



City of Austin Employees' Retirement System

PENDING BOARD APPROVAL  
MINUTES  
CITY OF AUSTIN EMPLOYEES' RETIREMENT SYSTEM  
Tuesday, January 25, 2005 – 1:30 pm  
418 E. Highland Mall Blvd.

**Board Members Present**

Janet Bartles  
Francis E. Benoit  
Eyna Canales-Zarate  
Reagan David  
Francine Gertz  
Ed Golden  
Elizabeth S. Gonzales  
Mark Monteith  
Cathy Rodgers  
Dennis Waley

**Absent**

Jackie Goodman  
Sheila Hale

**Guests and Staff Present**

Stephen C. Edmonds, Executive Director  
Francis E. Benoit's family  
Donna Boykin, Finance Manager  
Chester Falk, Retired Member  
Wallace Gootman, N&E Committee Chair  
Rhonda Helm, Operations Manager  
Barney Knight, General Counsel  
Tony Maldonado, Members' Association  
Tom Medders, Members' Association  
Cheryl Nelson, Executive Assistant  
Jesse Ortega, Administrative Supervisor  
Mike Pope, AFSCME

The meeting was called to order at 1:43 p.m. by Board Chair, C. Rodgers.

**I. System Member and Citizen Comments/Correspondence**

Tom Medders represented the Members' Association and congratulated Francis Benoit on his election to the Board.

He referenced the discussion from the November Board meeting about the teleconference with Walter Scott and Partners in Scotland. Mr. Medders suggested upgrading the teleconferencing system for a satisfactory audio/visual connection instead of spending money on trips.

**II. Reports from Chairperson, Board Members, and Staff**

**A. Review of Meeting Agenda - \*Consent Items**

C. Rodgers asked for any comments on the agenda from Board Members or staff, and there were none.

**B. Chairperson Comments**

C. Rodgers remarked that Consent Items VII. November 30, 2004 Board Meeting Minutes, VIII. December 31, 2004 Special Called Board Meeting Minutes, and IX. Ratification of November and December 2004 Retirement and Death Benefits would be taken after agenda Item IV. Oath of Office in consideration of F.E. Benoit being able to participate.

**C. Board Member Recognition**

C. Rodgers recognized R. David, E. Golden, and S. Hale's December birthdays. She advised that M. Monteith has completed both parts of the CAPPP (Certificate of Achievement in Public Plan Policy) sponsored by I.F.E.B.P. (International Foundation of Employee Benefit Plans). She also recognized S. Hale, although not present, for her diligent service as a COA ERS Trustee; S. Hale will be asked to attend the next Board meeting for formal recognition.

**D. Board Member Comments**

There were no Board Member comments.

**E. Ethics Policy Disclosure Statement**

C. Rodgers asked for any disclosures and reminded the Board to submit the disclosure form even if there was nothing to declare.

C. Rodgers declared that in San Francisco at the Public Fund Boards Forum, she had dinner with Bill Grayson of Principal Global Investors, David Allen of Alliance Bernstein, Bank of Ireland, and Pimco. E.S. Gonzales had dinner with B. Grayson of Principal, and during the site visit had lunch with Summit Strategies and dinner with Wall Street. E.C-Zarate stated that she had the same to declare as C. Rodgers with the exception of Pimco; she also had dinner and lunch on the site visit. S. Edmonds reported that he had lunch and dinner on the site visit, and noted the various holiday gifts received by staff as listed in an attached document. R. David declared dinner and lunch on the site visit. F. Gertz declared dinner and lunch on the site visit, and dinner with Alliance Bernstein, Principal, Bank of Ireland, and Pimco. E. Golden declared the Public Fund Board Forum dinners.

**F. 2005 Board and Committee Meeting Schedule**

C. Rodgers asked if there were any changes on the proposed schedule. There are no scheduled Board meetings in February, May, August, and December unless it is necessary to have a Special Called Meeting. There are currently no Committee meetings scheduled in January, June, July, and December.

### **III. Certification of Board of Trustees Retired Member Place 10 Election Results as Reported by Nominating and Election Committee**

Wallace Gootman, Nominating and Election Committee Chair, addressed the Board with the election results as reported by the Nominating and Election Committee included in writing in the Board packet. He reported that the Nominating and Election Committee met on January 4, 2005 to tabulate the ballots for the Retired Member Place 10. Francis E. Benoit is the apparent winner with a total of 589 votes. Candidate Sheila Matthews-Hale received a total of 474 votes for Place 10. There were four votes submitted for write-in candidates. Of the ballots mailed, 38.9% responded.

E.C-Zarate moved and R. David seconded the motion to accept the election results. With no discussion and all ayes, the motion carried unanimously.

### **IV. Oath of Office**

- A. Retired Elected Trustee Place 10 – Francis E. Benoit**
- B. Citizen Representative Appointed by City Council – Elizabeth S. Gonzales**

S. Edmonds administered the Oath of Office to Francis E. Benoit and Elizabeth S. Gonzales.

### **V. Election of 2005 Officers: Board Chair and Vice-Chair**

Before stepping down as Board Chair, C. Rodgers expressed her appreciation for the opportunity to serve as Chair for two years.

F.E. Benoit nominated D. Waley as Chair and M. Monteith as Vice-Chair. E.S. Gonzales suggested handling the nominations separately instead of together in one motion. F.E. Benoit stated that in last year's election, the Board Chair and the Board Vice-Chair officers were voted for simultaneously. C. Rodgers asked the Board if they wanted to vote on both positions together or separately. F. Gertz moved and R. David seconded the motion to separate appointment of the officers. The motion passed with F.E. Benoit opposing.

F.E. Benoit moved to nominate D. Waley as Board Chair. E.S. Gonzales seconded the motion. After calling for discussion and hearing none, the vote was taken. With all ayes, the motion passed in favor of D. Waley as new Board Chair.

E.S. Gonzales moved and E. Golden seconded the motion to nominate R. David as Vice-Chair. C. Rodgers called for discussion. F.E. Benoit asked about a substitute motion for M. Monteith as Vice-Chair. J. Bartles seconded the motion.

C. Rodgers stated that the first vote would be to consider the vote for M. Monteith as Vice-Chair on the substitute motion. F. Gertz, J. Bartles, M. Monteith, and

F.E. Benoit voted in favor; E. C-Zarate, E. Golden, E.S. Gonzales, C. Rodgers, and D. Waley opposed; R. David abstained.

After extensive discussion concerning process with B. Knight, General Counsel, R. David and M. Monteith were recognized as nominations for the Board Vice-Chair officer position. C. Rodgers called for those who were in favor of closing the nominations. E. C-Zarate moved and E. Golden seconded a motion to close the nominations. The motion carried unanimously.

Both nominees expressed an interest in holding the position. C. Rodgers asked for a vote for all those in favor of M. Monteith as Vice-Chair to raise their hands; F.E. Benoit, J. Bartles, and M. Monteith's votes were counted. C. Rodgers asked for a vote of all in favor of R. David as Vice-Chair to raise their hands; F. Gertz, E. C-Zarate, E. Golden, E.S. Gonzales, C. Rodgers, and D. Waley's votes were counted; R. David abstained. There was no further discussion and, by majority vote, C. Rodgers declared that R. David was the System's new Vice-Chair.

D. Waley then assumed his new role as Chair and referred the Board back to Item II. A. Review of Meeting Agenda for items to be taken on consent.

## **II. Reports from Chairperson, Board Members, and Staff**

### **A. Review of Meeting Agenda - \*Consent Items**

The consent items include: Item VII. November 30, 2004 Board Meeting Minutes; Item VIII. December 21, 2004 Special Called Board Meeting Minutes, and Item IX. Ratification of November and December 2004 Retirement and Death Benefits.

E. C-Zarate moved and E.S. Gonzales seconded the approval of all three consent items. The motion carried unanimously.

## **VI. 2004 Annual Financial Disclosure/Conflict of Interest Affidavits**

D. Waley directed the Board to the Financial Disclosure forms in the Board packet, provided them with clarification on how to complete the form, and instructed them to complete the forms and have C. Nelson notarize them upon completion.

## **VII. November 30, 2004 Board Meeting Minutes**

This item was taken on consent by the Board.

## **VIII. December 21, 2004 Special Called Board Meeting Minutes**

This item was taken on consent by the Board.

**IX. Ratification of November and December 2004 Retirement and Death Benefits**

This item was taken on consent by the Board.

**X. Investment Committee Meeting Minutes from November 19, 2004 Meeting**

D. Waley noted that the inclusion of these minutes was for informational purposes only. This meeting was reported at the November 30, 2004 Board meeting. No action is necessary.

**XI. Disability Retirement**

**A. Convene into Executive Session Pursuant to Sec. 13, Art. 6243n., and Sec. 551.0795, Texas Government Code to Consider and Act on Disability Retirement Applications for:**

1. David Lopez
2. Robert Howard
3. Raymond Swan

**B. Reconvene into Public Session and Take Action as Determined Appropriate by the Board regarding Disability Retirement Applications for:**

1. David Lopez
2. Robert Howard
3. Raymond Swan

The Board convened into Executive Session at 2:15 p.m. and reconvened at 2:42 p.m.

C. Rodgers moved to delay action on Robert Howard pending receipt of additional information. E. C-Zarate seconded the motion. The motion carried unanimously.

E. C-Zarate moved and F. Gertz seconded the motion to approve disability retirement benefits for David Lopez and Raymond Swan. With all ayes, the motion carried.

**C. Disability Application Review Schedule**

This agenda item was posted to discuss the process for disability retirement applications received in a month where there is no scheduled Board meeting. The Board discussed that in the "off" months, a Special Called Board Meeting will be conducted on the same schedule as the regular Board meetings.

## **XII. Policy Committee Meeting Report from January 18, 2005 Meeting**

### **A. Compensation Consultant's Market Compensation Analysis and Recommendations**

D. Waley stated that this item is being referred back to the Policy Committee for further discussion at their March 8, 2005 meeting. No Board action is required at this time.

### **B. Board-Approved Policy P-1 "Statement of Personnel Policy and Guidelines"**

C. Rodgers conveyed that the Policy Committee reviewed the proposed policy changes which are included in the Board packet. S. Edmonds advised that vacation leave, certifications, and the Tuition Reimbursement Program will be brought back for future consideration.

C. Rodgers moved and E. C-Zarate seconded the motion to approve the revisions to Board-Approved Policy P-1 "Statement of Personnel Policy and Guidelines". Discussion ensued about the bad weather section in the policy. With no further discussion, the motion passed unanimously.

## **XIII. Strategic Funding Proposals/Communication Strategy with Stakeholders**

D. Waley updated the Board on his meetings with City Management. Although there is not yet a formalized plan, the City Manager has assured that a plan is coming.

D. Waley was recognized for his leadership on working with the City on this important issue. The Board requested that this action item be discussed at the March Board meeting or a Special Called Board Meeting if necessary.

## **XV. Gabriel, Roeder, Smith, & Company 2005 Engagement Letter**

C. Rodgers made a motion to recommend approval of the 2005 engagement letter with Gabriel, Roeder, Smith & Company. J. Bartles seconded the motion. Motion carried unanimously.

## **XV. TEXPERS – Certification of Delegates for TEXPERS Annual Meeting, March 21-23, 2005**

The Board of Trustees has in the past identified delegates for the Annual TEXPERS Meeting. This year's meeting will be held on March 19, 2005 in Austin. The Board may designate six delegates and six alternates; staff will need to coordinate by the February 16, 2005 deadline.

The Board clarified that delegates of a member system may be trustees, members or employees of the system. F.E. Benoit, E.S. Gonzales, C. Rodgers, and S.

Edmonds volunteered to be delegates for the meeting. E. C-Zarate, E. Golden, J. Bartles, D. Waley, and R. David will be alternates.

F.E. Benoit suggested that someone from the COA ERS Board be on the TEXPERS Board. The Board advised that they will check into it, however, noted that it is not an easy process.

#### **XVI. General Counsel Report**

General Counsel had no agenda items to report.

#### **XVII. Executive Director's Report**

- A. Calendar Items/Conferences/Training**
- B. Retirement Office News**
- C. Member News**
- D. Public pensions in the News**
- E. Investment News**
- F. Comparative Calculation and Retirement Activity Levels**

S. Edmonds briefly reviewed the information presented in the Executive Director's Report. He noted that Zandra Mencer-Jones had recently resigned her position in order to stay home with her children. He said she will be very much missed and that the vacancy will be filled as soon as possible.

A question and answer document regarding working for the City after retirement will be distributed to all employees and retirees at the end of the month. Compliance on this issue is much improved.

He noted that the Ft. Worth Star-Telegram is working on a big story on actuarial status of public systems in Texas. In addition, the big pension news of late has been the California governor's proposal to overhaul the California retirement plans.

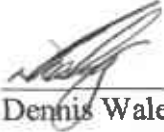
Included in the Board packets was the year-end performance report, showing a calendar year return of 11.8% after fees.

#### **XVIII. Convene into Executive Session Pursuant to Texas Government Code 551.071 to Confer with Board of Trustees re: Executive Director's Annual Performance Evaluation**

#### **XIX. Reconvene into Public Session and Take Action as Determined Appropriate by the Trustees re: Executive Director's Annual Performance Evaluation**

C. Rodgers distributed information for the Board to review and advised that the Executive Director's Annual Performance Evaluation will be postponed until the March Board meeting.

The meeting ended at 3:15 p.m.



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Dennis Waley, Board Chair

3-22-05

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Date



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Stephen C. Edmonds, Executive Director

3/22/05

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Date