



**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, 2004**



**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, 2004**

**Prepared by: Accounting Department**

**Office Address: 2901 Bridgeport Avenue. Coconut Grove, Florida 33133-3607**

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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, 2004**

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# **Introductory Section**

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

**As of September 30, 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

**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**  
**Southeastern Advisory Services, Inc**

**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 18, 2005**

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

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

**Waldemar Lee**  
Appointed by City Commission

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**Mellon**

**Certified Public Accountants**  
**Grant Thornton LLP**

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

**Controller**  
**-Vacant-**



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

March 18, 2005

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, 2004.

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 20 thru 31 and contains a condensed 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, 2004, the Plan had 1,525 active members and 1,863 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, 2004, is provided on page 62 within the investment section. For cost saving benefit purposes, the Trust utilizes the services of its', actuary, custodial bank and two 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**

Throughout the year, the GESE Trust prepared to move to their new home. After extensive renovations, the move to 2901 Bridgeport Avenue was finalized. On August 16, 2004, the doors at the new location were open for business.

In addition, during this year minor changes were proposed to the Board regarding the Investment Policies of the GESE and Staff Pension Plans. They were reviewed, discussed and approved by the Board.

It was also brought up at one of the board meetings that the GESE Trust should have specialized legal counsel to review the disability cases brought before the Board. The Board's Legal Counsel was asked to find someone to fill this position. During the July 23, 2004, board meeting the office of Panza, Maurer, and Maynard were proposed to the Board to fill this position. After a brief discussion it was unanimously approved.

## **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. The Investment Consultant informed the Board that the portfolio was overweighted in Large Cap Equity Stocks. It was recommended that \$25 million be taken out of Large Cap Stocks and be redistributed between the portfolio. The Board was further informed that the Trust was underweighted in International and Small Cap Stocks. Hence, the Board distributed \$6 million to Small Cap Stocks, \$5 million to International Equities, and finally \$14 million was distributed among two of our Fixed Income Managers. Evaluation of the under-performing managers is being conducted.

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, 2003. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report 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.

## **FINANCIAL INFORMATION (Continue)**

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 10/1/2004, the GESE plan's funded ratio was at 79.53%, the Excess Benefit Plan was 0.00%, and the Staff Pension Plan was at 61.16%. 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 81.41%. The assets used in the GESE Trust plan valuation are based on a actuarial value of assets of \$564,591,815 as of October 1, 2004. The market value of assets as of October 1, 2004 reported by the GESE Retirement Trust audited financial statements is \$546,463,748.

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 (\$23,177,230) for the year ended September 30, 2004 due primarily to the following two reasons. First, the plan had a loss of (\$12,144,387) due to either retirements for younger ages or higher average pay than actuarially assumed. Second, the plan had a loss of (\$11,509,352) due to a lower than expected income on investments. 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.

To promote stability in annual contribution rates to the staff plan and to be consistent with the valuations of the GESE Retirement Trust, effective with the October 1, 2002 valuation the actuarial asset method was changed to a smoothed market value averaged over three years. Each year, the actuarial asset value is projected forward at the valuation date based on actuarial contributions and benefit payments at the assumed interest assumption. One-third of the difference between the projected actuarial value and the market value plus prior deferrals is added to the projected actuarial value. The remaining two-thirds is deferred to each of the next two years as future adjustments to the actuarial value. The result cannot be greater than 120% of market value or less than 80% of market value. The assets used in the staff plan valuation are based on a actuarial value of assets of \$615,132 as of October 1, 2004. The market value of net assets as of October 1, 2004 reported by the staff pension plan audited financial statements is \$578,175. 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, as previously stated, were just updated and changes were implemented this fiscal year. In considering investment allocation, the major focus of attention is the long-term goal of the plans. Asset classes currently being utilized include domestic and international equities, fixed income, American Depository Receipts, real estate and cash. For a condensed summary of investment results please see (MD&A) section pages 20-31.

A detailed breakdown of individual manager investment style, rate of return, style benchmark, and universe ranking is provided on page 75 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.

### **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**

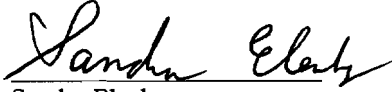
The preparation of this comprehensive annual financial report was made possible by the dedicated service of the staff of the accounting department of the plan. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report.

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

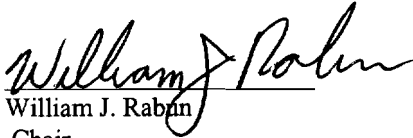
On behalf of the Board of Trustees, we would also like to express our appreciation to our Certified Public Accountants, Grant Thornton LLP, our Actuary, Mellon, our Investment Consultants, Southeastern Advisory Services, Inc., and our Custodian Bank, State Street Bank & Trust for their cooperation and 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) 441-2300.

Sincerely,



Sandra Elenberg  
Pension Administrator



William J. Raban  
Chair

# 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, 2003

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.



*Nancy L. Zjella*

President

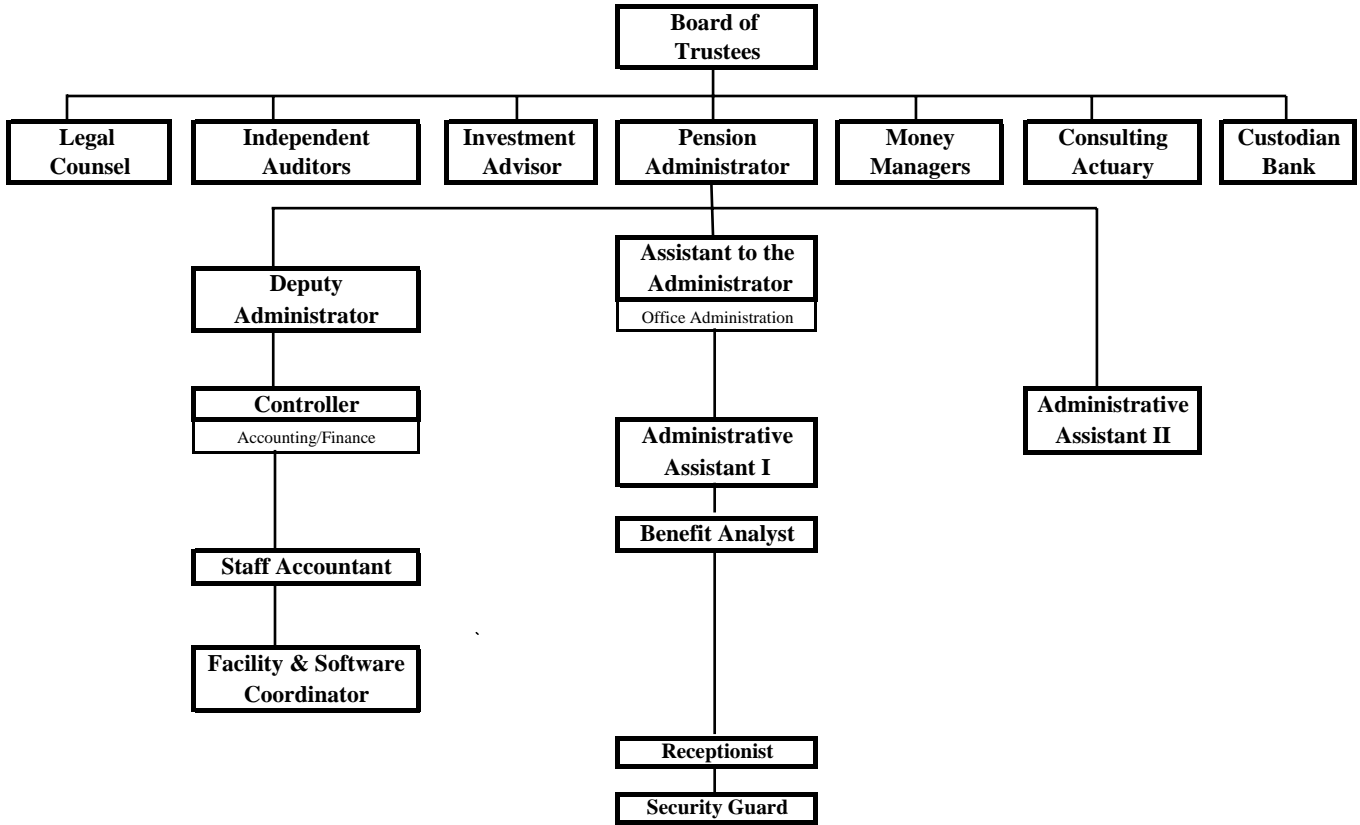
*Jeffrey R. Emer*

Executive Director



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

**Organizational Chart**



## **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, 2004 and 2003, 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, 2004 and 2003, 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 17, 2004, on our consideration of the Trusts' internal control structure over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. This report is an integral part of, and should be read in conjunction with, our report on the financial statements.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole of the Trusts as of and for the year ended September 30, 2004. The schedules of administrative expenses, investment manager expenses, and payments to consultants on pages 56, 57 and 58 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 20 - 31 and the schedules of funding progress and employer contributions on pages 52 - 54 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.

*Guant Thornton LLP*

Miami, Florida  
December 17, 2004

**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, 2004 and 2003**

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, 2004 and 2003.

**GESE TRUST FINANCIAL HIGHLIGHTS**

The City of Miami General Employees' and Sanitation Employees' Retirement Trust (GESE Trust), net results from operations for fiscal year 2004, reflected the following financial activities:

- A net increase of \$29.6 million in plan net assets (or +5.7%), (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, continue to increase for the GESE Trust for the last three fiscal years \$7.9 million in 2004, \$7.6 million in 2003, and \$7.1 million in 2002. The amount of combined employer contributions vary from year to year and are actuarially determined for all three plans, while member contributions are equal to 10% of straight payroll.
- Both interest income and dividend income for the GESE Trust decreased \$.2 million (or -1.87%) and \$1.7 million (-13.9%) for fiscal year 2004 compared to fiscal year 2003 and 2002 respectively.
- The GESE Trust (including fixed income portfolios) experienced, a decrease of \$-24.6 million in net investment income in fiscal year 2004 compared to fiscal year 2003 (or -31.7%), (see Table 2) but a substantial increase of \$109.2 million (205.9 %) from 2002.
- In 2004, benefit payments, refunds of contributions and other deductions for the GESE Trust increased by \$2.7 million (or a 6.50%) and \$6.2 million (or 16.25%) from fiscal year 2003 and 2002 respectively (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 2004:

**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, 2004 and 2003**

**EXCESS BENEFIT PLAN FINANCIAL HIGHLIGHTS - Continued**

- Pension benefit payments for the Excess Benefit Plan increased \$217 thousand from 2003 and \$166 thousand in 2002.
- 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 2004:

- An increase in interest and dividend income, was due to the increase in investment assets as can be seen on Table 1. Plan net assets had a net increase of \$141 thousand from fiscal year 2003 and \$311 thousand from 2002.
- The increase of \$311 thousand in net assets, from the two years was due to significant employer and employee contributions.
- The Staff Trust also experienced a decrease in net investment income of \$52 thousand, from fiscal year 2003, (see Table 2).

**GESE TRUST PLAN HIGHLIGHTS**

In fiscal year 2004, the GESE Trust had the following significant events occur:

- Due to actuarial requirements, the total contributions to the GESE Trust increased \$7.4 million and \$9.3 million this fiscal year 2004 as compared to fiscal year 2003 and 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 2004, 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, 2004 and 2003**

**GESE TRUST PLAN HIGHLIGHTS - Continued**

- The employee contributions, received by the GESE Trust increased, by \$332 thousand and \$790 thousand compared with fiscal years 2003 and 2002 respectively. 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 2004, the Staff Trust had the following significant events occur:

- The plan net assets increased from \$437 thousand in fiscal year 2003 to \$578 thousand in fiscal year 2004, or a 32% increase.
- There were zero retirees during 2004, therefore, the Staff Trust had no pension benefit or administrative expenditures.

**EXCESS BENEFIT PLAN HIGHLIGHTS**

During fiscal year 2004, 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, 2004 and 2003**

**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>2004</u> GESE Trust	<u>2003</u> GESE Trust	<u>2002</u> GESE Trust	<u>2004</u> Excess Ben-Plan	<u>2003</u> Excess Ben-Plan	<u>2002</u> Excess Ben-Plan	<u>2004</u> Staff Plan	<u>2003</u> Staff Plan	<u>2002</u> Staff Plan
<b>Cash:</b>									
Cash	\$ 379	\$ 286	\$ 351	\$ 30	\$ 22	\$ 18	\$ 3	\$ -	\$ -
<b>Receivables:</b>									
Securities sold and interest	6,314	6,943	19,335	-	-	-	-	2	1
Contributions	<u>1,494</u>	<u>882</u>	<u>1,206</u>	<u>38</u>	<u>21</u>	<u>25</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total receivables</b>	7,808	7,825	20,541	38	21	25	-	2	1
<b>Investments at fair value:</b>									
Fixed income	165,333	163,181	156,404	-	-	-	271	230	106
Corporate stocks	<u>379,495</u>	<u>359,120</u>	<u>319,888</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>304</u>	<u>216</u>	<u>181</u>
<b>Total investments</b>	544,828	522,301	476,292	-	-	-	575	446	287
Capital Assets	<u>2,003</u>	<u>1,447</u>	<u>1,175</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total assets</b>	555,018	531,859	498,359	68	43	43	578	448	288
<b>Liabilities:</b>									
Accounts payable on securities purchased	7,719	14,191	29,941	-	-	-	-	11	17
Accounts Payable	<u>836</u>	<u>854</u>	<u>694</u>	<u>68</u>	<u>43</u>	<u>43</u>	<u>-</u>	<u>-</u>	<u>3</u>
<b>Total liabilities</b>	<u>8,554</u>	<u>15,045</u>	<u>30,635</u>	<u>68</u>	<u>43</u>	<u>43</u>	<u>-</u>	<u>11</u>	<u>20</u>
<b>Net assets held in Trust for pension benefits</b>	<u>\$ 546,464</u>	<u>\$ 516,814</u>	<u>\$ 467,724</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 578</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, 2004 and 2003**

**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 25). 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 2004, with \$547,041,921 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, 2004 and 2003**

**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)**

	2004 GESE Trust	2003 GESE Trust	2002 GESE Trust	2004 Excess Ben-Plan	2003 Excess Ben-Plan	2002 Excess Ben Plan	2004 Staff Trust	2003 Staff Trust	2002 Staff Trust
<b>Additions:</b>									
Contributions									
City of Miami	\$ 10,670	\$ 3,603	\$ 2,091	\$ 517	\$ 300	\$ 351	\$ 98	\$ 83	\$ 58
Members	<u>7,937</u>	<u>7,605</u>	<u>7,147</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>45</u>	<u>37</u>	<u>38</u>
<b>Total contributions</b>	18,607	11,208	9,238	517	300	351	143	120	96
Reimbursement income/									
City of Miami	2,355	1,853	1,679	16	32	37	-	-	-
Net investment income									
(loss)	<u>53,064</u>	<u>77,694</u>	<u>(56,217)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2)</u>	<u>50</u>	<u>(22)</u>
<b>Total additions (reductions)</b>	74,027	90,755	(45,300)	533	332	388	141	170	74
<b>Deductions:</b>									
Pension benefits	41,138	38,486	35,352	517	300	351	-	-	-
Refunds upon resignations, death, etc.	883	1,327	1,142	-	-	-	-	-	-
Administrative expenditures	<u>2,355</u>	<u>1,851</u>	<u>1,679</u>	<u>16</u>	<u>32</u>	<u>37</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total deductions</b>	<u>44,377</u>	<u>41,666</u>	<u>38,173</u>	<u>533</u>	<u>332</u>	<u>388</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net increase (decrease)</b>	29,650	49,089	(83,473)	-	-	-	141	170	74
<b>Net assets held in trust for pension benefits, beginning of year</b>									
	<u>516,814</u>	<u>467,724</u>	<u>551,197</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>437</u>	<u>268</u>	<u>194</u>
<b>Net assets held in trust for pension benefits, end of year</b>									
	<u>\$ 546,464</u>	<u>\$ 516,814</u>	<u>\$ 467,724</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 578</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, 2004 and 2003**

**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, 2004 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 \$74.0 million, which includes member and employer contributions of \$18.6 million, and net investment income of \$53 million.
- Expenses (deductions to plan net assets) increased from \$41.7 million during 2003 to \$44.3 million in 2004 or about 6.2% 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 \$22.6 thousand.
- A decrease in net investment income of \$54 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, 2004 and 2003**

**ASSET ALLOCATIONS**

The table below indicates the GESE Trust's investment policy target asset allocation for September 30, 2004.

**ASSET ALLOCATIONS GESE TRUST**

**TABLE 3**

**SUMMARY OF ASSET ALLOCATION GESE TRUST**

	<u>Policy Guidelines as of March 26, 2004</u>			<u>Actual</u>		
	<u>Minimum</u>	<u>Target</u>	<u>Maximum</u>	<u>September 30, 2004</u>	<u>September 30, 2003</u>	<u>September 30, 2002</u>
Domestic large cap equities	35.0%	45.0%	55.0%	50.1%	52.7%	43.4%
Small-mid cap equities	0.0%	10.0%	15.0%	7.3%	5.9%	10.5%
International equities (UH)	0.0%	10.0%	15.0%	8.0%	6.4%	5.7%
U.S. aggregate fixed income	20.0%	29.0%	40.0%	27.5%	27.4%	33.2%
Real estate	0.0%	5.0%	10.0%	5.8%	6.3%	6.3%
Cash and other	0.0%	1.0%	15.0%	<u>1.3%</u>	<u>1.4%</u>	<u>0.9%</u>
				<u>100.0%</u>	<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 all of the last three fiscal years. Moderate rebalancing occurred during the current fiscal year, slightly increasing small cap and international equity exposure. The investment policy was updated in March 2004.

**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, 2004 and 2003**

**ASSET ALLOCATIONS STAFF TRUST**

The Table below indicates Staff Trust's investment policy target asset allocation for September 30, 2004.

**TABLE 4**

**SUMMARY OF ASSET ALLOCATION STAFF TRUST**

	Policy Guidelines as of September 24, 2004			Actual		
	<u>Minimum</u>	<u>Target</u>	<u>Maximum</u>	<u>September 30, 2004</u>	<u>September 30, 2003</u>	<u>September 30, 2002</u>
Domestic large cap equities	40.0%	50.0%	60.0%	51.6%	49.6%	45.4%
U.S. aggregate fixed income	40.0%	50.0%	60.0%	46.3%	48.8%	50.5%
Cash and other	0.0%	0.0%	10.0%	<u>2.1%</u>	<u>1.6%</u>	<u>4.1%</u>
				<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

The equity allocation is close to the 50% target. During fiscal year end 2004, equities outperformed bonds. There were no small capitalization stocks in the Staff Pension Plan portfolio at September 30, 2004. The investment policy was updated during September 2004.

**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 March 2004 for the GESE Trust and September 2004 for the Staff Trust.

Portfolio performances are reviewed quarterly by the Board and its investment consultant. Performance is evaluated for each individual money manger and collectively by investment type (i.e. domestic equity) and for the total 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, 2004 and 2003**

**INVESTMENT ACTIVITIES OVERVIEW - Continued**

The asset allocations remained within the investment policy guidelines.

The G.E.S.E. Trust returned +11.0%, for the one year ended September 30, 2004, (see Table 5) as compared to +17.7% for the period ended September 30, 2003. The Plan's positive performance this year was the result of strong returns in the international equity asset class, as well as good returns in the real estate segment. Fixed income results were low but not surprising given the increase in short term rates by the Federal Reserve this year.

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,**

	2004	2003	2002	Annualized Return (%)	
				3 Years	5 Years
<b>Equities</b>					
Fund Return - Domestic Equities	13.3%	24.2%	-19.5%	4.3%	1.9%
Fund Return - International Equities	18.6	28.4	-12.5	10.0	2.4
S & P 500	13.9	24.4	-20.5	4.0	-1.3
Dow Jones	8.9	25.1	-12.5	4.4	-0.5
Russell Mid-Cap	20.6	32.6	-9.0	13.3	8.3
Russell 2000 - Small Stock	18.8	36.5	-9.3	13.7	7.4
MSCI EAFE - Non US Stocks	22.1	26.0	-15.5	9.1	-9
<b>Fixed Income</b>					
Fund return - Fixed Income	3.6	6.3	6.7	5.5	7.6
Lehman Brothers - Aggregate	3.7	5.4	8.6	5.9	7.5
Lehman Brothers - Mortgage Backed	4.4	3.0	7.4	5.1	7.0
Lehman Brothers - Government/ Corporate	3.3	6.5	9.2	6.3	7.7
T-Bills - 90 days	1.1	1.3	1.8	1.5	3.1
<b>Real Estate</b>					
Fund return - Real Estate	14.9	12.2	3.9	10.1	11.7
FR NCREIF Index	12.4	7.8	6.7	8.6	9.5
NAREIT	25.6	26.5	5.2	20.4	18.8
<b>Total Fund Return</b>	11.0	17.7	-10.4	5.4	4.0
<b>Total Fund Benchmark</b>	12.7	20.2	-10.6	6.8	2.6



**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, 2004 and 2003**

**INVESTMENT ACTIVITIES OVERVIEW - Continued**

Please note that the above table reflects the 2002, 2003 and 2004 fiscal year returns as well as the three-year and five-year annualized rates of returns for periods ending September 30, 2004. 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, 2004, the Staff Trust was also impacted by the positive stock market environment, albeit not to the extent of the GESE Trust, and experienced a total return of 6.0%. The equity portion of the staff plan increased 9.4%, below the S&P 500 Index but ahead of the more appropriate style benchmark, the Russell 1000 Growth Index, which returned 7.5%. The equity increase was somewhat offset by the modest 2.6% 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,**

	2004	2003	2002	Annualized Return (%)	
				3 Years	5 Years
<b>Equities</b>					
Fund Return - Domestic Equities	9.4%	26.3%	-21.4%	2.8	N/A
S & P 500	13.9	24.4	-20.5	4.0	-1.3
Russell 1,000 - Growth Stock	7.5	25.9	-22.5	1.6	-6.8
Dow Jones	8.7	25.1	-14.2	4.4	-0.5
<b>Fixed Income</b>					
Fund Return - Fixed Income	2.6	3.4	8.8	4.8	N/A
Lehman Brothers - Aggregate	3.7	5.4	8.6	5.9	7.5
Lehman Brothers - Mortgage Backed	4.4	3.0	7.4	5.1	7.0
Lehman Brothers - Government/Corporate	3.3	6.5	9.2	6.3	7.7
<b>Cash Equivalent (Money Market Funds)</b>					
Fund Return	N/A	N/A	6.3	N/A	N/A
T-Bills - 90 days	1.1	1.3	2.1	1.5	3.1
<b>Total Fund Return</b>	6.0	14.6	-6.5	4.3	N/A
<b>Total Fund Benchmark</b>	8.9	14.9	-6.5	5.5	N/A

Note: Staff pension plan inception date is July 31, 2001

**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, 2004 and 2003**

**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 2004, 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) 441-2300.

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

**STATEMENT OF PLAN NET ASSETS**

**September 30, 2004**

	G.E.S.E Trust	Excess Benefit Plan	Staff Trust	Total
<b>ASSETS</b>				
Cash	\$ 379,043	\$ 30,141	\$ 3,109	\$ 412,293
Receivables:				
Securities sold	4,388,720	-	-	4,388,720
Members' contributions	295,176	-	-	295,176
Accrued interest	1,924,970	-	488	1,925,458
City of Miami	1,198,919	38,852	-	1,237,771
Total receivables	7,807,785	38,852	488	7,847,125
Investments, at fair value:				
U.S. Government and Agency securities	71,231,332	-	107,898	71,339,230
Corporate stocks	349,231,147	-	303,911	349,535,058
Corporate bonds	77,222,547	-	162,769	77,385,316
Real estate fund	30,263,649	-	-	30,263,649
Money market funds and commercial paper	16,879,353	-	-	16,879,353
Total investments	544,828,028	-	574,578	545,402,606
Capital assets, net	2,003,212	-	-	2,003,212
Total assets	555,018,068	68,993	578,175	555,665,236
<b>LIABILITIES</b>				
Payable for securities purchased	7,718,152	-	-	7,718,152
Accounts payable	836,170	68,993	-	905,163
Total liabilities	8,554,322	68,993	-	8,623,315
Net assets held in trust for pension benefits (A schedule of funding progress is presented on pages 52 - 54)	\$ 546,463,746	\$ -	\$ 578,175	\$ 547,041,921

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, 2003**

	<u>G.E.S.E Trust</u>	<u>Excess Benefit Plan</u>	<u>Staff Trust</u>	<u>Total</u>
<b>ASSETS</b>				
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	<u>29,570</u>	<u>-</u>	<u>-</u>	<u>29,570</u>
Total receivables	<u>7,824,013</u>	<u>20,610</u>	<u>1,743</u>	<u>7,846,366</u>
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	<u>18,501,695</u>	<u>-</u>	<u>28,311</u>	<u>18,530,006</u>
Total investments	<u>522,301,432</u>	<u>-</u>	<u>446,254</u>	<u>522,747,686</u>
Capital assets, net	<u>1,447,265</u>	<u>-</u>	<u>-</u>	<u>1,447,265</u>
Total assets	531,858,914	42,939	447,997	532,349,850
<b>LIABILITIES</b>				
Payable for securities purchased	14,191,187	-	10,251	14,201,438
Accounts payable	<u>853,783</u>	<u>42,939</u>	<u>441</u>	<u>897,163</u>
Total liabilities	<u>15,044,970</u>	<u>42,939</u>	<u>10,692</u>	<u>15,098,601</u>
Net assets held in trust for pension benefits (A schedule of funding progress is presented on pages 52 - 54)	<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, 2004**

	<u>G.E.S.E Trust</u>	<u>Excess Benefit Plan</u>	<u>Staff Trust</u>	<u>Total</u>
<b>ADDITIONS</b>				
Contributions:				
City of Miami	\$ 10,669,846	\$ 517,333	\$ 98,044	\$ 11,285,223
Members	<u>7,937,387</u>	<u>-</u>	<u>44,488</u>	<u>7,981,875</u>
Total contributions	<u>18,607,233</u>	<u>517,333</u>	<u>142,532</u>	<u>19,267,098</u>
Investment income:				
Net appreciation (depreciation) in fair value of investments	43,058,533	-	(10,179)	43,048,354
Interest	7,279,741	-	5,726	7,285,467
Dividend	4,999,595	-	2,791	5,002,386
Rental and other income, net	<u>74,495</u>	<u>-</u>	<u>-</u>	<u>74,495</u>
Total investment income	55,412,364	-	(1,662)	55,410,702
Less investment expense	<u>2,347,774</u>	<u>-</u>	<u>-</u>	<u>2,347,774</u>
Net investment income (loss)	<u>53,064,590</u>	<u>-</u>	<u>(1,662)</u>	<u>53,062,928</u>
Reimbursement income from City of Miami	<u>2,355,564</u>	<u>15,746</u>	<u>-</u>	<u>2,371,310</u>
Total additions	<u>74,027,387</u>	<u>533,079</u>	<u>140,870</u>	<u>74,701,336</u>
<b>DEDUCTIONS</b>				
Benefits	41,138,832	517,333	-	41,656,165
Refunds of contributions	883,189	-	-	883,189
Administrative and other expenses	<u>2,355,564</u>	<u>15,746</u>	<u>-</u>	<u>2,371,310</u>
Total deductions	<u>44,377,585</u>	<u>533,079</u>	<u>-</u>	<u>44,910,664</u>
Net increase	29,649,802	-	140,870	29,790,672
Net assets held in trust for pension benefits, beginning of year	<u>516,813,944</u>	<u>-</u>	<u>437,305</u>	<u>517,251,249</u>
Net assets held in trust for pension benefits, end of year	<u>\$ 546,463,746</u>	<u>\$ -</u>	<u>\$ 578,175</u>	<u>\$ 547,041,921</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>
<b>ADDITIONS</b>				
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>
<b>DEDUCTIONS</b>				
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**

**NOTES TO FINANCIAL STATEMENTS**

**Years Ended September 30, 2004 and 2003**

**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 as of September 30, 2004 and 2003, are reported at fair value in the financial statements which is determine as described in Note 4.

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, 2004 and 2003**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

Cash

As required by Chapter 280.04, Florida Statutes, all deposits of the Trusts during the years ended September 30, 2004 and 2003, 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.



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

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**Years Ended September 30, 2004 and 2003**

**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, 2004 and 2003**

**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

Members 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 GESE 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 payments for the years ended September 30, 2004 and 2003, respectively amounted to \$3,655,154 and \$1,963,929 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, 2004 and 2003**

**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, 2004 and 2003**

**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, 2004 and 2003 amounted to \$517,333 and \$300,235, 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, 2004 and 2003**

**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, 2004 and 2003**

**NOTE 2 - PLAN DESCRIPTIONS - Continued**

Participation

At October 1, 2004 and 2003 (based on updated actuarial valuations), each Trust's membership consisted of:

	2004			
	G.E.S.E.	Excess	Staff	Total
Retirees and beneficiaries currently receiving benefits	1,863	40	-	1,903
Terminated employees entitled to benefits, but not yet receiving them	69	-	-	69
Current employees	1,525	-	11	1,536
Total members	3,457	40	11	3,508
	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

**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, 2004 and 2003**

**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 payments 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 \$17,709,219 and \$10,267,502 for the years ended September 30, 2004 and 2003, respectively, determined through an actuarial valuation performed as of October 1, 2003 and 2002, respectively. The required contribution consisted of (a) \$10,935,469 and \$10,267,502 normal cost, (b) \$6,773,750 and \$0 amortization of the unfunded actuarial accrued liability and (c) \$0 interest adjustment for September 30, 2004 and 2003. For the years ended September 30, 2004 and 2003, respectively, the City contributed \$10,669,846 and \$3,602,457 and the employees contributed \$7,937,387 and \$7,605,397.

Excess Benefit Plan for the City of Miami

Beginning October 1, 2000, the following amortization periods apply all payments 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, 2004 and 2003**

**NOTE 3 - CONTRIBUTIONS - Continued**

Excess Benefit Plan for the City of Miami - Continued

The City of Miami is required to contribute amounts as benefits become payable. The total actuarially determined contribution requirement was \$1,162,361 and \$966,416 for the years ended September 30, 2004 and 2003, respectively, determined through an actuarial valuation performed as of October 1, 2003 and 2002, respectively. The required contribution consisted of (a) \$30,578 and \$22,829 normal cost, (b) \$915,901 and \$789,171 amortization of the unfunded actuarial accrued liability and (c) \$215,882 and \$154,416 interest adjustment for September 30, 2004 and 2003, respectively. For the years ended September 30, 2004 and 2003, respectively, the City of Miami contributed \$517,333 and \$300,235 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 payments 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 \$139,172 and \$119,518 for the years ended September 30, 2004 and 2003, respectively, determined through an actuarial valuation performed as of October 1, 2003 and 2002, respectively. The required contribution consisted of (a) \$77,038 and \$69,518 normal cost, (b) \$62,134 and \$50,000 amortization of the unfunded actuarial accrued liability and (c) \$0 interest adjustment for September 30, 2004 and 2003. For the years ended September 30, 2004 and 2003, respectively, the GESE Trust contributed \$98,044 and \$83,234 and the employees contributed \$44,488 and \$36,627.



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

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**Years Ended September 30, 2004 and 2003**

**NOTE 4 - INVESTMENTS**

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

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, November 2001 and March 2004, 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	35%	45%	55%
Small - mid cap stocks	0%	10%	15%
International equity	0%	10%	15%
Domestic fixed income	20%	29%	40%
Real estate	0%	5%	10%
Cash	0%	1%	15%

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

The investment policy for Staff Trust, effective September 24 2004, 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, 2004 and 2003**

**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 over rolling three year periods without undue risk:

- Rates of return that equal or exceed the Trust's actuarial interest assumption rate
- Performance results that rank in the top half of the investment consultant's universe database.

The investment policy states that individual investments in the securities of a single issue cannot exceed 5% at value 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 portfolio. For fixed income securities, investments in any single industry cannot exceed 20% of the total value of the portfolio, excluding securities backed by the U.S. Government.

Trust funds may not be specifically invested in private placements, 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 and restricted stock.

(continued)

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

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**Years Ended September 30, 2004 and 2003**

**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, 2004 were all category one risk as follows:

	<u>Category 1</u>		<u>Reported Amount/ Fair Value</u>
	<u>GESE Trust</u>	<u>Staff Trust</u>	
U.S. Government and Agency Securities	\$ 71,231,332	\$ 107,898	\$ 71,339,230
Corporate stocks	349,231,147	303,911	349,535,058
Corporate bonds	<u>77,222,547</u>	<u>162,769</u>	<u>77,385,316</u>
	<u>\$ 497,685,026</u>	<u>\$ 574,578</u>	<u>\$ 498,259,604</u>
Investments not subject to categorization:			
Real Estate Fund			\$ 30,263,649
Money Market Fund			<u>16,879,353</u>
Total investments			<u>\$ 545,402,606</u>

(continued)

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

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**Years Ended September 30, 2004 and 2003**

**NOTE 4 - INVESTMENTS - Continued**

General Policy for GESE Trust and Staff Trust - Continued

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
	<u>\$ 472,499,502</u>	<u>\$ 417,943</u>	<u>\$ 472,917,445</u>
Investments not subject to categorization:			
Real Estate Fund			\$ 31,300,235
Money Market Fund			18,530,006
Total investments			<u>\$ 522,747,686</u>

**NOTE 5 - CAPITAL ASSETS, NET**

Capital assets consist of the following as of September 30:

	2004	2003
Land	\$ 262,143	\$ 262,143
Buildings and improvements	1,741,069	1,185,122
	2,003,212	1,447,265
Less: Accumulated depreciation	-	-
Capital assets, net	<u>\$ 2,003,212</u>	<u>\$ 1,447,265</u>

Depreciation expense will begin fiscal year 2005 as facilities were not placed in service.

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

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**Years Ended September 30, 2004 and 2003**

**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, 2004 and 2003 consisted of the following:

	<u>2004</u>	<u>2003</u>
City of Miami receivable, beginning of year	\$ <u>634,756</u>	\$ <u>990,791</u>
Administrative costs:		
Personnel	599,703	495,230
Professional	684,633	815,708
Insurance	238,485	149,342
Rent	117,545	104,620
Other	<u>730,944</u>	<u>320,061</u>
Total	2,371,310	1,884,961
Funding provided by the City of Miami - current year	<u>1,768,295</u>	<u>2,240,996</u>
City of Miami receivable, end of year	<u>\$ 1,237,771</u>	<u>\$ 634,756</u>

**REQUIRED 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)
10/1/03	\$555.4	\$682.3	\$126.9	81%	\$70.7	179%
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
2004	\$ 10,669,846	100%
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 to determine ARC	October 1, 2002
Actuarial cost method	Modified entry age normal
Amortization method	Level dollar amounts, closed
Remaining amortization period	14-20 years
Asset valuation method	Moving market value average over 3 years
Actuarial assumptions:	
Investment rate of return	8.1%
Projected salary increases	5.00%
Includes inflation at	3.5%
Cost of living adjustments	4% per year, with \$54 per year minimum and \$400 per year maximum

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

**EXCESS BENEFIT PLAN  
SCHEDULE OF FUNDING PROGRESS**

(in millions)

Actuarial Valuation Date*	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL) - Entry Age	Unfunded AAL (UAAL) (b) - (a)	Funded Ratio (a) / (b)	(c) Covered Payroll	UAAL as Percentage of Covered Payroll (b)-(a)/(c)
10/1/03	\$-0-	\$9.9	\$9.9	0%	\$70.7	14%
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
2004	\$ 1,162,361	31%
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 to determine ARC	October 1, 2003
Actuarial cost method	Modified entry age normal
Amortization method	Level dollar amounts, closed
Remaining amortization period	27 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)
10/1/03	\$446.7	\$1,057.3	\$610.6	42%	\$448.5	137%
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
2004	\$ 98,044	100%
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 to determine ARC	October 1, 2002
Actuarial cost method	Modified entry age normal
Amortization method	Level dollar amounts, closed
Remaining amortization period	14 - 28 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, 2004**

	<b>G.E.S.E Trust</b>	<b>Excess Benefits</b>	<b>Combined Total</b>
<b>Personnel Services:</b>			
Salaries & Wages	561,318	5,000	566,318
Payroll Taxes	38,114	550	38,664
Insurance & Workers Comp.	71,360	718	72,078
Retirement	98,044	0	98,044
Car Allowance	6,046	0	6,046
Total Personnel Services	<u>774,882</u>	<u>6,268</u>	<u>781,150</u>
<b>Professional Services:</b>			
Custodian	259,922	0	259,922
Investment Consulting	144,317	0	144,317
Legal Counsel	114,087	0	114,087
Actuarial	54,693	21,850	76,543
Audit	57,931	0	57,931
Other	50,612	0	50,612
Total Professional Services	<u>681,561</u>	<u>21,850</u>	<u>703,411</u>
<b>Rentals:</b>			
Office Space	107,808	720	108,528
Equipment	9,737	200	9,937
	<u>117,545</u>	<u>920</u>	<u>118,465</u>
<b>Insurance:</b>			
	167,395	0	167,395
<b>Communication:</b>			
Printing	31,734	0	31,734
Advertising	0	0	0
Postage & Courier Svcs	6,141	100	6,241
Telephone & Telecomm Expense	13,330	200	13,530
Total Communications	<u>51,205</u>	<u>300</u>	<u>51,505</u>
<b>Miscellaneous:</b>			
Travel	4,495	0	4,495
Memberships, Books & Publications	3,861	0	3,861
Repairs & Maintenance	47,829	800	48,629
Supplies	27,030	572	27,602
Training & Education	26,255	200	26,455
Parking	4,539	181	4,720
Furniture & Computer Equipment	417,373	7,760	425,133
Utilities, Property Taxes & Others	8,488	0	8,488
Total Miscellaneous	<u>539,870</u>	<u>9,513</u>	<u>549,383</u>
<b>Total Administrative Expenses</b>	<b><u><u>\$2,332,459</u></u></b>	<b><u><u>\$38,851</u></u></b>	<b><u><u>\$2,371,310</u></u></b>

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

**Schedule of Investment Manager Expenses  
For the Year Ended September 30, 2004**

<u>Investment Manager-GESE Trust</u>	<u>Investment Style</u>	<u>Amount</u>
Atlanta Capital Mgmt.	Equity - Core Growth	\$526,840
Institutional Capital Mgmt.	Equity - Value	340,794
Trusco Capital Mgmt. (STI)	Equity - Value	151,370
State Street Global Advisors	Equity - S&P 500 Index	31,771
Invesco Capital Mgmt.	Equity - International	128,594
Atlantic Capital Mgmt.	Equity - Small Cap Growth	174,653
Axiom International, LLP	International Equities	117,379
Cramer Rosenthal McGlynn	Equity - Small Cap Value	194,314
Seix Investment Advisors	Fixed Income	75,840
Richmond Capital	Fixed Income	182,714
Loomis Sayles & Co.	Fixed Income	110,433
MetLife Insurance Co.	Real Estate	208,894
EII Realty Securities, Inc.	Real Estate	101,967
<b>Total Investment Manager Expenses-GESE Trust</b>		<b><u><u>\$2,345,563</u></u></b>

<u>Investment Manager-Staff Trust</u>	<u>Investment Style</u>	<u>Amount</u>
Atlanta Capital (G.S.)	Core Growth -Aggregate	2,032
Richmond Capital	Fixed Income	179
<b>Total Investment Manager Expenses-Staff Trust</b>		<b><u><u>\$2,211</u></u></b>

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

**Schedule of Payments to Consultants  
For the Year Ended September 30, 2004**

<u>Nature of Service</u>	<u>G.E.S.E Trust</u>	<u>Excess Benefits</u>	<u>Combined Total</u>
Investment Consulting	\$ 144,317	--	144,317
Legal Fees	114,087	--	114,087
Actuarial	54,693	--	54,693
Auditing	57,931	--	57,931
Custodial fees	259,923	--	259,923
Other	53,682	--	53,682
<b>Total</b>	<b><u>\$ 684,633</u></b>	<b><u>--</u></b>	<b><u>\$ 684,633</u></b>

## **Investment Section**

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# ***Southeastern Advisory Services, Inc.***

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REGISTERED INVESTMENT ADVISOR

January 3, 2005

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

Re: Investment Consultant

Dear Trustees:

Southeastern Advisory Services, Inc has been 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.

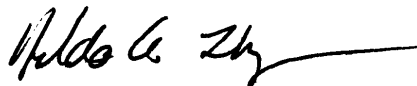
One of our primary duties is to provide investment performance reports to the Board. We meet with the Board quarterly to deliver these reports and answer any questions. The reports include total fund performance as well as sector performance and individual manager performance. Data is provided on both 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 the actuarial interest assumption of 8.1%, to outperform an unmanaged index and to rank in the top half of a peer universe. For the twelve-month period ending September 30, 2004, the fund earned an annual return of 11.0%, gross of fees, exceeding the actuarial rate objective; however the fund ranked at the 56<sup>th</sup> percentile and underperformed the unmanaged index (12.7%).

The broad equity market (as measured by the S&P 500) was up 13.9% for the fiscal year, while fixed income (Lehman Aggregate) was up 3.7%. Historical performance remains very competitive, posting an annualized 9.2% 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



**LIST OF INVESTMENT MANAGERS**  
**AS OF SEPTEMBER 30, 2004**

**Atlanta Capital Management**

**Seix Investment Advisors, Inc**

**Institutional Capital Management**

**Richmond Capital Management**

**Invesco Capital Management**

**State Street Global Advisors**

**Metropolitan Life Insurance Co.**

**Trusco Capital Management**

**Loomis, Sayles & Co., L.P.**

**Atlantic Capital Management**

**Cramer Rosenthal McGlynn, LLC**

**EII Realty Securities, Inc.**

**Axiom International Investors, LLC**

**Investment Overview GESE Trust:**

The investment policy of the plan is to be pursued on a long-term basis. The Board formally reviews the policy statement on an annual basis. The most recent review with modifications occurred effective March 26, 2004. The investment performance objectives may 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 investment performance objectives of the overall portfolio are to:

- a) Achieve a rate of return that equals or exceeds the Trust's actuarial interest rate assumption.
- b) Achieve performance results which will rank in the top half of a peer universe.
- c) Achieve these objectives within a time horizon of rolling three year periods.
- d) Achieve these results without taking undue risk.

**Asset Allocation GESE Trust:**

The asset allocation guidelines are presented on page 72, 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 72. The returns of individual managers and the investment style utilized are presented on page 75.

**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.

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
9. Commingled and mutual funds

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 subject to the high yield limitations indicated below.
8. Mortgages, including agency and non agency, commercial backed securities and CMO's (as long as all other provisions are met).
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. Commingled and mutual funds.
15. Eurodollar bonds
16. 10% maximum of each manager's portfolio may be invested in aggregate to Yankee bonds, Foreign credits, Euro-dollar bonds and Rule 144A Securities
17. 5% maximum of each manager's portfolio may be invested in high yield securities (with ratings of CCC or better).

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**

1. The investment managers shall be given full discretion to manage the assets under their supervision subject to the Investment Policy.
2. The investment program will be managed by several designated managers.
3. There shall be a continual review of the investments under management. The Board will meet with the investment consultant quarterly to review the performance of the Trust and each manager. The Board shall meet with each investment manager at least annually to review Trust investments and current environment and future outlook.
4. Proxies will be voted by the manager in compliance with the Board's general guidelines. Proxy issues shall be voted on an individual basis after careful consideration of the issues. Decisions should be made solely in the best economic interest of the Trust. 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 Policy was amended on September 24, 2004.

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 a rate of return that equals or exceeds the Staff Trust's actuarial interest rate assumptions.
- b) Achieve performance results which will rank in the top half of a peer universe.
- c) Achieve these objectives within a time horizon of rolling three year periods .
- d) 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**

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 67, 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 68.

### **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.

## 2) 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. Standard & Poor's Depository Receipts
4. American Depository Receipts
5. Stocks with a minimum market capitalization of \$100 million

### Excluded Direct Investments:

1. Foreign stocks
2. Short sales
3. Margin purchases; lending or borrowing of funds
4. Investments used to leverage the portfolio
5. Letter stock, private or direct placements
6. Commodities contracts
7. Unattached warrants
8. Derivatives
9. Issues related to the investment manager
10. Restricted stock
11. New issues (IPOs)
12. 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 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 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, non agency, commercial backed securities and CMO's (as long as all other provisions are met).

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**

<b>Summary of Asset Allocation Staff Trust</b>					
	<b>Policy Guide Lines as of 9/24/2004</b>			<b><u>Actual</u></b>	
	<b>Min</b>	<b>Target</b>	<b>Max</b>	<b>9/30/2004</b>	<b>9/30/2003</b>
<b>Domestic Large Cap Equities</b>	40%	50%	60%	52%	50%
<b>US Aggregate Fixed Income</b>	40%	50%	60%	46%	49%
<b>Cash and Other</b>	0%	0%	10%	2%	2%
				<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

	<b>Annualized Return(%)</b>			
	<b>2004</b>	<b>2003</b>	<b>3 Years</b>	<b>5 Years</b>
<b>Equities</b>				
Fund Return - Domestic Large Cap Equities	<b>9.4%</b>	<b>26.3%</b>	<b>2.8%</b>	<b>N/A</b>
S&P 500	13.9	24.4	4.0	-1.3
Russell 1000 - Growth Stock	7.5	25.9	1.6	-6.8
Dow Jones	8.7	25.1	4.4	-0.5
<b>Fixed Income</b>				
Fund Return - Fixed Income	<b>2.6</b>	<b>3.4</b>	<b>4.8</b>	<b>N/A</b>
Lehman Brothers - Aggregate	3.7	5.4	5.9	7.5
Lehman Brothers - Mortgage Backed	4.4	3.0	5.1	7.0
Lehman Brothers - Government/Corporate	3.3	6.5	6.3	7.7
<b>Cash Equivalent (Money Market Funds)</b>				
Fund Return	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
T-Bills - 90 Days	1.1	1.3	1.5	3.1
<b>Total Fund Return</b>	<b>6.0</b>	<b>14.6</b>	<b>4.3</b>	<b>N/A</b>
<b>Total Fund Benchmark*</b>	<b>8.9</b>	<b>14.9</b>	<b>5.5</b>	<b>N/A</b>

\* 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 ("DRO 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)
- 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 Value Fund
- American Century Value Fund
- T. Rowe Price Small-Cap Stock Fund
- International Stock 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 50<sup>th</sup> 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.

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

**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.

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

**Summary of Investment Returns**

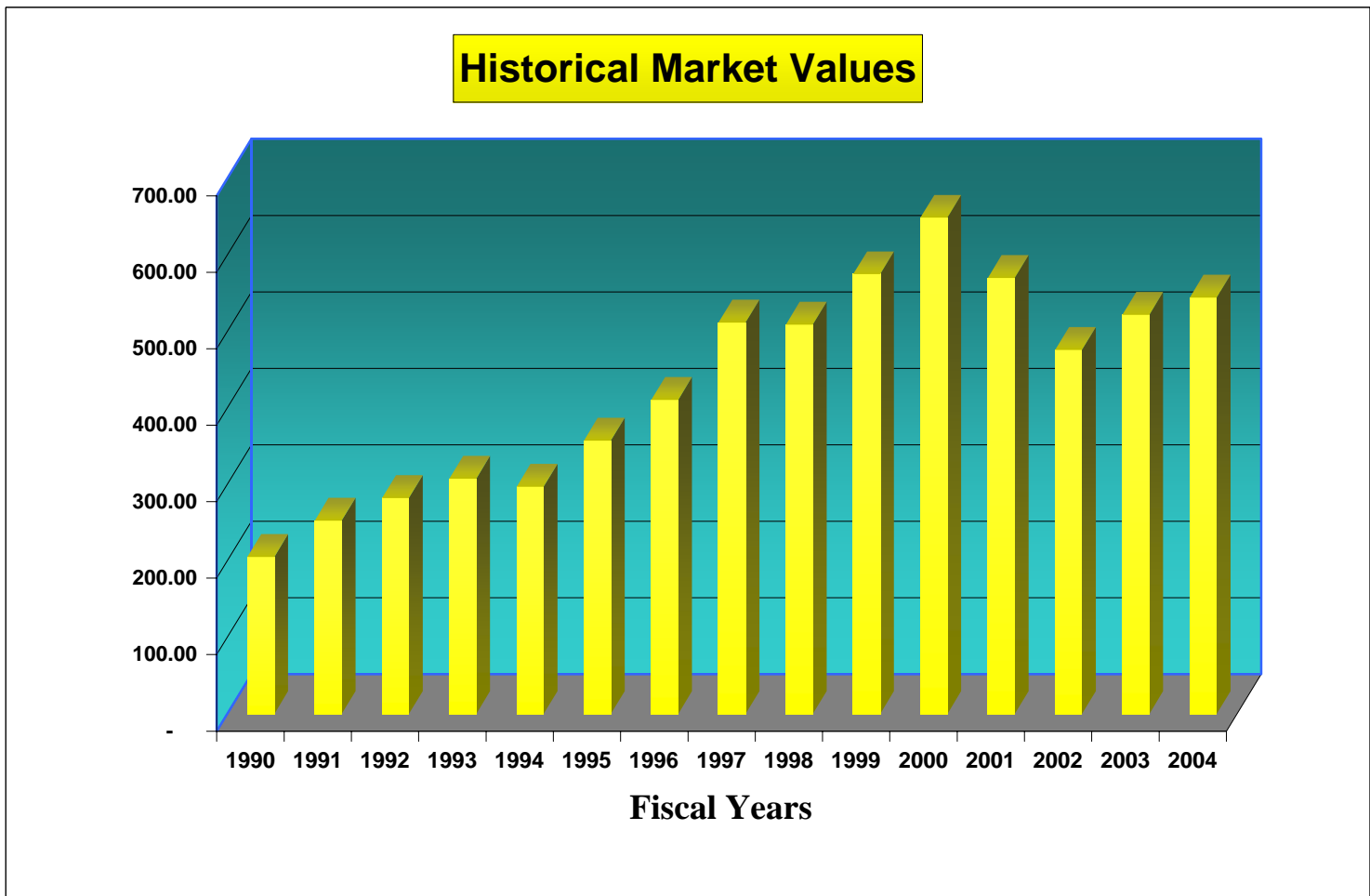
Annual Rates of Return(%)-GESE Trust							
	September 30,					Annualized Return (%)	
	2004	2003	2002	2001	2000	3 Years	5 Years
<b>Equities</b>							
Fund Return - Domestic Equities	13.3	24.2	-19.5	-18.9	19.5	4.3	1.9
Fund Return - International Equities	18.6	28.4	-12.5	-27.1	7.1	10.0	2.4
S&P 500	13.9	24.4	-20.5	-26.6	13.3	4.0	-1.3
Dow Jones	8.9	25.1	-12.5	-15.6	4.4	4.4	-0.5
Russell Mid-Cap	20.6	32.6	-9.0	-22.4	31.6	13.3	8.3
Russell 2000 - Small Stock	18.8	36.5	-9.3	-21.2	23.4	13.7	7.4
MSCI EAFE - Non US Stocks	22.1	26.0	-15.5	-28.5	3.2	9.1	-0.9
<b>Fixed Income</b>							
Fund Return - Fixed Income	3.6	6.3	6.7	12.5	7.3	5.5	7.6
Lehman Brothers - Aggregate	3.7	5.4	8.6	13.0	7.0	5.9	7.5
Lehman Brothers - Mortgage Backed	4.4	3.0	7.4	12.3	7.4	5.1	7.0
Lehman Brothers - Government/Corporate	3.3	6.5	9.2	13.2	6.7	6.3	7.7
T-Bills - 90 Days	1.1	1.3	1.8	4.2	5.8	1.5	3.1
<b>Real Estate</b>							
Fund Return - Real Estate	14.9	12.2	3.9	9.5	17.9	10.1	11.7
FR NCREIF Index	12.4	7.8	6.7	10.1	11.8	8.6	9.5
NAREIT	25.6	26.5	5.2			20.4	18.8
<b>Total Fund Return</b>	<b>11.0</b>	<b>17.7</b>	<b>-10.4</b>	<b>-10.4</b>	<b>15.7</b>	<b>5.4</b>	<b>4.0</b>
<b>Total Fund Benchmark</b>	<b>12.7</b>	<b>20.2</b>	<b>-10.6</b>	<b>-15.7</b>	<b>10.8</b>	<b>6.8</b>	<b>2.6</b>

Summary of Asset Allocation-GESE Trust						
	Policy GuideLines as of 3/26/2004			Actual		
	Min.	Target	Max.	09/30/2004	09/30/2003	09/30/2002
Domestic Large Cap Equities	35.0%	45.0%	55.0%	50.1%	52.7%	43.4%
Small-Mid Cap Equities	0.0%	10.0%	15.0%	7.3%	5.9%	10.5%
International Equities (UH)	0.0%	10.0%	15.0%	8.0%	6.4%	5.7%
US Aggregate Fixed Income	20.0%	29.0%	40.0%	27.5%	27.4%	33.2%
Real Estate	0.0%	5.0%	10.0%	5.8%	6.2%	6.3%
Cash and Other	0.0%	1.0%	15.0%	1.3%	1.4%	0.9%
				100%	100%	100%

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**

<b>Fiscal Year Ended September 30,</b>	<b>Market Value Investments Held (\$ Millions)</b>
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
2004	544.60

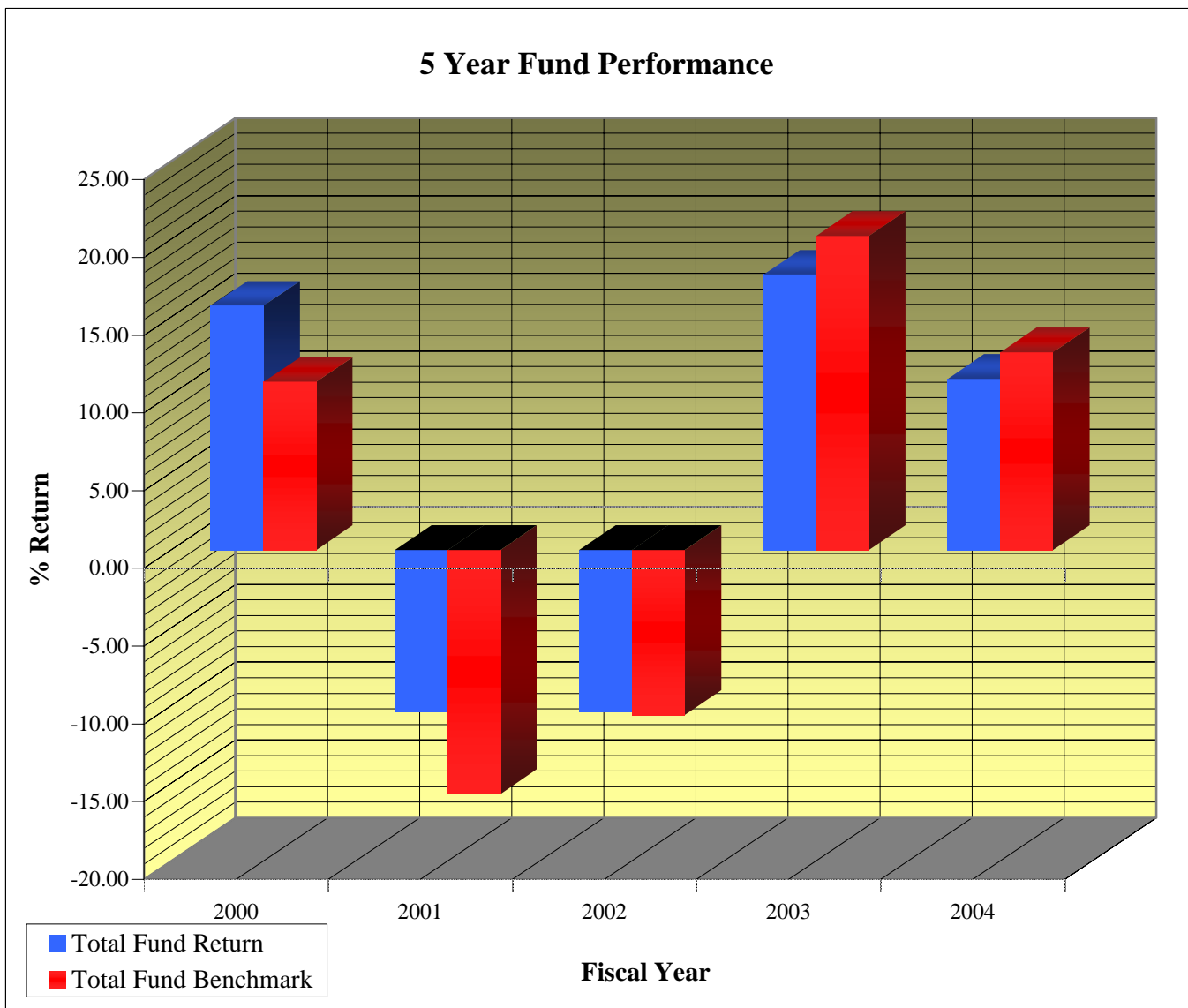


**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION EMPLOYEES' RETIREMENT TRUST  
AND OTHER MANAGED TRUSTS  
STATEMENT OF ASSETS 5 YEAR FUND PERFORMANCE**

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

	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
<b>Total Fund Return</b>	15.70	-10.40	-10.40	17.70	11.00
<b>Total Fund Benchmark</b>	10.80	-15.70	-10.60	20.20	12.70

Note: Returns are gross of fees



## SUMMARY OF INVESTMENT MANAGER RETURNS

FOR THE 12-MONTH PERIOD ENDED SEPTEMBER 30, 2004	PERFORMANCE				
	INVESTMENT STYLE	ENDING MARKET VALUE (\$ Millions)	FUND RETURN (%)	STYLE BENCHMARK (%)	UNIVERSE RANKING * 1 = Best 100 = Worst
<b>TOTAL TRUST</b>		<b>\$543.5</b>	<b>11.0</b>	<b>12.7</b>	<b>56th</b>
<i>Domestic Equity Segment</i>		<i>312.5</i>	<i>13.3</i>	<i>13.9</i>	<i>63rd</i>
Atlanta Capital Management	Large Cap Growth	112.6	9.4	7.5	42nd
Institutional Capital Corp.	Large Cap Value	66.2	16.8	20.5	69th
State Street Global Advisors	S&P 500 Index	58.4	13.6	13.9	60th
Trusco Capital Management (STI)	Large Cap Value	35.4	20.3	20.5	44th
Atlantic Capital Management	Small Cap Growth	19.3	3.6	11.9	86th
Cramer Rosenthal, McGlynn LLC	Small Cap Value	20.6	21.1	25.7	59th
<i>International Equity Segment</i>		<i>43.3</i>	<i>18.6</i>	<i>22.1</i>	<i>70th</i>
Invesco Capital Management	International Equity	25.9	22.7	22.1	40th
Axiom	International Equity	17.4	9.7	22.1	98th
<i>Fixed Income Segment</i>		<i>149.5</i>	<i>3.6</i>	<i>3.7</i>	<i>54th</i>
Richmond Capital Management	Aggregate	75.0	3.6	3.7	66th
Seix Investment Advisors	Aggregate	36.2	3.9	3.7	50th
Loomis, Sayles & Company	Intermediate	38.3	3.3	2.7	60th
<i>Real Estate Segment</i>		<i>31.1</i>	<i>14.9</i>	<i>12.4</i>	<i>45th</i>
MetLife Insurance Company	Real Estate	16.1	4.6	12.4	87th
EII Realty Securities	REIT	15.0	27.8	25.6	12th
<i>Administrative Account</i>	Cash	<i>7.1</i>	<i>1.1</i>	<i>1.1</i>	<i>30th</i>

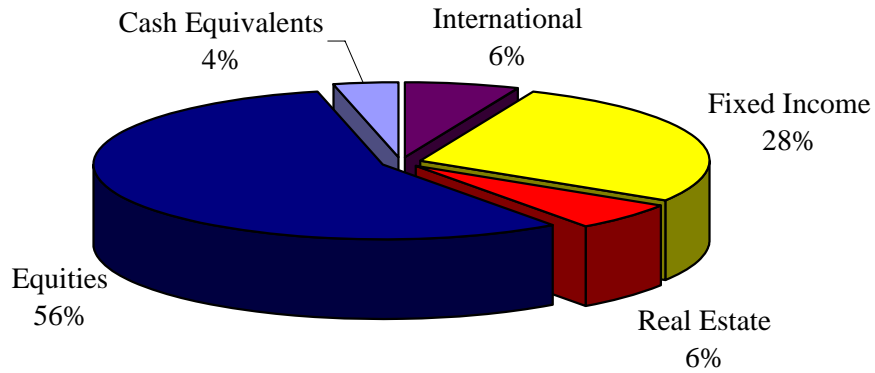
\* Manager universes are comprised from data provided by the investment consultant and categorized into styles by Southeastern Advisory Services.

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, 2004**

<b>ASSET CLASS</b>	<b>Beginning Cost</b>	<b>Ending Cost</b>	<b>Beginning Market Value</b>	<b>Ending Market Value</b>
Domestic Equities	\$238,297,075	\$242,917,482	\$295,330,001	\$308,748,083
Fixed Income	138,571,539	144,069,740	144,881,741	147,082,056
Real Estate	19,012,709	18,809,925	31,300,235	30,626,849
International Equities	31,369,274	37,395,238	32,705,704	43,231,933
Cash Equivalents	18,530,006	15,728,252	18,530,006	15,728,252
<b>Total</b>	<b><u>\$445,780,602</u></b>	<b><u>\$458,920,637</u></b>	<b><u>\$522,747,687</u></b>	<b><u>\$545,417,173</u></b>

**Asset Allocation (Market Value)  
As of September 30, 2004**



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

**List of Largest Assets Held-GESE Trust  
For the Year Ended September 30, 2004**

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

	<u>Shares</u>	<u>Stocks</u>	<u>Market Value (\$)</u>
1)	221,450	Microsoft Corp.	6,123,093
2)	181,000	General Electric	6,077,980
3)	182,775	Pfizer Inc.	5,592,915
4)	113,100	Bank America Corp	4,900,623
5)	97,400	Exxon Mobil	4,707,342
6)	84,917	Citi Group Inc.	3,746,538
7)	74,000	Apache Corp	3,708,140
8)	53,571	American Intl Group	3,642,292
9)	65,050	Lowels Cos Inc	3,535,468
10)	67,800	Medtronic Inc	3,518,820

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

	<u>Par</u>	<u>Bonds</u>	<u>Coupon</u>	<u>Maturity</u>	<u>Market Value (\$)</u>
1)	4,135,000	United States Treasury Notes	6.750%	5/15//2005	4,253,881
2)	1,660,000	Federal Home Ln Bks	5.375%	2/15/2031	1,778,275
3)	1,685,530	Seix FDS Inc	8.880%	9/30/2009	1,729,969
4)	1,575,000	Federal home Ln Mtg Corp	5.215%	7/15/2012	1,654,840
5)	1,575,000	United States Treasury Notes	4.250%	11/15/2013	1,595,672
6)	1,491,321	Federal Home Loan PC	6.000%	8/1/2024	1,552,430
7)	1,495,996	Federal Home Loan PC	5.500%	1/5/2034	1,518,599
8)	1,417,220	Federal Home Loan PC	5.500%	3/1/2033	1,441,579
9)	1,350,000	Corporate Medium Term Notes	2.750%	5/15/2009	1,352,736
10)	1,222,067	United States Treasury Notes	1.875%	7/15/2013	1,243,644



**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, 2004**

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

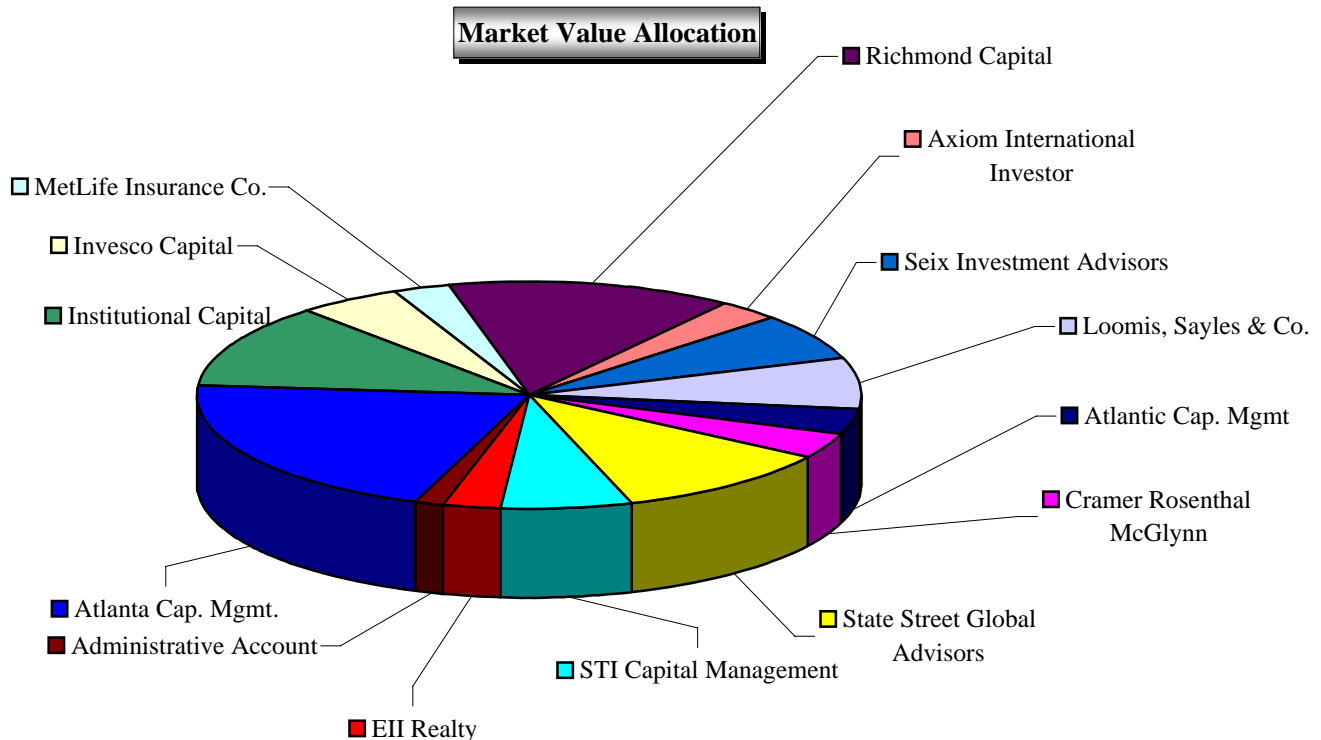
	<u>Shares</u>	<u>Stocks</u>	<u>Market Value (\$)</u>
1)	410	Microsoft Corp	11,337
2)	190	Medtronic Inc.	9,861
3)	290	General Electric	9,738
4)	192	Apache Corp	9,621
5)	310	Pfizer Inc.	9,486
6)	260	Dell Inc.	9,256
7)	95	Illinois Tool wks Incs.	8,851
8)	130	American Intl group Inc	8,839
9)	150	Amegen Inc	8,502
10)	140	Air Prods & Chems Inc	7,613

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

	<u>Par</u>	<u>Bonds</u>	<u>Coupon</u>	<u>Maturity</u>	<u>Market Value (\$)</u>
1)	27,000	FNMA POOL	4.38%	9/12/2012	26,982
2)	25,000	FNMA POOL	4.25%	5/15/2009	25,599
3)	10,000	United States treasury bonds	7.88%	2/15/2021	13,530
4)	10,000	United States treasury bonds	5.38%	2/15/2031	10,713
5)	10,000	FHLMC Corp	1.88%	1/15/2005	9,999
6)	7,000	FHLMC Corp	5.88%	3/21/2011	7,591
7)	5,000	MacDonalds Corp	6.50%	8/1/2007	5,437
8)	5,000	Merrill lynch & Co	6.00%	2/17/2009	5,426
9)	5,000	Bank One Corp	6.00%	8/1/2008	5,415
10)	5,000	South Western Bell Tel	6.38%	11/15/2007	5,406

**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, 2004**

<b>INVESTMENT MANAGER</b>	<b>MARKET</b>	<b>%</b>
Administrative Account	6,932,589	1.27%
Atlanta Capital	308,867	0.06%
Atlantic Capital Mgmt.	131,742,610	24.16%
Axiom International Investors LLC	17,462,128	3.20%
Cramer Rosenthal McGlynn	20,572,650	3.77%
EII Realty Securities	14,549,280	2.67%
Institutional Capital	65,693,380	12.04%
Invesco Capital	25,769,806	4.72%
Loomis, Sayles & Co.	37,680,208	6.91%
MetLife Insurance Co.	16,077,569	2.95%
Richmond Capital	74,495,271	13.66%
Seix Investment Advisors	40,478,105	7.42%
State Street Global Advisors	58,405,561	10.71%
Trustco Capital Mgmt(STI)	<u>35,234,583</u>	<u>6.46%</u>
<b>TOTAL</b>	<b><u>\$545,402,606</u></b>	<b><u>100.00%</u></b>



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

**Schedule of Fees  
For the Year Ended September 30, 2004**

<u>Investment Managers</u>	<u>Assets Under Management</u>	<u>Amount</u>
Equity Managers	\$ 354,880,718	\$ 1,665,715
Fixed Income Managers	\$ 152,375,241	368,987
Real Estate	\$ 30,626,849	310,861
Trust Account - (Cash Equiv)	\$ 6,932,590	-
Assets & Fees	\$ 544,815,398 *	<u>\$ 2,345,563</u>

<u>Investment Managers Staff Trust</u>	<u>Assets Under Management</u>	<u>Amount</u>
Equity-Core Growth	\$ 308,867	2,032
Fixed Income Aggregate	\$ 278,343	179
Assets & Fees	\$ 587,210	<u>\$ 2,211</u>
<b>Total Assets &amp; Fees</b>	<b>\$ 545,402,608</b>	<b><u>\$ 2,347,774</u></b>

**Other Investment Related Fees**

Custodian Fees	\$ 259,923
Investment Consultant Fees	144,317
<b>Total Fees</b>	<b><u>\$ 2,752,014</u></b>

**CITY OF MIAMI GENERAL EMPLOYEES' & SANITATION EMPLOYEES' RETIREMENT TRUST  
AND OTHER MANAGED TRUSTS  
SCHEDULE OF COMMISSIONS  
FOR THE YEAR ENDED SEPTEMBER 30, 2004**

<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
BRODCORTCAPITAL (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, 2004**

<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
<b>Total</b>	<b>10,706,778</b>	<b>\$444,033</b>	

\* 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, 2004**

**MONEY MARKET FUNDS**

<b>Description - GESE Trust</b>	<b>Market</b>	<b>Cost</b>
GOVERNMENT STIF 12 - Atlanta Capital Management	\$5,542	\$5,542
GOVERNMENT STIF 12 - Cramer Rosenthal Mcglynn	\$1,101,497	\$1,101,497
GOVERNMENT STIF 12 - Institutional Capital	\$1,392,452	\$1,392,452
GOVERNMENT STIF 12 - Invesco Capital	\$711,070	\$711,070
GOVERNMENT STIF 12 - Richmond Capital	\$842,488	\$842,488
GOVERNMENT STIF 12 -Seix Investment Advisors	\$2,461,917	\$2,461,917
GOVERNMENT STIF 12 - Loomis Sayles & Co.	\$529,480	\$529,480
GOVERNMENT STIF 12 - Atlantic Capital Mgmt	\$1,819,269	\$1,819,269
GOVERNMENT STIF 12 - Trusco Capital Mgt (STI)	\$624,641	\$624,641
GOVERNMENT STIF 12 - EII Realty Securities	\$444,464	\$444,464
GOVERNMENT STIF 12 - Administrative Trust Account	\$6,939,444	\$6,939,444
<b>Sub-Total</b>	<u><u>\$16,872,264</u></u>	<u><u>\$16,872,264</u></u>
<b>Description - Staff Trust</b>		
GOVERNMENT STIF 12 - Atlanta Capital Mgt (Staff Pension Plan)	7,088	7,088
<b>Grand Total - September 30, 2004</b>	<u><u>\$16,879,353</u></u>	<u><u>\$16,879,353</u></u>

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION EMPLOYEES' RETIREMENT TRUST  
AND OTHER MANAGED TRUSTS  
COMBINED SCHEDULE OF ASSETS FIXED INCOME SUMMARIES  
SEPTEMBER 30, 2004**

**CORPORATE BONDS - SUMMARY**

Investment Managers	Par Value	Unamortized Premium	Unamortized Discount	Market Value	Accrued Interest
RICHMOND CAP. (GSP)	\$153,112	\$8,250	(\$260)	\$162,769	\$2,191
SEIX INVESTMENT ADVISORS	11,119,199	450,613	(87,777)	11,768,930	126,545
RICHMOND CAPITAL	37,338,000	2,040,951	(558,389)	40,806,453	584,291
LOOMIS SAYLES & CO.	21,850,000	935,497	(108,833)	22,922,980	294,456
<b>Total - September 30, 2004</b>	<b><u>\$70,460,312</u></b>	<b><u>\$3,435,311</u></b>	<b><u>(\$755,259)</u></b>	<b><u>\$75,661,133</u></b>	<b><u>\$1,007,483</u></b>

**MORTGAGE BACKED SECURITIES - SUMMARY**

Investment Managers	Par Value	Unamortized Premium	Unamortized Discount	Market Value	Accrued Interest
RICHMOND CAP. (GSP)	\$81,545	\$1,007	(\$913)	\$83,656	\$578
SEIX INVESTMENT ADVISORS	12,758,059	275,013	(52,416)	13,049,323	43,761
RICHMOND CAPITAL	30,460,375	995,254	(282,477)	31,635,067	187,551
LOOMIS SAYLES & CO.	8,875,148	144,396	(75,878)	9,035,958	47,041
<b>Total - September 30, 2004</b>	<b><u>\$52,175,126</u></b>	<b><u>\$1,415,670</u></b>	<b><u>(\$411,683)</u></b>	<b><u>\$53,804,004</u></b>	<b><u>\$278,931</u></b>

**High Yield Fund - SUMMARY**

Investment Managers	Par Value	Unamortized Premium	Unamortized Discount	Market Value	Accrued Interest
SEIX INVESTMENT ADVISORS	153,230	0	0	1,729,969	0
<b>Total - September 30, 2004</b>	<b><u>\$153,230</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$1,729,969</u></b>	<b><u>\$0</u></b>

**U.S. TREASURY NOTES - SUMMARY**

Investment Managers	Par Value	Unamortized Premium	Unamortized Discount	Market Value	Accrued Interest
RICHMOND CAP. (GSP)	\$0	\$0	\$0	\$0	\$0.00
SEIX INVESTMENT ADVISORS	\$8,482,067	\$307,611	(\$6,646)	\$8,620,101	\$121,750
LOOMIS SAYLES & CO.	5,070,000	135,756	(12,257)	5,191,790	75,002
<b>Total - September 30, 2004</b>	<b><u>\$13,552,067</u></b>	<b><u>\$443,367</u></b>	<b><u>(\$18,903)</u></b>	<b><u>\$13,811,891</u></b>	<b><u>\$196,752</u></b>

**U.S. TREASURY BONDS - SUMMARY**

Investment Managers	Par Value	Unamortized Premium	Unamortized Discount	Market Value	Accrued Interest
RICHMOND CAP. (GSP)	\$20,000	\$2,975	(\$116)	\$24,242	\$169
SEIX INVESTMENT ADVISORS	2,466,477	347,346	(2,199)	2,847,865	25,861
RICHMOND CAPITAL	695,000	239,493	0	932,921	6,899
<b>Total - September 30, 2004</b>	<b><u>\$3,181,477</u></b>	<b><u>\$589,814</u></b>	<b><u>(\$2,316)</u></b>	<b><u>\$3,805,028</u></b>	<b><u>\$32,929</u></b>

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION EMPLOYEES' RETIREMENT TRUST  
AND OTHER MANAGED TRUSTS  
SCHEDULE OF ASSETS U.S. TREASURY BILLS, NOTES, BONDS & Misc  
SEPTEMBER 30, 2004**

**Investment Manager - Seix Investment Advisors**

Description	Par Value	Unamortized Premium	Unamortized Discount	Market Value	Accrued Interest
HIGH YIELD FUND	\$153,230	\$0	\$0	\$1,729,969	\$0
<b>Total - September 30, 2004</b>	<b>\$153,230</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,729,969</b>	<b>\$0</b>

**Investment Manager - Loomis Sayles & Co.**

Description	Par Value	Unamortized Premium	Unamortized Discount	Market Value	Accrued Interest
U.S. TREASURY NOTES. 2.375% 08/15/2006	\$380,000	\$0	(\$134)	\$378,813	\$1,153
U.S. TREASURY NOTES. 3.125% 05/15/2007	1,010,000	9,613	0	1,018,522	11,922
U.S. TREASURY NOTES. 4.25% 11/15/2013	1,575,000	2,622	(12,123)	1,595,672	25,283
U.S. TREASURY NOTES. 4.625% 05/15/2006	810,000	57,716	0	838,097	14,150
U.S. TREASURY NOTES. 5.00% 02/15/2011	395,000	21,941	0	424,687	2,522
U.S. TREASURY NOTES. 5.875% 11/15/2005	900,000	43,864	0	936,000	19,972
<b>Total - September 30, 2004</b>	<b>\$5,070,000</b>	<b>\$135,756</b>	<b>(\$12,257)</b>	<b>\$5,191,790</b>	<b>\$75,002</b>

**Investment Manager - Seix Investment Advisors**

Description	Par Value	Unamortized Premium	Unamortized Discount	Market Value	Accrued Interest
U.S. TREASURY BOND 3.875% 04/15/2029	\$806,477	\$272,942	\$0	\$1,069,590	\$14,430
U.S. TREASURY BOND 5.375% 02/15/2031	\$1,660,000	\$74,404	(\$2,199)	\$1,778,275	\$11,431
<b>Total - September 30, 2004</b>	<b>\$2,466,477</b>	<b>\$347,346</b>	<b>(\$2,199)</b>	<b>\$2,847,865</b>	<b>\$25,861</b>

**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	\$600,000	\$214,947	\$0	\$811,781	\$6,035
U.S. TREASURY BOND 7.125% 2/15/2023	95,000	24,547	0	121,140	864
<b>Total - September 30, 2004</b>	<b>\$695,000</b>	<b>\$239,493</b>	<b>\$0</b>	<b>\$932,921</b>	<b>\$6,899</b>

**Investment Manager - Seix Investment Advisors**

Description	Par Value	Unamortized Premium	Unamortized Discount	Market Value	Accrued Interest
U.S. TREASURY NOTES 1.625% 03/31/2005	\$1,090,000	\$3,534	\$0	\$1,088,127	\$49
U.S. TREASURY NOTES 1.625% 1/31/2005	1,085,000	0	(127)	1,084,152	2,970
U.S. TREASURY NOTES 1.875% 07/15/2013	1,222,067	4,076	(6,519)	1,243,644	4,857
U.S. TREASURY NOTES 2.125% 10/31/2004	950,000	1,506	0	950,297	8,448
U.S. TREASURY NOTES 6.75% 05/15/2005	4,135,000	298,495	0	4,253,881	105,426
<b>Total - September 30, 2004</b>	<b>\$8,482,067</b>	<b>\$307,611</b>	<b>(\$6,646)</b>	<b>\$8,620,101</b>	<b>\$121,750</b>



**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION EMPLOYEES' RETIREMENT TRUST  
AND OTHER MANAGED TRUSTS  
SCHEDULE OF ASSETS MORTGAGED BACKED SECURITIES  
SEPTEMBER 30, 2004**

**Investment Manager - Richmond Capital Management**

Description	Par Value	Unamortized Premium	Unamortized Discount	Market Value	Accrued Interest
GNMA POOL #230223 9.5% 04/15/2018	10,763	287	0	11,987	85
GNMA POOL #268359 11.5% 09/15/2015	4,958	363	0	5,758	48
GNMA POOL #284088 9.0% 04/15/2020	16,317	231	0	18,126	122
GNMA POOL #289134 9.5% 06/15/2020	12,249	329	0	13,713	97
GNMA POOL #305051 9.0% 09/15/2021	24,860	353	0	27,518	186
GNMA POOL #354648 7.0% 09/15/2023	43,280	1,014	0	46,320	252
GNMA POOL #357431 6.5% 10/15/2023	56,675	0	(7,323)	60,169	307
GNMA POOL #358433 6.5% 10/15/2023	48,003	0	(6,203)	50,962	260
GNMA POOL #369002 7.0% 05/15/2024	4,513	62	0	4,855	26
GNMA POOL #371606 7.0% 01/15/2024	7,151	0	(714)	7,639	42
GNMA POOL #376538 7.0% 06/15/2024	91,029	2,176	0	97,916	531
GNMA POOL #377986 7.0% 04/15/2024	75,849	0	(6,805)	81,588	442
GNMA POOL #378084 7.0% 03/15/2024	133,965	0	(13,379)	143,096	781
GNMA POOL #385942 8.50% 10/15/2024	73,839	1,869	0	81,448	523
GNMA POOL #386562 7.5% 06/15/2024	81,148	0	(5,740)	88,248	507
GNMA POOL #389953 7.0% 04/15/2024	40,715	0	(4,067)	43,795	238
GNMA POOL #390525 6.0% 05/15/2009	96,603	0	(8,744)	102,569	483
GNMA POOL #393507 7.0% 04/15/2024	48,523	0	(4,847)	51,833	283
GNMA POOL #434556 7.5% 10/15/2029	40,106	1,485	0	43,415	251
GNMA POOL #438818 7.5% 12/15/2026	5,741	0	(42)	6,236	36
GNMA POOL #441998 7.00% 01/15/2028	41,193	669	0	44,207	240
GNMA POOL #461635 6.5% 01/15/2028	5,649	0	(69)	5,992	31
GNMA POOL #471572 6.5% 08/15/2028	93,530	0	(3,650)	99,178	507
GNMA POOL #487108 6.00% 04/15/2029	789,394	34,880	0	822,790	3,947
GNMA POOL #495301 7.50% 08/15/2029	30,282	0	(203)	32,780	189
GNMA POOL #510099 7.00% 07/15/2029	134,235	0	(4,971)	143,720	783
GNMA POOL #543435 7.50% 11/15/2030	12,928	481	0	13,978	81
GNMA POOL #550986 6.50% 10/15/2031	313,776	2,627	0	332,039	1,700
GNMA POOL #550987 6.50% 10/15/2031	84,235	1,264	0	89,138	456
GNMA POOL #561519 6.50% 07/15/2031	95,643	852	0	101,300	518
GNMA POOL #565165 6.00%, 10/15/2033	835,220	27,406	0	867,422	4,176
GNMA POOL #587081 7.00% 05/15/2032	54,110	3,111	0	57,798	316
GNMA POOL #608178 5.50% 5/15/2033	505,047	24,779	0	515,326	2,315

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION EMPLOYEES' RETIREMENT TRUST  
AND OTHER MANAGED TRUSTS  
SCHEDULE OF ASSETS MORTGAGED BACKED SECURITIES  
SEPTEMBER 30, 2004**

**Investment Manager - Richmond Capital Management**

Description	Par Value	Unamortized Premium	Unamortized Discount	Market Value	Accrued Interest
GNMA POOL #624152 5.50%, 11/15/2033	698,358	8,948	0	712,571	3,201
GNMA POOL #780224 8.00% 08/15/2025	137,848	1,895	0	150,809	919
GNMA POOL #780931 8.00% 12/15/2028	95,241	2,515	0	102,090	556
GNMA POOL #781159 7.50% 04/15/2030	72,552	3,027	0	78,538	179
GNMA POOL #781187 8.00% 06/15/2030	26,842	818	0	29,416	0
GNMA POOL #781328 7.00% 09/15/2031	58,593	2,142	0	62,642	342
GNMA POOL #781468 6.50% 07/15/2032	238,016	9,855	0	251,869	0
GNMA POOL #616217 6.00%, 1/15/2034	346,347	16,776	0	359,700	1,732
FNMA POOL 3.250%, 11/15/2007	440,000	2,627	0	440,660	5,402
FNMA POOL 5.375% 11/15/2011	630,000	68,988	0	673,198	12,793
FNMA POOL 5.50%, 7/1/2033	707,034	8,396	0	718,024	0
FNMA POOL 5.50%, 9/1/2018	242,325	7,800	0	250,759	0
FNMA POOL 5.50%, 10/1/2018	206,528	6,486	0	213,716	0
FNMA POOL 4.375%, 9/15/2012	795,000	0	(20,884)	794,459	1,546
FNMA POOL 6.00% 05/15/2008	1,070,000	0	(91,143)	1,164,397	24,253
FNMA POOL 6.625%, 9/15/2009	905,000	132,451	0	1,020,858	2,665
FNMA POOL 7.000% 07/15/2005	645,000	49,786	0	669,283	9,532
FNMA POOL #050965 6.5% 01/01/2024	79,985	0	(7,273)	84,369	433
FNMA POOL #246388 6.0% 12/01/2023	68,047	0	(8,121)	71,053	340
FNMA POOL #251925 6.5% 07/01/2028	119,963	0	(6,223)	126,163	650
FNMA POOL #252570 6.5% 07/01/2029	74,740	0	(4,543)	78,602	405
FNMA POOL #254379 7.00% 07/01/2032	87,988	4,592	0	93,432	513
FNMA POOL #254444 6.50% 09/01/2017	139,473	8,129	0	147,858	755
FNMA POOL #254548 5.50% 12/01/2032	393,850	4,923	0	400,465	1,805
FNMA POOL #255342 6.00%, 7/1/2024	656,924	23,608	0	683,842	3,285
FNMA POOL #303913 7.00% 05/01/2026	62,330	117	0	66,381	364
FNMA POOL #304597 8.5% 02/01/2025	12,245	0	(240)	13,339	87
FNMA POOL #323402 6.50% 10/01/2028	64,325	0	(2,563)	67,649	348
FNMA POOL #431023 7.50% 07/01/2028	26,586	727	0	28,584	166
FNMA POOL #493927 6.500% 04/01/2029	64,513	0	(141)	67,847	349
FNMA POOL #545248 6.00% 08/01/2016	216,369	2,164	0	227,095	1,082
FNMA POOL #603265 5.50% 09/01/2016	62,392	292	0	64,680	286
FNMA POOL #725236 4.50%, 3/1/2034	715,142	0	(23,019)	689,721	2,682

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**Investment Manager - Richmond Capital Management**

Description	Par Value	Unamortized Premium	Unamortized Discount	Market Value	Accrued Interest
FNMA POOL #763798 5.50%, 3/1/2034	1,495,996	28,926	0	1,518,599	10,097
FNMA POOL #767413, 5.50%, 1/1/2034	559,950	14,130	0	568,131	3,677
FNMA POOL #770080 5.00% , 3/1/2034	414,131	5,112	0	410,216	1,726
FNMA POOL #770415 5.00%, 4/1/2034	583,146	0	(26,879)	577,634	2,430
FNMA POOL #786267 5.50%, 7/1/2034	997,083	5,453	0	1,011,339	5,517
FHLMC POOL 3.50%, 9/15/2007	580,000	12,119	0	586,075	902
FHLMC POOL 5.00% 12/01/2017	467,500	18,079	0	476,430	1,935
FHLMC POOL 5.00% 2/1/2019	1,495,757	51,235	0	1,521,418	1,948
FHLMC POOL 5.125%, 7/15/2012	1,575,000	42,014	0	1,654,840	355
FHLMC POOL 5.125%, 3/6/2006	100,000	4,104	0	103,612	17,041
FHLMC POOL , 5.50% 11/01/2032	346,151	5,246	0	352,101	161
FHLMC POOL 5.50% 11/01/2017	173,144	6,520	0	179,157	3,678
FHLMC POOL E#01279 5.50% 01/01/2018	329,565	12,050	0	341,009	772
FHLMC POOL 5.50% 03/01/2033	1,417,220	27,459	0	1,441,579	4,298
FHLMC POOL 5.50% 12/1/2017	35,171	973	0	36,392	1,511
FHLMC POOL 5.50% 11/1/2033	168,444	1,895	0	170,971	794
FHLMC POOL 5.50% 2/1/2019	306,439	13,598	0	316,887	6,496
FHLMC POOL #E01157 6.00% 06/01/2017	214,524	7,274	0	225,091	1,073
FHLMC POOL 6.00% 02/01/2033	838,154	33,375	0	866,802	1,638
FHLMC POOL 6.50% 08/01/2032	245,133	11,414	0	257,495	1,405
FHLMC POOL 6.625% 09/15/2009	780,000	116,863	0	880,946	2,297
FHLMC GOLD POOL #E00313 7.0% 06/01/2009	46,725	0	(2,651)	49,649	273
FHLMC GOLD POOL #E00420 6.5% 03/01/2011	9,880	0	(43)	10,477	350
FHLMC GOLD POOL #C0045 6.5% 03/01/2026	64,688	0	(1,952)	68,192	54
FHLMC POOL # COO586 7.50%, 01/01/2028	12,162	340	0	13,110	76
FHLMC POOL # GOO721 8.00%, 05/01/2027	32,296	1,120	0	35,294	215
FHLMC POOL # GOO742 6.50%, 04/01/2029	97,257	0	(7,387)	102,284	527
FHLMC POOL #GOO818 7.50%, 11/01/2027	36,739	1,056	0	39,604	230
FHLMC POOL #E00996 6.50%, 07/01/2016	60,156	2,763	0	63,716	326
FHLMC POOL #GO01034 8.00%, 08/01/2030	18,190	526	0	19,764	121
FHLMC POOL #G01317 7.00%, 10/01/2031	114,011	3,189	0	121,119	665
FHLMC POOL #10916 5.50%, 11/1/2018	802,532	29,593	0	830,150	1,587
FHLMC POOL #E20099 6.50%, 05/01/2009	8,011	120	0	8,495	1,371

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**Investment Manager - Richmond Capital Management**

Description	Par Value	Unamortized Premium	Unamortized Discount	Market Value	Accrued Interest
FHLMC GOLD POOL #D54559 7.5% 07/01/2024	40,904	0	(2,587)	44,196	368
FHLMC GOLD POOL #D54931 8.0% 07/01/2024	9,889	0	(401)	10,798	413
FHLMC GOLD POOL #E55211 8.0% 08/01/2024	757	0	(31)	826	5
FHLMC GOLD POOL #E55390 8.0% 08/01/2024	34,331	0	(1,392)	37,475	229
FHLMC GOLD POOL #E57715 6.5% 03/01/2009	4,076	0	(303)	4,322	22
FHLMC GOLD POOL #E58327 8.0% 01/01/2025	31,848	0	(1,015)	34,804	7,457
FHLMC GOLD POOL #E58395 6.5% 05/01/2009	4,764	0	(355)	5,052	238
FHLMC GOLD POOL #E59046 6.5% 06/01/2009	27,788	0	(2,072)	29,467	151
FHLMC GOLD POOL #E59744 7.5% 09/01/2009	5,897	0	(229)	6,204	37
FHLMC GOLD POOL #E60135 8.5% 02/01/2010	8,612	0	(36)	9,203	61
FHLMC GOLD POOL #E62672 6.5% 01/01/2011	75,025	0	(340)	79,559	406
FHLMC GOLD POOL #E63387 6.5% 04/01/2011	16,893	0	(77)	17,914	92
FHLMC GOLD POOL #E66865 6.5% 05/01/2001	39,038	0	(1,092)	41,397	211
FHLMC GOLD POOL #D68156 7.5% 02/01/2026	46,141	627	0	49,796	288
FHLMC GOLD POOL #D76270 8.00% 11/01/2026	6,755	252	0	7,373	45
FHLMC GOLD POOL #D77975 6.5% 02/01/2027	43,061	0	(1,756)	45,368	233
FHLMC GOLD POOL #D78958 6.5% 03/01/2027	3,063	0	(15)	3,227	0
FHLMC GOLD POOL #D79844 6.5% 05/01/2027	0	0	0		17
FHLMC GOLD POOL #C80207 7.5% 09/01/2024	2,072	58	0	2,236	0
FHLMC GOLD POOL #E80251 8.0% 01/01/2025	23,589	0	(957)	25,778	0
FHLMC GOLD POOL #E80358 7.5% 11/01/2025	48,311	989	0	52,138	1,756
FHLMC GOLD POOL #90847 6.00%, 8/1/2024	\$1,491,321	65,478	0	1,552,430	2,553
<b>Total - September 30, 2004</b>	<b>\$30,460,375</b>	<b>\$995,254</b>	<b>(\$282,477)</b>	<b>\$31,635,067</b>	<b>\$187,551</b>

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**Investment Manager - Seix Investment Advisors**

Description	Par Value	Unamortized Premium	Unamortized Discount	Market Value	Accrued Interest
FHLMC POOL 1.00% 12/25/2032	59,866	0	(9)	59,632	2,594
FHLMC POOL TBA GOLD 5.00% 07/30/2099	0	0	0		2,039
FHLMC POOL TBA GOLD 5.50% 09/30/2099	730,000	10,286	0	739,752	
FHLMC POOL TBA GOLD 6.00% 04/30/99	0	0	0		275
FHLMC POOL TBA GOLD 6.00% 04/30/99	0	0	0		612
FHLMC POOL 5.00% 5/1/2033	531,795	0	(17,560)	527,848	2,145
FHLMC POOL 5.00% 1/1/2034	795,472	0	(9,889)	789,336	1,346
FHLMC POOL 5.50%,10/1/2033	69,587	0	(794)	70,631	319
FHLMC POOL 6.00%, 04/01/2033	0	0	0		637
FHLMC POOL 6.00%, 12/1/2033	485,360	14,765	0	501,950	1,790
FHLMC POOL, C55998 6.50% 10/1/2029	59,114	2,845	0	62,169	320
FHMC POOL 7.00%, 3/1/2032	0	0	0		234
FHMC POOL 7.00% 12/1/2033	40,102	2,525	0	42,627	0
FHMC POOL, CO1345 7.00%, 4/1/2032	0	0	0		0
FHMC POOL, G08004 5.00%, 8/1/2034	179,731	0	(4,072)	178,116	749
FHMC POOL 6.00%, 12/1/2033	127,051	4,348	0	131,433	
FHMC POOL, A24756 6.00%, 7/1/2034	122,370	3,881	0	126,553	
FHMC POOL, 79462 5.50%, 5/1/2033	115,375	649	0	117,213	529
FHMC POOL, C79584 5.50%, 5/1/2033	188,947	0	(1,683)	191,958	866
FNMA POOL GTD 1.420% 09/26/2033	137,727	0	0	137,697	19
FNMA POOL GTD. 1.920% 08/25/2032	85,404	3	0	85,387	27
FNMA POOL GTD. 1.460% 06/25/2033	0	0	0		36
FNMA POOL TBA SINGLE FAM 4.50% 08/15/2099	667,000	0	(1,668)	664,603	
FNMA POOL TBA SINGLE 5.00% 08/30/99	1,121,000	18,604	0	1,138,516	
FNMA POOL TBA SINGLE FAM., 5. 5.50% 09/15/2099	781,000	27,148	0	806,749	

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**Investment Manager - Seix Investment Advisors**

Description	Par Value	Unamortized Premium	Unamortized Discount	Market Value	Accrued Interest
FNMA POOL 5.00%, 8/1/2019	390,077	7,984	0	396,797	
FNMA POOL 794439 5.00%, 10/1/2019	244,000	4,956	0	248,203	
FNMA POOL 753420 5.50%, 11/1/2033	167,593	0	(1,396)	170,042	104
FNMA POOL 6.50% ,10/01/2032	14,707	644	0	15,449	0
FNMA POOL 6.50% ,11/01/2032	29,874	1,303	0	31,380	0
FNMA POOL, #687400 6.50%, 12/1/2032	19,817	867	0	20,817	107
FNMA POOL 6.50%, 11/1/2033	127,892	7,335	0	134,434	
FNMA POOL 254724 5.00%,4/1/2033	25,212	0	(276)	25,013	
FNMA POOL, #655780 6.50%, 8/1/2032	76,201	3,524	0	80,043	848
FNMA POOL, #684607 6.50%, 4/1/2032	92,462	4,392	0	97,125	501
FNMA POOL, #695635 5.50%, 3/1/2033	428,864	536	0	436,067	1,966
FNMA POOL 252255 6.50%,02/01/2029	32,783	1,429	0	34,477	178
FNMA POOL, #254479 6.50% 10/01/2032	0	0	0		238
FNMA POOL, #254768 6.00% 06/01/2033	0	0	0		105
FNMA POOL, #254923 7.00%, 8/1/2033	32,424	1,915	0	34,430	189
FNMA POOL, #254933 6.50%, 9/1/2033	50,947	2,317	0	53,516	276
FNMA POOL, #323835 6.50% 05/01/2029	32,499	1,480	0	34,178	176
FNMA POOL 1.00%V, 06/25/2032	55,036	0	(2)	54,870	17
FNMA POOL, #545194 7.00%, 8/1/2031	10,718	509	0	11,381	63
FNMA POOL, #597374 7.00%, 9/1/2031	43,892	2,839	0	46,607	256
FNMA POOL, #545759 6.50%, 7/1/2032	0	0	0		413
FNMA POOL, #545762 6.50%, 7/1/2032	0	0	0		86
FNMA POOL, #555987 7.00%, 10/1/2033	95,357	5,409	0	101,258	556
FNMA POOL, #593146 6.00%. 8/1/2016	22,514	1,129	0	23,631	113
FNMA POOL, #696316 5.50%, 3/1/2033	22,713	0	(195)	23,066	453

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**Investment Manager - Seix Investment Advisors**

Description	Par Value	Unamortized Premium	Unamortized Discount	Market Value	Accrued Interest
FNMA POOL, #694760 5.50%, 4/1/2033	167,584	1,440	0	170,190	315
FNMA POOL, #701138 5.50%, 4/1/2033	240,653	75	0	244,395	1,103
FNMA POOL, #704101 5.50%, 5/1/2033	122,706	537	0	124,614	562
FNMA POOL, #712154 7.00%, 6/1/2033	45,383	2,780	0	48,191	265
FNMA POOL, #713589 7.00% 4/1/2033	182,703	10,363	0	194,008	1,066
FNMA POOL, #720752 7/1/2033, 6.50%	172,573	7,766	0	181,276	935
FNMA POOL, #728792 5.50%, 8/1/2033	154,357	1,037	0	156,757	707
FNMA POOL, #725686 6.50%, 7/1/2034	148,121	6,527	0	155,591	802
FNMA POOL, #730817 8/1/2033, 5.00%	16,517	0	(712)	16,387	679
FNMA POOL, #743515 7.00%,10/1/2033	14,877	890	0	15,817	87
FNMA POOL, #743541 5.50%, 11/1/2033	43,342	230	0	43,975	199
FNMA POOL, #743965 6.50%, 11/1/2033	45,841	1,977	0	48,187	248
FNMA POOL, #704395 6.50%, 5/1/2033	54,793	2,474	0	57,556	297
FNMA POOL, #747566 7.00%, 10/1/2033	72,387	4,552	0	76,871	422
FNMA POOL, #748111 6.50%, 10/1/2033	253,632	9,907	0	266,422	1,374
FNMA POOL, #743235 5.50%, 10/1/2033	448,175	0	(7,563)	454,723	2,549
FNMA POOL, #751810 6.50%, 10/1/2033	83,346	3,907	0	87,611	451
FNMA POOL, #759039 7.00%, 1/1/2034	45,021	2,997	0	47,908	263
FNMA POOL, #766061 6.00%, 2/1/2019	99,362	5,434	0	104,412	915
FNMA POOL, #763578 6.00%, 4/1/2033	91,829	3,587	0	95,441	459
FNMA POOL, #769258 6.00%, 12/1/2033	88,237	3,557	0	91,488	441
FNMA POOL, #769820 6.00%, 3/1/2034	69,316	3,390	0	71,956	347
FNMA POOL, #753994 6.00%, 12/1/2033	219,298	9,088	0	227,170	678
FNMA POOL, #747594 6.50%, 11/1/2033	52,124	2,508	0	54,753	282
FNMA POOL, #77032 6.00%, 4/1/2034	119,770	5,895	0	124,167	599

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**Investment Manager - Seix Investment Advisors**

Description	Par Value	Unamortized Premium	Unamortized Discount	Market Value	Accrued Interest
FNMA POOL, #770439 6.00%, 4/1/2034	67,585	3,274	0	70,066	818
FNMA POOL, #772255 6.00%, 11/1/2033	47,296	2,187	0	49,038	236
FNMA POOL, #774329 6.00%, 3/1/2034	104,092	5,074	0	108,056	520
FNMA POOL, #775611 6.50%, 5/1/2034	66,385	2,427	0	69,832	890
FNMA POOL, #774991 6.00%, 5/1/2034	104,882	4,570	0	108,800	524
GNMA I TBA 5.50%, 12/15/2099	324,000	6,024	0	329,518	
GNMA POOL, 603415 6.50%, 1/15/2033	46,349	2,665	0	49,003	251
GNMA POOL, 604470 5.00%, 7/15/2033	119,718	0	(4,546)	119,522	499
GNMA POOL, 606851 6.50%, 7/15/2032	36,256	1,187	0	38,367	196
GNMA POOL, 610851 6.00%, 4/15/2033	96,486	4,018	0	100,206	482
GNMA POOL, #574236 7.50%, 05/15/2032	78,179	5,179	0	84,385	489
GNMA POOL, #580032 7.00%, 6/15/2032	12,993	845	0	13,878	76
GNMA POOL, #611452 6.50%, 08/15/2032	50,117	2,584	0	53,034	271
GNMA POOL, #611599 7.50%, 5/15/2033	43,917	2,827	0	47,403	274
GNMA POOL, #613855 5.00%, 8/15/2033	57,338	0	(2,052)	57,244	239
GNMA POOL, #614617 7.50%, 7/15/2033	11,484	739	0	12,396	72
GNMA POOL, #552903 6.50%, 11/15/2032	24,650	1,302	0	26,061	134
GNMA POOL, #553125 6.00%, 3/15/2033	40,091	2,005	0	41,636	200
GNMA POOL, #781548 7.00%, 11/15/2032	61,814	3,564	0	66,059	361
<b>Total - September 30, 2004</b>	<b><u>\$12,758,059</u></b>	<b><u>\$275,013</u></b>	<b><u>(\$52,416)</u></b>	<b><u>\$13,049,323</u></b>	<b><u>\$43,761</u></b>



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**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	124,374	0	(428)	130,811	622
FHLMC LN BKS 4.00% 5/1/2019	884,897	0	(45,489)	863,915	2,950
FHLMC LN MTG CORP 4.50% 11/1/2018	366,728	5,530	0	365,843	1,375
FHLMC POOL 4.50% 04/1/2019	873,541	0	(24,159)	871,323	3,276
FHLMC POOL 2.375% 10/2/2006	750,000	0	(563)	744,389	0
FNMA POOL 1.875% 6/15/2006	365,000	0	(3,311)	360,073	2,015
FNMA POOL 5.25% 01/15/2006	880,000	14,816	0	910,373	9,753
FNMA POOL 5.875% 02/21/2011	135,000	0	(1,929)	146,391	220
FNMA POOL 5.50% 12/01/2099	451,095	13,286	0	467,077	0
FNMA POOL 5.50% 1/01/2018	326,486	14,436	0	332,824	0
FNMA POOL #679542 5.00% 03/01/2017	110,286	4,239	0	114,193	1,360
FNMA POOL 5.00% 10/01/2018	639,538	20,444	0	651,954	4,732
FNMA POOL 6.00% 12/01/2017	571,763	25,729	0	600,105	2,859
FNMA POOL 6.00% 12/15/2017	73,170	3,727	0	76,797	505
FNMA POOL 2.625% 11/15/2006	905,000	4,675	0	900,528	8,975
FNMA POOL 6.5% 01/1/2013	90,203	1,240	0	95,739	489
FNMA POOL 6.00% 11/1/2013	167,213	627	0	175,815	836
FNMA POOL 7.50% 03/01/2015	200,882	377	0	214,347	1,256
FNMA POOL 8.00% 06/01/2015	179,038	2,014	0	188,822	1,194
FNMA POOL 8.00% 06/01/2016	163,664	5,370	0	174,634	1,091
FNMA POOL 6.00% 8/01/2019	254,502	11,771	0	267,436	1,272.51
FNMA POOL 6.00% 03/01/2019	297,555	13,762	0	312,677	1,853.63
GNMA POOL #780859 7.50% 11/15/2016	65,214	2,354	0	69,891	407.59
<b>Total - September 30, 2004</b>	<b>\$8,875,148</b>	<b>\$144,396</b>	<b>(\$75,878)</b>	<b>\$9,035,958</b>	<b>\$47,041</b>

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION EMPLOYEES' RETIREMENT TRUST  
AND OTHER MANAGED TRUSTS  
SCHEDULE OF ASSETS CORPORATE BONDS  
SEPTEMBER 30, 2004**

**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	200,000	9,354.00	0	205,731	6,146
ALL STATE CORP. 7.20% 12/01/2009	180,000	0	(1,534)	206,903	4,320
AMERICAN EXPRESS 4.875% 07/15/2013	700,000	0	(7,658)	709,742	7,204
AMERICAN GEN FIN CORP MTN 5.75% 03/15/2007	660,000	0	(5,735)	696,591	1,687
AMERICAN GEN FIN CORP MTN 5.875% 12/15/2005	425,000	15,721	0	440,515	7,352
ANHEUSER BUSCH COS INC. 6.750% 12/15/2027	340,000	0	(17,177)	390,830	6,758
ARCHER DANIELS MIDLAND CO. 7.50% 03/15/2027	360,000	38,542	0	439,608	1,200
ASSOCIATES CORP NORTH AMER 6.25% 11/01/2008	250,000	0	(15,573)	272,640	6,510
ATLANTIC RICHFIELD CO 9.125% 03/01/2011	300,000	24,207	0	381,489	2,281
BANC ONE CORP. 7.60% 05/01/2007	875,000	88,874	0	967,508	27,708
BANK OF AMERICA 5.876% 02/15/2009	600,000	43,188	0	650,592	4,504
BANK OF AMERICA 7.80% 02/15/2010	275,000	0	(7,216)	324,205	2,741
BEARS STEARNS 1.00% 02/01/2019	440,000	20,625	0	455,114	1,902
BECTON DICKINSON & CO. 7.00% 08/01/2027	350,000	26,572	0	401,414	4,083
BELLSOUTH TELECOMM INC. 6.375% 06/01/2028	575,000	0	(85,753)	591,563	12,219
BESTFOODS MEDIUM TERM NTS. 6.625% 04/15/2028	340,000	21,767	0	370,299	10,387
BOEING CO. 7.25% 06/15/2025	500,000	0	(49,020)	590,140	10,674
BRISTOL MYERS SQUIBB 6.80% 11/15/2026	60,000	13,366	0	67,849	1,541
CAROLINA PWR 6.00% 3/1/2009	153,000	9,374	0	165,131	759
CIT GROUP INC 7.375% 4/2/2007	370,000	52,133	0	405,244	13,568
CSX Corp 8.625% 5/15/2022	200,000	57,132	0	253,003	6,517
CAMPBELL SOUP CO 8.875% 05/01/2021	350,000	113,533	0	466,272	12,943
CHUBB CORP 6.80% 11/15/2031	350,000	0	(2,813)	384,019	8,991
COCA COLA 8.50% 2/1/2022	400,000	118,256	0	521,123	5,667
CONOCO INC. 6.95% 04/15/2029	250,000	0	(20,943)	290,643	8,012
DAIMLER CHRYSLER NORTL HLDG CO. 7.20% 09/01/2009	425,000	0	(14,004)	478,550	2,550
DAIMLER CHRYSLER NORTH AMER. 8.00% 06/15/2010	200,000	5,412	0	235,221	4,711
DISNEY WALT CORP. 6.75% 03/30/2006	450,000	4,190	0	474,248	84
EATON CORP. 7.65% 11/15/2029	465,000	0	(44,175)	572,797	13,439
ENRON OIL AND GAS CO. 6.70% 11/15/2015	380,000	4,632	0	398,992	9,618
FPL GROUP CAP INC. 7.375% 06/01/2009	100,000	0	(2,026)	111,579	2,458

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION EMPLOYEES' RETIREMENT TRUST  
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**Investment Manager - Richmond Capital Mgmt**

Description	Par Value	Unamortized Premium	Unamortized Discount	Market Value	Accrued Interest
FPL GROUP CAP INC. 7.625% 09/15/2006	655,000	6,786	0	701,861	2,220
FEDERAL EXPRESS CORP 9.65% 06/15/2012	240,000	75,137	0	310,317	6,819
FIRST UNION LEHMAN 6.56% 11/18/2035	610,000	70,579	0	663,706	3,335
FORD MOTOR CO. 7.750% 03/15/2005	390,000	20,283	0	399,028	1,343
FORD MOTOR CO. 7.375% 10/28/2009	390,000	17,082	0	426,944	12,224
GS MTG 3.59% 1/10/2040	675,000	0	(9,598)	673,519	2,019
GE Capital 6.269% 12/10/2035	475,000	59,338	0	524,398	2,481
GENERAL ELEC CAP CORP MTN. 6.75% 03/15/2032	275,000	0	(8,973)	313,803	825
GENERAL MTRS ACCEP CORP 8.75% 07/15/2005	950,000	93,965	0	993,445	17,549
GENERAL MTRS ACCEP CORP 6.875% 08/15/2012	195,000	19,313	0	202,704	1,229
GOLDMAN SACHS GROUP INC. 6.65% 05/15/2009	675,000	0	(31,698)	751,624	16,958
GOLDMAN SACHS GROUP INC. 6.60% 01/15/2012	330,000	44,741	0	369,571	4,598
GRAND MET INVESTMENT CORP 6.60% 01/15/2012	305,000	20,331	0	383,522	3,508
GREAT LAKES CHEM CORP 7.00% 07/15/2009	550,000	0	(5,830)	614,775	8,128
HARTFORD FINL 7.75% 07/15/2005	1,000,000	45,220	0	1,034,987	22,819
HEINZ HJ 6.375% 07/15/2028	250,000	13,750	0	271,243	3,365
HOUSEHOLD FIN CORP 6.50% 01/24/2006	650,000	2,854	0	681,821	7,863
HOUSEHOLD FIN CORP 6.375% 10/15/2011	200,000	0	(8,490)	220,514	5,879
IBM 4.75% 10/15/2012	250,000	0	(2,738)	252,462	4,024
JP MORGAN CHASE & CO 6.625% 03/15/2012	620,000	84,159	0	695,904	1,826
KEY BK WASH MEDIUM TERM SUB BK. 7.125% 08/15/2006	200,000	10,392	0	213,933	1,821
LB UBS 5.594% 07/15/2031	445,000	29,707	0	474,527	1,383
LEHMAN BROS 4.00% 02/22/2008	690,000	11,702	0	698,126	5,290
LINCOLN NATIONAL CORP. 6.50% 03/15/2015	350,000	0	(23,037)	382,275	1,011
MACMILLAN BLOEDEL LTD. 6.75% 02/15/2006	320,000	0	(10,784)	335,526	2,760
MARSH & MCLENNAN 6.25% 02/15/2012	410,000	29,557	0	449,476	1,139
MELLON FDG 5.00% 02/15/2014	500,000	0	(6,890)	505,327	8,333
MERRILL LYNCH & CO., INC. 6.00% 02/15/2009	700,000	50,554	0	759,582	7,244
MERRILL LYNCH & CO., INC. 7.375% 05/15/2006	260,000	8,598	0	278,436	5,133
METLIFE INC 5.00% 11/24/2013	185,000	0	(1,778)	186,029	3,263
MICHIGAN BELL 7.85% 11/24/2022	160,000	36,666	0	192,188	2,652

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION EMPLOYEES' RETIREMENT TRUST  
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**Investment Manager - Richmond Capital Mgmt**

Description	Par Value	Unamortized Premium	Unamortized Discount	Market Value	Accrued Interest
MORGAN STANLEY GROUP INC. 6.875% 03/01/2007	660,000	19,031	(7,935)	715,560	3,781
MORGAN STANLEY GROUP INC. 6.75 % 04/15/2011	270,000	44,180	0	303,517	8,404
NEW JERSEY BELL TEL CO 7.85% 11/15/2029	95,000	23,560	0	114,411	2,817
NORFOLK SOUTHN CORP 8.625% 05/15/2010	400,000	118,240	0	487,013	13,033
NORWEST FINANCIAL CORP. 7.50% 04/15/2005	230,000	16,930	0	236,478	7,954
NYNEX CAP FDG CO MTN. 8.75% 12/01/2004	580,000	83,648	0	586,658	16,917
PEPSI BOTTLING CO 7.00% 3/01/2029	140,000	28,027	0	163,523	817
PHILLIPS PETE CO. 9.375% 02/15/2011	280,000	61,225	0	357,155	3,354
PROCTER & GAMBLE CO 6.45% 01/15/2026	95,000	14,678	0	106,244	1,294
SLM Corp 2.75% 01/15/2005	1,350,000	6,480	0	1,352,736	11,034
SALOMON INC MED TERM SR NTS. 7.120% 02/14/2005	590,000	23,211	0	601,036	1,867
SARA LEE CORP 3.875% 06/15/2013	340,000	0	(21,649)	320,075	3,879
SOUTHWESTERN BELL TEL MED TRM. 6.55% 10/07/2008	700,000	25,144	0	768,400	17,321
ST PAUL COS INC MTN. 8.125% 04/15/2010	565,000	26,353	(1,404)	667,549	21,168
SUNTRUST BK ATLANTA GA. 2.50% 09/15/2006	300,000	0	(2,520)	296,975	3,125
SUNTRUST BK ATLANTA GA. 7.25% 09/15/2006	800,000	53,056	0	865,015	2,578
SYSCO CORP. 6.50% 08/01/2028	1,000,000	36,231	0	1,029,057	19,139
TEXACO CAP INC. 8.625% 04/01/2032	375,000	34,002	0	543,263	16,172
UNION CAMP CORP. 6.50% 11/15/2007	565,000	0	(1,407)	609,451	13,874
UNITED TECHNOLOGIES CORP. 6.50% 06/01/2009	800,000	0	(49,976)	890,991	17,333
VIRGINIA ELEC & PWR CO 5.375% 02/01/2007	800,000	0	(3,528)	837,265	7,167
WACHOVIA CORP NEW 5.625% 12/12/2008	715,000	0	(86,530)	768,283	12,066
WEYERHAEUSER CO. 7.50% 03/01/2013	260,000	9,366	0	304,672	1,625
<b>Total - September 30, 2004</b>	<b><u>\$37,338,000</u></b>	<b><u>\$2,040,951</u></b>	<b><u>(\$558,389)</u></b>	<b><u>\$40,806,453</u></b>	<b><u>\$584,291</u></b>

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION EMPLOYEES' RETIREMENT TRUST  
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**Investment Manager - Seix Investment Advisors**

Description	Par Value	Unamortized Premium	Unamortized Discount	Market Value	Accrued Interest
AIG SUNAMERICA GLOBAL FING 5.100% 01/17/2007	0	0	0	0	1,556
AOL TIME WARNER , 6.75%, 4/15/2011	50,000	6,764	0	55,401	0
AAMES MTG. TR. 7.290% 07/15/2029	31,142	1,567	0	31,731	189
AMERICAN EXPRESS CR. ACCT 2.69% 09/15/2007	225,000	535	0	225,141	193
AMERICAN EXPRESS CR. ACCT 1% 9/15/2099	229,000	157	(5)	229,036	184
AMERICAN HONDA FIN CORP 3.85%, 11/6/2008	80,000	23	(57)	80,156	1,241
AMERICAN STD INC 7.625%, 2/15/2010	75,000	8,550	0	84,938	731
ANTHEM INS COS INC DISC 9.00% 04/01/2027	60,000	3,930	0	81,547	0
ANTHEM INS COS INC 9.125%, 04/01/2010	0	0	0	0	2,700
APPALACHIAN PWR CO 4.80% 06/15/2005	35,000	0	(42)	35,516	495
BA MASTER CR CARD 1.00% 06/15/2008	335,000	602	0	335,524	280
BNP US FDG LLC. 7.738% 12/31/2049	105,000	15,910	0	117,390	2,618
BP CAP MRKTS P.L.C 4.00% 04/29/2005	105,000	478	(301)	106,085	1,773
BANK OF AMERICA CORP 7.40% 01/15/2011	170,000	23,155	0	198,554	2,656
BANK ONE CORP 1.00%,08/01/2005	75,000	1,767	(407)	78,131	953
BARRICK GOLD FIN INC. 7.50% 05/01/2007	30,000	4,123	0	32,631	938
BERKSHIRE HATHAWAY FIN CORP 3.375%, 10/15/2008	170,000	0	(701)	168,614	2,646
BRITISH SKY BROADCASTING GR, 6.875 6.875%, 2/23/2009	95,000	12,391	0	104,531	689
CALENERGY INC. 7.52% 09/15/2008	55,000	5,480	0	61,669	184
CAPITAL ONE BK 5.125%, 2/15/2014	115,000	0	(3,726)	114,917	753
CAROLINA PWR & LIGHT CO 6.50% 07/15/2012	35,000	2,219	0	39,011	480
CENTERPOINT ENERGY RES 7.875%, 4/1/2013	110,000	16,283	0	129,665	4,331
CHINA DEV BK 4.75%, 10/8/2014	90,000	0	(1,663)	87,754	0
CINCINNATI GAS & ELEC CO 5.70% 09/15/2012	40,000	252	(13)	42,372	101
CIT GROUP INC 5.125%, 5/5/2014	75,000	0	(400)	76,737	509
CIT GROUP INC 5.125%, 9/30/2014	40,000	0	(118)	40,181	1,621
CIT GROUP INC 5.75% 04/02/2012	95,000	4,462	(45)	100,684	43
CITIGROUP INC 5.625% 08/27/2012	0	0	0	0	924
CITIGROUP INC 5.875% 02/22/2033	80,000	91	(180)	79,768	0
CITIBANK CR CARD ISSUANCE TR., 1.00' 1.00% 12/17/2007	180,000	60	(0)	180,028	152
COCA COLA CO. INC 4.00% 06/01/2005	80,000	317	(15)	80,849	1,067
COMCAST CABLE COM 6.75% 06/15/2013	175,000	12,665	(5,985)	200,085	3,671

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**Investment Manager - Seix Investment Advisors**

Description	Par Value	Unamortized Premium	Unamortized Discount	Market Value	Accrued Interest
COMED FING III 6.350%, 03/15/2033	50,000	0	(1,559)	50,556	141
CORPORATION NACIONAL 5.50%, 10/15/2013	100,000	2,405	(80)	104,622	2,536
CWABS INC 1.00% 05/15/2028	233,789	43	(2,169)	233,731	208
CREDIT SUISSE FB USA INC. 6.50% 07/15/2032	70,000	1,564	(251)	77,599	961
DAIMLER CHRYSLER NORTH 8.50% 01/18/2031	45,000	5,221	0	55,154	776
DEERE JOHN CAP CORP 3.90% 01/15/2008	45,000	54	(53)	45,661	371
DIAL CORP NEW 7.00% 08/15/2006	90,000	107	(467)	95,475	805
DELTA FDG HOME EQUITY LN 7.462% 09/15/2029	7,847	407	0	8,176	49
DEUTSCHE TELEKOM INTL 9.25%, 6/15/2030	45,000	19,499	0	63,231	1,388
DEVON FING CORP ULC DEB. 6.875% 09/30/2031	105,000	12,424	(259)	128,836	23
DOMINION RES CAP TR III 8.40% ,07/15/2005	115,000	8,638	0	121,205	2,021
DONNELLEY RR & SONS 3.75% 4/1/2009	90,000	22	(62)	89,014	1,884
ENERGY GULF STS INC. 5.20% 12/03/2007	55,000	0	(27)	56,182	953
ENTERPRISE PRODS OPER 6.875% 03/01/2033	70,000	2,981	0	71,902	401
EXELON GENERATION CO., LLC. 6.95% 06/15/2011	25,000	1,929	0	28,261	512
WACHOVIA CORP. 7.95% 08/18/2005	95,000	6,944	0	99,196	857
FEDEX CORP 3.50%, 4/1/2009	130,000	0	(125)	125,802	2,351
FLEET HOME EQUITY LN TR. 1.00%V, 01/20/2033	99,765	0	0	99,546	63
FLORIDA PWR & LT CO 6.875% 12/01/2005	25,000	1,472	0	26,254	573
FORD MOTOR CR CO. 7.45%, 07/16/2031	320,000	0	(45,083)	314,138	4,967
FUND AMERN COS INC 5.875%, 5/15/2013	120,000	1,201	(174)	122,510	2,663
GENERAL ELEC CO 5.00% 02/15/2013	315,000	191	(836)	322,271	2,625
GENERAL MTRS ACCEP CORP MTN., 8.0 8.00% 11/01/2031	0	0	0		3,448
GENERAL MTRS CORP 8.375%, 7/15/2033	195,000	10,313	(998)	207,356	0
GILLETTE CO 3.750% 12/01/2004	40,000	1,010	0	40,128	500
GOLDMAN SACHS GROUP INC. 3.875%, 1/15/2009	70,000	0	(158)	70,113	573
GOLDMAN SACHS GROUP INC 6.345%, 2/15/2034	65,000	465	0	64,982	527
GOLDMAN SACHS GROUP INC 4.75%, 7/15/2013	50,000	0	(508)	49,348	0
GOLDEN WEST FINL CORP., DEL 4.125% 08/15/2007	65,000	0	(225)	66,497	343
GOLDMAN SACHS GROUP INC 6.650% 01/15/2012	0	0	0	0	501
GREENPOINT HOME EQUITY LN TR., 1.0 1.00% 04/15/2027	10,660	0	(629)	10,659	0
GREENPOINT HOME EQUITY LN TR., 1.0 1.00% 04/15/2029	141,813	63	0	141,747	137

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION EMPLOYEES' RETIREMENT TRUST  
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**Investment Manager - Seix Investment Advisors**

Description	Par Value	Unamortized Premium	Unamortized Discount	Market Value	Accrued Interest
GTECH HLDGS CORP 4.75%, 10/15/2010	40,000	0	(61)	40,970	876
HCA HEALTHCARE CO 7.875%, 2/11/2011	90,000	11,426	0	101,782	1,181
HARLEY DAVIDSON FDG 3.625%, 12/15/2008	65,000	0	(51)	64,054	694
LENNAR CORP 5.95%, 3/1/2013	45,000	3,788	0	47,490	223
HOUSEHOLD FIN CORP 6.375% 05/17/2032	135,000	7,275	(833)	152,409	3,125
INCO LTD 7.750% 09/15/2032	140,000	16,648	(405)	163,287	4,159
INTERNATIONAL LEASE FIN. 4.75%, 7/1/2009	150,000	3,656	0	153,617	2,039
JP MORGAN CHASE & CO 6.625% 03/15/2012	225,000	26,838	0	252,546	663
JOHNSON & JOHNSON 8.72% 11/01/2024	85,000	11,180	0	89,239	3,088
K N ENERGY INC 7.250% 03/01/2028	45,000	560	(488)	50,594	272
K N CAP TR III 7.63%, 4/15/2028	80,000	4,791	0	90,482	2,815
MBNA CR CARD MASTER NT .381% 4/15/2005	70,000	445	0	81,563	233
MSDECC HELOC TR 1.00%, 6/25/2011	135,424	0	0	135,462	46
MARRIOTT INTL INC 7.875%, 9/15/2009	20,000	3,592	0	22,755	70
MELLON HOME EQUITY LINE CR TR 1.00% 11/15/2031	117,234	0	(36)	117,271	73
MERRILL LYNCH & CO INC 3.700% 04/21/2008	30,000	143	0	30,090	493
METLIFE INC 5.250% 12/01/2006	50,000	316	(143)	52,307	875
MILLER BREWING CO 4.25%, 8/15/2008	80,000	87	(242)	80,851	434
MORGAN STANLEY GROUP INC 5.30%, 3/1/2013	160,000	4,855	0	164,905	707
MOTIVA ENTERPRISES LLC 5.20% 09/15/2012	75,000	386	(187)	77,390	173
NCR CORP., NEW 7.125% 06/15/2009	35,000	0	(185)	38,561	734
NEWS AMER HLDGS INC 9.25% 10/11/2015	70,000	8,441	0	90,593	1,079
NEW CENTRY HOME EQUITY LN TR 7.53% 09/25/2028	3,912	191	0	3,919	25
NORTHERN STS PWR CO 2.875%, 8/1/2006	40,000	0	(46)	39,848	192
ONCOR ELECTRIC DELIVERY CO 6.375%, 05/01/2032	45,000	797	(987)	51,403	1,313
PACIFIC GAS & ELECTRIC CO 6.05%, 3/1/2034	140,000	0	(683)	142,013	706
PACKAGING CORP AMER 5.75%, 8/1/2013	50,000	1,464	0	51,601	479
PANHANDLE EASTN PIPE 4.80%, 8/15/2008	60,000	0	(234)	61,640	368
PANHANDLE EASTN PIPE 2.75%, 3/15/2007	35,000	0	(33)	34,323	43
PENNZOIL CO 10.250% 04/11/2002	15,000	2,054	0	16,134	641
PHILLIPS PETE CO. 8.75% 03/30/2009	110,000	15,179	0	130,576	2,151
POWERGEN US FDG LLC 4.50% 10/15/2004	85,000	397	(56)	85,080	1,764
PRUDENTIAL FINCL INC 3.750% 05/01/2008	50,000	0	(44)	50,061	781
PRUDENTIAL FINCL INC 5.10%, 9/20/2014	65,000	0	(287)	65,029	101
PUBLIC SVC CO COLO 4.375%, 10/1/2008	70,000	0	(84)	71,578	1,531

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**Investment Manager - Seix Investment Advisors**

Description	Par Value	Unamortized Premium	Unamortized Discount	Market Value	Accrued Interest
PULTE HOMES INC 4.875%, 7/15/2009	75,000	0	(57)	76,613	833
RESIDENTIAL ASSET SEC 4.08% 03/25/2032	0	0	0	0	57
RESIDENTIAL ASSET MTG PRODS 1.650%, 03/25/2033	161,779	0	0	161,729	65
RESIDENTIAL FDG MTG SECS 1.00%, 01/25/2033	49,236	0	0	48,959	0
RESIDENTIAL FDG MTG SECS 1.00%, 05/25/2033	147,849	0	0	148,011	0
ROYAL BANK OF SCOTLAND 1.00V 08/31/2049	65,000	4,569	0	77,537	14
SBC COMMUNICATIONS INC 5.625%, 6/15/2015	15,000	0	(14)	15,621	101
SBC COMMUNICATIONS INC 6.45%, 6/15/2034	75,000	115	(126)	76,743	578
SEMPRA ENERGY 4.75%, 5/15/2009	55,000	0	(50)	56,614	943
SIMON PPTY GROUP LP 6.375% 11/15/2007	40,000	2,992	0	42,964	963
SPRINT CAP CORP 8.750% 03/15/2032	140,000	5,766	(14,925)	177,414	544
STRUCTURED ASSET SECS CORP 1.00% 10/25/2031	82,147	14	(6)	82,198	28
SOCGEN REAL ESTATE CO 7.64%, 12/29/2049	60,000	7,582	0	66,591	13
SOUNDVIEW HOME EQUITY LN 6.265% 04/15/2031	15,027	272	0	15,724	78
TELUS CORP 5.00% 6/1/2011	70,000	13,465	0	82,668	1,867
TIME WARNER ENTMT CO 7.625%, 4/15/2031	65,000	11,431	0	74,878	2,285
TXU ENERGY CO, 7.00% 7.00%, 03/15/2013	80,000	997	0	90,842	249
TYCO INTL GROUP 6.00%, 11/15/2013	75,000	2,750	0	80,798	1,700
TYCO INTL GROUP 6.875%, 1/15/2029	70,000	2,488	0	77,909	1,016
UNITED MEXICAN STS MTN 8.30% 08/15/2031	155,000	12,389	0	176,700	1,644
UNIVISION COMMUNICATION INC, 7.85% 7.85%, 7/15/2011	50,000	8,140	0	58,515	829
VERIZON GLOBAL FDG 7.750%, 12/1/2030	55,000	10,536	0	65,646	1,421
WACHOVIA ASSET 1.00% 12/25/2032	198,508	335	0	199,098	61
WACHOVIA ASSET 1.00%, 03/26/2033	174,066	88	0	174,094	50
WASTE MGMT INC DEL 6.50% 11/15/2008	85,000	9,106	0	92,891	2,087
WELLPOINT HEALTH NETWORKS 6.375% 06/15/2006	65,000	7,486	0	68,260	1,220
WELLS FARGO & CO NEW 6.375% 08/01/2011	25,000	1,036	0	25,497	207
WESTAR ENERGY INC 6.00%, 7/1/2014	70,000	4	(194)	75,233	1,213
WESTERN RES INC 7.875%, 5/1/2007	80,000	10,700	0	88,682	2,625
WEYERHAEUSER CO 7.375%, 3/15/2032	35,000	4,141	0	39,993	115
WEYERHAEUSER CO 6.75%, 3/15/2012	55,000	7,810	0	61,350	165
XTO ENERGY INC 6.25%, 4/15/2013	90,000	3,158	0	98,944	2,594
<b>Total - September 30, 2004</b>	<b>\$11,119,199</b>	<b>\$450,613</b>	<b>(\$87,777)</b>	<b>\$11,768,930</b>	<b>\$126,545</b>



**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION EMPLOYEES' RETIREMENT TRUST  
AND OTHER MANAGED TRUSTS  
SCHEDULE OF ASSETS CORPORATE BONDS  
SEPTEMBER 30, 2004**

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	\$250,067	\$1,914
AOL TIME WARNER INC 6.750% 04/15/2011	400,000	47,486	0	443,210	12,450
ALBERTSON INC 7.505% 02/15/2011	130,000	\$23,937	\$0	\$149,746	\$1,246
ALCOA INC 6.00% 01/15/2012	175,000	13,470	0	191,135	2,217
AMERICAN GEN FIN CORP 3.00% 11/15/2006	345,000	0	(1,242)	343,224	3,910
AMERICREDIT AUTO 2.14% 12/6/2007	410,000	0	(27)	408,335	609
AMERICREDIT AUTO 2.67% 3/6/2011	385,000	0	(5,895)	376,157	714
ARCHSTONE SMITH TRUST 3.00% 6/15/2008	190,000	0	(10,568)	184,329	1,678
ASSOCIATES CORP NO. AMERICA 6.25% 11/01/2008	555,000	83,781	0	605,260	14,453
BANK ONE CORP 5.90% 11/15/2011	325,000	32,913	0	348,132	7,244
BANKAMERICA CORP 6.25% 04/01/2008	480,000	22,663	0	523,329	15,000
BEARS STEARNS INC 2.875% 07/01/2008	385,000	0	(17,852)	373,120	2,736
BOEING CAP CORP 6.10% 03/01/2011	395,000	25,229	0	431,301	2,008
BURLINGTON 6.125% 03/15/2009	175,000	15,000	0	190,454	476
CIT GROUP INC 5.75% 09/25/2007	260,000	23,196	0	276,248	249
CSX CORP 6.75% 3/15/2011	240,000	18,499	0	267,921	720
CWABS Inc 3.438% 12/25/2018	220,000	1,409	0	221,134	630
CALENERGY INC. 7.52% 09/15/2008	325,000	0	(2,230)	364,410	1,086
CAPITAL ONE AUTO 3.07% 07/15/2008	155,000	0	(1.44)	155,153	211
CAPITAL ONE BANK. 4.875% 05/15/2008	185,000	5,817	0	191,034	3,407
CARRAMERICA RLTY 3.625% 03/18/2004	230,000	0	(775)	223,556	4,354
CHASE MANHATTAN CORP 6.50% 01/15/2009	200,000	11,976	0	221,221	2,744
CLEAR CHANNEL COMM 3.125% 02/1/2007	155,000	0	(1,840)	153,264	807
COMCAST CABLE 7.125% 06/15/2013	250,000	29,753	0	285,836	5,245
CONAGRA INC 6.00% 09/15/2006	320,000	26,592	0	337,151	853
CONOCO FDG CO 5.45% 10/15/2006	460,000	21,749	0	480,962	11,560
COUNTRYWIDE FDG CO 5.50% 02/1/2007	165,000	7,805	0	172,577	1,513
DEERE JOHN CAP CORP 3.90% 01/15/2008	275,000	1,007	0	279,039	2,264
DEVELOPERS DIVERSIFIED 3.875% 01/30/2009	180,000	0	(9,090)	176,604	1,182
DUKE ENERGY CO 4.20% 10/01/2008	185,000	98	0	186,388	3,885
ERP Oper 6.625% 03/15/2012	250,000	33,992	0	278,747	736
EASTMAN CHEM 3.25% 06/15/2008	290,000	0	(12,093)	282,555	2,776
EXELON CORP 6.750% 05/01/2011	220,000	25,714	0	246,042	6,188
FIRST UNION CORP. 5.25% 06/15/2009	185,000	4,841	0	190,686	11,878
FIRST UNION CORP. 6.875% 09/15/2005	500,000	0	(3,490)	520,601	1,528
FORD MTR CR CORP. 7.375% 2/1/2011	455,000	40,609	0	496,307	21,023
GENERAL ELEC CAP CORP 6.00% 06/15/2012	520,000	3,206	(3,464)	566,833	9,187
GENERAL MTRS ACCEP CORP. 6.00% 02/15/2012	265,000	22,830	0	286,712	2,032

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION EMPLOYEES' RETIREMENT TRUST  
AND OTHER MANAGED TRUSTS  
SCHEDULE OF ASSETS CORPORATE BONDS  
SEPTEMBER 30, 2004**

Investment Manager - Loomis Sayles & Co.

Description	Par Value	Unamortized Premium	Unamortized Discount	Market Value	Accrued Interest
GENERAL MTRS ACCEP CORP. 6.875% 09/15/2011	510,000	0	(1,540)	532,538	1,558
GOLDMAN SACHS GROUP INC 6.60% 1/15/2012	350,000	27,199	0	391,969	4,877
Harrahs Oper Inc 7.50% 01/15/2009	160,000	15,400	0	176,717	2,533
HOUSEHOLD FIN CORP. 7.875% 03/01/2007	455,000	33,319	0	503,371	2,986
INTERNATIONAL LEASE FIN CORP 6.375% 03/15/2009	335,000	0	(1,989)	365,973	949
INTERNATIONAL PAPER CO 6.75% 09/01/2011	390,000	0	(7,625)	381,570	8,363
KELLOGG CO 6.00% 04/01/2006	180,000	0	(58)	175,345	1,725
KINDER MORGAN 6.50% 09/01/2012	250,000	30,945	0	275,952	1,354
KRAFT FOODS 5.625% 11/01/2011	265,000	19,152	0	276,600	6,211
KROGER CO 6.375% 02/01/2008	230,000	19,743	0	248,816	1,222
LEHMAN BROTHERS HOLDINGS INC. 4.00% 01/22/2008	365,000	9,242	0	369,299	2,798
MBNA CR 2.70% 09/15/2009	300,000	0	(254)	296,109	675
MBNA CR 6.25% 01/17/2007	185,000	12,296	0	196,276	2,377
MERRILL LYNCH CO 3.70% 04/21/2008	375,000	0	(1,172)	376,128	6,167
MORGAN JP & CO 6.00% 01/15/2009	235,000	1,464	0	255,320	2,977
MORGAN STANLEY GROUP 6.75% 04/15/2011	255,000	5,159	0	286,655	7,937
NISOURCE FIN 3.20% 11/1/2006	225,000	127	(131)	224,136	3,000
NORFOLK SOUTHERN 6.20% 04/15/2009	115,000	11,064	0	125,609	3,288
PACIFIC GAS 3.60% 03/1/2009	60,000	0	(58)	59,096	180
PIONEER NAT RES 6.50% 01/15/2008	155,000	12,481	0	167,916	2,127
PROGRESS ENERGY 6.85% 04/15/2012	285,000	49,034	0	319,392	9,002
ONYX ACCEP 3.09% 09/15/2008	380,000	0	(7)	381,069	522
RESIDENTIAL FDG MTG INC. 4.59% 04/25/2018	370,000	0	(46)	371,537	1,415
RESIDENTIAL FDG MTG INC. 3.80% 07/25/2030	590,000	0	(109)	589,631	1,868
SCHERING PLOUGH CORP 5.30% 12/1/2013	280,000	0	(1,024)	284,949	4,947
SIMON PPTY 6.375% 11/15/2007	335,000	23,867	0	359,825	8,068
SPIEKER PPTY 6.75% 1/15/2008	285,000	30,182	0	309,922	4,061
SPRINT CAP CORP 7.625% 1/30/2011	165,000	23,150	0	192,075	2,132
TRANSOCEAN SEDCO FOREX 6.95% 04/15/2008	170,000	16,514	0	187,845	5,448
UNION OIL CO 5.05% 10/01/2012	210,000	0	(2,157)	212,868	5,303
UNION PAC CORP 3.875% 02/15/2009	235,000	0	(2,916)	234,341	1,164
VERIZON GLOBAL FDG CORP 4.375% 06/01/2013	225,000	0	(18,675)	215,900	3,281
VIRGINIA ELEC & PWR CO 5.375% 02/01/2007	350,000	18,187	0	366,303	3,135
WFS Finl 1.00% 02/17/2012	345,000	0	(90)	348,396	134
WASHINGTON MUT INC 4.575% 01/15/2008	380,000	0	(1,828)	389,013	3,510
WELLS FARGO & CO 3.125% 04/04/2009	380,000	0	(588)	370,113	6,168
WEYERHAEUSER CO 6.00% 08/1/2006	165,000	9,022	0	172,772	1,650
XTO Energy 6.25% 04/15/2013	230,000	19,323	0	252,857	6,628
<b>Total - September 30, 2004</b>	<b>\$21,850,000</b>	<b>\$935,497</b>	<b>(\$108,833)</b>	<b>\$22,922,980</b>	<b>\$294,456</b>

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION EMPLOYEES' RETIREMENT TRUST  
AND OTHER MANAGED TRUSTS  
SCHEDULE OF ASSETS FIXED INCOME SECURITIES  
SEPTEMBER 30, 2004**

**Investment Manager - Richmond Capital (Staff Pension Plan)**

Corporate Bonds	Par Value	Unamortized Premium	Unamortized Discount	Market Value	Accrued Interest
ALLSTATE CORP 7.20% 12/1/2009	\$3,000	\$392	\$0	\$3,448	\$72
AMERICAN EXPRESS 3.75% 11/20/2007	\$5,000	\$0	(\$7)	\$5,052	\$68
ANHEUSER BUSCH INC 5.65% 9/15/2008	\$4,000	\$280	\$0	\$4,327	\$10
ATLANTIC RICHFIELD CO 10.875% 7/15/2005	\$3,000	\$237	\$0	\$3,201	\$69
BANK AMER CORP 5.25% 12/1/2015	\$5,000	\$0	(\$147)	\$5,174	\$88
BANKONE CORP 6.00% 8/1/2008	\$5,000	\$339	\$0	\$5,415	\$50
BECTON DICKSON & CO 7.00% 8/1/2027	\$1,000	\$158	\$0	\$1,147	\$12
BRISTOL MYERS SQUIBB 4.75% 10/1/2006	\$5,000	\$161	\$0	\$5,172	\$119
CIT GROUP INC 7.125% 10/15/2004	4,000	0.30	0	4,009	131
CAROLINA PWR & LT 5.95% 3/1/2009	3,000	184	0	3,238	15
CATERPILLAR FINL SVC 4.875% 6/15/2007	5,000	197	0	5,208	72
COLLATERALIZED MTG 7.25% 04/20/2018	1,112	0	(16)	1,112	16
CHUBB CORP 6.80% 11/15/2031	1,000	158	0	1,097	26
COCA COLA CO 5.375% 8/15/2006	5,000	238	0	5,218	34
COCA COLA CO 4.00% 6/01/2005	5,000	57	0	5,053	67
COLGATE PALMOLIVE CO 3.98% 04/29/2005	2,000	14	0	2,018	34
CONOCO FDG CO 5.45% 10/15/2006	5,000	239	0	5,228	126
DEERE JOHN CAP 4.50% 08/22/2007	4,000	102	0	4,131	20
DIAGEO PLC 3.50% 11/19/2007	5,000	0	(56)	5,009	64
DU Pont 6.875% 10/15/2009	3,000	356	0	3,406	95
EATON CORP 8.10% 08/15/2022	2,000	488	0	2,497	21
FPL GROUP 7.625% 09/15/2006	5,000	454	0	5,358	17
FIRST USA CR CARD 7.50% 7/15/2006	5,000	416	0	5,401	79
FORD MTR CO 7.875% 6/15/2010	3,000	262	0	3,356	70
GTE CORP 7.51% 4/1/2009	3,000	352	0	3,414	113
GENERAL ELEC CAP CORP 6.75% 03/15/2032	3,000	157	0	3,423	9
GENERAL ELEC CAP CORP 6.15% 4/5/2007	5,000	233	0	5,261	150
IBM 4.75% 11/29/2012	3,000	0	(32)	3,030	48
KEY BK NA MT SUB BK NTS 7.125% 08/15/2006	5,000	249	0	5,367	46

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION EMPLOYEES' RETIREMENT TRUST  
AND OTHER MANAGED TRUSTS  
SCHEDULE OF ASSETS FIXED INCOME SECURITIES  
SEPTEMBER 30, 2004**

**Investment Manager - Richmond Capital (Staff Pension Plan)**

Corporate Bonds (Con't)	Par Value	Unamortized Premium	Unamortized Discount	Market Value	Accrued Interest
MARSH & MCLENNAN 5.375% 7/15/2014	2,000	0	(2)	2,058	23
MCDONALDS CORP 6.50% 8/1/2007	5,000	421	0	5,437	54
MERRILL LYNCH INC 6.00% 2/17/2009	5,000	327	0	5,426	37
LEHMAN BROS HLDGS 4.00% 1/22/2008	5,000	94	0	5,059	38
PEPSI BOTTLING GROUP 7.00% 3/1/2029	2,000	245	0	2,336	12
PROCTOR & GAMBLE 6.45% 1/15/2026	1,000	91	0	1,118	14
SLM Corp 2.75% 12/1/2005	5,000	22	0	5,010	41
ST PAUL INC 5.75% 3/15/2007	5,000	244	0	5,259	13
SOUTHWESTERN BELL TEL 6.375% 11/15/2007	5,000	370	0	5,406	120
SYSCO CORP 4.75% 7/30/2005	2,000	46	0	2,039	16
TEXACO INC 5.375% 1/15/2009	4,000	214	0	4,315	46
WAL-MART CO 6.875% 8/10/2009	4,000	454	0	4,535	39
<b>Total - September 30, 2004</b>	<u><u>\$153,112</u></u>	<u><u>\$8,250</u></u>	<u><u>(\$260)</u></u>	<u><u>\$162,769</u></u>	<u><u>\$2,191</u></u>

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION EMPLOYEES' RETIREMENT TRUST  
AND OTHER MANAGED TRUSTS  
SCHEDULE OF ASSETS FIXED INCOME SECURITIES  
SEPTEMBER 30, 2004**

**Investment Manager - Richmond Capital (Staff Pension Plan)**

Mortgage Backed Securities	Par Value	Unamortized Premium	Unamortized Discount	Market Value	Accrued Interest
FNMA POOL 4.125% 4/15/2014	\$2,000	\$0	(\$181)	\$1,929	\$43
FNMA POOL 4.250% 5/25/2009	25,000	0	(107)	25,599	373
FNMA POOL 4.375% 9/15/2015	27,000	0	(540)	26,982	53
FNMA POOL 6.35% 9/25/2008	1,241	49	0	1,291	7
FHLMC CORP 1.875% 1/15/2005	10,000	0	(85)	9,999	40
FHLMC CORP 4.00% 08/15/2013	0	0	0	0	12
FHLMC CORP 4.50% 06/15/2016	4,304	39	0	4,369	16
FHLMC CORP 5.875% 03/21/2011	7,000	252	0	7,591	22
FHLMC CORP 6.25% 07/15/2032	1,000	26	0	1,127	13
FHLMC CORP 6.75% 03/15/2031	4,000	641	0	4,770	0
<b>Total - September 30, 2004</b>	<b><u>\$81,545</u></b>	<b><u>\$1,007</u></b>	<b><u>(\$913)</u></b>	<b><u>\$83,656</u></b>	<b><u>\$578</u></b>

**Investment Manager - Richmond (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	\$10,000	\$0	(\$116)	\$10,713	\$69
U.S. TREASURY BOND 7.875% 2/15/2021	10,000	2,975	0	13,530	101
<b>Total - September 30, 2004</b>	<b><u>\$20,000</u></b>	<b><u>\$2,975</u></b>	<b><u>(\$116)</u></b>	<b><u>\$24,242</u></b>	<b><u>\$169</u></b>

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION EMPLOYEES' RETIREMENT TRUST  
AND OTHER MANAGED TRUSTS  
SCHEDULE OF ASSETS CORPORATE STOCKS  
SEPTEMBER 30, 2004**

**Investment Manager - Cramer R.M., LLC**

	Number of Shares	Market Price
AGL RES INC	10,000	307,700
AIRGAS INC	20,800	500,656
ALLIANCE GAMING CORP	27,200	409,632
AMERUS GROUP CO	8,100	332,100
APRIA HEALTHCARE GROUP INC	20,200	550,450
BANCORP BK	10,700	217,745
BANKUNITED FINL CORP	11,900	346,885
BISYS GROUP INC	22,100	322,881
BRIGHAM EXPL CO	12,200	114,680
CAPITAL CORP OF THE WEST	400	17,200
CARDINAL FINL CORP	16,400	154,324
CASELLA WASTE SYS INC	35,200	416,768
CENTRAL GARDEN + PET CO	8,700	266,394
COMMERCIAL VEH GROUP INC	15,800	250,272
COMPASS MINERALS INTL INC	18,100	401,820
CONMED CORP	14,100	370,830
CULLEN FROST BANKERS INC	3,800	176,586
DAVE + BUSTERS INC	12,300	233,454
DRS TECHNOLOGIES INC	5,300	198,432
ELECTRO SCIENTIFIC INDS INC	12,100	209,935
EMCOR GROUP INC	7,100	267,102
EMMIS COMMUNICATIONS CORP	16,200	292,572
FIRST AMERICAN CORP	13,900	428,537
FIRST MIDWEST BANCORP INC DE	7,600	262,656
FORRESTER RESH INC	16,900	257,556
FRONTIER AIRLS INC NEW	22,400	172,032
G + K SERVICES	8,900	353,686
GLACIER BANCORP INC	3,675	107,163
GOVERNMENT PPTYS TR INC	23,100	219,450
HIGHLAND HOSPITALITY CORP	28,500	324,900
HUGHES SUPPLY INC	6,600	198,462
INFOUSA INC NEW	31,200	277,992
INSIGHT ENTERPRISES INC	35,800	602,872
INTERACTIVE DATA CORP	15,000	282,300
INTRAWEST CORP	17,800	337,132
ITRON INC	21,500	375,175
J JILL GROUP INC	17,900	355,315
JOURNAL COMMUNICATIONS INC	25,900	454,286
KAYDON CORP	16,000	460,320
KNBT BANCORP INC	13,900	234,076
LIFE TIME FITNESS INC	8,200	210,412
MACROMEDIA INC	20,800	417,664
NDCHEALTH CORP	16,500	264,825
OSHKOSH TRUCK CORP	10,300	587,718
PACIFIC MERCANTILE BANCORP	4,500	56,115
PRIDE INTERNATIONAL INC	23,200	459,128
QUANEX CORP	8,900	456,392
RAILAMERICA INC	39,600	437,580
SAUER DANFOSS INC	7,100	121,268
SCHOOL SPECIALTY INC	10,400	409,864
SKILLSOFT PUB LTD CO	78,000	521,820
SKYWEST INC	14,600	219,730
SNAP ON INC	10,600	292,136
SOUTHERN UN CO NEW	3,300	67,650
TAKE TWO INTERACTIVE SOFTWARE	8,900	292,365
TELETECH HLDGS INC	35,000	330,400
TEREX CORP NEW	8,300	360,220
THOMAS INDS INC	2,000	62,800
TOO INC	26,500	478,855
TRANSACTION SYS ARCHITECTS I	17,600	327,096
UNITED AUTO GROUP INC	2,700	67,743
UNITED STATIONERS INC	8,200	355,880

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

	Number of Shares	Market Price
VENTAS INC	11,200	290,304
WATSON WYATT + CO HLDGS	12,200	320,860
<b>Total - September 30, 2004</b>	<u>1,023,875</u>	<u>19,471,153</u>

**Investment Manager - Atlanta Capital**

	Number of Shares	Market Price
3M CO	35,100	\$2,806,947
AFLAC INC	42,500	1,666,425
AIR PRODS + CHEMS INC	47,800	2,599,364
AMERICAN EXPRESS CO	49,300	2,536,978
AMERICAN INTL GROUP INC	50,039	3,402,152
AMGEN INC	54,300	3,077,724
ANHEUSER BUSCH COS INC	35,000	1,748,250
APACHE CORP	74,000	3,708,140
BANK AMER CORP	27,400	1,187,242
BARD C R INC	21,600	1,223,208
BED BATH + BEYOND INC	42,100	1,562,331
BRINKER INTL INC	66,500	2,071,475
CDW CORP	26,200	1,520,386
CISCO SYS INC	152,500	2,760,250
COCA COLA CO	40,700	1,630,035
COSTCO WHSL CORP NEW	61,700	2,564,252
DELL INC	92,000	3,275,200
DENTSPLY INTL INC NEW	22,150	1,150,471
DOVER CORP	44,100	1,714,167
ECOLAB INC	44,000	1,383,360
EDWARDS A G INC	58,600	2,028,732
EMERSON ELEC CO	37,400	2,314,686
EXPRESS SCRIPTS INC	23,500	1,535,490
EXXON MOBIL CORP	39,400	1,904,202
FIRST DATA CORP	34,492	1,500,402
FISERV INC	37,200	1,296,792
FRANKLIN RES INC	35,800	1,996,208
GENERAL ELEC CO	102,000	3,425,160
HEALTH MGMT ASSOC	81,400	1,663,002
HEWLETT PACKARD CO	66,900	1,254,375
ILLINOIS TOOL WKS INC	34,700	3,232,999
INTEL CORP	71,700	1,438,302
JOHNSON + JOHNSON	26,900	1,515,277
KOHL'S CORP	50,800	2,448,052
LILLY ELI + CO	29,900	1,795,495
LINCOLN NATL CORP IN	39,200	1,842,400
LOWES COS INC	41,400	2,250,090
MEDTRONIC INC	67,800	3,518,820
MERRILL LYNCH + CO INC	37,800	1,879,416
MICROCHIP TECHNOLOGY INC	78,400	2,104,256
MICROSOFT CORP	148,100	4,094,965
MOLEX INC	51,600	1,538,712
OMNICOM GROUP	27,900	2,038,374
PFIZER INC	112,025	3,427,965
PROCTER AND GAMBLE CO	37,400	2,024,088
QLOGIC CORP	43,400	1,285,074
ROHM + HAAS CO	30,700	1,319,179
SCHERING PLOUGH CORP	113,500	2,163,310
SEI INVESTMENTS CO	47,600	1,603,168
STAPLES INC	67,100	2,000,922
SUNGARD DATA SYS INC	67,800	1,611,606
SYSCO CORP	57,100	1,708,432
WALGREEN CO	60,500	2,167,715
<b>Total - September 30, 2004</b>	<u>2,889,006</u>	<u>\$111,516,023</u>

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION EMPLOYEES' RETIREMENT TRUST  
AND OTHER MANAGED TRUSTS  
SCHEDULE OF ASSETS CORPORATE STOCKS  
SEPTEMBER 30, 2004**

**Investment Manager - Institutional Capital Advisors**

	Number of Shares	Market Price
ALTRIA GROUP INC	33,700	1,585,248
ARCHER DANIELS MIDLAND CO	66,000	1,120,680
BANK AMER CORP	71,600	3,102,428
BAXTER INTL INC	45,350	1,458,456
BELLSOUTH CORP	56,800	1,540,416
CENDANT CORP	100,050	2,161,080
CITIGROUP INC	69,817	3,080,326
CLEAR CHANNEL COMMUNICATIONS	46,800	1,458,756
COMCAST CORP NEW	57,639	1,627,725
CONOCOPHILLIPS	30,769	2,549,212
DEERE + CO	27,000	1,742,850
DOMINION RES INC VA NEW	19,250	1,256,063
DONNELLEY R R + SONS CO	30,550	956,826
DU PONT E I DE NEMOURS + CO	9,500	406,600
ENTERGY CORP	23,150	1,403,122
EXXON MOBIL CORP	43,250	2,090,273
FEDERAL NATL MTG ASSN	9,200	583,280
FREPORT MCMORAN COPPER	13,550	548,775
GANNETT INC	12,389	1,037,703
GENERAL ELEC CO	56,600	1,900,628
GLAXOSMITHKLINE PLC	51,950	2,271,774
GOLDMAN SACHS GROUP INC	15,350	1,431,234
HALLIBURTON CO	9,600	323,424
INTERNATIONAL BUSINESS MACHS	19,150	1,641,921
JPMORGAN CHASE + CO	62,500	2,483,125
KONNKLJKE PHILIPS ELECTRS N V	56,276	1,289,283
LOWES COS INC	23,650	1,285,378
MARATHON OIL CORP	43,136	1,780,654
MASCO CORP	36,850	1,272,431
MCDONALDS CORP	34,900	978,247
METLIFE INC	11,501	444,514
MICROSOFT CORP	64,450	1,782,043
MORGAN STANLEY	32,500	1,602,250
MOTOROLA INC	32,050	578,182
OCCIDENTAL PETE CORP	20,600	1,152,158
PEPSICO INC	20,250	985,163
PFIZER INC	50,250	1,537,650
SANOFI AVENTIS	48,102	1,761,014
STAPLES INC	27,800	828,996
TARGET CORP	17,117	774,544
THE ST PAUL TRAVELERS COS INC	51,187	1,692,242
TYCO INTL LTD	53,600	1,643,376
WASTE MGMT INC DEL	44,800	1,224,832
WELLS FARGO + CO NEW	32,300	1,926,049
Total - September 30, 2004	<u>1,682,833</u>	<u>\$64,300,927</u>

**Investment Manager-State Street Global Advisors**

	Number of Shares	Market Price
SSGA -S&P 500 Index Fund	290,055	58,405,561
Total - September 30, 2004	<u>290,055</u>	<u>58,405,561</u>

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION EMPLOYEES' RETIREMENT TRUST  
AND OTHER MANAGED TRUSTS  
SCHEDULE OF ASSETS CORPORATE STOCKS  
SEPTEMBER 30, 2004**

**Investment Manager - Invesco Capital**

**Investment Manager - Atlantic Capital**

	Number of Shares	Market Price		Number of Shares	Market Price
ADBURY SCHWEPPE	17,465	539,843	ADVANCED MED OPTICS INC	4,970	196,663
ABBEY NATL PLC	6,700	134,335	AMERICAN MED SYS HLDGS	7,905	286,714
ABN AMRO HLDG N V	11,700	266,292	AQUANTIVE INC	26,485	255,580
AEGON	44,640	482,112	BENCHMARK ELECTRS INC	9,715	289,507
ANGLO AMERICAN PLC	9,200	223,100	CASH AMER INTL INC	8,170	199,838
BAA PLC	29,300	300,325	CENTENE CORP DEL	7,815	332,763
BAE SYS PLC	32,200	529,690	COGNEX CORP	9,925	260,035
BASF AG	10,500	618,975	CORRECTIONS CORP AMER NEW	17,850	631,176
BCE INC	15,000	324,750	DENBURY RES INC	12,800	325,120
BOOTS GROUP PLC	5,800	137,750	EGL INC	14,290	432,415
BP PLC	9,190	528,701	FILENET CORP	7,130	124,490
CANON INC	9,675	456,273	FSI INTL INC	28,545	119,318
CHEUNG KONG HLDG LTD	18,000	155,700	GEORGIA GULF CORP	9,825	438,097
COMPAGNIE FINANCIERE RICHEM	11,000	307,450	GETTY IMAGES INC	10,625	587,563
CREDIT SUISSE GROUP	12,835	409,950	GRAFTECH INTL LTD	25,465	355,237
DANSKE BK A S	27,220	714,525	GUITAR CTR INC	13,170	570,261
DEUTSCHE BANK AG	3,385	243,517	INTEGRATED CIRCUIT SYS INC	16,780	360,770
DIAGEO PLC	11,770	593,561	INTEGRATED DEVICE TECHNOLOGY	14,430	137,518
DSM N V	34,540	452,474	INTEGRATED SILICON SOLUTION	27,895	202,797
EISAI LTD	15,520	427,576	INVESTORS FINL SERVICES CORP	9,545	430,766
ENCANA CORP	6,400	296,320	LINCOLN ELEC HLDGS INC	10,850	340,256
ENDESA S A	21,300	407,043	LIONBRIDGE TECHNOLOGIES INC	38,260	328,653
ENI S P A	4,820	541,286	MARINEMAX INC	7,040	158,541
FUJI PHOTO FILM CO LTD ADR	22,125	727,028	MARVEL ENTERPRISES INC	39,990	582,254
GLAXOSMITHKLINE PLC	15,600	682,188	MAVERICK TUBE CORP	10,875	335,059
HITACHI LTD	4,462	269,282	MEDICINES CO	16,300	393,482
HSBC HLDGS PLC	5,700	454,860	MICROSTRATEGY INC	5,150	211,614
HUTCHISON WHAMPOA LTD	7,600	298,680	MSC INDL DIRECT INC	16,050	546,984
ING GROEP N V	19,100	482,848	NEIGHBORCARE INC	6,995	177,323
KAO CORP	1,885	416,585	NIC INC	33,740	180,846
KINGFISHER PLC	37,500	420,000	NOVEN PHARMACEUTICALS INC	19,805	412,736
KONINKLIJKE PHILIPS ELECTRS N V	11,000	252,010	PATERSON UTI ENERGY INC	19,580	373,391
KOREA ELEC PWR CORP	24,500	258,475	PETSMART INC	28,775	816,922
KT CORP	20,900	377,663	PORTFOLIO RECOVERY ASSOCS INC	8,755	257,309
MILLEA HLDGS INC	4,290	275,718	RADISYS CORP	17,650	246,218
NATIONAL AUSTRALIA BK LTD	4,685	459,130	ROGERS CORP	6,125	260,251
NESTLE S A	10,685	614,922	SELECT MED CORP	27,235	365,766
NINTENDO LTD	31,800	491,310	SEMTECH CORP	14,450	277,007
NIPPON TELEG + TEL CORP	20,635	412,287	SEROLOGICALS CORP	8,270	192,939
NOKIA CORP	45,250	620,830	SIERRA HEALTH SVCS INC	4,585	219,759
NOVARTIS AG	16,700	779,389	SKYWEST INC	20,180	303,709
OLYMPUS CORP	12,560	244,920	SOUTHWEST BANCORPORATION TEX	16,245	327,174
PORTUGAL TELECOM SGPS SA	30,000	330,000	SUPPORTSOFT INC	29,215	284,554
REED ELSEVIER P L C	14,400	511,344	SYMBION INC DE	9,185	147,924
REPSOL YPF S A	14,200	311,264	TTM TECHNOLOGIES	19,100	169,799
ROCHE HLDGS LTD	3,425	354,830	UCBH HLDGS INC	10,065	393,240
ROYAL DUTCH PETE CO	10,250	528,900	ULTRA PETE CORP	18,930	928,517
SCOTTISH PWR PLC	11,700	360,828	ULTRATECH INC	8,125	127,319
SOCIETE GENERALE FRANCE	27,900	492,435	UNITED SURGICAL PARTNERS	5,150	176,903
SONY CORP	13,430	461,858	UNITED THERAPEUTICS CORP DEL	13,715	479,065
STATOIL ASA	21,950	316,958	WABASH NATL CORP	11,250	309,038
STORA ENSO CORP	35,300	477,609	WASTE CONNECTIONS INC	12,372	391,945
TAIWAN SEMICNDCTR MFG CO LTI	36,800	262,752	WEST MARINE INC	20,260	433,159
TELEFONOS DE MEXICO S A	15,230	491,472	WESTELL TECHNOLOGIES	43,770	226,291
TOTAL SA	5,135	524,643	WINTRUST FINL CORP	4,265	244,299
TOYOTA MTR CO	5,100	389,538	WRIGHT MED GROUP INC	9,970	250,446
TPG NV	19,703	482,724	<b>Total - September 30, 2004</b>	<b>875,612</b>	<b>\$18,407,318</b>
UPM KYMMENE CORP	15,800	303,044			
VOLVO AKTIEBOLAGET	13,000	457,990	<b>Investment Manager-Axiom International Investors LLC</b>		
ZURICH FINL SVCS	26,165	370,235			
				Number of Shares	Market Price
<b>Total - September 30, 2004</b>	<b>1,004,625</b>	<b>\$25,058,095</b>	Axiom International Equity Fund	<b>1,649,092</b>	<b>17,462,128</b>
			<b>Total - September 30, 2004</b>	<b>1,168,576</b>	<b>\$17,462,128</b>



**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION EMPLOYEES' RETIREMENT TRUST  
AND OTHER MANAGED TRUSTS  
SCHEDULE OF ASSETS CORPORATE STOCKS  
SEPTEMBER 30, 2004**

**Investment Manager - Trusco Capital Management**

	Number of Shares	Market Price
3M CO	6,750	539,798
ABBOTT LABS	12,500	529,500
ACE LTD	13,600	544,816
AIR PRODS + CHEMS INC	10,400	565,552
ALCOA INC	16,900	567,671
ALLIANCE CAP MGMT HLDG	7,766	275,693
ALLSTATE CORP	5,350	256,747
ALLTEL CORP	6,500	356,915
AMERICAN EXPRESS CO	5,150	265,019
AMERICAN INTL GROUP INC	3,532	240,141
AMERICAN PWR CONVERSION	10,250	178,248
ANHEUSER BUSCH COS INC	7,200	359,640
ASTORIA FINL CORP	4,750	168,578
AUTOMATIC DATA PROCESSING	6,200	256,184
BANK AMER CORP	14,100	610,953
BANK NEW YORK INC	13,300	387,961
BP PLC	6,250	359,563
CENTURYTEL INC	7,700	263,648
CINTAS CORP	7,500	315,300
CITIGROUP INC	15,100	666,212
CLOROX CO	5,000	266,500
COLGATE PALMOLIVE CO	11,500	519,570
COMERICA INC	4,816	285,830
COMMERCE BANCSHARES	3,900	187,551
DIEBOLD INC	7,450	347,915
DOLLAR GEN CORP	19,300	388,895
DOW CHEM CO	8,500	384,030
DU PONT E I DE NEMOURS	12,700	543,560
EDWARDS A G INC	10,300	356,586
EMERSON ELEC CO	8,700	538,443
EXXON MOBIL CORP	14,750	712,868
FIRSTMERIT CORP	7,009	184,372
FPL GROUP INC	5,500	375,760
GANNETT INC	6,350	531,876
GENERAL ELEC CO	22,400	752,192
GENERAL MLS INC	8,250	370,425
GOLDMAN SACHS GROUP	3,900	363,636
HARRIS CORP DEL	5,500	302,170
HEALTH MGMT ASSOC	12,200	249,246
HEINZ H J CO	9,300	334,986
HEWLETT PACKARD CO	14,450	270,938
HONEYWELL INTL INC	14,150	507,419
HUNTINGTON BANCSHARES	11,700	291,447
INTERNATIONAL PAPER CO	14,550	587,966
INTERSIL CORP	13,400	213,462
JOHNSON + JOHNSON	6,100	343,613
KERR MCGEE CORP	6,500	372,125
KIMBERLY CLARK CORP	4,000	258,300
KRAFT FOODS INC	11,150	353,678
LEAR CORP	6,500	353,925
LEHMAN BROTHERS HLDGS	7,500	597,900
LOCKHEED MARTIN CORP	11,150	621,947
MARATHON OIL CORP	9,900	408,672
MARSH + MCLENNAN COS	7,900	361,504
MASCO CORP	8,050	277,967
MATTEL INC	19,850	359,881
MAY DEPT STORES CO	13,900	356,257
MCGRAW HILL COS INC	3,500	278,915
MELLON FINL CORP	17,500	484,575
MERRILL LYNCH + CO INC	8,900	442,508
MICROSOFT CORP	8,900	246,085
NATIONAL CITY CORP	7,500	289,650
NEWELL RUBBERMAID INC	16,431	329,277
NOKIA CORP	28,550	391,706
PALL CORP	10,739	262,891
PARKER HANNIFIN CORP	6,400	376,704
PEPSICO INC	12,350	600,828
PFIZER INC	20,500	627,300
PIER 1 IMPORTS INC	15,400	278,432
PITNEY BOWES INC	6,686	294,853

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

	Number of Shares	Market Price
PPG INDS INC	6,000	367,680
PROVIDENT FINACIAL SERVICES	10,150	175,088
PUBLIC SVC ENTERPRISE GROUP	12,984	553,118
REGIONS FINL CORP NEW	8,876	293,441
ROCKWELL AUTOMATION INC	7,700	297,990
ROCKWELL COLLINS INC	7,100	263,694
ROHM + HAAS CO	8,800	378,136
SBC COMMUNICATIONS INC	13,600	352,920
SOUTH FINL GROUP INC	6,306	177,829
SOUTHERN CO	17,850	535,143
SPRINT CORP	18,900	380,457
TELEFLEX INC	6,350	269,875
UNOCAL CORP	13,900	597,700
VERIZON COMMUNICATIONS	13,434	529,031
VIACOM INC	14,000	469,840
WACHOVIA CORP 2ND NEW	13,600	638,520
WAL MART STORES INC	6,850	364,420
WYETH	14,900	557,260
ZIONS BANCORP	4,300	262,472
<b>Total - September 30, 2004</b>	<b><u>917,829</u></b>	<b><u>34,609,942</u></b>

**Investment Manager - EII Realty Advisors**

	Number of Shares	Market Price
AMB PPTY CORP	7,300	270,246
ARCHSTONE SMITH TR	20,780	657,479
AVALONBAY CMNTYS INC	5,700	343,254
BIOMED RLTY TR INC	5,000	87,950
BOSTON PPTYS INC	10,900	603,751
BRANDYWINE RLTY TR	12,200	347,456
BROOKFIELD PPTYS CORP	16,200	522,612
CATELLUS DEV CORP NEW	8,135	215,659
CBL + ASSOC PPTYS INC	2,000	121,900
CENTERPOINT PPTYS TR	8,400	366,072
CHELSEA PPTY GROUP INC	4,400	295,240
DEVELOPERS DIVERSIFIED	9,600	375,840
DUKE RLTY CORP	15,500	514,600
EQUITY RESIDENTIAL	4,900	148,800
ESSEX PROPERTY TRUST	6,000	431,100
GENERAL GROWTH PPTYS	13,400	415,400
HEALTH CARE PPTY INVS	16,000	416,000
HILTON HOTELS CORP	14,200	267,528
HOST MARRIOTT CORP	45,600	639,768
KIMCO RLTY CORP	15,700	805,410
MACERICH CO	10,800	575,532
MACK CA RLTY CORP	3,700	163,910
MANUFACTURED HOME	7,300	242,652
MILLS CORP	5,400	280,098
PAN PAC RETAIL PPTYS INC	2,800	151,480
PROLOGIS	17,700	623,748
PUBLIC STORAGE INC	12,534	621,060
REGENCY CTRS CORP	11,700	543,933
ROUSE CO	5,900	394,592
SHURGARD STORAGE CTRS	4,200	162,960
SIMON PPTY GROUP INC	13,300	713,279
SL GREEN RLTY CORP	4,400	227,964
UNITED DOMINION RLTY TR	13,700	271,671
VENTAS INC	17,600	456,192
VORNADO RLTY TR	13,200	827,376
<b>Total - September 30, 2004</b>	<b><u>386,049</u></b>	<b><u>\$14,102,512</u></b>

**Investment Manager - Metlife Realty Group**

	Number of Shares	Market Price
MET LIFE REAL ESTATE	<u>22,858</u>	<u>16,077,569</u>

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION EMPLOYEES' RETIREMENT TRUST  
AND OTHER MANAGED TRUSTS  
SCHEDULE OF ASSETS CORPORATE STOCKS  
SEPTEMBER 30, 2004**

Investment Manager - Atlanta Capital (GSP)

	Number of Shares	Market Price
3M CO	90	7,197
AFLAC INC	110	4,313
AIR PRODS + CHEMS INC	140	7,613
AMERICAN EXPRESS CO	140	7,204
AMERICAN INTL GROUP INC	130	8,839
AMGEN INC	150	8,502
ANHEUSER BUSCH COS INC	100	4,995
APACHE CORP	192	9,621
BANK AMER CORP	60	2,600
BARD C R INC	60	3,398
BED BATH + BEYOND INC	110	4,082
BRINKER INTL INC	180	5,607
CDW CORP	80	4,642
CISCO SYS INC	420	7,602
COCA COLA CO	120	4,806
COSTCO WHSL CORP NEW	170	7,065
DELL INC	260	9,256
DENTSPLY INTL INC NEW	55	2,857
DOVER CORP	110	4,276
ECOLAB INC	140	4,402
EDWARDS A G INC	170	5,885
EMERSON ELEC CO	95	5,880
EXPRESS SCRIPTS INC	60	3,920
EXXON MOBIL CORP	100	4,833
FIRST DATA CORP	87	3,785
FISERV INC	110	3,835
FRANKLIN RES INC	95	5,297
GENERAL ELEC CO	290	9,738
HEALTH MGMT ASSOC	200	4,086
HEWLETT PACKARD CO	170	3,188
ILLINOIS TOOL WKS INC	95	8,851
INTEL CORP	210	4,213
JOHNSON + JOHNSON	70	3,943
KOHL'S CORP	145	6,988
LILLY ELI + CO	80	4,804
LINCOLN NATL CORP IN	115	5,405
LOWES COS INC	115	6,250
MEDTRONIC INC	190	9,861
MERRILL LYNCH + CO INC	110	5,469
MICROCHIP TECHNOLOGY	225	6,039
MICROSOFT CORP	410	11,337
MOLEX INC	130	3,877
OMNICOM GROUP	80	5,845
PFIZER INC	310	9,486
PROCTER AND GAMBLE CO	105	5,683
QLOGIC CORP	80	2,369
ROHM + HAAS CO	80	3,438
SCHERING PLOUGH CORP	280	5,337
SEI INVESTMENTS CO	150	5,052
STAPLES INC	170	5,069
SUNGARD DATA SYS INC	200	4,754
SYSCO CORP	160	4,787
WALGREEN CO	160	5,733
<b>Total - September 30, 2004</b>	<b>7,864</b>	<b>303,911</b>

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## **Actuarial Section**



**Mellon**

**Human Resources & Investor Solutions**

March 10, 2005

**Board of Trustees  
Miami General Employees' and Sanitation Employees'  
Retirement Trust  
2901 Bridgeport Avenue  
Coconut Grove, FL 33133**

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

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

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*A Mellon Financial Company.*<sup>SM</sup>

Board of Trustees

March 10, 2005

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 2004 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:cj

## **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.

<b>Age</b>	<b>Rate</b>	<b>Age</b>	<b>Rate</b>	<b>Age</b>	<b>Rate</b>	<b>Age</b>	<b>Rate</b>
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>
10/1/1999	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%
10/1/2004	1,525	\$72,521,132	\$47,555	4.57%

**SCHEDULE OF RETIRANTS AND BENEFICIARIES ADDED TO AND REMOVED FROM ROLLS**

<u>Year Ended</u>	<u>Added To Rols</u>		<u>Removed From Rols</u>		<u>Rols - 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
9/30/2004	104	\$3,827,382	69	\$775,217	1,863	\$42,688,431	8.76%	\$22,914

**SOLVENCY TEST**

<u>Valuation Date</u>	<u>Aggregate Accrued Liabilities For</u>				<u>Portion of Accrued Liabilities Covered by Reported Assets</u>		
	<u>(1)</u>	<u>(2)</u>	<u>(3)</u>	<u>Reported Assets</u>	<u>(1)</u>	<u>(2)</u>	<u>(3)</u>
	<u>Active Member Contributions</u>	<u>Retirants and Beneficiaries</u>	<u>Active Member (Employer Financed Portion)</u>		<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%
10/1/2004	\$70,860,296	\$440,795,238	\$198,288,551	\$564,591,815	100%	100%	27%

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

	<b>\$ Gain (or Loss) For Year Ending September 30,</b>	
	<b>2004</b>	<b>2003</b>
<b>Age &amp; Service Retirements</b>	(12,144,387)	(9,445,045)
If members retire at older ages or with lower final average pay than assumed, there is a gain. If younger ages or higher average pay, a loss.		
<b>Disability Retirements</b>	(60,765)	(3,188,864)
If disability claims are less than assumed, there is a gain. If more claims, a loss.		
<b>Death-In-Service Retirements</b>	(378,414)	347,400
If survivor claims are less than assumed, there is a gain. If more claims, a loss.		
<b>Withdrawal From Employment</b>	8,858,005	2,039,981
If more liabilities are released by withdrawals than assumed, there is a gain. If smaller releases, a loss.		
<b>Pay Increases</b>	(5,448,550)	(2,239,797)
If there are smaller pay increases than assumed, there is a gain If greater increases, a loss.		
<b>Contribution Income</b>	292,792	(4,165)
If more contributions are received than expected, there is again. If less, a loss.		
<b>Investment Income</b>	(11,509,352)	(21,489,191)
If there is greater Investment income than assumed, there is a gain. If less income, a loss.		
<b>Death After Retirement</b>	(143,703)	(7,550,916)
If retirants live longer than assumed, there is a loss. If not as long, a gain		
<b>New Members</b>	(920,335)	(2,692,385)
<b>Other</b>	(1,722,521)	(7,034,549)
Miscellaneous gains and losses resulting from data adjustments, timing of financial transactions, valuation methods, etc.		
<b>Gain (or Loss) During Year From Financial Experience</b>	<b>(23,177,230)</b>	<b>(51,257,531)</b>
<b>Non-Recurring Items</b>	-	<b>(21,280,291)</b>
Adjustments for plan amendments, assumption changes, etc		
<b>Composite Gain (or Loss) During Year</b>	<b>(23,177,230)</b>	<b>(72,537,822)</b>



**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%) 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 (10%) 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 (2%) 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%) 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%) 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 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%) 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%) 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 dollar (\$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/she would have been otherwise entitled;

Option 4: Monthly service retirement benefit for member's lifetime equal to 105% of the amount to which he/she would have been otherwise entitled;

Option 5: Monthly service retirement benefit for member's lifetime equal to the amount to which he/she was entitled, provided that, upon his/her death, 40% of that amount would continue to be paid to his/her 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 the effective date of any optional allowance permitted will have a lump sum equal to the unpaid difference of 12 monthly payments.

### **13. Return of Contributions**

A member who terminates employment and is not eligible for any other benefit shall receive a refund of his/her accumulated contributions. If a member dies in active service, his beneficiary shall receive a refund of his /her 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**

<b>REVENUES</b>					
Fiscal Year	<b>EMPLOYER CONTRIBUTIONS</b>				
	Employee Contributions (\$) <sup>(1)</sup>	Employer Contributions & City Reimbursement <sup>(2)</sup>	Percentage of Annual Covered Payroll	Investment Income (\$) <sup>(3)</sup>	Total (\$)
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%	77,694,255	90,754,765
2004	7,937,387	13,025,410	17.96%	53,064,590	74,027,387

<b>EXPENSES</b>				
Fiscal Year	Benefit Payments (\$)	Administrative Expenses (\$) <sup>(5)</sup>	Refunds (\$) <sup>(6)</sup>	Total (\$)
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	38,665,656	1,852,656	1,147,196	41,665,508
2004	41,138,832	2,355,564	883,189	44,377,585

**NOTES:**

- (1) Employee Contributions include COLA.
- (2) Major component of Employer Contributions relate to past unfunded liabilities.
- (3) Investment Income reflected is net of investment expenses.
- (4) Administrative expenses include expenditures reimbursed by the city.
- (5) Refunds include COLA.

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

**EXCESS BENEFIT PLAN REVENUES BY SOURCE AND EXPENSES BY TYPE**

<b>REVENUES</b>					
Fiscal Year	<b>EMPLOYER CONTRIBUTIONS</b>				
	Employee Contributions (\$)	Employer Contributions & City Reimbursement	Percentage of Annual Covered Payroll	Investment Income (\$)	Total (\$)
2002	0	388,009	0.58%	0	388,009
2003	0	332,540	0.47%	0	332,540
2004	0	533,079	0.74%	0	533,079

<b>EXPENSES</b>				
Fiscal Year	Benefit Payments (\$)	Administrative Expenses (\$)	Refunds (\$)	Total (\$)
2002	351,417	36,592	0	388,009
2003	300,235	32,305	0	332,540
2004	517,333	15,746	0	533,079

**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**

<b>REVENUES</b>						
Fiscal Year	<b>EMPLOYER CONTRIBUTIONS</b>				Investment Income (\$)	Total (\$)
	Employee Contributions (\$) <sup>(1)</sup>	Employer Contributions & City Reimbursement	Percentage of Annual Covered Payroll			
2002	38,382	57,500	13.98%		(22,367)	73,515
2003	36,627	83,234	18.56%		49,712	169,573
2004	44,488	98,044	20.11%		(1,662)	140,870

<b>EXPENSES</b>					
Fiscal Year	Benefit Payments (\$) <sup>(1)</sup>	Administrative Expenses (\$) <sup>(1)</sup>	Refunds (\$) <sup>(1)</sup>	Total (\$) <sup>(1)</sup>	
2002	0	0	0	0	
2003	0	0	0	0	
2004	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**

<b>REVENUES</b>					
Fiscal Year	<b>EMPLOYER CONTRIBUTIONS</b>				
	Employee Contributions (\$) <sup>(1)</sup>	Employer Contributions & City Reimbursement <sup>(2)</sup>	Percentage of Annual Covered Payroll	Investment Income (\$) <sup>(3)</sup>	Total (\$)
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
2004	7,981,875	13,656,533	18.71%	53,062,928	74,701,336

<b>EXPENSES</b>				
Fiscal Year	Benefit Payments (\$) <sup>(4)</sup>	Administrative Expenses (\$) <sup>(5)</sup>	Refunds (\$) <sup>(6)</sup>	Total (\$)
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	38,965,891	1,884,961	1,147,196	41,998,048
2004	41,656,165	2,371,310	883,189	44,910,664

**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,					
	2004	2003	2002	2001	2000	1999
<b>Retired Members</b>						
Non-disabled	1458	1429	1493	1466	1415	1442
Disabled	59	59	46	48	50	49
Beneficiaries	346	342	331	328	332	330
<b>Total</b>	<b>1863</b>	<b>1830</b>	<b>1870</b>	<b>1842</b>	<b>1797</b>	<b>1821</b>

**SCHEDULE OF AVERAGE MONTHLY PAYMENT AMOUNTS**

	FISCAL YEARS ENDED SEPTEMBER 30,					
	2004	2003	2002	2001	2000	1999
<b>Retired Benefits</b>						
Non-disabled	\$2,199.15	\$2,062.05	\$1,854.13	\$1,768.03	<b>1707.74</b>	<b>1641.31</b>
Non-disabled & Beneficiaries	-	-	-	-	-	-
Beneficiaries	\$750.53	\$693.38	\$602.98	\$595.82	\$570.96	\$529.86
Disabled	\$1,547.90	\$1,474.48	\$1,261.00	\$1,203.65	\$1,158.22	\$1,087.70

**SCHEDULE OF BENEFIT EXPENSES BY TYPE**

	RETIRED MEMBERS		DISABLED MEMBERS		BENEFICIARIES	
	NUMBER	AMOUNT	NUMBER	AMOUNT	NUMBER	AMOUNT
<b>2004</b>	1458	\$38,476,305	59	\$1,095,915	346	\$3,116,211
<b>2003</b>	1429	\$35,359,984	59	\$1,043,931	342	\$2,845,628
<b>2002</b>	1493	\$33,218,533	46	\$696,073	328	\$2,395,052
<b>2001</b>	1466	\$31,103,173	48	\$693,301	328	\$2,345,162
<b>2000</b>	1415	\$28,997,507	50	\$694,931	332	\$2,274,711
<b>1999</b>	1442	\$28,055,236	49	\$639,570	330	\$2,104,605
<b>1998</b>	1465	\$27,357,151	45	\$546,187	319	\$1,860,396
<b>1997</b>	1505	\$26,898,606	42	\$470,593	305	\$1,724,004
<b>1996</b>	1535	\$26,579,761	43	\$452,514	303	\$1,620,143
<b>1995</b>	1561	\$26,333,202	60	\$486,832	304	\$1,603,481

**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	
<b>Under 25</b>	<b>3</b>	<b>27</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>30</b>
<b>Avg.Pay*</b>	32,548	30,217	0	0	0	0	0	0	0	0	30,450
<b>25 to 29</b>	<b>11</b>	<b>71</b>	<b>27</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>111</b>
<b>Avg.Pay*</b>	33,416	35,922	42,979	51,647	0	0	0	0	0	0	37,674
<b>30 to 34</b>	<b>6</b>	<b>75</b>	<b>59</b>	<b>21</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>162</b>
<b>Avg.Pay*</b>	47,747	40,394	41,326	40,505	43,544	0	0	0	0	0	41,039
<b>35 to 39</b>	<b>12</b>	<b>67</b>	<b>48</b>	<b>36</b>	<b>17</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>185</b>
<b>Avg.Pay*</b>	28,231	29,241	46,769	44,205	58,348	62,946	0	0	0	0	43,842
<b>40 to 44</b>	<b>11</b>	<b>70</b>	<b>45</b>	<b>41</b>	<b>68</b>	<b>46</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>281</b>
<b>Avg.Pay*</b>	38,004	39,566	40,751	46,204	54,487	57,440	0	0	0	0	47,200
<b>45 to 49</b>	<b>8</b>	<b>52</b>	<b>50</b>	<b>25</b>	<b>51</b>	<b>81</b>	<b>16</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>283</b>
<b>Avg.Pay*</b>	35,014	43,578	49,280	43,675	58,565	62,120	63,120	63,406	0	0	53,481
<b>50 to 54</b>	<b>5</b>	<b>31</b>	<b>34</b>	<b>30</b>	<b>28</b>	<b>53</b>	<b>7</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>194</b>
<b>Avg.Pay*</b>	30,596	37,880	44,586	47,085	59,051	64,198	64,075	63,317	0	0	52,268
<b>55 to 59</b>	<b>4</b>	<b>24</b>	<b>23</b>	<b>23</b>	<b>32</b>	<b>26</b>	<b>11</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>144</b>
<b>Avg.Pay*</b>	27,490	36,385	53,203	43,049	59,111	62,572	64,944	99,789	0	0	52,289
<b>60 to 64</b>	<b>1</b>	<b>14</b>	<b>14</b>	<b>19</b>	<b>11</b>	<b>13</b>	<b>3</b>	<b>1</b>	<b>2</b>	<b>0</b>	<b>78</b>
<b>Avg.Pay*</b>	29,406	43,130	47,194	39,413	59,431	61,544	81,086	52,927	39,952	0	49,650
<b>65 &amp; up</b>	<b>3</b>	<b>10</b>	<b>7</b>	<b>19</b>	<b>10</b>	<b>4</b>	<b>2</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>57</b>
<b>Avg.Pay*</b>	19,990	48,827	56,650	37,901	55,338	61,462	72,161	86,095	0	31,467	47,825
<b>Total</b>	<b>64</b>	<b>441</b>	<b>307</b>	<b>216</b>	<b>218</b>	<b>228</b>	<b>39</b>	<b>9</b>	<b>2</b>	<b>1</b>	<b>1,525</b>
<b>Avg.Pay*</b>	33,452	39,003	45,401	43,533	57,245	61,684	65,769	68,746	39,952	31,467	47,555

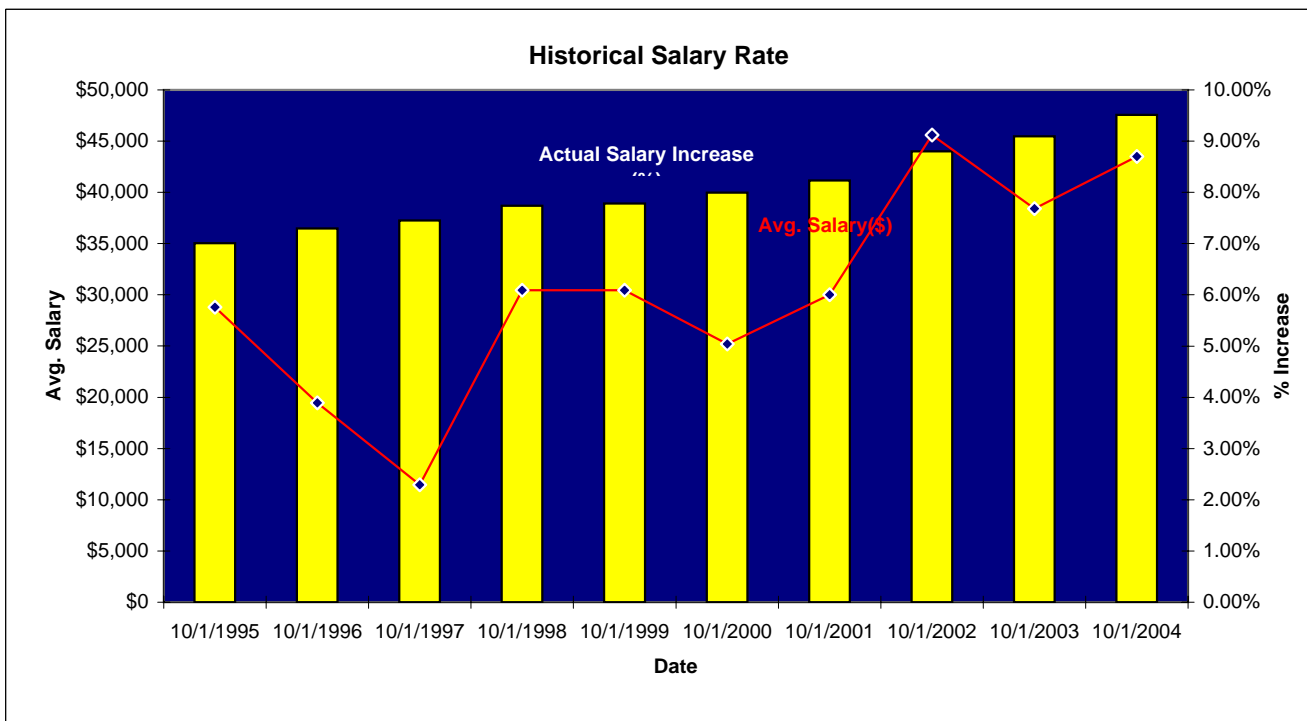
\* The average pay shown is the average of the annual rate of pay excluding any overtime pay or other special compensation.

**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>
10/1/1995	\$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%
10/1/1999	\$38,907	6.09%	10/1/2004	\$47,555	8.70%



**Active Members as of September 30, 2004:**

	<u>Number</u>	<u>Annual Compensation</u>
<b>Males</b>	811	\$ 39,215,327
<b>Females</b>	714	\$ 33,305,805
<b>Total</b>	<b>1525</b>	<b>\$ 72,521,132</b>

Average Annual Compensation	<b>\$47,555</b>
Average Entry Age	<b>34.32</b>
Average Years of Service	<b>10.18</b>