

**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 Year Ended September 30, 2010**



Prepared by the Accounting Department

Enrique Mesa, Chief Accountant  
Christopher Recicar, Treasurer

***THIS PAGE INTENTIONALLY LEFT BLANK***



**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION  
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

---

**TABLE OF CONTENTS**

	Page
<b>I. <u>INTRODUCTORY SECTION</u></b>	
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
<b>II. <u>FINANCIAL SECTION</u></b>	
Independent Accountants' Report.....	1
Management Discussion and Analysis .....	3
<i>Basic Financial Statements</i>	
Statements of Plan Net Assets.....	10
Statements of Changes in Plan Net Assets.....	12
Notes to Financial Statements.....	14
<i>Required Supplemental Information</i>	
Schedules of Funding Progress & Employer Contributions.....	35
<i>Supporting Schedules</i>	
Schedule of Administrative Services.....	39
Schedule of Investment Manager and Consultant Expenses.....	40
<b>III. <u>INVESTMENT SECTION</u></b>	
Investment Consultant Letter.....	43
Investment Policies.....	44
Summary of Asset Allocation.....	49
Summary of Investment Returns.....	50
List of Largest Assets Held .....	52
Fund Manager Allocation.....	53
Schedule of Investment Fees.....	55
Schedule of Commissions .....	56
Investment Summary.....	58
Historical Summary of Investments Held at Fair Value.....	59
<b>IV. <u>ACTUARIAL SECTION</u></b>	
Actuary's Certification Letter .....	61
Summary of Actuarial Assumptions and Methods .....	63
Schedule of Active Member Valuation Data .....	70
Schedule of Retirants and Beneficiaries .....	70
Solvency Test .....	70
Analysis of Financial Experience .....	72
Summary of Plan Provisions .....	75
<b>V. <u>STATISTICAL SECTION</u></b>	
Changes in Net Assets.....	87
Benefit and Refund Deductions from Net Assets by Type.....	90
Retired Members by Type of Benefit .....	93
Average Benefit Payments.....	94

***THIS PAGE INTENTIONALLY LEFT BLANK***



# **Introductory Section**

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION  
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS  
BOARD OF TRUSTEES, MANAGEMENT AND CONSULTANTS  
SEPTEMBER 30, 2010**

---

**BOARD OF TRUSTEES**

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

**Charlie Cox**, Vice Chair  
Appointed by AFSCME/Local 1907

**Calvin Ellis**  
Appointed by City Manager

**Oscar Valido**  
Appointed by AFSCME/Local 1907

**Rose Gordon**  
Appointed by City Commission

**Joe Simmons, Jr.**  
Appointed by AFSCME/Council 79

**Caridad Montero**  
Appointed by City Commission

**Clarence Graves**  
Appointed by AFSCME/Council 79

**Christopher Heywang**  
Appointed by City Commission

**MANAGEMENT**

**Pension Administrator**  
Sandra Elenberg

**Chief Accountant**  
Enrique Mesa

**Assistant to the Administrator**  
Irma I. Saldaña

**Treasurer**  
Christopher Recicar

**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 20, 2011

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, 2010.

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, 2010 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 13% of compensation to the plan. Normal retirement age is at least 55 with a minimum of 10 years of service. Benefits are based on 3% of the average final compensation multiplied by years of creditable service.

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.

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**

As part of its duty to review investment policies, the Board periodically orders an Asset Liability Study to be conducted. The main purpose of this study is to review the trust's asset allocation and projected assets and liabilities to determine if any changes should be made to the asset allocation. The study is a combined effort with the investment consultant and the trust's actuary. After the study was complete the recommendation was to slightly increase the trust exposure to international securities while decreasing the allocation to the large cap domestic equities. The Board authorized an increase to international equities of up to 5% and decreased the large cap equity allocation by the same amount.

City management and the unions negotiated a one-time retirement incentive to allow members to retire and terminate service with the City under Rule of 64. About 30 eligible members accepted the offer. In addition, there was a spike in the number of members retiring and entering the DROP – about 120 members – toward the end of the fiscal year. Apparently, the primary reason for the large number of retirements was uncertainty with respect to possible plan benefit changes.

## **INVESTMENT ACTIVITIES**

The investments are governed by the "prudent person rule" which established standards that state 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 soundness 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 49 in the investment section of this report. The GESE Trust shows an asset allocation of 62.3 percent in equities, 5.5 percent in real estate, 29.1 percent in fixed income and 3.1 percent in cash at fiscal year end. The Staff plan shows an asset allocation of 42 percent in fixed income and 58 percent in equities at fiscal year end.

For fiscal year 2010, investments provided a positive return of 9.0 percent for the GESE Trust and a positive 9.4 percent return for the Staff Plan. The GESE Trust's annualized rate of return over the last three years was a negative 2.5 percent and over the last five years was 3.3 percent. The Staff Plan's annualized rate of return over the last three years was a negative 1.4 percent and over the last five years was 2.3 percent. For a summary of investment returns, see page 46 and 47 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 49 in the investment section. For actuarial valuation purposes, the assumed rate of return is 8.1 percent. 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 and assumptions, including investment rates of return. As can be seen from the schedule of employer contributions on pages 35 - 37 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, 2009. For the **GESE Trust**, the actuarial value of assets was \$646 million and the actuarial accrued liability was \$781 million causing an unfunded liability of \$135 million. This resulted in a funded ratio of 82.7%, which was a decrease from a funded ratio of 85.5% reported in the previous valuation. For the **Staff Plan**, the actuarial value of assets was \$1.5 million and the actuarial accrued liability was \$2.1 million causing an unfunded liability of \$565 thousand. This resulted in a funded ratio of 73.4%, which was an decrease from a funded ratio of 75% 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, 2009. 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 R. Recicar  
Treasurer

# 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, 2009

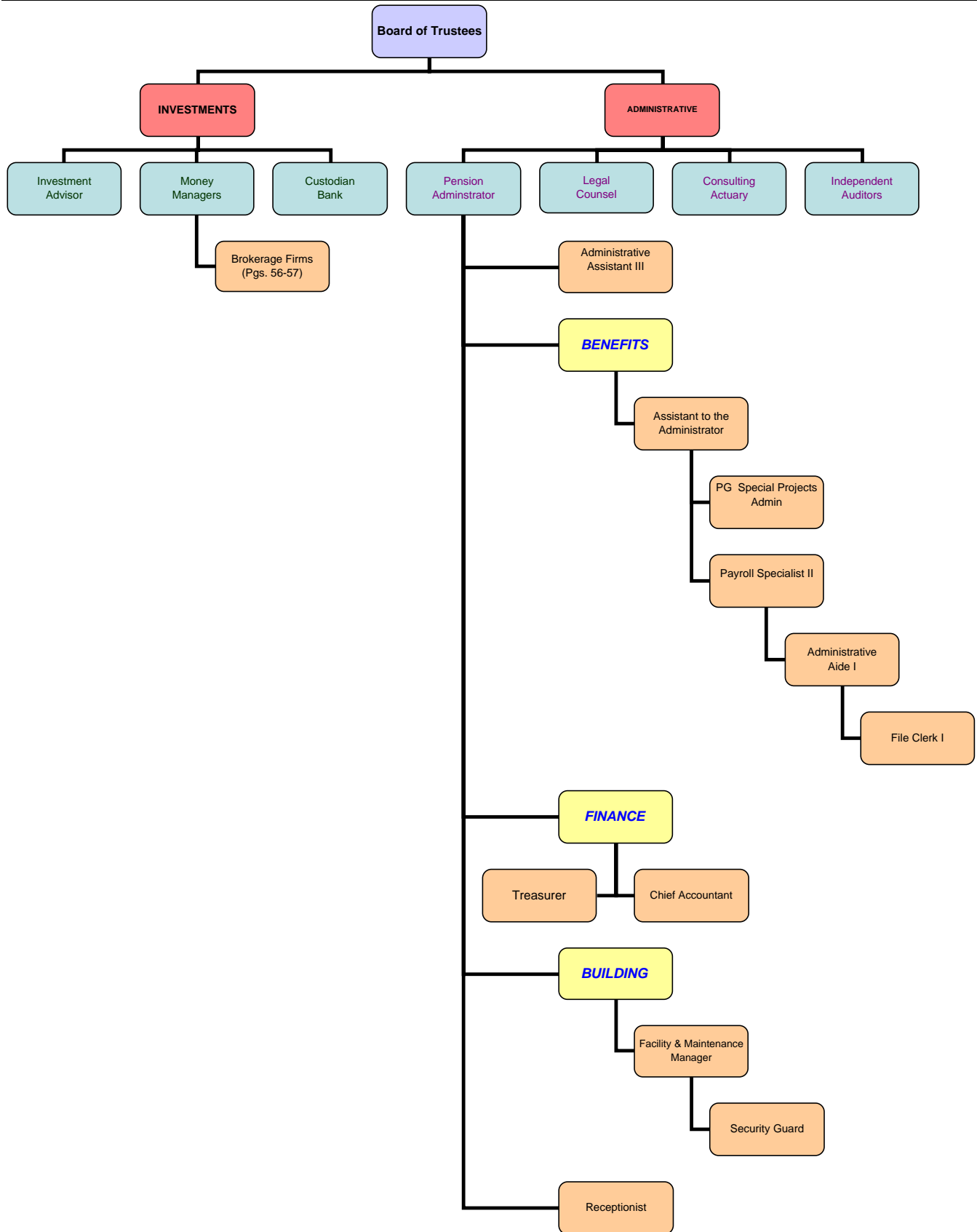
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



President

Executive Director

**CITY OF MIAMI GENERAL EMPLOYEES AND SANITATION  
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS  
ORGANIZATIONAL CHART  
SEPTEMBER 30, 2010**



***THIS PAGE INTENTIONALLY LEFT BLANK***



# **Financial Section**







**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION  
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2010 AND 2009**

---

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, 2010 and 2009. 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 2010 reflected the following financial activities:

- A net increase of \$15.8 million in plan net assets (or 3%) as a result of the fiscal year activities.
- Member contributions, representing 10% of payroll for fiscal year 2009 and 10% of payroll for non-union employees and 13% of payroll for union employees for fiscal year 2010, remained consistent for the past two years at approximately \$12.7 million in 2010 and \$11.8 million in 2009. Contributions increased \$937 thousand in 2010 and \$2.3 million in 2009. 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 increased by \$845 thousand (or 4%) during fiscal year 2010 and increased by \$429 thousand (or 2%) during fiscal year 2009. The amount of employer contributions vary from year to year based on an actuarially determined requirement.
- The equity and fixed investment had a net investment income of \$43 million in fiscal 2010 compared to a net investment loss of \$18.4 million in 2009. This increase of \$61.4 million followed a decrease of \$78.9 million (or 81%) in net investment loss in fiscal 2009 when compared to fiscal 2008.
- In 2010, benefit payments and refunds of contributions increased by \$8.9 million (or 16%), while in 2009, benefit and refund payments increased by \$2.4 million (or 4%).

**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 2010:

- Employer contributions and pension benefit payments for the Excess Benefit Plan decreased by a modest \$124 thousand (or 27%); while in 2009 it increased by \$17 thousand (or 4%).
- 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 assets.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION  
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2010 AND 2009**

---

**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 2010:

- Plan net assets had an increase of \$403 thousand for fiscal year 2010. The plan net assets increased to \$1.817 million in fiscal year 2010 from \$1.414 million in fiscal year 2009 (or 29%) increase.
- Member contributions are experiencing an upward trend, increasing \$50 thousand (or 67%) in 2010 and \$8 thousand (or 12%) in 2009, representing 10% of payroll. Employer contributions are experiencing a decrease of \$27 thousand (or 17%) in 2010 and an increase of \$51 thousand (or 46%) in 2009, based on an actuarially determined requirement.
- The investment portfolio had net investment income of \$149 thousand in fiscal year 2010 representing an increase in net investment income of \$110 thousand from 2009.
- In 2010, benefit payments and refunds of contributions increased by \$4 thousand (or 100%), while in 2009, there were no benefit and refund payments.

**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 Assets, the Statement of Changes in Plan Net Assets, 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 Assets 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 assets 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 Assets 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 assets. 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, 2010 AND 2009**

**FINANCIAL ANALYSIS**

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

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

	GESE Trust			Excess Benefit Plan			Staff Plan		
	2010	2009	2008	2010	2009	2008	2010	2009	2008
Cash	\$ 379	\$ 409	\$ 591	\$ 36	\$ 29	\$ 39	\$ 48	\$ 52	\$ 52
<b>Receivables:</b>									
Securities sold	3,234	3,290	2,053	-	-	-	-	-	-
Interest & dividends	1,839	1,591	1,905	-	-	-	-	-	-
Contributions & other	<u>1,307</u>	<u>1,141</u>	<u>666</u>	<u>31</u>	<u>39</u>	<u>17</u>	<u>8</u>	-	-
<b>Total receivables</b>	<u>6,380</u>	<u>6,022</u>	<u>4,624</u>	<u>31</u>	<u>39</u>	<u>17</u>	<u>8</u>	-	-
<b>Investments:</b>									
Fixed income	177,254	168,219	167,503	-	-	-	739	598	460
Equity securities	<u>373,087</u>	<u>366,468</u>	<u>407,752</u>	-	-	-	<u>1,022</u>	<u>764</u>	<u>628</u>
<b>Total investments</b>	<u>550,341</u>	<u>534,687</u>	<u>575,256</u>	-	-	-	<u>1,761</u>	<u>1,362</u>	<u>1,088</u>
<b>Assets:</b>									
Other assets	35	40	49	-	-	-	-	-	-
Capital assets	<u>2,398</u>	<u>2,472</u>	<u>2,627</u>	-	-	-	-	-	-
<b>Total assets</b>	<u>559,534</u>	<u>543,630</u>	<u>583,148</u>	<u>68</u>	<u>68</u>	<u>56</u>	<u>1,817</u>	<u>1,414</u>	<u>1,140</u>
<b>Liabilities:</b>									
Securities purchased	4,969	4,881	5,955	-	-	-	-	-	-
Other liabilities	<u>767</u>	<u>737</u>	<u>701</u>	<u>68</u>	<u>68</u>	<u>56</u>	-	-	-
<b>Total liabilities</b>	<u>5,736</u>	<u>5,618</u>	<u>6,656</u>	<u>68</u>	<u>68</u>	<u>56</u>	-	-	-
<b>Net assets held in Trust for pension benefits</b>	<u>\$ 553,798</u>	<u>\$ 538,012</u>	<u>\$ 576,492</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,817</u>	<u>\$ 1,414</u>	<u>\$ 1,140</u>

**GESE Trust**

The net assets of the GESE Trust reported in the fiscal year 2010 was \$554 million compared to the net assets reported in the fiscal year 2009 of \$538 million. The net assets increased by \$16 million (or 3%) primarily due to the increase in investments of \$16 million.

**Excess Benefit Plan**

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

**Staff Plan**

The net assets of the Staff Plan reported in the fiscal year 2010 was \$1.817 million compared to the net assets reported in the fiscal year 2009 of \$1.414 million. The net assets increased by \$403 thousand (or 29%) primarily due to the increase in investments of \$399 thousand.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION  
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2010 AND 2009**

**FINANCIAL ANALYSIS (cont'd)**

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

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

	GESE Trust			Excess Benefit Plan			Staff Plan		
	2010	2009	2008	2010	2009	2008	2010	2009	2008
<b>Additions:</b>									
Contributions									
Employer	\$ 24,037	\$ 23,192	\$ 22,763	\$ 340	\$ 464	\$ 447	\$ 133	\$ 160	\$ 109
Members	<u>12,729</u>	<u>11,792</u>	<u>9,517</u>	-	-	-	<u>126</u>	<u>75</u>	<u>67</u>
<b>Total contributions</b>	<u>36,766</u>	<u>34,984</u>	<u>32,280</u>	<u>340</u>	<u>464</u>	<u>447</u>	<u>259</u>	<u>235</u>	<u>176</u>
Reimbursement income	2,888	2,837	2,511	112	104	32	-	-	-
Net investment income (loss)	<u>43,017</u>	<u>(18,378)</u>	<u>(97,294)</u>	-	-	<u>3</u>	<u>149</u>	<u>39</u>	<u>(177)</u>
<b>Total additions</b>	<u>82,671</u>	<u>19,445</u>	<u>(62,503)</u>	<u>452</u>	<u>568</u>	<u>482</u>	<u>408</u>	<u>274</u>	<u>(1)</u>
<b>Deductions:</b>									
Benefits	62,163	54,192	51,632	323	464	449	-	-	-
Refunds	1,784	843	1,021	-	-	-	4	-	-
Administrative	<u>2,938</u>	<u>2,890</u>	<u>2,654</u>	<u>128</u>	<u>104</u>	<u>33</u>	-	-	-
<b>Total deductions</b>	<u>66,885</u>	<u>57,925</u>	<u>55,307</u>	<u>451</u>	<u>568</u>	<u>482</u>	<u>4</u>	<u>-</u>	<u>-</u>
<b>Change in net assets</b>	15,785	(38,480)	(117,810)	-	-	-	404	274	(1)
<b>Net assets held in trust for pension benefits:</b>									
Beginning of year	<u>538,012</u>	<u>576,492</u>	<u>694,302</u>	-	-	-	<u>1,414</u>	<u>1,140</u>	<u>1,141</u>
End of year	<u>\$ 553,797</u>	<u>\$ 538,012</u>	<u>\$ 576,492</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,818</u>	<u>\$ 1,414</u>	<u>\$ 1,140</u>

**GESE Trust**

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

- Additions to the plan net assets during fiscal year 2010 show a positive \$83 million that included contributions of \$37 million and net investment income of \$43 million. This was a dramatic increase from the fiscal year 2009, when additions were a positive \$19 million, which included member and employer contributions of \$35 million, and net investment loss of \$18 million. The increase was primarily due to positive investment returns for the year.
- Deductions to plan net assets increased by 15% from \$57.9 million in fiscal year 2009 to \$66.9 million in 2010. Most of the increase relates to increases in pension benefit payments.

**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 \$116 thousand (or 20%) from \$568 thousand during 2009 to \$452 thousand in 2010.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION  
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2010 AND 2009**

---

**FINANCIAL ANALYSIS (cont'd)**

**Staff Plan**

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

- Increases to the plan net assets during fiscal year 2010 were \$408 thousand, including contributions of \$259 thousand and net investment income of \$149 thousand. This was a 49% increase from the fiscal year 2009, when additions were a positive \$274 thousand, which included contributions of \$235 thousand, and net investment income of \$39 thousand. The increase was primarily due to the positive investment returns for the year.
- Additions to plan net assets increased by \$134 thousand during the year as a result of increases in net investment income of \$110 thousand.
- Deductions to plan net assets increased by \$4 thousand during 2010.

**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 review and periodically update the Investment Policy Statements. The Investment Policy Statements were last amended September 30, 2010.

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 three 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>2010</u>	<u>2009</u>	<u>2008</u>
U.S. large cap equity	42%	30 - 55%	47.5%	47.4%	47.5%
U.S. small cap equity	10%	0 - 15%	5.2%	6.6%	7.1%
International equity	13%	0 - 15%	9.6%	9.5%	8.7%
U.S. fixed income	29%	20 - 40%	29.1%	26.7%	25.2%
Real estate	5%	0 - 10%	5.5%	5.1%	7.9%
Cash and other	1%	0 - 15%	3.1%	4.7%	3.6%
			<u>100.0%</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 past three fiscal years. Moderate 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, 2010 AND 2009**

---

**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 three years.

	<b>STAFF TRUST - SUMMARY OF ASSET ALLOCATION</b>				
	<u>Policy Guidelines</u>		<u>Actual as of September 30,</u>		
	<u>Target</u>	<u>Range</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
U.S. large cap equity	45%	25 - 70%	39.5%	38.3%	40.4%
U.S. small cap equity	10%	0 - 25%	9.7%	9.1%	9.3%
International equity	10%	0 - 25%	8.8%	8.7%	8.0%
U.S. fixed income	35%	20 - 70%	42.0%	43.9%	42.3%
Cash and other	0%	0 - 10%	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>
			<u>100.0%</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 no 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, 2010. The rates of returns are time weighted, gross of fees, and based on market rate of return.

As of September 30, 2010, the policy portfolio includes the following indices and weightings:

45% S & P 500, 10% Russell 2000, 10% 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:***

	<b>GESE TRUST - SUMMARY OF INVESTMENT RETURNS</b>		
	<b>September 30,</b>		
	<u>Year to Date</u>	<u>Annualized Return</u>	
		<u>3 Year</u>	<u>5 Year</u>
<b>Fiscal Year 2010</b>			
Total Fund	9.0%	(2.5%)	3.3%
Policy Portfolio	9.4%	(2.0%)	3.2%
<b>Fiscal Year 2009</b>			
Total Fund	(1.4%)	(0.7%)	3.8%
Policy Portfolio	(0.5%)	(0.8%)	3.7%

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION  
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2010 AND 2009**

---

**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 9.0%, for the year ended September 30, 2010, as compared to a 1.4% negative return for the year ended September 30, 2009. The Trust's improved performance this year was the result of strong returns in the equity markets, especially in the domestic equity asset class. Fixed income results have shown strength in the current market conditions. The fund slightly underperformed the benchmarks for year 2010 as well as the annualized three year period while outperforming the benchmark for the five year period.

***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>
<b>Fiscal Year 2010</b>			
Total Fund	9.4%	(1.4%)	2.3%
Policy Portfolio	10.0%	(1.2%)	2.7%
<b>Fiscal Year 2009</b>			
Total Fund	2.9%	(1.0%)	1.8%
Policy Portfolio	1.6%	(0.9%)	2.3%

For the fiscal year ended September 30, 2010, the Staff Plan was also impacted by the positive stock market environment and experienced a positive total return of 9.4%, following a total return in 2009 of 2.9%. The fund experienced only a slight lag behind the benchmark in 2010 as well as 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 weak 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.

**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 ASSETS  
SEPTEMBER 30, 2010**

	<u>GESE Trust</u>	<u>Excess Benefit Plan</u>	<u>Staff Plan</u>	<u>Total</u>
<b>ASSETS</b>				
Cash	\$ 379,168	\$ 36,773	\$ 48,175	\$ 464,116
<b>Receivables:</b>				
Securities sold	3,234,320	-	-	3,234,320
Members' contributions	743,803	-	-	743,803
Interest and dividends	1,839,221	-	-	1,839,221
City of Miami	534,821	31,283	-	566,104
Other	<u>28,451</u>	<u>-</u>	<u>8,525</u>	<u>36,976</u>
Total receivables	<u>6,380,616</u>	<u>31,283</u>	<u>8,525</u>	<u>6,420,424</u>
<b>Investments, at fair value:</b>				
U.S. Government and Agency Securities	69,229,551	-	-	69,229,551
Corporate stocks	342,646,371	-	1,021,652	343,668,023
Corporate bonds	89,337,931	-	738,964	90,076,895
Real estate funds	30,440,327	-	-	30,440,327
Money market funds	<u>18,686,543</u>	<u>-</u>	<u>-</u>	<u>18,686,543</u>
Total investments	<u>550,340,723</u>	<u>-</u>	<u>1,760,616</u>	<u>552,101,339</u>
Prepaid expenses and other assets	35,307			35,307
Capital assets, net	<u>2,397,822</u>	<u>-</u>	<u>-</u>	<u>2,397,822</u>
Total Assets	<u>559,533,636</u>	<u>68,056</u>	<u>1,817,316</u>	<u>561,419,008</u>
<b>LIABILITIES</b>				
Payable for securities purchased	4,969,173	-	-	4,969,173
City of Miami	-	55,965	-	55,965
Accounts payable and accrued expenses	<u>766,945</u>	<u>12,091</u>	<u>-</u>	<u>779,036</u>
Total Liabilities	<u>5,736,118</u>	<u>68,056</u>	<u>-</u>	<u>5,804,174</u>
Net assets held in trust for pension benefits	<u>\$ 553,797,518</u>	<u>\$ -</u>	<u>\$ 1,817,316</u>	<u>\$ 555,614,834</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 ASSETS  
SEPTEMBER 30, 2009**

	<u>GESE Trust</u>	<u>Excess Benefit Plan</u>	<u>Staff Plan</u>	<u>Total</u>
<b>ASSETS</b>				
Cash	\$ 409,246	\$ 29,509	\$ 52,330	\$ 491,085
<b>Receivables:</b>				
Securities sold	3,290,264	-	-	3,290,264
Members' contributions	514,053	-	-	514,053
Interest and dividends	1,590,616	-	-	1,590,616
City of Miami	536,643	38,720	-	575,363
Other	<u>90,380</u>	<u>-</u>	<u>-</u>	<u>90,380</u>
Total receivables	<u>6,021,956</u>	<u>38,720</u>	<u>-</u>	<u>6,060,676</u>
<b>Investments, at fair value:</b>				
U.S. Government and Agency Securities	60,368,845	-	-	60,368,845
Corporate stocks	339,429,153	-	763,529	340,192,682
Corporate bonds	81,436,364	-	597,704	82,034,068
Real estate funds	27,038,652	-	-	27,038,652
Money market funds	<u>26,413,736</u>	<u>-</u>	<u>-</u>	<u>26,413,736</u>
Total investments	<u>534,686,750</u>	<u>-</u>	<u>1,361,233</u>	<u>536,047,983</u>
Prepaid expenses and other assets	39,596			39,596
Capital assets, net	<u>2,472,151</u>	<u>-</u>	<u>-</u>	<u>2,472,151</u>
Total Assets	<u>543,629,699</u>	<u>68,229</u>	<u>1,413,563</u>	<u>545,111,491</u>
<b>LIABILITIES</b>				
Payable for securities purchased	4,880,946	-	-	4,880,946
City of Miami	-	55,965	-	55,965
Accounts payable and accrued expenses	<u>736,552</u>	<u>12,264</u>	<u>-</u>	<u>748,816</u>
Total Liabilities	<u>5,617,498</u>	<u>68,229</u>	<u>-</u>	<u>5,685,727</u>
Net assets held in trust for pension benefits	<u>\$ 538,012,201</u>	<u>\$ -</u>	<u>\$ 1,413,563</u>	<u>\$ 539,425,764</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 ASSETS  
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	<u>GESE Trust</u>	<u>Excess Benefit Plan</u>	<u>Staff Plan</u>	<u>Total</u>
<b>ADDITIONS</b>				
<b>Contributions:</b>				
Employer	\$ 24,037,093	\$ 339,602	\$ 132,542	\$ 24,509,237
Plan members	<u>12,728,711</u>	<u>-</u>	<u>126,402</u>	<u>12,855,113</u>
Total contributions	<u>36,765,804</u>	<u>339,602</u>	<u>258,944</u>	<u>37,364,350</u>
<b>Investment income (loss):</b>				
Net appreciation in fair value of investments	33,866,484	-	104,560	33,971,044
Interest	6,808,407	-	-	6,808,407
Dividend	4,256,714	-	44,405	4,301,119
Other income	<u>264,329</u>	<u>-</u>	<u>-</u>	<u>264,329</u>
Total investment income (loss)	45,195,934	-	148,965	45,344,899
Less investment expense	<u>2,179,360</u>	<u>-</u>	<u>-</u>	<u>2,179,360</u>
Net investment income (loss)	<u>43,016,574</u>	<u>-</u>	<u>148,965</u>	<u>43,165,539</u>
Reimbursement income from City of Miami	<u>2,888,419</u>	<u>112,079</u>	<u>-</u>	<u>3,000,498</u>
Total Additions	<u>82,670,797</u>	<u>451,681</u>	<u>407,909</u>	<u>83,530,387</u>
<b>DEDUCTIONS</b>				
Benefits	62,162,717	323,244	-	62,485,961
Refunds of contributions	1,784,596	-	4,156	1,788,752
Administrative and other expenses	<u>2,938,167</u>	<u>128,437</u>	<u>-</u>	<u>3,066,604</u>
Total Deductions	<u>66,885,480</u>	<u>451,681</u>	<u>4,156</u>	<u>67,341,317</u>
Change in net assets	15,785,317	-	403,753	16,189,070
Net assets held in trust for pension benefits, beginning of year	<u>538,012,201</u>	<u>-</u>	<u>1,413,563</u>	<u>539,425,764</u>
Net assets held in trust for pension benefits, end of year	<u>\$ 553,797,518</u>	<u>\$ -</u>	<u>\$ 1,817,316</u>	<u>\$ 555,614,834</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 ASSETS  
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

	<u>GESE Trust</u>	<u>Excess Benefit Plan</u>	<u>Staff Plan</u>	<u>Total</u>
<b>ADDITIONS</b>				
<b>Contributions:</b>				
Employer	\$ 23,191,828	\$ 464,325	\$ 159,837	\$ 23,815,990
Plan members	<u>11,791,902</u>	-	<u>74,800</u>	<u>11,866,702</u>
Total contributions	<u>34,983,730</u>	<u>464,325</u>	<u>234,637</u>	<u>35,682,692</u>
<b>Investment income (loss):</b>				
Net appreciation in fair value of investments	(29,948,775)	-	(1,253)	(29,950,028)
Interest	7,948,557	-	55	7,948,612
Dividend	5,292,946	-	40,092	5,333,038
Other income	<u>233,967</u>	-	-	<u>233,967</u>
Total investment income (loss)	<u>(16,473,305)</u>	-	<u>38,894</u>	<u>(16,434,411)</u>
Less investment expense	<u>1,902,174</u>	-	-	<u>1,902,174</u>
Net investment income (loss)	<u>(18,375,479)</u>	-	<u>38,894</u>	<u>(18,336,585)</u>
Reimbursement income from City of Miami	<u>2,836,790</u>	<u>104,141</u>	-	<u>2,940,931</u>
Total Additions	<u>19,445,041</u>	<u>568,466</u>	<u>273,531</u>	<u>20,287,038</u>
<b>DEDUCTIONS</b>				
Benefits	54,191,981	464,325	-	54,656,306
Refunds of contributions	843,094	-	-	843,094
Administrative and other expenses	<u>2,890,011</u>	<u>104,141</u>	-	<u>2,994,152</u>
Total Deductions	<u>57,925,086</u>	<u>568,466</u>	-	<u>58,493,552</u>
Change in net assets	(38,480,045)	-	273,531	(38,206,514)
Net assets held in trust for pension benefits, beginning of year	<u>576,492,246</u>	-	<u>1,140,032</u>	<u>577,632,278</u>
Net assets held in trust for pension benefits, end of year	<u>\$ 538,012,201</u>	-	<u>\$ 1,413,563</u>	<u>\$539,425,764</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, 2010 AND 2009**

---

**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. Benefits and refunds are recognized when due and payable in accordance with the terms of the plans.

**New Pronouncements**

GASB 54, Fund Balance Reporting and Governmental Fund Type Definitions. The objective of this statement is to improve the usefulness, including the understandability of governmental fund balance information. This statement establishes accounting and financial reporting standards for all governments that report governmental funds. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2010. The adoption of GASB 54 will not result in changes to the composition of Fund Balance in the Financial Statements.

GASB 55, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments. The objective of this Statement is to identify the sources of accounting principles and the framework for selecting the principles used in the preparation of financial statements of state and local governmental entities that are presented in conformity with generally accepted accounting principles (the GAAP Hierarchy). This Statement applies to the financial statements of all state and local governments that are presented in conformity with GAAP. The requirements of this Statement are effective upon its issuance. The adoption of GASB 55 did not have an impact on the Trust's financial position or results of operation.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION  
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2010 AND 2009**

---

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

**New Pronouncements (cont'd)**

GASB 56, Codification of Accounting and Financial Reporting Guidance contained in the AICPA Statements on Auditing Standards. This Statement establishes accounting and financial reporting standards for related party transactions, going concern considerations, and subsequent events. This Statement amends paragraph 26 of the National Council on Governmental Accounting (NCGA) Statement 5, Accounting and Financial Reporting Principles for Lease Agreements of State and Local Governments. The requirements of this Statement are effective upon its issuance. The adoption of GASB 56 did not have an impact on the Trust's financial position or results of operation.

**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.

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 custodial and investment advisor fees, are directly funded by reimbursement income from the City.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION  
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2010 AND 2009**

---

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

**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 assets and the statements of changes in net assets (see Note 7).

**Note 2 - Plan Description**

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

The GESE Trust is a single employer defined benefit plan to which member employees contributed 10% of their base salaries or wages. The contribution rate was increased to 13% of base salaries or wages for AFSCME bargaining member employees for the year ended September 30, 2010 (See Note 10). The GESE Trust was established pursuant to the City of Miami Ordinance No. 10002 and subsequently revised under City of Miami Ordinance No. 12111. The City of Miami, Florida is to contribute such amounts as are necessary on an actuarial basis to provide the GESE Trust with assets sufficient to meet the benefits to be paid to the participants. Contributions to the GESE Trust are authorized pursuant to City of Miami Code Section 40-246 (A) and (B). A more detailed description of this plan and its provisions appears in the Ordinance constituting the GESE Trust and in the summary plan description.

**Contributions**

Members contribute 10% (13% for AFSCME members) 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.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION  
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2010 AND 2009**

---

**Note 2 - Plan Description (cont'd)**

**GESE Trust (cont'd)**

**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 has 10 or more years of continuous creditable service may elect to retire upon the attainment of normal retirement age. A member who has 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 will change 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). (See Note 10).

**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 16 to 20 years of service and 2.75% for service over 20 years. Effective September 30, 2010, 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 \$100,000. (See Note 10).

**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.



**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION  
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2010 AND 2009**

---

**Note 2 - Plan Description (cont'd)**

**GESE Trust (cont'd)**

**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 all GESE Trust members effective May 1, 2002. 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, 2010 and 2009 amounted to \$10,996,802 and \$5,764,344, respectively, and is included in benefits in the statement of changes in plan net assets.

**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, 2010 AND 2009**

---

**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 in the same amount, and
- c. deposited in a separate account established specifically for the GESE Trust to receive the City's excess retirement benefit contributions. This account is separate and apart from the accounts established to receive the City's normal pension contributions for the GESE Trust.

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

**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.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION  
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2010 AND 2009**

**Note 2 - Plan Description (cont'd)**

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

**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, 2010 and 2009 (based on updated actuarial valuations), each Trust's membership consisted of:

	<b>2010</b>			
	<b><u>GESE</u></b>	<b><u>Excess</u></b>	<b><u>Staff</u></b>	<b><u>Total</u></b>
Retirees and beneficiaries currently receiving benefits	2,199	32	-	2,231
Terminated employees entitled to benefits, but not yet receiving them	175	-	1	176
Current employees	1,267	-	11	1,278
Total members	3,641	32	12	3,685
	<b>2009</b>			
	<b><u>GESE</u></b>	<b><u>Excess</u></b>	<b><u>Staff</u></b>	<b><u>Total</u></b>
Retirees and beneficiaries currently receiving benefits	1,975	26	-	2,001
Terminated employees entitled to benefits, but not yet receiving them	118	-	1	119
Current employees	1,662	-	12	1,674
Total members	3,755	26	13	3,794

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 2009 and 2010 the number of deferred vested members was 15 and 21 respectively. For 2009 and 2010 the number of members due a contribution refund was 104 and 155 respectively. There are currently outstanding data questions that could change the 2010 counts slightly.

**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.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION  
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2010 AND 2009**

---

**Note 4 – Contributions (cont'd)**

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, 2008 actuarial valuation, amortization of changes in the unfunded accrued liability under the GESE Trust are amortized over a 15 year period, 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	30 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 were determined through an actuarial valuation performed as of October 1, 2008 and 2007, respectively. The City's actuarially determined contribution requirement and actual contribution made was \$24,037,093 and \$23,191,828 consisting of (a) \$7,869,397 and \$7,246,706 normal cost, (b) \$16,167,696 and \$15,945,122 amortization of the unfunded actuarial accrued liability and (c) \$0 interest adjustment for the years ended September 30, 2010 and 2009, respectively. The members contributed \$12,728,711 and \$11,791,902 for the years ended September 30, 2010 and 2009, respectively.

**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, 2009 and 2008, respectively. The City's actuarially determined contribution requirement of \$625,539 and \$566,046 consisted of (a) \$38,664 and \$57,071 normal cost, (b) \$586,875 and \$508,975 amortization of the unfunded actuarial accrued liability and (c) \$0 interest adjustment for the years ended September 30, 2010 and 2009, respectively. The City's actual contributions were \$339,602 and \$464,325 as benefits became due for the years ended September 30, 2010 and 2009, respectively.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION  
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2010 AND 2009**

---

**Note 4 – Contributions (cont'd)**

**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 contributions were determined through an actuarial valuation performed as of October 1, 2008 and 2007, respectively. The City's actuarially determined contribution requirement was \$132,542 and \$159,837 consisting of (a) \$78,546 and \$101,864 normal cost, (b) \$53,996 and \$57,973 amortization of the unfunded actuarial accrued liability and (c) \$0 interest adjustment for the years ended September 30, 2010 and 2009, respectively. The

City's actual contributions were \$133,487 and \$159,837, for the years ended September 30, 2010 and 2009, respectively. The members contributed \$125,457 and \$74,800 for the years ended September 30, 2010 and 2009, 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, 2009 and 2008 was \$780.6 million and \$808.6 million, respectively. The actuarial value of the Plan assets available to pay these benefits at September 30, 2009 and 2008 totaled \$645.6 million and \$691.8 million, respectively, leaving a deficit as compared to the AAL of \$135 million and \$116.8 million at September 30, 2009 and 2008, respectively.

**Excess Plan**

The AAL for the Excess Plan as of October 1, 2009 and 2008 was \$5.8 million and \$5.2 million, respectively. The actuarial value of the Plan assets available to pay these benefits at September 30, 2009 and 2008 totaled \$0, leaving a deficit as compared to the AAL of \$5.8 million and \$5.2 million at September 30, 2009 and 2008, respectively.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION  
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2010 AND 2009**

---

**Note 5 – Funding Status and Progress (cont'd)**

**Staff Plan**

The AAL for the Staff Plan as of October 1, 2009 and 2008 was \$2.1 million and \$1.7 million, respectively. The actuarial value of the Plan assets available to pay these benefits at September 30, 2009 and 2008 totaled \$1.6 million and \$1.3 million, respectively, leaving a deficit as compared to the AAL of \$565.1 thousand and \$434.7 thousand at September 30, 2009 and 2008, respectively.

**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 September 30, 2009 and 2008 actuarial valuations, the modified individual entry age normal cost method is used. The actuarial assumptions included a discount rate of 8.10% in each of the years, 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. Other significant actuarial assumptions utilized in the most recent analysis include: (a) projected salary increases of 5.25% per year; (b) 3% annual payroll growth; and (c) an annual inflation rate of 3.5%. (See supplemental information following the notes to the financial statements.)

**Excess Plan**

In the September 30, 2009 and 2008 actuarial valuations for the Plan, the entry age normal cost method was used. The actuarial assumptions included a discount rate of 8.10% in each of the years, 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 of 5.25% per year 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, 2010 AND 2009**

---

**Note 6 – Actuarial Methods and Assumptions (cont'd)**

**Staff Plan**

In the September 30, 2009 and 2008, the actuarial valuations for the Staff Plan included the modified individual entry age normal cost method. The actuarial assumptions included a compounded annually discount rate of 8.10% in each of the years. The UAAL is being amortized as a level dollar amount with amortization periods of 15 to 30 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.

**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 September 30, 2010. The investment policy, approved by the Board of Trustees for the Staff Plan, was effective April 27, 2001 and was most recently amended on February 27, 2009. 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:

	<b>GESE Trust</b>			<b>Staff Plan</b>		
	<b><u>Minimum</u></b>	<b><u>Target</u></b>	<b><u>Maximum</u></b>	<b><u>Minimum</u></b>	<b><u>Target</u></b>	<b><u>Maximum</u></b>
U.S. large cap equity	30%	42%	55%	25%	45%	70%
U.S. small cap equity	0%	10%	15%	0%	10%	25%
International equity	0%	13%	15%	0%	10%	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.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION  
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2010 AND 2009**

**Note 7 - Investments (cont'd)**

**Investment Policy (cont'd)**

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, except for fixed income securities in the Staff Plan which has a maximum of 20%. For equity securities, investments in any single industry can not exceed the greater of three times the index holding or 10% of the total value of the portfolio. For fixed income securities, 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, excluding U.S. Government or agency securities. For the GESE Trust, average duration of the fixed income securities should be in a range of three to ten years.

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, private placements, 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, 2010 and 2009, were as follows:

	<b>2010</b>		
	<b><u>GESE Trust</u></b>	<b><u>Staff Plan</u></b>	<b><u>Total Fair Value</u></b>
U.S. Government and Agency Securities	\$ 69,229,551		\$ 69,229,551
Corporate Bonds	89,337,931	\$ 738,964	90,076,895
Corporate Stocks	342,646,371	867,477	343,513,848
Real Estate Funds	30,440,327	-	30,440,327
Money Market Fund	18,686,543	154,175	18,840,718
Total Investments	<u>\$ 550,340,723</u>	<u>\$ 1,760,616</u>	<u>\$ 552,101,339</u>
	<b>2009</b>		
	<b><u>GESE Trust</u></b>	<b><u>Staff Plan</u></b>	<b><u>Total Fair Value</u></b>
U.S. Government and Agency Securities	\$ 60,368,845		\$ 60,368,845
Corporate Bonds	81,436,364	\$ 597,704	82,034,068
Corporate Stocks	339,429,153	763,529	340,192,682
Real Estate Fund	27,038,652	-	27,038,652
Money Market Fund	26,413,736	-	26,413,736
Total Investments	<u>\$ 534,686,750</u>	<u>\$ 1,361,233</u>	<u>\$ 536,047,983</u>



**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION  
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2010 AND 2009**

---

**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, 2010, 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, 2010 AND 2009**

---

**Note 7 - Investments (cont'd)**

**GESE Trust Investment Risk (cont'd)**

***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.

At September 30, 2010, 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>Fair Value (\$000)</u>	<u>Percent</u>
Treasury:		
Bonds - AAA	\$ 7,068	4.3%
Notes - AAA	13,266	8.1%
Bills - AAA	-	-
TIPS - AAA	-	-
Treasury sub-total	<u>20,334</u>	<u>12.4%</u>
Agency	13,258	8.1%
Asset-backed	9,818	6.0%
Mortgages:		
CMBS - AAA	-	-
CMO - AAA	3,027	1.9%
FHLMC - AAA	19,243	11.8%
FNMA - AAA	14,889	9.1%
GNMA - AAA	<u>1,377</u>	<u>0.8%</u>
Mortgages sub-total	<u>38,536</u>	<u>23.6%</u>
Aaa	1,130	0.7%
Aa	11,175	6.8%
A	41,760	25.6%
Baa	21,011	12.8%
Ba	1,635	1.0%
Not Rated	1,281	0.8%
Cash	<u>3,638</u>	<u>2.2%</u>
Grand Total	<u>\$ 163,576</u>	<u>100.0%</u>

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION  
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2010 AND 2009**

---

**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, 2010, the following summarizes the fair value and duration of the securities for each investment type (amounts are in the thousands)

<u>Investment Type</u>	<u>Fair Value (\$000)</u>	<u>Effective Duration (In Years)</u>
Asset Backed	\$ 9,818	1.74
Corporate Bank	17,910	3.91
Corporate Finance	10,566	5.05
Corporate Industrial	36,770	6.04
Corporate-Transportation	630	4.47
Corporate-Comm., Utility	6,014	5.97
Corporate-Electric Utility	3,465	4.95
Corporate-Gas Utility	613	5.15
US Treasury	20,334	7.09
US Agency	13,258	2.70
Yankee-Industrial	122	9.84
Yankee-Finance	113	7.11
Mortgages	38,536	2.63
Cash	3,638	0.00
Other	<u>1,789</u>	<u>4.59</u>
Total	<u>\$ 163,576</u>	<u>4.35</u>

***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, 2010, 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.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION  
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2010 AND 2009**

---

**Note 7 - Investments (cont'd)**

**Staff Plan Investment Risk (cont'd)**

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, 2010, the fixed income assets of the pension plan were invested in a mutual fund managed passively by Vanguard.

The value of the fixed income portfolio was \$738,964. Vanguard manages the assets in accordance with the Investment policy Statement approved by the trustees. At September 30, 2010:

<b><u>Moody's Rating</u></b>	<b><u>Market Value (\$000)</u></b>	<b><u>Percent</u></b>
Government	\$ 258	34.8%
Aaa	219	29.7%
Aa	63	8.6%
A	106	14.4%
Baa	74	10.0%
Other	19	2.5%
Total	<u>\$ 739</u>	<u>100.0%</u>

***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, 2010, 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%.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION  
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2010 AND 2009**

---

**Note 7 - Investments (cont'd)**

**Staff Plan Investment Risk (cont'd)**

***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 4.67 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.

**Note 8 - Capital Assets, Net**

Capital assets consist of the following as of September 30:

	<u>2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>2010</u>
<b>Capital assets, not being depreciated:</b>				
Land	\$ 262,143	\$ -	\$ -	\$ 262,143
Total capital assets, not being depreciated	<u>262,143</u>	<u>-</u>	<u>-</u>	<u>262,143</u>
<b>Capital assets, being depreciated:</b>				
Building and improvements	1,944,034	-	-	1,944,034
Improvements other than buildings	152,741	-	-	152,741
Furniture and equipment	<u>1,034,528</u>	<u>143,608</u>	<u>(45,103)</u>	<u>1,133,033</u>
Total capital assets, being depreciated	<u>3,131,303</u>	<u>143,608</u>	<u>(45,103)</u>	<u>3,229,808</u>
<b>Less accumulated depreciation for:</b>				
Building and improvements	197,354	44,832	-	242,186
Improvements other than buildings	32,469	8,387	-	40,856
Furniture and equipment	<u>691,472</u>	<u>133,146</u>	<u>(13,531)</u>	<u>811,087</u>
Total accumulated depreciation	<u>921,295</u>	<u>186,365</u>	<u>(13,531)</u>	<u>1,094,129</u>
Total capital assets, being depreciated, net	<u>2,210,008</u>	<u>(42,757)</u>	<u>(31,572)</u>	<u>2,135,679</u>
Total capital assets, (net of accumulated depreciation)	<u>\$ 2,472,151</u>	<u>\$ (42,757)</u>	<u>\$ (31,572)</u>	<u>\$ 2,397,822</u>

Depreciation expense for the years ended September 30, 2010 and 2009 was \$186,365 and \$245,370, respectively.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION  
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2010 AND 2009**

---

**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, 2010 and 2009 consisted of the following:

	<u>2010</u>	<u>2009</u>
<b>Administrative costs:</b>		
Personnel services	\$ 1,306,344	\$ 1,144,025
Professional services	920,821	817,766
Seminar and travel	12,882	47,160
Office and administrative	104,824	108,214
Occupancy	<u>721,733</u>	<u>876,976</u>
Total administrative and other expenses	3,066,604	2,994,141
Capital asset purchases	143,608	90,291
Less: un-reimbursed depreciation and other expenses	<u>(209,714)</u>	<u>(146,011)</u>
Reimbursement income	<u>\$ 3,000,498</u>	<u>\$ 2,940,931</u>

**Note 10 - Plan Amendments**

**GESE Trust**

Effective October 1, 2008, the AFSCME bargaining unit members contribute 13% of payroll for fiscal year 2009/2010.

Effective September 30, 2010. The benefit changes do not apply to members eligible to retire (that is, meet Rule of 70 or age 55 and 10 years of creditable service) on that date:

**Normal Retirement Date:** Earlier of age 60 with 10 years of service, age 55 with 30 years of service or Rule of 80 (combination of at least ten years of service plus attained age equaling 80 points).

**Benefit Formula:** 2.25% per year – first 15 years; 2.5% per year -- 16 to 20 years; and 2.75% per year – over 20 years. The new benefit formula applies to all future service. Members as of September 30, 2010 retain the 3% benefit percentage earned up to that date, and earn the new percentage (based on years of service) for each year of service after that date.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION  
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2010 AND 2009**

---

**Note 10 - Plan Amendments (cont'd)**

**GESE Trust (cont'd)**

**Maximum Benefit:** Maximum annual benefit at retirement is lesser of 100% of average final compensation benefit and \$100,000 per year. Any member who has accrued a benefit in excess of the maximum benefit as of September 30, 2010 will retain that benefit, but will not accrue any additional benefit.

**Normal Benefit Form:** Life annuity members may elect actuarially reduced survivor options.

**Average final compensation:** Average of highest five consecutive years of the last 10 years of service, to be phased in over three years as follows: average final compensation for members who retire between October 1, 2010 and September 30, 2011 will be based on highest 3 consecutive year average; average final compensation for members who retire between October 1, 2011 and September 30, 2012 will be based on highest 4 consecutive year average; and average final compensation for members who retire after September 30, 2013 will be based on the highest 5 consecutive year average of the last 10 years of service. Provided, in no event will the average final compensation of any member be less than the member's average final compensation as of the date of the plan change.

Contribution rate of 13% of pay for all members effective October 1, 2010. The 13% contribution rate applies to all members whether or not eligible to retire on September 30, 2010.

***THIS PAGE INTENTIONALLY LEFT BLANK***





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

**REQUIRED SUPPLEMENTARY INFORMATION**

**SEPTEMBER 30, 2010 AND 2009**

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION  
EMPLOYEES' RETIREMENT TRUST AND OTHER MANAGED TRUSTS  
SCHEDULES OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS  
SEPTEMBER 30, 2010 AND 2009**

**GESE TRUST  
SCHEDULE OF FUNDING PROGRESS  
(in millions)**

<b>Actuarial Valuation Date</b>	<b>(a) Actuarial Value of Assets</b>	<b>(b) Actuarial Accrued Liability (AAL) - Entry Age</b>	<b>Unfunded AAL (UAAL) (b) - (a)</b>	<b>Funded Ratio (a) / (b)</b>	<b>(c) Covered Payroll</b>	<b>UAAL as Percentage of Covered Payroll (b)-(a)/(c)</b>
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%
10/1/05	\$588.5	\$746.3	\$157.8	79%	\$71.5	221%
10/1/04	\$564.6	\$709.9	\$145.3	80%	\$72.5	200%

**SCHEDULE OF EMPLOYER CONTRIBUTIONS**

<b>Fiscal Year Ended September 30,</b>	<b>Annual Required Contributions</b>	<b>Percentage Contributed</b>
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%
2005	\$19,003,415	100%
2004	\$10,669,846	100%

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

Valuation date to determine ARC	October 1, 2008
Actuarial cost method	Modified entry age normal
Amortization method	Level percent, closed
Remaining amortization period	9-20 years
Asset valuation method	5- Year Smoothed Market
Actuarial assumptions:	
Investment rate of return	8.10%
Projected salary increases	5.25%
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, 2010 AND 2009**

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

<b>Actuarial Valuation Date</b>	<b>(a) Actuarial Value of Assets</b>	<b>(b) Actuarial Accrued Liability (AAL) - Entry Age</b>	<b>Unfunded AAL (UAAL) (b) - (a)</b>	<b>Funded Ratio (a) / (b)</b>	<b>(c) Covered Payroll</b>	<b>UAAL as Percentage of Covered Payroll (b)-(a)/(c)</b>
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%
10/1/05	\$-0-	\$8.4	\$8.4	0%	\$71.5	12%
10/1/04	\$-0-	\$8.4	\$8.4	0%	\$72.5	12%

**SCHEDULE OF EMPLOYER CONTRIBUTIONS**

<b>Fiscal Year Ended September 30,</b>	<b>Annual Required Contributions</b>	<b>Percentage Contributed</b>
2010	\$ 625,539	54%
2009	\$ 566,046	82%
2008	\$ 898,149	50%
2007	\$ 823,371	58%
2006	\$ 824,766	56%
2005	\$ 818,446	58%
2004	\$1,162,361	45%

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

Valuation date to determine ARC	October 1, 2009
Actuarial cost method	Modified entry age normal
Amortization method	Level dollar, closed
Remaining amortization period	21 years
Asset valuation method	N/A
Actuarial assumptions:	
Investment rate of return	8.10%
Projected salary increases	5.25%
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, 2010 AND 2009**

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

<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>
10/1/09	\$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%
10/1/05	\$768.3	\$1,084.3	\$316.0	71%	\$455.2	69%
10/1/04	\$615.1	\$1,005.8	\$390.7	61%	\$487.6	80%

**SCHEDULE OF EMPLOYER CONTRIBUTIONS**

<u>Fiscal Year Ended September 30,</u>	<u>Annual Required Contributions</u>	<u>Percentage Contributed</u>
2010	\$132,542	100%
2009	\$159,837	100%
2008	\$109,163	100%
2007	\$ 57,995	100%
2006	\$ 72,380	100%
2005	\$ 99,779	100%
2004	\$ 98,044	100%

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

Valuation date to determine ARC	October 1, 2008
Actuarial cost method	Modified entry age normal
Amortization method	Level dollar amounts, closed
Remaining amortization period	7 - 21 years
Asset valuation method	3 Year smoothed market
Actuarial assumptions:	
Investment rate of return	8.10%
Projected salary increases	6.00%
Includes inflation at	3.50%
Cost of living adjustments	None

# 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, 2010**

	<b>GESE Trust</b>	<b>Excess Benefits</b>	<b>Combined Total</b>
<b>Personnel Services:</b>			
Salaries & Wages	\$ 895,865	\$ 40,059	\$ 935,924
Payroll Taxes	59,710	4,006	63,716
Insurance	166,355	1,738	168,093
Retirement	132,542		132,542
Car Allowance	6,069		6,069
Total Personnel Services	<u>1,260,541</u>	<u>45,803</u>	<u>1,306,344</u>
<b>Professional Services:</b>			
Investment Custodian	207,067		207,067
Investment Consulting	213,859		213,859
Legal Counsel	85,127		85,127
Actuarial	221,550	46,358	267,908
Audit	62,924		62,924
Other	92,951	341	93,292
Total Professional Services	<u>883,479</u>	<u>46,699</u>	<u>930,178</u>
<b>Seminar and Travel</b>			
Meetings	9,015	-	9,015
Education and Travel	8,345	-	8,345
Travel and Auto	4,937	-	4,937
Total Seminar and Travel	<u>22,297</u>	<u>-</u>	<u>22,297</u>
<b>Office and Administrative</b>			
Printing	17,754		17,754
Advertising	581		581
Postage & Courier Services	20,312	230	20,542
Fidelity Insurance	67,155	900	68,055
Office Supplies	10,350	420	10,770
Publications and memberships	4,055		4,055
Other	14,093		14,093
Total Office and Administrative	<u>134,298</u>	<u>1,550</u>	<u>135,848</u>
<b>Occupancy</b>			
Utilities	13,411	280	13,691
Telecommunications	35,760	350	36,110
Property Insurance	36,384	400	36,784
Repairs & Maintenance	342,611	25,000	367,611
Rental	25,202	405	25,607
Furniture and Equipment	5,061	7,500	12,561
Depreciation	158,903	450	159,353
Other	20,219		20,219
Total Occupancy	<u>637,551</u>	<u>34,385</u>	<u>671,936</u>
<b>Total Administrative Expenses</b>	<b><u>\$ 2,938,167</u></b>	<b><u>\$ 128,437</u></b>	<b><u>\$ 3,066,604</u></b>

**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, 2010**

<b><u>Investment Manager</u></b>	<b><u>Investment Style</u></b>	<b><u>Fee Amount</u></b>
Atlanta Capital Management Co., LLC	Equity - Large Cap Growth	\$ 481,865
Cooke & Bieler	Equity - Large Cap Value	292,901
Thompson, Siegel & Walmsley, Inc.	Equity - Large Cap Value	163,054
Cramer Rosenthal McGlynn LLC	Equity - Small Cap Value	245,185
State Street Global Advisors	Equity - S&P 500 Index	17,186
Insight Capital	Equity - Small Cap Growth	103,128
Invesco Capital Management	Equity - International	132,605
Axiom International Investors LLC	Equity - International	234,008
Equity Managers		<u>1,669,932</u>
Seix Investment Advisors	Fixed Income - Aggregate	87,502
Richmond Capital Management	Fixed Income - Aggregate	194,507
Chicago Equity Partners	Fixed Income - Intermediate	84,757
Fixed Income Managers		<u>366,765</u>
BlackRock Realty	Real Estate	29,191
EII Realty Securities, Inc.	Real Estate Investment Trust	112,580
Real Estate Managers		<u>141,771</u>
<b>Total GESE Trust</b>		<b><u>2,178,468</u></b>
Vanguard Funds	Mutual Funds	-
<b>Total Staff Trust</b>		<b><u>-</u></b>
<b>Total Investment Expenses</b>		<b><u>\$ 2,179,360</u></b>

**Payments to Consultants <sup>1</sup>:**

	<b><u>Nature of Service</u></b>	
Cavanaugh Macdonald Consulting	Actuarial Services	221,550
Sharpton, Brunson & Company	Audit Services	45,900
Computer Consultant	General IT	29,010
Computer Consultant	Pension Gold	47,570
Ronald A. Silver	Legal Counsel	85,127
<b>Total GESE Trust</b>		<b><u>429,157</u></b>
Cavanaugh Macdonald	Actuarial Services	
	Excess Benefit Plan	46,358
Computer Consultant	Pension Gold	341
		<u>46,699</u>
<b>Total Consultant Expenses <sup>2</sup></b>		<b><u>\$ 475,856</u></b>

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

<sup>2</sup> Consultant expenses are included in the administrative and other expenses on page 12.

***THIS PAGE INTENTIONALLY LEFT BLANK***





# **Investment Section**

# SOUTHEASTERN ADVISORY SERVICES, INC.

*Registered Investment Advisor*



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

December 12, 2010

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, 2010, the fund earned an annual return of 9.0% gross of fees, exceeding the actuarial rate objective. The fund ranked at the 61st percentile and underperformed the unmanaged index which returned 9.4%. The broad equity market (as measured by the S&P 500) earned 10.2% for the fiscal year, while fixed income (Barclay's Aggregate) was up 8.2%. Historical performance remains competitive, posting an annualized 8.0% 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, 2010**

---

**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 49, 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, 2010**

---

**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 September, 2010, 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 cost) 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.

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

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION  
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS  
INVESTMENT POLICIES  
SEPTEMBER 30, 2010**

---

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 cost) 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 10 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 five 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, 2010**

---

**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 cost) 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 February 27, 2009, 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.

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 20 percent (at cost) 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, 2010**

---

**Staff Plan Investment Policy and Guidelines (Cont'd)**

***Fixed Income Securities (Cont'd)***

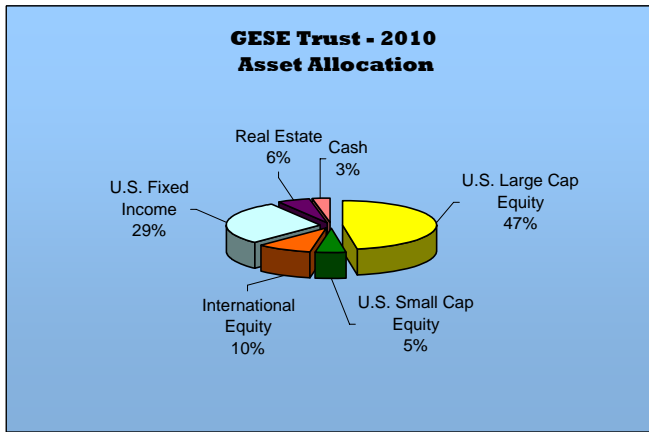
Acceptable fixed income instruments are commercial paper of only the highest quality, certificate of deposit of the top 100 national banks, bankers acceptances, United States Treasuries, repurchase agreements or debt instruments issued or guaranteed by the U.S. Government or agencies, investment grade 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**

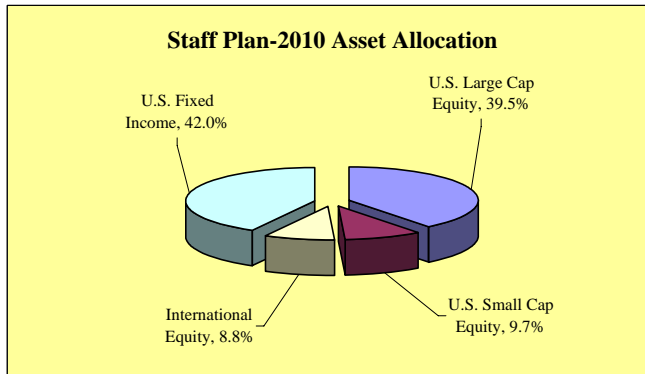
**GESE Trust Summary of Asset Allocation**

	Policy Guidelines						Actual				
	11/01 to 3/05		3/05 to current		9/09 to current		September 30,				
	Target	Range	Target	Range	Target	Range	2010	2009	2008	2007	2006
<b>U.S. Large Cap Equity</b>	50%	40-60%	45%	35-55%	45%	35-55%	47.5%	47.4%	47.5%	50.7%	49.1%
<b>U.S. Small Cap Equity</b>	10%	0-15%	10%	0-15%	10%	0-15%	5.2%	6.6%	7.1%	7.9%	7.9%
<b>International Equity</b>	10%	0-15%	10%	0-15%	10%	0-15%	9.6%	9.5%	8.7%	10.9%	10.3%
<b>U.S. Fixed Income</b>	25%	20-40%	29%	20-40%	29%	20-40%	29.1%	26.7%	25.2%	20.1%	22.6%
<b>Real Estate</b>	5%	0-10%	5%	0-10%	5%	0-10%	5.5%	5.1%	7.9%	6.9%	7.1%
<b>Cash</b>	0%	0-15%	1%	0-15%	1%	0-15%	3.1%	4.7%	3.6%	3.5%	3.0%
							100%	100%	100%	100%	100%



**Staff Plan Summary of Asset Allocation**

	Policy Guidelines				Actual				
	4/01 to 9/07		9/09 to current		September 30,				
	Target	Range	Target	Range	2010	2009	2008	2007	2006
<b>U.S. Large Cap Equity</b>	50%	40-60%	45%	25-70%	39.5%	38.3%	40.4%	0.0%	52.1%
<b>U.S. Small Cap Equity</b>			10%	0-25%	9.7%	9.1%	9.3%	0.0%	46.7%
<b>International Equity</b>			10%	0-25%	8.8%	8.7%	8.0%	0.0%	
<b>U.S. Fixed Income</b>	50%	40-60%	35%	20-70%	42.0%	43.9%	42.3%	0.0%	
<b>Cash</b>	0%	0-10%	0%	0-10%	0.0%	0.0%	0.0%	100.0%	1.2%
					100%	100%	100%	100%	100%

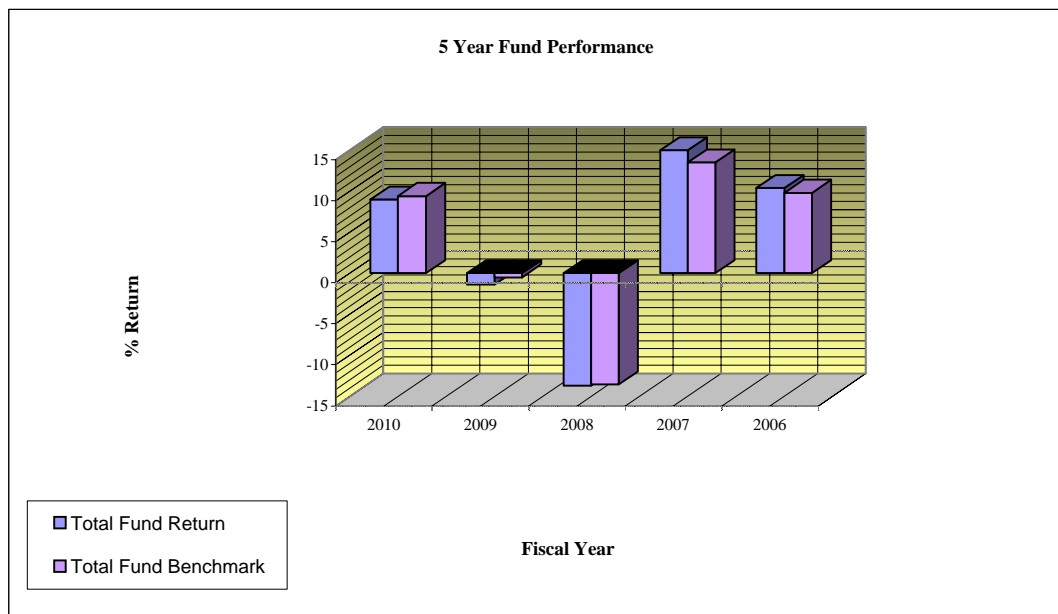




**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION  
EMPLOYEES' RETIREMENT TRUST AND OTHER MANAGED TRUSTS**

**GESE TRUST - SUMMARY OF INVESTMENT RETURNS**

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>Annualized Return (%)</u>	
						<u>3 Years</u> <u>2008-2010</u>	<u>5 Years</u> <u>2006-2010</u>
<b>Equities</b>							
Fund Return - Domestic Equities	8.9	-6.5	-18.9	16.4	10.1	-6.2	1.1
Fund Return - International Equities	4.5	3.6	-30.2	31.7	19.1	-8.9	3.5
S&P 500	10.2	-6.9	-22.0	16.5	10.8	-7.2	0.6
Dow Jones	11.1	-7.4	-21.9	19.0	10.5	-8.1	0.4
Russell 2500 Mid-Cap	15.9	-5.7	-18.0	15.2	8.8	-3.6	2.4
Russell 2000 - Small Stock	13.4	-9.6	-14.5	12.3	9.9	-4.3	1.6
MSCI EAFE - Non US Stocks	3.3	3.2	-30.5	24.9	19.2	-9.5	2.0
<b>Fixed Income</b>							
Fund Return - Fixed Income	8.6	15.3	1.8	5.1	4.1	8.4	6.9
Barclays U.S. - Aggregate	8.2	10.6	3.7	5.1	3.7	7.4	6.2
Barclays - Mortgage Backed	5.8	9.9	7.0	5.3	4.2	7.6	6.5
Barclays Intermediate - Govt/Credit	7.8	10.0	2.4	5.1	3.3	6.9	6.0
T-Bills - 91 Days	0.1	0.4	2.9	5.2	4.5	1.1	2.6
<b>Real Estate</b>							
Fund Return - Real Estate	16.4	-37.3	-2.2	12.6	24.3	-10.6	-0.4
FR NCREIF Index	5.8	-22.1	5.3	17.3	17.6	-4.6	3.7
NAREIT	28.3	-25.3	-13.0	2.4	24.0	-5.9	1.1
<b>Total Fund Return</b>	<b>9.0</b>	<b>-1.4</b>	<b>-13.7</b>	<b>15.0</b>	<b>10.4</b>	<b>-2.5</b>	<b>3.3</b>
<b>Total Fund Benchmark</b>	<b>9.4</b>	<b>-0.5</b>	<b>-13.6</b>	<b>13.5</b>	<b>9.8</b>	<b>-2.0</b>	<b>3.2</b>

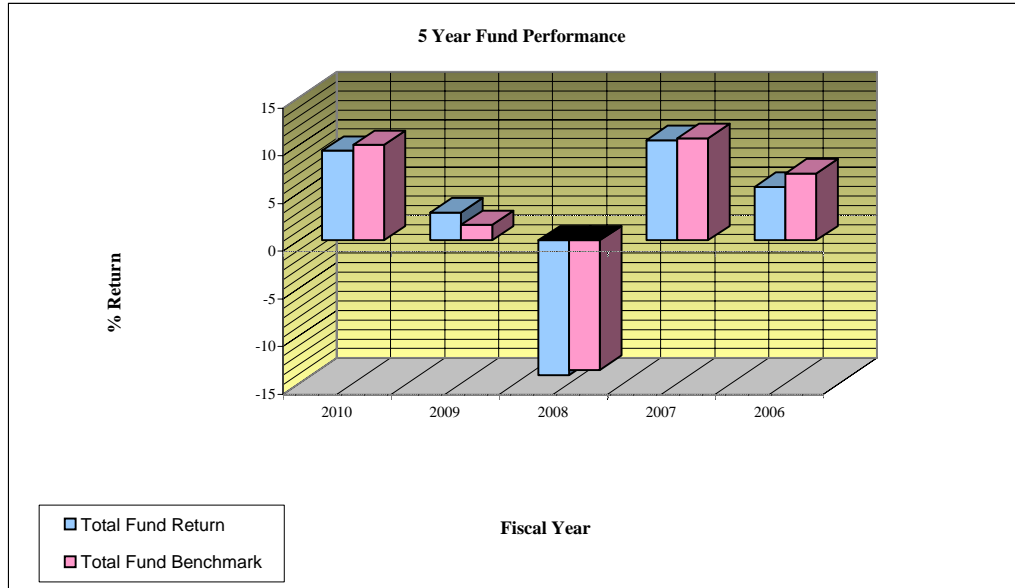


Note: Rate of Returns are time weighted & gross of fees. Based on rate of return in accordance with the CFA Institute's Performance Presentation Standards

**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
	2010	2009	2008	2007	2006	2008-2010	2006-2010
<b>Equities</b>							
Fund Return - Domestic Equities	10.9	-5.5	-23.0	19.0	7.1	-6.9	0.6
S&P 500	10.2	-6.9	-22.0	16.5	10.8	-7.2	0.6
Russell 1000 - Growth Stock	12.7	-1.9	-20.9	19.4	10.5	-4.4	2.1
Dow Jones	11.1	-7.4	-21.9	19.0	6.1	-8.1	0.4
<b>Fixed Income</b>							
Fund Return - Fixed Income	8.1	10.3	4.2	2.6	3.9	7.5	5.7
Barclays U.S. - Aggregate	8.2	10.6	3.7	5.1	3.7	7.4	6.2
Barclays - Mortgage Backed	5.8	9.9	7.0	5.3	4.2	7.6	6.5
Barclays - Government/Credit	8.7	10.0	2.4	5.1	3.3	7.5	6.2
<b>Cash Equivalent (Money Market Funds)</b>							
Fund Return	N/A	N/A	N/A	5.5	4.7	N/A	N/A
T-Bills - 91 Days	0.1	0.4	2.9	5.2	4.5	1.1	2.6
<b>Total Fund Return</b>	<b>9.4</b>	<b>2.9</b>	<b>-14.1</b>	<b>10.5</b>	<b>5.6</b>	<b>-1.4</b>	<b>2.3</b>
<b>Total Fund Benchmark</b>	<b>10.0</b>	<b>1.6</b>	<b>-13.6</b>	<b>10.7</b>	<b>7.0</b>	<b>-1.2</b>	<b>2.7</b>



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, 2010**

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

	<u>Shares</u>	<u>Stocks</u>		<u>Fair Value</u>
1)	17,500	Apple	\$	4,965,625
2)	183,127	Wells Fargo		4,591,000
3)	101,482	Qualcomm Inc		4,561,632
4)	100,491	Hewlett Packard		4,219,621
5)	252,490	General Electric		4,070,138
6)	23,700	Netflix		3,843,192
7)	169,797	Cisco Sys		3,718,620
8)	107,006	Cvs Corp		3,357,849
9)	55,224	Proctor & Ganble		3,286,356
10)	83,259	Omnicom Group		3,272,892

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

	<u>Par</u>	<u>Bonds</u>	<u>Coupon</u>	<u>Maturity</u>		<u>Fair Value</u>
1)	3,900,000	FED HM LN	4.50%	5/1/2025	\$	3,982,324
2)	36,400,000	United States Treasury	0.88%	1/31/2011		3,648,372
3)	2,934,000	United States Treasury	3.75%	11/15/2018		3,277,835
4)	3,805,000	United States Treasury	2.95%	8/15/2019		3,026,725
5)	2,500,000	United States Treasury	4.75%	2/15/2037		2,988,675
6)	2,500,000	United States Treasury	1.00%	4/30/2012		2,525,200
7)	2,122,000	FED HM LN	4.50%	8/1/2040		2,191,380
8)	1,576,000	United States Treasury	2.63%	8/15/2020		1,590,782
9)	1,342,000	United States Treasury	2.13%	11/30/2014		1,402,604
10)	899,000	United States Treasury	4.38%	5/15/2040		1,009,693

**Staff Largest Stock Holdings (By Fair Value)**

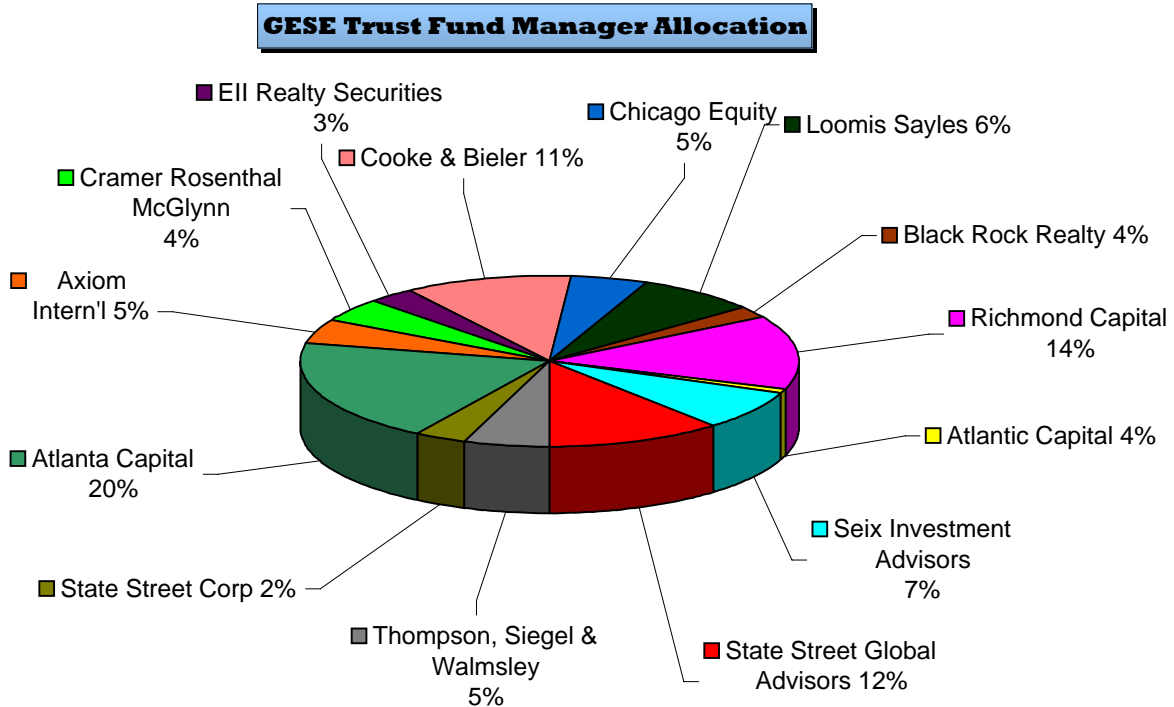
	<u>Shares</u>	<u>Stocks</u>		<u>Fair Value</u>
1)	67,919	Vanguard Total Bond	\$	738,964
2)	6,625	Vanguard 500 Index		696,054
3)	5,635	Vanguard Small Cap		171,418
4)	10,312	Vanguard Total International		154,175

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, 2010**

<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>
<b>GESE Trust</b>					
<b>Domestic Equity Segment</b>	<b>289,682,063</b>	<b>52.6%</b>	<b>8.9%</b>	<b>10.2%</b>	<b>79</b>
Atlanta Capital Management	\$ 106,635,446	19.4%	8.9%	12.7%	74
Insight Capital	4,214,102	0.8%	8.3%	14.8%	94
Cooke & Bieler	60,640,263	11.0%	8.7%	8.9%	55
Cramer Rosenthal McGlynn	24,252,494	4.4%	12.4%	11.9%	69
State Street Global Advisors	63,840,883	11.6%	10.2%	10.2%	46
Thompson, Siegel & Walmsley, Inc.	30,098,876	5.5%	4.2%	8.9%	55
<b>International Equity Segment</b>	<b>52,964,307</b>	<b>9.6%</b>	<b>4.5%</b>	<b>3.3%</b>	<b>68</b>
Axiom International Investors	25,642,006	4.7%	5.2%	3.3%	62
Invesco Capital Management	27,322,301	5.0%	3.8%	3.3%	72
<b>Real Estate Segment</b>	<b>30,440,326</b>	<b>5.5%</b>	<b>16.4%</b>	<b>5.8%</b>	<b>20</b>
BlackRock Realty	13,480,749	2.4%	0.1%	5.8%	71
EII Realty Securities, Inc.	16,959,578	3.1%	31.8%	28.3%	19
<b>Fixed Income Segment</b>	<b>158,567,482</b>	<b>28.8%</b>	<b>8.6%</b>	<b>8.2%</b>	<b>58</b>
Chicago Equity Partners	41,803,675	7.6%	-	-	-
Richmond Capital Management	75,827,154	13.8%	9.1%	8.2%	48
Seix Investment Advisors	40,936,653	7.4%	8.5%	8.2%	60
<b>Cash Equivalents Administrative account</b>					
State Street Corporation	18,686,543	3.4%	0.1%	0.1%	75
<b>TOTAL GESE Trust</b>	<b>\$ 550,340,722</b>	<b>100.0%</b>	<b>-1.4%</b>	<b>-0.5%</b>	<b>69</b>

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

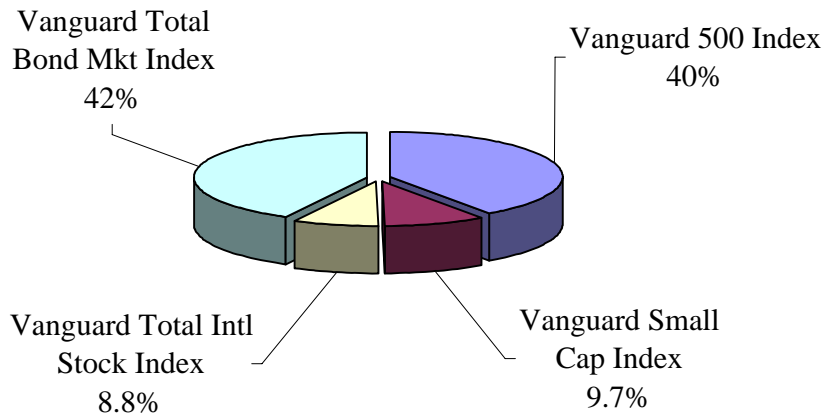


**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION  
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS  
FUND MANAGER ALLOCATION  
AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 2010**

<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>
<b>Staff Plan</b>					
<b>Domestic Equity Segment</b>	<b>867,477</b>	<b>49.3%</b>	<b>10.9%</b>	<b>10.8%</b>	<b>60</b>
Vanguard 500 Index	\$ 696,059	39.5%	9.9%	10.2%	20
Vanguard Small Cap Index	171,418	9.7%	15.2%	13.3%	25
<b>International Equity Segment</b>	<b>154,175</b>	<b>8.8%</b>			
Vanguard Total Intl Stock Index	154,175	8.8%	7.7%	7.6%	49
<b>Fixed Income Segment</b>	<b>738,964</b>	<b>42.0%</b>	<b>8.1%</b>	<b>8.2%</b>	<b>69</b>
Vanguard Total Bond Mkt Index	738,964	42.0%	8.1%	8.2%	84
<b>Cash Equivalents Administrative account</b>					
<b>TOTAL Staff Trust</b>	<b>\$ 1,760,616</b>	<b>100.0%</b>	<b>9.4%</b>	<b>10.0%</b>	<b>53</b>

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, 2010**

<b><u>Investment Manager's Style</u></b>	<b><u>Assets Under Management</u></b>	<b><u>Investment Fees</u></b>
<b><i>GESE Trust</i></b>		
Equity Managers	\$ 342,646,371	\$ 1,700,015
Fixed Income Managers	158,567,482	366,765
Real Estate Managers	30,440,327	112,580
Money Market Funds	<u>18,686,543</u>	<u>-</u>
Total GESE Trust	<b><u>\$ 550,340,723</u></b>	<b><u>\$ 2,179,360</u></b>
<b><i>Staff Plan</i></b>		
Vanguard Funds	\$ 1,760,616	\$ -
	<u>-</u>	<u>-</u>
Total Staff Plan	<b><u>\$ 1,760,616</u></b>	<b><u>\$ -</u></b>
<b>Total Investment Expenses</b>	<b><u>\$ 552,101,339</u></b>	<b><u>\$ 2,179,360</u></b>
<b><u>Other Investment Service Fees GESE Trust</u></b>		
Custodian		\$ -
Investment Consultant		<u>-</u>
<b>Total Other Investment Service Fees <sup>1</sup></b>		<b><u>\$ -</u></b>

<sup>1</sup> Other Investment Service Fees are included in the administrative and other expenses.

**CITY OF MIAMI GENERAL EMPLOYEES' & SANITATION EMPLOYEES' RETIREMENT  
AND OTHER MANAGED TRUSTS  
SCHEDULE OF COMMISSIONS  
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

Brokerage Firm	Number of Shares Traded	Total Commission	Commissions Per Share
ABEL NOSER CORPORATION	23,400.00	348.50	0.015
AMERICAN TECHNOLOGIES	5,900.00	236.00	0.040
ANCORA SECURITIES INC	11,800.00	472.00	0.040
AQUA SECURITIES LP	3,200.00	64.00	0.020
AVIAN SECURITIES	130,400.00	6,469.00	0.050
AVONDALE PARTNERS LLC	4,400.00	173.50	0.039
B RILEY AND CO INC.	2,200.00	66.00	0.030
BAIRD, ROBERT W., & COMPANY INCORPORATED	106,000.00	4,438.50	0.042
BARCLAYS CAPITAL LE	526,220.00	17,884.10	0.034
BLOOMBERGTRADEBOOK LLC	200.00	2.00	0.010
BMO CAPITAL MARKETS	36,600.00	1,340.50	0.037
BNY CONVERGEX	137,318.00	5,008.39	0.036
BREAN MURRAY	6,000.00	210.00	0.035
BROADCORTCAPITAL (THRU ML)	716,040.00	27,264.60	0.038
BTIG , LLC	30,900.00	634.50	0.021
BUCKINGHAM RESEARCH GROUP INC	1,200.00	48.00	0.040
CANTOR FITZGERALD + CO.	274,625.00	6,564.00	0.024
CAPITAL INSTITUTIONAL SVCS INC EQUITIES	7,000.00	70.00	0.010
CHAPDELAIN INSTITUTIONAL	15,200.00	608.00	0.040
CITIGROUPGLOBAL MARKETS INC	313,325.00	11,915.00	0.038
CJS SECURITIES LLC	5,000.00	150.00	0.030
COLLINS STEWART	100.00	4.00	0.040
COWEN ANDCOMPANY, LLC	75,875.00	2,892.00	0.038
CREDIT RESEARCH + TRADING LLC	14,600.00	730.00	0.050
CREDIT SUISSE SECURITIES (USA) LLC	206,775.00	4,564.50	0.022
CSI US INSTITUTIONAL DESK	400.00	16.00	0.040
DAHLMAN ROSE + COMPANY LLC	7,400.00	222.00	0.030
DAVENPORT& CO. OF VIRGINIA, INC.	58,700.00	2,325.00	0.040
DAVIDSON D.A. + COMPANY INC	600.00	24.00	0.040
DEUTSCHE BANK SECURITIES INC	111,202.00	4,478.96	0.040
DIRECT TRADING INSTITUTIONAL	1,900.00	9.50	0.005
DONALDSON+ CO INCORPORATED	201,900.00	9,085.50	0.045
DOWLING &PARTNERS	2,800.00	112.00	0.040
ELECTRONIC SPECIALIST, LLC	188,100.00	7,007.50	0.037
FIDELITY CAPITAL MARKETS	42,300.00	1,239.50	0.029
FRIEDMAN BILLINGS + RAMSEY	31,500.00	1,069.00	0.034
GOLDMAN SACHS + CO	151,500.00	6,640.00	0.044
GOLDMAN SACHS INTERNATIONAL	150.00	4.50	0.030
GORDON HASKETT & CO	10,900.00	436.00	0.040
GREEN STREET ADVISORS	76,500.00	3,825.00	0.050
HIBERNIA SOUTHCOAST CAPITAL INC	8,300.00	254.00	0.031
HOWARD WEIL DIVISION LEGG MASON	25,900.00	947.00	0.037
INSTINET	58,200.00	977.00	0.017
INVESTMENT TECHNOLOGY GROUP INC.	2,567,895.00	14,946.15	0.006
ISI GROUPINC	273,900.00	12,802.50	0.047
J P MORGAN SECURITIES INC	194,700.00	7,207.50	0.037
JANNEY MONTGOMERY, SCOTT INC	1,575.00	47.25	0.030
JEFFERIES+ COMPANY INC	103,800.00	3,456.00	0.033
JMP SECURITIES	9,175.00	314.00	0.034
JNK SECURITIES INC	2,700.00	67.50	0.025
JOHNSON RICE + CO	1,400.00	56.00	0.040
JONESTRADING INSTITUTIONAL SERVICES LLC	69,800.00	1,683.00	0.024
KEEFE BRUYETTE + WOODS INC	125,550.00	4,278.50	0.034
KEYBANC CAPITAL MARKETS INC	48,725.00	1,971.50	0.040
KING, CL,& ASSOCIATES, INC	59,300.00	1,852.00	0.031
KNIGHT DIRECT LLC	36,200.00	181.00	0.005
KNIGHT SECURITIES	1,478,575.00	52,637.65	0.036
LADENBURGTHALMAN + CO	6,100.00	244.00	0.040

**CITY OF MIAMI GENERAL EMPLOYEES' & SANITATION EMPLOYEES' RETIREMENT  
AND OTHER MANAGED TRUSTS  
SCHEDULE OF COMMISSIONS  
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

Brokerage Firm	Number of Shares Traded	Total Commission	Commissions Per Share
LAZARD CAPITAL MARKETS LLC	12,700.00	254.00	0.020
LEERINK SWANN AND COMPANY	2,500.00	93.50	0.037
LEK SECURITIES CORP	800.00	24.00	0.030
LIQUIDNETINC	366,305.00	6,768.60	0.018
LONGBOW SECURITIES LLC	1,500.00	60.00	0.040
MACQUARIESECURITIES (USA) INC	26,800.00	1,287.00	0.048
MERLIN SECURITIES LLC	37,700.00	754.00	0.020
MERRILL LYNCH PROFESSIONAL CLEARING CORP	10,900.00	353.00	0.032
MERRILL LYNCH,PIERCE,FENNER + SMITH, INC	400,700.00	13,605.50	0.034
MERRIMAN CURHAN FORD + CO	15,100.00	552.50	0.037
MIDWEST RESEARCH SECURITIES	24,200.00	1,204.00	0.050
MKM PARTNERS	6,500.00	194.00	0.030
MONTROSE SECURITIES EQUITIES	30,500.00	305.00	0.010
MORGAN JOSEPH + CO INC	750.00	30.00	0.040
MORGAN KEEGAN & CO INC	28,500.00	1,181.00	0.041
MORGAN STANLEY CO INCORPORATED	549,450.00	17,729.50	0.032
MR BEAL &COMPANY	9,300.00	131.00	0.014
NEEDHAM +COMPANY	36,200.00	1,159.00	0.032
NORTHLANDSECURITIES INC. Total	8,300.00	332.00	0.040
OPPENHEIMER & CO. INC.	71,550.00	2,767.50	0.039
PACIFIC CREST SECURITIES	7,900.00	237.00	0.030
PICKERING ENERGY PARTNERS, INC	24,500.00	967.00	0.039
PIPELINE TRADING SYSTEMS LLC	15,225.00	288.90	0.019
PIPER JAFFRAY	20,500.00	760.50	0.037
PORTALES PARTNERS LLC	11,600.00	464.00	0.040
PRIME EXECUTIONS INC	46,000.00	2,300.00	0.050
PULSE TRADING LLC	9,150.00	171.50	0.019
RAYMOND JAMES AND ASSOCIATES INC	103,400.00	4,409.00	0.043
RBC CAPITAL MARKETS	91,841.00	4,025.64	0.044
ROCHDALE SEC CORP.(CLS THRU 443)	9,200.00	368.00	0.040
SANDLER ONEILL + PART LP	12,400.00	470.50	0.038
SANFORD CBERNSTEIN CO LLC	110,625.00	3,176.50	0.029
SCOTT & STRINGFELLOW, INC	42,300.00	1,383.50	0.033
SHERWOOD SECURITIES CORP THRU SPEAR LEED	600.00	24.00	0.040
SIDOTI + COMPANY LLC	4,600.00	184.00	0.040
SJ LEVINSON & SONS LLC	5,200.00	109.50	0.021
STEPHENS,INC.	200.00	7.00	0.035
STERNE, AGEE & LEACH, INC.	28,100.00	936.00	0.033
STIFEL NICOLAUS + CO INC	94,200.00	3,698.50	0.039
SUNTRUST CAPITAL MARKETS, INC.	54,225.00	2,309.50	0.043
THE BENCHMARK COMPANY, LLC	18,500.00	665.00	0.036
THOMAS WEISEL PARTNERS LLC	121,100.00	2,776.00	0.023
TRADITIONASIEL SECURITIES INC	29,900.00	1,495.00	0.050
UBS SECURITIES LLC	201,900.00	6,035.00	0.030
UNX INC.	500.00	5.00	0.010
WEDBUSH MORGAN SECURITIES INC	12,900.00	309.00	0.024
WEEDEN + CO.	366,350.00	7,184.00	0.020
WELLS FARGO SECURITIES, LLC	278,300.00	10,894.50	0.039
WESTMINSTER RES ASOC/ BROADCORT CAPT CL	15,200.00	760.00	0.050
WESTMINSTER RESEARCH ASSOCIATE	32,100.00	1,605.00	0.050
WILLIAM BLAIR & COMPANY, L.L.C	2,100.00	84.00	0.040
WILLIAMS CAPITAL GROUP LP (THE)	25,200.00	1,134.00	0.045
<b>Total</b>	<b>12,047,996.00</b>	<b>340,596.24</b>	<b>0.029</b>
<b>Total Shares - Broker Report</b>	<b>815,110,072.04</b>		
	<b>815,110,072.04</b>		



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

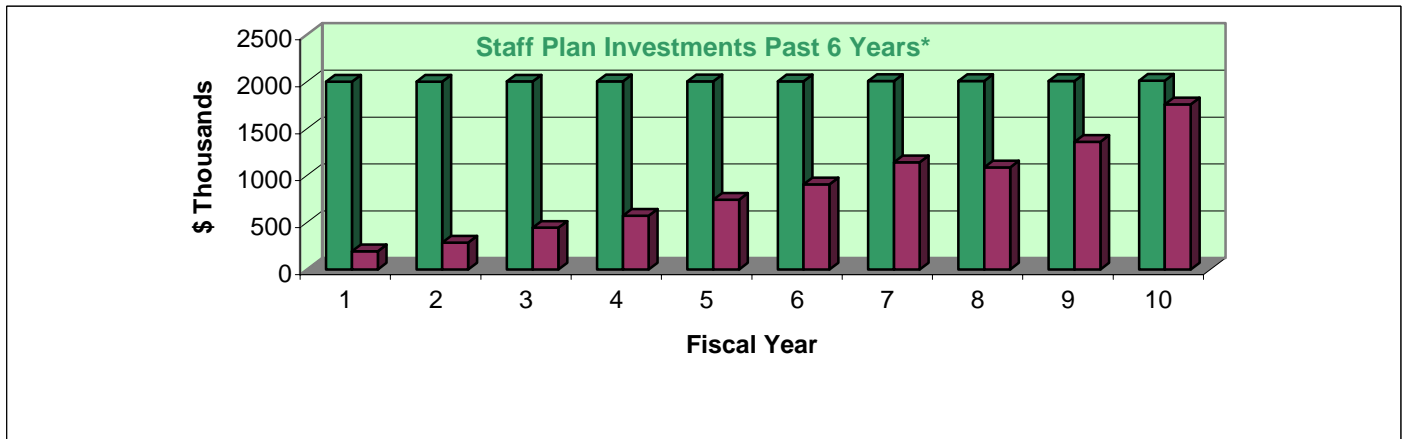
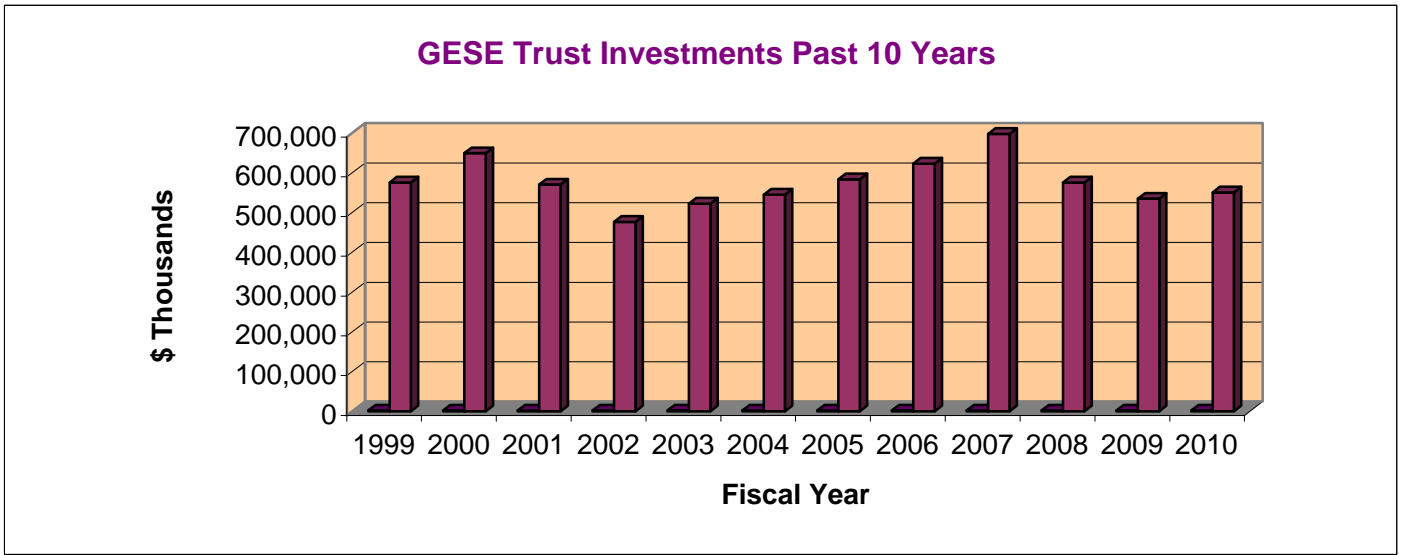
**INVESTMENT SUMMARY  
SEPTEMBER 30, 2010**

<u>Type of Investment</u>	<u>GESE Trust</u>		<u>Staff Plan</u>	
	<u>Fair Value at 9/30/10</u>	<u>Percent of Total Fair Value</u>	<u>Fair Value at 9/30/10</u>	<u>Percent of Total Fair Value</u>
<b>Fixed Income</b>				
U.S. Government Obligations	\$18,686,544	3.40%		
Federal Instrumentalities	19,448,447	3.53%		
Mortgage Backed Securities	58,234,747	10.58%		
Asset Backed Securities	12,830,538	2.33%		
Domestic Corporate Bonds	64,137,202	11.65%		
Vanguard Total Bond Mkt			738,964	
International Bonds (Yankees)	3,916,548	0.71%		
<b>Total Fixed Income</b>	<u>\$177,254,026</u>	<u>32.21%</u>	<u>\$738,964</u>	<u>41.97%</u>
<b>Common Stock</b>				
Consumer	\$44,658,169	8.11%		
Energy	18,384,035	3.34%		
Financial	49,068,451	8.92%		
Healthcare	26,299,822	4.78%		
Industrials	38,271,546	6.95%		
Information Technology	37,637,900	6.84%		
Materials	7,148,707	1.30%		
Telecommunications & Utilities	-12,658,012	-2.30%		
International		0.00%	154,175	
Vanguard Small Cap Index			171,418	
Vanguard 500 Index			696,054	
Commingled Equity Fund	133,835,752	24.32%		
<b>Total Common Stock</b>	<u>\$342,646,371</u>	<u>62.26%</u>	<u>\$1,021,647</u>	<u>58.03%</u>
	0			
<b>Real Estate</b>				
Real Estate Fund	\$30,440,327	5.53%		
Real Estate Investment Trust	0	0.00%		
<b>Total Real Estate</b>	<u>\$30,440,327</u>	<u>5.53%</u>		
<b>Short term Investments</b>				
Short term Investment Fund	\$0	0.00%		0.00%
<b>TOTAL INVESTMENTS</b>	<u>\$550,340,723</u>	<u>100.00%</u>	<u>\$1,760,611</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 (\$ Thousands)</u>	<u>Staff Plan * (\$ Thousands)</u>
1996	410,963	
1997	512,165	
1998	509,334	
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



\* Staff Plan was implemented during fiscal year ended September 30, 2001

# **Actuarial Section**



# Cavanaugh Macdonald

CONSULTING, LLC

*The experience and dedication you deserve*

March 10, 2011

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 15 years. The actuarial cost method is designed to achieve this objective.

The most recent annual actuarial valuation was prepared as of October 1, 2009. The actuarial assumptions, as set forth in Table XI of the actuary's October 1, 2009 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

3550 Busbee Pkwy, Suite 250, Kennesaw, GA 30144

Phone (678) 388-1700 • Fax (678) 388-1730

[www.CavMacConsulting.com](http://www.CavMacConsulting.com)

Offices in Englewood, CO • Kennesaw, GA • Hilton Head Island, SC



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 2009 valuation, it is our opinion that the Retirement Trust continues in sound financial condition. To the best of my knowledge, the results of the 2009 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 stroke extending to the right.

Jose I. Fernandez, ASA, EA, FCA, MAAA  
Principal and Consulting Actuary  
Enrolled Actuary No. 08-4461

JIF:kc

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION  
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS  
SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS  
SEPTEMBER 30, 2010**

---

**GESE Trust – Actuarial Assumptions and Methods**

**Actuarial Cost Method of Valuation:**

The modified individual entry age normal cost method of valuation was used in determining actuarial liabilities and normal cost. This method was effective with the October 1, 1997 actuarial valuation for the 1998 fiscal year. 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. Actuarial gains and losses reduce or increase the unfunded liability and are amortized over 15 years from the date of the gain or loss.

As of October 1, 1997, the unfunded actuarial accrued liability is zero. Currently, changes in actuarial assumptions and methods, plan amendments, and actuarial gains and losses are amortized as a level percent of pay 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 making the valuation was 8.10% per annum, compounded annually, including inflation, effective October 1, 1995. 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 5.25% per annum, including inflation, effective October 1, 2006. Total active member payroll is assumed to increase at the rate of 3.00% per annum effective October 1, 2008.
- **Inflation Rate** – The assumed inflation rate is 3.5% per annum, effective October 1, 1995
- **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, effective October 1, 2008. Each year, starting with the market value as of October 1, 2007, 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

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION  
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS  
SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS  
SEPTEMBER 30, 2010**

---

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. This method will phase in over a five-year period beginning with the year ended September 30, 2008.

**GESE Trust – Actuarial Assumptions and Methods (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 May 2009, which became effective with the October 1, 2009 valuation. The assumptions revised as a result of this study were turnover rates for employees with less than five years of service, disability rates, and mortality rates before and after retirement.

**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, effective October 1, 2009. 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	0.03%	30	0.06%	40	0.10%	50	0.18%
25	0.03%	35	0.08%	45	0.13%	55	0.26%

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION  
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS  
SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS  
SEPTEMBER 30, 2010**

---

**GESE Trust – Actuarial Assumptions and Methods (Cont'd)**

**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, effective October 1, 2009. The rates for ages 45 through 54 are the assumed rates before the age of 55 under the rule of 70.

<b>Age</b>	<b>Rate</b>	<b>Age</b>	<b>Rate</b>	<b>Age</b>	<b>Rate</b>	<b>Age</b>	<b>Rate</b>	<b>Age</b>	<b>Rate</b>
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%

**Excess Benefit Plan - Actuarial Assumptions and Methods**

**Actuarial Cost Method of Valuation:**

The modified individual entry age normal cost method of valuation was used in determining actuarial liabilities and normal cost. This method was effective October 1, 2000. Under this method, the present value of future normal cost equals the present value of all future benefits less the present value of future employee contributions less the greater of the actuarial accrued liability or the actuarial value of assets where the total cost is not less than zero. .

For determination of the Annual Required Contribution, the City contribution requirement, the unfunded actuarial accrued liability is amortized over 30 years from October 1, 2000.

**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 making the valuation was 8.10% per annum, compounded annually, including inflation, effective October 1, 2000. The City provides for the non-investment expenses of the GESE Trust.
- **Salary Increase Rate** - Salaries are assumed to increase at the rate of 5.25% per annum, including inflation, effective October 1, 2002. There is no assumed total active member payroll increase.
- **Inflation Rate** – The assumed inflation rate is 3.5% per annum, effective October 1, 2000.

**Excess Benefit Plan - Actuarial Assumptions and Methods (Cont'd)**



**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION  
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS  
SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS  
SEPTEMBER 30, 2010**

---

**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.

**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, 2009.

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	0.03%	30	0.06%	40	0.10%	50	0.18%
25	0.03%	35	0.08%	45	0.13%	55	0.26%

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION  
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS  
SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS  
SEPTEMBER 30, 2010**

---

**Excess Benefit Plan - Actuarial Assumptions and Methods (Cont'd)**

**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, effective October 1, 2000. The rates for ages 45 through 54 are the assumed rates before the age of 55 under the rule of 70.

Age	Rate	Age	Rate	Age	Rate	Age	Rate	Age	Rate
45	10%	50	15%	55	26%	60	18%	65	16%
46	10%	51	15%	56	18%	61	18%	66	16%
47	10%	52	15%	57	18%	62	18%	67	16%
48	10%	53	15%	58	18%	63	18%	68	16%
49	10%	54	15%	59	18%	64	18%	69	16%
								70	100%

**Staff Plan - Actuarial Assumptions and Methods**

**Actuarial Cost Method of Valuation:**

The modified individual entry age normal cost method of valuation was used in determining actuarial liabilities and normal cost. This method was effective July 1, 2001. 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. Actuarial gains and losses reduce or increase the unfunded liability and are amortized over 15 years from the date of the gain or loss.

Beginning with the October 1, 2001 actuarial valuation, 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 30 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 making the valuation was 8.10% per annum, compounded annually, including inflation, effective July 1, 2001. 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, effective July 1, 2001. There is no assumed total active member payroll increase.
- **Inflation Rate** - The assumed inflation rate is 3.5% per annum, effective October 1, 2000.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION  
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS  
SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS  
SEPTEMBER 30, 2010**

---

**Staff Plan - Actuarial Assumptions and Methods (Cont'd)**

**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 is equal to the estimated present value of employee payments to purchase credit for service to the effective date of the plan (July 1, 2001).

**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.

**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, effective October 1, 2001.

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%

**Staff Plan - Actuarial Assumptions and Methods (Cont'd)**

**Probability Table of Retirement:**

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION  
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS  
SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS  
SEPTEMBER 30, 2010**

---

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

<b>Age</b>	<b>Rate</b>	<b>Age</b>	<b>Rate</b>	<b>Age</b>	<b>Rate</b>	<b>Age</b>	<b>Rate</b>	<b>Age</b>	<b>Rate</b>
45	15%	50	20%	55	30%	60	20%	65	20%
46	15%	51	20%	56	20%	61	20%	66	20%
47	15%	52	20%	57	20%	62	20%	67	20%
48	15%	53	20%	58	20%	63	20%	68	20%
49	15%	54	20%	59	20%	64	20%	69	20%
								70	100%

In addition, the valuation assumes a 50% probability that the Administrator will retire upon reaching the rule of 70 eligibility requirement.

**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
10/1/2004	1,525	\$72,521,132	\$47,555	4.57%	11	\$487,639	\$44,331	-1.15%
10/1/2005	1,479	\$71,485,284	\$48,334	1.64%	10	\$455,220	\$45,522	2.69%
10/1/2006	1,575	\$75,609,062	\$48,006	-0.68%	11	\$643,770	\$58,525	28.56%
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%

**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		
9/30/2004	104	\$3,827,382	69	\$775,217	1,863	\$42,688,431	8.76%	\$22,914
9/30/2005	105	\$4,031,973	68	\$575,329	1,900	\$46,484,240	8.89%	\$24,465
9/30/2006	66	\$2,564,996	70	\$834,327	1,914	\$48,784,500	4.95%	\$25,488
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

**SOLVENCY TEST**

Valuation Date	Aggregate Accrued Liabilities For				Portion of Accrued Liabilities Covered by Reported Assets		
	(1) Active Member Contributions	(2) Retirants and Beneficiaries	(3) Active Member Employer Financed Portion	Actuarial Value of Assets	(1) Active Member Contributions	(2) Retirants and Beneficiaries	(3) Active Member Employer Financed Portion
<b>GESE Trust</b>							
10/1/2004	\$70,860,296	\$440,795,238	\$198,288,551	\$564,591,815	100%	100%	27%
10/1/2005	\$69,283,264	\$489,361,544	\$187,680,026	\$588,495,706	100%	100%	16%
10/1/2006	\$71,360,525	\$498,024,653	\$162,631,011	\$618,482,563	100%	100%	30%
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%
<b>Staff Plan</b>							
10/1/2004	\$316,245	\$0	\$689,601	\$615,132	100%	0%	43%
10/1/2005	\$340,363	\$0	\$743,912	\$768,336	100%	0%	58%
10/1/2006	\$399,499	\$0	\$729,777	\$939,698	100%	0%	74%
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%

\* - 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		
9/30/2004	8	\$124,516	2	\$288	37	\$577,160	17.15%	\$15,599
9/30/2005	8	\$56,716	1	\$864	44	\$581,954	0.83%	\$13,226
9/30/2006	5	\$53,898	8	\$15,157	41	\$534,671	-8.12%	\$13,041
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

**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>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b>Age &amp; Service Retirements</b>	(10,617,895)	(3,817,021)	(1,613,670)	(9,608,495)
<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>				
<b>Disability Retirements</b>	(236,050)	(418,968)	(278,497)	337,733
<small>If disability claims are less than assumed, there is a gain. If more claims, a loss.</small>				
<b>Death-In-Service Retirements</b>	(420,169)	(412,365)	(314,151)	50,730
<small>If survivor claims are less than assumed, there is a gain. If more claims, a loss.</small>				
<b>Withdrawal From Employment</b>	(1,684,855)	(250,578)	711,613	10,838,126
<small>If more liabilities are released by withdrawals than assumed, there is a gain. If smaller releases, a loss.</small>				
<b>New Members</b>	(331,612)	(1,225,854)	(1,670,027)	(4,912,478)
<small>If there are more new members than assumed, there is a gain. If less, a loss.</small>				
<b>Pay Increases</b>	(280,629)	(6,278,047)	(8,358,849)	1,765,200
<small>If there are smaller pay increases than assumed, there is a gain. If greater increases, a loss.</small>				
<b>Contribution Income</b>	(9,441)	(428,926)	646,196	293,929
<small>If more contributions are received than expected, there is a gain. If less, a loss.</small>				
<b>Investment Income</b>	(81,292,629)	(40,864,656)	15,048,772	2,910,563
<small>If there is greater Investment income than assumed, there is a gain. If less income, a loss.</small>				
<b>Death After Retirement</b>	2,579,278	(393,975)	334,585	283,572
<small>If retirants live longer than assumed, there is a loss. If not as long, a gain</small>				
<b>Other</b>	(13,310,765)	4,798,165	(3,869,829)	232,668
<small>Miscellaneous gains and losses resulting from data adjustments, timing of financial transactions, valuation methods, etc.</small>				
<b>Gain (or Loss) During Year From Financial Experience</b>	<u>(105,604,767)</u>	<u>(49,292,225)</u>	<u>636,143</u>	<u>2,191,548</u>
<b>Non-Recurring Items</b>	<u>80,716,697</u>	<u>31,185,707</u>	<u>-</u>	<u>35,017,429</u>
<small>Adjustments for plan amendments, assumption changes, etc</small>				
<b>Composite Gain (or Loss) During Year</b>	<u>(24,888,070)</u>	<u>(18,106,518)</u>	<u>636,143</u>	<u>37,208,977</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**

	<b>\$ Gain (or Loss) For Year Ending September 30,</b>		
	<b>EXCESS BENEFIT PLAN</b>		
	<b><u>2009</u></b>	<b><u>2008</u></b>	<b><u>2007</u></b>
<b>Age &amp; Service Retirements</b>	(73,059)	198,371	(189,227)
If members retire at older ages or with lower final average pay than assumed, there is a gain. If younger ages or higher average pay, a loss.			
<b>Disability Retirements</b>	(2,400)	(4,401)	(27,891)
If disability claims are less than assumed, there is a gain. If more claims, a loss.			
<b>Death-In-Service Retirements</b>	(3,651)	(3,299)	(31,208)
If survivor claims are less than assumed, there is a gain. If more claims, a loss.			
<b>Withdrawal From Employment</b>	(26,492)	(39,210)	33,946
If more liabilities are released by withdrawals than assumed, there is a gain. If smaller releases, a loss.			
<b>New Members</b>	0	0	59,640
If there are more new members than assumed, there is a gain. If less, a loss.			
<b>Pay Increases</b>	(195,112)	(649,006)	(840,650)
If there are smaller pay increases than assumed, there is a gain. If greater increases, a loss.			
<b>Contribution Income</b>	(101,721)	(451,233)	0
If more contributions are received than expected, there is a gain. If less, a loss.			
<b>Investment Income</b>	(4,120)	(15,721)	0
If there is greater Investment income than assumed, there is a gain. If less income, a loss.			
<b>Death After Retirement</b>	(6,594)	(108,994)	36,313
If retirants live longer than assumed, there is a loss. If not as long, a gain			
<b>Other</b>	(418,372)	4,383,775	239,980
Miscellaneous gains and losses resulting from data adjustments, timing of financial transactions, valuation methods, etc.			
<b>Gain (or Loss) During Year From Financial Experience</b>	<b>(831,521)</b>	<b>3,310,282</b>	<b>(719,097)</b>
<b>Non-Recurring Items</b>	<b>57,169</b>	<b>-</b>	<b>-</b>
Adjustments for plan amendments, assumption changes, etc			
<b>Composite Gain (or Loss) During Year</b>	<b>(774,352)</b>	<b>3,310,282</b>	<b>(719,097)</b>



# 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,		
	STAFF PENSION PLAN		
	<u>2009</u>	<u>2008</u>	<u>2007</u>
<b>Age &amp; Service Retirements</b>	5,825	6,130	43,925
<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>			
<b>Disability Retirements</b>	(269)	(1,221)	(255)
<small>If disability claims are less than assumed, there is a gain. If more claims, a loss.</small>			
<b>Death-In-Service Retirements</b>	(1,453)	(1,217)	(930)
<small>If survivor claims are less than assumed, there is a gain. If more claims, a loss.</small>			
<b>Withdrawal From Employment</b>	(12,381)	42,371	(16,437)
<small>If more liabilities are released by withdrawals than assumed, there is a gain. If smaller releases, a loss.</small>			
<b>New Members</b>	0	(4,396)	(18,230)
<small>If there are more new members than assumed, there is a gain. If less, a loss.</small>			
<b>Pay Increases</b>	(86,577)	6,589	(50,447)
<small>If there are smaller pay increases than assumed, there is a gain. If greater increases, a loss.</small>			
<b>Contribution Income</b>	38,869	(50,674)	(4,598)
<small>If more contributions are received than expected, there is a gain. If less, a loss.</small>			
<b>Investment Income</b>	(107,215)	(84,166)	(2,400)
<small>If there is greater Investment income than assumed, there is a gain. If less income, a loss.</small>			
<b>Death After Retirement</b>	0	0	0
<small>If retirants live longer than assumed, there is a loss. If not as long, a gain</small>			
<b>Other</b>	14,072	142,949	(252,274)
<small>Miscellaneous gains and losses resulting from data adjustments, timing of financial transactions, valuation methods, etc.</small>			
<b>Gain (or Loss) During Year From Financial Experience</b>	<b>(149,129)</b>	<b>56,365</b>	<b>(301,646)</b>
<b>Non-Recurring Items</b>	-	<b>(25,806)</b>	-
<small>Adjustments for plan amendments, assumption changes, etc</small>			
<b>Composite Gain (or Loss) During Year</b>	<b>(149,129)</b>	<b>30,559</b>	<b>(301,646)</b>

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION  
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS  
SUMMARY PLAN PROVISIONS  
SEPTEMBER 30, 2010**

---

**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 persons eligible to decline membership. 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 or 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:**

Members contribute ten percent of compensation to the GESE Trust. 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 contribution have been made. Contributions required for paybacks shall not be picked up by the City, but may be deducted from a member's contribution. 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. Contributions will be at the member's current rate of compensation and contribution.

**3. BENEFITS:**

**Key Definitions:**

**Average final compensation** is the average annual earnable compensation during the greater of the last two years or highest two years of membership service for any member than 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 greater of the last one year or 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.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION  
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS  
SUMMARY PLAN PROVISIONS  
SEPTEMBER 30, 2010**

---

**3. BENEFITS (Cont'd):**

***Key Definitions (Cont'd):***

***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.

**(A) Service Retirement:**

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.

**(B) Rule of 70 Retirement:**

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.

**(C) Early Service Retirement Benefit:**

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.

**(D) Deferred Vested Retirement Benefit:**

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 55.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION  
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS  
SUMMARY PLAN PROVISIONS  
SEPTEMBER 30, 2010**

---

**4. OPTIONAL ALLOWANCES:**

A member 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 sum.

***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 sum.

***Option 6(a) 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. This option has no survivorship benefit.

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

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

**5. CHANGES IN BENEFICIARY AFTER RETIREMENT:**

Any member who elects Option 6(c) pursuant to Section 40-255(j), may designate a new spousal beneficiary in accordance with procedures established by the Board; provided, that an actuarial valuation will be made following such election, and the benefit for the retiree will be recalculated so that it is the actuarial equivalent of the benefit payable to the original spouse; provided, further, that the original spouse must be alive at the time of the change in designated beneficiary, and he or she must not be entitled to any survivor benefit under the retirement plan by operation of law. It is intended that the Trust will pay only one survivor benefit for any member of the retirement plan and will not incur an increase in benefit costs by reason of change in designated beneficiary.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION  
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS  
SUMMARY PLAN PROVISIONS  
SEPTEMBER 30, 2010**

---

**6. 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.

**7. 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 mentally or physically totally incapacitated for the further performance of duty not as a result of an accident in the actual performance of duty and is likely to be permanent, and that such member should be retired.

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 three percent of the member's average final compensation multiplied by the number of years of creditable service, paid in monthly installments; or (2) 30 percent of the average final compensation. The ordinary disability 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 accident 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 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 not eligible for a return of accumulated contributions or optional allowances.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION  
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS  
SUMMARY PLAN PROVISIONS  
SEPTEMBER 30, 2010**

---

**7. DISABILITY RETIREMENT BENEFIT (Cont'd):**

**(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 three percent of the member's average final compensation multiplied by the number of years of creditable service, paid in monthly installments; or (2) 40 percent of the average final compensation. This disability is not eligible for a return of accumulated contributions, optional allowances or survivorship benefits.

**8. 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 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 of 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;

(2) 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.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION  
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS  
SUMMARY PLAN PROVISIONS  
SEPTEMBER 30, 2010**

---

**8. DEATH BENEFITS (Cont'd):**

**(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 or die. 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.

**(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.

**9. 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.

**10. 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.

**11. 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.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION  
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS  
SUMMARY PLAN PROVISIONS  
SEPTEMBER 30, 2010**

---

**12. DEFERRED RETIREMENT OPTION PROGRAM ("DROP"):**

Any employee who is eligible for a service or Rule of 70 retirement is eligible to participate in the DROP. 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 *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.

**13. TRANSFER OF ACCUMULATED LEAVE:**

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



**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION  
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS  
SUMMARY PLAN PROVISIONS  
SEPTEMBER 30, 2010**

---

**13. TRANSFER OF ACCUMULATED LEAVE (Cont'd):**

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.

**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 permanent employees of the GESE Trust and such other positions as may be named by the Board.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION  
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS  
SUMMARY PLAN PROVISIONS  
SEPTEMBER 30, 2010**

---

**Staff Plan (Cont'd)**

**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.

**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.

**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 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.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION  
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS  
SUMMARY PLAN PROVISIONS  
SEPTEMBER 30, 2010**

---

**Staff Plan (Cont'd)**

**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 separation 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.

***THIS PAGE INTENTIONALLY LEFT BLANK***



# **Statistical Section**

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

	Fiscal Year Ended				
	2010	2009	2008	2007	2006
<b>Additions</b>					
Employer contributions	\$24,037,093	\$23,191,828	\$22,762,902	\$24,229,028	\$22,018,443
Member contributions	12,728,711	11,791,902	9,517,052	8,819,536	8,021,488
Investment Income (net of expenses)	43,016,574	(18,375,479)	(97,293,525)	89,063,513	56,191,994
Reimbursement income	2,888,419	2,836,790	2,510,921	2,492,693	2,426,165
<b>Total Additions to Plan Net Assets</b>	<b>82,670,797</b>	<b>19,445,041</b>	<b>(62,502,650)</b>	<b>124,604,770</b>	<b>88,658,090</b>
<b>Deductions</b>					
Benefit payments	62,162,717	54,191,981	51,631,847	50,106,211	48,077,147
Refunds of contributions	1,784,596	843,094	1,021,711	1,667,243	1,753,133
Administrative and other expenses	2,938,167	2,890,011	2,653,879	2,521,339	2,276,558
<b>Total Deductions from Plan Net Assets</b>	<b>66,885,480</b>	<b>57,925,086</b>	<b>55,307,437</b>	<b>54,294,793</b>	<b>52,106,838</b>
<b>Change in Net Assets</b>	<b>\$15,785,317</b>	<b>(\$38,480,045)</b>	<b>(\$117,810,087)</b>	<b>\$70,309,977</b>	<b>\$36,551,252</b>

	Fiscal Year Ended				
	2005	2004	2003	2002	2001
<b>Additions</b>					
Employer contributions	\$19,003,415	\$10,669,846	\$3,602,457	\$2,090,701	\$8,458,735
Member contributions	7,858,302	7,937,387	7,605,397	7,147,651	7,163,964
Investment Income (net of expenses)	60,457,898	53,064,590	77,694,255	(56,217,617)	(65,595,125)
Reimbursement income	2,310,065	2,355,564	1,852,656	1,679,275	1,435,266
<b>Total Additions to Plan Net Assets</b>	<b>89,629,680</b>	<b>74,027,387</b>	<b>90,754,765</b>	<b>(45,299,990)</b>	<b>(48,537,160)</b>
<b>Deductions</b>					
Benefit payments	45,926,628	41,138,832	38,665,656	35,351,750	33,089,908
Refunds of contributions	1,167,658	883,189	1,147,196	1,141,551	1,749,515
Administrative and other expenses	2,310,065	2,355,564	1,852,656	1,679,275	1,435,266
<b>Total Deductions from Plan Net Assets</b>	<b>49,404,351</b>	<b>44,377,585</b>	<b>41,665,508</b>	<b>38,172,576</b>	<b>36,274,689</b>
<b>Change in Net Assets</b>	<b>\$40,225,329</b>	<b>\$29,649,802</b>	<b>\$49,089,257</b>	<b>(\$83,472,566)</b>	<b>(\$84,811,849)</b>

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

	Fiscal Year Ended				
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Additions					
Employer contributions	\$133,487	\$159,837	\$109,163	\$57,995	\$72,380
Member contributions	125,457	74,800	66,728	64,994	47,884
Investment Income (net of expenses)	<u>148,965</u>	<u>38,894</u>	<u>(177,138)</u>	<u>107,149</u>	<u>47,398</u>
Total Additions to Plan Net Assets	<u>407,909</u>	<u>273,531</u>	<u>(1,247)</u>	<u>230,138</u>	<u>167,662</u>
Deductions					
Benefit payments					
Refunds of contributions	<u>4,156</u>			<u>2,623</u>	
Total Deductions from Plan Net Assets	<u>4,156</u>	<u>0</u>	<u>0</u>	<u>2,623</u>	<u>0</u>
Change in Net Assets	<u>\$403,753</u>	<u>\$273,531</u>	<u>(\$1,247)</u>	<u>\$227,515</u>	<u>\$167,662</u>

	Fiscal Year Ended				
	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Additions					
Employer contributions	\$99,779	\$98,044	\$83,234	57,500	\$14,375
Member contributions	42,054	44,488	36,627	\$38,382	186,190
Investment Income (net of expenses)	<u>55,495</u>	<u>(1,662)</u>	<u>49,712</u>	<u>(22,367)</u>	<u>(6,348)</u>
Total Additions to Plan Net Assets	<u>197,328</u>	<u>140,870</u>	<u>169,573</u>	<u>73,515</u>	<u>194,217</u>
Deductions					
Benefit payments					
Refunds of contributions	<u>29,401</u>				
Total Deductions from Plan Net Assets	<u>29,401</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Change in Net Assets	<u>\$167,927</u>	<u>\$140,870</u>	<u>\$169,573</u>	<u>\$73,515</u>	<u>\$194,217</u>

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

	Fiscal Year Ended				
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Additions					
Employer contributions	\$339,602	\$464,325	\$446,916	\$476,252	\$463,126
Reimbursement income	<u>112,079</u>	<u>104,141</u>	<u>34,912</u>	<u>31,662</u>	<u>30,860</u>
Total Additions to Plan Net Assets	<u>451,681</u>	<u>568,466</u>	<u>481,828</u>	<u>507,914</u>	<u>493,986</u>
Deductions					
Benefit payments	323,244	464,325	449,370	476,252	463,126
Administrative and other expenses	<u>128,437</u>	<u>104,141</u>	<u>32,458</u>	<u>31,662</u>	<u>30,860</u>
Total Deductions from Plan Net Assets	<u>451,681</u>	<u>568,466</u>	<u>481,828</u>	<u>507,914</u>	<u>493,986</u>
Change in Net Assets	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

	Fiscal Year Ended				
	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Additions					
Employer contributions	\$474,865	\$517,333	\$300,235	\$351,417	\$68,351
Reimbursement income	<u>63,323</u>	<u>15,746</u>	<u>32,305</u>	<u>36,592</u>	<u>26,083</u>
Total Additions to Plan Net Assets	<u>538,188</u>	<u>533,079</u>	<u>332,540</u>	<u>388,009</u>	<u>94,434</u>
Deductions					
Benefit payments	474,865	517,333	300,235	351,417	68,351
Administrative and other expenses	<u>63,323</u>	<u>15,746</u>	<u>32,305</u>	<u>36,592</u>	<u>26,083</u>
Total Deductions from Plan Net Assets	<u>538,188</u>	<u>533,079</u>	<u>332,540</u>	<u>388,009</u>	<u>94,434</u>
Change in Net Assets	<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>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b>Type of Benefit</b>					
Age and service benefits					
Retirees	\$56,220,154	\$48,502,683	\$45,968,818	\$44,976,697	\$43,054,435
Survivors	4,628,305	4,419,236	4,373,562	3,916,440	3,702,355
Death in service benefits	44,849	23,447	35,449	14,998	85,211
Disability benefits	1,269,410	1,246,616	1,254,018	1,198,077	1,235,146
<b>Total Benefits</b>	<u><u>\$62,162,717</u></u>	<u><u>\$54,191,981</u></u>	<u><u>\$51,631,847</u></u>	<u><u>\$50,106,211</u></u>	<u><u>\$48,077,147</u></u>
<b>Type of Refund</b>					
Death	99,163	30,685	99,270	16,617	129,125
Separation	1,685,433	812,409	922,441	1,650,626	1,624,008
<b>Total Refunds</b>	<u><u>1,784,596</u></u>	<u><u>843,094</u></u>	<u><u>1,021,711</u></u>	<u><u>1,667,243</u></u>	<u><u>1,753,133</u></u>

	Fiscal Year Ended				
	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
<b>Type of Benefit</b>					
Age and service benefits					
Retirees	\$41,361,845	\$36,889,797	\$34,596,190	\$34,375,806	\$29,980,277
Survivors	3,324,435	3,116,211	2,845,628	239,552	2,345,162
Death in service benefits	35,731	36,909	179,907	40,319	71,168
Disability benefits	1,204,617	1,095,915	1,043,931	696,073	693,301
<b>Total Benefits</b>	<u><u>\$45,926,628</u></u>	<u><u>\$41,138,832</u></u>	<u><u>\$38,665,656</u></u>	<u><u>\$35,351,750</u></u>	<u><u>\$33,089,908</u></u>
<b>Type of Refund</b>					
Death	75,988	25,505	311,927	103,901	169,434
Separation	1,091,670	857,684	835,269	1,037,650	1,580,081
<b>Total Refunds</b>	<u><u>1,167,658</u></u>	<u><u>883,189</u></u>	<u><u>1,147,196</u></u>	<u><u>1,141,551</u></u>	<u><u>\$1,749,515</u></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>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b>Type of Benefit</b>					
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>
<b>Type of Refund</b>					
Death					
Separation	<u>4,156</u>			<u>2,623</u>	<u>29,401</u>
Total Refunds	<u>\$4,156</u>	<u>\$0</u>	<u>\$0</u>	<u>\$2,623</u>	<u>\$29,401</u>

	Fiscal Year Ended				
	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
<b>Type of Benefit</b>					
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>
<b>Type of Refund</b>					
Death					
Separation					
Total Refunds	<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  
EXCESS BENEFIT PLAN - BENEFIT AND REFUND DEDUCTION FROM NET ASSETS BY TYPE  
LAST TEN FISCAL YEARS**

	Fiscal Year Ended				
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b>Type of Benefit</b>					
Age and service benefits					
Retirees	\$323,244	\$464,325	\$449,370	\$476,252	\$463,126
	-----	-----	-----	-----	-----
Total Benefits	<u>\$323,244</u>	<u>\$464,325</u>	<u>\$449,370</u>	<u>\$476,252</u>	<u>\$463,126</u>

	Fiscal Year Ended				
	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
<b>Type of Benefit</b>					
Age and service benefits					
Retirees	\$474,865	\$517,333	\$300,235	\$351,471	\$68,351
	-----	-----	-----	-----	-----
Total Benefits	<u>\$474,865</u>	<u>\$517,333</u>	<u>\$300,235</u>	<u>\$351,471</u>	<u>\$68,351</u>

**CITY OF MIAMI GENERAL EMPLOYEE' AND SANITATION  
EMPLOYEE'S RETIREMENT TRUST AND MANAGED TRUSTS  
RETIRED MEMBERS BY TYPE OF BENEFIT\*  
SEPTEMBER 30, 2010**

Amount of Monthly Benefit	Number of Retired Members	Type of Retirement <sup>(1)</sup>							Option Selected <sup>(2)</sup>						
		<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>2</u>	<u>3</u>	<u>6a</u>	<u>6b</u>	<u>6c</u>	<u>n/a</u>	
\$ 1 - 500	148	34	5	2	0	1	106	0	8	21	17	14	86	2	
501 - 1,000	223	78	6	1	1	3	134	0	27	23	34	22	115	2	
1,001 - 1,500	303	208	3	4	5	6	75	2	61	49	28	65	89	11	
1,501 - 2,000	245	197	1	1	2	7	36	1	49	40	8	56	89	3	
2,001 - 2,500	274	241	2	0	2	17	12	0	69	56	2	61	85	1	
2,501 - 3,000	190	182	0	0	0	5	3	0	31	52	0	44	63	0	
3,001 - 3,500	170	162	2	0	0	2	4	0	31	34	0	63	42	0	
3,501 - 4,000	139	134	4	0	0	0	1	0	32	26	0	45	36	0	
4,001 - 4,500	113	107	2	0	0	0	4	0	20	26	0	42	25	0	
4,501 - 5,000	105	102	2	0	0	0	1	0	19	20	0	46	20	0	
5,001 - 5,500	67	65	1	0	0	0	1	0	10	7	0	30	20	0	
5,501 - 6,000	62	60	2	0	0	0	0	0	8	13	0	32	9	0	
Over 6,001	148	143	4	0	0	0	1	0	27	29	0	66	26	0	
<b>Total</b>	<b>2187</b>	<b>0</b>	<b>1713</b>	<b>34</b>	<b>8</b>	<b>10</b>	<b>41</b>	<b>378</b>	<b>3</b>	<b>392</b>	<b>396</b>	<b>89</b>	<b>586</b>	<b>705</b>	<b>19</b>

<sup>(1)</sup> Type of Retirement

- 1 - Normal retirement, including rule of 70
- 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)

<sup>(2)</sup> Option Selected

- 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

\*The above schedule is presented for the GESE Trust only. Retirement types does not apply to the Excess Benefit Plan and there are no reitrees in the Staff Plan.

**CITY OF MIAMI GENERAL EMPLOYEE' AND SANITATION  
EMPLOYEE'S RETIREMENT TRUST AND MANAGED TRUSTS  
SCHEDULE OF AVERAGE BENEFIT PAYMENTS  
LAST TEN FISCAL YEARS  
(Unaudited)**

Retirement Effective Dates	Years Credited Service							Total
	1-4	5-9	10-14	15-19	20-24	25-29	30+	
<b><u>Period 10/1/2009 - 9/30/2010</u></b>								
Average Monthly Benefit	\$1,820	\$732	\$1,317	\$1,943	\$2,907	\$3,696	\$3,467	\$2,736
Number of Active Retirants	22	70	258	392	637	602	206	2187
Average Final Average Salary <sup>2</sup>	\$3,131	\$5,150	\$4,997	\$5,156	\$6,392	\$6,608	\$6,085	\$6,043
Number of Active Retirants	3	5	76	83	139	205	42	553
<b><u>Period 10/1/2008 - 9/30/2009</u></b>								
Average Monthly Benefit	\$1,802	\$613	\$1,213	\$1,799	\$2,672	\$3,368	\$3,164	\$2,496
Number of Active Retirants	22	68	228	359	585	522	191	1975
Average Final Average Salary <sup>2</sup>	\$3,407	\$3,053	\$4,866	\$4,877	\$6,026	\$6,626	\$5,904	\$5,876
Number of Active Retirants	2	3	37	41	72	107	23	285
<b><u>Period 10/1/2007 - 9/30/2008</u></b>								
Average Monthly Benefit <sup>1</sup>	\$1,143	\$586	\$1,207	\$1,970	\$2,671	\$2,978	\$3,024	\$2,287
Number of Active Retirants	24	87	283	393	579	363	180	1909
Average Final Average Salary <sup>2</sup>			\$3,647	\$4,981	\$5,745	\$5,733	\$6,208	\$5,239
Number of Active Retirants			33	24	52	38	14	161

<sup>1</sup> Started Fiscal Year 2008. Will continue going forward.

<sup>2</sup> Average Final Average Salary is based on retiree that retired in the last 4 years. Previous historical data not available.

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION  
EMPLOYEES' RETIREMENT TRUST AND MANAGED TRUSTS  
AVERAGE BENEFIT PAYMENTS\*  
LAST TEN FISCAL YEARS**

<b>Retirement Effective Dates</b>	<b>Type of Benefit</b>				<b>Excess</b>
	<b>GESE Trust</b>				
	<b>Retirees</b>	<b>Disability</b>	<b>Survivors</b>	<b>Total</b>	<b>Retirees</b>
<b>Fiscal 2010</b>					
Average monthly benefit	\$3,149	\$1,794	\$990	\$2,736	\$1,286
Number of retired members	1,747	59	381	2,187	22
<b>Fiscal 2009</b>					
Average monthly benefit	\$2,910	\$1,740	\$943	\$2,496	\$1,106
Number of retired members	1,536	58	381	1,975	35
<b>Fiscal 2008</b>					
Average monthly benefit	\$2,633	\$1,704	\$883	\$2,255	\$1,070
Number of retired members	1,468	62	379	1,909	35
<b>Fiscal 2007</b>					
Average monthly benefit	\$2,575	\$1,721	\$861	\$2,208	\$1,087
Number of retired members	1,469	58	379	1,906	41
<b>Fiscal 2006</b>					
Average monthly benefit	\$2,472	\$1,660	\$825	\$2,124	\$1,102
Number of retired members	1,478	62	374	1,914	44
<b>Fiscal 2005</b>					
Average monthly benefit	\$2,356	\$1,619	\$783	\$2,039	\$1,300
Number of retired members	1,484	62	354	1,900	37
<b>Fiscal 2004</b>					
Average monthly benefit	\$2,199	\$1,548	\$751	\$1,909	\$1,324
Number of retired members	1,458	59	346	1,863	31
<b>Fiscal 2003</b>					
Average monthly benefit	\$2,062	\$1,474	\$693	\$1,787	\$1,365
Number of retired members	1,429	59	342	1,830	24
<b>Fiscal 2002</b>					
Average monthly benefit	\$1,854	\$1,261	\$603	\$1,618	\$1,056
Number of retired members	1,493	46	331	1,870	17
<b>Fiscal 2001</b>					
Average monthly benefit	\$1,768	\$1,204	\$596	\$1,545	\$844
Number of retired members	1,466	48	328	1,842	33

\* The average benefit payment schedule does not apply to the Staff Plan as there are no retirees.