

CITY OF MIAMI BEACH EMPLOYEES' RETIREMENT PLAN
REVISED ACTUARIAL VALUATION REPORT AS OF OCTOBER 1, 2007

ANNUAL EMPLOYER CONTRIBUTION FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2009

August 13, 2008

Board of Trustees
City of Miami Beach Employees'
Retirement Plan
Miami Beach, Florida

Dear Board Members:

We are pleased to present our Revised October 1, 2007 Actuarial Valuation Report for the Plan. The purpose of the Report is to set forth required contribution levels, to disclose plan assets and actuarial liabilities, to comment on funding progress and to provide supporting information regarding the operation of the Plan. This Report is also designed to comply with requirements of the State.

The valuation was performed on the basis of employee, retiree and financial information supplied by the City. Although we did not audit this information, it was reviewed for reasonableness and comparability to prior years.


The benefits valued are outlined at the end of the Report. Actuarial assumptions and the actuarial cost method are also described herein. Any changes in benefits, assumptions or methods are described in the first section.

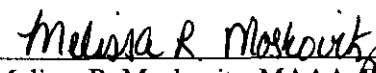
As indicated below, the undersigned are Members of the American Academy of Actuaries (MAAA) and meet the Qualification Standards of the Academy of Actuaries to render the actuarial opinion herein.

We will be pleased to answer any questions pertaining to the valuation and to meet with you to review this Report.

Respectfully submitted,

GABRIEL, ROEDER, SMITH AND COMPANY

By 
J. Stephen Palmquist, ASA, MAAA, FCA
Enrolled Actuary No. 08-1560

By 
Melissa R. Moskowitz, MAAA, FCA
Enrolled Actuary No. 08-6467

Statement by Enrolled Actuary

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. In my opinion, the techniques and assumptions used are reasonable, meet the requirements and intent of Part VII, Chapter 112, Florida Statutes, and are based on generally accepted actuarial principles and practices. There is no benefit or expense to be provided by the plan and/or paid from the plan's assets for which liabilities or current costs have not been established or otherwise taken into account in the valuation. All known events or trends which may require a material increase in plan costs or required contribution rates have been taken into account in the valuation.


Signature

8-13-08
Date

08-1560
Enrollment Number

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SECTION A
DISCUSSION OF VALUATION RESULTS

DISCUSSION OF VALUATION RESULTS

Comparison of Required Employer Contributions

The required employer contribution developed in this year's actuarial valuation is as follows:

	Required City Contribution		
	Amount	% of Payroll	Covered Payroll
For FYE 9/30/09 Based on 10/1/07 Valuation	\$ 12,863,823	21.57 %	\$ 59,632,425
For FYE 9/30/08 Based on 10/1/06 Valuation	13,911,545	24.24	57,390,894
Increase (Decrease)	(1,047,722)	(2.67)	2,241,531

The contribution has been adjusted for interest on the basis that employer contributions are made in a single payment on the first day of the fiscal year. The total actual employer contribution for the year ending September 30, 2007 was \$13,053,231 compared to the minimum required payment of \$12,234,519 (from the February 28, 2006 Actuarial Impact Statement).

Revisions in Benefits

There were no revisions in benefits since the previous valuation.

Revisions in Actuarial Assumptions and Methods

The investment return assumption was reduced from 8.75% per year to 8.65% per year. The investment return assumption will be further reduced to 8.50% for the October 1, 2008 Valuation, 8.35% for the October 1, 2009 Valuation, 8.25% for the October 1, 2010 Valuation, 8.15% for the October 1, 2011 Valuation and 8.00% for the October 1, 2012 Valuation. Additionally, the actuarial value of assets was partially written up to the market value of assets as of October 1, 2007. The actuarial value of assets has risen from \$395,369,083 to \$412,824,235. The market value of assets is \$429,720,685.

Actuarial Experience

There was a net actuarial gain of \$14,036,710 for the year which means actual experience was more favorable than expected. The actuarial gain was due to investment return on assets higher than the assumed return of 8.75% and average salary decreases for continuing active participants. The actuarial gain translates into a decrease in employer contribution equal to \$1,336,097 or 2.24% of covered payroll.

Funded Ratio

The funded ratio this year is 86.4% compared to 79.8% last year. This year's ratio was 83.6% before the changes in assumptions and methods described above.

The funded ratio is equal to the actuarial value of assets divided by the actuarial accrued (past service) liability.

Analysis of Change in Employer Contribution

The components of change in the required employer contribution are as follows:

Contribution rate last year	24.24 %
Change in assumptions/methods	(1.68)
Payment on unfunded liability	0.86
Change in employer normal cost	0.31
Experience gain/loss	(2.24)
Change in administrative expense	<u>0.08</u>
Contribution rate this year	21.57

The remainder of this Report includes detailed actuarial valuation results, financial information, miscellaneous information and statistics, and a summary of plan provisions.

SECTION B
VALUATION RESULTS

PARTICIPANT DATA		
	October 1, 2007	October 1, 2006
ACTIVE MEMBERS		
Number	1,061	1,018
Covered Annual Payroll	\$ 59,632,425	\$ 57,390,894
Average Annual Payroll	\$ 56,204	\$ 56,376
Average Age	44.0	44.6
Average Past Service	8.6	8.9
Average Age at Hire	35.4	35.7
RETIREES & BENEFICIARIES		
Number	959	950
Annual Benefits	\$ 25,397,555	\$ 23,481,611
Average Annual Benefit	\$ 26,483	\$ 24,717
Average Age	70.5	70.6
DISABILITY RETIREES		
Number	42	45
Annual Benefits	\$ 866,343	\$ 871,466
Average Annual Benefit	\$ 20,627	\$ 19,366
Average Age	66.9	67.1
TERMINATED VESTED MEMBERS		
Number	70	64
Annual Benefits	\$ 1,048,560	\$ 806,465
Average Annual Benefit	\$ 14,979	\$ 12,601
Average Age	45.6	45.7

ANNUAL REQUIRED CONTRIBUTION (ARC)			
A. Valuation Date	October 1, 2007 <i>After Changes</i>	October 1, 2007 <i>Before Changes</i>	October 1, 2006
B. ARC to Be Paid During Fiscal Year Ending	9/30/2009	9/30/2009	9/30/2008
C. Assumed Date of Employer Contrib.	10/1/2008	10/1/2008	10/1/2007
D. Annual Payment to Amortize Unfunded Actuarial Liability	\$ 4,806,312	\$ 5,917,465	\$ 6,421,833
E. Employer Normal Cost	7,033,378	6,831,804	6,370,392
F. ARC if Paid on the Valuation Date: D+E	11,839,690	12,749,269	12,792,225
G. ARC Adjusted for Frequency of Payments	12,863,823	13,864,829	13,911,545
H. ARC as % of Covered Payroll	21.57 %	23.25 %	24.24 %
I. Covered Payroll for Contribution Year	59,632,425	59,632,425	57,390,894

ACTUARIAL VALUE OF BENEFITS AND ASSETS			
A. Valuation Date	October 1, 2007 <i>After Changes</i>	October 1, 2007 <i>Before Changes</i>	October 1, 2006
B. Actuarial Present Value of All Projected Benefits for			
1. Active Members			
a. Service Retirement Benefits	\$ 229,252,192	\$ 225,279,191	\$ 223,750,515
b. Vesting Benefits	21,754,022	21,279,827	20,908,250
c. Disability Benefits	13,244,697	13,032,028	12,920,555
d. Preretirement Death Benefits	4,407,978	4,333,801	4,254,244
e. Return of Member Contributions	730,217	729,311	605,825
f. Total	<u>269,389,106</u>	<u>264,654,158</u>	<u>262,439,389</u>
2. Inactive Members			
a. Service Retirees & Beneficiaries	269,399,622	267,166,114	245,380,824
b. Disability Retirees	8,639,742	8,570,034	8,530,128
c. Terminated Vested Members	9,500,862	9,368,428	7,861,881
d. Total	<u>287,540,226</u>	<u>285,104,576</u>	<u>261,772,833</u>
3. Total for All Members	556,929,332	549,758,734	524,212,222
C. Actuarial Accrued (Past Service) Liability per GASB No. 25	478,067,829	472,756,431	448,933,278
D. Actuarial Value of Accumulated Plan Benefits per FASB No. 35	432,296,450	427,839,080	395,731,353
E. Plan Assets			
1. Market Value	429,720,685	429,720,685	378,035,985
2. Actuarial Value	412,824,235	395,369,083	358,458,949
F. Unfunded Actuarial Accrued Liability: C-E2	65,243,594	77,387,348	90,474,329
G. Actuarial Present Value of Projected Covered Payroll	416,550,185	414,475,065	402,300,469
H. Actuarial Present Value of Projected Member Contributions	32,091,878	31,946,761	31,496,946

CALCULATION OF EMPLOYER NORMAL COST

A. Valuation Date	October 1, 2007 <i>After Changes</i>	October 1, 2007 <i>Before Changes</i>	October 1, 2006
B. Normal Cost for			
1. Service Retirement Benefits	\$ 8,482,694	\$ 8,325,388	\$ 7,992,753
2. Vesting Benefits	1,177,886	1,149,979	1,088,041
3. Disability Benefits	972,110	959,363	920,919
4. Preretirement Death Benefits	287,367	283,265	267,097
5. Return of Member Contributions	521,354	521,842	484,429
6. Total for Future Benefits	<u>11,441,411</u>	<u>11,239,837</u>	<u>10,753,239</u>
7. Assumed Amount for Administrative Expenses	<u>579,706</u>	<u>579,706</u>	<u>519,008</u>
8. Total Normal Cost	<u>12,021,117</u>	<u>11,819,543</u>	<u>11,272,247</u>
% of Covered Payroll	20.16 %	19.82 %	19.64 %
C. Expected Member Contribution			
% of Covered Payroll	4,987,739 8.36 %	4,987,739 8.36 %	4,901,855 8.54 %
D. Employer Normal Cost: B8-C			
% of Covered Payroll	7,033,378 11.79 %	6,831,804 11.46 %	6,370,392 11.10%

LIQUIDATION OF THE UNFUNDED ACTUARIAL ACCRUED LIABILITY

A. Derivation of the Current UAAL	
1. Last Year's UAAL	\$ 90,474,329
2. Last Year's Employer Normal Cost	6,647,002 *
3. Last Year's Contributions	13,053,231
4. Interest at the Assumed Rate on:	
a. 1 and 2 for one year	8,498,116
b. 3 from dates paid	1,142,158
c. a - b	<u>7,355,958</u>
5. This Year's Expected UAAL Prior to Revision: 1 + 2 - 3 + 4c	91,424,058
6. This Year's Actual UAAL Prior to Revisions	77,387,348
7. This Year's Gain (Loss): 5 - 6	14,036,710
8. Change in UAAL Due to Plan Amendments and/or Changes in Actuarial Assumptions	(12,143,754)
9. This Year's Revised UAAL: 6 + 8	65,243,594
10. Gain (Loss) Due to Investments	11,652,377
11. Gain (Loss) Due to Other Causes	2,384,333

* Based on February 28, 2006 Actuarial Impact Statement

B. UAAL Amortization Period and Payments					
Original UAAL			Current UAAL		
Date Established	Amortization Period (Years)	Amount	Years Remaining	Amount	Payment
10/1/93	15	\$ (3,006,333)	1	\$ (386,610)	\$ (386,610)
10/1/93	15	5,324,154	1	684,679	684,679
10/1/93	15	2,587,206	1	332,711	332,711
10/1/94	15	1,654,392	2	800,366	416,773
10/1/94	15	8,743,997	2	4,230,190	2,202,781
10/1/95	15	(3,893,388)	3	(2,436,702)	(880,471)
10/1/96	15	(6,757,095)	4	(5,882,657)	(1,658,409)
10/1/96	15	(1,455,487)	4	(1,267,132)	(357,224)
10/1/97	15	(11,502,918)	5	(6,677,148)	(1,565,654)
10/1/98	15	(9,492,383)	6	(5,779,697)	(1,173,487)
10/1/99	15	(11,197,306)	7	(7,300,008)	(1,319,330)
10/1/99	15	761,013	7	496,139	89,667
10/1/00	15	(1,184,364)	8	(817,292)	(134,145)
10/1/01	15	4,182,294	9	2,989,100	452,376
10/1/01	15	8,482,719	9	6,062,622	917,529
10/1/02	30	24,017,296	25	22,955,398	2,090,256
10/1/03	30	16,972,622	26	17,936,884	1,614,804
10/1/04	30	9,682,048	27	9,956,665	887,131
10/1/05	30	9,377,578	28	9,331,333	823,602
10/1/06	30	11,796,972	29	11,708,474	1,024,552
10/1/06	30	34,747,408	29	34,486,743	3,017,769
10/1/07	30	(14,036,710)	30	(14,036,710)	(1,218,667)
10/1/07	30	(12,143,754)	30	(12,143,754)	(1,054,321)
		63,659,961		65,243,594	4,806,312

C. Amortization Schedule

The UAAL is being liquidated as a level dollar amount over the number of years remaining in the amortization period. The expected amortization schedule is as follows:

Amortization Schedule	
Year	Expected UAAL
2007	\$ 65,243,594
2008	65,665,131
2009	66,808,450
2010	70,896,811
2011	74,382,183
2012	75,979,055
2017	67,199,468
2022	55,349,578
2027	37,407,904
2032	10,242,786
2037	-

ACTUARIAL GAINS AND LOSSES

The assumptions used to anticipate mortality, employment turnover, investment income, expenses, salary increases, and other factors have been based on long range trends and expectations. Actual experience can vary from these expectations. The variance is measured by the gain and loss for the period involved. If significant long term experience reveals consistent deviation from what has been expected and that deviation is expected to continue, the assumptions should be modified.

Net actuarial gains in previous years, separately and in sum are as follows:

Year Ended	Gain (Loss)
9/30/1990	\$ (9,106,524)
9/30/1991	2,727,904
9/30/1992	4,954,823
9/30/1993	5,370,894
9/30/1994	(1,696,061)
9/30/1995	6,661,918
9/30/1996	7,568,621
9/30/1997	13,539,264
9/30/1998	6,894,790
9/30/1999	16,168,137
9/30/2000	6,540,306
9/30/2001	(6,572,791)
9/30/2002	(32,586,068)
9/30/2003	(18,414,901)
9/30/2004	(9,682,048)
9/30/2005	(7,060,041)
9/30/2006	(11,796,971)
9/30/2007	14,036,710

HISTORY OF INVESTMENT RETURNS AND SALARY INCREASES

The fund earnings and salary increase assumptions have considerable impact on the cost of the Plan so it is important that they are consistent with the actual experience. The following table shows the actual fund earnings and salary increase rates compared to the assumed rates for the last several years:

Year Ending	General Plan				Unclassified Plan			
	Investment Return		Salary Increases		Investment Return		Salary Increases	
	Actual	Assumed	Actual	Assumed	Actual	Assumed	Actual	Assumed
9/30/1989	11.6 %	8.0 %	1.9 %	6.0 %	14.6 %	8.0 %	3.2 %	6.0 %
9/30/1990	7.3	8.5	7.5	6.0	(2.3)	8.0	12.3	6.0
9/30/1991	8.1	8.5	3.0	6.0	21.6	8.5	3.4	6.0
9/30/1992	13.7	8.5	2.0 *	6.0	5.8	9.0	2.4	6.0
9/30/1993	11.4	8.5	3.1	6.0	14.1	9.0	6.3	6.0
9/30/1994	6.8	8.5	3.9	6.0	4.8	9.0	6.0	6.0
9/30/1995	11.4	8.5	8.8	6.0	24.1	9.0	7.6	6.0
9/30/1996	15.3	8.5	4.2	6.0	13.9	9.0	8.6	6.0
9/30/1997	13.8	8.5	6.0	6.0	19.1	9.0	7.4	6.0
9/30/1998	12.5	8.5	5.0	6.0	4.3	9.0	4.1	6.0
9/30/1999	14.4	8.5	7.3	6.0	18.8	9.0	7.1	6.0
9/30/2000	10.7	8.5	6.7	6.0	16.5	9.0	6.7	6.0
9/30/2001	7.2	8.5	9.3	6.0	9.7	9.0	7.0	6.0
9/30/2002	0.3	8.5	8.9	6.0	1.7	9.0	9.2	6.0
9/30/2003	4.3	8.5	8.1	6.0	4.6	9.0	7.5	6.0
9/30/2004	4.1	8.5	3.1	6.0	9.7	9.0	5.7	6.0
9/30/2005	4.4	8.5	4.7	6.0	10.7	9.0	6.8	6.0
9/30/2006	7.7	8.5	11.9	6.0	10.2	8.75	7.9	6.0
9/30/2007 **	12.0	8.75	(3.6)	6.0	NA	NA	NA	NA
Averages	9.2 %	---	5.3 %	---	11.0 %	---	6.6 %	---

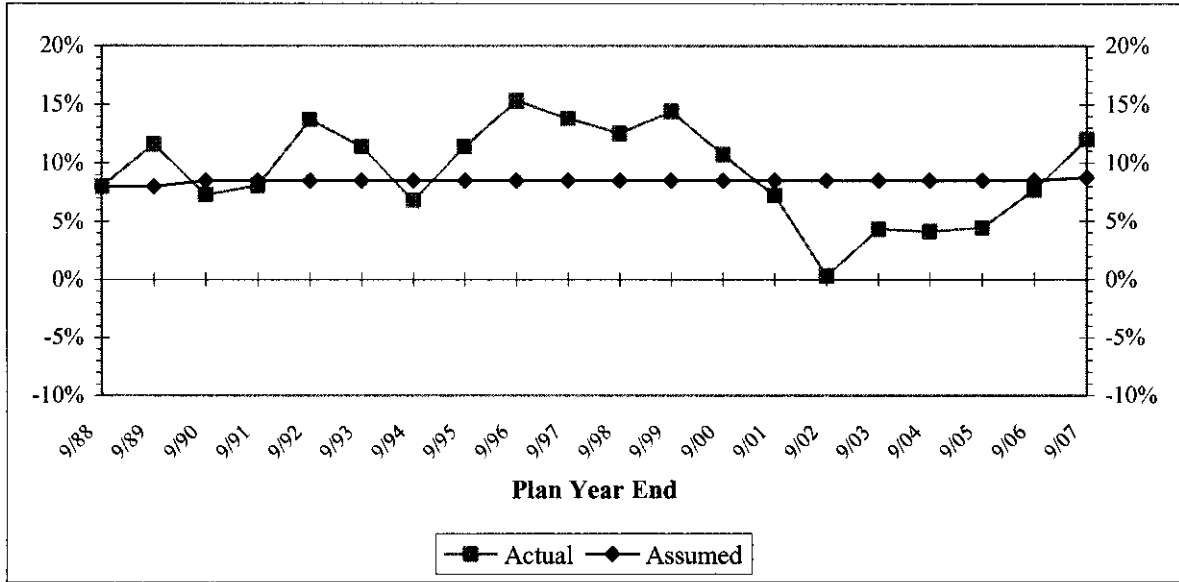
* Approximate rate

** Represents salary increases and investment return for the total group

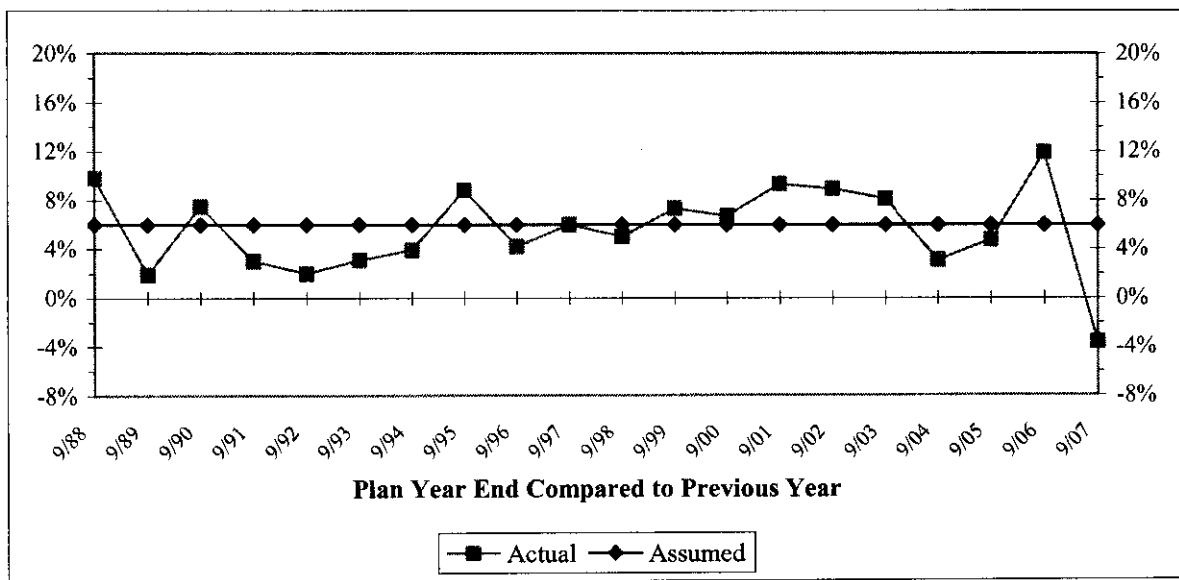
Note: Figures before 1992 were taken from Reports of Buck Consultants.

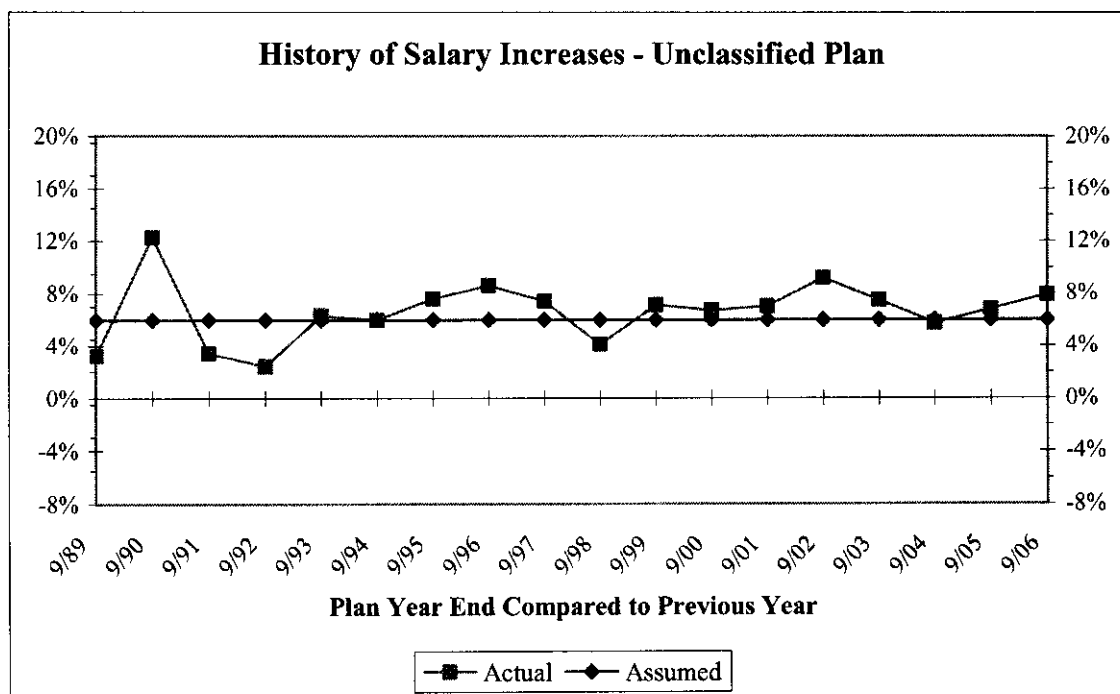
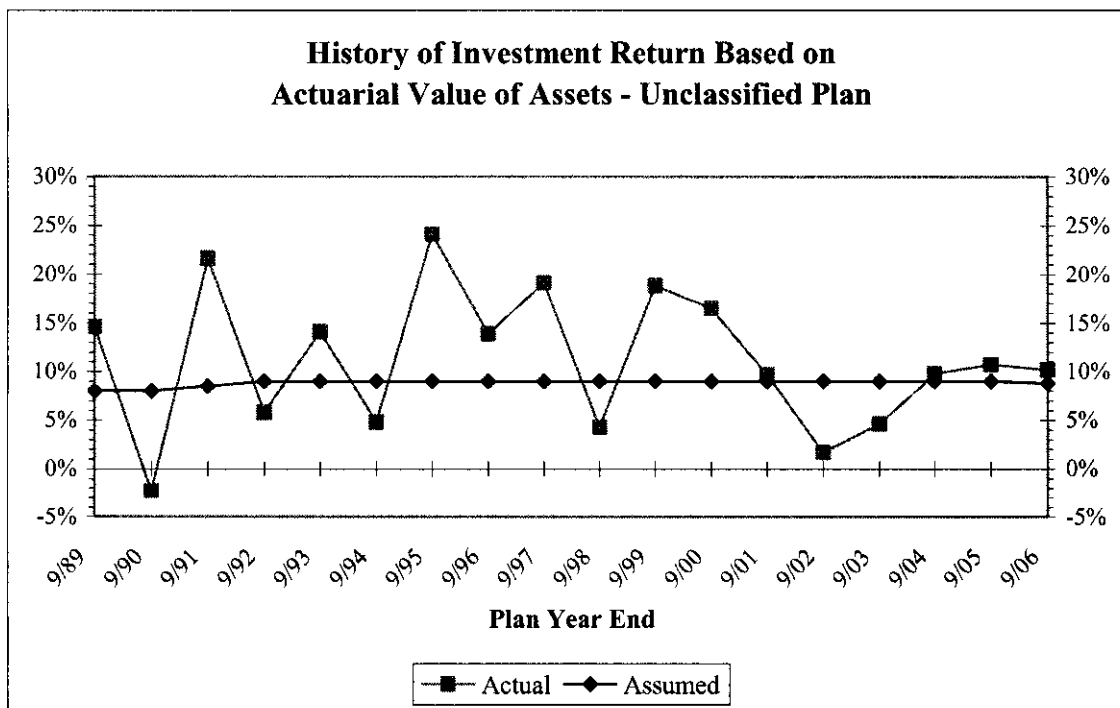
The actual investment return rates shown above are based on the actuarial value of assets. The actual salary increase rates shown above are the increases received by those active members who were included in the actuarial valuation both at the beginning and the end of each period. The exhibits that follow illustrate the table above in graphic form.

**History of Investment Return Based
on Actuarial Value of Assets - General Plan
and Combined Plan After 2006**



**History of Salary Increases - General Plan
and Combined Plan After 2006**





Actual (A) Compared to Expected (E) Decrements Among Active Employees													
Year Ended	Number Added During Year		Service & DROP Retirement		Disability Retirement		Death		Terminations				Active Members End of Year
	A	E	A	E	A	E	A	E	Vested		Other		
									A	E	A	E	
9/30/2003	109	46	20	40	0	3	2	1	15	9	24	33	714
9/30/2004	65	54	24	37	2	3	1	1	18	9	27	35	725
9/30/2005	73	62	16	43	2	3	2	1	23	19	42	37	736
9/30/2006 *	357	75	40	40	0	3	1	1	21	13	34	37	1,018
9/30/2007	149	106	40	86	2	3	1	2	17	46	63	49	1,061
9/30/2008				92		3		2				61	
5 Yr Totals **	753	343	140	246	6	15	7	6	94	96	190	191	

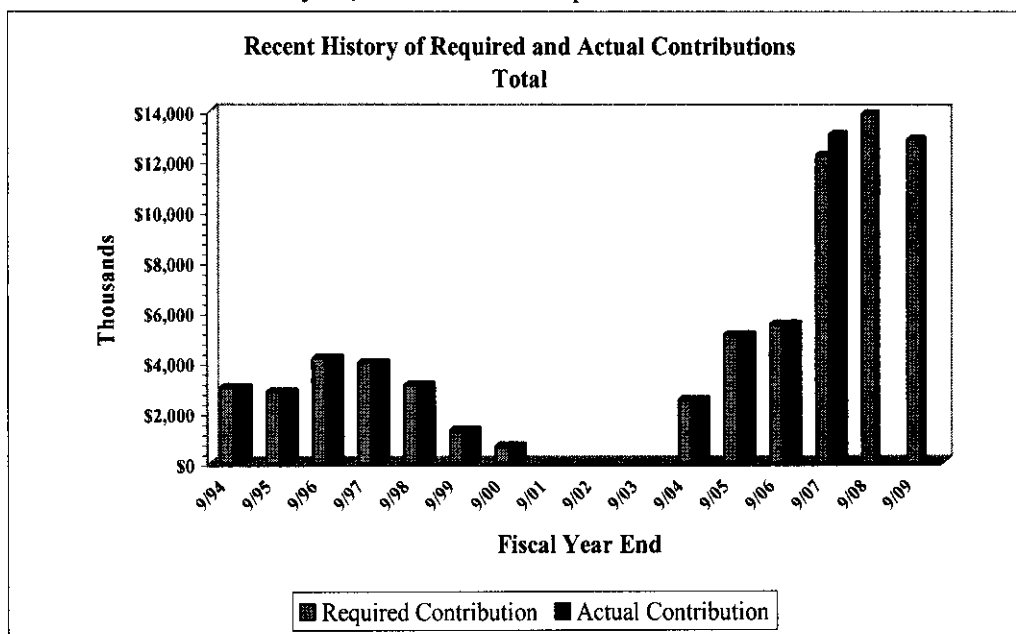
* Includes 401a transfers

** Totals are through current Plan Year only

RECENT HISTORY OF CONTRIBUTIONS

RECENT HISTORY OF REQUIRED AND ACTUAL CONTRIBUTIONS			
Valuation	End of Year To Which Valuation Applies	Required Contribution	Actual Contribution
		Amount	
10/1/92	9/30/94	\$ 3,004,556	\$ 3,004,556
10/1/93	9/30/95	2,809,509	2,809,509
10/1/94	9/30/96	4,151,807	4,151,807
10/1/95	9/30/97	3,982,477	3,982,477
10/1/96	9/30/98	3,091,359	3,091,359
10/1/97	9/30/99	1,293,920	1,293,920
10/1/98	9/30/00	666,897	666,897
10/1/99	9/30/01	-	-
10/1/00	9/30/02	-	-
10/1/01	9/30/03	-	-
10/1/02	9/30/04	2,476,702	2,476,702
10/1/03	9/30/05	5,082,595	5,082,595
10/1/04	9/30/06	5,500,329	5,500,329
10/1/05	9/30/07	12,234,519 *	13,053,231
10/1/06	9/30/08	13,911,545	NA
10/1/07	9/30/09	12,863,823	NA

* From February 28, 2006 Actuarial Impact Statement



ACTUARIAL ASSUMPTIONS AND COST METHOD

A. Cost Method	
1. Funding	Entry Age Actuarial Cost Method.
2. Accumulated Benefit Obligation	Accrued Benefit Method
B. Investment Earnings*	8.65% per year, compounded annually; net rate after investment related expenses. The assumption for each of the next five valuations will be 8.50%, 8.35%, 8.25%, 8.15% and 8.00%, respectively.
C. Salary Increases*	6% per year up to the assumed retirement age.
D. Inflation	4% per year.
E. Retirement Age	See Table below for rates of retirement.
F. Turnover Rates	See Table below.
G. Mortality Rates	1983 Group Annuity Mortality Tables for males and females; for those who have terminated employment before 10/1/93, rates are based on the group's own experience; see Table below.
H. Disability	
1. Rates	See Table below.
2. Percent Service Connected	50%
3. Mortality	Regular rates set ahead five years.
I. Asset Value	The actuarial value of assets was partially written up to the market value of assets as of October 1, 2007. Going forward, the actuarial value of assets will be based on the difference between the actual and expected return recognized over 5 years; see later page for details.
J. Administrative Expenses	Non-investment related expenses are assumed to be the average of such expenses over the last two years.
K. Increase in Covered Payroll	NA
L. Cost of Living Increase	2.5% per year.
M. Changes Since Last Valuation	The investment return assumption was reduced from 8.75% per year to 8.65% per year. The actuarial value of assets was partially fresh-started to \$412,824,235.

* Including inflation

Age	Annual Rate of					
	Mortality		Turnover	Disability	Retirement*	
	Male	Female			Group A	Group B
25	0.05%	0.03%	14.6%	0.07%	NA	NA
30	0.06	0.03	7.8	0.08	NA	NA
35	0.09	0.05	5.7	0.13	NA	NA
40	0.12	0.07	4.7	0.20	NA	NA
45	0.22	0.10	3.3	0.31	NA	NA
50	0.39	0.16	2.1	0.46	30.0%	5.0%
55	0.61	0.25	1.1	0.64	12.0	5.0
60	0.92	0.42	0.4	1.04	20.0	60.0
65	1.56	0.71	NA	NA	100.0	100.0
70	2.75	1.24	NA	NA	NA	NA
75	4.46	2.40	NA	NA	NA	NA
80	7.41	4.29	NA	NA	NA	NA
85	11.48	6.99	NA	NA	NA	NA
90	16.63	11.18	NA	NA	NA	NA
95	23.41	18.24	NA	NA	NA	NA
100	31.92	29.52	NA	NA	NA	NA

* For those eligible to retire.

GLOSSARY OF TERMS

Actuarial Present Value is the value of an amount or series of amounts payable at various times, determined as of the valuation date by the application of the set of actuarial assumptions.

Actuarial Assumptions are assumptions as to the occurrence of future events affecting pension costs. The previous page outlines the Actuarial Assumptions utilized in this valuation.

Actuarial Cost Method is a procedure for determining the Actuarial Present Value of pension plan benefits and for developing an actuarially equivalent allocation of such value to time periods, usually in the form of a Normal Cost and Actuarial Accrued Liability.

Entry Age Actuarial Cost Method is a method under which the current year's cost, or Normal Cost, is calculated for each individual. This Normal Cost is the amount, determined as a level percentage of pay, which if deposited each year from the time an employee was first included in the actuarial valuation (or would have been had the plan been in effect) until retirement, would fully fund his or her benefit.

Entry Age Actuarial Accrued Liability at any given time is equal to the Actuarial Present Value of Projected Benefits minus the Actuarial Present Value of future Normal Costs. Under the Entry Age Actuarial Cost Method, experience gains (losses) reduce (increase) the Actuarial Accrued Liability. Increases or decreases in the Actuarial Accrued Liability will also occur as a result of changes in pension plan benefits, actuarial assumptions, or asset value methods.

Unfunded Actuarial Accrued Liability is the Actuarial Accrued Liability, less assets.

SECTION C

PENSION FUND INFORMATION

SUMMARY OF ASSETS		
	9/30/2007	9/30/2006
Cash and Securities - Market Value		
Cash and Equivalents	\$ 6,360,027	\$ 6,624,539
Treasury and Agency Bonds & Notes	13,495,275	19,130,130
Corporate Bonds	26,606,172	37,278,261
Common Stocks	51,670,353	43,342,562
Domestic Equity Funds	196,096,047	172,495,867
Domestic Bond Funds	90,745,990	64,550,497
State of Israel Bond	250,000	250,000
International Equity Funds	43,955,256	31,655,432
Total	<u>429,179,120</u>	<u>375,327,288</u>
Receivables and Accruals		
State Contribution	-	-
Member Contribution	-	-
Employer Contribution	209,672	-
Interest and Dividends	533,599	491,916
Other	313,734	3,546,066 *
Total	<u>1,057,005</u>	<u>4,037,982</u>
Payables		
Benefits	-	-
Refunds	-	-
Expenses	78,311	-
Other	437,129	1,329,285
Total	<u>515,440</u>	<u>1,329,285</u>
Net Assets - Market Value	429,720,685	378,035,985

* Received from 401A Plan transfers after 9/30/06

PENSION FUND INCOME AND DISBURSEMENTS		
	Year Ending 9/30/2007	Year Ending 9/30/2006
Market Value at Beginning of Period	\$ 378,035,985	\$ 346,845,205
Income		
Member Contributions	7,927,173	24,406,697 *
Employer Contributions	13,053,231	5,500,329
Library/Metro Dade Contributions	11,146	4,660
Investments - Interest and Dividends	5,559,442	4,298,634
Investments - Gains (Losses)	<u>52,758,436</u>	<u>21,667,566</u>
Total Investment Earnings	58,317,878	25,966,200
Total Income	79,309,428	55,877,886
Disbursements		
Monthly Benefit Payments	25,589,393	23,105,121
Lump Sum Distributions	0	0
Refund of Contributions	611,742	309,286
Investment Related Expenses	781,776	755,105
Other Administrative Expenses	641,817	517,594
Insurance Premiums	0	0
Transfers to Other Systems	<u>0</u>	<u>0</u>
Total Disbursements	27,624,728	24,687,106
Net Increase During Period	51,684,700	31,190,780
Market Value at End of Period	429,720,685	378,035,985

* \$ 4,415,806 regular contributions
+ 1,037,494 buy-back contributions
+ 18,916,786 "migration" contributions
+ 36,611 probation buy-backs
24,406,697

ACTUARIAL VALUE OF ASSETS

	Year Ending September 30	
	2007	2006
A. Beginning of Year Assets		
1. Market Value	\$ 378,035,985	\$ 346,845,203
2. Actuarial Value	358,458,949	325,727,087
B. Net of Contributions Less Disbursements*	(5,851,402)	(13,974,595)
C. Actual Net Investment Earnings*	57,536,102	25,211,097
D. Expected Investment Earnings*	31,109,159	27,314,073
E. Excess of Actual Over Expected Investment Earnings: C - D	26,426,943	(2,102,976)
F. Recognition of Excess Earnings Over 5 Years		
1. From This Year	5,285,389	(420,595)
2. From One Year Ago	(420,595)	2,616,059
3. From Two Years Ago	2,616,059	1,431,635
4. From Three Years Ago	1,431,635	2,739,889
5. From Four Years Ago	2,739,889	(6,928,884)
6. Total	11,652,377	(561,896)
G. 401A Plan Transfers	NA	19,954,280
H. End of Year Assets (Before Revision)		
1. Market Value	429,720,685	378,035,985
2. Actuarial Value: A2 + B + D + F6 + G	395,369,083	358,458,949
3. Final Actuarial Value Within 80% to 120% of Market Value	395,369,083	358,458,949
I. Partial Write Up	17,455,152	NA
J. End of Year Assets After Write Up	412,824,235	NA

* Net of Investment Related Expenses

INVESTMENT RATE OF RETURN

Year Ended	General Plan **		Unclassified Plan	
	Market Value	Actuarial Value	Market Value	Actuarial Value
9/30/89	NA %	11.6 %	14.6 %	14.6 %
9/30/90	NA	7.3	(2.3)	(2.3)
9/30/91	NA	8.1	21.6	21.6
9/30/92	12.2	13.7	5.8	5.8
9/30/93	14.6	11.4	14.6	14.1
9/30/94	1.4	6.8	5.3	4.8
9/30/95	20.0	11.4	25.9	24.1
9/30/96	9.8	15.3	22.7	13.9
9/30/97	23.0	13.8	35.2	19.1
9/30/98	8.4	12.5	(0.3)	4.3
9/30/99	13.1	14.4	19.1	18.8
9/30/00	10.8	10.7	11.5	16.5
9/30/01	(7.4)	7.2	(8.1)	9.7
9/30/02	(5.9)	0.3	(9.8)	1.7
9/30/03	17.4	4.3	16.9	4.6
9/30/04	11.4	4.1	13.0	9.7
9/30/05	12.8	4.4	13.8	10.7
9/30/06	7.4 *	7.7	7.5 *	10.2 *
9/30/07	15.3	12.0	NA	NA
Average Compounded Rate of Return for Number of Years Shown	10.0 %	9.2 %	10.9 %	11.0 %
Average Compounded Rate of Return for Last 5 Years	12.8 %	6.5 %	NA	NA

* Note: Effective 10/1/06, the former General and Unclassified Plans were merged and assets were combined. Investment returns after this date are for the total group.

** Combined Plan after 2006

SECTION D

FINANCIAL ACCOUNTING INFORMATION

FASB NO. 35 INFORMATION		
A. Valuation Date	October 1, 2007	October 1, 2006
B. Actuarial Present Value of Accumulated Plan Benefits		
1. Vested Benefits		
a. Members Currently Receiving Payments	\$ 278,039,364	\$ 253,910,952
b. Terminated Vested Members	9,500,862	7,861,881
c. Other Members	138,395,883	128,486,269
d. Total	<u>425,936,109</u>	<u>390,259,102</u>
2. Non-Vested Benefits	6,360,341	5,472,251
3. Total Actuarial Present Value of Accumulated Plan Benefits: 1d + 2	432,296,450	395,731,353
4. Accumulated Contributions of Active Members	50,696,622	48,659,416
C. Changes in the Actuarial Present Value of Accumulated Plan Benefits		
1. Total Value at Beginning of Year	395,731,353	332,038,247
2. Increase (Decrease) During the Period Attributable to:		
a. Plan Amendment	0	41,085,601
b. Change in Actuarial Assumptions	4,457,370	0
c. Latest Member Data, Benefits Accumulated and Decrease in the Discount Period	58,308,862	46,021,912
d. Benefits Paid	<u>(26,201,135)</u>	<u>(23,414,407)</u>
e. Net Increase	36,565,097	63,693,106
3. Total Value at End of Period	432,296,450	395,731,353
D. Market Value of Assets	429,720,685	378,035,985
E. Actuarial Assumptions - See page entitled Actuarial Assumptions and Methods		

SCHEDULE OF FUNDING PROGRESS
(GASB Statement No. 25)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b) - (a)	Funded Ratio (a) / (b)	Covered Payroll (c)	UAAL As % of Covered Payroll (b - a) / c
10/1/1993	\$ 185,721,855	\$ 187,130,465	\$ 1,408,610	99.2 %	\$ 21,094,111	6.7 %
10/1/1994	188,997,087	202,078,377	13,081,290	93.5	21,944,531	59.6
10/1/1995	208,877,297	213,844,465	4,967,168	97.7	23,461,309	21.2
10/1/1996	226,633,680	222,221,064	(4,412,616)	102.0	25,148,361	(17.5)
10/1/1997	251,171,973	232,871,332	(18,300,641)	107.9	25,939,981	(70.5)
10/1/1998	266,716,007	240,760,472	(25,955,535)	110.8	25,070,334	(103.5)
10/1/1999	305,344,213	263,462,059	(41,882,154)	115.9	25,418,614	(164.8)
10/1/2000	326,816,322	277,933,325	(48,882,997)	117.6	25,889,403	(188.8)
10/1/2001	336,024,366	292,748,088	(43,276,278)	114.8	27,664,085	(156.4)
10/1/2002	322,181,146	319,831,292	(2,349,854)	100.7	30,350,644	(7.7)
10/1/2003	320,053,468	338,904,200	18,850,732	94.4	34,488,630	54.7
10/1/2004	320,735,755	352,105,058	31,369,303	91.1	34,619,199	90.6
10/1/2005	325,727,087	368,096,409	42,369,322	88.5	36,680,110	115.5
10/1/2006 (b)	338,504,669	394,231,589	55,726,920	85.9	40,113,847	138.9
10/1/2006 (a)	358,458,949	448,933,278	90,474,329	79.8	57,390,894	157.6
10/1/2007 (b)	395,369,083	472,756,431	77,387,348	83.6	59,632,425	129.8
10/1/2007 (a)	412,824,235	478,067,829	65,243,594	86.4	59,632,425	109.4

(a) After Changes
(b) Before Changes

SCHEDULE OF EMPLOYER CONTRIBUTIONS

(GASB Statement No. 25)

Year Ended September 30	Annual Required Contribution	Actual Contribution	Percentage Contributed
1994	\$ 3,004,556	\$ 3,004,556	100.0 %
1995	2,809,509	2,809,509	100.0
1996	4,151,807	4,151,807	100.0
1997	3,982,477	3,982,477	100.0
1998	3,091,359	3,091,359	100.0
1999	1,293,920	1,293,920	100.0
2000	666,897	666,897	100.0
2001	0	0	NA
2002	0	0	NA
2003	0	0	NA
2004	2,476,702	2,476,702	100.0
2005	5,082,595	5,082,595	100.0
2006	5,500,329	5,500,329	100.0
2007	12,234,519 *	13,053,231	106.7

* From February 28, 2006 Actuarial Impact Statement

SECTION E
MISCELLANEOUS INFORMATION

RECONCILIATION OF MEMBERSHIP DATA		
	From 10/1/06 To 10/1/07	From 10/1/05 To 10/1/06
A. Active Members		
1. Number Included in Last Valuation	1,018	736
2. New Members Included in Current Valuation	149	82
3. Employment Terminations	(55)	(28)
4. Service Retirements	(40)	(42)
5. Disability Retirements	(2)	0
6. Deaths	(1)	(1)
7. Other - Transfers Out and Data Adjustments	(8)	(4)
8. 401A Transfers	<u>N/A</u>	<u>275</u>
9. Number Included in This Valuation	1,061	1,018
B. Terminated Vested Members		
1. Number Included in Last Valuation	64	64
2. Additions from Active Members	17	4
3. Lump Sum Payments/Refund of Contributions	(4)	(1)
4. Payments Commenced	(4)	(3)
5. Deaths	0	0
6. Other - Data Adjustments	<u>(3)</u>	<u>0</u>
7. Number Included in This Valuation	70	64
C. Service Retirees, Disability Retirees and Beneficiaries		
1. Number Included in Last Valuation	995	978
2. Additions from Active Members	42	42
3. Additions from Terminated Vested Members	4	3
4. Deaths Resulting in No Further Payments	(41)	(29)
5. Deaths Resulting in New Survivor Benefits	2	1
6. End of Certain Period - No Further Payments	(1)	0
7. Other -- Lump Sum Distributions	<u>0</u>	<u>0</u>
8. Number Included in This Valuation	1,001	995

MIAMI BEACH EMPLOYEES' RETIREMENT PLAN - ACTIVE MEMBERS ON OCTOBER 1, 2007

Age Group	Years of Service							Totals
	0-4	5-9	10-14	15-19	20-24	25-29	30 & Up	
20-24	35							
Total Pay	1,090,581							
Avg Pay	31,159							
25-29	65	10						75
Total Pay	2,334,909	393,753						2,728,662
Avg Pay	35,922	39,375						36,382
30-34	65	33	6					104
Total Pay	2,793,358	1,611,780	247,846					4,652,984
Avg Pay	42,975	48,842	41,308					44,740
35-39	61	49	29	2				141
Total Pay	2,843,364	2,656,089	1,728,052	130,262				7,357,767
Avg Pay	46,613	54,206	59,588	65,131				52,183
40-44	49	52	46	25	6	1		179
Total Pay	2,630,398	2,948,500	2,684,771	1,578,661	354,623	54,427		10,251,380
Avg Pay	53,682	56,702	58,365	63,146	59,104	54,427		57,270
45-49	61	54	39	21	26	19		220
Total Pay	3,220,705	2,854,828	2,335,828	1,260,134	2,023,002	1,435,164		13,129,661
Avg Pay	52,798	52,867	59,893	60,006	77,808	75,535		59,680
50-54	22	31	31	11	17	6		118
Total Pay	1,056,506	1,551,033	1,878,242	725,345	1,345,564	373,154		6,929,844
Avg Pay	48,023	50,033	60,588	65,940	79,151	62,192		58,727
55-59	25	21	30	7	13	2		98
Total Pay	1,469,697	1,226,542	2,417,066	578,681	841,027	88,908		6,621,921
Avg Pay	58,788	58,407	80,569	82,669	64,694	44,454		67,571
60-64	14	16	16	13	4	3		66
Total Pay	625,685	715,092	979,996	895,478	212,042	251,267		3,679,560
Avg Pay	44,692	44,693	61,250	68,883	53,011	83,756		55,751
65-99	4	4	9	7	1			25
Total Pay	232,662	132,302	546,758	436,982	104,494			1,453,198
Avg Pay	58,166	33,076	60,751	62,426	104,494			58,128
Total No.	401	270	206	86	67	31		1,061
Total Pay	18,297,865	14,089,919	12,818,559	5,605,543	4,880,752	2,202,920		57,895,558
Avg Pay	45,631	52,185	62,226	65,181	72,847	71,062		54,567

INACTIVE MEMBERS ON OCTOBER 1, 2007

Age	Terminated Vested		Disabled		Retirees & Beneficiaries		Grand Total	
	No.	Annual Benefits	No.	Annual Benefits	No.	Annual Benefits	No.	Annual Benefits
Under 45	27	\$ 292,968	1	\$ 27,006	7	\$ 104,342	35	\$ 424,316
45-49	33	666,390	3	82,246	8	409,490	44	1,158,126
50-54	7	46,211	5	106,044	66	2,797,258	78	2,949,513
55-59	3	42,991	5	108,823	133	4,985,374	141	5,137,188
60-64	0	-	7	212,490	126	4,370,788	133	4,583,278
65-69	0	-	2	52,269	117	3,116,307	119	3,168,576
70-74	0	-	5	76,442	142	3,268,027	147	3,344,469
75-79	0	-	4	51,440	131	2,646,313	135	2,697,753
80-84	0	-	7	113,646	114	2,142,557	121	2,256,203
85-89	0	-	3	35,937	82	1,203,748	85	1,239,685
90 & Up	0	-			33	353,371	33	353,371
Total	70	\$ 1,048,560	42	\$ 866,343	959	\$ 25,397,575	1,071	\$ 27,312,478

SECTION F
SUMMARY OF PLAN PROVISIONS

SUMMARY OF PLAN PROVISIONS

Effective Date

March 8, 2006 under Ordinance No. 2006-3504, whereby the former General and Unclassified Plans merge to form the Miami Beach Employees' Retirement Plan

Eligibility

Each general employee who works more than 30 hours per week is eligible for membership on his date of employment

Creditable Service

Service credited under the predecessor system plus service after such date with respect to which member contributions are made.

Earnings

For each person who becomes a member after the Second Tier Date, base pay including longevity, but excluding overtime, shift differential or extra compensation allowances. For each person who became a member before the Second Tier Date, actual salary or wages received. Earnings do not include lump sum payments of unused sick or vacation time. Overtime pay for Tier A members is limited to 10% of regular pay.

Second Tier Date

April 30, 1993 for members of AFSCME; August 1, 1993 for those classified as "Other"; and February 21, 1994 for members of MBEBA; October 18, 1992 for Unclassified members.

Final Average Monthly Earnings (FAME)

One-twelfth of average annual Earnings during the two highest paid years of Creditable Service, not less than the average monthly earnings for the 12 months prior to the effective date for Unclassified Tier A members

Normal Retirement

Eligibility	Age 50 and five years of Creditable Service for those in Tier A. Age 55 and five years of Creditable Service for those in Tier B.
Benefit	3% of FAME multiplied years of Creditable Service with the total not to exceed 80% of FAME. There is a 90% cap for certain Tier A members.
Form of Benefit	50% joint and survivor annuity payable only to the spouse or, if no spouse, to the surviving children until age 21; other options are also available. Spouse's benefits cease upon remarriage.

Early Retirement

Eligibility	Tier B members of the General Plan whose total of age plus service is 75, not earlier than age 50.
Benefit	Accrued pension actuarially reduced for number of years by which Early Retirement Date precedes Normal Retirement Date.

Delayed Retirement

Eligibility	Any time after the Normal Retirement Date.
Benefit	Calculated in the same manner as the Normal Retirement Benefit but using the FAME and Creditable Service as of the actual retirement date.

Disability Benefits

Eligibility	A total and permanent disability which renders a member incapacitated, mentally or physically, for the further performance of duty. Five years of Creditable Service is also required unless the disability is service-connected.
Benefit	<p>Ordinary Disability: Accrued retirement benefit, without reduction, with a minimum of 35% of FAME.</p> <p>Service-Connected Disability: Accrued retirement benefit without reduction, with a minimum of 65% of FAME; 75% of FAME minimum for General Tier A members.</p> <p>Such amounts are reduced by workers' compensation benefits and, in certain cases, earned income will be considered in offsetting the benefit. The period of disability shall be included in Creditable Service for purposes of computing normal retirement benefits when a disability retiree reaches normal retirement age.</p>

Preretirement Death Benefits

For a member who has at least three years of Creditable Service but who dies before commencement of retirement benefits, a monthly benefit is payable to the spouse or, if no spouse, to the children until age 21. The benefit is equal to 50% of the accrued normal retirement benefit without reduction with the result being a minimum of 30% of FAME and a maximum of 40% of FAME for General members.

Termination Benefits

Any member who terminates employment and does not request a refund of his own contributions and has completed at least five years of Creditable Service will be eligible to receive his accrued benefit upon reaching his normal retirement age.

Post Retirement Adjustments

Retirees receive a 2.5% increase each year.

Contributions

Tier A Members 10% of Earnings.

Tier B Members 8% of Earnings.

Employees who have reached the applicable benefit accrual cap (90% for General Tier A employees and 80% for all others) but have not yet reached retirement age will continue to contribute to the pension Plan, but only on the amount by which pay increases after reaching the cap

From the City The amount necessary to fund the Plan properly according to the Plan's actuary.

Changes Since Last Valuation

None