



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

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

**A Pension Trust of the City of Miami
for the year ended
September 30, 2002**



City of Miami, Florida

**General Employees' and Sanitation Employees'
Retirement Trust and Other Managed Trusts**

**Comprehensive Annual Financial Report – A
Pension Trust Fund of the City of Miami**

For the Year Ended September 30, 2002

Prepared by: Accounting Department

Office Address: 1000 Brickell Avenue . Suite 1010 . Miami . Florida 33131-3014

THIS PAGE INTENTIONALLY LEFT BLANK

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION EMPLOYEES'
RETIREMENT TRUST AND OTHER MANAGED TRUSTS
FOR YEAR ENDED SEPTEMBER 30, 2002**

TABLE OF CONTENTS

	Page
I. <u>INTRODUCTORY SECTION</u>	
A. List of Board of Trustees, Management, and Consultants.....	4
B. Letter of Transmittal.....	6
C. Certificate of Achievement for Excellence in Financial Reporting.....	13
D. Organizational Chart.....	14
II. <u>FINANCIAL SECTION</u>	
A. Certified Public Accountants Report - Auditors' Opinion.....	16
B. Management Discussion and Analysis.....	18
C. Basic Financial Statements.....	30
1. Statement of Net Assets.....	30
2. Statement of Changes Net Assets.....	32
3. Notes to Financial Statements.....	34
D. Schedule of Funding Progress & Employer Contributions for Various Plans.....	49
E. Supporting Schedules.....	53
1. Schedule of Administrative Services.....	54
2. Schedule of Investment and Consultant Expenses.....	55
III. <u>INVESTMENT SECTION</u>	
A. Investment Consultant Letter.....	59
B. List of Investment Managers, Investment Overview, and Outline of Investment Guidelines.....	60
C. Summary of Investment Returns.....	70
D. Summary of Historical Market Values.....	71
E. Summary of 5 Year Fund Performance.....	72
F. Summary of Investment Manager Returns.....	73
G. Investment Summary by Asset Class.....	74
H. List of Largest Assets Held.....	75
I. Total Fund Manager Allocation.....	77
J. Schedule of Fees.....	78
K. Schedule of Commissions.....	79
L. Money Market Funds.....	81
M. Fixed Income Summary.....	82
N. U.S. Treasury Notes, & Treasury Bonds.....	83
O. Mortgage Backed Securities.....	84
P. Corporate Bonds.....	89
Q. Fixed Income Holdings Staff Pension Plan.....	99
R. Corporate Stocks & Rental Property.....	100
IV. <u>ACTUARIAL SECTION</u>	
A. Actuary's Certification Letter.....	106
B. Summary of Actuarial Assumptions and Methods.....	108
C. Schedule of Active Member Valuation Data.....	116
D. Schedule of Retirants and Beneficiaries.....	116
E. Solvency Test.....	116
F. Analysis of Financial Experience.....	117
G. Summary of Plan Provisions.....	118
V. <u>STATISTICAL SECTION</u>	
A. Schedule of Revenue by Source.....	132
B. Schedule of Expenses by Type.....	132
C. Schedule of Retired Members by Type of Benefit.....	136
D. Schedule of Average Benefit Payment Amounts.....	136
E. Schedule of Benefit Expenses by Type.....	136
F. Schedule of Age-Service-Salary Rates.....	137
G. Schedule of Active Employee Salary Rates.....	138

THIS PAGE INTENTIONALLY LEFT BLANK

Introductory Section

**BOARD OF TRUSTEES, MANAGEMENT,
AND CONSULTANTS**

As of September 30, 2002

Ronald Thompkins, CPA Chair
Appointed by City Commission

Rose Gordon, Vice Chair
Appointed by City Commission

Waldermar Lee
Appointed by City Commission

William J. Rabun
Appointed by AFSCME/Local 1907

- Vacant -
Appointed by City Manager

Caridad Montero
Appointed by City Commission

Oscar Valido
Appointment by AFSCME/Local 1907

James Turner
Appointed by AFSCME/Council 79

Laurence Wright
Appointed by AFSCME/Council 79

Legal Counsel
Ronald A. Silver, Esq.

Pension Administrator
Sandra Elenberg

Deputy Administrator
Christopher Recicar

Investment Consultants
Watson Wyatt Investment Consulting

Consulting Actuary
Buck Consultants

Certified Public Accountants
Grant Thornton LLP

Custodian Bank
State Street Bank & Trust Co.

Controller
Joseph Tejada

**BOARD OF TRUSTEES, MANAGEMENT,
AND CONSULTANTS**

As of March 28, 2003

Ronald Thompkins, CPA Chair
Appointed by City Commission

Rose Gordon, Vice Chair
Appointed by City Commission

Waldermar Lee
Appointed by City Commission

William J. Rabun
Appointed by AFSCME/Local 1907

Rosalie Mark
Appointed by City Manager

Caridad Montero
Appointed by City Commission

Oscar Valido
Appointment by AFSCME/Local 1907

James Turner
Appointed by AFSCME/Council 79

Laurence Wright
Appointed by AFSCME/Council 79

Legal Counsel
Ronald A. Silver, Esq.

Pension Administrator
Sandra Elenberg

Deputy Administrator
Christopher Recicar

Investment Consultants
Watson Wyatt Investment Consulting

Consulting Actuary
Buck Consultants

Certified Public Accountants
Grant Thornton LLP

Custodian Bank
State Street Bank & Trust Co.

Controller
Joseph Tejada

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

March 28, 2003

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

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 the other managed trusts, for the fiscal year ended September 30, 2002.

During the last several years, certain distinguishable changes have been made in the presentation of this report in an effort to meet guidelines set by the Government Finance Officers Association, for public employees retirement plans. We are confident that this new presentation will provide readers more information and a better understanding of the activities of these plans.

This report has been prepared by the accounting department of the trust; however, management is responsible for the accuracy of the information, and the completeness and fairness of its presentation.

This comprehensive annual financial report is divided into five sections. A brief description of each section is provided below:

Introductory Section - Includes: this letter of transmittal, a list of the Board of Trustees, management and consultants, a summary of plans' history, a description of the plans' administration, a summary of major initiatives taken during the year and an organizational chart.

Financial Section - Includes: independent auditor's report, Management's Discussion and Analysis, audited financial statements for the plans, schedule of funding progress, schedules of employer contributions and supporting schedules.

Investment Section - Includes: a letter from our investment consultant, summary of investment policy guidelines, summary of investments, summary of investment returns, and various other schedules relating to investments.

Actuarial Section - Includes: actuarial opinion letter from our consulting actuary, summarized information from the actuarial valuation reports and a summary of plan provisions.

Statistical Section - Includes: several schedules reflecting various statistical related information.

PLAN HISTORY

The City of Miami General Employees' and Sanitation Employees' Trust (G.E.S.E. Trust) was established pursuant to City of Miami Ordinance No. 5624, effective July 1, 1956. Subsequent amendments include Ordinance No. 10002, June 13, 1985, Ordinance No. 11021, November 12, 1992, Ordinance No. 11073, July 22, 1993, Ordinance No. 11234, March 27, 1995, Ordinance No. 11340, February 29, 1996, Ordinance No. 11392, September 12, 1996, Ordinance No. 11471, March 20, 1997, Ordinance No. 11589, November 10, 1997, Ordinance No. 11608, February 10, 1998, Ordinance No. 11729, October 27, 1998, Ordinance No. 11743, January 12, 1999, Ordinance No. 11927, May 11, 2000, Ordinance No. 12225, May 9, 2002, Ordinance No. 12240, June 27, 2002 and Ordinance No. 12249, June 27, 2002.

Pursuant to the final judgment entered on May 23, 1985, in the matter of Gates V. City of Miami, the City of Miami General Employees' and Sanitation Employees' Retirement Trust (GESE Trust) was established by ordinance No. 10002 effective June 13, 1985 to serve the needs of the general and sanitation employees.

Plan 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 of September 30, 2002, the Plan had 1,600 active members and 1,870 retirees and beneficiaries.

In July 2000, the City of Miami commission, pursuant to section 415(m) of the Internal Revenue Code provisions, and Section 40-265 of the City of Miami, Florida established a qualified governmental excess benefit plan. The Excess Benefit Plan was established to pay the City of Miami G.E.S.E. Retirement Trusts participants, whose benefits exceeded the amounts permitted by Sections 415 and 401(a)(17) of the Internal Revenue Code. In essence, the Excess Benefit Plan was established so that the amount of the defined benefits for eligible members is not diminished by changes in 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 February 23, 2001, the Board of Trustees moved to approve the establishment of a defined benefit plan for the staff employees of the City of Miami General Employees' & Sanitation Employees' Retirement Trust. The plans' legal name is the City of Miami General Employees' and Sanitation Employees' Retirement Trust Staff Pension Plan. The Staff Pension Plan (or Staff Trust) is a single employer defined plan to which member employees contribute 10% of their base salaries or wages. The Staff Pension Plan (Staff Trust) was officially established on April 27, 2001 by the rule making authority of the Board of Trustees of the City of Miami General Employees' and Sanitation Employees' Retirement Trust, pursuant to Chapter 40 of the Miami City Code. The original plan's effective date was July 1, 2001.

In March 2002, the City of Miami commission, pursuant to Ordinance No. 12202, agreed to establish a Deferred Retirement Option Program, to include a Forward Deferred Retirement Option Program ("DROP") and a Benefit Actuarially Calculated Deferred Retirement Option Program, ("BACDROP"). The City of Miami General Employees' and Sanitation Employees' Retirement Trust made the DROP plan available to all qualified active members effective May 1, 2002. The DROP is an enhancement to the GESE Retirement Trust that provides members with an additional vehicle for savings for their retirement years. In essence it allows active members who qualify for retirement to start receiving pension payments while they continue to work and receive pay and benefits as an active employee. While participating in the DROP plan, the members' pension payments are credited to a DROP account. The qualified members' DROP account earns interest and any applicable cost-of-living increases, on a tax-deferred basis. At the end of the members' drop period, when he or she is officially required to retire, he will begin receiving his monthly pension payments based on his years of service and salary at the time he enrolled in the DROP. A member can receive his accumulated DROP account balance in a lump sum, period payment, or an annuity. A qualified member can also have the proceeds rolled over into a tax-qualified plan. Such as an Individual Retirement Account (IRA), or a 457 Deferred Compensation Plan. The BACDROP is a way for a qualified active member to join the DROP plan retroactively to a date no earlier than the day the member becomes eligible to retire. At the time a qualified active member enrolls in a BACDROP, a member can elect to participate in the DROP for future service. If a member, however, decides to join the DROP without enrolling in the BACDROP, he or she cannot elect to enroll in the BACDROP at a later date.

PLAN ADMINISTRATION

The City of Miami General Employees' and Sanitation Employees' Retirement Trust is an irrevocable trust previously established by city ordinance. A nine member Board of Trustees, who are considered fiduciaries of the Trust, govern the Plans. 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, who shall not be city employees, selected by the City Commission, but nominated for selection by each of the unions representing the general employees and sanitation employees.

As fiduciaries of the plans the trustees shall perform their duties and responsibilities solely in the interest of members and beneficiaries of the retirement plans in a prudent manner. In order to achieve their goals, the board has employed the services of support staff including a pension administrator to perform daily functions. As stated previously, the Board of Trustees of the City of Miami General Employees' and Sanitation Employees' Retirement Trust administers the Excess Benefit Plan and the Staff Pension Plan.

Per city ordinance, the board is required to meet at least once every two months to conduct affairs of the City of Miami General Employees' & Sanitation Employees' Retirement Trust; however, the board typically meets once every other month, other than the month of August, during which meetings are not held.

The board employs the services of an investment consultant, a consulting actuary, and several investment managers. An actuarial valuation for each plan is performed by the actuary on an annual basis. Moreover, an actuarial experience study is also performed every three years in order to review the assumptions being utilized as compared to actual experience. 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 on a quarterly basis. The services of a custodial bank and several investment managers are utilized in order to achieve the goals of safeguarding assets, investment diversification, and achievement of returns that meet or exceed the plans' actuarial interest rate assumption with reasonable risk. A list of investment managers as of September 30, 2002, is provided on page 60 within the investment section. For cost saving benefit purposes, the Trust utilizes the services of its', actuary, custodial bank and one of its money mangers to administer separately the Staff Trust. With respect to the Excess Benefit Plan, it is the intention of the parties, that the Excess Benefit Plan be managed and administered at all times so that the participants shall not be deemed under provisions of the Internal Revenue Code to have constructively received the benefits prior to actual distribution. The City of Miami, through its municipal authority, established a Grantor Trust to administer the Excess Benefit Plan.

For the purpose of more efficient utilization of our personnel resources, on June 24, 2002, the City of Miami GESE Retirement Trust entered into an Administrative Services Agreement with the International City Management Association Retirement Corporation, (ICMA), to serve as administrator and investment Advisor for DROP plan and to perform all non-discretionary functions necessary for the administration of the DROP program. The ICMA is an investment advisor registered as such with Securities and Exchange Commission under the Investment Advisors Act of 1940, as amended. The functions to be performed by ICMA include: a) Allocate funds in accordance with member ("participant") direction of individual accounts to investment funds offered by ICMA; b) Maintain individual accounts for participants reflecting amounts deferred, income, gain, or loss credited, and amounts disbursed as benefits; c) Provide for periodic reports to the GESE Trust and the participants of the status of DROP plan investments and individual accounts; d) Communicate to participants of information regarding their rights and elections under the DROP Plan; and e) Disbursement of benefits as agent for the GESE Trust in accordance with terms of the DROP Plan. Further Responsibilities and functions to be performed by the ICMA include: f) Provide a selection of funds and investments that meet the criteria of the investment policy guidelines; g) Provide written quarterly reports to the Board regarding fund performance; h) Suggest fund option changes as needed and appropriate to the Board; i) Meet semi-annually with the Board.

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 performance and policy guidelines are monitored closely for adherence. Investment managers are also required to meet with the board at least every six months, so as to update the board of current events and performance related information.

Other services provided by the City of Miami G.E.S.E. Retirement Trust include accounting and financial reporting, retiree benefits processing, monthly disbursement of benefits and excess benefits to retirees and beneficiaries as well as other related services.

MAJOR INITIATIVES

At the beginning of this fiscal year 2002, The GESE Trust received a special request from one of its' fixed income investment management advisors, indicating that they would like us to lift restrictions on several fixed income investment vehicles, so they may take full advantage of opportunities in the international marketplace. Specifically, they requested we lift restrictions on Foreign Credits, Eurodollar Securities, and 144As. Rule 144As securities are widely traded and currently account for a large percentage of new issue corporate bonds. Many securities come to market as 144As rather than as registered bonds because an issuer may want to react quickly to conditions in the market and go through the lengthy registration process later. 144As with registration rights were added to the Lehman Aggregate Index in January 2000 and many 144A securities are as liquid as registered bonds. Bonds issued in US dollars by Foreign Credits are also known as Yankee Bonds. Up until January 2000, Lehman separated this sector when reporting all Index information. 2 years ago, though, they dropped this sector and created a Non-

corporate category, that includes all non-US Sovereign bonds and securities issued by organizations such as the World Bank. Corporate Bonds that were previously categorized as Yankee Bonds were combined with their respective Finance, Industrial or Utility Division. The Index was revised because, with the globalization of financial markets, the difference between domestic and foreign corporation became less distinct. Based on the above assessments, the board authorized and contracted Watson Wyatt World Wide to revise and incorporate the above recommendations into our investment policy. The investment policy changes and revisions were adopted and implemented by the board of trustees on November 30th 2001.

During the current fiscal year 2002, due to the City of Miami Commissioners' acceptance of a Drop plan and the accrued vacation and sick leave program, the Board of Trustees and the administrative staff initiated a major implementation process to incorporate the requirements of the DROP program into its operating and financial reporting system. Furthermore, the Board authorized Watson Wyatt to develop and formulate an investment policy for the ICMA Corporation to implement and follow as it participates in the administration of the DROP program. Also, the GESE Trust in conjunction with the City of Miami Information Technology Department finalized the implementation of the second and final phase of the excess benefit program. That phase included required modifications to support check processing for the excess benefits bank account, 1099 Form revisions, and a new entity created within the pension system to support GESE Staff pension accumulations. This basically allows for the tracking of GESE Staff Trust's accumulations.

BOARD ACTION

During this year, the Board closely monitored the portfolio performance and target to actual allocations results. Due to the rapid declines in the equity markets, the Board has undertaken steps to rebalance the assets as the needs presented themselves. Re-balancing of the portfolios, however, were executed as a result of the investment consultants review of the overall fund performance relative to the benchmark index and concerns of performance by at least one fixed income money manager, as well as allowing the commitment to equities remain below target as an interim defensive measure. Evaluation of the under-performing manager is being conducted and action is expected to be taken to replace the manager, if he does not meet the boards' performance requirements. This year the board took steps on recommendations from Watson Wyatt, to begin a search for a new international growth manager to replace SSGA International EAFE Fund., and to reallocate \$15million proceeds from the EAFE liquidation in the following manner: a) 9.05million to the new international growth fund manager, and b) 6.0million to the International Equity (ADR) manager.

The board continues to review all aspects of the Trusts, so as to comply with policies and regulations. All efforts continue to be made to administer the Plans in an efficient and cost effective manner. The board and management remains committed to serving the needs of its participants in a diligent and prudent manner.

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to City of Miami General Employees' and Sanitation Employees' Retirement Trust for its comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2001. The Certificate of Achievement is a prestigious national award recognizing, conformance with the highest standards for preparation of a state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. The CAFR must satisfy both 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 comprehensive annual financial report 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.

FINANCIAL INFORMATION

As part of the financial recording and reporting function, consideration is given to the adequacy of internal accounting controls. All efforts are made to provide reasonable assurance that financial transactions are properly

recorded and assets are safeguarded adequately. Monitoring and evaluation of internal controls is a function that is maintained on an ongoing basis. Furthermore, as part of the annual audit process, our independent external auditors also perform tests of internal controls. Although the concept of reasonable assurance recognizes that control tests would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses, it should be stated that our auditors have not found any matters involving the internal control over financial reporting and its operation that they consider to be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Management of the plans remains confident of the internal controls in place.

Pursuant to the Gates Agreement, all administrative expenditures of the Trusts, other than investment expenses are to be funded by the City of Miami. 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 account groups and performing variance analysis. All administrative expenditures other than investment manager fees are considered budgeted reimbursable expenditures. All investment manager fees are negotiated and based upon the market value of assets being managed; these fees, as well as all benefits and refunds are considered disbursements from the trust fund and not funded by the city.

The financial statements of the plans are prepared in conformity with generally accepted accounting principles and using the accrual basis of accounting. Plan member contributions and employer contributions are recognized in the period in which the contributions are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair market value as required by Government Accounting Standards Board (GASB) Statement No. 25.

FUNDING STATUS

Florida statutes require local pension plans to be funded based on approved actuarial reports. An annual actuarial valuation report is prepared by our consulting actuary and submitted to the State of Florida's Division of Retirement for approval on an annual basis.

All of the Plans funding policies provide for the City of Miami to make periodic employer contributions at actuarially determined rates. These contributions expressed as a percentage of annual covered payroll, 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 assumptions and factors, including investment rates of return. As can be seen from the schedule of employer contributions in the financial section, the City has consistently contributed the annual required contributions as determined by the plans' actuary. It should be noted that the Gates agreement provides for the plans actuary and the City's actuary to agree on the normal cost contributions. If the two actuaries cannot agree on the normal cost contributions after attempting to do so, they will promptly select an independent third actuary, to recommend a funding amount. However, it should also be noted that, to date, such a situation has not occurred.

The schedules of funding progress in the financial section of this CAFR provide information on the funding status of all the plans. As per actuarial valuation date 10/1/2002, the GESE plan's funded ratio was at 89.60%, the Excess Benefit Plan was 0.00%, and the Staff Pension Plan was at 33.72%. There has been a decrease in the funded ratio of the GESE plan when compared with the previous year, at which time the funded ratio was 103.06%.

The actuarial valuations are based on a series of actuarial assumptions, including an interest (actuarial asset return) rate of 8.1% and annual pay increases of 5.75% for the GESE Plan and 6.00% for the staff pension plan. The valuation of the Staff Pension Plan assumes that there is a 50% probability that the pension Administrator will retire upon reaching Rule of 70, eligibility (November 1, 2013). Actuarial gains and losses result when the actual experience of the plan (such as, asset return, pay increases, turnover, and deaths) is different from that expected by the actuarial assumptions. The City of Miami GESE Retirement Trust had net actuarial losses of (\$81,304,069) for the year ended September 30, 2002. The loss is primarily due to the past two-years consecutive back to back negative returns. The plans, however, continue in sound financial condition in accordance with Florida Statutes, City of Miami ordinance and the Gates agreement. The Board and management, along with our consulting actuary continue to diligently monitor the progress.

FUNDING STATUS (Continue)

To promote stability in annual contribution rates to the staff plan and to be consistent with the valuations of the GESE Retirement Trust, effective with the October 1, 2002 valuation the actuarial asset method was changed to a smoothed market value averaged over three years. Each year, the actuarial asset value is projected forward at the valuation date based on actuarial 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. The assets used in the valuation are based on a actuarial value of assets of \$303,728 as of October 1, 2002. The market value of assets as of October 1, 2002 reported by the GESE Retirement Trust audited financial statements is \$267,345. The staff pension plan is based on the same provisions as the City of Miami GESE plan, except that it does not include pre-retirement death benefits, disability and cola benefits. In addition, the Staff plan permits members to retire after 10 years of service regardless of age.

INVESTMENT ACTIVITIES

The investment activities of the plans are monitored very closely so as to maintain asset allocation within the established investment guidelines. The investment policy guidelines are reviewed and amended periodically upon consultation with the investment consultant and in fact were recently updated on November 1, 2001 and changes were implemented in the current fiscal year 2002. In considering investment allocation, the major focus of attention is the long-term goal of the plans. Asset classes currently being utilized include domestic equities, fixed income, American Depository Receipts, real estate and cash.

A detailed breakdown of individual manager investment style, rate of return, style benchmark, and universe ranking is provided on page 73 in the investment section of this report. For actuarial valuation purposes, the assumed rate of return is 8.1%, effective October 1, 1995. Effective October 1, 1997, the method of asset valuation utilized for actuarial purposes is a moving market value average over three years. Therefore, although fund return variations have an impact on actuarial calculations, the impact is not as high, due to the market smoothing effect.

The plan participates in a brokerage commission recapture program, and has requested large-cap equity managers to utilize the services of Donaldson & Co., Inc., and Abel Noser, Corp. for transactions in which utilization of the services would result in a benefit to the plan. The average net commission per share was \$0.02 with Donaldson & Company, as well as Abel Noser Corp. A summary list of brokerage commissions paid is presented in the investment section.

The City of Miami GESE Retirement Trust has engaged the services of Plexus Group to provide sponsor review services. The purpose of the service is to help the trustees assess the investing process of equity managers and measure trading efficiencies in equity markets. The service is designed to help plan trustees analyze the cost of brokerage 1) as an overview for all trade activity, 2) on a manager specific level and 3) on a market specific level.

OTHER INFORMATION

State of Florida statues require an annual audit by independent certified public accountants. The Trust's independent external auditors are Grant Thornton LLP, and as such, their opinion related to the accompanying financial statements, are included in the financial section of this report.

ACKNOWLEDGMENTS

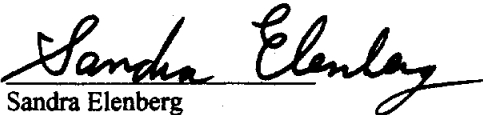
The preparation of this comprehensive annual financial report was made possible by the dedicated service of the staff of the accounting department of the plan. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report.


The guidance and cooperation of the Board of Trustees in planning and conducting the financial affairs of the plan is greatly appreciated.

On behalf of the Board of Trustees, we would also like to express our appreciation to our Certified Public Accountants, Grant Thornton LLP, our Actuary, Buck Consultants, our Investment Consultants, Watson Wyatt Investment Consulting, Inc., and our Custodian Bank, State Street Bank & Trust for their cooperation and assistance.

We hope this report provides useful information. Should there be any questions regarding this report, or any other retirement matter, please feel free to visit, write or call the pension office at (305) 579-6372.

Sincerely,


Sandra Elenberg
Pension Administrator


Ronald Thompkins, CPA
Chair


Joseph Tejada
Controller

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, 2001

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

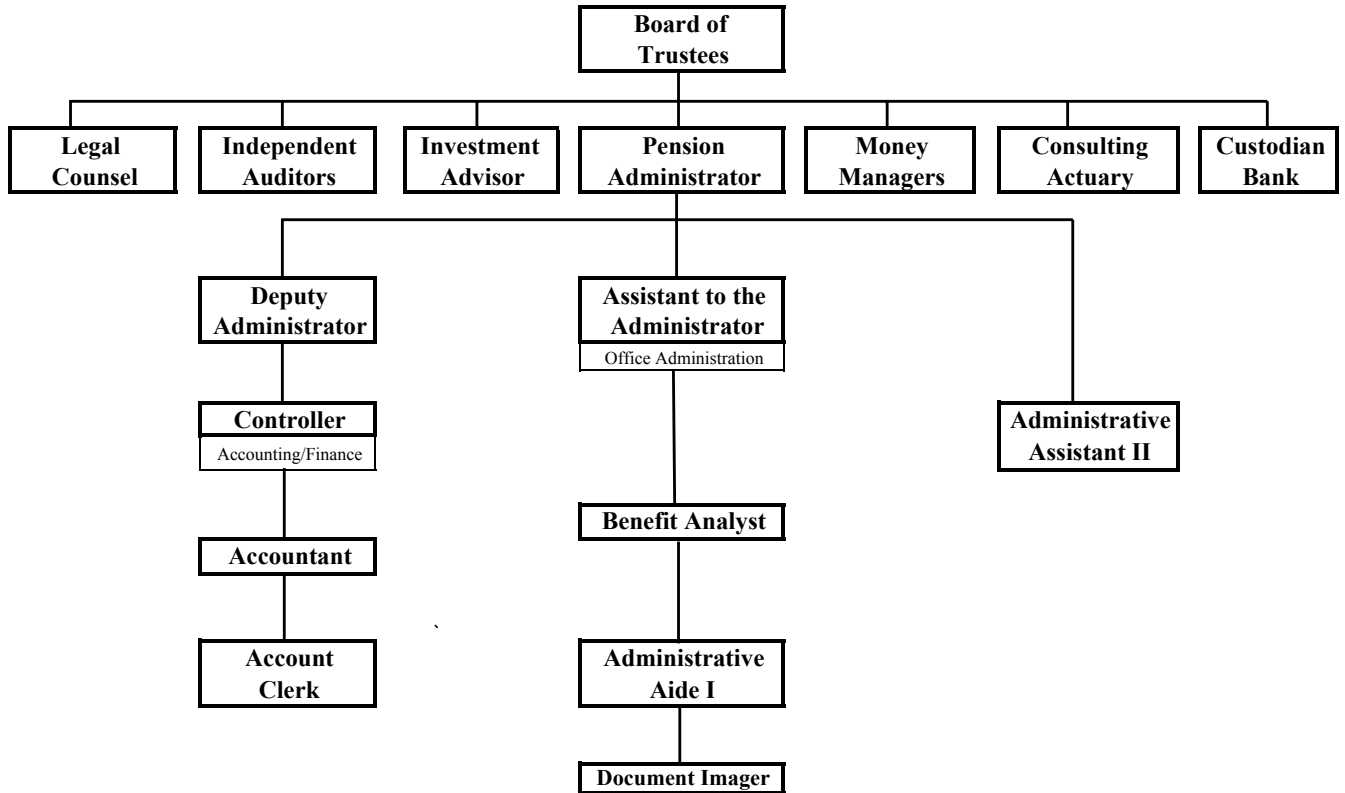


William Patrick Kato
President

Jeffrey L. Essler
Executive Director

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

Organizational Chart



Financial Section

REPORT OF INDEPENDENT CERTIFIED
PUBLIC ACCOUNTANTS

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

We have audited the combined statements of net assets of the City of Miami General Employees' and Sanitation Employees' Retirement Trust and Other Managed Trusts (the "Trusts") as of September 30, 2002 and 2001, and the related combined statements of changes in net assets for the years then ended. These financial statements are the responsibility of the Trust's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the net assets of the Trusts as of September 30, 2002 and 2001, and changes in net assets for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated January 7, 2003, on our consideration of the Trusts' internal control structure over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. This report is an integral part of, and should be read in conjunction with, our report on the financial statements.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole of the Trusts as of and for the year ended September 30, 2002. The schedules of administrative expenses, investment manager expenses, and payments to consultants on pages 54, 55 and 56 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements, and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Management's discussion and analysis on pages 18 - 29 and the schedules of funding progress and employer contributions on pages 49 - 51 are not a required part of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and do not express an opinion on it.

The information presented in the investment section, actuarial section and statistical section is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Grant Thornton LLP

Miami, Florida
January 7, 2003

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
(REQUIRED SUPPLEMENTARY INFORMATION)

September 30, 2002 and 2001

The discussion and analysis of the City of Miami General Employees' and Sanitation Employees' Retirement Trust and other managed Trusts', financial performance provides an overview of the financial activities and funding conditions for the Fiscal Year Ended September 30, 2002 and 2001.

FINANCIAL HIGHLIGHTS

The City of Miami General Employees' and Sanitation Employees' Retirement Trust (**GESE Trust**), net results from operations for fiscal year 2002, reflected the following financial activities:

- A net decrease of \$83.4 million in plan net assets (or -15.13%), (see Table 2, on page 23).
- The Statement of Changes in Plan Net Assets, (Table 2 on page 23) reflects the financial performance that occurred during the year. As can be seen, employer contributions for the year for the GESE Trust was down from \$8.5 million in fiscal year 2001 to \$2.1million in fiscal year 2002. The amount of, combined employer contributions vary from year to year and are actuarially determined for all three plans, while member contributions are equal to 10% of straight payroll.
- Both interest income and dividend income for the GESE Trust decreased \$2.2 million (or -13.80%) for fiscal year 2002 compared to fiscal year 2001. The decline in the fixed income interest was due to the high turnover of sales in one of the fixed income portfolios.
- The GESE Trust (including fixed income portfolios) experienced an increase from prior year in net investment income of \$9.4 million (or 14.30%) (see Table 2).
- Benefit payments, refunds of contributions and other deductions for the GESE Trust increased by \$1.9 million (or a 5.23% increase) from fiscal year 2001 to 2002 (see Table 2).

The City of Miami Excess Benefit Plan (**Excess Benefit Plan**) reflects the following activities for fiscal year 2002:

- Pension benefit payments for the Excess Benefit Plan increased \$283 thousand from prior year due to an increase in the number of retirees entitled to this benefit. Employer contributions, also increased, due to actuarial requirements.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
(REQUIRED SUPPLEMENTARY INFORMATION)

September 30, 2002 and 2001

FINANCIAL HIGHLIGHTS - Continued

- The Excess Benefit Plan had no investment plan assets, (See Table 1). Therefore, there were no performance results.

The City of Miami **GESE Staff Pension Plan (Staff Trust)** in contrast had the following financial performance results for fiscal year 2002:

- An increase in interest and dividend income due to the increase in investment assets as can be seen on Table 1, page 21.
- Despite the net increase of \$74 thousand in net assets, as seen on Table 2, the Staff Trust was impacted by the negative stock market environment and experienced a decline in total value of 6.5%, (see Table 6 on page 28).
- The Staff Trust also experienced a decline in net investment income of \$22 thousand, (see Table 2).

After three consecutive years of asset declines, accounting scandals and the threat of war in the horizon, the direction of the U.S. and international equity markets remain pretty much undeterminable for the short-term.

PLAN HIGHLIGHTS

In fiscal year 2002, the **GESE Trust** had the following significant events occur:

- Due to actuarial requirements the total contributions to the GESE Trust decreased \$6.4 million this fiscal year 2002 as compared to last fiscal year 2001.
- The GESE Trust adopted a Deferred Retirement Option Plan (DROP) as an enhancement to the GESE Trust, which allows a participant to receive his pension payments for a specified period, into a tax-qualified Defined Contribution Plan, while the participant continues to work.
- The GESE Trust acquired a building with land for approximately \$1.2 million to be used for administrative operations. The building is currently undergoing renovations and is not occupied.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
(REQUIRED SUPPLEMENTARY INFORMATION)

September 30, 2002 and 2001

PLAN HIGHLIGHTS - Continued

- The employee contributions received by the GESE Trust decreased by \$16 thousand. Employee contributions will vary from year to year and are dependent upon several factors such as salary levels, number of active members in the GESE Trust, etc. Considering the fact that the number of active members decreased from last year, the decrease in employee contributions is consistent with the pattern that would be expected.

During fiscal year 2002, the **Staff Trust** had the following relative events occur:

- The plan net assets increased from \$194 thousand in fiscal year 2001 to \$268 thousand, or a 38.1% increase.
- There were -0- retirees, therefore, the Staff Trust had no pension expenditures.

During fiscal year 2002, the **Excess Benefit Plan** had some significant highlights.

- As stated previously the Excess Benefit Plan has no plan assets.
- The Excess Benefit Plan was established to pay the G.E.S.E. Trusts' participants, whose benefits exceeded the amounts permitted by section 415 and 401(a)(17) of Internal Revenue Code. 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.

STATEMENT OF PLAN NET ASSETS

The following condensed comparative Statement of Plan Nets Assets demonstrates the investment positions the City of Miami G.E.S.E. Trust and Other Managed Trusts have taken to protect their assets.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
(REQUIRED SUPPLEMENTARY INFORMATION)

September 30, 2002 and 2001

STATEMENT OF PLAN NET ASSETS - Continued

TABLE 1

STATEMENT OF PLAN NET ASSETS

September 30,
(in Thousands)

	<u>2002</u> <u>GESE</u> <u>Trust</u>	<u>2001</u> <u>GESE</u> <u>Trust</u>	<u>2002</u> <u>Excess</u> <u>Ben-Plan</u>	<u>2001</u> <u>Excess</u> <u>Ben-Plan</u>	<u>2002</u> <u>Staff</u> <u>Plan</u>	<u>2001</u> <u>Staff</u> <u>Plan</u>
Cash:						
Cash and cash with fiscal agent	\$ 351	\$ 906	\$ 18	\$ 3	\$ -	\$ -
Receivables:						
Securities sold and interest	19,335	6,660	-	-	1	22
Contributions	<u>1,206</u>	<u>1,007</u>	<u>25</u>	<u>2</u>	<u>-</u>	<u>-</u>
Total receivables	20,541	7,667	25	2	1	22
Investments at fair value:						
Fixed income	156,404	196,237	-	-	106	99
Corporate Stocks	<u>319,888</u>	<u>373,909</u>	<u>-</u>	<u>-</u>	<u>181</u>	<u>98</u>
Total investments	476,292	570,146	-	-	287	197
Fixed assets	1,175	-	-	-	-	-
Total assets	498,359	578,719	43	5	288	219
Liabilities:						
Accounts payable on securities purchased	29,941	26,851	-	-	17	25
Accounts payable	<u>694</u>	<u>671</u>	<u>43</u>	<u>5</u>	<u>3</u>	<u>-</u>
Total liabilities	30,635	27,522	43	5	20	25
Net assets held in trust for pension benefits	<u>\$ 467,724</u>	<u>\$ 551,197</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 268</u>	<u>\$ 194</u>

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

MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
(REQUIRED SUPPLEMENTARY INFORMATION)

September 30, 2002 and 2001

STATEMENT OF PLAN NET ASSETS - Continued

The Statement of Plan Net Assets (Table 1) is a point in time snapshot of account balances at fiscal year-end. It reports the assets available for future payments to retirees, and any current liabilities that are owed as of the financial Statements date. The resulting Net Asset Value (Assets-Liabilities = Net Asset) represents the value of assets held in trust for pension benefits. In spite of a third straight year of asset declines and investment losses, the City of Miami General Employees' and Sanitation Employees' Retirement Trust and Other Managed Trusts, continue to be soundly funded. It is important to remember that a retirement systems funding is based on a long time horizon, where temporary ups and downs in the market are expected.

The financial statements reflect, the activities of the City of Miami General Employees' and Sanitation Employees Retirement Trust and Other Managed Trusts, and are reported in the Statement of Plan Net Assets (see Table 1, page 21) and the Statement of Changes in Plan Net Assets (Table 2, see page 23). These statements are presented on a full accrual basis and reflect all Trusts' activities as incurred. The Net Assets of the City of Miami General Employees' and Sanitation Employees Retirement Trust and Other Managed Trusts exceeded their liabilities at the close of the Fiscal year 2002, with \$467,992,419 in net assets held in trust for pension benefits. The net assets are available to meet on-going obligations to plan participants and their beneficiaries.

STATEMENT OF CHANGES IN PLAN NET ASSETS

The Statement of Changes in Plan Net Assets, displays the effect of pension fund transactions that occurred during the fiscal year, where Additions – Deductions = Net Increase (or decrease) in net Assets. The Table below shows a condensed comparative summary of the changes in net assets and reflects the activities of the City of Miami GESE Retirement Trust and Other Managed Trusts.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
(REQUIRED SUPPLEMENTARY INFORMATION)**

September 30, 2002 and 2001

STATEMENT OF CHANGES IN PLAN NET ASSETS - Continued

TABLE 2

STATEMENTS OF CHANGES IN PLAN NET ASSETS

**For the Years Ended September 30,
(in Thousands)**

	<u>2002 GESE Trust</u>	<u>2001 GESE Trust</u>	<u>2002 Excess Ben-Plan</u>	<u>2001 Excess Ben-Plan</u>	<u>2002 Staff Trust</u>	<u>2001 Staff Trust</u>
Additions:						
Contributions						
City of Miami	\$ 2,091	\$ 8,459	\$ 351	\$ 68	\$ 58	\$ 14
Members	<u>7,147</u>	<u>7,164</u>	<u>-</u>	<u>-</u>	<u>38</u>	<u>186</u>
Total contributions	9,238	15,623	351	68	96	200
Reimbursement income/ City of Miami	1,679	1,435	37	26	-	-
Net investment income (loss)	<u>(56,217)</u>	<u>(65,595)</u>	<u>-</u>	<u>-</u>	<u>(22)</u>	<u>(6)</u>
Total additions (reductions)	(45,300)	(48,537)	388	94	74	194
Deductions:						
Pension benefits	35,352	33,090	351	68	-	-
Refunds upon resignations, death, etc.	1,142	1,750	-	-	-	-
Administrative expenditures	<u>1,679</u>	<u>1,435</u>	<u>37</u>	<u>26</u>	<u>-</u>	<u>-</u>
Total deductions	38,173	36,275	388	94	-	-
Net increase (decrease)	(83,473)	(84,812)	-	-	74	194
Net assets held in trust for pension benefits, beginning of year	551,197	636,009	-	-	194	-
Net assets held in trust for pension benefits, end of year	<u>\$ 467,724</u>	<u>\$ 551,197</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 268</u>	<u>\$ 194</u>

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

MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
(REQUIRED SUPPLEMENTARY INFORMATION)

September 30, 2002 and 2001

STATEMENT OF CHANGES IN PLAN NET ASSETS - Continued

The City of Miami General Employees' and Sanitation Employees' Retirement Trust and Other Managed Trusts, funding objectives are to meet long-term obligations, and to the extent possible, fund all pension benefits, from the close of fiscal year ended September 30, 2002 and to the future.

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

- Revenues (additions to the plan net assets) for the GESE Trust were a negative \$45.3 million, which includes member and employer contributions of \$9.2 million, and net losses from investment activities of \$56.2 million.
- Expenses (deductions to plan net assets) increased from \$36.2 million during 2001 to \$38.2 million in 2002 or about 5.22% percent. Most of the increase relates to increases in pension benefit payments.

The changes in plan net assets for the **Excess Benefit Plan** reflect the following:

- The revenues and expenses for the excess benefit plan were actuarially determined and there were increases in both areas.
- The excess plan has no plan assets the actual results for the year were zero.

The changes in plan net assets fro the **Staff Trust**, reflect the following:

- A net increase in revenues of \$74 thousand. The additions for the Staff Trust were greater in the previous year due to the employee rollover contributions of \$186 thousand.

ASSET ALLOCATIONS

The table below indicates the GESE Trust's investment policy target asset allocation for September 30, 2002.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
(REQUIRED SUPPLEMENTARY INFORMATION)**

September 30, 2002 and 2001

ASSET ALLOCATIONS - Continued

TABLE 3

SUMMARY OF ASSET ALLOCATION GESE TRUST

	Policy Guidelines as of November 30, 2001			Actual		
	Minimum	Target	Maximum	September 30, 2002	September 30, 2001	September 30, 2000
Domestic large cap equities	40.0%	50.0%	60.0%	43.4%	54.9%	54.4%
Small-mid cap equities	0.0%	10.0%	15.0%	10.5%	4.5%	10.0%
International equities (UH)	0.0%	10.0%	15.0%	5.7%	4.6%	5.6%
U.S. aggregate fixed income	20.0%	25.0%	40.0%	33.2%	29.1%	24.6%
Real estate	0.0%	5.0%	10.0%	6.3%	5.3%	4.3%
Cash and other	0.0%	0.0%	15.0%	0.9%	1.5%	1.0%
				<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

There was a larger than normal actual commitment to fixed income securities on an interim basis which was due to: (a) Concerns over the overall weak condition of the marketplace; (b) The equity markets around the world fell sharply this quarter. The S&P 500 Index declined 28.2%, which was the worst decline since 1987; (c) Concerns over a possible war with Iraq, as well as International Equities declining 19.7%; and (d) Lastly, the fixed income sector was the top performing asset class year-to-date. Despite our fixed income allocation being a little greater than normal, it was still within policy defined limits.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
(REQUIRED SUPPLEMENTARY INFORMATION)**

September 30, 2002 and 2001

ASSET ALLOCATIONS - Continued

The Table below indicates Staff Trust's investment policy target asset allocation for September 30, 2002.

**TABLE 4
SUMMARY OF ASSET ALLOCATION STAFF TRUST**

	Policy Guidelines as of April 27, 2001			Actual	
	Minimum	Target	Maximum	September 30, 2002	September 30, 2001
Domestic large cap equities	40.0%	50.0%	60.0%	45.4%	50.9%
U.S. aggregate fixed income	40.0%	50.0%	60.0%	50.5%	42.0%
Cash and other	0.0%	0.0%	10.0%	4.1%	7.1%
				<u>100.0%</u>	<u>100.0%</u>

The equity allocation is slightly off the 50-50 target due to market fluctuations, especially due to the big market decline in the third quarter 2002. There were no small capitalization stocks in the portfolio as of September 30, 2002.

INVESTMENT ACTIVITIES

Investment income is vital to the City of Miami General Employees and Sanitation Employees Retirement Trust and Other Managed Trusts for current and future financial stability. Therefore, the Trustees have a fiduciary responsibility to act prudently and discretely, when making Plan investment decisions. To assist the Board of Trustees in this area, the Board employs the services of an investment consultant to review and update periodically the Investment Policy Statements. The Investment Policy Statements were last amended November 2001 for the GESE Trust and April 2001 for the Staff Trust.

Portfolio performances are reviewed quarterly by the Board and its investment consultant. Performance is evaluated both individually by money manager style, and collectively by investment type and for the aggregate portfolio.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
(REQUIRED SUPPLEMENTARY INFORMATION)**

September 30, 2002 and 2001

INVESTMENT ACTIVITIES - Continued

Due in part to the last three years decline in the equity markets, the overall investment results were negative. The funds ended the year underweight to equities and overweight to fixed income. However, the asset allocations remained within the investment policy guidelines.

The G.E.S.E. Trust returned -10.4%, for the one year ended September 30th, 2002, (see Table 5) but outperformed the benchmark by 20 basis points. The Plan's out-performance was mainly the result of an underweight to equities relative to the Balanced Index.

The overall performance results for the GESE Trust can be viewed on Table 5 below:

**TABLE 5
SUMMARY OF INVESTMENT RETURNS GESE TRUST**

	September 30,			
	<u>2002</u>	<u>2001</u>	<u>Annualized Return (%)</u>	
			<u>3 Years</u>	<u>5 Years</u>
Equities				
Fund Return - Domestic Equities	-19.5%	-18.9%	-7.9%	-0.5%
Fund Return - International Equities	-12.5	-27.1	-11.9	-5.0
S & P 500	-20.5	-26.6	-12.9	-1.6
Dow Jones	-12.5	-15.6	-8.3	0.8
Russell Mid-Cap	-9.0	-22.4	-2.4	0.9
Russell 2000 - Small Stock	-9.3	-21.2	-4.1	-3.2
MSCI EAFE - Non US Stocks	-15.5	-28.5	-14.6	-5.7
Fixed Income				
Fund return - Fixed Income	6.7	12.5	8.8	7.7
Lehman Brothers - Aggregate	8.6	13.0	9.5	7.8
Lehman Brothers - Mortgage Backed	7.4	12.3	9.0	7.6
Lehman Brothers - Government/Corporate	9.2	13.2	9.7	7.9
T-Bills - 90 days	1.8	4.2	3.9	4.3
Real Estate				
Fund return - Real Estate	3.9	9.5	10.3	10.6
NCREIF Index	5.7	10.1	9.2	11.4
Total Fund Return	-10.4	-10.4	-2.4	2.4
Total Fund Benchmark	-10.6	-15.7	-5.8	1.6

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
(REQUIRED SUPPLEMENTARY INFORMATION)**

September 30, 2002 and 2001

INVESTMENT ACTIVITIES - Continued

Please note that the above schedule reflects the last two years' rates of returns, including three-year and five-year rates of returns. Please also note that the above rates of returns are time weighted, gross of fees, and based on market rate of return in accordance with AIMR's performance presentation standards.

As noted in the beginning, for the fiscal year ended September 30, 2002, the Staff Trust was also impacted by the negative stock market environment and experienced decline in total value of 6.5%. The equity portion of the staff plan declined 21.4%, in line with the S&P 500 and the Russell 1000 Growth indexes. The equity decline was substantially offset by the 8.2% increase in value in the fixed income segment of the portfolio. The Staff Trust benefited from the conservative diversification policy of allocating 50% of the account to fixed income investments.

The overall performance results for the Staff Trust can be viewed in the table below:

TABLE 6

SUMMARY OF INVESTMENT RETURNS STAFF TRUST

September 30,

	<u>2002</u>	<u>2001</u>	<u>From Inception</u>	<u>Inception Cumulative</u>
Equities				
Fund Return - Domestic Large Cap Entities	-21.4%	-12.2%	-27.2%	-31.0%
S & P 500	-20.5	-13.8	-27.7	-31.5
Russell 1,000 - Growth Stock	-22.5	-17.3	-31.7	-35.9
Dow Jones	-14.2	-15.9	-24.4	-27.9
Fixed Income				
Fund Return - Fixed Income	8.8	2.3	9.3	10.9
Lehman Brothers - Aggregate	8.6	2.3	9.5	11.1
Lehman Brothers - Mortgage Backed	7.4	2.4	8.5	9.9
Lehman Brothers - Government/Corporate	9.2	2.2	9.9	11.6
Cash Equivalent (Money Market Funds)				
Fund Return	6.3	2.4	N/A	N/A
T-Bills - 90 days	2.1	0.8	N/A	N/A
Total Fund Return	-6.5	-4.5	-9.3	-10.7
Total Fund Benchmark	-6.5	-5.9	-10.4	-12.0

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
(REQUIRED SUPPLEMENTARY INFORMATION)**

September 30, 2002 and 2001

FINANCIAL ANALYSIS SUMMARY

The City of Miami General Employees' and Sanitation Employees' Retirement Trust and Other Managed Trusts investment activities, measured as of the end of the fiscal year 2002, are a function of the underlying marketplace for the period measured, money manager performance, and the investment policy's asset allocation. There was very little opportunity for positive returns on the investments of a diversified portfolio, for this fiscal year, as can be seen in the aforementioned, tables 1, 2, 5 & 6. However, the City of Miami General Employees' and Sanitation Employees Retirement Trust and Other Managed Trusts funding objectives are to meet long-term benefit obligations through investment income and contributions. Accordingly, the collection of employer and member contributions, and the income from investments provide the reserves needed to finance future retirement benefit payments.

Despite variations in the stock market, management and its' actuary concur that the City of Miami General Employees' and Sanitation Employees' Retirement Trust and Other Managed Trusts remain in sound financial position to meet their future obligations to the plan participants and beneficiaries. As previously noted, the current financial position is the result of, or due to, temporary market conditions. The GESE Trust and its' related managed trusts, however, still possess very successful investment programs and prudent management practices in place for many years to come.

CONTACTING THE PLANS FINANCIAL MANAGEMENT

This financial report is designed to provide the Trustees, City of Miami plan participants & general employees with an overview of the Plans Finances and the prudent exercise of the Boards oversight. If you have any questions regarding the contents of this report, please contact the City of Miami General Employees and Sanitation Retirement Trust at (305) 579-6372.

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

STATEMENT OF NET ASSETS

September 30, 2002

	G.E.S.E Trust	Excess Benefit Plan	Staff Trust	Total
ASSETS				
Cash	\$ 351,261	\$ 18,055	\$ -	\$ 369,316
Receivables:				
Securities sold	17,195,271	-	-	17,195,271
Members' contributions	205,107	-	-	205,107
Accrued interest	2,139,544	-	675	2,140,219
City of Miami	966,360	24,431	-	990,791
Other	35,000	-	-	35,000
Total receivables	20,541,282	24,431	675	20,566,388
Investments, at fair value:				
U.S. Government and Agency securities	56,684,425	-	51,061	56,735,486
Corporate stocks	290,771,873	-	181,375	290,953,248
Corporate bonds	84,634,674	-	20,793	84,655,467
Real estate fund	29,116,307	-	-	29,116,307
Money market funds and commercial paper	15,085,239	-	33,652	15,118,891
Total investments	476,292,518	-	286,881	476,579,399
Fixed assets	1,174,527	-	-	1,174,527
Total assets	498,359,588	42,486	287,556	498,689,630
LIABILITIES				
Payable for securities purchased	29,940,714	-	16,905	29,957,619
Accounts payable	694,187	42,486	2,919	739,592
Total liabilities	30,634,901	42,486	19,824	30,697,211
Net assets held in trust for pension benefits (A schedule of funding progress is presented on pages 49 - 51)	\$ 467,724,687	\$ -	\$ 267,732	\$ 467,992,419

The accompanying notes are an integral part of this statement.

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

STATEMENT OF NET ASSETS

September 30, 2001

	<u>G.E.S.E Trust</u>	<u>Excess Benefit Plan</u>	<u>Staff Trust</u>	<u>Total</u>
ASSETS				
Cash	\$ 698,057	\$ 3,505	\$ -	\$ 701,562
Cash with fiscal agent	208,250	-	-	208,250
Receivables:				
Securities sold	4,204,115	-	21,679	4,225,794
Members' contributions	152,335	-	-	152,335
Accrued interest	2,455,424	-	-	2,455,424
City of Miami	<u>854,873</u>	<u>1,582</u>	<u>-</u>	<u>856,455</u>
Total receivables	<u>7,666,747</u>	<u>1,582</u>	<u>21,679</u>	<u>7,690,008</u>
Investments, at fair value:				
U.S. Government and Agency securities	79,917,505	-	77,859	79,995,364
Corporate stocks	345,011,580	-	98,487	345,110,067
Corporate bonds	87,513,368	-	-	87,513,368
Real estate fund	28,898,021	-	-	28,898,021
Money market funds and commercial paper	<u>28,806,196</u>	<u>-</u>	<u>20,911</u>	<u>28,827,107</u>
Total investments	<u>570,146,670</u>	<u>-</u>	<u>197,257</u>	<u>570,343,927</u>
Total assets	578,719,724	5,087	218,936	578,943,747
LIABILITIES				
Payable for securities purchased	26,850,648	-	24,719	26,875,367
Accounts payable	<u>671,823</u>	<u>5,087</u>	<u>-</u>	<u>676,910</u>
Total liabilities	<u>27,522,471</u>	<u>5,087</u>	<u>24,719</u>	<u>27,552,277</u>
Net assets held in trust for pension benefits (A schedule of funding progress is presented on pages 49 - 51)	<u>\$ 551,197,253</u>	<u>\$ -</u>	<u>\$ 194,217</u>	<u>\$ 551,391,470</u>

The accompanying notes are an integral part of this statement.

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

STATEMENT OF CHANGES IN NET ASSETS

Year Ended September 30, 2002

	<u>G.E.S.E Trust</u>	<u>Excess Benefit Plan</u>	<u>Staff Trust</u>	<u>Total</u>
ADDITIONS				
Contributions:				
City of Miami	\$ 2,090,701	\$ 351,417	\$ 57,500	\$ 2,499,618
Members	<u>7,147,651</u>	<u>-</u>	<u>38,382</u>	<u>7,186,033</u>
Total contributions	<u>9,238,352</u>	<u>351,417</u>	<u>95,882</u>	<u>9,685,651</u>
Investment (loss) income:				
Net depreciation in fair value of investments	(68,173,125)	-	(29,278)	(68,202,403)
Interest	9,216,228	-	6,457	9,222,685
Dividend	4,774,760	-	1,565	4,776,325
Rental and other income, net	<u>177,271</u>	<u>-</u>	<u>-</u>	<u>177,271</u>
Total investment (loss) income	(54,004,866)	-	(21,256)	(54,026,122)
Less investment expense	<u>2,212,751</u>	<u>-</u>	<u>1,111</u>	<u>2,213,862</u>
Net investment (loss) income	(56,217,617)	-	(22,367)	(56,239,984)
Reimbursement income from City of Miami	<u>1,679,275</u>	<u>36,592</u>	<u>-</u>	<u>1,715,867</u>
Total (reductions) additions	<u>(45,299,990)</u>	<u>388,009</u>	<u>73,515</u>	<u>(44,838,466)</u>
DEDUCTIONS				
Benefits	35,351,750	351,417	-	35,703,167
Refunds of contributions	1,141,551	-	-	1,141,551
Administrative and other expenses	<u>1,679,275</u>	<u>36,592</u>	<u>-</u>	<u>1,715,867</u>
Total deductions	<u>38,172,576</u>	<u>388,009</u>	<u>-</u>	<u>38,560,585</u>
Net (decrease) increase	(83,472,566)	-	73,515	(83,399,051)
Net assets held in trust for pension benefits, beginning of year	<u>551,197,253</u>	<u>-</u>	<u>194,217</u>	<u>551,391,470</u>
Net assets held in trust for pension benefits, end of year	<u>\$ 467,724,687</u>	<u>\$ -</u>	<u>\$ 267,732</u>	<u>\$ 467,992,419</u>

The accompanying notes are an integral part of this statement.

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

STATEMENT OF CHANGES IN NET ASSETS

Year Ended September 30, 2001

	<u>G.E.S.E Trust</u>	<u>Excess Benefit Plan</u>	<u>Staff Trust</u>	<u>Total</u>
ADDITIONS				
Contributions:				
City of Miami	\$ 8,458,735	\$ 68,351	\$ 14,375	\$ 8,541,461
Members	<u>7,163,964</u>	<u>-</u>	<u>186,190</u>	<u>7,350,154</u>
Total contributions	<u>15,622,699</u>	<u>68,351</u>	<u>200,565</u>	<u>15,891,615</u>
Investment (loss) income:				
Net depreciation in fair value of investments	(79,726,064)	-	(7,308)	(79,733,372)
Interest	11,426,794	-	933	11,427,727
Dividend	4,804,175	-	201	4,804,376
Rental and other income, net	<u>209,969</u>	<u>-</u>	<u>-</u>	<u>209,969</u>
Total investment (loss) income	(63,285,126)	-	(6,174)	(63,291,300)
Less investment expense	<u>2,309,999</u>	<u>-</u>	<u>174</u>	<u>2,310,173</u>
Net investment (loss) income	(65,595,125)	-	(6,348)	(65,601,473)
Reimbursement income from City of Miami	<u>1,435,266</u>	<u>26,083</u>	<u>-</u>	<u>1,461,349</u>
Total (reductions) additions	<u>(48,537,160)</u>	<u>94,434</u>	<u>194,217</u>	<u>(48,248,509)</u>
DEDUCTIONS				
Benefits	33,089,908	68,351	-	33,158,259
Refunds of contributions	1,749,515	-	-	1,749,515
Administrative and other expenses	<u>1,435,266</u>	<u>26,083</u>	<u>-</u>	<u>1,461,349</u>
Total deductions	<u>36,274,689</u>	<u>94,434</u>	<u>-</u>	<u>36,369,123</u>
Net (decrease) increase	(84,811,849)	-	194,217	(84,617,632)
Net assets held in trust for pension benefits, beginning of year	<u>636,009,102</u>	<u>-</u>	<u>-</u>	<u>636,009,102</u>
Net assets held in trust for pension benefits, end of year	<u>\$ 551,197,253</u>	<u>\$ -</u>	<u>\$ 194,217</u>	<u>\$ 551,391,470</u>

The accompanying notes are an integral part of this statement.

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

NOTES TO FINANCIAL STATEMENTS

Years Ended September 30, 2002 and 2001

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

The Board of Trustees of the City of Miami General Employees' and Sanitation Employees' Retirement Trust administers three defined benefit pension plans - (1) City of Miami General Employees' and Sanitation Employees' Retirement Trust ("GESE Trust"), which is a single employer public employee retirement system, (2) an Excess Benefit Plan for the City of Miami and (3) City of Miami General Employees' and Sanitation Employees' Retirement Trust Staff Pension Plan ("Staff Trust"). 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 plan.

The financial statements of the City of Miami General Employees' and Sanitation Employees' Retirement Trust and Other Managed Trusts (the "Trusts") have been prepared in conformity with accounting principles generally accepted in the United States of America, Governmental Accounting Standards and in accordance with 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. Employer contributions are recognized when due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plans.

Investments

Investments are reported at fair value in the financial statements based on the closing sale price as of September 30, 2002 and 2001, as reported by recognized security exchanges.

Cash

As required by Chapter 280.04, Florida Statutes, all deposits of the Trusts during the year ended September 30, 2002 and 2001, 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 insured for risk categorization purposes.

(continued)

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Years Ended September 30, 2002 and 2001

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Fixed Assets

Fixed assets are recorded at cost. Major outlays for fixed assets and improvements are capitalized as projects are constructed. Fixed assets are depreciated over the estimated useful life: buildings - 40 years.

Investment Advisor, Administrative and Other Expenses

Investment money manager fees are funded by the Trusts. All other costs of operating the Trusts, including custodial and investment advisor fees, are funded by the City.

Use of Estimates

The preparation of financial statements in conformity with 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 assets and the statements of changes in net assets.

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Years Ended September 30, 2002 and 2001

NOTE 2 - PLAN DESCRIPTIONS

City of Miami General Employees' and Sanitation Employees' Retirement Trust

General

The GESE Trust is a single employer defined benefit plan to which member employees contribute 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 is to contribute 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 yield (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.

Eligibility

The GESE Trust covers all City of Miami general and sanitation employees except 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

The minimum normal retirement age is 55. Any member in service who has 10 or more years of continuous creditable service may elect to retire upon the attainment of normal retirement age.

(continued)

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Years Ended September 30, 2002 and 2001

NOTE 2 - PLAN DESCRIPTIONS - Continued

City of Miami General Employees' and Sanitation Employees' Retirement Trust - Continued

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. Early retirement, disability, death and other benefits are also provided. Effective July 14, 1989, in accordance with a Florida Supreme Court decision rendered with respect to the City, the GESE Trust no longer offsets, except for employees whose date of accident occurred prior to 1973, employee disability pension benefits by the amount of workers' compensation benefits received through the City.

Accumulated Leave

Participants eligible to receive accumulated sick and vacation leave from the City of Miami 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.

Deferred Retirement Option Plan (DROP)

The City of Miami General Employees' and Sanitation Employee's Retirement Trust made the DROP available to all Retirement Trust members effective May 1, 2002. The DROP is an enhancement to the GESE Retirement Trust that can provide a trust 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. In addition, the participant also receives the accumulated DROP account balance. The DROP monies can also be rolled over into a tax-qualified plan such as an Individual Retirement Account (IRA) or 457(b) government sponsored deferred compensation plan that agrees to separately account for the rollover contribution.

Drop pension contributions for the year ended September 30, 2002 amounted to \$1,101,606 and is included in benefits in the statement of changes in net assets.

(continued)

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Years Ended September 30, 2002 and 2001

NOTE 2 - PLAN DESCRIPTIONS - Continued

City of Miami General Employees and Sanitation Employees' Retirement Trust - Continued

Cost of Living Adjustment

Effective October 1, 1993, retirees are entitled to a two percent COLA benefit with a minimum COLA benefit of fifty-four dollars per year and a maximum COLA benefit increase of two hundred dollars per year, provided the retiree's first anniversary of retirement has been reached. The two percent COLA benefit is added to the prior COLA benefit to produce the current year's COLA benefit. Retirees exercising Option 6(a) in section 40-239(L)(1) of the Code of the City of Miami shall receive a minimum COLA benefit of twenty-seven dollars per year and a maximum COLA benefit of one-hundred dollars added to the previous COLA benefit, provided the retiree's first anniversary of retirement has been met.

On December 15, 1998, the Plan 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 Option 6(a) in section 40-255(1)(1) of the Code 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. The effective date of this amendment was October 1, 1998.

Excess Benefit Plan for the City of Miami

General

In July 2000, the City of Miami Commission, pursuant to applicable Internal Revenue Code provisions, established a 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 Trust administers the excess benefit plan.

(continued)

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Years Ended September 30, 2002 and 2001

NOTE 2 - PLAN DESCRIPTIONS - Continued

Excess Benefit Plan for the City of Miami - Continued

General - Continued

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 in the same amount, 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.

Contributions for the year ended September 30, 2002 and 2001 amounted to \$351,417 and \$68,351, respectively.

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

General

The Staff Trust is a single employer defined benefit plan to which member employees of the Trust contribute 10% of their base salaries or wages. The Staff Trust was established by the rule making authority of the GESE Retirement Trust, pursuant to Chapter 40 of the Miami City Code. The GESE Trust is to contribute such amounts as are necessary on an actuarial basis to provide the Staff Trust 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.

(continued)

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Years Ended September 30, 2002 and 2001

NOTE 2 - PLAN DESCRIPTIONS - Continued

City of Miami General Employees' and Sanitation Employees' Retirement Trust
Staff Pension Plan - Continued

Contributions

Members contribute 10% of compensation to the Plan. Contributions from the GESE Trust are designed to fund the Staff Trust's non-investment expenses and normal costs and to fund the unfunded actuarial accrued liability. Funding for the Staff Trust comes from the reimbursement of administrative and other expenses (see Note 1). The yield (interest, dividends, and net realized and unrealized gains and losses) on investments of the Staff Trust serves to reduce or increase future contributions that would otherwise be required to provide for the defined level of benefits under the Staff Trust.

Eligibility

The Staff Trust covers all GESE Trust 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, other than those eligible to decline membership, as defined by the Plan document.

Retirement Age

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.

(continued)

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Years Ended September 30, 2002 and 2001

NOTE 2 - PLAN DESCRIPTIONS - Continued

Participation

At October 1, 2002 and 2001 (based on updated actuarial valuations originally dated October 1, 1998), each Trust's membership consisted of:

	2002			
	G.E.S.E.	Excess	Staff	Total
Retirees and beneficiaries currently receiving benefits	1,870	14	-	1,884
Terminated employees entitled to benefits, but not yet receiving them	72	-	-	72
Current employees	1,600	-	9	1,609
Total members	3,542	14	9	3,565
	2001			
	G.E.S.E.	Excess	Staff	Total
Retirees and beneficiaries currently receiving benefits	1,837	33	-	1,870
Terminated employees entitled to benefits, but not yet receiving them	70	-	-	70
Current employees	1,619	-	8	1,627
Total members	3,526	33	8	3,567

NOTE 3 - CONTRIBUTIONS

The Trusts' funding policies provide for periodic contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to maintain the actuarial soundness of the Trusts and to accumulate sufficient assets to pay benefits when due.

(continued)

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Years Ended September 30, 2002 and 2001

NOTE 3 - CONTRIBUTIONS - Continued

City of Miami General Employees' and Sanitation Employees' Retirement Trust

Contributions are determined using the modified aggregate entry age normal cost method. Prior to October 1, 1997, the Gates Agreement amortization payments were paid in accordance with Schedule B of Attachment E of the Gates Agreement. This agreement provided for a series of increasing scheduled amortization payments through the year 2007. As of October 1, 1997, the payment schedule was replaced. The unfunded actuarial accrued liability as of October 1, 1997 was zero.

Beginning October 1, 1998, the following amortization periods apply all as level dollar amounts:

Benefit improvements for actives	30 years
Benefit improvements for retirees	15 years
Actuarial gain/loss	15 years
Change in assumptions	20 years

The City of Miami 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 total actuarially determined contribution requirement was \$8,473,683 and \$14,364,533 for the years ended September 30, 2002 and 2001, respectively, determined through an actuarial valuation performed as of October 1, 2001 and 2000, respectively. The required contribution consisted of (a) \$8,473,683 and \$10,981,771 normal cost, (b) \$0 and \$3,382,762 amortization of the unfunded actuarial accrued liability and (c) \$0 interest adjustment for September 30, 2002 and 2001. For the years ended September 30, 2002 and 2001, respectively, the City contributed \$2,090,701 and \$8,458,735 and the employees contributed \$7,147,651 and \$7,163,964.

Excess Benefit Plan for the City of Miami

Beginning October 1, 2000, the following amortization periods apply all as level dollar amounts:

Benefit improvements for actives	30 years
Benefit improvements for retirees	15 years
Actuarial gain/loss	15 years
Change in assumptions	20 years

(continued)

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Years Ended September 30, 2002 and 2001

NOTE 3 - CONTRIBUTIONS - Continued

Excess Benefit Plan for the City of Miami - Continued

The City of Miami is required to contribute amounts as benefits become payable. The total actuarially determined contribution requirement was \$1,102,051 and \$1,016,990 for the years ended September 30, 2002 and 2001, determined through an actuarial valuation performed as of October 1, 2001 and 2000, respectively. The required contribution consisted of (a) \$124,200 normal cost, (b) \$892,790 amortization of the unfunded actuarial accrued liability and (c) \$76,840 and -0- interest adjustment for September 30, 2002 and 2001, respectively. For the years ended September 30, 2002 and 2001, respectively, the City of Miami contributed \$351,354 and \$68,351 as benefits became due.

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

Beginning October 1, 2000, the following amortization periods apply all as level dollar amounts:

Benefit improvements for actives	30 years
Benefit improvements for retirees	15 years
Actuarial gain/loss	15 years
Change in assumptions	20 years

The GESE Trust 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 total actuarially determined contribution requirement was \$85,407 for the years ended September 30, 2002 and 2001, determined through an actuarial valuation performed as of October 1, 2001 and 2000, respectively. The required contribution consisted of (a) \$53,207 normal cost, (b) \$32,200 amortization of the unfunded actuarial accrued liability and (c) \$0 interest adjustment for September 30, 2002 and 2001. For the years ended September 30, 2002 and 2001, respectively, the GESE Trust contributed \$57,500 and the employees contributed \$38,382, including rollovers of \$0.

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Years Ended September 30, 2002 and 2001

NOTE 4 - INVESTMENTS

Approximate market 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 fair value; and mortgages are valued based on current market yield.

City of Miami General Employees' and Sanitation Employees' Retirement Trust

The investment policy for GESE Trust, effective September 10, 1999 and amended effective October 1, 2000 and November 2001, is determined by the Board of Trustees and is monitored by the GESE Trust's investment consultant. This policy stipulates the following long-range asset allocation, measured at market value, at the end of each quarter:

	<u>Minimum</u>	<u>Target</u>	<u>Maximum</u>
Domestic large cap stocks	40%	50%	60%
Small - mid cap stocks	0%	10%	15%
International equity "ADR's"	0%	10%	15%
Domestic fixed income	20%	25%	40%
Real estate	0%	5%	10%
Cash	0%	0%	15%

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

The investment policy for Staff Trust, effective April 27, 2001, is determined by the Board of Trustees and is monitored by the Staff Trust's investment consultant. This policy stipulates the following long-range asset allocation, measured at market value, at the end of each quarter:

	<u>Minimum</u>	<u>Target</u>	<u>Maximum</u>
Domestic large cap stocks	40%	50%	60%
Domestic fixed income	40%	50%	60%
Cash	0%	0%	10%

(continued)

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Years Ended September 30, 2002 and 2001

NOTE 4 - INVESTMENTS - Continued

General Policy for GESE Trust and Staff Trust

The allocation of each Trust's total assets is allowed 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 within three to five years or a full market cycle, without undue risk:

- Rates of return that equal or exceed the prevailing inflation rate, as measured by the Consumer Price Index, by 3.5%
- 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 5% of the costs of the funds available for investment, except for the Staff Trust which has a maximum of 20% for fixed income securities. For equity securities, investments in any single industry can not exceed the greater of three times the index holding or 10% of the total value of the Trust's portfolio. For fixed income securities, investments in any single industry cannot exceed 20% of the total value of the Trust's portfolio, excluding securities backed by the U.S. Government.

Trust funds may not be specifically invested in private placements, Eurodollar securities, foreign credits or debt to equity securities. Other prohibited direct investments include short sales, securities denominated in foreign currencies, margin purchases, lending or borrowing of the Trust's funds, investments used to leverage the Trust's portfolio, private or direct placement of letter stock, commodities contracts, unattached warrants, derivatives, issues related to the Trust's investment managers, restricted stock, and initial public offerings of securities.

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.

(continued)

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Years Ended September 30, 2002 and 2001

NOTE 4 - INVESTMENTS - Continued

General Policy for GESE Trust and Staff Trust - Continued

Interest, rental, and dividend income are recorded as earned on an accrual basis.

The Trusts' investment securities are held by a financial institution which acts as a custodian. Government Accounting Standards Board (GASB) Statement No. 3 requires that certain investments be categorized by level of credit risk assumed by the Trust. The three categories of risk as defined by GASB Statement No. 3 are as follows:

1. Insured or registered, or securities held by the Trust or its agent in the Trust's name;
2. Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the Trust's name; and
3. Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the Trust's name.

Investments in the real estate fund and money market fund are not categorized because they are not evidenced by securities that exist in physical or book entry form.

Investments as of September 30, 2002 were all category one risk as follows:

	<u>Category 1</u>		Reported Amount/ Fair Value
	<u>GESE Trust</u>	<u>Staff Trust</u>	
U.S. Government and Agency Securities	\$ 56,684,425	\$ 51,061	\$ 56,735,486
Corporate stocks	290,771,873	181,375	290,953,248
Corporate bonds	<u>84,634,674</u>	<u>20,793</u>	<u>84,655,467</u>
	<u>\$ 432,090,972</u>	<u>\$ 253,229</u>	<u>\$ 432,344,201</u>
Investments not subject to categorization:			
Real Estate Fund			\$ 29,116,307
Money Market Fund (including \$33,652 for Staff Trust)			<u>15,118,891</u>
Total investments			<u>\$ 476,579,399</u>

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Years Ended September 30, 2002 and 2001

NOTE 5 - FIXED ASSETS

A building (\$912,384) with land (\$262,143) was acquired on December 31, 2001. There is no related depreciation expense as of September 30, 2002 as the building is undergoing renovations and is not occupied. Depreciation expense will be incurred upon the utilization of the building.

NOTE 6 - REIMBURSEMENT INCOME FROM CITY

The City provides the Trusts with funds to be used to pay certain administrative costs. Each Trust prepares an annual budget which is approved by the City before expenses are incurred. Payment is made by the City to the Trusts on a reimbursement basis. On a quarterly basis, the Trusts provide the City with a detail of expenses.

Such administrative costs for the years ended September 30, 2002 and 2001 consisted of the following:

	<u>2002</u>	<u>2001</u>
City of Miami receivable, beginning of year	<u>\$ 856,455</u>	<u>\$ 410,180</u>
Administrative costs:		
Personnel	444,354	455,981
Professional	833,140	654,469
Insurance	178,127	123,841
Rent	90,719	75,827
Other	<u>169,527</u>	<u>151,231</u>
Total	1,715,867	1,461,349
Funding provided by the City of Miami - current year	<u>1,581,531</u>	<u>1,015,074</u>
City of Miami receivable, end of year	<u>\$ 990,791</u>	<u>\$ 856,455</u>

SUPPLEMENTARY INFORMATION

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

GESE TRUST
SCHEDULE OF FUNDING PROGRESS
(in millions)

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Liability (AAL) - Entry Age	Unfunded AAL (UAAL) (b) - (a)	Funded Ratio (a) / (b)	(c) Covered Payroll	UAAL as Percentage of Covered Payroll (b)-(a)/(c)
10/1/01	\$597.1	\$579.4	\$ (17.7)	103%	\$66.7	(27)%
10/1/00	\$594.8	\$577.7	\$ (17.1)	103%	\$63.8	(27)%
10/1/99	\$539.0	\$571.1	\$ 32.1	94%	\$59.1	54%
10/1/98	\$522.9	\$557.3	\$ 34.4	94%	\$55.1	62%
10/1/97	\$505.4	\$471.1	\$ (34.4)	107%	\$52.0	(66)%
10/1/96	\$383.4	\$522.8	\$139.3	73%	\$53.3	261%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Fiscal Year Ended September 30,	Annual Required Contributions	Percentage Contributed
2002	\$ 2,090,701	100%
2001	\$ 8,458,735	100%
2000	\$ 8,216,415	100%
1999	\$ -	100%
1998	\$ 12,617,377	100%
1997	\$ 13,173,804	100%

The information presented in the required supplementary schedules above was determined as part of the actuarial valuation at the date indicated. Additional information as of the latest actuarial valuation follows:

Valuation date	October 1, 2001
Actuarial cost method	Modified entry age normal
Amortization method	Level dollar amounts, closed
Remaining amortization period	N/A
Asset valuation method	Moving market value average over 3 years
Actuarial assumptions:	
Investment rate of return	8.1%
Projected salary increases	6.0%
Includes inflation at	3.5%
Cost of living adjustments	4% per year, with \$54 per year minimum and \$400 per year maximum

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

EXCESS BENEFIT PLAN
SCHEDULE OF FUNDING PROGRESS
(in millions)

Actuarial Valuation Date*	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL) - Entry Age	Unfunded AAL (UAAL) (b) - (a)	Funded Ratio (a) / (b)	(c) Covered Payroll	UAAL as Percentage of Covered Payroll (b)-(a)/(c)
10/1/01	\$-0-	\$9.3	\$9.3	0%	\$66.7	14%
10/1/00	\$-0-	\$9.9	\$9.9	0%	\$63.8	16%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

* Fiscal Year Ended September 30,	Annual Required Contributions	** Percentage Contributed
2002	\$1,102,051	32%
2001	\$1,016,990	7%

The information presented in the required supplementary schedules above was determined as part of the actuarial valuation at the date indicated. Additional information as of the latest actuarial valuation follows:

Valuation date	October 1, 2001
Actuarial cost method	Modified entry age normal
Amortization method	Level dollar amounts, closed
Remaining amortization period	30 years
Asset valuation method	N/A
Actuarial assumptions:	
Investment rate of return	8.1%
Projected salary increases	5.7%
Includes inflation at	3.5%
Cost of living adjustments	None

* Six years data is not available as Plan was implemented during fiscal year ended September 30, 2001.

** The City of Miami funds the Excess Benefit Plan as benefits come due. The plan is not subject to Florida Statutes, Chapter 112.

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

STAFF TRUST
SCHEDULE OF FUNDING PROGRESS

(in thousands)

Actuarial Valuation Date*	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL) - Entry Age	Unfunded AAL (UAAL) (b) - (a)	Funded Ratio (a) / (b)	(c) Covered Payroll	UAAL as Percentage of Covered Payroll (b)-(a)/(c)
10/1/01	\$206.6	\$714.0	\$507.5	29%	\$363.2	140%
10/1/00	\$160.6	\$519.1	\$358.5	31%	\$279.1	128%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

* Fiscal Year Ended September 30,	Annual Required Contributions	Percentage Contributed
2002	\$57,500	100%
2001	\$14,375	100%

The information presented in the required supplementary schedules above was determined as part of the actuarial valuation at the date indicated. Additional information as of the latest actuarial valuation follows:

Valuation date	October 1, 2001
Actuarial cost method	Modified entry age normal
Amortization method	Level dollar amounts, closed
Remaining amortization period	30 years
Asset valuation method	Moving market value average over 3 years
Actuarial assumptions:	
Investment rate of return	8.1%
Projected salary increases	6.0%
Includes inflation at	3.5%
Cost of living adjustments	None

* Six years data is not available as Plan was implemented during fiscal year ended September 30, 2001.

THIS PAGE INTENTIONALLY LEFT BLANK

Supporting Schedules

Prepared by

**City of Miami
General Employees' and Sanitation Employees'
Retirement Trust**

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

Schedule of Administrative Expenses
For the Year Ended September 30, 2002

	<u>G.E.S.E</u> <u>Trust</u>	<u>Excess</u> <u>Benefits</u>	<u>Combined</u> <u>Total</u>
Personnel Services:			
Salaries & Wages	\$ 404,468	5,000	\$ 409,468
Payroll Taxes	30,842	550	31,392
Insurance & Workers Comp.	60,248	718	60,966
Retirement	57,500	-	57,500
Car Allowance	6,023	-	6,023
Total Personnel Services	<u>\$ 559,081</u>	<u>6,268</u>	<u>\$ 565,349</u>
Professional Services:			
Custodian	\$ 237,659	-	\$ 237,659
Investment Consulting	158,607	-	158,607
Legal Counsel	185,986	-	185,986
Actuarial	91,516	26,212	117,728
Audit	53,234	-	53,234
Other	37,823	-	37,823
Total Professional Services	<u>\$ 764,827</u>	<u>26,212</u>	<u>\$ 791,039</u>
Rentals:			
Office Space	\$ 81,339	722	\$ 82,061
Equipment	8,659	204	8,863
	<u>\$ 89,997</u>	<u>926</u>	<u>\$ 90,923</u>
Insurance:			
	120,654	-	120,654
Communication:			
Printing	\$ 23,105	-	\$ 23,105
Advertising	1,047	-	1,047
Postage	8,547	114	8,661
Telephone & Telecomm Expense	4,392	355	4,747
Total Communications	<u>\$ 37,091</u>	<u>469</u>	<u>\$ 37,560</u>
Miscellaneous:			
Travel	\$ 44,180	-	\$ 44,180
Memberships, Books & Publications	2,289	-	2,289
Repairs & Maintenance	20,184	350	20,534
Supplies	17,466	631	18,097
Parking	8,993	155	9,148
Furniture & Computer Equipment	10,664	-	10,664
Other	3,849	1,581	5,430
Total Miscellaneous	<u>107,625</u>	<u>2,717</u>	<u>110,342</u>
Total Administrative Expenses	<u><u>\$ 1,679,275</u></u>	<u><u>36,592</u></u>	<u><u>\$ 1,715,867</u></u>

**City of Miami
General Employees' & Sanitation Employees'
Retirement Trust and Other Managed Trusts**

**Schedule of Investment Manager Expenses
For the Year Ended September 30, 2002**

<u>Investment Manager-GESE Trust</u>	<u>Investment Style</u>	<u>Amount</u>
Atlanta Capital Mgmt.	Equity - Core Growth	\$520,079
Institutional Capital Mgmt.	Equity - Value	357,610
Trusco Capital Mgmt. (STI)	Equity - Value	143,129
State Street Global Advisors	Equity - S&P 500 Index	39,454
Invesco Capital Mgmt.	Equity - International	91,368
Atlantic Capital Mgmt.	Equity - Small Cap Growth	139,101
Axiom International, LLP	International Equities	50,317
Cramer Rosenthal McGlynn	Equity - Small Cap Value	144,531
Seix Investment Advisors	Fixed Income	115,151
Richmond Capital	Fixed Income	182,621
Loomis Sayles & Co.	Fixed Income	139,388
MetLife Insurance Co.	Real Estate	204,418
EII Realty Securities, Inc.	Real Estate	85,583
Total Investment Manager Expenses-GESE Trust		<u><u>\$2,212,751</u></u>
<u>Investment Manager-Staff Trust</u>	<u>Investment Style</u>	<u>Amount</u>
Atlanta Capital (G.S.)	Core Growth -Aggregate	1,111
Total Investment Manager Expenses-Staff Trust		<u><u>\$1,111</u></u>

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

Schedule of Payments to Consultants
For the Year Ended September 30, 2002

<u>Nature of Service</u>	<u>G.E.S.E</u> <u>Trust</u>	<u>Excess</u> <u>Benefits</u>	<u>Combined</u> <u>Total</u>
Investment Consulting	\$ 158,607	--	158,607
Legal Fees	185,986	--	185,986
Actuarial	91,516	26,212	117,728
Auditing	53,234	--	53,234
Total	<u>\$ 489,344</u>	<u>\$ 26,212</u>	<u>\$ 515,556</u>

Investment Section

THIS PAGE INTENTIONALLY LEFT BLANK



Watson Wyatt
Investment Consulting
Suite 1300
One Ravinia Drive.
Atlanta, GA 30346-2128

Telephone 770-290-8500
Fax 770-292-8700

Date: March 24, 2003

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

Subject: **Investment Consultant**

Dear Trustees:

Watson Wyatt Investment Consulting provides investment consulting services to the City of Miami General Employees' & Sanitation Employees' Retirement Trust. We have been providing these services since 1994. Our duties as the investment consultant include providing quarterly performance evaluation reports, asset allocation reviews, asset liability modeling, investment policy reviews, and conducting manager searches as needed. We also provide the Board with investment research and education.

One of our primary duties is to provide investment performance reports to the Board. Performance evaluation reports are provided quarterly. We meet with the Board to deliver these reports and answer any questions. The reports include total fund performance as well as sector performance and individual manager performance. Data is provided on both a net and gross of fee basis. Performance statistics are calculated in compliance with AIMR standards. The reports include comparisons to benchmarks/indices as well as to a peer universe. We also report on the investment firms, commenting if there have been any material changes within the organization, or changes in the investment process.

The long term objectives of the total fund are to earn a real rate of return in excess of inflation by 3.5% and achieve or exceed the actuarial interest rate assumption of 8.1%. For the twelve-month period ending September 30, 2002, the fund earned an annual return of -10.4%, gross of fees, slightly outperforming the index (-10.6%) but underperforming these objectives. This period, like the prior three fiscal years, was extremely volatile for the capital markets. The broad equity market (as measured by the S&P 500) was down -20.5% for the one year period. Historical performance has been very competitive, posting an 8.7% return annualized since September 30, 1987. Watson Wyatt believes the Fund is well positioned for the future.

Sincerely,

A handwritten signature in black ink, appearing to read 'Hilda A. Thompson'.

Hilda A. Thompson
Senior Consultant

HAT/rmc

cc: Sandra Elenberg

LIST OF INVESTMENT MANAGERS
AS OF SEPTEMBER 30, 2002

Atlanta Capital Management

Seix Investment Advisors, Inc

Institutional Capital Management

Richmond Capital Management

Invesco Capital Management

State Street Global Advisors

Metropolitan Life Insurance Co.

Trusco Capital Management

Loomis, Sayles & Co., L.P.

Atlantic Capital Management

Cramer Rosenthal McGlynn, LLC

EII Realty Securities, Inc.

Axiom International Investors, LLC

Investment Overview GESE Trust:

The investment policy of the plan is to be pursued on a long-term basis and will be revised if significant changes occur within the economic and/or capital market environment. The goals are intended to provide a means for controlling the overall risk of the portfolio without unduly constraining the discretionary, tactical decision-making process of the investment manager.

The objectives of the overall portfolio are to:

- a) Achieve rates of return that meet or exceed the prevailing inflation rate (C.P.I.) by 3.5%.
- b) Achieve a rate of return that equals or exceeds the Trust's actuarial interest rate assumptions.
- c) Achieve performance results which will rank in the top half of the investment consultant's database.
- d) Achieve these objectives within a time horizon of three to five years or a full market cycle.
- e) Achieve these results without taking undue risk.

Asset Allocation GESE Trust:

The asset allocation guidelines are presented on page 70, 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. A summary of investment returns in the various asset classes along with the returns of several indices are shown on page 70. The returns of individual managers and the investment style utilized are presented on page 73.

Brief Outline of the GESE Trust Investment Policy and Guidelines

1. Investments shall be of a prudent nature and consistent with the best investment practices.

a. Equity Securities

Equity securities shall be diversified by industry and in number so that no investment in the securities of a single issue shall exceed 5% (at cost) of the value of the portfolios, provided that the aggregate investment of

the fund in any one (1) issuing corporation shall not exceed 3% of the outstanding capital stock of that corporation. Single industry weightings will be a maximum of 3 times the index holding or 10% whichever is greater. Equity securities shall in general 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. The equity managers are expected to achieve a return that exceeds inflation (CPI) by 6%.

Permissible Direct Investments:

1. 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
2. Convertible preferred stock and convertible bonds
3. Foreign stocks through the use of commingled or mutual funds
4. Emerging market stocks within the commingled or mutual funds
5. Standard & Poor's Depository Receipts
6. American Depository Receipts
7. Stocks with a minimum market capitalization of \$100 million, small cap managers may invest in stocks with a \$50 million market capitalization
8. New Issues (IPO's) up to 5% of the portfolio

Excluded Direct Investments:

1. Short Sales
2. Margin purchases; lending or borrowing of funds
3. Investments used to leverage the portfolio
4. Letter stock, private or direct placements
5. Commodities contracts
6. Unattached warrants
7. Derivatives
8. Issues related to the investment manager
9. Restricted stock

b. Fixed Income Securities

The fixed income portion of the Trust shall be invested in marketable, fixed income securities. Corporate bond issues shall be diversified by industry and in number so that no investment in the securities of a single issue shall exceed 5% (at cost) of the value of the portfolio. Single industry weightings will be a maximum of 20% (except U.S. Govt. & agency securities). Fixed income investments are expected to preserve capital and provide a high level of income on a consistent basis.

The following instruments are acceptable:

1. Commercial paper of only the highest quality shall be used when invested on an individual basis
2. Certificate of Deposit of the top 100 national banks, so long as they are stated on the Controller's list
3. Bankers Acceptances
4. United States Treasury Bonds, Notes and Bills
5. Repurchase agreements with U.S. Treasury Securities and agencies of the U.S. Government as collateral (marking to market daily)
6. Debt instruments issued or backed by agencies of/or guaranteed by the U.S. Government
7. All investment grade corporate debt issues including those rated Baa/BBB or better by Moody's Investor Services/Standard and Poors Corporation. In the case of a split rating, the higher rating shall apply. Securities downgraded subsequent to purchase resulting in violations of quality guidelines may be held at the manager's discretion.
8. Mortgages, including agency and non agency backed securities
9. Futures (but must not exceed 15% without prior board approval) and Options. However, these securities may not be used to leverage or hedge the portfolio.
10. Preferred Stock

11. Municipal.
12. Asset backed securities.
13. Yankee bonds/foreign credits
14. Rule 144A securities.
15. Eurodollar bonds
16. 10% maximum of portfolio maybe invested in aggregate to Yankee bonds, Foreign credits, Euro-dollar bonds and 144A

The following instruments are not allowable:

1. Private Placements.
2. Debt to Equity exchanges.
3. Investment Managers are not authorized to use derivative securities, or strategies that do not comply with basic investment objectives of this policy, i.e. 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 shall 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.

c. Real Estate Securities

1. A portion of the real estate investment will be through an open-end commingled property real estate fund. The commingled fund may have up to 20% of the portfolio’s value leveraged. A portion will also be invested through REITs. The REIT manager may invest up to 7.5% (at cost) in a single issue. The REIT manager may also invest up to 10% in private placements, with prior Board approval.

Governance/Monitoring

2. The investment managers shall be given full discretion to manage the assets under their supervision subject to the Investment Policy.
3. The investment program will be managed by one or more designated managers. Proxies will be voted by the manager in compliance with the Board’s general guidelines.
4. There shall be a continual review of the investments under management. The board shall confer with the investment manager at least semi-annually to review Trust investments and current environment and future outlook.
5. Proxy issues shall be voted on an individual basis and it is expected that managers will generally vote with management. The Board, however, wants investment managers to vote in favor of certain social issues.

The Board is interested in fostering a healthy working relationship with its managers through a discipline of good communication. This outline is intended to provide the Board with a good foundation from which to understand specific management styles and strategies, and to effectively evaluate the results. Recommendations for improving the Board’s procedure and operations are always welcome.

Investment Overview Staff Pension Trust:

The Investment Policy for the Staff Pension Plan (Staff Trust) has a long term horizon. The goals are intended to provide a means for controlling the overall risk of the portfolio without unduly constraining the discretionary, tactical decision-making process of the investment manager. The Long Range Policy sets forth the investment policies and objectives that the Board judges to be appropriate and prudent, in consideration of the needs of the Plan participants, and establish the criteria that the registered investment adviser retained by the Board of Trustees, is expected to meet and against which they are to be measured. Also, the Policy serves as a review document to guide the Board's ongoing supervision of the investment of the Staff Trust Plan assets.

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 performance objectives of the total fund and investment managers are below.

- a) Achieve rates of return that meet or exceed the prevailing inflation rate (C.P.I.) by 3.5%.
- b) Achieve a rate of return that equals or exceeds the Staff Trust's actuarial interest rate assumptions.
- c) Achieve performance results which will rank in the top half of the investment consultant's database.
- d) Achieve these objectives within a time horizon of three to five years or a full market cycle.
- e) Achieve these results without taking undue risk.

The objectives are to be pursued on a long-term basis and will be revised if significant changes occur within the economic and capital market environments. Capital market returns and projections are reviewed at the end of each fiscal year. If significant changes in projections occur, the target asset mix should be reviewed. The objectives 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 manager(s).

Asset Allocation Policy-Staff Trust

An asset/liability study is conducted periodically to determine an appropriate long term asset allocation policy to achieve investment objectives. As a general rule under this investment policy, the Plan's asset allocation policy shall be reviewed every three to five years. Some specific occurrences which might prompt the Board to undertake an earlier review include:

- a) Significant changes in Plan demographics benefit design or actuarial methodology
- b) Significant changes in the prospects for revenue growth, for growth of the work force, or for growth of employee salaries
- c) Significant changes in capital markets performance, the outlook for future asset class returns and/or the availability of acceptable new asset classes
- d) the passage of relevant new legislation or regulations

The asset allocation guidelines for the Staff Trust are presented on Table A page 66, along with the actual allocations for the last two 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.

A summary of investment returns in the various asset classes along with the returns of several indices are shown on [page 66](#).

Brief Outline of the Staff Trust Investment Policy and Guidelines

1) Investments shall be of a prudent nature and consistent with the best investment practices.

a) Equity Securities

Equity securities shall be diversified by industry and in number so that no investment in the securities of a single issue shall exceed 5% (at cost) of the value of the portfolios, provided that the aggregate investment of the fund in any one (1) issuing corporation shall not exceed three percent (3%) of the outstanding capital stock of that corporation. Single industry weightings will be a maximum of 3 times the index holding or 10% which ever is greater. Equity securities shall in general possess value and quality corroborated by accepted techniques and standards of fundamental and technical analysis.

Permissible Direct Investments:

1. 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
2. Convertible preferred stock and convertible bonds
3. Foreign stocks through the use of commingled or mutual funds
4. Emerging market stocks within the commingled or mutual funds
5. Standard & Poor's Depository Receipts
6. American Depository Receipts
7. Stocks with a minimum market capitalization of \$100 million

Excluded Direct Investments:

1. Short sales
2. Margin purchases; lending or borrowing of funds
3. Investments used to leverage the portfolio
4. Letter stock, private or direct placements
5. Commodities contracts
6. Unattached warrants
7. Derivatives
8. Issues related to the investment manager
9. Restricted stock
10. New issues (IPOs)
11. Illiquid investments

b. Fixed Income Securities

The fixed income portion of the Plan shall be invested in marketable, fixed income securities. Corporate bond issues shall be diversified by industry and in number so that no investment in the securities of a single issue shall exceed 20% (at cost) of the value of the portfolio. Single industry weightings will be a maximum of 20%, 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.

Permissible Direct Investments:

1. Commercial Paper of only the highest quality shall be used when invested on an individual basis
2. Certificates of Deposit
3. Bankers Acceptances
4. United States Treasury Bonds, Notes and Bills
5. Repurchase agreements with U.S. Treasury Securities and agencies of the U.S. Government as collateral (marking to the market daily)
6. Debt instruments issued or backed by agencies of/or guaranteed by the U.S. Government

7. All investment grade corporate debt issues including those rated Baa-BBB or better by Moody's Investors Services and/or Standard and Poors Corporation. In the case of a split rating, the higher rating shall apply. Securities downgraded subsequent to purchase resulting in violations of quality guidelines may be held at the manager's discretion.
8. Mortgages, including agency and non agency backed securities
9. Futures (but must not exceed 15% without prior approval by the Board) and Options. However, these securities may not be used to leverage or hedge the portfolio.
10. Preferred Stock

Excluded Direct Investments:

1. Private Placements
2. Eurodollar Securities
3. Foreign Credits
4. Debt to Equity exchanges
5. Illiquid Investments
6. Derivatives

Governance-Staff Trust

In order for the Staff Trust Plan to be managed effectively and efficiently, it is critical that sound governance structures be in place and vigorous disciplines exist for carrying out Plan activities. Governance standards have been established at three levels:

- Plan oversight -- establishing and periodically reviewing the Plan's policies
- Plan financial management -- implementing investment policy and recommending appropriate changes
- Plan operations -- administering, maintaining internal control procedures, monitoring investment and custody of assets, and providing analysis and information for decision-making, and reporting to the Board

Internal Controls

The Staff Trust Plan shall be 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 Plan 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. A copy of the Internal Control Policy is attached.

The Board shall retain an independent Certified Public Accountant on an annual basis, who shall periodically review such controls as part of the financial audit.

Asset Allocations Staff Trust

The Table below indicates **Staff Trust's** investment policy target asset allocation for September 30, 2002.

TABLE A					
Summary of Asset Allocation Staff Trust					
	<u>Policy GuideLines as of 04/27/2001</u>			<u>Actual</u>	
	<u>Min.</u>	<u>Target</u>	<u>Max.</u>	<u>09/30/2002</u>	<u>09/30/2001</u>
Domestic Large Cap Equities	40.0%	50.0%	60.0%	45.4%	50.9%
US Aggregate Fixed Income	40.0%	50.0%	60.0%	50.5%	42.0%
Cash and Other	0.0%	0.0%	10.0%	4.1%	7.1%
				<u>100%</u>	<u>100%</u>

Investment Activities Staff Trust

The overall performance results for the **Staff Trust** can be viewed in the table below

TABLE B				
Summary of Investment Returns Staff Trust				
	2002	2001	From Inception	Inception Cumulative
Equities				
Fund Return - Domestic Large Cap Equities	-21.4	-12.2	-27.2	-31.0
S&P 500	-20.5	-13.8	-27.7	-31.5
Russell 1000 - Growth Stock	-22.5	-17.3	-31.7	-35.9
Dow Jones	-14.2	-15.9	-24.4	-27.9
Fixed Income				
Fund Return - Fixed Income	8.8	2.3	9.3	10.9
Lehman Brothers - Aggregate	8.6	2.3	9.5	11.1
Lehman Brothers - Mortgage Backed	7.4	2.4	8.5	9.9
Lehman Brothers - Government/Corporate	9.2	2.2	9.9	11.6
Cash Equivalent (Money Market Funds)				
Fund Return	6.3	2.4	N/A	N/A
T-Bills - 90 Days	2.1	0.8	N/A	N/A
Total Fund Return	-6.5	-4.5	-9.3	-10.7
Total Fund Benchmark*	-6.5	-5.9	-10.4	-12.0

* According to target allocation: 50% S&P 500 Index and 50% Lehman Aggregate Index

Please also note that the above rates of returns are time weighted & gross of fees, based on market rate of return in accordance with AIMR's performance presentation standards.

Investment Policy Overview-Drop Plan

The Investment Policy of The City of Miami General Employees' and Sanitation Employees' Retirement Trust Deferred Retirement Option Program ("DROP Plan") shall be to offer participants an appropriate limited number of investment funds to accommodate a sufficiently broad range of individual investment objectives consistent with planning for retirement at the end of the participant's working career. The investment style of the funds must be distinct from others, have specific investment objectives, and be clearly and fully communicated to the participants. Each investment fund must also seek to identify and control risk at a level appropriate for expected return. The investment of Plan assets shall be as follows:

- A. Held for the exclusive purpose of providing benefits to the participants and their beneficiaries.
- B. Directed by Plan participants in investment options that are sufficiently diverse to meet individual risk tolerances.
- C. Administered with the care, skill, and diligence of a prudent person.

This Statement of Investment Policy sets forth:

- A. The responsibilities of the Trustees, the Plan Administrator and the Plan Provider.
- B. The investment styles, objectives and benchmarks of each investment fund offered by the Plan.

Purpose and Scope-DROP Plan

The purposes of this Statement of Investment Policy are to:

- A. Articulate the Trustees' objectives for structuring a retirement investment program suitable to the needs and risk tolerances of Plan participants.
- B. Formulate policies for selecting appropriate Plan Providers, mutual funds or other suitable investments within the framework of that structure.
- C. Establish objectives for prudently monitoring and evaluating the performance of Plan providers and each investment option.

Investment Objectives-DROP Plan

The Plan's individual investment options provided to the participants shall seek to achieve the following investment objectives:

- A. A long-term competitive rate of return on investments, net of expenses, that is equal to or exceeds various benchmark rates as stated in the Fund's Prospectus on rolling three-year periods.
- B. A limited investment fund array that provides Plan participants with a sufficient range of investment options that have incremental and identifiable steps along the risk/return spectrum.

The guidelines for investment are identified herein. To the extent assets are placed in these asset classes or funds, the practices of such funds as identified in the fund prospectus shall be materially consistent with this Statement. It is recognized that absolute risk, volatility and the possibility of loss in purchasing power are present to some degree in all types of investment vehicles. While imprudent levels of risk must be avoided, the assumption of prudent levels of risk is warranted and encouraged in order to allow the Providers and Fund Managers the opportunity to achieve satisfactory long-term results consistent with their fiduciary responsibility and the objectives of the funds offered in the Plan.

To meet these objectives, the Plan will provide three investment risk alternatives. The Plan will offer at least one fund option per risk category.

Lower Risk/Return: The objective of this alternative is to provide an investment that generates a reasonable level of current income, consistent with capital preservation. Capital appreciation is not an objective of the alternative. Funds in this category may be invested in fixed income investments with low risk to principal such

as money market funds, short term bond funds, and guaranteed investment contracts issued by insurance companies, synthetic GICs and bank investment contracts.

Options under this category are:

- Vantage Trust PLUS Fund (Stable Value Fund)
- Vantagepoint Money Market Fund
- PIMCO Total Return Bond Fund

Moderate Risk/Return: The objective of this alternative is to provide long-term capital appreciation and current income. Funds in this category are conservatively managed choices that offer income consistent with long term appreciation of capital. The funds will invest in a portfolio primarily of highly liquid common stocks, convertible bonds, preferred stocks and fixed income investments which provide current income and potential appreciation of capital over a long term.

Options under this category are:

- Vantagepoint Model Portfolio Conservative Growth
- Vantagepoint Model Portfolio Long-term Growth

Higher Risk/Return: The objective of this alternative is to provide capital appreciation. Income may be a secondary objective. Funds in this category will invest primarily in a portfolio of common stocks. In general, the funds will attempt to remain invested in stocks.

Options under this category are:

- Vantagepoint 500 Stock Index Fund
- Vantagepoint Growth Fund
- Lord Abbett Affiliated A Fund
- American Century Value Fund
- T. Rowe Price Small-Cap Stock Fund
- Putnam International Growth A Fund

Investment Performance Review and Governance-DROP Plan

There is a need to evaluate both long-term performance and risk-adjusted performance of investment options in the plan. The Trustees will receive performance reports from the Plan Provider on a semi-annual basis.

Performance results for the investment options both in terms of return and risk will be measured as follows:

- A. Fund performance will be measured against its peer group (defined as its Morningstar Category) using Return Composite Analysis, Risk Adjusted Composite Analysis, and Morningstar Category Ratings on a longer-term time period no less than three years. The Risk Adjusted Composite Analysis will incorporate the Sharpe ratio that provides a risk-adjusted return measurement. Rankings below (lower is better) the 50th Percentile of the Morningstar Rating Return Composite and the Risk Adjusted Composite Analysis as well as three-star Morningstar Category ratings are considered favorable.
- B. The investment performance of the funds both in terms of risk and return will be measured against the fund's stated benchmark over a 3-year rolling period.
- C. The investment performance of the funds both in terms of risk and return will be measured against the CPI-U Index over a 3-year rolling period.
- D. Fund characteristics will be monitored closely to identify company, fund manager, or personnel changes, style drifts, fund disciplines and other important items that may impact the fund's performance.

- E. Investment performance evaluation should consider the investment objectives, goals, and guidelines as set forth in this Statement of Investment Policy.
- F. Providers shall be monitored in regards to pricing, level of service, overall business practices, and S&P/Moody's Ratings, where applicable.
- G. While the Trustees intend to fairly evaluate fund performance over long time periods, the Trustees reserve the right to change Providers and investment options if, in its judgment, a change would be beneficial to the Plan.

Compliance with City of Miami Ordinance 10002, Section 40-240

In accordance with City of Miami Ordinance 10002, Section 40-240 Trust Fund, Money Manager subparagraph (a): The Board shall establish written guidelines and objectives against which the investment performance of any money manager retained by the Board shall be measured. If a money manager fails to meet its contractual agreement with the Board, the money manager may be terminated by the Board. The performance of the investment portfolio for the retirement Trust shall not be less than ninety (90) percent of the median performance of comparable portfolios as determined jointly by the Board and the city manager. If the performance falls below the minimum standard, the money manager(s) shall automatically be removed unless, based upon extenuating circumstances, the Board recommends continuation and such continuation, is approved by the commission.

The scope of this Investment Policy is limited to DROP Funds and shall not apply to other assets of the Retirement Trust.

**City of Miami
General Employees' & Sanitation Employees'
Retirement Trust and Other Mnaged Trust**

Summary of Investment Returns

	Annual Rates of Return(%)-GESE Trust					Annualized Return (%)	
	September 30,					3 Years	5 Years
	2002	2001	2000	1999	1998		
Equities							
Fund Return - Domestic Equities	-19.5	-18.9	19.5	25.3	-0.4	-7.9	-0.5
Fund Return - International Equities	-12.5	-27.1	7.1	22.3	-7.3	-11.9	-5.0
S&P 500	-20.5	-26.6	13.3	27.8	9.1	-12.9	-1.6
Dow Jones	-12.5	-15.6	4.4	34.0	0.5	-8.3	0.8
Russell Mid-Cap	-9.0	-22.4	31.6	19.5	-6.0	-2.4	0.9
Russell 2000 - Small Stock	-9.3	-21.2	23.4	19.1	-19.0	-4.1	-3.2
MSCI EAFE - Non US Stocks	-15.5	-28.5	3.2	31.0	-8.3	-14.6	-5.7
Fixed Income							
Fund Return - Fixed Income	6.7	12.5	7.3	0.6	12.2	8.8	7.7
Lehman Brothers - Aggregate	8.6	13.0	7.0	-0.4	11.5	9.5	7.8
Lehman Brothers - Mortgage Backed	7.4	12.3	7.4	2.3	8.6	9.0	7.6
Lehman Brothers - Government/Corporate	9.2	13.2	6.7	-1.6	12.8	9.7	7.9
T-Bills - 90 Days	1.8	4.2	5.8	4.5	5.0	3.9	4.3
Real Estate							
Fund Return - Real Estate	3.9	9.5	17.9	7.2	15.1	10.3	10.6
NCREIF Index	5.7	10.1	11.8	12.1	17.5	9.2	11.4
Total Fund Return	-10.4	-10.4	15.7	17.7	2.9	-2.4	2.4
Total Fund Benchmark	-10.6	-15.7	10.8	18.0	9.7	-5.8	1.6

Summary of Asset Allocation-GESE Trust

	Policy GuideLines as of 09/30/2002			Actual		
	Min.	Target	Max.	09/30/2002	09/30/2001	09/30/2000
Domestic Large Cap Equities	40.0%	50.0%	60.0%	48.90%	54.9%	54.4%
Small-Mid Cap Equities	0.0%	10.0%	15.0%	5.0%	4.5%	10.0%
International Equities (UH)	0.0%	10.0%	15.0%	5.7%	4.6%	5.6%
US Aggregate Fixed Income	20.0%	25.0%	40.0%	33.2%	29.1%	24.6%
Real Estate	0.0%	5.0%	10.0%	6.3%	5.3%	4.3%
Cash and Other	0.0%	0.0%	15.0%	0.9%	1.5%	1.0%
				<u>100%</u>	<u>100%</u>	<u>100.0%</u>

Note: Rate of Returns are time weighted & gross of fees. Based on market rate of return in accordance with AIMR's performance presentation standards.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION EMPLOYEES' RETIREMENT TRUST
AND OTHER MANAGED TRUSTS
STATEMENT OF ASSETS HISTORICAL MARKET VALUES**

Fiscal Year Ended September 30,	Market Value Investments Held (\$ Millions)
1988	178.47
1989	218.35
1990	205.46
1991	252.91
1992	282.42
1993	307.77
1994	297.28
1995	357.68
1996	410.96
1997	512.16
1998	509.33
1999	575.25
2000	649.21
2001	570.30
2002	467.99

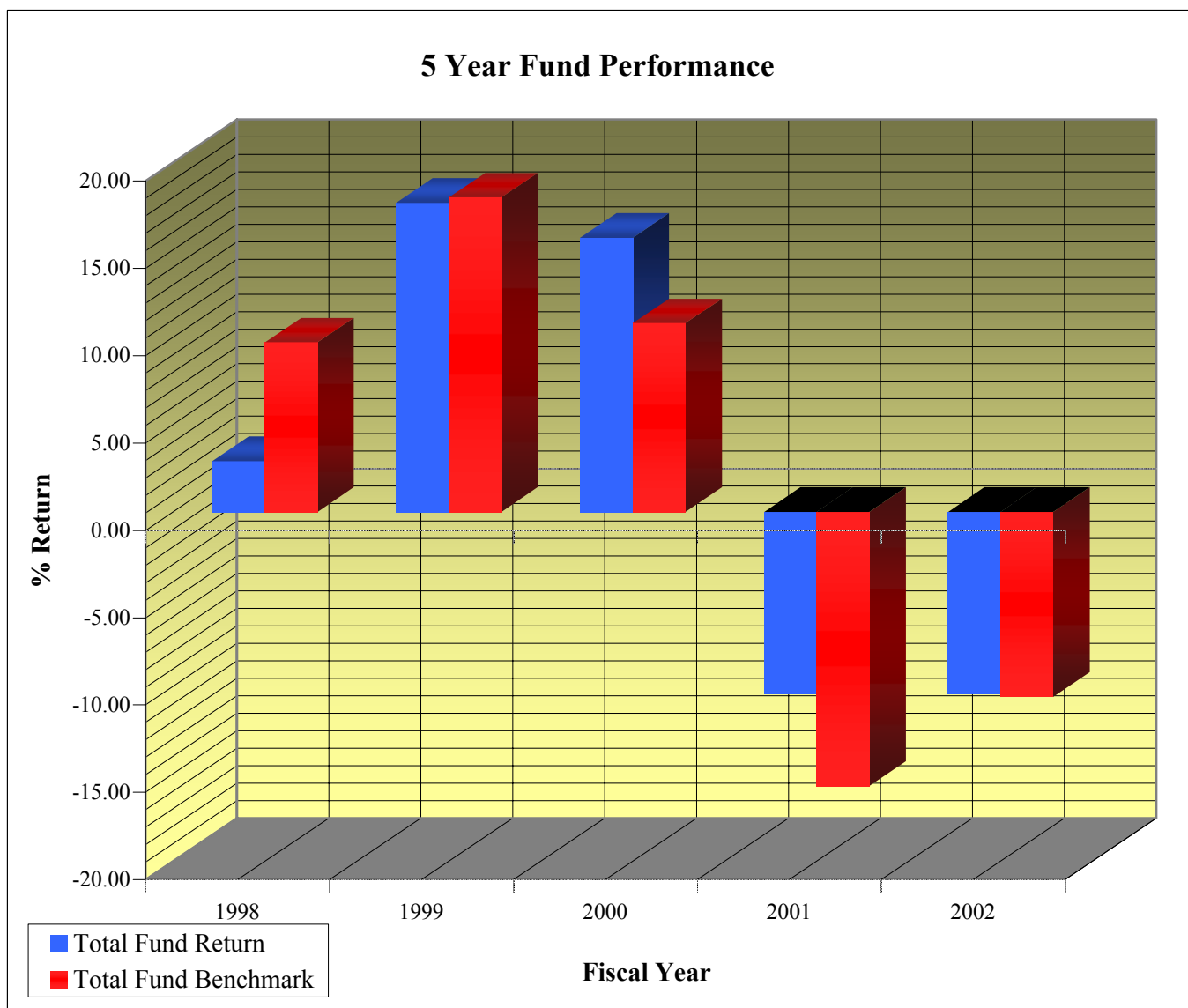


**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION EMPLOYEES' RETIREMENT TRUST
AND OTHER MANAGED TRUSTS
STATEMENT OF ASSETS 5 YEAR FUND PERFORMANCE**

**Summary of Annual Rates of Returns (%)
September 30,**

	1998	1999	2000	2001	2002
Total Fund Return	2.90	17.70	15.70	-10.40	-10.40
Total Fund Benchmark	9.70	18.00	10.80	-15.70	-10.60

Note: Returns are gross of fees



SUMMARY OF INVESTMENT MANAGER RETURNS

FOR THE 12-MONTH PERIOD ENDED SEPTEMBER 30, 2002		PERFORMANCE			
INVESTMENT STYLE	ENDING MARKET VALUE (\$ Millions)	FUND RETURN (%)	STYLE BENCHMARK (%)	UNIVERSE RANKING * 1 = Best 100 = Worst	
TOTAL TRUST	\$465.6	-10.4	-10.6		
<i>Domestic Equity Segment</i>					
	251	-19.5	-20.5	90th	
Atlanta Capital Management	Large Cap Growth	92.4	-22.5	-22.5	70th
Institutional Capital Corp.	Large Cap Value	64.9	-19.4	-17	74th
State Street Global Advisors	S&P 500 Indexed	44.9	-20.3	-20.5	65th
Trusco Capital Management (STI)	Mid Cap Value	25.6	-16.8	-17	54th
Atlantic Capital Management	Small Cap Growth	11.2	-10.8	-18.2	29th
Cramer Rosenthal, McGlynn LLC	Small Cap Value	12	0.2	-1.5	50th
<i>International Equity Segment</i>					
	26.5	-12.5	-15.5	47th	
Invesco Capital Management	International Equity	18.6	-11.2	-15.5	38th
Axiom	International Equity	7.9	---	-15.5	N/A
<i>Fixed Income Segment</i>					
	154.5	6.7	8.6	64th	
Richmond Capital Management	Aggregate	69.8	8.8	8.6	38th
Seix Investment Advisors	Aggregate	37.4	5.4	8.6	92nd
Loomis, Sayles & Company	Intermediate	47.2	4.5	8.1	91st
<i>Real Estate Segment</i>					
	29.3	3.9	5.6		
MetLife Insurance Company	Real Estate	18.3	2	5.6	84th
EII Realty Securities	REIT	11.0	7	8.6	75th
<i>Administrative Account</i>	Cash	4.2	2.1	1.8	

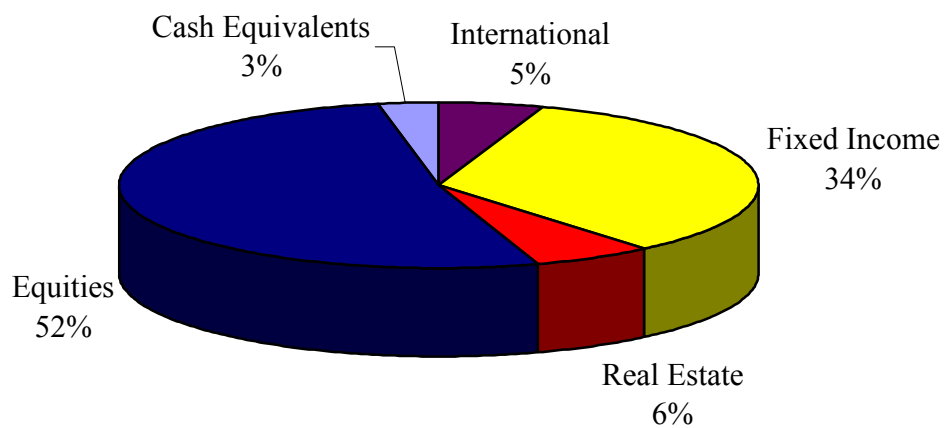
* Manager universes are comprised from data provided by investment consultant and categorized into styles by Watson Wyatt Investment Consulting.

Source: Watson Wyatt Investment Consulting

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION EMPLOYEES' RETIREMENT TRUST
AND OTHER MANAGED TRUSTS
STATEMENT OF INVESTMENT SUMMARY BY ASSET CLASS
AS OF SEPTEMBER 30, 2002**

ASSET CLASS	Beginning Cost	Ending Cost	Beginning Market Value	Ending Market Value
Domestic Equities	\$275,195,452	\$257,020,388	\$320,004,260	\$246,548,522
Fixed Income	162,393,721	153,085,921	167,508,734	160,092,277
Real Estate	18,906,895	19,591,996	28,898,021	29,116,307
International Equities	27,288,296	32,421,486	25,105,807	25,703,401
Cash Equivalents	28,827,105	15,118,892	28,827,105	15,118,892
Total	<u>\$512,611,469</u>	<u>\$477,238,681</u>	<u>\$570,343,927</u>	<u>\$476,579,399</u>

**Asset Allocation (Market Value)
As of September 30, 2002**



**City of Miami
General Employees' & Sanitation Employees'
Retirement Trust and Other Managed Trusts**

**List of Largest Assets Held-GESE Trust
For the Year Ended September 30, 2002**

Largest Stock Holdings (By Market Value)

	<u>Shares</u>	<u>Stocks</u>	<u>Market Value (\$)</u>
1)	104,017	ConocoPhillips	4,809,746
2)	80,750	Kimberly Clark Corp	4,573,680
3)	192,400	Schering Plough Corp	4,101,968
4)	136,419	Verizon Communications	3,743,337
5)	55,300	Bank Amer Corp	3,528,140
6)	117,350	Target Corporation	3,464,172
7)	77,000	Medtronic Inc	3,243,240
8)	109,216	Citigroup Inc	3,238,254
9)	39,450	General Dynamics Corp	3,208,469
10)	47,650	Fannie Mae	2,837,081

Largest Bond Holdings (By Market Value)

	<u>Par</u>	<u>Bonds</u>	<u>Coupon</u>	<u>Maturity</u>	<u>Market Value (\$)</u>
1)	7,630,000	FNMA TBA Oct 30 Single Fam	7.000%	12/1/1999	7,963,813
2)	3,830,798	FNMA Pool 545139	7.000%	8/1/2031	4,001,383
3)	2,840,000	United States Treasury Notes	4.375%	8/15/2012	3,020,170
4)	2,230,000	United States Treasury Notes	6.500%	10/15/2006	2,581,225
5)	1,625,000	United States Treasury Bond	7.250%	5/15/2016	2,109,965
6)	1,715,000	Federal Home Ln Bks	5.375%	1/5/2004	1,794,850
7)	1,750,000	Federal Natl Mtg Assn	3.125%	11/15/2003	1,778,438
8)	1,485,000	GNMA I TBA Nov 30 Single FAM	7.500%	12/15/2099	1,574,560
9)	1,354,440	FNMA Pool 254379	7.000%	7/1/2032	1,414,564
10)	1,270,000	Federal Home Ln MTG Corp	5.250%	1/15/2006	1,374,381

**City of Miami
General Employees' & Sanitation Employees'
Retirement Trust and Other Managed Trusts**

**List of Largest Assets Held-Staff Pension Plan
For the Year Ended September 30, 2002**

Largest Stock Holdings (By Market Value)

	<u>Shares</u>	<u>Stocks</u>	<u>Market Value (\$)</u>
1)	100	Medtronic Inc	4,212
2)	120	Aflac Inc	3,683
3)	100	EOG Resources Inc	3,596
4)	80	Microsoft	3,499
5)	110	Franklin Res Inc	3,421
6)	80	Tribune Co	3,345
7)	60	American Intl Group Inc	3,282
8)	60	Colgate Palmolive Co	3,237
9)	70	Conocophillips	3,237
10)	60	Praxair Inc	3,067

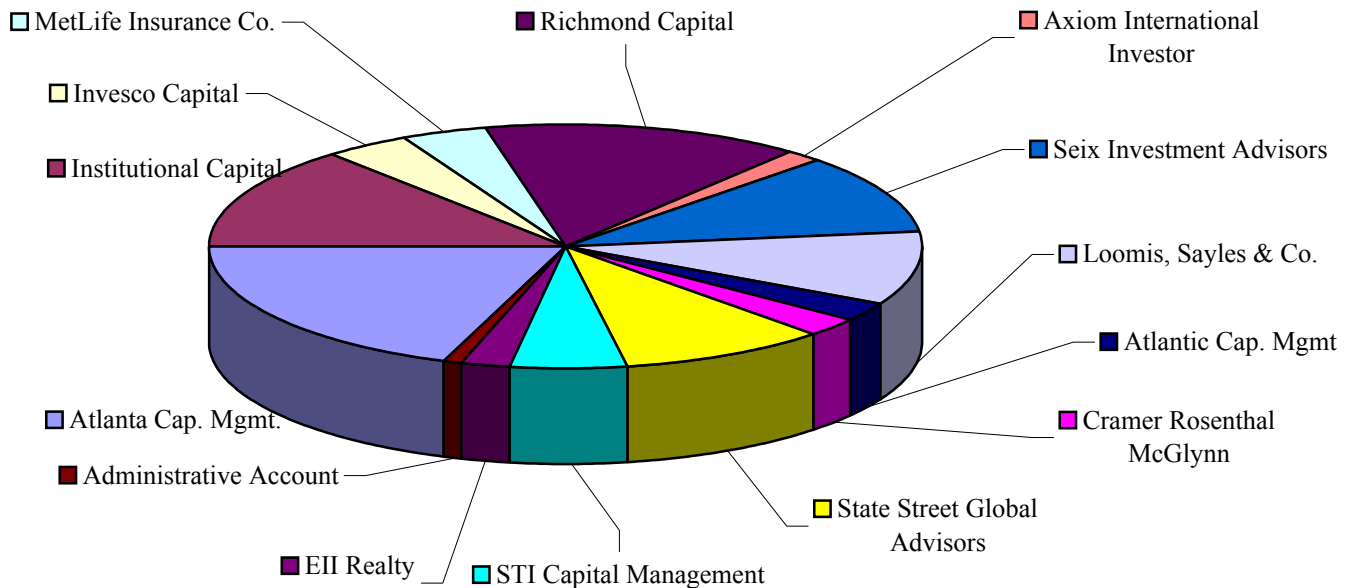
Largest Bond Holdings (By Market Value)

	<u>Par</u>	<u>Bonds</u>	<u>Coupon</u>	<u>Maturity</u>	<u>Market Value (\$)</u>
1)	35,000	United States Treas NTS	4.25%	3/31/2003	35,503
2)	23,000	Federal Natl Mtg Assn	4.25%	7/15/2007	24,143
3)	14,000	United States Treas Bond	5.38%	2/15/2031	15,558
4)	15,000	Federal Home Ln Mtg Disc Nts	1.00%	11/27/2002	14,960
5)	7,000	Federal Home Loan Mtg Corp	5.88%	3/21/2011	7,610
6)	5,000	Key Bk Na Mt Sub Bk Nts	7.13%	8/15/2006	5,629
7)	5,000	CWABS Inc	4.60%	1/25/2017	5,179
8)	5,000	Federal Home Ln Mtg Corp	5.00%	1/15/2022	5,127
9)	5,000	Federal Home Ln Mtg Corp	5.00%	3/15/2017	5,059
10)	3,000	Federal Home Ln MTG Assn	6.35%	9/25/2008	3,229

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION EMPLOYEES' RETIREMENT TRUST
AND OTHER MANAGED TRUSTS
STATEMENT OF ASSETS & TOTAL FUND MANAGER ALLOCATION
AS OF SEPTEMBER 30, 2002**

INVESTMENT MANAGER	MARKET	%
Atlanta Capital	\$92,723,380	19.46%
Axiom International Investors LLC	\$7,939,580	1.67%
State Street Global Advisors	44,894,523	9.42%
Institutional Capital	64,742,095	13.58%
Richmond Capital	68,934,935	14.46%
Trustco Capital Mgmt(STI)	25,169,866	5.28%
Seix Investment Advisors	50,280,509	10.55%
Loomis, Sayles & Co.	46,706,630	9.80%
Invesco Capital	18,457,602	3.87%
MetLife Insurance Co.	18,313,882	3.84%
Atlantic Capital Mgmt.	11,180,960	2.35%
Cramer Rosenthal McGlynn	12,117,087	2.54%
EII Realty Securities	10,887,288	2.28%
Administrative Account	<u>4,231,061</u>	<u>0.89%</u>
TOTAL	<u>\$476,579,399</u>	<u>100.00%</u>

Market Value Allocation



**City of Miami
General Employees' & Sanitation Employees'
Retirement Trust and Other Managed Trusts**

**Schedule of Fees
For the Year Ended September 30, 2002**

<u>Investment Managers</u>	<u>Assets Under Management</u>	<u>Amount</u>
Equity Managers	\$ 276,938,213	\$ 1,485,589
Fixed Income Managers	165,922,074	437,160
Real Estate	29,201,170	290,001
Trust Account - (Cash Equiv)	4,231,061	-
Assets & Fees	\$ 476,292,518 *	<u>\$ 2,212,750</u>

<u>Investment Managers Staff Trust</u>	<u>Assets Under Management</u>	<u>Amount</u>
Equity-Core Growth	\$ 181,375	1,111
Fixed Income Aggregate	105,506	-
Assets & Fees	286,881	<u>\$ 1,111</u>
Total Assets & Fees	\$ 476,579,399	<u>\$ 2,213,861</u>

Other Investment Related Fees

Custodian Fees	\$ 237,659
Investment Consultant Fees	185,986
Total Fees	<u>\$ 2,637,507</u>

* Total assets under management include \$4,231,061.08 held in an administrative account with the custodian for operational purposes and \$55,159 rental property which is not managed by an investment manager.

**CITY OF MIAMI GENERAL EMPLOYEES' & SANITATION EMPLOYEES' RETIREMENT TRUST
AND OTHER MANAGED TRUSTS
SCHEDULE OF COMMISSIONS
FOR THE YEAR ENDED SEPTEMBER 30, 2002**

<u>BROKERAGE FIRM</u>	Number of Shares Traded	Total Commissions	Commissions Per Share
AB Watley Inc	2,100	\$108	\$0.05
Abel Noser Corporation	2,353,905	\$40,016	\$0.02
ABN AMRO Securities LLC	12,600	\$756	\$0.06
Adams Harkness & Hill Inc	13,930	\$730	\$0.05
Advest Inc	600	\$36	\$0.06
Autranet Inc	18,950	\$972	\$0.05
Avalon Research Group	1,000	\$60	\$0.06
Baird Robert W & Company Inc	38,000	\$1,963	\$0.05
Bank America Security LLC Montg Div	55,170	\$3,176	\$0.06
Bear Stearns & Co Inc.	183,979	\$9,637	\$0.05
Bear Stearns Securities Corp	34,450	\$1,723	\$0.05
BHC Securities Inc	1,300	\$78	\$0.06
BNYESI Transition Management	123,052	\$6,203	\$0.05
Boston Institutional Services	50	\$3	\$0.06
Brean Murray	13,135	\$788	\$0.06
Bridge Trading	67,806	\$3,472	\$0.05
Broadcort Capital (thru ML)	270,000	\$15,204	\$0.06
B-Trade Services LLC	235,800	\$7,074	\$0.03
Buckingham Research Group	2,900	\$174	\$0.06
CE Unterberg Tobin	5,100	\$250	\$0.05
Cantor Fitzgerald & Co.	49,700	\$2,681	\$0.05
Capital Institutional Services	60,620	\$3,637	\$0.06
Charles Schwab	400	\$20	\$0.05
CIBC World Markets Corp	35,835	\$2,116	\$0.06
Citation Group	99,950	\$5,565	\$0.06
Correspondent Services Inc	12,750	\$713	\$0.06
Credit Lyonnais	600	\$36	\$0.06
Credit Suisse First Boston Corp	210,305	\$11,603	\$0.06
Davenport & Co of VA Inc	8,925	\$536	\$0.06
Davidson & Company Inc	1,500	\$90	\$0.06
Davis, Mendel & Regenstein	3,100	\$155	\$0.05
Dematted Monness LLC	1,400	\$84	\$0.06
Deutsche Banc Alex Brown Inc	67,550	\$3,932	\$0.06
Deutsche Bank Securities Inc	162,118	\$8,533	\$0.05
Donaldson Lufkin Jenrette	54,450	\$3,048	\$0.06
Donaldson & Co In.	1,347,486	\$79,246	\$0.06
Dresdner Kleinworth Wasserstein	22,750	\$1,158	\$0.05
Edward AG & Sons	133,197	\$7,847	\$0.06
FP Maglio & Co.	21,700	\$655	\$0.03
Factset Data Systems (thru Bear Stearns)	19,400	\$1,029	\$0.05
Fidelity Capital Markets	34,700	\$1,993	\$0.06
First Albany Corp	4,000	\$191	\$0.05
First Analysis Securities Corp	3,700	\$185	\$0.05
First Tennessee Securities Corp	2,100	\$126	\$0.06
First Union Capital Markets	14,900	\$846	\$0.06
FleetBoston Robertson Stevens	2,800	\$140	\$0.05
Fox Pitt Kelton Inc	4,000	\$240	\$0.06
Friedman Billings & Ramsey	2,000	\$120	\$0.06
Gerard Klauer Mattison & Co.	7,400	\$444	\$0.06
Goldman Sachs & Co.	205,492	\$10,481	\$0.05
Green Street Advisors Inc	76,000	\$4,560	\$0.06
Gruntal & Co LLC	13,320	\$799	\$0.06
Instinet	34,100	\$993	\$0.03
Investec Ernst & Company	9,300	\$345	\$0.04
Investment Technology Group	193,241	\$4,041	\$0.02
ISI Group Inc	31,050	\$1,619	\$0.05
Island Execution Services	88,090	\$881	\$0.01
JP Morgan Securities Inc	223,640	\$11,738	\$0.05
Jackson Securities	10,000	\$500	\$0.05
Janney Montgomery Scott Inc	700	\$35	\$0.05
Jeffries Company Inc	223,745	\$13,068	\$0.06
Jones & Associates	7,300	\$389	\$0.05
JP Morgan Chase	500	\$25	\$0.05
Keefe Bruyette & Woods Inc	13,750	\$722	\$0.05

**CITY OF MIAMI GENERAL EMPLOYEES' & SANITATION EMPLOYEES' RETIREMENT TRUST
AND OTHER MANAGED TRUSTS
SCHEDULE OF COMMISSIONS
FOR THE YEAR ENDED SEPTEMBER 30, 2002**

<u>BROKERAGE FIRM</u>	Number of Shares Traded	Total Commissions	Commissions Per Share
Knight Securities	14,055	\$766	\$0.05
LaBranche Financial Services	35,100	\$2,106	\$0.06
Lakeville Securities Corp	2,400	\$144	\$0.06
Lazard Freres	17,650	\$872	\$0.05
Leerink Swan & Co	25,940	\$1,498	\$0.06
Legg Mason Wood Walker	38,500	\$2,247	\$0.06
Lehman Brothers Inc	262,894	\$14,069	\$0.05
LiquidnetInc	145,620	\$6,218	\$0.04
ML Pierce Fenner Smith	381,470	\$19,235	\$0.05
Morgan Keegan & Co	21,085	\$1,227	\$0.06
Morgan Stanley & Co In	308,149	\$16,516	\$0.05
Mutual Service Corp	3,100	\$186	\$0.06
Needham & Company	600	\$36	\$0.06
Neuberger & Berman	38,300	\$2,098	\$0.05
Pacific Crest Securities	10,600	\$530	\$0.05
PCS Securities	5,500	\$330	\$0.06
Pershing	11,600	\$696	\$0.06
Princeton Securities	42,900	\$1,994	\$0.05
Prudential Securities	31,600	\$1,795	\$0.06
Punk Ziegel & Knoll	2,300	\$138	\$0.06
Raymond James & Associates	101,690	\$5,592	\$0.05
RBC Dain Rauscher	7,800	\$444	\$0.06
Robertson Stevens	5,100	\$255	\$0.05
Salomon Smith Barney	509,020	\$27,438	\$0.05
Sanders Morris Mundy	4,400	\$264	\$0.06
Sandler Oneill	400	\$20	\$0.05
Sanford Berstein Co	198,595	\$10,054	\$0.05
SG Cowen Securities Corp	66,850	\$3,595	\$0.05
Simmons & Co Intl	14,360	\$862	\$0.06
Southwest Securities	13,785	\$531	\$0.04
Spear Leads & Kellogg Capital Mkts	61,800	\$3,653	\$0.06
Standard & Poors Securities	15,100	\$759	\$0.05
Suntrust Capital Markets	265,415	\$15,883	\$0.06
Thomas Wieser Partners	23,370	\$1,190	\$0.05
Thomason Institutional Services	30,300	\$1,803	\$0.06
US Bancorp Piper Jaffray	18,600	\$934	\$0.05
US Clearing Corporation	27,200	\$1,632	\$0.06
UBS PaineWebber	5,865	\$352	\$0.06
UBS Warburg LLC	207,150	\$11,056	\$0.05
Utendahl Capital Partners	61,610	\$3,516	\$0.06
Veritas Securities	31,520	\$946	\$0.03
Wachovia Securities	2,600	\$156	\$0.06
Weeden & Co	38,800	\$2,325	\$0.06
Wells Fargo Van Kasper LLC	31,030	\$1,803	\$0.06
Westminster Broadcoort Cap	750	\$38	\$0.05
William Blair & Co	4,500	\$270	\$0.06
Wilshire Associates Inc	3,450	\$173	\$0.05
WIT Soundview Corp	29,950	\$1,511	\$0.05
Other Shares Without Commissions	1,032,981,133	0	\$0.00
Total	\$1,043,114,897	\$449,336	

* Commission Recapture arrangement exists between the plan and these brokerage firms. Donaldson & Co refunds a portion of the commission in the form of a payment directly to the plan. Able Noser Corporation charges net commissions at the time of the transaction. The average net commission per share for both brokerage firms was \$0.05.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION EMPLOYEES' RETIREMENT TRUST
AND OTHER MANAGED TRUST
STATEMENT OF CASH EQUIVALENTS
SEPTEMBER 30, 2002**

MONEY MARKET FUNDS

Description - GESE Trust	Market	Cost
GOVERNMENT STIF 12 - Atlanta Capital Management	\$434,143.39	\$434,143.39
GOVERNMENT STIF 12 - Cramer Rosenthal Mcglynn	384,941.22	384,941.22
GOVERNMENT STIF 12 - Institutional Capital	850,493.99	850,493.99
GOVERNMENT STIF 12 - Invesco Capital	693,781.42	693,781.42
GOVERNMENT STIF 12 - Richmond Capital	802,248.69	802,248.69
GOVERNMENT STIF 12 -Seix Investment Advisors	4,229,329.66	4,229,329.66
GOVERNMENT STIF 12 - Loomis Sayles & Co.	851,820.23	851,820.23
GOVERNMENT STIF 12 - Atlantic Capital Mgmt	899,681.42	899,681.42
GOVERNMENT STIF 12 - Trusco Capital Mgt (STI)	1,622,876.72	1,622,876.72
GOVERNMENT STIF 12 - EII Realty Securities	84,862.98	84,862.98
GOVERNMENT STIF 12 - Administrative Trust Account	4,231,061.08	4,231,061.08
Sub-Total	<u>\$15,085,241</u>	<u>\$15,085,241</u>
Description - Staff Trust		
GOVERNMENT STIF 12 - Atlanta Capital Mgt (Staff Pension Plan)	33,651.10	33,651.10
Grand Total - September 30, 2002	<u>\$15,118,892</u>	<u>\$15,118,892</u>

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION EMPLOYEES' RETIREMENT TRUST
AND OTHER MANAGED TRUSTS
COMBINED STATEMENT OF ASSETS FIXED INCOME SUMMARIES
SEPTEMBER 30, 2002**

CORPORATE BONDS - SUMMARY

Investment Managers	Par Value	Unamortized Premium	Unamortized Discount	Market Value	Accrued Interest
Atlanta Cap. (Staff Pension)	\$19,471	\$365	(\$11)	\$20,793	\$161
Seix Investment Advisors	23,828,264	445,050	(244,597)	24,590,510	258,428
Richmond Capital	31,650,000	1,013,063	(623,114)	34,555,771	588,985
Loomis Sayles & Co.	24,143,768	631,892	(93,196)	25,488,391	373,568
Total - September 30, 2002	\$79,641,503	\$2,090,370	(\$960,918)	\$84,655,466	\$1,221,142

MORTGAGE BACKED SECURITIES - SUMMARY

Investment Managers	Par Value	Unamortized Premium	Unamortized Discount	Market Value	Accrued Interest
Atlanta Cap. (Staff Pension)	\$59,137	\$494	(\$66)	\$61,397	\$273
Seix Investment Advisors	19,672,242	798,419	0	20,536,287	38,052
Richmond Capital	28,453,071	407,070	(580,958)	29,946,888	226,124
Loomis Sayles & Co.	12,363,804	183,419	(28,017)	13,051,276	86,933
Total - September 30, 2002	\$60,548,254	\$1,389,402	(\$609,041)	\$63,595,848	\$351,383

U.S. TREASURY BILLS - SUMMARY

Investment Managers	Par Value	Unamortized Premium	Unamortized Discount	Market Value	Accrued Interest
Seix Investment Advisors	675,000	0	(2,449)	672,489	0
Total - September 30, 2002	\$675,000	\$0	(\$2,449)	\$672,489	\$0

U.S. TREASURY NOTES - SUMMARY

Investment Managers	Par Value	Unamortized Premium	Unamortized Discount	Market Value	Accrued Interest
Atlanta Cap. (Staff Pension)	\$35,000	\$154	\$0	\$35,503	\$4
Loomis Sayles & Co.	6,550,000	434,189	(1,741)	7,315,143	99,996
Total - September 30, 2002	\$6,585,000	\$434,343	(\$1,741)	\$7,350,646	\$100,000

U.S. TREASURY BONDS - SUMMARY

Investment Managers	Par Value	Unamortized Premium	Unamortized Discount	Market Value	Accrued Interest
Atlanta Cap. (Staff Pension)	\$14,000	\$0	(\$586)	\$15,558	\$96
Seix Investment Advisors	155,000	12,346	0	172,244	1,064
Richmond Capital	2,690,000	425,438	0	3,630,026	63,849
Total - September 30, 2002	\$2,859,000	\$437,783	(\$586)	\$3,817,827	\$65,010

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION EMPLOYEES' RETIREMENT TRUST
AND OTHER MANAGED TRUSTS
STATEMENT OF ASSETS U.S. TREASURY BILLS, NOTES, & BONDS
SEPTEMBER 30, 2002**

Investment Manager - Seix Investment Advisors

Description	Par Value	Unamortized Premium	Unamortized Discount	Market Value	Accrued Interest
U.S. TREASURY BILLS 1.501% 12/26/2002	\$675,000	\$0	(\$2,449)	\$672,489	\$0
Total - September 30, 2002	\$675,000	\$0	(\$2,449)	\$672,489	\$0

Investment Manager - Loomis Sayles & Co.

Description	Par Value	Unamortized Premium	Unamortized Discount	Market Value	Accrued Interest
U.S. TREASURY NOTES. 4.375% 08/15/2012	\$2,840,000	\$68,071	\$0	\$3,020,170	\$15,869
U.S. TREASURY NOTES. 5.50% 05/15/2009	250,000	9,482	0	285,390	5,194
U.S. TREASURY NOTES. 5.75% 02/15/2004	900,000	137,813	0	1,045,971	9,422
U.S. TREASURY NOTES. 6.125% 08/15/2007	330,000	16,552	(1,203)	382,388	2,581
U.S. TREASURY NOTES. 6.50% 10/15/2006	2,230,000	202,271	(537)	2,581,225	66,930
Total - September 30, 2002	\$6,550,000	\$434,189	(\$1,741)	\$7,315,143	\$99,996

Investment Manager - Seix Investment Advisors

Description	Par Value	Unamortized Premium	Unamortized Discount	Market Value	Accrued Interest
U.S. TREASURY BOND 5.375% 02/15/2031	\$155,000	\$12,346	\$0	\$172,244	\$1,064
Total - September 30, 2002	\$155,000	\$12,346	\$0	\$172,244	\$1,064

Investment Manager - Richmond Capital Management

Description	Par Value	Unamortized Premium	Unamortized Discount	Market Value	Accrued Interest
U.S. TREASURY BOND 7.875% 02/15/2021	\$515,000	\$74,171	\$0	\$716,818	\$5,180
U.S. TREASURY BOND 7.125% 02/15/2023	225,000	67,553	0	293,906	2,047
U.S. TREASURY BOND 7.250% 05/15/2016	1,625,000	208,999	0	2,109,965	44,500
U.S. TREASURY BOND 9.875% 11/15/2015	325,000	74,715	0	509,337	12,122
Total - September 30, 2002	\$2,690,000	\$425,438	\$0	\$3,630,026	\$63,849

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION EMPLOYEES' RETIREMENT TRUST
AND OTHER MANAGED TRUSTS
STATEMENT OF ASSETS MORTGAGED BACKED SECURITIES
SEPTEMBER 30, 2002**

Investment Manager - Richmond Capital Management

Description	Par Value	Unamortized Premium	Unamortized Discount	Market Value	Accrued Interest
GNMA POOL # 58721 11.50% 02/15/2013	\$12,090	\$850	\$0	\$14,165	\$116
GNMA POOL #230223 9.50% 04/15/2018	21,303	568	0	24,003	169
GNMA POOL #268359 11.50% 09/15/2015	6,813	499	0	7,886	65
GNMA POOL #284088 9.00% 04/15/2020	69,551	984	0	77,403	522
GNMA POOL #289134 9.50% 06/15/2020	19,914	535	0	22,456	158
GNMA POOL #305051 9.00% 09/15/2021	40,942	582	0	45,539	307
GNMA POOL #354648 7.00% 09/15/2023	199,096	4,666	0	210,158	1,161
GNMA POOL #357431 6.50% 10/15/2023	128,049	0	(16,545)	134,435	694
GNMA POOL #358433 6.50% 10/15/2023	168,888	0	(21,822)	177,310	915
GNMA POOL #369002 7.00% 05/15/2024	12,133	167	0	12,800	71
GNMA POOL #371606 7.00% 01/15/2024	33,051	0	(3,300)	34,867	193
GNMA POOL #376538 7.00% 06/15/2024	349,476	8,355	0	368,677	2,039
GNMA POOL #377986 7.00% 04/15/2024	177,534	0	(15,928)	187,287	1,036
GNMA POOL #378084 7.00% 03/15/2024	311,997	0	(31,158)	329,138	1,820
GNMA POOL #385942 8.50% 10/15/2024	186,895	4,731	0	204,514	1,324
GNMA POOL #386562 7.50% 06/15/2024	233,185	0	(16,495)	248,895	1,457
GNMA POOL #389953 7.00% 04/15/2024	182,527	0	(18,232)	192,555	1,065
GNMA POOL #390525 6.00% 05/15/2024	234,758	0	(21,248)	248,684	1,174
GNMA POOL #393507 7.00% 04/15/2024	76,645	0	(7,656)	80,856	447
GNMA POOL #434556 7.50% 10/15/2029	226,153	8,375	0	240,124	1,413
GNMA POOL #438818 7.50% 12/15/2026	63,314	0	(465)	67,462	396
GNMA POOL #441998 7.00% 01/15/2028	84,535	1,374	0	88,879	493
GNMA POOL #461635 6.50% 01/15/2028	29,234	0	(356)	30,538	158
GNMA POOL #471572 6.50% 08/15/2028	451,235	0	(17,611)	471,360	2,444
GNMA POOL #495301 7.50% 08/15/2029	199,870	0	(1,343)	212,218	1,249
GNMA POOL #510099 7.00% 07/15/2029	537,999	0	(19,923)	565,162	3,138
GNMA POOL #543435 7.50% 11/15/2030	107,058	3,981	0	113,674	669
GNMA POOL #550986 6.50% 10/15/2031	1,256,557	10,522	0	1,311,732	6,806
GNMA POOL #550987 6.50% 10/15/2031	442,010	6,630	0	461,419	2,394
GNMA POOL #561519 6.50% 07/15/2031	484,375	4,314	0	505,644	2,624
GNMA POOL #570142 6.00% 12/15/2031	456,154	0	(4,419)	473,333	2,281
GNMA POOL #780224 8.00% 08/15/2025	442,547	6,085	0	478,623	2,950
GNMA POOL #780931 8.00% 12/15/2028	403,725	10,661	0	424,562	2,355
GNMA POOL #781159					

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION EMPLOYEES' RETIREMENT TRUST
AND OTHER MANAGED TRUSTS
STATEMENT OF ASSETS MORTGAGED BACKED SECURITIES
SEPTEMBER 30, 2002**

Investment Manager - Richmond Capital Management

Description	Par Value	Unamortized Premium	Unamortized Discount	Market Value	Accrued Interest
7.50% 04/15/2030 GNMA POOL #781187	394,967	16,478	0	419,368	2,469
8.00% 06/15/2030 GNMA POOL #781328	138,971	4,234	0	149,171	926
7.00% 09/15/2031 FNMA POOL #	321,897	11,769	0	338,169	1,878
3.125% 11/15/2003 FNMA POOL #	1,750,000	13,740	0	1,778,438	20,660
4.00% 08/15/2003 FNMA POOL #	460,000	6,104	0	469,775	2,351
6.00% 05/15/2008 FNMA POOL #	1,070,000	0	(91,143)	1,207,763	24,253
7.00% 07/15/2005 FNMA POOL #050965	645,000	49,786	0	723,813	9,532
6.50% 01/01/2024 FNMA POOL #246388	318,332	0	(28,947)	332,202	1,724
6.00% 12/01/2023 FNMA POOL #251925	281,685	0	(33,618)	292,198	1,408
6.50% 07/01/2028 FNMA POOL #252570	400,016	0	(20,751)	415,137	2,167
6.50% 07/01/2029 FNMA POOL #303913	390,262	0	(23,721)	404,799	2,114
7.00% 05/01/2026 FNMA POOL #304597	288,590	541	0	302,500	1,683
8.50% 02/01/2025 FNMA POOL #323402	17,324	0	(340)	18,714	123
6.50% 10/01/2028 FNMA POOL #402251	396,910	0	(15,814)	411,913	2,150
6.00% 12/01/2027 FNMA POOL #420499	33,552	0	(902)	34,615	168
6.00% 03/01/2028 FNMA POOL #424186	455,544	0	(11,673)	469,457	2,278
6.00% 04/01/2028 FNMA POOL #431023	347,942	0	(23,051)	358,568	1,740
7.50% 07/01/2028 FNMA POOL #452468	82,086	2,245	0	86,757	513
6.00% 11/01/2028 FNMA POOL #493927	423,042	0	(11,568)	435,962	2,115
6.50% 04/01/2029 FNMA POOL #511821	299,381	0	(655)	310,533	1,622
5.50% 06/01/2016 FNMA POOL #545248	115,821	579	0	119,436	531
6.00% 08/01/2016 FNMA POOL #603265	911,959	9,120	0	947,936	4,560
5.50% 09/01/2016 FHLMC POOL #	120,407	564	0	124,165	552
3.75% 04/15/2004 FHLMC POOL #	1,120,000	31,413	0	1,151,147	19,367
5.00% 01/15/2004 FHLMC Ln Bks	1,100,000	25,051	0	1,146,068	11,611
5.375% 01/05/2004 FHLMC POOL #	1,715,000	10,822	0	1,794,850	22,021
5.50% 02/01/2017 FHLMC POOL #	711,762	0	(6,005)	734,204	3,262
5.75% 01/15/2012 FHLMC POOL #	435,000	32,030	0	482,985	5,280
6.00% 06/01/2017 FHLMC POOL #	762,579	25,856	0	792,350	3,813
6.625% 09/15/2009 FHLMC POOL #	320,000	23,788	0	374,602	942
6.75% 03/15/2031 FHLMC GOLD POOL #E00313	190,000	8,261	0	228,654	570
7.00% 06/01/2009 FHLMC GOLD POOL #E00420	120,815	0	(6,855)	127,957	705
6.50% 03/01/2011 FHLMC GOLD POOL #C00451	34,874	0	(152)	36,666	189
6.50% 03/01/2026	284,497	0	(8,587)	296,064	1,541

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION EMPLOYEES' RETIREMENT TRUST
AND OTHER MANAGED TRUSTS
STATEMENT OF ASSETS MORTGAGED BACKED SECURITIES
SEPTEMBER 30, 2002**

Investment Manager - Richmond Capital Management

Description	Par Value	Unamortized Premium	Unamortized Discount	Market Value	Accrued Interest
FHLMC POOL # COO586 7.50% 01/01/2028	55,108	1,541	0	58,294	344
FHLMC POOL # GOO721 8.00% 05/01/2027	101,276	3,513	0	108,865	675
FHLMC POOL # GOO742 6.50% 04/01/2029	482,901	0	(36,680)	501,333	2,616
FHLMC POOL #GOO818 7.50% 11/01/2027	155,922	4,483	0	164,936	975
FHLMC POOL # 6.50% 07/01/2016	284,124	13,052	0	297,682	1,539
FHLMC POOL #GOO103 8.00% 08/01/2030	98,223	2,839	0	104,842	655
FHLMC POOL # 7.00% 10/01/2031	1,004,810	28,103	0	1,048,971	5,861
FHLMC POOL # 6.50% 05/01/2009	24,771	372	0	26,076	134
FHLMC GOLD POOL #E54559 7.50% 07/01/2024	116,924	0	(7,393)	124,200	731
FHLMC GOLD POOL #D54931 8.00% 07/01/2024	16,857	0	(683)	18,139	112
FHLMC GOLD POOL #E55211 8.00% 08/01/2024	4,398	0	(178)	4,732	29
FHLMC GOLD POOL #E55390 8.00% 08/01/2024	78,651	0	(3,189)	84,635	524
FHLMC GOLD POOL #E57715 6.50% 03/01/2009	18,280	0	(1,360)	19,243	99
FHLMC GOLD POOL #E58327 8.00% 01/01/2025	52,555	0	(1,675)	56,553	350
FHLMC GOLD POOL #E58395 6.50% 05/01/2009	15,403	0	(1,148)	16,215	83
FHLMC GOLD POOL #E59046 6.50% 06/01/2009	118,691	0	(8,850)	124,944	643
FHLMC GOLD POOL #E59744 7.50% 09/01/2009	92,042	0	(3,579)	97,788	575
FHLMC GOLD POOL #E60135 8.50% 02/01/2010	31,396	0	(131)	34,381	222
FHLMC GOLD POOL #E62672 6.50% 01/01/2011	264,448	0	(1,198)	278,305	1,432
FHLMC GOLD POOL #E63387 6.50% 04/01/2011	95,663	0	(433)	100,676	518
FHLMC GOLD POOL #E66865 6.50% 05/01/2001	57,091	0	(1,597)	59,992	309
FHLMC GOLD POOL #D68156 7.50% 02/01/2026	146,814	1,996	0	155,758	918
FHLMC GOLD POOL #D76270 8.00% 11/01/2026	21,378	798	0	22,969	143
FHLMC GOLD POOL #D77975 6.50% 02/01/2027	641,515	0	(26,162)	666,650	3,475
FHLMC GOLD POOL #D78958 6.50% 03/01/2027	35,901	0	(180)	37,308	194
FHLMC GOLD POOL #D79844 6.50% 05/01/2027	58,215	0	(3,165)	60,496	315
FHLMC GOLD POOL #C80207 7.50% 09/01/2024	12,954	364	0	13,760	81
FHLMC GOLD POOL #E80251 8.00% 01/01/2025	75,781	0	(3,075)	81,546	505
FHLMC GOLD POOL #E80358 7.50% 11/01/2025	183151.64	3748.88	0	194309.24	1,145
Total - September 30, 2002	\$28,453,071	\$407,070	(\$580,958.09)	\$29,946,888	\$226,124

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION EMPLOYEES' RETIREMENT TRUST
AND OTHER MANAGED TRUSTS
STATEMENT OF ASSETS MORTGAGED BACKED SECURITIES
SEPTEMBER 30, 2002**

Investment Manager - Seix Investment Advisors

Description	Par Value	Unamortized Premium	Unamortized Discount	Market Value	Accrued Interest
FHLMC POOL					
4.105% 10/27/2031	\$115,000	\$0	\$0	\$116,889	\$393
FNMA POOL TBA GTD					
1.92% 08/25/2032	198,440	0	0	197,558	64
FNMA POOL TBA SINGLE FAM					
6.00% 12/31/2099	1,210,000	39,629	0	1,254,238	0
FNMA POOL					
6.50% 12/01/2099	1,170,000	51,014	0	1,222,287	0
FNMA POOL					
7.00% 07/01/2032	1,354,440	58,952	0	1,414,564	7,901
FNMA POOL TBA SINGLE FAM					
7.00% 12/31/2099	7,630,000	336,197	0	7,963,813	0
FNMA POOL					
1.00% 06/25/2032	220,189	0	0	220,189	37
FNMA POOL					
7.00% 08/01/2031	3,830,798	124,501	0	4,001,383	22,346
FNMA POOL					
4.00% 04/01/2008	520,135	19,668	0	543,203	3,034
FNMA POOL					
7.00% 07/01/2032	733,240	26,236	0	765,759	4,277
GNMA I TBA					
6.50% 12/15/2099	315,000	10,959	0	327,896	0
GNMA I TBA GOLD SINGLE					
7.00% 12/31/2099	890,000	41,626	0	933,948	0
GNMA I TBA GOLD SINGLE					
7.50% 12/15/2099	1,485,000	89,636		1,574,560	0
Total - September 30, 2002	<u>\$19,672,242</u>	<u>\$798,419</u>	<u>\$0</u>	<u>\$20,536,287</u>	<u>\$38,052</u>

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION EMPLOYEES' RETIREMENT TRUST
AND OTHER MANAGED TRUSTS
STATEMENT OF ASSETS MORTGAGED BACKED SECURITIES
SEPTEMBER 30, 2002**

Investment Manager - Loomis Sayles & Company

Description	Par Value	Unamortized Premium	Unamortized Discount	Market Value	Accrued Interest
FHLMC PC E#00543					
6.00% 04/01/2013	\$483,486.00	\$0.00	(\$1,661.98)	\$504,841.58	\$2,417.43
FHLMC PC #E88105					
6.00% 12/01/2099	394,210	3,480	0	409,600	1,971
FHLMC POOL					
5.25% 01/15/2006	1,270,000	21,382	0	1,374,381	14,076
FHLMC POOL					
5.875% 03/21/2011	135,000	0	(1,929)	146,771	220
FNMA POOL					
6.00% 09/01/2016	2,056,625	28,364	0	2,137,731	15,282
FNMA POOL					
6.375% 06/15/2009	285,000	9,252	0	328,551	5,350
FNMA POOL					
6.50% 08/15/2004	405,000	22,750	0	438,287	3,364
FNMA POOL REMIC					
7.00% 05/20/2006	318,388	8,358	0	326,348	1,857
FNMA POOL					
7.00% 07/15/2005	460,000	44,383	0	516,207	6,798
FNMA POOL #253883					
6.00% 08/01/2016	204,432	942	0	212,497	1,022
FNMA POOL #254259					
5.50% 05/14/2005	1,141,093	0	(14,264)	1,176,250	5,230
FNMA POOL #313958					
6.50% 01/01/2013	366,680	5,042	0	385,340	1,986.18
FNMA POOL #446473					
6.00% 11/01/2013	664,410	2,492	0	693,751	3,322.05
FNMA POOL #535201					
7.50% 03/01/2015	658,607	1,235	0	700,350	4,116.30
FNMA POOL #535377					
8.00% 06/01/2015	573,120	6,448	0	613,708	3,820.80
FNMA POOL #545015					
6.00% 05/01/2031	1,111,754	0	(10,162)	1,155,613	5,558.77
FNMA POOL #545093					
8.00% 06/01/2016	694,231	22,779	0	738,155	4,628.21
FNMA POOL #545404					
6.00% 01/01/2017	586,286	183	0	609,415	2,931.43
GNMA POOL #580044					
6.00% 06/01/2016	391,977	429	0	407,441	1,960
GNMA POOL #780859					
7.50% 11/15/2016	163,504	5,901	0	176,039	1,022
Total - September 30, 2002	\$12,363,804	\$183,419	(\$28,017)	\$13,051,276	\$86,933

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION EMPLOYEES' RETIREMENT TRUST
AND OTHER MANAGED TRUSTS
STATEMENT OF ASSETS CORPORATE BONDS
SEPTEMBER 30, 2002**

Investment Manager - Richmond Capital Mgmt

Description	Par Value	Unamortized Premium	Unamortized Discount	Market Value	Accrued Interest
AIR PRODUCTS & CHEMS INC 7.375% 05/01/2005	600,000	28,062	0	665,310	18,438
ALL STATE CORP. 7.20% 12/01/2009	180,000	0	(1,534)	205,821	4,320
AMERICAN GEN FIN CORP MTN 5.75% 03/15/2007	660,000	0	(5,735)	711,097	1,687
AMERICAN GEN FIN CORP MTN 5.875% 12/15/2005	425,000	15,712	0	457,874	7,352
ANHEUSER BUSCH COS INC. 6.750% 12/15/2027	340,000	0	(17,177)	390,402	6,758
ARCHER DANIELS MIDLAND CO. 7.50% 03/15/2027	360,000	38,542	0	437,072	1,200
ASSOCIATES CORP NORTH AMER 6.25% 11/01/2008	250,000	0	(15,573)	274,825	6,510
ATLANTIC RICHFIELD CO 9.125% 03/01/2011	300,000	24,207	0	405,867	2,281
BANC ONE CORP. 7.60% 05/01/2007	875,000	88,874	0	1,016,260	27,708
BANK OF AMERICA 7.80% 02/15/2010	275,000	0	(7,216)	327,979	2,741
BECTON DICKINSON & CO. 7.00% 08/01/2027	350,000	26,572	0	391,675	4,083
BELLSOUTH TELECOMM INC. 6.375% 06/01/2028	575,000	0	(85,753)	572,602	12,219
BENEFICIAL CORP. 6.70% 07/22/2004	110,000	0	0	113,805	2,170
BESTFOODS MEDIUM TERM NTS. 6.625% 04/15/2028	340,000	21,767	0	371,589	10,387
BOEING CO. 7.25% 06/15/2025	500,000	0	(49,020)	530,750	10,674
CAMPBELL SOUP CO 8.875% 05/01/2021	350,000	113,533	0	469,679	12,943
CHUBB CORP 6.80% 11/15/2031	350,000	0	(2,813)	365,257	8,991
COMMERCIAL CREDIT GROUP INC. 7.375% 04/15/2005	830,000	50,598	0	910,817	28,226
CONOCO INC. 6.95% 04/15/2029	250,000	0	(20,943)	284,055	8,012
CONSOLIDATED NATURAL GAS CO. 5.75% 08/01/2003	865,000	0	(55,346)	884,947	8,290
DAIMLER CHRYSLER NORTL HLDG CO. 7.20% 09/01/2009	425,000	0	(14,004)	455,783	2,550
DAIMLER CHRYSLER NORTH AMER. 8.00% 06/15/2010	200,000	5,412	0	224,914	4,711
DISNEY WALT CORP. 6.75% 03/30/2006	1,665,000	15,505	0	1,732,046	14,728
DU PONT E I DE NEMOURS & CO. 6.00% 03/06/2003	200,000	258	0	202,816	833
DUKE CAP CORP 7.25% 10/01/2004	430,000	22,308	0	436,734	15,588
EATON CORP. 7.65% 11/15/2029	465,000	0	(44,175)	566,007	13,439
ELECTRONIC DATA SYS CORP. 7.45% 10/15/2029	355,000	0	(3,239)	295,353	12,195
ENRON OIL AND GAS CO. 6.70% 11/15/2015	380,000	4,632	0	396,849	9,618
FPL GROUP CAP INC. 7.375% 06/01/2009	100,000	0	(2,026)	112,361	2,458
FPL GROUP CAP INC. 7.625% 09/15/2006	655,000	6,786	0	737,628	2,220

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION EMPLOYEES' RETIREMENT TRUST
AND OTHER MANAGED TRUSTS
STATEMENT OF ASSETS CORPORATE BONDS
SEPTEMBER 30, 2002**

Investment Manager - Richmond Capital Mgmt

Description	Par Value	Unamortized Premium	Unamortized Discount	Market Value	Accrued Interest
FORD MOTOR CO. 7.750% 03/15/2005	890,000	46,288	0	898,287	15,982
GENERAL ELEC CAP CORP MTN. 7.25% 05/03/2004	675,000	53,069	0	725,328	20,119
GENERAL ELEC CAP CORP MTN. 6.75% 03/15/2032	275,000	0	(8,973)	291,162	825
GOLDMAN SACHS GROUP INC. 6.65% 05/15/2009	675,000	0	(31,698)	734,785	16,958
GRAND MET INVESTMENT CORP 9.00% 08/15/2011	305,000	20,331	0	402,911	3,508
GREAT LAKES CHEM CORP 7.00% 07/15/2009	550,000	0	(5,830)	584,711	8,128
HOUSEHOLD FIN CORP 6.50% 01/24/2006	650,000	2,854	0	651,261	7,863
HOUSEHOLD FIN CORP 6.375% 10/15/2011	200,000	0	(8,490)	185,952	5,879
INGERSOLL RAND CO INC. 6.51% 12/01/2004	450,000	0	0	478,760	11,067
KEY BK WASH MEDIUM TERM SUB BK. 7.125% 08/15/2006	200,000	10,392	0	225,146	1,821
LINCOLN NATIONAL CORP. 6.50% 03/15/2015	350,000	0	(23,037)	385,144	1,011
MACMILLAN BLOEDEL LTD. 6.75% 02/15/2006	320,000	0	(10,784)	347,651	2,760
MERRILL LYNCH & CO., INC. 7.375% 05/15/2006	260,000	8,598	0	293,028	7,244
MORGAN STANLEY GROUP INC. 6.875% 03/01/2007	660,000	19,031	(7,935)	740,362	3,781
MORGAN STANLEY GROUP INC. 5.625 % 01/20/2004	700,000	3,864	0	725,984	7,766
NATIONSBANK CORP 7.00% 05/15/2003	620,000	0	(5,657)	639,518	16,396
NIKE INC. 6.375% 12/01/2003	1,000,000	16,520	0	1,046,960	21,250
NORWEST CORP MTN. 5.75% 02/01/2003	920,000	0	(47,923)	931,132	8,817
NORWEST FINANCIAL CORP. 7.50% 04/15/2005	230,000	16,930	0	255,160	7,954
NYNEX CAP FDG CO MTN. 8.75% 12/01/2004	810,000	116,818	0	885,290	23,625
PHILLIPS PETE CO. 9.375% 02/15/2011	280,000	61,225	0	365,425	3,354
SALOMON INC. 6.375% 10/01/2004	200,000	0	(1,868)	213,936	6,375
SALOMON INC. 6.625% 11/15/2003	210,000	2,008	0	219,591	5,256
SALOMON INC MED TERM SR NTS. 7.120% 02/14/2005	590,000	23,211	0	639,578	1,867
SOUTHWESTERN BELL TEL MED TRM. 6.55% 10/07/2008	700,000	25,144	0	778,288	17,321
ST PAUL COS INC MTN. 7.18% 05/05/2004	155,000	1,237	0	166,709	4,204
ST PAUL COS INC MTN. 8.125% 04/15/2010	565,000	26,353	(1,404)	638,467	21,168
SUNTRUST BK ATLANTA GA. 7.25% 09/15/2006	800,000	53,056	0	911,976	2,578
SYSCO CORP. 6.50% 08/01/2028	235,000	0	(3,523)	259,724	2,546
TEXACO CAP INC. 8.625% 04/01/2032	375,000	34,002	0	517,365	16,172
UNION CAMP CORP. 6.50% 11/15/2007	565,000	0	(1,407)	622,523	13,874

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION EMPLOYEES' RETIREMENT TRUST
AND OTHER MANAGED TRUSTS
STATEMENT OF ASSETS CORPORATE BONDS
SEPTEMBER 30, 2002**

Investment Manager - Richmond Capital Mgmt

Description	Par Value	Unamortized Premium	Unamortized Discount	Market Value	Accrued Interest
UNITED TECHNOLOGIES CORP. 6.50% 06/01/2009	800,000	0	(49,976)	912,576	17,333
VIRGINIA ELEC & PWR CO 5.375% 02/01/2007	800,000	0	(3,528)	859,480	7,167
WACHOVIA CORP NEW 5.625% 12/12/2008	715,000	0	(86,530)	776,047	12,066
WEYERHAEUSER CO. 7.50% 03/01/2013	260,000	9,366	0	297,385	1,625
Total - September 30, 2002	<u>\$31,650,000</u>	<u>\$1,013,063</u>	<u>(\$623,114)</u>	<u>\$34,555,771</u>	<u>\$588,985</u>

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION EMPLOYEES' RETIREMENT TRUST
AND OTHER MANAGED TRUSTS
STATEMENT OF ASSETS CORPORATE BONDS
SEPTEMBER 30, 2002**

Investment Manager - Seix Investment Advisors

Description	Par Value	Unamortized Premium	Unamortized Discount	Market Value	Accrued Interest
AIG SUNAMERICA GLOBAL FING 5.10% 01/17/2007	40,000	789	0	42,309	419
AMERICAN GEN CORP 8.50% 07/01/2030	105,000	18,877	0	132,377	2,231
AT&T CORP 8.00% 11/15/2031	195,000	0	(25,688)	180,375	5,267
AT&T WIRELESS SVCS 8.75% 03/01/2031	105,000	0	(25,900)	75,600	766
AAMES MTG. TR 7.29% 07/15/2029	109,616	5,515	0	118,495	666
ABBEY NAT'L CAP 8.963% 12/29/2049	60,000	9,112	0	72,448	1,389
ACE CAP TR II 9.70% 04/01/2030	75,000	13,058	0	92,394	3,638
AHOLD FIN USA INC 6.875% 05/01/2029	90,000	0	(550)	85,381	2,578
ALLTELL CORP 7.875% 07/01/2032	90,000	1,244	0	98,025	2,008
AMERICAN EXPRESS CR 2.69% 09/15/2007	200,000	484	0	200,374	177
AMERICAN EXPRESS CR 2.432% 10/15/2005	890,000	703	(11)	889,648	571
AMERICREDIT AUTOMOBILE REC 3.73% 04/12/2006	445,000	0	(169)	455,196	838
AMERIQUEST MTG SECS INC 3.646% 09/12/2006	181,009	0	0	180,766	30
ANTEM INS COS INC DISC COML 1.00% 05/25/2032	80,000	3,497	0	99,626	3,600
APOGENT TECHNOLOGIES INC 6.375% 10/15/2011	65,000	3,788	0	75,398	2,600
APPALACHIAN PWR CO 4.80% 06/15/2005	45,000	0	(54)	45,045	618
BA MASTER CR CARD TR 1.00% 06/15/2008	335,000	602	0	335,104	149
BANK OF AMERICA CORP 7.40% 01/15/2011	150,000	16,478	0	177,317	2,343
BP CAP MARKTS P.L.C. 4.00% 04/29/2005	115,000	0	(384)	118,690	2,594
BANK ONE CORP 7.625% 08/01/2005	90,000	1,284	(558)	101,717	1,144
BARRICK GOLD FIN INC 7.50% 05/01/2007	40,000	5,498	0	46,018	1,250
CALENERGY INC 7.52% 09/15/2008	20,000	1,075	0	21,224	67
CALIFORNIA PETE TRANS CORP 0.0852% 04/01/2015	125,000	3,003	0	143,635	5,325
CAPITAL AUTO RECEIVABLES 1.92% 07/15/2005	150,000	141	0	150,016	127
CARCO AUTO LN MASTER TR 2.096% 11/15/2006	380,000	117	(65)	380,309	319
CAROLINA PWR & LIGHT CO 6.50% 07/15/2012	30,000	1,708	0	32,583	330
CHASE FDG TR 1.00% 10/25/2031	965,000	733	0	965,328	466
CHEVRON PHILLIPS CHEM CO 5.375% 06/15/2007	30,000	0	(147)	31,737	448
CINCINNATI GAS & ELEC CO 5.70% 09/15/2012	45,000	0	(16)	45,677	57
CIT GROUP INC 5.75% 09/25/2007	55,000	0	(31)	55,470	53
CITIGROUP INC 5.625% 08/27/2012	95,000	2,318	0	98,408	535

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION EMPLOYEES' RETIREMENT TRUST
AND OTHER MANAGED TRUSTS
STATEMENT OF ASSETS CORPORATE BONDS
SEPTEMBER 30, 2002**

Investment Manager - Seix Investment Advisors

Description	Par Value	Unamortized Premium	Unamortized Discount	Market Value	Accrued Interest
CRH AMER INC 6.95% 03/15/2012	145,000	721	(49)	165,649	308
CLEAR CHANNEL COMMUNICATION 7.65% 09/15/2010	150,000	263	(3,527)	154,005	2,022
COCA COLA CO. INC 4.00% 06/01/2005	95,000	0	(21)	98,825	2,143
COMCAST CABLE COMMUNICATION 7.125% 06/15/2013	160,000	0	(15,450)	149,774	2,450
CONTINENTAL AIRLINE PASS 6.545% 02/02/2019	31,390	0	(2,117)	28,241	337
CONTINENTAL AIRLINE PASS 7.256% 03/15/2020	25,684	0	(1,622)	24,038	83
COUNTRYWIDE CAP III 8.05% 06/15/2027	105,000	3,892	0	119,686	2,489
COORS BREWING CO 6.375% 05/15/2012	85,000	0	(343)	96,189	723
COUNTRYWIDE FDG CORP MTN 6.25% 04/15/2009	120,000	332	0	128,168	3,458
COUNTRYWIDE FDG CORP MTN 5.25% 06/15/2004	75,000	115	(46)	77,747	1,159
CWABS INC 7.12% 08/18/2003	470,044	33	(6,063)	471,522	328
CREDIT SUISSE FB USA INC 5.875% 08/01/2006	250,000	2,855	(1,012)	264,445	3,486
DAIMLER CHRYSLER NORTH AMERICA 8.50% 08/16/2004	240,000	27,280	0	281,868	4,137
DAIMLER CHRYSLER NORTH AMERICA 7.30% 09/01/2004	90,000	1,223	(91)	99,459	1,369
DIAL CORP NEW 7.00% 05/15/2006	105,000	124	(545)	114,641	912
DISCOVER CARD MT1 3.74% 04/16/2006	700,000	1,047	0	700,629	536
DISNEY WALT CO. 5.375% 06/01/2007	65,000	148	0	68,030	1,174
DELTA AIR LINES INC DEL TRS 7.111% 03/18/2013	30,000	20	(605)	30,805	79
DELTA FDG HOME EQUITY LN TR 7.462% 09/15/2029	41,609	2,157	0	45,585	259
DEVON FING CORP ULC 6.875% 09/30/2011	175,000	4,593	(921)	207,655	38
EOP OPER LTD PARTNERSHIP 7.75% 11/15/2007	45,000	2,025	(22)	51,438	1,318
EASTMAN CHEM CO 7.00% 04/15/2012	180,000	0	(1,487)	202,981	6,230
EXELON GENERATION CO. 6.95% 06/15/2011	25,000	2,144	0	27,294	512
FIRST CHICAGO MASTER TR 4.11% 10/15/2003	70,000	22	0	70,000	112
FIRST UNION CAP II 7.95% 11/15/2029	255,000	18,109	0	292,605	5,347
FIRST UNION NATL BK NC 7.80% 08/18/2010	45,000	1,576	0	50,610	1,206
FIRST USA CR CARD MASTER TR 2.651% 01/19/2007	1,255,000	3,831	0	1,257,073	576
FIRSTENERGY CORP 6.45% 11/15/2011	50,000	0	(4,015)	47,021	1,218
FLEET CR CARD MASTER TR 1.00% 08/15/2008	450,000	761	0	450,256	200
FLORIDA PWR & LT CO. 6.875% 12/01/2005	30,000	1,767	0	33,117	688
FORD MOTOR CO. 4.32% 03/08/2004	170,000	0	(3,807)	157,582	5,341

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION EMPLOYEES' RETIREMENT TRUST
AND OTHER MANAGED TRUSTS
STATEMENT OF ASSETS CORPORATE BONDS
SEPTEMBER 30, 2002**

Investment Manager - Seix Investment Advisors

Description	Par Value	Unamortized Premium	Unamortized Discount	Market Value	Accrued Interest
FORD CR AUTO OWNER TR 1.00% 01/15/2006	605,000	108	0	605,303	486
FORD MOTOR CR CO. 7.45% 07/16/2031	665,000	0	(77,785)	538,637	10,321
FORD MOTOR CR CO. 6.875% 02/01/2006	145,000	188	(1,186)	142,645	1,661
FOX FAMILY WORLDWIDE INC 1.00% 11/01/2007	212,644	2,126	0	221,150	9,082
FRANCE TELECOM SA 1.00% 03/01/2031	85,000	8,898	0	93,987	71
GENERAL MTRS ACCEP CORP 8.00% 11/01/2031	935,000	10,545	(7,032)	905,641	30,908
GILLETTE CO. 3.750% 12/01/2004	50,000	1,263	0	51,423	625
GOLDEN WEST FINL CORP. 4.125% 08/15/2007	80,000	0	(277)	82,383	477
GOLDEN SACHS GROUP INC. 6.65% 05/15/2009	65,000	1,301	0	71,200	906
GREENPOINT HOME EQUITY LN 7.82% 12/15/2029	64,806	0	(3,825)	64,650	29
HARRAHS OPER INC 7.125% 06/01/2007	90,000	3,132	0	98,314	1,663
HERTZ CORP 7.625% 06/01/2012	60,000	0	(442)	54,913	1,563
HOUSEHOLD FIN CORP 6.375% 10/15/2011	220,000	106	(4,986)	203,886	6,239
HUMANA INC 7.25% 08/01/2006	70,000	680	(121)	76,437	846
HUSKY ENERGY INC 6.25% 06/15/2012	45,000	0	(205)	49,289	836
IMPAC CMB TR 1.00% 12/15/2031	332,671	0	0	331,888	59
INCO LTD 7.75% 05/15/2012	75,000	5,995	18	85,024	2,005
INTERNATIONAL LEASE FIN 5.625% 06/01/2007	45,000	424	0	47,398	858
INTERNATIONAL PAPER CO 6.75% 12/01/2029	225,000	4,421	(27)	249,464	1,266
JP MORGAN CHASE & CO 6.625% 03/15/2012	75,000	3,571	0	81,101	221
JOHNSON & JOHNSON 8.72% 11/01/2024	100,000	13,500	0	115,308	3,633
KEYCORP MTN BOOK ENTRY 4.625% 05/16/2005	70,000	0	(172)	72,728	1,268
KINDER MORGAN ENERGY PARTNER 7.40% 03/15/2031	130,000	2,756	0	139,903	435
KROGER CO 7.50% 04/01/2031	50,000	3,991	0	56,715	1,875
LOCKHEED MARTIN CORP 8.50% 12/01/2029	215,000	44,185	0	284,256	6,092
MBNA CR CARD MASTER NT TR 3.810% 10/15/2005	1,120,000	3,908	0	1,128,940	1,194
MARSH & MCLENNAN COS INC 5.375% 03/15/2007	70,000	0	(316)	75,783	167
MASCO CORP 5.875% 07/15/2012	65,000	0	(778)	67,808	997
MELLON HOME EQUITY LINE CR 1.00% 03/20/2027	572,669	0	(129)	572,083	423
METLIFE INC 5.25% 12/01/2006	65,000	19	(204)	68,567	1,138
MONUMENTAL GLOBAL 5.20% 01/30/2007	145,000	0	(284)	152,407	1,278

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION EMPLOYEES' RETIREMENT TRUST
AND OTHER MANAGED TRUSTS
STATEMENT OF ASSETS CORPORATE BONDS
SEPTEMBER 30, 2002**

Investment Manager - Seix Investment Advisors

Description	Par Value	Unamortized Premium	Unamortized Discount	Market Value	Accrued Interest
MORGAN STANLEY GROUP INC 7.25% 04/01/2032	175,000	3,132	0	188,342	6,273
MOTIVA ENTERPRISES LLC 5.20% 09/15/2012	70,000	0	(218)	71,039	71
NCR CORP 7.125% 06/15/2009	35,000	0	(180)	37,949	797
NABORS INDS INC 6.10% 04/15/2006	40,000	1,723	0	42,422	1,254
NEWS AMER HLDGS INC 6.75% 01/09/2038	100,000	10,084	0	116,317	1,542
NEWS AMER HLDGS INC 7.75% 12/01/2045	115,000	0	(13,773)	106,151	2,971
NEW CENTRY HOME EQUITY LN 7.53% 09/25/2028	50,000	2,438	0	51,819	314
ONCOR ELECTRIC DELIVERY CO 7.00% 05/01/2032	265,000	0	(2,404)	281,147	6,580
OPTION ONE MTG LN TR 3.86% 08/20/2030	183,432	0	0	182,989	50
PSEG PWR LLC 8.625% 04/15/2031	125,000	10,515	0	125,118	4,790
PENNZOIL CO 10.25% 11/01/2005	20,000	2,739	0	23,589	854
PHILLIPS PETE CO 8.75% 05/25/2010	125,000	16,007	0	150,330	2,458
POWERGEN US FDG LLC 4.50% 10/15/2004	175,000	383	(130)	179,092	3,661
PROGRESS ENERGY INC 7.75% 03/01/2031	125,000	9,600	0	136,238	807
REGIONS FIN'L CORP 6.375% 12/15/2008	25,000	0	(64)	28,071	602
RESIDENTIAL ASSET SEC MTG 6.34% 06/25/2026	85,000	2,523	0	86,064	449
RESIDENTIAL ASSET SEC 1.00% 03/25/2032	521,884	0	(142)	520,277	182
ROHM & HAAS CO 7.85% 01/17/2002	45,000	5,620	0	57,350	746
ROYAL BANK OF SCOTLAND 1.00% 08/31/2049	80,000	4,785	0	90,316	2
SLM STUDENT LN 1.00% 03/15/2007	351,349	0	(104)	351,166	165
SAPPI PAPIER HLDG AG 6.75% 06/15/2012	55,000	0	(179)	60,537	1,145
SCHLUMBERGER TECHNOLOGY 6.50% 04/15/2012	80,000	0	(257)	90,129	2,456
SCHOLASTIC CORP 5.75% 01/15/2007	55,000	0	(243)	58,684	661
SCRIPPS E.W. CO 5.75% 07/15/2012	55,000	0	(345)	59,004	782
SEACOR SMIT INC 5.875% 10/01/2012	50,000	0	(581)	49,868	33
SIMON PPTY GROUP LP 6.375% 11/15/2007	45,000	3,223	0	48,965	1,084
SOUTHWEST AIRLS CO 6.50% 03/01/2012	40,000	89	(114)	42,733	217
STRUCTURED ASSET SECS CORP 1.00% 07/25/2024	648,114	40	(25)	652,890	125
SOUNDVIEW HOME EQUITY LN 6.265% 05/15/2031	79,152	1,435	0	85,806	413
TENET HEALTHCARE CORP 5.00% 07/01/2007	115,000	0	(1,045)	119,783	1,533
TOYOTA MTR CR CORP 5.65% 01/15/2007	245,000	3,506	0	268,527	2,922

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION EMPLOYEES' RETIREMENT TRUST
AND OTHER MANAGED TRUSTS
STATEMENT OF ASSETS CORPORATE BONDS
SEPTEMBER 30, 2002**

Investment Manager - Seix Investment Advisors

Description	Par Value	Unamortized Premium	Unamortized Discount	Market Value	Accrued Interest
TRANSOCEAN SEDCO FOREX INC 9.50% 12/15/2008	170,000	25,497	0	214,440	4,755
TYSON FOODS INC 8.25% 10/01/2011	80,000	4,595	0	90,957	3,025
UNION PAC CORP 7.60% 05/01/2005	85,000	4,982	(34)	94,098	2,692
VERIZON NEW YORK & GLOBAL 1.00% 12/17/2003	365,000	1,280	(30,391)	367,632	13,908
WALMART STORES INC 7.75% 11/20/2004	195,000	36,825	0	248,467	1,881
WFS FINL 2000 C OWNER TR 7.07% 02/20/2005	232,192	6,015	0	236,399	1,870
WASHINGTON MUT BK CA 4.05% 07/25/2006	460,000	10,433	(590)	478,837	2,147
WELLS FARGO & CO NEW 6.375% 08/01/2011	30,000	1,243	0	31,634	248
WEYERHAEUSER CO 6.75% 03/15/2012	150,000	161	(711)	162,482	506
Total - September 30, 2002	<u><u>\$23,828,263.64</u></u>	<u><u>\$445,049.90</u></u>	<u><u>(\$244,597.17)</u></u>	<u><u>\$24,590,509.73</u></u>	<u><u>\$258,428.26</u></u>

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION EMPLOYEES' RETIREMENT TRUST
AND OTHER MANAGED TRUSTS
STATEMENT OF ASSETS CORPORATE BONDS
SEPTEMBER 30, 2002**

Investment Manager - Loomis Sayles & Co.

Description	Par Value	Unamortized Premium	Unamortized Discount	Market Value	Accrued Interest
ARAMARKS SVCS 6.375% 02/15/2008	\$215,000	\$4,499	\$0	\$220,313	\$1,447
BANKAMERICA CORP 6.25% 04/01/2008	645,000	30,453	0	715,847	20,156
BANKBOSTON HOME EQUITY LN TR. 6.01% 06/15/2013	323,570	0	(101)	326,412	1,621
BOEING CAP CORP 7.375% 09/27/2010	620,000	59,935	0	688,504	508
CIT GROUP INC 6.50% 02/07/2006	460,000	3,906	0	477,770	4,485
CALENERGY INC. 7.52% 09/15/2008	575,000	0	(3,945)	610,184	1,922
CAPITAL ONE BANK. 6.50% 07/30/2004	605,000	0	(841)	570,624	6,663
CARRAMERICA REALTY CORP. 7.20% 07/01/2004	1,000,000	14,210	0	1,061,470	18,000
CITIGROUP INC 5.00% 03/06/2007	680,000	7,473	0	717,747	2,361
CHASE MANHATTAN CORP 6.50% 01/15/2009	200,000	11,976	0	216,344	2,744
COMCAST CABLE COMMUNICATION 6.375% 01/30/2006	310,000	0	(12,013)	298,127	3,349
CONOCO FDG CO 5.45% 10/15/2006	460,000	21,749	0	494,537	11,560
CONSTELLATION CORP 6.35% 04/01/2007	575,000	0	(449)	595,844	18,763
CONTINENTAL CABLEVISION INC. 8.30% 05/15/2006	1,000,000	110,430	0	952,730	31,356
COUNTRYWIDE FDG CO 6.25% 04/15/2009	660,000	4,066	0	704,926	19,021
DEERE JOHN CAP CORP 7.00% 03/15/2012	415,000	0	(2,113)	486,695	1,291
DEVON FING CORP 6.875% 09/30/2011	230,000	15,433	0	258,145	44
FIRST UNION CORP. 6.875% 09/15/2005	1,000,000	0	(6,980)	1,109,140	3,056
FORD MTR CR CORP. 7.375% 10/28/2009	1,375,000	1,803	(29,969)	1,317,333	43,098
GMACM HOME EQUITY LN 5.29% 06/25/2027	740,000	0	(132)	770,525	3,262
GENERAL ELEC CAP CORP 6.00% 06/15/2012	780,000	0	(5,828)	848,929	14,820
GENERAL MTRS ACCEP CORP. 6.75% 01/15/2006	935,000	14,736	0	954,672	13,324
GOLDMAN SACHS GROUP INC 7.35% 10/01/2009	625,000	32,106	0	706,588	22,969
HOUSEHOLD FIN CORP. 7.875% 03/01/2007	1,060,000	77,622	0	1,131,433	6,956
INTERNATIONAL LEASE FIN CORP 6.375% 03/15/2009	900,000	0	(5,342)	982,512	2,550
KELLOGG CO 6.00% 04/01/2006	180,000	5,186	0	196,040	5,400
KELLOGG CO 6.60% 04/01/2011	260,000	15,608	0	296,085	8,580
KERR McGEE CORP. 5.875% 09/15/2006	460,000	0	(258)	497,324	1,201
KINDER MORGAN ENERGY 6.75% 03/15/2011	220,000	11,158	0	237,961	660
LEHMAN BROTHERS HOLDINGS INC. 6.250% 05/15/2006	935,000	17,232	0	1,006,219	22,076
MORGAN STANLEY GROUP 6.75% 04/15/2011	705,000	14,262	0	772,835	21,943
MOTOROLA INC. 6.75% 02/01/2006	200,000	0	(2,500)	200,682	2,250
NORWEST ASSET SECS CORP. 6.50% 09/25/2014	526,789	0	(14,240)	566,130	2,853
PROVIDENT COS INC 6.375% 07/15/2005	470,000	19,579	0	499,319	6,325

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION EMPLOYEES' RETIREMENT TRUST
AND OTHER MANAGED TRUSTS
STATEMENT OF ASSETS CORPORATE BONDS
SEPTEMBER 30, 2002**

Investment Manager - Loomis Sayles & Co.

Description	Par Value	Unamortized Premium	Unamortized Discount	Market Value	Accrued Interest
RAYTHEON CO. 6.30% 03/15/2005	230,000	7,940	0	243,174	644
RESIDENTIAL FDG MTG INC. 6.750% 09/25/2014	388,409	0	(6,281)	403,095	2,185
SAFECO CORP. 7.875% 03/15/2003	735,000	0	(2,205)	746,878	2,573
SEARS ROEBUCKS ACCEP CORP 7.00% 06/15/2007	340,000	26,248	0	377,900	7,008
SIMON DEBARTOLO GROUP 6.75% 06/15/2005	615,000	15,357	0	660,977	12,223
TIME WARNER INC. 8.110% 08/15/2006	565,000	20,080	0	549,875	3,414
TRANSOCEAN SEDCO FOREX 6.95% 04/15/2008	460,000	44,684	0	516,976	14,742
VIRGINIA ELEC & PWR CO 5.375% 02/01/2007	465,000	24,163	0	499,573	4,166
Total - September 30, 2002	<u><u>\$24,143,768</u></u>	<u><u>\$631,891.56</u></u>	<u><u>(\$93,196)</u></u>	<u><u>\$25,488,391</u></u>	<u><u>\$373,567.56</u></u>

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION EMPLOYEES' RETIREMENT TRUST
AND OTHER MANAGED TRUSTS
STATEMENT OF ASSETS FIXED INCOME SECURITIES
SEPTEMBER 30, 2002**

Investment Manager - Atlanta Capital (Staff Pension Plan)

Corporate Bonds	Par Value	Unamortized Premium	Unamortized Discount	Market Value	Accrued Interest
COLLATERALIZED MTG 7.25% 04/20/2018	\$2,283	\$3	\$0	\$2,514	\$33
CWABS INC 4.599% 01/25/2017	5,000	0	(0)	5,179	19
COLGATE PALMOLIVE CO 3.98% 04/29/2005	2,000	0	0	2,060	46
DAIMLER-CHRYSLER AUTO 6.66% 01/08/2005	2,188	59	0	2,235	9
GENERAL ELEC CAP CORP 6.75% 03/15/2032	3,000	0	(11)	3,176	9
KEY BK NA MT SUB BK NTS 7.125% 08/15/2006	5,000	304	0	5,629	46
Total - September 30, 2002	<u>\$19,471</u>	<u>\$365</u>	<u>(\$11)</u>	<u>\$20,793</u>	<u>\$161</u>

Investment Manager - Atlanta Capital (Staff Pension Plan)

Mortgage Backed Securities	Par Value	Unamortized Premium	Unamortized Discount	Market Value	Accrued Interest
FNMA POOL 4.250% 07/15/2007	\$23,000	\$0	(\$23)	\$24,143	\$187
FNMA GTD 6.350% 09/25/2008	3,000	83	0	3,229	19
FHLMC CORP 5.00% 01/15/2022	10,000	118	(3)	10,185	42
FHLMC CORP 5.875% 03/21/2011	7,000	157	0	7,610	11
FHLMC CORP 6.00% 05/15/2019	137	2	0	138	1
FHLMC CORP 6.25% 07/15/2032	1,000	135	0	1,132	13
FHLMC DISC NTS 1.00% 11/27/2002	15,000	0	(40)	14,960	
Total - September 30, 2002	<u>\$59,137</u>	<u>\$494</u>	<u>(\$66)</u>	<u>\$61,397</u>	<u>\$273</u>

Investment Manager - Atlanta Capital (Staff Pension Plan)

U.S. Treasury Notes	Par Value	Unamortized Premium	Unamortized Discount	Market Value	Accrued Interest
U.S. TREASURY NOTES 4.250% 03/31/2003	\$35,000	\$154	\$0	\$35,503	\$4
Total - September 30, 2002	<u>\$35,000</u>	<u>\$154</u>	<u>\$0</u>	<u>\$35,503</u>	<u>\$4</u>

Investment Manager - Atlanta Capital (Staff Pension Plan)

U.S. Treasury Bonds	Par Value	Unamortized Premium	Unamortized Discount	Market Value	Accrued Interest
U.S. TREASURY BOND 5.375% 02/15/2031	\$14,000	\$0	(\$586)	\$15,558	\$96
Total - September 30, 2002	<u>\$14,000</u>	<u>\$0</u>	<u>(\$586)</u>	<u>\$15,558</u>	<u>\$96</u>

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION EMPLOYEES' RETIREMENT TRUST
AND OTHER MANAGED TRUSTS
STATEMENT OF ASSETS CORPORATE STOCKS
SEPTEMBER 30, 2002**

Investment Manager - Atlanta Capital

Investment Manager - Institutional Capital

	Number of Shares	Market Price		Number of Shares	Market Price
AFLAC Inc	91,000	\$2,792,790	AT&T Corp	139,700	\$1,677,797
Adobe Sys Inc	67,600	1,291,160	Accenture Ltd Bermuda	49,400	705,432
American Intl Group Inc	38,139	2,086,203	Bank Amer Corp	28,300	1,805,540
American Pwr Conversion Corp	133,900	1,280,084	Bank One Corp	55,600	2,079,440
Amgen Inc	20,000	834,000	Baxter Intl Inc	50,900	1,554,995
Bank Amer Corp	22,400	1,429,120	Caterpillar Inc	33,300	1,239,426
Brinker Intl Inc	60,800	1,574,720	Cendant Corp	123,800	1,332,088
Cisco Systems Inc	182,500	1,912,600	Cigna Corp	15,450	1,093,088
Coca Cola Co	43,700	2,095,852	Citigroup Inc	92,616	2,746,064
Colgate Palmolive Co	49,000	2,643,550	Clear Channel Communications	32,950	1,145,013
Concord Efs Inc	94,500	1,500,660	Conocophillips	56,669	2,620,375
Conocophillips	31,000	1,433,440	Diageo Inc	44,250	2,208,518
Dell Computer Corp	109,300	2,569,643	Dow Chem Co	53,300	1,455,623
Dentsply Intl Inc New	47,350	1,902,050	Electronic Data Sys Corp New	33,400	466,932
Dover Corp	57,500	1,459,350	Encana Corp	34,518	1,038,992
E M C Corp Mass	175,500	802,035	Entergy Corp	30,900	1,285,440
EOG Resources Inc (Enron Oil & G:	73,300	2,635,868	Exxon Mobil Corp	70,215	2,239,859
Electronic Data Sys Corp New	53,200	743,736	Federal Natl Mtg Assn	31,350	1,866,579
Engelhard Corp	77,000	1,834,910	Gannett Inc	17,939	1,294,837
Family DLR Stores Inc	65,100	1,749,888	General Dynamics Corp	14,250	1,158,953
Federal Nat'l Mtg Assn	16,300	970,502	General Mtrs Corp	36,100	1,404,290
Franklin Res Inc	84,800	2,637,280	Goldman Sachs Group Inc	14,650	967,340
General Dynamics Corp	25,200	2,049,516	Guidant Corp	34,800	1,124,388
General Electric Co	96,600	2,381,190	HCA Inc	28,350	1,349,744
Hartford Financial Svcs Grp	39,800	1,631,800	Hewlett Packard Co	98,900	1,154,163
Health Mgmt Assoc	72,800	1,472,016	Honeywell Intl Inc	58,816	1,273,955
Home Depot, Inc.	42,400	1,106,640	Kimberly Clark Corp	34,350	1,945,584
Intel Corp	156,600	2,175,174	Koninklijke Philips Electrs NV	104,076	1,512,224
Interpublic Group Cos Inc	95,300	1,510,505	Lennar Corp	12,050	672,149
Johnson & Johnson	21,800	1,178,944	Liberty Media Corp New	181,000	1,299,580
Kimberly Clark Corp	36,000	2,039,040	Loews Corp	43,850	1,880,727
Lilly Eli + Co	38,000	2,102,920	Mcdonalds Corp	90,600	1,599,996
Linear Technology Corp	71,000	1,471,120	Metlife Inc	85,600	1,948,256
Medtronic Inc	77,000	3,243,240	News Corp Ltd	54,007	896,516
Mellon Finl Corp	45,500	1,179,815	Northrop Grumman Corp	6,157	763,714
Merek & Co Inc	61,500	2,811,165	Schering Plough Corp	79,000	1,684,280
Microsoft Corp	60,700	2,655,018	Sears Roebuck & Co	47,350	1,846,650
Molex Inc	58,500	1,375,920	Target Corp (Dayton Hudson Corp)	60,750	1,793,340
Oracle Corp	150,700	1,184,502	Travelers Ppty Cas Corp CL A	81,780	1,079,496
Pfizer Inc	83,725	2,429,700	Verizon Communications(Bell Atlantic)	62,645	1,718,979
Praxair Inc	27,900	1,425,969	Wells Fargo & Co New	41,600	2,003,456
Qlogic Corp	33,000	859,320	Weyerhaeuser Co	35,100	1,536,327
SBC Communications Inc.	95,000	1,909,500	Wyeth	44,700	1,421,460
Sei Investment Co	70,900	1,693,092	Total - September 30, 2002	<u>2,345,038</u>	<u>\$63,891,601</u>
Safeway Inc	45,800	1,021,340			
Schering Plough Corp	99,900	2,129,868			
Schlumberger, Ltd.	54,000	2,076,840			
Target Corp	56,600	1,670,832			
Tribune Co New	60,700	2,537,867			
Verizon Communications	53,240	1,460,906			
Vulcan Mats Co	43,100	1,558,496			
Wellpoint Health Networks Inc Com	20,200	1,480,660			
Total - September 30, 2002	<u>3,487,354</u>	<u>\$92,002,355</u>	Investment Manager-Axiom International Investors LLC		
				Number of Shares	Market Price
			Axiom International Equity Fund	1,180,389	\$7,939,580
			Total - September 30, 2002	<u>1,180,389</u>	<u>\$7,939,580</u>

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION EMPLOYEES' RETIREMENT TRUST
AND OTHER MANAGED TRUSTS
STATEMENT OF ASSETS CORPORATE STOCKS
SEPTEMBER 30, 2002**

Investment Manager - Cramer R.M., LLC

	Number of Shares	Market Price
ATMI Inc	4,800	\$67,680
Airgate Pes Inc	9,900	4,356
Alpharma Inc	26,500	254,400
American Mgmt Sys Inc	9,800	124,754
Americredit Corp	17,600	142,032
Amerus Group Co	8,400	238,224
Apria Healthcare Group Inc	18,300	431,148
Bay View Cap Corp Del	41,500	235,305
Casella Waste Sys Inc	20,200	129,886
Central Garden + Pet Co	17,300	296,003
Chiquita Brands Intl Inc	9,300	143,685
Cole Kenneth Prodtns Inc	5,700	115,710
Community First Bankshares Inncc	4,900	136,612
D. R. Horton Inc	13,050	242,991
Documentum Inc	8,100	93,555
Edwards Lifesciences Corp	8,200	209,838
Emcor	3,900	193,830
Emmis Communications Corp	17,600	334,400
Esco Technologies	4,400	142,120
Everest Reinsurance Grp LTD	1,800	98,748
First American Corp	12,100	247,203
FMC Technologies	3,700	62,012
Forrester Resh Inc	15,800	236,526
Gatx	7,000	138,600
Hub Intl Ltd	9,200	145,360
Hughes Supply Inc	3,500	101,990
Insight Enterprises Inc	19,700	199,955
Insight Communications Inc	13,200	121,836
Interactive Data Corp	20,100	246,225
Interstate Bakeries Corp	9,400	249,758
Kennametal Inc	9,000	289,080
Landry's Restaurants Inc	9,700	219,123
Lear Corp	4,600	191,590
Lightbridge Inc	18,800	126,919
Meredith Corp	6,100	262,605
Moore Corp Ltd	16,000	156,800
Movie Gallery Inc	14,300	214,643
New York Cmnty Bancorp Inc	9,815	276,489
Nuevo Energy Co	5,700	62,130
Prime Hospitality Corp	23,200	190,240
Quantum Corp	50,700	112,047
Quicksilver Inc	7,200	162,648
RH Donnelley Corp	9,800	254,800
Railamerica Inc	13,700	99,325
Roper Inds	4,100	141,450
School Specialty Inc	11,700	292,617
Smartforce Pub Ltd Co	65,500	216,150
Solutia Inc	21,500	112,230
Spartech Corp	7,500	158,700
Sybase Inc	6,200	72,044
Systems + Computer Technology Co	20,400	142,800
TLC Vision Corp	26,695	24,026
TeleTech Hldgs Inc	21,700	135,625
Terex Corp New	13,900	234,910
Thomas + Betts Corp	15,200	214,168
Tommy Hilfiger Corp	13,700	128,095
Transaction Sys Architects Incl A	19,500	120,900
United Rentals Inc	15,700	132,508
United Retail Group Inc	14,400	68,400
United Stationers Inc	5,100	134,130
Valuevision Intl Inc	7,400	87,024
Ventas Inc	37,700	503,295
Verdian Corp	1,900	47,462
Viasys Healthcare Inc	27,100	417,340

**Investment Manager - Cramer R.M., LLC
(continued)**

Watson Wyatt + Co Hldgs	8,100	162,000
Westar Energy Inc(Western Res In	18,200	183,092
Total - September 30, 2002	<u>946,760</u>	<u>11,732,146</u>

Investment Manager - Invesco Capital

	Number of Shares	Market Price
ABN Amro HOLDING NV Sp	26,450	\$294,918
Abbey Natl PLC	22,250	356,000
Axa SA	12,700	127,000
Bae Sys Plc	21,600	261,360
Basf AG	9,500	337,250
BP Amoco PLC	8,700	347,130
BT Group PLC	9,100	235,144
Bayer A.G.	7,300	128,480
Cadbury Schweppes	18,900	504,063
Canon Inc	16,400	522,668
Companhia Vale Do Rio Doce	8,700	197,925
Danske Bk A S	18,600	276,210
Deutsche Bk A.G.	6,000	272,520
Diageo PLC	10,000	499,100
ENI S P A	7,300	500,999
EISAI Ltd	14,200	312,400
Endesa S A	39,900	364,287
Fuji Photo Film Co Ltd Adr	17,300	506,890
Glaxo Smith Kline PLC	12,700	488,061
HSBC Hldgs PLC	9,200	473,616
Hitachi Ltd	4,400	218,064
Honda Motor Ltd	14,600	290,102
ING Groep N.V.	22,700	318,708
ITO Yokado Co Ltd	7,300	284,627
KAO Corporation	925	200,725
Kingfisher PLC	42,100	252,600
Koninklijke Philips Electrs NV	20,000	290,600
Kt Corp New(Korea Telecom)	10,950	242,871
Korea Elec Pwr Corp	24,500	228,585
Kyocera Corp	3,250	213,168
Marks & Spencer Group PLC	7,123	212,622
National Australia Bk Ltd	3,050	276,574
Nestle S.A.	11,600	620,600
Nintendo Ltd	21,000	309,750
Nippon Teleg &Tel Corp	21,000	341,670
Novartis AG	13,500	536,355
Petroleo Brasileiro SA	14,000	150,220
Portugal Telecom SA	54,500	251,790
Repsol S.A.	17,300	207,254
Roche Hldgs Ltd	4,950	332,145
Rolls Royce Plc	21,800	168,950
Royal Dutch Pete Co new	11,700	469,989
San Paolo IMI SPA(Istituto Bancar	12,700	145,161
SAP Aktiengesellschaft	7,300	82,125
Scottish PWR PLC	22,800	495,900
Societe Generale France	42,200	354,480
Sony Corp	11,450	470,595
Statoil ASA	35,500	269,445
Syngenta AG	23,592	254,794
TDK Corp	6,350	244,475
Telecom Italia S.P.A.	5,450	388,858
Telefonos De Mexico S.A.	11,450	322,318
Total Fina Sa	8,900	586,065
Toyota Mtr Co	5,100	260,610
Unilever N V	4,850	288,333
Zurich Finl Svcs	19,100	176,675
Total - September 30, 2002	<u>865,790</u>	<u>\$17,763,821</u>

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION EMPLOYEES' RETIREMENT TRUST
AND OTHER MANAGED TRUSTS
STATEMENT OF ASSETS CORPORATE STOCKS
SEPTEMBER 30, 2002**

Investment Manager - Trusco Capital Management

	Number of Shares	Market Price
Alcoa Inc	14,100	\$272,130
Allstate Corp	13,600	483,480
Alltel Corp	7,100	284,923
Ambac Finl Group Inc.	5,200	280,228
American Express Co.	9,100	283,738
American Intl Group Inc	8,932	488,580
Amsouth Bancorporation	15,645	324,477
BP Amoco PLC	12,300	490,770
Bank of America Corp	4,600	293,480
Becton Dickinson + Co	15,300	434,520
BellSouth Corp	13,400	246,024
Bowater Inc	5,500	194,150
Bristol Myers Squibb Co	17,300	411,740
CenturyTel Inc	13,400	300,562
CitiGroup Inc	16,600	492,190
Clorox Co	6,000	241,080
ConocoPhillips	16,348	755,932
Diamond Offshore Drilling Inc Com	15,500	309,225
Disney Walt Co	15,900	240,726
Dover Corp	18,000	456,840
Eastman Chem Co	11,712	447,047
Eaton Corp	5,000	318,700
Emerson Elec Co	8,100	355,914
Exxon Mobil Corp	17,500	558,250
FPL Group Inc	8,800	473,440
Fleet FinL Boston Corp	10,705	217,633
Ford Mtr Co Del	26,600	260,680
Gannett Inc	7,500	541,350
Genuine Parts Co	9,700	297,208
Heinz H J Co	9,600	320,352
Hewlett Packard Co	29,100	339,597
Honeywell Intl Inc	14,100	305,406
Ingersoll Rand Co(New)	9,000	309,960
International Paper Co	12,900	430,731
J P Morgan Chase & Co	15,050	285,800
Jefferson Pilot Corp.	7,100	284,710
Keycorp (New)	11,100	277,167
Kimberly Clark Corp	10,400	589,056
Koninklijke Philips Electrs NV	22,100	321,113
Lauder Estee Cos Inc	9,600	275,904
Limited Inc	19,600	281,064
Lincoln Natl Corp In	9,600	293,280
Masco Corp	19,700	385,135
May Dept Stores Co	11,600	264,132
McDonalds Corp	9,700	171,302
McGraw Hill Cos Inc	5,600	342,832
Merrill Lynch + Co Inc	8,900	293,255
Morgan Stanley Dean Witter	8,000	271,040
Motorola Inc	27,900	284,022
Newell Rubbermaid Inc	8,600	265,482
Norfolk Southn Corp	17,100	345,249
PNC Finl Svcs Group Inc(PNC Bank	4,800	202,416
PPL Corp	8,900	289,606
Pall Corp	12,800	202,112
Parker Hannifin Corp	8,100	309,501
Pepsico Inc	11,600	428,620
Pharmacia Corp	4,673	181,686
Praxair Inc	5,600	286,216
Progress Energy Inc	7,600	310,612
Rockwell Collins Inc	11,800	310,612
Rohm & Haas Co	9,800	310,612
SBC Communications Inc	23,800	310,612
St Paul Cos Inc	10,500	310,612
Schering Plough Corp	13,500	310,612
Schlumberger Ltd	7,500	310,612
Supervalu Inc	12,300	310,612
Textron Inc	9,285	310,612

**Investment Manager - Trusco Capital Management
(continued)**

	Number of Shares	Market Price
Tidewater	5,700	153,843
Torchmark Inc	6,900	236,394
Valero Energy Corp	9,700	256,759
Verizon Communications	20,534	563,453
Total - September 30, 2002	<u>851,184</u>	<u>1,521,061</u>

Investment Manager - Atlantic Capital Management

	Number of Shares	Market Price
Activision Inc New	8,345	\$199,696
Amsurg Corp	7,100	214,207
Atlantic Coast Airlines Hldgs	7,270	67,248
Brown Tom Inc	11,090	253,961
Caremark Rx Inc	17,770	302,090
Charles Riv Laboratories Intl Com	10,750	421,938
Coach Inc	14,480	370,688
Constellation Brands Inc	16,800	388,080
Comstock Res Inc	25,020	172,638
Doral Finl Corp	11,250	271,575
Fair Issac + Co Inc	8,646	282,724
Harman Intl Inds Inc New	7,060	365,355
Harris Corp Del	8,600	288,014
Integrated Circuit Sys Inc	22,710	356,547
International Rectifier Corp	10,435	162,995
Investment Technology Grp Inc	6,307	184,543
Investors Finl Services Corp	7,760	210,063
Knight Transn Inc	9,175	142,213
La Quinta Corp	31,635	151,848
Linens N Things Inc	10,390	\$190,864
Merix Corp	13,380	109,047
Microtune Inc Del	13,150	31,692
Mid Atlantic Med Svcs Inc	5,865	212,313
Oakley Inc	19,295	193,915
PRG Shultz Intl Inc	11,855	146,765
Pacific Sunwear Of Calif	9,850	200,546
Patterson Uti Energy Inc	18,645	475,634
Performance Food Group Co	10,190	346,052
Petsmart Inc	28,580	509,010
Pharmaceutical Prod Dev Inc	14,270	275,982
Photronics Inc	6,820	68,609
Polaris Inds Inc	2,845	176,390
Precision Drilling Corp	10,850	326,585
Priority Healthcare corp	12,785	322,182
Province Healthcare Co	15,385	263,853
Semtech	6,445	62,517
Skywest Inc	11,020	144,362
Southwest Bancorporation Tex	6,635	241,580
Stage Stores Inc	10,550	228,830
Ticketmaster	16,645	253,836
Titan Corp	16,785	161,136
Ultra Pete Corp	32,605	272,252
UltraTech Stepper Inc	6,630	53,637
West Marine Inc	16,450	207,270
Total - September 30, 2002	<u>570,123</u>	<u>\$10,281,279</u>

Investment Manager - State Street Global Advisors

	Number of Shares	Market Price
SSgA-S&P 500 Index Fund	315,803	44,894,523
Total - September 30, 2002	<u>315,803</u>	<u>\$44,894,523</u>

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION EMPLOYEES' RETIREMENT TRUST
AND OTHER MANAGED TRUSTS
STATEMENT OF ASSETS REAL ESTATE STOCKS
SEPTEMBER 30, 2002**

Investment Manager - EII Realty Advisors

	Number of Shares	Market Price
AMB Ppty Corp	5,800	\$167,620
Apartment Invnt & Mgmt Co(A)	13,800	536,130
Archstone Smith Tr	21,980	524,882
Avalonbay Cmnty Inc	13,600	568,480
BRE Pptys Inc	9,900	304,425
Boston Pptys Inc	14,700	546,840
Brandywine Rlty tr	6,400	144,320
Brookfield Pptys Corp	11,300	217,525
Carramerica Rlty Corp	5,200	130,884
Centerpoint Pptys Tr	4,900	271,950
Equity Office Pptys Tr	17,928	462,901
Equity Residential Pptys Tr	7,500	179,550
Essex Property Trust	5,900	291,696
Felcor Lodging Tr Inc	7,700	98,791
General Growth PPTYS Inc	11,000	566,500
Health Care Ppty Invs Inc	4,600	195,960
Highwoods Pptys Inc	5,800	135,720
Host Marriott Corp New	22,600	209,728
La Quinta Corp	56,200	269,760
Liberty Property	11,500	356,500
Macerich Co	13,100	405,838
Nationwide Health Pptys Inc	9,700	165,385
Meristar Hospitality Corp	7,700	66,143
Pan Pac Retail Pptys Inc	3,700	127,576
Prentiss Pptys Tr	4,100	118,654
Prologis Tr	29,900	744,809
Public Storage Inc	10,634	339,225
Reckson Assocs Rlty Corp	8,300	188,991
Regency Ctrs Corp	8,000	248,000
Rouse Co	9,400	300,330
SL Green Rlty Corp	2,200	67,628
Simon Ppty Group Inc New	21,600	771,768
Starwood Hotels & Resorts Cl B	6,700	149,410
Taubman Centers Inc	7,900	112,417
Ventas Inc	7,100	94,785
Vornado Rlty Tr(Com)	14,100	556,245
Vornado Rlty Tr (Pfd Conv Ser. A)	2,000	109,900
Total - September 30, 2002	<u>424,442</u>	<u>\$10,747,266</u>

Investment Manager - Metlife Realty Group

	Number of Shares	Market Price
Metlife Real Estate Tower Fund	29,168	\$18,313,882

RENTAL PROPERTY

Description	Cost	Market
234 Biscayne Boulevard Miami, Florida	\$55,159	\$55,159

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION EMPLOYEES' RETIREMENT TRUST
AND OTHER MANAGED TRUSTS
STATEMENT OF ASSETS CORPORATE STOCKS
SEPTEMBER 30, 2002**

Investment Manager - Atlanta Capital (Staff Pension Plan)

	Number of Shares	Market Price
Aflac Inc	120	\$3,683
Adobe Sys Inc	100	1,910
American Intl Group Inc	60	3,282
American Pwr Conversion Corp	100	956
Amgen	30	1,251
Bank Amer Corp	40	2,552
Brinker Intl Inc	70	1,813
Cisco Sys Inc	210	2,201
Coca Cola Co	40	1,918
Colgate Palmolive Co	60	3,237
Concord Efs Inc	130	2,064
Conocophillips	70	3,237
Dell Computer Corp	130	3,056
Dentsply Intl Inc New	75	3,013
Dover Corp	80	2,030
E M C Corp Mass	220	1,005
EOG Resources Inc	100	3,596
Electronic Data Sys Corp New Com	80	1,118
Engelhard Corp	80	1,906
Family Dlr Stores Inc	100	2,688
Federal Natl Mtg Assn	20	1,191
Franklin Res Inc	110	3,421
General Dynamics Corp	20	1,627
General Elec Co	120	2,958
Hartford Financial Svcs Grp	60	2,460
Health Mgmt Assoc	90	1,820
Home Depot Inc	70	1,827
Intel Corp	180	2,500
Interpublic Group Cos Inc	100	1,585
Johnson + Johnson	40	2,163
Kimberly Clark Corp	50	2,832
Lilly Eli + Co	50	2,767
Linear Technology Corp	100	2,072
Medtronic Inc	100	4,212
Mellon Finl Corp	70	1,815
Merck + Co Inc	60	2,743
Microsoft Corp	80	3,499
Molex Inc	60	1,411
Oracle Corp	170	1,336
Pfizer Inc	70	2,031
Praxair Inc	60	3,067
Qlogic Corp	50	1,302
SBC Communications Inc	100	2,010
Sei Investment Co	70	1,672
Safeway Inc	70	1,561
Schering Plough Corp	130	2,772
Schlumberger Ltd	60	2,308
Target Corp	60	1,771
Tribune Co New	80	3,345
Verizon Communications	70	1,921
Vulcan Matls Co	70	2,531
WellPoint Health Networks	40	2,932
Total - September 30, 2002	<u><u>4,375</u></u>	<u><u>\$119,979</u></u>

Actuarial Section

March 24, 2003

Board of Trustees
Miami General Employees' and Sanitation Employees'
Retirement Trust
1000 Brickell Avenue
Miami, FL 33131-3014

The funding objective of the Retirement Trust is to establish and receive contributions which will maintain the plan in sound financial condition.

Contributions which satisfy the funding objective are determined by the annual actuarial valuation 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 dollar amount over 15 to 30 years. The actuarial cost method is designed to achieve this objective.

The most recent actuarial valuation was prepared as of October 1, 2002. The actuarial assumptions, as set forth in Table XI of the actuary's October 1, 2002 valuation report, were recommended by the actuary and adopted by the Board of Trustees. The actuary prepared the following schedules presented in the CAFR.

- Financial Section – Supplementary Information
 - Schedule of Funding Progress
 - Schedule of Employer Contributions

- 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

- Statistical Section
 - Active Employee Data

Board of Trustees
March 24, 2003
Page 2

The contribution made amounts and the market value of assets used to develop the actuarial value of assets were reported to the actuary by the Retirement Trust office. We believe the assumptions and methods produce results which are reasonable and meet the parameters set by Statement No. 25 of the Governmental Accounting Standards Board.

Data for the annual valuation was furnished by the Retirement Trust office and was reviewed by us for internal completeness and year-to-year consistency. Valuation assets were based on a moving market value averaged over three years.

On the basis of the 2002 valuation, it is our opinion that the Retirement Trust continues in sound financial condition in accordance with reasonable actuarial principles and the City Ordinance, Florida Statutes and Gates case requirements.

Respectfully submitted,



Jose I. Fernandez
Principal, Consulting Actuary
Enrolled Actuary No. 02-4461
Member, American Academy of Actuaries

JIF:sr

P:\Miami GESE Retirement\2003\Correspondence\CAFR Certification.doc
11896-0001 RETD1-169

Summary of Actuarial Assumptions and Methods for the City of Miami General Employees' and Sanitation Employees' Retirement Trust Plan

Actuarial Cost Method:

The modified aggregate entry age normal cost method. 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.

As of October 1, 1997, the unfunded actuarial accrued liability is zero. Beginning with the October 1, 1998 valuation, changes in actuarial assumptions and plan amendments are amortized as level dollar amounts over 15 to 30 years and actuarial gains and losses are amortized over 15 years.

Decrements:

- Pre-Retirement Mortality

1983 Group Annuity Mortality Table (Male & Female), set back 2 years.

- Post Retirement Healthy Mortality

1983 Group Annuity Mortality Table (Male & Female)

-Post Retirement Disabled Mortality

1983 Group Annuity Mortality Table (Male & Female) set forward 9 years.

Interest (Investment Return) Rates:

8.10% per annum, compounded annually, including inflation.

Salary Increases:

Salaries are assumed to increase at the rate of 5.75% per annum, including inflation. There is no assumed total active member payroll increase.

Inflation: 3.5% per annum.

Spouses:

80% of active members assumed to be married with the husband 3 years older than his wife.

Expenses:

The City of Miami shall provide for the non-investment expenses of the Retirement Trust. However, there may be some non-investment expenses during the plan year, which will be reimbursed by the city after the end of the year. An allowance for other expenses is made in that the interest rate assumption is net of investment expenses.

Assets:

The Actuarial value of assets is based on a moving market value averaged over three years. 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.

GASB Nos. 25 and 27

The determination of the GASB Nos. 25 and 27 accounting information has been made on the basis of the same assumptions and methods.

Funding Period (Pursuant to Chapter 112, Florida Statutes)

Prior to October 1, 1997, the Gates Agreement amortization payments were paid in accordance with Schedule B of Attachment E of the Gates Agreement. As of October 1, 1997, the payment schedule was replaced. The unfunded actuarial accrued liability as of October 1, 1997 was zero. Beginning October 1, 1998, the following amortization periods apply all as level dollar amounts:

Benefit improvements for activities	30 Years
Benefit improvements for retirees	15 Years
Actuarial gain/loss	15 Years
Change in assumptions	20 Years

Date of Last Actuarial Experience Analysis: June 1997

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	12.5%	11.0%	9.0%	7.5%	6.5%	5.3%
25	12.5%	11.0%	9.0%	7.5%	6.5%	4.6%
30	12.5%	11.0%	9.0%	7.5%	6.5%	4.0%
35	12.0%	11.0%	9.0%	7.2%	6.5%	3.4%
40	11.4%	10.4%	8.4%	6.6%	6.0%	2.6%
45	10.8%	9.8%	7.8%	6.0%	5.2%	2.0%
50	10.2%	9.2%	7.2%	5.4%	4.2%	1.3%
55	9.9%	8.9%	6.9%	5.1%	3.9%	1.0%

Retirement:

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	30%	60	20%	65	20%
46	10%	51	15%	56	20%	61	20%	66	20%
47	10%	52	15%	57	20%	62	20%	67	20%
48	10%	53	15%	58	20%	63	20%	68	20%
49	10%	54	15%	59	20%	64	20%	69	20%
								70	100%

Assumption Changes During the Last Few Plan Years:

- Effective October 1, 1990: Change in interest rate from 7.50% to 8.00%.
- Effective October 1, 1991: Salary increase assumption was changed from graduated rates to a flat 6.50% per year.
- Effective October 1, 1993: Change in mortality rates.
- Effective October 1, 1995:
 - . Change in interest rate from 8.00% to 8.10% per year.

- . Change in salary increase assumption from 6.50% to 6.00% per year.
- . Change in mortality rates.
- . Addition of rates of retirement before the age of 55 under the rule of 70.

- Effective October 1, 1997: Change in employee turnover rates:
Assumed Annual Termination Rates for Members
 With Five or More Completed Years of Service

<u>Age</u>	<u>Prior Rates</u>	<u>Revised Rates</u>
20	4.8%	5.3%
25	4.2%	4.6%
30	3.6%	4.0%
35	3.0%	3.4%
40	2.4%	2.6%
45	1.8%	2.0%
50	1.2%	1.3%
55	0.9%	1.0%

- Effective October 1, 1997: Changes in funding and assets methods:

Gates Settlement Schedule B Amortization Payments

Prior to October 1, 1997, the Gates Agreement amortization payments were paid in accordance with Schedule B of Attachment E of the Gates Agreement. As of October 1, 1997, the payment schedule was replaced. The unfunded actuarial accrued liability as of October 1, 1997 was zero. Beginning October 1, 1998, the following amortization periods apply all as level dollar amounts:

Benefit improvements for activities	30 Years
Benefit improvements for retirees	15 Years
Actuarial gain/loss	15 Years
Change in assumptions	20 Years

Asset Valuation Method

As of October 1, 1997, the actuarial value of assets shall be changed to moving market value averaged over three years. Each year, the actuarial asset value will be 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, 1997 actuarial value is equal to the market value.

Valuation Cost Method

The modified aggregate entry age normal cost method will be applied for costs for the fiscal year beginning October 1, 1998. (The City contribution for the fiscal year beginning October 1, 1998 is based on the October 1, 1997 actuarial valuation.) Under this method, the present value of future normal cost will equal 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.

- Effective October 1, 1998: Change in employee retirement rates

<u>Ages</u>	<u>Assumed Annual Retirement Rates</u>	
	<u>Prior Rates</u>	<u>Revised Rates</u>
45-49	5%	15%
50-54	5%	20%
55	20%	30%
56-61	10%	20%

62	20%	20%
63-64	15%	20%
65-69	20%	20%
70	100%	100%

- Effective October 1, 1999: Changes made to reflect Revenue Code Section 415(L)(1)(a) limitations on maximum annual benefits payable from the plan.
- Effective October 1, 2000:
 - . Changes in salary increase assumption from 6.00% to 5.75% per year
 - . Revised turnover rates for employees with less than 5 years of service as follows:

Age	Completed Years of Service				
	0	1	2	3	4
20	12.5%	11.0%	9.0%	7.5%	6.5%
25	12.5%	11.0%	9.0%	7.5%	6.5%
30	12.5%	11.0%	9.0%	7.5%	6.5%
35	12.0%	11.0%	9.0%	7.2%	6.5%
40	11.4%	10.4%	8.4%	6.6%	6.0%
45	10.8%	9.8%	7.8%	6.0%	5.2%
50	10.2%	9.2%	7.2%	5.4%	4.2%
55	9.9%	8.9%	6.9%	5.1%	3.9%

- . Change in employee retirement rates
- . Change in employee disability rates
- . Change in mortality rates for active members by setting back ages 2 years in the 1983 Group Annuity Mortality Table for males and females.

Summary of Actuarial Assumptions and Methods for the Staff Pension Plan

Actuarial Cost Method

The modified aggregate entry age normal cost method. 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.

Decrements

- **Pre-Retirement Mortality**
1983 Group Annuity Mortality Table (male and female), set back 2 years.
- **Post-Retirement Healthy Mortality**
1983 Group Annuity Mortality Table (male and female).
- **Post-Retirement Disabled Mortality**
1983 Group Annuity Mortality Table (male and female), set forward 9 years.
- **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	0.05%	30	0.08%	40	0.12%	50	0.20%
25	0.05%	35	0.10%	45	0.15%	55	0.28%

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	12.5%	11.0%	9.0%	7.5%	6.5%	5.3%
25	12.5%	11.0%	9.0%	7.5%	6.5%	4.6%
30	12.5%	11.0%	9.0%	7.5%	6.5%	4.0%
35	12.0%	11.0%	9.0%	7.2%	6.5%	3.4%
40	11.4%	10.4%	8.4%	6.6%	6.0%	2.6%
45	10.8%	9.8%	7.8%	6.0%	5.2%	2.0%
50	10.2%	9.2%	7.2%	5.4%	4.2%	1.3%
55	9.9%	8.9%	6.9%	5.1%	3.9%	1.0%

Retirement

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	30%	60	20%	65	20%
46	10%	51	15%	56	20%	61	20%	66	20%
47	10%	52	15%	57	20%	62	20%	67	20%
48	10%	53	15%	58	20%	63	20%	68	20%
49	10%	54	15%	59	20%	64	20%	69	20%
								70	100

In addition, the valuation assumes a 50% probability the Pension Administrator will retire upon reaching the Rule of 70 eligibility.

Interest (Investment Return) Rates

8.10% per annum, compounded annually, including inflation.

Salary Increases

Salaries are assumed to increase at the rate of 6% per annum, including inflation. There is no assumed total active member payroll increase.

Inflation

3.5% per annum.

Spouses

80% of active members assumed to be married with the husband 3 years older than his wife.

Expenses

The City shall provide for the non-investment expenses of the Plan. However, there may be some non-investment expenses during the Plan year which will be reimbursed by the City after the end of the year. An allowance for other expenses is made in that the interest rate assumption is net of investment expenses.

Assets

The actuarial value of assets is based on a moving market value averaged over three years. 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 is equal to the estimated present value of employee payments to purchase credit for service to the effective date of the Plan (July 1, 2001).

GASB Nos. 25 and 27

The determination of the GASB Nos. 25 and 27 accounting information has been made on the basis of the same assumptions and methods.

Funding Period (Pursuant to Chapter 112, Florida Statutes)

The following amortization periods apply all as level dollar amounts:

Benefit improvements for actives	30 years
Benefit improvements for retirees	15 years
Actuarial gain/loss	15 years
Change in assumptions	20 years

The Plan's initial unfunded actuarial accrued liability as of October 1, 2000 is amortized over 30 years.

Maximum Benefit

The valuation reflects the maximum benefit limits under Internal Revenue Code Section 415.

Summary of Actuarial Assumptions and Methods for Excess Benefit Plan

Actuarial Cost Method:

The modified aggregate entry age normal cost method. 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 City contribution requirement the unfunded actuarial accrued liability is amortized over 30 years from October 1, 2000. Changes in actuarial assumptions and Plan amendments are amortized as level dollar amounts over 15 to 30 years and actuarial gains and losses are amortized over 15 years.

Decrement

- **Pre-Retirement Mortality**
1983 Group Annuity Mortality Table (male and female), set back 2 years.
- **Post-Retirement Healthy Mortality**
1983 Group Annuity Mortality Table (male and female).
- **Post-Retirement Disabled Mortality**
1983 Group Annuity Mortality Table (male and female), set forward 9 years.
- **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	0.05%	30	0.08%	40	0.12%	50	0.20%
25	0.05%	35	0.10%	45	0.15%	55	0.28%

- 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>
20	12.5%	11.0%	9.0%	7.5%	6.5%	5.3%
25	12.5%	11.0%	9.0%	7.5%	6.5%	4.6%
30	12.5 %	11.0%	9.0%	7.5%	6.5%	4.0%
35	12.0%	11.0 %	9.0%	7.2%	6.5%	3.4%
40	11.4%	10.4 %	8.4%	6.6%	6.0%	2.6%
45	10.8%	9.8%	7.8%	6.0%	5.2%	2.0%
50	10.2%	9.2%	7.2%	5.4%	4.2%	1.3%
55	9.9%	8.9%	6.9%	5.1%	3.9%	1.0%

- Retirement**

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	30%	60	20%	65	20%
46	10%	51	15%	56	20%	61	20%	66	20%
47	10%	52	15%	57	20%	62	20%	67	20%
48	10%	53	15%	58	20%	63	20%	68	20%
49	10%	54	15%	59	20%	64	20%	69	20%
								70	100%

Interest Rate

8.10% per annum, compounded annually, including inflation.

Salary Increases

Salaries are assumed to increase at the rate of 5.75% per annum, including inflation. There is no assumed total active member payroll increase.

Inflation

3.5% per annum.

Spouses

80% of active members assumed to be married with the husband 3 years older than his wife.

Expenses and Payment of Benefits

The City shall provide for all the expenses of the Plan and for all the benefit payments.

Assets

There are no Plan assets.

Funding Period (Illustrative City Contribution Requirement)

The initial unfunded actuarial accrued liability as of October 1, 2000 is amortized over 30 years from that date. Beginning October 1, 2001, the following amortization periods apply all as level dollar amounts:

Benefit improvements for actives	30 years
Benefit improvements for retirees	15 years
Actuarial gain/loss	15 years
Change in assumptions	20 years

Maximum Benefit

The valuation of the excess benefits does not reflect the maximum benefit limits under Internal Revenue Code Section 415.

We have assumed no future cost-of-living increases in the IRC Section 415 limits for the benefits payable from the City of Miami GESE Retirement Trust.

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

**SCHEDULE OF ACTIVE MEMBER VALUATION DATA , SCHEDULE OF RETIRANTS AND BENEFICIARIES,
& SOLVENCY TEST**

SCHEDULE OF ACTIVE MEMBER VALUATION DATA

<u>Valuation Date</u>	<u>No.</u>	<u>Annual Payroll</u>	<u>Annual Average Pay</u>	<u>% Increase In Average Pay</u>
10/1/1998	1,426	\$55,161,494	\$38,683	3.79%
10/1/1999	1,518	\$59,060,988	\$38,907	0.58%
10/1/2000	1,597	\$63,829,824	\$39,969	2.73%
10/1/2001	1,619	\$66,650,450	\$41,168	3.00%
10/1/2002	1,600	\$70,393,730	\$43,996	3.00%

SCHEDULE OF RETIRANTS AND BENEFICIARIES ADDED TO AND REMOVED FROM ROLLS

<u>Year Ended</u>	<u>Added To Rolls</u>		<u>Removed From Rolls</u>		<u>Rolls - End of Year</u>		<u>% Increase In Annual Allowances</u>	<u>Average Annual Allowances</u>
	<u>No.</u>	<u>Annual Allowances</u>	<u>No.</u>	<u>Annual Allowances</u>	<u>No.</u>	<u>Annual Allowances</u>		
9/30/1998	49	\$714,250	72	\$600,686	1,829	\$29,763,734	2.30%	\$16,273
9/30/1999	72	\$1,533,474	83	\$765,003	1,821	\$30,799,411 (2)	3.48%	\$16,913
9/30/2000	57	\$1,395,183	65	\$473,682	1,797	\$31,967,149	3.79%	\$17,789
9/30/2001	69	\$1,937,585	74	\$516,412	1,842	\$34,141,636	6.80%	\$18,535
9/30/2002	88	\$2,574,702	60	\$411,307	1,870	\$36,309,658	6.35%	\$19,417

SOLVENCY TEST

<u>Valuation Date</u>	<u>Aggregate Accrued Liabilities For</u>			<u>Reported Assets</u>	<u>Portion of Accrued Liabilities Covered by Reported Assets</u>		
	<u>(1)</u>	<u>(2)</u>	<u>(3)</u>		<u>(1)</u>	<u>(2)</u>	<u>(3)</u>
	<u>Active Member Contributions</u>	<u>Retirants and Beneficiaries</u>	<u>Active Member (Employer Financed Portion)</u>				
10/1/1998	\$57,632,729	\$315,833,978	\$183,861,078	\$522,939,172	100%	100%	81%
10/1/1999	\$60,966,534	\$326,175,660 (2)	\$183,992,912 (2)	\$539,047,474	100%	100%	83% (2)
10/1/2000	\$65,648,573	\$331,892,335	\$180,246,682	\$594,880,439	100%	100%	100%
10/1/2001	\$69,635,735	\$332,607,681	\$177,141,746	\$597,112,330	100%	100%	100%
10/1/2002	\$72,659,066	\$352,134,918	\$201,599,441	\$561,270,090	100%	100%	68%

Note:(1) Although the above schedules only reflect five (5) years of data, it is the plan's objective to reflect six years of data. Six years of data will eventually be presented as the years progress.

(2). Revised numbers due to revised Actuarial Valuation Report as of October 1, 1999.

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

Gains & Losses in Accrued Liabilities During Years Ending September 30
Resulting from Differences Between Assumed Experience & Actual Experience

\$ Gain (or Loss) For Year Ending September 30,

	2002	2001
Age & Service Retirements	4,009,492	(45,623)
If members retire at older ages or with lower final average pay than assumed, there is a gain. If younger ages or higher average pay, a loss.		
Disability Retirements	(111,980)	(93,639)
If disability claims are less than assumed, there is a gain. If more claims, a loss.		
Death-In-Service Retirements	(387,305)	(340,530)
If survivor claims are less than assumed, there is a gain. If more claims, a loss.		
Withdrawal From Employment	2,932,145	4,451,143
If more liabilities are released by withdrawals than assumed, there is a gain. If smaller releases, a loss.		
Pay Increases	(18,547,356)	12,213,347
If there are smaller pay increases than assumed, there is a gain If greater increases, a loss.		
Contribution Income	502,152	812,612
If more contributions are received than expected, there is again. If less, a loss.		
Investment Income	(55,966,766)	(25,959,177)
If there is greater Investment income than assumed, there is a gain. If less income, a loss.		
Death After Retirement	(3,924,751)	(2,199,528)
If retirants live longer than assumed, there is a loss. If not as long, a gain		
New Members	(1,018,115)	(928,764)
Other	(8,791,585)	7,296,077
Miscellaneous gains and losses resulting from data adjustments, timing of financial transactions, valuation methods, etc.		
Gain (or Loss) During Year From Financial Experience	(81,304,069)	(4,794,082)
Non-Recurring Items	-	-
Adjustments for plan amendments, etc		
Composite Gain (or Loss) During Year	(81,304,069)	(4,794,082)

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

1. MEMBERSHIP:

Participation in the retirement plan is a mandatory condition of employment for all employees except persons eligible to decline membership. Pursuant to section 40-249 and section 40-250 any regular and permanent employee of 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 (i) is absent from service for more than three years of any five (5) consecutive year period, (ii) withdraws his or her contributions, (iii) becomes a member of any other city-sponsored retirement plan or system, (iv) becomes a beneficiary or dies.

2. CONTRIBUTIONS:

(A) Member: Members contribute ten (10) percent of compensation to the Plan.

(B) City: The city contributes the actuarially determined amount necessary to fund the normal cost plus the amortization of the unfunded accrued liability.

The city's annual fiscal contributions to the retirement plan shall provide for the following: (i) non-investment expenses of the retirement plan, (ii) amortization of the unfunded liability of the retirement plan, and (iii) normal costs of the retirement plan.

3. DEFINITIONS:

Average final compensation - shall mean for any member who becomes an employee on or after May 24, 1984, or for any employee whose active membership in the retirement plan commences or recommences after May 24, 1984, the average annual earnable compensation of such member during either the last two (2) years or highest two (2) years of membership service, whichever is greater.

For any member who became an employee before May 24, 1984, but whose active membership in the retirement plan ceased before May 23, 1985, average final compensation shall mean the annual earnable compensation of such member during either the last two (2) years or the highest two (2) years of membership service, whichever is greater.

For any member who became an employee before May 24, 1984, and whose active membership in the retirement plan did not cease before May 23, 1985, average final compensation shall mean the annual earnable compensation of such member during either the last one (1) year or the highest one (1) year of membership service, whichever is greater; provided, however, that the highest one (1) year of annual earnable compensation shall not exceed the second highest year of annual earnable compensation by more than fifteen (15) percent, excluding any difference due to longevity, anniversary and/or negotiated cost-of-living increases.

BACDROP - shall mean Benefit Actuarially Calculated Deferred Retirement Option Program.

Creditable Service - a member's creditable service shall mean 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.

Disability – shall mean 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.

DROP – shall mean Deferred Retirement Option Program and shall include a Forward DROP and a BACDROP.

Earnable Compensation - shall mean 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 shall not include overtime pay; payments for accrued sick leave, accrued vacation leave, or accrued compensatory leave; holiday pay; premium pay for holidays worked; the value of any employment benefits or non-monetary entitlement; or any other form of remuneration.

Forward DROP – shall mean a Deferred Retirement Option Program where benefit is equal to the regular retirement benefit the member would have received had the member separated from service and commenced the receipt of benefits from the plan.

Full time - shall mean an employee who is compensated on a 40 hour per week basis.

Maternity leave:

(1) Any member who takes an unpaid leave of absence for maternity or medical purposes may apply to the board for membership credit for the time the member was on such unpaid leave of absence up to a maximum of one hundred eighty (180) days; provided, that if the city, at its sole discretion, does not provide light duty employment to the member, the period of absence for which membership credit is available may be extended to two hundred forty (240) days or a proportion thereof if some light duty work is offered by the city.

(2) An election to pay back for membership credit pursuant to this subsection shall be available for thirty (30) days after notification to the member by the board that such payback is available.

(3) A payback pursuant to this subsection must commence within thirty (30) days of the member's notification to the board of his or her decision to pay back for unpaid leave time for maternity or medical purposes. Contributions made by a member for such membership credit may be made either by a single lump-sum payment or by a series of equal installment payments which may be deducted from the member's compensation. Regardless of the manner of payment, any payback of contributions pursuant to this subsection must be completed within one (1) year. Failure to meet the foregoing qualifications waives any and all future claims by the member for membership credit for unpaid leave time for maternity or medical purposes.

Membership Service - shall mean service as an employee for which contributions to the Plan are made as required by this Plan.

Military Service - a member may receive credit for qualified military service.

Option – shall mean one of several choices available to members with respect to the manner in which a retirement benefit may be paid.

Payback – shall mean a member's contribution to the Plan for creditable service for which other than regular contribution have been made. Contributions required for paybacks shall not be picked up by the city, but may be deducted from a member's contribution.

Plan – shall mean the City of Miami General Employees' and Sanitation Employees' Retirement Trust.

Regular interest - shall mean interest at the rate prescribed by the Board of Trustees which shall not be less than one percent per quarter of the contribution balance as of the end of the previous calendar year, including interest.

Retiree – shall mean a former member who is in receipt of benefits from the Plan.

Retirement – shall mean a member’s withdrawal from service with a benefit granted to the member pursuant to the provisions of this Plan.

Service – shall mean active employment as an employee of the city.

Spouse – shall mean the lawful husband or wife of a member or retiree at the time benefits commence, unless a new designation has been made in writing to the Board in accordance with the provisions of this Plan. This section shall be interpreted under Florida choice of law rules.

Trustee - shall mean a member of the Board of Trustees of the Plan.

4. BENEFITS:

(A) Service Retirement:

1. Eligibility: The minimum normal service retirement age is fifty-five (55). Any member in service who has ten (10) or more years of continuous creditable service may elect to retire upon the attainment of normal retirement age.
2. Normal retirement age for members shall be fifty-five (55) years of age.
3. Amount: The basic retirement benefit equals three (3.00) percent of the member's average final compensation multiplied by years of creditable service.

(B) Rule of 70 Retirement:

A member in service who did not withdraw from active membership in the retirement plan and who elects to retire on or after October 4, 1991, may elect service retirement on the basis of his or her combined age and creditable service equaling seventy (70) or more, provided the member has reached minimum vesting requirements. Such election shall be made upon written application to the Board, setting forth not less than ten (10) days nor more than ninety (90) days subsequent to the execution and filing thereof, the date the member desires to be retired.

(C) Early Service Retirement Benefit:

1. Eligibility: A member in service who has twenty (20) or more years of creditable service may elect to retire early with an immediate benefit.
2. Amount: The early retirement benefit equals the actuarial equivalent of the basic service retirement benefit that otherwise would have commenced upon the attainment of age fifty-five (55).

(D) Executive Retirement Benefit:

Any member who on or before May 23, 1985, had a vested right to receive an additional retirement allowance under the provisions of the City of Miami General Employees' and Sanitation Employees' Retirement Trust, as described below, shall be entitled to such additional benefit upon service retirement, early service retirement or Rule of 70 retirement pursuant to this division. If a member had a vested right he shall also receive a pension equal to one (1) percent of average final compensation for each year of service or fraction thereof that such member served as a city manager, assistant city manager, city clerk, assistant city clerk, executive secretary of the civil service board, city physician, city attorney, assistant director of the department of law or as director or assistant director of a department established by the charter of the city or by ordinance as authorized by such charter; provided that the member shall have served in any of such capacities for a total combined period of not less than three (3) years; subject, however, for purposes of this paragraph, to a maximum of ten (10) years' service. The benefits provided herein shall not be diminished after retirement.

(E) Deferred Vested Retirement Benefit:

Eligibility: A member who (i) ceases to be an employee for reasons other than death or willful misconduct, (ii) is not entitled to an immediate benefit, (iii) has completed at least ten (10) years of creditable service, and (iv) has left his/her accumulated contributions on deposit with the Plan, would be eligible for a deferred vested retirement benefit commencing at age fifty-five (55).

5. 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. 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 sum.

Option 3: One-half payment survivor option. 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 sum.

Option 6(a): 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 (1/2) of the amount to which the member would have been entitled under this plan. This option has no survivorship benefit.

Option 6(b): Life annuity. A member may elect to receive his or her normal monthly service retirement allowance plus an additional five (5) percent of such service retirement allowance for the life of the member, with no survivorship benefit.

Option 6(c): Surviving spouse annuity. A member may direct the payment of a benefit of forty (40) percent of the member's monthly 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.

If a retired member dies prior to having received twelve (12) monthly retirement payments and prior to having an optional allowance become effective, there shall be paid to his/her designated beneficiary a lump sum benefit equal to the sum of twelve (12) monthly retirement allowance payments, less the actual payments the member received.

Reemployment of retirees. Should any retiree be reemployed by the city in any capacity as defined in this Plan, the benefits payable under this Plan shall be suspended during the period of re-employment. Upon termination of the period of re-employment with the city, benefits shall be automatically restored, as provided for in this Plan, on the first day of the month following the termination of re-employment. No additional vesting period shall be required. Effective November 1, 2001, this shall not apply to City Commission and Mayoral assistants and secretarial staff positions, as described in Civil Service Rule 1, Sec. 1.2 (a), authorized in the city budget for the offices of the Mayor and members of the City Commission; or to any employment other than with the city. Employees in the above job classifications may opt to continue collecting their pensions during their re-employment, but they may not accrue any further pension service credit.

CHANGES IN BENEFICIARY AFTER RETIREMENT:

Any member who elects option 6(c) pursuant to section 40-255(j), 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; provided, further, that the original spouse must be alive at the time of the change in designated beneficiary, and he or she must not be entitled to any survivor benefit under the retirement plan by operation of law. It is intended that the city will pay only one (1) survivor benefit for any member of the retirement plan and will not incur an increase in benefit costs by reason of change in designated beneficiary.

6. DISABILITY RETIREMENT BENEFIT:

(A) Ordinary Disability Retirement Benefit:

1. Any member in service who has ten (10) 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 mentally or physically totally incapacitated for the further performance of duty not as a result of an accident in the actual performance of duty and is likely to be permanent, and that such member should be retired.

2. Upon retirement on or after October 1, 1998, for ordinary disability, a member shall be entitled to receive a retirement allowance equal to three (3.00) percent of ninety (90) percent of the member's average final compensation multiplied by years of creditable service, which amount shall be paid yearly in monthly installments, provided such retirement allowance exceeds thirty (30) percent of the member's average final compensation; otherwise, a retirement allowance equal to three (3.00) percent of ninety (90) percent of the member's average final compensation, multiplied by the number of years which would be creditable to the member were the member's service to continue until the attainment of the member's normal retirement age, provided further that the resulting retirement allowance shall not exceed thirty (30) percent of the member's average final compensation.

3. A member entitled to receive an ordinary disability retirement allowance shall not be eligible for a return of accumulated contributions as provided in section 40-255(h), nor for optional allowances as provided in section 40-255(i).

(B) Accidental or Service-Incurred Disability Retirement Benefit:

1. Eligibility: A member in service who has become totally and permanently incapacitated for duty as a result of an accident occurring while in the performance of his/her duty would be eligible for an immediate benefit payable for his/her lifetime, provided that, upon his/her death, forty (40) percent of that benefit would continue to be paid to his/her surviving spouse for the lifetime of such spouse.
2. Upon retirement for accidental disability, a member shall be entitled to receive a pension which shall be equal to sixty-six and two-thirds ($66 \frac{2}{3}$) percent of the member's average final compensation.
3. A member entitled to receive an accidental retirement allowance shall not be eligible for a return of accumulated contributions as provided in section 40-255(h), nor for optional allowances as provided in section 40-255(i).

(C) Service-Incurred Disability Benefit:

1. Eligibility: 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.
2. Upon retirement on or after October 1, 1998, for service-incurred disability, a member shall be entitled to receive a retirement allowance equal to three (3.00) percent of ninety (90) percent of the member's average final compensation, multiplied by years of creditable service, provided such retirement allowance exceeds forty (40) percent of the member's average final compensation; otherwise, a retirement allowance equal to three (3.00) percent of ninety (90) percent of the member's average final compensation, multiplied by the number of years which would be creditable to the member were the member's service to continue until the attainment of normal retirement age, provided further that the resulting retirement allowance shall not exceed forty (40) percent of the member's average final compensation.
3. A member entitled to receive a service-incurred retirement allowance shall not be eligible for a return of accumulated contributions as provided in section 40-255(h), nor for optional allowances as provided in section 40-255(i).

7. DEATH BENEFITS:

(A) Ordinary Death Benefit:

- (1) Upon receipt by the Board of proper proofs of the death of a member in service who has three (3) 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 fifty (50) percent of the earnable compensation received by the member during the year immediately preceding the member's death.
- (2) Notwithstanding any provision in this division to the contrary, in the event a member who has become eligible for service, early service, or rule of 70 retirement benefits but has not retired dies, the member shall be considered to have been retired on the date of death. In such event, the member's spouse shall 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 shall receive:
 - (a) Payment of forty (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, said allowance being payable without actuarial reduction for the difference in age, should such difference exist;

(b) Payment of a retirement allowance equal to one (1) percent of average final compensation for each year of service or fraction thereof that such member served as city manager, assistant city manager, city clerk, assistant city clerk, executive secretary of the civil service board, city physician, city attorney, assistant director of the department of law or as director or assistant director of the department established by the Charter of the city or by ordinance as authorized by such Charter, provided that the member shall have served in any of such capacities for a total combined period of not less than three (3) years prior to May 23, 1985; subject, to a maximum of ten (10) years' service;

(c) Payment of a retirement allowance equal to an additional ten (10) percent of the member's average final compensation if such member shall have qualified for such additional benefit as set forth in section 40-255(A)(4)(a); the payments under (f) (1) a, (f) (1) b, and (f) (1) c to continue only for as long as the surviving spouse remains unmarried.

(3) If a retired member dies prior to having received twelve (12) monthly retirement allowance payments and prior to any optional allowance elected by the member having become effective, 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 lump-sum benefit equal to the sum of the twelve (12) monthly retirement allowance payments to which the member would otherwise have become entitled, less the payments the member received.

(B) Service-Incurred Death Benefit:

If, upon receipt by the Board of proper proofs of the death of any member in service, indicating that such 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 Board shall decide that the death was the result of an accident in the performance of duty and not caused by willful negligence on the part of the member, then there shall be paid an amount equal to one-half (1/2) of the member's average final compensation, which amount shall be paid yearly in monthly installments, to the member's spouse, if he or she leaves a spouse, to continue until the death of such spouse; or if there is no spouse, or if the spouse dies before the youngest child of the deceased member shall have attained the age of eighteen (18), then to his or her children under such age, if he or she leaves children, divided in equal shares, to continue as a joint and survivorship pension for the benefit of the children under such age until every child dies or attains such age; or if there are no spouse or children under the age of eighteen (18) years living at the time of the member's death, then to his or her dependent father or dependent mother, as the Board in its discretion shall direct, to continue for life; provided that if there are no such beneficiaries, the amount which otherwise would have been paid as an ordinary death benefit shall be paid to the member's estate.

(C) Minimum Retiree Death Benefit:

If a retired member dies prior to having received twelve (12) monthly retirement payments and prior to having an optional allowance become effective, there shall be paid to his/her designated beneficiary a lump sum benefit equal to the sum of twelve (12) monthly retirement allowance payments, less the actual payments the member received.

8. 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. For distributions made on or after January 1, 1993, contributions may be rolled over directly to a qualified IRA, or another employer's plan, resulting in deferral of taxes on the amount transferred. However, these funds will be taxed when withdrawn from the successor plan.

9. 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.

10. COST-OF-LIVING ALLOWANCE BENEFIT:

Every October 1st, there shall be calculated a four (4) percent COLA benefit equal to four (4) percent of the combined previous year's COLA benefit base and the previous year's four (4) percent COLA benefit, with a minimum COLA benefit of fifty-four dollars (\$54.00) per year and a maximum COLA benefit increase of four hundred dollars (\$400.00) per year, provided the retiree's first anniversary of retirement has been reached. The new four (4) percent COLA benefit shall be added to the previous COLA benefit to produce the new COLA benefit. The COLA benefit will be paid on a monthly basis.

Effective October 1, 1998, retirees exercising Option 6(a) in section 40-255(I)(2) shall receive a minimum COLA benefit of twenty-seven (\$27.00) per year and a maximum COLA benefit of two hundred dollars (\$200.00) per year, added to the previous COLA benefit provided the retiree's first anniversary of retirement has been reached.

11. DEFERRED RETIREMENT OPTION PROGRAM:

Effective upon ratification of the A.F.S.C.M.E., Local 1907, and the A.F.S.C.M.E., Local 871 labor agreements for October 1, 2001, through September 30, 2004, the DROP of the retirement plan shall be available for general employees and sanitation employees and shall consist of a FORWARD DROP and a BACDROP. Any general employee or sanitation employee who has reached age 55 with ten years of creditable service, or who has attained a combination of age plus years of creditable service equal to 70, shall be eligible to participate in the DROP.

Election to participate. Upon election of participation in the DROP, by using forms and procedures as prescribed by the Board of Trustees, a member's creditable service, accrued benefits, and compensation calculation shall be frozen and shall be based on the member's average final compensation as the basis of calculating the DROP payment. Upon commencement of participation in the DROP, the member's contribution and the city 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 purposes of the pension plan but may continue city employment for up to a maximum of 36 months.

Maximum participation. The maximum period of participation in the DROP, is 36 months. Once the maximum participation has been achieved, the participant must terminate employment.

Creation of individual account. For each general employee electing participation in the DROP, an individual account shall be created.

Earnings on DROP account. The Board of Trustees of the retirement plan shall establish, by administrative rule, a series of investment vehicles which may be chosen by participants in the DROP. Any losses incurred on account of the option selected by the participant shall not be made up by the city or the GESE trust fund, but any such loss shall be borne by the participant only. Upon participation in the DROP, the member shall make a selection of the earnings program on forms provided by the Board. 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 not to exceed the maximum set forth in subsection 2, 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 Section 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, city ordinance, or any rights or benefits under any applicable collective bargaining agreement.

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.

Any employee who enters into a DROP agreement shall be bound by the terms and conditions of that agreement.

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 section 40-255 of this Code. Upon conclusion of a period of participation in the DROP not to exceed the maximum set forth in subsection 2, the participant shall terminate employment with the city. Election of a FORWARD Drop Program precludes participation in a BACDROP program.

BACDROP. A general 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 36 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 the 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.

12. SUMMARY OF PLAN PROVISIONS EXCESS BENEFIT PLAN:

1. Plan Effective Date

The original plan effective date is October 1, 2000.

2. Membership

All members of the City of Miami General Employees' and Sanitation Employees' (GESE) Retirement Trust.

3. Member Contributions

There are no member contributions.

4. Excess Benefit Plan

The excess, if any, of the benefit earned under the GESE Retirement Plan without taking into account the Internal Revenue Code (IRC) Section 415 limits over the maximum benefit as limited under IRC Section 415.

13. TRANSFER OF ACCUMULATED LEAVE:

(a) Members eligible to receive accumulated sick leave, accumulated vacation leave or any other accumulated leave payable upon separation may elect, not later than the year prior to the year of retirement to have the leave transferred to the Plan. Members on whose behalf leave has been transferred 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:

- (1) Receive a lump sum equal to the transferred leave balance, or
- (2) Transfer the entire amount of the transferred leave balance directly to any eligible retirement plan, or
- (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.

(b) Members who fail to elect a transfer in the year prior to retirement or other separation will receive payment in a lump sum at time of separation with all attendant tax consequences.

(c) If a member on whose behalf the city makes a transferred leave balance to the Plan dies after retirement or other separation, but before making an election, as provided, or after making an election but before any distribution is made, the election option shall be 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, shall 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.

14. SUMMARY OF PLAN PROVISIONS CITY OF MIAMI GENERAL EMPLOYEES' & SANITATION EMPLOYEES' RETIREMENT TRUST STAFF PENSION PLAN:

1. Plan Effective Date

The original plan effective date is July 1, 2001.

2. Membership

An administrative staff employee of the City of Miami GESE Retirement Trust becomes a member upon employment. An employee ceases to be a member if (i) he is absent from service for more than three years of any five consecutive year period, (ii) he withdraws his contributions, (iii) he becomes a member of any other City-sponsored retirement plan, or (iv) he becomes a beneficiary or dies.

3. Membership Service

Service as an employee for which contributions were made.

4. Creditable Service

Sum of Membership Service, Prior Service, and Military Service.

5. Compensation

Employee's base salary, including pick-up contributions. Compensation for pension purposes does not include the cash payment at retirement for accumulated unused leaves, such as, vacation and sick leave.

6. Member Contributions

10% of compensation.

7. Average Final Compensation

Average annual compensation during highest two years of membership service.

8. Basic Retirement Benefit

3% of Average Final Compensation multiplied by Creditable Service. In addition, the benefit is increased by 5% at retirement.

9. Normal Retirement

- **Age**
Age 55 and 10 years of continuous Creditable Service.
- **Benefit Amount**
The basic retirement benefit.
- **Forms of Payment**

Actuarially Reduced Forms of Payment

- Option 1: Reduced joint and 100% survivor annuity;
- Option 2: Reduced joint and 50% survivor annuity; or

Normal Forms of Payment

- Option 3: Lump sum payment of member's accumulated contributions plus a monthly service retirement benefit equal to 50% of the amount to which he would have been otherwise entitled;
- Option 4: Monthly service retirement benefit for member's lifetime equal to 105% of the amount to which he would have been otherwise entitled;
- Option 5: Monthly service retirement benefit for member's lifetime equal to the amount to which he was entitled, provided that, upon his death, 40% of that amount would continue to be paid to his surviving spouse for the lifetime of such spouse.

10. Rule of 70 Retirement

- **Eligibility**
Combined age and service equaling 70.
- **Benefit Amount**
Same as for Normal Retirement.
- **Form of Payment**
Same as for Normal Retirement.

11. Early Retirement

- **Age**
Any age with at least 10 years of Creditable Service and provided the member does not withdraw his accumulated contributions.
- **Amount**
The basic service retirement benefit.
- **Form of Payment**
Same as for Normal Retirement.

12. Minimum Retired Death Benefit

A retired member who dies prior to having received 12 monthly retirement payments and prior to having an optional allowance becoming effective will have a lump sum equal to the excess, if any, of 12 times the monthly payments over the actual payments received paid to his designated beneficiary.

13. Return of Contributions

A member who terminates employment and is not eligible for any other benefit shall receive a refund of his accumulated contributions. If a member dies in active service, his beneficiary shall receive a refund of his accumulated contributions except as otherwise noted in this section.

14. Vesting

A member who completes 10 years of continuous service becomes fully vested in the plan.

THIS PAGE INTENTIONALLY LEFT BLANK

Statistical Section

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

GESE TRUST REVENUES BY SOURCE AND EXPENSES BY TYPE

REVENUES					
Fiscal Year	Employee Contributions (\$) ⁽¹⁾	EMPLOYER CONTRIBUTIONS		Investment Income (\$) ⁽³⁾	Total (\$)
		Employer Contributions & City Reimbursement ⁽²⁾	Percentage of Annual Covered Payroll		
1997	7,123,629	15,799,395 ⁽⁷⁾	28.37%	111,782,001	134,705,025
1998	5,528,810	13,705,279	22.90%	14,011,632	33,245,721
1999	6,334,431	1,241,951	0.00%	87,019,597	94,595,979
2000	6,615,913	9,612,254	13.28%	86,001,804	102,229,971
2001	7,163,964	9,894,001	14.84%	(65,595,125)	(48,537,160)
2002	7,147,651	3,769,976	5.36%	(56,217,617)	(45,299,990)

EXPENSES				
Fiscal Year	Benefit Payments (\$) ⁽⁴⁾	Administrative Expenses (\$) ⁽⁵⁾	Refunds (\$) ⁽⁶⁾	Total (\$)
1997	29,009,556	1,044,387	1,467,060	31,521,003
1998	29,491,577	1,087,902	1,372,653	31,952,132
1999	30,150,680	1,241,951	1,617,699	33,010,330
2000	31,696,081	1,395,839	1,432,513	34,524,433
2001	33,089,908	1,435,266	1,749,515	36,274,689
2002	35,351,750	1,679,275	1,141,551	38,172,576

NOTES:

- (1) Employee Contributions include COLA.
- (2) Major component of Employer Contributions relate to past unfunded liabilities.
- (3) Investment Income reflected is net of investment expenses.
- (4) Beginning in 1996, Investment Income includes unrealized gains/losses.
- (5) Administrative expenses include expenditures reimbursed by the city.
- (6) Refunds include COLA.
- (7) Beginning in 1997, the reimbursement income from the City of Miami is included in this category.

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

EXCESS BENEFIT PLAN REVENUES BY SOURCE AND EXPENSES BY TYPE

REVENUES					
Fiscal Year	Employee Contributions (\$)	EMPLOYER CONTRIBUTIONS		Investment Income (\$)	Total (\$)
		Employer Contributions & City Reimbursement	Percentage of Annual Covered Payroll		
2000	0	0	0.00%	0	0
2001	(1) 0	94,434	0.14%	0	94,434
2002	0	388,009	0.55%	0	388,009

EXPENSES				
Fiscal Year	Benefit Payments (\$)	Administrative Expenses (\$)	Refunds (\$)	Total (\$)
2000	0	0	0	0
2001	68,351	26,083	0	94,434
2002	351,417	36,592	0	388,009

NOTES:

(1) Excess Benefit Plan was implemented in FY 2001.

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

STAFF PENSION PLAN REVENUES BY SOURCE AND EXPENSES BY TYPE

REVENUES					
Fiscal Year	EMPLOYER CONTRIBUTIONS				Total (\$)
	Employee Contributions (\$) ⁽¹⁾	Employer Contributions & City Reimbursement	Percentage of Annual Covered Payroll	Investment Income (\$)	
2000	0	0	0.00%	0	0
2001	(2) 186,190	14,375	3.96%	(6,348)	194,217
2002	38,382	57,500	13.98%	(21,256)	74,626

EXPENSES				
Fiscal Year	Benefit Payments (\$) ⁽¹⁾	Administrative Expenses (\$) ⁽¹⁾	Refunds (\$) ⁽¹⁾	Total (\$) ⁽¹⁾
2000	0	0	0	0
2001	0	0	0	0
2002	0	0	0	0

NOTES:

(1) No expenses due to no retirees.

(2) Staff Pension Plan implemented FY 2001

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

COMBINED REVENUES BY SOURCE AND EXPENSES BY TYPE

REVENUES					
Fiscal Year	Employee Contributions (\$) ⁽¹⁾	EMPLOYER CONTRIBUTIONS		Investment Income (\$) ⁽³⁾	Total (\$)
		Employer Contributions & City Reimbursement ⁽²⁾	Percentage of Annual Covered Payroll		
1997	7,123,629	15,799,395 ⁽⁷⁾	28.37%	111,782,001	134,705,025
1998	5,528,810	13,705,279	22.90%	14,011,632	33,245,721
1999	6,334,431	1,241,951	0.00%	87,019,597	94,595,979
2000	6,615,913	9,612,254	13.28%	86,001,804	102,229,971
2001	7,350,154	10,002,810	14.93%	(65,601,473)	(48,248,509)
2002	7,186,033	4,215,485	5.95%	(56,239,984)	(44,838,466)

EXPENSES				
Fiscal Year	Benefit Payments (\$) ⁽¹⁾	Administrative Expenses (\$) ⁽⁵⁾	Refunds (\$) ⁽⁶⁾	Total (\$)
1997	29,009,556	1,044,387	1,467,060	31,521,003
1998	29,491,577	1,087,902	1,372,653	31,952,132
1999	30,150,680	1,241,951	1,617,699	33,010,330
2000	31,696,081	1,395,839	1,432,513	34,524,433
2001	33,158,259	1,461,349	1,749,515	36,369,123
2002	35,703,167	1,715,867	1,141,551	38,560,585

NOTES:

- (1) Employee Contributions include COLA.
- (2) Major component of Employer Contributions relate to past unfunded liabilities.
- (3) Investment Income reflected is net of investment expenses.
- (4) Beginning in 1996, Investment Income includes unrealized gains/losses.
- (5) Administrative expenses include expenditures reimbursed by the city.
- (6) Refunds include COLA.
- (7) Beginning in 1997, the reimbursement income from the City of Miami is included in this category.

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

SCHEDULE OF RETIRED MEMBERS BY TYPE OF BENEFITS

	FISCAL YEARS ENDED SEPTEMBER 30,					
	2002	2001	2000	1999	1998	1997
Retired Benefits						
Non-disabled	1493	1466	1415	1442	1465	1505
Disabled	46	48	50	49	45	42
Beneficiaries	331	328	332	330	319	305
Total	1870	1842	1797	1821	1829	1852

SCHEDULE OF AVERAGE MONTHLY PAYMENT AMOUNTS

	FISCAL YEARS ENDED SEPTEMBER 30,					
	2002	2001	2000	1999	1998	1997
Retired Members						
Non-disabled	\$1,854.13	\$1,768.03	\$1,707.74	\$1,641.31	1556.15	-
Non-disabled & Beneficiaries	-	-	-	-	-	\$1,489.40
Beneficiaries	\$602.98	\$595.82	\$570.96	\$529.86	\$486.00	-
Disabled	\$1,261.00	\$1,203.65	\$1,158.22	\$1,087.70	\$1,011.46	\$933.72

SCHEDULE OF BENEFIT EXPENSES BY TYPE

	RETIRED MEMBERS		DISABLED MEMBERS		BENEFICIARIES	
	NUMBER	AMOUNT	NUMBER	AMOUNT	NUMBER	AMOUNT
2002	1493	\$33,218,533	46	\$696,073	328	\$2,395,052
2001	1466	\$31,103,173	48	\$693,301	328	\$2,345,162
2000	1415	\$28,997,507	50	\$694,931	332	\$2,274,711
1999	1442	\$28,055,236	49	\$639,570	330	\$2,104,605
1998	1465	\$27,357,151	45	\$546,187	319	\$1,860,396
1997	1505	\$26,898,606	42	\$470,593	305	\$1,724,004
1996	1535	\$26,579,761	43	\$452,514	303	\$1,620,143
1995	1561	\$26,333,202	60	\$486,832	304	\$1,603,481
1994	1379	\$19,465,096	46	\$432,896	292	\$1,349,079
1993	1391	\$18,353,359	48	\$418,397	278	\$1,437,100

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION EMPLOYEES'
RETIREMENT TRUST AND OTHER MANAGED TRUSTS
AGE-SERVICE-SALARY TABLE**

Attained Age	Completed Years of Service										
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up	Total
Under 25	8	36	1	0	0	0	0	0	0	0	45
Avg.Pay*	29,374	25,312	40,399	0	0	0	0	0	0	0	26,369
25 to 29	10	89	17	0	0	0	0	0	0	0	116
Avg.Pay*	36,836	32,602	35,981	0	0	0	0	0	0	0	33,462
30 to 34	11	91	48	7	0	0	0	0	0	0	157
Avg.Pay*	27,647	33,497	36,503	37,009	0	0	0	0	0	0	34,163
35 to 39	7	70	46	44	33	3	0	0	0	0	203
Avg.Pay*	44,850	34,281	36,242	42,011	53,306	68,632	0	0	0	0	40,366
40 to 44	7	86	29	42	69	50	0	0	0	0	283
Avg.Pay*	38,969	34,523	33,782	45,362	51,523	54,116	0	0	0	0	43,772
45 to 49	3	65	30	21	66	69	9	2	0	0	265
Avg.Pay*	47,529	39,704	42,282	45,501	52,269	61,313	55,002	45,003	0	0	49,859
50 to 54	3	40	23	31	54	47	7	2	0	0	207
Avg.Pay*	28,172	37,195	40,714	41,095	60,002	61,093	75,274	55,590	0	0	50,880
55 to 59	1	29	14	24	35	33	9	1	0	0	146
Avg.Pay*	59,601	41,827	41,463	47,459	54,760	57,182	56,036	68,959	0	0	50,472
60 to 64	1	17	27	22	21	16	2	2	3	0	111
Avg.Pay*	59,601	41,827	41,463	47,459	54,760	57,182	56,036	68,959	0	0	46,138
65 & up	0	14	15	11	10	14	3	0	0	0	67
Avg.Pay*	0	48,698	33,895	38,457	53,110	55,376	75,157	0	0	0	46,941
Total	51	537	250	202	288	232	30	7	3	0	1,600
Avg.Pay*	35,380	35,228	37,470	43,361	53,889	58,834	63,668	50,668	37,124	0	43,996

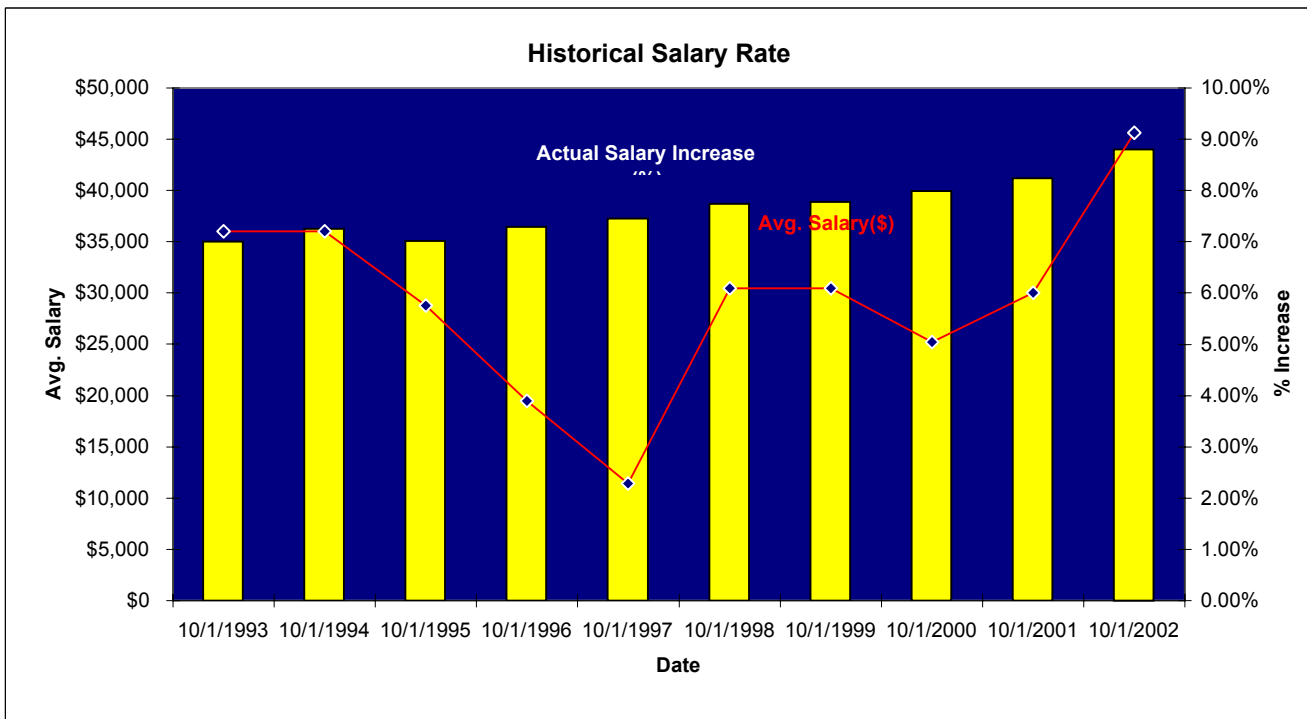
* The average pay shown is the average of the annual rate of pay excluding any overtime pay or other special compensation.

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

Active Employee Data

Historical Salary Rate

<u>Date</u>	<u>Avg. Salary</u>	<u>Actual Salary Increase</u>	<u>Date</u>	<u>Avg. Salary</u>	<u>Actual Salary Increase</u>
10/1/1993	\$34,998	7.20%	10/1/1998	\$38,683	6.09%
10/1/1994	\$36,267	7.20%	10/1/1999	\$38,907	6.09%
10/1/1995	\$35,052	5.76%	10/1/2000	\$39,969	5.04%
10/1/1996	\$36,468	3.89%	10/1/2001	\$41,168	6.00%
10/1/1997	\$37,271	2.29%	10/1/2002	\$43,996	9.12%



Active Members as of September 30, 2002:

	<u>Number</u>	<u>Annual Compensation</u>
Males	833	\$ 37,551,648
Females	767	\$ 32,842,082
Total	1600	\$ 70,393,730

Average Annual Compensation	\$43,996
Average Entry Age	34.15
Average Years of Service	10.47