

North Miami Police Pension Plan

CHAPTER 112.664, F.S. COMPLIANCE REPORT

IN CONNECTION WITH THE OCTOBER 1, 2020 FUNDING ACTUARIAL
VALUATION REPORT AND THE PLAN'S FINANCIAL REPORTING FOR THE
YEAR ENDING SEPTEMBER 30, 2020





July 12, 2021

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, 2020. 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, 2020 actuarial valuation report. This report is also based on the Plan Provisions, census data, and financial information as summarized in our October 1, 2020 actuarial valuation report. Please refer to the October 1, 2020 actuarial valuation report, dated May 4, 2021, 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.

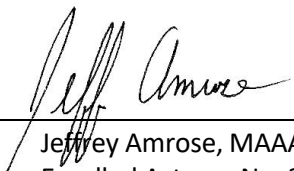
This report was prepared using our proprietary valuation model and related software which in our professional judgment has the capability to provide results that are consistent with the purposes of the valuation and has no material limitations or known weaknesses. We performed tests to ensure that the model reasonably represents that which is intended to be modeled.

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. 20-6599
Senior Consultant & Actuary

By 
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Enrolled Actuary No. 20-8010
Consultant & Actuary



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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>2020</u>
1. Total pension liability	
a. Service Cost	\$ 2,745,074
b. Interest	8,192,391
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	1,490,024
e. Assumption Changes	(2,593,823)
f. Benefit Payments	(5,351,111)
g. Contribution Refunds	-
h. Net Change in Total Pension Liability	<u>4,482,555</u>
i. Total Pension Liability - Beginning	<u>112,155,010</u>
j. Total Pension Liability - Ending	<u>\$ 116,637,565</u>
2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ 4,682,955
b. Contributions - State	197,038
c. Contributions - Member	875,237
d. Net Investment Income	3,509,502
e. Benefit Payments	(5,351,111)
f. Contribution Refunds	-
g. Administrative Expense	(270,755)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	<u>3,642,866</u>
j. Plan Fiduciary Net Position - Beginning	<u>80,605,147</u>
k. Plan Fiduciary Net Position - Ending	<u>\$ 84,248,013</u>
3. Net Pension Liability / (Asset)	32,389,552
Certain Key Assumptions	
Valuation Date	10/01/2019
Measurement Date	09/30/2020
Investment Return Assumption	7.20%
Mortality Table	FRS Mortality Rates from 7/1/19 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,

1. Total pension liability

	<u>2020</u>
a. Service Cost	\$ 2,745,074
b. Interest	8,192,391
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	1,490,024
e. Assumption Changes	(2,593,823)
f. Benefit Payments	(5,351,111)
g. Contribution Refunds	-
h. Net Change in Total Pension Liability	<u>4,482,555</u>
i. Total Pension Liability - Beginning	<u>112,155,010</u>
j. Total Pension Liability - Ending	<u><u>\$ 116,637,565</u></u>

2. Plan Fiduciary Net Position

a. Contributions - Employer	\$ 4,682,955
b. Contributions - State	197,038
c. Contributions - Member	875,237
d. Net Investment Income	3,509,502
e. Benefit Payments	(5,351,111)
f. Contribution Refunds	-
g. Administrative Expense	(270,755)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	<u>3,642,866</u>
j. Plan Fiduciary Net Position - Beginning	<u>80,605,147</u>
k. Plan Fiduciary Net Position - Ending	<u><u>\$ 84,248,013</u></u>

3. Net Pension Liability / (Asset)

32,389,552

Certain Key Assumptions

Valuation Date	10/01/2019
Measurement Date	09/30/2020
Investment Return Assumption	7.20%
Mortality Table	FRS Mortality Rates from 7/1/19 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>2020</u>
1. Total pension liability	
a. Service Cost	\$ 4,601,074
b. Interest	7,922,364
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	-
e. Assumption Changes	-
f. Benefit Payments	(5,351,111)
g. Contribution Refunds	-
h. Net Change in Total Pension Liability	<u>7,172,327</u>
i. Total Pension Liability - Beginning	<u>150,427,639</u>
j. Total Pension Liability - Ending	<u>\$ 157,599,966</u>
2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ 4,682,955
b. Contributions - State	197,038
c. Contributions - Member	875,237
d. Net Investment Income	3,509,502
e. Benefit Payments	(5,351,111)
f. Contribution Refunds	-
g. Administrative Expense	(270,755)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	<u>3,642,866</u>
j. Plan Fiduciary Net Position - Beginning	<u>80,605,147</u>
k. Plan Fiduciary Net Position - Ending	<u>\$ 84,248,013</u>
3. Net Pension Liability / (Asset)	73,351,953
Certain Key Assumptions	
Valuation Date	10/01/2019
Measurement Date	09/30/2020
Investment Return Assumption	5.20%
Mortality Table	FRS Mortality Rates from 7/1/19 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,	2020
1. Total pension liability	
a. Service Cost	\$ 1,701,107
b. Interest	8,157,983
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	-
e. Assumption Changes	-
f. Benefit Payments	(5,351,111)
g. Contribution Refunds	-
h. Net Change in Total Pension Liability	4,507,979
i. Total Pension Liability - Beginning	89,648,178
j. Total Pension Liability - Ending	\$ 94,156,157
2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ 4,682,955
b. Contributions - State	197,038
c. Contributions - Member	875,237
d. Net Investment Income	3,509,502
e. Benefit Payments	(5,351,111)
f. Contribution Refunds	-
g. Administrative Expense	(270,755)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	3,642,866
j. Plan Fiduciary Net Position - Beginning	80,605,147
k. Plan Fiduciary Net Position - Ending	\$ 84,248,013
3. Net Pension Liability / (Asset)	9,908,144
Certain Key Assumptions	
Valuation Date	10/01/2019
Measurement Date	09/30/2020
Investment Return Assumption	9.20%
Mortality Table	FRS Mortality Rates from 7/1/19 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)
2021	84,248,013	5,799,624	5,126,340	84,921,297
2022	84,921,297	5,834,436	5,492,284	85,263,449
2023	85,263,449	5,846,557	5,835,143	85,274,863
2024	85,274,863	5,833,394	6,228,769	84,879,488
2025	84,879,488	5,787,808	6,722,143	83,945,153
2026	83,945,153	5,709,066	7,071,537	82,582,682
2027	82,582,682	5,601,723	7,370,342	80,814,063
2028	80,814,063	5,465,568	7,668,453	78,611,178
2029	78,611,178	5,300,358	7,916,509	75,995,027
2030	75,995,027	5,105,632	8,169,424	72,931,235
2031	72,931,235	4,880,423	8,385,779	69,425,879
2032	69,425,879	4,625,223	8,563,775	65,487,327
2033	65,487,327	4,339,707	8,729,400	61,097,634
2034	61,097,634	4,020,991	8,927,913	56,190,712
2035	56,190,712	3,667,495	9,071,705	50,786,502
2036	50,786,502	3,279,639	9,188,794	44,877,347
2037	44,877,347	2,856,377	9,293,371	38,440,353
2038	38,440,353	2,395,037	9,414,865	31,420,525
2039	31,420,525	1,893,604	9,500,106	23,814,023
2040	23,814,023	1,351,763	9,550,204	15,615,582
2041	15,615,582	768,371	9,586,921	6,797,032
2042	6,797,032	141,610	9,605,054	-
2043	-	-	9,589,627	-
2044	-	-	9,547,034	-
2045	-	-	9,490,324	-
2046	-	-	9,405,830	-

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:** 21.67

Certain Key Assumptions

Valuation Investment return assumption 7.10%
 Valuation Mortality Table FRS Mortality Rates from 7/1/19 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)
2021	84,248,013	5,799,624	5,126,340	84,921,297
2022	84,921,297	5,834,436	5,492,284	85,263,449
2023	85,263,449	5,846,557	5,835,143	85,274,863
2024	85,274,863	5,833,394	6,228,769	84,879,488
2025	84,879,488	5,787,808	6,722,143	83,945,153
2026	83,945,153	5,709,066	7,071,537	82,582,682
2027	82,582,682	5,601,723	7,370,342	80,814,063
2028	80,814,063	5,465,568	7,668,453	78,611,178
2029	78,611,178	5,300,358	7,916,509	75,995,027
2030	75,995,027	5,105,632	8,169,424	72,931,235
2031	72,931,235	4,880,423	8,385,779	69,425,879
2032	69,425,879	4,625,223	8,563,775	65,487,327
2033	65,487,327	4,339,707	8,729,400	61,097,634
2034	61,097,634	4,020,991	8,927,913	56,190,712
2035	56,190,712	3,667,495	9,071,705	50,786,502
2036	50,786,502	3,279,639	9,188,794	44,877,347
2037	44,877,347	2,856,377	9,293,371	38,440,353
2038	38,440,353	2,395,037	9,414,865	31,420,525
2039	31,420,525	1,893,604	9,500,106	23,814,023
2040	23,814,023	1,351,763	9,550,204	15,615,582
2041	15,615,582	768,371	9,586,921	6,797,032
2042	6,797,032	141,610	9,605,054	-
2043	-	-	9,589,627	-
2044	-	-	9,547,034	-
2045	-	-	9,490,324	-
2046	-	-	9,405,830	-

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:** 21.67

Certain Key Assumptions

Valuation Investment return assumption 7.10%
 Valuation Mortality Table FRS Mortality Rates from 7/1/19 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)
2021	84,248,013	4,165,927	5,126,340	83,287,600
2022	83,287,600	4,107,614	5,492,284	81,902,930
2023	81,902,930	4,028,253	5,835,143	80,096,040
2024	80,096,040	3,926,064	6,228,769	77,793,335
2025	77,793,335	3,796,045	6,722,143	74,867,237
2026	74,867,237	3,637,905	7,071,537	71,433,605
2027	71,433,605	3,455,170	7,370,342	67,518,433
2028	67,518,433	3,247,895	7,668,453	63,097,875
2029	63,097,875	3,016,121	7,916,509	58,197,487
2030	58,197,487	2,759,752	8,169,424	52,787,815
2031	52,787,815	2,478,341	8,385,779	46,880,377
2032	46,880,377	2,172,523	8,563,775	40,489,125
2033	40,489,125	1,842,346	8,729,400	33,602,071
2034	33,602,071	1,486,044	8,927,913	26,160,202
2035	26,160,202	1,102,842	9,071,705	18,191,339
2036	18,191,339	693,444	9,188,794	9,695,989
2037	9,695,989	257,514	9,293,371	660,132
2038	660,132	-	9,414,865	-
2039	-	-	9,500,106	-
2040	-	-	9,550,204	-
2041	-	-	9,586,921	-
2042	-	-	9,605,054	-
2043	-	-	9,589,627	-
2044	-	-	9,547,034	-
2045	-	-	9,490,324	-
2046	-	-	9,405,830	-

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:** 17.08

Certain Key Assumptions

Valuation Investment return assumption 5.10%
 Valuation Mortality Table FRS Mortality Rates from 7/1/19 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)
2021	84,248,013	7,433,321	5,126,340	86,554,994
2022	86,554,994	7,626,606	5,492,284	88,689,316
2023	88,689,316	7,805,229	5,835,143	90,659,402
2024	90,659,402	7,966,597	6,228,769	92,397,230
2025	92,397,230	8,102,290	6,722,143	93,777,377
2026	93,777,377	8,211,986	7,071,537	94,917,826
2027	94,917,826	8,302,172	7,370,342	95,849,656
2028	95,849,656	8,373,404	7,668,453	96,554,607
2029	96,554,607	8,426,268	7,916,509	97,064,366
2030	97,064,366	8,461,149	8,169,424	97,356,091
2031	97,356,091	8,477,851	8,385,779	97,448,163
2032	97,448,163	8,478,131	8,563,775	97,362,519
2033	97,362,519	8,462,802	8,729,400	97,095,921
2034	97,095,921	8,429,509	8,927,913	96,597,517
2035	96,597,517	8,377,611	9,071,705	95,903,423
2036	95,903,423	8,309,121	9,188,794	95,023,750
2037	95,023,750	8,224,313	9,293,371	93,954,692
2038	93,954,692	8,121,501	9,414,865	92,661,328
2039	92,661,328	7,999,926	9,500,106	91,161,148
2040	91,161,148	7,861,130	9,550,204	89,472,074
2041	89,472,074	7,705,754	9,586,921	87,590,907
2042	87,590,907	7,533,743	9,605,054	85,519,596
2043	85,519,596	7,345,955	9,589,627	83,275,924
2044	83,275,924	7,143,719	9,547,034	80,872,609
2045	80,872,609	6,927,598	9,490,324	78,309,883
2046	78,309,883	6,698,234	9,405,830	75,602,287

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 9.10%
 Valuation Mortality Table FRS Mortality Rates from 7/1/19 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, 2020	October 1, 2020	October 1, 2020	October 1, 2020
B. Actuarially Determined Contribution (ADC) to Be Paid During Fiscal Year Ending	9/30/2022	9/30/2022	9/30/2022	9/30/2022
C. Assumed Dates of Employer Contributions	10/1/2021	10/1/2021	10/1/2021	10/1/2021
D. Annual Payment to Amortize Unfunded Actuarial Liability	\$ 2,903,908	\$ 2,903,908	\$ 5,082,301	\$ 926,319
E. Employer Normal Cost	2,214,416	2,214,416	4,127,198	1,151,297
F. Employer ADC if Paid on Valuation Date: D + E	5,118,324	5,118,324	9,209,499	2,077,616
G. Employer ADC Adjusted for Frequency of Payments	5,118,324	5,118,324	9,209,499	2,077,616
H. Employer ADC Adjusted for Frequency of Payments as % of Covered Payroll	57.59 %	57.59 %	103.62 %	23.38 %
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	8,887,506	8,887,506	8,887,506	8,887,506
K. Employer ADC for Contribution Year: H x J	5,118,324	5,118,324	9,209,499	2,077,616
L. Allowable Credit for State Revenue in Contribution Year	186,254	186,254	186,254	186,254
M. Net Employer ADC After State Revenue in Contribution Year	4,932,070	4,932,070	9,023,245	1,891,362
N. Net Employer ADC as % of Covered Payroll in Contribution Year: M ÷ J	55.49 %	55.49 %	101.53 %	21.28 %
O. Expected Member Contributions	845,202	845,202	845,202	845,202
P. Total Contribution (including Members) in Contributing Year: K + O	5,963,526	5,963,526	10,054,701	2,922,818
Q. Total Contribution as a % of covered payroll in Contribution Year: P ÷ J	67.10 %	67.10 %	113.13 %	32.89 %
R. Certain Key Assumptions				
Investment Return Assumption	7.10%	7.10%	5.10%	9.10%
Mortality Table	FRS Mortality Rates from 7/1/19 FRS Valuation	FRS Mortality Rates from 7/1/19 FRS Valuation	FRS Mortality Rates from 7/1/19 FRS Valuation	FRS Mortality Rates from 7/1/19 FRS Valuation

