



City of Austin Employees' Retirement System

**MINUTES  
CITY OF AUSTIN EMPLOYEES' RETIREMENT SYSTEM  
BOARD MEETING**

**Tuesday, January 22, 2008– 1:30 PM  
418 E. Highland Mall Boulevard, Austin, Texas 78752**

**Board Members Present**

Janet Bartles, *arrival 1:47 p.m.*  
Reagan David  
Francine Gertz  
Ed Golden  
Elizabeth S. Gonzales  
Mark Monteith  
Anthony B. Ross, Sr.  
Ronnie Wilson, *depart. 3:45 p.m.*

**Absent**

Leslie Browder  
Eyna Canales-Zarate  
Betty Dunkerley

**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  
Michael A. Shaunessy, Sedgwick, Detert,  
Moran & Arnold  
George Greene, Retired Member  
Ernie Nance, Retired Member  
Mike Pope, Retired Member

The meeting was called to order at 1:40 p.m. by Board Chair, M. Monteith.

1. System Member and Citizen Comments / Correspondence  
- Correspondence from retired member Olan Kelley regarding APD COLA update

The correspondence was included in the Board binder. The member was not in attendance. There was no discussion.

2. Reports from Chairperson, Board Members, and Staff
  - A. Review of Meeting Agenda

There were no changes to the agenda.

- B. 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.

E.S. Gonzales submitted a report on the Public Funds Boards Forum; it was indicated she would recommend the conference to other Trustees. M. Monteith and A.B. Ross, Sr. submitted reports for their attendance at the 53<sup>rd</sup> Annual Employee Benefits Conference; they indicated that they would recommend the conference to other Trustees.

C. 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: E.S. Gonzales reported that she received Christmas candy from ING and attended dinner with Janus-Intech at the educational conference in San Francisco.

Staff Declarations: S. Edmonds reported that he received a holiday tin of brownies for Staff from Summit Strategies Group, holiday toffee from Agincourt Capital Management, and a desk calendar from Northern Trust. He also reported meetings with Brian Green and Steve Glass of ITG Plexus – 12/3/07, John Kline of Roland Criss – 12/4/07, and Grant Birdwell of Morgan Stanley – 1/9/08. D. Boykin stated she attended the Chase holiday luncheon and also received a Chase picture frame – 12/6/07.

D. 2007 Annual Financial Disclosure/Conflicts of Interest Affidavits

As required by Board policy, all 2007 Trustees were instructed to complete and submit an Annual Financial Disclosure / Conflict of Interest Affidavit.

E. 2008 Open Records Disclosure Forms

Open Records Disclosure Forms were provided in the Board packet. Trustees were requested to complete the forms if they had not already done so or if they had any changes to make.

F. 2008 Board and Committee Meeting Schedule

The schedule of upcoming meetings for 2008 was provided in the Board packet. It was noted that two Committee meetings will occur prior to the next regular Board Meeting to be held on March 25<sup>th</sup>. The Investment Committee will meet on February 15<sup>th</sup> and the Benefits and Services Committee will meet on March 11<sup>th</sup>.

3. Election of 2008 Officers: Board Chair and Vice-Chair

As required by Board Approved Policy D-2 "Duties and Responsibilities of Trustees, Officers, and Committee Chairs", each January the Board will meet and elect a Chairperson and Vice-Chairperson for one-year terms. No trustee may be elected to the Chairperson or Vice-Chairperson position for more than two consecutive terms.

E. Golden moved to re-elect Mark Monteith as Chair and Elizabeth S. Gonzales as Vice-Chair. R. David seconded the motion. A.B. Ross, Sr. made a motion for Elizabeth S. Gonzales to be Chair. Action on the previous motion with Mark Monteith as Chair and Elizabeth S. Gonzales as Vice-Chair was required. This motion passed with A.B. Ross, Sr. opposing.

*Janet Bartles arrived at 1:47 p.m.*

4. Consent Items

All of the following 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. November 27, 2007 Board Meeting Minutes
- B. December 18, 2007 Board Meeting Minutes
- C. Ratification of September and October 2007 Retirement and Death Benefits

A.B. Ross, Sr. requested clarification concerning Trustee recognition as an agenda item. General Counsel Knight clarified that "placeholder" agenda items need specific items listed for discussion in order to comply with the Open Meetings Act.

S. Edmonds advised that to avoid confusion, the placeholder items are being removed from future agendas unless specific items have been identified or requested. The Board was reminded that if a citizen/member requests to address the Board, this must be allowed, however, the Board cannot engage in any dialogue. The matter could be referred to a future Committee/Board meeting for consideration.

F. Gertz moved to approve the three consent items; E.S. Gonzales seconded the motion. The motion passed unanimously.

5. Disability Retirement:

- A. Convene into Executive Session Pursuant to Sec. 13, Art. 6243n, and Sec. 551.0785 Texas Government Code, to Consider and Act on Disability Retirement Re - Application of Janette Layton
- B. Reconvene from Executive Session Pursuant to Sec. 13, Art. 6243n, and Sec. 551.0785 Texas Government Code, to Consider and Act on Disability Retirement Re - Application of Janette Layton

The Board convened into Executive Session at 1:57 p.m. and reconvened at 2:51 p.m. No action was allowed while in Executive Session.

A.B. Ross, Sr. made a motion to deny disability retirement benefits for Janette Layton based on falsified information submitted during her previous application and failure to demonstrate that she is totally and permanently disabled from all employment. J. Bartles seconds the motion. The motion passed unanimously.

*Item #8 was moved up on the agenda.*

8. General Counsel Report

A. Pending Litigation

1. Convene into Executive Session Pursuant to Section 551.071 of the Texas Open Meetings Act for Board to Consult with its Attorney Regarding Pending Litigation
2. Reconvene into Public Session and Take Action as Determined Appropriate by the Board

The Board convened into Executive Session at 3:06 p.m. and reconvened at 3:34 p.m. No action was taken.

*Return to agenda item #6.*

6. Consumer Price Index Reporting

Correspondence from Gabriel, Roeder, Smith & Company (GRS) was distributed. For the 12-month period ending December 2007, the CPI-Wage index increased 4.3%. The language in the Supplemental Funding Plan (SFP) approved by the City Council states that a study of the cost of a cost-of-living adjustment would be performed if the increase in the CPI is more than 3.0% for the previous calendar year.

The consensus of the Board was to refer the issue to the Benefits and Services Committee to conduct the required study in conjunction with the other studies to be considered after the 2007 valuation is completed in March 2008. S. Edmonds was requested to inform the new City Manager of this upcoming issue.

7. Committee Meeting Minutes Previously Reported at the November 27, 2007 Board Meeting

- A. Investment Committee Minutes from November 9, 2007 Meeting
- B. Benefits and Services Committee Minutes from November 13, 2007 Meeting
- C. Audit and Finance Committee Minutes from November 13, 2007 Meeting
- D. Disability Committee Minutes from November 13, 2007 Meeting

The above meetings were reported at the November 27, 2007 Board meeting. Minutes from the meetings were included for Board information only.

8. General Counsel Report

B. General Counsel and Assistant General Counsel Performance Review

1. Convene into Executive Session Pursuant to Texas Government Code 551.074 to Confer with Board of Trustees re: General Counsel and Assistant General Counsel's Annual Performance Evaluation Review

2. Reconvene into Public Session and Take Action as Determined Appropriate by the Board regarding the General Counsel and Assistant General Counsel's Annual Performance Review

The General Counsel and Assistant General Counsel evaluations were postponed until the Board meeting scheduled for March 25, 2008.

9. Certification of Delegates for TEXPERS Annual Meeting, March 15-19, 2008 Fort Worth, Texas

The 2008 TEXPERS Annual Members' Meeting will begin Saturday, March 15, 2008 starting at 12:00 pm at the Renaissance Worthington Hotel in Fort Worth, Texas. The Board may designate six delegates and six alternates by submitting a notarized Certification of Delegates Form to TEXPERS by February 15, 2008.

By general consensus, E. Canales-Zarate, M, Monteith, E.S. Gonzales, A.B. Ross, Sr., F. Gertz, and S. Edmonds were designated as delegates. E. Golden, R. David, and J. Bartles were designated as alternates.

*R. Wilson departed at 3:45 p.m.*

10. Executive Director's Report

- A. Calendar Items / Conferences / Training
- B. Review of 2007
- C. Preliminary Year-End Financial and Investment Reports
- D. Retirement Office News
- E. Communications Update
- F. Member / Employer News
- G. Public Pensions in the News
- H. Investment News
- I. Comparative Calculation and Retirement Activity Levels

S. Edmonds provided a brief update. Rosaree Koepsel, was introduced, having recently been selected as Administrative Supervisor. He also called attention to the year-end reports, the review of 2007, and a compilation of the new retiree feedback forms received from employees retiring in 2007. R. David commented that he found the review useful and that it would be helpful in the future to include comparisons to the prior year where appropriate. Mr. Edmonds also advised that other survey tools are in place for any member to provide feedback, either positive or negative.

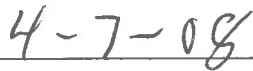
He advised that the investment performance for 2007 was 7.5% gross (7.3% net of fees). As part of the Supplemental Funding Plan, since the return is less than 12%, the City will be making an additional subsidy contribution effective October 2008 for a total subsidy of 2%.


Staff was recognized for being awarded the Certificate of Achievement for the 2006 Comprehensive Annual Financial Report, which is our 9<sup>th</sup> consecutive award.

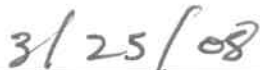
The remaining items were included in the packet for Board information only; specific reference to the upcoming newsletter was made.

The meeting adjourned at 3:55 p.m.

  
\_\_\_\_\_  
Mark Monteith, Board Chair

  
\_\_\_\_\_  
Date

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

  
\_\_\_\_\_  
Date