



**COMPREHENSIVE
ANNUAL
FINANCIAL REPORT**



**A Pension Trust of the City of Miami
For the Years Ending
September 30, 2020 & 2019**



**City of Miami, Florida
General Employees'
and Sanitation Employees'
Retirement Trust and Managed Trusts**

2020

**City of Miami, Florida
General Employees' and Sanitation
Employees'
Retirement Trust and Managed Trusts**

A Pension Trust of the City of Miami

**Comprehensive Annual Financial Report
For the Fiscal Years Ending September 30,
2020 & 2019**



Prepared by the Management

THIS PAGE INTENTIONALLY LEFT BLANK



**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020
TABLE OF CONTENTS**

| | Page |
|---|---------|
| I. <u>INTRODUCTORY SECTION</u> | |
| List of Board of Trustees, Management, and Consultants..... | i |
| Letter of Transmittal..... | ii |
| Certificate of Achievement for Excellence in Financial Reporting..... | viii |
| Organizational Chart..... | ix |
| II. <u>FINANCIAL SECTION</u> | |
| Independent Auditors' Report..... | 1-2 |
| Management Discussion and Analysis | 3-12 |
| <i>Basic Financial Statements</i> | |
| Statements of Plan Net Position..... | 13-14 |
| Statements of Changes in Plan Net Position..... | 15-16 |
| Notes to Financial Statements..... | 17-53 |
| <i>Required Supplementary Information</i> | |
| Schedule of Changes in the Net Pension Liability - GESE Trust..... | 54 |
| Schedule of Changes in the Net Pension Liability - Staff Pension Plan..... | 55 |
| Schedule of Changes in the Net Pension Liability - Excess Benefit Plan..... | 56 |
| Schedule of the Net Pension Liability - GESE Trust..... | 57 |
| Schedule of the Net Pension Liability - Staff Pension Plan..... | 58 |
| Schedule of the Net Pension Liability - Excess Benefit Plan..... | 59 |
| Schedule of Employer Contributions..... | 60 |
| <i>Supporting Schedules</i> | |
| Schedule of Administrative Expenses..... | 61 |
| Schedule of Investment and Consultant Expenses..... | 62 |
| III. <u>INVESTMENT SECTION</u> | |
| Investment Consultant Letters..... | 63-64 |
| Investment Policies..... | 65-69 |
| Summary of Asset Allocation..... | 70 |
| Summary of Investment Returns..... | 71-72 |
| List of Largest Assets Held | 73 |
| Fund Manager Allocation..... | 74-75 |
| Schedule of Investment and Commission Fees | 76-78 |
| Investment Summary..... | 79 |
| Historical Summary of Investments Held at Fair Value..... | 80 |
| IV. <u>ACTUARIAL SECTION</u> | |
| Actuary's Certification Letter | 81-82 |
| Summary of Actuarial Assumptions and Methods | 83-95 |
| Schedule of Active Member Valuation Data | 96 |
| Schedule of Retirants and Beneficiaries -..... | 96 |
| Solvency Test | 96 |
| Schedule of Retirants and Beneficiaries -Excess..... | 97 |
| Analysis of Financial Experience | 98-100 |
| Summary of Plan Provisions | 101-115 |
| V. <u>STATISTICAL SECTION</u> | |
| Changes in Plan Net Position..... | 116-118 |
| Benefit and Refund Deductions from Net Assets by Type..... | 119-121 |
| Retired Members by Type of Benefit | 122 |
| Schedule of Average Benefit Payments..... | 123-127 |

THIS PAGE INTENTIONALLY LEFT BLANK



Introductory Section

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
BOARD OF TRUSTEES, MANAGEMENT AND CONSULTANTS
SEPTEMBER 30, 2020**

BOARD OF TRUSTEES

Sean Moy/Chairman
Appointed by AFSCME/Local 1907

Corey L. Taylor/Vice Chair
Appointed by AFSCME/Local 871

Joe Simmons, Jr,
Appointed by AFSCME/Local 871

Ann Marie Sharpe
Appointed by City Manager

Porfirio Jimenez
Appointed by City Commission

Luis Fernandez
Appointed by City Commission

Mary D Lugo
Appointed by AFSCME/Local 1907

Clarence Graves
Appointed by City Commission

Olga Torres
Appointed by City Commission

MANAGEMENT

Pension Administrator
Edgard Hernandez

Treasurer
Christopher Recicar

Staff Fund Accountant
Yves Louissant

Accounting Clerk
Fortuna Levy

CONSULTANTS

Legal Counsel
Ronald A. Silver, Esq.

Certified Public Accountants
Anthony Brunson, P.A

Investment Consultants
Southeastern Advisory Services, Inc.

Consulting Actuary
Cavanaugh Macdonald Consulting, LLC

Custodian Bank
State Street Bank & Trust Co.



March 20, 2021

The Board of Trustees
City of Miami General Employees' and Sanitation Employees'
Retirement Trust and Managed Trusts
City of Miami, Florida 33133

It is our pleasure to provide you with a copy of the Comprehensive Annual Financial Report ("CAFR") for the City of Miami General Employees' & Sanitation Employees' Retirement Trust and Managed Trusts (the "Trusts") for the fiscal year ended September 30, 2020.

Management assumes full responsibility for the accuracy and reliability of the information including the completeness and fairness of its presentation. Cost of a control should not exceed the benefits to be derived, the objective is to provide a reasonable, rather than absolute assurance that the financial statements are free of any material misstatements. The basis for these representations, management has established a comprehensive internal control framework that is designed to provide reasonable, but not absolute, assurance of the safeguarding of assets against loss from unauthorized use or disposition and the adequate reliability of accounting records. Monitoring and evaluation of internal controls is a function that is maintained on an ongoing basis.

The financial statements have been audited by a firm of licensed certified public accountants in the State of Florida as required by state statute. The goal of the audit was to provide reasonable assurance that the financial statements are free of material misstatement. The audit was conducted in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits in *Government Auditing Standards* issued by the Comptroller General of the United States. The independent accounting firm, Anthony Brunson P.A., concluded that there was a reasonable basis for rendering an unmodified opinion that the financial statements for the year ended September 30, 2020, are fairly stated in conformity with U.S. generally accepted accounting principles. The Independent Auditor's Report is presented as the first component of the financial section of this report. Immediately following the Independent Auditor's Report is Management's Discussion and Analysis ("MD&A"). It contains a condensed analysis of the financial and investment sections. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

BACKGROUND INFORMATION

Trusts' History

The City of Miami General Employees' and Sanitation Employees' Retirement Trust and Managed Trusts is a retirement system that includes four separate defined benefit plans representing pension trust funds of the City of Miami, Florida (the "City"). The Trusts consist of a single employer plan covering general and sanitation employees of the City, an excess benefit

plan covering retirees exceeding the maximum benefit, a single employer plan covering the staff of the Trusts, and an excess staff benefit plan.

A defined benefit pension trust for all City employees was instituted by City of Miami Ordinance No. 5624, effective July 1, 1956. Pursuant to the final judgment entered on May 23, 1985, in the matter of Leonard Gates, et al vs. City of Miami (the "Gates Agreement"), the City of Miami General Employees' and Sanitation Employees' Retirement Trust (the "GESE Trust") was established by Ordinance No. 10002 effective June 13, 1985, to serve permanent employees other than firefighters and police officers. The Gates Agreement separated the GESE Trust from the Firefighters and Police Officers' Trust and set individual pension Board guidelines and funding requirements. Members contribute 10% of compensation to the plan. Benefits are based on a percent ("benefit multiplier") of the average final compensation multiplied by years of creditable service (3%, 2.25%, 2.5%, and 2.75%). The plan normal retirement age is 55 and 60. A minimum 10 years of service is required to become eligible for a benefit, including vesting. Members may also retire based on a point system where age and years of service add to at least 70 or 80 points based on member's eligibility.

As part of the GESE Trust, a Deferred Retirement Option Program ("DROP") was established in March 2002, pursuant to City of Miami Ordinance No. 12202. The DROP was available to all qualified active GESE Trust members effective May 1, 2002. The DROP allows a participant to accumulate deferred pension benefits while continuing to work as an active member. A BACKDROP benefit option was implemented effective on January 1, 2013. The backdrop option shall replace the DROP for members who were not eligible to retire as of date of implementation, members who were not vested as of October 1, 2010 and all employees hired on or after January 1, 2013.

The City of Miami established a qualified governmental excess benefit plan in Section 40-265 of the Miami City Code in July 2000. The City of Miami General Employees' and Sanitation Employees' Retirement Excess Benefit Plan (the "Excess Benefit Plan") was intended to pay the GESE Trust participants, whose benefits exceeded the amounts permitted by Sections 415 and 401(a)(17) of the Internal Revenue Code. The Board of Trustees of the City of Miami General Employees' and Sanitation Employees' Retirement Trust administers the Excess Benefit Plan through a Grantor Trust Agreement with the City of Miami. The original plan's effective date was October 1, 2000.

On April 27, 2001, the Board of Trustees, within their rule making authority as allowed under Section 40-244 of the Miami City Code, approved a defined benefit plan for the staff employees of the GESE Trust. The City of Miami General Employees' and Sanitation Employees' Retirement Trust Staff Pension Plan (the "Staff Plan") was adopted by the board on May 25, 2001. Members contribute 10% of compensation to the plan. Normal retirement is a minimum of 10 years of service regardless of age. Benefits are based on 3% of the average final compensation multiplied by years of creditable service. On May 25, 2001, the board adopted the Staff Excess benefit plan ("Staff Excess") for members of the staff, whose benefit exceeded the amounts permitted by Section 415 and 401 (a)(17) of the Internal Revenue Code.

Plan Administration

A nine-member Board of Trustees, who are considered fiduciaries, govern the Trusts. The Board meets at least once every two months as required by City ordinance. Trustees are selected as follows: one trustee selected by the City Manager, two trustees selected by the general

employees, two trustees selected by the sanitation employees, and four independent trustees submitted by the unions and selected by the City Commission.

As fiduciaries of the Trusts, the Board performs their duties and responsibilities solely in the interest of members of the retirement plans. In order to achieve their goals, the Board has employed the services of support staff including a pension administrator to perform daily functions. Services provided by support staff include accounting and financial reporting, member and employer contributions processing, retiree benefits calculations, and monthly disbursement of benefits to retirees or beneficiaries.

The Board employs the services of a consulting actuary, a custodial bank, an investment consultant and several investment managers and other consultants as deemed necessary. An actuarial valuation for each plan is performed by the actuary on an annual basis to determine the amount of the City's annual contribution. The custodial bank has the responsibility of safeguarding assets and reporting monthly investment manager activity. The investment consultant assists the Board in various investment related functions including asset allocation, selection of investment managers, and monitoring and reporting of investment performance. The services of several investment managers are utilized to achieve the goals of investment diversification, and the maximization of returns that meet or exceed the Trusts' actuarial interest rate assumption with reasonable risk. A third-party financial organization is utilized as the administrator and investment advisor to assist individual participants with their DROP accounts.

Pursuant to the Gates Agreement, all administrative expenditures of the Trusts, other than investment expenses are to be funded by the City. These expenditures are based upon a budget approved by the Board of Trustees prior to the beginning of the fiscal year. Budgetary controls are maintained in the form of recording all expenditures in the accounting records and performing variance analysis. All administrative expenditures other than investment manager fees are considered budgeted expenditures reimbursable by the City. All investment manager fees are negotiated and based upon the fair value of assets being managed and are not reimbursed by the city.

The Board continues to review all aspects of the Trusts to comply with its policies and regulations. All efforts continue in administering the Trusts in an efficient and cost-effective manner. The Board and management remain committed to serving the needs of its participants in a diligent manner.

INITIATIVES

During these challenging times, it is crucial to remain efficient and goal oriented while working in a remote environment. Over the past year, the Trust's administration has diligently worked to introduce cutting-edge technology to the staff's disposal. The first significant improvement was the implementation of new servers and a new operating system to provide the staff an updated platform to work on. An additional enhancement was the integration of an imaging document software called Page Center X, an electronic document module integrated with the retirement database. It facilitates collecting, archiving, and searching of retiree documents electronically contributing to the transitioning of a paperless office. Furthermore, the accounting software was upgraded, and a new Fixed Asset Module was purchased. The innovative module enables the staff to keep track of Trust's depreciable and non-depreciable assets, such as, but not limited to, the Trust's building, land, computer hardware, and other capital outlays.

Lastly, an overhaul was performed to the Rose Gordon Building- pension office. This included the resurfacing of the entire building with new stucco and a fresh coat of paint to extend the life of the building and protect the asset from weathering. The parking lot was also overhauled with new asphalt. Finally, the landscaping was freshly updated to complete the improvements to the office building. These initiatives were undertaken with the help of the staff and support from the Board, while maintaining CDC social distancing guidelines.

The investment managers' fee reduction initiative, based on performance, has generated savings over the years. Although no savings were acquired for Fiscal Year 2020, the high quality of investment execution did not go unnoticed despite the challenge presented by the pandemic. The fee reduction is continuously being examined quarterly, by the Board of Trustees.

INVESTMENT ACTIVITIES

The investments are governed by the "prudent person rule" which established standards that states fiduciaries shall discharge their duties solely in the interest of the fund participants and with the degree of diligence, care, and skill which prudent persons would ordinarily exercise under similar circumstances in a like position. The Board has established investment policies based upon criteria that allows for the delegation of investment authority to professional investment advisors as permitted by the prudent person rule. The investment policies outline the responsibility for the investment of the funds and the degree of risk. The investment managers can use their full discretion as long as they remain within the established guidelines. The investment policy guidelines are reviewed and amended periodically upon consultation with the investment consultant. The investment activities of the Trusts are monitored very closely so as to maintain asset allocation within the established investment guidelines and performance within the benchmarks. The Board meets at least quarterly with the investment consultant in order to monitor individual investment manager performance as well as total fund performance. Investment managers are required to meet with the Board at least once a year, so as to update the Board on performance related information and investment related events.

In considering investment allocation, the major focus of attention is the long-term returns of the Trusts. Diversification of investments helps to reduce overall risk. Asset classes currently being utilized include domestic and international equities, fixed income, and cash. A summary of asset allocation is provided on page 70 in the investment section of this report. The GESE Trust shows a target asset allocation of 57 percent in domestic equities, 10 percent in international equities, 0 percent in real estate, 30 percent in fixed income and 3 percent in cash at fiscal year-end. The Staff plan has an asset allocation target of 30 percent in fixed income, 48 percent in large cap equities, 10 percent in international, 9 percent in small cap equities, and 3 percent in cash at fiscal year-end.

For fiscal year 2020, investments provided a positive return of 7.3 percent for the GESE Trust and a positive 10.4 percent return for the Staff Plan. The GESE Trust's annualized rate of return over the last three years was a positive 7.9 percent and over the last five years was 9.5 percent. The Staff Plan's annualized rate of return over the last three years was a positive 8.5 percent and over the last five years was 10.0 percent. For a summary of investment returns, see pages 71-72 in the investment section of this report. A detailed breakdown for the GESE Trust of individual manager investment style, fund allocation, rate of return, style benchmark, and universe ranking is provided on page 74-75 in the investment section. For actuarial valuation purposes, the assumed rate of return was 7.6 percent for fiscal year 2020. It should be noted that the method of asset valuation utilized for actuarial purposes is a moving fair value average over five years.

Therefore, although fund return variations have an impact on actuarial calculations, the impact is not as high on an individual year due to this market smoothing effect.

FUNDED STATUS

Florida Statutes require local pension plans to be funded based on approved actuarial reports, except for plans for a select group of employees such as the Excess Benefit Plan. Annual actuarial valuation reports are prepared by our consulting actuary and submitted to the State of Florida's Division of Retirement for approval on an annual basis.

The Trusts' funding policies provide for the City of Miami to make periodic employer contributions at actuarially determined rates. These contributions are sufficient to maintain the actuarial soundness of the plans and to accumulate sufficient assets to pay benefits when due. The annual required contributions vary from year to year and are based upon various factors and assumptions, including investment rates of return. As can be seen from the schedule of employer contributions on page 60 in the schedules of required supplementary Information section, the City has consistently contributed the annual required contributions as determined by the plans' actuary. This policy does not apply to the Excess Benefit Plan which is funded on a pay-as-you-go basis as benefits become due.

Under GASB 67, the funded ratio is the ratio between the plan net position (Fair value of assets) and the total pension liability as of each measurement date. The higher the ratio, the better funded the Trusts are from an actuarial perspective. The schedule of the Net Pension Liability provides trend funded ratio information. The latest information in accordance with GASB Statement No. 67 is as of the measurement date of October 1, 2020. For the **GESE Trust**, the plan net position was \$774 million and the total pension liability was \$1.104 billion causing a net pension liability of \$330 million. This resulted in a funded ratio of 70.15%. For the **Staff Plan**, the plan net position was \$4.814 million and the total pension liability was \$5.735 million causing a net pension liability of \$921 thousand. This resulted in a funded ratio of 83.94%. The Board, management and its consulting actuary concur that the Trusts remain in sound financial position to meet their future obligations to the plan participants and beneficiaries. A detailed discussion of funding is provided in the Actuarial Section of this report.

AWARDS AND ACKNOWLEDGMENTS

The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the Trusts for its CAFR for the fiscal year ended September 30, 2019. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized CAFR. This report must satisfy both U.S. generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The guidance and cooperation of the Board of Trustees in planning and conducting the financial affairs of the Trusts is greatly appreciated. We would like to express our gratitude to the dedicated service of our staff and advisors who have worked so diligently to assure the successful operation of the Trusts as well as the completion of this report.

Sincerely,



Edgard Hernandez
Pension Administrator



Yves Louissaint
Staff Fund Accountant



Christopher Recicar
Treasurer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Miami General Employees' & Sanitation
Employees' Retirement Trust
Florida**

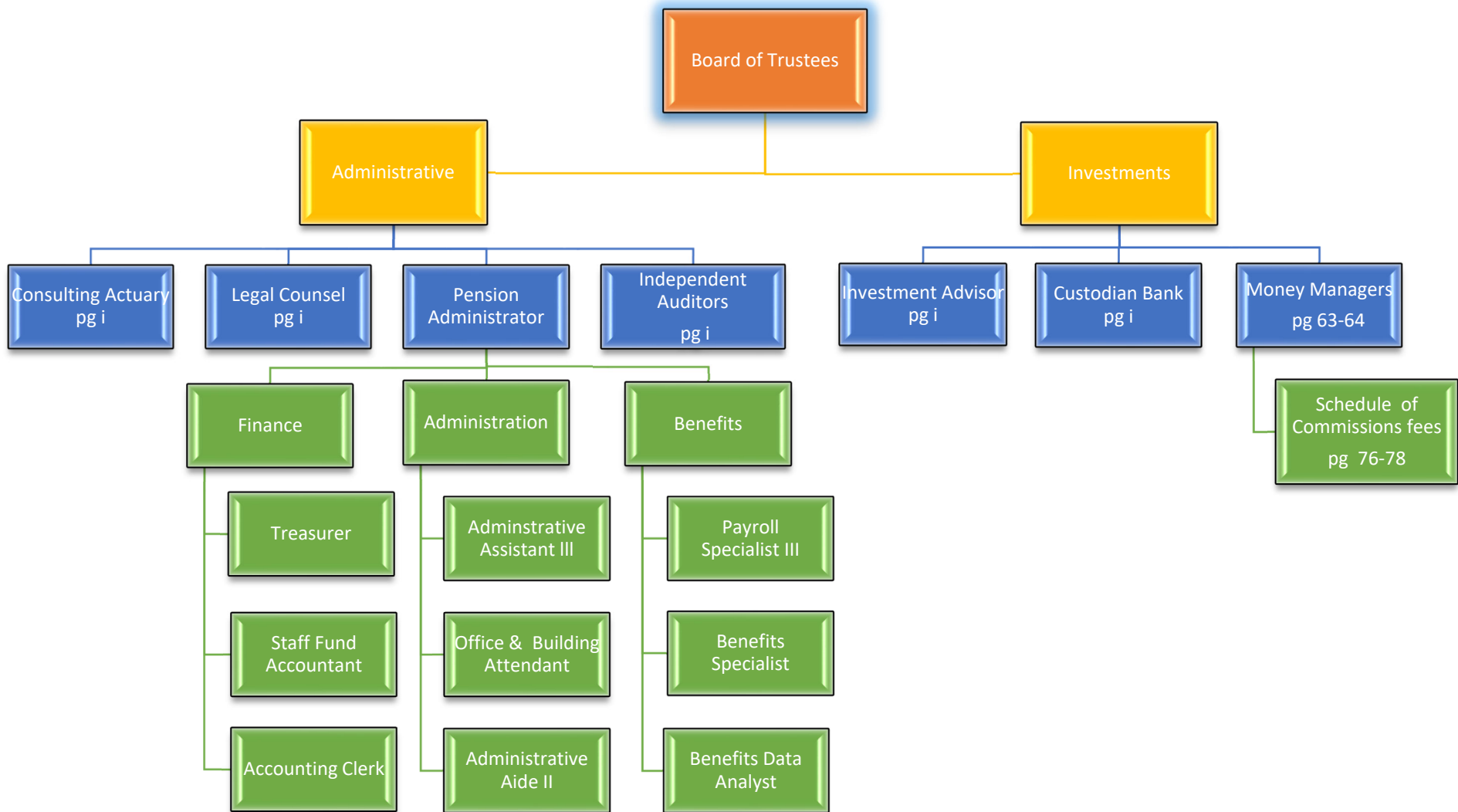
For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

September 30, 2019

Christopher P. Morill

Executive Director/CEO

CITY OF MIAMI GENERAL EMPLOYEES AND SANITATION EMPLOYEE'S RETIREMENT TRUST AND
 MANAGED TRUSTS ORGANIZATIONAL CHART SEPTEMBER 30, 2020



Financial Section



ANTHONY BRUNSON P.A.

CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS ADVISORS

INDEPENDENT AUDITORS' REPORT

Board of Trustees
City of Miami General Employees' and Sanitation Employees
Retirement Trust and Other Managed Trusts

We have audited the accompanying financial statements of the combined statements of net position of the City of Miami General Employees' and Sanitation Employees' Retirement Trust and Managed Trusts (the "Trusts") as of September 30, 2020 and 2019, and the related combined statements of changes in net position for the years then ended, and the related notes to the financial statements, which collectively comprise the Trusts' basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 Trusts' internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the net position of the Trusts as of September 30, 2020 and 2019 and changes in net position for the years then ended in accordance with accounting principles generally accepted in the United States of America.



Miramar Office

3350 SW 148th Avenue | Suite 110
Miramar, Florida 33027
(954) 874-1721

CLIENT FOCUSED: SOLUTION DRIVEN

info@abcpasolutions.com

Miami Office

801 Brickell Avenue | Suite 800
Miami, Florida 33131
(305) 789-6673

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis information on pages 3 through 12 and the Schedules of Changes in the Net Pension Liability, Schedules of the Net Pension Liability, and Schedule of Employer Contributions on pages 54 through 60 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information and the supporting schedules in accordance with auditing standards generally accepted in the United States of America, 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 basic financial statements, and other knowledge we obtained during our audit of the basic 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.

Other Information

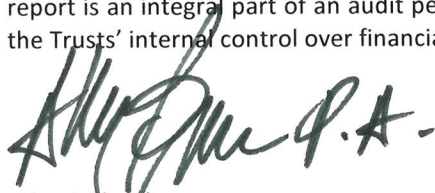
Our audit was conducted for the purpose of forming an opinion on the combined financial statements that collectively comprise the Trusts' basic financial statements. The introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Administrative Expenses and the Schedule of Investment and Consultant Expenses are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Administrative Expenses and the Schedule of Investment Expenses are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 15, 2021, on our consideration of the Trusts' 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 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 Trusts' internal control over financial reporting and compliance.



Miami, Florida
January 15, 2021

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020 AND 2019**

The discussion and analysis of the City of Miami General Employees' and Sanitation Employees' Retirement Trust and Managed Trusts' (the "Trusts") financial performance provides an overview of the financial activities and funding conditions for the fiscal years ended September 30, 2020 and 2019. Readers are encouraged to consider the information presented in conjunction with the basic financial statements.

FINANCIAL HIGHLIGHTS

The City of Miami General Employees' and Sanitation Employees' Retirement Trust ("GESE Trust")

The GESE Trust net results from operations for fiscal year 2020 reflected the following financial activities:

- A net increase of \$40.6 million in plan net position (or 5%) as a result of the fiscal year activities.
- Member contributions represent 10% of payroll for fiscal years 2020, 2019, and 2018. Members contributed approximately \$14.4 million in 2020, \$13.1 million in 2019, and \$10.8 million in 2018. Member contributions increased by \$1.3 million in 2020, increased by \$2.2 million in 2019 and decreased \$234 thousand in 2018. Employee contributions will vary from year to year and are dependent upon several factors such as salary levels and number of active members.
- Employer contributions increased by \$6.4 million (or 14.7%) during fiscal year 2020; during fiscal year 2019 employer contribution increased by \$2.6 million (or 6%) and increased \$6.5 million (or 19%) during fiscal year 2018. The amount of employer contributions varies from year to year based on an actuarially determined requirement.
- The investment portfolios had a net investment income of \$51 million in 2020, \$47 million in fiscal year 2019, compared to a net investment income of \$60 million in 2018. This increase of \$4 million in 2020, followed a decrease of \$13 million compared to 2019.
- In 2020, benefit payments and refunds of contribution increased by \$185 thousand (or 0.25%). In 2019, benefit payments and refunds of contributions decreased by \$431 thousand (or 0.6%); while in 2018, benefit payments and refunds increased by \$1.45 million (or 1.9%).

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020 AND 2019**

FINANCIAL HIGHLIGHTS (cont'd)

The City of Miami General Employees' and Sanitation Employees' Retirement Excess Benefit Plan ("Excess Benefit Plan")

The Excess Benefit Plan reflected the following activities for fiscal year 2020:

- Employer contributions for the Excess Benefit Plan decreased by \$60 thousand (or 13%) in 2020; while in 2019, employer contributions decreased by \$109 thousand (or 19%); in comparison to 2018 in which contributions decreased by \$87 thousand (or 13%).
- Employee benefit payments for the Excess Benefit Plan decreased by \$60 thousand (or 13%) in 2020; while in 2019, employee benefit payments decreased by \$109 thousand (or 19%) in comparison to 2018, they decreased by \$86 thousand (or 27%).
- The Excess Benefit Plan was established so that the amount of the defined benefits for eligible members is not diminished by changes in the IRS Tax code. The Plan pays GESE Trusts' participants whose benefits exceeded the amounts permitted by section 415 and 401(a)(17) of Internal Revenue Code. Accordingly, the Plan does not have a plan net position.

The City of Miami General Employees' and Sanitation Employees' Retirement Trust Staff Pension Plan ("Staff Plan")

The Staff Plan had the following financial performance results for fiscal year 2020:

- Plan net position had an increase of \$408 thousand in fiscal year 2020. The plan net position increased to \$4.8 million in fiscal year 2020 from \$4.4 million in fiscal year 2019 and from \$4.3 million in fiscal year 2018.
- Member contribution for 2020 increased by \$4 thousand or (10%), following an increase of \$9 thousand (or 28%) in 2019, and preceded by an increase of \$8 thousand (or 33%) in 2018, representing 10% of payroll. Employer contributions decreased by \$10 thousand or (5%) in 2020 and decreased by \$1 thousand (or 0.4%) in 2019 in comparison to a decrease of \$14 thousand (or 6%) in 2018, based on an actuarially determined requirement.
- The investment portfolio had net investment income of \$451 thousand in fiscal year 2020, while 2019 showed a net investment income of \$177 thousand, in comparison to 2018 which showed net investment income of \$424 thousand.
- In 2020, benefit payments increased by \$5 thousand or (2%); while in 2019, benefit payments and refunds decreased by \$3 thousand (or 1%), in comparison to an increase of \$13 thousand (or 5%) in 2018.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020 AND 2019**

FINANCIAL HIGHLIGHTS (cont'd)

The City of Miami General Employees' and Sanitation Employees' Retirement Trust Staff Excess Pension Plan ("Staff Excess Plan")

The Staff Excess Benefit Plan had the following results for fiscal year 2020:

- For the Staff Excess Benefit Plan, the City contributes as benefits become payable. As a result, employer contributions equal benefit payments. In 2020 employer contributions and benefits paid equal to \$39,621. In 2019, employer contributions and benefits paid equal \$41,379. In 2018, employer contributions and benefits paid equal \$43,004.
- The Staff Excess Benefit Plan is funded as needed to pay benefits and therefore the plan has no net position. The liability represents some funding in advance as the City of Miami makes estimated contributions twice a year. The Plan's effective date began during fiscal year 2016.

OVERVIEW OF FINANCIAL STATEMENTS

Management's Discussion and Analysis serves as an introduction to the basic financial statements. The basic financial statements consist of the Statements of Plan Net Position, the Statements of Changes in Plan Net Position, the notes to the financial statements, and required supplementary historical trend information including the schedule of funding progress and the schedule of employer contributions. The basic financial statements are prepared on an accrual basis in accordance with U.S. generally accepted accounting principles promulgated by the Governmental Accounting Standards Board.

The Statement of Plan Net Position is a point in time snapshot of account balances at fiscal year-end. It reports the assets available for future payments to retirees and their beneficiaries less any current liabilities that are owed as of the fiscal year end. The resulting net position held in trust for pension benefits are available to meet on-going obligations. The Trusts continue to be soundly funded. It is important to remember that a retirement system's funding is a long-term concept, where temporary fluctuations in the market are expected.

The Statement of Changes in Plan Net Position displays the effect of pension fund transactions that occurred during the fiscal year. The impact of those activities is shown as additions less deductions to the plan net position. The trend of additions versus deductions to the Plan indicates the condition of the Trusts' financial position over time.

The notes to the financial statements are an integral part of the financial reports. The notes provide detailed discussions of key policies, activities, and additional background which are essential for a complete understanding of the data presented in the statements.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020 AND 2019**

FINANCIAL ANALYSIS

The following is a condensed comparative Statement of Plan Net Position of each of the Trusts.

**STATEMENT OF PLAN NET POSITION
September 30,
(in Thousands)**

| | GESE Trust | | | Excess Benefit Plan | | | Staff Plan | | | Staff Excess Benefit Plan | | |
|---|-------------------|-------------------|-------------------|---------------------|-------------|-------------|-----------------|-----------------|-----------------|---------------------------|-------------|-------------|
| | 2020 | 2019 | 2018 | 2020 | 2019 | 2018 | 2020 | 2019 | 2018 | 2020 | 2019 | 2018 |
| Assets: | | | | | | | | | | | | |
| Cash | \$ 633 | \$ 337 | \$ 474 | \$ 30 | \$ 30 | \$ 30 | \$ 36 | \$ 65 | \$ 78 | \$ 5 | \$ 5 | \$ 5 |
| Receivables: | | | | | | | | | | | | |
| Securities sold | 659 | 1,002 | 875 | - | - | - | - | - | - | - | - | - |
| Interest & dividends | 1,400 | 1,535 | 1,598 | - | - | - | - | - | - | - | - | - |
| Contributions & other | 1,582 | 1,203 | 1,285 | 53 | 28 | 18 | 5 | 5 | 5 | - | - | - |
| Total receivables | <u>3,641</u> | <u>3,740</u> | <u>3,758</u> | <u>53</u> | <u>28</u> | <u>18</u> | <u>5</u> | <u>5</u> | <u>5</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Investments: | | | | | | | | | | | | |
| Fixed income | 206,958 | 200,602 | 176,533 | - | - | - | 1,239 | 1,138 | 1,016 | - | - | - |
| Equity securities | 564,756 | 531,483 | 524,797 | - | - | - | 3,536 | 3,200 | 3,164 | - | - | - |
| Total investments | <u>771,714</u> | <u>732,085</u> | <u>701,331</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>4,775</u> | <u>4,338</u> | <u>4,180</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Capital assets | 1,830 | 1,380 | 1,439 | - | - | - | - | - | - | - | - | - |
| Total assets | <u>777,818</u> | <u>737,541</u> | <u>707,002</u> | <u>83</u> | <u>58</u> | <u>48</u> | <u>4,816</u> | <u>4,408</u> | <u>4,263</u> | <u>5</u> | <u>5</u> | <u>5</u> |
| Liabilities: | | | | | | | | | | | | |
| Securities purchased | 2,485 | 2,801 | 1,627 | - | - | - | - | - | - | - | - | - |
| Other liabilities | 899 | 876 | 845 | 83 | 58 | 48 | 1 | 1 | 1 | 5 | 5 | 5 |
| Total liabilities | <u>3,384</u> | <u>3,677</u> | <u>2,472</u> | <u>83</u> | <u>58</u> | <u>48</u> | <u>1</u> | <u>1</u> | <u>1</u> | <u>5</u> | <u>5</u> | <u>5</u> |
| Net Position - restricted for pension benefits | <u>\$ 774,434</u> | <u>\$ 733,864</u> | <u>\$ 704,530</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 4,815</u> | <u>\$ 4,407</u> | <u>\$ 4,262</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

GESE Trust

The net position of the GESE Trust reported in the fiscal year 2020 was \$774 million, compared to the net position reported in fiscal year 2019 of \$733 million and \$704 million for 2018. The net position increased by approximately \$41 million (or 5%), primarily due to net investment income of \$51 million. The net position in 2019 was \$704 million which represented a \$29 million increase (or 4%) due to investment activity.

Excess Benefit Plan

The Excess Benefit Plan is funded as needed to pay benefits and therefore the plan has no net position. The liability represents some funding in advance as the City of Miami makes estimated contributions twice a year.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020 AND 2019**

FINANCIAL ANALYSIS (cont'd)

Staff Plan

The net position of the Staff Plan reported in the fiscal year 2020 was \$4.8 million, compared to fiscal year 2019 of \$4.4 million and fiscal year 2018 of \$4.3 million. The net position increased by \$408 thousand (or 8%) primarily due to the net investment income of \$451 thousand.

Staff Excess Benefit Plan

The Staff Excess Benefit Plan is funded as needed to pay benefits and therefore the plan has no net position. The liability represents some funding in advance as the City of Miami makes estimated contributions twice a year. The Plan's effective date began during fiscal year 2016.

The table below shows a condensed comparative summary of the changes in net position and represents the activities of the Trusts.

**STATEMENTS OF CHANGES IN PLAN NET POSITION
For the Years Ended September 30,
(in Thousands)**

| | GESE Trust | | | Excess Benefit Plan | | | Staff Plan | | | Staff Excess Benefit Plan | | |
|--|-------------------|-------------------|-------------------|---------------------|-------------|-------------|-----------------|-----------------|-----------------|---------------------------|-------------|-------------|
| | 2020 | 2019 | 2018 | 2020 | 2019 | 2018 | 2020 | 2019 | 2018 | 2020 | 2019 | 2018 |
| Additions: | | | | | | | | | | | | |
| Contributions | | | | | | | | | | | | |
| Employer | \$ 49,923 | \$ 43,527 | \$ 40,879 | \$ 418 | \$ 478 | \$ 587 | \$ 222 | \$ 232 | \$ 233 | \$ 40 | \$ 41 | \$ 43 |
| Members | <u>14,458</u> | <u>13,095</u> | <u>10,847</u> | - | - | - | <u>45</u> | <u>41</u> | <u>32</u> | - | - | - |
| Total contributions | <u>64,381</u> | <u>56,622</u> | <u>51,726</u> | <u>418</u> | <u>478</u> | <u>587</u> | <u>267</u> | <u>273</u> | <u>265</u> | <u>40</u> | <u>41</u> | <u>43</u> |
| Reimbursement income | 2,624 | 2,551 | 3,075 | 107 | 103 | 101 | - | - | - | - | - | - |
| Net investment income | <u>50,887</u> | <u>47,382</u> | <u>60,277</u> | - | - | - | <u>451</u> | <u>177</u> | <u>424</u> | - | - | - |
| Total additions | <u>117,892</u> | <u>106,555</u> | <u>115,078</u> | <u>525</u> | <u>581</u> | <u>688</u> | <u>718</u> | <u>450</u> | <u>689</u> | <u>40</u> | <u>41</u> | <u>43</u> |
| Deductions: | | | | | | | | | | | | |
| Benefits | 73,337 | 72,811 | 72,722 | 418 | 478 | 587 | 310 | 305 | 301 | 40 | 41 | 43 |
| Refunds | 1,457 | 1,798 | 2,318 | - | - | - | - | - | 7 | - | - | - |
| Administrative | <u>2,528</u> | <u>2,612</u> | <u>3,363</u> | <u>107</u> | <u>103</u> | <u>101</u> | - | - | - | - | - | - |
| Total deductions | <u>77,322</u> | <u>77,221</u> | <u>78,403</u> | <u>525</u> | <u>581</u> | <u>688</u> | <u>310</u> | <u>305</u> | <u>308</u> | <u>40</u> | <u>41</u> | <u>43</u> |
| Change in net position | 40,570 | 29,334 | 36,676 | - | - | - | 408 | 145 | 381 | - | - | - |
| Net Position - restricted for pension benefits: | | | | | | | | | | | | |
| Beginning of year | <u>733,864</u> | <u>704,530</u> | <u>667,854</u> | - | - | - | <u>4,407</u> | <u>4,262</u> | <u>3,881</u> | - | - | - |
| End of year | <u>\$ 774,434</u> | <u>\$ 733,864</u> | <u>\$ 704,530</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 4,815</u> | <u>\$ 4,407</u> | <u>\$ 4,262</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020 AND 2019**

FINANCIAL ANALYSIS (cont'd)

GESE Trust

The changes in plan net position for the GESE Trust reflect the following:

- Additions to the plan net position for fiscal year 2020 show \$118 million that included member and employer contributions of \$64 million and net investment income of \$51 million. This was an increase from fiscal year 2019, the additions to the net position was \$107 million, which included member and employer contributions of \$57 million, and net investment income of \$47 million. For fiscal year 2018, additions were increased by \$115 million, which included member and employer contributions of \$52 million, and net investment income of \$60 million.
- Deductions to the plan net position increased by \$101 thousand or (.01%) from \$77.2 million in fiscal year 2019 to \$77.3 million in 2020 preceded by a decrease of 2% from \$78.4 million in fiscal year 2018 to fiscal year 2019 of \$77.2 million. Most of the decrease in 2020 relates to a lower administrative cost and refund payments.

Excess Benefit Plan

For the Excess Benefit Plan, the City contributes as benefits become payable. As a result, employer contributions equal benefit payments. Employer contributions and administrative reimbursements decreased by \$56 thousand or (10%) from \$581 thousand during 2019 to \$525 thousand in 2020. Employer contributions and administrative reimbursements decreased \$107 thousand (or16%) from \$688 thousand during 2018 to \$581 thousand in 2019.

Staff Plan

The changes in plan net position for the Staff Plan reflect the following:

- In 2020 additions to plan net position increased to \$718 thousand during the year mainly attributed to an increase in net investment income of \$274 thousand. For fiscal year 2019 in comparison to 2018, additions were decreased by \$239 thousand due to an increase in member and employer contributions of \$8 thousand, and a decrease of net investment income of \$247 thousand.
- Deductions to plan net position increased by \$5 thousand during 2020, while 2019 saw a \$3 thousand decrease in comparison to 2018, which saw a \$13 thousand increase. Most of the decrease relates to pension benefit payments and refunds.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020 AND 2019**

FINANCIAL ANALYSIS (cont'd)

Staff Excess Plan

- For the Staff Excess Benefit Plan, the City contributes as benefits become payable. As a result, employer contributions equal benefit payments. In 2020 employer contribution equaled to \$39,621. In 2019, employer contribution equaled \$41,379. In 2018 employer contributions equaled \$43,004.

INVESTMENT ACTIVITIES

Investment income is very important to the Trusts for current and future financial stability. The Board employs the services of an investment consultant to annually review and periodically update the Investment Policy Statements. The Investment Policy Statement for GESE was last amended January 26, 2018. The Investment Policy Statement for the Staff Plan was also amended on January 26, 2018.

Portfolio performance is reviewed quarterly for the GESE Trust and semi-annually for the Staff Plan by the Board and its investment consultant. Performance is evaluated for each individual money manager, collectively by investment type (i.e. domestic equity) and for the total portfolio.

Asset Allocation

The table below indicates the GESE Trust's investment policy target and actual asset allocation for the past two years.

GESE TRUST - SUMMARY OF ASSET ALLOCATION

| | <u>Policy Guidelines</u> | | <u>Actual as of September 30</u> | |
|-----------------------|--------------------------|--------------|----------------------------------|---------------|
| | <u>Target</u> | <u>Range</u> | <u>2020</u> | <u>2019</u> |
| U.S. large cap equity | 48% | 30 - 60% | 56.0% | 54.6% |
| U.S. small cap equity | 9% | 0 - 15% | 5.1% | 7.0% |
| International equity | 10% | 0 - 15% | 7.8% | 7.8% |
| U.S. fixed income | 30% | 20 - 50% | 26.7% | 27.6% |
| Real estate | 0% | 0 - 10% | 0.0% | 0.0% |
| Cash and other | 3% | 0 - 10% | <u>4.4%</u> | <u>3.0%</u> |
| | | | <u>100.0%</u> | <u>100.0%</u> |

The percentage of total assets invested in each asset class was within the policy ranges for the past two fiscal years. Minor changes in the allocation occurred due to market conditions.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020 AND 2019**

INVESTMENT ACTIVITIES (cont'd)

The table below indicates Staff Plan's investment policy target and actual asset allocation for the past two years.

STAFF TRUST - SUMMARY OF ASSET ALLOCATION

| | Policy Guidelines | | Actual as of September 30, | |
|-----------------------|-------------------|----------|----------------------------|---------------|
| | Target | Range | 2020 | 2019 |
| U.S. large cap equity | 48% | 30 - 60% | 54.8% | 53.2% |
| U.S. small cap equity | 9% | 0 - 15% | 12.2% | 13.2% |
| International equity | 10% | 0 - 15% | 7.0% | 7.3% |
| U.S. fixed income | 30% | 20 - 50% | 26.0% | 26.3% |
| Cash and other | 3% | 0 - 10% | 0.0% | 0.0% |
| | | | <u>100.0%</u> | <u>100.0%</u> |

The percentage of total assets invested in each asset class was within the policy ranges for the year. There were minor changes in the allocation among the asset class during the year.

Investment Returns (GESE)

The summary of investment returns reflects the past fiscal year returns as well as the three-year and five-year annualized rates of return for periods ending September 30, 2020. The rates of return are money-weighted and calculated based on the fair value of assets, time-weighted for transactions and net of fees.

As of September 30, 2020, the GESE Trust policy portfolio includes the following indices and weightings 48% S&P 500, 9% Russell 2000, 10% Europe Australia Far East (EAFE), and 33% Barclays Aggregate.

The overall performance results for the GESE Trust follows:

GESE TRUST - SUMMARY OF INVESTMENT RETURNS

| | September 30, | | |
|-------------------------|---------------|-------------------|--------|
| | Year to Date | Annualized Return | |
| | | 3 Year | 5 Year |
| Fiscal Year 2020 | | | |
| Total Fund | 7.3 % | 7.9% | 9.5% |
| Policy Portfolio | 11.0 % | 8.4% | 9.8% |
| Fiscal Year 2019 | | | |
| Total Fund | 7.1 % | 9.9% | 8.0% |
| Policy Portfolio | 4.8 % | 8.9% | 7.5% |

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020 AND 2019**

INVESTMENT ACTIVITIES (cont'd)

Investment Returns (cont'd)

The overall performance results for the GESE Trust continues:

The GESE Trust had a positive return of 7.3%, for the year ended September 30, 2020, as compared to a 7.1% positive return for the year ended September 30, 2019. The Trust's positive performance was the result of strong returns in the equity markets. The fund underperformed the benchmark for the year 2020 and for the annualized three year and five-year periods.

Investment Returns (STAFF PLAN)

As of September 30, 2020, the Staff Plan's policy portfolio includes the following indices and weightings: 48% S&P 500, 9% Russell 2000, 10% MSCI AC World ex US, 33% Barclays Aggregate.

The overall performance results for the Staff Plan follows:

| STAFF PLAN - SUMMARY OF INVESTMENT RETURNS | | | |
|---|---------------------|--------------------------|---------------|
| September 30, | | | |
| | <u>Year to Date</u> | <u>Annualized Return</u> | |
| | | <u>3 Year</u> | <u>5 Year</u> |
| Fiscal Year 2019 | | | |
| Total Fund | 10.4 % | 8.5% | 10.0% |
| Policy Portfolio | 10.2 % | 8.1% | 9.4% |
| | | | |
| Fiscal Year 2019 | | | |
| Total Fund | 4.2 % | 9.4% | 7.8% |
| Policy Portfolio | 4.9 % | 8.7% | 7.3% |

For the fiscal year ended September 30, 2020, the Staff Plan experienced a positive market environment and had a positive return of 10.4%, following a total return in 2019 of 4.2%. The fund outperformed the benchmark for the year 2020 and during the three-year and five-year periods a higher performance over the benchmark was earned.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020 AND 2019**

ECONOMIC FACTORS

The Trusts' funding objectives are to meet long-term benefit obligations through investment income and contributions. Accordingly, the collection of employer and member contributions, and the income from investments are essential for providing the reserves needed to finance future retirement benefit payments. The Trusts investment activities are a function of the underlying marketplace for the period measured, money manager performance, and the investment policy's asset allocation. Maintaining a diversified portfolio of investments is critical for an opportunity of positive returns. The market continues to have strong opportunity for the possibility of growth in many sectors. The Trusts have very successful investment programs and prudent management practices in place to alleviate the effects of present and future adverse economic conditions.

CONTACTING THE TRUSTS' FINANCIAL MANAGEMENT

This financial report is designed to provide the Trustees, retired plan participants and active City employees with an overview of the Trusts' finances and the prudent exercise of the Board's oversight. If you have any questions regarding the contents of this report, please contact the City of Miami General Employees' and Sanitation Employees' Retirement Trust at 2901 Bridgeport Avenue, Coconut Grove, Florida 33133, phone (305) 441-2300, or at the Trusts' website at <http://www.gese.org>.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
STATEMENT OF PLAN NET POSITION
SEPTEMBER 30, 2020**

| | <u>GESE Trust</u> | <u>Excess Benefit Plan</u> | <u>Staff Plan</u> | <u>Staff Excess Benefit Plan</u> | <u>Total</u> |
|--|-----------------------|------------------------------------|-----------------------|--------------------------------------|-----------------------|
| ASSETS: | | | | | |
| Cash | \$ 632,545 | \$ 29,839 | \$ 36,290 | \$ 5,000 | \$ 703,674 |
| Receivables: | | | | | |
| Securities sold | 659,159 | - | - | - | 659,159 |
| Members' contributions | 665,777 | - | - | - | 665,777 |
| Interest and dividends | 1,400,301 | - | - | - | 1,400,301 |
| City of Miami | 864,763 | 53,456 | - | - | 918,219 |
| Other | <u>51,400</u> | <u>-</u> | <u>5,000</u> | <u>-</u> | <u>56,400</u> |
| Total receivables | <u>3,641,400</u> | <u>53,456</u> | <u>5,000</u> | <u>-</u> | <u>3,699,856</u> |
| Investments, at fair value: | | | | | |
| U.S. Government and Agency Securities | 106,776,095 | - | - | - | 106,776,095 |
| Corporate stocks | 527,845,417 | - | 3,535,559 | - | 531,380,976 |
| Corporate bonds | 100,181,674 | - | 1,238,783 | - | 101,420,457 |
| Real estate funds | - | - | - | - | - |
| Money market funds | <u>36,911,071</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>36,911,071</u> |
| Total investments | 771,714,257 | - | 4,774,342 | - | 776,488,599 |
| Capital assets, net | <u>1,829,555</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,829,555</u> |
| Total Assets | <u>777,817,757</u> | <u>83,295</u> | <u>4,815,632</u> | <u>5,000</u> | <u>782,721,684</u> |
| LIABILITIES | | | | | |
| Payable for securities purchased | 2,485,317 | - | - | - | 2,485,317 |
| City of Miami – Excess | - | - | - | - | - |
| Notes payable capital lease | - | - | - | - | - |
| Accounts payable and accrued expenses | <u>898,518</u> | <u>83,295</u> | <u>1,029</u> | <u>5,000</u> | <u>987,842</u> |
| Total Liabilities | <u>3,383,835</u> | <u>83,295</u> | <u>1,029</u> | <u>5,000</u> | <u>3,473,159</u> |
| Net Position - restricted for pension benefits | <u>\$ 774,433,922</u> | <u>\$ -</u> | <u>\$ 4,814,603</u> | <u>\$ -</u> | <u>\$ 779,248,525</u> |

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

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
STATEMENT OF PLAN NET POSITION
SEPTEMBER 30, 2019**

| | <u>GESE Trust</u> | <u>Excess Benefit Plan</u> | <u>Staff Plan</u> | <u>Staff Excess Benefit Plan</u> | <u>Total</u> |
|--|-----------------------|------------------------------------|-----------------------|--------------------------------------|-----------------------|
| ASSETS | | | | | |
| Cash | \$ 336,653 | \$ 29,839 | \$ 64,846 | \$ 5,000 | \$ 436,338 |
| Receivables: | | | | | |
| Securities sold | 1,001,508 | - | - | - | 1,001,508 |
| Members' contributions | 487,559 | - | - | - | 487,559 |
| Interest and dividends | 1,535,087 | - | - | - | 1,535,087 |
| City of Miami | 555,368 | 28,219 | - | - | 583,587 |
| Other | <u>160,165</u> | <u>-</u> | <u>5,000</u> | <u>-</u> | <u>165,165</u> |
| Total receivables | <u>3,739,687</u> | <u>28,219</u> | <u>5,000</u> | <u>-</u> | <u>3,772,906</u> |
| Investments, at fair value: | | | | | |
| U.S. Government and Agency Securities | 109,033,726 | - | - | - | 109,033,726 |
| Corporate stocks | 507,320,337 | - | 3,200,193 | - | 510,520,530 |
| Corporate bonds | 91,567,941 | - | 1,137,601 | - | 92,705,542 |
| Real estate funds | - | - | - | - | - |
| Money market funds | <u>24,162,655</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>24,162,655</u> |
| Total investments | 732,084,659 | - | 4,337,794 | - | 736,422,453 |
| Capital assets, net | <u>1,380,094</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,380,094</u> |
| Total Assets | <u>737,541,093</u> | <u>58,058</u> | <u>4,407,640</u> | <u>5,000</u> | <u>742,011,791</u> |
| LIABILITIES | | | | | |
| Payable for securities purchased | 2,800,615 | - | - | - | 2,800,615 |
| City of Miami- Excess | - | - | - | - | - |
| Notes payable | - | - | - | - | - |
| Accounts payable and accrued expenses | <u>875,923</u> | <u>58,058</u> | <u>1,029</u> | <u>5,000</u> | <u>940,010</u> |
| Total Liabilities | <u>3,676,538</u> | <u>58,058</u> | <u>1,029</u> | <u>5,000</u> | <u>3,740,625</u> |
| Net Position - restricted for pension benefits | <u>\$ 733,864,555</u> | <u>\$ -</u> | <u>\$ 4,406,610</u> | <u>\$ -</u> | <u>\$ 738,271,165</u> |

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

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
STATEMENT OF CHANGES IN PLAN NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

| | <u>GESE Trust</u> | <u>Excess Benefit Plan</u> | <u>Staff Plan</u> | <u>Staff Excess Benefit Plan</u> | <u>Total</u> |
|--|-----------------------|------------------------------------|-----------------------|--|-----------------------|
| ADDITIONS | | | | | |
| Contributions: | | | | | |
| Employer | \$ 49,923,146 | \$ 417,755 | \$ 221,616 | \$ 39,621 | \$ 50,602,138 |
| Plan members | <u>14,457,555</u> | <u>-</u> | <u>44,971</u> | <u>-</u> | <u>14,502,526</u> |
| Total contributions | <u>64,380,701</u> | <u>417,755</u> | <u>266,587</u> | <u>39,621</u> | <u>65,104,664</u> |
| Investment income: | | | | | |
| Net Appreciation in fair value of investments | 41,130,102 | - | 361,179 | - | 41,491,281 |
| Interests | 6,391,899 | - | - | - | 6,391,899 |
| Dividends | 5,657,651 | - | 90,398 | - | 5,748,049 |
| Other income | <u>25,372</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>25,372</u> |
| Total investment income | <u>53,205,024</u> | <u>-</u> | <u>451,577</u> | <u>-</u> | <u>53,656,601</u> |
| Less investment expense | <u>2,318,188</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>2,318,188</u> |
| Net investment income | <u>50,886,836</u> | <u>-</u> | <u>451,577</u> | <u>-</u> | <u>51,338,413</u> |
| Reimbursement income from City of Miami | <u>2,623,582</u> | <u>106,712</u> | <u>-</u> | <u>-</u> | <u>2,730,294</u> |
| Total Additions | <u>117,891,119</u> | <u>524,467</u> | <u>718,164</u> | <u>39,621</u> | <u>119,173,371</u> |
| DEDUCTIONS | | | | | |
| Benefit payments | 73,337,446 | 417,755 | 310,171 | 39,621 | 74,104,993 |
| Refunds of member contributions | 1,456,716 | - | - | - | 1,456,716 |
| Administrative and other expenses | <u>2,527,590</u> | <u>106,712</u> | <u>-</u> | <u>-</u> | <u>2,634,302</u> |
| Total Deductions | <u>77,321,752</u> | <u>524,467</u> | <u>310,171</u> | <u>39,621</u> | <u>78,196,011</u> |
| Change in net position | 40,569,367 | - | 407,993 | - | 40,977,360 |
| Net position - restricted for pension benefit, beginning of year | <u>733,864,555</u> | <u>-</u> | <u>4,406,610</u> | <u>-</u> | <u>738,271,165</u> |
| Net Position - restricted for pension benefit- end of year | <u>\$ 774,433,922</u> | <u>\$ -</u> | <u>\$ 4,814,603</u> | <u>\$ -</u> | <u>\$ 779,248,525</u> |

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

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
STATEMENT OF CHANGES IN PLAN NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

| | <u>GESE Trust</u> | <u>Excess Benefit Plan</u> | <u>Staff Plan</u> | <u>Staff Excess Benefit Plan</u> | <u>Total</u> |
|--|-----------------------|------------------------------------|-----------------------|--|-----------------------|
| ADDITIONS | | | | | |
| Contributions: | | | | | |
| Employer | \$ 43,526,929 | \$ 477,892 | \$ 232,280 | \$ 41,379 | \$ 44,278,480 |
| Plan members | <u>13,094,948</u> | <u>-</u> | <u>40,846</u> | <u>-</u> | <u>13,135,794</u> |
| Total contributions | <u>56,621,877</u> | <u>477,892</u> | <u>273,126</u> | <u>41,379</u> | <u>57,414,274</u> |
| Investment income: | | | | | |
| Net appreciation in fair value of investments | 36,404,396 | - | 83,149 | - | 36,487,545 |
| Interests | 7,165,903 | - | - | - | 7,165,903 |
| Dividends | 5,997,911 | - | 93,516 | - | 6,091,427 |
| Other income | <u>109,846</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>109,846</u> |
| Total investment income | <u>49,678,056</u> | <u>-</u> | <u>176,665</u> | <u>-</u> | <u>49,854,721</u> |
| Less investment expense | <u>2,296,127</u> | <u>-</u> | <u>10</u> | <u>-</u> | <u>2,296,137</u> |
| Net investment income | <u>47,381,929</u> | <u>-</u> | <u>176,655</u> | <u>-</u> | <u>47,558,584</u> |
| Reimbursement income from City of Miami | <u>2,551,358</u> | <u>103,477</u> | <u>-</u> | <u>-</u> | <u>2,654,835</u> |
| Total Additions | <u>106,555,164</u> | <u>581,369</u> | <u>449,781</u> | <u>41,379</u> | <u>107,627,693</u> |
| DEDUCTIONS | | | | | |
| Benefit payments | 72,810,575 | 477,892 | 305,180 | 41,379 | 73,635,026 |
| Refunds of member contributions | 1,797,989 | - | - | - | 1,797,989 |
| Administrative and other expenses | <u>2,611,943</u> | <u>103,477</u> | <u>-</u> | <u>-</u> | <u>2,715,420</u> |
| Total Deductions | <u>77,220,507</u> | <u>581,369</u> | <u>305,180</u> | <u>41,379</u> | <u>78,148,435</u> |
| Change in net position | 29,334,657 | - | 144,601 | - | 29,479,258 |
| Net Position - restricted for pension benefits - beginning of year | <u>704,529,898</u> | <u>-</u> | <u>4,262,009</u> | <u>-</u> | <u>708,791,907</u> |
| Net Position - restricted for pension benefits - end of year | <u>\$ 733,864,555</u> | <u>\$ -</u> | <u>\$4,406,610</u> | <u>\$ -</u> | <u>\$ 738,271,165</u> |

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

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019**

Note 1 - Summary of Significant Accounting Policies

Basis of Presentation

The financial statements of the City of Miami General Employees' and Sanitation Employees' Retirement Trust and Managed Trusts (the "Trusts") have been prepared in conformity with U.S. generally accepted accounting principles, Governmental Accounting Standards and the Trust Ordinance. The financial statements represent only the Trusts and are not intended to present the comprehensive financial position and results of operations of the City of Miami (the "City").

Basis of Accounting

The financial statements of the Trusts are prepared using the accrual basis of accounting. Trust member contributions are recognized in the period in which the contributions are due. City contributions are recognized when due pursuant to formal commitments rather than in the period in which employee services are performed. Benefits and refunds are recognized when due and payable in accordance with the terms of the plans.

Plan receivables generally are short term and consist of contributions due as of the reporting date from the employer(s), plan members, and other contributors, and interest and dividends on investments. Amounts recognized as receivables include those due pursuant to formal commitments as well as statutory or contractual requirements.

Recent Pronouncements Issued

The Governmental Accounting Standards Board ("GASB") has issued several pronouncements that have effective dates in the future that may impact future financial presentations.

GASB Statement No. 83, *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs. This Statement requires that recognition occur when the liability is both incurred and reasonably estimable. This Statement also requires disclosure of information about the nature of a government's AROs, the methods and assumptions used for the estimates of the liabilities, and the estimated remaining useful life of the associated tangible capital assets. The requirements of this Statement are effective for reporting periods beginning after June 15, 2019. Management has determined this statement has no effect on the Trusts' financial statements.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019**

Note 1 - Summary of Significant Accounting Policies (cont'd)

Recent Pronouncements Issued (cont'd)

GASB Statement No. 84, Fiduciary Activities. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The provisions of this Statement are effective for the financial reporting periods beginning after December 15, 2019. Management has determined this statement has no effect on the Trusts' financial statements.

GASB Statement No. 85, Omnibus 2017. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). The provisions of this Statement are effective for the financial reporting periods beginning after June 15, 2017. Management has fully implemented this statement.

GASB Statement No. 86, Certain Debt Extinguishment Issues. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. Management has determined this statement has no effect on the Trusts' financial statements.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019**

Note 1 - Summary of Significant Accounting Policies (cont'd)

Recent Pronouncements Issued (cont'd)

GASB Statement No. 87, Leases. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The provisions of this Statement are effective for the financial reporting periods beginning after December 15, 2019. Management has not currently determined what effect implementation of this statement may have on the Trusts' financial statements.

GASB Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements. This Statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established.

The requirements of this Statement will improve financial reporting by providing users of financial statements with essential information that currently is not consistently provided. In addition, information about resources to liquidate debt and the risks associated with changes in terms associated with debt will be disclosed. The provisions of this Statement are effective for the financial reporting periods beginning after June 15, 2018. Management has determined this statement has no effect on the Trusts' financial statements.

GASB Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. The provisions of this Statement are effective for the financial reporting periods beginning after December 15, 2020. Management has determined this statement has no effect on the Trusts' financial statements.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019**

Note 1 - Summary of Significant Accounting Policies (cont'd)

Recent Pronouncements Issued (cont'd)

GASB Statement No. 90, Majority Equity Interest – an amendment of GASB Statements No.14 and No. 61. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value.

This Statement also requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit. Transactions presented in flows statements of the component unit in that circumstance should include only transactions that occurred subsequent to the acquisition. The provisions of this Statement are effective for the financial reporting periods beginning after December 15, 2019. Management has determined this statement has no effect on the Trusts' financial statements.

GASB Statement No. 91, Conduit Debt Obligations. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2021. Earlier application is encouraged. Management has determined this statement has no effect on the Trusts' financial statements.

GASB Statement No. 92, Omnibus 2020. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions for multiple statements including Statement No. 87, Leases, and Implementation Guide No. 2019-3, Leases, Statement No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68, as amended, Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, and Statement No. 84, Fiduciary Activities.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019**

Note 1 - Summary of Significant Accounting Policies (cont'd)

Recent Pronouncements Issued (cont'd)

GASB Statement No. 92, *Omnibus 2020(cont'd)*. The effective date is June 15, 2021. Earlier application is encouraged and is permitted by topic. Management has not currently determined what effect implementation of this statement may have on the Trusts' financial statements.

GASB Statement No. 93, *Replacement of Interbank Offered Rates*. The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR) — most notably, the London Interbank Offered Rate (LIBOR).

The requirements of this Statement, except for specific paragraphs are effective for reporting periods beginning after June 15, 2020. The requirements of other noted paragraphs are effective for reporting periods ending after December 31, 2021 and for fiscal years periods beginning after June 15, 2021, and all reporting periods thereafter as specified. Earlier application is encouraged. Management has not currently determined what effect implementation of this statement may have on the Trusts' financial statements.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs).

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged. Management has not currently determined what effect implementation of this statement may have on the Trusts' financial statements.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments).

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged. Management has not currently determined what effect implementation of this statement may have on the Trusts' financial statements.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019**

Note 1 - Summary of Significant Accounting Policies (cont'd)

Recent Pronouncements Issued (cont'd)

GASB Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

Some of the requirements of this Statement are effective immediately and others are effective for fiscal years or reporting periods beginning after June 15, 2021. Earlier application is encouraged and is permitted by specific requirement prescribed. Management has not currently determined what effect implementation of this statement may have on the Trusts' financial statements.

Investments

Investments are reported at fair value based on quoted market prices and are managed by third party money managers. Purchases and sales of securities are reflected on a trade-date basis. Gain or loss on sales of securities is based on average cost for equity and debt securities. Interest and dividend income are recorded as earned on an accrual basis.

Cash

As required by Chapter 280.04, Florida Statutes, all deposits of the Trusts were held in institutions designated by the Treasurer of the State of Florida as "qualified public depositories" and were accordingly collateralized as required by that Statute. All deposits of the Trusts are considered fully insured for risk categorization purposes. As a result, deposits are not exposed to custodial credit risk.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019**

Note 1 - Summary of Significant Accounting Policies (cont'd)

Capital Assets

Capital assets are recorded at cost. Capital assets are defined as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of one year. Major capital improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets are depreciated using the straight-line method over the estimated useful life as follows:

| | |
|-----------------------------------|----------------|
| Buildings and improvements | 20 to 50 years |
| Improvements other than buildings | 10 to 30 years |
| Machinery and equipment | 3 to 20 years |

Investment, Administrative, and Other Expenses

Investment money manager fees are funded by investment income of the Trusts. All other costs of operating the Trusts, including investment advisor fees, are directly funded by reimbursement income from the City.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Risks and Uncertainties

The Trusts provide for investment options in any combination of stocks, bonds, fixed income securities, mutual funds, and other investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit risk. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term would materially affect balances and the amounts reported in the statements of net position and the statements of changes in net position.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019**

Note 2 - Plan Description

Plan Administration

The City of Miami General Employees' and Sanitation Employees' Retirement Trust administers four defined benefit pension plans ("collectively referred to as Trusts).

1. City of Miami General Employees' and Sanitation Employees' Retirement Trust (GESE Trust)
2. City of Miami General Employees' and Sanitation Employees' Excess Benefit Plan (Excess Benefit Plan)
3. City of Miami General Employees' and Sanitation Employees' Staff Pension Plan (Staff Plan)
4. City of Miami General Employees' and Sanitation Employees' Staff Excess Benefit Plan (Staff Excess Benefit Plan)

Each Plan's assets may be used only for the payment of benefits to the members of that Plan, in accordance with the terms of the Plans.

Additional general information about each Plan's characteristics and information about each Plan's participating members are described in Note 3.

Management of the Trusts is vested in its Board of Trustees, which consists of nine members, appointed by AFSCME Local 1907 (4 members) AFSCME Council 79, Local 871 (4 members), the City Commissioners and the City Manager.

City of Miami General Employees' and Sanitation Employees' Retirement Trust (GESE Trust)

The GESE Trust is a single employer defined benefit plan. The GESE Trust was established pursuant to the City of Miami Ordinance No. 10002 and subsequently revised under City of Miami Ordinance No. 12111. The City of Miami, Florida contributes such amounts as are necessary on an actuarial basis to provide the GESE Trust with assets sufficient to meet the benefits to be paid to the participants. Contributions to the GESE Trust are authorized pursuant to City of Miami Code Section 40-246 (a) and (b). A more detailed description of this plan and its provisions appears in the Ordinance constituting the GESE Trust and in the summary plan description.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019**

Note 2 - Plan Description (cont'd)

City of Miami General Employees' and Sanitation Employees' Retirement Trust (GESE Trust) (cont'd)

Contributions

Members contribute 10% of their base salaries or wages to the Plan. Contributions from the City are designed to fund the GESE Trust's non-investment expenses and normal costs and to fund the unfunded actuarial accrued liability. The return (interests, dividends, and net realized and unrealized gains and losses) on investments of the Trust serves to reduce or increase future contributions that would otherwise be required to provide for the defined level of benefits under the GESE Trust.

Eligibility

The GESE Trust covers all City of Miami general and sanitation employees except appointed officers and some employees in executive service and certain employees eligible to decline membership. Participation in the GESE Trust is a mandatory condition of employment for all regular and permanent employees other than firefighters, police officers and those eligible to decline membership, as defined by the Ordinance.

Retirement age and years of service

For members eligible for retirement on September 30, 2010, and members hired prior to October 1, 2010, (except members of AFSCME local 871), who retire on or after September 30, 2020, the normal retirement is age 55 and 10 or more years of continuous creditable service. Such members who had completed a combination of at least ten years of creditable service plus attained age equaling 70 points may elect a rule of 70 service retirement. Subsequent to September 30, 2010, for members not eligible to retire as of that date, the retirement age and service changed to age 55 and 30 years of creditable service or age 60 and 10 years of continuous creditable service or a combination of at least ten years of creditable service plus attained age equaling 80 points (Rule of 80).

Benefits

Generally, retirement benefits are based on 3% of the average final compensation multiplied by years of creditable service as of September 30, 2010 plus for service after September 30, 2010, 2.25% (2.5% for members of AFSCME, Local 871) of average final compensation multiplied by creditable service up to 15 years, 2.5% of average final compensation for 16 to 20 years of service and 2.75% for service over 20 years. For members eligible to retire on September 30, 2010 or members of AFSCME, Local 1907 hired prior to October 1, 2010, retirement benefits are based on 3.0% of the average final compensation multiplied by years of creditable service. Effective September 30, 2012, for members not eligible to retire on that date, member annual retirement allowances shall not exceed \$80,000. Any member who has accrued a benefit in excess of the maximum benefit as of September 30, 2012 will retain that benefit but will not accrue any additional benefit. Early retirement, disability, death and other benefits are also provided as defined in City of Miami Ordinance No. 12111. Pension benefits are paid annually in monthly installments.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019**

Note 2 - Plan Description (cont'd)

City of Miami General Employees' and Sanitation Employees' Retirement Trust (GESE Trust) (cont'd)

Accumulated Leave

Members eligible to receive accumulated sick and vacation leave from the City are able to transfer the amount to an eligible retirement plan. The GESE Trust facilitates the transfer of the accumulated sick and vacation leave to any eligible retirement plan and is pursuant to City of Miami Code Section 40-266.

Cost of Living Adjustment (COLA)

Effective October 1, 1998, the plan document was amended to provide for an increase in the COLA paid to retirees to 4% with a \$400 annual maximum increase, provided the retiree's first anniversary of retirement has been reached. The amendment also provided for retirees electing the return of contribution option to receive a minimum COLA benefit of twenty-seven dollars per year and a maximum COLA benefit of two hundred dollars added to the previous COLA benefit, provided the retiree's first anniversary of retirement has been reached.

Deferred Retirement Option Program (DROP)

The DROP is available to GESE Trust members eligible for normal retirement as of January 1, 2013 or vested as October 1, 2010. The DROP is not available to any other GESE Trust member. The DROP is an enhancement to the GESE Trust that can provide a member with another way to save for retirement. It allows a participant to receive pension payments by depositing in the DROP program while continuing to work and receive pay and benefits as an active employee. At the end of the DROP period, when the participant is officially required to retire, the participant receives monthly pension payments based on the years of service and salary at the time that the participant enrolled in the DROP. The participant may receive the accumulated DROP account balance after withdrawing from the DROP. The DROP monies can be rolled over into a separate tax-qualified plan such as an Individual Retirement Account (IRA) or 457(b) government sponsored deferred compensation plan.

DROP pension payments for the years ended September 30, 2020 and 2019 amounted to \$1,533,210 and \$1,230,869, respectively and is included in benefits in the statement of changes in plan net position.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019**

Note 2 - Plan Description (cont'd)

City of Miami General Employees' and Sanitation Employees' Retirement Trust (GESE Trust) (cont'd)

BACKDROP Option (BACKDROP)

The BACKDROP is available to all GESE Trust members effective January 1, 2013. Under the BACKDROP option a member can receive a lump sum payment in addition to a monthly pension annuity. The employee chooses to take a BACKDROP at the end of his employment with the City as long as he or she BACKDROPS to any date after he/she reaches the Normal Retirement date. If the member elects the BACKDROP option, the monthly benefit payable on the member's actual retirement date (when the member leaves City employment) is based on the benefit the member would have received had he or she left employment and retired on an earlier Normal Retirement date, referred to as the BACKDROP date. In addition, the member will receive a lump sum payment equal to the accumulation of annuity payments he or she would have received during the BACKDROP period had he or she elected to receive immediate pension annuity payments starting as of the BACKDROP date. Annuity payments would be accumulated at the rate of 3% per year, compounded annually. The member's BACKDROP date can be any date after his or her Normal Retirement Date and the BACKDROP period can be as little as one year and as long as 7 years. If the member does not elect a BACKDROP benefit option, his or her monthly retirement benefit will be calculated using his or her final average final compensation and creditable service as of the member's actual employment termination date.

The participant may receive the accumulated BACKDROP account balance upon electing the BACKDROP and at the end of his or her employment. The BACKDROP monies can be rolled over into a separate tax-qualified plan such as an Individual Retirement Account (IRA) or 457(b) government sponsored deferred compensation plan. BACKDROP Pension payments for the year ended 2020 and 2019 amounted to \$245,419 and \$95,154, respectively.

City of Miami General Employees' and Sanitation Employees' Excess Benefit Plan (Excess Benefit Plan)

In July 2000, the City of Miami Commission, pursuant to applicable Internal Revenue Code provisions, established a single-employer qualified governmental excess benefit plan to continue to cover the difference between the allowable pension to be paid and the amount of the defined benefit so the benefits for eligible members are not diminished by changes in the Internal Revenue Code. The Board of Trustees of the GESE Trust administers the Excess Benefit Plan.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019**

Note 2 - Plan Description (cont'd)

City of Miami General Employees' and Sanitation Employees' Excess Benefit Plan (Excess Benefit Plan) (cont'd)

The payment of the City's contribution of excess retirement benefits for eligible members of the Trust above the limits permitted by the Internal Revenue Code is:

- a. funded from the City's General Fund,
- b. paid annually concurrently with the City's annual contribution to normal pension costs which causes the City to realize a reduction in normal pension costs, and
- c. deposited in a separate account established specifically for the GESE Trust to receive the City's excess retirement benefit contributions. This account is separate and apart from the accounts established to receive the City's normal pension contributions for the GESE Trust.

City of Miami General Employees' and Sanitation Employees' Retirement Trust Staff Pension Plan (Staff Plan)

The Staff Plan is a single employer defined benefit plan to which member employees of the plan contribute 10% of their base salaries or wages. The Staff Plan was established by the rule making authority of the GESE Trust, pursuant to Chapter 40 of the Miami City Code. The City is to contribute such amounts as are necessary on an actuarial basis to provide the Staff Plan with assets sufficient to meet the benefits to be paid to the participants. A more detailed description of these plans and their provisions appears in the summary plan description.

Contributions

Members contribute 10% of compensation to the plan. Contributions from the City are designed to fund the Staff Plan's non-investment expenses and normal costs and to fund the unfunded actuarial accrued liability. The Staff Plan's administrative and other expenses are funded through reimbursements from the GESE Trust. The yield (interests, dividends, and net realized and unrealized gains and losses) on investments of the Staff Plan serves to reduce or increase future contributions that would otherwise be required to provide for the defined level of benefits under the Staff Plan.

Eligibility

The Staff Plan covers all administrative full-time employees and other positions as may be named by the Board of Trustees. Participation in the Staff Trust is a mandatory condition of employment for all full-time employees as defined by the plan document.

Retirement Age and years of service

Any member who has 10 or more years of continuous creditable service may elect to retire, regardless of age.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019**

Note 2 - Plan Description (cont'd)

City of Miami General Employees' and Sanitation Employees' Retirement Trust Staff Pension Plan (Staff Plan) (cont'd)

Benefits

Retirement benefits are generally based on 3.0% of the average final compensation multiplied by years of creditable service, which is paid annually in monthly installments.

Cost of Living Adjustments (COLA)

Effective October 1, 2016 the Staff Plan approved a cost of living adjustment equal to 4% of the total benefit with minimum increases of \$54 per year and maximum increases of \$400 per year deferred five years from date of retirement of DROP entry date.

Staff Excess Benefit Plan

The original effective date is May 25, 2001. The plan was established to fund the excess, if any, of the benefit earned under the GESE Staff Plan without taking into account the Internal Revenue Code (IRC) Section 415 limits. Membership consists of members of the GESE Trust Staff Plan who exceed the maximum benefit. There are no member contributions or plan assets.

Note 3 - Plan Participation

The Trust's membership is summarized below. The total is based on an actuarial valuation as of October 1, 2019 and is applied to the measurement date of October 1, 2020.

| | 2019 | | | | |
|---|--------------|--------------|---------------|---------------------|--------------|
| | <u>GESE</u> | <u>Staff</u> | <u>Excess</u> | <u>Staff Excess</u> | <u>Total</u> |
| Active Members | 1,972 | 6 | - | - | 1,978 |
| Inactive Members (not yet receiving retirement benefit) | 239 | 1 | - | - | 240 |
| Deferred Vested Members | 38 | - | - | - | 38 |
| Retired Members: | | | | | |
| Non-disabled | 1,482 | 7 | 28 | 1 | 1,518 |
| Disabled | 51 | - | - | - | 51 |
| Beneficiaries (receiving benefits) | <u>387</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>387</u> |
| Subtotal | <u>1,920</u> | <u>7</u> | <u>28</u> | <u>1</u> | <u>1,956</u> |
| Total Members | <u>4,169</u> | <u>14</u> | <u>28</u> | <u>1</u> | <u>4,212</u> |

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019**

Note 3 - Plan Participation (cont'd)

The Trust's membership for fiscal year 2019 is summarized below. The total was based on an actuarial valuation as of October 1, 2018 and is applied to the measurement date of October 1, 2019.

| | 2018 | | | | |
|---|--------------|--------------|---------------|---------------------|--------------|
| | <u>GESE</u> | <u>Staff</u> | <u>Excess</u> | <u>Staff Excess</u> | <u>Total</u> |
| Active Members | 1,959 | 5 | - | - | 1,964 |
| Inactive Members (not yet receiving retirement benefit) | 226 | 1 | - | - | 227 |
| Deferred Vested Members | 36 | - | - | - | 36 |
| Retired Members: | | | | | |
| Non-disabled | 1,509 | 7 | 33 | 1 | 1,550 |
| Disabled | 50 | - | - | - | 50 |
| Beneficiaries (receiving benefits) | <u>388</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>388</u> |
| Subtotal | <u>1,947</u> | <u>7</u> | <u>33</u> | <u>1</u> | <u>1,988</u> |
| Total Members | <u>4,168</u> | <u>13</u> | <u>33</u> | <u>1</u> | <u>4,215</u> |

Note 4 - Actuarial Methods, Assumptions and Benefit Changes

Plan's Actuarial Assumptions

The actuarial assumptions utilized in developing the total plan liability (TPL) are summarized below. The total pension liability was determined based on an actuarial valuation as of October 1, 2019, using the following actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of October 1, 2020.

| | |
|---------------------------------------|---|
| Inflation | 2.5 percent |
| Salary increases, including inflation | GESE Plan – 4 percent to 8.75 percent Staff Plan – 6 percent Excess Plan – 4 percent – 8.75 percent |
| Investment rate of return | GESE and Staff Plans – 7.45% per year, net of pension plan investment expenses and including inflation. Excess plan – Not applicable. The plan has no assets for investment. |

The rates of mortality are according to the following mortality tables.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019**

Note 4 - Actuarial Methods, Assumptions and Benefit Changes (cont'd)

GESE, Excess, and Staff Plans

• **Pre-Retirement Mortality**

Female: PUB-2010 Headcount Weighted General Below Median Employee Female Table.

Male: PUB-2010 Headcount Weighted General Below Median Employee Male Table,
set back 1 year Projection Scale: MP-2018

• **Post-Retirement Healthy Mortality**

Female: PUB-2010 Headcount Weighted General Below Median Healthy Retiree Female
Table.

Male: PUB-2010 Headcount Weighted General Below Median Healthy Retiree Male
Table, set back 1 year Projection Scale: MP-2018

• **Post-Retirement Disabled Mortality**

Female: PUB-2010 Headcount Weighted General Below Median Disabled Retiree Female
Table, set forward 3 years.

Male: PUB-2010 Headcount Weighted General Below Median Disabled Retiree Male
Table, set forward 3 years Projection Scale: MP-2018

Discount rate

The discount rate used to measure the total pension liability was 7.45% for the GESE and Staff plans. The discount rate at the beginning of the measurement period was 7.60%. For the Excess plan the discount rate used to measure the total pension liability was 2.21%. Since the Excess plan has no assets, there are no assets available to make projected future benefit payments of current plan members. Therefore, the applicable municipal bond index rate of 2.21%, based on the Bond Buyer General Obligation 20-year Municipal Bond Index as of September 30, 2020, was applied to all periods of projected benefit payments. As a result, the Single Equivalent Interest Rate (SEIR) is also 2.21%. The SEIR at the beginning of the measurement period was 2.81% based on the applicable municipal bond index rate of 2.81% as of September 30, 2019, applied to all periods of projected benefit payments.

Projected cash flows

The projection of cash flows used to determine the discount rate assumed that member contributions will be made, and the employer contributions will be made in accordance with the City of Miami Ordinance and Florida Statutes.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019**

Note 4 - Actuarial Methods, Assumptions and Benefit Changes (cont'd)

Municipal bond rate

The discount rate for the Excess Plan uses municipal bond rated of 2.21% as of the measurement date and 2.81% at the beginning of the measurement period.

Long term rate of return

The long term expected rate of return on GESE and the Staff Plans investments was determined using a long-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of Retirement Trust 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. The Excess Plan has no assets therefore the long-term rate of return is not applicable.

Periods of projected benefit payments

Projected future benefit payments for all current plan members were projected through 2130 for the GESE and Staff Plans. We did not prepare a projection of benefit payments for the Excess Plan since the plan has no assets to make projected benefit payments and the municipal bond rate is the applicable discount rate for all periods.

Changes of benefit terms

The following changes effective October 1, 2019 for the GESE Plan:

- Effective October 1, 2018 the following positions shall be eligible for participation in the GESE plan or the Trust Fund for Appointed Officers and Employees in Executive Service under City ordinance 40-351: City Attorney, Chief Deputy City Attorney, Deputy City Attorney and Assistant City Attorney; and persons employed in these positions on or after June 1, 2019 may elect to participate in either plan.
- For members who retire on or after October 1, 2018, except members of the AFSCME Local 871 bargaining unit, compensation shall include a retroactive 5% salary increase for the member's one year salary.
- For non-bargaining members, hired before October 1, 2010, retirement eligibility at age 55 with 10 years of service or Rule of 70 is restored for retirements on or after September 30, 2020. The benefit multiplier is restored to 3% per year of service.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019**

Note 4 - Actuarial Methods, Assumptions and Benefit Changes (cont'd)

Changes of assumption

- Updated mortality to comply with Florida Statute 112.63(1)(f). The mortality tables adopted are listed below:

Pre-Retirement Mortality

Female: PUB-2010 Headcount Weighted General Below Median Employee Female Table.

Male: PUB-2010 Headcount Weighted General Below Median Employee Male Table, set back 1 year Projection Scale: MP-2018

Post-Retirement Healthy Mortality

Female: PUB-2010 Headcount Weighted General Below Median Healthy Retiree Female Table.

Male: PUB-2010 Headcount Weighted General Below Median Healthy Retiree Male Table, set back 1 year Projection Scale: MP-2018

Post-Retirement Disabled Mortality

Female: PUB-2010 Headcount Weighted General Disabled Retiree Female Table, set forward 3 years.

Male: PUB-2010 Headcount Weighted General Disabled Retiree Male Table, set forward 3 years Projection Scale: MP-2018

- Additionally, the discount rate used to measure the TPL for the GESE plan decreased from 7.6% to 7.45%.
- Additionally, the discount rate used to measure the TPL for the Excess plan decreased from 2.81% to 2.21%.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019**

Note 5 - Plan's Assumed Asset Allocations

The target asset allocation and best estimates of arithmetic rates of return, including inflation, for each major asset class as provided by the Retirement Trust's investment consultant and are summarized in the following table.

| | Asset Class | Target Allocation | Long-Term Expected Rate of Return, Including Inflation |
|---------------------------|-----------------------|-------------------|--|
| GESE | Large Cap Core Stocks | 48.00% | 8.40% |
| | Small Stocks | 9.00% | 9.25% |
| | International Stocks | 10.00% | 8.75% |
| | Real Estate | 0.00% | 0.00% |
| | Core Bonds | 30.00% | 5.00% |
| | Cash | 3.00% | 2.10% |
| | Total | 100.00% | |
| Staff Pension Plan | Large Cap Core Stocks | 48.00% | 8.40% |
| | Small Stocks | 9.00% | 9.25% |
| | International Stocks | 10.00% | 8.75% |
| | Core Bonds | 30.00% | 5.00% |
| | Cash | 3.00% | 2.10% |
| | Total | 100.00% | |

- The Excess Plan has no assets.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019**

Note 6 - Plan's Fiduciary Net Position

The Plan's fiduciary net positions are provided in the following table.

Fiscal Year End September 30, 2020

| | GESE | Staff Benefit Plan | Excess Benefit Plan |
|--|-----------------------|-----------------------|------------------------|
| Total pension liability | \$ 1,104,035,020 | \$ 5,735,707 | \$ 7,407,128 |
| Plan net position | <u>774,433,922</u> | <u>4,814,603</u> | <u>-</u> |
| Net pension liability | <u>\$ 329,601,098</u> | <u>\$ 921,104</u> | <u>\$ 7,407,128</u> |
| Ratio of plan net position to total liability | 70.15% | 83.94% | 0.00% |
| Covered employee payroll | <u>\$ 122,643,648</u> | <u>\$ 387,761</u> | <u>\$ 122,643,648</u> |
| Net pension liability as a percentage of covered employee payroll | 268.75% | 237.54% | 6.04% |

Fiscal Year End September 30, 2019

| | GESE | Staff Benefit Plan | Excess Benefit Plan |
|--|-----------------------|-----------------------|------------------------|
| Total pension liability | \$ 1,054,074,679 | \$ 5,418,674 | \$ 8,225,157 |
| Plan net position | <u>733,864,555</u> | <u>4,406,610</u> | <u>-</u> |
| Net pension liability | <u>\$ 320,210,124</u> | <u>\$ 1,012,064</u> | <u>\$ 8,225,157</u> |
| Ratio of plan net position to total liability | 69.62% | 81.32% | 0.00% |
| Covered employee payroll | <u>\$ 111,004,019</u> | <u>\$ 320,720</u> | <u>\$ 111,004,019</u> |
| Net pension liability as a percentage of covered employee payroll | 288.47% | 315.56% | 7.41% |

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019**

Note 7 - Sensitivity of the Net Position Liability

This table discloses the sensitivity of the net pension liability (NPL) to changes in the discount rate. The following represents the net pension liability of the GESE and Staff Plans, calculated under the current assumption using the discount rate of 7.45%, for fiscal year 2020, as well as what the plans' net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.45%) or 1-percentage-point higher (8.45%) than the current rate. For fiscal year ended September 30, 2019, the NPL for GESE and Staff Plans are presented at a discount rate of 7.60%. For the Excess Plan the NPL is presented at the discount rate of 2.21%, as well as at 1.21% and 3.21% for the fiscal year ended September 30, 2020 and at the discount rate of 2.81%, as well as at 1.81% and 3.81% Plan for the fiscal year ended September 30, 2019.

Fiscal Year End September 30, 2020

| Net Pension Liability | 1% Decrease | Current Assumption | 1% Increase |
|-----------------------|----------------|--------------------|----------------|
| GESE | \$ 445,344,570 | \$ 329,601,098 | \$ 231,788,922 |
| STAFF | 1,744,083 | 921,104 | 264,403 |
| EXCESS | 8,619,039 | 7,407,128 | 6,453,982 |

Fiscal Year End September 30, 2019

| Net Pension Liability | 1% Decrease | Current Assumption | 1% Increase |
|-----------------------|----------------|--------------------|----------------|
| GESE | \$ 432,474,070 | \$ 320,210,124 | \$ 225,594,937 |
| STAFF | 1,788,447 | 1,012,064 | 393,660 |
| EXCESS | 9,548,228 | 8,225,157 | 7,182,775 |

Note 8 - Contributions

The Trusts' funding policies provide for periodic contributions at actuarially determined rates that are sufficient to maintain the actuarial soundness of the Trusts and to accumulate sufficient assets to pay benefits when due. Contributions are determined using the individual entry age normal cost method.

Prior to October 1, 1997, the amortization payments were paid in accordance with Schedule B of Attachment E of the Gates Agreement. This agreement originally provided for a series of increasing scheduled amortization payments through the year 2007. As of October 1, 1997, the Gates Agreement was amended, and the payment schedule was discontinued. The unfunded actuarial accrued liability as of October 1, 1997 after the amendment was zero.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019**

Note 8 - Contributions (cont'd)

Beginning with the October 1, 2011, actuarial valuation of changes in the unfunded accrued liability under the GESE Trust are amortized over a 15-year period for benefit changes for retirees and 20-year period for all other changes, as a level percent of pay. To determine the Actuarially Determined Employer Contribution for the Excess Benefit Plan, the amortization of the unfunded accrued liability is over a 30-year period from October 1, 2000, as a level dollar amount. For the Staff Plan, the following amortization periods apply all payments as level dollar amounts:

| | |
|-----------------------------------|----------|
| Benefit improvements for actives | 20 years |
| Benefit improvements for retirees | 15 years |
| Actuarial gain/loss | 15 years |
| Change in assumptions and methods | 20 years |

GESE Trust

The City is required to contribute an actuarially determined amount that, when combined with participants' contributions, will fully provide for all benefits as they become payable. The contributions for fiscal years 2020 and 2019 were determined through actuarial valuations performed as of October 1, 2018 and 2017, respectively. The City's actuarially determined contribution requirement and actual contribution made was \$49,923,146 and \$43,526,929 consisting of (a) \$6,229,786 and \$3,774,527 normal cost, (b) \$43,693,360 and \$39,752,402 amortization of the unfunded actuarial accrued liability and (c) \$0 interest adjustment both years, respectively. The members contributed \$14,457,555 and \$13,094,948 for the years ended September 30, 2020 and 2019, respectively.

Excess Benefit Plan

The Excess Benefit Plan is an unfunded plan and the City is required to contribute amounts as benefits become payable. An actuarial valuation is performed as of October 1, 2019 and 2018 respectively. The City's actuarially determined contribution requirement of \$572,194 and \$631,547 consisted of (a) \$0 normal cost for both years, (b) \$572,194 and \$631,547 amortization of the unfunded actuarial accrued liability and (c) \$0 interest adjustment for the years ended September 30, 2020 and 2019, respectively. The City's actual contributions were \$417,755 and \$477,892 as benefits became due for the years ended September 30, 2020 and 2019 respectively.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019**

Note 8 - Contributions (cont'd)

Staff Plan

The City is required to contribute an actuarially determined amount that, when combined with participants' contributions, will fully provide for all benefits as they become payable. The City contributions for fiscal year 2020 and 2019 were determined through actuarial valuations performed as of October 1, 2018 and 2017, respectively. The City's actuarially determined contribution requirement was \$221,616 and \$232,280 consisting of (a) \$50,712 and \$41,349 normal cost, (b) \$170,904 and \$190,931 amortization of the unfunded actuarial accrued liability and (c) \$0 interest adjustment for the years ended September 30, 2020 and 2019, respectively. The City's actual contributions were \$221,616 and \$232,280, for the years ended September 30, 2020 and 2019, respectively. The members contributed \$44,971 and \$40,846 for the years ended September 30, 2020 and 2019, respectively.

The following actuarial methods and assumptions were used to determine contribution rates as of the October 1, 2019 actuarial valuations of the GESE pension plans:

| GESE | |
|--|---|
| Actuarial cost method: | Entry Age Normal |
| Amortization method: | Level percent, closed |
| Remaining amortization period: | 3 to 20 years |
| Equivalent single amortization period: | 10 years |
| Asset valuation method: | 5-year smoothed market |
| Actuarial assumptions: | |
| Investment rate of return* | 7.60% |
| Projected salary increases* | 4.00% to 8.75%, including 3.5% wage inflation |
| Payroll Growth | 3.00% |
| *Includes inflation at | 2.50% |
| Cost of living adjustments | 4% per year, with \$54 per year minimum and \$400 per year maximum. |

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019**

Note 8 - Contributions (cont'd)

Staff Plan (cont'd)

| Staff Pension Plan | |
|--|---|
| Actuarial cost method: | Entry Age Normal |
| Amortization method: | Level dollar amounts, closed |
| Remaining amortization period: | 1 to 17 years |
| Equivalent single amortization period: | 10 years |
| Asset valuation method: | 3-year smoothed market |
| Actuarial assumptions: | |
| Investment rate of return* | 7.60% |
| Projected salary increases* | 6.00%, including 3.5% wage inflation |
| *Includes inflation at | 2.50% |
| Cost of living adjustments | 4% per year, with \$54 per year minimum and \$400 per year maximum. |

| Excess Benefit Plan | |
|--------------------------------|---|
| Actuarial cost method: | Entry Age Normal |
| Amortization method: | Level Dollar, closed |
| Remaining amortization period: | 11 years |
| Asset valuation method: | Not applicable |
| Actuarial assumptions: | |
| Investment rate of return* | 7.60% |
| Projected salary increases* | 4.00% to 8.75%, including 3.5% wage inflation |
| *Includes inflation at | 2.50% |

Note 9 - Investments

Fair values of investments are determined as follows: securities traded on a national securities exchange are valued at the last reported sales price on the last business day of the fiscal year; securities traded in the over-the-counter market and listed securities for which no sale was reported on that date are valued at the last reported bid price; commercial paper, certificates of deposit and short-term investment pools are valued at carrying value.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019**

Note 9 - Investments (cont'd)

Investment Policy

The investment policy, approved by the Board of Trustees for the GESE Trust, was effective September 10, 1999 and most recently amended on January 26, 2018. The investment policy, approved by the Board of Trustees for the Staff Plan, was effective April 27, 2001 and was most recently amended on January 26, 2018. The investment policies are reviewed by the Board of Trustees annually. Compliance with the investment policy is monitored by the investment consultant. This policy stipulates the following long-range asset allocation, measured at fair value, at the end of each quarter:

| | GESE Trust | | | Staff Plan | | |
|-----------------------|----------------|---------------|----------------|----------------|---------------|----------------|
| | <u>Minimum</u> | <u>Target</u> | <u>Maximum</u> | <u>Minimum</u> | <u>Target</u> | <u>Maximum</u> |
| U.S. large cap equity | 30% | 48% | 60% | 30% | 48% | 60% |
| U.S. small cap equity | 0% | 9% | 15% | 0% | 9% | 15% |
| International equity | 0% | 10% | 15% | 0% | 10% | 15% |
| U.S. fixed income | 20% | 30% | 50% | 20% | 30% | 50% |
| Real estate | 0% | 0% | 10% | 0% | 0% | 0% |
| Cash and other | 0% | 3% | 10% | 0% | 3% | 10% |

The allocation of each Trust's total assets is permitted to vary within the allowable ranges. Because shifts in asset allocation occur as a result of different asset classes performing at different rates, the Board of Trustees monitors the asset allocation shifts caused by performance each quarter and is responsible for shifting assets among the classes to keep the overall allocation within allowable ranges.

Each Trust's general investment objectives are to achieve the following over rolling three-year periods without undue risk:

- Rates of return that equal or exceed the Trust's actuarial interest assumption rate.
- Performance results that rank in the top half of the investment consultant's universe database.

The investment policy states that individual investments in the securities of a single issue cannot exceed 7% at market of the value of the funds available for investment for the GESE Trust. For equity securities, investments in any single industry cannot exceed the greater of three times the index holding or 10% of the total value of the portfolio. For fixed income securities, excluding U.S. Government or agency securities, investments in any single industry cannot exceed 25% for the GESE Trust and 20% for the Staff Plan at market of the total value of the portfolio. For the GESE Trust, average duration of the fixed income securities should be in a range of three to ten years.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019**

Note 9 - Investments (cont'd)

Investment Policy (cont'd)

Prohibited direct investments include short sales, margin purchases, investments used to leverage the portfolio, private or direct placement of letter stock, commodities contracts, unattached warrants, and derivatives, issues related to the investment managers and restricted stock, and debt to equity exchanges. The Staff Plan policy further prohibits illiquid investments, Eurodollar securities, and foreign credits.

Investments for the GESE Trust and Staff Plan, as of September 30, 2020 and 2019, were as follows:

| | 2020 | | |
|---------------------------------------|--------------------------|--------------------------|--------------------------------|
| | <u>GESE Trust</u> | <u>Staff Plan</u> | <u>Total Fair Value</u> |
| U.S. Government and Agency Securities | \$ 106,776,095 | \$ - | \$ 106,776,095 |
| Corporate Stocks | 527,845,417 | 3,535,559 | 531,380,976 |
| Corporate Bonds | 100,181,674 | 1,238,783 | 101,420,457 |
| Real Estate Fund | - | - | - |
| Money Market Fund | <u>36,911,071</u> | <u>-</u> | <u>39,911,071</u> |
| Total Investments | <u>\$ 771,714,257</u> | <u>\$ 4,774,342</u> | <u>\$ 776,488,599</u> |
| | 2019 | | |
| | <u>GESE Trust</u> | <u>Staff Plan</u> | <u>Total Fair Value</u> |
| U.S. Government and Agency Securities | \$ 109,033,726 | \$ - | \$ 109,033,706 |
| Corporate Stocks | 507,320,337 | 3,200,193 | 510,520,530 |
| Corporate Bonds | 91,567,941 | 1,137,601 | 92,705,542 |
| Real Estate Funds | - | - | - |
| Money Market Fund | <u>24,162,655</u> | <u>-</u> | <u>24,162,655</u> |
| Total Investments | <u>\$ 732,084,659</u> | <u>\$ 4,337,794</u> | <u>\$ 736,422,453</u> |

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019**

Note 9 - Investments (cont'd)

Fixed Income Security Investment Risk

The Board of Trustees has engaged outside investment professionals to manage the assets of the Trusts. Four firms, registered with the Securities Exchange Commission as investment advisors, manage the fixed income assets of the Trusts. These managers are required to invest funds in accordance with the Investment Policy Statement approved by the Board of Trustees. The Custodian is responsible for the activity and safekeeping of the investment assets. The Trusts are potentially exposed to various types of Investment risk including credit risk, custodial credit risk, concentration of credit risk, interest rate risk and foreign currency risk. Custodial credit risk is defined as the risk that the Trusts may not recover cash and investments held by another party in the event of financial failure. Concentration of credit risk is defined as the risk of loss attributed to the magnitude of an investment in a single issuer. Credit risk is the risk that a debt issuer will not fulfill its obligations. Interest rate risk is the risk that changes in interest rates will adversely affect fair value of an investment in debt securities. Generally, the longer the time to maturity, the greater the exposure to interest rate risk. Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The following is a detailed discussion of the investment risks by the Trust.

GESE Trust Investment Risk

Custodial Risk

The GESE Trust utilizes an independent custodial safekeeping agent for its investment activity. Custodial credit risk is limited since its investments are held in independent custodial safekeeping accounts, external investment pools and/or open-end mutual funds (SSGA Government STIF). All cash in each money manager's portfolio is swept into this STIF account on a daily basis.

Concentration of Credit Risk

GASB states that the GESE Trust should provide information about the concentration of credit risk associated with its investments by disclosing investments in any one issuer that represents 5% or more of total investments.

The GESE Trust utilizes limitations on securities of a single issuer or industry to manage this risk. The GESE Trust Investment Policy requires that corporate bond issues must be diversified by industry and in number so that no investment in the securities of a single issue shall exceed 7% (at market) of the value of the portfolio. Single industry weightings can only be held up to a maximum of 25%, except US Government and agency securities.

Investments issued or explicitly guaranteed by the U.S. Government and investments in mutual funds, external investment pools and other pooled investments are not subject to concentration of credit risk. At September 30, 2020, the GESE Trust did not have any positions with corporate issuers greater than 5%.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019**

Note 9 - Investments (cont'd)

GESE Trust Investment Risk

Credit Risk

The GESE Trust utilizes portfolio diversification in order to limit this risk as well as limiting investments to the highest rated securities as rated by nationally recognized rating agencies. The GESE Trust's Investment Policy limits credit risk by requiring fixed income securities to be rated by Moody's/S&P as a Baa3/BBB - or better. However, a maximum of 20% of each manager's portfolio may be invested in high yield securities rated by Moody's/S&P as a Caa/CCC or better.

The following table displays Moody's ratings and the fair value of the total fixed income portfolio invested in that rating (amounts are in thousands).

| Moody's Rating | 2020 | | 2019 | |
|--------------------------|----------------------------|----------------|----------------------------|----------------|
| | Fair Value (\$'000) | Percent | Fair Value (\$'000) | Percent |
| Treasury Bonds | \$ 10,379 | 4.89% | \$ 12,395 | 6.09% |
| Treasury Notes | 28,372 | 13.37% | 43,378 | 21.31% |
| Treasury Bills | 6,926 | 3.26% | - | 0.00% |
| Agency (Aaa) | 21,180 | 9.98% | 9,874 | 4.85% |
| Agency (Ba) | 619 | 0.29% | - | 0.00% |
| Other Government (A) | 415 | 0.20% | 394 | 0.19% |
| Asset-Backed (Aaa) | 1,690 | 0.80% | 2,900 | 1.42% |
| Asset-Backed (Aa) | 480 | 0.23% | 490 | 0.24% |
| Asset-Backed (A) | 184 | 0.09% | - | 0.00% |
| Asset-Backed (Not Rated) | 666 | 0.31% | 688 | 0.34% |
| CMBS (Aaa) | 2,721 | 1.28% | 3,664 | 1.80% |
| CMBS (Aa) | 286 | 0.13% | 316 | 0.16% |
| CMBS (A) | - | 0.00% | - | 0.00% |
| CMBS (Not Rated) | 1,197 | 0.56% | 1,285 | 0.63% |
| FHLMC Mortgage (Aaa) | 15,806 | 7.45% | 16,387 | 8.06% |
| FNMA Mortgage (Aaa) | 20,611 | 9.71% | 22,134 | 10.87% |
| GNMA Mortgage (Aaa) | 2,872 | 1.35% | 3,365 | 1.65% |
| CORPORATE (Aaa) | 538 | 0.25% | 460 | 0.23% |
| CORPORATE (Aa) | 7,892 | 3.72% | 8,263 | 4.06% |
| CORPORATE (A) | 58,177 | 27.40% | 55,915 | 27.47% |
| CORPORATE (Baa) | 26,373 | 12.42% | 19,457 | 9.56% |
| CORPORATE (Ba) | 1,497 | 0.71% | 441 | 0.22% |
| CORPORATE (B) | - | 0.00% | - | 0.00% |
| CORPORATE (Not Rated) | 142 | 0.07% | - | 0.00% |
| Cash (Money Market) | <u>3,255</u> | <u>1.53%</u> | <u>1,735</u> | <u>0.85%</u> |
| Total | <u>\$ 212,278</u> | <u>100.0%</u> | <u>\$ 203,541</u> | <u>100.0%</u> |

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019**

Note 9 - Investments (cont'd)

GESE Trust Investment Risk (cont'd)

Interest Rate Risk

The GESE Trust limits the maturities of investments to control this risk. The GESE Trust Investment Policy requires that the average duration of the fixed income asset class be targeted within a range of three to ten years. In addition, each manager is expected to keep its duration at +/-18 months of the benchmark duration. At September 30, 2020 the following summarizes the fair value and duration of the securities for each investment type (amounts are in the thousands).

| Investment Type | 2020 | | 2019 | |
|----------------------------|----------------------------|---------------------------|----------------------------|---------------------------|
| | Fair Value (\$'000) | Effective Duration | Fair Value (\$'000) | Effective Duration |
| Treasury Bonds | \$ 10,379 | 22.98 | \$ 12,395 | 20.12 |
| Treasury Notes | 28,372 | 4.69 | 43,378 | 4.90 |
| Treasury Bills | 6,926 | .40 | 0 | 0 |
| Agency | 21,799 | 0.36 | 9,874 | 0.24 |
| Other Government | 415 | 12.01 | 394 | 12.12 |
| Asset Backed | 3,020 | 2.14 | 4,078 | 0.80 |
| CMBS | 4,204 | 3.13 | 5,265 | 4.40 |
| FHLMC | 15,806 | 2.56 | 16,387 | 2.98 |
| FNMA | 20,611 | 2.41 | 22,134 | 3.16 |
| GNMA | 2,872 | 0.96 | 3,365 | 1.83 |
| Corporate-Bank | 28,645 | 3.46 | 24,311 | 1.53 |
| Corporate-Finance | 13,004 | 6.71 | 20,175 | 3.90 |
| Corporate-Industrial | 39,233 | 8.08 | 31,729 | 5.10 |
| Corporate-Transportation | 2,893 | 11.09 | 2,234 | 5.89 |
| Corporate-Comm Utility | - | 0.00 | - | 0.00 |
| Corporate-Electric Utility | 4,723 | 9.42 | 2,256 | 9.42 |
| Corporate-Gas Utility | - | 0.00 | - | 0.00 |
| Yankee-Finance | 3,260 | 4.30 | 1,944 | 1.87 |
| Yankee-Industrial | 2,861 | 8.01 | 1,887 | 8.17 |
| High Yield | - | 0.00 | - | 0.00 |
| Foreign Bonds | - | 0.00 | - | 0.00 |
| Cash -Money Market | <u>3,255</u> | <u>0.00</u> | <u>1,735</u> | <u>0.00</u> |
| Total | <u>\$ 212,278</u> | <u>5.24</u> | <u>\$ 203,541</u> | <u>4.68</u> |

Foreign Currency Risk

The GESE Trust Investment Policy allows a maximum of 20% of each manager's portfolio to be invested in aggregate to Yankee bonds, foreign credits, Eurodollar bonds and Rule 144A securities. At September 30, 2020, the GESE Trust did not have any foreign denominated fixed

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019**

Note 9 - Investments (cont'd)

Staff Plan Investment Risk

Credit Risk

The Staff Plan utilizes portfolio diversification in order to limit this risk as well as limiting investments to the highest rated securities as rated by nationally recognized rating agencies. The Staff Plan Investment Policy limits credit risk by requiring all fixed income securities to be rated by Moody's/S&P as a Baa3/BBB- or better.

The Board of Trustees for the GESE Trust has elected to hire outside investment professionals to manage the assets for the Staff Pension Plan. As of September 30, 2020 and 2019, the fixed income assets of the pension plan were invested in a mutual fund managed passively by Vanguard. The mutual fund weighting as of September 30:

| <u>Moody's Rating</u> | 2020 | | 2019 | |
|------------------------------|--------------------------|-----------------------|--------------------------|-----------------------|
| | <u>Fair Value</u> | <u>Percent</u> | <u>Fair Value</u> | <u>Percent</u> |
| Treasury | \$ 487.1 | 39.2% | \$ 417.8 | 36.6% |
| Agency (Aaa) | 34.8 | 2.8% | 29.7 | 2.6% |
| Other (Aaa) | - | 0.0% | - | 0.0% |
| Mortgage Backed (Aaa) | 258.4 | 20.8% | 247.7 | 21.7% |
| CMBS (Aaa) | 27.3 | 2.2% | 24.0 | 2.1% |
| Asset Backed (Aaa) | 5.0 | 0.4% | 4.6 | 0.4% |
| Aaa | 39.8 | 3.2% | 44.5 | 3.9% |
| Aa | 39.8 | 3.2% | 39.9 | 3.5% |
| A | 134.2 | 10.8 | 127.8 | 11.2 |
| Baa | 216.2 | 17.40% | 205.4 | 18.0% |
| Cash | - | 0.0% | - | 0.0% |
| Total | <u>\$ 1,242.6</u> | <u>100.0%</u> | <u>\$ 1,141.4</u> | <u>100.0%</u> |

Custodial Risk

The Staff Plan utilizes an independent custodial safekeeping agent for its investment activity. Custodial credit risk is limited since its investments are held in independent custodial safekeeping accounts, external investment pools, and/or open-end mutual funds. All cash in each money manager's portfolio is swept into a money market mutual fund on a daily basis.

Concentration of Credit Risk

GASB states that the Staff Plan should provide information about the concentration of credit risk associated with its investments by disclosing investments in any one issuer that represents 5% or more of total investments.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019**

Note 9 - Investments (cont'd)

Staff Plan Investment Risk (cont'd)

Concentration of Credit Risk (cont'd)

The Staff Plan utilizes limitations on securities of a single issuer or industry to manage this risk. The Staff Plan Investment Policy requires that corporate bond issues must be diversified by industry and in number so that no investment in the securities of a single issue shall exceed 7% (at market) of the value of the portfolio. Single industry weightings can only be held up to a maximum of 20%, except US Government and agency securities.

Investments issued or explicitly guaranteed by the U.S. Government and investments in mutual funds, external investment pools and other pooled investments are not subject to concentration of credit risk. As of September 30, 2020 and September 30, 2019, the fixed income assets of the pension plan were invested in a mutual fund. The Staff Plan did not have any investments with issuers greater than 5%.

As stated earlier, the Staff Pension Plan is invested in a mutual fund.

Interest Rate Risk

The Staff Plan limits the maturities of investments to control this risk. The Staff Plan Investment Policy requires that the average duration of the fixed income asset class be targeted within a range of three to ten years. In addition, each manager is expected to keep its duration at +/- 18 months of the benchmark duration. As of September 30, 2020 and 2019, the effective duration of the passive mutual fund was 6.6 years.

Foreign Currency Risk

The Staff Plan Investment Policy prohibits investment in foreign currency denominated securities and is therefore, not exposed to foreign currency risk.

Investment Performance Rate of Return

Investment returns were calculated monthly, using a "money-weighted" basis and takes into account, every transaction that occurs in the portfolio each day. The annual rate of return on pension plan investments are net of the pension plan's investment expenses. The actual rate of return for the GESE Trust was 7.3% and 7.1% at September 30, 2020 and 2019, respectively. The annual actual rate of return for the Staff Plan was 10.4% and 4.2% at September 30, 2020 and 2019, respectively.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019**

Note 9 - Investments (cont'd)

Investment Valuation

GASB 72 establishes a hierarchal disclosure framework which prioritizes and ranks the level of market price observability used in measuring investments at fair value. Market price observability is impacted by a number of factors, including the type of investment and the specific characteristics of the investment. Fair value represents 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. Investments with readily available actively quoted prices or for which fair value can be measured from actively quoted prices generally will have a higher degree of market price observability and lesser degree of judgment used in measuring fair value.

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

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

Level 2 – Investments not traded on an active market but for which observable market inputs are available for an asset, either directly or indirectly, as of the reporting date. Fixed income securities (unlike stocks) are not priced on an open exchange, such as the NYSE. Investment managers use a third party (as do the custodians) to obtain prices on the bonds. Bond prices may be based on a recent buy/sell transaction or a matrix platform which is an average price from several sources. Investment managers uses Bloomberg VAL as their primary source and others uses Approved Pricing Services.

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

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

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019**

Note 9 - Investments (cont'd)

Investment Valuation (cont'd)

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

| | Fair Value Measurements Using | | Quoted Process in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
|--|----------------------------------|----------------------|---|---|--|
| | <u>GESE</u> | <u>Staff Plan</u> | | | |
| | 9/30/2020 | Totals | | | |
| Investments by fair value level | | | | | |
| Debt Securities | | | | | |
| US Government and Agency Securities | \$ 45,536,323 | \$ 45,536,323 | \$ 31,547,565 | \$ 13,988,758 | \$ - |
| Corporate Bonds | 100,181,673 | 100,181,673 | 21,949,805 | 78,231,868 | - |
| Mortgage Bonds | <u>61,239,772</u> | <u>61,239,772</u> | <u>3,833,610</u> | <u>57,406,162</u> | <u>-</u> |
| Total Debt Securities | <u>206,957,768</u> | <u>206,957,768</u> | <u>57,330,980</u> | <u>149,626,788</u> | <u>-</u> |
| Equity Securities | | | | | |
| Corporate Stocks | 284,501,972 | 284,501,972 | 284,501,972 | - | - |
| Real Estate Equity | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Equity Securities | <u>284,501,972</u> | <u>284,501,972</u> | <u>284,501,972</u> | <u>-</u> | <u>-</u> |
| Total Investments by fair value level | <u>\$491,459,740</u> | <u>\$491,459,740</u> | <u>\$ 341,832,952</u> | <u>\$149,626,788</u> | <u>\$ -</u> |
| Investments measured at the net asset value (NAV) | | | | | |
| International Equities Commingled Barings | \$ 60,395,271 | | | | |
| Domestic Commingled Funds SSGA | 146,675,557 | | | | |
| Domestic Mutual Fund T Rowe Price | 36,272,618 | | | | |
| Money Market Funds | 36,911,071 | | | | |
| Staff - (Vanguard) | <u>-</u> | <u>\$ 4,774,342</u> | | | |
| Total Investments measured at the NAV | <u>280,254,517</u> | <u>4,774,342</u> | | | |
| Total Investments measured at fair value | <u>\$771,714,257</u> | <u>\$4,774,342</u> | <u>\$776,488,599</u> | | |

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019**

Note 9 - Investments (cont'd)

Investment Valuation (cont'd)

| | Fair Value Measurements Using | | Quoted Process in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
|--|----------------------------------|-----------------------|---|---|--|
| | GESE | Staff Plan | | | |
| | 9/30/2019 | Totals | | | |
| Investments by fair value level | | | | | |
| Debt Securities | | | | | |
| US Government and Agency Securities | \$ 55,497,474 | \$ 55,497,474 | \$ 24,442,163 | \$ 31,055,311 | \$ - |
| Corporate Bonds | 91,567,941 | 91,567,941 | 21,064,529 | 70,503,412 | - |
| Mortgage Bonds | <u>53,536,252</u> | <u>53,536,252</u> | <u>11,931,177</u> | <u>41,605,075</u> | <u>-</u> |
| Total Debt Securities | <u>200,601,667</u> | <u>200,601,667</u> | <u>57,437,869</u> | <u>143,163,798</u> | <u>-</u> |
| Equity Securities | | | | | |
| Corporate Stocks | 287,150,571 | 287,150,571 | 287,150,571 | - | - |
| Real Estate Equity | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Equity Securities | <u>287,150,571</u> | <u>287,150,571</u> | <u>287,150,571</u> | <u>-</u> | <u>-</u> |
| Total Investments by fair value level | <u>\$ 487,752,238</u> | <u>\$ 487,752,238</u> | <u>\$ 344,588,440</u> | <u>\$ 143,163,798</u> | <u>\$ -</u> |
| Investments measured at the net asset value (NAV) | | | | | |
| International Equities Commingled Barings | \$ 56,897,999 | | | | |
| Domestic Commingled Funds SSGA | 136,455,206 | | | | |
| Domestic Mutual Fund T Rowe Price | 26,816,561 | | | | |
| Money Market Funds | 24,162,655 | | | | |
| Staff - (Vanguard) | <u>-</u> | <u>\$ 4,337,794</u> | | | |
| Total Investments measured at the NAV | <u>244,332,421</u> | <u>4,337,794</u> | | | |
| Total Investments measured at fair value | <u>\$732,084,659</u> | <u>\$ 4,337,794</u> | <u>\$736,422,453</u> | | |

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

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019**

Note 9 - Investments (cont'd)

Investment Valuation (cont'd)

Equity securities: These include domestic and international equities. Domestic securities traded on a national securities exchange are valued at the last reported sales price on the last business day of the fiscal year. Securities traded in the over-the counter market and listed securities for which no sale was reported on that date are valued at the last reported bid price. International equities are valued based upon quoted foreign market prices and translated into U.S. dollars at the exchange rate in effect at September 30, 2020. Securities which are not traded on a national security exchange are valued by the respective fund manager or other third parties based on yields currently available on comparable securities of issuers with similar credit ratings.

Alternative investments: There were no investments in alternatives.

The Trust's valuation methods for investments measured at the net asset value ("NAV") per share (or its equivalent) as of September 30, 2020, are as follows:

**As of September 30, 2020
Investments Measured at the NAV**

| | Unfunded Commitments | Redemption Frequency | Redemption Notice Period |
|---|-------------------------|-------------------------|-----------------------------|
| International Equities Commingled (Barings) | \$ 60,395,271 | | Monthly |
| Domestic Commingled Funds SSGA | 146,675,557 | | Daily |
| Domestic Mutual Fund T Rowe Price | 36,272,618 | | Daily |
| Money Market Funds | 36,911,071 | | Daily |
| Staff - (Vanguard) | <u>4,774,342</u> | | Daily |
| Total Investments Measured at the NAV | <u>\$ 285,028,859</u> | | |

**As of September 30, 2019
Investments Measured at the NAV**

| | Unfunded Commitments | Redemption Frequency | Redemption Notice Period |
|---|---|-------------------------|-----------------------------|
| International Equities Commingled (Allianz & Barings) | \$ 56,897,999 | | Monthly |
| Domestic Commingled Funds SSGA | 136,455,206 | | Daily |
| Money Market Funds | 26,816,561 | | Daily |
| Staff - (Vanguard) | 24,162,655 | | Daily |
| Total Investments Measured at the NAV | <u>4,337,794</u> <u>\$ 248,670,215</u> | | |

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019**

Note 10 - Capital Assets, Net

Capital assets consist of the following as of September 30:

| | <u>2019</u> | <u>Additions</u> | <u>Deletions</u> | <u>2020</u> |
|--|---------------------|--------------------|-------------------|---------------------|
| Capital assets, not being depreciated: | | | | |
| Land | \$ 262,143 | \$ - | \$ - | \$ 262,143 |
| Total capital assets, not being depreciated | <u>262,143</u> | <u>-</u> | <u>-</u> | <u>262,143</u> |
| Capital assets, being depreciated: | | | | |
| Building and improvements | 2,010,205 | - | - | 2,010,205 |
| Improvements other than buildings | 192,121 | 129,452 | - | 321,573 |
| Furniture and equipment | <u>1,361,580</u> | <u>15,231</u> | <u>(251,095)</u> | <u>1,125,716</u> |
| Total capital assets, being depreciated | <u>3,563,906</u> | <u>144,683</u> | <u>(251,095)</u> | <u>3,457,494</u> |
| Less accumulated depreciation for: | | | | |
| Building and improvements | 645,050 | 47,993 | 25,844 | 718,887 |
| Improvements other than buildings | 162,145 | 13,169 | (37,662) | 137,652 |
| Furniture and equipment | <u>1,638,760</u> | <u>26,832</u> | <u>(632,047)</u> | <u>1,033,545</u> |
| Total accumulated depreciation | <u>2,445,955</u> | <u>87,994</u> | <u>(643,865)</u> | <u>1,890,084</u> |
| Total capital assets, being depreciated, net | <u>1,117,951</u> | <u>56,689</u> | <u>392,770</u> | <u>1,567,411</u> |
| Total capital assets, (net of accumulated depreciation) | <u>\$ 1,380,094</u> | <u>\$ 56,689</u> | <u>\$ 392,770</u> | <u>\$ 1,829,555</u> |
| | <u>2018</u> | <u>Additions</u> | <u>Deletions</u> | <u>2019</u> |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 262,143 | \$ - | \$ - | \$ 262,143 |
| Total capital assets, not being depreciated | <u>262,143</u> | <u>-</u> | <u>-</u> | <u>262,143</u> |
| Capital assets, being depreciated: | | | | |
| Building and improvements | 2,010,205 | - | - | 2,010,205 |
| Improvements other than buildings | 184,459 | 27,475 | (19,813) | 192,121 |
| Furniture and equipment | <u>1,353,248</u> | <u>12,881</u> | <u>(4,549)</u> | <u>1,361,580</u> |
| Total capital assets, being depreciated | <u>3,547,912</u> | <u>40,356</u> | <u>(24,362)</u> | <u>3,563,906</u> |
| Less accumulated depreciation for: | | | | |
| Building and improvements | 598,844 | 46,206 | - | 645,050 |
| Improvements other than buildings | 159,226 | 20,161 | (17,242) | 162,145 |
| Furniture and equipment | <u>1,613,275</u> | <u>30,034</u> | <u>(4,549)</u> | <u>1,638,760</u> |
| Total accumulated depreciation | <u>2,371,344</u> | <u>96,401</u> | <u>(21,791)</u> | <u>2,445,955</u> |
| Total capital assets, being depreciated, net | <u>1,176,567</u> | <u>(56,045)</u> | <u>(2,571)</u> | <u>1,117,951</u> |
| Total capital assets, (net of accumulated depreciation) | <u>\$ 1,438,710</u> | <u>\$ (56,045)</u> | <u>\$ (2,571)</u> | <u>\$ 1,380,094</u> |

Depreciation expense for the years ended September 30, 2020 and 2019 was \$87,994 and \$96,401, respectively.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019**

Note 11 - Reimbursement Income from the City

The City provides the GESE Trust and the Excess Benefit Plan with funds to be used to pay certain administrative costs. Each Trust prepares an annual budget which is approved by the City Commission before expenses are incurred. Payment is made by the City to the Trusts on a reimbursement basis. The City reimburses capital asset costs at the time of purchase.

Such administrative costs for the years ended September 30, 2020 and 2019 consisted of the following:

| | <u>2020</u> | <u>2019</u> |
|---|---------------------|---------------------|
| Administrative costs: | | |
| Personnel services | \$ 1,233,412 | \$ 1,233,263 |
| Professional services | 938,759 | 868,057 |
| Seminar and travel | 27,853 | 53,331 |
| Office and administrative | 153,061 | 153,694 |
| Occupancy | <u>174,505</u> | <u>533,308</u> |
| Total administrative and other expenses | 2,527,590 | 2,841,653 |
| Capital asset purchases | 144,683 | 96,401 |
| Less: un-reimbursed depreciation and other expenses | <u>(48,691)</u> | <u>(386,696)</u> |
| Reimbursement income | <u>\$ 2,623,582</u> | <u>\$ 2,551,358</u> |

Note 12 - Plan Amendments

GESE Trust

The following changes were effective October 1, 2019 for the GESE plan:

- Effective October 1, 2018 the following positions shall be eligible for participation in the GESE plan or the Trust Fund for Appointed Officers and Employees in Executive Service under City ordinance 40-351: City Attorney, Chief Deputy City Attorney, Deputy City Attorney and assistant City Attorney; and persons employed in these positions on or after June 1, 2019 may elect to participate in either plan.
- For members who retire on or after October 1, 2018, except members of the AFSCME Local 871 bargaining unit, compensation shall include a retroactive 5% salary increase for the member's one-year salary. For non-bargaining members hired before October 1, 2010, retirement eligibility at age 55 with 10 years of service or Rule of 70 is restored for retirements on or after September 30, 2020. The benefit multiplier is restored to 3% per year of service.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019**

Note 13 - Subsequent Events

Management has evaluated events and transactions for subsequent events that would impact the financial statements for the year ended September 30, 2020 through January 15, 2021, the date the financial statements were available to be issued. As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which are likely to impact the operations of the Trusts. However, the related financial impact on operations and duration cannot be reasonably estimated at this time. Management has determined that there were no subsequent events that require recognition or disclosure in the financial statements.

**CITY OF MIAMI
GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST
AND MANAGED TRUSTS**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SEPTEMBER 30, 2020 AND 2019

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND OTHER MANAGED TRUSTS
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY
SEPTEMBER 30,**

| | GESE TRUST | | | | | | |
|---|-------------------------|-------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
| Total pension liability | | | | | | | |
| Service cost | \$ 18,328,598 | \$ 14,701,646 | \$ 14,547,783 | \$ 12,906,853 | \$ 10,165,542 | \$ 9,234,478 | \$ 8,678,294 |
| Interest | 77,267,497 | 72,575,197 | 70,181,377 | 64,220,387 | 63,603,300 | 64,212,607 | 64,248,602 |
| Benefit changes | 13,656,820 | 51,240,022 | - | - | - | - | - |
| Difference between expected and actual experience | 17,095,189 | (2,153,338) | 21,593,105 | 10,997,320 | 8,476,546 | (8,035,778) | - |
| Changes of assumptions | (1,593,601) | 78,636 | - | 64,620,251 | (421,932) | - | - |
| Benefit payments | (73,337,446) | (72,810,575) | (72,722,490) | (72,514,134) | (71,859,673) | (71,940,377) | (71,903,481) |
| Refunds of contributions | <u>(1,456,716)</u> | <u>(1,797,989)</u> | <u>(2,318,219)</u> | <u>(1,066,601)</u> | <u>(1,967,393)</u> | <u>(1,089,556)</u> | <u>(1,867,614)</u> |
| Net change in total pension liability | 49,960,341 | 61,833,599 | 31,281,556 | 79,164,076 | 7,996,390 | (7,618,626) | (844,199) |
| Total pension liability – beginning | <u>1,054,074,679</u> | <u>992,241,080</u> | <u>960,959,524</u> | <u>881,795,448</u> | <u>873,799,058</u> | <u>881,417,684</u> | <u>882,261,883</u> |
| Total pension liability – ending | <u>\$ 1,104,035,020</u> | <u>\$ 1,054,074,679</u> | <u>\$ 992,241,080</u> | <u>\$ 960,959,524</u> | <u>\$ 881,795,448</u> | <u>\$ 873,799,058</u> | <u>\$ 881,417,684</u> |
| Plan net position | | | | | | | |
| Contribution – employer | \$ 49,923,146 | \$ 43,526,929 | \$ 40,879,285 | \$ 34,355,719 | \$ 32,881,500 | \$ 33,036,318 | \$ 30,710,096 |
| Contributions – member | 14,457,555 | 13,094,948 | 10,847,473 | 11,081,234 | 9,595,465 | 8,163,643 | 7,231,235 |
| Net investment income | 50,886,836 | 47,381,930 | 60,276,827 | 78,645,544 | 60,237,354 | 1,496,395 | 65,272,884 |
| Benefit payments | (73,337,446) | (72,810,575) | (72,722,490) | (72,514,134) | (71,859,673) | (71,940,377) | (71,903,481) |
| Administrative expense | 95,992 | (60,586) | (287,451) | (352,230) | (233,337) | (176,693) | (265,995) |
| Refunds of contributions | (1,456,716) | (1,797,989) | (2,318,219) | (1,066,601) | (1,967,393) | (1,089,556) | (1,867,614) |
| Other | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in plan net position | 40,569,367 | 29,334,657 | 36,675,425 | 50,149,532 | 28,653,916 | (30,510,270) | 29,177,125 |
| Plan net position – beginning | <u>733,864,555</u> | <u>704,529,898</u> | <u>667,854,473</u> | <u>617,704,941</u> | <u>589,051,025</u> | <u>619,561,295</u> | <u>590,384,170</u> |
| Plan net position – ending | <u>\$ 774,433,922</u> | <u>\$ 733,864,555</u> | <u>\$ 704,529,898</u> | <u>\$ 667,854,473</u> | <u>\$ 617,704,941</u> | <u>\$ 589,051,025</u> | <u>\$ 619,561,295</u> |
| Net pension liability | <u>\$ 329,601,098</u> | <u>\$ 320,210,124</u> | <u>\$ 287,711,182</u> | <u>\$ 293,105,051</u> | <u>\$ 264,090,507</u> | <u>\$ 284,748,033</u> | <u>\$ 261,856,389</u> |

Additional years' information will be displayed as it becomes available until a full 10-year trend is compiled.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND OTHER MANAGED TRUSTS
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY
SEPTEMBER 30,**

| | STAFF BENEFIT PLAN | | | | | | |
|---|---------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
| Total pension liability | | | | | | | |
| Service cost | \$ 102,120 | \$ 82,784 | \$ 69,391 | \$ 52,832 | \$ 45,464 | \$ 43,416 | \$ 77,022 |
| Interest | 400,033 | 385,782 | 369,771 | 320,492 | 365,280 | 353,121 | 345,755 |
| Benefit changes | - | - | - | 460,951 | - | - | - |
| Difference between expected and actual experience | 65,909 | 26,620 | 78,475 | 10,440 | (686,043) | 99,869 | - |
| Changes of assumptions | 59,142 | - | - | 105,798 | - | - | - |
| Benefit payments | (310,171) | (305,180) | (301,155) | (295,460) | (319,459) | (340,299) | (311,388) |
| Refunds of contributions | - | - | (7,606) | - | (13,095) | - | - |
| Net change in total pension liability | 317,033 | 190,006 | 208,876 | 655,053 | (607,853) | 156,107 | 111,389 |
| | | | | | | | |
| Total pension liability – beginning | <u>5,418,674</u> | <u>5,228,668</u> | <u>5,019,972</u> | <u>4,364,739</u> | <u>4,972,592</u> | <u>4,816,485</u> | <u>4,705,096</u> |
| Total pension liability – ending | <u>\$ 5,735,707</u> | <u>\$ 5,418,674</u> | <u>\$ 5,228,668</u> | <u>\$ 5,019,792</u> | <u>\$ 4,364,739</u> | <u>\$ 4,972,592</u> | <u>\$ 4,816,485</u> |
| | | | | | | | |
| Plan net position | | | | | | | |
| Contribution – employer | \$ 221,616 | \$ 232,280 | \$ 233,242 | \$ 247,449 | \$ 269,054 | \$ 291,087 | \$ 291,968 |
| Contributions – member | 44,971 | 40,846 | 32,621 | 24,542 | 19,316 | 19,838 | 23,377 |
| Net investment income | 451,577 | 176,655 | 424,371 | 438,774 | 364,079 | (15,614) | 338,281 |
| Benefit payments | (310,171) | (305,180) | (301,155) | (295,460) | (319,459) | (340,299) | (311,388) |
| Administrative expense | - | - | - | - | - | - | - |
| Refunds of contributions | - | - | (7,606) | - | (13,095) | - | - |
| Other | - | - | - | - | - | - | - |
| Net change in plan net position | 407,993 | 144,601 | 381,473 | 415,305 | 319,895 | (44,988) | 342,238 |
| | | | | | | | |
| Plan net position – beginning | <u>4,406,610</u> | <u>4,262,009</u> | <u>3,880,536</u> | <u>3,465,231</u> | <u>3,145,336</u> | <u>3,190,324</u> | <u>2,848,086</u> |
| Plan net position – ending | <u>\$ 4,814,603</u> | <u>\$ 4,406,610</u> | <u>\$ 4,262,009</u> | <u>\$ 3,880,536</u> | <u>\$ 3,465,231</u> | <u>\$ 3,145,336</u> | <u>\$ 3,190,324</u> |
| | | | | | | | |
| Net pension liability | <u>\$ 921,104</u> | <u>\$ 1,012,064</u> | <u>\$ 966,969</u> | <u>\$ 1,139,256</u> | <u>\$ 899,508</u> | <u>\$ 1,827,256</u> | <u>\$ 1,626,161</u> |

Additional years' information will be displayed as it becomes available until a full 10-year trend is compiled.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND OTHER MANAGED TRUSTS
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY
SEPTEMBER 30,**

| | EXCESS BENEFIT PLAN | | | | | | |
|---|----------------------------|---------------------|---------------------|----------------------|----------------------|----------------------|---------------------|
| | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
| Total pension liability | | | | | | | |
| Service cost | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Interest | 225,257 | 318,281 | 387,640 | 385,137 | 469,106 | 392,659 | 427,362 |
| Benefit changes | - | - | - | - | - | - | - |
| Difference between expected and actual experience | (1,061,015) | (930,692) | (2,359,812) | (1,948,114) | (516,393) | 3,177,002 | 763,199 |
| Changes of assumptions | 435,484 | 1,294,576 | (571,232) | (92,094) | 1,459,230 | - | - |
| Benefit payments | (417,755) | (477,892) | (587,959) | (674,572) | (680,534) | (653,302) | (556,805) |
| Refunds of contributions | - | - | - | - | - | - | - |
| Net change in total pension liability | <u>(818,029)</u> | <u>204,273</u> | <u>(3,131,363)</u> | <u>(2,329,643)</u> | <u>731,409</u> | <u>2,916,359</u> | <u>633,756</u> |
| Total pension liability – beginning | <u>8,225,157</u> | <u>8,020,884</u> | <u>11,152,247</u> | <u>13,481,890</u> | <u>12,750,481</u> | <u>9,834,122</u> | <u>9,200,366</u> |
| Total pension liability – ending | <u>\$ 7,407,128</u> | <u>\$ 8,225,157</u> | <u>\$ 8,020,884</u> | <u>\$ 11,152,247</u> | <u>\$ 13,481,890</u> | <u>\$ 12,750,481</u> | <u>\$ 9,834,122</u> |
| Plan net position | | | | | | | |
| Contribution – employer | \$ 417,755 | \$ 477,892 | \$ 587,959 | \$ 674,572 | \$ 680,534 | \$ 648,302 | \$ 561,805 |
| Contributions – member | - | - | - | - | - | - | - |
| Net investment income | - | - | - | - | - | - | - |
| Benefit payments | (417,755) | (477,892) | (587,959) | (674,572) | (680,534) | (653,302) | (556,805) |
| Administrative expense | - | - | - | - | - | 5,000 | (5,000) |
| Refunds of contributions | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - |
| Net change in plan net position | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Plan net position – beginning | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Plan net position – ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Net pension liability | <u>\$ 7,407,128</u> | <u>\$ 8,225,157</u> | <u>\$ 8,020,884</u> | <u>\$ 11,152,247</u> | <u>\$ 13,481,890</u> | <u>\$ 12,750,481</u> | <u>\$ 9,834,122</u> |

Additional years' information will be displayed as it becomes available until a full 10-year trend is compiled.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND OTHER MANAGED TRUSTS
SCHEDULE OF THE NET PENSION LIABILITY
SEPTEMBER 30,**

| | GESE TRUST | | | | | | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
| Total pension liability | \$1,104,035,020 | \$1,054,074,679 | \$ 992,241,080 | \$ 960,959,524 | \$ 881,795,448 | \$ 873,799,058 | \$ 881,417,684 |
| Plan net position | <u>774,433,922</u> | <u>733,864,555</u> | <u>704,529,898</u> | <u>667,854,473</u> | <u>617,704,941</u> | <u>589,051,025</u> | <u>619,561,295</u> |
| Net pension liability | <u>\$ 329,601,098</u> | <u>\$ 320,210,124</u> | <u>\$ 287,711,182</u> | <u>\$ 293,105,051</u> | <u>\$ 264,090,507</u> | <u>\$ 284,748,033</u> | <u>\$ 261,856,389</u> |
| Ratio of plan net position to total pension liability | 70.15% | 69.62% | 71.00% | 69.50% | 70.05% | 67.41% | 70.29% |
| Covered payroll | <u>\$ 122,643,648</u> | <u>\$ 111,004,019</u> | <u>\$ 111,127,482</u> | <u>\$ 97,373,080</u> | <u>\$ 81,069,095</u> | <u>\$ 71,924,747</u> | <u>\$ 66,370,246</u> |
| Net pension liability as a percentage of covered payroll | 268.75% | 288.47% | 258.90% | 301.01% | 325.76% | 395.90% | 394.54% |
| Total actual annual money-weighted rate of return | 7.3% | 7.1% | 9.30% | 13.20% | 10.6% | 0.23% | 11.2% |

Additional years' information will be displayed as it becomes available until a full 10-year trend is compiled.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND OTHER MANAGED TRUSTS
SCHEDULE OF THE NET PENSION LIABILITY
SEPTEMBER 30,**

| | STAFF PENSION PLAN | | | | | | |
|--|---------------------------|---------------------|-------------------|---------------------|-------------------|---------------------|---------------------|
| | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
| Total pension liability | \$ 5,735,707 | \$ 5,418,674 | \$ 5,228,668 | \$ 5,019,792 | \$ 4,364,739 | \$ 4,972,592 | \$ 4,816,485 |
| Plan net position | <u>4,814,603</u> | <u>4,406,610</u> | <u>4,262,009</u> | <u>3,880,536</u> | <u>3,465,231</u> | <u>3,145,336</u> | <u>3,190,324</u> |
| Net pension liability | <u>\$ 921,104</u> | <u>\$ 1,012,064</u> | <u>\$ 966,659</u> | <u>\$ 1,139,256</u> | <u>\$ 899,508</u> | <u>\$ 1,827,256</u> | <u>\$ 1,626,161</u> |
| Ratio of plan net position to total pension liability | 83.94% | 81.32% | 81.51% | 77.30% | 79.39% | 63.25% | 66.24% |
| Covered payroll | <u>\$ 387,761</u> | <u>\$ 320,720</u> | <u>\$ 280,425</u> | <u>\$ 225,148</u> | <u>\$ 172,459</u> | <u>\$ 164,547</u> | <u>\$ 298,958</u> |
| Net pension liability as a percentage of covered payroll | 237.54% | 315.56% | 344.71% | 506.00% | 521.58% | 1110.48% | 543.94% |
| Total actual annual money-weighted rate of return | 10.4% | 4.2% | 11.20% | 12.9% | 11.8% | (0.40)% | 12.1% |

Additional years' information will be displayed as it becomes available until a full 10-year trend is compiled.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND OTHER MANAGED TRUSTS
SCHEDULE OF THE NET PENSION LIABILITY
SEPTEMBER 30,**

| | EXCESS BENEFIT PLAN | | | | | | |
|--|----------------------------|-----------------------|-----------------------|----------------------|----------------------|----------------------|----------------------|
| | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
| Total pension liability | \$ 7,407,128 | \$ 8,225,157 | \$ 8,020,884 | \$ 11,152,247 | \$ 13,481,890 | \$ 12,750,481 | \$ 9,834,122 |
| Plan net position | - | - | - | - | - | - | - |
| Net pension liability | <u>\$ 7,407,128</u> | <u>\$ 8,225,157</u> | <u>\$ 8,020,884</u> | <u>\$ 11,152,247</u> | <u>\$ 13,481,890</u> | <u>\$ 12,750,481</u> | <u>\$ 9,834,122</u> |
| Ratio of plan net position to total pension liability | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Covered payroll | <u>\$ 122,643,648</u> | <u>\$ 111,004,019</u> | <u>\$ 111,127,482</u> | <u>\$ 97,373,080</u> | <u>\$ 81,069,095</u> | <u>\$ 71,924,747</u> | <u>\$ 66,370,246</u> |
| Net pension liability as a percentage of covered payroll | 6.04% | 7.41% | 7.22% | 11.45% | 16.63% | 17.73% | 14.82% |

Additional years' information will be displayed as it becomes available until a full 10-year trend is compiled.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND OTHER MANAGED TRUSTS
SCHEDULE OF EMPLOYER CONTRIBUTIONS
SEPTEMBER 30,**

| | GESE TRUST | | | | | | | | | |
|---|----------------------------|-----------------------|-----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 |
| Actuarially determined employer contribution | \$ 49,923,146 | \$ 43,526,929 | \$ 40,879,285 | \$ 34,355,719 | \$ 32,881,500 | \$ 33,036,318 | \$ 30,710,096 | \$ 25,568,193 | \$ 25,784,849 | \$ 20,420,995 |
| Actual employer contributions | <u>49,923,146</u> | <u>43,526,929</u> | <u>40,879,285</u> | <u>34,355,719</u> | <u>32,881,500</u> | <u>33,036,318</u> | <u>30,710,096</u> | <u>25,568,193</u> | <u>25,784,849</u> | <u>20,420,995</u> |
| Annual contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Covered payroll | <u>\$ 122,643,648</u> | <u>\$ 111,004,019</u> | <u>\$ 111,127,482</u> | <u>\$ 97,373,080</u> | <u>\$ 81,069,095</u> | <u>\$ 71,924,747</u> | <u>\$ 66,370,246</u> | <u>\$ 64,391,195</u> | <u>\$ 65,509,421</u> | <u>\$ 70,825,712</u> |
| Actual contributions as a percentage of covered payroll | 40.71% | 39.21% | 36.79% | 35.28% | 40.56% | 45.93% | 46.27% | 39.71% | 39.36% | 28.83% |
| | STAFF PENSION PLAN | | | | | | | | | |
| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 |
| Actuarially determined employer contribution | \$ 221,616 | \$ 232,280 | \$ 233,242 | \$ 247,449 | \$ 269,054 | \$ 291,087 | \$ 291,968 | \$ 219,774 | \$ 226,793 | \$ 164,490 |
| Actual employer contributions | <u>221,616</u> | <u>232,280</u> | <u>233,242</u> | <u>247,449</u> | <u>269,054</u> | <u>291,087</u> | <u>291,968</u> | <u>219,774</u> | <u>226,793</u> | <u>164,490</u> |
| Annual contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Covered payroll | <u>\$ 387,761</u> | <u>\$ 320,720</u> | <u>\$ 280,425</u> | <u>\$ 225,148</u> | <u>\$ 172,459</u> | <u>\$ 164,547</u> | <u>\$ 298,958</u> | <u>\$ 354,937</u> | <u>\$ 735,056</u> | <u>\$ 842,955</u> |
| Actual contributions as a percentage of covered payroll | 57.15% | 72.42% | 83.17% | 109.91% | 156.01% | 176.90% | 97.66% | 61.92% | 30.85% | 19.51% |
| | EXCESS BENEFIT PLAN | | | | | | | | | |
| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 |
| Actuarially determined employer contribution | \$ 572,194 | \$ 631,547 | \$ 694,643 | \$ 850,429 | \$ 914,859 | \$ 947,666 | \$ 722,999 | \$ 665,659 | \$ 606,589 | \$ 585,357 |
| Actual employer contributions | <u>417,755</u> | <u>477,892</u> | <u>587,959</u> | <u>674,572</u> | <u>680,534</u> | <u>648,302</u> | <u>561,805</u> | <u>523,398</u> | <u>514,908</u> | <u>406,243</u> |
| Annual contribution deficiency (excess) | <u>\$ 154,439</u> | <u>\$ 153,655</u> | <u>\$ 106,684</u> | <u>\$ 175,857</u> | <u>\$ 234,325</u> | <u>\$ 299,364</u> | <u>\$ 161,194</u> | <u>\$ 142,261</u> | <u>\$ 91,681</u> | <u>\$ 179,114</u> |
| Covered payroll | <u>\$ 122,643,648</u> | <u>\$ 111,004,019</u> | <u>\$ 111,127,482</u> | <u>\$ 97,373,080</u> | <u>\$ 81,069,095</u> | <u>\$ 71,924,747</u> | <u>\$ 66,370,246</u> | <u>\$ 64,391,195</u> | <u>\$ 65,509,421</u> | <u>\$ 70,825,712</u> |
| Actual contributions as a percentage of covered payroll | 0.34% | 0.43% | 0.53% | 0.69% | 0.84% | 0.90% | 0.85% | 0.81% | 0.79% | 0.57% |

Supporting Schedules

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
SCHEDULE OF ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

| | GESE Trust | Excess Benefits | Combined Total |
|--------------------------------------|----------------------------|----------------------------|----------------------------|
| Personnel Services: | | | |
| Salaries & Wages | \$ 749,390 | \$ 36,045 | \$ 785,435 |
| Payroll Taxes | \$ 52,096 | \$ 3,067 | \$ 55,163 |
| Insurance | \$ 164,643 | \$ - | \$ 164,643 |
| Retirement | \$ 261,237 | \$ - | \$ 261,237 |
| Car Allowance | \$ 6,046 | \$ - | \$ 6,046 |
| Total Personnel Services | <u>1,233,412</u> | <u>39,112</u> | <u>\$ 1,272,524</u> |
| Professional Services: | | | |
| Investment Custodian | \$ 181,843 | | \$ 181,843 |
| Investment Consulting | \$ 251,398 | | \$ 251,398 |
| Legal Counsel | \$ 151,724 | \$ 5,000 | \$ 156,724 |
| Actuarial | \$ 146,434 | \$ 30,000 | \$ 176,434 |
| Audit | \$ 74,538 | \$ 1,500 | \$ 76,038 |
| Other | \$ 132,822 | \$ 7,135 | \$ 139,957 |
| Total Professional Services | <u>938,759</u> | <u>43,635</u> | <u>\$ 982,394</u> |
| Seminar and Travel | | | |
| Meetings | \$ 1,738 | | \$ 1,738 |
| Education and Travel | \$ 9,164 | | \$ 9,164 |
| Travel and Auto | \$ 16,951 | | \$ 16,951 |
| Total Seminar and Travel | <u>27,853</u> | <u>-</u> | <u>\$ 27,853</u> |
| Office and Administrative | | | |
| Printing | \$ 405 | \$ 550 | \$ 955 |
| Advertising | \$ 406 | \$ 50 | \$ 456 |
| Postage & Courier Services | \$ 8,331 | \$ 150 | \$ 8,481 |
| Fidelity Insurance | \$ 124,737 | \$ - | \$ 124,737 |
| Office Supplies | \$ 15,072 | \$ 600 | \$ 15,672 |
| Publications and Memberships | \$ 2,417 | | \$ 2,417 |
| Other | \$ 1,692 | | \$ 1,692 |
| Total Office and Administrative | <u>153,061</u> | <u>1,350</u> | <u>\$ 154,411</u> |
| Occupancy | | | |
| Utilities | \$ 12,065 | \$ 230 | \$ 12,295 |
| Telecommunications | \$ 34,794 | \$ 330 | \$ 35,124 |
| Property Insurance | \$ 26,828 | \$ 1,750 | \$ 28,578 |
| Repairs & Maintenance | \$ 110,945 | \$ 18,100 | \$ 129,045 |
| Rental | \$ 10,125 | \$ - | \$ 10,125 |
| Parking | \$ 7 | \$ - | \$ 7 |
| Furniture and Equipment | \$ 32,757 | \$ 300 | \$ 33,057 |
| Depreciation | \$ (362,500) | \$ 450 | \$ (362,050) |
| Other | \$ 309,484 | \$ 1,455 | \$ 310,939 |
| Total Occupancy | <u>174,505</u> | <u>22,615</u> | <u>\$ 197,120</u> |
| Total Administrative Expenses | <u>\$ 2,527,590</u> | <u>\$ 106,712</u> | <u>\$ 2,634,302</u> |

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
SCHEDULE OF INVESTMENT AND CONSULTANT EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

| <u>Investment Manager</u> | <u>Investment Style</u> | <u>Fee Amount</u> |
|--|--------------------------------|----------------------------|
| Atlanta Capital Management Co., LLC | Equity - Large Cap Growth | \$ 471,789 |
| Cooke & Bieler, LP | Equity - Large Cap Value | 531,068 |
| Cramer Rosenthal McGlynn LLC | Equity - Small Cap Value | 382,956 |
| State Street Global Advisors | Equity - S&P 500 Index | 33,327 |
| Insight Capital | Equity - Small Cap Growth | - |
| NFJ Allianz International | Equity - International | - |
| Herndon Capital | Equity - Large Cap Value | - |
| Baring International Investment LTD. Equity Managers | Equity - International | 433,668 |
| | | <u>1,852,808</u> |
| Seix Investment Advisors, LLC | Fixed Income - Aggregate | 130,641 |
| Richmond Capital Management | Fixed Income - Aggregate | 226,535 |
| Garcia, Hamilton & Associates, L.P. Fixed Income Managers | Fixed Income - Intermediate | 108,204 |
| | | <u>465,380</u> |
| Total GESE Trust | | <u>2,318,188</u> |
| Total Investment Expenses ¹: | | <u>\$ 2,318,188</u> |

| <u>Consultant Firm</u> | <u>Nature of Service</u> | <u>Fee Amount</u> |
|---|---------------------------------|--------------------------|
| Cavanaugh Macdonald Consulting, LLC | Actuarial Services ³ | 146,434 |
| Anthony Brunson P.A | Audit Services | 74,538 |
| Computer Consultant | General IT | 57,240 |
| Computer Consultant | Pension Software | 44,898 |
| Ronald A. Silver | Legal Counsel | 151,724 |
| Total GESE Trust | | <u>474,834</u> |
| Cavanaugh Macdonald Consulting, LLC | Actuarial Services | 30,000 |
| Computer Consultant | Pension Software | 5,150 |
| Total GESE Excess Trust | | <u>35,150</u> |
| Total Consultant Expenses ² | | <u>\$ 509,984</u> |

¹ Information on fees paid to investment professionals is included on the schedule of investment fees located in the investment section.

² Consultant expenses are included in the administrative and other expenses on page 15.

³ Actuarial Expenses includes Fase2 C&W LLC Consulting

Investment Section

SOUTHEASTERN ADVISORY SERVICES, INC.

Registered Investment Advisor



Hilda A. Thompson
hthompson@seadvisory.com
404 237 3156 direct
404 237 2650 fax

November 12, 2020

To: Board of Trustees
City of Miami General Employees' and Sanitation Employees' Retirement Trust

Re: Investment Consultant

Dear Trustees:

Southeastern Advisory Services, Inc has been retained by the Board to provide investment consulting services to the City of Miami General Employees' & Sanitation Employees' Retirement Trust. Our duties include providing quarterly performance evaluation reports, asset allocation reviews, investment policy reviews, and conducting manager searches as needed. We also provide the Board with investment research and education.

One of our primary duties is to provide investment performance reports to the Board. We meet with the Board quarterly to deliver these reports and answer any questions. The reports include total fund performance as well as sector performance and individual manager performance. The reports include comparisons to benchmarks (indices) as well as to a peer universe.

For the twelve-month period ending September 30, 2020 the fund earned an annual return of 7.3% net of fees, which was less than the actuarial rate objective. This return was calculated using a time-weighted rate of return based on market values and is consistent with the CFA Institute's Global Investment Performance Standards (GIPS). The fund ranked at the 54th percentile and underperformed the unmanaged index which returned 11.0%. The broad equity market (as measured by the S&P 500) earned 15.2% for the fiscal year, while fixed income (Barclay's Aggregate) had a return of 7.0%. Historical performance remains competitive, posting an annualized 8.3% return since July 1987.

Southeastern believes the Fund is well positioned to meet the current and future needs of the Trust.

Sincerely,

Hilda A. Thompson
Hilda A. Thompson
Senior Consultant

Cc: Edgard Hernandez

SOUTHEASTERN ADVISORY SERVICES, INC.

Registered Investment Advisor



Hilda A. Thompson
hthompson@seadvisory.com
404 237 3156 direct
404 237 2650 fax

November 12, 2020

To: Board of Trustees
City of Miami General Employees' and Sanitation Employees' Retirement Trust

Re: Investment Consultant

Dear Trustees:

Southeastern Advisory Services, Inc has been retained by the Board to provide investment consulting services to the City of Miami General Employees' & Sanitation Employees' Retirement Trust Staff Pension Plan. Our duties include providing semi-annual performance evaluation reports, asset allocation reviews, investment policy reviews, and conducting manager searches as needed. We also provide the Board with investment research and education.

One of our primary duties is to provide investment performance reports to the Board. We meet with the Board to deliver these reports and answer any questions. The reports include total fund and individual fund performance. The reports include comparisons to benchmarks (indices) as well as to a peer universe.

For the twelve-month period ending September 30, 2020, the fund earned an annual return of 10.4% net of fees, which was greater than the actuarial rate objective. This return was calculated using a time-weighted rate of return based on the market values and is consistent with the CFA Institute's Global Investment Performance Standards (GIPS). The fund ranked at the 13th percentile and outperformed the unmanaged index which returned 10.2%. The broad equity market (as measured by the S&P 500) earned 15.2% for the fiscal year, while fixed income (Barclay's Aggregate) had a return of 7.0%. Since inception (October 2001), the fund has earned an annualized 6.5% return.

Southeastern believes the Fund is well positioned to meet the current and future needs of the Trust.

Sincerely,

Hilda A. Thompson

Hilda A. Thompson
Senior Consultant

Cc: Edgard Hernandez

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
INVESTMENT POLICIES
SEPTEMBER 30, 2020**

Investment Overview

The GESE Trust and the Staff Plan each have an investment policy approved by the Board of Trustees. The investment policy objectives of the Trusts are designed to be pursued on a long-term basis. The investment policy statements set forth the policies and objectives that the Board judges to be appropriate and prudent in consideration of the needs of the participants. The policies establish the criteria that the registered investment advisers retained by the Board of Trustees are expected to meet and against which they are to be measured. The Policies serve as a review document to guide the Board's ongoing supervision of the investment of the Trusts' assets. The goals are intended to provide a means for controlling the overall risk of the portfolio without unduly constraining the discretionary decision-making process of the investment managers. The Board reviews the policy statements periodically. The investment performance objectives may be revised if significant changes occur within the economic and/or capital market environment.

The asset allocation guidelines are presented on page 68, along with the actual allocations for the last three years. The asset allocations are monitored closely by the Board, so as to comply with the established policy guidelines. Rebalancing is performed as needed and upon advisement from our investment consultant. For the GESE Trust, an asset liability study may be conducted periodically. For the Staff Plan, the asset allocation policy is required to be reviewed every three to five years.

Investment Manager Performance

The investment performance objectives of the overall portfolio are to achieve a rate of return that equals or exceeds the Trusts' actuarial interest rate assumption and achieve performance results which will rank in the top half of a peer universe within a time horizon of rolling three year periods without taking undue risk. The performance objectives are to be used as a basis for reviewing and monitoring managers, not as an absolute measure that requires manager termination if they are not achieved.

The Board has established written guidelines and objectives against which the investment performance of any money manager retained by the Board is measured. If a money manager fails to meet its contractual agreement with the Board, the money manager may be terminated. The performance objective of the investment portfolio for the Trusts is 90 percent of the median performance of comparable portfolios. The criteria is measured based on the returns during the most recent three year period in the appropriate peer universe. If a manager falls below the criteria, they are placed on a watch list and then on probation. If a manager remains on probation for one year, the manager is subject to termination.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
INVESTMENT POLICIES
SEPTEMBER 30, 2020**

Governance/Monitoring:

The Board has established governance standards to manage the Trusts effectively and efficiently. Trust oversight is performed by the Board establishing and periodically reviewing the Trusts' policies. The Board appoints and monitors the investment managers. The investment program is managed by several designated managers. The investment managers are given full discretion to manage the assets under their supervision subject to the Investment Policy. There is a continual review of the investments under management. The Board meets with the investment consultant quarterly to review the performance of the Trust and each manager. The Board meets with each investment manager at least annually to review Trust investments and current environment and future outlook. Proxies are voted by the manager in compliance with the Board's general guidelines based on the best economic interest of the Trust.

Trust operations consist of the Trusts' staff administering and maintaining internal control procedures, monitoring investment and custody of assets, providing analysis and information for decision-making, and reporting to the Board. The Trusts are governed by a set of written internal controls and operational procedures. The Pension Administrator is responsible for establishing and maintaining the internal control structure. This policy is designed to safeguard the Trusts from losses that may arise from fraud, error or misrepresentations by third parties, or imprudent actions by the Board or employees of the plan sponsor.

GESE Trust Investment Policy and Guidelines

The most recent modified GESE Trust investment policy statement effective January 26, 2018, is outlined as follows:

Equity Securities

Equity securities are required to be diversified by industry and in number so that no investment in the securities of a single issue shall exceed seven percent (at market) of the value of the portfolios, provided that the aggregate investment of the fund in any one issuing corporation does not exceed three percent of the outstanding capital stock of that corporation. Single industry weightings can only be a maximum of three times the index holding or ten percent, whichever is greater. Equity securities possess value and quality corroborated by accepted techniques and standards of fundamental and technical analysis. Investments into commingled funds are excluded from the above maximums.

Permissible direct investments include registered common stock listed on a major U.S. exchange or traded on any major U.S. market (including foreign securities traded on U.S. exchanges), convertible preferred stock and convertible bonds, foreign stocks through the use of commingled or mutual funds, emerging market stocks within the commingled or mutual funds, Standard & Poor's Depository Receipts, American Depository Receipts, REITS, stocks with a minimum market capitalization of \$100 million (small cap managers may invest in stocks with a \$50 million market capitalization), new Issues (initial public offerings) up to five percent of the portfolio and commingled and mutual funds.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
INVESTMENT POLICIES
SEPTEMBER 30, 2020**

GESE Trust Investment Policy and Guidelines (Cont'd)

Equity Securities (Cont'd)

Excluded direct investments include short sales, margin purchases (lending or borrowing of funds), investments used to leverage the portfolio, letter stock, private or direct placements, commodities contracts, unattached warrants, derivatives, issues related to the investment manager or restricted stock.

Fixed Income Securities

The fixed income portion of the GESE Trust is required to be invested in marketable, fixed income securities. Corporate bond issues must be diversified by industry and in number so that no investment in the securities of a single issue shall exceed seven percent (at market) of the value of the portfolio. Single industry weightings, excluding U.S. Government and agency securities, can only be a maximum of 25 percent. Fixed income investments are expected to preserve capital and provide a high level of income on a consistent basis.

Acceptable fixed income instruments are commercial paper of only the highest quality, certificate of deposit of the top 100 national banks, bankers acceptances, United States Treasuries, repurchase agreements or debt instruments issued or guaranteed by the U.S. Government or agencies, investment grade corporate debt issues including those rated Baa3/BBB- or better by Moody's Investor Services/Standard and Poors Corporation, asset backed securities, mortgages, commercial backed securities, collateralized mortgage obligations, futures less than 15 percent with prior board approval, options, preferred stock, municipal bonds, Yankee bonds/foreign credits, Eurodollar bonds, commingled funds and mutual funds. A limitation of 20 percent of each manager's portfolio may be invested in aggregate to Yankee bonds, foreign credits, Euro-dollar bonds and Rule 144A Securities. A limitation of 20 percent of each manager's portfolio may be invested in high yield securities (with ratings of CCC or better).

Fixed income instruments that are not allowable are private placements or debt to equity exchanges. Investment managers are not authorized to use derivative securities, or strategies that do not comply with basic investment objectives of this policy, which is an emphasis on the preservation of principal consistent with conservative growth of assets. Managers are specifically prohibited from using derivative or synthetic securities whose characteristics as implemented by the manager include potentially high price volatility and whose returns are speculative or leveraged (when considered together with liquid/short-term securities position) or whose marketability may be severely limited, without written authority from the Board.

The fixed income investments are required to be appropriately diversified although the investment manager may engage in "active" bond management. It is therefore anticipated that there may be turnover as shifts are made between and within sectors, quality and maturity. Average duration of the fixed income asset class will be targeted within a range of three to ten years. Each manager is expected to keep duration at +/- 18 months of the benchmark duration.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
INVESTMENT POLICIES
SEPTEMBER 30, 2020**

GESE Trust Investment Policy and Guidelines (Cont'd)

Real Estate Securities

A Portion of the fund may be invested in REITS with prior Board approval.

Staff Plan Investment Policy and Guidelines

Currently the Staff Portfolio is invested in mutual funds, which are governed by the mutual fund prospectus. The most recent modified Staff Plan investment policy statement effective January 26, 2018, is outlined as follows:

Equity Securities

Equity securities are required to be diversified by industry and in number so that no investment in the securities of a single issue exceeds seven percent (at market) of the value of the portfolios, provided that the aggregate investment of the fund in any one issuing corporation shall not exceed three percent of the outstanding capital stock of that corporation. Single industry weightings can only be a maximum of three times the index holding or 10 percent whichever is greater. Equity securities possess value and quality corroborated by accepted techniques and standards of fundamental and technical analysis. Investments into mutual funds are excluded from the above maximums.

Permissible direct investments include registered common stock listed on a major U.S. exchange or traded on any major U.S. market, including foreign securities traded on U.S. exchanges, convertible preferred stock and convertible bonds, foreign stocks through the use of commingled or mutual funds, emerging stocks through the use of commingled or mutual funds, Standard & Poor's Depository Receipts, American Depository Receipts and stocks with a minimum market capitalization of \$100 million (small cap managers may invest in stocks with a \$50 million market capitalization). New issues (initial public offerings), up to five percent of portfolio.

Prohibited direct investments include, short sales, margin purchases (lending or borrowing of funds), investments used to leverage the portfolio, letter stock, private or direct placements, commodities contracts, unattached warrants, derivatives, issues related to the investment manager, restricted stock, or illiquid investments.

Fixed Income Securities

The fixed income portion of the Staff Plan is required to be invested in marketable, fixed income securities. Corporate bond issues must be diversified by industry and in number so that no investment in the securities of a single issue shall exceed 7 percent (at market) of the value of the portfolio. Single industry weightings can only be a maximum of 20 percent, except US Government and agency securities. Fixed income investments are expected to preserve capital and provide a high level of income on a consistent basis. Duration is expected to be +/- 18 months of the benchmark duration.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
INVESTMENT POLICIES
SEPTEMBER 30, 2020**

Staff Plan Investment Policy and Guidelines (Cont'd)

Fixed Income Securities (Cont'd)

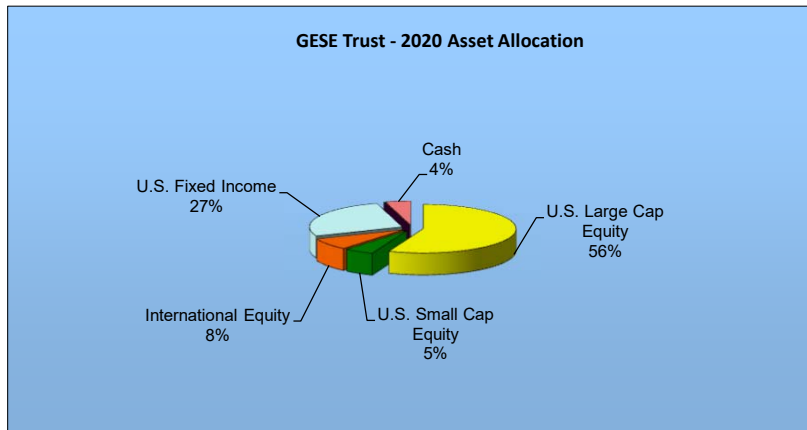
Acceptable fixed income instruments are commercial paper of only the highest quality, certificate of deposit insured by the FDIC, bankers acceptances, United States Treasuries, repurchase agreements or debt instruments issued or guaranteed by the U.S. Government or agencies, investment grade corporate debt issues including those rated Baa3/BBB- or better by Moody's Investor Services/Standard & Poor's Corporation, asset backed securities, mortgages, commercial backed securities, collateralized mortgage obligations, futures less than 15 percent with prior board approval, options and preferred stock, commingled and mutual funds. Fixed income instruments that are not allowable include private placements, Eurodollar securities, foreign credits, debt to equity exchanges, illiquid investments or derivatives.

CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
SEPTEMBER 30, 2020

SUMMARY OF ASSET ALLOCATION

GESE Trust Summary of Asset Allocation

| | Policy Guidelines | | | | | | Actual | | | | |
|------------------------------|-------------------|--------|--------------|--------|-----------------|--------|---------------|-------|-------|-------|-------|
| | 11/01 to 3/05 | | 3/06 to 9/11 | | 9/18 to current | | September 30, | | | | |
| | Target | Range | Target | Range | Target | Range | 2020 | 2019 | 2018 | 2017 | 2016 |
| U.S. Large Cap Equity | 50% | 40-60% | 45% | 35-55% | 48% | 30-60% | 56.0% | 54.6% | 55.1% | 53.9% | 54.8% |
| U.S. Small Cap Equity | 10% | 0-15% | 10% | 0-15% | 9% | 0-15% | 5.1% | 7.0% | 7.6% | 7.5% | 6.7% |
| International Equity | 10% | 0-15% | 10% | 0-15% | 10% | 0-15% | 7.8% | 7.8% | 8.5% | 5.9% | 6.3% |
| U.S. Fixed Income | 25% | 20-40% | 29% | 20-40% | 30% | 20-50% | 26.7% | 27.6% | 25.3% | 23.1% | 23.9% |
| Real Estate | 5% | 0-10% | 5% | 0-10% | 0% | 0-10% | 0.0% | 0.0% | 0.0% | 4.0% | 4.5% |
| Cash | 0% | 0-15% | 1% | 0-15% | 3% | 0-10% | 4.4% | 3.0% | 3.5% | 5.6% | 3.8% |
| | | | | | | | 100% | 100% | 100% | 100% | 100% |



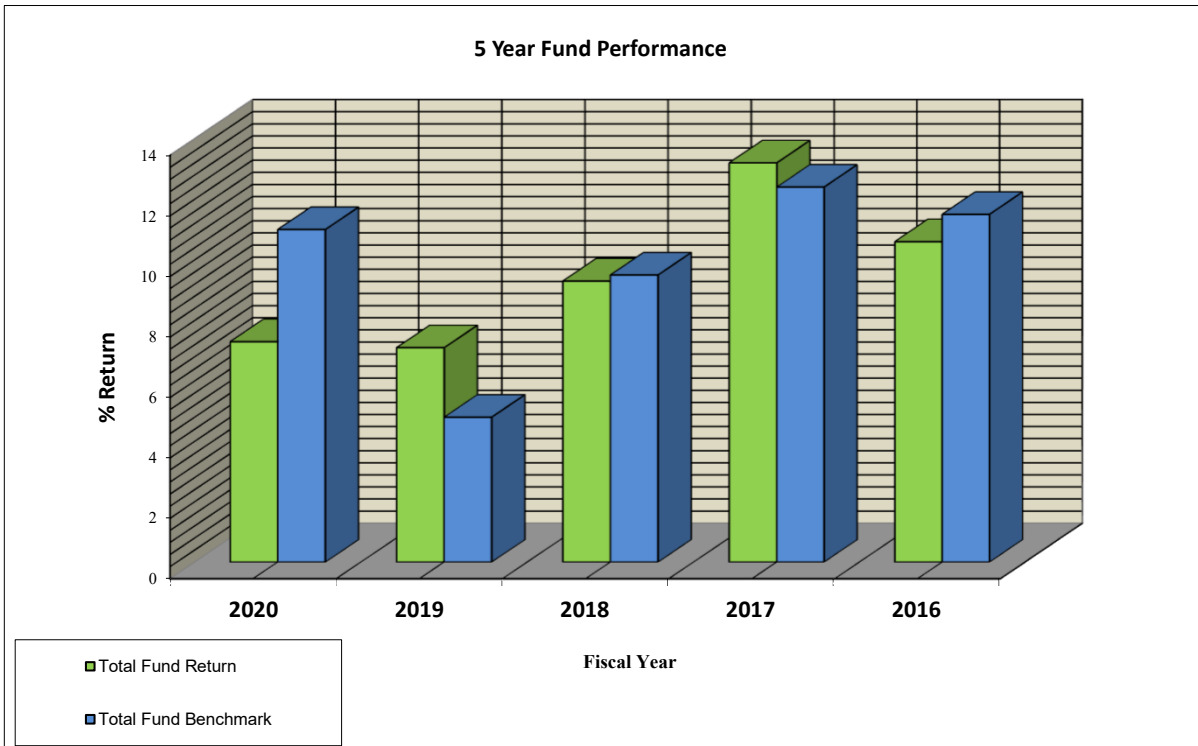
Staff Plan Summary of Asset Allocation

| | Policy Guidelines | | | | Actual | | | | |
|------------------------------|-------------------|--------|-----------------|--------|---------------|-------|-------|-------|-------|
| | 4/01 to 9/07 | | 9/18 to current | | September 30, | | | | |
| | Target | Range | Target | Range | 2020 | 2019 | 2018 | 2017 | 2016 |
| U.S. Large Cap Equity | 50% | 40-60% | 48% | 30-60% | 54.8% | 53.2% | 53.9% | 51.6% | 49.1% |
| U.S. Small Cap Equity | | | 9% | 0-15% | 12.2% | 13.2% | 14.1% | 13.3% | 13.7% |
| International Equity | | | 10% | 0-15% | 7.0% | 7.3% | 7.6% | 8.2% | 7.5% |
| U.S. Fixed Income | 50% | 40-60% | 30% | 20-50% | 26.0% | 26.3% | 24.4% | 27.0% | 29.6% |
| Cash | 0% | 0-10% | 3% | 0-10% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| | | | | | 100% | 100% | 100% | 100% | 100% |



**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
SEPTEMBER 30, 2020
GESE TRUST - SUMMARY OF INVESTMENT RETURNS**

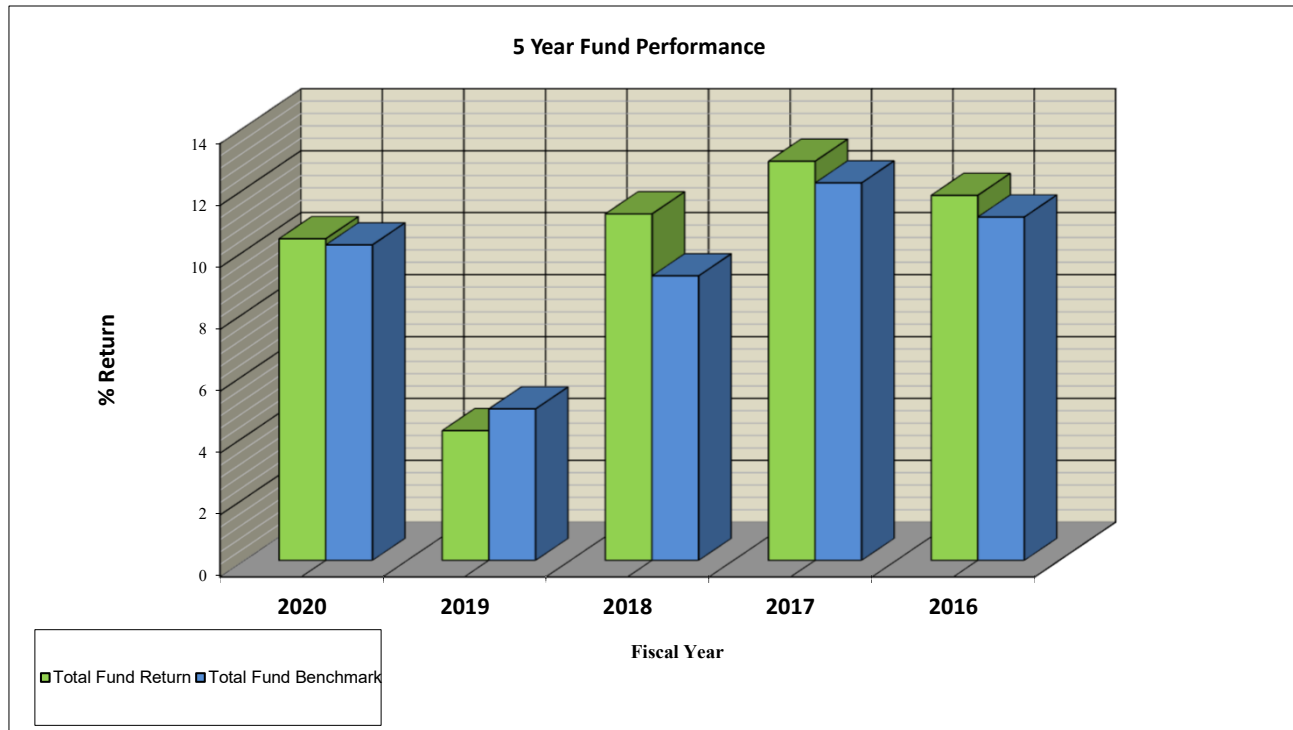
| | Annual Rates of Return (%) | | | | | Annualized Return (%) | |
|--------------------------------------|----------------------------|------------|------------|-------------|-------------|-----------------------|------------|
| | September 30, | | | | | 3 Years | 5 Years |
| | 2020 | 2019 | 2018 | 2017 | 2016 | 2018-2020 | 2016-2020 |
| Equities | | | | | | | |
| Fund Return - Domestic Equities | 7.6 | 6.2 | 14.6 | 20.0 | 13.6 | 9.4 | 12.3 |
| Fund Return - International Equities | 7.0 | -3.8 | 7.6 | 19.3 | 5.7 | 3.5 | 6.9 |
| S&P 500 | 15.2 | 4.3 | 17.9 | 18.6 | 15.4 | 12.3 | 14.2 |
| Dow Jones | 3.2 | 4.2 | 20.8 | 22.4 | 15.4 | 7.4 | 11.3 |
| Russell 2500 Mid-Cap | 2.2 | -4.0 | 16.2 | 17.8 | 14.4 | 4.5 | 9.0 |
| Russell 2000 - Small Stock | 0.4 | -8.9 | 15.2 | 20.7 | 15.5 | 1.8 | 8.0 |
| MSCI EAFE - Non US Stocks | 0.5 | -1.3 | 2.7 | 19.1 | 6.5 | 0.6 | 5.3 |
| Fixed Income | | | | | | | |
| Fund Return - Fixed Income | 7.4 | 9.4 | -0.7 | 0.4 | 4.8 | 5.3 | 4.2 |
| Barclays U.S. - Aggregate | 7.0 | 10.3 | -1.2 | 0.1 | 5.2 | 5.2 | 4.2 |
| Barclays - Mortgage Backed | 4.4 | 7.8 | -0.9 | 0.3 | 3.6 | 3.7 | 3.0 |
| Barclays Intermediate - Govt/Credit | 6.3 | 8.2 | -1.0 | 0.2 | 3.5 | 4.4 | 3.4 |
| T-Bills - 91 Days | 1.0 | 2.4 | 1.6 | 0.6 | 0.2 | 1.7 | 1.2 |
| Real Estate | | | | | | | |
| Fund Return - Real Estate | N/A | N/A | N/A | -0.9 | 19.7 | N/A | N/A |
| FR NCREIF Index | 2.0 | 6.2 | 7.2 | 6.9 | 13.5 | 5.1 | 6.3 |
| NAREIT | -13.3 | 19.6 | 4.2 | 3.6 | 20.6 | 2.6 | 6.2 |
| Total Fund Return | 7.3 | 7.1 | 9.3 | 13.2 | 10.6 | 7.9 | 9.5 |
| Total Fund Benchmark | 11.0 | 4.8 | 9.5 | 12.4 | 11.5 | 8.4 | 9.8 |



Note: Rate of Returns are time weighted & gross of fees. Based on rate of return in accordance with the CFA Institute's Performance Presentation Standards.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
SEPTEMBER 30, 2020
STAFF PLAN - SUMMARY OF INVESTMENT RETURNS**

| | Annual Rates of Return (%) | | | | | Annualized Return (%) | |
|---|----------------------------|------------|-------------|-------------|-------------|-----------------------|-------------|
| | September 30, | | | | | 3 Years | 5 Years |
| | 2020 | 2019 | 2018 | 2017 | 2016 | 2018-2020 | 2016-2020 |
| Equities | | | | | | | |
| Fund Return - Domestic Equities | 12.4 | 2.6 | 17.7 | 18.4 | 15.3 | 10.7 | 13.1 |
| Fund Return - International Equities | 3.8 | -1.6 | 1.6 | 19.3 | 9.7 | 1.3 | 6.3 |
| S&P 500 | 15.2 | 4.3 | 17.9 | 18.6 | 15.4 | 12.3 | 14.2 |
| Russell 2000-Small Stock | 0.4 | -8.9 | 15.2 | 20.7 | 15.5 | 1.8 | 8.0 |
| Dow Jones | 3.2 | 4.2 | 20.8 | 22.4 | 15.4 | 7.4 | 11.3 |
| MSCI EAFE - Non US Stocks | 0.5 | -1.3 | 2.7 | 19.1 | 6.5 | 0.6 | 5.3 |
| Fixed Income | | | | | | | |
| Fund Return - Fixed Income | 7.0 | 10.4 | -1.2 | -0.1 | 5.3 | 5.3 | 4.2 |
| Barclays U.S. - Aggregate | 7.0 | 10.3 | -1.2 | 0.1 | 5.2 | 5.2 | 4.2 |
| Barclays - Mortgage Backed | 4.4 | 7.8 | -0.9 | 0.3 | 3.6 | 3.7 | 3.0 |
| Barclays Intermediate - Government/Credit | 6.3 | 8.2 | -1.0 | 0.2 | 3.5 | 4.4 | 3.4 |
| T-Bills - 91 Days | 1.0 | 2.4 | 1.6 | 0.6 | 0.2 | 1.7 | 1.2 |
| Total Fund Return | 10.4 | 4.2 | 11.2 | 12.9 | 11.8 | 8.5 | 10.0 |
| Total Fund Benchmark | 10.2 | 4.9 | 9.2 | 12.2 | 11.1 | 8.1 | 9.4 |



Note: Rate of Returns are time weighted & gross of fees. Based on rate of return in accordance with the CFA Institute's Performance Presentation Standards.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
SEPTEMBER 30, 2020
GESE TRUST - LIST OF LARGEST ASSETS HELD**

Largest Stock Holdings (By Fair Value)

| | <u>Shares</u> | <u>Stocks</u> | | <u>Fair Value</u> |
|-----|---------------|------------------------------|----|-------------------|
| 1) | 15,040 | THERMO FISHER SCIENTIFIC INC | \$ | 6,640,461 |
| 2) | 30,447 | DANAHER CORP | | 6,556,153 |
| 3) | 4,232 | ALPHABET INC CL C | | 6,219,347 |
| 4) | 27,938 | MICROSOFT CORP | | 5,876,200 |
| 5) | 29,158 | VISA INC CLASS A SHARES | | 5,830,725 |
| 6) | 21,962 | FACEBOOK INC CLASS A | | 5,751,848 |
| 7) | 57,244 | INTERCONTINENTAL EXCHANGE IN | | 5,727,262 |
| 8) | 24,209 | DOLLAR GENERAL CORP | | 5,074,691 |
| 9) | 30,176 | ZOETIS INC | | 4,990,205 |
| 10) | 133,660 | SCHWAB (CHARLES) CORP | | 4,842,502 |

Largest Bond Holdings (By Fair Value)

| | <u>Par</u> | <u>Bonds</u> | <u>Coupon</u> | <u>Maturity</u> | | <u>Fair Value</u> |
|-----|------------|--------------------------|---------------|-----------------|----|-------------------|
| 1) | 7,310,000 | US TREASURY N/B | 2.25% | 08/15/2027 | \$ | 10,385,023 |
| 2) | 6,929,000 | TREASURY BILL | 1.00% | 02/25/2021 | | 8,797,365 |
| 3) | 3,935,000 | US TREASURY N/B | 2.25% | 11/15/2025 | | 6,038,580 |
| 4) | 3,980,000 | US TREASURY N/B | 1.50% | 02/15/2030 | | 5,424,415 |
| 5) | 4,015,000 | FEDERAL HOME LOAN BANK | 0.10% | 12/18/2020 | | 4,579,789 |
| 6) | 4,181,000 | US TREASURY N/B | 1.25% | 05/15/2050 | | 4,009,259 |
| 7) | 3,410,000 | US TREASURY N/B | 1.75% | 05/31/2022 | | 3,261,232 |
| 8) | 2,670,000 | US TREASURY N/B | 2.75% | 08/15/2047 | | 3,188,195 |
| 9) | 3,425,000 | FEDERAL FARM CREDIT BANK | 0.14% | 10/27/2021 | | 2,995,809 |
| 10) | 3,245,000 | FARMER MAC | 0.11% | 12/22/2021 | | 2,636,851 |

Staff Largest Stock Holdings (By Fair Value)

| | <u>Shares</u> | <u>Stocks</u> | <u>Fair Value</u> |
|----|---------------|------------------------------|-------------------|
| 1) | 8,396 | Vanguard 500 Index | 2,264,873 |
| 2) | 106,432 | Vanguard Total Bond | 1,146,944 |
| 3) | 7,877 | Vanguard Small Cap | 562,692 |
| 4) | 11,795 | Vanguard Total International | 308,117 |

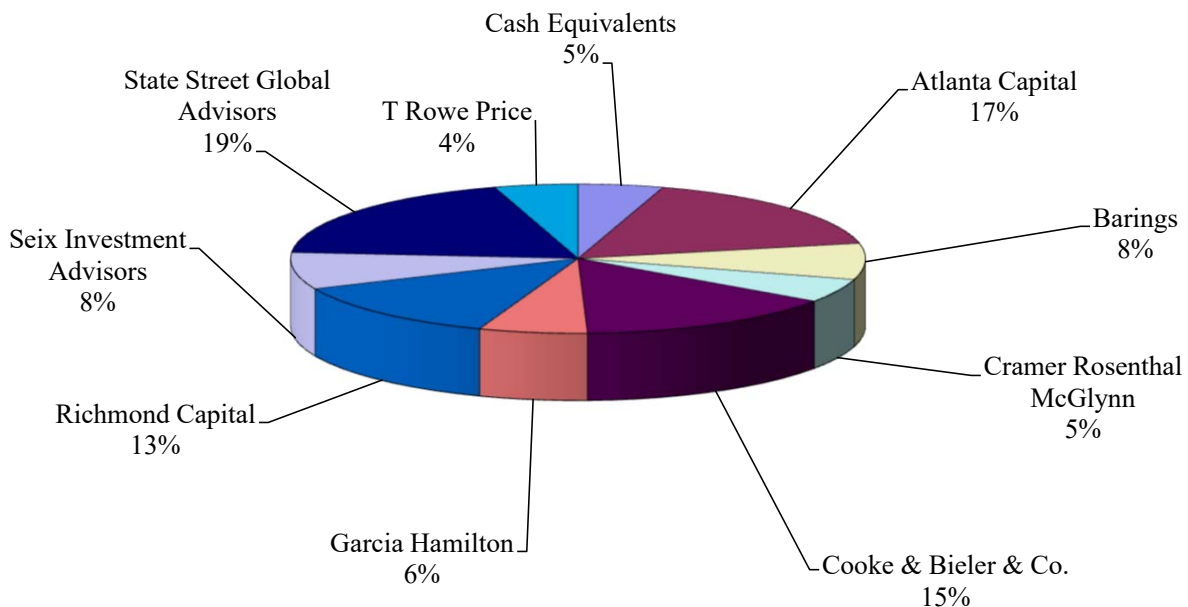
Complete list of holding available upon request.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
SEPTEMBER 30, 2020
FUND MANAGER ALLOCATION**

| Investment Manager | Fair Value | Fund Allocation | Performance* | | |
|--|-----------------------|-----------------|--------------|-----------------|------------------|
| | | | Fund Return | Style Benchmark | Universe Ranking |
| GESE Trust | | | | | |
| Domestic Equity Segment | 467,450,146 | 60.6% | 7.6% | 15.2% | 45 |
| Atlanta Capital Management | \$ 130,746,183 | 16.9% | 23.0% | 37.5% | 79 |
| Cooke & Bieler | 114,147,516 | 14.8% | -6.4% | -5.0% | 57 |
| Cramer Rosenthal McGlynn | 39,608,274 | 5.1% | -23.3% | 14.9% | 100 |
| State Street Global Advisors | 146,675,557 | 19.0% | 15.1% | 15.2% | 31 |
| T Rowe Price Associates | 36,272,618 | 3.7% | 35.6% | 37.5% | 31 |
| International Equity Segment | 60,395,271 | 7.8% | 7.0% | 0.5% | 44 |
| Barings International | 60,395,271 | 7.8% | 7.0% | 0.5% | 44 |
| Real Estate Segment | | | | | |
| Fixed Income Segment | 206,957,768 | 26.8% | 7.4% | 7.0% | 36 |
| Garcia Hamilton | 46,896,165 | 6.1% | 5.2% | 5.7% | 75 |
| Richmond Capital Management | 98,674,825 | 12.8% | 7.4% | 7.0% | 65 |
| Seix Investment Advisors | 61,386,779 | 8.0% | 9.3% | 7.0% | 12 |
| Cash Equivalents Administrative account | | | | | |
| State Street Corporation | 36,911,071 | 4.8% | 0.8% | 2.4% | 82 |
| TOTAL GESE Trust | \$ 771,714,258 | 100.0% | 7.3% | 11.0% | 54 |

Source: Southeastern Advisory Services, Inc. - Manager universe and style categorization but not market values
Performance represents a one year return

GESE Trust Fund Manager Allocation

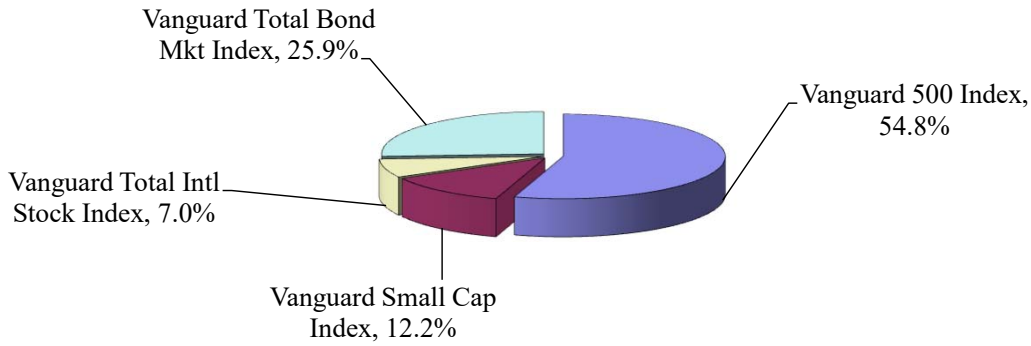


**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
SEPTEMBER 30, 2020
FUND MANAGER ALLOCATION**

| <u>Investment Manager</u> | <u>Fair Value</u> | <u>Fund Allocation</u> | <u>Performance*</u> | | |
|--|---------------------|------------------------|---------------------|------------------------|-------------------------|
| | | | <u>Fund Return</u> | <u>Style Benchmark</u> | <u>Universe Ranking</u> |
| Staff Plan | | | | | |
| Domestic Equity Segment | 3,201,017 | 67.0% | 12.4% | 12.9% | 37 |
| Vanguard 500 Index | \$ 2,618,533 | 54.8% | 15.1% | 4.3% | 35 |
| Vanguard Small Cap Index | 582,483 | 12.2% | 1.4% | 1.3% | 11 |
| International Equity Segment | 334,542 | 7.0% | 3.8% | 3.0% | 56 |
| Vanguard Total Intl Stock Index | 334,542 | 7.0% | 3.8% | 3.0% | 56 |
| Fixed Income Segment | 1,238,784 | 25.9% | 7.0% | 7.0% | 48 |
| Vanguard Total Bond Mkt Index | 1,238,784 | 25.9% | 7.0% | 7.0% | 48 |
| Cash Equivalents Administrative account | | | | | |
| TOTAL Staff Trust | \$ 4,774,342 | 100.0% | 10.4% | 10.2% | 13 |

Source: Southeastern Advisory Services, Inc. - Manager universe and style categorization but not market value
Performance represents a one year return

Staff Plan Manager Allocation



**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
SCHEDULE OF INVESTMENT AND COMMISSION FEES
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

| <u>Investment Manager's Style</u> | <u>Assets Under Management</u> | <u>Investment Fees</u> |
|---|---------------------------------------|-------------------------------|
| <i>GESE Trust</i> | | |
| Equity Managers | \$ 527,845,417 | \$ 1,852,808 |
| Fixed Income Managers | 206,957,770 | 465,380 |
| Real Estate Managers | - | - |
| Money Market Funds | <u>36,911,071</u> | <u>-</u> |
| Total GESE Trust | <u>\$ 771,714,257</u> | <u>\$ 2,318,188</u> |
| <i>Staff Plan</i> | | |
| Vanguard Funds | \$ 4,774,342 | - |
| | <u>-</u> | <u>-</u> |
| Total Staff Plan | <u>\$ 4,774,342</u> | <u>\$ -</u> |
| Total Investments | <u>\$ 776,488,599</u> | |
| Total Investment Expenses | | <u>\$ 2,318,188</u> |
| <u>Other Investment Service Fees GESE Trust</u> | | |
| Custodian | | \$ 181,843 |
| Investment Consultants | | <u>251,398</u> |
| Total Other Investment Service Fees ¹ | | <u>\$ 433,241</u> |

¹ Other Investment Service Fees are included in the administrative and other expenses.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND OTHER MANAGED TRUSTS
SEPTEMBER 30, 2020**

SCHEDULE OF INVESTMENT AND COMMISSION FEES

| Broker Name | Number Of Shares Traded | Total Commissions | Commissions Per Share |
|--|----------------------------|----------------------|--------------------------|
| ABEL NOSER | 105,431.00 | 4,018.00 | \$ 1.41 |
| ABEL NOSER CORP | 22,884.00 | 915.36 | \$ 0.24 |
| ADDITIONAL PRINCIPAL | 5,426.75 | - | \$ - |
| BANK OF OKLAHOMA, N.A. | 86,814.24 | - | \$ - |
| BARCLAYS CAPITAL INC | 17,789,336.65 | - | \$ - |
| BARCLAYS CAPITAL INC. | 585,000.00 | - | \$ - |
| BARCLAYS CAPITAL LE | 189,939.00 | 3,010.42 | \$ 0.76 |
| BMO CAPITAL MARKETS | 3,398.00 | 101.94 | \$ 0.03 |
| BMO CAPITAL MARKETS CORP | 546,595.98 | - | \$ - |
| BNP PARIBAS SECURITIES BOND | 1,471,000.00 | - | \$ - |
| BOFA SECURITIES, INC. | 7,105,005.00 | 15,175.22 | \$ 2.70 |
| BOFA SECURITIES, INC. / FIXED INCOME | 22,154,716.22 | - | \$ - |
| BREAN CAPITAL LLC | 825,000.00 | - | \$ - |
| BTIG, LLC | 42,614.00 | 1,065.32 | \$ 0.17 |
| CABRERA CAPITAL MARKETS | 6,450,000.00 | - | \$ - |
| CALLED BONDS | 3,520,000.00 | - | \$ - |
| CALYON SECURITIES (USA) INC. | 185,000.00 | - | \$ - |
| CANTOR FITZGERALD & CO / CASTLEOAK SEC | 750,000.00 | - | \$ - |
| CANTOR FITZGERALD + CO | 107,769.58 | - | \$ - |
| CANTOR FITZGERALD + CO. | 59,028.00 | 1,475.78 | \$ 0.78 |
| CANTOR FITZGERALD AND CO | 1,930,518.58 | - | \$ - |
| CANTOR FITZGERALD/CANTOR CLEARING SERV | 5,190,000.00 | - | \$ - |
| CITIGROUP GLOBAL MARKETS INC | 93,584.00 | 3,743.36 | \$ 1.40 |
| CITIGROUP GLOBAL MARKETS INC SALOMON BRO | 26,460,185.29 | - | \$ - |
| CREDIT SUISSE SECURITIES (USA) LLC | 2,095,834.00 | 2,466.03 | \$ 0.74 |
| CUSIP CHANGE NON CASH | 402,394.00 | - | \$ - |
| DEUTSCHE BANK SECURITIES INC | 1,018,800.00 | 79.00 | \$ 0.03 |
| DEUTSCHE BANK SECURITIES, INC. | 3,909,000.00 | - | \$ - |
| EVERCORE ISI | 7,068.00 | 226.09 | \$ 0.07 |
| EXCHANGE OFFER | 500,000.00 | - | \$ - |
| EXCHANGE OFFER (NON CASH) | 824,000.00 | - | \$ - |
| FEDERAL RESERVE BANK OF BOSTON | 1,606,419.28 | - | \$ - |
| FIRST TENNESSEE SECURITIES CORP | 2,172,000.00 | - | \$ - |
| GOLDMAN SACHS + CO LLC | 32,765,258.38 | 2,048.49 | \$ 0.74 |
| GREAT PACIFIC SECURITIES INC. | 1,255,000.00 | - | \$ - |
| GUGGENHEIM CAPITAL MARKETS LLC | 745,000.00 | - | \$ - |
| HILLTOP SECURITIES INC. | 1,803,000.00 | - | \$ - |
| HSBC SECURITIES INC. | 44,974,000.00 | - | \$ - |
| IMPERIAL CAPITAL LLC | 86,000.00 | - | \$ - |
| INCOME REINVESTMENT | 3,052.32 | - | \$ - |
| INFLATION INDEX ADJUSTMENT | 110.25 | - | \$ - |
| INSTINET | 45,154.00 | 1,352.69 | \$ 1.48 |
| INTL FCSTONE FINANCIAL INC | 1,076,645.51 | - | \$ - |
| INTL FCSTONE FINANCIAL INC./BD RATES | 860,000.00 | - | \$ - |
| INVESTMENT TECHNOLOGY GROUP INC. | 115,726.00 | 2,314.52 | \$ 1.78 |
| J P MORGAN CHASE/J P MORGAN INTL | 235,000.00 | - | \$ - |
| J.P. MORGAN CLEARING CORP. | 555,000.00 | - | \$ - |
| J.P. MORGAN SECURITIES LLC | 22,325,418.66 | 2,785.85 | \$ 1.34 |
| JANE STREET EXECUTION SERVICES, LLC | 1,560,000.00 | - | \$ - |
| JEFFERIES + COMPANY INC | 2,521,177.00 | 1,047.08 | \$ 0.64 |
| JMP SECURITIES | 10,255.00 | 256.38 | \$ 0.03 |
| JONESTRADING INSTITUTIONAL SERVICES LLC | 156,356.00 | 3,793.48 | \$ 0.77 |
| KEEFE BRUYETTE + WOODS INC | 146,554.00 | 5,862.16 | \$ 2.32 |
| KEYBANC CAPITAL MARKETS INC | 1,847,508.00 | 1,847.27 | \$ 0.51 |
| LIQUIDNET INC | 537,941.00 | 16,125.53 | \$ 7.86 |
| LOOP CAPITAL MARKETS LLC | 7,905,000.00 | - | \$ - |

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND OTHER MANAGED TRUSTS
SEPTEMBER 30, 2020**

SCHEDULE OF INVESTMENT AND COMMISSION FEES

| Broker Name | Number Of Shares Traded | Total Commissions | Commissions Per Share |
|--|----------------------------|----------------------|--------------------------|
| MARKETAXESS CORP | 6,404,000.00 | - | \$ - |
| MARKETAXESS CORPORATION | 2,125,000.00 | - | \$ - |
| MATURITY | 3,233,000.00 | - | \$ - |
| MAXIME CAPITAL | 5,937.30 | - | \$ - |
| MELLON BANK/MELLON FINANCIAL MKTS, INC. | 2,995,688.75 | - | \$ - |
| MERGER NON CASH | 134,437.00 | - | \$ - |
| MERRILL LYNCH PROFESSIONAL CLEARING CORP | 3,505,000.00 | - | \$ - |
| MISCHLER FINANCIAL GROUP, INC-EQUITIES | 1,770,000.00 | - | \$ - |
| MITSUBISHI UFJ SECURITIES | 1,572,012.70 | - | \$ - |
| MITSUBISHI UFJ SECURITIES (USA), INC | 83,000.00 | - | \$ - |
| MIZUHO SECURITIES USA INC. | 7,881,791.97 | - | \$ - |
| MORGAN STANLEY CO INCORPORATED | 12,711,557.67 | 1,742.71 | \$ 0.64 |
| NEEDHAM AND COMPANY LLC | 15,013.00 | 450.39 | \$ 0.06 |
| NOMURA SECURITIES INTL., FIXED INCOME | 17,615,120.20 | - | \$ - |
| OPPENHEIMER + CO. INC. | 2,709,559.00 | 982.36 | \$ 0.36 |
| PAYDOWN | 15,323.13 | - | \$ - |
| PENN WESTSECURITIES & COMPANY | 680,000.00 | - | \$ - |
| PERSHING LLC | 12,482,711.12 | - | \$ - |
| PIERPONT SECURITIES LLC | 500,000.00 | - | \$ - |
| PIPER JAFFRAY & CO. | 57,356.00 | 2,288.36 | \$ 0.77 |
| PNC SECURITIES CORP | 1,332,960.50 | - | \$ - |
| PRINCIPAL PAYMENTS - MTG BACK | 12,691,252.68 | - | \$ - |
| PRINCIPAL PAYMENTS CORP BDS | 33,813.32 | - | \$ - |
| RAYMOND JAMES AND ASSOCIATES INC | 73,773.00 | 2,861.72 | \$ 0.78 |
| RAYMOND JAMES/FI | 270,000.00 | - | \$ - |
| RBC CAPITAL MARKETS, LLC | 3,431,757.00 | 4,983.45 | \$ 2.01 |
| RBS SECURITIES INC. | 10,645,000.00 | - | \$ - |
| ROBERT W. BAIRD CO.INCORPORATED | 215,395.00 | 4,367.43 | \$ 1.86 |
| SAMUEL A. RAMIREZ & COMPANY, INC. | 487,000.00 | - | \$ - |
| SANFORD C BERNSTEIN CO LLC | 178,920.00 | 6,469.01 | \$ 0.49 |
| SEAPORT GROUP SECURITIES, LLC | 100,000.00 | - | \$ - |
| SIDOTI + COMPANY LLC | 4,900.00 | 196.00 | \$ 0.12 |
| SMBC NIKKO SECURITIES AMERICA, INC. | 567,000.00 | - | \$ - |
| SOCIETE GENERALE NY | 1,412,000.00 | - | \$ - |
| STATE STREET BANK AND TRUST CO. | 446,755,135.33 | - | \$ - |
| STATE STREET GLOBAL MARKETS, LLC | 66,093.00 | 1,982.79 | \$ 0.36 |
| STEPHENS INC | 2,619.00 | 104.76 | \$ 0.12 |
| STIFEL NICOLAUS + CO INC | 973,125.00 | 1,125.00 | \$ 0.28 |
| STRATEGAS SECURITIES LLC | 1,000.00 | 40.00 | \$ 0.04 |
| STUART FRANKEL + CO INC | 4,758.00 | 142.74 | \$ 0.03 |
| SUNTRUST CAPITAL MARKETS, INC. | 105,132.00 | 4,205.28 | \$ 1.84 |
| TELSEY ADVISORY GROUP | 4,626.00 | 185.04 | \$ 0.04 |
| TENDER OFFER | 121,000.00 | - | \$ - |
| TORONTO DOMINION SECURTIES (USA) INC | 2,444,353.56 | - | \$ - |
| UBS SECURITIES LLC | 34,650.00 | 1,386.00 | \$ 0.64 |
| US BANCORP INVESTMENTS INC | 1,475,000.00 | - | \$ - |
| VIRTU AMERICAS LLC | 303,837.00 | 10,494.69 | \$ 1.97 |
| WEDBUSH MORGAN SECURITIES INC | 1,021,925.00 | 77.00 | \$ 0.04 |
| WELLS FARGO INVT LLC | 2,077,002.80 | - | \$ - |
| WELLS FARGO SECURITIES LLC | 311.00 | 6.22 | \$ 0.02 |
| WELLS FARGO SECURITIES, LLC | 39,632,054.90 | 659.71 | \$ 0.30 |
| WILLIAM BLAIR & COMPANY L.L.C | 6,660.00 | 266.40 | \$ 0.08 |
| WILLIAMS CAPITAL GROUP LP (THE) | 1,786,082.00 | 48.70 | \$ 0.09 |
| Grand Total | 834,499,561.63 | 114,775.73 | \$ 0.00 |

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND OTHER MANAGED TRUSTS**

**INVESTMENT SUMMARY
SEPTEMBER 30, 2020**

| <u>Type of Investment</u> | <u>GESE Trust</u> | | <u>Staff Plan</u> | |
|--------------------------------|--------------------------------------|--|--------------------------------------|--|
| | <u>Fair Value at 9/30/20</u> | <u>Percent of Total Fair Value</u> | <u>Fair Value at 9/30/20</u> | <u>Percent of Total Fair Value</u> |
| Fixed Income | | | | |
| U.S. Government Obligations | \$45,536,323 | 5.90% | | |
| Federal Instrumentalities | 21,176,915 | 2.74% | | |
| Mortgage Backed Securities | 39,596,672 | 5.13% | | |
| Asset Backed Securities | 7,024,573 | 0.91% | | |
| Domestic Corporate Bonds | 87,691,105 | 11.36% | | |
| Vanguard Total Bond Mkt | | | 1,238,784 | |
| International Bonds (Yankees) | 5,932,180 | 0.77% | | |
| Total Fixed Income | <u>\$206,957,768</u> | <u>26.82%</u> | <u>\$1,238,784</u> | <u>25.95%</u> |
| Common Stock | | | | |
| Consumer | \$39,288,923 | 5.09% | | |
| Energy | 2,803,593 | 0.36% | | |
| Financial | 58,908,043 | 7.63% | | |
| Healthcare | 38,306,585 | 4.96% | | |
| Industrials | 44,894,291 | 5.82% | | |
| Information Technology | 53,160,642 | 6.89% | | |
| Materials | 13,930,355 | 1.81% | | |
| Telecommunications & Utilities | 23,167,096 | 3.00% | | |
| International | 60,395,271 | 7.83% | 334,542 | |
| Vanguard Small Cap Index | | | 582,483 | |
| Vanguard 500 Index | | | 2,618,533 | |
| Commingled Growth Equity | 36,272,618 | 4.70% | | |
| Commingled Equity Fund | 146,675,557 | 19.01% | | |
| Total Common Stock | <u>\$517,802,973</u> | <u>67.10%</u> | <u>\$3,535,559</u> | <u>74.05%</u> |
| Real Estate | | | | |
| Real Estate | \$10,042,444 | 1.30% | | |
| Real Estate Investment Trust | 0 | 0.00% | | |
| Total Real Estate | <u>\$10,042,444</u> | <u>1.30%</u> | | |
| Short term Investments | | | | |
| Short term Investment Fund | \$36,911,071 | 4.78% | | |
| TOTAL INVESTMENTS | <u>\$771,714,258</u> | <u>100.00%</u> | <u>\$4,774,342</u> | <u>100.00%</u> |

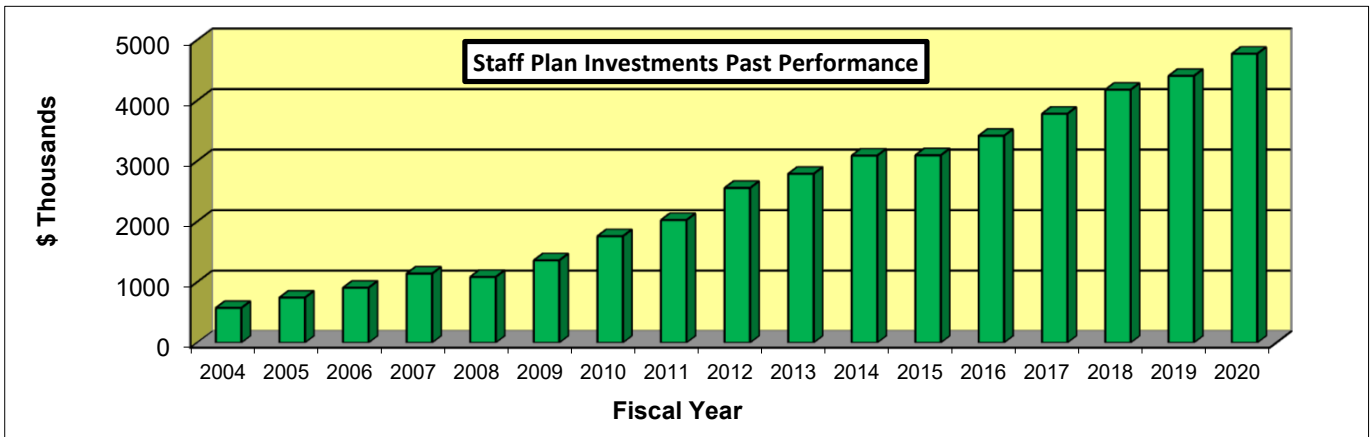
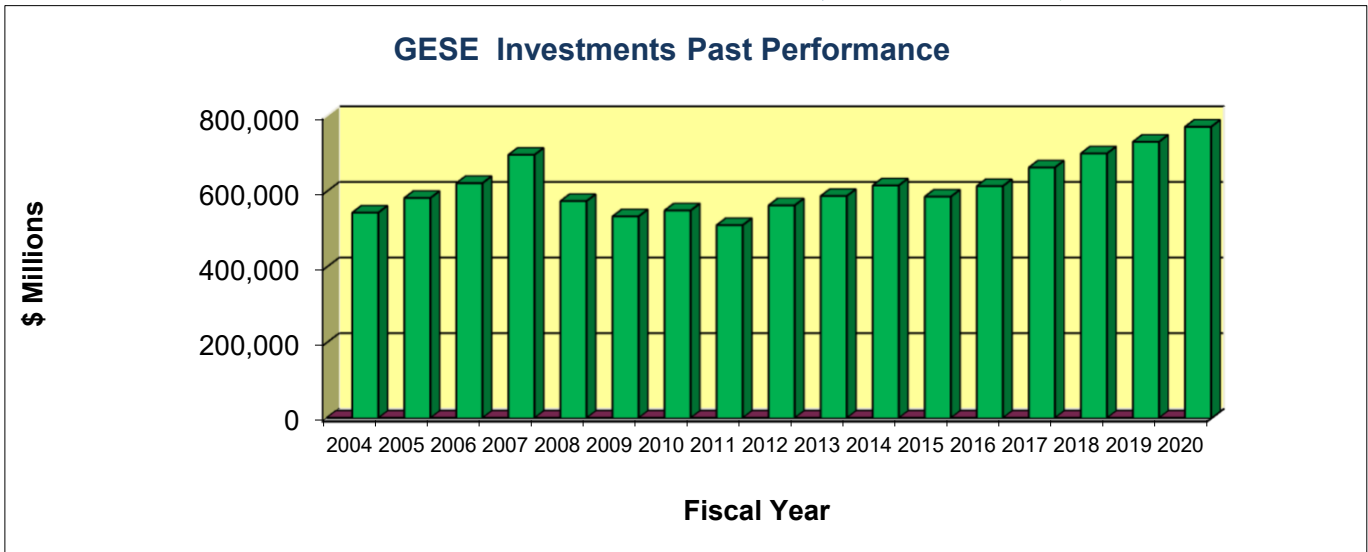
A detailed schedule of investments is available from the GESE Trust's administrative office at (305) 441-2300.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS**

SEPTEMBER 30, 2020

HISTORICAL SUMMARY OF INVESTMENTS HELD AT FAIR VALUE

| Fiscal Year Ended September 30, | GESE Trust (\$ Millions) | Staff Plan * (\$ Thousands) |
|--|-------------------------------------|--|
| 2004 | 544,828 | 575 |
| 2005 | 583,495 | 745 |
| 2006 | 622,766 | 908 |
| 2007 | 697,627 | 1,142 |
| 2008 | 575,255 | 1,087 |
| 2009 | 534,686 | 1,361 |
| 2010 | 550,340 | 1,760 |
| 2011 | 511,483 | 2,027 |
| 2012 | 564,046 | 2,557 |
| 2013 | 588,597 | 2,790 |
| 2014 | 616,634 | 3,092 |
| 2015 | 586,975 | 3,097 |
| 2016 | 614,982 | 3,419 |
| 2017 | 664,295 | 3,783 |
| 2018 | 701,331 | 4,180 |
| 2019 | 732,085 | 4,408 |
| 2020 | 771,714 | 4,774 |



Actuarial Section



Cavanaugh Macdonald
CONSULTING, LLC
The experience and dedication you deserve

February 18, 2021

Board of Trustees
City of Miami General Employees' and Sanitation Employees'
Retirement Trust
2901 Bridgeport Avenue
Coconut Grove, FL 33133

The funding objective of the Retirement Trust is to establish and receive contributions which will maintain the plan in sound financial condition. The actuarial information presented in the financial statements is in accordance with GASB Statement No. 67 and is not the basis for funding the plans.

An actuarial valuation is performed annually to determine the contributions which satisfy the funding objective in accordance with City Ordinance, the final revised judgment in the Gates v. City of Miami case, and Chapter 112 of Florida Statutes. The actuarially determined annual contribution consists of normal cost plus an amortization of the unfunded actuarial accrued liability (UAAL). The objective is to establish, over time, a normal cost which will remain level as a percent of payroll. The unfunded actuarial accrued liability is amortized as a level percent of payroll over a maximum period of 20 years. The actuarial cost method is designed to achieve this objective. The actuarial assumptions and methods used for funding purposes meet the parameters set by the Actuarial Standards of Practice.

The most recent annual actuarial valuation for funding purposes and for use in the current financial statements was prepared as of October 1, 2019. The actuarial assumptions, as set forth in Table XI of the actuary's October 1, 2019 valuation report, were specified by the Board of Trustees for the funding of the Retirement Trust. The actuarial assumptions in Schedule C of the GASB Statement No. 67 Report comply with GASB Statement No. 67 and are used to develop the actuarial information in the financial statements. The actuary prepared the following schedules presented in the CAFR.

- Financial Section – Supplementary Information
 - Schedule of Changes in the Net Pension Liability
 - Schedule of the Net Pension Liability
 - Schedule of Employer Contributions



Board of Trustees
February 18, 2021
Page 2

- Actuarial Section
 - Summary of Actuarial Assumptions and Methods
 - Schedule of Active Member Valuation Data
 - Schedule of Retirants and Beneficiaries
 - Solvency Test
 - Analysis of Financial Experience

Note that the actuarial value of assets is based on a moving fair value averaged over five years for the GESE Retirement Trust and over three years for the Staff Plan. The contribution amounts and the fair value of assets used to develop the actuarial value of assets were reported to us by the Retirement Trust office. Member census data for the annual valuation was also furnished by the Retirement Trust office. We have reviewed the member census data for internal completeness and year-to-year consistency.

We believe the assumptions and methods used in the funding actuarial valuation produce results which are reasonable and that the assumptions and methods used for financial statement purposes meet the parameters set by Statement No. 67 of the Governmental Accounting Standards Board.

To the best of my knowledge, the results of the 2019 actuarial valuation are complete and accurate and, in my opinion, the techniques and assumptions used are reasonable and meet the requirements of the City Ordinance, Florida Statutes and Gates case requirements. I am a member of the American Academy of Actuaries and I meet the Qualification Standards of the American Academy of Actuaries to render this actuarial opinion.

Respectfully submitted,

A handwritten signature in blue ink that reads 'Todd B. Green' followed by a long horizontal flourish.

Todd B. Green, ASA, EA, FCA, MAAA
President
Enrolled Actuary No. 20-8883

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
SEPTEMBER 30, 2020
SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS**

GESE Trust – Actuarial Assumptions and Methods October 1, 2019 Valuation

Actuarial Cost Method of Valuation:

The modified individual entry age normal cost method of valuation was used in determining actuarial liabilities and normal cost. Under this method, the present value of future normal cost equals the present value of all future benefits less the present value of future employee contributions less the greater of the actuarial accrued liability or the actuarial value of assets where the total cost is not less than zero.

In the calculation of the actuarially determined contributions, changes in actuarial assumptions and methods, plan amendments for actives and actuarial gains and losses are amortized as a level percent of pay over 20 years. Plan amendments for retirees are amortized over 15 years.

Mortality Tables for October 1, 2019 Valuation and Actuarially Determined Contribution:

- **Pre-Retirement Mortality**
Female: RP2000 Generational, 100% Combined Healthy White Collar, Scale BB
Male: RP2000 Generational, 50% Combined Healthy White Collar / 50% Combined Healthy Blue Collar, Scale BB
- **Post-Retirement Healthy Mortality**
Female: RP2000 Generational, 100% Annuitant White Collar, Scale BB
Male: RP2000 Generational, 50% Annuitant White Collar / 50% Annuitant Blue Collar, Scale BB
- **Post-Retirement Disabled Mortality**
Female: RP2000, 100% Disabled Female set forward two years, no projection scale
Male: RP2000, 100% Disabled Male, set back four years, no projection scale

Mortality Tables for purposes of GASB 67:

- **Pre-Retirement Mortality**
Female: PUB-2010 Headcount Weighted General Below Median Employee Female Table
Male: PUB-2010 Headcount Weighted General Below Median Employee Male Table, set back 1 year
Projection Scale: MP-2018
- **Post-Retirement Healthy Mortality**
Female: PUB-2010 Headcount Weighted General Below Median Healthy Retiree Female Table
Male: PUB-2010 Headcount Weighted General Below Median Healthy Retiree Male Table, set back 1 year
Projection Scale: MP-2018

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
SEPTEMBER 30, 2020
SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS**

GESE Trust – Actuarial Assumptions and Methods October 1, 2019 Valuation (Cont'd)

- **Post-Retirement Disabled Mortality**

Female: PUB-2010 Headcount Weighted General Disabled Retiree Female Table, set forward 3 years

Male: PUB-2010 Headcount Weighted General Disabled Retiree Male Table, set forward 3 years

Projection Scale: MP-2018

Actuarial Assumption Rates:

- **Investment Return Rate and Discount Rate** - The investment return rate used in the October 1, 2019 valuation is 7.60% per annum, compounded annually. The investment return rate assumption is net of investment expenses. The City provides for the non-investment expenses of the GESE Trust.

The discount rate in the calculation of the actuarially determined contributions was 7.60% as of October 1, 2019.

The discount rate for purposes of GASB 67 was 7.45%.

- **Salary Increase Rate** - Salaries are assumed to increase at a rate that varies based on years of credited service and include 3.5% wage inflation.
- **Inflation Rate** – The assumed inflation rate is 2.5% per annum.
- **Cost of Living Adjustment** – The cost of living adjustment is assumed to be 4% per year with a minimum and maximum of \$54 and \$400 per year, respectively, based on the plan provisions.

Asset Valuation Method:

In the calculation of the actuarially determined contributions, the actuarial value of assets is based on a smoothed market value of assets which recognizes investment gains and losses over a five-year period. Each year the expected return will be determined based on the beginning of year market value and the actual contributions and benefit payments at the assumed interest assumption. One fifth of the difference between the expected market value return and the actual market value return is included in the actuarial asset value at the valuation date. Four-fifths of the difference between the expected market value return and the actual market value return is deferred in even increments of 20% per year to each of the next four years as future adjustments to the actuarial asset value. The preliminary actuarial asset value will be the sum of the actuarial asset value as of the previous valuation date plus the actual contributions and benefit payments in the year ending on the current valuation date plus the expected return on market value return

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
SEPTEMBER 30, 2020
SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS**

GESE Trust – Actuarial Assumptions and Methods October 1, 2019 Valuation (Cont'd)

plus one-fifth of the cumulative differences between the expected and actual market value returns over the five years up to the valuation date. The result cannot be greater than 120% of market value or less than 80% of market value.

For purposes of GASB 67 the value of assets is equal to the market value of assets.

Other Assumptions:

- **Spouses** - 80% of active members are assumed to be married, with the husband three years older than his wife.
- **Maximum Benefit** – The valuation reflects the maximum benefit limits under Internal Revenue Code Section 415.
- **Actuarial Experience Analysis** – The most recent actuarial experience study was prepared in 2018 and became effective with the October 1, 2018 valuation. The assumptions revised as a result of this study were to revise employee turnover rates for those with less than five years of service and reduce retirement rates for employees age 55 and under.

Probability Table of Permanent Withdrawal from Active Status:

Representative values of the assumed annual rates of withdrawal among members in active service are set forth in the following table.

| Age | Completed Years of Service | | | | | |
|-----|----------------------------|-------|-------|------|------|-----------|
| | 0 | 1 | 2 | 3 | 4 | 5 or more |
| 20 | 13.5% | 13.0% | 10.8% | 8.5% | 7.0% | 6.0% |
| 25 | 13.5% | 13.0% | 10.8% | 8.5% | 7.0% | 5.3% |
| 30 | 13.5% | 13.0% | 10.8% | 8.5% | 7.0% | 4.8% |
| 35 | 13.0% | 12.5% | 10.3% | 8.2% | 7.0% | 4.4% |
| 40 | 12.4% | 11.9% | 9.7% | 7.6% | 6.5% | 3.4% |
| 45 | 11.8% | 11.3% | 9.0% | 7.0% | 5.7% | 2.9% |
| 50 | 11.2% | 10.7% | 8.5% | 6.4% | 4.7% | 2.4% |
| 55 | 10.9% | 10.4% | 8.2% | 6.1% | 4.4% | 2.0% |

Probability Table of Disability:

Representative values of the assumed annual rates of disability among members in active service are set forth in the following table. 90% of disabilities are assumed to be ordinary (non-occupational), and 10% are service incurred. Of the service incurred disabilities, 50% are assumed to be accidental.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
SEPTEMBER 30, 2020
SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS**

GESE Trust – Actuarial Assumptions and Methods October 1, 2019 Valuation (Cont'd)

| Age | Rate | Age | Rate | Age | Rate | Age | Rate |
|-----|-------|-----|-------|-----|-------|-----|-------|
| 20 | 0.02% | 30 | 0.05% | 40 | 0.09% | 50 | 0.18% |
| 25 | 0.02% | 35 | 0.07% | 45 | 0.12% | 55 | 0.26% |

Probability Table of Retirement:

Non-Backdrop Retirements

Representative values of the assumed annual rates of retirement among members in active service are set forth in the following table. The rates for ages 45 through 54 are the assumed rates before the age of 55 under the rule of 70.

| Age | Rate | Age | Rate | Age | Rate | Age | Rate | Age | Rate |
|-----|------|-----|------|-----|------|-----|------|-----|------|
| 45 | 7% | 50 | 10% | 55 | 18% | 60 | 18% | 65 | 16% |
| 46 | 7% | 51 | 10% | 56 | 18% | 61 | 18% | 66 | 16% |
| 47 | 7% | 52 | 10% | 57 | 18% | 62 | 18% | 67 | 16% |
| 48 | 7% | 53 | 10% | 58 | 18% | 63 | 18% | 68 | 16% |
| 49 | 7% | 54 | 10% | 59 | 18% | 64 | 18% | 69 | 16% |
| | | | | | | | | 70 | 100% |

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
SEPTEMBER 30, 2020
SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS**

GESE Trust – Actuarial Assumptions and Methods October 1, 2019 Valuation (Cont'd)

Rates of Backdrop Retirement Elections

The valuation assumes members will elect a five-year Backdrop.

| Age | Years of Service | | | | | | | | |
|-----|------------------|-------|------|------|------|------|------|------|------|
| | 10-14 | 15-20 | 21 | 23 | 25 | 27 | 29 | 30 | 35 |
| 50 | | | | | | | | 15% | |
| 51 | | | | | | | 15% | 15% | |
| 52 | | | | | | | 15% | 10% | |
| 53 | | | | | | 15% | 10% | 10% | |
| 54 | | | | | | 15% | 10% | 10% | |
| 55 | | | | | 18% | 10% | 10% | 10% | 25% |
| 56 | | | | | 18% | 10% | 10% | 10% | 25% |
| 57 | | | | 18% | 10% | 10% | 10% | 10% | 25% |
| 58 | | | | 18% | 10% | 10% | 10% | 10% | 25% |
| 59 | | | 18% | 10% | 10% | 10% | 10% | 10% | 25% |
| 60 | 18% | 18% | 18% | 10% | 10% | 10% | 10% | 25% | 25% |
| 61 | 10% | 10% | 10% | 10% | 10% | 10% | 25% | 25% | 25% |
| 62 | 10% | 10% | 10% | 10% | 10% | 10% | 25% | 25% | 25% |
| 63 | 10% | 10% | 10% | 10% | 10% | 25% | 25% | 25% | 25% |
| 64 | 10% | 10% | 10% | 10% | 10% | 25% | 25% | 25% | 25% |
| 65 | 10% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% |
| 66 | 10% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% |
| 67 | 10% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 16% |
| 68 | 10% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 16% |
| 69 | 10% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 16% |
| 70 | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
SEPTEMBER 30, 2020
SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS**

Excess Benefit Plan - Actuarial Assumptions and Methods October 1, 2019 Valuation

Actuarial Cost Method of Valuation:

The modified individual entry age normal cost method of valuation was used in determining actuarial liabilities and normal cost. Under this method, the present value of future normal cost equals the present value of all future benefits less the present value of future employee contributions less the greater of the actuarial accrued liability or the actuarial value of assets where the total cost is not less than zero.

For determination of the Actuarially Determined Contribution, the unfunded actuarial accrued liability is amortized as a level dollar amount over 30 years from October 1, 2000.

Mortality Tables for the October 1, 2019 Valuation and Actuarially Determined Contribution:

- **Pre-Retirement Mortality**
Female: RP2000 Generational, 100% Combined Healthy White Collar, Scale BB
Male: RP2000 Generational, 50% Combined Healthy White Collar / 50% Combined Healthy Blue Collar, Scale BB
- **Post-Retirement Healthy Mortality**
Female: RP2000 Generational, 100% Annuitant White Collar, Scale BB
Male: RP2000 Generational, 50% Annuitant White Collar / 50% Annuitant Blue Collar, Scale BB
- **Post-Retirement Disabled Mortality**
Female: RP2000, 100% Disabled Female set forward two years, no projection scale
Male: RP2000, 100% Disabled Male, set back four years, no projection scale

Mortality Tables for purposes of GASB 67:

- **Pre-Retirement Mortality**
Female: PUB-2010 Headcount Weighted General Below Median Employee Female Table
Male: PUB-2010 Headcount Weighted General Below Median Employee Male Table, set back 1 year
Projection Scale: MP-2018
- **Post-Retirement Healthy Mortality**
Female: PUB-2010 Headcount Weighted General Below Median Healthy Retiree Female Table
Male: PUB-2010 Headcount Weighted General Below Median Healthy Retiree Male Table, set back 1 year
Projection Scale: MP-2018

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
SEPTEMBER 30, 2020
SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS**

Excess Benefit Plan - Actuarial Assumptions and Methods October 1, 2019 Valuation (Cont'd)

- **Post-Retirement Disabled Mortality**

Female: PUB-2010 Headcount Weighted General Disabled Retiree Female Table, set forward 3 years

Male: PUB-2010 Headcount Weighted General Disabled Retiree Male Table, set forward 3 years

Projection Scale: MP-2018

Actuarial Assumption Rates:

- **Investment Return Rate and Discount Rate** – The excess benefit plan is a pay-as-you-go plan and there are no plan assets. Therefore, the assumed investment return rate does not apply. The City provides for the non-investment expenses of the plan.

The discount rate in the calculation of the annual required contribution was 7.60% as of October 1, 2019.

The discount rate for purposes of GASB 67 was 2.81% as of September 30, 2019 and 2.21% as of September 30, 2020 based on the Bond Buyer General Obligation 20-year Municipal Bond Index (www.bondbuyer.com) formerly published monthly by the Board of Governors of the Federal Reserve System.

- **Salary Increase Rate** - Salaries are assumed to increase at a rate that varies based on years of credited service and include 3.5% wage inflation. There is no assumed total active member payroll increase.
- **Inflation Rate** – The assumed inflation rate is 2.5% per annum.

Spouses - 80% of active members are assumed to be married, with the husband three years older than his wife.

Valuation of Excess Benefits:

Due to the pay-as-you-go nature of the excess benefit plan, there are no plan assets. The City provides for the benefit payments and expenses of the plan as required each year. The valuation of excess benefits does not reflect the maximum benefit limits under Internal Revenue Code 415.

Probability Table of Permanent Withdrawal from Active Status:

Representative values of the assumed annual rates of withdrawal among members in active service are set forth in the following table.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
SEPTEMBER 30, 2020
SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS**

Excess Benefit Plan - Actuarial Assumptions and Methods October 1, 2019 Valuation (Cont'd)

| Age | Completed Years of Service | | | | | |
|-----|----------------------------|-------|-------|------|------|-----------|
| | 0 | 1 | 2 | 3 | 4 | 5 or more |
| 20 | 13.5% | 13.0% | 10.8% | 8.5% | 7.0% | 6.0% |
| 25 | 13.5% | 13.0% | 10.8% | 8.5% | 7.0% | 5.3% |
| 30 | 13.5% | 13.0% | 10.8% | 8.5% | 7.0% | 4.8% |
| 35 | 13.0% | 12.5% | 10.3% | 8.2% | 7.0% | 4.4% |
| 40 | 12.4% | 11.9% | 9.7% | 7.6% | 6.5% | 3.4% |
| 45 | 11.8% | 11.3% | 9.0% | 7.0% | 5.7% | 2.9% |
| 50 | 11.2% | 10.7% | 8.5% | 6.4% | 4.7% | 2.4% |
| 55 | 10.9% | 10.4% | 8.2% | 6.1% | 4.4% | 2.0% |

Probability Table of Disability:

Representative values of the assumed annual rates of disability among members in active service are set forth in the following table. 90% of disabilities are assumed to be ordinary (non-occupational), and 10% are service incurred. Of the service incurred disabilities, 50% are assumed to be accidental.

| Age | Rate | Age | Rate | Age | Rate | Age | Rate |
|-----|-------|-----|-------|-----|-------|-----|-------|
| 20 | 0.02% | 30 | 0.05% | 40 | 0.09% | 50 | 0.18% |
| 25 | 0.02% | 35 | 0.07% | 45 | 0.12% | 55 | 0.26% |

Probability Table of Retirement:

Non-Backdrop Retirements

Representative values of the assumed annual rates of retirement among members in active service are set forth in the following table. The rates for ages 45 through 54 are the assumed rates before the age of 55 under the rule of 70.

| Age | Rate | Age | Rate | Age | Rate | Age | Rate | Age | Rate |
|-----|------|-----|------|-----|------|-----|------|-----|------|
| 45 | 7% | 50 | 10% | 55 | 18% | 60 | 18% | 65 | 16% |
| 46 | 7% | 51 | 10% | 56 | 18% | 61 | 18% | 66 | 16% |
| 47 | 7% | 52 | 10% | 57 | 18% | 62 | 18% | 67 | 16% |
| 48 | 7% | 53 | 10% | 58 | 18% | 63 | 18% | 68 | 16% |
| 49 | 7% | 54 | 10% | 59 | 18% | 64 | 18% | 69 | 16% |
| | | | | | | | | 70 | 100% |

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
SEPTEMBER 30, 2020
SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS**

Excess Benefit Plan - Actuarial Assumptions and Methods October 1, 2019 Valuation (Cont'd)

Rates of Backdrop Retirement Elections

The valuation assumes members will elect a five-year Backdrop.

| Age | Years of Service | | | | | | | | |
|-----|------------------|-------|------|------|------|------|------|------|------|
| | 10-14 | 15-20 | 21 | 23 | 25 | 27 | 29 | 30 | 35 |
| 50 | | | | | | | | 15% | |
| 51 | | | | | | | 15% | 15% | |
| 52 | | | | | | | 15% | 10% | |
| 53 | | | | | | 15% | 10% | 10% | |
| 54 | | | | | | 15% | 10% | 10% | |
| 55 | | | | | 18% | 10% | 10% | 10% | 25% |
| 56 | | | | | 18% | 10% | 10% | 10% | 25% |
| 57 | | | | 18% | 10% | 10% | 10% | 10% | 25% |
| 58 | | | | 18% | 10% | 10% | 10% | 10% | 25% |
| 59 | | | 18% | 10% | 10% | 10% | 10% | 10% | 25% |
| 60 | 18% | 18% | 18% | 10% | 10% | 10% | 10% | 25% | 25% |
| 61 | 10% | 10% | 10% | 10% | 10% | 10% | 25% | 25% | 25% |
| 62 | 10% | 10% | 10% | 10% | 10% | 10% | 25% | 25% | 25% |
| 63 | 10% | 10% | 10% | 10% | 10% | 25% | 25% | 25% | 25% |
| 64 | 10% | 10% | 10% | 10% | 10% | 25% | 25% | 25% | 25% |
| 65 | 10% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% |
| 66 | 10% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% |
| 67 | 10% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 16% |
| 68 | 10% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 16% |
| 69 | 10% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 16% |
| 70 | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
SEPTEMBER 30, 2020
SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS**

Staff Plan - Actuarial Assumptions and Methods October 1, 2019 Valuation

Actuarial Cost Method of Valuation:

The modified individual entry age normal cost method of valuation was used in determining actuarial liabilities and normal cost. Under this method, the present value of future normal cost equals the present value of all future benefits less the present value of future employee contributions less the greater of the actuarial accrued liability or the actuarial value of assets where the total cost is not less than zero.

In the calculation of the actuarially determined contributions, changes in actuarial assumptions are amortized as level dollar amounts over 20 years, actuarial gains and losses are amortized over 15 years, benefit improvements for retirees are amortized over 15 years, and benefit improvements for actives are amortized over 20 years. The Staff Plan's initial unfunded actuarial accrued liability as of October 1, 2000 is amortized over 30 years.

Mortality Tables for the October 1, 2019 Valuation and Actuarially Determined Contribution:

- **Pre-Retirement Mortality**
Female: RP2000 Generational, 100% Combined Healthy White Collar, Scale BB
Male: RP2000 Generational, 50% Combined Healthy White Collar / 50% Combined Healthy Blue Collar, Scale BB
- **Post-Retirement Healthy Mortality**
Female: RP2000 Generational, 100% Annuitant White Collar, Scale BB
Male: RP2000 Generational, 50% Annuitant White Collar / 50% Annuitant Blue Collar, Scale BB
- **Post-Retirement Disabled Mortality**
Female: RP2000, 100% Disabled Female set forward two years, no projection scale
Male: RP2000, 100% Disabled Male, set back four years, no projection scale

Mortality Tables for purposes of GASB 67:

- **Pre-Retirement Mortality**
Female: PUB-2010 Headcount Weighted General Below Median Employee Female Table
Male: PUB-2010 Headcount Weighted General Below Median Employee Male Table, set back 1 year
Projection Scale: MP-2018
- **Post-Retirement Healthy Mortality**
Female: PUB-2010 Headcount Weighted General Below Median Healthy Retiree Female Table
Male: PUB-2010 Headcount Weighted General Below Median Healthy Retiree Male Table, set back 1 year
Projection Scale: MP-2018

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
SEPTEMBER 30, 2020
SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS**

Staff Plan - Actuarial Assumptions and Methods October 1, 2019 Valuation (Cont'd)

- **Post-Retirement Disabled Mortality**

Female: PUB-2010 Headcount Weighted General Disabled Retiree Female Table, set forward 3 years

Male: PUB-2010 Headcount Weighted General Disabled Retiree Male Table, set forward 3 years

Projection Scale: MP-2018

Actuarial Assumption Rates:

- **Investment Return Rate and Discount Rate** - The investment return rate used in the October 1, 2019 valuation is 7.60% per annum. The investment return rate assumption is net of investment expenses. The City provides for the non-investment expenses of the Staff Plan.

The discount rate in the calculation of the actuarially determined contributions was 7.60% as of October 1, 2019.

The discount rate for purposes of GASB 67 was 7.45%.

- **Salary Increase Rate** - Salaries are assumed to increase at the rate of 6.00% per annum, including 3.5% wage inflation. There is no assumed total active member payroll increase.
- **Inflation Rate** – The assumed inflation rate is 2.5% per annum.

Asset Valuation Method:

In the calculation of the actuarially determined contributions, the actuarial value of assets is based on a smoothed market value of assets which recognizes investment gains and losses over a three-year period, effective July 1, 2001. Each year, the market asset value is projected forward at the valuation date based on actual contributions and benefit payments at the assumed interest assumption. One third of the difference between the projected market value and the market value plus prior deferrals is added to the projected actuarial value. The remaining two thirds is deferred to each of the next two years as future adjustments to the actuarial value. The result cannot be greater than 120% of market value or less than 80% of market value. As of October 1, 2000, the actuarial value was equal to the estimated present value of employee payments to purchase credit for service to the effective date of the plan (July 1, 2001).

For purposes of GASB 67 the value of assets is equal to the market value of assets.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
SEPTEMBER 30, 2020
SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS**

Staff Plan - Actuarial Assumptions and Methods October 1, 2019 Valuation (Cont'd)

Other Assumptions:

- **Spouses** - 40% of active members are assumed to be married with the husband 3 years older than his wife.
- **Maximum Benefit** – The valuation reflects the maximum benefit limits under Internal Revenue Code Section 415.

Probability Table of Permanent Withdrawal from Active Status:

Representative values of the assumed annual rates of withdrawal among members in active service are set forth in the following table, effective October 1, 2001.

| Age | Completed Years of Service | | | | | |
|-----|----------------------------|-------|------|------|------|-----------|
| | 0 | 1 | 2 | 3 | 4 | 5 or more |
| 20 | 12.0% | 10.5% | 9.0% | 7.2% | 6.0% | 5.3% |
| 25 | 12.0% | 10.5% | 9.0% | 7.2% | 6.0% | 4.6% |
| 30 | 12.0% | 10.5% | 9.0% | 7.2% | 6.0% | 4.0% |
| 35 | 12.0% | 10.5% | 9.0% | 7.2% | 6.0% | 3.4% |
| 40 | 11.4% | 9.9% | 8.4% | 6.6% | 5.4% | 2.6% |
| 45 | 10.8% | 9.3% | 7.8% | 6.0% | 4.8% | 2.0% |
| 50 | 10.2% | 8.7% | 7.2% | 5.4% | 4.2% | 1.3% |
| 55 | 9.9% | 8.4% | 6.9% | 5.1% | 3.9% | 1.0% |

Probability Table of Disability:

Representative values of the assumed annual rates of disability among members in active service are set forth in the following table.

| Age | Rate | Age | Rate | Age | Rate | Age | Rate |
|-----|-------|-----|-------|-----|-------|-----|-------|
| 20 | 0.03% | 30 | 0.04% | 40 | 0.07% | 50 | 0.17% |
| 25 | 0.03% | 35 | 0.05% | 45 | 0.10% | 55 | 0.25% |

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
SEPTEMBER 30, 2020
SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS**

Staff Plan - Actuarial Assumptions and Methods October 1, 2019 Valuation (Cont'd)

Probability Table of Retirement:

Representative values of the assumed annual rates of retirement among members in active service are set forth in the following table.

| Age | Rate | Age | Rate | Age | Rate | Age | Rate | Age | Rate |
|-----|------|-----|------|-----|------|-----|------|-----|------|
| 45 | 15% | 50 | 20% | 55 | 30% | 60 | 20% | 65 | 20% |
| 46 | 15% | 51 | 20% | 56 | 20% | 61 | 20% | 66 | 20% |
| 47 | 15% | 52 | 20% | 57 | 20% | 62 | 20% | 67 | 20% |
| 48 | 15% | 53 | 20% | 58 | 20% | 63 | 20% | 68 | 20% |
| 49 | 15% | 54 | 20% | 59 | 20% | 64 | 20% | 69 | 20% |
| | | | | | | | | 70 | 100% |

20% is added to the rates in the table when the member first reaches Rule of 70 eligibility.

Consistency with Accounting Information

The determination of the Government Accounting Standards Board Statement No. 67 accounting information has been made on the same basis as the actuarial assumptions and methods used in the calculation of the actuarially determined contributions, unless noted.

Actuarial Data

The actuarial assumptions, as set forth in the supporting schedules, were specified by the Board of Trustees with the recommendation of the actuary.

The actuarial valuation computations were made by or under the supervision of a Member of the American Academy of Actuaries. The member data was furnished by the GESE Trust's administrative staff. Although examined for reasonableness, the data was not independently verified by the actuary.

CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
SEPTEMBER 30, 2020
SCHEDULE OF ACTIVE MEMBER VALUATION DATA,
SCHEDULE OF RETIRANTS AND BENEFICIARIES, AND SOLVENCY TEST *

SCHEDULE OF ACTIVE MEMBER VALUATION DATA

| Valuation Date | GESE Trust | | | | Staff Plan | | | |
|----------------|------------|----------------|--------------------|---------------------------------|------------|----------------|--------------------|---------------------------------|
| | Number | Annual Payroll | Annual Average Pay | Percent Increase in Average Pay | Number | Annual Payroll | Annual Average Pay | Percent Increase in Average Pay |
| 10/1/2010 | 1,294 | \$68,762,827 | \$53,140 | -1.92% | 11 | \$842,955 | \$76,632 | 24.45% |
| 10/1/2011 | 1,241 | \$63,601,380 | \$51,250 | -3.56% | 9 | \$735,056 | \$81,673 | 6.58% |
| 10/1/2012 | 1,231 | \$62,515,723 | \$50,785 | -0.91% | 6 | \$354,937 | \$59,156 | -27.57% |
| 10/1/2013 | 1,288 | \$64,437,132 | \$50,029 | -1.49% | 5 | \$298,958 | \$59,792 | 1.08% |
| 10/1/2014 | 1,376 | \$69,829,851 | \$50,748 | 1.44% | 3 | \$164,547 | \$54,849 | -8.27% |
| 10/1/2015 | 1,512 | \$78,707,859 | \$52,055 | 2.58% | 3 | \$172,459 | \$57,486 | 4.81% |
| 10/1/2016 | 1,793 | \$94,536,971 | \$52,726 | 1.29% | 3 | \$225,148 | \$75,049 | 33.48% |
| 10/1/2017 | 1,943 | \$107,890,759 | \$55,528 | 5.31% | 4 | \$280,425 | \$70,106 | 5.68% |
| 10/1/2018 | 1,959 | \$107,770,892 | \$55,013 | -0.93% | 5 | \$320,720 | \$64,144 | 4.36% |
| 10/1/2019 | 1,972 | \$119,071,503 | \$60,381 | 9.76% | 6 | \$387,761 | \$64,627 | 11.29% |

SCHEDULE OF RETIRANTS AND BENEFICIARIES ADDED TO AND REMOVED FROM ROLLS

| Year Ended | Added To Rolls | | Removed From Rolls | | Rolls - End of Year | | % Increase In Annual Allowances | Average Annual Allowances |
|------------|----------------|-------------------|--------------------|-------------------|---------------------|-------------------|---------------------------------|---------------------------|
| | No. | Annual Allowances | No. | Annual Allowances | No. | Annual Allowances | | |
| 9/30/2010 | 290 | \$14,222,231 | 65 | \$1,196,902 | 2,200 | \$72,147,210 | 22.03% | \$32,794 |
| 9/30/2011 | 51 | \$1,812,048 | 89 | \$1,564,297 | 2,162 | \$72,394,961 | 0.34% | \$33,485 |
| 9/30/2012 | 41 | \$1,483,981 | 78 | \$1,585,688 | 2,125 | \$72,293,254 | -0.14% | \$34,020 |
| 9/30/2013 | 45 | \$2,050,826 | 97 | \$2,049,700 | 2,073 | \$72,294,380 | 0.00% | \$34,874 |
| 9/30/2014 | 43 | \$1,559,877 | 85 | \$1,859,508 | 2,031 | \$71,994,749 | -0.41% | \$35,448 |
| 9/30/2015 | 43 | \$1,641,524 | 67 | \$1,538,547 | 2,007 | \$72,097,726 | 0.14% | \$35,923 |
| 9/30/2016 | 51 | \$1,921,346 | 74 | \$1,811,924 | 1,984 | \$72,207,148 | 0.15% | \$36,395 |
| 9/30/2017 | 49 | \$2,076,806 | 54 | \$1,118,605 | 1,979 | \$73,165,349 | 1.33% | \$36,971 |
| 9/30/2018 | 41 | \$1,776,058 | 73 | \$1,800,723 | 1,947 | \$73,140,684 | -0.03% | \$37,566 |
| 9/30/2019 | 38 | \$1,776,058 | 65 | \$1,805,724 | 1,920 | \$73,278,003 | 0.19% | \$38,166 |

SOLVENCY TEST

| Valuation Date | Aggregate Accrued Liabilities For | | | Actuarial Value of Assets | Portion of Accrued Liabilities Covered by Reported Assets | | |
|-------------------|-----------------------------------|--------------------------------|---|---------------------------|---|--------------------------------|---|
| | (1) Active Member Contributions | (2) Retirees and Beneficiaries | (3) Active Member Employer Financed Portion | | (1) Active Member Contributions | (2) Retirees and Beneficiaries | (3) Active Member Employer Financed Portion |
| GESE Trust | | | | | | | |
| 10/1/2010 | \$51,512,855 | \$742,702,827 | \$46,655,454 | \$652,999,926 | 100% | 81% | 0% |
| 10/1/2011 | \$55,666,384 | \$745,868,657 | \$43,589,999 | \$600,678,610 | 100% | 73% | 0% |
| 10/1/2012 | \$64,770,972 | \$741,277,894 | \$52,200,075 | \$560,966,742 | 100% | 67% | 0% |
| 10/1/2013 | \$70,317,889 | \$739,487,758 | \$56,105,615 | \$556,570,561 | 100% | 66% | 0% |
| 10/1/2014 | \$76,301,336 | \$735,433,118 | \$54,123,745 | \$576,796,227 | 100% | 68% | 0% |
| 10/1/2015 | \$83,524,419 | \$733,521,064 | \$64,239,276 | \$593,839,115 | 100% | 70% | 0% |
| 10/1/2016 | \$91,512,215 | \$773,892,248 | \$86,667,540 | \$618,446,623 | 100% | 68% | 0% |
| 10/1/2017 | \$100,581,074 | \$778,034,035 | \$102,412,357 | \$645,491,328 | 100% | 70% | 0% |
| 10/1/2018 | \$110,392,059 | \$771,318,434 | \$154,116,813 | \$678,854,470 | 100% | 74% | 0% |
| 10/1/2019 | \$122,948,157 | \$765,344,472 | \$193,776,602 | \$715,548,690 | 100% | 77% | 0% |
| Staff Plan | | | | | | | |
| 10/1/2010 | \$778,535 | \$0 | \$2,048,447 | \$1,834,613 | 100% | 0% | 52% |
| 10/1/2011 | \$752,812 | \$559,199 | \$1,827,888 | \$2,136,978 | 100% | 100% | 45% |
| 10/1/2012 | \$276,713 | \$3,270,956 | \$816,923 | \$2,455,245 | 100% | 67% | 0% |
| 10/1/2013 | \$253,063 | \$3,657,009 | \$681,550 | \$2,687,241 | 100% | 67% | 0% |
| 10/1/2014 | \$127,242 | \$4,420,898 | \$304,551 | \$3,062,215 | 100% | 66% | 0% |
| 10/1/2015 | \$149,193 | \$3,822,502 | \$363,310 | \$3,269,345 | 100% | 82% | 0% |
| 10/1/2016 | \$159,339 | \$4,319,323 | \$422,498 | \$3,467,469 | 100% | 77% | 0% |
| 10/1/2017 | \$192,415 | \$4,397,343 | \$502,966 | \$3,720,759 | 100% | 80% | 0% |
| 10/1/2018 | \$224,747 | \$4,443,412 | \$585,249 | \$4,115,851 | 100% | 88% | 0% |
| 10/1/2019 | \$273,963 | \$4,500,263 | \$705,702 | \$4,460,274 | 100% | 93% | 0% |

* - Schedules do not apply to Excess Benefit Plan.

CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
SEPTEMBER 30, 2020
SCHEDULE OF ACTIVE MEMBER VALUATION DATA,
SCHEDULE OF RETIRANTS AND BENEFICIARIES, AND SOLVENCY TEST

Excess Benefit Plan

Excess SCHEDULE OF RETIRANTS AND BENEFICIARIES ADDED TO AND REMOVED FROM ROLLS

| Year Ended | Added To Rolls | | Removed From Rolls | | Rolls - End of Year | | % Increase In Annual Allowances | Average Annual Allowances |
|------------|----------------|-------------------|--------------------|-------------------|---------------------|-------------------|---------------------------------|---------------------------|
| | No. | Annual Allowances | No. | Annual Allowances | No. | Annual Allowances | | |
| 9/30/2010 | 9 | \$112,260 | 0 | \$0 | 35 | \$504,928 | 28.59% | \$14,427 |
| 9/30/2011 | 3 | \$61,209 | 2 | \$1,309 | 36 | \$512,256 | 1.45% | \$14,229 |
| 9/30/2012 | 4 | \$106,329 | 3 | \$1,416 | 37 | \$566,207 | 10.53% | \$14,815 |
| 9/30/2013 | 4 | \$70,877 | 3 | \$1,799 | 38 | \$577,001 | 1.91% | \$15,184 |
| 9/30/2014 | 6 | \$96,749 | 0 | \$0 | 44 | \$643,750 | 16.77% | \$15,313 |
| 9/30/2015 | 3 | \$15,177 | 0 | \$0 | 47 | \$688,927 | 2.25% | \$14,658 |
| 9/30/2016 | 0 | \$0 | 5 | \$2,975 | 42 | \$605,959 | -12.04% | \$14,428 |
| 9/30/2017 | 0 | \$0 | 6 | \$11,759 | 36 | \$477,589 | -21.18% | \$13,266 |
| 9/30/2018 | 0 | \$0 | 3 | \$4,007 | 33 | \$417,288 | -12.63% | \$12,645 |
| 9/30/2019 | 0 | \$0 | 5 | \$6,918 | 28 | \$361,096 | -13.47% | \$12,896 |

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS**

**SEPTEMBER 30, 2020
ANALYSIS OF FINANCIAL EXPERIENCE**

**Gains & Losses in Accrued Liabilities
Resulting from Differences Between Assumed Experience & Actual Experience**

| | \$ Gain (or Loss) For Year Ending September 30, | | | |
|---|--|-----------------------------------|-----------------------------------|-----------------------------------|
| | G.E.S.E. RETIREMENT | | | |
| | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> |
| Age & Service Retirements If members retire at older ages or with lower final average pay than assumed, there is a gain. If younger ages or higher average pay, a loss. | 1,656,916 | (2,457) | (1,639,634) | (1,181,629) |
| Disability Retirements If disability claims are less than assumed, there is a gain. If more claims, a loss. | (510,708) | 1,190 | 62,505 | (701,193) |
| Death-In-Service Retirements If survivor claims are less than assumed, there is a gain. If more claims, a loss. | (305,018) | (227,625) | (190,574) | (139,686) |
| Withdrawal From Employment If more liabilities are released by withdrawals than assumed, there is a gain. If smaller releases, a loss. | 292,024 | (249,246) | (968,594) | (145,137) |
| New Members If there are more new members than assumed, there is a gain. If less, a loss. | (452,350) | (478,709) | (935,113) | (1,445,423) |
| Pay Increases If there are smaller pay increases than assumed, there is a gain. If greater increases, a loss. | (17,156,591) | 4,177,450 | (10,693,157) | (3,791,162) |
| Contribution Income If more contributions are received than expected, there is a gain. If less, a loss. | (4,401,671) | (2,761,037) | (5,179,640) | 14,336 |
| Investment Income If there is greater Investment income than assumed, there is a gain. If less income, a loss. | 3,834,350 | 8,804,056 | 9,621,622 | 12,259,344 |
| Death After Retirement If retirants live longer than assumed, there is a loss. If not as long, a gain | 271,077 | (562,629) | (5,627,278) | (2,108,381) |
| Other Miscellaneous gains and losses resulting from data adjustments, timing of financial transactions, valuation methods, etc. | 2,767,672 | 1,260,512 | 1,534,892 | 913,974 |
| Gain (or Loss) During Year From Financial Experience | <u>(14,004,299)</u> | <u>9,961,505</u> | <u>(14,014,971)</u> | <u>3,675,043</u> |
| Non-Recurring Items Plan amendments, assumption changes, etc | <u>(12,106,830)</u> | <u>(45,587,469)</u> | <u>-</u> | <u>(60,055,995)</u> |
| Composite Gain (or Loss) During Year | <u><u>(26,111,129)</u></u> | <u><u>(35,625,964)</u></u> | <u><u>(14,014,971)</u></u> | <u><u>(56,380,952)</u></u> |

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
SEPTEMBER 30, 2020
ANALYSIS OF FINANCIAL EXPERIENCE**

**Gains & Losses in Accrued Liabilities
Resulting from Differences Between Assumed Experience & Actual Experience**

| | \$ Gain (or Loss) For Year Ending September 30, | | | |
|---|--|-------------------|---------------------|-------------------|
| | EXCESS BENEFIT PLAN | | | |
| | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> |
| Age & Service Retirements | 0 | 0 | 0 | 0 |
| If members retire at older ages or with lower final average pay than assumed, there is a gain. If younger ages or higher average pay, a loss. | | | | |
| Disability Retirements | 0 | 0 | 0 | 0 |
| If disability claims are less than assumed, there is a gain. If more claims, a loss. | | | | |
| Death-In-Service Retirements | 0 | 0 | 0 | 0 |
| If survivor claims are less than assumed, there is a gain. If more claims, a loss. | | | | |
| Withdrawal From Employment | 0 | 0 | 0 | 0 |
| If more liabilities are released by withdrawals than assumed, there is a gain. If smaller releases, a loss. | | | | |
| New Members | 0 | 0 | 0 | 0 |
| If there are more new members than assumed, there is a gain. If less, a loss. | | | | |
| Pay Increases | 0 | 0 | 0 | 0 |
| If there are smaller pay increases than assumed, there is a gain, If greater increases, a loss. | | | | |
| Contribution Income | (153,655) | (101,996) | (175,857) | (234,325) |
| If more contributions are received than expected, there is a gain. If less, a loss. | | | | |
| Investment Income | (5,839) | (3,876) | (6,683) | (8,904) |
| If there is greater Investment income than assumed, there is a gain.. If less income, a loss. | | | | |
| Death After Retirement | (20,202) | (21,656) | (26,084) | (24,207) |
| If retirants live longer than assumed, there is a loss. If not as long, a gain | | | | |
| Other | 611,763 | 613,036 | 1,467,486 | 1,062,385 |
| Miscellaneous gains and losses resulting from data adjustments, timing of financial transactions, valuation methods, etc. | | | | |
| Gain (or Loss) During Year From Financial Experience | \$ 432,067 | \$ 485,508 | \$ 1,258,862 | \$ 794,949 |
| Non-Recurring Items | - | - | - | (251,207) |
| Plan amendments, assumption changes, etc | | | | |
| Composite Gain (or Loss) During Year | \$ 432,067 | \$ 485,508 | \$ 1,258,862 | \$ 543,742 |

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
SEPTEMBER 30, 2020**

ANALYSIS OF FINANCIAL EXPERIENCE

**Gains & Losses in Accrued Liabilities
Resulting from Differences Between Assumed Experience & Actual Experience**

| | \$ Gain (or Loss) For Year Ending September 30, | | | |
|---|--|-------------------|--------------------|---------------------|
| | STAFF PENSION PLAN | | | |
| | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> |
| Age & Service Retirements | \$ 6,180 | \$ 6,680 | \$ 7,317 | \$ 2,511 |
| If members retire at older ages or with lower final average pay than assumed, there is a gain. If younger ages or higher average pay, a loss. | | | | |
| Disability Retirements | (60) | (46) | (11) | (115) |
| If disability claims are less than assumed, there is a gain. If more claims, a loss. | | | | |
| Death-In-Service Retirements | (796) | (652) | (516) | (387) |
| If survivor claims are less than assumed, there is a gain. If more claims, a loss. | | | | |
| Withdrawal From Employment | (5,998) | 14,273 | (1,067) | 33,025 |
| If more liabilities are released by withdrawals than assumed, there is a gain. If smaller releases, a loss. | | | | |
| New Members | (9,220) | (9,774) | (13,507) | 0 |
| If there are more new members than assumed, there is a gain. If less, a loss. | | | | |
| Pay Increases | (23,886) | (18,775) | (18,767) | (1,475) |
| If there are smaller pay increases than assumed, there is a gain. If greater increases, a loss. | | | | |
| Contribution Income | 19,438 | 5,541 | 16,234 | 72,571 |
| If more contributions are received than expected, there is again. If less, a loss. | | | | |
| Investment Income | 64,890 | 156,842 | 14,123 | (1,488) |
| If there is greater Investment income than assumed, there is a gain. If less income, a loss. | | | | |
| Death After Retirement | (2,932) | (2,817) | (2,625) | (1,505) |
| If retirants live longer than assumed, there is a loss. If not as long, a gain | | | | |
| Other | (14,163) | (3,526) | (33,419) | (30,798) |
| Miscellaneous gains and losses resulting from data adjustments, timing of financial transactions, valuation methods, etc. | | | | |
| Gain (or Loss) During Year From Financial Experience | <u>\$ 33,453</u> | <u>\$ 147,746</u> | <u>\$ (32,238)</u> | <u>\$ 72,339</u> |
| Non-Recurring Items | - | - | - | (529,715) |
| Plan amendments, assumption changes, etc | | | | |
| Composite Gain (or Loss) During Year | <u>\$ 33,453</u> | <u>\$ 147,746</u> | <u>\$ (32,238)</u> | <u>\$ (457,376)</u> |

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
SUMMARY PLAN PROVISIONS
SEPTEMBER 30, 2020**

**The City of Miami General Employees' and Sanitation Employees' Retirement Trust ("GESE Trust")
– Summary Plan Provisions**

1. MEMBERSHIP:

Participation in the GESE Trust is a mandatory condition of employment for all employees except for those employees who are precluded from participation in the Plan pursuant to section 40-351 and employees working in the office of an elected official. Employees working in the office of an elected official have the ability to opt out of participation in the Plan and the City's trust fund as established by section 40-351. Pursuant to Section 40-249 and Section 40-251 any regular and permanent employee of the City of Miami (the "City") other than a fire fighter or police officer becomes a member upon employment unless he or she is a member of any other pension or retirement system supported wholly or in part by the City. An employee will cease to be a member if he or she is absent from service for more than three years of any five consecutive year period, withdraws his/her contributions, becomes a member of any other City-sponsored retirement plan or system, or dies. Membership Service is the service as an employee for which contributions to the GESE Trust are made as required.

2. CONTRIBUTIONS:

The Members contribute ten percent of compensation to the GESE Trust. The City contributes the actuarially determined amount necessary to fund the normal cost plus the amortization of the unfunded accrued liability and non-investment expenses of the GESE Trust.

Payback is a member's contribution to the GESE Trust for creditable service for which other than regular contributions have been made. Contributions required for paybacks shall not be picked up by the City, but may be deducted from a member's compensation. Required payback contributions vary depending on the type of service purchased. A member may receive credit for qualified military service or medical leave. Any member who takes an unpaid leave of absence for maternity or medical purposes may apply to the Board for membership credit up to a maximum of 180 days, or 240 days if the City denies light duty employment. The payback for maternity/medical leave is available for 30 days after notification to the member and must be fully completed within one year. Payback contributions made by a member may be a single lump-sum payment or equal installment payments which may be deducted from the member's compensation.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
SUMMARY PLAN PROVISIONS
SEPTEMBER 30, 2020**

3. BENEFITS:

Key Definitions:

Average final compensation-

For Members Eligible for Retirement (meet Rule of 70 or age 55 and 10 years of service) as of September 30, 2010 and Members hired prior to October 1, 2010 (except Members of AFSCME, Local 871) who retire on or after September 30, 2020, the average annual compensation during the highest one year of membership service.

For all other Members average annual compensation during the highest five years of the last 10 years of service. In no event shall the average final compensation of any member who is employed on September 30, 2010, and retires on or after October 1, 2010, be less than the member's final average compensation as of September 30, 2010.

Compensation is an employee's base salary including pick-up contributions, for all straight time hours worked, plus assignment pay and payments received for vacation and sick leave taken, jury duty, and death-in-family leave taken. Compensation does not include overtime pay, payments for accrued sick leave, accrued vacation leave, or accrued compensatory leave; premium pay for holidays worked the value of any employment benefits or non-monetary entitlement; or any other form of remuneration. For Members hired prior to October 1, 2010, (except Members of AFSCME, Local 871 compensation shall include the retroactive five percent salary increase for the Member's highest one year salary.

Retirement is the member's withdrawal from service with a benefit granted to the member pursuant to the provisions of this Plan.

Service is the active employment as an employee of the City.

Creditable service is the membership credit upon which a member's eligibility to receive benefits under the retirement plan is based or upon which the amount of such benefits is determined.

Spouse is the lawful husband or wife of a member or retiree at the time benefits commence, unless a new designation has been made in writing to the Board in accordance with the provision of the plan.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
SUMMARY PLAN PROVISIONS
SEPTEMBER 30, 2020**

(A) Service Retirement:

For Members Eligible for Retirement (meet Rule of 70 or age 55 and 10 years of service) as of September 30, 2010, and Members hired prior to October 1, 2010 (except Members of AFSCME Local 871) who retire on or after September 30, 2020, normal retirement is age 55 and 10 or more years of creditable service. For all other Members normal retirement means the earlier of age 55 and 30 years of creditable service, age 60 and 10 years of creditable service or Rule of 80. A Member meets Rule of 70 or Rule of 80 when the sum of a Member's age and creditable service equal at least 70 or 80, respectively, and a Member has 10 or more years of creditable service.

Generally, retirement benefits are based on 3% of the average final compensation multiplied by years of creditable service as of September 30, 2010 plus for service after September 30, 2010, 2.25% (2.5% for Members of AFSCME, Local 871) of average final compensation multiplied by creditable service up to 15 years, 2.5% of average final compensation for 16 to 20 years of service and 2.75% for service over 20 years. For Members eligible to retire on September 30, 2010 or Members of AFSCME, Local 1907 hired prior to October 1, 2010, retirement benefits are based on 3.0% of the average final compensation multiplied by years of creditable service.

The revised benefit multiplier schedule will be used in the calculation of the normal, early, deferred and disability retirement benefits, where applicable.

(B) Early Service Retirement Benefit:

A member in service who has 20 or more years of creditable service may elect to retire early with an immediate benefit. The early retirement benefit equals the actuarial equivalent of the basic service retirement benefit payable at the earliest of the retirement eligibility date age 55 or age 60 a.

(C) Deferred Vested Retirement Benefit:

A member who ceases to be an employee before October 1, 2010, for reasons other than death or willful misconduct, is not entitled to an immediate benefit under (A) and (B) above, has completed at least ten years of creditable service, and has left his/her accumulated contributions on deposit with the Plan, would be eligible for a deferred vested retirement benefit. The deferred vested retirement benefit may commence at age 55 or age 60 based on retirement eligibility rules.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
SUMMARY PLAN PROVISIONS
SEPTEMBER 30, 2020**

4. LIMITATION ON BENEFITS:

Effective September 30, 2012, for Members not eligible to retire on that date, member retirement allowances shall not exceed the lesser of 100 percent of the member's average final compensation or an annual retirement allowance of \$80,000 as of the retirement or DROP entry based on the normal form of benefit in effect on the date of retirement. In no event shall the benefit limitation be less than the member's accrued benefit on September 30, 2012 based on the normal form of benefit in effect on that date.

5. OPTIONAL ALLOWANCES:

A member may receive payment of retirement benefits under the plan in accordance with the options set forth below.

Normal Form Life Annuity. A member may elect to receive an unreduced normal monthly service retirement allowance for the life of the member with no survivorship benefit. In the event of the death of the member prior to receiving twelve (12) monthly retirement allowance payments there shall be paid to a named beneficiary a lump sum benefit equal to the sum of twelve monthly retirement allowance payments less the payments made.

Option 2 Equal payment survivor annuity -A member may receive a reduced retirement allowance payable for his/her life with an equal sum being paid to the member's designated beneficiary at the death of the member. The reduction shall be based on the actuarially equivalent of the normal form of benefit for the designated beneficiary. For Members eligible to retire as of September 30, 2010 who choose the spouse as beneficiary the reduction shall be ten percent (10%) of member's benefit.

Option 3 One-half payment survivor annuity – A member may receive a reduced retirement allowance payable for his/her life with one-half of member's benefit being paid to a designated beneficiary at the death of the member. The reduction shall be based on the actuarially equivalent of the normal form of benefit for the designated beneficiary. For Members eligible to retire as of September 30, 2010 who choose the spouse as beneficiary the reduction shall be two percent (2%) of Members benefit.

Option 6a One-half payment retiree refund - A member may elect to receive a return of accumulated contributions, excluding all amounts picked up from the member's compensation and credited to the COLA fund between June 23, 1985 and September 30, 1993. Under this option, the member shall also receive a monthly service retirement allowance of one-half of the amount to which the member would have been entitled under this plan. In the event of the death of the member prior to receiving twelve (12) monthly retirement allowance payments there shall be paid to a named beneficiary a lump sum benefit equal to the sum of twelve (12) monthly retirement allowance payments less the payments made. **This option has no survivorship benefit.**

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
SUMMARY PLAN PROVISIONS
SEPTEMBER 30, 2020**

Option 6b Life annuity – A member may elect to receive his/her normal monthly service retirement allowance plus an additional five percent (5%) of such service retirement allowance for the life of the member, with no survivorship benefit. In the event of the death of the member prior to receiving twelve (12) monthly retirement allowance payments there shall be paid to a named beneficiary a lump sum benefit equal to the sum of twelve (12) monthly retirement allowance payments less the payments made. **Option only available for Members eligible to retire as of September 30, 2010.**

Option 6c Surviving spouse annuity - A member may elect to receive an actuarially reduced retirement allowance and upon the member's death the surviving spouse shall receive forty percent (40%) of the member's retirement allowance payable during the lifetime of the spouse nominated and designated by him/her at the time of retirement. Members eligible to retire as of September 30, 2010, the retirement allowance shall be the unreduced normal retirement benefit

6. CHANGES IN BENEFICIARY AFTER RETIREMENT:

Any member who elects a survivorship option for a spouse may designate a new spousal beneficiary in accordance with procedures established by the board; provided, that an actuarial valuation will be made following such election, and the benefit for the retiree will be recalculated so that it is the actuarial equivalent of the benefit payable to the original spouse. It is intended that the Plan will pay only one survivor benefit for any member of the Plan and will not incur an increase in benefit costs by reason of a change in designated beneficiary.

7. RE-EMPLOYMENT OF RETIREES:

If a retiree becomes re-employed by the City into a regular permanent full-time position, the benefits payable under the GESE Trust will be suspended during the period of re-employment. Upon termination of the period of re-employment with the City, benefits will be automatically restored on the first day of the month following the termination of re-employment. However, City Commission, Mayoral assistants and secretarial staff positions, as described in Civil Service Rule 1, Sec. 1.2 (a) may opt to continue collecting their pensions during their re-employment, but they may not accrue any further pension service credit.

8. DISABILITY RETIREMENT BENEFIT:

A disability is the permanent and total incapacity to perform useful and efficient service as an employee of the City as determined by the board pursuant to the terms of the plan.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
SUMMARY PLAN PROVISIONS
SEPTEMBER 30, 2020**

(A) Ordinary Disability Retirement Benefit:

Any member in service who has ten or more years of creditable service, may be retired by the Board on an ordinary disability retirement allowance; provided, that the physician retained by the Board after a medical examination of such member, shall certify that such a member is permanently and totally incapacitated for the further performance of duty not as a result of an accident in the actual performance of duty.

Upon retirement, for an ordinary disability, a member shall receive a retirement allowance of the greater of (1) 90 percent of the product of the benefit multiplier in effect at the time the service is earned multiplied by the member's average final compensation multiplied by the number of years of creditable service; or (2) 30 percent of the average final compensation. The ordinary disability is paid in monthly installments and is not eligible for a return of accumulated contributions, optional allowances or survivorship benefits.

(B) Accidental Disability Retirement Benefit:

A member in service who has become totally and permanently incapacitated for duty as a result of an injury or illness occurring while in the performance of his/her duty would be eligible for an immediate benefit payable for his/her lifetime.

Upon retirement for accidental disability, a member shall receive a pension which is equal to 66 2/3 percent of the greater of (1) the member's average final compensation; or (2) the member's compensation in the year immediately preceding the member's disability. This disability is paid in monthly installments and is not eligible for a return of accumulated contributions or optional allowances. Upon death, 40 percent of that benefit would continue to be paid to the designated surviving spouse at the time of retirement for the lifetime of such spouse.

(C) Service-Incurred Disability Benefit:

Any member who becomes totally and permanently incapacitated for duty as a result of tuberculosis, hypertension, or heart disease (which was not an existing condition at the time of employment) would be eligible for an immediate benefit payable for his/her lifetime.

Upon retirement, for a service-incurred disability, a member shall receive a retirement allowance equal to those paid for an ordinary disability, with a minimum of 40 percent of average final compensation. This disability is paid in monthly installments and is not eligible for a return of accumulated contributions, optional allowances or survivorship benefits.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
SUMMARY PLAN PROVISIONS
SEPTEMBER 30, 2020**

9. DEATH BENEFITS:

(A) Ordinary Death Benefit:

Upon receipt by the Board of proper proofs of the death of a member in service who has three or more years of creditable service, there shall be paid to such person, if any, as the member shall have nominated by written designation duly executed and filed with the Board, otherwise to the member's estate, a benefit equal to a lump-sum payment of 50 percent of the earnable compensation received by the member during the year immediately preceding the member's death. In addition, the member's accumulated contributions plus interest shall be payable in a single lump sum payment.

In the event a Member eligible for retirement dies on or after October 1, 2010, the Member is treated as if he/ she had retired on the date preceding death. If before death the Member had elected Option 2 or Option 3, the beneficiary shall receive a benefit under the option elected. If the Member had not elected an option before death and the Member has a surviving spouse, the spouse will receive a benefit under Option 6c (40% joint and survivor).

In the event a Member in service on October 1, 2010 is eligible to retire at the time of death and the Member has a surviving spouse, the surviving spouse can choose:

(a) a 40% joint and survivor benefit (Option 6c) plus 50 percent of the Member's compensation in the last year, or

(b) 50 percent of the Member's compensation in the last year plus a return of the Member's accumulated contributions, including interest.

(B) Service-Incurred Death Benefit:

If it can be determined that a member's death was the result of an accident in the performance of duty and not caused by willful negligence on the part of the member based on proof that the death was the natural and proximate result of an accident occurring at some definite time and place while the member was in the actual performance of duty, the member is eligible for a service-incurred death benefit. The amount paid is equal to one-half of the member's average final compensation paid yearly in monthly installments to the member's spouse. If there is no spouse, or if the spouse dies before the youngest child of the deceased member has attained the age of 18, then the benefit is paid to the children under such age divided in equal shares until they reach 18 years of age. If there are no children under the age of 18, then the benefit is paid to the dependent father or dependent mother for life. If there are no such beneficiaries, the amount which otherwise would have been paid as an ordinary death benefit will be paid to the member's estate. In addition, the member's accumulated contributions plus interest shall be payable in a single lump sum payment.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
SUMMARY PLAN PROVISIONS
SEPTEMBER 30, 2020**

(C) Minimum Retiree Death Benefit:

If a retired member dies prior to having received 12 monthly retirement payments and prior to having an optional allowance become effective, the designated beneficiary will be paid a lump sum benefit equal to the remaining 12 monthly retirement allowance payments.

10. RETURN OF ACCUMULATED CONTRIBUTIONS:

A member who terminates employment other than for retirement or death will be paid his/her accumulated contributions less any mandatory tax withholding upon demand, plus interest at the rate prescribed by the Board which will not be less than one percent per quarter of the contribution balance as of the end of the previous calendar year, including interest. A Member who receives a refund of contributions is not entitled to any other benefits from the Plan. Refunded contributions may be rolled over directly to a qualified individual retirement account or another employer's plan.

11. RESTORATION OF SERVICE CREDITS:

Under certain circumstances, a former member may restore service credits earned under a prior period of service by repaying the amount of the accumulated contributions previously returned to him/her plus interest from the date of refund to the date of the buyback begins.

12. COST-OF-LIVING ALLOWANCE BENEFIT:

Every October 1st, each retiree will receive an annual COLA benefit increase between \$54 minimum and \$400 maximum payable monthly after the retiree's first anniversary of retirement has been reached.

For retirees exercising Option 6(a), each retiree will receive an annual COLA increase between \$27 minimum and \$200 maximum payable monthly.

13. DEFERRED RETIREMENT OPTION PROGRAM ("DROP"):

The DROP is available to GESE Trust Members eligible for normal retirement as of January 1, 2013 or vested as October 1, 2010. The DROP is not available to any other GESE trust member. Upon election of participation, a member's creditable service, accrued benefits, and compensation calculation are frozen and the DROP payment is based on the member's average final compensation. The member's contribution and the City contribution to the retirement plan for that member ceases as no further service credit is earned. The member does not acquire additional pension credit for the purposes of the pension plan but may continue City employment for up to a maximum of 48 months. Once the maximum participation has been achieved, the participant must terminate employment.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
SUMMARY PLAN PROVISIONS
SEPTEMBER 30, 2020**

The DROP program consists of a Forward Drop and a BACDROP. A member can participate in the Forward DROP and BACDROP simultaneously without exceeding the maximum allowed participation of four years. The *Forward DROP* is a DROP benefit equal to the regular retirement benefit the member would have received had the member separated from service and commenced the receipt of benefits from the plan. The *BACDROP* is a DROP benefit actuarially calculated. A member may elect to BACDROP to a date, no further back than the date of the member's retirement eligibility date. The BACDROP period must be in 12 month increments, beginning at the start of a pay period, not to exceed 12 months.

An individual account is created for each participant. The GESE Trust will deposit monthly retirement benefits into the participant's DROP account. The Board of Trustees of the retirement plan has selected a series of investment vehicles which may be chosen by the participant. Any losses incurred on account of the option selected by the participant will not be made up by the City or the GESE Trust, and will be borne by the participant only. All interest will be credited to the member's account.

Upon termination of employment, a participant may receive payment from the DROP account in a lump sum distribution; or periodic payments. A participant may elect to rollover the balance to another qualified retirement plan, individual retirement account, an Internal Revenue Code Section 457 Plan, or an annuity. A participant may defer payment until the latest date authorized by Section 401(a) (9) of the Internal Revenue Code. DROP participation will not affect any other death or disability benefit provided under law or applicable collective bargaining agreement. If a participant dies before the account balances are paid out in full, the beneficiary will receive the remaining balance.

14. BACKDROP OPTION: (BACKDROP)

The Backdrop is available to all GESE Trust Members effective January 1, 2013. Under the Backdrop option a member can receive a lump sum payment in addition to a monthly pension annuity. The employee chooses to take the Backdrop at the end of his/her employment with the City as long as he or she Backdrops to any date after he/she reaches the Normal Retirement date. If the member elects the Backdrop option, the monthly benefit payable on the member's actual retirement date (when the member leaves City employment) is based on the benefit the member would have received had he/she left employment and retired on an earlier date after attaining Normal Retirement date, referred to as the Backdrop date. In addition, the member will receive a lump sum payment equal to the accumulation of annuity payments he/she would have received during the Backdrop period had he/she elected to receive immediate pension annuity payments starting as of the Backdrop date. Annuity payments would be accumulated at the rate of 3% per year, compounded annually. The member's Backdrop election must be made within 10 years after his or her Normal Retirement date and the Backdrop period can be as little as one year and as long as 7 years. If the member does not elect a Backdrop benefit option, his/her monthly retirement benefit will be calculated using his or her final average final compensation and creditable service as of the member's actual employment termination date. The participant may

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
SUMMARY PLAN PROVISIONS
SEPTEMBER 30, 2020**

receive the accumulated Backdrop account balance upon electing the Backdrop and at the end of his/her employment. The Backdrop monies can be rolled over into a separate tax-qualified plan such as an Individual Retirement Account (IRA) or 457(b) government sponsored deferred compensation plan.

15. TRANSFER OF ACCUMULATED LEAVE:

Members eligible to receive accumulated sick leave, accumulated vacation leave or any other accumulated leave payable upon retirement or separation (including DROP) may elect, not later than the year prior to the year of retirement, to have the leave transferred to the GESE Trust. Members who fail to elect a transfer in the year prior to retirement or other separation will receive payment from the City in a lump sum at time of separation with all attendant tax consequences.

Members may elect one of the following options within 30 days of separation. Members failing to elect a distribution option within 30 days of separation will be deemed to have elected Option 1 below:

Option 1 - Receive a lump sum equal to the transferred leave balance, or

Option 2 - Transfer the entire amount of the transferred leave balance directly to any eligible retirement plan, or

Option 3 - Purchase additional service credit as permitted by the Code. If the leave balance exceeds the cost of the service credit purchased, the balance shall be paid to the member in a lump sum.

If a member dies after retirement or other separation, but before any distribution is made, the election option is void. In such an event, any person who would have received a death benefit had the member died in service immediately prior to the date of retirement or other separation, will be entitled to receive an amount equal to the transferred leave balance in a lump sum. In the case of a surviving spouse or former spouse, an election may be made to transfer the leave balance to an eligible retirement plan in lieu of the lump sum payment. Failure to make such an election by the surviving spouse or former spouse within 60 days of the member's death will be deemed an election to receive a lump sum payment.

The City of Miami General Employees' and Sanitation Employees' Retirement Excess Benefit Plan ("Excess Benefit Plan") – Summary Plan Provisions

The original plan effective date is October 1, 2000. The plan was established to pay the excess, if any, of the benefit granted Members pursuant to the provisions set forth in the Plan and the allowable pension to be paid under the Internal Revenue Code (IRC) Section 415. The excess benefits shall be paid on a monthly basis. Membership consists of Members of the GESE Trust who exceed the maximum IRC benefit. There are no member contributions or plan assets. The Excess Benefit Plan is an unfunded plan with benefits funded from the City's general fund. The

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
SUMMARY PLAN PROVISIONS
SEPTEMBER 30, 2020**

City contributes the actuarially determined amount necessary to pay the excess retirement benefits as they become due.

The City of Miami General Employees' and Sanitation Employees' Retirement Trust Staff Pension Plan ("Staff Plan") – Summary Plan Provisions

The original plan was adopted on May 25, 2001.

1. MEMBERSHIP

The membership of the Staff Plan consists of full-time employees of the GESE Trust and such other positions as may be named by the Board.

2. CONTRIBUTIONS

Members contribute ten percent of compensation to the Plan. The City contributes the actuarially determined amount necessary to fund the normal cost plus the amortization of the unfunded accrued liability and non-investment expenses of the GESE Trust.

Paybacks: At any time prior to the retirement, Members shall have the option to purchase credit for any or all years of prior, full-time service, by depositing in the Plan an amount equal to ten percent (10%) of the employees current compensation for each year of prior service purchased.

Restoration of prior service credit upon re-employment: A re-employed former member may restore credited service by repaying to the plan the member's accumulated contributions with interest at the rate of four percent (4%). This benefit is only available to persons who were not dismissed for willful misconduct.

Payback for military service: Any member of the plan whose service with the Trust is interrupted by military service shall have all pension rights accorded veterans under state or federal law. Any member who has wartime military service prior to becoming a member in the plan, as determined by state or federal law, may purchase up to four (4) years of credited service for the time spent in the military. To purchase the military service prior to membership the member must make a contribution to the plan equal to the member's rate of compensation at the date plan membership began at the contribution rate then in effect for each year of service purchased with 4% interest.

Credit for maternity and medical leave: Members taking unpaid leaves of absence for maternity or medical leave may purchase credited service, not to exceed one hundred eighty (180) days. If the member requests light duty employment from the Trust, but is denied, the amount of service which may be purchased shall increase to two hundred forty (240) days. Purchase of credit for maternity and medical leave shall be in accordance with uniform rules adopted by the Board.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
SUMMARY PLAN PROVISIONS
SEPTEMBER 30, 2020**

Purchase of additional service upon retirement: A member in service who has continuous service may, at the time of retirement, purchase up to three (3) whole years of credited service based on the present value as determined by the actuary for the plan. The purchase shall be made using the member's accumulated leave balance at the time of retirement, reduced by applicable payroll taxes. If the leave balance is insufficient, the balance shall be paid in a single sum by the member.

3. BENEFITS

Service Retirement:

Any member in service who has ten or more years of creditable service may elect to retire, regardless of age. The basic retirement benefit equals three percent of the member's average final compensation for each year of creditable service. Average final compensation is the average compensation during the highest two years of membership service. Benefits shall be paid on a monthly basis for the life of the member.

4. OPTIONAL ALLOWANCES

A member may receive payment of retirement benefits under the plan in accordance with the options set forth below.

Option 2 Equal payment survivor annuity - Reduced retirement allowance throughout his or her life with an equal sum being paid to the member's designated beneficiary at the death of the member. If this option is chosen for a surviving spouse, the reduction shall be five percent of the member's benefit. If any person other than a surviving spouse is chosen as the beneficiary, the reduction shall be based on the actuarially equivalent sum.

Option 3 One-half payment to survivor option- Reduced retirement allowance payable for the life of the member with one-half of the member's benefit being paid to a designated beneficiary at the death of the member. If this option is chosen for a surviving spouse, the reduction shall be one percent of the member's benefit. If any person other than a surviving spouse is chosen as the beneficiary, the reduction shall be based on the actuarially equivalent sum.

Option 6A Return of Contributions and reduced pension - Lump sum payment of member's accumulated contributions with interest plus a monthly service retirement benefit equal to 50 percent of the amount to which he/she would have been otherwise entitled.

Option 6B Life annuity - Monthly service retirement benefit for member's lifetime equal to 105 percent of the amount to which he/she would have been otherwise entitled, with no survivor's benefit.

Option 6C Surviving spouse annuity - Monthly service retirement benefit for member's lifetime equal to the amount to which he/she was entitled, provided that, upon his/her death, 40 percent

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
SUMMARY PLAN PROVISIONS
SEPTEMBER 30, 2020**

of that amount would continue to be paid to his/her surviving spouse for the lifetime of such spouse.

5. RETURN OF ACCUMULATED CONTRIBUTIONS

A member who separates from service prior to the completion of ten years of credited service will be eligible only for a return of the employee's contributions, including any sums transferred for the purchase of credited service, regardless of source, plus interest.

6. COST-OF-LIVING ALLOWANCE BENEFIT:

Every October 1st, after five years from date of retirement or DROP Entry date, each retiree will receive an annual COLA benefit increase between \$54 minimum and \$400 maximum payable monthly after the retiree's fifth anniversary of retirement has been reached.

For retirees exercising Option 6(a), each retiree will receive an annual COLA increase between \$27 minimum and \$200 maximum payable monthly.

7. TRANSFER OF ACCUMULATED LEAVE

Members eligible to receive accumulated sick leave, accumulated vacation leave or any other accumulated leave payable upon retirement or separation (including DROP) may elect, not later than the year prior to the year of retirement, to have the leave transferred to the Plan.

Members may elect one of the following options within 30 days of separation. Members failing to elect a distribution option within 30 days of separation will be deemed to have elected Option 1 below:

Option 1 - Receive a lump sum equal to the transferred leave balance, or

Option 2 - Transfer the entire amount of the transferred leave balance directly to any eligible retirement plan, or

Option 3 - Purchase additional service credit as permitted by the Plan. If the leave balance exceeds the cost of the service credit purchased, the balance shall be paid to the member in a lump sum.

If a member dies after retirement or other separation, but before any distribution is made, the election option is void. In such an event, any person who would have received a death benefit had the member died in service immediately prior to the date of retirement or other separation, will be entitled to receive an amount equal to the transferred leave balance in a lump sum. In the case of a surviving spouse or former spouse, an election may be made to transfer the leave balance to an eligible retirement plan in lieu of the lump sum payment. Failure to make such an election by the surviving spouse or former spouse within 60 days of the member's death will be deemed an election to receive a lump sum payment.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
SUMMARY PLAN PROVISIONS
SEPTEMBER 30, 2020**

8. Deferred Retirement Option Program (DROP)

Effective March 26, 2010, any employee who has ten years of creditable service shall be eligible to participate in the DROP.

Upon commencement of participation in the DROP, the member's contribution and the Trust's contribution to the retirement plan for that member shall cease as the member will be earning no further service credit. The member shall not acquire additional pension credit for the purpose of the pension plan but may continue GESE employment for up to a maximum of 48 months.

Maximum participation: The maximum period of participation in the DROP, is 48 months. Once the maximum participation has been achieved, the participant must terminate employment.

Creation of individual account: For each employee electing participation in the DROP, an individual account shall be created. The Staff Plan will deposit monthly retirement benefits into the participant's DROP account.

Earnings on DROP account: The Board of Trustees of the retirement plan has selected a series of investment vehicles which may be chosen by the participant. Any losses incurred on account of the option selected by the participant shall not be made up by the city or the Staff Plan trust fund, but any such loss shall be borne by the participant only. All interest shall be credited to the member's DROP account.

Distribution of DROP benefits: Upon conclusion of a period of participation in the DROP, the participant shall terminate employment. Upon termination of employment, a participant may receive payment from the DROP account in the following manner:

- a. Lump sum distribution; or
- b. Periodic payments; or
- c. Rollover of the balance to another qualified Retirement Plan, IRA, or an Internal Revenue Code Selection 457 Plan; or
- d. An annuity.

A participant may defer payment until the latest date authorized by Section 401(a) (9) of the Internal Revenue Code.

Drop participation shall not affect any other death or disability benefit provided to a member under federal law, state law, administrative rule, or motion made by the board of trustees.

If a DROP participant dies before the DROP account balances are paid out in full, the person(s) designated by such DROP participant shall receive such DROP account balances in accordance with the DROP participant election in effect at the time of death.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
SUMMARY PLAN PROVISIONS
SEPTEMBER 30, 2020**

Forward DROP. The date of entry into the FORWARD DROP shall be the beginning of a pay period. Payment shall be made by the retirement plan into the participant's DROP account in an amount equal to the regular monthly retirement benefit which the participant would have received had the participant separated from service and commenced the receipt of benefits from the plan. The amount of the monthly benefit shall be determined based on the creditable service, average final compensation, and retirement option selected in accordance with the Staff Pension Plan Document. Election of a FORWARD DROP Program does not preclude participation in a BACDROP program

BACDROP. An employee may elect to BACDROP to a date no further back than the date of the member's retirement eligibility date. The BACDROP period must be in 12-month increments, beginning at the start of a pay period, not to exceed 12 months. Participation in the BACDROP does not preclude participation in the FORWARD Drop program. The benefits for purpose of the BACDROP will then be actuarially calculated to be equivalent to the benefit earned at the date of retirement. Said calculation will consist of the present value of benefits being equal to the actuarially reduced benefit, plus a lump sum with interest, as determined by the retirement plan's actuary. Participant contributions will not be returned for the period of time covered by the BACDROP program. The lump sum as calculated by the retirement plan's actuary will be based on the assumed investment return of the fund without discount for mortality and deposited into the newly created DROP account.

9. Staff Excess Benefit Plan

The original plan was adopted on May 25, 2001. The plan was established to pay the excess, if any, of the benefit granted Members pursuant to the provisions set forth in the Plan and the allowable pension to be paid under the Internal Revenue Code (IRC) Section 415.. The excess benefits shall be paid on a monthly basis. Membership consists of Members of the GESE Trust who exceed the maximum IRC benefit. There are no member contributions or plan assets. The Staff Excess Benefit Plan is an unfunded plan with benefits funded from the City's general fund. The City contributes the actuarially determined amount necessary to pay the excess retirement benefits as they become due.

THIS PAGE INTENTIONALLY LEFT BLANK



Statistical Section

The schedules within the Statistical Section are classified into these five categories: Changes in Plan Net Position, Benefit & Refund Deductions from Net Assets by Type, Retired Members by Type of Benefit, Schedule of Average Benefit Payments, and Average Benefit Payments. The purpose of this Section is to provide a historical perspective by using the information in our financial statements and the notes the financial statements. This information is provided to assist readers in better understanding the Trust's overall economic condition.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
SEPTEMBER 30, 2020
GESE TRUST - CHANGES IN PLAN NET POSITION**

LAST TEN FISCAL YEARS

| | GESE TRUST | | | | |
|--|--------------------------|---------------------|---------------------|---------------------|---------------------|
| | Fiscal Year Ended | | | | |
| | 2020 | 2019 | 2018 | 2017 | 2016 |
| Additions | | | | | |
| Employer contributions | \$49,923,146 | \$43,526,929 | \$40,879,285 | \$34,355,719 | \$32,881,500 |
| Member contributions | 14,457,555 | 13,094,948 | 10,847,473 | 11,081,234 | 9,595,465 |
| Investment Income (net of expenses) | 50,886,836 | 47,381,929 | 60,276,829 | 78,645,544 | 60,237,354 |
| Reimbursement income | 2,623,582 | 2,551,358 | 3,075,184 | 2,790,472 | 3,199,333 |
| Total Additions to Plan Net Position | 117,891,119 | 106,555,164 | 115,078,771 | 126,872,969 | 105,913,652 |
| Deductions | | | | | |
| Benefit payments | 73,337,446 | 72,810,575 | 72,722,490 | 72,514,134 | 71,859,673 |
| Refunds of contributions | 1,456,716 | 1,797,989 | 2,318,219 | 1,066,601 | 1,967,393 |
| Administrative and other expenses | 2,527,590 | 2,611,944 | 3,362,635 | 3,142,702 | 3,432,670 |
| Total Deductions from Plan Net Position | 77,321,752 | 77,220,508 | 78,403,344 | 76,723,437 | 77,259,736 |
| Change in Net Position | \$40,569,367 | \$29,334,656 | \$36,675,427 | \$50,149,532 | \$28,653,916 |

| | Fiscal Year Ended | | | | |
|--|--------------------------|---------------------|---------------------|---------------------|-----------------------|
| | Fiscal Year Ended | | | | |
| | 2015 | 2014 | 2013 | 2012 | 2011 |
| Additions | | | | | |
| Employer contributions | \$33,036,318 | \$30,710,096 | \$25,568,193 | \$25,784,849 | \$20,420,995 |
| Member contributions | 8,163,643 | 7,231,235 | 6,733,859 | 8,587,563 | 9,183,073 |
| Investment Income (net of expenses) | 1,496,397 | 65,272,883 | 66,348,611 | 87,378,035 | 9,452,519 |
| Reimbursement income | 3,128,822 | 2,869,729 | 2,820,497 | 3,104,449 | 3,078,382 |
| Total Additions to Plan Net Position | 45,825,180 | 106,083,943 | 101,471,160 | 124,854,896 | 42,134,969 |
| Deductions | | | | | |
| Benefit payments | 71,940,377 | 71,903,481 | 72,431,710 | 72,186,394 | 72,737,854 |
| Refunds of contributions | 1,089,556 | 1,867,614 | 1,779,420 | 1,385,881 | 1,928,705 |
| Administrative and other expenses | 3,305,515 | 3,135,724 | 3,073,392 | 3,178,449 | 3,172,569 |
| Total Deductions from Plan Net Position | 76,335,448 | 76,906,819 | 77,284,522 | 76,750,724 | 77,839,128 |
| Change in Net Position | (\$30,510,268) | \$29,177,124 | \$24,186,638 | \$48,104,172 | (\$35,704,159) |

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
SEPTEMBER 30, 2020
EXCESS PLAN - CHANGES IN PLAN NET POSITION**

LAST TEN FISCAL YEARS

GESE EXCESS BENEFIT PLAN

| | Fiscal Year Ended | | | | |
|--|-------------------|----------------|----------------|----------------|----------------|
| | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> |
| Additions | | | | | |
| Employer contributions | \$417,755 | \$477,892 | \$587,959 | \$674,572 | \$680,534 |
| Reimbursement income | 106,712 | 103,477 | 100,823 | 99,963 | 103,183 |
| Total Additions to Plan Net Position | <u>524,467</u> | <u>581,369</u> | <u>688,782</u> | <u>774,535</u> | <u>783,717</u> |
| Deductions | | | | | |
| Benefit payments | 417,755 | 477,892 | 587,959 | 674,572 | 680,534 |
| Administrative and other expenses | 106,712 | 103,477 | 100,823 | 99,963 | 103,183 |
| Total Deductions from Plan Net Position | <u>524,467</u> | <u>581,369</u> | <u>688,782</u> | <u>774,535</u> | <u>783,717</u> |
| Change in Net Position | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |

| | Fiscal Year Ended | | | | |
|--|-------------------|----------------|----------------|----------------|----------------|
| | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> |
| Additions | | | | | |
| Employer contributions | \$648,302 | \$561,805 | \$523,398 | \$514,908 | \$406,243 |
| Reimbursement income | 98,528 | 88,652 | 94,073 | 104,783 | 106,450 |
| Total Additions to Plan Net Position | <u>746,830</u> | <u>650,457</u> | <u>617,471</u> | <u>619,691</u> | <u>512,693</u> |
| Deductions | | | | | |
| Benefit payments | 653,302 | 556,805 | 523,398 | 514,908 | 409,709 |
| Administrative and other expenses | 93,528 | 93,652 | 94,073 | 104,783 | 102,984 |
| Total Deductions from Plan Net Position | <u>746,830</u> | <u>650,457</u> | <u>617,471</u> | <u>619,691</u> | <u>512,693</u> |
| Change in Net Position | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
SEPTEMBER 30, 2020
STAFF PLAN/STAFF EXCESS - CHANGES IN PLAN NET POSITION**

LAST TEN FISCAL YEARS

GESE STAFF BENEFIT PLAN

| | Fiscal Year Ended | | | | |
|--|-------------------|------------------|------------------|------------------|------------------|
| | 2020 | 2019 | 2018 | 2017 | 2016 |
| Additions | | | | | |
| Employer contributions | \$221,616 | \$232,280 | \$233,242 | \$247,449 | \$269,054 |
| Member contributions | 44,971 | 40,846 | 32,621 | 24,542 | 19,316 |
| Investment Income (net of expenses) | 451,577 | 176,655 | 424,371 | 438,774 | 364,079 |
| Total Additions to Plan Net Position | 718,164 | 449,781 | 690,234 | 710,765 | 652,449 |
| Deductions | | | | | |
| Benefit payments | 310,171 | 305,180 | 301,155 | 295,460 | 319,459 |
| Refunds of contributions | 0 | 0 | 7,606 | 0 | 13,095 |
| Total Deductions from Plan Net Position | 310,171 | 305,180 | 308,761 | 295,460 | 332,554 |
| Change in Net Position | \$407,993 | \$144,601 | \$381,473 | \$415,305 | \$319,895 |

| | Fiscal Year Ended | | | | |
|--|-------------------|------------------|------------------|------------------|------------------|
| | 2015 | 2014 | 2013 | 2012 | 2011 |
| Additions | | | | | |
| Employer contributions | \$291,087 | \$291,968 | \$219,774 | \$226,793 | \$164,490 |
| Member contributions | 19,838 | 23,377 | 28,380 | 91,989 | 80,337 |
| Investment Income (net of expenses) | (15,615) | 338,281 | 319,920 | 403,253 | 21,015 |
| Total Additions to Plan Net Position | 295,310 | 653,626 | 568,074 | 722,035 | 265,842 |
| Deductions | | | | | |
| Benefit payments | 340,299 | 311,388 | 281,818 | 186,680 | 12,772 |
| Refunds of contributions | 0 | 0 | 0 | 23,902 | 20,009 |
| Total Deductions from Plan Net Position | 340,299 | 311,388 | 281,818 | 210,582 | 32,781 |
| Change in Net Position | (\$44,989) | \$342,238 | \$286,256 | \$511,453 | \$233,061 |

GESE STAFF EXCESS BENEFIT PLAN*

| | Fiscal Year Ended | | | | |
|--|-------------------|---------------|---------------|---------------|---------------|
| | 2020 | 2019 | 2018 | 2017 | 2016 |
| Additions | | | | | |
| Employer contributions * | \$39,621 | \$41,479 | \$43,004 | \$46,199 | \$20,836 |
| Total Additions to Plan Net Position | 39,621 | 41,479 | 43,004 | 46,199 | 20,836 |
| Deductions | | | | | |
| Benefit payments * | 39,621 | 41,479 | 43,004 | 46,199 | 20,836 |
| Total Deductions from Plan Net Position | 39,621 | 41,479 | 43,004 | 46,199 | 20,836 |
| Change in Net Position | \$0 | \$0 | \$0 | \$0 | \$0 |

* Staff Excess Benefit Plan, commenced on fiscal year 2016.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS**

SEPTEMBER 30, 2020

GESE TRUST - BENEFIT AND REFUND DEDUCTIONS FROM NET ASSETS BY TYPE

LAST TEN FISCAL YEARS

GESE TRUST

| | Fiscal Year Ended | | | | |
|---------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> |
| Type of Benefit | | | | | |
| Age and service benefits | | | | | |
| Retirees | \$64,642,453 | \$64,557,217 | \$64,624,191 | \$64,546,168 | \$64,008,383 |
| Survivors | 7,228,030 | 6,775,042 | 6,596,223 | 6,336,849 | 6,336,849 |
| Death in service benefits | 43,569 | 0 | 91,177 | 139,508 | 22,832 |
| Disability benefits | 1,423,394 | 1,478,316 | 1,410,899 | 1,491,609 | 1,491,609 |
| Total Benefits | <u>\$73,337,446</u> | <u>\$72,810,575</u> | <u>\$72,722,490</u> | <u>\$72,514,134</u> | <u>\$71,859,673</u> |
| Type of Refund | | | | | |
| Death | 111,957 | 21,778 | 243,469 | 385,235 | 48,415 |
| Separation | 1,344,759 | 1,776,211 | 2,074,750 | 681,366 | 1,918,978 |
| Total Refunds | <u>1,456,716</u> | <u>1,797,989</u> | <u>2,318,219</u> | <u>1,066,601</u> | <u>1,967,393</u> |

| | Fiscal Year Ended | | | | |
|---------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> |
| Type of Benefit | | | | | |
| Age and service benefits | | | | | |
| Retirees | \$64,511,670 | \$64,719,166 | \$65,620,695 | \$65,680,491 | \$66,527,406 |
| Survivors | 6,002,413 | 5,685,377 | 5,393,877 | 5,157,145 | 4,877,036 |
| Death in service benefits | 18,457 | 133,058 | 27,418 | 61,877 | 85,462 |
| Disability benefits | 1,407,837 | 1,365,880 | 1,389,720 | 1,286,881 | 1,247,951 |
| Total Benefits | <u>\$71,940,377</u> | <u>\$71,903,481</u> | <u>\$72,431,710</u> | <u>\$72,186,394</u> | <u>\$72,737,854</u> |
| Type of Refund | | | | | |
| Death | 45,901 | 21,792 | 23,003 | 97,442 | 109,415 |
| Separation | 1,043,655 | 1,845,822 | 1,756,417 | 1,288,439 | 1,819,290 |
| Total Refunds | <u>1,089,556</u> | <u>1,867,614</u> | <u>1,779,420</u> | <u>1,385,881</u> | <u>1,928,705</u> |

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
SEPTEMBER 30, 2020**

EXCESS BENEFIT PLAN - BENEFIT AND REFUND DEDUCTIONS FROM NET ASSETS BY TYPE

LAST TEN FISCAL YEARS

GESE EXCESS BENEFIT PLAN

| | Fiscal Year Ended | | | | |
|--------------------------|-------------------|------------------|------------------|------------------|------------------|
| | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> |
| Type of Benefit | | | | | |
| Age and service benefits | | | | | |
| Retirees | \$417,755 | \$477,892 | \$587,959 | \$674,572 | \$680,534 |
| | ----- | ----- | ----- | ----- | ----- |
| Total Benefits | <u>\$417,755</u> | <u>\$477,892</u> | <u>\$587,959</u> | <u>\$674,572</u> | <u>\$680,534</u> |

| | Fiscal Year Ended | | | | |
|--------------------------|-------------------|------------------|------------------|------------------|------------------|
| | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> |
| Type of Benefit | | | | | |
| Age and service benefits | | | | | |
| Retirees | \$653,302 | \$556,805 | \$523,398 | \$514,907 | \$409,709 |
| | ----- | ----- | ----- | ----- | ----- |
| Total Benefits | <u>\$653,302</u> | <u>\$556,805</u> | <u>\$523,398</u> | <u>\$514,907</u> | <u>\$409,709</u> |

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS**

SEPTEMBER 30, 2020

STAFF PLAN/STAFF EXCESS - BENEFIT AND REFUND DEDUCTIONS FROM NET ASSETS BY TYPE

LAST TEN FISCAL YEARS

STAFF BENEFIT PLAN

| | Fiscal Year Ended | | | | |
|---------------------------|-------------------|------------------|------------------|------------------|------------------|
| | 2020 | 2019 | 2018 | 2017 | 2016 |
| Type of Benefit | | | | | |
| Age and service benefits | | | | | |
| Retirees | \$310,171 | \$305,180 | \$301,155 | \$295,460 | \$319,459 |
| Survivors | | | | | |
| Death in service benefits | | | | | |
| | | | | | |
| Total Benefits | <u>\$310,171</u> | <u>\$305,180</u> | <u>\$301,155</u> | <u>\$295,460</u> | <u>\$319,459</u> |
| Type of Refund | | | | | |
| Death | | | | | |
| Separation | 0 | 0 | 7,606 | 0 | 13,095 |
| Total Refunds | <u>\$0</u> | <u>\$0</u> | <u>\$7,606</u> | <u>\$0</u> | <u>\$13,095</u> |

| | Fiscal Year Ended | | | | |
|---------------------------|-------------------|------------------|------------------|------------------|-----------------|
| | 2015 | 2014 | 2013 | 2012 | 2011 |
| Type of Benefit | | | | | |
| Age and service benefits | | | | | |
| Retirees | \$340,299 | \$311,388 | \$281,818 | \$186,680 | \$12,772 |
| Survivors | | | | | |
| Death in service benefits | | | | | |
| | | | | | |
| Total Benefits | <u>\$340,299</u> | <u>\$311,388</u> | <u>\$281,818</u> | <u>\$186,680</u> | <u>\$12,772</u> |
| Type of Refund | | | | | |
| Death | | | | | |
| Separation | 0 | 0 | 0 | 23,902 | 20,009 |
| Total Refunds | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$23,902</u> | <u>\$20,009</u> |

STAFF EXCESS BENEFIT PLAN *

| | Fiscal Year Ended | | | | |
|--------------------------|-------------------|-----------------|-----------------|-----------------|-----------------|
| | 2020 | 2019 | 2018 | 2017 | 2016 |
| Type of Benefit | | | | | |
| Age and service benefits | | | | | |
| Retirees | \$41,379 | \$41,379 | \$43,004 | \$46,199 | \$20,836 |
| Total Benefits | <u>\$41,379</u> | <u>\$41,379</u> | <u>\$43,004</u> | <u>\$46,199</u> | <u>\$20,836</u> |

* Staff Excess Benefit Plan commenced fiscal year 2016.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUSTS AND MANAGED TRUSTS**

SEPTEMBER 30, 2020

RETIRED MEMBERS BY TYPE OF BENEFIT

(UNAUDITED)

| Amount of Monthly Benefit | Number of Retired Members | GESE | | | | | | | | | | | | | |
|---------------------------------|---------------------------------|-----------------------------------|-----------|----------|----------|-----------|------------|----------|--------------------------------|------------|------------|-----------|------------|------------|-----------|
| | | Type of Retirement ⁽¹⁾ | | | | | | | Option Selected ⁽²⁾ | | | | | | |
| | | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>5</u> | <u>6</u> | <u>7</u> | NF | <u>2</u> | <u>3</u> | <u>6a</u> | <u>6b</u> | <u>6c</u> | S/L |
| \$ 1 - 500 | 39 | 4 | 3 | | | | 32 | | 1 | 1 | 21 | 4 | 1 | 11 | |
| 501 - 1,000 | 227 | 100 | 1 | 3 | | 1 | 121 | 1 | 8 | 49 | 47 | 30 | 15 | 69 | 9 |
| 1,001 - 1,500 | 200 | 118 | 1 | 5 | 5 | 1 | 68 | 2 | 7 | 50 | 53 | 8 | 26 | 43 | 13 |
| 1,501 - 2,000 | 226 | 180 | 3 | | 3 | 9 | 31 | | 16 | 55 | 48 | 1 | 38 | 56 | 12 |
| 2,001 - 2,500 | 212 | 176 | 3 | | | 13 | 20 | | 13 | 51 | 51 | | 35 | 49 | 13 |
| 2,501 - 3,000 | 160 | 144 | 1 | 1 | 1 | 5 | 8 | | 2 | 32 | 34 | | 50 | 35 | 7 |
| 3,001 - 3,500 | 138 | 126 | 6 | | | 1 | 5 | | | 30 | 27 | | 47 | 32 | 2 |
| 3,501 - 4,000 | 126 | 116 | 2 | | | 1 | 7 | | 1 | 30 | 35 | | 36 | 23 | 1 |
| 4,001 - 4,500 | 109 | 103 | 4 | | | | 2 | | | 20 | 25 | | 45 | 19 | |
| 4,501 - 5,000 | 80 | 75 | 2 | | | | 3 | | 3 | 9 | 10 | | 40 | 18 | |
| 5,001 - 5,500 | 126 | 32 | 1 | | | | 93 | | 2 | 27 | 25 | 17 | 1 | 53 | 1 |
| 5,501 - 6,000 | 56 | 51 | 3 | | | | 2 | | 2 | 10 | 7 | | 24 | 13 | |
| Over 6,001 | 192 | 188 | 4 | | | | | | 6 | 34 | 39 | | 82 | 31 | |
| Total | 1891 | 1413 | 34 | 9 | 9 | 31 | 392 | 3 | 61 | 398 | 422 | 60 | 440 | 452 | 58 |

| Amount of Monthly Benefit | Number of Retired Members | STAFF | | | | | | |
|---------------------------------|---------------------------------|-----------------------------------|----------|----------|--------------------------------|-----------|-----------|-----------|
| | | Type of Retirement ⁽¹⁾ | | | Option Selected ⁽²⁾ | | | |
| | | <u>1</u> | <u>6</u> | <u>2</u> | <u>3</u> | <u>6a</u> | <u>6b</u> | <u>6c</u> |
| \$ 1 - 2000 | 0 | | | | | | | |
| 2,001 - 2,500 | 2 | 2 | | 1 | | | 1 | |
| 2,501 - 3,000 | 1 | 1 | | 1 | | | | |
| 3,001 - 3,500 | 0 | | | | | | | |
| 3,501 - 4,000 | 1 | 1 | | 1 | | | | |
| 4,001 - 4,500 | 1 | 1 | | 1 | | | | |
| 4,501 - 5,000 | 1 | 1 | | 1 | | | | |
| 5,001 - 5,500 | 0 | | | | | | | |
| 5,501 - 6,000 | 0 | | | | | | | |
| Over 6,001 | 1 | 1 | | 1 | | | | |
| Total | 7 | 7 | 0 | 5 | 1 | 0 | 1 | |

(1) Type of Retirement

- 1 - Normal retirement, including Rule of 70 and Rule of 80
- 2 - Early retirement, including Rule of 64
- 3 - Ordinary disability retirement
- 4 - Service Incurred disability retirement
- 5 - Accidental disability retirement
- 6 - Survivor payment - normal or early retirement (continuance)
- 7 - Survivor payment - death benefit (ordinary or service incurred)

(2) Option Selected

- NF - Normal form, life annuity with actuarially reduced survivor benefit
- 2 - Beneficiary receives 100% of members' reduced monthly benefit
- 3 - Beneficiary receives 50% of member's reduced monthly benefit
- 6(a) - Member receives lump sum payment of accumulated contributions plus 50% of benefit
- 6(b) - Members receives 105% of monthly benefit
- 6(c) - Surviving spouse receives 40% of members' full monthly benefit
- S/L - Single Life retirement annuity

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUSTS AND MANAGED TRUSTS
SEPTEMBER 30, 2020
SCHEDULE OF AVERAGE BENEFIT PAYMENTS**

**LAST TEN FISCAL YEARS
(UNAUDITED)**

| Retirement Effective Dates | GESE TRUST | | | | | | | Total |
|---|------------------------|----------|----------|----------|----------|----------|----------|----------|
| | Years Credited Service | | | | | | | |
| | 0-5 | 6-10 | 11-15 | 16-20 | 21-25 | 26-30 | 30+ | |
| Period 10/1/2019 - 9/30/2020 | | | | | | | | |
| Average Monthly Benefit | \$ 1,596 | \$ 1,495 | \$ 1,949 | \$ 2,769 | \$ 3,833 | \$ 4,549 | \$ 4,235 | \$ 3,215 |
| Number of Active Retirants | 15 | 135 | 317 | 443 | 595 | 300 | 86 | 1,891 |
| Average Final Compensation ¹ | \$ 2,886 | \$ 4,028 | \$ 4,332 | \$ 4,728 | \$ 5,209 | \$ 5,275 | \$ 4,357 | \$ 4,818 |
| Number of Active Retirants | 15 | 135 | 317 | 443 | 595 | 300 | 86 | 1,891 |
| Period 10/1/2018 - 9/30/2019 | | | | | | | | |
| Average Monthly Benefit | \$ 1,693 | \$ 1,453 | \$ 1,900 | \$ 2,779 | \$ 3,838 | \$ 4,472 | \$ 3,710 | \$ 3,184 |
| Number of Active Retirants | 20 | 133 | 314 | 440 | 594 | 305 | 1,453 | 1,920 |
| Average Final Compensation ¹ | \$ - | \$ 4,738 | \$ 5,146 | \$ 5,535 | \$ 6,575 | \$ 6,685 | \$ 6,689 | \$ 5,943 |
| Number of Active Retirants | - | 69 | 134 | 140 | 219 | 122 | 24 | 708 |
| Period 10/1/2017 - 9/30/2018 | | | | | | | | |
| Average Monthly Benefit | \$ 1,594 | \$ 1,401 | \$ 1,877 | \$ 2,737 | \$ 3,808 | \$ 4,384 | \$ 3,603 | \$ 3,136 |
| Number of Active Retirants | 22 | 136 | 316 | 446 | 597 | 312 | 119 | 1,948 |
| Average Final Compensation ¹ | \$ - | \$ 4,624 | \$ 5,091 | \$ 5,528 | \$ 6,526 | \$ 6,663 | \$ 6,435 | \$ 5,907 |
| Number of Active Retirants | - | 66 | 127 | 135 | 216 | 122 | 25 | 691 |
| Period 10/1/2016 - 9/30/2017 | | | | | | | | |
| Average Monthly Benefit | \$ 1,276 | \$ 1,430 | \$ 1,925 | \$ 2,916 | \$ 3,908 | \$ 4,511 | \$ 3,430 | \$ 3,089 |
| Number of Active Retirants | 192 | 119 | 278 | 384 | 568 | 297 | 141 | 1,979 |
| Average Final Compensation ¹ | \$ - | \$ 4,551 | \$ 4,918 | \$ 5,552 | \$ 6,524 | \$ 6,684 | \$ 5,925 | \$ 5,900 |
| Number of Active Retirants | - | 62 | 110 | 118 | 214 | 125 | 50 | 679 |
| Period 10/1/2015 - 9/30/2016 | | | | | | | | |
| Average Monthly Benefit | \$ 2,090 | \$ 1,149 | \$ 1,548 | \$ 2,232 | \$ 3,184 | \$ 4,068 | \$ 3,868 | \$ 3,030 |
| Number of Active Retirants | 16 | 47 | 276 | 347 | 595 | 540 | 163 | 1,984 |
| Average Final Compensation ¹ | \$ 3,757 | \$ 4,942 | \$ 4,938 | \$ 5,331 | \$ 6,258 | \$ 6,619 | \$ 6,216 | \$ 5,940 |
| Number of Active Retirants | 1 | 12 | 124 | 106 | 160 | 208 | 39 | 650 |

¹ Average Final Compensation is based on retiree & survivor data.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUSTS AND MANAGED TRUSTS
SEPTEMBER 30, 2020
SCHEDULE OF AVERAGE BENEFIT PAYMENTS**

**LAST TEN FISCAL YEARS
(UNAUDITED)**

| Retirement Effective Dates | GESE TRUST | | | | | | | Total |
|---|------------------------|----------|----------|----------|----------|----------|----------|----------|
| | Years Credited Service | | | | | | | |
| | 0-5 | 6-10 | 11-15 | 16-20 | 21-25 | 26-30 | 30+ | |
| Period 10/1/2014 - 9/30/2015 | | | | | | | | |
| Average Monthly Benefit | 2130 | 1181 | 1615 | 2411 | 3427 | 4208 | 3942 | 3193 |
| Number of Active Retirants | \$ 17 | \$ 48 | \$ 271 | \$ 356 | \$ 602 | \$ 546 | \$ 167 | \$ 2,007 |
| Average Final Compensation ¹ | 3757 | 4465 | 4945 | 5355 | 6294 | 6621 | 6169 | 5961 |
| Number of Active Retirants | \$ 1 | \$ 12 | \$ 115 | \$ 97 | \$ 157 | \$ 205 | \$ 40 | \$ 627 |
| Period 10/1/2013 - 9/30/2014 | | | | | | | | |
| Average Monthly Benefit | \$ 2,075 | \$ 1,155 | \$ 1,542 | \$ 2,355 | \$ 3,347 | \$ 4,179 | \$ 3,892 | \$ 3,141 |
| Number of Active Retirants | 17 | 48 | 269 | 362 | 611 | 551 | 173 | 2,031 |
| Average Final Compensation ¹ | \$ 3,757 | \$ 4,584 | \$ 4,737 | \$ 5,216 | \$ 6,285 | \$ 6,622 | \$ 6,106 | \$ 5,921 |
| Number of Active Retirants | 1 | 11 | 105 | 95 | 155 | 206 | 41 | 614 |
| Period 10/1/2012 - 9/30/2013 | | | | | | | | |
| Average Monthly Benefit | \$ 2,042 | \$ 946 | \$ 1,417 | \$ 2,117 | \$ 3,059 | \$ 3,926 | \$ 3,659 | \$ 2,903 |
| Number of Active Retirants | 13 | 52 | 269 | 371 | 617 | 563 | 183 | 2,073 |
| Average Final Compensation ¹ | \$ 3,757 | \$ 4,479 | \$ 4,768 | \$ 5,233 | \$ 6,313 | \$ 6,612 | \$ 6,106 | \$ 5,946 |
| Number of Active Retirants | 1 | 10 | 99 | 93 | 152 | 206 | 41 | 602 |
| Period 10/1/2011 - 9/30/2012 | | | | | | | | |
| Average Monthly Benefit | \$ 2,015 | \$ 924 | \$ 1,377 | \$ 2,047 | \$ 3,012 | \$ 3,819 | \$ 3,590 | \$ 2,846 |
| Number of Active Retirants | 19 | 56 | 266 | 379 | 627 | 586 | 192 | 2,125 |
| Average Final Compensation ¹ | \$ 3,757 | \$ 4,772 | \$ 4,856 | \$ 5,251 | \$ 6,333 | \$ 6,611 | \$ 6,065 | \$ 5,989 |
| Number of Active Retirants | 1 | 10 | 92 | 87 | 149 | 207 | 42 | 588 |
| Period 10/1/2010 - 9/30/2011 | | | | | | | | |
| Average Monthly Benefit | \$ 1,913 | \$ 800 | \$ 1,348 | \$ 1,993 | \$ 2,962 | \$ 3,784 | \$ 3,587 | \$ 2,803 |
| Number of Active Retirants | 20 | 60 | 262 | 386 | 635 | 588 | 197 | 2,148 |
| Average Final Compensation ¹ | \$ 3,757 | \$ 4,963 | \$ 4,886 | \$ 5,184 | \$ 6,348 | \$ 6,611 | \$ 6,065 | \$ 6,014 |
| Number of Active Retirants | 1 | 7 | 84 | 85 | 149 | 206 | 42 | 574 |

¹ Average Final Compensation is based on retiree & survivor data.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUSTS AND MANAGED TRUSTS
SEPTEMBER 30, 2020
SCHEDULE OF AVERAGE BENEFIT PAYMENTS**

**LAST TEN FISCAL YEARS
(Unaudited)**

| Retirement Effective Dates | GESE STAFF BENEFIT PLAN | | | | | |
|---|--------------------------------|--------------|--------------|--------------|------------|--------------|
| | Years Credited Service | | | | | |
| | <u>6-10</u> | <u>11-15</u> | <u>16-20</u> | <u>21-25</u> | <u>26+</u> | <u>Total</u> |
| Period 10/1/2019 - 9/30/2020 | | | | | | |
| Average Monthly Benefit | \$ - | \$ 2,253 | \$ 4,929 | \$ - | \$ - | \$ 4,164 |
| Number of Active Retirants | - | 2 | 5 | - | - | 7 |
| Average Final Average Salary ¹ | \$ - | \$ 6,222 | \$ 8,929 | \$ - | \$ - | \$ 8,155 |
| Number of Active Retirants | - | 2 | 5 | - | - | 7 |
| Period 10/1/2018 - 9/30/2019 | | | | | | |
| Average Monthly Benefit | \$ - | \$ 2,220 | \$ 4,895 | \$ - | \$ - | \$ 4,131 |
| Number of Active Retirants | - | 2 | 5 | - | - | 7 |
| Average Final Average Salary ¹ | \$ - | \$ 6,222 | \$ 8,929 | \$ - | \$ - | \$ 8,155 |
| Number of Active Retirants | - | 2 | 5 | - | - | 7 |
| Period 10/1/2017 - 9/30/2018 | | | | | | |
| Average Monthly Benefit | \$ - | \$ 2,186 | \$ 4,862 | \$ - | \$ - | \$ 4,098 |
| Number of Active Retirants | - | 2 | 5 | - | - | 7 |
| Average Final Average Salary ¹ | \$ - | \$ 6,222 | \$ 8,929 | \$ - | \$ - | \$ 8,155 |
| Number of Active Retirants | - | 2 | 5 | - | - | 7 |
| Period 10/1/2016 - 9/30/2017 | | | | | | |
| Average Monthly Benefit | \$ - | \$ 2,170 | \$ 4,835 | \$ - | \$ - | \$ 4,074 |
| Number of Active Retirants | - | 2 | 5 | - | - | 7 |
| Average Final Average Salary ¹ | \$ - | \$ 6,222 | \$ 8,929 | \$ - | \$ - | \$ 8,155 |
| Number of Active Retirants | - | 2 | 5 | - | - | 7 |
| Period 10/1/2015 - 9/30/2016 | | | | | | |
| Average Monthly Benefit | \$ - | \$ 2,170 | \$ 3,742 | \$ 9,111 | \$ - | \$ 4,059 |
| Number of Active Retirants | - | 2 | 4 | 1 | - | 7 |
| Average Final Average Salary ¹ | \$ - | \$ 6,222 | \$ 7,339 | \$ 15,285 | \$ - | \$ 8,155 |
| Number of Active Retirants | - | 2 | 4 | 1 | - | 7 |

¹Average Final Compensation is based on retiree data

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUSTS AND MANAGED TRUSTS
SEPTEMBER 30, 2020
SCHEDULE OF AVERAGE BENEFIT PAYMENTS**

**LAST TEN FISCAL YEARS
(Unaudited)**

| Retirement Effective Dates | GESE STAFF BENEFIT PLAN | | | | | |
|---|--------------------------------|--------------|--------------|--------------|------------|--------------|
| | Years Credited Service | | | | | |
| | <u>6-10</u> | <u>11-15</u> | <u>16-20</u> | <u>21-25</u> | <u>26+</u> | <u>Total</u> |
| Period 10/1/2014 - 9/30/2015 | | | | | | |
| Average Monthly Benefit | \$ - | \$ 2,167 | \$ 3,730 | \$ 9,077 | \$ - | \$ 4,047 |
| Number of Active Retirants | - | 2 | 4 | 1 | - | 7 |
| Average Final Average Salary ¹ | \$ - | \$ 6,222 | \$ 7,339 | \$ 15,285 | \$ - | \$ 8,155 |
| Number of Active Retirants | - | 2 | 4 | 1 | - | 7 |
| Period 10/1/2013 - 9/30/2014 | | | | | | |
| Average Monthly Benefit | \$ - | \$ 2,167 | \$ 3,730 | \$ 9,077 | \$ - | \$ 4,047 |
| Number of Active Retirants | - | 2 | 4 | 1 | - | 7 |
| Average Final Average Salary ¹ | \$ - | \$ 6,213 | \$ 7,334 | \$ 15,285 | \$ - | \$ 8,149 |
| Number of Active Retirants | - | 2 | 4 | 1 | - | 7 |
| Period 10/1/2012 - 9/30/2013 | | | | | | |
| Average Monthly Benefit | \$ - | \$ 2,248 | \$ 4,063 | \$ 9,077 | \$ - | \$ 4,703 |
| Number of Active Retirants | - | 1 | 3 | 1 | - | 5 |
| Average Final Average Salary ¹ | \$ - | \$ 6,336 | \$ 7,974 | \$ 15,285 | \$ - | \$ 9,109 |
| Number of Active Retirants | - | 1 | 3 | 1 | - | 5 |
| Period 10/1/2011 - 9/30/2012 | | | | | | |
| Average Monthly Benefit | \$ - | \$ - | \$ 4,063 | \$ 9,077 | \$ - | \$ 5,317 |
| Number of Active Retirants | - | - | 3 | 1 | - | 4 |
| Average Final Average Salary ¹ | \$ - | \$ - | \$ 7,974 | \$ 15,285 | \$ - | \$ 9,802 |
| Number of Active Retirants | - | - | 3 | 1 | - | 4 |
| Period 10/1/2010 - 9/30/2011 | | | | | | |
| Average Monthly Benefit | \$ - | \$ - | \$ 3,720 | \$ - | \$ - | \$ 3,720 |
| Number of Active Retirants | - | - | 1 | - | - | 1 |
| Average Final Average Salary ¹ | \$ - | \$ - | \$ 7,466 | \$ - | \$ - | \$ 7,466 |
| Number of Active Retirants | - | - | 1 | - | - | 1 |

¹Average Final Compensation is based on retiree data

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUSTS AND MANAGED TRUSTS
SEPTEMBER 30, 2020
SCHEDULE OF AVERAGE BENEFIT PAYMENTS**

| Retirement Effective Dates | LAST TEN FISCAL YEARS (Unaudited) | | | | | | |
|----------------------------|--------------------------------------|------------|-----------|---------|----------|----------|---------------------------|
| | Type of Benefit | | | | Excess | Staff | Staff Excess ¹ |
| | GESE Trust | | | | | | |
| | Retirees | Disability | Survivors | Total | Retirees | Retirees | Retirees |
| Fiscal 2020 | | | | | | | |
| Average monthly benefit | \$3,713 | \$2,387 | \$1,494 | \$3,215 | \$1,055 | \$4,164 | \$3,302 |
| Number of retired members | 1447 | 49 | 395 | 1891 | 33 | 7 | 1 |
| Fiscal 2019 | | | | | | | |
| Average monthly benefit | \$3,670 | \$2,385 | \$1,428 | \$3,184 | \$1,014 | \$4,131 | \$3,411 |
| Number of retired members | 1482 | 51 | 387 | 1920 | 33 | 7 | 1 |
| Fiscal 2018 | | | | | | | |
| Average monthly benefit | \$3,613 | \$2,321 | \$1,387 | \$3,136 | \$1,167 | \$4,098 | \$3,584 |
| Number of retired members | 1510 | 50 | 388 | 1948 | 42 | 7 | 1 |
| Fiscal 2017 | | | | | | | |
| Average monthly benefit | \$3,565 | \$2,207 | \$1,348 | \$3,089 | \$1,196 | \$4,074 | 3850 |
| Number of retired members | 1533 | 55 | 391 | 1979 | 47 | 7 | 1 |
| Fiscal 2016 | | | | | | | |
| Average monthly benefit | \$3,495 | \$2,143 | \$1,330 | \$3,030 | \$1,246 | \$4,059 | 1736 |
| Number of retired members | 1536 | 57 | 391 | 1984 | 44 | 7 | 1 |
| Fiscal 2015 | | | | | | | |
| Average monthly benefit | \$3,679 | \$2,154 | \$1,401 | \$3,193 | \$1,219 | \$4,047 | |
| Number of retired members | 1560 | 55 | 392 | 2007 | 39 | 7 | |
| Fiscal 2014 | | | | | | | |
| Average monthly benefit | \$3,608 | \$2,090 | \$1,335 | \$3,154 | \$1,221 | \$4,047 | |
| Number of retired members | 1595 | 55 | 381 | 2031 | 39 | 7 | |
| Fiscal 2013 | | | | | | | |
| Average monthly benefit | \$3,335 | \$2,009 | \$1,178 | \$2,903 | \$1,148 | \$4,703 | |
| Number of retired members | 1636 | 57 | 380 | 2073 | 38 | 5 | |
| Fiscal 2012 | | | | | | | |
| Average monthly benefit | \$3,275 | \$1,928 | \$1,102 | \$2,851 | \$1,158 | \$5,317 | |
| Number of retired members | 1692 | 55 | 283 | 2129 | 36 | 4 | |
| Fiscal 2011 | | | | | | | |
| Average monthly benefit | \$3,222 | \$1,862 | \$1,045 | \$2,803 | \$1,233 | \$3,720 | |
| Number of retired members | 1714 | 56 | 378 | 2148 | 27 | 1 | |

¹Staff Excess Plan commenced on Fiscal Year 2016

THIS PAGE INTENTIONALLY LEFT BLANK

