

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, 2003**

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, 2003

Prepared by: Accounting Department

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

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**COMPREHENSIVE ANNUAL FINANCIAL REPORT
CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION EMPLOYEES'
RETIREMENT TRUST AND OTHER MANAGED TRUSTS
FOR YEAR ENDED SEPTEMBER 30, 2003**

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Introductory Section

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

As of September 30, 2003

Ronald Thompkins, CPA Chair
Appointed by City Commission

Rose Gordon, Vice Chair
Appointed by City Commission

Waldemar 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

Asst to the Administrator
Irma I. Saldaña

Deputy Administrator
Christopher Recicar

Investment Consultants
Watson Wyatt Investment Consulting

Consulting Actuary
Mellon

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 26, 2004

William J. Rabun, Chair
Appointed by AFSCME/Local 1907

Ronald Thompkins, Vice Chair
Appointed by City Commission

Waldemar Lee
Appointed by City Commission

Rose Gordon
Appointed by City Commission

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

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Legal Counsel
Ronald A. Silver, Esq.

Pension Administrator
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Asst to the Administrator
Irma I. Saldaña

Deputy Administrator
Christopher Recicar

Investment Consultants
Southeastern Advisory Services, Inc.

Consulting Actuary
Mellon

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 26, 2004

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, 2003.

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 (MD&A), audited financial statements for the plans, schedule of funding progress, schedules of employer contributions and supporting schedules. Information on the (MD&A) section is located beginning on pages 18 thru 29 and contains a condense analysis of the financial and investment section.

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.

The GESE Trust Plan is a single employer defined benefit pension plan covering all City of Miami general and sanitation employees except certain employees eligible to decline membership. Participation in the GESE Trust 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, 2003, the Plan had 1,555 active members and 1,830 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, 2003, 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 the fiscal year 2003, The GESE Trust embarked on a major initiative to upgrade the information technology of the Pension Benefit Administration Section. This project was undertaken because of complex nature of the pension business the enormous demand for information that was being placed on the administrative staff on a daily basis from retirees, active members, the City of Miami and other governmental authorities. Consequently, the Board received bids from three vendors which were closely reviewed for costs, adaptability, and ease of conversion. Based on the recommendations received from the Project Manager of the City of Miami information technology department, and upon consultation and assurances with the fire and police pension personnel the Board moved to approve the purchase of the pension gold software and for GESE Trust to contract with Levi, Ray & Shoup, Inc.

During the fiscal year 2003, the Board decided to put out for bid the auditing and Investment consultant contract. After very extensive cost benefit analysis and reviews of the individual auditing and investment consulting firms,

the Board decided to go with the firms that had the most extensive intimate knowledge and familiarity with our internal financial operations. Consequently, the board chose to give Grant Thornton an additional one year contract. The Board, also, chose the firm of Southeastern Advisory Services, Inc. as our new investment consultant.

BOARD ACTION

During the year, the Board closely monitored the portfolio performance and asset allocation. Due to the rapid changes in the equity markets, the Board had undertaken steps to rebalance the assets as needed. Re-balancing of the portfolio occurred as a result of the overall fund performance relative to the benchmark index and concerns with the performance of certain money managers, as well as allowing the commitment to equity remain within the investment policy guidelines. Evaluation of the under-performing managers is being conducted. This year the Board took steps on recommendations from its investment consultant, to do an Asset Allocation study. The results of the asset allocation were positive. The investment consultant reported that the expected returns for any one year based on GESE Trust's current asset allocation were 7.96%. The ten year expected return was 7.93% that compares to our 8.1% assumption. These assumptions are passive and they assume index numbers. The investment consultant was very comfortable with our current asset allocation and current actuarial assumption of 8.1%.

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, 2002. 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 10/1/2003, the GESE plan's funded ratio was at 81.41%, the Excess Benefit Plan was 0.00%, and the Staff Pension Plan was at 42.25%. 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 90.85%. The assets used in the GESE Trust plan valuation are based on a actuarial value of assets of \$555,480,276 as of October 1, 2003. The market value of assets as of October 1, 2003 reported by the GESE Retirement Trust audited financial statements is \$516,813,945.

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 5.00% 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 (\$72,537,822) for the year ended September 30, 2003 due to the following two reasons. First, the plan had a loss of \$51,257,531 primarily due to a lower than expected return on the actuarial value of assets. Second, the plan had a loss of \$21,280,291 due to the change in actuarial assumptions. 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, 2003 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 staff plan valuation are based on a actuarial value of assets of \$446,666 as of October 1, 2003. The market value of assets as of October 1, 2003 reported by the GESE Retirement Trust audited financial

statements is \$437,306. 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 are being updated concurrently and changes will be implemented in fiscal year 2004. 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. For a condensed summary of investment results please see (MD&A) section pages 18-29.

A detailed breakdown of individual manager investment style, rate of return, style benchmark, and universe ranking is provided on page 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. In July of 2003, the Board on further evaluation terminated services with PLEXUS Group.

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

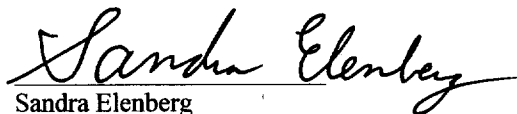
The preparation of this comprehensive annual financial report was made possible by the dedicated service of the staff of the accounting department of the plan. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report.

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, Mellon, our Investment Consultants, Southeastern Advisory Services, 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.

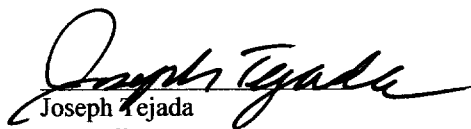
Sincerely,



Sandra Elenberg
Pension Administrator



William J. Rabun
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, 2002

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.

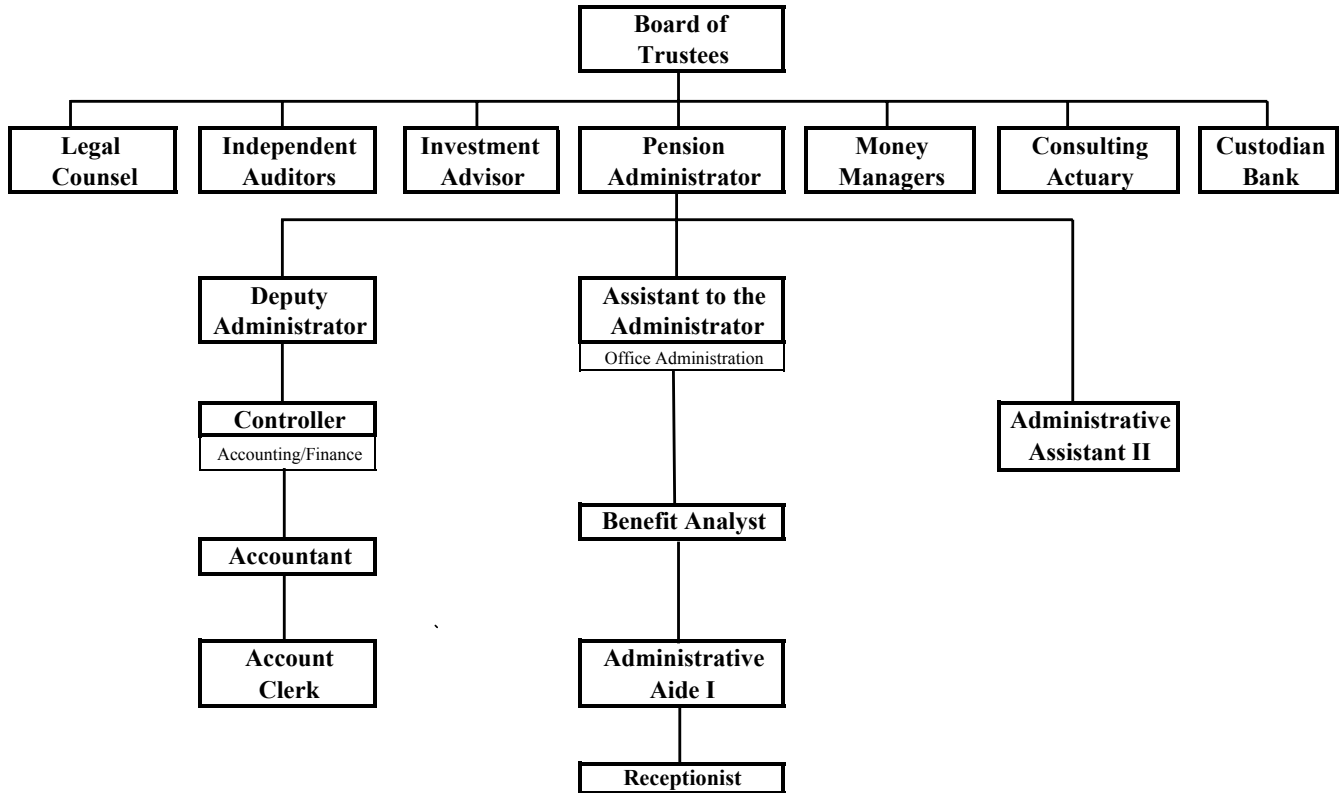


President

Executive Director

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

Organizational Chart



*A detailed breakdown of individual manager investment style, rate of return, style benchmark, and universe ranking is provided, on pages 73, 77 and 78 in the investment section and page 55 of this report

Financial Section

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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, 2003 and 2002, 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, 2003 and 2002, 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 December 23, 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.

2700 South Commerce Parkway
Suite 300
Weston, FL 33331-3630
T 954.768.9900
F 954.768.9908
W www.grantthornton.com

Grant Thornton LLP

777 Brickell Avenue
Suite 1100
Miami, FL 33131-2867
T 305.341.8040
F 305.341.8099
W www.grantthornton.com

Grant Thornton LLP

11300 US Highway One
Suite 400
North Palm Beach, FL 33408
T 561.684.9496
F 561.684.9476
W www.grantthornton.com

Grant Thornton LLP

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, 2003. 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 50 - 52 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
December 23, 2003

Management's Discussion and Analysis
(Required Supplementary information)

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
(REQUIRED SUPPLEMENTARY INFORMATION)

September 30, 2003 and 2002

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 Years Ended September 30, 2003 and 2002.

GESE TRUST FINANCIAL HIGHLIGHTS

The City of Miami General Employees' and Sanitation Employees' Retirement Trust (GESE Trust), net results from operations for fiscal year 2003, reflected the following financial activities:

- A net increase of \$49.1 million in plan net assets (or +10.5%), (see Table 2).
- The Statement of Changes in Plan Net Assets, (Table 2) reflects the financial performance that occurred during the year. As can be seen, employee contributions, for the year 2003, for the GESE Trust was up from \$7.1 million in fiscal year 2002 to \$7.6 million in fiscal year 2003. 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 \$1.5 million (or -11.78%) for fiscal year 2003 compared to fiscal year 2002. The decline in the fixed income interest was due to the overall high number of liquidation sales in the fixed income portfolios.
- The GESE Trust (including fixed income portfolios) experienced, however, a substantial increase of \$133.9 million in net investment income in fiscal year 2003 compared to fiscal year 2002 (or +238%), (see Table 2).
- Benefit payments, refunds of contributions and other deductions for the GESE Trust increased by \$3.493 million (or a 5.23% increase) from fiscal year 2002 to 2003 (see Table 2).

EXCESS BENEFIT PLAN FINANCIAL HIGHLIGHTS

The City of Miami Excess Benefit Plan (Excess Benefit Plan) reflects the following activities for fiscal year 2003:

**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, 2003 and 2002

EXCESS BENEFIT PLAN FINANCIAL HIGHLIGHTS - Continued

- Pension benefit payments for the Excess Benefit Plan decreased \$51 thousand from prior year due to a decrease in the number of retirees entitled to this benefit. Employer contributions also decreased, due to actuarial requirements.
- The Excess Benefit Plan had no investment plan assets, (see Table 1). Therefore, there were no actual investment performance returns or significant financial results.

STAFF TRUST FINANCIAL HIGHLIGHTS

The City of Miami GESE Staff Pension Plan (Staff Trust) had the following financial performance results for fiscal year 2003:

- An increase in interest and dividend income, was due to the increase in investment assets as can be seen on Table 1. Plan assets had a net increase of \$170 thousand for fiscal year 2003.
- The increase of \$170 thousand in net assets, as seen on Table 2, was due to the positive impact in the stock market environment which helped the staff trust experience a substantial (+63.4%) increase in value.
- The Staff Trust also experienced an increase in net investment income of \$72 thousand, from fiscal year 2002, (see Table 2).

GESE TRUST PLAN HIGHLIGHTS

In fiscal year 2003, the GESE Trust had the following significant events occur:

- Due to actuarial requirements, the total contributions to the GESE Trust increased \$1.97 million this fiscal year 2003 as compared to last fiscal year 2002, (see Table 2).
- The GESE Trust adopted in 2002 a Deferred Retirement Option Plan (DROP) as an enhancement to the GESE Trust, which is demonstrating greater utilization in 2003, whereby a participant elects to receive his pension payments for a specified period, into a tax-qualified Defined Contribution Plan, while the participant continues to work.

**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, 2003 and 2002

GESE TRUST PLAN HIGHLIGHTS - Continued

- The employee contributions, received by the GESE Trust increased, by \$458 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.

STAFF TRUST PLAN HIGHLIGHTS

During fiscal year 2003, the Staff Trust had the following significant events occur:

- The plan net assets increased from \$268 thousand in fiscal year 2002 to \$437 thousand in fiscal year 2003, or a 63.4% increase.
- There were zero retirees during 2003, therefore, the Staff Trust had no pension benefit or administrative expenditures.

EXCESS BENEFIT PLAN HIGHLIGHTS

During fiscal year 2003, the Excess Benefit Plan had no significant highlights.

- The Excess Benefit Plan has no investment 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.

**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, 2003 and 2002

STATEMENT OF PLAN NET ASSETS OVERVIEW

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.

**TABLE 1
STATEMENT OF PLAN NET ASSETS**

**September 30,
(in Thousands)**

	<u>2003 GESE Trust</u>	<u>2002 GESE Trust</u>	<u>2003 Excess Ben-Plan</u>	<u>2002 Excess Ben-Plan</u>	<u>2003 Staff Plan</u>	<u>2002 Staff Plan</u>
Cash:						
Cash	\$ 286	\$ 351	\$ 22	\$ 18	\$ -	\$ -
Receivables:						
Securities sold and interest	6,943	19,335	-	-	2	1
Contributions	<u>882</u>	<u>1,206</u>	<u>21</u>	<u>25</u>	<u>-</u>	<u>-</u>
Total receivables	7,825	20,541	21	25	2	1
Investments at fair value:						
Fixed income	163,181	156,404	-	-	230	106
Corporate Stocks	<u>359,120</u>	<u>319,888</u>	<u>-</u>	<u>-</u>	<u>216</u>	<u>181</u>
Total investments	522,301	476,292	-	-	446	287
Capital Assets	<u>1,447</u>	<u>1,175</u>	<u>-</u>	<u>-</u>	<u>448</u>	<u>-</u>
Total assets	531,859	498,359	43	43	448	288
Liabilities:						
Accounts payable on securities purchased	14,191	29,941	-	-	11	17
Accounts payable	<u>854</u>	<u>694</u>	<u>43</u>	<u>43</u>	<u>-</u>	<u>3</u>
Total liabilities	<u>15,045</u>	<u>30,635</u>	<u>43</u>	<u>43</u>	<u>11</u>	<u>20</u>
Net assets held in Trust for pension benefits	<u>\$ 516,814</u>	<u>\$ 467,724</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 437</u>	<u>\$ 268</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, 2003 and 2002

STATEMENT OF PLAN NET ASSETS OVERVIEW - 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. 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) and the Statement of Changes in Plan Net Assets (Table 2, see page 8). 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 2003, with \$517,251,251 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 OVERVIEW

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, 2003 and 2002

STATEMENT OF CHANGES IN PLAN NET ASSETS OVERVIEW - Continued

TABLE 2

STATEMENTS OF CHANGES IN PLAN NET ASSETS

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

	2003 GESE Trust	2002 GESE Trust	2003 Excess Ben-Plan	2002 Excess Ben-Plan	2003 Staff Trust	2002 Staff Trust
Additions:						
Contributions						
City of Miami	\$ 3,603	\$ 2,091	\$ 300	\$ 351	\$ 83	\$ 58
Members	<u>7,605</u>	<u>7,147</u>	<u>-</u>	<u>-</u>	<u>37</u>	<u>38</u>
Total contributions	11,208	9,238	300	351	120	96
Reimbursement income/						
City of Miami	1,853	1,679	32	37	-	-
Net investment income (loss)	<u>77,694</u>	<u>(56,217)</u>	<u>-</u>	<u>-</u>	<u>50</u>	<u>(22)</u>
Total additions (reductions)	90,755	(45,300)	332	388	170	74
Deductions:						
Pension benefits	38,486	35,352	300	351	-	-
Refunds upon resignations, Death, etc.	1,327	1,142	-	-	-	-
Administrative expenditures	<u>1,853</u>	<u>1,679</u>	<u>32</u>	<u>37</u>	<u>-</u>	<u>-</u>
Total deductions	<u>41,666</u>	<u>38,173</u>	<u>332</u>	<u>388</u>	<u>-</u>	<u>-</u>
Net increase (decrease)	49,089	(83,473)	-	-	170	74
Net assets held in trust for pension benefits, beginning of year						
	<u>467,725</u>	<u>551,197</u>	<u>-</u>	<u>-</u>	<u>268</u>	<u>194</u>
Net assets held in trust for pension benefits, end of year						
	<u>\$ 516,814</u>	<u>\$ 467,724</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 437</u>	<u>\$ 268</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, 2003 and 2002

GESE TRUST STATEMENT OF CHANGES IN PLAN NET ASSETS

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, 2003 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 positive \$90.8 million, which includes member and employer contributions of \$11.2 million, and net investment income of \$77.7million.
- Expenses (deductions to plan net assets) increased from \$38.2 million during 2002 to \$41.7 million in 2003 or about 9.2% percent. Most of the increase relates to increases in pension benefit payments.

EXCESS BENEFIT PLAN, STATEMENT OF CHANGES IN PLAN NET ASSETS

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.

STAFF TRUST PLAN, STATEMENT OF CHANGES IN PLAN NET ASSETS

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

- A net increase in revenues of \$170 thousand. The additions for the Staff Trust were greater in this year due to the employee rollover contributions of \$120 thousand.
- An increase in net investment income of \$50 thousand.

**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, 2003 and 2002

ASSET ALLOCATIONS

The table below indicates the GESE Trust's investment policy target asset allocation for September 30, 2003.

ASSET ALLOCATIONS GESE TRUST

TABLE 3

SUMMARY OF ASSET ALLOCATION GESE TRUST

	Policy Guidelines as of November 30, 2001			Actual	
	Minimum	Target	Maximum	September 30, 2003	September 30, 2002
Domestic large cap equities	40.0%	50.0%	60.0%	52.7%	43.4%
Small-mid cap equities	0.0%	10.0%	15.0%	5.9%	10.5%
International equities (UH)	0.0%	10.0%	15.0%	6.4%	5.7%
U.S. aggregate fixed income	20.0%	25.0%	40.0%	27.4%	33.2%
Real estate	0.0%	5.0%	10.0%	6.3%	6.3%
Cash and other	0.0%	0.0%	15.0%	1.4%	0.9%
				<u>100.0%</u>	<u>100.0%</u>

The percentage of total assets invested in each asset class was well within the policy ranges for both of the last two fiscal years. The percentage invested in equities as of the end of the 2003 fiscal years increased over the previous year end due to the strong equity performance during this fiscal year.

**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, 2003 and 2002

ASSET ALLOCATIONS STAFF TRUST

The Table below indicates Staff Trust's investment policy target asset allocation for September 30, 2003.

TABLE 4

SUMMARY OF ASSET ALLOCATION STAFF TRUST

	Policy Guidelines as of April 27, 2001			Actual	
	Minimum	Target	Maximum	September 30, 2003	September 30, 2002
Domestic large cap equities	40.0%	50.0%	60.0%	49.6%	45.4%
U.S. aggregate fixed income	40.0%	50.0%	60.0%	48.8%	50.5%
Cash and other	0.0%	0.0%	10.0%	1.7%	4.1%
				<u>100.0%</u>	<u>100.0%</u>

The equity allocation is close to the 50-50 target due to the equity outperforming bonds, especially due to the market turnaround in the third quarter 2003. There were no small capitalization stocks in the Staff Pension Plan portfolio as of September 30, 2003.

INVESTMENT ACTIVITIES OVERVIEW

Investment income is very important 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, 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. The investment policies are presently being reviewed for implementation to occur in fiscal year 2004.

Portfolio performances are reviewed quarterly by the Board and its investment consultant. Performance is evaluated both individually by money manager, 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, 2003 and 2002

INVESTMENT ACTIVITIES OVERVIEW - Continued

Due in part to the turn around in the equity markets, the overall investment results were positive. The asset allocations remained within the investment policy guidelines.

The G.E.S.E. Trust returned +17.7%, for the one year ended September 30, 2003, (see Table 5) as compared to a negative return of -10.4% for the period ended September 30th 2002. The Plan's positive performance this year was the result of: (a) an over all improvement in the economy and (b) the massive fiscal and monetary stimulus provided over the past two years.

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,

	2003	2002	Annualized Return (%)	
			3 Years	5 Years
Equities				
Fund Return - Domestic Equities	24.2%	-19.5%	-6.7%	4.0%
Fund Return - International Equities	28.4	-12.5	-6.4	1.4
S & P 500	24.4	-20.5	-10.2	1.0
Dow Jones	25.1	-12.5	-2.6	5.3
Russell Mid-Cap	32.6	-9.0	-2.1	8.1
Russell 2000 - Small Stock	36.5	-9.3	-0.8	7.5
MSCI EAFE - Non US Stocks	26.0	-15.5	-8.7	0.6
Fixed Income				
Fund return - Fixed Income	6.3	6.7	8.4	7.0
Lehman Brothers - Aggregate	5.4	8.6	8.9	6.6
Lehman Brothers - Mortgage Backed	3.0	7.4	7.5	6.5
Lehman Brothers - Government/Corporate	6.5	9.2	9.6	6.7
T-Bills - 90 days	1.3	1.8	4.2	3.8
Real Estate				
Fund return - Real Estate	12.2	3.9	8.5	10.0
FR NCREIF Index	7.8	6.7	7.9	9.5
NAREIT	26.5	5.2	16.4	11.3
Total Fund Return	17.7	-10.4	-1.9	5.2
Total Fund Benchmark	20.2	-10.6	-3.0	3.6

**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, 2003 and 2002

INVESTMENT ACTIVITIES OVERVIEW - Continued

Please note that the above schedule reflects the last two years' rates of returns, including three-year and five-year annualized 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, 2003, the Staff Trust was also impacted by the positive stock market environment and experienced a total return of 14.6%. The equity portion of the staff plan increased 26.3%, in line with the S&P 500 and the Russell 1000 Growth indexes. The equity increase was somewhat offset by the modest 3.4% return in the fixed income segment of the portfolio.

The overall performance results for the Staff Trust can be viewed in the table 6 below:

TABLE 6

SUMMARY OF INVESTMENT RETURNS STAFF TRUST

September 30,

	2003	2002	From Inception July 31, 2001	Inception Cumulative
Equities				
Fund Return - Domestic Large Cap Entities	26.3%	-21.4%	-6.1%	-12.8%
S & P 500	24.4	-20.5	-7.1	-14.8
Russell 1,000 - Growth Stock	25.9	-22.5	-9.5	-19.3
Dow Jones	25.1	-14.2	-5.7	-11.9
Fixed Income				
Fund Return - Fixed Income	3.4	8.8	6.5	14.6
Lehman Brothers - Aggregate	5.4	8.6	7.6	17.1
Lehman Brothers - Mortgage Backed	3.0	7.4	N/A	N/A
Lehman Brothers - Government/Corporate	6.5	9.2	8.3	18.9
Cash Equivalent (Money Market Funds)				
Fund Return	N/A	6.3	N/A	N/A
T-Bills - 90 days	1.3	2.1	1.9	4.2
Total Fund Return	14.6	-6.5	1.0	2.3
Total Fund Benchmark	14.9	-6.5	0.5	1.1

**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, 2003 and 2002

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 2003, are a function of the underlying marketplace for the period measured, money manager performance, and the investment policy's asset allocation. There was an ample amount of 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. 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 are essential for providing the reserves needed to finance future retirement benefit payments.

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. The current financial position is the result of, or may be due to, temporary market conditions. The economic outlook is, however, one of excellent opportunity with the possibilities of fast accelerated growth. The GESE Trust and its' related managed trusts possess very successful investment programs and prudent management practices in place to alleviate the effects of present and future adverse economic conditions.

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 PLAN NET ASSETS

September 30, 2003

	G.E.S.E Trust	Excess Benefit Plan	Staff Trust	Total
ASSETS				
Cash	\$ 286,204	\$ 22,329	\$ -	\$ 308,533
Receivables:				
Securities sold	5,074,595	-	387	5,074,982
Members' contributions	237,840	-	-	237,840
Accrued interest	1,867,862	-	1,356	1,869,218
City of Miami	614,146	20,610	-	634,756
Other	29,570	-	-	29,570
Total receivables	7,824,013	20,610	1,743	7,846,366
Investments, at fair value:				
U.S. Government and Agency securities	73,714,728	-	129,717	73,844,445
Corporate stocks	327,819,497	-	216,207	328,035,704
Corporate bonds	70,965,277	-	72,019	71,037,296
Real estate fund	31,300,235	-	-	31,300,235
Money market funds and commercial paper	18,501,695	-	28,311	18,530,006
Total investments	522,301,432	-	446,254	522,747,686
Capital assets, net	1,447,265	-	-	1,447,265
Total assets	531,858,914	42,939	447,997	532,349,850
LIABILITIES				
Payable for securities purchased	14,191,187	-	10,251	14,201,438
Accounts payable	853,783	42,939	441	897,163
Total liabilities	15,044,970	42,939	10,692	15,098,601
Net assets held in trust for pension benefits (A schedule of funding progress is presented on pages 35 - 37)	\$ 516,813,944	\$ -	\$ 437,305	\$ 517,251,249

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 PLAN NET ASSETS

September 30, 2002

	<u>G.E.S.E Trust</u>	<u>Excess Benefit Plan</u>	<u>Staff Trust</u>	<u>Total</u>
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	<u>35,000</u>	<u>-</u>	<u>-</u>	<u>35,000</u>
Total receivables	<u>20,541,282</u>	<u>24,431</u>	<u>675</u>	<u>20,566,388</u>
Investments, at fair value:				
U.S. Government and Agency securities	75,324,353	-	112,458	75,436,811
Corporate stocks	272,131,945	-	119,978	272,251,923
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	<u>15,085,239</u>	<u>-</u>	<u>33,652</u>	<u>15,118,891</u>
Total investments	<u>476,292,518</u>	<u>-</u>	<u>286,881</u>	<u>476,579,399</u>
Capital assets, net	<u>1,174,527</u>	<u>-</u>	<u>-</u>	<u>1,174,527</u>
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	<u>694,187</u>	<u>42,486</u>	<u>2,919</u>	<u>739,592</u>
Total liabilities	<u>30,634,901</u>	<u>42,486</u>	<u>19,824</u>	<u>30,697,211</u>
Net assets held in trust for pension benefits (A schedule of funding progress is presented on pages 35 - 37)	<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 PLAN NET ASSETS

Year Ended September 30, 2003

	<u>G.E.S.E Trust</u>	<u>Excess Benefit Plan</u>	<u>Staff Trust</u>	<u>Total</u>
ADDITIONS				
Contributions:				
City of Miami	\$ 3,602,457	\$ 300,235	\$ 83,234	\$ 3,985,926
Members	<u>7,605,397</u>	<u>-</u>	<u>36,627</u>	<u>7,642,024</u>
Total contributions	<u>11,207,854</u>	<u>300,235</u>	<u>119,861</u>	<u>11,627,950</u>
Investment income:				
Net appreciation in fair value of investments	67,221,168	-	41,094	67,262,262
Interest	7,879,967	-	7,987	7,887,954
Dividend	4,632,543	-	2,264	4,634,807
Rental and other income, net	<u>32,295</u>	<u>-</u>	<u>-</u>	<u>32,295</u>
Total investment income	79,765,973	-	51,345	79,817,318
Less investment expense	<u>2,071,718</u>	<u>-</u>	<u>1,633</u>	<u>2,073,351</u>
Net investment income	77,694,255	-	49,712	77,743,967
Reimbursement income from City of Miami	<u>1,852,656</u>	<u>32,305</u>	<u>-</u>	<u>1,884,961</u>
Total additions	<u>90,754,765</u>	<u>332,540</u>	<u>169,573</u>	<u>91,256,878</u>
DEDUCTIONS				
Benefits	38,665,656	300,235	-	38,965,891
Refunds of contributions	1,147,196	-	-	1,147,196
Administrative and other expenses	<u>1,852,656</u>	<u>32,305</u>	<u>-</u>	<u>1,884,961</u>
Total deductions	<u>41,665,508</u>	<u>332,540</u>	<u>-</u>	<u>41,998,048</u>
Net increase	49,089,257	-	169,573	49,258,830
Net assets held in trust for pension benefits, beginning of year	<u>467,724,687</u>	<u>-</u>	<u>267,732</u>	<u>467,992,419</u>
Net assets held in trust for pension benefits, end of year	<u>\$ 516,813,944</u>	<u>\$ -</u>	<u>\$ 437,305</u>	<u>\$ 517,251,249</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 PLAN 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

NOTES TO FINANCIAL STATEMENTS

Years Ended September 30, 2003 and 2002

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. City of Miami 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, 2003 and 2002, as reported by recognized security exchanges.

Purchases and sales of securities are reflected on a trade-date basis. Gain or loss on sales of securities is based on average cost for equity and debt securities.

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

(continued)

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Years Ended September 30, 2003 and 2002

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Cash

As required by Chapter 280.04, Florida Statutes, all deposits of the Trusts during the year ended September 30, 2003 and 2002, 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.

Capital Assets

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

Investment, 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.

Reclassifications

Certain prior year amounts have been reclassified to conform with the 2003 year presentation.

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Years Ended September 30, 2003 and 2002

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, 2003 and 2002

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 as defined in City of Miami Ordinance No. 12111. 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 years ended September 30, 2003 and 2002, respectively amounted to \$1,963,929 and \$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, 2003 and 2002

NOTE 2 - PLAN DESCRIPTIONS - Continued

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

Cost of Living Adjustment (COLA)

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, 2003 and 2002

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 years ended September 30, 2003 and 2002 amounted to \$300,235 and \$351,417, 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, 2003 and 2002

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, 2003 and 2002

NOTE 2 - PLAN DESCRIPTIONS - Continued

Participation

At October 1, 2003 and 2002 (based on updated actuarial valuations), each Trust's membership consisted of:

	2003			
	G.E.S.E.	Excess	Staff	Total
Retirees and beneficiaries currently receiving benefits	1,830	24	-	1,854
Terminated employees entitled to benefits, but not yet receiving them	66	-	-	66
Current employees	1,555	-	10	1,565
Total members	3,451	24	10	3,485
	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

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, 2003 and 2002

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 \$10,267,502 and \$8,473,683 for the years ended September 30, 2003 and 2002, respectively, determined through an actuarial valuation performed as of October 1, 2002 and 2001, respectively. The required contribution consisted of (a) \$10,267,502 and \$8,473,683 normal cost, (b) \$0 and \$0 amortization of the unfunded actuarial accrued liability and (c) \$0 interest adjustment for September 30, 2003 and 2002. For the years ended September 30, 2003 and 2002, respectively, the City contributed \$3,602,457 and \$2,090,701 and the employees contributed \$7,605,397 and \$7,147,651.

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, 2003 and 2002

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 \$966,416 and \$1,102,051 for the years ended September 30, 2003 and 2002, respectively, determined through an actuarial valuation performed as of October 1, 2002 and 2001, respectively. The required contribution consisted of (a) \$22,829 and \$124,200 normal cost, (b) \$789,171 and \$892,790 amortization of the unfunded actuarial accrued liability and (c) \$154,416 and \$85,061 interest adjustment for September 30, 2003 and 2002, respectively. For the years ended September 30, 2003 and 2002, respectively, the City of Miami contributed \$300,235 and \$351,417 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 \$119,518 and \$85,407 for the years ended September 30, 2003 and 2002, respectively, determined through an actuarial valuation performed as of October 1, 2002 and 2001, respectively. The required contribution consisted of (a) \$69,518 and \$53,207 normal cost, (b) \$50,000 and \$32,200 amortization of the unfunded actuarial accrued liability and (c) \$0 and \$0 interest adjustment for September 30, 2003 and 2002. For the years ended September 30, 2003 and 2002, respectively, the GESE Trust contributed \$83,234 and \$57,500 and the employees contributed \$36,627 and \$38,382.

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Years Ended September 30, 2003 and 2002

NOTE 4 - INVESTMENTS

Approximate fair values of investments are determined as follows: securities traded on a national securities exchange are valued at the last reported sales price on the last business day of the fiscal year; securities traded in the over-the-counter market and listed securities for which no sale was reported on that date are valued at the last reported bid price; commercial paper, certificates of deposit and short-term investment pools are valued at 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, 2003 and 2002

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.

(continued)

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Years Ended September 30, 2003 and 2002

NOTE 4 - INVESTMENTS - Continued

General Policy for GESE Trust and Staff Trust - Continued

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, 2003 were all category one risk as follows:

	Category 1		Reported Amount/ Fair Value
	GESE Trust	Staff Trust	
U.S. Government and Agency Securities	\$ 73,714,728	\$ 129,717	\$ 73,844,445
Corporate stocks	327,819,497	216,207	328,035,704
Corporate bonds	70,965,277	72,019	71,037,296
	\$ 472,499,502	\$ 417,943	\$ 472,917,445
Investments not subject to categorization:			
Real Estate Fund			\$ 31,300,235
Money Market Fund (including \$28,311 for Staff Trust)			18,530,006
Total investments			\$ 522,747,686

(continued)

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Years Ended September 30, 2003 and 2002

NOTE 4 - INVESTMENTS - Continued

General Policy for GESE Trust and Staff Trust - Continued

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

	Category 1		Reported Amount/ Fair Value
	GESE Trust	Staff Trust	
U.S. Government and Agency Securities	\$ 75,324,353	\$ 112,458	\$ 75,436,811
Corporate stocks	272,131,945	119,978	272,251,923
Corporate bonds	84,634,674	20,793	84,655,467
	\$ 432,090,972	\$ 253,229	\$ 432,344,201
Investments not subject to categorization:			
Real Estate Fund			\$ 29,116,307
Money Market Fund (including \$33,652 for Staff Trust)			15,118,891
Total investments			\$ 476,579,399

NOTE 5 - CAPITAL ASSETS, NET

Capital assets consist of the following as of September 30:

	2003	2002
Land	\$ 262,143	\$ 262,143
Buildings and improvements	1,185,122	912,384
	1,447,265	1,174,527
Less: Accumulated depreciation	-	-
Capital assets, net	\$ 1,447,265	\$ 1,174,527

There is no related depreciation expense as of September 30, 2003 and 2002 as the building is undergoing renovations and is not occupied. Depreciation expense will be incurred upon the utilization of the building.

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Years Ended September 30, 2003 and 2002

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, 2003 and 2002 consisted of the following:

	<u>2003</u>	<u>2002</u>
City of Miami receivable, beginning of year	\$ 990,791	\$ 856,455
Administrative costs:		
Personnel	495,230	444,354
Professional	815,708	833,140
Insurance	149,342	178,127
Rent	104,620	90,719
Other	<u>320,061</u>	<u>169,527</u>
Total	1,884,961	1,715,867
Funding provided by the City of Miami - current year	<u>2,240,996</u>	<u>1,581,531</u>
City of Miami receivable, end of year	<u>\$ 634,756</u>	<u>\$ 990,791</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)
10/1/02	\$561.3	\$617.8	\$ 56.5	91%	\$70.4	80%
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
2003	\$ 3,602,457	100%
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, 2002
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	5.75%
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 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)
10/1/02	\$-0-	\$8.6	\$8.6	0%	\$70.4	12%
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
2003	\$ 966,416	31%
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, 2002
Actuarial cost method	Modified entry age normal
Amortization method	Level dollar amounts, closed
Remaining amortization period	28 years
Asset valuation method	N/A
Actuarial assumptions:	
Investment rate of return	8.1%
Projected salary increases	5.0%
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.

** 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 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)
10/1/02	\$303.7	\$900.7	\$597.0	34%	\$411.3	145%
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
2003	\$ 83,200	100%
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, 2002
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.

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, 2003

	<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	\$ 460,006	5,000	\$ 465,006
Payroll Taxes	31,724	550	32,274
Insurance & Workers Comp.	70,954	718	71,672
Retirement	83,234	-	83,234
Car Allowance	6,023	-	6,023
Total Personnel Services	<u>\$ 651,942</u>	<u>6,268</u>	<u>\$ 658,210</u>
Professional Services:			
Custodian	\$ 249,952	-	\$ 249,952
Investment Consulting	122,086	-	122,086
Legal Counsel	173,020	-	173,020
Actuarial	81,282	23,264	104,546
Audit	60,083	-	60,083
Other	28,614	-	28,614
Total Professional Services	<u>\$ 715,037</u>	<u>23,264</u>	<u>\$ 738,301</u>
Rentals:			
Office Space	\$ 96,113	720	\$ 96,833
Equipment	8,508	200	8,708
	<u>\$ 104,620</u>	<u>920</u>	<u>\$ 105,540</u>
Insurance:			
	81,887	-	81,887
Communication:			
Printing	\$ 23,291	-	\$ 23,291
Advertising	8,011	-	8,011
Postage & Courier Svcs	7,475	100	7,575
Telephone & Telecomm Expense	13,618	200	13,818
Total Communications	<u>\$ 52,395</u>	<u>300</u>	<u>\$ 52,695</u>
Miscellaneous:			
Travel	\$ 49,720	-	\$ 49,720
Memberships, Books & Publications	2,141	-	2,141
Repairs & Maintenance	25,835	800	26,635
Supplies	17,266	572	17,838
Training & Education	737	-	737
Parking	6,823	181	7,004
Furniture & Computer Equipment	110,426	-	110,426
Utilities, Property Taxes & Others	33,827	-	33,827
Total Miscellaneous	<u>246,775</u>	<u>1,553</u>	<u>248,328</u>
Total Administrative Expenses	<u>\$ 1,852,656.18</u>	<u>32,305.04</u>	<u>\$ 1,884,961.22</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, 2003**

<u>Investment Manager-GESE Trust</u>	<u>Investment Style</u>	<u>Amount</u>
Atlanta Capital Mgmt.	Equity - Core Growth	\$456,822
Institutional Capital Mgmt.	Equity - Value	307,255
Trusco Capital Mgmt. (STI)	Equity - Value	127,498
State Street Global Advisors	Equity - S&P 500 Index	15,205
Invesco Capital Mgmt.	Equity - International	99,497
Atlantic Capital Mgmt.	Equity - Small Cap Growth	131,487
Axiom International, LLP	International Equities	92,653
Cramer Rosenthal McGlynn	Equity - Small Cap Value	134,031
Seix Investment Advisors	Fixed Income	106,629
Richmond Capital	Fixed Income	183,616
Loomis Sayles & Co.	Fixed Income	131,562
MetLife Insurance Co.	Real Estate	202,641
EII Realty Securities, Inc.	Real Estate	82,822
Total Investment Manager Expenses-GESE Trust		<u><u>\$2,071,718</u></u>
<u>Investment Manager-Staff Trust</u>	<u>Investment Style</u>	<u>Amount</u>
Atlanta Capital (G.S.)	Core Growth -Aggregate	1,633
Total Investment Manager Expenses-Staff Trust		<u><u>\$1,633</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, 2003

<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	\$ 122,086	--	122,086
Legal Fees	173,020	--	173,020
Actuarial	81,282	23,264	104,546
Auditing	60,083	--	60,083
Total	<u>\$ 436,471</u>	<u>\$ 23,264</u>	<u>\$ 459,735</u>

Investment Section

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Southeastern Advisory Services, Inc.

REGISTERED INVESTMENT ADVISOR

March 16, 2004

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

Re: Investment Consultant

Dear Trustees:

In July 2004, Southeastern Advisory Services, Inc was retained by the Board to provide investment consulting services to the City of Miami General Employees' & Sanitation Employees' Retirement Trust. Our duties include providing quarterly performance evaluation reports, asset allocation reviews, investment policy reviews, and conducting manager searches as needed. We also provide the Board with investment research and education.

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

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 assumption of 8.1%. For the twelve-month period ending September 30, 2003, the fund earned an annual return of 17.7%, gross of fees, exceeding these objectives; however the fund underperformed the unmanaged index (20.2%).

The strong return of 17.7% was a benefit to the fund, especially following the prior two fiscal year periods when the absolute returns had been negative. The broad equity market (as measured by the S&P 500) was up 24.4% for the fiscal year, while fixed income (Lehman Aggregate) was up 5.4%. Historical performance remains very competitive, posting an annualized 9.1% return since July 1987.

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

Sincerely,



Hilda A. Thompson
Senior Consultant

2003 audit letter march 04

12 Piedmont Center • Suite 202 • Atlanta, GA 30305
404-237-3156 • Fax 404-237-2650 • seas@seadvisory.com

LIST OF INVESTMENT MANAGERS
AS OF SEPTEMBER 30, 2003

Atlanta Capital Management

Institutional Capital Management

Invesco Capital Management

Metropolitan Life Insurance Co.

Loomis, Sayles & Co., L.P.

Cramer Rosenthal McGlynn, LLC

Seix Investment Advisors, Inc

Richmond Capital Management

State Street Global Advisors

Trusco Capital Management

Atlantic Capital Management

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 decision-making process of the investment managers.

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 assumption.
- 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 bonds.
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 Securities

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, 2003.

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>09/30/2003</u>	<u>09/30/2002</u>
Domestic Large Cap Equities	40.0%	50.0%	60.0%	49.6%	45.4%
US Aggregate Fixed Income	40.0%	50.0%	60.0%	48.8%	50.5%
Cash and Other	0.0%	0.0%	10.0%	1.7%	4.1%
				<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				
	2003	2002	From Inception	Inception Cumulative
Equities				
Fund Return - Domestic Large Cap Equities	26.3%	-21.4%	-6.1%	-12.8%
S&P 500	24.4	-20.5	-7.1	-14.8
Russell 1000 - Growth Stock	25.9	-22.5	-9.5	-19.3
Dow Jones	25.1	-14.2	-5.7	-11.9
Fixed Income				
Fund Return - Fixed Income	3.4	8.8	6.5	14.6
Lehman Brothers - Aggregate	5.4	8.6	7.6	17.1
Lehman Brothers - Mortgage Backed	3.0	7.4	N/A	N/A
Lehman Brothers - Government/Corporate	6.5	9.2	8.3	18.9
Cash Equivalent (Money Market Funds)				
Fund Return	N/A	6.3	N/A	N/A
T-Bills - 90 Days	1.3	2.1	1.9	4.2
Total Fund Return	14.6	-6.5	1.0	2.3
Total Fund Benchmark*	14.9	-6.5	0.5	1.1

* 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

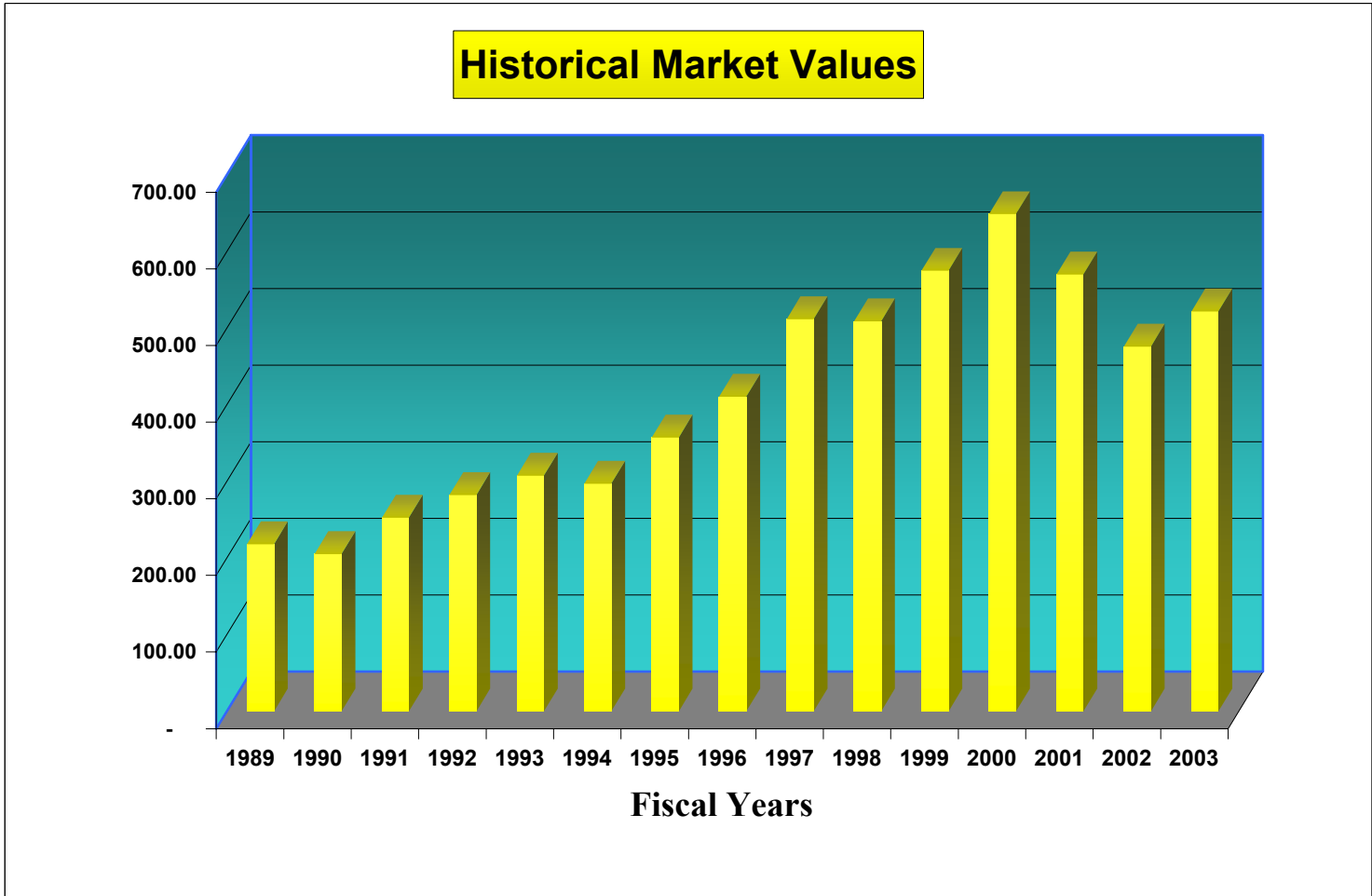
Annual Rates of Return(%)-GESE Trust							
September 30,						Annualized Return (%)	
	2003	2002	2001	2000	1999	3 Years	5 Years
Equities							
Fund Return - Domestic Equities	24.2	-19.5	-18.9	19.5	25.3	-6.7%	4.0%
Fund Return - International Equities	28.4	-12.5	-27.1	7.1	22.3	-6.4	1.4
S&P 500	24.4	-20.5	-26.6	13.3	27.8	-10.2	1.0
Dow Jones	25.1	-12.5	-15.6	4.4	34.0	-2.6	5.3
Russell Mid-Cap	32.6	-9.0	-22.4	31.6	19.5	-2.1	8.1
Russell 2000 - Small Stock	36.5	-9.3	-21.2	23.4	19.1	-0.8	7.5
MSCI EAFE - Non US Stocks	26.0	-15.5	-28.5	3.2	31.0	-8.7	0.6
Fixed Income							
Fund Return - Fixed Income	6.3	6.7	12.5	7.3	0.6	8.4	7.0
Lehman Brothers - Aggregate	5.4	8.6	13.0	7.0	-0.4	8.9	6.6
Lehman Brothers - Mortgage Backed	3.0	7.4	12.3	7.4	2.3	7.5	6.5
Lehman Brothers - Government/Corporate	6.5	9.2	13.2	6.7	-1.6	9.6	6.7
T-Bills - 90 Days	1.3	1.8	4.2	5.8	4.5	4.2	3.8
Real Estate							
Fund Return - Real Estate	12.2	3.9	9.5	17.9	7.2	8.5	10.0
FR NCREIF Index	7.8	6.7	10.1	11.8	12.1	7.9	9.5
NAREIT	26.5	5.2				16.4	11.3
Total Fund Return	17.7	-10.4	-10.4	15.7	17.7	-1.9	5.2
Total Fund Benchmark	20.2	-10.6	-15.7	10.8	18.0	-3.0	3.6

Summary of Asset Allocation-GESE Trust							
	Policy GuideLines as of 11/30/2001			Actual			
	Min.	Target	Max.	09/30/2003	09/30/2002	09/30/2001	
Domestic Large Cap Equities	40.0%	50.0%	60.0%	52.7%	43.4%	54.9%	
Small-Mid Cap Equities	0.0%	10.0%	15.0%	5.9%	10.5%	4.5%	
International Equities (UH)	0.0%	10.0%	15.0%	6.4%	5.7%	4.6%	
US Aggregate Fixed Income	20.0%	25.0%	40.0%	27.4%	33.2%	29.1%	
Real Estate	0.0%	5.0%	10.0%	6.2%	6.3%	5.3%	
Cash and Other	0.0%	0.0%	15.0%	1.4%	0.9%	1.5%	
				<u>100%</u>	<u>100%</u>	<u>100%</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)
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	476.29
2003	522.30

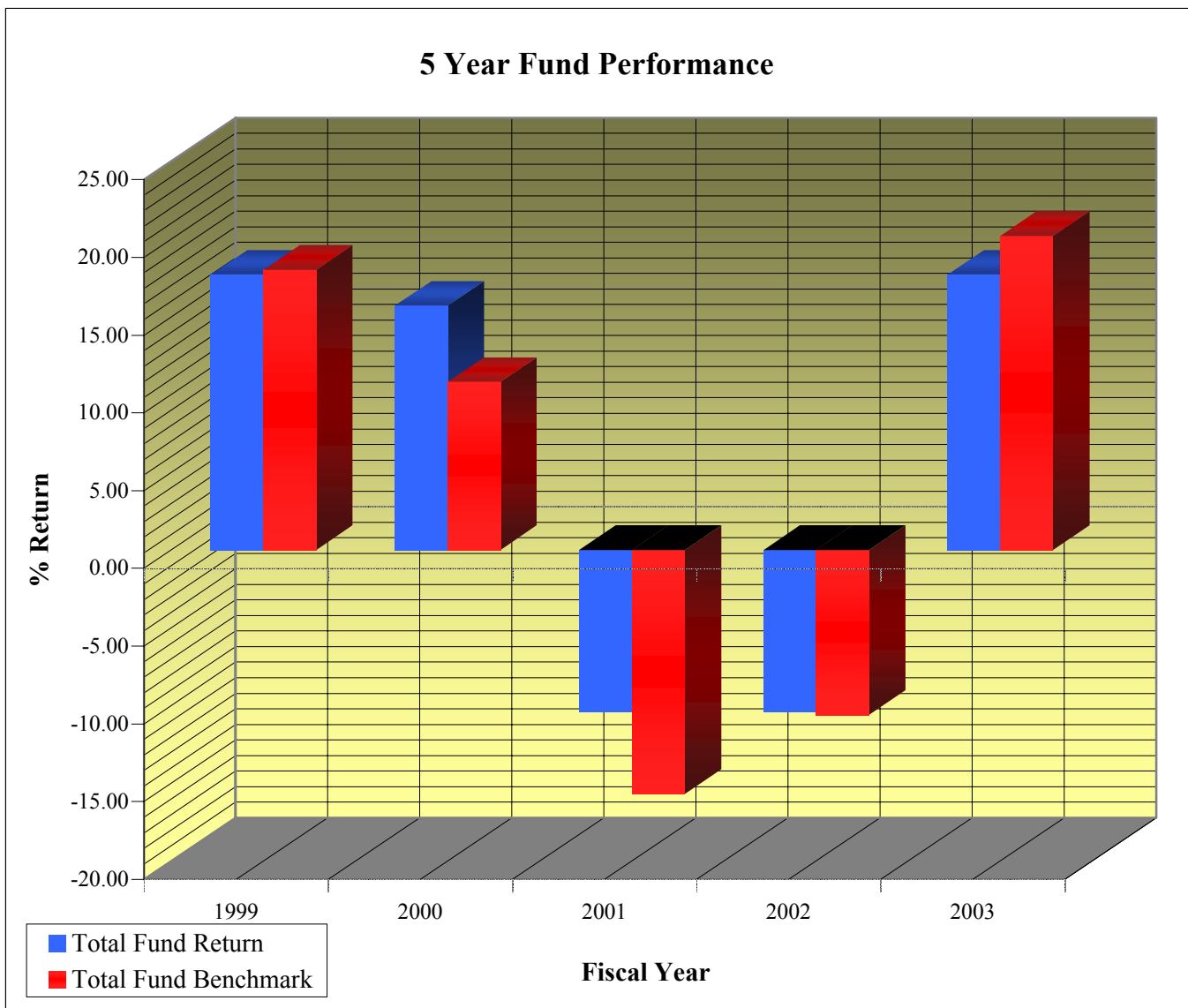


**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION EMPLOYEES' RETIREMENT TRUST
AND OTHER MANAGED TRUSTS
STATEMENT OF ASSETS 5 YEAR FUND PERFORMANCE**

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

	1999	2000	2001	2002	2003
Total Fund Return	17.70	15.70	-10.40	-10.40	17.70
Total Fund Benchmark	18.00	10.80	-15.70	-10.60	20.20

Note: Returns are gross of fees



SUMMARY OF INVESTMENT MANAGER RETURNS

FOR THE 12-MONTH PERIOD ENDED SEPTEMBER 30, 2003			PERFORMANCE		
	INVESTMENT STYLE	ENDING MARKET VALUE (\$ Millions)	FUND RETURN (%)	STYLE BENCHMARK (%)	UNIVERSE RANKING * 1 = Best 100 = Worst
TOTAL TRUST		\$515.1	17.7	20.2	39th
<i>Domestic Equity Segment</i>					
Atlanta Capital Management	Large Cap Growth	113.7	24.9	25.9	24th
Institutional Capital Corp.	Large Cap Value	71.3	20.1	24.4	82nd
State Street Global Advisors	S&P 500 Indexed	55.8	24.4	24.4	45th
Trusco Capital Management (STI)	Mid Cap Value	30.3	21.8	24.4	69th
Atlantic Capital Management	Small Cap Growth	15.1	36.9	41.7	33rd
Cramer Rosenthal, McGlynn LLC	Small Cap Value	15.6	32	31.7	38th
<i>International Equity Segment</i>					
Invesco Capital Management	International Equity	21.8	21.2	26.0	78th
Axiom	International Equity	11.3	43.6	26.0	6th
<i>Fixed Income Segment</i>					
Richmond Capital Management	Aggregate	69.5	5.8	5.4	60th
Seix Investment Advisors	Aggregate	33.3	7.1	5.4	28th
Loomis, Sayles & Company	Intermediate	38.2	6.5	6.0	29th
<i>Real Estate Segment</i>					
MetLife Insurance Company	Real Estate	19.4	7.1	7.8	65th
EII Realty Securities	REIT	12.4	20.5	26.5	25th
<i>Administrative Account</i>	Cash	7.4	1.3	1.3	53rd

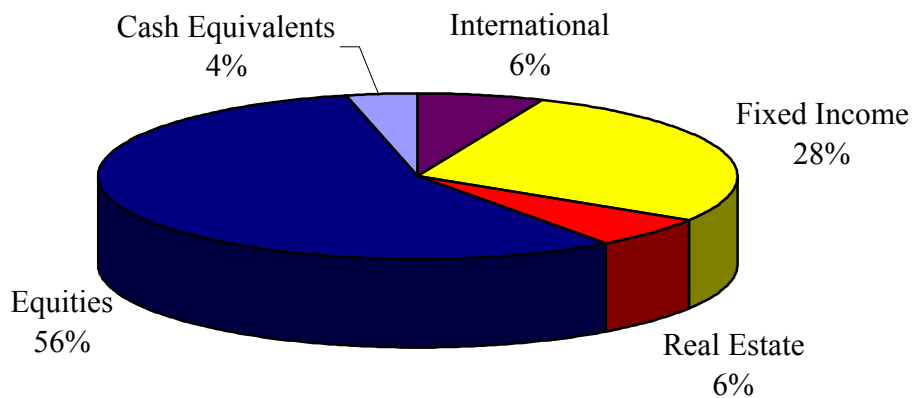
* Manager universes are comprised from data provided by the investment consultant and categorized into styles by Southeastern Advisory Services.

Source: Southeastern Advisory Services, Inc.

**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, 2003**

ASSET CLASS	Beginning Cost	Ending Cost	Beginning Market Value	Ending Market Value
Domestic Equities	\$257,020,388	\$238,297,075	\$246,548,522	\$295,330,001
Fixed Income	153,085,921	138,571,539	160,092,277	144,881,741
Real Estate	19,591,996	19,012,709	29,116,307	31,300,235
International Equities	32,421,486	31,369,274	25,703,401	32,705,704
Cash Equivalents	15,118,892	18,530,006	15,118,892	18,530,006
Total	<u>\$477,238,681</u>	<u>\$445,780,602</u>	<u>\$476,579,399</u>	<u>\$522,747,687</u>

**Asset Allocation (Market Value)
As of September 30, 2003**



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

**List of Largest Assets Held-GESE Trust
For the Year Ended September 30, 2003**

Largest Stock Holdings (By Market Value)

	<u>Shares</u>	<u>Stocks</u>	<u>Market Value (\$)</u>
1)	104,121	American Intl Group Inc.	6,007,782
2)	76,450	Bank Amer Corp	5,966,158
3)	191,325	Pfizer Inc.	5,812,454
4)	175,850	Microsoft Corp.	4,886,872
5)	228,700	Cisco Sys Inc.	4,468,798
6)	87,617	Citigroup Inc	3,987,450
7)	101,600	Dell Inc	3,392,424
8)	62,900	Emerson Elec Co	3,311,685
9)	77,500	BP PLC	3,262,750
10)	60,500	Wells Fargo & Co. New	3,115,750

Largest Bond Holdings (By Market Value)

	<u>Par</u>	<u>Bonds</u>	<u>Coupon</u>	<u>Maturity</u>	<u>Market Value (\$)</u>
1)	6,335,000	United States Treasury Notes	1.750%	12/31/2004	6,383,502
2)	2,305,000	Federal Home Ln Bks	2.750%	3/14/2008	4,001,383
3)	1,975,000	Federal Home Ln MTG Corp	5.125%	7/15/2012	2,098,745
4)	1,810,000	United States Treasury Bond	5.375%	2/15/2031	1,942,922
5)	1,816,000	FHLMC TBA OCT 30 Gold Single	5.500%	12/31/2099	1,850,618
6)	1,751,146	Federal Home Loan PC	5.500%	3/1/2033	1,787,537
7)	1,645,000	United States Treasury Notes	3.875%	2/15/2013	1,645,257
8)	1,465,293	Federal Home Loan PC	6.000%	2/1/2033	1,513,430
9)	1,350,000	United States Treasury Notes	4.625%	5/15/2006	1,448,930
10)	1,105,000	United States Treasury Bond	7.500%	11/15/2016	1,443,406

**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, 2003**

Largest Stock Holdings (By Market Value)

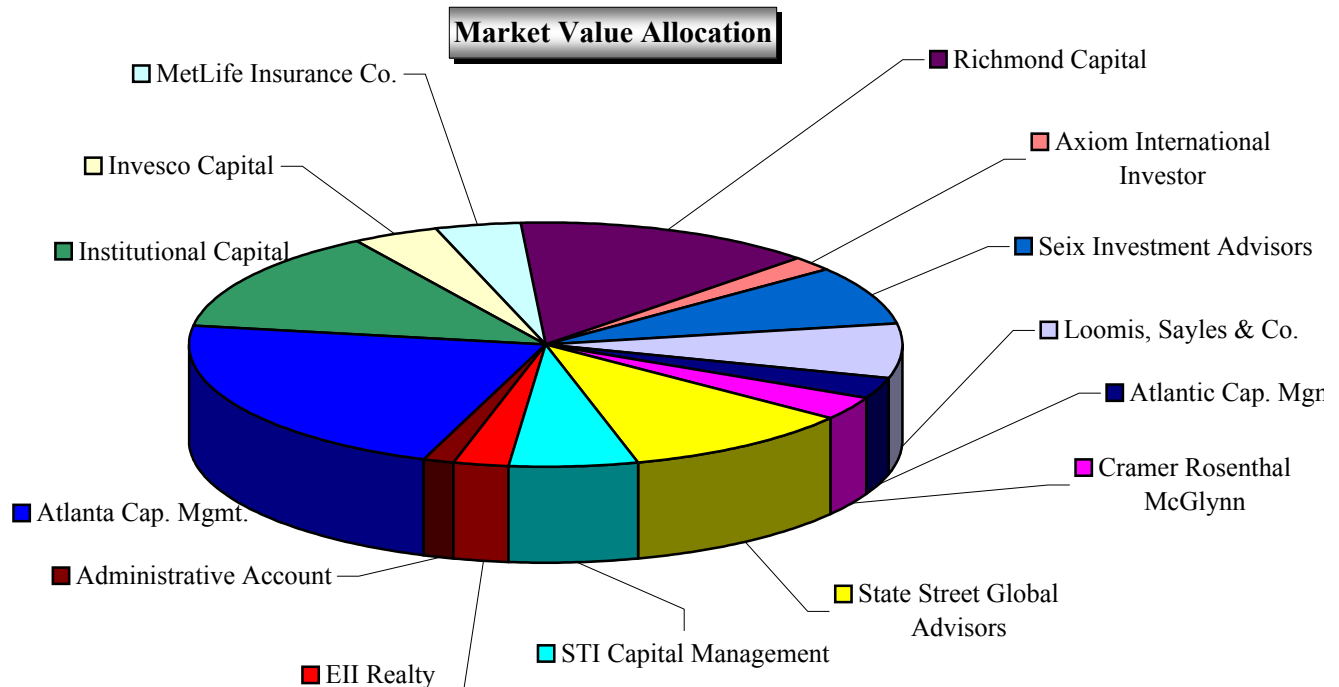
	<u>Shares</u>	<u>Stocks</u>	<u>Market Value (\$)</u>
1)	420	Cisco Sys	8,207
2)	260	Microsoft Corp	7,225
3)	230	Pfizer Inc	6,987
4)	120	American Intl Group	6,924
5)	180	Dell Computers	6,010
6)	120	Medtronic Inc	5,630
7)	105	Emerson Elec	5,528
8)	70	Bank Amer Corp	5,463
9)	150	Dover Corp	5,306
10)	76	Apache Corp	5,270

Largest Bond Holdings (By Market Value)

	<u>Par</u>	<u>Bonds</u>	<u>Coupon</u>	<u>Maturity</u>	<u>Market Value (\$)</u>
1)	23,000	FNMA POOL	3.25%	7/15/2007	23,138
2)	16,000	U.S Treasury Bond	5.38%	2/15/2031	17,175
3)	14,942	FHLMC Corp	4.50%	6/15/2016	15,391
4)	10,000	Coca Cola Co	4.00%	6/1/2005	10,338
5)	10,000	FHLMC Corp	1.88%	1/15/2005	10,075
6)	10,000	U.S Treasury Bills	5.75%	3/4/2004	9,948
7)	9,000	CIT Group Inc	7.13%	10/15/2004	9,501
8)	8,000	FNMA Pool	2.25%	11/25/2006	8,035
9)	7,000	FHLMC Corp	5.88%	3/21/2011	7,682
10)	7,000	FHLMC Corp	4.00%	8/15/2013	7,228

**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, 2003**

INVESTMENT MANAGER	MARKET	%
Atlanta Capital	\$114,129,703	21.83%
Axiom International Investors LLC	\$11,290,047	2.16%
State Street Global Advisors	55,839,136	10.68%
Institutional Capital	71,016,314	13.59%
Richmond Capital	70,746,541	13.53%
Trustco Capital Mgmt(STI)	30,504,955	5.84%
Seix Investment Advisors	39,632,149	7.58%
Loomis, Sayles & Co.	38,468,624	7.36%
Invesco Capital	21,740,508	4.16%
MetLife Insurance Co.	19,395,871	3.71%
Atlantic Capital Mgmt.	15,012,491	2.87%
Cramer Rosenthal McGlynn	15,203,124	2.91%
EII Realty Securities	12,374,649	2.37%
Administrative Account	<u>7,393,574</u>	<u>1.41%</u>
TOTAL	<u>\$522,747,687</u>	<u>100.00%</u>



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

**Schedule of Fees
For the Year Ended September 30, 2003**

<u>Investment Managers</u>	<u>Assets Under Management</u>	<u>Amount</u>
Equity Managers	\$ 334,297,240	\$ 1,364,448
Fixed Income Managers	\$ 148,847,305	421,807
Real Estate	\$ 31,770,520	285,463
Trust Account - (Cash Equiv)	\$ 7,393,575	-
Assets & Fees	\$ 522,308,640 *	<u>\$ 2,071,718</u>

<u>Investment Managers Staff Trust</u>	<u>Assets Under Management</u>	<u>Amount</u>
Equity-Core Growth	\$ 338,717	1,633
Fixed Income Aggregate	\$ 100,330	-
Assets & Fees	\$ 439,047	<u>\$ 1,633</u>
Total Assets & Fees	\$ 522,747,687	<u>\$ 2,073,351</u>

Other Investment Related Fees

Custodian Fees	\$ 249,952
Investment Consultant Fees	122,086
Total Fees	<u>\$ 2,445,389</u>

* Total assets under management include \$7,393,574.86 held in an administrative account with the custodian

**CITY OF MIAMI GENERAL EMPLOYEES' & SANITATION EMPLOYEES' RETIREMENT TRUST
AND OTHER MANAGED TRUSTS
SCHEDULE OF COMMISSIONS
FOR THE YEAR ENDED SEPTEMBER 30, 2003**

<u>BROKERAGE FIRM</u>	<u>Number of Shares Traded</u>	<u>Total Commissions</u>	<u>Commissions Per Share</u>
ABEL NOSER CORPORATION	2,203,493	38,763.73	\$0.02
ADAMS HARKNESS + HILL, INC	40,345	1,435.75	\$0.04
BAIRD, ROBERT W., & COMPANY INCORPORATED	1,400	84.00	\$0.06
BANC/AMERICA SECUR.LLC MONTGOMEY DIV	55,700	2,858.70	\$0.05
BEAR STEARNS + CO INC	348,167	18,077.52	\$0.05
BNY BROKERAGE INC	131,250	6,707.20	\$0.05
BREAN MURRAY	22,340	1,377.36	\$0.06
BRIDGE TRADING	31,450	1,597.30	\$0.05
BROADCORTCAPITAL (THRU ML)	60,700	3,064.99	\$0.05
B-TRADE SERVICES LLC	236,300	7,165.48	\$0.03
BURNHAM SECURITIES	650	32.50	\$0.05
CANTOR FITZGERALD + CO.	40,350	2,031.20	\$0.05
CAPITAL INSTITUTIONAL SERVICES	141,800	3,815.46	\$0.03
CARLIN EQUITIES	5,550	277.50	\$0.05
CHARLES SCHWAB CO INC	9,950	507.75	\$0.05
CIBC WORLD MARKETS CORP	3,000	150.00	\$0.05
CITATION GROUP	90,400	4,634.19	\$0.05
CITIGROUPGLOBAL MARKETS INC	256,615	12,516.27	\$0.05
CREDIT AGRICOLE INDOSUEZ SECURITIES INC	11,900	496.00	\$0.04
CREDIT SUISSE FIRST BOSTON CORPORATION	292,831	15,394.00	\$0.05
DAIWA SECURITIES AMERICA INC	1,300	68.72	\$0.05
DAVENPORT & CO. OF VIRGINIA, INC.	15,775	788.75	\$0.05
DAVIS, MENDEL AND REGENSTEIN	3,450	177.78	\$0.05
DELAFIELDHAMBRECHT	39,570	1,978.50	\$0.05
DEUTSCHE BANK SECURITIES INC	64,247	3,449.89	\$0.05
DIRECT BROKERAGE INC.	21,000	683.24	\$0.03
DONALDSON, LUFKIN & JENRETTE SECURITIES	46,400	2,561.39	\$0.06
DONALDSON+ CO INCORPORATED	1,761,113	97,925.90	\$0.06
DONALDSONLUFKIN + JENRETTE SECURITIES	93,000	4,710.00	\$0.05
DRESDNER KLEINWORTH WASSERSTEIN SEC LLC	66,685	2,496.08	\$0.04
EDWARDS AG SONS INC	333,625.00	17,619.23	\$0.05
FACTSET DATA SYSTEMS (THRU BEAR STEARNS)	24,600.00	1,251.54	\$0.05
FIDELITY CAPITAL MARKETS	21,187.00	1,235.17	\$0.06
FIRST UNION CAPITAL MARKETS	16,780.00	849.14	\$0.05
FOX PITT KELTON INC	7,500.00	375.00	\$0.05
FRIEDMAN BILLINGS + RAMSEY	1,000.00	61.22	\$0.06
FULCRUM GLOBAL PARTNERS LLC	77,935.00	3,164.88	\$0.04
GOLDMAN SACHS + CO	243,777.00	11,950.21	\$0.05
INSTINET	38,500.00	349.73	\$0.01
INVESTMENT TECHNOLOGY GROUP INC.	13,500.00	581.83	\$0.04
ISI GROUP INC	7,150.00	365.14	\$0.05
J P MORGAN SECURITIES INC	143,570.00	7,335.87	\$0.05
JACKSON SECURITIES	12,400.00	624.85	\$0.05
JANNEY MONTGOMERY, SCOTT INC	4,050.00	202.50	\$0.05
JEFFERIESCOMPANY INC	117,275	3,794.15	\$0.03
JOHNSON RICE + CO	26,545	312.70	\$0.01
JONES & ASSOCIATES INC	500	30.82	\$0.06
KEEFE BRUYETTE + WOODS INC	13,150	744.79	\$0.06
KNIGHT SECURITIES	33,000	1,270.00	\$0.04
LAZARD FRERES & CO.	1,050	54.62	\$0.05
LEERINK SWANN AND COMPANY	53,310	2,506.85	\$0.05
LEGG MASON WOOD WALKER INC	27,800	1,680.29	\$0.06

**CITY OF MIAMI GENERAL EMPLOYEES' & SANITATION EMPLOYEES' RETIREMENT TRUST
AND OTHER MANAGED TRUSTS
SCHEDULE OF COMMISSIONS
FOR THE YEAR ENDED SEPTEMBER 30, 2003**

<u>BROKERAGE FIRM</u>	<u>Number of Shares Traded</u>	<u>Total Commissions</u>	<u>Commissions Per Share</u>
LEHMAN BROTHERS INC	520,128	26,201.38	\$0.05
LIQUIDNETINC	154,300	7,812.42	\$0.05
MAGNA SECURITIES CORP	40,000.00	2,023.77	\$0.05
MCDONALDAND COMPANY SECURITIES, INC.	41,900.00	2,512.27	\$0.06
MERRILL LYNCH PIERCE FENNER + SMITH	579,964.00	24,029.00	\$0.04
MORGAN KEEGAN & CO INC	26,245.00	1,263.75	\$0.05
MORGAN STANLEY CO INCORPORATED	291,830.00	14,879.39	\$0.05
NANDRA GROUP INC	43,700.00	1,411.19	\$0.03
NATIONAL FINANCIAL SERVICES CORP.	1,700.00	104.87	\$0.06
NEEDHAM +COMPANY	48,680.00	1,773.34	\$0.04
NOMURA SECURITIES INTERNATIONAL INC	9,800.00	374.69	\$0.04
NORTHEASTSECURITIES INC	5,400.00	275.87	\$0.05
PERSHING LLC	61,700.00	2,724.25	\$0.04
PRINCETONSECURITIES	42,700.00	1,366.50	\$0.03
PRUDENTIAL EQUITY GROUP	35,435.00	2,077.57	\$0.06
RAYMOND JAMES AND ASSOCIATES INC	59,060.00	2,503.66	\$0.04
RBC DAIN RAUSCHER INC	16,090.00	396.00	\$0.02
ROTH CAPITAL PARTNERS LLC	42,105.00	2,119.13	\$0.05
SALOMON SMITH BARNEY INC	241,745	12,532.77	\$0.05
SANDLER ONEILL + PART LP	19,100	1,166.20	\$0.06
SANFORD CBERNSTEIN CO LLC	172,100	9,060.15	\$0.05
SG COWEN SECURITIES CORP	27,050	1,373.82	\$0.05
SIMMONS +COMPANY INTERNATIONAL	2,400	148.93	\$0.06
SOUTHWESTSECURITIES	46,225	2,447.74	\$0.05
SPEAR, LEEDS & KELLOGG	11,805	590.25	\$0.05
SUNTRUST CAPITAL MARKETS, INC.	322,205	14,976.67	\$0.05
THOMSON INSTITUTIONAL SERVICE	33,100	1,977.80	\$0.06
U S BANCORP PIPER JAFFRAY INC	10,595	529.75	\$0.05
UBS FINANCIAL SERVICES INC	300	15.91	\$0.05
UBS PAINWEBBER INC	3,900	196.68	\$0.05
UBS WARBURG LLC	121,604	5,897.50	\$0.05
VERITAS SECURITIES	134,700	4,176.40	\$0.03
WACHOVIA SECURITIES LLC	10,100	614.20	\$0.06
WELLS FARGO INVT LLC	6,800	357.81	\$0.05
WESTMINSTER RES ASOC/ BROADCORT CAPT CL	700	36.74	\$0.05
WILLIAM BLAIR & COMPANY, L.L.C	17,155	579.30	\$0.03
WILSHIRE ASSOCIATES INCORPORATED	15,700	799.60	\$0.05
WIT SOUNDVIEW CORP	10,250	518.04	\$0.05
Other Shares Without Commissions	163,572	0	\$0.00
Total	10,706,778	\$444,033	

* 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
SCHEDULE OF CASH EQUIVALENTS
SEPTEMBER 30, 2003**

MONEY MARKET FUNDS

Description - GESE Trust	Market	Cost
GOVERNMENT STIF 12 - Atlanta Capital Management	\$1,065,021	\$1,065,021
GOVERNMENT STIF 12 - Cramer Rosenthal Mcglynn	\$53,133	\$53,133
GOVERNMENT STIF 12 - Institutional Capital	\$2,280,900	\$2,280,900
GOVERNMENT STIF 12 - Invesco Capital	\$324,851	\$324,851
GOVERNMENT STIF 12 - Richmond Capital	\$2,486,578	\$2,486,578
GOVERNMENT STIF 12 -Seix Investment Advisors	\$261,328	\$261,328
GOVERNMENT STIF 12 - Loomis Sayles & Co.	\$1,328,371	\$1,328,371
GOVERNMENT STIF 12 - Atlantic Capital Mgmt	\$292,856	\$292,856
GOVERNMENT STIF 12 - Trusco Capital Mgt (STI)	\$2,544,797	\$2,544,797
GOVERNMENT STIF 12 - EII Realty Securities	\$470,285	\$470,285
GOVERNMENT STIF 12 - Administrative Trust Account	\$7,393,575	\$7,393,575
Sub-Total	<u>\$18,501,695</u>	<u>\$18,501,695</u>
 Description - Staff Trust		
GOVERNMENT STIF 12 - Atlanta Capital Mgt (Staff Pension Plan)	28,311	28,311
 Grand Total - September 30, 2003	 <u>\$18,530,006</u>	 <u>\$18,530,006</u>

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION EMPLOYEES' RETIREMENT TRUST
AND OTHER MANAGED TRUSTS
COMBINED SCHEDULE OF ASSETS FIXED INCOME SUMMARIES
SEPTEMBER 30, 2003**

CORPORATE BONDS - SUMMARY

Investment Managers	Par Value	Unamortized Premium	Unamortized Discount	Market Value	Accrued Interest
Atlanta Cap. (Staff Pension)	\$69,685	\$1,553	(\$12)	\$72,019	\$652
Seix Investment Advisors	13,357,132	289,683	(131,028)	14,120,810	122,767
Richmond Capital	30,120,000	1,433,201	(512,463)	33,825,671	566,612
Loomis Sayles & Co.	21,056,924	924,099	(79,366)	23,018,797	359,213
Total - September 30, 2003	\$64,603,741	\$2,648,537	(\$722,869)	\$71,037,297	\$1,049,244

MORTGAGE BACKED SECURITIES - SUMMARY

Investment Managers	Par Value	Unamortized Premium	Unamortized Discount	Market Value	Accrued Interest
Atlanta Cap. (Staff Pension)	\$89,339	\$1,125	(\$96)	\$91,346	\$305
Seix Investment Advisors	12,921,830	355,920	(61,018)	13,425,127	38,935
Richmond Capital	30,055,369	789,876	(389,933)	31,461,784	186,202
Loomis Sayles & Co.	11,116,744	316,321	(13,723)	11,657,463	66,788
Total - September 30, 2003	\$54,183,283	\$1,463,242	(\$464,770)	\$56,635,720	\$292,231

U.S. TREASURY BILLS - SUMMARY

Investment Managers	Par Value	Unamortized Premium	Unamortized Discount	Market Value	Accrued Interest
Atlanta Cap. (Staff Pension)	\$10,000	\$0	(\$52)	\$9,948	\$8
Seix Investment Advisors	200,000	0	(239,554)	199,996	0
Total - September 30, 2003	\$210,000	\$0	(\$239,606)	\$209,944	\$8

U.S. TREASURY NOTES - SUMMARY

Investment Managers	Par Value	Unamortized Premium	Unamortized Discount	Market Value	Accrued Interest
Atlanta Cap. (Staff Pension)	\$5,000	\$13	\$0	\$5,030	\$0.22
Seix Investment Advisors	\$9,535,000	\$32,281	(\$22,314)	\$9,590,936	\$48,790
Loomis Sayles & Co.	2,300,000	147,962	(474)	2,463,992	32,153
Total - September 30, 2003	\$11,840,000	\$180,255	(\$22,788)	\$12,059,958	\$80,943

U.S. TREASURY BONDS - SUMMARY

Investment Managers	Par Value	Unamortized Premium	Unamortized Discount	Market Value	Accrued Interest
Atlanta Cap. (Staff Pension)	\$22,000	\$63	(\$793)	\$23,393	\$229
Seix Investment Advisors	1,810,000	92,052	(88)	1,942,922	12,434
Richmond Capital	2,265,000	464,963	0	2,972,508	50,032
Total - September 30, 2003	\$4,097,000	\$557,078	(\$880)	\$4,938,822	\$62,695

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION EMPLOYEES' RETIREMENT TRUST
AND OTHER MANAGED TRUSTS
SCHEDULE OF ASSETS U.S. TREASURY BILLS, NOTES, & BONDS
SEPTEMBER 30, 2003**

Investment Manager - Seix Investment Advisors

Description	Par Value	Unamortized Premium	Unamortized Discount	Market Value	Accrued Interest
U.S. TREASURY BILLS 10/2/2003	\$200,000	\$0	(\$239,554)	\$199,996	\$0
Total - September 30, 2003	\$200,000	\$0	(\$239,554)	\$199,996	\$0

Investment Manager - Loomis Sayles & Co.

Description	Par Value	Unamortized Premium	Unamortized Discount	Market Value	Accrued Interest
U.S. TREASURY NOTES. 2.125% 08/31/2004	\$500,000	\$4,609	\$0	\$504,844	\$905
U.S. TREASURY NOTES. 4.625% 05/15/2006	1,350,000	99,457	0	1,448,930	23,584
U.S. TREASURY NOTES. 5.50% 05/15/2009	320,000	37,375	0	362,100	6,648
U.S. TREASURY NOTES. 6.125% 08/15/2007	130,000	6,520	(474)	148,119	1,017
Total - September 30, 2003	\$2,300,000	\$147,962	(\$474)	\$2,463,992	\$32,153

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	\$1,810,000	\$92,052	(\$88)	\$1,942,922	\$12,434
Total - September 30, 2003	\$1,810,000	\$92,052	(\$88)	\$1,942,922	\$12,434

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	\$703,619	\$5,180
U.S. TREASURY BOND 7.125% 02/15/2023	225,000	67,553	0	288,211	2,047
U.S. TREASURY BOND 7.250% 05/15/2016	420,000	57,434	0	537,272	11,501
U.S. TREASURY BOND 7.50% 11/15/2016	1,105,000	265,805	0	1,443,406	31,303
Total - September 30, 2003	\$2,265,000	\$464,963	\$0	\$2,972,508	\$50,032

Investment Manager - Seix Investment Advisors

Description	Par Value	Unamortized Premium	Unamortized Discount	Market Value	Accrued Interest
U.S. TREASURY NOTES 1.625% 09/30/2005	\$345,000	\$270	\$0	\$346,024	\$31
U.S. TREASURY NOTES 1.75% 12/31/2004	6,335,000	18,682	(211)	6,383,502	28,017
U.S. TREASURY NOTES 2.00% 08/31/2005	0	0	0	0	(19)
U.S. TREASURY NOTES 2.75% 10/31/2003	825,000	3,577	0	826,289	9,494
U.S. TREASURY NOTES 3.00% 07/15/2012	225,000	1,477	0	225,738	2,268
U.S. TREASURY NOTES 3.125% 09/15/2008	0	0	0	0	(3)
U.S. TREASURY NOTES 3.875% 02/15/2013	1,645,000	7,953	(21,079)	1,645,257	8,141
U.S. TREASURY NOTES 4.25% 08/15/2013	160,000	322	(1,024)	164,125	860
Total - September 30, 2003	\$9,535,000	\$32,281	(\$22,314)	\$9,590,936	\$48,790

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION EMPLOYEES' RETIREMENT TRUST
AND OTHER MANAGED TRUSTS
SCHEDULE OF ASSETS MORTGAGED BACKED SECURITIES
SEPTEMBER 30, 2003**

Investment Manager - Richmond Capital Management

Description	Par Value	Unamortized Premium	Unamortized Discount	Market Value	Accrued Interest
GNMA POOL # 58721 11.50% 02/15/2013	6,668	469	0	7,935	64
GNMA POOL #230223 9.50% 04/15/2018	20,386	544	0	23,172	161
GNMA POOL #268359 11.50% 09/15/2015	5,320	390	0	6,317	51
GNMA POOL #284088 9.00% 04/15/2020	27,966	396	0	31,647	210
GNMA POOL #289134 9.50% 06/15/2020	19,331	519	0	22,022	153
GNMA POOL #305051 9.00% 09/15/2021	39,961	568	0	45,043	300
GNMA POOL #354648 7.00% 09/15/2023	77,644	1,820	0	83,140	453
GNMA POOL #357431 6.50% 10/15/2023	82,848	0	(10,705)	88,132	449
GNMA POOL #358433 6.50% 10/15/2023	78,656	0	(10,163)	83,667	426
GNMA POOL #369002 7.00% 05/15/2024	7,415	102	0	7,939	43
GNMA POOL #371606 7.00% 01/15/2024	18,615	0	(1,858)	19,932	109
GNMA POOL #376538 7.00% 06/15/2024	142,356	3,403	0	152,432	830
GNMA POOL #377986 7.00% 04/15/2024	96,911	0	(8,695)	103,771	565
GNMA POOL #378084 7.00% 03/15/2024	187,277	0	(18,703)	200,532	1,092
GNMA POOL #385942 8.50% 10/15/2024	128,307	3,248	0	140,166	909
GNMA POOL #386562 7.50% 06/15/2024	147,726	0	(10,450)	159,631	923
GNMA POOL #389953 7.00% 04/15/2024	75,012	0	(7,492)	80,321	438
GNMA POOL #390525 6.00% 05/15/2024	181,887	0	(16,463)	192,303	909
GNMA POOL #393507 7.00% 04/15/2024	74,970	0	(7,488)	80,276	437
GNMA POOL #434556 7.50% 10/15/2029	94,061	3,483	0	101,053	588
GNMA POOL #438818 7.50% 12/15/2026	5,831	0	(43)	6,287	36
GNMA POOL #441998 7.00% 01/15/2028	53,762	874	0	57,366	314
GNMA POOL #461635 6.50% 01/15/2028	9,075	0	(111)	9,571	49
GNMA POOL #471572 6.50% 08/15/2028	188,569	0	(7,359)	198,712	1,021
GNMA POOL #487108 6.00% 04/15/2029	1,289,949	56,997	0	1,345,225	6,450
GNMA POOL #495301 7.50% 08/15/2029	69,667	0	(468)	74,846	435
GNMA POOL #510099 7.00% 07/15/2029	231,979	0	(8,590)	247,167	1,353
GNMA POOL #543435 7.50% 11/15/2030	41,295	1,536	0	44,300	258
GNMA POOL #550986 6.50% 10/15/2031	583,757	4,888	0	614,427	3,162
GNMA POOL #550987 6.50% 10/15/2031	183,519	2,753	0	193,161	994
GNMA POOL #561519 6.50% 07/15/2031	196,067	1,746	0	206,368	1,062
GNMA POOL #570142 6.00% 12/15/2031	290,417	0	(2,813)	302,317	1,452
GNMA POOL #587081 7.00% 05/15/2032	144,498	8,309	0	153,823	843
GNMA POOL #604479	616,734	0	(20,140)	619,504	2,570

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION EMPLOYEES' RETIREMENT TRUST
AND OTHER MANAGED TRUSTS
SCHEDULE OF ASSETS MORTGAGED BACKED SECURITIES
SEPTEMBER 30, 2003**

Investment Manager - Richmond Capital Management

Description	Par Value	Unamortized Premium	Unamortized Discount	Market Value	Accrued Interest
5.00% 07/15/2033 GNMA POOL #608178	644,403	31,616	0	661,873	2,954
5.50% 05/15/2033 GNMA POOL #780224	229,568	3,157	0	250,668	1,530
8.00% 08/15/2025 GNMA POOL #780914	745,494	27,607	0	777,439	3,727
6.00% 11/15/2028 GNMA POOL #780931	184,270	4,866	0	196,449	1,075
8.00% 12/15/2028 GNMA POOL #781159	146,550	6,114	0	157,444	916
7.50% 04/15/2030 GNMA POOL #781187	55,656	1,696	0	60,364	371
8.00% 06/15/2030 GNMA POOL #781328	125,342	4,583	0	133,431	731
7.00% 09/15/2031 GNMA POOL #781468	473,399	19,602	0	498,271	2,564
6.50% 07/15/2032 FNMA POOL #	440,000	2,627	0	447,900	5,402
3.250% 11/15/2007 FNMA POOL #	630,000	68,988	0	683,993	12,793
5.375% 11/15/2011 FNMA POOL #	931,995	11,067	0	952,091	4,272
5.50% 07/01/2033 FNMA POOL #	274,588	8,838	0	284,714	1,259
5.50% 09/01/2018 FNMA POOL #	340,000	10,678	0	352,538	1,558
5.50% 10/01/2018 FNMA POOL #	985,000	0	(33,088)	992,109	1,915
4.375% 09/15/2012 FNMA POOL #	1,070,000	0	(91,143)	1,207,275	24,253
6.00% 05/15/2008 FNMA POOL #	295,000	45,443	0	343,641	869
6.625% 09/15/2009 FNMA POOL #	645,000	49,786	0	707,081	9,532
7.00% 07/15/2005 FNMA POOL #050965	131,396	0	(11,948)	137,771	712
6.50% 01/01/2024 FNMA POOL #246388	125,346	0	(14,960)	130,385	627
6.00% 12/01/2023 FNMA POOL #251925	191,429	0	(9,930)	200,178	1,037
6.50% 07/01/2028 FNMA POOL #252570	137,445	0	(8,354)	143,555	744
6.50% 07/01/2029 FNMA POOL #254379	175,871	9,178	0	186,060	1,026
7.00% 07/01/2032 FNMA POOL #254444	214,369	12,494	0	227,340	1,161
6.50% 09/01/2017 FNMA POOL #254548	524,788	6,560	0	536,104	2,405
5.50% 12/01/2032 FNMA POOL #254694	403,087	15,683	0	416,770	2,015
6.00% 04/01/2033 FNMA POOL #303913	111,058	208	0	117,839	648
7.00% 05/01/2026 FNMA POOL #304597	12,530	0	(246)	13,851	89
8.50% 02/01/2025 FNMA POOL #323402	124,192	0	(4,948)	129,868	673
6.50% 10/01/2028 FNMA POOL #431023	52,793	1,444	0	56,593	330
7.50% 07/01/2028 FNMA POOL #493927	122,508	0	(268)	128,030	664
6.50% 04/01/2029 FNMA POOL #545248	366,078	3,661	0	383,038	1,830
6.00% 08/01/2016 FNMA POOL #603265	85,808	402	0	88,972	393
5.50% 09/01/2016 FHLMC POOL #	900,000	18,806	0	925,125	1,400
3.50% 09/15/2007					

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION EMPLOYEES' RETIREMENT TRUST
AND OTHER MANAGED TRUSTS
SCHEDULE OF ASSETS MORTGAGED BACKED SECURITIES
SEPTEMBER 30, 2003**

Investment Manager - Richmond Capital Management

Description	Par Value	Unamortized Premium	Unamortized Discount	Market Value	Accrued Interest
FHLMC POOL # 5.00% 12/01/2017	592,519	22,914	0	607,725	2,469
FHLMC POOL 5.125% 07/15/2012	1,975,000	56,176	0	2,098,745	21,368
FHLMC POOL 5.50% 11/01/2032	465,117	7,049	0	474,782	2,132
FHLMC POOL #01251 5.50% 11/01/2017	243,438	9,167	0	252,339	1,116
FHLMC POOL #01279 5.50% 01/01/2018	451,010	16,490	0	467,500	2,067
FHLMC POOL 5.50% 03/01/2033	1,751,146	33,928	0	1,787,537	8,026
FHLMC POOL 5.50% 12/01/2017	45,169	1,249	0	46,820	207
FHLMC POOL 2.750% 03/14/2008	2,305,000	0	(43,417)	2,288,214	2,993
FHLMC POOL # 01157 6.00% 06/01/2017	339,061	11,496	0	354,196	1,695
FHLMC POOL 6.00% 02/01/2033	1,928,663	76,799	0	1,992,023	9,643
FHLMC POOL 6.50% 08/01/2032	484,981	22,582	0	507,297	2,627
FHLMC POOL # 6.625% 09/15/2009	295,000	45,289	0	343,555	869
FHLMC POOL # 6.75% 03/15/2031	190,000	8,261	0	225,865	570
FHLMC GOLD POOL #E00313 7.00% 06/01/2009	72,441	0	(4,110)	77,057	423
FHLMC GOLD POOL #E00420 6.50% 03/01/2011	15,928	0	(69)	16,802	86
FHLMC GOLD POOL #C00451 6.50% 03/01/2026	115,157	0	(3,476)	120,816	624
FHLMC POOL # COO586 7.50% 01/01/2028	21,484	601	0	23,112	134
FHLMC POOL # GOO721 8.00% 05/01/2027	55,472	1,924	0	60,699	370
FHLMC POOL # GOO742 6.50% 04/01/2029	177,956	0	(13,517)	186,311	964
FHLMC POOL #GOO818 7.50% 11/01/2027	66,180	1,903	0	71,192	414
FHLMC POOL #00996 6.50% 07/01/2016	107,934	4,958	0	113,723	585
FHLMC POOL #GOO1034 8.00% 08/01/2030	34,360	993	0	37,125	229
FHLMC POOL #01317 7.00% 10/01/2031	271,152	7,584	0	286,606	1,582
FHLMC POOL # 6.50% 05/01/2009	13,626	205	0	14,374	318
FHLMC GOLD POOL #E54559 7.50% 07/01/2024	46,827	0	(2,961)	50,521	293
FHLMC GOLD POOL #D54931 8.00% 07/01/2024	10,056	0	(408)	11,035	67
FHLMC GOLD POOL #E55211 8.00% 08/01/2024	2,070	0	(84)	2,272	14
FHLMC GOLD POOL #E55390 8.00% 08/01/2024	53,338	0	(2,162)	58,530	356
FHLMC GOLD POOL #E57715 6.50% 03/01/2009	12,114	0	(901)	12,779	66
FHLMC GOLD POOL #E58327 8.00% 01/01/2025	32,439	0	(1,034)	35,597	216
FHLMC GOLD POOL #E58395 6.50% 05/01/2009	7,089	0	(528)	7,478	38
FHLMC GOLD POOL #E59046 6.50% 06/01/2009	45,051	0	(3,359)	47,524	0
FHLMC GOLD POOL #E59744 7.50% 09/01/2009	30,302	0	(1,178)	32,345	189
FHLMC GOLD POOL #E60135	17,791	0	(74)	19,323	126

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION EMPLOYEES' RETIREMENT TRUST
AND OTHER MANAGED TRUSTS
SCHEDULE OF ASSETS MORTGAGED BACKED SECURITIES
SEPTEMBER 30, 2003**

Investment Manager - Richmond Capital Management

Description	Par Value	Unamortized Premium	Unamortized Discount	Market Value	Accrued Interest
8.50% 02/01/2010 FHLMC GOLD POOL #E62672	105,210	0	(477)	110,984	570
6.50% 01/01/2011 FHLMC GOLD POOL #E63387	35,455	0	(161)	37,401	192
6.50% 04/01/2011 FHLMC GOLD POOL #E66865	43,314	0	(1,211)	45,692	235
6.50% 05/01/2001 FHLMC GOLD POOL #D68156	73,006	992	0	78,718	456
7.50% 02/01/2026 FHLMC GOLD POOL #D76270	6,856	256	0	7,490	46
8.00% 11/01/2026 FHLMC GOLD POOL #D77975	43,789	0	(1,786)	45,913	237
6.50% 02/01/2027 FHLMC GOLD POOL #D78958	7,657	0	(38)	8,029	41
6.50% 03/01/2027 FHLMC GOLD POOL #D79844	7,504	0	(408)	7,861	41
6.50% 05/01/2027 FHLMC GOLD POOL #C80207	5,380	151	0	5,804	34
7.50% 09/01/2024 FHLMC GOLD POOL #E80251	52,857	0	(2,145)	58,003	352
8.00% 01/01/2025 FHLMC GOLD POOL #E80358	86,073	1,762	0	92,808	538
7.50% 11/01/2025					
Total - September 30, 2003	<u>\$30,055,369</u>	<u>\$789,876</u>	<u>(\$389,932.62)</u>	<u>\$31,461,784</u>	<u>\$186,202</u>

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION EMPLOYEES' RETIREMENT TRUST
AND OTHER MANAGED TRUSTS
SCHEDULE OF ASSETS MORTGAGED BACKED SECURITIES
SEPTEMBER 30, 2003**

Investment Manager - Seix Investment Advisors

Description	Par Value	Unamortized Premium	Unamortized Discount	Market Value	Accrued Interest
FHLMC POOL 1.00% 12/25/2032	143,757	0	(22)	143,105	0
FHLMC POOL 1.56% 10/25/2029	166,330	78	0	166,226	36
FHLMC POOL TBA GOLD 5.50% 07/30/2099	901,000	0	(15,358)	898,466	0
FHLMC POOL TBA GOLD 5.50% 09/30/2099	1,816,000	0	(6,272)	1,850,618	0
FHLMC POOL TBA GOLD 6.00% 12/31/2099	1,274,000	20,294	0	1,313,414	0
FHLMC POOL 6.00% 04/01/2033	113,427	4,969	0	117,153	567
FHLMC POOL 7.00% 03/01/2032	23,222	1,205	0	24,546	135
FHLMC POOL 7.00% 02/01/2032	54,563	2,830	0	57,673	318
FHLMC POOL 7.00% 04/01/2032	30,683	1,592	0	32,432	179
FNMA POOL TBA GTD 1.42% 09/26/2033	277,998	0	0	277,998	78
FNMA POOL GTD 1.92% 08/25/2032	186,528	6	0	186,485	60
FNMA POOL GTD 1.46% 06/25/2033	198,598	0	0	198,598	41
FNMA POOL TBA SINGLE 4.50% 12/31/2099	847,000	1,803	(7,350)	854,147	0
FNMA POOL TBA SINGLE FAM 5.00% 12/31/2099	976,000	12,200	0	999,790	0
FNMA POOL TBA SINGLE 5.50% 08/15/2099	791,000	21,495	0	818,314	0
FNMA POOL GTD 6.00% 09/01/2032	30,852	1,068	0	31,900	154
FNMA POOL TBA SINGLE 6.00% 09/15/2099	424,000	17,656	0	442,285	0
FNMA POOL 4.375% 03/15/2013	660,000	0	(32,010)	661,160	1,283
FNMA POOL 6.50% 10/01/2032	309,427	13,549	0	323,085	135
FNMA POOL 6.50% 11/1/2032	132,444	5,777	0	138,302	268
FNMA POOL 6.50% 12/01/2032	38,406	1,680	0	40,102	208
FNMA POOL 7.00% 05/01/2033	93,976	5,000	0	99,420	548
FNMA POOL 7.25% 05/15/2030	730,000	125,375	0	917,611	19,994
FNMA POOL #252255 6.50% 02/01/2029	172,004	7,498	0	179,758	932
FNMA POOL #254479 6.50% 10/01/2032	56,696	2,454	0	59,198	2,297
FNMA POOL #254768	167,785	7,393	0	173,480	839

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION EMPLOYEES' RETIREMENT TRUST
AND OTHER MANAGED TRUSTS
SCHEDULE OF ASSETS MORTGAGED BACKED SECURITIES
SEPTEMBER 30, 2003**

Investment Manager - Seix Investment Advisors

Description	Par Value	Unamortized Premium	Unamortized Discount	Market Value	Accrued Interest
6.00% 06/01/2033 FNMA POOL #254933	89,379	4,064	0	93,324	484
6.50% 09/01/2033 FNMA POOL #323835	59,074	2,691	0	61,736	320
6.50% 05/01/2029 FNMA POOL	152,194	0	(5)	151,793	31
1.00% 06/25/2032 FNMA POOL #522573	150,000	7,945	0	158,971	875
7.00% 08/01/2029 FNMA POOL #545194	23,998	1,140	0	25,388	140
7.00% 08/01/2031 FNMA POOL #545759	598,025	23,170	0	624,422	3,239
6.50% 07/01/2032 FNMA POOL #545762	83,000	3,229	0	86,664	450
6.50% 07/01/2032 FNMA POOL #555144	248,000	11,625	0	262,366	1,447
7.00% 10/01/2032 FNMA POOL #555795	119,000	5,578	0	125,114	(281)
.99% 12/01/2099 GNMA I TAB	64,000	2,080	0	66,440	0
6.00% 12/31/2099 GNMA POOL #603415	78,656	4,523	0	82,764	426
6.50% 01/15/2033 GNMA POOL #606851	82,000	2,684	0	86,308	444
6.50% 07/15/2032 GNMA POOL #574236	129,234	8,562	0	138,599	808
7.50% 05/15/2032 GNMA POOL #611452	70,899	3,656	0	74,623	384
6.50% 08/15/2032 GNMA POOL #611599	102,546	6,601	0	109,976	641
7.50% 05/15/2033 GNMA POOL #614617	31,283	2,014	0	33,550	196
7.50% 07/15/2033 GNMA POOL #552903	33,021	1,744	0	34,746	179
6.50% 11/15/2032 GNMA POOL #553125	47,850	2,392	0	49,810	239
6.00% 03/15/2033 GNMA POOL #781548	143,976	8,301	0	153,267	840
7.00% 11/15/2032					
Total - September 30, 2003	\$12,921,830	\$355,920	(\$61,018)	\$13,425,127	\$38,935

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION EMPLOYEES' RETIREMENT TRUST
AND OTHER MANAGED TRUSTS
SCHEDULE OF ASSETS MORTGAGED BACKED SECURITIES
SEPTEMBER 30, 2003**

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	209,933	0	(722)	219,987	1,050
FHLMC LN BKS 4.50% 9/16/2013	365,000	0	(2,172)	366,837	411
FHLMC LN MTG CORP 2.375% 10/2/2006	750,000	0	(563)	753,140	0
FHLMC POOL 5.25% 01/15/2006	1,270,000	21,382	0	1,366,043	14,076
FHLMC POOL 5.875% 03/21/2011	135,000	0	(1,929)	148,143	220
FNMA POOL 5.50% 12/01/2099	629,649	18,545	0	652,867	0
FNMA POOL 5.50% 01/01/2018	957,372	42,331	0	993,395	4,388
FNMA POOL 5.50% 02/01/2018	233,570	8,941	0	242,533	1,071
FNMA POOL 5.50% 03/01/2018	465,324	18,788	0	482,979	2,133
FNMA POOL 5.50% 11/01/2017	138,680	5,331	0	143,794	3,522
FNMA POOL #679542 5.00% 03/01/2018	1,173,433	37,511	0	1,204,465	4,889
FNMA POOL 6.00% 10/01/2017	868,118	39,065	0	909,421	4,341
FNMA POOL 6.00% 12/01/2017	103,547	5,274	0	108,435	518
FNMA POOL 6.375% 06/15/2009	285,000	9,252	0	327,975	5,350
FNMA POOL 6.50% 08/15/2004	405,000	22,750	0	423,332	3,364
FNMA POOL 7.00% 07/15/2005	460,000	44,383	0	504,275	6,798
FNMA POOL #254259 5.50% 05/14/2005	667,023	0	(8,338)	691,619	3,057
FNMA POOL #254686 5.50% 06/01/2018	330,088	12,636	0	342,260	1,513
FNMA POOL #254722 5.50% 05/01/2018	199,212	9,214	0	207,056	913
FNMA POOL #313958 6.50% 01/01/2013	150,803	2,074	0	159,740	817
FNMA POOL #446473 6.00% 11/01/2013	272,827	1,023	0	285,978	1,364.14
FNMA POOL #535201 7.50% 03/01/2015	330,301	619	0	354,016	2,064.38
FNMA POOL #535377 8.00% 06/01/2015	308,293	3,468	0	330,704	2,055.28
FNMA POOL #545093 8.00% 06/01/2016	308,340	10,117	0	330,478	2,250.21
GNMA POOL #780859 7.50% 11/15/2016	100,231	3,618	0	107,991	626
Total - September 30, 2003	\$11,116,744	\$316,321	(\$13,723)	\$11,657,463	\$66,788

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION EMPLOYEES' RETIREMENT TRUST
AND OTHER MANAGED TRUSTS
SCHEDULE OF ASSETS CORPORATE BONDS
SEPTEMBER 30, 2003**

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	28,062.00	0	651,189	18,438
ALL STATE CORP. 7.20% 12/01/2009	180,000	0	(1,534)	211,600	4,320
AMERICAN GEN FIN CORP MTN 5.75% 03/15/2007	660,000	0	(5,735)	724,341	1,687
AMERICAN GEN FIN CORP MTN 5.875% 12/15/2005	425,000	15,712	0	458,605	7,352
ANHEUSER BUSCH COS INC. 6.750% 12/15/2027	340,000	0	(17,177)	392,466	6,758
ARCHER DANIELS MIDLAND CO. 7.50% 03/15/2027	360,000	38,542	0	442,569	1,200
ASSOCIATES CORP NORTH AMER 6.25% 11/01/2008	250,000	0	(15,573)	280,405	6,510
ATLANTIC RICHFIELD CO 9.125% 03/01/2011	300,000	24,207	0	393,281	2,281
BANC ONE CORP. 7.60% 05/01/2007	875,000	88,874	0	1,021,582	27,708
BANK OF AMERICA 7.80% 02/15/2010	275,000	0	(7,216)	332,623	2,741
BECTON DICKINSON & CO. 7.00% 08/01/2027	350,000	26,572	0	403,043	4,083
BELLSOUTH TELECOMM INC. 6.375% 06/01/2028	575,000	0	(85,753)	606,830	12,219
BENEFICIAL CORP. 6.70% 07/22/2004	110,000	0	0	114,639	2,170
BESTFOODS MEDIUM TERM NTS. 6.625% 04/15/2028	340,000	21,767	0	369,555	10,387
BOEING CO. 7.25% 06/15/2025	500,000	0	(49,020)	566,847	10,674
BRISTOL MYERS SQUIBB 6.80% 11/15/2026	60,000	13,366	0	67,121	1,541
CAMPBELL SOUP CO 8.875% 05/01/2021	350,000	113,533	0	471,574	12,943
CHUBB CORP 6.80% 11/15/2031	350,000	0	(2,813)	386,646	8,991
COMMERCIAL CREDIT GROUP INC. 7.375% 04/15/2005	830,000	50,598	0	902,762	28,226
CONOCO INC. 6.95% 04/15/2029	250,000	0	(20,943)	289,560	8,012
DAIMLER CHRYSLER NORTL HLDG CO. 7.20% 09/01/2009	425,000	0	(14,004)	477,942	2,550
DAIMLER CHRYSLER NORTH AMER. 8.00% 06/15/2010	200,000	5,412	0	231,857	4,711
DISNEY WALT CORP. 6.75% 03/30/2006	1,665,000	15,505	0	1,741,170	14,728
EATON CORP. 7.65% 11/15/2029	465,000	0	(44,175)	558,536	13,439
ENRON OIL AND GAS CO. 6.70% 11/15/2015	380,000	4,632	0	412,384	9,618
FPL GROUP CAP INC. 7.375% 06/01/2009	100,000	0	(2,026)	114,531	2,458
FPL GROUP CAP INC. 7.625% 09/15/2006	655,000	6,786	0	735,257	2,220
FEDERAL EXPRESS CORP 9.65% 06/15/2012	240,000	75,137	0	321,765	6,819
FORD MOTOR CO. 7.750% 03/15/2005	390,000	20,283	0	415,439	1,343
FORD MOTOR CO. 7.375% 10/28/2009	390,000	17,082	0	417,910	12,224

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION EMPLOYEES' RETIREMENT TRUST
AND OTHER MANAGED TRUSTS
SCHEDULE OF ASSETS CORPORATE BONDS
SEPTEMBER 30, 2003**

Investment Manager - Richmond Capital Mgmt

Description	Par Value	Unamortized Premium	Unamortized Discount	Market Value	Accrued Interest
GENERAL ELEC CAP CORP MTN. 7.25% 05/03/2004	525,000	41,276	0	543,235	15,648
GENERAL ELEC CAP CORP MTN. 6.75% 03/15/2032	275,000	0	(8,973)	310,085	825
GENERAL MTRS ACCEP CORP 8.75% 07/15/2005	950,000	93,965	0	1,043,550	17,549
GOLDMAN SACHS GROUP INC. 6.65% 05/15/2009	675,000	0	(31,698)	777,286	16,958
GRAND MET INVESTMENT CORP 9.00% 08/15/2011	305,000	20,331	0	396,244	3,508
GREAT LAKES CHEM CORP 7.00% 07/15/2009	550,000	0	(5,830)	621,123	8,128
HOUSEHOLD FIN CORP 6.50% 01/24/2006	650,000	2,854	0	713,714	7,863
HOUSEHOLD FIN CORP 6.375% 10/15/2011	200,000	0	(8,490)	222,514	5,879
INGERSOLL RAND CO INC. 6.51% 12/01/2004	450,000	0	0	474,273	11,067
JP MORGAN CHASE & CO 6.625% 03/15/2012	620,000	84,159	0	709,041	1,826
KEY BK WASH MEDIUM TERM SUB BK. 7.125% 08/15/2006	200,000	10,392	0	223,953	1,821
LINCOLN NATIONAL CORP. 6.50% 03/15/2015	350,000	0	(23,037)	388,776	1,011
MACMILLAN BLOEDEL LTD. 6.75% 02/15/2006	320,000	0	(10,784)	350,518	2,760
MERRILL LYNCH & CO., INC. 7.375% 05/15/2006	260,000	8,598	0	293,478	7,244
MORGAN STANLEY GROUP INC. 6.875% 03/01/2007	660,000	19,031	(7,935)	751,099	3,781
MORGAN STANLEY GROUP INC. 6.75 % 04/15/2011	270,000	44,180	0	309,486	8,404
NEW JERSEY BELL TEL CO 7.85% 11/15/2029	95,000	23,560	0	115,146	2,817
NIKE INC. 6.375% 12/01/2003	1,000,000	16,520	0	1,007,630	21,250
NORFOLK SOUTHN CORP 8.625% 05/15/2010	400,000	118,240	0	500,688	13,033
NORWEST FINANCIAL CORP. 7.50% 04/15/2005	230,000	16,930	0	250,580	7,954
NYNEX CAP FDG CO MTN. 8.75% 12/01/2004	810,000	116,818	0	871,093	23,625
PHILLIPS PETE CO. 9.375% 02/15/2011	280,000	61,225	0	368,131	3,354
PROCTER & GAMBLE CO 6.45% 01/15/2026	95,000	14,678	0	104,450	1,294
SALOMON INC. 6.375% 10/01/2004	200,000	0	(1,868)	209,848	6,375
SALOMON INC. 6.625% 11/15/2003	210,000	2,008	0	211,422	5,256
SALOMON INC MED TERM SR NTS. 7.120% 02/14/2005	590,000	23,211	0	634,644	1,867
SARA LEE CORP 3.875% 06/15/2013	90,000	0	(1,514)	85,726	1,114
SOUTHWESTERN BELL TEL MED TRM. 6.55% 10/07/2008	700,000	25,144	0	797,315	17,321
ST PAUL COS INC MTN. 7.18% 05/05/2004	155,000	1,237	0	159,006	4,204
ST PAUL COS INC MTN. 8.125% 04/15/2010	565,000	26,353	(1,404)	652,841	21,168
SUNTRUST BK ATLANTA GA. 7.25% 09/15/2006	800,000	53,056	0	912,659	2,578

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION EMPLOYEES' RETIREMENT TRUST
AND OTHER MANAGED TRUSTS
SCHEDULE OF ASSETS CORPORATE BONDS
SEPTEMBER 30, 2003**

Investment Manager - Richmond Capital Mgmt

Description	Par Value	Unamortized Premium	Unamortized Discount	Market Value	Accrued Interest
SYSCO CORP. 6.50% 08/01/2028	235,000	0	(3,523)	258,110	2,546
TEXACO CAP INC. 8.625% 04/01/2032	375,000	34,002	0	538,680	16,172
UNION CAMP CORP. 6.50% 11/15/2007	565,000	0	(1,407)	632,938	13,874
UNITED TECHNOLOGIES CORP. 6.50% 06/01/2009	800,000	0	(49,976)	917,715	17,333
VIRGINIA ELEC & PWR CO 5.375% 02/01/2007	800,000	0	(3,528)	862,764	7,167
WACHOVIA CORP NEW 5.625% 12/12/2008	715,000	0	(86,530)	786,908	12,066
WEYERHAEUSER CO. 7.50% 03/01/2013	260,000	9,366	0	304,968	1,625
Total - September 30, 2003	<u><u>\$30,120,000</u></u>	<u><u>\$1,433,201</u></u>	<u><u>(\$512,463)</u></u>	<u><u>\$33,825,671</u></u>	<u><u>\$566,612</u></u>

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION EMPLOYEES' RETIREMENT TRUST
AND OTHER MANAGED TRUSTS
SCHEDULE OF ASSETS CORPORATE BONDS
SEPTEMBER 30, 2003**

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	30,000	592	0	32,119	315
AT&T CORP 8.50% 11/15/2031	50,000	499	(5,067)	59,298	1,511
AT&T WIRELESS SVCS 8.75% 03/01/2031	125,000	1,429	(19,732)	156,027	911
AAMES MTG. TR 7.29% 07/15/2029	61,647	3,102	0	64,431	375
ACE CAP TR II 9.70% 04/01/2030	30,000	7,640	0	39,469	1,455
ALLTELL CORP 7.875% 07/01/2032	70,000	967	0	88,192	1,378
AMERICAN EXPRESS CR 2.69% 09/15/2007	225,000	535	0	225,352	129
AMERICAN EXPRESS CR 2.432% 10/15/2005	185,000	137	(5)	185,000	96
ANTEM INS COS INC DISC COML 1.00% 05/25/2032	75,000	4,913	0	97,009	0
ANTEM INS COS INC DISC COML 9.125% 04/01/2010	60,000	12,427	0	74,184	6,113
AON CORP 6.20% 01/15/2007	45,000	3,238	0	49,814	589
APPALACHIAN PWR CO 4.80% 06/15/2005	35,000	0	(42)	36,517	495
BA MASTER CR CARD TR 1.00% 06/15/2008	335,000	602	0	335,524	149
BNP US FDG LLC 7.738% 13/31/2049	105,000	15,910	0	123,022	2,618
BP CAP MRKTS PLC 4.00% 04/29/2005	90,000	0	(301)	93,221	1,520
BANK OF AMERICA CORP 7.40% 01/15/2011	90,000	9,887	0	107,287	1,406
BANK ONE CORP 7.625% 08/01/2005	70,000	999	(434)	77,282	890
BANK ONE ISSUANCE TR 1.00% 10/15/2008	236,000	0	0	235,963	123
BARRICK GOLD FIN INC 7.50% 05/01/2007	30,000	4,123	0	33,846	938
BERKSHIRE HATHAWAY FIN 3.375% 10/15/2008	155,000	0	(434)	155,899	0
BOMBARDIER INC 6.75% 05/01/2012	100,000	5,057	0	104,732	2,813
CALENERGY INC 7.52% 09/15/2008	40,000	3,168	0	46,265	134
CALIFORNIA PETE TRANS CORP 0.0852% 04/01/2015	125,000	3,003	0	145,070	5,325
CAPITAL ONE BK 8.25% 06/15/2005	100,000	0	(5,000)	109,563	2,429
CAROLINA PWR & LIGHT CO 6.50% 07/15/2012	30,000	1,708	0	33,945	412
CHASE FDG TR 1.00% 10/25/2031	325,000	250	0	325,051	175
CINCINNATI GAS & ELEC CO 5.70% 09/15/2012	35,000	0	(13)	37,564	89
CIT GROUP INC 5.75% 09/25/2007	90,000	1,811	(74)	97,939	1,882
CITIGROUP INC 5.625% 08/27/2012	70,000	1,708	0	75,760	372
CITIGROUP INC 6.95% 03/15/2012	40,000	97	0	43,965	255
CITIBANK CR CARD ISSUANCE 1.00% 12/17/2007	180,000	60	(0.43)	180,028	93

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION EMPLOYEES' RETIREMENT TRUST
AND OTHER MANAGED TRUSTS
SCHEDULE OF ASSETS CORPORATE BONDS
SEPTEMBER 30, 2003**

Investment Manager - Seix Investment Advisors

Description	Par Value	Unamortized Premium	Unamortized Discount	Market Value	Accrued Interest
COCA COLA CO. INC 4.00% 06/01/2005	70,000	0	(15)	72,366	933
COMCAST CABLE COMMUNICATION 7.125% 06/15/2013	155,000	6,777	(7,353)	178,367	2,966
COMED FING III 6.350% 03/15/2033	50,000	0	(1,559)	49,872	132
CORE INVT, GRADE BD TRI 4.727% 11/30/2007	115,000	0	0	120,008	1,827
COUNTRYWIDE FDG CORP MTN 5.25% 06/15/2004	60,000	92	(37)	61,516	928
CWABS INC 7.12% 08/18/2003	338,655	19	(3,632)	337,681	206
CREDIT SUISSE FB USA INC 5.875% 08/01/2006	115,000	1,313	(466)	128,662	1,578
DAIMLER CHRYSLER NORTH AMERICA 8.50% 08/16/2004	25,000	2,842	0	29,582	431
DAIMLER CHRYSLER NORTH AMERICA 4.75% 01/15/2008	35,000	171	0	36,135	351
DEERE JOHN CAP CORP 3.90% 01/15/2008	45,000	0	(59)	46,520	371
DIAL CORP NEW 7.00% 05/15/2006	95,000	112	(493)	103,216	850
DISCOVER CARD MT1 3.74% 04/16/2006	285,000	426	0	285,267	165
DELTA FDG HOME EQUITY LN TR 7.462% 09/15/2029	18,796	975	0	19,837	117
DEVON FING CORP ULC 6.875% 09/30/2011	90,000	5,271	(418)	110,404	20
DIAGEO CAP PLC 6.625% 06/24/2004	140,000	5,890	0	145,359	2,499
DOMINION RES CAP TR III 7.75% 11/15/2007	115,000	8,144	0	134,000	1,941
ENERGY GULF STS INC 5.20% 12/03/2007	55,000	0	(27)	56,703	953
ENTERPRISE PRODS OPER 6.875% 03/01/2033	25,000	19	(125)	26,950	143
EXELON GENERATION CO. 6.95% 06/15/2011	20,000	1,322	0	22,627	409
FIRST UNION CAP II 7.95% 11/15/2029	85,000	6,036	0	93,876	767
FIRST USA CR CARD MASTER TR 2.651% 01/19/2007	245,000	748	0	245,131	94
FLEET CR CARD MASTER TR 1.00% 08/15/2008	260,000	440	0	260,569	116
FLEET HOME EQUITY LN TR 1.00% 01/20/2003	144,869	0	0	144,461	44
FLORIDA PWR & LT CO. 6.875% 12/01/2005	25,000	1,472	0	27,535	573
FORD MOTOR CR CO. 7.45% 07/16/2031	245,000	0	(46,884)	227,447	3,803
FUND AMERN COS INC 5.875% 05/15/2013	105,000	1,115	(174)	108,276	2,262
GENERAL ELEC CO 5.00% 02/15/2013	295,000	0	(903)	302,235	2,494
GENERAL MTRS ACCEP CORP 8.00% 11/01/2031	55,000	555	(496)	56,888	1,821
GENERAL MTRS CORP 8.375% 07/15/2033	160,000	0	(2,035)	168,086	3,276
GILLETTE CO. 3.750% 12/01/2004	40,000	1,010	0	41,054	500
GOLDEN WEST FINL CORP. 4.125% 08/15/2007	65,000	0	(225)	68,164	343

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION EMPLOYEES' RETIREMENT TRUST
AND OTHER MANAGED TRUSTS
SCHEDULE OF ASSETS CORPORATE BONDS
SEPTEMBER 30, 2003**

Investment Manager - Seix Investment Advisors

Description	Par Value	Unamortized Premium	Unamortized Discount	Market Value	Accrued Interest
GOLDEN SACHS GROUP INC. 6.65% 05/15/2009	50,000	1,001	0	56,903	697
GREENPOINT HOME EQUITY LN 7.82% 12/15/2029	30,253	0	(1,785)	30,182	0
GREENPOINT HOME EQUITY LN 1.00% 04/15/2029	160,824	0	0	160,623	107
HARRAHS OPER INC 7.125% 06/01/2007	75,000	2,610	0	84,337	1,425
HOUSEHOLD FIN CORP 6.375% 10/15/2011	210,000	9,118	(1,389)	243,285	5,221
IMPAC CMB TR 1.00% 12/15/2031	251,939	0	(48)	252,049	55
INCO LTD 7.75% 05/15/2012	65,000	2,227	(420)	75,922	1,738
INTERNATIONAL LEASE FIN 5.625% 06/01/2007	40,000	377	0	43,737	750
INTERNATIONAL PAPER CO 6.75% 12/01/2029	25,000	0	(79)	26,505	620
JP MORGAN CHASE & CO 6.625% 03/15/2012	105,000	12,338	0	120,080	309
JOHNSON & JOHNSON 8.72% 11/01/2024	75,000	10,125	0	84,335	2,725
KN ENERGY INC 7.25% 03/01/2028	40,000	51	(488)	44,845	242
KEYCORP MTN BOOK ENTRY 4.625% 05/16/2005	55,000	0	(135)	57,445	954
MBNA CR CARD MASTER NT TR 3.810% 10/15/2005	525,000	1,832	0	535,411	444
MSDECC HELOC TR 1.00% 06/25/2011	183,371	0	0	183,141	42
MARSH & MCLENNAN COS INC 5.375% 03/15/2007	55,000	0	(249)	59,990	131
MELLON HOME EQUITY LINE CR 1.00% 03/20/2027	447,921	0	(136)	448,782	252
MERRILL LYNCH & CO 3.70% 04/21/2008	30,000	143	0	30,626	493
METLIFE INC 5.25% 12/01/2006	50,000	14	(157)	54,160	875
MILLER BREWING CO 4.25% 08/15/2008	75,000	0	(257)	76,877	425
MONUMENTAL GLOBAL 5.20% 01/30/2007	145,000	0	(284)	155,676	1,278
MOTIVA ENTERPRISES LLC 5.20% 09/15/2012	60,000	0	(187)	60,639	106
NCR CORP 7.125% 06/15/2009	35,000	0	(185)	38,569	734
NABORS INDS INC 6.10% 04/15/2006	140,000	4,937	0	143,385	4,390
NEWS AMER HLDGS INC 6.75% 01/09/2038	85,000	8,571	0	112,046	1,310
NEW CENTRY HOME EQUITY LN 7.53% 09/25/2028	31,876	1,554	0	32,601	200
NORTHERN STS PWR CO 2.875% 08/01/2006	40,000	0	(46)	40,196	169
ONCOR ELECTRIC DELIVERY CO 7.00% 05/01/2032	55,000	99	(1,426)	61,429	1,604
OPTION ONE MTG LN TR 3.86% 08/20/2030	0.03	0	0	0	0
PSEG PWR LLC 8.625% 04/15/2031	55,000	3,402	(1,424)	64,609	1,965
PANHANDLE EASTN PIPE 4.80% 08/15/2008	60,000	0	(234)	59,775	344
PENNZOIL CO 10.25% 11/01/2005	15,000	2,054	0	17,339	641
PHILLIPS PETE CO 8.75% 05/25/2010	100,000	12,806	0	121,977	1,997
POWERGEN US FDG LLC 4.50% 10/15/2004	80,000	175	(60)	82,004	1,660

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION EMPLOYEES' RETIREMENT TRUST
AND OTHER MANAGED TRUSTS
SCHEDULE OF ASSETS CORPORATE BONDS
SEPTEMBER 30, 2003**

Investment Manager - Seix Investment Advisors

Description	Par Value	Unamortized Premium	Unamortized Discount	Market Value	Accrued Interest
PRUDENTIAL FINCL INC 7.75% 03/01/2031	45,000	0	(23)	45,629	703
PUBLIC SVC CO COLO 4.375% 10/01/2008	70,000	0	(84)	70,585	187
RESIDENTIAL ASSET SEC MTG 1.650% 03/25/2033	268,052	0	0	267,969	65
RESIDENTIAL ASSET SEC 1.00% 03/25/2032	162,255	0	(46)	162,407	0
RESIDENTIAL FDG MTG SECS 1.00% 01/25/2033	96,976	0	0	96,855	16
RESIDENTIAL FDG MTG SECS 1.00% 05/25/2033	226,374	0	0	226,197	92
ROYAL BANK OF SCOTLAND 1.00% 08/31/2049	65,000	3,888	0	78,179	14
SAPPI PAPIER HLDG AG 6.75% 06/15/2012	40,000	0	(130)	44,938	795
SCHLUMBERGER TECHNOLOGY 6.50% 04/15/2012	65,000	0	(209)	73,706	1,995
SEACOR SMIT INC 5.875% 10/01/2012	45,000	0	(522)	45,957	1,322
SIMON PPTY GROUP LP 6.375% 11/15/2007	35,000	2,507	0	39,227	843
SPRINT CAP CORP 8.75% 03/15/2032	175,000	4,333	(21,420)	208,216	681
STRUCTURED ASSET SECS CORP 1.00% 07/25/2024	372,254	23	(27)	371,746	76
SOUNDVIEW HOME EQUITY LN 6.265% 05/15/2031	40,509	734	0	42,731	211
SYSTEM 2001 A T LLC 6.664% 09/15/2013	66,533	6,709	0	72,116	197
TIME WARNER ENTMT CO 8.375% 07/15/2033	60,000	9,555	0	76,002	921
TRANSOCEAN SEDCO FOREX INC 9.50% 12/15/2008	105,000	15,748	0	132,880	2,937
TRAVELERS PPTY CAS CORP 6.375% 03/15/2033	40,000	0	(281)	42,166	113
TXU ENERGY CO 7.00% 03/15/2013	75,000	0	0	81,000	233
UNION PAC CORP 7.60% 05/01/2005	70,000	4,103	(28)	76,263	2,217
UNITED MEXICAN STS 8.30% 08/15/2031	135,000	10,315	0	153,563	1,432
UNIVISION COMM INC 7.85% 07/15/2011	55,000	8,953	0	65,499	911
VERIZON VA INC 4.625% 03/15/2013	120,000	0	(3,124)	118,460	247
WACHOVIA ASSET SEC 1.00% 12/25/2032	141,708	0	0	142,107	31
WACHOVIA ASSET SEC 1.00% 03/26/2033	226,320	114	0	226,072	38
WFS FINL 2000 C OWNER TR 7.07% 02/20/2005	(0.06)	0	0	0	0
WASHINGTON MUT BK CA 4.05% 07/25/2006	110,000	2,495	(141)	124,958	0
WMC FIN USA LTD 5.125% 05/15/2013	0	0	0	0	1,054
WASTE MGMT INC 6.50% 11/15/2008	90,000	9,642	0	100,598	2,210
WELLPOINT HEALTH NETWORKS 6.375% 06/15/2006	65,000	7,486	0	70,787	1,220
WELLS FARGO & CO NEW 6.375% 08/01/2011	25,000	1,036	0	26,387	207
Total - September 30, 2003	\$13,357,131.79	\$289,683.48	(\$131,027.54)	\$14,120,810.06	\$122,767.37

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION EMPLOYEES' RETIREMENT TRUST
AND OTHER MANAGED TRUSTS
SCHEDULE OF ASSETS CORPORATE BONDS
SEPTEMBER 30, 2003**

Investment Manager - Loomis Sayles & Co.

Description	Par Value	Unamortized Premium	Unamortized Discount	Market Value	Accrued Interest
ARAMARKS SVCS 6.375% 02/15/2008	\$235,000	\$5,061	\$0	\$253,627	\$1,914
AOL TIME WARNER INC 6.750% 04/15/2011	360,000	44,597	0	403,158	11,205
ALCOA INC 6.00% 01/15/2012	350,000	26,940	0	388,050	4,433
ASSOCIATES CORP NO. AMERICA 6.25% 11/01/2008	680,000	105,346	0	762,701	17,708
BANK ONE CORP 5.90% 11/15/2011	385,000	38,989	0	423,835	8,581
BANKAMERICA CORP 6.25% 04/01/2008	645,000	30,453	0	728,471	20,156
BOEING CAP CORP 6.10% 03/01/2011	395,000	25,229	0	426,715	2,008
CIT GROUP INC 6.50% 02/07/2006	460,000	3,906	0	503,582	4,485
CSX CORP 4.875% 11/01/2009	315,000	16,960	(142)	327,748	6,398
CALENERGY INC. 7.52% 09/15/2008	575,000	0	(3,945)	665,060	1,922
CAPITAL ONE BANK. 6.50% 07/30/2004	355,000	0	(493)	367,662	3,910
CHASE MANHATTAN CORP 6.50% 01/15/2009	200,000	11,976	0	228,259	2,744
CLEAR CHANNEL COMM 4.250% 05/15/2003	130,000	2,876	0	131,845	2,302
CONAGRA INC 6.00% 09/15/2006	320,000	26,592	0	351,011	853
CONOCO FDG CO 5.45% 10/15/2006	460,000	21,749	0	501,164	11,560
CONSTELLATION CORP 6.35% 04/01/2007	220,000	0	(172)	243,550	6,985
CONTINENTAL CABLEVISION INC. 8.30% 05/15/2006	520,000	57,424	0	590,156	16,305
COUNTRYWIDE FDG CO 6.25% 04/15/2009	390,000	2,402	0	433,254	11,240
DEERE JOHN CAP CORP 5.10% 01/15/2013	350,000	3,091	0	362,852	3,768
DEVON FING CORP 6.875% 09/30/2011	315,000	23,983	0	360,243	60
DOW CHEM CO 6.125% 02/01/2011	200,000	22,712	0	213,756	2,042
EOP OPER LTD 6.625% 02/15/2005	325,000	18,003	0	345,958	2,751
EXELON CORP 6.750% 05/01/2011	320,000	37,402	0	360,700	9,000
FIRST UNION CORP. 6.875% 09/15/2005	500,000	0	(3,490)	547,346	1,528
FORD MTR CR CORP. 7.375% 10/28/2009	530,000	695	(11,552)	567,929	16,612
GMACM HOME EQUITY LN 5.29% 06/25/2027	44,822	0	(8)	44,899	198
GENERAL ELEC CAP CORP 6.00% 06/15/2012	875,000	5,395	(5,828)	961,755	15,458
GENERAL MTRS ACCEP CORP. 6.875% 09/15/2011	650,000	0	(1,963)	676,897	1,986
GOLDMAN SACHS GROUP INC 7.35% 10/01/2009	625,000	32,106	0	740,574	22,969
HEWLETT PACKARD CO 3.625% 03/15/2008	305,000	4,615	0	312,263	506
HOUSEHOLD FIN CORP. 7.875% 03/01/2007	595,000	43,571	0	696,354	3,905
INTERNATIONAL LEASE FIN CORP 6.375% 03/15/2009	335,000	0	(1,989)	374,337	949
INTERNATIONAL PAPER CO 6.75% 09/01/2011	420,000	39,137	0	472,453	2,363
KELLOGG CO 6.00% 04/01/2006	180,000	0	(58)	177,146	0
KELLOGG CO 6.60% 04/01/2011	260,000	15,608	0	296,446	10,248
KROGER CO	230,000	3,411	0	241,499	2,108

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION EMPLOYEES' RETIREMENT TRUST
AND OTHER MANAGED TRUSTS
SCHEDULE OF ASSETS CORPORATE BONDS
SEPTEMBER 30, 2003**

Investment Manager - Loomis Sayles & Co.

Description	Par Value	Unamortized Premium	Unamortized Discount	Market Value	Accrued Interest
5.50% 02/01/2013 LEHMAN BROTHERS HOLDINGS INC.	760,000	14,007	0	835,680	17,944
6.250% 05/15/2006 MORGAN JP & CO	235,000	1,464	0	262,584	2,977
6.00% 01/15/2009 MORGAN STANLEY GROUP	705,000	14,262	0	808,104	21,943
6.75% 04/15/2011 NORWEST ASSET SECS CORP.	123,603	0	(3,341)	127,517	670
6.50% 09/25/2014 PROGRESS ENERGY	285,000	49,034	0	319,318	9,002
6.85% 04/15/2012 RAYTHEON CO.	230,000	7,940	0	244,544	644
6.30% 03/15/2005 RESIDENTIAL FDG MTG INC.	93,499	0	(1,512)	93,499	526
6.750% 09/25/2014 SIMON DEBARTOLO GROUP	470,000	11,736	0	506,986	9,341
6.75% 06/15/2005 SPRINT CAP CORP	220,000	7,656	0	235,592	5,091
6.125% 11/15/2008 TARGET CORP	385,000	48,717	0	438,808	5,161
6.350% 01/15/2011 TRANSOCEAN SEDCO FOREX	460,000	44,684	0	526,242	14,742
6.95% 04/15/2008 UNION OIL CO	470,000	0	(4,827)	476,918	11,868
5.05% 10/01/2012 UNION PAC CORP	235,000	0	(2,916)	237,636	1,164
3.875% 02/15/2009 VERIZON GLOBAL FDG CORP	225,000	0	(18,675)	216,632	3,172
4.375% 06/01/2013 VIRGINIA ELEC & PWR CO	465,000	24,163	0	501,482	4,166
5.375% 02/01/2007 WAL-MART STORES	425,000	0	(15,360)	430,801	8,165
4.55% 05/01/2013 WASHINGTON MUT INC	380,000	0	(1,828)	397,236	3,510
4.375% 01/15/2008 WELLS FARGO & CO	375,000	0	(398)	383,300	6,781
3.50% 04/04/2008 WEYERHAEUSER CO	170,000	17,780	0	189,371	510
6.75% 03/15/2012 WYETH	290,000	12,432	(871)	303,294	677
5.25% 03/15/2013					
Total - September 30, 2003	\$21,056,924	\$924,099	(\$79,366)	\$23,018,797	\$359,213

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION EMPLOYEES' RETIREMENT TRUST
AND OTHER MANAGED TRUSTS
SCHEDULE OF ASSETS FIXED INCOME SECURITIES
SEPTEMBER 30, 2003**

Investment Manager - Atlanta Capital (Staff Pension Plan)

Corporate Bonds	Par Value	Unamortized Premium	Unamortized Discount	Market Value	Accrued Interest
BOEING CAP CORP 6.50% 2/15/2012	\$2,000	\$138	\$0	\$2,211	\$17
CIT GROUP INC 7.125% 10/15/2004	9,000	450	0	9,501	296
COLLATERALIZED MTG 7.25% 04/20/2018	1,608	2	0	1,611	23
CARMAX AUTO OWNER 3.34% 2/15/2008	5,000	0	(0)	5,138	7
CARMAX AUTO OWNER 2.16% 11/16/2009	5,000	0	(0)	4,995	5
COCA COLA CO 4.00% 6/01/2005	10,000	425	0	10,338	133
CWABS INC 4.599% 01/25/2017	3,138	0	(0)	3,145	12
COLGATE PALMOLIVE CO 3.98% 04/29/2005	2,000	0	0	2,071	34
DAIMLER-CHRYSLER AUTO 6.66% 01/08/2005	3,098	30	0	3,103	13
DAIMLER-CHRYSLER AUTO 7.230% 1/6/2005	6,010	135	0	6,087	30
FIRST USA CR CARD 1.00% 5/17/2010	5,000	14	0	5,010	2
GENERAL ELEC CAP CORP 6.75% 03/15/2032	3,000	0	(11)	3,383	9
GMACM MTG LN TR 4.50% 1/25/2014	4,831	55	0	4,800	18
KEY BK NA MT SUB BK NTS 7.125% 08/15/2006	5,000	304	0	5,636	46
KEYCORP STUDENT LN TR 1.00% 7/25/2017	5,000	0	0	4,991	7
Total - September 30, 2003	<u><u>\$69,685</u></u>	<u><u>\$1,553</u></u>	<u><u>(\$12)</u></u>	<u><u>\$72,019</u></u>	<u><u>\$652</u></u>

Investment Manager - Atlanta Capital (Staff Pension Plan)

Mortgage Backed Securities	Par Value	Unamortized Premium	Unamortized Discount	Market Value	Accrued Interest
FNMA POOL 3.25% 7/15/2007	\$23,000	\$0	(\$31)	\$23,138	\$96
FNMA POOL 2.250% 11/25/2006	8,000	50	0	8,035	15
FNMA POOL 4.375% 9/15/2015	6,000	0	(29)	6,043	12
FNMA POOL 4.625% 10/15/2013	5,000	0	(37)	5,077	3
FNMA POOL 6.00% 6/25/2026	0	0	0	0	0
FNMA GTD 6.350% 09/25/2008	2,038	56	0	2,162	11
FHLMC CORP 1.875% 01/15/2005	10,000	17	0	10,075	40
FHLMC CORP 4.00% 08/15/2013	7,000	194	0	7,228	23
FHLMC CORP 4.50% 06/15/2016	14,942	515	0	15,391	56

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION EMPLOYEES' RETIREMENT TRUST
AND OTHER MANAGED TRUSTS
SCHEDULE OF ASSETS FIXED INCOME SECURITIES
SEPTEMBER 30, 2003**

Investment Manager - Atlanta Capital (Staff Pension Plan)

Mortgage Backed Securities	Par Value	Unamortized Premium	Unamortized Discount	Market Value	Accrued Interest
FHLMC CORP 5.50% 12/15/2013	4,484	52	0	4,515	21
FHLMC CORP 5.875% 03/21/2011	7,000	157	0	7,682	11
FHLMC CORP 6.25% 7/15/2032	1,876	84	0	2,000	13
FHLMC DISC NTS 1.00% 11/27/2002	0	0	0	0	5
Total - September 30, 2003	\$89,339	\$1,125	(\$96)	\$91,346	\$305

Investment Manager - Atlanta Capital (Staff Pension Plan)

U.S. Treasury Bills	Par Value	Unamortized Premium	Unamortized Discount	Market Value	Accrued Interest
U.S. TREASURY BILLS 5.750% 03/4/2004	10,000	0	(52)	9,948	8
Total - September 30, 2003	\$10,000	\$0	(\$52)	\$9,948	\$8

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 1.62% 03/31/2003	\$5,000	\$13	\$0	\$5,030	\$0.22
Total - September 30, 2003	\$5,000	\$13	\$0	\$5,030	\$0.22

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	\$16,000	\$63	(\$586)	\$17,175	\$110
U.S. TREASURY BOND 5.75% 10/01/2029	6,000	0	(206)	6,218	119
Total - September 30, 2003	\$22,000	\$63	(\$793)	\$23,393	\$229

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION EMPLOYEES' RETIREMENT TRUST
AND OTHER MANAGED TRUSTS
SCHEDULE OF ASSETS CORPORATE STOCKS
SEPTEMBER 30, 2003**

Investment Manager - Atlanta Capital

Investment Manager - Institutional Capital

	Number of Shares	Market Price		Number of Shares	Market Price
AFLAC Inc	61,300	\$1,979,990	Air Prods & Chems Inc	13,250	\$597,575
Adobe Sys Inc	29,500	1,158,170	Abbott Labs	8,100	344,655
Air Prod & Chems Inc	52,300	2,358,730	American Intl Group Inc	35,250	2,033,925
Alltel Corp	44,300	2,052,862	Anthem Inc	7,850	559,941
American Express	54,300	2,446,758	Aventis	29,300	1,532,390
American Intl Group Inc	61,539	3,550,800	BP PLC	52,500	2,210,250
American Pwr Conversion Corp	66,300	1,136,382	Bank Amer Corp	41,750	3,258,170
Amgen Inc	42,800	2,763,596	Bellsouth Corp	74,450	1,762,976
Apache Corp	41,000	2,842,940	Caremark RX Inc	2,100	47,460
Bank Amer Corp	29,300	2,286,572	Carnival Corp	22,700	746,603
Bed Bath & Beyond	44,600	1,702,828	Cendant Corp	111,750	2,088,608
Brinker Intl Inc	73,500	2,451,960	Citigroup Inc	74,117	3,373,065
CDW Corp	20,200	1,166,348	Clear Channel Communications	35,200	1,348,160
Cisco Systems Inc	228,700	4,468,798	Clorox Co	21,300	977,031
Coca Cola Co	43,700	1,877,352	Comcast Corp	70,489	2,176,700
Concord Efs Inc	94,500	1,291,815	Conocophillips	38,419	2,103,440
Costco Whsl Corp	52,700	1,637,916	Diageo Inc	41,950	1,852,093
Dell Computer Corp	101,600	3,392,424	Du-pont EI De Nemours	35,300	1,412,353
Dentsply Intl Inc New	43,450	1,948,298	Encana Corp	46,218	1,681,411
Dover Corp	78,800	2,787,156	Entergy Corp	32,000	1,732,800
E M C Corp Mass	95,500	1,206,165	Gannett Inc	16,089	1,247,863
Ecolab Inc	44,000	1,111,000	General Electric Co	67,384	2,008,717
Emerson Elec Co	54,300	2,858,895	Goldman Sachs Group Inc	14,200	1,191,380
Exxon Mobil Corp	43,400	1,588,440	Hewlett Packard Co	53,751	1,040,619
Fiserv Inc	45,700	1,655,711	Johnson Ctls Inc	10,950	1,035,870
Franklin Res Inc	58,800	2,599,548	Koninklijke Philips Electrs NV	65,976	1,512,170
Health Mgmt Assoc	103,300	2,252,973	Lauder Estee Cos Inc	2,800	95,480
Hewlett Packard Co	73,400	1,421,024	Liberty Media Corp New	161,150	1,606,666
Illinois Tool Wks Inc	33,500	2,219,710	Loews Corp	10,900	565,710
Intel Corp	86,500	2,379,615	MBNA Corp	33,400	761,520
Johnson & Johnson	26,900	1,332,088	Mckesson Corp	20,700	689,103
Kohls Corp	44,700	2,391,450	Metlife Inc	60,450	1,695,623
Lauder Estee Cos Inc	50,600	1,725,460	Microsoft Corp	39,250	1,090,758
Lilly Eli + Co	27,800	1,651,320	Morgan Stanley	35,400	1,786,284
Linear Technology Corp	33,500	1,199,635	Motorola Inc	30,950	370,472
Lowe's Cos Inc	45,500	2,361,450	Noble Corp	24,350	827,657
Medtronic Inc	65,700	3,082,644	Occidental Pete Corp	41,600	1,465,568
Merck & Co Inc	29,600	1,498,352	Pepsico Inc	50,650	2,321,290
Merril Lynch	22,300	1,193,719	Pfizer Inc	68,300	2,074,954
Microsoft Corp	136,600	3,796,114	Public SVC Ent corp	28,900	1,213,800
Microchip Tech Inc	86,500	2,070,810	Staples Inc	31,200	741,000
Molex Inc	74,500	2,129,955	Target Corp (Dayton Hudson Corp)	36,767	1,383,542
Omnicom Group	23,800	1,710,030	Travelers Ppty Cas Corp CL A	111,780	1,775,066
Pfizer Inc	123,025	3,737,500	Tyco Intl Ltd	51,500	1,052,145
Sei Investment Co	60,900	1,979,250	Union Pac Corp	19,850	1,154,675
Schering Plough Corp	124,600	1,898,904	United Tech Corp	19,788	1,529,217
Staples Inc	76,100	1,807,375	Verizon Communications(Bell Atlantic)	36,145	1,172,544
Sungard Data Sys Inc	74,900	1,970,619	Wells Fargo & Co New	51,400	2,647,100
Sysco Corp	70,200	2,296,242	Wyeth	18,200	839,020
3M Co	35,000	2,417,450			
Tiffany & Co	30,500	1,138,565	Total - September 30, 2003	2,007,773	\$68,735,414
Walgreens Co	76,800	2,353,152			
Wellpoint Health Networks Inc Cor	29,600	2,281,568			

Total - September 30, 2003 3,272,414 \$112,618,428

Investment Manager-Axiom International Investors LLC

	Number of Shares	Market Price
Axiom International Equity Fund	1,168,576	11,290,047
Total - September 30, 2003	1,168,576	\$11,290,047

Investment Manager-State Street Global Advisors

	Number of Shares	Market Price
SSgA-S&P 500 Index Fund	315,702	55,839,136
Total - September 30, 2003	315,702	\$55,839,136

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION EMPLOYEES' RETIREMENT TRUST
AND OTHER MANAGED TRUSTS
SCHEDULE OF ASSETS CORPORATE STOCKS
SEPTEMBER 30, 2003**

Investment Manager - Cramer R.M., LLC

	Number of Shares	Market Price
Amc Ent Inc	14,800	\$198,320
Alliance Gaming corp	6,900	139,932
American Mgmt Sys Inc	18,200	232,050
Amerus Group Co	10,500	357,000
Apria Healthcare Group Inc	15,900	435,342
Atlantic Coast Airlines	9,600	81,696
Bisys Group Inc	11,900	156,485
Banknited Finl Corp	7,400	155,992
Brigham Expl co	17,100	116,280
CNF Inc	8,100	259,605
Casella Waste Sys Inc	20,900	259,578
Central Garden + Pet Co	10,400	271,648
Chiquita Brands Intl Inc	13,400	237,180
Cole Kenneth Prodtns Inc	7,100	185,381
Community First Bankshares Innce	4,900	129,507
Comed Corp	12,000	247,680
DRS Tech Inc	12,600	304,038
Electro Scientific Inds Inc	9,600	202,272
Emcor	6,300	268,065
Esco Technologies	1,600	72,432
Everest Reinsurance Grp LTD	2,800	210,448
First American Corp	10,300	256,470
Forrester Resh Inc	15,800	226,414
Genesis Health Venture Inc	6,700	162,475
Glacier Bancorp Inc	2,340	64,186
Griffon corp	11,400	204,744
Haemonetics Corp	14,600	344,706
Hub Intl Ltd	12,300	201,720
Hughes Supply Inc	9,200	298,540
Index Corp	6,300	229,572
Insight Enterprises Inc	26,600	404,852
Insight Communications Inc	2,000	19,040
Interactive Data Corp	16,400	259,120
J Jill Group Inc	13,600	156,400
Jarden corp	5,500	207,625
Journal Comm Inc	5,500	91,025
Kennametal Inc	8,100	302,940
Landry's Restaurants Inc	22,300	459,380
Lear Corp	5,300	278,992
Lighthbridge Inc	18,800	177,284
Meredith Corp	4,700	216,999
Moore Wallace Inc	14,300	203,060
NDC Health Corp	10,800	226,260
Pen Natl Gaming Inc	9,700	206,804
Pride International Inc	13,100	222,045
Provident Fincl Svcs	7,700	147,532
Quantum Corp	80,100	246,708
Railamerica Inc	27,200	233,920
Ralcorp Hldgs Inc	6,000	166,200
School Specialty Inc	13,500	380,835
Skywest Inc	6,200	107,384
Skillssoft Pub Ltd	78,000	581,100
Smith AO Corp	5,700	159,657
Snap On Inc	10,100	279,265
Spartech Corp	9,500	202,350
TLC Vision Corp	12,295	77,459
Take Two Interactive	11,300	386,121
Terex Corp New	16,700	309,451
Thomas + Betts Corp	10,100	160,085
Tierone Corp	3,100	65,255
TOO Inc	10,100	148,773
Transaction Sys Architects Incl A	13,500	224,235
United Stationers Inc	7,300	275,064
Ventas Inc	16,100	275,632

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

	Number of Shares	Market Price
Viasys Healthcare Inc	19,600	395,920
Watson Wyatt	11,200	252,112
West Marine Inc	7,000	133,350
Total - September 30, 2003	869,935	15,149,992

Investment Manager - Invesco

	Number of Shares	Market Price
ABN Amro HOLDING NV Sp	15,500	\$286,285
Abbey Natl PLC	14,000	234,500
Amersham PLC	6,050	270,738
Bae Sys Plc	32,200	370,300
Basf AG	10,500	459,480
BP Amoco PLC	14,100	593,610
BHP Billiton Ltd	19,400	275,092
Cadbury Schweppes	20,400	511,836
Canon Inc	9,675	471,366
Campagnie Financiere	8,400	169,680
DSM NV	21,800	261,600
Danske Bk A S	27,200	517,180
Deutsche Bk A.G.	4,325	262,484
Diageo PLC	10,800	476,820
ENI S P A	6,175	472,573
EISAI Ltd	19,400	456,870
Endesa S A	42,900	667,095
Fuji Photo Film Co Ltd Adr	22,125	646,050
Glaxo Smith Kline PLC	10,800	457,920
HSBC Hldgs PLC	8,050	531,300
Hitachi Ltd	6,675	366,391
ING Groep N.V.	31,241	577,959
KAO Corporation	1,259	271,377
Kingfisher PLC	44,900	415,325
Koninklijke Philips Electrs NV	14,300	327,756
Kt Corp New(Korea Telecom)	20,900	416,537
Korea Elec Pwr Corp	24,500	257,740
Marks & Spencer Group PLC	7,123	220,813
Millea Hldgs Inc	3,545	197,673
National Australia Bk Ltd	3,050	318,207
Nestle S.A.	12,600	724,500
Nintendo Ltd	36,600	391,620
Nippon Teleg & Tel Corp	18,100	409,784
Nokia Corp	22,250	347,100
Novartis AG	16,700	648,628
Portugal Telecom SA	54,500	428,915
Repsol S.A.	14,200	233,874
Roche Hldgs Ltd	6,350	528,320
Royal Dutch Pete Co new	10,250	453,050
San Paolo IMI SPA(Istituto Bancar	12,700	253,365
Scottish PWR PLC	22,800	540,360
Societe Generale France	42,200	564,636
Sony Corp	15,250	530,700
Statoil ASA	35,500	318,790
Stora Enso Corp	35,300	432,072
Syngenta AG	33,100	362,114
TDK Corp	4,585	272,349
Telefonos De Mexico S.A.	13,000	397,150
Total Fina Sa	7,250	549,550
Toyota Mtr Co	5,100	303,705
UPM Kymmene Corp	15,800	265,914
Volvo Aktiebolaget	13,000	302,640
Zurich Finl Svcs	31,900	393,965
Total - September 30, 2003	960,328	\$21,415,656

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION EMPLOYEES' RETIREMENT TRUST
AND OTHER MANAGED TRUSTS
SCHEDULE OF ASSETS CORPORATE STOCKS
SEPTEMBER 30, 2003**

Investment Manager -Trusco Capital Management

	Number of Shares	Market Price
Abbot Labs	13,900	591,445
Alcoa Inc	10,500	\$274,680
Allstate Corp	13,500	493,155
Alltel Corp	9,900	458,766
American Express Co.	6,700	301,902
American Intl Group Inc	7,332	423,056
BP Amoco PLC	10,900	458,890
Bank of America Corp	5,400	421,416
Bank New York Inc	11,400	331,854
Becton Dickinson + Co	7,800	281,736
BellSouth Corp	12,300	291,264
Boeing Co	4,500	154,485
CenturyTel Inc	8,700	294,843
CitiGroup Inc	13,500	614,385
Clorox Co	7,100	325,677
Comerica Inc	10,300	479,980
ConocoPhillips	2,848	155,928
Diamond Offshore Drilling Inc Com	18,200	347,620
Disney Walt Co	14,400	290,448
Dover Corp	9,000	318,330
Eastman Chem Co	4,012	134,402
Emerson Elec Co	8,600	452,790
Exxon Mobil Corp	12,600	461,160
FPL Group Inc	2,400	151,680
Fleet FinL Boston Corp	5,805	175,021
Gannett Inc	6,600	511,896
General Elec Co	10,400	310,024
Genuine Parts Co	8,700	278,226
Grainger WW Inc	8,200	389,910
Harris Corp Del	9,300	332,847
Hartford Financial Svcs	6,000	315,780
Heinz H J Co	11,300	387,364
Hewlett Packard Co	15,400	298,144
Honeywell Intl Inc	15,800	416,330
Global Santa Fe Corp	14,300	342,485
Ingersoll Rand Co(New)	2,700	144,288
International Flavours	9,900	327,492
International Paper Co	11,500	448,730
Jphnson & Johnson	10,700	529,864
Keycorp (New)	13,100	334,967
Kimberly Clark Corp	11,100	569,652
Koninkljk Philips Electrs NV	12,300	281,916
Kraft Foods Inc	4,900	144,550
Lehman Brothers HLDGS	7,100	490,468
Limited Brands Inc	25,200	380,016
Lockheed Martin Corp	6,900	318,435
Masco Corp	13,000	318,240
Mattel Inc	16,200	307,152
May Dept Stores Co	14,200	349,746
McGraw Hill Cos Inc	5,900	366,567
Merrill Lynch + Co Inc	9,700	519,241
Motorola Inc	29,100	348,327
Nationwide Finl Svcs	10,400	325,936
Newell Rubbermaid Inc	6,900	149,523
Norfolk Southn Corp	16,200	299,700
Nucor Corp	7,300	334,924
PNC Finl Svcs Group Inc(PNC Bank	7,600	361,608
PPG Inds Inc	6,500	339,430
Pall Corp	6,300	141,372
Parker Hannifin Corp	8,600	384,420
Pepsico Inc	8,800	403,304
Pitney Bowes Inc	10,200	390,864
Praxair Inc	4,500	278,775
Progress Energy Inc	3,800	168,948
Prudential Finl Inc	11,600	433,376
Rockwell Collins Inc	10,900	275,225
Rohm & Haas Co	10,200	341,190
SBC Communications Inc	13,400	298,150
Safeco Corp	6,600	232,716
Schering Plough Corp	14,800	225,552

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

	Number of Shares	Market Price
Schlumberger Ltd	8,600	416,240
Sonoco Prods Co	6,800	149,260
Stanely Works	7,400	218,448
Teleflex Inc	5,300	230,179
Tidewater	12,000	339,600
Travelers PPTY	28,900	458,932
US Bancorp Del	16,500	395,835
VF Corp	9,500	369,645
Valero Energy corp	4,400	168,388
Verizon Comm	13,134	426,067
Vulcan Matls co	4,100	163,631
Wells Fargo co	9,100	468,650
Wyeth	7,000	322,700
Total - September 30, 2003	<u>838,431</u>	<u>27,960,158</u>

Investment Manager - Atlantic Capital Management

	Number of Shares	Market Price
Aquantive Inc	21,300	\$197,238
Comstock Res Inc	15,410	205,878
Cray Inc	18,270	200,605
Cyberonics Inc	11,775	363,377
Digene Corp	5,525	225,752
Emulex Corp	20,295	516,914
Enterasys Networks Inc	79,600	318,400
Entravision Com Corp	15,915	151,193
Fair Issac + Co Inc	8,646	509,768
Getty Images Inc	8,590	302,024
Guitar Ctr Inc	10,595	340,735
Harman Intl Inds Inc New	7,060	694,351
Idine Rewards Network Inc	14,600	237,250
Imax Corp	16,355	129,205
Integrated Circuit Sys Inc	22,710	682,208
Intgrated Device Tech	17,080	212,134
Integrated Silicon Solution	27,480	273,426
Interpore Intl	17,140	263,270
Investors Finl Services Corp	7,760	243,664
Knight Transn Inc	9,175	230,017
Kroll Inc	8,640	160,704
Lionbridge Tech Inc	30,765	\$231,045
MSC Indl Direct Inc	9,655	201,307
Macromedia Inc	14,375	355,638
Marvel Enterprises Inc	21,440	477,040
Medicines Co	13,115	340,990
Microstrategy Inc	5,550	255,356
Mid Atlantic Med Svcs Inc	5,865	301,637
NIC Inc	33,075	155,783
Newport Corp	16,400	231,240
Omnivision Tech Inc	5,435	229,574
Patterson Uti Energy Inc	7,870	213,041
Petsmart Inc	23,140	525,278
Pharmaceutical Res Inc	8,230	561,451
Polaris Inds Inc	2,845	210,957
Portfolio Recovery Assoc	7,500	190,650
Priority Healthcare corp	12,785	262,604
Select Comfort Corp	11,630	308,195
Semtech	17,210	317,697
Skywest Inc	16,225	281,017
Southwest Bancorporation Tex	6,635	242,244
Supportsoft Inc	28,560	319,586
Thoratec Corp	19,815	336,657
Tradestation Group Inc	19,925	148,880
UCBH Hlds Inc	8,110	245,165
Ultra Pete Corp	32,605	454,840
UltraTech Stepper Inc	6,630	187,099
Waste Connections Inc	5,335	187,205
Westell Tech	23,495	175,978
West Marine Inc	16,450	313,373
Total - September 30, 2003	<u>794,591</u>	<u>\$14,719,635</u>

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION EMPLOYEES' RETIREMENT TRUST
AND OTHER MANAGED TRUSTS
SCHEDULE OF ASSETS REAL ESTATE STOCKS
SEPTEMBER 30, 2003**

Investment Manager - EII Realty Advisors

	Number of Shares	Market Price
Apartment Invt & Mgmt Co(A)	2,500	98,400
Archstone Smith Tr	18,680	492,778
Arden Rlty Inc	8,200	228,944
Avalonbay Cmnty Inc	5,600	262,080
BRE Pptys Inc	11,000	362,780
Boston Pptys Inc	9,600	417,312
Brandywine Rlty tr	4,600	118,174
Brookfield Pptys Corp	9,800	230,300
Camden PPTY Tr	3,700	142,191
Centerpoint Pptys Tr	3,200	217,952
Developers Diversified Rlty	14,100	421,167
Duke Rlty Corp	11,600	338,720
Entertainment PPTY Tr	2,100	63,000
Equity Office Pptys Tr	18,128	499,064
Equity Residential Pptys Tr	19,100	559,248
Essex Property Trust	2,900	181,859
First Indl Rlty Tr Inc	10,500	336,735
General Growth PPTYS Inc	5,100	365,670
Health Care Ppty Invs Inc	4,200	196,140
Hilton Hotels Corp	15,200	246,544
Host Marriott Corp New	18,600	199,578
Kimco Rlty Corp	7,700	315,469
La Quinta Corp	19,800	123,354
Liberty Property	9,700	358,706
Macerich Co	9,200	347,300
Mack Ca Rlty Corp	5,300	207,760
Maguire PPTYS Inc	3,100	63,550
Meristar Hospitality Corp	2,700	19,116
Nationwide Health Pptys Inc	16,100	281,589
New Plan Excel Rlty Inc	8,400	195,720
Pan Pac Retail Pptys Inc	6,800	292,400
Plum Creek Timber Ct	10,800	274,752
Post PPTYS Inc	5,300	144,319
Prologis Tr	19,900	601,975
Public Storage Inc	11,634	456,402
Regency Ctrs Corp	10,700	394,295
Rouse Co	4,300	179,310
SL Green Rlty Corp	1,000	36,110
Simon Ppty Group Inc New	15,400	671,132
Starwood Hotels & Resorts CI B	7,000	243,600
Sun Cmnty Inc	5,100	200,940
United Dominion Rlty Inc	8,300	151,973
Weingarten Rlty Invs	1,300	58,500
Vornado Rlty Tr(Com)	6,400	307,456
Total - September 30, 2003	<u>394,342</u>	<u>\$11,904,364</u>

Investment Manager - Metlife Realty Group

	Number of Shares	Market Price
Metlife Real Estate Tower Fund	28,857	\$19,395,871

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION EMPLOYEES' RETIREMENT TRUST
AND OTHER MANAGED TRUSTS
SCHEDULE OF ASSETS CORPORATE STOCKS
SEPTEMBER 30, 2003**

Investment Manager - Atlanta Capital (Staff Pension Plan)

	Number of Shares	Market Price
Aflac Inc	120	\$3,876
Adobe Sys Inc	55	2,159
Air Prods & Chem Inc	100	4,510
Alltel Corp	90	4,171
American Express Co	100	4,506
American Intl Group Inc	120	6,924
American Pwr Conversion Corp	130	2,228
Amgen	80	5,166
Apache Corp	76	5,270
Bank Amer Corp	70	5,463
Bed Bath & Beyond Inc	90	3,436
Brinker Intl Inc	140	4,670
CDW Corp	40	2,310
Cisco Sys Inc	420	8,207
Coca Cola Co	90	3,866
Concord Efs Inc	200	2,734
Costco Whsl Corp	100	3,108
Dell Computer Corp	180	6,010
Dentsply Intl Inc New	75	3,363
Dover Corp	150	5,306
E M C Corp Mass	190	2,400
Ecolab Inc	80	2,020
Emerson Elec Co	105	5,528
Exxon Mobil Corp	80	2,928
Fiserv Inc	80	2,898
Franklin Res Inc	110	4,863
Health Mgmt Assoc	200	4,362
Hewlett Packard Co	140	2,710
Illinois Tool Wks Inc	65	4,307
Intel Corp	160	4,402
Johnson + Johnson	50	2,476
Kohls Corp	85	4,548
Lauder Estee Cos Inc	100	3,410
Lilly Eli + Co	50	2,970
Linear Technology Corp	65	2,328
Lowes Corp	85	4,412
Medtronic Inc	120	5,630
Merck + Co Inc	55	2,784
Merril Lynch	45	2,409
Microsoft Corp	260	7,225
Microchip Technology Inc	165	3,950
Molex Inc	150	4,289
Omnicom Group	45	3,233
Pfizer Inc	230	6,987
Sei Investment Co	150	4,875
Schering Plough Corp	250	3,810
Staples Inc	140	3,325
Sungard Data Sys Inc	140	3,683
Sysco Corp	130	4,252
3M Co	70	4,835
Tiffany & Co	60	2,240
Walgreens Co	150	4,596
WellPoint Health Networks	55	4,239
Total - September 30, 2003	6,286	\$216,207

Actuarial Section



March 16, 2004

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, 2003. The actuarial assumptions, as set forth in Table XI of the actuary's October 1, 2003 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 16, 2004
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 2003 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

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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.

Decrement:

- 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), set back 2 years.

-Post Retirement Disabled Mortality

1983 Group Annuity Mortality Table (Male & Female) set forward 7 years.

Interest (Investment Return) Rates:

8.10% per annum, compounded annually, including inflation.

Salary Increases:

Salaries are assumed to increase at the rate of 5.00% 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: September 2003

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%	11.5%	9.5%	7.5%	6.5%	5.3%
25	12.5%	11.5%	9.5%	7.5%	6.5%	4.6%
30	12.5%	11.5%	9.5%	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	26%	60	18%	65	16%
46	10%	51	15%	56	18%	61	18%	66	16%
47	10%	52	15%	57	18%	62	18%	67	16%
48	10%	53	15%	58	18%	63	18%	68	16%
49	10%	54	15%	59	18%	64	18%	69	16%
								70	100

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.
 - . 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.
- Effective October 1, 2002:
 - . Changes in salary increase assumption from 5.75% to 5.00% per year
- Effective October 1, 2003:
 - . Revised turnover rates for employees with less than 5 years of service.
 - . Change in employee retirement rates
 - . Change in mortality rates.

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.

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.

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

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	12.0%	10.5%	9.0%	7.2%	6.0%	5.3%
25	12.0%	10.5%	9.0%	7.2%	6.0%	4.6%
30	12.0%	10.5%	9.0%	7.2%	6.0%	4.0%
35	12.0%	10.5%	9.0%	7.2%	6.0%	3.4%
40	11.4%	9.9%	8.4%	6.6%	5.4%	2.6%
45	10.8%	9.3%	7.8%	6.0%	4.8%	2.0%
50	10.2%	8.7%	7.2%	5.4%	4.2%	1.3%
55	9.9%	8.4%	6.9%	5.1%	3.9%	1.0%

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

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), set back 2 years.
- **Post-Retirement Disabled Mortality**
1983 Group Annuity Mortality Table (male and female), set forward 7 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%	11.5%	9.5%	7.5%	6.5%	5.3%
25	12.5%	11.5%	9.5%	7.5%	6.5%	4.6%
30	12.5%	11.5%	9.5%	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	26%	60	18%	65	16%
46	10%	51	15%	56	18%	61	18%	66	16%
47	10%	52	15%	57	18%	62	18%	67	16%
48	10%	53	15%	58	18%	63	18%	68	16%
49	10%	54	15%	59	18%	64	18%	69	16%
								70	100%

Interest Rate

8.10% per annum, compounded annually, including inflation.

Salary Increases

Salaries are assumed to increase at the rate of 5.00% 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.

Assumption Changes During the Last Few Plan Years:

- Effective October 1, 2002:
 - . Changes in salary increase assumption from 5.75% to 5.00% per year

**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	6.87%
10/1/2003	1,555	\$70,717,807	\$45,478	3.37%

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 (1)	3.48%	(1) \$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
9/30/2003	97	\$3,715,376	133	\$1,163,687	1,830	\$39,249,543	8.10%	\$21,448

SOLVENCY TEST

Aggregate Accrued Liabilities For

<u>Valuation Date</u>	<u>(1)</u>	<u>(2)</u>	<u>(3)</u>	<u>Reported Assets</u>	<u>Portion of Accrued Liabilities Covered by Reported Assets</u>		
	<u>Active Member Contributions</u>	<u>Retirants and Beneficiaries</u>	<u>Active Member (Employer Financed Portion)</u>		<u>(1)</u>	<u>(2)</u>	<u>(3)</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 (1)	\$183,992,912 (1)	\$539,047,474	100%	100%	83% (1)
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%
10/1/2003	\$70,237,023	\$412,351,284	\$199,772,078	\$555,480,276	100%	100%	36%

Note:(1). 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,

	2003	2002
Age & Service Retirements	(9,445,045)	4,009,492
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	(3,188,864)	(111,980)
If disability claims are less than assumed, there is a gain. If more claims, a loss.		
Death-In-Service Retirements	347,400	(387,305)
If survivor claims are less than assumed, there is a gain. If more claims, a loss.		
Withdrawal From Employment	2,039,981	2,932,145
If more liabilities are released by withdrawals than assumed, there is a gain. If smaller releases, a loss.		
Pay Increases	(2,239,797)	(18,547,356)
If there are smaller pay increases than assumed, there is a gain If greater increases, a loss.		
Contribution Income	(4,165)	502,152
If more contributions are received than expected, there is again. If less, a loss.		
Investment Income	(21,489,191)	(55,966,766)
If there is greater Investment income than assumed, there is a gain. If less income, a loss.		
Death After Retirement	(7,550,916)	(3,924,751)
If retirants live longer than assumed, there is a loss. If not as long, a gain		
New Members	(2,692,385)	(1,018,115)
Other	(7,034,549)	(8,791,585)
Miscellaneous gains and losses resulting from data adjustments, timing of financial transactions, valuation methods, etc.		
Gain (or Loss) During Year From Financial Experience	(51,257,531)	(81,304,069)
Non-Recurring Items	(21,280,291)	8,586,760
Adjustments for plan amendments, assumption changes, etc		
Composite Gain (or Loss) During Year	(72,537,822)	(72,717,309)

**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:

As per 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 thirty-six months, 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 thirty-six months, 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.

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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	EMPLOYER CONTRIBUTIONS				Investment Income (\$) ⁽³⁾	Total (\$)
	Employee Contributions (\$) ⁽¹⁾	Employer Contributions & City Reimbursement ⁽²⁾	Percentage of Annual Covered Payroll			
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)
2003	7,605,397	5,455,113	7.71%		79,765,973	92,826,483

EXPENSES				
Fiscal Year	Benefit Payments (\$) ⁽⁴⁾	Administrative Expenses (\$) ⁽⁵⁾	Refunds (\$) ⁽⁶⁾	Total (\$)
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
2003	38,604,857	1,852,656	1,147,196	41,604,709

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	EMPLOYER CONTRIBUTIONS				Investment Income (\$)	Total (\$)
	Employee Contributions (\$)	Employer Contributions & City Reimbursement	Percentage of Annual Covered Payroll			
2001	0	94,434	0.00%		0	94,434
2002	0	388,009	0.58%		0	388,009
2003	0	332,540	0.47%		0	332,540

EXPENSES				
Fiscal Year	Benefit Payments (\$)	Administrative Expenses (\$)	Refunds (\$)	Total (\$)
2001	68,351	26,083	0	94,434
2002	351,417	36,592	0	388,009
2003	300,235	32,305	0	332,540

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				
	Employee Contributions (\$) ⁽¹⁾	Employer Contributions & City Reimbursement	Percentage of Annual Covered Payroll	Investment Income (\$)	Total (\$)
2001	(2) 186,190	14,375	3.96%	(6,348)	194,217
2002	38,382	57,500	13.98%	(22,367)	73,515
2003	36,627	83,234	18.56%	49,712	169,573

EXPENSES				
Fiscal Year	Benefit Payments (\$) ⁽¹⁾	Administrative Expenses (\$) ⁽¹⁾	Refunds (\$) ⁽¹⁾	Total (\$) ⁽¹⁾
2001	0	0	0	0
2002	0	0	0	0
2003	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	EMPLOYER CONTRIBUTIONS				
	Employee Contributions (\$) ⁽¹⁾	Employer Contributions & City Reimbursement ⁽²⁾	Percentage of Annual Covered Payroll	Investment Income (\$) ⁽³⁾	Total (\$)
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	6.29%	(56,238,873)	(44,837,355)
2003	7,642,024	5,870,887	8.29%	79,815,685	93,328,596

EXPENSES				
Fiscal Year	Benefit Payments (\$) ⁽⁴⁾	Administrative Expenses (\$) ⁽⁵⁾	Refunds (\$) ⁽⁶⁾	Total (\$)
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
2003	38,905,092	1,884,961	1,147,196	41,937,249

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,					
	2003	2002	2001	2000	1999	1998
Retired Members						
Non-disabled	1429	1493	1466	1415	1442	1465
Disabled	59	46	48	50	49	45
Beneficiaries	342	331	328	332	330	319
Total	1830	1870	1842	1797	1821	1829

SCHEDULE OF AVERAGE MONTHLY PAYMENT AMOUNTS

	FISCAL YEARS ENDED SEPTEMBER 30,					
	2003	2002	2001	2000	1999	1998
Retired Benefits						
Non-disabled	\$2,062.05	\$1,854.13	\$1,768.03	\$1,707.74	1641.31	1556.15
Non-disabled & Beneficiaries	-	-	-	-	-	-
Beneficiaries	\$693.38	\$602.98	\$595.82	\$570.96	\$529.86	\$486.00
Disabled	\$1,474.48	\$1,261.00	\$1,203.65	\$1,158.22	\$1,087.70	\$1,011.46

SCHEDULE OF BENEFIT EXPENSES BY TYPE

	RETIRED MEMBERS		DISABLED MEMBERS		BENEFICIARIES	
	NUMBER	AMOUNT	NUMBER	AMOUNT	NUMBER	AMOUNT
2003	1429	\$35,359,984	59	\$1,043,931	342	\$2,845,628
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

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

Attained Age	Completed Years of Service										Total
	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	
Under 25	3	34	1	0	0	0	0	0	0	0	38
Avg.Pay*	27,315	28,383	29,117	0	0	0	0	0	0	0	28,318
25 to 29	4	81	20	0	0	0	0	0	0	0	105
Avg.Pay*	32,966	34,101	38,775	0	0	0	0	0	0	0	34,948
30 to 34	4	91	54	14	0	0	0	0	0	0	163
Avg.Pay*	37,634	36,409	37,396	39,078	0	0	0	0	0	0	36,995
35 to 39	6	69	44	34	23	4	0	0	0	0	180
Avg.Pay*	37,897	34,831	41,819	41,936	55,763	71,610	0	0	0	0	41,475
40 to 44	2	87	33	51	58	51	1	0	0	0	283
Avg.Pay*	57,680	37,515	37,971	45,427	52,133	55,523	105,671	0	0	0	45,619
45 to 49	3	67	31	29	63	86	5	2	0	0	286
Avg.Pay*	48,281	40,915	46,717	45,638	55,344	59,729	67,668	58,877	0	0	51,529
50 to 54	3	40	29	34	34	51	10	4	0	0	205
Avg.Pay*	24,873	36,473	45,199	44,354	59,817	59,202	62,327	66,290	0	0	50,214
55 to 59	3	28	18	18	25	37	7	1	0	0	137
Avg.Pay*	35,328	39,141	51,009	45,639	56,423	56,129	65,824	50,872	0	0	50,661
60 to 64	0	14	17	21	17	15	6	1	2	0	93
Avg.Pay*	0	38,525	40,571	40,938	58,194	55,283	81,017	43,609	39,952	0	48,569
65 & up	0	12	19	13	9	7	3	1	1	0	65
Avg.Pay*	0	44,597	39,147	43,855	52,739	62,730	66,287	82,752	31,467	0	47,347
Total	28	523	266	214	229	251	32	9	3	0	1,555
Avg.Pay*	36,876	36,478	41,458	43,797	55,464	58,244	69,207	62,239	37,124	0	45,478

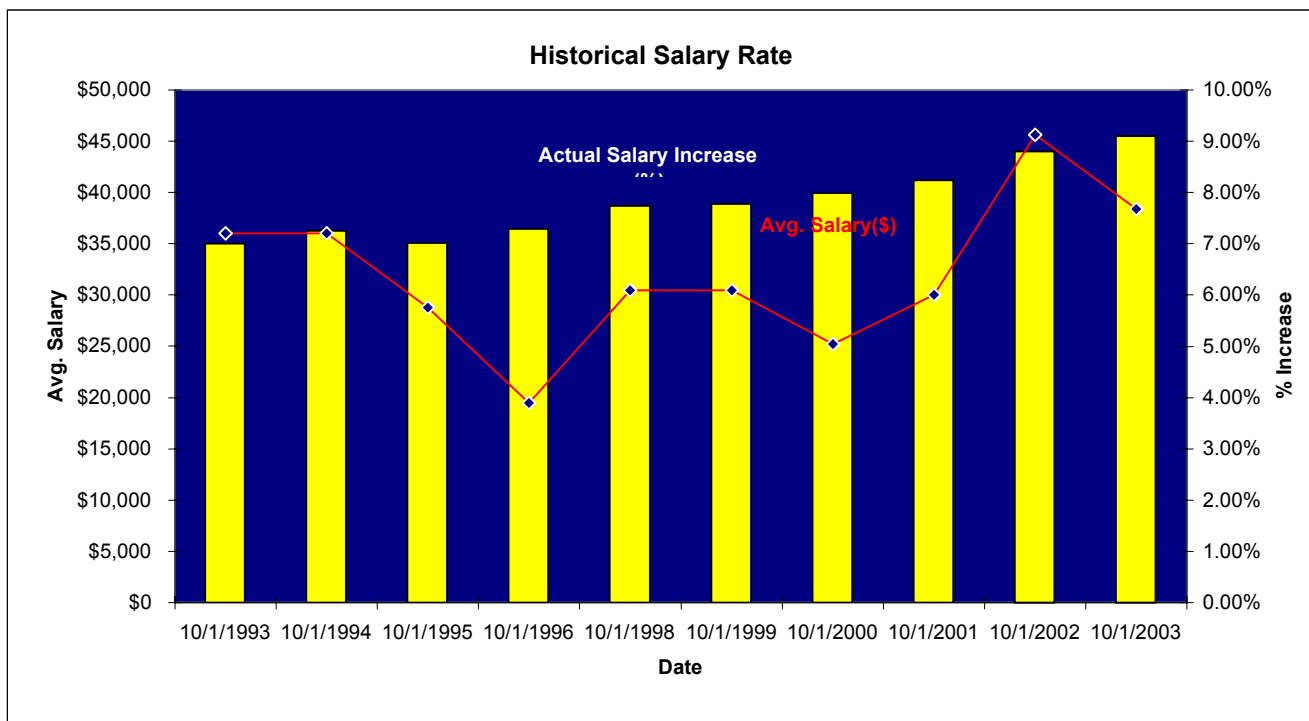
* The average pay shown is the average of the annual rate of pay excluding any overtime pay or other special compensation.

**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>
10/1/1994	\$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%
10/1/1998	\$38,683	6.09%	10/1/2003	\$45,478	7.68%



Active Members as of September 30, 2002:

	<u>Number</u>	<u>Annual Compensation</u>
Males	836	\$ 38,669,686
Females	719	\$ 32,048,121
Total	1555	\$ 70,717,807

Average Annual Compensation	\$45,478
Average Entry Age	34.12
Average Years of Service	10.55