

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

A Pension Trust of the City of Miami

Comprehensive Annual Financial Report
For the Fiscal Year Ended September 30,
2013



Prepared by the Accounting Department

Enrique Mesa, Chief Accountant
Christopher Recicar, Treasurer

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**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013**

TABLE OF CONTENTS

	Page
I. <u>INTRODUCTORY SECTION</u>	
List of Board of Trustees, Management, and Consultants.....	i
Letter of Transmittal.....	ii
Certificate of Achievement for Excellence in Financial Reporting.....	vii
Organizational Chart.....	viii
II. <u>FINANCIAL SECTION</u>	
Independent Accountants' Report.....	1
Management Discussion and Analysis	3
<i>Basic Financial Statements</i>	
Statements of Plan Net Positions.....	11
Statements of Changes in Plan Net Positions.....	13
Notes to Financial Statements.....	15
<i>Required Supplemental Information</i>	
Schedules of Funding Progress & Employer Contributions.....	39
<i>Supporting Schedules</i>	
Schedule of Administrative Expenses.....	44
Schedule of Investment Manager and Consultant Expenses.....	45
III. <u>INVESTMENT SECTION</u>	
Investment Consultant Letter.....	48
Investment Policies.....	49
Summary of Asset Allocation.....	54
Summary of Investment Returns.....	55
List of Largest Assets Held	57
Fund Manager Allocation.....	58
Schedule of Investment Fees.....	60
Schedule of Commissions	61
Investment Summary.....	63
Historical Summary of Investments Held at Fair Value.....	64
IV. <u>ACTUARIAL SECTION</u>	
Actuary's Certification Letter	66
Summary of Actuarial Assumptions and Methods	68
Schedule of Active Member Valuation Data	77
Schedule of Retirants and Beneficiaries	77
Solvency Test	77
Analysis of Financial Experience	79
Summary of Plan Provisions	82
V. <u>STATISTICAL SECTION</u>	
Changes in Net Assets.....	100
Benefit and Refund Deductions from Net Assets by Type.....	103
Retired Members by Type of Benefit	106
Average Benefit Payments.....	107

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Introductory Section

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
BOARD OF TRUSTEES, MANAGEMENT AND CONSULTANTS
SEPTEMBER 30, 2013**

BOARD OF TRUSTEES

Caridad Montero, Chair
Appointed by City Commission

Ron Thompkins, Vice Chair
Appointed by City Commission

Calvin Ellis
Appointed by City Manager

Oscar Valido
Appointed by AFSCME/Local 1907

Anthony Hatten
Appointed by AFSCME/local 1907

Joe Simmons, Jr.
Appointed by AFSCME/Council 79

John Hill
Appointed by City Commission

Clarence Graves
Appointed by AFSCME/Council 79

Elizabeth Warwick
Appointed by City Commission

MANAGEMENT

Pension Administrator
Sandra Elenberg

Assistant Pension Administrator
Edgard Hernandez

Chief Accountant
Enrique Mesa

Treasurer
Christopher Recicar

Assistant to the Administrator
Irma I. Saldaña

CONSULTANTS

Legal Counsel
Ronald A. Silver, Esq.

Certified Public Accountants
Sharpton, Brunson & Company, PA

Investment Consultants
Southeastern Advisory Services, Inc.

Consulting Actuary
Cavanaugh Macdonald Consulting, LLC

Custodian Bank
State Street Bank & Trust Co.

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

March 21, 2014

The Board of Trustees
City of Miami General Employees' and Sanitation Employees'
Retirement Trust and Managed Trusts
City of Miami, Florida 33133

It is our pleasure to provide you with a copy of the Comprehensive Annual Financial Report ("CAFR") for the City of Miami General Employees' & Sanitation Employees' Retirement Trust and Managed Trusts (the "Trusts") for the fiscal year ended September 30, 2013.

Management assumes full responsibility for the accuracy and reliability of the information including the completeness and fairness of its presentation. To provide a reasonable basis for these representations, management has established a comprehensive internal control framework that is designed to provide reasonable, but not absolute, assurance of the safeguarding of assets against loss from unauthorized use or disposition and the adequate reliability of accounting records. Monitoring and evaluation of internal controls is a function that is maintained on an ongoing basis.

The financial statements have been audited by a firm of licensed certified public accountants in the State of Florida as required by state statute. The goal of the audit was to provide reasonable assurance that the financial statements are free of material misstatement. The audit was conducted in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits in *Government Auditing Standards* issued by the Comptroller of the United States. The independent accounting firm, Sharpton, Brunson & Co. P.A. concluded that there was a reasonable basis for rendering an unqualified opinion that the financial statements for the year ended September 30, 2013, are fairly stated in conformity with U.S. generally accepted accounting principles. The Independent Accountant's Report is presented as the first component of the financial section of this report. Immediately following the Independent Accountants' Report is Management's Discussion and Analysis ("MD&A"). It contains a condensed analysis of the financial and investment sections. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

BACKGROUND INFORMATION

Trusts' History

The City of Miami General Employees' and Sanitation Employees' Retirement Trust and Managed Trusts is a retirement system that includes three separate defined benefit plans representing pension trust funds of the City of Miami, Florida (the "City"). The Trusts consist of a single employer plan covering general and sanitation employees of the City, an excess benefit plan covering retirees exceeding the maximum benefit, and a single employer plan covering the staff of the Trusts.

A defined benefit pension trust for all City employees was instituted by City of Miami Ordinance No. 5624, effective July 1, 1956. Pursuant to the final judgment entered on May 23, 1985, in the

matter of Leonard Gates, et al vs. City of Miami (the "Gates Agreement"), the City of Miami General Employees' and Sanitation Employees' Retirement Trust (the "GESE Trust") was established by Ordinance No. 10002 effective June 13, 1985, to serve permanent employees other than firefighters and police officers. The Gates Agreement separated the GESE Trust from the Firefighters and Police Officers' Trust and set individual pension Board guidelines and funding requirements. Members contribute 10% of compensation to the plan, effective October 1, 2012. Benefits are based on a percent ("benefit multiplier") of the average final compensation multiplied by years of creditable service. There are two benefit tiers under the plan. Members eligible to retire on September 30, 2010 have a 3% benefit multiplier and can retire with full benefits at Rule of 70 (age plus years of service equal to at least 70) or age 55, and a minimum of 10 years of service. Other members have a graded benefit multiplier ranging from 2.25% to 2.75% based on years of service and can retire with full benefits at age 55 and 30 years of service, age 60 and 10 years of service, or Rule of 80.

As part of the GESE Trust, a Deferred Retirement Option Program ("DROP") was established in March 2002, pursuant to City of Miami Ordinance No. 12202. The DROP was available to all qualified active GESE Trust members effective May 1, 2002. The DROP allows a participant to accumulate deferred pension benefits while continuing to work as an active member. A BACKDROP benefit option was implemented effective on January 1, 2013. The backdrop option shall replace the DROP for members who were not eligible to retire as of date of implementation, members who were not vested as of October 1, 2010 and all employees hired on or after January 1, 2013.

The City of Miami established a qualified governmental excess benefit plan in Section 40-265 of the Miami City Code in July 2000. The City of Miami General Employees' and Sanitation Employees' Retirement Excess Benefit Plan (the "Excess Benefit Plan") was intended to pay the GESE Trust participants, whose benefits exceeded the amounts permitted by Sections 415 and 401(a)(17) of the Internal Revenue Code. The Board of Trustees of the City of Miami General Employees' and Sanitation Employees' Retirement Trust administers the Excess Benefit Plan through a Grantor Trust Agreement with the City of Miami. The original plan's effective date was October 1, 2000.

On April 27, 2001, the Board of Trustees, within their rule making authority as allowed under Section 40-244 of the Miami City Code, approved a defined benefit plan for the staff employees of the GESE Trust. The City of Miami General Employees' and Sanitation Employees' Retirement Trust Staff Pension Plan (the "Staff Plan") had an effective date of July 1, 2001. Members contribute 10% of compensation to the plan. Normal retirement is a minimum of 10 years of service regardless of age. Benefits are based on 3% of the average final compensation multiplied by years of creditable service.

Plan Administration

A nine member Board of Trustees, who are considered fiduciaries, govern the Trusts. The Board meets at least once every two months as required by City ordinance. Trustees are selected as follows: one trustee selected by the City Manager, two trustees selected by the general employees, two trustees selected by the sanitation employees, and four independent trustees submitted by the unions and selected by the City Commission.

As fiduciaries of the Trusts, the Board performs their duties and responsibilities solely in the interest of members of the retirement plans. In order to achieve their goals, the Board has employed the services of support staff including a pension administrator to perform daily

functions. Services provided by support staff include accounting and financial reporting, member and employer contributions processing, retiree benefits calculations, and monthly disbursement of benefits to retirees or beneficiaries.

The Board employs the services of a consulting actuary, a custodial bank, an investment consultant and several investment managers. An actuarial valuation for each plan is performed by the actuary on an annual basis to determine the amount of the City's annual contribution. The custodial bank has the responsibility of safeguarding assets and reporting monthly investment manager activity. The investment consultant assists the Board in various investment related functions including asset allocation, selection of investment managers, and monitoring and reporting of investment performance. The services of several investment managers are utilized to achieve the goals of investment diversification, and the maximization of returns that meet or exceed the Trusts' actuarial interest rate assumption with reasonable risk. A third party financial organization is utilized as the administrator and investment advisor to assist individual participants with their DROP accounts.

Pursuant to the Gates Agreement, all administrative expenditures of the Trusts, other than investment expenses are to be funded by the City. These expenditures are based upon a budget approved by the Board of Trustees prior to the beginning of the fiscal year. Budgetary controls are maintained in the form of recording all expenditures in the accounting records and performing variance analysis. All administrative expenditures other than investment manager fees are considered budgeted expenditures reimbursable by the City. All investment manager fees are negotiated and based upon the market value of assets being managed and are not reimbursed by the city.

The Board continues to review all aspects of the Trusts to comply with its policies and regulations. All efforts continue in administering the Trusts in an efficient and cost effective manner. The Board and management remains committed to serving the needs of its participants in a diligent manner.

INITIATIVES

During the quarterly performance review, of the Trust's investment managers, the continued underperformance of one of the managers was discussed and the board decided to take action. The Board requested that Southeastern Advisory (Trust's investment consultant) perform a search for a replacement manager for Invesco, who is the international value equity manager. After a review of the candidates chosen by the Southeastern Advisory, the Board narrowed down the list to 4 choices to interview. After the interview process NFJ/ Allianz became the new replacement.

Due to the advancement of technology and increased cybercrimes, the Trust has decided to take preventative measures to protect its interest. Cyber Liability insurance was purchased to protect against various events such as viruses, extortion, or any types of unauthorized access to the Trust's website or its computer servers.

INVESTMENT ACTIVITIES

The investments are governed by the “prudent person rule” which established standards that states fiduciaries shall discharge their duties solely in the interest of the fund participants and with the degree of diligence, care and skill which prudent persons would ordinarily exercise under similar circumstances in a like position. The Board has established investment policies based upon criteria that allows for the delegation of investment authority to professional investment advisors as permitted by the prudent person rule. The investment policies outline the responsibility for the investment of the funds and the degree of risk. The investment managers can use their full discretion as long as they remain within the established guidelines. The investment policy guidelines are reviewed and amended periodically upon consultation with the investment consultant. The investment activities of the Trusts are monitored very closely so as to maintain asset allocation within the established investment guidelines and performance within the benchmarks. The Board meets at least quarterly with the investment consultant in order to monitor individual investment manager performance as well as total fund performance. Investment managers are required to meet with the Board at least once a year, so as to update the Board on performance related information and investment related events.

In considering investment allocation, the major focus of attention is the long-term goal of the Trusts. Diversification of investments helps to reduce overall risk. Asset classes currently being utilized include domestic and international equities, fixed income, real estate and cash. A summary of asset allocation is provided on page 54 in the investment section of this report. The GESE Trust shows an asset allocation of 68.1 percent in equities, 3.6 percent in real estate, 24.8 percent in fixed income and 3.5 percent in cash at fiscal year end. The Staff plan shows an asset allocation of 31.6 percent in fixed income, 46.4 percent in large cap equities, 8.8 percent in international and 13.2 percent in small cap equities at fiscal year end.

For fiscal year 2013, investments provided a positive return of 12.4 percent for the GESE Trust and a positive 12.8 percent return for the Staff Plan. The GESE Trust’s annualized rate of return over the last three years was a positive 10.4 percent and over the last five years was 7.7 percent. The Staff Plan’s annualized rate of return over the last three years was a positive 10.8 percent and over the last five years was 8.7 percent. For a summary of investment returns, see page 55 and 56 in the investment section of this report. A detailed breakdown for the GESE Trust of individual manager investment style, fund allocation, rate of return, style benchmark, and universe ranking is provided on page 58 in the investment section. For actuarial valuation purposes, the assumed rate of return was 7.9 percent for fiscal year 2013. It should be noted that the method of asset valuation utilized for actuarial purposes is a moving market value average over five years. Therefore, although fund return variations have an impact on actuarial calculations, the impact is not as high on an individual year due to this market smoothing effect.

FUNDED STATUS

Florida Statutes require local pension plans to be funded based on approved actuarial reports, except for plans for a select group of employees such as the Excess Benefit Plan. Annual actuarial valuation reports are prepared by our consulting actuary and submitted to the State of Florida’s Division of Retirement for approval on an annual basis.

The Trusts’ funding policies provide for the City of Miami to make periodic employer contributions at actuarially determined rates. These contributions are sufficient to maintain the actuarial soundness of the plans and to accumulate sufficient assets to pay benefits when due. The annual required contributions vary from year to year and are based upon various factors

The Trusts' funding policies provide for the City of Miami to make periodic employer contributions at actuarially determined rates. These contributions are sufficient to maintain the actuarial soundness of the plans and to accumulate sufficient assets to pay benefits when due. The annual required contributions vary from year to year and are based upon various factors and assumptions, including investment rates of return. As can be seen from the schedule of employer contributions on pages 24-27 in the financial section, the City has consistently contributed the annual required contributions as determined by the plans' actuary. This policy does not apply to the Excess Benefit Plan which is funded on a pay-as-you-go basis as benefits become due.

The funded ratio is the ratio between the actuarial value of assets and the actuarial accrued liabilities as of each actuarial valuation date. The higher the ratio, the better funded the Trusts are from an actuarial perspective. The schedule of funding progress provides trend funded ratio information for the past six years. The latest actuarial valuation date is October 1, 2012. For the **GESE Trust**, the actuarial value of assets was \$561 million and the actuarial accrued liability was \$858 million causing an unfunded liability of \$297.2 million. This resulted in a funded ratio of 65%, which was a decrease from a funded ratio of 71% reported in the previous valuation. For the **Staff Plan**, the actuarial value of assets was \$2.46 million and the actuarial accrued liability was \$4.36 million causing an unfunded liability of \$1.909 million. This resulted in a funded ratio of 56%, which was a decrease from a funded ratio of 68% reported in the previous valuation. The Board, management and its consulting actuary concur that the Trusts remain in sound financial position to meet their future obligations to the plan participants and beneficiaries. A detailed discussion of funding is provided in the Actuarial Section of this report.

AWARDS AND ACKNOWLEDGMENTS

The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the Trusts for its CAFR for the fiscal year ended September 30, 2012. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized CAFR. This report must satisfy both U.S. generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The guidance and cooperation of the Board of Trustees in planning and conducting the financial affairs of the Trusts is greatly appreciated. We would like to express our gratitude to the dedicated service of our staff and advisors who have worked so diligently to assure the successful operation of the Trusts as well as the completion of this report.

Sincerely,



Sandra Elenberg
Pension Administrator



Enrique Mesa
Chief Accountant



Christopher Recicar
Treasurer



Government Finance Officers Association

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

Presented to

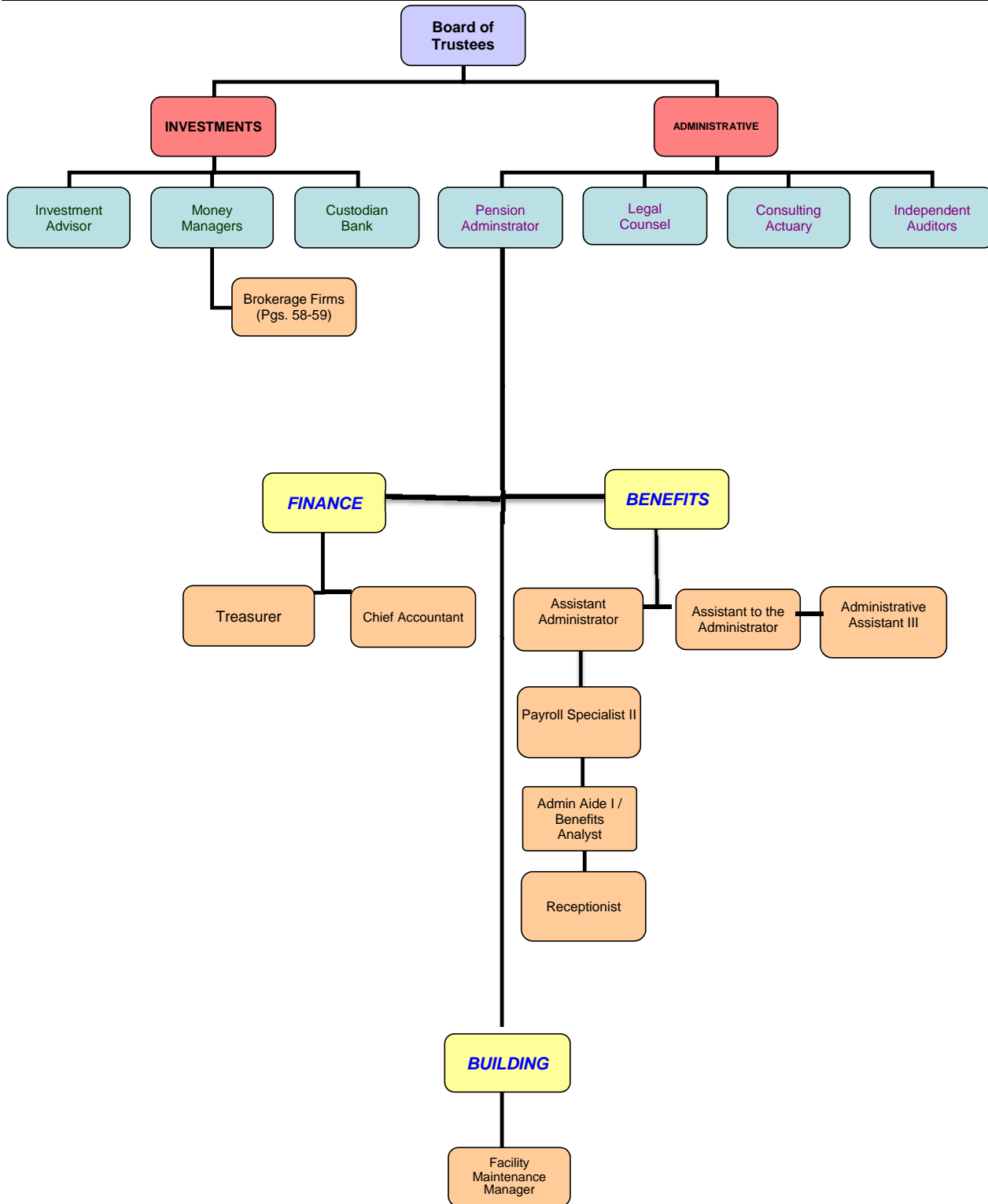
**City of Miami General
Employees' & Sanitation Employees'
Retirement Trust, Florida**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2012

Executive Director/CEO

**CITY OF MIAMI GENERAL EMPLOYEES AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
ORGANIZATIONAL CHART
SEPTEMBER 30, 2013**



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Financial Section



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Certified Public Accountants & Business Consultants

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Tallahassee, FL 32301
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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the combined statements of net position of the City of Miami General Employees' and Sanitation Employees' Retirement Trust and Managed Trusts (the "Trusts") as of September 30, 2013 and 2012, and the related combined statements of changes in net position for the years then ended, and the related notes to the financial statements, which collectively comprise the Trusts' basic financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trusts' internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the net position of the Trusts as of September 30, 2013 and 2012 and changes in net position for the years then ended; in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis information on pages 3 through 10, the schedules of funding process and the employer contributions on pages 39 - 41 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Trust's basic financial statements as a whole. The introductory section, schedule of administrative services, schedule of investment and consultant expenses, investment section, actuarial section and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements.

The schedule of administrative services and schedule of investment and consultant expenses are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

The introductory, investment, actuarial and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them. 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 express no opinion on it.

Sharpton Brunson & Company P.A.

December 20, 2013



**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2013 AND 2012**

The discussion and analysis of the City of Miami General Employees' and Sanitation Employees' Retirement Trust and Managed Trusts' (the "Trusts") financial performance provides an overview of the financial activities and funding conditions for the fiscal years ended September 30, 2013 and 2012. Readers are encouraged to consider the information presented in conjunction with the basic financial statements.

FINANCIAL HIGHLIGHTS

The City of Miami General Employees' and Sanitation Employees' Retirement Trust ("GESE Trust")

The GESE Trust net results from operations for fiscal year 2013 reflected the following financial activities:

- A net increase of \$24.2 million in plan net position (or 4%) as a result of the fiscal year activities.
- Member contributions represent 10% and 13% of payroll for fiscal year 2013 and 2012, respectively. Members contributed approximately \$6.7 million in 2013 and \$8.6 million in 2012. Member contributions decreased \$1.9 million in 2013 and \$600 thousand in 2012. Employee contributions will vary from year to year and are dependent upon several factors such as salary levels and number of active members.
- Employer contributions decreased by \$217 thousand (or .8%) during fiscal year 2013 and increased by \$5.4 million (or 26%) during fiscal year 2012. The amount of employer contributions vary from year to year based on an actuarially determined requirement.
- The investment portfolios had a net investment income of \$66 million in fiscal 2013 compared to a net investment income of \$87 million in 2012. This decrease of \$21 million followed an increase of \$78 million in the prior year.
- In 2013, benefit payments and refunds of contributions increased by \$639 thousand (or .9%), while in 2012, benefit and refund payments decreased by \$1.09 million (or 1%).

The City of Miami General Employees' and Sanitation Employees' Retirement Excess Benefit Plan ("Excess Benefit Plan")

The Excess Benefit Plan reflected the following activities for fiscal year 2013:

- Employer contributions and pension benefit payments for the Excess Benefit Plan increased by \$8 thousand (or 1.6%); while in 2012 it increased by \$109 thousand (or 27%).
- The Excess Benefit Plan was established so that the amount of the defined benefits for eligible members is not diminished by changes in the IRS Tax code. The Plan pays GESE Trusts' participants whose benefits exceeded the amounts permitted by section 415 and 401(a)(17) of Internal Revenue Code. Accordingly, the plan does not have plan net position.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2013 AND 2012**

FINANCIAL HIGHLIGHTS (cont'd)

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

The Staff Plan had the following financial performance results for fiscal year 2013:

- Plan net position had an increase of \$286 thousand for fiscal year 2013. The plan net position increased to \$2.85 million in fiscal year 2013 from \$2.56 million in fiscal year 2012 representing an 11% increase.
- Member contributions for 2013 decreased \$64 thousand (or 70%) but increased \$12 thousand (or 15%) in 2012, representing 10% of payroll. Employer contributions decreased \$7 thousand (or 3%) in 2013, but increased \$62 thousand (or 38%) in 2012, based on an actuarially determined requirement.
- The investment portfolio had net investment income of \$320 thousand in fiscal year 2013 while 2012 showed net investment income of \$404 thousand.
- In 2013, benefit payments and refunds of contributions increased by \$71 thousand (or 34%), while in 2012, benefits payments and refund contribution increased by \$178 thousand (or 542%).

OVERVIEW OF FINANCIAL STATEMENTS

Management's Discussion and Analysis serves as an introduction to the basic financial statements. The basic financial statements consist of the Statement of Plan Net Position, the Statement of Changes in Plan Net Position, the notes to the financial statements, and required supplementary historical trend information including the schedule of funding progress and the schedule of employer contributions. The basic financial statements are prepared on an accrual basis in accordance with U.S. generally accepted accounting principles promulgated by the Governmental Accounting Standards Board.

The Statement of Plan Net Position is a point in time snapshot of account balances at fiscal year-end. It reports the assets available for future payments to retirees and their beneficiaries less any current liabilities that are owed as of the fiscal year end. The resulting net position held in trust for pension benefits are available to meet on-going obligations. The Trusts continue to be soundly funded. It is important to remember that a retirement system's funding is a long term concept, where temporary fluctuations in the market are expected.

The Statement of Changes in Plan Net Position displays the effect of pension fund transactions that occurred during the fiscal year. The impact of those activities is shown as additions less deductions to the plan net position. The trend of additions versus deductions to the Plan indicates the condition of the Trusts' financial position over time.

The notes to the financial statements are an integral part of the financial reports. The notes provide detailed discussions of key policies and activities, and additional background that is essential for a complete understanding of the data presented in the statements.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2013 AND 2012**

FINANCIAL ANALYSIS

The following is a condensed comparative Statement of Plan Net Position of each of the Trusts.

**STATEMENT OF PLAN NET POSITION
September 30,
(in Thousands)**

	GESE Trust			Excess Benefit Plan			Staff Plan		
	2013	2012	2011	2013	2012	2011	2013	2012	2011
Assets:									
Cash	\$ 784	\$ 511	\$ 869	\$ 43	\$ 43	\$ 32	\$ 58	\$ 6	\$ 23
Receivables:									
Securities sold	975	1,361	4,412	-	-	-	-	-	-
Interest & dividends	1,499	1,726	1,765	-	-	-	-	-	-
Contributions & other	489	779	2,603	22	30	20	-	-	-
Total receivables	<u>2,963</u>	<u>3,866</u>	<u>8,780</u>	<u>22</u>	<u>30</u>	<u>20</u>	<u>-</u>	<u>-</u>	<u>-</u>
Investments:									
Fixed income	143,303	150,217	172,638	-	-	-	-	-	-
Equity securities	445,294	413,828	338,845	-	-	-	2,791	2,557	2,027
Total investments	<u>588,597</u>	<u>564,045</u>	<u>511,483</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,791</u>	<u>2,557</u>	<u>2,027</u>
Capital assets	2,068	2,155	2,243	-	-	-	-	-	-
Total assets	<u>594,412</u>	<u>570,578</u>	<u>523,375</u>	<u>66</u>	<u>74</u>	<u>52</u>	<u>2,849</u>	<u>2,563</u>	<u>2,050</u>
Liabilities:									
Securities purchased	3,182	3,643	4,516	-	-	-	-	-	-
Other liabilities	845	737	765	66	74	52	1	1	-
Total liabilities	<u>4,027</u>	<u>4,380</u>	<u>5,281</u>	<u>66</u>	<u>74</u>	<u>52</u>	<u>1</u>	<u>1</u>	<u>-</u>
Net position held in Trust for pension benefits	<u>\$ 590,384</u>	<u>\$ 566,198</u>	<u>\$ 518,094</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,848</u>	<u>\$ 2,562</u>	<u>\$ 2,050</u>

GESE Trust

The net position of the GESE Trust reported in the fiscal year 2013 was \$590 million compared to the net position reported in the fiscal year 2012 of \$566 million. The net position increased by approximately \$24 million (or 4%) primarily due to the increase in investments of \$25 million.

Excess Benefit Plan

The Excess Benefit Plan is funded as needed to pay benefits and therefore the plan has no net position. The liability represents some funding in advance as the City of Miami makes estimated contributions twice a year.

Staff Plan

The net position of the Staff Plan reported in the fiscal year 2013 was \$2.85 million compared to the net position reported in the fiscal year 2012 of \$2.56 million. The net position increased by \$285 thousand (or 11%) primarily due to the increase in investments of \$234 thousand.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2013 AND 2012**

FINANCIAL ANALYSIS (cont'd)

The table below shows a condensed comparative summary of the changes in net position and represents the activities of the Trusts.

STATEMENTS OF CHANGES IN PLAN NET POSITION
For the Years Ended September 30,
(in Thousands)

	GESE Trust			Excess Benefit Plan			Staff Plan		
	2013	2012	2011	2013	2012	2011	2013	2012	2011
Additions:									
Contributions									
Employer	\$ 25,568	\$ 25,785	\$ 20,421	\$ 523	\$ 515	\$ 406	\$ 220	\$ 227	\$ 165
Members	6,734	8,588	9,183	-	-	-	28	92	80
Total contributions	32,302	34,372	29,604	523	515	406	248	319	245
Reimbursement income	2,820	3,104	3,078	94	105	107	-	-	-
Net investment income	66,349	87,378	9,453	-	-	-	320	404	21
Total additions	101,471	124,854	42,135	617	620	513	568	723	266
Deductions:									
Benefits	72,432	72,186	72,738	523	515	410	282	187	13
Refunds	1,779	1,386	1,929	-	-	-	-	24	-
Administrative	3,074	3,178	3,172	94	105	103	-	-	20
Total deductions	77,285	76,750	77,839	617	620	513	282	211	33
Change in net position	24,187	48,292	(35,704)	-	-	-	286	512	233
Net position held in trust for pension benefits:									
Beginning of year	566,198	518,095	553,798	-	-	-	2,562	2,050	1,817
End of year	<u>\$ 590,384</u>	<u>\$ 566,198</u>	<u>\$ 518,094</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,848</u>	<u>\$ 2,562</u>	<u>\$ 2,050</u>

GESE Trust

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

- Additions to the plan net position during fiscal year 2013 show a positive \$101 million that included contributions of \$32 million and net investment income of \$66 million. This was a decrease from the fiscal year 2012, when additions were increased \$125 million, which included member and employer contributions of \$34 million, and net investment income of \$87 million.
- Deductions to plan net position increased by .8% from \$76.8 million in fiscal year 2012 to \$77.3 million in 2013. Most of the increase relates to pension benefit payments and refunds.

Excess Benefit Plan

For the Excess Benefit Plan, the City contributes as benefits become payable. As a result, employer contributions equal benefit payments. Employer contributions and administrative reimbursements decreased \$3 thousand (or .48%) from \$620 thousand during 2012 to \$617 thousand in 2013.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2013 AND 2012**

FINANCIAL ANALYSIS (cont'd)

Staff Plan

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

- Increases to the plan net position during fiscal year 2013 were \$286 thousand, including contributions of \$248 thousand and net investment income of \$320 thousand. This was a 44% decrease from the fiscal year 2012, when additions were a positive \$512 thousand, which included contributions of \$319 thousand, and net investment income of \$404 thousand. The increase was primarily due to the investments for the year.
- Additions to plan net position decreased by \$155 thousand during the year as a result of decrease in net investment income of \$84 thousand.
- Deductions to plan net position increased by \$71 thousand during 2013, while 2012 saw a \$178 thousand increase.

INVESTMENT ACTIVITIES

Investment income is very important to the Trusts for current and future financial stability. The Board employs the services of an investment consultant to annually review and periodically update the Investment Policy Statements. The Investment Policy Statements were last amended January 25, 2013.

Portfolio performance is reviewed quarterly for the GESE Trust and semi-annually for the Staff Plan by the Board and its investment consultant. Performance is evaluated for each individual money manager, collectively by investment type (i.e. domestic equity) and for the total portfolio.

Asset Allocation

The table below indicates the GESE Trust's investment policy target and actual asset allocation for the past two years.

GESE TRUST - SUMMARY OF ASSET ALLOCATION

	<u>Policy Guidelines</u>		<u>Actual as of September 30</u>	
	<u>Target</u>	<u>Range</u>	<u>2013</u>	<u>2012</u>
U.S. large cap equity	42%	30 - 55%	52.3%	49.9%
U.S. small cap equity	10%	0 - 15%	7.1%	5.8%
International equity	13%	0 - 15%	8.7%	8.0%
U.S. fixed income	29%	20 - 40%	24.8%	26.9%
Real estate	5%	0 - 10%	3.6%	3.5%
Cash and other	1%	0 - 15%	3.5%	5.8%
			<u>100.0%</u>	<u>100.0%</u>

The percentage of total assets invested in each asset class was within the policy ranges for the past two fiscal years. Minor changes in the allocation occurred due to market conditions.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2013 AND 2012**

INVESTMENT ACTIVITIES (cont'd)

Asset Allocation (cont'd)

The Table below indicates Staff Plan's investment policy target and actual asset allocation for the past two years.

STAFF TRUST - SUMMARY OF ASSET ALLOCATION

	Policy Guidelines		Actual as of September 30,	
	Target	Range	2013	2012
U.S. large cap equity	42%	25 - 70%	46.4%	46.2%
U.S. small cap equity	10%	0 - 25%	13.2%	11.0%
International equity	13%	0 - 25%	8.8%	8.1%
U.S. fixed income	35%	20 - 70%	31.6%	34.7%
Cash and other	0%	0 - 10%	<u>0.0%</u>	<u>0.0%</u>
			<u>100.0%</u>	<u>100.0%</u>

The percentage of total assets invested in each asset class was within the policy ranges for the year. There were minor changes in the allocation among the asset class during the year.

Investment Returns

The summary of investment returns reflects the past fiscal year returns as well as the three-year and five-year annualized rates of return for periods ending September 30, 2013. The rates of returns are time weighted, gross of fees, and based on market rate of return.

As of September 30, 2013, the policy portfolio includes the following indices and weightings:

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

The overall performance results for the GESE Trust follows:

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

	Year to Date	Annualized Return	
		3 Year	5 Year
Fiscal Year 2013			
Total Fund	12.4%	10.4%	7.7%
Policy Portfolio	14.0%	11.6%	8.7%
Fiscal Year 2012			
Total Fund	18.0%	9.3%	2.1%
Policy Portfolio	19.6%	10.1%	2.8%

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2013 AND 2012**

INVESTMENT ACTIVITIES (cont'd)

Investment Returns (cont'd)

The overall performance results for the GESE Trust continues:

The GESE Trust had a positive return of 12.4%, for the year ended September 30, 2013, as compared to a 18.0% positive return for the year ended September 30, 2012. The Trust's performance increase this year was the result of strong returns in the equity markets, especially in the domestic equity asset class. The fund slightly underperformed the benchmarks for year 2013 as well as the annualized three and five year periods.

The overall performance results for the Staff Plan follows:

**STAFF PLAN - SUMMARY OF INVESTMENT RETURNS
September 30,**

	<u>Year to Date</u>	<u>Annualized Return</u>	
		<u>3 Year</u>	<u>5 Year</u>
Fiscal Year 2013			
Total Fund	12.8%	10.8%	8.7%
Policy Portfolio	12.4%	10.8%	8.7%
Fiscal Year 2012			
Total Fund	18.8%	9.6%	2.9%
Policy Portfolio	19.4%	10.0%	3.2%

For the fiscal year ended September 30, 2013, the Staff Plan was also lifted by the positive stock market environment and experienced a positive total return of 12.8%, following a total return in 2012 of 18.8%. The fund experienced a slight gain above the benchmark in 2013 and matched the benchmarks for the three and five year periods.

ECONOMIC FACTORS

The 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. The Trusts investment activities are a function of the underlying marketplace for the period measured, money manager performance, and the investment policy's asset allocation. Maintaining a diversified portfolio of investments is critical for an opportunity of positive returns. The market continues to have strong opportunity for the possibility of growth in many sectors. The Trusts have very successful investment programs and prudent management practices in place to alleviate the effects of present and future adverse economic conditions.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2013 AND 2012**

CONTACTING THE TRUSTS' FINANCIAL MANAGEMENT

This financial report is designed to provide the Trustees, retired plan participants and active City employees with an overview of the Trusts' finances and the prudent exercise of the Board's oversight. If you have any questions regarding the contents of this report, please contact the City of Miami General Employees' and Sanitation Employees' Retirement Trust at 2901 Bridgeport Avenue, Coconut Grove, Florida 33133, phone (305) 441-2300, or at the Trusts' website at <http://www.gese.org>.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
STATEMENT OF PLAN NET POSITION
SEPTEMBER 30, 2013**

	<u>GESE Trust</u>	<u>Excess Benefit Plan</u>	<u>Staff Plan</u>	<u>Total</u>
ASSETS				
Cash	\$ 783,671	\$ 43,485	\$ 58,451	\$ 885,607
Receivables:				
Securities sold	975,259	-	-	975,259
Members' contributions	151,926	-	-	151,926
Interest and dividends	1,498,723	-	-	1,498,723
City of Miami	299,658	22,040	-	321,698
Other	<u>37,273</u>	-	-	<u>37,273</u>
Total receivables	<u>2,962,839</u>	<u>22,040</u>	<u>-</u>	<u>2,984,879</u>
Investments, at fair value:				
U.S. Government and Agency Securities	91,542,543	-	-	91,542,543
Corporate stocks	398,834,785	-	1,910,940	400,745,725
Corporate bonds	51,760,353	-	879,725	52,640,078
Real estate funds	20,409,959	-	-	20,409,959
Money market funds	<u>26,049,714</u>	-	-	<u>26,049,714</u>
Total investments	588,597,354	-	2,790,665	591,388,019
Capital assets, net	<u>2,067,791</u>	-	-	<u>2,067,791</u>
Total Assets	<u>594,411,655</u>	<u>65,525</u>	<u>2,849,116</u>	<u>597,326,296</u>
LIABILITIES				
Payable for securities purchased	3,182,396	-	-	3,182,396
City of Miami - excess	-	55,965	-	55,965
Notes payable capital lease	3,769	-	-	3,769
Accounts payable and accrued expenses	<u>841,320</u>	<u>9,560</u>	<u>1,030</u>	<u>851,910</u>
Total Liabilities	<u>4,027,485</u>	<u>65,525</u>	<u>1,030</u>	<u>4,094,040</u>
Net position held in trust for pension benefits	<u>\$ 590,384,170</u>	<u>\$ -</u>	<u>\$ 2,848,086</u>	<u>\$ 593,232,256</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
STATEMENT OF PLAN NET POSITION
SEPTEMBER 30, 2012**

	<u>GESE Trust</u>	<u>Excess Benefit Plan</u>	<u>Staff Plan</u>	<u>Total</u>
ASSETS				
Cash	\$ 511,414	\$ 43,485	\$ 5,495	\$ 560,394
Receivables:				
Securities sold	1,360,576	-	-	1,360,576
Members' contributions	156,710	-	-	156,710
Interest and dividends	1,726,466	-	-	1,726,466
City of Miami	565,786	30,269	-	596,055
Other	<u>56,338</u>	<u>-</u>	<u>-</u>	<u>56,338</u>
Total receivables	<u>3,865,876</u>	<u>30,269</u>	<u>-</u>	<u>3,896,145</u>
Investments, at fair value:				
U.S. Government and Agency Securities	84,084,551	-	-	84,084,551
Corporate stocks	358,899,769	-	1,671,786	360,571,555
Corporate bonds	66,133,102	-	885,580	67,018,682
Real estate funds	25,096,325	-	-	25,096,325
Money market funds	<u>29,831,876</u>	<u>-</u>	<u>-</u>	<u>29,831,876</u>
Total investments	<u>564,045,623</u>	<u>-</u>	<u>2,557,366</u>	<u>566,602,989</u>
Capital assets, net	<u>2,154,876</u>	<u>-</u>	<u>-</u>	<u>2,154,876</u>
Total Assets	<u>570,577,789</u>	<u>73,754</u>	<u>2,562,861</u>	<u>573,214,404</u>
LIABILITIES				
Payable for securities purchased	3,643,116	-	-	3,643,116
City of Miami excess	-	73,754	-	73,754
Notes payable	3,769	-	-	3,769
Accounts payable and accrued expenses	<u>733,373</u>	<u>-</u>	<u>1,030</u>	<u>734,403</u>
Total Liabilities	<u>4,380,258</u>	<u>73,754</u>	<u>1,030</u>	<u>4,455,042</u>
Net position held in trust for pension benefits	<u>\$ 566,197,531</u>	<u>\$ -</u>	<u>\$ 2,561,831</u>	<u>\$ 568,759,362</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
STATEMENT OF CHANGES IN PLAN NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	<u>GESE Trust</u>	<u>Excess Benefit Plan</u>	<u>Staff Plan</u>	<u>Total</u>
ADDITIONS				
Contributions:				
Employer	\$ 25,568,193	\$ 523,398	\$ 219,774	\$ 26,311,365
Plan members	<u>6,733,859</u>	<u>-</u>	<u>28,380</u>	<u>6,762,239</u>
Total contributions	<u>32,302,052</u>	<u>523,398</u>	<u>248,154</u>	<u>33,073,604</u>
Investment income appreciation:				
Net appreciation in fair value of investments	57,320,686	-	253,194	57,573,880
Interest	5,489,960	-	-	5,489,960
Dividend	5,533,270	-	66,726	5,599,996
Other income	<u>81,985</u>	<u>-</u>	<u>-</u>	<u>81,985</u>
Total investment income	<u>68,425,901</u>	<u>-</u>	<u>319,920</u>	<u>68,745,821</u>
Less investment expense	<u>2,077,290</u>	<u>-</u>	<u>-</u>	<u>2,077,290</u>
Net investment income	<u>66,348,611</u>	<u>-</u>	<u>319,920</u>	<u>66,668,531</u>
Reimbursement income from City of Miami	<u>2,820,497</u>	<u>94,073</u>	<u>-</u>	<u>2,914,570</u>
Total Additions	<u>101,471,160</u>	<u>617,471</u>	<u>568,074</u>	<u>102,656,705</u>
DEDUCTIONS				
Benefits	72,431,710	523,398	281,818	73,236,926
Refunds of contributions	1,779,420	-	-	1,779,420
Administrative and other expenses	<u>3,073,392</u>	<u>94,073</u>	<u>-</u>	<u>3,167,465</u>
Total Deductions	<u>77,284,522</u>	<u>617,471</u>	<u>281,818</u>	<u>78,183,811</u>
Change in net position	24,186,638	-	286,256	24,472,894
Net position held in trust for pension benefits, beginning of year	<u>566,197,531</u>	<u>-</u>	<u>2,561,831</u>	<u>568,759,362</u>
Net position held in trust for pension benefits, end of year	<u>\$ 590,384,169</u>	<u>\$ -</u>	<u>\$ 2,848,087</u>	<u>\$ 593,232,256</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
STATEMENT OF CHANGES IN PLAN NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	<u>GESE Trust</u>	<u>Excess Benefit Plan</u>	<u>Staff Plan</u>	<u>Total</u>
ADDITIONS				
Contributions:				
Employer	\$ 25,784,849	\$ 514,908	\$ 226,793	\$ 26,526,550
Plan members	<u>8,587,563</u>	<u>-</u>	<u>91,989</u>	<u>8,679,552</u>
Total contributions	<u>34,372,412</u>	<u>514,908</u>	<u>318,782</u>	<u>35,206,102</u>
Investment income:				
Net appreciation in fair value of investments	78,349,329	-	342,207	78,691,536
Interest	6,229,231	-	-	6,229,231
Dividend	4,820,861	-	61,046	4,881,907
Other income	<u>108,029</u>	<u>-</u>	<u>-</u>	<u>108,029</u>
Total investment income	<u>89,507,450</u>	<u>-</u>	<u>403,253</u>	<u>89,910,703</u>
Less investment expense	<u>2,129,415</u>	<u>-</u>	<u>-</u>	<u>2,129,415</u>
Net investment income	<u>87,378,035</u>	<u>-</u>	<u>403,253</u>	<u>87,781,288</u>
Reimbursement income from City of Miami	<u>3,104,449</u>	<u>104,783</u>	<u>-</u>	<u>3,209,232</u>
Total Additions	<u>124,854,896</u>	<u>619,691</u>	<u>722,035</u>	<u>126,196,622</u>
DEDUCTIONS				
Benefits	72,186,394	514,907	186,680	72,887,981
Refunds of contributions	1,385,881	-	23,902	1,409,783
Administrative and other expenses	<u>3,178,449</u>	<u>104,783</u>	<u>-</u>	<u>3,283,232</u>
Total Deductions	<u>76,750,724</u>	<u>619,690</u>	<u>210,582</u>	<u>77,580,996</u>
Change in net position	48,104,172	-	511,453	48,615,626
Net position held in trust for pension benefits, beginning of year	<u>518,093,359</u>	<u>-</u>	<u>2,050,377</u>	<u>520,143,736</u>
Net position held in trust for pension	<u>\$ 566,197,531</u>	<u>\$ -</u>	<u>\$ 2,561,830</u>	<u>\$ 568,759,362</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013 AND 2012**

Note 1 - Summary of Significant Accounting Policies

Basis of Presentation

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) City of Miami GESE Retirement Excess Benefit Plan ("Excess Benefit Plan") and (3) City of Miami General Employees' and Sanitation Employees' Retirement Trust Staff Pension Plan ("Staff Plan"). Each plan's assets may be used only for the payment of benefits to the members of that plan, in accordance with the terms of the plan.

The financial statements of the City of Miami General Employees' and Sanitation Employees' Retirement Trust and Managed Trusts (the "Trusts") have been prepared in conformity with U.S. generally accepted accounting principles, Governmental Accounting Standards and the Trust Ordinance. The financial statements represent only the Trusts and are not intended to present the comprehensive financial position and results of operations of the City of Miami (the "City").

Basis of Accounting

The financial statements of the Trusts are prepared using the accrual basis of accounting. Trust member contributions are recognized in the period in which the contributions are due. City contributions are recognized when due pursuant to formal commitments rather than in the period in which employee services are performed. Benefits and refunds are recognized when due and payable in accordance with the terms of the plans.

Plan receivables generally are short term and consist of contributions due as of the reporting date from the employer(s), plan members, and other contributors, and interest and dividends on investments. Amounts recognized as receivables include those due pursuant to formal commitments as well as statutory or contractual requirements.

Pronouncements Issued, But Not Yet Adopted

GASB Statement 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. The objective of this Statement is to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees. This Statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee. The amount of the liability to be recognized should be the discounted present value of the best estimate of the future outflows expected to be incurred as a result of the guarantee. When there is no best estimate but a range of the estimated future outflows can be established, the amount of the liability to be recognized should be the discounted present value of the minimum amount within the range.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013 AND 2012**

Note 1 - Summary of Significant Accounting Policies (cont'd)

Pronouncements Issued, But Not Yet Adopted (cont'd)

GASB Statement 70, Accounting and Financial Reporting for Nonexchange Financial Guarantees. (cont'd)

This Statement requires a government that has issued an obligation guarantee in a nonexchange transaction to report the obligation until legally released as an obligor. This Statement also requires a government that is required to repay a guarantor for making a payment on a guaranteed obligation or legally assuming the guaranteed obligation to continue to recognize a liability until legally released as an obligor. When a government is released as an obligor, the government should recognize revenue as a result of being relieved of the obligation. This Statement also provides additional guidance for intra-entity nonexchange financial guarantees involving blended component units. The provisions of this statement are effective for the reporting periods beginning after June 15, 2013.

GASB Statement 69, Government Combinations and Disposals of Government Operations. The objective of this statement is to improve financial reporting by addressing accounting and financial reporting for government combinations and disposals of government operations. The term *government combinations* is used in this Statement to refer to a variety of arrangements including mergers and acquisitions. Government combinations also include transfers of operations that do not constitute entire legally separate entities and in which no significant consideration is exchanged. Transfers of operations may be present in shared service arrangements, reorganizations, redistricting, annexations, and arrangements in which an operation is transferred to a new government created to provide those services. The requirements of this Statement are effective for government combinations and disposals of government operations occurring in financial reporting periods beginning after December 15, 2013, and should be applied on a prospective basis.

GASB Statement 68, Accounting and Financial Reporting for Pensions an amendment of GASB Statement No. 27 was issued June 2012. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirements of Statement No. 27, Accounting for Pensions by State and Local Governmental Employers, as well as the requirements of Statement No. 50, Pension Disclosures, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The provisions of this Statement will be effective for City of Miami GESE beginning with its year ending September 30, 2015.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013 AND 2012**

Note 1 - Summary of Significant Accounting Policies (cont'd)

Pronouncements Issued, But Not Yet Adopted (cont'd)

GASB Statement 67, *Financial Reporting for Pension Plans - an amendment of GASB Statement No. 25* was issued June 2012. The objective of this Statement is to improve financial reporting by state and local governmental pension plans. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirements of Statements No. 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans, and No. 50, Pension Disclosures, as they relate to pension plans that are administered through trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of Statements 25 and 50 remain applicable to pension plans that are not administered through trusts covered by the scope of this Statement and to defined contribution plans that provide postemployment benefits other than pensions. The provisions of this Statement will be effective for City of Miami GESE beginning with its year ending September 30, 2014.

The Trusts has not yet determined the effect these Statements will have on its financial statements.

Investments

Investments are reported at fair value based on quoted market prices and are managed by third party money managers. Purchases and sales of securities are reflected on a trade-date basis. Gain or loss on sales of securities is based on average cost for equity and debt securities. Interest and dividend income are recorded as earned on an accrual basis.

Cash

As required by Chapter 280.04, Florida Statutes, all deposits of the Trusts were held in institutions designated by the Treasurer of the State of Florida as "qualified public depositories" and were accordingly collateralized as required by that Statute. All deposits of the Trusts are considered fully insured for risk categorization purposes. As a result, deposits are not exposed to custodial credit risk.

Capital Assets

Capital assets are recorded at cost. Capital assets are defined as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of one year. Major capital improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013 AND 2012**

Note 1 - Summary of Significant Accounting Policies (cont'd)

Capital Assets (cont'd)

Capital assets are depreciated using the straight line method over the estimated useful life as follows:

Buildings and improvements	20 to 50 years
Improvements other than buildings	10 to 30 years
Machinery and equipment	3 to 20 years

Investment, Administrative, and Other Expenses

Investment money manager fees are funded by investment income of the Trusts. All other costs of operating the Trusts, including investment advisor fees, are directly funded by reimbursement income from the City.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Risks and Uncertainties

The Trusts provide for investment options in any combination of stocks, bonds, fixed income securities, mutual funds, and other investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit risk. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term would materially affect balances and the amounts reported in the statements of net position and the statements of changes in net position (see Note 7).

The GESE Trust is a single employer defined benefit plan to which member employees contributed 10% of their base salaries or wages. The GESE Trust was established pursuant to the City of Miami Ordinance No. 10002 and subsequently revised under City of Miami Ordinance No. 12111. The City of Miami, Florida 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.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013 AND 2012**

Note 2 - Plan Description

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

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 and years of service

The minimum normal retirement age is 55. Any member in service who had 10 or more years of continuous creditable service may elect to retire upon the attainment of normal retirement age. A member who had completed a combination of at least ten years of creditable service plus attained age equaling 70 points may elect a rule of 70 service retirement. Subsequent to September 30, 2010 for members not eligible to retire as of that date, the retirement age and service changed to age 55 and 30 years of creditable service or age 60 and 10 years of continuous creditable service or a combination of at least ten years of creditable service plus attained age equaling 80 points (Rule of 80).

Benefits

Retirement benefits are based on 3.0% of the average final compensation multiplied by years of creditable service, which is paid annually in monthly installments. Early retirement, disability, death and other benefits are also provided as defined in City of Miami Ordinance No. 12111. For service after September 30, 2010 for members not eligible to retire as of that date, 2.25% of average final compensation multiplied by creditable service up to 15 years, 2.5% of average final compensation for 15 to 20 years of service and 2.75% for service over 20 years. Effective September 30, 2012, for members not eligible to retire on that date, member annual retirement allowances shall not exceed \$80,000. Any member who has accrued a benefit in excess of the maximum benefit as of September 30, 2012 will retain that benefit but will not accrue any additional benefit.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013 AND 2012**

Note 2 - Plan Description (cont'd)

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

Accumulated Leave

Members eligible to receive accumulated sick and vacation leave from the City are able to transfer the amount to an eligible retirement plan. The GESE Trust facilitates the transfer of the accumulated sick and vacation leave to any eligible retirement plan and is pursuant to City of Miami Code Section 40-266.

Cost of Living Adjustment (COLA)

Effective October 1, 1998, the plan document was amended to provide for an increase in the COLA paid to retirees to 4% with a \$400 annual maximum increase, provided the retiree's first anniversary of retirement has been reached. The amendment also provided for retirees electing the return of contribution option to receive a minimum COLA benefit of twenty-seven dollars per year and a maximum COLA benefit of two hundred dollars added to the previous COLA benefit, provided the retiree's first anniversary of retirement has been reached.

Deferred Retirement Option Program (DROP)

The DROP is available to GESE Trust members eligible for normal retirement as of January 1, 2013 or vested as October 1, 2010. The DROP is not available to any other GESE Trust member. The DROP is an enhancement to the GESE Trust that can provide a member with another way to save for retirement. It allows a participant to receive pension payments by depositing in the DROP program while continuing to work and receive pay and benefits as an active employee. At the end of the DROP period, when the participant is officially required to retire, the participant receives monthly pension payments based on the years of service and salary at the time that the participant enrolled in the DROP. The participant may receive the accumulated DROP account balance after withdrawing from the DROP. The DROP monies can be rolled over into a separate tax-qualified plan such as an Individual Retirement Account (IRA) or 457(b) government sponsored deferred compensation plan.

DROP pension payments for the years ended September 30, 2013 and 2012 amounted to \$14,076,124 and \$15,799,033, respectively, and is included in benefits in the statement of changes in plan net position.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013 AND 2012**

Note 2 - Plan Description (cont'd)

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

BACKDROP Option (BACKDROP)

The BACKDROP is available to all GESE Trust members effective January 1, 2013. Under the BACKDROP option a member can receive a lump sum payment in addition to a monthly pension annuity. The employee chooses to take a BACKDROP at the end of his employment with the City as long as he or she BACKDROPS to any date after he/she reaches the Normal Retirement date. If the member elects the BACKDROP option, the monthly benefit payable on the member's actual retirement date (when the member leaves City employment) is based on the benefit the member would have received had he or she left employment and retired on an earlier Normal Retirement (NR) date, referred to as the BACKDROP date. In addition, the member will receive a lump sum payment equal to the accumulation of annuity payments he or she would have received during the BACKDROP period had he or she elected to receive immediate pension annuity payments starting as of the BACKDROP date. Annuity payments would be accumulated at the rate of 3% per year, compounded annually. The member's BACKDROP date can be any date after his or her Normal Retirement Date and the BACKDROP period can be as little as one year and as long as 7 years. If the member does not elect a BACKDROP benefit option, his or her monthly retirement benefit will be calculated using his or her final average final compensation and creditable service as of the member's actual employment termination date. The participant may receive the accumulated BACKDROP account balance upon electing the BACKDROP and at the end of his or her employment. The BACKDROP monies can be rolled over into a separate tax-qualified plan such as an Individual Retirement Account (IRA) or 457(b) government sponsored deferred compensation plan.

**City of Miami General Employees' and Sanitation Employees' Excess Benefit Plan
(Excess Benefit Plan)**

In July 2000, the City of Miami Commission, pursuant to applicable Internal Revenue Code provisions, established a qualified governmental excess benefit plan to continue to cover the difference between the allowable pension to be paid and the amount of the defined benefit so the benefits for eligible members are not diminished by changes in the Internal Revenue Code. The Board of Trustees of the GESE Trust administers the Excess Benefit Plan.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013 AND 2012**

Note 2 - Plan Description (cont'd)

City of Miami General Employees' and Sanitation Employees' Excess Benefit Plan (Excess Benefit Plan) (cont'd)

The payment of the City's contribution of excess retirement benefits for eligible members of the Trust above the limits permitted by the Internal Revenue Code is:

- a. funded from the City's General Fund,
- b. paid annually concurrently with the City's annual contribution to normal pension costs which causes the City to realize a reduction in normal pension costs, and
- c. deposited in a separate account established specifically for the GESE Trust to receive the City's excess retirement benefit contributions. This account is separate and apart from the accounts established to receive the City's normal pension contributions for the GESE Trust.

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

The Staff Plan is a single employer defined benefit plan to which member employees of the plan contribute 10% of their base salaries or wages. The Staff Plan was established by the rule making authority of the GESE Trust, pursuant to Chapter 40 of the Miami City Code. The City is to contribute such amounts as are necessary on an actuarial basis to provide the Staff Plan with assets sufficient to meet the benefits to be paid to the participants. A more detailed description of these plans and their provisions appears in the summary plan description.

Contributions

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

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013 AND 2012**

Note 2 - Plan Description (cont'd)

**City of Miami General Employees' and Sanitation Employees' Retirement Trust
Staff Pension Plan (Staff Plan) (cont'd)**

Eligibility

The Staff Plan covers all administrative full time employees and other positions as may be named by the Board of Trustees. Participation in the Staff Trust is a mandatory condition of employment for all full time employees as defined by the plan document.

Retirement Age and years of service

Any member who has 10 or more years of continuous creditable service may elect to retire, regardless of age.

Benefits

Retirement benefits are generally based on 3.0% of the average final compensation multiplied by years of creditable service, which is paid annually in monthly installments.

Note 3 - Participation

At October 1, 2013 and 2012, each Trust's membership consisted of:

	2013			
	<u>GESE</u>	<u>Excess</u>	<u>Staff</u>	<u>Total</u>
Retirees and beneficiaries currently receiving benefits	2,073	38	5	2,116
Terminated employees entitled to benefits, but not yet receiving them	162	-	1	163
Current employees	<u>1,288</u>	<u>-</u>	<u>5</u>	<u>1,293</u>
Total members	<u><u>3,523</u></u>	<u><u>38</u></u>	<u><u>11</u></u>	<u><u>3,572</u></u>
	2012			
	<u>GESE</u>	<u>Excess</u>	<u>Staff</u>	<u>Total</u>
Retirees and beneficiaries currently receiving benefits	2,125	37	4	2,166
Terminated employees entitled to benefits, but not yet receiving them	160	-	1	161
Current employees	<u>1,231</u>	<u>-</u>	<u>6</u>	<u>1,237</u>
Total members	<u><u>3,516</u></u>	<u><u>37</u></u>	<u><u>11</u></u>	<u><u>3,564</u></u>

Number of employees entitled to benefits but not yet receiving them is composed of deferred vested members and members that are due a contribution refund. For 2012 and 2013 the number of deferred vested members was 22 and 23, respectively. For 2012 and 2013 the number of members due a contribution refund was 138 and 139, respectively.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013 AND 2012**

Note 4 - 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. Contributions are determined using the modified individual entry age normal cost method.

Prior to October 1, 1997, the amortization payments were paid in accordance with Schedule B of Attachment E of the Gates Agreement. This agreement originally provided for a series of increasing scheduled amortization payments through the year 2007. As of October 1, 1997, the Gates Agreement was amended and the payment schedule was discontinued. The unfunded actuarial accrued liability as of October 1, 1997 after the amendment was zero.

Beginning with the October 1, 2011 actuarial valuation of changes in the unfunded accrued liability under the GESE Trust are amortized over a 15 year period for benefit changes for retirees and 20 year period for all other changes, as a level percent of pay. To determine the Annual Required Contribution under GASB 27 for the Excess Benefit Plan, the amortization of the unfunded accrued liability is over a 30 year period from October 1, 2000, as a level dollar amount. For the Staff Plan, the following amortization periods apply all payments as level dollar amounts:

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

GESE Trust

The City is required to contribute an actuarially determined amount that, when combined with participants' contributions, will fully provide for all benefits as they become payable. The contributions for fiscal years 2013 and 2012 were determined through actuarial valuations performed as of October 1, 2011 and 2010, respectively. The City's actuarially determined contribution requirement and actual contribution made was \$25,568,193 and \$25,724,977 consisting of (a) \$ 1,431,609 and \$ zero normal cost, (b) \$23,810,719 and \$25,724,977 amortization of the unfunded actuarial accrued liability and (c) \$325,865 and \$248,354 interest adjustment for the years ended September 30, 2013 and 2012, respectively. The members contributed \$6,733,859 and \$8,587,563 for the years ended September 30, 2013 and 2012, respectively.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013 AND 2012**

Note 4 - Contributions (cont'd)

Excess Benefit Plan

The Excess Benefit Plan is an unfunded plan and the City is required to contribute amounts as benefits become payable. An actuarial valuation is performed as of October 1, 2012 and 2011, respectively. The City's actuarially determined contribution requirement of \$665,659 and \$606,589 consisted of (a) \$119 and \$0 normal cost, (b) \$665,659 and \$606,589 amortization of the unfunded actuarial accrued liability and (c) \$0 interest adjustment for the years ended September 30, 2013 and 2012, respectively. The City's actual contributions were \$523,398 and \$514,908 as benefits became due for the years ended September 30, 2013 and 2012, respectively.

Staff Plan

The City is required to contribute an actuarially determined amount that, when combined with participants' contributions, will fully provide for all benefits as they become payable. The City contributions were determined through actuarial valuations performed as of October 1, 2011 and 2010, respectively. The City's actuarially determined contribution requirement was \$219,774 and \$226,793 consisting of (a) \$90,066 and \$102,198 normal cost, (b) \$129,708 and \$124,595 amortization of the unfunded actuarial accrued liability and (c) \$0 interest adjustment for the years ended September 30, 2013 and 2012, respectively. The City's actual contributions were \$219,774 and \$226,793, for the years ended September 30, 2013 and 2012, respectively. The members contributed \$28,380 and \$91,989 for the years ended September 30, 2013 and 2012, respectively.

Note 5 - Funding Status and Progress

GASB Statement No. 27 adopts the use of an Actuarial Accrued Liability ("AAL") as the standardized measure of disclosure on a net present value basis of pension benefits, which will become payable at future dates. The calculation of the AAL includes projected salary increases and step-rate benefits estimated to be payable in the future based upon employee service to date. This measure is intended to help users assess the funding status of the Plan on a going-concern basis as well as to assess progress in accumulating sufficient assets to pay benefits when due. The schedules of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, present multiyear trend information about whether the actuarial values of Plan assets are increasing or decreasing over time relative to the AAL for benefits.

GESE Trust

GESE Trust's AAL as of October 1, 2012 and 2011 was \$858.2 million and \$845.1 million, respectively. The actuarial value of the Plan assets available to pay these benefits at October 1, 2012 and 2011 totaled \$561 million and \$600.7 million, respectively, leaving a deficit as compared to the AAL of \$297.2 million and \$244.4 million at October 1, 2012 and 2011, respectively.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013 AND 2012**

Note 5 - Funding Status and Progress (cont'd)

GESE Trust (cont'd)

The funding status of the plan as of October 1, 2012 and 2011, the date of the last actuarial valuation, was as follows:

(in millions)

<u>Actuarial Valuation Date</u>	<u>(a) Actuarial Value of Assets</u>	<u>(b) Actuarial Accrued Liability (AAL) - Entry Age</u>	<u>Funded Ratio (a) / (b)</u>	<u>Unfunded AAL (UAAL) (b) - (a)</u>	<u>(c) Covered Payroll</u>	<u>UAAL as Percentage of Covered Payroll (b)-(a)/(c)</u>
10/1/12	\$561	\$858.2	65%	\$297.2	\$62.5	476%
10/1/11	\$600.7	\$845.1	71%	\$244.4	\$63.6	384%

Actuarial accrued liability is calculated using modified entry age normal method and the amortization approach used is level dollar, closed.

Excess Plan

The AAL for the Excess Plan as of October 1, 2012 and 2011 was \$6.3 million and \$5.8 million, respectively. The actuarial value of the Plan assets available to pay these benefits at October 1, 2012 and 2011 totaled \$0, leaving a deficit as compared to the AAL of \$6.3 million and \$5.8 million at October 1, 2012 and 2011, respectively.

The funding status of the plan as of October 1, 2012 and 2011, the date of the last actuarial valuation, was as follows:

(in millions)

<u>Actuarial Valuation Date</u>	<u>(a) Actuarial Value of Assets</u>	<u>(b) Actuarial Accrued Liability (AAL) - Entry Age</u>	<u>Funded Ratio (a) / (b)</u>	<u>Unfunded AAL (UAAL) (b) - (a)</u>	<u>(c) Covered Payroll</u>	<u>UAAL as Percentage of Covered Payroll (b)-(a)/(c)</u>
10/1/12	\$-0-	\$6.3	0%	\$6.3	\$62.5	10%
10/1/11	\$-0-	\$5.8	0%	\$5.8	\$63.6	9%

Actuarial accrued liability is calculated using modified entry age normal method and the amortization approach used is level dollar, closed.

Staff Plan

The AAL for the Staff Plan as of October 1, 2012 and 2011 was \$4.4 million and \$3.1 million, respectively. The actuarial value of the Plan assets available to pay these benefits at October 1, 2012 and 2011 totaled \$2.5 million and \$2.1 million, respectively, leaving a deficit as compared to the AAL of \$1.9 million and \$1.0 million at October 1, 2012 and 2011, respectively.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013 AND 2012**

Note 5 - Funding Status and Progress (cont'd)

Staff Plan (cont'd)

The funding status of the plan as of October 1, 2012 and 2011, the date of the last actuarial valuation, was as follows:

(in thousands)

<u>Actuarial Valuation Date</u>	(a) <u>Actuarial Value of Assets</u>	(b) <u>Actuarial Accrued Liability (AAL) - Entry Age</u>	<u>Funded Ratio (a) / (b)</u>	<u>Unfunded AAL (UAAL) (b) - (a)</u>	(c) <u>Covered Payroll</u>	<u>UAAL as Percentage of Covered Payroll (b)-(a)/(c)</u>
10/1/12	\$2,455.2	\$4,364.6	56.3%	\$1,909.4	\$354.9	538%
10/1/11	\$2,137.0	\$3,139.9	68%	\$1,002.9	\$735.0	136%

Actuarial accrued liability is calculated using modified entry age normal method and the amortization approach used is level dollar, closed.

Note 6 - Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the historical pattern of sharing of benefit costs between the employer and plan members substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point.

The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets consistent with the long-term perspective of the calculation.

GESE Trust

In the October 1, 2012 and 2011 actuarial valuations, the modified individual entry age normal cost method is used. The actuarial assumptions included an annual discount rate of 7.9% as of October 1, 2012 valuation and 8.0% as of the October 1, 2011 valuation, representing an estimate of the discount rate for the Plan. The Unfunded Actuarial Accrued Liability (UAAL) is being amortized as a level percentage of projected payrolls with an amortization period of 15 years for benefit changes for retirees and 20 years for all other changes. Other significant actuarial assumptions utilized in the most recent analysis include: (a) projected salary increases ranging from 4% per year to 8.75% per year varying by years of service, and (b) an annual inflation rate of 3.5%. (See supplemental information following the notes to the financial statements.)

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013 AND 2012**

Note 6 - Actuarial Methods and Assumptions (cont'd)

Excess Plan

In the October 1, 2012 and 2011 actuarial valuations for the Plan, the modified entry age normal cost method was used. The actuarial assumptions included an annual discount rate of 7.9% as of the October 1, 2012 valuation and 8.0% as of the October 1, 2011 valuation, respectively, representing an estimate of the discount rate for the Plan. The UAAL is being amortized as a level dollar amount with an amortization period of 30 years from October 1, 2000. Other significant actuarial assumptions utilized in the most recent analysis include: (a) projected salary increases ranging from 4% per year to 8.75% per year varying by years of service, and (b) an annual inflation rate of 3.5%. (See supplemental information following the notes to the financial statements.)

Staff Plan

In the October 1, 2012 and 2011, the actuarial valuations for the Staff Plan included the modified individual entry age normal cost method was used. The actuarial assumptions included a compounded annually discount rate of 7.9% as of the October 1, 2012 valuation and 8.0% as of the October 1, 2011 valuation. The UAAL is being amortized as a level dollar amount with amortization periods of 5 to 20 years. Our equivalent single amortization period is 13 years. Other significant actuarial assumptions utilized in the most recent analysis include: (a) projected salary increases of 6% per year; and (b) an annual inflation rate of 3.5%. (See supplemental information following the notes to the financial statements.)

Note 7 - 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 AND MANAGED TRUSTS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013 AND 2012**

Note 7 - Investments (cont'd)

Investment Policy

The investment policy, approved by the Board of Trustees for the GESE Trust, was effective September 10, 1999 and most recently amended on January 25, 2013. The investment policy, approved by the Board of Trustees for the Staff Plan, was effective April 27, 2001 and was most recently amended on January 25, 2013. The investment policies are reviewed by the Board of Trustees annually. Compliance with the investment policy is monitored by the investment consultant. This policy stipulates the following long-range asset allocation, measured at fair value, at the end of each quarter:

	GESE Trust			Staff Plan		
	<u>Minimum</u>	<u>Target</u>	<u>Maximum</u>	<u>Minimum</u>	<u>Target</u>	<u>Maximum</u>
U.S. large cap equity	30%	42%	55%	25%	42%	70%
U.S. small cap equity	0%	10%	15%	0%	10%	25%
International equity	0%	13%	15%	0%	13%	25%
U.S. fixed income	20%	29%	40%	20%	35%	70%
Real estate	0%	5%	10%	0%	0%	0%
Cash and other	0%	1%	15%	0%	0%	10%

The allocation of each Trust's total assets is permitted to vary within the allowable ranges. Because shifts in asset allocation occur as a result of different asset classes performing at different rates, the Board of Trustees monitors the asset allocation shifts caused by performance each quarter and is responsible for shifting assets among the classes to keep the overall allocation within allowable ranges.

Each Trust's general investment objectives are to achieve the following over rolling three year periods without undue risk:

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

The investment policy states that individual investments in the securities of a single issue cannot exceed 7% at market of the value of the funds available for investment for the GESE Trust. For equity securities, investments in any single industry cannot exceed the greater of three times the index holding or 10% of the total value of the portfolio. For fixed income securities, excluding U.S. Government or agency securities, investments in any single industry cannot exceed 25% for the GESE Trust and 20% for the Staff Plan at market of the total value of the portfolio. For the GESE Trust, average duration of the fixed income securities should be in a range of three to ten years.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013 AND 2012**

Note 7 - Investments (cont'd)

Prohibited direct investments include short sales, margin purchases, investments used to leverage the portfolio, private or direct placement of letter stock, commodities contracts, unattached warrants, derivatives, issues related to the investment managers and restricted stock, and debt to equity exchanges. The Staff Plan policy further prohibits new issues, illiquid investments, Eurodollar securities, and foreign credits.

Investments for the GESE Trust and Staff Plan, as of September 30, 2013 and 2012, were as follows:

2013			
	<u>GESE Trust</u>	<u>Staff Plan</u>	<u>Total Fair Value</u>
U.S. Government and Agency Securities	\$ 91,542,543	\$ -	\$ 91,542,543
Corporate Stocks	398,834,785	1,910,940	400,745,725
Corporate Bonds	51,760,353	879,725	52,640,078
Real Estate Fund	20,409,959	-	20,409,959
Money Market Fund	<u>26,049,714</u>	<u>-</u>	<u>26,049,714</u>
Total Investments	<u>\$ 588,597,354</u>	<u>\$ 2,790,665</u>	<u>\$ 591,388,019</u>

2012			
	<u>GESE Trust</u>	<u>Staff Plan</u>	<u>Total Fair Value</u>
U.S. Government and Agency Securities	\$ 84,084,551	\$ -	\$ 84,084,551
Corporate Stocks	358,899,769	1,671,786	360,571,555
Corporate Bonds	66,133,102	885,580	67,018,682
Real Estate Funds	25,096,325	-	25,096,325
Money Market Fund	<u>29,831,876</u>	<u>-</u>	<u>29,831,876</u>
Total Investments	<u>\$ 564,045,623</u>	<u>\$ 2,557,365</u>	<u>\$ 566,602,989</u>

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013 AND 2012**

Note 7 - Investments (cont'd)

Fixed Income Security Investment Risk

The Board of Trustees has engaged outside investment professionals to manage the assets of the Trusts. Three firms, registered with the Securities Exchange Commission as investment advisors, manage the fixed income assets of the Trusts. These managers are required to invest funds in accordance with the Investment Policy Statement approved by the Board of Trustees. The Custodian is responsible for the activity and safekeeping of the investment assets. The Trusts are potentially exposed to various types of Investment risk including credit risk, custodial credit risk, concentration of credit risk, interest rate risk and foreign currency risk. Custodial credit risk is defined as the risk that the Trusts may not recover cash and investments held by another party in the event of financial failure. Concentration of credit risk is defined as the risk of loss attributed to the magnitude of an investment in a single issuer. Credit risk is the risk that a debt issuer will not fulfill its obligations. Interest rate risk is the risk that changes in interest rates will adversely affect fair value of an investment in debt securities. Generally, the longer the time to maturity, the greater the exposure to interest rate risk. Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The following is a detailed discussion of the investment risks by the Trust.

GESE Trust Investment Risk

Custodial Risk

The GESE Trust utilizes an independent custodial safekeeping agent for its investment activity. Custodial credit risk is limited since its investments are held in independent custodial safekeeping accounts, external investment pools and/or open end mutual funds (SSgA Government STIF). All cash in each money manager's portfolio is swept into this STIF account on a daily basis.

Concentration of Credit Risk

The GESE Trust utilizes limitations on securities of a single issuer or industry to manage this risk. The GESE Trust Investment Policy requires that corporate bond issues must be diversified by industry and in number so that no investment in the securities of a single issue shall exceed 7% (at market) of the value of the portfolio. Single industry weightings can only be held up to a maximum of 25%, except US Government and agency securities.

Investments issued or explicitly guaranteed by the U.S. Government and investments in mutual funds, external investment pools and other pooled investments are not subject to concentration of credit risk. At September 30, 2013 and September 30, 2012, the GESE Trust did not have any corporate bond investments with issuers greater than 5%.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013 AND 2012**

Note 7 - Investments (cont'd)

GESE Trust Investment Risk

Credit Risk

The GESE Trust utilizes portfolio diversification in order to limit this risk as well as limiting investments to the highest rated securities as rated by nationally recognized rating agencies. The GESE Trust's Investment Policy limits credit risk by requiring fixed income securities to be rated by Moody's/S&P as a Baa/BBB or better. However, a maximum of 5% of each manager's portfolio may be invested in high yield securities rated by Moody's/S&P as a Caa/CCC or better.

The following table displays Moody's ratings and the market value of the total fixed income portfolio invested in that rating (amounts are in thousands).

<u>Moody's Rating</u>	<u>2013</u>		<u>2012</u>	
	<u>Fair Value (\$000)</u>	<u>Percent</u>	<u>Fair Value (\$000)</u>	<u>Percent</u>
Treasury:				
Bonds	\$ 7,245	4.90%	\$ 4,386	2.80%
Notes	37,691	25.40%	21,101	13.50%
Bills	-	-	-	-
TIPS	-	-	-	-
Treasury sub-total	<u>44,936</u>	<u>30.30%</u>	<u>25,487</u>	<u>16.30%</u>
Agency	11,360	7.70%	20,609	13.20%
Other Government - AAA	321	0.20%	361	0.20%
Asset-backed - AAA	421	0.30%	1,614	1.00%
Mortgages:				
CMBS - AAA	7,530	5.10%	6,494	4.10%
CMO - AAA	-	-	-	-
FHLMC - AAA	14,447	9.60%	19,276	12.30%
FNMA - AAA	15,540	10.50%	18,276	11.70%
GNMA	<u>1,788</u>	<u>1.20%</u>	<u>1,575</u>	<u>1.00%</u>
Mortgages sub-total	<u>51,407</u>	<u>34.60%</u>	<u>68,205</u>	<u>43.50%</u>
Aaa	76	0.10%	-	-
Aa	5,106	3.40%	5,754	3.70%
A	24,849	16.70%	32,398	20.70%
Baa	16,293	11.00%	17,833	11.40%
Ba	137	0.10%	2,155	1.40%
Caa and below	118	0.10%	-	-
Cash	3,990	2.70%	4,737	3.00%
Foreign Bonds	<u>1,414</u>	<u>1.00%</u>	<u>-</u>	<u>-</u>
Grand Total	<u>\$ 148,326</u>	<u>100.0%</u>	<u>\$ 156,570</u>	<u>100.0%</u>

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013 AND 2012**

Note 7 - Investments (cont'd)

GESE Trust Investment Risk (cont'd)

Interest Rate Risk

The GESE Trust limits the maturities of investments to control this risk. The GESE Trust Investment Policy requires that the average duration of the fixed income asset class be targeted within a range of three to ten years. In addition, each manager is expected to keep its duration at +/- one year of the benchmark duration. At September 30, the following summarizes the fair value and duration of the securities for each investment type (amounts are in the thousands).

<u>Investment Type</u>	2013		2012	
	<u>Market Value (\$000)</u>	<u>Effective Duration</u>	<u>Market Value (\$000)</u>	<u>Effective Duration</u>
Treasury Bonds	\$ 7,245	13.57	\$ 4,386	15.5
Treasury Notes	37,691	4.6	21,101	5.55
Treasury Bills	-	-	-	-
TIPS	-	-	-	-
Agency	11,360	1.96	20,609	3.25
Other Government	321	13.72	361	13.83
Asset Backed	421	2.05	1,614	1.39
CMBS	7,530	3.54	6,494	1.92
CMO	-	-	-	-
FHLMC	14,447	4.97	19,276	2.57
FNMA	15,540	4.66	18,276	2.35
GNMA	1,788	3.74	1,575	2.79
Corporate-Bank	9,118	2.65	10,583	2.96
Corporate-Finance	7,714	4.9	9,310	4.39
Corporate-Industrial	22,582	6.41	28,118	6.18
Corporate-Misc	-	-	1,285	8.28
Corporate-Utility	851	7.51	-	-
Corporate-Transportation	-	-	990	7.34
Corporate-Comm Utility	2,157	4.23	2,366	4.41
Corporate-Electric Utility	1,833	2.93	1,734	4.06
Corporate-Gas Utility	-	-	-	-
Yankee-Finance	987	1.68	226	4.07
Yankee-Industrial	2,633	3.91	1,526	5.69
Yankee-Utility	-	-	-	-
Cash	3,990	-	4,737	-
High Yield	118	13.52	2,003	4.23
Foreign Bonds	-	-	-	-
Total	<u>\$ 148,326</u>	<u>4.84</u>	<u>\$ 156,570</u>	<u>4.68</u>

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013 AND 2012**

Note 7 - Investments (cont'd)

GESE Trust Investment Risk (cont'd)

Foreign Currency Risk

The GESE Trust Investment policy allows a maximum of 10% of each manager's portfolio to be invested in aggregate to Yankee bonds, foreign credits, Eurodollar bonds and Rule 144A securities. At September 30, 2013, the GESE Trust did not have any foreign denominated fixed income investments.

Staff Plan Investment Risk

Credit Risk

The Staff Plan utilizes portfolio diversification in order to limit this risk as well as limiting investments to the highest rated securities as rated by nationally recognized rating agencies. The Staff Plan Investment Policy limits credit risk by requiring all fixed income securities to be rated by Moody's/S&P as a Baa/BBB or better.

The Board of Trustees for the GESE Trust has elected to hire outside investment professionals to manage the assets for the Staff Pension Plan. As of September 30, 2013 and 2012, the fixed income assets of the pension plan were invested in a mutual fund managed passively by Vanguard. Vanguard manages the assets in accordance with the Investment policy Statement approved by the trustees. At September 30:

	<u>2013</u>		<u>2012</u>	
<u>Moody's Rating</u>	<u>Market Value</u>	<u>Percent</u>	<u>Market Value</u>	<u>Percent</u>
Treasury	\$ 318,202	36.10%	\$ 320,526	36.10%
Agency	37,902	4.30%	57,713	6.50%
Government Related	3,526	0.40%	35,515	4.00%
Mortgage Backed	262,672	29.80%	266,366	30.00%
CMBS	14,985	1.70%	16,870	1.90%
Asset Backed	4,407	0.50%	2,663	0.30%
Aaa	5,289	0.60%	1,776	0.20%
Aa	41,428	4.70%	16,870	1.90%
A	94,315	10.70%	90,564	10.20%
Baa	98,722	11.20%	79,022	8.90%
Cash	-	0.00%	-	0.00%
Total	<u>\$ 881,448</u>	<u>100.00%</u>	<u>\$ 887,885</u>	<u>100.00%</u>

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013 AND 2012**

Note 7 - Investments (cont'd)

Staff Plan Investment Risk (cont'd)

Custodial Risk

The Staff Plan utilizes an independent custodial safekeeping agent for its investment activity. Custodial credit risk is limited since its investments are held in independent custodial safekeeping accounts, external investment pools, and/or open end mutual funds. All cash in each money manager's portfolio is swept into a money market mutual fund on a daily basis.

Concentration of Credit Risk

The Staff Plan utilizes limitations on securities of a single issuer or industry to manage this risk. The Staff Plan Investment Policy requires that corporate bond issues must be diversified by industry and in number so that no investment in the securities of a single issue shall exceed 20% (at market) of the value of the portfolio. Single industry weightings can only be held up to a maximum of 20%, except US Government and agency securities.

Investments issued or explicitly guaranteed by the U.S. Government and investments in mutual funds, external investment pools and other pooled investments are not subject to concentration of credit risk. As of September 30, 2013 and September 30, 2012, the fixed income assets of the pension plan were invested in a mutual fund. The Staff Plan did not have any investments with issuers greater than 5%.

Interest Rate Risk

The Staff Plan limits the maturities of investments to control this risk. The Staff Plan Investment Policy requires that the average duration of the fixed income asset class be targeted within a range of three to ten years. In addition, the manager is expected to keep its duration at +/- one year of the benchmark duration. The effective duration of the passive mutual fund is 5.52 years.

Foreign Currency Risk

The Staff Plan Investment Policy prohibits investment in foreign currency denominated securities and is therefore, not exposed to foreign currency risk.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013 AND 2012**

Note 8 - Capital Assets, Net

Capital assets consist of the following as of September 30:

	<u>2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>2013</u>
Capital assets, not being depreciated:				
Land	\$ 262,143	\$ -	\$ -	\$ 262,143
Total capital assets, not being depreciated	<u>262,143</u>	<u>-</u>	<u>-</u>	<u>262,143</u>
Capital assets, being depreciated:				
Building and improvements	1,968,354	-	-	1,968,354
Improvements other than buildings	160,750	-	-	160,750
Furniture and equipment	<u>1,165,480</u>	<u>48,423</u>	<u>-</u>	<u>1,310,371</u>
Total capital assets, being depreciated	<u>3,294,584</u>	<u>48,423</u>	<u>-</u>	<u>3,605,151</u>
Less accumulated depreciation for:				
Building and improvements	327,887	44,114	-	371,999
Improvements other than buildings	57,633	12,135	-	69,767
Furniture and equipment	<u>1,016,333</u>	<u>79,260</u>	<u>-</u>	<u>1,095,594</u>
Total accumulated depreciation	<u>1,401,852</u>	<u>135,508</u>	<u>-</u>	<u>1,537,360</u>
Total capital assets, being depreciated, net	<u>2,764,125</u>	<u>135,508</u>	<u>-</u>	<u>2,899,683</u>
Total capital assets, (net of accumulated depreciation)	<u>\$ 2,154,875</u>	<u>\$ (87,086)</u>	<u>\$ -</u>	<u>\$ 2,067,791</u>
	<u>2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>2012</u>
Capital assets, not being depreciated:				
Land	\$ 262,143	\$ -	\$ -	\$ 262,143
Total capital assets, not being depreciated	<u>262,143</u>	<u>-</u>	<u>-</u>	<u>262,143</u>
Capital assets, being depreciated:				
Building and improvements	1,968,354	-	-	1,968,354
Improvements other than buildings	160,750	-	-	160,750
Furniture and equipment	<u>1,127,395</u>	<u>38,085</u>	<u>-</u>	<u>1,165,480</u>
Total capital assets, being depreciated	<u>3,256,499</u>	<u>38,085</u>	<u>-</u>	<u>3,556,727</u>
Less accumulated depreciation for:				
Building and improvements	283,773	44,113	-	327,887
Improvements other than buildings	49,244	8,387	-	57,633
Furniture and equipment	<u>942,342</u>	<u>73,991</u>	<u>-</u>	<u>1,016,333</u>
Total accumulated depreciation	<u>1,275,359</u>	<u>126,492</u>	<u>-</u>	<u>1,349,350</u>
Total capital assets, being depreciated, net	<u>1,981,140</u>	<u>126,492</u>	<u>-</u>	<u>1,401,852</u>
Total capital assets, (net of accumulated depreciation)	<u>\$ 2,243,283</u>	<u>\$ (88,407)</u>	<u>\$ -</u>	<u>\$ 2,154,875</u>

Depreciation expense for the years ended September 30, 2013 and 2012 was \$135,508 and \$126,492, respectively.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013 AND 2012**

Note 9 - Reimbursement Income from the City

The City provides the GESE Trust and the Excess Benefit Plan with funds to be used to pay certain administrative costs. Each Trust prepares an annual budget which is approved by the City Commission before expenses are incurred. Payment is made by the City to the Trusts on a reimbursement basis. The City reimburses capital asset costs at the time of purchase.

Such administrative costs for the years ended September 30, 2013 and 2012 consisted of the following:

	<u>2013</u>	<u>2012</u>
Administrative costs:		
Personnel services	\$ 1,418,181	\$ 1,426,842
Professional services	845,206	911,023
Seminar and travel	34,634	39,212
Office and administrative	194,631	112,655
Occupancy	<u>674,813</u>	<u>734,615</u>
Total administrative and other expenses	3,167,465	3,224,347
Capital asset purchases	48,423	38,085
Less: un-reimbursed depreciation and other expenses	<u>(395,391)</u>	<u>(157,983)</u>
Reimbursement income	<u>\$ 2,820,497</u>	<u>\$ 3,104,449</u>

Note 10 - Plan Amendments

GESE Trust

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

Effective September 30, 2012, for members not eligible to retire on that date, member retirement allowances shall not exceed the lesser of 100 percent of the member's average final compensation or an annual retirement allowance of \$80,000. Any member who has accrued a benefit in excess of the maximum benefit as of September 30, 2012 will retain that benefit but will not accrue any additional benefit.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013 AND 2012**

Note 10 - Plan Amendments (cont'd)

GESE Trust (cont'd)

A BACKDROP benefit option shall be implemented on January 1, 2013. The BACKDROP option shall replace the existing DROP program. The DROP will still be available to GESE Trust members eligible for normal retirement as of January 1, 2013 or vested as of October 1, 2010. The DROP is not available to any other GESE Trust member. The BACKDROP is available to all GESE Trust members effective January 1, 2013. Under the BACKDROP option a member can receive a lump sum payment in addition to a monthly pension annuity. The employee chooses to take a BACKDROP at the end of his employment with the City as long as he or she BACKDROPS to any date after he/she reaches the Normal Retirement date. If the member elects the BACKDROP option, the monthly benefit payable on the member's actual retirement date (when the member leaves City employment) is based on the benefit the member would have received had he or she left employment and retired on an earlier Normal Retirement (NR) date, referred to as the BACKDROP date. In addition, the member will receive a lump sum payment equal to the accumulation of annuity payments he or she would have received during the BACKDROP period had he or she elected to receive immediate pension annuity payments starting as of the BACKDROP date. Annuity payments would be accumulated at the rate of 3% per year, compounded annually. The member's BACKDROP date can be any date after his or her Normal Retirement Date and the BACKDROP period can be as little as one year and as long as 7 years. If the member does not elect a BACKDROP benefit option, his or her monthly retirement benefit will be calculated using his or her final average final compensation and creditable service as of the member's actual employment termination date. The participant may receive the accumulated BACKDROP account balance upon electing the BACKDROP and at the end of his or her employment. The BACKDROP monies can be rolled over into a separate tax-qualified plan such as an Individual Retirement Account (IRA) or 457(b) government sponsored deferred compensation plan.

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

REQUIRED SUPPLEMENTARY INFORMATION

SEPTEMBER 30, 2013 AND 2012

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND OTHER MANAGED TRUSTS
SCHEDULES OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS
SEPTEMBER 30, 2013 AND 2012**

**GESE TRUST
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)
10/1/12	\$561.0	\$858.2	\$297.2	65%	\$62.5	476%
10/1/11	\$600.7	\$843.9	\$243.1	71%	\$63.6	384%
10/1/10	\$653.0	\$840.9	\$187.9	78%	\$68.8	273%
10/1/09	\$645.6	\$780.6	\$135.0	83%	\$90.0	150%
10/1/08	\$691.8	\$808.6	\$116.8	85%	\$90.9	128%
10/1/07	\$664.1	\$770.2	\$106.1	86%	\$82.1	129%
10/1/06	\$618.5	\$732.0	\$113.5	84%	\$75.6	150%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Fiscal Year Ended September 30,	Annual Required Contributions	Percentage Contributed
2013	\$25,568,193	100%
2012	\$25,973,331	100%
2011	\$20,232,513	100%
2010	\$24,037,093	100%
2009	\$23,191,828	100%
2008	\$22,762,902	100%
2007	\$24,229,028	100%
2006	\$22,018,443	100%

The information presented in the required supplementary schedules above was determined as part of the actuarial valuation at the date indicated. As of October 1, 2011, the equivalent single amortization period is 15 years. Additional information as of the latest actuarial valuation follows:

Valuation date to determine ARC	October 1, 2011
Actuarial cost method	Modified entry age normal
Amortization method	Level percent, closed
Remaining amortization period	11 - 22 years
Asset valuation method	5 year smoothed market
Actuarial assumptions:	
Investment rate of return	8.0%
Projected salary increases	4% to 8.75%
Payroll Growth	3.00%
Includes inflation at	3.50%
Cost of living adjustments	4% per year, with \$54 per year minimum and \$400 per year maximum

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND OTHER MANAGED TRUSTS
SCHEDULES OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS
SEPTEMBER 30, 2013 AND 2012**

**EXCESS BENEFIT PLAN
SCHEDULE OF FUNDING PROGRESS
(in millions)**

<u>Actuarial Valuation Date</u>	<u>(a) Actuarial Value of Assets</u>	<u>(b) Actuarial Accrued Liability (AAL) - Entry Age</u>	<u>Unfunded AAL (UAAL) (b) - (a)</u>	<u>Funded Ratio (a) / (b)</u>	<u>(c) Covered Payroll</u>	<u>UAAL as Percentage of Covered Payroll (b)-(a)/(c)</u>
10/1/12	\$-0-	\$6.3	\$6.3	0%	\$62.5	10%
10/1/11	\$-0-	\$5.8	\$5.8	0%	\$63.6	9%
10/1/10	\$-0-	\$5.7	\$5.7	0%	\$68.8	8%
10/1/09	\$-0-	\$5.8	\$5.8	0%	\$90.0	7%
10/1/08	\$-0-	\$5.1	\$5.1	0%	\$90.9	5%
10/1/07	\$-0-	\$8.6	\$8.6	0%	\$82.1	10%
10/1/06	\$-0-	\$8.0	\$8.0	0%	\$75.6	11%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

<u>Fiscal Year Ended September 30,</u>	<u>Annual Required Contributions</u>	<u>Percentage Contributed</u>
2013	\$ 665,659	79%
2012	\$ 606,589	85%
2011	\$ 585,357	69%
2010	\$ 625,539	54%
2009	\$ 566,046	82%
2008	\$ 898,149	50%
2007	\$ 823,371	58%
2006	\$ 824,766	56%

The information presented in the required supplementary schedules above was determined as part of the actuarial valuation at the date indicated. As of October 1, 2012, the equivalent single amortization period is 18 years. Additional information as of the latest actuarial valuation follows:

Valuation date to determine ARC	October 1, 2012
Actuarial cost method	Modified entry age normal
Amortization method	Level dollar, closed
Remaining amortization period	18 years
Asset valuation method	N/A
Actuarial assumptions:	
Investment rate of return	7.9%
Projected salary increases	Variable by Years of Service
Includes inflation at	3.50%
Cost of living adjustments	None

*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
SCHEDULES OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS
SEPTEMBER 30, 2013 AND 2012**

**STAFF PLAN
SCHEDULE OF FUNDING PROGRESS**
(in thousands)

<u>Actuarial Valuation Date</u>	(a)	(b)	<u>Unfunded AAL (UAAL) (b) - (a)</u>	<u>Funded Ratio (a) / (b)</u>	(c)	<u>UAAL as Percentage of Covered Payroll (b)-(a)/(c)</u>
	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL) - Entry Age</u>			<u>Covered Payroll</u>	
10/1/12	\$2,455.2	\$4,364.6	\$1909.4	56%	\$354.9	538%
10/1/11	\$2,137.0	\$3,139.9	\$1,002.9	68%	\$735.0	136%
10/1/10	\$1,834.6	\$2,827.0	\$992.4	65%	\$843.0	118%
10/1/09	\$1,556.7	\$2,121.8	\$565.1	73%	\$738.9	76%
10/1/08	\$1,313.4	\$1,748.1	\$434.7	75%	\$632.2	69%
10/1/07	\$1,138.7	\$1,622.7	\$484.1	70%	\$734.1	66%
10/1/06	\$ 939.7	\$1,129.3	\$189.6	83%	\$643.8	29%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

<u>Fiscal Year Ended September 30,</u>	<u>Annual Required Contributions</u>	<u>Percentage Contributed</u>
2013	\$219,774	100%
2012	\$226,793	100%
2011	\$164,490	100%
2010	\$132,542	100%
2009	\$159,837	100%
2008	\$109,163	100%
2007	\$ 57,995	100%
2006	\$ 72,380	100%

The information presented in the required supplementary schedules above was determined as part of the actuarial valuation at the date indicated. As of October 1, 2011, the equivalent single amortization period is 13 years. Additional information as of the latest actuarial valuation follows:

Valuation date to determine ARC	October 1, 2011
Actuarial cost method	Modified entry age normal
Amortization method	Level dollar amounts, closed
Equivalent single amortization period	13 years
Remaining amortization period	4 - 20 years
Asset valuation method	3 year smoothed market
Actuarial assumptions:	
Investment rate of return	8.00%
Projected salary increases	6.00%
Includes inflation at	3.50%
Cost of living adjustments	None

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Supporting Schedules

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
SCHEDULE OF ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	GESE Trust	Excess Benefits	Combined Total
Personnel Services:			
Salaries & Wages	\$ 854,886	\$ 42,822	\$ 897,708
Payroll Taxes	65,060	4,282	69,342
Insurance	225,334	-	225,334
Retirement	219,774		219,774
Car Allowance	6,023		6,023
Total Personnel Services	<u>1,371,077</u>	<u>47,104</u>	<u>1,418,181</u>
Professional Services:			
Investment Custodian	233,723		233,723
Investment Consulting	195,082		195,082
Legal Counsel	94,400		94,400
Actuarial	138,892	25,974	164,866
Audit	62,000		62,000
Other	94,794	341	95,135
Total Professional Services	<u>818,891</u>	<u>26,315</u>	<u>845,206</u>
Seminar and Travel			
Meetings	13,999		13,999
Education and Travel	13,029		13,029
Travel and Auto	7,601		7,601
Total Seminar and Travel	<u>34,630</u>	<u>-</u>	<u>34,630</u>
Office and Administrative			
Printing	14,317		14,317
Advertising	443		443
Postage & Courier Services	22,097	250	22,347
Fidelity Insurance	77,743	600	78,343
Office Supplies	70,747	450	71,197
Publications and memberships	1,078		1,078
Other	6,905		6,905
Total Office and Administrative	<u>193,331</u>	<u>1,300</u>	<u>194,631</u>
Occupancy			
Utilities	16,534	280	16,814
Telecommunications	30,620	400	31,020
Property Insurance	68,587	1,000	69,587
Repairs & Maintenance	373,208	16,824	390,032
Rental	19,332		19,332
Furniture and Equipment	12,124	400	12,524
Depreciation	135,058	450	135,508
Other	-		-
Total Occupancy	<u>655,463</u>	<u>19,354</u>	<u>674,817</u>
Total Administrative Expenses	<u>\$ 3,073,392</u>	<u>\$ 94,073</u>	<u>\$ 3,167,465</u>

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

**SCHEDULE OF INVESTMENT AND CONSULTANT EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

<u>Investment Manager</u>	<u>Investment Style</u>	<u>Fee Amount</u>
Atlanta Capital Management Co., LLC	Equity - Large Cap Growth	\$ 515,660
Cooke & Bieler	Equity - Large Cap Value	304,470
Cramer Rosenthal McGlynn LLC	Equity - Small Cap Value	237,358
State Street Global Advisors	Equity - S&P 500 Index	21,114
Insight Capital	Equity - Small Cap Growth	59,075
Invesco Capital Management	Equity - International	141,781
Herndon Capital	Equity - International	118,439
Baring International	Equity - International	160,716
Equity Managers		<u>1,558,613</u>
Seix Investment Advisors	Fixed Income - Aggregate	92,459
Richmond Capital Management	Fixed Income - Aggregate	187,894
Chicago Equity Partners	Fixed Income - Intermediate	87,595
Fixed Income Managers		<u>367,948</u>
Ell Realty Securities, Inc.	Real Estate Investment Trust	150,729
Real Estate Managers		<u>150,729</u>
Total GESE Trust		<u>2,077,290</u>
Vanguard Funds	Mutual Funds	-
Total Staff Trust		<u>-</u>
Total Investment Expenses		<u>\$ 2,077,290</u>
Payments to Consultants ¹:		
	<u>Nature of Service</u>	
Cavanaugh Macdonald Consulting	Actuarial Services	138,892
Sharpton, Brunson & Company	Audit Services	62,500
Computer Consultant	General IT	39,035
Computer Consultant	Pension Gold	51,522
Ronald A. Silver	Legal Counsel	94,400
Total GESE Trust		<u>386,349</u>
Cavanaugh Macdonald	Actuarial Services	
	Excess Benefit Plan	25,974
Computer Consultant	Pension Gold	341
		<u>26,315</u>
Total Consultant Expenses ²		<u>\$ 412,664</u>

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

² Consultant expenses are included in the administrative and other expenses on page 13.

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Investment Section

SOUTHEASTERN ADVISORY SERVICES, INC.

Registered Investment Advisor



Hilda A. Thompson
hthompson@seadvisory.com
404 237 3156 direct
404 237 2650 fax

November 27, 2013

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 a gross of fee basis. Performance statistics are calculated in compliance with the Global Investment Performance (formerly AIMR) standards. The reports include comparisons to benchmarks (indices) as well as to a peer universe.

For the twelve-month period ending September 30, 2013, the fund earned an annual return of 12.4% gross of fees, which was greater than the actuarial rate objective. The fund ranked at the 36th percentile and underperformed the unmanaged index which returned 14.0%. The broad equity market (as measured by the S&P 500) earned 19.4% for the fiscal year, while fixed income (Barclay's Aggregate) was -1.7%. Historical performance remains competitive, posting an annualized 8.3% 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

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
INVESTMENT POLICIES
SEPTEMBER 30, 2013**

Investment Overview

The GESE Trust and the Staff Plan each have an investment policy approved by the Board of Trustees. The investment policy objectives of the Trusts are designed to be pursued on a long-term basis. The investment policy statements set forth the policies and objectives that the Board judges to be appropriate and prudent in consideration of the needs of the participants. The policies establish the criteria that the registered investment advisers retained by the Board of Trustees are expected to meet and against which they are to be measured. The Policies serve as a review document to guide the Board's ongoing supervision of the investment of the Trusts' assets. The goals are intended to provide a means for controlling the overall risk of the portfolio without unduly constraining the discretionary decision-making process of the investment managers. The Board formally reviews the policy statement on an annual basis. The investment performance objectives may be revised if significant changes occur within the economic and/or capital market environment.

The asset allocation guidelines are presented on page 54, along with the actual allocations for the last three years. The asset allocations are monitored closely by the Board, so as to comply with the established policy guidelines. Rebalancing is performed as needed and upon advisement from our investment consultant. For the GESE Trust, an asset liability study may be conducted periodically. For the Staff Plan, the asset allocation policy is required to be reviewed every three to five years.

Investment Manager Performance

The investment performance objectives of the overall portfolio are to achieve a rate of return that equals or exceeds the Trusts' actuarial interest rate assumption and achieve performance results which will rank in the top half of a peer universe within a time horizon of rolling three year periods without taking undue risk. The performance objectives are to be used as a basis for reviewing and monitoring managers, not as an absolute measure that requires manager termination if they are not achieved.

The Board has established written guidelines and objectives against which the investment performance of any money manager retained by the Board is measured. If a money manager fails to meet its contractual agreement with the Board, the money manager may be terminated. The performance objective of the investment portfolio for the Trusts is 90 percent of the median performance of comparable portfolios. The criteria is measured based on the returns during the most recent three year period in the appropriate peer universe. If a manager falls below the criteria, they are placed on a watch list and then on probation. If a manager remains on probation for one year, the manager is subject to termination.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
INVESTMENT POLICIES
SEPTEMBER 30, 2013**

Governance/Monitoring:

The Board has established governance standards to manage the Trusts effectively and efficiently. Trust oversight is performed by the Board establishing and periodically reviewing the Trusts' policies. The Board appoints and monitors the investment managers. The investment program is managed by several designated managers. The investment managers are given full discretion to manage the assets under their supervision subject to the Investment Policy. There is a continual review of the investments under management. The Board meets with the investment consultant quarterly to review the performance of the Trust and each manager. The Board meets with each investment manager at least annually to review Trust investments and current environment and future outlook. Proxies are voted by the manager in compliance with the Board's general guidelines based on the best economic interest of the Trust.

Trust operations consist of the Trusts' staff administering and maintaining internal control procedures, monitoring investment and custody of assets, providing analysis and information for decision-making, and reporting to the Board. The Trusts are governed by a set of written internal controls and operational procedures. The Pension Administrator is responsible for establishing and maintaining the internal control structure. This policy is designed to safeguard the Trusts from losses that may arise from fraud, error or misrepresentations by third parties, or imprudent actions by the Board or employees of the plan sponsor.

GESE Trust Investment Policy and Guidelines

The most recent modified GESE Trust investment policy statement effective January 25, 2013, is outlined as follows:

Equity Securities

Equity securities are required to be diversified by industry and in number so that no investment in the securities of a single issue shall exceed seven percent (at market) of the value of the portfolios, provided that the aggregate investment of the fund in any one issuing corporation does not exceed three percent of the outstanding capital stock of that corporation. Single industry weightings can only be a maximum of three times the index holding or ten percent, whichever is greater. Equity securities possess value and quality corroborated by accepted techniques and standards of fundamental and technical analysis. Investments into commingled funds are excluded from the above maximums.

Permissible direct investments include registered common stock listed on a major U.S. exchange or traded on any major U.S. market (including foreign securities traded on U.S. exchanges), convertible preferred stock and convertible bonds, foreign stocks through the use of commingled or mutual funds, emerging market stocks within the commingled or mutual funds, Standard & Poor's Depository Receipts, American Depository Receipts, stocks with a minimum market capitalization of \$100 million (small cap managers may invest in stocks with a \$50 million market capitalization), new Issues (initial public offerings) up to five percent of the portfolio and commingled and mutual funds.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
INVESTMENT POLICIES
SEPTEMBER 30, 2013**

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

Excluded direct investments are short sales, margin purchases (lending or borrowing of funds), investments used to leverage the portfolio, letter stock, private or direct placements, commodities contracts, unattached warrants, derivatives; issues related to the investment manager or restricted stock.

Fixed Income Securities

The fixed income portion of the GESE Trust is required to be invested in marketable, fixed income securities. Corporate bond issues must be diversified by industry and in number so that no investment in the securities of a single issue shall exceed seven percent (at market) of the value of the portfolio. Single industry weightings, excluding U.S. Government and agency securities, can only be a maximum of 25 percent. Fixed income investments are expected to preserve capital and provide a high level of income on a consistent basis.

Acceptable fixed income instruments are commercial paper of only the highest quality, certificate of deposit of the top 100 national banks, bankers acceptances, United States Treasuries, repurchase agreements or debt instruments issued or guaranteed by the U.S. Government or agencies, investment grade corporate debt issues including those rated Baa/BBB or better by Moody's Investor Services/Standard and Poors Corporation, asset backed securities, mortgages, commercial backed securities, collateralized mortgage obligations, futures less than 15 percent with prior board approval, options, preferred stock, municipal bonds, Yankee bonds/foreign credits, Eurodollar bonds, commingled funds and mutual funds. A limitation of 20 percent of each manager's portfolio may be invested in aggregate to Yankee bonds, foreign credits, Euro-dollar bonds and Rule 144A Securities. A limitation of 5 percent of each manager's portfolio may be invested in high yield securities (with ratings of CCC or better).

Fixed income instruments that are not allowable are private placements or debt to equity exchanges. Investment managers are not authorized to use derivative securities, or strategies that do not comply with basic investment objectives of this policy, which is an emphasis on the preservation of principal consistent with conservative growth of assets. Managers are specifically prohibited from using derivative or synthetic securities whose characteristics as implemented by the manager include potentially high price volatility and whose returns are speculative or leveraged (when considered together with liquid/short-term securities position) or whose marketability may be severely limited, without written authority from the Board.

The fixed income investments are required to be appropriately diversified although the investment manager may engage in "active" bond management. It is therefore anticipated that there may be turnover as shifts are made between and within sectors, quality and maturity. Average duration of the fixed income asset class will be targeted within a range of three to ten years. Each manager is expected to keep duration at +/- one year of the benchmark duration.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
INVESTMENT POLICIES
SEPTEMBER 30, 2013**

GESE Trust Investment Policy and Guidelines (Cont'd)

Real Estate Securities

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

Staff Plan Investment Policy and Guidelines

The most recent modified Staff Plan investment policy statement effective January 25, 2013, is outlined as follows:

Equity Securities

Equity securities are required to be diversified by industry and in number so that no investment in the securities of a single issue exceeds five percent (at cost) of the value of the portfolios, provided that the aggregate investment of the fund in any one issuing corporation shall not exceed three percent of the outstanding capital stock of that corporation. Single industry weightings can only be a maximum of three times the index holding or 10 percent whichever is greater. Equity securities possess value and quality corroborated by accepted techniques and standards of fundamental and technical analysis. Investments into mutual funds are excluded from the above maximums.

Permissible direct investments include registered common stock listed on a major U.S. exchange or traded on any major U.S. market, including foreign securities traded on U.S. exchanges, convertible preferred stock and convertible bonds, Standard & Poor's Depository Receipts, American Depository Receipts and stocks with a minimum market capitalization of \$100 million.

Excluded direct investments are foreign stocks, short sales, margin purchases (lending or borrowing of funds), investments used to leverage the portfolio, letter stock, private or direct placements, commodities contracts, unattached warrants, derivatives, issues related to the investment manager, restricted stock, new issues (initial public offerings), or illiquid investments.

Fixed Income Securities

The fixed income portion of the Staff Plan is required to be invested in marketable, fixed income securities. Corporate bond issues must be diversified by industry and in number so that no investment in the securities of a single issue shall exceed 7 percent (at market) of the value of the portfolio. Single industry weightings can only be a maximum of 20 percent, except US Government and agency securities. Fixed income investments are expected to preserve capital and provide a high level of income on a consistent basis. Duration is expected to be +/- one year of the benchmark duration.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
INVESTMENT POLICIES
SEPTEMBER 30, 2013**

Staff Plan Investment Policy and Guidelines (Cont'd)

Fixed Income Securities (Cont'd)

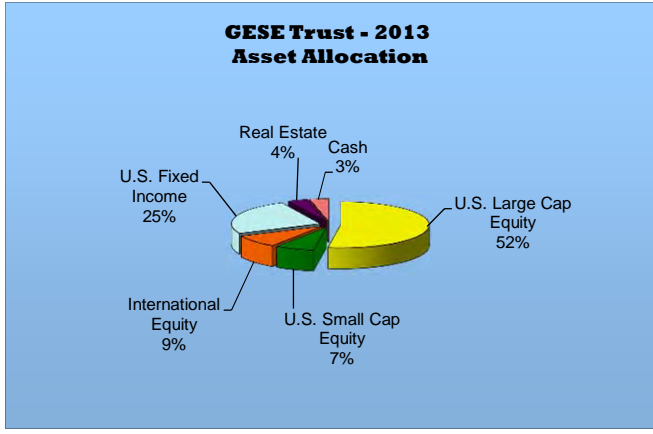
Acceptable fixed income instruments are commercial paper of only the highest quality, certificate of deposit of the top 100 national banks, bankers acceptances, United States Treasuries, repurchase agreements or debt instruments issued or guaranteed by the U.S. Government or agencies, investment grade corporate debt issues including those rated Baa/BBB or better by Moody's Investor Services/Standard and Poors Corporation, asset backed securities, mortgages, commercial backed securities, collateralized mortgage obligations, futures less than 15 percent with prior board approval, options and preferred stock. Fixed income instruments that are not allowable are private placements, Eurodollar securities, foreign credits, debt to equity exchanges, illiquid investments or derivatives.

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

SUMMARY OF ASSET ALLOCATION

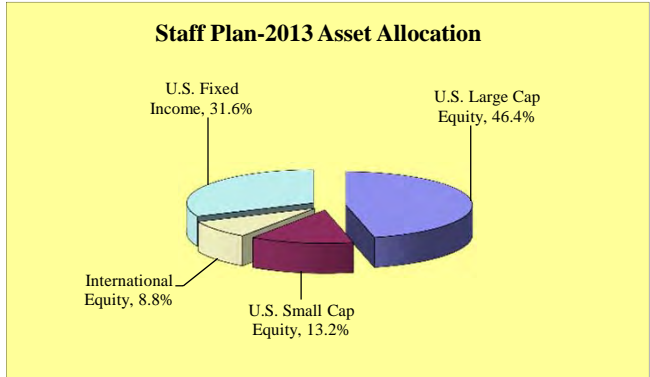
GESE Trust Summary of Asset Allocation

	Policy Guidelines						Actual				
	11/01 to 3/05		3/06 to 9/11		9/12 to current		September 30,				
	Target	Range	Target	Range	Target	Range	2013	2012	2011	2010	2009
U.S. Large Cap Equity	50%	40-60%	45%	35-55%	42%	35-55%	52.3%	49.9%	47.3%	47.5%	47.4%
U.S. Small Cap Equity	10%	0-15%	10%	0-15%	10%	0-15%	7.1%	5.8%	5.2%	5.2%	6.6%
International Equity	10%	0-15%	10%	0-15%	13%	0-15%	8.7%	8.0%	8.6%	9.6%	9.5%
U.S. Fixed Income	25%	20-40%	29%	20-40%	29%	20-40%	24.8%	26.9%	29.3%	29.1%	26.7%
Real Estate	5%	0-10%	5%	0-10%	5%	0-10%	3.6%	3.5%	5.0%	5.5%	5.1%
Cash	0%	0-15%	1%	0-15%	1%	0-15%	3.5%	5.8%	4.6%	3.1%	4.7%
							100%	100%	100%	100%	100%



Staff Plan Summary of Asset Allocation

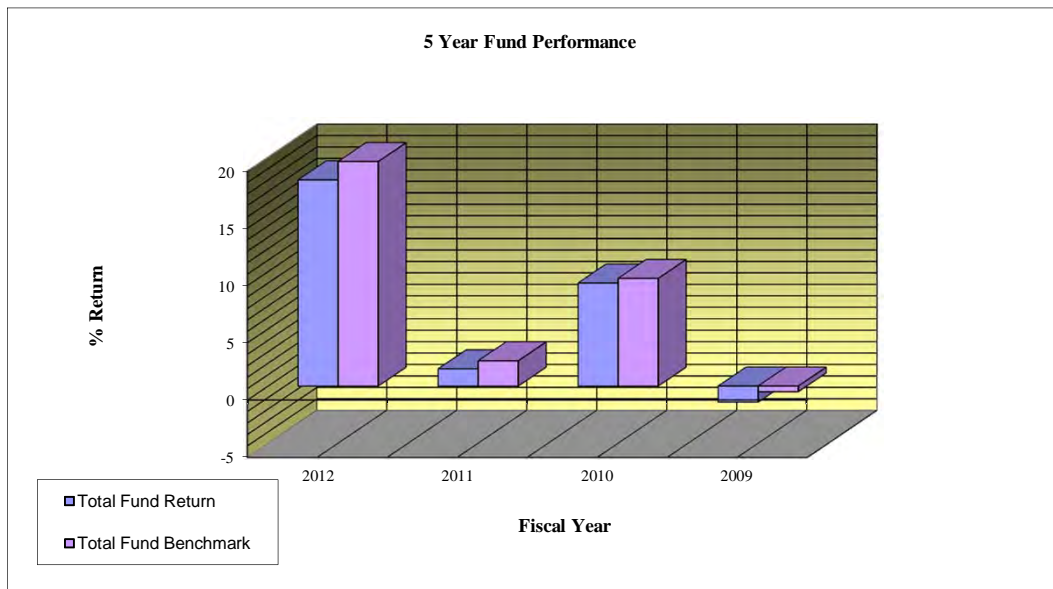
	Policy Guidelines				Actual				
	4/01 to 9/07		9/10 to current		September 30,				
	Target	Range	Target	Range	2013	2012	2011	2010	2009
U.S. Large Cap Equity	50%	40-60%	42%	25-70%	46.4%	46.2%	40.1%	39.5%	38.3%
U.S. Small Cap Equity			10%	0-25%	13.2%	11.0%	9.4%	9.7%	9.1%
International Equity			13%	0-25%	8.8%	8.1%	7.7%	8.8%	8.7%
U.S. Fixed Income	50%	40-60%	35%	20-70%	31.6%	34.7%	42.8%	42.0%	43.9%
Cash	0%	0-10%	0%	0-10%	0.0%	0.0%	0.0%	0.0%	0.0%
					100%	100%	100%	100%	100%



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

GESE TRUST - SUMMARY OF INVESTMENT RETURNS

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>Annualized Return (%)</u>	
						<u>3 Years</u> <u>2011-2013</u>	<u>5 Years</u> <u>2009-2013</u>
Equities							
Fund Return - Domestic Equities	20.7	26.7	0.8	8.9	-6.5	15.5	9.5
Fund Return - International Equities	13.9	10.0	-11.6	4.5	3.6	3.5	3.7
S&P 500	19.4	30.2	1.2	10.2	-6.9	16.3	10.0
Dow Jones	12.3	23.1	1.2	11.1	-7.4	11.9	6.9
Russell 2500 Mid-Cap	29.8	30.9	-2.2	15.9	-5.7	18.4	12.7
Russell 2000 - Small Stock	30.1	31.9	-3.5	13.4	-9.6	18.3	11.2
MSCI EAFE - Non US Stocks	23.8	13.8	-9.4	3.3	3.2	8.5	6.4
Fixed Income							
Fund Return - Fixed Income	-1.4	5.6	5.4	8.6	15.3	3.1	6.6
Barclays U.S. - Aggregate	-1.7	5.2	5.3	8.2	10.6	2.9	5.4
Barclays - Mortgage Backed	-1.2	3.7	5.7	5.8	9.9	2.7	4.7
Barclays Intermediate - Govt/Credit	-0.5	4.4	3.4	7.8	10.0	2.4	5.0
T-Bills - 91 Days	0.1	0.1	0.1	0.1	0.4	0.1	0.2
Real Estate							
Fund Return - Real Estate	6.3	25.1	9.1	16.4	-37.3	13.2	1.2
FR NCREIF Index	11.0	11.0	16.1	5.8	-22.1	12.7	3.4
NAREIT	5.1	34.4	1.1	28.3	-25.3	12.6	6.5
Total Fund Return	12.4	18.0	1.5	9.0	-1.4	10.4	7.7
Total Fund Benchmark	14.0	19.6	2.2	9.4	-0.5	11.6	8.7

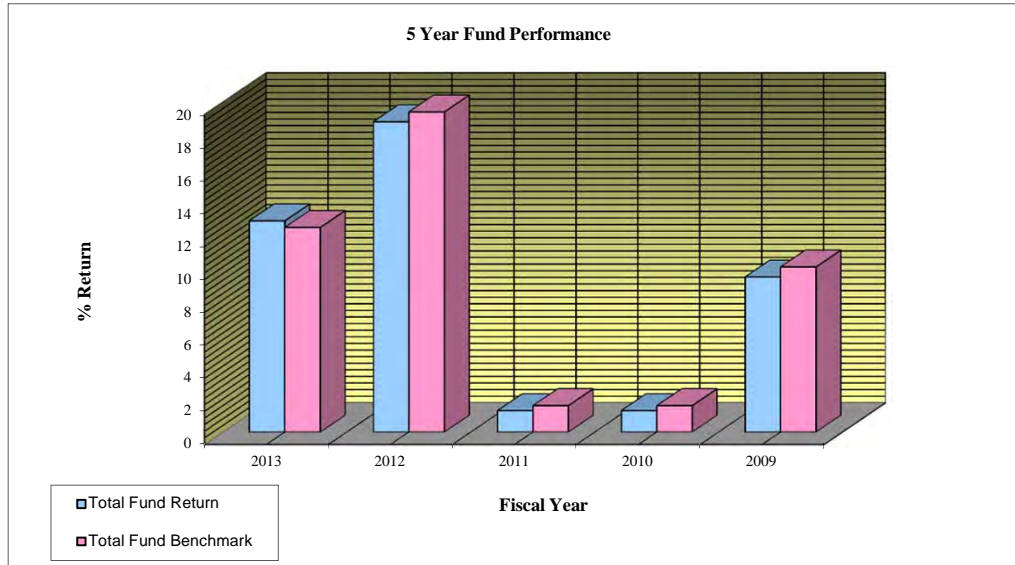


Note: Rate of Returns are time weighted & gross of fees. Based on rate of return in accordance with the CFA Institute's Performance Presentation Standards.

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

STAFF PLAN - SUMMARY OF INVESTMENT RETURNS

	Annual Rates of Return (%)					Annualized Return (%)	
	September 30,					3 Years	5 Years
	2013	2012	2011	2010	2009	2011-2013	2009-2013
Equities							
Fund Return - Domestic Equities	21.6	30.6	0.5	10.9	-5.5	16.9	10.9
S&P 500	19.4	30.2	1.2	10.2	-6.9	16.3	10.0
Russell 1000 - Growth Stock	19.3	29.2	3.8	12.7	-1.9	16.9	12.1
Dow Jones	12.3	23.1	1.2	11.1	-7.4	11.9	6.9
Fixed Income							
Fund Return - Fixed Income	-1.8	5.1	5.2	8.1	10.3	2.8	5.3
Barclays U.S. - Aggregate	-1.7	5.2	5.3	8.2	10.6	2.9	5.4
Barclays - Mortgage Backed	-1.2	3.7	5.7	5.8	9.9	2.7	4.7
Barclays - Government/Credit	-2.0	5.7	5.1	8.7	10.0	2.9	5.7
Cash Equivalent (Money Market Funds)							
Fund Return	N/A	N/A	N/A	N/A	N/A	N/A	N/A
T-Bills - 91 Days	0.1	0.1	0.1	0.1	0.4	0.1	0.2
Total Fund Return	12.8	18.8	1.3	1.3	9.4	10.8	8.7
Total Fund Benchmark	12.4	19.4	1.6	1.6	10.0	10.8	8.7



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

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

**GESE TRUST - LIST OF LARGEST ASSETS HELD
SEPTEMBER 30, 2013**

Largest Stock Holdings (By Fair Value)

	<u>Shares</u>	<u>Stocks</u>		<u>Fair Value</u>
1)	13,078	Apple	\$	6,234,937
2)	69,570	Phillip Morris		6,024,066
3)	6,513	Google, Inc		5,704,802
4)	164,131	Microsoft		5,467,204
5)	120,636	Wells Fargo		4,984,680
6)	45,850	Monsanto		4,785,365
7)	45,626	McDonalds		4,389,677
8)	64,510	Qualcomm Inc		4,345,394
9)	51,514	American Express		3,890,337
10)	77,433	Halliburton		3,728,399

Largest Bond Holdings (By Fair Value)

	<u>Par</u>	<u>Bonds</u>	<u>Coupon</u>	<u>Maturity</u>		<u>Fair Value</u>
1)	3,684,000	U.S Treasury	0.38%	11/15/2015	\$	3,684,295
2)	3,000,000	U.S Treasury	3.63%	2/15/2020		3,332,820
3)	2,715,000	U.S Treasury	3.13%	2/15/2021		2,901,656
4)	2,565,000	U.S Treasury	0.63%	8/31/2017		2,525,114
5)	2,339,000	U.S Treasury	0.50%	11/15/2013		2,340,286
6)	2,303,000	U.S Treasury	2.50%	8/15/2023		2,279,601
7)	2,201,000	U.S Treasury	0.75%	2/28/2018		2,158,366
8)	1,950,000	U.S Treasury	0.75%	12/31/2017		1,916,947
9)	1,950,000	U.S Treasury	0.75%	3/31/2018		1,908,562
10)	1,600,000	U.S Treasury	3.63%	2/15/2021		1,770,368

Staff Largest Stock Holdings (By Fair Value)

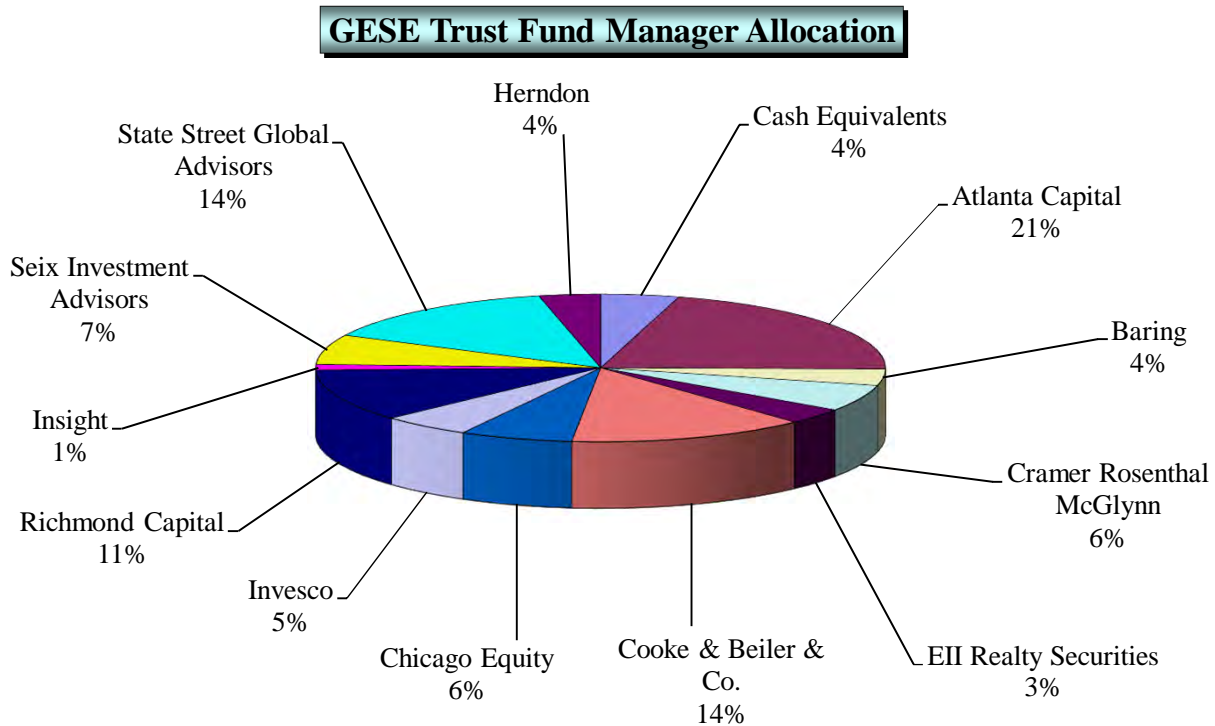
	<u>Shares</u>	<u>Stocks</u>		<u>Fair Value</u>
1)	82,687	Vanguard Total Bond	\$	881,448
2)	8,362	Vanguard 500 Index		1,296,207
3)	7,511	Vanguard Small Cap		368,558
4)	9,071	Vanguard Total International		244,453

Complete list of holding available upon request.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
FUND MANAGER ALLOCATION
AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 2013**

<u>Investment Manager</u>	<u>Fair Value</u>	<u>Fund Allocation</u>	<u>Fund Return</u>	<u>Performance*</u>	
				<u>Style Benchmark</u>	<u>Universe Ranking</u>
GESE Trust					
Domestic Equity Segment	347,668,882	59.1%	20.7%	19.4%	65
Atlanta Capital Management	\$ 122,570,909	20.8%	16.7%	19.3%	84
Insight Capital	7,208,079	1.2%	28.1%	33.1%	80
Cooke & Bieler	79,466,356	13.5%	25.3%	22.3%	25
Cramer Rosenthal McGlynn	34,114,629	5.8%	30.6%	27.0%	41
State Street Global Advisors	83,781,045	14.2%	19.4%	19.4%	59
Herndon Capital	20,527,864	3.5%	17.0%	22.3%	72
International Equity Segment	51,165,901	8.7%	13.9%	23.8%	73
Baring International	21,224,654	3.6%	9.6%	23.8%	80
Invesco Capital Management	29,941,247	5.1%	17.1%	23.8%	62
Real Estate Segment	20,409,958	3.5%	6.3%	11.0%	71
BlackRock Realty		0.0%			
EII Realty Securities, Inc.	20,409,958	3.5%	5.7%	5.1%	67
Fixed Income Segment	143,302,896	24.3%	-1.4%	-1.7%	69
Chicago Equity Partners	37,544,337	6.4%	-1.6%	-0.5%	84
Richmond Capital Management	67,225,198	11.4%	-1.1%	-1.8%	36
Seix Investment Advisors	38,533,361	6.5%	-1.8%	-1.7%	73
Cash Equivalents Administrative account					
State Street Corporation	26,049,717	4.4%	0.0%	0.1%	98
TOTAL GESE Trust	\$ 588,597,354	100.0%	12.4%	14.0%	21

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

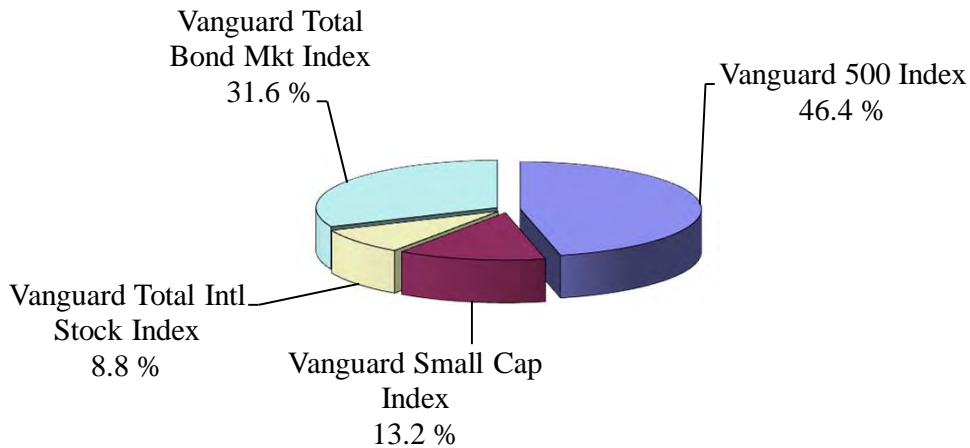


**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
FUND MANAGER ALLOCATION
AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 2013**

<u>Investment Manager</u>	<u>Fair Value</u>	<u>Fund Allocation</u>	<u>Performance*</u>		
			<u>Fund Return</u>	<u>Style Benchmark</u>	<u>Universe Ranking</u>
Staff Plan					
Domestic Equity Segment	1,664,765	59.7%	21.6%	21.4%	46
Vanguard 500 Index	\$ 1,296,207	46.4%	19.4%	19.4%	60
Vanguard Small Cap Index	368,558	13.2%	30.2%	30.1%	40
International Equity Segment	244,453	8.8%			
Vanguard Total Intl Stock Index	244,453	8.8%	17.1%	16.5%	50
Fixed Income Segment	881,447	31.6%			
Vanguard Total Bond Mkt Index	881,447	31.6%	-1.8%	-1.7%	69
Cash Equivalents Administrative account					
TOTAL Staff Trust	\$ 2,790,665	100.0%	12.8%	12.4%	31

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

Staff Plan Manager Allocation



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

**SCHEDULE OF INVESTMENT FEES
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

<u>Investment Manager's Style</u>	<u>Assets Under Management</u>	<u>Investment Fees</u>
<i>GESE Trust</i>		
Equity Managers	\$ 398,834,785	\$ 1,558,613
Fixed Income Managers	143,302,897	367,948
Real Estate Managers	20,409,958	150,729
Money Market Funds	<u>26,049,714</u>	<u>-</u>
Total GESE Trust	<u>\$ 588,597,354</u>	<u>\$ 2,077,290</u>
<i>Staff Plan</i>		
Vanguard Funds	\$ 2,790,665	\$ -
	<u>-</u>	<u>-</u>
Total Staff Plan	<u>\$ 2,790,665</u>	<u>\$ -</u>
Total Investments	<u>\$ 591,388,019</u>	
Total Investment Expenses		<u>\$ 2,077,290</u>
<u>Other Investment Service Fees GESE Trust</u>		
Custodian		\$ 220,613
Investment Consultant		<u>195,082</u>
Total Other Investment Service Fees ¹		<u>\$ 415,695</u>

¹ Other Investment Service Fees are included in the administrative and other expenses.

CITY OF MIAMI GENERAL EMPLOYEES' & SANITATION EMPLOYEES' RETIREMENT TRUST
AND OTHER MANAGED TRUSTS
SCHEDULE OF COMMISSIONS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

Broker Name	Number of Shares Traded	Total Commission	Commissions Per Share
ABEL NOSER CORPORATION	9,629	164	0.017
ADDITIONAL PRINCIPAL	(0)	-	0.000
ALBERT FRIED & COMPANY LLC	95,300	4,765	0.050
AMHERST SECURITIES GROUP L.P.	102,000	-	0.000
AQUA SECURITIES LP	4,979	100	0.020
AUTREPAT-INCCURADJ	17,534	-	0.000
AUTREPAT-STK/S DIV	3,276	-	0.000
AVIAN SECURITIES	42,600	2,130	0.050
AVONDALE PARTNERS LLC	5,500	220	0.040
BANK OF AMERICA SECURITIES LLC	2,373,325	-	0.000
BARCLAYS CAPITAL INC	4,417,559	-	0.000
BARCLAYS CAPITAL INC.	1,365,000	-	0.000
BARCLAYS CAPITAL INC./LE	3,650	-	0.000
BARCLAYS CAPITAL LE	271,043	8,573	0.032
BB&T SECURITIES, LLC	1,135,479	1,155	0.001
BLOOMBERGTRADEBOOK LLC	20,402	204	0.010
BMO CAPITAL MARKETS	6,900	276	0.040
BNP PARIBAS SECURITIES BOND	3,656,920	-	0.000
BNP PARIBAS SECURITIES CORP./FIXED INCO	27,400	-	0.000
BNY/ITC DEALERS CLEARANCE SPECIAL	283,000	-	0.000
BNY/SUNTRUST CAPITAL MARKETS	785,000	-	0.000
BONY + VINNING SPARKS IBG L P	179,000	-	0.000
BREAN MURRAY, CARRET & CO., LLC	15,500	560	0.036
BROADCORTCAPITAL (THRU ML)	47,850	1,828	0.038
BTIG, LLC	54,570	1,364	0.025
BUCKINGHAM RESEARCH GROUP INC	8,550	342	0.040
BURKE ANDQUICK PARTNERS LLC	6,050	242	0.040
CALLED BONDS	1,356,228	-	0.000
CANTOR FITZGERALD & CO	406,970	-	0.000
CANTOR FITZGERALD + CO.	17,820	446	0.025
CAPITAL INSTITUTIONAL SVCS INC EQUITIES	8,813	172	0.020
CITIBANK N.A	264,000	-	0.000
CITIGROUPGLOBAL MARKETS INC	142,195	4,599	0.032
CITIGROUPGLOBAL MARKETS INC SALOMON	14,589,220	-	0.000
CLARKE + CO	386,739	-	0.000
COMMERZBANK CAPITAL MARKETS CORPOF	-	-	0.000
CONVERGEXEXECUTION SOLUTIONS LLC	44,000	1,705	0.039
COWEN ANDCOMPANY, LLC	61,708	2,006	0.033
CREDIT RESEARCH + TRADING LLC	151,900	7,595	0.050
CREDIT SUISSE SECURITIES (USA) LLC	15,890,166	4,260	0.000
CRT CAPITAL GROUP LLC	605,382	-	0.000
DAVENPORT& CO. OF VIRGINIA, INC.	1,000	40	0.040
DAVIDSON D.A. + COMPANY INC.	2,400	96	0.040
DEUTSCHE BANK SECURITIES INC	301,205	1,421	0.005
DEUTSCHE BANK SECURITIES, INC.	8,873,342	-	0.000
DIRECT ISSUE	201,699	-	0.000
DOWLING &PARTNERS	300	12	0.040
DUNCAN WILLIAMS INC	626,785	-	0.000
EVERCORE GROUP LLC	7,900	380	0.048
EXCHANGE OFFER	120,000	-	0.000
EXCHANGE OFFER (NON CASH)	768,000	-	0.000
FIDELITY CAPITAL MARKETS	158,750	4,096	0.026
FIRST BOSTON CORP	152,000	-	0.000
FIRST TENNESSEE BANK BOND DIVISION	587,865	-	0.000
FIRST TENNESSEE SECURITIES CORP	2,735,000	-	0.000
FRACTIONAL SHARES	0	-	0.000
FRIEDMAN BILLINGS + RAMSEY	14,400	720	0.050
GOLDMAN SACHS + CO	15,331,517	8,822	0.001
GOLDMAN SACHS INTERNATIONAL	64,300	357	0.006
GORDON, HASKETT & COMPANY	17,400	696	0.040
GREEN STREET ADVISORS	56,100	2,779	0.050
HSBC SECURITIES INC.	16,572,000	-	0.000
IMPERIAL CAPITAL LLC	15,500	620	0.040
INSTINET	10,200	408	0.040
INVESTMENT TECHNOLOGY GROUP INC.	96,756	1,358	0.014
ISI GROUPINC	68,103	3,267	0.048
J.P. MORGAN CLEARING CORP.	106,704	68	0.001
J.P. MORGAN SECURITIES INC.	181,671	4,582	0.025
J.P. MORGAN SECURITIES LLC	10,306,019	-	0.000
JANNEY MONTGOMERY, SCOTT INC	2,400	96	0.040
JEFFERIES+ CO. - BOND DIVISION	1,267,000	-	0.000
JEFFERIES+ COMPANY INC	10,511,215	19,673	0.002

CITY OF MIAMI GENERAL EMPLOYEES' & SANITATION EMPLOYEES' RETIREMENT TRUST
AND OTHER MANAGED TRUSTS
SCHEDULE OF COMMISSIONS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

Broker Name	Number of Shares Traded	Total Commission	Commissions Per Share
JMP SECURITIES	4,400	176	0.040
JNK SECURITIES INC	6,400	224	0.035
JONESTRADING INSTITUTIONAL SERVICES L	58,000	1,083	0.019
JP MORGANCHASE BANK/HSBCSI	390,000	-	0.000
JPMORGAN CHASE BANK/RBS SECURITIES IN	10,560,961	-	0.000
JPMORGAN SECURITIES INC	1,116,000	-	0.000
KEEFE BRUYETTE + WOODS INC	43,100	1,564	0.036
KEYBANC CAPITAL MARKETS INC	253,663	4,503	0.018
KGS ALPHACAPITAL MARKETS, LLC	132,775	-	0.000
KING, CL.& ASSOCIATES, INC	18,100	690	0.038
KNIGHT EQUITY MARKETS L.P.	617,081	27,769	0.045
LADENBURGTHALMAN + CO	18,800	752	0.040
LAZARD CAPITAL MARKETS LLC	10,600	424	0.040
LEERINK SWANN AND COMPANY	1,200	48	0.040
LIQUIDNETINC	74,615	1,492	0.020
LONGBOW SECURITIES LLC	1,000	40	0.040
MACQUARIESECURITIES (USA) INC	4,000	156	0.039
MATURITY	16,593,000	-	0.000
MERRILL LYNCH PIERCE FENNER + SMITH IN	229,682	913	0.004
MERRILL LYNCH PROFESSIONAL CLEARING +	9,600	336	0.035
MITSUBISHI UFJ SECURITIES	500,000	-	0.000
MITSUBISHI UFJ SECURITIES (USA), INC	7,000	-	0.000
MKM PARTNERS LLC	2,550	51	0.020
MORGAN STANLEY CO INCORPORATED	4,599,789	7,703	0.002
NATIONAL FINANCIAL SERVICES CORP.	3,850	154	0.040
NEEDHAM +COMPANY	5,700	195	0.034
NOMURA SECURITIES INTL., FIXED INCOME	334,700	-	0.000
NOMURA SECURITIES/FIXED INCOME	92,820	-	0.000
OPPENHEIMER + CO. INC.	19,300	759	0.039
PACIFIC CREST SECURITIES	72,107	3,245	0.045
PAYDOWN	14,523	-	0.000
PERSHING LLC	1,541,268	-	0.000
PIERPONT SECURITIES LLC	693,628	-	0.000
PIPER JAFFRAY	26,475	981	0.037
POSITION ADJUSTMENT	0	-	0.000
PRINCIPALPAYMENTS - MTG BACK	11,126,519	-	0.000
PRINCIPALPAYMENTS CORP BDS	148,418	-	0.000
PRINCIPALREDUCTION	0	-	0.000
PULSE TRADING LLC	5,170	186	0.036
RAYMOND JAMES AND ASSOCIATES INC	68,350	3,185	0.047
RBC CAPITAL MARKETS	2,598,459	2,760	0.001
RBS SECURITIES INC.	19,217,333	-	0.000
REDEMPTION	3,820	-	0.000
REDEMPTION-IN-KIND	16,373	-	0.000
ROBERT W. BAIRD CO. INCORPORATE	4,114,229	11,533	0.003
SANDLER ONEILL + PART LP	600	24	0.040
SANFORD CBERNSTEIN CO LLC	17,441	696	0.040
SHARE ADJUSTMENT	1	-	0.000
SJ LEVINSON & SONS LLC	12,825	261	0.020
SOUTHWESTSECURITIES	145,000	-	0.000
STATE STREET BANK AND TRUST	353,143,666	-	0.000
STEPHENS, INC.	1,382,004	819	0.001
STERNE AGEE & LEACH INC.	26,750	137	0.005
STIFEL NICOLAUS + CO INC	892,468	7,246	0.008
STRATEGASSECURITIES LLC	800	32	0.040
SUNTRUST CAPITAL MARKETS, INC.	134,750	3,881	0.029
TELSEY ADVISORY GROUP LLC	16,100	644	0.040
TENDER OFFER	165,000	-	0.000
UBS FINANCIAL SERVICES INC	269,807	-	0.000
UBS SECURITIES LLC	4,278,600	1,406	0.000
UBS WARBURG LLC CMO 652	2,048,480	-	0.000
UNCLASSIFIED	-	-	0.000
WEDBUSH MORGAN SECURITIES INC	16,000	622	0.039
WEEDEN + CO.	239,050	6,032	0.025
WELLS FARGO SECURITIES LLC	2,271,112	-	0.000
WELLS FARGO SECURITIES, LLC	6,742,209	2,136	0.000
WESTMINSTER RES ASOC/ BROADCORT CAP	17,100	855	0.050
WILLIAM BLAIR & COMPANY L.L.C	2,800	112	0.040
WILLIAMS CAPITAL GROUP LP (THE)	9,767	440	0.045
Grand Total	565,208,376	188,457	0.0172

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

**INVESTMENT SUMMARY
SEPTEMBER 30, 2013**

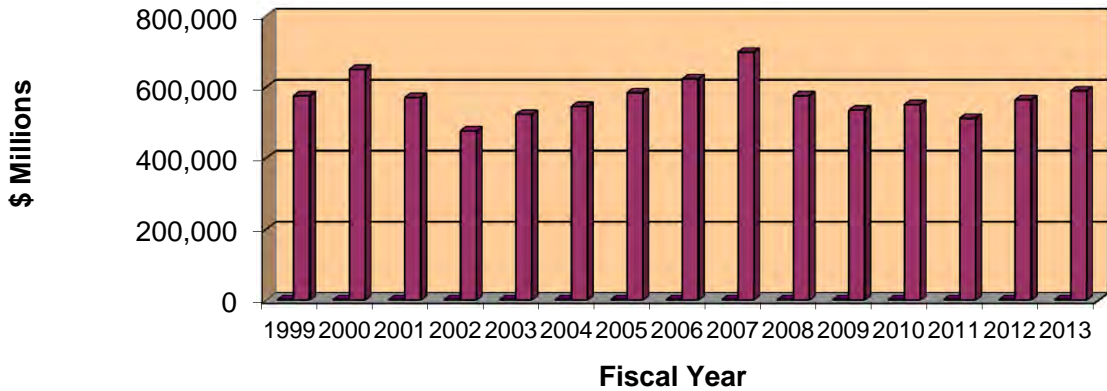
<u>Type of Investment</u>	<u>GESE Trust</u>		<u>Staff Plan</u>	
	<u>Fair Value at 9/30/13</u>	<u>Percent of Total Fair Value</u>	<u>Fair Value at 9/30/13</u>	<u>Percent of Total Fair Value</u>
Fixed Income				
U.S. Government Obligations	\$56,023,861	9.52%		
Federal Instrumentalities	4,602,764	0.78%		
Mortgage Backed Securities	34,115,642	5.80%		
Asset Backed Securities	321,140	0.05%		
Domestic Corporate Bonds	43,636,175	7.41%		
Vanguard Total Bond Mkt			881,448	
International Bonds (Yankees)	4,603,315	0.78%		
Total Fixed Income	<u>\$143,302,897</u>	<u>24.35%</u>	<u>\$881,448</u>	<u>31.59%</u>
Common Stock				
Consumer	\$66,389,014	11.28%		
Energy	20,230,765	3.44%		
Financial	64,013,110	10.88%		
Healthcare	30,910,145	5.25%		
Industrials	36,316,110	6.17%		
Information Technology	46,712,687	7.94%		
Materials	16,682,748	2.83%		
Telecommunications & Utilities	3,043,218	0.52%		
International	21,224,654	3.61%	244,453	
Vanguard Small Cap Index			368,558	
Vanguard 500 Index			1,296,207	
Commingled Equity Fund	93,312,333	15.85%		
Total Common Stock	<u>\$398,834,784</u>	<u>67.76%</u>	<u>\$1,909,218</u>	<u>68.41%</u>
Real Estate				
Real Estate Fund	\$0	0.00%		
Real Estate Investment Trust	20,409,959	3.47%		
Total Real Estate	<u>\$20,409,959</u>	<u>3.47%</u>		
Short term Investments				
Short term Investment Fund	\$26,049,714	4.43%		0.00%
TOTAL INVESTMENTS	<u>\$588,597,354</u>	<u>100.00%</u>	<u>\$2,790,666</u>	<u>100.00%</u>

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

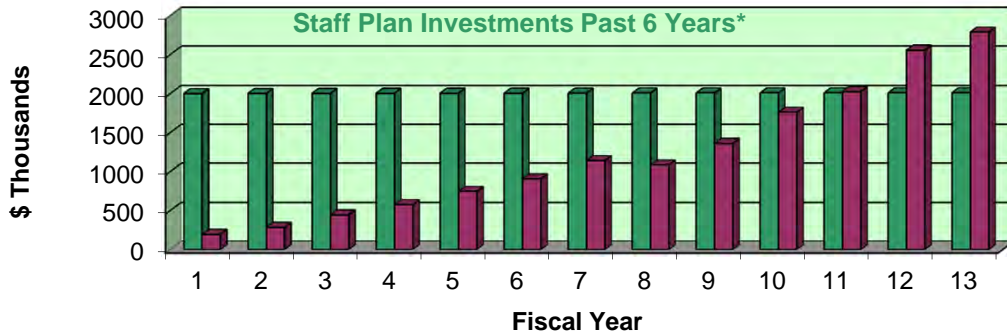
**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
HISTORICAL SUMMARY OF INVESTMENTS HELD AT FAIR VALUE**

<u>Fiscal Year Ended September 30,</u>	<u>GESE Trust (\$ Millions)</u>	<u>Staff Plan * (\$ Thousands)</u>
1999	\$ 575,249	
2000	649,215	
2001	570,147	\$ 197
2002	476,293	287
2003	522,301	446
2004	544,828	575
2005	583,495	745
2006	622,766	908
2007	697,627	1,142
2008	575,255	1,087
2009	534,686	1,361
2010	550,340	1,760
2011	511,483	2,027
2012	564,046	2,557
2013	588,597	2,790

GESE Trust Investments Past 10 Years



Staff Plan Investments Past 6 Years*



Actuarial Section



Cavanaugh Macdonald

CONSULTING, LLC

The experience and dedication you deserve

March 4, 2014

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.

An actuarial valuation is performed annually to determine the contributions which satisfy the funding objective in accordance with City Ordinance, the final revised judgment in the Gates v. City of Miami case, and Chapter 112 of Florida Statutes. The actuarially determined annual contribution consists of normal cost plus amortization of the unfunded actuarial accrued liability (UAAL). The objective is to establish, over time, a normal cost which will remain level as a percent of payroll. The unfunded actuarial accrued liability is amortized as a level percent of payroll over a maximum period of 20 years. The actuarial cost method is designed to achieve this objective.

The most recent annual actuarial valuation for use in the current financial statements was prepared as of October 1, 2012. The actuarial assumptions, as set forth in Table XI of the actuary's October 1, 2012 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
 - Average benefit payments, last ten years

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Board of Trustees
March 4, 2013
Page 2

Note that the actuarial value of assets is based on a moving market value averaged over five years. The contribution amounts and the market value of assets used to develop the actuarial value of assets were reported to us by the Retirement Trust office. Member census data for the annual valuation was also furnished by the Retirement Trust office. We have reviewed the member census data for internal completeness and year-to-year consistency.

We believe the assumptions and methods used in the valuation produce results which are reasonable and meet the parameters set by Statement No. 25 of the Governmental Accounting Standards Board.

On the basis of the 2012 valuation, it is our opinion that the Retirement Trust continues in sound financial condition. To the best of my knowledge, the results of the 2012 actuarial valuation are complete and accurate and, in my opinion, the techniques and assumptions used are reasonable and meet the requirements of the City Ordinance, Florida Statutes and Gates case requirements. I am a member of the American Academy of Actuaries and I meet the Qualification Standards of the American Academy of Actuaries to render this actuarial opinion.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Jose I. Fernandez', with a long, sweeping horizontal line extending to the right.

Jose I. Fernandez, ASA, EA, FCA, MAAA
Principal and Consulting Actuary
Enrolled Actuary No. 11-4461

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS
SEPTEMBER 30, 2013**

GESE Trust – Actuarial Assumptions and Methods October 1, 2012 Valuation

Actuarial Cost Method of Valuation:

The modified individual entry age normal cost method of valuation was used in determining actuarial liabilities and normal cost. Under this method, the present value of future normal cost equals the present value of all future benefits less the present value of future employee contributions less the greater of the actuarial accrued liability or the actuarial value of assets where the total cost is not less than zero.

Changes in actuarial assumptions and methods, plan amendments for actives and actuarial gains and losses are amortized as a level percent of pay over 20 years. Plan amendments for retirees are amortized over 15 years.

Mortality Table:

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

Actuarial Assumption Rates:

- **Investment Return Rate** - The interest rate used in the October 1, 2012 valuation is 7.90% per annum, compounded annually, decreasing to 7.60% by October 1, 2015. The interest rate assumption is net of investment expenses. The City provides for the non-investment expenses of the GESE Trust.
- **Salary Increase Rate** - Salaries are assumed to increase at the rate that varies based on years of credited service.
- **Inflation Rate** – The assumed inflation rate is 3.5% per annum.
- **Cost of Living Adjustment** – The cost of living adjustment is assumed to be 4% per year with a minimum and maximum of \$54 and \$400 per year, respectively, based on the plan provisions.

Asset Valuation Method:

The actuarial value of assets is based on a moving market value averaged over five years. Each year the expected return will be determined based on the beginning of year market value and the actual contributions and benefit payments at the assumed interest assumption. One fifth of the difference between the expected market value return and the actual market value return is included in the actuarial asset value at the valuation date. Four-fifths of the difference between the expected market value return and the actual market value return is deferred in even increments of 20% per year to each of the next four years as future adjustments to the actuarial asset value. The preliminary actuarial asset value will be the sum of the actuarial asset value as of the previous valuation date plus the actual contributions and benefits payments in the year ending on the current valuation date plus the expected return on market value return plus one-fifth of the cumulative differences between the expected and actual market value returns over the five years up to the valuation date. The result cannot be greater than 120% of market value or less than 80% of market value.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS
SEPTEMBER 30, 2013**

**GESE Trust – Actuarial Assumptions and Methods October 1, 2012 Valuation
(Cont'd)**

Other Assumptions:

- **Spouses** - 80% of active members are assumed to be married, with the husband three years older than his wife.
- **Maximum Benefit** – The valuation reflects the maximum benefit limits under Internal Revenue Code Section 415.
- **Actuarial Experience Analysis** – The most recent actuarial experience study was prepared in September 2012 and became effective with the October 1, 2012 valuation. The assumptions revised as a result of this study were to decrease the assumed rate of return over a five year period, change the assumed salary increase, and a decrease in disability rates.

Probability Table of Permanent Withdrawal from Active Status:

Representative values of the assumed annual rates of withdrawal among members in active service are set forth in the following table.

Age	Completed Years of Service					
	0	1	2	3	4	5 or more
20	13.0%	12.0%	10.0%	8.0%	7.0%	5.8%
25	13.0%	12.0%	10.0%	8.0%	7.0%	5.1%
30	13.0%	12.0%	10.0%	8.0%	7.0%	4.5%
35	12.5%	11.5%	9.5%	7.7%	7.0%	3.9%
40	11.9%	10.9%	8.9%	7.1%	6.5%	3.1%
45	11.3%	10.3%	8.3%	6.5%	5.7%	2.5%
50	10.7%	9.7%	7.7%	5.9%	4.7%	2.0%
55	10.4%	9.4%	7.4%	5.6%	4.4%	1.5%

Probability Table of Disability:

Representative values of the assumed annual rates of disability among members in active service are set forth in the following table. 90% of disabilities are assumed to be ordinary (non-occupational), and 10% are service incurred. Of the service incurred disabilities, 50% are assumed to be accidental.

Age	Rate	Age	Rate	Age	Rate	Age	Rate
20	0.02%	30	0.05%	40	0.09%	50	0.18%
25	0.02%	35	0.07%	45	0.12%	55	0.26%

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS
SEPTEMBER 30, 2013**

**GESE Trust – Actuarial Assumptions and Methods October 1, 2012 Valuation
(Cont'd)**

Probability Table of Retirement:

Non-Backdrop Retirements

Representative values of the assumed annual rates of retirement among members in active service are set forth in the following table. The rates for ages 45 through 54 are the assumed rates before the age of 55 under the rule of 70.

Age	Rate	Age	Rate	Age	Rate	Age	Rate	Age	Rate
45	10%	50	15%	55	18%	60	18%	65	16%
46	10%	51	15%	56	18%	61	18%	66	16%
47	10%	52	15%	57	18%	62	18%	67	16%
48	10%	53	15%	58	18%	63	18%	68	16%
49	10%	54	15%	59	18%	64	18%	69	16%
								70	100%

Rates of Backdrop Retirement Elections

The valuation assumes members will elect a five-year Backdrop.

Age	Years of Service								
	10-14	15-20	21	23	25	27	29	30	35
50								15%	
51							15%	15%	
52							15%	10%	
53						15%	10%	10%	
54						15%	10%	10%	
55					18%	10%	10%	10%	25%
56					18%	10%	10%	10%	25%
57				18%	10%	10%	10%	10%	25%
58				18%	10%	10%	10%	10%	25%
59			18%	10%	10%	10%	10%	10%	25%
60	18%	18%	18%	10%	10%	10%	10%	25%	25%
61	10%	10%	10%	10%	10%	10%	25%	25%	25%
62	10%	10%	10%	10%	10%	10%	25%	25%	25%
63	10%	10%	10%	10%	10%	25%	25%	25%	25%
64	10%	10%	10%	10%	10%	25%	25%	25%	25%
65	10%	25%	25%	25%	25%	25%	25%	25%	25%
66	10%	25%	25%	25%	25%	25%	25%	25%	25%
67	10%	25%	25%	25%	25%	25%	25%	25%	16%
68	10%	25%	25%	25%	25%	25%	25%	25%	16%
69	10%	25%	25%	25%	25%	25%	25%	25%	16%
70	100%	100%	100%	100%	100%	100%	100%	100%	100%

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS
SEPTEMBER 30, 2013**

Excess Benefit Plan - Actuarial Assumptions and Methods October 1, 2012

Valuation

Actuarial Cost Method of Valuation:

The modified individual entry age normal cost method of valuation was used in determining actuarial liabilities and normal cost. Under this method, the present value of future normal cost equals the present value of all future benefits less the present value of future employee contributions less the greater of the actuarial accrued liability or the actuarial value of assets where the total cost is not less than zero.

For determination of the Annual Required Contribution the unfunded actuarial accrued liability is amortized as a level dollar amount over 30 years from October 1, 2000.

Mortality Table:

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

Actuarial Assumption Rates:

- **Investment Return Rate** - The interest rate used in the October 1, 2012 valuation is 7.90% per annum, compounded annually, decreasing to 7.60% by October 1, 2015. The City provides for the non-investment expenses of the GESE Trust.
- **Salary Increase Rate** - Salaries are assumed to increase at the rate that varies based on years of credited service. There is no assumed total active member payroll increase.
- **Inflation Rate** – The assumed inflation rate is 3.5% per annum.

Spouses - 80% of active members are assumed to be married, with the husband three years older than his wife.

Valuation of Excess Benefits:

Due to the pay-as-you-go nature of the excess benefit plan, there are no plan assets. The City provides for the benefit payments and expenses of the plan as required each year. The valuation of excess benefits does not reflect the maximum benefit limits under Internal Revenue Code 415.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS
SEPTEMBER 30, 2013**

Excess Benefit Plan - Actuarial Assumptions and Methods October 1, 2012
Valuation (Cont'd)

Probability Table of Permanent Withdrawal from Active Status:

Representative values of the assumed annual rates of withdrawal among members in active service are set forth in the following table.

Age	Completed Years of Service					
	0	1	2	3	4	5 or more
20	13.0%	12.0%	10.0%	8.0%	7.0%	5.8%
25	13.0%	12.0%	10.0%	8.0%	7.0%	5.1%
30	13.0%	12.0%	10.0%	8.0%	7.0%	4.5%
35	12.5%	11.5%	9.5%	7.7%	7.0%	3.9%
40	11.9%	10.9%	8.9%	7.1%	6.5%	3.1%
45	11.3%	10.3%	8.3%	6.5%	5.7%	2.5%
50	10.7%	9.7%	7.7%	5.9%	4.7%	2.0%
55	10.4%	9.4%	7.4%	5.6%	4.4%	1.5%

Probability Table of Disability:

Representative values of the assumed annual rates of disability among members in active service are set forth in the following table. 90% of disabilities are assumed to be ordinary (non-occupational), and 10% are service incurred. Of the service incurred disabilities, 50% are assumed to be accidental.

Age	Rate	Age	Rate	Age	Rate	Age	Rate
20	0.02%	30	0.05%	40	0.09%	50	0.18%
25	0.02%	35	0.07%	45	0.12%	55	0.26%

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS
SEPTEMBER 30, 2013**

Excess Benefit Plan - Actuarial Assumptions and Methods October 1, 2012
Valuation (Cont'd)

Probability Table of Retirement:

Non-Backdrop Retirements

Representative values of the assumed annual rates of retirement among members in active service are set forth in the following table. The rates for ages 45 through 54 are the assumed rates before the age of 55 under the rule of 70.

Age	Rate	Age	Rate	Age	Rate	Age	Rate	Age	Rate
45	10%	50	15%	55	18%	60	18%	65	16%
46	10%	51	15%	56	18%	61	18%	66	16%
47	10%	52	15%	57	18%	62	18%	67	16%
48	10%	53	15%	58	18%	63	18%	68	16%
49	10%	54	15%	59	18%	64	18%	69	16%
								70	100%

Rates of Backdrop Retirement Elections

The valuation assumes members will elect a five-year Backdrop.

Age	Years of Service								
	10-14	15-20	21	23	25	27	29	30	35
50								15%	
51							15%	15%	
52							15%	10%	
53						15%	10%	10%	
54						15%	10%	10%	
55					18%	10%	10%	10%	25%
56					18%	10%	10%	10%	25%
57				18%	10%	10%	10%	10%	25%
58				18%	10%	10%	10%	10%	25%
59			18%	10%	10%	10%	10%	10%	25%
60	18%	18%	18%	10%	10%	10%	10%	25%	25%
61	10%	10%	10%	10%	10%	10%	25%	25%	25%
62	10%	10%	10%	10%	10%	10%	25%	25%	25%
63	10%	10%	10%	10%	10%	25%	25%	25%	25%
64	10%	10%	10%	10%	10%	25%	25%	25%	25%
65	10%	25%	25%	25%	25%	25%	25%	25%	25%
66	10%	25%	25%	25%	25%	25%	25%	25%	25%
67	10%	25%	25%	25%	25%	25%	25%	25%	16%
68	10%	25%	25%	25%	25%	25%	25%	25%	16%
69	10%	25%	25%	25%	25%	25%	25%	25%	16%
70	100%	100%	100%	100%	100%	100%	100%	100%	100%

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS
SEPTEMBER 30, 2013**

Staff Plan - Actuarial Assumptions and Methods October 1, 2012 Valuation

Actuarial Cost Method of Valuation:

The modified individual entry age normal cost method of valuation was used in determining actuarial liabilities and normal cost. Under this method, the present value of future normal cost equals the present value of all future benefits less the present value of future employee contributions less the greater of the actuarial accrued liability or the actuarial value of assets where the total cost is not less than zero.

Changes in actuarial assumptions are amortized as level dollar amounts over 20 years, actuarial gains and losses are amortized over 15 years, benefit improvements for retirees are amortized over 15 years, and benefit improvements for actives are amortized over 20 years. The Staff Plan's initial unfunded actuarial accrued liability as of October 1, 2000 is amortized over 30 years.

Mortality Table:

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

Actuarial Assumption Rates:

- **Investment Return Rate** - The interest rate used in the October 1, 2012 valuation is 7.90% per annum, compounded annually, decreasing to 7.60% by October 1, 2015. The interest rate assumption is net of investment expenses. The City provides for the non-investment expenses of the GESE Trust.
- **Salary Increase Rate** - Salaries are assumed to increase at the rate of 6.00% per annum, including inflation. There is no assumed total active member payroll increase.
- **Inflation Rate** – The assumed inflation rate is 3.5% per annum.

Asset Valuation Method:

The actuarial value of assets is based on a moving market value averaged over three years, effective July 1, 2001. Each year, the actuarial asset value is projected forward at the valuation date based on actual contributions and benefit payments at the assumed interest assumption. One third of the difference between the projected actuarial value and the market value plus prior deferrals is added to the projected actuarial value. The remaining two thirds is deferred to each of the next two years as future adjustments to the actuarial value. The result cannot be greater than 120% of market value or less than 80% of market value. As of October 1, 2000, the actuarial value was equal to the estimated present value of employee payments to purchase credit for service to the effective date of the plan (July 1, 2001).

Other Assumptions:

- **Spouses** - The Pension Administrator is assumed to not be married; 40% of active members are assumed to be married with the husband 3 years older than his wife.
- **Maximum Benefit** – The valuation reflects the maximum benefit limits under Internal Revenue Code Section 415.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS
SEPTEMBER 30, 2013**

**Staff Plan - Actuarial Assumptions and Methods October 1, 2012 Valuation
(Cont'd)**

Probability Table of Permanent Withdrawal from Active Status:

Representative values of the assumed annual rates of withdrawal among members in active service are set forth in the following table, effective October 1, 2001.

Age	Completed Years of Service					
	0	1	2	3	4	5 or more
20	12.0%	10.5%	9.0%	7.2%	6.0%	5.3%
25	12.0%	10.5%	9.0%	7.2%	6.0%	4.6%
30	12.0%	10.5%	9.0%	7.2%	6.0%	4.0%
35	12.0%	10.5%	9.0%	7.2%	6.0%	3.4%
40	11.4%	9.9%	8.4%	6.6%	5.4%	2.6%
45	10.8%	9.3%	7.8%	6.0%	4.8%	2.0%
50	10.2%	8.7%	7.2%	5.4%	4.2%	1.3%
55	9.9%	8.4%	6.9%	5.1%	3.9%	1.0%

Probability Table of Disability:

Representative values of the assumed annual rates of disability among members in active service are set forth in the following table.

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

Probability Table of Retirement:

Representative values of the assumed annual rates of retirement among members in active service are set forth in the following table.

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 65% probability that the Administrator will retire upon reaching the rule of 70 eligibility requirement. For non-administrators, 20% is added to the rates in the table when the member first reaches Rule of 70 eligibility.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS
SEPTEMBER 30, 2013**

Consistency With Accounting Information

The determination of the Government Accounting Standards Board Statement No. 25 and 27 accounting information has been made on the same basis as the actuarial assumptions and methods.

Actuarial Data

The actuarial assumptions, as set forth in the supporting schedules, were specified by the Board of Trustees with the recommendation of the actuary.

The actuarial valuation computations were made by or under the supervision of a Member of the American Academy of Actuaries. The member data was furnished by the GESE Trust's administrative staff. Although examined for reasonableness, the data was not independently verified by the actuary.

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

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

SCHEDULE OF ACTIVE MEMBER VALUATION DATA								
Valuation Date	GESE Trust				Staff Plan			
	Number	Annual Payroll	Annual Average Pay	Percent Increase in Average Pay	Number	Annual Payroll	Annual Average Pay	Percent Increase in Average Pay
10/1/2007	1,611	\$82,052,702	\$50,933	6.10%	12	\$734,116	\$61,176	4.53%
10/1/2008	1,703	\$90,974,647	\$53,420	4.88%	12	\$632,259	\$52,688	-13.87%
10/1/2009	1,662	\$90,045,202	\$54,179	1.42%	12	\$738,898	\$61,575	16.87%
10/1/2010	1,294	\$68,762,827	\$53,140	-1.92%	11	\$842,955	\$76,632	24.45%
10/1/2011	1,241	\$63,601,380	\$51,250	-3.56%	9	\$735,056	\$81,673	6.58%
10/1/2012	1,231	\$62,515,723	\$50,785	-0.91%	6	\$354,937	\$59,156	-27.57%

SCHEDULE OF RETIRANTS AND BENEFICIARIES ADDED TO AND REMOVED FROM ROLLS								
Year Ended	Added To Rols		Removed From Rols		Rolls - End of Year		% Increase In Annual Allowances	Average Annual Allowances
	No.	Annual Allowances	No.	Annual Allowances	No.	Annual Allowances		
9/30/2007	53	\$1,974,375	61	\$1,034,871	1,906	\$50,507,583	3.53%	\$26,499
9/30/2008	95	\$3,151,849	89	\$487,313	1,912	\$53,172,119	5.45%	\$27,810
9/30/2009	155	\$7,078,679	92	\$1,128,917	1,975	\$59,121,881	11.19%	\$29,935
9/30/2010	290	\$14,222,231	65	\$1,196,902	2,200	\$72,147,210	22.03%	\$32,794
9/30/2011	51	\$1,812,048	89	\$1,564,297	2,162	\$72,394,961	0.34%	\$33,485
9/30/2012	41	\$1,483,981	78	\$1,585,688	2,125	\$72,293,254	-0.14%	\$34,020

SOLVENCY TEST							
Valuation Date	Aggregate Accrued Liabilities For			Actuarial Value of Assets	Portion of Accrued Liabilities Covered by Reported Assets		
	(1) Active Member Contributions	(2) Retirants and Beneficiaries	(3) Active Member Employer Financed Portion		(1) Active Member Contributions	(2) Retirants and Beneficiaries	(3) Active Member Employer Financed Portion
GESE Trust							
10/1/2007	\$75,660,523	\$512,794,295	\$181,764,166	\$664,145,175	100%	100%	42%
10/1/2008	\$78,833,075	\$531,826,799	\$197,958,309	\$691,791,000	100%	100%	41%
10/1/2009	\$74,970,761	\$592,395,005	\$113,259,434	\$645,614,641	100%	96%	0%
10/1/2010	\$51,512,855	\$742,702,827	\$46,655,454	\$652,999,926	100%	81%	0%
10/1/2011	\$55,666,384	\$745,868,657	\$43,589,999	\$600,678,610	100%	73%	0%
10/1/2012	\$64,770,972	\$741,277,894	\$52,200,075	\$560,966,742	100%	67%	0%
Staff Plan							
10/1/2007	\$466,051	\$0	\$1,156,668	\$1,138,655	100%	0%	58%
10/1/2008	\$526,826	\$0	\$1,221,321	\$1,313,407	100%	0%	64%
10/1/2009	\$620,664	\$0	\$1,501,142	\$1,556,718	100%	0%	62%
10/1/2010	\$778,535	\$0	\$2,048,447	\$1,834,613	100%	0%	52%
10/1/2011	\$752,812	\$559,199	\$1,827,888	\$2,136,978	100%	100%	45%
10/1/2012	\$276,713	\$3,270,956	\$816,923	\$2,455,245	100%	67%	0%

* - Schedules do not apply to Excess Benefit Plan.

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

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

Excess Benefit Plan

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

Year Ended	Added To Rols		Removed From Rols		Rols - End of Year		% Increase In Annual Allowances	Average Annual Allowances
	No.	Annual Allowances	No.	Annual Allowances	No.	Annual Allowances		
9/30/2007	5	\$28,718	6	\$3,810	40	\$510,822	-4.46%	\$12,771
9/30/2008	2	\$25,053	21	\$70,106	21	\$233,188	-54.35%	\$11,104
9/30/2009	5	\$159,480	0	\$0	26	\$392,668	68.39%	\$15,103
9/30/2010	9	\$112,260	0	\$0	35	\$504,928	28.59%	\$14,427
9/30/2011	3	\$61,209	2	\$1,309	36	\$512,256	1.45%	\$14,229
9/30/2012	4	\$106,329	3	\$1,416	37	\$566,207	10.53%	\$14,815

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

ANALYSIS OF FINANCIAL EXPERIENCE

Gains & Losses in Accrued Liabilities

Resulting from Differences Between Assumed Experience & Actual Experience

	<u>\$ Gain (or Loss) For Year Ending September 30,</u> <u>G.E.S.E. RETIREMENT</u>			
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Age & Service Retirements	(906,236)	(4,194,559)	(44,746,111)	(10,617,895)
If members retire at older ages or with lower final average pay than assumed, there is a gain. If younger ages or higher average pay, a loss.				
Disability Retirements	94,214	(297,865)	84,531	(236,050)
If disability claims are less than assumed, there is a gain. If more claims, a loss.				
Death-In-Service Retirements	(94,221)	(96,218)	(225,551)	(420,169)
If survivor claims are less than assumed, there is a gain. If more claims, a loss.				
Withdrawal From Employment	(286,228)	(330,315)	323,047	(1,684,855)
If more liabilities are released by withdrawals than assumed, there is a gain. If smaller releases, a loss.				
New Members	(281,488)	(447,801)	(1,031,129)	(331,612)
If there are more new members than assumed, there is a gain. If less, a loss.				
Pay Increases	115,850	2,202,871	(101,890)	(280,629)
If there are smaller pay increases than assumed, there is a gain. If greater increases, a loss.				
Contribution Income	2,767,624	(5,516,734)	4,967,487	(9,441)
If more contributions are received than expected, there is a gain. If less, a loss.				
Investment Income	(47,117,363)	(58,032,671)	(16,575,378)	(81,292,629)
If there is greater Investment income than assumed, there is a gain. If less income, a loss.				
Death After Retirement	(1,209,055)	(1,080,945)	(1,581,694)	2,579,278
If retirants live longer than assumed, there is a loss. If not as long, a gain				
Other	(2,339,626)	4,495,749	(2,152,443)	(13,310,765)
Miscellaneous gains and losses resulting from data adjustments, timing of financial transactions, valuation methods, etc.				
Gain (or Loss) During Year From Financial Experience	<u>(49,256,529)</u>	<u>(63,298,488)</u>	<u>(61,039,131)</u>	<u>(105,604,767)</u>
Non-Recurring Items	<u>(7,834,245)</u>	<u>(3,784,141)</u>	<u>-</u>	<u>80,716,697</u>
Adjustments for plan amendments, assumption changes, etc				
Composite Gain (or Loss) During Year	<u>(57,090,774)</u>	<u>(67,082,629)</u>	<u>(61,039,131)</u>	<u>(24,888,070)</u>

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

ANALYSIS OF FINANCIAL EXPERIENCE

Gains & Losses in Accrued Liabilities

Resulting from Differences Between Assumed Experience & Actual Experience

	\$ Gain (or Loss) For Year Ending September 30, EXCESS BENEFIT PLAN			
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Age & Service Retirements	(385,902)	(16,766)	(303,565)	(73,059)
If members retire at older ages or with lower final average pay than assumed, there is a gain. If younger ages or higher average pay, a loss.				
Disability Retirements	0	0	(104)	(2,400)
If disability claims are less than assumed, there is a gain. If more claims, a loss.				
Death-In-Service Retirements	0	0	(44,982)	(3,651)
If survivor claims are less than assumed, there is a gain. If more claims, a loss.				
Withdrawal From Employment	0	0	230,826	(26,492)
If more liabilities are released by withdrawals than assumed, there is a gain. If smaller releases, a loss.				
New Members	0	0	0	0
If there are more new members than assumed, there is a gain. If less, a loss.				
Pay Increases	0	0	(98,086)	(195,112)
If there are smaller pay increases than assumed, there is a gain. If greater increases, a loss.				
Contribution Income	(91,681)	(179,114)	(285,937)	(101,721)
If more contributions are received than expected, there is a gain. If less, a loss.				
Investment Income	(3,667)	(7,254)	(11,580)	(4,120)
If there is greater Investment income than assumed, there is a gain. If less income, a loss.				
Death After Retirement	(14,385)	(13,559)	(10,755)	(6,594)
If retirants live longer than assumed, there is a loss. If not as long, a gain				
Other	(42,878)	25,428	(666,873)	(418,372)
Miscellaneous gains and losses resulting from data adjustments, timing of financial transactions, valuation methods, etc.				
Gain (or Loss) During Year From Financial Experience	<u>(538,513)</u>	<u>(191,265)</u>	<u>(1,191,056)</u>	<u>(831,521)</u>
Non-Recurring Items	<u>(57,474)</u>	<u>(52,852)</u>	<u>1,205,854</u>	<u>57,169</u>
Adjustments for plan amendments, assumption changes, etc				
Composite Gain (or Loss) During Year	<u>(595,987)</u>	<u>(244,117)</u>	<u>14,798</u>	<u>(774,352)</u>

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

ANALYSIS OF FINANCIAL EXPERIENCE

Gains & Losses in Accrued Liabilities

Resulting from Differences Between Assumed Experience & Actual Experience

	<u>\$ Gain (or Loss) For Year Ending September 30,</u> <u>STAFF PENSION PLAN</u>			
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Age & Service Retirements	(1,048,672)	(35,981)	4,918	5,825
<small>If members retire at older ages or with lower final average pay than assumed, there is a gain. If younger ages or higher average pay, a loss.</small>				
Disability Retirements	(450)	(432)	(512)	(269)
<small>If disability claims are less than assumed, there is a gain. If more claims, a loss.</small>				
Death-In-Service Retirements	(2,768)	(2,715)	(1,902)	(1,453)
<small>If survivor claims are less than assumed, there is a gain. If more claims, a loss.</small>				
Withdrawal From Employment	28,708	54,161	(176)	(12,381)
<small>If more liabilities are released by withdrawals than assumed, there is a gain. If smaller releases, a loss.</small>				
New Members	(7,824)	0	0	0
<small>If there are more new members than assumed, there is a gain. If less, a loss.</small>				
Pay Increases	26,903	62,757	(395,778)	(86,577)
<small>If there are smaller pay increases than assumed, there is a gain. If greater increases, a loss.</small>				
Contribution Income	25,502	(66,262)	20,564	38,869
<small>If more contributions are received than expected, there is again. If less, a loss.</small>				
Investment Income	34,781	(66,873)	(113,306)	(107,215)
<small>If there is greater Investment income than assumed, there is a gain. If less income, a loss.</small>				
Death After Retirement	(263)	0	0	0
<small>If retirants live longer than assumed, there is a loss. If not as long, a gain</small>				
Other	40,415	41,149	45,281	14,072
<small>Miscellaneous gains and losses resulting from data adjustments, timing of financial transactions, valuation methods, etc.</small>				
Gain (or Loss) During Year From Financial Experience	<u>(903,668)</u>	<u>(14,196)</u>	<u>(440,911)</u>	<u>(149,129)</u>
Non-Recurring Items	<u>(52,232)</u>	<u>(40,569)</u>	<u>(12,123)</u>	<u>-</u>
<small>Adjustments for plan amendments, assumption changes, etc</small>				
Composite Gain (or Loss) During Year	<u>(955,900)</u>	<u>(54,765)</u>	<u>(453,034)</u>	<u>(149,129)</u>

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
SUMMARY PLAN PROVISIONS
SEPTEMBER 30, 2013**

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

1. MEMBERSHIP:

Participation in the GESE Trust is a mandatory condition of employment for all employees except for those employees who are precluded from participation in the Plan pursuant to section 40-351. Pursuant to Section 40-249 and Section 40-250 any regular and permanent employee of the City of Miami (the "City") other than a fire fighter or police officer becomes a member upon employment unless he or she is a member of any other pension or retirement system supported wholly or in part by the City. An employee will cease to be a member if he or she is absent from service for more than three years of any five consecutive year period, withdraws his/her contributions, becomes a member of any other City-sponsored retirement plan or system, or dies. Membership Service is the service as an employee for which contributions to the GESE Trust are made as required.

2. CONTRIBUTIONS:

The members contributed ten percent of compensation to the GESE Trust, for fiscal year 2013. The members' contribution rate was decreased from 13 % to 10% of base salaries or wages for all member employees effective October 6, 2012. The City contributes the actuarially determined amount necessary to fund the normal cost plus the amortization of the unfunded accrued liability and non-investment expenses of the GESE Trust.

Payback is a member's contribution to the GESE Trust for creditable service for which other than regular contributions have been made. Contributions required for paybacks shall not be picked up by the City, but may be deducted from a member's compensation. Required payback contributions vary depending on the type of service purchased. A member may receive credit for qualified military service or medical leave. Any member who takes an unpaid leave of absence for maternity or medical purposes may apply to the Board for membership credit up to a maximum of 180 days, or 240 days if the City denies light duty employment. The payback is available for 30 days after notification to the member and must be fully completed within one year. Contributions made by a member for maternity or medical membership credit may be a single lump-sum payment or equal installment payments which may be deducted from the member's compensation.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
SUMMARY PLAN PROVISIONS
SEPTEMBER 30, 2013**

3. BENEFITS:

Key Definitions:

Average final compensation For Members Eligible for Retirement (meet Rule of 70 or age 55 and 10 years of service) as of September 30, 2010, is the average annual earnable compensation during the highest two years of membership service for any member that began employment after May 24, 1984. For any member who became an employee before May 24, 1984, average final compensation is the annual earnable compensation during the highest one year of membership service. However, the highest one year of annual earnable compensation cannot exceed the second highest year of annual earnable compensation by more than 15 percent, excluding any difference due to longevity, anniversary and/or negotiated cost-of-living increases.

All Other Members

Average annual compensation during the highest five years of the last 10 years of service. Members retiring between October 1, 2010, and on or before September 30, 2011, will be based on the average of the highest three years of membership service; for members who retire on or after October 1, 2011, and on or before September 30, 2012, it will be based on the average highest four years of membership service; and for members who retire on or after October 1, 2012, the average of the highest five years of the last 10 years of service. In no event shall the average final compensation of any member who is employed on September 30, 2010, and retires on or after October 1, 2010, be less than the member's final average compensation as of September 30, 2010.

Earnable compensation is an employee's base salary including pick-up contributions, for all straight time hours worked, plus assignment pay and payments received for vacation and sick leave taken, jury duty, and death-in-family leave taken. Earnable compensation does not include overtime pay, payments for accrued sick leave, accrued vacation leave, or accrued compensatory leave; premium pay for holidays worked, the value of any employment benefits or non-monetary entitlement; or any other form of remuneration.

Retirement is the member's withdrawal from service with a benefit granted to the member pursuant to the provisions of this Plan.

Service is the active employment as an employee of the City.

Creditable service is the membership credit upon which a member's eligibility to receive benefits under the retirement plan is based or upon which the amount of such benefits is determined.

Spouse is the lawful husband or wife of a member or retiree at the time benefits commence, unless a new designation has been made in writing to the Board.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
SUMMARY PLAN PROVISIONS
SEPTEMBER 30, 2013**

(A) Service Retirement:

For Members Eligible for Retirement (meet Rule of 70 or age 55 and 10 years of service) as of September 30, 2010, the minimum normal service retirement age is 55. Any member in service who has ten or more years of creditable service may elect to retire upon the attainment of normal retirement age. The basic retirement benefit equals three percent of the member's average final compensation multiplied by years of creditable service. Subsequent to September 30, 2010, for members not eligible to retire as of that date, the retirement age and service will change to age 55 and 30 years of creditable service or age 60 and 10 years of creditable service and the retirement benefits will be based on a graded, service-related benefit multiplier ranging from 2.25% to 3%.

(B) Rule of 70 Retirement:

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

(C) Early Service Retirement Benefit:

For Members Eligible for Retirement (meet Rule of 70 or age 55 and 10 years of service) as of September 30, 2010, a member in service who has 20 or more years of creditable service may elect to retire early with an immediate benefit. The early retirement benefit equals the actuarial equivalent of the basic service retirement benefit that otherwise would have commenced upon the attainment of age 55. Subsequent to September 30, 2010, the early retirement benefit equals the actuarial equivalent of the basic service retirement benefit payable at the earliest of the retirement eligibility date age 55 and 30 years of creditable service or age 60 and 10 years of creditable service.

(D) Deferred Vested Retirement Benefit:

A member who ceases to be an employee before October 1, 2010, for reasons other than death or willful misconduct, is not entitled to an immediate benefit, has completed at least ten years of creditable service, and has left his/her accumulated contributions on deposit with the Plan, would be eligible for a deferred vested retirement benefit commencing at age 55.

Subsequent to October 1, 2010, a member who ceases to be an employee for reasons other than death or willful misconduct, is not entitled to an immediate benefit, has completed at least ten years of creditable service, and has left his/her accumulated contributions on deposit with the Plan, would be eligible for a deferred vested retirement benefit commencing at age 60.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
SUMMARY PLAN PROVISIONS
SEPTEMBER 30, 2013**

4. MAXIMUM BENEFITS:

Effective September 30, 2012, for members not eligible to retire on that date, member retirement allowances shall not exceed the lesser of 100 percent of the member's average final compensation or an annual retirement allowance of \$80,000 as of the retirement or DROP entry based on the normal form of benefit in effect on the date of retirement. In no event shall the benefit limitation be less than the member's accrued benefit on September 30, 2012 based on the normal form of benefit in effect on that date.

5. OPTIONAL ALLOWANCES:

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

Option 2 Equal payment survivor annuity - A member may receive a reduced retirement allowance throughout his or her life with an equal sum being paid to the member's designated beneficiary at the death of the member. If this option is chosen for a surviving spouse, the reduction shall be ten percent of the member's benefit. If any person other than a surviving spouse is chosen as the beneficiary, the reduction shall be based on the actuarially equivalent of the amount to which the member would have been entitled under this plan before any optional form of payment.

Option 3 One-half payment survivor annuity - A member may receive a reduced retirement allowance payable for the life of the member with one-half of the member's benefit being paid to a designated beneficiary at the death of the member. If this option is chosen for a surviving spouse, the reduction shall be two percent of the member's benefit. If any person other than a surviving spouse is chosen as the beneficiary, the reduction shall be based on the actuarially equivalent of the amount to which the member would have been entitled under this plan before any optional form of payment.

Option 6a One-half payment retiree refund - A member may elect to withdraw the sum of his or her accumulated contributions credited as of the member's date of retirement, excluding all amounts picked up from the member's earnable compensation and credited to the COLA fund, between June 23, 1985, and September 30, 1993. Under this option, the member shall also receive a monthly service retirement allowance of one-half of the amount to which the member would have been entitled under this plan before any optional form of payment. This option has no survivorship benefit.

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

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

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
SUMMARY PLAN PROVISIONS
SEPTEMBER 30, 2013**

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

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

Forms of Payment

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

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

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

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

6. CHANGES IN BENEFICIARY AFTER RETIREMENT:

Any member who elects a survivorship option for a spouse may designate a new spousal beneficiary in accordance with procedures established by the board; provided, that an actuarial valuation will be made following such election, and the benefit for the retiree will be recalculated so that it is the actuarial equivalent of the benefit payable to the original spouse. It is intended that the Plan will pay only one survivor benefit for any member of the Plan and will not incur an increase in benefit costs by reason of a change in designated beneficiary.

7. RE-EMPLOYMENT OF RETIREES:

If a retiree becomes re-employed by the City into a regular permanent full-time position, the benefits payable under the GESE Trust will be suspended during the period of re-employment. Upon termination of the period of re-employment with the City, benefits will be automatically restored on the first day of the month following the termination of re-employment. However, City Commission, Mayoral assistants and secretarial staff positions, as described in Civil Service Rule 1, Sec. 1.2 (a) may opt to continue collecting their pensions during their re-employment, but they may not accrue any further pension service credit.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
SUMMARY PLAN PROVISIONS
SEPTEMBER 30, 2013**

8. DISABILITY RETIREMENT BENEFIT:

A disability is the permanent and total incapacity to perform useful and efficient service as an employee of the City as determined by the board pursuant to the terms of the plan.

(A) Ordinary Disability Retirement Benefit:

Any member in service who has ten or more years of creditable service, may be retired by the Board on an ordinary disability retirement allowance; provided, that the physician retained by the Board after a medical examination of such member, shall certify that such a member is permanently and totally incapacitated for the further performance of duty not as a result of an accident in the actual performance of duty.

Upon retirement, for an ordinary disability, a member is entitled to receive a retirement allowance of the greater of (1) 90 percent of the product of the benefit multiplier in effect at the time the service is earned multiplied by the member's average final compensation multiplied by the number of years of creditable service; or (2) 30 percent of the average final compensation. The ordinary disability is paid in monthly installments and is not eligible for a return of accumulated contributions, optional allowances or survivorship benefits.

(B) Accidental Disability Retirement Benefit:

A member in service who has become totally and permanently incapacitated for duty as a result of an injury or illness occurring while in the performance of his/her duty would be eligible for an immediate benefit payable for his/her lifetime. Upon death, 40 percent of that benefit would continue to be paid to the surviving spouse for the lifetime of such spouse.

Upon retirement for accidental disability, a member is entitled to receive a pension which is equal to $66 \frac{2}{3}$ percent of the greater of (1) the member's average final compensation; or (2) the member's compensation in the year immediately preceding the member's disability. This disability is paid in monthly installments and is not eligible for a return of accumulated contributions or optional allowances.

(C) Service-Incurred Disability Benefit:

Any member who becomes totally and permanently incapacitated for duty as a result of tuberculosis, hypertension, or heart disease (which was not an existing condition at the time of employment) would be eligible for an immediate benefit payable for his/her lifetime.

Upon retirement, for a service-incurred disability, a member shall be entitled to receive a retirement allowance of the greater of (1) 90 percent of the product of the benefit multiplier in effect at the time the service is earned multiplied by the member's average final compensation multiplied by the number of years of creditable service; or (2) 40 percent of the average final compensation. This disability is paid in monthly installments and is not eligible for a return of accumulated contributions, optional allowances or survivorship benefits.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
SUMMARY PLAN PROVISIONS
SEPTEMBER 30, 2013**

9. DEATH BENEFITS:

(A) Ordinary Death Benefit:

Upon receipt by the Board of proper proofs of the death of a member in service who has three or more years of creditable service, there shall be paid to such person, if any, as the member shall have nominated by written designation duly executed and filed with the Board, otherwise to the member's estate, a benefit equal to a lump-sum payment of 50 percent of the earnable compensation received by the member during the year immediately preceding the member's death. In addition, the member's accumulated contributions plus interest shall be payable in a single lump sum payment.

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

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

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

(B) Service-Incurred Death Benefit:

If it can be determined that a member's death was the result of an accident in the performance of duty and not caused by willful negligence on the part of the member based on proof that the death was the natural and proximate result of an accident occurring at some definite time and place while the member was in the actual performance of duty, the member is eligible for a service-incurred death benefit. The amount paid is equal to one-half of the member's average final compensation paid yearly in monthly installments to the member's spouse. If there is no spouse, or if the spouse dies before the youngest child of the deceased member has attained the age of 18, then the benefit is paid to the children under such age divided in equal shares until they reach 18 years of age. If there are no children under the age of 18, then the benefit is paid to the dependent father or dependent mother for life. If there are no such beneficiaries, the amount which otherwise would have been paid as an ordinary death benefit will be paid to the member's estate. In addition, the member's accumulated contributions plus interest shall be payable in a single lump sum payment.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
SUMMARY PLAN PROVISIONS
SEPTEMBER 30, 2013**

(C) Minimum Retiree Death Benefit:

If a retired member dies prior to having received 12 monthly retirement payments and prior to having an optional allowance become effective, the designated beneficiary will be paid a lump sum benefit equal to the remaining 12 monthly retirement allowance payments.

10. RETURN OF ACCUMULATED CONTRIBUTIONS:

A member who terminates employment other than for retirement or death will be paid his/her accumulated contributions less any mandatory tax withholding upon demand, plus interest at the rate prescribed by the Board which will not be less than one percent per quarter of the contribution balance as of the end of the previous calendar year, including interest. Contributions may be rolled over directly to a qualified individual retirement account or another employer's plan.

11. RESTORATION OF SERVICE CREDITS:

Under certain circumstances, a former member may restore service credits earned under a prior period of service by repaying the amount of the accumulated contributions previously returned to him/her plus interest from the date of refund to the date of the buyback begins.

12. COST-OF-LIVING ALLOWANCE BENEFIT:

Every October 1st, each retiree will receive an annual COLA benefit increase between \$54 minimum and \$400 maximum payable monthly after the retiree's first anniversary of retirement has been reached.

For retirees exercising Option 6(a), each retiree will receive an annual COLA increase between \$27 minimum and \$200 maximum payable monthly.

13. DEFERRED RETIREMENT OPTION PROGRAM ("DROP"):

The DROP is available to GESE Trust members eligible for normal retirement as of January 1, 2013 or vested as October 1, 2010. The DROP is not available to any other GESE trust member. Upon election of participation, a member's creditable service, accrued benefits, and compensation calculation are frozen and the DROP payment is based on the member's average final compensation. The member's contribution and the City contribution to the retirement plan for that member ceases as no further service credit is earned. The member does not acquire additional pension credit for the purposes of the pension plan but may continue City employment for up to a maximum of 48 months. Once the maximum participation has been achieved, the participant must terminate employment.

There are two DROP programs, the Forward Drop and the BACDROP. A member can participate in both programs simultaneously. The *Forward DROP* is a DROP benefit 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. The

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
SUMMARY PLAN PROVISIONS
SEPTEMBER 30, 2013**

BACDROP is a DROP benefit actuarially calculated. A member may elect to BACDROP to a date, no further back than the date of the member's retirement eligibility date. The BACDROP period must be in 12 month increments, beginning at the start of a pay period, not to exceed 12 months.

An individual account is created for each participant. The GESE Trust will deposit monthly retirement benefits into the participant's DROP account. The Board of Trustees of the retirement plan has selected a series of investment vehicles which may be chosen by the participant. Any losses incurred on account of the option selected by the participant will not be made up by the City or the GESE Trust, and will be borne by the participant only. All interest will be credited to the member's account.

Upon termination of employment, a participant may receive payment from the DROP account in a lump sum distribution; or periodic payments. A participant may elect to rollover the balance to another qualified retirement plan, individual retirement account, an Internal Revenue Code Section 457 Plan, or an annuity. A participant may defer payment until the latest date authorized by Section 401(a)(9) of the Internal Revenue Code. DROP participation will not affect any other death or disability benefit provided under law or applicable collective bargaining agreement. If a participant dies before the account balances are paid out in full, the beneficiary will receive the remaining balance.

14. BACKDROP OPTION: (BACKDROP)

The Backdrop is available to all GESE Trust members effective January 1, 2013. Under the Backdrop option a member can receive a lump sum payment in addition to a monthly pension annuity. The employee chooses to take the Backdrop at the end of his/her employment with the City as long as he or she Backdrops to any date after he/she reaches the Normal Retirement date. If the member elects the Backdrop option, the monthly benefit payable on the member's actual retirement date (when the member leaves City employment) is based on the benefit the member would have received had he/she left employment and retired on an earlier date after attaining Normal Retirement (NR) date, referred to as the Backdrop date. In addition, the member will receive a lump sum payment equal to the accumulation of annuity payments he/she would have received during the Backdrop period had he/she elected to receive immediate pension annuity payments starting as of the Backdrop date. Annuity payments would be accumulated at the rate of 3% per year, compounded annually. The member's Backdrop election must be made within 10 years after his or her Normal Retirement date and the Backdrop period can be as little as one year and as long as 7 years. If the member does not elect a Backdrop benefit option, his/her monthly retirement benefit will be calculated using his or her final average final compensation and creditable service as of the member's actual employment termination date. The participant may receive the accumulated Backdrop account balance upon electing the Backdrop and at the end of his/her employment. The Backdrop monies can be rolled over into a separate tax-qualified plan such as an Individual Retirement Account (IRA) or 457 (b) government sponsored deferred compensation plan.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
SUMMARY PLAN PROVISIONS
SEPTEMBER 30, 2013**

15. TRANSFER OF ACCUMULATED LEAVE:

Members eligible to receive accumulated sick leave, accumulated vacation leave or any other accumulated leave payable upon retirement or separation (including DROP) may elect, not later than the year prior to the year of retirement, to have the leave transferred to the GESE Trust. Members who fail to elect a transfer in the year prior to retirement or other separation will receive payment from the City in a lump sum at time of separation with all attendant tax consequences.

Members may elect one of the following options within 30 days of separation. Members failing to elect a distribution option within 30 days of separation will be deemed to have elected Option 1 below:

Option 1 - Receive a lump sum equal to the transferred leave balance, or

Option 2 - Transfer the entire amount of the transferred leave balance directly to any eligible retirement plan, or

Option 3 - Purchase additional service credit as permitted by the Code. If the leave balance exceeds the cost of the service credit purchased, the balance shall be paid to the member in a lump sum.

If a member dies after retirement or other separation, but before any distribution is made, the election option is void. In such an event, any person who would have received a death benefit had the member died in service immediately prior to the date of retirement or other separation, will be entitled to receive an amount equal to the transferred leave balance in a lump sum. In the case of a surviving spouse or former spouse, an election may be made to transfer the leave balance to an eligible retirement plan in lieu of the lump sum payment. Failure to make such an election by the surviving spouse or former spouse within 60 days of the member's death will be deemed an election to receive a lump sum payment.

16. SUMMARY OF RECENT CHANGES TO GESE TRUST

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

- Benefit multiplier: 3% for current service plus service graded for future service - 2.25% 1st 15 years; 2.5% for 15-20 years; 2.75% for service over 20 years. Current members enter graded formula at current service level. For example, a member with current service of 22 years would have a multiplier of 2.75% the first year. The revised benefit multiplier schedule will be used in the calculation of the normal, early, deferred and disability retirement benefits, where applicable.
- Average final compensation: Five year average pay for all years of service. Phase in from two to five year average pay over the 3 years beginning October 1, 2010. The average final compensation shall not be less than the average final compensation as of the date of the plan change.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
SUMMARY PLAN PROVISIONS
SEPTEMBER 30, 2013**

- Normal retirement date: Unreduced retirement at earlier of age 55 and 30 years of service, age 60 and 10 years of service, or Rule of 80.
- No benefit changes for current members who are eligible to retire (that is, meet Rule of 70 or age 55 and 10 years of service) as of the effective date of the plan changes.
- Maximum benefit: Maximum annual benefit at retirement is lesser of average final compensation or \$100,000. Cost-of-living increases are applied to the benefit after retirement. With cost-of-living increases after retirement the benefit could exceed average final compensation or \$100,000 per year.
- There is no maximum pension benefit limit if you are eligible to retire (that is, meet the rule of 70 or age 55 with 10 years of service) on September 30, 2010.
- Normal benefit form: Life annuity as normal form of payment. Other actuarial equivalent options will be available.
- Other plan provisions: Same as current.

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

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

OTHER PLAN CHANGES EFFECTIVE OCTOBER 1, 2012

- Contribution rate of 13% was change to 10% for all members effective October 1, 2012. The 10% contribution applies to all members whether or not eligible to retire on September 30, 2010.
- BACKDROP option. A backdrop benefit option shall be implemented on January 1, 2013. The backdrop option shall replace the existing DROP program. Employees who have not attained normal retirement eligibility as of January 1, 2013 or were not vested by October 1, 2010, and all employees hired on or after January 1, 2013, will be eligible for the backdrop option, but will not be eligible for the DROP. Anyone eligible for the forward DROP as of January 1, 2013, remains eligible for the forward DROP as it presently exists and anyone eligible for the forward DROP as of January 1, 2013 or vested prior to October 1, 2010, who chooses not to enter the forward DROP remains eligible for the backdrop.
- MAXIMUM BENEFIT: Effective September 30, 2012, the maximum annual benefit at retirement is \$80,000 per year. Any member who has accrued a benefit in excess of the maximum benefit as of September 30, 2012 will retain that benefit but will not accrue any additional benefit.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
SUMMARY PLAN PROVISIONS
SEPTEMBER 30, 2013**

The City of Miami General Employees' and Sanitation Employees' Retirement Excess Benefit Plan ("Excess Benefit Plan") – Summary Plan Provisions

The original plan effective date is October 1, 2000. The plan was established to fund the excess, if any, of the benefit earned under the GESE Trust without taking into account the Internal Revenue Code (IRC) Section 415 limits. Membership consists of members of the GESE Trust who exceed the maximum benefit. There are no member contributions or plan assets. The Excess Benefit Plan is an unfunded plan with benefits funded from the City's general fund. The City contributes the actuarially determined amount necessary to fund the excess retirement benefits which reduces the normal pension costs by the same amount.

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

The original plan effective date is July 1, 2001.

1. MEMBERSHIP

The membership of the Staff Plan consists of full-time employees of the GESE Trust and such other positions as may be named by the Board.

2. CONTRIBUTIONS

Members contribute ten percent of compensation to the Plan. The City contributes the actuarially determined amount necessary to fund the normal cost plus the amortization of the unfunded accrued liability and non-investment expenses of the GESE Trust.

Paybacks: At any time prior to the retirement, members shall have the option to purchase credit for any or all years of prior, full-time service, by depositing in the Plan an amount equal to ten percent (10%) of the employees current compensation for each year of prior service purchased.

Restoration of prior service credit upon re-employment: A re-employed former member may restore credited service by repaying to the plan the member's accumulated contributions with interest at the rate of four percent (4%). This benefit is only available to persons who were not dismissed for willful misconduct.

Payback for military service: Any member of the plan whose service with the Trust is interrupted by military service shall have all pension rights accorded veterans under state or federal law. Any member who has wartime military service prior to becoming a member in the plan, as determined by state or federal law, may purchase up to four (4) years of credited service for the time spent in the military. To purchase the military service prior to membership the member must make a contribution to the plan equal to the member's rate

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
SUMMARY PLAN PROVISIONS
SEPTEMBER 30, 2013**

of compensation at the date plan membership began at the contribution rate then in effect for each year of service purchased with 4% interest.

Credit for maternity and medical leave: Members taking unpaid leaves of absence for maternity or medical leave may purchase credited service, not to exceed one hundred eighty (180) days. If the member requests light duty employment from the Trust, but is denied, the amount of service which may be purchased shall increase to two hundred forty (240) days. Purchase of credit for maternity and medical leave shall be in accordance with uniform rules adopted by the Board.

Purchase of additional service upon retirement: A member in service who has continuous service may, at the time of retirement, purchase up to three (3) whole years of credited service based on the present value as determined by the actuary for the plan. The purchase shall be made using the member's accumulated leave balance at the time of retirement, reduced by applicable payroll taxes. If the leave balance is insufficient, the balance shall be paid in a single sum by the member.

3. BENEFITS

Service Retirement:

Any member in service who has ten or more years of creditable service may elect to retire, regardless of age. The basic retirement benefit equals three percent of the member's average final compensation for each year of creditable service. Benefits shall be paid on a monthly basis for the life of the member.

4. OPTIONAL ALLOWANCES

A member may receive payment of retirement benefits under the plan in accordance with the options set forth below.

Option 2 Equal payment survivor annuity - Reduced retirement allowance throughout his or her life with an equal sum being paid to the member's designated beneficiary at the death of the member. If this option is chosen for a surviving spouse, the reduction shall be five percent of the member's benefit. If any person other than a surviving spouse is chosen as the beneficiary, the reduction shall be based on the actuarially equivalent sum.

Option 3 One-half payment to survivor option- Reduced retirement allowance payable for the life of the member with one-half of the member's benefit being paid to a designated beneficiary at the death of the member. If this option is chosen for a surviving spouse, the reduction shall be one percent of the member's benefit. If any person other than a surviving spouse is chosen as the beneficiary, the reduction shall be based on the actuarially equivalent sum.

Option 6A Return of Contributions and reduced pension - Lump sum payment of member's accumulated contributions with interest plus a monthly service retirement

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
SUMMARY PLAN PROVISIONS
SEPTEMBER 30, 2013**

benefit equal to 50 percent of the amount to which he/she would have been otherwise entitled.

Option 6B Life annuity - Monthly service retirement benefit for member's lifetime equal to 105 percent of the amount to which he/she would have been otherwise entitled, with no survivor's benefit.

Option 6C Surviving spouse annuity - Monthly service retirement benefit for member's lifetime equal to the amount to which he/she was entitled, provided that, upon his/her death, 40 percent of that amount would continue to be paid to his/her surviving spouse for the lifetime of such spouse.

5. RETURN OF ACCUMULATED CONTRIBUTIONS

A member who separates from service prior to the completion of ten years of credited service will be eligible only for a return of the employee's contributions, including any sums transferred for the purchase of credited service, regardless of source, plus interest.

6. TRANSFER OF ACCUMULATED LEAVE

Members eligible to receive accumulated sick leave, accumulated vacation leave or any other accumulated leave payable upon retirement or separation (including DROP) may elect, not later than the year prior to the year of retirement, to have the leave transferred to the Plan.

Members may elect one of the following options within 30 days of separation. Members failing to elect a distribution option within 30 days of separation will be deemed to have elected Option 1 below:

Option 1 - Receive a lump sum equal to the transferred leave balance, or

Option 2 - Transfer the entire amount of the transferred leave balance directly to any eligible retirement plan, or

Option 3 - Purchase additional service credit as permitted by the Plan. If the leave balance exceeds the cost of the service credit purchased, the balance shall be paid to the member in a lump sum.

If a member dies after retirement or other separation, but before any distribution is made, the election option is void. In such an event, any person who would have received a death benefit had the member died in service immediately prior to the date of retirement or other separation, will be entitled to receive an amount equal to the transferred leave balance in a lump sum. In the case of a surviving spouse or former spouse, an election may be made to transfer the leave balance to an eligible retirement 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.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
SUMMARY PLAN PROVISIONS
SEPTEMBER 30, 2013**

7. Deferred Retirement Option Program (DROP)

Effective March 26, 2010, any employee who has ten years of creditable service shall be eligible to participate in the DROP.

Upon commencement of participation in the DROP, the member's contribution and the Trust's contribution to the retirement plan for that member shall cease as the member will be earning no further service credit. The member shall not acquire additional pension credit for the purpose of the pension plan but may continue GESE employment for up to a maximum of 48 months.

Maximum participation: The maximum period of participation in the DROP, is 48 months. Once the maximum participation has been achieved, the participant must terminate employment.

Creation of individual account: For each employee electing participation in the DROP, an individual account shall be created. The Staff Plan will deposit monthly retirement benefits into the participant's DROP account.

Earnings on DROP account: The Board of Trustees of the retirement plan has selected a series of investment vehicles which may be chosen by the participant. Any losses incurred on account of the option selected by the participant shall not be made up by the city or the Staff Plan trust fund, but any such loss shall be borne by the participant only. All interest shall be credited to the member's DROP account.

Distribution of DROP benefits: Upon conclusion of a period of participation in the DROP, the participant shall terminate employment. Upon termination of employment, a participant may receive payment from the DROP account in the following manner:

- a. Lump sum distribution; or
- b. Periodic payments; or
- c. Rollover of the balance to another qualified Retirement Plan, IRA, or an Internal Revenue Code Selection 457 Plan; or
- d. An annuity.

A participant may defer payment until the latest date authorized by Section 401(a)(9) of the Internal Revenue Code.

Drop participation shall not affect any other death or disability benefit provided to a member under federal law, state law, administrative rule, or motion made by the board of trustees.

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.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
SUMMARY PLAN PROVISIONS
SEPTEMBER 30, 2013**

Forward DROP. The date of entry into the FORWARD DROP shall be the beginning of a pay period. Payment shall be made by the retirement plan into the participant's DROP account in an amount equal to the regular monthly retirement benefit which the participant would have received had the participant separated from service and commenced the receipt of benefits from the plan. The amount of the monthly benefit shall be determined based on the creditable service, average final compensation, and retirement option selected in accordance with the Staff Pension Plan Document. Election of a FORWARD DROP Program does not preclude participation in a BACDROP program

BACDROP. An employee may elect to BACDROP to a date no further back than the date of the member's retirement eligibility date. The BACDROP period must be in 12-month increments, beginning at the start of a pay period, not to exceed 12 months. Participation in the BACDROP does not preclude participation in the FORWARD Drop program. The benefits for purpose of the BACDROP will then be actuarially calculated to be equivalent to the benefit earned at the date of retirement. Said calculation will consist of the present value of benefits being equal to the actuarially reduced benefit, plus a lump sum with interest, as determined by the retirement plan's actuary. Participant contributions will not be returned for the period of time covered by the BACDROP program. The lump sum as calculated by the retirement plan's actuary will be based on the assumed investment return of the fund without discount for mortality and deposited into the newly created DROP account.

8. Excess Benefit Plan

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

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

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

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Statistical Section

The schedules within the Statistical Section are classified into these five categories: Changes in Plan Net Position, Benefit & Refund Deductions from Net Assets by Type, Retired Members by Type of Benefit, Schedule of Average Benefit Payments, and Average Benefit Payments. The purpose of this Section is to provide a historical perspective by using the information in our financial statements and the notes the financial statements. This information is provided to assist readers in better understanding the Trust's overall economic condition.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
GESE TRUST - CHANGES IN PLAN NET POSITION
LAST TEN FISCAL YEARS**

	Fiscal Year Ended				
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Additions					
Employer contributions	\$25,568,193	\$25,784,849	\$20,420,995	\$24,037,093	\$23,191,828
Member contributions	6,733,859	8,587,563	9,183,073	12,728,711	11,791,902
Investment Income (net of expenses)	66,348,611	87,378,035	9,452,519	43,016,574	(18,375,479)
Reimbursement income	2,820,497	3,104,449	3,078,382	2,888,419	2,836,790
Total Additions to Plan Net Position	<u>101,471,160</u>	<u>124,854,896</u>	<u>42,134,969</u>	<u>82,670,797</u>	<u>19,445,041</u>
Deductions					
Benefit payments	72,431,710	72,186,394	72,737,854	62,162,717	54,191,981
Refunds of contributions	1,779,420	1,385,881	1,928,705	1,784,596	843,094
Administrative and other expenses	3,073,392	3,178,449	3,172,569	2,938,167	2,890,011
Total Deductions from Plan Net Position	<u>77,284,522</u>	<u>76,750,724</u>	<u>77,839,128</u>	<u>66,885,480</u>	<u>57,925,086</u>
Change in Net Position	<u>\$24,186,638</u>	<u>\$48,104,172</u>	<u>(\$35,704,159)</u>	<u>\$15,785,317</u>	<u>(\$38,480,045)</u>

	Fiscal Year Ended				
	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Additions					
Employer contributions	\$22,762,902	\$24,229,028	\$22,018,443	\$19,003,415	\$10,669,846
Member contributions	9,517,052	8,819,536	8,021,488	7,858,302	7,937,387
Investment Income (net of expenses)	(97,293,525)	89,063,513	56,191,994	60,457,898	53,064,590
Reimbursement income	2,510,921	2,492,693	2,426,165	2,310,065	2,355,564
Total Additions to Plan Net Position	<u>(62,502,650)</u>	<u>124,604,770</u>	<u>88,658,090</u>	<u>89,629,680</u>	<u>74,027,387</u>
Deductions					
Benefit payments	51,631,847	50,106,211	48,077,147	45,926,628	41,138,832
Refunds of contributions	1,021,711	1,667,243	1,753,133	1,167,658	883,189
Administrative and other expenses	2,653,879	2,521,339	2,276,558	2,310,065	2,355,564
Total Deductions from Plan Net Position	<u>55,307,437</u>	<u>54,294,793</u>	<u>52,106,838</u>	<u>49,404,351</u>	<u>44,377,585</u>
Change in Net Position	<u>(\$117,810,087)</u>	<u>\$70,309,977</u>	<u>\$36,551,252</u>	<u>\$40,225,329</u>	<u>\$29,649,802</u>

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS
STAFF PLAN - CHANGES IN PLAN NET POSITION
LAST TEN FISCAL YEARS**

	Fiscal Year Ended				
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Additions					
Employer contributions	\$219,774	\$226,793	\$164,490	\$133,487	\$159,837
Member contributions	28,380	91,989	80,337	125,457	74,800
Investment Income (net of expenses)	<u>319,920</u>	<u>403,253</u>	<u>21,015</u>	<u>148,965</u>	<u>38,894</u>
Total Additions to Plan Net Position	<u>568,074</u>	<u>722,035</u>	<u>265,842</u>	<u>407,909</u>	<u>273,531</u>
Deductions					
Benefit payments	281,818	186,680	12,772		
Refunds of contributions	<u>0</u>	<u>23,902</u>	<u>20,009</u>	<u>4,156</u>	
Total Deductions from Plan Net Position	<u>281,818</u>	<u>210,582</u>	<u>32,781</u>	<u>4,156</u>	<u>0</u>
Change in Net Position	<u>\$286,256</u>	<u>\$511,453</u>	<u>\$233,061</u>	<u>\$403,753</u>	<u>\$273,531</u>

	Fiscal Year Ended				
	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Additions					
Employer contributions	\$109,163	\$57,995	\$72,380	\$99,779	\$98,044
Member contributions	66,728	64,994	47,884	42,054	44,488
Investment Income (net of expenses)	<u>(177,138)</u>	<u>107,149</u>	<u>47,398</u>	<u>55,495</u>	<u>(1,662)</u>
Total Additions to Plan Net Position	<u>(1,247)</u>	<u>230,138</u>	<u>167,662</u>	<u>197,328</u>	<u>140,870</u>
Deductions					
Benefit payments					
Refunds of contributions	<u>2,623</u>	<u>2,623</u>		<u>29,401</u>	
Total Deductions from Plan Net Position	<u>2,623</u>	<u>2,623</u>	<u>0</u>	<u>29,401</u>	<u>0</u>
Change in Net Position	<u>(\$3,870)</u>	<u>\$227,515</u>	<u>\$167,662</u>	<u>\$167,927</u>	<u>\$140,870</u>

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

	Fiscal Year Ended				
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Additions					
Employer contributions	\$523,398	\$514,908	\$406,243	\$339,602	\$464,325
Reimbursement income	94,073	104,783	106,450	112,079	104,141
Total Additions to Plan Net Position	<u>617,471</u>	<u>619,691</u>	<u>512,693</u>	<u>451,681</u>	<u>568,466</u>
Deductions					
Benefit payments	523,398	514,908	409,709	323,244	464,325
Administrative and other expenses	94,073	104,783	102,984	128,437	104,141
Total Deductions from Plan Net Position	<u>617,471</u>	<u>619,691</u>	<u>512,693</u>	<u>451,681</u>	<u>568,466</u>
Change in Net Position	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

	Fiscal Year Ended				
	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Additions					
Employer contributions	\$446,916	\$476,252	\$463,126	\$474,865	\$517,333
Reimbursement income	34,912	31,662	30,860	63,323	15,746
Total Additions to Plan Net Position	<u>481,828</u>	<u>507,914</u>	<u>493,986</u>	<u>538,188</u>	<u>533,079</u>
Deductions					
Benefit payments	449,370	476,252	463,126	474,865	517,333
Administrative and other expenses	32,458	31,662	30,860	63,323	15,746
Total Deductions from Plan Net Position	<u>481,828</u>	<u>507,914</u>	<u>493,986</u>	<u>538,188</u>	<u>533,079</u>
Change in Net Position	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

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

	Fiscal Year Ended				
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Type of Benefit					
Age and service benefits					
Retirees	\$65,620,695	\$65,680,491	\$66,527,406	\$56,220,154	\$48,502,683
Survivors	5,393,877	5,157,145	4,877,036	4,628,305	4,419,236
Death in service benefits	27,418	61,877	85,462	44,849	23,447
Disability benefits	1,389,720	1,286,881	1,247,951	1,269,410	1,246,616
Total Benefits	<u>\$72,431,710</u>	<u>\$72,186,394</u>	<u>\$72,737,854</u>	<u>\$62,162,717</u>	<u>\$54,191,981</u>
Type of Refund					
Death	23,003	97,442	109,415	99,163	30,685
Separation	1,756,417	1,288,439	1,819,290	1,685,433	812,409
Total Refunds	<u>1,779,420</u>	<u>1,385,881</u>	<u>1,928,705</u>	<u>1,784,596</u>	<u>843,094</u>

	Fiscal Year Ended				
	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Type of Benefit					
Age and service benefits					
Retirees	\$45,968,818	\$44,976,697	\$43,054,435	\$41,361,845	\$36,889,797
Survivors	4,373,562	3,916,440	3,702,355	3,324,435	3,116,211
Death in service benefits	35,449	14,998	85,211	35,731	36,909
Disability benefits	1,254,018	1,198,077	1,235,146	1,204,617	1,095,915
Total Benefits	<u>\$51,631,847</u>	<u>\$50,106,211</u>	<u>\$48,077,147</u>	<u>\$45,926,628</u>	<u>\$41,138,832</u>
Type of Refund					
Death	99,270	16,617	129,125	75,988	25,505
Separation	922,441	1,650,626	1,624,008	1,091,670	857,684
Total Refunds	<u>1,021,711</u>	<u>1,667,243</u>	<u>1,753,133</u>	<u>1,167,658</u>	<u>883,189</u>

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

	Fiscal Year Ended				
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Type of Benefit					
Age and service benefits					
Retirees	\$281,818	\$186,680	\$12,772		
Survivors					
Death in service benefits					
Total Benefits	<u>\$281,818</u>	<u>\$186,680</u>	<u>\$12,772</u>	<u>\$0</u>	<u>\$0</u>
Type of Refund					
Death					
Separation	<u>0</u>	<u>23,902</u>	<u>20,009</u>	<u>4,156</u>	
Total Refunds	<u>\$0</u>	<u>\$23,902</u>	<u>\$20,009</u>	<u>\$4,156</u>	<u>\$0</u>

	Fiscal Year Ended				
	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Type of Benefit					
Age and service benefits					
Retirees					
Survivors					
Death in service benefits					
Total Benefits	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Type of Refund					
Death					
Separation		<u>2,623</u>	<u>29,401</u>		
Total Refunds	<u>\$0</u>	<u>\$2,623</u>	<u>\$29,401</u>	<u>\$0</u>	<u>\$0</u>

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

	Fiscal Year Ended				
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Type of Benefit					
Age and service benefits					
Retirees	\$523,398	\$514,907	\$409,709	\$323,244	\$464,325
	-----	-----	-----	-----	-----
Total Benefits	<u>\$523,398</u>	<u>\$514,907</u>	<u>\$409,709</u>	<u>\$323,244</u>	<u>\$464,325</u>

	Fiscal Year Ended				
	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Type of Benefit					
Age and service benefits					
Retirees	\$449,370	\$476,252	\$463,126	\$474,865	\$517,333
	-----	-----	-----	-----	-----
Total Benefits	<u>\$449,370</u>	<u>\$476,252</u>	<u>\$463,126</u>	<u>\$474,865</u>	<u>\$517,333</u>

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

RETIRED MEMBERS BY TYPE OF BENEFIT

SEPTEMBER 30, 2013

		GESE													
		Type of Retirement ⁽¹⁾							Option Selected ⁽²⁾						
Amount of Monthly Benefit	Number of Retired Members	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	NF	<u>2</u>	<u>3</u>	<u>6a</u>	<u>6b</u>	<u>6c</u>	n/a
\$ 1 - 500	92	15	5	1			71			6	23	12	5	45	1
501 - 1,000	191	54	4	2		2	129		1	31	32	27	13	85	2
1,001 - 1,500	275	166	5	1	6	6	90	1		51	50	27	47	92	8
1,501 - 2,000	233	180	1	3	2	3	42	2		53	38	9	51	76	6
2,001 - 2,500	258	212	4		2	20	20		3	63	54	1	55	81	1
2,501 - 3,000	188	173	2			6	7			40	47		39	62	
3,001 - 3,500	171	163	3			3	2			29	34		62	46	
3,501 - 4,000	152	143	6				3			30	32		48	42	
4,001 - 4,500	119	110	3				6			25	23		44	27	
4,501 - 5,000	104	101	2				1			16	24		46	18	
5,001 - 5,500	77	71	2				4			14	8		35	20	
5,501 - 6,000	53	51	2							4	12		28	9	
Over 6,001	160	155	4				1			32	30		70	28	
Total	2073	1594	43	7	10	40	376	3	4	394	407	76	543	631	18

		STAFF						
		Type of Retirement ⁽¹⁾				Option Selected ⁽²⁾		
Amount of Monthly Benefit	Number of Retired Members	<u>1</u>	<u>6</u>	<u>2</u>	<u>3</u>	<u>6a</u>	<u>6b</u>	<u>6c</u>
\$ 1 - 2000	0							
2,001 - 2,500	1	1		1				
2,501 - 3,000	0							
3,001 - 3,500	0							
3,501 - 4,000	1	1			1			
4,001 - 4,500	2	2		2				
4,501 - 5,000	0							
5,001 - 5,500	0							
5,501 - 6,000	0							
Over 6,001	1	1		1				
Total	5	5	0	4	1	0	0	0

(1) Type of Retirement

- 1 - Normal retirement, including rule of 70 and rule of 80
- 2 - Early retirement, including rule of 64
- 3 - Ordinary disability retirement
- 4 - Service Incurred disability retirement
- 5 - Accidental disability retirement
- 6 - Survivor payment - normal or early retirement (continuance)
- 7 - Survivor payment - death benefit (ordinary or service incurred)

(2) Option Selected

- NF - Normal form, life annuity with actuarially reduced survivor benefit
- 2 - Beneficiary receives 100% of members' reduced monthly benefit
- 3 - Beneficiary receives 50% of member's reduced monthly benefit
- 6(a) - Member receives lump sum payment of accumulated contributions plus 50% of benefit
- 6(b) - Members receives 105% of monthly benefit
- 6(c) - Surviving spouse receives 40% of members' full monthly benefit
- n/a - No option to select for Type of Retirement

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

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

Retirement Effective Dates	GESE							Total
	Years Credited Service							
	0-5	6-10	11-15	16-20	21-25	26-30	30+	
Period 10/1/2012 - 9/30/2013³								
Average Monthly Benefit	\$ 2,042	\$ 946	\$ 1,417	\$ 2,117	\$ 3,059	\$ 3,926	\$ 3,659	\$ 2,903
Number of Active Retirants	19	52	269	371	617	563	183	2,073
Average Final Compensation ²	\$ 3,757	\$ 4,479	\$ 4,768	\$ 5,233	\$ 6,313	\$ 6,612	\$ 6,106	\$ 5,946
Number of Active Retirants	1	10	99	93	152	206	41	602
Period 10/1/2011 - 9/30/2012								
Average Monthly Benefit	\$ 2,015	\$ 924	\$ 1,377	\$ 2,047	\$ 3,012	\$ 3,819	\$ 3,590	\$ 2,846
Number of Active Retirants	19	56	266	379	627	586	192	2,125
Average Final Compensation ²	\$ 3,757	\$ 4,772	\$ 4,856	\$ 5,251	\$ 6,333	\$ 6,611	\$ 6,065	\$ 5,989
Number of Active Retirants	1	10	92	87	149	207	42	588
Period 10/1/2010 - 9/30/2011								
Average Monthly Benefit	\$ 1,913	\$ 800	\$ 1,348	\$ 1,993	\$ 2,962	\$ 3,784	\$ 3,587	\$ 2,803
Number of Active Retirants	20	60	262	386	635	588	197	2,148
Average Final Compensation ²	\$ 3,757	\$ 4,963	\$ 4,886	\$ 5,184	\$ 6,348	\$ 6,611	\$ 6,065	\$ 6,014
Number of Active Retirants	1	7	84	85	149	206	42	574
Period 10/1/2009 - 9/30/2010								
Average Monthly Benefit	\$ 1,384	\$ 1,014	\$ 1,518	\$ 2,316	\$ 3,261	\$ 3,784	\$ 3,398	\$ 2,736
Number of Active Retirants	37	138	328	459	655	412	158	2,187
Average Final Compensation ²	\$ 3,131	\$ 4,936	\$ 5,106	\$ 5,489	\$ 6,572	\$ 6,684	\$ 6,085	\$ 6,043
Number of Active Retirants	3	37	79	92	173	127	42	553
Period 10/1/2008 - 9/30/2009								
Average Monthly Benefit	\$ 1,371	\$ 895	\$ 1,404	\$ 2,178	\$ 2,997	\$ 3,389	\$ 3,121	\$ 2,496
Number of Active Retirants	37	127	296	427	582	358	148	1,975
Average Final Compensation ²	\$ 3,407	\$ 4,673	\$ 4,708	\$ 5,537	\$ 6,316	\$ 6,645	\$ 6,019	\$ 5,876
Number of Active Retirants	2	22	40	48	83	72	18	285
Period 10/1/2007 - 9/30/2008¹								
Average Monthly Benefit	\$ 981	\$ 805	\$ 1,384	\$ 2,103	\$ 2,871	\$ 2,954	\$ 2,904	\$ 2,287
Number of Active Retirants	33	140	299	453	552	296	136	1,909
Average Final Compensation ²		\$ 4,438	\$ 3,548	\$ 4,837	\$ 6,106	\$ 5,960	\$ 5,482	\$ 5,239
Number of Active Retirants		6	31	32	58	24	10	161

¹ Started Fiscal Year 2008. Will continue going forward.

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

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

AVERAGE BENEFIT PAYMENTS
LAST TEN FISCAL YEARS

Retirement Effective Dates	Type of Benefit					
	GESE Trust				Excess	Staff ¹
	Retirees	Disability	Survivors	Total	Retirees	Retirees
Fiscal 2013						
Average monthly benefit	\$3,335	\$2,009	\$1,178	\$2,903	\$1,148	\$4,703
Number of retired members	1636	57	380	2073	38	5
Fiscal 2012*						
Average monthly benefit	\$3,275	\$1,928	\$1,102	\$2,851	\$1,158	\$5,317
Number of retired members	1692	55	283	2129	36	4
Fiscal 2011¹						
Average monthly benefit	\$3,222	\$1,862	\$1,045	\$2,803	\$1,233	\$3,720
Number of retired members	1714	56	378	2148	27	1
Fiscal 2010						
Average monthly benefit	\$3,149	\$1,794	\$990	\$2,736	\$1,286	
Number of retired members	1747	59	381	2187	22	
Fiscal 2009						
Average monthly benefit	\$2,910	\$1,740	\$943	\$2,496	\$1,106	
Number of retired members	1536	58	381	1975	35	
Fiscal 2008						
Average monthly benefit	\$2,633	\$1,704	\$883	\$2,255	\$1,070	
Number of retired members	1468	62	379	1909	35	
Fiscal 2007						
Average monthly benefit	\$2,575	\$1,721	\$861	\$2,208	\$1,087	
Number of retired members	1469	58	379	1906	41	
Fiscal 2006						
Average monthly benefit	\$2,472	\$1,660	\$825	\$2,124	\$1,102	
Number of retired members	1487	62	374	1923	44	
Fiscal 2005						
Average monthly benefit	\$2,356	\$1,619	\$783	\$2,039	\$1,300	
Number of retired members	1484	62	354	1900	37	
Fiscal 2004						
Average monthly benefit	\$2,199	\$1,548	\$751	\$1,909	\$1,324	
Number of retired members	1458	59	346	1863	30	
Fiscal 2003						
Average monthly benefit	\$2,062	\$1,474	\$693	\$1,787	\$1,365	
Number of retired members	1429	59	342	1830	24	

¹Staff Plans' first retiree was in Fiscal Year 2011