

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

October 1, 2011 Actuarial Report

**For the Fiscal and Plan Year
October 1, 2012
through
September 30, 2013**

Prepared By:

**The Nyhart Company, Inc.
2000 RiverEdge Parkway/ Suite 540
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June 22, 2012

June 22, 2012

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

October 1, 2011 Actuarial Report

Dear Board Members:

Enclosed is our report on the actuarial valuation of the City of Miami Fire Fighters' and Police Officers' Retirement Trust as of October 1, 2011, for the fiscal year beginning October 1, 2012.

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, as well as ordinance 13202, as applicable. This report reflects 10% member contributions from Fire Fighters and Police Officers as well as the 70 point retirement eligibility requirement for Fire Fighters who had not attained 68 points as of September 30, 2010.

The City contribution requirement for the 2012/2013 fiscal year is \$45,516,491, compared to \$42,353,775 for the 2011/2012 fiscal year. This report reflects the impact of the increase in contributions for police officers and the adjustment in the administrative expenses assumption, effective October 1, 2011.

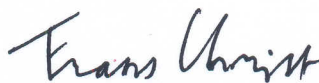
When expressed as a percentage of total payroll (for active members and members in DROP), the City contribution rate increased from 29.89% as of October 1, 2010 to 38.21% as of October 1, 2011. The percentages of total payroll reflect the hypothetical impact on funding if there were no DROP, since members who are presently in DROP could well be more likely to be retired and replaced with active members. The ordinance and State law do not permit funding after members enter DROP.

Respectfully submitted,

THE NYHART COMPANY, INC.



Randall L. Stanley, FSA, FCA, MAAA, EA
Actuary



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Enclosures: Electronic (danial@miamifiop.org)
Bound (1 copy)

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

OCTOBER 1, 2011 ACTUARIAL REPORT

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**CITY OF MIAMI
FIRE FIGHTERS' AND POLICE OFFICERS'
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Comparative Summary of Principal Valuation Results - Regular Fund

		Actuarial Valuation	
		Prepared as of	
		<u>10/1/2011</u>	<u>10/1/2010</u>
A.	<u>Participant Data</u> (Ex.7)		
	Active Members	1,196	1,227
	Covered Payroll	\$82,164,617	\$80,152,355
	Members in DROP	481	549
	DROP Payroll	\$36,943,839	\$61,549,206
	Projected Total Payroll	\$119,108,456	\$141,701,561
	Retired Members and Beneficiaries	2,089	2,062
	Total Annualized Benefits	\$119,601,858	\$117,265,525
	Disabled Members	178	186
	Total Annualized Benefits	\$3,653,055	\$3,789,189
	Terminated Vested Members	18	16
	Total Annualized Benefits	\$480,262	\$404,409
B.	<u>Assets</u>	-\$-	-\$-
	Actuarial Value (Ex. 2A)	1,150,323,527	1,180,649,632
	Market Value (Ex. 4)	987,110,729	1,027,739,486
C.	<u>Liabilities</u> (Excl. COLA)		
	Present Value of Benefits (Ex. 1)		
	Active Members - Retirement	349,219,159	348,453,640
	Vesting	23,242,860	23,446,447
	Disability	42,626,676	42,403,883
	Death	3,601,943	3,564,506
	Return of Contributions	2,199,182	2,041,068
	Total	<u>420,889,820</u>	<u>419,909,544</u>
	Inactive Members - Retired and Beneficiaries	1,341,422,264	1,323,426,300
	Disabled	32,338,742	33,684,331
	Terminated Vested	3,855,757	3,231,775
	Total	<u>1,377,616,763</u>	<u>1,360,342,406</u>
	Total	<u>1,798,506,583</u>	<u>1,780,251,950</u>
	Actuarial Accrued Liability	N/A	N/A
	Unfunded Actuarial Accrued Liability	N/A	N/A

**CITY OF MIAMI
FIRE FIGHTERS' AND POLICE OFFICERS'
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Comparative Summary of Principal Valuation Results - Regular Fund
(Continued)

	Actuarial Valuation	
	Prepared as of	
	<u>10/1/2011</u>	<u>10/1/2010</u>
D. <u>Actuarial Present Value of Accrued Benefits</u> (Exhibit 5)	-\$-	-\$-
Vested Accrued Benefits		
Inactive Members and Beneficiaries	1,377,616,763	1,360,342,406
Active Members	<u>157,940,269</u>	<u>154,433,888</u>
Total	1,535,557,032	1,514,776,294
Non-Vested Accrued Benefits		
Total	<u>32,766,078</u>	<u>29,769,852</u>
	1,568,323,110	1,544,546,146
E. <u>Pension Cost</u> (Exhibit 1)		
Normal Cost	51,732,953	48,958,986
Payment to Amortize Unfunded Liability	N/A	N/A
Expected Plan Sponsor Contribution	45,516,491	42,353,775
As % of Covered Payroll	55.40%	52.84%
As % of Total Payroll	38.21%	29.89%
Expected Member Contribution	6,216,462	6,605,211
As % of Payroll	10.00%	8.24%
F. <u>Past Contributions</u>	Year Ending <u>9/30/2010</u>	Year Ending <u>9/30/2009</u>
	-\$-	-\$-
Required Plan Sponsor Contribution	42,287,046	55,095,791
Required Member Contributions	7,137,824	10,436,367
Actual Contributions		
Plan Sponsor	40,058,891	54,342,926
Members	7,137,824	10,436,367
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)	1,104,448,459	1,103,177,771
Present Value Future Contributions (at attained age)	106,522,468	87,615,425

**CITY OF MIAMI
FIRE FIGHTERS' AND POLICE OFFICERS'
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Comparative Summary of Principal Valuation Results – COLA Fund

		Actuarial Valuation Prepared as of	
		<u>10/1/2011</u>	<u>10/1/2010</u>
A. <u>Participant Data</u>			
Active Members			
Total Annual Payroll			
Retired Members and Beneficiaries			
		2,089	2,062
Total Annualized Benefits		\$14,157,086	15,732,846
Disabled Members			
		178	186
Total Annualized Benefits		\$2,561,808	2,740,960
Table			
		\$1,312	\$1,312
B. <u>Assets</u>			
		-\$-	-\$-
Actuarial Value (Ex. 13)		340,066,580	343,766,397
Market Value (Ex. 13)		310,033,968	311,770,987
C. <u>Liabilities (COLA Only)</u>			
Present Value of Benefits (Ex. 13)			
Active Members -	Reserve for Current Actives	30,006,601	29,956,033
	Reserve for Contribution Refunds	N/A	N/A
	Reserve for Future Actives	<u>4,500,990</u>	<u>4,493,405</u>
Total (excl. 457 Service)		34,507,591	34,449,438
Inactive Members -	Frozen COLA I Benefits	1,285,953	1,464,977
	COLA II Benefits	<u>267,837,298</u>	<u>279,732,820</u>
	Total	269,123,251	281,197,797
Total		<u>303,630,842</u>	<u>315,647,235</u>

Comparative Summary of Total Assets - Combined

Market Value (Ex. 4)	<u>1,297,118,927</u>	<u>1,339,510,472</u>
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**CITY OF MIAMI
FIRE FIGHTERS' AND POLICE OFFICERS'
RETIREMENT TRUST**

REVIEW OF COSTS

Summary Discussion

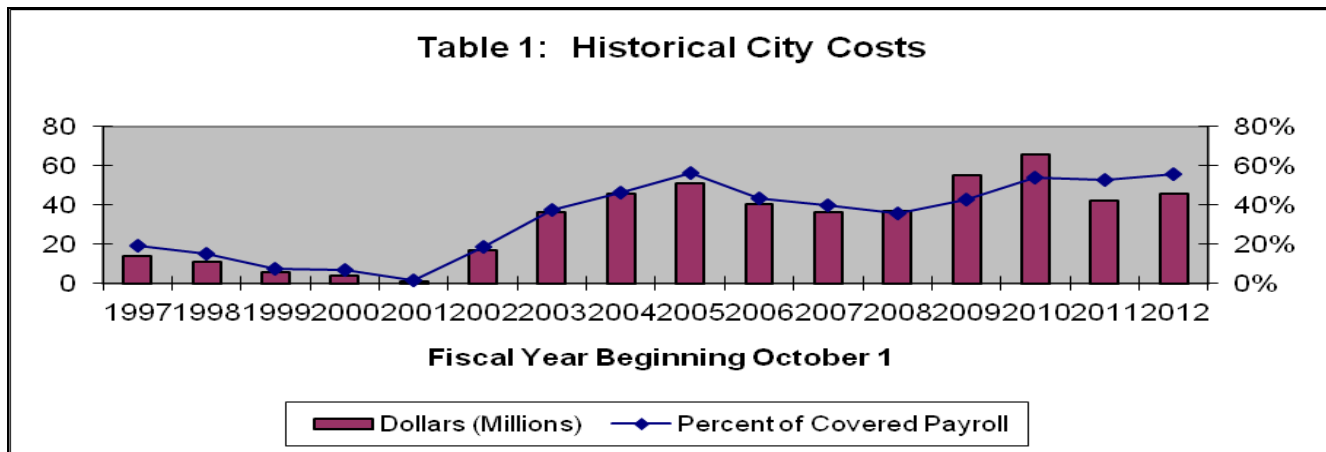
This is the actuarial report for the fiscal year beginning October 1, 2012 for the City of Miami Fire Fighters' and Police Officers' Retirement Trust. This is the twenty-eighth annual actuarial report prepared by The Nyhart Company, previously Stanley, Holcombe & Associates, Inc. This report is intended to reflect the provisions and requirements of Ordinance No. 10002, as well as Ordinance 13202, As Applicable.

Comparison of Deposit Requirements

The City contribution requirements, and the results calculated for the 2012/2013 fiscal year, are as follows:

	<u>2012/2013</u>		<u>2011/2012</u>
	<u>Revised Provisions</u>	<u>Prior Provisions</u>	
Past Service Cost	-\$-	-\$-	-\$-
Normal Cost	N/A	N/A	N/A
Payment Timing	0	0	0
	<u>45,516,419</u>	<u>47,083,250</u>	<u>42,353,775</u>
Percentage of Covered Payroll	55.40%	57.30%	52.84%
Percentage of Total Payroll	38.21%	39.53%	29.89%

The 2012/2013 deposit amount of \$45,516,491 is approximately \$3.2 million more than the \$42,353,775 for the prior year. In addition, the outstanding minimum contribution as of October 1, 2011 for the 2010/2011 year is \$25,770.



Analysis of Cost Changes

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 and there are no Plan or assumption changes. In the absence of Plan or assumption changes, 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:

<u>Table 2 – Gain/Loss Analysis of Cost Changes from October 1, 2010 to October 1, 2011 Valuations</u>		
	<u>Normal Cost</u>	
	<u>-\$-</u>	<u>-%-</u>
2010/2011 Normal Cost		
Including 9% Firefighter Contributions	42,353,775	52.84*
2011/2012 Normal Cost Expected (for continuing participants)	44,520,495	52.98
<u>Element of Experience</u>		
Salary Increases	-61,514	-0.09
Turnover	+142,261	-0.23
Mortality	-742,294	-0.96
Retirement	-243,930	+2.26
New Participants	-168,841	-1.10
Disability	-166,215	-0.38
Investment Return	+3,263,600	+3.97
Contribution Lag	+203,537	+0.25
Other, Data	<u>+336,151</u>	<u>+0.42</u>
Total	+2,562,755	+4.32
2011/2012 Normal Cost	47,083,250	57.30
Change in Plan Provisions	-1,399,583	(1.70)
Administrative Expense Assumption	-167,176	(0.20)
2011/2012 Final Normal Cost	45,516,491	55.40*
		38.21**

* Percentage of Covered Payroll

** Percentage of Total Payroll

Projected Total Payroll of \$119,108,456 is equal to 100% of Covered Payroll of \$82,164,617 plus \$36,943,839 payroll for members in DROP.

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

Salary Increases - During the period October 1, 2010 through September 30, 2011, covered payroll for the continuing actives increased less than expected, resulting in a decrease of \$61,514 in the Normal Cost. Covered payroll for continuing active participants at September 30, 2011 increased 7.14% compared to an expected 7.48% increase.

Mortality - For active members there were no deaths, as compared to 1 expected; for inactive members there were 61 deaths (28 with survivors), as compared to 46 expected. This decreased the normal cost by \$742,294.

Disability - During the past year there was one disability, as compared to 5 expected. This decreased the normal cost by \$166,215.

Turnover - From October 1, 2010 to September 30, 2011, there were 9 employee terminations, as compared to 19 predicted by the actuarial assumptions. This increased the normal cost by \$142,261. Following is a comparison of the expected and actual turnover rates for the past nine years:

<u>Age</u>	<u>2002/2005</u>		<u>2005/2008</u>		<u>2008/2009</u>		<u>2009/2010</u>		<u>2010/2011</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	1.3	0	3.2	4	1.7	2	1.2	0	0.8	1
25-29	9.8	12	9.0	12	4.2	6	4.3	1	4.5	0
30-34	15.7	26	13.5	19	5.0	5	5.0	1	4.9	0
35-39	15.7	10	15.3	13	5.1	5	4.9	0	4.6	4
40+	<u>13.5</u>	<u>18</u>	<u>11.5</u>	<u>8</u>	<u>4.0</u>	<u>4</u>	<u>3.9</u>	<u>1</u>	<u>4.4</u>	<u>4</u>
	56.0	66	52.5	56	20.0	22	19.3	3	19.2	9

Retirement - There were 51 retirements during the period (7 firefighters, 44 police), as compared to 1 expected. This large number of retirements caused an increase in costs of 2.26% of payroll. However, the corresponding significant decline in payroll resulted in the dollar cost decreasing \$243,930.

Following is a comparison of the expected and actual retirements during the past year:

Table 4 – Expected and Actual Retirements by Duration

Service*	Firefighters			Police Officers			Combined		
	Expected	Actual	A/E	Expected	Actual	A/E	Expected	Actual	A/E
0	0.10	3	3000.0%	0.20	32	16000.0%	0.30	35	11666.7%
1	0.05	0	0.0%	0.00	12	0.0%	0.05	12	24000.0%
2	0.00	0	0.0%	0.00	0	0.0%	0.00	0	0.0%
3	0.10	0	0.0%	0.00	0	0.0%	0.10	0	0.0%
4	0.00	2	0.0%	0.00	0	0.0%	0.00	2	0.0%
5	0.50	1	200.0%	0.00	0	0.0%	0.50	1	200.0%
6	0.50	1	200.0%	0.00	0	0.0%	0.50	1	200.0%
7	0.00	0	0.0%	0.00	0	0.0%	0.00	0	0.0%
8	0.00	0	0.0%	0.00	0	0.0%	0.00	0	0.0%
9	0.00	0	0.0%	0.00	0	0.0%	0.00	0	0.0%
10+	<u>0.00</u>	<u>0</u>	0.0%	<u>0.00</u>	<u>0</u>	0.0%	<u>0.00</u>	<u>0</u>	0.0%
Total	1.25	7	560.0%	0.20	44	22000.0%	1.45	51	3517.2%

*After attainment of Rule of 64 and 20 years

Investment Return - The rate of return for the year ending September 30, 2011 was 3.98% on actuarial asset value (Exhibit 2A).

As shown in Exhibit 2C, there will not be a COLA transfer as of January 1, 2012; there could be a transfer on January 1, 2013 of \$5,683,400 only if there were a favorable cumulative experience position as of September 30, 2012. The city minimum COLA contributions without the transfer shall be \$5,064,541 on January 1, 2012 and \$5,267,123 on January 1, 2013 due to the COLA fund.

New Members – During the year there were 31 new members, who decreased the City contribution percentage for the Fund by 1.10%. Last year, 32 new members decreased the rate by 1.06%.

Experience Study

The 2008-2011 Experience Study dated December 28, 2011 suggested changes be made to the disability assumption and the marriage assumption.

The current disability assumption has been in place since 1992 or earlier. Over the past 20 years there were 69 disabilities, as compared to 101.2 expected. The average annual cost impact of this assumption was a gain of \$63,500, which would be just over one tenth of one percent of the annual contribution requirement. Since the average impact is a small gain, we recommend that no change be made to this assumption.

Experience Study (continued)

The current marriage assumption states that all employees are assumed to be married. Note that for members currently receiving benefits, actual spouse’s information is provided. The normal form of benefit is a 40% contingent annuitant benefit. For members who are not married at retirement, or who elect a life annuity, the benefit is increased to 105% of the accrued benefit, to reflect the fact that there will not be a contingent annuitant. This approximates the actuarial equivalence of the 40% contingent annuitant benefit fairly closely. Therefore, there is no need to change the marriage assumption.

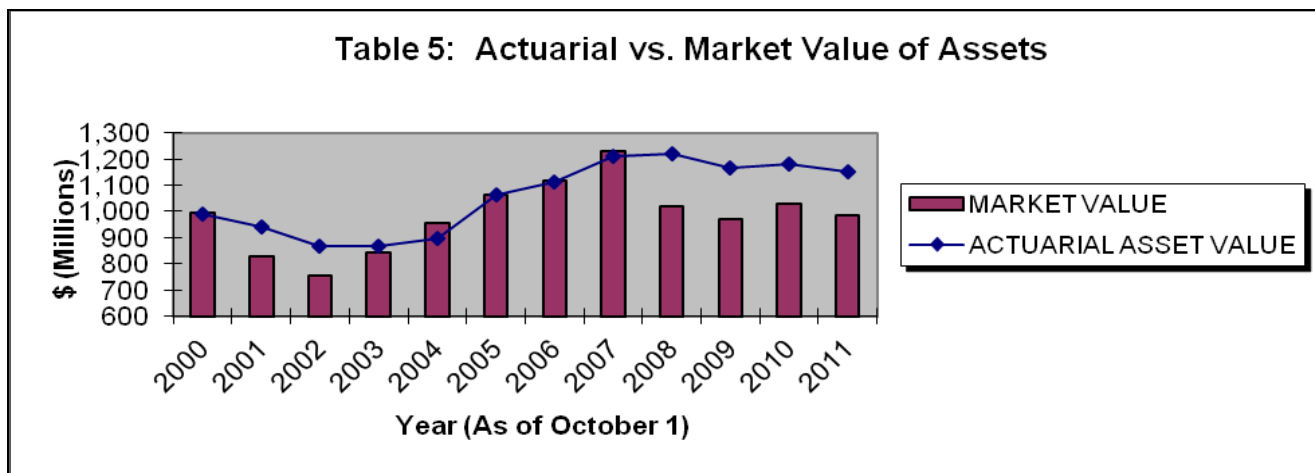
There were no recommendations for changes to any other assumptions in the Experience Study.

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, 2011 was 3.6%.

The asset valuation method results in an actuarial asset value of \$1.150 billion as of October 1, 2011 (Exhibit 2A), 117% of the market value of \$987 million. The rate of return on Actuarial Asset Value was 4.0%, as compared to the 7.5% assumption (Exhibit 2A).

Table 5 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, 2011 was 8.41%. This would result in a transfer of \$5,683,400 from the Regular Fund to the COLA Fund on January 1, 2013 (Exhibit 2C), if there were a favorable cumulative experience position. However, the cumulative experience position is unfavorable – a cumulative net loss of \$157 million as of October 1, 2011 (Exhibit 14).

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.

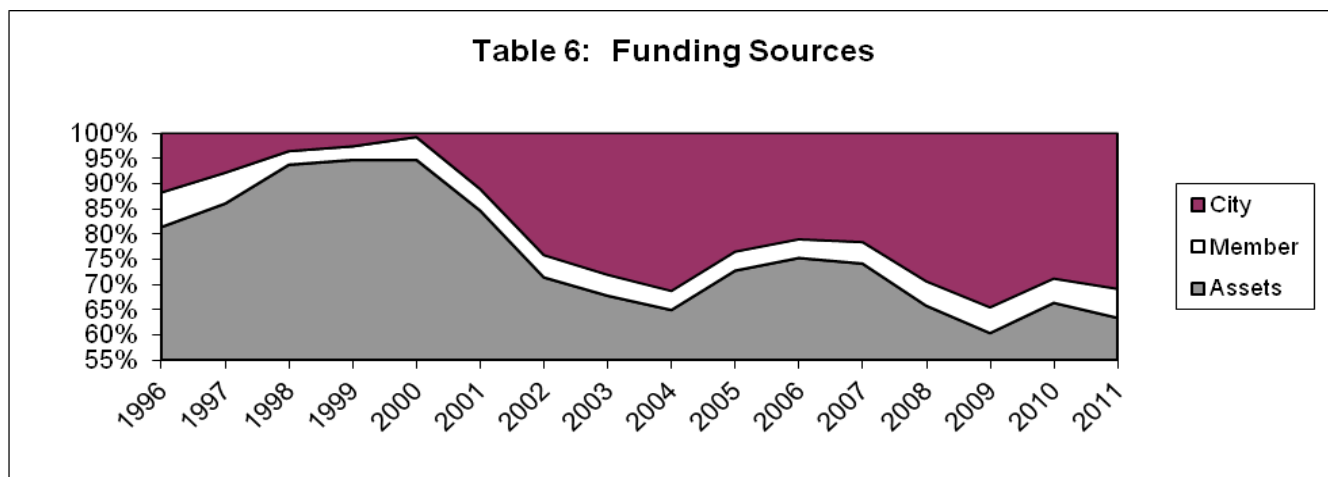
Nevertheless, it is important to distinguish between individual annual costs (which may be somewhat erratic) and expected ongoing annual costs. The following table compares the City contribution requirement as a percentage of payroll to the theoretical entry age normal City contribution percentages:

<u>Valuation Date</u>	<u>Contribution %</u>	<u>EAN %</u>
10/1/2011	56	9
10/1/2010	53	12
10/1/2009	54	21
10/1/2008	43	21
10/1/2007	36	22
10/1/2006	40	23
10/1/2005 (Revised AAV)	44	23
10/1/2005 (Prior AAV)	60	23
10/1/2004	57	23
10/1/2003	46	21
10/1/2002	45	17
10/1/2001	20	19
10/1/2000	1	16
10/1/1999	5	17

As will be noted, contribution requirements in the two 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 6 compares the sources of benefit funding for the past 15 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, 2011, the actuarial value of assets equals 63% of the present value of benefits, the present value of member contributions equals 6%, and the present value of future City normal costs equal 31% 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 three years. The market value of assets on October 1, 2011 is \$987,110,729, as compared to the value of accrued benefits of \$1,568,323,110 for a ratio of 62.9%. The ratio as of October 1, 2010 was 66.5%.

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

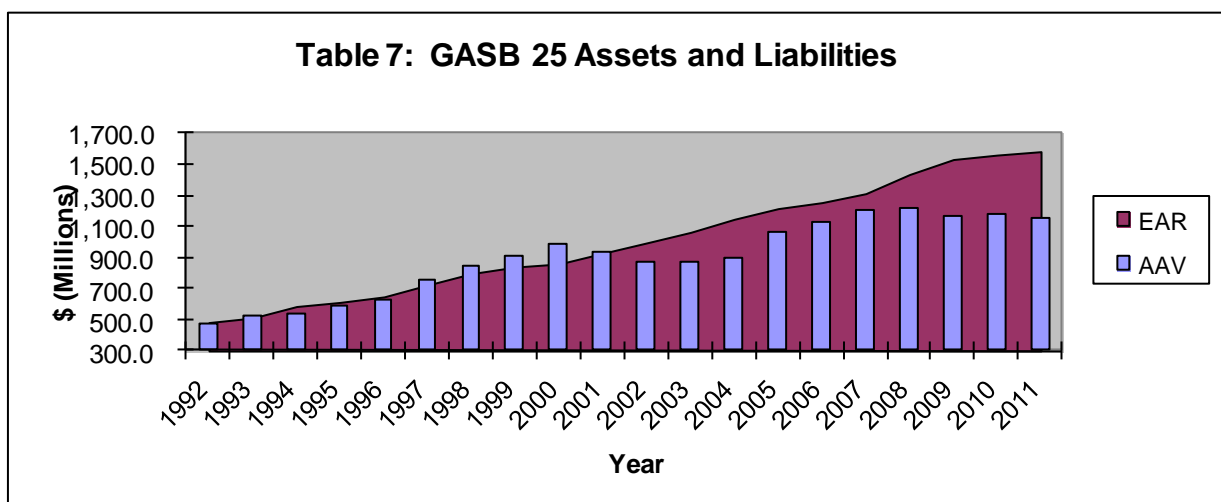
Governmental Accounting Standards

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. The Schedule of Funding Progress in this report 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, 2011 the entry age reserve is \$1,590.5 million. This compares to an Actuarial Asset Value of \$1,150.3 million, for a funded ratio of 72%. Last year the funded ratio was 75%. These amounts, together with other disclosures, are contained in Exhibit 11 and illustrated in the following Table 7:



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 is included in 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 10/1/2011. 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 1/1/2012), 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 47% 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.

Exhibit 13 reflects the recent attorneys' opinion that the minimum City contributions apply for future years when there is no excess investment return. This modification increases the Unallocated Reserve from (\$36,744,626) to (\$3,286,792).

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 loss increased from \$94,457,166 as of October 1, 2010, to a cumulative loss of \$157,750,436 as of October 1, 2011 (Exhibit 14).

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, 2012 is scheduled to be \$0 and the excess return transfer as of January 1, 2013 is \$5,702,977. Therefore, there will be City contributions to the COLA fund of \$5,064,541 as of January 1, 2012.

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, 2011 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.

Randall L. Stanley
Signature

Enrolled Actuary No. 11-602

June 22, 2012
Date

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

City Contribution Requirement for 2012/2013 Fiscal Year

	<u>2012/2013</u>		<u>2011/2012</u>
	<u>Revised</u> <u>Provisions</u>	<u>Prior</u> <u>Provisions</u>	
	-\$-	-\$-	-\$-
I. <u>Unfunded Actuarial Accrued Liability</u>	N/A	N/A	N/A
II. <u>Normal Cost</u>			
A. Present Value of Future Benefits			
1. <u>Active Members</u>			
a. Retirement	349,219,159	349,219,159	348,453,640
b. Disability	42,626,676	42,626,676	42,403,883
c. Death	3,601,943	3,601,943	3,564,506
d. Turnover	23,242,860	23,242,860	23,446,447
e. Return of Contributions	<u>2,199,182</u>	<u>2,017,685</u>	<u>2,041,068</u>
f. Total	420,889,820	420,708,323	419,909,544
2. <u>Retired Members and Beneficiaries</u>			
a. Service Retirements + Beneficiaries	1,341,422,264	1,341,422,264	1,323,426,300
b. Disability Retirements	32,338,742	32,338,742	33,684,331
c. Terminated Vested Members	<u>3,855,757</u>	<u>3,855,757</u>	<u>3,231,775</u>
d. Total	1,377,616,763	1,377,616,763	1,360,342,406
3. Total	<u>1,798,506,583</u>	<u>1,798,325,086</u>	<u>1,780,251,950</u>

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

City Contribution Requirement for 2012/2013 Fiscal Year

	<u>2012/2013</u>		<u>2011/2012</u>
	<u>Revised</u>	<u>Prior</u>	
	<u>Provisions</u>	<u>Provisions</u>	
	-\$-	-\$-	-\$-
II. <u>Normal Cost</u> (Cont'd)			
A. Total Present Value of Future Benefits	1,798,506,583	1,798,325,086	1,780,251,950
B. Present Value of Future Member Contributions	106,522,468	88,840,453	87,615,425
C. Actuarial Asset Value	1,150,323,527	1,150,323,527	1,180,649,632
D. Unfunded Actuarial Accrued Liability	<u>0</u>	<u>0</u>	<u>0</u>
E. Present Value of Future Normal Costs (A-B-C-D)	541,660,588	559,166,106	511,986,893
F. Present Value of Future Payrolls	1,104,448,459	1,104,448,459	1,103,177,771
G. Administrative Expense	2,044,488	2,200,000	2,200,000
H. Current Payroll for those under Expected Retirement Age	82,164,617	82,164,617	80,152,355
I. Interest Rate	7.5%	7.5%	7.5%
J. Current Normal Cost - Payable 10/1/2012 ([(E)x(H) / (F)] + (G)) (1+(I))	45,516,491	47,083,250	42,353,775
K. Covered Payroll	82,164,617	82,164,617	80,152,355
L. Normal Cost as Percentage of Covered Payroll (J)/ (K)	55.60%	57.30%	52.84%
III. <u>Quarterly City Contribution Schedule</u>			
A. Past Service Cost	0	0	0
B. Normal Cost	45,516,491	47,083,250	42,353,775
C. Payment Timing	<u>0</u>	<u>0</u>	<u>0</u>
D. Total	<u>45,516,491</u>	47,083,250	42,353,775

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, 2011</u>	-\$-
A. Actuarial Value of Assets as of 10/01/2010	1,180,649,632
B. City Contributions	40,058,891
C. Member Contributions	7,137,824
D. Benefits Paid	123,360,907
E. Contributions Refunded	225,732
F. Expected Return *	<u>86,867,018</u>
G. Expected Actuarial Value of Assets (A+B+C-D-E+F)	1,191,126,726
H. Market Value of Assets at 9/30/2011	987,110,729
I. Present Value of 01/01/12 COLA Transfer	0
J. Present Value of 01/01/13 COLA Transfer	0
K. Difference (H-I-J-G)	(204,015,997)
L. 20% of Difference	(40,803,199)
M. Preliminary Actuarial Asset Value (G+L)	1,150,323,527
N. Maximum Actuarial Asset Value (120% of H-I-J)	1,184,532,875
O. Minimum Actuarial Asset Value (80% of H-I-J)	789,688,583
P. Actuarial Asset Value at 10/1/2011	1,150,323,527
Q. Contribution Surplus Account Balance	0
R. Final Actuarial Value at 10/01/2011 (P – Q)	<u>1,150,323,527</u>
II. <u>Rate of Return on Actuarial Asset Value</u>	-\$-
A. Actuarial Asset Value at 10/01/2010	1,180,649,632
B. Contributions	
1. City	40,058,891
2. Members	<u>7,137,824</u>
3. Total	47,196,715
C. Benefits and Refunds	123,586,639
D. Contribution Surplus	0
E. Actuarial Asset Value at 10/01/2011	1,150,323,527
F. Net Return on Investment [E+D+C-B-A]	46,063,819
G. Rate of Return (II F/I F) (.075)	3.98%

*[1,180,649,632 + 40,058,891 + (7,137,824) (2.5/4) – (123,360,907 + 225,732) (13/24)] (.075)

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

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

	<u>9/30/2011</u>	<u>9/30/2010</u>	<u>9/30/2009</u>
	-\$-	-\$-	-\$-
A. Book Value	995,683,437	992,423,802	970,698,193
B. Market Value	987,110,729	1,027,739,486	970,811,437
C. B/A	.9913901	1.0355853	1.0001167
<hr style="border-top: 1px dashed black;"/>			
D. $1/3 \sum (C)$		1.0090307	
E. Adjusted Market Value at 9/30/2011 D x \$995,683,437		1,004,675,155	
F. Contribution Surplus at 9/30/2011		0	
G. 1. 80% of Market Value 2. 120% of Market Value		789,688,583 1,184,532,875	
H. Preliminary Actuarial Asset Value		1,004,675,155	
I. Present Value of 1/1/2012 COLA Transfer, discounted at 7.5%		0	
J. Actuarial Asset Value (H-I)		1,004,675,155	

II. Rate of Return on Actuarial Asset Value

A. Actuarial Asset Value at 10/01/2010	-\$-	1,000,132,851
B. Contributions		
1. City		40,058,891
2. Members		7,137,824
3. Total		<u>47,196,715</u>
C. Benefits and Refunds		123,586,639
D. Present Value of 1/1/2012 COLA Transfer		0
E. Contribution Surplus		0
F. Actuarial Asset Value at 10/01/2011		1,004,675,155
G. Net Return on Investment [F+E+D+C-B-A]		80,932,228
H. Rate of Return [2 x G/ (A+F-G)]		8.41%

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

Calculation of Excess Investment Return
On Membership and Benefits Accounts for 2010/2011 Fiscal Year
2013 COLA Transfer

I.	Net Actual Return on Actuarial Asset Value		-\$-
	A. Preliminary Actuarial Asset Value as of 10/1/2011		1,004,675,155
	B. Benefits Paid During Plan Year		123,360,907
	C. Contributions Refunded During Plan Year		225,732
	D. City Contributions During Plan Year (Required)		40,058,891
	E. Member Contributions During Plan Year		7,137,824
	F. Actuarial Asset Value as of 10/1/2010		<u>1,000,132,851</u>
	G. Total Actual Return During Plan year (A)+(B)+(C)-(D)-(E)-(F)		80,932,228
II.	Net Expected Return on Actuarial Asset Value		
	A. Actuarial Asset Value as of 10/1/2010		1,000,132,851
	B. Benefits Paid During Plan Year		123,360,907
	C. Contributions Refunded During Plan Year		225,732
	D. City Contributions During Plan Year		40,058,891
	E. Member Contributions During Plan Year		7,137,824
	F. Expected Rate of Return (Lesser of 7.75% or Valuation Assumption)		7.50%
	G. Expected Return During Plan Year		73,328,259 *
	H. Base Amount for Expected Return (G)/.075		977,710,120
	I. Excess Return on Assets (I(G) - II(G))		7,603,969
	J. Excess Return as % of II(H)		0.777732%**
III.	Amount to be Transferred to COLA Fund		
	A.		
		<u>Excess Return</u>	<u>COLA Transfer</u>
		% \$	% -\$-
	First	2.5 7,603,969	75 5,702,977
	Next	2.5 0	50 0
	Next	2.5 0	25 0
	Remainder	0	<u>0</u>
	B.	Total Transfer Amount at 1/1/2013	<u>5,702,977</u> ***

*Assumes Uniform Quarterly Contributions and Monthly Benefits
 $[1,000,132,851 + 40,058,891 + (7,137,824) (2.5/4) - (123,360,907 + 225,732) (13/24)](.075) =$ 73,328,259

** Before 1/1/2012 COLA Transfer
 ***Limited to favorable cumulative experience position

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

Summary of Asset Transactions for Year Ending September 30, 2011 *

	<u>Membership and Benefits Accounts</u>	<u>COLA I Account</u>	<u>COLA II Account</u>
	-\$-	-\$-	-\$-
A. Market Value as of October 1, 2010	1,027,739,486	39,331,727	272,439,260
B. Book Value as of October 1, 2010	992,423,802	37,980,191	263,077,569
C. Income During Year			
1. City Contributions	40,058,891		4,869,751
2. Member Contributions	7,137,824		
3. Other Member Contributions	0		
4. Interest	21,092,563	775,902	5,298,528
5. Dividends	7,867,993	354,405	2,417,507
6. Net Realized Gains (Losses)	54,212,521	2,074,539	14,325,155
7. Securities Lending Income	555,386	21,715	148,129
8. Rental and Other Income	223,456	8,757	59,590
9. COLA Transfer at January 1, 2011	<u>0</u>	<u>--</u>	<u>0</u>
	131,148,634	3,235,318	27,118,660
D. Disbursements During Years			
1. Benefit Payments	123,360,907	248,193	17,115,648
2. Contribution Refunds	225,732	0	0
3. Custodial and Investment Expenses	4,156,839	162,038	1,106,690
4. Administrative Expense			
5. Securities Lending Fees	138,735	5,425	37,002
6. Building Depreciation	<u>32,556</u>	<u>1,322</u>	<u>8,847</u>
	127,914,769	416,978	18,268,187
E. Book Value as of 9/30/2011 (B)+(C)-(D)	995,657,667	40,798,531	271,928,042
F. Net Change in Unrealized Gains (Losses)	(43,888,392)	(1,702,815)	(11,703,017)
G. Market Value as of September 30, 2011 (A)+(C)-(D)+(F)	987,084,959	40,447,252	269,586,716
H. January 1, 2012 Allocation to COLA II (discounted)	0	N/A	0
I. City Contribution Receivable (Exh. 18, p.3)	<u>25,770</u>	<u>N/A</u>	<u>N/A</u>
J. Net Market Value as of September 30, 2011	987,110,729	40,447,252	269,586,716

*Based on unaudited financial statements.

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

Distribution of Assets as of September 30, 2011⁽¹⁾

Membership and Benefits and Cost-of-Living Adjustment Accounts

<u>Description</u>	<u>Market</u>	<u>Book</u>
	-\$-	-\$-
Bills, Bonds, Notes	460,334,779	440,526,866
Domestic Stocks	414,939,501	405,865,258
International Stocks	184,938,922	215,225,559
Private Equity	41,208,816	37,918,987
Money Market Funds and Time Deposits	16,358,391	15,778,599
Mutual Funds	109,187,178	122,917,631
Real Estate ⁽²⁾	2,042,639	2,042,639
Securities Lending Adjustment	<u>0</u>	<u>0</u>
A: Sub-Total	1,229,010,226	1,240,275,539
B: Cash	68,529,636	68,529,636
Receivables:		
City Contributions⁽³⁾	(176,466)	(176,466)
Accounts Receivable	2,551	2,551
Member Contributions	0	0
Accrued Interest	4,712,222	4,712,222
Accrued Dividends	1,056,148	1,056,148
Securities Proceeds	<u>3,756,806</u>	<u>3,756,806</u>
C: Sub-Total	9,351,261	9,351,261
Payables:		
Budget Advance	50,341	50,341
Transfer	0	0
Tax Withheld	(877)	(877)
Accounts Payable	170,750	170,750
Securities Purchased	<u>9,526,212</u>	<u>9,526,212</u>
D: Sub-Total	<u>9,746,426</u>	<u>9,746,426</u>
E: Total (A+B+C-D)	1,297,144,697	1,308,410,010
Accounts:		
COLA I Account	40,447,252	40,798,531
COLA II Account	269,586,716	271,928,042
COLA II Transfer (1/1/2011)	0	0
F: Membership & Benefits Account	987,110,729	995,683,437

⁽¹⁾Based on unaudited financial statements.

⁽²⁾Reflects accumulated depreciation of \$384,532.

⁽³⁾Reflects \$25,770 City Contribution Receivable from Exhibit 18, page 3.

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

Investment Results

Yield on Mean Values for 12-Month Period Ending September 30, 2011

	-\$-	<u>Market</u> -%-	<u>Book</u> -%-
<u>Membership and Benefits Accounts*</u>			
Interest	21,092,563	2.1	2.2
Dividends	7,867,993	0.8	0.8
Rental and Other Income, less Depreciation	190,900	0.0	0.0
Realized Gains	54,212,521	5.5	5.7
Securities Lending (Net)	416,651	0.0	0.0
Increase in Unrealized Gains	(43,888,392)	(4.4)	--
Custodial and Investment Expenses	(4,156,839)	(0.4)	(0.4)
Real Estate Adjustment to Appraised Value	<u>0</u>	<u>0.0</u>	<u>--</u>
	35,735,397	3.6	8.3
 <u>COLA I Account</u>			
Interest	775,902	2.0	2.1
Dividends	354,405	0.9	0.9
Rental and Other Income, less Depreciation	7,435	0.0	0.0
Realized Gains	2,074,539	5.3	5.5
Securities Lending (Net)	16,290	0.0	0.0
Increase in Unrealized Gains	(1,702,815)	(4.3)	--
Custodial and Investment Expenses	<u>(162,038)</u>	<u>(0.4)</u>	<u>(0.4)</u>
	1,363,718	3.5	8.1
 <u>COLA II Account</u>			
Interest	5,298,528	2.0	2.1
Dividends	2,417,507	0.9	0.9
Rental and Other Income, less Depreciation	50,743	0.0	0.0
Realized Gains	14,325,155	5.4	5.6
Securities Lending (Net)	111,127	0.0	0.0
Increase in Unrealized Gains	(11,703,017)	(4.4)	--
Custodial and Investment Expenses	<u>(1,106,690)</u>	<u>(0.4)</u>	<u>(0.4)</u>
	9,393,353	3.5	8.2

*Before 1/1/2011 COLA transfer

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

Summary of Accounting Information
As of October 1

	<u>2011</u>		<u>2010</u>
	-\$-	-\$-	-\$-
I. <u>Present Value of Vested Accrued Benefits</u>			
	(FRS 7.75%)	(FIPO 7.5%)	
A. Service Retirements and Beneficiaries	1,312,115,449	1,341,422,264	1,323,426,300
B. Disability Retirements	31,750,022	32,338,742	33,684,331
C. Vested Terminated Members	3,717,613	3,855,757	3,231,775
D. Active Members	<u>151,036,248</u>	<u>157,940,269</u>	<u>154,433,888</u>
E. Total	1,498,619,332	1,535,557,032	1,514,776,294
II. <u>Present Value of Non-Vested Accrued Benefits</u>	31,351,970	32,766,078	29,769,852
III. <u>Present Value of Accrued Benefits</u>	1,529,971,302	1,568,323,110	1,544,546,146
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			1,544,546,146
B. Increase (Decrease) During the Year Attributable to:			
1. Benefits Accumulated			36,157,141
2. Benefits Paid and Contributions Refunded			(123,586,639)
3. Plan Amendment			0
4. Assumption/Method Changes			0
5. Increase Due to Decrease in Discount Period			<u>111,206,462</u>
6. Net Increase			23,776,964
C. Present Value of Accrued Benefits at End of Year			1,568,323,110

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

Comparison of Funding Progress
(\$000)

I. <u>Assets</u>	<u>10/1/2011</u>	<u>10/1/2010</u>	<u>10/1/2009</u>
	-\$-	-\$-	-\$-
A. Book Value	995,683	992,424	970,698
B. Market Value	987,111	1,027,740	970,811
II. <u>Liabilities</u>			
A. Retired and Vested	1,377,617	1,360,342	945,370
B. Active			
Employee Contributions	66,927	64,629	117,247
Other Vested	91,013	89,805	299,363
Non-Vested Accrued	<u>32,766</u>	<u>29,770</u>	<u>29,207</u>
C. Total Accrued	1,568,323	1,544,546	1,391,187
III. <u>Ratios</u>	%	%	%
IA/IIC	63.5	64.3	69.8
IB/IIC	62.9	66.5	69.8

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

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

Member Statistics

I. Active Members

	<u>10/1/2011</u>	<u>10/1/2010</u>	<u>10/1/2009</u>
Number of			
Males	1,023	1,039	1,288
Females	<u>173</u>	<u>188</u>	<u>229</u>
Total	1,196	1,227	1,517

Averages

Current Age	36.4	36.0	38.1
Past Service	9.5	9.1	11.4
Credited Past Service	9.5	9.1	11.4
Annual Earnings	\$68,700	\$65,324	\$80,562

II. Inactive Members

A. Retirees and Beneficiaries

Number	2,089	2,062	1,758
Average Annual Benefit	\$57,253	\$56,870	\$49,004
Average Age	62.4	62.1	63.7

B. Disabled

Number	178	186	196
Average Annual Benefit	\$20,523	\$20,372	\$19,900
Average Age	68.6	68.2	67.7

C. Vested Terminated

Number	18	16	20
Average Deferred Benefit	\$26,681	\$25,276	\$25,617
Average Age	43.9	43.6	44.0

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

Age-Service Distribution

<u>Age</u>	<u>Completed Years of Service</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>Total</u>	<u>Average</u>
											<u>-\$-</u>	<u>-\$-</u>
15-24	5	26	0	0	0	0	0	0	0	31	1,617,102	52,165
25-29	11	152	78	1	0	0	0	0	0	242	13,672,369	56,497
30-34	10	74	116	52	0	0	0	0	0	252	16,248,282	64,477
35-39	1	42	72	110	47	3	0	0	0	275	19,657,200	71,481
40-44	0	26	38	93	78	26	0	0	0	261	19,943,333	76,411
45-49	0	10	12	38	29	18	4	0	0	111	9,069,777	81,710
50-54	0	1	3	3	6	6	0	0	0	19	1,587,379	83,546
55-59	0	0	1	1	1	2	0	0	0	5	369,174	73,835
60-64	0	0	0	0	0	0	0	0	0	0	0	0
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>
Total	27	331	320	298	161	55	4	0	0	1,196	82,164,617	68,700

Average Age: 36.4

Average Service: 9.5

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

Reconciliation of Participant Counts

	<u>Actives</u>	<u>Retirees & Beneficiaries</u>	<u>Disableds</u>	<u>Vested Terminated</u>
10/1/2010	1,227	2,062	186	16
Changes due to:				
Retirement	-51	+51		
Withdrawal	-10			+2
Disability	-1		+1	
Death		-52	-9	
New Beneficiary		+28		
New Hires	+31			
Data Changes				
	_____	_____	_____	_____
10/1/2011	1,196	2,089	178	18

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

Summary of Principal System Provisions – Prior Basis

(Based on Ordinance No. 10002, as Amended
through Ordinance No. 13202)

Effective Date:	January 1, 1940, as restated effective May 23, 1985, and amended through September 30, 2011.
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 for Police Officers, 10% for Fire Fighters. 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.

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

Summary of Principal System Provisions – Prior Basis
(continued)

Average Final
Compensation:

For members who retire or terminate employment with ten or more years of creditable service prior to October 1, 2010, the annual earnable compensation of a member during either the last one year or the highest year of membership service, whichever is greater. Effective September 30, 2010, for members who retire on or after October 1, 2011, average final compensation shall mean the average of the highest 5 years of service, to be phased in over the next 4 years as follows: for members who retire on or after October 1, 2011 and on or before September 30, 2012, the average of the highest 2 years of membership service; for members who retire on or after October 1, 2011 and on or before September 30, 2012, the average of the highest 3 years of membership service; for members who retire on or after October 1, 2012 and on or before September 30, 2013, the average of the highest 4 years of membership service; and for members who retire on or after October 1, 2013, the average of the highest 5 years of membership service. Provided, in no event shall the average final compensation of any member who was employed as a police officer or firefighter on September 30, 2011 and retires on or after October 1, 2011, be less than the highest year of membership service prior to September 30, 2011.

Normal Service Age:

Age 50

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

Summary of Principal System Provisions – Prior Basis

(Continued)

- Service Retirement:** For Police Officers who have reached Rule of 64 by September 30, 2011, for Fire Fighters who had reached Rule of 64 by September 30, 2010, and for Fire Fighters who have reached Rule of 68 by September 30, 2011: 3% 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% of Average Final Compensation.
- For all others, for service prior to October 1, 2011: 3% of Average Final Compensation for each of the first fifteen years of Creditable Service plus 3.5% of Average Final Compensation for each of Creditable Service after the fifteenth year; for service after September 30, 2011: 3% of Average Final Compensation for each year of Creditable Service; The combined percentage for service before October 1, 2011 and service after September 30, 2011 may not exceed 100% of Average Final Compensation.
- 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. Rule of 64 applies to Fire Fighters who had obtained 64 points by September 30, 2010 and Police Officers who had 64 points by September 30, 2011. Rule of 64 also applies to the accrued benefit as of September 30, 2011 of Police Officers who were active members as of September 29, 2011.
- Rule of 68 Retirement:** Service retirement on the basis of combined age and Creditable Service equaling 68 or more. Rule of 68 applies to Fire Fighters who had not attained 64 points by September 30, 2010 and had attained 68 points by September 30, 2011. Rule of 68 also applies to the accrued benefit as of September 30, 2011 of Fire Fighters who were active members as of September 29, 2011.

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

Summary of Principal System Provisions – Prior Basis
(Continued)

- Rule of 70 Retirement: Service retirement on the basis of combined age and Creditable Service equaling 70 or more. Rule of 70 applies to all new members hired on or after October 1, 2011, as well as to all benefits accrued after September 30, 2011 by Fire Fighters who had not attained 68 points on September 30, 2011 and Police Officers who had not attained 64 points on September 30, 2011.
- Disability: Ordinary Disability: 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.
- Accidental Disability: Incurred as accident in performance of duties. $66 \frac{2}{3}\%$ of Average Final Compensation, or $66 \frac{2}{3}\%$ of Final Compensation, whichever is greater. 40% joint & survivor normal form, with a minimum of 10 years' certain and life.
- 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 – Prior Basis
(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: For Police Officers who have reached Rule of 64 by September 30, 2011, for Fire Fighters who had reached Rule of 64 by September 30, 2010, and for Fire Fighters who have reached Rule of 68 by September 30, 2011: Normal Form is joint and 40% contingent survivor, with a minimum of 10 years' certain and life.

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

Summary of Principal System Provisions – Prior Basis
(Continued)

Optional Allowances: (Continued)	For all others, for benefits based on service prior to October 1, 2011: Normal Form is joint and 40% contingent survivor, with a minimum of 10 years' certain and life; for benefits based on service after September 30, 2011, Normal Form is 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 ½ of normal level.
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:	None.

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

Summary of Principal System Provisions – Revised Basis

(Based on Ordinance No. 10002, as Amended
through Ordinance No. 13202)

Effective Date:	January 1, 1940, as restated effective May 23, 1985, and amended through September 30, 2011.
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: 10% of Compensation for Police Officers , 10% for Fire Fighters. 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.

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

Summary of Principal System Provisions – Revised Basis
(continued)

Average Final
Compensation:

For members who retire or terminate employment with ten or more years of creditable service prior to October 1, 2010, the annual earnable compensation of a member during either the last one year or the highest year of membership service, whichever is greater. Effective September 30, 2010, for members who retire on or after October 1, 2011, average final compensation shall mean the average of the highest 5 years of service, to be phased in over the next 4 years as follows: for members who retire on or after October 1, 2011 and on or before September 30, 2012, the average of the highest 2 years of membership service; for members who retire on or after October 1, 2011 and on or before September 30, 2012, the average of the highest 3 years of membership service; for members who retire on or after October 1, 2012 and on or before September 30, 2013, the average of the highest 4 years of membership service; and for members who retire on or after October 1, 2013, the average of the highest 5 years of membership service. Provided, in no event shall the average final compensation of any member who was employed as a police officer or firefighter on September 30, 2011 and retires on or after October 1, 2011, be less than the highest year of membership service prior to September 30, 2011.

Normal Service Age:

Age 50

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

Summary of Principal System Provisions – Revised Basis
(Continued)

Service Retirement: For Police Officers who have reached Rule of 64 by September 30, 2011, for Fire Fighters who had reached Rule of 64 by September 30, 2010, and for Fire Fighters who have reached Rule of 68 by September 30, 2011: 3% 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% of Average Final Compensation.

For all others, for service prior to October 1, 2011: 3% of Average Final Compensation for each of the first fifteen years of Creditable Service plus 3.5% of Average Final Compensation for each of Creditable Service after the fifteenth year; for service after September 30, 2011: 3% of Average Final Compensation for each year of Creditable Service; The combined percentage for service before October 1, 2011 and service after September 30, 2011 may not exceed 100% of Average Final Compensation.

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. Rule of 64 applies to Fire Fighters who had obtained 64 points by September 30, 2010 and Police Officers who had 64 points by September 30, 2011. Rule of 64 also applies to the accrued benefit as of September 30, 2011 of Police Officers who were active members as of September 29, 2011.

Rule of 68 Retirement: Service retirement on the basis of combined age and Creditable Service equaling 68 or more. Rule of 68 applies to Fire Fighters who had not attained 64 points by September 30, 2010 and had attained 68 points by September 30, 2011. Rule of 68 also applies to the accrued benefit as of September 30, 2011 of Fire Fighters who were active members as of September 29, 2011.

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

Summary of Principal System Provisions – Revised Basis
(Continued)

Rule of 70 Retirement: Service retirement on the basis of combined age and Creditable Service equaling 70 or more. Rule of 70 applies to all new members hired on or after October 1, 2011, as well as to all benefits accrued after September 30, 2011 by Fire Fighters who had not attained 68 points on September 30, 2011 and Police Officers who had not attained 64 points on September 30, 2011.

Disability: Ordinary Disability: 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.

Accidental Disability: Incurred as accident in performance of duties. $66 \frac{2}{3}\%$ of Average Final Compensation, or $66 \frac{2}{3}\%$ of Final Compensation, whichever is greater. 40% joint & survivor normal form, with a minimum of 10 years' certain and life.

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 – Revised Basis
(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: For Police Officers who have reached Rule of 64 by September 30, 2011, for Fire Fighters who had reached Rule of 64 by September 30, 2010, and for Fire Fighters who have reached Rule of 68 by September 30, 2011: Normal Form is joint and 40% contingent survivor, with a minimum of 10 years' certain and life.

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

Summary of Principal System Provisions – Revised Basis
(Continued)

Optional Allowances: (Continued)	For all others, for benefits based on service prior to October 1, 2011: Normal Form is joint and 40% contingent survivor, with a minimum of 10 years' certain and life; for benefits based on service after September 30, 2011, Normal Form is 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 ½ of normal level.
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:	Member Contributions for Police Officers increased from 7% to 10% of Compensation.

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

Summary of Actuarial Basis

Valuation Date: October 1, 2010 for Fiscal Year beginning October 1, 2011.

Valuation Method: Aggregate Cost Method. Percentage of actual payroll, if greater than dollar amount calculated under the provision of Gates.

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: 7.50%, compounded annually.

Inflation: 3.25%, compounded annually.

Mortality: RP 2000 Mortality Table, Employees and Annuitants Combined, projected by scale AA to 2020, producing following specimen rates:

<u>Age</u>	<u>Male</u>	<u>Female</u>
20	.0235%	.0138%
30	.0402%	.0216%
40	.0919%	.0522%
50	.1487%	.1189%
60	.4887%	.4573%
70	1.6413%	1.5145%
80	5.7647%	3.9866%

Disabled Mortality: RP 2000 Disabled Mortality Table projected by scale AA to 2020, producing following specimen rates:

<u>Age</u>	<u>Male</u>	<u>Female</u>
20	1.5696%	.5287%
30	2.0418%	.6093%
40	1.9221%	.5507%
50	2.0149%	.8186%
60	3.0450%	1.9756%
70	4.6257%	3.4045%
80	8.9456%	6.2834%

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

Summary of Actuarial Basis
(Continued)

<u>Age</u>	<u>Disability</u>	<u>Turnover</u>	
		<u><5</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
(Continued)

Retirement: Fire Fighters who have attained 64 points by September 30, 2011 and all Police Officers are subject to the Rule of 64; the rest of the Fire Fighters are subject to the Rule of 68. If eligible for Retirement, the following decrements apply, based on service:

<u>Years of Service</u>	<u>Police %</u>	<u>Fire %</u>
<20	0	0
20-24	40	5
25-29	50	25
30-31	100	25
32		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 3.25% inflation and 1.5% for promotions and other increases. There is no additional increase at retirement.

Projected Total Payroll: Covered Payroll plus \$36,943,839 estimated payroll for members in DROP in 2010/2011 year.

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

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. For Members currently receiving benefits, actual spouse's information is provided.
Investment Expenses:	The investment return assumption of 7.5% is net of investment expenses.
Administration Expenses:	\$2,044,488 for 2012/2013 fiscal year.
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. For purposes of minimum City contributions as specified by State Division of Retirement (Exhibit 18), additional interest discount is included to reflect monthly contributions.
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. Member compensation used is final bi-weekly pay in the year, annualized, with estimated reductions for each active member as of October 1, 2011 based on approach summarized in Tables 2 and 3 in September 24, 2011 Actuarial Impact Statement.
Changes Since Prior Valuation:	Administrative expense assumption changed from \$2.2 million to \$2,044,488 for 2012/2013 fiscal year.

R06222012

**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> -%-
9/30/11	7.14	7.48
9/30/10	(9.33)	7.51
9/30/09	6.35	7.26
9/30/08	18.20	7.17
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.

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

Information Under Florida Statutes

II. Comparison of Investment Returns

<u>Year Ending</u>	<u>Actual MV</u>	<u>Actual AAV*</u>	<u>Assumed</u>
-%-	-%-	-%-	-%-
9/30/11	3.6	3.98	7.50
9/30/10	9.8	4.48	7.75
9/30/09	(0.3)	(1.31)	7.75
9/30/08	(14.3)	3.65	7.75
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> -%-
9/30/11	2.5	N.A.
9/30/10	(34.4)	N.A.
9/30/09	(5.5)	N.A.
9/30/08	24.8	N.A.
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, 2011 and 2010

Entry Age Accrued Liability:	<u>\$(Millions)</u>	
	<u>Sept. 30, 2011</u>	<u>Sept. 30, 2010</u>
	-\$-	-\$-
- Retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	1,377.6	1,360.3
- Current employees - Accumulated employee contributions including interest	66.9	64.6
Employer - financed vested	91.0	89.8
Employer - financed nonvested	<u>54.9</u>	<u>177.3</u>
Total Actuarial Accrued Liability	1,590.5	1,568.3
Net assets available for benefits (market value)	<u>987.1</u>	<u>1,027.7</u>
Unfunded Actuarial Accrued Liability	603.4	540.6

The actuarial accrued liability was determined as part of actuarial valuations at September 30, 2011 and September 30, 2010. Significant actuarial assumptions used include (a) a rate of return on the investment of present and future assets of 7.50 percent per year compounded annually, (b) projected salary increases of 3.25 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) 1.5% 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 \$47,196,715 (\$40,058,891 employer and \$7,137,824 employee) were made for the year ending September 30, 2011. These contributions consisted of (a) \$47,196,175 normal cost, (b) \$0 amortization of the unfunded actuarial accrued liability, and (c) \$0 noninvestment expenses.

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) <u>Actuarial Asset Value</u> (\$)	(2) <u>Entry Age Reserve</u> (\$)	(3) <u>Percent Funded</u> (%)	(4) <u>Unfunded EAR</u> <u>(2)-(1)</u> (\$)	(5) <u>Annual Covered Payroll</u> (\$)	<u>(4)/(5)</u> (%)
1992	476.6	483.7	99	7.1	67.1	11
1993	523.0	513.4	102	(9.6)	72.0	(13)
1994	540.3	587.5	92	47.2	72.9	65
1995	585.6	614.4	95	28.8	71.5	40
1996	626.0	650.0	96	24.0	72.9	33
1997	750.9	727.1	103	(23.8)	69.6	(34)
1998	850.7	800.7	106	(50.0)	74.3	(67)
1999	911.7	843.2	108	(68.5)	77.7	(88)
2000	988.8	863.4	115	(125.4)	84.3	(149)
2001	941.8	932.7	101	(9.1)	89.7	(10)
2002	865.5	999.8	87	134.3	96.9	139
2003	865.8	1,067.9	81	202.1	98.9	204
2004	894.6	1,152.8	78	258.2	89.2	289
2005	1,064.9	1,221.6	87	156.7	91.5	171
2006	1,133.0	1,260.5	90	127.5	90.4	141
2007	1,208.8	1,318.4	92	109.6	103.6	106
2008	1,219.6	1,452.5	85	222.9	129.4	172
2009	1,165.0	1,539.3	76	374.4	122.2	306
2010	1,180.6	1,568.3	75	387.7	80.2	483
2011	1,150.3	1,590.5	72	440.2	82.2	536

**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
2008	9,719,896	36,040,251	62,728,078	108,488,225
2009	9,769,139	36,993,395	(58,111,291)	(11,348,757)
2010	10,436,367	54,342,926	62,459,916	127,239,209
2011	7,137,824	40,058,891	83,951,919	131,148,634

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

(Excluding COLA Fund)

IV. Revenues and Expenses (Continued)

<u>Fiscal Year</u>	Expenses by Type			
	<u>Benefits</u> (\$)	<u>Administrative Expenses</u> (\$)	<u>Refunds</u> (\$)	<u>Total</u> (\$)
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
2008	77,794,816	5,469,431	664,235	83,928,482
2009	85,094,354	3,898,278	336,755	89,329,387
2010	101,438,423	3,900,819	174,358	105,513,600
2011	123,360,907	4,328,130	225,732	127,914,769

**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>Amount Contributed</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		100	0
2009	36,993,395		100	0
2010	55,095,791	54,342,926	99	752,865
2011	42,287,046*	40,058,891	95	3,037,485
2012	42,353,775			

*After 9/30/2010 Impact Statement Changes

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

(COLA Fund)

I. COLA Increases by Duration Since Retirement

<u>Years Retired</u>	<u>No.</u>	<u>FIPO Benefits</u>	<u>COLA Benefits</u>	<u>%</u>
		- \$ -	- \$ -	
0 - 5	610	4,588,383	387	0.0
5 -10	454	2,576,264	44,787	1.7
10-15	198	820,040	93,253	11.4
15-20	254	962,204	191,735	19.9
20-25	244	759,982	295,024	38.8
25-30	139	261,360	201,733	77.2
30-35	198	194,265	305,830	157.4
35-40	124	84,141	194,555	231.2
40-45	28	15,475	53,728	347.2
45-50	17	8,564	36,026	420.6
50+	1	565	2,624	464.1
Total	2,267	10,271,243	1,419,682	13.8

II. COLA Increases by Attained Age (2012 Table)

<u>Age</u>	<u>No.</u>	<u>FIPO Benefits</u>	<u>COLA Benefits</u>	<u>%</u>
		- \$ -	- \$ -	
<45	45	252,993	1,041	0.4
45-50	246	1,658,754	341	0.0
50-54	441	2,866,986	21,200	0.7
55-59	331	2,008,755	58,138	2.9
60-64	317	1,421,982	151,478	10.7
65-69	258	960,436	222,270	23.1
70-74	177	457,349	197,006	43.1
75-79	161	311,278	242,629	77.9
80-84	181	231,379	314,484	135.9
85-89	91	86,718	168,772	194.6
>90	19	14,613	42,323	289.6
Total	2,267	10,271,243	1,419,682	13.8

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

III. COLA Increases vs. CPI)

<u>Years Retired</u>	<u>No.</u>	<u>COLA</u>	<u>CPI</u>	<u>COLA/CPI</u>
		<u>-%-</u>	<u>-%-</u>	<u>%</u>
0 - 5	610	0.0	4.3	0.2
5 -10	454	1.7	17.8	9.8
10-15	198	11.4	34.3	33.1
15-20	254	19.9	47.4	42.1
20-25	244	38.8	71.0	54.7
25-30	139	77.2	112.9	68.4
30-35	198	157.4	196.2	80.2
35-40	124	231.2	337.6	68.5
40-45	28	347.2	511.0	67.9
45-50	17	420.6	616.7	68.2
50+	1	464.1	654.7	70.9
Total	<u>2,267</u>	<u>13.8</u>	<u>29.5</u>	<u>46.9</u>

IV. Consumer Price Index (CPI-U)

<u>Year</u>	<u>December Index</u>	<u>Annual %</u>	<u>Year</u>	<u>December Index</u>	<u>Annual %</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
			2008	210.228	0.1
			2009	215.949	2.7
			2010	219.179	1.5
			2011	226.421*	

*October 2011

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

(COLA Fund)

I. Summary of Assets Available for Benefits at October 1, 2011

		-\$-
A.	COLA Accounts (Exhibit 2)	
1.	COLA I Account at 9/30/2011	40,447,252
2.	COLA II Account at 9/30/2011	269,586,716
B.	Transfers of Excess Investment Income	
1.	\$0 due on 1/1/2012	0
2.	\$0 due on 1/1/2013	0
C.	Minimum City Contributions ⁽¹⁾ \$5,477,808 beginning 1/1/2014 permanent, discounted	62,069,250
D.	City Contribution	
1.	Contribution of \$5,064,541 due on 1/1/2012, discounted	4,973,796
2.	Contribution of \$5,267,123 due on 1/1/2013, discounted	4,811,859
E.	Assets Available for COLA Benefits	<u>381,888,873</u>

II. COLA Fund Liabilities for Benefits at October 1, 2010 ⁽³⁾

A.	Present Value of Existing COLA Benefits for inactives	
1.	Frozen COLA I benefits	1,285,953
2.	COLA II benefits	<u>272,916,617</u>
3.	Total inactive COLA benefits	274,202,570
B.	Present Value of Projected COLA Benefits for Actives	
1.	Reserve for current actives	30,082,887
2.	Reserve for future actives (15% of B1)	<u>4,512,433</u>
3.	Total	34,595,320
C.	Total Liability Allocated (A3+B4)	308,797,890
D.	Contingency Reserve [20% of I(E)-I(B)(2)]	76,377,775
E.	Unallocated Reserve ⁽²⁾	<u>(3,286,792)</u>
F.	Total Liability for COLA Benefits	381,888,873

Notes: (1) $(1/1.0750)^{2.25} \ddot{a}_{\infty} = 11.3310379$
(2) For \$1,312 Table, II(D)+II(E) = \$31,268,690
(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, 2012

		-\$-
A.	Liability based on current \$1,312 table	
1.	Inactive COLA II Benefits	272,916,617
2.	Present Value of Projected COLA benefits for current actives	30,082,887
3.	Reserve for future actives [15% of (2)]	<u>4,512,433</u>
4.	Total	307,511,937
B.	Assets available to increase table	
1.	Total assets available for COLA Benefits	381,888,873
2.	Total Liability Allocated (current \$1,312 table)	308,797,890
3.	Contingency Reserve II(D)	<u>76,377,775</u>
4.	Available Assets [(1)-(2)-(3)]	(3,286,792)
5.	\$0 due on 1/1/2012, discounted	<u>0</u>
6.	Net Available Assets [(4)-(5)]	(3,286,792)
7.	Increase ratio [(B6)/ (A4)]	0
8.	Table increase [\$1,312x (7)]	0
9.	New table amount [\$1,312+ (8)]	1,312
10.	Actual new table amount	1,312

**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 10/1/2011</u>	
		-\$-
A.	Expected Unfunded Actuarial Accrued Liability at 10/1/2010	293,212,567
B.	Entry Age Normal Cost for 2010/2011 Year Paid or Payable by Employer	9,520,156
C.	Interest on (A) and (B) at 7.50%	22,704,954
D.	Contributions for 2010/2011 Year Paid or Payable by Employer (Required)	40,058,891
E.	Interest on (D) at 7.50%	<u>3,004,417</u>
F.	Expected Unfunded Actuarial Accrued Liability at 9/30/2011	282,374,369
G.	Additional Unfunded Actuarial Accrued Liability due to	
	1. Assumption Changes	0
	2. Plan Amendment	<u>34,439</u>
H.	Final Expected Unfunded Actuarial Accrued Liability at 9/30/2011	282,408,808
II.	<u>Determination of Net Cumulative Experience Position at 10/1/2011(Preliminary)</u>	
A.	Expected Unfunded Actuarial Liability as of September 30, 2011	282,408,808
B.	Entry Age Reserve - Actives	212,866,008
	- Inactives	<u>1,377,616,763</u>
	- Total	1,590,482,771
C.	Actuarial Asset Value	1,150,323,527
D.	Actual Unfunded Actuarial Liability (B)-(C)	<u>440,159,244</u>
E.	Cumulative Experience Gain (Loss) (A)-(D)	(157,750,436)
III.	<u>Future Transfers of Excess Investment Income at 10/1/2011</u>	
A.	\$0 due on 1/1/2012, discounted	0
B.	\$0 due on 1/1/2013, discounted	<u>5,702,977*</u>
C.	Total Future Transfers at 10/1/2011 (A)+(B)	5,702,977

*No transfer permitted unless cumulative experience is positive at the valuation date preceding transfer

**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, 2009, plus present value of \$2.5 million minimum guarantee. The 4% future annual increases is not pre-allocated. A contingency reserve of 9% has been established for adverse experience.
COLA Benefits:	In addition to prior COLA, benefits are based on attached table, with \$1,312 monthly benefit for 25 years of creditable service and 22 completed years of retirement (after age 46). The \$1,312 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. 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 & 40%). Surviving spouses receive the percentage of the table amount determined under the FIPO election. Service-incurred and accidental disabilities and deaths receive benefits based on the greater of 25 years or actual creditable service.
Changes from Prior Year Valuation:	None.

**Miami Firefighters' and Police Officers' Retirement Trust
2012 Monthly Retirement Supplements (\$1312 Table)**

	Completed Years of Retirement (after age 46)																								
	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
10	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
11	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
12	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
13	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
14	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
15	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
16	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
Y	17	0	0	79	118	157	197	236	276	315	354	394	433	472	512	551	590	630	669	708	748	787	827	866	905
E	18	0	0	85	128	171	213	256	298	341	384	426	469	512	554	597	640	682	725	768	810	853	895	938	981
A	19	0	0	92	138	184	230	276	321	367	413	459	505	551	597	643	689	735	781	827	872	918	964	1010	1056
R	20	0	0	98	148	197	246	295	344	394	443	492	541	590	640	689	738	787	836	886	935	984	1033	1082	1132
S	21	0	0	105	157	210	262	315	367	420	472	525	577	630	682	735	787	840	892	945	997	1050	1102	1155	1207
22	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
O	23	0	0	118	177	236	295	354	413	472	531	590	649	708	768	827	886	945	1004	1063	1122	1181	1240	1299	1358
F	24	0	0	125	187	249	312	374	436	499	561	623	686	748	810	872	935	997	1059	1122	1184	1246	1309	1371	1433
25	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
C	26	0	0	138	207	276	344	413	482	551	620	689	758	827	895	964	1033	1102	1171	1240	1309	1378	1446	1515	1584
R	27	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	28	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	29	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	30	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	31	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	32	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	33	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	34	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	35	0	0	197	295	394	492	590	689	787	886	984	1082	1181	1279	1378	1476	1574	1673	1771	1870	1968	2066	2165	2263
36	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
S	37	0	0	210	315	420	525	630	735	840	945	1050	1155	1260	1364	1469	1574	1679	1784	1889	1994	2099	2204	2309	2414
E	38	0	0	216	325	433	541	649	758	866	974	1082	1191	1299	1407	1515	1624	1732	1840	1948	2057	2165	2273	2381	2490
R	39	0	0	223	335	446	558	669	781	892	1004	1115	1227	1338	1450	1561	1673	1784	1896	2007	2119	2230	2342	2453	2565
V	40	0	0	230	344	459	574	689	804	918	1033	1148	1263	1378	1492	1607	1722	1837	1952	2066	2181	2296	2411	2526	2640
I	41	0	0	236	354	472	590	708	827	945	1063	1181	1299	1417	1535	1653	1771	1889	2007	2125	2244	2362	2480	2598	2716
C	42	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	43	0	0	249	374	499	623	748	872	997	1122	1246	1371	1496	1620	1745	1870	1994	2119	2244	2368	2493	2617	2742	2867
44	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
45	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
46	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
47	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
48	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
49	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
50	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
2012 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
Y	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
E	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
A	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
R	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
S	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
O	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
F	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
C	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
R	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
E	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
D	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
I	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
T	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
A	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
B	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
L	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
E	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
S	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
E	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
R	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
V	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
I	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
C	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
E	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, 2012.

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: 7.50%, compounded annually.

Mortality: RP 2000 Mortality Table, Employees and Annuitants Combined, projected by scale AA to 2020, producing following specimen rates:

<u>Age</u>	<u>Male</u>	<u>Female</u>
20	.0235%	.0138%
30	.0402%	.0216%
40	.0919%	.0522%
50	.1487%	.1189%
60	.4887%	.4573%
70	1.6413%	1.5145%
80	5.7647%	3.9866%

Disabled Mortality: RP 2000 Disabled Mortality Table projected by scale AA to 2020, producing following specimen rates:

<u>Age</u>	<u>Male</u>	<u>Female</u>
20	1.5696%	.5287%
30	2.0418%	.6093%
40	1.9221%	.5507%
50	2.0149%	.8186%
60	3.0450%	1.9756%
70	4.6257%	3.4045%
80	8.9456%	6.2834%

**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><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>< 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: Fire Fighters who have attained 64 points by September 30, 2010 and all Police Officers are subject to the Rule of 64; the rest of the Fire Fighters are subject to the Rule of 68. If eligible for Retirement, the following decrements apply, based on service.

<u>Years of Service</u>	<u>Police %</u>	<u>Fire %</u>
<20	0	0
20-24	40	5
25-29	50	25
30-31	100	25
32	0	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 01/01/2011 \$1,312 Table)

I. Funding Status and Progress as of September 30, 2011 and 2010

Pension benefit obligation:	\$(Millions)	
	<u>2011</u>	<u>2010</u>
- Retirees and beneficiaries currently receiving prior COLA benefits	1.3	1.5
- Retirees and beneficiaries receiving COLA tabular benefits (beginning January 1) and terminated employees not yet receiving tabular benefits	267.8	279.7
- Current Employees Accumulated employee contributions including interest	0.2	0.3
Employer - financed vested	0.0	0.0
Employer - financed non-vested	<u>34.3</u>	<u>34.1</u>
- Total pension benefit obligation	303.6	315.6
Net assets available for benefits	<u>310.0</u>	<u>311.8</u>
Unfunded pension benefit (obligation)/asset	6.4	(3.8)

The pension benefit obligations were determined as part of actuarial valuations at January 1, 2012 and January 1, 2011, based on data and asset information at September 30, 2011 and September 30, 2010. Significant actuarial assumptions used include (a) a rate of return on the investment of present and future assets of 7.50% per year compounded annually, (b) post retirement COLA benefits based on the table in effect at January 1, 2011 and January 1, 2010.

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

Disclosure Information Under GASB 5
(COLA Fund)
(Based on 01/01/2011 \$1,312 Table)

II. Contributions Required and Contributions Made

The funding policy provides for annual employer contributions for 25 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 7.50 percent assumption.

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)	103.6	(55)
2008	305.8	279.4	109	(26.4)	129.4	(20)
2009	296.3	290.0	102	(6.3)	122.2	(5)
2010	311.8	315.6	99	3.8	80.2	5
2011	310.0	303.6	102	(6.4)	82.2	(8)

* 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>Employee Contributions</u> (\$)	<u>Employer Contributions</u> (\$)	<u>Investment Income</u> (\$)	<u>Total</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	47,781,293	47,781,293
2008	0	0	44,539,016	44,539,016
2009	0	0	44,696,486	44,696,486
2010	0	4,682,453	18,493,888	23,176,341
2011	0	4,869,751	25,484,227	30,353,978

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

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

IV. Revenues and Expenses (Continued)

<u>Fiscal Year</u>	<u>Expenses by Type</u>			
	<u>Benefits</u> (\$)	<u>Administrative Expenses</u> (\$)	<u>Refunds</u> (\$)	<u>Total</u> (\$)
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
2008	15,666,175	1,053,599	14,154	16,733,928
2009	16,925,422	867,083	0	17,795,505
2010	17,236,918	1,164,379	0	18,401,297
2011	17,363,841	1,321,324	0	18,685,165