

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



Comprehensive

Annual Financial Report



A Pension Trust of
the City of Miami
for the year ended

SEPTEMBER 30, 2001

City of Miami, Florida

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

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

For the Year Ended September 30, 2001

Prepared by: Accounting Department

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

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**COMPREHENSIVE ANNUAL FINANCIAL REPORT
CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION EMPLOYEES'
RETIREMENT TRUST AND OTHER MANAGED TRUSTS
FOR YEAR ENDED SEPTEMBER 30, 2001**

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Introductory Section

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

As of September 30, 2001

Waldemar Lee, Chair
Appointed by City Commission

Ronald Thompkins, CPA, Vice Chair
Appointed by City Commission

Rose Gordon
Appointed by City Commission

William J. Rabun
Appointed by A.F.S.C.M.E.

Regina Sue Weller
Appointed by City Manager

Caridad Montero
Appointed by City Commission

Oscar Valido
Appointment by A.F.S.C.M.E.

James Turner
Appointed by C.I.G.U.

Laurence Wright
Appointed by C.I.G.U.

Legal Counsel
Ronald A. Silver, Esq.

Pension Administrator
Sandra Elenberg

Deputy Administrator
-Vacant-

Investment Consultants
Watson Wyatt Investment Consulting

Consulting Actuary
Buck Consultants

Certified Public Accountants
Grant Thornton LLP

Custodian Bank
State Street Bank & Trust Co.

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

As of March 22, 2002

Ronald Thompkins, CPA Chair
Appointed by City Commission

Rose Gordon, Vice Chair
Appointed by City Commission

Waldermar Lee
Appointed by City Commission

William J. Rabun
Appointed by AFSCME/Local 1907

Regina Sue Weller
Appointed by City Manager

Caridad Montero
Appointed by City Commission

Oscar Valido
Appointment by AFSCME/Local 1907

James Turner
Appointed by AFSCME/Council 79

Laurence Wright
Appointed by AFSCME/Council 79

Legal Counsel
Ronald A. Silver, Esq.

Pension Administrator
Sandra Elenberg

Deputy Administrator
Christopher Recicar

Investment Consultants
Watson Wyatt Investment Consulting

Consulting Actuary
Buck Consultants

Certified Public Accountants
Grant Thornton LLP

Custodian Bank
State Street Bank & Trust Co.

Controller
Joseph Tejada

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

March 22, 2002

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

It is our pleasure to provide you with a copy of the comprehensive annual financial report (CAFR) for the City of Miami General Employees' & Sanitation Employees' Retirement Trust and the other managed trusts, for the fiscal year ended September 30, 2001.

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

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

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

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

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

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

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

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

PLAN HISTORY

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

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

The GESE Plan is a single employer defined benefit pension plan covering all City of Miami general and sanitation employees except certain employees eligible to decline membership. Participation in the GESE Plan is a mandatory

condition of employment for all regular and permanent employees other than fire fighters, police officers and those eligible to decline membership. As of September 30, 2001, the Plan had 1,619 active members and 1,842 retirees and beneficiaries.

In July 2000, the City of Miami commission, pursuant to section 415(m) of the Internal Revenue Code provisions, and Section 40-265 of the City of Miami, Florida established a qualified governmental excess benefit plan. The Excess Benefit Plan was established to pay the City of Miami G.E.S.E. Retirement Trusts participants, whose benefits exceeded the amounts permitted by Sections 415 and 401(a)(17) of the Internal Revenue Code. In essence, the Excess Benefit Plan was established so that the amount of the defined benefits for eligible members is not diminished by changes in the Internal Revenue Code. The Board of Trustees of the City of Miami General Employees' and Sanitation Employees' Retirement Trust administers the Excess Benefit Plan through a Grantor Trust Agreement with the City of Miami. The original plan's effective date was October 1, 2000.

On February 23, 2001, the Board of Trustees moved to approve the establishment of a defined benefit plan for the staff employees of the City of Miami General Employees' & Sanitation Employees' Retirement Trust. The plans' legal name is the City of Miami General Employees' and Sanitation Employees' Retirement Trust Staff Pension Plan. The Staff Pension Plan is a single employer defined plan to which member employees contribute 10% of their base salaries or wages. The Staff Pension Plan was officially established on April 27, 2001 by the rule making authority of the Board of trustees of the City of Miami General Employees' and Sanitation Employees' Retirement Trust, pursuant to Chapter 40 of the Miami City Code. The original plan's effective date was July 1, 2001.

PLAN ADMINISTRATION

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

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

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

The board employs the services of an investment consultant, a consulting actuary, and several investment managers. An actuarial valuation for each plan is performed by the actuary on an annual basis. Moreover, an actuarial experience study is also performed every three years in order to review the assumptions being utilized as compared to actual experience. The investment consultant assists the board in various investment related functions including asset allocation, selection of investment managers, and monitoring and reporting of investment performance on a quarterly basis. The services of a custodial bank and several investment managers are utilized in order to achieve the goals of safeguarding assets, investment diversification, and achievement of returns that meet or exceed the plans' actuarial interest rate assumption with reasonable risk. A list of investment managers as of September 30, 2001, is provided on [page 46](#) within the investment section. For cost saving benefit purposes, the Trust utilizes the services of its', actuary, custodial bank and one of its money mangers to administer separately the Staff Pension Plan. With respect to the Excess Benefit Plan, it is the intention of the parties, that the Excess Benefit Plan be managed and administered at all times so that the participants shall not be deemed under provisions of the Internal Revenue Code to have constructively received the benefits prior to actual distribution. The City of Miami, through its municipal authority, established a Grantor Trust to administer the Excess Benefit Plan.

The board meets at least quarterly with the investment consultant in order to monitor individual investment manager performance as well as total fund performance. Investment performance and policy guidelines are monitored

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

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

MAJOR INITIATIVES

During the current fiscal year a major initiative was under taken to implement the investment policy revisions required by adopted Florida Statutes Chapter 2000-264. At the 2000 session of the Florida Legislature, an amendment was adopted to Chapter 112, Florida Statutes, the Florida Protection of Public Pension Funds Act. Specifically, Section 112.661 was created setting forth specific requirements for the pension fund's investment policy. The Law, which was enacted effective October 1, 2000, requires that the following be included in all investment policies: A statement of investment objectives and the use of performance measures which are appropriate for the nature and size of the assets within the board's custody, along with a large number of additional new requirements, etc. Due to the changes in the Florida Statutes the Trust did contract with Watson Wyatt Consulting to revise and incorporate in the Trust's investment policy the new statutory requirements.

During the previous fiscal year, the Board had also authorized Watson Wyatt World Wide to perform its regular three year experience study on the GESE Plan. The results of that experience study were presented to the Board for review. The Board subsequently referred the findings to Buck Consultants, for them to do a financial impact study. Buck Consultants looked at the Experience Study Watson Wyatt had performed, and took their recommendations and applied them to the Actuarial Valuation. The results concluded that most of the recommendations had the effect of reducing costs to the GESE plan. The Board moved and approved the Three Years Experience Analysis based on the actuarial impact study provided by Buck Consultants.

The Board has undertaken this year to monitor the GESE plan's asset allocation and take steps to rebalance the assets as the need presented itself. This year the board took steps on recommendations from Watson Wyatt, its' investment consultant, to terminate a small-cap value manager, and a fixed income manager, and replace them with two new managers with the same type of investment management styles. The managers were terminated due to poor long-term performance, changes in ownership and internal organizational staff changes. In the 3rd quarter of the previous fiscal year, the Board had decided to allocate and transfer 15 million from domestic equities to a new international growth account. This allowed us to be in compliance with our long-range asset allocation objectives through the end of last fiscal year 2000 and toward the beginning of this fiscal year 2001. During the later part of this fiscal year, however, there were several un-expected high level and key personnel departures and organizational changes within the international equity section. On recommendations from our investment consultant, the board decided to liquidate the Fund and temporarily reinvest the proceeds into a Morgan Stanley Capital International (MSCI) EAFE Index Fund.

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

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to City of Miami General Employees' and Sanitation Employees' Retirement Trust for its comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2000. The Certificate of Achievement is a prestigious national award recognizing, conformance with the highest standards for preparation of a state and local government financial reports.

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

A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

FINANCIAL INFORMATION

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

Pursuant to the Gates Agreement, all administrative expenditures of the Trusts, other than investment expenses are to be funded by the City of Miami. These expenditures are based upon a budget approved by the Board of Trustees prior to the beginning of the fiscal year. Budgetary controls are maintained in the form of recording all expenditures in account groups and performing variance analysis. All administrative expenditures other than investment manager fees are considered budgeted reimbursable expenditures. All investment manager fees are negotiated and based upon the market value of assets being managed; these fees, as well as all benefits and refunds are considered disbursements from the trust fund and not funded by the city.

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

The Combined Schedules of Revenues and Expenses on page 10 reflect the financial performance that occurred during the year. As can be seen, combined employer contributions for the year for the plans were \$8,541,461. The amount of, combined employer contributions vary from year to year and are actuarially determined, while member contributions are equal to 10% of straight payroll.

The employee contributions received by the plan increased by \$734,241. Employee contributions will vary from year to year and are dependent upon several factors such as salary levels, number of active members in the GESE plan, etc. Considering the fact that the number of active members increased from last year, the increase in employee contributions is consistent with the pattern that would be expected.

After two consecutive quarters of asset declines, and the tragic events of September 11, the US and international equity markets were affected. It goes without saying that the terrorist attacks on September 11, are without precedent in US history. All trading on US markets were suspended until September 17, 2001. This decline is readily distinguishable in the schedule of combined revenues on page 10 reflecting an un-precedent net decrease of (\$151,822,685) in net appreciation in fair value of investments. The Fund did not have any realized losses. This amount includes realized and unrealized gains and (losses). The decrease in this category as compared to last year, was due to the plan's negative (-10.4%) rate of return for the 12-month period ended September 30, 2001 as compared to a 15.7% rate of return for the same period last year, and also due to our funds S&P 500 Benchmark declining a negative (-26.6%), small caps index (-42.6%), and the international segment also declining (-28.5%).

COMBINED REVENUES AND EXPENSES

SCHEDULE OF COMBINED REVENUES			
	For the Year ended September 30,		Increase
	<u>2001</u>	<u>2000</u>	(Decrease) Amount
Employer Contributions	\$8,541,461	\$8,216,415	\$325,046
Employee Contributions	7,350,154	6,615,913	734,241
Investment Income:			
Net appreciation (depreciation) in fair value of investments	(79,733,372)	72,089,313	(151,822,685)
Interest	11,427,727	11,093,135	334,592
Dividend	4,804,376	5,055,012	(250,636)
Rental and other income	209,969	219,425	(9,456)
Sub-total Investment Income (Loss)	(63,291,300)	88,456,885	(151,748,185)
Less Investment expense(Category I)	2,310,173	2,455,081	(144,908)
Net Investment Income (Loss)	(65,601,473)	86,001,804	(151,603,277)
Reimburse Income from City of Miami	1,461,349	1,395,839	65,510
Total Revenues	<u><u>(\$48,248,509)</u></u>	<u><u>\$102,229,971</u></u>	<u><u>(\$150,478,480)</u></u>

SCHEDULE OF COMBINED EXPENSES			
	For the Year ended September 30,		Increase
	<u>2001</u>	<u>2000</u>	(Decrease) Amount
Benefits	\$33,158,259	\$31,696,081	\$1,462,178
Refunds of Contributions	1,749,515	1,432,513	317,002
Administrative Expenses (Category 2)	1,461,349	1,395,839	65,510
Total Expenses	<u><u>\$36,369,123</u></u>	<u><u>\$34,524,433</u></u>	<u><u>\$1,844,690</u></u>

The schedule of combined expenses reflects an increase of \$1,462,178 in benefits paid. This fluctuation in this category is expected as retirees retire with higher pension benefits due to the 3% multiplier. Refunds of contributions were slightly higher for the year, and again this category also varies depending on the number of members withdrawing their contributions and the amounts being withdrawn.

The investment expenses are an integral part of investment income. These investment expenses reflect a moderate decrease of (\$144,908) due to the overall decline in asset values of the Trusts'. This category of investment expenses includes only investment manager fees and non-budgeted, non-reimbursable expenditures. In the past, these investment expenses were projected to continue to steadily increase due to the fact that all investment manager fees are asset-based and our plan assets were always expected to continue to increase in market value. The markets' rapid decline following September 11, however, has had a negative effect on investment manager compensation levels. It should be noted that the asset values reflected on the combined statements of plan net assets reflect a decrease of (-\$84,617,632) from last year. This is due, as stated previously to the markets back to back declines in the last 2 quarters of the fiscal year.

The administrative expenses - category 2 increased, by \$65,510. This category includes all administrative expenditures other than investment manager fees and non-budgeted, non-reimbursable expenditures. The increase of approximately 4.6% would be regarded to be inline with budgetary guideline and is due to a variety of factors, including an increase in investment consulting fees, additional legal, actuarial, and audit fees, plus the upgrading of the information technology section, as well as general price increases. As stated previously, the expenditures in this category are reimbursed by the City of Miami, pursuant to the Gates agreement. It should be noted that in line with management's goal to perform the functions of the plan in the most efficient manner, the total expenditures were below the budgeted amount.

FUNDING STATUS

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

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

The schedules of funding progress in the financial section of this CAFR provide information on the funding status of all the plans. As per actuarial valuation date 10/1/2001, the GESE plan's funded ratio was at 103.06%, the Excess Benefit Plan was 0.00%, and the Staff Pension Plan was at 30.93%. There has been a small increase in the funded ratio of the GESE plan when compared with the previous year, at which time the funded ratio was 102.96%.

The actuarial valuations are based on a series of actuarial assumptions, including an interest (actuarial asset return) rate of 8.1% and annual pay increases of 5.75% for the GESE Plan and 6.00% for the staff pension plan. The valuation of the Staff Pension Plan assumes that the pension Administrator will retire upon reaching Rule of 70 eligibility. Actuarial gains and losses result when the actual experience of the plan (such as, asset return, pay increases, turnover, deaths) is different from that expected by the actuarial assumptions. The City of Miami GESE Retirement Trust had net actuarial losses of (\$4,794,082) for the year ended September 30, 2001. The loss is primarily due to the timing of City Contributions. The plans, however, continue in sound financial condition in accordance with Florida Statutes, City of Miami ordinance and the Gates agreement. The Board and management, along with our consulting actuary continue to diligently monitor the progress.

INVESTMENT ACTIVITIES

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

Total portfolio performances, as well as individual manager performance, are reviewed quarterly. Total fund return for the year ended September 30, 2001, was (-10.4%) as compared to a market benchmark of (-15.7%). The prior year return for the total fund was 15.7% compared to a market benchmark of 10.8%. In retrospect, fiscal year ended September 30, 2001, resulted in negative returns, when compared to last year and this is reflective of the sudden back to back 2 quarter declines followed by the tragic events of September 11, which led to a rise in fear factor levels not experienced in the past decade. This fear factor helped propel the S&P 500 Index on a downward trend leaving the index standing at an overall market index (-20.4%) return year-to-date. The plans, however, remain well diversified and with an outlook of achieving long term goals. A detailed breakdown of individual manager investment style, rate of return, style benchmark, and universe ranking is provided on page 52 in the investment section of this report. For actuarial valuation purposes, the assumed rate of return is 8.1%, effective October 1, 1995. Effective October 1, 1997, the method of asset valuation utilized for actuarial purposes is a moving market value average over three years. Therefore, although fund return variations have an impact on actuarial calculations, the impact is not as high, due to the market smoothing effect.

The plan participates in a brokerage commission recapture program, and has requested large-cap equity managers to utilize the services of Donaldson & Co., Inc., and Abel Noser, Corp. for transactions in which utilization of the

services would result in a benefit to the plan. The average net commission per share was \$0.02 with Donaldson & Company, as well as Abel Noser Corp. A summary list of brokerage commissions paid is presented in the investment section.

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

OTHER INFORMATION

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

ACKNOWLEDGMENTS

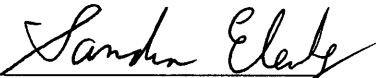
The preparation of this comprehensive annual financial report was made possible by the dedicated service of the staff of the accounting department of the plan. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report.

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


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

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

Sincerely,



Sandra Elenberg
Pension Administrator



Ronald Thompkins, CPA
Chair



Joseph Tejada
Controller

Certificate of Achievement for Excellence in Financial Reporting

Presented to

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

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2000

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.

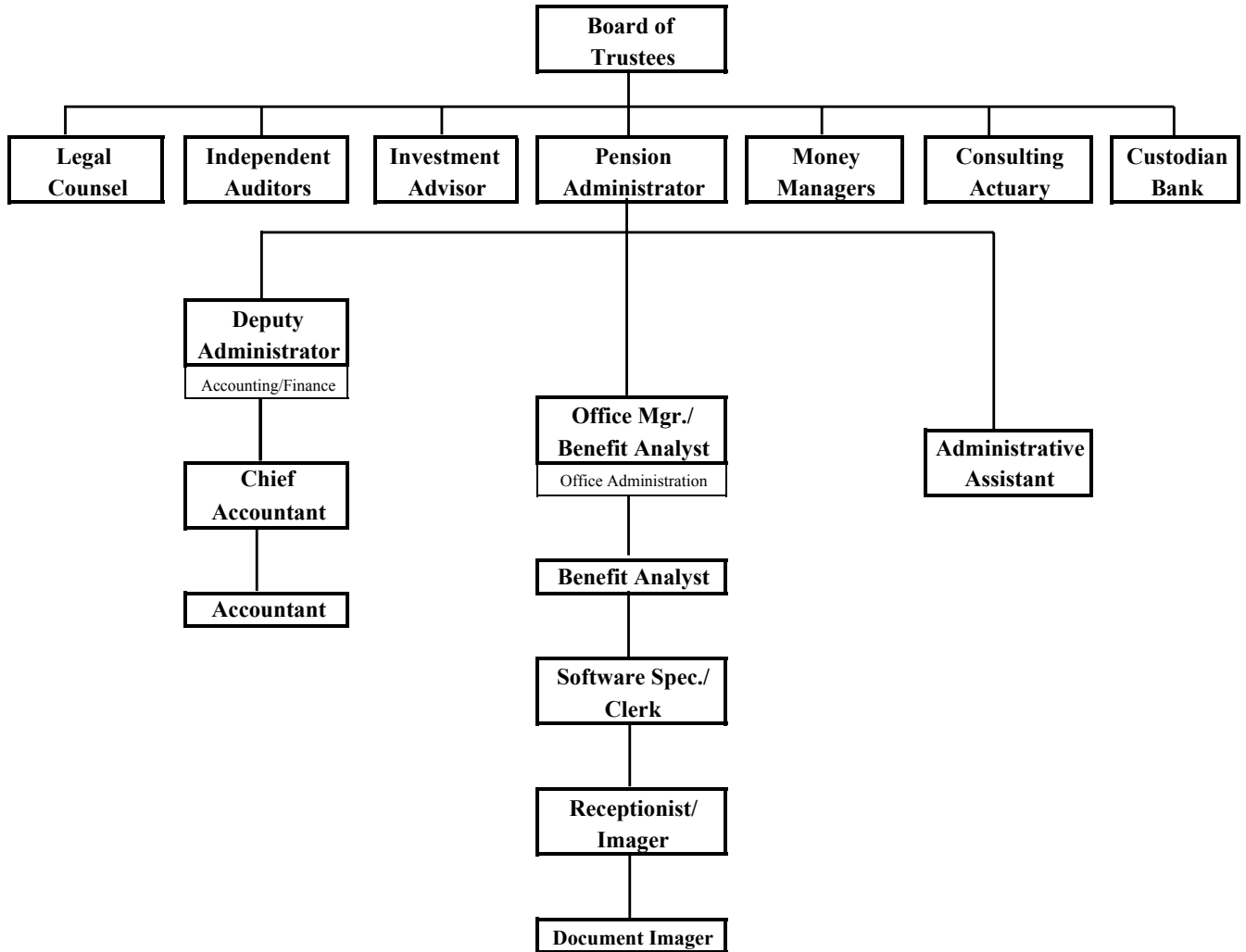


Timothy A. Arave
President

Jeffrey L. Esser
Executive Director

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

Organizational Chart



Financial Section

REPORT OF INDEPENDENT CERTIFIED
PUBLIC ACCOUNTANTS

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

We have audited the combined statements of net assets of the City of Miami General Employees' and Sanitation Employees' Retirement Trust and Other Managed Trusts (the "Trusts") as of September 30, 2001 and 2000, and the related combined statements of changes in net assets for the years then ended. These financial statements are the responsibility of the Trust's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the net assets of the Trusts as of September 30, 2001 and 2000, and changes in net assets for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 21, 2001, on our consideration of the Trusts' internal control structure over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. This report is an integral part of, and should be read in conjunction with, our report on the financial statements.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole of the Trusts as of and for the year ended September 30, 2001. The schedules of administrative expenses, investment manager expenses, and payments to consultants on pages 40, 41 and 42 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements, and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The schedules of funding progress and employer contributions on page 34, 35 and 36 are not a required part of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and do not express an opinion on it.

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

Grant Thornton LLP

Miami, Florida
December 21, 2001

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

COMBINED STATEMENTS OF NET ASSETS

September 30,

	2001	2000
ASSETS		
Cash	\$ 701,562	\$ 674,451
Cash with fiscal agent	208,250	-
Receivables:		
Securities sold	4,225,794	5,103,996
Members' contributions	152,335	156,386
Accrued interest	2,455,424	2,890,099
City of Miami	856,455	410,180
Total receivables	7,690,008	8,560,661
Investments, at fair value:		
U.S. Government and Agency securities	79,995,364	64,864,678
Corporate stocks	345,110,067	435,940,426
Corporate bonds	87,513,368	93,219,960
Real estate fund	28,898,021	27,060,018
Money market funds and commercial paper	28,827,107	28,129,497
Total investments	570,343,927	649,214,579
Total assets	578,943,747	658,449,691
LIABILITIES		
Payable for securities purchased	26,875,367	21,633,594
Accounts payable	676,910	806,995
Total liabilities	27,552,277	22,440,589
Net assets held in trust for pension benefits (A schedule of funding progress is presented on pages 34 - 36)	\$ 551,391,470	\$ 636,009,102

The accompanying notes are an integral part of these statements.

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

COMBINED STATEMENTS OF CHANGES IN NET ASSETS

Years Ended September 30,

	2001	2000
ADDITIONS		
Contributions:		
City of Miami	\$ 8,541,461	\$ 8,216,415
Members	<u>7,350,154</u>	<u>6,615,913</u>
Total contributions	<u>15,891,615</u>	<u>14,832,328</u>
Investment (loss) income:		
Net (depreciation) appreciation in fair value of investments	(79,733,372)	72,089,313
Interest	11,427,727	11,093,135
Dividend	4,804,376	5,055,012
Rental and other income, net	<u>209,969</u>	<u>219,425</u>
Total investment (loss) income	<u>(63,291,300)</u>	<u>88,456,885</u>
Less investment expense	<u>2,310,173</u>	<u>2,455,081</u>
Net investment (loss) income	(65,601,473)	86,001,804
Reimbursement income from City of Miami	<u>1,461,349</u>	<u>1,395,839</u>
Total (reductions) additions	<u>(48,248,509)</u>	<u>102,229,971</u>
DEDUCTIONS		
Benefits	33,158,259	31,696,081
Refunds of contributions	1,749,515	1,432,513
Administrative and other expenses	<u>1,461,349</u>	<u>1,395,839</u>
Total deductions	<u>36,369,123</u>	<u>34,524,433</u>
Net (decrease) increase	(84,617,632)	67,705,538
Net assets held in trust for pension benefits, beginning of year	<u>636,009,102</u>	<u>568,303,564</u>
Net assets held in trust for pension benefits, end of year	<u>\$ 551,391,470</u>	<u>\$ 636,009,102</u>

The accompanying notes are an integral part of these statements.

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

NOTES TO FINANCIAL STATEMENTS

Years Ended September 30, 2001 and 2000

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

The Board of Trustees of the City of Miami General Employees' and Sanitation Employees' Retirement Trust administers three defined benefit pension plans - (1) City of Miami General Employees' and Sanitation Employees' Retirement Trust ("GESE Trust"), which is a single employer public employee retirement system, (2) an Excess Benefit Plan for the City of Miami and (3) City of Miami General Employees' and Sanitation Employees' Retirement Trust Staff Pension Plan ("Staff Trust"). Each plan's assets may be used only for the payment of benefits to the members of that plan, in accordance with the terms of the plan.

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

Basis of Accounting

The financial statements of the Trusts are prepared using the accrual basis of accounting. Trust member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plans.

Investments

Investments are reported at fair value in the financial statements based on the closing sale price as of September 30, 2001 and 2000, as reported by recognized security exchanges.

Cash

As required by Chapter 280.04, Florida Statutes, all deposits of the Trusts during the year ended September 30, 2001 and 2000, were held in institutions designated by the Treasurer of the State of Florida as "qualified public depositories" and were accordingly collateralized as required by that Statute. All deposits of the Trusts are considered insured for risk categorization purposes.

(continued)

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Years Ended September 30, 2001 and 2000

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Investment Advisor, Administrative and Other Expenses

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

Use of Estimates

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

Risks and Uncertainties

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

NOTE 2 - PLAN DESCRIPTIONS

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

General

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

(continued)

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Years Ended September 30, 2001 and 2000

NOTE 2 - PLAN DESCRIPTION - Continued

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

Contributions

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

Eligibility

The GESE Trust covers all City of Miami general and sanitation employees except certain employees eligible to decline membership. Participation in the GESE Trust is a mandatory condition of employment for all regular and permanent employees other than fire fighters, police officers and those eligible to decline membership, as defined by the Ordinance.

Retirement Age

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

Benefits

Retirement benefits are generally based on 3.0% of the average final compensation multiplied by years of creditable service, which is paid annually in monthly installments. Early retirement, disability, death and other benefits are also provided. Effective July 14, 1989, in accordance with a Florida Supreme Court decision rendered with respect to the City, the GESE Trust no longer offsets, except for employees whose date of accident occurred prior to 1973, employee disability pension benefits by the amount of workers' compensation benefits received through the City.

(continued)

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Years Ended September 30, 2001 and 2000

NOTE 2 - PLAN DESCRIPTION - Continued

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

Cost of Living Adjustment

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

On December 15, 1998, the Plan was amended to provide for an increase in the COLA paid to retirees to 4% with a \$400 annual maximum increase, provided the retiree's first anniversary of retirement has been reached. The amendment also provided for retirees electing Option 6(a) in section 40-255(1)(1) of the Code to receive a minimum COLA benefit of twenty-seven dollars per year and a maximum COLA benefit of two hundred dollars added to the previous COLA benefit, provided the retiree's first anniversary of retirement has been reached. The effective date of this amendment is October 1, 1998.

Excess Benefit Plan for the City of Miami

General

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

(continued)

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Years Ended September 30, 2001 and 2000

NOTE 2 - PLAN DESCRIPTION - Continued

Excess Benefit Plan for the GESE Trust - Continued

General - Continued

- b. paid annually concurrently with the City's annual contribution to normal pension costs which shall cause 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 will be separate and apart from the accounts established to receive the City's normal pension contributions for the GESE Trust.

Contributions for the year ended September 30, 2001 and 2000 amounted to \$68,351 and \$-0-, respectively.

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

General

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

Contributions

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

(continued)

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Years Ended September 30, 2001 and 2000

NOTE 2 - PLAN DESCRIPTION - Continued

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

Eligibility

The Staff Trust covers all GESE Trust full time employees and other positions as may be named by the Board of Trustees. Participation in the Staff Trust is a mandatory condition of employment for all full time employees, other than those eligible to decline membership, as defined by the Plan document.

Retirement Age

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

Benefits

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

Participation

At October 1, 2001 and 2000 (based on updated actuarial valuations originally dated October 1, 1998), each Trust's membership consisted of:

	2001			
	<u>G.E.S.E.</u>	<u>Excess</u>	<u>Staff</u>	<u>Total</u>
Retirees and beneficiaries currently receiving benefits	1,837	33	-	1,870
Terminated employees entitled to benefits, but not yet receiving them	70	-	-	70
Current employees	<u>1,619</u>	<u>-</u>	<u>8</u>	<u>1,627</u>
Total members	<u><u>3,526</u></u>	<u><u>33</u></u>	<u><u>8</u></u>	<u><u>3,567</u></u>

(continued)

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Years Ended September 30, 2001 and 2000

NOTE 2 - PLAN DESCRIPTION - Continued

Participation - Continued

	2000			
	G.E.S.E.	Excess	Staff	Total
Retirees and beneficiaries currently receiving benefits	1,797	-	-	1,797
Terminated employees entitled to benefits, but not yet receiving them	54	-	-	54
Current employees	1,597	-	-	1,597
Total members	3,448	-	-	3,448

NOTE 3 - CONTRIBUTIONS

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

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

Contributions are determined using the modified aggregate entry age normal cost method. Prior to October 1, 1997, the Gates Agreement amortization payments were paid in accordance with Schedule B of Attachment E of the Gates Agreement. This agreement provided for a series of increasing scheduled amortization payments through the year 2007. As of October 1, 1997, the payment schedule was replaced. The unfunded actuarial accrued liability as of October 1, 1997 was zero. Beginning October 1, 1998, the following amortization periods apply all as level dollar amounts:

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

(continued)

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Years Ended September 30, 2001 and 2000

NOTE 3 - CONTRIBUTIONS - Continued

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

The City of Miami is required to contribute an actuarially determined amount that, when combined with participants' contributions, will fully provide for all benefits as they become payable. The total actuarially determined contribution requirement was \$14,364,533 and \$13,732,564 for the years ended September 30, 2001 and 2000, respectively, determined through an actuarial valuation performed as of October 1, 1999 and 1998, respectively. The required contribution consisted of (a) \$10,981,771 and \$10,298,441 normal cost, (b) \$3,382,762 and \$3,434,123 amortization of the unfunded actuarial accrued liability and (c) \$0 interest adjustment for September 30, 2001 and 2000. For the years ended September 30, 2001 and 2000, respectively, the City contributed \$8,458,735 and \$8,216,415 and the employees contributed \$7,163,964 and \$6,615,913.

Excess Benefit Plan for the City of Miami

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

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

The City of Miami is required to contribute an actuarially determined amount that, when combined with participants' contributions, will fully provide for all benefits as they become payable. The total actuarially determined contribution requirement was \$1,016,990 for the year ended September 30, 2001, determined through an actuarial valuation performed as of October 1, 2000. The required contribution consisted of (a) \$124,200 normal cost, (b) \$892,790 amortization of the unfunded actuarial accrued liability and (c) \$-0- interest adjustment for September 30, 2001. For the year ended September 30, 2001, the City of Miami contributed \$68,351.

(continued)

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Years Ended September 30, 2001 and 2000

NOTE 3 - CONTRIBUTIONS - Continued

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

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

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

The GESE Trust is required to contribute an actuarially determined amount that, when combined with participants' contributions, will fully provide for all benefits as they become payable. The total actuarially determined contribution requirement was \$85,407 for the year ended September 30, 2001, determined through an actuarial valuation performed as of October 1, 2000. The required contribution consisted of (a) \$53,207 normal cost, (b) \$32,200 amortization of the unfunded actuarial accrued liability and (c) \$-0- interest adjustment for September 30, 2001. For the year ended September 30, 2001, the GESE Trust contributed \$14,375 and the employees contributed \$186,190, including rollovers of \$179,606.

NOTE 4 - INVESTMENTS

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

(continued)

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Years Ended September 30, 2001 and 2000

NOTE 4 - INVESTMENTS - Continued

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

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

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

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

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

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

(continued)

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Years Ended September 30, 2001 and 2000

NOTE 4 - INVESTMENTS - Continued

General Policy for GESE Trust and Staff Trust

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

Each Trust's general investment objectives are to achieve the following within three to five years or a full market cycle, without undue risk:

- Rates of return that equal or exceed the prevailing inflation rate, as measured by the Consumer Price Index, by 3.5%
- Rates of return that equal or exceed the Trust's actuarial interest assumption rate
- Performance results that rank in the top half of the investment consultant's universe database.

The investment policy states that individual investments in the securities of a single issue cannot exceed 5% of the costs of the funds available for investment, except for the Staff Trust which has a maximum of 20% for fixed income securities. For equity securities, investments in any single industry can not exceed the greater of three times the index holding or 10% of the total value of the Trust's portfolio. For fixed income securities, investments in any single industry can not exceed 20% of the total value of the Trust's portfolio, excluding securities backed by the U.S. Government.

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

(continued)

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Years Ended September 30, 2001 and 2000

NOTE 4 - INVESTMENTS - Continued

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

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

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

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

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

Investments as of September 30, 2001 were all category one risk as follows:

	Category 1		Reported Amount/ Fair Value
	GESE Trust	Staff Trust	
U.S. Government and Agency Securities	\$ 79,917,505	\$ 77,859	\$ 79,995,364
Corporate stocks	345,011,580	98,487	345,110,067
Corporate bonds	87,513,368	-	87,513,368
	<u>\$ 512,442,453</u>	<u>\$ 176,346</u>	512,618,799

Investments not subject to categorization:

Real Estate Fund	28,898,021
Money Market Fund (including \$20,911 for Staff Trust)	28,827,107

Total investments	<u>\$ 570,343,927</u>
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City of Miami
General Employees' and Sanitation Employees'
Retirement Trust and Other Managed Trusts

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Years Ended September 30, 2001 and 2000

NOTE 5 - REIMBURSEMENT INCOME FROM CITY

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

Such administrative costs for the years ended September 30, 2001 and 2000 consisted of the following:

	<u>2001</u>	<u>2000</u>
City of Miami receivable, beginning of year	\$ 410,180	\$ 421,571
Administrative costs:		
Personnel	455,981	473,012
Professional	654,469	593,866
Insurance	123,841	113,269
Rent	75,827	70,475
Other	<u>151,231</u>	<u>145,217</u>
Total	1,461,349	1,395,839
Funding provided by the City of Miami - current year	<u>1,015,074</u>	<u>1,407,230</u>
City of Miami receivable, end of year	<u>\$ 856,455</u>	<u>\$ 410,180</u>

SUPPLEMENTARY INFORMATION

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

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

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Liability (AAL) - Entry Age	Unfunded AAL (UAAL) (b) - (a)	Funded Ratio (a) / (b)	(c) Covered Payroll	UAAL as Percentage of Covered Payroll (b)-(a)/(c)
10/1/00	\$594.8	\$577.7	\$(17.1)	103%	\$63.8	(27)%
10/1/99	\$539.0	\$571.1	\$32.1	94%	\$59.1	54%
10/1/98	\$522.9	\$557.3	\$34.4	94%	\$55.1	62%
10/1/97	\$505.4	\$471.1	(\$34.4)	107%	\$52.0	(66)%
10/1/96	\$383.4	\$522.8	\$139.3	73%	\$53.3	261%
10/1/95	\$350.2	\$492.7	\$142.5	71%	\$50.4	283%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Fiscal Year Ended <u>September 30,</u>	Annual Required <u>Contributions</u>	Percentage <u>Contributed</u>
2001	\$ 8,458,735	100%
2000	\$ 8,216,415	100%
1999	\$ -	100%
1998	\$12,617,377	100%
1997	\$13,173,804	100%
1996	\$13,863,239	100%
1995	\$11,133,550	100%

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

Valuation date	October 1, 1999
Actuarial cost method	Modified entry age normal
Amortization method	Level dollar amounts, closed
Remaining amortization period	19 years
Asset valuation method	Moving market value average over 3 years
Actuarial assumptions:	
Investment rate of return	8.1%
Projected salary increases	6.0%
Includes inflation at	3.5%
Cost of living adjustments	4% per year, with \$54 per year minimum and \$400 per year maximum

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

EXCESS BENEFIT PLAN
SCHEDULE OF FUNDING PROGRESS
(in millions)

<u>Actuarial Valuation Date</u>	<u>(a) Actuarial Value of Assets</u>	<u>(b) Actuarial 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>
* 10/1/00	\$-0-	\$9.9	\$9.9	0%	\$63.8	16%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

<u>Fiscal Year Ended September 30,</u>	<u>Annual Required Contributions</u>	<u>Percentage Contributed</u>
2001	\$1,016,990	6.72%

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

Valuation date	October 1, 2000
Actuarial cost method	Modified entry age normal
Amortization method	Level dollar amounts, closed
Remaining amortization period	30 years
Asset valuation method	Moving market value average over 3 years
Actuarial assumptions:	
Investment rate of return	8.1%
Projected salary increases	5.7%
Includes inflation at	3.5%
Cost of living adjustments	None

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

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

STAFF TRUST
SCHEDULE OF FUNDING PROGRESS

(in thousands)

<u>Actuarial Valuation Date</u>	(a) <u>Actuarial Value of Assets</u>	(b) Actuarial Liability (AAL) - <u>Entry Age</u>	Unfunded AAL (UAAL) <u>(b) - (a)</u>	Funded Ratio <u>(a) / (b)</u>	(c) <u>Covered Payroll</u>	UAAL as Percentage of Covered Payroll <u>(b)-(a)/(c)</u>
* 10/1/00	\$160.6	\$519.1	\$358.5	31%	\$279.1	128%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

<u>Fiscal Year Ended September 30,</u>	<u>Annual Required Contributions</u>	<u>Percentage Contributed</u>
2001	\$14,375	100%

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

Valuation date	October 1, 2000
Actuarial cost method	Modified entry age normal
Amortization method	Level dollar amounts, closed
Remaining amortization period	30 years
Asset valuation method	Moving market value average over 3 years
Actuarial assumptions:	
Investment rate of return	8.1%
Projected salary increases	6.0%
Includes inflation at	3.5%
Cost of living adjustments	None

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

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

COMBINING STATEMENT OF NET ASSETS

September 30, 2001

	<u>G.E.S.E Trust</u>	<u>Excess Benefit Plan</u>	<u>Staff Trust</u>	<u>Total</u>
ASSETS				
Cash	\$ 698,057	\$ 3,505	\$ -	\$ 701,562
Cash with fiscal agent	208,250	-	-	208,250
Receivables:				
Securities sold	4,204,115	-	21,679	4,225,794
Members' contributions	152,335	-	-	152,335
Accrued interest	2,455,424	-	-	2,455,424
City of Miami	<u>854,873</u>	<u>1,582</u>	<u>-</u>	<u>856,455</u>
Total receivables	<u>7,666,747</u>	<u>1,582</u>	<u>21,679</u>	<u>7,690,008</u>
Investments, at fair value:				
U.S. Government and Agency securities	79,917,505	-	77,859	79,995,364
Corporate stocks	345,011,580	-	98,487	345,110,067
Corporate bonds	87,513,368	-	-	87,513,368
Real estate fund	28,898,021	-	-	28,898,021
Money market funds and commercial paper	<u>28,806,196</u>	<u>-</u>	<u>20,911</u>	<u>28,827,107</u>
Total investments	<u>570,146,670</u>	<u>-</u>	<u>197,257</u>	<u>570,343,927</u>
Total assets	578,719,724	5,087	218,936	578,943,747
LIABILITIES				
Payable for securities purchased	26,850,648	-	24,719	26,875,367
Accounts payable	<u>671,823</u>	<u>5,087</u>	<u>-</u>	<u>676,910</u>
Total liabilities	<u>27,522,471</u>	<u>5,087</u>	<u>24,719</u>	<u>27,552,277</u>
Net assets held in trust for pension benefits (A schedule of funding progress is presented on pages 34-36)	<u>\$ 551,197,253</u>	<u>\$ -</u>	<u>\$ 194,217</u>	<u>\$ 551,391,470</u>

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

COMBINING STATEMENT OF CHANGES IN NET ASSETS

Year Ended September 30, 2001

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

Supporting Schedules

Prepared by

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

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

Schedule of Administrative Expenses
For the Year Ended September 30, 2001

	<u>G.E.S.E</u> <u>Trust</u>	<u>Excess</u> <u>Benefits</u>	<u>Combined</u> <u>Total</u>
Personnel Services:			
Salaries & Wages	\$ 384,362	2,865	\$ 387,227
Payroll Taxes	29,108	-	29,108
Insurance & Workers Comp.	49,623	-	49,623
Retirement	36,927	-	36,927
Car Allowance	6,000	-	6,000
Total Personnel Services	<u>\$ 506,020</u>	<u>2,865</u>	<u>\$ 508,885</u>
Professional Services:			
Custodian	\$ 204,399	-	\$ 204,399
Investment Consulting	137,000	-	137,000
Legal Counsel	117,283	-	117,283
Actuarial	59,560	16,766	76,326
Audit	39,220	4,000	43,220
Other	35,120	-	35,120
Total Professional Services	<u>\$ 592,582</u>	<u>20,766</u>	<u>\$ 613,348</u>
Rentals:			
Office Space	\$ 72,038	-	\$ 72,038
Equipment	3,788	-	3,788
	<u>\$ 75,826</u>	<u>0</u>	<u>\$ 75,826</u>
Insurance:			
	76,938	-	76,938
Communication:			
Printing	\$ 15,184	2,452	\$ 17,636
Advertising	6,567	-	6,567
Postage	7,215	-	7,215
Telephone & Telecomm Expense	8,172	-	8,172
Total Communications	<u>\$ 37,138</u>	<u>2,452</u>	<u>\$ 39,590</u>
Miscellaneous:			
Travel	\$ 36,942	-	\$ 36,942
Memberships, Books & Publications	3,436	-	3,436
Repairs & Maintenance	19,156	-	19,156
Supplies	18,465	-	18,465
Training	4,794	-	4,794
Parking	7,502	-	7,502
Furniture & Computer Equipment	55,109	-	55,109
Other	1,358	-	1,358
Total Miscellaneous	<u>146,762</u>	<u>0</u>	<u>146,762</u>
Total Administrative Expenses	<u>\$ 1,435,266</u>	<u>26,083</u>	<u>\$ 1,461,349</u>

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

**Schedule of Investment Manager Expenses
For the Year Ended September 30, 2001**

<u>Investment Manager</u>	<u>Investment Style</u>	<u>Amount</u>
Atlanta Capital Mgmt.	Equity - Core Growth	\$614,169
Institutional Capital Mgmt.	Equity - Value	385,876
Trusco Capital Mgmt. (STI)	Equity - Value	151,321
State Street Global Advisors	Equity - S&P 500 Index	84,204
Invesco Capital Mgmt.	Equity - International	94,374
Atlantic Capital Mgmt.	Equity - Small Cap Growth	148,987
* Crabbe Huson Group	Equity - Small Cap Value	74,252
Cramer Rosenthal McGlynn	Equity - Small Cap Value	28,805
* Sanford Bernstein & Co.	Fixed Income	93,846
Seix Investment Advisors	Fixed Income	25,359
Richmond Capital	Fixed Income	187,216
Loomis Sayles & Co.	Fixed Income	140,398
MetLife Insurance Co.	Real Estate	199,837
EII Realty Securities, Inc.	Real Estate	81,529
Total Investment Manager Expenses		<u><u>\$2,310,173</u></u>

* These managers were terminated on 06/30/2001, due to changes in ownership, organizational staff changes, and longterm performance.

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

Schedule of Payments to Consultants
For the Year Ended September 30, 2001

<u>Nature of Service</u>	<u>G.E.S.E</u> <u>Trust</u>	<u>Excess</u> <u>Benefits</u>	<u>Combined</u> <u>Total</u>
Investment Consulting	\$ 137,000	-	\$ 137,000
Legal Fees	117,283	-	117,283
Actuarial	59,560	16,766	76,326
Auditing	39,220	4,000	43,220
Total	<u>\$ 353,063</u>	<u>\$ 20,766</u>	<u>\$ 373,829</u>

Investment Section

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**Watson Wyatt
Investment Consulting**

Suite 1300
One Ravinia Drive
Atlanta, GA 30346-2128
Telephone 770 290 8500
Fax 770 290 8700

Date: March 11, 2002

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

Subject: **Investment Consultant**

Dear Trustees:

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

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

The long term objectives of the total fund are to earn a real rate of return in excess of inflation by 3.5% and achieve or exceed the actuarial interest assumption of 8.1%. For the twelve-month period ending September 30, 2001, the fund earned an annual return of -10.4%, gross of fees, outperforming the index but underperforming these objectives. This period, like the prior two fiscal years, was extremely volatile for the capital markets. The broad equity market (as measured by the S&P 500) was down -14.7% for the same period. However, historical performance has been very strong, 10.2% annualized since September 30, 1987. Watson Wyatt believes the Fund is well positioned for the future.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Hilda A. Thompson'.

Hilda A. Thompson
Senior Consultant

HAT/rmc

cc: Sandra Elenberg

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*Watson Wyatt
Investment Consulting
is a subsidiary of
Watson Wyatt & Company*

LIST OF INVESTMENT MANAGERS
AS OF SEPTEMBER 30, 2001

Atlanta Capital Management

Seix Investment Advisors, Inc

Institutional Capital Management

Richmond Capital Management

Invesco Capital Management

State Street Global Advisors

Metropolitan Life Insurance Co.

Trusco Capital Management

Loomis, Sayles & Co., L.P.

Atlantic Capital Management

Cramer Rosenthal McGlynn

EII Realty Securities, Inc.

Investment Overview:

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

The objectives of the overall portfolio are to:

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

The asset allocation guidelines are presented on [page 49](#), along with the actual allocations for the last three years. The allocation of assets are monitored closely by the board, so as to comply with the established policy guidelines. Rebalancing is performed as needed and upon advise from our investment consultant.

A summary of investment returns in the various asset classes along with the returns of several indices are shown on [page 49](#). The returns of individual managers and the investment style utilized are presented on [page 52](#).

Brief Outline of the Investment Policy and Guidelines

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

a. Equity Securities

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

greater. Equity securities shall in general possess value and quality corroborated by accepted techniques and standards of fundamental and technical analysis. Investments into commingled funds are excluded from the above maximums. The equity managers are expected to achieve a return that exceeds inflation (CPI) by 6%.

Permissible Direct Investments:

1. Registered common stock listed on a major U.S. exchange or traded on any major U.S. market, including foreign securities traded on U.S. exchanges.
2. Convertible preferred stock and convertible bonds.
3. Foreign stocks through the use of commingled or mutual funds
4. Emerging market stocks within the commingled or mutual funds
5. Standard & Poors Depository Receipts
6. American Depository Receipts.
7. Stocks with a minimum market capitalization of \$100 million, small cap managers may invest in stocks with a \$50 million market capitalization.

Excluded Direct Investments:

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

b. Fixed Income Securities

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

The following instruments are acceptable:

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

The following instruments are not allowable:

1. Private Placements.
2. Eurodollar Securities.
3. Foreign Credits.
4. Debt to Equity exchanges.
5. Investment Managers are not authorized to use derivative securities, or strategies that do not comply with basic investment objectives of this policy, i.e. an emphasis on the preservation of principal consistent with conservative growth of assets. Managers are specifically prohibited from using derivative or synthetic securities whose characteristics as implemented by the manager include potentially high price volatility and whose returns are speculative or leveraged (when considered together with liquid/short-term securities position) or whose marketability may be severely limited, without written authority from the Board.

The fixed income investments shall be appropriately diversified although the investment manager may engage in “active” bond management. It is therefore anticipated that there may be turnover as shifts are made between and within sectors, quality and maturity.

Average duration of the fixed income asset class will be targeted within a range of three to ten years.

c. Real Estate Securities

1. A portion of the real estate investment will be through an open-end commingled property real estate fund. The commingled fund may have up to 20% of the portfolio’s value leveraged. A portion will also be invested through REITs. The REIT manager may invest up to 7.5% (at cost) in a single issue. The REIT manager may also invest up to 10% in private placements, with prior Board approval.
2. The investment managers shall be given full discretion to manage the assets under their supervision subject to the Investment Guidelines.
3. The investment program will be managed by one or more designated managers. Proxies will be voted by the manager in compliance with the Board’s general guidelines.
4. There shall be a continual review of the investments under management. The board shall confer with the investment manager at least semi-annually to review Trust investments and current environment and future outlook.

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

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

Summary of Investment Returns

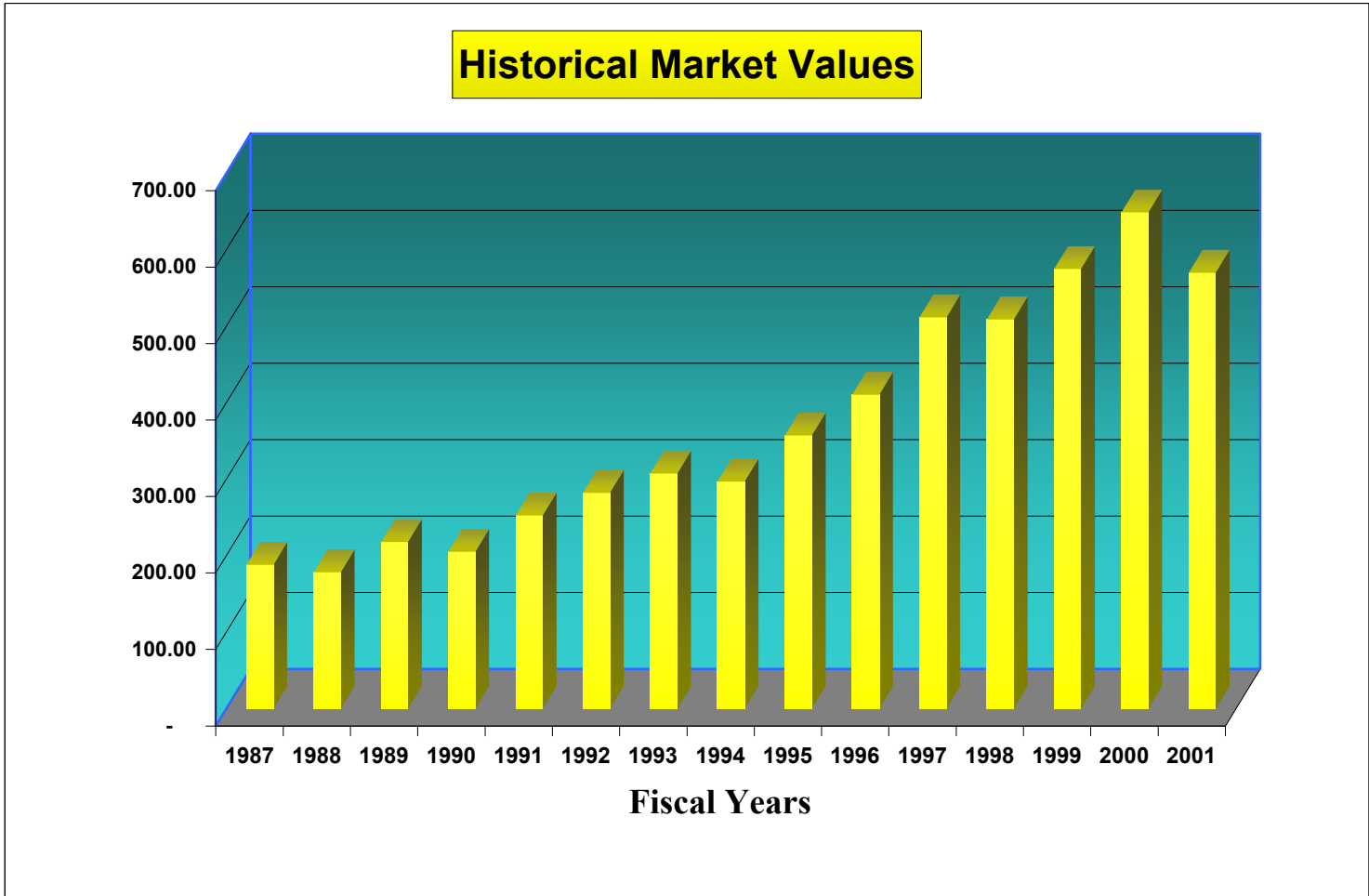
	Annual Rates of Return (%)					Annualized Return (%)	
	2001	2000	1999	1998	1997	3 Years	5 Years
Equities							
Fund Return - Domestic Equities	-18.9	19.5	25.4	-0.4	39.2	6.7	11.0
Fund Return - International Equities	-27.1	7.1	22.3	-7.3	32.3	1.1	4.9
S&P 500	-26.6	13.3	27.8	9.2	40.4	2.0	10.2
Dow Jones	-15.6	4.4	34.0	0.5	37.9	5.7	10.4
Russell Mid-Cap	-22.4	31.6	19.5	-6.0	35.1	6.9	9.2
Russell 2000 - Small Stock	-21.2	23.4	19.1	-19.0	33.2	5.0	4.5
MSCI EAFE - Non US Stocks	-28.5	3.2	31.0	-8.3	12.2	-1.2	0.1
Fixed Income							
Fund Return - Fixed Income	12.5	7.3	0.6	12.2	9.5	6.7	8.3
Lehman Brothers - Aggregate	13.0	7.0	-0.4	11.5	9.7	6.4	8.1
Lehman Brothers - Mortgage Backed	12.3	7.4	2.3	8.6	10.0	7.3	8.1
Lehman Brothers - Government/Corporate	13.2	6.7	-1.6	12.8	9.6	5.9	8.0
T-Bills - 90 Days	4.2	5.8	4.5	5.0	5.1	4.9	4.9
Real Estate							
Fund Return - Real Estate	9.5	17.9	7.2	15.1	10.7	11.5	12.0
NCREIF Index	11.2	11.9	12.2	17.3	11.4	11.9	12.7
Total Fund Return	-10.4	15.7	17.7	2.9	29.5	6.9	10.2
Total Fund Benchmark	-15.7	10.8	18.0	9.7	26.7	3.3	8.9

Summary of Asset Allocation						
	<u>Policy GuideLines as of 09/30/2000</u>			<u>Actual</u>		
	<u>Min.</u>	<u>Target</u>	<u>Max.</u>	<u>09/30/2001</u>	<u>09/30/2000</u>	<u>09/30/99</u>
Domestic Large Cap Equities	40.0%	50.0%	60.0%	54.9%	54.4%	65.1%
Small-Mid Cap Equities	0.0%	10.0%	15.0%	4.5%	10.0%	3.8%
International Equities (UH)	0.0%	10.0%	15.0%	4.6%	5.6%	3.6%
US Aggregate Fixed Income	20.0%	25.0%	40.0%	29.1%	24.6%	22.4%
Real Estate	0.0%	5.0%	10.0%	5.3%	4.3%	4.3%
Cash and Other	0.0%	0.0%	15.0%	1.5%	1.0%	0.8%
				<u>100%</u>	<u>100%</u>	<u>100.0%</u>

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

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

Fiscal Year Ended September 30,	Market Value Investments Held (\$ Millions)
1987	188.44
1988	178.47
1989	218.35
1990	205.46
1991	252.91
1992	282.42
1993	307.77
1994	297.28
1995	357.68
1996	410.96
1997	512.16
1998	509.33
1999	575.25
2000	649.21
2001	570.30

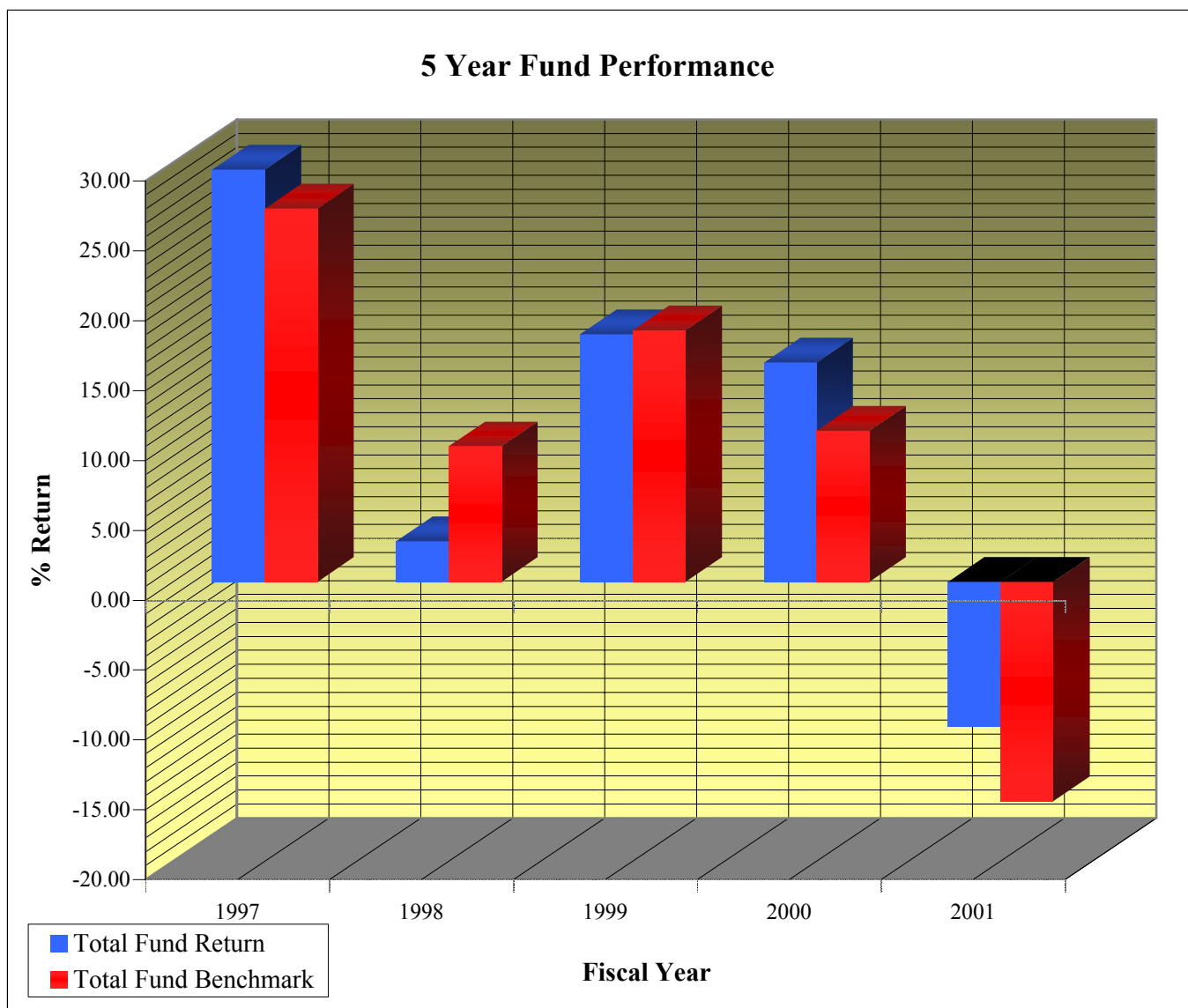


**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION EMPLOYEES' RETIREMENT TRUST
AND OTHER MANAGED TRUSTS
STATEMENT OF ASSETS 5 YEAR FUND PERFORMANCE**

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

	1997	1998	1999	2000	2001
Total Fund Return	29.50	2.90	17.70	15.70	-10.40
Total Fund Benchmark	26.70	9.70	18.00	10.80	-15.70

Note: Returns are gross of fees



SUMMARY OF INVESTMENT MANAGER RETURNS

FOR THE 12-MONTH PERIOD ENDED SEPTEMBER 30, 2001	PERFORMANCE				
INVESTMENT STYLE	ENDING MARKET VALUE (\$ Millions)	FUND RETURN (%)	STYLE BENCHMARK (%)	UNIVERSE RANKING * 1 = Best 100 = Worst	
TOTAL TRUST	\$550.6	-10.4	-15.7		
<i>Domestic Equity Segment</i>	<i>327.2</i>	<i>-18.9</i>	<i>-26.6</i>	<i>22nd</i>	
Atlanta Capital Management	Large Cap Growth 126.1	-26.1	-45.6	22nd	
Institutional Capital Corp.	Large Cap Value 82.4	-4.6	-8.9	38th	
State Street Global Advisors	S&P 500 Indexed 62.2	-26.5	-26.6	61st	
Trusco Capital Management (STI)	Mid Cap Value 31.6	2.4	-8.9	18th	
Atlantic Capital Management	Small Cap Growth 12.7	-31.3	-42.6	33rd	
Cramer Rosenthal, McGlynn LLC	Small Cap Value 12.2	N/A	5.6	N/A	
<i>International Equity Segment</i>	<i>25.6</i>	<i>-27.1</i>	<i>-28.5</i>	<i>38th</i>	
Invesco Capital Management	International Equity 16.2	-21.8	-28.5	19th	
State Street Global Advisors	International Equity 9.4	-34.8	-28.5	N/A	
<i>Fixed Income Segment</i>	<i>160.4</i>	<i>12.5</i>	<i>13.0</i>	<i>52nd</i>	
Richmond Capital Management	Aggregate 74.6	13.0	13.0	68th	
Seix Investment Advisors	Aggregate 37.4	N/A	13.0	N/A	
Loomis, Sayles & Company	Intermediate 48.5	13.1	12.9	37th	
<i>Real Estate Segment</i>	<i>29.2</i>	<i>9.5</i>	<i>10.1</i>		
MetLife Insurance Company	Real Estate 18.2	9.4	10.1	45th	
EII Realty Securities	REIT 11.0	9.7	12.6	61st	
<i>Administrative Account</i>	Cash 8.3	5.2	4.2		

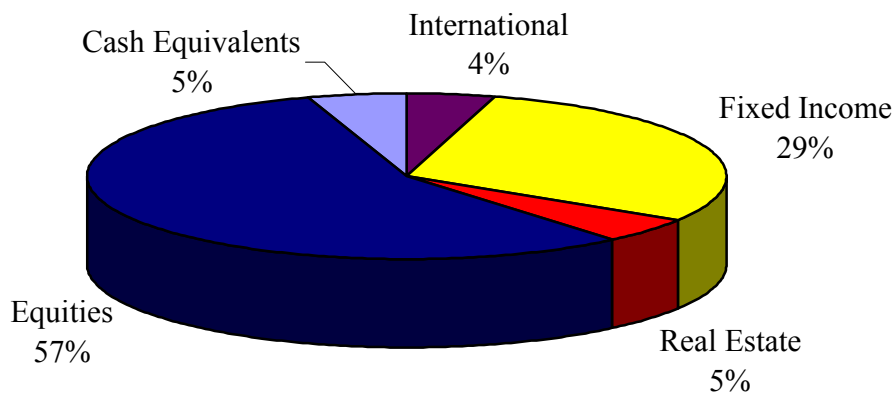
* Manager universes are comprised from data provided by investment consultant and categorized into styles by Watson Wyatt Investment Consulting.

Source: Watson Wyatt Investment Consulting

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION EMPLOYEES' RETIREMENT TRUST
AND OTHER MANAGED TRUSTS
STATEMENT OF INVESTMENT SUMMARY BY ASSET CLASS
AS OF SEPTEMBER 30, 2001**

ASSET CLASS	Beginning Cost	Ending Cost	Beginning Market Value	Ending Market Value
Domestic Equities	\$259,493,927	\$275,195,452	\$400,782,446	\$320,004,260
Fixed Income	168,460,158	162,393,721	168,098,446	167,508,734
Real Estate	18,630,559	18,906,895	27,060,019	28,898,021
International Equities	32,857,206	27,288,296	35,157,979	25,105,807
Cash Equivalents	18,115,689	28,827,105	18,115,689	28,827,105
Total	<u>\$497,557,540</u>	<u>\$512,611,469</u>	<u>\$649,214,579</u>	<u>\$570,343,927</u>

**Asset Allocation (Market Value)
As of September 30, 2001**



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

**List of Largest Assets Held
For the Year Ended September 30, 2001**

Largest Stock Holdings (By Market Value)

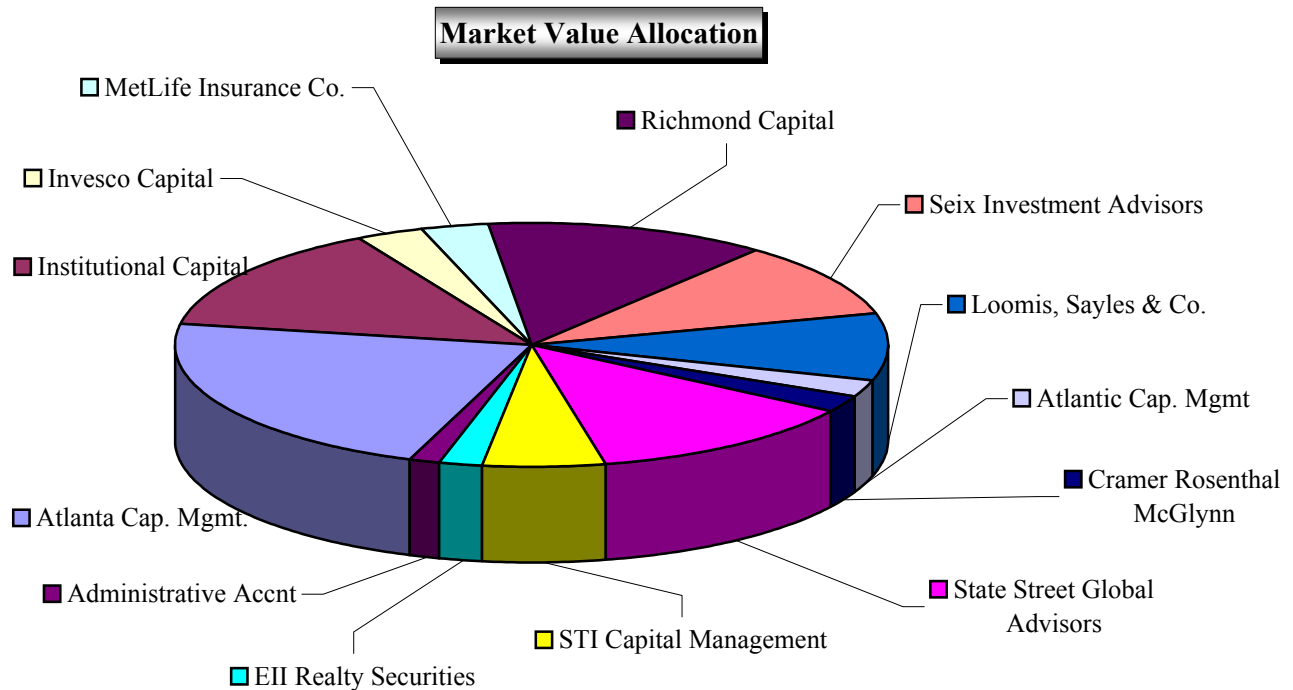
	<u>Shares</u>	<u>Stocks</u>	<u>Market Value (\$)</u>
1)	120,150	Kimberly Clark Corporation	7,449,300
2)	115,724	Verizon Communications	6,261,826
3)	135,360	Tyco Intl Ltd New	6,158,880
4)	99,940	Electronic Data Sys Corp	5,754,545
5)	103,890	Phillips Pete Co.	5,603,827
6)	100,150	Bristol Myers Squibb Co.	5,564,334
7)	108,160	SBC Communications Inc.	5,096,499
8)	58,670	Federal Natl Mtg Assn	4,697,120
9)	66,840	Merck & Co Inc	4,451,544
10)	139,520	Target Corporation	4,429,760

Largest Bond Holdings (By Market Value)

	<u>Par</u>	<u>Bonds</u>	<u>Coupon</u>	<u>Maturity</u>	<u>Market Value (\$)</u>
1)	3,595,000	FNMA TBA Oct 30 Single Fam	6.500%	12/1/2099	3,655,648
2)	3,305,000	FNMA Pool	4%V	10/1/2049	3,420,159
3)	3,165,000	United States Treasury Notes	5.000%	8/15/2011	3,266,881
4)	2,420,000	General Electric Cap Corp MTN	7.000%	3/1/2002	2,458,309
5)	2,390,000	General Mtrs Accep Corp MTN	7.400%	6/7/2002	2,453,502
6)	2,210,000	Federal Natl Mtg Assn	6.375%	6/15/2009	2,387,485
7)	2,250,000	Federal Home Ln Mtg Corp	6.250%	10/15/2002	2,333,678
8)	2,090,000	FNMA TBA Oct 30 Single Fam	7.500%	12/1/2099	2,172,931
9)	2,090,000	FNMA TBA Nov 30 Single Fam	7.500%	12/1/2099	2,169,002
10)	2,010,000	Worldcom Inc GA	7.750%	4/1/2007	2,139,665

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION EMPLOYEES' RETIREMENT TRUST
AND OTHER MANAGED TRUSTS
STATEMENT OF ASSETS & TOTAL FUND MANAGER ALLOCATION
AS OF SEPTEMBER 30, 2001**

INVESTMENT MANAGER	MARKET	%
Atlanta Capital	\$126,217,747	22.13%
State Street Global Advisors	71,467,513	12.53%
Institutional Capital	82,027,746	14.38%
Richmond Capital	73,488,640	12.88%
Trustco Capital Mgmt(STI)	31,659,506	5.55%
Seix Investment Advisors	56,997,660	9.99%
Loomis, Sayles & Co.	50,027,453	8.77%
Invesco Capital	15,978,024	2.80%
MetLife Insurance Co.	18,159,553	3.18%
Atlantic Capital Mgmt.	12,752,203	2.24%
Cramer Rosenthal McGlynn	12,247,676	2.15%
EII Realty Securities	11,041,149	1.94%
Administrative Account	<u>8,279,059</u>	<u>1.45%</u>
TOTAL	<u>\$570,343,927</u>	<u>100.00%</u>



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

**Schedule of Fees
For the Year Ended September 30, 2001**

<u>Investment Managers</u>	<u>Assets Under Management</u>	<u>Amount</u>
Equity Managers	\$ 352,272,167	\$ 1,581,988
Fixed Income Managers	\$ 180,591,999	446,819
Real Estate	\$ 29,200,701	281,366
Trust Account - (Cash Equiv)	\$ 8,279,060	-
Total Assets & Fees	\$ 570,343,927 *	<u>\$ 2,310,173</u>
 Other Investment Related Fees		
Custodian Fees		\$ 204,399
Investment Consultant Fees		137,000
Total Fees		<u>\$ 2,651,572</u>

* Total assets under management include \$8,279,060 held in an administrative account with the custodian for operational purposes and \$55,159 rental property which is not managed by an investment manager.

**CITY OF MIAMI GENERAL EMPLOYEES' & SANITATION EMPLOYEES' RETIREMENT TRUST
AND OTHER MANAGED TRUSTS
SCHEDULE OF COMMISSIONS
FOR THE YEAR ENDED SEPTEMBER 30, 2001**

<u>BROKERAGE FIRM</u>	Number of Shares Traded	Total Commissions	Commissions Per Share
Abel Noser Corporation	2,646,339	\$44,988	\$0.02
Autranet Inc	8,277,350	11,284	\$0.00
Bear Stearns + Co Inc	228,264	9,489	\$0.04
Bernsteinsanford C+ Co Inc	113,950	5,758	\$0.05
BYN ESI Securities Company	63,291	3,165	\$0.05
Bridge Trading	103,790	5,293	\$0.05
Charles Schwab & Co Inc	7,350	368	\$0.05
CS First Boston Corporation	281,050	9,693	\$0.03
DB Clearing Services	13,407	724	\$0.05
Factset Data Systems (Thru Bear Stearns)	153,750	8,746	\$0.06
Goldman Sachs + Co	7,816,440	57,745	\$0.01
Keefe Bruyette + Woods Inc	8,200	410	\$0.05
Lazard Freres & Co	8,650	479	\$0.06
Merrill Lynch Pierce Fenner + Smith	306,277	9,351	\$0.03
Morgan Stanley and Co, Inc	255,710	11,751	\$0.05
Morgan JP Securities Inc	177,475	8,163	\$0.05
Northeastsecurities Inc	5,700	285	\$0.05
Paine Webber Incorporated	18,200	975	\$0.05
Salomon Smith Barney Inc	626,480	23,780	\$0.04
SG Cowen Securities Corp	61,900	2,257	\$0.04
Soundviewtechnology Group Inc	28,150	648	\$0.02
Cibc Word Markets Corp	42,500	1,633	\$0.04
Donaldson & Co Inc.	1,254,360	75,200	\$0.06
Investment Technology Group Inc.	63,200	2,576	\$0.04
Prudential Securities Inc.	73,682	4,071	\$0.06
U.S. Clearing Corp.	87,000	5,220	\$0.06
Weeden & Co.	13,900	802	\$0.06
Citation Group	180,800	10,796	\$0.06
Edwards AG & Sons Inc.	106,500	6,371	\$0.06
Lehman Bros Inc.	192,940	8,151	\$0.04
Robinson Humphrey	235,700	14,142	\$0.06
Broadcort Capital (Thru ML)	487,350	28,663	\$0.06
Cantor Fitzgerald & Co.	202,800	2,094	\$0.01
Instinet	59,800	1,797	\$0.03
Johnson Rice & Co.	45,700	2,175	\$0.05
Piper Jaffray Inc.	32,200	1,027	\$0.03
Ragen Mackenzie Inc.	4,800	240	\$0.05
Thomson Institutional Service	126,900	6,984	\$0.06
Raymond James & Associates Inc.	53,340	2,447	\$0.05
Simmons & Company Intl	9,100	541	\$0.06
First Analysis Securities Corp	1,400	70	\$0.05
ISI GroupInc	18,300	1,040	\$0.06
Capital Institutional Services	30,300	1,818	\$0.06
Morgan Keegan & Co Inc	34,860	2,092	\$0.06
Frost Securities	2,400	120	\$0.05
Inferential Brokerage	7,700	385	\$0.05
Jefferies + Co	198,450	4,257	\$0.02
Ladenburghthalman + Co	6,200	12	\$0.00
Legg Mason Wood Walker Inc	24,400	1,340	\$0.05
RBC Dominion Securities Corporation	26,700	1,335	\$0.05
UBS Warburg LLC	196,699	9,128	\$0.05
Donaldson, Lufkin + Jenrette Secs	72,100	4,041	\$0.06
Dresdner Securities (USA) Inc	13,800	265	\$0.02
Hoenig+ Company Inc	9,600	480	\$0.05
McDonald & Co.	26,200	1,101	\$0.04
Green Street Advisors Incorporated	35,400	2,124	\$0.06
Deutsche Bank Alex Brown Inc	59,400	3,433	\$0.06
ING Baring LLC	2,100	105	\$0.05
Janney Montgomery, Scott	5,050	253	\$0.05
Ewing Capital, Inc. Broadcort Cap Clearin	30,000	1,500	\$0.05
First Union Capital Markets	38,000	2,220	\$0.06
Buckingham Research Group	2,100	115	\$0.05
Dain Rauchser Inc.	11,540	692	\$0.06
FleetBoston Robertson Stephens Inc.	21,440	920	\$0.04

**CITY OF MIAMI GENERAL EMPLOYEES' & SANITATION EMPLOYEES' RETIREMENT TRUST
AND OTHER MANAGED TRUSTS
SCHEDULE OF COMMISSIONS
FOR THE YEAR ENDED SEPTEMBER 30, 2001**

<u>BROKERAGE FIRM</u>	Number of Shares Traded	Total Commissions	Commissions Per Share
Thomas Weisel Partners	4,400	264	\$0.06
Charles, Akar & Associates Inc. (CLS 443)	3,100	155	\$0.05
Standard + Poors Securities Inc.	11,900	595	\$0.05
Wilshire Associates	6,700	335	\$0.05
Correspondent Services, Inc	9,300	528	\$0.06
Scott + Stringfellow	10,000	500	\$0.05
Knight Securities	1,550	60	\$0.04
Bear Stearns Securities Corp.	25,400	1,340	\$0.05
Mutual Service Corp.	15,400	924	\$0.06
NDB Capital Markets Inc.	24,200	1,452	\$0.06
Gruntal + Co.	8,400	390	\$0.05
Howard Weil Division Legg Mason	8,950	448	\$0.05
Tucker Anthony Cleary Gull	11,100	245	\$0.02
First Security Van Kasper + Co.	12,100	726	\$0.06
ABN AMRO Chicago Corp.	55,900	3,354	\$0.06
Factset Data Systems Inc.	36,700	1,922	\$0.05
McDonald Investments Inc.	11,600	493	\$0.04
Shield + Co.	3,700	185	\$0.05
Adams Harkness + Hill, Inc.	17,153	360	\$0.02
WIT Soundview Corp.	11,100	555	\$0.05
Banc America Security LLC Montgomery Div	11,100	514	\$0.05
Capital Resource Financial Services LLC	16,100	805	\$0.05
Davis, Mendel and Regenstein	3,550	178	\$0.05
Neuberger + Berman	3,200	161	\$0.05
Sturo And Company Inc	7,700	385	\$0.05
Westminster Res Assoc/Broadcort Capt CL	1,050	53	\$0.05
Deutsche Bank Securities Inc.	600	36	\$0.06
National Financial Services Corp.	500	30	\$0.06
B-Trade Services LLC	16,700	501	\$0.03
Utendahl	17,900	895	\$0.05
Veritas Securities	28,500	855	\$0.03
Lynch Jones and Ryan Inc.	1,000	50	\$0.05
State Street Brokerage Services	945,691	11,992	\$0.01
Credit Suisse First Boston Corp.	94,970	3,910	\$0.04
Sanford Bernstein Co LLC.	57,750	3,235	\$0.06
Davenport & Co. Of Virginia, Inc.	2,560	154	\$0.06
Spear, Leeds & Kellogg Capital Markets	14,400	864	\$0.06
Dresdner Kleinworth Wasserstein SEC LLC	6,300	378	\$0.06
FP Magilo + Co Inc.	4,600	155	\$0.03
First Albany Corp.	2,800	168	\$0.06
Baird, Robert W., & Company Inc.	1,500	90	\$0.06
Needham + Co.	2,300	138	\$0.06
Robertson Stephens Inc.	3,000	12	\$0.00
Scotia Capital (USA) Inc	11,900	238	\$0.02
Noruma Securities Int'l Inc.	30,100	1,505	\$0.05
Jackson Securities	12,700	762	\$0.06
Magna Securities Corp.	23,000	1,380	\$0.06
ABN Amro Securities LLC	1,900	114	\$0.06
Capel, James HSBC Securities Inc.	1,100	66	\$0.06
Princeton Securities	300	18	\$0.06
Davidson D.A. + Co. Inc.	300	18	\$0.06
Suntrust Capital Markets	2,830	170	\$0.06
William Blair & Co. LLC	1,400	84	\$0.06
Other Shares Without Commissions	1,103,959,733	0	\$0.00
Total	\$1,130,926,121	\$473,865	

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

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION EMPLOYEES' RETIREMENT TRUST
AND OTHER MANAGED TRUST
STATEMENT OF CASH EQUIVALENTS
SEPTEMBER 30, 2001**

MONEY MARKET FUNDS

Description	Market	Cost
GOVERNMENT STIF 12 - Atlanta Capital Management	\$549,563	\$549,563
GOVERNMENT STIF 12 - Atlanta Capital Mgt (Staff Pension Plan)	20,908	20,908
GOVERNMENT STIF 12 - Cramer Rosenthal Mcglynn	934,011	934,011
GOVERNMENT STIF 12 - Institutional Capital	3,121,374	3,121,374
GOVERNMENT STIF 12 - Invesco Capital	203,768	203,768
GOVERNMENT STIF 12 - Richmond Capital	2,357,539	2,357,539
GOVERNMENT STIF 12 -Seix Investment Advisors	9,572,067	9,572,067
GOVERNMENT STIF 12 - Loomis Sayles & Co.	1,153,659	1,153,659
GOVERNMENT STIF 12 - Atlantic Capital Mgmt	940,569	940,569
GOVERNMENT STIF 12 - Trusco Capital Mgt (STI)	1,391,909	1,391,909
GOVERNMENT STIF 12 - EII Realty Securities	302,680	302,680
GOVERNMENT STIF 12 - Administrative Trust Account	8,279,060	8,279,060
Total - September 30, 2001	<u><u>\$28,827,107</u></u>	<u><u>\$28,827,107</u></u>

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION EMPLOYEES' RETIREMENT TRUST
AND OTHER MANAGED TRUSTS
COMBINED STATEMENT OF ASSETS FIXED INCOME SUMMARIES
SEPTEMBER 30, 2001**

CORPORATE BONDS - SUMMARY

Investment Managers	Par Value	Unamortized Premium	Unamortized Discount	Market Value	Accrued Interest
Seix Investment Advisors	\$15,717,810	\$371,936	(\$76,741)	\$16,077,361	\$180,233
Richmond Capital	38,680,000	897,311	(659,931)	40,363,429	724,971
Loomis Sayles & Co.	29,823,430	652,875	(384,802)	31,072,578	453,894
Total - September 30, 2001	<u>\$84,221,240</u>	<u>\$1,922,123</u>	<u>(\$1,121,474)</u>	<u>\$87,513,368</u>	<u>\$1,359,098</u>

MORTGAGE BACKED SECURITIES - SUMMARY

Investment Managers	Par Value	Unamortized Premium	Unamortized Discount	Market Value	Accrued Interest
Atlanta Cap. (Staff Pension)	\$17,000	\$397	\$0	\$17,495	\$42
Seix Investment Advisors	22,723,231	541,153	(34,247)	23,405,908	79,106
Richmond Capital	25,425,434	269,979	(748,234)	26,355,918	256,656
Loomis Sayles & Co.	14,696,584	217,310	(22,023)	15,251,301	108,658
Total - September 30, 2001	<u>\$62,862,249</u>	<u>\$1,028,839</u>	<u>(\$804,504)</u>	<u>\$65,030,621</u>	<u>\$444,462</u>

U.S. TREASURY NOTES - SUMMARY

Investment Managers	Par Value	Unamortized Premium	Unamortized Discount	Market Value	Accrued Interest
Atlanta Cap. (Staff Pension)	\$40,000	\$177	\$0	\$40,912	\$791
Loomis Sayles & Co.	2,325,000	118,453	(20,445)	2,549,914	45,170
Seix Investment Advisors	5,390,146	108,012	(437,405)	5,113,390	34,307
Total - September 30, 2001	<u>\$7,755,146</u>	<u>\$226,641</u>	<u>(\$457,849)</u>	<u>\$7,704,216</u>	<u>\$80,268</u>

U.S. TREASURY BONDS - SUMMARY

Investment Managers	Par Value	Unamortized Premium	Unamortized Discount	Market Value	Accrued Interest
Atlanta Cap. (Staff Pension)	\$20,000	\$0	(\$838)	\$19,841	\$137
Seix Investment Advisors	2,395,000	364,652	(48,533)	2,828,934	26,076
Richmond Capital	3,490,000	541,030	0	4,411,755	77,508
Total - September 30, 2001	<u>\$5,905,000</u>	<u>\$905,682</u>	<u>(\$49,371)</u>	<u>\$7,260,529</u>	<u>\$103,722</u>

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION EMPLOYEES' RETIREMENT TRUST
AND OTHER MANAGED TRUSTS
STATEMENT OF ASSETS U.S. TREASURY NOTES & BONDS
SEPTEMBER 30, 2001**

Investment Manager - Loomis Sayles & Co.

Description	Par Value	Unamortized Premium	Unamortized Discount	Market Value	Accrued Interest
U.S. TREASURY NOTES. 5.50% 05/15/2009	\$560,000	\$15,400	\$0	\$597,626	\$11,634
U.S. TREASURY NOTES. 6.125% 08/15/2007	600,000	0	(18,854)	660,186	4,694
U.S. TREASURY NOTES. 6.50% 10/15/2006	695,000	62,792	(1,591)	772,972	16,860
U.S. TREASURY NOTES. 6.750% 05/15/2005	470,000	40,260	0	519,129	11,983
Total - September 30, 2001	\$2,325,000	\$118,453	(\$20,445)	\$2,549,914	\$45,170

Investment Manager - Seix Investment Advisors

Description	Par Value	Unamortized Premium	Unamortized Discount	Market Value	Accrued Interest
U.S. TREASURY NOTES. 3.50% 01/15/2011	\$146	\$4	\$0	\$150	\$1
U.S. TREASURY NOTES. 5.00% 02/15/2011	3,165,000	81,425	0	3,266,881	20,160
U.S. TREASURY NOTES. 4.625% 05/15/2006	810,000	26,583	0	837,718	14,146
U.S. TREASURY NOTES. 0.0% 12/15/2009	1,415,000	0	(437,405)	1,008,640	0
Total - September 30, 2001	\$5,390,146	\$108,012	(\$437,405)	\$5,113,390	\$34,307

Investment Manager - Seix Investment Advisors

Description	Par Value	Unamortized Premium	Unamortized Discount	Market Value	Accrued Interest
U.S. TREASURY BOND 6.250% 05/15/2030	\$300,000	\$31,200	\$0	\$333,141	\$7,082
U.S. TREASURY BOND 5.250% 04/15/2029	620,000	0	(48,533)	597,624	4,157
U.S. TREASURY BOND 6.625% 02/15/2027	655,000	65,642	0	755,294	5,542
U.S. TREASURY BOND 8.875% 02/15/2019	820,000	267,809	0	1,142,875	9,295
Total - September 30, 2001	\$2,395,000	\$364,652	(\$48,533)	\$2,828,934	\$26,076

Investment Manager - Richmond Capital Management

Description	Par Value	Unamortized Premium	Unamortized Discount	Market Value	Accrued Interest
U.S. TREASURY BOND 7.875% 02/15/2021	\$845,000	\$121,699	\$0	\$1,090,971	\$8,499
U.S. TREASURY BOND 7.125% 02/15/2023	480,000	86,191	0	578,851	4,368
U.S. TREASURY BOND 7.250% 05/15/2016	1,625,000	208,999	0	1,948,473	44,500
U.S. TREASURY BOND 9.875% 11/15/2015	540,000	124,141	0	793,460	20,142
Total - September 30, 2001	\$3,490,000	\$541,030	\$0	\$4,411,755	\$77,508

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION EMPLOYEES' RETIREMENT TRUST
AND OTHER MANAGED TRUSTS
STATEMENT OF ASSETS MORTGAGED BACKED SECURITIES
SEPTEMBER 30, 2001**

Investment Manager - Richmond Capital Management

Description	Par Value	Unamortized Premium	Unamortized Discount	Market Value	Accrued Interest
GNMA POOL # 58721					
11.50% 02/15/2013	12,658	890	0	14,498	121
GNMA POOL #230223					
9.50% 04/15/2018	29,918	798	0	32,957	237
GNMA POOL #268359					
11.50% 09/15/2015	12,606	924	0	14,438	121
GNMA POOL #284088					
9.00% 04/15/2020	88,702	1,255	0	95,659	665
GNMA POOL #289134					
9.50% 06/15/2020	34,335	922	0	37,425	272
GNMA POOL #305051					
9.00% 09/15/2021	48,118	684	0	51,952	361
GNMA POOL #354648					
7.00% 09/15/2023	280,296	6,569	0	292,385	1,635
GNMA POOL #357431					
6.50% 10/15/2023	176,467	0	(22,802)	181,484	956
GNMA POOL #358433					
6.50% 10/01/2023	206,391	0	(26,668)	212,259	1,118
GNMA POOL #369002					
7.00% 05/15/2024	15,441	212	0	16,093	90
GNMA POOL #371606					
7.00% 01/15/2024	46,013	0	(4,594)	47,997	268
GNMA POOL #376538					
7.00% 06/15/2024	535,447	12,801	0	558,038	3,123
GNMA POOL #377986					
7.00% 04/15/2024	226,948	0	(20,361)	236,523	1,324
GNMA POOL #378084					
7.00% 03/15/2024	410,990	0	(41,044)	428,330	2,397
GNMA POOL #385942					
8.50% 10/15/2024	304,607	7,710	0	326,499	2,158
GNMA POOL #386562					
7.50% 06/15/2024	321,655	0	(22,753)	337,837	2,010
GNMA POOL #389953					
7.00% 04/15/2024	209,180	0	(20,894)	218,005	1,220
GNMA POOL #390525					
6.00% 05/15/2024	329,817	0	(29,852)	340,741	1,649
GNMA POOL #393507					
7.00% 04/15/2024	104,410	0	(10,429)	108,815	609
GNMA POOL #434556					
7.50% 10/15/2029	422,890	15,660	0	441,522	2,643
GNMA POOL #438818					
7.50% 12/15/2026	88,098	0	(647)	92,310	551
GNMA POOL #441998					
7.00% 01/15/2028	119,580	1,943	0	124,288	698
GNMA POOL #461635					
6.50% 01/15/2028	63,578	0	(775)	65,088	344
GNMA POOL #471572					
6.50% 08/15/2028	600,273	0	(23,427)	614,151	3,251
GNMA POOL #495301					
7.50% 08/15/2029	415,064	0	(2,789)	433,352	2,594
GNMA POOL #510099					
7.00% 07/15/2029	789,732	0	(29,245)	819,836	4,607
GNMA POOL #543435					
7.50% 11/15/2030	255,529	9,502	0	266,788	1,597
GNMA POOL #780224					
8.00% 08/15/2025	675,001	9,281	0	716,763	4,500
GNMA POOL #780931					
8.00% 12/15/2028	591,497	15,619	0	614,235	3,450
GNMA POOL #781159					
7.50% 04/15/2030	762,235	31,800	0	795,819	4,764
GNMA POOL #781187					
8.00% 06/15/2030	303,892	9,259	0	319,655	2,026
FNMA POOL #					
6.00% 05/15/2008	1,070,000	0	(91,143)	1,140,716	24,253
FNMA POOL #					
6.375% 10/15/2002	1,160,000	29,162	0	1,204,764	34,099
FNMA POOL #050965					

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Investment Manager - Richmond Capital Management

Description	Par Value	Unamortized Premium	Unamortized Discount	Market Value	Accrued Interest
6.50% 01/01/2024 FNMA POOL #246388	410,457	0	(37,324)	420,332	2,223
6.00% 12/01/2023 FNMA POOL #251925	316,758	0	(37,804)	319,035	1,584
6.50% 07/01/2028 FNMA POOL #252570	510,010	0	(26,457)	520,368	2,763
6.50% 07/01/2029 FNMA POOL #303913	509,046	0	(30,940)	518,748	2,757
7.00% 05/01/2026 FNMA POOL #304597	450,666	845	0	467,282	2,629
8.50% 02/01/2025 FNMA POOL #323402	36,448	0	(715)	38,988	258
6.50% 10/01/2028 FNMA POOL #402251	561,367	0	(22,367)	572,768	3,041
6.00% 12/01/2027 FNMA POOL #420499	43,168	0	(1,160)	43,289	216
6.00% 03/01/2028 FNMA POOL #424186	577,888	0	(14,808)	578,789	2,889
6.00% 04/01/2028 FNMA POOL #431023	446,228	0	(29,563)	446,924	2,231
7.50% 07/01/2028 FNMA POOL #452468	137,494	3,760	0	143,037	859
6.00% 11/01/2028 FNMA POOL #493927	547,179	0	(14,962)	548,033	2,736
6.50% 04/01/2029 FHLMC Ln Bks	362,967	0	(794)	369,885	1,966
5.375% 01/05/2004 FHLMC Ln Bks	1,715,000	10,822	0	1,788,419	22,021
6.25% 10/15/2002 FHLMC GOLD POOL #E00313	2,250,000	64,248	0	2,333,678	64,844
7.00% 06/01/2009 FHLMC GOLD POOL #E00420	174,592	0	(9,906)	182,775	1,018
6.50% 03/01/2011 FHLMC GOLD POOL #C00451	52,691	0	(229)	54,552	285
6.50% 03/01/2026 FHLMC POOL # COO586	397,739	0	(12,005)	406,871	2,154
7.50% 01/01/2028 FHLMC POOL # GOO721	88,907	2,487	0	92,741	556
8.00% 05/01/2027 FHLMC POOL # GOO742	167,729	5,818	0	176,954	1,118
6.50% 04/01/2029 FHLMC POOL #GOO818	642,526	0	(48,805)	655,576	3,480
7.50% 11/01/2027 FHLMC POOL #GOO103	270,687	7,782	0	282,359	1,692
8.00% 08/01/2030 FHLMC POOL #E20099	261,729	7,566	0	274,489	1,745
6.50% 05/01/2009 FHLMC GOLD POOL #E54559	35,770	538	0	37,088	194
7.50% 07/01/2024 FHLMC GOLD POOL #D54931	189,412	0	(11,977)	198,054	1,184
8.00% 07/01/2024 FHLMC GOLD POOL #E55211	28,696	0	(1,163)	30,292	191
8.00% 08/01/2024 FHLMC GOLD POOL #E55390	7,263	0	(294)	7,667	48
8.00% 08/01/2024 FHLMC GOLD POOL #E57715	149,788	0	(6,073)	158,119	999
6.50% 03/01/2009 FHLMC GOLD POOL #E58327	22,503	0	(1,674)	23,333	122
8.00% 01/01/2025 FHLMC GOLD POOL #E58395	90,795	0	(2,894)	95,845	605
6.50% 05/01/2009 FHLMC GOLD POOL #E59046	20,820	0	(1,551)	21,587	113
6.50% 06/01/2009 FHLMC GOLD POOL #E59744	196,987	0	(14,688)	204,250	1,067
7.50% 09/01/2009 FHLMC GOLD POOL #E60135	119,501	0	(4,647)	125,699	747
8.50% 02/01/2010	72,117	0	(300)	76,806	511

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Investment Manager - Richmond Capital Management

Description	Par Value	Unamortized Premium	Unamortized Discount	Market Value	Accrued Interest
FHLMC GOLD POOL #E62672 6.50% 01/01/2011	467,665	0	(2,119)	484,468	2,533
FHLMC GOLD POOL #E63387 6.50% 04/01/2011	135,146	0	(612)	139,918	732
FHLMC GOLD POOL #E66865 6.50% 05/01/2001	189,250	0	(5,293)	195,695	1,025
FHLMC GOLD POOL #D68156 7.50% 02/01/2026	211,165	2,871	0	220,403	1,320
FHLMC GOLD POOL #D76270 8.00% 11/01/2026	35,096	1,311	0	36,950	234
FHLMC GOLD POOL #D77975 6.50% 02/01/2027	1,221,021	0	(49,795)	1,248,103	6,614
FHLMC GOLD POOL #D78958 6.50% 03/01/2027	47,505	0	(238)	48,559	257
FHLMC GOLD POOL #D79844 6.50% 05/01/2027	77,791	0	(4,230)	79,516	421
FHLMC GOLD POOL #C80207 7.50% 09/01/2024	21,962	618	0	22,964	137
FHLMC GOLD POOL #E80251 8.00% 01/01/2025	133,669	0	(5,424)	141,104	891
FHLMC GOLD POOL #E80358 7.50% 11/01/2025	308870.35	6322.17	0	322383.43	1,930
Total - September 30, 2001	\$25,425,434	\$269,979	(\$748,234)	\$26,355,918	\$256,656

Investment Manager - Seix Investment Advisors

Description	Par Value	Unamortized Premium	Unamortized Discount	Market Value	Accrued Interest
FNMA POOL TBA SINGLE FAM. 6.00% 12/01/2099	\$3,585,000	\$22,549	(\$33,945)	\$3,582,116	\$0
FNMA POOL TBA SINGLE FAM 6.50% 12/31/2099	4,175,000	10,792	(272)	4,244,522	0
FNMA POOL 6.50% 08/15/2004	390,000	19,312	(29)	419,800	3,239
FNMA POOL TBA SINGLE FAM 7.00% 12/31/2099	2,685,000	83,305	0	2,782,038	26,103
FNMA POOL 7.25% 01/15/2010	455,000	48,846	0	520,120	12,462
FNMA POOL TBA SINGLE FAM 7.50% 05/14/2031	4,180,000	133,238	0	4,341,933	0
FNMA POOL 7.00% 04/01/2030	94,991	1,336	0	98,285	554
FNMA POOL .99% 10/01/2049	3,305,000	115,159	0	3,420,159	11,017
GNMA I TBA 6.50% 12/01/2099	325,000	1,828	0	332,514	0
GNMA I TBA 7.00% 12/31/2099	2,410,000	70,018	0	2,496,912	0
GNMA POOL #551564 7.50% 02/25/2009	1,118,241	34,770	0	1,167,510	25,731
Total - September 30, 2001	\$22,723,231	\$541,153	(\$34,247)	\$23,405,908	\$79,106

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Investment Manager - Loomis Sayles & Company

Description	Par Value	Unamortized Premium	Unamortized Discount	Market Value	Accrued Interest
FHLMC PC E#00543					
6.00% 04/01/2013	648,527	0	(2,229)	663,320	3,243
FHLMC PC #G10735					
7.50% 09/01/2012	396,760	11,655	0	416,594	2,480
FNMA POOL					
6.00% 09/01/2016	2,018,208	27,662	0	2,051,379	8,279
FNMA POOL TBA					
6.00% 12/31/2099	950,000	11,578	0	963,946	3,958
FNMA POOL					
6.375% 06/15/2009	2,210,000	71,742	0	2,387,485	41,484
FNMA POOL REMIC					
7.00% 05/20/2006	621,556	16,316	0	649,327	3,626
FNMA POOL #253883					
6.00% 08/01/2016	237,580	1,095	0	241,441	1,188
FNMA POOL #313958					
6.50% 01/01/2013	556,995	7,659	0	575,565	3,017
FNMA POOL #446473					
6.00% 11/01/2013	892,894	3,348	0	912,144	4,464
FNMA POOL #535201					
7.50% 03/01/2015	\$1,088,832	\$2,041	\$0	\$1,138,504	6,805
FNMA POOL #535377					
8.00% 06/01/2015	1,006,895	11,328	0	1,055,034 #	\$6,713
FNMA POOL #545015					
6.00% 05/01/2031	\$1,367,843	\$0	(\$12,503)	\$1,390,070	6,839
FNMA POOL #545093					
8.00% 06/01/2016	1,332,873	43,735	0	1,392,852	\$8,886
FNMA POOL #550582					
7.00% 09/01/2015	648,108	0	(7,291)	673,624	3,781
GNMA POOL #580044					
6.00% 06/01/2016	480,531	526	0	488,340	2,403
GNMA POOL #780859					
7.50% 11/15/2016	238,984	8,626	0	251,677	1,494
Total - September 30, 2001	<u><u>\$14,696,584</u></u>	<u><u>\$217,310</u></u>	<u><u>(\$22,023)</u></u>	<u><u>\$15,251,301</u></u>	<u><u>\$108,658</u></u>

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

Description	Par Value	Unamortized Premium	Unamortized Discount	Market Value	Accrued Interest
AOL TIME WARNER. 6.125% 04/15/2006	\$60,000	\$0	(\$394)	\$61,775	\$1,654
ASSOCIATES CR CARD MASTER NT 3.58% 09/18/2006	90,000	0	(28)	90,038	99
AOL TIME WARNER. 7.625% 04/15/2031	0	0	0	0	0
ACE CAP TR II 9.70% 04/01/2030	95,000	14,550	0	100,615	4,608
AMERICREDIT AUTOMOBILE REC 3.73% 04/12/2006	320,000	0	0	320,666	(613)
ARCADIA AUTOMOBILE 6.55% 06/15/2005	0	0	0	0	1,583
ASSET BACKED SECS CORP 4.07% 08/21/2030	296,636	93	0	296,809	357
ASSET BACKED SECS CORP 3.85% 11/15/2031	350,000	0	0	350,164	0
BANK OF AMERICA CORP. 7.40% 01/15/2011	70,000	3,963	0	76,472	1,094
BANK UTD CORP 8.875% 05/01/2007	115,000	15,901	0	132,519	4,253
BERKLEY WR CAP TR 8.197% 12/15/2045	125,000	0	(19,985)	104,663	3,017
BRISTOL MYERS SQUIBB CO 6.875% 08/01/2097	130,000	3,978	0	133,076	1,490
CALIFORNIA PETE TRANS CORP 8.52% 04/01/2015	125,000	3,003	0	137,281	5,325
CAPITAL ONE BANK 6.76% 07/23/2002	235,000	1,074	0	235,907	10,546
CAPITAL ONE MASTER TR 1.00% 06/15/2011	325,000	0	0	325,721	156
CHASE FDG TR 1.00% 10/25/2031	305,000	0	0	305,000	0
CINERGY CORP 6.25% 09/01/2004	150,000	0	(20)	152,837	495
CITICORP MTG SECS INC 6.85% 02/25/2031	459,810	5,317	0	471,305	532
CIT GROUP INC REORGANIZED 6.50% 02/07/2006	105,000	0	(373)	110,569	1,024
CITIGROUP INC 7.25% 10/01/2010	165,000	6,238	0	179,774	5,981
CITIZENS COMMUNICATIONS 9.25% 05/05/2011	75,000	7,940	0	82,626	2,467
CITIZENS UTILS CO DEL 7.00% 11/01/2025	15,000	0	(2,876)	12,500 #	438
CLEAR CHANNEL COMMUNICATION 7.250% 09/15/2003	150,000	2,109	0	157,403	483
CONTINENTAL AIRLINE PASS 7.568% 12/01/2006	165,000	0	(35)	147,693	2,081
COUNTRYWIDE FDG CORP MTN 6.25% 04/15/2009	180,000	416	0	181,480	5,188
COUNTRYWIDE FDG CORP MTN 5.25% 06/15/2004	70,000	0	(46)	71,762	970
COUNTRYWIDE HOME LNS INC 5.50% 08/01/2006	235,000	0	(1,697)	237,705	1,903
CWABS INC 7.03% 04/15/2027	650,477	0	(19,277)	650,199	1,195
CREDIT SUISSE FB USA INC 5.875% 08/01/2006	160,000	0	(380)	164,678	1,671
DAIMLER CHRYSLER NORTH AMER. 1.00% 08/16/2004	\$390,000	\$0	(\$3,148)	\$382,177	\$428
DAIMLER CHRYSLER HOLDING 8.50% 01/18/2031	430,000	45,021	0	455,865	7,412

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Investment Manager - Seix Investment Advisors

Description	Par Value	Unamortized Premium	Unamortized Discount	Market Value	Accrued Interest
DIAL CORP NEW 7.00% 05/15/2006	120,000	0	(654)	121,259	1,027
DISCOVER CARD MT1 3.740% 04/16/2006	225,000	70	0	225,140	701
DOMINION RES INC VA NEW 6.00% 01/31/2003	150,000	2,334	0	154,137	1,525
EOP OPER LTD PARTNERSHIP 7.875% 11/15/2003	35,000	0	(431)	35,875	497
EMERSON ELEC CO 7.875% 06/01/2005	230,000	21,360	0	256,496	6,440
ENRON CORP 8.375% 05/23/2005	200,000	19,674	0	215,698	6,002
FIRST CHICAGO MASTER TR. 4.11% 10/15/2003	345,000	103	0	345,000	630
FIRST CHICAGO MASTER TR. 3.597% 03/15/2004	195,000	53	0	195,060	195
FIRST UNION CAP II 7.95% 11/15/2029	105,000	7,172	0	107,804	3,154
FIRST UNION BL NC 7.80% 08/18/2010	105,000	5,539	0	117,083	978
FORD MOTOR CR CO. 1.00% 03/17/2003	350,000	1,388	(1,735)	348,842	9,457
GMACH HOME EQUITY LN TR 4.12% 12/25/2026	250,000	0	(78)	249,375	291
GENERAL MTRS ACCEP CORP. 1.00% 07/30/2004	330,000	0	(9)	322,387	565
GENERAL MTRS ACCEP CORP. 6.875% 09/15/2011	150,000	0	(452)	148,346	544
GREENPOINT HOME EQUITY LN 7.82% 12/15/2029	125,700	0	(7,419)	125,631	56
HUMANA INC 7.25% 08/01/2006	50,000	0	(121)	51,339	544
INTERNATIONAL BUSINESS MACHS 6.22% 08/01/2027	35,000	1,097	0	36,559	2,540
IMC HOME EQUITY LN TR 1.00% 01/20/2028	82,846	0	(543)	82,869	25
JP MORGAN CHASE & CO 5.625% 08/15/2006	150,000	0	(78)	154,511	1,102
LEHMAN BROS HLDGS INC. 6.625% 04/01/2004	155,000	6,787	0	162,911	5,134
LEHMAN BROS HLDGS INC. 7.75% 01/15/2005	105,000	8,041	0	112,513	1,718
LEHMAN BROS HLDGS INC. 7.00% 05/15/2003	25,000	1,042	0	26,239	661
MBNA CR CARD MASTER TR 3.810% 10/15/2005	330,000	619	0	330,617	559
MAY DEPT STORES CO 8.375% 10/01/2022	85,000	1,665	0	87,579	3,559
MELLON HOME EQUITY LINE CR TR 1.00% 03/20/2027	297,443	0	(184)	297,273	91
MORGAN STANLEY CAP INC 6.10% 04/15/2006	140,000	4,354	0	144,549	3,772
NEWS AMER INC 6.75% 01/09/2038	105,000	0	(553)	104,135	1,614
NORTHWEST AIRLS PASS THRU TRS 7.925% 04/01/2019	\$81,388	\$5,940	\$0	\$85,154	\$538
OPTION ONE MTG LN TR 3.86% 08/20/2030	77,186	0	(0)	77,223	91
PP&L CAP FDG INC 7.75% 04/15/2005	125,000	1,511	0	132,515	4,467
R&B FALCON CORP 9.50% 12/15/2008	125,000	20,330	0	146,883	3,497

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

Description	Par Value	Unamortized Premium	Unamortized Discount	Market Value	Accrued Interest
RESIDENTIAL ASSET SEC MTG 3.806% 09/25/2031	150,000	0	0	150,000	96
RESIDENTIAL ASSET SEC MTG 1.00% 03/25/2032	327,754	0	(115)	327,513	54
QWEST CAP FDG INC 7.90% 08/15/2010	320,000	15,184	0	341,776	3,230
PGS AEGCO FDG CORP 9.81% 12/07/2022	399,739	83,295	0	459,216	12,418
SABRE HOLDINGS 7.35% 08/01/2011	70,000	0	(456)	56,376	772
SPRINT CAP CORP 5.70% 11/15/2003	110,000	0	(1,030)	112,959	2,369
STRUCTURED ASSET SECS CORP 4.082% 07/15/2024	208,831	0	(65)	208,623	52
TXU ELEC CAP V 8.175% 01/30/2037	25,000	1,088	0	29,080	341
TXU CORP 6.375% 06/15/2006	110,000	0	(1,087)	113,510	2,065
TOYOTA MTR CR CORP MTN BK 5.65% 01/15/2007	245,000	3,506	0	255,275	3,307
U.S.A. ED INC 1.00% 06/16/2004	260,000	39	0	260,296	107
UNION PLANTERS CORP 7.75% 03/01/2011	285,000	22,777	0	309,137	1,841
U.S. WEST CAP FDG INC 6.50% 11/15/2018	80,000	0	(9,866)	67,499	1,964
WFS FINL OWNER TR 7.75% 11/20/2004	900,000	12,500	(1,236)	938,303	7,944
WFS FINL 2000 C OWNER TR 7.07% 02/20/2005	500,000	12,952	0	520,808	4,026
WASHINGTON MUT BK FA 4.05% 07/25/2006	310,000	335	0	309,749	2,372
WILLIAMS COS INC 7.875% 09/01/2021	200,000	1,578	0	200,336	1,750
WORLDCOM INC GA 6.40% 08/15/2005	55,000	0	(1,961)	55,869	450
WORLDCOM INC GA 8.25% 05/15/2031	235,000	0	(408)	230,758	7,270
Total - September 30, 2001	\$15,717,810	\$371,936	(\$76,741)	\$16,077,361	\$180,233

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Investment Manager - Richmond Capital Mgmt

Description	Par Value	Unamortized Premium	Unamortized Discount	Market Value	Accrued Interest
AIR PRODUCTS & CHEMS INC 7.375% 05/01/2005	\$600,000	28,062	\$0	\$647,526	\$18,438
ALL STATE CORP. 7.20% 12/01/2009	\$180,000	0	(\$1,534)	\$189,841	\$4,320
ANHEUSER BUSCH COS INC. 6.750% 12/15/2027	\$340,000	0	(\$17,177)	\$348,231	\$6,758
ARCHER DANIELS MIDLAND CO. 7.50% 03/15/2027	\$360,000	38,542	0	383,224	1,200
ASSOCIATES CORP NORTH AMER 6.25% 11/01/2008	\$250,000	0	(15,573)	255,713	6,510
ATLANTIC RICHFIELD CO 9.125% 03/01/2011	\$300,000	24,207	0	378,369	2,281
BANC ONE CORP. 7.25% 08/01/2002	\$735,000	21,861	0	758,976	8,881
BANK OF AMERICA 7.80% 02/15/2010	275,000	0	(7,216)	306,587	2,741
BECTON DICKINSON & CO. 7.00% 08/01/2027	350,000	26,572	0	341,194	4,083
BELLSOUTH TELECOMM INC. 6.375% 06/01/2028	575,000	0	(85,753)	528,086	12,219
BENEFICIAL CORP. 6.70% 07/22/2004	110,000	0	0	115,823	2,170
BESTFOODS MEDIUM TERM NTS. 6.625% 04/15/2028	340,000	21,767	0	323,337	10,387
BOEING CO. 7.25% 06/15/2025	500,000	0	(49,020)	502,500	10,674
CIT GROUP INC MED TERM NTS. 5.80% 03/26/2002	1,450,000	4,901	0	1,469,604	934
CATERPILLAR FINL CORP 6.04% 03/15/2002	300,000	0	0	303,909	9,060
CHRYSLER FINL LLC. 6.95% 03/25/2002	300,000	0	(810)	303,384	348
COMMERCIAL CREDIT GROUP INC. 7.375% 04/15/2005	830,000	50,598	0	894,748	28,226
CONOCO INC. 6.95% 04/15/2029	350,000	0	(29,320)	330,995	11,217
CONSOLIDATED NATURAL GAS CO. 5.75% 08/01/2003	865,000	0	(55,346)	892,758	8,290
DAIMLER CHRYSLER NORTL HLDG CO. 7.20% 09/01/2009	425,000	0	(14,004)	429,288	2,550
DAIMLER CHRYSLER NORTH AMER. 8.00% 06/15/2010	200,000	5,412	0	211,768	4,711
DISNEY WALT CORP. 6.75% 03/30/2006	450,000	4,631	0	482,715	15,272
DU PONT E I DE NEMOURS & CO. 6.00% 03/06/2003	200,000	258	0	207,664	833
EATON CORP. 7.65% 11/15/2029	465,000	0	(44,175)	453,682	13,439
ELECTRONIC DATA SYS CORP. 7.45% 10/15/2029	355,000	0	(3,239)	367,145	12,195
EQUITABLE COMPANIES, INC. 7.00% 04/01/2028	435,000	0	(49,299)	416,613	15,225
ENRON OIL AND GAS CO. 6.70% 11/15/2015	380,000	4,632	0	403,001	9,618
FPL GROUP CAP INC. 7.375% 06/01/2009	100,000	0	(2,026)	107,953	2,458
FPL GROUP CAP INC. 7.625% 09/15/2006	655,000	6,786	0	727,397	2,220
FIRST CHICAGO CORP. 8.25% 06/15/2002	400,000	30,704	0	412,480	9,717

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION EMPLOYEES' RETIREMENT TRUST
AND OTHER MANAGED TRUSTS
STATEMENT OF ASSETS CORPORATE BONDS
SEPTEMBER 30, 2001**

Investment Manager - Richmond Capital Mgmt

Description	Par Value	Unamortized Premium	Unamortized Discount	Market Value	Accrued Interest
FIRST UNION 8.125% 06/24/2002	275,000	15,799	0	284,081	6,020
FORD MOTOR CO. 7.750% 03/15/2005	890,000	46,288	0	938,161	15,982
GENERAL ELEC CAP CORP MTN. 7.00% 03/01/2002	2,420,000	1,151	(936)	2,458,309	14,117
GENERAL MOTORS ACCEPT CORP MTN. 7.40% 06/07/2002	2,390,000	7,051	0	2,453,502	87,939
GENERAL MOTORS ACCEPT CORP. 6.75% 02/07/2002	690,000	0	(5,030)	695,796	6,986
GOLDMAN SACHS GROUP INC. 6.65% 05/15/2009	675,000	0	(31,698)	689,877	16,958
GRAND MET INVESTMENT CORP 9.00% 08/15/2011	305,000	20,331	0	372,356	3,508
GREAT LAKES CHEM CORP 7.00% 07/15/2009	550,000	0	(5,830)	553,845	8,128
HALLIBURTON CO. 8.75% 02/15/2021	340,000	42,466	0	393,951	3,801
INGERSOLL RAND CO INC. 6.51% 12/01/2004	450,000	0	0	476,483	11,067
KEY BK WASH MEDIUM TERM SUB BK. 7.125% 08/15/2006	200,000	10,392	0	216,078	1,821
LINCOLN NATIONAL CORP. 6.50% 03/15/2015	350,000	0	(23,037)	354,673	1,011
LINCOLN NATIONAL CORP. 7.625% 07/15/2002	620,000	29,428	0	638,228	9,980
MACMILLAN BLOEDEL LTD. 6.75% 02/15/2006	320,000	0	(10,784)	334,570	2,760
MCDONALDS CORP. 6.00% 06/23/2002	575,000	0	0	588,478	9,392
MERRILL LYNCH & CO., INC. 7.375% 05/15/2006	260,000	8,598	0	286,174	7,244
MORGAN STANLEY GROUP INC. 6.875% 03/01/2007	350,000	0	(7,935)	372,320	2,005
MORGAN STANLEY GROUP INC. 5.625 % 01/20/2004	700,000	3,864	0	722,169	7,766
NATIONS BANK CORP 7.00% 05/15/2003	620,000	0	(5,657)	652,910	16,396
NIKE INC. 6.375% 12/01/2003	1,000,000	16,520	0	1,051,310	21,250
NORFOLK SOUTHERN CORP. 6.95% 05/01/2002	500,000	0	(760)	509,290	14,479
NORWEST CORP MTN. 5.75% 02/01/2003	920,000	0	(47,923)	947,821	8,817
NORWEST FINANCIAL CORP. 7.50% 04/15/2005	230,000	16,930	0	249,251	7,954
NYNEX CAP FDG CO MTN. 8.75% 12/01/2004	810,000	116,818	0	907,232	23,625
PHILLIPS PETE CO. 9.375% 02/15/2011	280,000	61,225	0	340,483	3,354
P.P.G. INDUSTRIES INC. 6.50% 11/01/2007	270,000	0	(826)	271,863	7,313
P.P.G. INDUSTRIES INC. 9.00% 05/01/2021	260,000	11,170	0	299,218	9,750
REPUBLIC NEW YORK CORP. 7.25% 07/15/2002	520,000	18,332	0	534,040	7,959
SALOMON INC. 6.375% 10/01/2004	200,000	0	(1,868)	211,178	6,375
SALOMON INC. 6.625% 11/15/2003	210,000	2,008	0	222,094	5,256

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION EMPLOYEES' RETIREMENT TRUST
AND OTHER MANAGED TRUSTS
STATEMENT OF ASSETS CORPORATE BONDS
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Investment Manager - Richmond Capital Mgmt

Description	Par Value	Unamortized Premium	Unamortized Discount	Market Value	Accrued Interest
SALOMON INC MED TERM SR NTS. 7.120% 02/14/2005	590,000	23,211	0	636,651	1,867
SOUTHWESTERN BELL TEL MED TRM. 6.55% 10/07/2008	700,000	25,144	0	739,830	17,321
ST PAUL COS INC MTN. 7.18% 05/05/2004	155,000	1,237	0	167,191	4,204
ST PAUL COS INC MTN. 8.125% 04/15/2010	290,000	0	(1,404)	322,895	10,865
SUNTRUST BK ATLANTA GA. 7.25% 09/15/2006	800,000	53,056	0	876,536	2,578
SYSCO CORP. 6.50% 08/01/2028	235,000	0	(3,523)	220,432	2,546
TEXACO CAP INC. 8.625% 04/01/2032	375,000	34,002	0	469,170	16,172
UNION CAMP CORP. 6.50% 11/15/2007	565,000	0	(1,407)	577,187	13,874
UNITED TECHNOLOGIES CORP. 6.50% 06/01/2009	800,000	0	(49,976)	841,912	17,333
WACHOVIA CORP NEW 5.625% 12/12/2008	715,000	0	(86,530)	703,095	12,066
WASHINGTON GAS & LIGHT CO. 7.38% 01/15/2002	960,000	19,115	0	972,662	3,149
WEYERHAEUSER CO. 7.50% 03/01/2013	260,000	9,366	0	279,081	1,625
WORLDCOM INC GA. 7.75% 04/01/2007	800,000	34,880	0	851,608	31,000
WORLDCOM INC GA. 6.50% 05/15/2004	180,000	0	(319)	184,930	4,388
Total - September 30, 2001	<u>\$38,680,000</u>	<u>\$897,311</u>	<u>(\$659,931)</u>	<u>\$40,363,429</u>	<u>\$724,971</u>

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION EMPLOYEES' RETIREMENT TRUST
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STATEMENT OF ASSETS CORPORATE BONDS
SEPTEMBER 30, 2001**

Investment Manager - Loomis Sayles & Co.

Description	Par Value	Unamortized Premium	Unamortized Discount	Market Value	Accrued Interest
BANK ONE CORP. 6.875% 08/01/2006	1,180,000	37,692	0	1,265,373	13,521
BANKBOSTON HOME EQUITY LN TR. 6.01% 06/15/2013	1,000,000	0	(313)	1,021,505	5,008
CALENERGY INC. 7.52% 09/15/2008	1,250,000	0	(8,575)	1,318,188	4,178
CAPITAL ONE BANK. 6.50% 07/30/2004	1,265,000	0	(1,758)	1,280,281	14,846
CARRAMERICA REALTY CORP. 7.20% 07/01/2004	1,000,000	14,210	0	1,050,770	18,000
CITIZENS COMMUNICATIONS. 8.50% 05/15/2006	665,000	39,661	0	712,035	20,098
COASTAL CORP. 7.50% 08/15/2006	1,350,000	55,038	0	1,444,311	12,938
CONTINENTAL CABLEVISION INC. 8.30% 05/15/2006	1,000,000	110,430	0	1,115,490	31,356
COUNTRY HOME LN INC. 6.85% 06/15/2004	1,000,000	0	(640)	1,063,980	20,169
FIRST UNION CORP. 6.875% 09/15/2005	1,000,000	0	(6,980)	1,066,750	3,056
FORD MTR CR CORP. 7.375% 10/28/2009	1,410,000	1,849	(30,732)	1,445,560	44,195
GENERAL MTRS ACCEP CORP. 6.75% 01/22/2008	935,000	14,736	0	961,348	13,324
GENERAL MTRS ACCEP CORP. 6.125% 01/22/2008	425,000	0	(1,050)	426,483	1,374
HOUSEHOLD FIN CORP. 7.875% 03/01/2007	1,180,000	86,409	0	1,312,125	7,744
IMC GLOBAL INC. 7.625% 11/01/2005	1,010,000	0	(18,412)	850,784	32,089
KERR McGEE CORP. 5.875% 09/15/2006	515,000	0	(288)	514,712	0
LEHMAN BROTHERS HOLDINGS INC. 6.250% 05/15/2006	1,425,000	26,263	0	1,467,109	34,883
MOTOROLA INC. 7.625% 11/15/2010	900,000	0	(2,673)	899,910	25,925
NORCEN ENERGY RES LTD. 7.375% 05/15/2006	1,000,000	0	(37,990)	1,073,720	25,075
NORWEST ASSET SECS CORP. 6.50% 09/25/2014	785,244	0	(21,226)	815,672	4,253
PECO ENERGY TRANS TR. 5.80% 03/01/2007	1,000,000	0	(59,883)	1,048,215	4,833
RAYTHEON CO. 6.750% 08/15/2007	1,050,000	0	(62,517)	1,082,456	9,056
RESIDENTIAL FDG MTG INC. 6.750% 09/25/2014	863,186	0	(13,959)	899,060	4,859
SAFECO CORP. 7.875% 03/15/2003	825,000	0	(2,475)	848,356	2,888
SEARS ROEBUCKS ACCEP CORP 6.00% 03/20/2003	915,000	7,787	0	939,815	1,678
SPRINT CAP CORP. 6.125% 11/15/2008	1,390,000	0	(115,331)	1,356,543	32,163
360 COMMUNICATIONS INC. 7.50% 03/01/2006	1,000,000	63,800	0	1,075,670	6,250
TIME WARNER INC. 8.110% 08/15/2006	860,000	91,713	0	961,962	8,912
TIME WARNER INC. 8.180% 08/15/2007	415,000	43,127	0	466,340	4,338
WORLDCOM INC. GA. 7.75% 04/01/2007	1,210,000	60,162	0	1,288,057	46,888
Total - September 30, 2001	\$29,823,430	\$652,875	(\$384,802)	\$31,072,578	\$453,894

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION EMPLOYEES' RETIREMENT TRUST
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STATEMENT OF ASSETS FIXED INCOME SECURITIES
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Investment Manager - Atlanta Capital (Staff Pension Plan)

Mortgage Backed Securities	Par Value	Unamortized Premium	Unamortized Discount	Market Value	Accrued Interest
FNMA GTD 6.350% 09/25/2008	\$3,000	\$83	\$0	\$3,156	\$19
FHLMC CORP 5.875% 03/21/2011	\$14,000	\$314	\$0	\$14,339	\$23
Total - September 30, 2001	\$17,000	\$397	\$0	\$17,495	\$42

Investment Manager - Atlanta Capital (Staff Pension Plan)

U.S. Treasury Notes	Par Value	Unamortized Premium	Unamortized Discount	Market Value	Accrued Interest
U.S. TREASURY NOTES 4.250% 03/31/2003	\$40,000	\$177	\$0	\$40,912	\$791
Total - September 30, 2001	\$40,000	\$177	\$0	\$40,912	\$791

Investment Manager - Atlanta Capital (Staff Pension Plan)

U.S. Treasury Bonds	Par Value	Unamortized Premium	Unamortized Discount	Market Value	Accrued Interest
U.S. TREASURY BOND 5.375% 02/15/2031	\$20,000	\$0	(\$838)	\$19,841	\$137
Total - September 30, 2001	\$20,000	\$0	(\$838)	\$19,841	\$137

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION EMPLOYEES' RETIREMENT TRUST
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STATEMENT OF ASSETS CORPORATE STOCKS
SEPTEMBER 30, 2001**

Investment Manager - Atlanta Capital

Investment Manager - Institutional Capital

	Number of Shares	Market Price		Number of Shares	Market Price
AFLAC Inc	120,400	\$3,250,800	Accenture LTD Bermuda	55,900	\$712,725
Adobe Sys Inc	57,300	1,374,054	Transocean Sedco Forex Inc Shs	40,300	1,063,920
American Express Co	41,600	1,208,896	AT&T Wireless Svcs Inc	74,100	1,107,054
American Intl Group Inc	38,139	2,974,842	Abbott Labs	45,250	2,346,213
American Pwr Conversion Corp	148,900	1,739,152	Allstate Corp	78,000	2,913,300
Bristol Myers Squibb Co	62,200	3,455,832	American Elec Pwr Inc	44,300	1,915,089
Carnival Corp CL A	85,800	1,889,316	Bank One Corp	65,100	2,048,697
Cisco Systems Inc	126,200	1,537,116	Bristol Myers Squibb Co	37,900	2,105,724
Coca Cola Co	59,400	2,782,890	Canadian Pac Ltd New	64,500	2,069,805
Colgate Palmolive Co	60,000	3,495,000	Caterpillar Inc	42,200	1,890,560
Comverse Technology Inc	38,500	788,480	Citigroup Inc	84,865	3,437,033
Concord Efs Inc	25,000	1,223,750	Conoco Inc	60,800	1,540,672
Dentsply Intl Inc New	57,300	2,632,362	Conseco Inc	56,800	412,368
E M C Corp Mass	88,100	1,035,175	Diageo Inc	7,200	298,800
EOG Resources Inc (Enron Oil & G	98,300	2,843,819	Electronic Data Sys Corp New	36,200	2,084,396
Ecolab Inc	44,800	1,627,584	Entergy Corp	49,000	1,742,440
Electronic Data Sys Corp New	57,400	3,305,092	FPL Group Inc	4,100	219,555
Emerson Elec Co	33,100	1,557,686	Federal Natl Mtg Assn	39,350	3,150,361
Engelhard Corp	102,300	2,363,130	FleetBoston FinL Corp	60,300	2,216,025
Equifax Inc	52,300	1,145,370	Gannett Inc	31,339	1,883,787
Family DLR Stores Inc	85,200	2,344,704	General Dynamics Corp	17,300	1,527,936
Federal Nat'l Mtg Assn	19,300	1,545,158	General Mtrs Corp(CL H New)	60,800	810,464
Franklin Res Inc	67,400	2,336,758	Home Depot Inc	1,700	65,229
General Dynamics Corp	31,000	2,737,920	Household Int'l Inc.	44,550	2,511,729
General Electric Co	51,800	1,926,960	International Business Machs	19,550	1,804,465
Hartford Financial Svcs Grp	39,800	2,337,852	Kerr McGee Corp	25,950	1,347,065
Home Depot, Inc.	30,800	1,181,796	Kimberly Clark Corp	40,900	2,535,800
Household Intl Inc	23,000	1,296,740	Koninklijke Philips Electrs NV	101,176	1,952,697
Intel Corp	100,000	2,044,000	Lauder Estee Cos Inc	8,900	295,035
Interpublic Group Cos Inc	101,700	2,074,680	Liberty Media Corp New	150,100	1,906,270
Johnson & Johnson	67,000	3,711,800	Loews Corp	63,750	2,950,350
Kimberly Clark Corp	66,800	4,141,600	Metlife Inc	107,100	3,180,870
Lilly Eli + Co	18,700	1,509,090	News Corp Ltd	50,407	1,073,165
Medtronic Inc	82,000	3,567,000	Northrop Grumman Corp	23,850	2,408,850
Mellon Finl Corp	69,500	2,246,935	Pharmacia Corp	57,892	2,348,100
Merck & Co Inc	61,500	4,095,900	Phillips Pete Co	42,050	2,268,177
Microsoft Corp	57,300	2,932,041	Republic Svcs Inc	53,000	858,600
Morgan Stanley Dean Witter	51,640	2,393,514	Schering Plough Corp	16,800	623,280
Motorola Inc	101,100	1,577,160	Sears Roebuck & Co	50,200	1,738,928
Oracle Corp	107,500	1,352,350	TRW Inc	20,050	597,891
Perkinelmer Inc	84,900	2,227,776	Target Corp (Dayton Hudson Corp)	58,950	1,871,663
Pfizer Inc	88,725	3,557,873	Tyco Intl Ltd New	53,400	2,429,700
Phillips Pete Co.	48,800	2,632,272	Verizon Communications(Bell Atlantic)	26,600	1,439,326
Praxair Inc	72,100	3,028,200	Wells Fargo & Co New	36,850	1,637,983
SBC Communications Inc.	86,100	4,057,032	Weyerhaeuser Co	41,000	1,997,110
Schering Plough Corp	84,600	3,138,660	Worldcom Inc/Worldcom Grp	104,200	1,567,168
Schlumberger, Ltd.	65,900	3,011,630	Total - September 30, 2001	<u>2,254,529</u>	<u>\$78,906,372</u>
Solectron Corp	85,800	999,570			
Symbol Technologies	93,525	981,077			
Target Corp	80,500	2,555,875			
Tribune Co New	89,900	2,822,860			
Tyco Intl Ltd New	66,700	3,034,850			
Verizon Communications	70,940	3,838,563			
Total - September 30, 2001	<u>3,648,569</u>	<u>\$125,470,542</u>			

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION EMPLOYEES' RETIREMENT TRUST
AND OTHER MANAGED TRUSTS
STATEMENT OF ASSETS CORPORATE STOCKS
SEPTEMBER 30, 2001**

Investment Manager - Cramer R.M., LLC

Investment Manager - Invesco Capital

	Number of Shares	Market Price		Number of Shares	Market Price
Amerus Group Co	4,200	\$147,840	ABN Amro HOLDING NV Sp	18,500	\$307,470
Anntaylor Stores Corp	3,400	74,528	Abbey Natl PLC	6,100	173,850
Aptargroup Inc	5,900	187,620	Axa SA	13,400	262,640
Avista Corp	11,200	152,320	Basf AG	7,700	271,040
Bay View Cap Corp Del	34,700	242,900	BP Amoco PLC	6,200	304,854
Casella Waste Sys Inc	29,700	330,561	Bayer A.G.	7,000	203,000
Cec Entmt Inc	4,200	143,220	British Airways	5,000	133,500
Central Garden + Pet Co	19,700	163,510	British Telecommunications	4,780	244,497
Choicepoint Inc	6,500	270,660	Canon Inc	11,900	322,490
Coach	4,200	111,342	Carlton Communcation Plc	4,300	44,075
Cole Kenneth Prodtms Inc	12,900	163,185	Corus Group PLC	15,000	94,200
Commscope Inc	11,100	198,357	Deutsche Bk A.G.	5,000	271,250
Community First Bankshares Innccc	5,300	127,306	Diageo PLC	9,800	406,700
Cymer Inc	1,800	30,150	ENI S P A	6,500	397,150
D. R. Horton Inc	11,400	237,804	EISAI Ltd	9,500	226,100
Dentsply Intl Inc New	4,200	192,948	Endesa S A	21,400	328,276
Documentum Inc	17,100	140,049	Fuji Photo Film Co Ltd Adr	13,700	446,072
Dollar Tree Stores Inc	7,300	137,897	Glaxo Smith Kline PLC	10,983	616,366
Edwards Lifesciences Corp	16,000	358,400	HSBC Hldgs PLC	8,400	451,080
EGL Inc	16,000	141,920	Hitachi Ltd	4,900	268,000
Emcor	4,200	133,980	Honda Motor Ltd	4,400	282,700
Emmis Communications Corp	10,400	149,968	ING Groep N.V.	15,700	417,777
Everest Reinsurance Grp LTD	2,400	155,280	ITO Yokado Co Ltd	6,600	287,430
First American Corp	17,300	350,325	Koninklijke Philips Electrs NV	13,008	251,054
Footstar Inc	4,500	155,700	Korea Telecom	6,500	118,885
Forest Oil Corp	12,550	311,240	Korea Elec Pwr Corp	20,900	184,965
Forrester Resh Inc	15,700	260,777	Kyocera Corp	3,200	206,400
Interstate Bakeries Corp	12,900	328,950	Marks & Spencer Ltd	15,400	346,500
Kennametal Inc	6,900	220,248	National Australia Bk Ltd	5,700	363,717
Laser Vision Ctrs Inc	13,000	32,500	Nestle S.A.	10,600	561,800
Lear Corp	6,700	181,034	Nintendo Ltd	16,200	285,930
Mandalay Resort Group	4,400	71,412	Nippon Teleg &Tel Corp	19,400	449,110
Meredith Corp	6,500	208,845	Novartis AG	15,000	583,800
Methanex Corp	23,100	111,573	Petroleo Brasileiro SA	8,000	158,000
Mohawk Inds Inc	4,900	180,075	Portugal Telecom SA	51,204	367,645
Moore Corp Ltd	11,000	85,140	Powergen PLC	4,900	209,230
National Oilwell Inc	9,300	134,850	Repsol S.A.	27,000	393,120
New York Cmnty Bancorp Inc	14,415	334,572	Rio Tinto Limited	2,600	159,900
Newfield Expl Co	4,200	122,640	Roche Hldgs Ltd	2,500	180,000
Nuevo Energy Co	12,400	172,980	Royal Dutch Pete Co new	6,200	311,550
Perot Sys Corp	27,400	442,510	San Paolo IMI SPA(Istituto Bancar	10,800	224,100
Photronics Inc	9,400	173,430	SAP Aktiengesellschaft	6,800	176,256
Playtex Prods Inc	5,100	51,765	Scottish PWR PLC	9,500	225,150
Prime Hospitality Corp	27,500	242,000	Societe Generale France	51,200	505,600
Quantum Corp	22,900	186,864	Sony Corp	6,400	212,480
Quicksilver Inc	12,800	158,080	Statoil ASA	21,200	136,952
Railamerica Inc	14,500	181,250	Syngenta AG	18,192	181,374
RH Donnelley Corp	21,400	558,968	TDK Corp	5,700	237,576
Stewart (WP) + CO	2,500	48,475	Telecom Italia S.P.A.	4,000	304,680
Systems + Computer Technology Cc	21,400	192,600	Telefonos De Mexico S.A.	6,000	193,740
Terex Corp New	24,500	436,345	Total Fina Sa	6,950	469,473
Thomas + Betts Corp	18,200	318,136	Toyota Mtr Co	2,600	134,810
TLC Laser Eye Ctrs Inc	500	1,295	Unilever N V	7,100	383,542
Tommy Hilfiger Corp	7,000	62,650	Vivendi Universal(Reverse Split0	4,200	194,670
Trans World Entmt Corp	20,100	155,373	Zurich Finl Svcs	14,300	301,730
Transaction Sys Architects Incel A	8,500	53,380	Total - September 30, 2001	619,117	\$15,774,256
United Retail Group Inc	15,900	100,488			
US Oncology Inc	6,800	50,660			
Ventas Inc	25,000	271,250			
Watson Wyatt + Co Hldgs	3,300	52,470			
Western Res Inc	19,400	321,070			
Total - September 30, 2001	737,665	\$11,313,665			

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION EMPLOYEES' RETIREMENT TRUST
AND OTHER MANAGED TRUSTS
STATEMENT OF ASSETS CORPORATE STOCKS
SEPTEMBER 30, 2001**

Investment Manager -Trusco Capital Management

	Number of Shares	Market Price
Alcoa Inc	8,700	\$269,787
Allstate Corp	11,100	414,585
Alltel Corp	7,300	423,035
Ambac Finl Group Inc.	6,000	328,260
American Express Co.	11,400	331,284
American Intl Group Inc	4,632	361,296
Amsouth Bancorporation	17,945	324,266
Anadarko Pete Corp	7,000	336,560
Avnet Inc	7,400	134,606
BP Amoco PLC	18,600	914,562
Bank of America Corp	5,900	344,560
Becton Dickinson + Co	16,800	621,600
Boeing Co	5,100	170,850
CenturyTel Inc	10,500	351,750
Chubb Corp	10,100	721,241
CitiGroup Inc	22,800	923,400
Clorox Co	13,100	484,700
Conoco Inc	27,963	708,582
Diamond Offshore Drilling Inc Com	12,400	312,728
Disney Walt Co	16,600	309,092
Dover Corp	27,400	825,014
Duke Energy Co	13,900	526,115
EL Paso Corp	8,409	349,394
Electronic Data Sys Corp New	6,300	362,754
Emerson Elec Co.	7,000	329,420
Exxon Mobil Corp	27,800	1,095,320
FPL Group Inc	5,700	305,235
Firstenergy Corp	11,400	409,830
Fleet FinL Boston Corp	13,605	499,984
Ford Mtr Co Del	19,500	338,325
Gannett Inc	8,700	522,957
Gap Inc	14,900	178,055
Genuine Parts Co	11,200	356,832
Hewlett Packard Co	19,800	318,780
Honeywell Intl Inc	11,200	295,680
Ingersoll Rand Co	8,800	297,440
International Paper Co	19,800	689,040
Interpublic Group Cos Inc	14,000	285,600
J P Morgan Chase & Co	12,950	442,243
Jefferson Pilot Corp.	7,300	324,704
Johnson & Johnson	9,100	504,140
Keycorp (New)	10,000	241,400
Kimberly Clark Corp	12,400	768,800
Koninklijke Philips Electrs NV	26,700	515,310
Limited Inc	25,800	245,100
Masco Corp	15,800	322,952
McGraw Hill Cos Inc	9,300	541,260
Merck + Co Inc	5,300	352,980
Minnesota Mng & Mfg Co	3,200	314,880
Morgan Stanley Dean Witter	7,400	342,990
PNC Finl Svcs Group Inc	8,300	475,175
Pall Corp	7,100	138,095
Pepsico Inc	14,400	698,400
Perkinelmer Inc	11,800	309,632
Pharmacia Corp	17,773	720,873
Phillips Pete Co	13,000	701,220
Praxair Inc	7,400	310,800
Rohm & Haas Co	15,400	504,504
SBC Communications Inc	22,000	1,036,640
Scana Corp	9,885	250,881
Schering Plough Corp	14,100	523,110
Sprint Corp	15,900	381,759
Torchmark Inc	6,400	249,600
Tyco Intl Ltd New	15,200	691,600
Verizon Communications	18,134	981,231
Volvo Aktiebolaget	22,100	282,659
Williams Cos Inc	11,800	322,140
Total - September 30, 2001	<u>866,696</u>	<u>\$30,267,597</u>

Investment Manager - Atlantic Capital Management

	Number of Shares	Market Price
Atlantic Coast Airlines Hldgs	18,800	\$250,040
Barr Labs Inc	4,000	316,240
CSG Sys Intl Inc	6,790	278,390
Cable Design Technologies Corp	12,150	143,978
Caremark Rx Inc	47,340	789,631
Circuit City Stores Inc	13,560	152,550
Coach Inc	7,240	191,932
Community Health Sys Inc New Com	11,800	350,932
Constellation Brands Inc	8,400	349,944
Doral Finl Corp	7,500	291,000
Emulex Corp	7,130	67,806
HNC Software Inc	11,670	218,229
Hanover Compressor	6,670	144,339
Harris Corp Del	8,600	273,652
Impath Inc	6,160	212,582
Integrated Circuit Sys Inc	11,510	147,098
Investment Technology Grp Inc	8,615	478,046
Investors Finl Services Corp	3,890	224,220
Keithley Instrs Inc	7,260	104,181
King Pharmaceuticals Inc	17,002	\$713,234
LTX Corp	11,150	151,752
Massey Energy Corp	7,980	116,907
Merix Corp	15,090	212,015
MIPS Technologies	10,305	67,498
Oakley Inc	12,100	151,855
Oceaneering Intl Inc	10,840	175,283
Pacific Sunwear Of Calif	9,850	135,438
Patterson Energy Inc	10,765	133,055
Petsmart Inc	28,580	201,203
Pharmaceutical Prod Dev Inc	14,270	417,968
Pixelworks Inc	11,360	143,136
Polycom Inc	11,450	279,037
Precision Drilling Corp	10,850	229,152
Pride Int'l Inc	14,360	149,344
Priority Healthcare corp	12,785	306,840
Province Healthcare Co	18,937	695,745
SBS Technologies Inc	7,940	88,610
Sandisk Corp	5,850	57,681
Semtech	14,150	401,577
Shaw Group	4,030	113,525
Skywest Inc	11,020	184,254
Smartforce PLC(CBT Group Pub Ltd)	11,350	185,686
Sonicwall Inc	15,180	180,338
Suiza Foods Corp	10,000	631,400
Ticketmaster	16,645	172,276
Titan Corp	11,800	231,280
Triquint Semiconductor Inc	13,000	207,870
UltraTech Stepper Inc	7,760	92,887
Total - September 30, 2001	<u>565,484</u>	<u>\$11,811,636</u>

Investment Manager - State Street Global Advisors

	Number of Shares	Market Price
SSgA-S&P 500 Index Fund	348,323	\$62,135,961
SSgA- MSCI EAFE Index Fund	942,200	9,331,551
Total - September 30, 2001	<u>1,290,523</u>	<u>\$71,467,513</u>

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION EMPLOYEES' RETIREMENT TRUST
AND OTHER MANAGED TRUSTS
STATEMENT OF ASSETS REAL ESTATE STOCKS
SEPTEMBER 30, 2001**

Investment Manager - EII Realty Advisors

	Number of Shares	Market Price
AMB Ppty Corp	13,300	\$325,850
Apartment Invt & Mgmt Co(A)	12,400	561,224
Archstone Cmnty	10,600	276,660
Arden Realty Inc	10,000	255,700
Avalonbay Cmnty Inc	2,600	124,150
BRE Pptys Inc	4,900	146,755
Boston Pptys Inc	6,100	232,593
Brandywine Rlty tr	6,600	140,778
Brookfield Pptys Corp	7,400	135,050
Camden Ppty Tr	2,300	85,330
Carramerica Rlty Corp	9,000	269,640
Centerpoint Pptys Tr	2,100	100,275
Chateau Cmnty Inc	7,400	217,930
Equity Office Pptys Tr	33,627	1,076,064
Equity Residential Pptys Tr	9,600	560,640
Felcor Lodging Tr Inc	9,400	126,430
Gables Residential Tr	600	18,396
General Growth PPTYS Inc	4,100	142,557
Highwoods Pptys Inc	6,500	160,875
Kilroy Rlty Corp	5,500	137,225
Kimco Rlty Corp	10,000	485,500
La Quinta Pptys Inc	15,200	66,880
Liberty Property	13,600	390,184
Macerich Co	9,100	201,110
Mack Ca Rlty Corp	6,800	210,800
Manufactured Home Cmnty Inc	3,200	97,344
Meristar Hospitality Corp	4,000	42,200
Nationwide Health Pptys Inc	14,100	277,065
Pan Pac Retail Pptys Inc	4,100	108,035
Post Pptys Inc	6,700	248,436
Prentiss Pptys Tr	3,700	101,750
Prologis Tr	23,300	491,630
Public Storage Inc	13,334	445,356
Reckson Assocs Rlty Corp	7,000	169,050
Rouse Co	10,500	253,785
SL Green Rlty Corp	5,300	167,056
Simon Ppty Group Inc New	11,200	301,392
Smith Charles E Residential	4,800	247,200
Starwood Hotels & Resorts CI B	16,500	363,000
Storage USA Inc	2,200	87,120
Sun Cmnty Inc	6,500	238,225
Taubman Centers Inc	10,300	128,750
Vornado Rlty Tr(Com)	9,000	357,300
Vornado Rlty Tr (Pfd Conv Ser. A)	2,000	110,020
Total - September 30, 2001	376,461	\$10,683,310

RENTAL PROPERTY

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

**CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION EMPLOYEES' RETIREMENT TRUST
AND OTHER MANAGED TRUSTS
STATEMENT OF ASSETS CORPORATE STOCKS
SEPTEMBER 30, 2001**

Investment Manager - Atlanta Capital (Staff Pension Plan)

	Number of Shares	Market Price
Aflac Inc	90	\$2,430
Adobe Sys Inc	40	959
American Express	40	1,162
American Intl Group Inc	40	3,120
American Pwr Conversion Corp	100	1,168
Bristol Myers Squibb Co	50	2,778
Carnival Corp	60	1,321
Cisco Sys Inc	90	1,096
Coca Cola Co	40	1,874
Colgate Palmolive Co	40	2,330
Converse Technology Inc	50	1,024
Concord Efs Inc	30	1,469
Dentsply Intl Inc New	50	2,297
E M C Corp Mass	60	705
EOG Resources Inc	70	2,025
Ecolab Inc	40	1,453
Electronic Data Sys Corp New Com	40	2,303
Emerson Elec Co	30	1,412
Engelhard Corp	80	1,848
Equifax Inc	50	1,095
Family Dlr Stores Inc	80	2,202
Federal Natl Mtg Assn	20	1,601
Franklin Res Inc	60	2,080
General Dynamics Corp	20	1,766
General Elec Co	40	1,488
Hartford Financial Svcs Grp	40	2,350
Home Depot Inc	40	1,535
Household Intl Inc	20	1,128
Intel Corp	90	1,840
Interpublic Group Cos Inc	70	1,428
Johnson + Johnson	50	2,770
Kimberly Clark Corp	50	3,100
Lilly Eli + Co	20	1,614
Medtronic Inc	50	2,175
Mellon Finl Corp	50	1,617
Merck + Co Inc	40	2,664
Microsoft Corp	40	2,047
Morgan Stanley Dean Witter + Co	40	1,854
Oracle Corp	80	1,006
Perkinelmer Inc	60	1,574
Pfizer Inc	70	2,807
Phillips Pete Co	40	2,158
Praxair Inc	60	2,520
SBC Communications Inc	60	2,827
Schering Plough Corp	60	2,226
Schlumberger Ltd	60	2,742
Solectron Corp	60	699
Symbol Technologies Inc	90	944
Target Corp	70	2,223
Tribune Co New	70	2,198
Tyco Intl Ltd New	60	2,730
Verizon Communications	50	2,706
Total - September 30, 2001	2,800	\$98,487

Actuarial Section

March 18, 2002

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

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

Contributions which satisfy the funding objective are determined by the annual actuarial valuation in accordance with City Ordinance, the final revised judgment in the Gates v. City of Miami case, and Chapter 112 of Florida Statutes. The actuarially determined annual contribution consists of normal cost plus amortization of the unfunded actuarial accrued liability (UAAL). The objective is to establish, over time, a normal cost which will remain level as a percent of payroll. The unfunded actuarial accrued liability is amortized as a level dollar amount over 15 to 30 years. The actuarial cost method is designed to achieve this objective.

The most recent actuarial valuation was prepared as of October 1, 2001. The actuarial assumptions, as set forth in Table XI of the actuary's October 1, 2001 valuation report, were recommended by the actuary and adopted by the Board of Trustees. The actuary prepared the following schedules presented in the CAFR.

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

- Actuarial Section
 - Summary of Actuarial Assumptions and Methods
 - Schedule of Active Member Valuation Data
 - Schedule of Retirants and Beneficiaries
 - Solvency Test
 - Analysis of Financial Experience

- Statistical Section
 - Active Employee Data

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

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

On the basis of the 2001 valuation, it is our opinion that the Retirement Trust continues in sound financial condition in accordance with reasonable actuarial principles and the City Ordinance, Florida Statutes and Gates case requirements.

Respectfully submitted,



Jose I. Fernandez
Principal, Consulting Actuary
Enrolled Actuary No. 99-4461
Member, American Academy of Actuaries

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

Actuarial Cost Method:

The modified aggregate entry age normal cost method. Under this method, the present value of future normal cost equals the present value of all future benefits less the present value of future employee contributions less the greater of the actuarial accrued liability or the actuarial value of assets where the total cost is not less than zero.

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

Decrement:

- Pre-Retirement Mortality

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

- Post Retirement Healthy Mortality

1983 Group Annuity Mortality Table (Male & Female)

-Post Retirement Disabled Mortality

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

Interest (Investment Return) Rates:

8.10% per annum, compounded annually, including inflation.

Salary Increases:

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

Inflation: 3.5% per annum.

Spouses:

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

Expenses:

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

Assets:

The Actuarial value of assets is based on a moving market value averaged over three years. Each year, the actuarial asset value is projected forward at the valuation date based on actual contributions and benefit payments at the assumed interest assumption. One third of the difference between the projected actuarial value and the market value plus prior deferrals is added to the projected actuarial value. The remaining two thirds is deferred to each of the next two years as future adjustments to the actuarial value. The result cannot be greater than 120% of market value or less than 80% of market value.

As of October 1, 1997, the actuarial value is equal to the market value. As of October 1, 1998, a two-year moving average is used.

GASB Nos. 25 and 27

The determination of the GASB Nos. 25 and 27 accounting information for the fiscal year ending September 30, 1998 has been made on the basis of the same assumptions and methods except for the following. The actuarial cost method was the entry age normal frozen actuarial accrued liability. The assets used to determine the annual required contribution were based on three year average ratio of market to book value applied to book value at valuation date, but not to exceed statement value.

Funding Period (Pursuant to Chapter 112, Florida Statutes)

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

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

Date of Last Actuarial Experience Analysis: June 1997

Permanent Withdrawal from Active Status

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

Age	Completed Years of Service					
	0	1	2	3	4	5 or more
20	12.5%	11.0%	9.0%	7.5%	6.5%	5.3%
25	12.5%	11.0%	9.0%	7.5%	6.5%	4.6%
30	12.5%	11.0%	9.0%	7.5%	6.5%	4.0%
35	12.0%	11.0%	9.0%	7.2%	6.5%	3.4%
40	11.4%	10.4%	8.4%	6.6%	6.0%	2.6%
45	10.8%	9.8%	7.8%	6.0%	5.2%	2.0%
50	10.2%	9.2%	7.2%	5.4%	4.2%	1.3%
55	9.9%	8.9%	6.9%	5.1%	3.9%	1.0%

Retirement:

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

Age	Rate	Age	Rate	Age	Rate	Age	Rate	Age	Rate
45	10%	50	15%	55	30%	60	20%	65	20%
46	10%	51	15%	56	20%	61	20%	66	20%
47	10%	52	15%	57	20%	62	20%	67	20%
48	10%	53	15%	58	20%	63	20%	68	20%
49	10%	54	15%	59	20%	64	20%	69	20%
								70	100%

Assumption Changes During the Last Few Plan Years:

- Effective October 1, 1990: Change in interest rate from 7.50% to 8.00%.
- Effective October 1, 1991: Salary increase assumption was changed from graduated rates to a flat 6.50% per year.
- Effective October 1, 1993: Change in mortality rates.
- Effective October 1, 1995:
 - . Change in interest rate from 8.00% to 8.10% per year.
 - . Change in salary increase assumption from 6.50% to 6.00% per year.
 - . Change in mortality rates.
 - . Addition of rates of retirement before the age of 55 under the rule of 70.
- Effective October 1, 1997: Change in employee turnover rates:

Assumed Annual Termination Rates for Members
With Five or More Completed Years of Service

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

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

Gates Settlement Schedule B Amortization Payments

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

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

Asset Valuation Method

As of October 1, 1997, the actuarial value of assets shall be changed to moving market value averaged over three years. Each year, the actuarial asset value will be projected forward at the valuation date based on actual contributions and benefit payments at the assumed interest assumption. One third of the difference between the projected actuarial value and the market value plus prior deferrals is added to the projected actuarial value. The remaining two thirds is deferred to each of the next two years as future adjustments to the actuarial value. The result cannot be greater than 120% of market value or less than 80% of market value. As of October 1, 1997 actuarial value is equal to the market value. As of October 1, 1998, a two-year moving average shall be used.

Valuation Cost Method

The modified aggregate entry age normal cost method will be applied for costs for the fiscal year beginning October 1, 1998. (The City contribution for the fiscal year beginning October 1, 1998 is based on the October 1, 1997 actuarial valuation.) Under this method, the present value of future normal cost will equal the present value of all future benefits less the present value of future employee contributions less the greater of the actuarial accrued liability or the actuarial value of assets where the total cost is not less than zero.

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

<u>Ages</u>	<u>Assumed Annual Retirement Rates</u>	
	<u>Prior Rates</u>	<u>Revised Rates</u>
45-49	5%	15%
50-54	5%	20%
55	20%	30%
56-61	10%	20%
62	20%	20%
63-64	15%	20%
65-69	20%	20%
70	100%	100%

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

Age	Completed Years of Service				
	0	1	2	3	4
20	12.5%	11.0%	9.0%	7.5%	6.5%
25	12.5%	11.0%	9.0%	7.5%	6.5%
30	12.5%	11.0%	9.0%	7.5%	6.5%
35	12.0%	11.5%	9.0%	7.2%	6.5%
40	11.4%	10.4%	8.4%	6.6%	6.0%
45	10.8%	9.8%	7.8%	6.0%	5.2%
50	10.2%	9.2%	7.2%	5.4%	4.2%
55	9.9%	8.9%	6.9%	5.1%	3.9%

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

Summary of Actuarial Assumptions and Methods for the Staff Pension Plan

Actuarial Cost Method

The modified aggregate entry age normal cost method. Under this method, the present value of future normal cost equals the present value of all future benefits less the present value of future employee contributions less the greater of the actuarial accrued liability or the actuarial value of assets where the total cost is not less than zero.

Decrements

- **Pre-Retirement Mortality**
1983 Group Annuity Mortality Table (male and female), set back 2 years.
- **Post-Retirement Healthy Mortality**
1983 Group Annuity Mortality Table (male and female).
- **Post-Retirement Disabled Mortality**
1983 Group Annuity Mortality Table (male and female), set forward 9 years.
- **Disability**
Representative values of the assumed annual rates of disability among members in active service are set forth in the following table.

Age	Rate	Age	Rate	Age	Rate	Age	Rate
20	0.05%	30	0.08%	40	0.12%	50	0.20%
25	0.05%	35	0.10%	45	0.15%	55	0.28%

Permanent Withdrawal from Active Status

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

Age	Completed Years of Service					
	0	1	2	3	4	5 or more
20	12.5%	11.0%	9.0%	7.5%	6.5%	5.3%
25	12.5%	11.0%	9.0%	7.5%	6.5%	4.6%
30	12.5%	11.0%	9.0%	7.5%	6.5%	4.0%
35	12.0%	11.0%	9.0%	7.2%	6.5%	3.4%
40	11.4%	10.4%	8.4%	6.6%	6.0%	2.6%
45	10.8%	9.8%	7.8%	6.0%	5.2%	2.0%
50	10.2%	9.2%	7.2%	5.4%	4.2%	1.3%
55	9.9%	8.9%	6.9%	5.1%	3.9%	1.0%

Retirement

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

Age	Rate	Age	Rate	Age	Rate	Age	Rate	Age	Rate
45	10%	50	15%	55	30%	60	20%	65	20%
46	10%	51	15%	56	20%	61	20%	66	20%
47	10%	52	15%	57	20%	62	20%	67	20%
48	10%	53	15%	58	20%	63	20%	68	20%
49	10%	54	15%	59	20%	64	20%	69	20%
								70	100

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

Interest (Investment Return) Rates

8.10% per annum, compounded annually, including inflation.

Salary Increases

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

Inflation

3.5% per annum.

Spouses

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

Expenses

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

Assets

The actuarial value of assets is based on a moving market value averaged over three years. Each year, the actuarial asset value is projected forward at the valuation date based on actual contributions and benefit payments at the assumed interest assumption. One third of the difference between the projected actuarial value and the market value plus prior deferrals is added to the projected actuarial value. The remaining two thirds is deferred to each of the next two years as future adjustments to the actuarial value. The result cannot be greater than 120% of market value or less than 80% of market value.

As of October 1, 2000 the actuarial value is equal to the estimated present value of employee payments to purchase credit for service to the effective date of the Plan (July 1, 2001).

GASB Nos. 25 and 27

The determination of the GASB Nos. 25 and 27 accounting information for the fiscal year ending September 30, 2001 has been made on the basis of the same assumptions and methods.

Funding Period (Pursuant to Chapter 112, Florida Statutes)

The following amortization periods apply all as level dollar amounts:

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

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

Maximum Benefit

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

Summary of Actuarial Assumptions and Methods for Excess Benefit Plan

Actuarial Cost Method:

The modified aggregate entry age normal cost method. Under this method, the present value of future normal cost equals the present value of all future benefits less the present value of future employee contributions less the greater of the actuarial accrued liability or the actuarial value of assets where the total cost is not less than zero.

For determination of the Annual Required Contribution the City contribution requirement the unfunded actuarial accrued liability is amortized over 30 years from October 1, 2000. Changes in actuarial assumptions and Plan amendments are amortized as level dollar amounts over 15 to 30 years and actuarial gains and losses are amortized over 15 years.

Decremments

- **Pre-Retirement Mortality**
1983 Group Annuity Mortality Table (male and female), set back 2 years.
- **Post-Retirement Healthy Mortality**
1983 Group Annuity Mortality Table (male and female).
- **Post-Retirement Disabled Mortality**
1983 Group Annuity Mortality Table (male and female), set forward 9 years.

- **Disability**

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

Age	Rate	Age	Rate	Age	Rate	Age	Rate
20	0.05%	30	0.08%	40	0.12%	50	0.20%
25	0.05%	35	0.10%	45	0.15%	55	0.28%

- **Permanent Withdrawal from Active Status**

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

Age	Completed Years of Service					
	0	1	2	3	4	5 or>
20	12.5%	11.0%	9.0%	7.5%	6.5%	5.3%
25	12.5%	11.0%	9.0%	7.5%	6.5%	4.6%
30	12.5%	11.0%	9.0%	7.5%	6.5%	4.0%
35	12.0%	11.0%	9.0%	7.2%	6.5%	3.4%
40	11.4%	10.4%	8.4%	6.6%	6.0%	2.6%
45	10.8%	9.8%	7.8%	6.0%	5.2%	2.0%
50	10.2%	9.2%	7.2%	5.4%	4.2%	1.3%
55	9.9%	8.9%	6.9%	5.1%	3.9%	1.0%

- **Retirement**

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

Age	Rate	Age	Rate	Age	Rate	Age	Rate	Age	Rate
45	10%	50	15%	55	30%	60	20%	65	20%
46	10%	51	15%	56	20%	61	20%	66	20%
47	10%	52	15%	57	20%	62	20%	67	20%
48	10%	53	15%	58	20%	63	20%	68	20%
49	10%	54	15%	59	20%	64	20%	69	20%
								70	100%

Interest Rate

8.10% per annum, compounded annually, including inflation.

Salary Increases

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

Inflation

3.5% per annum.

Spouses

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

Expenses and Payment of Benefits

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

Assets

There are no Plan assets.

Funding Period (Illustrative City Contribution Requirement)

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

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

Maximum Benefit

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

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

**CITY OF MIAMI GENERAL EMPLOYEES' & SANITATION EMPLOYEES' RETIREMENT TRUST
AND OTHER MANAGED TRUSTS**
SCHEDULE OF ACTIVE MEMBER VALUATION DATA , SCHEDULE OF RETIRANTS AND BENEFICIARIES,
& SOLVENCY TEST

SCHEDULE OF ACTIVE MEMBER VALUATION DATA

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

SCHEDULE OF RETIRANTS AND BENEFICIARIES ADDED TO AND REMOVED FROM ROLLS

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

SOLVENCY TEST

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

Note:(1) Although the above schedules only reflect four (4) years of data, it is the plan's objective to reflect six years of data. Six years of data will eventually be presented as the years progress.

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

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

ANALYSIS OF FINANCIAL EXPERIENCE

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

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

	<u>2001</u>	<u>2000</u>
Age & Service Retirements	(45,623)	(441,098)
If members retire at older ages or with lower final average pay than assumed, there is a gain. If younger ages or higher average pay, a loss.		
Disability Retirements	(93,639)	(173,685)
If disability claims are less than assumed, there is a gain. If more claims, a loss.		
Death-In-Service Retirements	(340,530)	452,028
If survivor claims are less than assumed, there is a gain. If more claims, a loss.		
Withdrawal From Employment	4,451,143	2,095,097
If more liabilities are released by withdrawals than assumed, there is a gain. If smaller releases, a loss.		
Pay Increases	12,213,347	4,388,705
If there are smaller pay increases than assumed, there is a gain If greater increases, a loss.		
Contribution Income	812,612	709,814
If more contributions are received than expected, there is again. If less, a loss.		
Investment Income	(25,959,177)	36,423,427
If there is greater Investment income than assumed, there is a gain. If less income, a loss.		
Death After Retirement	(2,199,528)	(1,851,190)
If retirants live longer than assumed, there is a loss. If not as long, a gain		
New Members	(928,764)	(682,864)
Other	7,296,077	3,295,869
Miscellaneous gains and losses resulting from data adjustments, timing of financial transactions, valuation methods, etc.		
Gain (or Loss) During Year From Financial Experience	<u>(4,794,082)</u>	<u>44,216,103</u>
Non-Recurring Items	-	4,180,714
Adjustments for plan amendments, etc		
Composite Gain (or Loss) During Year	<u>(4,794,082)</u>	<u>48,396,817</u>

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

1. MEMBERSHIP:

Participation in the retirement plan is a mandatory condition of employment for all employees except persons eligible to decline membership. Pursuant to section 40-250 any regular and permanent employee of the city other than a fire fighter or police officer becomes a member upon employment unless he or she is a member of any other pension or retirement system supported wholly or in part by the city. An employee will cease to be a member if he or she (i) is absent from service for more than three years of any five (5) consecutive year period, (ii) withdraws his or her contributions, (iii) becomes a member of any other city-sponsored retirement plan or system, (iv) becomes a beneficiary or dies.

2. CONTRIBUTIONS:

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

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

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

3. DEFINITIONS:

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

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

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

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

Membership Service - shall mean service as an employee on account of which contributions to the retirement plan are made as required by this division.

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

Maternity leave:

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

(2) An election to pay back for membership credit pursuant to this subsection shall be available for thirty (30) days after notification to the member by the board that such payback is available. The Pension Administrator shall ensure that such notification is made within fifteen (15) days of a member's return to work.

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

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

4. BENEFITS:

(A) Service Retirement:

1. Eligibility: The minimum normal service retirement age is fifty-five (55). Any member in service who has ten (10) or more years of continuous creditable service may elect to retire upon the attainment of normal retirement age.

2. Normal retirement age for members shall be fifty-five (55) years of age.

3. Amount: The basic retirement benefit equals three (3.00) percent of the member's average final compensation multiplied by years of creditable service.

(B) Rule of 70 Retirement:

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

(C) Early Service Retirement Benefit:

1. Eligibility: A member in service who has twenty (20) or more years of creditable service may elect to retire early with an immediate benefit.

2. Amount: The early retirement benefit equals the actuarial equivalent of the basic service retirement benefit that otherwise would have commenced upon the attainment of age fifty-five (55).

(D) Executive Retirement Benefit:

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

(E) Deferred Vested Retirement Benefit:

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

5. OPTIONAL FORMS OF BENEFIT PAYMENTS:

In lieu of the benefit to which he or she would have been otherwise entitled, a member may elect to receive a benefit of actuarially equivalent value payable in any one of the following forms:

Option 1: If the member dies before receiving in payment of the member's retirement allowance, the value of his or her accumulated contributions at the time of retirement, the balance 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 legal representative; or

Option 2: Upon the member's death, his or her reduced retirement allowance shall be continued throughout the life of, and paid to, such person as the member shall have nominated by written designation duly executed and filed with the board at the time of retirement; or

Option 3: Upon the member's death, one-half (1/2) of his or her reduced retirement allowance shall be continued throughout the life of, and paid to such person as the member shall have nominated by written designation duly executed and filed with the board at the time of retirement; or

Option 4: Upon the member's death, some other benefits shall be payable; provided that the total value of the allowance during the member's life and the succeeding benefit shall be computed to be of equivalent actuarial value to the allowance which he or she would receive without optional modification; and provided, that the benefit shall be approved by the board; or

Option 5: If, as a result of an accidental injury incurred in the line of duty, the member shall have been so seriously injured that he or she is unable to execute and file a designation of an optional allowance, the board may, with the consent of the principal beneficiary, designate an option, and if such condition shall have delayed the application for retirement and the selection of an option, the board may waive the requirement as to the member's life for ten (10) days after retirement date, and may declare such optional allowance irrevocably effective immediately upon the member's retirement; or

Option 6: Any member upon service, early service or rule of 75 retirement or rule of 70 retirement may elect to receive benefits in one (1) of the following three (3) forms, in lieu of the retirement allowance otherwise payable to the member:

Option 6(a): Such 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, and be paid a monthly service retirement allowance of one-half (1/2) the amount to which he or she would otherwise be entitled;

Option 6(b): Such member may elect to receive his or her normal monthly service retirement allowance plus an additional five (5) percent of such service retirement allowance; or

Option 6(c): Such member may direct the payment of a benefit of forty (40) percent of the member's monthly retirement allowance to be paid at the member's death to his or her spouse nominated and designated by him or her at the time of retirement, such benefit to be payable during the lifetime of such spouse.

CHANGES IN BENEFICIARY AFTER RETIREMENT:

Any member who elects option 6(c) pursuant to section 40-255(M), may designate a new spousal beneficiary in accordance with procedures established by the board; provided, that an actuarial valuation will be made following such election, and the benefit for the retiree will be recalculated so that it is the actuarial equivalent of the benefit payable to the original spouse; provided, further, that the original spouse must be alive at the time of the change in designated beneficiary, and he or she must not be entitled to any survivor benefit under the retirement plan by operation of law. It is intended that the city will pay only one (1) survivor benefit for any member of the retirement plan and will not incur an increase in benefit costs by reason of change in designated beneficiary.

6. DISABILITY RETIREMENT BENEFIT:

(A) Ordinary Disability Retirement Benefit:

1. Any member in service who has ten (10) or more years of creditable service but who is not eligible for a service retirement allowance may, upon written application, 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 as defined in subsection (F) of the Miami code that such incapacity is likely to be permanent, and that such member should be retired.

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

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

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

1. Eligibility: A member in service who has become totally and permanently incapacitated for duty as a result of an accident occurring while in the performance of his/her duty would be eligible for an immediate benefit payable for

his/her lifetime, provided that, upon his/her death, forty (40) percent of that benefit would continue to be paid to his/her surviving spouse for the lifetime of such spouse.

2. Upon retirement for accidental disability, a member shall be entitled to receive a pension which shall be equal to sixty-six and two-thirds (66 2/3) percent of the member's average final compensation.

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

(C) Service-Incurred Disability Benefit:

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

2. Upon retirement on or after October 1, 1998, for service-incurred disability, a member shall be entitled to receive a retirement allowance equal to three (3.00) percent of ninety (90) percent of the member's average final compensation, multiplied by years of creditable service, provided such retirement allowance exceeds forty (40) percent of the member's average final compensation; otherwise, a retirement allowance equal to three (3.00) percent of ninety (90) percent of the member's average final compensation, multiplied by the number of years which would be creditable to the member were the member's service to continue until the attainment of normal retirement age, provided further that the resulting retirement allowance shall not exceed forty (40) percent of the member's average final compensation.

3. A member entitled to receive a service-incurred retirement allowance shall not be eligible for a return of contributions as provided in section 40-255(I), nor for optional allowances as provided in section 40-255(L).

7. DEATH BENEFITS:

(A) Ordinary Death Benefit:

(1) Upon receipt by the board of proper proofs of the death of a member in service who has three (3) or more years of creditable service, which death is not the result of an accident in the actual performance of duty as defined in subsection (H) of this section, 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 legal representative, a benefit equal to a lump-sum payment of fifty (50) percent of the earnable compensation received by the member during the year immediately preceding the member's death.

(2) Notwithstanding any provision in this division to the contrary, in the event a member who has become eligible for service, early service, or rule of 70 retirement benefits but has not retired dies, the member shall be considered to have been retired on the date of death. In such event, the member's spouse shall have the option of receiving the sum of the member's accumulated contributions together with interest from the date of member's death to the date of payment or, if not exercising such option, the spouse shall receive:

(a) Payment of forty (40) percent of the member's monthly retirement allowance which would have been payable to the member if he or she had attained normal retirement age, said allowance being payable without actuarial reduction for the difference in age, should such difference exist;

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

(c) Payment of a retirement allowance equal to an additional ten (10) percent of the member's average final compensation if such member shall have qualified for such additional benefit as set forth in section 40-255(A)(4)(a); the payments under (g) (2) a, (g) (2) b, and (g) (2) c to continue only for as long as the surviving spouse remains unmarried.

(3) If a retired member dies prior to having received twelve (12) monthly retirement allowance payments and prior to any optional allowance elected by the member having become effective, there shall be paid to such person, if any, as the member shall have nominated by written designation duly executed and filed with the board, otherwise, to the member's legal representative, a lump-sum benefit equal to the sum of the twelve (12) monthly retirement allowance payments to which the member would otherwise have become entitled, less the payments the member received.

(B) Accidental Death Benefit:

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

(C) Minimum Retiree Death Benefit:

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

8. RETURN OF ACCUMULATED CONTRIBUTIONS:

A member who terminates employment other than for retirement or death will be paid his/her accumulated contributions less any mandatory tax withholding upon demand. For distributions made on or after January 1, 1993, contributions may be rolled over directly to a qualified IRA, or another employer's plan, resulting in deferral of taxes on the amount transferred. However, these funds will be taxed when withdrawn from the successor plan.

9. PENSION OFFSET BY COMPENSATION BENEFITS:

Effective July 14, 1989, the Florida Supreme Court ruled that any amounts which may be paid or payable under the provisions of any state workers' compensation or similar law to a member or the member's dependents as a result of the member's death or disablement shall not be offset against any benefits payable from city funds by the Plan, except for employees whose date of accident occurred prior to 1973.

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.

11. COST-OF-LIVING ALLOWANCE BENEFIT:

The COLA fund has been merged into the General Employees' and Sanitation Employees' Retirement Trust and separate accounting of assets is not required.

Effective October 1, 1998, there shall be calculated a four (4) percent COLA benefit equal to four (4) percent of the combined annual base pension and the prior COLA benefit for the period October 1, 1998 through September 30, 1999, with a minimum COLA benefit of fifty-four dollars (\$54.00) per year and a maximum COLA benefit increase of four hundred dollars (\$400.00) per year as of October 1, 1998, provided the retiree's first anniversary of retirement has been reached. The four (4) percent COLA benefit shall be added to the prior COLA benefit to produce the new COLA benefit. The COLA benefit will be paid on a monthly basis.

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

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

The General Employees' and Sanitation Employees' Trustees will assume responsibility for administering the COLA payments and investing the current COLA assets.

Any contributions to the retirement plan which are credited to the COLA fund on behalf of any member in accordance with section 40-246 (A) (1), and which are subsequently returned pursuant to any provision which provides for the return of accumulated contributions, shall be paid from the COLA asset.

All other matters regarding the COLA benefit shall be determined by negotiations between the City, the Board of Trustees, and the bargaining representatives of the A.F.S.C.M.E. and the C.I.G.U. In determining the disbursement of COLA assets to beneficiaries, priority shall be given to beneficiaries who currently receive comparatively smaller monthly benefits due to the length of time they have been retired, except to the extent their smaller benefits are the result of their prior receipt of lump sum benefits.

SUMMARY OF PLAN PROVISIONS EXCESS BENEFIT PLAN:

1. Plan Effective Date

The original plan effective date is October 1, 2000.

2. Membership

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

3. Member Contributions

There are no member contributions.

4. Excess Plan Benefit

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

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

1. Plan Effective Date

The original plan effective date is July 1, 2001.

2. Membership

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

3. Membership Service

Service as an employee for which contributions were made.

4. Creditable Service

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

5. Compensation

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

6. Member Contributions

10% of compensation.

7. Average Final Compensation

Average annual compensation during highest two years of membership service.

8. Basic Retirement Benefit

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

9. Normal Retirement

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

- **Forms of Payment**

- Actuarially Reduced Forms of Payment

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

- Normal Forms of Payment

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

10. Rule of 70 Retirement

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

11. Early Retirement

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

12. Minimum Retired Death Benefit

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

13. Return of Contributions

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

14. Vesting

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

Statistical Section

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

COMBINED REVENUES BY SOURCE AND EXPENSES BY TYPE

REVENUES					
Fiscal Year	Employee Contributions (\$) ⁽¹⁾	EMPLOYER CONTRIBUTIONS		Investment Income (\$) ⁽³⁾	Total (\$)
		Employer Contributions & City Reimbursement ⁽²⁾	Percentage of Annual Covered Payroll		
1996	5,293,286	13,863,239	26.00%	53,950,876 ⁽⁴⁾	73,107,401
1997	7,123,629	15,799,395 ⁽⁷⁾	28.37%	111,782,001	134,705,025
1998	5,528,810	13,705,279	22.90%	14,011,632	33,245,721
1999	6,334,431	1,241,951	0.00%	87,019,597	94,595,979
2000	6,615,913	9,612,254	13.28%	86,001,804	102,229,971
2001	7,350,154	10,002,810	15.41%	(65,601,473)	(48,248,509)

EXPENSES				
Fiscal Year	Benefit Payments (\$) ⁽¹⁾	Administrative Expenses (\$) ⁽⁵⁾	Refunds (\$) ⁽⁶⁾	Total (\$)
1996	28,491,648	939,790	1,400,429	30,831,867
1997	29,009,556	1,044,387	1,467,060	31,521,003
1998	29,491,577	1,087,902	1,372,653	31,952,132
1999	30,150,680	1,241,951	1,617,699	33,010,330
2000	31,696,081	1,395,839	1,432,513	34,524,433
2001	33,158,259	1,461,349	1,749,515	36,369,123

NOTES:

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

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

SCHEDULE OF RETIRED MEMBERS BY TYPE OF BENEFITS

	FISCAL YEARS ENDED SEPTEMBER 30,					
	2001	2000	1999	1998	1997	1996
Retired Benefits						
Non-disabled	1466	1415	1442	1465	1505	1535
Disabled	48	50	49	45	42	43
Beneficiaries	328	332	330	319	305	303
Total	1842	1797	1821	1829	1852	1881

SCHEDULE OF AVERAGE MONTHLY PAYMENT AMOUNTS

	FISCAL YEARS ENDED SEPTEMBER 30,					
	2001	2000	1999	1998	1997	1996
Retired Members						
Non-disabled	\$1,768.03	\$1,707.74	\$1,641.31	\$1,556.15	-	-
Non-disabled & Beneficiaries	-	-	-	-	\$1,489.40	\$1,278.56
Beneficiaries	\$595.82	\$570.96	\$529.86	\$486.00	-	-
Disabled	\$1,203.65	\$1,158.22	\$1,087.70	\$1,011.46	\$933.72	\$876.97

SCHEDULE OF BENEFIT EXPENSES BY TYPE

	RETIRED MEMBERS		DISABLED MEMBERS		BENEFICIARIES	
	NUMBER	AMOUNT	NUMBER	AMOUNT	NUMBER	AMOUNT
2001	1466	\$31,103,173	48	\$693,301	328	\$2,345,162
2000	1415	\$28,997,507	50	\$694,931	332	\$2,274,711
1999	1442	\$28,055,236	49	\$639,570	330	\$2,104,605
1998	1465	\$27,357,151	45	\$546,187	319	\$1,860,396
1997	1505	\$26,898,606	42	\$470,593	305	\$1,724,004
1996	1535	\$26,579,761	43	\$452,514	303	\$1,620,143
1995	1561	\$26,333,202	60	\$486,832	304	\$1,603,481
1994	1379	\$19,465,096	46	\$432,896	292	\$1,349,079
1993	1391	\$18,353,359	48	\$418,397	278	\$1,437,100
1992	1410	\$17,943,869	50	\$409,535	269	\$1,354,379

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

Attained Age	Completed Years of Service										Total	
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up		
Under 25	13	37	0	0	0	0	0	0	0	0	0	50
Avg.Pay*	22,900	24,826	0	0	0	0	0	0	0	0	0	24,325
25 to 29	10	90	18	1	0	0	0	0	0	0	0	119
Avg.Pay*	30,903	30,186	32,496	38,659	0	0	0	0	0	0	0	30,667
30 to 34	10	96	38	8	0	0	0	0	0	0	0	152
Avg.Pay*	30,188	30,796	32,246	36,033	0	0	0	0	0	0	0	31,394
35 to 39	10	73	43	56	42	1	0	0	0	0	0	225
Avg.Pay*	26,484	30,486	32,554	40,415	48,978	34,158	0	0	0	0	0	36,643
40 to 44	6	73	27	41	87	53	0	0	0	0	0	287
Avg.Pay*	33,313	33,722	34,114	44,370	47,653	51,375	0	0	0	0	0	42,754
45 to 49	9	54	29	32	66	65	13	1	0	0	0	269
Avg.Pay*	32,205	35,402	36,944	43,056	51,423	59,209	57,636	55,659	0	0	0	47,205
50 to 54	1	39	31	27	53	36	12	1	0	0	0	200
Avg.Pay*	40,149	36,354	36,394	41,199	51,891	62,216	60,807	67,632	0	0	0	47,429
55 to 59	2	20	16	26	40	23	10	0	0	0	0	137
Avg.Pay*	18,461	37,863	32,498	50,796	55,196	50,570	56,764	0	0	0	0	47,981
60 to 64	2	17	22	26	19	18	3	2	3	0	0	112
Avg.Pay*	18,461	37,863	32,498	50,796	55,196	50,570	56,764	0	0	0	0	43,669
65 & up	0	13	17	12	11	13	1	0	0	1	0	68
Avg.Pay*	0	40,177	28,671	37,897	54,212	52,648	61,355	0	0	42,822	0	41,903
Total	63	512	241	229	318	209	39	4	3	1	0	1,619
Avg.Pay*	29,007	32,376	33,553	42,800	50,389	55,951	58,591	50,553	37,124	42,822	0	41,168

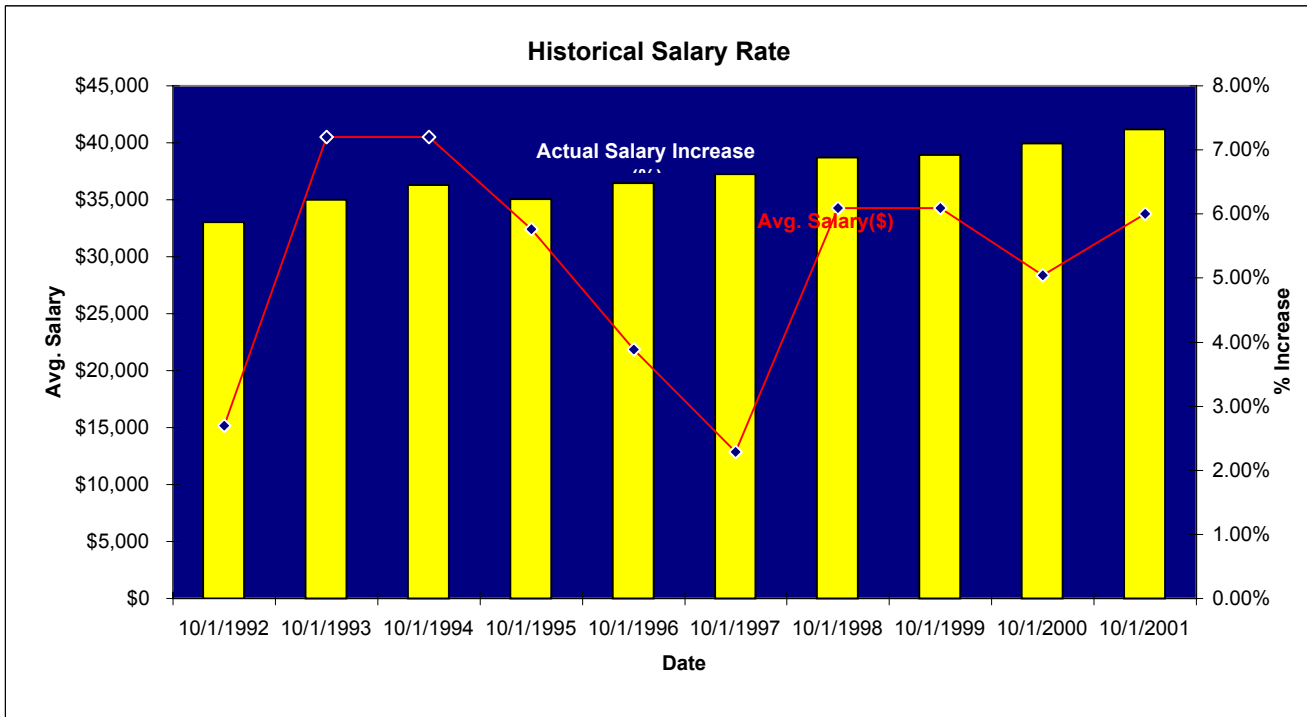
* The average pay shown is the average of the annual rate of pay excluding any overtime pay or other special compensation.

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

Active Employee Data

Historical Salary Rate

<u>Date</u>	<u>Avg. Salary</u>	<u>Actual Salary Increase</u>	<u>Date</u>	<u>Avg. Salary</u>	<u>Actual Salary Increase</u>
10/1/1992	\$33,029	2.70%	10/1/1997	\$37,271	2.29%
10/1/1993	\$34,998	7.20%	10/1/1998	\$38,683	6.09%
10/1/1994	\$36,267	7.20%	10/1/1999	\$38,907	6.09%
10/1/1995	\$35,052	5.76%	10/1/2000	\$39,969	5.04%
10/1/1996	\$36,468	3.89%	10/1/2001	\$41,168	6.00%



Active Members as of September 30, 2001:

	<u>Number</u>	<u>Annual Compensation</u>
Males	849	\$ 35,679,208
Females	770	\$ 30,971,242
Total	1619	\$ 66,650,450

Average Annual Compensation	\$41,168
Average Entry Age	34.22
Average Years of Service	10.31

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