

North Miami Clair T. Singerman Employees Retirement System

CHAPTER 112.664, F.S. COMPLIANCE REPORT

IN CONNECTION WITH THE OCTOBER 1, 2020 FUNDING ACTUARIAL
VALUATION REPORT AND THE PLAN'S FINANCIAL REPORTING FOR THE
YEAR ENDING SEPTEMBER 30, 2020





July 12, 2021

Board of Trustees
Clair T. Singerman Employees Retirement System
North Miami, Florida

Dear Board Members:

Gabriel, Roeder, Smith & Company (GRS) has been engaged by the City of North Miami Clair T. Singerman Employees Retirement System (Plan) to prepare a disclosure report to satisfy the requirements set forth in Ch. 112.664, F.S. and as further required pursuant to Ch. 60T-1.0035, F.A.C.

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

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

The findings in this report are based on data or other information through September 30, 2020. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. The scope of this engagement does not include an analysis of the potential range of such measurements.

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

Except as otherwise indicated as required for the disclosures contained herein, this report was prepared using certain assumptions selected by the Board as described in our October 1, 2020 actuarial valuation report. This report is also based on the Plan Provisions, census data, and financial information as summarized in our October 1, 2020 actuarial valuation report. Please refer to the October 1, 2020 actuarial valuation report, dated May 12, 2021, for summaries and descriptions of this information.

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

Jeffrey Amrose and Trisha Amrose are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein. The signing actuaries are independent of the plan sponsor.

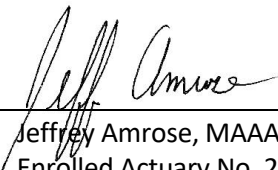
This report was prepared using our proprietary valuation model and related software which in our professional judgment has the capability to provide results that are consistent with the purposes of the valuation and has no material limitations or known weaknesses. We performed tests to ensure that the model reasonably represents that which is intended to be modeled.

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

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

Respectfully submitted,

GABRIEL, ROEDER, SMITH AND COMPANY

By 
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Enrolled Actuary No. 20-6599
Senior Consultant & Actuary


By 
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Consultant & Actuary



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RESULTS

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

Fiscal year ending September 30,	<u>2020</u>
1. Total pension liability	
a. Service Cost	\$ 1,908,045
b. Interest	9,617,391
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	2,637,394
e. Assumption Changes	(2,353,306)
f. Benefit Payments	(7,613,250)
g. Contribution Refunds	(22,347)
h. Net Change in Total Pension Liability	<u>4,173,927</u>
i. Total Pension Liability - Beginning	<u>142,309,622</u>
j. Total Pension Liability - Ending	<u>\$ 146,483,549</u>
 2. Plan Fiduciary Net Position	
a. Contributions - City and County	\$ 4,126,483
b. Contributions - State	2,368
c. Contributions - Member	833,994
d. Net Investment Income	11,308,249
e. Benefit Payments	(7,613,250)
f. Contribution Refunds	(22,347)
g. Administrative Expense	(362,800)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	<u>8,272,697</u>
j. Plan Fiduciary Net Position - Beginning	<u>133,744,114</u>
k. Plan Fiduciary Net Position - Ending	<u>\$ 142,016,811</u>
 3. Net Pension Liability / (Asset)	 4,466,738
 Certain Key Assumptions	
Valuation Date	10/01/2019
Measurement Date	09/30/2020
Investment Return Assumption	6.75%
Mortality Table	FRS Mortality Rates from 7/1/19 FRS Valuation



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

Fiscal year ending September 30,	<u>2020</u>
1. Total pension liability	
a. Service Cost	\$ 1,908,045
b. Interest	9,617,391
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	2,637,394
e. Assumption Changes	(2,353,306)
f. Benefit Payments	(7,613,250)
g. Contribution Refunds	(22,347)
h. Net Change in Total Pension Liability	<u>4,173,927</u>
i. Total Pension Liability - Beginning	<u>142,309,622</u>
j. Total Pension Liability - Ending	<u>\$ 146,483,549</u>
2. Plan Fiduciary Net Position	
a. Contributions - City and County	\$ 4,126,483
b. Contributions - State	2,368
c. Contributions - Member	833,994
d. Net Investment Income	11,308,249
e. Benefit Payments	(7,613,250)
f. Contribution Refunds	(22,347)
g. Administrative Expense	(362,800)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	<u>8,272,697</u>
j. Plan Fiduciary Net Position - Beginning	<u>133,744,114</u>
k. Plan Fiduciary Net Position - Ending	<u>\$ 142,016,811</u>
3. Net Pension Liability / (Asset)	4,466,738
Certain Key Assumptions	
Valuation Date	10/01/2019
Measurement Date	09/30/2020
Investment Return Assumption	6.75%
Mortality Table	FRS Mortality Rates from 7/1/19 FRS Valuation



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

Fiscal year ending September 30,	<u>2020</u>
1. Total pension liability	
a. Service Cost	\$ 3,116,346
b. Interest	8,601,773
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	2,368
e. Assumption Changes	-
f. Benefit Payments	(7,613,250)
g. Contribution Refunds	(22,347)
h. Net Change in Total Pension Liability	<u>4,084,890</u>
i. Total Pension Liability - Beginning	<u>181,791,414</u>
j. Total Pension Liability - Ending	<u>\$ 185,876,304</u>
2. Plan Fiduciary Net Position	
a. Contributions - City and County	\$ 4,126,483
b. Contributions - State	2,368
c. Contributions - Member	833,994
d. Net Investment Income	11,308,249
e. Benefit Payments	(7,613,250)
f. Contribution Refunds	(22,347)
g. Administrative Expense	(362,800)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	<u>8,272,697</u>
j. Plan Fiduciary Net Position - Beginning	<u>133,744,114</u>
k. Plan Fiduciary Net Position - Ending	<u>\$ 142,016,811</u>
3. Net Pension Liability / (Asset)	43,859,493
Certain Key Assumptions	
Valuation Date	10/01/2019
Measurement Date	09/30/2020
Investment Return Assumption	4.75%
Mortality Table	FRS Mortality Rates from 7/1/19 FRS Valuation



Schedule of Changes in the Employers' Net Pension Liability
Using Assumptions under 112.664(1)(b), F.S. except 2% higher investment return assumption

Fiscal year ending September 30,	<u>2020</u>
1. Total pension liability	
a. Service Cost	\$ 1,251,383
b. Interest	9,902,476
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	2,368
e. Assumption Changes	-
f. Benefit Payments	(7,613,250)
g. Contribution Refunds	(22,347)
h. Net Change in Total Pension Liability	<u>3,520,630</u>
i. Total Pension Liability - Beginning	<u>115,737,570</u>
j. Total Pension Liability - Ending	<u><u>\$ 119,258,200</u></u>
2. Plan Fiduciary Net Position	
a. Contributions - City and County	\$ 4,126,483
b. Contributions - State	2,368
c. Contributions - Member	833,994
d. Net Investment Income	11,308,249
e. Benefit Payments	(7,613,250)
f. Contribution Refunds	(22,347)
g. Administrative Expense	(362,800)
h. Other	-
i. Net Change in Plan Fiduciary Net Position	<u>8,272,697</u>
j. Plan Fiduciary Net Position - Beginning	<u>133,744,114</u>
k. Plan Fiduciary Net Position - Ending	<u><u>\$ 142,016,811</u></u>
3. Net Pension Liability / (Asset)	(22,758,611)
Certain Key Assumptions	
Valuation Date	10/01/2019
Measurement Date	09/30/2020
Investment Return Assumption	8.75%
Mortality Table	FRS Mortality Rates from 7/1/19 FRS Valuation



Asset and Benefit Payment Projection
Not Reflecting Any Contributions from the Employer, State or Employee
Using Assumptions per the Plan's latest Actuarial Valuation

FYE	Market Value of Assets (BOY)	Expected Investment Return	Projected Benefit Payments	Market Value of Assets (EOY)
2021	141,976,418	9,307,972	8,161,072	143,123,318
2022	143,123,318	9,361,719	8,862,370	143,622,667
2023	143,622,667	9,381,902	9,263,039	143,741,530
2024	143,741,530	9,379,453	9,573,350	143,547,633
2025	143,547,633	9,358,310	9,812,011	143,093,932
2026	143,093,932	9,320,417	10,027,362	142,386,987
2027	142,386,987	9,263,945	10,286,714	141,364,218
2028	141,364,218	9,189,006	10,461,606	140,091,618
2029	140,091,618	9,098,534	10,597,031	138,593,121
2030	138,593,121	8,993,522	10,711,513	136,875,130
2031	136,875,130	8,875,794	10,763,762	134,987,162
2032	134,987,162	8,746,843	10,808,605	132,925,400
2033	132,925,400	8,607,119	10,825,042	130,707,477
2034	130,707,477	8,457,559	10,820,616	128,344,420
2035	128,344,420	8,298,397	10,810,409	125,832,408
2036	125,832,408	8,130,221	10,769,387	123,193,242
2037	123,193,242	7,954,494	10,697,772	120,449,964
2038	120,449,964	7,772,915	10,591,322	117,631,557
2039	117,631,557	7,586,975	10,463,845	114,754,687
2040	114,754,687	7,397,833	10,314,310	111,838,210
2041	111,838,210	7,206,431	10,152,551	108,892,090
2042	108,892,090	7,013,912	9,964,573	105,941,429
2043	105,941,429	6,822,129	9,745,702	103,017,856
2044	103,017,856	6,633,077	9,500,102	100,150,831
2045	100,150,831	6,448,054	9,248,217	97,350,668
2046	97,350,668	6,268,685	8,962,530	94,656,823

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

Certain Key Assumptions

Valuation Investment return assumption 6.75%
 Valuation Mortality Table FRS Mortality Rates from 7/1/19 FRS Valuation

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



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

FYE	Market Value of Assets (BOY)	Expected Investment Return	Projected Benefit Payments	Market Value of Assets (EOY)
2021	141,976,418	9,307,972	8,161,072	143,123,318
2022	143,123,318	9,361,719	8,862,370	143,622,667
2023	143,622,667	9,381,902	9,263,039	143,741,530
2024	143,741,530	9,379,453	9,573,350	143,547,633
2025	143,547,633	9,358,310	9,812,011	143,093,932
2026	143,093,932	9,320,417	10,027,362	142,386,987
2027	142,386,987	9,263,945	10,286,714	141,364,218
2028	141,364,218	9,189,006	10,461,606	140,091,618
2029	140,091,618	9,098,534	10,597,031	138,593,121
2030	138,593,121	8,993,522	10,711,513	136,875,130
2031	136,875,130	8,875,794	10,763,762	134,987,162
2032	134,987,162	8,746,843	10,808,605	132,925,400
2033	132,925,400	8,607,119	10,825,042	130,707,477
2034	130,707,477	8,457,559	10,820,616	128,344,420
2035	128,344,420	8,298,397	10,810,409	125,832,408
2036	125,832,408	8,130,221	10,769,387	123,193,242
2037	123,193,242	7,954,494	10,697,772	120,449,964
2038	120,449,964	7,772,915	10,591,322	117,631,557
2039	117,631,557	7,586,975	10,463,845	114,754,687
2040	114,754,687	7,397,833	10,314,310	111,838,210
2041	111,838,210	7,206,431	10,152,551	108,892,090
2042	108,892,090	7,013,912	9,964,573	105,941,429
2043	105,941,429	6,822,129	9,745,702	103,017,856
2044	103,017,856	6,633,077	9,500,102	100,150,831
2045	100,150,831	6,448,054	9,248,217	97,350,668
2046	97,350,668	6,268,685	8,962,530	94,656,823

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

Certain Key Assumptions

Valuation Investment return assumption 6.75%
 Valuation Mortality Table FRS Mortality Rates from 7/1/19 FRS Valuation

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



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

FYE	Market Value of Assets (BOY)	Expected Investment Return	Projected Benefit Payments	Market Value of Assets (EOY)
2021	141,976,418	6,550,054	8,161,072	140,365,400
2022	140,365,400	6,456,875	8,862,370	137,959,905
2023	137,959,905	6,333,098	9,263,039	135,029,964
2024	135,029,964	6,186,556	9,573,350	131,643,170
2025	131,643,170	6,020,015	9,812,011	127,851,174
2026	127,851,174	5,834,781	10,027,362	123,658,593
2027	123,658,593	5,629,474	10,286,714	119,001,353
2028	119,001,353	5,404,101	10,461,606	113,943,848
2029	113,943,848	5,160,653	10,597,031	108,507,470
2030	108,507,470	4,899,706	10,711,513	102,695,663
2031	102,695,663	4,622,405	10,763,762	96,554,306
2032	96,554,306	4,329,625	10,808,605	90,075,326
2033	90,075,326	4,021,483	10,825,042	83,271,767
2034	83,271,767	3,698,419	10,820,616	76,149,570
2035	76,149,570	3,360,357	10,810,409	68,699,518
2036	68,699,518	3,007,454	10,769,387	60,937,585
2037	60,937,585	2,640,463	10,697,772	52,880,276
2038	52,880,276	2,260,269	10,591,322	44,549,223
2039	44,549,223	1,867,572	10,463,845	35,952,950
2040	35,952,950	1,462,800	10,314,310	27,101,440
2041	27,101,440	1,046,195	10,152,551	17,995,084
2042	17,995,084	618,108	9,964,573	8,648,619
2043	8,648,619	179,349	9,745,702	-
2044	-	-	9,500,102	-
2045	-	-	9,248,217	-
2046	-	-	8,962,530	-

Number of years for which current market value of assets are adequate to sustain the payment of expected retirement benefits, **reflecting no contributions from the Employer, Employee or State, contrary to Florida Statutes and Plan provisions:** 22.92

Certain Key Assumptions

Valuation Investment return assumption 4.75%
 Valuation Mortality Table FRS Mortality Rates from 7/1/19 FRS Valuation

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



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

FYE	Market Value of Assets (BOY)	Expected Investment Return	Projected Benefit Payments	Market Value of Assets (EOY)
2021	141,976,418	12,065,890	8,161,072	145,881,236
2022	145,881,236	12,376,879	8,862,370	149,395,745
2023	149,395,745	12,666,870	9,263,039	152,799,576
2024	152,799,576	12,951,129	9,573,350	156,177,355
2025	156,177,355	13,236,243	9,812,011	159,601,587
2026	159,601,587	13,526,442	10,027,362	163,100,667
2027	163,100,667	13,821,265	10,286,714	166,635,218
2028	166,635,218	14,122,886	10,461,606	170,296,498
2029	170,296,498	14,437,323	10,597,031	174,136,790
2030	174,136,790	14,768,340	10,711,513	178,193,617
2031	178,193,617	15,121,027	10,763,762	182,550,882
2032	182,550,882	15,500,326	10,808,605	187,242,603
2033	187,242,603	15,910,132	10,825,042	192,327,693
2034	192,327,693	16,355,271	10,820,616	197,862,348
2035	197,862,348	16,840,000	10,810,409	203,891,939
2036	203,891,939	17,369,384	10,769,387	210,491,936
2037	210,491,936	17,950,017	10,697,772	217,744,181
2038	217,744,181	18,589,246	10,591,322	225,742,105
2039	225,742,105	19,294,641	10,463,845	234,572,901
2040	234,572,901	20,073,878	10,314,310	244,332,469
2041	244,332,469	20,934,917	10,152,551	255,114,835
2042	255,114,835	21,886,598	9,964,573	267,036,860
2043	267,036,860	22,939,351	9,745,702	280,230,509
2044	280,230,509	24,104,540	9,500,102	294,834,947
2045	294,834,947	25,393,448	9,248,217	310,980,178
2046	310,980,178	26,818,655	8,962,530	328,836,303

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

Certain Key Assumptions

Valuation Investment return assumption 8.75%
 Valuation Mortality Table FRS Mortality Rates from 7/1/19 FRS Valuation

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



ACTUARIALLY DETERMINED CONTRIBUTION - ALL EMPLOYEES

	Plan's Latest Actuarial Valuation Assumptions	112.664(1)(a) F.S. Assumptions	112.664(1)(b) F.S. Assumptions	112.664(1)(b) F.S. except 2% higher investment return assumption
A. Valuation Date	October 1, 2020	October 1, 2020	October 1, 2020	October 1, 2020
B. Actuarially Determined Contribution (ADC) to Be Paid During Fiscal Year Ending	9/30/2022	9/30/2022	9/30/2022	9/30/2022
C. Assumed Dates of Employer Contributions	10/1/2021	10/1/2021	10/1/2021	10/1/2021
D. Annual Payment to Amortize Unfunded Actuarial Liability	\$ 1,724,973	\$ 1,724,973	\$ 5,327,363	\$ 0
E. Employer Normal Cost	1,421,576	1,421,576	2,624,765	766,330
F. Employer ADC if Paid on Valuation Date: D + E	3,146,549	3,146,549	7,952,128	766,330
G. Employer ADC Adjusted for Frequency of Payments	3,358,941	3,358,941	8,329,854	833,384
H. Employer ADC Adjusted for Frequency of Payments as % of Covered Payroll	27.38 %	27.38 %	67.90 %	6.79 %
I. Assumed Rate of Increase in Covered Payroll to Contribution Year	0.00 %	0.00 %	0.00 %	0.00 %
J. Covered Payroll for Contribution Year	12,267,117	12,267,117	12,267,117	12,267,117
K. Employer ADC for Contribution Year: H x J	3,358,941	3,358,941	8,329,854	833,384
L. Allowable Credit for State Revenue in Contribution Year	0	0	0	0
M. Net Employer ADC After State Revenue in Contribution Year	3,358,941	3,358,941	8,329,854	833,384
N. Net Employer ADC as % of Covered Payroll in Contribution Year: M ÷ J	27.38 %	27.38 %	67.90 %	6.79 %
O. Expected Member Contributions	829,192	829,192	829,192	829,192
P. Total Contribution (including Members) in Contributing Year: K + O	4,188,133	4,188,133	9,159,046	1,662,576
Q. Total Contribution as a % of covered payroll in Contribution Year: P ÷ J	34.14 %	34.14 %	74.66 %	13.55 %
R. Certain Key Assumptions				
Investment Return Assumption	6.75%	6.75%	4.75%	8.75%
Mortality Table	FRS Mortality Rates	FRS Mortality Rates	FRS Mortality Rates	FRS Mortality Rates

