

**TOWN OF BAY HARBOR  
ISLANDS**

**MORRIS N. BROAD  
COMMUNITY CENTER  
1175 95<sup>TH</sup> STREET  
BAY HARBOR ISLANDS,  
FLORIDA 33154**

**Employees Retirement System  
Board of Trustees Meeting Agenda**

**May 14, 2025**

**6:00 P.M.**

CALL TO ORDER: Set for approximately 6:00 p.m.

PLEDGE OF ALLEGIANCE

ROLL CALL

1. Administration of Oath of Office to newly appointed Town Manager Lindsley Noel as Treasurer of the Board of Trustees per Section 16-62 of the Town Code.
2. Administration of Oath of Office to new Board Member Captain Alan Castellanos, Police Representative.
3. Election of a Board Secretary pursuant to Section 16.62 of the Town Code.
4. Discussion and approval of Summary of Plan Description (SPD) Report by Pedro A. Herrera, Pension Attorney Sugarman Susskind Braswell & Herrera.
5. Discussion and approval of the Actuarial Valuation Reports as of 10/01/2024 for the Town of Bay Harbor Islands' Retirement System (General Employees and Police Officers), which determine the contributions for the 2025/26 Fiscal Year. Mr. Chuck Carr of Southern Actuarial Services will be presenting the Actuarial Valuation remotely. Enclosed are the Actuarial Valuation Reports.
6. Discussion and Possible action regarding the feasibility of implementing an early retirement option specifically for police classification employees (both union and non-union), with actuarial analysis based on 20 years of service.

7. Presentation of the financial statements of the Town of Bay Harbor Islands Employees' Retirement Systems as of and for the Fiscal Year ended September 30, 2024. Moises D. Ariza and/or Hermes Garzon of CBIZ will present the item.
8. Consideration and approval of Southern Actuarial Services' preparation of the quarterly statement for the Bay Harbor Islands Employee Retirement System Deferred Retirement Option Plan (DROP).
9. In accordance with the FMPTF Investment Policy, the Pension Board is tasked with electing the appropriate allocation of plan assets. The Board may choose an equity-to-fixed income allocation ratio from the following options:

**50% Equities / 50% Fixed Income**

**60% Equities / 40% Fixed Income**

**70% Equities / 30% Fixed Income**

This selection will guide the investment strategy moving forward.

**CONSENT AGENDA** (Items of a routine nature; any Board member may request separate consideration of any item on the consent agenda):

10. **REGULAR INVOICE:**  
Approval of payment of \$575 to Sugarman, Susskind, Braswell & Herrera for professional services, a copy of invoice #184025 dated 01/10/24 is attached.
11. **REGULAR INVOICE:**  
Approval of payment of \$600 to Sugarman, Susskind, Braswell & Herrera for professional services, a copy of invoice #185016 dated 02/08/24 is attached.
12. **REGULAR QUARTERLY INVOICE:**  
Approval of payment of \$941.58 to Glovista Investments for professional services for the First Quarter of 2024. A copy of invoice #glsc02a1qu2024 dated 03/31/24 is attached.
13. **REGULAR INVOICE:**  
Approval of payment of \$1,000 to Sugarman, Susskind, Braswell & Herrera for professional services, a copy of invoice #18957 dated 08/14/24 is attached.
14. **REGULAR INVOICE:**  
Approval of payment of \$800 to Sugarman, Susskind, Braswell & Herrera for professional services, a copy of invoice #190259 dated 09/06/24 is attached.
15. **REGULAR QUARTERLY INVOICE:**  
Approval of payment of \$5,398.58 to Garcia Hamilton & Associates for portfolio valuation services from 10/01/24- 12/31/24. A copy of invoice #40839 dated 01/03/2025 is attached.

16. **REGULAR QUARTERLY INVOICE:**  
Approval of payment of \$5,457.91 to Garcia Hamilton & Associates for portfolio valuation services from 01/01/25- 03/31/25. A copy of invoice #41172 dated 04/03/25 is attached.
17. **REGULAR QUARTERLY INVOICE:**  
Approval of payment of \$3,956.00 to Salem Trust from 01/01/25-3/31/25. A copy of the quarterly invoice dated 04/15/2025 is attached.
18. **REGULAR QUARTERLY INVOICE:**  
Approval of payment of \$2,299.50 to Highland Capital Management, LLC for professional services for the 1st Quarter of 2025. A copy of invoice #39124 dated 04/25/2025 is attached.
19. **FINAL INVOICE:**  
Approval of payment of \$4,125.00 to DAHAB Associates Inc. for consulting services period 01/01/2025-03/31/2025. Copy of invoice #BH0325 dated January 1st, 2025 attached.
20. **REGULAR QUARTERLY INVOICE:**  
Approval of payment of \$324.90 to Glovista Investments for professional services for the 2nd Quarter of 2024. A copy of invoice #glsc02a2qu2024 dated 04/30/24 is attached.
21. **REGULAR INVOICE:**  
Approval of payment of \$750 to Sugarman, Susskind, Braswell & Herrera for professional services, a copy of invoice #195643 dated 04/08/2025 is attached.
22. Ratification of the approval for an early retirement withdrawal for Cynthia Garcia-Lima in the amount of \$3,491.85. Enclosed are a detailed benefit calculation and a copy of the Application for Lump Sum Distribution Request for your review.
23. Ratification of the approval for an early retirement withdrawal for Nicole Blanco in the amount of \$13,706.67. Enclosed are a detailed benefit calculation and a copy of the Application for Lump Sum Distribution Request for your review.
24. Ratification of the approval for an early retirement withdrawal for Michel Mesa in the amount of \$56,723.31. Enclosed for your review are the detailed benefit calculation and a copy of the Application for Lump Sum Distribution Request.
25. Approval of Minutes:
  1. Retirement Board Meeting - January 29, 2025
  2. Retirement Board Meeting - March 24, 2025

**END OF CONSENT AGENDA**

**ADJOURNMENT**

**AGENDA ITEM REPORT**

May 14, 2025

**ITEM NUMBER: 1.**

**ITEM:** Administration of Oath of Office to newly appointed Town Manager Lindsley Noel as Treasurer of the Board of Trustees per Section 16-62 of the Town Code.

**DESCRIPTION:**

Lindsley Noel served on the Board of Trustees of the Employee Retirement System as police representative and secretary. Upon his promotion to Town Manager, he will be sworn in as the Treasurer of the Board of Trustees pursuant to Section 16-62 of the Town Code.

**RECOMMENDED ACTION:**

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**FINANCIAL ANALYSIS:**

No Financial Impact.

**BUDGET IMPACT:**

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Submitted By: Sandra Siefken, Finance Director

**ATTACHMENTS**

None

**AGENDA ITEM REPORT**

May 14, 2025

**ITEM NUMBER: 2.**

**ITEM:** Administration of Oath of Office to new Board Member Captain Alan Castellanos, Police Representative.

**DESCRIPTION:**

An election was scheduled to fill the vacancy of police representative on the Board of Trustees of the Employees Retirement System that was held by former Chief Lindsley Noel, who was promoted to Town Manager. The required notification was provided via email and posted on bulletin boards. The deadline was set for April 30<sup>th</sup> at 5:00 p.m.

Captain Alan Castellanos was the only employee who expressed an interest in filling the vacancy. Accordingly, he is automatically appointed to the Board for the 2024-2027 term.

**RECOMMENDED ACTION:**

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**FINANCIAL ANALYSIS:**

**BUDGET IMPACT:**

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Submitted By: Yvonne Hamilton, Town Clerk

**ATTACHMENTS**

None

**AGENDA ITEM REPORT**  
May 14, 2025

**ITEM NUMBER: 3.**

**ITEM:** Election of a Board Secretary pursuant to Section 16.62 of the Town Code.

**DESCRIPTION:**

Pursuant to Section 16-62 of the Town Code, the board shall elect from its members a chairman, a vice-chairman and a secretary. The town manager shall be treasurer of the retirement system and the custodian of its assets pending transfer of such assets to a regular fiscal agent for the plan if such be appointed by the board. The town attorney or such other attorney as may be selected by the board shall be the legal advisor of the board. The board may appoint an actuary who shall be the technical advisor to the board on matters regarding the operation of the retirement system. The board may appoint as medical director a physician who is not eligible to membership in the retirement system. The board may employ such additional professional and clerical services as may be required for proper operation of the retirement system. The employment of legal, professional, actuarial advisors and clerical staff shall comply with all requirements of F.S. § 185.06.

**RECOMMENDED ACTION:**

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**FINANCIAL ANALYSIS:**

**BUDGET IMPACT:**

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Submitted By: Yvonne Hamilton, Town Clerk

**ATTACHMENTS**

1. Sec. 16 62. Organization.
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**Sec. 16-62. Organization.**

The board shall elect from its members a chairman, a vice-chairman and a secretary. The town manager shall be treasurer of the retirement system and the custodian of its assets pending transfer of such assets to a regular fiscal agent for the plan if such be appointed by the board. The town attorney or such other attorney as may be selected by the board shall be the legal advisor of the board. The board may appoint an actuary who shall be the technical advisor to the board on matters regarding the operation of the retirement system. The board may appoint as medical director a physician who is not eligible to membership in the retirement system. The board may employ such additional professional and clerical services as may be required for proper operation of the retirement system. The employment of legal, professional, actuarial advisors and clerical staff shall comply with all requirements of F.S. § 185.06.

(Ord. No. 226, Art. 6, § 3, 1-12-70; Ord. No. 296, Art. 6, § 3, 3-8-76; Ord. No. 641, § 1, 2-8-99; Ord. No. 676, § 4, 12-11-00)

**AGENDA ITEM REPORT**

May 14, 2025

**ITEM NUMBER: 4.**

**ITEM:** Discussion and approval of Summary of Plan Description (SPD) Report by Pedro A. Herrera, Pension Attorney Sugarman Susskind Braswell & Herrera.

**DESCRIPTION:**

Discussion and approval of Summary of Plan Description (SPD) Report by Pedro A. Herrera, Pension Attorney Sugarman Susskind Braswell & Herrera.

**RECOMMENDED ACTION:**

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**FINANCIAL ANALYSIS:**

**BUDGET IMPACT:**

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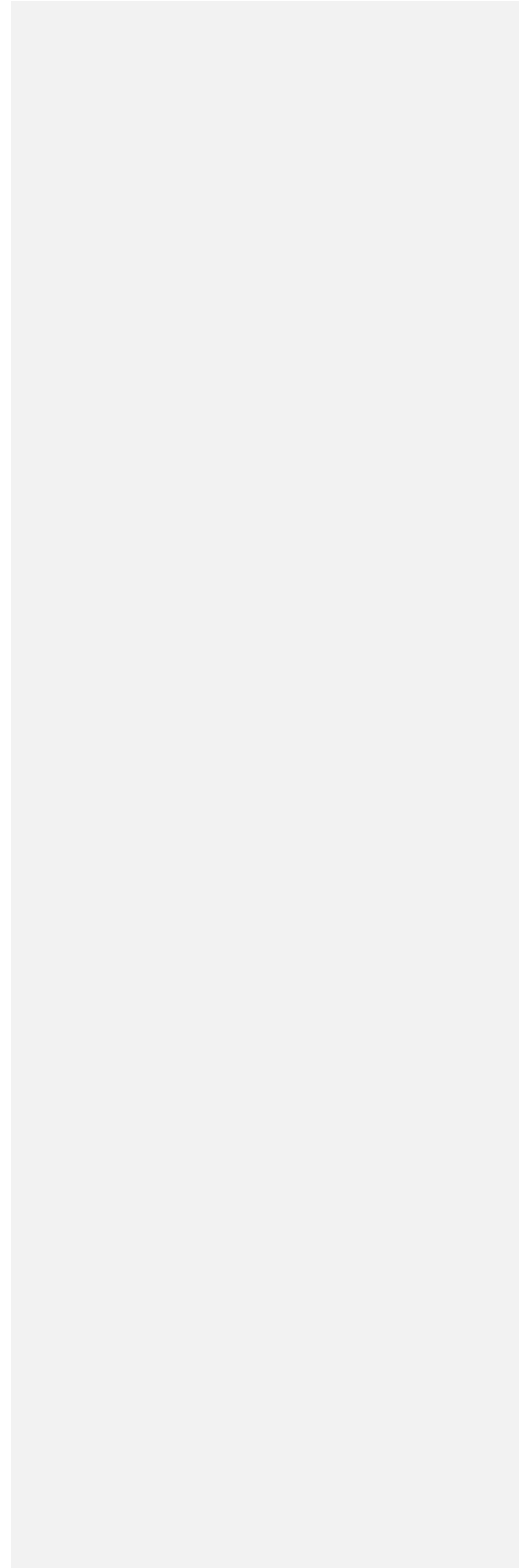
Submitted By: Sandra Siefken, Finance Director

**ATTACHMENTS**

1. 2025 Summary Plan Description Redline (Draft V1 7May2025)
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**Town of Bay Harbor Islands  
Employees Retirement System**

***Summary Plan Description***  
**As of [enter date] *October 1, 2025***



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## Town of Bay Harbor Islands Employees Retirement System

### **Introduction**

One of the most important long range goals for you and your family is to prepare for your financial security during your retirement years. The Town of Bay Harbor Islands Employees Retirement System (the "pension plan") was established to help you with this goal.

The pension plan was established as of October 1, 1969 for employees of the Town of Bay Harbor Islands. The plan has been amended several times since that date. This booklet describes the pension plan provisions which are in effect as of [\[insert adoption date\]October 1, 2016](#) and these provisions are applicable only to those members who are in active service on or after [\[insert adoption date\]October 1, 2016](#).

The Town of Bay Harbor Islands Employees Retirement System is a **defined benefit pension plan** which provides retirement benefits to eligible full-time employees who work for the Town of Bay Harbor Islands. The plan is jointly paid for by the Town, plan members, and the State of Florida (pursuant to Chapter 185, Florida Statutes), all of whom make contributions to the plan. It is important for you to note that plan members do **not** have individual accounts in the pension plan. Eligibility for benefits and the amount of those benefits are based upon a member's years of credited service, basic compensation, age at retirement, and, in some cases, amount of member contributions. Benefits may also be provided upon death on behalf of eligible members.

This booklet has been written in everyday language to summarize the benefits, rights, and obligations you have under your pension plan. While every effort has been made to accurately describe the pension plan, it is important to remember that this booklet is only a summary. In the event of any conflict between this booklet and the legal plan document, the provisions of the legal plan document will be followed. A copy of the legal plan document is available at the pension office (located at the address shown below) and you are encouraged to examine it.

We hope that you will find this information helpful. If you have any questions, please contact Mr. ~~Alan Short~~[Peter V. Kajokas](#) ~~Sandra Siefken~~ -in the finance department for assistance. The finance department is located at 9665 Bay Harbor Terrace, Bay Harbor Islands, Florida 33154, and is open during normal business hours on Monday through Friday (except holidays). The finance department can also be reached by telephone at (305) 866-6241 or by electronic mail at [ashort@bayharborislands.net](mailto:ashort@bayharborislands.net) ~~ssiefken@bayharborislands-fl.gov~~.

Sincerely,

**Board of Trustees**

**The Pension Plan at a Glance**

SECTION	CONDITION	SEE PAGE
<b><i>Eligibility for Membership</i></b>	Membership is automatic if you are employed by the Town of Bay Harbor Islands as a full-time police officer or general employee.	<del>6</del> 4
<b><i>Contributions</i></b>	Police officers must contribute 8% of their basic compensation to the plan. All other members must contribute a portion (2% to 10%) of their basic compensation to the plan based on their election from time to time, while the Town of Bay Harbor Islands makes an annual contribution which is actuarially determined. The plan also receives a portion of certain insurance premium taxes pursuant to Chapter 185, Florida Statutes.	<del>9</del> 7
<b><i>Retirement</i></b>	<p><b>If you have earned at least 20 years of credited service:</b> You are eligible for your retirement benefit at either <b>age 50</b> (for police officers) or <b>age 52</b> (for all other members).</p> <p><b>If you have earned at least 10 years of credited service, but less than 20 years of credited service:</b> You are eligible for your retirement benefit at <b>age 55</b>.</p> <p><b>If you have earned less than 10 years of credited service, but you are partially or fully vested:</b> You are eligible for your retirement benefit at <b>age 65</b>.</p>	<del>12</del> 10
<b><i>Disability</i></b>	You may be eligible for additional credited service for the period of time that you are disabled if you become "totally and permanently disabled".	<del>10</del> 8
<b><i>Termination of Employment</i></b>	If you have earned at least five years of credited service when you terminate your employment, then you will be eligible for a termination retirement benefit at <b>age 50</b> (for police officers with at least 20 years of credited service), at <b>age 52</b> (for all other members with at least 20 years of credited service), at <b>age 55</b> (for members with at least 10 years of credited service), or at <b>age 65</b> (otherwise).	<del>12</del> 10

(continued)

SECTION	CONDITION	SEE PAGE
<b><i>Return of Member Contributions</i></b>	<p>In lieu of receiving a retirement benefit, you may elect to receive your member contributions with applicable interest in a single lump sum payment if your employment is terminated or you retire.</p> <p><i>(If you have earned less than five years of credited service, then your member contributions plus applicable interest will be automatically refunded to you.)</i></p>	<del>12</del> 10
<b><i>Temporary Retirement Subsidy</i></b>	<p>In addition to your regular monthly retirement benefit, the plan provides a temporary monthly retirement subsidy until age 65 equal to \$375.00 multiplied by your vested interest, provided that you do not withdraw your member contributions if you terminate your employment prior to normal retirement.</p>	<del>13</del> 11
<b><i>Death Benefits Before You Retire</i></b>	<p>Your accrued retirement benefit will immediately become fully vested and your designated beneficiary will receive a monthly survivor benefit payable for 10 years beginning on what would have been your normal retirement date. Alternatively, your beneficiary may elect to receive a refund of your member contributions plus applicable interest in lieu of receiving the 10-year survivor annuity.</p>	<del>13</del> 11
<b><i>Death Benefits After You Retire</i></b>	<p>Your designated beneficiary will receive a monthly survivor benefit if you elect to receive a certain and life annuity or a joint and contingent annuity when you retire.</p>	<del>14</del> 12

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**Important Facts About Your Pension Plan and  
Important Terms That You Should Know**

**Requirements for Plan Membership**

You automatically become a member of the plan if:

1. you are employed by the Town as a full-time police officer or general employee; and
2. you have been employed with the Town continuously for at least one year; -and
3. you are not a member of the Town Council, an elected official, or an independent contractor.

Membership is mandatory and you will remain a plan member as long as you continue to meet both of the requirements listed above or as long as you are entitled to a retirement or disability benefit. You are considered to be an active member of the plan as long as you continue to meet both of the requirements listed above and you make the required member contribution to the plan (*currently, the member contribution is 8% of basic compensation for police officers or, for all other members, is a variable percentage of basic compensation (2% to 10%) based on the member's election from time to time*).

(Note: -The Town Manager may optionally participate in the plan under the conditions set forth in the pension ordinance.)

**Credited Service**

Both your eligibility for benefits and the amount of your benefits from the plan depend on your length of credited service. The service which is recognized under the pension plan is your period of covered employment with the Town of Bay Harbor Islands, measured in years and completed months. This means that only your credited service with the Town while you are employed as described above and while you have made the required member contribution to the plan will count towards your eligibility for benefits and the amount of your benefits. Except as discussed below, any other employment will not count towards determining your eligibility for benefits and the amount of your benefits.

Your credited service will be measured from the date that you last entered employment until your employment is terminated by reason of death, disability, retirement, resignation, or discharge. You may also receive credited service for the period of time that you are disabled if you are found to be totally and permanently disabled or for the period of time that you are engaged in certain military service in accordance with the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA), which is described on page 22. *You do not have to make a contribution to the plan for any periods*

during which you are totally and permanently disabled or for military service that is credited pursuant to USERRA.

Police officers may purchase up to four years combined of additional credited service for employment as a police officer with another employer or for military service at the actuarial equivalence cost utilizing the benefit rate in effect at the time of such members' election to purchase prior eligible service. A general employee may purchase up to four years combined of additional credited service for military service, service as a police officer, or employment (including fire service) with a different public employer. However, there are several requirements that must be met. First, the service must have occurred prior to the member's initial employment with the Town of Bay Harbor Islands. Second, the member must not otherwise be entitled to receive a pension benefit for such service. Third, the member must pay the full actuarial cost of the additional service, as solely determined by the Retirement System's actuary, based on the date that the member initially applied for the eligible service, including any professional fees that are incurred by the plan in connection with the service purchase. Fourth, the member must pay the amount due made in whole or in part by lump-sum within six months of the request for the service credit, and any balance by payroll deduction, but no later than his or her retirement date.

Finally, federal law requires that in certain situations you will not incur a break in your service under this pension plan even though you may not receive actual credited service for these periods. These situations include a return from certain military service (under USERRA) and a return from certain absences due to family leave (under the Family and Medical Leave Act of 1993, which is described on page 23). If you have any questions about how absences from work will affect your credited service, please contact the finance department.

### **Average Monthly Earnings**

The amount of your benefit from the pension plan also depends upon your ***average monthly earnings***. Your average monthly earnings is the average of your basic compensation for the highest consecutive three years (~~three years for police officers~~) out of the last 10 years of your active membership in the plan. For this purpose, your basic compensation only includes your basic salary and wages and excludes overtime and other special compensation such as sick leave, annual leave, and compensatory leave paid upon separation from service. (*Note that basic compensation does include amounts paid by the Town as deferred compensation to an Internal Revenue Code (IRC) section 457 plan.*)

Under federal law for purposes of the pension plan your salary cannot exceed ~~\$350,000~~ \$265,000 per year. (Because this limit is adjusted periodically for inflation, a lower or

| higher limit may apply to years prior to or after 20~~25~~<sup>46</sup>, respectively). If you have questions about how the limit on salary affects you or your benefits under the plan, please contact the finance department.

**Normal Retirement Date**

You may elect to receive your retirement benefit at any time on or after your **normal retirement date**. Your normal retirement date is the first of the month coincident with or next following the earliest of the following dates:

- 1. the date on which you have attained age 50 (for police officers) or age 52 (for all other members) and have earned at least 20 years of credited service; -or
- 2. the date on which you have attained age 55 and have earned at least 10 years of credited service; -or
- 3. the date on which you have attained age 65 and are partially or fully vested in your accrued benefit.

**Vested Interest**

You will have a 100% **vested interest** in your retirement benefit after you have earned at least ~~10-5~~ years of credited service ~~(for police officers) or five years of credited service (for all other members)~~ for all members. ~~If you are a police officer, you will have a partially vested interest in your retirement benefit after you have earned at least five years of credited service in accordance with the following schedule:~~

<del>Years of Credited Service For Police Officers</del>	<del>Vested Interest For Police Officers</del>
<del>Less than five</del>	<del>—— 0%</del>
<del>At least five, but less than six</del>	<del>—— 50%</del>
<del>At least six, but less than seven</del>	<del>—— 60%</del>
<del>At least seven, but less than eight</del>	<del>—— 70%</del>
<del>At least eight, but less than nine</del>	<del>—— 80%</del>
<del>At least nine, but less than 10</del>	<del>—— 90%</del>
<del>At least 10</del>	<del>—— 100%</del>

When you have a vested interest in your retirement benefit, this means that the vested portion of your retirement benefit cannot be taken away from you *even if you terminate your employment*.

**Trust Fund**

The retirement and death benefits which are payable from the plan are not paid directly by the Town of Bay Harbor Islands. These benefits are paid from a pension **trust fund**.

This trust fund is made up of the contributions from members and from the Town of Bay Harbor Islands and the State of Florida (as described below) plus earnings on the assets of the trust. The contributions plus the earnings of the trust fund pay the entire cost of your pension plan.

### **Contributions**

Both plan members and the Town of Bay Harbor Islands must make regular contributions to this pension plan.

Police officers must contribute 8% of their basic compensation to the plan. All other members must contribute a portion (any whole percentage from a minimum of 2% up to 10%) of their basic compensation to the plan based on their election from time to time and the benefit formula multiplier varies depending on the member's contribution level (a higher member contribution rate gives the member a higher benefit formula multiplier for that period). ~~(For the period prior to October 1, 2002, police officers were required to contribute a portion (2% to 10%) of their basic compensation based on their election from time to time.)~~ The member contribution is waived for qualifying periods of military service or for periods during which the member is totally and permanently disabled as described below.

By law, the Town of Bay Harbor Islands must make an annual contribution which is determined each year by the Board of Trustees upon the recommendation of an **actuary** who has been certified and approved by the Joint Board for the Enrollment of Actuaries within by the United States Internal Revenue Service (IRS). ~~(An actuary is a professional who is trained to determine the amount of money which must be put aside in order to provide the retirement and death benefits which have been promised to the members of the pension plan.)~~

In addition to member and Town contributions, the pension plan receives an annual contribution from the State of Florida pursuant to Chapter 185, Florida Statutes. This contribution is derived from a tax on certain insurance premiums for real property located within the Town of Bay Harbor Islands and is used to provide enhanced pension benefits to police officers.

### **Beneficiaries**

As a plan member, you may name a beneficiary or beneficiaries to receive the benefits, if any, that may be payable from the pension plan upon your death. You may generally name any individual as your beneficiary. However, in certain cases, IRS rules may prohibit you from naming as your beneficiary a person who is not your legal spouse if that individual is more than 10 years younger than you.

You should notify the finance department if you would like to name a new beneficiary or beneficiaries or if you would like to change your beneficiary designation. You should note that, if you do not name a beneficiary or beneficiaries under the pension plan, then any death benefits payable from the plan will be paid to your estate. Also, it is important for you to understand that the pension plan does not recognize any beneficiaries that you may have named for other purposes, including beneficiaries that you may have named for other death benefits which may be payable from the Town of Bay Harbor Islands. **You must file your beneficiary designation for this pension plan with the finance department in order for your designation to be effective for this plan.**

### **Total and Permanent Disability**

You are considered to be “totally and permanently disabled” if:

1. You have suffered a condition or impairment of health which is the result of an act or acts occurring in the performance of service to the Town as determined by the Board of Trustees in reliance on the findings and definitions of the Town’s group disability insurance carrier; and
2. You remain so disabled until you reach your normal retirement age.

If you are a police officer, you may also be considered to be “totally and permanently disabled” if you successfully passed a physical examination upon entering employment with the Town and your impairment of health is caused by hypertension, heart disease, or hardening of the arteries, or other conditions as designated under State or federal law from time to time unless competent evidence shows otherwise.

If you recover from your disability prior to your normal retirement age and you are reemployed by the Town after your recovery, you may receive additional credited service for your additional employment as an eligible member. You will also receive credited service for the period of time during which you are totally and permanently disabled.

### **Actuarial Equivalence**

Throughout this booklet, you will come across the term “actuarially equivalent” or similar terms. When two things are said to be “actuarially equivalent”, they have the same expected value to you as a plan member. For example, if a life annuity of \$100 per month is actuarially equivalent to a single, lump sum payment of \$12,000, then these two different forms of benefit payment are worth the same amount of money when measured in today’s dollars.

### **A Summary of Your Responsibilities**

As a plan member, you are responsible for:

1. Understanding how your pension plan works and for using it as it was designed to be used; and
2. Notifying the finance department if you change your address after you are no longer employed by the Town; and
3. Notifying the finance department if you wish to name a beneficiary or beneficiaries or change a beneficiary under the plan; and
4. Filing an application for benefits with the finance department in advance of your expected retirement date. It is recommended that you submit your application at least three months prior to your anticipated retirement date. **No benefits are paid until an application is filed and it has been approved by the Board of Trustees.**

## What Types of Benefits Are Paid?

### A. Normal Retirement Benefit

You will be eligible to receive a normal retirement benefit if you meet all of the following conditions:

1. You must have reached your normal retirement age (***age 50 (for police officers) or age 52 (for all other members) with at least 20 years of credited service or age 55 with at least 10 years of credited service or age 65 with a partially or fully vested interest in your accrued benefit***); and
2. You must no longer be employed with the Town as an active plan member; and
3. You must file an application for normal retirement benefits; and
4. You must not be receiving a termination retirement benefit from the plan.

Normal retirement benefits are payable monthly while you continue to meet the requirements described above.

### B. Termination Retirement Benefit

You will be eligible to receive a termination retirement benefit if you meet all of the following conditions:

1. You must have at least ***five years of credited service***; and
2. You must no longer be employed with the Town as an active plan member; and
3. You must file an application for termination retirement benefits; and
4. You must not be receiving a normal retirement benefit from the plan.

Your termination retirement benefit is equal to your vested interest in your retirement benefit and is payable monthly while you continue to meet the requirements described above. You may choose to begin receiving your termination retirement benefit at any time once you have reached your normal retirement age.

### C. Return of Member Contributions

If you have less than five years of credited service, then you will receive your member contributions (plus interest at a rate established by the Board of Trustees from time to

time) after you terminate your employment as an active plan member with the Town. Your contributions with interest will be returned to you in a single, lump sum payment.

If you have earned at least five years of credited service, then you may elect, *in lieu of any additional benefits from the plan*, to receive your member contributions plus interest when you terminate your employment as an active plan member with the Town. Your contributions with interest will be returned to you in a single, lump sum payment. However, please be aware that, once you have received your member contributions, you will no longer be eligible for any other benefits under the pension plan.

If you are rehired by the Town within two years after your previous termination of employment and you received a refund of your previous member contributions with interest, then you may optionally repay to the pension trust fund the amount of your refund plus interest to the date of repayment and your previous period of credited service will be restored to you. Otherwise, you will not receive credited service for any prior periods of employment with respect to which you have received a refund of your member contributions.

**D. Temporary Retirement Subsidy**

If you are eligible to receive a normal or termination retirement benefit and you do not withdraw your member contributions prior to retirement, then you will receive a temporary retirement subsidy until age 65 equal to \$375.00 per month multiplied by your vested interest. The temporary retirement subsidy is not paid to your beneficiary after your death.

If you begin receiving a normal or termination retirement benefit after age 65, then you will not receive a temporary retirement subsidy. Furthermore, if you retire prior to age 65, the temporary retirement subsidy will be paid to you only until you reach age 65 and will not be paid to you after age 65.

Finally, if you terminate your employment prior to your normal retirement age and you withdraw your member contributions, then you will not be eligible to receive the temporary retirement subsidy.

**E. Death Benefits Before You Retire**

If you die *before* you retire, then you will immediately become fully vested in your accrued benefit and your beneficiary or beneficiaries will receive certain payments from the pension plan.

Unless your beneficiary elects to receive a refund of your member contributions with interest, a death benefit will be paid to your beneficiary or beneficiaries in equal

shares. The amount of the benefit will be equal to your accrued benefit payable for 120 months beginning on what would have been your normal retirement date.

Optionally, your designated beneficiary may elect to receive your member contributions plus applicable interest in a single, lump sum payment. In this case, no additional death benefits will be paid to your beneficiary.

In any case, if you have not named a beneficiary for purposes of the death benefit, then any death benefit payments will be made to your estate.

**F. Death Benefits After You Retire**

If you die after you begin receiving a retirement benefit, then your designated beneficiary or beneficiaries will only receive a death benefit from the pension plan if you elected to provide a survivor's benefit at the time that you retired. No additional death benefits will be paid to your beneficiary or beneficiaries after you begin receiving retirement payments. For additional information on the optional survivor's benefits that are available when you retire, please see the discussion of retirement options on page 13.

**G. Deferred Retirement Option Plan (DROP) For Police Officer Members**

If you become eligible for normal retirement and are still employed by the Town of Bay Harbor Islands, you have the option of "retiring" from the pension plan but continuing your employment for the Town for an additional maximum of 5 years. However, an extension of a member's participation time in the DROP may be allowed at the sole discretion of the Town Manager on a case by case basis. An election to participate in the DROP constitutes an irrevocable election to resign from the service of the Town not later than 5 years from the commencement of DROP participation. Upon entering the DROP, your retirement benefit is immediately calculated and each monthly benefit payment is deposited into your DROP account as a bookkeeping entry. For all those persons who enter the DROP on or after October 7, 2019, their DROP account shall be credited with whatever interest is earned by the retirement system account for the fiscal year minus whatever administrative fees are reasonably incurred by the Town in processing the account(s). If the net interest earned by the retirement system is zero percent or less, the member's DROP account will not be credited with interest, and any loss(es) will be debited from the member's DROP account. The amount of final average salary for calculation of pension benefits shall be determined as of the date of entering the DROP. Once you enter the DROP, you are no longer eligible for disability or pre-retirement death benefits, nor do you accrue any additional credited service or any benefits from the plan. You pay no member contributions to the plan once you enter the DROP. At the time of termination of employment at the end of the DROP period, you will receive your respective DROP account balance and you will also begin receiving your monthly retirement benefit.

## How Your Benefits Are Paid

### **Normal Form of Benefit Payment**

The normal form of retirement and disability benefit is a monthly benefit payment for the rest of your life. This is called the *single life annuity*. Benefit payments will be made to you until your death but no payments will be made to your beneficiary after your death.

In lieu of the normal form of benefit payment described above, you may choose one of the optional forms of payment that are described below. If you want your benefits paid to you in one of the optional forms of payment, then you must make a timely election on the appropriate form provided by the finance department. You may cancel your choice at any time before you retire. **If you do not choose to receive an optional form of payment, then your benefit will automatically be paid to you in the form of a *single life annuity*.**

### **Optional Forms of Benefit Payment**

If you do not want your retirement benefits paid to you in the form of a single life annuity, then you may choose to receive one of the following optional forms of retirement benefit payment:

#### **Five-Year Certain and Life Annuity**

You will receive a reduced retirement benefit payment each month for the rest of your life, but the first 60 months of payments are guaranteed. If you die within the first 60 months after commencing your retirement benefit, payments will continue to your beneficiary after your death for the remainder of the 60-month guarantee period. If you die after the first 60 monthly payments have been made to you, then no payments will be made to your beneficiary after your death. Because benefits under this method of payment are guaranteed to be paid for at least five years, the monthly amount you receive will be lower than the amount provided with a single life annuity.

#### **10-Year Certain and Life Annuity**

You will receive a reduced retirement benefit payment each month for the rest of your life, but the first 120 months of payments are guaranteed. If you die within the first 120 months after commencing your retirement benefit, payments will continue to your beneficiary after your death for the remainder of the 120-month guarantee period. If you die after the first 120 monthly payments have been made to you, then no payments will be made to your beneficiary after your death. Because benefits under this method of payment are guaranteed to be paid for at least 10 years, the monthly amount you receive will be lower than the amount provided with a single life annuity.

Joint and Contingent Annuity Option

You will receive a reduced monthly benefit during your lifetime, with a percentage of it being continued after your death to your beneficiary. You can choose to have either 50%, 66<sup>2</sup>/<sub>3</sub>%, 75%, or 100% of your reduced benefit paid to your beneficiary for the remainder of his or her life. The actual amount of your benefit reduction depends on your age and your beneficiary's age at the time that you retire. Because benefits under this method of payment must be paid for the duration of two lifetimes, yours and your beneficiary's, the monthly amount you receive will be lower than the amount provided with a single life annuity.

Social Security Level Income Annuity Option

You will receive a monthly benefit during your lifetime (except as described below). A larger monthly benefit will be paid to you up to age 65 and a smaller monthly benefit will be paid to you after age 65 such that you will receive a level amount of monthly income for your lifetime when the benefit payable from this plan is combined with your social security benefit. Keep in mind that this option does not take into account future increases in your social security benefit due to cost-of-living adjustments and that the amount needed to provide a level lifetime income will be estimated based on the information that is available at the time of your retirement. Therefore, the benefit payable from this plan may be based on an estimate of your social security benefit. Also, your accrued benefit under this plan may not be large enough to provide a level lifetime monthly benefit to you. In that case, you will receive the largest benefit that can be provided by your accrued benefit until you reach age 65 and then your monthly benefit payments from this plan will stop and you will not receive a monthly pension from this plan after age 65.

Single Lump Sum Payment

You may choose to receive the actuarial equivalent value of your accrued retirement benefit as a single lump sum payment. In this case, once you have received the lump sum payment, no additional benefits will be payable to you from the plan except that you may be eligible to receive the temporary retirement subsidy until you reach age 65.

Partial Lump Sum Payment (General Employees Only)

If you are not a police officer, you may choose to receive a portion of the actuarial equivalent value of your accrued retirement benefit as a single lump sum payment and to receive the remainder of your accrued retirement benefit as a monthly annuity. In this case, your monthly annuity will be reduced actuarially to reflect the portion of your accrued retirement benefit that you have chosen to receive as a single lump sum

payment. You may choose to receive the remaining portion of your benefit under any of the annuity forms of payment that are described above.

All forms of payment, the standard form and the optional forms, guarantee that you or your beneficiary will at least receive your member contributions plus interest.

Once you begin receiving your benefit payments under a particular form of payment, you may not change that form. Under the certain and life annuity options, you may change your beneficiary at any time. However, under the joint and contingent annuity options, you may only change your beneficiary in accordance with the rules set forth in State law. These rules allow police officers to change their beneficiary under the joint and contingent annuity option up to two times after retirement without the approval of the Board of Trustees or the current joint annuitant or beneficiary. If you are eligible and you do elect to change your beneficiary under the joint and contingent annuity option, the amount of your monthly retirement benefit will be re-determined based upon your age, your old beneficiary's age, and your new beneficiary's age at the time of the change. Once your original beneficiary dies, you may not add a new beneficiary under the joint and contingent forms of payment under any circumstances.

If you die before you retire, retirement benefits will not be paid. Your beneficiary may receive a death benefit, however, payable as described under Part III, Death Benefits Before You Retire, on page \_\_\_\_44. If your beneficiary dies before your retirement payments begin, the form you elected will be automatically cancelled.

**REGARDLESS OF WHEN YOU RETIRE, RETIREMENT BENEFITS WILL NOT BEGIN UNTIL THE FINANCE DEPARTMENT HAS RECEIVED YOUR COMPLETED APPLICATION. BECAUSE THE BOARD OF TRUSTEES MEETS QUARTERLY, IT IS RECOMMENDED THAT YOU SUBMIT YOUR APPLICATION AT LEAST THREE MONTHS BEFORE YOU PLAN ON RETIRING.**

**How to Calculate Your Benefits**

**Your Retirement Benefit**

Your retirement benefit is based on your years of credited service and your average monthly earnings.

Your monthly retirement benefit is equal to:

The "applicable percentage" x your years of credited service x your average monthly earnings	=	Your Single Life Annuity at Normal Retirement
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In the formula described above, the "applicable percentage" that applies to your years of credited service will vary depending on whether you are a police officer or a general employee and on the amount of your member contributions to the plan. A different "applicable percentage" may apply to different periods of your credited service.

For general employees, the following table shows the "applicable percentage" that applies based on the level of member contributions to the plan:

<b>Contribution Rate For General Employees</b>	<b>"Applicable Percentage" For Service Earned Prior to October 1, 1969</b>	<b>"Applicable Percentage" For Service Earned During the Period October 1, 1969 Through September 30, 2010</b>	<b>"Applicable Percentage" For Service Earned During the Period October 1, 2010 Through September 30, 2016</b>	<b>"Applicable Percentage" For Service Earned After September 30, 2016</b>
2%	1.25%	1.250%	1.500%	1.750%
3%	1.25%	1.375%	1.625%	1.875%
4%	1.25%	1.500%	1.750%	2.000%
5%	1.25%	1.625%	1.875%	2.125%
6%	1.25%	1.750%	2.000%	2.250%
7%	1.25%	1.875%	2.125%	2.375%
8%	1.25%	2.000%	2.250%	2.500%
9%	1.25%	2.125%	2.375%	2.625%
10%	1.25%	2.250%	2.500%	2.750%

For police officers, the "applicable percentage" is 3.25% for credited service earned during the period October 1, 2002 through September 30, 2014 and is 3.50% for credited

service earned after September 30, 2014. For credited service earned prior to October 1, 2002, the following table shows the “applicable percentage” that applies based on the level of member contributions to the plan:

<b>Contribution Rate For Police Officers</b>	<b>“Applicable Percentage” For Police Officers For Credited Service Earned Prior to October 1, 2002</b>
2%	1.750%
3%	1.875%
4%	2.000%
5%	2.125%
6%	2.250%
7%	2.375%
8%	2.500%
9%	2.625%
10%	2.750%

If you become totally and permanently disabled, then your monthly retirement benefit will be reduced by the amount of any workmen’s compensation or other long-term disability benefits provided by the Town. In addition, your monthly retirement benefit will be based on credited service that includes the period of time during which you were disabled and on average monthly earnings and a contribution rate that are imputed for your period of disability. Your imputed compensation for the period of your disability is equal to the rate of basic compensation in effect at the time of your disability and your imputed contribution rate for the period of your disability is equal to the contribution rate that was in effect at the time of your disability.

If you choose to receive any form of payment other than the single life annuity, then your monthly benefit will be actuarially equivalent to the single life annuity.

**Example #1: Normal Retirement Benefit for a General Employee**

Let’s assume that you are a general employee and you retire on October 1, 2016 at age 52 with 20 years of credited service, that your average monthly earnings is \$4,000, and that your contribution rate was 4% of your basic compensation during your first 10 years of service and 10% of your basic compensation during your last 10 years of service.

If you choose the single life annuity option, you will receive \$1,560.00 per month. The calculation is as follows:

1.50% x 10 years of service x \$4,000		
plus		
2.25% x four years of service x \$4,000	=	\$1,560.00
plus		
2.50% x six years of service x \$4,000		

**Example #2: Normal Retirement Benefit for a Police Officer**

Let's assume that you are a police officer and you retire on October 1, 2016 at age 50 with 20 years of credited service, that six years of your service was earned prior to October 1, 2002, that your average monthly earnings is \$5,000, and that your contribution rate was 8% during the first six years of your service.

If you choose the single life annuity option, you will receive \$3,050.00 per month. The calculation is as follows:

2.50% x six years of service x \$5,000		
plus		
3.25% x 12 years of service x \$5,000	=	\$3,050.00
plus		
3.50% x two years of service x \$5,000		

**Example #3: Termination Retirement Benefit for a General Employee**

Let's assume that you are a general employee, that you terminate your employment on September 30, 2016 at age 40 with 15 years of credited service, that your average monthly earnings is \$4,000, and that your contribution rate was 2% of your basic compensation during your first five years of service, 6% of your basic compensation during the next seven years of your service, and 4% of your basic compensation during your last three years of service.

If you choose the single life annuity option, you will receive \$980.00 per month beginning at age 55. The calculation is as follows:

1.25% x five years of service x \$4,000			
plus			
1.75% x four years of service x \$4,000			
plus	=		\$980.00
2.00% x three years of service x \$4,000			
plus			
1.75% x three years of service x \$4,000			

In any of the examples shown above, if you choose an optional certain and life annuity, joint and contingent annuity, or social security level income annuity, you will receive an adjusted amount per month. If this is the case, then your single life annuity will be multiplied by an actuarial adjustment factor in order to determine the amount of your monthly benefit.

If you retire prior to age 65 and you have not withdrawn your member contributions prior to your normal retirement date, then you will also receive a temporary retirement subsidy equal to \$375.00 multiplied by your vested interest. However, the temporary retirement subsidy is payable only to you prior to age 65 and is not payable to your beneficiary after your death.

**Other Questions**

**A. How Do I Apply for Benefits?**

If you wish to apply for benefits under the plan, you must submit a written request to the finance department at the following address:

Board of Trustees  
Town of Bay Harbor Islands Employees Retirement System  
c/o Mr. ~~Alan Short~~Peter V. Kajokas, Sandra Siefken, Finance  
Director  
~~9665 Bay Harbor Terrace~~ 1030 95th Street  
Bay Harbor Islands, Florida 33154

Once your request is received, the Board's actuary will prepare a document that explains your retirement benefit options.

**B. Can I Lose My Benefits from the Plan?**

If you are convicted of certain specified offenses, Florida law requires that you forfeit your pension benefits (refer to sections 112.3173 and 175.195 of the Florida Statutes). Otherwise, even if you are dismissed from employment with the Town, you will not lose the benefits to which you have a vested right.

Section 112.3173, Florida Statutes, requires the official or board responsible for paying benefits under a public retirement system to make a forfeiture determination when the board has reason to believe that the rights of the person under any such system are required to be forfeited pursuant to the statute.

The Florida Constitution provides:

"Any public officer or employee who is convicted of a felony involving a breach of public trust shall be subject to forfeiture of rights and privileges under a public retirement system or pension plan in such manner as may be provided by law."

The Florida Legislature has implemented this constitutional provision in section 112.3173, Florida Statutes. Subsection (3) of the statute requires that:

"[a]ny public officer or employee who is convicted of a specified offense committed prior to retirement, or whose office or employment is terminated by reason of his or her admitted commission, aid, or abetment of a specified offense, shall forfeit all rights and benefits under any public retirement system of which he or she is a member, except for the return of his or her accumulated contributions as of the date of termination."

A “specified offense” for purposes of the statute includes: (i) embezzlement of public funds; (ii) theft by a public officer or employee from his or her employer; (iii) bribery in connection with employment; (iv) certain felonies involving bribery or misuse of public office; (v) committing an impeachable offense; (vi) commission of a felony to obtain profit or advantage through the use of a public office or employment; and (vii) commission of lewd or lascivious offenses against certain victims by a public officer or employee through the use of his or her public office or employment.

Section 112.3173(5), Florida Statutes, creates the procedure for a forfeiture determination to be made by the official or board responsible for paying benefits under a public retirement system. The statute requires that, upon receipt of notice or whenever the board “*otherwise has reason to believe that the rights and privileges of any person under such system are required to be forfeited under this section,*” the board must give notice and hold an administrative hearing pursuant to Chapter 120, Florida Statutes, to determine whether the subject’s retirement rights and benefits must be forfeited. If a determination is made that such rights and privileges are required to be forfeited, the board must order the forfeiture. Orders of forfeiture of retirement system rights and privileges are appealable to the district court of appeal.

Section 112.3173, Florida Statutes, requires that “all rights and benefits under *any* public retirement system of which [the officer or employee] is a member” shall be subject to forfeiture.

**C. Can My Benefits Be Affected by a Divorce or Family Dispute?**

Yes, the plan may be required to honor a court order that requires payment of some or all of your benefit to your former spouse or other dependents.

**D. What Happens If the Board Denies My Claim for Benefits?**

After any final decision of the Board to deny your claim for benefits, if you still believe that you are entitled to benefits from the plan, then you may file a lawsuit against the Board with any court of the State of Florida which would have jurisdiction over the dispute and you may serve notice of the lawsuit upon any member of the Board or upon its agent for service of legal process.

## Other Important Information

### A. Mandated Payment of Benefits After Age 70½ When You Are No Longer Employed

~~Under federal law, the Board of Trustees is required to start paying you your benefits from the pension plan no later than the April 1<sup>st</sup> of the calendar year after you have both reached age 70½ and you are no longer employed as an active member. Payments will begin even if you have not filed an application for benefits.~~

If you reached age 70 and ½ before January 1, 2020, distributions will begin April 1 of the calendar year following the year in which you attain age 70 and ½, or April 1 of the calendar year following the year in which you retire, whichever is later. If you reach age 70 and ½ on or after January 1, 2020, distributions will begin April 1 of the calendar year following the year in which you attain age 72, or April 1 of the calendar year following the year in which you retire, whichever is later. If you reach age seventy two (72) on or after January 1, 2023, distributions will begin in accordance with the SECURE 2.0 Act, or April 1 of the calendar year following the year in which you retire, whichever is later.

### B. Maximum Retirement Benefits

Federal law prohibits benefits from exceeding certain limits. These limits vary depending upon your retirement age and your form of payment. Currently, the limit is ~~\$28040~~,000 per year for a life annuity that commences at ages 62 through 65 (for a general employee) or at ages 55 through 65 (for a police officer).

### C. Direct Rollover of Eligible Distributions

You may elect to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by you. If you make such an election, then the amount rolled over will not be subject to immediate federal income tax. Generally, any amounts distributed to you which are not rolled over are subject to federal income tax.

An eligible rollover distribution is a certain distribution from the pension plan that is not part of your regular monthly pension benefit. For example, the single lump sum payment option would be an eligible rollover distribution. A monthly retirement benefit that is not paid in a single lump sum would not be an eligible rollover distribution.

An eligible retirement plan is another qualified retirement plan, such as an individual retirement account (IRA), that will accept an eligible rollover distribution from this plan. Prior to the time that you are to receive an eligible rollover distribution, the plan administrator will give you detailed information about how to roll over your benefit into another retirement plan.

For more information on eligible rollover distributions from this plan, please contact your tax advisor.

**D. Pension Credit for Military Service**

The Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA) requires the retirement plan to give you pension credit for certain service performed while you are in the United States Army, Navy, Air Force, Marines, or Coast Guard (or any Reserve or National Guard components of any of these), in the commissioned corps of the United States Public Health Service, or in any other category of persons designated by the President of the United States in a time of war or emergency.

However, in order to receive pension credit under the plan for your military or other service as described above, you must meet the following requirements:

1. You must have been working in employment which was covered by the pension plan immediately prior to entering military service; and
2. You must return to covered employment with the Town within the time period specified in the law.

Alternatively, if you die while on military duty, then your beneficiary(ies) will be entitled to receive any death benefits that would otherwise be payable from the plan as if you had returned to active employment with the Town immediately prior to your death.

If you would like more details concerning the specific rules regarding pension credit for military service, please contact the finance department.

**E. Family Leave**

The Family and Medical Leave Act of 1993 is a federal law that requires the pension plan to allow you a period of absence from work for certain reasons without counting that absence as a break in your service. Under the law, the reasons for absence are limited to:

1. A leave of absence to care for your child following his or her birth;
2. A leave of absence taken because of the placement of a child with you for adoption or foster care;
3. A leave of absence taken because you have a serious health condition that prevents you from performing your duties as an active plan member; and
4. A leave of absence to care for your child, spouse, or parent when this individual has a serious health condition.

**F. Assignment of Benefits**

The money in the trust fund is used exclusively to provide benefits to the members of the plan and to defray the reasonable expenses of running the plan. It cannot be used for any other purpose. Your interest in the pension fund and your benefits cannot be assigned, transferred, or attached nor used for any other purposes. However, certain court orders for alimony and child support may have to be honored by the pension plan.

**G. Plan Amendment and Termination**

The Board of Trustees intends to continue the pension plan indefinitely. However, the Town Council can amend the plan at any time provided that any amendment must comply with the requirements of Chapters 112 and 185, Florida Statutes, and with any applicable collective bargaining agreements which are in effect at the time of the amendment.

**H. Plan Administration**

The Board of Trustees administers the plan and acts as the plan fiduciary. The Board is made up of five members, one of whom is a police officer (elected by the police officers), one of whom is a general employee (elected by the general employees), two of whom are Town Council members appointed by the Town Council, and the Town Manager, who is a permanent member of the Board. Any interpretation of the plan's provisions rests with the Board of Trustees. No employee of the Town of Bay Harbor Islands nor anyone else is authorized to interpret the plan on behalf of the Board of Trustees, nor can an employee of the Town act as an agent of the Board of Trustees.

The finance department of the Town of Bay Harbor Islands takes care of the day-to-day operations of the plan and handles requests from members regarding eligibility rules, benefits, and claims procedures, files government reports, and handles other administrative activities under the direction of the Board of Trustees. However, the Board of Trustees makes the final determination as to benefit claims.

An independent auditor examines the entire trust fund's financial records every year and certifies as to their accuracy, completeness, and fairness. In addition, the Board of Trustees employs an actuary to prepare an annual report which provides details of the pension plan's liabilities, assets, and required contributions.

**I. Other Legally Required Disclosures**

**1. Date of the end of the plan year:**

September 30

2. **Records of the plan are kept on a plan -year basis.**
3. **Relevant laws and other agreements which govern the provisions of this pension plan:**

Chapters 112 and 185, Florida Statutes;  
Chapter 16 of the Town of Bay Harbor Islands Code of Ordinances; and  
Collective bargaining agreement(s) between the Town of Bay Harbor Islands  
and the Police Benevolent Association.

4. **Name, address, and telephone number of the Administrator for the Board of Trustees:**

Alan ShortPeter V. Kajokas Sandra Siefken  
Finance Director  
Town of Bay Harbor Islands  
1030 95th Street  
Bay Harbor Islands, Florida 33154  
(954) 344-1147

5. **Name, address, and telephone number of Legal Counsel:**

Sugarman, & Susskind, Braswell & Herrera, P.A.  
100 Miracle Mile, Suite 300150 Alhambra Circle, Suite 725  
Coral Gables, FL 33134  
(305) 529-2801

6. **Name and principal business address for each member of the Board of Trustees:**

Isaac Salver, Chair isalver@bayharborislands.net
Stephanie Bruder isalver@bayharborislands.net
Ayanidys Martinez sbruder@bayharborislands-fl.gov
Lindsley Noel, Secretary lnoel@bayharborislands-fl.gov

Commented [ML1]: Updated BOT

Alan Castellanos  
acastellanos@bayharborislands.net

**7. Service of legal process:**

Legal process may be served upon the Board of Trustees by serving its Chairman or, in his absence, any member of the Board of Trustees.

**AGENDA ITEM REPORT**  
May 14, 2025

**ITEM NUMBER: 5.**

**ITEM:** Discussion and approval of the Actuarial Valuation Reports as of 10/01/2024 for the Town of Bay Harbor Islands' Retirement System (General Employees and Police Officers), which determine the contributions for the 2025/26 Fiscal Year. Mr. Chuck Carr of Southern Actuarial Services will be presenting the Actuarial Valuation remotely. Enclosed are the Actuarial Valuation Reports.

**DESCRIPTION:**

Discussion and approval of the Actuarial Valuation Reports as of 10/01/2024 for the Town of Bay Harbor Islands' Retirement System (General Employees and Police Officers), which determine the contributions for the 2025/26 Fiscal Year. Mr. Chuck Carr of Southern Actuarial Services will be presenting the Actuarial Valuation remotely. Enclosed are the Actuarial Valuation Reports

**RECOMMENDED ACTION:**

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**FINANCIAL ANALYSIS:**

**BUDGET IMPACT:**

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Submitted By: Sandra Siefken, Finance Director

**ATTACHMENTS**

1.	FY 2026 Police Valuation
2.	FY2026 General Valuation

Town of Bay Harbor Islands  
Employees Retirement System  
(Police Officers)

Actuarial Valuation  
As of October 1, 2024

Determines the Contribution  
For the 2025/26 Fiscal Year



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May 7, 2025

## Introduction

This report presents the results of the October 1, 2024 actuarial valuation of the portion of the Town of Bay Harbor Islands Employees Retirement System that covers police officers. The report is based on the participant data and asset information provided by the pension plan administrator and, except for a cursory review for reasonableness including a comparison to the data provided for the previous valuation, we have not attempted to verify the accuracy of this information.

The primary purpose of this report is to provide a summary of the funded status of the plan as of October 1, 2024 and to determine the minimum required contribution under Chapter 112, Florida Statutes, for the 2025/26 plan year. In addition, this report provides a projection of the long-term funding requirements of the plan, statistical information concerning the assets held in the trust, statistical information concerning the participant population, and a summary of any recent plan changes.

The liabilities and cost presented in this report are based on numerous assumptions concerning the cost of benefits to be provided in the future, long-term investment returns, and the future demographic experience of the current participants. Anyone referring to this report should remember that the cost developed herein is only an *estimate* of the true cost of providing post-employment pension benefits. No one can predict with certainty whether the true cost will be higher or lower than the cost presented in this report. The calculated cost is entirely dependent upon the assumptions that are described in Table IV-A. If any of the assumptions is changed, then the cost shown in this report will change accordingly. Likewise, if any of the assumptions is not completely realized, then the cost shown in this report will change in the future.

Certain assumptions play a bigger role than others in determining the cost of the post-employment pension benefits. In some cases, relatively small changes in a particular assumption can have a dramatic impact on the anticipated cost of benefits. Although a thorough analysis of the impact of such changes is beyond the scope of this report, Table I-B illustrates the impact that alternative long-term investment returns would have on the contribution rate.

## Minimum Required Contribution

Table I-A shows the development of the minimum required contribution for the 2025/26 plan year. The minimum required contribution is \$580,904, which equates to 24.62% of covered payroll. The minimum required contribution decreased by \$62,996 (or by 7.30% of payroll) from the prior valuation.

Table I-C provides a breakdown of the sources of change in the contribution rate. Significantly, the rate decreased by 9.42% of payroll due to investment gains and increased by 2.12% of payroll due to demographic experience. The market value of assets earned 18.33% during the 2023/24 plan year, whereas a 6.00% annual investment return was required to maintain a stable contribution rate.



Chapter 112, Florida Statutes, sets forth the rules concerning the minimum required contribution for public pension plans within the state. Essentially, the Town must contribute an amount equal to the annual normal cost of the plan plus an amortization payment towards the unfunded accrued liability and an adjustment as necessary to reflect interest on any delayed payment of the contribution beyond the valuation date.

#### Amortization of the Unfunded Liability

This plan uses the entry age normal cost method to develop an unfunded liability each year. The unfunded liability is then amortized or “paid off” over a period of time. The period over which the unfunded liability is amortized is often referred to as the “funding period” of the plan. Under Chapter 112 the maximum allowable funding period is 30 years. However, the plan’s funding policy utilizes a 10-year closed funding period for the unfunded accrued liability beginning October 1, 2022.

#### Advance Employer Contribution

The Town has made contributions to the plan in excess of the minimum amount that was required to be contributed pursuant to Chapter 112. In this report, the excess contributions are referred to as an “advance employer contribution.” As of October 1, 2024, the advance employer contribution is \$68,482 as shown in Table II-F.

The Town may apply all or any portion of the advance employer contribution towards the minimum required contribution for the 2024/25 plan year or for any later plan year. The minimum required contribution for that plan year will be reduced dollar-for-dollar by the amount of the advance employer contribution that is applied in this manner.

Alternatively, at any time, the Town may apply all or any portion of the advance employer contribution as an extra contribution in excess of the minimum required contribution. In this case, the immediate application of the entire balance of the advance employer contribution as of October 1, 2024 would reduce the minimum required contribution for the 2025/26 plan year to \$569,538.

#### Identification and Assessment of Risk

The liabilities and cost presented in this report are based on numerous assumptions concerning the cost of benefits to be provided in the future, long-term investment returns, and the future demographic experience of the current participants. Anyone referring to this report should remember that the cost developed herein is only an estimate of the true cost of providing post-employment pension benefits. No one can predict with certainty whether the true cost will be higher or lower than the cost presented in this report. The calculated cost is entirely dependent upon the assumptions that are described in Table IV-A. If any of the assumptions is changed, then the cost shown in this report will change accordingly. Likewise, there is always a risk that, should these assumptions not be realized, the liabilities of the plan, the contributions required to fund the plan, and the funded status of the plan may be significantly different than the amounts shown in this report.



Although a thorough analysis of the risk of not meeting the assumptions is beyond the scope of this report, this discussion is intended to identify the significant risks faced by the plan. In some cases, a more detailed review of the risks, including numerical analysis, may be appropriate to help the plan sponsor and other interested parties assess the specific impact of not realizing certain assumptions. For example, Table I-B illustrates the impact that alternative long-term investment returns would have on the contribution rate. Note that this report is not intended to provide advice on the management or reduction of the identified risks nor is this report intended to provide investment advice.

The most significant risk faced by most defined benefit pension plans is investment risk, i.e. the risk that long-term investment returns will be less than assumed. Other related risks include a risk that, if the investments of the plan decline dramatically over a short period of time (such as occurred with many pension plans in 2008), the plan's assets may not have sufficient time to recover before benefits become due. Even if the assets of the plan grow in accordance with the assumed investment return over time, if benefit payments are expected to be large in the short-term (for example, if the plan provides an actuarial equivalent lump sum payment option and a large number of participants are expected to become entitled to such a lump sum in the near future), the plan's assets may not be sufficient to support such a high level of benefit payments. We have provided a 10-year projection of the expected benefit payments in Table III-G to help the Trustees in formulating an investment policy that is expected to provide an investment return that meets both the short- and long-term cash flow needs of the pension plan.

Another source of risk is demographic experience. This is the risk that participants will receive salary increases that are different than the amount assumed, that participants will retire, become disabled, or terminate their employment at a rate that is different than assumed, and that participants will live longer than assumed, just to cite a few examples of the demographic risk faced by the plan. Although for most pension plans, the demographic risk is not as significant as the investment risk, particularly in light of the fact that the mortality assumption includes a component for future life expectancy increases, the demographic risk can nevertheless be a significant contributing factor to liabilities and contribution rates that become higher than anticipated.

A third source of risk is the risk that the plan sponsor (or other contributing entities) will not make, or will not have the ability to make, the contributions that are required to keep the plan funded at a sufficient level. Material changes in the number of covered employees, covered payroll, and, in some cases, hours worked by active participants can also significantly impact the plan's liabilities and the level of contributions received by the plan.

Finally, an actuarial funding method has been used to allocate the gap between projected liabilities and assets to each year in the future. The contribution rate under some funding methods is higher during the early years of the plan and then is lower during the later years of the plan. Other funding methods provide for lower contribution rates initially, with increasing contribution rates over time.

The Trustees have adopted the individual entry age normal funding method for this plan with level-dollar payments towards the unfunded accrued liability, which is expected to result in a contribution rate that decreases over time as a percentage of payroll. A brief description of the actuarial funding method is provided in Table IV-A.



Contents of the Report

Tables I-D through I-H provide a detailed breakdown of various liability amounts by type of benefit and by participant group. Tables II-A through II-F provide information concerning the assets of the trust fund. Specifically, Table II-A shows the development of the actuarial value of assets. Tables III-A through III-G provide statistical information concerning the plan's participant population. In particular, Table III-G gives a 10-year projection of the cash that is expected to be required from the trust fund in order to pay benefits to the current group of participants. Finally, Tables IV-A through V-B provide a summary of the actuarial assumptions and methods that are used to value the plan's benefits and of the relevant plan provisions as of October 1, 2024, as well as a summary of the changes that have occurred since the previous valuation report was prepared.

Certification

This actuarial valuation was prepared 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 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 change in plan costs or required contribution rates have been taken into account in the valuation.

For the firm,



Charles T. Carr  
Consulting Actuary  
Southern Actuarial Services Company, Inc.

Enrolled Actuary No. 23-04927

*The individual above is a member of the American Academy of Actuaries and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.*



Minimum Required Contribution

Table I-A

For the 2025/26 Plan Year

Entry Age Normal Cost	\$765,058
Unfunded Liability Amortization Payment	(\$37,122)
Expense Allowance	\$22,689
Expected Employee Contribution	(\$181,508)
	<hr/>
	\$569,117
Adjustment to Reflect Semi-Monthly Employer Contributions	\$15,353
Expected Employer Contribution for the 2024/25 Plan Year	(\$643,900)
Remaining Contribution Due/(Credit) for the 2024/25 Plan Year	(\$59,430)
	<hr/>
	x 0.06
One Year's Interest Charge/(Credit) on the Remaining Contribution	(\$3,566)

***Minimum Required Contribution for the 2025/26 Plan Year*** **\$580,904**

Expected Payroll for the 2025/26 Plan Year	÷ \$2,359,608
Minimum Required Contribution Rate	24.62%

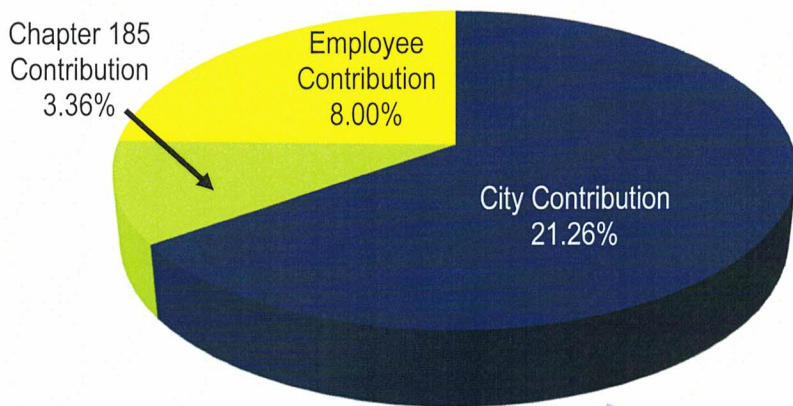


Minimum Required Contribution

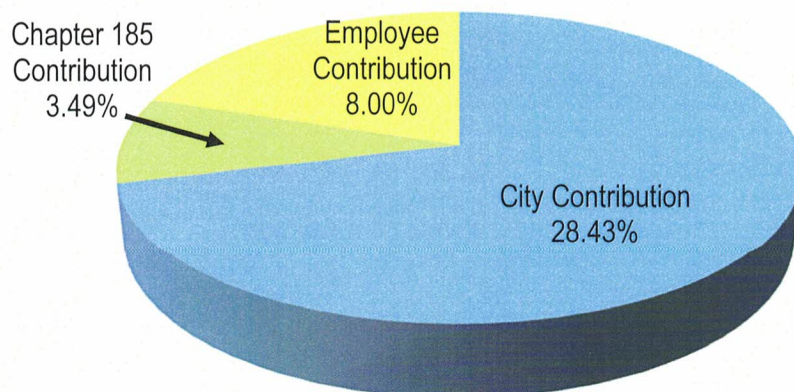
Table I-A  
(continued)

The minimum required contribution rate of 24.62% includes both the City contribution and the allowable Chapter 185 contribution. In addition, employees are required to contribute 8.00% of pensionable earnings. The actual City contribution rate is expected to be approximately 21.26% based on the allowable Chapter 185 contribution for the previous year. The chart below shows the expected contribution rate by source for the 2025/26 plan year based on the expected payroll. A comparative chart shows the contribution rate by source for the previous plan year.

**For the 2025/26 Plan Year**

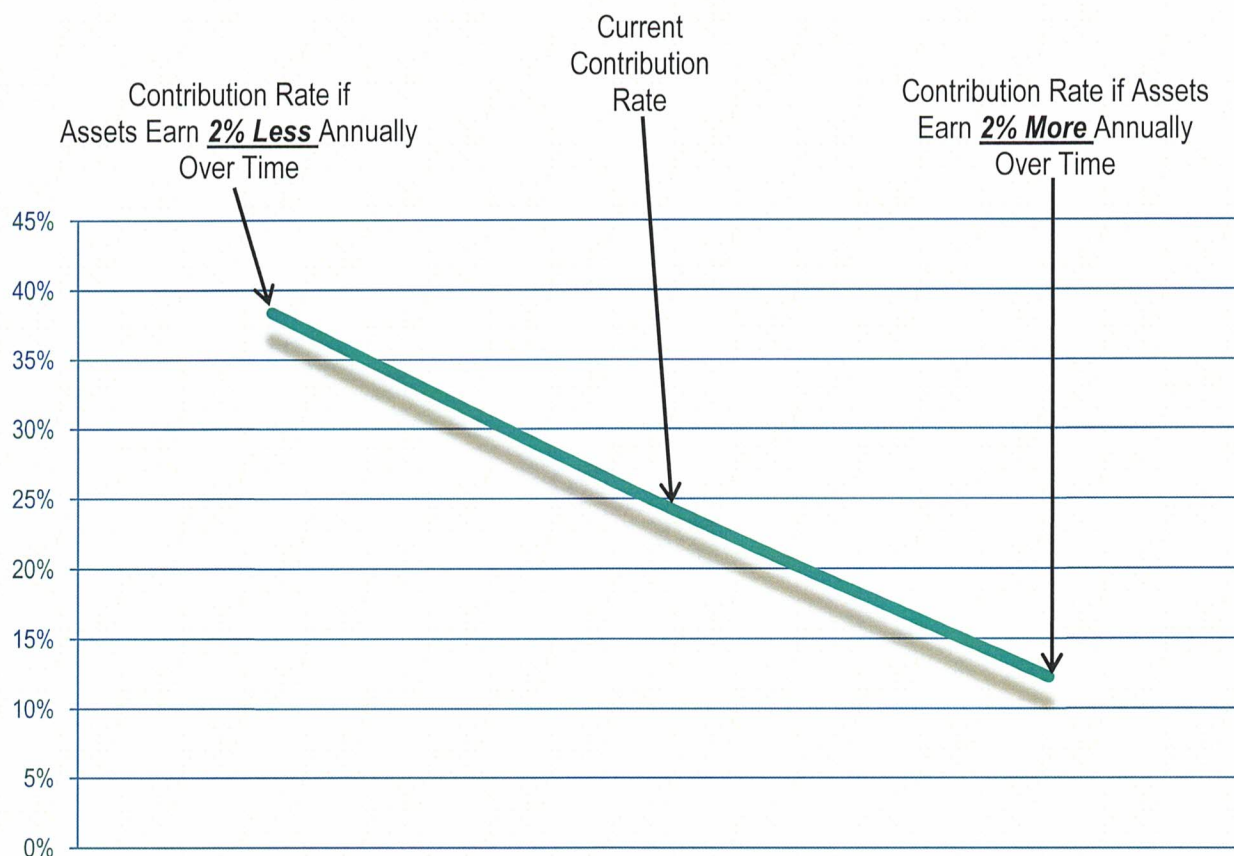


**For the 2024/25 Plan Year**



Sensitivity Analysis

Table I-B



*The line above illustrates the sensitivity of the contribution rate to changes in the long-term investment return.*



## Gain and Loss Analysis

Table I-C

**Source of Change in the Contribution Rate**

Previous contribution rate	31.92%
Increase (decrease) due to investment gains and losses	-9.42%
Increase (decrease) due to demographic experience	2.12%
Increase (decrease) due to plan amendments	0.00%
Increase (decrease) due to actuarial assumption changes	0.00%
Increase (decrease) due to actuarial method changes	0.00%
Current contribution rate	<u>24.62%</u>

**Source of Change in the Unfunded Liability**

Previous unfunded liability	\$988,386
Increase due to employer normal cost for the prior year	\$494,567
Increase due to interest on normal cost and unfunded liability	\$88,977
Decrease due to employer contributions	(\$676,412)
Decrease due to interest on employer contributions	(\$19,997)
Expected unfunded liability	<u>\$875,521 *</u>
Increase (decrease) due to plan experience	(\$1,119,877)
Increase (decrease) due to plan amendments	\$0
Increase (decrease) due to actuarial assumption changes	\$0
Increase (decrease) due to actuarial method changes	\$0
Current unfunded liability	<u>(\$244,356)</u>

\* not less than zero



Present Value of Future Benefits

Table I-D

	Old Assumptions <u>w/o Amendment</u>	Old Assumptions <u>w/ Amendment</u>	New Assumptions <u>w/ Amendment</u>
<i><u>Actively Employed Participants</u></i>			
Retirement benefits	\$14,378,006	\$14,378,006	\$14,378,006
Termination benefits	\$801,662	\$801,662	\$801,662
Disability benefits	\$91,061	\$91,061	\$91,061
Death benefits	\$26,261	\$26,261	\$26,261
Refund of employee contributions	\$33,988	\$33,988	\$33,988
Sub-total	<b>\$15,330,978</b>	<b>\$15,330,978</b>	<b>\$15,330,978</b>
<i><u>Deferred Vested Participants</u></i>			
Retirement benefits	\$673,717	\$673,717	\$673,717
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	<b>\$673,717</b>	<b>\$673,717</b>	<b>\$673,717</b>
<i><u>Due a Refund of Contributions</u></i>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<i><u>Deferred Beneficiaries</u></i>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<i><u>Retired Participants</u></i>			
Service retirements	\$2,706,892	\$2,706,892	\$2,706,892
Disability retirements	\$0	\$0	\$0
Beneficiaries receiving	\$228,462	\$228,462	\$228,462
DROP participants	\$451,482	\$451,482	\$451,482
Sub-total	<b>\$3,386,836</b>	<b>\$3,386,836</b>	<b>\$3,386,836</b>
<i><u>Grand Total</u></i>	<b><u>\$19,391,531</u></b>	<b><u>\$19,391,531</u></b>	<b><u>\$19,391,531</u></b>
Present Value of Future Payroll	\$11,630,976	\$11,630,976	\$11,630,976
Present Value of Future Employee Contribs.	\$930,479	\$930,479	\$930,479
Present Value of Future Employer Contribs.	\$3,247,998	\$3,247,998	\$3,247,998



## Present Value of Accrued Benefits

Table I-E

	Old Assumptions <u>w/o Amendment</u>	Old Assumptions <u>w/ Amendment</u>	New Assumptions <u>w/ Amendment</u>
<i><u>Actively Employed Participants</u></i>			
Retirement benefits	\$9,198,806	\$9,198,806	\$9,198,806
Termination benefits	\$348,061	\$348,061	\$348,061
Disability benefits	\$87,338	\$87,338	\$87,338
Death benefits	\$10,883	\$10,883	\$10,883
Refund of employee contributions	\$19,824	\$19,824	\$19,824
Sub-total	<b>\$9,664,912</b>	<b>\$9,664,912</b>	<b>\$9,664,912</b>
<i><u>Deferred Vested Participants</u></i>			
Retirement benefits	\$673,717	\$673,717	\$673,717
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	<b>\$673,717</b>	<b>\$673,717</b>	<b>\$673,717</b>
<i><u>Due a Refund of Contributions</u></i>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<i><u>Deferred Beneficiaries</u></i>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<i><u>Retired Participants</u></i>			
Service retirements	\$2,706,892	\$2,706,892	\$2,706,892
Disability retirements	\$0	\$0	\$0
Beneficiaries receiving	\$228,462	\$228,462	\$228,462
DROP participants	\$451,482	\$451,482	\$451,482
Sub-total	<b>\$3,386,836</b>	<b>\$3,386,836</b>	<b>\$3,386,836</b>
<i><u>Grand Total</u></i>	<b><u>\$13,725,465</u></b>	<b><u>\$13,725,465</u></b>	<b><u>\$13,725,465</u></b>



## Present Value of Vested Benefits

Table I-F

	Old Assumptions w/o Amendment	Old Assumptions w/ Amendment	New Assumptions w/ Amendment
<i>Actively Employed Participants</i>			
Retirement benefits	\$9,114,771	\$9,114,771	\$9,114,771
Termination benefits	\$337,747	\$337,747	\$337,747
Disability benefits	\$87,338	\$87,338	\$87,338
Death benefits	\$10,883	\$10,883	\$10,883
Refund of employee contributions	\$24,165	\$24,165	\$24,165
Sub-total	<b>\$9,574,904</b>	<b>\$9,574,904</b>	<b>\$9,574,904</b>
<i>Deferred Vested Participants</i>			
Retirement benefits	\$673,717	\$673,717	\$673,717
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	<b>\$673,717</b>	<b>\$673,717</b>	<b>\$673,717</b>
<i>Due a Refund of Contributions</i>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<i>Deferred Beneficiaries</i>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<i>Retired Participants</i>			
Service retirements	\$2,706,892	\$2,706,892	\$2,706,892
Disability retirements	\$0	\$0	\$0
Beneficiaries receiving	\$228,462	\$228,462	\$228,462
DROP participants	\$451,482	\$451,482	\$451,482
Sub-total	<b>\$3,386,836</b>	<b>\$3,386,836</b>	<b>\$3,386,836</b>
<i>Grand Total</i>	<b><u>\$13,635,457</u></b>	<b><u>\$13,635,457</u></b>	<b><u>\$13,635,457</u></b>



## Entry Age Normal Accrued Liability

## Table I-G

	Old Assumptions w/o Amendment	Old Assumptions w/ Amendment	New Assumptions w/ Amendment
<i>Actively Employed Participants</i>			
Retirement benefits	\$10,500,733	\$10,500,733	\$10,500,733
Termination benefits	\$443,972	\$443,972	\$443,972
Disability benefits	\$45,594	\$45,594	\$45,594
Death benefits	\$14,458	\$14,458	\$14,458
Refund of employee contributions	\$19,698	\$19,698	\$19,698
Sub-total	<b>\$11,024,455</b>	<b>\$11,024,455</b>	<b>\$11,024,455</b>
<i>Deferred Vested Participants</i>			
Retirement benefits	\$673,717	\$673,717	\$673,717
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	<b>\$673,717</b>	<b>\$673,717</b>	<b>\$673,717</b>
<i>Due a Refund of Contributions</i>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<i>Deferred Beneficiaries</i>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<i>Retired Participants</i>			
Service retirements	\$2,706,892	\$2,706,892	\$2,706,892
Disability retirements	\$0	\$0	\$0
Beneficiaries receiving	\$228,462	\$228,462	\$228,462
DROP participants	\$451,482	\$451,482	\$451,482
Sub-total	<b>\$3,386,836</b>	<b>\$3,386,836</b>	<b>\$3,386,836</b>
<i>Grand Total</i>	<b><u>\$15,085,008</u></b>	<b><u>\$15,085,008</u></b>	<b><u>\$15,085,008</u></b>
less Actuarial Value of Assets	(\$15,329,364)	(\$15,329,364)	(\$15,329,364)
<i>Unfunded Accrued Liability</i>	<b><u>(\$244,356)</u></b>	<b><u>(\$244,356)</u></b>	<b><u>(\$244,356)</u></b>



Entry Age Normal Cost

Table I-H

	Old Assumptions <u>w/o Amendment</u>	Old Assumptions <u>w/ Amendment</u>	New Assumptions <u>w/ Amendment</u>
<i>Actively Employed Participants</i>			
Retirement benefits	\$696,755	\$696,755	\$696,755
Termination benefits	\$52,902	\$52,902	\$52,902
Disability benefits	\$7,317	\$7,317	\$7,317
Death benefits	\$1,719	\$1,719	\$1,719
Refund of employee contributions	\$6,365	\$6,365	\$6,365
Sub-total	<b>\$765,058</b>	<b>\$765,058</b>	<b>\$765,058</b>
<i>Deferred Vested Participants</i>			
Retirement benefits	\$0	\$0	\$0
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<i>Due a Refund of Contributions</i>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<i>Deferred Beneficiaries</i>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<i>Retired Participants</i>			
Service retirements	\$0	\$0	\$0
Disability retirements	\$0	\$0	\$0
Beneficiaries receiving	\$0	\$0	\$0
DROP participants	\$0	\$0	\$0
Sub-total	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<i>Grand Total</i>	<b><u>\$765,058</u></b>	<b><u>\$765,058</u></b>	<b><u>\$765,058</u></b>



Unfunded Liability Bases

Table I-I

<u>Description</u>	<u>Original Amount</u>	<u>Outstanding Balance</u>	<u>Amortization Payment</u>	<u>Years Rem.</u>
	<b>Total</b>	<b>(\$244,356)</b>	<b>(\$37,122)</b>	
10/1/2022 Fresh Start UAAL	\$573,450	\$930,023	\$141,290	8
2022/23 Experience Gain	(\$61,528)	(\$54,502)	(\$8,280)	8
2023/24 Experience Gain	(\$1,119,877)	(\$1,119,877)	(\$170,132)	8



## Actuarial Value of Assets

## Table II-A

Market Value of Assets as of October 1, 2024	\$15,397,846
Minus advance employer contributions	(\$68,482)
Minus excess Chapter 175/185 contributions	\$0
<b>Actuarial Value of Assets as of October 1, 2024</b>	<b><u>\$15,329,364</u></b>

**Historical Actuarial Value of Assets**

October 1, 2015	\$8,190,585
October 1, 2016	\$9,317,216
October 1, 2017	\$10,716,700
October 1, 2018	\$11,692,573
October 1, 2019	\$11,907,316
October 1, 2020	\$13,142,413
October 1, 2021	\$14,693,798
October 1, 2022	\$12,913,614
October 1, 2023	\$12,457,344
October 1, 2024	\$15,329,364

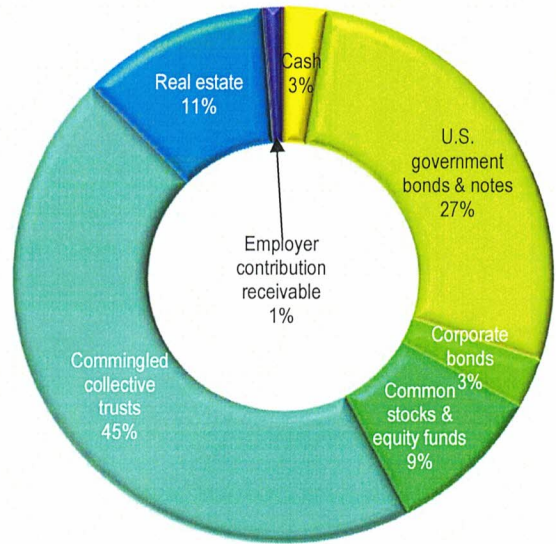


Market Value of Assets

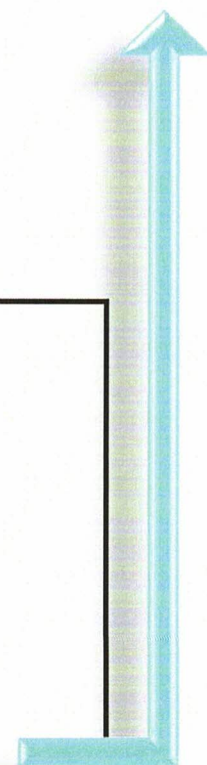
Table II-B

**As of October 1, 2024**

<b>Market Value of Assets</b>	<b><u>\$15,397,846</u></b>
Cash	\$397,749
U.S. government bonds & notes	\$4,243,448
Corporate bonds	\$462,110
Common stocks & equity funds	\$1,442,837
Commingled collective trusts	\$6,966,748
Real estate	\$1,729,495
Prepaid items	\$2,905
Income receivable	\$19,943
Employer contribution receivable	\$156,026
Accounts payable	(\$23,415)

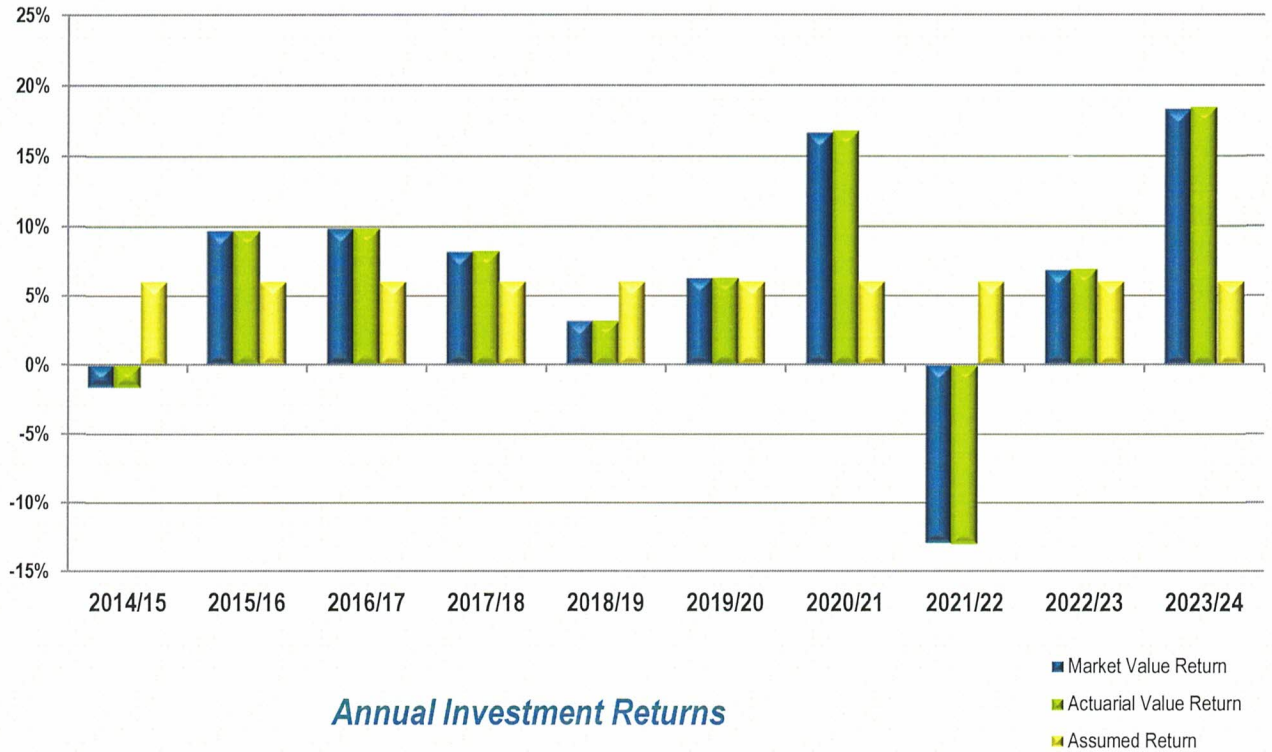


<b>Historical Market Value of Assets</b>	
October 1, 2015	\$8,190,585
October 1, 2016	\$9,317,216
October 1, 2017	\$10,748,220
October 1, 2018	\$11,748,079
October 1, 2019	\$11,964,136
October 1, 2020	\$13,243,204
October 1, 2021	\$14,794,589
October 1, 2022	\$13,048,796
October 1, 2023	\$12,629,768
October 1, 2024	\$15,397,846



Investment Return

Table II-C



*Annual Investment Returns*

Plan Year	Market Value Return	Actuarial Value Return	Assumed Return
2014/15	-1.60%	-1.62%	6.00%
2015/16	9.70%	9.70%	6.00%
2016/17	9.88%	9.90%	6.00%
2017/18	8.21%	8.24%	6.00%
2018/19	3.19%	3.20%	6.00%
2019/20	6.27%	6.31%	6.00%
2020/21	16.66%	16.79%	6.00%
2021/22	-12.91%	-13.01%	6.00%
2022/23	6.85%	6.93%	6.00%
2023/24	18.33%	18.50%	6.00%
10yr. Avg.	6.10%	6.13%	6.00%

Note: Prior to October 1, 2008, the market value was not separately determined with respect to the general and police portions of the plan.



## Asset Reconciliation

## Table II-D

	<u>Market Value</u>	<u>Actuarial Value</u>
<b>As of October 1, 2023</b>	<b>\$12,629,768</b>	<b>\$12,457,344</b>
<b><i>Increases Due To:</i></b>		
Employer Contributions	\$493,216	\$493,216
Chapter 175/185 Contributions	\$79,254	\$79,254
Employee Contributions	\$186,194	\$186,194
Service Purchase Contributions	\$6,554	\$6,554
Total Contributions	<u>\$765,218</u>	<u>\$765,218</u>
Interest and Dividends	\$173,825	
Realized Gains (Losses)	\$0	
Unrealized Gains (Losses)	\$2,196,553	
Total Investment Income	<u>\$2,370,378</u>	\$2,352,938
Other Income	\$0	
<b>Total Income</b>	<b><u>\$3,135,596</u></b>	<b><u>\$3,118,156</u></b>
<b><i>Decreases Due To:</i></b>		
Retirement Benefit Payments	(\$313,505)	(\$313,505)
Refund of Employee Contributions	\$0	\$0
Total Benefit Payments	<u>(\$313,505)</u>	<u>(\$313,505)</u>
Investment Expenses	(\$17,440)	
Administrative Expenses	(\$36,573)	(\$36,573)
Advance Employer Contribution		\$103,942
Excess Chapter 175/185 Contribution		\$0
<b>Total Expenses</b>	<b><u>(\$367,518)</u></b>	<b><u>(\$246,136)</u></b>
<b>As of October 1, 2024</b>	<b><u><u>\$15,397,846</u></u></b>	<b><u><u>\$15,329,364</u></u></b>



## Historical Trust Fund Detail

## Table II-E

**Income**

<u>Plan</u> <u>Year</u>	<u>Employer</u> <u>Contribs.</u>	<u>Chapter</u> <u>Contribs.</u>	<u>Employee</u> <u>Contribs.</u>	<u>Service</u>		<u>Realized</u>	<u>Unrealized</u>	<u>Other</u> <u>Income</u>
				<u>Purchase</u> <u>Contribs.</u>	<u>Interest /</u> <u>Dividends</u>	<u>Gains /</u> <u>Losses</u>	<u>Gains /</u> <u>Losses</u>	
2014/15	\$422,926	\$41,859	\$111,891	\$0	\$171,069	\$0	-\$273,073	\$0
2015/16	\$303,645	\$41,440	\$128,404	\$0	\$129,950	\$0	\$709,880	\$0
2016/17	\$451,385	\$42,825	\$143,795	\$0	\$113,109	\$0	\$861,375	\$0
2017/18	\$488,752	\$44,963	\$149,037	\$4,641	\$122,371	\$0	\$790,646	\$0
2018/19	\$413,700	\$48,252	\$148,013	\$47,229	\$163,484	\$0	\$237,627	\$0
2019/20	\$417,991	\$51,361	\$132,216	\$188,068	\$131,490	\$0	\$666,477	\$0
2020/21	\$445,426	\$48,791	\$153,841	\$13,205	\$134,867	\$0	\$2,056,269	\$0
2021/22	\$293,647	\$59,799	\$152,625	\$11,519	\$122,229	\$0	-\$2,021,924	\$0
2022/23	\$105,479	\$67,287	\$162,581	\$9,369	\$165,538	\$0	\$706,888	\$0
2023/24	\$493,216	\$79,254	\$186,194	\$6,554	\$173,825	\$0	\$2,196,553	\$0

**Expenses**

<u>Plan</u> <u>Year</u>	<u>Retirement</u>				<u>Other Actuarial Adjustments</u>	
	<u>Benefit</u> <u>Payments</u>	<u>Contrib.</u> <u>Refunds</u>	<u>Admin.</u> <u>Expenses</u>	<u>Invest.</u> <u>Expenses</u>	<u>Advance</u> <u>Employer</u> <u>Contribs.</u>	<u>Excess</u> <u>Chapter</u> <u>Contribs.</u>
2014/15	\$140,164	\$15,877	\$16,495	\$27,940	\$0	-\$198,656
2015/16	\$136,823	\$0	\$20,083	\$29,782	\$0	\$0
2016/17	\$133,448	\$0	\$18,498	\$29,539	\$31,520	\$0
2017/18	\$533,957	\$19,403	\$21,408	\$25,783	\$23,986	\$0
2018/19	\$767,023	\$24,138	\$22,161	\$28,926	\$1,314	\$0
2019/20	\$252,918	\$0	\$24,252	\$31,365	\$43,971	\$0
2020/21	\$1,244,493	\$0	\$21,424	\$35,097	\$0	\$0
2021/22	\$300,473	\$0	\$41,501	\$21,714	\$34,391	\$0
2022/23	\$1,561,641	\$24,392	\$27,673	\$22,464	\$37,242	\$0
2023/24	\$313,505	\$0	\$36,573	\$17,440	-\$103,942	\$0

Note: For the period prior to October 1, 2008, retirement benefit payments include contribution refunds. For the period October 1, 2005 through September 30, 2008, interest and dividends includes administrative and investment expenses. For the period prior to October 1, 2005, unrealized gains and losses reflect net investment earnings and administrative and investment expenses, and, for all periods, unrealized gains and losses include realized gains and losses.



## Other Reconciliations

## Table II-F

**Advance Employer Contribution**

Advance Employer Contribution as of October 1, 2023	\$172,424
Additional Employer Contribution	\$572,470
Minimum Required Contribution	(\$676,412)
Net Increase in Advance Employer Contribution	(\$103,942)
Advance Employer Contribution as of October 1, 2024	<u>\$68,482</u>

**Excess Chapter 175/185 Contribution**

Excess Chapter 175/185 Contribution as of October 1, 2023	\$0
Additional Chapter 175/185 Contribution	\$79,254
Allowable Chapter 175/185 Contribution	(\$79,254)
Net Increase in Excess Chapter 175/185 Contribution	\$0
Excess Chapter 175/185 Contribution as of October 1, 2024	<u>\$0</u>



## Historical Chapter 175/185 Contributions

## Table II-G

**Total Accumulated Excess Chapter 175/185 Contribution** \$0

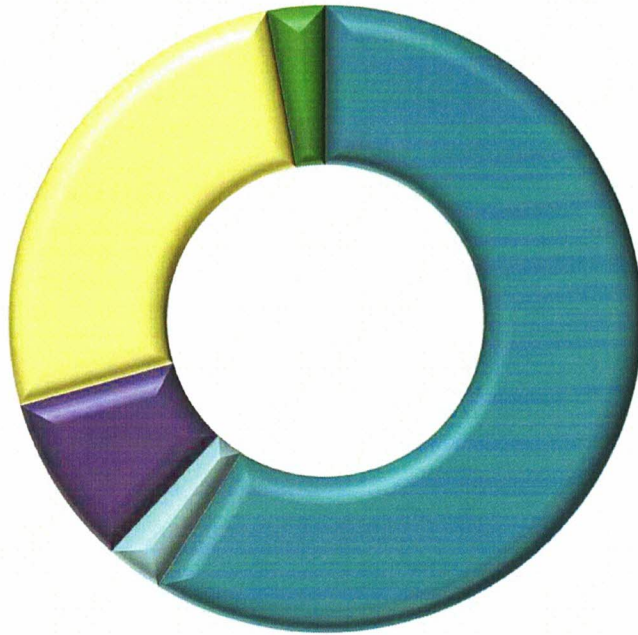
	Chapter 175 Regular <u>Distribution</u>	Chapter 175 Supplemental <u>Distribution</u>	Chapter 185 <u>Distribution</u>	Allowable <u>Amount</u>
1998 Distribution	\$0	\$0	\$14,696	(\$14,696)
1999 Distribution	\$0	\$0	\$16,217	(\$16,217)
2000 Distribution	\$0	\$0	\$18,840	(\$16,746)
2001 Distribution	\$0	\$0	\$20,933	(\$16,746)
2002 Distribution	\$0	\$0	\$21,589	(\$16,746)
2003 Distribution	\$0	\$0	\$28,214	(\$16,746)
2004 Distribution	\$0	\$0	\$32,589	(\$16,746)
2005 Distribution	\$0	\$0	\$32,589	(\$16,746)
2006 Distribution	\$0	\$0	\$32,589	(\$16,746)
2007 Distribution	\$0	\$0	\$32,589	(\$16,746)
2008 Distribution	\$0	\$0	\$32,083	(\$16,746)
2009 Distribution	\$0	\$0	\$33,157	(\$16,746)
2010 Distribution	\$0	\$0	\$33,364	(\$16,746)
2011 Distribution	\$0	\$0	\$37,188	(\$16,746)
2012 Distribution	\$0	\$0	\$34,804	(\$16,746)
2013 Distribution	\$0	\$0	\$42,572	(\$16,746)
2014 Distribution	\$0	\$0	\$41,859	(\$240,515)
2015 Distribution	\$0	\$0	\$41,440	(\$41,440)
2016 Distribution	\$0	\$0	\$42,825	(\$42,825)
2017 Distribution	\$0	\$0	\$44,963	(\$44,963)
2018 Distribution	\$0	\$0	\$48,252	(\$48,252)
2019 Distribution	\$0	\$0	\$51,361	(\$51,361)
2020 Distribution	\$0	\$0	\$48,791	(\$48,791)
2021 Distribution	\$0	\$0	\$59,799	(\$59,799)
2022 Distribution	\$0	\$0	\$67,287	(\$67,287)
2023 Distribution	\$0	\$0	\$79,254	(\$79,254)



Summary of Participant Data

Table III-A

As of October 1, 2024

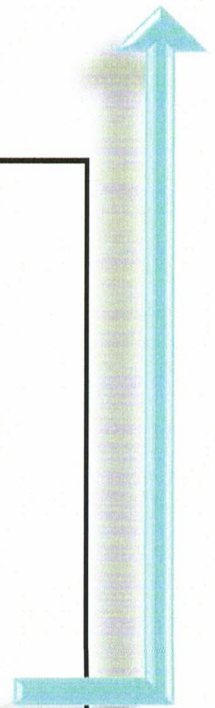


*Participant Distribution by Status*

<u>Actively Employed Participants</u>		
◆	Active Participants	20
◆	DROP Participants	1
<u>Inactive Participants</u>		
◆	Deferred Vested Participants	3
◆	Due a Refund of Contributions	0
◆	Deferred Beneficiaries	0
<u>Participants Receiving a Benefit</u>		
◆	Service Retirements	9
◆	Disability Retirements	0
◆	Beneficiaries Receiving	1
<b>Total Participants</b>		<b>34</b>

Number of Participants Included in Prior Valuations

	<i>Active</i>	<i>DROP</i>	<i>Inactive</i>	<i>Retired</i>	<i>Total</i>
October 1, 2015	18	0	2	8	28
October 1, 2016	21	0	2	8	31
October 1, 2017	21	0	2	7	30
October 1, 2018	21	0	2	6	29
October 1, 2019	19	0	2	7	28
October 1, 2020	21	0	3	6	30
October 1, 2021	19	0	3	8	30
October 1, 2022	20	0	5	8	33
October 1, 2023	19	0	4	10	33
October 1, 2024	20	1	3	10	34



## Data Reconciliation

Table III-B

	<u>Active</u>	<u>DROP</u>	<u>Deferred Vested</u>	<u>Due a Refund</u>	<u>Def. Benef.</u>	<u>Service Retiree</u>	<u>Disabled Retiree</u>	<u>Benef. Rec'v.</u>	<u>Total</u>
<u>October 1, 2023</u>	19	0	4	0	0	9	0	1	33
<u>Change in Status</u>									
Re-employed	1		(1)						
Terminated									
Retired									
<u>Participation Ended</u>									
Transferred Out	(1)	1							
Cashed Out									
Died									
<u>Participation Began</u>									
Newly Hired	1								1
Transferred In									
New Beneficiary									
<u>Other Adjustment</u>									
<u>October 1, 2024</u>	20	1	3	0	0	9	0	1	34

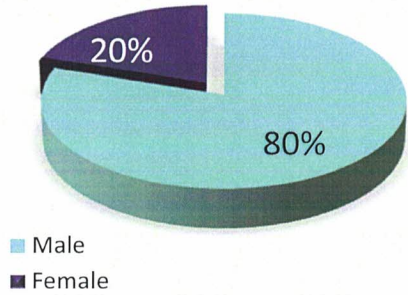


Active Participant Data

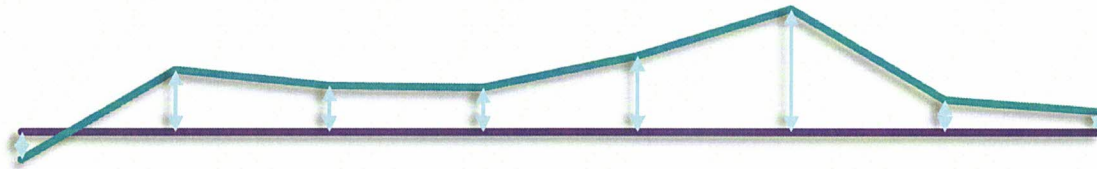
Table III-C

**Gender Mix**

**As of October 1, 2024**



Average Age	47.9 years
Average Service	11.4 years
Total Annualized Compensation for the Prior Year	\$2,268,854
Total Expected Compensation for the Current Year	\$2,268,854
Average Increase in Compensation for the Prior Year	5.06%
Expected Increase in Compensation for the Current Year	4.00%
Accumulated Contributions for Active Employees	\$1,528,451



**Actual vs. Expected Salary Increases**

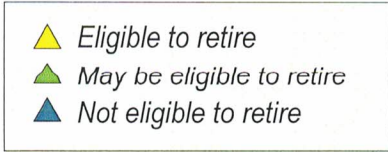
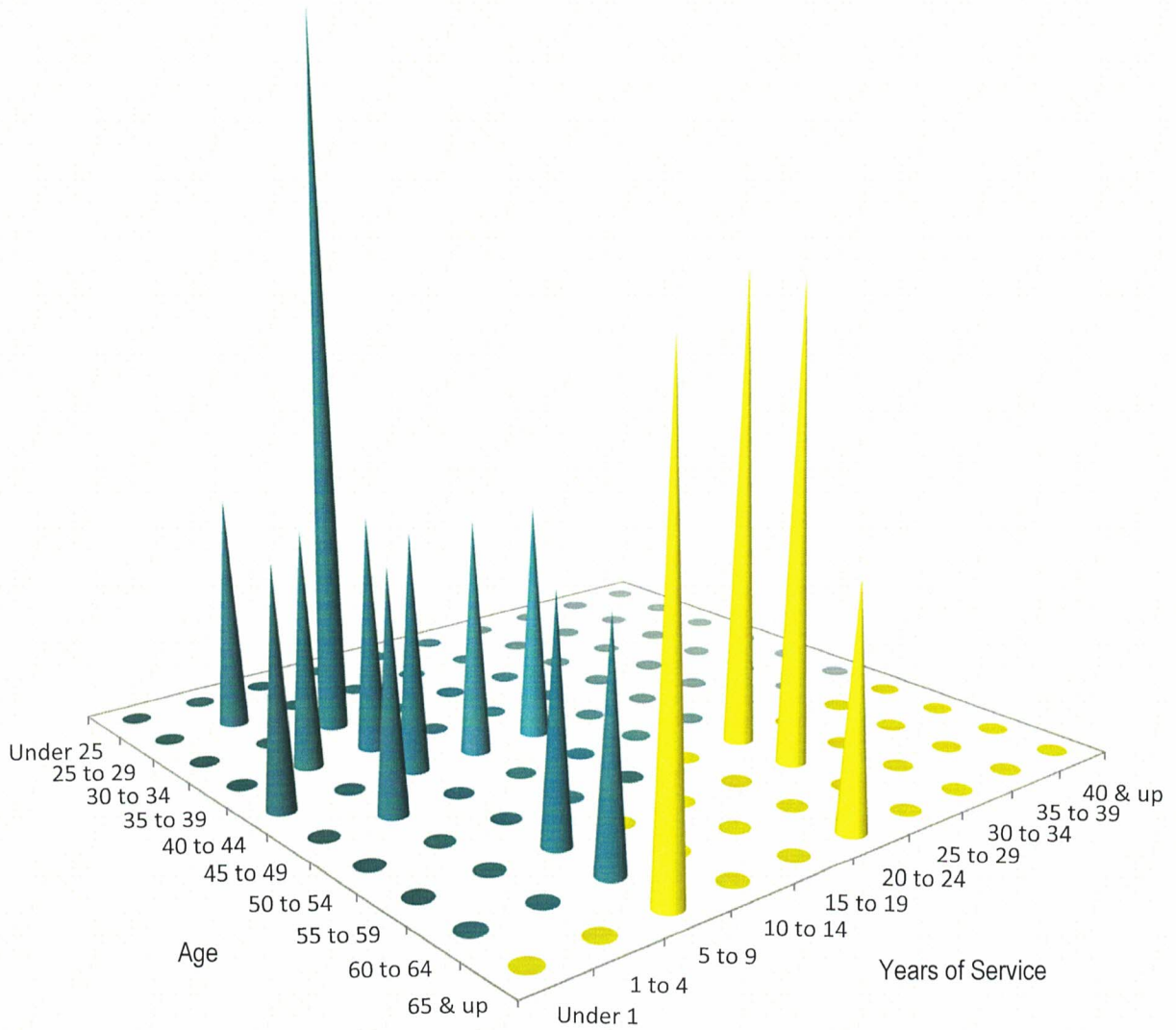
**Active Participant Statistics From Prior Valuations**

	Average Age	Average Service	Average Salary	Average Expected Salary Increase	Average Actual Salary Increase
October 1, 2015	50.7	12.5	\$84,186	4.00%	2.56%
October 1, 2016	50.2	11.7	\$84,468	4.00%	8.92%
October 1, 2017	51.2	12.7	\$89,961	4.00%	2.56%
October 1, 2018	50.4	11.1	\$90,869	4.00%	7.20%
October 1, 2019	50.1	10.5	\$93,131	4.00%	6.39%
October 1, 2020	49.1	10.2	\$88,115	4.00%	6.30%
October 1, 2021	48.5	10.3	\$95,118	4.00%	7.92%
October 1, 2022	49.4	10.3	\$103,156	4.00%	10.35%
October 1, 2023	46.8	11.1	\$102,102	4.00%	5.67%
October 1, 2024	47.9	11.4	\$113,443	4.00%	5.06%



# Active Age-Service Distribution

Table III-D



Active Age-Service-Salary Table

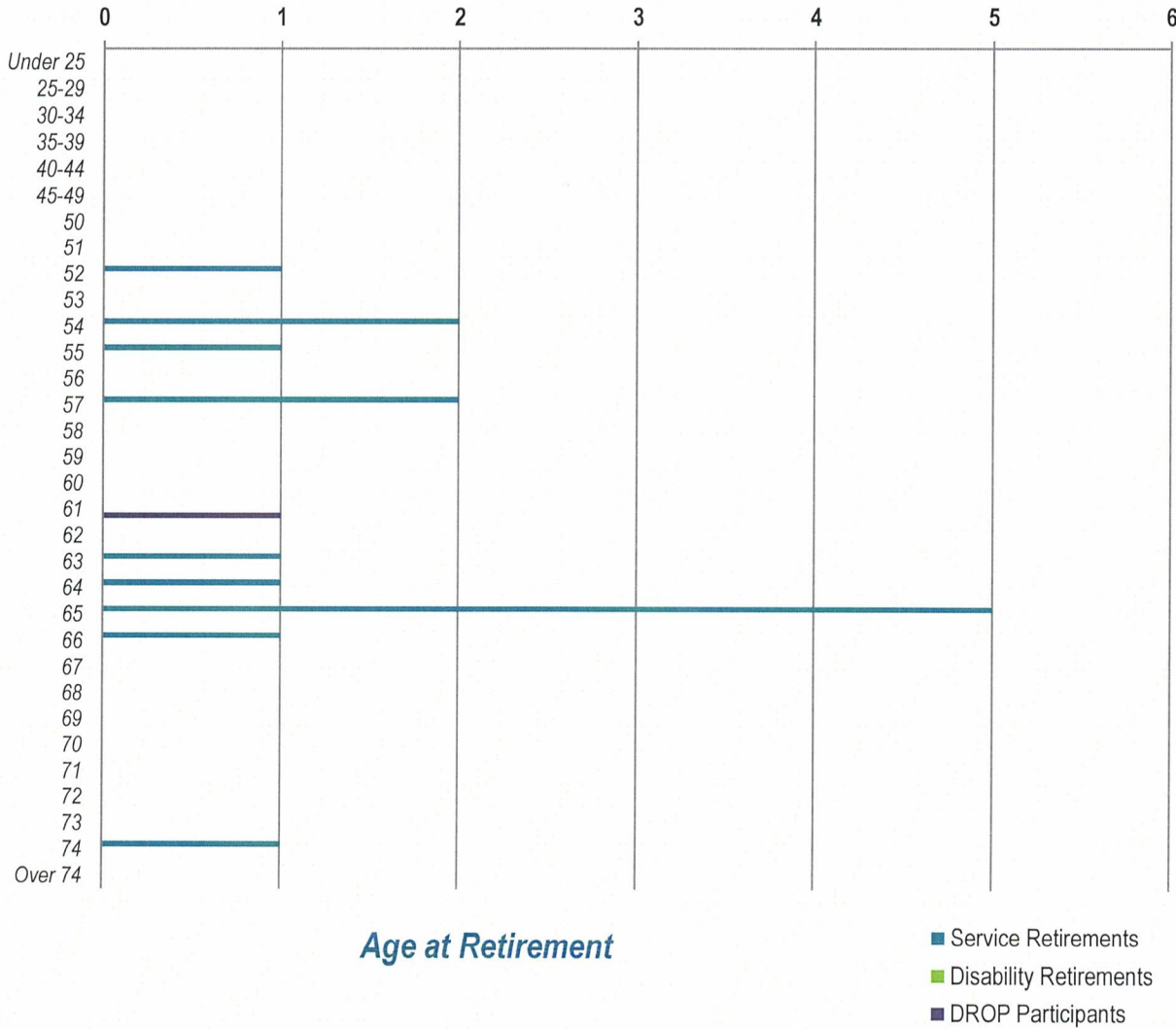
Table III-E

Attained Age	Completed Years of Service										Total	
	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		
<b>Under 25</b>	0	0	0	0	0	0	0	0	0	0	0	0
Avg.Pay	0	0	0	0	0	0	0	0	0	0	0	0
<b>25 to 29</b>	0	1	0	0	0	0	0	0	0	0	0	1
Avg.Pay	0	83,616	0	0	0	0	0	0	0	0	0	83,616
<b>30 to 34</b>	0	0	3	0	0	0	0	0	0	0	0	3
Avg.Pay	0	0	94,715	0	0	0	0	0	0	0	0	94,715
<b>35 to 39</b>	0	1	1	0	0	0	0	0	0	0	0	2
Avg.Pay	0	86,124	100,650	0	0	0	0	0	0	0	0	93,387
<b>40 to 44</b>	1	0	1	1	1	0	0	0	0	0	0	4
Avg.Pay	83,616	0	96,779	150,687	224,869	0	0	0	0	0	0	138,988
<b>45 to 49</b>	0	1	0	0	0	0	0	0	0	0	0	1
Avg.Pay	0	90,431	0	0	0	0	0	0	0	0	0	90,431
<b>50 to 54</b>	0	0	0	0	0	0	2	0	0	0	0	2
Avg.Pay	0	0	0	0	0	0	135,025	0	0	0	0	135,025
<b>55 to 59</b>	0	0	1	0	0	0	2	0	0	0	0	3
Avg.Pay	0	0	109,969	0	0	0	132,566	0	0	0	0	125,034
<b>60 to 64</b>	0	0	1	0	0	0	0	0	0	0	0	1
Avg.Pay	0	0	91,309	0	0	0	0	0	0	0	0	91,309
<b>65 &amp; up</b>	0	0	2	0	0	1	0	0	0	0	0	3
Avg.Pay	0	0	100,851	0	0	129,775	0	0	0	0	0	110,492
<b>Total</b>	1	3	9	1	1	1	4	0	0	0	0	20
Avg.Pay	83,616	86,724	98,284	150,687	224,869	129,775	133,795	0	0	0	0	113,443



Inactive Participant Data

Table III-F



Age at Retirement

- Service Retirements
- Disability Retirements
- DROP Participants

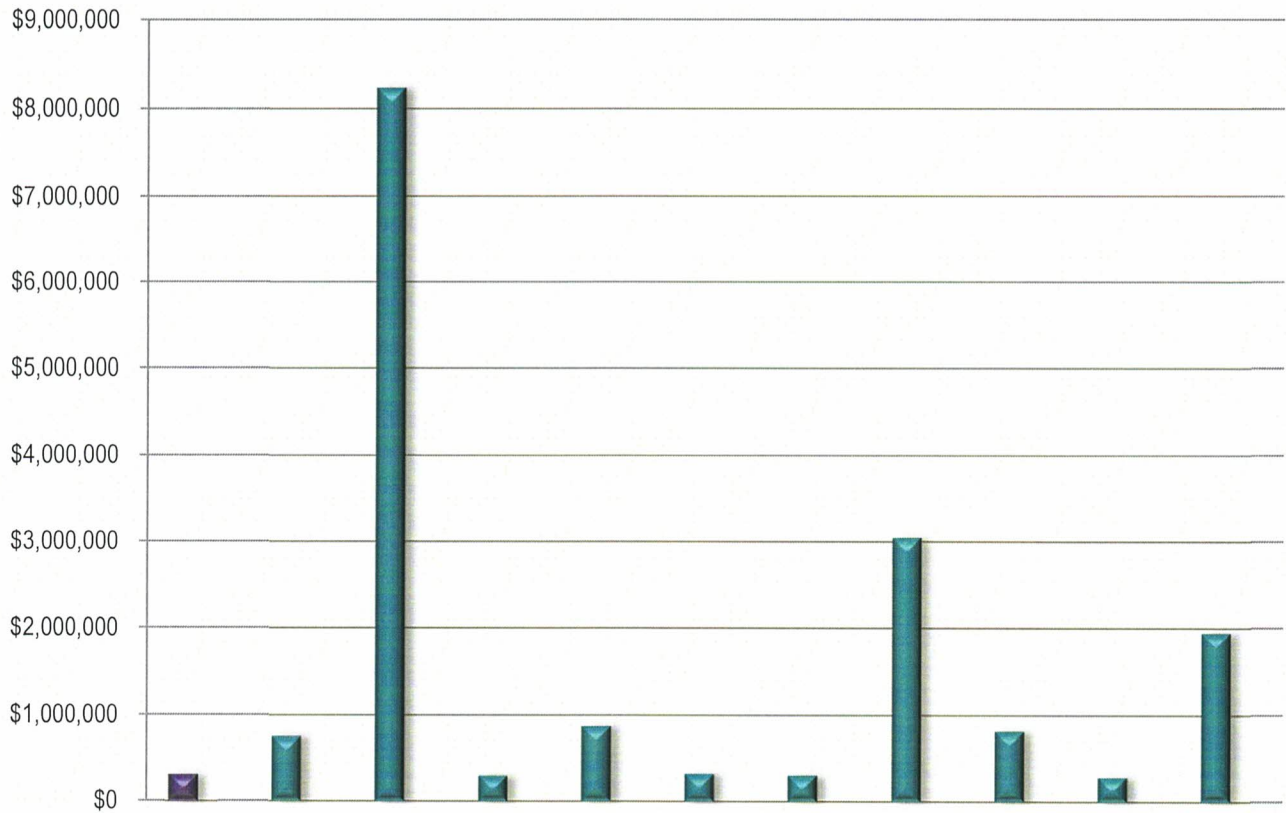
Average Monthly Benefit

Service Retirements	\$2,412.90
Disability Retirements	Not applicable
Beneficiaries Receiving	\$2,223.30
DROP Participants	\$3,088.25
Deferred Vested Participants	\$1,887.98
Deferred Beneficiaries	Not applicable



Projected Benefit Payments

Table III-G



Actual

For the period October 1, 2023 through September 30, 2024 \$313,505

Projected

For the period October 1, 2024 through September 30, 2025 \$754,024  
 For the period October 1, 2025 through September 30, 2026 \$8,237,170  
 For the period October 1, 2026 through September 30, 2027 \$301,452  
 For the period October 1, 2027 through September 30, 2028 \$872,210  
 For the period October 1, 2028 through September 30, 2029 \$323,790  
 For the period October 1, 2029 through September 30, 2030 \$305,908  
 For the period October 1, 2030 through September 30, 2031 \$3,052,612  
 For the period October 1, 2031 through September 30, 2032 \$818,522  
 For the period October 1, 2032 through September 30, 2033 \$287,434  
 For the period October 1, 2033 through September 30, 2034 \$1,944,669



## Summary of Actuarial Methods and Assumptions

## Table IV-A

*NOTE: The following assumptions and methods have been selected and approved by the Board of Trustees based in part on the advice of the plan's enrolled actuary in accordance with the authority granted to the Board under the pension ordinances and State law.*

**1. Actuarial Cost Method**

Individual entry age normal cost method. Under this actuarial cost method, a level funding cost is developed with respect to each benefit for each participant. The level funding cost for each benefit applies to the period beginning when the participant's service commences and ends when the participant is assumed to cease active participation due to each respective decrement. The actuarial accrued liability is equal to the accumulated level funding cost to the valuation date for all participants. The normal cost is equal to the level funding cost for the year immediately following the valuation date for all active participants.

**2. Amortization Method**

The unfunded actuarial accrued liability is amortized as a level dollar amount over a closed period of 10 years from October 1, 2022.

**3. Asset Method**

The actuarial value of assets is equal to the market value of assets.

**4. Interest (or Discount) Rate**

6.00% per annum

**5. Salary Increases**

Plan compensation is assumed to increase at the rate of 4.00% per annum, unless actual plan compensation is known for a prior plan year.

**6. Decrements**

- Pre-retirement mortality: Sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Employee Mortality Table for public safety employees (Below Median table for males), with full generational improvements in mortality using Scale MP-2018 and with ages set forward one year



## Summary of Actuarial Methods and Assumptions

## Table IV-A

(continued)

- Post-retirement mortality: For non-disabled retirees, sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Healthy Retiree Mortality Table for public safety employees (Below Median table for males), with full generational improvements in mortality using Scale MP-2018 and with ages set forward one year; for disabled retirees, sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Disabled Retiree Mortality Table (80% general employee rates plus 20% public safety employee rates), with full generational improvements in mortality using Scale MP-2018
- Disability: Age-based rates of disability were assumed, ranging from 0.051% at age 20, 0.058% at age 30, 0.121% at age 40, 0.217% at age 45, 0.429% at age 50, and 0.891% at age 55; 75% of disabilities are assumed to be service-related.
- Termination: Age-based rates of employment termination were assumed, ranging from 10.500% at age 20, 9.975% at age 25, 8.750% at age 30, 6.650% at age 35, 4.550% at age 40, 2.800% at age 45, 1.400% at age 50, and 0.525% at age 55.
- Retirement: Retirement is assumed to occur at normal retirement age.

No decrements have been assumed during the first year following the valuation date.

## 7. Form of Payment

Future retirees have been assumed to select the single lump sum form of payment.

## 8. Expenses

Administrative expenses are assumed to be 1.00% of covered payroll. In addition, the interest rate set forth in item 4. above is assumed to be net of investment expenses and commissions.



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## Changes in Actuarial Methods and Assumptions

Table IV-B

No assumptions or methods were changed since the completion of the previous valuation.

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*The following additional assumption and method changes were made during the past 10 years:*

- (1) *Effective October 1, 2020, the mortality basis was changed from the RP-2000 Combined Mortality Table with generational improvements in mortality using Scale BB to selected PUB-2010 Mortality Tables with generational improvements in mortality using Scale MP-2018.*
- (2) *Effective October 1, 2015, the mortality basis was changed from a 2007 projection of the RP-2000 Mortality Table for annuitants to a full generational projection using Scale BB of the RP-2000 Combined Mortality Table as required by State law.*



## Summary of Plan Provisions

## Table V-A

1. **Monthly Accrued Benefit**

Benefit Accrual Rate multiplied by Average Final Compensation

2. **Benefit Accrual Rate**

For each year of Prior Service, the Benefit Accrual Rate is 1¾%. For each year of Membership Service through September 30, 2002, the Benefit Accrual Rate depends on the member's contribution rate in accordance with the following table:

Contribution Rate	Benefit Accrual Rate	Contribution Rate	Benefit Accrual Rate
2%	1¾%	7%	2¾%
3%	1⅞%	8%	2½%
4%	2%	9%	2⅝%
5%	2⅛%	10%	2¾%
6%	2¼%		

For each year of Membership Service earned during the period October 1, 2002 through September 30, 2014, the Benefit Accrual Rate is 3¼%. For each year of Membership Service earned after September 30, 2014, the Benefit Accrual Rate is 3½%.

3. **Normal Retirement Age and Benefit**• **Age**

Age 50 with at least 20 years of Credited Service;  
Age 55 with at least 10 years of Credited Service; or  
Age 65

• **Amount**

Monthly Accrued Benefit

• **Form of Payment**

Life annuity (normal form of payment);  
Actuarially reduced five-year certain and life annuity (optional);  
Actuarially reduced 10-year certain and life annuity (optional);  
Actuarially reduced 50% joint and contingent annuity (optional);  
Actuarially reduced 66⅔% joint and contingent annuity (optional);  
Actuarially reduced 75% joint and contingent annuity (optional);  
Actuarially reduced 100% joint and contingent annuity (optional);  
Actuarially adjusted social security level income annuity (optional); or  
Actuarially equivalent lump sum payment (optional).

(Note: All forms of payment guarantee at least the return of the member's Accumulated Contributions.)



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## Summary of Plan Provisions

## Table V-A

(continued)

### 4. Delayed Retirement Age and Benefit

- **Age**  
After Normal Retirement Age
- **Amount**  
Monthly Accrued Benefit
- **Form of Payment**  
Same as for Normal Retirement

### 5. Service Incurred Disability Retirement Eligibility and Benefit

- **Eligibility**  
All members of the Plan are eligible.
- **Condition**  
The member must have suffered a condition or impairment of health which is the result of an act or acts occurring in the performance of service to the town as determined by the Board of Trustees in reliance on the findings and definitions of the town's group disability insurance carrier and must remain so disabled until his Normal Retirement Age. With respect to police employees who have successfully passed a physical examination upon entering the town's service, any condition or impairment of health caused by hypertension, heart disease or hardening of the arteries, or other conditions as required by state or federal law which results in total and permanent disability is presumed to be service-connected unless competent evidence shows otherwise.
- **Amount**  
Monthly Accrued Benefit, payable upon the attainment of Normal Retirement Age and offset by any amounts payable under workmen's compensation or other long-term disability benefits provided by the town. For this purpose, the Monthly Accrued Benefit will be calculated to reflect Credited Service and Compensation for the period of disability equal to what the member would have earned based on his compensation and contribution rate in effect at the time he became disabled.
- **Form of Payment**  
Same as for Normal Retirement



## Summary of Plan Provisions

## Table V-A

(continued)

**6. Termination Benefit**

- **Age**  
Any age with at least five years of Credited Service
- **Amount**  
Monthly Accrued Benefit, multiplied by the Member's Vested Interest and payable upon the attainment of Normal Retirement Age
- **Form of Payment**  
Same as for Normal Retirement

**7. Pre-Retirement Death Benefit**

In the case of the death of a member prior to retirement, his beneficiary will receive a 10-year certain annuity based on the member's Monthly Accrued Benefit as of his date of death and determined as if the member had a 100% Vested Interest in his Monthly Accrued Benefit, survived to his Normal Retirement Age, and elected a 10-year certain and life annuity.

**8. Vested Interest**

A member earns a 100% Vested Interest in his Monthly Accrued Benefit upon the attainment of five years of Credited Service.

**9. Average Final Compensation**

Average monthly compensation for the highest three years out of the 10 full years immediately preceding the determination, where compensation includes basic compensation but excludes overtime and other special compensation such as sick leave, annual leave, and compensatory leave paid upon separation from service; for this purpose, basic compensation will also include amounts paid by the town as deferred compensation to an Internal Revenue Code (IRC) §457 plan.



## Summary of Plan Provisions

## Table V-A

(continued)

**10. Credited Service**

Credited Service is equal to Prior Service plus Membership Service. Prior Service is the period of completed years and months of regular, full-time employment prior to October 1, 1969. Membership Service is the period of completed years and months of regular, full-time employment on and after October 1, 1969 during which the employee makes all required contributions to the plan. In addition, a member may purchase up to four years of military service to be included in his Membership Service by paying into the plan the full actuarial cost thereof, provided that such military service occurred after the member's initial employment with the town, the member did not receive a dishonorable discharge, and the member does not receive credit for such service under any other private or governmental retirement plan.

**11. Membership Requirement**

In order to become a member of the plan, a person must be employed by the Town of Bay Harbor Islands, Florida on a full-time basis as a police officer or general employee and must have earned one year of continuous employment. Members of the town council, elected officials, and independent contractors are not eligible for membership in the plan.

**12. Accumulated Contributions**

The member's contributions accumulated with interest at the rate set by the Board of Trustees from time to time.

**13. Member Contributions**

For police employees during the period prior to October 1, 2002, the member contribution rate is based on the member's election from time to time and is any whole percentage from 2% to 10%, inclusive; for police employees during the period after September 30, 2002, the member contribution rate is 8%; member Contributions are deemed to be "picked-up" by the Town pursuant to Internal Revenue Code (IRC) §414(h)(2).

**14. Plan Year**

October 1<sup>st</sup> through September 30<sup>th</sup>

**15. Plan Effective Date**

The initial plan effective date is October 1, 1969.



## Summary of Plan Provisions

## Table V-A

(continued)

**16. Actuarial Equivalence**

- **Mortality**

1983 Group Annuity Mortality Table, blended 50%/50% for males and females and set forward five years for disabled members

- **Interest**

6.00% per annum

**17. Retirement Subsidy**

For police officers who retire or terminate their employment after September 30, 2014, an additional retirement subsidy is paid until age 65 equal to \$375.00 per month multiplied by the member's Vested Interest, provided that the subsidy is not paid to those individuals who terminate their employment if such individuals withdraw their Member Contributions from the plan.

**18. Deferred Retirement Option Plan (DROP)**

A DROP is available to those employees who attain their normal retirement age. Employees may participate in the DROP for a period of up to 60 months, subject to an extension at the sole discretion of the Town Manager.



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## Summary of Plan Amendments

## Table V-B

No significant plan changes were adopted since the completion of the previous valuation.

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*The following additional plan amendments were adopted during the past 10 years and were reflected in prior valuation reports:*

- (1) Effective October 7, 2019, a DROP was added for police officers who attain their normal retirement age. (Ordinance Nos. 1038 and 1046)*
- (2) During the 2016/17 plan year, the vesting requirement was reduced to five years of service.*
- (3) During the 2014/15 plan year, the benefit formula multiplier was increased from 3.25% to 3.50% for service earned after September 30, 2014.*
- (4) During the 2014/15 plan year, the monthly retirement subsidy was increased from \$350 to \$375.*



Town of Bay Harbor Islands  
Employees Retirement System  
(General Employees)

Actuarial Valuation  
As of October 1, 2024

Determines the Contribution  
For the 2025/26 Fiscal Year



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May 7, 2025

## Introduction

This report presents the results of the October 1, 2024 actuarial valuation of the portion of the Town of Bay Harbor Islands Employees Retirement System that covers general employees. The report is based on the participant data and asset information provided by the pension plan administrator and, except for a cursory review for reasonableness including a comparison to the data provided for the previous valuation, we have not attempted to verify the accuracy of this information.

The primary purpose of this report is to provide a summary of the funded status of the plan as of October 1, 2024 and to determine the minimum required contribution under Chapter 112, Florida Statutes, for the 2025/26 plan year. In addition, this report provides a projection of the long-term funding requirements of the plan, statistical information concerning the assets held in the trust, statistical information concerning the participant population, and a summary of any recent plan changes.

The liabilities and cost presented in this report are based on numerous assumptions concerning the cost of benefits to be provided in the future, long-term investment returns, and the future demographic experience of the current participants. Anyone referring to this report should remember that the cost developed herein is only an *estimate* of the true cost of providing post-employment pension benefits. No one can predict with certainty whether the true cost will be higher or lower than the cost presented in this report. The calculated cost is entirely dependent upon the assumptions that are described in Table IV-A. If any of the assumptions is changed, then the cost shown in this report will change accordingly. Likewise, if any of the assumptions is not completely realized, then the cost shown in this report will change in the future.

Certain assumptions play a bigger role than others in determining the cost of the post-employment pension benefits. In some cases, relatively small changes in a particular assumption can have a dramatic impact on the anticipated cost of benefits. Although a thorough analysis of the impact of such changes is beyond the scope of this report, Table I-B illustrates the impact that alternative long-term investment returns would have on the contribution rate.

## Minimum Required Contribution

Table I-A shows the development of the minimum required contribution for the 2025/26 plan year. The minimum required contribution is \$819,048, which equates to 19.45% of covered payroll. The minimum required contribution decreased by \$235,305 (or 5.70% of payroll) from the prior valuation.

Table I-C provides a breakdown of the sources of change in the contribution rate. Significantly, the rate decreased by 4.34% of payroll due to investment gains and decreased by another 1.36% of payroll due to demographic experience. The market value of assets earned 18.33% during the 2023/24 plan year, whereas a 6.00% annual investment return was required to maintain a stable contribution rate.



Chapter 112, Florida Statutes, sets forth the rules concerning the minimum required contribution for public pension plans within the state. Essentially, the Town must contribute an amount equal to the annual normal cost of the plan plus an amortization payment towards the unfunded accrued liability and an adjustment as necessary to reflect interest on any delayed payment of the contribution beyond the valuation date.

#### Amortization of the Unfunded Liability

This plan uses the entry age normal cost method to develop an unfunded liability each year. The unfunded liability is then amortized or “paid off” over a period of time. The period over which the unfunded liability is amortized is often referred to as the “funding period” of the plan. Under Chapter 112 the maximum allowable funding period is 30 years. However, the plan’s funding policy utilizes a 10-year closed funding period for the unfunded accrued liability beginning October 1, 2022.

#### Advance Employer Contribution

The Town has made contributions to the plan in excess of the minimum amount that was required to be contributed pursuant to Chapter 112. In this report, the excess contributions are referred to as an “advance employer contribution.” As of October 1, 2024, the advance employer contribution is \$196,582 as shown in Table II-F.

The Town may apply all or any portion of the advance employer contribution towards the minimum required contribution for the 2024/25 plan year or for any later plan year. The minimum required contribution for that plan year will be reduced dollar-for-dollar by the amount of the advance employer contribution that is applied in this manner.

Alternatively, at any time, the Town may apply all or any portion of the advance employer contribution as an *extra* contribution in excess of the minimum required contribution. In this case, the immediate application of the entire balance of the advance employer contribution as of October 1, 2024 would reduce the minimum required contribution for the 2025/26 plan year to \$786,420.

#### Identification and Assessment of Risk

The liabilities and cost presented in this report are based on numerous assumptions concerning the cost of benefits to be provided in the future, long-term investment returns, and the future demographic experience of the current participants. Anyone referring to this report should remember that the cost developed herein is only an *estimate* of the true cost of providing post-employment pension benefits. No one can predict with certainty whether the true cost will be higher or lower than the cost presented in this report. The calculated cost is entirely dependent upon the assumptions that are described in Table IV-A. If any of the assumptions is changed, then the cost shown in this report will change accordingly. Likewise, there is always a risk that, should these assumptions not be realized, the liabilities of the plan, the contributions required to fund the plan, and the funded status of the plan may be significantly different than the amounts shown in this report.



Although a thorough analysis of the risk of not meeting the assumptions is beyond the scope of this report, this discussion is intended to identify the significant risks faced by the plan. In some cases, a more detailed review of the risks, including numerical analysis, may be appropriate to help the plan sponsor and other interested parties assess the specific impact of not realizing certain assumptions. For example, Table I-B illustrates the impact that alternative long-term investment returns would have on the contribution rate. Note that this report is not intended to provide advice on the management or reduction of the identified risks nor is this report intended to provide investment advice.

The most significant risk faced by most defined benefit pension plans is investment risk, i.e. the risk that long-term investment returns will be less than assumed. Other related risks include a risk that, if the investments of the plan decline dramatically over a short period of time (such as occurred with many pension plans in 2008), the plan's assets may not have sufficient time to recover before benefits become due. Even if the assets of the plan grow in accordance with the assumed investment return over time, if benefit payments are expected to be large in the short-term (for example, if the plan provides an actuarial equivalent lump sum payment option and a large number of participants are expected to become entitled to such a lump sum in the near future), the plan's assets may not be sufficient to support such a high level of benefit payments. We have provided a 10-year projection of the expected benefit payments in Table III-G to help the Trustees in formulating an investment policy that is expected to provide an investment return that meets both the short- and long-term cash flow needs of the pension plan.

Another source of risk is demographic experience. This is the risk that participants will receive salary increases that are different than the amount assumed, that participants will retire, become disabled, or terminate their employment at a rate that is different than assumed, and that participants will live longer than assumed, just to cite a few examples of the demographic risk faced by the plan. Although for most pension plans, the demographic risk is not as significant as the investment risk, particularly in light of the fact that the mortality assumption includes a component for future life expectancy increases, the demographic risk can nevertheless be a significant contributing factor to liabilities and contribution rates that become higher than anticipated.

A third source of risk is the risk that the plan sponsor (or other contributing entities) will not make, or will not have the ability to make, the contributions that are required to keep the plan funded at a sufficient level. Material changes in the number of covered employees, covered payroll, and, in some cases, hours worked by active participants can also significantly impact the plan's liabilities and the level of contributions received by the plan.

Finally, an actuarial funding method has been used to allocate the gap between projected liabilities and assets to each year in the future. The contribution rate under some funding methods is higher during the early years of the plan and then is lower during the later years of the plan. Other funding methods provide for lower contribution rates initially, with increasing contribution rates over time.

The Trustees have adopted the individual entry age normal funding method for this plan with level-dollar payments towards the unfunded accrued liability, which is expected to result in a contribution rate that decreases over time as a percentage of payroll. A brief description of the actuarial funding method is provided in Table IV-A.



Contents of the Report

Tables I-D through I-I provide a detailed breakdown of various liability amounts by type of benefit and by participant group. Tables II-A through II-F provide information concerning the assets of the trust fund. Specifically, Table II-A shows the development of the actuarial value of assets. Tables III-A through III-G provide statistical information concerning the plan's participant population. In particular, Table III-G gives a 10-year projection of the cash that is expected to be required from the trust fund in order to pay benefits to the current group of participants. Finally, Tables IV-A through V-B provide a summary of the actuarial assumptions and methods that are used to value the plan's benefits and of the relevant plan provisions as of October 1, 2024, as well as a summary of the changes that have occurred since the previous valuation report was prepared.

Certification

This actuarial valuation was prepared 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 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 change in plan costs or required contribution rates have been taken into account in the valuation.

For the firm,

*Charles T. Carr*

Charles T. Carr  
Consulting Actuary  
Southern Actuarial Services Company, Inc.

Enrolled Actuary No. 23-04927

*The individual above is a member of the American Academy of Actuaries and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.*



Minimum Required Contribution

Table I-A

**For the 2025/26 Plan Year**

Entry Age Normal Cost	\$869,269
Unfunded Liability Amortization Payment	\$195,005
Expense Allowance	\$30,365
Expected Employee Contribution	(\$281,190)
	<hr/>
	\$813,449
Adjustment to Reflect Semi-Monthly Employer Contributions	\$18,918
Expected Employer Contribution for the 2024/25 Plan Year	(\$1,054,353)
Remaining Contribution Due/(Credit) for the 2024/25 Plan Year	(\$221,986)
	<hr/>
	x 0.06
One Year's Interest Charge/(Credit) on the Remaining Contribution	(\$13,319)

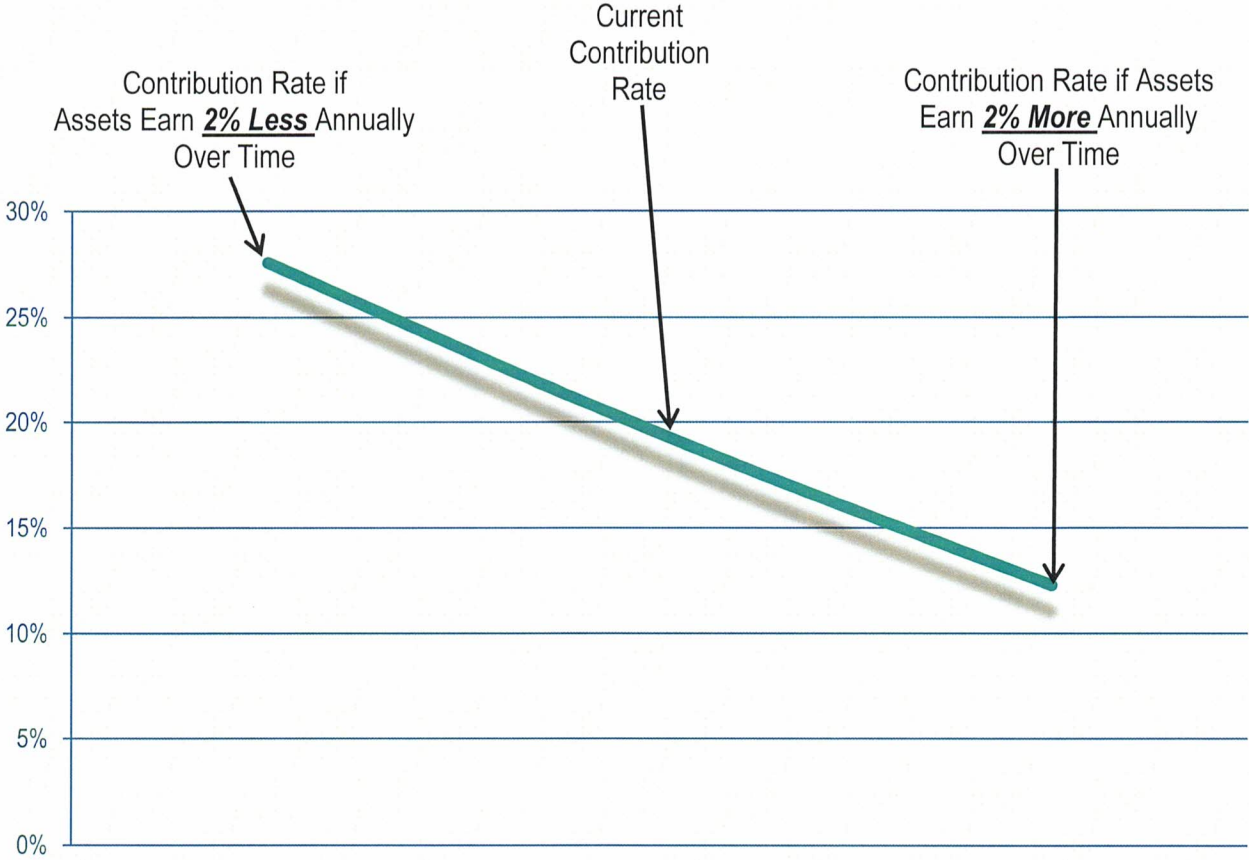
***Minimum Required Contribution for the 2025/26 Plan Year*** **\$819,048**

Expected Payroll for the 2025/26 Plan Year	÷ \$4,210,622
Minimum Required Contribution as a % of Payroll	19.45%



Sensitivity Analysis

Table I-B



The line above illustrates the sensitivity of the contribution rate to changes in the long-term investment return.



## Gain and Loss Analysis

## Table I-C

**Source of Change in the Contribution Rate**

Previous contribution rate	25.15%
Increase (decrease) due to investment gains and losses	-4.34%
Increase (decrease) due to demographic experience	-1.36%
Increase (decrease) due to plan amendments	0.00%
Increase (decrease) due to actuarial assumption changes	0.00%
Increase (decrease) due to actuarial method changes	0.00%
Current contribution rate	<u>19.45%</u>

**Source of Change in the Unfunded Liability**

Previous unfunded liability	\$2,892,030
Increase due to employer normal cost for the prior year	\$621,904
Increase due to interest on normal cost and unfunded liability	\$210,836
Decrease due to employer contributions	(\$875,821)
Decrease due to interest on employer contributions	(\$25,892)
Expected unfunded liability	<u>\$2,823,057 *</u>
Increase (decrease) due to plan experience	(\$1,540,114)
Increase (decrease) due to plan amendments	\$0
Increase (decrease) due to actuarial assumption changes	\$0
Increase (decrease) due to actuarial method changes	\$0
Current unfunded liability	<u>\$1,282,943</u>

\* not less than zero



Present Value of Future Benefits

Table I-D

	Old Assumptions w/o Amendment	Old Assumptions w/ Amendment	New Assumptions w/ Amendment
<i>Actively Employed Participants</i>			
Retirement benefits	\$12,978,617	\$12,978,617	\$12,978,617
Termination benefits	\$1,358,441	\$1,358,441	\$1,358,441
Disability benefits	\$35,898	\$35,898	\$35,898
Death benefits	\$28,049	\$28,049	\$28,049
Refund of employee contributions	\$53,356	\$53,356	\$53,356
Sub-total	<b>\$14,454,361</b>	<b>\$14,454,361</b>	<b>\$14,454,361</b>
<i>Deferred Vested Participants</i>			
Retirement benefits	\$1,065,741	\$1,065,741	\$1,065,741
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	<b>\$1,065,741</b>	<b>\$1,065,741</b>	<b>\$1,065,741</b>
<i>Due a Refund of Contributions</i>	<b>\$8,924</b>	<b>\$8,924</b>	<b>\$8,924</b>
<i>Deferred Beneficiaries</i>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<i>Retired Participants</i>			
Service retirements	\$3,379,022	\$3,379,022	\$3,379,022
Disability retirements	\$24,361	\$24,361	\$24,361
Beneficiaries receiving	\$17,398	\$17,398	\$17,398
DROP participants	\$0	\$0	\$0
Sub-total	<b>\$3,420,781</b>	<b>\$3,420,781</b>	<b>\$3,420,781</b>
<i>Grand Total</i>	<b><u>\$18,949,807</u></b>	<b><u>\$18,949,807</u></b>	<b><u>\$18,949,807</u></b>
Present Value of Future Payroll	\$21,742,391	\$21,742,391	\$21,742,391
Present Value of Future Employee Contribs.	\$1,510,062	\$1,510,062	\$1,510,062
Present Value of Future Employer Contribs.	\$5,148,862	\$5,148,862	\$5,148,862



## Present Value of Accrued Benefits

Table I-E

	Old Assumptions w/o Amendment	Old Assumptions w/ Amendment	New Assumptions w/ Amendment
<i>Actively Employed Participants</i>			
Retirement benefits	\$7,068,862	\$7,068,862	\$7,068,862
Termination benefits	\$625,474	\$625,474	\$625,474
Disability benefits	\$14,340	\$14,340	\$14,340
Death benefits	\$9,398	\$9,398	\$9,398
Refund of employee contributions	\$29,274	\$29,274	\$29,274
Sub-total	<b>\$7,747,348</b>	<b>\$7,747,348</b>	<b>\$7,747,348</b>
<i>Deferred Vested Participants</i>			
Retirement benefits	\$1,065,741	\$1,065,741	\$1,065,741
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	<b>\$1,065,741</b>	<b>\$1,065,741</b>	<b>\$1,065,741</b>
<i>Due a Refund of Contributions</i>	<b>\$8,924</b>	<b>\$8,924</b>	<b>\$8,924</b>
<i>Deferred Beneficiaries</i>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<i>Retired Participants</i>			
Service retirements	\$3,379,022	\$3,379,022	\$3,379,022
Disability retirements	\$24,361	\$24,361	\$24,361
Beneficiaries receiving	\$17,398	\$17,398	\$17,398
DROP participants	\$0	\$0	\$0
Sub-total	<b>\$3,420,781</b>	<b>\$3,420,781</b>	<b>\$3,420,781</b>
<i>Grand Total</i>	<b><u>\$12,242,794</u></b>	<b><u>\$12,242,794</u></b>	<b><u>\$12,242,794</u></b>



## Present Value of Vested Benefits

Table I-F

	Old Assumptions <u>w/o Amendment</u>	Old Assumptions <u>w/ Amendment</u>	New Assumptions <u>w/ Amendment</u>
<i><u>Actively Employed Participants</u></i>			
Retirement benefits	\$6,651,722	\$6,651,722	\$6,651,722
Termination benefits	\$575,933	\$575,933	\$575,933
Disability benefits	\$14,340	\$14,340	\$14,340
Death benefits	\$9,398	\$9,398	\$9,398
Refund of employee contributions	\$41,323	\$41,323	\$41,323
Sub-total	<b>\$7,292,716</b>	<b>\$7,292,716</b>	<b>\$7,292,716</b>
<i><u>Deferred Vested Participants</u></i>			
Retirement benefits	\$1,065,741	\$1,065,741	\$1,065,741
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	<b>\$1,065,741</b>	<b>\$1,065,741</b>	<b>\$1,065,741</b>
<i><u>Due a Refund of Contributions</u></i>	<b>\$8,924</b>	<b>\$8,924</b>	<b>\$8,924</b>
<i><u>Deferred Beneficiaries</u></i>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<i><u>Retired Participants</u></i>			
Service retirements	\$3,379,022	\$3,379,022	\$3,379,022
Disability retirements	\$24,361	\$24,361	\$24,361
Beneficiaries receiving	\$17,398	\$17,398	\$17,398
DROP participants	\$0	\$0	\$0
Sub-total	<b>\$3,420,781</b>	<b>\$3,420,781</b>	<b>\$3,420,781</b>
<i><u>Grand Total</u></i>	<b><u>\$11,788,162</u></b>	<b><u>\$11,788,162</u></b>	<b><u>\$11,788,162</u></b>



## Entry Age Normal Accrued Liability

Table I-G

	Old Assumptions w/o Amendment	Old Assumptions w/ Amendment	New Assumptions w/ Amendment
<i>Actively Employed Participants</i>			
Retirement benefits	\$8,383,584	\$8,383,584	\$8,383,584
Termination benefits	\$802,989	\$802,989	\$802,989
Disability benefits	\$16,325	\$16,325	\$16,325
Death benefits	\$12,930	\$12,930	\$12,930
Refund of employee contributions	\$25,620	\$25,620	\$25,620
Sub-total	<b>\$9,241,448</b>	<b>\$9,241,448</b>	<b>\$9,241,448</b>
<i>Deferred Vested Participants</i>			
Retirement benefits	\$1,065,741	\$1,065,741	\$1,065,741
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	<b>\$1,065,741</b>	<b>\$1,065,741</b>	<b>\$1,065,741</b>
<i>Due a Refund of Contributions</i>	<b>\$8,924</b>	<b>\$8,924</b>	<b>\$8,924</b>
<i>Deferred Beneficiaries</i>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<i>Retired Participants</i>			
Service retirements	\$3,379,022	\$3,379,022	\$3,379,022
Disability retirements	\$24,361	\$24,361	\$24,361
Beneficiaries receiving	\$17,398	\$17,398	\$17,398
DROP participants	\$0	\$0	\$0
Sub-total	<b>\$3,420,781</b>	<b>\$3,420,781</b>	<b>\$3,420,781</b>
<i>Grand Total</i>	<b><u>\$13,736,894</u></b>	<b><u>\$13,736,894</u></b>	<b><u>\$13,736,894</u></b>
less Actuarial Value of Assets	(\$12,453,951)	(\$12,453,951)	(\$12,453,951)
<i>Unfunded Accrued Liability</i>	<b><u>\$1,282,943</u></b>	<b><u>\$1,282,943</u></b>	<b><u>\$1,282,943</u></b>



## Entry Age Normal Cost

## Table I-H

	<u>Old Assumptions w/o Amendment</u>	<u>Old Assumptions w/ Amendment</u>	<u>New Assumptions w/ Amendment</u>
<i><u>Actively Employed Participants</u></i>			
Retirement benefits	\$760,472	\$760,472	\$760,472
Termination benefits	\$91,256	\$91,256	\$91,256
Disability benefits	\$3,288	\$3,288	\$3,288
Death benefits	\$2,390	\$2,390	\$2,390
Refund of employee contributions	\$11,863	\$11,863	\$11,863
Sub-total	<b>\$869,269</b>	<b>\$869,269</b>	<b>\$869,269</b>
<i><u>Deferred Vested Participants</u></i>			
Retirement benefits	\$0	\$0	\$0
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<i><u>Due a Refund of Contributions</u></i>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<i><u>Deferred Beneficiaries</u></i>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<i><u>Retired Participants</u></i>			
Service retirements	\$0	\$0	\$0
Disability retirements	\$0	\$0	\$0
Beneficiaries receiving	\$0	\$0	\$0
DROP participants	\$0	\$0	\$0
Sub-total	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<i><u>Grand Total</u></i>	<b><u>\$869,269</u></b>	<b><u>\$869,269</u></b>	<b><u>\$869,269</u></b>



Unfunded Liability Bases

Table I-I

<u>Description</u>	<u>Original Amount</u>	<u>Outstanding Balance</u>	<u>Amortization Payment</u>	<u>Years Rem.</u>
	<b>Total</b>	<b>\$1,282,943</b>	<b>\$195,005</b>	
10/1/2022 Fresh Start UAAL	\$2,050,403	\$2,409,470	\$366,048	8
2022/23 Experience Loss	\$423,692	\$413,587	\$62,932	8
2023/24 Experience Gain	(\$1,540,114)	(\$1,540,114)	(\$233,975)	8



Actuarial Value of Assets

Table II-A

Market Value of Assets as of October 1, 2024	\$12,650,533
Minus advance employer contributions	(\$196,582)
<b>Actuarial Value of Assets as of October 1, 2024</b>	<b><u>\$12,453,951</u></b>

<b>Historical Actuarial Value of Assets</b>	
October 1, 2015	\$7,246,525
October 1, 2016	\$7,796,853
October 1, 2017	\$8,324,815
October 1, 2018	\$8,608,584
October 1, 2019	\$9,097,903
October 1, 2020	\$9,355,357
October 1, 2021	\$10,566,592
October 1, 2022	\$9,333,937
October 1, 2023	\$9,878,974
October 1, 2024	\$12,453,951

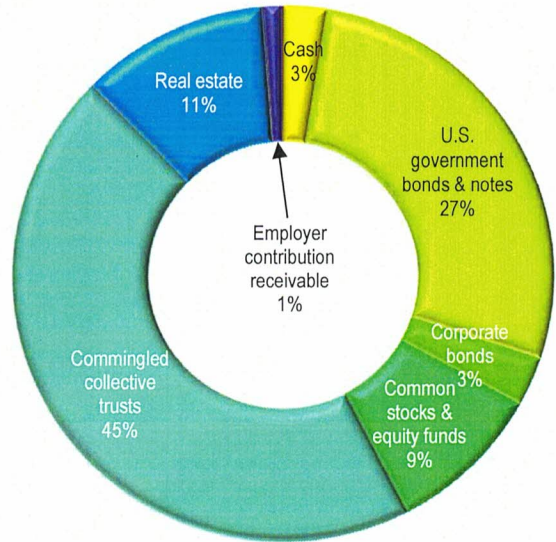


Market Value of Assets

Table II-B

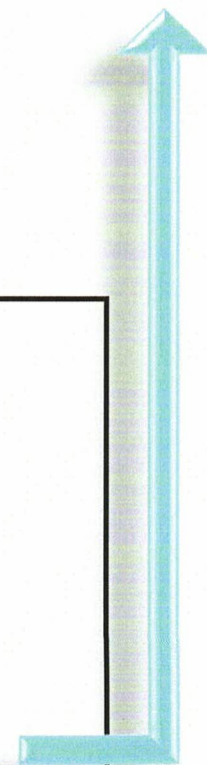
**As of October 1, 2024**

<b>Market Value of Assets</b>	<b><u>\$12,650,533</u></b>
Cash	\$326,782
U.S. government bonds & notes	\$3,486,324
Corporate bonds	\$379,660
Common stocks & equity funds	\$1,185,404
Commingled collective trusts	\$5,723,727
Real estate	\$1,420,916
Prepaid items	\$2,387
Income receivable	\$16,384
Employer contribution receivable	\$128,187
Accounts payable	(\$19,238)



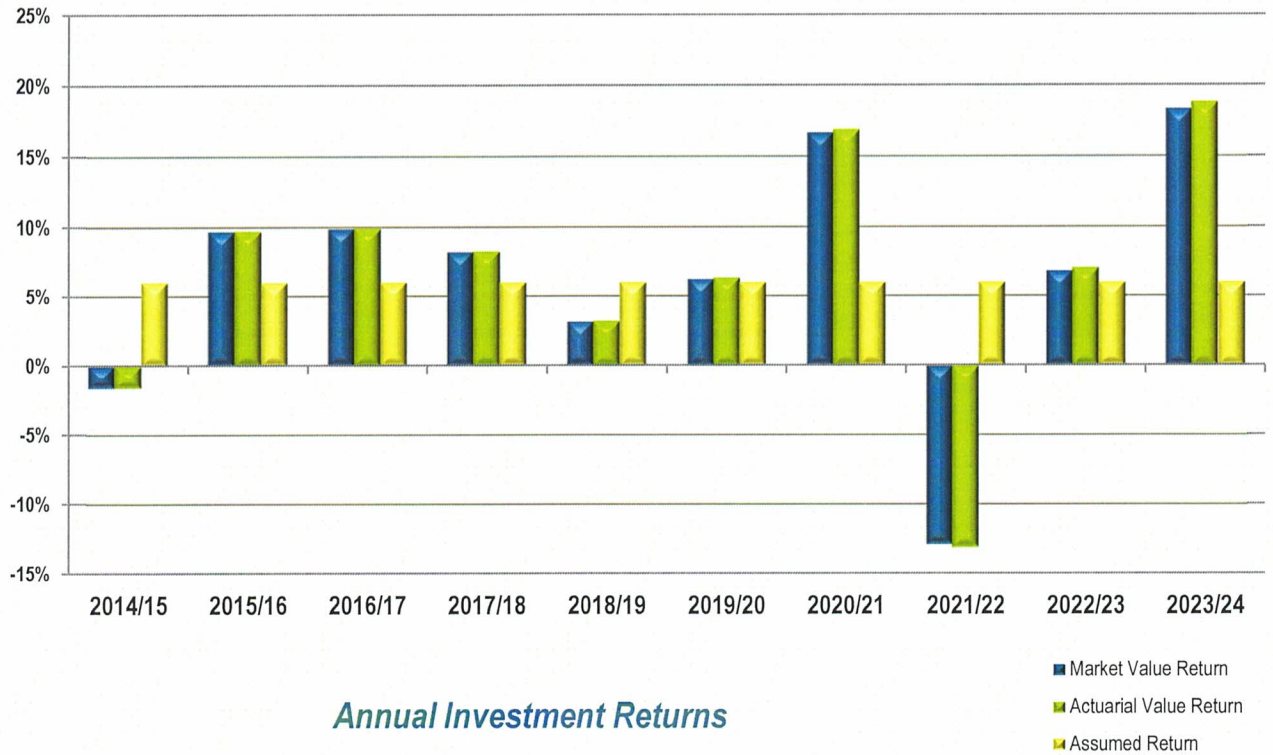
**Historical Market Value of Assets**

October 1, 2015	\$7,246,525
October 1, 2016	\$7,796,853
October 1, 2017	\$8,351,370
October 1, 2018	\$8,662,263
October 1, 2019	\$9,153,125
October 1, 2020	\$9,472,332
October 1, 2021	\$10,683,567
October 1, 2022	\$9,519,267
October 1, 2023	\$10,210,141
October 1, 2024	\$12,650,533



Investment Return

Table II-C



*Annual Investment Returns*

Plan Year	Market Value Return	Actuarial Value Return	Assumed Return
2014/15	-1.60%	-1.60%	6.00%
2015/16	9.70%	9.70%	6.00%
2016/17	9.88%	9.90%	6.00%
2017/18	8.21%	8.25%	6.00%
2018/19	3.19%	3.21%	6.00%
2019/20	6.27%	6.33%	6.00%
2020/21	16.66%	16.87%	6.00%
2021/22	-12.91%	-13.09%	6.00%
2022/23	6.85%	7.04%	6.00%
2023/24	18.33%	18.80%	6.00%
10yr. Avg.	6.10%	6.17%	6.00%

Note: Prior to October 1, 2008, the market value was not separately determined with respect to the general and police portions of the plan.



## Asset Reconciliation

## Table II-D

	<u>Market Value</u>	<u>Actuarial Value</u>
<b>As of October 1, 2023</b>	<b>\$10,210,141</b>	<b>\$9,878,974</b>
<b><i>Increases Due To:</i></b>		
Employer Contributions	\$741,236	\$741,236
Chapter 175/185 Contributions	\$0	\$0
Employee Contributions	\$316,000	\$316,000
Service Purchase Contributions	\$0	\$0
Total Contributions	<u>\$1,057,236</u>	<u>\$1,057,236</u>
Interest and Dividends	\$141,780	
Realized Gains (Losses)	\$0	
Unrealized Gains (Losses)	\$1,791,614	
Total Investment Income	<u>\$1,933,394</u>	\$1,919,170
Other Income	\$0	
<b>Total Income</b>	<u><b>\$2,990,630</b></u>	<u><b>\$2,976,406</b></u>
<b><i>Decreases Due To:</i></b>		
Retirement Benefit Payments	(\$459,934)	(\$459,934)
Refund of Employee Contributions	(\$46,250)	(\$46,250)
Total Benefit Payments	<u>(\$506,184)</u>	<u>(\$506,184)</u>
Investment Expenses	(\$14,224)	
Administrative Expenses	(\$29,830)	(\$29,830)
Advance Employer Contribution		\$134,585
<b>Total Expenses</b>	<u><b>(\$550,238)</b></u>	<u><b>(\$401,429)</b></u>
<b>As of October 1, 2024</b>	<u><u><b>\$12,650,533</b></u></u>	<u><u><b>\$12,453,951</b></u></u>



## Historical Trust Fund Detail

## Table II-E

Income

Plan Year	Employer Contribs.	Chapter Contribs.	Employee Contribs.	Service		Realized	Unrealized	Other Income
				Purchase Contribs.	Interest / Dividends	Gains / Losses	Gains / Losses	
2014/15	\$234,951	\$0	\$160,006	\$0	\$156,544	\$0	-\$249,888	\$0
2015/16	\$226,938	\$0	\$249,627	\$322,706	\$111,658	\$0	\$609,957	\$0
2016/17	\$380,280	\$0	\$188,955	\$0	\$91,027	\$0	\$693,215	\$0
2017/18	\$603,551	\$0	\$191,642	\$0	\$92,548	\$0	\$597,955	\$0
2018/19	\$542,711	\$0	\$204,552	\$0	\$122,828	\$0	\$178,534	\$0
2019/20	\$659,165	\$0	\$197,909	\$2,577	\$97,156	\$0	\$492,454	\$0
2020/21	\$556,400	\$0	\$205,711	\$0	\$96,953	\$0	\$1,478,217	\$0
2021/22	\$583,638	\$0	\$254,800	\$0	\$88,688	\$0	-\$1,467,085	\$0
2022/23	\$413,044	\$0	\$253,143	\$0	\$127,187	\$0	\$543,118	\$0
2023/24	\$741,236	\$0	\$316,000	\$0	\$141,780	\$0	\$1,791,614	\$0

Expenses

Plan Year	Retirement				Other Actuarial Adjustments	
	Benefit Payments	Contrib. Refunds	Admin. Expenses	Invest. Expenses	Advance Employer Contribs.	
2014/15	\$500,153	\$7,184	\$15,095	\$25,568		\$0
2015/16	\$924,135	\$3,577	\$17,256	\$25,590		\$0
2016/17	\$755,790	\$4,512	\$14,886	\$23,772		\$26,555
2017/18	\$1,138,480	\$632	\$16,191	\$19,500		\$27,124
2018/19	\$514,071	\$5,310	\$16,650	\$21,732		\$1,543
2019/20	\$1,088,960	\$0	\$17,919	\$23,175		\$61,753
2020/21	\$1,069,164	\$16,249	\$15,402	\$25,231		\$0
2021/22	\$552,413	\$26,059	\$30,113	\$15,756		\$68,355
2022/23	\$537,120	\$69,978	\$21,261	\$17,259		\$145,837
2023/24	\$459,934	\$46,250	\$29,830	\$14,224		-\$134,585

Note: For the period prior to October 1, 2008, retirement benefit payments include contribution refunds. For the period October 1, 2005 through September 30, 2008, interest and dividends includes administrative and investment expenses. For the period prior to October 1, 2005, unrealized gains and losses reflect net investment earnings and administrative and investment expenses, and, for all periods, unrealized gains and losses include realized gains and losses.



## Other Reconciliations

## Table II-F

**Advance Employer Contribution**

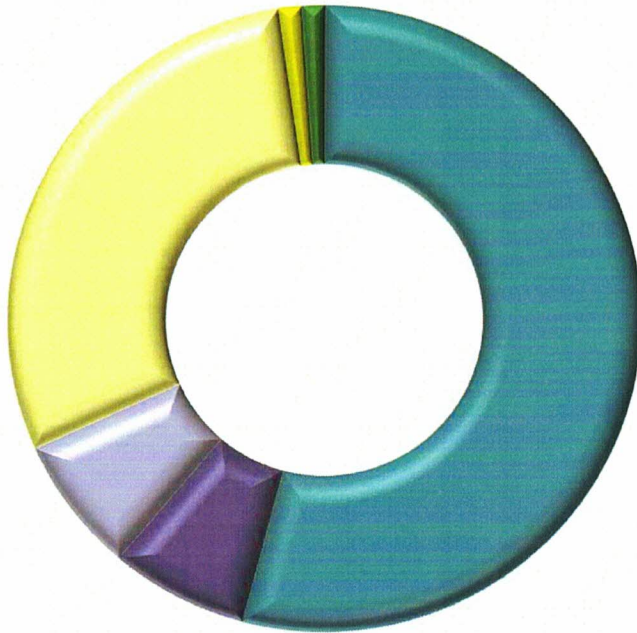
Advance Employer Contribution as of October 1, 2023	\$331,167
Additional Employer Contribution	\$741,236
Minimum Required Contribution	<u>(\$875,821)</u>
Net Increase in Advance Employer Contribution	<u>(\$134,585)</u>
Advance Employer Contribution as of October 1, 2024	<u><u>\$196,582</u></u>



Summary of Participant Data

Table III-A

As of October 1, 2024

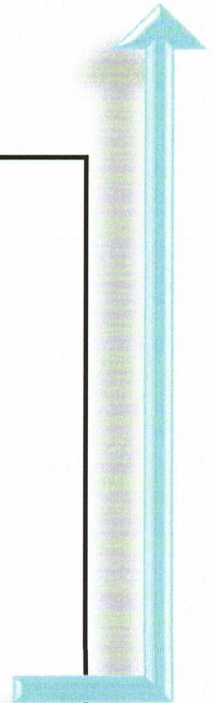


Participant Distribution by Status

<u>Actively Employed Participants</u>		
◆	Active Participants	46
◆	DROP Participants	0
<u>Inactive Participants</u>		
◆	Deferred Vested Participants	6
◆	Due a Refund of Contributions	6
◆	Deferred Beneficiaries	0
<u>Participants Receiving a Benefit</u>		
◆	Service Retirements	25
◆	Disability Retirements	1
◆	Beneficiaries Receiving	1
<b>Total Participants</b>		<b>85</b>

Number of Participants Included in Prior Valuations

	<i>Active</i>	<i>DROP</i>	<i>Inactive</i>	<i>Retired</i>	<i>Total</i>
October 1, 2015	40	0	7	28	75
October 1, 2016	42	0	5	28	75
October 1, 2017	39	0	5	27	71
October 1, 2018	44	0	1	31	76
October 1, 2019	42	0	2	28	72
October 1, 2020	46	0	3	28	77
October 1, 2021	40	0	7	29	76
October 1, 2022	45	0	7	28	80
October 1, 2023	47	0	8	26	81
October 1, 2024	46	0	12	27	85



## Data Reconciliation

Table III-B

	<u>Active</u>	<u>DROP</u>	<u>Deferred Vested</u>	<u>Due a Refund</u>	<u>Def. Benef.</u>	<u>Service Retiree</u>	<u>Disabled Retiree</u>	<u>Benef. Rec'v.</u>	<u>Total</u>
<u>October 1, 2023</u>	47	0	5	3	0	23	1	2	81
<u>Change in Status</u>									
Re-employed									
Terminated	(7)		3	4					
Retired	(1)		(2)			3			
<u>Participation Ended</u>									
Transferred Out									
Cashed Out				(1)		(1)			(2)
Died								(1)	(1)
<u>Participation Began</u>									
Newly Hired	7								7
Transferred In New Beneficiary									
<u>Other Adjustment</u>									
<u>October 1, 2024</u>	46	0	6	6	0	25	1	1	85

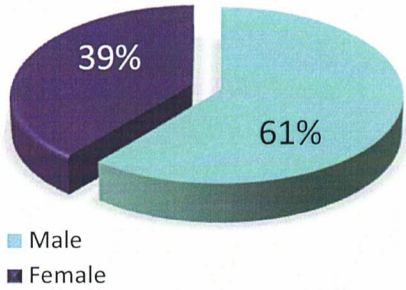


Active Participant Data

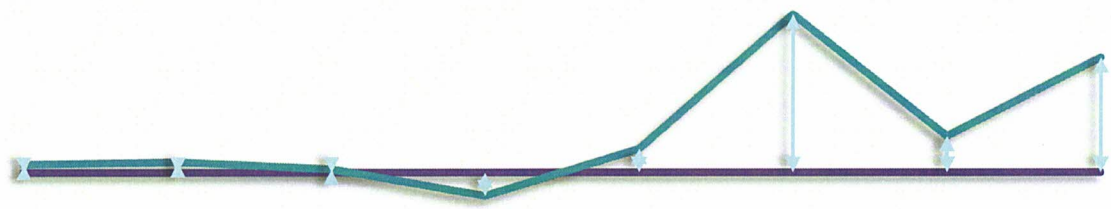
Table III-C

**Gender Mix**

**As of October 1, 2024**



Average Age	47.3 years
Average Service	10.3 years
Total Annualized Compensation for the Prior Year	\$4,048,675
Total Expected Compensation for the Current Year	\$4,048,675
Average Increase in Compensation for the Prior Year	12.74%
Expected Increase in Compensation for the Current Year	4.00%
Accumulated Contributions for Active Employees	\$1,529,687



**Actual vs. Expected Salary Increases**

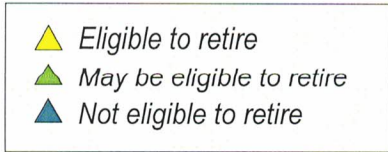
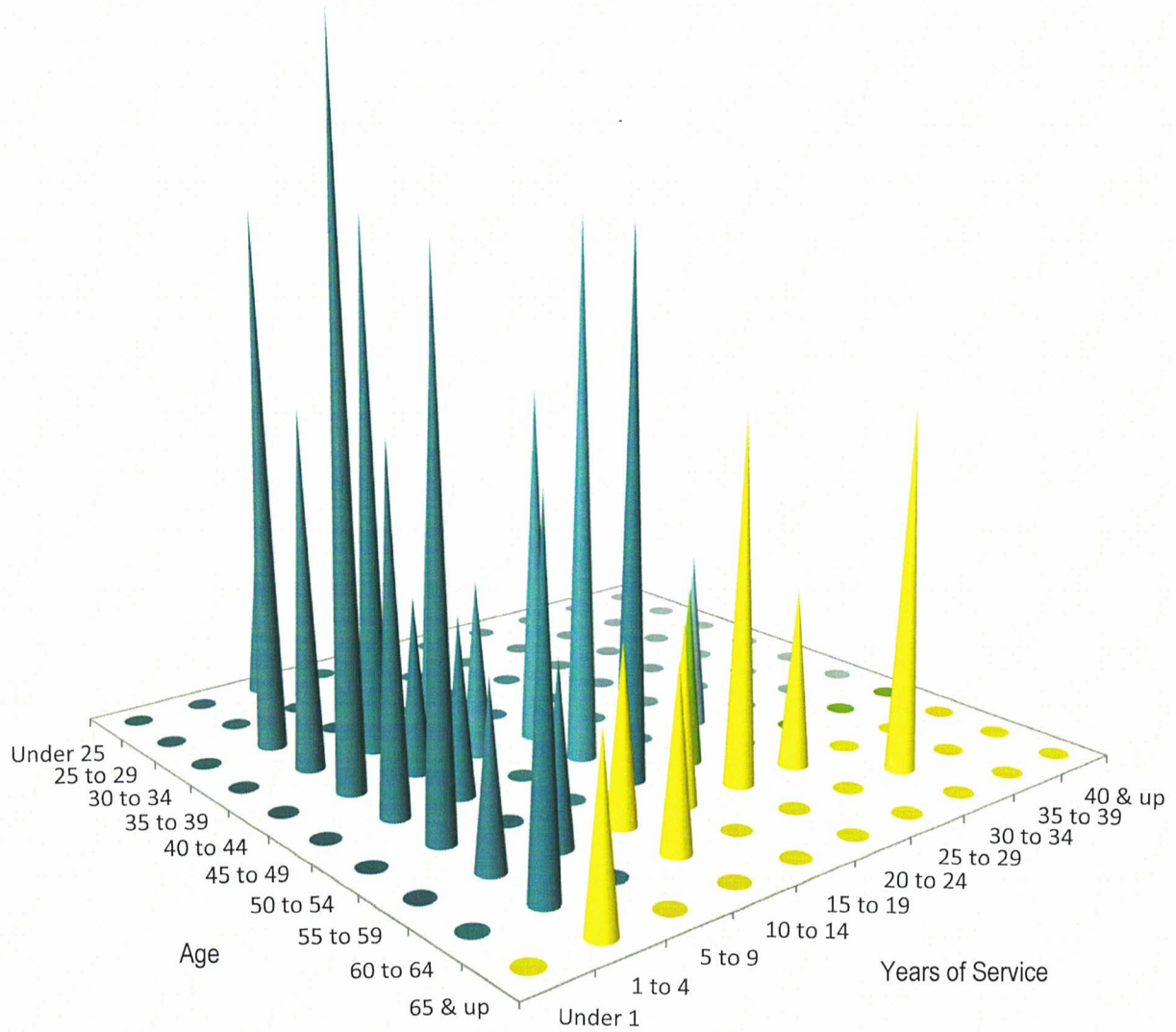
**Active Participant Statistics From Prior Valuations**

	Average Age	Average Service	Average Salary	Average Expected Salary Increase	Average Actual Salary Increase
October 1, 2015	46.4	10.8	\$57,344	4.00%	3.94%
October 1, 2016	47.3	11.0	\$61,629	4.00%	5.63%
October 1, 2017	46.2	11.7	\$63,445	4.00%	4.63%
October 1, 2018	46.3	10.9	\$62,200	4.00%	4.82%
October 1, 2019	46.7	11.2	\$62,687	4.00%	4.28%
October 1, 2020	46.8	10.5	\$58,158	4.00%	2.22%
October 1, 2021	47.2	12.4	\$65,054	4.00%	5.80%
October 1, 2022	47.7	10.6	\$82,132	4.00%	16.04%
October 1, 2023	47.0	10.0	\$85,779	4.00%	6.77%
October 1, 2024	47.3	10.3	\$88,015	4.00%	12.74%



# Active Age-Service Distribution

Table III-D



Active Age-Service-Salary Table

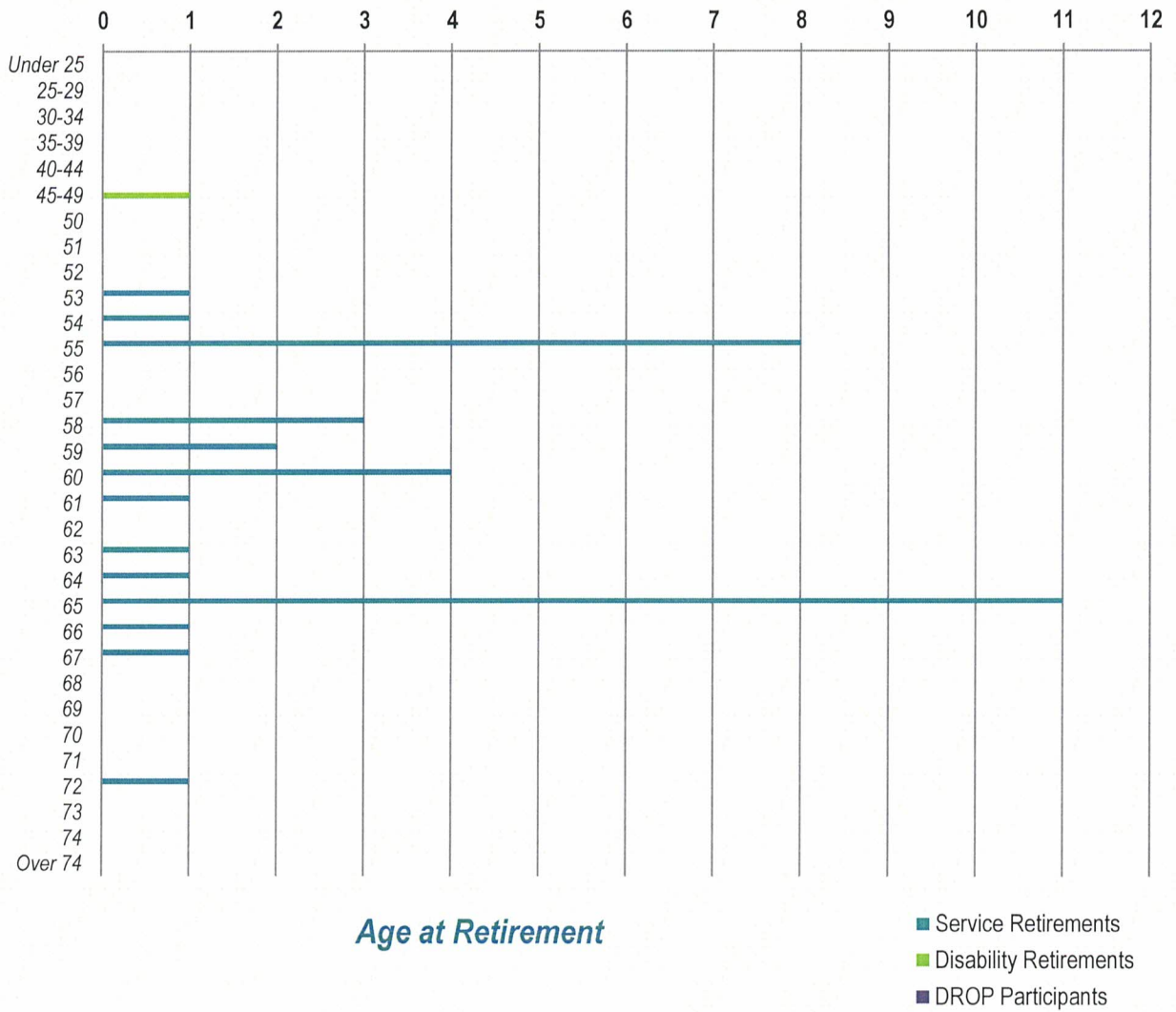
Table III-E

Attained Age	Completed Years of Service										Total
	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	
<b>Under 25</b>	0	0	1	0	0	0	0	0	0	0	1
Avg.Pay	0	0	72,238	0	0	0	0	0	0	0	72,238
<b>25 to 29</b>	0	0	0	0	0	0	0	0	0	0	0
Avg.Pay	0	0	0	0	0	0	0	0	0	0	0
<b>30 to 34</b>	0	3	0	0	0	0	0	0	0	0	3
Avg.Pay	0	58,057	0	0	0	0	0	0	0	0	58,057
<b>35 to 39</b>	0	2	3	2	0	0	0	0	0	0	7
Avg.Pay	0	54,249	56,635	69,666	0	0	0	0	0	0	59,676
<b>40 to 44</b>	0	4	1	1	2	0	0	0	0	0	8
Avg.Pay	0	107,568	62,400	127,500	88,920	0	0	0	0	0	99,752
<b>45 to 49</b>	0	2	1	0	3	0	1	0	0	0	7
Avg.Pay	0	155,756	255,000	0	73,961	0	95,874	0	0	0	126,324
<b>50 to 54</b>	0	3	0	0	3	1	0	0	0	0	7
Avg.Pay	0	94,507	0	0	102,967	87,148	0	0	0	0	97,082
<b>55 to 59</b>	0	1	1	1	1	2	1	0	0	0	7
Avg.Pay	0	124,990	42,176	98,184	53,419	71,610	53,419	0	0	0	73,630
<b>60 to 64</b>	0	2	0	1	0	0	0	2	0	0	5
Avg.Pay	0	93,015	0	131,403	0	0	0	53,419	0	0	84,854
<b>65 &amp; up</b>	0	1	0	0	0	0	0	0	0	0	1
Avg.Pay	0	83,000	0	0	0	0	0	0	0	0	83,000
<b>Total</b>	0	18	7	5	9	3	2	2	0	0	46
Avg.Pay	0	94,555	85,960	99,284	84,671	76,789	74,647	53,419	0	0	88,015



Inactive Participant Data

Table III-F



**Age at Retirement**

- Service Retirements
- Disability Retirements
- DROP Participants

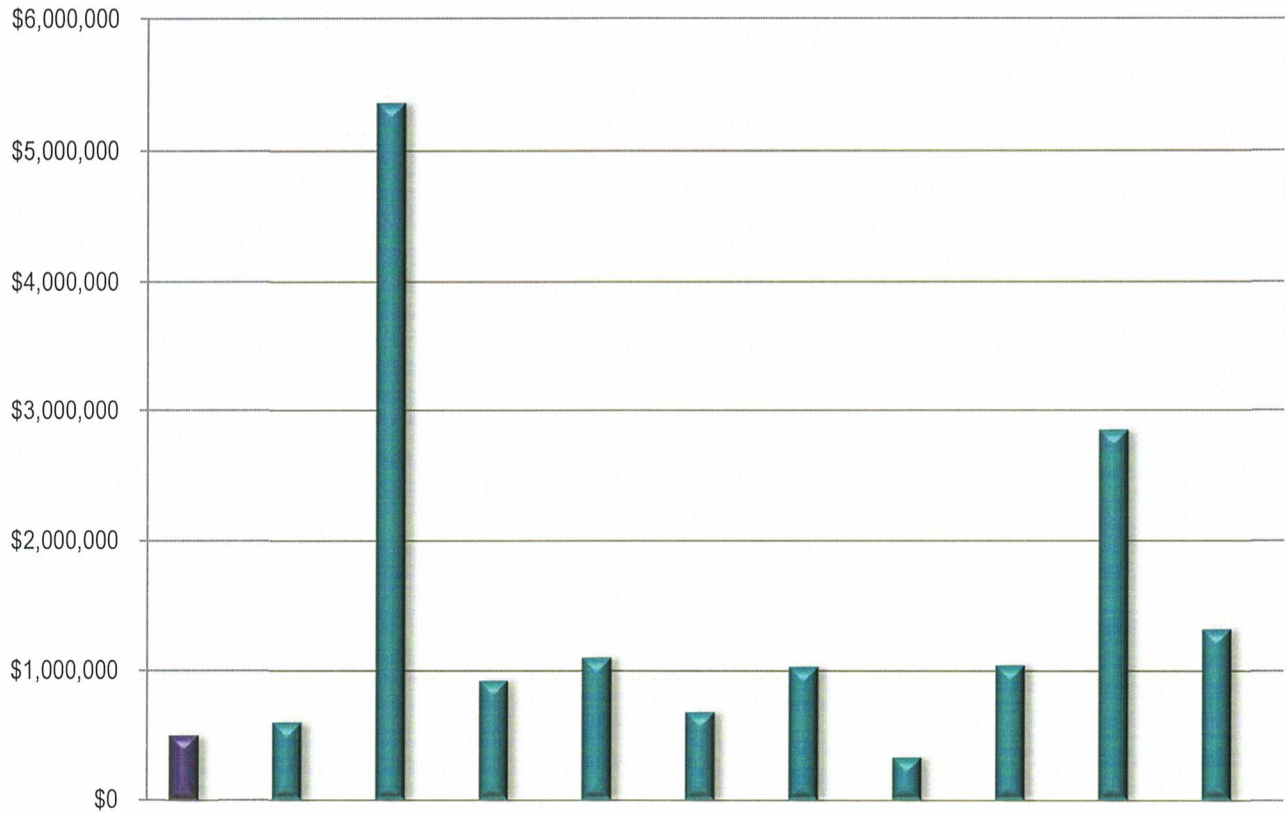
Average Monthly Benefit

Service Retirements	\$1,033.22
Disability Retirements	\$388.77
Beneficiaries Receiving	\$266.14
DROP Participants	Not applicable
Deferred Vested Participants	\$1,964.96
Deferred Beneficiaries	Not applicable



Projected Benefit Payments

Table III-G



Actual

For the period October 1, 2023 through September 30, 2024 \$506,184

Projected

For the period October 1, 2024 through September 30, 2025 \$597,105  
 For the period October 1, 2025 through September 30, 2026 \$5,364,649  
 For the period October 1, 2026 through September 30, 2027 \$919,616  
 For the period October 1, 2027 through September 30, 2028 \$1,096,559  
 For the period October 1, 2028 through September 30, 2029 \$675,874  
 For the period October 1, 2029 through September 30, 2030 \$1,026,870  
 For the period October 1, 2030 through September 30, 2031 \$327,808  
 For the period October 1, 2031 through September 30, 2032 \$1,039,106  
 For the period October 1, 2032 through September 30, 2033 \$2,850,518  
 For the period October 1, 2033 through September 30, 2034 \$1,314,775



## Summary of Actuarial Methods and Assumptions

## Table IV-A

*NOTE: The following assumptions and methods have been selected and approved by the Board of Trustees based in part on the advice of the plan's enrolled actuary in accordance with the authority granted to the Board under the pension ordinances and State law.*

**1. Actuarial Cost Method**

Individual entry age normal cost method. Under this actuarial cost method, a level funding cost is developed with respect to each benefit for each participant. The level funding cost for each benefit applies to the period beginning when the participant's service commences and ends when the participant is assumed to cease active participation due to each respective decrement. The actuarial accrued liability is equal to the accumulated level funding cost to the valuation date for all participants. The normal cost is equal to the level funding cost for the year immediately following the valuation date for all active participants.

**2. Amortization Method**

The unfunded actuarial accrued liability is amortized as a level dollar amount over a closed period of 10 years from October 1, 2022.

**3. Asset Method**

The actuarial value of assets is equal to the market value of assets.

**4. Interest (or Discount) Rate**

6.00% per annum

**5. Salary Increases**

Plan compensation is assumed to increase at the rate of 4.00% per annum, unless actual plan compensation is known for a prior plan year.

**6. Decrements**

- Pre-retirement mortality: Sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Below Median Employee Mortality Table for general employees, with full generational improvements in mortality using Scale MP-2018 and with male ages set back one year



## Summary of Actuarial Methods and Assumptions

## Table IV-A

(continued)

- Post-retirement mortality: Sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Below Median Healthy Retiree Mortality Table for general employees, with full generational improvements in mortality using Scale MP-2018 and with male ages set back one year
- Disability: Age-based rates of disability were assumed, ranging from 0.051% at age 20, 0.058% at age 30, 0.121% at age 40, 0.217% at age 45, 0.429% at age 50, and 0.891% at age 55; 25% of disabilities are assumed to be service-related.
- Termination: Age-based rates of employment termination were assumed, ranging from 21.700% at age 20, 20.475% at age 25, 18.375% at age 30, 14.525% at age 35, 9.975% at age 40, 6.125% at age 45, 2.625% at age 50, and 1.050% at age 55.
- Retirement: Retirement is assumed to occur at normal retirement age.

No decrements have been assumed during the first year following the valuation date.

#### 7. Form of Payment

Future retirees have been assumed to select the single lump sum form of payment.

#### 8. Expenses

Administrative expenses are assumed to be 0.75% of covered payroll. In addition, the interest rate set forth in item 4. above is assumed to be net of investment expenses and commissions.



## Changes in Actuarial Methods and Assumptions

## Table IV-B

No assumptions or methods were changed since the completion of the previous valuation.

*The following additional assumption and method changes were made during the past 10 years:*

- (1) *Effective October 1, 2020, the mortality basis was changed from the RP-2000 Combined Mortality Table with generational improvements in mortality using Scale BB to selected PUB-2010 Mortality Tables with generational improvements in mortality using Scale MP-2018.*
- (2) *Effective October 1, 2015, the mortality basis was changed from a 2007 projection of the RP-2000 Mortality Table for annuitants to a full generational projection using Scale BB of the RP-2000 Combined Mortality Table as required by State law.*



## Summary of Plan Provisions

## Table V-A

1. **Monthly Accrued Benefit**

Benefit Accrual Rate multiplied by Average Final Compensation

2. **Benefit Accrual Rate**

For each year of Prior Service, the Benefit Accrual Rate is 1¼%. For each year of Membership Service, the Benefit Accrual Rate depends on the member's contribution rate in accordance with the following table:

Contribution Rate	Benefit Accrual Rate For Service Earned Prior to 9/30/2010	Benefit Accrual Rate For Service Earned 10/1/2010 to 9/30/2016	Benefit Accrual Rate For Service Earned After 9/30/2016
2%	1¼%	1½%	1¾%
3%	1¾%	1⅝%	1⅞%
4%	1½%	1¾%	2%
5%	1⅝%	1⅞%	2⅛%
6%	1¾%	2%	2¼%
7%	1⅞%	2⅛%	2⅜%
8%	2%	2¼%	2½%
9%	2⅛%	2⅜%	2⅝%
10%	2¼%	2½%	2¾%

3. **Normal Retirement Age and Benefit**• **Age**

Age 52 with at least 20 years of Credited Service;  
Age 55 with at least 10 years of Credited Service; or  
Age 65

• **Amount**

Monthly Accrued Benefit

• **Form of Payment**

Life annuity (normal form of payment);  
Actuarially reduced five-year certain and life annuity (optional);  
Actuarially reduced 10-year certain and life annuity (optional);  
Actuarially reduced 50% joint and contingent annuity (optional);  
Actuarially reduced 66⅔% joint and contingent annuity (optional);  
Actuarially reduced 75% joint and contingent annuity (optional);  
Actuarially reduced 100% joint and contingent annuity (optional);  
Actuarially adjusted social security level income annuity (optional); or  
Actuarially equivalent lump sum payment (optional).

(Note: All forms of payment guarantee at least the return of the member's Accumulated Contributions.)



## Summary of Plan Provisions

## Table V-A

(continued)

**4. Delayed Retirement Age and Benefit**

- **Age**  
After Normal Retirement Age
- **Amount**  
Monthly Accrued Benefit
- **Form of Payment**  
Same as for Normal Retirement

**5. Service Incurred Disability Retirement Eligibility and Benefit**

- **Eligibility**  
All members of the Plan are eligible.
- **Condition**  
The member must have suffered a condition or impairment of health which is the result of an act or acts occurring in the performance of service to the town as determined by the Board of Trustees in reliance on the findings and definitions of the town's group disability insurance carrier and must remain so disabled until his Normal Retirement Age. With respect to police employees who have successfully passed a physical examination upon entering the town's service, any condition or impairment of health caused by hypertension, heart disease or hardening of the arteries, or other conditions as required by state or federal law which results in total and permanent disability is presumed to be service-connected unless competent evidence shows otherwise.
- **Amount**  
Monthly Accrued Benefit, payable upon the attainment of Normal Retirement Age and offset by any amounts payable under workmen's compensation or other long-term disability benefits provided by the town. For this purpose, the Monthly Accrued Benefit will be calculated to reflect Credited Service and Compensation for the period of disability equal to what the member would have earned based on his compensation and contribution rate in effect at the time he became disabled.
- **Form of Payment**  
Same as for Normal Retirement



## Summary of Plan Provisions

## Table V-A

(continued)

**6. Termination Benefit**

- **Age**  
Any age with at least five years of Credited Service
- **Amount**  
Monthly Accrued Benefit, multiplied by the Member's Vested Interest and payable upon the attainment of Normal Retirement Age
- **Form of Payment**  
Same as for Normal Retirement

**7. Pre-Retirement Death Benefit**

In the case of the death of a member prior to retirement, his beneficiary will receive a 10-year certain annuity based on the member's Monthly Accrued Benefit as of his date of death and determined as if the member had a 100% Vested Interest in his Monthly Accrued Benefit, survived to his Normal Retirement Age, and elected a 10-year certain and life annuity.

**8. Vested Interest**

A member earns a 100% Vested Interest in his Monthly Accrued Benefit upon the attainment of five years of Credited Service.

**9. Average Final Compensation**

Average monthly compensation for the highest three years out of the 10 full years immediately preceding the determination, where compensation includes basic compensation but excludes overtime and other special compensation such as sick leave, annual leave, and compensatory leave paid upon separation from service; for this purpose, basic compensation will also include amounts paid by the town as deferred compensation to an Internal Revenue Code (IRC) §457 plan.



## Summary of Plan Provisions

## Table V-A

(continued)

**10. Credited Service**

Credited Service is equal to Prior Service plus Membership Service. Prior Service is the period of completed years and months of regular, full-time employment prior to October 1, 1969. Membership Service is the period of completed years and months of regular, full-time employment on and after October 1, 1969 during which the employee makes all required contributions to the plan. In addition, a member may purchase up to four years of military or prior governmental service to be included in his Membership Service by paying into the plan the full actuarial cost thereof, provided that, in the case of military service, such service occurred after the member's initial employment with the town and the member did not receive a dishonorable discharge, and provided in either case that the member does not receive credit for such service under any other private or governmental retirement plan.

**11. Membership Requirement**

In order to become a member of the plan, a person must be employed by the Town of Bay Harbor Islands, Florida on a full-time basis as a police officer or general employee and must have earned one year of continuous employment. Members of the town council, elected officials, and independent contractors are not eligible for membership in the plan.

**12. Accumulated Contributions**

The member's contributions accumulated with interest at the rate set by the Board of Trustees from time to time.

**13. Member Contributions**

For general employees, the member contribution rate is based on the member's election from time to time and is any whole percentage from 2% to 10%, inclusive; member Contributions are deemed to be "picked-up" by the Town pursuant to Internal Revenue Code (IRC) §414(h)(2).

**14. Plan Year**

October 1<sup>st</sup> through September 30<sup>th</sup>

**15. Plan Effective Date**

The initial plan effective date is October 1, 1969.



## Summary of Plan Provisions

## Table V-A

(continued)

**16. Actuarial Equivalence**

- **Mortality**

1983 Group Annuity Mortality Table, blended 50%/50% for males and females and set forward five years for disabled members

- **Interest**

6.00% per annum

**17. Retirement Subsidy**

For general employees who retire or terminate their employment after September 30, 2015, an additional retirement subsidy is paid until age 65 equal to \$375.00 per month multiplied by the member's Vested Interest, provided that the subsidy is not paid to those individuals who terminate their employment if such individuals withdraw their Member Contributions from the plan.

**18. Deferred Retirement Option Plan (DROP)**

A DROP is available to those employees who attain their normal retirement age. Employees may participate in the DROP for a period of up to 60 months, subject to an extension at the sole discretion of the Town Manager.



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## Summary of Plan Amendments

## Table V-B

There were no plan changes adopted since the completion of the previous valuation.

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*The following additional plan amendments were adopted during the past 10 years and were reflected in prior valuation reports:*

- (1) Effective June 9 2022, the averaging period for average final compensation was reduced from five years to three years. (Ordinance No. 1074)*
- (2) Effective January 18, 2020, a DROP was added for general employees who attain their normal retirement age. (Ordinance No. 1046)*
- (3) General employees are allowed to purchase up to four years of military service (effective May 1, 2019) or previous governmental service (effective September 30, 2019). (Ordinance No. 1047)*
- (4) Effective during the 2015/16 plan year, the Town Manager is allowed to irrevocably opt into the plan within six calendar months after the later of the enactment of the ordinance or his appointment to that position by making a contribution to the plan equal to the actuarially equivalent value of any past service credit earned prior to his participation in the plan. (Ordinance No. 993)*
- (5) Effective during the 2015/16 plan year, the plan was amended to provide a 0.25% increase in the benefit formula multiplier for service earned after September 30, 2010, an additional 0.25% increase in the benefit formula multiplier for service earned after September 30, 2016, and a \$25.00 increase in the early retirement subsidy for general employees (which increases from \$350.00 to \$375.00 per month), and to allow general employees to choose an actuarially equivalent partial lump sum option with the remainder of the accrued benefit payable in one of the annuity forms of payment. (Ordinance No. 996)*



**AGENDA ITEM REPORT**

May 14, 2025

**ITEM NUMBER: 6.**

**ITEM:** Discussion and Possible action regarding the feasibility of implementing an early retirement option specifically for police classification employees (both union and non-union), with actuarial analysis based on 20 years of service.

**DESCRIPTION:**

A Resolution approving Voluntary Early Retirement Authority for law enforcement and general employees after 20 years of service with no age requirement. Pedro A. Herrera, Esq., of Sugarman Susskind Braswell & Herrera will be participating virtually in the discussion.

**RECOMMENDED ACTION:**

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**FINANCIAL ANALYSIS:**

**BUDGET IMPACT:**

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Submitted By: Sandra Siefken, Finance Director  
Stephanie Bruder, Council Member

**ATTACHMENTS**

None

**AGENDA ITEM REPORT**

May 14, 2025

**ITEM NUMBER: 7.**

**ITEM:** Presentation of the financial statements of the Town of Bay Harbor Islands Employees' Retirement Systems as of and for the Fiscal Year ended September 30, 2024. Moises D. Ariza and/or Hermes Garzon of CBIZ will present the item.

**DESCRIPTION:**

Presentation of the financial statements of the Town of Bay Harbor Islands Employees' Retirement Systems as of and for the Fiscal Year ended September 30, 2024. Moises D. Ariza and/or Hermes Garzon of CBIZ will present the item.

**RECOMMENDED ACTION:**

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**FINANCIAL ANALYSIS:**

No fiscal impact at this time.

**BUDGET IMPACT:**

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Submitted By: Sandra Siefken, Finance Director

**ATTACHMENTS**

1.	BHI Pension Draft (5.5.25)
2.	BHI Pension - Draft Communication Letter FY2024

**TOWN OF BAY HARBOR ISLANDS  
EMPLOYEES' RETIREMENT SYSTEM**

**FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2024 AND 2023**

**DRAFT**

**TOWN OF BAY HARBOR ISLANDS EMPLOYEES' RETIREMENT SYSTEM**  
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**FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2024 AND 2023**

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**INDEPENDENT AUDITORS' REPORT**

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## **Independent Auditors' Report**

To the Board of Trustees and Plan Administrator  
**Town of Bay Harbor Islands Employees' Retirement System**

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

#### ***Opinion***

We have audited the financial statements of the Town of Bay Harbor Islands Employees' Retirement System (the "Plan") which comprise 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 financial position of the fiduciary net position of the Plan, as of September 30, 2024, and the changes in its fiduciary net position for 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 Plan 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.

#### ***Prior Period Financial Statements***

The financial statements of the Plan as of and for the year ended September 30, 2023, were audited by Marcum LLP whose report dated June 25, 2024 expressed an unmodified opinion on those statements.

#### ***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 Plan'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 Plan'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 Plan'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 schedule of changes in the Town's net pension liability (asset) and related ratios, schedule of Town contributions, and schedule of investment returns on pages 18-20 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.

Management has omitted management’s discussion and analysis that accounting principles generally accepted in the United States of America requires to be presented to supplement the financial statements. Such missing information, 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. Our opinion on the financial statements is not affected by this omitted information.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated May XX, 2025 on our consideration of the Plan’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements 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 Plan’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 Plan’s internal control over financial reporting and compliance.

Miami, FL  
May XX, 2025

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**FINANCIAL STATEMENTS**

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**TOWN OF BAY HARBOR ISLANDS EMPLOYEES' RETIREMENT SYSTEM**  
**STATEMENTS OF FIDUCIARY NET POSITION**  
**SEPTEMBER 30, 2024 AND 2023**

<u>ASSETS</u>	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 544,455	\$ 541,137
Investments:		
Money market funds	180,076	150,234
U.S. treasuries and government obligations	7,729,772	5,242,975
Corporate bonds	841,770	1,413,721
Common stock and equity funds	2,628,241	2,151,631
Commingled collective trusts	12,690,475	9,729,222
Real estate	3,150,411	3,462,828
Total investments	<u>27,220,745</u>	<u>22,150,611</u>
Receivables:		
Due from Town	284,213	116,874
Due from broker	-	3,956
Accrued interest and dividends	36,327	32,978
Total receivables	<u>320,540</u>	<u>153,808</u>
Prepaid expenses	<u>5,292</u>	<u>5,292</u>
Total assets	28,091,032	22,850,848
 <u>LIABILITIES</u>		
Accounts payable	42,653	7,030
Due to broker	-	3,909
Total liabilities	<u>42,653</u>	<u>10,939</u>
 <u>NET POSITION</u>		
Net position restricted for pension benefits	<u>\$ 28,048,379</u>	<u>\$ 22,839,909</u>

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

**TOWN OF BAY HARBOR ISLANDS EMPLOYEES' RETIREMENT SYSTEM**  
**STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION**  
**FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2024 AND 2023**

	2024	2023
<b>ADDITIONS</b>		
Contributions:		
Town	\$ 1,313,706	\$ 585,810
Employees	508,748	425,093
Total contributions	1,822,454	1,010,903
Investment income:		
Net appreciation in fair value of investments	3,988,167	1,250,007
Interest	259,413	240,343
Dividends	56,192	52,382
	4,303,772	1,542,732
Less investment expense	(31,664)	(39,723)
Net investment income	4,272,108	1,503,009
Total additions	6,094,562	2,513,912
<b>DEDUCTIONS</b>		
Benefits paid and refunds	819,689	2,193,131
Administrative expenses	66,403	48,935
Total deductions	886,092	2,242,066
Change in net position	5,208,470	271,846
Net position, beginning	22,839,909	22,568,063
Net position, ending	\$ 28,048,379	\$ 22,839,909

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

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**NOTES TO FINANCIAL STATEMENTS**

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**TOWN OF BAY HARBOR ISLANDS EMPLOYEES' RETIREMENT SYSTEM**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2024 AND 2023**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Accounting**

The accompanying financial statements of the Town of Bay Harbor Islands Employees' Retirement System (the "Plan") are prepared using the accrual basis of accounting in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP") as applied to governmental entities in accordance with Governmental Accounting Standards Board ("GASB") pronouncements. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions as determined by the Plan's actuary, are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

**Method Used to Value Investments and Investment Income Recognition**

Investments are reported at fair value except for money market funds which are reported at amortized cost. Fair value is defined as 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. Net appreciation in fair value of investments includes realized and unrealized gains and losses. Realized gains and losses are determined on the basis of average cost. Purchases and sales of securities are recorded on the trade-date basis. Interest and dividends are recorded as earned on the accrual basis. For more detail regarding the methods used to measure the fair value of investments refer to the fair value hierarchy in Note 3.

Within certain limitations as specified in the Plan document, the investment policy is determined by the Board of Trustees (the "Board") and is implemented by the Plan's investment managers.

**Use of Estimates**

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

**NOTE 2 – PLAN DESCRIPTION**

The following brief description of the Plan is provided for general information purposes only. Participants should refer to the Plan document for more complete information.

**Plan Description**

The Town of Bay Harbor Islands, Florida (the "Town" or the "Employer") is the administrator of a single-employer Public Employee Retirement System (PERS) defined benefit pension plan established to provide pension benefits for its employees.

The Plan was established by the Town's Ordinance 226 effective January 12, 1970. The Plan is considered part of the Town's financial reporting entity and is included in the Town's financial statements as a pension trust fund. All full-time general employees and police officers with one year of service are eligible to participate in the Plan. The latest actuarial valuation is as of October 1, 2023 (beginning of year valuation date). Beginning with the October 1, 2009 valuation, separate valuations were performed for the general employees and for the police officers. For reporting and disclosure purposes, amounts are combined, where applicable, from both valuations since it is one plan. Benefit and contribution provisions are established by Chapter 16 of the Town Code and may be amended only by the Board, subject to approval of the Town Council. Administrative costs of the Plan are funded through investment earnings.

**TOWN OF BAY HARBOR ISLANDS EMPLOYEES' RETIREMENT SYSTEM**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2024 AND 2023**

**NOTE 2 – PLAN DESCRIPTION (CONTINUED)**

The Plan is administered by a Board comprised of:

- The Town Manager (a permanent member of the Board by Ordinance)
- Two members of the Town Council elected by the Town Council
- A police officer elected by his/her fellow officers
- A general employee elected by his/her fellow general employees

Membership in the Plan as of October 1, 2023 and 2022 (actuarial valuation dates) was as follows:

	<u>2023</u>	<u>2022</u>
Inactive plan members and beneficiaries currently receiving benefits	35	36
Inactive plan members entitled but not yet receiving benefits	12	12
Active plan members	66	65
<b>Total Members</b>	<u>113</u>	<u>113</u>

**Pension Benefits**

Employees become fully vested after 5 years of credited service. Normal retirement is as follows:

- General employees who retire at the earlier of age 52 with twenty years of credited service, age 55 with ten years of credited service or at age 65 regardless of time of service.
- Police officers who retire at the earlier of age 50 with twenty years of credited service, age 55 with ten years of credited service or at age 65 regardless of time of service.

Under special circumstances, the Plan also provides for delayed retirement benefits and disability retirement benefits. A member may elect to receive in a lump sum at retirement an amount which is the actuarial equivalent of the benefits otherwise payable under the Plan. General employees may elect to receive a partial lump sum equal to any portion of the actuarial equivalent lump sum value of the employee's accrued benefit, with the remaining value, if any, to be paid in the form of a straight-line annuity or in any of the other optional retirement benefit annuity form.

Normal retirement benefits for general employees are based on 1.25% of average final compensation. For police, the multiplier is 1.75% for service before October 1, 2005, 3% after that date and before October 1, 2006, and 3.25% thereafter. For general employees and for police service before October 1, 2005, the multiplier may increase depending upon the members' contribution rate.

For police officers who were employed and accruing credited service on October 1, 2014, the normal retirement benefit rate increased from 3.25% to 3.50% for years of service on or after October 1, 2014.

For general employees who were employed and accruing credited service on October 1, 2015, the normal retirement benefit rate increased from 1.25% to 1.50% for all credited service earned from October 1, 2010 to September 30, 2016, and to 1.75% for all credit service earned on or after October 1, 2016.

A terminating member with less than five years creditable service shall receive his/her contribution plus accrued interest accumulated since initial employment.

**TOWN OF BAY HARBOR ISLANDS EMPLOYEES' RETIREMENT SYSTEM**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2024 AND 2023**

**NOTE 2 – PLAN DESCRIPTION (CONTINUED)**

**Pension Benefits (continued)**

A police officer may purchase credited service for military service or for service as a police officer for a different employer occurring prior to the member's first or initial employment with the Town, as long as the member is not entitled to receive a benefit for such other prior service as a police officer. The maximum number of years of credited service that may be purchased for prior military and prior police service combined is four years.

**Contributions and Funding Policy**

General employees are required to contribute 2% of their compensation, and may elect to make additional voluntary contributions up to 10%. Effective October 1, 2006, the mandatory contribution for police is 8% and no additional voluntary contributions are permitted. Employer contributions (actuarially determined contribution) for the fiscal years ended September 30, 2024 and 2023 were 25.99% and 6.99%, respectively, of covered payroll. The contribution requirements of the Town for the fiscal years ended September 30, 2024 and 2023 were determined by the October 1, 2022 and October 1, 2021, actuarial valuation, respectively. Pursuant to Chapter 185 of the Florida Statutes, a premium tax on certain property and casualty insurance contracts, written on Town of Bay Harbor Islands properties, is collected by the state and is remitted to the Town. The State of Florida distributes this money to local governments meeting certain eligibility requirements which is intended to purchase supplemental pension benefits for police officers. Refer to the share plan/supplemental benefits note for changes made to this benefit.

In fiscal years 2024 and 2023, \$79,254 and \$67,287, respectively, was received by the Town from the State on behalf of Police Officers (Chapter 185) and recorded as a contribution to the Plan towards funding the actuarially determined annual required contribution for the Plan.

**Share Plan / Supplemental Benefits**

The Town participates in the State of Florida Chapter 185 program. As a participant in the program, the Town is eligible to receive annual distributions of state premium tax collections on property and casualty insurance policies written within the Town limits. Chapter 185 levies a 0.85% tax on all casualty insurance premiums written within the Town limits. The monies received by the Town are for the purpose of providing benefits to or for the exclusive use of police officers. Effective October 1, 2015, the Town and the Dade County Police Benevolent Association agreed to utilize the supplemental benefit assets to increase the normal retirement multiplier to 3.50% and to utilize future Chapter 185 distributions as an offset to the Town's required contributions. As a result, there are no Share plan assets included in the pension trust fund as of September 30, 2024 and 2023.

**Deferred Retirement Option Plan ("DROP")**

The Board approved and amended the Plan documents to include a DROP for general employees effective January 18, 2020 and for police officers effective October 7, 2019. Any member is eligible to enter the DROP on or after his or her normal retirement date as defined above. The maximum participation in the DROP is 60 months. However, an extension of a member's participation time in the DROP may be allowed at the sole discretion of the town manager and on a case-by-case basis. If an extension of time is allowed, the manager's approval shall be in writing and it shall specify the amount of time that is approved. A DROP member may separate from service prior to the expiration of the five-year period and can only participate in the DROP once.

Upon commencement of participation in the DROP, (a) the employee does not receive any additional creditable service for pension purposes, (b) the member is not eligible for disability or pre-retirement death benefits and (c) the member's contributions are discontinued. Additionally, the amount of final average salary for calculation of pension benefits is determined as of the date of entering the DROP. No payment is made for accrued unused leave upon entering the DROP, nor shall the amount of accrued unpaid leave be used in the calculation of the amount of pension benefits.

**TOWN OF BAY HARBOR ISLANDS EMPLOYEES' RETIREMENT SYSTEM**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2024 AND 2023**

**NOTE 2 – PLAN DESCRIPTION (CONTINUED)**

**Deferred Retirement Option Plan (“DROP”) (Continued)**

The monthly retirement benefits that would have been payable had the member elected to cease employment and not join the DROP, is credited to the member's DROP account. The money in all participant's DROP accounts is commingled with all other assets of the fund.

For members who enter the DROP on or after October 7, 2019, the member's DROP account is credited with the interest earned by the individual employee's retirement system account for the fiscal year minus administrative fees reasonably incurred by the Town in processing the account.

Upon termination of a DROP member's employment with the Town, the retirement benefits accumulated in the member's DROP account is paid to the member. The balance credited to the member's DROP account shall be payable either to the member or as a direct rollover into any qualified plan that accepts rollovers. All distributions must comply with the Internal Revenue Code and regulations promulgated thereunder.

As of the fiscal year ended September 30, 2024, there was 1 member who participated in the DROP and no participants as of the fiscal year ended September 30, 2023. A summary of the changes in the DROP for the fiscal year ended September 30, 2024 is as follows:

	2024
Beginning balance	\$ -
Additions	451,482
Ending balance	<u>\$ 451,482</u>

**NOTE 3 – DEPOSITS AND INVESTMENTS**

**Deposits**

In addition to insurance provided by the Federal Deposit Insurance Corporation, all deposits, which include cash on hand, are held in qualified public depositories pursuant to State of Florida Statute Chapter 280, *Florida Security for Public Deposits Act*. Under the Act, all qualified public depositories are required to pledge eligible collateral. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses. Therefore, all deposits are deemed as insured or collateralized.

**Investments**

The Plan's investment practices are governed by the Florida Statutes and the Plan's adopted investment policy. Florida Statutes and the Plan policy authorize the Board to invest in domestic stocks, domestic bonds, international stock, diversified assets, emerging markets and real estate funds. In addition to complying with Plan policy, the Plan applies the "Prudent Person Rule" when executing investment strategies. Investments are made with judgment and care, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income derived.

To diversify plan assets so as to minimize the risk associated with dependence on the success on one enterprise, the Board of Trustees employs a multi-manager team approach to investing Plan assets. Asset managers are employed to utilize individual expertise within their assigned area of responsibility. Each manager is governed by individual investment guidelines. The Plan's investment consultant oversees the investment managers and the entire portfolio.

**TOWN OF BAY HARBOR ISLANDS EMPLOYEES' RETIREMENT SYSTEM**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2024 AND 2023**

**NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)**

**Investments (Continued)**

The Plan's asset management structure established by the policy for fiscal years 2024 and 2023 is as follows:

Type	2024		2023	
	Allowable Range %	Target	Allowable Range %	Target
Domestic equity	30%-50%	40%	30%-50%	40%
Domestic bonds (fixed income)	25%-60%	30%	25%-60%	30%
International equity	0%-20%	15%	0%-20%	15%
Real estate	0%-20%	15%	0%-15%	15%

The Plan maintains a Master Custodian Agreement, whereby the investment securities are held in the Plan's name by a financial institution acting as the Plan's agent except for its shares in several pooled domestic equity index funds and real estate assets.

**Rate of Return**

For the fiscal years ended September 30, 2024 and 2023, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was a positive 18.85% and 7.05%, respectively. The money-weighted rate of return expresses investment performance, net of investment manager and consultant expenses adjusted for the changing amounts actually invested. Inputs to the internal rate of return calculation are determined on a monthly basis.

**Interest Rate Risk**

Interest rate risk refers to the portfolio's exposure to fair value losses arising from increasing interest rates. The Plan does not have a formal investment policy that limits investment maturities as a means of managing its exposure to market value losses arising from increasing interest rates.

Neither state law nor Plan investment policy limits maturity terms on fixed income holdings. As of September 30, 2024 and 2023, the Plan had the following fixed income investments and its corresponding maturities in its portfolio:

Investments	September 30, 2024 Investment Maturities (In Years)				
	Fair Value	Less Than 1	1-5	6-10	Over 10
U.S. Treasuries	\$ 4,164,572	\$ -	\$ -	\$ 2,748,698	\$ 1,415,874
U.S. Government obligations	3,565,200	-	-	-	3,565,200
Corporate bonds	841,770	-	78,607	763,163	-
Total	\$ 8,571,542	\$ -	\$ 78,607	\$ 3,511,861	\$ 4,981,074

Investments	September 30, 2023 Investment Maturities (In Years)				
	Fair Value	Less Than 1	1-5	6-10	Over 10
U.S. Treasuries	\$ 2,631,576	\$ -	\$ -	\$ 1,544,382	\$ 1,087,194
U.S. Government obligations	2,611,399	-	-	-	2,611,399
Corporate bonds	1,413,721	-	-	1,413,721	-
Total	\$ 6,656,696	\$ -	\$ -	\$ 2,958,103	\$ 3,698,593

**TOWN OF BAY HARBOR ISLANDS EMPLOYEES' RETIREMENT SYSTEM**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2024 AND 2023**

**NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)**

**Investments (Continued)**

**Credit Risk**

State law and the Plan's investment policy limits investments in bonds, stocks, or other evidences of indebtedness to the top ratings issued by nationally recognized statistical rating organizations of the United States. The Plan's investment policy limits fixed income investments to a rating no lower than Baa/BBB or equivalent.

The Plan's corporate bonds and agency bonds were all rated "BBB+" or better under Standard & Poor's ratings and at least "A3" under Moody's ratings.

**Concentration of Credit Risk**

The Plan's investment policy prohibits fixed income concentrations greater than 5% in any one issuer with the exception of U.S. Government or agency securities. As of September 30, 2024 and 2023, the value of each position held by the Plan portfolio comprised less than 5% of fiduciary net position.

**Risks and Uncertainties**

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of fiduciary net position. The Plan, through its investment consultant, monitors the Plan's investment and the risks associated therewith on a regular basis which the Plan believes minimizes these risks.

**Fair Value Hierarchy**

The Plan categorizes its fair value measurements within 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.

Level 1 - Investments' fair values based on prices quoted in active markets for identical asset at the measurement date.

Level 2 - Investments' fair values based on observable inputs for the assets either directly or indirectly, other than those considered Level 1 inputs, which may include quoted prices for identical assets in markets that are not considered to be active, and quoted prices of similar assets in active or inactive markets.

Level 3 - Investments' fair values based upon unobservable inputs.

The following is a description of the fair value techniques used by the Plan over its investments:

Money market funds are reported at amortized cost.

Equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. This includes common stock, American depository receipts ("ADR"), and exchange traded funds ("ETF").

Debt securities are valued using quoted market prices (Level 1) or using pricing inputs that reflect the assumptions market participants would use to price an asset or liability and are developed based on market data obtained from sources independent of the reporting entity (Level 2).

**TOWN OF BAY HARBOR ISLANDS EMPLOYEES' RETIREMENT SYSTEM**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2024 AND 2023**

**NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)**

**Fair Value Hierarchy (Continued)**

The following is a summary of the fair value hierarchy of investments as of September 30, 2024:

	Fair Value Measurements Using		
	9/30/2024	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Investments by fair value level:			
Debt securities:			
U.S. treasuries	\$ 4,164,572	\$ 582,316	\$ 3,582,256
U.S. government obligations and corporate bonds	4,406,970	-	4,406,970
Total debt securities	<u>8,571,542</u>	<u>582,316</u>	<u>7,989,226</u>
Equity securities:			
Common stock, ADR's, and ETF's	2,628,241	1,744,101	884,140
Total equity securities	<u>2,628,241</u>	<u>1,744,101</u>	<u>884,140</u>
Total investments at fair value	<u>11,199,783</u>		
Investments Measured at Net Asset Value (NAV)			
Commingled collective trusts	12,690,475		
Real estate fund	3,150,411		
Total investments measured at NAV	<u>15,840,886</u>		
Money market funds (exempt)	180,076		
Total investments	<u>\$ 27,220,745</u>		

**TOWN OF BAY HARBOR ISLANDS EMPLOYEES' RETIREMENT SYSTEM**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2024 AND 2023**

**NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)**

**Fair Value Hierarchy (continued)**

The following is a summary of the fair value hierarchy of investments as of September 30, 2023:

	Fair Value Measurements Using		
	<u>9/30/2023</u>	Quoted Prices in Active Markets for Identical Assets <u>(Level 1)</u>	Significant Other Observable Inputs <u>(Level 2)</u>
Investments by fair value level:			
Debt securities:			
U.S. treasuries	\$ 2,631,576	\$ 2,631,576	\$ -
U.S. government obligations and corporate bonds	4,025,120	-	4,025,120
Total debt securities	<u>6,656,696</u>	<u>2,631,576</u>	<u>4,025,120</u>
Equity securities:			
Common stock, ADR's, and ETF's	2,151,631	2,151,631	-
Total equity securities	<u>2,151,631</u>	<u>2,151,631</u>	<u>-</u>
Total investments at fair value	<u>8,808,327</u>		
Investments Measured at Net Asset Value (NAV)			
Commingled collective trusts	9,729,222		
Real estate fund	3,462,828		
Total investments measured at NAV	<u>13,192,050</u>		
Money market funds (exempt)	150,234		
Total investments	<u>\$ 22,150,611</u>		

**TOWN OF BAY HARBOR ISLANDS EMPLOYEES' RETIREMENT SYSTEM**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2024 AND 2023**

**NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)**

**Fair Value Hierarchy (continued)**

The following table summarizes investments for which fair value is measured using the net asset value per share practical expedient, including their related unfunded commitments and redemption restrictions.

	September 30, 2024			
	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Real estate fund (1)	\$ 3,150,411	\$ -	Quarterly	N/A
Commingled trust fund (2)	12,690,475	-	Daily	N/A
Total Investments Measured at NAV	<u>\$ 15,840,886</u>	<u>\$ -</u>		

	September 30, 2023			
	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Real estate fund (1)	\$ 3,462,828	\$ -	Quarterly	N/A
Commingled trust fund (2)	9,729,222	-	Daily	N/A
Total Investments Measured at NAV	<u>\$ 13,192,050</u>	<u>\$ -</u>		

(1) *Real estate fund.* This fund is an open-end core real estate fund with a diversified portfolio of income producing institutional properties throughout the U.S.

(2) *Commingled trust fund.* This fund's investment objectives are to match the return of the S&P 500, S&P Small-Cap 600, and S&P Mid-Cap 400 indexes through investments in substantially all of the stocks contained in those indexes.

**TOWN OF BAY HARBOR ISLANDS EMPLOYEES' RETIREMENT SYSTEM**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2024 AND 2023**

**NOTE 4 – NET PENSION LIABILITY OF THE TOWN**

The components of the net pension liability (asset) at September 30, 2024 and 2023 are as follows:

	2024	2023
Total pension liability	\$ 26,954,612	\$ 25,604,510
Less plan fiduciary net position	(28,048,379)	(22,839,909)
Net pension liability (asset)	\$ (1,093,767)	\$ 2,764,601
Plan fiduciary net position as a percentage of the total pension liability	104.06%	89.20%

**Significant Actuarial Assumptions**

The total pension liability was determined using the following actuarial assumptions at September 30, 2024 and 2023:

Discount Rate	7.96%
Inflation	3.00%
Salary increases	4.00% per annum
Measurement Date	September 30, 2024, based on a valuation date of October 1, 2023 September 30, 2023, based on a valuation date of October 1, 2022

Ad-hoc Cost of Living Increases

None

Mortality Rates

For general employees prior to retirement, sex-distinct rates set forth in the PUB-2010 Headcount-Weighted below Median Employee Mortality Table for general employees, with full generational improvements in mortality using Scale MP-2018 and with male ages set back one year; for general employees after retirement, sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Below Median Healthy Retiree Mortality Table for general employees, with full generational improvements in mortality using Scale MP-2018 and with male ages set back one year; for police officers prior to retirement, sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Employee Mortality Table for public safety employees (Below Median table for males), with full generational improvements in mortality using Scale MP-2018 and with ages set forward one year; for non-disabled police officers after retirement, sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Healthy Retiree Mortality Table for public safety employees (Below Median table for males), with full generational improvements in mortality using Scale MP-2018 and with ages set forward one year; and for disabled police officers after retirement, sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Disabled Retiree Mortality Table (80% general employee rates plus 20% public safety employee rates), with full generational improvements in mortality using Scale MP-2018

**TOWN OF BAY HARBOR ISLANDS EMPLOYEES' RETIREMENT SYSTEM**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2024 AND 2023**

**NOTE 4 – NET PENSION LIABILITY OF THE TOWN (CONTINUED)**

**Long-Term Expected Rate of Return**

The long-term expected rate of return on pension 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 Plan's target asset allocation as of September 30, 2024 and 2023 are summarized in the following table:

Investment Category	Expected Long-Term Real Rate of Return	
	2024	2023
Large cap (domestic equity)	9.80%	8.50%
Mid cap (domestic equity)	10.00%	9.30%
Small cap (domestic equity)	9.70%	9.40%
Fixed Income	1.10%	0.40%
Foreign Equity (international equity)	6.00%	5.60%
Emerging Market (international equity)	7.90%	7.70%
Real estate	4.60%	5.30%

**Discount Rate**

The discount rate used to measure the total pension liability was 7.96% for fiscal years 2024 and 2023, respectively. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate**

The following presents the net pension liability (asset), calculated using the discount rate, as well as what the net pension asset would be 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	Current Discount Rate	1% Increase
September 30, 2024:			
Net pension liability (asset)	\$ (259,585)	\$ (1,093,767)	\$ (1,850,863)
Discount rate	6.96%	7.96%	8.96%
September 30, 2023:			
Net pension liability (asset)	\$ 3,556,342	\$ 2,764,601	\$ 2,049,673
Discount rate	6.96%	7.96%	8.96%

**NOTE 5 – TAX STATUS**

Plan management and legal counsel believe that the Plan is currently being operated in compliance with the applicable requirements of the Internal Revenue Code.

**TOWN OF BAY HARBOR ISLANDS EMPLOYEES' RETIREMENT SYSTEM**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2024 AND 2023**

**NOTE 6 – ADMINISTRATIVE EXPENSES**

For the fiscal year ended September 30, 2024 and 2023, administrative costs paid by the Plan consisted of the following:

	<u>2024</u>	<u>2023</u>
Professional fees	\$ 51,203	\$ 25,762
Actuarial services	15,200	17,400
Insurance	-	5,773
Total Expenses	<u>\$ 66,403</u>	<u>\$ 48,935</u>

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**REQUIRED SUPPLEMENTARY INFORMATION**

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**TOWN OF BAY HARBOR ISLANDS EMPLOYEE'S RETIREMENT SYSTEM**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN THE TOWN'S**  
**NET PENSION LIABILITY (ASSET) AND RELATED RATIOS**

September 30,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Total pension liability</b>										
Service cost	\$ 1,249,640	\$ 1,226,481	\$ 896,214	\$ 739,288	\$ 752,678	\$ 786,299	\$ 1,071,650	\$ 1,026,849	\$ 881,514	\$ 758,824
Interest	2,111,334	1,879,080	1,595,591	1,553,006	1,530,252	1,850,596	1,279,001	1,180,877	983,968	923,439
Demographic experience	(1,191,183)	1,541,785	1,631,800	1,073,343	(642,790)	(477,459)	906,769	(328,634)	(435,741)	(100,632)
Changes of benefit terms	-	457,581	-	-	-	-	8,635	726,619	998,287	-
Changes of assumptions	-	-	-	(630,731)	-	(4,786,155)	-	-	1,864,465	-
Benefit payments, including refunds of member contributions	(819,689)	(2,193,131)	(878,945)	(2,329,906)	(1,341,878)	(1,310,542)	(1,688,273)	(893,750)	(1,064,535)	(671,862)
Net change in total pension liability	1,350,102	2,911,796	3,244,660	405,000	298,262	(3,937,261)	1,577,782	1,711,961	3,227,958	909,769
Total pension liability- Beginning	25,604,510	22,692,714	19,448,054	19,043,054	18,744,792	22,682,053	21,104,271	19,392,310	16,164,352	15,254,583
Total pension liability- Ending (a)	<u>\$ 26,954,612</u>	<u>\$ 25,604,510</u>	<u>\$ 22,692,714</u>	<u>\$ 19,448,054</u>	<u>\$ 19,043,054</u>	<u>\$ 18,744,792</u>	<u>\$ 22,682,053</u>	<u>\$ 21,104,271</u>	<u>\$ 19,392,310</u>	<u>\$ 16,164,352</u>
Plan fiduciary net position										
Contributions - employer	\$ 1,313,706	\$ 585,810	\$ 937,084	\$ 1,050,617	\$ 1,080,265	\$ 1,004,663	\$ 1,137,266	\$ 874,490	\$ 795,792	\$ 674,623
Contributions - employee	508,748	425,093	418,944	372,757	520,770	399,794	345,320	332,750	700,737	271,897
Net investment income (loss)	4,272,108	1,503,009	(3,315,562)	3,705,978	1,336,214	651,814	1,558,236	1,705,415	1,506,073	(248,856)
Benefit payments, including refunds of member contributions	(819,689)	(2,193,131)	(878,945)	(2,329,906)	(1,341,878)	(1,310,542)	(1,688,273)	(893,750)	(1,064,535)	(671,862)
Administrative expense	(66,403)	(48,935)	(71,614)	(36,826)	(45,349)	(38,809)	(37,597)	(33,384)	(37,339)	(31,590)
Net change in plan fiduciary net position	5,208,470	271,846	(2,910,093)	2,762,620	1,550,022	706,920	1,314,952	1,985,521	1,900,728	(5,788)
Plan fiduciary net position - Beginning	22,839,909	22,568,063	25,478,156	22,715,536	21,165,514	20,410,342	19,095,390	17,114,069	15,213,341	15,219,129
Plan fiduciary net position - Ending (b)	<u>\$ 28,048,379</u>	<u>\$ 22,839,909</u>	<u>\$ 22,568,063</u>	<u>\$ 25,478,156</u>	<u>\$ 22,715,536</u>	<u>\$ 21,117,262</u>	<u>\$ 20,410,342</u>	<u>\$ 19,099,590</u>	<u>\$ 17,114,069</u>	<u>\$ 15,213,341</u>
Net pension (asset) liability - ending (a) - (b)	\$ (1,093,767)	\$ 2,764,601	\$ 124,651	\$ (6,030,102)	\$ (3,672,482)	\$ (2,372,470)	\$ 2,271,711	\$ 2,004,681	\$ 2,278,241	\$ 951,011
Fiduciary net position as a percentage of the total pension liability (asset)	104.06%	89.20%	99.45%	131.01%	119.29%	112.66%	89.98%	90.50%	88.25%	94.12%
Covered payroll	\$ 5,971,560	\$ 5,759,046	\$ 4,409,406	\$ 4,525,693	\$ 4,402,353	\$ 4,645,071	\$ 4,363,540	\$ 4,362,247	\$ 3,962,146	\$ 3,822,792
Net pension liability as a percentage of covered payroll	N/A	48.00%	2.83%	N/A	N/A	N/A	52.06%	45.96%	57.50%	24.88%

Note: Ending Plan Fiduciary Net Position for 2019 excludes 48,252 related to employer contributions that were accrued after the actuarial valuation was completed.

Note: Ending Plan Fiduciary Net Position for 2017 excludes 4,200 related to benefits payable to participants that was accrued after the actuarial valuation was completed.

Note: Plan Fiduciary Net Position for 2015 and 2014 excludes 223,769 and 198,656, respectively, of Share Plan net position. In fiscal year 2016, Share Plan assets were transferred over to the Plan and are included in the 2016 employer contributions.

N/A means not applicable

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

**TOWN OF BAY HARBOR ISLANDS EMPLOYEES' RETIREMENT SYSTEM**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF TOWN CONTRIBUTIONS**  
**LAST TEN FISCAL YEARS**

Fiscal Year Ending <u>September 30.</u>	Actuarilly Determined <u>Contribution</u>	Actual <u>Contribution</u>	Contribution Deficiency <u>(Excess)</u>	Covered <u>Payroll #</u>	Actual Contributions as a % of <u>Covered Payroll</u>
2024	\$ 1,552,233	\$ 1,313,706	* \$ 238,527	\$ 5,971,560	22.00%
2023	402,731	585,810	(183,079)	5,759,046	10.17%
2022	834,338	937,084	(102,746)	4,409,406	21.25%
2021	1,001,827	1,050,617	(48,790)	4,525,693	23.21%
2020	1,022,793	1,128,517	(105,724)	4,402,353	25.63%
2019	1,001,806	1,004,663	(2,857)	4,645,071	21.63%
2018	1,086,156	1,137,266	(51,110)	4,363,540	26.06%
2017	816,415	874,490	(58,075)	4,362,247	20.05%
2016	795,792	795,792	-	3,962,146	20.08%
2015	674,623	674,623	-	3,822,792	17.65%

\* The General Employees and Police Officers had an advanced employer contributions of \$331,167 and \$174,424 at October 1, 2023, respectively. These amounts total \$505,591 and utilized to cover the current year shortfall.

Significant Methods and Assumptions Used to Determine Contribution Rates for Fiscal Year Ended September 30, 2024:

Valuation date: 10/1/2022

Note Actuarially determined contribution rates are calculated as of September 30, which is 12 months prior to the beginning of the fiscal year in which contributions are reported.

Actuarial Cost Method	Entry-Age Normal
Amortization Method	Level Dollar
Remaining Amortization Period	10 years
Asset Valuation Method	Market Value
Inflation and Other General Increases	3.00%
Salary Increases	4.00%
Discount Rate of Return	6.00%
Retirement Age	Retirement is assumed to occur at normal retirement age.

Mortality Sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Below Median Employee Mortality Table, with full generational projections using Scale MP-2018.

**TOWN OF BAY HARBOR ISLANDS EMPLOYEES' RETIREMENT SYSTEM**  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF INVESTMENT RETURNS

September 30,	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Annual money-weighted rate of return, net of investment expense	18.85%	7.05%	-13.18%	16.99%	6.59%	3.27%	8.49%	10.16%	10.07%	-1.56%

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

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**REPORTING SECTION**

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

To the Board of Trustees and Plan Administrator  
**Town of Bay Harbor Islands Employees' Retirement System**

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 Town of Bay Harbor Islands Employees' Retirement System (the "Plan") as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Plan's financial statements, and have issued our report thereon dated May XX, 2025.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Plan'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 Plan's internal control. Accordingly, we do not express an opinion on the effectiveness of the Plan'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 Plan'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 Plan's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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 results of that testing, and not to provide an opinion on the effectiveness of the Plan’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 Plan’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Miami, FL  
May XX, 2025

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May XX, 2025

To the Board of Trustees and Plan Administrator  
**Town of Bay Harbor Islands Employees' Retirement System**

We have audited the financial statements of the Town of Bay Harbor Islands Employees' Retirement System (the "Plan") as of and for the fiscal year ended September 30, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated December 9, 2024. Professional standards also require that we communicate to you the following information related to our audit.

#### Significant Audit Findings

##### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Plan are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year ended September 30, 2024. We noted no transactions entered into by the Plan during the fiscal year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the Plan's financial statements were:

Management's estimate of the fair value of the investments is based on various valuation processes and information based on the underlying investment classifications. We evaluated the key factors and assumptions used to develop the fair value in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the Town's Net Pension (NPL) Liability in accordance with Government Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans— an amendment of GASB Statement No. 25*, is based on actuarial methods and assumptions used by the actuary for the development of the actuarially determined liability. The key factors impacting the assumptions, such as inflation, salary changes, ad hoc postemployment benefit changes (including ad hoc cost-of-living adjustments [COLAs]), and inputs to the discount rate, as well as certain information about mortality assumptions and the dates of experience studies, are subject to change on an annual basis and therefore can have a significant impact on this estimate. We evaluated

the key factors and assumptions used to develop the estimate described above, in determining that it is reasonable as of fiscal year end September 30, 2024.

In addition, one key assumption we want to highlight is the discount rate currently used by the Plan to calculate the Total Pension Liability as of September 30, 2024. The discount rate is a crucial factor in the actuarial valuation process, significantly impacting the reported net pension liability. A higher discount rate suggests a lower present value of the Plan's future payouts, resulting in a lower net pension liability. Conversely, a lower discount rate will increase the liability. Given the critical nature of this assumption, it is advisable to periodically reassess the selected discount rate to ensure it remains reflective of the Plan's expected rate of return on pension plan investments. Plan management should collaborate with the Plan's actuary and investment consultant during this assessment process. Adjustments to the discount rate may be warranted to accurately reflect the Plan's financial position and reduce the risk of underestimating or overestimating the net pension liability. Furthermore, it is advisable to benchmark the Plan's discount rate against similar plans. This comparison can provide valuable insights into how your Plan's assumptions align with industry standards and whether any discrepancies warrant a more detailed examination.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

The disclosure of in the notes of the financial statements, and those included as part of the required supplementary information (RSI) required by the GASB Statement No. 67, *Financial Reporting for Pension Plans*, and the disclosure of fair value measurements and their fair value level hierarchy of Plan investment instruments in Note 3 to the financial statements as required by GASB Statement No. 72, *Fair Value Measurement And Application*.

The financial statement disclosures are neutral, consistent, and clear.

#### *Difficulties Encountered in Performing the Audit*

We wish to bring to your attention several delays encountered during the audit, which diverged from the originally agreed timeline with the Town. Our initial audit request list was provided to the Town on September 3, 2024. At that juncture, the former Town Manager communicated the expectation that the audit would be completed by March 31, 2025. As a result of multiple rescheduled start dates due to the Town's finance department requiring additional time for accounting record reconciliation, we commenced the audit the week of March 24<sup>th</sup>, 2025.

#### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There were no such misstatements noted during the audit.

#### *Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

#### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated May XX, 2025.

#### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to Plan's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

#### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Plan's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Our consideration of internal control was for the limited purposes as described in our engagement letter and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. We identified one control deficiency in internal control relating to the reconciliation of the Plan's investment activity and the preparation of the Plan's trial balance. Importantly, this deficiency did not lead to the identification of any misstatements or errors in the financial statement.

#### **Plan Investment Activity Reconciliation and Financial Reporting**

As part of our audit the Plan, we considered the internal controls over financial reporting, which include the reconciliation of Plan's investment activity and the preparation of the Plan's trial balance. During our assessment, we identified a control deficiency related to the timeliness and frequency of the Plan's reconciliation of investment activity. Our finding indicates that while the controls over the reconciliation of the Plan's investment activity were properly designed, they were not implemented timely throughout the fiscal year. Specifically, the monthly reconciliation of investment activity was not timely performed and was instead deferred to the end-of-year closing process. This approach, while ultimately resulting in accurate financial reporting resulted in a significant delay in the Town providing the Plan's trial balance to the auditors which impacted the timing of the commencement of the audit. As a result, the internal trial balance of the Plan throughout the fiscal year, did not reflect the custodial bank balances on a monthly basis. We recommend that management consider implementing more frequent reconciliation procedures throughout the fiscal year to improve the timeliness of the pension trial balance, improve the reliability of the internal pension trial balance amounts throughout the fiscal year, and enhance the overall effectiveness of financial controls.

#### Other Matters

We applied certain limited procedures to the schedule of changes in the Town's net pension liability (asset) and related ratios, schedule of Town contributions, and schedule of investment returns, which are required supplementary information (RSI) that supplement the financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America requires to be presented to supplement the financial statements. Such missing information, 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. Our opinion on the financial statements is not affected by this omitted information.

Restriction on Use

This information is intended solely for the information and use of the Board of Trustees and management of the Plan and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

CBIZ CPAs P.C.

DRAFT

**AGENDA ITEM REPORT**

May 14, 2025

**ITEM NUMBER: 8.**

**ITEM:** Consideration and approval of Southern Actuarial Services' preparation of the quarterly statement for the Bay Harbor Islands Employee Retirement System Deferred Retirement Option Plan (DROP).

**DESCRIPTION:**

Consideration and approval of Southern Actuarial Services' preparation of the quarterly statement for the Bay Harbor Islands Employee Retirement System Deferred Retirement Option Plan (DROP).

**RECOMMENDED ACTION:**

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**FINANCIAL ANALYSIS:**

**BUDGET IMPACT:**

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Submitted By: Sandra Siefken, Finance Director

**ATTACHMENTS**

None

**AGENDA ITEM REPORT**  
May 14, 2025

**ITEM NUMBER: 9.**

**ITEM:**

In accordance with the FMPTF Investment Policy, the Pension Board is tasked with electing the appropriate allocation of plan assets. The Board may choose an equity-to-fixed income allocation ratio from the following options:

**50% Equities / 50% Fixed Income**

**60% Equities / 40% Fixed Income**

**70% Equities / 30% Fixed Income**

This selection will guide the investment strategy moving forward.

**DESCRIPTION:**

In accordance with the FMPTF Investment Policy, the Pension Board is tasked with electing the appropriate allocation of plan assets. The Board may choose an equity-to-fixed income allocation ratio from the following options:

**50% Equities / 50% Fixed Income**

**60% Equities / 40% Fixed Income**

**70% Equities / 30% Fixed Income**

This selection will guide the investment strategy moving forward.

**RECOMMENDED ACTION:**

---

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**FINANCIAL ANALYSIS:**

**BUDGET IMPACT:**

---

Submitted By: Sandra Siefken, Finance Director

**ATTACHMENTS**

1.	Florida Municipal Pension Trust Fund
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To: The Board of Trustees  
From: Jeff Blomeley, Investment and Retirement Services Manager  
Re: Administrative Services Agreement  
Date: March 24, 2025

Per the request of the Board, the FMPTF will provide full administrative services as agreed upon with the Board of Trustees. Currently, the FMPTF provides the Board with investment management, performance monitoring as well as recordkeeping and custodial banking services. We would be happy to provide the Board with additional administrative services as outlined below:

- Prepare the agenda and send to the City for posting
- Assemble agenda packet materials and provide to all Trustees electronically
- Provide minutes and recording of all Board of Trustee meetings
- Store official records of Board of Trustee documents
- Additional items that are mutually agreed upon

For these additional services it is agreed the plan will be charged a fee of \$750.00 for each meeting we attend to include the 4 quarterly meetings and any additional meetings that the Board may call during the plan year.

\_\_\_\_\_  
Board of Trustees Chair



\_\_\_\_\_  
Date *April 3, 2025*

\_\_\_\_\_  
Administrator

\_\_\_\_\_  
Date

**Town of Bay Harbor Islands**  
**Retirement Plan**

**TRUST JOINDER AGREEMENT  
FOR THE DEFINED BENEFIT TRUST UNDER  
FLORIDA MUNICIPAL PENSION TRUST FUND  
MASTER TRUST AGREEMENT**

**THIS TRUST JOINDER AGREEMENT** between the **Town of Bay Harbor Islands**, Florida (herein referred to as the "Participating Employer"), and the Master Trustees of the Florida Municipal Pension Trust Fund (herein collectively referred to as the "Master Trustee").

**WITNESSETH:**

**WHEREAS**, the Participating Employer is establishing or currently maintains a retirement benefit plan for the sole and exclusive benefit of its Participating Employees and their Beneficiaries (herein referred to as the "Plan");

**WHEREAS**, the Participating Employer is authorized to vary the investment procedures of the plan thereby permitting the assets of the plan to be invested in accordance with the Master Trust Agreement and the investment policy of the Florida Municipal Pension Trust Fund (herein referred to as the "FMPTF"), and is further authorized to participate in the FMPTF as a Participating Employer in accordance with the procedures, policies and methods outlined in the FMPTF Master Trust Agreement;

**WHEREAS**, FMPTF, in accordance with the FMPTF Master Trust Agreement, provides a wide array of administrative, custodial and investment services to the Participating Employers in the FMPTF;

**WHEREAS**, the Participating Employer intends to avail itself of the services offered by FMPTF in connection with the plan; and

**WHEREAS**, the Participating Employer desires to submit this Trust Joinder Agreement to the Master Trustee to become a Participating Employer in the FMPTF and a party to the FMPTF Master Trust Agreement.

**THEREFORE**, in consideration of the mutual covenants and agreements flowing to each of the parties hereto, it is agreed as follows:

1. Both parties to this Trust Joinder Agreement agree that the **Town of Bay Harbor Islands**, Florida is a Participating Employer as provided in the FMPTF Master Trust Agreement.

2. The Participating Employer shall cause the assets of the Participating Employer's plan to be deposited into a depository designated by the FMPTF.
3. The Participating Employer shall make timely contributions in accordance with the provisions of the plan and shall deposit its contributions and any contributions made by Participating Employees into a depository designated by the FMPTF.
4. The Participating Employer shall timely remit, or timely approve the remittance of, administrative fees as may be due under the Master Trust Agreement into a depository designated by the FMPTF.
5. The Participating Employer shall provide to the Administrator designated by the Master Trustee all relevant Participating Employee information, and shall promptly update all such information, required under the plan. The Participating Employer shall certify said information to be correct to the best of its knowledge, and the FMPTF and the Administrator shall have the right to rely on the accuracy of said information in performing their contractual responsibilities.
6. The Participating Employer shall be responsible for providing the Administrator, in a timely manner, all information concerning the termination of any Participating Employee (*e.g.*, death, disability, retirement, resignation or dismissal). If the reason for the termination is disability and the Participating Employee is claiming disability benefits, then the Participating Employer shall be responsible for ascertaining eligibility through procedures adopted by the Participating Employer. The Participating Employer shall certify said information to be correct to the best of its knowledge, and the FMPTF and the Administrator shall have the right to rely on the accuracy of said information in performing their contractual responsibilities.
7. The FMPTF shall provide administrative, custodial and investment services to the Participating Employer in accordance with any Resolution or Ordinance relating to the plan and in accordance with the FMPTF Master Trust Agreement.
8. The FMPTF, in accordance with the policies and procedures established by the Master Trustee and the FMPTF Master Trust Agreement, shall periodically report its activities to the Participating Employer on a timely basis.
9. The parties to this Trust Joinder Agreement agree to abide by and be bound by the terms, duties, rights and obligations of the parties as set forth in the FMPTF Master Trust Agreement, as may be amended by the Master Trustee, which is attached hereto and is made a part of this Trust Joinder Agreement.


10. The Participating Employer elects to have the plan assets invested in accordance with the FMPTF Investment Policy with an equity to fixed income ratio of:

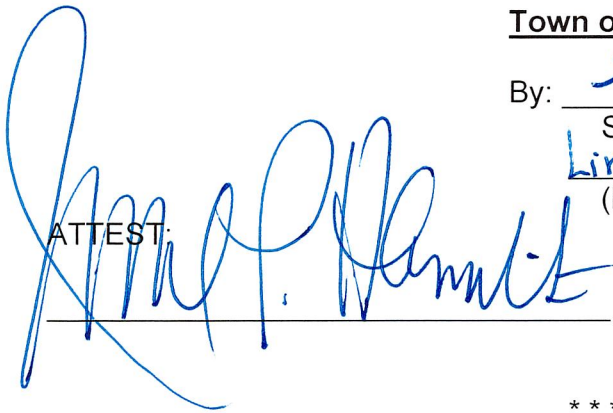
- \_\_\_\_\_ 50% Equities/ 50% Fixed Income
- \_\_\_\_\_ 60% Equities/ 40% Fixed Income
- \_\_\_\_\_ 70% Equities/ 30% Fixed Income

11. Either party may terminate this Trust Joinder Agreement by giving at least 60 days prior notice in writing to the other party. Any termination shall be governed by the provisions of the FMPTF Master Trust Agreement and the Plan.

**IN WITNESS WHEREOF**, the Participating Employer has caused this Trust Joinder Agreement to the Florida Municipal Pension Trust Fund Master Agreement to be executed and the signature of its authorized officer affixed this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

Town of Bay Harbor Islands, Florida

By:   
 Signature Interim  
Lindsley Noel Town Manager  
 (Name and Title)

ATTEST: 

\*\*\*\*\*

ACCEPTANCE

FLORIDA MUNICIPAL PENSION TRUST FUND

By: \_\_\_\_\_  
Secretary - Treasurer

**RESOLUTION NO. 2476**

**A RESOLUTION OF THE BOARD OF TRUSTEES OF BAY HARBOR ISLANDS EMPLOYEE RETIREMENT SYSTEM APPROVING A TRUST JOINDER AGREEMENT WITH THE MASTER TRUSTEES OF THE FLORIDA MUNICIPAL PENSION TRUST FUND; APPROVING AN ADMINISTRATIVE SERVICES AGREEMENT; PROVIDING FOR INCORPORATION OF RECITALS; AND SETTING AN EFFECTIVE DATE.**

WHEREAS, the Town of Bay Harbor Islands currently maintains a retirement benefit plan for participating employees and their beneficiaries; and

WHEREAS, pursuant to Section 16-68 of the Town of Bay Harbor Islands Code of Ordinances, the Board of Trustees of the Town's Retirement System is authorized to delegate the investment management functions of the retirement system; and

WHEREAS, the Board of Trustees determined that it wishes to use the services of Florida Municipal Pension Trust Fund ("FMPTF"); and

WHEREAS, the Board of Trustees has reviewed th FMPTF Defined Contribution Plan; and

WHEREAS, the Participating Employer must execute a Trust Joinder Agreement to become a party to the FMPTF Master Trust Agreement; and

WHEREAS, the Participating Employer wishes to execute an Administrative Services Agreement with FMPTF to perform full administrative services for the retirement benefit plan; and

WHEREAS, the Board of Trustees is authorized by law to adopt this resolution approving the Trust Joinder Agreement and the Administrative Services Agreement.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF  
BAY HARBOR ISLANDS:**

**Section 1.** The recitals listed above are incorporated in this Resolution as if fully set forth in this Resolution.

**Section 2.** The Board of Trustees authorizes the execution of the Trust Joinder Agreement for the Participating Employer to become a party to the FMPTF Master Trust Agreement attached hereto as Exhibit 1 and made a part of this Resolution.


**Section 3.** The Board of Trustees authorizes the execution of the Administrative Services Agreement and acknowledges that fees will be imposed with respect to the services provided; and

**Section 4.** This Resolution shall remain in full force and effect until supplemented, amended, repealed, or otherwise altered.

**Section 5.** This Resolution hereby repeals all resolutions in conflict, herewith.

**Section 6.** This Resolution shall take effect immediately upon its adoption.

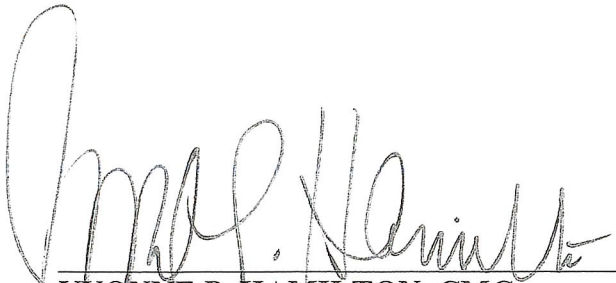
**PASSED and ADOPTED this 24<sup>th</sup> day of March 2025.**

  
\_\_\_\_\_  
**CHAIR**

**ATTEST:**

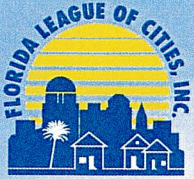
  
\_\_\_\_\_  
**BOARD SECRETARY**

**ATTEST:**



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YVONNE P. HAMILTON, CMC  
TOWN CLERK



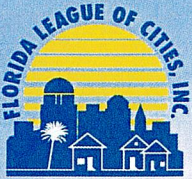
# Florida League of Cities, Inc.

Sponsor of the  
**FLORIDA MUNICIPAL  
PENSION TRUST FUND  
(FMPTF)**

DEFINED BENEFIT PLAN ADMINISTRATION

[www.flcretirement.com](http://www.flcretirement.com)

WWW.FLORIDALEAGUEOFCITIES.COM



# Florida Municipal Pension Trust Fund

Established in 1983

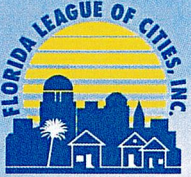
Collectively manages individually designed employee pension and OPEB plans of Florida Municipalities

Non-profit, tax-exempt entity

Provides professional and cost-effective retirement and other post employment benefit programs

Any agency or political subdivision in Florida may become a member

Each entity agrees to abide by terms of the Master Trust Agreement



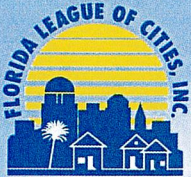
# Current Membership

200+ Plans

- 140+ Defined Contribution and Deferred Compensation
- 30+ OPEB
- 50+ Defined Benefit

Over 5,000 Participants

\$1.8B+ in Assets

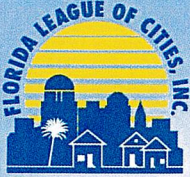


# FMPTF Defined Benefit Members

Boca Raton Management  
Boca Raton Housing Authority  
General  
Bradenton Beach Police  
Officers  
Cooper City Management  
Davie General & Management  
Dunnellon Fire & Police  
Estero Fire District Firefighters  
Fort Meade Firefighters  
Fort Meade General  
Fort Meade Police Officers  
Frostproof General  
Green Cove Springs Police  
Officers  
Greenacres Fire & PSO  
Gulf Breeze Police Officers  
Howey-in-the-Hills Police

Indian Harbour Beach Police  
Indian River Shores General  
Labelle Firefighters  
Lake Helen Police Officers  
Lake Alfred General  
Lighthouse Point Police & Fire  
Longwood Fire & Police  
Macclenny Firefighters  
Marathon Firefighters  
Midway FCD  
North Miami Beach  
Management  
Oldsmar Firefighters  
Oakland Park General  
Pace Fire District  
Palm Beach Gardens General  
Palm Coast Firefighters

Panama City Management  
Parkland Police  
Royal Palm Beach Police  
Safety Harbor Firefighters  
San Carlos Park Firefighters  
Satellite Beach General  
Employees  
Satellite Beach Fire & Police  
Southern Manatee Firefighters  
Southern Manatee General  
Tamarac Executive &  
Professional  
Umatilla Police  
Valparaiso Fire & Police  
Wauchula General  
Wauchula Police Officers  
Williston General  
Williston Police Officers



## Board of Trustees

The FMPTF is governed and supervised by a five member Board of Trustees made up of elected officials from municipalities participating in the fund

- Mindy Gibson, Vice Mayor, City of Satellite Beach
- Joseph Barkley III, Commissioner, City of Belleair Bluffs
- Scott Black, Mayor, City of Dade City
- Constance Butler, City Council, City of Green Cove Springs
- Chris Cloudman, Mayor, City of Deland



# Investment Advisory Committee

- **Chairman Joseph LoBello**
  - Town Manager, Town of Lake Clark Shores
- **Bob Miracle**
  - Deputy Town Manager, Town of Palm Beach
- **James Zervis**
  - Financial Services Director, City of Boca Raton
- **Christopher McCullion**
  - CFO, Orlando Utilities Commission
- **Bill Ackerman**
  - Finance Director, Town of Davie
- **Bonnie Wise**
  - Chief Financial Administrator, Hillsborough County
- **Darrel Thomas**
  - Assistant City Manager/COO, City of Weston





# FMPTF Services

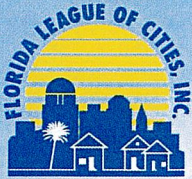
Investment Management

Investment Performance Monitoring

Custodial Banking and Recordkeeping

Actuarial Services

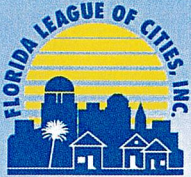
Full Service Administration



# Service Professionals



- **Investment Management –**
  - Atlanta Capital Management
  - Hotchkis & Wiley
  - Ninety One
  - Allspring
  - Pioneer
  - Morgan Stanley
- **Investment Performance –**
  - Asset Consulting Group
- **Actuarial Services –**
  - Chuck Carr, Southern Actuarial Services
- **Full Support Staff –**
  - Florida League of Cities



# Investment Management

Assets in the FMPTF are managed through the Florida Municipal Investment Trust in the following portfolios:

- Broad Market High Quality Bond Fund
- Core Plus Fixed Income Fund
- Large Cap Diversified Equity Portfolio
- Diversified Small to Mid (SMID) Cap Equity Portfolio
- International Equity Portfolio
- Core Real Estate Fund



# Investment Management

Our Investment philosophy is to seek long-term growth of capital and income achieving consistent returns and avoiding extreme volatility in the market valuation

High Quality stocks and bonds, maximum exposure to stocks of 70%

The FMPTF has negotiated some of the lowest investment management fees in the industry. By pooling the assets from all our members, Investment Management fees are *approximately 63 - 65 basis points depending on the asset allocation chosen*



# Asset Allocation

The FMPTF currently has three asset allocation strategies:

Fund A has a 50% Equity – 50% Fixed – 10% Real Estate

Fund A typically is for members with a 6.0% interest rate assumption

Fund B has a 60% Equity – 30% Fixed – 10% Real Estate

Fund B is for members that use 6.5%

Fund C has a 70% Equity – 20% Fixed – 10% Real Estate

Fund C is for members with 7.0%

- Members may elect a custom asset allocation at an additional annual cost



# Custodial Service

Monthly  
Trust  
Account  
Statements

Payment of  
Distributions  
and Expenses

All checks  
processed by  
Florida  
League of  
Cities, Inc.

Custodial Fees  
can range from  
2 – 10 basis  
points, and are  
included in our  
fees



# Investment Performance Monitoring

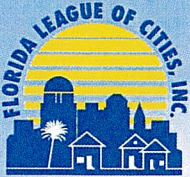
- A performance monitor is required by Fl. Statutes to provide the Board of Trustees with an evaluation of the investment performance at least once every three years. Typically this will cost from \$25,000-\$100,000 per year. These fees are included in our administrative fee.

Independent quarterly performance reporting

Comparisons to market indices and custom benchmarking

Asset allocation studies

Investment manager searches



# Actuarial Services

Valuations

Cost Studies

Impact Statements

Benefit Calculations

Buy Back Calculations

Participant Statements

Actuarial Services are provided through the FMPTF's Actuary and fees are negotiated by the FMPTF to be approximately 40-50% below market rate



# Administration

Complete  
Accounting and  
Recordkeeping

Custom Designed  
Software

Monthly  
recurring  
payments

IRS Withholding  
& Filing

Year End 1099  
Filing

Plan Amendment  
and Ordinance  
Preparation

Actuarial Services

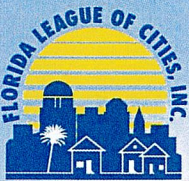
175 & 185 Annual  
Reports (for  
Police & Fire  
Plans)

Legislative  
Monitoring



## Chapter 175 & 185 Reporting

Division of Retirement Annual Reports for Chapter 175 & 185 plans can be cumbersome to produce and Auditors and Actuaries may charge a \$3-5K or more to complete this report. The FMPTF prepares the entire report for plan members as part of our administrative services. FMPTF staff members will follow-up with the Division of Retirement to ensure your report is approved. Throughout our 40+ year history, we have never had a member fail to receive approval.



# ADVANTAGES OF THE FMPTF

- Administered by the Florida League of Cities, A not for profit corporation that is the official organization of municipal governments in Florida.

Local  
Government  
Membership

Extensive  
Governmental  
Plan Knowledge

Investment  
Policy

Bundled  
Service

Economies of  
Scale

Enhanced  
Member  
Service

Balanced  
Portfolios

Lower Costs



[WWW.FLORIDALEAGUEOFCITIES.COM](http://WWW.FLORIDALEAGUEOFCITIES.COM)



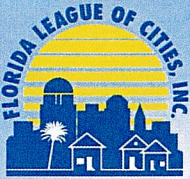
# Administrative Fees

New members will have an initial plan set-up fee of \$2,500.00

Total Administrative and Investment Expense: Between 80 and 90 basis points

The Administrative fee for complete Defined Benefit plan administration is based on two parts

- \$1,000.00 annual fee
- Assets up to \$7.5 million – 24 basis points
- Assets \$7.5 million to \$18 million – 15.5 basis points
- Assets \$18 million to \$30 million – 10 basis points
- Assets over \$30 million to \$52.5 million – 5 basis points
- Assets over \$52.5 million – no fee



# Contact

## **Jeff Blomeley**

Manager, Investment &  
Retirement Services

Florida League of Cities, Inc.

PO Box 1757

Tallahassee, FL 32302

(850) 701-3614

[jblomeley@flcities.com](mailto:jblomeley@flcities.com)

## **Jeremy Langley**

Account Executive, Financial  
Services

Florida League of Cities, Inc.

PO Box 1757

Tallahassee, FL 32302

(859) 552-5224

[jlangley@flcities.com](mailto:jlangley@flcities.com)

**AGENDA ITEM REPORT**  
May 14, 2025

**ITEM NUMBER: 10.**

**ITEM: REGULAR INVOICE:**

Approval of payment of \$575 to Sugarman, Susskind, Braswell & Herrera for professional services, a copy of invoice #184025 dated 01/10/24 is attached.

**DESCRIPTION:**

**REGULAR INVOICE:**

Approval of payment of \$575 to Sugarman, Susskind, Braswell & Herrera for professional services, a copy of invoice #184025 dated 01/10/24 is attached.

**RECOMMENDED ACTION:**

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**FINANCIAL ANALYSIS:**

Deduction from the retirement fund in the amount of \$575.00

**BUDGET IMPACT:**

Name	Impact Date	Fund(s)	Account(s)	Project #(s)	Amount Budgeted
Employees' Retirement System		601	601.5130.400031.00	N/A	\$575

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Submitted By: Sandra Siefken, Finance Director

**ATTACHMENTS**

1. BHIP January 2024 Invoice
------------------------------

# SUGARMAN, SUSSKIND, BRASWELL & HERRERA

PROFESSIONAL ASSOCIATION  
ATTORNEYS AT LAW

Robert A. Sugarman ♦  
Howard S. Susskind  
D. Marcus Braswell, Jr.  
Pedro A. Herrera  
Kenneth R. Harrison, Sr.  
Madison J. Levine

Jose Javier Rodriguez  
David E. Robinson  
Of Counsel

150 Alhambra Circle  
Suite 725  
Coral Gables, Florida 33134  
(305) 529-2801  
Toll Free (800) 329-2122  
Facsimile (305) 447-8115

♦ Board Certified Labor &  
Employment Lawyer

January 16, 2024

Town of Bay Harbor Islands Employee Retirement  
9665 Bay Harbor Terrace  
Bay Harbor Islands, FL 33154

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CURRENT FEES:	575.00
CURRENT COSTS:	0.00
PREVIOUS BALANCE:	900.00
PAYMENTS RECEIVED:	900.00-ck#8945
	-----
TOTAL AMOUNT DUE:	575.00

# SUGARMAN, SUSSKIND, BRASWELL & HERRERA, P.A.

150 Alhambra Circle  
Suite 725  
Coral Gables, Florida 33134  
Telephone: 305-529-2801  
Fax: 305-447-8115  
www.sugarmansusskind.com

Town of Bay Harbor Islands Empl. Retirement  
Peter V. Kajokas, CPA, MBA  
Director of Finance  
9665 Bay Harbor Terrace  
Bay Harbor Islands, FL 33154

January 10, 2024  
Invoice # 184025

---

Client: Matter    BHIP: MEET

In Reference To: Meeting

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	<u>Amount</u>
Previous balance	\$900.00
12/13/2023 Payment - Thank You. Check No. 8945	(\$900.00)
Total payments and adjustments	(\$900.00)
Balance due	<u>\$0.00</u>

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Client: Matter    BHIP: PLAN

In Reference To: Plan

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## Professional Services

	<u>Hrs/Rate</u>	<u>Amount</u>
12/15/2023 Review arbitration award. Review ordinance. Email regarding benefit eligibility for purchase of past unpaid leave service.	0.90 \$250.00/hr	\$225.00
12/22/2023 Email to finance director regarding benefit eligibility. Review ordinance.	0.60 \$250.00/hr	\$150.00
Receipt and review of proposed RFP for financial consulting services. Email regarding same.	0.80 \$250.00/hr	\$200.00
For professional services rendered	<u>2.30</u>	<u>\$575.00</u>

Balance due

Amount  
\$575.00

**AGENDA ITEM REPORT**  
May 14, 2025

**ITEM NUMBER: 11.**

**ITEM: REGULAR INVOICE:**

Approval of payment of \$600 to Sugarman, Susskind, Braswell & Herrera for professional services, a copy of invoice #185016 dated 02/08/24 is attached.

**DESCRIPTION:**

**REGULAR INVOICE:**

Approval of payment of \$600 to Sugarman, Susskind, Braswell & Herrera for professional services, a copy of invoice #185016 dated 02/08/24 is attached.

**RECOMMENDED ACTION:**

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**FINANCIAL ANALYSIS:**

Deduction from the retirement fund in the amount of \$600.00

**BUDGET IMPACT:**

Name	Impact Date	Fund(s)	Account(s)	Project #(s)	Amount Budgeted
Employees' Retirement System		601	601.5130.400031.00	N/A	\$600

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Submitted By: Sandra Siefken, Finance Director

**ATTACHMENTS**

1. BHIP February 2024 Invoice
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# SUGARMAN, SUSSKIND, BRASWELL & HERRERA

PROFESSIONAL ASSOCIATION  
ATTORNEYS AT LAW

Robert A. Sugarman ♦  
Howard S. Susskind  
D. Marcus Braswell, Jr.  
Pedro A. Herrera  
Kenneth R. Harrison, Sr.  
Madison J. Levine

Jose Javier Rodriguez  
David E. Robinson  
Of Counsel

150 Alhambra Circle  
Suite 725  
Coral Gables, Florida 33134  
(305) 529-2801  
Toll Free (800) 329-2122  
Facsimile (305) 447-8115

♦ Board Certified Labor &  
Employment Lawyer

February 8, 2024

Town of Bay Harbor Islands Employee Retirement  
9665 Bay Harbor Terrace  
Bay Harbor Islands, FL 33154

---

CURRENT FEES:	600.00
CURRENT COSTS:	0.00
PREVIOUS BALANCE:	575.00
PAYMENTS RECEIVED:	0.00
	-----
TOTAL AMOUNT DUE:	1,175.00

# SUGARMAN, SUSSKIND, BRASWELL & HERRERA, P.A.

150 Alhambra Circle  
Suite 725  
Coral Gables, Florida 33134  
Telephone: 305-529-2801  
Fax: 305-447-8115  
www.sugarmansusskind.com

Town of Bay Harbor Islands Empl. Retirement  
Peter V. Kajokas, CPA, MBA  
Director of Finance  
9665 Bay Harbor Terrace  
Bay Harbor Islands, FL 33154

February 8, 2024  
Invoice # 185016

---

Client:Matter    BHIP:MISC  
In Reference To:Miscellaneous

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Professional Services

	<u>Hrs/Rate</u>	<u>Amount</u>
1/8/2024 Telephone conference with Finance Director and Procurement regarding RFP for Consulting services. Review RFP.	1.20 \$250.00/hr	\$300.00
1/11/2024 Receipt and review of proposed RFP for financial consulting services. Email regarding same.	1.20 \$250.00/hr	\$300.00
For professional services rendered	<u>2.40</u>	<u>\$600.00</u>
Balance due		<u><u>\$600.00</u></u>

---

Client:Matter    BHIP:PLAN  
In Reference To:Plan

---

	<u>Amount</u>
Previous balance	\$575.00
Balance due	<u><u>\$575.00</u></u>

**AGENDA ITEM REPORT**  
May 14, 2025

**ITEM NUMBER: 12.**

**ITEM: REGULAR QUARTERLY INVOICE:**

Approval of payment of \$941.58 to Glovista Investments for professional services for the First Quarter of 2024. A copy of invoice #glsc02a1qu2024 dated 03/31/24 is attached.

**DESCRIPTION:**

**REGULAR QUARTERLY INVOICE:**

Approval of payment of \$941.58 to Glovista Investments for professional services for the First Quarter of 2024. A copy of invoice #glsc02a1qu2024 dated 03/31/24 is attached.

**RECOMMENDED ACTION:**

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**FINANCIAL ANALYSIS:**

Deduction from the retirement fund in the amount of \$941.58

**BUDGET IMPACT:**

Name	Impact Date	Fund(s)	Account(s)	Project #(s)	Amount Budgeted
Employees' Retirement System		601	601.5130.400031.00	N/A	\$941.58

---

Submitted By: Sandra Siefken, Finance Director

**ATTACHMENTS**

1. \$941.58 Glovista Invoice
------------------------------



**Bay Harbor Islands**

Custodian: Salem Trust Company

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**Glovista Investments LLC**

One Evertrust Plaza, 11<sup>th</sup> Floor, Jersey City NJ 07302 • Tel: (212) 336 1540 • Fax: (201) 839 4349

*Invoice For*  
*Bay Harbor Islands*  
*9665 Bay Harbor Terrace*  
*Bay Harbour Island, Florida 33154*

*Date: 03-31-24*

*Due Date: On Receipt*

*Invoice Number: glsc02a1qu2024*

**Statement of Management Fees  
Period First Quarter of 2024**

	<b>Capital Base*</b>	<b>Fee Level</b>	<b>Day Count</b>	<b>Amount</b>
Management Fee for Jan 2024	\$766,182.68	0.50% p.a.	31/31	\$319.24
Management Fee for Feb 2024	\$730,137.91	0.50% p.a.	29/29	\$304.22
Management Fee for Mar 2024	\$763,478.53	0.50% p.a.	31/31	\$318.12
<b>Total Fee</b>				<b>\$941.58</b>

*Note:*  
*If your account is enabled for automatic payment, the account will be debited the day after the receipt of this invoice. If you send checks, please make checks payable to "Glovista Investments LLC" and send it to the above mentioned address.*

*\* Capital Base - The formula for capital base is: Capital Base = Beginning Market Value + Sum of (Each Inflow or Outflow X (Days Left in Period/Total Days in Period))*

*SSM*  
*Interim T.M.*  
*4/8/2025*  
*Approved*

**AGENDA ITEM REPORT**  
May 14, 2025

**ITEM NUMBER: 13.**

**ITEM: REGULAR INVOICE:**

Approval of payment of \$1,000 to Sugarman, Susskind, Braswell & Herrera for professional services, a copy of invoice #18957 dated 08/14/24 is attached.

**DESCRIPTION:**

**REGULAR INVOICE:**

Approval of payment of \$1,000 to Sugarman, Susskind, Braswell & Herrera for professional services, a copy of invoice #18957 dated 08/14/24 is attached.

**RECOMMENDED ACTION:**

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**FINANCIAL ANALYSIS:**

Deduction from the retirement fund in the amount of \$1,000.00

**BUDGET IMPACT:**

Name	Impact Date	Fund(s)	Account(s)	Project #s)	Amount Budgeted
Employees' Retirement System		601	601.5130.400031.00	N/A	\$1,000

---

Submitted By: Sandra Siefken, Finance Director

**ATTACHMENTS**

1.	BHIP August 2024 Invoice
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# SUGARMAN, SUSSKIND, BRASWELL & HERRERA

PROFESSIONAL ASSOCIATION  
ATTORNEYS AT LAW

Robert A. Sugarman ♦  
Howard S. Susskind  
D. Marcus Braswell, Jr.  
Pedro A. Herrera  
Kenneth R. Harrison, Sr.  
Madison J. Levine

150 Alhambra Circle  
Suite 725  
Coral Gables, Florida 33134  
(305) 529-2801  
Toll Free (800) 329-2122  
Facsimile (305) 447-8115

♦ Board Certified Labor &  
Employment Lawyer

David E. Robinson  
Of Counsel

August 14, 2024

Town of Bay Harbor Islands Employee Retirement  
9665 Bay Harbor Terrace  
Bay Harbor Islands, FL 33154

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CURRENT FEES:	1,000.00
CURRENT COSTS:	0.00
PREVIOUS BALANCE:	1,375.00
PAYMENTS RECEIVED:	0.00
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TOTAL AMOUNT DUE:	2,375.00

# SUGARMAN, SUSSKIND, BRASWELL & FERRERA, P.A.

150 Alhambra Circle  
Suite 725  
Coral Gables, Florida 33134  
Telephone: 305-529-2801  
Fax: 305-447-8115  
www.sugarmansusskind.com

Town of Bay Harbor Islands Empl. Retirement  
Peter V. Kajokas, CPA, MBA  
Director of Finance  
9665 Bay Harbor Terrace  
Bay Harbor Islands, FL 33154

August 14, 2024  
Invoice # 189570

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Client:Matter    BHIP:MISC  
In Reference To: Miscellaneous

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	<u>Amount</u>
Previous balance	\$800.00
Balance due	<u>\$800.00</u>

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Client:Matter    BHIP:PLAN  
In Reference To: Plan

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## Professional Services

	<u>Hrs/Rate</u>	<u>Amount</u>
7/19/2024 Draft DROP paperwork	4.00 \$250.00/hr	\$1,000.00
For professional services rendered	4.00	\$1,000.00
Previous balance		\$575.00
Balance due		<u>\$1,575.00</u>

**AGENDA ITEM REPORT**  
May 14, 2025

**ITEM NUMBER: 14.**

**ITEM: REGULAR INVOICE:**

Approval of payment of \$800 to Sugarman, Susskind, Braswell & Herrera for professional services, a copy of invoice #190259 dated 09/06/24 is attached.

**DESCRIPTION:**

Approval of payment of \$800 to Sugarman, Susskind, Braswell & Herrera for professional services, a copy of invoice #190259 dated 09/06/24 is attached.

**RECOMMENDED ACTION:**

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**FINANCIAL ANALYSIS:**

Deduction from the retirement fund in the amount of \$800

**BUDGET IMPACT:**

Name	Impact Date	Fund(s)	Account(s)	Project #s)	Amount Budgeted
Employees' Retirement System		601	601.5130.400031.00	N/A	\$800

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Submitted By: Sandra Siefken, Finance Director

**ATTACHMENTS**

1. BHIP September 2024 Invoice
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# SUGARMAN, SUSSKIND, BRASWELL & HERRERA

PROFESSIONAL ASSOCIATION  
ATTORNEYS AT LAW

Robert A. Sugarman ♦  
Howard S. Susskind  
D. Marcus Braswell, Jr.  
Pedro A. Herrera  
Kenneth R. Harrison, Sr.  
Veronica Ucros

Madison J. Levine  
David E. Robinson  
Of Counsel

150 Alhambra Circle  
Suite 725  
Coral Gables, Florida 33134  
(305) 529-2801  
Toll Free (800) 329-2122  
Facsimile (305) 447-8115

♦ Board Certified Labor &  
Employment Lawyer

September 11, 2024

Town of Bay Harbor Islands Employee Retirement  
9665 Bay Harbor Terrace  
Bay Harbor Islands, FL 33154

---

CURRENT FEES:	600.00
CURRENT COSTS:	0.00
PREVIOUS BALANCE:	2,375.00
PAYMENTS RECEIVED:	0.00
	-----
TOTAL AMOUNT DUE:	2,975.00

# SUGARMAN, SUSSKIND, BRASWELL & FERRERA, P.A.

150 Alhambra Circle  
Suite 725  
Coral Gables, Florida 33134  
Telephone: 305-529-2801  
Fax: 305-447-8115  
www.sugarmansusskind.com

Town of Bay Harbor Islands Empl. Retirement  
Peter V. Kajokas, CPA, MBA  
Director of Finance  
9665 Bay Harbor Terrace  
Bay Harbor Islands, FL 33154

September 6, 2024  
Invoice # 190259

---

Client: Matter    BHIP: MEET

In Reference To: Meeting

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Professional Services

	<u>Hrs/Rate</u>	<u>Amount</u>
8/12/2024 Attend meeting. Prepare for meeting.	2.40 \$250.00/hr	\$600.00
For professional services rendered	2.40	\$600.00
Balance due		<u>\$600.00</u>

---

Client: Matter    BHIP: MISC

In Reference To: Miscellaneous

---

	<u>Amount</u>
Previous balance	\$800.00
Balance due	<u>\$800.00</u>

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Client: Matter    BHIP: PLAN

In Reference To: Plan

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	<u>Amount</u>
Previous balance	\$1,575.00
Balance due	<u><u>\$1,575.00</u></u>

**AGENDA ITEM REPORT**  
May 14, 2025

**ITEM NUMBER: 15.**

**ITEM: REGULAR QUARTERLY INVOICE:**

Approval of payment of \$5,398.58 to Garcia Hamilton & Associates for portfolio valuation services from 10/01/24-12/31/24. A copy of invoice #40839 dated 01/03/2025 is attached.

**DESCRIPTION:**

**REGULAR QUARTERLY INVOICE:**

Approval of payment of \$5,398.58 to Garcia Hamilton & Associates for portfolio valuation services from 10/01/24-12/31/24. A copy of invoice #40839 dated 01/03/2025 is attached

**RECOMMENDED ACTION:**

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---

**FINANCIAL ANALYSIS:**

Deduction from the retirement fund in the amount of \$5,398.58

**BUDGET IMPACT:**

Name	Impact Date	Fund(s)	Account(s)	Project #(s)	Amount Budgeted
Employees' Retirement System		601	601.5130.400031.00	N/A	\$5,398.58

---

Submitted By: Sandra Siefken, Finance Director

**ATTACHMENTS**

1. Invoice#40839 GHA \$5,398.58
---------------------------------

INVOICE # 40839

**GH&A**  
GARCIA HAMILTON & ASSOCIATES, L.P.

---

5 HOUSTON CENTER  
1401 MCKINNEY, SUITE 1600  
HOUSTON, TX 77010  
TEL: (713) 853-2322  
FAX: (713) 853-2308

WWW.GARCIAHAMILTONASSOCIATES.COM

January 3, 2025

TOWN OF BAY HARBOR ISLANDS EMPLOYEES' (0740003678)

bher

Email: [sgelvez@bayharborislands-fl.gov](mailto:sgelvez@bayharborislands-fl.gov)

CC: [mromero@bayharborislands-fl.gov](mailto:mromero@bayharborislands-fl.gov)

\*

\*, \*

GARCIA HAMILTON & ASSOCIATES  
STATEMENT OF MANAGEMENT FEES

---

For The Period October 1, 2024 through December 31, 2024  
Portfolio Valuation with Accrued Interest as of 12-31-24

8,637,724.86

8,637,725 @ 0.2500% per annum

5,398.58

Quarterly Management Fee

5,398.58

**TOTAL DUE AND PAYABLE**

**5,398.58**

*SSM*  
Town Manager  
Approved  
4/22/2025

**AGENDA ITEM REPORT**  
May 14, 2025

**ITEM NUMBER: 16.**

**ITEM: REGULAR QUARTERLY INVOICE:**

Approval of payment of \$5,457.91 to Garcia Hamilton & Associates for portfolio valuation services from 01/01/25-03/31/25. A copy of invoice #41172 dated 04/03/25 is attached.

**DESCRIPTION:**

**REGULAR QUARTERLY INVOICE:**

Approval of payment of \$5,457.91 to Garcia Hamilton & Associates for portfolio valuation services from 01/01/25-03/31/25. A copy of invoice #41172 dated 04/03/25 is attached.

**RECOMMENDED ACTION:**

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**FINANCIAL ANALYSIS:**

Deduction from the retirement fund in the amount of \$5,457.91

**BUDGET IMPACT:**

Name	Impact Date	Fund(s)	Account(s)	Project #(s)	Amount Budgeted
Employees' Retirement System		601	601.5130.400031.00	N/A	\$5,457.91

---

Submitted By: Sandra Siefken, Finance Director

**ATTACHMENTS**

1.	GHA Invoice 41172
----	-------------------

INVOICE # 41172

# GH&A

GARCIA HAMILTON & ASSOCIATES, L.P.

5 HOUSTON CENTER  
1401 MCKINNEY, SUITE 1600  
HOUSTON, TX 77010  
TEL: (713) 853-2322  
FAX: (713) 853-2308

WWW.GARCIAHAMILTONASSOCIATES.COM

April 3, 2025

TOWN OF BAY HARBOR ISLANDS EMPLOYEES' (0740003678)

bher

Email: [sgelvez@bayharborislands-fl.gov](mailto:sgelvez@bayharborislands-fl.gov)

CC: [mrromero@bayharborislands-fl.gov](mailto:mrromero@bayharborislands-fl.gov)

\*

\*, \*

GARCIA HAMILTON & ASSOCIATES  
STATEMENT OF MANAGEMENT FEES

For The Period January 1, 2025 through March 31, 2025  
Portfolio Valuation with Accrued Interest as of 03-31-25

8,732,654.10

8,732.654 @ 0.2500% per annum


5,457.91



Quarterly Management Fee

5,457.91

TOTAL DUE AND PAYABLE

5,457.91

  
4/7/2025  
Interim Town Manager

**AGENDA ITEM REPORT**  
May 14, 2025

**ITEM NUMBER: 17.**

**ITEM: REGULAR QUARTERLY INVOICE:**

Approval of payment of \$3,956.00 to Salem Trust from 01/01/25-3/31/25. A copy of the quarterly invoice dated 04/15/2025 is attached.

**DESCRIPTION:**

**REGULAR QUARTERLY INVOICE:**

Approval of payment of \$3,956.00 to Salem Trust from 01/01/25-3/31/25. A copy of the quarterly invoice dated 04/15/2025 is attached.

**RECOMMENDED ACTION:**

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**FINANCIAL ANALYSIS:**

Deduction from the Retirement Fund in the amount of \$3,956.00

**BUDGET IMPACT:**

Name	Impact Date	Fund(s)	Account(s)	Project #(s)	Amount Budgeted
Employees' Retirement System		601	601.5130.400031.00	N/A	\$3,956.00

---

Submitted By: Sandra Siefken, Finance Director

**ATTACHMENTS**

1.	Salem Trust Quarterly Invoice
----	-------------------------------

  
**SALEM TRUST**  
 A DIVISION OF ARGENT INSTITUTIONAL TRUST CO.


Bay Harbor Islands Employees Retirement System  
 Attn: Sandra Siefken  
 9665 Bay Harbor Terrace  
 Bay Harbor Islands, Florida 33154  
[ssiefken@bayharborislands-fl.gov](mailto:ssiefken@bayharborislands-fl.gov)

April 15, 2025

Fee Advice for Period	January 1, 2025	to	March 31, 2025
<b>Total Market Value for Fund:</b>	\$ 24,344,627.83		
<b>Detail of Calculation:</b>			
Market Value	Basis Point Rate	Annual Fee	Quarterly Fee
Total Market Value	0.00065 \$	15,824.01	\$ 3,956.00
Purchase & Sale of Securities (13 buy/sell for quarter ending 12/31/24) (14 buy/sell for quarter ending 3/31/25) ( buy/sell for quarter ending 6/30/25) ( buy/sell for quarter ending 9/30/25) (\$10.00 per buy/sale over 150 annually - 9/30 year end)	Number 0 \$	Each 10.00	\$ -
<b>TOTAL FEE:</b>			<b>\$ 3,956.00</b>

These fees will automatically be charged to your accounts

If you have any questions, please contact Karen Russo at 954-815-6928

  
 Town Manager  
 4/28/2025

**AGENDA ITEM REPORT**  
May 14, 2025

**ITEM NUMBER: 18.**

**ITEM: REGULAR QUARTERLY INVOICE:**

Approval of payment of \$2,299.50 to Highland Capital Management, LLC for professional services for the 1st Quarter of 2025. A copy of invoice #39124 dated 04/25/2025 is attached.

**DESCRIPTION:**

**REGULAR QUARTERLY INVOICE:**

Approval of payment of \$2,299.50 to Highland Capital Management, LLC for professional services for the 1st Quarter of 2025. A copy of invoice #39124 dated 04/25/2025 is attached.

**RECOMMENDED ACTION:**

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**FINANCIAL ANALYSIS:**

Deduction from the retirement fund in the amount of \$2,299.50

**BUDGET IMPACT:**

Name	Impact Date	Fund(s)	Account(s)	Project #(s)	Amount Budgeted
Employees' Retirement System		601	601.5130.400031.00	N/A	\$2,299.50

---

Submitted By: Sandra Siefken, Finance Director

**ATTACHMENTS**

1. Q1 FY 25 Invoice 39124 -Highland Capital
---



April 25, 2025

Invoice Number: 39124

MANAGEMENT FEE: TOWN OF BAY HARBOR ISLANDS PENSION FUND ADR

3/31/2025 Portfolio Value:	\$ 1,841,518.15
Exclude Dividend Accrual	- 1,918.73
Billable Value	\$ 1,839,599.42

Quarterly Fee Based On:

\$ 1,839,599 @ 0.50% per annum	\$ 2,299.50
--------------------------------	-------------

Quarterly Fee:

For the Period 1/1/2025 through 3/31/2025	\$ 2,299.50
---	-------------

Paid by Debit Direct (\$ 0.00)

**Please Remit** \$ 2,299.50

Mailing Check:

Highland Capital Management, LLC


850 Ridge Lake Blvd. Suite 205

Memphis, TN 38120

Wiring Instructions:

Contact: [hfooster@highlandcap.com](mailto:hfooster@highlandcap.com)

\*\*\*\*\*Note New Address\*\*\*\*\*

  
 Town Manager  
 4/28/2025

**AGENDA ITEM REPORT**  
May 14, 2025

**ITEM NUMBER: 19.**

**ITEM: FINAL INVOICE:**

Approval of payment of \$4,125.00 to DAHAB Associates Inc. for consulting services period 01/01/2025-03/31/2025. Copy of invoice #BH0325 dated January 1st, 2025 attached.

**DESCRIPTION:**

**FINAL INVOICE:**

Approval of payment of \$4,125.00 to DAHAB Associates Inc. for consulting services period 01/01/2025-03/31/2025. Copy of invoice #BH0325 dated January 1st, 2025 attached.

**RECOMMENDED ACTION:**

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**FINANCIAL ANALYSIS:**

Deduction from the Retirement Fund in the amount of \$4,125.00

**BUDGET IMPACT:**

Name	Impact Date	Fund(s)	Account(s)	Project #(s)	Amount Budgeted
Employees' Retirement System		601	601.5130.400031.000	N/A	\$4,125.00

---

Submitted By: Sandra Siefken, Finance Director

**ATTACHMENTS**

1. DAHAB FINAL INVOICE BH0325
-------------------------------



January 1st, 2025

Invoice # BH0325

Ms. Shaun Sharon Gelvez  
Town of Bay Harbor Islands  
1030 95th Street  
Bay Harbor Islands, FL 33154

## FINAL INVOICE

<b>Town of Bay Harbor Islands ERS</b>	<b>Service Type</b>
<b>Period: 1/1/2025 - 3/31/2025</b>	<b>Full Service</b>
<b>Fee Basis</b>	<b>Flat Rate</b>
	<b>Total Annual Fee: \$16,500.00</b>
<b>Amount for Billing Period:</b>	<b>\$4,125.00</b>
<b>Total Amount Due:</b>	<b>\$4,125.00</b>

Please Remit to: **Dahab Associates, Inc.**  
**423 South Country Road**  
**Bay Shore, NY 11706**

*SGH*  
Approved  
5/6/2025

**AGENDA ITEM REPORT**  
May 14, 2025

**ITEM NUMBER: 20.**

**ITEM: REGULAR QUARTERLY INVOICE:**

Approval of payment of \$324.90 to Glovista Investments for professional services for the 2nd Quarter of 2024. A copy of invoice #glsc02a2qu2024 dated 04/30/24 is attached.

**DESCRIPTION:**

**REGULAR QUARTERLY INVOICE:**

Approval of payment of \$324.90 to Glovista Investments for professional services for the 2nd Quarter of 2024. A copy of invoice #glsc02a2qu2024 dated 04/30/24 is attached.

**RECOMMENDED ACTION:**

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---

**FINANCIAL ANALYSIS:**

Deduction from the Retirement Fund in the amount of \$324.90

**BUDGET IMPACT:**

Name	Impact Date	Fund(s)	Account(s)	Project #(s)	Amount Budgeted
Employees' Retirement System		601	601.5130.400031.00	N/A	\$324.90

---

Submitted By: Sandra Siefken, Finance Director

**ATTACHMENTS**

1.	\$324.90 Glovista Invoice
----	---------------------------



## **Bay Harbor Islands**

Custodian: Salem Trust Company

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### **Glovista Investments LLC**

One Evertrust Plaza, 11<sup>th</sup> Floor, Jersey City NJ 07302 • Tel: (212) 336 1540 • Fax: (201) 839 4349

Invoice For  
Bay Harbor Islands  
9665 Bay Harbor Terrace  
Bay Harbour Island, Florida 33154

Date: 04-30-24

Due Date: On Receipt

Invoice Number: glsc02a2qu2024

Statement of Management Fees  
Period Second Quarter of 2024

	Capital Base*	Fee Level	Day Count	Amount
Management Fee for Apr 2024	\$779,756.17	0.50% p.a.	30/30	\$324.90
<b>Total Fee</b>				<b>\$324.90</b>

Note:  
If your account is enabled for automatic payment, the account will be debited the day after the receipt of this invoice. If you send checks, please make checks payable to "Glovista Investments LLC" and send it to the above mentioned address.

\* Capital Base - The formula for capital base is: Capital Base = Beginning Market Value + Sum of (Each Inflow or Outflow X(Days Left in Period/Total Days in Period))

SSM Intuition T.M.  
4/8/2028  
Approved

**AGENDA ITEM REPORT**  
May 14, 2025

**ITEM NUMBER: 21.**

**ITEM: REGULAR INVOICE:**

Approval of payment of \$750 to Sugarman, Susskind, Braswell & Herrera for professional services, a copy of invoice #195643 dated 04/08/2025 is attached.

**DESCRIPTION:**

**REGULAR INVOICE:**

Approval of payment of \$750 to Sugarman, Susskind, Braswell & Herrera for professional services, a copy of invoice #195643 dated 04/08/2025 is attached.

**RECOMMENDED ACTION:**

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**FINANCIAL ANALYSIS:**

Deduction from the retirement fund in the amount of \$750.00

**BUDGET IMPACT:**

Name	Impact Date	Fund(s)	Account(s)	Project #(s)	Amount Budgeted
Employees' Retirement System		601	601.5130.400031.00	N/A	\$750

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Submitted By: Sandra Siefken, Finance Director

**ATTACHMENTS**

1. BHIP April 2025 Invoice
----------------------------

# SUGARMAN, SUSSKIND, BRASWELL & HERRERA

PROFESSIONAL ASSOCIATION  
ATTORNEYS AT LAW

Robert A. Sugarman ♦  
Howard S. Susskind  
D. Marcus Braswell, Jr.  
Pedro A. Herrera  
Veronica Ucros

Madison J. Levine  
David E. Robinson  
Of Counsel

150 Alhambra Circle  
Suite 725  
Coral Gables, Florida 33134  
(305) 529-2801  
Toll Free (800) 329-2122

♦ Board Certified Labor &  
Employment Lawyer

April 8, 2025

Town of Bay Harbor Islands Employee Retirement  
9665 Bay Harbor Terrace  
Bay Harbor Islands, FL 33154

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CURRENT FEES:	750.00
CURRENT COSTS:	0.00
PREVIOUS BALANCE:	2,975.00
PAYMENTS RECEIVED:	2,975.00-
TOTAL AMOUNT DUE:	750.00



Town Manager  
Approved  
4/22/2025

# SUGARMAN, SUSSKIND, BRASWELL & HERRERA, P.A.

150 Alhambra Circle  
Suite 725  
Coral Gables, Florida 33134  
Telephone: 305-529-2801  
Fax: 305-447-8115  
www.sugarmansusskind.com

Town of Bay Harbor Islands Empl. Retirement  
Peter V. Kajokas, CPA, MBA  
Director of Finance  
9665 Bay Harbor Terrace  
Bay Harbor Islands, FL 33154

April 8, 2025  
Invoice # 195643

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Client:Matter    BHIP:MEET

In Reference To: Meeting

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Professional Services

	<u>Hrs/Rate</u>	<u>Amount</u>
3/24/2025 Prepare for and attend meeting.	2.00 \$250.00/hr	\$500.00
For professional services rendered	2.00	\$500.00
Previous balance		\$600.00
3/28/2025 Payment - Thank You		(\$600.00)
Total payments and adjustments		(\$600.00)
Balance due		<u>\$500.00</u>

---

Client:Matter    BHIP:MISC

In Reference To: Miscellaneous

---

Professional Services

	<u>Hrs/Rate</u>	<u>Amount</u>
3/7/2025 Draft opinion letter re: Pedro L. Gacia-Pension Distribution Forms; legal research	1.00 \$250.00/hr	\$250.00

	<u>Hours</u>	<u>Amount</u>
For professional services rendered	1.00	\$250.00
Previous balance		\$800.00
3/28/2025 Payment - Thank You		<u>(\$800.00)</u>
Total payments and adjustments		(\$800.00)
Balance due		<u><u>\$250.00</u></u>

Client:Matter BHIP:PLAN

In Reference To: Plan

	<u>Amount</u>
Previous balance	\$1,575.00
3/28/2025 Payment - Thank You	<u>(\$1,575.00)</u>
Total payments and adjustments	(\$1,575.00)
Balance due	<u><u>\$0.00</u></u>

**AGENDA ITEM REPORT**

May 14, 2025

**ITEM NUMBER: 22.**

**ITEM:** Ratification of the approval for an early retirement withdrawal for Cynthia Garcia-Lima in the amount of \$3,491.85. Enclosed are a detailed benefit calculation and a copy of the Application for Lump Sum Distribution Request for your review.

**DESCRIPTION:**

Ratification of the approval for an early retirement withdrawal for Cynthia Garcia-Lima in the amount of \$3,491.85. Enclosed are a detailed benefit calculation and a copy of the Application for Lump Sum Distribution Request for your review.

**RECOMMENDED ACTION:**

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**FINANCIAL ANALYSIS:**

Employee contributions have already been taxed, and the non-taxable employee contributions (EEC) were returned to the employee.

The accrued interest of **\$30.09** is considered taxable, and **\$6.02** was withheld from the gross amount of **\$3,497.87**.

As a result, the net check amount was **\$3,491.85**.

**BUDGET IMPACT:**

Name	Impact Date	Fund(s)	Account(s)	Project #(s)	Amount Budgeted
Employees' Retirement System-Pension Contribution Refunds		601	601.5180.400036.300	N/A	\$3,491.85

---

Submitted By: Sandra Siefken, Finance Director

**ATTACHMENTS**

1.	Earnings Calculation Cynthia Garcia-Lima
2.	Early Retirement Withdrawal - Cynthia Garcia-Lima

TOWN OF BAY HARBOR ISLANDS-RETIREMENT SYSTEM

Employee: **CYNTHIA GARCIA-LIMA**  
 Employee # **1071**

Termination Date: 11/22/2024

Contributions:  
 10/01/2024-11/22/2024 458.58

09/30/2023-09/30/2024 3,009.20

**Total Contributions: 3,467.78**

**Total Interest: 30.09**

**Total 3,497.87**

Proof:

Contributions:  
 10/01/2024-11/22/2024 458.58

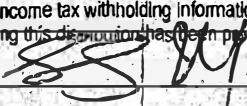
Contributions+Interest  
 09/30/2023-09/30/2024 3,039.29

**Total: 3,497.87**

Difference: 0.00

3497.87 Total Gross Amount  
 30.09 Interest Amount (Total Taxable)  
 3467.78 Non-Taxable Amount  
 6.018 Tax on Interest Amount  
 3491.852 Net Check

**LUMP SUM DISTRIBUTION REQUEST**

<b>PLAN NAME</b> Bay Harbor Islands EE's Ret System		<b>PLAN ACCOUNT NUMBER</b> [REDACTED]	
<b>PAYMENT TYPE:</b> Total Distribution		<b>PAYEE'S SOCIAL SECURITY #:</b> [REDACTED]	<b>TAXABLE AMT NOT DETERMINED</b> <input type="checkbox"/>
<b>PAYEE TAX ADDRESS:</b>	<b>Mail to Payee:</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<b>ROL LOVER DISTRIBUTION ADDRESS:</b>	<b>ROLLOVER INSTITUTION:</b> ROLLOVER ACCT #:
<b>NAME</b> Cynthia Garcia-Lima		<b>PAYABLE TO:</b>	
<b>ADDRESS</b> [REDACTED]		<b>ADDRESS</b>	
<b>ADDRESS 2</b> [REDACTED]		<b>ADDRESS 2</b>	
<b>CITY</b> Hollywood		<b>CITY:</b>	
<b>STATE</b> FL	<b>ZIP CODE</b>	<b>STATE</b>	<b>ZIP CODE</b>
<b>Participant is a Public Safety Officer:</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		<b>REQUESTED PAYMENT DATE:</b>	12/16/2024
<b>Disability or Death Due to In-Line Duty:</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		<b>IRS DISTRIBUTION CODE:</b> 1	
<b>DEPOSIT CODE:</b> ACH		<b>DATE OF BIRTH</b>	<b>DATE OF TERMINATION</b>
<b>ACH INFORMATION:</b>	<b>ACCOUNT TYPE:</b> [REDACTED]	[REDACTED]	11/22/2024
<b>Financial Institution:</b> [REDACTED]		<input type="checkbox"/> NON US CITIZEN – (IRS W-8BEN needs to be sent with distribution request and original signed form forwarded to Payment Services)	
<b>ABA #</b> [REDACTED]	<b>Account #</b> [REDACTED]	<b>COUNTRY:</b> _____	
<b>MAIL TO OTHER ADDRESS:</b>		<input checked="" type="checkbox"/> US CITIZEN – (Certified by the participant by completing and signing IRS form W-9)	
<b>Add ess:</b>			
<b>City:</b>	<b>State:</b>		
<b>Zip Code:</b>			
<b>PAYMENT INFORMATION:</b>	<b>AMOUNT</b>	<b>WITHHOLDING DETAIL:</b>	
Total Gross Amount	\$3497.87	1	<b>FED TAX:</b> FED TAX METHOD Select One
Total Taxable	\$30.09		Additional Withholding Amount \$
Non-Taxable EEC	\$3467.78	2	<b>TAX STATE</b>
Federal Withholding	\$6.02		<b>STATE TAX METHOD</b> Select One
State Tax Withholding	\$		Addtl Withholding Amount \$
Other Deductions	\$		Percentage %
Total Net Check	\$3491.85		
<b>COMMENTS:</b>			
Ms. Garcia-Lima's resignation date was 11/22/2024. She requested her retirement contributions to be returned to her. Employee contributions are already taxed and the non-taxable EEC is to be returned to the employee. The interest is taxable, please withhold.			
<b>AUTHORIZATION BY PLAN ADMINISTRATOR:</b>			
I hereby certify that this is an appropriate request under the Plan, income tax withholding information and an election form has been provided to the payee, spousal consent has been obtained when appropriate, any other required information regarding this distribution has been provided to the payee, and the above information is correct to the best of my knowledge.			
<b>DATE</b>	<b>AUTHORIZED SIGNATURE</b> 		
<b>DATE</b>	<b>AUTHORIZED SIGNATURE</b>		
<b>DATE</b>	<b>AUTHORIZED BY SALEM TRUST</b>		<b>Prepared By:</b>



**AGENDA ITEM REPORT**

May 14, 2025

**ITEM NUMBER: 23.**

**ITEM:** Ratification of the approval for an early retirement withdrawal for Nicole Blanco in the amount of \$13,706.67. Enclosed are a detailed benefit calculation and a copy of the Application for Lump Sum Distribution Request for your review.

**DESCRIPTION:**

Ratification of the approval for an early retirement withdrawal for Nicole Blanco in the amount of \$13,706.67. Enclosed are a detailed benefit calculation and a copy of the Application for Lump Sum Distribution Request for your review.

**RECOMMENDED ACTION:**



**FINANCIAL ANALYSIS:**

Employee contributions have already been taxed, and the non-taxable employee contributions (EEC) will be returned to the employee.

The accrued interest of **\$198.38** is considered taxable, and **\$39.68** has been withheld from the gross amount of **\$13,746.35**.

As a result, the net check amount is **\$13,706.67**.

**BUDGET IMPACT:**

Name	Impact Date	Fund(s)	Account(s)	Project #(s)	Amount Budgeted
Employees' Retirement System-Pension Contribution Refunds		601	601.5180.400036.300	N/A	\$13,706.67



Submitted By: Sandra Siefken, Finance Director

**ATTACHMENTS**

1.	Nicole Blanco Earnings Calculation
2.	Early Withdrawal Distribution Request-Nicole Blanco

**TOWN OF BAY HARBOR ISLANDS-RETIREMENT SYSTEM**

Employee: **NICOLE I. BLANCO**  
 Employee # **2354**

Termination Date: 4/11/2025

Contributions:  
 10/01/2024-04/11/2025 \$ 2,473.83  
 09/30/2022-09/30/2024 11,074.14  
 -----  
**Total Contributions: 13,547.97**  
**Total Interest: 198.38**  
 -----  
**Total \$ 13,746.35**  
 =====

Proof:

Contributions:  
 10/01/2024-04/11/2025 \$ 2,473.83  
 Contributions+Interest 11,272.52  
 09/30/2022-09/30/2024 -----  
**Total: \$ 13,746.35**  
 =====

Difference: 0.00

<b>Payment Information</b>	
Total Gross Amount	\$ 13,746.35
Total Taxable	198.38
Non-Taxable EEC	13,547.97
Federal Withholding	39.68
<b>Total Net Check</b>	<b>\$ 13,706.67</b>

**LUMP SUM DISTRIBUTION REQUEST**

<b>PLAN NAME</b> Bay Harbor Islands EE's Ret System		<b>PLAN ACCOUNT NUMBER</b> [REDACTED]	
<b>PAYMENT TYPE:</b> Total Distribution		<b>PAYEE'S SOCIAL SECURITY #:</b> [REDACTED]	<b>TAXABLE AMT NOT DETERMINED</b> <input type="checkbox"/>
<b>PAYEE TAX ADDRESS:</b>	<b>Mail to Payee:</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<b>ROLLOVER DISTRIBUTION ADDRESS:</b>	<b>ROLLOVER INSTITUTION:</b> <b>ROLLOVER ACCT #:</b>
<b>NAME</b> Nicole Bianco		<b>PAYABLE TO:</b>	
<b>ADDRESS</b> [REDACTED]		<b>ADDRESS</b>	
<b>ADDRESS 2</b>		<b>ADDRESS 2</b>	
<b>CITY</b> [REDACTED]		<b>CITY</b>	
<b>STATE</b> [REDACTED]	<b>ZIP CODE</b> [REDACTED]	<b>STATE</b>	<b>ZIP CODE</b>
<b>Participant is a Public Safety Officer:</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		<b>REQUESTED PAYMENT DATE:</b>	04/16/2025
<b>Disability or Death Due to In-Line Duty:</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		<b>IRS DISTRIBUTION CODE:</b> 1	
<b>DEPOSIT CODE:</b> ACH		<b>DATE OF BIRTH</b> [REDACTED]	<b>DATE OF TERMINATION</b> 04/11/2025
<b>ACH INFORMATION:</b>	<b>ACCOUNT TYPE:</b> Checking		
<b>Financial Institution:</b>		<input type="checkbox"/> <b>NON US CITIZEN</b> – (IRS W-8BEN needs to be sent with distribution request and original signed form forwarded to Payment Services) <b>COUNTRY:</b> _____	
<b>ABA #:</b>	<b>Account #:</b>		
<b>MAIL TO OTHER ADDRESS:</b>			
<b>Address:</b>		<input checked="" type="checkbox"/> <b>US CITIZEN</b> – (Certified by the participant by completing and signing IRS form W-9)	
<b>City:</b>	<b>State:</b>		
<b>Zip Code:</b>			
<b>PAYMENT INFORMATION:</b>		<b>AMOUNT</b>	
<b>WITHHOLDING DETAIL:</b>			
Total Gross Amount	\$13,746.35	1	<b>FED TAX:</b>
Total Taxable	\$198.38		<b>FED TAX METHOD</b>
Non-Taxable EEC	\$13,547.97	2	<b>Select One</b>
Federal Withholding	\$39.68		<b>Additional Withholding Amount</b>
State Tax Withholding	\$		\$
Other Deductions	\$		<b>TAX STATE</b>
Total Net Check	\$13,706.67		<b>STATE TAX METHOD</b>
			<b>Select One</b>
			<b>Addl Withholding Amount</b>
			\$
			<b>Percentage</b>
			%
<b>COMMENTS:</b>			
Nicole Bianco's resignation date was 04/11/2025. She requested her retirement contributions to be returned to her. Employee contributions are already taxed and the non-taxable EEC is to be returned to the employee. The interest is taxable, please withhold.			
<b>AUTHORIZATION BY PLAN ADMINISTRATOR:</b>			
I hereby certify that this is an appropriate request under the plan, income tax withholding information and an election form has been provided to the payee, spousal consent has been obtained when appropriate, any other required information regarding this distribution has been provided to the payee, and the above information is correct to the best of my knowledge.			
<b>DATE</b> 4/16/2025	<b>AUTHORIZED SIGNATURE</b> [Signature]		
<b>DATE</b>	<b>AUTHORIZED SIGNATURE</b>		
<b>DATE</b>	<b>AUTHORIZED BY SALEM TRUST</b>		<b>Prepared By:</b>

**AGENDA ITEM REPORT**

May 14, 2025

**ITEM NUMBER: 24.**

**ITEM:** Ratification of the approval for an early retirement withdrawal for Michel Mesa in the amount of \$56,723.31. Enclosed for your review are the detailed benefit calculation and a copy of the Application for Lump Sum Distribution Request.

**DESCRIPTION:**

Ratification of the approval for an early retirement withdrawal for Michel Mesa in the amount of \$56,723.31. Enclosed for your review are the detailed benefit calculation and a copy of the Application for Lump Sum Distribution Request.

**RECOMMENDED ACTION:**

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**FINANCIAL ANALYSIS:**

Employee contributions have already been taxed, and the non-taxable employee contributions (EEC) will be returned to the employee.

The accrued interest of **\$713.66** is considered taxable, and **\$142.73** has been withheld from the gross amount of **\$56,866.04**.

As a result, the net check amount is **\$56,723.31**.

**BUDGET IMPACT:**

Name	Impact Date	Fund(s)	Account(s)	Project #(s)	Amount Budgeted
Employees' Retirement System-Pension Contribution Refund		601	601.5180.400036.300	N/A	\$56,723.31

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Submitted By: Sandra Siefken, Finance Director

**ATTACHMENTS**

1.	Earnings Calculation-Michel Mesa
2.	Early Withdrawal Distribution Request-Michel Mesa 4-28-2025_Redacted

TOWN OF BAY HARBOR ISLANDS-RETIREMENT SYSTEM

Employee: **MICHEL MESA**  
Employee # **1604**

Termination Date: 4/25/2025

Contributions:  
10/01/2024-04/25/2025 12,515.58

09/30/2022-09/30/2024 43,636.80

**Total Contributions: 56,152.38**

**Total Interest: 713.66**

**Total 56,866.04**

Proof:

Contributions:  
10/01/2024-04/25/2025 12,515.58

Contributions+Interest 44,350.46  
09/30/2022-09/30/2024

**Total: 56,866.04**

Difference: 0.00

PLAN NAME Bay Harbor Islands EE's Ret System PLAN ACCOUNT NUMBER [REDACTED]

PAYMENT TYPE: Total Distribution PAYEE'S SOCIAL SECURITY #: [REDACTED] TAXABLE AMT NOT DETERMINED

PAYEE TAX ADDRESS: Mail to Payee:  Yes  No ROLLOVER DISTRIBUTION ADDRESS: ROLLOVER INSTITUTION: ROLLOVER ACCT #:

NAME Michel Mesa PAYABLE TO:

ADDRESS [REDACTED] ADDRESS

ADDRESS 2 ADDRESS 2

CITY [REDACTED] CITY

STATE [REDACTED] ZIP CODE [REDACTED] STATE ZIP CODE

Participant is a Public Safety Officer:  Yes  No REQUESTED PAYMENT DATE: 04/28/2025

Disability or Death Due to In-Line Duty:  Yes  No IRS DISTRIBUTION CODE: 1

DEPOSIT CODE: ACH DATE OF BIRTH [REDACTED] DATE OF TERMINATION 04/25/2025

ACH INFORMATION: ACCOUNT TYPE: Checking

Financial Institution [REDACTED]  NON US CITIZEN - (IRS W-8BEN needs to be sent with distribution request and original signed form forwarded to Payment Services) COUNTRY: \_\_\_\_\_

ABA # [REDACTED] Account # [REDACTED]

MAIL TO OTHER ADDRESS: Address:  US CITIZEN - (Certified by the participant by completing and signing IRS form W-9)

City: State:

Zip Code:

PAYMENT INFORMATION:		AMOUNT	WITHHOLDING DETAIL:		
Total Gross Amount	\$56,866.04	1	FED TAX:	FED TAX METHOD	Select One
Total Taxable	\$713.66			Additional Withholding Amount	\$
Non-Taxable EEC	\$56,152.38	2	TAX STATE		
Federal Withholding	\$142.73			STATE TAX METHOD	Select One
State Tax Withholding	\$			Addtl Withholding Amount	\$
Other Deductions	\$			Percentage	%
Total Net Check	\$56,723.31				

COMMENTS:

Michel Mesa's resignation date was 04/25/2025. He requested her retirement contributions to be returned to him. Employee contributions are already taxed and the non-taxable EEC is to be returned to the employee. The interest is taxable, please withhold.

AUTHORIZATION BY PLAN ADMINISTRATOR:

I hereby certify that this is an appropriate request under the plan, income tax withholding information and an election form has been provided to the payee, spousal consent has been obtained when appropriate, any other required information regarding this distribution has been provided to the payee, and the above information is correct to the best of my knowledge.

DATE 4/28/2025 AUTHORIZED SIGNATURE [Signature]

DATE \_\_\_\_\_ AUTHORIZED SIGNATURE \_\_\_\_\_

DATE \_\_\_\_\_ AUTHORIZED BY SALEM TRUST \_\_\_\_\_ Prepared By: \_\_\_\_\_



**TOWN OF BAY HARBOR ISLANDS  
MINUTES OF A RETIREMENT BOARD  
MEETING**

A Retirement Board Meeting was held on Wednesday, January 29, 2025, in the Council Chambers. The meeting opened with the Pledge of Allegiance.

1. Oath of Office - New Board Member Ayanidys Martinez

Town Clerk Yvonne P. Hamilton administered the Oath of Office to Board Member Ayanidys Martinez. Chair Salver welcomed Board Member Ayanidys.

Upon Roll call, the following Board Members responded: Chair Isaac Salver, Secretary Lindsley Noel, and Board Member Ayanidys Martinez.

Vice Chair Stephanie Bruder was absent.

**PRESENTATION:**

1. Florida League of Cities Defined Benefit Plan Administration - Jeremy Langley, Account Executive

John Langley, Florida League of Cities, was invited to present on what the Florida League can offer, specifically regarding employee retirement fund management.

Chair Salver noted a lack of financial information in the current meeting materials, such as the balances and yields. Mr. Langley confirmed he had the September 30th investment report, supplied by HR Director Shaun Gelves, and offered to present comparative data to the Board.

Mr. Langley reported that the Florida League of Cities (FLC) exists for over 100 years, and their focus is on local government advocacy in Florida. They offer insurance and financial services; its Financial Services Department manages retirement-related programs. Florida Municipal Pension Trust Fund (FMPTF) was established in 1983; they have over \$2 billion in total assets, with \$1 billion plus in pension assets. They supports over 55 defined benefit plans and over 5,000 participants, primarily police and fire plans. Investment is governed by an Investment Advisory Committee of professionals (mainly ex-police/fire). Investment strategy is reviewed quarterly by the committee and external consultants. Oversight is provided by a Board of Trustees (elected officials from around Florida). Focus is on conservative, risk-adjusted returns. They use economies of scale to reduce fees.

Regarding fees, their first fee increase in 21 years occurred on January 1st. Fees include investment, custodial, reporting, and retiree payment services. They Operates as non-profit, summarized as “not for profit, not for loss.” They handle full administrative tasks (retiree payments, record keeping, reports, etc.) and provide custodial banking and standard documents at no extra charge.

They partnered with Chuck Carr of Southern Actuary Services, whom the municipality already uses. The current actuarial valuation and GASB report cost is \$12,500. Additional services (e.g., benefit calculations) are billed separately.

They offer standard and full-service administration, with full service including direct board support and meeting setup.

Mr. Langley highlighted flat fees unchanged for 21 years: \$3,000 full-service fee and \$1,000 administrative fee. He discussed additional investment manager fees and quarterly payments to consultants like Garcia Hamilton and Highland Capital. He shared insights on vendor contracts, setup fees (\$2,500), and options to exit the Trust Fund with written notice.

He explained that the tiered fee system (fees decrease as assets grow) and the fee cap at \$52.5 million—beyond which no additional fees are incurred, and full service is included. As of September 30th, the town's plan assets were \$27 million, with an all-in cost of about \$47,275. Base administration fees are \$1,000/year and full-service fees are \$3,000/year for a total management fee of \$43,275 for \$27M in assets.

Chair Salver disclosed that he has been involved with the Florida League of Cities (FLC) for over 20 years. He clarified that he is not a trustee or advisor for the Florida Municipal Pension Trust (FMPIT). He explained that while he serves on the Executive Committee of the FLC, that committee operates independently from the FMPIT. He emphasized that he does not receive any benefit from matters related to the FMPIT and the Town of Bay Harbor Islands.

Chair Salver further requested that staff inform the Town Attorney of this disclosure to confirm the appropriateness of the conclusion he has reached regarding any potential conflict of interest. He reiterated that he serves in multiple roles within the FLC: as a Board Member, a member of the Executive Committee, and as the Chairman of the Municipal Loan Council, which he noted is a completely separate division of the FLC.

Mr. Langley responded by acknowledging the Chair's concerns and added that, given the size and scope of the FLC and its various activities, it is common for individuals affiliated with or serving on one of the FLC's boards to be involved in multiple plans. He noted that such overlap is inevitable, and that Chair Salver is not the only person in this position.

Mr. Langley informed the Board that he will attend quarterly meetings to present and discuss investment performance. Additionally, FLC will handle all required filings, including a March 15<sup>th</sup> state report and coordination for police plan tax dollars (received mid-August).

Mr. Langley explained that participation in FMPTF requires formal adoption of the fund's investment policy. Exit allowed with 30–90-day notice.

Mr. Langley reported on the Fiscal Year performance report ended September 30, 2024. The net return was 19.82%

- 3-Year: 3.7% vs. 4.11% (other provider)
- 5-Year: 6.9% vs. 7.52%
- 10-Year: 6.6% vs. 7.15%
- Other providers' average returns are about 0.5% higher.

Chair Salver asked staff about any contractual obligations regarding the pension. Staff will review the contracts. He emphasized strict adherence to county/state procurement rules for selecting an investment manager. Staff will confer with legal counsel to ensure compliance.

HR Director Valdez mentioned difficulties in customer service with the pension attorney.

It was the consensus of the Board that a decision on investment consultant would be deferred and agreed to reconvene in 30 days to review documents and next steps. A meeting was discussed for February 12<sup>th</sup> at 6:15 p.m.

**CONSENT AGENDA** (Items of a routine nature; any Board member may request separate consideration of any item on the consent agenda):

2. **REGULAR QUARTERLY INVOICE:**  
Approval of payment of \$4,785.69 to Garcia Hamilton & Associates for quarterly management services (10/01/23- 12/31/23). A copy of invoice #38932 dated 01/03/24 is attached.
3. **REGULAR QUARTERLY INVOICE:**  
Approval of payment of \$5,417.67 to Garcia Hamilton & Associates for quarterly management services (07/01/24- 09/30/24). A copy of invoice #40181 dated 10/01/24 is attached.
4. **REGULAR QUARTERLY INVOICE:**  
Approval of payment of \$2,241.98 to Highland Capital for quarterly management fees (01/01/24-03/31/24). A copy of invoice #35571 dated 04/11/24 is attached.
5. **REGULAR QUARTERLY INVOICE:**  
Approval of payment of \$2,355.48 to Highland Capital for quarterly management fees (07/01/24-09/30/24). A copy of invoice #37043 dated 09/30/24 is attached.

6. **REGULAR QUARTERLY INVOICE:**

Approval of payment of \$1,561.00 to Rhumblin for investment advisory services (3rd quarter 2024) for investment advisory services. A copy of invoice #gbayha2024Q3 dated 10/04/24 is attached.

7. **REGULAR QUARTERLY INVOICE:**

Approval of payment of \$1,620.00 to Rhumblin for investment advisory services (4th quarter 2024). A copy of invoice #gbayha2024Q4 dated 01/07/25 is attached.

8. **REGULAR INVOICE:**

Approval of payment of \$275.00 to Southern Actuarial Services for individual benefit calculation (Regine Watson). A copy of invoice #235-0824 dated 09/19/24 is attached.

12. **REGULAR INVOICE:**

Approval of payment of \$100.00 to Southern Actuarial Services for response to auditor letter. A copy of invoice #583-0724 dated 07/08/24 is attached.

13. Approval of retirement benefits for Police Sergeant Michael L. Lamantia. Mr. Lamantia has chosen a single lump sum payment of \$315,014.75. Enclosed is a copy of the benefit calculation and Application for Retirement Benefit.

Chair Salver pulled Item #14 from the Consent Agenda. Secretary Noel pulled items #10 and #11.

**ACTION:** Secretary Noel made a motion to approve the Consent Agenda as amended. Board Member Martinez seconded the motion and all voted in favor.

10. **REGULAR INVOICE:**

Approval of payment of \$175.00 to Southern Actuarial Services for individual benefit calculation (Michael Lamantia). A copy of invoice #235-1024 dated 10/02/24 is attached.

11. **REGULAR INVOICE:**

Approval of payment of \$225.00 to Southern Actuarial Services for individual benefit calculation (Michael Lamantia). A copy of invoice #235-1224 dated 12/29/24 is attached.

Secretary Noel raised concerns about the frequency and cost of benefit calculations, noting that some employees request calculations as often as every six months, which can become expensive. HR Director Shaun Galvez stated that there is currently no formal policy limiting the number of benefit calculations an employee can request. It was proposed that the Town cover the cost of one benefit calculation, with any additional requests requiring payment by the beneficiary.

It was noted that members receive an annual statement with estimated benefits. Education for participants was emphasized to reduce unnecessary calculation requests.

**ACTION:** Secretary Noel made a motion to approve Items 10 and 11 with the condition that staff bring back policy proposals for requesting benefit calculations. Board Member Martinez seconded the motion and all voted in favor.

14. Approval of retirement benefits for Pedro Garcia. Mr. Garcia has chosen a single lump sum payment of \$198,046.49. Enclosed is a copy of the benefit calculation and Application for Retirement Benefit.

HR Director Galvez explained that Pedro Garcia worked for the organization for 19 years, separated in 2014, and was eligible to retire in 2020 but delayed his retirement until this year. Chair Salver questioned the details of his case, including the timing and calculation of his benefits. Mrs. Galvez clarified that Mr. Garcia resigned (not terminated) and waited until he reached retirement age to claim benefits. The payment amount discussed was \$198 and change, with a recalculated amount of \$267.53. There was discussion about whether Garcia should benefit from plan changes after his separation, especially since he is now employed elsewhere. It was the consensus of the Board for Mrs. Galvez to review the information and communicate with Mr. Garcia, offering apologies for the delay and assuring him the matter would be addressed soon.

There being no further business, the meeting adjourned at 10:20 a.m.

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**MAYOR**

**ATTEST**

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**TOWN CLERK**

DRAFT

**TOWN OF BAY HARBOR ISLANDS**  
**MINUTES OF A RETIREMENT BOARD MEETING**

A Retirement Board Meeting was held on Monday, March 24, 2025 at 9:05 a.m. in the Council Chambers. The meeting opened with the Pledge of Allegiance. Upon Roll call, the following Board Members responded:

Chair Isaac Salver  
Vice Chair Stephanie Bruder      Board Member Ayanidys Martinez

Secretary Lindsley Noel was absent on official town business.

1. Discussion regarding the Town's Investment Performance for the quarters ending September 30, 2024, and December 31, 2024. Mr. Greg McNeillie of DAHAB Associates will be present. The relevant reports have been provided to the Town of Bay Harbor Islands Retirement Board. Attached are the reports.

Mr. McNeillie mentioned that the Finance Director had brought up the FMPIT, a program he had consulted on 20 years ago. He presented it as a potentially viable option for the Town's plan. He supports this option, noting that its returns are comparable to the Town's current plan—approximately 30 basis points higher in the long term. The fees are also about 30 basis points higher, making the investment impact essentially a wash. However, the FMPIT offers a better, low-impact solution, as it requires less involvement from the Trustees. Unlike a traditional consultant, who guides the Board and requires decisions and votes, the FMPIT handles these aspects for the Board. It has strong managers and a very effective Smith product, which accounts for the bulk of their excess returns. Additionally, they offer three different allocation options to choose from.

Regarding the Investment Performance Report ending September 30, 2024, when they started with the Town, three goals were set. One of the key goals was to achieve a long-term actuarial assumption rate of 6 percent. This means the target was to generate a 6% return for the Town.

When comparing performance against a static benchmark like the 6% return, it's important to understand the expected long-term trends. Over a period of 10 years or more, performance should generally exceed the 6% return. In the short term, such as a 5-year period, the return will fluctuate around the 6% benchmark. Ideally, 70% of the rolling 5-year returns should be above that 6% rate.

For shorter periods, like 3 years, performance is more unpredictable, especially during periods of market volatility. In these cases, the returns might be more evenly split, with about 50% of the time above and 50% below the 6% target, depending on market conditions year by year.

Mr. McNeilly continued to report that the year ending September 2024 was a strong year, with a 19.3% return. On a net basis, the return is 6.6%, with the plan being managed for approximately 30 basis points. Over both five and ten years, the 6% target has been exceeded on both a gross and net basis. The return consistently remained above that 6% target over the long term, including the 20-year period.

The second goal was to achieve the 6% return with a minimal amount of risk. This has been accomplished by keeping the allocation relatively simple. The portfolio is structured with a 60/40 allocation: 60% is invested in risk assets (including domestic equity, international equity, and emerging markets), while 40% is allocated to safer assets such as real estate and fixed income.

The third goal was to achieve cost-effectiveness. They have succeeded in doing so with an annualized cost of just 30 basis points over both five and ten years. Typically, for a plan of this size (\$27 million), costs range from 75 to 80 basis points, but they've managed to keep it at 30. A major factor in this success is the use of indexed domestic equity, with 46% of the portfolio allocated to passive investments, which are overweighted in midcap and small cap stocks. Despite this being overweight, the plan has still ranked in the top third of the domestic equity universe over the past five and ten years.

To outperform the benchmark and remain at the top of the universe, the strategy would typically require a concentrated portfolio of the seven stocks. However, this approach remains a diversified passive equity portfolio. For cost-efficiency, they invest in ADRs, which are traded on U.S. exchanges, as they are cheaper to manage and trade.

When Glovista decided to stop managing the funds, they transitioned them into an ETF, which eliminated risk and simplified liquidity since the ETF consists of just one holding. Real estate investments have started to show positive returns, although in the past year and a half, with rising interest rates, it has been challenging. The real estate portfolio focuses on high-quality, institutional-grade assets, including industrial spaces, warehouses, medical offices, and retail properties. However, it's important to note that real estate is less liquid than other asset classes. To exit, you must notify the real estate manager and join an exit queue. In contrast, all other investments are more liquid, with a typical processing time of one to three days.

Vice Chair Bruder asked how the Town can position itself to avoid any negative impacts from inflation, a potential recession, and a stagnant market. Mr. McNeille explained that the Town is making investments not just for the short term, but for the next 20 years. According to the models used by the League of Cities, we will experience inflation and occasional economic fluctuations. However, we have the time and resources to navigate through these challenges.

Mr. McNeillie reported that the first quarter of the next fiscal year was disappointing. Stocks were lower, fixed assets declined, and international performance also saw a decrease.

Chair Salver asked Mr. McNeillie if there are any other inherent issues or remarkable factors within the real estate portfolio that the Board should take steps to begin to liquidate, aside from the lack of liquidity. Mr. McNeillie explained that the Fund must be liquidated in order to be sent to the League of Cities. He suggested that the process should start soon. It's a quarter liquidity but can stretch to June 30<sup>th</sup>.

Chair Salver mentioned his often concerns about the overall public rank.

Mr. McNeille explained that the Board has the choice of changing from a 60/40 to a 70/30. The investment program plan allows for the Board to give directions to change from one fund to another, and FMPTF will make the change on the fund level.

Chair Salver thanked Mr. Salver for his 20 years of service to the Town.

2. Consideration of a resolution to contract the employee's retirement pension plan with the Florida Municipal Pension Trust Fund (FMPTF). Enclosed are the DB Program, Member Administrative Services Agreement TBHI, Trust Joinder Agreement-IBHI, and the draft resolution.

The Chair opened the floor to public comments.

Police Captain Alan Castellanos asked whether the investments would be handled the same way as before.

Mr. Langley responded that the approach will be broadly similar at a high level. There will be slightly less indexing than before and a bit more active management. However, the core principles remain unchanged. FMPTF follows the same philosophy—they will not take on excessive risk in pursuit of higher returns. Overall, the strategy will remain very similar.

Chair Salver asked Mr. Langley to explain the level of support available to members who have questions about specific elements of the portfolio and how it will operate in practice.

Mr. Langley mentioned that Jessica Johnson would be the primary point of contact available daily for day-to-day administrative matters. He will be attending all meetings. Both He and Ms. Johnson will always be available to address any questions employees may have regarding investments, benefit structures, and other related topics. It's the Town's preference to leave it up to the employees to decide whether to have the employees contact FMPTF directly or go through Human Resources.

**ACTION:** Vice Chair Bruder made a motion to approve contracting the employee's retirement pension plan with the FMPTF. Board Member Martinez seconded the motion, and all voted in favor.

**CONSENT AGENDA:** (Items of a routine nature; any Board Member may request separate consideration of any item on the consent agenda):

3. **REGULAR QUARTERLY INVOICE:**

Approval of payment of \$4,797.66 to Garcia Hamilton & Associates for quarterly management services 01/01/2024- 03/31/2024. A copy of Invoice #39309 dated 04/02/2024 is attached.

4. **REGULAR QUARTERLY INVOICE:**  
Approval of payment of \$4,125 to Dahab Associates, Inc. for quarterly management services 01/01/2024-03/31/2024. A copy of Invoice #BH0324 dated 1/1/2024 is attached.
5. **REGULAR QUARTERLY INVOICE:**  
Approval of payment of \$4,125 to Dahab Associates, Inc. for quarterly management services 04/01/2024-06/30/2024. A copy of Invoice #BH0624 dated 04/01/2024 is attached.
6. **REGULAR QUARTERLY INVOICE:**  
Approval of payment of \$4,125 to Dahab Associates, Inc. for quarterly management services 10/01/2024-12/31/2024. A copy of Invoice #BH1224 dated 10/01/2024 is attached.
7. Ratification of the approval for the retirement benefits of Pedro L. Garcia, who has selected a single lump-sum payment in the amount of \$260,753.76. Enclosed, you will find a detailed copy of the benefit calculation as well as the Application for Retirement Benefits.

Vice Chair Bruder questioned the delay in receiving invoices dated as far back as January 2024. Finance Director Sandra Siefken explained that she had contacted all the companies regarding outstanding invoices, and they subsequently provided them to her. Mr. McNeille added that the delays were due to significant personnel turnover. Chair Salver asked whether the payments to the companies had been reconciled with the amounts that were actually paid. Ms. Siefken confirmed that they had.

Mr. Langley explained that the FMPTF will handle all bills and expenses on behalf of the Board and the retirees. Once they receive an invoice, they will promptly pay it using a software program they have in place. Typically, the Board will designate someone from the Board—often the Chair, but it could be anyone the Board selects. FMPTF will set up this person in their system. When an invoice is received, it will require two signatures before payment can be made: one from FMPTF and another from the designated Board member. The designated person will receive an email-notification prompting them to log into the system. FMPTF will review the invoice and process the payment. The invoice will then be brought to the next Board meeting for ratification. This same process applies to retirees.

Chair Salver mentioned that the Board does not sign checks; this responsibility falls solely on the staff. Mr. Langley clarified that the Board does acknowledge the bills.

**ACTION:** Vice Chair Bruder made a motion to approve the Consent Agenda. Board Member Martinez seconded the motion, and all voted in favor.

Dave Robinson, an attorney with Sugarman, Susskind, Braswell & Herrera, attended the meeting on behalf of Mr. Herrera. He noted his 30 years of experience with the firm, highlighting his extensive work with the Internal Revenue Service, as well as his experience in both the public and private sectors. Typically, the attorney attends the quarterly meetings. At this meeting, he reported that there were no updates. However, since the Legislature is currently in session, he assured the Board that they will be informed of any developments affecting public pension plans.

Vice Chair Bruder requested an agenda item regarding early retirement option for police classification only and an actuary for 20 years of law enforcement service with no age requirement for the union/non-union members, with no age requirement. She pointed out that many other departments offer this option, and the town had it in place once before.

**ADJOURNMENT**

There being no further business the meeting adjourned at 9:37 A.M.

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**CHAIR**

**ATTEST**

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**SECRETARY**

DRAFT