

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

First Reading Date: November 17, 2025

Second Reading Date: January 21, 2026

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

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

Temp. Ord. Number: 1859

Item Description: **FIRST READING** of Temp. Ord. #O1859 AMENDING CHAPTER 15, ARTICLE V, OF THE CITY CODE OF THE CITY OF MIRAMAR GOVERNING THE CITY'S CONSOLIDATED RETIREMENT AND TRUST FUND; AMENDING SECTION 15-322 TO PERMIT RETIREES TO SUBSTITUTE A NEW JOINT ANNUITANT ON AN ACTUARIALLY EQUIVALENT BASIS AND PERMITTING THE PURCHASE OF AN OPTIONAL ACTUARIALLY EQUIVALENT COLA; AMENDING SECTION 15-327(s) TO CREATE A DROP LOAN PROGRAM; AMENDING SECTION 15-328(d) TO PERMIT 50% OF PART TIME SERVICE TO BE USED FOR VESTING AND RETIREMENT ELIGIBILITY PURPOSES; CREATING SECTION 15-329 TO CREATE A POST RETIREMENT OPTION PLAN; AMENDING SECTION 15-345 TO PERMIT GRANDFATHERED MANAGEMENT PLAN RETIREES TO SUBSTITUTE A NEW JOINT ANNUITANT ON AN ACTUARIALLY EQUIVALENT BASIS; PROVIDING FOR SEVERABILITY; PROVIDING FOR CODIFICATION; AND PROVIDING FOR AN EFFECTIVE DATE. (Chief HR Officer / HR Director 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: none

Content:

- **Agenda Item Memo from the City Manager to City Commission**
- **Ordinance TO1859**
 - **Attachment 1:** GRS Projection Study / Actuarial Impact Statement (AIS) dated September 2, 2025.

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. 1859, amending Chapter 15, Article V of the City Code of the City of Miramar governing the City's Consolidated Retirement Plan and Trust Fund; amending provisions related to joint annuitant substitution, optional COLA, DROP loans, part-time service credit, and establishing a Post Retirement Option Plan (PROP).

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 the public purpose, such as serving the public health, safety, morals and welfare):

The ordinance amends Chapter 15, Article V of the City Code to provide additional retirement flexibility and administrative options in the City's Consolidated Retirement Plan. Changes include allowing retirees to substitute a new joint annuitant, offering an optional actuarially equivalent cost-of-living adjustment (COLA), establishing a DROP loan program, crediting part-time "benefit eligible" service at 50% for vesting and retirement eligibility, and creating a Post Retirement Option Plan (PROP). These amendments were recommended by the Pension Board of Trustees, reviewed by the plan actuary, and are intended to improve member options, flexibility, and administrative efficiency while maintaining actuarial soundness.

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 only to City employees who are members of the Consolidated Retirement Plan.

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

(c) Regulatory costs to the City: Yes. The actuary determined that crediting part-time service will increase the City's required employer contribution by approximately \$203,958 in the first year (0.41% of covered payroll), raising the contribution from \$13,172,691 to \$13,376,649 if paid on the first day of the fiscal year. The present value of the additional cost is approximately \$254,000 in today's dollars. Costs associated with optional features (COLA purchase, joint annuitant changes) are borne by individual members.

3. Good faith estimate of the number of businesses likely to be impacted by the proposed ordinance: None. The ordinance does not impose costs or requirements on businesses.


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

The ordinance is limited to City pension plan members and has no regulatory impact on private entities. Any fiscal effects are borne by the City as employer contributions and/or by individual employees who elect optional benefit features.



**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: November 12, 2025

RE: FIRST READING of Temp. Ord. No. 1859 amending Chapter 15, Article V, of the City Code to Incorporate Board-Recommended Modifications to the City's Consolidated Retirement Plan & Trust Fund

RECOMMENDATION: The City Manager recommends approval of Temporary Ordinance No. 1859, amending Chapter 15, Article V, of the City Code to update provisions of the City's Consolidated Retirement Plan and Trust Fund for non-public safety employees. The proposed amendments incorporate changes recommended by the Pension Board of Trustees to improve plan flexibility, member options, and administrative efficiency, consistent with actuarial principles and best practices.

ISSUE: Commission approval is required to amend the City Code to incorporate recommended Plan changes, including new benefit options, updated administrative provisions, and enhanced member flexibility in retirement planning.

BACKGROUND: Chapter 15, Article V of the City Code governs the Consolidated Retirement Plan and Trust Fund for non-public safety employees (GAME & Unrepresented). Periodic review by the Pension Board of Trustees, in consultation with plan service providers, ensures the plan remains financially sound, compliant with applicable laws, and responsive to member needs.

Following much consideration, the Pension Board recommended several amendments, all of which have been reviewed by the actuary and legal counsel. General Association of Miramar Employees (G.A.M.E.), the collective bargaining agents for covered members in the Plan, have waived bargaining on these changes.

DISCUSSION: The proposed ordinance makes the following key changes:

1. **Joint Annuitant Change** – Amends Sections 15-322 and 15-345 to allow retirees, including grandfathered Management Plan retirees, who elected a joint and survivor option, to change their joint annuitant up to two times after retirement

benefits begin. Benefit amounts are actuarially recalculated to remain equivalent, with the retiree responsible for related costs.

2. **Optional Actuarially Equivalent COLA** – Amends Section 15-322 to allow members, prior to retirement, to elect an actuarially reduced benefit with an automatic cost-of-living adjustment (0.5%, 1%, 1.5%, or 2%) beginning five years after retirement or DROP entry. Current DROP participants have a 45-day window to make a one-time election.
3. **DROP Loan Program** – Amends Section 15-327(s) to establish a loan program for retirees with DROP balances, aligned with the City's 457(b) loan provisions, including limits on loan amounts, terms, interest rates, and defaults.
4. **Post Retirement Option Plan (PROP)** – Creates Section 15-329 establishing a voluntary one-time election for members, including DROP participants, to defer a portion of their monthly service retirement annuity into a self-directed PROP account, subject to specific rules, investment risk acknowledgment, and Board oversight.
5. **Part-Time Service Credit** – Amends Section 15-328(d) to credit part-time "benefit eligible" service at 50% toward vesting and retirement eligibility when a member becomes full-time, without using such service for benefit calculation purposes.

These amendments are designed to expand member choice, provide additional retirement income management options, and align plan provisions with current administrative capabilities.

BUDGET IMPACT/SUMMARY: The City's actuary has determined that most of the proposed amendments are actuarially neutral, with costs borne by the participating member for optional benefit features such as the COLA purchase and joint annuitant substitution.

However, the amendment permitting part-time "benefit eligible" service to be credited at 50% toward vesting and retirement eligibility when a member becomes full-time will result in an increase in the City's required employer contribution. For current full-time members with prior part-time service, the first-year cost is estimated at \$203,958 (0.41% of covered payroll), increasing the required contribution from \$13,172,691 to \$13,376,649 if paid in full on the first day of the fiscal year.

The present value of the additional employer cost for current affected members is approximately \$254,000 in today's dollars. This estimate does not include future costs for members who may have part-time service and become full-time after the valuation date. The Funded Ratio is projected to increase from 79.2% to 79.5% as a result of this change.

IMPLEMENTATION: If approved, the amendments will take effect upon adoption of the ordinance. The Pension Board of Trustees, in coordination with the plan administrator, will update member communication materials, administrative forms, and procedures to reflect the changes. Member education sessions will be conducted to ensure understanding of the new options.

**CITY OF MIRAMAR
MIRAMAR, FLORIDA**

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COMMISSION OF THE CITY OF MIRAMAR, FLORIDA, AMENDING CHAPTER 15, ARTICLE V, OF THE CITY CODE OF THE CITY OF MIRAMAR GOVERNING THE CITY'S CONSOLIDATED RETIREMENT AND TRUST FUND; AMENDING SECTION 15-322 TO PERMIT RETIREES TO SUBSTITUTE A NEW JOINT ANNUITANT ON AN ACTUARIALLY EQUIVALENT BASIS AND PERMITTING THE PURCHASE OF AN OPTIONAL ACTUARIALLY EQUIVALENT COLA; AMENDING SECTION 15-327(s) TO CREATE A DROP LOAN PROGRAM; AMENDING SECTION 15-328(d) TO PERMIT 50% OF PART TIME SERVICE TO BE USED FOR VESTING AND RETIREMENT ELIGIBILITY PURPOSES; CREATING SECTION 15-329 TO CREATE A POST RETIREMENT OPTION PLAN; AMENDING SECTION 15-345 TO PERMIT GRANDFATHERED MANAGEMENT PLAN RETIREES TO SUBSTITUE A NEW JOINT ANNUITANT ON AN ACTUARIALLY EQUIVALENT BASIS; PROVIDING FOR SEVERABILITY; PROVIDING FOR CODIFICATION; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, Chapter 15 "Pensions," Article V "City Consolidated Retirement Plan and Trust Fund" of the City of Miramar Code of Ordinances governs the retirement plan and trust fund for non-public safety employees; and

WHEREAS, the Pension Board of Trustees, in consultation with their service providers, has determined that the adoption of this ordinance is in the best interest of the employees and citizens of the City of Miramar; and

WHEREAS, the City and the collective bargaining agent for covered employee members have waived bargaining on this subject; and

WHEREAS, the Pension Board has recommended the adoption of the following amendments.

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

Section 1. Section 15-322 of the City Code is hereby amended to read as follows

for Consolidated Plan members:

Sec. 15-322. Optional forms of benefit payments.

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 the benefit payable under any one (1) of the options as 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 beginning of 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.

- (1) *Option 1. Joint and last survivor option.* The member may elect to receive a reduced benefit during his or her lifetime and have such benefit (or a designated fraction thereof) continued after his or her death to and during the lifetime of his or her designated beneficiary. The election of Option 1 shall be null and void if the designated beneficiary dies before the member's benefit payments commence.

(a) Ability to change joint annuitants:

1. The member, upon electing any option of this section, will designate the joint pensioner or beneficiary (or beneficiaries) to receive the benefit, if any, payable under the system in the event of member's death, and will have the power to change such designation from time to time. Such designation will name a joint pensioner or one or more primary beneficiaries where applicable. A member may change his or her beneficiary at any time. If a member has elected an option with a joint pensioner and the member's retirement income benefits have commenced, the member may thereafter change his designated beneficiary at any time but may only change his joint annuitant twice. Subject to the above restriction, a member may substitute a new joint annuitant for a deceased joint annuitant. In the absence of proof of good health of the joint annuitant being replaced, the actuary will

assume that the joint annuitant has deceased for purposes of calculating the new payment.

2. The consent of a member's or retiree's joint annuitant or beneficiary to any such change shall not be required. The rights of all previously designated annuitants or beneficiaries to receive benefits under the system shall thereupon cease.
3. Upon change of a retiree's joint annuitant in accordance with this section, the amount of the retirement income payable to the retiree shall be actuarially redetermined to take into account the age of the former joint annuitant, the new joint annuitant and the retiree and to ensure that the benefit paid is the actuarial equivalent of the present value of the member's current benefit at the time of the change. Any such retiree shall pay the actuarial recalculation expenses. Each request for a change will be made in writing on a form prepared by the board and on completion will be filed with the board.

- (4) *Option 4. Optional actuarially equivalent COLA.* Prior to retiring, members shall be permitted to select an actuarially reduced benefit with an automatic cost of living adjustment ("COLA") beginning five (5) years after commencement of retirement benefits. The actuarially reduced benefit shall be payable during the lifetime of the member with a guaranteed annual increase in the member's retirement benefit of one half (.5) percent, one (1) percent, one and one-half (1.5) percent, or two (2) percent, depending on which COLA option is selected by the member. The COLA adjustment shall take effect on the anniversary of the first benefit check payable to the member, or the first payment into the member's DROP account, as applicable. COLA benefits shall be payable to a joint annuitant or beneficiary, to the extent an optional form of benefit has been elected. The selection of a COLA option is irrevocable once monthly benefits have commenced. The cost of the actuarially equivalent COLA benefit shall be paid by the member, who shall have the option of: (i) receiving an actuarially reduced benefit, (ii) paying the lump sum cost of the COLA purchase, or (iii) such other actuarially equivalent payment method permitted by the board. Current DROP participants shall have forty-five (45) days to make an irrevocable election to purchase an actuarially equivalent COLA.

Section 2. Section 15-327 of the City Code is hereby amended to read as follows:

Sec. 15-327. Deferred retirement option plan.

s) DROP Loan Program: A DROP Loan Program is hereby established for retirees who participated in the DROP program. The following limitations shall apply, unless otherwise agreed with the City's 457 vendor:

(1) Availability of loans:

- a. Loans are available to members consistent with the loan program utilized by the City's 457 deferred compensation program.
- 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 50% of account balance.
- 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) Term of loan:

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

(4) Loan interest rate:

- a. The interest rate shall be fixed at the time the loan is originated for the entire term of the 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.

(5) 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.
- d. Upon default of a loan, a member will not be eligible for additional loans.

(6) Miscellaneous provisions:

- a. All loans must be evidenced by a written loan agreement signed by the member and vendor administering the program. 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.
- f. The vendor retained by the Board to administer the DROP loan program shall agree to indemnify and hold the Board harmless.

Section 3. Section 15-328 of the City Code is hereby amended to read as follows:

Sec. 15-328. Purchase of enhanced service credit; prior city service.

- (a) *Purchase of enhanced service credit.* Members of the plan may purchase up to five (5) years of enhanced service credit, based on the calculations performed by the plan's actuary. Members purchasing enhanced service credit shall be required to pay the full actuarial impact to the plan of the purchased service. The contribution by the member of the actuarially determined cost of

- the buyback may be made (i) in one (1) lump sum payment or (ii) by payroll deductions in installments for a period of time which shall not exceed five (5) years, with interest. Enhanced service credit may not be used for vesting purposes, but will otherwise constitute service credit for purposes of normal retirement eligibility.
- (b) *Purchase of prior city service.* Notwithstanding any other provisions of this plan, former members of the 401(a) plan shall be permitted to purchase prior full-time city service in the 401(a) plan. Members purchasing prior city service shall be required to pay the full actuarial impact to the plan of the purchased service. The contribution by the member of the actuarially determined cost of the buyback may be made (i) in one (1) lump sum payment or (ii) by payroll deductions in installments for a period of time which shall not exceed five (5) years, with interest.
- (c) *Rulemaking authority.* The board shall have rulemaking authority to implement the provisions of this section.
- (d) *Part-time service.* Part-time “benefit eligible” employees, as classified by the City, who become full-time members, shall be credited with their part-time service as follows for vesting and retirement eligibility purposes.
1. Part-time service shall be equivalent to fifty percent (50%) of full-time service for purposes of vesting and retirement eligibility. For example, a member with one year of part-time service shall be credited with six (6) months of service under the Plan to be applied only for vesting and retirement eligibility.
 2. Part-time service shall not be used for benefit calculation purposes, other than as set above in subsection 1.

Section 4. Section 15-329 of the City Code is hereby created to read as follows:

Section 15-329. Post Retirement Option Plan.

- (a) A Post Retirement Option Plan (PROP) is hereby created.
- (b) A member, including DROP participants, may make a one-time election to defer a specified portion of his or her monthly service retirement annuity into the PROP. The election must occur prior to separation from service. The amount of the deferral to the PROP cannot be altered.

- (c) A member who elects to defer amounts into the PROP must provide a written statement with their election to participate in the PROP acknowledging that: i) they have been advised to consult with a professional tax advisor of the member's own choosing with regard to the possible tax consequences of electing to defer such payments into the PROP and of electing to receive distributions from the member's PROP account and ii) they understand that the Board cannot provide tax or legal advice.
- (d) PROP account balances shall be invested in self-directed accounts using a vendor retained by the Board.
- (e) The member shall agree in writing that they bear the risk of all investment decisions and shall agree to indemnify and hold the Board harmless for their decision to participate in the PROP program.
- (f) A member can only participate in the PROP one time. If a member ceases participation in the PROP, the member may not resume deferrals.
- (g) The Board shall have rulemaking authority to implement the provisions of this section.
- (h) The PROP is not a vested benefit and may be altered or eliminated in accordance with the Board's rulemaking power.

Section 5. Section 15-345 of the City Code is hereby amended to read as follows:

Sec. 15-345. Service retirement benefits for former Management Plan members.

The optional forms of benefit shall be as follows:

(1) *Life annuity.* A member may elect to receive an enhanced annuity payable for life. There shall be no guaranteed payment in excess of the accumulated contributions of the member, which contributions shall be paid to the member's estate or designated beneficiary should the member die prior to receiving payments equal to said contributions.

(2) *Joint and survivor option.* A member may elect to receive a benefit for life and to have the benefit (or a designated fraction of the benefit) continued after the member's death and during the lifetime of a designated survivor. A designated survivor may be any natural person. In the event the designated survivor dies before the member's

benefit payments begin, this option shall be canceled automatically, and a retirement income shall be payable to the member as if the election had never been made.

a. Ability to change joint annuitants:

1. The member, upon electing any option of this section, will designate the joint pensioner or beneficiary (or beneficiaries) to receive the benefit, if any, payable under the system in the event of member's death, and will have the power to change such designation from time to time. Such designation will name a joint pensioner or one or more primary beneficiaries where applicable. A member may change his or her beneficiary at any time. If a member has elected an option with a joint annuitant and the member's retirement income benefits have commenced, the member may thereafter change his designated beneficiary at any time but may only change his joint annuitant twice. Subject to the above restriction, a member may substitute a new joint annuitant for a deceased joint annuitant. In the absence of proof of good health of the joint annuitant being replaced, the actuary will assume that the joint annuitant has deceased for purposes of calculating the new payment.
2. The consent of a member's or retiree's joint annuitant or beneficiary to any such change shall not be required. The rights of all previously designated annuitants to receive benefits under the system shall thereupon cease.
3. Upon change of a retiree's joint annuitant in accordance with this section, the amount of the retirement income payable to the retiree shall be actuarially redetermined to take into account the age of the former joint annuitant, the new joint annuitant and the retiree and to ensure that the benefit paid is the actuarial equivalent of the present value of the member's current benefit at the time of the change. Any such retiree shall pay the actuarial recalculation expenses. Each request for a change will be made in writing on a form prepared by the board and on completion will be filed with the board.

Section 6. 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 7. 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 8. 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 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 9. The provisions of this Ordinance shall not apply to deferred vested members who have separated from service prior to the effective date of this Ordinance. This Ordinance shall neither enhance nor diminish benefits for deferred vested members.

Section 10. This Ordinance shall become effective upon adoption.

Temp. Ord. No.1859

10/21/25

11/10/25

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

Requested by Administration

Commissioner Maxwell B. Chambers

Commissioner Avril Cherasard

Vice Mayor Yvette Colbourne

Commissioner Carson Edwards

Mayor Wayne M. Messam

Voted



September 2, 2025

Ms. Christine Mendez
Pension Administrator
Gabriel, Roeder, Smith & Company
One East Broward Blvd., Suite 505
Ft. Lauderdale, FL 33301

**Re: City of Miramar Consolidated Retirement Plan & Trust Fund
Actuarial Impact Statement**

Dear Christine:

As requested, we have prepared the enclosed Actuarial Impact Statement for the City of Miramar Consolidated Retirement Plan & Trust Fund which measures the first-year financial impact of the proposed ordinance which would amend the Plan as follows:

- Allow 50% of prior part-time with benefits service to count as service in the pension plan for vesting and retirement eligibility purposes. This service will not be used to determine the benefit amount.

The proposed change was applied to the 147 members of the Plan as of October 1, 2024 (i.e., full-time employees as of October 1, 2024) who had prior part-time service with the City. Please note that this study does not include the impact of part-time employees who move to a full-time position in future years (i.e., this study only includes current full-time members).

Summary of Findings

- The required Employer contribution in the first year would increase by \$203,958 (0.41% of covered payroll), from \$13,172,691 (26.48% of covered payroll) to \$13,376,649 (26.89% of covered payroll), if paid in full on the first day of the fiscal year.
- The increase in Employer cost associated with counting 50% of part-time with benefits service in the pension plan is approximately \$254,000 in today's dollars. This is the Employer cost for counting part-time service in the pension plan for current members of the plan and does not include the cost for future members of the plan who have part-time service. This represents the value of the increased benefit payments that are expected to be paid, in today's dollars, funded by additional Employer contributions over time, if all of the actuarial assumptions are met each year.
- The Funded Ratio would increase by 0.3%, from 79.2% to 79.5%.

Additional Changes Included in the Proposed Ordinance

The proposed ordinance also amends the Plan as follows:

- Permit retirees, including grandfathered Management Plan retirees, who elect joint and survivor optional forms of benefit payments to substitute their joint annuitant up to two times. The benefit will be actuarially redetermined to account for the current age of the retiree, former joint annuitant, and new joint annuitant. If proof of good health of the former joint annuitant is not obtained, the actuary will assume the former joint annuitant has deceased when calculating the new benefit amount. The retiree will be required to pay the recalculation expenses.
- Add an optional form of benefit payment for members of the prior General Employees Plan and members of the Consolidated Retirement Plan that provided an actuarial equivalent automatic cost of living adjustment (COLA) of 0.5%, 1%, 1.5%, or 2% each year starting five years after retirement benefits commence. The cost of the actuarially equivalent COLA will be paid by the member by receiving an actuarially reduced benefit, paying the cost of the COLA in a lump sum, or another actuarially equivalent payment method approved by the Board. Current DROP members will have 45 days to elect to purchase the actuarially equivalent COLA.
- Establish a DROP loan program which permits DROP members to take loans from their own DROP accounts consistent with the loan program utilized by the City's 457 deferred compensation program. The maximum loan is 50% of the account balance, up to \$50,000, with a minimum of \$5,000. Only one loan is permitted at a time. The term of the loan must be at least one year and no longer than five years. The interest rate used is fixed for the full term at the loan origination date and is based on the prime rate published by an established local bank on the last day of each calendar quarter preceding the loan application date. The ordinance includes specifications regarding defaults on loans as well as other miscellaneous provisions.
- Establish a Post Retirement Option Plan (PROP) whereby members, including DROP participants, may make a one-time election to defer a specified portion of their monthly retirement benefits into the PROP before separating from service. PROP account balances will be invested in self-directed accounts using a vendor retained by the Board. The ordinance includes additional specifications regarding the PROP.

As stated above, the proposed ordinance provides an actuarially equivalent COLA option and allows retirees to change their joint annuitants in the future. Members who elect these options will be required to pay the full actuarial cost or to have their benefits adjusted in an actuarially equivalent manner. There may be future experience gains and losses associated with the COLA or change in joint annuitant if actual experience does not match the actuarial assumptions used to determine the cost of the COLA or joint annuitant change, so these features will increase the Plan's exposure to risk.



However, in our opinion, these additional changes will not have an actuarial impact on the current cost of the Retirement Plan for advance funding purposes.

Census Data, Actuarial Assumptions, and Methods

The census data, actuarial assumptions and methods used are the same as those used in the October 1, 2024 actuarial valuation report dated April 7, 2025. We also used the data provided by the City regarding prior part-time service.

Disclosures and Qualifications

Please refer to the last page of this report for a discussion of risks associated with measuring the accrued liability and actuarially determined contribution.

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

The purpose of this report is to describe the financial effect of potential changes in benefits. This report should not be relied on for any purpose other than the purpose described. The calculations in this report are based upon information furnished by the Plan Administrator for the October 1, 2024 Actuarial Valuation concerning Plan benefits, financial transactions, plan provisions and active members, terminated members, retirees and beneficiaries. We reviewed this information for internal and year-to-year consistency, but did not audit the data. We are not responsible for the accuracy or completeness of the information provided by the Plan Administrator.

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. 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.

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

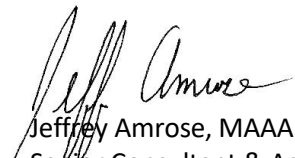



fairly presents the actuarial position of the Plan as of the valuation date. All calculations have been made in conformity with generally accepted actuarial principles and practices, and with the Actuarial Standards of Practice issued by the Actuarial Standards Board and with applicable statutes. We welcome your questions and comments.

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.

We welcome your questions and comments.

Sincerely yours,
Gabriel, Roeder, Smith & Company


Jeffrey Amrose, MAAA
Senior Consultant & Actuary


Trisha Amrose, MAAA
Consultant & Actuary

Enclosures

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



CITY OF MIRAMAR CONSOLIDATED RETIREMENT PLAN & TRUST FUND

Impact Statement – September 2, 2025

Description of Amendment

- Allow 50% of prior part-time with benefits service to count as service in the pension plan for vesting and retirement eligibility purposes. This service will not be used to determine the benefit amount.
- Permit retirees, including grandfathered Management Plan retirees, who elect joint and survivor optional forms of benefit payments to substitute their joint annuitant up to two times. The benefit will be actuarially redetermined to account for the current age of the retiree, former joint annuitant, and new joint annuitant. If proof of good health of the former joint annuitant is not obtained, the actuary will assume the former joint annuitant has deceased when calculating the new benefit amount. The retiree will be required to pay the recalculation expenses.
- Add an optional form of benefit payment that provided an actuarial equivalent automatic cost of living adjustment (COLA) of 0.5%, 1%, 1.5%, or 2% each year starting five years after retirement benefits commence. The cost of the actuarially equivalent COLA will be paid by the member by receiving an actuarially reduced benefit, paying the cost of the COLA in a lump sum, or another actuarially equivalent payment method approved by the Board. Current DROP members will have 45 days to elect to purchase the actuarially equivalent COLA.
- Establish a DROP loan program which permits DROP members to take loans from their own DROP accounts consistent with the loan program utilized by the City's 457 deferred compensation program. The maximum loan is 50% of the account balance, up to \$50,000, with a minimum of \$5,000. Only one loan is permitted at a time. The term of the loan must be at least one year and no longer than five years. The interest rate used is fixed for the full term at the loan origination date and is based on the prime rate published by an established local bank on the last day of each calendar quarter preceding the loan application date. The ordinance includes specifications regarding defaults on loans as well as other miscellaneous provisions.
- Establish a Post Retirement Option Plan (PROP) whereby members, including DROP participants, may make a one-time election to defer a specified portion of their monthly retirement benefits into the PROP before separating from service. PROP account balances will be invested in self-directed accounts using a vendor retained by the Board. The ordinance includes additional specifications regarding the PROP.

Funding Implication of Amendment

An actuarial cost estimate is attached.

Certification of Administrator

I believe the amendment to be in compliance with Part VII, Chapter 112, Florida Statutes and Section 14, Article X of the Constitution of the State of Florida.

For the Board of Trustees
as Plan Administrator



SUPPLEMENTAL ACTUARIAL VALUATION REPORT

Plan

City of Miramar Consolidated Retirement Plan & Trust Fund

Valuation Date

October 1, 2024

Date of Report

September 2, 2025

Report Requested by

Board of Trustees

Prepared by

Gabriel, Roeder, Smith & Company

Group Valued

All active and inactive members of the Plan as of October 1, 2024.

Plan Changes Being Considered for Change

Allow 50% of prior part-time with benefits service to count as service in the pension plan for vesting and retirement eligibility purposes. This service will not be used to determine the benefit amount.

Participants Affected

Current active members with prior part-time with benefits service who are currently full-time.

Actuarial Assumptions and Methods

Actuarial Assumptions and Methods are the same as October 1, 2024 Actuarial Valuation Report

Some of the key assumptions/methods are:

Investment Return	7.00%
Salary increase	4.00% - 7.50% per year based on group and service
Cost Method	Individual Entry-Age Actuarial Cost Method
Mortality	Mortality tables from the FRS Actuarial Valuation as of July 1, 2022

Amortization Period for Any Change in Actuarial Accrued Liability

20 Years

Summary of Data Used in Report

See attached page entitled "Participant Data"; same as the data provided for the October 1, 2024 Actuarial Valuation Report. We also used data received from the City regarding prior part-time service.



Actuarial Impact of Proposed Changes

See attached page(s).

Special Risks Involved That the Plan Has Not Been Exposed to Previously

Please refer to page 2 and the last page of this report for a discussion of risks associated with measuring the accrued liability and actuarially determined contribution.

Other Cost Considerations

None



ACTUARIALLY DETERMINED EMPLOYER CONTRIBUTION (ADEC)		
A. Valuation Date	October 1, 2024 <i>Valuation</i>	October 1, 2024 <i>Include 50% Part-Time Service</i>
B. ADEC to Be Paid During Fiscal Year Ending	9/30/2026	9/30/2026
C. Assumed Date of Employer Contrib.	10/1/2025	10/1/2025
D. Annual Payment to Amortize Unfunded Actuarial Liability	\$ 5,901,973	\$ 5,813,845
E. Employer Normal Cost	6,824,728	7,112,180
F. ADEC if Paid on the Valuation Date: D+E	12,726,701	12,926,025
G. ADEC Adjusted for Frequency of Payments	12,726,701	12,926,025
H. ADEC as % of Covered Payroll	26.48 %	26.89 %
I. Assumed Rate of Increase in Covered Payroll to Contribution Year	3.50 %	3.50 %
J. Covered Payroll for Contribution Year	49,745,811	49,745,811
K. ADEC For Contribution Year: H x J As a Percent of Payroll	13,172,691 26.48 %	13,376,649 26.89 %
L. Change in ADEC As a Percent of Payroll	N/A N/A	203,958 0.41 %

ACTUARIAL VALUE OF BENEFITS AND ASSETS		
A. Valuation Date	October 1, 2024 <i>Valuation</i>	October 1, 2024 <i>Include 50% Part-Time Service</i>
B. Actuarial Present Value of All Projected Benefits for		
1. Active Members		
a. Service Retirement Benefits	\$ 220,550,860	\$ 220,548,570
b. Vesting Benefits	6,631,035	6,646,510
c. Disability Benefits	-	-
d. Preretirement Death Benefits	2,527,693	2,504,300
e. Return of Member Contributions	1,094,064	988,952
f. Total	230,803,652	230,688,332
2. Inactive Members		
a. Service Retirees & Beneficiaries	156,129,994	156,129,994
b. Disability Retirees	-	-
c. Terminated Vested Members	7,332,131	7,332,131
d. Total	163,462,125	163,462,125
3. Total for All Members	394,265,777	394,150,457
4. Change in Present Value of Projected Benefits	N/A	(115,320)
C. Actuarial Accrued (Past Service) Liability under Entry Age Normal	308,910,591	307,601,752
D. Plan Assets		
1. Market Value	260,635,471	260,635,471
2. Actuarial Value	244,676,503	244,676,503
E. Unfunded Actuarial Accrued Liability: C - D2	64,234,088	62,925,249
F. Actuarial Present Value of Projected Covered Payroll	362,082,052	358,326,723
G. Actuarial Present Value of Projected Member Contributions	38,445,724	38,076,718
H. Change in Present Value of Projected Member Contributions	N/A	(369,006)
I. Funded Ratio: D2 / C	79.2%	79.5%

CALCULATION OF EMPLOYER NORMAL COST		
A. Valuation Date	October 1, 2024 <i>Valuation</i>	October 1, 2024 <i>Include 50% Part-Time Service</i>
B. Normal Cost for		
1. Service Retirement Benefits	\$ 10,562,475	\$ 10,807,221
2. Vesting Benefits	704,537	762,095
3. Disability Benefits	-	-
4. Preretirement Death Benefits	138,852	142,010
5. Return of Member Contributions	<u>310,387</u>	<u>292,377</u>
6. Total for Future Benefits	11,716,251	12,003,703
7. Assumed Amount for Administrative Expenses	<u>334,082</u>	<u>334,082</u>
8. Total Normal Cost	12,050,333	12,337,785
C. Expected Member Contribution	5,225,605	5,225,605
D. Employer Normal Cost: B8-C	6,824,728	7,112,180
E. Employer Normal Cost as % of Covered Payroll	14.20 %	14.80 %

PARTICIPANT DATA		
	October 1, 2024 <i>Valuation</i>	October 1, 2024 <i>Include 50% Part-Time Service</i>
ACTIVE MEMBERS		
Number	605	605
Covered Annual Payroll	\$ 48,063,586	\$ 48,063,586
Average Annual Payroll	\$ 79,444	\$ 79,444
Average Age	47.8	47.8
Average Past Service	10.2	10.2
Average Age at Hire	37.6	37.6
RETIREES, BENEFICIARIES & DROP		
Number	385	385
Annual Benefits	\$ 14,043,129	\$ 14,043,129
Average Annual Benefit	\$ 36,476	\$ 36,476
Average Age	66.7	66.7
DISABILITY RETIREES		
Number	0	0
Annual Benefits	\$ 0	\$ 0
Average Annual Benefit	\$ 0	\$ 0
Average Age	0.0	0.0
TERMINATED VESTED MEMBERS		
Number	52	52
Annual Benefits	\$ 871,149	\$ 871,149
Average Annual Benefit	\$ 16,753	\$ 16,753
Average Age	49.1	49.1

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 result 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 an actuarial valuation 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 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 the Board in the decision making process.

