

**CITY OF MIRAMAR MANAGEMENT
RETIREMENT PLAN**

SUMMARY PLAN DESCRIPTION

Prepared June, 2007

General Comments

This summary of the Retirement Plan is intended for distribution to every plan participant. Every two years, it is subject to review and redistribution under Florida law. Efforts will be made so that this summary document is brief and readable. It will be in non-technical terms and will avoid formal language. Therefore, only the briefest and most significant statements will be included here. If detailed and accurate information is needed on a particular point, the participant, beneficiary, or legal representative may obtain and read at a reasonable time, a copy of the actual Plan itself. The Plan document is on file with the City Clerk's office and may be found on line at www.municode.com.

Introduction to Your Pension Plan

Under the City Code of Ordinances (Chapter 15, Sections 350 through section 363), as amended most recently by Ordinance Number 05-16, the City of Miramar established a defined benefit pension plan to provide eligible employees with retirement and related benefits. The Plan document describes your rights, obligations and benefits. As written, it shall govern any discrepancy or misinterpretation resulting from this brief summation.

The Board of Trustees is not responsible for erroneous information by an individual Trustee or by any person purportedly representing the Plan, except as specifically set forth in writing executed by the Chairman or Administrator of the Plan.

GENERAL INFORMATION ABOUT YOUR PLAN

There is general information you should know about the Plan. This general information is as follows:

Name of Plan

City of Miramar Management Retirement Plan

Employer

City of Miramar, Florida

Plan Administrator

Board of Trustees of the
City of Miramar Management Retirement Plan

Third Party Administrator

FHA-TPA
6941 S.W. 196TH Avenue
Suite 27
Fort Lauderdale, Florida 33332 or
P.O. Box 327810
Fort Lauderdale, Florida 33332-9998
Telephone: (954) 366-0111 and 1-800-707-0501
Fax: (954) 366-0133

www.fhatpa.com

Trustee

There are five Trustees. One Trustee is the City Manager. Three Trustees are elected by active members of the Plan. The fifth Trustee is appointed by the City Commission.

Designated Agent for Service of Legal Process

Chairman of the Board of Trustees.

Type of Administration

The Plan Administrator is responsible for the overall administration of the Plan. It has discretionary authority to construe the terms of the Plan and make determinations on questions that may affect your eligibility for benefits. The Plan Administrator may also retain the services of attorneys, accountants, actuaries, investment advisors and other professionals.

Plan Year

Each 12 month period beginning on October 1st and ending on September 30th. The Plan's fiscal records are maintained on this basis.

Relevant Provisions of Local and State Laws

The Pension Plan is governed by Federal Law. It is also governed by Florida Statutes found in Chapter 112. The Plan is set forth under the City of Miramar Code of Ordinances, Chapter 15, sections 350 through 363, as amended most recently by Ordinance 05-16 dated June 6, 2005. The Effective Date of the Plan is October 1, 2002.

Relevant Provisions of Collective Bargaining Agreements

None of the employees covered by the Plan is a member of a collective bargaining unit.

Custodian

The custodian of the Plan is responsible for the safekeeping of securities owned by the Pension Fund. At the direction of the Plan Administrator, the custodian also pays benefits to eligible persons and pays expenses incurred by the Plan. The custodian is:

Fiduciary Trust International of the South
Miami, Florida

Investment Manager(s)

The investment manager is responsible for selecting the securities to be bought and sold by the Pension Fund, in accordance with guidelines established by the Plan Administrator. The investment managers are:

Eagle Asset Management
St. Petersburg, Florida

Westwood Trust
Dallas, Texas

Investment Consultant

The Investment Managers are monitored to ensure that they comply with the investment policies adopted by the Plan Administrator. The Consultant is:

Thistle Asset Consulting, Inc.
Boynton Beach, Florida

Member

You are a Member of the Plan if you fulfill the prescribed eligibility requirements (see Eligibility and Credited Service section).

Beneficiary

Your Beneficiary is each person designated to the Plan Administrator by you to receive any payments that may become payable by the Plan upon your death. You should designate a Beneficiary when you become a Member of the Plan. You may change your designation at any time upon written notification to the Plan Administrator. If there is no designation of a Beneficiary at the time of your death, or if no person designated is living at that time, your Beneficiary will be your estate.

YOU SHOULD REVIEW AND UPDATE YOUR BENEFICIARY DESIGNATION AT LEAST ANNUALLY. CHANGES REGARDING NEWBORN CHILDREN, MARRIAGE, DIVORCE, SPOUSAL DEATH, ETC. MUST BE KEPT CURRENT AND LISTED CORRECTLY TO AVOID COSTLY LITIGATION AND/OR DISPUTES.

ELIGIBILITY AND CREDITED SERVICE

Eligibility

Each full-time management employee as defined by the Employer is eligible to become a Member. Membership in this Plan must be elected within two years of appointment to a management position or the right to membership shall be permanently waived.

In the event that you enter this Plan as a result of appointment from a position covered by the Miramar Retirement Plan for General Employees, you will continue to be a member of the General Employees Plan. You will continue to earn Credited Service in the General Employee Plan and this Plan. Any benefits that you earn from the General Employee Plan will reduce your benefits from this Plan.

If you are reassigned to a position covered by the General Employee Plan, benefits accrued under this Plan will end but vesting credit will continue to accrue in both this Plan and the General Employee Plan.

Credited Service

Your years and completed months of full-time employment with the Employer since you became a member of this Plan are used to determine when you become vested, when you can retire, and the amount of pension benefit you will receive. Vacations and other paid leaves of absence are included. Unpaid leaves are not included, and any period of time wherein you could have but did not contribute to the Plan will not be included.

If you are a member of the Retirement Plan for General Employees and this Plan, your Credited Service under this Plan will include your Credit Service under the General Employee Plan. No purchase of such service will be required.

Break in Service

If you terminate employment and later return to work for the Employer, your previous employment will not be included in your Credited Service.

Buy Back of Previous City Service

If you have full-time service with the Employer before you become a Member of this Plan but you are not covered by the Retirement Plan for General Employees, you may add such prior service to your Credited Service by purchasing such time. The amount that you will be required to pay will be determined by the Plan's Actuary.

Enhanced Service Credit (Air Time)

You may also purchase up to three years of additional service that does not include service with the Employer. The amount you will have to pay is the full actuarial cost of such additional service.

Military Service

Should you take a leave of absence from the Employer in order to enter the military either voluntarily or involuntarily, your period of leave will be included in your Credited Service if you apply for reemployment with the Employer within one year after your discharge (or as otherwise allowed by the Uniformed Services Employment and Reemployment Rights Act of 1994), and you pay 12.5% of your annual salary as of the date you leave the Employer for each year of military service.

Your active duty in the military prior to date of hire by the Employer will be included in Credited Service under the following conditions:

1. You are vested (see later page for vesting provisions).
2. You pay 12.5% of your annual starting salary at date of hire for each year of military service.
3. The amount of military time that you purchase is no more than four years.
4. Such military service may not be purchased if such time is being used in any other retirement plan supported by public funds.
5. Your payment for military service is made in a single lump sum or in installments together with interest at the annual rate of 7%.

CONTRIBUTIONS TO THE PLAN

Benefits of the Plan are financed by contributions that are paid into the pension fund and by investment earnings generated by investment of the pension fund. Contributions to the fund are made by:

You

Your regular contribution rate is 10.4% of your pensionable salary. However, if the cost of the Plan to the City exceeds 15% of covered payroll, the excess will be added to the employee contribution rate. Your contributions to the Plan cease upon your retirement, death, or employment termination. Interest at the annual rate of 6% accrues to your contributions.

If you are a member of the Retirement Plan for General Employees and this Plan, you will continue to contribute at the regular rate to the General Employee Plan (currently 7.36% of pensionable salary). Your contribution to this Plan will be reduced by the amount you contribute to the General Employee Plan.

Your Employer

Your Employer must contribute an amount determined by the Plan's actuary to be sufficient, along with your contribution, to fund systematically the benefits under the Plan. The Employer's contribution will vary depending on the experience of the Plan. As noted above, the amount by which the Employer cost exceeds 15% will be added to your contribution rate.

RETIREMENT DATES

Normal Retirement Date

The Normal Retirement Date is the earliest date when unreduced retirement benefits may be paid to you. Your Normal Retirement Date is the earliest of the date when you reach age 55 and complete ten years of Credited Service, the date when you reach age 62 and complete five years of Credited Service, or the date when you complete 20 years of Credited Service regardless of your age.

Early Retirement Date

Your Early Retirement Date is the date when you reach age 50 and complete ten years of Credited Service.

Late Retirement Date

You may continue to work past your Normal Retirement Date. The date you actually stop working will be your Late Retirement Date.

RETIREMENT BENEFITS

Normal Retirement Benefit

The monthly benefit that you will receive if you continue in employment until your Normal Retirement Date is called your Normal Retirement Benefit. The amount of your Normal Retirement Benefit is based on the following factors:

1. Your Covered Salary - This is your fixed monthly compensation for services rendered to the Employer.
2. Your Average Monthly Salary (AMS) - This is the average of your Covered Salary during the 36 consecutive months that is greater than any other 36 consecutive months.
3. Your years of Credited Service at your Normal Retirement Date.

The maximum amount that you may receive from the Plan is 80% of your Average Monthly Salary.

The calculation of your Normal Retirement Benefit is as follows:

| <u>Your Years of Credited Service at Retirement</u> | <u>Calculation of Your Normal Retirement Benefit</u> |
|---|---|
| 5.00 – 5.99 | 3.0% of AMS times Credited Service |
| 6.00 – 6.99 | 3.2% of AMS times Credited Service |
| 7.00 – 7.99 | 3.4% of AMS times Credited Service |
| 8.00 – 8.99 | 3.6% of AMS times Credited Service |
| 9.00 – 9.99 | 3.8% of AMS times Credited Service |
| 10.00 or more | 4.0% of AMS times the first 10 years of Credited Service plus 2.75% of AMS times years of Credited Service in excess of 10. |

Example Number 1

Credited Service = 8.50 years

AMS = \$5,000 per month

Normal Retirement Benefit = $3.6\% \times \$5,000 \times 8.50 = \$1,530$ per month**Example Number 2**

Credited Service = 14.25 years

AMS = \$5,000 per month

Normal Retirement Benefit = $(4.0\% \times \$5,000 \times 10.00)$
+ $(2.75\% \times \$5,000 \times 4.25) = \$2,584$ per month

IF YOU ARE ALSO A MEMBER OF THE RETIREMENT PLAN FOR GENERAL EMPLOYEES, YOUR BENEFIT FROM THIS PLAN WILL BE REDUCED BY YOUR BENEFIT FROM THE GENERAL EMPLOYEE PLAN.

The retirement benefit is paid to you for the rest of your life in accordance with the Normal Form of Benefit Payment as described later (however, see the sections on Death Benefits After Retirement and Election of Optional Forms of Benefit Payments). Your benefits from this Plan are paid in addition to any benefits you may receive from Social Security.

Accrued Benefit

The portion of your Normal Retirement Benefit that you have earned at any point in time is your Accrued Benefit. Your Accrued Benefit is computed in the same way as the Normal Retirement Benefit, except you use your present Average Monthly Salary and Credited Service in the preceding calculation. The Accrued Benefit is a monthly amount that starts on your Normal Retirement Date.

Early Retirement Benefit

Your Early Retirement Benefit is equal to your Accrued Benefit reduced by 5% for each year by which your Early Retirement Date precedes age 55.

Late Retirement Benefit

The amount of your monthly Late Retirement Benefit is calculated and paid in the same way as the Normal Retirement Benefit. However, your Average Monthly Salary and Credited Service as of your actual retirement date are used in the calculation.

DISABILITY RETIREMENT

The Plan does not provide disability retirement benefits.

SURVIVOR BENEFITS

Before Retirement

If you pass away before you complete five years of Credited Service, your Beneficiary will receive a refund of your accumulated contributions with interest.

If you pass away after completing five years of Credited Service but prior to your actual retirement, your Beneficiary will receive a monthly benefit calculated as though you had retired the day before your death and as though you had chosen the normal form of benefit. (See the later Section entitled Forms of Benefit Payments.)

After Retirement

If you were receiving a form of retirement payment that provided for a survivor's benefit to be paid after your death, your Beneficiary will receive payments following your death. A later page describes the various forms of retirement payments.

VESTED RETIREMENT BENEFIT

If you are not vested when you terminate employment, a refund of your accumulated contributions to the Plan is payable. If you are vested when you terminate employment, a monthly benefit is payable at your Normal Retirement Date. The benefit is equal to your Accrued Benefit on your termination date multiplied by your vested interest. The vesting schedule is as follows:

| Vesting Schedule | |
|--|------------------------|
| Completed Years of Credited Service | Vested Interest |
| Less than 5 | 0% |
| 5 or more | 100 |

In lieu of your vested benefit, you may receive a refund of your contributions with interest as described previously.

The taxable portion of any refund you receive is subject to an automatic twenty 20% withholding for federal income tax purposes. This tax can be avoided, however, if you roll the taxable portion over to an Individual Retirement Account (IRA) or another qualified employer plan. This rollover will result in no tax being due until you begin withdrawing funds from the IRA or other qualified employer plan. The rollover of the distribution, however, must be made directly by the Plan to your chosen IRA or other qualified employer plan.

FORMS OF BENEFIT PAYMENTS

Normal Form of Benefit Payment

Unless you elect otherwise before retirement, your pension is payable as a series of monthly payments for your life with the same amount payable after your death to your designated Beneficiary. If your Beneficiary is more than three years younger or older than you, your pension will be adjusted to be actuarially equivalent to a pension where the Beneficiary is three years younger or older.

Election of Optional Forms of Benefit Payments

You have the right at any time before your actual retirement date to elect not to have your retirement benefit paid in the Normal Form. You may choose among the options described below and revoke any such elections and make a new election at any time before actual retirement. You must make such an election by written request to the Plan Administrator and such an election shall be subject to the approval of the Plan Administrator. This election also applies to terminated Participants who are eligible for payment of deferred Vested Retirement Benefits. The options available are as follows:

Option 1 – Single Life Annuity

You may elect to receive a greater monthly benefit that lasts only for your lifetime and ceases upon your death.

Option 2 – Joint and Survivor Annuity

You may elect to receive an adjusted monthly retirement benefit during your lifetime and have either 75%, 66⅔% or 50% of such adjusted retirement benefit continued after your death to and during the lifetime of your Beneficiary.

Option 3 – Ten Years Certain and Life Thereafter

You may elect a larger monthly benefit that is payable for your life but for at least 120 months in any event.

Option 4 – Pop-Up Option

For any survivorship benefit, you may elect to purchase an option permitting the substitution of a new survivor in the event of the death of the initial Beneficiary or in the event of dissolution of marriage.

In no event may the total of benefit payments to you and your Beneficiary be less than your own accumulated contributions.

TERMINATION OF THE PLAN

If the Plan is terminated, you would immediately become fully vested in the benefit you had earned so far. All of the assets of the Plan would be allocated to the Members according to certain classes of priority. Only after all accrued benefits have been paid and any other liabilities have been satisfied could any remaining money be returned to the Employer.

IMPORTANT NOTICE

There are certain circumstances that may result in the disqualification, ineligibility, denial, loss, forfeiture, suspension or deferral of your benefits in this Plan. The following is a list of some but not all of such circumstances:

1. If you terminate employment before reaching your Normal or Early Retirement Date and you do not have enough Credited Service to have earned a vested interest, no benefits will be payable except for a return of your own contributions as provided by the Plan.
2. Your retirement benefit will not be payable until actual retirement date, even if you continue to work beyond the Normal Retirement Date.
3. In the event that this Plan terminates and the available Plan assets are less than the value of all Accrued Benefits, then your Accrued Benefit may be reduced.
4. Your Accrued Benefit may be forfeited if you are convicted of certain offenses as provided by State law (Chapter 112.3173 F.S.).
5. Payment of your benefits may be subject to an income deduction order made pursuant to a state domestic relations law.
6. Federal or state laws may limit the benefits otherwise payable by the Plan. For example, Chapter 112.65, Florida Statutes provides that your pension may not exceed 100% of Average Monthly Salary. Section 415 of the Internal Revenue Code provides that annual pensions may not exceed specific dollar amounts.

YOUR RESPONSIBILITIES

1. Retain this Summary Plan Description with your other important papers for later reference or for replacement by updated versions and supplemental notices, if any.
2. Upon completing eligibility requirements, sign a Membership Form, including a Beneficiary designation.
3. Keep your Beneficiary designation form updated to express your wishes.
4. If you terminate employment, check to see if you are entitled to a Vested Retirement Benefit and the date payable.
5. If you should terminate employment with rights to a deferred Vested Retirement Benefit, then, shortly before the date on which it is to begin, you should contact and notify the Employer to begin such payments.
6. At or prior to your retirement, complete the form necessary to indicate which Optional Form of Benefit you desire.

CLAIMS AND PROCEDURES

Claims for benefits under the Plan must be filed in writing with the Plan Administrator. If you are eligible for any benefits from this Plan, you will be provided with a notification form showing the amount of your benefit and options, if any, and the earliest date on which such benefit is payable.

Your request for Plan benefits shall be considered a claim for Plan benefits, and it will be subject to a full and fair review. If your claim is wholly or partially denied, the Plan Administrator shall furnish you with a written notice of its denial. This written notice will state as clearly and concisely as possible the Plan Administrator's findings and conclusions.

If your claim has been denied, and you wish to submit your claim for review, you may file with the Plan Administrator a request for a rehearing and review by the Plan Administrator. This filing must be made within 30 days of the mailing of the Plan Administrator's initial denial.

As soon as practicable after the Plan Administrator receives your request for a rehearing, it shall meet after giving you a minimum of 30 days notice. You have the right to be present at this meeting with legal counsel, if you desire. You will be allowed to submit any evidence in support of your claim.

If the Plan Administrator again denies your claim, you may seek appellate review of the decision within 30 days in the circuit court in and for Broward County, Florida.

| PERTINENT ACTUARIAL INFORMATION | | |
|--|--------------------------|--------------|
| | As of October 1st | |
| | 2006 | 2005 |
| Number of Members of the Plan | | |
| Active Employees | 33 | 17 |
| Those Receiving or Due to Receive Benefits | 3 | 2 |
| Annual Payroll of Active Members | \$ 3,493,380 | \$ 1,998,100 |
| Annual Rate of Benefits in Pay Status | 18,848 | 0 |
| Actuarial Accrued Liability | 7,649,801 | 3,991,006 |
| Net Assets Available for Benefits (Actuarial Value) | 4,521,623 | 2,608,948 |
| Unfunded Actuarial Accrued Liability | 3,128,178 | 1,382,058 |
| Required City Contribution to be Made to the Plan | 538,370 | 310,205 |
| Required City Contribution as % of Payroll of Active Members | 14.89% | 15.00% |
| Member Contribution Rate | 10.40% | 10.41% |
| Required Contribution to be Paid During Year Ending | 9/30/08 | 9/30/07 |

| PENSION FUND INCOME AND DISBURSEMENTS | | |
|--|----------------------------------|----------------------------------|
| | Year Ending 9/30/2006 | Year Ending 9/30/2005 |
| Market Value at Beginning of Period | \$ 2,567,279 * | \$ 1,899,528 * |
| Income | | |
| Member Contributions | 260,863 | 188,543 |
| Employer Contributions | 292,975 | 232,933 |
| Buy Back Contributions | 1,175,217 | 150,851 |
| Investment Earnings | | |
| Interest and Dividends | 116,421 | 72,503 |
| Net Appreciation | <u>209,127</u> | <u>93,118</u> |
| Total Investment Earnings | 325,548 | 165,621 |
| Total Income | 2,054,603 | 737,948 |
| Disbursements | | |
| Monthly Benefit Payments | 15,707 | 0 |
| Lump Sum Distributions | 0 | 0 |
| Refund of Contributions | 0 | 0 |
| Investment Related Expenses | 20,436 | 16,719 |
| Other Administrative Expenses | 64,116 | 53,478 |
| Other Expenses | <u>0</u> | <u>0</u> |
| Total Disbursements | 100,259 | 70,197 |
| Net Increase During Period | 1,954,344 | 667,751 |
| Market Value at End of Period | 4,521,623 | 2,567,279 |