

Financial Affairs  
Edward Marquez, Chief Financial Officer

**SUBJECT: AUTHORIZATION TO ENGAGE DELOITTE CONSULTING LLP, TO PERFORM AN ASSET LIABILITY STUDY FOR THE SUPPLEMENTAL EARLY RETIREMENT PLAN**

**COMMITTEE: BUSINESS AND FINANCIAL SERVICES**

Permission is requested to enter into a contractual agreement between Miami-Dade County Public Schools and Deloitte Consulting LLP to conduct an Asset Liability Study for the Supplemental Early Retirement Plan. The Plan's Total Return for the 12 months ended May 31, 2004 of 12.85%, with total assets valued at \$30,861,035, has out performed its benchmark, the 50% S&P 500/ 50% Lehman Government Credit Bond Index by 4%.

The Study will enhance Investment Strategy Development via Asset Liability Projections and will include the following:

- Generate liability projections for the Plan under varying economic environments
- Develop expectations for returns, volatilities and correlations of major asset classes
- Identify three to five alternative asset allocation strategies as candidate portfolios
- Analyze interaction of the Plan's assets and liabilities for each candidate portfolio
- Recommend Optimal Asset Allocation Strategy
- Assist in determining adequacy of the long-term Funding Strategy

The Investment Advisory Committee has recommended that the Study be performed by Deloitte at its meeting of June 3, 2004. Deloitte was selected because of its familiarity with the Plan's assets & liabilities in preparing the bi-annual Actuarial Report, which will result in a timely and cost effective Study. The Professional Services Committee reviewed this item at its meeting of June 17, 2004. The Professional Services Committee recommended that an exception to the Rule as otherwise determined by the Committee, in respect to bids or Request for Proposals be granted.

The contract with Deloitte Consulting LLP will be up to a cost of \$25,000.

**RECOMMENDED:** That The School Board of Miami-Dade County, Florida:

1. authorize the Superintendent to enter into a contractual agreement with Deloitte Consulting LLP at an amount not to exceed \$25,000 for an Asset Liability Study; and
2. grant an exception to School Board Rule 6Gx13-3F-1.021.