



City of Austin Employees' Retirement System

MINUTES

CITY OF AUSTIN EMPLOYEES' RETIREMENT SYSTEM SPECIAL CALLED BOARD MEETING

City of Austin Employees' Retirement System
Friday, September 10, 2010 – 1:30 p.m.
418 East Highland Mall Boulevard
Austin, Texas 78752

Board Members Present

Janet Bartles
Francine Gertz
Elizabeth S. Gonzales, Chair
Sam Jones
Mark Monteith
Anthony B. Ross, Sr.
William Spelman
Jim Williams

Board Members Absent

Art Alfaro
(Reagan David)
(Ed Golden)

Others Present

Stephen C. Edmonds
Russell Nash
Donna Boykin
Kirk Stebbins
JoAnne Norton
Michelle Mahaini
Jeff Knodel
Mark Washington
Lee Crawford
Barney Knight
Paige Saenz
Lewis Ward

Chair Elizabeth Gonzales called the meeting to order at 1:57 p.m.

1. System Member and Citizen Comments

Chair Gonzales called Mr. Jeff Knodel for his comments. Mr. Knodel recognized Mr. Steve Edmonds and Mr. Russell Nash for all their efforts and work with the City. Mr. Knodel also thanked his colleagues Mr. Mark Washington and Assistant City Attorney Mr. Lee Crawford. Chair Gonzales recognized the efforts of the COAERS staff, actuary and attorney as well.

2. Agenda Review

There were no changes to the agenda.

3. Discussion and Possible Action of Support for Amended Supplemental Funding Plan for the City of Austin Employees' Retirement System

Ms. Francine Gertz stated that on several occasions, City officials have discussed the possibility of increasing City contributions to COAERS. City officials briefed the City's Audit & Finance Committee on March 23, 2010. Additional contributions were included in the Financial Forecast presentation to the City Council on April 21, 2010, and finally

additional contributions were incorporated in the City's 2010-2011 Proposed Budget, which will be considered beginning Monday, September 13, 2010.

This agenda item was designed to consider the Amended Supplemental Funding Plan which will solidify the City Council's commitment to additional contributions. In this Plan, the City has proposed increasing City contributions to 14% in FY 2011; 16% in FY 2012; and 18% in FY 2013. These contribution rates are included in Section II, paragraph A of the Amended Supplemental Funding Plan. Paragraph B of Section II, requires a recommendation by the City Manager and approval by the Austin City Council prior to any future benefit increases or cost of living adjustments. Finally, Paragraph C states that the City and the System will seek amendments to the Texas Statutes which govern COAERS to establish reasonable but different benefits levels for those employed after January 1, 2012.

Ms. Gertz recognized that there were public comments on this Plan in the previous Committee meeting. She explained that they have listened and reviewed this comment. As stated by Mr. Sam Jones, the System will monitor the affordability of the cost-of-living adjustments and will continue doing this on an annual basis.

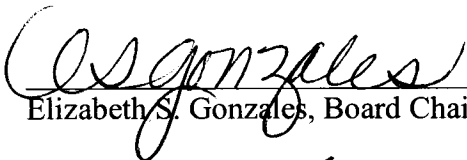
She called upon Mr. Edmonds for further comments. He stated he had no further comments that weren't already made in the earlier Committee meeting. Ms. Gertz also wanted to recognize the efforts of Mr. Barney Knight and Mr. Lee Crawford who worked tirelessly putting this Resolution together for us.

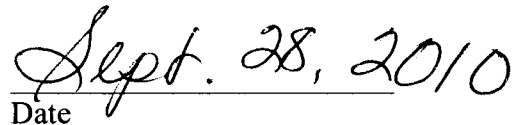
Ms. Gertz moved to support the Amended Supplemental Funding Plan and direct the Chair of the Board of Trustees to execute the transmittal letter. Ms. Janet Bartles seconded the motion. Chair Gonzales asked if there were any comments or discussion.

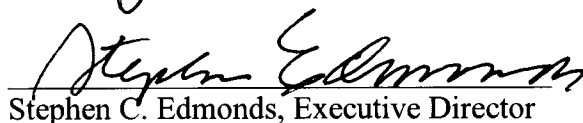
There was a comment made by Mr. Anthony Ross. He pointed to the wording of the first paragraph of the Supplemental Funding Plan and suggested the word "reliable" analysis be changed to "reasonable" analysis. Mr. Edmonds interjected that the document itself is a Council document and the Board is not adopting, only endorsing support. Therefore, instead of a requesting a change, he said the comment could be provided as informal feedback to the City. Mr. Knodel said he would take this suggestion into consideration.

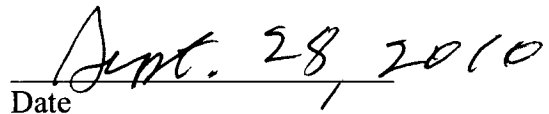
The Motion passed unanimously.

The meeting adjourned at 2:05 p.m.


Elizabeth S. Gonzales, Board Chair


Date


Stephen C. Edmonds, Executive Director


Date