



**CITY OF MIAMI**

FIRE FIGHTERS' AND POLICE OFFICERS' RETIREMENT TRUST

# 2024 Annual Report

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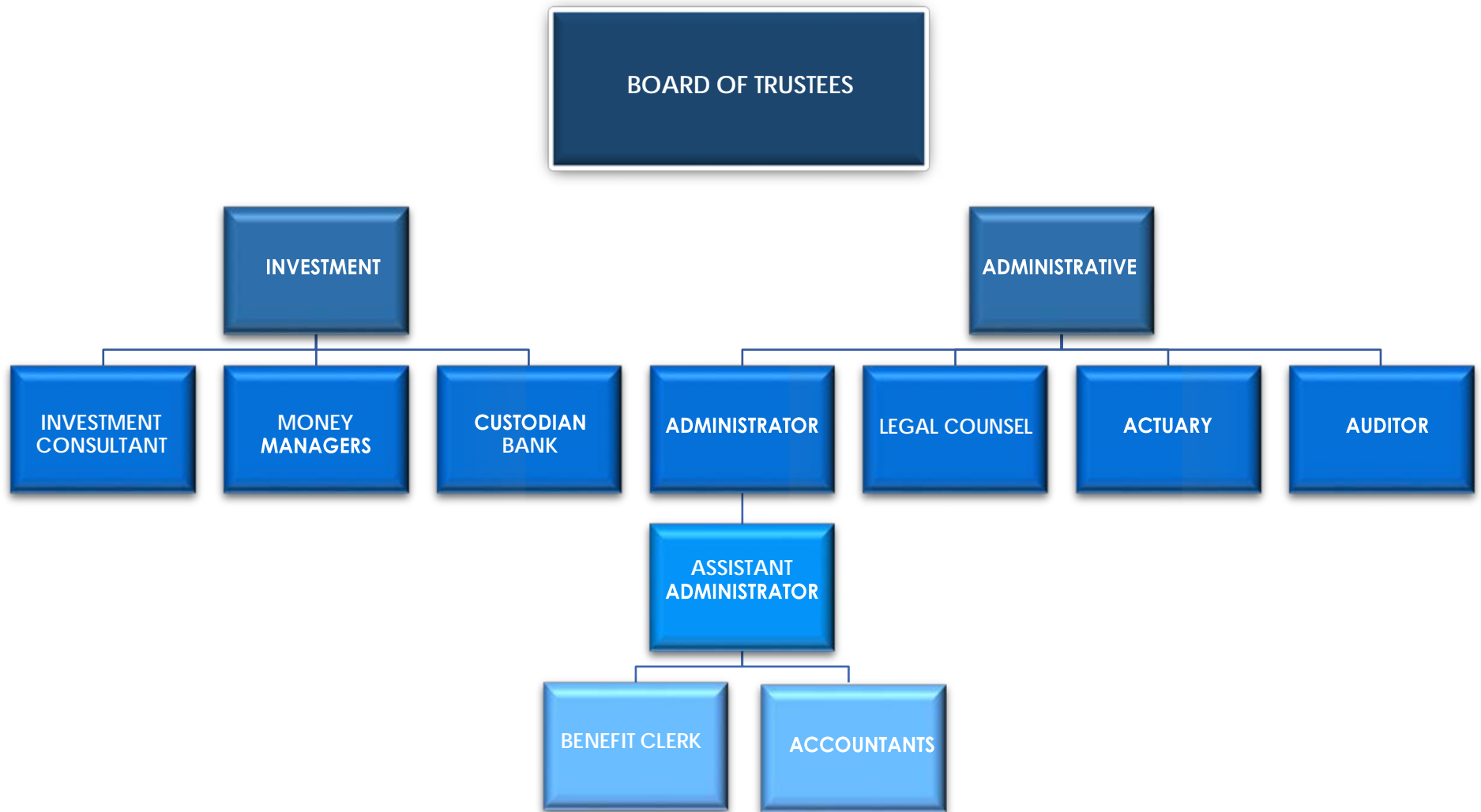
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# Introductory Section

## Table of Organization



BOARD OF TRUSTEES  
AND  
PERSONNEL OF THE RETIREMENT TRUST

AS OF SEPTEMBER 30, 2024

Chairman

Ornel Coteria – Appointed by City Commission

Thomas Gabriel  
Appointed by the City  
Commission

Thomas Roell  
Appointed by the City  
Commission

Nelson Enriquez  
Fire Captain  
Elected by the Fire Fighters

Monica Fernandez  
Appointed by the City  
Commission

Robert Suarez  
Fire Lieutenant  
Elected by the Fire Fighters

Annette Valdivia  
Police Sergeant  
Elected by the Police Officers

Thelia Reynolds  
Police Sergeant  
Elected by the Police Officers

David Kahn  
Appointed by City Manager

Administrator

Dania L. Orta

Legal Advisor

Klausner, Kaufman, Jensen & Levinson

Medical Advisors

Cornell Lupu, MD  
Thomas Goldschmidt, MD  
Max Dweck, MD

Consulting Actuary

Nyhart

Certified Public Accountants

Marcum LLP

Investment Managers

Adams Street  
AXA Investments  
Black Rock Invest. Managers  
Boston Partners  
Catalyst Investment  
Center Square  
Champlain Asset Management  
Coller Capital  
Dodge & Cox

First Eagle  
Golub Capital  
J.P. Morgan  
Lexington Partners  
Pacific Asset  
Pantheon  
S.L. Capital  
Waycross  
Wellington Management

Consultant

Meketa

Custodian

Northern Trust Company

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

On September 30, 2024, the City of Miami Fire Fighters' and Police Officers' Retirement Trust completed its eighty-first year of operation.

Retirement benefits granted during the year represent annual benefits of \$2,618,198 and are as follows:

6	Service Retirements with annual benefits of	535,797
19	DROP Service Retirements with annual benefits of	1,864,027
16	Benefit Adjustments with annual benefits of	8,678
2	Accidental Disability Retirements With annual benefits of	136,077
1	Service Incurred Disability Retirement With annual benefits of	73,619

During the year, 54 pensioners of the Retirement Trust died. Of these, 36 had selected a pension which terminated at their death and 18 had selected an option that will continue to a beneficiary representing yearly benefits of \$365,238.

During the year ending September 30, 2024, the pension payroll totaled \$151,164,591, which is a increase of 1.03% when compared to the previous year's total payroll, and is broken down as follows:

		<u>ANNUAL BENEFITS</u>
1676	Service Retirements	122,168,596
214	DROP Service Retirements	21,457,981
13	Early Service Retirements	204,736
7	Ordinary Disability Retirements	136,491
93	Service/Accidental Disability Retirements	2,687,052
7	Accidental Death Retirements	184,133
10	Ordinary Death Early	324,854
241	Continuances	<u>4,000,749</u>
		151,164,591

Securities' gains and losses, Miscellaneous Income	73,393,379
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The various statements and schedules, which follow, reflect the activities of the system from the beginning as well as for the current year. An outline showing benefits and working procedures is also included.



# Financial Section



## **Independent Auditors' Report**

To the Board of Trustees, the Audit Committee, and the Plan Administrator of the  
**City of Miami Firefighters' and Police Officers' Retirement Trust**

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the financial statements of the City of Miami Firefighters' and Police Officers' Retirement Trust (the "Trust") which comprise of the statement of fiduciary net position as of September 30, 2024 and the related statement of changes in fiduciary net position for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the fiduciary net position of the Trust as of September 30, 2024, and the changes in its fiduciary net position the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Trust and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Trust's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.



## ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Trust's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control—related matters that we identified during the audit.

## ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in the City's net pension liability and related ratios, schedule of City contributions, schedule of investment returns and notes related to required supplementary information on pages 4–9 and 36–40 be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Trust's financial statements. The Schedules of Investment Expenses and Administrative Expenses are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the Schedules of Investment Expenses and Administrative Expenses, are fairly stated, in all material respects, in relation to the financial statements as a whole.

### ***Other Matter – Summarized 2023 Comparative Information***

The financial statements of the Trust as of and for the year ended September 30, 2023, were audited by Marcum LLP whose report dated February 15, 2024 expressed an unmodified opinion. The summarized comparative information presented herein as of and for the year ended September 30, 2023 was derived from the 2023 financial statements.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 14, 2025, on our consideration of the Trust's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, and contracts, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Trust's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Trust's internal control over financial reporting and compliance.

***CBIZ CPAs P.C.***

Miami, FL  
February 14, 2025

# **THE CITY OF MIAMI FIREFIGHTERS' AND POLICE OFFICERS' RETIREMENT TRUST**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

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Our discussion and analysis of the City of Miami Firefighters' and Police Officers' Retirement Trust (the "Trust") financial performance provides an overview of the Trust's financial activities for the fiscal years ended September 30, 2024, and 2023. Please read it in conjunction with the Trust's financial statements which follow this discussion.

### **FINANCIAL HIGHLIGHTS**

- The Trust assets exceeded its liabilities at the close of fiscal year ended 2024 and 2023 by \$1.8 billion and \$1.6 billion, respectively. The Trust's net position is held in trust to meet future benefit payments. The Trust experienced an increase in fiduciary net position of \$242.4 million in 2024 and a increase of \$90.6 million in fiduciary net position in 2023. The increase in 2024 resulted primarily from changes in the fair value of the Trust's investments due to an even better financial market performance as that of performance in the financial market in 2023.
- For the fiscal year ending September 30, 2024, the Trust received contributions totaling \$140.3 million and had a net investment gain of \$286.8 million.
- For the fiscal year ended September 30, 2023, the Trust received contributions totaling \$124.1 million and had a net investment gain of \$148.9 million.
- For the fiscal year ended September 30, 2024, the Trust's deductions increased over the prior year from \$183.3 million to \$184.9 million or 0.9%. The increase can be attributed to a combination of increases in retiree payroll (more members retired), as well as the annual increase in the cost-of-living allowance ("COLA II") given to retirees.
- For the fiscal year ended September 30, 2024, the total return of the portfolio was 18.1%. An increase of 8.0% from the 10.1% return of the portfolio in 2023.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

The financial statements include the Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position and Notes to the Financial Statements. The Trust also includes in this report additional information to supplement the financial statements.

The Trust presents required supplementary information, which provides historical trend information about the Trust.

The Trust prepares its financial statements on the accrual basis of accounting and in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board ("GASB"). These statements provide information about the Trust's overall financial status.

# **THE CITY OF MIAMI FIREFIGHTERS' AND POLICE OFFICERS' RETIREMENT TRUST**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

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### **DESCRIPTION OF THE FINANCIAL STATEMENTS**

The Statement of Fiduciary Net Position presents information that includes all of the Trust's assets and liabilities, with the balance representing the net position restricted for pension benefits. It is a snapshot of the financial position of the Trust at that specific point in time and reflects the resources available to pay members, retirees and beneficiaries at that point in time.

The Statement of Changes in Fiduciary Net Position reports how the Trust's net position changed during the fiscal year. The additions and deductions to net position are summarized in these statements. The additions include contributions to the retirement plan from the employer ("City") and members and net investment income, which include interest, dividends, investment expenses, and the net appreciation or depreciation in the fair value of investments. The deductions include benefit payments, refunds of member contributions, and administrative expenses.

The Notes to the Financial Statements are presented to provide the information necessary for a full understanding of the financial statements. They include additional information not readily evident in the statements themselves such as a description of the Trust, contributions, significant accounting policies, funding policy, and investment risk disclosure.

The Required Supplementary Information included in this report is required by the Governmental Accounting Standards Board. These schedules consist of information pertaining to the Plan's actuarial methods and assumptions and provide data on changes in the City's net pension liability, the City's contributions, and the Trust's investment returns.

Additional information is presented as part of the Supplementary Information. This section is not required but management has chosen to include it. It includes Schedules of Investment Expenses and Administrative Expenses. The Schedule of Investment Expenses presents the expenses incurred in managing and monitoring the investments of the Trust and include financial management, consultant, and custodial fees. The Schedule of Administrative Expenses presents the expenses incurred in the administration of the Trust.

### **FINANCIAL ANALYSIS**

- Trust's total assets as of September 30, 2024, were \$1.9 billion and were mostly comprised of cash and cash equivalents, investments and securities lending collateral. Total assets increased \$253.1 million or 15.7% as compared to 2023. The increase in total assets was primarily due to the increase in the Trust's portfolio investment balance because of the good market performance in 2024. Cash and cash equivalents increased primarily due to an increase in short-term investment funds as a result of investment strategies. Receivables decreased as the result of fewer accruals associated with pending securities sales transactions as of the fiscal year end in comparison to the previous year. Securities lending transactions collateral invested increased in the current year due to a slight increase in the pool of assets eligible for lending.

# THE CITY OF MIAMI FIREFIGHTERS' AND POLICE OFFICERS' RETIREMENT TRUST

## MANAGEMENT'S DISCUSSION AND ANALYSIS

- Total liabilities as of September 30, 2024, were \$55 million and were mostly comprised of obligations under securities lending. Total liabilities had an increase of \$10.7 million or 24.2% from the prior year primarily due to the net effect of a significant decrease in payables associated with pending securities purchased transactions as of fiscal year end in comparison to prior year in combination with an increase in obligations under securities lending due to an increase in the pool of assets eligible for lending.
- Trust assets exceeded their liabilities at the close of fiscal year ended September 30, 2024, by \$1.8 billion. The total fiduciary net position restricted for pensions increased \$242.4 million or 15.5% from the previous year. This increase was due to the overall increase in investments based on good market performance.

**Table 1 - Summary of Fiduciary Net Position  
As of September 30, 2024 and 2023  
(Dollar Amounts in Thousands)**

	2024	2023	Increase (Decrease) Amount	Total Percentage Change
<b>Assets</b>				
Cash and cash equivalents	\$ 17,232	\$ 16,009	\$ 1,223	7.6%
Receivables	2,324	2,665	(341)	-12.8%
Investments	1,789,336	1,548,798	240,538	15.5%
Security lending collateral - invested	54,210	42,512	11,698	27.5%
Property and equipment, net	1,986	2,010	(24)	-1.2%
<b>Total Assets</b>	<b>1,865,088</b>	<b>1,611,994</b>	<b>253,094</b>	<b>15.7%</b>
<b>Liabilities</b>				
Payables for securities purchased	452	1,438	(986)	-68.6%
Accounts payable and other liabilities	362	349	13	3.7%
Obligations under securities lending	54,209	42,512	11,697	27.5%
<b>Total Liabilities</b>	<b>55,023</b>	<b>44,299</b>	<b>10,724</b>	<b>24.2%</b>
<b>Net Position Restricted for Pension Benefits</b>	<b>\$ 1,810,065</b>	<b>\$ 1,567,695</b>	<b>\$ 242,370</b>	<b>15.5%</b>

# THE CITY OF MIAMI FIREFIGHTERS' AND POLICE OFFICERS' RETIREMENT TRUST

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### ADDITIONS TO FIDUCIARY NET POSITION

The reserves needed to finance retirement benefits are accumulated through the collection of contributions from members and the City and through earnings on investments. Contributions and net investment income for fiscal years 2024 and 2023 totaled \$427.3 million and \$272.9 million, respectively. For the fiscal year ended September 30, 2024, total additions to plan fiduciary net position increased by \$154.2 million due primarily to a significant net investment gains in 2024.

Actual results were:

- City contributions increased from the previous year by approximately \$13.6 million or 12.7% based on the actuarial valuation.
- Member contributions increased from the previous year by approximately \$2.7 million or 16.1%. This increase is primarily due to active members receiving retroactive increases in salary.
- Net investment income increased from the previous year by \$138.0 million as the Trust's investment portfolio performance saw a significant improvement when compared to prior year.
- Other income decreased from prior year by approximately \$718 thousand. This decrease was primarily the result of an adjustment by the Plan to properly reflect its cumulative budget surplus for the fiscal year in prior year.

#### Additions (Reductions) to Fiduciary Net Position Years Ended September 30, 2024 and 2023 (Dollar Amounts in Thousands)

	2024	2023	Increase (Decrease) Amount	Total Percentage Change
City contribution	\$ 120,723	\$ 107,166	\$ 13,557	12.7%
Member contributions	19,601	16,888	2,713	16.1%
Net investment income	286,802	148,891	137,911	92.6%
Other income	161	879	(718)	-81.7%
<b>Total Additions</b>	<b>\$ 427,287</b>	<b>\$ 273,824</b>	<b>\$ 154,181</b>	<b>56.3%</b>

# THE CITY OF MIAMI FIREFIGHTERS' AND POLICE OFFICERS' RETIREMENT TRUST

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### DEDUCTIONS FROM FIDUCIARY NET POSITION

The primary expenses of the Trust include the payment of pension benefits to retired members and beneficiaries, cost of living allowance ("COLA") payments to retired members and beneficiaries, refund of contributions to former members, administrative expenses, and depreciation. Total deductions for fiscal years ended 2024 and 2023 were \$184.9 million and \$183.3 million, an increase of 0.9%.

For the fiscal year ended September 30, 2024, the payment of pension benefits to retirees and COLA payments increased by \$2 million or 2.6% from the previous year. The increase is due to COLA payments to retirees along with an increase in the number of retirees during 2024.

For the fiscal year ended September 30, 2024, the refund of contributions decreased by \$279 thousand or -27.6% from the previous year. This decrease is mostly due to less active members terminating employment during the fiscal year.

For the fiscal year ended September 30, 2024, administrative expenses and depreciation decreased by approximately \$74 thousand or -3.5% from the previous year due mostly to a small decrease in administrative expenses.

#### Deductions from Fiduciary Net Position Years Ended September 30, 2024 and 2023 (Dollar Amounts in Thousands)

	2024	2023	Increase (Decrease) Amount	Total Percentage Change
Pension benefits paid	\$ 151,147	\$ 149,627	\$ 1,520	1.0%
Refund of contributions	733	1,012	(279)	-27.6%
Cost of living allowance	31,018	30,538	480	1.6%
Administrative expenses and depreciation	2,019	2,093	(74)	-3.5%
<b>Total Deductions</b>	<b>\$ 184,917</b>	<b>\$ 183,270</b>	<b>\$ 1,647</b>	<b>0.9%</b>

### CAPITAL ASSETS

As of September 30, 2024, the Trust's investment in capital assets totaled \$2 million (net of accumulated depreciation). This investment in capital assets includes land, building and equipment for administrative use. The appraised value of the Administration building is \$4.7 million at September 30, 2024. An appraisal is performed on an annual basis for insurance and valuation purposes.



# **THE CITY OF MIAMI FIREFIGHTERS' AND POLICE OFFICERS' RETIREMENT TRUST**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

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### **RETIREMENT SYSTEM AS A WHOLE**

Management believes, and actuarial studies concur that the Trust's fiduciary net position is in line to meet all its current obligations.

### **CONTACTING THE TRUST'S FINANCIAL MANAGEMENT**

This financial report is designed to provide the Retirement Board, our membership, taxpayers, investors, and creditors with a general overview of the Trust's finances and to demonstrate the Trust's accountability for the money it receives and the money it dispenses. If you have any questions about this report or need additional financial information, they can be directed to Dania L. Orta, Administrator, City of Miami Firefighters' and Police Officers' Retirement Trust Fund, located at 1895 SW 3rd Avenue, Miami FL, 33129.

# CITY OF MIAMI FIREFIGHTERS' AND POLICE OFFICERS' RETIREMENT TRUST

## STATEMENT OF FIDUCIARY NET POSITION

SEPTEMBER 30, 2024

(WITH COMPARATIVE TOTALS AS OF SEPTEMBER 30, 2023)

	2024				2023			
	Membership and Benefit Account	Cost-of Living Adjustment I Account	Cost-of Living Adjustment II Account	Total	Membership and Benefit Account	Cost-of Living Adjustment I Account	Cost-of Living Adjustment II Account	Total
<b>Assets</b>								
Cash and cash equivalents	\$ 12,650,571	\$ 996,656	\$ 3,584,661	\$ 17,231,888	\$ 11,619,249	\$ 909,256	\$ 3,480,558	\$ 16,009,063
<b>Investments, at Fair Value</b>								
Debt securities, domestic	331,102,920	26,085,456	93,821,204	451,009,580	237,785,606	18,607,762	71,228,920	327,622,288
Debt securities, international	19,530,828	1,538,707	5,534,248	26,603,783	13,022,985	1,019,106	3,901,049	17,943,140
Equity securities, domestic	430,079,882	33,883,210	121,867,281	585,830,373	383,111,229	29,980,127	114,761,358	527,852,714
Equity securities, international	307,481,880	24,224,507	87,127,955	418,834,342	256,483,676	20,070,968	76,829,946	353,384,590
Private equity	139,985,701	11,028,567	39,666,298	190,680,566	134,157,771	10,498,432	40,187,097	184,843,300
Real estate	85,437,314	6,731,053	24,209,487	116,377,854	99,543,930	7,789,747	29,818,486	137,152,163
<b>Total Investments</b>	<u>1,313,618,525</u>	<u>103,491,500</u>	<u>372,226,473</u>	<u>1,789,336,498</u>	<u>1,124,105,197</u>	<u>87,966,142</u>	<u>336,726,856</u>	<u>1,548,798,195</u>
<b>Securities Lending Cash Collateral Invested</b>	<u>39,797,233</u>	<u>3,135,366</u>	<u>11,276,930</u>	<u>54,209,529</u>	<u>30,855,009</u>	<u>2,414,539</u>	<u>9,242,649</u>	<u>42,512,197</u>
<b>Receivables</b>								
Proceeds from securities sold	469,861	--	--	469,861	834,778	--	--	834,778
Accrued interest	1,854,019	--	--	1,854,019	1,830,481	--	--	1,830,481
<b>Total Receivables</b>	<u>2,323,880</u>	<u>--</u>	<u>--</u>	<u>2,323,880</u>	<u>2,665,259</u>	<u>--</u>	<u>--</u>	<u>2,665,259</u>
<b>Property and Equipment, Net</b>	<u>1,458,232</u>	<u>114,885</u>	<u>413,204</u>	<u>1,986,321</u>	<u>1,458,816</u>	<u>114,159</u>	<u>436,990</u>	<u>2,009,965</u>
<b>Total Assets</b>	<u>1,369,848,441</u>	<u>107,738,407</u>	<u>387,501,268</u>	<u>1,865,088,116</u>	<u>1,170,703,530</u>	<u>91,404,096</u>	<u>349,887,053</u>	<u>1,611,994,679</u>
<b>Liabilities</b>								
Payable for securities purchased	451,698	--	--	451,698	1,438,129	--	--	1,438,129
Accounts payable and other liabilities	362,098	--	--	362,098	349,229	--	--	349,229
Obligations under securities lending	39,797,233	3,135,366	11,276,930	54,209,529	30,855,009	2,414,539	9,242,649	42,512,197
<b>Total Liabilities</b>	<u>40,611,029</u>	<u>3,135,366</u>	<u>11,276,930</u>	<u>55,023,325</u>	<u>32,642,367</u>	<u>2,414,539</u>	<u>9,242,649</u>	<u>44,299,555</u>
<b>Net Position Restricted for Pension Benefits</b>	<u>\$ 1,329,237,412</u>	<u>\$ 104,603,041</u>	<u>\$ 376,224,338</u>	<u>\$ 1,810,064,791</u>	<u>\$ 1,138,061,163</u>	<u>\$ 88,989,557</u>	<u>\$ 340,644,404</u>	<u>\$ 1,567,695,124</u>

*The accompanying notes are an integral part of these financial statements.*

**CITY OF MIAMI FIREFIGHTERS' AND POLICE OFFICERS' RETIREMENT TRUST**

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**

**FOR THE YEAR ENDED SEPTEMBER 30, 2024  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2023)**

	2024				2023			
	Membership and Benefit Account	Cost-of Living Adjustment I Account	Cost-of Living Adjustment II Account	Total	Membership and Benefit Account	Cost-of Living Adjustment I Account	Cost-of Living Adjustment II Account	Total
<b>Additions to Net Position</b>								
<b>Restricted for Pension Benefits</b>								
Contributions:								
City	\$ 112,614,019	\$ --	\$ 8,108,494	\$ 120,722,513	\$ 99,369,914	\$ --	\$ 7,796,629	\$ 107,166,543
Members	19,600,500	--	--	19,600,500	16,887,735	--	--	16,887,735
<b>Total Contributions</b>	<u>132,214,519</u>	<u>--</u>	<u>8,108,494</u>	<u>140,323,013</u>	<u>116,257,649</u>	<u>--</u>	<u>7,796,629</u>	<u>124,054,278</u>
<b>Investment Income</b>								
Net appreciation in fair value of investments	198,358,127	14,584,072	54,395,266	267,337,465	99,893,192	7,139,478	29,033,606	136,066,276
Interest	1,713,515	115,808	436,729	2,266,052	1,634,495	114,616	469,885	2,218,996
Dividends	15,211,149	1,150,557	4,276,939	20,638,645	10,316,945	777,704	3,225,910	14,320,559
	215,282,791	15,850,437	59,108,934	290,242,162	111,844,632	8,031,798	32,729,401	152,605,831
Less: investment expenses	(2,619,567)	(198,390)	(745,894)	(3,563,851)	(2,939,034)	(174,959)	(723,200)	(3,837,193)
<b>Net Investment Income from Investing Activities</b>	<u>212,663,224</u>	<u>15,652,047</u>	<u>58,363,040</u>	<u>286,678,311</u>	<u>108,905,598</u>	<u>7,856,839</u>	<u>32,006,201</u>	<u>148,768,638</u>
<b>Securities Lending Activities</b>								
Securities lending income	121,432	9,113	34,091	164,636	117,701	8,857	36,674	163,232
Securities lending fees	(30,336)	(2,276)	(8,516)	(41,128)	(29,543)	(2,224)	(9,208)	(40,975)
<b>Net Income from Securities Lending Activities</b>	<u>91,096</u>	<u>6,837</u>	<u>25,575</u>	<u>123,508</u>	<u>88,158</u>	<u>6,633</u>	<u>27,466</u>	<u>122,257</u>
<b>Total Net Investment Income</b>	<u>212,754,320</u>	<u>15,658,884</u>	<u>58,388,615</u>	<u>286,801,819</u>	<u>108,993,756</u>	<u>7,863,472</u>	<u>32,033,667</u>	<u>148,890,895</u>
<b>Other</b>	<u>99,738</u>	<u>7,832</u>	<u>53,882</u>	<u>161,452</u>	<u>805,879</u>	<u>14,206</u>	<u>59,198</u>	<u>879,283</u>
<b>Total Additions</b>	<u>345,068,577</u>	<u>15,666,716</u>	<u>66,550,991</u>	<u>427,286,284</u>	<u>226,057,284</u>	<u>7,877,678</u>	<u>39,889,494</u>	<u>273,824,456</u>
<b>Deductions</b>								
Pension benefits paid	151,146,675	--	--	151,146,675	149,627,046	--	--	149,627,046
Refund of contributions	733,444	--	--	733,444	1,011,831	--	--	1,011,831
COLA distributions to retirees	--	51,875	30,966,144	31,018,019	--	59,818	30,478,662	30,538,480
Depreciation expense	17,374	1,357	4,913	23,644	15,901	1,265	5,271	22,437
Administrative expenses	1,994,835	--	--	1,994,835	2,071,011	--	--	2,071,011
<b>Total Deductions</b>	<u>153,892,328</u>	<u>53,232</u>	<u>30,971,057</u>	<u>184,916,617</u>	<u>152,725,789</u>	<u>61,083</u>	<u>30,483,933</u>	<u>183,270,805</u>
<b>Change in Net Position</b>	<u>191,176,249</u>	<u>15,613,484</u>	<u>35,579,934</u>	<u>242,369,667</u>	<u>73,331,495</u>	<u>7,816,595</u>	<u>9,405,561</u>	<u>90,553,651</u>
<b>Net Position Restricted for Pension Benefits</b>								
Beginning of year	1,138,061,163	88,989,557	340,644,404	1,567,695,124	1,064,729,668	81,172,962	331,238,843	1,477,141,473
End of year	<u>\$ 1,329,237,412</u>	<u>\$ 104,603,041</u>	<u>\$ 376,224,338</u>	<u>\$ 1,810,064,791</u>	<u>\$ 1,138,061,163</u>	<u>\$ 88,989,557</u>	<u>\$ 340,644,404</u>	<u>\$ 1,567,695,124</u>

*The accompanying notes are an integral part of these financial statements.*

# CITY OF MIAMI FIREFIGHTERS' AND POLICE OFFICERS' RETIREMENT TRUST

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2024

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### NOTE 1 – DESCRIPTION OF THE PLAN

#### ***ORGANIZATION***

The City of Miami Firefighters' and Police Officers' Retirement Trust (the "Trust") is a single-employer defined benefit pension plan established by the City of Miami, Florida (the "City") pursuant to the provisions and requirements of Ordinance No. 10002 as amended. Since the Trust is sponsored by the City, the Trust is included as a pension trust fund in the City's annual comprehensive financial report as part of the City's financial reporting entity.

The Trust's governing board is made up of a Board of Trustees consisting of nine members:

- Four are appointed by the City Commission
- Two are elected by firefighters who belong to the International Association of Firefighters ("IAFF") bargaining unit
- Two are elected by police officers who belong to the Fraternal Order of Police ("FOP") bargaining unit
- One is appointed by the City manager

The following brief description of the Trust is provided for general information purposes only. Participants should refer to the Trust document for more detailed and comprehensive information.

#### ***MEMBERSHIP***

Participants are contributing police officers and firefighters with full-time status in the Police and Fire Department of the City of Miami, Florida.

Membership in the Trust consisted of the following as of October 1, 2023, the date of the latest available actuarial valuation census data:

Inactive plan members and beneficiaries currently receiving benefits	2,274
Inactive plan members entitled but not yet receiving benefits	149
Active plan members - vested	869
Active plan members - non-vested	<u>986</u>
<b>Total Members</b>	<u><u>4,278</u></u>

# **CITY OF MIAMI FIREFIGHTERS' AND POLICE OFFICERS' RETIREMENT TRUST**

## **NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

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### **NOTE 1 – DESCRIPTION OF THE PLAN (CONTINUED)**

#### ***MEMBER CONTRIBUTION***

As of September 30, 2014, the member contribution for police officers hired prior to October 1, 2012 shall be 7% of earnable compensation. The member contribution for police officers hired on or after October 1, 2012 shall be 10% of earnable compensation.

As of September 30, 2014, the member contribution for firefighters shall be 10% of earnable compensation.

During the year ended September 30, 2024, approximately \$107,400 is included as member contributions for the purchase of additional service years by members as provided the City code which governs the Trust.

#### ***FUNDING REQUIREMENTS***

The City is to contribute such amounts as are necessary to maintain the actuarial soundness of the Trust and to provide the Trust with assets sufficient to meet the benefits to be paid to the retired participants. Contributions to the Trust are authorized pursuant to City of Miami Code Section 40.196 (a) and (b). Contributions to the COLA account is authorized pursuant to Section 40.204 of the City of Miami Code. The City's contributions to the Trust provide for non-investment expenses and normal costs of the Trust. The yield (interest, dividends, and net unrealized and realized gains and losses) on investments of the Trust serves to reduce/increase future contributions that would otherwise be required to provide for the defined level of benefits under the Trust.

#### ***PENSION BENEFITS***

Members may elect to retire after 10 or more years of creditable service upon attainment of normal retirement age.

A member entitled to a normal retirement shall receive a retirement allowance equal to 3% of the member's average final compensation multiplied by years of creditable service for the first 15 years of such creditable service, and 3.5% of the member's average final compensation multiplied by years of creditable service exceeding 15 years. This benefit is paid in monthly installments.

# **CITY OF MIAMI FIREFIGHTERS' AND POLICE OFFICERS' RETIREMENT TRUST**

## **NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

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### **NOTE 1 – DESCRIPTION OF THE PLAN (CONTINUED)**

For members who retire under normal service retirement or Rule of 64 for Police Officers and Rule 68 for Firefighters the retirement allowance shall not exceed the lesser of 100% of the member's average final compensation. For members who were not vested as of September 30, 2010, the annual retirement allowance shall not exceed \$120,000.

Early retirement, disability, death and other benefits are also provided.

#### ***INVESTMENT POLICY***

The Trust's investment policy is determined by the Board of Trustees and is implemented by investment managers. In addition, the Trust utilizes an investment advisor who monitors the investing activities. The investment policy of the Trust stipulates that the trustees shall, in acquiring, investing, reinvesting, exchanging, retaining, selling and maintaining property for the benefit of the Trust, exercise the judgment and care under the circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not in regard to speculation but in regard to the permanent disposition of their funds, considering the probable income as well as the probable safety of their capital. The trustees are authorized to acquire and retain various kinds of property, real, personal or mixed, and various types of investments specifically including, but not by way of limitation, bonds, debentures and other corporate obligations, and stocks, preferred or common, which persons of prudence, discretion and intelligence acquire or retain for their own account. The investment of funds shall be in a manner that is consistent with the applicable sections of the City Code as well as State and Federal laws within the allocation percentages established in the Trust's investment policy guidelines.

The investments are considered held by the Membership and Benefit Accounts and a share of the value of this account is allocated to each account based on a weighted average calculation performed each month to reflect each account's membership and benefit, COLA I and COLA II activity.

#### ***COLA ACCOUNTS***

Effective January 9, 1994, the Trust entered into an agreement with the City of Miami with regards to the funding methods, member benefits, member contributions and retiree COLA. As of January 9, 1994, members no longer contribute to the original COLA account (COLA I), and a new COLA account (COLA II) was established.

# **CITY OF MIAMI FIREFIGHTERS' AND POLICE OFFICERS' RETIREMENT TRUST**

## **NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

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### **NOTE 1 – DESCRIPTION OF THE PLAN (CONTINUED)**

The agreement included the following provisions:

- The funding method was changed to an aggregate method.
- Combining all accounts for investment purposes (membership and benefit, COLA I and COLA II).
- Retirees receive additional COLA benefits.
- Active members no longer contribute 2% of pretax earnings to fund the original retiree COLA account (COLA I account).

The COLA II account is funded annually by either a percentage of the excess investment returns from other than COLA I account assets or minimum Trust sponsor contribution. The excess earnings contributed to the COLA II account will be used to fund a minimum annual payment of \$2,500,000, increasing by 4% compounded annually. To the extent necessary, the City will fund the portion of the minimum annual payment not funded by annual excess earnings no later than January 1 of the following year. During the year ended September 30, 2024, approximately \$8,109,000 was funded by the City. Benefits payable from the COLA accounts are computed in accordance with an actuarially based formula as defined in Section 40.204 of the City of Miami Code.

#### ***DEFERRED RETIREMENT OPTION PROGRAM (DROP)***

Effective October 1, 2021, all members may participate in the Deferred Retirement Option Program (DROP).

Members who are eligible for service retirement or Rule of 64 for Police Officers or Rule of 68 for Firefighters may elect to participation in either a Forward DROP or a Back DROP. Maximum participation in the Forward DROP for firefighters shall be 54 full months and for police officers shall be 84 full months. A member's creditable service, accrued benefit and compensation calculation shall be frozen.

Upon commencement of participation in the Forward DROP, the participant's contribution and the City's contribution to the Trust for that participant cease as the participant will not earn further creditable service for pension purposes.

Effective January 1, 2013, a Back DROP benefit option was implemented. An eligible employee who elects the Back DROP option shall receive a monthly benefit payable on the employee's actual retirement date based on the benefit the employee would have received if the employee had severed employment and retired on an earlier date after attaining normal retirement eligibility. Employees are eligible to elect the Backdrop option after completing one year of creditable service following the normal retirement date. An employee can elect a Back DROP period of 1 to 7 full years.



# **CITY OF MIAMI FIREFIGHTERS' AND POLICE OFFICERS' RETIREMENT TRUST**

## **NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

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### **NOTE 1 – DESCRIPTION OF THE PLAN (CONTINUED)**

#### ***DEFERRED RETIREMENT OPTION PROGRAM (DROP) (CONTINUED)***

The DROP assets are held by an independent third party and therefore are not a part of the Trust's Financial Statements. The DROP balance was \$217,539,620 as of September 30, 2024.

### **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### ***BASIS OF ACCOUNTING***

The Trust's financial statements are prepared in accordance with generally accepted accounting principles accepted in the United States of America ("U.S. GAAP") as prescribed by the Governmental Accounting Standards Board ("GASB"). Member contributions are recognized as revenues in the period in which contributions are due. City contributions are due when there is a formal commitment to provide amounts determined by an actuarial valuation. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

#### ***CASH EQUIVALENTS***

The Trust considers all highly liquid investments with short-term maturities, typically less than three months, to be cash equivalents.

#### ***INVESTMENTS***

Investments are recorded at fair value in the statement of fiduciary net position. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Refer to Note 3 to the financial statements for more detail regarding the methods used to measure the fair value of investments.

Unrealized and realized gains and losses are presented as net appreciation in fair value of investments on the statement of changes in fiduciary net position. Purchases and sales of securities are reflected on a trade-date basis. Interest income is recognized as earned and dividend income is recorded as of the ex-dividend date. Realized gains and losses on the sale of investments are based on average cost identification method.

# **CITY OF MIAMI FIREFIGHTERS' AND POLICE OFFICERS' RETIREMENT TRUST**

## **NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

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### **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Given the inherent nature of investments it is reasonably possible that changes in the value of those investments will occur in the near term and that such changes could materially affect the amounts reported in the statement of fiduciary net position.

#### ***USE OF ESTIMATES***

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

#### ***PROPERTY AND EQUIPMENT, NET***

Property and equipment (capital assets) are stated at cost and depreciated using the straight-line method over the estimated lives of the assets.

#### ***INCOME TAX STATUS***

The Trust is tax-exempt under the Internal Revenue Code and, therefore, has recorded no income tax liability or expense.

#### ***RISK AND UNCERTAINTIES***

Contributions to the Trust and the actuarial information included in the required supplementary information (“RSI”) are reported based on certain assumptions pertaining to the interest rates, inflation rates and member compensation and demographics. Due to the changing nature of these assumptions, it is at least reasonably possible that changes in these assumptions may occur in the near term and, due to the uncertainties inherent in settling assumptions, that the effect of such changes could be material to the financial statements.

#### ***COMPARATIVE INFORMATION***

The financial statements include certain prior-year comparative information. Such summarized information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Trust’s financial statements for the year ended September 30, 2023, from which the information was derived.

# CITY OF MIAMI FIREFIGHTERS' AND POLICE OFFICERS' RETIREMENT TRUST

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2024

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### NOTE 3 – DEPOSIT AND INVESTMENT RISK DISCLOSURES

#### *CASH AND CASH EQUIVALENTS*

Deposits are carried at cost and are included in cash and cash equivalents in the statement of fiduciary net position. Cash and cash equivalents include demand accounts and short-term investment funds ("STIF"). The cash is invested through daily sweeps of excess cash by the Trust's custodial bank into the custodial short-term (money market) commingled fund or invested in certificates of deposit, commercial paper, U.S. Treasury bills and repurchase agreements.

Cash and cash equivalents at September 30, 2024 consist of the following:

Sweep deposits	\$ 509,285
Invested cash and foreign currency	220,021
Short-term investments	<u>16,502,582</u>
<b>Total</b>	<b><u>\$ 17,231,888</u></b>

#### *INVESTMENT AUTHORIZATION*

The Board of Trustees holds the fiduciary responsibility for the Trust, and has adopted a policy to invest in several institutionally acceptable asset classes. Thus, the Trustees have set a reasonably diversified asset allocation in accordance with state statutes (including minimum and maximum allocations), which is expected to appropriately fund the Trust's liabilities and meet its basic investment objectives. The basis for such a target asset allocation is a study of the Trust's pension liabilities and reasonable, alternative investment portfolios.

These asset classes are domestic equity (large, mid and small capitalization), international equity (developed and emerging markets), domestic real estate (institutional quality properties either individually or in open-ended commingled funds, or in real estate investment trust securities portfolios), private equity funds, domestic fixed income, and short-term investments. Other asset classes may be added by the Trustees to its investment policy.

Investment in domestic equity securities shall be limited to those listed on a major U.S. stock exchange and limited to no more than 40% (at market value) of the Trust's total asset value, in accordance with the Trust's investment policy. Investments in stocks of foreign companies shall be limited to 30% of the value of the Trust's portfolio.

# **CITY OF MIAMI FIREFIGHTERS' AND POLICE OFFICERS' RETIREMENT TRUST**

## **NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

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### **NOTE 3 – DEPOSIT AND INVESTMENT RISK DISCLOSURES (CONTINUED)**

#### ***INVESTMENT AUTHORIZATION (CONTINUED)***

Investments in core domestic fixed income securities shall be limited to 47% (at maturity) of the Trusts' total portfolio. The domestic fixed income portfolio shall be comprised of securities rated "BBB" or higher by nationally recognized rating agencies, preferably by Moody' or Standard & Pours rating services. Investment in bank loans has also been authorized by the Trust. The goal of the bank loan allocation is to generate reasonable returns, while providing diversification relative to core and high yield fixed income managers. Proper portfolio diversification of bank loan portfolios is required, such that reasonable risk/reward expectations are maintained. Performance attribution is required, as is the case of domestic core and high yield fixed income managers. Additionally, investment in absolute return has been authorized by the Trust. The goal of the absolute return allocation is to protect against volatility. Proper diversification of absolute return portfolios is required, such that reasonable risk/reward expectations are maintained. Performance attribution is required, as is the case of domestic fixed income and equity managers. Derivative investments with allocation limits, may not represent more than 5% of the individual portfolio manager's assets managed for the Trust. Derivative investments with allocation limits in the aggregate may not expose the individual manager's portfolio to losses in excess of 5% of the manager's total assets.

The Trust invests in various funds and investment vehicles which employ specific strategies and co-investments often outside the traditional asset classes. The most common investment categories for these funds include domestic and international real estate and private equity funds. The structure of these investments is generally a limited partnership or limited liability company and tend to be long-term and illiquid in nature. Global real estate investments and private equity allocation range is limited to 12% and 8%, respectively.

# CITY OF MIAMI FIREFIGHTERS' AND POLICE OFFICERS' RETIREMENT TRUST

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2024

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### NOTE 3 – DEPOSIT AND INVESTMENT RISK DISCLOSURES (CONTINUED)

#### *TYPES OF INVESTMENTS*

Florida Statutes and the Trust's investment policy authorize the Trustees to invest funds in various investments. The current target and actual allocation of these investments at market, per the performance analysis report, is as follows as of September 30, 2024:

Authorized Investments	Target % of Portfolio	Actual % of Portfolio
Cash and cash equivalents	0.00%	0.95%
Domestic equities	32.00%	32.43%
Core domestic fixed income	30.00%	26.44%
International equities	22.00%	23.18%
Global real estate	9.00%	6.44%
Private equity	<u>7.00%</u>	<u>10.55%</u>
<b>Total Authorized Investments</b>	<b><u>100.00%</u></b>	<b><u>100.00%</u></b>

#### *RATE OF RETURN*

For the year ended September 30, 2024, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 18.11%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

# CITY OF MIAMI FIREFIGHTERS' AND POLICE OFFICERS' RETIREMENT TRUST

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2024

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### NOTE 3 – DEPOSIT AND INVESTMENT RISK DISCLOSURES (CONTINUED)

#### *INVESTMENTS*

The table below shows the Trust's investments by type as of September 30, 2024:

<b>Debt Securities, Domestic</b>	
U.S. treasuries	\$ 22,632,448
U.S. agencies	12,556
Corporate bonds	24,485,000
Asset backed securities	7,949,695
Mortgage backed securities	65,182,148
Domestic fixed income funds	<u>330,747,733</u>
<b>Total Debt Securities, Domestic</b>	<u>451,009,580</u>
<b>Debt Securities, International</b>	
International government bonds	3,249,762
Corporate bonds	<u>23,354,021</u>
<b>Total Debt Securities, International</b>	<u>26,603,783</u>
<b>Total Debt Securities</b>	477,613,363
Equity securities, domestic	585,830,373
Equity securities, international	418,834,342
Private equity	190,680,566
Real estate	<u>116,377,854</u>
<b>Total Investments</b>	<u>\$ 1,789,336,498</u>

#### *INTEREST RATE RISK*

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. As a means of limiting its exposure to interest rate risk, the Trust diversifies its investments by security type and institution, and limits holdings in any one type of investment with any one issuer with various durations of maturities.

# CITY OF MIAMI FIREFIGHTERS' AND POLICE OFFICERS' RETIREMENT TRUST

## NOTES TO FINANCIAL STATEMENTS

**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

### NOTE 3 – DEPOSIT AND INVESTMENT RISK DISCLOSURES (CONTINUED)

#### *INTEREST RATE RISK (CONTINUED)*

Information about the sensitivity of the fair values of the Trust's fixed income (debt securities) investments to market interest rate fluctuations is provided by the following tables that show the distribution of the Trust's investments by maturity at September 30, 2024:

Investment Type	Fair Value	Investment Maturities (In Years)			
		Less Than 1	1-5 Years	6-10 Years	More Than 10 Years
U.S. treasuries	\$ 22,632,448	\$ --	\$ 5,868,097	\$ 2,676,178	\$ 14,088,173
U.S. agencies	12,556	--	12,556	--	--
Corporate bonds	24,485,000	623,428	7,163,428	11,064,873	5,633,271
Asset backed securities	7,949,695	--	741,347	--	7,208,348
Mortgage backed securities	65,182,148	615	11,599	419,784	64,750,150
Domestic fixed income funds	330,747,733	--	--	330,747,733	--
International fixed income	26,603,783	1,765,731	6,865,013	9,860,181	8,112,858
<b>Total Debt Securities</b>	<b>\$477,613,363</b>	<b>\$ 2,389,774</b>	<b>\$ 20,662,040</b>	<b>\$354,768,749</b>	<b>\$ 99,792,800</b>
<b>% of Debt Securities Portfolio</b>	<b>100.00%</b>	<b>0.50%</b>	<b>4.33%</b>	<b>74.28%</b>	<b>20.89%</b>

#### *CREDIT RISK*

Credit risk is the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. This risk is generally measured by the assignment of a rating by a nationally recognized statistical rating organization. The Trust's investment policy utilizes portfolio diversification in order to control this risk.



# CITY OF MIAMI FIREFIGHTERS' AND POLICE OFFICERS' RETIREMENT TRUST

## NOTES TO FINANCIAL STATEMENTS

**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

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### NOTE 3 – DEPOSIT AND INVESTMENT RISK DISCLOSURES (CONTINUED)

#### *CREDIT RISK (CONTINUED)*

The following tables disclose credit ratings by investment type, at September 30, 2024, as applicable:

Investment	Fair Value	Percentage of Portfolio
<b>U.S. Government Guaranteed*</b>	\$ 22,645,005	4.74%
<b>Credit Risk Debt Securities</b>		
AAA	361,076,911	75.60%
AA+	6,326,555	1.32%
A-	4,942,793	1.03%
BBB+	11,701,848	2.45%
BBB	19,681,170	4.12%
BBB-	10,850,636	2.27%
BB+	2,480,660	0.52%
BB-	1,224,664	0.26%
B+	207,011	0.04%
B	36,475,153	7.64%
Not rated	957	0.00%
<b>Total Credit Risk Debt Securities</b>	454,968,358	95.26%
<b>Total Debt Securities</b>	\$ 477,613,363	100.00%

\*Obligations are backed by the full faith and credit of the U.S. Government.

#### *CONCENTRATION OF CREDIT RISK*

Concentration of credit risk is defined as the risk of loss attributed to the magnitude of an investment in a single issuer. Investments in any one issuer that represent 5% or more of Plan net position require disclosure, excluding investments issued or explicitly guaranteed by the U.S. Government and investments in mutual funds. There were six (6) individual investments that represent 5% or more of the fair value of the Trust's net position at September 30, 2024.

# **CITY OF MIAMI FIREFIGHTERS' AND POLICE OFFICERS' RETIREMENT TRUST**

## **NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

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### **NOTE 3 – DEPOSIT AND INVESTMENT RISK DISCLOSURES (CONTINUED)**

#### ***CUSTODIAL CREDIT RISK***

Deposits are exposed to custodial risk if they are uninsured and uncollateralized. Custodial risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Trust will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Trust's deposits are covered by depository insurance or are collateralized by securities held with a financial institution in the Trust's name. The Trust is only exposed to custodial credit risk for uncollateralized cash and cash equivalents that are not covered by federal depository insurance.

Custodial risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the Trust will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial risk if the securities are uninsured, are not registered in the name of the Trust, and are held either by the counterparty or the counterparty's trust department or agent but not in the Trust's name.

Consistent with the Trust's investment policy, the investments are held by Trust's custodial bank and registered in the Trust's name. All of the Trust's deposits are insured or collateralized by a financial institution separate from the Trust's depository financial institution.

The Trust participates in securities lending transactions, as lender, and the securities loaned in those circumstances are exposed to some degree of custodial credit risk. The Trust does require that its custodian maintain insurance to help protect against losses due to negligence, theft, and certain other events.

#### ***FOREIGN CURRENCY RISK***

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of the investment or a deposit. The Trust may have exposure to foreign currency risk to the extent its investments contain non-U.S. dollar denominated holdings in foreign countries. All asset classes may hold non-U.S. securities, depending on portfolio guidelines. There is no requirement that this exposure to foreign currency be hedged through forward currency contracts, although the manager uses them in many cases.

# CITY OF MIAMI FIREFIGHTERS' AND POLICE OFFICERS' RETIREMENT TRUST

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2024

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### NOTE 3 – DEPOSIT AND INVESTMENT RISK DISCLOSURES (CONTINUED)

#### *FOREIGN CURRENCY RISK (CONTINUED)*

The Trust has exposure to foreign currency fluctuation as of September 30, 2024, as follows:

Currency	Equity Securities	Debt Securities	Private Equity	Total
Euro	\$ --	\$ --	\$ 2,638,087	\$ 2,638,087

#### *SECURITIES LENDING TRANSACTIONS*

A retirement system is authorized by state statutes and board of trustees' policies to lend its investment securities. The lending is managed by the Trust's custodial bank. All loans can be terminated on demand by either the Trust or the borrowers, although the average term of loans is approximately 67 days, as of September 30, 2024. The custodial bank and its affiliates are prohibited from borrowing the Trust's securities.

The agent lends the Trust's U.S. government and agency securities and domestic corporate fixed income and equity securities for securities or cash collateral at least 102 percent of the market value of the securities plus any accrued interest and international securities at least 105 percent of the market value of the securities plus any accrued interest. The securities lending contracts do not allow the Trust to pledge or sell any collateral securities unless the borrower defaults. Cash collateral is invested in the agent's collateral investment pool, whose share values are based on the amortized cost of the pool's investments. Investments are restricted to issuers with a credit rating A3 or A- or higher by Moody's or Standard & Poor's. At September 30, 2024, the pool had a weighted average term to maturity of 20 days.

The relationship between the maturities of the investment pool and the Trust's loans is affected by the maturities of the securities loans made by other entities that use the agent's pool, which the Trust cannot determine. There are policy restrictions by the custodial bank that limit the amount of securities that can be lent at one time or to one borrower.

Loaned securities continue to be classified as investment assets on the statement of fiduciary net position. Off balance sheet cash collateral is recorded as an asset with a corresponding liability. For lending agreements collateralized by securities, no accompanying asset or liability is recorded, since the Trust is not permitted to sell or re-pledge the associated collateral.

# CITY OF MIAMI FIREFIGHTERS' AND POLICE OFFICERS' RETIREMENT TRUST

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2024

### NOTE 3 – DEPOSIT AND INVESTMENT RISK DISCLOSURES (CONTINUED)

#### *SECURITIES LENDING TRANSACTIONS (CONTINUED)*

The following represents the balances relating to securities lending transactions at September 30, 2024:

Currency	Market Value of Securities on Loan for Cash	Fair Value Cash Collateral Invested	Fair Value of Liabilities to Borrowers
<b>Securities Lent</b>			
U.S. government and agency obligations	\$ 11,346,397	\$ 11,611,935	\$ 11,611,935
Domestic corporate stocks	32,609,104	33,517,951	33,517,951
Domestic corporate bonds	<u>8,848,256</u>	<u>9,079,643</u>	<u>9,079,643</u>
<b>Total Securities Lent</b>	<u>\$ 52,803,757</u>	<u>\$ 54,209,529</u>	<u>\$ 54,209,529</u>

The contract with the Trust's custodian requires the custodian to indemnify the Trust if the borrower fails to return the securities, due to the insolvency of a borrower, and the custodian has failed to live up to its contractual responsibilities relating to the lending of those securities. At year end, the Trust has no credit risk exposure to borrowers because the amounts of collateral held by the Trust exceed the amounts the borrowers owe the Trust.

There are no significant violations of legal or contractual provisions, no borrowers or lending agent default losses, and no recoveries of prior period losses during the year. There are no income distributions owing on securities lent.

#### *INVESTMENT VALUATION*

The Trust categorizes its fair value measurements with the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

# **CITY OF MIAMI FIREFIGHTERS' AND POLICE OFFICERS' RETIREMENT TRUST**

## **NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

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### **NOTE 3 – DEPOSIT AND INVESTMENT RISK DISCLOSURES (CONTINUED)**

#### ***INVESTMENT VALUATION (CONTINUED)***

Investments measured and reported at fair value are classified and disclosed in one of the following categories:

Level 1 - Investments traded in an active market with available quoted prices for identical assets as of the reporting date.

Level 2 - Investments not traded on an active market but for which observable market inputs are available for an asset, either directly or indirectly, as of the reporting date.

Level 3 - Investments not traded in an active market and for which no significant observable market inputs are available as of the reporting date.

The Trust has established a framework to consistently measure the fair value of the Trust's assets and liabilities in accordance with applicable accounting, legal, and regulatory guidance. This framework has been provided by establishing valuation policies and procedures that will provide reasonable assurance that assets and liabilities are carried at fair value. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The Trust's assessment of the significance of a particular input to the fair value measurement requires judgment and considers factors specific to the investment.

Debt securities: Debt securities consist primarily of negotiable obligations of the U.S. government and U.S. government-sponsored agencies, corporations, securitized offerings backed by residential and commercial mortgages and foreign debt securities. These securities can typically be valued using the close or last traded price on a specific date (quoted prices in active markets). When quoted prices are not available, fair value is determined based on valuation models that use inputs that include market observable inputs. These inputs included recent trades, yields, price quotes, cash flows, maturity, credit ratings, and other assumptions based upon the specifics of the investment's type.

# **CITY OF MIAMI FIREFIGHTERS' AND POLICE OFFICERS' RETIREMENT TRUST**

## **NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

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### **NOTE 3 – DEPOSIT AND INVESTMENT RISK DISCLOSURES (CONTINUED)**

#### ***INVESTMENT VALUATION (CONTINUED)***

Equity securities: These include domestic and international equities. Domestic securities traded on a national securities exchange are valued at the last reported sales price on the last business day of the fiscal year. Securities traded in the over-the counter market and listed securities for which no sale was reported on that date are valued at the last reported bid price. International equities are valued based upon quoted foreign market prices and translated into U.S. dollars at the exchange rate in effect at September 30, 2023. Securities which are not traded on a national security exchange are valued by the respective fund manager or other third parties based on yields currently available on comparable securities of issuers with similar credit ratings.

Alternative investments: The Trust has investments which are measured at net asset value ("NAV") based on their proportionate share of the value of the investments as determined by the fund manager and are valued according to methodologies which include pricing models, property valuations (appraisals), discounted cash flow models, and similar techniques. Investments measured at NAV as a practical expedient would be excluded from the fair value hierarchy because the valuation is not based on actual market inputs but rather is quantified using the investments' reported NAV as a matter of convenience.

# CITY OF MIAMI FIREFIGHTERS' AND POLICE OFFICERS' RETIREMENT TRUST

## NOTES TO FINANCIAL STATEMENTS

**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

### NOTE 3 – DEPOSIT AND INVESTMENT RISK DISCLOSURES (CONTINUED)

#### *INVESTMENT VALUATION (CONTINUED)*

The following table summarizes the valuation of the Trust's investments in accordance with the above mentioned fair value hierarchy levels as of September 30, 2024:

		Fair Value Measurements Using			
	September 30, 2024	(Level 1 Inputs)	(Level 2 Inputs)	(Level 3 Inputs)	
Investment by Fair Value Level:					
Debt Securities					
U.S. treasuries	\$ 22,632,449	\$ --	\$ 22,632,449	\$ --	
U.S. agencies	12,556	--	12,556	--	
Corporate bonds	24,485,000	--	24,485,000	--	
Asset backed securities	7,949,695	--	7,949,695	--	
Mortgage backed securities	65,182,148	--	65,182,148	--	
International fixed income	26,603,783	--	26,603,783	--	
Total Debt Securities	146,865,631	--	146,865,631	--	
Equity Securities					
Domestic equities	257,513,757	257,513,757	--	--	
International equities	3,727,859	3,727,859	--	--	
Total Equity Securities	261,241,616	261,241,616	--	--	
Total Investments by Fair Value Level					
	408,107,247	\$ 261,241,616	\$ 146,865,631	\$ --	
Investments Measured at Net Asset Value (NAV)					
Commingled domestic fixed income funds	330,747,732				
Commingled international equity funds	415,106,483				
Commingled domestic equity funds	328,316,616				
Real estate investment funds	116,377,854				
Venture capital private equity funds	190,680,566				
Total Investments Measured at NAV	1,381,229,251				
Total Investments	\$ 1,789,336,498				



# CITY OF MIAMI FIREFIGHTERS' AND POLICE OFFICERS' RETIREMENT TRUST

## NOTES TO FINANCIAL STATEMENTS

**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

### NOTE 3 – DEPOSIT AND INVESTMENT RISK DISCLOSURES (CONTINUED)

#### *INVESTMENT VALUATION (CONTINUED)*

The following tables summarize investments as of September 30, 2024 for which fair value is measuring using the net asset value per share, including their related unfunded commitments and redemption restrictions.

Investments Measured at NAV	Fair Value	Investments Measured at NAV		
		Unfunded	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
		Commitments		
Commingled domestic fixed income funds (1)	\$ 330,747,732	\$ --	Daily	Same Day
Commingled international equity funds (2)	415,106,483	--	Daily	Same Day
Commingled domestic equity funds (3)	328,316,616	--	Daily	Same Day
Real estate investment funds (4)	116,377,854	4,032,258	Quarterly	45 days
Venture capital private equity funds (5)	<u>190,680,566</u>	<u>51,458,948</u>	N/A	N/A
<b>Total Investments Measured at NAV</b>	<u>\$1,381,229,251</u>	<u>\$ 55,491,206</u>		

1. Commingled domestic fixed income funds with established investment objectives to seek high income and capital growth by investing in U.S. high yield debt securities over a long-term period. These funds aim at hedging the foreign exchange risk resulting from the divergence between the reference currency of subfunds and the currency of share classes by using derivatives instruments.
2. Commingled international equity funds with globally diversified private equity programs that invest and seeks to measure the stocks representing the lowest 15% of float-adjusted market cap and high quality growth companies that trade at discount to the market, in key developed countries, excluding the U.S.
3. Commingled domestic equity funds which aim to pursue varying strategies in order to diversify risks and reduce volatility. These funds have a diversified portfolio of relative value and event driven hedge funds with a focus on U.S. holdings.

# **CITY OF MIAMI FIREFIGHTERS' AND POLICE OFFICERS' RETIREMENT TRUST**

## **NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

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### **NOTE 3 – DEPOSIT AND INVESTMENT RISK DISCLOSURES (CONTINUED)**

#### ***INVESTMENT VALUATION (CONTINUED)***

4. Real estate investment funds are established for the purpose to acquire, own, hold for investment and ultimately dispose of investments in real estate. These funds strive to keep a diversified portfolio of income producing institutional properties throughout the U.S.
5. Venture capital private equity funds whose investment objective is investing primarily in private equity investments, including primary and secondary investments in private equity, infrastructure, and other private asset funds and co-investments in portfolio companies, although the allocation among those types of investments may vary from time to time.

### **NOTE 4 – OFF-BALANCE-SHEET COMMITMENTS**

The Trust, in the normal course of business, enters into commitments with off-balance-sheet risk. The Trust adheres to the same credit policies, financial and administrative controls, and risk limiting and monitoring procedures for commitments as for on-balance-sheet investments. The majority of these future financial commitments are reported as part of the unfunded commitments for investments measured at NAV which are disclosed in Note 3 of the financial statements.

In addition to the unfunded commitments disclosed in Note 3, the Trust has future investment commitments outstanding for foreign private equity investments at September 30, 2024 of approximately €659,000 (euros), respectively.

# CITY OF MIAMI FIREFIGHTERS' AND POLICE OFFICERS' RETIREMENT TRUST

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2024

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### NOTE 5 – NET PENSION LIABILITY OF THE CITY

The components of the net pension liability of the City at September 30, 2024 were as follows:

<b>Total Pension Liability</b>	\$2,788,517,696
Less: Plan fiduciary net position	<u>(1,810,064,791)</u>
<b>Net Pension Liability</b>	<u>\$ 978,452,905</u>
Plan Fiduciary Net Position as a % of the Total Pension Liability	64.91%

### *SIGNIFICANT ACTUARIAL ASSUMPTIONS*

The total pension liability at September 30, 2024 was determined using an actuarial valuation as of October 1, 2023. The actuarial valuation used the following actuarial assumptions:

Inflation	2.60%
Projected salary increases	3.25% inflation plus promotions and salary merit scale
Projected COLAs	Amount varies annually with the adjustment on January 1st
Investment rate of return	7.00% compounded annually, net of pension plan investment expense, including inflation.

Mortality rates are calculated with the Florida Retirement System projected using scale MP-2018 for all healthy retirees. Disabled Mortality rates are calculated utilizing the 80% and 20% headcount weighted general disabled tables.

# CITY OF MIAMI FIREFIGHTERS' AND POLICE OFFICERS' RETIREMENT TRUST

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2024

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### NOTE 5 – NET PENSION LIABILITY OF THE CITY (CONTINUED)

#### *LONG-TERM EXPECTED RATE OF RETURN*

The long-term expected rate of return on Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Trust's target asset allocation as of September 30, 2024 (see the discussion of the Trust's investment policy) are summarized in the following table:

Asset Class	*Long-term Expected Real Rates of Return
U.S Equity	5.70%
International Developed Non-U.S. Equity	6.10%
Private Equity Fund of Funds	7.10%
Private Debt	6.40%
Investment Grade Bonds	2.00%
Treasuries	2.20%
High Yield Bonds	4.00%
Bank Loans	3.80%
Real Estate	5.20%
Core Infrastructure	5.20%

\* Real rates of return are net of the long-term inflation assumption of 2.80% for 2024.

#### *DISCOUNT RATE*

The discount rate used to measure the total pension liability was 7.00%, for 2024. The projection of cash flows used to determine the discount rate assumed that Trust member contributions will be made at the current contribution rates and that contributions from the City will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Trust's fiduciary net position was projected to be available to make all projected future benefit payments of current Trust members. Therefore, the long term expected rate of return on pension Trust investments was applied to all periods of projected benefit payments to determine the total pension liability.

# CITY OF MIAMI FIREFIGHTERS' AND POLICE OFFICERS' RETIREMENT TRUST

## NOTES TO FINANCIAL STATEMENTS

**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

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### NOTE 5 – NET PENSION LIABILITY OF THE CITY (CONTINUED)

#### *SENSITIVITY OF THE NET PENSION LIABILITY TO CHANGES IN THE DISCOUNT RATE*

The following presents the net pension liability of the City using the discount rate of 7.00% for 2024, as well as what the employer net pension liability would if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
<b>City's Net Pension Liability</b>	<u>\$ 1,290,593,929</u>	<u>\$ 978,452,905</u>	<u>\$ 717,190,367</u>

### NOTE 6 – PROPERTY AND EQUIPMENT

As of September 30, 2023, the property and equipment consist of:

		Estimated Useful Lives
Land	\$ 760,865	N/A
Building	1,666,306	38 years
Less: accumulated depreciation	<u>(440,850)</u>	
<b>Property and Equipment, Net</b>	<u><u>\$ 1,986,321</u></u>	

The depreciation expense for year ended September 30, 2023 was \$23,644.

### NOTE 7 – ADMINISTRATIVE EXPENSES REIMBURSEMENT

For the year ended September 30, 2024 administrative costs of the Trust in the amount of \$1,994,835 were funded by the City of Miami and are accounted for as a part of the actuarially determined minimum required contributions from the City and are reflected in contributions from the City in the accompanying statement of changes in fiduciary net position.

# **CITY OF MIAMI FIREFIGHTERS' AND POLICE OFFICERS' RETIREMENT TRUST**

## **NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

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### **NOTE 8 – RETIREMENT PLAN FOR STAFF**

The employees of the Trust participate in a separate plan sponsored by the City of Miami Firefighters' and Police Officers' Retirement Trust, which is a single-employer defined benefit pension plan. The employees' contribution is 7% of earnable compensation. Employee retirement contributions for the year ended September 30, 2024, totaled \$20,768.

The Trust, as employer, is to contribute such amounts as necessary to provide the Staff Plan with assets sufficient to meet the benefits to be paid to the participants. The employer contributions to the Plan for the year ended September 30, 2024 were \$51,543.

# CITY OF MIAMI FIREFIGHTERS' AND POLICE OFFICERS' RETIREMENT TRUST

## REQUIRED SUPPLEMENTARY INFORMATION

### SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS (UNAUDITED)

September 30,	2024	2023	2022	2021	2020
<b>Total Pension Liability</b>					
Service cost	\$ 48,915,573	\$ 48,985,511	\$ 46,664,662	\$ 33,080,765	\$ 33,703,733
Interest	182,539,342	177,545,797	170,619,991	159,732,358	160,096,512
Changes in benefit terms	20,072,720	--	45,605,790	119,271,883	4,270,406
Differences between expected and actual experience	14,267,922	26,912,741	11,516,006	29,131,987	46,795,554
Changes of assumptions	55,381,893	--	--	77,759,117	(82,872,814)
Benefit payments, including refunds of member contributions	(182,898,138)	(181,177,358)	(174,397,080)	(168,246,291)	(164,416,994)
<b>Net Change in Total Pension Liability</b>	138,279,312	72,266,691	100,009,369	250,729,819	(2,423,603)
<b>Total Pension Liability - Beginning</b>	2,650,238,384	2,577,971,693	2,477,962,324	2,227,232,505	2,229,656,108
Changes in benefit terms (1)	--	--	--	--	--
Restatement (2)	--	--	--	--	--
<b>Total Pension Liability - Ending</b>	<u>\$ 2,788,517,696</u>	<u>\$ 2,650,238,384</u>	<u>\$ 2,577,971,693</u>	<u>\$ 2,477,962,324</u>	<u>\$ 2,227,232,505</u>
<b>Plan Fiduciary Net Position</b>					
Contributions - employer	\$ 120,722,513	\$ 107,166,543	\$ 73,386,674	\$ 69,982,149	\$ 67,564,414
Contributions - member	19,600,500	16,887,734	17,385,719	15,892,460	15,820,796
Net investment income (loss)	286,939,627	149,740,660	(220,865,219)	302,191,323	88,163,893
Benefit payments, including refunds of member contributions	(182,898,138)	(181,177,358)	(174,397,080)	(168,246,291)	(164,416,995)
Administrative expense	(1,994,835)	(2,063,928)	(2,137,202)	(2,181,634)	(2,210,096)
Other	--	--	--	--	--
<b>Net Change in Plan Fiduciary Net Position</b>	242,369,667	90,553,651	(306,627,108)	217,638,007	4,922,012
<b>Plan Fiduciary Net Position - Beginning</b>	1,567,695,124	1,477,141,473	1,783,768,581	1,566,130,574	#REF!
<b>Restatement</b>	--	--	--	--	--
<b>Plan Fiduciary Net Position - Ending</b>	<u>\$ 1,810,064,791</u>	<u>\$ 1,567,695,124</u>	<u>\$ 1,477,141,473</u>	<u>\$ 1,783,768,581</u>	<u>\$ 1,566,130,574</u>
<b>Net Pension Liability - Ending</b>	<u>\$ 978,452,905</u>	<u>\$ 1,082,543,260</u>	<u>\$ 1,100,830,220</u>	<u>\$ 694,193,743</u>	<u>\$ 661,101,931</u>
<b>Total Pension Liability</b>	\$ 2,788,517,696	\$ 2,650,238,384	\$ 2,577,971,693	\$ 2,477,962,324	\$ 2,227,232,505
<b>Plan Fiduciary Net Position</b>	(1,810,064,791)	(1,567,695,124)	(1,477,141,473)	(1,783,768,581)	(1,566,130,574)
<b>City's Net Pension Liability</b>	<u>\$ 978,452,905</u>	<u>\$ 1,082,543,260</u>	<u>\$ 1,100,830,220</u>	<u>\$ 694,193,743</u>	<u>\$ 661,101,931</u>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	64.91%	59.15%	57.30%	71.99%	70.32%
<b>Covered Payroll <sup>(3)</sup></b>	\$ 189,067,815	\$ 187,880,152	\$ 178,532,455	\$ 176,712,600	\$ 168,059,448
<b>City's Net Pension Liability as a Percentage of Covered Payroll</b>	517.51%	576.19%	616.60%	393.95%	393.37%
<b>Total Payroll Including DROP Participants</b>	\$ 212,137,200	\$ 206,962,544	\$ 207,317,323	\$ 195,376,743	\$ 184,484,315

(1) See "Total Pension Liability Adjustment" description in notes to required supplementary information

(2) Restated for elimination of DROP assets and related activity. There was no effect on the City's net pension liability.

(3) Covered payroll is as of September 30, of the prior fiscal year.

# CITY OF MIAMI FIREFIGHTERS' AND POLICE OFFICERS' RETIREMENT TRUST

## REQUIRED SUPPLEMENTARY INFORMATION

### SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS (UNAUDITED) (CONTINUED)

September 30,	2019	2018	2017 (Restated)	2016	2015
<b>Total Pension Liability</b>					
Service cost	\$ 30,947,329	\$ 27,965,925	\$ 26,279,333	\$ 21,625,163	\$ 19,203,823
Interest	152,192,907	149,244,425	146,548,443	156,265,650	156,479,438
Changes in benefit terms	55,386,337	--	122,641,436 (1)	--	9,453,429
Differences between expected and actual experience	32,027,954	21,728,074	15,553,948	12,725,721	(16,970,540)
Changes of assumptions	(5,024,797)	16,618,357	--	30,651,781	14,895,466
Benefit payments, including refunds of member contributions	(156,798,207)	(156,093,286)	(151,375,376)	(166,203,470)	(165,535,327)
<b>Net Change in Total Pension Liability</b>	108,731,523	59,463,495	159,647,784	55,064,845	17,526,289
<b>Total Pension Liability - Beginning</b>	2,120,924,585	2,184,102,526	2,222,547,481	2,167,482,636	2,149,956,347
Changes in benefit terms (1)	--	(122,641,436)	--	--	--
Restatement (2)	--	--	(198,092,739)	--	--
<b>Total Pension Liability - Ending</b>	<u>\$ 2,229,656,108</u>	<u>\$ 2,120,924,585</u>	<u>\$ 2,184,102,526</u>	<u>\$ 2,222,547,481</u>	<u>\$ 2,167,482,636</u>
<b>Plan Fiduciary Net Position</b>					
Contributions - employer	\$ 62,694,851	\$ 56,999,866	\$ 53,264,009	\$ 48,672,615	\$ 48,616,677
Contributions - member	16,309,563	14,258,763	13,206,378	12,082,805	9,317,231
Net investment income (loss)	73,863,324	102,296,007	136,351,212	132,946,827	35,844,550
Benefit payments, including refunds of member contributions	(156,798,207)	(156,093,286)	(151,375,376)	(166,203,470)	(165,537,888)
Administrative expense	(2,128,469)	(2,086,709)	(2,058,797)	(2,029,168)	(2,222,561)
Other	585,124	(42,726)	(42,726)	(42,726)	(42,726)
<b>Net Change in Plan Fiduciary Net Position</b>	(5,473,814)	15,331,915	49,344,700	25,426,883	(74,024,717)
<b>Plan Fiduciary Net Position - Beginning</b>	1,566,682,376	1,551,350,461	1,700,098,500	1,674,671,617	1,748,696,334
<b>Restatement</b>	--	--	(198,092,739)	--	--
<b>Plan Fiduciary Net Position - Ending</b>	<u>\$ 1,561,208,562</u>	<u>\$ 1,566,682,376</u>	<u>\$ 1,551,350,461</u>	<u>\$ 1,700,098,500</u>	<u>\$ 1,674,671,617</u>
<b>Net Pension Liability - Ending</b>	<u>\$ 668,447,546</u>	<u>\$ 554,242,209</u>	<u>\$ 632,752,065</u>	<u>\$ 522,448,981</u>	<u>\$ 492,811,019</u>
<b>Total Pension Liability</b>	\$ 2,229,656,108	\$ 2,120,924,585	\$ 2,184,102,526	\$ 2,222,547,481	\$ 2,167,482,636
<b>Plan Fiduciary Net Position</b>	(1,561,208,562)	(1,566,682,376)	(1,551,350,461)	(1,700,098,500)	(1,674,671,617)
<b>City's Net Pension Liability</b>	<u>\$ 668,447,546</u>	<u>\$ 554,242,209</u>	<u>\$ 632,752,065</u>	<u>\$ 522,448,981</u>	<u>\$ 492,811,019</u>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	70.02%	73.87%	71.03%	76.49%	77.26%
<b>Covered Payroll</b> <sup>(3)</sup>	\$ 166,670,939	\$ 141,497,840	\$ 133,083,231	\$ 106,278,376	\$ 93,705,765
<b>City's Net Pension Liability as a Percentage of Covered Payroll</b>	401.06%	391.70%	475.46%	491.59%	525.91%
<b>Total Payroll Including DROP Participants</b>	\$ 176,975,203	\$ 159,787,486	\$ 153,785,532	\$ 133,966,173	\$ 127,786,644

(1) See "Total Pension Liability Adjustment" description in notes to required supplementary information

(2) Restated for elimination of DROP assets and related activity. There was no effect on the City's net pension liability.

(3) Covered payroll is as of September 30, of the prior fiscal year.

*This schedule is presented as required by accounting principles generally accepted in the United States of America.*



# CITY OF MIAMI FIREFIGHTERS' AND POLICE OFFICERS' RETIREMENT TRUST

## REQUIRED SUPPLEMENTARY INFORMATION

### SCHEDULE OF CITY CONTRIBUTIONS (UNAUDITED)

	2024	2023	2022	2021	2020
Actuarially determined contribution	\$ 120,722,513	\$ 107,166,543	\$ 73,386,674	\$ 69,982,149	\$ 67,564,414
Contributions in relation to the actuarially determined contribution	<u>120,722,513</u>	<u>107,166,543</u>	<u>73,386,674</u>	<u>69,982,149</u>	<u>67,564,414</u>
<b>Contribution Deficiency (Excess)</b>	<u><u>\$ --</u></u>	<u><u>\$ --</u></u>	<u><u>\$ --</u></u>	<u><u>\$ --</u></u>	<u><u>\$ --</u></u>
Covered payroll <sup>(1)</sup>	\$ 189,067,815	\$ 187,880,152	\$ 178,532,455	\$ 176,712,600	\$ 168,059,448
Contributions as a percentage of covered payroll	63.85%	57.04%	41.11%	39.60%	40.20%
	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 62,694,851	\$ 56,999,866	\$ 53,264,009	\$ 48,672,615	\$ 48,616,677
Contributions in relation to the actuarially determined contribution	<u>62,694,851</u>	<u>56,999,866</u>	<u>53,264,009</u>	<u>48,672,615</u>	<u>48,616,677</u>
<b>Contribution Deficiency (Excess)</b>	<u><u>\$ --</u></u>	<u><u>\$ --</u></u>	<u><u>\$ --</u></u>	<u><u>\$ --</u></u>	<u><u>\$ --</u></u>
Covered payroll <sup>(1)</sup>	\$ 166,670,939	\$ 141,497,840	\$ 133,083,231	\$ 106,278,378	\$ 93,705,765
Contributions as a percentage of covered payroll	37.62%	40.28%	40.02%	45.80%	51.88%

(1) Covered payroll is as of September 30, the fiscal year end date.

*This schedule is presented as required by accounting principles generally accepted in the United States of America.*

# CITY OF MIAMI FIREFIGHTERS' AND POLICE OFFICERS' RETIREMENT TRUST

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

### FOR THE YEAR ENDED SEPTEMBER 30, 2024

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***Total Pension Liability Adjustment.*** For the fiscal year 2017, the GASB Statement No. 67 and No. 68 report, the actuary included the impact of the full restoration of benefits under Supreme Court Ruling which increased both the total pension liability and pension expense by \$122.6 million. Since the restoration of benefits was under negotiation, the Board decided not to include the impact of the restoration of benefits in the October 1, 2017 funding valuation. As a result of this determination, in the September 30, 2018 GASB Statement No. 67 and No. 68 report, the actuary reduced the beginning pension liability by \$122.6 million. The pension liability reported by the actuary as of September 30, 2018 does not include any impact from this Supreme Court ruling. This matter was resolved.

***Method and assumptions used in calculations of the City's actuarially determined contributions.*** The actuarially determined contribution rates in the schedule of the City's contributions are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported. Unless otherwise noted above, the following actuarial methods and assumptions were used to determine contribution rates reported in the Schedule of the City's contributions.

Valuation Date	October 1, 2022
Actuarial cost method	Aggregate Cost Method
Asset valuation method	20% Phase-In Method: Fair market value of assets on the valuation date adjusted for a 5-year phase-in of gains and losses on the fair market value of assets.
Interest Rates	7.00% net of investment expenses
Inflation	3.25%
Projected salary increases	1.5% for promotions plus salary merit scale
Mortality Rates:	
Healthy	Florida Retirement System special risk mortality projected generationally with scale MP-2018
Disabled	80% and 20% Headcount Weighted General and Safety Disabled Retiree Female and Male Tables

# CITY OF MIAMI FIREFIGHTERS' AND POLICE OFFICERS' RETIREMENT TRUST

## REQUIRED SUPPLEMENTARY INFORMATION

### SCHEDULE OF INVESTMENT RETURNS (UNAUDITED)

September 30, Annual money-weighted rate of return, net of investment expense	2024	2023	2022	2021	2020
	18.11%	10.13%	-12.26%	19.71%	6.17%
September 30, Annual money-weighted rate of return, net of investment expense	2019	2018*	2017	2016	2015
	5.39%	7.48%	9.22%	9.70%	1.84%

\* Restated

*This schedule is presented as required by accounting principles generally accepted in the United States of America.*

# CITY OF MIAMI FIREFIGHTERS' AND POLICE OFFICERS' RETIREMENT TRUST

## SUPPLEMENTARY INFORMATION SCHEDULE OF INVESTMENT EXPENSES

**FOR THE YEAR ENDED SEPTEMBER 30, 2024  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2023)**

	2024	2023
<b>Equities</b>		
Boston Partners	\$ 453,025	\$ 259,855
Champlain Investments	581,638	583,621
First Eagle	114	141,929
Waycross Partners	322,080	193,325
<b>Total Equities</b>	<u>1,356,857</u>	<u>1,178,730</u>
<b>Debt Securities</b>		
AXA U.S. High Yield	109,214	139,619
Dodge & Cox	257,156	198,455
NTAM U.S. Aggregate Bond	34,187	31,153
NTAM U.S. Government Bond	18,497	17,996
NTAM S&P 500 Lending	8,075	8,211
NTAM MSCI EAFE Lending	16,343	14,633
Wellington International Growth	564,889	685,433
<b>Total Debt Securities</b>	<u>1,008,361</u>	<u>1,095,500</u>
<b>Real Estate</b>		
J.P. Morgan	1,187,580	1,547,868
<b>Total Real Estate</b>	<u>1,187,580</u>	<u>1,547,868</u>
<b>Other</b>	<u>11,053</u>	<u>15,095</u>
<b>Total Investment Expenses</b>	<u>\$ 3,563,851</u>	<u>\$ 3,837,193</u>

*See independent auditors' report.*

# CITY OF MIAMI FIREFIGHTERS' AND POLICE OFFICERS' RETIREMENT TRUST

## SUPPLEMENTARY INFORMATION SCHEDULE OF ADMINISTRATIVE EXPENSES

**FOR THE YEAR ENDED SEPTEMBER 30, 2024  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2023)**

	2024	2023
<b>Personnel Services</b>		
Salaries and payroll taxes	\$ 411,404	\$ 452,987
Fringe benefits	<u>60,371</u>	<u>108,917</u>
<b>Total Personnel Services</b>	<u>471,775</u>	<u>561,904</u>
<b>Professional Services</b>		
Actuarial	119,250	157,200
Audit	45,900	44,600
Consultant and custodial	476,020	403,847
Legal	35,670	41,685
Medical	<u>17,633</u>	<u>9,840</u>
<b>Total Professional Services</b>	<u>694,473</u>	<u>657,172</u>
<b>Other</b>		
Education and travel	51,985	45,995
Insurance	197,933	196,424
Office expense	268,605	295,009
Repair and maintenance	227,514	203,162
Retirement contribution	51,543	66,220
Utilities	31,007	38,041
Miscellaneous	<u>--</u>	<u>7,084</u>
<b>Total Other</b>	<u>828,587</u>	<u>851,935</u>
<b>Total Administrative Expense</b>	<u><u>\$ 1,994,835</u></u>	<u><u>\$ 2,071,011</u></u>

*See independent auditors' report.*

**Independent Auditors' Report on Internal Control over Financial Reporting and  
on Compliance and Other Matters Based on an Audit of Financial Statements  
in Accordance with Government Auditing Standards**

To the Board of Trustees, the Audit Committee, and the Plan Administrator of the  
**City of Miami Firefighters' and Police Officers' Retirement Trust**

We have audited, in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"), the financial statements of the City of Miami Firefighters' and Police Officers' Retirement Trust (the "Trust") as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Trust's financial statements, and have issued our report thereon dated February 14, 2025.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Trust's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control. Accordingly, we do not express an opinion on the effectiveness of the Trust's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Trust's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Trust's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the Trust's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Trust's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*CBIZ CPAs P.C.*

Miami, FL  
February 14, 2025



# Investment Section



**Performance Summary (Net of Fees) | As of September 30, 2024**

Trailing Net Performance Summary										
	Market Value \$	% of Portfolio	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Since Inception	Inception Date
<b>Total Fund</b>	<b>1,807,023,474</b>	<b>100.0</b>	<b>5.2</b>	<b>9.9</b>	<b>17.8</b>	<b>4.0</b>	<b>7.4</b>	<b>6.8</b>	<b>7.9</b>	<b>Jan-94</b>
<i>Fund Benchmark</i>			5.2	11.7	20.3	4.8	8.3	7.5	7.7	
<i>InvMetrics Public DB \$1-5B (net) USD Median</i>			5.0	9.9	17.4	4.2	7.7	6.7	7.4	
<i>Total Fund Rank</i>			37	54	43	62	68	45	21	
<b>US Equity</b>	<b>594,569,350</b>	<b>32.9</b>	<b>5.8</b>	<b>17.5</b>	<b>31.3</b>	<b>9.1</b>	<b>13.4</b>	<b>11.9</b>	<b>--</b>	<b>Jan-94</b>
<i>Russell 3000 Index</i>			6.2	20.6	35.2	10.3	15.3	12.8	10.4	
Northern Trust S&P500 Index Fund	327,431,922	18.1	5.9	22.0	36.3	11.9	--	--	16.3	Aug-20
<i>S&amp;P 500 Index</i>			5.9	22.1	36.4	11.9	--	--	16.3	
Waycross Partners Core Equity	85,270,678	4.7	3.4	19.8	35.0	--	--	--	29.3	Nov-22
<i>S&amp;P 500 Index</i>			5.9	22.1	36.4	--	--	--	25.0	
<i>eV US Large Cap Core Equity Median</i>			5.7	20.3	34.0	--	--	--	22.5	
<i>Waycross Partners Core Equity Rank</i>			91	54	45	--	--	--	6	
Boston Partners Mid Cap Value	66,015,120	3.7	7.9	12.7	25.9	9.7	12.0	10.6	9.9	Jun-98
<i>Russell Midcap Value Index</i>			10.1	15.1	29.0	7.4	10.3	8.9	9.2	
<i>eV US Mid Cap Value Equity Median</i>			8.8	12.8	25.8	8.7	11.0	9.0	9.8	
<i>Boston Partners Mid Cap Value Rank</i>			76	52	50	31	33	11	49	
Champlain Mid Cap	48,346,534	2.7	3.5	4.6	16.4	-2.1	9.0	11.3	13.6	Jul-09
<i>Russell Midcap Index</i>			9.2	14.6	29.3	5.8	11.3	10.2	13.6	
<i>eV US Mid Cap Core Equity Median</i>			8.2	12.8	26.8	7.7	11.9	10.6	13.9	
<i>Champlain Mid Cap Rank</i>			99	99	100	97	84	32	60	

## Performance Summary (Net of Fees) | As of September 30, 2024

	Market Value \$	% of Portfolio	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Since Inception	Inception Date
Champlain Small Cap	67,505,095	3.7	8.0	8.0	19.7	1.0	8.1	10.4	10.7	Jan-04
<i>Russell 2000 Index</i>			9.3	11.2	26.8	1.8	9.4	8.8	8.4	
<i>eV US Small Cap Core Equity Median</i>			8.5	11.6	25.2	4.9	11.1	9.5	9.2	
<i>Champlain Small Cap Rank</i>			59	79	85	84	91	28	14	
<b>International Equity</b>	<b>415,173,180</b>	<b>23.0</b>	<b>7.7</b>	<b>14.2</b>	<b>24.0</b>	<b>3.7</b>	<b>7.7</b>	<b>6.6</b>	<b>--</b>	<b>Jan-94</b>
<i>MSCI EAFE (Net)</i>			7.3	13.0	24.8	5.5	8.2	5.7	5.5	
Northern Trust EAFE Index Fund	113,395,533	6.3	7.3	13.3	25.1	6.0	--	--	10.8	Aug-20
<i>MSCI EAFE (Net)</i>			7.3	13.0	24.8	5.5	--	--	10.4	
Wellington International Quality Growth (IQG)	155,156,224	8.6	6.5	16.4	26.4	-0.1	7.6	--	8.1	Nov-14
<i>MSCI AC World ex USA Growth (Net)</i>			6.9	14.1	26.7	0.8	7.1	--	6.1	
<i>eV ACWI ex-US Growth Equity Median</i>			6.4	11.9	24.9	-0.7	7.6	--	7.1	
<i>Wellington International Quality Growth (IQG) Rank</i>			49	15	36	44	52	--	33	
First Eagle International Equity	146,564,251	8.1	9.4	12.7	20.0	--	--	--	12.8	Sep-22
<i>MSCI EAFE Value Index (Net)</i>			8.9	13.8	23.1	--	--	--	20.5	
<i>MSCI EAFE (Net)</i>			7.3	13.0	24.8	--	--	--	18.4	
<i>eV EAFE Value Equity Median</i>			9.0	13.1	22.3	--	--	--	18.7	
<i>First Eagle International Equity Rank</i>			39	53	78	--	--	--	95	

## Performance Summary (Net of Fees) | As of September 30, 2024

	Market Value \$	% of Portfolio	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Since Inception	Inception Date
<b>Private Equity</b>	<b>107,984,536</b>	<b>6.0</b>	<b>-1.0</b>	<b>0.9</b>	<b>0.2</b>	<b>3.1</b>	<b>12.3</b>	<b>11.1</b>	<b>--</b>	<b>Jan-94</b>
<i>MSCI ACWI IMI (Net) +2% (Q Lag)</i>			<i>2.9</i>	<i>24.4</i>	<i>20.7</i>	<i>6.8</i>	<i>12.5</i>	<i>10.3</i>	<i>--</i>	
Adams Street 2012 Global Fund	9,579,660	0.5	1.0	2.5	-1.2	-2.9	11.4	11.2	6.5	Jul-12
<i>MSCI ACWI IMI (Net) +2% (Q Lag)</i>			<i>2.9</i>	<i>24.4</i>	<i>20.7</i>	<i>6.8</i>	<i>12.5</i>	<i>10.3</i>	<i>11.5</i>	
Adams Street Venture Innovation Fund	9,981,350	0.6	-1.6	1.0	-2.4	0.0	24.9	--	14.9	Dec-17
<i>MSCI ACWI IMI (Net) +2% (Q Lag)</i>			<i>2.9</i>	<i>24.4</i>	<i>20.7</i>	<i>6.8</i>	<i>12.5</i>	<i>--</i>	<i>11.5</i>	
Catalyst III	825,998	0.0	-25.1	-30.7	-35.4	-9.2	-2.3	4.1	7.8	Oct-12
<i>MSCI ACWI IMI (Net) +2% (Q Lag)</i>			<i>2.9</i>	<i>24.4</i>	<i>20.7</i>	<i>6.8</i>	<i>12.5</i>	<i>10.3</i>	<i>12.3</i>	
Catalyst IV	3,200,755	0.2	-7.5	-20.8	-25.8	-14.2	8.3	--	8.8	Nov-15
<i>MSCI ACWI IMI (Net) +2% (Q Lag)</i>			<i>2.9</i>	<i>24.4</i>	<i>20.7</i>	<i>6.8</i>	<i>12.5</i>	<i>--</i>	<i>11.2</i>	
Coller Fund VI	991,342	0.1	-0.7	0.6	-2.0	-1.5	5.8	9.5	15.3	Oct-12
<i>MSCI ACWI IMI (Net) +2% (Q Lag)</i>			<i>2.9</i>	<i>24.4</i>	<i>20.7</i>	<i>6.8</i>	<i>12.5</i>	<i>10.3</i>	<i>12.3</i>	
Coller Fund VII	3,829,093	0.2	-0.2	1.6	5.0	7.0	11.9	--	22.0	Oct-16
<i>MSCI ACWI IMI (Net) +2% (Q Lag)</i>			<i>2.9</i>	<i>24.4</i>	<i>20.7</i>	<i>6.8</i>	<i>12.5</i>	<i>--</i>	<i>13.0</i>	
Coller Fund VIII	12,828,811	0.7	0.5	6.3	9.8	14.9	--	--	26.0	Jun-20
<i>MSCI ACWI IMI (Net) +2% (Q Lag)</i>			<i>2.9</i>	<i>24.4</i>	<i>20.7</i>	<i>6.8</i>	<i>--</i>	<i>--</i>	<i>14.6</i>	

Private Equity assets are as of June 30, 2024 and adjusted for subsequent cash flows through the date of this report.

**Performance Summary (Net of Fees) | As of September 30, 2024**

	Market Value \$	% of Portfolio	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Since Inception	Inception Date
JP Morgan Global Fund V <i>MSCI ACWI IMI (Net) +2% (Q Lag)</i>	8,007,042	0.4	-0.6 <i>2.9</i>	0.1 <i>24.4</i>	2.4 <i>20.7</i>	2.8 <i>6.8</i>	9.9 <i>12.5</i>	16.2 <i>10.3</i>	15.4 <i>11.0</i>	May-14
JP Morgan Global Fund VI <i>MSCI ACWI IMI (Net) +2% (Q Lag)</i>	15,726,959	0.9	-0.4 <i>2.9</i>	1.4 <i>24.4</i>	1.8 <i>20.7</i>	8.5 <i>6.8</i>	12.3 <i>12.5</i>	-- <i>--</i>	16.5 <i>11.5</i>	Dec-17
JP Morgan Global Fund VIII <i>MSCI ACWI IMI (Net) +2% (Q Lag)</i>	16,737,858	0.9	1.9 <i>2.9</i>	4.9 <i>24.4</i>	6.9 <i>20.7</i>	12.9 <i>6.8</i>	13.0 <i>12.5</i>	-- <i>--</i>	11.6 <i>12.9</i>	Mar-19
JPMorgan US Corporate Finance III <i>MSCI ACWI IMI (Net) +2% (Q Lag)</i>	357,260	0.0	8.6 <i>2.9</i>	16.2 <i>24.4</i>	20.1 <i>20.7</i>	3.7 <i>6.8</i>	21.6 <i>12.5</i>	15.7 <i>10.3</i>	11.5 <i>9.4</i>	Nov-06
JPMorgan Venture Capital Fund III <i>MSCI ACWI IMI (Net) +2% (Q Lag)</i>	851,173	0.0	-7.6 <i>2.9</i>	-10.1 <i>24.4</i>	-11.6 <i>20.7</i>	-11.0 <i>6.8</i>	2.3 <i>12.5</i>	3.9 <i>10.3</i>	26.0 <i>9.4</i>	Nov-06
Lexington Capital Partners VIII <i>MSCI ACWI IMI (Net) +2% (Q Lag)</i>	7,124,005	0.4	-0.6 <i>2.9</i>	-0.7 <i>24.4</i>	-0.5 <i>20.7</i>	2.1 <i>6.8</i>	9.9 <i>12.5</i>	-- <i>--</i>	12.6 <i>10.8</i>	Aug-15
Lexington Capital Partners IX <i>MSCI ACWI IMI (Net) +2% (Q Lag)</i>	15,040,650	0.8	0.5 <i>2.9</i>	7.5 <i>24.4</i>	3.9 <i>20.7</i>	8.0 <i>6.8</i>	11.8 <i>12.5</i>	-- <i>--</i>	11.4 <i>14.6</i>	Apr-19
Pantheon USA Fund VII <i>MSCI ACWI IMI (Net) +2% (Q Lag)</i>	885,387	0.0	-8.6 <i>2.9</i>	-7.0 <i>24.4</i>	-8.6 <i>20.7</i>	-1.8 <i>6.8</i>	10.1 <i>12.5</i>	8.4 <i>10.3</i>	7.9 <i>8.3</i>	Sep-07
Standard Life Europe Smaller Funds I <i>MSCI ACWI IMI (Net) +2% (Q Lag)</i>	1,683,863	0.1	-24.8 <i>2.9</i>	-28.9 <i>24.4</i>	-27.7 <i>20.7</i>	-11.9 <i>6.8</i>	-3.0 <i>12.5</i>	-1.9 <i>10.3</i>	-19.4 <i>12.3</i>	Oct-12

## Performance Summary (Net of Fees) | As of September 30, 2024

	Market Value \$	% of Portfolio	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Since Inception	Inception Date
JPMorgan European Corporate Finance III	45,394	0.0								
Lexington Capital Partners VI-B	92,699	0.0								
Pantheon Europe Fund V-B	195,237	0.0								
<b>Private Debt</b>	<b>22,388,054</b>	<b>1.2</b>	<b>2.3</b>	<b>4.1</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>4.1</b>	<b>Nov-23</b>
<i>BBarc HY 1Q Lagged + 2%</i>			<i>1.6</i>	<i>11.6</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>10.9</i>	
Golub Capital 4	22,388,054	1.2	2.3	4.1	--	--	--	--	4.1	Nov-23
<b>Investment Grade Bonds</b>	<b>374,976,011</b>	<b>20.8</b>	<b>5.4</b>	<b>5.1</b>	<b>12.6</b>	<b>-0.7</b>	<b>0.9</b>	<b>2.1</b>	<b>4.5</b>	<b>Jan-94</b>
<i>Blmbg. U.S. Aggregate Index</i>			<i>5.2</i>	<i>4.4</i>	<i>11.6</i>	<i>-1.4</i>	<i>0.3</i>	<i>1.8</i>	<i>4.5</i>	
NT US Aggregate Bond	224,137,346	12.4	5.2	4.4	11.5	-1.4	--	--	-1.4	Aug-20
<i>Blmbg. U.S. Aggregate Index</i>			<i>5.2</i>	<i>4.4</i>	<i>11.6</i>	<i>-1.4</i>	<i>--</i>	<i>--</i>	<i>-1.4</i>	
Dodge & Cox Core Fixed Income	150,838,665	8.3	5.7	6.1	14.2	0.6	2.3	2.9	4.4	Jan-02
<i>Blmbg. U.S. Aggregate Index</i>			<i>5.2</i>	<i>4.4</i>	<i>11.6</i>	<i>-1.4</i>	<i>0.3</i>	<i>1.8</i>	<i>3.6</i>	
<i>eV US Core Fixed Inc Median</i>			<i>5.2</i>	<i>4.8</i>	<i>11.9</i>	<i>-1.2</i>	<i>0.7</i>	<i>2.1</i>	<i>3.9</i>	
<i>Dodge &amp; Cox Core Fixed Income Rank</i>			<i>5</i>	<i>2</i>	<i>2</i>	<i>1</i>	<i>1</i>	<i>3</i>	<i>4</i>	
<b>Treasuries</b>	<b>70,135,234</b>	<b>3.9</b>	<b>7.8</b>	<b>2.4</b>	<b>15.4</b>	<b>-8.4</b>	<b>--</b>	<b>--</b>	<b>-8.1</b>	<b>Jun-20</b>
<i>Blmbg. U.S. Government: Long Term Bond Index</i>			<i>7.8</i>	<i>2.4</i>	<i>15.4</i>	<i>-8.3</i>	<i>--</i>	<i>--</i>	<i>-8.1</i>	
NT Long-Term Gov. Bond Index Fund	70,135,234	3.9	7.8	2.4	15.4	-8.4	--	--	-8.1	Jun-20
<i>Blmbg. U.S. Government: Long Term Bond Index</i>			<i>7.8</i>	<i>2.4</i>	<i>15.4</i>	<i>-8.3</i>	<i>--</i>	<i>--</i>	<i>-8.1</i>	

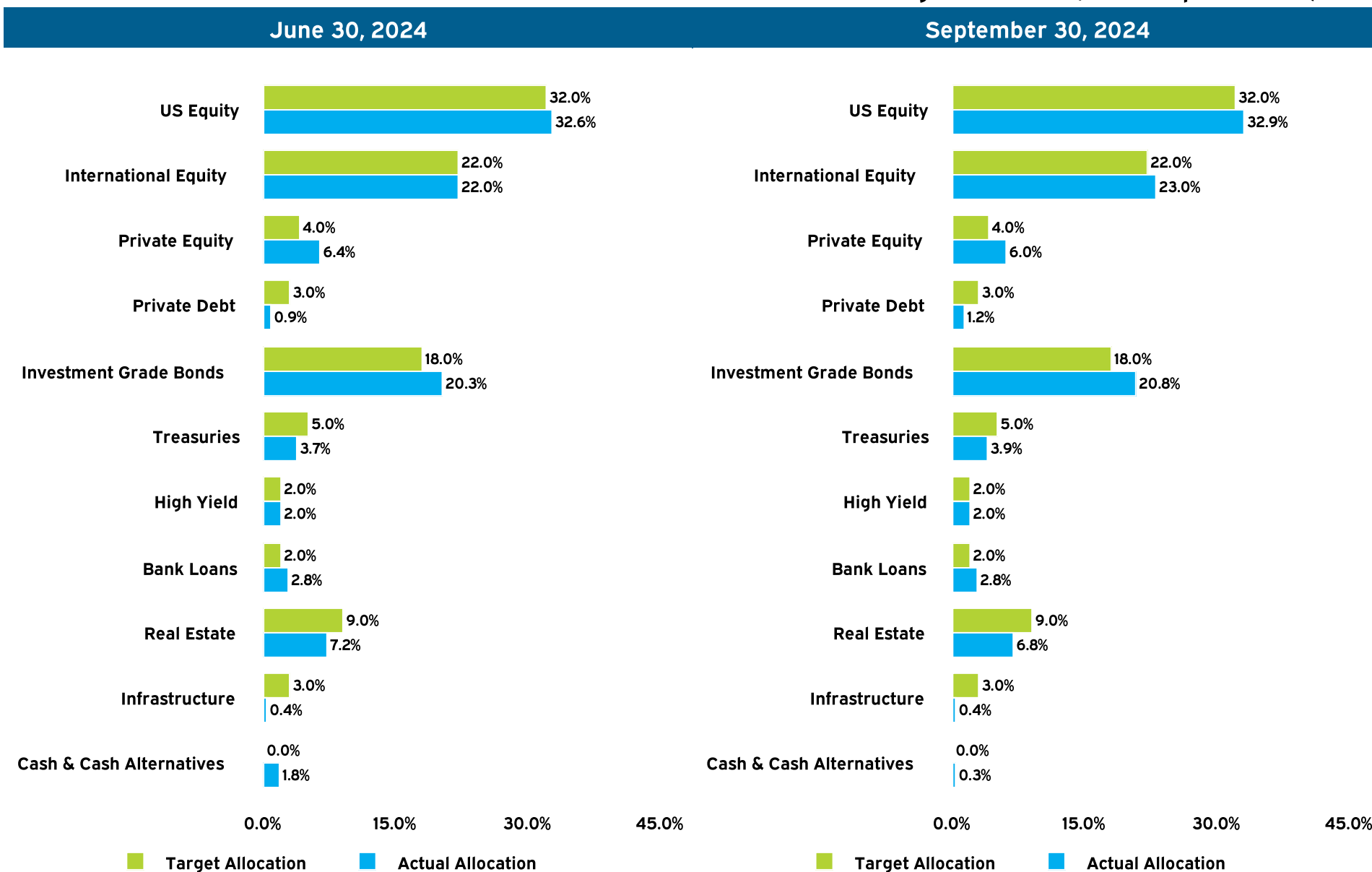
## Performance Summary (Net of Fees) | As of September 30, 2024

	Market Value \$	% of Portfolio	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Since Inception	Inception Date
<b>High Yield</b>	<b>36,475,153</b>	<b>2.0</b>	<b>4.8</b>	<b>8.1</b>	<b>15.5</b>	<b>3.8</b>	<b>5.2</b>	<b>5.0</b>	--	<b>Jan-94</b>
<i>ICE BofA U.S. High Yield Index</i>			<i>5.3</i>	<i>8.0</i>	<i>15.7</i>	<i>3.1</i>	<i>4.5</i>	<i>5.0</i>	<i>6.8</i>	
AXA High Yield	36,475,153	2.0	4.8	8.1	15.5	3.8	5.2	5.0	4.8	Mar-14
<i>ICE BofA U.S. High Yield Index</i>			<i>5.3</i>	<i>8.0</i>	<i>15.7</i>	<i>3.1</i>	<i>4.5</i>	<i>5.0</i>	<i>4.7</i>	
<i>eV US High Yield Fixed Inc Median</i>			<i>4.4</i>	<i>7.3</i>	<i>14.3</i>	<i>3.1</i>	<i>4.4</i>	<i>4.6</i>	<i>4.4</i>	
<i>AXA High Yield Rank</i>			<i>28</i>	<i>21</i>	<i>16</i>	<i>28</i>	<i>19</i>	<i>24</i>	<i>25</i>	
<b>Bank Loans</b>	<b>49,758,322</b>	<b>2.8</b>	<b>1.9</b>	<b>6.4</b>	<b>9.7</b>	<b>6.8</b>	<b>5.8</b>	<b>5.1</b>	--	<b>Jan-94</b>
<i>Credit Suisse Leveraged Loan Index</i>			<i>2.0</i>	<i>6.6</i>	<i>9.6</i>	<i>6.3</i>	<i>5.6</i>	<i>4.9</i>	<i>5.4</i>	
Aristotle Pacific	49,758,322	2.8	1.9	6.4	9.7	6.8	5.8	5.1	5.0	May-14
<i>Credit Suisse Leveraged Loan Index</i>			<i>2.0</i>	<i>6.6</i>	<i>9.6</i>	<i>6.3</i>	<i>5.6</i>	<i>4.9</i>	<i>4.7</i>	
<i>eV US Float-Rate Bank Loan Fixed Inc Median</i>			<i>2.0</i>	<i>6.2</i>	<i>9.2</i>	<i>5.6</i>	<i>5.0</i>	<i>4.3</i>	<i>4.2</i>	
<i>Aristotle Pacific Rank</i>			<i>66</i>	<i>38</i>	<i>39</i>	<i>6</i>	<i>14</i>	<i>5</i>	<i>5</i>	
<b>Real Estate</b>	<b>122,812,982</b>	<b>6.8</b>	<b>0.5</b>	<b>-4.7</b>	<b>-12.3</b>	<b>-3.1</b>	<b>0.4</b>	<b>4.3</b>	--	<b>Jan-94</b>
<i>NCREIF ODCE (Net)</i>			<i>0.0</i>	<i>-3.2</i>	<i>-8.0</i>	<i>-1.0</i>	<i>2.1</i>	<i>5.2</i>	<i>7.0</i>	
Centersquare Value Fund IV	2,687,407	0.1	6.2	6.8	1.6	13.2	12.9	--	4.3	Oct-18
<i>NCREIF Property + 300bps 1QLAG</i>			<i>0.5</i>	<i>-2.1</i>	<i>-2.7</i>	<i>5.4</i>	<i>6.5</i>	<i>--</i>	<i>7.0</i>	
JP Morgan SPF	95,727,901	5.3	0.6	-4.1	-11.4	-3.0	0.7	4.1	7.0	Jan-10
<i>NCREIF ODCE (Net)</i>			<i>0.0</i>	<i>-3.2</i>	<i>-8.0</i>	<i>-1.0</i>	<i>2.1</i>	<i>5.2</i>	<i>7.6</i>	
JP Morgan SSPF	20,792,239	1.2	-0.3	-10.7	-20.9	-10.4	-3.2	3.3	7.3	Jan-10
<i>NCREIF ODCE + 100bps</i>			<i>0.3</i>	<i>-2.5</i>	<i>-7.1</i>	<i>-0.1</i>	<i>3.1</i>	<i>6.2</i>	<i>8.7</i>	
Retirement Office	3,605,436	0.2								

## Performance Summary (Net of Fees) | As of September 30, 2024

	Market Value \$	% of Portfolio	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Since Inception	Inception Date
<b>Infrastructure</b>	<b>6,777,135</b>	<b>0.4</b>	<b>-1.7</b>	<b>3.3</b>	<b>1.6</b>	<b>15.8</b>	<b>8.0</b>	<b>5.3</b>	<b>--</b>	<b>Jan-94</b>
<i>CPI+2%</i>			<i>0.9</i>	<i>4.3</i>	<i>4.5</i>	<i>6.8</i>	<i>6.3</i>	<i>4.9</i>	<i>4.6</i>	
BlackRock Global Renewable Power Fund II	6,777,135	0.4	-1.7	3.3	1.6	13.6	9.6	--	5.8	Oct-16
<i>CPI+2%</i>			<i>0.9</i>	<i>4.3</i>	<i>4.5</i>	<i>6.8</i>	<i>6.3</i>	<i>--</i>	<i>5.5</i>	
<b>Cash &amp; Cash Alternatives</b>	<b>5,973,518</b>	<b>0.3</b>	<b>2.9</b>	<b>5.4</b>	<b>17.6</b>	<b>3.3</b>	<b>7.4</b>	<b>7.0</b>	<b>--</b>	<b>Jan-94</b>
<i>BlackRock Custom Benchmark</i>			<i>7.4</i>	<i>13.0</i>	<i>24.9</i>	<i>5.4</i>	<i>8.7</i>	<i>7.7</i>	<i>--</i>	
BlackRock Liquid Policy Portfolio	831,377	0.0	7.2	12.8	25.0	5.4	8.7	7.6	7.2	Jul-14
<i>BlackRock Custom Benchmark</i>			<i>7.4</i>	<i>13.0</i>	<i>24.9</i>	<i>5.4</i>	<i>8.7</i>	<i>7.7</i>	<i>7.3</i>	
Main Account	5,142,141	0.3								

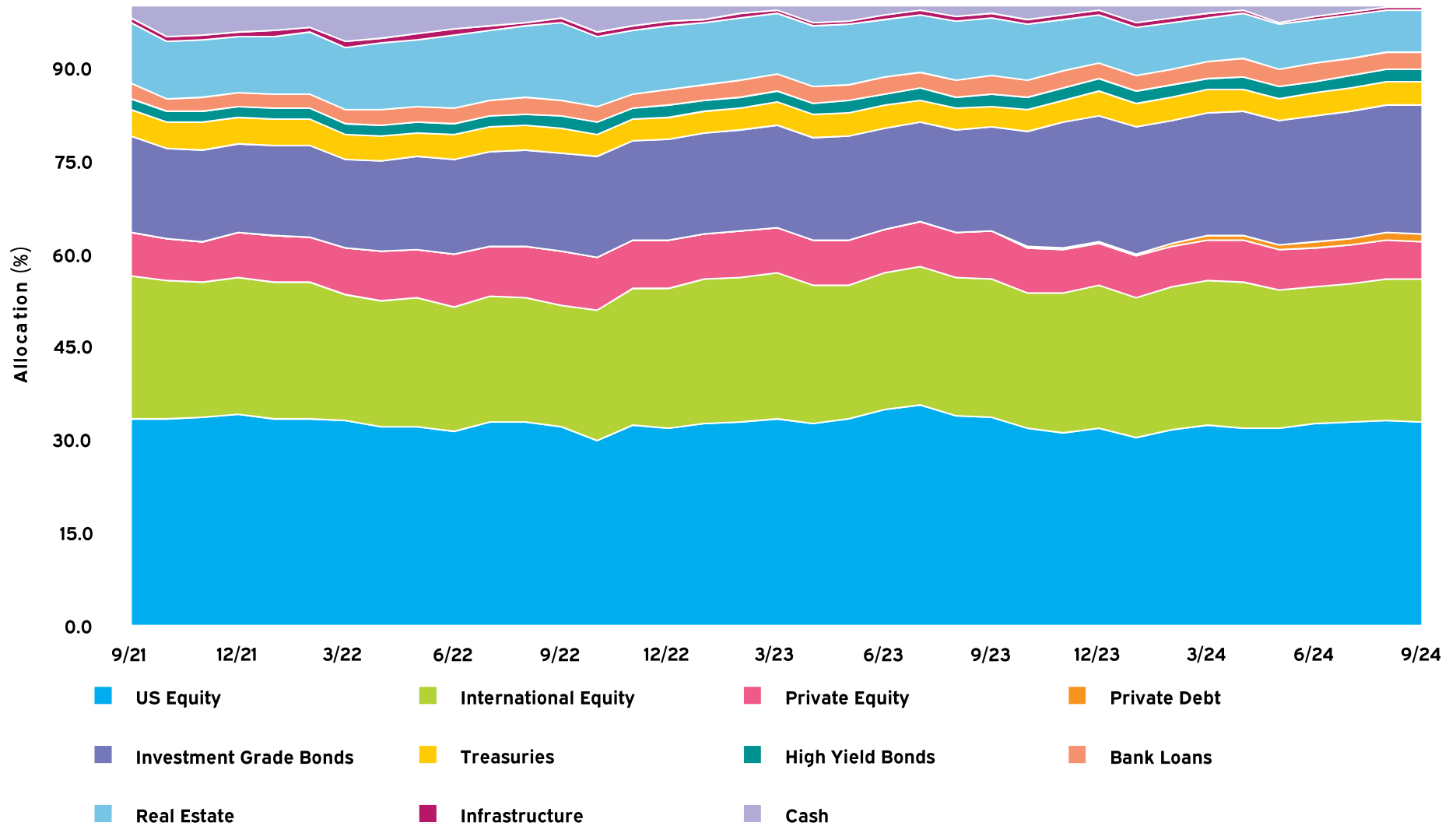
### Asset Allocation vs. Target Allocation | As of September 30, 2024



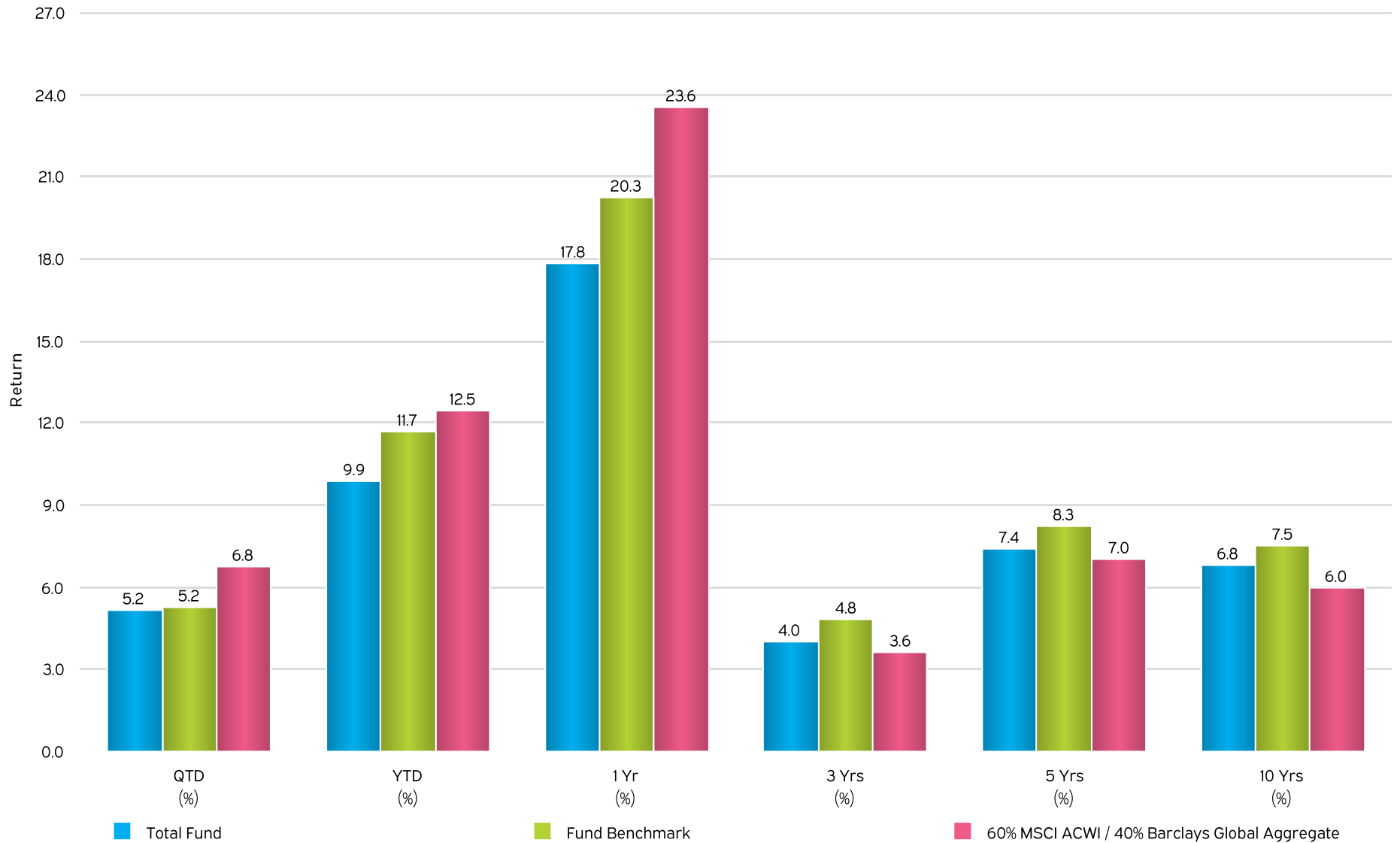


Historical Asset Allocation | 3 Years Ending September 30, 2024

### Asset Allocation History 3 Years Ending September 30, 2024

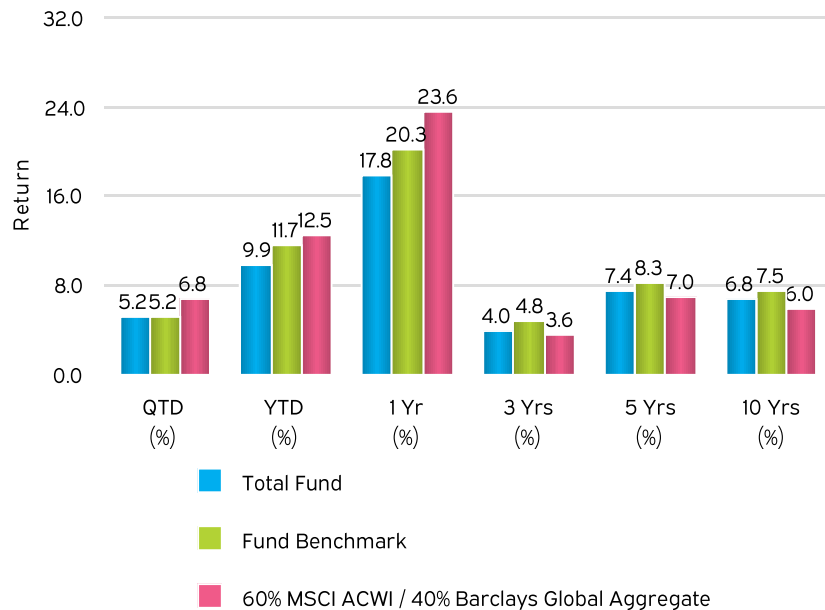


#### Return Summary

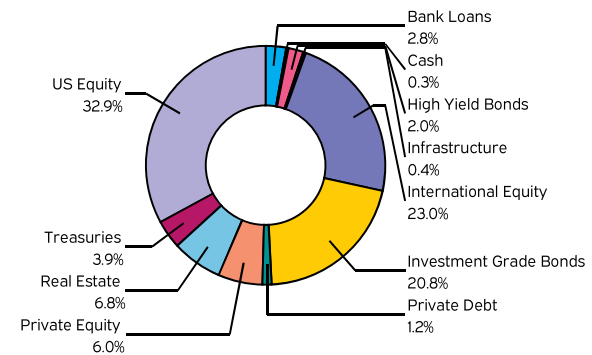


Total Plan | As of September 30, 2024

### Return Summary



### Current Allocation

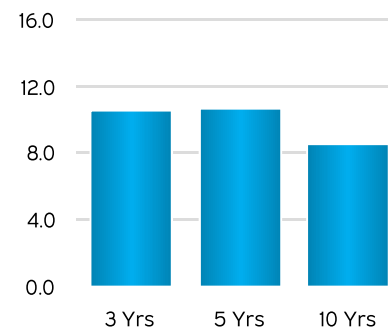


	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Total Fund	5.2	9.9	17.8	4.0	7.4	6.8
Fund Benchmark	5.2	11.7	20.3	4.8	8.3	7.5
InvMetrics Public DB \$1-5B (net) USD Median	5.0	9.9	17.4	4.2	7.7	6.7
InvMetrics Public DB \$1-5B (net) USD Rank	37	54	43	62	68	45

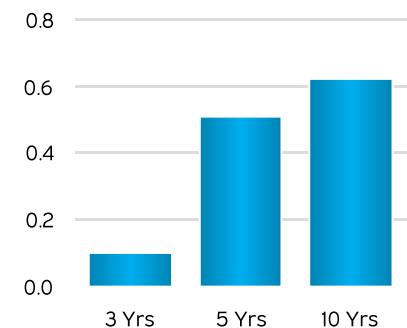
As of 6/1/2023, the total fund benchmark consists of 32% Russell 3000, 22% MSCI EAFE, 9% NCREIF ODCE, 4% MSCI ACWI IMI (Lagged) +2%, 3% Barclays US High Yield 1Q Lagged + 2%, 18% Barclays US Aggregate, 2% Credit Suisse Leveraged Loans, 2% ICE BofA Merrill Lynch US High Yield, 5% Barclays US Long Treasury, and 3% Consumer Price Index + 2%

Benchmark returns prior to 9/30/2019 provided by prior consultant.

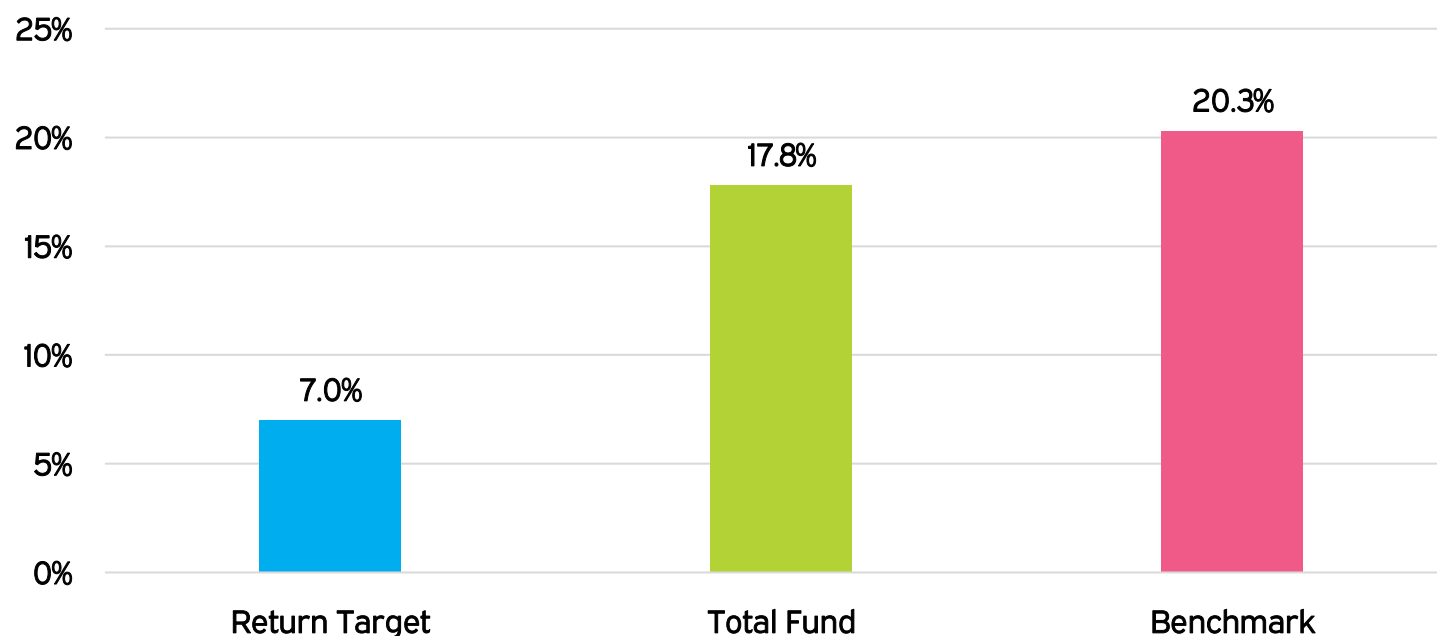
### Annualized Standard Deviation



### Sharpe Ratio

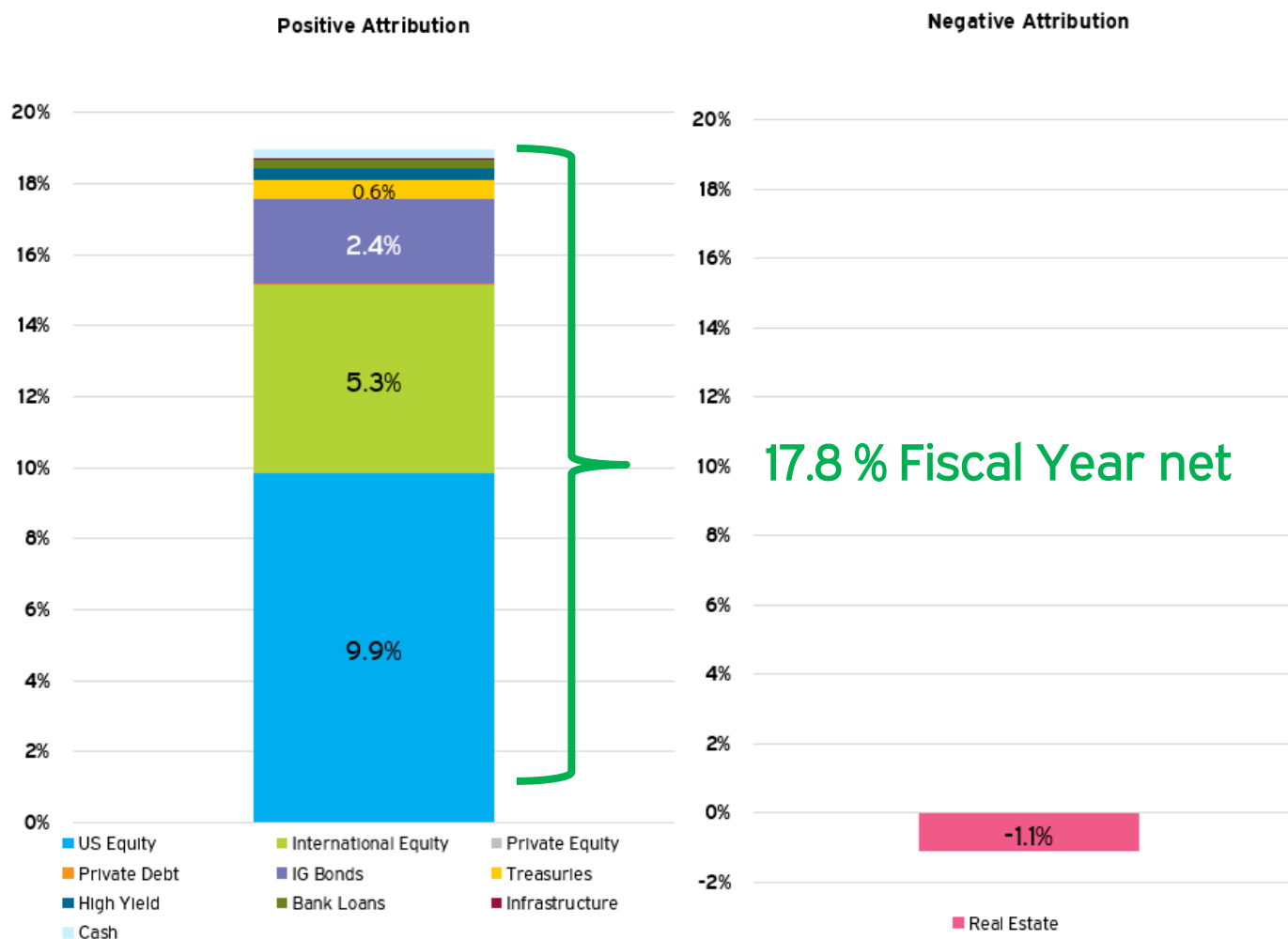


#### Fiscal Year FIPO Performance (Net of fees)



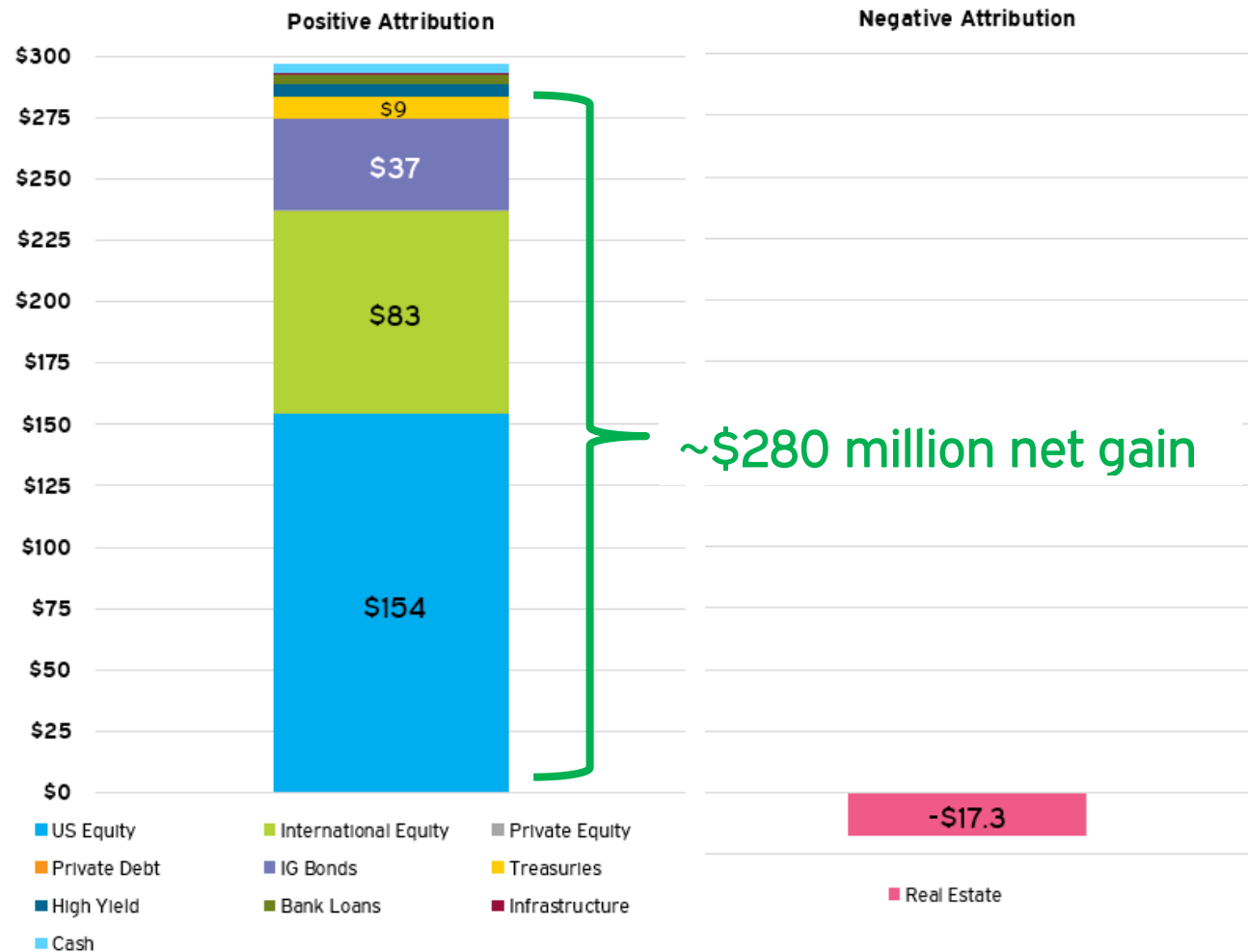
- Miami FIPO returned 17.8% (net of fees) for the fiscal year ending September 30, 2024.
- Performance exceeded the fund's actuarial return target but trailed the policy benchmark.
- The biggest drivers of relative underperformance were: private equity, domestic equity, infrastructure and real estate.
- FIPO ended the fiscal year with a market value of \$1.81 billion.

### Decomposition of Return Attribution



→ Nearly all of the 17.8% fiscal year return was generated by the public equity exposure.

### Decomposition of \$Millions Attribution



→ Roughly \$297 mm in gains were generated by positive asset classes, offset by roughly \$17 mm in losses.

### Fiscal Year 2024 Executive Summary

Category	Results	Notes
Total Fund Performance	Positive	+17.8% net of fees (~\$280mm)
Performance vs. Benchmark	Underperformed	+17.8% net of fees vs. 20.3% policy benchmark
Performance vs. Peers	Outperformed	43rd percentile (17.8% vs 17.4% peer median)
Asset Allocation Attribution Effects	Additive	Underweight to Private Debt, Real Estate and Infrastructure was additive.
Active Public <sup>1</sup> Managers vs. Benchmarks	Underperformed	2 out of 11 active managers beat/matched their respective benchmarks after fees
Compliance with Targets	In Compliance	All exposure within policy ranges

<sup>1</sup> All strategies that have liquidity, i.e. Includes open-end real estate, but not closed-end real estate, private equity, infrastructure. Only includes strategies invested over the full period.

### Recent Transfers Executed

→ FIPO received a \$117 million contribution from the City in early October.

→ The following transfers were made:

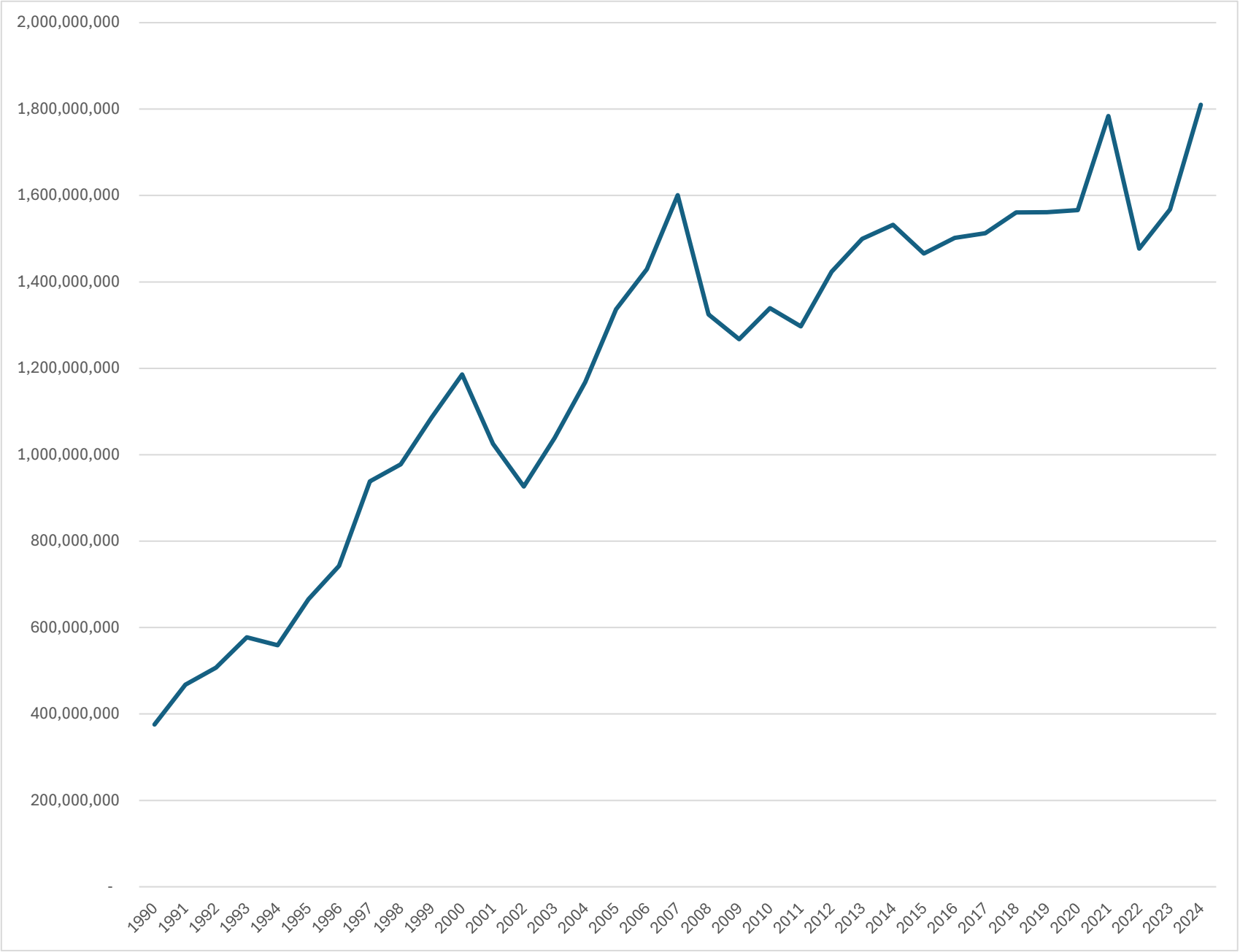
- \$15 million to Northern Trust S&P 500 index (US equity)
- \$5 million to Champlain Mid-Cap (US equity)
- \$5 million to Champlain Small-Cap (US equity)
- \$20 million to Northern Trust MSCI EAFE index (international equity)
- \$7 million to Northern Trust US Aggregate Bond (investment grade bonds)
- \$7 million to Dodge and Cox (investment grade bonds)
- \$13 million to Northern Trust US Long-Term Treasury (treasuries)
- \$45 million to BlackRock Liquid Policy Portfolio (cash/liquidity vehicle)

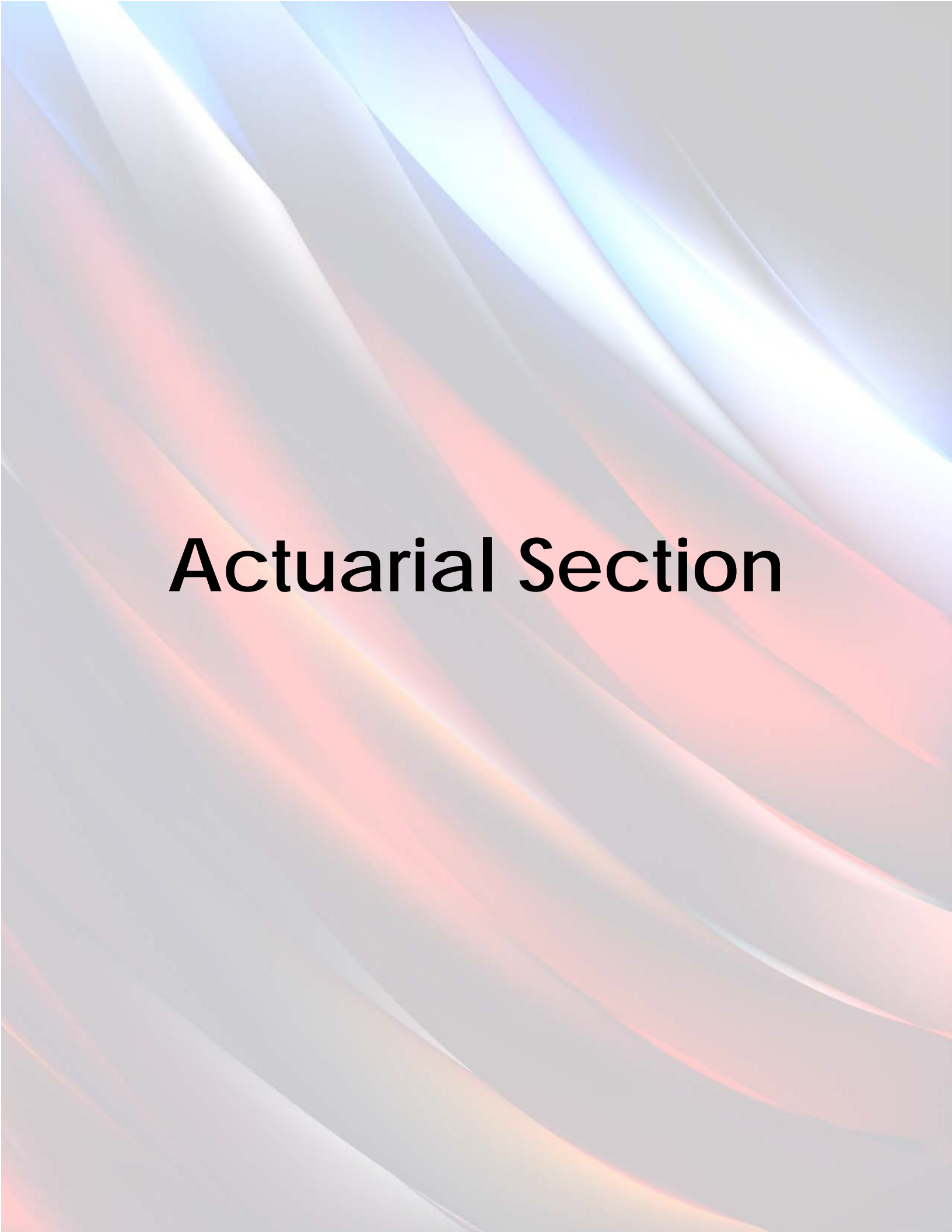
→ IFM has not yet called capital for the \$50 million commitment to the Global Infrastructure Fund made earlier in 2024.



# GROWTH OF THE FUND

FY	MARKET VALUE
1985	199,345,728
1986	250,500,507
1987	314,887,130
1988	314,756,341
1989	372,898,432
1990	375,600,000
1991	467,717,640
1992	507,233,089
1993	577,531,203
1994	559,130,104
1995	665,309,481
1996	742,938,069
1997	938,525,274
1998	978,062,036
1999	1,086,034,187
2000	1,186,001,037
2001	1,025,439,757
2002	926,355,174
2003	1,038,797,014
2004	1,168,244,034
2005	1,336,399,433
2006	1,429,556,438
2007	1,600,810,429
2008	1,324,750,244
2009	1,267,128,720
2010	1,339,510,475
2011	1,297,169,271
2012	1,423,736,735
2013	1,499,777,038
2014	1,532,094,518
2015	1,465,540,603
2016	1,501,917,204
2017	1,512,620,055
2018	1,560,554,051
2019	1,561,208,562
2020	1,566,130,574
2021	1,783,768,581
2022	1,477,141,473
2023	1,567,695,124
2024	1,810,064,791





# Actuarial Section

At the request of the plan sponsor, this report summarizes the City of Miami Fire Fighters' and Police Officers' Retirement Trust as of October 1, 2024. The purpose of this report is to communicate the following results of the valuation:

- Determine Funded Status; and
- Determine Recommended Contribution for the fiscal year October 1, 2025 through September 30, 2026.

This report has been prepared in accordance with the applicable Federal and State laws. Consequently, it may not be appropriate for other purposes. Please contact Nyhart prior to disclosing this report to any other party or relying on its content for any purpose other than that explained above. Failure to do so may result in misrepresentation or misinterpretation of this report.

The results in this report were prepared using information provided to us by other parties. The census information has been provided to us by the plan administrator. Asset information has been provided to us by the plan administrator. We have reviewed the provided data for reasonableness when compared to prior information provided, but have not audited the data. Where relevant data may be missing, we have made assumptions we believe to be reasonable. We are not aware of any significant issues with and have relied on the data provided. Any errors in the data provided may result in a different result than those provided in this report. A summary of the data used in the valuation is included in this report.

The actuarial assumptions and methods were chosen by the Board. In our opinion, all actuarial assumptions and methods are individually reasonable and in combination represent our best estimate of anticipated experience of the plan. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following:

- plan experience differing from that anticipated by the economic or demographic assumptions;
- changes in economic or demographic assumptions;
- increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period);  
and
- changes in plan provisions or applicable law.

We did not perform an analysis of the potential range of future measurements due to the limited scope of our engagement. This report has been prepared in accordance with generally accepted actuarial principles and practice.

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.

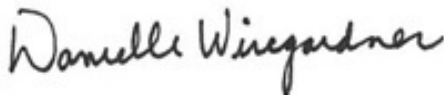
With respect to reporting standards for defined benefit retirement plans or systems contained in Section 112.664(1), F.S., the actuarial disclosures required under this section were prepared and completed by me or under my direct supervision, and I acknowledge responsibility for the results. To the best of my knowledge, the results are complete and accurate, and in my opinion, meet the requirements of Section 112.664 (1), Florida Statutes, and Rule 60T-1.0035, Florida Administrative Code.

In preparing these results, Nyhart used ProVal valuation software developed by Winklevoss Technologies, LLC. This software is widely used for the purpose of performing pension valuations. We coded the plan provisions, assumptions, methods, and participant data summarized in this report, and reviewed the liability and cost outputs for reasonableness. We are not aware of any weaknesses or limitations in the software, and have determined it is appropriate for performing this valuation.

Neither Nyhart nor any of its employees have any relationship with the plan or its sponsor which could impair or appear to impair the objectivity of this report. To the extent that this report or any attachment concerns tax matters, it is not intended to be used and cannot be used by a taxpayer for the purpose of avoiding penalties that may be imposed by law.

The undersigned are compliant with the continuing education requirements of the Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States and are available for any questions.

Nyhart



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Danielle Winegardner, FSA, EA, MAAA  
Enrolled Actuary No. 23-08260



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Lawrence Watts, Jr., FSA, EA, FCA, CFA, MAAA  
Enrolled Actuary No. 23-08496

April 11, 2025  
Date

Copies of this Report are to be furnished to the Division of Retirement within 60 days of receipt from the actuary at the following addresses:

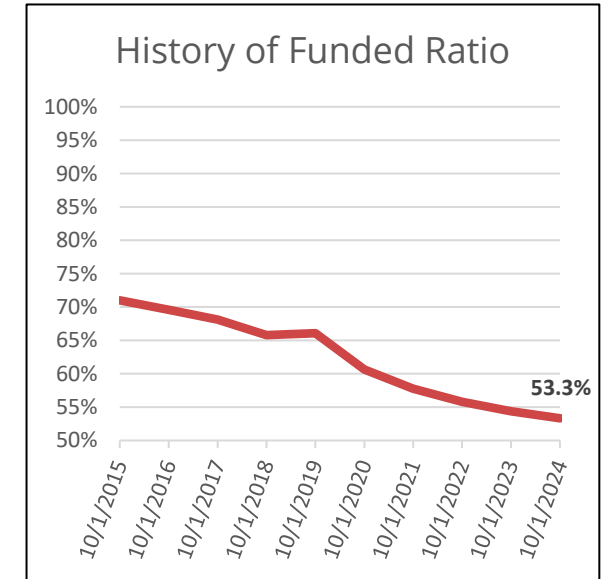
Mr. Steve Bardin  
Benefits Administrator  
Municipal Police Officers' &  
Firefighters' Trust Funds  
Division of Retirement  
Post Office Box 3010  
Tallahassee, FL 32315-3010

Mr. Keith Brinkman  
Bureau Chief, Bureau of Local Retirement Systems  
Florida Department of Management Services  
Division of Retirement  
Department of Management Services  
P. O. Box 9000  
Tallahassee, FL 32315-9000

## Summary Results

The actuarial valuation's primary purpose is to produce a scorecard measure displaying the funding progress of the plan toward the ultimate goal of paying benefits at retirement. The accrued liability is based on an entry age level percentage of pay.

	October 1, 2023	October 1, 2024
<b>Funded Status Measures</b>		
Accrued Liability	\$2,227,255,645	\$2,397,675,032
Actuarial Value of Assets	1,210,996,538	1,278,561,750
Unfunded Accrued Liability	\$1,016,259,107	\$1,119,113,282
Funded Percentage (AVA)	54.4%	53.3%
Funded percentage (MVA)	51.1%	55.4%
<b>Cost Measures <sup>1</sup></b>		
Recommended Contribution For Next Fiscal Year	\$119,076,484	\$147,935,119
Recommended Contribution (as a percentage of payroll)	63.0%	71.6%
<b>Asset Performance</b>		
Market Value of Assets (MVA)	\$1,138,061,164	\$1,329,237,412
Actuarial Value of Assets (AVA)	\$1,210,996,538	\$1,278,561,750
Actuarial Value/Market Value	106.4%	96.2%
<b>Participant Information</b>		
Active Participants	1,855	1,879
Terminated Vested Participants	17	20
Terminated, Due Refund	132	125
Retirees, Beneficiaries, and Disabled	2,018	2,043
DROP Participants	256	214
Total Participants	4,278	4,281
Valuation Payroll	\$189,067,815	\$206,704,372
Total Payroll	\$212,137,200	\$231,155,719



<sup>1</sup>Does not include any contribution to the Stabilization Trust. Please see page 45 for more information.

### Changes Since Prior Valuation and Key Notes

- Effective 9/30/2026, the FIPO pension plan benefits that were in effect prior to 9/27/2010 were restored for Fire bargaining unit members who were non-vested as of 9/27/2010 but fully vested by 9/26/2015.
- Effective 9/30/2026, firefighters may elect to Forward DROP up to 84 months.
- Police bargaining members may elect up to 200 hours of overtime as pensionable compensation.
- Salary increase assumptions were adjusted as shown to better reflect anticipated plan experience.  
Annual Pay Increases: 3.25% inflation plus promotions and salary merit scale below.

<u>Service</u>	<u>Police</u>	<u>Fire</u>
0-6	6.00%	5.25%
7	3.75%	4.75%
8-9	5.25%	4.75%
10-14	3.50%	1.00%
15-16	3.50%	2.50%
17-21	3.25%	1.75%
22+	2.75%	1.00%

- Retirement rate assumptions were adjusted as shown to better reflect anticipated plan experience.  
Retirement Rates: The following decrements apply based on service.

<u>Service</u>	<u>Police</u>	<u>Fire</u>
<20	10%	0%
20	20%	10%
21-24	33%	7.5%
25	50%	20%
26-29	40%	25%
30-34	100%	25%
35	100%	100%

- The assumed administrative expense increased from \$2,039,789 to \$2,141,778.
- Note that securities markets have experienced considerable volatility in the months since the valuation date but prior to the publication date of this report. We strongly recommend that users consider subsequent fluctuations in trust asset values and related impacts when making decisions and analyzing the figures presented in this report.

**City of Miami Fire Fighters' and Police Officers' Retirement Trust**  
**Actuarial Valuation as of October 1, 2024**  
**Executive Summary**

**Five Year Valuation Summary**

	10/1/2020	10/1/2021	10/1/2022	10/1/2023	10/1/2024
<b>Funding</b>					
Accrued Liability	\$1,940,883,223	\$2,100,049,297	\$2,168,641,844	\$2,227,255,645	\$2,397,675,032
Actuarial Value of Assets	\$1,176,911,870	\$1,213,074,854	\$1,209,691,816	\$1,210,996,538	\$1,278,561,750
Unfunded Actuarial Accrued Liability	\$763,971,353	\$886,974,443	\$958,950,028	\$1,016,259,107	\$1,119,113,282
Funded Percentage	60.6%	57.8%	55.8%	54.4%	53.3%
Actual Employer Contribution <sup>1</sup>	\$65,889,915	\$99,369,914	\$112,614,019	\$119,076,484	TBD
Recommended Contribution	\$65,889,915	\$99,369,914	\$112,614,019	\$119,076,484	\$147,935,119
Recommended Contribution (% of Pay)	37.3%	55.7%	59.9%	63.0%	71.6%
Interest Rate	7.00%	7.00%	7.00%	7.00%	7.00%
Expense Load Assumption	\$2,137,199	\$2,244,059	\$2,079,777	\$2,039,789	\$2,141,778
<b>Rate of Return</b>					
Actuarial Value of Assets	6.3%	8.6%	5.2%	4.4%	7.1%
Market Value of Assets	5.7%	19.3%	-12.4%	10.0%	18.0%
<b>Demographic Information</b>					
Active Participants	1,931	1,915	1,926	1,855	1,879
Terminated Vested Participants	27	31	18	17	20
Terminated, Due Refund	116	117	115	132	125
Retirees, Beneficiaries, and Disabled	2,080	2,036	2,033	2,018	2,043
DROP Participants	145	187	203	256	214
Total Participants	4,299	4,286	4,295	4,278	4,281
Covered Payroll	\$176,212,600	\$178,532,455	\$187,880,152	\$189,067,815	\$206,704,372
Average Covered Pay	\$91,514	\$93,228	\$97,549	\$101,923	\$110,008

<sup>1</sup> Recommended contribution is for the following fiscal year (e.g., the October 1, 2024 recommended contribution will be made in the fiscal year beginning October 1, 2025 and will be documented in the October 1, 2026 valuation report).

## **Plan Maturity Measures – October 1, 2024**

Each pension plan has a distinct life-cycle. New plans promise future benefits to active employees and then accumulate assets to pre-fund those benefits. As the plan matures, benefits are paid and the pre-funded assets begin to decumulate until ultimately, the plan pays out all benefits. A plan's maturity has a dramatic influence on how risks should be viewed. The following maturity measures illustrate where the City of Miami Fire Fighters' and Police Officers' Retirement Trust falls in its life-cycle.

### **Duration of Liabilities: 10.1**

Duration is the most common measure of plan maturity. It is defined as the sensitivity of the liabilities to a change in the interest rate assumption. The metric also approximates the weighted average length of time, in years, until benefits are expected to be paid. A plan with high duration is, by definition, more sensitive to changes in interest rates. A plan with low duration is more susceptible to risk if asset performance deviates from expectations as there would be less time to make up for market losses in adverse market environments while more favorable environments could result in trapped surplus from gains. Conversely, high duration plans can often take on more risk when investing, and low duration plans are less sensitive to interest rate fluctuations.

### **Demographic Distribution - Ratio of Actively Accruing Participants to All Participants: 43.9%**

A plan with a high ratio is more sensitive to fluctuations in salary (if a salary-based plan) and statutory changes. A plan with a low ratio is at higher risk from demographic experience. Such a plan should pay close attention to valuation assumptions as there will be less opportunity to realize future offsetting gains or losses when current experience deviates from assumptions. Plans with a low ratio also have limited opportunities to make alterations to plan design to affect future funded status.

### **Asset Leverage - Ratio of Payroll for Plan Participants to Market Value of Assets: 15.5%**

Younger plans typically have a large payroll base from which to draw in order to fund the plan while mature plans often have a large pool of assets dedicated to providing benefits to a population primarily consisting of members no longer on payroll. Plans with low asset leverage will find it more difficult to address underfunding, as the contributions needed to make up the deficit will represent a higher percentage of payroll than for a plan with high asset leverage.

### **Benefit Payment Percentage - Ratio of Annual Benefit Payments to Market Value of Assets: 11.4%**

As a plan enters its decumulation phase, a larger percentage of the pre-funded assets are paid out each year to retirees. A high percentage is not cause for alarm as long as the plan is nearly fully funded. However, such a plan is more sensitive to negative asset performance, especially if cash contributions are not an option to make up for losses.



## Identification of Risks

The results presented in this report are shown as single point values. However, these values are derived using assumptions about future markets and demographic behavior. If actual experience deviates from our assumptions, the actual results for the plan will consequently deviate from those presented in this report. Therefore, it is critical to understand the risks facing this pension plan. The following table shows the risks we believe are most relevant to the City of Miami Fire Fighters' and Police Officers' Retirement Trust. The risks are generally ordered with those we believe to have the most significance at the top. Also shown are possible methods by which a more detailed assessment of the risk can be performed.

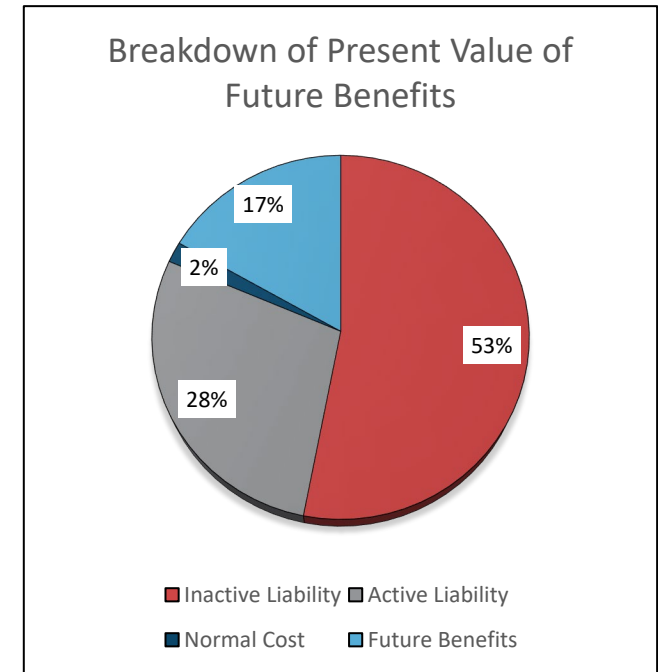
Type of Risk	Additional Information
Investment Return	Portfolio risk and substantial equity position leave the plan open to adverse market results, which could increase costs in the future.
Participant Longevity	In accordance with state law, the plan has adopted FRS' mortality tables for valuation purposes. These tables are modified from the standard tables and are subject to regular review. There is no guarantee FRS' anticipated mortality experience will mirror your plan's future experience. Deviation from expected mortality rates could impact long-term liabilities and plan cost.
Retirement	The plan has a relatively generous provisions regarding retirement eligibility; if more employees than expected retire or avail themselves of early retirement options, then this could impact estimated plan liabilities.
Salary Growth	The plan has experienced volatility in observed salary increases in the recent past; as benefits are based on final average salary, the salary growth assumption is key to accurately calculating liabilities and future costs. The plan currently has maximum benefit caps in place for certain members, which mitigates some impact of future salary growth. However, the cap has been increased or removed for certain participants, historically; if that happens again in the future, calculated contributions and liabilities could experience volatility.

Type of Risk	Method to Assess Risk
Investment Return	Scenario testing; asset/liability study
Participant Longevity	Benefit projections and contribution strategy
Retirement	Scenario testing; review population and retirement rates
Salary Growth	Review salary history and future budgets; scenario testing

## Present Value of Future Benefits

The Present Value of Future Benefits represents the current future benefits payable to the participant.

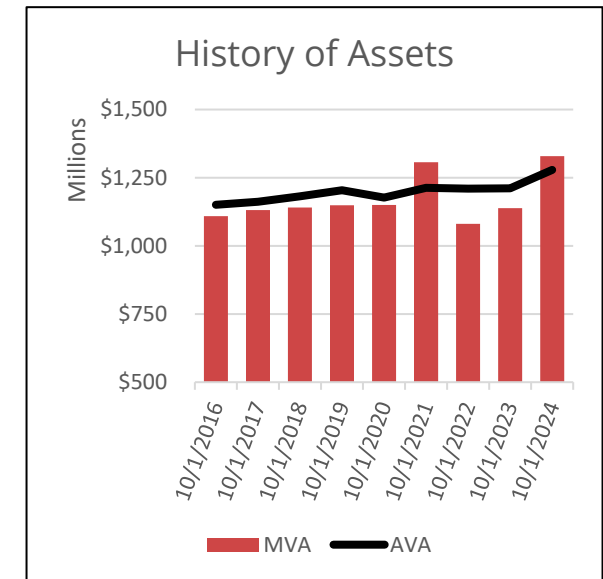
	<b>October 1, 2024</b>
<b>Present Value of Future Benefits</b>	
Active members	
Retirement	\$1,330,111,921
Disability	14,361,610
Death	9,078,806
Termination	27,705,666
Refund of contributions	1,667,549
Total active	<u>\$1,382,925,552</u>
Inactive members	
Retired members	\$1,224,837,420
DROP members	267,510,614
Beneficiaries	37,076,802
Disabled members	26,158,674
Terminated vested members	8,369,367
Total inactive	<u>\$1,563,952,877</u>
Total	<u>\$2,946,878,429</u>
Present value of future payrolls	\$2,240,983,209



## Asset Information

The amount of assets backing the pension promise is typically the most significant driver of volatility and future costs within a pension plan. The investment performance of the assets directly offsets the ultimate cost.

	October 1, 2024
<b>Market Value Reconciliation</b>	
Market value of assets, beginning of prior year	\$1,138,061,164
Change in asset allocation method	0
Employer contributions (incl. discounted accrued items)	112,614,019
Member contributions	19,600,500
Investment income, net expenses	212,836,684
Benefit payments and refunds	(151,880,120)
Administrative expenses	(1,994,835)
Other disbursements	0
Market value of asset, beginning of current year	\$1,329,237,412
Return on Market Value	18.00%
<b>Actuarial value of assets</b>	
Value at beginning of current year	\$1,278,561,750



**Asset Information (continued)**

Plan Assets are used to develop funded percentages and contribution requirements

	<b>October 1, 2024</b>
1. Expected market value of assets	
(a) Market value of assets – beginning of prior year	\$1,138,061,164
(b) City Contributions	112,614,019
(c) Member Contributions	19,600,500
(d) Benefits Payments and Administrative Expenses	(153,874,955)
(e) Expected return	82,927,142
(f) Expected market value of assets – beginning of current year	<u>\$1,199,327,870</u>
2. Market value of assets – beginning of current year	\$1,329,237,412
3. Present value of COLA transfers	
(a) Current year	\$0
(b) Next year	0
(c) Total	<u>\$0</u>
4. Market value net COLA transfer [(2)-(3)]	\$1,329,237,412
5. Amount subject to phase in [(4)-(1f)]	\$129,909,542
6. Phase in of asset gain/(loss)	
(a) Current Year [80% x \$129,909,542 ]	\$103,927,634
(b) First Prior Year [60% x \$32,962,813 ]	19,777,688
(c) Second Prior Year [40% x (\$253,140,368)]	(101,256,147)
(d) Third Prior Year [20% x \$141,132,434 ]	28,226,487
(e) Total Phase-In	<u>\$50,675,662</u>
7. Preliminary actuarial value of assets – beginning of current year [(2)-(6e)]	\$1,278,561,750
8. 80% of Market value of assets	\$1,063,389,930
9. 120% of Market value of assets	\$1,595,084,894
10. Adjusted actuarial value of assets	\$1,278,561,750
11. Contribution surplus account balance	\$0
12. Final actuarial value of assets – beginning of current year [(10)-(11)]	\$1,278,561,750
13. Return on actuarial value of assets	7.11%

**City of Miami Fire Fighters' and Police Officers' Retirement Trust**  
**Actuarial Valuation as of October 1, 2024**  
**Assets and Liabilities**

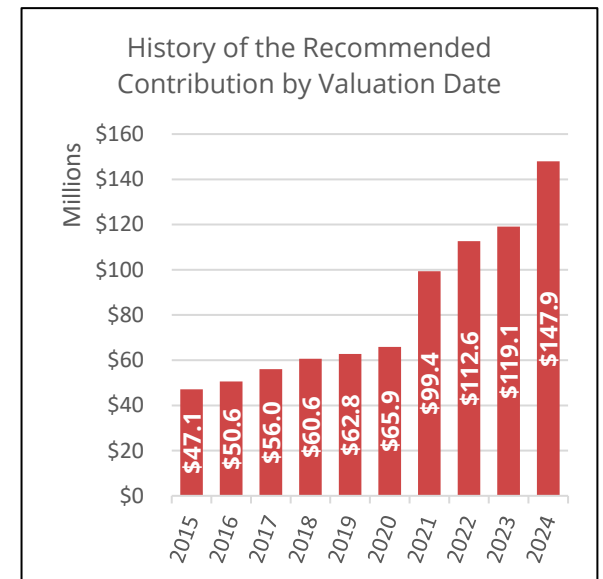
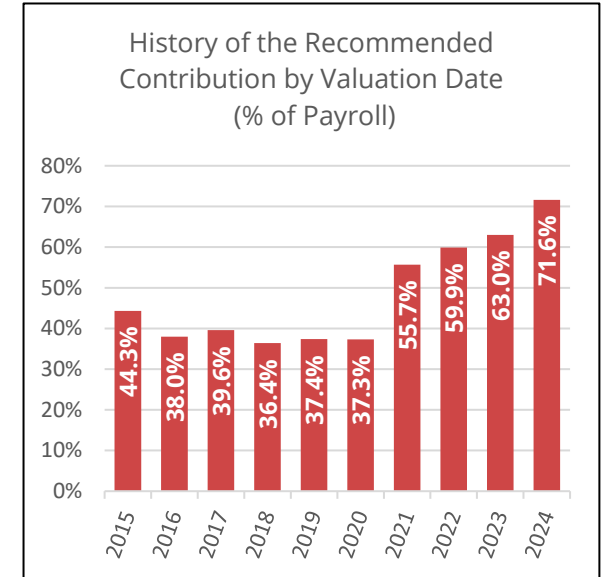
**Reconciliation of Gain/Loss**

	<b>October 1, 2024</b>
<b>Liability (gain)/loss</b>	
Present value of future benefits	\$2,759,472,969
Present value of employee contributions	(201,158,887)
Expected employee contribution	16,467,554
Benefit payments	(151,880,120)
Interest	175,008,817
Expected liability	\$2,597,910,333
Plan changes	48,596,922
Assumption changes	76,301,135
Expected after changes	\$2,722,808,390
Actual liability	\$2,754,254,767
Liability (gain)/loss	\$31,446,377
<b>Asset (gain)/loss</b>	
Actuarial value of assets, beginning of prior year	\$1,210,996,538
Contributions	132,214,519
Benefit payments and expenses	(153,874,955)
Expected Investment return	88,032,618
Expected actuarial value of assets, beginning of current year	\$1,277,368,720
Actual actuarial value of assets, beginning of current year	\$1,278,561,750
<b>Asset (gain)/loss</b>	(\$1,193,030)
<b>Total (gain)/loss</b>	\$30,253,347

### Development of Recommended Contribution

The actuarially determined contribution is the annual amount necessary to fund the plan according to funding policies and/or applicable laws. The contribution as a percentage of payroll is based on valuation payroll as of October 1, 2024

	<b>October 1, 2024</b>
1. Present value of future benefits	\$2,946,878,429
2. Actuarial value of assets	1,278,561,750
3. Present value of future member contributions	192,623,662
4. Present value of future normal cost [(1)-(2)-(3)]	\$1,475,693,017
5. Present value of future payroll	\$2,240,983,209
6. Normal cost accrual rate [(4)/(5)]	65.85%
7. Administrative expenses	\$2,141,778
8. Valuation payroll	\$206,704,372
9. Applicable interest	7.00%
10. Normal cost [(6)x(8)+(7)]	\$138,257,121
11. Interest to estimated payment date	\$9,677,998
12. Recommended contribution as of end of year at 7.00% [(10)+(11)]	\$147,935,119
13. As a percentage of valuation payroll	71.57%
14. As a percentage of total payroll	64.00%



**Mortality Rates (CO)**

Pre-Retirement:	Pub-2010 Generational using scale MP-2018; Females, Headcount Weighted Safety Employee Female Table, set forward 1 year; Males, Headcount Weighted Safety Below Median Employee Male Table, set forward 1 year.
Post-Retirement:	Pub-2010 Generational using scale MP-2018; Females, Headcount Weighted Safety Healthy Retiree Female Table, set forward 1 year; Males, Headcount Weighted Safety Below Median Healthy Retiree Male Table, set forward 1 year
Disabled:	Pub-2010; Females, 80% Headcount Weighted General Disabled Retiree Female Table / 20% Headcount Weighted Safety Disabled Retiree Female Table; Males, 80% Headcount Weighted General Disabled Retiree Male Table / 20% Headcount Weighted Safety Disabled Retiree Male Table.

The mortality rate assumptions were set in accordance with the Florida Retirement System Valuation report dated December 2023.

**Retirement Rates (FE)**

The following decrements apply based on service.

<u>Years of Service</u>	<u>Police %</u>	<u>Fire %</u>
<20	10	0
20	20	10
21-24	33	7.5
25	50	20
26-29	40	25
30-34	100	25
35	100	100

The assumed retirement rates are based on a study of actual experience for the plan during 2018-2023. See the experience study report dated March 2024.

**Disability Rates (FE)**

100% of the disabilities are expected to be accidental with the following probabilities.  
No recovery is assumed.

<u>Age</u>	<u>Rates</u>
35	0.07125%
40	0.09750%
45	0.20000%
50	0.30250%

The disability rates are based on a study of actual experience for the plan during 2018-2023. See the experience study report dated March 2024.

**Withdrawal Rates (FE)**

Based on Years of Creditable Service using the rates below

<u>Years of Service</u>	<u>Police %</u>	<u>Fire %</u>
0	12.00	7.50
1	4.00	4.00
2-6	1.50	1.75
7-19	0.75	1.00
20+	0.00	0.00

The withdrawal rates are based on a study of actual experience for the plan during 2018-2023. See the experience study report dated March 2024.

**Marital Status and Ages**

100% of Members are assumed to be married. Female spouses assumed to be three years younger than male spouses.

**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.

**Withdrawal of Employee Contributions**

It is assumed that employees do not withdraw their contribution balances upon employment termination or retirement.

**COLA**

COLA benefits are assumed to increase as indicated in the COLA table; these liabilities and assets are documented in a separate COLA report. No increase to the table is assumed to occur.



**Changes Since Prior Report**

The assumption for the administrative expenses increased to \$2,141,778.

Annual pay increase and retirement rate assumptions have been updated to better reflect anticipated plan experience.

**FE indicates an assumption representing an estimate of future experience.**

**MO indicates an assumption representing an observation of estimates inherit to market data.**

**CO indicates an assumption representing a combination of an estimate of future experience and observations of market data.**

At the request of the plan sponsor, this report summarizes the COLA Fund for the City of Miami Fire Fighters and Police Officers as of 1/1/2024. The purpose of this report is to communicate the following results of the valuation:

- 10/1/2023 Asset Information;
- 1/1/2024 COLA Fund Amounts.

This report has been prepared for the above purposes. Consequently, it may not be appropriate for other purposes. Please contact Nyhart prior to disclosing this report to any other party or relying on its content for any purpose other than that explained above. Failure to do so may result in misrepresentation or misinterpretation of this report.

The results in this report were prepared using information provided to us by other parties. The census information has been provided to us by the Plan Administrator. Asset information has been provided to us by the Plan Administrator. We have reviewed the provided data for reasonableness when compared to prior information provided, but have not audited the data. Where relevant data may be missing, we have made assumptions we believe to be reasonable. We are not aware of any significant issues with and have relied on the data provided. Any errors in the data provided may result in a different result than those provided in this report.

The funding method, interest rates and mortality used in determining the COLA fund were determined by the Board. Evaluation of the reasonableness of these methods and assumptions was outside the scope of our assignment. In our opinion, all other actuarial assumptions and methods are individually reasonable and in combination represent our best estimate of anticipated experience of the plan.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following:

- plan experience differing from that anticipated by the economic or demographic assumptions;
- changes in economic or demographic assumptions;
- increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and
- changes in plan provisions or applicable law.

We did not perform an analysis of the potential range of future measurements due to the limited scope of our engagement. This report has been prepared in accordance with generally accepted actuarial principles and practice.

In preparing these results, Nyhart used ProVal valuation software developed by Winklevoss Technologies, LLC. This software is widely used for the purpose of performing pension valuations. We coded the plan provisions, assumptions, methods, and participant data summarized in this report, and reviewed the liability and cost outputs for reasonableness. We are not aware of any weaknesses or limitations in the software, and have determined it is appropriate for performing this valuation.

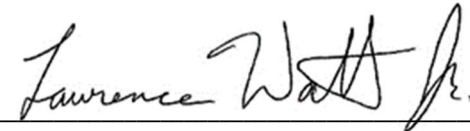
Neither Nyhart nor any of its employees have any relationship with the plan or its sponsor which could impair or appear to impair the objectivity of this report. To the extent that this report or any attachment concerns tax matters, it is not intended to be used and cannot be used by a taxpayer for the purpose of avoiding penalties that may be imposed by law.

The undersigned are compliant with the continuing education requirements of the Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States.

Nyhart



Danielle Winegardner, FSA, EA, MAAA



Lawrence Watts, Jr., FSA, EA, FCA, CFA, MAAA

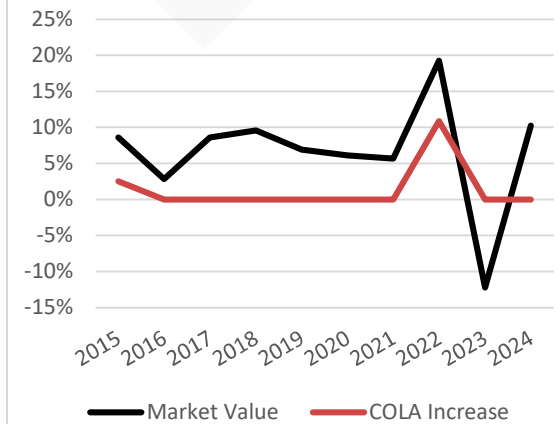
December 14, 2023

Date

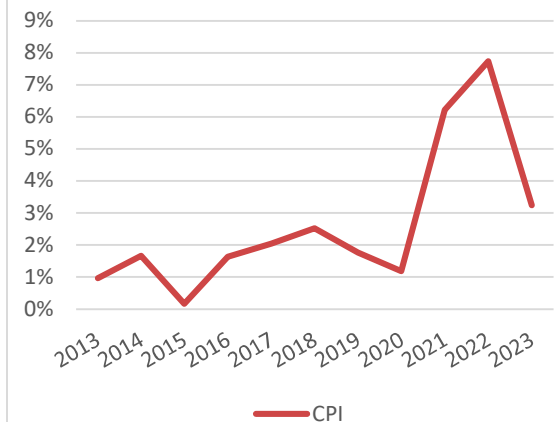
## Summary Results

	October 1, 2022	October 1, 2023
<b>COLA Table Amount</b>	\$1,852	\$1,852 [Proposed]
<b>Asset Performance</b>		
Market Value of Assets	\$1,080,862,803	\$1,138,061,164
Actuarial Value of Assets	\$1,209,691,816	\$1,212,704,493
Actuarial Asset Value Return	5.15%	4.54%
COLA Fund Asset Value Return	(12.70%)	10.20%
<b>COLA Information</b>		
Current COLA Assets	\$396,278,670	\$429,633,960
Future Contributions (discounted)	118,574,299	123,317,265
Assets for COLA	\$514,852,969	\$552,951,225
COLA Liability	\$476,308,300	\$477,025,037
Net Reserve	7.5%	13.7%
Target Reserve (20% of Asset Value)	\$102,970,594	\$110,590,245
Actual Reserve	\$38,544,669	\$75,926,188
<b>COLA Information, after Increase in COLA Table Amount</b>		
Net Reserve	No Change	No Change
Actual Reserve	No Change	No Change
<b>Participant Information</b>		
Active	1,935	1,855
Retirees and Beneficiaries	2,127	2,171
Disabled	109	102
Terminated Vesteds	18	14
Terminated, Due a Refund	108	134
Total	4,297	4,276

COLA Benefit Increase vs.  
Market Value Return (FIPO)

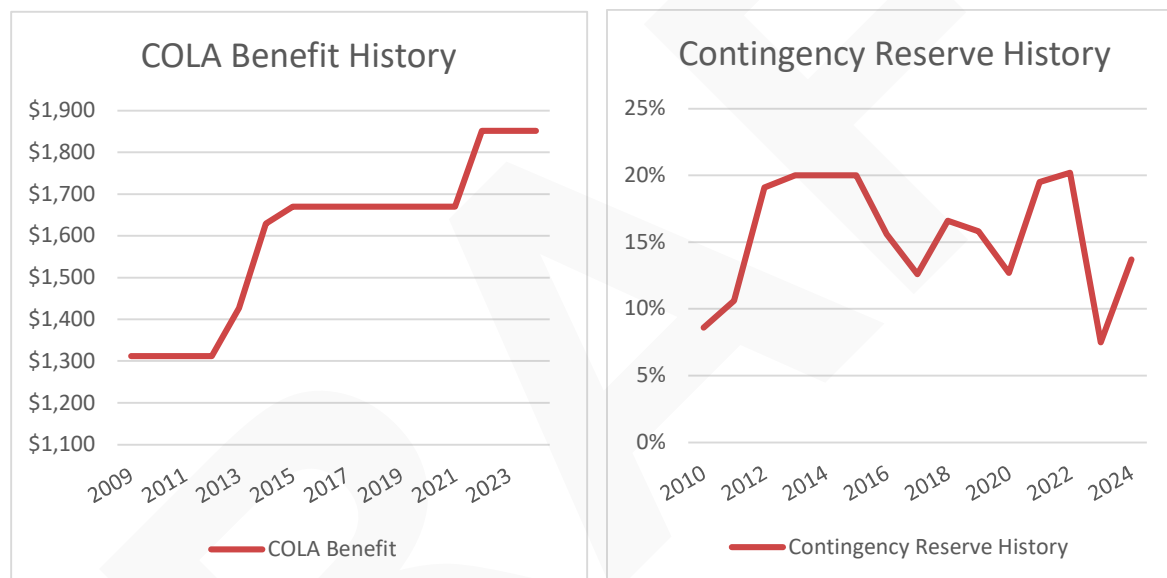


Inflation  
(year ending 9/30)



## Changes Since Prior Valuation and Key Notes

Based on a target reserve of 20% and prior Board practice, we recommend keeping the COLA table at \$1,852 as of January 1, 2024. The contingency reserve is 13.7%, an increase from the prior year's 7.5%. A historical graph of the COLA table level and contingency reserve amount are below.



As of 10/1/2023, there was a change in the asset allocation method between the Member and Benefits Account and the COLA Fund. Historically, the assets were allocated based on Book Value. Beginning 10/1/2023, the assets will be allocated based on Market Value. The assets reported for the Actuarial Valuations will match the Financial Statements.

**Historical Valuation Summary**

	10/1/2017	10/1/2018	10/1/2019	10/1/2020	10/1/2021	10/1/2022	10/1/2023
<b>COLA Table Amount</b>	\$1,670	\$1,670	\$1,670	\$1,670	\$1,670	\$1,852	\$1,852
<b>Proposed COLA</b>	\$1,670	\$1,670	\$1,670	\$1,670	\$1,852	\$1,852	\$1,852
<b>Asset Performance (FIPO)</b>							
Market Value of Assets	\$1,131,066,046	\$1,140,506,121	\$1,149,117,960	\$1,150,108,084	\$1,306,437,051	\$1,080,862,803	\$1,138,061,164
Actuarial Value of Assets	\$1,161,585,161	\$1,172,416,575	\$1,189,509,806	\$1,176,911,870	\$1,213,074,854	\$1,209,691,816	\$1,212,704,493
Actuarial Asset Value Return	6.76%	6.66%	6.48%	6.25%	8.44%	5.15%	4.54%
<b>COLA Information</b>							
Current COLA Assets	\$420,284,415	\$426,176,255	\$412,090,602	\$416,022,491	\$477,331,528	\$396,278,670	\$429,633,960
Future Contributions (discounted)	\$91,906,070	\$96,631,033	\$100,496,275	\$104,516,121	\$114,013,746	\$118,574,299	\$123,317,265
Assets for COLA	\$512,190,485	\$522,807,288	\$512,586,877	\$520,538,612	\$591,345,274	\$514,852,969	\$552,951,225
COLA Liability	\$427,229,145	\$440,222,258	\$447,248,968	\$418,988,989	\$425,699,444	\$476,308,300	\$477,025,037
Net Reserve	16.60%	15.80%	12.70%	19.50%	28.00%	7.50%	13.70%
Target Reserve (20% of Asset Value)	\$102,438,097	\$104,561,458	\$102,517,375	\$104,107,722	\$118,269,055	\$102,970,594	\$110,590,245
Actual Reserve	\$84,961,340	\$82,585,030	\$65,337,909	\$101,549,623	\$165,645,830	\$38,544,669	\$75,926,188
<b>COLA Information, after Increase in COLA Table Amount</b>							
Net Reserve					20.20%		
Actual Reserve					\$119,459,275		
<b>Participant Information</b>							
Active	1,943	1,998	2,003	1,931	1,915	1,935	1,855
Retirees and Beneficiaries	2,052	2,072	2,072	2,108	2,125	2,127	2,171
Disableds	136	130	121	115	111	109	102
Terminated Vesteds	16	14	13	26	28	18	14
Terminated, Due a Refund	97	112	115	117	120	108	134
Total	4,244	4,326	4,324	4,297	4,299	4,297	4,276

## Plan Maturity Measures – October 1, 2023

Each pension plan has a distinct life-cycle. New plans promise future benefits to active employees and then accumulate assets to pre-fund those benefits. As the plan matures, benefits are paid and the pre-funded assets begin to decumulate until ultimately, the plan pays out all benefits. A plan's maturity has a dramatic influence on how risks should be viewed. The following maturity measures illustrate where the COLA Fund of the City of Miami Fire Fighters' and Police Officers' Retirement Trust falls in its life-cycle.

### **Duration of Liabilities: 11.0**

Duration is the most common measure of plan maturity. It is defined as the sensitivity of the liabilities to a change in the interest rate assumption. The metric also approximates the weighted average length of time, in years, until benefits are expected to be paid. A plan with high duration is, by definition, more sensitive to changes in interest rates. A plan with low duration is more susceptible to risk if asset performance deviates from expectations as there would be less time to make up for market losses in adverse market environments while more favorable environments could result in trapped surplus from gains. Conversely, high duration plans can often take on more risk when investing, and low duration plans are less sensitive to interest rate fluctuations.

### **Demographic Distribution - Ratio of Actively Accruing Participants to All Participants: 43.4%**

A plan with a high ratio is more sensitive to fluctuations in salary (if a salary-based plan) and statutory changes. A plan with a low ratio is at higher risk from demographic experience. Such a plan should pay close attention to valuation assumptions as there will be less opportunity to realize future offsetting gains or losses when current experience deviates from assumptions. Plans with a low ratio also have limited opportunities to make alterations to plan design to affect future funded status.

### **Asset Leverage - Ratio of Payroll for Plan Participants to Market Value of Assets: 16.6%**

Younger plans typically have a large payroll base from which to draw in order to fund the plan while mature plans often have a large pool of assets dedicated to providing benefits to a population primarily consisting of members no longer on payroll. Plans with low asset leverage will find it more difficult to address underfunding, as the contributions needed to make up the deficit will represent a higher percentage of payroll than for a plan with high asset leverage.

### **Benefit Payment Percentage - Ratio of Annual Benefit Payments to Market Value of Assets: 7.1%**

As a plan enters its decumulation phase, a larger percentage of the pre-funded assets are paid out each year to retirees. A high percentage is not cause for alarm as long as the plan is nearly fully funded. However, such a plan is more sensitive to negative asset performance, especially if cash contributions are not an option to make up for losses.

## Identification of Risks

The results presented in this report are shown as single point values. However, these values are derived using assumptions about future markets and demographic behavior. If actual experience deviates from our assumptions, the actual results for the plan will consequently deviate from those presented in this report. Therefore, it is critical to understand the risks facing this pension plan. The following table shows the risks we believe are most relevant to the COLA fund of the City of Miami Fire Fighters' and Police Officers' Retirement Trust. The risks are generally ordered with those we believe to have the most significance at the top. Also shown are possible methods by which a more detailed assessment of the risk can be performed.

Type of Risk	Method to Assess Risk
Investment Return	Scenario Testing; Asset Liability Study
Interest Rates	Scenario Testing; Asset Liability Study
Participant Longevity	Stress Testing; Scenario Testing
Early Retirement	Stress Testing; Scenario Testing



**Market Value Reconciliation**

The amount of assets backing the pension promise is typically the most significant driver of volatility and future costs within a pension plan. The investment performance of the assets directly offsets the ultimate cost.

		September 30, 2023	
		Membership and Benefit Accounts	COLA Account
1.	Market value – beginning of prior year	\$1,080,862,803	\$396,278,670
2.	Book value – beginning of prior year	\$1,040,118,129	\$381,340,378
3.	Change in asset allocation method	(\$16,133,134)	\$16,133,134
4.	Income		
	(a) City contributions	\$99,369,914	\$7,796,629
	(b) Member contributions	16,887,734	0
	(c) Other contributions	0	0
	(d) Interest and dividends	11,837,570	4,588,848
	(e) Net realized gains (losses)	27,067,953	10,581,639
	(f) Securities lending income	117,701	45,532
	(g) Rental and other income	919,018	73,404
	(h) Income transfer	0	0
	(i) Total	\$156,199,890	\$23,086,052
5.	Disbursements		
	(a) Benefit payments and refunds	\$150,638,878	\$30,538,479
	(b) Custodial and investment expenses	2,970,582	908,637
	(c) Administrative expense	2,063,928	0
	(d) Book value adjustment	320,277	0
	(e) Securities lending fees	29,543	11,431
	(f) Building depreciation	15,901	6,535
	(g) Total	\$156,039,109	\$31,465,082
6.	Book value – beginning of current year [(2)+(3)+(4i)-(5g)]	\$1,024,145,776	\$389,094,482
7.	Net change in unrealized gains (losses)	\$73,170,714	\$25,601,186
8.	Unrealized gains (losses)	\$113,915,388	\$40,539,478
9.	Market value – beginning of current year [(1)+(3)+(4i)-(5g)+(7)]	\$1,138,061,164	\$429,633,960
10.	Current year allocation to COLA II (discounted)	\$0	N/A
11.	Net market value – beginning of current year	\$1,138,061,164	\$429,633,960

## Membership and Benefits Cost-Of-Living Adjustment Account Summary

		September 30, 2023	
		Market	Book
1.	Investments		
	(a) Bill, bonds, notes	\$345,565,428	\$410,373,855
	(b) Domestic stocks	527,852,714	417,692,101
	(c) International stocks	353,384,590	345,917,996
	(d) Private equity	184,843,300	127,359,801
	(e) Money market fund and time deposit	15,534,675	15,534,675
	(f) Mutual fund	137,152,163	92,999,574
	(g) Real estate	2,009,964	2,009,964
	(h) Securities lending adjustment	0	0
	(i) Total investment	\$1,566,342,834	\$1,411,887,966
2.	Cash	\$474,388	\$474,388
3.	Receivables		
	(a) City contributions	\$0	\$0
	(b) Member contributions	0	0
	(c) Accounts receivable	5,952	5,952
	(d) Accrued interest and dividend	1,824,534	1,824,534
	(e) Securities sold	834,778	834,778
	(f) Total receivables	\$2,665,264	\$2,665,264
4.	Payables:		
	(a) Budget advance	\$0	\$0
	(b) Accrual expense	304	304
	(c) Transfer	5	5
	(d) Tax withheld	0	0
	(e) Accounts payable	348,924	348,924
	(f) Securities purchased	1,438,129	1,438,129
	(g) Total payables	\$1,787,362	\$1,787,362
5.	Total [(1i)+(2)+(3f)-(4g)]	\$1,567,695,124	\$1,413,240,256
6.	COLA account	\$429,633,960	\$389,094,480
7.	Current year COLA transfer	\$0	\$0
8.	Membership & benefits account [(5)-(6)-(7)]	\$1,138,061,164	\$1,024,145,776

## Investment Results - Membership and Benefits Accounts

September 30, 2023

## Membership and Benefits Accounts

	<u>Dollar Return</u>	<u>Market Return</u>	<u>Book Return</u>
Interest	\$1,520,625	0.2%	0.1%
Dividends	10,316,945	0.9%	1.0%
Rental and Other Income, less Depreciation	903,117	0.1%	0.1%
Realized Gains	26,747,676	2.4%	2.6%
Securities Lending (Net)	88,158	0.0%	0.0%
Increase in Unrealized Gains	73,170,714	6.6%	7.2%
Custodial and Investment Expenses	(2,970,582)	(0.3%)	(0.3%)
	<u>\$109,776,653</u>	<u>9.9%</u>	<u>10.7%</u>

## Investment Results – COLA I and II Accounts

September 30, 2023

## COLA Accounts

	<u>Dollar Return</u>	<u>Market Return</u>	<u>Book Return</u>
Interest	\$585,235	0.1%	0.2%
Dividends	4,003,613	1.0%	1.1%
Rental and Other Income, less Depreciation	66,869	0.0%	0.0%
Realized Gains	10,581,639	2.7%	2.9%
Securities Lending (Net)	34,101	0.0%	0.0%
Increase in Unrealized Gains	25,601,186	6.5%	6.9%
Custodial and Investment Expenses	(908,637)	(0.1%)	(0.3%)
	<u>\$39,964,006</u>	<u>10.2%</u>	<u>10.8%</u>

## Actuarial Value of Assets

September 30, 2023

1.	Expected market value of assets	
	(a) Market value of assets – beginning of prior year	\$1,080,862,803
	(b) Change in Asset Allocation Method	(16,133,134)
	(c) City Contributions	99,369,914
	(d) Member Contributions	16,887,734
	(e) Benefits payments and administrative expenses	150,638,878
	(f) Expected return	76,884,856
	(g) Expected market value of assets – beginning of current year	\$1,107,233,295
2.	Market value of assets – beginning of current year	\$1,138,061,164
3.	Present value of COLA transfers	
	(a) Current year	\$0
	(b) Next year	0
	(c) Total	\$0
4.	Market value net COLA transfer [(2)-(3)]	\$1,138,061,164
5.	Amount subject to phase in [(4)-(1f)]	\$30,827,869
6.	Phase in of asset gain loss	
	(a) Current Year [80% x \$30,827,869]	\$24,662,295
	(b) First Prior Year [60% x (\$253,140,368)]	(151,884,221)
	(c) Second Prior Year [40% x \$141,132,434]	56,452,974
	(d) Third Prior Year [20% x (\$19,371,884)]	(3,874,377)
	(e) Total Phase-In	(\$74,643,329)
7.	Preliminary actuarial value of assets – beginning of current year [(2)-(6e)]	\$1,212,704,493
8.	80% of Market value of assets	\$910,448,932
9.	120% of Market value of assets	\$1,365,673,396
10.	Adjusted actuarial value of assets	\$1,212,704,493
11.	Return on actuarial value of assets	4.54%

Development of Actuarial Asset Value for COLA Transfer

		September 30, 2023		
		<u>9/30/2021</u>	<u>9/30/2022</u>	<u>9/30/2023</u>
1.	Book Value	\$1,074,022,569	\$1,040,118,129	\$1,024,145,776
2.	Market Value	\$1,306,437,051	\$1,080,862,803	\$1,138,061,164
3.	[(2)/(1)]	1.2163963	1.0391731	1.1112297
4.	3 year average of market value to book value			1.1222664
5.	Adjusted market value [(1)x(4)]			\$1,149,364,393
6.	Contribution surplus			\$0
7.	80% of Adjusted market value, net of contribution surplus			\$910,448,932
8.	120% of Adjusted market value, net of contribution surplus			\$1,365,673,396
9.	Adjusted actuarial value of assets			\$1,149,364,393
10.	Present value of next year COLA transfer			\$0
11.	Final actuarial asset value [(9)+(10)]			\$1,149,364,393

**Rate of return on COLA Transfer Actuarial Asset Value****September 30, 2023**

1. Actuarial asset value – beginning of prior year	\$1,161,153,867
2. Contributions	
(a) City contributions	\$99,369,914
(b) Member contributions	16,887,734
(c) Total	<u>\$116,257,648</u>
3. Benefits and refunds	(\$150,638,878)
4. Present value of COLA transfer	\$0
5. Change in Asset Allocation Method	(\$16,133,134)
6. Actuarial asset value – beginning of current year	\$1,149,364,393
7. Net return on investment [(6)-(5)-(4)-(3)-(2)-(1)]	\$38,724,890
8. Rate of return	3.27%

**Excess Investment Return**


**September 30, 2023**

1.	Expected return on actuarial asset value	
	(a) Actuarial asset value as of beginning of prior year	\$1,161,153,867
	(b) Change in Asset Allocation Method	(16,133,134)
	(c) City Contributions	\$99,369,914
	(d) Member Contributions	\$16,887,734
	(e) Benefits paid and refunds	(\$150,638,878)
	(f) Expected return at 7.00% <sup>1</sup>	\$82,505,230
	(g) Base amount for expected return [(f)/7.00%]	\$1,178,646,143
2.	Actual return on actuarial asset value	\$38,724,890
3.	Excess return on assets [(2)-(1e)]	(\$43,780,340)
4.	Amount to be transferred to COLA fund (limited to cumulative experience position)	
	(a) Excess return	
	(i) First 2.5%	\$0
	(ii) Next 2.5%	0
	(iii) Next 2.5%	0
	(iv) Total	\$0
	(b) Potential COLA Transfer	
	(i) 75% of (4a)(i)	\$0
	(ii) 50% of (4a)(ii)	0
	(iii) 25% of (4a)(iii)	0
	(iv) Total	\$0
	(c) Cumulative Experience Gain (Loss):	(\$457,872,264)
	(d) Transfer of Excess Investment Income <sup>2</sup> :	

<sup>1</sup>Assumes mid-year member contributions and benefits and beginning of year City contributions.

<sup>2</sup>Excess returns can only be transferred if the Plan is in a Net Positive Experience Position. Due to the Cumulative Experience Loss, the amount of assets transferred to the COLA fund is limited to \$0.





# Statistical Section

**Statistical Data of Various Accounts**  
**January 1, 1994 through September 30, 2024**

	GENERAL FUND	C.O.L.A. I	C.O.L.A. II
<b>MEMBERSHIP ACCOUNT:</b>			
<b>ADD:</b>			
Members Contributions:			
-After Tax	67,366,394.49	-	-
-Pre tax	392,378,109.33	11,814,941.41	-
-After Tax Contributions	-	-	-
-Transferred from G.E.S.E.	17,210.00	-	-
Interest:	-	-	-
-Transfers from Benefit Account	155,937,323.38	-	-
-Transfers on Withdrawals	385,365.00	-	-
-Transfers from G.E.S.E.	228,368.13	-	-
	616,312,770.33	11,814,941.41	
<b>DEDUCT:</b>			
Refunds on:			
Leaving Service	24,751,917.45	944,799.73	-
Additional Contributions	171,226.00	-	-
Accidental Death	546,075.02	22,038.72	-
Accidental Disability Retirements	1,982,443.00	-	-
Option 6A	571,614.00	-	-
Ordinary Death	2,387,784.65	62,319.81	-
Transfers:			
After Tax from G.E.S.E.	4,412,189.00	-	-
Benefit Account	374,656,763.67	10,560,032.57	-
Transfers to Account Payable	480,131.02	-	-
Interest Withheld	566,281.76	-	-
Interest	2,954,998.75	-	-
	413,481,424.32	11,589,190.83	
Balance as of September 30, 2024	202,831,346.01	225,750.58	
<b>BENEFIT ACCOUNT</b>			
<b>ADD:</b>			
Contributions:			
City of Miami	1,334,890,950.92	2,042,899.00	106,956,021.00
Police Relief & Pension Fund	52,342.00	-	-
Fire Relief & Pension Fund	28,473.00	-	-
Members	697,822.00	-	-
Transfers from Membership Account	374,839,087.41	10,560,032.57	-
Amortization of Discounts	10,319,475.59	249,133.96	-
Dividends Received	311,459,268.67	9,250,404.23	57,098,164.41
Securities Lending Income	11,719,008.59	452,916.10	2,617,925.16
Excess Interest Transfer	-	-	288,194,062.40
Interest Income	717,705,386.69	20,203,381.33	79,666,237.91
Other Income	3,690,312.72	55,463.39	310,414.74
Corporate Action	3,698,736.27	145,141.79	783,002.20
Commission Recapture	629,350.73	21,279.38	128,553.21
Profit on Sale of Investments	1,603,401,701.10	61,881,009.74	302,881,847.43
Unrealized Profit on Sale of Investments	421,765,153.90	24,486,019.78	110,669,456.39
Unrealized Profit on Security Lending Collateral	1,960,433.49	71,298.57	525,303.50
Rental Income	2,651,933.47	97,279.51	624,820.86
Share of Earnings Income	-	1,170,581.01	-
	4,910,043,678.55	130,686,840.36	950,455,809.21
<b>DEDUCT:</b>			
Pension Paid			
-Fire	1,445,888,059.24	-	-
-Police	1,524,378,997.06	-	-
-General	7,034,700.00	-	-
-Former General pensioners assumed	276,624.00	-	-
-Pension Payments prior to 1966	989,022.00	-	-
Distributions	-	12,860,235.22	484,974,974.72
Lump Sum Payments to Beneficiaries	128,540.47	-	-
Death Benefits	1,436,505.20	-	-
Amortization of Premium	4,876,743.91	-	-
Corrections to Control	17,163,053.50	-	-
Income Expenses	113,406,137.95	4,213,897.13	22,762,494.59
Building Depreciation	633,080.99	27,316.25	154,915.82
Administrative Expense	21,349,884.05	-	-
Stiff Short Term Investment Fee	498,363.09	26,697.23	142,152.61
Securities Lending Fee	3,094,990.03	116,961.51	674,744.30
Other Expense	-	45,256.00	734.29
Loss on Sale of Investments	41,652,910.21	1,068,210.34	7,163,861.16
Unrealized Loss on Sale of Investments	144,695,702.41	8,173,264.87	58,357,594.45
Vested Rights Withdrawals	954,288.84	-	-
Transfers:			
Excess Interest Earnings	288,194,062.40	-	-
GESE-Benefit Account	5,378,420.00	-	-
GESE-Share of Earnings	5,251,212.00	-	-
Interest to Membership Account	156,002,311.49	-	-
Interest on Vested Rights Withdrawal	275,508.67	-	-
Overpayments(uncollectible)	769.00	-	-
	3,783,559,886.51	26,531,838.55	574,231,471.94
Balance as of September 30, 2024	1,126,483,792.04	104,155,001.81	376,224,337.27

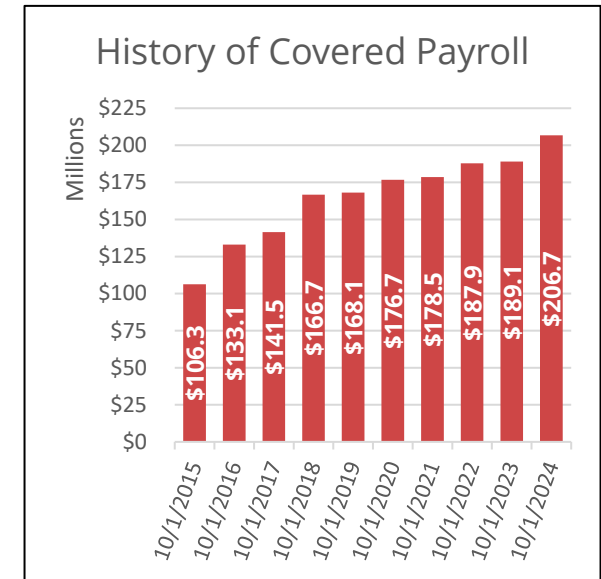
## Demographic Information

The foundation of a reliable actuarial report is the member information provided by the plan sponsor. Monitoring trends in demographic information is crucial for long-term pension planning.

	October 1, 2023	October 1, 2024
<b>Member Counts</b>		
Active Members	1,855	1,879
Retired Members	1,652	1,689
Beneficiaries	264	254
Disabled Members	102	100
Terminated Vested Members, Due a Monthly Benefit	17	20
Terminated Members, Due a Refund of Employee Contributions	132	125
DROP Members	256	214
Total	4,278	4,281

## Active Participant Demographics

Average Age	38.3	38.8
Average Service	11.4	12.0
Average Compensation	\$101,923	\$110,008
Valuation Payroll	\$189,067,815	\$206,704,372
Total Payroll	\$212,137,200	\$231,155,719



**Demographic Information (continued)**

	October 1, 2023	October 1, 2024
<b>Retired Member Statistics</b>		
Average Age	67.8	68.1
Average Monthly Benefit	\$5,863	\$6,031
<b>Beneficiary Statistics</b>		
Average Age	77.9	77.6
Average Monthly Benefit	\$1,449	\$1,495
<b>Disabled Member Statistics</b>		
Average Age	72.8	72.3
Average Monthly Benefit	\$2,307	\$2,437
<b>Terminated Member Statistics</b>		
Average Age	39.8	40.9
Average Monthly Benefit for Participants due Monthly Benefit	\$3,395	\$3,402
Average Remaining Contributions for Participants Due a Refund	\$12,076	\$9,317
<b>DROP Member Statistics</b>		
Average Age	53.2	53.3
Average Monthly Benefit	\$8,557	\$8,345
Payroll	\$23,068,385	\$24,451,347

**Participant Reconciliation**

	Active	Terminated Vested	Disabled	Retired	Beneficiaries	Totals
<b>Prior Year</b>	1,855	149	102	1,908	264	4,278
<b>Active</b>						
To Terminated Vested	(5)	5				
To Retired	(24)			24		
To Disabled	(3)		3			
To Refund	(9)					(9)
To Due Refund	(1)	1				
To Death						
<b>Terminated Vested</b>						
To Retired		(1)		1		
To Refund		(9)				(9)
To Active	1	(1)				
<b>Disabled</b>						
To Death			(5)			(5)
<b>Retired</b>						
To Death				(27)		(27)
<b>Survivor</b>						
To Death					(24)	(24)
<b>Additions</b>	65	1			15	81
<b>Removed</b>				(3)	(1)	(4)
<b>Current Year</b>	1,879	145	100	1,903	254	4,281

Active Participant Schedule

Active participant information grouped based on age and service.

Age Group	Years of Service										Total	Average Pay
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & Up		
Under 25	25	33									58	\$55,248
25 to 29	14	61	95								170	81,133
30 to 34	7	51	252	96	3						409	96,787
35 to 39	3	15	186	181	79	3					467	110,157
40 to 44	3	3	82	83	169	44					384	122,184
45 to 49	1	2	18	25	77	62	24				209	131,728
50 to 54		1	9	10	31	27	40	2			120	132,999
55 to 59			1	4	17	7	11	10	1		51	134,459
60 to 64			1		1	2	2	3			9	131,856
65 to 69			1			1					2	112,147
70 & up											0	0
Total	53	166	645	399	377	146	77	15	1	0	1879	110,008



# **Plan Provisions Section**

**OUTLINE OF PRINCIPAL BENEFIT PROVISIONS OF  
THE CITY OF MIAMI FIRE FIGHTERS' AND POLICE OFFICERS' RETIREMENT TRUST**

ORIGINAL ORDINANCE NO. 10002 ADOPTED JUNE 13, 1985

**EARNABLE COMPENSATION:**

Earnable compensation, shall mean an employee's base salary including pickup contributions, for all straight time hours worked, plus assignment pay and payments received for vacation and sick leave taken, jury duty, and death in the 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.

**COVERED GROUP:**

All fire fighters or police officers presently employed by the City as a fire fighter or police officer whether in the classified or unclassified service of the City.

**EMPLOYEE CONTRIBUTIONS:**

Effective the first full pay period following October 1, 1999, it shall be 7% of pre-tax earnable compensation. Effective the first full pay period following October 1, 2000, it shall be 7% of pre-tax earnable compensation or a percent equal to the City's contribution, whichever is less. Effective the first full pay period following October 1, 2008, for fire fighter members it will change from 7% to 8% of pre-tax earnable compensation. Effective the first full pay period following October 1, 2009, for fire fighter members it will change from 8% to 9% of pre-tax earnable compensation. Effective the first full pay period following October 1, 2010, for fire fighter members it will change from 9% to 10% of pre-tax earnable compensation. Effective the first full pay period following October 1, 2011, for police officer members who were hired prior to October 1, 2011, it will change from 7% to 10% of pre-tax earnable compensation. For police officer members who were hired on or after October 1, 2011 it will be 13% of pre-tax earnable compensation. Effective the full pay period following October 1, 2012, for police officer members who were hired prior to October 1, 2012, it will change from 10% to 7% of pre-tax earnable compensation. For police officer members who were hired on or after October 1, 2012, it will be 10% of pre-tax earnable compensation.

**EMPLOYER CONTRIBUTIONS:**

The City's annual fiscal contribution to the retirement system shall provide for the following (1) non-investment expenses of the retirement system, (2) normal costs of the retirement system.



NORMAL RETIREMENT AGE:

Age 50 for fire fighter members and Age 49 for police officer members.

SERVICE RETIREMENT:

The annual normal service retirement allowance, payable on a 40% Joint and Survivor basis will equal 3.0% of average final compensation per year of creditable service for the first 15 years of such creditable service and 3.5% of the average one-year compensation per year of creditable service after 15 years.

RULE OF 64 RULE OF 68 RETIREMENT RULE OF 70 RETIREMENT:

A member, in service, who has not withdrawn from active membership in the retirement system may elect service retirement on the basis of his or her combined age and creditable service equaling 64 or more. A fire fighter member, in service, who has not withdrawn from active membership in the retirement system and had not attained his/her 64 points as of October 1, 2009, may elect service retirement on the basis of his or her combined age and creditable service equaling 68 or more. As of October 1, 2010, a member in service who has not withdrawn from active membership in the retirement system may also elect service retirement on the basis of his or her combined age and creditable service equaling 70 or more.

Election to retire under Rule of 64, Rule of 68 or Rule of 70 shall be made by written application to the board. Application shall be executed not less than 10 nor more than 90 days subsequent to the date the member desires to be retired.

EARLY SERVICE RETIREMENT:

After 20 years of creditable service, accrued benefit actuarially adjusted for age.

DEFERRED RETIREMENT OPTION PROGRAM: (DROP)

A member who is eligible to retire under either Rule of 64, Rule of 68, Rule of 70 or Service retirement can elect to participate in the Deferred Retirement Option Program (DROP). The program allows the member to defer receipt of his retirement benefit into a "DROP" account while he/she continues to be employed by the Department. A police officer member can be in the DROP for a maximum of 7 years (84 months). A fire fighter member can be in the DROP for a maximum of 4 ½ years (54 months). Employees who had not attained normal retirement eligibility as of 1/1/2013 or were not vested as of 10/01/2010, and all employees hired on or after 1/1/2013 will not be eligible for the DROP.

BACK DEFERRED RETIREMENT OPTION PROGRAM:

Employees who had not attained normal retirement eligibility as of 1/1/2013 or were not vested as of 10/01/2010, and all employees hired on or after 1/1/2013, will be eligible for the backdrop option. Members who elect the backdrop shall receive a monthly benefit payable on the employee's actual retirement date based on the benefit the employee would have received if he/she had left city employment and retired on an earlier date. An eligible employee who elects the backdrop option will receive a lump sum payment equal to the accumulation of monthly retirement benefit payments he/she would have received during the period plus interest at the rate of 3% per year, compounded

#### BACK DEFERRED RETIREMENT OPTION PROGRAM: (continued)

annually. An eligible employee may elect a minimum backdrop period of one year and a maximum backdrop period of up to seven years.

#### AVERAGE FINAL COMPENSATION:

Shall mean the annual earnable compensation of a member during either the last one (1) year or the highest one (1) year of membership service, whichever is greater.

#### CREDITABLE SERVICE:

Membership credit upon which a member's eligibility to receive benefits under the retirement system is based or upon which the amount of such benefits is determined.

#### LIMITATIONS ON BENEFITS:

A member's retirement allowances shall not exceed one hundred percent (100%) of the member's final average compensation for members retiring under Service Retirement Rule of 64 Retirement or Rule of 68 Retirement. Exceptions are, (1) members whose retirement allowances, prior to October 1, 1998, had already earned one hundred percent or greater, these members may continue to accrue pension benefits; (2) members whose retirement allowance exceeds one hundred percent as of October 1, 1998 due to the multiplier change, these members shall be capped at the new percentage. Monthly retirement allowance for members not eligible for Rule of 64 or Rule of 68 Retirement as of October 1, 2010, shall not exceed \$100,000.00 per year.

#### OPTIONAL ALLOWANCES:

Normal form (Option 6C) is joint and 40% contingent survivor. 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 6A is withdrawal of employee contributions with credited interest; monthly benefit is half of normal level. Option 6B is an additional 5% with a 1 year certain. Option 6D is the base pension with a 10 year certain.

#### DISABILITY RETIREMENTS:

##### A. Ordinary Disability

After 10 years of creditable service, if not otherwise eligible for normal retirement, and incurred while not in line of duty, a benefit payable for life consisting of the benefit rate times 90% of average final compensation times years of creditable service, if such retirement allowance exceeds 30% of average final compensation. Otherwise, a benefit of 30% of the member's average final compensation.

##### B. Accidental Disability

Prior to age 60, incurred in line of duty. A benefit payable on a 40% joint and survivor basis of  $66\frac{2}{3}\%$  of average or final compensation, whichever is larger.

#### DEATH BENEFIT:

##### A. Ordinary Death Benefit

After 3 years of service, provided death is not accidentally incurred in line of duty, a lump sum payment of 50% of annual compensation received in year prior to death plus an additional lump sum payment of member's accumulated contributions with interest to date of death. Or in lieu thereof; if eligible for Early or Service retirement, and with 3 years of membership, automatic Option 6C, payable to spouse, as through retirement had occurred on date of death (40% payable)

##### B. Accidental Death Benefit

Incurred in line of duty (or presumed to be in the line, i.e. heart), annual pension of 50% of average final compensation to spouse until death or remarriage or to children under 18, or to dependent parents for life. If none of such beneficiaries exist, the ordinary death benefit will be paid. Also, a lump sum payment of member's accumulated contributions with interest to date of death is paid in addition to the above payments.

#### VESTED RIGHTS BENEFIT:

After completion of 10 years of service, provided accumulated contributions are not withdrawn. A benefit based on service and average final compensation when employment is terminated. Benefit is deferred to minimum retirement age.

#### C.O.L.A. ACCOUNT:

The COLA I benefit was determined from available monies from an initial city contribution made from the trust funds excess interest earnings. These monies were allocated to the retiree population, according to unit values and distributed to each member according to his/her actuarial life expectancy, in level monthly lifetime payments. In addition to the above initial benefit, a yearly COLA I increase was financed by 2% of the active member's pension contributions.

This yearly increase was determined on the basis as the initial benefit and added to the monthly lifetime payments. As of January 9, 1994, the active employees ceased making the 2% pension contribution to the COLA I account, and the COLA I benefits were frozen as of that date. Beginning with 1994, in addition to the frozen COLA I benefit, a COLA II benefit was paid. The COLA II benefit is funded from the pension fund's annual excess investment return (other than COLA account assets). The methodology for determining the excess investment return and amounts available for the COLA II benefit are described in detail in Section 40-213 of the City of Miami Code. An actuarial table is developed yearly identifying the benefits due. This table is based upon full years of creditable service at retirement and full years retired as of April of the current year. For accidental death and accidental disability, years of service are defined as twenty-five (25) years, or actual creditable service if greater. Receipt of the COLA II benefit is based on the retiree reaching at least four (4) full years of retirement and fifty years of age. In case of accidental death, the beneficiary will be entitled to the COLA benefit on April 1<sup>st</sup> following the fiftieth anniversary of the employee's birth and the fourth anniversary of the employee's death. COLA benefits for a vested right retiree are based upon such retiree reaching at least four (4) full years of retirement after fifty (50) years of age. COLA benefits reflect the option selected at the time of retirement.

C.O.L.A. ACCOUNT: (continued)

In addition, funding for COLA benefits for future employees hired during the remaining term of the amended final judgement, Gates vs. City of Miami, Circuit Court Case No. 77-9491 CA04, shall be defined and allocated through the remaining term of such final judgment.

ORDINANCES ADOPTED DURING FISCAL YEAR 2023/2024

DATE

ORDINANCE NUMBER

07/25/2024

14299