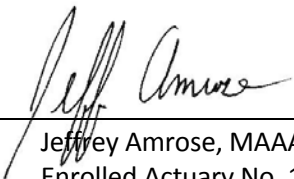
Jeffrey Amrose and Trisha Amrose are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein. The signing actuaries are independent of the plan sponsor.

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. 17-6599
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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>2017</u>
1. Total pension liability	
a. Service Cost	\$ 2,736,585
b. Interest	7,112,421
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	(586,971)
e. Assumption Changes	2,910,987
f. Benefit Payments	(4,280,161)
g. Contribution Refunds	(32,663)
h. Net Change in Total Pension Liability	<u>7,860,198</u>
i. Total Pension Liability - Beginning	<u>87,227,493</u>
j. Total Pension Liability - Ending	<u>\$ 95,087,691</u>
 2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ 3,744,407
b. Contributions - State	82,682
c. Contributions - Member	1,153,440
d. Net Investment Income	6,933,826
e. Benefit Payments	(4,280,161)
f. Contribution Refunds	(32,663)
g. Administrative Expense	(159,823)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	<u>7,441,708</u>
j. Plan Fiduciary Net Position - Beginning	<u>63,141,517</u>
k. Plan Fiduciary Net Position - Ending	<u>\$ 70,583,225</u>
 3. Net Pension Liability / (Asset)	 24,504,466
 Certain Key Assumptions	
Valuation Date	10/01/2016
Measurement Date	09/30/2017
Investment Return Assumption	7.50%
Mortality Table	FRS Mortality Rates from 7/1/16 FRS Valuation

**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>2017</u>
1. Total pension liability	
a. Service Cost	\$ 2,736,585
b. Interest	7,112,421
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	(586,971)
e. Assumption Changes	2,910,987
f. Benefit Payments	(4,280,161)
g. Contribution Refunds	(32,663)
h. Net Change in Total Pension Liability	<u>7,860,198</u>
i. Total Pension Liability - Beginning	<u>87,227,493</u>
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2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ 3,744,407
b. Contributions - State	82,682
c. Contributions - Member	1,153,440
d. Net Investment Income	6,933,826
e. Benefit Payments	(4,280,161)
f. Contribution Refunds	(32,663)
g. Administrative Expense	(159,823)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	<u>7,441,708</u>
j. Plan Fiduciary Net Position - Beginning	<u>63,141,517</u>
k. Plan Fiduciary Net Position - Ending	<u>\$ 70,583,225</u>
3. Net Pension Liability / (Asset)	24,504,466
Certain Key Assumptions	
Valuation Date	10/01/2016
Measurement Date	09/30/2017
Investment Return Assumption	7.50%
Mortality Table	FRS Mortality Rates from 7/1/16 FRS Valuation

**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>2017</u>
1. Total pension liability	
a. Service Cost	\$ 4,417,903
b. Interest	6,708,988
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	-
e. Assumption Changes	-
f. Benefit Payments	(4,280,161)
g. Contribution Refunds	(32,663)
h. Net Change in Total Pension Liability	<u>6,814,067</u>
i. Total Pension Liability - Beginning	<u>119,720,102</u>
j. Total Pension Liability - Ending	<u>\$ 126,534,169</u>
2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ 3,744,407
b. Contributions - State	82,682
c. Contributions - Member	1,153,440
d. Net Investment Income	6,933,826
e. Benefit Payments	(4,280,161)
f. Contribution Refunds	(32,663)
g. Administrative Expense	(159,823)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	<u>7,441,708</u>
j. Plan Fiduciary Net Position - Beginning	<u>63,141,517</u>
k. Plan Fiduciary Net Position - Ending	<u>\$ 70,583,225</u>
3. Net Pension Liability / (Asset)	55,950,944
Certain Key Assumptions	
Valuation Date	10/01/2016
Measurement Date	09/30/2017
Investment Return Assumption	5.50%
Mortality Table	FRS Mortality Rates from 7/1/16 FRS Valuation

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>2017</u>
1. Total pension liability	
a. Service Cost	\$ 1,640,464
b. Interest	6,634,497
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	-
e. Assumption Changes	-
f. Benefit Payments	(4,280,161)
g. Contribution Refunds	(32,663)
h. Net Change in Total Pension Liability	<u>3,962,137</u>
i. Total Pension Liability - Beginning	<u>70,352,759</u>
j. Total Pension Liability - Ending	<u><u>\$ 74,314,896</u></u>
2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ 3,744,407
b. Contributions - State	82,682
c. Contributions - Member	1,153,440
d. Net Investment Income	6,933,826
e. Benefit Payments	(4,280,161)
f. Contribution Refunds	(32,663)
g. Administrative Expense	(159,823)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	<u>7,441,708</u>
j. Plan Fiduciary Net Position - Beginning	<u>63,141,517</u>
k. Plan Fiduciary Net Position - Ending	<u><u>\$ 70,583,225</u></u>
3. Net Pension Liability / (Asset)	3,731,671
Certain Key Assumptions	
Valuation Date	10/01/2016
Measurement Date	09/30/2017
Investment Return Assumption	9.50%
Mortality Table	FRS Mortality Rates from 7/1/16 FRS Valuation

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)
2018	70,583,225	5,086,565	3,691,707	71,978,083
2019	71,978,083	5,168,682	4,262,058	72,884,707
2020	72,884,707	5,224,080	4,578,062	73,530,725
2021	73,530,725	5,259,314	4,917,822	73,872,217
2022	73,872,217	5,275,217	5,171,013	73,976,421
2023	73,976,421	5,273,581	5,423,627	73,826,375
2024	73,826,375	5,250,684	5,742,379	73,334,680
2025	73,334,680	5,200,425	6,117,346	72,417,759
2026	72,417,759	5,121,823	6,407,867	71,131,715
2027	71,131,715	5,017,984	6,642,235	69,507,464
2028	69,507,464	4,889,444	6,867,797	67,529,111
2029	67,529,111	4,736,184	7,053,261	65,212,034
2030	65,212,034	4,557,059	7,260,299	62,508,794
2031	62,508,794	4,350,248	7,443,306	59,415,736
2032	59,415,736	4,115,808	7,593,415	55,938,129
2033	55,938,129	3,853,166	7,736,643	52,054,652
2034	52,054,652	3,559,857	7,896,953	47,717,556
2035	47,717,556	3,234,191	8,024,555	42,927,192
2036	42,927,192	2,875,571	8,136,261	37,666,502
2037	37,666,502	2,482,277	8,244,439	31,904,340
2038	31,904,340	2,050,983	8,376,694	25,578,629
2039	25,578,629	1,578,769	8,487,815	18,669,583
2040	18,669,583	1,063,966	8,583,326	11,150,223
2041	11,150,223	504,724	8,659,257	2,995,690
2042	2,995,690	-	8,718,273	-
2043	-	-	8,751,854	-

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:** 24.33

Certain Key Assumptions

Valuation Investment return assumption 7.40%
 Valuation Mortality Table FRS Mortality Rates from 7/1/16 FRS Valuation

Note: As required in Section 112.664(1)(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)
2018	70,583,225	5,086,565	3,691,707	71,978,083
2019	71,978,083	5,168,682	4,262,058	72,884,707
2020	72,884,707	5,224,080	4,578,062	73,530,725
2021	73,530,725	5,259,314	4,917,822	73,872,217
2022	73,872,217	5,275,217	5,171,013	73,976,421
2023	73,976,421	5,273,581	5,423,627	73,826,375
2024	73,826,375	5,250,684	5,742,379	73,334,680
2025	73,334,680	5,200,425	6,117,346	72,417,759
2026	72,417,759	5,121,823	6,407,867	71,131,715
2027	71,131,715	5,017,984	6,642,235	69,507,464
2028	69,507,464	4,889,444	6,867,797	67,529,111
2029	67,529,111	4,736,184	7,053,261	65,212,034
2030	65,212,034	4,557,059	7,260,299	62,508,794
2031	62,508,794	4,350,248	7,443,306	59,415,736
2032	59,415,736	4,115,808	7,593,415	55,938,129
2033	55,938,129	3,853,166	7,736,643	52,054,652
2034	52,054,652	3,559,857	7,896,953	47,717,556
2035	47,717,556	3,234,191	8,024,555	42,927,192
2036	42,927,192	2,875,571	8,136,261	37,666,502
2037	37,666,502	2,482,277	8,244,439	31,904,340
2038	31,904,340	2,050,983	8,376,694	25,578,629
2039	25,578,629	1,578,769	8,487,815	18,669,583
2040	18,669,583	1,063,966	8,583,326	11,150,223
2041	11,150,223	504,724	8,659,257	2,995,690
2042	2,995,690	-	8,718,273	-
2043	-	-	8,751,854	-

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:** 24.33

Certain Key Assumptions

Valuation Investment return assumption 7.40%
 Valuation Mortality Table FRS Mortality Rates from 7/1/16 FRS Valuation

Note: As required in Section 112.664(1)(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)
2018	70,583,225	3,711,818	3,691,707	70,603,336
2019	70,603,336	3,697,505	4,262,058	70,038,783
2020	70,038,783	3,658,487	4,578,062	69,119,208
2021	69,119,208	3,599,656	4,917,822	67,801,042
2022	67,801,042	3,521,639	5,171,013	66,151,668
2023	66,151,668	3,425,752	5,423,627	64,153,793
2024	64,153,793	3,309,261	5,742,379	61,720,675
2025	61,720,675	3,167,748	6,117,346	58,771,077
2026	58,771,077	3,000,626	6,407,867	55,363,836
2027	55,363,836	2,810,307	6,642,235	51,531,908
2028	51,531,908	2,597,293	6,867,797	47,261,404
2029	47,261,404	2,361,678	7,053,261	42,569,821
2030	42,569,821	2,102,742	7,260,299	37,412,264
2031	37,412,264	1,819,293	7,443,306	31,788,251
2032	31,788,251	1,511,543	7,593,415	25,706,379
2033	25,706,379	1,179,255	7,736,643	19,148,991
2034	19,148,991	820,828	7,896,953	12,072,866
2035	12,072,866	435,272	8,024,555	4,483,583
2036	4,483,583	22,434	8,136,261	-
2037	-	-	8,244,439	-
2038	-	-	8,376,694	-
2039	-	-	8,487,815	-
2040	-	-	8,583,326	-
2041	-	-	8,659,257	-
2042	-	-	8,718,273	-
2043	-	-	8,751,854	-

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:** 18.58

Certain Key Assumptions

Valuation Investment return assumption	5.40%
Valuation Mortality Table	FRS Mortality Rates from 7/1/16 FRS Valuation

Note: As required in Section 112.664(1)(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)
2018	70,583,225	6,461,313	3,691,707	73,352,831
2019	73,352,831	6,694,849	4,262,058	75,785,622
2020	75,785,622	6,908,680	4,578,062	78,116,240
2021	78,116,240	7,111,789	4,917,822	80,310,207
2022	80,310,207	7,306,122	5,171,013	82,445,316
2023	82,445,316	7,494,949	5,423,627	84,516,638
2024	84,516,638	7,674,672	5,742,379	86,448,931
2025	86,448,931	7,838,684	6,117,346	88,170,269
2026	88,170,269	7,986,836	6,407,867	89,749,238
2027	89,749,238	8,124,243	6,642,235	91,231,246
2028	91,231,246	8,252,951	6,867,797	92,616,400
2029	92,616,400	8,374,438	7,053,261	93,937,577
2030	93,937,577	8,488,898	7,260,299	95,166,176
2031	95,166,176	8,595,785	7,443,306	96,318,655
2032	96,318,655	8,697,063	7,593,415	97,422,303
2033	97,422,303	8,794,074	7,736,643	98,479,734
2034	98,479,734	8,885,938	7,896,953	99,468,719
2035	99,468,719	8,972,906	8,024,555	100,417,070
2036	100,417,070	9,056,800	8,136,261	101,337,609
2037	101,337,609	9,138,247	8,244,439	102,231,417
2038	102,231,417	9,216,049	8,376,694	103,070,772
2039	103,070,772	9,289,725	8,487,815	103,872,682
2040	103,872,682	9,360,616	8,583,326	104,649,972
2041	104,649,972	9,430,112	8,659,257	105,420,827
2042	105,420,827	9,499,799	8,718,273	106,202,353
2043	106,202,353	9,571,684	8,751,854	107,022,183

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:** All Years

Certain Key Assumptions

Valuation Investment return assumption 9.40%
 Valuation Mortality Table FRS Mortality Rates from 7/1/16 FRS Valuation

Note: As required in Section 112.664(1)(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, 2017	October 1, 2017	October 1, 2017	October 1, 2017
B. Actuarially Determined Contribution (ADC) to Be Paid During Fiscal Year Ending	9/30/2019	9/30/2019	9/30/2019	9/30/2019
C. Assumed Dates of Employer Contributions	10/1/2018	10/1/2018	10/1/2018	10/1/2018
D. Annual Payment to Amortize Unfunded Actuarial Liability	\$ 2,760,312	\$ 2,760,312	\$ 4,744,346	\$ 994,604
E. Employer Normal Cost	2,147,804	2,147,804	4,216,819	1,037,937
F. Employer ADC if Paid on Valuation Date: D + E	4,908,116	4,908,116	8,961,165	2,032,541
G. Employer ADC Adjusted for Frequency of Payments	4,908,116	4,908,116	8,961,165	2,032,541
H. Employer ADC Adjusted for Frequency of Payments as % of Covered Payroll	49.27 %	49.27 %	89.95 %	20.40 %
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	9,962,588	9,962,588	9,962,588	9,962,588
K. Employer ADC for Contribution Year: H x J	4,908,116	4,908,116	8,961,165	2,032,541
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	4,825,434	4,825,434	8,878,483	1,949,859
N. Net Employer ADC as % of Covered Payroll in Contribution Year: M ÷ J	48.44 %	48.44 %	89.12 %	19.57 %
O. Expected Member Contributions	947,442	947,442	947,442	947,442
P. Total Contribution (including Members) in Contributing Year: K + O	5,855,558	5,855,558	9,908,607	2,979,983
Q. Total Contribution as a % of covered payroll in Contribution Year: P ÷ J	58.78 %	58.78 %	99.46 %	29.91 %
R. Certain Key Assumptions				
Investment Return Assumption	7.40%	7.40%	5.40%	9.40%
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