

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

**First Reading Date:** May 21, 2025

**Second Reading Date:** June 17, 2025

**Presenter's Name and Title:** Kanika Stamp, Chief HRO/Director of Human Resources

**Prepared By:** Kanika Stamp, Chief HRO/Director of Human Resources

**Temp. Ord. Number:** 1846

**Item Description:** **FIRST READING** of Temp. Ord. #O1846, ESTABLISHING A SUPPLEMENTAL DEFINED BENEFIT PENSION PLAN FOR ELECTED OFFICIALS OF THE CITY OF MIRAMAR; PROVIDING FOR AN ADMINISTRATIVE COMMITTEE; PROVIDING FOR SEVERABILITY AND INTERPRETATION; PROVIDING FOR INCLUSION IN THE CODE; AND PROVIDING FOR AN EFFECTIVE DATE. (Chief HR Officer / Director of Human Resources Kanika Stamp)

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:** [Click or tap here to enter text.](#)

**Content:**

- **Agenda Item Memo from the City Manager to City Commission**
- **Ordinance TO1846**
  - **Exhibit A:** GRS Projection Study / 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: Establishing a Supplemental Defined Benefit Retirement Plan for the City of Miramar Elected Officials
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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 law<sup>1</sup> 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.

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:

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<sup>1</sup> See Section 166.041(4)(c), Florida Statutes.

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

The proposed ordinance establishes a supplemental defined benefit pension plan for elected officials of the City of Miramar who have served a minimum of eight years. The plan is fully funded by the City and operates independently of the Florida Retirement System (FRS) or any deferred compensation arrangements. Upon reaching age 65 and separation from elected office, vested participants will receive a monthly retirement benefit equal to 5% of their average final compensation for each year of service, up to a maximum of 80%.

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) An estimate of direct compliance costs that businesses may reasonably incur;
- (b) Any new charge or fee imposed by the proposed ordinance or for which businesses will be financially responsible; and
- (c) An estimate of the City of Miramar's regulatory costs, including estimated revenues from any new charges or fees to cover such costs.

N/A

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

N/A


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

The proposed ordinance does not apply to businesses and is limited in scope to elected officials of the City of Miramar. It does not impose any regulatory requirements, compliance obligations, or fiscal impact on individuals, entities, or businesses operating within the City. Therefore, no business impact analysis, outreach, or mitigation efforts were necessary or conducted.



**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 15, 2025

**RE:** FIRST READING of Temp. Ord. No. 1846 establishing a supplemental defined benefit retirement plan for City of Miramar elected officials

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**RECOMMENDATION:** The City Manager recommends approval of Temporary Ordinance No. 1846, establishing a supplemental defined benefit retirement plan for elected officials who have served a minimum of eight (8) years as Mayor or a member of the City Commission of the City of Miramar.

**ISSUE:** Commission approval is required to amend the City Code to establish a City-sponsored supplemental retirement plan for elected officials who have completed at least eight (8) years of service as elected officials of the City of Miramar.

**BACKGROUND:** The City of Miramar ("City") was incorporated on May 26, 1955. As the City's population and workforce expanded, the City Commission established retirement systems to provide defined benefit plans for full-time employees. Over the years, the structure and benefits of these plans evolved due to collective bargaining, market fluctuations, investment performance, and plan design changes.

Elected officials of the City have also participated in various retirement arrangements. On April 14, 1988, a defined benefit pension plan for elected officials was established by Ordinance No. 88-16. That plan was in effect for approximately one year before being repealed by Ordinance No. 89-30 on May 15, 1989.

In 2002, the Florida Legislature amended Section 121.052, Florida Statutes, to permit municipal governing bodies to designate elected positions for inclusion in the Elected Officers' Class of the Florida Retirement System (FRS). The City Commission approved this participation by adopting Resolution No. 02-88 on December 12, 2001.



Most recently, on July 6, 2016, the City Commission approved Ordinance No. 16-11, which created an alternative retirement plan for elected officials who are ineligible to participate in FRS due to already receiving FRS retirement benefits from prior employment. This "Alternative Plan" allows such individuals to participate in an authorized 401, 457(b), IRA, or similar qualified tax-sheltered retirement plan. Contributions to this plan are made by the City in an amount equal to what would have otherwise been contributed to FRS on their behalf.

**DISCUSSION:** Elected officials of the City of Miramar currently have access to multiple retirement savings options. All elected officials are eligible to receive a 9% City contribution into a deferred compensation 457(b) plan, provided they contribute at least 3% of their own compensation. In addition, elected officials participate in one of the following:

1. The Elected Officers' Class of the Florida Retirement System (FRS); or
2. The "Alternative Plan" – a City-funded contribution to a 401 (k), 457(b), IRA, or other qualified plan for those ineligible to participate in FRS due to prior retirement from the system.

To enhance long-term retirement security for elected officials, the City is proposing the establishment of a supplemental defined benefit pension plan. This plan would not replace FRS participation but would provide an additional layer of retirement income. Key elements of the proposed plan include:

**Plan Design:**

- Benefit Formula: 5% of Average Final Compensation (AFC) for each year of service, including retroactive service; capped at 80% of AFC.
- Average Final Compensation (AFC): Defined as the average of the highest three years of base salary.
- Normal Retirement Eligibility: Age 65 with at least eight (8) years of service.
- Vesting: 100% after eight (8) years of service, including retroactive service.
- Member Contribution: 0%.

While the 5% multiplier is recommended based on the level of supplemental income it would provide, the actuarial study also includes projections for more conservative options using a 3% or 1% multiplier, should the Commission wish to explore alternate cost structures.

**Administration:**

- The plan will be overseen by an Administrative Committee/Board solely responsible for fiscal management and oversight of the pension fund.
- The Committee will include the City's Director of Finance, Director of Management and Budget, and one City resident appointed by the City Commission.

- The Human Resources Director will serve as a non-voting liaison to support administrative coordination

**Funding:**

- A dedicated pension trust fund will be established.
- The City will be solely responsible for funding all required contributions, including annual actuarially determined contributions and administrative expenses.

**Illustrative Benefit Example:**

Under the proposed 5% multiplier, an elected official who serves two full terms (eight years) and reaches age 65 would receive a pension equal to 40% of their highest three-year average salary. For example:

- A Commissioner with an average salary of \$36,961 would receive an annual benefit of \$14,784.
- The Mayor, with an average salary of \$46,948, would receive an annual benefit of \$18,779.

**ANALYSIS:** The establishment of a supplemental defined benefit pension plan for elected officials introduces a new structure that differs from the existing 457(b) deferred compensation option and the Florida Retirement System (FRS). Unlike those programs, the proposed plan is funded solely by the City and designed to provide guaranteed retirement income based on years of service and final compensation.


There are three primary areas of cost to consider when evaluating the City's overall retirement-related commitments for elected officials:

1. The projected funding requirement for the proposed supplemental pension plan, which includes the annual City contribution necessary to support the benefit structure over time.
2. Ongoing contributions made under existing retirement programs, which are separate from the supplemental pension plan but represent continuing financial obligations. These include:
  - Required contributions to the Florida Retirement System (FRS) for elected officials who are active members or retired from FRS; and
  - Equivalent contributions to retirement accounts for elected officials ineligible for FRS, under the City's Alternative Plan.



3. Deferred Compensation Match: Elected officials are eligible to receive a 9% City contribution to a 457(b) plan if they contribute at least 3% of their own compensation. This match is provided in addition to any participation in FRS, the Alternative Plan, or the proposed pension plan.

To assist in financial planning and policy decisions, the City engaged the actuarial services of GRS to prepare projections under various benefit multiplier scenarios. The snapshot below reflects the projected costs for the proposed 5% multiplier scenario based on current participation and service history of the City's current elected officials:

Fiscal Year Ending	Valuation Date	Covered Payroll for Contribution Year	Required City Contribution 	UAAL on Valuation Date	Funded Ratio on Valuation Date
2025	10/1/2024	\$ 194,792	\$ 147,566	\$ 490,030	0%
2026	10/1/2025	198,696	149,294	454,142	21%
2027	10/1/2026	202,665	151,058	415,831	38%
2028	10/1/2027	206,706	152,843	374,935	51%
2029	10/1/2028	212,914	151,772	331,278	61%
2030	10/1/2029	219,172	151,317	284,674	69%
2031	10/1/2030	223,265	153,392	234,924	76%
2032	10/1/2031	227,464	155,466	181,816	83%
2033	10/1/2032	231,762	157,555	125,124	89%
2034	10/1/2033	238,371	159,538	64,604	95%
2035	10/1/2034	242,799	95,019	-	100%
2036	10/1/2035	247,340	97,260	-	100%
2037	10/1/2036	251,993	99,514	-	100%
2038	10/1/2037	257,228	101,371	-	100%
2039	10/1/2038	262,681	103,100	-	100%
2040	10/1/2039	267,743	105,305	-	100%
2041	10/1/2040	263,568	112,442	-	100%
2042	10/1/2041	269,580	113,395	-	100%
2043	10/1/2042	276,244	113,873	-	100%
2044	10/1/2043	281,522	116,395	-	100%
<b>Total:</b>			\$ 2,587,475		
<b>Total Present Value at 6.75%:</b>			\$ 1,567,971		

Emerging experience—including changes in participant demographics, investment returns, and longevity—will be reflected in future actuarial valuations. Reasonable variances are anticipated and will be managed through ongoing review and funding adjustments.

Although separate from the proposed pension plan, the City must continue to fund contributions to the Florida Retirement System (FRS) for elected officials. These costs are a recurring component of the City's overall retirement obligations and are unaffected by implementation of the supplemental plan.

### Historical FRS Contributions for Elected Officials:

<u>Year</u>	<u>Contribution</u>
FY 2015	\$56,226.05
FY 2016	\$101,571.75
FY 2017	\$73,873.90
FY 2018	\$80,455.74
FY 2019	\$83,764.63
FY 2020	\$81,877.54
FY 2021	\$82,605.32
FY 2022	\$87,884.04
FY2023	\$95,658.96
FY2024	\$92,320.74

### **BUDGET SUMMARY:**

According to the Actuarial Impact Statement dated May 13, 2025, and based on the recommended 5% benefit multiplier scenario, the estimated first-year contribution required to fund the supplemental pension plan is \$147,566, which includes \$30,000 in administrative expenses. The present value of total projected contributions over a 20-year period is \$1,567,971, based on the current demographics and service history of the City's current elected officials.

In addition to the supplemental plan, the City will continue to fund retirement-related contributions under existing programs, which remain unaffected by this proposal. These include:

- FRS contributions for three (3) active participants: \$70,340
- Alternative Plan contributions for two (2) retired FRS participants: \$59,681 (includes the required FRS retiree contributions and 457 plan contributions in accordance with Section 2-4(e) of the City Code)

These existing retirement-related costs are based on current FRS employer contribution rates, which are subject to change annually.

### **Total Estimated First-Year Budget Cost (New and Existing):**

<b>Component</b>	<b>Cost</b>
(New) Supplemental Pension Plan* (5% Multiplier)	\$147,566
(Existing) FRS Contributions (Active Participants)	\$70,340
(Existing) Alternative Plan (Retired FRS Participants)	\$59,681
<b>Total</b>	<b>\$277,587</b>



**IMPLEMENTATION:**

If approved, the supplemental defined benefit pension plan for elected officials will be implemented through the adoption of a formal ordinance amending the City Code. The ordinance will establish the plan's structure, eligibility, benefit provisions, and funding obligations.

Enrollment into the plan will be automatic upon the effective date of the ordinance for all eligible elected officials. Retroactive service credit will also be applied at that time in accordance with the vesting and benefit provisions set forth in the ordinance.

A dedicated pension trust fund will be established to receive City contributions and pay out future benefits. This fund will operate independently from existing FRS and deferred compensation programs. The City will fund the plan through annual contributions based on actuarially determined requirements.

An Administrative Committee/Board will oversee the financial and operational aspects of the plan. The Committee will consist of the Finance Director, the Director of Management and Budget, and one resident appointed by the City Commission. The Human Resources Director will serve in a non-voting liaison capacity.

The Administrative Committee will have the authority to engage qualified service providers—such as a third-party plan administrator, actuary, legal counsel, or investment advisors—to ensure proper governance and regulatory compliance. The Committee will meet periodically to review actuarial reports, monitor funding status, and ensure the plan's continued alignment with best practices and applicable laws.

Temp. Ord. No. 1846

5/14/25

5/15/25

**CITY OF MIRAMAR  
MIRAMAR, FLORIDA**

**ORDINANCE NO. \_\_\_\_\_**

**AN ORDINANCE OF THE CITY COMMISSION OF THE CITY OF MIRAMAR, FLORIDA, ESTABLISHING A SUPPLEMENTAL DEFINED BENEFIT PENSION PLAN FOR ELECTED OFFICIALS; CREATING A TRUST FUND; ESTABLISHING ELIGIBILITY, VESTING, RETIREMENT BENEFITS, AND ADMINISTRATIVE PROVISIONS; PROVIDING FOR SEVERABILITY; PROVIDING FOR CONFLICTS; PROVIDING FOR CODIFICATION; AND PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS**, the City Commission desires to enhance the existing retirement program for elected officials by establishing a supplemental defined benefit pension plan;

**WHEREAS**, the City Commission has reviewed the actuarial analysis prepared by the City's consulting actuary, dated May 13, 2025, and supports the recommendation to adopt a defined benefit structure based on elected official demographics and service history; and

**WHEREAS**, the City finds that the creation of this supplemental plan will support retirement security for elected officials and further align the City's retirement offerings with best practices in public service;

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF MIRAMAR, FLORIDA, AS FOLLOWS:**

**Section 1:** Chapter 15, Pensions, Article VI. of the Miramar City code is hereby amended reads as follows:

**Sec. 1-01. - Created; adopted.**

Ord. No. \_\_\_\_\_

A retirement system for elected officials of the City of Miramar is hereby established to provide retirement allowances and shall be known as the "City of Miramar Elected Officials' Retirement Plan."

**Sec. 1.02. - Definitions.**

Unless a different meaning is plainly required by the context, the following words and phrases as used in this division shall have the following meaning:

Administrative Committee shall mean the oversight body responsible for the fiscal management and administration of the supplemental pension plan as established in this ordinance.

Average Final Compensation shall mean the average of the highest three (3) years of base salary earned by the Participant, not including any additional emoluments, during service as an elected official of the City.

Beneficiary shall mean the person entitled to receive benefits hereunder at the death of a Participant who has been designated in writing by the Participant and filed with the Administrative Committee. If no such designation is in effect at the time of the Participant's death, or if no designated person is living at that time, and no provision for an alternate or contingent beneficiary is otherwise provided for or living, the Beneficiary shall be the Participant's estate.

Benefits shall mean the retirement payment provided by this Ordinance.

Contribution shall mean the sum of all amounts contributed by the City on behalf of an elected official.

Elected Official shall mean any person who was elected in a general or special election or appointed by the City Commission to fill a Commission vacancy to serve as Mayor or as a member of the City Commission.

Eligibility shall mean any individual serving as an elected official of the City of Miramar shall be eligible to participate upon commencement of their service.

Participant shall mean an elected official who is enrolled in the supplemental pension plan pursuant to this Ordinance.

Retirement Age shall mean the first day of the month coincident with or next following the sixty-fifth (65<sup>th</sup>) anniversary of birth.

Service shall mean the period of time served as the mayor or member of the City Commission.



Trustee shall mean the Director of Finance the Director of the Management and Budget, and one resident of the city appointed by the City Commission.

Vesting shall mean the vesting of rights to future benefits upon the completion of eight (8) years of service as an elected official.

**Sec. 1-03. – Amendment or Termination of Plan.**

(a) The City Commission may amend or repeal this Ordinance, in whole or in part, at any time by duly adopted ordinance. However, no such amendment or repeal shall reduce or impair the benefits accrued by any Participant or Beneficiary as of the effective date of such amendment or repeal, except to the extent necessary if assets are insufficient to fully fund such benefits.

(b) If the City Commission terminates the plan or discontinues contributions, the plan shall continue to operate for the sole purpose of distributing accrued benefits. All Participants shall become fully vested in the benefits earned through the date of termination.

(c) Upon termination, the Administrative Committee shall allocate the assets of the pension trust fund in an equitable manner consistent with actuarial best practices and legal obligations, giving priority to the payment of benefits already in pay status and to Participants with vested benefits.

(d) After all accrued benefits and liabilities have been satisfied, any remaining assets shall revert to the City's general fund.

**Sec. 1-04. – Retirement Benefits.**

(a) Normal Retirement Benefit. Upon satisfying the vesting and retirement age requirements set forth in Section 5, a Participant shall be entitled to a monthly retirement benefit beginning on the first day of the month following their separation from elected office, calculated as follows: Five percent (5%) of the Participant's Average Final Compensation multiplied by the number of years (and completed months) of Creditable Service, not to exceed eighty percent (80%) of Average Final Compensation.

(b) Maximum Benefit. In no event shall the retirement benefit payable exceed eighty percent (80%) of the Participant's Average Final Compensation.

(c) Form of Benefit. The normal form of benefit shall be a life-only monthly annuity. Optional forms of payment, including joint and survivor annuity options, may be offered as authorized by the Administrative Committee, provided the actuarial value does not exceed the amount determined under subsection (a).

(d) Incorporation of Statutory Requirements. Any mandatory provisions required by applicable state or federal law for public retirement plans shall be deemed incorporated into this plan by reference as if fully set forth herein.

**Sec. 1-05. – Contributions.**

(a) Participant Contributions. Participants shall not be required to make any contributions to the supplemental pension plan. The plan is intended to be fully funded by the City of Miramar.

(b) City Contributions. The City shall make all required contributions to fund the benefits under this plan, as determined through periodic actuarial valuations. Such contributions shall include the annual actuarially determined contribution (ADC) and any administrative expenses necessary to maintain the plan and pension trust fund.

(c) Administrative Expenses. All reasonable costs and expenses associated with the administration of the plan, including but not limited to actuarial services, legal fees, audit costs, trustee fees, and third-party plan administration services, shall be paid from the pension trust fund, unless otherwise paid directly by the City.

(d) Actuarial Valuations. The plan shall be subject to periodic actuarial valuation in accordance with generally accepted actuarial standards. The results of such valuations shall be used to determine the City's required contribution for each fiscal year.

**Sec. 1-06. – Death Benefits.**

(a) Vested Participants. If a vested Participant dies prior to the commencement of their retirement benefit, a death benefit shall be payable to the Participant's designated Beneficiary. The benefit shall be the actuarial equivalent of the Participant's accrued retirement benefit as of the date of death and shall be

payable in the form of a life-only annuity, unless the Administrative Committee approves an optional form of payment.

(c) Non-Vested Participants. If a Participant dies prior to becoming vested, no death benefit shall be payable under this plan.

(d) Default Beneficiary. If no valid Beneficiary designation is on file at the time of the Participant's death, or if the designated Beneficiary is deceased and no contingent Beneficiary survives, the actuarial value of the accrued benefit shall be payable to the Participant's estate. The Administrative Committee may direct that such benefit be paid as a life-only annuity or in a single lump sum, consistent with actuarial equivalence and fiduciary best practices.

(e) Benefit Limitation. In no case shall the death benefit payable exceed the value of the Participant's accrued benefit as of the date of death, as determined by the plan actuary.

**Sec. 1-07. – Plan Administration.**

(a) Administrative Committee. The plan shall be administered by an Administrative Committee, which shall have fiduciary responsibility for the overall operation and fiscal oversight of the supplemental pension plan and its trust fund.

(b) Composition. The Administrative Committee shall consist of the following five (5) voting members:

1. The City's Director of Finance;
2. The City's Director of Management and Budget;
3. Two (2) residents of the City of Miramar, appointed by the City Commission;  
and,
4. One (1) individual appointed by the City Manager, who possesses pension administration and municipal operations knowledge

The Human Resources Director shall serve as a non-voting liaison to the Committee and shall assist in coordinating plan administration.

(c) Powers and Duties. The Administrative Committee shall have the authority to:

1. Adopt rules and procedures for the operation and administration of the plan;
2. Interpret the terms of the plan and resolve questions of eligibility or benefit entitlement;
3. Review actuarial reports and funding valuations;
4. Authorize payment of benefits consistent with plan provisions;
5. Recommend changes to the plan for consideration by the City Commission;  
and,
6. Ensure compliance with all applicable legal and fiduciary standards.

(d) Engagement of Professional Services. The Administrative Committee may retain the services of an actuary, legal counsel, investment advisor, third-party administrator, or other professional consultants as necessary to fulfill its responsibilities and ensure proper plan governance. All fees and expenses associated with such services shall be paid from the pension trust fund unless otherwise provided by the City.

**Sec. 1-08. – Pension Trust Fund.**

(a) Creation of Fund. There is hereby created a separate trust fund to be known as the "Elected Officials' Pension Trust Fund," which shall be used exclusively for



the purpose of funding and administering the supplemental pension plan established by this Ordinance.

(b) Purpose of Fund. All assets of the Pension Trust Fund shall be held in trust for the exclusive benefit of Participants and their Beneficiaries, and for the payment of reasonable administrative expenses as provided herein.

(c) Funding and Contributions. All contributions made by the City, together with any income or gains from investments, shall be deposited into the Pension Trust Fund. No contributions shall be required or accepted from Participants.

(d) Fiduciary Management. The Pension Trust Fund shall be managed under the fiduciary oversight of the Administrative Committee established in Section 8. The Committee may engage professional services to assist in the investment, accounting, and administration of the Fund, consistent with applicable law and best practices.

(e) Investment of Assets. The assets of the Fund may be invested and reinvested in accordance with an investment policy adopted by the Administrative Committee, subject to applicable legal and fiduciary standards.

(f) Segregation of Funds. The assets of the Pension Trust Fund shall be maintained separately from other City funds and shall not be commingled with assets of any other retirement or benefit plan administered by the City.

#### **Sec. 1-09. – Amendment or Termination of Plan.**

(a) Authority to Amend or Repeal. The City Commission may amend or repeal this Ordinance, in whole or in part, by a four-fifths (4/5) vote of the full Commission, at any time by duly adopted ordinance. However, no such amendment or repeal shall reduce or impair the benefits accrued by any Participant or Beneficiary as of the effective date of such amendment or repeal, except to the extent necessary if plan assets are determined to be insufficient to fully fund such benefits.

(b) Plan Termination or Discontinuance of Contributions. In the event the City terminates the plan or discontinues contributions, the plan shall continue in effect for the sole purpose of distributing accrued benefits to Participants and Beneficiaries. All Participants shall be deemed fully vested in their accrued benefits as of the date of termination.

(c) Disposition of Assets. Upon plan termination, the Administrative Committee shall allocate the assets of the Pension Trust Fund in an equitable and lawful manner, giving priority to Participants receiving benefits and those with vested accrued benefits. The Committee may arrange for the purchase of annuity contracts or make lump sum distributions, as appropriate.

(d) Reversion of Surplus Assets. After all benefits have been distributed and all liabilities satisfied, any remaining assets of the Pension Trust Fund shall revert to the general fund of the City of Miramar.

**Section 2:** It is the intention of the City Commission, and it is hereby ordained that the provisions of this Ordinance shall become and be made a part of the Code of the City of Miramar, that the sections of the Ordinance may be renumbered or relettered to accomplish such intentions.

**Section 3:** If any clause, section, or other part or application of this Ordinance shall be held in any court of competent jurisdiction to be unconstitutional or invalid, such unconstitutional or invalid part or application shall be considered as eliminated and shall not affect the validity of the remaining portions or applications which shall remain in full force and effect. The City Attorney also is authorized to correct any scrivener's error

**Section 4:** All ordinances or parts of ordinances, resolutions, or parts of resolutions in conflict herewith are hereby repealed to the extent of such conflict.

**Section 5:** This Ordinance shall become effective immediately upon adoption, unless otherwise provided.

Temp. Ord. No. 1846

5/14/25

5/15/25

**PASSED FIRST READING:** \_\_\_\_\_

**PASSED AND ADOPTED ON SECOND READING:** \_\_\_\_\_

\_\_\_\_\_  
Mayor, Wayne M. Messam

\_\_\_\_\_  
Vice Mayor, Yvette Colbourne

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

<b><u>Requested by Comm. Chambers</u></b>	<b><u>Voted</u></b>
Commissioner Maxwell B. Chambers	_____
Commissioner Avril Cherasard	_____
Vice Mayor Yvette Colbourne	_____
Commissioner Carson Edwards	_____
Mayor Wayne M. Messam	_____





## EXHIBIT "A"

May 13, 2025

Ms. Heather Dailey  
HR Manager  
City of Miramar  
2300 Civic Center Place  
Miramar, FL 33025

**Re: Miramar Elected Officials – Projection Study for Proposed Defined Benefit Pension Plan**

Dear Heather:

As requested, we have prepared 20-year projections showing the cost to the City if a defined benefit pension plan were established which would cover elected officials. The enclosed exhibit shows the results of the projections for the proposed plan designs summarized below:

- Benefit Formula: 1% (Scenario 1), 3% (Scenario 2), or 5% (Scenario 3) of Average Final Compensation (AFC) for each year of service, with a maximum of 80% of AFC
- Average Final Compensation (AFC): Average base salary for highest 3 years
- Normal Retirement Date: Age 65 with 8 years of service
- Vesting: 100% at 8 years of service
- Member Contribution Rate: 0%
- Service: Benefit service and service for purposes of vesting and retirement eligibility start retroactively at the member's initial date of service as an elected official

This projection study was prepared based on the plan provisions and actuarial assumptions and methods as described in the sections titled "Outline of Principal Provisions" (pages 9 and 10) and "Actuarial Assumptions and Actuarial Cost Methods Used" (pages 11 and 12). The results are also based on the census data for the potential covered group as provided by the City. Additionally, we have included below several important items to note:

- Administrative expenses of the defined benefit pension plan are included in the projected contributions amounts. Administrative expenses are assumed to be \$30,000 in the first year and then increase by 2.0% each future year.
- The projections are deterministic, meaning throughout the projection period, plan experience is expected to match the assumptions used during all future years beginning with the fiscal year ending September 30, 2025, including the assumed investment return of 6.75% each year. This

report does not include an assessment of the risks of future experience not meeting the actuarial assumptions. The assessment of risks was outside the scope of this assignment. We encourage a review and assessment of significant risks that may have a material effect on the proposed plan's financial condition.

- Contributions required to the defined benefit plan are certain to fluctuate from one year to the next. If requested, we can prepare additional projections to show the likely ranges of the City's required contribution based on alternate investment returns ("stress test").
- Throughout the projection period, new elected officials are assumed to join the plan each year at a rate sufficient to maintain a constant active five-person headcount over the 20-year projection period. New members are assumed to have the same average demographic characteristics (age, gender, salary – increase by 2.0% each future year) as those of current members.
- The demographic assumptions were based on the actuarial assumptions used for another elected official plan with similar demographics as the covered group for the proposed plan. If a defined benefit pension plan is established, we recommend that the actuarial assumptions be reviewed and revised periodically to reflect emerging experience.
- It is important to note that these projections show the results reflecting the proposed plan provisions summarized in this report only. Any additional benefits pursuant to Chapter 112.048 of the Florida Statutes are assumed to be paid by the City outside of the proposed defined benefit pension plan.

We will be pleased to review this report with the City and to answer any questions pertaining to the study. There are various alternatives in benefit provisions to consider when designing a pension plan. Please let us know if you would like us to analyze the cost of any variations of the proposed provisions.

#### **Risks Associated with Measuring the Accrued Liability and Actuarially Determined Contribution**

The determination of the accrued liability and the actuarially determined contribution requires the use of assumptions regarding future economic and demographic experience. Risk measures are intended to aid in the understanding of the effects of future experience differing from the assumptions used in the course of the actuarial valuation. Risk measures may also help with illustrating the potential volatility in the accrued liability and the actuarially determined contribution that results from the differences between actual experience and the actuarial assumptions.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: Plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions due to changing conditions; increases or decreases expected as part of the natural operation of the



methodology used for these measurements (such as the end of an amortization period, or additional cost or contribution requirements based on the Plan's funded status); and changes in Plan provisions or applicable law. The scope of this study does not include an analysis of the potential range of such future measurements.

Examples of risk that may reasonably be anticipated to significantly affect the Plan's future financial condition include:

1. Investment risk – actual investment returns may differ from the either assumed or forecasted returns;
2. Contribution risk – actual contributions may differ from expected future contributions. For example, actual contributions may not be made in accordance with the Plan's funding policy or material changes may occur in the anticipated number of covered employees, covered payroll, or other relevant contribution base;
3. Salary and Payroll risk – actual salaries and total payroll may differ from expected, resulting in actual future accrued liability and contributions differing from expected;
4. Longevity risk – members may live longer or shorter than expected and receive pensions for a period of time other than assumed;
5. Other demographic risks – members may terminate, retire or become disabled at times or with benefits other than assumed resulting in actual future accrued liability and contributions differing from expected.

The effects of certain trends in experience can generally be anticipated. For example, if the investment return is less (or more) than the assumed rate, the cost of the Plan can be expected to increase (or decrease). Likewise, if longevity is improving (or worsening), increases (or decreases) in cost can be anticipated.

The computed contribution amounts may be considered as a minimum contribution that complies with the pension Board's funding policy and the State statutes. The timely receipt of the actuarially determined contributions is critical to support the financial health of the Plan. Users of this report should be aware that contributions made at the actuarially determined rate do not necessarily guarantee benefit security.

### **Risk Assessment**

Risk assessment was outside the scope of this report. Risk assessment may include scenario tests, sensitivity tests, stochastic modeling, stress tests, and a comparison of the present value of accrued benefits at low-risk discount rates with the actuarial accrued liability. We are prepared to perform such assessment to aid in the decision-making process.



### **Additional Disclosures**

This report was prepared at the request of the City and is intended for use by the City and those designated or approved by the City. This report may be provided to parties other than the City only in its entirety and only with the permission of the City. GRS is not responsible for unauthorized use of this report.

This report is intended to describe the financial effect of the proposed plan designs. Except as otherwise noted, potential effects on other benefit plans were not considered. No statement in this report is intended to be interpreted as a recommendation in favor of the changes, or in opposition to them.

The calculations in this report are based upon data provided by the City. We did not audit the data. We are not responsible for the accuracy or completeness of the information provided by the City.

The calculations are based upon assumptions regarding future events, which may or may not materialize. They are also based on the assumptions, methods, and plan provisions outlined in this report. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law.

If you have reason to believe that the assumptions that were used are unreasonable, that the plan provisions are incorrectly described, that important plan provisions relevant to this proposal are not described, or that conditions have changed since the calculations were made, you should contact the author of the report prior to relying on information in the report.

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

Jeffrey Amrose and Trisha Amrose are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein. The undersigned actuaries are independent of the plan sponsor.

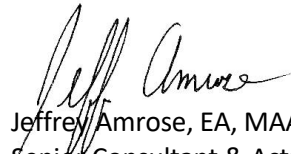
This report has been prepared by actuaries who have substantial experience valuing public employee retirement systems. To the best of our knowledge the information contained in this report is accurate and fairly presents the actuarial position of the plan as of the valuation date. All calculations have been made in conformity with generally accepted actuarial principles and practices, and with the Actuarial Standards of Practice issued by the Actuarial Standards Board and with applicable statutes.



Ms. Heather Dailey  
May 13, 2025  
Page 5

We welcome your questions and comments.

Sincerely yours,  
Gabriel, Roeder, Smith & Company



Jeffrey Amrose, EA, MAAA  
Senior Consultant & Actuary



Trisha Amrose, EA, MAAA  
Consultant & Actuary

Enclosures

This communication shall not be construed to provide tax advice, legal advice or investment advice.





**Miramar Elected Officials**  
**20-Year Projection of Required City Contributions**  
**Scenario 1: 1% Benefit Multiplier**

Fiscal Year Ending	Valuation Date	Covered Payroll for Contribution Year	Required City Contribution	UAAL on Valuation Date	Funded Ratio on Valuation Date
2025	10/1/2024	\$ 194,792	\$ 58,365	\$ 118,315	0%
2026	10/1/2025	198,696	59,214	109,650	21%
2027	10/1/2026	202,665	60,085	100,400	37%
2028	10/1/2027	206,706	60,972	90,526	50%
2029	10/1/2028	212,914	61,593	79,985	61%
2030	10/1/2029	219,172	62,351	68,733	69%
2031	10/1/2030	223,265	63,311	56,721	76%
2032	10/1/2031	227,464	64,290	43,899	83%
2033	10/1/2032	231,762	65,283	30,210	89%
2034	10/1/2033	238,371	66,582	15,598	95%
2035	10/1/2034	242,799	51,511	-	100%
2036	10/1/2035	247,340	52,575	-	100%
2037	10/1/2036	251,993	53,653	-	100%
2038	10/1/2037	257,228	54,736	-	100%
2039	10/1/2038	262,681	55,826	-	100%
2040	10/1/2039	267,743	56,954	-	100%
2041	10/1/2040	263,568	58,510	-	100%
2042	10/1/2041	269,580	59,532	-	100%
2043	10/1/2042	276,244	60,550	-	100%
2044	10/1/2043	281,522	61,783	-	100%
<b>Total:</b>			<b>\$ 1,187,676</b>		
<b>Total Present Value at 6.75%:</b>			<b>\$ 689,105</b>		

**Summary of Proposal**

Benefit Formula: 1% of AFC for each year of service, including retroactive service (Max of 80% of AFC)

Average Final Compensation (AFC): Average base salary for highest 3 years

Normal Retirement Date: Age 65 with 8 years of service, including retroactive service

Vesting: 8 years of service, including retroactive service

Member Contribution Rate: 0%



**Miramar Elected Officials**  
**20-Year Projection of Required City Contributions**  
**Scenario 2: 3% Benefit Multiplier**

Fiscal Year Ending	Valuation Date	Covered Payroll for Contribution Year	Required City Contribution	UAAL on Valuation Date	Funded Ratio on Valuation Date
2025	10/1/2024	\$ 194,792	\$ 111,571	\$ 346,178	0%
2026	10/1/2025	198,696	112,878	320,825	21%
2027	10/1/2026	202,665	114,217	293,761	37%
2028	10/1/2027	206,706	115,581	264,870	50%
2029	10/1/2028	212,914	116,052	234,029	61%
2030	10/1/2029	219,172	116,907	201,106	69%
2031	10/1/2030	223,265	118,420	165,960	76%
2032	10/1/2031	227,464	119,954	128,443	83%
2033	10/1/2032	231,762	121,510	88,393	89%
2034	10/1/2033	238,371	123,880	45,639	95%
2035	10/1/2034	242,799	78,380	-	100%
2036	10/1/2035	247,340	80,054	-	100%
2037	10/1/2036	251,993	81,753	-	100%
2038	10/1/2037	257,228	83,414	-	100%
2039	10/1/2038	262,681	85,053	-	100%
2040	10/1/2039	267,743	86,798	-	100%
2041	10/1/2040	263,568	90,096	-	100%
2042	10/1/2041	269,580	91,428	-	100%
2043	10/1/2042	276,244	92,699	-	100%
2044	10/1/2043	281,522	94,627	-	100%
<b>Total:</b>			<b>\$ 2,035,272</b>		
<b>Total Present Value at 6.75%:</b>			<b>\$ 1,220,339</b>		

**Summary of Proposal**

Benefit Formula: 3% of AFC for each year of service, including retroactive service (Max of 80% of AFC)

Average Final Compensation (AFC): Average base salary for highest 3 years

Normal Retirement Date: Age 65 with 8 years of service, including retroactive service

Vesting: 8 years of service, including retroactive service

Member Contribution Rate: 0%



**Miramar Elected Officials**  
**20-Year Projection of Required City Contributions**  
**Scenario 3: 5% Benefit Multiplier**

Fiscal Year Ending	Valuation Date	Covered Payroll for Contribution Year	Required City Contribution	UAAL on Valuation Date	Funded Ratio on Valuation Date
2025	10/1/2024	\$ 194,792	\$ 147,566	\$ 490,030	0%
2026	10/1/2025	198,696	149,294	454,142	21%
2027	10/1/2026	202,665	151,058	415,831	38%
2028	10/1/2027	206,706	152,843	374,935	51%
2029	10/1/2028	212,914	151,772	331,278	61%
2030	10/1/2029	219,172	151,317	284,674	69%
2031	10/1/2030	223,265	153,392	234,924	76%
2032	10/1/2031	227,464	155,466	181,816	83%
2033	10/1/2032	231,762	157,555	125,124	89%
2034	10/1/2033	238,371	159,538	64,604	95%
2035	10/1/2034	242,799	95,019	-	100%
2036	10/1/2035	247,340	97,260	-	100%
2037	10/1/2036	251,993	99,514	-	100%
2038	10/1/2037	257,228	101,371	-	100%
2039	10/1/2038	262,681	103,100	-	100%
2040	10/1/2039	267,743	105,305	-	100%
2041	10/1/2040	263,568	112,442	-	100%
2042	10/1/2041	269,580	113,395	-	100%
2043	10/1/2042	276,244	113,873	-	100%
2044	10/1/2043	281,522	116,395	-	100%
<b>Total:</b>			<b>\$ 2,587,475</b>		
<b>Total Present Value at 6.75%:</b>			<b>\$ 1,567,971</b>		

**Summary of Proposal**

Benefit Formula: 5% of AFC for each year of service, including retroactive service (Max of 80% of AFC)

Average Final Compensation (AFC): Average base salary for highest 3 years

Normal Retirement Date: Age 65 with 8 years of service, including retroactive service

Vesting: 8 years of service, including retroactive service

Member Contribution Rate: 0%



<p style="text-align: center;"><b>OUTLINE OF PRINCIPAL PROVISIONS FOR PROPOSED CITY OF MIRAMAR ELECTED OFFICIALS PENSION PLAN</b></p>
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A. Normal Retirement

1. Eligibility

Age 65 with at least 8 years of service. Eligibility service starts retroactively at the member's initial date of service as an elected official.

2. Benefit

1% (Scenario 1), 3% (Scenario 2), or 5% (Scenario 3) of AFC for each year of service (max of 80% of AFC). Benefit service starts retroactively at the member's initial date of service as an elected official.

3. Form of Payment

Life Annuity (normal form of payment), with other annuity options available.

B. Early Retirement

None.

C. Disability Retirement

None.

D. Deferred Retirement (Vested)

1. Eligibility

Any age with at least 8 years of service. Vesting service starts retroactively at the member's initial date of service as an elected official.

2. Benefit

The accrued benefit payable at the member's Normal Retirement date.

3. Form of Payment

Same as for Normal Retirement.

E. Pre-Retirement Death Benefit

In the case of the death of a member prior to retirement with at least 8 years of service, the beneficiary will receive the member's vested accrued benefit deferred to the Normal Retirement Date. Eligibility service starts retroactively at the member's initial date of service as an elected official

F. Vested Interest

A member earns a 100% vested interest upon completing 8 years of service. Vesting service starts retroactively at the member's initial date of service as an elected official.

G. Compensation

Pensionable compensation is base salary.

H. Average Final Compensation (AFC)

Average base salary for the highest three years of service.

I. Membership Requirements

All elected officials of the City of Miramar, Florida participate in the Defined Benefit Pension Plan.

J. Member Contributions

0% of Compensation.

K. Cost of Living Adjustment

None.

L. Deferred Retirement Option Program (DROP)

None.

M. City Contribution Policy

The City contributes to the Defined Benefit Pension Plan in accordance with the requirements of Part VII, Chapter 112 of the Florida Statutes.



## ACTUARIAL ASSUMPTIONS, ACTUARIAL COST METHODS AND DATA USED FOR PROPOSED CITY OF MIRAMAR ELECTED OFFICIALS PENSION PLAN

### A. Actuarial Cost Method

Normal cost and the allocation of benefit values between service rendered before and after the valuation date were determined using an **Individual Entry-Age Actuarial Cost Method** having the following characteristics:

- (i) the annual normal cost for each individual active member, payable from the date of plan entry to the date of retirement, is sufficient to accumulate the value of the member's benefit at the time of retirement;
- (ii) each annual normal cost is a constant percentage of the member's year by year projected covered pay.

Actuarial gains/(losses), as they occur, reduce (increase) the Unfunded Actuarial Accrued Liability.

### B. Interest Rate

The interest rate used to calculate all liabilities and the investment return assumption is 6.75%, compounded annually, net of investment related expenses.

### C. Mortality

The mortality assumption is the same mortality assumption used in the July 1, 2024 actuarial valuation for the Florida Retirement System (FRS) for Regular (non-K-12 Instructional) Class members. This is in compliance with Florida Statutes 112.63, which requires all municipal (governmental) pension plans in Florida to use the same mortality tables used in either of the last two actuarial valuation reports of FRS.

The mortality table for healthy employees are the PUB-2010 Headcount Weighted Below Median Healthy Retiree Mortality Tables with future improvements in mortality projected to all future years from the year 2010 using Scale MP-2018. The tables use ages set back one year for males.

### D. Disability Rates

N/A

### E. Retirement Rates

The retirement rate is assumed to be 100% upon reaching normal retirement age, but not before the term currently being served by each elected official is scheduled to end.



F. Withdrawal Rates

Representative values of the assumed annual rates of withdrawal among members in active service are set forth in the following table:

<u>Age</u>	<u>Withdrawal Rates</u>
20	17.2%
25	16.6%
30	15.0%
35	11.8%
40	8.2%
45	4.8%
50	1.7%
55	0.6%
60	0.5%

G. Salary Increases

Salaries are assumed to increase at 2.0% per year.

H. Administrative Expenses

Annual administrative expenses are assumed to be \$30,000 in the initial year and then to increase by 2.0% each future year.

I. Assets

The actuarial value of assets (AVA) is equal to the market value of assets adjusted to reflect a five (5) year phase-in of the difference between the expected versus actual return on the market value of assets. The AVA is limited to an 80%-120% corridor of the market value of assets.

J. Funding Period (Pursuant to Chapter 112, Florida Statutes)

The annual payment towards the Unfunded Actuarial Accrued Liability (UAAL) has been determined as a level dollar amount over a period of 10 years.

K. Census Data Used

Data for five current elected officials provided by the City. Averages as of October 1, 2024:  
Age – 57.8 years, Retroactive Service – 6.9 years, and Salary – \$38,958