




## GMA Defined Contribution and Deferred Compensation (DC/DC) Program



# 2010 Annual Report


THIS REPORT ABOUT THE GMA DEFINED CONTRIBUTION AND DEFERRED COMPENSATION (DC/DC) PROGRAM REVIEWS MEMBERSHIP, PARTICIPANTS, PLAN ASSETS AND INVESTMENT OPTIONS AS OF DECEMBER 31, 2010.



**O**ver the course of the past year, combined membership had a net increase of five members. Combined participants, however, decreased by 11%, primarily the result of the City of Griffin terminating from the deferred compensation (457) and defined contribution (401) plans. Even with Griffin's departure, combined plan assets increased by nearly \$7 million from the previous year. The average account balance per participant for the combined plans was \$12,151, an increase of \$2,692 or 32% from 2009.

The average fund return of the program offerings was significantly better than that of the stock market as measured by the S&P 500 Index for the one, three and five-year periods.

The GMA DC/DC Board of Trustees monitors the performance of the investment options on a regular basis. In March of 2010, the board added the DFA Inflation-Protected Securities I Fund to the GMA investment line-up. The investment objective of this fund is to provide inflation protection and earn current income consistent with inflation-protected securities. In the near future, the board plans to conduct a comprehensive review of the total line-up of investment options offered through the program to ensure that participants continue to have a well-diversified selection of funds on which to build their individual investment portfolios and retirement nest eggs.



Looking to the future, GMA working with MetLife, the program's service provider, will be enhancing its education and communication efforts by conducting pilot education programs. The pilot programs will be a multi-faceted approach to educate participants about investing and saving for retirement. Representatives will offer education programs about developing retirement strategies, understanding investment options and emphasizing the importance of savings. The goal of the programs will be to encourage participants to increase their personal retirement savings so that along with any pension or Social Security payments, the participants will have enough savings to comfortably retire.

In its ten-year history, the program continues to be a meaningful program for employees to voluntarily save for their retirement outside of an employer-sponsored retirement plan.

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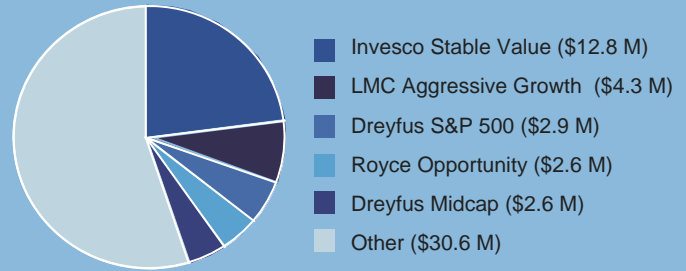
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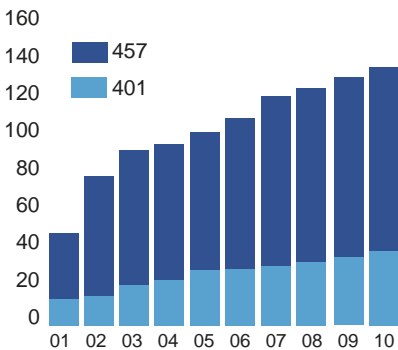
## DIVERSIFIED INVESTMENT OPTIONS

GMA offers a well-diversified investment program consisting of 35 funds spread over 21 asset classes. The funds offered consist of 33 mutual funds (including target date retirement funds and specialty funds such as health, realty, etc.), a money market fund and a stable value fund. The GMA DC/DC Program Board of Trustees actively monitors the performance of each fund on a regular basis. All investment options are selected and monitored by the trustees based on investment guidelines and criteria which stress performance, fund history, fund expenses and fund asset size. In 2010, the board added the DFA Inflation-Protected Securities Fund, a treasury inflation-protected securities or TIPS fund, to the investment line-up to give participants a chance to participate in a fund with some protection against inflation. The top five funds in terms of assets as of December 31, 2010 held 45% of the total assets and are reflected below.



## MEMBERSHIP

As of December 31, 2010, combined membership in the GMA DC/DC Program totaled 145 members. Chatsworth and Douglasville joined the GMA 457(b) Deferred Compensation Plan, bringing total membership to 104 members. The 457 plan consisted of 95 municipalities, one regional commission, seven municipal authorities/commissions and the Georgia Municipal Association. Chatsworth, Montezuma and the Chatsworth Water Works Commission joined the GMA 401(a) Defined Contribution Plan during 2010, bringing total 401 plan membership to 41. The City of Griffin terminated from both plans.



## PARTICIPANTS

The GMA DC/DC Program had a combined total of 4,593 participants as of December 31, 2010, a decrease of 509 participants since last year. The decrease in participants is largely attributable to the City of Griffin leaving both

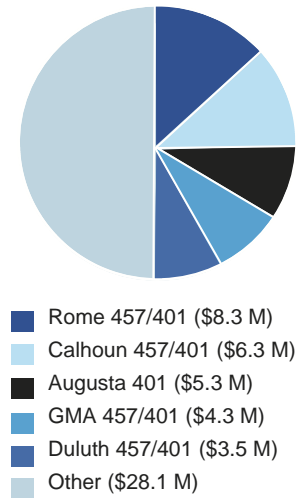
plans. The 457 plan had a total of 2,805 participants with an account balance. The top five cities based on the total number of participants in the 457 plan are listed below. As of December 31, 2010, there were 1,788 participants with an account balance in the 401 plan. Rome and Augusta continued to have the largest number of participants in the 401 plan with 503 and 413 participants, respectively.

457 Member	Participants
Rome	412
Calhoun	160
Duluth	116
Fayetteville	100
Warner Robins	94

## PROGRAM ASSETS

Combined program assets as of December 31, 2010 totaled \$56 million, an increase of approximately \$7 million from last year. The top five members with the largest amount of assets in the program are illustrated in the graph in the next column. These five members account for \$28 million or 50% of the total program assets. The 457 plan totaled \$36 million or 64% of combined assets, compared

to the assets for the 401 plan which totaled \$20 million or 36% of combined assets.



The average account balance per participant for the combined 457 and 401 plans was \$12,151, an increase of \$2,692 from 2009. Separately, the average account balance per participant for the 457 plan was \$12,685 (a gain of \$2,517) and \$11,313 for the 401 plan (an increase of \$2,843).

# ASSET DISTRIBUTION BY FUND

as of December 31, 2010

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Fund Name	Asset Class	Total Balance
Allianz AGIC Target Class A	Mid-Cap Growth	305,399.91
Allianz RCM Technology Fund - A	Technology	432,815.98
Cohen & Steers Realty Shares	Real Estate	1,059,588.19
DFA Inflation-Protected Securities I	Inflation-Protected Bond	55,451.43
Dreyfus Mid Cap Index Fund	Mid-Cap Blend- Index	2,601,923.13
Dreyfus S & P 500 Index Fund	Large Blend- Index	2,920,967.43
INVESCO Global Health Care Fund - A	Health	175,913.12
INVESCO Global Health Care Fund Inv	Health	873,841.02
INVESCO Small Cap Growth Fund - A	Small Growth	593,063.49
INVESCO Stable Value Fund	Stable Value	12,764,907.46
Janus Balanced Fund S	Moderate Allocation	623,891.54
Janus Balanced Fund T	Moderate Allocation	686,241.67
Janus Overseas Fund S	Foreign Large Growth	1,344,927.03
LM CBA Aggressive Growth A	Large Growth	4,296,421.53
LM CBA Capital Fund A	Large Growth	1,042,826.06
LM CBA Fundamental All Cap Value A	Large Blend	1,833,035.06
LM CBA Large Cap Value A	Large Value	721,376.88
Oppenheimer Developing Market Fund - A	Diversified Emerging Mkts	1,548,625.43
Oppenheimer Global Fund A	World Stock	1,423,444.93
PIMCO Emerging Markets Bond Fund	Emerging Markets Bond	300,438.53
PIMCO Foreign Bond (USD-Hedged) I	World Bond	156,033.45
PIMCO High Yield Fund - Institutional	High Yield Bond	727,511.88
PIMCO Total Return Fund - Admin	Intermediate-Term Bond	1,536,709.12
Royce Opportunity	Small Value	2,616,607.48
T. Rowe Price Retirement 2010 Fund - R	Target Date Fund	922,386.90
T. Rowe Price Retirement 2015 Fund - R	Target Date Fund	1,774,987.13
T. Rowe Price Retirement 2020 Fund - R	Target Date Fund	1,744,560.30
T. Rowe Price Retirement 2025 Fund - R	Target Date Fund	1,555,277.41
T. Rowe Price Retirement 2030 Fund - R	Target Date Fund	1,600,219.33
T. Rowe Price Retirement 2035 Fund - R	Target Date Fund	1,044,419.30
T. Rowe Price Retirement 2040 Fund - R	Target Date Fund	1,155,565.49
T. Rowe Price Retirement 2045 Fund - R	Target Date Fund	515,133.38
T. Rowe Price Retirement 2050 Fund - R	Target Date Fund	97,664.20
T. Rowe Price Retirement 2055 Fund R	Target Date Fund	52,266.93
T. Rowe Price Retirement Income Fund - R	Target Date Fund	250,620.86
Wells Fargo Adv Income Plus Investor	Intermediate-Term Bond	1,186,009.84
Wells Fargo Advantage Growth - Inv	Large Growth	1,980,951.89
Western Asset Money Market Fund Class A	US Money Market Taxable	1,287,230.14
	Total	\$55,809,254.85



## Performance Highlights

Excluding the money market fund, the stable value fund and the two index funds and the funds previously removed from funds available to new participants, the following are the percentages of funds ranked in the upper 50th percentile as ranked by a nationally recognized mutual fund rating company.

1-Year Period	3-Year Period	5-Year Period
71%	84%	75%

The average fund return for the one, three and five-year periods as of December 31, 2010 is reflected below. (1 being the best and 100 being the worst).

	Fund Return	Index Return	Fund Rank
1-Year	15.12%	14.83%	34
3-Year	1.59%	1.41%	30
5-Year	5.00%	4.69%	31

On a one-year basis, the program's stable value fund, one of the program's more conservative funds, returned 3.22%.

## The GMA DC/DC Board of Trustees

The GMA DC/DC Program is overseen and directed by a nine member board of trustees comprised of elected and appointed municipal officials from among the program's membership. GMA Executive Director Jim Higdon serves as Secretary/Treasurer. Appointments to the GMA DC/DC Board of Trustees are made by the GMA Board of Directors. At their board meeting held January 22, 2011, the GMA Board of Directors re-appointed Mayor Jackie Wilson, Mr. Joe Mosley and Mayor Larry Guest, whose terms expired December 31, 2010, to another three-year term to the board.



Serving local government is our **ONLY** business. Contact Steve Durden for more information about the GMA DC/DC program.

678.686.6259 or [sdurden@gmanet.com](mailto:sdurden@gmanet.com)

## *GMA DC/DC Board*

**Mayor Jimmy Andrews**  
City of Sandersville

**Mr. David Austin**  
Commissioner, Toccoa  
(Vice Chairperson)

**Ms. Beth English**  
Councilmember, Vienna

**Mayor Larry Guest**  
Elberton

**Mr. Julian Jackson**  
City Administrator, Monroe

**Mayor Bucky Johnson**  
Norcross

**Mr. Joe Morton**  
City Manager, Fayetteville  
(Chairperson)

**Mr. Joe Mosley**  
City Manager, Metter

**Mayor Jackie Wilson**  
Douglas



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