

**CITY OF MIAMI  
FIRE FIGHTERS' AND POLICE OFFICERS'  
RETIREMENT TRUST**

**October 1, 2007 Actuarial Report**

**For the Fiscal and Plan Year  
October 1, 2008  
through  
September 30, 2009**

**Prepared By:**

**STANLEY, HOLCOMBE & ASSOCIATES, INC.  
2000 RiverEdge Parkway/ Suite 540  
Atlanta, GA 30328  
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**April 11, 2008**

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& A**

Stanley,  
Holcombe  
& Associates, Inc.

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April 11, 2008

Board of Trustees  
City of Miami Fire Fighters' and  
Police Officers' Retirement Trust  
1895 SW 3 Avenue  
Miami, FL 33129-1456

October 1, 2007 Actuarial Report

Dear Board Members:

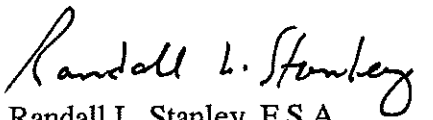
Enclosed is our draft report on the actuarial valuation of the City of Miami Fire Fighters' and Police Officers' Retirement Trust as of October 1, 2007, for the fiscal year beginning October 1, 2008.

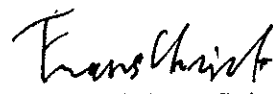
The report is based upon the terms of Ordinance No. 10002 and the Amended Final Judgment in the matter of Gates v. City of Miami.

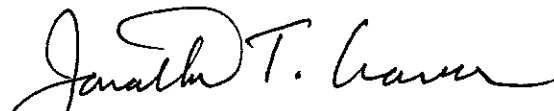
This report reflects a change to the payroll data as a consequence of the retroactive payments in the fiscal year ending September 30, 2007 and a recommended change to service-based salary increase assumptions from age-based assumptions.

The City contribution requirement is \$36,993,395, which is 35.7% of payroll.

Respectfully submitted,

  
Randall L. Stanley, F.S.A.  
Consulting Actuary and Principal

  
Frans Christ, F.S.A.  
Vice President and Consulting Actuary

  
Jonathan T. Craven, A.S.A.  
Consulting Actuary

RLS/FC/JTC/di  
MIAM101B

Enclosures (20)

**CITY OF MIAMI  
FIRE FIGHTERS' AND POLICE OFFICERS'  
RETIREMENT TRUST**

**OCTOBER 1, 2007 ACTUARIAL REPORT**

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**CITY OF MIAMI  
FIRE FIGHTERS' AND POLICE OFFICERS'  
RETIREMENT TRUST**

**OCTOBER 1, 2007 ACTUARIAL REPORT**

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**CITY OF MIAMI  
FIRE FIGHTERS' AND POLICE OFFICERS'  
RETIREMENT TRUST**

Comparative Summary of Principal Valuation Results - Regular Fund

	Actuarial Valuation	
	Prepared as of	
	<u>10/1/2007</u>	<u>10/1/2006</u>
<b>A. <u>Participant Data (Ex.7)</u></b>		
Active Members	1,463	1,485
Total Annual Payroll	\$103,630,392	\$90,363,952
Retired Members and Beneficiaries	1,633	1,570
Total Annualized Benefits	\$71,192,990	\$66,848,645
Disabled Members	209	209
Total Annualized Benefits	\$4,030,315	\$3,972,061
Terminated Vested Members	22	22
Total Annualized Benefits	\$509,737	\$473,039
<b>B. <u>Assets</u></b>	-\$-	-\$-
Actuarial Value (Ex. 2A)	1,208,812,855	1,133,007,182
Market Value (Ex. 4)	1,268,869,871	1,147,871,078
<b>C. <u>Liabilities (Excl. COLA)</u></b>		
Present Value of Benefits (Ex. 1)		
<b>Active Members -</b>		
Retirement	790,061,237	716,310,641
Vesting	14,689,867	13,284,527
Disability	26,893,457	21,067,936
Death	7,879,803	6,712,194
Return of Contributions	1,484,884	1,358,930
Total	<u>841,009,248</u>	<u>758,734,228</u>
<b>Inactive Members -</b>		
Retired and Beneficiaries	749,480,106	707,181,317
Disabled	36,399,191	36,353,990
Terminated Vested	4,102,510	3,794,003
Total	<u>789,981,807</u>	<u>747,329,310</u>
<b>Total</b>	<u>1,630,991,055</u>	<u>1,506,063,538</u>
Actuarial Accrued Liability	N/A	N/A
Unfunded Actuarial Accrued Liability	N/A	N/A

**CITY OF MIAMI  
FIRE FIGHTERS' AND POLICE OFFICERS'  
RETIREMENT TRUST**

Comparative Summary of Principal Valuation Results - Regular Fund  
(Continued)

	Actuarial Valuation	
	Prepared as of	
	<u>10/1/2007</u>	<u>10/1/2006</u>
D. <u>Actuarial Present Value of Accrued Benefits</u> (Exhibit 5)	-\$-	-\$-
Vested Accrued Benefits		
Inactive Members and Beneficiaries	789,981,807	747,329,310
Active Members	<u>320,980,395</u>	<u>331,524,872</u>
Total	1,110,962,202	1,078,854,182
Non-Vested Accrued Benefits		
Total	<u>19,175,039</u>	<u>17,985,120</u>
	1,130,137,241	1,096,839,302
E. <u>Pension Cost</u> (Exhibit 1)		
Normal Cost	44,247,522	42,365,728
Payment to Amortize Unfunded Liability	N/A	N/A
Expected Plan Sponsor Contribution	36,993,395	36,040,251
As % of Payroll	35.70%	39.88%
Expected Member Contribution	7,254,127	6,325,477
As % of Payroll	7.00%	7.00%
F. <u>Past Contributions</u>	Year Ending <u>9/30/2007</u>	Year Ending <u>9/30/2006</u>
	-\$-	-\$-
Required Plan Sponsor Contribution	40,542,078	50,635,213
Required Member Contributions	8,415,985	6,240,676
Actual Contributions		
Plan Sponsor	40,542,078	50,635,213
Members	8,415,985	6,240,676
G. <u>Net Actuarial Gain (Loss)</u>	N/A	N/A
H. <u>Other Disclosures</u>		
Active Members:		
Present Value Future Salaries (at attained age)	1,051,016,461	845,845,813
Present Value Future Contributions (at attained age)	70,875,954	57,040,143

**CITY OF MIAMI  
FIRE FIGHTERS' AND POLICE OFFICERS'  
RETIREMENT TRUST**

Comparative Summary of Principal Valuation Results – COLA Fund

	Actuarial Valuation Prepared as of		
	<u>10/1/2007</u>	<u>10/1/2006</u>	
<b>A. <u>Participant Data</u></b>			
Active Members			
Total Annual Payroll			
Retired Members and Beneficiaries	1,632	1,570	
Total Annualized Benefits	\$11,649,748	\$11,174,392	
Disabled Members	209	209	
Total Annualized Benefits	\$2,481,250	\$2,386,725	
Table	\$1,137	\$1,024	
<b>B. <u>Assets</u></b>			
	-\$-	-\$-	
Actuarial Value (Ex. 13)	386,167,734	330,898,108	
Market Value (Ex. 13)	369,024,734	311,793,768	
<b>C. <u>Liabilities (COLA Only)</u></b>			
Present Value of Benefits (Ex. 13)			
<b>Active Members -</b>	Reserve for Current Actives	40,382,837	36,475,945
	Reserve for Contribution Refunds	N/A	N/A
	Reserve for Future Actives	<u>6,057,426</u>	<u>5,471,392</u>
	Total (excl. 457 Service)	46,440,263	41,947,337
<b>Inactive Members -</b>	Frozen COLA I Benefits	1,912,567	1,965,162
	COLA II Benefits	<u>194,528,452</u>	<u>172,898,871</u>
	Total	196,441,019	174,864,033
<b>Total</b>		<u>242,881,282</u>	<u>216,811,370</u>

Comparative Summary of Total Assets - Combined

Market Value (Ex. 4)	<u>1,601,096,886</u>	<u>1,429,900,171</u>
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**CITY OF MIAMI  
FIRE FIGHTERS' AND POLICE OFFICERS'  
RETIREMENT TRUST**

**REVIEW OF COSTS**

**Summary Discussion**

This is the actuarial report for the fiscal year beginning October 1, 2008 for the City of Miami Fire Fighters' and Police Officers' Retirement Trust. This is the twenty-fourth annual actuarial report prepared by Stanley, Holcombe & Associates, Inc. This report is intended to reflect the provisions and requirements of Ordinance No. 10002, as amended through September 30, 2007.

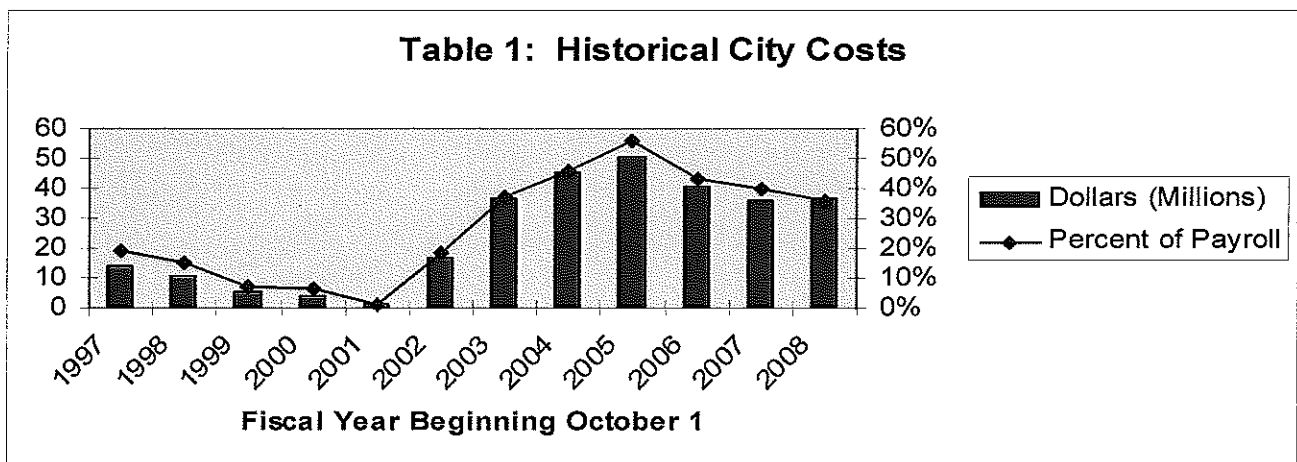
**Comparison of Deposit Requirements**

The City contribution requirements, and the results calculated for the 2008/2009 fiscal year, are as follows:

	Revised Basis <u>2008/2009</u>	Prior Basis <u>2008/2009</u>	<u>2007/2008</u>
	-\$-	-\$-	-\$-
Past Service Cost	N/A	N/A	N/A
Normal Cost	36,993,395	48,982,228	36,040,251
Payment Timing	<u>0</u>	<u>0</u>	<u>0</u>
	36,993,395	48,982,228	36,040,251

The 2008/2009 deposit amount of \$36,933,395 is approximately \$1 million more than the \$36,040,251 for the prior year and \$12 million less than the cost using the prior pay method and assumptions.

As can be seen from Table 1, the increases in City costs in recent years slowed, and then declined using the revised asset valuation method and retirement assumptions and the revisions in this report.





Analysis of Cost Changes

As a result of the Collective Bargaining Agreements in the year ending September 30, 2007, actual pay for the year was too high for actuarial projection purposes, due to retroactive payments during the year. Our replacement of the compensation for the two highest pay periods (separately for police and fire) with compensation for the last two pay periods resulted in compensation that was too low for actuarial projection purposes, primarily because new pay schedules were implemented later in the year.

- Given the problems with actual pay, we recommend a reversion to the prior approach (prior to October 1, 2000) and use pay for the final pay period in the year (annualized). Since annualized pay did not previously capture all the elements of pay (paramedic, promotion, 52-hour schedule), the 7% load at retirement was retained, even though the 5% retirement bonus was eliminated.
- Since the step plans are based primarily on length of service, the salary increase assumption was changed from age-based to service-based (60% over 22 years).

The cost impact for these changes is summarized in Table 2A. Additional detail for the impact on cost components is shown in Table 2B and Exhibit 1.

	<u>Prior Basis 1</u> -\$-	<u>Prior Basis 2</u> -\$-	<u>Annualized Salary</u> -\$-	<u>Salary Assumption</u> -\$-
<u>Present Values</u>				
(1) Projected Benefits	1,717,355,608	1,592,070,194	1,620,439,462	1,630,991,055
(2) Member Contributions	70,378,363	59,045,025	65,334,593	70,875,954
(3) Future Payroll	1,043,637,700	875,576,130	968,843,863	1,051,016,461
(4) Actuarial Asset Value	<u>1,208,812,855</u>	<u>1,208,812,855</u>	<u>1,208,812,855</u>	<u>1,208,812,855</u>
(5) Future City Normal Costs (= (1) - (2) - (4))	438,164,390	324,212,314	346,292,014	351,302,246
(6) Covered Payroll	108,276,433	93,424,429	102,715,386	102,715,386
(7) Normal Cost (EOY) (= (1.0775) [(5)/ (3)] (6))	48,982,228	37,274,628	39,558,650	36,993,395
(8) Total Payroll	109,168,342	94,282,285	103,630,392	103,630,392
(9) Normal Cost %	44.87%	39.54%	38.17%	35.70%
Prior Basis 1: Actual Pay during Year				
Prior Basis 2: Actual Pay adjusted for 2 highest pay periods.				

Analysis of Cost Changes (continued)

The Normal Cost element of FIPO costs is expected to remain level as a percentage of covered payroll, if the actual Plan experience is the same as the actuarial assumptions. An increase in the Normal Cost rate indicates that experience has been less favorable than assumed, while a decrease indicates more favorable experience.

Quantification of the reasons for the changes is as follows:

Table 2B – Gain/Loss Analysis of Cost Changes from October 1, 2006 to October 1, 2007 Valuations

	<u>Normal Cost</u>	
	-\$-	-%-
2006/2007 Normal Cost	36,040,251	39.88
2007/2008 Normal Cost Expected (for continuing participants)	35,623,148	40.02
<u>Element of Experience</u>		
Salary Increases	+5,230,854	+2.53
Turnover	+211,044	+0.13
Mortality	+567,577	+0.60
Retirement	+355,564	+0.15
New Participants	+283,046	-0.53
Disability	-38,443	-0.12
Investment Return, Before COLA Transfer	-1,514,653	-1.60
COLA Transfer	+846,125	+0.90
457 Service Purchases	+57,680	+0.07
Contribution Lag	-762,088	-0.86
Other, Data	<u>+465,093</u>	<u>+0.08</u>
Total	+5,701,799	+1.35
Payroll Method Change	-1,766,296	-3.20
Salary Assumption Change	<u>-2,565,256</u>	<u>-2.47</u>
2007/2008 Normal Cost	36,993,395	35.70

Following is a more detailed description of the elements of experience.

Salary Increases - During the period October 1, 2006 through September 30, 2007, covered payroll for the continuing actives increased more than expected, resulting in an increase of \$5,230,854 in the Normal Cost. Covered payroll for continuing active participants at September 30, 2007 increased 14.56% compared to an expected 5.18%. This was primarily due to the increases in step pay under the new labor agreements.

Mortality - For active members there was one death, as compared to 2 expected; for inactive members there were 15 deaths, as compared to 43 expected. This increased the normal cost by \$567,577.

Disability - During the past year there were 2 disabilities, as compared to 4 expected. This decreased the normal cost by \$38,433.

Turnover - From October 1, 2006 to September 30, 2007, there were 29 employee terminations, as compared to 18 predicted by the actuarial assumptions. Following is a comparison of the expected and actual turnover rates for the past eleven years:

<u>Age</u>	<u>1996/1999</u>		<u>1999/2002</u>		<u>2002/2005</u>		<u>2005/2006</u>		<u>2006/2007</u>	
	<u>Exp.</u>	<u>Act.</u>	<u>Exp.</u>	<u>Act.</u>	<u>Exp.</u>	<u>Act.</u>	<u>Exp.</u>	<u>Act.</u>	<u>Exp.</u>	<u>Act.</u>
20-24	2.9	3	3.7	3	1.3	0	0.7	1	1.2	2
25-29	13.9	10	12.3	11	9.8	12	2.8	1	3.2	8
30-34	20.3	21	17.9	21	15.7	26	4.5	3	4.6	13
35-39	25.0	20	20.2	13	15.7	10	5.1	5	5.2	3
40+	<u>14.7</u>	<u>20</u>	<u>13.8</u>	<u>19</u>	<u>13.5</u>	<u>18</u>	<u>3.9</u>	<u>2</u>	<u>3.8</u>	<u>3</u>
	76.8	74	67.9	67	56.0	66	17.0	12	18.0	29

Retirement - There were 59 retirements during the period (5 firefighters, 54 police), as compared to about 58 expected. This resulted in a \$355,564 increase in the Normal Cost. Note that retirees electing DROP are included among the actual retirees for the last eight years. Actual retirement benefits were also boosted by increased pay levels due to the new labor agreements.

Following is a comparison of the expected and actual retirements in the last eleven years:

Age	<u>1996/1999</u>		<u>1999/2002</u>		<u>2002/2005</u>		<u>2005/2006</u>		<u>2006/2007</u>	
	<u>Exp.</u>	<u>Act.</u>	<u>Exp.</u>	<u>Act.</u>	<u>Exp.</u>	<u>Act.</u>	<u>Exp.</u>	<u>Act.</u>	<u>Exp.</u>	<u>Act.</u>
Under 45	74.4	16	97.0	14	34.0	73	5.7	14	6.5	21
45-49	332.5	61	259.6	36	76.0	132	24.9	41	25.9	22
50-54	159.1	49	138.9	32	90.9	93	22.0	24	20.7	12
55-59	31.1	12	31.8	8	30.0	39	5.6	9	5.1	4
60+	<u>3</u>	<u>1</u>	<u>6.0</u>	<u>1</u>	<u>2.0</u>	<u>7</u>	<u>0.1</u>	<u>1</u>	<u>0.2</u>	<u>0</u>
	600.1	139	533.3	91	232.9	344	58.3	89	58.4	59

Investment Return - The rate of return for the year ending September 30, 2007 was 14.2% on mean market value, as shown in Exhibit 4 and 8.27% (net of 1/1/2009 COLA transfer) on actuarial asset value (Exhibit 2A). As shown in Exhibit 2C, there will be a COLA transfer of \$40,396,385 as of January 1, 2009, resulting in no City minimum contribution to the COLA fund as of that date.

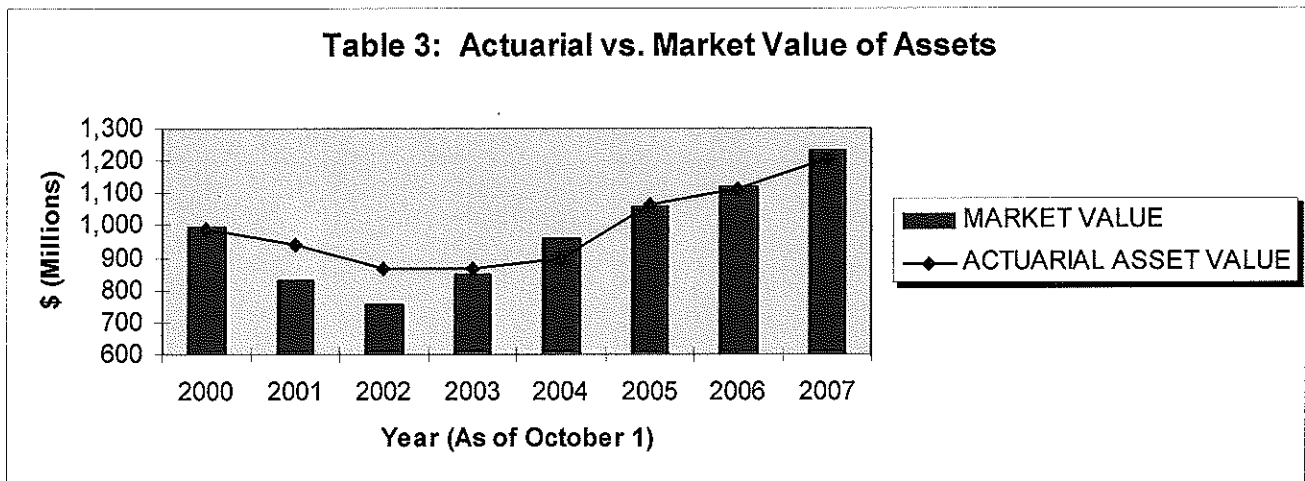
New Participants - During the year there were 71 new participants, who decreased the City contribution requirement for the Fund by 0.53%. Last year, 134 new participants decreased the rate by 1.17%.

Plan Assets

Exhibits 3 and 4 show the asset transactions and investment results during the year. The rate of return on mean market value for the period ending September 30, 2007 was 14.2%, as compared to the 7.75% assumption.

The asset valuation method results in an actuarial asset value of \$1,208.8 million as of October 1, 2007 (Exhibit 2A), as compared to the market value of \$1,300.9 million.

Table 3 illustrates the effect of using the asset smoothing methodology. The volatility of the market value of assets can be seen in the columns, while the actuarial value is illustrated by the line. The actuarial asset value line reflects the 20% Write-Up Method from September 30, 2005.



For COLA transfer purposes, the actuarial asset valuation method utilizes a 3-year moving average (Exhibit 2B). Under this method, the rate of return for the year ending September 30, 2007 was 15.89%. This results in an asset transfer of \$40,396,385 from the Regular Fund to the COLA Fund on January 1, 2009 (Exhibit 2C).

Expected Ongoing Cost Levels

System costs have varied dramatically over the past several years, due almost exclusively to asset performance. Since the City’s contribution requirement is the primary variable, it has been significantly impacted.

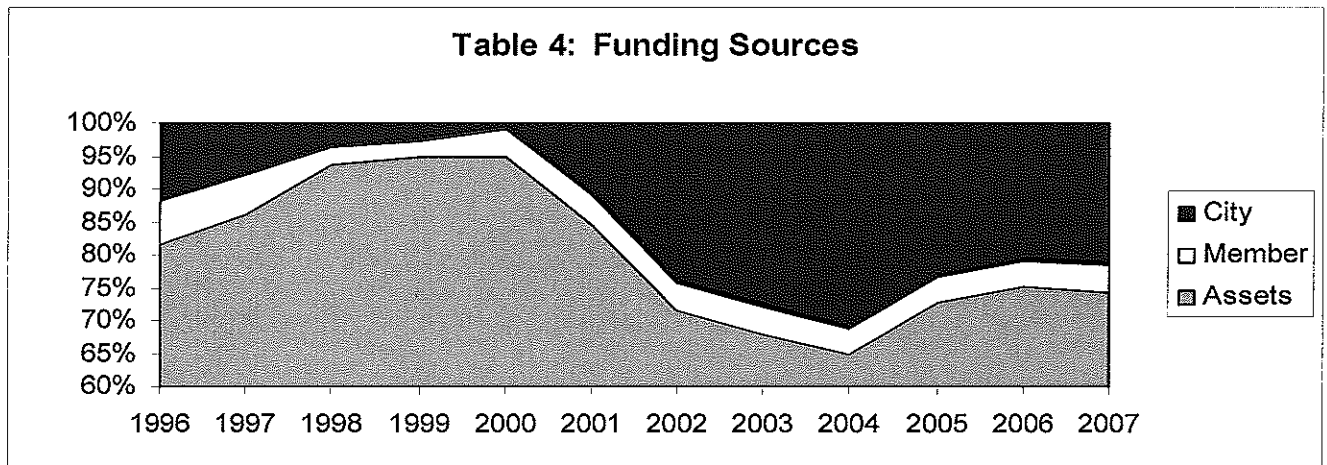
Nevertheless, it is important to distinguish between individual annual costs (which may be somewhat erratic) and expected ongoing annual costs. The following table compares the City contribution requirement as a percentage of payroll to the theoretical entry age normal contribution percentages:

<u>Valuation Date</u>	<u>Contribution %</u>	<u>EAN %</u>
10/1/2007	36	29
10/1/2006	40	30
10/1/2005 (Revised AAV)	44	30
10/1/2005 (Prior AAV)	60	30
10/1/2004	57	30
10/1/2003	46	28
10/1/2002	45	24
10/1/2001	20	26
10/1/2000	1	23
10/1/1999	5	24

As will be noted, contribution requirements in the three years before the 10/1/2002 valuation were below the System’s theoretical contribution level. This was due to the System having accumulated more assets than expected. During the 2001-2005 period the contribution requirement (under the prior actuarial asset valuation method) had increased dramatically, due to erosion of assets and the delayed effect of asset smoothing.

Sources of Benefit Funding

Table 4 compares the sources of benefit funding for the past 11 years. The present value of benefits is equal to 100% in the Table. The present value of benefits is provided by three sources; the actuarial value of assets, the present value of member contributions, and the present value of future normal costs (city).



As seen in the table, the city portion of future benefit responsibility decreased as asset values climbed during the late nineties. When asset values started to decline, the city portion increased. As of October 1, 2007, the actuarial value of assets equals 74% of the present value of benefits, the present value of employee contributions equals 4%, and the present value of future normal costs equal 22% of the present value of future benefits.

## Funding Progress

The comparison of the present values of vested and accrued benefits to FIPO assets from one year to the next, or over a period of time, is a measure of interim funding progress and the degree of benefit security.

Exhibit 6 contains the result of this comparison for the past two years. The market value of assets on October 1, 2007 is \$1,268,869,871, as compared to the value of accrued benefits of \$1,130,137,241 for a ratio of 112.3%. The ratio as of October 1, 2006 was 104.7%.

A ratio in excess of 100% typically is one indication of a well-funded program.

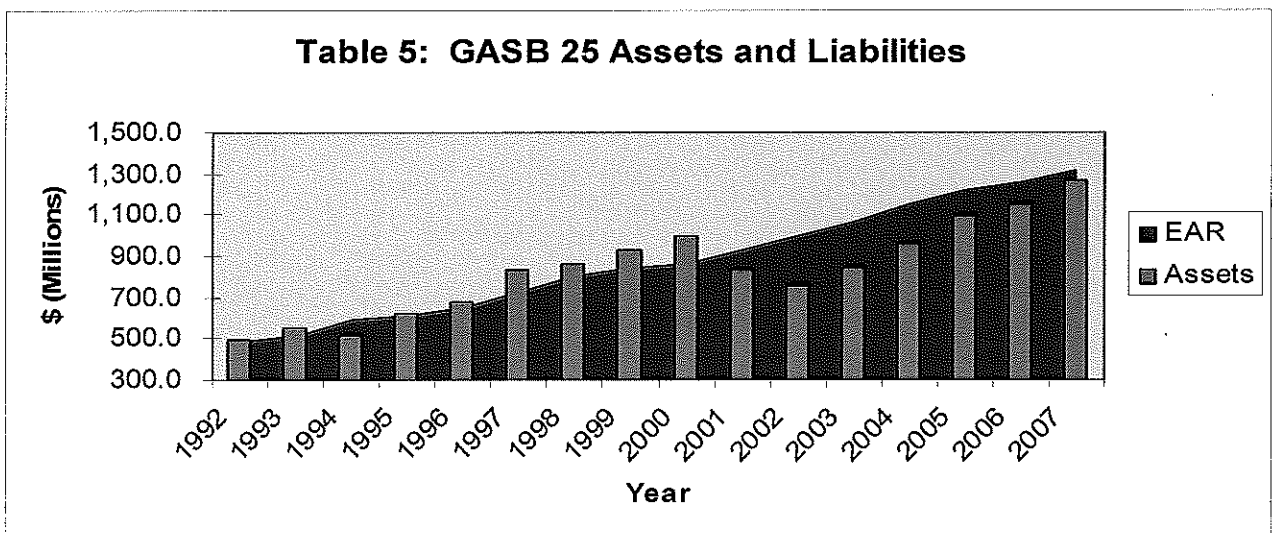
## Governmental Accounting Standards

GASB issued Statement No. 25, Financial Reporting for Defined Benefit Pension Plans and Statement No. 27, Accounting for Pensions by State and Local Governmental Employers in 1994. Statement No. 25 provides parameters for financial reporting and comparison of actual contributions to "actuarially required contributions." Statement No. 27 provides standards for the financial reports of the state and local governmental employers. Statement No. 25 was effective for periods beginning after June 15, 1996; Statement No. 27, for periods beginning after June 15, 1997.

The Statements do not directly impact funding, although they do require calculation of an "actuarially required contribution," or "ARC" and amortization of any deficiency or excess of actual contributions made in relation to the ARC.

Since the FIPO Trust uses the Aggregate Cost Method, technically no Schedule of Funding Progress is required. However, such a Schedule of Funding Progress may be prepared using another acceptable cost method. Based on our recommendation in this report, the Schedule of Funding Progress is prepared using the Entry Age Normal Actuarial Accrued Liability, which is one of the acceptable measures under GASB 25. This Schedule is shown in Exhibit 11, Section III.

As of October 1, 2007 the entry age reserve is \$1,318.4 million. This compares to assets of \$1,268.9 million, for a funded ratio of 96%. Last year the funded ratio was 92%. These amounts, together with other disclosures, are contained in Exhibit 11 and illustrated in the following Table 5:



As recommended in the 1997 report, and reviewed by FIPO auditors, the employer contributions made in accordance with the requirements of the Florida Division of Retirement should be used as the Actuarially Required Contribution (ARC), since an exact calculation of the ARC would not differ materially from the required contribution amount. On this basis, a Schedule of Employer Contributions has been added to Exhibit 11 in order to comply with the reporting requirements of GASB 25.

These calculations are made for GASB 25. It should be understood that they are only one approach to the measurement of funding progress. They should not be used for any other purpose, such as determination of compliance with City ordinances or State Statutes or the current or future solvency of the FIPO Trust.



### Application of GASB 27

The provisions of GASB 27 are virtually identical to those of GASB 25. It is our understanding that the schedules used for GASB 25 disclosure may also be used for GASB 27 purposes.

### COLA Fund

Calculations were made based on the information provided as of 10/1/2007. The calculations reflect the approach adopted with the Amended Final Judgment in the matter of Gates vs. City of Miami.

Exhibit 12, parts I and II, illustrate the general impact of the COLA increases which have been provided thus far (under the \$1,312 table as of 1/1/2008), by duration since retirement and by age, respectively.

As discussed in earlier reports, there is probably no completely acceptable index for measuring the impact of inflation on retirees' benefits. Although the CPI is the most widely used inflation index, it is generally considered to distort inflation for retirees, since it includes components which are not typically germane to them, such as home purchases. In the absence of a suitable alternative, a percentage of the CPI is often used as a target. If the cumulative CPI were used as a target, the current COLA averages 67% of the target. A comparison of COLA increases to the CPI is shown in Exhibit 12, part III. Historical data on the CPI is shown in Exhibit 12, part IV.

### Cumulative Experience Position

Ordinance Section 40-204(C) (4) provides that transfers of excess investment return from the Regular Fund to the COLA Fund may be made only if the System remains in a net positive experience position on a cumulative basis from October 1, 1982. Since the aggregate cost method is used for determining funding requirements, the determination of the experience position is measured under the entry age normal method.

The cumulative experience gain decreased to \$170,699,853, from \$181,747,246 last year (Exhibit 14).

The changes in salary assumptions and pay basis do not affect the cumulative experience position.

### COLA Transfer Calculations

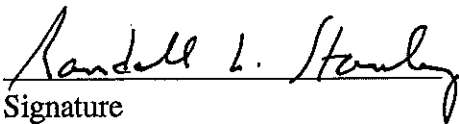
Exhibit 2C shows the transfer calculations as of this valuation. As will be noted, the excess return transfer as of January 1, 2009 is scheduled to be \$40,396,385. Therefore, there will be no City contribution to the COLA fund as of January 1, 2009.

Enrolled Actuary's Statement

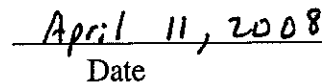
This report has been prepared in accordance with standards established by the American Academy of Actuaries. To the best of our knowledge, it reflects the actuarial condition of the City of Miami Fire Fighters' and Police Officers' Retirement Trust as of October 1, 2007 for the Retirement Fund and for the COLA Fund.

All costs and cost components are calculated on the basis of actuarial assumptions which reasonably reflect the experience of the Trust.

This actuarial valuation and/or cost determination was prepared and completed by me or under my direct supervision, and I acknowledge responsibility for the results. To the best of my knowledge, the results are complete and accurate, and in my opinion, the techniques and assumptions used are reasonable and meet the requirements and intent of Part VII, Chapter 112, Florida Statutes. There is no benefit or expense to be provided by the plan and/or paid from the plan's assets for which liabilities or current costs have not been established or otherwise taken into account in the valuation. All known events or trends which may require a material increase in plan costs or required contribution rates have been taken into account in the valuation.

  
Signature

Enrolled Actuary No. 08-602

  
Date

**CITY OF MIAMI  
FIRE FIGHTERS' AND POLICE OFFICERS'  
RETIREMENT TRUST**

City Contribution Requirement for 2008/2009 Fiscal Year

	<u>2008/2009</u>	<u>2007/2008</u>
	-\$-	-\$-
I. <u>Unfunded Actuarial Accrued Liability</u>	0	0
II. <u>Normal Cost</u>		
A. Present Value of Future Benefits		
1. <u>Active Members</u>		
a. Retirement	790,061,237	716,310,641
b. Disability	26,893,457	21,067,936
c. Death	7,879,803	6,712,194
d. Turnover	14,689,867	13,284,527
e. Return of Contributions	<u>1,484,884</u>	<u>1,358,930</u>
f. Total	841,009,248	758,734,228
2. <u>Retired Members and Beneficiaries</u>		
a. Service Retirements + Beneficiaries	749,480,106	707,181,317
b. Disability Retirements	36,399,191	36,353,990
c. Terminated Vested Members	<u>4,102,510</u>	<u>3,794,003</u>
d. Total	789,981,807	747,329,310
3. Total	<u>1,630,991,055</u>	<u>1,506,063,538</u>

**CITY OF MIAMI  
FIRE FIGHTERS' AND POLICE OFFICERS'  
RETIREMENT TRUST**

City Contribution Requirement for 2008/2009 Fiscal Year

	<u>2008/2009</u>	<u>2007/2008</u>
	-\$-	-\$-
<b>II. <u>Normal Cost (Cont'd)</u></b>		
A. Total Present Value of Future Benefits	1,630,991,055	1,506,063,538
B. Present Value of Future Member Contributions <sup>(1)</sup>	70,875,954	57,040,143
C. Actuarial Asset Value	1,208,812,855	1,133,007,182
D. Unfunded Actuarial Accrued Liability	<u>0</u>	<u>0</u>
E. Present Value of Future Normal Costs (A-B-C-D)	351,302,246	316,016,213
F. Present Value of Future Payrolls	1,051,016,461	845,845,813
G. Current Payroll for those under Expected Retirement Age	102,715,386	89,526,657
H. Current Normal Cost - Payable 10/1/2008 [ (E)x(G) / (F) ] (1.0775)	36,993,395	36,040,251
I. Covered Payroll	103,630,392	90,363,952
J. Normal Cost as Percentage of Payroll (H)/ (I)	35.70%	39.88%
<b>III. <u>Quarterly City Contribution Schedule</u></b>		
A. Past Service Cost	0	0
B. Normal Cost	36,993,395	36,040,251
C. Payment Timing	<u>0</u>	<u>0</u>
D. Total	<u><b>36,993,395</b></u>	36,040,251

---

<sup>(1)</sup>7% of Covered Payroll

**CITY OF MIAMI  
FIRE FIGHTERS' AND POLICE OFFICERS'  
RETIREMENT TRUST**

City Contribution Requirement for 2008/2009 Fiscal Year

	<u>2008/2009</u>	
	<u>Revised Basis</u>	<u>Prior Basis 1</u>
	-\$-	-\$-
I. <u>Unfunded Actuarial Accrued Liability</u>	0	0
II. <u>Normal Cost</u>		
A. Present Value of Future Benefits		
1. <u>Active Members</u>		
a. Retirement	790,061,237	875,927,365
b. Disability	26,893,457	25,114,548
c. Death	7,879,803	8,871,687
d. Turnover	14,689,867	15,976,925
e. Return of Contributions	<u>1,484,884</u>	<u>1,483,276</u>
f. Total	841,009,248	927,373,801
2. <u>Retired Members and Beneficiaries</u>		
a. Service Retirements + Beneficiaries	749,480,106	749,480,106
b. Disability Retirements	36,399,191	36,399,191
c. Terminated Vested Members	<u>4,102,510</u>	<u>4,102,510</u>
d. Total	789,981,807	789,981,870
3. Total	<u>1,630,991,055</u>	<u>1,717,355,608</u>

**CITY OF MIAMI  
FIRE FIGHTERS' AND POLICE OFFICERS'  
RETIREMENT TRUST**

City Contribution Requirement for 2008/2009 Fiscal Year

	<u>2008/2009</u>	
	<u>Revised Basis</u>	<u>Prior Basis 1</u>
	-\$-	-\$-
<b>II. <u>Normal Cost (Cont'd)</u></b>		
A. Total Present Value of Future Benefits	1,630,991,055	1,717,355,608
B. Present Value of Future Member Contributions <sup>(1)</sup>	70,875,954	70,378,363
C. Actuarial Asset Value	1,208,812,855	1,208,812,855
D. Unfunded Actuarial Accrued Liability	<u>0</u>	<u>0</u>
E. Present Value of Future Normal Costs (A-B-C-D)	351,302,246	438,164,390
F. Present Value of Future Payrolls	1,051,016,461	1,043,637,700
G. Current Payroll for those under Expected Retirement Age	102,715,386	108,276,433
H. Current Normal Cost - Payable 10/1/2008 [ (E)x(G) / (F) ] (1.0775)	36,993,395	48,982,228
I. Covered Payroll	103,630,392	109,168,342
J. Normal Cost as Percentage of Payroll (H)/(I)	35.70%	44.87%
<b>III. <u>Quarterly City Contribution Schedule</u></b>		
A. Past Service Cost	0	0
B. Normal Cost	36,993,395	48,982,228
C. Payment Timing	<u>0</u>	<u>0</u>
D. Total	<u><b>36,993,395</b></u>	48,982,228

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<sup>(1)</sup>7% of Covered Payroll

**CITY OF MIAMI  
FIRE FIGHTERS' AND POLICE OFFICERS'  
RETIREMENT TRUST**

Actuarial Asset Value – 20% Write Up Method

I. <u>Determination of Actuarial Asset Value as of October 1, 2007</u>	-\$-
A. Actuarial Value of Assets as of 10/01/2006	1,133,007,182
B. City Contributions	40,542,078
C. Member Contribution	14,702,629
D. Benefits Paid	72,378,966
E. Contributions Refunded	307,545
F. Expected Return *	<u>87,432,653</u>
G. Expected Actuarial Value of Assets (A+B+C-D-E+F)	1,202,998,031
H. Market Value of Assets	1,300,941,309
I. Present Value of 01/01/08 COLA Transfer	32,071,438
J. Present Value of 01/01/09 COLA Transfer	36,797,719
K. Difference (H-I-J-G)	29,074,121
L. 20% of Difference	5,814,824
M. Preliminary Actuarial Asset Value (G+L)	1,208,812,855
N. Maximum Actuarial Asset Value (120% of H-I-J)	1,478,486,582
O. Minimum Actuarial Asset Value (80% of H-I-J)	985,657,722
P. Actuarial Asset Value at 10/1/2007	1,208,812,855
Q. Contribution Surplus Account Balance	0
R. Final Actuarial Value at 10/01/2007 (P – Q)	<u><b>1,208,812,855</b></u>
II. <u>Rate of Return on Actuarial Asset Value</u>	-\$-
A. Actuarial Asset Value at 10/01/2006	1,133,007,182
B. Contributions	
1. City (Including amount from Contribution Surplus Account)	40,542,078
2. Members	<u>14,702,629</u>
3. Total	55,244,707
C. Benefits and Refunds	72,686,511
D. Contribution Surplus	0
E. Actuarial Asset Value at 10/01/2007	1,208,812,855
F. Net Return on Investment [E+D+C-B-A]	93,247,477
G. Rate of Return (II F/I F) (.0775)	8.27%

\*[1,133,007,182 + (40,542,078 + 14,702,629) (2.5/4) – (72,378,966 + 307,545) (13/24)] (.0775)

**CITY OF MIAMI  
FIRE FIGHTERS' AND POLICE OFFICERS'  
RETIREMENT TRUST**

I. Development of Actuarial Asset Value (3 Years, for COLA Transfer Purposes)

	<u>9/30/2007</u>	<u>9/30/2006</u>	<u>9/30/2005</u>
A. Book Value	1,014,745,156	953,417,616	918,642,613
B. Market Value	1,268,869,871	1,147,871,078	1,091,902,222
C. B/A	1.2504320	1.2039541	1.1886039
<hr style="border-top: 1px dashed black;"/>			
D. $1/3 \sum (C)$		1,214,330	
E. Adjusted Market Value at 9/30/2007 D x \$1,014,745,156		1,232,235,485	
F. Contribution Surplus at 9/30/2007		0	
G. 1. 80% of Market Value 2. 120% of Market Value		1,015,095,897 1,522,643,845	
H. Preliminary Actuarial Asset Value		1,232,235,485	
I. Present Value of 1/1/2009 COLA Transfer, discounted at 7.75%		36,797,719	
J. Actuarial Asset Value (H-I)		1,195,437,766	

II. Rate of Return on Actuarial Asset Value

A. Actuarial Asset Value at 10/01/2006	1,082,080,821
B. Contributions	
1. City	40,542,078
2. Members	14,702,629
3. Total	<u>55,244,707</u>
C. Benefits and Refunds	72,686,511
D. Present Value of 1/1/2009 COLA Transfer	36,797,719
E. Contribution Surplus	0
F. Actuarial Asset Value at 10/01/2007	1,195,437,766
G. Net Return on Investment [F+E+D+C-B-A]	167,596,468
H. Rate of Return [2 x G/ (A+F-G)]	15.89% *

\*Before 1/1/2009 COLA transfer.



**CITY OF MIAMI  
FIRE FIGHTERS' AND POLICE OFFICERS'  
RETIREMENT TRUST**

Calculation of Excess Investment Return  
On Membership and Benefits Accounts for 2006/2007 Fiscal Year  
2009 COLA Transfer

<b>I.</b>	<b>Net Actual Return on Actuarial Asset Value</b>			-\$-
	A.	Preliminary Actuarial Asset Value as of 10/1/2007		1,232,235,485
	B.	Benefits Paid During Plan Year		72,378,966
	C.	Contributions Refunded During Plan Year		307,545
	D.	City Contributions During Plan Year (Required)		40,542,078
	E.	Member Contributions During Plan Year		14,702,629
	F.	Actuarial Asset Value as of 10/1/2006		<u>1,082,080,821</u>
	G.	Total Actual Return During Plan year (A)+(B)+(C)-(D)-(E)-(F)		167,596,468
<b>II.</b>	<b>Net Expected Return on Actuarial Asset Value</b>			
	A.	Actuarial Asset Value as of 10/1/2006		1,082,080,821
	B.	Benefits Paid During Plan Year		72,378,966
	C.	Contributions Refunded During Plan Year		307,545
	D.	City Contributions During Plan Year		40,542,078
	E.	Member Contributions During Plan Year		14,702,629
	F.	Expected Rate of Return		7.75%
	G.	Expected Return During Plan Year		83,485,860 *
	H.	Base Amount for Expected Return (G)/.0775		1,077,236,903
	I.	Excess Return on Assets (I(G) - II(G))		84,110,608
	J.	Excess Return as % of II(H)		7.807995% **
<b>III.</b>	<b>Amount to be Transferred to COLA Fund</b>			
	A.			
		<u>Excess Return</u>		<u>COLA Transfer</u>
		%	\$	%
	First	2.5	26,930,923	75
	Next	2.5	26,930,923	50
	Next	2.5	26,930,923	25
	Remainder		3,317,839	0
				<u>0</u>
	B.	Total Transfer Amount at 1/1/2009		<u>40,396,385</u>

\*Assumes Uniform Quarterly Contributions and Monthly Benefits  
 $[(1,082,080,821) + (40,542,078 + (14,702,629) (2.5/4) - (72,378,966 + 307,545) (13/24))](.0775) =$

83,485,860

\*\*Before 1/1/2009 COLA transfer.

**CITY OF MIAMI  
FIRE FIGHTERS' AND POLICE OFFICERS'  
RETIREMENT TRUST**

Summary of Asset Transactions for Year Ending September 30, 2007 \*

	<u>Membership and Benefits Accounts</u>	<u>COLA I Account</u>	<u>COLA II Account</u>
	-\$-	-\$-	-\$-
A. Market Value as of October 1, 2006	1,180,917,520	38,713,432	210,269,219
B. Book Value as of October 1, 2006	986,464,057	32,248,177	175,696,792
C. Income During Year			
1. City Contributions	40,542,078		
2. Member Contributions	8,415,985		
3. Other Member Contributions	6,286,644		
4. Interest	19,995,120	542,796	3,175,248
5. Dividends	11,570,580	313,643	1,834,989
6. Net Realized Gains (Losses)	76,768,916	2,094,381	12,402,099
7. Securities Lending Income	471,278	12,185	76,145
8. Rental and Other Income	1,241,233	33,432	186,878
9. COLA Transfer at January 1, 2007	<u>(27,109,497)</u>	<u>--</u>	<u>27,109,497</u>
	138,182,337	2,996,437	44,784,856
D. Disbursements During Years			
1. Benefit Payments	72,378,966	323,867	12,980,882
2. Contribution Refunds	307,545	388	
3. Custodial and Investment Expenses	4,939,764	133,581	773,027
4. Other Expense			
5. Securities Lending Fees	167,748	3,803	27,119
6. Building Depreciation	<u>35,778</u>	<u>986</u>	<u>5,961</u>
	77,829,801	462,625	13,786,989
E. Book Value as of 9/30/2007 (B)+(C)-(D)	1,046,816,594	34,881,988	206,694,659
F. Net Change in Unrealized Gains (Losses)	59,671,253	2,093,135	15,548,112
G. Market Value as of 9/30/2007 (A)+(C)-(D)+(F)	1,300,941,309	43,340,379	256,815,198
H. January 1, 2008 Allocation to COLA II (discounted)	<u>(32,071,438)</u>	<u>N/A</u>	<u>32,071,438</u>
I. Net Market Value as of 9/30/2007	1,268,869,871	43,340,379	288,886,636

\*Based on unaudited financial statements.

**CITY OF MIAMI  
FIRE FIGHTERS' AND POLICE OFFICERS'  
RETIREMENT TRUST**

Distribution of Assets as of September 30, 2007<sup>(1)</sup>

Membership and Benefits and Cost-of-Living Adjustment Accounts

<u>Description</u>	<u>Market</u>	<u>Book</u>
	-\$-	-\$-
Bills, Bonds, Notes	398,555,073	386,918,723
Corporate Stocks	1,049,218,168	779,618,927
Private Equity	10,158,228	10,603,142
Money Market Funds and Time Deposits	11,982,510	12,022,460
Mutual Funds	83,408,418	51,741,958
Real Estate <sup>(2)</sup>	<u>2,500,000</u>	<u>2,213,542</u>
<b>A: Sub-Total</b>	<b>1,555,822,397</b>	<b>1,243,118,752</b>
<b>B: Cash</b>	<b>57,946,870</b>	<b>57,946,870</b>
Receivables:		
City Contributions		
Accounts Receivable	295,802	295,802
Member Contributions		
Accrued Interest	2,741,922	2,741,922
Securities Proceeds	<u>4,542,821</u>	<u>4,542,821</u>
<b>C: Sub-Total</b>	<b>7,580,545</b>	<b>7,580,545</b>
Payables:		
Budget Advance	(949,602)	(949,602)
Transfer	(5,912,910)	(5,912,910)
Tax Withheld	3,780	3,780
Accounts Payable	254,824	254,824
Securities Purchased	<u>26,856,834</u>	<u>26,856,834</u>
<b>D: Sub-Total</b>	<b><u>20,252,926</u></b>	<b><u>20,252,926</u></b>
<b>E. Total (A+B+C-D)</b>	<b>1,601,096,886</b>	<b>1,288,393,241</b>
Accounts:		
COLA I Account	43,340,379	34,881,988
COLA II Account	256,815,198	206,694,659
COLA II Transfer (1/1/2008)	32,071,438	32,071,438
<b>F: Membership &amp; Benefits Account</b>	<b>1,268,869,871</b>	<b>1,014,745,156</b>

<sup>(1)</sup>Based on unaudited financial statements.

<sup>(2)</sup>Carried at depreciated cost for Book Value and at appraised value for Market Value.

**CITY OF MIAMI  
FIRE FIGHTERS' AND POLICE OFFICERS'  
RETIREMENT TRUST**

Investment Results

Yield on Mean Values for 12-Month Period Ending 9/30/2007

	-\$-	<u>Market</u> -%-	<u>Book</u> -%-
<u>Membership and Benefits Accounts*</u>			
Interest	19,995,120	1.7	2.1
Dividends	11,570,580	1.0	1.2
Rental and Other Income, less Depreciation	1,205,455	0.1	0.1
Realized Gains	76,768,916	6.6	8.0
Securities Lending (Net)	303,530	0.0	0.0
Increase in Unrealized Gains	59,671,253	5.2	--
Custodial and Investment Expenses	(4,939,764)	(0.4)	(0.5)
Real Estate Adjustment to Appraised Value	<u>0</u>	<u>0.0</u>	<u>--</u>
	164,575,090	14.2	10.9
 <u>COLA I Account</u>			
Interest	542,796	1.4	1.7
Dividends	313,643	0.8	1.0
Rental and Other Income, less Depreciation	32,446	0.1	0.1
Realized Gains	2,094,381	5.4	6.5
Securities Lending (Net)	8,382	0.0	0.0
Increase in Unrealized Gains	2,093,135	5.4	--
Custodial and Investment Expenses	<u>(133,581)</u>	<u>(0.3)</u>	<u>(0.4)</u>
	4,951,202	12.8	8.9
 <u>COLA II Account</u>			
Interest	3,175,248	1.5	1.7
Dividends	1,834,989	0.8	1.0
Rental and Other Income, less Depreciation	180,917	0.1	0.1
Realized Gains	12,402,099	5.7	6.8
Securities Lending (Net)	49,026	0.0	0.0
Increase in Unrealized Gains	15,547,812	7.2	--
Custodial and Investment Expenses	<u>(773,027)</u>	<u>(0.4)</u>	<u>(0.4)</u>
	32,417,064	14.9	9.2

\*Before 1/1/2008 COLA transfer

**CITY OF MIAMI  
FIRE FIGHTERS' AND POLICE OFFICERS'  
RETIREMENT TRUST**

Summary of Accounting Information  
As of October 1, 2007

	<u>October 1, 2007</u>	<u>October 1, 2006</u>
	-\$-	-\$-
I. <u>Present Value of Vested Accrued Benefits</u>		
A. Service Retirements and Beneficiaries	749,480,106	707,181,317
B. Disability Retirements	36,399,191	36,353,990
C. Vested Terminated Members	4,102,510	3,794,003
D. Active Members	<u>320,980,395</u>	<u>331,524,872</u>
E. Total	1,110,962,202	1,078,854,182
II. <u>Present Value of Non-Vested Accrued Benefits</u>	19,175,039	17,985,120
III. <u>Present Value of Accrued Benefits</u>	1,130,137,241	1,096,839,302
IV. The values of accumulated plan benefits were determined in accordance with the Academy of Actuaries Interpretations and FASB Statement No. 35, <u>Accounting and Reporting by Defined Benefit Pension Plans</u> .		
V. <u>Statement of Changes in Accrued Benefits</u>		
A. Present Value of Accrued Benefits at Beginning of Year		1,096,839,302
B. Increase (Decrease) During the Year Attributable to:		
1. Benefits Accumulated		39,079,296
2. Benefits Paid and Contributions Refunded		(72,686,511)
3. Plan Amendment		0
4. Assumption/Method Changes		(15,283,290)
5. Increase Due to Decrease in Discount Period		<u>82,188,444</u>
6. Net Increase		33,297,939
C. Present Value of Accrued Benefits at End of Year		1,130,137,241

**CITY OF MIAMI  
FIRE FIGHTERS' AND POLICE OFFICERS'  
RETIREMENT TRUST**

Comparison of Funding Progress  
(\$000)

I. <u>Assets</u>	<u>10/1/2007</u>	<u>10/1/2006</u>	<u>10/1/2005</u>
	-\$-	-\$-	-\$-
A. Book Value	1,014,745	953,418	918,643
B. Market Value	1,268,870	1,147,871	1,091,902
II. <u>Liabilities</u>			
A. Retired and Vested	789,982	747,329	677,186
B. Active			
Employee Contributions	124,729	116,287	121,189
Other Vested	196,251	215,238	228,156
Non-Vested Accrued	<u>19,175</u>	<u>17,985</u>	<u>15,806</u>
C. Total Accrued	1,130,137	1,096,839	1,042,337
III. <u>Ratios</u>	%	%	%
IA/IIC	89.8	86.9	88.1
IB/IIC	112.3	104.7	104.8

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Note: Item II amounts are present values of accrued benefits.

**CITY OF MIAMI  
FIRE FIGHTERS' AND POLICE OFFICERS'  
RETIREMENT TRUST**

Member Statistics

I. <u>Active Members</u>		<u>10/1/2007</u>	<u>10/1/2006</u>	<u>10/1/2005</u>
Number of				
Males		1,247	1,268	1,247
Females		<u>216</u>	<u>217</u>	<u>208</u>
Total		1,463	1,485	1,455
 <u>Averages</u>				
Current Age		38.9	38.7	39.4
Past Service		12.6	12.4	13.1
Credited Past Service		12.6	12.4	13.1
Annual Earnings			\$60,851	\$62,897
 II. <u>Inactive Members</u>				
A. Retirees and Beneficiaries				
Number		1,633	1,570	1,503
Average Annual Benefit		\$43,596	\$42,579	\$40,060
Average Age		63.6	63.3	63.4
B. Disabled				
Number		209	209	215
Average Annual Benefit		\$19,284	\$19,005	\$18,607
Average Age		66.5	65.6	65.2
C. Vested Terminated				
Number		22	22	25
Average Deferred Benefit		\$23,170	\$21,502	\$21,930
Average Age		44.3	44.5	43.4

**CITY OF MIAMI  
FIRE FIGHTERS' AND POLICE OFFICERS'  
RETIREMENT TRUST**

**Age-Service Distribution**

<u>Age</u>	<u>Completed Years of Service</u>									<u>Total</u>	<u>Earnings</u>	
	<u>0-1</u>	<u>2-4</u>	<u>5-9</u>	<u>10-14</u>	<u>15-19</u>	<u>20-24</u>	<u>25-29</u>	<u>30-34</u>	<u>35+</u>		<u>Total</u>	<u>Average</u>
15-24	25	57	0	0	0	0	0	0	0	82	3,839,942	46,829
25-29	13	114	37	1	0	0	0	0	0	165	8,692,891	52,684
30-34	4	62	130	29	2	0	0	0	0	227	13,993,096	61,644
35-39	6	42	99	103	50	1	0	0	0	301	19,661,148	65,319
40-44	0	15	48	64	111	71	3	0	0	312	23,834,296	76,392
45-49	0	4	10	29	49	94	56	0	0	242	21,288,001	87,967
50-54	0	2	3	8	14	32	44	7	1	111	10,261,099	92,442
55-59	0	0	1	0	1	7	8	1	2	20	1,818,872	90,944
60-64	0	0	0	0	1	2	0	0	0	3	241,045	80,348
65+	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total</b>	48	296	328	234	228	207	111	8	3	1,463	103,630,392	70,834

Average Age: 38.9

Average Service: 12.6



**CITY OF MIAMI  
FIRE FIGHTERS' AND POLICE OFFICERS'  
RETIREMENT TRUST**

Reconciliation of Participant Counts

	<u>Actives</u>	<u>Retirees &amp; Beneficiaries</u>	<u>Disableds</u>	<u>Vested Terminated</u>
10/1/2006	1,485	1,570	209	22
Changes due to:				
Retirement	-59	+61		-2
Withdrawal	-29			+3
Disability	-2		+2	
Death	-1	-13	-2	
New Beneficiary		+16		
New Hires	+70			
Data Changes	-1	-1		-1
	<hr/>	<hr/>	<hr/>	<hr/>
10/1/2007	1,463	1,633	209	22

**CITY OF MIAMI  
FIRE FIGHTERS' AND POLICE OFFICERS'  
RETIREMENT TRUST**

Summary of Principal System Provisions

(Based on Ordinance No. 10002, as Amended  
by Ordinances Nos. 112351 and 11944, and Resolution 657)

Effective Date:	January 1, 1940, as restated effective May 23, 1985, and amended through September 30, 2006.
Fiscal Year:	October 1 - September 30.
Membership:	Police officers and fire fighters.
Covered Compensation:	An employee's base salary, including pick-up contributions, for all straight time hours worked, plus assignment pay and payments received for vacation and sick leave taken, jury duty, and death-in-family leave taken. Earnable compensation shall not include overtime pay; payments for accrued sick leave, accrued vacation leave, or accrued compensatory leave; holiday pay; premium pay for holidays worked; the value of any employment benefits or non-monetary entitlements; or any other form of remuneration.
Contributions:	Members: 7% of Compensation, effective 10/01/99. City: Balance, as actuarially determined.
Creditable Service:	Service credited under Retirement System; military service (maximum of four years) during wartime for which Member makes contributions; maternity leave (maximum of 180 days for each leave) for which Member makes contributions; up to 5 years, without member contributions, if member was an employee before period of military service.
Average Final Compensation:	Average Compensation during the highest year of Creditable Service.
Normal Service Age:	Age 50

**CITY OF MIAMI  
FIRE FIGHTERS' AND POLICE OFFICERS'  
RETIREMENT TRUST**

Summary of Principal System Provisions  
(Continued)

Service Retirement:	3.0% of Average Final Compensation for each of the first fifteen years of Creditable Service plus 3.5% of Average Final Compensation for each year of Creditable Service after the fifteenth year; maximum of 100% for those with less than 100% under prior rules on 9/30/98.
Early Service Retirement:	After 20 years of Creditable Service. Benefits are based on Average Final Compensation and Creditable Service at retirement date. Actuarial equivalence for early commencement.
Rule of 64 Retirement:	Service retirement on the basis of combined age and Creditable Service equaling 64 or more.
Disability:	<p><u>Ordinary Disability:</u> After 10 or more years of Creditable Service, and not eligible for service retirement. Not incurred as accident in performance of duties. 90% of benefit rate times Average Final Compensation times Creditable Service, with a minimum benefit of 30% of Average Final Compensation; 10 years' certain and life normal form.</p> <p><u>Accidental Disability:</u> Incurred as accident in performance of duties. 66 2/3% of Average Final Compensation, or 66 2/3% of Final Compensation, whichever is greater. 40% joint &amp; survivor normal form, with a minimum of 10 years' certain and life.</p>
Deferred Retirement Option Plan:	Members who are eligible for Service Retirement or Rule of 64 Retirement after September 1998 may elect self-directed Deferred Retirement Option Plan, for a maximum of 4 years. An actuarially equivalent Back DROP option (maximum of 4 years) may be elected prior to DROP entry; combined years of DROP may not exceed 4.

**CITY OF MIAMI  
FIRE FIGHTERS' AND POLICE OFFICERS'  
RETIREMENT TRUST**

Summary of Principal System Provisions  
(Continued)

- Death: Ordinary Death: (a) Between 3 and 10 years of Creditable Service, and death not accidentally incurred in performance of duties: Lump sum benefit equal to 50% of Compensation received in year preceding death. (b) After 10 years of Creditable Service and before eligibility for Early Service or Rule of 64 Retirement, accrued benefit, deferred to earlier of member's 50th birthday or Rule of 64 eligibility, payable for 10 years. Beneficiary does not have to survive deferred period or 10 years' certain period. (c) If eligible for Service, Early Service, or Rule of 64 retirement, considered to have retired on the date of death. Surviving spouse would receive 40% of the member's monthly retirement allowance.
- Accidental Death: Incurred in performance of duties. (a) Pension of 50% of Average Final compensation to spouse until death or remarriage. If there is no spouse, or if spouse dies or remarries before youngest child is 18, payable until attainment of age 18. If no spouse or no children under 18, benefit is payable to dependent parents. (b) After 10 years of Creditable Service and before eligibility for Early Service or Rule of 64 Retirement, accrued benefit, deferred to earlier of member's 50th birthday or Rule of 64 eligibility, payable for 10 years. Beneficiary does not have to survive deferral period or 10 years' certain period.
- Employment Termination: After 10 years of Creditable Service, based on Creditable Service and Average Final Compensation at termination date. If Member contributions are withdrawn, benefit is forfeited. Benefits are deferred to Normal Retirement Age.
- Optional Allowances: Normal form is joint and 40% contingent survivor, with a minimum of 10 years' certain and life. Option 1 is cash refund annuity, based on present value at retirement. Option 2 is joint and 100% survivor. Option 3 is joint and 50% contingent survivor. Option 4 is open option. Option 5 is determined by Board due to incapacity of Member. Option 6 is withdrawal of member contributions with credited interest; monthly benefit is 1/2 of normal level.

**CITY OF MIAMI  
FIRE FIGHTERS' AND POLICE OFFICERS'  
RETIREMENT TRUST**

Summary of Principal System Provisions  
(Continued)

Transfer of Compensated  
Leave Balances:

Accumulated leave balances may be transferred into system immediately prior to retirement to purchase additional Creditable Service, on an actuarially equivalent basis.

Transfer of 457 Balances:

457 balances of Firefighters may be transferred into System at retirement to purchase additional Service for multiplier purposes.

Changes Since Prior  
Valuation:

457 balances of Firefighters may be transferred only at retirement to purchase additional service.

**CITY OF MIAMI  
FIRE FIGHTERS' AND POLICE OFFICERS'  
RETIREMENT TRUST**

Summary of Actuarial Basis (Prior Basis)

Valuation Date: October 1, 2007 for Fiscal Year beginning October 1, 2008.

Valuation Method: Aggregate Cost Method.

Asset Valuation Method: 20% Write-Up Method: Expected value is based on the Interest Discount/Investment Return rate applied to the actuarial asset value as of previous valuation date and cash flow during the year. 20% of the difference between the Expected Value and the Market Value (net of pending transfers to the COLA Fund) is added to the Expected Value.

The result cannot be greater than 120% of market value or less than 80% of market value (net of pending COLA transfers).

Actuarial Assumptions:

Interest Discount/  
Investment Return: 7.75%, compounded annually.

Inflation: 4.0%, compounded annually.

Mortality: 1994 Group Annuity Mortality Table, producing following specimen rates:

<u>Age</u>	<u>Male</u>	<u>Female</u>
20	.0507%	.0284%
30	.0801%	.0351%
40	.1072%	.0709%
50	.2579%	.1428%
60	.7976%	.4439%
70	2.3730%	1.3730%

Disabled Mortality: In accordance with Pension Benefit Guaranty Corporation non-OASDI basis, producing following specimen rates:

<u>Age</u>	<u>Male</u>	<u>Female</u>
30	0.13%	0.11%
40	0.31%	0.19%
50	0.83%	0.51%
60	2.05%	1.30%
70	4.85%	3.21%

**CITY OF MIAMI  
FIRE FIGHTERS' AND POLICE OFFICERS'  
RETIREMENT TRUST**

Summary of Actuarial Basis (Prior Basis)  
(Continued)

<u>Age</u>	<u>Disability</u>	<u>Turnover</u>		<u>Salary Increase**</u>
		<u>&lt;5</u>	<u>5+</u>	
20	.00085	.0240	.0192	.088
21	.00095	.0240	.0192	.086
22	.00105	.0240	.0192	.083
23	.00110	.0240	.0192	.081
24	.00125	.0240	.0192	.078
25	.00130	.0240	.0192	.075
26	.00140	.0240	.0192	.073
27	.00150	.0240	.0192	.071
28	.00160	.0240	.0192	.068
29	.00170	.0240	.0192	.066
30	.00180	.0240	.0192	.065
31	.00200	.0240	.0192	.064
32	.00220	.0240	.0192	.064
33	.00245	.0240	.0192	.063
34	.00265	.0240	.0192	.062
35	.00285	.0240	.0192	.061
36	.00305	.0228	.0182	.061
37	.00325	.0216	.0173	.060
38	.00345	.0204	.0163	.060
39	.00370	.0192	.0154	.059
40	.00390	.0180	.0144	.058
41	.00470	.0168	.0134	.058
42	.00555	.0156	.0125	.057
43	.00635	.0144	.0115	.057
44	.00720	.0132	.0106	.057
45	.00800	.0120	.0096	.056
46	.00880	.0096	.0077	.056
47	.00965	.0072	.0057	.056
48	.01045	.0048	.0038	.056
49	.01130	.0024	.0019	.055
50	.01210	.0000	.0000	.055

\*\* A 7% additional increase applies in the final year of Creditable Service, and a 5% additional increase applies after 22 years.

**CITY OF MIAMI  
FIRE FIGHTERS' AND POLICE OFFICERS'  
RETIREMENT TRUST**

Summary of Actuarial Basis (Prior Basis)  
(Continued)

<u>Age</u>	<u>Disability</u>	<u>Turnover</u>		<u>Salary Increase*</u>
		<u>&lt;5</u>	<u>5+</u>	
51	.01295	.0000	.0000	.053
52	.01375	.0000	.0000	.051
53	.01455	.0000	.0000	.050
54	.01540	.0000	.0000	.048
55	.01620	.0000	.0000	.047
56	.01785	.0000	.0000	.046
57	.01870	.0000	.0000	.044
58	.01950	.0000	.0000	.043
59	.02030	.0000	.0000	.041
60	.00000	.0000	.0000	.040
61	.00000	.0000	.0000	.040
62	.00000	.0000	.0000	.040
63	.00000	.0000	.0000	.040
64	.00000	.0000	.0000	.040
65	.00000	.0000	.0000	.040

Retirement: If eligible for Rule of 64 Retirement, the following decrements apply, based on service:

<u>Years of Service</u>	<u>Police %</u>	<u>Fire %</u>
<20	0	0
20-24	20	5
25-29	25	25
30-31	50	25
32	100	100



**CITY OF MIAMI  
FIRE FIGHTERS' AND POLICE OFFICERS'  
RETIREMENT TRUST**

Summary of Actuarial Basis (Prior Basis)  
(Continued)

Type of Disability:	100% of the disabilities are expected to be accidental disabilities.
Recovery:	No probabilities of recovery are used.
Type of Death:	100% of the assumed deaths are expected to be ordinary deaths.
Remarriage:	No probabilities of remarriage are used.
Spouse's Ages:	Females are assumed to be 3 years younger than males.
Marital Status:	All employees are assumed to be married.
Investment Expenses:	None; the investment return assumption of 7.75% is net of investment expenses.
Withdrawal of Employee Contributions:	It is assumed that employees do not withdraw their contribution balances upon employment termination or retirement.
Compensated Absence Balance Transfers:	No liabilities or costs are included for the provision to transfer compensated absence balances into FIPO to purchase additional creditable service, based on our understanding that assets will be transferred immediately prior to retirement to cover 100% of the liability for the additional service.
Adjustments from Valuation Date:	One year's interest is added to the calculated deposit to reflect ordinance provision.
Sources of Data:	Asset data is from unaudited financial statements. Membership data was furnished by Administrator. Member compensation used is compensation paid in the year, annualized.
Changes Since Prior Valuation:	None.

**CITY OF MIAMI  
FIRE FIGHTERS' AND POLICE OFFICERS'  
RETIREMENT TRUST**

Summary of Actuarial Basis (Revised Basis)

Valuation Date: October 1, 2007 for Fiscal Year beginning October 1, 2008.

Valuation Method: Aggregate Cost Method.

Asset Valuation Method: 20% Write-Up Method: Expected value is based on the Interest Discount/Investment Return rate applied to the actuarial asset value as of previous valuation date and cash flow during the year. 20% of the difference between the Expected Value and the Market Value (net of pending transfers to the COLA Fund) is added to the Expected Value.

The result cannot be greater than 120% of market value or less than 80% of market value (net of pending COLA transfers).

Actuarial Assumptions:

Interest Discount/  
Investment Return: 7.75%, compounded annually.

Inflation: 4.0%, compounded annually.

Mortality: 1994 Group Annuity Mortality Table, producing following specimen rates:

<u>Age</u>	<u>Male</u>	<u>Female</u>
20	.0507%	.0284%
30	.0801%	.0351%
40	.1072%	.0709%
50	.2579%	.1428%
60	.7976%	.4439%
70	2.3730%	1.3730%

Disabled Mortality: In accordance with Pension Benefit Guaranty Corporation non-OASDI basis, producing following specimen rates:

<u>Age</u>	<u>Male</u>	<u>Female</u>
30	0.13%	0.11%
40	0.31%	0.19%
50	0.83%	0.51%
60	2.05%	1.30%
70	4.85%	3.21%

**CITY OF MIAMI  
FIRE FIGHTERS' AND POLICE OFFICERS'  
RETIREMENT TRUST**

Summary of Actuarial Basis (Revised Basis)  
(Continued)

<u>Age</u>	<u>Disability</u>	<u>&lt;5</u>	<u>Turnover</u>	<u>5+</u>
31	.00200	.0240		.0192
32	.00220	.0240		.0192
33	.00245	.0240		.0192
34	.00265	.0240		.0192
35	.00285	.0240		.0192
36	.00305	.0228		.0182
37	.00325	.0216		.0173
38	.00345	.0204		.0163
39	.00370	.0192		.0154
40	.00390	.0180		.0144
41	.00470	.0168		.0134
42	.00555	.0156		.0125
43	.00635	.0144		.0115
44	.00720	.0132		.0106
45	.00800	.0120		.0096
46	.00880	.0096		.0077
47	.00965	.0072		.0057
48	.01045	.0048		.0038
49	.01130	.0024		.0019
50	.01210	.0000		.0000
51	.01295	.0000		.0000
52	.01375	.0000		.0000
53	.01455	.0000		.0000
54	.01540	.0000		.0000
55	.01620	.0000		.0000
56	.01785	.0000		.0000
57	.01870	.0000		.0000
58	.01950	.0000		.0000
59	.02030	.0000		.0000
60	.00000	.0000		.0000

**CITY OF MIAMI  
FIRE FIGHTERS' AND POLICE OFFICERS'  
RETIREMENT TRUST**

Summary of Actuarial Basis (Revised Basis)  
(Continued)

Retirement: If eligible for Rule of 64 Retirement, the following decrements apply, based on service:

<u>Years of Service</u>	<u>Police %</u>	<u>Fire %</u>
<20	0	0
20-24	20	5
25-29	25	25
30-31	50	25
32	100	100

There is no explicit assumption on the percentage of retirements expected to enter the DROP. No distinction is necessary, since funding is calculated to expected retirement or expected DROP entry.

**Salary Merit Scale**

<u>Service</u>	<u>Police</u>	<u>Fire</u>
0	.0500	.0500
1	.0500	.0500
2	.0500	.0500
3	.0500	.0500
4	.0500	.0500
5	.0500	.0500
6	.0500	.0500
7	.0250	.0500
8	.0500	.0500
9	.0500	.0500
10	.0100	.0000
11	.0100	.0000
12	.0100	.0000
13	.0100	.0000
14	.0100	.0000
15	.0125	.0250
16	.0125	.0250
17	.0100	.0100
18	.0100	.0100
19	.0100	.0100
20	.0100	.0100
21	.0100	.0100
22 +	.0000	.0000

Salary Merit Scale is combined with 4.0% inflation and 1.0% for promotions and other increases. There is also a 7.0% increase at retirement.

**CITY OF MIAMI  
FIRE FIGHTERS' AND POLICE OFFICERS'  
RETIREMENT TRUST**

Summary of Actuarial Basis (Revised Basis)  
(Continued)

Type of Disability:	100% of the disabilities are expected to be accidental disabilities.
Recovery:	No probabilities of recovery are used.
Type of Death:	100% of the assumed deaths are expected to be ordinary deaths.
Remarriage:	No probabilities of remarriage are used.
Spouse's Ages:	Females are assumed to be 3 years younger than males.
Marital Status:	All employees are assumed to be married.
Investment Expenses:	None; the investment return assumption of 7.75% is net of investment expenses.
Withdrawal of Employee Contributions:	It is assumed that employees do not withdraw their contribution balances upon employment termination or retirement.
Compensated Absence Balance Transfers:	No liabilities or costs are included for the provision to transfer compensated absence balances into FIPO to purchase additional creditable service, based on our understanding that assets will be transferred immediately prior to retirement to cover 100% of the liability for the additional service.
Adjustments from Valuation Date:	One year's interest is added to the calculated deposit to reflect ordinance provision.
Sources of Data:	Asset data is from unaudited financial statements and includes an appraised value for the real estate to be used for Market Value. Membership data was furnished by Administrator. <b>Member compensation used is final bi-weekly pay in the year, annualized.</b>
Changes Since Prior Valuation:	<b>Salary Scale was split with firefighters and police officers having separate merit scales based on recent labor agreements plus 4% inflation and 1% for promotions and other reasons.</b>  <b>Valuation pay was changed from actual pay during the previous year to last pay rate annualized.</b>

**CITY OF MIAMI  
FIRE FIGHTERS' AND POLICE OFFICERS'  
RETIREMENT TRUST**

Information Under Florida Statutes

I. Comparison of Salary Increases

<u>Year Ending</u>	<u>Actual</u> -%-	<u>Assumed</u> -%-
9/30/07	18.19*	5.81
9/30/06	2.84	5.79
9/30/05	8.15	5.77
9/30/04	10.20	5.78
9/30/03	5.38	4.00
9/30/02	2.43	2.00
9/30/01	4.79	2.00
9/30/00	7.12	2.00
9/30/99	0.52	2.75
9/30/98	(1.35)	2.75
9/30/97	(1.07)	2.75
9/30/96	0.76	2.75
9/30/95	5.50	2.75
9/30/94	2.86	3.00
9/30/93	6.37	6.80
9/30/92	3.48	6.80
9/30/91	2.65	6.80
9/30/90	2.79	7.00
9/30/89	8.64	7.00
9/30/88	6.05	7.00
9/30/87	7.45	7.50
9/30/86	7.49	7.50
9/30/85	14.28	7.50
9/30/84	11.53	7.50

\* Including impact of change in valuation pay definition.

II. Comparison of Investment Returns

<u>Year Ending</u> -%-	<u>Actual MV</u> -%-	<u>Actual AAV**</u> -%-	<u>Assumed</u> -%-
9/30/07	14.2	8.27	7.75
9/30/06	9.1	7.57	7.75
9/30/05 (Revised)	15.6	7.83	7.75
9/30/05 (Prior)	15.6	8.43	7.75
9/30/04	12.9	4.29	7.75
9/30/03	15.7	3.26	7.75
9/30/02	(5.5)	(3.93)	7.75
9/30/01	(10.6)	(1.29)	7.75
9/30/00	12.7	16.01	7.75
9/30/99	13.8	13.40	7.75
9/30/98	6.9	19.45	7.75
9/30/97	28.3	26.34	8.00
9/30/96	13.2	11.27	8.00
9/30/95	21.0	12.86	7.75
9/30/94	(1.7)	5.18	7.75
9/30/93	15.8	13.73	7.75
9/30/92	9.9	12.48	7.75
9/30/91	25.9	20.93	7.75
9/30/90	0.4	1.89	7.50
9/30/89	N.A.	16.09	7.50
9/30/88	N.A.	0.08	7.50
9/30/87	N.A.	22.64	7.00
9/30/86	N.A.	21.66	7.00

\*\* Based on mean actuarial asset values for periods ending 9/30. Rates of return on AAV prior to 9/30/05 are based on prior asset valuation methods, with COLA transfers treated as cash flow.

**CITY OF MIAMI  
FIRE FIGHTERS' AND POLICE OFFICERS'  
RETIREMENT TRUST**

Information Under Florida Statutes  
(Continued)

III. Comparison of Payroll Growth

<u>Year Ending</u>	<u>Actual</u> -%-	<u>Assumed</u> -%-
9/30/07	14.7	N.A.
9/30/06	(1.3)	N.A.
9/30/05	2.6	N.A.
9/30/04	(9.9)	N.A.
9/30/03	2.1	N.A.
9/30/02	8.1	N.A.
9/30/01	6.3	N.A.
9/30/00	8.5	N.A.
9/30/99	4.6	N.A.
9/30/98	6.8	N.A.
9/30/97	(4.5)	N.A.
9/30/96	1.9	N.A.
9/30/95	(1.9)	N.A.
9/30/94	1.1	N.A.
9/30/93	7.5	N.A.
9/30/92	2.1	N.A.
9/30/91	(7.6)	5.00
9/30/90	(0.8)	5.00
9/30/89	9.5	5.00
9/30/88	3.4	5.00
9/30/87	5.9	5.00
9/30/86	5.8	5.00
9/30/85	7.8	5.00
9/30/84	9.7	5.00

**CITY OF MIAMI  
FIRE FIGHTERS' AND POLICE OFFICERS'  
RETIREMENT TRUST**

Disclosure Information Under GASB 25  
(Excluding COLA Fund)

I. Funding Status and Progress as of September 30, 2007 and 2006

Entry Age Accrued Liability:	<u>\$(Millions)</u>	
	<u>Sept. 30, 2007</u>	<u>Sept. 30, 2006</u>
	-\$-	-\$-
- Retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	790.0	747.3
- Current employees - Accumulated employee contributions including interest	124.7	116.3
Employer - financed vested	196.3	215.2
Employer - financed nonvested	<u>207.4</u>	<u>181.7</u>
Total Actuarial Accrued Liability	1,318.4	1,260.5
Net assets available for benefits (market value)	<u>1,268.9</u>	<u>1,147.9</u>
Unfunded Actuarial Accrued Liability	49.5	112.6

The actuarial accrued liability was determined as part of actuarial valuations at September 30, 2007 and September 30, 2006. Significant actuarial assumptions used include (a) a rate of return on the investment of present and future assets of 7.75 percent per year compounded annually, (b) projected salary increases of 4.00 percent per year compounded annually, attributable to inflation, (c) additional projected salary increases of 0.0 percent to 5.0 percent per year, attributable to seniority/merit and (d) 1% for promotions and other increases.



**CITY OF MIAMI  
FIRE FIGHTERS' AND POLICE OFFICERS'  
RETIREMENT TRUST**

Disclosure Information Under GASB 25  
(Excluding COLA Fund)

II. Contributions Required and Contributions Made

The funding policy provides for periodic employer contributions at actuarially determined rates that are sufficient to pay benefits when due. Contributions for normal costs are determined using the aggregate actuarial cost method. This cost method does not provide for an unfunded actuarial accrued liability.

Contributions totaling \$55,244,707 (\$40,542,078 employer and \$14,702,639 employee) were made for the year ending September 30, 2007. These contributions consisted of (a) \$48,958,063 normal cost, (b) \$0 amortization of the unfunded actuarial accrued liability, (c) \$0 noninvestment expenses and (d) \$6,286,644 for Section 457 Service buybacks.

Significant actuarial assumptions used to compute contribution requirements are the same as those used to compute the standardized measure of the pension obligation as of the beginning of the preceding year.

III. Analysis of Funding Progress (\$ Millions)

<u>Fiscal Year</u>	(1) Net Assets Available for <u>Benefits</u> (\$)	(2) Entry Age <u>Reserve</u> (\$)	(3) <u>Percent Funded</u> (%)	(4) Unfunded EAR <u>(2)-(1)</u> (\$)	(5) Annual Covered <u>Payroll</u> (\$)	<u>(4)/(5)</u> (%)
1992	492.0	483.7	102	(8.3)	67.1	(12)
1993	550.6	513.4	107	(37.2)	72.0	(52)
1994	516.4	587.5	88	71.1	72.9	98
1995	616.5	614.4	100	(2.1)	71.5	(3)
1996	674.7	650.0	104	(24.7)	72.9	(34)
1997	835.3	727.1	115	(108.2)	69.6	(155)
1998	857.7	800.7	107	(57.0)	74.3	(77)
1999	932.8	843.2	111	(89.6)	77.7	(115)
2000	994.6	863.4	115	(131.2)	84.3	(156)
2001	828.9	932.7	89	103.8	89.7	116
2002	753.2	999.8	75	246.6	96.9	254
2003	844.9	1,067.9	79	223.0	98.9	225
2004	957.9	1,152.8	83	194.9	89.2	218
2005	1,091.9	1,221.6	89	129.7	91.5	142
2006	1,147.9	1,260.5	91	112.6	90.4	125
2007	1,268.9	1,318.4	96	49.5	103.6	48

**CITY OF MIAMI  
FIRE FIGHTERS' AND POLICE OFFICERS'  
RETIREMENT TRUST**

(Excluding COLA Fund)

IV. Revenues and Expenses

Revenues by Source				
Fiscal Year	Employee Contributions	Employer Contributions	Investment Income	Total
(\$)	(\$)	(\$)	(\$)	
1992	6,115,655	10,029,747	44,569,353	60,714,755
1993	6,455,623	10,442,881	50,309,468	67,207,972
1994	7,435,034	9,296,175	36,915,202	53,646,411
1995	8,318,833	10,880,346	38,919,229	58,118,408
1996	7,852,469	16,547,235	55,421,603	79,821,307
1997	7,664,034	14,377,032	83,180,597	105,221,663
1998	7,692,571	14,155,472	96,007,011	117,855,054
1999	8,556,140	10,376,473	66,039,984	84,972,597
2000	6,257,588	5,400,784	129,752,337	141,410,709
2001	6,336,918	5,481,599	17,717,791	29,536,308
2002	6,721,236	5,400,784	(27,704,711)	(15,582,691)
2003	7,193,936	15,024,366	30,466,098	52,684,400
2004	24,415,150	32,959,003	53,963,150	111,337,303
2005	18,607,681	45,545,130	71,904,910	136,057,721
2006	7,698,594	50,635,213	71,669,124	130,002,931
2007	14,702,629	40,542,078	82,937,630	138,182,337

**CITY OF MIAMI  
FIRE FIGHTERS' AND POLICE OFFICERS'  
RETIREMENT TRUST**

(Excluding COLA Fund)

IV. Revenues and Expenses (Continued)

Fiscal Year	Expenses by Type			
	Benefits (\$)	Administrative Expenses (\$)	Refunds (\$)	Total (\$)
1992	22,345,166	1,137,047	751,088	24,233,301
1993	22,735,888	1,314,925	672,376	24,723,189
1994	23,787,091	1,420,693	510,074	25,717,858
1995	25,846,564	1,567,841	703,269	28,117,674
1996	29,506,924	1,870,188	822,497	32,199,609
1997	33,841,809	2,079,183	1,225,239	37,146,231
1998	35,593,108	2,543,855	391,524	38,537,297
1999	36,900,501	2,689,079	258,383	39,847,963
2000	41,237,423	2,710,752	258,804	44,206,979
2001	41,386,774	2,933,939	481,746	44,802,459
2002	42,766,860	2,825,903	364,256	45,957,019
2003	46,083,206	2,922,537	429,225	49,434,968
2004	53,249,450	3,334,460	301,580	56,885,490
2005	66,518,783	3,865,995	257,859	70,642,637
2006	69,825,105	4,687,601	573,228	75,085,934
2007	72,378,966	5,143,290	307,545	77,829,801

**CITY OF MIAMI  
FIRE FIGHTERS' AND POLICE OFFICERS'  
RETIREMENT TRUST**

(Excluding COLA Fund)

V. Schedule of Employer Contributions

<u>Fiscal Year</u>	<u>Annual Pension Cost (APC) (\$)</u>	<u>Percentage Contributed (%)</u>	<u>Net Pension Obligation (\$)</u>
1994	9,296,175	100	0
1995	10,880,346	100	0
1996	16,547,235	100	0
1997	14,377,032	100	0
1998	14,155,472	100	0
1999	10,376,473	100	0
2000	5,400,784	100	0
2001	4,003,892	100	0
2002	1,051,629	100	0
2003	18,163,588	100	0
2004	36,341,515	100	0
2005	45,545,130	100	0
2006	50,635,213	100	0
2007	40,542,078	100	0
2008	36,040,251		

**CITY OF MIAMI  
FIRE FIGHTERS' AND POLICE OFFICERS'  
RETIREMENT TRUST**

(COLA Fund)

I. COLA Increases by Duration Since Retirement (Including 2008 Increment)

<u>Years Retired</u>	<u>No.</u>	<u>FIPO Benefits</u>	<u>COLA Benefits</u>	<u>%</u>
		<u>-\$-</u>	<u>-\$-</u>	
0 - 5	500	2,375,698	5,876	0.2
5 -10	175	703,218	41,496	5.9
10-15	285	1,124,083	160,175	14.2
15-20	233	743,782	224,344	30.2
20-25	165	362,644	218,313	60.2
25-30	195	217,119	291,655	134.3
30-35	182	143,216	283,007	197.6
35-40	68	37,297	115,530	309.8
40-45	27	13,879	56,690	408.4
45-50	7	3,896	17,004	436.4
50+	6	1,781	8,312	466.7
Total	<u>1,843</u>	<u>5,726,614</u>	<u>1,422,401</u>	<u>24.8</u>

II. COLA Increases by Attained Age (2008 Table)

<u>Age</u>	<u>No.</u>	<u>FIPO Benefits</u>	<u>COLA Benefits</u>	<u>%</u>
		<u>-\$-</u>	<u>-\$-</u>	
<45	21	76,086	1,046	1.4
45-50	206	980,697	2,131	0.2
50-54	247	1,009,034	20,107	2.0
55-59	301	1,247,980	91,670	7.3
60-64	273	991,136	165,991	16.6
65-69	193	556,493	179,478	32.3
70-74	172	346,579	214,970	62.0
75-79	220	310,253	360,819	116.3
80-84	143	149,565	253,998	169.8
85-89	48	36,718	92,140	250.9
>90	19	14,071	40,051	284.6
Total	<u>1,843</u>	<u>5,726,614</u>	<u>1,422,401</u>	<u>24.8</u>

**CITY OF MIAMI**  
**FIRE FIGHTERS' AND POLICE OFFICERS'**  
**RETIREMENT TRUST**  
(COLA Fund)

III. COLA Increases vs. CPI (including 2008 Increment)

<u>Years Retired</u>	<u>No.</u>	<u>COLA</u> <u>-%-</u>	<u>CPI</u> <u>-%-</u>	<u>COLA/CPI</u> <u>%</u>
0 - 5	500	0.2	4.1	6.0
5 -10	175	5.9	18.2	32.4
10-15	285	14.2	30.5	46.7
15-20	233	30.2	48.7	61.9
20-25	165	60.2	82.8	72.7
25-30	195	134.3	130.4	103.0
30-35	182	197.6	243.3	81.2
35-40	68	309.8	385.1	80.4
40-45	27	408.4	515.5	79.2
45-50	7	436.4	582.3	74.4
50+	6	466.7	766.7	60.9
Total	<u>1,843</u>	<u>24.8</u>	<u>36.9</u>	<u>67.2</u>

IV. Consumer Price Index (CPI-U)

<u>Year</u>	<u>December Index</u>	<u>Annual</u> <u>%</u>	<u>Year</u>	<u>December Index</u>	<u>Annual</u> <u>%</u>
1956	27.600	2.9	1981	94.000	8.9
1957	28.400	3.0	1982	97.600	3.9
1958	28.900	1.8	1983	101.300	3.8
1959	29.400	1.5	1984	105.300	4.0
1960	29.800	1.5	1985	109.300	3.8
1961	30.000	0.7	1986	110.500	1.1
1962	30.400	1.2	1987	115.400	4.4
1963	30.900	1.6	1988	120.500	4.4
1964	31.200	1.2	1989	126.100	4.6
1965	31.800	1.9	1990	133.800	6.2
1966	32.900	3.4	1991	137.900	3.0
1967	33.900	3.0	1992	141.900	2.9
1968	35.500	4.7	1993	145.800	2.7
1969	37.700	6.1	1994	149.700	2.7
1970	39.800	5.5	1995	153.500	2.5
1971	41.100	3.4	1996	158.600	3.3
1972	42.500	3.4	1997	161.300	1.7
1973	46.200	8.7	1998	163.900	1.6
1974	51.900	12.2	1999	168.300	2.7
1975	55.500	7.0	2000	174.000	3.4
1976	58.200	4.8	2001	176.700	1.6
1977	62.100	6.8	2002	180.900	2.4
1978	67.700	9.0	2003	184.300	1.9
1979	76.700	13.3	2004	190.300	3.3
1980	86.300	12.4	2005	196.800	3.4
			2006	201.800	2.5
			2007	210.036	4.1

**CITY OF MIAMI  
FIRE FIGHTERS' AND POLICE OFFICERS'  
RETIREMENT TRUST  
(COLA Fund)**

I. Summary of Assets Available for Benefits at October 1, 2007

		-\$-
A.	COLA Accounts (Exhibit 2)	
1.	COLA I Account at 9/30/2007	43,340,379
2.	COLA II Account at 9/30/2007	256,815,198
B.	Transfers of Excess Investment Income	
1.	\$32,675,538 due on 1/1/2008	32,071,438
2.	\$40,396,385 due on 1/1/2009	36,797,719
C.	Minimum City Contributions <sup>(1)</sup> \$4,682,453 beginning 1/1/2010, payable for 5 years, discounted	17,143,000
D.	City Contribution due 1/1/2009	<u>0</u>
E.	Assets Available for COLA Benefits	386,167,734

II. COLA Fund Liabilities for Benefits at 10/1/2007 <sup>(3)</sup>

A.	Present Value of Existing COLA Benefits for inactive	
1.	Frozen COLA I benefits	1,912,567
2.	COLA II benefits	<u>194,528,452</u>
3.	Total inactive COLA benefits	196,441,019
B.	Present Value of Projected COLA Benefits for Current Actives	
1.	Reserve for current actives	40,382,837
2.	Reserve for future actives (15% of B1)	<u>6,057,426</u>
3.	Total	46,440,263
C.	Total Liability Allocated (A3+B4)	242,881,282
D.	Contingency Reserve [20% of I(E)-I(B)(2)]	69,874,003
E.	Unallocated Reserve <sup>(2)</sup>	<u>73,412,449</u>
F.	Total Liability for COLA Benefits	386,167,734

Notes: (1)  $(1/1.0775)^{2.25} \cdot \frac{1}{51} = 3.6611152$

(2) For \$1,139 Table

(3) Service for COLA excludes 457 buyback service.

**CITY OF MIAMI  
FIRE FIGHTERS' AND POLICE OFFICERS'  
RETIREMENT TRUST  
(COLA Fund)**

III. Derivation of Increase in Table as of January 1, 2008

		-\$-
A.	Liability based on current \$1,139 table	
1.	Inactive COLA II Benefits	194,528,452
2.	Present Value of Projected COLA benefits for current actives	40,382,837
3.	Reserve for future actives [15% of (2)]	<u>6,057,426</u>
4.	Total	<u>240,968,715</u>
B.	Assets available to increase table	
1.	Total assets available for COLA Benefits	386,167,734
2.	Total Liability Allocated (current \$1,139 table)	242,881,282
3.	Contingency Reserve II(D)	<u>69,874,003</u>
4.	Available Assets [(1)-(2)-(3)]	73,412,449
5.	\$40,396,385 due on 1/1/2009, discounted	<u>36,797,719</u>
6.	Net Available Assets [(4)-(5)]	36,614,730
7.	Increase ratio [(B6)/ (A4)]	0.15195
8.	Table increase [\$1,139x (7)]	173
9.	New table amount [\$1,139+ (8)]	1,312
10.	Actual new table amount	<b>1,312</b>



**CITY OF MIAMI  
FIRE FIGHTERS' AND POLICE OFFICERS'  
RETIREMENT TRUST  
(COLA Fund)**

Cumulative Experience Position Net of Asset Transfers

I.	<u>Calculation of Expected Unfunded Actuarial Accrued Liability at 10/1/2007</u>	
		-\$-
A.	Expected Unfunded Actuarial Accrued Liability at 10/1/2006	313,961,775
B.	Entry Age Normal Cost for 2006/2007 Year Paid or Payable by Employer	25,420,074
C.	Interest on (A) and (B)	26,302,093
D.	Contributions for 2006/2007 Year Paid or Payable by Employer (Required)	40,542,078
E.	Interest on (D)	<u>1,963,757</u>
F.	Expected Unfunded Actuarial Accrued Liability at 9/30/2007	323,178,107
G.	Additional Unfunded Actuarial Accrued Liability due to Method Changes	(9,828,859)
H.	Additional Unfunded Actuarial Accrued Liability due to Assumption Changes	<u>(33,079,845)</u>
I.	Final Expected Unfunded Actuarial Accrued Liability at 9/30/2007	280,269,403
II.	<u>Determination of Net Cumulative Experience Position at 10/1/2007(Preliminary)</u>	
A.	Expected Unfunded Actuarial Liability as of September 30, 2007	280,269,403
B.	Entry Age Reserve - Actives	528,400,597
	- Inactives	789,981,808
	- Total	<u>1,318,382,405</u>
C.	Actuarial Asset Value	1,208,812,855
D.	Actual Unfunded Actuarial Liability (B)-(C)	<u>109,569,550</u>
E.	Cumulative Experience Gain (Loss) (A)-(D)	170,699,853
III.	<u>Future Transfers of Excess Investment Income at 10/1/2007</u>	
A.	\$32,675,538 due on 1/1/2008, discounted	32,071,438
B.	\$40,396,385 due on 1/1/2009, discounted	<u>36,797,719</u>
C.	Total Future Transfers at 10/1/2007 (A)+(B)	<u>68,869,157</u>

**CITY OF MIAMI  
FIRE FIGHTERS' AND POLICE OFFICERS'  
RETIREMENT TRUST**

(COLA Fund)

Summary of Principal COLA Provisions

Effective Date:	January 1, 1994, amended January 1, 1995.
Eligibility:	All inactive members in Miami Fire Fighters' and Police Officers' Retirement Trust.
Prior COLA:	Benefits granted through 1993 continue to be paid, in addition to benefits to be granted in the future.
Available Assets:	Existing COLA assets as of January 1, 1995; beginning with the 1991/92 fiscal year, a percentage of excess investment return on FIPO assets (75% of first 2.5%, 50% of next 2.5%, 25% of next 2.5%), subject to a minimum City contribution of \$2.5 million, increasing 4% annually.
Allocated Assets:	Current COLA assets as of September 30, 2005, plus present value of \$2.5 million minimum guarantee for 14 years. The 4% future annual increases is not pre-allocated. A contingency reserve of 22% has been established for adverse experience.
COLA Benefits:	<p>In addition to prior COLA, benefits are based on attached table, with \$1,024 monthly benefit for 25 years of creditable service and 22 completed years of retirement (after age 46). The \$1,024 amount is reduced by 5% for each year of retirement less than 22 and each year of creditable service less than 25 and increased similarly for years of retirement greater than 22 and years of creditable service greater than 25.</p> <p>Benefits are based on the FIPO option elected. Tabular amounts are adjusted, based on the FIPO adjustments at the time of FIPO benefit commencement, for options other than Option 8 (Joint &amp; 40%). Surviving spouses receive the percentage of the table amount determined under the FIPO election.</p> <p>Service-incurred and accidental disabilities and deaths receive benefits based on the greater of 25 years or actual creditable service.</p>
Changes from Prior Year Valuation:	Table changed from \$1,139 to \$1,312 (at 25 years of creditable service and 22 years of retirement).

Miami Firefighters' and Police Officers' Retirement Trust  
 2008 Monthly Retirement Supplements (\$1312 Table)

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25
Y	0	0	0	33	49	66	82	98	115	131	148	164	180	197	213	230	246	262	279	295	312	328	344	361	377
E	0	0	0	39	59	79	98	118	138	157	177	197	216	236	256	276	295	315	335	354	374	394	413	433	453
A	0	0	0	46	69	92	115	138	161	184	207	230	253	276	298	321	344	367	390	413	436	459	482	505	528
R	0	0	0	52	79	105	131	157	184	210	236	262	289	315	341	367	394	420	446	472	499	525	551	577	604
S	0	0	0	59	89	118	148	177	207	236	266	295	325	354	384	413	443	472	502	531	561	590	620	649	679
O	0	0	0	66	98	131	164	197	230	262	295	328	361	394	426	459	492	525	558	590	623	656	689	722	754
F	0	0	0	72	108	144	180	216	253	289	325	361	397	433	469	505	541	577	613	649	686	722	758	794	830
C	0	0	0	79	118	157	197	236	276	315	354	394	433	472	512	551	590	630	669	708	748	787	827	866	905
R	0	0	0	85	128	171	213	256	298	341	384	426	469	512	554	597	643	689	735	781	827	872	918	964	1010
E	0	0	0	92	138	184	230	276	321	367	413	459	505	551	597	643	689	735	781	827	872	918	964	1010	1056
D	0	0	0	98	148	197	246	295	344	394	443	492	541	590	640	689	738	787	836	886	935	984	1033	1082	1132
I	0	0	0	105	157	210	262	315	367	420	472	525	577	630	682	735	787	840	892	945	997	1050	1102	1155	1207
T	0	0	0	112	167	223	279	335	390	446	502	558	613	669	725	781	836	892	948	1004	1059	1115	1171	1227	1282
A	0	0	0	118	177	236	295	354	413	472	531	590	649	708	768	827	886	945	1004	1063	1122	1181	1240	1299	1358
B	0	0	0	125	187	249	312	374	436	499	561	623	686	748	810	872	935	997	1059	1122	1184	1246	1309	1371	1433
L	0	0	0	131	197	262	328	394	459	525	590	656	722	787	853	918	984	1050	1115	1181	1246	1312	1378	1443	1509
E	0	0	0	138	207	276	344	413	482	551	620	689	758	827	895	964	1033	1102	1171	1240	1309	1378	1446	1515	1584
S	0	0	0	144	216	289	361	433	505	577	649	722	794	866	938	1010	1082	1155	1227	1299	1371	1443	1515	1588	1660
E	0	0	0	151	226	302	377	453	528	604	679	754	830	905	981	1056	1132	1207	1282	1358	1433	1509	1584	1660	1735
D	0	0	0	157	236	315	394	472	551	630	708	787	866	945	1023	1102	1181	1260	1338	1417	1496	1574	1653	1732	1811
I	0	0	0	164	246	328	410	492	574	656	738	820	902	984	1066	1148	1230	1312	1394	1476	1558	1640	1722	1804	1886
T	0	0	0	171	256	341	426	512	597	682	768	853	938	1023	1109	1194	1279	1364	1450	1535	1620	1706	1791	1876	1961
A	0	0	0	177	266	354	443	531	620	708	797	886	974	1063	1151	1240	1328	1417	1506	1594	1683	1771	1860	1948	2037
B	0	0	0	184	276	367	459	551	643	735	827	918	1010	1102	1194	1286	1378	1469	1561	1653	1745	1837	1929	2020	2112
L	0	0	0	190	285	380	476	571	666	761	856	951	1046	1141	1237	1332	1427	1522	1617	1712	1807	1902	1998	2093	2188
E	0	0	0	197	295	394	492	590	689	787	886	984	1082	1181	1279	1378	1476	1574	1673	1771	1870	1968	2066	2165	2263
S	0	0	0	203	305	407	508	610	712	813	915	1017	1118	1220	1322	1424	1525	1627	1729	1830	1932	2034	2135	2237	2339
E	0	0	0	210	315	420	525	630	735	840	945	1050	1155	1260	1364	1469	1574	1679	1784	1889	1994	2099	2204	2309	2414
R	0	0	0	216	325	433	541	649	758	866	974	1082	1191	1299	1407	1515	1624	1732	1840	1948	2057	2165	2273	2381	2490
V	0	0	0	223	335	446	558	669	781	892	1004	1115	1227	1338	1450	1561	1673	1784	1896	2007	2119	2230	2342	2453	2565
I	0	0	0	230	344	459	574	689	804	918	1033	1148	1263	1378	1492	1607	1722	1837	1952	2066	2181	2296	2411	2526	2640
C	0	0	0	236	354	472	590	708	827	945	1063	1181	1299	1417	1535	1653	1771	1889	2007	2125	2244	2362	2480	2598	2716
E	0	0	0	243	364	485	607	728	850	971	1092	1214	1335	1456	1578	1699	1820	1942	2063	2184	2306	2427	2549	2670	2791
E	0	0	0	249	374	499	623	748	872	997	1122	1246	1371	1496	1620	1745	1870	1994	2119	2244	2368	2493	2617	2742	2867
A	0	0	0	256	384	512	640	768	895	1023	1151	1279	1407	1535	1663	1791	1919	2047	2175	2303	2430	2558	2686	2814	2942
E	0	0	0	262	394	525	656	787	918	1050	1181	1312	1443	1574	1706	1837	1968	2099	2230	2362	2493	2624	2755	2886	3018
A	0	0	0	269	403	538	672	807	941	1076	1210	1345	1479	1614	1748	1883	2017	2152	2286	2421	2555	2690	2824	2959	3093
E	0	0	0	276	413	551	689	827	964	1102	1240	1378	1515	1653	1791	1929	2066	2204	2342	2480	2617	2755	2893	3031	3168
A	0	0	0	282	423	564	705	846	987	1128	1269	1410	1551	1692	1834	1975	2116	2257	2398	2539	2680	2821	2962	3103	3244
E	0	0	0	289	433	577	722	866	1010	1155	1299	1443	1588	1732	1876	2020	2165	2309	2453	2598	2742	2886	3031	3175	3319
E	0	0	0	295	443	590	738	886	1033	1181	1328	1476	1624	1771	1919	2066	2214	2362	2509	2657	2804	2952	3100	3247	3395

Miami Firefighters' and Police Officers' Retirement Trust  
 2008 Monthly Retirement Supplements (\$1312 Table)

	Completed Years of Retirement (after age 46)																									
	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	
10	394	410	426	443	459	476	492	508	525	541	558	574	590	607	623	640	656	672	689	705	722	738	754	771	787	
11	472	492	512	531	551	571	590	610	630	649	669	689	708	728	748	768	787	807	827	846	866	886	905	925	945	
12	551	574	597	620	643	666	689	712	735	758	781	804	827	850	872	895	918	941	964	987	1010	1033	1056	1079	1102	
13	630	656	682	708	735	761	787	813	840	866	892	918	945	971	997	1023	1050	1076	1102	1128	1155	1181	1207	1233	1260	
14	708	738	768	797	827	856	886	915	945	974	1004	1033	1063	1092	1122	1151	1181	1210	1240	1269	1299	1328	1358	1387	1417	
15	787	820	853	886	918	951	984	1017	1050	1082	1115	1148	1181	1214	1246	1279	1312	1345	1378	1410	1443	1476	1509	1542	1574	
16	866	902	938	974	1010	1046	1082	1118	1155	1191	1227	1263	1299	1335	1371	1407	1443	1479	1515	1551	1588	1624	1660	1696	1732	
17	945	984	1023	1063	1102	1141	1181	1220	1260	1299	1338	1378	1417	1456	1496	1535	1574	1614	1653	1692	1732	1771	1811	1850	1889	
18	1023	1066	1109	1151	1194	1237	1279	1322	1364	1407	1450	1492	1535	1578	1620	1663	1706	1748	1791	1834	1876	1919	1961	2004	2047	
19	1102	1148	1194	1240	1286	1332	1378	1424	1469	1515	1561	1607	1653	1699	1745	1791	1837	1883	1929	1975	2020	2066	2112	2158	2204	
20	1181	1230	1279	1328	1378	1427	1476	1525	1574	1624	1673	1722	1771	1820	1870	1919	1968	2017	2066	2116	2165	2214	2263	2312	2362	
21	1260	1312	1364	1417	1469	1522	1574	1627	1679	1732	1784	1837	1889	1942	1994	2047	2099	2152	2204	2257	2309	2362	2414	2467	2519	
22	1338	1394	1450	1506	1561	1617	1673	1729	1784	1840	1896	1952	2007	2063	2119	2175	2230	2286	2342	2398	2453	2509	2565	2621	2676	
23	1417	1476	1535	1594	1653	1712	1771	1830	1889	1948	2007	2066	2125	2184	2244	2303	2362	2421	2480	2539	2598	2657	2716	2775	2834	
24	1496	1558	1620	1683	1745	1807	1870	1932	1994	2057	2119	2181	2244	2306	2368	2430	2493	2555	2617	2680	2742	2804	2867	2929	2991	
25	1574	1640	1706	1771	1837	1902	1968	2034	2099	2165	2230	2296	2362	2427	2493	2558	2624	2690	2755	2821	2886	2952	3018	3083	3149	
26	1653	1722	1791	1860	1929	1998	2066	2135	2204	2273	2342	2411	2480	2549	2617	2686	2755	2824	2893	2962	3031	3100	3168	3237	3306	
27	1732	1804	1876	1948	2020	2093	2165	2237	2309	2381	2453	2526	2598	2670	2742	2814	2886	2959	3031	3103	3175	3247	3319	3392	3464	
28	1811	1886	1961	2037	2112	2188	2263	2339	2414	2490	2565	2640	2716	2791	2867	2942	3018	3093	3168	3244	3319	3395	3470	3546	3621	
29	1889	1968	2047	2125	2204	2283	2362	2440	2519	2598	2676	2755	2834	2913	2991	3070	3149	3228	3306	3385	3464	3542	3621	3700	3779	
30	1968	2050	2132	2214	2296	2378	2460	2542	2624	2706	2788	2870	2952	3034	3116	3198	3280	3362	3444	3526	3608	3690	3772	3854	3936	
31	2047	2132	2217	2303	2388	2473	2558	2644	2729	2814	2900	2985	3070	3155	3241	3326	3411	3496	3582	3667	3752	3838	3923	4008	4093	
32	2125	2214	2303	2391	2480	2568	2657	2745	2834	2922	3011	3100	3188	3277	3365	3454	3542	3631	3720	3808	3897	3985	4074	4162	4251	
33	2204	2296	2388	2480	2572	2663	2755	2847	2939	3031	3123	3214	3306	3398	3490	3582	3674	3765	3857	3949	4041	4133	4225	4316	4408	
34	2283	2378	2473	2568	2663	2758	2854	2949	3044	3139	3234	3329	3424	3519	3615	3710	3805	3900	3995	4090	4185	4280	4376	4471	4566	
35	2362	2460	2558	2657	2755	2854	2952	3050	3149	3247	3346	3444	3542	3641	3739	3838	3936	4034	4133	4231	4330	4428	4526	4625	4723	
36	2440	2542	2644	2745	2847	2949	3050	3152	3254	3355	3457	3559	3660	3762	3864	3966	4067	4169	4271	4372	4474	4576	4677	4779	4881	
37	2519	2624	2729	2834	2939	3044	3149	3254	3359	3464	3569	3674	3779	3884	3988	4093	4198	4303	4408	4513	4618	4723	4828	4933	5038	
38	2598	2706	2814	2922	3031	3139	3247	3355	3464	3572	3680	3788	3897	4005	4113	4221	4330	4438	4546	4654	4763	4871	4979	5087	5196	
39	2676	2788	2900	3011	3123	3234	3346	3457	3569	3680	3792	3903	4015	4126	4238	4349	4461	4572	4684	4795	4907	5018	5130	5241	5353	
40	2755	2870	2985	3100	3214	3329	3444	3559	3674	3788	3903	4018	4133	4248	4362	4477	4592	4707	4822	4936	5051	5166	5281	5396	5510	
41	2834	2952	3070	3188	3306	3424	3542	3660	3779	3897	4015	4133	4251	4369	4487	4605	4723	4841	4959	5077	5196	5314	5432	5550	5668	
42	2913	3034	3155	3277	3398	3519	3641	3762	3884	4005	4126	4248	4369	4490	4612	4733	4854	4976	5097	5218	5340	5461	5583	5704	5825	
43	2991	3116	3241	3365	3490	3615	3739	3864	3988	4113	4238	4362	4487	4612	4736	4861	4986	5110	5235	5360	5484	5609	5733	5858	5983	
44	3070	3198	3326	3454	3582	3710	3838	3966	4093	4221	4349	4477	4605	4733	4861	4989	5117	5245	5373	5501	5628	5756	5884	6012	6140	
45	3149	3280	3411	3542	3674	3805	3936	4067	4198	4330	4461	4592	4723	4854	4986	5117	5248	5379	5510	5642	5773	5904	6035	6166	6298	
46	3228	3362	3496	3631	3765	3900	4034	4169	4303	4438	4572	4707	4841	4976	5110	5245	5379	5514	5648	5783	5917	6052	6186	6321	6455	
47	3306	3444	3582	3720	3857	3995	4133	4271	4408	4546	4684	4822	4959	5097	5235	5373	5510	5648	5786	5924	6061	6199	6337	6475	6612	
48	3385	3526	3667	3808	3949	4090	4231	4372	4513	4654	4795	4936	5077	5218	5360	5501	5642	5783	5924	6065	6206	6347	6488	6629	6770	
49	3464	3608	3752	3897	4041	4185	4330	4474	4618	4763	4907	5051	5196	5340	5484	5628	5773	5917	6061	6206	6350	6494	6639	6783	6927	
50	3542	3690	3838	3985	4133	4280	4428	4576	4723	4871	5018	5166	5314	5461	5609	5756	5904	6052	6199	6347	6494	6642	6790	6937	7085	

**CITY OF MIAMI  
FIRE FIGHTERS' AND POLICE OFFICERS'  
RETIREMENT TRUST**

(COLA Fund)

Summary of Actuarial Basis

Valuation Date: January 1, 2008.

Valuation Method: Accrued Benefit Cost Method, based on benefits granted to date.

Asset Valuation Method: Market Value, plus present value of future minimum City contributions.

Actuarial Assumptions:

Investment Return: 7.75% compounded annually.

Mortality: 1994 Group Annuity Mortality Table, producing following specimen rates:

<u>Age</u>	<u>Male</u>	<u>Female</u>
20	.0507%	.0284%
30	.0801%	.0351%
40	.1072%	.0709%
50	.2579%	.1428%
60	.7976%	.4439%
70	2.3730%	1.3730%

Disabled Mortality: In accordance with Pension Benefit Guaranty Corporation non-OASDI basis, producing following specimen rates:

<u>Age</u>	<u>Male</u>	<u>Female</u>
30	0.13%	0.11%
40	0.31%	0.19%
50	0.83%	0.51%
60	2.05%	1.30%
70	4.85%	3.21%

**CITY OF MIAMI  
FIRE FIGHTERS' AND POLICE OFFICERS'  
RETIREMENT TRUST  
(COLA Fund)**

Summary of Actuarial Basis  
(Continued)

<u>Age</u>	<u>Disability</u>	<u>Turnover</u>	
		<u>&lt;5</u>	<u>5+</u>
20	.00085	.0240	.0192
21	.00095	.0240	.0192
22	.00105	.0240	.0192
23	.00110	.0240	.0192
24	.00125	.0240	.0192
25	.00130	.0240	.0192
26	.00140	.0240	.0192
27	.00150	.0240	.0192
28	.00160	.0240	.0192
29	.00170	.0240	.0192
30	.00180	.0240	.0192
31	.00200	.0240	.0192
32	.00220	.0240	.0192
33	.00245	.0240	.0192
34	.00265	.0240	.0192
35	.00285	.0240	.0192
36	.00305	.0228	.0182
37	.00325	.0216	.0173
38	.00345	.0204	.0163
39	.00370	.0192	.0154
40	.00390	.0180	.0144
41	.00470	.0168	.0134
42	.00555	.0156	.0125
43	.00635	.0144	.0115
44	.00720	.0132	.0106
45	.00800	.0120	.0096
46	.00880	.0096	.0077
47	.00965	.0072	.0057
48	.01045	.0048	.0038
49	.01130	.0024	.0019
50	.01210	.0000	.0000

**CITY OF MIAMI  
FIRE FIGHTERS' AND POLICE OFFICERS'  
RETIREMENT TRUST  
(COLA Fund)**

Summary of Actuarial Basis  
(Continued)

<u>Age</u>	<u>Disability</u>	<u>Turnover</u>	
		<u>&lt; 5</u>	<u>5+</u>
51	.01295	.0000	.0000
52	.01375	.0000	.0000
53	.01455	.0000	.0000
54	.01540	.0000	.0000
55	.01620	.0000	.0000
56	.01785	.0000	.0000
57	.01870	.0000	.0000
58	.01950	.0000	.0000
59	.02030	.0000	.0000
60	.00000	.0000	.0000
61	.00000	.0000	.0000
62	.00000	.0000	.0000
63	.00000	.0000	.0000
64	.00000	.0000	.0000
65	.00000	.0000	.0000

Retirement: If eligible for Rule of 64 Retirement, the following decrements apply, based on service:

<u>Years of Service</u>	<u>Police %</u>	<u>Fire %</u>
<20	0	0
20-24	20	5
25-29	25	25
30-31	50	25
32	100	100

There is no explicit assumption on the percentage of retirements expected to enter the DROP. No distinction is necessary, since funding is calculated to expected retirement or expected DROP entry.

**CITY OF MIAMI  
FIRE FIGHTERS' AND POLICE OFFICERS'  
RETIREMENT TRUST**

(COLA Fund)

Summary of Actuarial Basis  
(Continued)

Type of Disability:	100% of the disabilities are expected to be accidental disabilities.
Recovery:	No probabilities of recovery are used.
Type of Death:	100% of the assumed deaths are expected to be ordinary deaths.
Remarriage:	No probabilities of remarriage are used.
Spouse's Ages:	Females are assumed to be 3 years younger than males.
Marital Status:	All employees are assumed to be married.
Investment Expenses:	Not provided for.
Withdrawal of Employee Contributions:	It is assumed that employees do not withdraw their contribution balances upon employment termination or retirement.
Adjustments from Valuation Date:	Liabilities are discounted for 3 months at the Investment Return assumption.
Sources of Data:	Asset data is from unaudited financial statements. Membership data was furnished by Administrator.
Changes from Prior Year Valuation:	None.



**CITY OF MIAMI  
FIRE FIGHTERS' AND POLICE OFFICERS'  
RETIREMENT TRUST**

Disclosure Information Under GASB 5  
(COLA Fund)  
(Based on 01/01/2006 \$1,139 Table)

I. Funding Status and Progress as of September 30, 2007 and 2006

Pension benefit obligation:	<u>\$(Millions)</u>	
	<u>2007</u>	<u>2006</u>
- Retirees and beneficiaries currently receiving prior COLA benefits	1.9	2.0
- Retirees and beneficiaries receiving COLA tabular benefits (beginning January 1) and terminated employees not yet receiving tabular benefits	194.5	172.9
- Current Employees Accumulated employee contributions including interest	2.6	3.7
Employer - financed vested	0.0	0.0
Employer - financed non-vested	<u>43.9</u>	<u>38.2</u>
- Total pension benefit obligation	242.9	216.8
Net assets available for benefits	<u>300.2</u>	<u>249.0</u>
Unfunded pension benefit (obligation)/asset	57.3	32.2

The pension benefit obligations were determined as part of actuarial valuations at January 1, 2008 and January 1, 2007, based on data and asset information at September 30, 2007 and September 30, 2006. Significant actuarial assumptions used include (a) a rate of return on the investment of present and future assets of 7.75% per year compounded annually, (b) post retirement COLA benefits based on the table in effect at January 1, 2007 and January 1, 2006.

**CITY OF MIAMI  
FIRE FIGHTERS' AND POLICE OFFICERS'  
RETIREMENT TRUST**

Disclosure Information Under GASB 5  
(COLA Fund)  
(Based on 01/01/2007 \$1,139 Table)

II. Contributions Required and Contributions Made

The funding policy provides for annual employer contributions for 21 years from January 1, 1994. The amount of the contribution was \$2.5 million, beginning January 1, 1994, increasing 4% per year each year thereafter, and reduced (but not below zero) by any excess investment income transfer due on the same date.

The excess investment income transfer consists of a portion of gains due to investment return exceeding the 7.75 percent assumption. The \$32,675,538 amount to be transferred on January 1, 2008 is due to excess investment income during the year ended September 30, 2006, and therefore already is part of the Retirement Trust. The \$40,396,385 amount to be transferred on January 1, 2009 is due to excess investment income during the year ended September 30, 2007.

III. Analysis of funding Progress (\$ Millions)

Fiscal Year	(1) Net Assets Available for Benefits* (\$)	(2) Pension Benefit Obligation** (\$)	(3) Percent Funded (%)	(4) Unfunded PBO (2)-(1) (\$)	(5) Annual Covered Payroll (\$)	(4)/(5) (%)
1993	40.8	32.5	126	(8.3)	72.0	(12)
1994	42.6	51.5	83	8.9	72.9	12
1995	63.8	52.0	123	(11.8)	71.5	(17)
1996	83.9	65.7	128	(18.1)	72.9	(25)
1997	117.7	70.8	166	(46.9)	69.6	(67)
1998	144.2	90.9	159	(53.3)	74.3	(72)
1999	180.7	116.3	155	(64.4)	77.7	(83)
2000	220.5	137.0	161	(83.5)	84.3	(99)
2001	195.0	158.4	123	(36.6)	89.7	(41)
2002	174.1	164.5	106	(9.6)	96.9	(10)
2003	194.8	165.1	118	(29.7)	98.9	(30)
2004	210.3	185.7	113	(24.7)	89.2	(28)
2005	231.6	195.0	119	(36.6)	91.5	(40)
2006	249.0	216.8	115	(32.2)	90.4	(36)
2007	300.2	242.9	124	(57.3)	100.2	(57)

\* Excluding future City minimum contributions.

\*\* Excluding new increment, contingency reserves, and reserves for future actives.

**CITY OF MIAMI  
FIRE FIGHTERS' AND POLICE OFFICERS'  
RETIREMENT TRUST**

Disclosure Information Under GASB 5  
(COLA Fund)

IV. Revenues and Expenses

<u>Fiscal Year</u>	<u>Revenues by Source</u>			<u>Total</u> ( <u>\$</u> )
	<u>Employee Contributions</u> ( <u>\$</u> )	<u>Employer Contributions</u> ( <u>\$</u> )	<u>Investment Income</u> ( <u>\$</u> )	
1987	1,246,688	298,682	871,969	2,417,339
1988	1,272,000	0	393,935	1,665,935
1989	1,381,407	0	686,477	2,067,884
1990	1,457,451	0	694,749	2,152,200
1991	1,505,015	0	1,024,972	2,529,987
1992	1,422,192	0	1,031,806	2,453,998
1993	1,493,735	0	1,151,821	2,645,556
1994	474,233	9,481,546	1,313,750	11,269,529
1995	506	16,818,431	3,754,787	20,573,724
1996	0	2,622,149	3,795,508	6,417,657
1997	4,226	12,736,609	7,724,214	20,465,049
1998	1,094	14,344,834	10,325,730	24,671,658
1999	11,792	17,020,337	9,278,121	26,310,250
2000	293	23,437,048	18,932,095	42,369,436
2001	0	28,380,385	6,709,796	35,090,181
2002	0	32,080,031	571,271	32,651,302
2003	0	3,558,280	6,649,841	10,208,121
2004	0	3,700,611	9,923,222	13,623,833
2005	0	3,848,635	12,516,741	16,365,377
2006	0	0	25,340,983	25,340,983
2007	0	0	37,368,266	37,368,266

**CITY OF MIAMI  
FIRE FIGHTERS' AND POLICE OFFICERS'  
RETIREMENT TRUST**

Disclosure Information Under GASB 5  
(COLA Fund)  
(Continued)

IV. Revenues and Expenses (Continued)

Fiscal Year	Expenses by Type			
	Benefits (\$)	Administrative Expenses (\$)	Refunds (\$)	Total (\$)
1987	183,548	7,301	36,679	227,528
1988	321,908	387	68,950	391,245
1989	430,185	0	46,021	476,206
1990	534,058	0	85,067	619,125
1991	578,758	0	76,730	655,488
1992	628,793	20,956	78,054	727,803
1993	665,938	27,288	84,945	778,171
1994	1,657,947	7,430	72,595	1,737,972
1995	2,706,830	0	101,814	2,808,644
1996	3,051,315	0	84,143	3,135,458
1997	3,676,801	0	124,925	3,801,726
1998	4,695,927	0	30,136	4,726,063
1999	5,765,042	295,708	17,974	6,078,724
2000	7,016,378	334,588	13,932	7,364,898
2001	8,225,910	445,723	16,796	8,688,429
2002	8,943,616	437,703	11,101	9,392,420
2003	9,332,318	590,842	9,806	9,932,966
2004	9,916,255	609,251	6,313	10,531,819
2005	10,614,510	672,938	1,182	11,288,630
2006	11,760,071	807,594	1,934	12,569,599
2007	13,304,749	944,477	388	14,249,614