



City of Austin Employees' Retirement System

**MINUTES**  
**CITY OF AUSTIN EMPLOYEES' RETIREMENT SYSTEM**  
**BOARD MEETING**  
**Tuesday, June 24, 2008**  
**418 E. Highland Mall Boulevard, Austin, Texas 78752**

**Board Members Present**

Janet Bartles, *arrived 1:57 p.m.*  
Eyna Canales-Zarate  
Reagan David  
Francine Gertz  
Ed Golden, *arrived 1:40 p.m.*  
Elizabeth S. Gonzales, *dept. 3:54 p.m.*  
Mark Monteith  
Anthony B. Ross, Sr.  
Ronnie Wilson

**Absent**

Betty Dunkerley  
Leslie Browder

**Staff and Guests Present**

Stephen C. Edmonds, Executive Director  
Donna Boykin, Finance Manager  
Rhonda Helm, Operations Manager  
Rosaree Koepsel, Administrative Supervisor  
Babette Ruiz, Executive Assistant  
Dr. Robert Dennison, Medical Consultant  
Barney Knight, General Counsel  
Paige Saenz, Assistant General Counsel

The meeting was called to order at 1:36 p.m. by Board Chair, M. Monteith.

1. System Member and Citizen Comments / Correspondence

There was no Member or citizen comments/correspondence.

2. Reports from Chairperson, Board Members, and Staff

A. Review of Meeting Agenda

There were no changes to the agenda.

B. Chairperson Comments

There were no comments.

C. Reports on Educational Programs Attended

Board-Approved Policy T-1 "Training, Research, Education Expense Policies" requires that "Trustee Educational Program Feedback Report" forms be completed within 30 days of travel completion.

A report on the May 17-22, 2008 NCPERS conference was submitted by E.S. Gonzales; she indicated that she would recommend the conference to other Trustees.

*E. Golden arrived at 1:40 p.m.*

D. Request for Educational Reimbursements – Anthony B. Ross, Sr.

- A. Educational Book Reimbursement
- B. Proposal for Independent Study Program Reimbursement – CFA Program

Trustee A.B. Ross, Sr. presented the above items for consideration of reimbursement under the provisions of BAP T-1 “Training, Research, and Education Expense Policies”, Section III.I., which states: “Trustees may be reimbursed for publications and self-study courses related to their duties as trustee upon approval by the Board of Trustees. The Board may make a blanket pre-approval for certain specified self-study courses or may make individual determinations.”

A.B. Ross explained that his request for self-study involves only Level I of the Chartered Financial Analyst (CFA) Program. There are three levels to achieve full certification. Program materials indicate that Level I is anticipated to take at least 250 hours of independent study. To complete all three levels usually takes a minimum of four years.

The Board discussed the need for Trustees to educate themselves on investment issues relevant to the System.

E.S. Gonzales made a motion to approve Anthony B. Ross, Sr.’s request to participate in the Chartered Financial Analyst Program (CFA) independent study program. R. Wilson seconded the motion.

Further discussion ensued. CFA credentials for hired staff/consultants compared to the same for Board Trustees were discussed. General Counsel advised that the Board would still need to rely on professional consultants.

*J. Bartles arrived at 1:57 p.m.*

R. Wilson requested that the motion be amended to tie reimbursement to completion of the course study/exam. E.S. Gonzales accepted the friendly amendment.

The Board discussed the value of self-study program compared to educational conferences. While the knowledge gained through the rigorous CFA program would benefit the Board, the CFA certification itself would also benefit an individual Trustee even after service on the Board has ended.

R. Wilson requested that the motion be amended so that the System would not fund travel for the Trustee to take the examination.

E.S. Gonzales restated her motion to approve the reimbursement to Anthony B. Ross, Sr. for study materials, which will remain with the System available to all Board Members, and reimbursement for the exam cost, upon successful completion of the Level 1 CFA exam, with no funding towards any travel expenses for the exam, not to exceed \$1,078. R. Wilson seconded the motion.

The vote was called: A.B. Ross, Sr., R. David, F. Gertz, and E.S. Gonzales voted in favor of the motion; J. Bartles, M. Monteith, and E. Canales-Zarate voted against the motion; E. Golden and R. Wilson abstained. The motion did not pass.

E. Canales-Zarate moved to approve the reimbursement for the two books purchased by Anthony B. Ross, Sr., which will become part of the System's library available to all Board Members. E. Golden seconded the motion. The motion passed unanimously.

E. Ethics Policy Disclosure Statements

Board-Approved Policy C-3 "Code of Ethics" requires that "Ethics Policy Disclosure Statement" forms be completed within 30 days of the Board meeting.

Board Trustee Declarations: M. Monteith, A.B. Ross, Sr., and F. Gertz attended the Texas Pension Review Board Annual Seminar on June 23, 2008.

Staff Declarations: S. Edmonds, R. Helm, and D. Boykin attended the June 23, 2008 Texas Pension Review Board Annual Seminar; R. Helm declared receipt of a pen and lunch.

F. 2008 Board and Committee Meeting Schedule

The schedule of remaining meetings for 2008 was provided in the Board packet. In particular, the Board was reminded there will be a Board Strategic Plan Workshop on July 29<sup>th</sup> starting at 8:30 a.m. The next regular Board meeting is in September.

3. Consent Items

All of the consent items may be acted upon by one motion. No separate discussion or action on any of the items is necessary unless desired by a Board Member

- A. May 27, 2008 Board Meeting Minutes
- B. Ratification of March 2008 Retirement and Death Benefits

E. Canales-Zarate moved to approve the consent items. R. David seconded the motion. The motion passed unanimously.

4. Convene into Executive Session:

5. Reconvene into Public Session and Take Action as Determined Appropriate by the Board regarding:

- A. Pursuant to Sec. 13, Art. 6243n, and Sec. 551.0785 Texas Government Code, to Consider and Act on Disability Retirement Applications of:
  - 1) Ellen Geismar
  - 2) James Maxwell
  - 3) Nicolas Moyer
  - 4) Richard Sustaita Re-evaluation

- 5) Brenda Klingemann Williams
- B. Pursuant to Texas Government Code 551.071 for Action on Non-Compliant Annuitants re: Annual Affidavit Process:
- 1) Bertha Barba
  - 2) Kelvin Dwayne Bradshaw
  - 3) Wilfred M. Flemmings
  - 4) David E. Holt
  - 5) Woodrow Wilson Maybin
  - 6) Joe M. Medearis, Sr.
  - 7) Lloyd Frank Palmer
  - 8) Anthony Ramirez
  - 9) JP Rankin, Jr.
  - 10) Richard Wayne Shindler
  - 11) Larry Dwayne Stewart

The Board convened into Executive Session at 2:36 p.m. and reconvened at 3:27 p.m. No action was allowed while in Executive Session.

F. Gertz made a motion to postpone taking action on the disability retirement application of Ellen Geismar pending receipt of physician statements through December, 2008. E.S. Gonzales seconded the motion. Motion carried unanimously.

F. Gertz made a motion to deny the disability retirement application of James Maxwell. E. Canales-Zarate seconded the motion. Motion carried unanimously.

F. Gertz made a motion to approve the disability retirement application of Nicolas Moyer. E.S. Gonzales seconded the motion. Motion carried unanimously.

F. Gertz made a motion to deny the disability retirement application of Richard Sustaita. R. David seconded the motion. Motion carried unanimously.

F. Gertz made a motion to postpone taking action on the disability retirement application of Brenda Klingemann Williams, authorizing staff to work with the Member in obtaining the necessary medical information. E. Canales-Zarate seconded the motion.

F. Gertz amended the motion to postpone taking action until the required medical information was received, requesting staff to contact the Member to obtain authorization to get the required medical records, and to authorize the Executive Director to pay for the records if necessary. E. Canales-Zarate accepted the amendment. Motion carried unanimously. Staff will attempt to bring the requested information back to the September Board meeting.

E.S. Gonzales moved to suspend the monthly annuity payments of the retirees listed above until they comply with the affidavit requirement. A.B. Ross, Sr. seconded the motion. The motion passed unanimously. Direct deposits have been suspended; checks have been printed and will be held until affidavits are received.

6. Retired Member Place 10 – Nominating and Election Committee Nominees

A list of nominees for the Nominating and Election Committee for the upcoming Retired Member election Place 10 for Board review/approval was presented. According to Board-Approved Policy E-1 “Election Policy for Active-Contributory and Retired Board Members”, the Board will appoint five Active-Contributory or Retired Members, as appropriate, and seven alternates to serve on the Nominating and Election Committee.

E.S. Gonzales made a motion to approve the list of nominees. E. Canales-Zarate seconded the motion. The motion passed unanimously.

A schedule of events was provided for Board information only.

7. Investment Committee

A. Minutes from May 16, 2008 Meeting - The May 16, 2008 Investment Committee meeting was reported at the May 27, 2008 Board meeting. The Committee meeting minutes were provided as information only, and no action was necessary.

8. Policy Committee

A. Minutes from May 27, 2008 Meeting - The May 27, 2008 Policy Committee meeting was reported at the May 27, 2008 Board meeting. The Committee meeting minutes were presented as information only, and no action was necessary.

B. Minutes and Report from June 10, 2008 Meeting

C. Board Approved Policy E-1 “Election Policy for Active-Contributory and Retired Board Members”

The following recommended changes to Board Approved Policy E-1 “Election Policy for Active-Contributory and Retired Board Members” were discussed at the June 10, 2008 Policy Committee meeting: Clarification that department representation is based on the department the Trustee is in at time of election; Clarification of eligibility to vote in Active-Contributory vs. Retired Member elections; “Holding” the election in December (first working day) to correspond with statutory language; Clarification of the election challenge process (Contested within 10 calendar days; a Special Called Board meeting may need to be held in cases where a challenge is timely filed after the Board has already certified the results); Reference of “Committee” as appropriate instead of “Nominating and Election Committee”; Further clarification that ballots must be returned before the close of business on or postmarked by the first “weekday” in December “that is not a City holiday”; Further clarification that if the tenth calendar day falls on a weekend “or a holiday”, the final day to challenge results will be the first working day following the tenth calendar day of the challenge period.

R. David made a motion to approve the proposed changes to Policy E-1 “Election Policy for Active-Contributory and Retired Board Members”. E.S. Gonzales seconded the motion. The motion passed unanimously.

9. Benefits and Services Committee

- A. Report from June 19, 2008 Meeting – Minutes will be included in the next Board meeting packet.
- B. Consideration of Benefit Studies
- C. Cost-of-living Adjustment Study – Analysis required by Supplemental Funding Plan

Benefit study considerations from the June 19, 2008 Benefits and Services Committee meeting will be brought back to the Board at the July 29, 2008 Workshop.

The cost-of-living information required by the Supplemental Funding Plan is being transmitted to the City Manager.

10. General Counsel Report

There was no General Counsel report.

11. Executive Director's Report

- A. Calendar Items / Conferences / Training
- B. Retirement Office News
- C. Communications Update
- D. Member / Employer News
- E. Public Pensions in the News
- F. Investment News
- G. Comparative Calculation and Retirement Activity Levels

S. Edmonds reported that the Comprehensive Annual Financial Report (CAFR) will be submitted to the Government Finance Officers Association (GFOA) by the end of June. As has been the past practice, the complete CAFR will be posted on the COA ERS website. The next step will be distribution of the Annual Report Summary to all Members of COA ERS.

Beneficiary Designation forms have now been sent to our entire active membership population. Response has been steady, but not overwhelming.

The Chief Investment Officer advertisement was placed in the local paper and also in Pensions and Investments Magazine (print and online). A posting was placed on the website for the National Association of State Retirement Administrators and the National Conference on Teachers Retirement.

As mentioned last month, there is a growing frustration on the part of many of our retired Members about the affidavit process, especially the need for notarization. Our retired Members with limited mobility are the hardest hit by the process. Since there are other reliable methods to check our membership roster for unreported deaths, staff is internally discussing whether there may be more cost-effective and customer friendly alternatives to our present process. Staff will provide recommendations to the Board in the near future.

*E.S. Gonzales departed at 3:54 p.m.*

The remaining items were included in the packet for Board information.

The meeting adjourned at 4:02 p.m.

*Mark Monteith*  
Mark Monteith, Board Chair

*9-23-08*  
Date

*Stephen C. Edmonds*  
Stephen C. Edmonds, Executive Director

*9/23/08*  
Date