

PENSION TRUST FUND

Trust Funds account for assets held by a government in a trustee capacity.

Employees' Retirement System Fund accounts for the accumulation of contributions and the payment of retirement benefits to qualified employees through two separate trusts. The Original Retirement System Trust includes the accumulation of contributions for a defined-benefit cost-sharing multiple employer pension plan which provides retirement benefits to qualified employees. The Police Guarantee Trust holds assets and pays certain retirement benefits to those members who have voluntarily transferred to the Municipal Police Employees' Retirement System of Louisiana.

MISSION STATEMENT

The mission of the Board of Trustees of the Employees' Retirement System is to administer the System in a prudent and fiscally responsible manner, pay benefits authorized by Council ordinance, and serve in the best interest of the System's members, both active and retired. This System comprises two separate trusts, the Original Retirement System Trust and the Police Guarantee Trust.

BUDGET SUMMARY	2001 ACTUAL	2002 BUDGET	REQUEST	2003 PROPOSED	FINAL
REVENUES:					
Investments Revenue	(15,605,190)	66,512,240	61,876,000	61,876,000	61,876,000
Rentals-Building	63,900	34,980	8,940	8,940	8,940
Employee Retirement Contribution	9,017,730	8,872,800	8,942,730	8,942,730	8,942,730
Employer Retirement Contribution	11,634,530	10,925,700	13,348,770	13,348,770	13,348,770
TOTAL REVENUES	5,110,970	86,345,720	84,176,440	84,176,440	84,176,440
APPROPRIATIONS					
Pension Trust:					
Benefit Payments	43,261,110	48,337,000	47,900,000	47,900,000	47,900,000
Refunds and Withdrawals	1,999,900	1,700,000	1,300,000	1,300,000	1,300,000
Administrative Expenses	810,650	812,900	940,400	938,670	938,670
Depreciation	29,020	29,200	29,020	29,020	29,020
Police Guarantee Trust:					
Benefit Payments	790,650	1,500,000	1,120,000	1,120,000	1,120,000
Refunds and Withdrawals	460	2,000	2,000	2,000	2,000
Administrative Expenses	297,620	269,350	230,250	229,820	229,820
TOTAL APPROPRIATIONS	47,189,410	52,650,450	51,521,670	51,519,510	51,519,510
NET INCOME (LOSS)	(42,078,440)	33,695,270	32,654,770	32,656,930	32,656,930
% CHANGE OVER PRIOR YEAR	-----	11.57%	-2.14%	-2.15%	-2.15%
NET ASSETS, JANUARY 1					
ORIG. RETIRE. SYSTEM TRUST	814,281,610	773,353,220	806,653,200	806,653,200	806,653,200
POLICE GUARANTEE TRUST	25,684,330	24,516,370	24,893,710	24,893,710	24,893,710
ADJUSTMENTS					
ORIG. RETIRE. SYSTEM TRUST	(13,550)	(13,900)	0	0	0
POLICE GUARANTEE TRUST	(4,360)	(4,050)	0	0	0
NET ASSETS, DECEMBER 31					
ORIG. RETIRE. SYSTEM TRUST	773,353,220	806,653,200	838,650,470	838,652,200	838,652,200
POLICE GUARANTEE TRUST	24,516,370	24,893,710	25,551,210	25,551,640	25,551,640
PERSONNEL ALLOTTED	13	12	12	12	12

BUDGET HIGHLIGHTS

The Employees' Retirement System comprises two trust funds: the original trust fund from which are paid most retirement benefits, and the Police Guarantee Trust, which was established in February 2000 to provide for a funded pension trust from which will be paid certain retirement benefits to eligible members as contractually provided for in the "Agreement and Guarantee of Retirement Rights and Benefits." Administrative expenses are allocated separately between the two trust funds. Those expenses allocated to the Police Guarantee Trust represent either direct expenses or prorata allocations of System expenses. In 2003, 80% of the system expenses will be allocated to the Original Retirement System Trust and 20% to the Police Guarantee Trust.

BUDGET HIGHLIGHTS (CONT.)

Personal Services: It is requested that the Retirement Benefits Coordinator position be reclassified to a Retirement Benefits Specialist in order to correct an in-lieu-of situation.—*Approved.*

Inventoried Assets: This department is requesting \$8,000 to purchase one computer and two printers.—*Approved.*

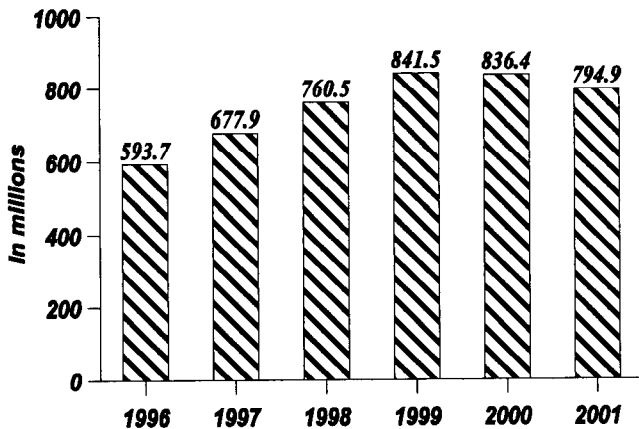
PERSONNEL SUMMARY

JOB CODE	JOB TITLE	ALLOTMENT				PAY	ANNUAL SALARY	
		CUR	REQ	PRO	FIN	GRADE	MINIMUM	MAXIMUM
300260	Retirement Administrator	1	1	1	1	4313	55,320	76,576
300258	Assistant Retirement Administrator	1	1	1	1	222	46,408	64,240
100718	Retirement Benefits Manager	1	1	1	1	217	36,396	50,381
100715	Retirement Accounting Manager	1	1	1	1	217	36,396	50,381
100115	Accountant III	2	2	2	2	215	33,036	45,730
100110	Accountant II	1	1	1	1	212	28,578	39,561
108330	Retirement Admin. & Investment Coord.	1	1	1	1	216	34,671	47,994
111630	Retirement Benefits Coordinator	1	0	0	0	118	24,279	33,608
110625	Administrative Specialist II	1	1	1	1	115	21,009	29,081
100710	Retirement Benefits Specialist	2	3	3	3	115	21,009	29,081
TOTAL		12	12	12	12			

GRAPHICAL SUMMARY

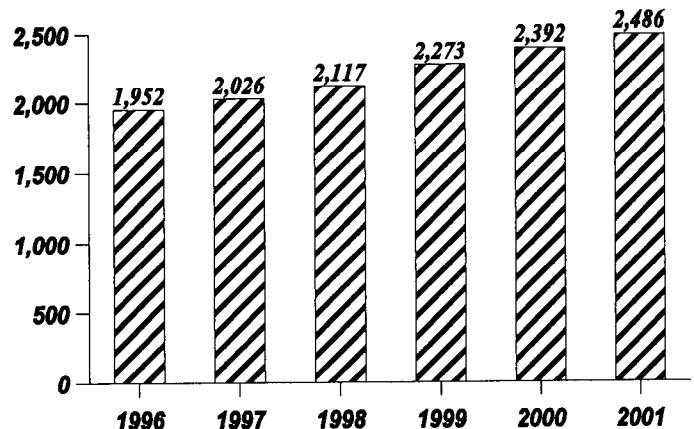
INVESTMENT MARKET VALUES

1996-2001



PENSION BENEFIT RECIPIENTS

1996-2001



PERFORMANCE MEASUREMENT

Goals/Objectives/Performance Indicators	2001 Actual	2002 Target	2003 Target
1. <i>To provide professional, courteous, accurate, and timely service to members and retirees.</i> a) Meet retiree payroll deadlines b) Submit accurate benefit calculations for final review by staff	100% 100%	100% 100%	100% 100%
2. <i>To ensure compliance with accounting standards and principles, statutes, rules, regulations, and board policies.</i> a) Complete Benefits Section policies and procedures manual by December 31, 2003 b) Receive an unqualified audit opinion on System's financial statements c) Receive Certificate of Achievement for Excellence in Financial Reporting awarded by GFOA for the Comprehensive Annual Financial Report	N/A ✓ ✓	N/A ✓ ✓	✓ ✓ ✓
3. <i>To maintain a dedicated and knowledgeable staff.</i> a) # of hours of continuing education training b) Average # of years of service	360 11	120 12	220 12
4. <i>To maintain a diversified investment portfolio that properly balances risk and return to achieve the target rate of return for providing funds with which to pay pension benefits to eligible members.</i> a) Annually meet or exceed the appropriate 12/31 indexes established by the investment consultant b) Annually meet or exceed benchmark (T-bill + 25 basis points) for internal investments	✓ ✓	✓ ✓	✓ ✓