

**CITY OF MIRAMAR
PROPOSED CITY COMMISSION AGENDA ITEM**

First Reading Date: May 20, 2026

Second Reading Date: July 8, 2026

Presenter's Name and Title: Heather Dailey, Assistant Director, Human Resources

Prepared By: Heather Dailey, Assistant Director, Human Resources

Temp. Ord. Number: 1866

Item Description: **FIRST READING** of Temp. Ord. #O1866 AMENDING CHAPTER 15, ARTICLE IV, OF THE CITY CODE OF THE CITY OF MIRAMAR GOVERNING THE MIRAMAR POLICE OFFICERS' RETIREMENT PLAN AND TRUST FUND; AMENDING SECTION 15-222 - DURATION; SURVIVOR BENEFIT; OPTIONAL FORMS OF BENEFIT PAYMENTS; NAMING MULTIPLE BENEFICIARIES; CLARIFYING LANGUAGE REGARDING ALTERATIONS TO FORMS OF RETIREMENT BENEFITS AND CREATING PARTIAL LUMP SUM BENEFIT OPTIONS; AMENDING SECTION 15-223, DEFERRED RETIREMENT OPTION PLAN; UPDATING PROVISIONS TO REMOVE LANGUAGE THAT IS NO LONGER APPLICABLE AND UPDATING PROVISIONS IN ACCORDANCE WITH OTHER LANGUAGE IN THE PLAN; MAKING FINDINGS; PROVIDING FOR SEVERABILITY; PROVIDING FOR CODIFICATION; PROVIDING FOR REPEAL; PROVIDING FOR CORRECTION OF SCRIVENER'S ERRORS; PROVIDING FOR AN EFFECTIVE DATE. *(Human Resources Assistant Director Heather Dailey)*

Consent ☐ Resolution ☐ Ordinance ☒ Quasi-Judicial ☐ Public Hearing ☐

Instructions for the Office of the City Clerk: none

Public Notice – As required by the Sec. _____ of the City Code and/or Sec. _____, Florida Statutes, public notice for this item was provided as follows: on _____ in a _____ ad in the _____; by the posting the property on _____ and/or by sending mailed notice to property owners within _____ feet of the property on _____ (fill in all that apply)

Special Voting Requirement – As required by Sec. _____, of the City Code and/or Sec. _____, Florida Statutes, approval of this item requires a _____ (unanimous, 4/5ths etc.) vote by the City Commission.

Fiscal Impact: Yes ☐ No ☒

Exempt from Business Impact Estimate: Yes ☐ No ☒

REMARKS: none

Content:

- **Agenda Item Memo from the City Manager to City Commission**
- **Ordinance TO1866**
 - **Attachment 1:** DuLaney & Company, Inc. - Actuarial Impact Statement (AIS)

Business Impact Estimate

This form should be included in the agenda packet for the item under which the proposed ordinance is to be considered and must be posted on the City of Miramar's website by the time notice of the proposed ordinance is published.

Proposed ordinance's title/reference:

Temporary Ordinance No. #O1866, amending Chapter 15, Article IV of the City Code of the City of Miramar governing the Police Officers' Retirement Plan and Trust Fund to establish a Partial Lump-Sum Option Payment (PLOP) and update provisions related to the Deferred Retirement Option Plan (DROP).

This Business Impact Estimate is provided in accordance with section 166.041(4), Florida Statutes. If one or more boxes are checked below, this means the City of Miramar is of the view that a business impact estimate is not required by state law¹ for the proposed ordinance, but the City of Miramar is, nevertheless, providing this Business Impact Estimate as a courtesy and to avoid any procedural issues that could impact the enactment of the proposed ordinance. This Business Impact Estimate may be revised following its initial posting.

- ☐ The proposed ordinance is required for compliance with Federal or State law or regulation;
- ☐ The proposed ordinance relates to the issuance or refinancing of debt;
- ☐ The proposed ordinance relates to the adoption of budgets or budget amendments, including revenue sources necessary to fund the budget;
- ☐ The proposed ordinance is required to implement a contract or an agreement, including, but not limited to, any Federal, State, local, or private grant or other financial assistance accepted by the municipal government;
- ☐ The proposed ordinance is an emergency ordinance;
- ☐ The ordinance relates to procurement; or
- ☐ The proposed ordinance is enacted to implement the following:
 - a. Part II of Chapter 163, Florida Statutes, relating to growth policy, county and municipal planning, and land development regulation, including zoning, development orders, development agreements and development permits;
 - b. Sections 190.005 and 190.046, Florida Statutes, regarding community development districts;
 - c. Section 553.73, Florida Statutes, relating to the Florida Building Code; or
 - d. Section 633.202, Florida Statutes, relating to the Florida Fire Prevention Code.

¹ See Section 166.041(4)(c), Florida Statutes.

In accordance with the provisions of controlling law, even notwithstanding the fact that an exemption noted above may apply, the City of Miramar hereby publishes the following information:

1. Summary of the proposed ordinance (must include a statement of public purpose, such as serving the public health, safety, morals and welfare):

This ordinance amends Chapter 15, Article IV of the City Code governing the Police Officers' Retirement Plan and Trust Fund. The amendment establishes a Partial Lump-Sum Option Payment (PLOP), allowing eligible members who retire without participating in the Deferred Retirement Option Plan (DROP) to elect a one-time lump sum payment representing a percentage of the actuarial value of their retirement benefit, with the remainder paid as a reduced monthly pension.

The ordinance also updates certain provisions of the existing DROP program to clarify administrative language and establish parameters for a DROP loan program.

The proposed amendment was recommended by the Police Pension Board of Trustees and supported by an actuarial impact statement confirming that the changes are actuarially neutral and do not increase the City's pension liability.

The public purpose of this ordinance is to improve pension plan administration, provide additional flexibility in retirement income planning for sworn police personnel, and ensure the continued effective management of the Police Officers' Retirement Plan in accordance with applicable law.

2. An estimate of the direct economic impact of the proposed ordinance on private, for-profit businesses in the City of Miramar, if any:

(a) Compliance costs: None. The ordinance applies exclusively to City employees who are members of the Police Officers' Retirement Plan.

(b) New charges or fees imposed: None. No fees or charges are imposed on businesses.

(c) Regulatory costs to the City: None. Implementation costs are limited to administrative adjustments by the Pension Board of Trustees and Plan Administrator.

3. Good faith estimate of the number of businesses likely to be impacted by the proposed ordinance:

None. No private, for-profit businesses will be directly impacted by this ordinance.

4. Additional information the governing body deems useful (if any):

This proposed ordinance affects only members of the City's Police Officers' Retirement Plan and Trust Fund. It does not establish regulatory requirements, licensing provisions, or operational restrictions for businesses. The amendment provides additional retirement payment flexibility for eligible plan participants while maintaining actuarial neutrality and sound pension plan administration. Therefore, the proposed ordinance does not affect businesses.



**CITY OF MIRAMAR
INTEROFFICE MEMORANDUM**

TO: Mayor, Vice Mayor, & City Commissioners

FROM: Dr. Roy L. Virgin, City Manager 

BY: Kanika Stamp, Chief HR Officer/Director of Human Resources

DATE: May 14, 2026

RE: FIRST READING of Temp. Ord. No. 1866 amending Chapter 15, Article IV of the City Code governing the Police Officers' Retirement Plan and Trust Fund to establish a Partial Lump Sum Option Payment (PLOP) and update provisions related to the Deferred Retirement Option Plan (DROP)

RECOMMENDATION: The City Manager recommends approval of Temporary Ordinance No. 1866, amending Chapter 15, Article IV of the City Code governing the Police Officers' Retirement Plan and Trust Fund. The proposed amendment incorporates the recommendation of the Pension Board of Trustees to establish a Partial Lump-Sum Option Payment ("PLOP") and to update certain provisions related to the Deferred Retirement Option Plan ("DROP"), while maintaining actuarial neutrality and sound plan administration.

ISSUE: Commission approval is required to amend the City Code to incorporate the proposed changes to the Police Officers' Retirement Plan and Trust Fund.

BACKGROUND: Chapter 15, Article IV of the City Code governs the Police Officers' Retirement Plan and Trust Fund. The Pension Board of Trustees, in consultation with the plan's actuary and administrator, periodically reviews the plan to ensure compliance with applicable law, consistency with best practices among municipal pension plans, and responsiveness to the retirement planning needs of plan participants.

At its duly noticed meeting, and consistent with its duties under Section 15-194 of the City Code, the Pension Board of Trustees voted to recommend adoption of the proposed amendment. The recommendation follows review and analysis by the plan's actuary and the plan's legal counsel.

An Actuarial Impact Statement prepared by DuLaney & Company, Inc. confirms that the proposed amendment does not increase the actuarial cost of the plan.

DISCUSSION: The proposed ordinance makes the following amendments to the Police Officers' Retirement Plan:

- **Partial Lump-Sum Option Payment (PLOP):**

The ordinance establishes a Partial Lump-Sum Option Payment (PLOP) for members who elect to retire from the plan without participating in the Deferred Retirement Option Plan (DROP).

Under this provision, a member may elect to receive a one-time lump sum payment representing a percentage of the actuarial equivalent value of the member's retirement benefit. Available options allow members to receive a lump sum equal to five percent (5%), ten percent (10%), fifteen percent (15%), or twenty percent (20%) of the actuarial value of the benefit, with the remaining portion paid as a reduced monthly retirement benefit.

The election to participate in the PLOP must be made at the time of retirement and is irrevocable. Members who elect the PLOP waive the ability to participate in the DROP.

- **Deferred Retirement Option Plan (DROP) Updates:**

The ordinance also updates certain provisions of the existing DROP program to clarify plan language, remove outdated provisions, and align the ordinance with current administrative practices of the pension plan.

The DROP program allows eligible members who have reached normal retirement eligibility to continue working while their calculated pension benefit is deposited into a DROP account. Upon separation from service, the member receives the accumulated DROP balance in addition to their monthly retirement benefit.

The ordinance also includes clarifying provisions related to administration of the DROP program and establishes parameters for a DROP loan program available to eligible retirees who previously participated in DROP.

The Police Officers' Retirement Plan currently includes multiple retirement payment options designed to provide flexibility in how retirement benefits are received. In addition to the existing Deferred Retirement Option Plan (DROP), the City recently adopted a Post Retirement Option Plan (PROP), which allows members to defer a portion of their retirement annuity into an investment account held by the Plan. The proposed Partial Lump-Sum Option Payment (PLOP) would add an additional payment option available at retirement.

To assist in understanding how these options operate within the Plan, the following summary provides a brief overview of each program:

Summary of Retirement Payment Options Under the Police Officers' Retirement Plan			
Retirement Option	Status	When Election Occurs	General Description
DROP <i>(Deferred Retirement Option Plan)</i>	Existing	After retirement eligibility but before separation from service	Allows eligible members to continue working while their calculated pension benefit is deposited into a DROP account. Upon separation from service, the member receives the accumulated DROP balance in addition to their monthly retirement benefit.
PROP <i>(Post Retirement Option Plan)</i>	Existing	Prior to separation from service	Allows members to elect to defer a portion of their monthly retirement annuity into an investment account held by the Plan. The deferred portion is invested and distributed at a later time in accordance with plan rules.
PLOP <i>(Partial Lump-Sum Option Payment)</i>	New – Proposed	At the time of retirement	Allows members who retire without participating in DROP to elect a one-time lump-sum payment representing a percentage of the actuarial value of their retirement benefit, with the remaining portion paid as a reduced monthly retirement benefit.

These programs provide members with different tools for structuring their retirement income. The proposed amendments expand the available retirement payment options while maintaining actuarial neutrality and improving administrative clarity within the Plan.

BUDGET IMPACT/SUMMARY: The Actuarial Impact Statement prepared by DuLaney & Company, Inc. confirms that the proposed amendments have no actuarial impact on the Police Officers' Retirement Plan. The Partial Lump-sum Option Payment (PLOP) represents an actuarially equivalent form of payment and therefore does not increase the City's pension liability.

No additional contributions are required from the City, and any financial decisions associated with the PLOP option are made solely by participating members.

IMPLEMENTATION: If approved, the amendment will take effect upon adoption of the ordinance. The Pension Board of Trustees and Plan Administrator will update administrative procedures, forms, and member communications to reflect the new PLOP and the updated DROP provisions.

**CITY OF MIRAMAR
MIRAMAR, FLORIDA**

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF MIRAMAR AMENDING CHAPTER 15, ARTICLE IV, OF THE CITY CODE OF THE CITY OF MIRAMAR GOVERNING THE MIRAMAR POLICE OFFICERS' RETIREMENT PLAN AND TRUST FUND; AMENDING SECTION 15-222 – DURATION; SURVIVOR BENEFIT; OPTIONAL FORMS OF BENEFIT PAYMENTS; NAMING MULTIPLE BENEFICIARIES; CLARIFYING LANGUAGE REGARDING ALTERATIONS TO FORMS OF RETIREMENT BENEFITS AND CREATING PARTIAL LUMP SUM BENEFIT OPTIONS; AMENDING SECTION 15-223, DEFERRED RETIREMENT OPTION PLAN; UPDATING PROVISIONS TO REMOVE LANGUAGE THAT IS NO LONGER APPLICABLE AND UPDATING PROVISIONS IN ACCORDANCE WITH OTHER LANGUAGE IN THE PLAN; PROVIDING FOR SEVERABILITY; PROVIDING FOR CODIFICATION; PROVIDING FOR REPEAL; PROVIDING FOR CORRECTION OF SCRIVENER'S ERRORS; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, Chapter 15 “Pensions,” Article IV of the City Code, governs the City of Miramar Police Officers’ Retirement Plan and Trust Fund (the “Police Pension Plan”); and,

WHEREAS, the Pension Board desires to update provisions to clarify language regarding alterations to forms of retirement benefits; and

WHEREAS, the Pension Board desires to offer a partial lump sum option as one of the optional forms of benefits; and

WHEREAS, the Pension Board desires to update provisions regarding the Deferred Retirement Option Plan that are no longer applicable and in order to be in accordance with other language in the Plan; and

WHEREAS, the Pension Board has recommended the adoption of the following amendment consistent with these goals; and,

WHEREAS, the City Commission believes that these amendments are in the best interest of the employees and citizens of the City of Miramar;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF MIRAMAR, FLORIDA, THAT:

Section 1. Section 15-222(d) of the City Code is hereby amended to read as follows, and adding a new subsection (5)

Section 15-222(d)

- (d) Each member entitled to a normal, early or delayed retirement benefit shall have the right at any time prior to the date on which benefit payments begin to elect to have his or her benefit payable under any one (1) of the options hereinafter set forth in lieu of the benefits otherwise provided herein, and to revoke any such elections and make a new election at any time prior to the actual commencement of benefit payments. The value of optional benefits shall be actuarially equivalent to the value of benefits otherwise payable, and the present value of payments to the retiring member must be at least equal to fifty (50) percent of the total present value of payments to the retiring member and his or her beneficiary. The member shall make such an election by written request to the board, such request being retained in the board's files. The form of retirement benefit cannot be altered after the member has received a retirement benefit payment; or has received a DROP distribution; or has received a partial lump sum distribution.

* * * * *

(5) Partial Lump Sum Option - For members who do not participate in the DROP pursuant to section 15-223, the member may elect a percentage of benefit in a lump sum as follows:

- a. Five (5) percent of the total actuarial equivalent value of the benefit paid as a lump sum with the remaining ninety-five (95) percent paid under the normal or optional form of payment as per this section and section 15-212.
- b. Ten (10) percent of the total actuarial equivalent value of the benefit paid as a lump sum with the remaining ninety (90) percent paid under the normal or optional form of payment as per this section and section 15-212.

c. Fifteen (15) percent of the total actuarial equivalent value of the benefit paid as a lump sum with the remaining eighty-five (85) percent paid under the normal or optional form of payment as per this section and section 15-212.

d. Twenty (20) percent of the total actuarial equivalent value of the benefit paid as a lump sum with the remaining eighty (80) percent paid under the normal or optional form of payment as per this section and section 15-212.

Election of a partial lump sum distribution is a one-time option to be made at the time of application for service retirement and the decision is irrevocable. If a partial lump sum option is selected under this provision, a member waives any further right to participate in PLOP.

Section 2. Section 15-223 of the City Code is here amended to read as follows:

Section 15-223 – Deferred Retirement Option Plan

- (a) A deferred retirement option plan ("DROP") is hereby created.
- (b) The administration cost of the DROP, including any actuarial fees, shall be at no cost and with no liability to the city.
- (c) An employee's participation in the DROP when combined with the number of years of credited service in the retirement plan shall not exceed a total of thirty (30) years. However, in no event shall total participation in the DROP exceed eight (8) years. In addition, the DROP is extended to a maximum of eight (8) years for incumbents in the position of police chief despite the fact that such participation may cause the incumbent police chief to be employed by the city for more than thirty (30) years.
- (d) ~~During a "window" period of thirty (30) calendar days after the effective date of this section, an eligible employee may elect to enter the DROP. For the purposes of this section, "eligible employee" mean an employee who has a minimum of twenty-five (25) years of credited service and currently eligible for normal retirement. Any employee electing to enter the DROP during this window shall be eligible to participate in the DROP for a maximum of sixty (60)~~

~~months notwithstanding the thirty (30) year limitation in subsection (c).~~

~~(d)(e)~~ Except as otherwise specified in subsection (d), ~~a~~An employee shall be eligible to enter the DROP at the earliest date of eligibility for normal retirement in accordance with their applicable tier. ~~and subsequently on his/her anniversary date through completion of twenty-four (24) years of credited service.~~

~~(e)(f)~~ As a condition of participation in the DROP, employees agree to tender an irrevocable resignation. The resignation shall take effect not more than ninety-six (96) months after commencement of DROP participation or the date upon which the combined total of credited service and DROP participation equal thirty (30) years, whichever shall occur first. ~~In addition, the DROP is extended to a maximum of eight (8) years for incumbents in the position of police chief despite the fact that such participation may cause the incumbent police chief to be employed by the city for more than thirty (30) years.~~ In the case of the Chief of Police only, the maximum 30-year participation shall not apply.

~~(f)(g)~~ A member may participate in the DROP only once and after commencement the employee shall not have the right to be a contributing member of the pension plan.

~~(g)(h)~~ Upon the effective date of participation in the DROP, both employee and employer contributions shall cease, and employees shall no longer accrue credited service; final average compensation shall be determined; and any survivorship options shall be selected.

~~(h)(i)~~ For the purposes of this section, a member's final average compensation and credited service shall be determined as of the effective date of commencement of participation in the DROP.

~~(i)(j)~~ DROP participants shall not be eligible for disability or death benefits from the pension plan.

- ~~(j)~~(k) In the event that a DROP participant becomes permanently and totally disabled, the participant shall be deemed to have accepted a service retirement on the day prior to the date of disability.
- ~~(k)~~(l) In the event that a DROP participant dies, the participant shall be deemed to have retired on a service retirement on the day prior to the actual date of death.
- ~~(l)~~(m) Upon the date of participation in the DROP the monthly retirement benefits that would have been payable had the member elected to cease employment and receive a service retirement allowance shall be paid in to a deferred retirement option account created by the board of trustees.
- ~~(m)~~(n) DROP monies shall be invested the same as any other asset of the pension plan and shall gain or lose interest at the same rate as the pension plan. Alternatively, DROP participants may elect a fixed rate of return which shall not exceed assumed rate of investment return in effect on the date the member elects the fixed rate alternative. Election of fixed rate or the investment return of the plan shall be made at the time of entry into the DROP and cannot be changed. Actual earnings shall be determined on the first day of the month preceding the employee's date of separation. The board of trustees of the pension plan may, by administrative rule, establish a self-directed investment alternative.
- ~~(n)~~(o) At the end of the specified period of DROP participation or other termination of the DROP, the employee shall receive a sum equal to accumulated DROP payments plus interest. The payment shall be made as a lump sum payment; as an annuity; by periodic payments; rollover to another qualified plan; or any other combination of the above elections. Members may leave DROP balances in the plan subject to the required minimum distribution rules of the Internal Revenue Code and accompanying Treasury regulations.

~~(o)(p)~~ If a participant dies during the period of participation in the DROP plan, a lump sum equal to accrued DROP payments plus interest shall be paid to the named beneficiary or, if no beneficiary is named, to the estate of the employee in addition to any other normal survivorship benefits which would be paid.

~~(p)(q)~~ No distribution of DROP monies shall be made while a participant is still employed by the city.

~~(q)(r)~~ The board of trustees of the pension plan is authorized to adopt administrative rules necessary for the administration of the DROP.

~~(r)(s)~~ *DROP Loan Program:* A DROP Loan Program is hereby established for police officer retirees who participated in the DROP program.

(1) *Availability of loans.*

- a. Loans are available to members only after termination of employment, provided the member had participated in the DROP for a period of 12 months.
- b. Loans may only be made from a member's own account.
- c. There may be no more than one loan at a time.

(2) *Amount of loan.*

- a. ~~Loans may be made up to a maximum of~~ shall be limited to the lesser of 50% of account balance, or \$50,000., reduced by the highest outstanding loan balance during the last 12 months.
- ~~b. The maximum dollar amount of a loan is \$50,000, reduced by the highest outstanding loan balance during the last 12 months.~~
- ~~c.~~ b. The minimum loan is \$5,000.
- ~~d~~ c. After taking a loan, no additional distributions may be taken from a member's DROP account. ~~unless the~~

~~remaining DROP account balance is at least 200% of the outstanding DROP loan.~~

- (3) Limitations on loans shall be made from the amounts paid into the DROP and the earnings thereon.

(4) *Term of loan.*

- a. The loan must be for at least one year.
- b. The loan shall be no longer than five years.

(5) *Loan interest rate.*

- a. The interest rate shall be fixed at time the loan is originated for the entire term of loan.
- b. The interest rate shall be equal to the prime rate published by an established local bank on the last day of each calendar quarter preceding the date of loan application.

c. Monthly payments are required. Repayment must be made with after-tax dollars, which can be direct payment from other sources or reduction of monthly annuity. In the case of a reduction, members' annual taxes shall include all sums of repayment.

(6) *Defaults on loans.*

- a. Loans shall be in default if two consecutive months' repayments are missed ~~or if a total of four months' repayments are missed.~~
- b. Upon default, the entire balance becomes due and payable immediately.
- c. ~~If a loan in default is not repaid in full immediately, the loan may be canceled and the outstanding balance treated as a distribution, which may be taxable. If a~~ default occurs, the member will have 30 days to pay the loan in full, or the loan is automatically cancelled and

will be deemed a distribution and reported as taxable income for the year in which the loan is cancelled.

- d. Upon default of a loan, a member will not be eligible for additional loans.

(7) *Miscellaneous provisions.*

- a. All loans must be evidenced by a written loan agreement signed by the member and the Board of Trustees. The agreement shall contain a promissory note.
- b. ~~Notice of a loan shall be provided to a member's spouse, including a copy of the promissory note.~~
- e ~~b.~~ Loans shall be considered a general asset of the fund.
- d ~~c.~~ Loans shall be subject to administrative fees to be set by the Board of Trustees.
- e ~~d.~~ Outstanding loan balances shall not be credited with earnings or losses. As the outstanding balance is repaid with interest, earnings and losses shall be applied to the payments and interest on a quarterly basis.

Section 3. All sections or parts of sections of the City Code, all ordinances or parts of ordinances, and all resolutions or parts of resolutions in conflict herewith, be and the same, are hereby repealed to the extent of such conflict.

Section 4. Should any section or provision of this Ordinance or any paragraph, sentence or word, be declared by a court of competent jurisdiction to be invalid, such decision shall not affect the validity of the remainder hereof, as a whole or part hereof, other than the part declared to be invalid.

Section 5. It is the intention of the City Commission of the City of Miramar that the provisions of this Ordinance shall become and be made a part of the Code of the City of

Temp. Ord. #O1866

4/13/26

5/13/26

Miramar and that the sections of this Ordinance may be renumbered or re-lettered and the word "Ordinance" may be changed to "Chapter," "Section," "Article," or such other appropriate word or phrase, the use of which shall accomplish the intentions herein expressed.

Section 6. This Ordinance shall become effective upon adoption.

Temp. Ord. #O1866

4/13/26

5/13/26

PASSED ON FIRST READING: _____

PASSED AND ADOPTED ON SECOND READING: _____

Mayor, Wayne M. Messam

Vice Mayor, Carson "Eddy" Edwards

ATTEST:

City Clerk, Denise A. Gibbs

I HEREBY CERTIFY that I have approved
this ORDINANCE as to form:

City Attorney
Austin Pamies Norris Weeks Powell, PLLC

Requested by Administration

Voted

Commissioner Maxwell B. Chambers

Commissioner Avril Cherasard

Commissioner Yvette Colbourne

Vice Mayor Carson "Eddy" Edwards

Mayor Wayne M. Messam



10691 N. Kendall Drive
Suite 310
Miami, Florida 33176

Office: (305) 274-9970
Toll Free: 1-866-322-9970
Fax: (305) 274-9946

November 13, 2025

Board of Trustees
City of Miramar Police Pension Plan
c/o Ms. Siera Feketa, Plan Administrator
Foster & Foster, Inc.
2503 Del Prado Blvd S. Suite 502
Cape Coral, FL 33904

**Subject: City of Miramar Police Pension Plan
Actuarial Impact Statement for Plan Amendment**

Dear Siera:

We are pleased to enclose an Actuarial Impact Statement in support of the amendment of the City of Miramar Police Pension Plan. The Actuarial Impact Statement is for the following changes:

Section 1. Section 15-222(d) of the City Code is hereby amended to read as follows, and adding a new subsection (5)

Section 15-222(d)

- (d) Each member entitled to a normal, early or delayed retirement benefit shall have the right at any time prior to the date on which benefit payments begin to elect to have his or her benefit payable under any one (1) of the options hereinafter set forth in lieu of the benefits otherwise provided herein, and to revoke any such elections and make a new election at any time prior to the actual commencement of benefit payments. The value of optional benefits shall be actuarially equivalent to the value of benefits otherwise payable, and the present value of payments to the retiring member must be at least equal to fifty (50) percent of the total present value of payments to the retiring member and his or her beneficiary. The member shall make such an election by written request to the board, such request being retained in the board's files. The form of retirement benefit cannot be altered after the member has received a retirement benefit payment; or has received a DROP distribution; or has received a partial lump sum distribution.

* * * * *

(5) Partial Lump Sum Option - For members who do not participate in the DROP pursuant to section 15-223, the member may elect a percentage of benefit in a lump sum as follows:

- a. Five (5) percent of the total actuarial equivalent value of the benefit paid as a lump sum with the remaining ninety-five (95) percent paid under the normal or optional form of payment as per this section and section 15-212.
- b. Ten (10) percent of the total actuarial equivalent value of the benefit paid as a lump sum with the remaining ninety (90) percent paid under the normal or optional form of payment as per this section and section 15-212.
- c. Fifteen (15) percent of the total actuarial equivalent value of the benefit paid as a lump sum with the remaining eighty-five (85) percent paid under the normal or optional form of payment as per this section and section 15-212.
- d. Twenty (20) percent of the total actuarial equivalent value of the benefit paid as a lump sum with the remaining eighty (80) percent paid under the normal or optional form of payment as per this section and section 15-212.

Election of a partial lump sum distribution is a one-time option to be made at the time of application for service retirement and the decision is irrevocable. If a partial lump sum option is selected under this provision, a member waives any further right to participate in PLOP.

Section 2. Section 15-223 of the City Code is here amended to read as follows:

Section 15-223 – Deferred Retirement Option Plan

- (a) A deferred retirement option plan ("DROP") is hereby created.
- (b) The administration cost of the DROP, including any actuarial fees, shall be at no cost and with no liability to the city.
- (c) An employee's participation in the DROP when combined with the number of years of credited service in the retirement plan shall not exceed a total of thirty (30) years. However, in no event shall total participation in the DROP exceed eight (8) years. In addition, the DROP is extended to a maximum of eight (8) years for incumbents in the position of police chief despite the fact that such participation may cause the incumbent police chief to be employed by the city for more than thirty (30) years.
- ~~(d)~~ During a "window" period of thirty (30) calendar days after the effective date of this section, an eligible employee may elect to enter the DROP. For the purposes of this section, "eligible employee" mean an employee who has a minimum of twenty five (25) years of credited service and currently eligible for normal retirement. Any employee electing to enter the DROP during this window shall be eligible to participate in the DROP for a maximum of sixty (60) months notwithstanding the thirty (30) year limitation in subsection (c).
- ~~(d)(e)~~ Except as otherwise specified in subsection (d), aAn employee shall be eligible to enter the DROP at the earliest date of eligibility for normal retirement in accordance with their applicable tier, and subsequently on his/her anniversary date through completion of twenty-four (24) years of credited service.
- ~~(e)(f)~~ As a condition of participation in the DROP, employees agree to tender an irrevocable resignation. The resignation shall take effect not more than ninety-six (96) months after commencement of DROP participation or the date upon which the combined total of credited service and DROP participation equal thirty (30) years, whichever shall occur first. In addition, the DROP is extended to a maximum of eight (8) years for incumbents in the position of police chief despite the fact that such participation may cause the incumbent police chief to be employed by the city for more than thirty (30) years. In the case of the Chief of Police only, the maximum 30-year participation shall not apply.
- ~~(f)(g)~~ A member may participate in the DROP only once and after commencement the employee shall not have the right to be a contributing member of the pension plan.
- ~~(g)(h)~~ Upon the effective date of participation in the DROP, both employee and employer contributions shall cease and employees shall no longer accrue credited service; final average compensation shall be determined; and any survivorship options shall be selected.
- ~~(h)(i)~~ For the purposes of this section, a member's final average compensation and credited service shall be determined as of the effective date of commencement of participation in the DROP.
- ~~(i)(j)~~ DROP participants shall not be eligible for disability or death benefits from the pension plan.
- ~~(j)(k)~~ In the event that a DROP participant becomes permanently and totally disabled, the participant shall be deemed to have accepted a service retirement on the day prior to the date of disability.
- ~~(k)(l)~~ In the event that a DROP participant dies, the participant shall be deemed to have retired on a service retirement on the day prior to the actual date of death.

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- ~~(l)(m)~~ Upon the date of participation in the DROP the monthly retirement benefits that would have been payable had the member elected to cease employment and receive a service retirement allowance shall be paid in to a deferred retirement option account created by the board of trustees.
- ~~(m)(n)~~ DROP monies shall be invested the same as any other asset of the pension plan and shall gain or lose interest at the same rate as the pension plan. Alternatively, DROP participants may elect a fixed rate of return which shall not exceed assumed rate of investment return in effect on the date the member elects the fixed rate alternative. Election of fixed rate or the investment return of the plan shall be made at the time of entry into the DROP and cannot be changed. Actual earnings shall be determined on the first day of the month preceding the employee's date of separation. The board of trustees of the pension plan may, by administrative rule, establish a self-directed investment alternative.
- ~~(n)(o)~~ At the end of the specified period of DROP participation or other termination of the DROP, the employee shall receive a sum equal to accumulated DROP payments plus interest. The payment shall be made as a lump sum payment; as an annuity; by periodic payments; rollover to another qualified plan; or any other combination of the above elections. Members may leave DROP balances in the plan subject to the required minimum distribution rules of the Internal Revenue Code and accompanying Treasury regulations.
- ~~(o)(p)~~ If a participant dies during the period of participation in the DROP plan, a lump sum equal to accrued DROP payments plus interest shall be paid to the named beneficiary or, if no beneficiary is named, to the estate of the employee in addition to any other normal survivorship benefits which would be paid.
- ~~(p)(q)~~ No distribution of DROP monies shall be made while a participant is still employed by the city.
- ~~(q)(r)~~ The board of trustees of the pension plan is authorized to adopt administrative rules necessary for the administration of the DROP.
- ~~(r)(s)~~ *DROP Loan Program:* A DROP Loan Program is hereby established for police officer retirees who participated in the DROP program.
- (1) *Availability of loans.*
- a. Loans are available to members only after termination of employment, provided the member had participated in the DROP for a period of 12 months.
- b. Loans may only be made from a member's own account.
- c. There may be no more than one loan at a time.
- (2) *Amount of loan.*
- a. Loans ~~may be made up to a maximum of~~ shall be limited to the lesser of 50% of account balance, or \$100,000., reduced by the highest outstanding loan balance during the last 12 months.
- ~~b. The maximum dollar amount of a loan is \$50,000, reduced by the highest outstanding loan balance during the last 12 months.~~
- ~~c. The minimum loan is \$5,000.~~
- ~~d. After taking a loan, no additional distributions may be taken from a member's DROP account., unless the remaining DROP account balance is at least 200% of the outstanding DROP loan.~~
- (3) Limitations on loans shall be made from the amounts paid into the DROP and the earnings thereon.
- (4) *Term of loan.*
- a. The loan must be for at least one year.
- b. The loan shall be no longer than five years.
- (5) *Loan interest rate.*
- a. The interest rate shall be fixed at time the loan is originated for the entire term of loan.



- b. The interest rate shall be equal to the prime rate published by an established local bank on the last day of each calendar quarter preceding the date of loan application.
 - c. Monthly payments are required. Repayment must be made with after-tax dollars, which can be direct payment from other sources or reduction of monthly annuity. In the case of a reduction, members' annual taxes shall include all sums of repayment.
- (6) *Defaults on loans.*
- a. Loans shall be in default if two consecutive months' repayments are missed ~~or if a total of four months' repayments are missed.~~
 - b. Upon default, the entire balance becomes due and payable immediately.
 - c. ~~If a loan in default is not repaid in full immediately, the loan may be canceled and the outstanding balance treated as a distribution, which may be taxable. If a default occurs, the member will have 30 days to pay the loan in full, or the loan is automatically cancelled and will be deemed a distribution and reported as taxable income for the year in which the loan is cancelled.~~
 - d. Upon default of a loan, a member will not be eligible for additional loans.
- (7) *Miscellaneous provisions.*
- a. All loans must be evidenced by a written loan agreement signed by the member and the Board of Trustees. The agreement shall contain a promissory note.
 - b. ~~Notice of a loan shall be provided to a member's spouse, including a copy of the promissory note.~~
 - c. Loans shall be considered a general asset of the fund.
 - d. Loans shall be subject to administrative fees to be set by the Board of Trustees.
 - e. Outstanding loan balances shall not be credited with earnings or losses. As the outstanding balance is repaid with interest, earnings and losses shall be applied to the payments and interest on a quarterly basis.

There is no actuarial impact due to this proposed change.

We have prepared the Actuarial Impact Statement for filing with the State of Florida. Please note that this Statement must be signed and dated on behalf of the Board of Trustees. A copy of the proposed ordinance upon passage at the first reading along with this Actuarial Impact Statement should be submitted to the State at the following addresses:

Mr. Douglas Beckendorf, A.S.A.
Bureau of Local Retirement Systems
Florida Division of Retirement
P.O. Box 9000
Tallahassee, FL 32315-9000

Please forward a copy of the ordinance upon passage at second reading to update our files.

We have prepared this Impact Statement based upon the October 1, 2024 census and financial data that was utilized for the October 1, 2024 Actuarial Valuation. The methods and assumptions used in the calculations are the same as those that were utilized for the October 1, 2024 Actuarial Valuation.

If you should have any question concerning the above, please do not hesitate to contact us.

Sincerely,



Donald A. DuLaney Jr., A.S.A., E.A.
Senior Consulting Actuary

DAD:cp

Enclosures

cc: Chairman Frank DeFalco, with enclosure
Ms. Anna Klausner Parish, with enclosure
Heather Dailey, with enclosure

City of Miramar Police Pension Plan
Actuarial Impact Statement

A. Description of Plan Amendment

Section 1. Section 15-222(d) of the City Code is hereby amended to read as follows, and adding a new subsection (5)

Section 15-222(d)

(d) Each member entitled to a normal, early or delayed retirement benefit shall have the right at any time prior to the date on which benefit payments begin to elect to have his or her benefit payable under any one (1) of the options hereinafter set forth in lieu of the benefits otherwise provided herein, and to revoke any such elections and make a new election at any time prior to the actual commencement of benefit payments. The value of optional benefits shall be actuarially equivalent to the value of benefits otherwise payable, and the present value of payments to the retiring member must be at least equal to fifty (50) percent of the total present value of payments to the retiring member and his or her beneficiary. The member shall make such an election by written request to the board, such request being retained in the board's files. The form of retirement benefit cannot be altered after the member has received a retirement benefit payment; or has received a DROP distribution; or has received a partial lump sum distribution.

* * * * *

(5) Partial Lump Sum Option - For members who do not participate in the DROP pursuant to section 15-223, the member may elect a percentage of benefit in a lump sum as follows:

a. Five (5) percent of the total actuarial equivalent value of the benefit paid as a lump sum with the remaining ninety-five (95) percent paid under the normal or optional form of payment as per this section and section 15-212.

b. Ten (10) percent of the total actuarial equivalent value of the benefit paid as a lump sum with the remaining ninety (90) percent paid under the normal or optional form of payment as per this section and section 15-212.

c. Fifteen (15) percent of the total actuarial equivalent value of the benefit paid as a lump sum with the remaining eighty-five (85) percent paid under the normal or optional form of payment as per this section and section 15-212.

d. Twenty (20) percent of the total actuarial equivalent value of the benefit paid as a lump sum with the remaining eighty (80) percent paid under the normal or optional form of payment as per this section and section 15-212.

Election of a partial lump sum distribution is a one-time option to be made at the time of application for service retirement and the decision is irrevocable. If a partial lump sum option is selected under this provision, a member waives any further right to participate in PLOP.

Section 2. Section 15-223 of the City Code is here amended to read as follows:

Section 15-223 – Deferred Retirement Option Plan

(a) A deferred retirement option plan ("DROP") is hereby created.

(b) The administration cost of the DROP, including any actuarial fees, shall be at no cost and with no liability to the city.

(c) An employee's participation in the DROP when combined with the number of years of credited service in the retirement plan shall not exceed a total of thirty (30) years. However, in no event shall total participation in the DROP exceed eight (8) years. In addition, the DROP is extended to a maximum of eight (8) years for incumbents in the position of police chief despite the fact that such participation may cause the incumbent police chief to be employed by the city for more than thirty (30) years.

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~~(d)~~ During a "window" period of thirty (30) calendar days after the effective date of this section, an eligible employee may elect to enter the DROP. For the purposes of this section, "eligible employee" mean an employee who has a minimum of twenty five (25) years of credited service and currently eligible for normal retirement. Any employee electing to enter the DROP during this window shall be eligible to participate in the DROP for a maximum of sixty (60) months notwithstanding the thirty (30) year limitation in subsection (e).

~~(d)(e)~~ Except as otherwise specified in subsection (d), ~~a~~An employee shall be eligible to enter the DROP at the earliest date of eligibility for normal retirement in accordance with their applicable tier, and subsequently on his/her anniversary date through completion of twenty four (24) years of credited service.

~~(e)(f)~~ As a condition of participation in the DROP, employees agree to tender an irrevocable resignation. The resignation shall take effect not more than ninety-six (96) months after commencement of DROP participation or the date upon which the combined total of credited service and DROP participation equal thirty (30) years, whichever shall occur first. ~~In addition, the DROP is extended to a maximum of eight (8) years for incumbents in the position of police chief despite the fact that such participation may cause the incumbent police chief to be employed by the city for more than thirty (30) years.~~ In the case of the Chief of Police only, the maximum 30-year participation shall not apply.

~~(f)(g)~~ A member may participate in the DROP only once and after commencement the employee shall not have the right to be a contributing member of the pension plan.

~~(g)(h)~~ Upon the effective date of participation in the DROP, both employee and employer contributions shall cease and employees shall no longer accrue credited service; final average compensation shall be determined; and any survivorship options shall be selected.

~~(h)(i)~~ For the purposes of this section, a member's final average compensation and credited service shall be determined as of the effective date of commencement of participation in the DROP.

~~(i)(j)~~ DROP participants shall not be eligible for disability or death benefits from the pension plan.

~~(j)(k)~~ In the event that a DROP participant becomes permanently and totally disabled, the participant shall be deemed to have accepted a service retirement on the day prior to the date of disability.

~~(k)(l)~~ In the event that a DROP participant dies, the participant shall be deemed to have retired on a service retirement on the day prior to the actual date of death.

~~(l)(m)~~ Upon the date of participation in the DROP the monthly retirement benefits that would have been payable had the member elected to cease employment and receive a service retirement allowance shall be paid in to a deferred retirement option account created by the board of trustees.

~~(m)(n)~~—DROP monies shall be invested the same as any other asset of the pension plan and shall gain or lose interest at the same rate as the pension plan. Alternatively, DROP participants may elect a fixed rate of return which shall not exceed assumed rate of investment return in effect on the date the member elects the fixed rate alternative. Election of fixed rate or the investment return of the plan shall be made at the time of entry into the DROP and cannot be changed. Actual earnings shall be determined on the first day of the month preceding the employee's date of separation. The board of trustees of the pension plan may, by administrative rule, establish a self-directed investment alternative.

~~(n)(o)~~ At the end of the specified period of DROP participation or other termination of the DROP, the employee shall receive a sum equal to accumulated DROP payments plus interest. The payment shall be made as a lump sum payment; as an annuity; by periodic payments; rollover to another qualified plan; or any other combination of the above elections. Members may leave DROP balances in the plan subject to the required minimum distribution rules of the Internal Revenue Code and accompanying Treasury regulations.

~~(o)(p)~~ If a participant dies during the period of participation in the DROP plan, a lump sum equal to accrued DROP payments plus interest shall be paid to the named beneficiary or, if no beneficiary is named, to the estate of the employee in addition to any other normal survivorship benefits which would be paid.

~~(p)(q)~~ No distribution of DROP monies shall be made while a participant is still employed by the city.

~~(q)(r)~~ The board of trustees of the pension plan is authorized to adopt administrative rules necessary for the administration of the DROP.

~~(r)(s)~~ *DROP Loan Program:* A DROP Loan Program is hereby established for police officer retirees who participated in the DROP program.

(1) *Availability of loans.*

- a. Loans are available to members only after termination of employment, provided the member had participated in the DROP for a period of 12 months.
- b. Loans may only be made from a member's own account.
- c. There may be no more than one loan at a time.

(2) *Amount of loan.*

- a. Loans ~~may be made up to a maximum of~~ shall be limited to the lesser of 50% of account balance, or \$100,000, reduced by the highest outstanding loan balance during the last 12 months.
- b. ~~The maximum dollar amount of a loan is \$50,000, reduced by the highest outstanding loan balance during the last 12 months.~~

~~e-b.~~ The minimum loan is \$5,000.

~~d c.~~ After taking a loan, no additional distributions may be taken from a member's DROP account, ~~unless the remaining DROP account balance is at least 200% of the outstanding DROP loan.~~

(3) Limitations on loans shall be made from the amounts paid into the DROP and the earnings thereon.

(4) *Term of loan.*

- a. The loan must be for at least one year.
- b. The loan shall be no longer than five years.

(5) *Loan interest rate.*

- a. The interest rate shall be fixed at time the loan is originated for the entire term of loan.
- b. The interest rate shall be equal to the prime rate published by an established local bank on the last day of each calendar quarter preceding the date of loan application.
- c. Monthly payments are required. Repayment must be made with after-tax dollars, which can be direct payment from other sources or reduction of monthly annuity. In the case of a reduction, members' annual taxes shall include all sums of repayment.

(6) *Defaults on loans.*

- a. Loans shall be in default if two consecutive months' repayments are missed ~~or if a total of four months' repayments are missed.~~
- b. Upon default, the entire balance becomes due and payable immediately.
- c. ~~If a loan in default is not repaid in full immediately, the loan may be canceled and the outstanding balance treated as a distribution, which may be taxable.~~ If a default occurs, the member will have 30 days to pay the loan in full, or the loan is automatically cancelled and will be deemed a distribution and reported as taxable income for the year in which the loan is cancelled.

d. Upon default of a loan, a member will not be eligible for additional loans.

(7) *Miscellaneous provisions.*

- a. All loans must be evidenced by a written loan agreement signed by the member and the Board of Trustees. The agreement shall contain a promissory note.
- b. ~~Notice of a loan shall be provided to a member's spouse, including a copy of the promissory note.~~
- c. Loans shall be considered a general asset of the fund.
- d. Loans shall be subject to administrative fees to be set by the Board of Trustees.
- e. Outstanding loan balances shall not be credited with earnings or losses. As the outstanding balance is repaid with interest, earnings and losses shall be applied to the payments and interest on a quarterly basis.

B. An estimate of the cost of implementing this amendment – **There is no actuarial impact due to this proposed change.**

C. In my opinion, the proposed changes are in compliance with Part VII, Chapter 112, Florida Statutes and Section 14, Article X of the State Constitution.

Chairman, Board of Trustees

Date

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