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

Actuarial Valuation
As of October 1, 2024

Determines the Contribution
For the 2025/26 Fiscal Year

SOUTHERN ACTUARIAL SERVICES

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March 5, 2025

Introduction

This report presents the results of the October 1, 2024 actuarial valuation for the Retirement Plan for the General Management Employees of the City of North Miami Beach. The report is based on the participant data and asset information provided by the pension plan administrator and, except for a cursory review for reasonableness including a comparison to the data provided for the previous valuation, we have not attempted to verify the accuracy of this information.

The primary purpose of this report is to provide a summary of the funded status of the plan as of October 1, 2024 and to determine the minimum required contribution under Chapter 112, Florida Statutes, for the 2025/26 plan year. In addition, this report provides a projection of the long-term funding requirements of the plan, statistical information concerning the assets held in the trust, statistical information concerning the participant population, and a summary of any recent plan changes.

The liabilities and cost presented in this report are based on numerous assumptions concerning the cost of benefits to be provided in the future, long-term investment returns, and the future demographic experience of the current participants. Anyone referring to this report should remember that the cost developed herein is only an *estimate* of the true cost of providing post-employment pension benefits. No one can predict with certainty whether the true cost will be higher or lower than the cost presented in this report. The calculated cost is entirely dependent upon the assumptions that are described in Table IV-A. If any of the assumptions is changed, then the cost shown in this report will change accordingly. Likewise, if any of the assumptions is not completely realized, then the cost shown in this report will change in the future.

Certain assumptions play a bigger role than others in determining the cost of the post-employment pension benefits. In some cases, relatively small changes in a particular assumption can have a dramatic impact on the anticipated cost of benefits. Although a thorough analysis of the impact of such changes is beyond the scope of this report, Table I-B illustrates the impact that alternative long-term investment returns would have on the contribution rate.

Minimum Required Contribution

Table I-A shows the development of the minimum required contribution for the 2025/26 plan year. The minimum required contribution is $62,309 (or 18.61% of covered payroll), which represents a decrease of $352,974 (or an decrease of 107.15% of payroll) from the prior valuation.

Table I-C provides a breakdown of the sources of change in the minimum required contribution rate. Significantly, the rate decreased by 185.24% of payroll due to investment gains and increased by 78.09% of payroll due to demographic experience. The market value of assets earned 21.01% during the 2023/24 plan year, whereas a 7.25% annual investment return was required to maintain a stable contribution rate.

Chapter 112, Florida Statutes, sets forth the rules concerning the minimum required contribution for public pension plans within the state. Essentially, the City must contribute an amount equal to the annual normal cost of the plan plus assumed administrative expenses, where both amounts are adjusted as necessary to reflect interest on any delayed payment of the contribution beyond the valuation date. On this basis, the City's 2025/26 minimum required contribution is equal to $62,309.

Based on the current assets, participant data, and actuarial assumptions and methods that are used to value the plan, the present-day value of the total long-term funding requirement is $22,701,547. As illustrated in Table I-A, current assets are sufficient to cover $22,167,518 of this amount, the employer's 2024/25 contribution will cover $415,283 of this amount, the employer's 2025/26 contribution will cover $62,309 of this amount, and future employee contributions are expected to cover $56,437 of this amount, leaving no unfunded liability to be covered by future employer funding beyond the 2025/26 fiscal year. Again, demographic and investment experience that differs from that assumed will either increase or decrease the future employer funding requirement.

<u>Employer Contribution Shortfall</u>

The minimum required contribution from the employer was $482,275 for the 2023/24 fiscal year. The employer had an advance contribution credit of $93,775 as of October 1, 2023, which left a required contribution deposit of $388,500 for the 2023/24 fiscal year. Since the employer did not make any contributions for that year, we have treated the $388,500 contribution shortfall as an employer contribution receivable. The City should deposit the required $388,500 contribution for the prior year as soon as possible. Also, it is our understanding that the State requires a late contribution deposit to include interest at the valuation interest rate. Therefore, the City should deposit interest on the $388,500 contribution shortfall at the rate of 7.25% for the period beginning October 2, 2023 to the date of deposit. For example, if the contribution deposit is made on April 1, 2025, then the City should deposit a total of $431,506 ($388,500 contribution plus $43,006 in interest).

<u>Identification and Assessment of Risk</u>

The liabilities and cost presented in this report are based on numerous assumptions concerning the cost of benefits to be provided in the future, long-term investment returns, and the future demographic experience of the current participants. Anyone referring to this report should remember that the cost developed herein is only an <u>*estimate*</u> of the true cost of providing post-employment pension benefits. No one can predict with certainty whether the true cost will be higher or lower than the cost presented in this report. The calculated cost is entirely dependent upon the assumptions that are described in Table IV-A. If any of the assumptions is changed, then the cost shown in this report will change accordingly. Likewise, there is always a risk that, should these assumptions not be realized, the liabilities of the plan, the contributions required to fund the plan, and the funded status of the plan may be significantly different than the amounts shown in this report.

Although a thorough analysis of the risk of not meeting the assumptions is beyond the scope of this report, this discussion is intended to identify the significant risks faced by the plan. In some cases, a more detailed review of the risks, including numerical analysis, may be appropriate to help the plan sponsor and other interested parties assess the specific impact of not realizing certain assumptions. For example, Table I-B illustrates the impact that alternative long-term investment returns would have on the contribution rate. Note that this report is not intended to provide advice on the management or reduction of the identified risks nor is this report intended to provide investment advice.

The most significant risk faced by most defined benefit pension plans is investment risk, i.e. the risk that long-term investment returns will be less than assumed. Other related risks include a risk that, if the investments of the plan decline dramatically over a short period of time (such as occurred with many pension plans in 2008), the plan's assets may not have sufficient time to recover before benefits become due. Even if the assets of the plan grow in accordance with the assumed investment return over time, if benefit payments are expected to be large in the short-term (for example, if the plan provides an actuarial equivalent lump sum payment option and a large number of participants are expected to become entitled to such a lump sum in the near future), the plan's assets may not be sufficient to support such a high level of benefit payments. We have provided a 10-year projection of the expected benefit payments in Table III-G to help the Trustees in formulating an investment policy that is expected to provide an investment return that meets both the short- and long-term cash flow needs of the pension plan.

Another source of risk is demographic experience. This is the risk that participants will receive salary increases that are different than the amount assumed, that participants will retire, become disabled, or terminate their employment at a rate that is different than assumed, and that participants will live longer than assumed, just to cite a few examples of the demographic risk faced by the plan. Although for most pension plans, the demographic risk is not as significant as the investment risk, particularly in light of the fact that the mortality assumption includes a component for future life expectancy increases, the demographic risk can nevertheless be a significant contributing factor to liabilities and contribution rates that become higher than anticipated.

A third source of risk is the risk that the plan sponsor (or other contributing entities) will not make, or will not have the ability to make, the contributions that are required to keep the plan funded at a sufficient level. Material changes in the number of covered employees, covered payroll, and, in some cases, hours worked by active participants can also significantly impact the plan's liabilities and the level of contributions received by the plan.

Finally, an actuarial funding method has been used to allocate the gap between projected liablities and assets to each year in the future. The contribution rate under some funding methods is higher during the early years of the plan and then is lower during the later years of the plan. Other funding methods provide for lower contribution rates initially, with increasing contribution rates over time.

The Trustees have adopted the individual entry age normal funding method for this plan with level-dollar payments towards the unfunded accrued liability, which is expected to result in a contribution rate that decreases over time as a percentage of payroll. A brief description of the actuarial funding method is provided in Table IV-A.

<u>Contents of the Report</u>

Tables I-D through I-G provide a detailed breakdown of various liability amounts by type of benefit and by participant group. Tables II-A through II-F provide information concerning the assets of the trust fund. Tables III-A through III-G provide statistical information concerning the plan's participant population. In particular, Table III-G gives a 10-year projection of the cash that is expected to be required from the trust fund in order to pay benefits to the current group of participants. Finally, Tables IV-A through V-B provide a summary of the actuarial assumptions and methods that are used to value the plan's benefits and of the relevant plan provisions as of October 1, 2024, as well as a summary of the changes that have occurred since the previous valuation report was prepared.

Certification

This actuarial valuation was prepared 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 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 in the valuation. All known events or trends which may require a material change in plan costs or required contribution rates have been taken into account in the valuation.

For the firm,

Charles J. Carr/CJB

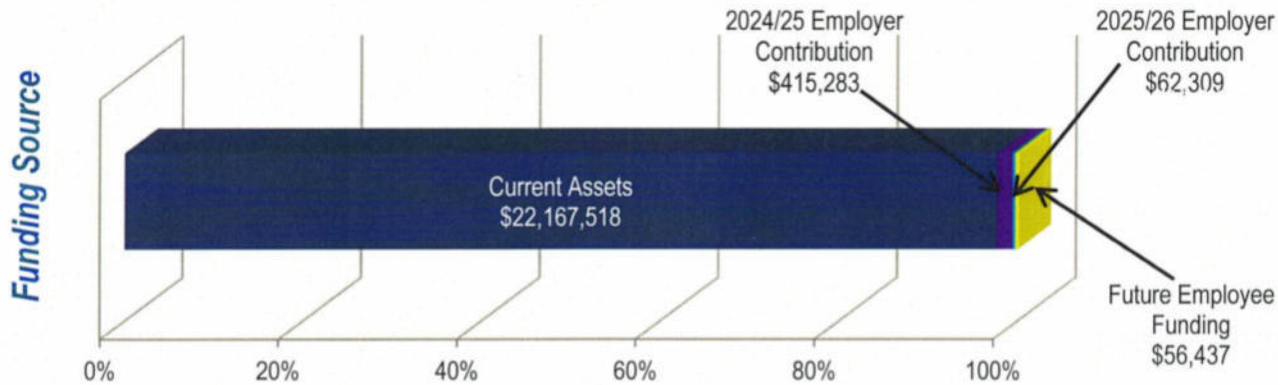
Charles T. Carr
Consulting Actuary
Southern Actuarial Services Company, Inc.

Enrolled Actuary No. 23-04927

The individual above is a member of the American Academy of Actuaries and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

Minimum Required Contribution

Table I-A



** Note: Future administrative expenses are not included in the chart shown above.*

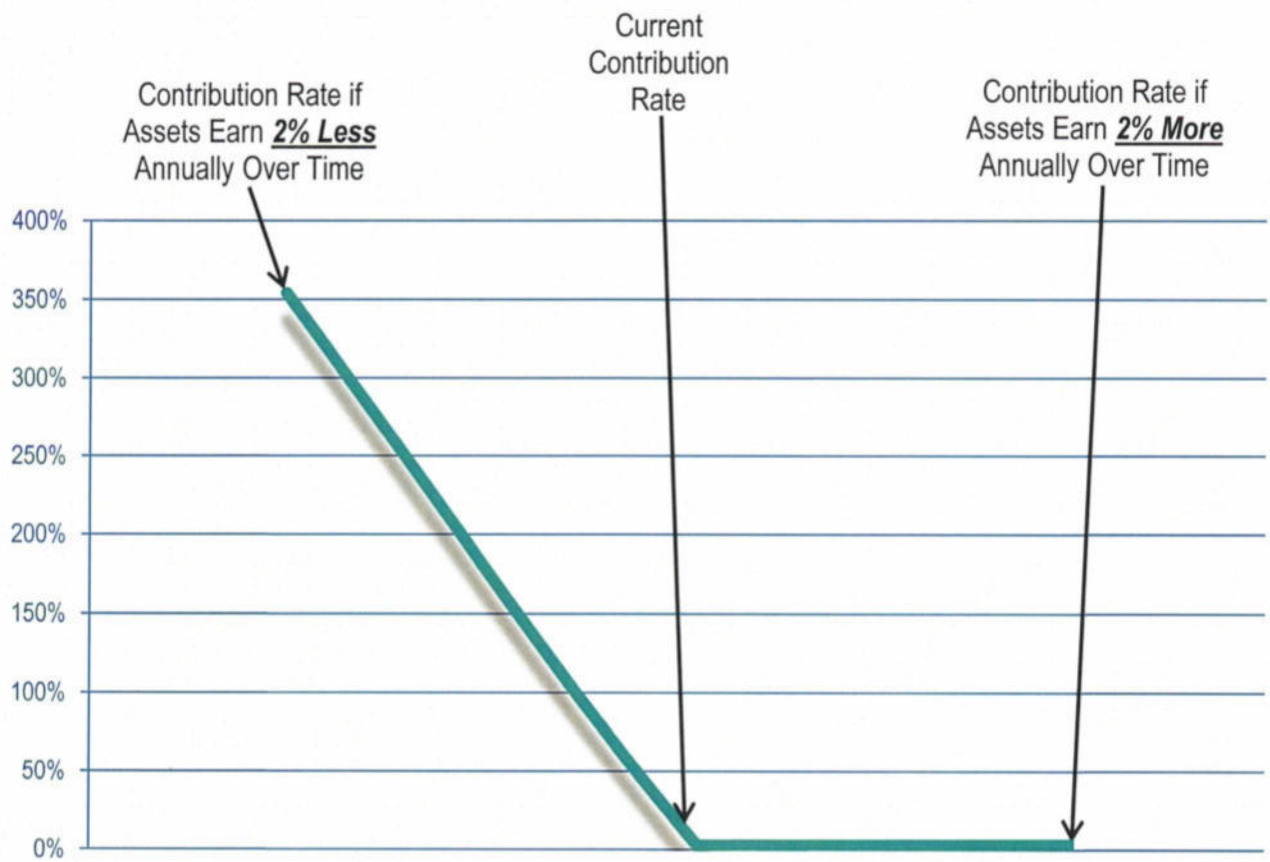
	For the 2025/26 Plan Year
Entry Age Normal Cost	$36,090
Unfunded Liability Amortization Payment	$839
Expense Allowance	$75,000
Expected Employee Contribution	($25,759)
	$86,170
Adjustment to Reflect Beginning-of-Year Employer Contribution	$0
Adjustment for the One-Year Delay in Payment of the MRC	($23,861)
Minimum Required Contribution for the 2025/26 Plan Year	**$62,309**
Expected Payroll for the 2025/26 Plan Year	÷ *$334,865*
Minimum Required Contribution as a % of Payroll	18.61%

Additional Disclosures

Present Value of Future Compensation	$705,456
Present Value of Future Employer Contributions	$62,309
Present Value of Future Employee Contributions	$56,437

Sensitivity Analysis

Table I-B



The line above illustrates the sensitivity of the contribution rate to changes in the long-term investment return.

Gain and Loss Analysis

Table I-C

Source of Change in the Contribution Rate

Previous minimum required contribution rate	125.76%
Increase (decrease) due to investment gains and losses	-185.24%
Increase (decrease) due to demographic experience	78.09%
Increase (decrease) due to plan amendments	0.00%
Increase (decrease) due to actuarial assumption changes	0.00%
Increase (decrease) due to actuarial method changes	0.00%
Current minimum required contribution rate *(not less than zero)*	18.61%

Present Value of Future Benefits

Table I-D

	Old Assumptions w/o Amendment	Old Assumptions w/ Amendment	New Assumptions w/ Amendment
Actively Employed Participants			
Retirement benefits	$1,238,504	$1,238,504	$1,238,504
Termination benefits	$0	$0	$0
Disability benefits	$0	$0	$0
Death benefits	$5,131	$5,131	$5,131
Refund of employee contributions	$0	$0	$0
Sub-total	**$1,243,635**	**$1,243,635**	**$1,243,635**
Deferred Vested Participants			
Retirement benefits	$1,900,128	$1,900,128	$1,900,128
Termination benefits	$0	$0	$0
Disability benefits	$0	$0	$0
Death benefits	$0	$0	$0
Refund of employee contributions	$0	$0	$0
Sub-total	**$1,900,128**	**$1,900,128**	**$1,900,128**
Due a Refund of Contributions	**$68,874**	**$68,874**	**$68,874**
Deferred Beneficiaries	**$41,482**	**$41,482**	**$41,482**
Retired Participants			
Service retirements	$18,236,135	$18,236,135	$18,236,135
Disability retirements	$0	$0	$0
Beneficiaries receiving	$763,172	$763,172	$763,172
DROP participants	$0	$0	$0
Sub-total	**$18,999,307**	**$18,999,307**	**$18,999,307**
Grand Total	**$22,253,426**	**$22,253,426**	**$22,253,426**
Present Value of Future Payroll	$705,456	$705,456	$705,456
Present Value of Future Employee Contribs.	$56,437	$56,437	$56,437
Present Value of Future Employer Contribs.	$29,471	$29,471	$29,471

Present Value of Accrued Benefits

Table I-E

	Old Assumptions w/o Amendment	Old Assumptions w/ Amendment	New Assumptions w/ Amendment
Actively Employed Participants			
Retirement benefits	$1,117,439	$1,117,439	$1,117,439
Termination benefits	$0	$0	$0
Disability benefits	$0	$0	$0
Death benefits	$4,170	$4,170	$4,170
Refund of employee contributions	$0	$0	$0
Sub-total	**$1,121,609**	**$1,121,609**	**$1,121,609**
Deferred Vested Participants			
Retirement benefits	$1,900,128	$1,900,128	$1,900,128
Termination benefits	$0	$0	$0
Disability benefits	$0	$0	$0
Death benefits	$0	$0	$0
Refund of employee contributions	$0	$0	$0
Sub-total	**$1,900,128**	**$1,900,128**	**$1,900,128**
Due a Refund of Contributions	**$68,874**	**$68,874**	**$68,874**
Deferred Beneficiaries	**$41,482**	**$41,482**	**$41,482**
Retired Participants			
Service retirements	$18,236,135	$18,236,135	$18,236,135
Disability retirements	$0	$0	$0
Beneficiaries receiving	$763,172	$763,172	$763,172
DROP participants	$0	$0	$0
Sub-total	**$18,999,307**	**$18,999,307**	**$18,999,307**
Grand Total	**$22,131,400**	**$22,131,400**	**$22,131,400**
Funded Status	100.16%	100.16%	100.16%

(Note: Funded percentage is equal to the ratio of the usable portion of the market value of assets divided by the present value of accrued benefits.)

Present Value of Vested Benefits

Table I-F

	Old Assumptions w/o Amendment	Old Assumptions w/ Amendment	New Assumptions w/ Amendment
Actively Employed Participants			
Retirement benefits	$1,117,439	$1,117,439	$1,117,439
Termination benefits	$0	$0	$0
Disability benefits	$0	$0	$0
Death benefits	$4,170	$4,170	$4,170
Refund of employee contributions	$0	$0	$0
Sub-total	**$1,121,609**	**$1,121,609**	**$1,121,609**
Deferred Vested Participants			
Retirement benefits	$1,900,128	$1,900,128	$1,900,128
Termination benefits	$0	$0	$0
Disability benefits	$0	$0	$0
Death benefits	$0	$0	$0
Refund of employee contributions	$0	$0	$0
Sub-total	**$1,900,128**	**$1,900,128**	**$1,900,128**
Due a Refund of Contributions	**$68,874**	**$68,874**	**$68,874**
Deferred Beneficiaries	**$41,482**	**$41,482**	**$41,482**
Retired Participants			
Service retirements	$18,236,135	$18,236,135	$18,236,135
Disability retirements	$0	$0	$0
Beneficiaries receiving	$763,172	$763,172	$763,172
DROP participants	$0	$0	$0
Sub-total	**$18,999,307**	**$18,999,307**	**$18,999,307**
Grand Total	**$22,131,400**	**$22,131,400**	**$22,131,400**

Entry Age Normal Accrued Liability

Table I-G

	Old Assumptions w/o Amendment	Old Assumptions w/ Amendment	New Assumptions w/ Amendment
Actively Employed Participants			
Retirement benefits	$1,159,074	$1,159,074	$1,159,074
Termination benefits	$0	$0	$0
Disability benefits	$0	$0	$0
Death benefits	$4,453	$4,453	$4,453
Refund of employee contributions	$0	$0	$0
Sub-total	**$1,163,527**	**$1,163,527**	**$1,163,527**
Deferred Vested Participants			
Retirement benefits	$1,900,128	$1,900,128	$1,900,128
Termination benefits	$0	$0	$0
Disability benefits	$0	$0	$0
Death benefits	$0	$0	$0
Refund of employee contributions	$0	$0	$0
Sub-total	**$1,900,128**	**$1,900,128**	**$1,900,128**
Due a Refund of Contributions	**$68,874**	**$68,874**	**$68,874**
Deferred Beneficiaries	**$41,482**	**$41,482**	**$41,482**
Retired Participants			
Service retirements	$18,236,135	$18,236,135	$18,236,135
Disability retirements	$0	$0	$0
Beneficiaries receiving	$763,172	$763,172	$763,172
DROP participants	$0	$0	$0
Sub-total	**$18,999,307**	**$18,999,307**	**$18,999,307**
Grand Total	**$22,173,318**	**$22,173,318**	**$22,173,318**
less Actuarial Value of Assets	*($22,167,518)*	*($22,167,518)*	*($22,167,518)*
Unfunded Accrued Liability	**$5,800**	**$5,800**	**$5,800**

Entry Age Normal Cost

Table I-H

	Old Assumptions w/o Amendment	Old Assumptions w/ Amendment	New Assumptions w/ Amendment
Actively Employed Participants			
Retirement benefits	$35,875	$35,875	$35,875
Termination benefits	$0	$0	$0
Disability benefits	$0	$0	$0
Death benefits	$215	$215	$215
Refund of employee contributions	$0	$0	$0
Sub-total	**$36,090**	**$36,090**	**$36,090**
Deferred Vested Participants			
Retirement benefits	$0	$0	$0
Termination benefits	$0	$0	$0
Disability benefits	$0	$0	$0
Death benefits	$0	$0	$0
Refund of employee contributions	$0	$0	$0
Sub-total	**$0**	**$0**	**$0**
Due a Refund of Contributions	**$0**	**$0**	**$0**
Deferred Beneficiaries	**$0**	**$0**	**$0**
Retired Participants			
Service retirements	$0	$0	$0
Disability retirements	$0	$0	$0
Beneficiaries receiving	$0	$0	$0
DROP participants	$0	$0	$0
Sub-total	**$0**	**$0**	**$0**
Grand Total	**$36,090**	**$36,090**	**$36,090**

Unfunded Liability Bases

Table I-I

Description	Original Amount	Outstanding Balance	Amortization Payment	Years Rem.
	Total	***$5,800***	***$839***	
Fresh Start UAAL	$5,800	$5,800	$839	9

Actuarial Value of Assets

Table II-A

Market Value of Assets as of October 1, 2024	$22,167,518
Minus advance employer contribution	$0
Actuarial Value of Assets as of October 1, 2024	**$22,167,518**

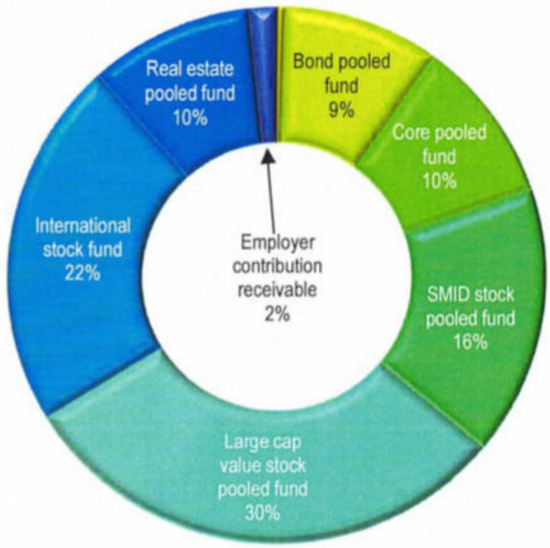
Historical Actuarial Value of Assets

October 1, 2015	$15,980,411
October 1, 2016	$16,778,564
October 1, 2017	$18,825,680
October 1, 2018	$20,106,173
October 1, 2019	$20,297,407
October 1, 2020	$20,648,099
October 1, 2021	$23,994,831
October 1, 2022	$19,221,982
October 1, 2023	$19,450,636
October 1, 2024	$22,167,518

Market Value of Assets

Table II-B

	As of October 1, 2024
Market Value of Assets	**$22,167,518**
Cash	$87,113
Bond pooled fund	$2,090,719
Core pooled fund	$2,177,832
SMID stock pooled fund	$3,636,980
Large cap value stock pooled fund	$6,685,944
International stock fund	$4,921,901
Real estate pooled fund	$2,177,832
Employer contribution receivable	$388,500
Employee contribution receivable	$697

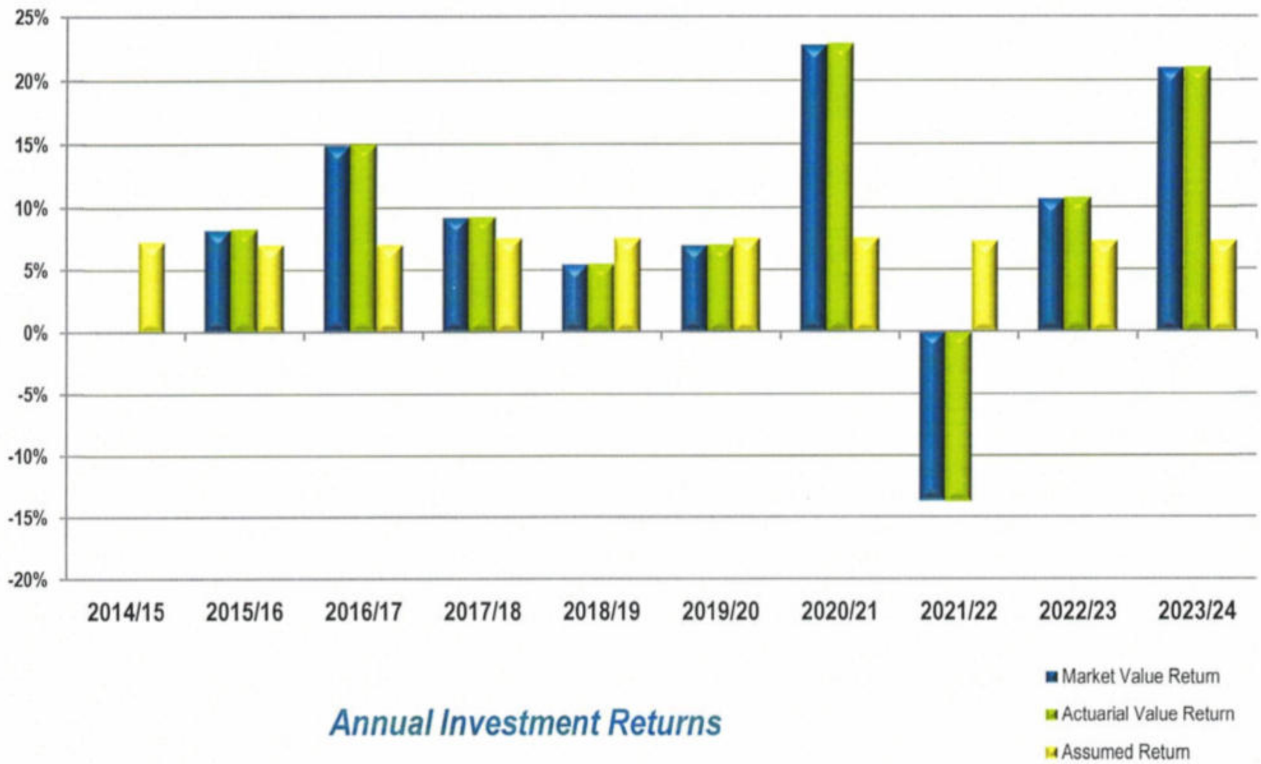


Historical Market Value of Assets

October 1, 2015	$16,121,723
October 1, 2016	$16,894,185
October 1, 2017	$18,923,591
October 1, 2018	$20,204,084
October 1, 2019	$20,391,182
October 1, 2020	$20,741,874
October 1, 2021	$24,088,606
October 1, 2022	$19,315,757
October 1, 2023	$19,544,411
October 1, 2024	$22,167,518

Investment Return

Table II-C



Annual Investment Returns

Plan Year	Market Value Return	Actuarial Value Return	Assumed Return
2014/15	0.09%	0.09%	7.25%
2015/16	8.22%	8.29%	7.00%
2016/17	14.92%	15.01%	7.00%
2017/18	9.19%	9.24%	7.50%
2018/19	5.42%	5.45%	7.50%
2019/20	6.95%	6.98%	7.50%
2020/21	22.80%	22.90%	7.50%
2021/22	-13.66%	-13.72%	7.25%
2022/23	10.68%	10.74%	7.25%
2023/24	21.01%	21.06%	7.25%
10yr. Avg.	8.09%	8.12%	7.30%

Asset Reconciliation

Table II-D

	Market Value	Actuarial Value
As of October 1, 2023	**$19,544,411**	**$19,450,636**
Increases Due To:		
Employer Contributions	$388,500	$388,500
Employee Contributions	$33,298	$33,298
Service Purchase Contributions	$0	$0
Total Contributions	$421,798	$421,798
Interest and Dividends	$0	
Realized Gains (Losses)	$0	
Unrealized Gains (Losses)	$3,965,636	
Total Investment Income	$3,965,636	$3,965,636
Other Income	$0	
Total Income	**$4,387,434**	**$4,387,434**
Decreases Due To:		
Monthly Benefit Payments	($1,698,766)	($1,698,766)
Refund of Employee Contributions	$0	$0
Total Benefit Payments	($1,698,766)	($1,698,766)
Investment Expenses	$0	
Administrative Expenses	($65,561)	($65,561)
Advance Employer Contribution		$93,775
Total Expenses	**($1,764,327)**	**($1,670,552)**
As of October 1, 2024	**$22,167,518**	**$22,167,518**

Historical Trust Fund Detail

Table II-E

Income

Plan Year	Employer Contribs.	Employee Contribs.	Service Purchase Contribs.	Interest / Dividends	Realized Gains / Losses	Unrealized Gains / Losses	Other Income
2014/15	$598,464	$234,924	$0	$0	$0	$14,143	$0
2015/16	$668,241	$255,493	$0	$0	$0	$1,303,799	$0
2016/17	$1,077,364	$266,060	$0	$0	$0	$2,485,771	$0
2017/18	$946,609	$93,351	$0	$0	$0	$1,719,676	$0
2018/19	$495,292	$85,503	$0	$0	$0	$1,071,912	$0
2019/20	$364,641	$84,858	$0	$0	$0	$1,380,778	$0
2020/21	$204,221	$74,549	$0	$0	$0	$4,587,139	$0
2021/22	$54,558	$42,961	$0	$0	$0	-$3,181,887	$0
2022/23	$0	$38,850	$0	$0	$0	$1,970,507	$0
2023/24	$388,500	$33,298	$0	$0	$0	$3,965,636	$0

Expenses / *Other Actuarial Adjustments*

Plan Year	Monthly Benefit Payments	Contrib. Refunds	Admin. Expenses	Invest. Expenses	Advance Employer Contribs.
2014/15	$1,287,690	$91,654	$57,680	$0	$0
2015/16	$1,314,946	$84,231	$55,894	$0	-$25,691
2016/17	$1,352,747	$385,791	$61,251	$0	-$17,710
2017/18	$1,403,809	$11,954	$63,380	$0	$0
2018/19	$1,389,306	$14,310	$61,993	$0	-$4,136
2019/20	$1,391,767	$27,185	$60,633	$0	$0
2020/21	$1,425,175	$27,979	$66,023	$0	$0
2021/22	$1,562,995	$48,284	$77,202	$0	$0
2022/23	$1,707,571	$0	$73,132	$0	$0
2023/24	$1,698,766	$0	$65,561	$0	-$93,775

Note: Information was not available to separate the investment expenses from the investment income nor was information available to separate the investment income by source.

Other Reconciliations

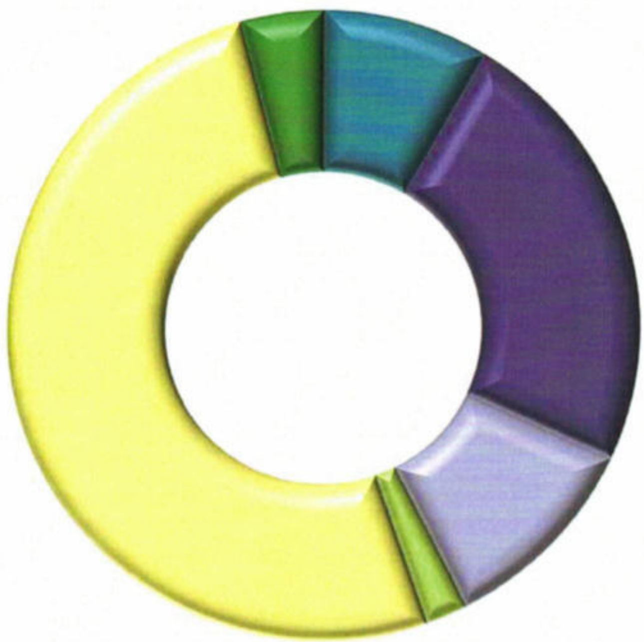
Table II-F

Advance Employer Contribution

Advance Employer Contribution as of October 1, 2023	$93,775
Additional Employer Contribution	$388,500
Minimum Required Contribution	($482,275)
Net Increase in Advance Employer Contribution	($93,775)
Advance Employer Contribution as of October 1, 2024	$0

Summary of Participant Data

Table III-A



Participant Distribution by Status

As of October 1, 2024

Actively Employed Participants	
Active Participants	4
DROP Participants	0
Inactive Participants	
Deferred Vested Participants	11
Due a Refund of Contributions	5
Deferred Beneficiaries	1
Participants Receiving a Benefit	
Service Retirements	24
Disability Retirements	0
Beneficiaries Receiving	2
Total Participants	**47**

Number of Participants Included in Prior Valuations

	Active	*DROP*	*Inactive*	*Retired*	*Total*
October 1, 2015	34	0	12	23	69
October 1, 2016	39	0	16	22	77
October 1, 2017	14	0	19	24	57
October 1, 2018	14	0	17	23	54
October 1, 2019	11	0	19	22	52
October 1, 2020	11	0	18	22	51
October 1, 2021	8	0	18	24	50
October 1, 2022	5	0	16	26	47
October 1, 2023	4	0	17	26	47
October 1, 2024	4	0	17	26	47

Data Reconciliation

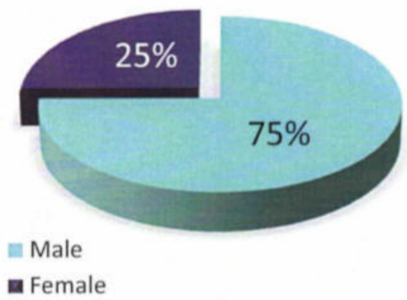
Table III-B

	Active	DROP	Deferred Vested	Due a Refund	Def. Benef.	Service Retiree	Disabled Retiree	Benef. Rec'v.	Total
October 1, 2023	4	0	11	5	1	24	0	2	**47**
Change in Status									
Re-employed									
Terminated									
Retired									
Participation Ended									
Transferred Out									
Cashed Out									
Died									
Participation Began									
Newly Hired									
Transferred In									
New Beneficiary									
Other Adjustment									
October 1, 2024	4	0	11	5	1	24	0	2	**47**

Active Participant Data

Table III-C

Gender Mix



As of October 1, 2024

Average Age	61.0 years
Average Service	11.8 years
Total Annualized Compensation for the Prior Year	$413,865
Total Expected Compensation for the Current Year	$321,986
Average Increase in Compensation for the Prior Year	2.23%
Expected Increase in Compensation for the Current Year	4.00%
Accumulated Contributions for Active Employees	$386,862

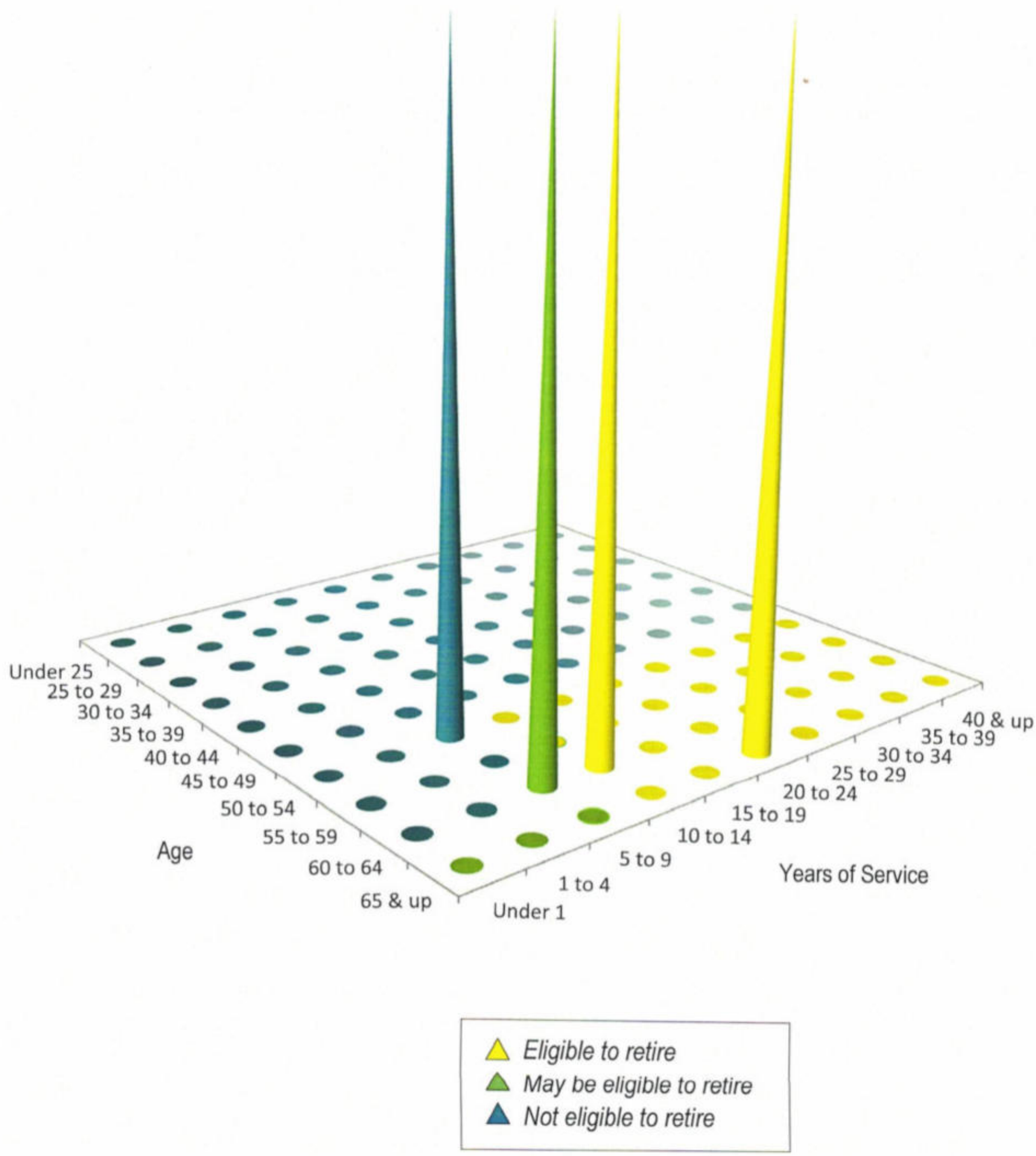
Actual vs. Expected Salary Increases

Active Participant Statistics From Prior Valuations

	Average Age	*Average Service*	*Average Salary*	*Average Expected Salary Increase*	*Average Actual Salary Increase*
October 1, 2015	48.0	3.9	$81,270	4.00%	2.17%
October 1, 2016	48.3	2.4	$88,671	4.00%	6.35%
October 1, 2017	50.9	3.9	$78,587	4.00%	5.28%
October 1, 2018	51.9	4.9	$83,349	4.00%	5.73%
October 1, 2019	55.2	5.8	$88,061	4.00%	6.65%
October 1, 2020	56.2	6.8	$96,429	4.00%	8.57%
October 1, 2021	56.9	7.4	$91,998	4.00%	2.29%
October 1, 2022	54.8	9.0	$91,669	4.00%	5.38%
October 1, 2023	60.0	10.8	$101,599	4.00%	7.77%
October 1, 2024	61.0	11.8	$103,466	4.00%	2.23%

Active Age-Service Distribution

Table III-D



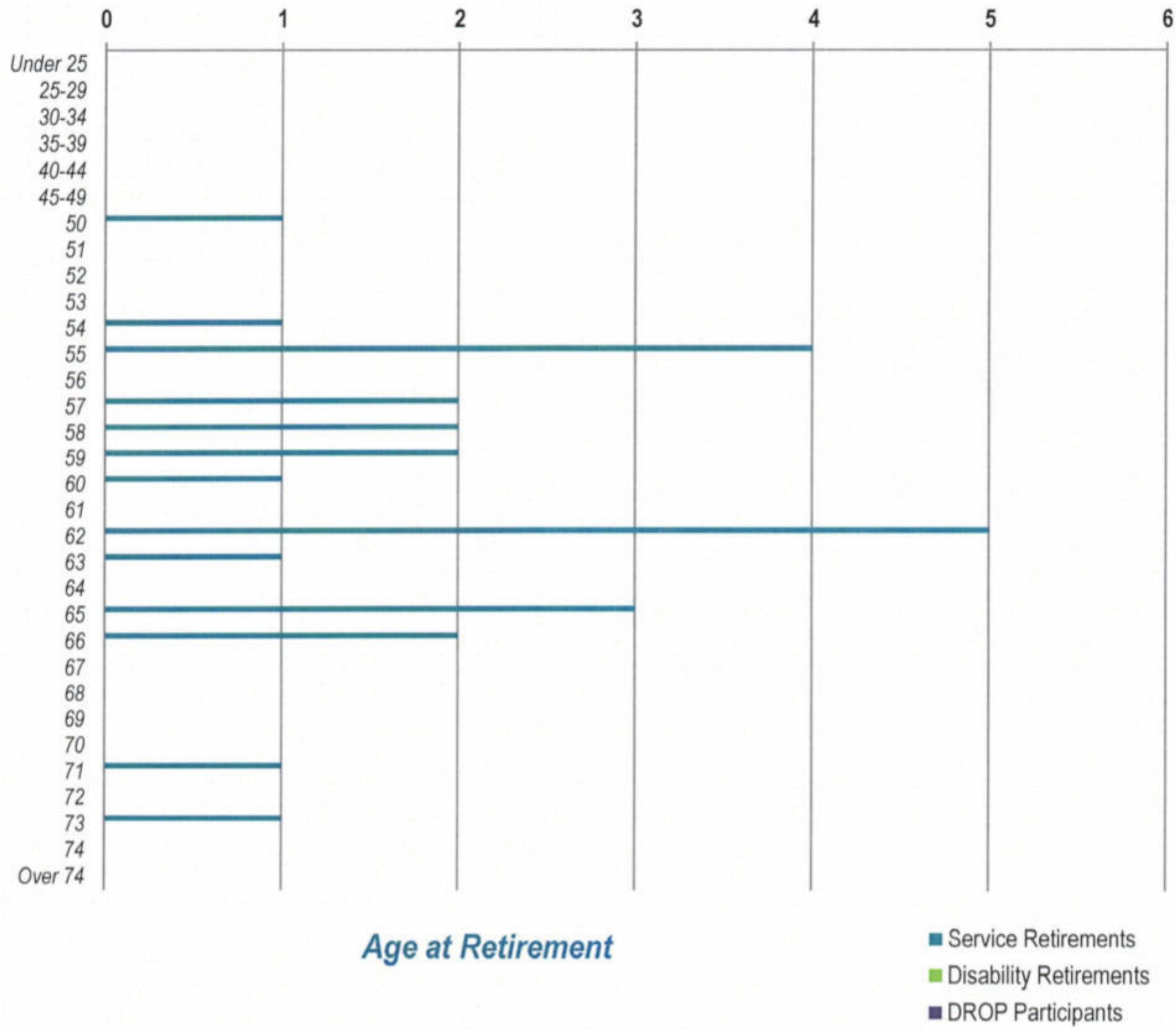
Active Age-Service-Salary Table

Table III-E

Attained Age	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up	Total
	Completed Years of Service										
Under 25	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Avg.Pay	0	0	0	0	0	0	0	0	0	0	0
25 to 29	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Avg.Pay	0	0	0	0	0	0	0	0	0	0	0
30 to 34	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Avg.Pay	0	0	0	0	0	0	0	0	0	0	0
35 to 39	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Avg.Pay	0	0	0	0	0	0	0	0	0	0	0
40 to 44	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Avg.Pay	0	0	0	0	0	0	0	0	0	0	0
45 to 49	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Avg.Pay	0	0	0	0	0	0	0	0	0	0	0
50 to 54	**0**	**0**	**1**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**1**
Avg.Pay	0	0	79,648	0	0	0	0	0	0	0	79,648
55 to 59	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Avg.Pay	0	0	0	0	0	0	0	0	0	0	0
60 to 64	**0**	**0**	**1**	**1**	**0**	**0**	**0**	**0**	**0**	**0**	**2**
Avg.Pay	0	0	89,083	149,747	0	0	0	0	0	0	119,415
65 & up	**0**	**0**	**0**	**0**	**0**	**1**	**0**	**0**	**0**	**0**	**1**
Avg.Pay	0	0	0	0	0	95,387	0	0	0	0	95,387
Total	**0**	**0**	**2**	**1**	**0**	**1**	**0**	**0**	**0**	**0**	**4**
Avg.Pay	0	0	84,366	149,747	0	95,387	0	0	0	0	103,466

Inactive Participant Data

Table III-F

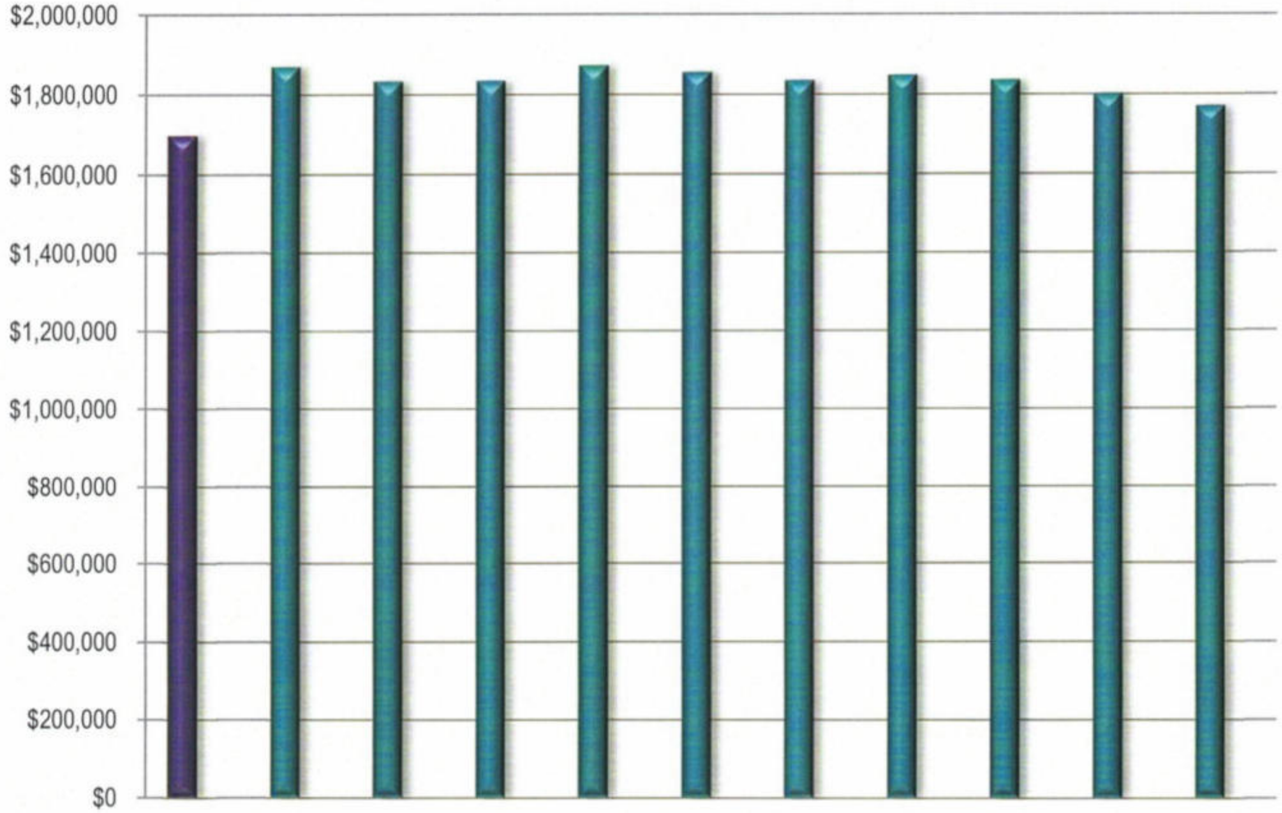


Age at Retirement

	<u>*Average Monthly Benefit*</u>
Service Retirements	*$5,819.06*
Disability Retirements	*Not applicable*
Beneficiaries Receiving	*$3,081.53*
DROP Participants	*Not applicable*
Deferred Vested Participants	*$1,634.84*
Deferred Beneficiaries	*$959.40*

Projected Benefit Payments

Table III-G



Actual	
For the period October 1, 2023 through September 30, 2024	$1,698,766
Projected	
For the period October 1, 2024 through September 30, 2025	$1,869,876
For the period October 1, 2025 through September 30, 2026	$1,834,180
For the period October 1, 2026 through September 30, 2027	$1,834,693
For the period October 1, 2027 through September 30, 2028	$1,873,509
For the period October 1, 2028 through September 30, 2029	$1,856,373
For the period October 1, 2029 through September 30, 2030	$1,834,972
For the period October 1, 2030 through September 30, 2031	$1,848,350
For the period October 1, 2031 through September 30, 2032	$1,836,839
For the period October 1, 2032 through September 30, 2033	$1,801,292
For the period October 1, 2033 through September 30, 2034	$1,770,600

Summary of Actuarial Methods and Assumptions — Table IV-A

NOTE: The following assumptions and methods have been selected and approved by the Board of Trustees based in part on the advice of the plan's enrolled actuary in accordance with the authority granted to the Board under the pension ordinances and State law.

1. Actuarial Cost Method

Individual entry age normal cost method. Under this actuarial cost method, a level funding cost is developed with respect to each benefit for each participant. The level funding cost for each benefit applies to the period beginning when the participant's service commences and ends when the participant is assumed to cease active participation due to each respective decrement. The actuarial accrued liability is equal to the accumulated level funding cost to the valuation date for all participants. The normal cost is equal to the level funding cost for the year immediately following the valuation date for all active participants.

2. Amortization Method

The unfunded actuarial accrued liability as of October 1, 2024 was amortized as a level dollar amount over a period of nine years.

3. Asset Method

The actuarial value of assets is equal to the market value of assets.

4. Interest (or Discount) Rate

7.25% per annum

5. Salary Increases

Plan compensation is assumed to increase at the rate of 4.00% per annum, unless actual plan compensation is known for a prior plan year.

6. Decrements

- Pre-retirement mortality: Sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Below Median Employee Mortality Table for general employees, with full generational improvements in mortality using Scale MP-2018 and with male ages set back one year

Summary of Actuarial Methods and Assumptions

Table IV-A

(continued)

• Post-retirement mortality:	Sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Below Median Healthy Retiree Mortality Table for general employees, with full generational improvements in mortality using Scale MP-2018 and with male ages set back one year
• Disability:	Age-based rates of disability were assumed, ranging from 0.09% at age 25, 0.15% at age 35, 0.36% at age 45, and 0.61% at age 50.
• Termination:	With respect to participants with less than four years of service, the termination rates are both gender- and service-based, ranging from 25.00% for males and 27.00% for females with less than one year of service to 12.00% for males and 14.00% for females with between three and four years of service; with respect to participants with at least four years of service, the termination rates are both gender- and age-based, ranging from 1.49% for males and 6.83% for females at age 25 to 0.90% for males and 0.27% for females at age 50.
• Retirement:	For those participants who have met the age and service requirements to retire, retirement is assumed to occur at the rate of 2.50% per year at each of ages 50 through 54, 5.00% per year at each of ages 55 through 61, and 100% at age 62; an additional 10% retirement is assumed upon the attainment of age 55 with at least 75 points (age plus service).

7. **Form of Payment**

Future retirees have been assumed to select the 10-year certain and life annuity, except that 50% of individuals who terminate their employment prior to retirement are assumed to elect a refund of their accumulated contributions in lieu of a monthly annuity.

8. **Expenses**

Future administrative expenses are assumed to be equal to $75,000 per year. In addition, the interest rate set forth in item 3. above is assumed to be net of investment expenses and commissions.

Changes in Actuarial Methods and Assumptions

Table IV-B

There were no assumption or method changes since the previous valuation was completed.

The following additional assumption and method changes were made during the past 10 years:

(1) Effective October 1, 2023, the actuarial cost method (or funding method) was changed from the aggregate cost method to the individual entry age normal cost method.

(2) Effective October 1, 2023, the administrative expense assumption was changed from a loading of the projected liability to a flat $75,000 per year.

(3) Effective October 1, 2021, the assumed interest (or discount) rate was decreased from 7.50% per annum to 7.25% per annum.

(4) Effective October 1, 2021, the future administrative expense assumption was changed from a flat $65,000 per year to 2.25% of the future benefit liability.

(5) Effective October 1, 2020, the mortality basis was changed from the RP-2000 Combined Mortality Table with generational improvements in mortality using Scale BB to selected PUB-2010 Mortality Tables with generational improvements in mortality using Scale MP-2018.

(6) Effective October 1, 2018, the assumed administrative expenses were increased from $50,000 per year to $65,000 per year.

(7) Effective October 1, 2017, the assumed interest (or discount) rate was increased from 7.00% per annum to 7.50% per annum.

(8) Effective October 1, 2015, the mortality basis was changed from a 2015 projection of the RP-2000 Mortality Table for annuitants to a full generational projection using Scale BB of the RP-2000 Combined Mortality Table as required by State law.

(9) Effective October 1, 2015, the assumed interest (or discount) rate was decreased from 7.25% per annum to 7.00% per annum.

(10) Effective October 1, 2014, the assumed interest (or discount) rate was decreased from 7.50% per annum to 7.25% per annum.

(11) Effective October 1, 2014, the assumed administrative expenses were increased from $40,000 per year to $50,000 per year.

Summary of Plan Provisions

Table V-A

1. **Benefit Formula**

3.00% of Average Monthly Earnings multiplied by Credited Service (if hired prior to February 1, 2013)
2.00% of Average Monthly Earnings multiplied by Credited Service (if hired after January 31, 2013)

2. **Service Retirement**

Normal retirement (if hired prior to February 1, 2013):

Age 62 with at least four years of credited service; or
Age 55 with age plus service at least equal to 75 ("Rule of 75")

Normal retirement (if hired after January 31, 2013):

Social security retirement age with at least four years of credited service

(Social security retirement age is age 66 with respect to participants born during the years 1938 through 1954 and is age 67 with respect to participants born after 1954.)

Early retirement (if hired prior to February 1, 2013):

Age 50 with at least 10 years of credited service

Early retirement (if hired after January 31, 2013):

Age 55 with at least 10 years of credited service

(Note: In the case of early retirement, if hired prior to February 1, 2013, the participant's benefit is reduced by 5% for each year by which the participant's early retirement age precedes his normal retirement age. In the case of early retirement, if hired after January 31, 2013, the participant's benefit is reduced actuarially to reflect payments made prior to normal retirement age.)

Summary of Plan Provisions

Table V-A

(continued)

3. Disability Retirement

The disability benefit is a monthly 10-year certain and life annuity equal to the larger of the monthly accrued benefit or 25% of average monthly earnings, but offset as necessary to preclude the total of the participant's worker's compensation, disability benefit, and other City-financed disability or salary continuation benefit (excluding social security benefits) from exceeding his average monthly earnings. The participant may convert his disability benefit into any of the optional forms of payment that are otherwise available under the plan.

(A participant is disabled if he is found to have a mental or physical condition resulting from bodily injury, disease, or a mental disorder that renders him incapable of employment.)

4. Deferred Vested Retirement

A vested participant who terminates employment before becoming eligible for retirement receives a deferred vested retirement benefit payable at the participant's early or normal retirement age. If the benefit is payable prior to normal retirement age, then the benefit is reduced as for early retirement.

A non-vested participant who terminates employment receives his accumulated contributions.

5. Vesting

An employee becomes 50% vested upon the attainment of four years of credited service and becomes 100% vested upon the attainment of six years of credited service.

6. Pre-Retirement Death Benefit

If a vested participant dies prior to retirement, the participant's beneficiary receives a 10-year certain annuity commencing at the participant's normal or early retirement age and reduced for payment prior to the participant's normal retirement age as for early retirement. The beneficiary is guaranteed to receive at least the value of the participant's accumulated contributions.

If a non-vested participant dies prior to retirement, the participant's beneficiary receives the participant's accumulated contributions.

Summary of Plan Provisions

Table V-A

(continued)

7. Form of Payment

Actuarially increased single life annuity *(optional)*;

10-year certain and life annuity *(normal form of payment)*;

Actuarially reduced 50% joint and contingent annuity *(optional)*;

Actuarially reduced 66⅔% joint and contingent annuity *(optional)*;

Actuarially reduced 75% joint and contingent annuity *(optional)*;

Actuarially reduced 100% joint and contingent annuity *(optional)*;

Any other actuarially equivalent form of payment approved by the Board of Trustees *(optional)*; or

Actuarially equivalent single lump sum distribution *(automatic if the single sum value of the participant's benefit is less than or equal to $5,000 or if the monthly benefit is less than $100)*

(Note: All forms of payment guarantee at least the return of the participant's accumulated contributions. Furthermore, a participant may change his joint annuitant up to two times after retirement subject to an actuarially equivalent adjustment.)

8. Automatic Cost-of-Living Adjustment

Participants receive an automatic annual 2.25% cost-of-living adjustment (COLA) if hired prior to February 1, 2013. An ad hoc COLA may be adopted from time to time by the City Council with respect to benefits earned by participants hired after January 31, 2013.

9. Average Monthly Earnings

Average monthly earnings during the highest five years of compensation. Earnings include total cash remuneration prior to February 1, 2013, but exclude lump sum payments for accrued annual or sick leave, and include only base salary on and after February 1, 2013. Earnings cannot exceed the maximum amount allowed under Internal Revenue Code (IRC) section 401(a)(17).

Summary of Plan Provisions

Table V-A

(continued)

10. Credited Service

The elapsed time from the participant's date of hire until his date of termination, retirement, or death. Prior to February 1, 2013, participants may optionally purchase up to four additional years of credited service or a higher benefit formula multiplier by paying into the plan the full actuarial cost thereof.

11. Employee Contribution

Employees must contribute 8.00% of plan compensation. Employee contributions are accumulated with interest at the rate of 3.00% per annum.

12. City Contribution

The City is required to make periodic contributions at least on a quarterly basis as determined under Chapter 112, Florida Statutes.

13. Participant Requirement

All general management employees hired prior to July 18, 2017 other than Charter Officers of the City of North Miami Beach automatically become participants in the plan on their date of hire except for those individuals who are participating in another defined benefit pension plan that is sponsored by the City; actively employed participants as of July 18, 2017 were allowed to opt out of participation in the plan.

14. Actuarial Equivalence

Based on 7.00% interest per annum and the unisex mortality table promulgated by the Internal Revenue Service (IRS) for purposes of Internal Revenue Code (IRC) section 417(e)(3).

15. Plan Effective Date

The plan was originally effective on January 24, 2003.

Summary of Plan Amendments

Table V-B

There were no plan amendments since the previous valuation was completed.

The following additional plan amendments were adopted during the past 10 years and were reflected in prior valuation reports:

(1) Effective December 19, 2023, certain benefits were restored to the one actively-employed participant who was hired prior to February 1, 2013, including providing a 3% benefit formula multiplier for all service, a normal retirement age of age 62 with at least four years of service or age plus service equal to at least 75 ("Rule of 75"), and an automatic annual cost-of-living adjustment of 2.25% on his entire accrued benefit. (Ordinance 2023-09)

(1) Effective July 18, 2017, employees hired on or after that are not allowed to participate in the plan and employees as of that date were provided a one-time opportunity to opt out of the plan in exchange for receiving a 10% of pay employer contribution under another defined contribution plan. Those employees who opted out of the plan received a refund of their accumulated employee contributions. (Ordinance 2017-8)