

## **PENSION TRUST FUND**

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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 pension plan that 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	2003 ACTUAL	2004 BUDGET	REQUEST	2005 PROPOSED	FINAL
<b>REVENUES:</b>					
Investments Revenue	162,549,250	61,147,000	67,352,250	67,352,250	67,352,250
Rentals-Building	8,770	8,940	8,940	8,940	8,940
Employee Retirement Contribution	9,113,040	9,952,000	10,934,990	10,934,990	10,934,990
Employer Retirement Contribution	14,608,790	15,484,000	18,148,320	18,148,320	18,148,320
<b>TOTAL REVENUES</b>	<b>186,279,850</b>	<b>86,591,940</b>	<b>96,444,500</b>	<b>96,444,500</b>	<b>96,444,500</b>
<b>APPROPRIATIONS</b>					
<b>Pension Trust:</b>					
Benefit Payments	48,561,380	52,500,000	53,965,000	53,965,000	53,965,000
Refunds and Withdrawals	1,681,540	1,200,000	1,200,000	1,200,000	1,200,000
Administrative Expenses	894,510	960,880	914,090	906,730	906,730
Depreciation	28,820	28,820	28,820	28,820	28,820
<b>Police Guarantee Trust:</b>					
Benefit Payments	988,680	1,115,000	1,060,000	1,060,000	1,060,000
Refunds and Withdrawals	640	2,000	2,000	2,000	2,000
Administrative Expenses	214,380	232,740	288,710	286,260	286,260
<b>TOTAL APPROPRIATIONS</b>	<b>52,369,950</b>	<b>56,039,440</b>	<b>57,458,620</b>	<b>57,448,810</b>	<b>57,448,810</b>
<b>NET INCOME (LOSS)</b>	<b>133,909,900</b>	<b>30,552,500</b>	<b>38,985,880</b>	<b>38,995,690</b>	<b>38,995,690</b>
<b>% CHANGE OVER PRIOR YEAR</b>	-----	7.01%	2.53%	2.52%	2.52%
<b>NET ASSETS, JANUARY 1</b>					
ORIGINAL RETIRE. SYSTEM TRUST	684,118,260	814,138,810	844,057,050	844,057,050	844,057,050
POLICE GUARANTEE TRUST	22,004,920	25,849,100	26,483,360	26,483,360	26,483,360
<b>ADJUSTMENTS</b>					
ORIGINAL RETIRE. SYSTEM TRUST	(39,730)	0	0	0	0
POLICE GUARANTEE TRUST	(5,440)	0	0	0	0
<b>NET ASSETS, DECEMBER 31</b>					
ORIG. RETIRE. SYSTEM TRUST	814,138,810	844,057,050	882,384,100	882,391,460	882,391,460
POLICE GUARANTEE TRUST	25,849,100	26,483,360	27,142,190	27,144,640	27,144,640
<b>PERSONNEL ALLOTTED</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>

## 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 certain retirement benefits are paid 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 2005, 75% of the System's expenses will be allocated to the Original Retirement System Trust and 25% to the Police Guarantee Trust.

**BUDGET HIGHLIGHTS (CONT.)**

**Personal Services:** Pay-grade increases are requested for the following positions: Retirement Accounting Manager from PG 2220 to PG 2240; Retirement Benefits Specialist from PG 1100 to PG 1130; and Senior Retirement Benefits Specialist from PG 1130 to PG 2160. — See *Personnel Summary* section for approvals. Clerical and Accounting series classification and pay issues will be deferred until 2005, pending the completion of a comprehensive study.

**Capital Outlay:** The Retirement Office is requesting \$10,000 for replacement of its Linux server which houses the database on which all the retirement system's member files and applications are maintained. Also requested is \$12,000 for a new forms sealer/folder. — *Approved.*

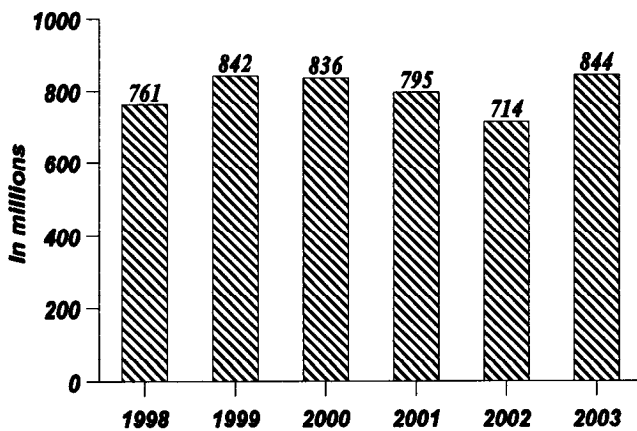
**PERSONNEL SUMMARY**

JOB CODE	JOB TITLE	ALLOTMENT			PAY	ANNUAL SALARY		
		CUR	REQ	PRO	FIN GRADE	MINIMUM	MAXIMUM	
300260	Retirement Administrator	1	1	1	1	2290	55,066	76,224
300258	Assistant Retirement Administrator	1	1	1	1	2260	47,568	65,845
100715	Retirement Accounting Manager	0	1	0	1	2240	43,146	59,724
100715	Retirement Accounting Manager	1	0	1	0	2220	39,134	54,171
100718	Retirement Benefits Manager	1	1	1	1	2220	39,134	54,171
100115	Accountant III	2	2	2	2	2190	33,806	46,795
100110	Accountant II	1	1	1	1	2160	29,203	40,423
100105	Accountant I	1	1	1	1	1140	26,488	36,665
100713	Senior Retirement Benefits Specialist	0	3	0	0	2160	29,203	40,423
100713	Senior Retirement Benefits Specialist	3	0	3	0	1130	25,226	34,919
New	Retirement Benefits Specialist III	0	0	0	1	2190	33,806	46,795
New	Retirement Benefits Specialist II	0	0	0	1	2160	29,203	40,423
New	Retirement Benefits Specialist I	0	0	0	1	1140	26,488	36,665
110630	Senior Administrative Specialist	1	1	1	1	1120	24,025	33,256
TOTAL		12	12	12	12			

**GRAPHICAL SUMMARY**

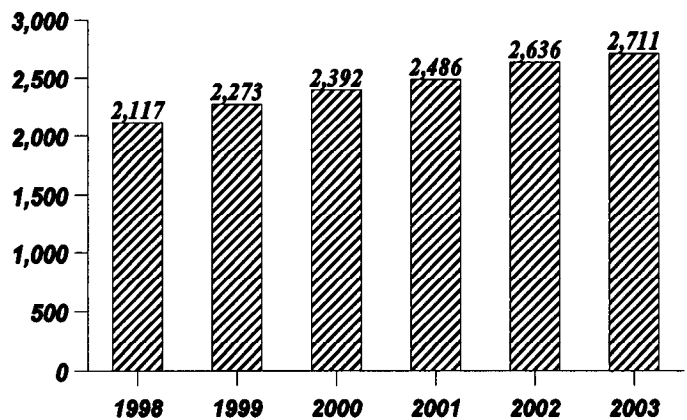
**INVESTMENT MARKET VALUES**

1998-2003



**PENSION BENEFIT RECIPIENTS**

1998-2003



PERFORMANCE MEASUREMENT

Goals/Objectives/Performance Indicators	2003 Actual	2004 Target	2005 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 the Board	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 Investment Section policies and procedures manual by 12/31/03 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	208 14	220 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	✓ ✓	✓ N/A	✓ N/A