

CITY OF MIAMI BEACH EMPLOYEES' RETIREMENT PLAN

Chapter 112.664, F.S. Compliance Report

In Connection with the October 1, 2019 Funding Actuarial
Valuation Report and the Plan's Financial Reporting for the
Year Ending September 30, 2019





July 28, 2020

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

Dear Board Members:

Gabriel, Roeder, Smith & Company (GRS) has been engaged by the City of Miami Beach Employees' Retirement Plan to prepare a disclosure report to satisfy the requirements set forth in Ch. 112.664, F.S. and as further required pursuant to Ch. 60T-1.0035, F.A.C.

This report was prepared at the request of the Board and is intended for use by the Retirement Board and those designated or approved by the Board. This report may be provided to parties other than the Plan only in its entirety and only with the permission of the Board.

The purpose of the report is to provide the required information specified in Ch. 112.664, F.S. as well as supplement this information with additional exhibits. This report should not be relied on for any purpose other than the purpose described above. GRS is not responsible for unauthorized use of this report.

The findings in this report are based on data or other information through September 30, 2019. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. The scope of this engagement does not include an analysis of the potential range of such measurements.

This report was based upon information furnished by the Plan Administrator concerning Plan benefits, financial transactions, plan provisions and active members, terminated members, retirees and beneficiaries. We checked for internal and year-to-year consistency, but did not audit the data. We are not responsible for the accuracy or completeness of the information provided by the Plan Administrator.

This report complements the October 1, 2019 actuarial valuation report dated June 4, 2020. Except as otherwise indicated as required for the disclosures contained herein, this report was prepared using the same assumptions, Plan provisions, census data, and financial information as summarized in those reports. Therefore, such information, and the reliances and limitations of those reports and their use, should be considered part of this report. Please refer to the October 1, 2019 actuarial valuation report dated June 4, 2020 for summaries and descriptions of this information.

The use of an investment return assumption that is 2% higher than the investment return assumption used to determine the funding requirements does not represent an estimate of future Plan experience nor does it reflect an observation of future return estimates inherent in financial market data. The use of this investment return assumption is provided as a counterpart to the Chapter 112.664, Florida Statutes requirement to utilize an investment return assumption that is 2% lower than the assumption used to determine the funding requirements. The inclusion of the additional exhibits showing the effect of using a 2% higher investment return assumption shows a more complete assessment of the range of possible results as opposed to showing a one-sided range as required by Florida Statutes.


Melissa R. Moskowitz and Travis Robinson are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein. The signing actuaries are independent of the plan sponsor.

This report has been prepared by actuaries who have substantial experience valuing public employee retirement systems. To the best of our knowledge the information contained in this report is accurate and fairly presents the actuarial position of the Retirement Plan as of the valuation date. All calculations have been made in conformity with generally accepted actuarial principles and practices, with the Actuarial Standards of Practice issued by the Actuarial Standards Board and with applicable statutes.

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

Respectfully submitted,

GABRIEL, ROEDER, SMITH & COMPANY

By 
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CH. 112.664, Florida Statutes

RESULTS



**Schedule of Changes in the Employers' Net Pension Liability
Using Financial Reporting Assumptions per GASB Statement No. 67**

Fiscal year ending September 30,	<u>2019</u>
1. Total Pension Liability	
a. Service Cost	\$ 16,171,537
b. Interest	65,045,122
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	1,117,690
e. Assumption Changes	10,022,465
f. Benefit Payments	(51,014,104)
g. Contribution Refunds	(1,571,361)
h. Net Change in Total Pension Liability	<u>39,771,349</u>
i. Total Pension Liability - Beginning	<u>865,978,062</u>
j. Total Pension Liability - Ending	<u>\$ 905,749,411</u>
 2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ 31,864,304
b. Contributions - Non-Employer Contributing Entity	-
c. Contributions - Member	8,512,207
d. Net Investment Income	23,328,881
e. Benefit Payments	(51,014,104)
f. Contribution Refunds	(1,571,361)
g. Administrative Expense	(827,919)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	<u>10,292,008</u>
j. Plan Fiduciary Net Position - Beginning	<u>656,207,611</u>
k. Plan Fiduciary Net Position - Ending	<u>\$ 666,499,619</u>
 3. Net Pension Liability / (Asset)	 239,249,792
 Certain Key Assumptions	
Valuation Date	10/01/2018
Measurement Date	09/30/2019
Investment Return Assumption	7.50%
Mortality Table	Mortality Rates from 7/1/18 FRS Valuation (Regular Class)



**Schedule of Changes in the Employers' Net Pension Liability
Using Assumptions required under 112.664(1)(a), F.S.**

Fiscal year ending September 30,	<u>2019</u>
1. Total Pension Liability	
a. Service Cost	\$ 16,171,537
b. Interest	65,045,122
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	1,117,690
e. Assumption Changes	10,022,465
f. Benefit Payments	(51,014,104)
g. Contribution Refunds	(1,571,361)
h. Net Change in Total Pension Liability	<u>39,771,349</u>
i. Total Pension Liability - Beginning	<u>865,978,062</u>
j. Total Pension Liability - Ending	<u>\$ 905,749,411</u>
2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ 31,864,304
b. Contributions - Non-Employer Contributing Entity	-
c. Contributions - Member	8,512,207
d. Net Investment Income	23,328,881
e. Benefit Payments	(51,014,104)
f. Contribution Refunds	(1,571,361)
g. Administrative Expense	(827,919)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	<u>10,292,008</u>
j. Plan Fiduciary Net Position - Beginning	<u>656,207,611</u>
k. Plan Fiduciary Net Position - Ending	<u>\$ 666,499,619</u>
3. Net Pension Liability / (Asset)	239,249,792
Certain Key Assumptions	
Valuation Date	10/01/2018
Measurement Date	09/30/2019
Investment Return Assumption	7.50%
Mortality Table	Mortality Rates from 7/1/18 FRS Valuation (Regular Class)



**Schedule of Changes in the Employers' Net Pension Liability
Using Assumptions required under 112.664(1)(b), F.S.**

Fiscal year ending September 30,	<u>2019</u>
1. Total Pension Liability	
a. Service Cost	\$ 24,523,803
b. Interest	61,468,338
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	-
e. Assumption Changes	-
f. Benefit Payments	(51,014,104)
g. Contribution Refunds	(1,571,361)
h. Net Change in Total Pension Liability	<u>33,406,676</u>
i. Total Pension Liability - Beginning	<u>1,119,375,067</u>
j. Total Pension Liability - Ending	<u>\$ 1,152,781,743</u>
2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ 31,864,304
b. Contributions - Non-Employer Contributing Entity	-
c. Contributions - Member	8,512,207
d. Net Investment Income	23,328,881
e. Benefit Payments	(51,014,104)
f. Contribution Refunds	(1,571,361)
g. Administrative Expense	(827,919)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	<u>10,292,008</u>
j. Plan Fiduciary Net Position - Beginning	<u>656,207,611</u>
k. Plan Fiduciary Net Position - Ending	<u>\$ 666,499,619</u>
3. Net Pension Liability / (Asset)	486,282,124
Certain Key Assumptions	
Valuation Date	10/01/2018
Measurement Date	09/30/2019
Investment Return Assumption	5.50%
Mortality Table	Mortality Rates from 7/1/18 FRS Valuation (Regular Class)



Schedule of Changes in the Employers' Net Pension Liability

Using Assumptions under 112.664(1)(b), F.S. except 2% higher investment return assumption

Fiscal year ending September 30,	<u>2019</u>
1. Total Pension Liability	
a. Service Cost	\$ 10,144,513
b. Interest	66,235,400
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	-
e. Assumption Changes	-
f. Benefit Payments	(51,014,104)
g. Contribution Refunds	(1,571,361)
h. Net Change in Total Pension Liability	<u>23,794,448</u>
i. Total Pension Liability - Beginning	<u>713,362,960</u>
j. Total Pension Liability - Ending	<u>\$ 737,157,408</u>
2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ 31,864,304
b. Contributions - Non-Employer Contributing Entity	-
c. Contributions - Member	8,512,207
d. Net Investment Income	23,328,881
e. Benefit Payments	(51,014,104)
f. Contribution Refunds	(1,571,361)
g. Administrative Expense	(827,919)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	<u>10,292,008</u>
j. Plan Fiduciary Net Position - Beginning	<u>656,207,611</u>
k. Plan Fiduciary Net Position - Ending	<u>\$ 666,499,619</u>
3. Net Pension Liability / (Asset)	70,657,789
Certain Key Assumptions	
Valuation Date	10/01/2018
Measurement Date	09/30/2019
Investment Return Assumption	9.50%
Mortality Table	Mortality Rates from 7/1/18 FRS Valuation (Regular Class)



Asset and Benefit Payment Projection
Not Reflecting Any Contributions from the Employer, State or Employee
Using assumptions from the Plan's latest actuarial valuation

FYE	Market Value of Assets (BOY)	Expected Investment Return	Projected Benefit Payments	Market Value of Assets (EOY)
2020	651,574,236	46,254,232	53,034,106	644,794,362
2021	644,794,362	45,681,011	54,966,810	635,508,563
2022	635,508,563	44,928,039	56,745,795	623,690,807
2023	623,690,807	43,995,852	58,304,535	609,382,124
2024	609,382,124	42,892,731	59,501,241	592,773,614
2025	592,773,614	41,607,797	61,012,167	573,369,244
2026	573,369,244	40,120,329	62,405,262	551,084,311
2027	551,084,311	38,410,747	64,040,329	525,454,729
2028	525,454,729	36,461,154	65,472,859	496,443,024
2029	496,443,024	34,273,746	66,568,584	464,148,186
2030	464,148,186	31,852,229	67,425,331	428,575,084
2031	428,575,084	29,184,287	68,385,667	389,373,704
2032	389,373,704	26,254,135	69,176,185	346,451,654
2033	346,451,654	23,055,786	69,773,950	299,733,490
2034	299,733,490	19,578,549	70,316,994	248,995,045
2035	248,995,045	15,808,532	70,732,458	194,071,119
2036	194,071,119	11,732,384	71,050,768	134,752,735
2037	134,752,735	7,340,212	71,121,354	70,971,593
2038	70,971,593	2,621,217	71,099,490	2,493,320
2039	2,493,320	-	70,912,813	-
2040	-	-	70,648,172	-
2041	-	-	70,197,608	-
2042	-	-	69,795,510	-
2043	-	-	69,064,950	-
2044	-	-	68,433,724	-
2045	-	-	67,886,568	-

Number of years for which current market value of assets are adequate to sustain the payment of expected retirement benefits, **reflecting no contributions from the Employer, Employee or State, contrary to Florida Statutes and Plan provisions:** 19.00

Certain Key Assumptions

Valuation Investment return assumption	7.40%
Valuation Mortality Table	Mortality Rates from 7/1/19 FRS Valuation (Regular Class)

Note: As required in Section 112.664(1)(c) of the Florida Statutes, the projection of the Fund assets do not include contributions from the Employer, Employee or State, which is contrary to Florida Statutes and Plan provisions. For this reason, these projections should not be viewed as a representation of the amount of time the Fund can sustain benefit payments. Under the GASB standards which DO include contributions from the employer, employee and State, the Fund is expected to be able to sustain the benefit payment demands in the near-term and long-term future.



Asset and Benefit Payment Projection
Not Reflecting Any Contributions from the Employer, State or Employee
Using Assumptions required under 112.664(1)(a), F.S.

FYE	Market Value of Assets (BOY)	Expected Investment Return	Projected Benefit Payments	Market Value of Assets (EOY)
2020	651,574,236	46,254,232	53,034,106	644,794,362
2021	644,794,362	45,681,011	54,966,810	635,508,563
2022	635,508,563	44,928,039	56,745,795	623,690,807
2023	623,690,807	43,995,852	58,304,535	609,382,124
2024	609,382,124	42,892,731	59,501,241	592,773,614
2025	592,773,614	41,607,797	61,012,167	573,369,244
2026	573,369,244	40,120,329	62,405,262	551,084,311
2027	551,084,311	38,410,747	64,040,329	525,454,729
2028	525,454,729	36,461,154	65,472,859	496,443,024
2029	496,443,024	34,273,746	66,568,584	464,148,186
2030	464,148,186	31,852,229	67,425,331	428,575,084
2031	428,575,084	29,184,287	68,385,667	389,373,704
2032	389,373,704	26,254,135	69,176,185	346,451,654
2033	346,451,654	23,055,786	69,773,950	299,733,490
2034	299,733,490	19,578,549	70,316,994	248,995,045
2035	248,995,045	15,808,532	70,732,458	194,071,119
2036	194,071,119	11,732,384	71,050,768	134,752,735
2037	134,752,735	7,340,212	71,121,354	70,971,593
2038	70,971,593	2,621,217	71,099,490	2,493,320
2039	2,493,320	-	70,912,813	-
2040	-	-	70,648,172	-
2041	-	-	70,197,608	-
2042	-	-	69,795,510	-
2043	-	-	69,064,950	-
2044	-	-	68,433,724	-
2045	-	-	67,886,568	-

Number of years for which current market value of assets are adequate to sustain the payment of expected retirement benefits, **reflecting no contributions from the Employer, Employee or State, contrary to Florida Statutes and Plan provisions:** 19.00

Certain Key Assumptions

Valuation Investment return assumption 7.40%
 Valuation Mortality Table Mortality Rates from 7/1/19 FRS Valuation (Regular Class)

Note: As required in Section 112.664(1)(c) of the Florida Statutes, the projection of the Fund assets do not include contributions from the Employer, Employee or State, which is contrary to Florida Statutes and Plan provisions. For this reason, these projections should not be viewed as a representation of the amount of time the Fund can sustain benefit payments. Under the GASB standards which DO include contributions from the employer, employee and State, the Fund is expected to be able to sustain the benefit payment demands in the near-term and long-term future.



Asset and Benefit Payment Projection
Not Reflecting Any Contributions from the Employer, State or Employee
Using Assumptions required under 112.664(1)(b), F.S.

FYE	Market Value of Assets (BOY)	Expected Investment Return	Projected Benefit Payments	Market Value of Assets (EOY)
2020	651,574,236	33,753,088	53,034,106	632,293,218
2021	632,293,218	32,659,730	54,966,810	609,986,138
2022	609,986,138	31,407,115	56,745,795	584,647,458
2023	584,647,458	29,996,740	58,304,535	556,339,663
2024	556,339,663	28,435,808	59,501,241	525,274,230
2025	525,274,230	26,717,480	61,012,167	490,979,543
2026	490,979,543	24,827,953	62,405,262	453,402,234
2027	453,402,234	22,754,632	64,040,329	412,116,537
2028	412,116,537	20,486,526	65,472,859	367,130,204
2029	367,130,204	18,027,679	66,568,584	318,589,299
2030	318,589,299	15,383,338	67,425,331	266,547,306
2031	266,547,306	12,547,142	68,385,667	210,708,781
2032	210,708,781	9,510,517	69,176,185	151,043,113
2033	151,043,113	6,272,431	69,773,950	87,541,594
2034	87,541,594	2,828,687	70,316,994	20,053,287
2035	20,053,287	-	70,732,458	-
2036	-	-	71,050,768	-
2037	-	-	71,121,354	-
2038	-	-	71,099,490	-
2039	-	-	70,912,813	-
2040	-	-	70,648,172	-
2041	-	-	70,197,608	-
2042	-	-	69,795,510	-
2043	-	-	69,064,950	-
2044	-	-	68,433,724	-
2045	-	-	67,886,568	-

Number of years for which current market value of assets are adequate to sustain the payment of expected retirement benefits, reflecting no contributions from the Employer, Employee or State, contrary to Florida Statutes and Plan provisions: 15.25

Certain Key Assumptions

Valuation Investment return assumption	5.40%
Valuation Mortality Table	Mortality Rates from 7/1/19 FRS Valuation (Regular Class)

Note: As required in Section 112.664(1)(c) of the Florida Statutes, the projection of the Fund assets do not include contributions from the Employer, Employee or State, which is contrary to Florida Statutes and Plan provisions. For this reason, these projections should not be viewed as a representation of the amount of time the Fund can sustain benefit payments. Under the GASB standards which DO include contributions from the employer, employee and State, the Fund is expected to be able to sustain the benefit payment demands in the near-term and long-term future.



Asset and Benefit Payment Projection
Not Reflecting Any Contributions from the Employer, State or Employee
Using Assumptions under 112.664(1)(b), F.S. except 2% higher investment return assumption

FYE	Market Value of Assets (BOY)	Expected Investment Return	Projected Benefit Payments	Market Value of Assets (EOY)
2020	651,574,236	58,755,375	53,034,106	657,295,505
2021	657,295,505	59,202,337	54,966,810	661,531,032
2022	661,531,032	59,516,865	56,745,795	664,302,102
2023	664,302,102	59,704,084	58,304,535	665,701,651
2024	665,701,651	59,779,397	59,501,241	665,979,807
2025	665,979,807	59,734,530	61,012,167	664,702,170
2026	664,702,170	59,548,957	62,405,262	661,845,865
2027	661,845,865	59,203,616	64,040,329	657,009,152
2028	657,009,152	58,681,636	65,472,859	650,217,929
2029	650,217,929	57,991,762	66,568,584	641,641,107
2030	641,641,107	57,145,274	67,425,331	631,361,050
2031	631,361,050	56,133,812	68,385,667	619,109,195
2032	619,109,195	54,944,984	69,176,185	604,877,994
2033	604,877,994	53,579,156	69,773,950	588,683,200
2034	588,683,200	52,031,322	70,316,994	570,397,528
2035	570,397,528	50,292,942	70,732,458	549,958,012
2036	549,958,012	48,356,667	71,050,768	527,263,911
2037	527,263,911	46,220,104	71,121,354	502,362,661
2038	502,362,661	43,880,414	71,099,490	475,143,585
2039	475,143,585	41,330,595	70,912,813	445,561,367
2040	445,561,367	38,562,304	70,648,172	413,475,499
2041	413,475,499	35,567,409	70,197,608	378,845,300
2042	378,845,300	32,331,069	69,795,510	341,380,859
2043	341,380,859	28,843,748	69,064,950	301,159,657
2044	301,159,657	25,092,623	68,433,724	257,818,556
2045	257,818,556	21,044,276	67,886,568	210,976,264
2046	210,976,264	16,677,266	67,117,084	160,536,446
2047	160,536,446	11,971,682	66,356,263	106,151,865
2048	106,151,865	6,910,615	65,269,362	47,793,118
2049	47,793,118	1,483,911	64,013,668	-
2050	-	-	62,490,109	-

Number of years for which current market value of assets are adequate to sustain the payment of expected retirement benefits, **reflecting no contributions from the Employer, Employee or State, contrary to Florida Statutes and Plan provisions:** 29.75

Certain Key Assumptions

Valuation Investment return assumption	9.40%
Valuation Mortality Table	Mortality Rates from 7/1/19 FRS Valuation (Regular Class)

Note: As required in Section 112.664(1)(c) of the Florida Statutes, the projection of the Fund assets do not include contributions from the Employer, Employee or State, which is contrary to Florida Statutes and Plan provisions. For this reason, these projections should not be viewed as a representation of the amount of time the Fund can sustain benefit payments. Under the GASB standards which DO include contributions from the employer, employee and State, the Fund is expected to be able to sustain the benefit payment demands in the near-term and long-term future.



ACTUARIALLY DETERMINED CONTRIBUTION

	Plan's Latest Actuarial Valuation	112.664(1)(a) F.S. Assumptions	112.664(1)(b) F.S. Assumptions	112.664(1)(b) F.S. Except 2% Higher Investment Return Assumption
A. Valuation Date	October 1, 2019	October 1, 2019	October 1, 2019	October 1, 2019
B. Actuarial Determined Contribution (ADC) to Be Paid During Fiscal Year Ending	9/30/2021	9/30/2021	9/30/2021	9/30/2021
C. Assumed Dates of Employer Contributions	10/1/2020	10/1/2020	10/1/2020	10/1/2020
D. Annual Payment to Amortize Unfunded Actuarial Liability	\$ 20,782,944	\$ 20,782,944	\$ 33,892,971	\$ 8,205,671
E. Employer Normal Cost	7,801,732	7,801,732	17,145,811	2,587,572
F. Employer ADC if Paid on Valuation Date: D + E	28,584,676	28,584,676	51,038,782	10,793,243
G. Employer ADC Adjusted for Frequency of Payments	30,699,942	30,699,942	53,794,876	11,807,808
H. Employer ADC Adjusted for Frequency of Payments as % of Covered Payroll	34.83 %	34.83 %	61.03 %	13.40 %
I. Assumed Rate of Increase in Covered Payroll to Contribution Year	0.00 %	0.00 %	0.00 %	0.00 %
J. Covered Payroll for Contribution Year	88,141,166	88,141,166	88,141,166	88,141,166
K. Employer ADC for Contribution Year: H x J	30,699,942	30,699,942	53,794,876	11,807,808
L. Estimated Credit for State Revenue in Contribution Year	0	0	0	0
M. Net Employer ADC in Contribution Year	30,699,942	30,699,942	53,794,876	11,807,808
N. Net Employer ADC as % of Covered Payroll in Contribution Year: M ÷ J	34.83 %	34.83 %	61.03 %	13.40 %
O. Expected Member Contribution	8,629,083	8,629,083	8,629,083	8,629,083
P. Total Contribution (Including Members) in Contribution Year	39,329,025	39,329,025	62,423,959	20,436,891
Q. Total Contribution as % of Covered Payroll in Contribution Year: P ÷ J	44.62 %	44.62 %	70.82 %	23.19 %
R. Certain Key Assumptions				
Investment Return Assumption	7.40%	7.40%	5.40%	9.40%
Mortality Table	Mortality Rates from 7/1/19 FRS Valuation (Regular Class)	Mortality Rates from 7/1/19 FRS Valuation (Regular Class)	Mortality Rates from 7/1/19 FRS Valuation (Regular Class)	Mortality Rates from 7/1/19 FRS Valuation (Regular Class)

