



City of Austin Employees' Retirement System

**MINUTES  
BOARD MEETING  
CITY OF AUSTIN EMPLOYEES' RETIREMENT SYSTEM  
Tuesday, December 18, 2007 – 1:30 pm  
418 E. Highland Mall Blvd., Austin, Texas 78752**

**Board Members Present**

Janet Bartles  
Leslie Browder  
Eyna Canales-Zarate *arriv 1:40 p.m.*  
Reagan David  
Betty Dunkerley *dept 3:28 p.m.*  
Elizabeth S. Gonzales  
Mark Monteith  
Cathy Rodgers  
Anthony B. Ross, Sr.

**Absent**

Francis E. Benoit  
Ed Golden

**Staff and Guests Present**

Stephen C. Edmonds, Executive Director  
Donna Boykin, Finance Manager  
Rhonda Helm, Operations Manager  
Babette Ruiz, Executive Assistant  
Dr. Robert Dennison, Med. Consultant  
Barney Knight, General Counsel  
Lewis Ward, GRS  
Sarah Chen  
Francine Gertz  
Ronnie Wilson

The meeting was called to order at 1:32 p.m. by Board Chair, M. Monteith.

1. Review of Meeting Agenda

There were no changes to the agenda.

2. Certification of Board of Trustees Election Results as Reported by the Nominating and Election Committee:

A. Active Elected Member Places 6 and 7 Election

S. Chen, Committee Chair, reported on behalf of the Nominating and Election Committee on the results of the 2007 Active-Contributory Member Places 6 and 7 Election as follows:

The Committee met on December 3<sup>rd</sup> to tabulate the ballots. Francine Gertz is the apparent winner of Place 6 with a total of 499 votes. Mark Monteith is the apparent winner of Place 7 with a total of 472 votes. Mike Benson received a total of 378 votes. Diane Domeracki received a total of 212 votes. Eight write-in candidates were received with 1 vote each: Sam Dominquez, Morris Poe, David Gerard, Michael Boyle, Jennifer Ng, Vickie Schubert, Diana Luna and Robert Johnson.

9.8% of the ballots mailed responded. Twelve ballots were invalid: 3 altered the ballot; 2 had no votes marked; 1 had more than 2 votes marked; 1 did not follow instructions; and 5 were received after the November 30<sup>th</sup> deadline.

Four ballots were non-deliverable due to bad addresses: 186 ballots were returned for bad addresses; 60 were remailed to new addresses; and the remaining were delivered to the employees via the departmental Human Resources liaisons.

A.B. Ross, Sr. moved to certify the election results for Places 6 and 7. E.S. Gonzales seconded the motion. The motion passed unanimously.

B. Retired Elected Member Place 10 Special Election

R. Helm reported on behalf of the Nominating and Election Committee for the 2007 Retired Member Special Election for Place 10 as follows:

Michael Ronnie Wilson is the apparent winner of Place 10 with 573 votes, Peter Rieck received a total of 230 votes, George Greene received a total of 134 votes, Jessie A. Mercer received a total of 91 votes, Stuart Hersh received a total of 90 votes, Olan Kelley received a total of 68 votes, and, Marc Childers received a total of 34 votes. Three write-in candidates received 1 vote each; Gary Janousek, Vernon Webb, and Melvin Davis.

38% of the ballots mailed responded. Seventeen votes were invalid: 12 altered the ballot; 1 had no vote marked ;and 4 had more had 1 vote marked.

E.S. Gonzales moved to certify the election results for Place 10. A.B. Ross, Sr. seconded the motion. The motion passed unanimously.

3. Oath of Office:

- A. Active Elected Member Place 6 – Francine Gertz
- B. Active Elected Member Place 7 – Mark Monteith
- C. Retired Elected Member Place 10 – Michael Ronnie Wilson

Each elected member took the oath of office, effective January 1, 2008. No Board action was required.

*E. Canales-Zarate arrived at 1:40 p.m.*

4. Disability Applications

- A. Convene into Executive Session Pursuant to Sec. 13, Art. 6243n, and Sec. 551.0785 Texas Government Code, to Consider and Act on Disability Application of Madeleine Pearsall
- B. Reconvene into Public Session and Take Action as Determined Appropriate by the Board Regarding Disability Application of Madeleine Pearsall

The Board convened into Executive Session at 1:42 p.m. and reconvened into Public Session at 2:37 p.m. No action was allowed while in Executive Session.

C. Rodgers moved to approve the disability application for Madeline Pearsall based on weighing the different aspects of this situation. B. Dunkerley seconded the motion. The motion passed unanimously.

5. General Counsel Report

- A. Convene into Executive Session Pursuant to Section 551.071 of the Texas Open Meetings Act for Board to consult with its Attorney Regarding Public Information

Act Matters Pending before the Attorney General's Office and Any Related Opinions that Are Issued, as well as Possible Litigation.

B. Reconvene into Public Session and Take Action as Determined Appropriate by the Board

The Board convened into Executive Session at 2:38 p.m. and reconvened into Public Session at 2:55 p.m. No action was allowed while in Executive Session.

E.S. Gonzales moved to ratify the decision made by General Counsel regarding the lawsuit that was filed on behalf of the System. J. Bartles seconded the motion. The motion passed unanimously.

6. Death Benefits Payable as Required by the Code and Board Policy to Brandon Grant, Beneficiary of Phyllis Grant

R. Helm reported that this death benefit disbursement was discussed in detail at the November 13, 2007 Benefits and Services Committee meeting. The Committee recommended that action be deferred until December 18<sup>th</sup> Board meeting and requested that staff and General Counsel continue with efforts to make disbursement to the guardian of Brandon Grant, minor beneficiary of Phyllis Grant. Disbursement has been made to a guardian appointed for Brandon Grant. No Board action is required.

7. Consideration of Benefit Studies

At the November 27, 2007 Board meeting, Mayor Pro tem B. Dunkerley requested that the Board consider having the System's actuary complete benefit studies showing the impact on the System if certain benefits were changed for future new hires. The issue was deferred to this Board meeting so that it could be specifically listed on the agenda for discussion.

B. Dunkerley reiterated her recommendation to have the System's actuary look at what savings could be achieved by modifying the benefits for future employees. She stated that the City was contributing significant amounts through the Supplemental Funding Plan and that the Board should also show they are making an effort to reduce future benefit costs. Setting up a committee or utilizing an existing committee to work with the actuary was suggested.

It was pointed out that any reduction in the benefit structure for future employees would require legislation. L. Ward, the System's actuary, advised that such studies could be completed between March 2008 and the July 2008 Board workshop in anticipation of the 2009 legislative session. The cost for GRS to provide plan design studies is \$1,200 - \$1,800 per study. The cost for projection worksheets for such studies would be an additional \$5,000 per study. Mr. Ward suggested that the System partner with the City to ensure that design issues address the strategic needs of the City.

After extensive discussion, the Board requested that a Benefits and Services Committee meeting be scheduled in early 2008 for the purpose of considering which particular studies could be completed and planning how to communicate any changes to the System's membership. The Committee will bring its recommendations to the Board for appropriate action.

B. Dunkerley departed at 3:28 p.m.

## 8. Annual Board Evaluation

Board Members shared their observation of the functioning of the Board.

### Accomplishments/Strengths

- Trustees are not afraid to speak up respectfully and professionally
- Streamlined budget process continues to benefit the Board; recognizing Reagan David
- Investments – Considering alternative investments; transition management process refinement; recognizing Cathy Rodgers
- All members (active and retired) are always considered and their best interest is in mind in every decision, issue and discussion
- There is no micromanaging of the office staff by the Board Members
- Board Members are prepared and informed for Committee/Board meetings
- Dr. Dennison is a very valuable asset to the System; streamlined disability process continues to benefit the Board
- Personnel changes were handled very smoothly; recognizing Steve Edmonds
- Separation of policies versus procedures

### Challenges

- Frequency of policy/procedure review/modification
- Working with the City to explore options for addressing funding issue and communicating needed changes to the System's membership
- Investments – Listen and understand what the System's Investment Consultant recommends. Continue to look at alternative investments to increase System's Rate of Return
- Retiree benefits – Cost of purchasing power
- Persistent legal challenges – Board education
- Maintain and improve staff/consultant roles (e.g. Chief Investment Officer, Communication Specialist)

## 9. Recognition of Outgoing Board Member, Cathy Rodgers

A plaque was given to C. Rodgers in recognition of her service on the Board for the City of Austin Employees' Retirement System.

The meeting adjourned at 3:50 p.m.

  
Mark Monteith, Board Chair

1-23-08  
Date

  
Stephen C. Edmonds, Executive Director

1-23-08  
Date