

RETIREMENT PLAN AND TRUST FOR THE GENERAL MANAGEMENT EMPLOYEES OF THE CITY OF NORTH MIAMI BEACH, FLORIDA

Summary Plan Description

Plan Trustee

Florida Municipal Pension Trust Fund

Plan Administrator

Florida League of Cities, Inc.
301 S. Bronough Street
Tallahassee, FL 32301

Plan

Plan representing the General Management
Employees of the City of North Miami Beach.

Agent for Legal Process

City Attorney - City of North Miami Beach
17011 N.E. 19th Avenue
North Miami Beach, FL 33162

Effective Date

01/07/2003

Plan Anniversary Date

October 1 each year

Plan Year

Fiscal Year: Twelve month period beginning
10/01 and ending 09/30

Eligibility

All General Management Employees hired prior to July 18, 2017, i.e. unclassified management employees who are not members of any other City sponsored Pension Plan. This Plan is closed to new members as of July 18, 2017.

Charter Officers (City Clerk, City Attorney or City Manager) appointed on or after April 22, 2014 who are hired from outside the City are not eligible to participate in this Plan.

An individual who is initially appointed as a Charter Officer on or after May 6, 2014 and who, prior to such appointment, was employed by the City, may elect to discontinue their participation in the Plan by filing a written election with the Plan Administrator within 30 days following the effective date of appointment as Charter Officer.

Salary

Compensation earned by General Management Employees on or before January 31, 2013 shall mean the total cash remuneration paid to a plan participant for services rendered, including allowances and annuities, but shall exclude lump sum payments of accrued annual and sick leave.

For compensation earned by General Management Employees, on or after February 1, 2013, annual compensation shall exclude commission, overtime pay, bonuses and any other forms of additional compensation earned in addition to base salary.

Credited Service

Total number of years and fractional parts of years of service as measured from date of employment.

Average Final Compensation

One-twelfth of the highest average earnings during the five best years of creditable service prior to separation as an active member, or the career average, whichever is greater.

Normal Form of Benefit

The normal form of benefit is a ten (10) year certain and life annuity.

Normal Retirement Date

- a) The normal retirement date for a General Management Employee who was born in the years 1938 – 1954 shall be the first day of the month coincident with, or next following the attainment of age sixty-six (66), with at least four (4) years of service.

- b) The normal retirement date for a General Management Employee who was born any year after 1954 shall be the first day of the month coincident with, or next following the attainment of age sixty-seven (67), with at least four (4) years of service.
- c) General Management Employees participating in the plan as of January 31, 2013, or who were born prior to 1938 will remain eligible to retire the first day of the month coincident with, or next following attainment of a combined age and service totaling seventy-five (75), but not earlier than age fifty-five (55), or the attainment of age sixty-two (62) with at least six (6) years of service and will obtain their accrued benefits earned through January 31, 2013 at such time. Benefit accruals earned on or after February 1, 2013 will be paid at the new normal retirement date in accordance with paragraphs Section (a) or (b) above, unless the member opts for Section (d) below.
- d) General Management Employees who were members of the Plan on January 31, 2013 may receive their benefits accrued through January 31, 2013, upon retirement on the first day of any month following retirement upon attaining a combined age and service totaling seventy-five (75), but not earlier than age fifty-five (55), or the attainment of age sixty-two (62) with at least six (6) years of credited service. General Management Employees who were participating in the Plan as of January 31, 2013 may receive their benefits accrued on or after January 31, 2013 upon retirement on the first day of any month following retirement in accordance with Section 6.01(a) or (b) above.
- e) A General Management Employee will not be allowed to receive his or her benefit while he or she continues to be employed with the City of North Miami Beach.

Normal Retirement Benefit

For credited service earned on or before January 31, 2013, the monthly retirement benefit shall be equal to the number of years and fractional parts of years of credited service multiplied by 3% and multiplied by final monthly compensation.

For credited service earned on or after February 1, 2013, the monthly retirement benefit shall be equal to the number of years and fractional parts of years of credited service multiplied by 2% and multiplied by final monthly compensation.

When benefit calculations are prepared for members, the member will have the option to make 2 different options for the 2 different benefit commencement dates. After the member has started their first benefit, they will be provided with a different benefit election form to make a different option for the 2nd benefit if they choose.

Early Retirement

For General Management Employees participating in the Plan as of January 31, 2013 or who were born prior to 1938, the early retirement date for service earned on or before January 31, 2013 shall be the first day of any month coincident with or next following the later of attainment of age fifty (50) and completion of ten (10) year of credited service.

For all other General Management Employees and for General Management Employees participating in the Plan as of January 31, 2013 or born prior to 1938, the early retirement date for service earned on or after February 1, 2013 shall be the first day of any month coincident with or next following the later of the attainment of age fifty-five (55) and the completion of ten (10) years of credited service.

Early Retirement Benefit

For those General Management Employees participating in the Plan as of January 31, 2013 or born prior to 1938, the amount of the accrued benefit paid for credited service earned on or before January 31, 2013 will be reduced by five (5%) for each year before their normal retirement date.

For all other General Management Employees and for General Management Employees who were participating in the plan as of January 31, 2013 or born prior to 1938, for credited service earned on or after February 1, 2013 the amount of the accrued benefit will be reduced to the actuarial equivalent, which will be equal to the actuarial equivalent of the accrued benefit payable at their normal retirement date in accordance with Section 6.01 (a) or (b) for each year before the normal retirement date.

Disability

A member deemed to be totally and permanently disabled from injury and disease will receive the greater of a monthly pension equal to 25% of average compensation or an amount equal to the accrued retirement benefit, less any monthly benefit paid by any long-term disability insurance policy provided through the Employer. Total and permanently disabled means that a member is unable to perform the main duties of his or her regular occupation.

Death Benefit prior to Vesting

If a member dies prior to retirement and he is not vested, his beneficiary shall receive one hundred percent (100%) of the member's accumulated contributions with three percent (3%) interest.

Death Benefit after Vesting

If a member dies prior to retirement and he is vested, his beneficiary shall receive the pension benefit otherwise payable to the member at the early or normal retirement date.

Termination of Employment and Vesting

- 1) If the member has less than four (4) years of credited service upon termination the member shall be entitled to a refund of the money he or she has contributed plus three percent (3%) interest, or the member may leave it deposited with the Fund.
- 2) If the member has four (4) years of credited service but less than six (6) years of credited service, upon termination the member shall be entitled to 50% of his/her accrued monthly retirement benefit, starting at the member's otherwise normal or early retirement date, provided he or she does not elect to withdraw his or her contributions with three percent (3%) interest, and provided he or she survives to his normal or early retirement date.
- 3) If the member has six (6) or more years of credited service upon termination the member shall be entitled to his/her accrued monthly retirement benefit, starting at the member's otherwise normal or early retirement date, provided he or she does not elect to withdraw his or her contributions with three percent (3%) interest, and provided he or she survives to his normal or early retirement date.
- 4) Any vested benefit hereunder is the legal asset of the employee plan participant. No portion of the vested principal or the income of the Defined Benefit Plan shall revert to the employer, or ever be used for or diverted to any purpose other than for the exclusive benefit of the Participating Employees and persons claiming under or through them, and the payment of reasonable expenses of the plan.

Employee Contributions

All participants contribute 8% (pre-tax) of their salary. Refund of employee contributions will be credited with 3% interest.

Cost of Living Adjustment

Commencing October 1, 2003, and the first day of each October thereafter, the monthly income payable hereunder to each participant or beneficiary who has been receiving benefits under any portion of this plan for one or more years, or to any such participant's or beneficiary's surviving beneficiary, for all years of credited service earned on or before January 31, 2013, shall be increased by two and one-quarter percent (2.25%).

For all years of credited service earned on or after February 1, 2013, effective October 1, 2013, and the first day of each October thereafter, any increase in the monthly income payable hereunder to each participant or beneficiary who begins receiving benefits under any portion of this plan for one or more years, or to any such participant's or beneficiary's surviving beneficiary, shall be decided on an *ad hoc* basis by the City Council, which is vested with the authority to decide whether or not a Cost of Living Adjustment will be awarded for that particular fiscal year and each year thereafter.

Forfeiture of Pension

Any Participant who is convicted of the any of the following offenses committed prior to retirement, or whose employment is terminated by reason of his admitted commission, aid or abetment of the following specified offenses, shall forfeit all rights and benefits under this Fund, except for the return of his accumulated contributions as of the date of termination.

(A) Specified offenses are as follows:

- (1) The committing, aiding or abetting of an embezzlement of public funds;
- (2) the committing, aiding or abetting of any theft by a public officer or employee from employer;
- (3) bribery in connection with the employment of a public officer or employee;
- (4) any felony specified in Chapter 838, Florida Statutes;
- (5) the committing of an impeachable offense.

(B) The committing of any felony by a public officer or employee who willfully and with intent to defraud the public or the public agency, for which he acts or in which he is employed, of the right to receive the faithful performance of his duty as a public officer or employee, realizes or obtains or attempts to obtain a profit, gain, or advantage for himself or for some other person through the use or attempted use of the power, rights, privileges, duties or position of his public office or employment position.

(1) Conviction shall be defined as follows: An adjudication of guilt by a court of competent jurisdiction; a plea of guilty or a nolo contendere; a jury verdict of guilty when adjudication of guilt is withheld and the accused is placed on probation; or a conviction by the Senate of an impeachable offense.

(2) Court shall be defined as follows: Any state or federal court of competent jurisdiction which is exercising its jurisdiction to consider a proceeding involving the alleged commission of a specified offense. Prior to forfeiture, the Board shall hold a hearing on which notice shall be given to the Participant whose benefits are being considered for forfeiture. Said Participant shall be afforded the right to have an attorney present. No formal rules of evidence shall apply, but the Participant shall be afforded a full opportunity to present his case against forfeiture.

Any Participant who has received benefits from the Plan in excess of his accumulated contributions after Participant's rights were forfeited pursuant to this section shall be required to pay back to the Fund the amount of the benefits received in excess of his accumulated contributions. The Board may implement all legal action necessary to recover such funds.

Source of Financing Plan

The Plan is funded through contributions made by the City and the participating members.

Applicable Regulations Governing Establishment, Operation and Administration of the Plan

Chapter 112, Part VII, Florida Statutes; Chapter 60T-1, FAC, Internal Revenue Code.

Board of Trustees

Anthony DeFillipo, Chair
Gregory Williams, Secretary
Kenneth Imrisek
Judeen Johnson
Sarah Johnston

Mailing Address for Board of Trustees:

City of North Miami Beach
17011 NE 19th Avenue
North Miami Beach, FL 33162

The following documents are attached:

1. Claims procedures
2. Report of actuarial summary

Operating Rules and Procedures

RULE 14 **CLAIMS PROCEDURES**

14.1 CLAIMS OF AFFECTED PERSONS

A. The Board of Trustees shall grant an initial hearing upon receipt of a written request ("Claim"), on matters which affect the substantial rights of any person ("Claimant"), including Members, Retirees, Beneficiaries, or any person affected by a decision of the Board of Trustees.

B. The Board shall review the Claim at an initial hearing and enter an order within 90 days from the date of receipt of the Claim and, in the case of disability claims, receipt by the Board of a written medical release authorization in a form approved by the General Counsel and a completed set of interrogatories prepared by the General Counsel and provided to the Claimant. The Board may extend the time for entering the order at an initial hearing for an additional 90 days if it determines such time is necessary for full discovery and adequate review. The General Counsel and the Claimant may stipulate to further extensions of time.

C. It shall be the function of the General Counsel, throughout the claims procedure, to assist the Board in the discovery and presentation of evidence in order to assure that the Board receives all relevant information prior to the Board's decision.

D. The Claimant shall have the right to be represented by counsel at any or all times throughout the claims procedure.

14.2 INITIAL HEARING

A. At the initial hearing, the only evidence to be considered by the Board shall be documentary evidence contained in the pension file, including but not limited to, correspondence, medical records and reports of treating physicians and/or examining physicians and evidence received pursuant to paragraph B.

B. Other than questions from the Trustees, there will be no taking of additional evidence at the initial hearing, except that the Claimant will be afforded 15 minutes to make a presentation, which shall be limited to comments and/or arguments as to the evidence or information already contained in the pension file, including the report of the examining physician.

C. Upon completion of the review of the Claim at the initial hearing, the Board shall enter an order setting forth its findings and conclusions on the Claim. The written order shall be provided to the Claimant. The order shall include:

(1) The specific findings and conclusions of the Board, including specific references to pertinent provisions of the Plan on which such conclusions are based;

(2) A description of any additional material or information that the Board may deem necessary for the Claimant to perfect his Claim, together with the reasons why such material or information is necessary; and

(3) An explanation of the right to a full hearing on the Claim and the time limit in which a full hearing must be requested in writing.

D. The decision of the Board at the initial hearing shall not be final until after the time has expired to request a full hearing or, if a full hearing is requested, until the Board makes a decision at the conclusion of the full hearing.

14.3 FULL HEARING

A. Any Claimant may request a full hearing on the issues presented to the Board at an initial hearing and upon which the Board has entered an order as provided in subsection 2.C. above.

B. A full hearing must be requested by the Claimant within 90 days of the receipt of the Board's order. The order will be deemed received three days following the date it is mailed to Claimant at the address provided to the Board by Claimant.

C. Upon receipt of the request for a full hearing and considering the amount of discovery which might be conducted, the Board shall establish a date for the full hearing and cause notice to be given to the Claimant. The full hearing shall be held within 90 days from the receipt of the request from the Claimant. The full hearing may be postponed, if necessary and with the consent of the Claimant, to permit full discovery of the facts.

D. Copies of all documents to be offered into evidence at the full hearing, including depositions, and a complete witness list with names and addresses of witnesses expected to be called, shall be furnished to the Board and the General Counsel by the Claimant at least 20 days prior to the full hearing. Documents not furnished to the Board within the prescribed time limit may be excluded from evidence at the full hearing if a reasonable explanation is not provided for the delay in providing the documents.

E. A Claimant or the General Counsel may obtain discovery by deposition and/or interrogatories prior to the full hearing. Written notice of any depositions and/or interrogatories shall be given to the General Counsel and the Claimant.

F. The costs of any discovery, except discovery requested by the Board or the General Counsel, the appearance of witnesses at the hearing, and the making of a verbatim record of the proceedings shall be the responsibility of the Claimant.

G. The Claimant shall be responsible for the appearance of any witnesses which he wishes to have testify at the hearing. The Board shall, however, have the power to subpoena and require the attendance of witnesses and the production of documents for discovery prior to and at the proceedings provided for herein. The Claimant may request in writing the issuance of subpoenas by the Board. A reasonable fee may be charged for the issuance of any subpoenas not to exceed the fees set forth in Florida Statutes.

H. Testimony at the full hearing may be submitted in the form of a deposition.

Depositions timely submitted will be part of the record before the Board at the full hearing and will not be read in totality at the full hearing; provided, however, that this does not preclude the Claimant or the General Counsel from reading parts of depositions in an opening or closing statement.

- I. Irrelevant and unduly repetitious evidence shall be excluded.
- J. Any person who knowingly gives false testimony is guilty of a misdemeanor of the first degree, punishable as provided in Section 775.082 or 775.083, Florida Statutes.
- K. The file maintained by the Board, including but not limited to various medical reports therein, is part of the record before the Board at the full hearing.
- L. All proceedings of the Board shall be conducted in public.
- M. In cases concerning an application for pension benefits, including applications for disability retirement benefits, the burden of proof, except as otherwise provided by law, shall be on the Claimant seeking to show entitlement to such benefits.
- N. In cases concerning termination of pension benefits, including re-examination of Retirees receiving disability retirement benefits, the burden of proof shall be on the Board.
- O. Except as to those records which are exempted from the provisions of Chapter 119, Florida Statutes, Florida's Public Record Law, records maintained by the Board are open for inspection and/or copying during normal business hours at a reasonable cost for the copying.
- P. Should a Claimant requesting an initial or full hearing decide to appeal any decision made by the Board, with respect to any matter considered at such hearing, the Claimant requesting an initial or full hearing will need a record of the proceedings and may need to assure that a verbatim record of the proceeding is made. The Claimant requesting an initial or full hearing will be responsible for obtaining a court reporter or otherwise making a record of the proceedings before the Board.
- Q. The decisions of the Board after the requested full hearing shall be final and binding.
- R. Within 15 days after making a decision at the full hearing, the Board shall enter a final order setting forth its findings and conclusions and a copy of the order shall be provided to the Claimant.
- S. Judicial review of decisions of the Board shall be sought by the filing of a timely petition for writ of certiorari with the Clerk of the Circuit Court, in the appropriate county.

14.4 CONDUCT OF THE FULL HEARING

- A. The Chairman shall preside over the hearing and shall rule on all evidentiary, procedural, and other legal questions that arise during the hearing. The Chairman's rulings shall stand unless overruled by a majority of the Trustees present. The Chairman shall open the full hearing by explaining the procedures to be followed.
- B. The Claimant shall have the right to be represented by counsel or be self-represented. The General Counsel shall advise the Board.
- C. The Claimant shall be allowed to make an opening statement not to exceed ten minutes.
- D. Testimony of witnesses shall be under oath or affirmation. Depositions and affidavits shall be admissible.
- E. The Chairman, any Trustee, the General Counsel, the Claimant or the Claimant's counsel, upon recognition by the Chairman, may direct questions to any witness during the proceedings.
- F. Both the Claimant or the General Counsel shall have the right to present evidence relevant to the issues, to cross-examine witnesses, to impeach witnesses and to respond to the evidence presented.
- G. The Claimant shall be permitted a closing argument not to exceed 15 minutes.
- H. The Board shall deliberate and make a decision following closing argument and thereafter enter an order as provided herein.

14.5 DISABILITY CLAIMS - ADDITIONAL PROCEDURES

- A. All applications for disability pensions shall be in writing. Forms for such applications may be provided by the Board.
- B. Upon receipt of the application for disability, the General Counsel will provide the Claimant with a set of interrogatories or questions to be answered under oath and a medical release authorization. Both documents will be completed by the Claimant and returned to the General Counsel.
- C. Upon receipt of the properly completed interrogatories and medical release authorization, the General Counsel will request medical records from all relevant treating physicians; personnel records from the employer, copies of relevant workers' compensation records, and copies of other records deemed to be relevant to the Claim. The Board shall pay, from the Fund, the cost of any medical examinations required by the Board and for copies of medical records.
- D. The General Counsel will, if authorized by the Board, upon receipt of the medical records from the treating physicians, schedule an independent medical examination (IME) or examinations with an appropriate independent examining physician or physicians who will be asked to render an opinion about Claimant's physical condition as it relates to the claimed disability.
- E. Upon receipt of the IME report or reports from the examining physician or physicians, the General Counsel will provide all records of treating physicians, relevant workers' compensation claims records, the independent medical evaluation, and all other relevant documents to the Board for inclusion in the pension file and the Board shall then schedule the initial hearing.

City/District Name: North Miami Beach - Management **Employee group(s) covered:** General
Current actuarial valuation date: 10/1/2018 **Date prepared:** 2/3/2020

Number of plan participants:	48	GASB 67 Reporting	
Actuarial Value of Plan Assets (AVA):	\$20,106,173	Discount Rate	7.50%
Actuarial Accrued Liability (AAL):	\$21,962,918	Total Pension Liability	22,211,243
Unfunded Accrued Liability (UAL):	\$1,856,745	Market Value of Plan Assets	20,204,084
Market Value of Plan Assets (MVA):	\$20,106,173	Net Pension Liability	2,007,159
MVA Funded Ratio (5-year history):		GASB 67 Funded Ratio	90.96%
		Averages for all plans with 2018 current actuarial valuation date	
Current valuation	91.55%	89.37%	*
1 year prior	86.27%	86.29%	*
2 years prior	72.76%	82.97%	*
3 years prior	68.02%	82.44%	*
4 years prior	79.09%	87.08%	*
Rate of Actuarial Value, Actual (2018 Plan Year)	9.24%	7.49%	
Return: Market Value, Actual	9.19%	8.62%	
Assumed	7.50%	7.27%	
Funding requirement as percentage of payroll:	43.15%	68.19%	**
Percentage of payroll contributed by employee:	8.00%	6.44%	**
Benefit Formula Description:	2.00% X AME X SC		
AFC Averaging Period (years):	5		
Employees covered by Social Security?	Yes		

Additional actuarial disclosures required by section 112.664, Florida Statutes:

Florida Statute Chapter	Discount Rate	Pension Liability	Market Value of Plan Assets	Net Pension Liability	Years assets sustain benefit payments	Total Dollar Contribution	Total % of Pay Contribution
112.664(1)(a)	7.50%	21,962,918	20,204,084	1,758,834	50.71	387,298	36.40
112.664(1)(b)	5.50%	27,388,279	20,204,084	7,184,195	20.33	1,111,619	104.46
Valuation Basis	7.50%	N/A	N/A	N/A	50.71	459,174	43.15

Link to annual financial statements: <https://www.rol.frs.state.fl.us/forms/LOC5340551PDF10012018N1.pdf>

*Adjusted by excluding plans from average whose Funded Ratios were not within two standard deviations from the mean

**Excludes plans with zero payroll

(For explanation of terms, see glossary on page 2)

Actuarial Summary Fact Sheet – Glossary of Terms

Actuarial Value of Plan Assets (AVA):	Assets calculated under an asset valuation method smoothing the effects of volatility in market value of assets. Used to determine employer contribution.
Actuarial Accrued Liability (AAL):	Portion of Present Value of Fully Projected Benefits attributable to service credit earned as of the current actuarial valuation date.
Unfunded Accrued Liability (UAL):	The difference between the actuarial accrued liability and the actuarial value of assets accumulated to finance the obligation.
Market Value of Plan Assets (MVA):	The fair market value of assets, including DROP accounts.
MVA Funded Ratio:	Market Value of Plan Assets divided by Actuarial Accrued Liability (GASB)
Rate of Return (Assumed):	Assumed long-term rate of return on the pension fund assets.
Funding requirement as percentage of payroll:	Total Required Contribution (employer and employee) divided by total payroll of active participants. No interest adjustment is included.
AFC:	Average Final Compensation or some variant of compensation (e.g., AME [Average Monthly Earnings], FAC [Final Average Compensation], FMC [Final Monthly Compensation] etc.)
SC:	Service Credit

Section 112.664 – Glossary of Terms

Florida Statute Chapter:	112.664(1)(a) – uses mortality tables used in either of the two most recently published FRS valuation reports, with projection scale for mortality improvement 112.664(1)(b) – uses same mortality assumption as 112.664(1)(a) but using an assumed discount rate equal to 200 basis points (2.00%) less than plan's assumed rate of return. Valuation Basis – uses all the assumptions in the plan's valuation as of the current actuarial valuation date.
Discount Rate:	Rate used to discount the liabilities. Typically the same as assumed rate of return on assets.
Total Pension Liability:	Actuarial Accrued Liability measured using the appropriate assumptions as specified above and the Traditional Individual Entry Age Normal Cost
Net Pension Liability:	Total Pension Liability minus Market Value of Plan Assets.
Years assets sustain benefit payments:	Assuming no future contributions from any source, the number of years the market value of assets will sustain payment of expected retirement benefits. The number of years will vary based on the Florida Statute Chapter assumption.
Total Dollar Contribution:	Required contribution from all sources (i.e., employee and sponsor). Contribution will vary based on the Florida Statute Chapter assumption.
Total % of Pay Contribution:	Total Dollar Contribution divided by total payroll of active participants
Annual financial statements:	A report issued which covers a local government retirement system or plan to satisfy the financial reporting requirements of section 112.664(1), F.S.