

A Pension Trust of The City of Miami  
For the Years Ending September 30, 2015 & 2014

# Comprehensive Annual Financial Report

# 2015



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



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

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*A Pension Trust of the City of Miami*

**Comprehensive Annual Financial Report**

**For the Fiscal Years Ending September 30,  
2015 & 2014**



Prepared by the Accounting Department

Enrique Mesa, Chief Accountant  
Christopher Recicar, Treasurer

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**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION  
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015**

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**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION  
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS  
BOARD OF TRUSTEES, MANAGEMENT AND CONSULTANTS  
SEPTEMBER 30, 2015**

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**BOARD OF TRUSTEES**

**Ronald Thompkins, Chair**  
Appointed by City Commission

**Charlie Cox, Vice Chair**  
Appointed by AFSCME/Local 1907

**Ann Marie Sharpe**  
Appointed by City Manager

**Luis Fernandez**  
Appointed by City Commission

**Sean Moy**  
Appointed by AFSCME/local 1907

**Joe Simmons, Jr.**  
Appointed by AFSCME/Council 79

**John Hill**  
Appointed by City Commission

**Clarence Graves**  
Appointed by AFSCME/Council 79

**Elizabeth Warwick**  
Appointed by City Commission

**MANAGEMENT**

**CONSULTANTS**

**Pension Administrator**  
Sandra Elenberg

**Legal Counsel**  
Ronald A. Silver, Esq.

**Assistant Pension Administrator**  
Edgard Hernandez

**Certified Public Accountants**  
Anthony Brunson, P.A

**Chief Accountant**  
Enrique Mesa

**Investment Consultants**  
Southeastern Advisory Services, Inc.

**Treasurer**  
Christopher Recicar

**Consulting Actuary**  
Cavanaugh Macdonald Consulting, LLC

**Assistant to the Administrator**  
Irma I. Saldaña

**Custodian Bank**  
State Street Bank & Trust Co.

CITY OF MIAMI  
GENERAL EMPLOYEE'S AND SANITATION EMPLOYEES'  
RETIREMENT TRUST

March 16, 2016

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, 2015

Management assumes full responsibility for the accuracy and reliability of the information including the completeness and fairness of its presentation. To provide a reasonable 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 of the United States. The independent accounting firm, Anthony Brunson P.A. concluded that there was a reasonable basis for rendering an unqualified opinion that the financial statements for the year ended September 30, 2015, are fairly stated in conformity with U.S. generally accepted accounting principles. The Independent Accountant's Report is presented as the first component of the financial section of this report. Immediately following the Independent Accountants' 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 three 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, and a single employer plan covering the staff of the Trusts.



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, effective October 1, 2012. Benefits are based on a percent ("benefit multiplier") of the average final compensation multiplied by years of creditable service. There are two benefit tiers under the plan. Members eligible to retire on September 30, 2010 have a 3% benefit multiplier and can retire with full benefits at Rule of 70 (age plus years of service equal to at least 70) or age 55, and a minimum of 10 years of service. Other members have a graded benefit multiplier ranging from 2.25% to 2.75% based on years of service and can retire with full benefits at age 55 and 30 years of service, age 60 and 10 years of service, or Rule of 80.

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") had an effective date of July 1, 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.

### **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. 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 remains committed to serving the needs of its participants in a diligent manner.

## **INITIATIVES**

The investment manager's fee reduction generated a savings of approximately \$288,000. The fee reduction is continuously being examined by the Board of Trustees.

The Governmental Accounting Standards Board (GASB) has imposed a new Standard, GASB 67 Financial Reporting For Pension Plans. It is actually an amendment to GASB 25 which was issued in 1994. We have been researching this standard and started implementing it in the 2014 report. This standard was imposed to form a more comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions plans in an effort to create additional transparency. In doing this, more information and models will be used in this report than in the past.



## **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 goal of the Trusts. Diversification of investments helps to reduce overall risk. Asset classes currently being utilized include domestic and international equities, fixed income, real estate and cash. A summary of asset allocation is provided on page 61 in the investment section of this report. The GESE Trust shows an asset allocation of 66.6 percent in equities, 4.1 percent in real estate, 24.5 percent in fixed income and 4.8 percent in cash at fiscal year end. The Staff plan shows an asset allocation of 30.9 percent in fixed income, 48.6 percent in large cap equities, 7.5 percent in international and 13.1 percent in small cap equities at fiscal year end.

For fiscal year 2015, investments provided a positive return of .2 percent for the GESE Trust and a negative .4 percent return for the Staff Plan. The GESE Trust’s annualized rate of return over the last three years was a positive 7.8 percent and over the last five years was 8.5 percent. The Staff Plan’s annualized rate of return over the last three years was a positive 8 percent and over the last five years was 8.7 percent. For a summary of investment returns, see pages 62 and 63 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 65 in the investment section. For actuarial valuation purposes, the assumed rate of return was 7.7 percent for fiscal year 2015. It should be noted that the method of asset valuation utilized for actuarial purposes is a moving market 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 pages 28-31 in the financial 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, 2015. For the **GESE Trust**, the plan net position was \$589.1 million and the total pension liability was \$873.8 million causing a net pension liability of \$284.7 million. This resulted in a funded ratio of 67%. For the **Staff Plan**, the plan net position was \$3.1 million and the total pension liability was \$4.9 million causing a net pension liability of \$1.8 million. This resulted in a funded ratio of 63%. 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, 2014. 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  
Assistant Pension Administrator

  
\_\_\_\_\_  
Enrique Mesa  
Chief Accountant

  
\_\_\_\_\_  
Christopher R. Recicar  
Treasurer





Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Miami**

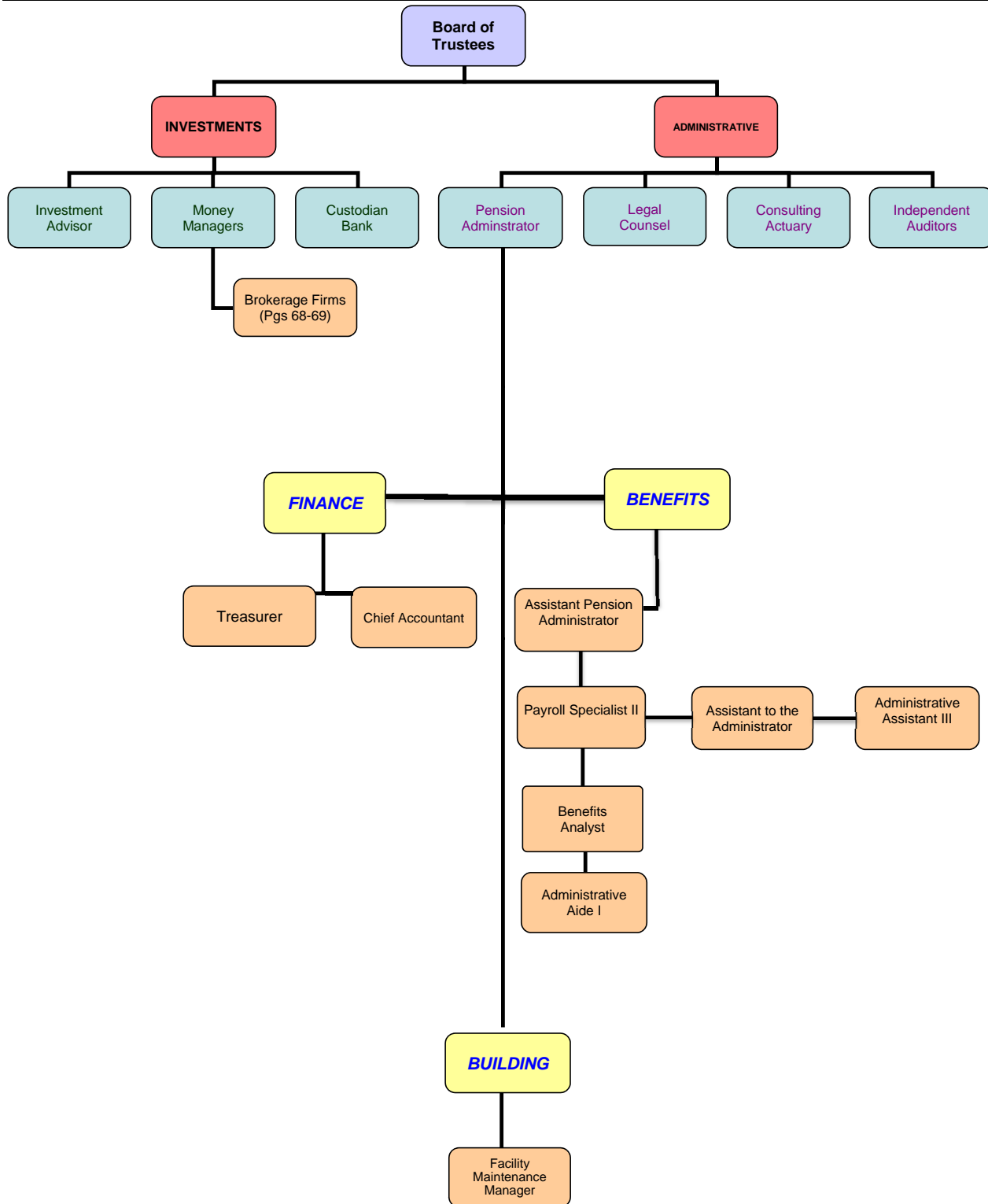
**General Employees' & Sanitation  
Employees' Retirement Trust, Florida**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2014**

Executive Director/CEO

**CITY OF MIAMI GENERAL EMPLOYEES AND SANITATION  
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS  
ORGANIZATIONAL CHART  
SEPTEMBER 30, 2015**



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# **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, 2015 and 2014, 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.

### 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 audit in accordance with auditing standards generally accepted in the United States of America. 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, 2015 and 2014 and changes in net position for the years then ended; in accordance with accounting principles generally accepted in the United States of America.

#### Fort Lauderdale Office

333 Las Olas Way | CU 4  
Fort Lauderdale, FL 33301  
T: (954) 361-6571



CLIENT FOCUSED: SOLUTION DRIVEN

E: [info@abcpasolutions.com](mailto:info@abcpasolutions.com)

#### Miami Office

801 Brickell Avenue | Suite 900  
Miami, FL 33131  
T: (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 10, Schedules of Changes in the Net Pension Liability, Schedules of the Net Pension Liability and the Schedules of Employer Contributions on pages 42 through 47 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 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.

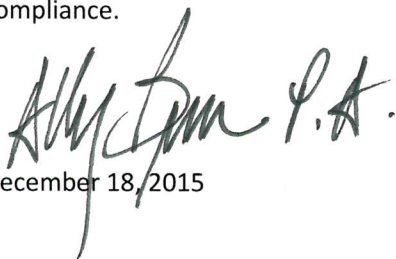
## Other Information

Our audit was conducted for the purpose of forming an opinion on the combined financial statements that collectively comprise the Trust's 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 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 December 18, 2015, 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 grants agreements and other matters. The purpose of that report is 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.



December 18, 2015

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION  
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2015 AND 2014**

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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, 2015 and 2014. 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 2015 reflected the following financial activities:

- A net decrease of \$30.5 million in plan net position (or 5%) as a result of the fiscal year activities.
- Member contributions represent 10% of payroll for fiscal years 2015 and 2014. Members contributed approximately \$8.2 million in 2015 and \$7.2 million in 2014. Member contributions increased \$933 thousand in 2015 and increased \$497 thousand in 2014. 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 \$2.3 million (or 8%) during fiscal year 2015 and increased by \$5.1 million (or 20%) during fiscal year 2014. The amount of employer contributions vary from year to year based on an actuarially determined requirement.
- The investment portfolios had a net investment income of \$1.5 million in fiscal 2015 compared to a net investment income of \$65 million in 2014. This decrease of \$64 million followed a decrease of \$1 million in the prior year.
- In 2015, benefit payments and refunds of contributions decreased by \$741 thousand (or .7%), while in 2014, benefit and refund payments decreased by \$440 thousand (or .6%).

**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 2015:

- Employer contributions for the Excess Benefit Plan increased by \$86 thousand (or 15%); while in 2014 it increased by \$39 thousand (or 7.5%).
- Employee benefit payments for the Excess Benefit Plan increased by \$96 thousand (or 17%); while in 2014 it increased by \$34 thousand (or 6.5%).
- 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.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION  
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2015 AND 2014**

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**FINANCIAL HIGHLIGHTS (cont'd)**

**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 2015:

- Plan net position had a decrease of \$45 thousand for fiscal year 2015. The plan net position decreased to \$3.1 million in fiscal year 2015 from \$3.2 million in fiscal year 2014 representing a 1% decrease.
- Member contributions for 2015 decreased \$3 thousand (or 13%) but decreased \$5 thousand (or 21%) in 2014, representing 10% of payroll. Employer contributions decreased \$1 thousand (or .3%) in 2015, but increased \$72 thousand (or 33%) in 2014, based on an actuarially determined requirement.
- The investment portfolio had net investment loss of \$16 thousand in fiscal year 2015 while 2014 showed net investment income of \$338 thousand.
- In 2015, benefit payments increased by \$29 thousand (or 9%), while in 2014, benefit payments increased by \$29 thousand (or 10%).

**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 and activities, and additional background that is 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, 2015 AND 2014**

**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		
	2015	2014	2013	2015	2014	2013	2015	2014	2013
<b>Assets:</b>									
Cash	\$ 354	\$ 672	\$ 784	\$ 33	\$ 37	\$ 43	\$ 50	\$ 99	\$ 58
<b>Receivables:</b>									
Securities sold	1,325	1,454	975	-	-	-	-	-	-
Interest & dividends	1,310	1,450	1,499	-	-	-	-	-	-
Contributions & other	593	440	489	32	27	22	-	-	-
<b>Total receivables</b>	<u>3,228</u>	<u>3,344</u>	<u>2,963</u>	<u>32</u>	<u>27</u>	<u>22</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Investments:</b>									
Fixed income	142,842	144,147	143,303	-	-	-	-	-	-
Equity securities	444,133	472,487	445,294	-	-	-	3,096	3,091	2,791
<b>Total investments</b>	<u>586,975</u>	<u>616,634</u>	<u>588,597</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,096</u>	<u>3,091</u>	<u>2,791</u>
Capital assets	1,902	1,964	2,068	-	-	-	-	-	-
<b>Total assets</b>	<u>592,459</u>	<u>622,614</u>	<u>594,412</u>	<u>65</u>	<u>64</u>	<u>66</u>	<u>3,146</u>	<u>3,191</u>	<u>2,849</u>
<b>Liabilities:</b>									
Securities purchased	2,565	2,359	3,182	-	-	-	-	-	-
Other liabilities	842	694	845	65	64	66	1	1	1
<b>Total liabilities</b>	<u>3,407</u>	<u>3,053</u>	<u>4,027</u>	<u>65</u>	<u>64</u>	<u>66</u>	<u>1</u>	<u>1</u>	<u>1</u>
<b>Net position held in Trust for pension benefits</b>	<u>\$ 589,051</u>	<u>\$ 619,561</u>	<u>\$ 590,384</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,145</u>	<u>\$ 3,190</u>	<u>\$ 2,848</u>

**GESE Trust**

The net position of the GESE Trust reported in the fiscal year 2015 was \$589 million compared to the net position reported in the fiscal year 2014 of \$620 million. The net position decreased by approximately \$31 million (or 5%) primarily due to the decrease in net investment income of \$64 million.

**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.

**Staff Plan**

The net position of the Staff Plan reported in the fiscal year 2015 was \$3.1 million compared to the net position reported in the fiscal year 2014 of \$3.2 million. The net position decreased by \$45 thousand (or 1%) primarily due to the decrease in net investment income of \$354 thousand.



**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION  
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**FINANCIAL ANALYSIS (cont'd)**

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		
	2015	2014	2013	2015	2014	2013	2015	2014	2013
<b>Additions:</b>									
Contributions									
Employer	\$ 33,036	\$ 30,710	\$ 25,568	\$ 648	\$ 562	\$ 523	\$ 291	\$ 292	\$ 220
Members	8,164	7,231	6,734	-	-	-	20	23	28
<b>Total contributions</b>	<b>41,200</b>	<b>37,941</b>	<b>32,302</b>	<b>648</b>	<b>562</b>	<b>523</b>	<b>311</b>	<b>315</b>	<b>248</b>
Reimbursement income	3,129	2,870	2,820	99	89	94	-	-	-
Net investment income	1,496	65,273	66,349	-	-	-	-16	338	320
<b>Total additions</b>	<b>45,825</b>	<b>106,084</b>	<b>101,471</b>	<b>747</b>	<b>651</b>	<b>617</b>	<b>295</b>	<b>653</b>	<b>568</b>
<b>Deductions:</b>									
Benefits	71,940	71,903	72,432	653	557	523	340	311	282
Refunds	1,090	1,868	1,779	-	-	-	-	-	-
Administrative	3,306	3,136	3,074	94	94	94	-	-	-
<b>Total deductions</b>	<b>76,335</b>	<b>76,907</b>	<b>77,285</b>	<b>747</b>	<b>651</b>	<b>617</b>	<b>340</b>	<b>311</b>	<b>282</b>
<b>Change in net position</b>	<b>-30,510</b>	<b>29,177</b>	<b>24,187</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-45</b>	<b>342</b>	<b>286</b>
<b>Net position held in trust for pension benefits:</b>									
Beginning of year	619,561	590,384	566,198	-	-	-	3,190	2,848	2,562
End of year	\$ 589,051	\$ 619,561	\$ 590,384	\$ -	\$ -	\$ -	\$ 3,145	\$ 3,190	\$ 2,848

**GESE Trust**

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

- Additions to the plan net position during fiscal year 2015 show \$46 million that included contributions of \$41 million and net investment income of \$1.5 million. This was a decrease from the fiscal year 2014, when additions were increased \$106 million, which included member and employer contributions of \$38 million, and net investment income of \$65 million.
- Deductions to the plan net position decreased by .6% from \$76.9 million in fiscal year 2014 to \$76.3 million in 2015. Most of the decrease relates to pension benefit payments and refunds.

**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 increased \$96 thousand (or 15%) from \$651 thousand during 2014 to \$747 thousand in 2015.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION  
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**FINANCIAL ANALYSIS (cont'd)**

**Staff Plan**

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

- Additions to plan net position decreased by \$358 thousand during the year as a result of a decrease in contributions of \$4 thousand and a decrease in net investment income of \$354 thousand.
- Deductions to plan net position increased by \$29 thousand during 2015, while 2014 saw a \$29 thousand increase.

**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 March 20, 2015. The Investment Policy Statements for the Staff Plan was amended in March 20, 2015.

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>2015</u>	<u>2014</u>
U.S. large cap equity	42%	30 - 70%	54.1%	55.3%
U.S. small cap equity	10%	0 - 15%	6.2%	6.9%
International equity	13%	0 - 15%	6.3%	6.7%
U.S. fixed income	29%	20 - 70%	24.5%	23.5%
Real estate	5%	0 - 10%	4.1%	3.7%
Cash and other	1%	0 - 15%	4.8%	3.9%
			<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.

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**INVESTMENT ACTIVITIES (cont'd)**

**Asset Allocation (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**

	<u>Policy Guidelines</u>		<u>Actual as of September 30,</u>	
	<u>Target</u>	<u>Range</u>	<u>2015</u>	<u>2014</u>
U.S. large cap equity	42%	25 - 70%	48.6%	48.6%
U.S. small cap equity	10%	0 - 25%	13.1%	13.1%
International equity	13%	0 - 25%	7.5%	8.4%
U.S. fixed income	35%	20 - 70%	30.9%	29.9%
Cash and other	0%	0 - 10%	<u>0.0%</u>	<u>0.0%</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 year. There were minor changes in the allocation among the asset class during the year.

**Investment Returns**

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, 2015. The rates of returns are time weighted, net of fees, and based on market rate of return.

As of September 30, 2015, the GESE Trust policy portfolio includes the following indices and weightings:

42% S&P 500, 10% Russell 2000, 13% Europe Australia Far East (EAFE), 5% National Council of Real Estate Investment Fiduciaries (NCREIF), and 30% Barclays Aggregate.

***The overall performance results for the GESE Trust follows:***

**GESE TRUST - SUMMARY OF INVESTMENT RETURNS  
September 30,**

	<u>Year to Date</u>	<u>Annualized Return</u>	
		<u>3 Year</u>	<u>5 Year</u>
<b>Fiscal Year 2015</b>			
Total Fund	0.2%	7.8%	8.5%
Policy Portfolio	-0.3%	8.0%	9.0%
<b>Fiscal Year 2014</b>			
Total Fund	11.2%	13.8%	10.3%
Policy Portfolio	10.9%	14.8%	11.0%



**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION  
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS  
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**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, 2014**

	<u>GESE Trust</u>	<u>Excess Benefit Plan</u>	<u>Staff Plan</u>	<u>Total</u>
<b>ASSETS</b>				
Cash	\$ 671,637	\$ 36,940	\$ 99,031	\$ 807,608
<b>Receivables:</b>				
Securities sold	1,453,758	-	-	1,453,758
Members' contributions	195,495	-	-	195,495
Interest and dividends	1,450,740	-	-	1,450,740
City of Miami	178,491	27,077	-	250,568
Other	<u>66,963</u>	<u>-</u>	<u>-</u>	<u>66,963</u>
Total receivables	<u>3,345,447</u>	<u>27,077</u>	<u>-</u>	<u>3,372,524</u>
<b>Investments, at fair value:</b>				
U.S. Government and Agency Securities	88,962,240	-	-	88,962,240
Corporate stocks	425,263,998	-	2,169,879	427,263,998
Corporate bonds	55,185,242	-	922,444	56,107,686
Real estate funds	22,850,580	-	-	22,850,580
Money market funds	<u>24,371,647</u>	<u>-</u>	<u>-</u>	<u>24,371,647</u>
Total investments	616,633,707	-	3,092,323	619,726,030
Capital assets, net	<u>1,963,798</u>	<u>-</u>	<u>-</u>	<u>1,963,798</u>
Total Assets	<u>622,614,589</u>	<u>64,017</u>	<u>3,191,354</u>	<u>625,869,960</u>
<b>LIABILITIES</b>				
Payable for securities purchased	2,359,428	-	-	2,359,428
City of Miami excess	-	55,965	-	55,965
Notes payable	-	-	-	-
Accounts payable and accrued expenses	<u>693,868</u>	<u>8,052</u>	<u>1,029</u>	<u>702,949</u>
Total Liabilities	<u>3,053,296</u>	<u>64,017</u>	<u>1,029</u>	<u>3,118,342</u>
Net position held in trust for pension benefits	<u>\$ 619,561,293</u>	<u>\$ -</u>	<u>\$ 3,190,325</u>	<u>\$ 622,751,618</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, 2015**

	<u>GESE Trust</u>	<u>Excess Benefit Plan</u>	<u>Staff Plan</u>	<u>Total</u>
<b>ADDITIONS</b>				
<b>Contributions:</b>				
Employer	\$ 33,036,318	\$ 648,302	\$ 291,087	\$ 33,975,707
Plan members	<u>8,163,643</u>	<u>-</u>	<u>19,838</u>	<u>8,183,481</u>
Total contributions	<u>41,199,961</u>	<u>648,302</u>	<u>310,925</u>	<u>42,159,188</u>
<b>Investment income appreciation:</b>				
Net depreciation in fair value of investments	(7,643,246)	-	(88,141)	(7,731,387)
Interest	4,680,358	-	-	4,680,358
Dividends	6,103,227	-	72,526	6,175,753
Other income	<u>211,398</u>	<u>-</u>	<u>-</u>	<u>211,398</u>
Total investment income	<u>3,351,737</u>	<u>-</u>	<u>(15,615)</u>	<u>3,336,122</u>
Less investment expense	<u>1,855,340</u>	<u>-</u>	<u>-</u>	<u>1,855,340</u>
Net investment income	<u>1,496,397</u>	<u>-</u>	<u>(15,615)</u>	<u>1,480,782</u>
Reimbursement income from City of Miami	<u>3,128,822</u>	<u>98,528</u>	<u>-</u>	<u>3,227,350</u>
Total Additions	<u>45,825,180</u>	<u>746,830</u>	<u>295,310</u>	<u>46,867,320</u>
<b>DEDUCTIONS</b>				
Benefit payments	71,940,377	653,302	340,299	72,933,978
Refunds of member contributions	1,089,556	-	-	1,089,556
Administrative and other expenses	<u>3,305,515</u>	<u>93,528</u>	<u>-</u>	<u>3,399,043</u>
Total Deductions	<u>76,335,448</u>	<u>746,830</u>	<u>340,299</u>	<u>77,422,577</u>
Change in net position	(30,510,268)	-	(44,989)	(30,555,257)
Net position held in trust for pension benefits, beginning of year	<u>619,561,293</u>	<u>-</u>	<u>3,190,325</u>	<u>622,751,618</u>
Net position held in trust for pension benefits, end of year	<u>\$ 589,051,025</u>	<u>\$ -</u>	<u>\$ 3,145,336</u>	<u>\$ 592,196,361</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, 2014**

	<u>GESE Trust</u>	<u>Excess Benefit Plan</u>	<u>Staff Plan</u>	<u>Total</u>
<b>ADDITIONS</b>				
<b>Contributions:</b>				
Employer	\$ 30,710,096	\$ 561,805	\$ 291,968	\$ 31,563,869
Plan members	<u>7,231,235</u>	<u>-</u>	<u>23,377</u>	<u>7,254,612</u>
Total contributions	<u>37,941,331</u>	<u>561,805</u>	<u>315,345</u>	<u>38,818,481</u>
<b>Investment income:</b>				
Net appreciation in fair value of investments	56,258,917	-	271,678	56,530,595
Interest	4,976,002	-	-	4,976,002
Dividend	5,907,265	-	66,603	5,973,868
Other income	<u>44,399</u>	<u>-</u>	<u>-</u>	<u>44,399</u>
Total investment income	<u>67,186,583</u>	<u>-</u>	<u>338,281</u>	<u>67,524,864</u>
Less investment expense	<u>1,913,700</u>	<u>-</u>	<u>-</u>	<u>1,913,700</u>
Net investment income	<u>65,272,883</u>	<u>-</u>	<u>338,281</u>	<u>65,611,164</u>
Reimbursement income from City of Miami	<u>2,869,729</u>	<u>88,652</u>	<u>-</u>	<u>2,958,381</u>
Total Additions	<u>106,083,943</u>	<u>650,457</u>	<u>653,626</u>	<u>107,388,026</u>
<b>DEDUCTIONS</b>				
Benefit payments	71,903,481	556,805	311,388	72,771,674
Refunds of member contributions	1,867,614	-	-	1,867,614
Administrative and other expenses	<u>3,135,724</u>	<u>93,652</u>	<u>-</u>	<u>3,229,376</u>
Total Deductions	<u>76,906,819</u>	<u>650,457</u>	<u>311,388</u>	<u>77,868,664</u>
Change in net position	29,177,124	-	342,238	29,519,362
Net position held in trust for pension benefits, beginning of year	<u>590,384,171</u>	<u>-</u>	<u>2,848,086</u>	<u>593,232,257</u>
Net position held in trust for pension benefits, end of year	<u>\$ 619,561,293</u>	<u>\$ -</u>	<u>\$ 3,190,325</u>	<u>\$ 622,751,618</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, 2015 AND 2014**

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**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**

GASB Statement 72, *Fair Value Measurement and Application*. This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is 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. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2015.

GASB Statement 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*. The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. The requirements of this Statement for pension plans that are within the scope of Statement 67 or 68 are effective for fiscal years beginning after June 15, 2015.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION  
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS  
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**Note 1 - Summary of Significant Accounting Policies (cont'd)**

**Recent Pronouncements Issued (cont'd)**

GASB Statement 74, *Financial Reporting for Postemployment Benefit Plans other than Pension Plans*. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement is effective for financial statements for fiscal years beginning after June 15, 2016.

GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement is effective for fiscal years beginning after June 15, 2017.

GASB Statement 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The objective of this Statement is to identify—in the context of the current governmental financial reporting environment—the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2015, and should be applied retroactively.



**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION  
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**Note 1 - Summary of Significant Accounting Policies (cont'd)**

**Recent Pronouncements Issued (cont'd)**

GASB Statement 77, *Tax Abatement Disclosures*. Financial statements prepared by state and local governments in conformity with generally accepted accounting principles provide citizens and taxpayers, legislative and oversight bodies, municipal bond analysts, and others with information they need to evaluate the financial health of governments, make decisions, and assess accountability. This information is intended, among other things, to assist these users of financial statements in assessing (1) whether a government's current-year revenues were sufficient to pay for current-year services (known as interperiod equity), (2) whether a government complied with finance-related legal and contractual obligations, (3) where a government's financial resources come from and how it uses them, and (4) a government's financial position and economic condition and how they have changed over time. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2015.

GASB Statement 78, *Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans*. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, Accounting and Financial Reporting for Pensions. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions. The requirements of this Statement are effective for reporting periods beginning after December 15, 2015.

**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  
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SEPTEMBER 30, 2015 AND 2014**

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**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  
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SEPTEMBER 30, 2015 AND 2014**

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**Note 2 - Plan Description**

**Plan Administration**

The City of Miami General Employees' and Sanitation Employees' Retirement Trust administers three 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)

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 follow 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 (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 to which member employees contributed 10% of their base salaries or wages. 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.

**Contributions**

Members contribute 10% of compensation 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 (interest, 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.

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**Note 2 - Plan Description (cont'd)**

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

**Eligibility**

The GESE Trust covers all City of Miami general and sanitation employees except appointed officers and 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 fire fighters, 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, normal retirement is age 55 and 10 or more years of continuous creditable service. Such member 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**

For members eligible to retire on September 30, 2010 and for other members for service up to that date retirement benefits are based on 3.0% of the average final compensation multiplied by years of creditable service, which is paid annually in monthly installments. Early retirement, disability, death and other benefits are also provided as defined in City of Miami Ordinance No. 12111. For service after September 30, 2010 for members not eligible to retire as of that date, 2.25% of average final compensation multiplied by creditable service up to 15 years, 2.5% of average final compensation for 15 to 20 years of service and 2.75% for service over 20 years. 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.

**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.

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**Note 2 - Plan Description (cont'd)**

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

**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, 2015 and 2014 amounted to \$972,433 and \$8,410,653, respectively, and is included in benefits in the statement of changes in plan net position.

**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 (NR) date, referred to as the BACKDROP date.

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**Note 2 - Plan Description (cont'd)**

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

**BACKDROP Option (BACKDROP) (cont'd)**

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.

**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.

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.

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**Note 2 - Plan Description (cont'd)**

**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 (interest, 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.

**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.



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**Note 3 - Plan Participation**

At October 1, 2014, each Trust's membership consisted of:

	<b>2014</b>			
	<b><u>GESE</u></b>	<b><u>Staff</u></b>	<b><u>Excess</u></b>	<b><u>Total</u></b>
Active Members	1,376	3	-	1,379
Inactive Members (due contribution refund)	142	1	-	143
Deferred Vested Members	28	-	-	28
Retired Members:				
Non-disabled	1,595	7	44	1,646
Disabled	55	-	-	55
Beneficiaries	<u>381</u>	<u>-</u>	<u>-</u>	<u>381</u>
Subtotal	<u>2,031</u>	<u>7</u>	<u>44</u>	<u>2,082</u>
Total Members	<u><u>3,577</u></u>	<u><u>11</u></u>	<u><u>44</u></u>	<u><u>3,632</u></u>

Number of employees entitled to benefits but not yet receiving them is composed of deferred vested members and members that are due a contribution refund. For 2014 the number of deferred vested members was 28. The number of members due a contribution refund was 142.

**Note 4 - Actuarial Methods and Assumptions**

**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, 2014, using the following actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of October 1, 2015.

The experience studies on which assumptions are based is dated May 29, 2015.

Inflation	3.5 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 – net of pension plan investment expenses and including inflation 7.8 percent for year ending October 1, 2014 7.7 percent for year ending October 1, 2015 7.6 percent for periods from October 1, 2015 on
	Excess plan – Not applicable. The plan has no assets for investment.

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**Note 4 - Actuarial Methods and Assumptions (cont'd)**

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

**GESE and Excess Plans**

- **Pre-Retirement Morality**  
UP-1994, Projected to 2018 (using scale AA) for male and female, set forward 1 year.
- **Post-Retirement Healthy Morality**  
UP-1994, Projected to 2018 (using scale AA) for male and female, set forward 2 years.
- **Post-Retirement Disabled Mortality**  
UP-1994, Projected to 2018 (using scale AA) for male and female, set forward 8 years.

**Staff Plan**

- **Pre-Retirement Morality**  
1983 Group Annuity Mortality Table for male and female, set back 2 years.
- **Post-Retirement Healthy Morality**  
1983 Group Annuity Mortality Table for male and female.
- **Post-Retirement Disabled Mortality**  
1983 Group Annuity Mortality Table for male and female, set forward 9 years.

**Discount rate**

The discount rate used to measure the total pension liability was 7.6 percent for the GESE and Staff plans. For the Excess plan the discount rate used to measure the total pension liability was 3.78 percent. 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 3.78%, based on the Bond Buyer General Obligation 20-year Municipal Bond Index published monthly by the Board of Governors of the Federal Reserve System as of September 30, 2015 was applied to all periods of projected benefit payments. As a result, the Single Equivalent Interest Rate (SEIR) is also 3.78%. The SEIR at the beginning of the measurement period was 4.13% based on the applicable municipal bond index rate of 4.13% as of September 30, 2014 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.

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**Note 4 - Actuarial Methods and Assumptions (cont'd)**

**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.

**Municipal bond rate**

The discount rate for the Excess Plan uses municipal bond rated of 3.78% as of the measurement date and 4.13% at the beginning of the measurement period.

**Periods of projected benefit payments**

Projected future benefit payments for all current plan members were projected through 2122 and 2120, respectively, 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**

There have been no significant changes to the Retirement Trust benefit provisions since the prior actuarial valuation.

**Changes of assumption**

There have been no significant changes to the Retirement Trust actuarial assumptions since the prior actuarial valuation, except that the investment return rate to calculate the actuarially determined contributions was lowered from 7.8% to 7.7%.

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**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.

	<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Rate of Return, Including Inflation</b>
<b>GESE</b>	Large Domestic Equity	42.00%	8.40%
	Small Domestic Equity	10.00%	9.25%
	International Equity	13.00%	8.75%
	Real Estate	5.00%	8.75%
	US Fixed Income	29.00%	5.00%
	Cash	1.00%	2.10%
	Total	100.00%	
<b>Staff Pension Plan</b>	Large Domestic Equity	42.00%	8.40%
	Small Domestic Equity	10.00%	9.25%
	International Equity	13.00%	8.75%
	US Fixed Income	35.00%	5.00%
	Total	100.00%	

The Excess Plan has no assets.

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**Note 6 - Plan's Fiduciary Net Position**

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

**Fiscal Year End September 30, 2015**

	GESE	Staff Benefit Plan	Excess Benefit Plan
Total pension liability	\$ 873,799,058	\$ 4,972,592	\$ 12,750,481
Plan net position	<u>589,051,025</u>	<u>3,145,336</u>	<u>-</u>
Net pension liability	<u>\$ 284,748,033</u>	<u>\$ 1,827,256</u>	<u>\$ 12,750,481</u>
Ratio of plan net position to total liability	67.41%	63.25%	0.00%
Covered employee payroll	<u>\$ 71,924,747</u>	<u>\$ 164,547</u>	<u>\$ 71,924,747</u>
Net pension liability as a percentage of covered employee payroll	395.90%	1110.48%	17.73%

**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 using the discount rate of 7.6 percent, 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 (6.6 percent) or 1-percentage-point higher (8.6 percent) than the current rate. For the Excess Plan the NPL is presented at the discount rate of 3.78 percent, as well as at 2.78 percent and 4.78 percent.

Net Pension Liability	1% Decrease	Current Assumption	1% Increase
GESE	\$ 372,935,078	\$ 284,748,033	\$ 209,766,857
STAFF	2,471,267	1,827,256	1,306,569
EXCESS	14,482,923	12,750,481	11,354,882

**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.

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**Note 8 - Contributions (cont'd)**

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.

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 Annual Required Contribution under GASB 27 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 2015 and 2014 were determined through actuarial valuations performed as of October 1, 2014 and 2013, respectively. The City's actuarially determined contribution requirement and actual contribution made was \$33,036,318 and \$30,710,096 consisting of (a) \$1,954,290 and \$1,719,044 normal cost, (b) \$31,082,028 and \$28,991,052 amortization of the unfunded actuarial accrued liability and (c) \$0 interest adjustment both years, respectively. The members contributed \$8,163,643 and \$7,231,235 for the years ended September 30, 2015 and 2014, 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, 2014 and 2013, respectively. The City's actuarially determined contribution requirement of \$947,666 and \$722,999 consisted of (a) \$0 normal cost for both years, (b) \$947,666 and \$722,999 amortization of the unfunded actuarial accrued liability and (c) \$0 interest adjustment for the years ended September 30, 2015 and 2014, respectively. The City's actual contributions were \$648,302 and \$561,805 as benefits became due for the years ended September 30, 2015 and 2014, respectively.

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**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 were determined through actuarial valuations performed as of October 1, 2014 and 2013, respectively. The City's actuarially determined contribution requirement was \$291,087 and \$291,968 consisting of (a) \$44,295 and \$52,719 normal cost, (b) \$246,792 and \$239,249 amortization of the unfunded actuarial accrued liability and (c) \$0 interest adjustment for the years ended September 30, 2015 and 2014, respectively. The City's actual contributions were \$291,087 and \$291,968, for the years ended September 30, 2015 and 2014, respectively. The members contributed \$19,838 and \$23,377 for the years ended September 30, 2015 and 2014, respectively.

The following actuarial methods and assumptions were used to determine contribution rates as of the October 1, 2014 actuarial valuations of the GESE pension plans:

GESE	
Actuarial cost method:	Entry Age Normal
Amortization method:	Level percent, closed
Remaining amortization period:	8 to 20 years
Equivalent single amortization period:	13 years
Asset valuation method:	5-year smoothed market
Actuarial assumptions:	
Investment rate of return*	7.70%
Projected salary increases*	4.00% to 8.75%
Payroll Growth	3.00%
*Includes inflation at	3.50%
Cost of living adjustments	4% per year, with \$54 per year minimum and \$400 per year maximum.

Staff Pension Plan	
Actuarial cost method:	Entry Age Normal
Amortization method:	Level dollar amounts, closed
Remaining amortization period:	2 to 20 years
Equivalent single amortization period:	11 years
Asset valuation method:	3 year smoothed market
Actuarial assumptions:	
Investment rate of return*	7.70%
Projected salary increases*	6.00%
*Includes inflation at	3.50%
Cost of living adjustments	None

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**Note 8 - Contributions (cont'd)**

Excess Benefit Plan	
Actuarial cost method:	Entry Age Normal
Amortization method:	Level Dollar, closed
Remaining amortization period:	16 years
Asset valuation method:	Not applicable.
Actuarial assumptions:	
Investment rate of return*	7.70%
Projected salary increases*	4.00% to 8.75%
*Includes inflation at	3.50%

**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.

**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 March 20, 2015. The investment policy, approved by the Board of Trustees for the Staff Plan, was effective April 27, 2001 and was most recently amended on March 20, 2015. 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%	42%	70%	25%	42%	70%
U.S. small cap equity	0%	10%	15%	0%	10%	25%
International equity	0%	13%	15%	0%	13%	25%
U.S. fixed income	20%	29%	70%	20%	35%	70%
Real estate	0%	5%	10%	0%	0%	0%
Cash and other	0%	1%	15%	0%	0%	10%



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**Note 9 - Investments (cont'd)**

**Investment Policy (cont'd)**

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.

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, derivatives, issues related to the investment managers and restricted stock, and debt to equity exchanges. The Staff Plan policy further prohibits new issues, illiquid investments, Eurodollar securities, and foreign credits.

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**Note 9 - Investments (cont'd)**

**Investment Policy (cont'd)**

Investments for the GESE Trust and Staff Plan, as of September 30, 2015 and 2014, were as follows:

<b>2015</b>			
	<b><u>GESE Trust</u></b>	<b><u>Staff Plan</u></b>	<b><u>Total Fair Value</u></b>
U.S. Government and Agency Securities	\$ 87,602,045	\$ -	\$ 87,620,045
Corporate Stocks	390,773,583	2,142,551	392,916,134
Corporate Bonds	55,222,223	953,995	56,176,218
Real Estate Fund	23,897,452	-	23,897,452
Money Market Fund	<u>29,461,871</u>	<u>-</u>	<u>29,461,871</u>
Total Investments	<u>\$ 586,975,174</u>	<u>\$ 3,096,546</u>	<u>\$ 590,071,720</u>
<b>2014</b>			
	<b><u>GESE Trust</u></b>	<b><u>Staff Plan</u></b>	<b><u>Total Fair Value</u></b>
U.S. Government and Agency Securities	\$ 88,962,240	\$ -	\$ 88,962,240
Corporate Stocks	425,263,998	2,169,879	427,433,877
Corporate Bonds	55,185,242	922,444	56,107,686
Real Estate Funds	22,850,580	-	22,850,580
Money Market Fund	<u>24,371,647</u>	<u>-</u>	<u>24,371,647</u>
Total Investments	<u>\$ 616,633,707</u>	<u>\$ 3,092,323</u>	<u>\$ 619,726,030</u>

**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.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION  
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**Note 9 - Investments (cont'd)**

**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, 2015 and September 30, 2014, the GESE Trust did not have any corporate bond investments with issuers greater than 5%.

***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.

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**Note 9 - Investments (cont'd)**

**GESE Trust Investment Risk (cont'd)**

***Credit Risk (cont'd)***

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).

<b>Moody's Rating</b>	<b>2015</b>		<b>2014</b>	
	<b>Fair Value (\$000)</b>	<b>Percent</b>	<b>Fair Value (\$000)</b>	<b>Percent</b>
Treasury Bonds	\$ 5,190	3.5%	\$ 7,657	5.2%
Treasury Notes	49,332	33.4%	41,258	27.8%
Agency (Aaa)	2,090	1.4%	11,212	7.6%
Other Government (Aaa)	341	0.2%	351	0.2%
Asset-Backed (Aa)	105	0.1%	1,646	1.1%
Asset-Backed (A)	94	0.0%		
Asset-Backed (Baa)	239	0.2%		
Asset-Backed (Not Rated)	591	0.4%		
CMBS (Aaa)	5,050	3.4%	8,275	5.6%
CMBS (Aa)	101	0.1%		
CMBS (Baa)	193	0.1%		
CMBS (Not Rated)	591	0.4%		
FHLMC Mortgage (Aaa)	8,134	5.5%	10,645	7.2%
FNMA Mortgage (Aaa)	12,438	8.4%	12,965	8.7%
GNMA Mortgage (Aaa)	8,027	5.4%	2,724	1.8%
Aaa	100	0.1%	64	0.0%
Aa	6,492	4.4%	4,913	3.3%
A	28,503	19.2%	26,326	17.7%
Baa	13,077	8.8%	14,324	9.7%
Ba	790	0.5%	719	0.5%
Not Rated	589	0.4%	333	0.2%
Foreign Bonds	1,704	1.2%	1,772	1.2%
Cash	4,307	2.9%	3,199	2.2%
<b>Total</b>	<b>\$ 148,078</b>	<b>100.0%</b>	<b>\$ 148,383</b>	<b>100.0%</b>

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION  
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**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 +/- one year of the benchmark duration. At September 30, the following summarizes the fair value and duration of the securities for each investment type (amounts are in the thousands).

<u>Investment Type</u>	<u>2015</u>		<u>2014</u>	
	<u>Fair Value (\$000)</u>	<u>Effective Duration</u>	<u>Fair Value (\$000)</u>	<u>Effective Duration</u>
Treasury Bonds	\$ 5,190	19.21	\$ 7,657	14.52
Treasury Notes	49,332	4.30	41,258	4.75
Agency	2,090	1.92	11,212	1.98
Other Government	341	13.02	351	13.47
Asset Backed	1,029	3.54	1,646	2.97
CMBS	5,935	5.00	8,275	2.91
FHLMC	8,134	3.19	10,645	4.04
FNMA	12,438	3.52	12,965	4.26
GNMA	8,027	4.29	2,724	4.03
Corporate-Bank	9,687	3.64	12,534	3.12
Corporate-Finance	10,730	6.63	10,345	5.87
Corporate-Industrial	19,645	5.48	17,360	6.17
Corporate-Transportation	1,339	6.68	926	6.06
Corporate-Comm Utility	2,678	3.44	2,412	4.01
Corporate-Electric Utility	1,364	7.17	454	8.70
Yankee-Finance	2,931	0.04	762	0.31
Yankee-Industrial	656	5.98	1,274	3.75
High Yield	521	7.42	612	9.11
Foreign Bonds	1,704	6.61	1,772	7.94
Cash	4,307	-	3,199	-
Total	<u>\$ 148,078</u>	<u>4.86</u>	<u>\$ 148,383</u>	<u>4.87</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, 2015, the GESE Trust did not have any foreign denominated fixed income investments.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION  
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**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, 2015 and 2014, 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:

<b><u>Moody's Rating</u></b>	<b>2015</b>		<b>2014</b>	
	<b><u>Fair Value</u></b>	<b><u>Percent</u></b>	<b><u>Fair Value</u></b>	<b><u>Percent</u></b>
Treasury	\$ 384.2	40.2%	\$ 331,776	35.9%
Agency (Aaa)	28.7	3.0%	32,346	3.5%
Other (Aaa)	4.8	0.5%	5,545	0.6%
Mortgage Backed (Aaa)	162.5	17.0%	263,388	28.5%
CMBS (Aaa)	21.0	2.2%	19,407	2.1%
Asset Backed (Aaa)	5.7	0.6%	4,621	0.5%
Aaa	56.4	5.9%	23,104	2.5%
Aa	38.2	4.0%	36,967	4.0%
A	120.4	12.6%	101,658	11.0%
Baa	133.8	14.0%	105,355	11.4%
Cash	-	0.0%	-	0.0%
Total	<u>\$ 955.7</u>	<u>100.0%</u>	<u>\$ 924,167</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  
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**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 20% (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, 2015 and September 30, 2014, 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%.

***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, the manager is expected to keep its duration at +/- one year of the benchmark duration. The effective duration of the passive mutual fund is 5.70 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 based upon a "time-weighted basis." The time-weighted basis takes into account every transaction that occurs in the portfolio each day. We believe the GASB required "money-weighted" rate of return and time-weighted rate of return provide essentially the same results.

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 .23% and 11.2% in September 20, 2015 and 2014, respectively.

The annual actual rate of return for the Staff Plan was (.40%) and 12.1% in September 30, 2015 and 2014, respectively.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION  
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS  
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**Note 10 - Capital Assets, Net**

Capital assets consist of the following as of September 30:

	<u>2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>2015</u>
<b>Capital assets, not being depreciated:</b>				
Land	\$ 262,143	\$ -	\$ -	\$ 262,143
Total capital assets, not being depreciated	<u>262,143</u>	<u>-</u>	<u>-</u>	<u>262,143</u>
<b>Capital assets, being depreciated:</b>				
Building and improvements	1,968,354	41,850	-	2,010,205
Improvements other than buildings	160,750	23,709	-	184,459
Furniture and equipment	<u>1,256,719</u>	<u>30,425</u>	<u>-</u>	<u>1,287,143</u>
Total capital assets, being depreciated	<u>3,385,823</u>	<u>95,984</u>	<u>-</u>	<u>3,481,807</u>
<b>Less accumulated depreciation for:</b>				
Building and improvements	416,113	44,113	-	460,226
Improvements other than buildings	81,903	16,194	-	98,096
Furniture and equipment	<u>1,186,154</u>	<u>97,926</u>	<u>-</u>	<u>1,284,080</u>
Total accumulated depreciation	<u>1,684,168</u>	<u>158,233</u>	<u>-</u>	<u>1,842,401</u>
Total capital assets, being depreciated, net	<u>1,701,655</u>	<u>(62,249)</u>	<u>-</u>	<u>1,639,406</u>
Total capital assets, (net of accumulated depreciation)	<u>\$ 1,963,798</u>	<u>\$ (62,249)</u>	<u>\$ -</u>	<u>\$ 1,901,549</u>
	<u>2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>2014</u>
<b>Capital assets, not being depreciated:</b>				
Land	\$ 262,143	\$ -	\$ -	\$ 262,143
Total capital assets, not being depreciated	<u>262,143</u>	<u>-</u>	<u>-</u>	<u>262,143</u>
<b>Capital assets, being depreciated:</b>				
Building and improvements	1,968,354	-	-	1,968,354
Improvements other than buildings	160,750	-	-	160,750
Furniture and equipment	<u>1,213,904</u>	<u>42,815</u>	<u>-</u>	<u>1,256,719</u>
Total capital assets, being depreciated	<u>3,343,008</u>	<u>42,815</u>	<u>-</u>	<u>3,385,823</u>
<b>Less accumulated depreciation for:</b>				
Building and improvements	371,999	44,114	-	416,113
Improvements other than buildings	69,768	12,135	-	81,903
Furniture and equipment	<u>1,095,593</u>	<u>90,561</u>	<u>-</u>	<u>1,186,154</u>
Total accumulated depreciation	<u>1,537,360</u>	<u>146,808</u>	<u>-</u>	<u>1,684,168</u>
Total capital assets, being depreciated, net	<u>1,805,648</u>	<u>(103,993)</u>	<u>-</u>	<u>1,701,655</u>
Total capital assets, (net of accumulated depreciation)	<u>\$ 2,067,791</u>	<u>\$ (103,993)</u>	<u>\$ -</u>	<u>\$ 1,963,798</u>

Depreciation expense for the years ended September 30, 2015 and 2014 was \$158,233 and \$146,808 respectively.



**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION  
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015 AND 2014**

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**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, 2015 and 2014 consisted of the following:

	<u>2015</u>	<u>2014</u>
<b>Administrative costs:</b>		
Personnel services	\$ 1,512,378	\$ 1,462,850
Professional services	930,750	771,716
Seminar and travel	38,555	40,633
Office and administrative	122,526	198,548
Occupancy	<u>701,307</u>	<u>661,976</u>
Total administrative and other expenses	3,305,516	3,135,723
Capital asset purchases	158,233	42,815
Less: un-reimbursed depreciation and other expenses	<u>(334,927)</u>	<u>(308,809)</u>
Reimbursement income	<u>\$ 3,128,822</u>	<u>\$ 2,869,729</u>

**Note 12 - Plan Amendments**

**GESE Trust**

Effective October 1, 2012, all GESE Trust active members contribute 10%.

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. 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.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION  
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015 AND 2014**

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**Note 12 - Plan Amendments (cont'd)**

**BACKDROP option**

A Backdrop benefit option shall be implemented on January 1, 2013. The Backdrop option shall replace the existing DROP program. Employees who have not attained normal retirement eligibility as of January 1, 2013 or were not vested by October 1, 2010, and all employees hired on or after January 1, 2013, will be eligible for the Backdrop option but will not be eligible for the DROP. Anyone eligible for the forward DROP as of January 1, 2013 remains eligible for the forward DROP as it presently exists and anyone eligible for the forward DROP as of January 1, 2013 or vested prior to October 1, 2010, who chooses not to enter the forward DROP, remains eligible for the Backdrop.

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 (NR) 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 (see below for the eligibility rules). 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.

**BACKDROP Eligibility**

All members are eligible to elect Backdrop after completing one year of service after eligibility for Normal Retirement. A Backdrop election must be made within 10 years after becoming eligible for Normal Retirement. The maximum Backdrop period is 7 years. Members who wish to elect the Backdrop option must provide at least 8 months' notice to separate, or a lesser period could apply if approved by the City Manager (due to special circumstances).

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

**SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION**

**SEPTEMBER 30, 2015 AND 2014**

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION  
EMPLOYEES' RETIREMENT TRUST AND OTHER MANAGED TRUSTS  
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY  
SEPTEMBER 30, 2015 AND 2014**

<b>GESE TRUST</b>		
	<u><b>2015</b></u>	<u><b>2014</b></u>
<b>Total pension liability</b>		
Service cost	\$ 9,234,478	\$ 8,678,294
Interest	64,212,607	64,248,602
Benefit changes	-	-
Difference between expected and actual experience	(8,035,778)	-
Changes of assumptions	-	-
Benefit payments	(71,940,377)	(71,903,481)
Refunds of contributions	<u>(1,089,556)</u>	<u>(1,867,614)</u>
Net change in total pension liability	<u>(7,618,626)</u>	<u>(844,199)</u>
Total pension liability – beginning	<u>\$ 881,417,684</u>	<u>\$ 882,261,883</u>
Total pension liability – ending	<u>\$ 873,799,058</u>	<u>\$ 881,417,684</u>
<b>Plan net position</b>		
Contribution – employer	\$ 33,036,318	\$ 30,710,096
Contributions – member	8,163,643	7,231,235
Net investment income	1,496,395	65,272,884
Benefit payments	(71,940,377)	(71,903,481)
Administrative expense	(176,693)	(265,995)
Refunds of contributions	(1,089,556)	(1,867,614)
Other	<u>-</u>	<u>-</u>
Net change in plan net position	<u>\$ (30,510,270)</u>	<u>\$ 29,177,125</u>
Plan net position – beginning	<u>\$ 619,561,295</u>	<u>\$ 590,384,170</u>
Plan net position – ending	<u>\$ 589,051,025</u>	<u>\$ 619,561,295</u>
Net pension liability	<u>\$ 284,748,033</u>	<u>\$ 261,856,389</u>

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION  
EMPLOYEES' RETIREMENT TRUST AND OTHER MANAGED TRUSTS  
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY  
SEPTEMBER 30, 2015 AND 2014**

**STAFF PENSION PLAN**

	<u>2015</u>	<u>2014</u>
<b>Total pension liability</b>		
Service cost	\$ 43,416	\$ 77,022
Interest	353,121	345,755
Benefit changes	-	-
Difference between expected and actual experience	99,869	-
Changes of assumptions	-	-
Benefit payments	(340,299)	(311,388)
Refunds of contributions	-	-
Net change in total pension liability	<u>156,107</u>	<u>111,389</u>
Total pension liability – beginning	<u>\$ 4,816,485</u>	<u>\$ 4,705,096</u>
Total pension liability – ending	<u>\$ 4,972,592</u>	<u>\$ 4,816,485</u>
<b>Plan net position</b>		
Contribution – employer	\$ 291,087	\$ 291,968
Contributions – member	19,838	23,377
Net investment income	(15,614)	338,281
Benefit payments	(340,299)	(311,388)
Administrative expense	-	-
Refunds of contributions	-	-
Other	-	-
Net change in plan net position	<u>\$ (44,988)</u>	<u>\$ 342,238</u>
Plan net position – beginning	<u>\$ 3,190,324</u>	<u>\$ 2,848,086</u>
Plan net position – ending	<u>\$ 3,145,336</u>	<u>\$ 3,190,324</u>
Net pension liability	<u>\$ 1,827,256</u>	<u>\$ 1,626,161</u>

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION  
EMPLOYEES' RETIREMENT TRUST AND OTHER MANAGED TRUSTS  
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY  
SEPTEMBER 30, 2015 AND 2014**

<b>EXCESS BENEFIT PLAN</b>		
	<u><b>2015</b></u>	<u><b>2014</b></u>
<b>Total pension liability</b>		
Service cost	\$ -	\$ -
Interest	392,659	427,362
Benefit changes	-	-
Difference between expected and actual experience	3,177,002	763,199
Changes of assumptions	-	-
Benefit payments	(653,302)	(556,805)
Refunds of contributions	-	-
Net change in total pension liability	<u>2,916,359</u>	<u>633,756</u>
Total pension liability – beginning	<u>\$ 9,834,122</u>	<u>\$ 9,200,366</u>
Total pension liability – ending	<u>\$ 12,750,481</u>	<u>\$ 9,834,122</u>
<b>Plan net position</b>		
Contribution – employer	\$ 648,302	\$ 561,805
Contributions – member	-	-
Net investment income	-	-
Benefit payments	(653,302)	(556,805)
Administrative expense	5,000	(5,000)
Refunds of contributions	-	-
Other	-	-
Net change in plan net position	<u>\$ -</u>	<u>\$ -</u>
Plan net position – beginning	<u>\$ -</u>	<u>\$ -</u>
Plan net position – ending	<u>\$ -</u>	<u>\$ -</u>
Net pension liability	<u>\$ 12,750,481</u>	<u>\$ 9,834,122</u>

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION  
EMPLOYEES' RETIREMENT TRUST AND OTHER MANAGED TRUSTS  
SCHEDULE OF THE NET PENSION LIABILITY  
SEPTEMBER 30, 2015 AND 2014**

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**GESE TRUST**

	<u>2015</u>	<u>2014</u>
Total pension liability	\$ 873,799,058	\$ 881,417,684
Plan net position	<u>589,051,025</u>	<u>619,561,295</u>
Net pension liability	<u>\$ 284,748,033</u>	<u>\$ 261,856,389</u>
Ratio of plan net position to total pension liability	67.41%	70.29%
Covered employee payroll	<u>\$ 71,924,747</u>	<u>\$ 66,370,246</u>
Net pension liability as a percentage of covered-employee payroll	395.90%	394.54%
Total actual annual money-weighted rate of return	.23%	11.2%

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION  
EMPLOYEES' RETIREMENT TRUST AND OTHER MANAGED TRUSTS  
SCHEDULE OF THE NET PENSION LIABILITY  
SEPTEMBER 30, 2015 AND 2014**

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**STAFF PENSION PLAN**

	<u><b>2015</b></u>	<u><b>2014</b></u>
Total pension liability	\$ 4,972,592	\$ 4,816,485
Plan net position	<u>3,145,336</u>	<u>3,190,324</u>
Net pension liability	<u>\$ 1,827,256</u>	<u>\$ 1,626,161</u>
 Ratio of plan net position to total pension liability	 63.25%	 66.24%
 Covered employee payroll	 <u>\$ 164,547</u>	 <u>\$ 298,958</u>
 Net pension liability as a percentage of covered-employee payroll	 1110.48%	 543.94%
 Total actual annual money-weighted rate of return	 (.40)%	 12.1%



**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION  
EMPLOYEES' RETIREMENT TRUST AND OTHER MANAGED TRUSTS  
SCHEDULE OF THE NET PENSION LIABILITY  
SEPTEMBER 30, 2015 AND 2014**

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**EXCESS BENEFIT PLAN**

	<u>2015</u>	<u>2014</u>
Total pension liability	\$ 12,750,481	\$ 9,834,122
Plan net position	<u>-</u>	<u>-</u>
Net pension liability	<u>\$ 12,750,481</u>	<u>\$ 9,834,122</u>
Ratio of plan net position to total pension liability	0.00%	0.00%
Covered employee payroll	<u>\$ 71,924,747</u>	<u>\$ 66,370,246</u>
Net pension liability as a percentage of covered-employee payroll	17.73%	14.82%

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION  
EMPLOYEES' RETIREMENT TRUST AND OTHER MANAGED TRUSTS  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
SEPTEMBER 30, 2015 AND 2014**

<b>GESE TRUST</b>										
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Actuarially determined employer contribution	\$ 33,036,318	\$ 30,710,096	\$ 25,568,193	\$ 25,784,849	\$ 20,420,995	\$ 24,037,093	\$ 23,191,828	\$ 22,762,902	\$ 24,229,028	\$ 22,018,443
Actual employer contributions	<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>	<u>24,037,093</u>	<u>23,191,828</u>	<u>22,762,902</u>	<u>24,229,028</u>	<u>22,018,443</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 employee payroll	<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>	<u>\$ 92,746,558</u>	<u>\$ 93,703,886</u>	<u>\$ 82,052,702</u>	<u>\$ 75,609,062</u>	<u>\$ 71,845,284</u>
Actual contributions as a percentage of covered employee payroll	45.93%	46.27%	39.71%	39.36%	28.83%	25.92%	24.75%	27.74%	32.05%	30.80%
<b>STAFF PENSION PLAN</b>										
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Actuarially determined employer contribution	\$ 291,087	\$ 291,968	\$ 219,774	\$ 226,793	\$ 164,490	\$ 132,542	\$ 159,837	\$ 109,163	\$ 57,995	\$ 72,380
Actual employer contributions	<u>291,087</u>	<u>291,968</u>	<u>219,774</u>	<u>226,793</u>	<u>164,490</u>	<u>132,542</u>	<u>159,837</u>	<u>109,163</u>	<u>57,995</u>	<u>72,380</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 employee payroll	<u>\$ 164,547</u>	<u>\$ 298,958</u>	<u>\$ 354,937</u>	<u>\$ 735,056</u>	<u>\$ 842,955</u>	<u>\$ 738,898</u>	<u>\$ 632,259</u>	<u>\$ 734,116</u>	<u>\$ 643,770</u>	<u>\$ 455,220</u>
Actual contributions as a percentage of covered employee payroll	176.90%	97.66%	61.92%	30.85%	19.51%	18.07%	25.28%	14.87%	9.01%	15.90%

# 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, 2015**

	<b>GESE Trust</b>	<b>Excess Benefits</b>	<b>Combined Total</b>
<b>Personnel Services:</b>			
Salaries & Wages	\$ 911,237	\$ 42,822	\$ 954,059
Payroll Taxes	66,086	4,282	70,368
Insurance	237,898	-	237,898
Retirement	291,087		291,087
Car Allowance	6,069		6,069
Total Personnel Services	<u>1,512,378</u>	<u>47,104</u>	<u>1,559,482</u>
<b>Professional Services:</b>			
Investment Custodian	217,850		217,850
Investment Consulting	243,158		243,158
Legal Counsel	123,956		123,956
Actuarial	151,036	25,000	176,036
Audit	70,000		70,000
Other	124,750	620	125,370
Total Professional Services	<u>930,750</u>	<u>25,620</u>	<u>956,370</u>
<b>Seminar and Travel</b>			
Meetings	10,206		10,206
Education and Travel	17,957		17,957
Travel and Auto	10,392		10,392
Total Seminar and Travel	<u>38,555</u>	<u>-</u>	<u>38,555</u>
<b>Office and Administrative</b>			
Printing	9,183	750	9,933
Advertising	1,532		1,532
Postage & Courier Services	15,197	250	15,447
Fidelity Insurance	34,202	600	34,802
Office Supplies	59,690	450	60,140
Publications and memberships	2,380		2,380
Other	342		342
Total Office and Administrative	<u>122,526</u>	<u>2,050</u>	<u>124,576</u>
<b>Occupancy</b>			
Utilities	21,493	280	21,773
Telecommunications	35,546	400	35,946
Property Insurance	33,823	400	34,223
Repairs & Maintenance	429,052	16,824	445,876
Rental	9,619	-	9,619
Furniture and Equipment	13,991	400	14,391
Depreciation	157,783	450	158,233
Other	-		-
Total Occupancy	<u>701,307</u>	<u>18,754</u>	<u>720,061</u>
<b>Total Administrative Expenses</b>	<b><u>\$ 3,305,516</u></b>	<b><u>\$ 93,528</u></b>	<b><u>\$ 3,399,044</u></b>

**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, 2015**

<b><u>Investment Manager</u></b>	<b><u>Investment Style</u></b>	<b><u>Fee Amount</u></b>
Atlanta Capital Management Co., LLC	Equity - Large Cap Growth	\$ 340,413
Cooke & Bieler	Equity - Large Cap Value	375,542
Cramer Rosenthal McGlynn LLC	Equity - Small Cap Value	266,386
State Street Global Advisors	Equity - S&P 500 Index	26,030
Insight Capital	Equity - Small Cap Growth	52,398
NFJ Allianz International	Equity - International	-
Herndon Capital	Equity - International	86,593
Baring.International	Equity - International	172,906
Equity Managers		<u>1,320,267</u>
Seix Investment Advisors	Fixed Income - Aggregate	92,861
Richmond Capital Management	Fixed Income - Aggregate	185,167
Chicago Equity Partners	Fixed Income - Intermediate	78,379
Fixed Income Managers		<u>356,407</u>
EII Realty Securities, Inc.	Real Estate Investment Trust	178,666
Real Estate Managers		<u>178,666</u>
<b>Total GESE Trust</b>		<b><u>1,855,341</u></b>
Vanguard Funds	Mutual Funds	-
<b>Total Staff Trust</b>		<b><u>-</u></b>
<b>Total Investment Expenses</b>		<b><u>\$ 1,855,341</u></b>

**Payments to Consultants <sup>1</sup>:**

	<b><u>Nature of Service</u></b>	
Cavanaugh Macdonald Consulting	Actuarial Services	151,036
Anthony Brunson P.A	Audit Services	70,000
Computer Consultant	General IT	53,450
Computer Consultant	Pension Gold	61,985
Ronald A. Silver	Legal Counsel	123,956
<b>Total GESE Trust</b>		<b><u>460,426</u></b>
Cavanaugh Macdonald	Actuarial Services	
	Excess Benefit Plan	25,000
Computer Consultant	Pension Gold	620
		<u>25,620</u>
<b>Total Consultant Expenses <sup>2</sup></b>		<b><u>\$ 486,046</u></b>

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

<sup>2</sup> Consultant expenses are included in the administrative and other expenses on page 13.



# **Investment Section**







**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION  
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS  
INVESTMENT POLICIES  
SEPTEMBER 30, 2015**

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**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 formally reviews the policy statement on an annual basis. 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 61, 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, 2015**

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**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 March 20, 2015, 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, 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, 2015**

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**GESE Trust Investment Policy and Guidelines (Cont'd)**  
***Equity Securities (Cont'd)***

Excluded direct investments are 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 +/- one year of the benchmark duration.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION  
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS  
INVESTMENT POLICIES  
SEPTEMBER 30, 2015**

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**GESE Trust Investment Policy and Guidelines (Cont'd)**

***Real Estate Securities***

A portion of the real estate investment may be through an open-end commingled property real estate fund. The commingled fund may have up to 30 percent of the portfolio's value leveraged. A portion may also be invested through Real Estate Investment Trusts ("REIT"). The REIT manager may invest up to 7 percent (at market) in a single issue. The REIT manager may also invest up to 10 percent in private placements, with prior Board approval.

**Staff Plan Investment Policy and Guidelines**

The most recent modified Staff Plan investment policy statement effective March 20, 2015, 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, Standard & Poor's Depository Receipts, American Depository Receipts and stocks with a minimum market capitalization of \$100 million. New issues (initial public offerings), up to five percent of portfolio.

Excluded direct investments are foreign stocks, 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 +/- one year of the benchmark duration.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION  
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS  
INVESTMENT POLICIES  
SEPTEMBER 30, 2015**

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**Staff Plan Investment Policy and Guidelines (Cont'd)**

***Fixed Income Securities (Cont'd)***

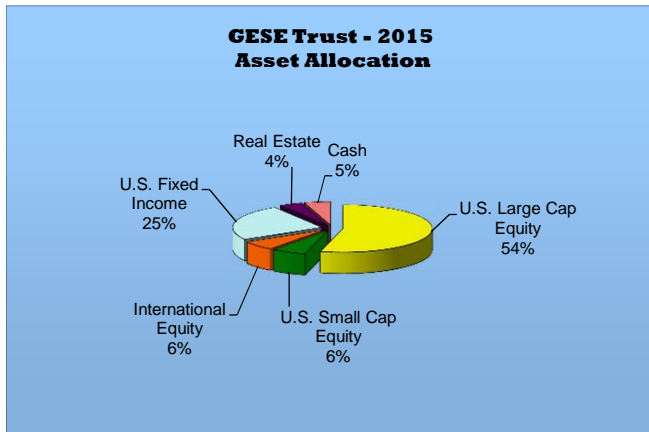
Acceptable fixed income instruments are commercial paper of only the highest quality, certificate of deposit of the top 100 national banks, bankers acceptances, United States Treasuries, repurchase agreements or debt instruments issued or guaranteed by the U.S. Government or agencies, investment grade 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 and preferred stock. Fixed income instruments that are not allowable are 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**

**SUMMARY OF ASSET ALLOCATION**

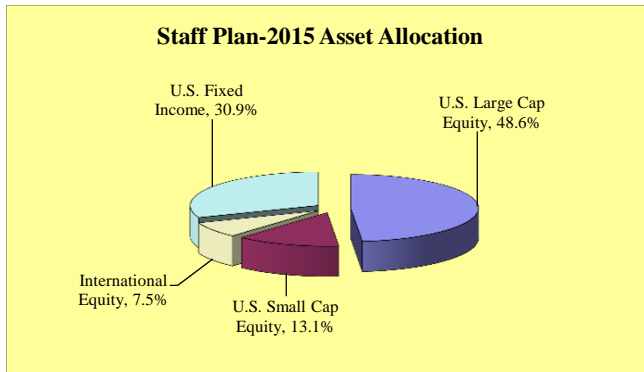
**GESE Trust Summary of Asset Allocation**

	Policy Guidelines						Actual				
	11/01 to 3/05		3/06 to 9/11		9/14 to current		September 30,				
	Target	Range	Target	Range	Target	Range	2015	2014	2013	2012	2011
<b>U.S. Large Cap Equity</b>	50%	40-60%	45%	35-55%	42%	30-70%	54.1%	55.3%	52.3%	49.9%	47.3%
<b>U.S. Small Cap Equity</b>	10%	0-15%	10%	0-15%	10%	0-15%	6.2%	6.9%	7.1%	5.8%	5.2%
<b>International Equity</b>	10%	0-15%	10%	0-15%	13%	0-15%	6.3%	6.7%	8.7%	8.0%	8.6%
<b>U.S. Fixed Income</b>	25%	20-40%	29%	20-40%	29%	20-70%	24.5%	23.5%	24.8%	26.9%	29.3%
<b>Real Estate</b>	5%	0-10%	5%	0-10%	5%	0-10%	4.1%	3.7%	3.6%	3.5%	5.0%
<b>Cash</b>	0%	0-15%	1%	0-15%	1%	0-15%	4.8%	3.9%	3.5%	5.8%	4.6%
							100%	100%	100%	100%	100%



**Staff Plan Summary of Asset Allocation**

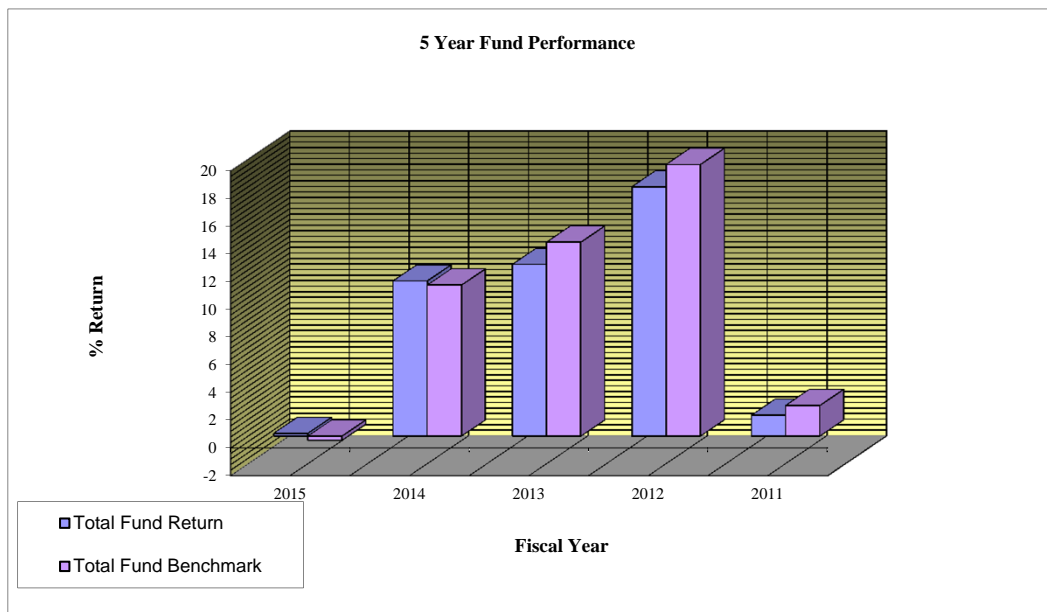
	Policy Guidelines				Actual				
	4/01 to 9/07		9/14 to current		September 30,				
	Target	Range	Target	Range	2015	2014	2013	2012	2011
<b>U.S. Large Cap Equity</b>	50%	40-60%	42%	25-70%	48.6%	48.6%	46.4%	46.2%	40.1%
<b>U.S. Small Cap Equity</b>			10%	0-25%	13.1%	13.1%	13.2%	11.0%	9.4%
<b>International Equity</b>			13%	0-25%	7.5%	8.4%	8.8%	8.1%	7.7%
<b>U.S. Fixed Income</b>	50%	40-60%	35%	20-70%	30.9%	29.9%	31.6%	34.7%	42.8%
<b>Cash</b>	0%	0-10%	0%	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 OTHER MANAGED TRUSTS**

**GESE TRUST - SUMMARY OF INVESTMENT RETURNS**

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>Annualized Return (%)</u>	
						<u>3 Years</u>	<u>5 Years</u>
						<u>2013-2015</u>	<u>2011-2015</u>
<b>Equities</b>							
Fund Return - Domestic Equities	-0.4	16.1	20.7	26.7	0.8	11.8	12.3
Fund Return - International Equities	-9.6	2.0	13.9	10.0	-11.6	1.6	0.4
S&P 500	-0.6	19.7	19.4	30.2	1.2	12.4	13.3
Dow Jones	-2.1	17.7	12.3	23.1	1.2	9.3	11.4
Russell 2500 Mid-Cap	0.4	9.0	29.8	30.9	-2.2	12.4	12.7
Russell 2000 - Small Stock	1.3	3.9	30.1	31.9	-3.5	11.0	11.7
MSCI EAFE - Non US Stocks	-8.7	4.3	23.8	13.8	-9.4	5.6	4.0
<b>Fixed Income</b>							
Fund Return - Fixed Income	3.3	3.7	-1.4	5.6	5.4	1.8	3.3
Barclays U.S. - Aggregate	2.9	4.0	-1.7	5.2	5.3	1.7	3.1
Barclays - Mortgage Backed	3.4	3.8	-1.2	3.7	5.7	2.0	3.0
Barclays Intermediate - Govt/Credit	2.7	2.2	-0.5	4.4	3.4	1.5	2.4
T-Bills - 91 Days	0.0	0.1	0.1	0.1	0.1	0.1	0.1
<b>Real Estate</b>							
Fund Return - Real Estate	9.7	15.8	6.3	25.1	9.1	10.5	13.0
FR NCREIF Index	13.5	11.3	11.0	11.0	16.1	11.9	12.5
NAREIT	7.4	13.4	5.1	34.4	1.1	8.6	11.7
<b>Total Fund Return</b>	0.2	11.2	12.4	18.0	1.5	7.8	8.5
<b>Total Fund Benchmark</b>	-0.3	10.9	14.0	19.6	2.2	8.0	9.0



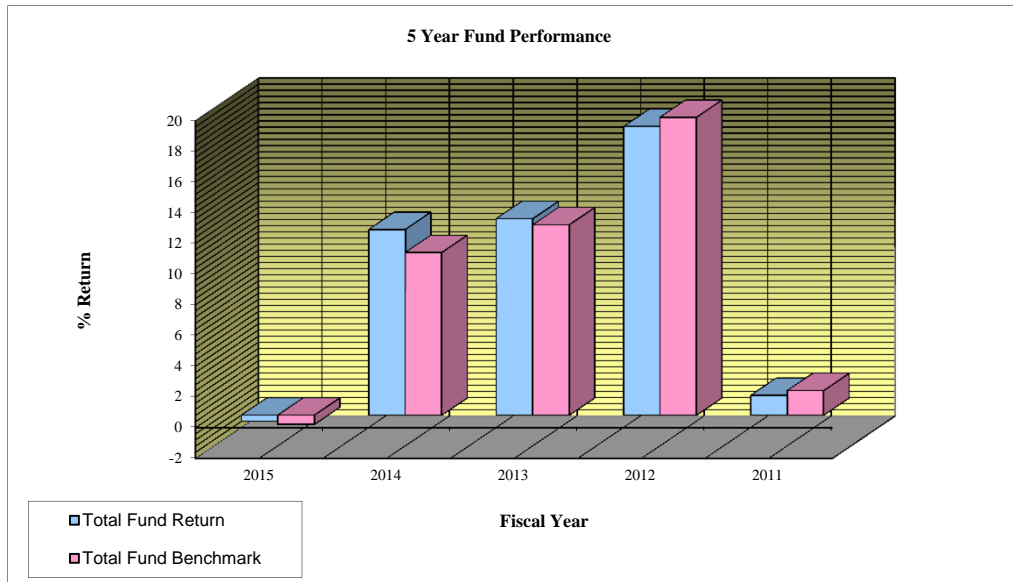
Note: Rate of Returns are time weighted & gross of fees. Based on rate of return in accordance with the CFA Institute's Performance Presentation Standards.



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

**STAFF PLAN - SUMMARY OF INVESTMENT RETURNS**

	Annual Rates of Return (%)					Annualized Return (%)	
	September 30,					3 Years	5 Years
	2015	2014	2013	2012	2011	2013-2015	2011-2015
<b>Equities</b>							
Fund Return - Domestic Equities	-0.5	17.4	21.6	30.6	0.5	12.4	13.3
S&P 500	-0.6	19.7	19.4	30.2	1.2	12.4	13.3
Russell 1000 - Growth Stock	3.2	19.2	19.3	29.2	3.8	13.6	14.5
Dow Jones	-2.1	17.7	12.3	23.1	1.2	9.3	11.4
<b>Fixed Income</b>							
Fund Return - Fixed Income	2.8	3.9	-1.8	5.1	5.2	1.6	3.0
Barclays U.S. - Aggregate	2.9	4.0	-1.7	5.2	5.3	1.7	3.1
Barclays - Mortgage Backed	3.4	3.8	-1.2	3.7	5.7	2.0	3.0
Barclays - Government/Credit	2.7	4.1	-2.0	5.7	5.1	1.6	3.1
<b>Cash Equivalent (Money Market Funds)</b>							
Fund Return	N/A	N/A	N/A	N/A	N/A	N/A	N/A
T-Bills - 91 Days	0.0	0.1	0.1	0.1	0.1	0.1	0.1
<b>Total Fund Return</b>	-0.4	12.1	12.8	18.8	1.3	8.0	8.7
<b>Total Fund Benchmark</b>	-0.6	10.6	12.4	19.4	1.6	7.3	8.4



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**

**GESE TRUST - LIST OF LARGEST ASSETS HELD  
SEPTEMBER 30, 2015**

**Largest Stock Holdings (By Fair Value)**

	<u>Shares</u>	<u>Stocks</u>		<u>Fair Value</u>
1)	50,218	Apple Inc	\$	5,539,045
2)	103,157	Wells Fargo		5,297,111
3)	68,271	Amex		5,060,929
4)	61,803	Visa		4,305,196
5)	44,495	Cvs Corp		4,292,877
6)	153,469	Twenty First Centy		4,140,593
7)	28,805	3M Co		4,083,684
8)	36,880	UPS		3,639,687
9)	50,347	Lowes Cos Inc		3,469,915
10)	29,700	Renaissance Re Hldgs		3,157,704

**Largest Bond Holdings (By Fair Value)**

	<u>Par</u>	<u>Bonds</u>	<u>Coupon</u>	<u>Maturity</u>		<u>Fair Value</u>
1)	4,108,000	U.S Treasury	2.00%	8/15/2025	\$	4,086,269
2)	3,732,000	U.S Treasury	0.88%	2/28/2017		3,751,332
3)	3,530,000	U.S Treasury	3.13%	11/15/2041		3,722,314
4)	3,500,000	U.S Treasury	0.63%	8/31/2017		3,499,860
5)	3,200,000	U.S Treasury	2.50%	11/15/2023		3,333,248
6)	3,000,000	U.S Treasury	3.63%	2/15/2020		3,295,740
7)	2,255,000	U.S Treasury	2.75%	11/15/2023		2,400,808
8)	2,330,000	U.S Treasury	0.75%	12/31/2017		2,330,979
9)	2,225,000	U.S Treasury	0.88%	7/15/2018		2,224,889
10)	2,160,000	U.S Treasury	0.38%	11/15/2015		2,160,540

**Staff Largest Stock Holdings (By Fair Value)**

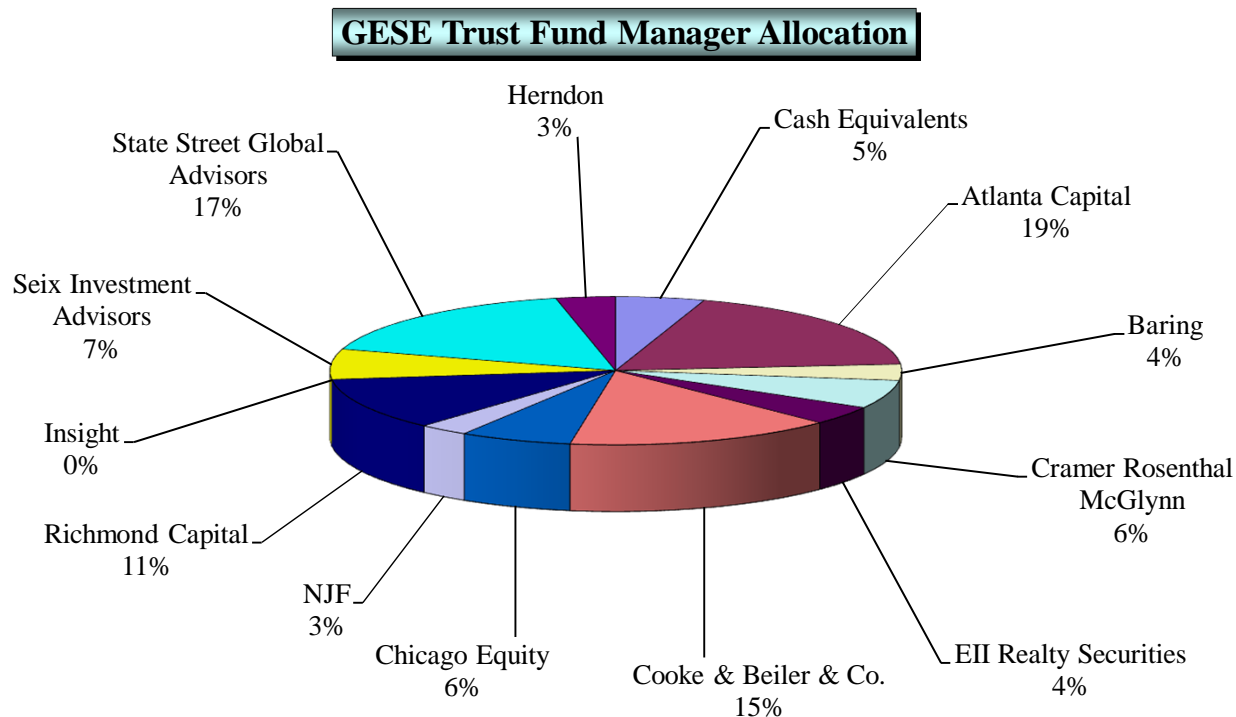
	<u>Shares</u>	<u>Stocks</u>		<u>Fair Value</u>
1)	8,261	Vanguard 500 Index		1,503,464
2)	85,729	Vanguard Total Bond	\$	924,167
3)	7,653	Vanguard Small Cap		405,952
4)	9,456	Vanguard Total International		258,740

Complete list of holding available upon request.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION  
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS  
FUND MANAGER ALLOCATION  
AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 2015**

<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>
<b>GESE Trust</b>					
<b>Domestic Equity Segment</b>	<b>353,715,361</b>	<b>60.3%</b>	<b>-0.4%</b>	<b>-0.6%</b>	<b>52</b>
Atlanta Capital Management	\$ 109,195,739	18.6%	0.6%	3.2%	82
Insight Capital	352	0.0%	N/A	N/A	N/A
Cooke & Bieler	88,956,981	15.2%	-0.5%	-4.4%	17
Cramer Rosenthal McGlynn	36,239,468	6.2%	3.4%	-1.6%	7
State Street Global Advisors	99,601,534	17.0%	-0.6%	-0.6%	56
Herndon Capital	19,721,287	3.4%	-10.3%	-4.4%	88
<b>International Equity Segment</b>	<b>37,058,222</b>	<b>6.3%</b>	<b>-9.6%</b>	<b>-8.7%</b>	<b>61</b>
Baring International	20,655,885	3.5%	-2.6%	-8.7%	22
NJF International Value	16,402,337	2.8%	-17.1%	-8.7%	84
<b>Real Estate Segment</b>	<b>23,897,452</b>	<b>4.1%</b>	<b>9.7%</b>	<b>7.4%</b>	<b>60</b>
EII Realty Securities, Inc.	23,897,452	4.1%	9.7%	7.4%	60
<b>Fixed Income Segment</b>	<b>142,842,268</b>	<b>24.3%</b>	<b>3.3%</b>	<b>2.9%</b>	<b>19</b>
Chicago Equity Partners	37,125,070	6.3%	3.2%	2.7%	17
Richmond Capital Management	67,026,421	11.4%	3.5%	2.9%	19
Seix Investment Advisors	38,690,777	6.6%	3.0%	2.9%	31
<b>Cash Equivalents Administrative account</b>					
State Street Corporation	29,461,871	5.0%	0.0%	0.0%	100
<b>TOTAL GESE Trust</b>	<b>\$ 586,975,174</b>	<b>100.0%</b>	<b>0.2%</b>	<b>-0.3%</b>	<b>38</b>

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





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

**SCHEDULE OF INVESTMENT FEES  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

<b><u>Investment Manager's Style</u></b>	<b><u>Assets Under Management</u></b>	<b><u>Investment Fees</u></b>
<b><i>GESE Trust</i></b>		
Equity Managers	\$ 390,773,583	\$ 1,320,267
Fixed Income Managers	142,842,268	356,407
Real Estate Managers	23,897,452	178,666
Money Market Funds	<u>29,461,871</u>	<u>-</u>
Total GESE Trust	<b><u>\$ 586,975,174</u></b>	<b><u>\$ 1,855,340</u></b>
<b><i>Staff Plan</i></b>		
Vanguard Funds	\$ 3,096,546	\$ -
	<u>-</u>	<u>-</u>
Total Staff Plan	<b><u>\$ 3,096,546</u></b>	<b><u>\$ -</u></b>
<b>Total Investments</b>	<b><u>\$ 590,071,720</u></b>	
<b>Total Investment Expenses</b>		<b><u>\$ 1,855,340</u></b>
<b><u>Other Investment Service Fees GESE Trust</u></b>		
Custodian		\$ 204,143
Investment Consultant		<u>243,158</u>
<b>Total Other Investment Service Fees <sup>1</sup></b>		<b><u>\$ 447,301</u></b>

<sup>1</sup> Other Investment Service Fees are included in the administrative and other expenses.

**CITY OF MIAMI GENERAL EMPLOYEES' & SANITATION EMPLOYEES' RETIREMENT TRUST  
AND OTHER MANAGED TRUSTS  
SCHEDULE OF COMMISSIONS  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

Broker Name	Number of Shares Traded	Total Commission	Commission Per Share
ABLE NOSER	14,172.00	240.93	0.02
AMHERST SECURITIES GROUP LLC	131,000.00	0.00	0.00
AUTREPAT-DIV RE	2,585.37	0.00	0.00
AUTREPAT-STK/S DIV	178.39	0.00	0.00
BANK OF AMERICA SECURITIES LLC	21,159,016.98	0.00	0.00
BARCLAYS CAPITAL INC	16,121,698.67	0.00	0.00
BARCLAYS CAPITAL LE	154,187.00	4,676.74	0.03
BB&T SECURITIES, LLC	622,819.48	12.00	0.00
BLOOMBERG TRADEBOOK LLC	2,600.00	26.00	0.01
BMO CAPITAL MARKETS	31,250.00	1,023.00	0.03
BNP PARIBAS SECURITIES BOND	1,130,713.68	0.00	0.00
BNY CAPITAL MARKETS, INC.	750,000.00	0.00	0.00
BONY / VINING SPARKS IBG A LTD PARTNER	60,898.64	0.00	0.00
BONY MELLON/BMO CAP MKTS GKST INC	249,960.50	0.00	0.00
BREAN CAPITAL LLC	128,008.00	6,400.40	0.05
BROADCORT CAPITAL (THRU ML)	263,510.00	10,540.40	0.04
BTIG, LLC	251,746.00	4,034.39	0.02
BURKE ANDQUICK PARTNERS LLC	21,800.00	872.00	0.04
CALLED BONDS	1,254,540.28	0.00	0.00
CANTOR CLEARING SERVICES	1,599.00	33.71	0.02
CANTOR FITZGERALD + CO	5,050,382.34	0.00	0.00
CANTOR FITZGERALD + CO.	3,245,550.56	1,754.25	0.00
CAP GAIN REINVEST	222.09	0.00	0.00
CITIGROUP GLOBAL MARKETS INC	227,891.00	8,609.08	0.04
CITIGROUP GLOBAL MARKETS INC SALOMON BRO	18,267,994.68	0.00	0.00
CLARKE + CO	525,568.24	0.00	0.00
CONTRIBUTIONS	868.69	0.00	0.00
CONVERGEX EXECUTION SOLUTIONS LLC	269,475.00	7,521.44	0.03
COWEN AND COMPANY, LLC	69,700.00	2,788.00	0.04
CREDIT SUISSE SECURITIES (USA) LLC	5,805,142.89	4,650.40	0.00
DBTC AMERICA/PNC BANK, N.A.-SECS.CO	952,521.25	0.00	0.00
DEUTSCHE BANK SECURITIES INC	422,131.00	4,358.76	0.01
DEUTSCHE BANK SECURITIES, INC.	11,059,432.11	0.00	0.00
DUNCAN WILLIAMS INC	1,231,993.49	0.00	0.00
EXCHANGE OFFER (NON CASH)	1,348,000.00	0.00	0.00
FED SELL	74,677.64	0.00	0.00
FIDELITY CAPITAL MARKETS	13,100.00	524.00	0.04
FIRST TENNESSEE BANK BOND DIVISION	746,117.86	0.00	0.00
FIRST TENNESSEE SECURITIES CORP	530,000.00	0.00	0.00
FRACTIONAL SHARES	0.37	0.00	0.00
GOLDMAN SACHS + CO	32,187,894.60	6,992.58	0.00
GREEN STREET ADVISORS	321,200.00	16,060.00	0.05
GUGGENHEIM CAPITAL MARKETS LLC	601,475.00	1,059.00	0.00
HSBC SECURITIES INC.	20,148,000.00	0.00	0.00
ICBC FINCL SVCS, EQUITY CLEARANCE	23,800.00	1,190.00	0.05
ICBCFS LLC	1,900,000.00	0.00	0.00
IMPERIAL CAPITAL LLC	2,900.00	116.00	0.04
INSTINET	276,725.00	1,672.57	0.01
INVESTMENT TECHNOLOGY GROUP INC.	138,987.00	1,152.76	0.01
ISI GROUP INC	182,547.00	8,900.35	0.05
J P MORGAN CHASE/J P MORGAN INTL	213,000.00	0.00	0.00
J.P. MORGAN CLEARING CORP.	74,254.00	0.00	0.00
J.P. MORGAN SECURITIES INC.	239,439.00	8,993.10	0.04
J.P. MORGAN SECURITIES LLC	4,527,895.90	0.00	0.00
JANNEY MONTGOMERY, SCOTT INC	407,299.47	160.00	0.00
JEFFERIES + CO. - BOND DIVISION	146,000.00	0.00	0.00
JEFFERIES + COMPANY INC	15,160,178.00	3,671.90	0.00
JMP SECURITIES	13,400.00	536.00	0.04
JONESTRADING INSTITUTIONAL SERVICES LLC	66,725.00	1,633.50	0.02
JPMORGAN SECURITIES INC	2,910,000.00	0.00	0.00
KEEFE BRUYETTE + WOODS INC	119,825.00	3,673.00	0.03
KEYBANC CAPITAL MARKETS INC	87,080.00	2,731.20	0.03
KGS ALPHA CAPITAL MARKETS, LLC	28,000.00	0.00	0.00
KING, CL& ASSOCIATES, INC	2,900.00	116.00	0.04
KNIGHT EQUITY MARKETS L.P.	697,094.00	27,999.90	0.04
LADENBURG THALMAN + CO	200.00	8.00	0.04
LEERINK SWANN AND COMPANY	2,700.00	108.00	0.04
LIQUIDNET INC	357,725.00	7,154.50	0.02
MACQUARIE SECURITIES (USA) INC	1,700.00	68.00	0.04
MANDATORY EXCHANGE NON CASH	680,000.00	0.00	0.00
MATURITY	17,725,000.00	0.00	0.00
MAXIM GROUP	11,375.00	227.50	0.02
MELLON BANK/MELLON FINANCIAL MKTS, INC.	796,910.09	0.00	0.00
MERGER	9,318.12	0.00	0.00

**CITY OF MIAMI GENERAL EMPLOYEES' & SANITATION EMPLOYEES' RETIREMENT TRUST  
AND OTHER MANAGED TRUSTS  
SCHEDULE OF COMMISSIONS  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

Broker Name	Number of Shares Traded	Total Commission	Commission Per Share
MERGER NON CASH	71,350.00	0.00	0.00
MERRILL LYNCH PIERCE FENNER + SMITH INC	194,664.00	6,169.54	0.03
MERRILL LYNCH PIERCE FENNER AND S	108,300.00	1,885.00	0.02
MERRILL LYNCH PROFESSIONAL CLEARING CORP	1,069,650.00	186.00	0.00
MILLENNIUM ADVISORS LLC	120,000.00	0.00	0.00
MIZUHO SECURITIES USA INC.	295,000.00	0.00	0.00
MIZUHO SECURITIES USA/FIXED INCOME	184,440.59	0.00	0.00
MKM PARTNERS LLC	15,025.00	300.50	0.02
MORGAN STANLEY CO INCORPORATED	12,828,290.39	11,076.64	0.00
NATIONAL FINANCIAL SERVICES CORP	1,074.00	53.70	0.05
NATIONAL FINANCIAL SERVICES CORP.	3,900.00	195.00	0.05
NATIONAL FINANCIAL SERVICES LLC	19,500.00	390.00	0.02
NEEDHAM +COMPANY	30,200.00	1,180.50	0.04
NOMURA SECURITIES INTL., FIXED INCOME	218,827.37	0.00	0.00
OPPENHEIMER + CO. INC.	330,700.00	2,897.00	0.01
PACIFIC CREST SECURITIES	14,705.00	661.73	0.05
PAYDOWN	2,745.49	0.00	0.00
PERSHING LLC	979,198.83	4,006.10	0.00
PIERPONT SECURITIES LLC	294,530.21	0.00	0.00
PIPER JAFFRAY	16,300.00	652.00	0.04
PRINCIPAL PAYMENTS - MTG BACK	8,478,957.63	0.00	0.00
PRINCIPAL PAYMENTS CORP BDS	288,358.98	0.00	0.00
PRINCIPAL REDUCTION	19,645.81	0.00	0.00
RAYMOND JAMES AND ASSOCIATES	23,800.00	1,190.00	0.05
RAYMOND JAMES AND ASSOCIATES INC	74,700.00	2,988.00	0.04
RBC CAPITAL MARKETS	4,287,638.40	7,225.71	0.00
RBS SECURITIES INC.	6,170,163.26	0.00	0.00
REDEMPTION	43.07	0.00	0.00
REVERSE SPLIT NON CASH	76,373.75	0.00	0.00
ROBERT W.BAIRD CO.INCORPORATE	3,436,678.03	13,675.48	0.00
SALE OF FRACTIONAL S	1.52	0.00	0.00
SANDLER ONEILL + PART LP	1,100.00	44.00	0.04
SANFORD CBERNSTEIN CO LLC	89,696.00	3,472.07	0.04
SEAPORT GROUP SECURITIES, LLC	45,000.00	0.00	0.00
SECURITY CAPITAL BROKERAGE INC	40,436.00	1,819.63	0.05
SG AMERICAS SECURITIES LLC	999,339.91	0.00	0.00
SIDOTI + COMPANY LLC	21,100.00	844.00	0.04
STATE STREET BANK AND TRUST	448,171,488.88	0.00	0.00
STATE STREET GLOBAL MARKETS, LLC	18,192.00	533.92	0.03
STEPHENS,INC.	423,924.22	512.00	0.00
STERNE AGEE & LEACH INC.	22,000.00	0.00	0.00
STIFEL NICOLAUS + CO INC	200,934.00	9,205.70	0.05
SUNTRUST CAPITAL MARKETS, INC.	181,115.00	7,828.77	0.04
TELSEY ADVISORY GROUP LLC	500.00	20.00	0.04
TENDER OFFER	209,837.00	0.00	0.00
UBS FINANCIAL SERVICES INC	170,000.00	0.00	0.00
UBS SECURITIES LLC	52,525.00	2,101.00	0.04
US BANCORP INVESTMENTS INC	462,000.00	0.00	0.00
WACHOVIA BANK, N.A.	1,300,000.00	0.00	0.00
WEDBUSH MORGAN SECURITIES INC	4,050.00	162.00	0.04
WEEDEN + CO.	240,061.00	6,329.43	0.03
WELLS FARGO INVT LLC	1,045,401.21	0.00	0.00
WELLS FARGO SECURITIES LLC	18,999.00	0.00	0.00
WELLS FARGO SECURITIES, LLC	24,204,906.17	18,932.31	0.00
WILLIAM BLAIR & COMPANY L.L.C	1,300.00	52.00	0.04
Grand Total	<u>709,833,267.10</u>	<u>258,879.09</u>	<u>0.01</u>

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

**INVESTMENT SUMMARY  
SEPTEMBER 30, 2015**

<u>Type of Investment</u>	<u>GESE Trust</u>		<u>Staff Plan</u>	
	<u>Fair Value at 9/30/15</u>	<u>Percent of Total Fair Value</u>	<u>Fair Value at 9/30/15</u>	<u>Percent of Total Fair Value</u>
<b>Fixed Income</b>				
U.S. Government Obligations	\$54,499,993	9.28%		
Federal Instrumentalities	6,233,510	1.06%		
Mortgage Backed Securities	29,916,046	5.10%		
Asset Backed Securities	1,121,715	0.19%		
Domestic Corporate Bonds	45,756,236	7.80%		
Vanguard Total Bond Mkt			955,718	
International Bonds (Yankees)	5,314,768	0.91%		
<b>Total Fixed Income</b>	<u>\$142,842,268</u>	<u>24.34%</u>	<u>\$955,718</u>	<u>30.86%</u>
<b>Common Stock</b>				
Consumer	\$42,278,161	7.20%		
Energy	14,299,341	2.44%		
Financial	73,016,828	12.44%		
Healthcare	31,594,324	5.38%		
Industrials	36,589,473	6.23%		
Information Technology	41,907,603	7.14%		
Materials	12,015,264	2.05%		
Telecommunications & Utilities	2,412,834	0.41%		
International	20,655,885	3.52%	232,586	
Vanguard Small Cap Index			406,948	
Vanguard 500 Index			1,501,295	
Commingled Equity Fund	116,003,871	19.76%		
<b>Total Common Stock</b>	<u>\$390,773,583</u>	<u>66.57%</u>	<u>\$2,140,828</u>	<u>69.14%</u>
<b>Real Estate</b>				
Real Estate Fund		0.00%		
Real Estate Investment Trust	23,897,452	4.07%		
<b>Total Real Estate</b>	<u>\$23,897,452</u>	<u>4.07%</u>		
<b>Short term Investments</b>				
Short term Investment Fund	\$29,461,871	5.02%		0.00%
<b>TOTAL INVESTMENTS</b>	<u>\$586,975,174</u>	<u>100.00%</u>	<u>\$3,096,546</u>	<u>100.00%</u>

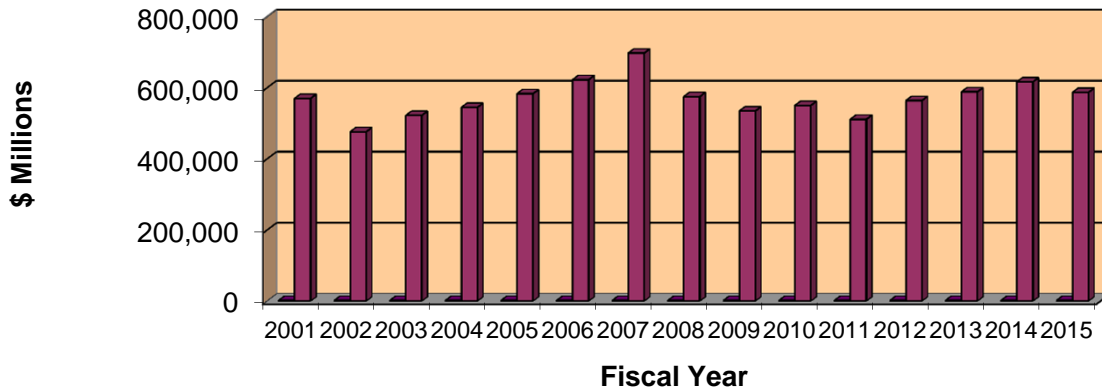
*A detailed schedule of investments is available from the GESE Trust's administrative office at (305) 441-2300.*



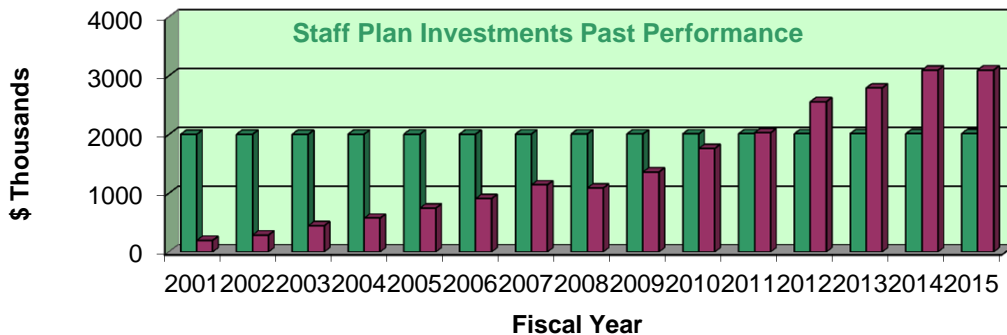
**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION  
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS  
HISTORICAL SUMMARY OF INVESTMENTS HELD AT FAIR VALUE**

<u>Fiscal Year Ended September 30,</u>	<u>GESE Trust (\$ Millions)</u>		<u>Staff Plan * (\$ Thousands)</u>
2001	570,147	\$	197
2002	476,293		287
2003	522,301		446
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

**GESE Investments Past Performance**



**Staff Plan Investments Past Performance**



# Actuarial Section



# Cavanaugh Macdonald

CONSULTING, LLC

*The experience and dedication you deserve*

January 27, 2016

Board of Trustees  
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 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 most recent annual actuarial valuation for funding purposes and for use in the current financial statements was prepared as of October 1, 2014. The actuarial assumptions, as set forth in Table XI of the actuary's October 1, 2014 valuation report, were recommended by the actuary and adopted 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

3550 Busbee Pkwy, Suite 250, Kennesaw, GA 30144

Phone (678) 388-1700 • Fax (678) 388-1730

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Board of Trustees  
January 27, 2016  
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 market value averaged over five years for the GESE Retirement Trust and over three years for the Staff Plan. The contribution amounts and the market 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.

On the basis of the 2014 valuation, it is our opinion that the Retirement Trust continues in sound financial condition. To the best of my knowledge, the results of the 2014 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, appearing to read 'Jose I. Fernandez', with a long, sweeping horizontal line extending to the right.

Jose I. Fernandez, ASA, EA, FCA, MAAA  
Principal and Consulting Actuary  
Enrolled Actuary No. 14-4461

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION  
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS  
SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS  
SEPTEMBER 30, 2015**

---

**GESE Trust – Actuarial Assumptions and Methods October 1, 2014 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 Table:**

The mortality table used to calculate longevity is the UP-1994, Projected to 2018 (using scale AA) set forward one year for men and women prior to retirement, set forward two years after retirement and set forward eight years after retirement for disabled men and women.

**Actuarial Assumption Rates:**

- **Investment Return Rate and Discount Rate** - The investment return rate used in the October 1, 2014 valuation is 7.70% per annum, compounded annually, decreasing to 7.60% by October 1, 2015. 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 7.70% as of October 1, 2014.

The discount rate for purposes of GASB 67 was 7.60%.

- **Salary Increase Rate** - Salaries are assumed to increase at the rate that varies based on years of credited service.
- **Inflation Rate** – The assumed inflation rate is 3.5% 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.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION  
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS  
SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS  
SEPTEMBER 30, 2015**

**GESE Trust – Actuarial Assumptions and Methods October 1, 2014 Valuation  
(Cont'd)**

**Asset Valuation Method:**

In the calculation of the actuarially determined contributions, the actuarial value of assets is based on a moving market value averaged over five years. 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 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 fair 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 September 2012 and became effective with the October 1, 2012 valuation. The assumptions revised as a result of this study were to decrease the assumed rate of return over a five year period, change the assumed salary increase, and to decrease the disability rates.

**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	13.0%	12.0%	10.0%	8.0%	7.0%	5.8%
25	13.0%	12.0%	10.0%	8.0%	7.0%	5.1%
30	13.0%	12.0%	10.0%	8.0%	7.0%	4.5%
35	12.5%	11.5%	9.5%	7.7%	7.0%	3.9%
40	11.9%	10.9%	8.9%	7.1%	6.5%	3.1%
45	11.3%	10.3%	8.3%	6.5%	5.7%	2.5%
50	10.7%	9.7%	7.7%	5.9%	4.7%	2.0%
55	10.4%	9.4%	7.4%	5.6%	4.4%	1.5%

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION  
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS  
SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS  
SEPTEMBER 30, 2015**

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**GESE Trust – Actuarial Assumptions and Methods October 1, 2014 Valuation  
(Cont'd)**

**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	10%	50	15%	55	18%	60	18%	65	16%
46	10%	51	15%	56	18%	61	18%	66	16%
47	10%	52	15%	57	18%	62	18%	67	16%
48	10%	53	15%	58	18%	63	18%	68	16%
49	10%	54	15%	59	18%	64	18%	69	16%
								70	100%

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION  
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS  
SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS  
SEPTEMBER 30, 2015**

**GESE Trust – Actuarial Assumptions and Methods October 1, 2014 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  
SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS  
SEPTEMBER 30, 2015**

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**Excess Benefit Plan - Actuarial Assumptions and Methods October 1, 2014  
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 Annual Required Contribution the unfunded actuarial accrued liability is amortized as a level dollar amount over 30 years from October 1, 2000.

**Mortality Table:**

The mortality table used to calculate longevity is the UP-1994, Projected to 2018 (using scale AA) set forward one year for men and women prior to retirement, set forward two years after retirement and set forward eight years after retirement for disabled men and women.

**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 7.70% as of October 1, 2014.

The discount rate for purposes of GASB 67 was 4.13% as of September 30, 2014 and 3.78% as of September 30, 2015 based on the Bond Buyer General Obligation 20-year Municipal Bond Index published by the Board of Governors of the Federal Reserve System.

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



**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION  
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS  
SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS  
SEPTEMBER 30, 2015**

**Excess Benefit Plan - Actuarial Assumptions and Methods October 1, 2014  
Valuation (Cont'd)**

**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	10%	50	15%	55	18%	60	18%	65	16%
46	10%	51	15%	56	18%	61	18%	66	16%
47	10%	52	15%	57	18%	62	18%	67	16%
48	10%	53	15%	58	18%	63	18%	68	16%
49	10%	54	15%	59	18%	64	18%	69	16%
								70	100%

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  
SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS  
SEPTEMBER 30, 2015**

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**Staff Plan - Actuarial Assumptions and Methods October 1, 2014 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 Table:**

The mortality table used to calculate longevity is the 1983 Group Annuity Mortality Table set back two years for men and women prior to retirement and no set back after retirement and set forward nine years after retirement for disabled men and women.

**Actuarial Assumption Rates:**

- **Investment Return Rate and Discount Rate** - The investment return rate used in the October 1, 2014 valuation is 7.70% per annum, compounded annually, decreasing to 7.60% by October 1, 2015. 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 7.70% as of October 1, 2014.

The discount rate for purposes of GASB 67 was 7.60%.

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

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION  
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS  
SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS  
SEPTEMBER 30, 2015**

---

**Staff Plan - Actuarial Assumptions and Methods October 1, 2014 Valuation  
(Cont'd)**

**Asset Valuation Method:**

In the calculation of the actuarially determined contributions, the actuarial value of assets is based on a moving market value averaged over three years, effective July 1, 2001. Each year, the actuarial 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 actuarial 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 fair value of assets.

**Other Assumptions:**

- **Spouses** - The Pension Administrator is assumed to not be married; 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**

**SCHEDULE OF ACTIVE MEMBER VALUATION DATA,  
SCHEDULE OF RETIREES 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
10/1/2009	1,662	\$90,045,202	\$54,179	1.42%	12	\$738,898	\$61,575	16.87%
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%

**SCHEDULE OF RETIREES 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		
9/30/2009	155	\$7,078,679	92	\$1,128,917	1,975	\$59,121,881	11.19%	\$29,935
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

**SOLVENCY TEST**

Valuation Date	Aggregate Accrued Liabilities For				Portion of Accrued Liabilities Covered by Reported Assets		
	(1) Active Member Contributions	(2) Retirees and Beneficiaries	(3) Active Member Employer Financed Portion	Actuarial Value of Assets	(1) Active Member Contributions	(2) Retirees and Beneficiaries	(3) Active Member Employer Financed Portion
<b>GESE Trust</b>							
10/1/2009	\$74,970,761	\$592,395,005	\$113,259,434	\$645,614,641	100%	96%	0%
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%
<b>Staff Plan</b>							
10/1/2009	\$620,664	\$0	\$1,501,142	\$1,556,718	100%	0%	62%
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%

\* - Schedules do not apply to Excess Benefit Plan.

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

**SCHEDULE OF ACTIVE MEMBER VALUATION DATA,  
SCHEDULE OF RETIREES AND BENEFICIARIES, AND SOLVENCY TEST \***

**Excess Benefit Plan**

**Excess SCHEDULE OF RETIREES AND BENEFICIARIES ADDED TO AND REMOVED FROM ROLLS**

Year Ended	Added To Rols		Removed From Rols		Rols - End of Year		% Increase In Annual Allowances	Average Annual Allowances
	No.	Annual Allowances	No.	Annual Allowances	No.	Annual Allowances		
9/30/2008	2	\$25,053	21	\$70,106	21	\$233,188	-54.35%	\$11,104
9/30/2009	5	\$159,480	0	\$0	26	\$392,668	68.39%	\$15,103
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



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

**ANALYSIS OF FINANCIAL EXPERIENCE**

**Gains & Losses in Accrued Liabilities**

**Resulting from Differences Between Assumed Experience & Actual Experience**

	<b>\$ Gain (or Loss) For Year Ending September 30,</b>			
	<b>G.E.S.E. RETIREMENT</b>			
	<b><u>2014</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>	<b><u>2011</u></b>
<b>Age &amp; Service Retirements</b>	(935,708)	(1,151,249)	(906,236)	(4,194,559)
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.				
<b>Disability Retirements</b>	74,556	(348,374)	94,214	(297,865)
If disability claims are less than assumed, there is a gain. If more claims, a loss.				
<b>Death-In-Service Retirements</b>	(109,314)	(94,887)	(94,221)	(96,218)
If survivor claims are less than assumed, there is a gain. If more claims, a loss.				
<b>Withdrawal From Employment</b>	(92,637)	(359,982)	(286,228)	(330,315)
If more liabilities are released by withdrawals than assumed, there is a gain. If smaller releases, a loss.				
<b>New Members</b>	(770,396)	(632,811)	(281,488)	(447,801)
If there are more new members than assumed, there is a gain. If less, a loss.				
<b>Pay Increases</b>	1,552,326	3,804,474	115,850	2,202,871
If there are smaller pay increases than assumed, there is a gain. If greater increases, a loss.				
<b>Contribution Income</b>	(1,732,012)	(4,847,164)	2,767,624	(5,516,734)
If more contributions are received than expected, there is again. If less, a loss.				
<b>Investment Income</b>	14,316,656	(4,885,183)	(47,117,363)	(58,032,671)
If there is greater Investment income than assumed, there is a gain. If less income, a loss.				
<b>Death After Retirement</b>	(2,076,490)	(1,445,662)	(1,209,055)	(1,080,945)
If retirants live longer than assumed, there is a loss. If not as long, a gain				
<b>Other</b>	11,058,907	355,680	(2,339,626)	4,495,749
Miscellaneous gains and losses resulting from data adjustments, timing of financial transactions, valuation methods, etc.				
<b>Gain (or Loss) During Year From Financial Experience</b>	<b>21,285,888</b>	<b>(9,605,158)</b>	<b>(49,256,529)</b>	<b>(63,298,488)</b>
<b>Non-Recurring Items</b>	<b>(7,960,612)</b>	<b>(7,959,102)</b>	<b>(7,834,245)</b>	<b>(3,784,141)</b>
Adjustments for plan amendments, assumption changes, etc				
<b>Composite Gain (or Loss) During Year</b>	<b>13,325,276</b>	<b>(17,564,260)</b>	<b>(57,090,774)</b>	<b>(67,082,629)</b>

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

**ANALYSIS OF FINANCIAL EXPERIENCE  
Gains & Losses in Accrued Liabilities  
Resulting from Differences Between Assumed Experience & Actual Experience**

	<b>\$ Gain (or Loss) For Year Ending September 30, EXCESS BENEFIT PLAN</b>			
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
<b>Age &amp; Service Retirements</b>	280,872	1,658	(385,902)	(16,766)
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.				
<b>Disability Retirements</b>	0	0	0	0
If disability claims are less than assumed, there is a gain. If more claims, a loss.				
<b>Death-In-Service Retirements</b>	0	0	0	0
If survivor claims are less than assumed, there is a gain. If more claims, a loss.				
<b>Withdrawal From Employment</b>	(556,627)	0	0	0
If more liabilities are released by withdrawals than assumed, there is a gain. If smaller releases, a loss.				
<b>New Members</b>	0	0	0	0
If there are more new members than assumed, there is a gain. If less, a loss.				
<b>Pay Increases</b>	(1,606,831)	(401,808)	0	0
If there are smaller pay increases than assumed, there is a gain. If greater increases, a loss.				
<b>Contribution Income</b>	(161,194)	(142,261)	(91,681)	(179,114)
If more contributions are received than expected, there is a gain. If less, a loss.				
<b>Investment Income</b>	(6,287)	(5,619)	(3,667)	(7,254)
If there is greater Investment income than assumed, there is a gain. If less income, a loss.				
<b>Death After Retirement</b>	10,296	(16,417)	(14,385)	(13,559)
If retirants live longer than assumed, there is a loss. If not as long, a gain				
<b>Other</b>	46,099	53,846	(42,878)	25,428
Miscellaneous gains and losses resulting from data adjustments, timing of financial transactions, valuation methods, etc.				
<b>Gain (or Loss) During Year From Financial Experience</b>	<u>(1,993,672)</u>	<u>(510,601)</u>	<u>(538,513)</u>	<u>(191,265)</u>
<b>Non-Recurring Items</b>	<u>(75,607)</u>	<u>(61,718)</u>	<u>(57,474)</u>	<u>(52,852)</u>
Adjustments for plan amendments, assumption changes, etc				
<b>Composite Gain (or Loss) During Year</b>	<u>(2,069,279)</u>	<u>(572,319)</u>	<u>(595,987)</u>	<u>(244,117)</u>

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

## ANALYSIS OF FINANCIAL EXPERIENCE

### Gains & Losses in Accrued Liabilities

#### Resulting from Differences Between Assumed Experience & Actual Experience

	<b>\$ Gain (or Loss) For Year Ending September 30,</b>			
	<b>STAFF PENSION PLAN</b>			
	<u><b>2014</b></u>	<u><b>2013</b></u>	<u><b>2012</b></u>	<u><b>2011</b></u>
<b>Age &amp; Service Retirements</b>	(109,923)	(46,137)	(1,048,672)	(35,981)
<small>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.</small>				
<b>Disability Retirements</b>	(208)	(152)	(450)	(432)
<small>If disability claims are less than assumed, there is a gain. If more claims, a loss.</small>				
<b>Death-In-Service Retirements</b>	(1,253)	(1,111)	(2,768)	(2,715)
<small>If survivor claims are less than assumed, there is a gain. If more claims, a loss.</small>				
<b>Withdrawal From Employment</b>	(12,771)	(9,988)	28,708	54,161
<small>If more liabilities are released by withdrawals than assumed, there is a gain. If smaller releases, a loss.</small>				
<b>New Members</b>	0	0	(7,824)	0
<small>If there are more new members than assumed, there is a gain. If less, a loss.</small>				
<b>Pay Increases</b>	10,233	24,552	26,903	62,757
<small>If there are smaller pay increases than assumed, there is a gain. If greater increases, a loss.</small>				
<b>Contribution Income</b>	(5,638)	(79,308)	25,502	(66,262)
<small>If more contributions are received than expected, there is again. If less, a loss.</small>				
<b>Investment Income</b>	161,258	73,025	34,781	(66,873)
<small>If there is greater Investment income than assumed, there is a gain. If less income, a loss.</small>				
<b>Death After Retirement</b>	(558)	(493)	(263)	0
<small>If retirants live longer than assumed, there is a loss. If not as long, a gain</small>				
<b>Other</b>	29,933	9,728	40,415	41,149
<small>Miscellaneous gains and losses resulting from data adjustments, timing of financial transactions, valuation methods, etc.</small>				
<b>Gain (or Loss) During Year From Financial Experience</b>	<b>71,073</b>	<b>(29,884)</b>	<b>(903,668)</b>	<b>(14,196)</b>
<b>Non-Recurring Items</b>	<b>(55,418)</b>	<b>(53,561)</b>	<b>(52,232)</b>	<b>(40,569)</b>
<small>Adjustments for plan amendments, assumption changes, etc</small>				
<b>Composite Gain (or Loss) During Year</b>	<b>15,655</b>	<b>(83,445)</b>	<b>(955,900)</b>	<b>(54,765)</b>

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION  
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS  
SUMMARY PLAN PROVISIONS  
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**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. Pursuant to Section 40-249 and Section 40-250 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 contributed ten percent of compensation to the GESE Trust, for fiscal year 2015. 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 is available for 30 days after notification to the member and must be fully completed within one year. Contributions made by a member for maternity or medical membership credit may be a single lump-sum payment or equal installment payments which may be deducted from the member's compensation.

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**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, is the average annual earnable compensation during the highest two years of membership service for any member that began employment after May 24, 1984. For any member who became an employee before May 24, 1984, average final compensation is the annual earnable compensation during the highest one year of membership service. However, the highest one year of annual earnable compensation cannot exceed the second highest year of annual earnable compensation by more than 15 percent, excluding any difference due to longevity, anniversary and/or negotiated cost-of-living increases.

**All Other Members**

Average annual compensation during the highest five years of the last 10 years of service. Members retiring between October 1, 2010, and on or before September 30, 2011, will be based on the average of the highest three years of membership service; for members who retire on or after October 1, 2011, and on or before September 30, 2012, it will be based on the average highest four years of membership service; and for members who retire on or after October 1, 2012, the average of 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.

***Earnable 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. Earnable 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.

***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.

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**(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, the minimum normal service retirement age is 55. Any member in service who has ten or more years of creditable service may elect to retire upon the attainment of normal retirement age. The basic retirement benefit equals three percent of the member's average final compensation multiplied by years of creditable service. Subsequent to September 30, 2010, for members not eligible to retire as of that date, the retirement age and service will change to age 55 and 30 years of creditable service or age 60 and 10 years of creditable service and the retirement benefits will be based on a graded, service-related benefit multiplier ranging from 2.25% to 3%.

**(B) Rule of 70 Retirement:**

For Members Eligible for Retirement (meet Rule of 70 or age 55 and 10 years of service) as of September 30, 2010, a member in service who has ten or more years of creditable service may elect a rule of 70 retirement on the basis of his or her combined age and creditable service equaling 70 or more points. Subsequent to September 30, 2010, a member who has at least ten or more years of creditable service may elect a Rule of 80 retirement.

**(C) Early Service Retirement Benefit:**

For Members Eligible for Retirement (meet Rule of 70 or age 55 and 10 years of service) as of September 30, 2010, 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 that otherwise would have commenced upon the attainment of age 55. Subsequent to September 30, 2010, 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 and 30 years of creditable service or age 60 and 10 years of creditable service.

**(D) 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, 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 commencing at age 55.

Subsequent to October 1, 2010, a member who ceases to be an employee for reasons other than death or willful misconduct, is not entitled to an immediate benefit, 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 commencing at age 60.

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**4. MAXIMUM 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 eligible for retirement (meet Rule of 70 or age 55 and 10 years of service) as of September 30, 2010, may receive payment of retirement benefits under the plan in accordance with several choices, or options, set forth below.

***Option 2 Equal payment survivor annuity*** - A member may receive a 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 ten 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 of the amount to which the member would have been entitled under this plan before any optional form of payment.

***Option 3 One-half payment survivor annuity*** - A member may receive a 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 two 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 of the amount to which the member would have been entitled under this plan before any optional form of payment.

***Option 6a One-half payment retiree refund*** - A member may elect to withdraw the sum of his or her accumulated contributions credited as of the member's date of retirement, excluding all amounts picked up from the member's earnable 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 before any optional form of payment. This option has no survivorship benefit.

***Option 6b Life annuity*** - A member who was eligible to retire on October 1, 2010, may elect to receive his or her normal monthly service retirement allowance plus an additional five percent of such service retirement allowance for the life of the member, with no survivorship benefit.

***Option 6c Surviving spouse annuity*** - A member may elect to receive an unreduced normal monthly service retirement allowance and direct the payment of a benefit of 40

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percent of the member's unreduced retirement allowance to be paid at the member's death to his or her spouse nominated and designated by him or her at the time of retirement, such benefit to be payable during the lifetime of such spouse.

For members not eligible to retire on September 30, 2010, and who retire subsequent to October 1, 2010, the normal form of benefit is a life annuity payable only while the member is still alive. The member may choose to receive benefits under one of the following options. The amount of the optional benefit shall be actuarially equivalent to the normal form of benefit:

**Forms of Payment**

Option 2 – Equal Payment Survivor Annuity: Reduced joint and 100% survivor annuity;

Option 3 – One-Half Payment Survivor Annuity: Reduced joint and 50% survivor annuity

Option 6a: Lump sum payment of member's accumulated contributions plus a monthly service retirement benefit equal to 50% of the amount to which he/she would have been otherwise entitled;

Option 6c: Surviving spouse annuity: Reduced retirement benefit for the member's lifetime, upon his/her death, 40% of that amount would continue to be paid to the surviving spouse for the lifetime of such spouse.

**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.



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**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.

**(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 death, 40 percent of that benefit would continue to be paid to the surviving spouse for the lifetime of such spouse.

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.

**(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.

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**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 who has become eligible for Service, Early Service, or Rule of 70 Retirement benefits dies before retirement, the member will be considered to have been retired on the date preceding death. In such event, the member's spouse will have the option of receiving the sum of the member's accumulated contributions together with interest to the date of payment or, if not exercising such option, the spouse will receive:

(1) Payment of 40 percent of the member's monthly retirement allowance which would have been payable to the member if he or she had attained normal retirement age without actuarial reduction; For members not eligible to retire as of 10/01/2010, the 40 percent benefit will be presumed under Option 6-C with actuarial reduction.

(2) An additional payment of a retirement allowance equal to one percent of average final compensation for each year of service or fraction thereof if the member served in a certain executive position for a minimum of three years prior to May 23, 1985 and a maximum of ten years' of service.

**(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.

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**(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. 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.

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

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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 (NR) 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 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.

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**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.

**16. SUMMARY OF CHANGES TO GESE TRUST**

Below is a summary of our understanding of the benefit and member contribution changes adopted by the City Commission effective October 1, 2010, reflected in the prior and current plan provision.

- Benefit multiplier: 3% for current service plus service graded for future service - 2.25% 1st 15 years; 2.5% for 15-20 years; 2.75% for service over 20 years. Current members enter graded formula at current service level. For example, a member with current service of 22 years would have a multiplier of 2.75% the first year. The revised benefit multiplier schedule will be used in the calculation of the normal, early, deferred and disability retirement benefits, where applicable.

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- Average final compensation: Five year average pay for all years of service. Phase in from two to five year average pay over the 3 years beginning October 1, 2010. The average final compensation shall not be less than the average final compensation as of the date of the plan change.
- Normal retirement date: Unreduced retirement at earlier of age 55 and 30 years of service, age 60 and 10 years of service, or Rule of 80.
- No benefit changes for current members who are eligible to retire (that is, meet Rule of 70 or age 55 and 10 years of service) as of the effective date of the plan changes.
- Maximum benefit: Maximum annual benefit at retirement is lesser of average final compensation or \$100,000. Cost-of-living increases are applied to the benefit after retirement. With cost-of-living increases after retirement the benefit could exceed average final compensation or \$100,000 per year.
- There is no maximum pension benefit limit if you are eligible to retire (that is, meet the rule of 70 or age 55 with 10 years of service) on September 30, 2010.
- Normal benefit form: Life annuity as normal form of payment. Other actuarial equivalent options will be available.
- Other plan provisions: Same as current.

In no event will the revised benefits be less than the member's accrued benefit as of the effective date of the plan changes – October 1, 2010.

In addition to the benefit changes described above, all non-union member contributions to GESE increased from 10% of pay to 13% of pay effective October 1, 2010.

OTHER RECENT PLAN CHANGES EFFECTIVE OCTOBER 1, 2012 & JANUARY 1, 2013

- Contribution rate of 13% was change to 10% for all members effective October 1, 2012. The 10% contribution applies to all members whether or not eligible to retire on September 30, 2010.
- BACKDROP option. A backdrop benefit option shall be implemented on January 1, 2013. The backdrop option shall replace the existing DROP program. Employees who have not attained normal retirement eligibility as of January 1, 2013 or were not vested by October 1, 2010, and all employees hired on or after January 1, 2013, will be eligible for the backdrop option, but will not be eligible for the DROP. Anyone eligible for the forward DROP as of January 1, 2013, remains eligible for the forward DROP as it presently exists and anyone eligible for the forward DROP as of January 1, 2013 or vested prior to October 1, 2010, who chooses not to enter the forward DROP remains eligible for the backdrop.

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- **MAXIMUM BENEFIT:** Effective September 30, 2012, the maximum annual benefit at retirement is \$80,000 per year. 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.

**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 fund the excess, if any, of the benefit earned under the GESE Trust without taking into account the Internal Revenue Code (IRC) Section 415 limits. Membership consists of members of the GESE Trust who exceed the maximum 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 contributes the actuarially determined amount necessary to fund the excess retirement benefits which reduces the normal pension costs by the same amount.

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

The original plan effective date is July 1, 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.

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**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.

**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. 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



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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 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. 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

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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.

**7. 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.

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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.

**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.

#### **8. Excess Benefit Plan**

The excess retirement benefits above the limits permitted by the Internal Revenue Code shall be as follows:

1. Funded from the GESE administrative budget; and
2. Paid annually on October 1st, which shall permit GESE to realize a reduction in normal pension costs in the same amount; and
3. Be deposited in separate accounts for each respective plan to receive the GESE excess retirement benefit contributions, which accounts shall be separate and apart from the accounts established to receive the GESE Retirement Trust's normal pension contributions for each retirement trust.

The excess benefits shall be paid to each eligible member of the plans on a monthly basis in an amount equal to the difference between the allowable pension to be paid under the Internal Revenue Code and the amount of the defined benefit granted eligible members pursuant to the provisions set forth in the plan.

## **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.

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EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS  
GESE TRUST - CHANGES IN PLAN NET POSITION  
LAST TEN FISCAL YEARS**

	<b>Fiscal Year Ended</b>				
	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
<b>Additions</b>					
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
<b>Total Additions to Plan Net Position</b>	<b>45,825,180</b>	<b>106,083,943</b>	<b>101,471,160</b>	<b>124,854,896</b>	<b>42,134,969</b>
<b>Deductions</b>					
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
<b>Total Deductions from Plan Net Position</b>	<b>76,335,448</b>	<b>76,906,819</b>	<b>77,284,522</b>	<b>76,750,724</b>	<b>77,839,128</b>
<b>Change in Net Position</b>	<b>(\$30,510,268)</b>	<b>\$29,177,124</b>	<b>\$24,186,638</b>	<b>\$48,104,172</b>	<b>(\$35,704,159)</b>

	<b>Fiscal Year Ended</b>				
	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
<b>Additions</b>					
Employer contributions	\$24,037,093	\$23,191,828	\$22,762,902	\$24,229,028	\$22,018,443
Member contributions	12,728,711	11,791,902	9,517,052	8,819,536	8,021,488
Investment Income (net of expenses)	43,016,574	(18,375,479)	(97,293,525)	89,063,513	56,191,994
Reimbursement income	2,888,419	2,836,790	2,510,921	2,492,693	2,426,165
<b>Total Additions to Plan Net Position</b>	<b>82,670,797</b>	<b>19,445,041</b>	<b>(62,502,650)</b>	<b>124,604,770</b>	<b>88,658,090</b>
<b>Deductions</b>					
Benefit payments	62,162,717	54,191,981	51,631,847	50,106,211	48,077,147
Refunds of contributions	1,784,596	843,094	1,021,711	1,667,243	1,753,133
Administrative and other expenses	2,938,167	2,890,011	2,653,879	2,521,339	2,276,558
<b>Total Deductions from Plan Net Position</b>	<b>66,885,480</b>	<b>57,925,086</b>	<b>55,307,437</b>	<b>54,294,793</b>	<b>52,106,838</b>
<b>Change in Net Position</b>	<b>\$15,785,317</b>	<b>(\$38,480,045)</b>	<b>(\$117,810,087)</b>	<b>\$70,309,977</b>	<b>\$36,551,252</b>

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STAFF PLAN - CHANGES IN PLAN NET POSITION  
LAST TEN FISCAL YEARS**

	<b>Fiscal Year Ended</b>				
	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>	<b><u>2011</u></b>
<b>Additions</b>					
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)	<u>(15,615)</u>	<u>338,281</u>	<u>319,920</u>	<u>403,253</u>	<u>21,015</u>
Total Additions to Plan Net Position	<u>295,310</u>	<u>653,626</u>	<u>568,074</u>	<u>722,035</u>	<u>265,842</u>
<b>Deductions</b>					
Benefit payments	340,299	311,388	281,818	186,680	12,772
Refunds of contributions	<u>0</u>	<u>0</u>	<u>0</u>	<u>23,902</u>	<u>20,009</u>
Total Deductions from Plan Net Position	<u>340,299</u>	<u>311,388</u>	<u>281,818</u>	<u>210,582</u>	<u>32,781</u>
Change in Net Position	<u><u>(\$44,989)</u></u>	<u><u>\$342,238</u></u>	<u><u>\$286,256</u></u>	<u><u>\$511,453</u></u>	<u><u>\$233,061</u></u>

	<b>Fiscal Year Ended</b>				
	<b><u>2010</u></b>	<b><u>2009</u></b>	<b><u>2008</u></b>	<b><u>2007</u></b>	<b><u>2006</u></b>
<b>Additions</b>					
Employer contributions	\$133,487	\$159,837	\$109,163	\$57,995	\$72,380
Member contributions	125,457	74,800	66,728	64,994	47,884
Investment Income (net of expenses)	<u>148,965</u>	<u>38,894</u>	<u>(177,138)</u>	<u>107,149</u>	<u>47,398</u>
Total Additions to Plan Net Position	<u>407,909</u>	<u>273,531</u>	<u>(1,247)</u>	<u>230,138</u>	<u>167,662</u>
<b>Deductions</b>					
Benefit payments					
Refunds of contributions	<u>4,156</u>			<u>2,623</u>	
Total Deductions from Plan Net Position	<u>4,156</u>	<u>0</u>	<u>0</u>	<u>2,623</u>	<u>0</u>
Change in Net Position	<u><u>\$403,753</u></u>	<u><u>\$273,531</u></u>	<u><u>(\$1,247)</u></u>	<u><u>\$227,515</u></u>	<u><u>\$167,662</u></u>

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EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS  
EXCESS BENEFIT PLAN - CHANGES IN PLAN NET POSITION  
LAST TEN FISCAL YEARS**

	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>

	Fiscal Year Ended				
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Additions					
Employer contributions	\$339,602	\$464,325	\$446,916	\$476,252	\$463,126
Reimbursement income	112,079	104,141	34,912	31,662	30,860
Total Additions to Plan Net Position	<u>451,681</u>	<u>568,466</u>	<u>481,828</u>	<u>507,914</u>	<u>493,986</u>
Deductions					
Benefit payments	323,244	464,325	449,370	476,252	463,126
Administrative and other expenses	128,437	104,141	32,458	31,662	30,860
Total Deductions from Plan Net Position	<u>451,681</u>	<u>568,466</u>	<u>481,828</u>	<u>507,914</u>	<u>493,986</u>
Change in Net Position	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

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EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS  
GESE TRUST - BENEFIT AND REFUND DEDUCTIONS FROM NET ASSETS BY TYPE  
LAST TEN FISCAL YEARS**

	Fiscal Year Ended				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
<b>Type of Benefit</b>					
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
<b>Total Benefits</b>	<u><u>\$71,940,377</u></u>	<u><u>\$71,903,481</u></u>	<u><u>\$72,431,710</u></u>	<u><u>\$72,186,394</u></u>	<u><u>\$72,737,854</u></u>
<b>Type of Refund</b>					
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
<b>Total Refunds</b>	<u><u>1,089,556</u></u>	<u><u>1,867,614</u></u>	<u><u>1,779,420</u></u>	<u><u>1,385,881</u></u>	<u><u>1,928,705</u></u>

	Fiscal Year Ended				
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b>Type of Benefit</b>					
Age and service benefits					
Retirees	\$56,220,154	\$48,502,683	\$45,968,818	\$44,976,697	\$43,054,435
Survivors	4,628,305	4,419,236	4,373,562	3,916,440	3,702,355
Death in service benefits	44,849	23,447	35,449	14,998	85,211
Disability benefits	1,269,410	1,246,616	1,254,018	1,198,077	1,235,146
<b>Total Benefits</b>	<u><u>\$62,162,717</u></u>	<u><u>\$54,191,981</u></u>	<u><u>\$51,631,847</u></u>	<u><u>\$50,106,211</u></u>	<u><u>\$48,077,147</u></u>
<b>Type of Refund</b>					
Death	99,163	30,685	99,270	16,617	129,125
Separation	1,685,433	812,409	922,441	1,650,626	1,624,008
<b>Total Refunds</b>	<u><u>1,784,596</u></u>	<u><u>843,094</u></u>	<u><u>1,021,711</u></u>	<u><u>1,667,243</u></u>	<u><u>1,753,133</u></u>



**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION  
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS  
STAFF PLAN - BENEFIT AND REFUND DEDUCTIONS FROM NET ASSETS BY TYPE  
LAST TEN FISCAL YEARS**

	Fiscal Year Ended				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
<b>Type of Benefit</b>					
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>
<b>Type of Refund</b>					
Death					
Separation	<u>0</u>	<u>0</u>	<u>0</u>	<u>23,902</u>	<u>20,009</u>
Total Refunds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$23,902</u>	<u>\$20,009</u>

	Fiscal Year Ended				
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b>Type of Benefit</b>					
Age and service benefits					
Retirees					
Survivors					
Death in service benefits					
Total Benefits	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b>Type of Refund</b>					
Death					
Separation	<u>4,156</u>			<u>2,623</u>	<u>29,401</u>
Total Refunds	<u>\$4,156</u>	<u>\$0</u>	<u>\$0</u>	<u>\$2,623</u>	<u>\$29,401</u>

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION  
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS  
EXCESS BENEFIT PLAN - BENEFIT AND REFUND DEDUCTION FROM NET ASSETS BY TYPE  
LAST TEN FISCAL YEARS**

	Fiscal Year Ended				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
<b>Type of Benefit</b>					
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>

	Fiscal Year Ended				
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b>Type of Benefit</b>					
Age and service benefits					
Retirees	\$323,244	\$464,325	\$449,370	\$476,252	\$463,126
	-----	-----	-----	-----	-----
Total Benefits	<u>\$323,244</u>	<u>\$464,325</u>	<u>\$449,370</u>	<u>\$476,252</u>	<u>\$463,126</u>

**CITY OF MIAMI GENERAL EMPLOYEE'S AND SANITATION  
EMPLOYEE'S RETIREMENT TRUSTS AND OTHER MANAGED TRUSTS**

**RETIRED MEMBERS BY TYPE OF BENEFIT**

SEPTEMBER 30, 2015

Amount of Monthly Benefit	Number of Retired Members	GESE													
		Type of Retirement <sup>(1)</sup>							Option Selected <sup>(2)</sup>						
		<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>	n/a
\$ 1 - 500		11	4				45			2	16	9	4	29	
501 - 1,000		32	3	2		1	116		1	26	30	16	7	72	2
1,001 - 1,500		134	3	1	3	5	103	1	3	46	50	30	34	82	5
1,501 - 2,000		151	1	5	4		58	2		55	42	11	43	59	11
2,001 - 2,500		208	4		3	17	27		7	62	48	2	53	86	1
2,501 - 3,000		170	2			8	10		2	43	45		41	59	
3,001 - 3,500		149	2			5	7			29	36		52	46	
3,501 - 4,000		142	6			2	5			31	32		52	40	
4,001 - 4,500		114	2				6			28	26		39	29	
4,501 - 5,000		96	4				1			17	23		46	15	
5,001 - 5,500		77	2				6		1	14	14		36	20	
5,501 - 6,000		49	2				2			8	11		23	11	
Over 6,001		188	4				2			33	35	1	88	37	
<b>Total</b>	<b>2007</b>	<b>1521</b>	<b>39</b>	<b>8</b>	<b>10</b>	<b>38</b>	<b>388</b>	<b>3</b>	<b>14</b>	<b>394</b>	<b>408</b>	<b>69</b>	<b>518</b>	<b>585</b>	<b>19</b>

Amount of Monthly Benefit	Number of Retired Members	STAFF						
		Type of Retirement <sup>(1)</sup>			Option Selected <sup>(2)</sup>			
		<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	2	2		2				
4,501 - 5,000	0							
5,001 - 5,500	0							
5,501 - 6,000	0							
Over 6,001	1	1		1				
<b>Total</b>	<b>7</b>	<b>7</b>	<b>0</b>	<b>5</b>	<b>1</b>	<b>0</b>	<b>1</b>	

- (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  
 n/a - No option to select for Type of Retirement



CITY OF MIAMI GENERAL EMPLOYEE'S AND SANITATION  
EMPLOYEE'S RETIRMENT TRUSTS AND OTHER MANAGED TRUSTS

SCHEDULE OF AVERAGE BENEFIT PAYMENTS  
LAST TEN FISCAL YEARS  
(Unaudited)

Retirement Effective Dates	GESE							Total
	Years Credited Service							
	<u>0-5</u>	<u>6-10</u>	<u>11-15</u>	<u>16-20</u>	<u>21-25</u>	<u>26-30</u>	<u>30+</u>	
<b>Period 10/1/2010 - 9/30/2011</b>								
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 <sup>2</sup>	\$ 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
<b>Period 10/1/2009 - 9/30/2010</b>								
Average Monthly Benefit	\$ 1,384	\$ 1,014	\$ 1,518	\$ 2,316	\$ 3,261	\$ 3,784	\$ 3,398	\$ 2,736
Number of Active Retirants	37	138	328	459	655	412	158	2,187
Average Final Compensation <sup>2</sup>	\$ 3,131	\$ 4,936	\$ 5,106	\$ 5,489	\$ 6,572	\$ 6,684	\$ 6,085	\$ 6,043
Number of Active Retirants	3	37	79	92	173	127	42	553
<b>Period 10/1/2008 - 9/30/2009</b>								
Average Monthly Benefit	\$ 1,371	\$ 895	\$ 1,404	\$ 2,178	\$ 2,997	\$ 3,389	\$ 3,121	\$ 2,496
Number of Active Retirants	37	127	296	427	582	358	148	1,975
Average Final Compensation <sup>2</sup>	\$ 3,407	\$ 4,673	\$ 4,708	\$ 5,537	\$ 6,316	\$ 6,645	\$ 6,019	\$ 5,876
Number of Active Retirants	2	22	40	48	83	72	18	285
<b>Period 10/1/2007 - 9/30/2008 <sup>1</sup></b>								
Average Monthly Benefit	\$ 981	\$ 805	\$ 1,384	\$ 2,103	\$ 2,871	\$ 2,954	\$ 2,904	\$ 2,287
Number of Active Retirants	33	140	299	453	552	296	136	1,909
Average Final Compensation <sup>2</sup>		\$ 4,438	\$ 3,548	\$ 4,837	\$ 6,106	\$ 5,960	\$ 5,482	\$ 5,239
Number of Active Retirants		6	31	32	58	24	10	161

<sup>1</sup> Started Fiscal Year 2008. Will continue going forward.

<sup>2</sup> Average Final Compensation is based on retiree that retired in the last 6 years. Previous historical data not available.

CITY OF MIAMI GENERAL EMPLOYEE'S AND SANIATION  
EMPLOYEE'S RETIREMENT TRUSTS AND OTHER MANAGED TRUSTS

SCHEDULE OF AVERAGE BENEFIT PAYMENTS  
LAST TEN FISCAL YEARS  
(Unaudited)

Retirement Effective Dates	STAFF <sup>1</sup>					
	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>
<b>Period 10/1/2014 - 9/30/2015</b>						
Average Monthly Benefit	\$ -	\$ 2,167	\$ 3,730	\$ 9,077	\$ -	\$ 4,047
Number of Active Retirants	-	2	4	1	-	7
Average Final Average Salary	\$ -	\$ 6,213	\$ 7,334	\$ 15,285	\$ -	\$ 8,149
Number of Active Retirants	-	2	4	1	-	7
<b>Period 10/1/2013 - 9/30/2014</b>						
Average Monthly Benefit	\$ -	\$ 2,167	\$ 3,730	\$ 9,077	\$ -	\$ 4,047
Number of Active Retirants	-	2	4	1	-	7
Average Final Average Salary	\$ -	\$ 6,213	\$ 7,334	\$ 15,285	\$ -	\$ 8,149
Number of Active Retirants	-	2	4	1	-	7
<b>Period 10/1/2012 - 9/30/2013</b>						
Average Monthly Benefit	\$ -	\$ 2,248	\$ 4,063	\$ 9,077	\$ -	\$ 4,703
Number of Active Retirants	-	1	3	1	-	5
Average Final Average Salary	\$ -	\$ 6,336	\$ 7,974	\$ 15,285	\$ -	\$ 9,109
Number of Active Retirants	-	1	3	1	-	5
<b>Period 10/1/2011 - 9/30/2012</b>						
Average Monthly Benefit	\$ -	\$ -	\$ 4,063	\$ 9,077	\$ -	\$ 5,317
Number of Active Retirants	-	-	3	1	-	4
Average Final Average Salary	\$ -	\$ -	\$ 7,974	\$ 15,285	\$ -	\$ 9,802
Number of Active Retirants	-	-	3	1	-	4
<b>Period 10/1/2010 - 9/30/2011</b>						
Average Monthly Benefit	\$ -	\$ -	\$ 3,720	\$ -	\$ -	\$ 3,720
Number of Active Retirants	-	-	1	-	-	1
Average Final Average Salary	\$ -	\$ -	\$ 7,466	\$ -	\$ -	\$ 7,466
Number of Active Retirants	-	-	1	-	-	1

<sup>1</sup>Staff Plan's first retiree was in Fiscal Year 2011

CITY OF MIAMI GENERAL EMPLOYEE'S AND SANITATION  
EMPLOYEE'S RETIRMENT TRUSTS AND OTHER MANAGED TRUSTS

AVERAGE BENEFIT PAYMENTS  
LAST TEN FISCAL YEARS

Retirement Effective Dates	Type of Benefit					
	GESE Trust				Excess	Staff <sup>1</sup>
	Retirees	Disability	Survivors	Total	Retirees	Retirees
<b>Fiscal 2015</b>						
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
<b>Fiscal 2014</b>						
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
<b>Fiscal 2013</b>						
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
<b>Fiscal 2012*</b>						
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
<b>Fiscal 2011<sup>1</sup></b>						
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
<b>Fiscal 2010</b>						
Average monthly benefit	\$3,149	\$1,794	\$990	\$2,736	\$1,286	
Number of retired members	1747	59	381	2187	22	
<b>Fiscal 2009</b>						
Average monthly benefit	\$2,910	\$1,740	\$943	\$2,496	\$1,106	
Number of retired members	1536	58	381	1975	35	
<b>Fiscal 2008</b>						
Average monthly benefit	\$2,633	\$1,704	\$883	\$2,255	\$1,070	
Number of retired members	1468	62	379	1909	35	
<b>Fiscal 2007</b>						
Average monthly benefit	\$2,575	\$1,721	\$861	\$2,208	\$1,087	
Number of retired members	1469	58	379	1906	41	
<b>Fiscal 2006</b>						
Average monthly benefit	\$2,472	\$1,660	\$825	\$2,124	\$1,102	
Number of retired members	1487	62	374	1923	44	
<b>Fiscal 2005</b>						
Average monthly benefit	\$2,356	\$1,619	\$783	\$2,039	\$1,300	
Number of retired members	1484	62	354	1900	37	

<sup>1</sup>Staff Plans' first retiree was in Fiscal Year 2011