

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	2002 ACTUAL	2003 BUDGET	REQUEST	2004 PROPOSED	FINAL
REVENUES:					
Investments Revenue	(64,559,580)	61,876,000	61,147,000	61,147,000	61,147,000
Rentals-Building	8,880	8,940	8,940	8,940	8,940
Employee Retirement Contribution	9,267,400	8,942,730	9,952,000	9,952,000	9,952,000
Employer Retirement Contribution	12,109,640	13,348,770	15,484,000	15,484,000	15,484,000
TOTAL REVENUES	(43,173,660)	84,176,440	86,591,940	86,591,940	86,591,940
APPROPRIATIONS					
Pension Trust:					
Benefit Payments	45,286,040	47,900,000	52,500,000	52,500,000	52,500,000
Refunds and Withdrawals	1,670,140	1,300,000	1,200,000	1,200,000	1,200,000
Administrative Expenses	805,810	938,670	984,530	960,880	960,880
Depreciation	29,020	29,020	28,820	28,820	28,820
Police Guarantee Trust:					
Benefit Payments	531,000	1,120,000	1,115,000	1,115,000	1,115,000
Refunds and Withdrawals	600	2,000	2,000	2,000	2,000
Administrative Expenses	258,760	229,820	238,650	232,740	232,740
TOTAL APPROPRIATIONS	48,581,370	51,519,510	56,069,000	56,039,440	56,039,440
NET INCOME (LOSS)	(91,755,030)	32,656,930	30,522,940	30,552,500	30,552,500
% CHANGE OVER PRIOR YEAR	-----	6.05%	8.83%	8.77%	8.77%
NET ASSETS, JANUARY 1					
ORIG. RETIRE. SYSTEM TRUST	773,353,220	684,118,260	716,117,260	716,117,260	716,117,260
POLICE GUARANTEE TRUST	24,516,370	22,004,920	22,662,850	22,662,850	22,662,850
ADJUSTMENTS					
ORIG. RETIRE. SYSTEM TRUST	8,620	0	0	0	0
POLICE GUARANTEE TRUST	0	0	0	0	0
NET ASSETS, DECEMBER 31					
ORIG. RETIRE. SYSTEM TRUST	684,118,260	716,117,260	746,011,850	746,035,500	746,035,500
POLICE GUARANTEE TRUST	22,004,920	22,662,850	23,291,200	23,297,110	23,297,110
PERSONNEL ALLOTTED	12	12	12	13	13

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 are 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 2004, 80% of the System's 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 pay grades of the Retirement Accounting Manager and the Retirement Benefits Manager be increased from pay grade 217 to pay grade 220, and that the current Administrative Specialist II be reclassified to an Accountant I. It is also requested that the positions of Retirement Benefits Specialist I and II be created and take the place of the current Retirement Benefits Specialist classification, with the current Retirement Benefits Specialists to be classified as Retirement Benefits Specialist II's (*Classification and pay issues will be deferred until April, 2004, pending implementing of the new pay plan*). Finally, it is requested that the position of Retirement Administrative and Investment Coordinator be deleted effective February 1, 2004, and a Senior Administrative Specialist be added. — *Approved.*

Inventoried Assets: The Retirement Office is requesting \$5,000 for routine replacement of personal computers and printers. — *Approved.*

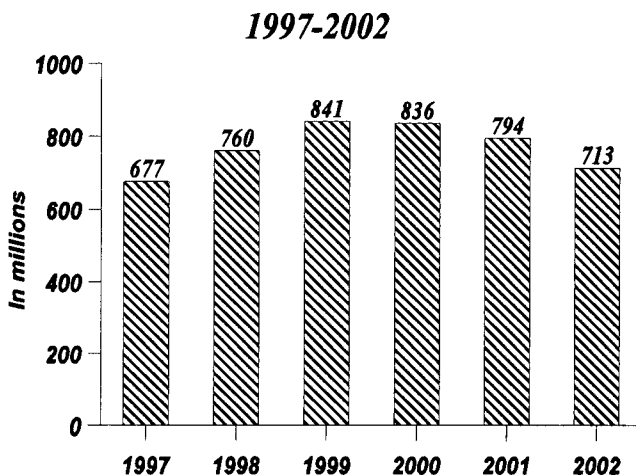
PERSONNEL SUMMARY

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
100715	Retirement Accounting Manager	0	1	0	0	220	42,107	58,287
100715	Retirement Accounting Manager	1	0	1	1	217	36,396	50,381
100718	Retirement Benefits Manager	0	1	0	0	220	42,107	58,287
100718	Retirement Benefits Manager	1	0	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
100105	Accountant I	0	1	0	0	118	24,279	33,608
108330	Retirement Admin. & Investment Coord. *	1	0	1	1	216	34,671	47,994
110630	Senior Administrative Specialist	0	1	1	1	117	23,137	32,027
110625	Administrative Specialist II	1	0	1	1	115	21,009	29,081
NEW	Retirement Benefits Specialist II	0	3	0	0	118	24,279	33,608
100710	Retirement Benefits Specialist	3	0	3	3	115	21,009	29,081
TOTAL		12	12	13	13			

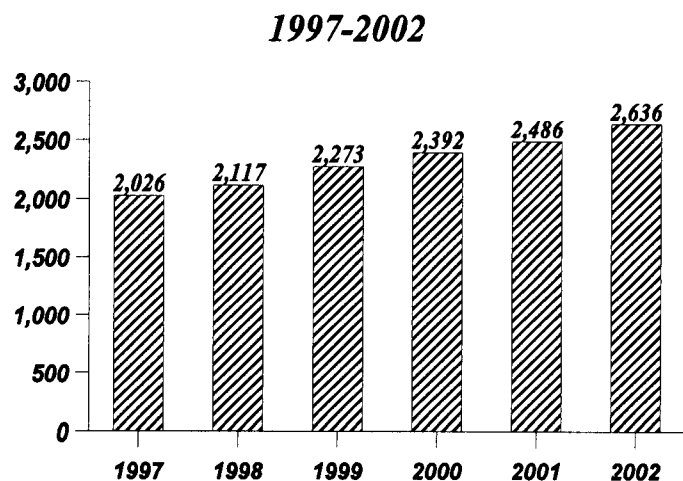
* Deletion of the Retirement Administrative & Investment Coordinator requested as of February 1, 2004.

GRAPHICAL SUMMARY

INVESTMENT MARKET VALUES



PENSION BENEFIT RECIPIENTS



PERFORMANCE MEASUREMENT

Goals/Objectives/Performance Indicators	2002 Actual	2003 Target	2004 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 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	321 12.9	220 12.0	220 12.0
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	✓ X	✓ ✓	✓ ✓