



The City of Miami sponsors separate single-employer defined benefit pension plans under the administration and management of separate Boards of Trustees: The City of Miami Firefighters' and Police Officers' Retirement Trust (FIPO), the City of Miami General Employees' and Sanitation Employees' Retirement Trust (GESE) and the City of Miami Elected Officers' Retirement Trust (EORT). The City's fiscal year (FY)'09 budget for each pension plan is based on its current year contribution requirements as determined by the most recent actuarial valuation performed on October 1<sup>st</sup> for the FIPO and GESE plans and December 31<sup>st</sup> for the EORT plan. All City contributions are made from the General Fund. The following is a summary of each contribution requirement in FY'09:

### **FIPO**

This is a single-employer defined benefit plan established by the City pursuant to the provisions and requirements of Ordinance No. 10002 as amended. Contributing participants are City of Miami police officers and firefighters with full-time status in the City. At October 1, 2007, membership in the FIPO consisted of 1,864 retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them; current employees equaled 1,465 as of that date. The City of Miami is required to contribute annual amounts necessary to maintain the actuarial soundness of the plan and to provide the FIPO plan with assets sufficient to meet the benefits to be paid to participants. Members of FIPO are required to contribute 7% of their salary on a bi-weekly basis.

Contributions to FIPO are authorized pursuant to City of Miami Code Sections 40.196 (a) and (b). Contributions to the FIPO Cost of Living Adjustment Accounts are authorized pursuant to Section 40.204 of the City of Miami Code. The yield on investments on FIPO is intended to reduce future contributions that would otherwise be required for the City to provide. The City's contribution to FIPO provides for non-investment expenses and normal costs.

The City's FY'08 required contribution based on preliminary actuarial valuation as of October 1, 2007 is \$36,993,395. This is a 1.5% increase over the adopted budget for the prior fiscal year period. The increase in the annual retirement contribution is due to actuarially assumed increases in the plan's normal costs from retroactive pay increases provided in FY'07 and a recommended change from age-based assumptions to service-based salary increase assumptions.

### **GESE**

The Board of Trustees of the City of Miami GESE Retirement Trust administers three defined benefit pension plans (1) GESE Retirement Trust ("GESE Trust"), (2) an Excess Benefit Plan and (3) GESE Retirement Trust Staff Pension ("Staff Trust"). Each plan's assets may be used only for payment of benefits to the members of that plan, in accordance with the terms of the plan.

- GESE Trust

This trust is a single-employer defined benefit plan and was established pursuant to the City of Miami Ordinance No. 10002 and subsequently revised under City of Miami Ordinance No. 12111. The GESE Trust



covers all regular and permanent employees other than firefighters, police officers and those eligible to decline membership, as defined by the Ordinance.

As of October 1, 2007, membership in the GESE Trust is estimated to consist of 1,906 retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them; current employees is estimated at 1,710. The City is required to contribute an actuarially determined amount that, when combined with participant's contributions, will fully provide benefits as they become payable. Members of the GESE Trust are required to contribute 10% of their salary on a bi-weekly basis.

Contributions to the GESE Trust are authorized pursuant to City of Miami Code Section 40-241 (a) and (b). The yield on investments on the GESE Trust is intended to reduce future contributions that would otherwise be required for the City to provide. The City's contribution to the GESE Trust provides for non-investment expenses and normal costs and to fund the unfunded actuarial- determined accrued liability.

The City's FY'09 contribution determined through actuarial valuations made on October 1, 2007 is \$23,191,828. This represents a 1.9% or \$428,926 increase over the prior fiscal year period. The increase is due to a small actuarial gain based on the actual experience of the plan over that expected by prior year actuarial assumptions. There were no changes in plan provisions or actuarial methods for FY'09.

- GESE Excess Benefit Plan

The City of Miami Commission, in July 2000, pursuant to applicable Internal Revenue Code provisions, established a qualified governmental excess benefit plan to continue to cover the difference between the allowable pension to be paid and the amount of the defined benefit so the benefits for eligible members are not diminished by changes in the Internal Revenue Code. Plan members are not required to contribute to this plan.

As of October 1, 2007, membership in the Excess Benefit Plan is estimated to consist of 40 retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them and no current employees.

The City's FY'08 contribution determined through actuarial valuation made on October 1, 2007 is estimated at \$473,240. This is a 5.2% or \$23,240 increase over the prior fiscal year period. This contribution is separate and apart from the accounts established to receive the City's normal pension contributions for the GESE Trust.

- GESE Staff Trust

The Staff Trust is a single-employer defined benefit plan. The Staff Trust was established by the rule-making authority of the GESE Retirement Trust, pursuant to Chapter 40 of the Miami City Code. It covers all administrative full-time employees and other positions as approved by the GESE Board of Trustees. Participation in the Staff Trust is mandatory for all full-time employees, other than those eligible to decline membership, as defined by the Plan document.



As of October 1, 2007, membership in the Staff Trust had no retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them; current employees equaled 12 as of that date. The City is required to contribute an actuarially determined amount that, when combined with participant's contributions, will fully provide benefits as they become payable. Members of the Staff Trust are required to contribute 10% of their salary on a bi-weekly basis.

The City's FY'09 contribution determined through actuarial valuations made on October 1, 2007 is \$159,837.

## **EORT**

This is a single-employer defined pension plan under the administration and management of the Board of Trustees, the City of Miami Elected Officers' Retirement Trust (EORT). The EORT plan is available to City of Miami elected officials with 7 years of total service as an elected official of the City. The required service does not have to be continuous. This plan is non-contributory.

EORT was established by the City of Miami Commission, in July 2000, pursuant to applicable Internal Revenue Code provisions.

At December 31, 2007, membership in the EORT consisted of 6 retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them; current members equaled 6 as of the same date.

The City's FY'09 contribution determined through actuarial valuation made on December 31, 2007 is \$427,745. This is a 38% decrease over the prior fiscal year period. There are no participant contributions to the EORT plan. The decrease was due primarily to the extension of active service of current members used in the actuarial assumption and no further death benefits payable to the estate of Mr. Arthur Teele.

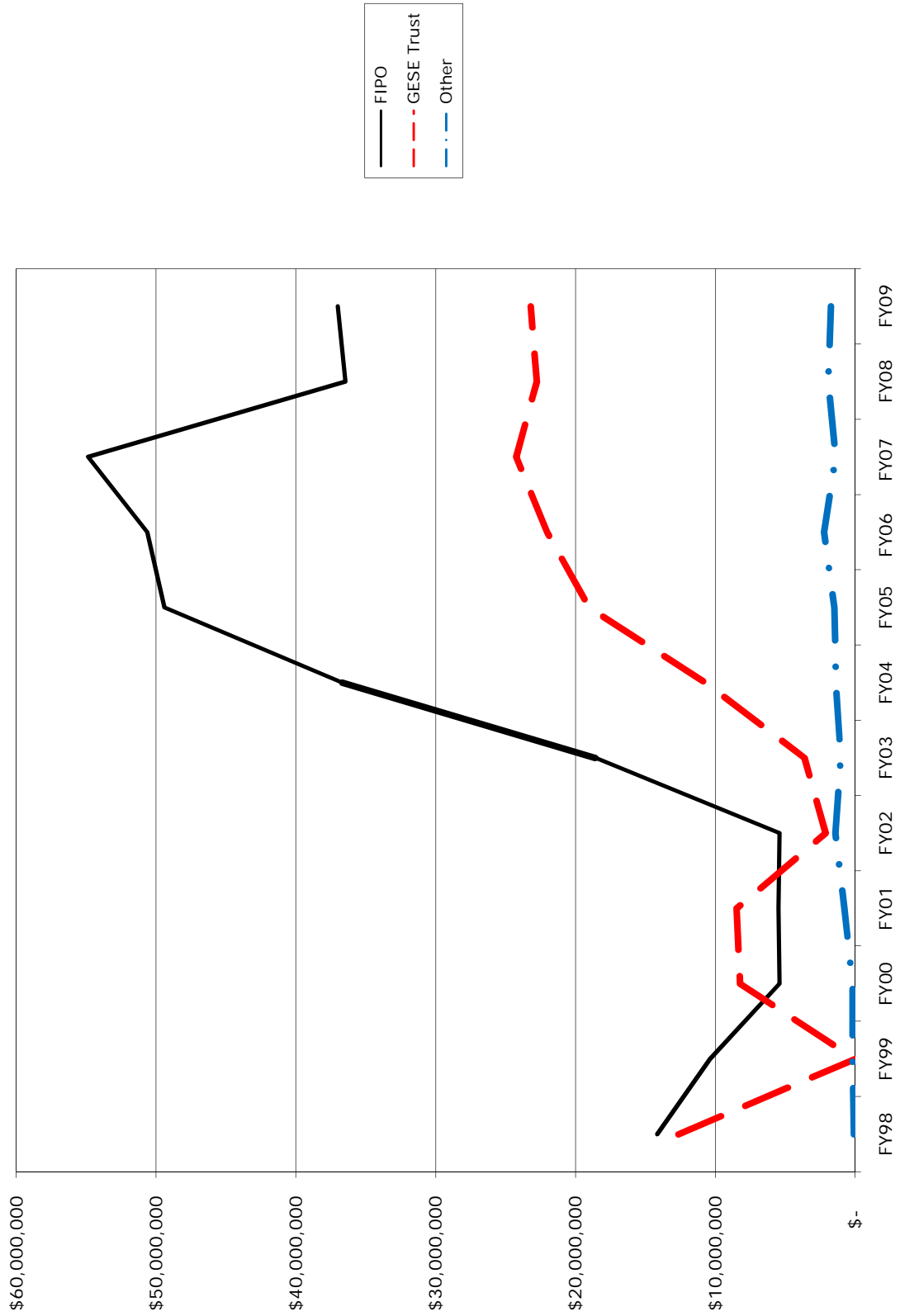
## **ICMA 401(a)**

ICMA 401(a) is a special benefit plan offered to executive employees of the City. This defined contribution deferred compensation plan, covers governmental employees throughout the country, and is governed by a Board of Directors responsible for carrying out the overall management of the organization, including investment administration and regulatory compliance.

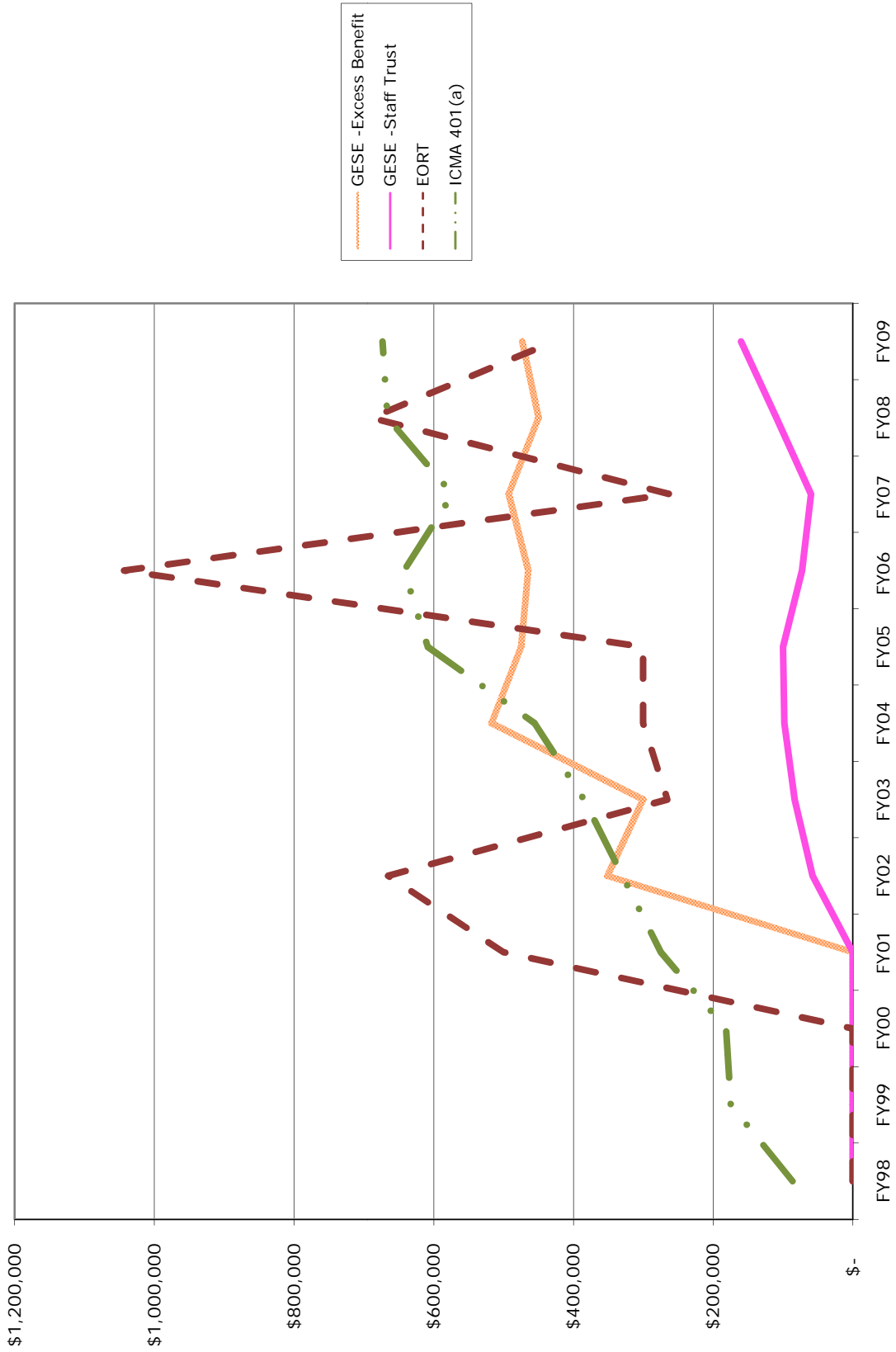
Membership for City employees is limited by the City Code to specific members of the City Clerk, City Manager, and City Attorney's Offices, Department Directors, Assistant Directors, and other executives. To participate in the plan a written trust agreement must be executed, which requires the City to contribute between 8% - 22% of the individual's earnable compensation, and the employee contributes 10% of their salary.

At October 1, 2008, there are 62 members in the ICMA 401(a) plan. Based on this membership, the City's FY'09 contribution is anticipated at \$673,125, which is a 1.1% or \$7,372 increase over the previous period.

**Pensions**  
**City Retirement Contributions FY 1998 to FY 2009**



**Pensions (Other)**  
**City Retirement Contribution FY 1998 to FY 2009**





	<b>FY 2009 Adopted Budget</b>	FY 2008 Adopted Budget	Increase (Decrease)	FY 2008 Revised Budget	FY 2007 Actual @ 9/30/07
<b>Revenues (Inflows)</b>					
General Fund Revenues	<b>\$66,387,187</b>	\$65,255,910	\$1,131,277	\$65,255,910	\$70,422,877
(Contributions from General Fund)	<b>427,745</b>	689,122	(261,377)	689,122	285,408
<b>Total Revenues (Inflows)</b>	<b>\$66,814,932</b>	\$65,945,032	\$869,900	\$65,945,032	\$70,708,285
<b>Expenditures (Outflows)</b>					
Administrative Costs	<b>\$4,895,762</b>	\$4,931,262	(\$35,500)	\$4,931,262	\$4,453,653
Retirement Contributions -GESE Trust	<b>23,351,665</b>	22,762,902	588,763	22,762,902	24,229,028
Retirement Contributions -GESE Excess Benefit	<b>473,240</b>	450,000	23,240	450,000	492,669
Retirement Contributions -FIPO	<b>36,993,395</b>	36,445,993	547,402	36,445,993	40,542,078
Retirement Contributions -EORT	<b>427,745</b>	689,122	(261,377)	689,122	285,408
City Pension Contribution -ICMA 401(a)	<b>673,125</b>	665,753	7,372	665,753	705,449
<b>Total Expenditures(Outflows)</b>	<b>\$66,814,932</b>	\$65,945,032	\$869,900	\$65,945,032	\$70,708,285



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