



City of Austin Employees' Retirement System

**MINUTES**  
**CITY OF AUSTIN EMPLOYEES' RETIREMENT SYSTEM**  
**Wednesday, October 18, 2006 – 5:00 pm**  
**418 E. Highland Mall Blvd., Austin, Texas**

**Board Members Present**

Janet Bartles  
Leslie Browder  
Eyna Canales-Zarate  
Betty Dunkerley, arrived 5:30 p.m.  
Reagan David  
Ed Golden  
Elizabeth S. Gonzales  
Mark Monteith  
Cathy Rodgers  
Anthony B. Ross, Sr.

**Absent**

Francis E. Benoit

**Staff and Guests Present**

Stephen C. Edmonds, Executive Director  
Melissa Adams, IT Coordinator  
Johne Behner, Member Services Specialist  
Donna Boykin, Finance Manager  
Teresa Cantu, Member Services Specialist  
Bertie Corsentino, Financial Analyst  
Craig Finkelstein, Member Services Coordinator  
Laura Fugate, Member Services Specialist  
Errin Garcia, Member Services Coordinator  
Korrie Hoskins, Accounting Technician  
Rhonda Helm, Operations Manager  
Cheryl Nelson, Office Coordinator  
Jesse Ortega, Administrative Supervisor  
Barney Knight, General Counsel  
Eric Ralph, Summit Strategies Group  
Lewis Ward, GRS  
Guests: See attached listing of sign-in sheets

The meeting was called to order at 5:07 p.m. by Board Chair, R. David.

**1. Welcome and Agenda Review**

R. David welcomed all attendees and reviewed the meeting agenda. There were no changes to the agenda.

**2. Introduction of Board Members, Executive Director, and Speakers**

R. David performed introductions of the Board and Executive Director.

**3. Introduction of Retirement Office Staff**

S. Edmonds performed introductions of the Staff.

**4. Distribution of December 31, 2005 Comprehensive Annual Financial Report**

S. Edmonds directed the members to the copies of the complete, as well as summary, versions of the December 31, 2005 Comprehensive Annual Financial Report. Both versions are also available online at the COA ERS website. He noted that seven years in a row awards have been received from the Government Finance Officers Association (GFOA).

**5. Investment Performance Review**

E. Ralph, Summit Strategies, presented general market data as well as COA ERS fund specific information highlighting the market environment, trends, asset allocation, and fund performance.

**6. Actuary's Report on December 31, 2005 Valuation**

L. Ward of Gabriel, Roeder, Smith, and Company, discussed the Actuarial Valuation as of December 31, 2005. He provided information on the actuarial methodology used in the valuation and explained the history of the actuarial condition of COA ERS. The 2005 actuarial results indicated an increase in unfunded actuarial accrued liability mainly due to higher than expected salary increases and lower than expected turnover. The funded ratio decreased from 80.8% in 2004 to 78.0% in 2005. The amortization period remains "infinite." There should be no benefit enhancements without adequate contribution rate increases for the foreseeable future, including no ad hoc increases.

A question was raised from the membership about employee contributions and the System's funding condition, as well as concerns about the lack of a cost of living increase (COLA) since 2002 and the loss of purchasing power for retirees (e.g. the cost of insurance). L. Ward advised that COA ERS does not have an automatic COLA, and the fund was not designed to restore purchasing power; member contributions are designed to fund the current benefit structure of the plan.

Another question was raised about the possibility of increasing employee contributions. B. Dunkerley advised that the City of Austin has decided to increase its contributions through the Supplemental Funding Plan. Hopefully with the Supplemental Funding Plan, as well as positive investment returns, increasing employee contributions will not be necessary.

**7. General Comments from Members**

A question was raised about new changes in general accounting rules. B. Dunkerley advised that this is a change in recording cost in the City's financial reports, fully disclosing future liability of retiree insurance benefits. She stated that many cities must adjust their reporting to make the disclosure, however, she did not anticipate it affecting retiree insurance coverage being provided.

**8. Adjournment**

R. David thanked the Members for attending and the meeting was concluded.

The meeting adjourned at 6:35 p.m.

  
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Reagan David, Board Chair

11/28/06  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Stephen C. Edmonds, Executive Director

11/28/06  
\_\_\_\_\_  
Date

City of Austin Employees' Retirement System  
Annual Members' Meeting

October 18, 2006

5:00 p.m. - 7:00 p.m.

Please Sign In

ERNIE NANCE

Delphine E. Morlberg

John G. Morlberg

Tillie W. Ziss

Monemi Alvarez

Art Curtis

Bayless Carter

Lew W. Dawson Jr.

Linda Dasquez

Michael Faval

Jean Malin

Biju Mathew

Vingina K... ..

98/K... ..

Caroline Jalle Leon

Brenda Mostuta

Clifton Fitcher

Kathi Koening

*City of Austin Employees' Retirement System  
Annual Members' Meeting*

October 18, 2006

5:00 p.m. - 7:00 p.m.

*Please Sign In*

DON W. KERSEY

GEORGE L. VAN ECKEN

Sharon Justice

Robert Beltran

Susana Hutson