



# PENSION REVIEW

## MEET THE APRS BOARD OF TRUSTEES

**T**he APRS Board of Trustees will have a few new faces in 2006.

In December 2005, the City of Austin Police Retirement System held an election by mail ballot for two active police officer positions and one retiree position on the Board of Trustees. The Election Committee declared the official election results winners for two active police member positions to be Sean Mannix with 335 votes and, after a run-off election to settle a tie, Mike Jung with 350 votes.

They also declared the official election result for the retiree position at the meeting to be Kendall

Thomas with 173 votes.

Karen Kennard, First Assistant City Attorney was appointed by the City Manager to take the place of Vanessa Downey-Little on the Board of Trustees upon her retirement.

All newly elected members were sworn in on January 18, 2006 and will serve a four year term that ends on December 31, 2009. The Board wishes to thank all participants in the election process, send its congratulations to the winners and looks forward to great things to come in the Austin Police Retirement System's future.

2006

### Board of Trustees

w *Peter Morin, Chairman*

w *Fred Fletcher, Vice-Chair*

w *Sean Mannix*

w *Mike Jung*

w *Catherine Haggerty*

w *Kendall Thomas*

w *John Ross*

w *Chesley Wood*

w *Art Alfaro*

w *Danny Thomas*

w *Karen Kennard*

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#### *2006 Investment Committee Members:*

Kendall Thomas (Chairman), Michael Jung (Vice-Chair), Chesley Wood, John Ross, Catherine Haggerty

Alternates: Peter Morin, Fred Fletcher, Art Alfaro

#### *2006 Disability Committee Members:*

John Ross (Chairman), Karen Kennard (Vice-Chair), Fred Fletcher, Peter Morin, Catherine Haggerty

Alternates: Sean Mannix, Kendall Thomas

#### *2006 Goals & Objectives Committee Members:*

Sean Mannix (Chairman), Catherine Haggerty (Vice-Chair), Fred Fletcher, Michael Jung, Peter Morin

Alternates: John Ross, Kendall Thomas

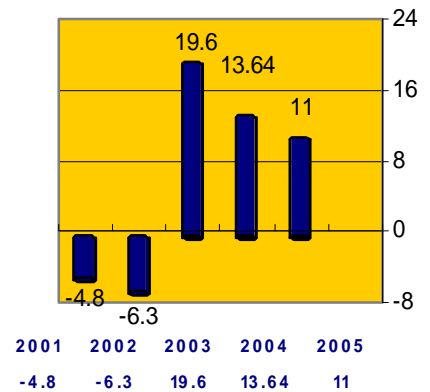
## 2005 YEAR-END PERFORMANCE REPORT

The 2005 year-end performance report shows an 11% increase over last year with a total year-end asset value of \$385 million (unaudited). This return produced a premium of 3.2% above the median retirement plan. The total fund Sharp Ratio Comparison, which measures risk and volatility in the market, ranks APRS 1st in every category. This means that on a risk adjustment basis, APRS ranks above the vast majority of its public fund peers. In 2005, APRS continued to invest across a broad spectrum of diversified assets, including emerging

markets, real estate, commodities and energy, while reducing domestic US bonds allocation. The investment strategy for 2006 continues to suggest an asset allocation mix of 40% US and international equities; 10% US bonds; 10% energy & commodity funds; 10% emerging markets; and a 30% real estate and timber allocation to provide good returns and lower risk than the 60/40 traditional equity bond asset mix. The last three categories outperformed the stock & bond markets in 2005 and are projected to do the same in 2006. The Board looks forward

to the year 2006 and another solid performance return while consistently remaining fully diversified.

Fund Performance Over 5 Years



## SERVICE CREDIT PURCHASES

The Police Retirement System sold \$119,741.66 of service credit to 32 eligible police officers in the 2nd half of last year for Cadet, Forfeited and Pre-Membership Military Service using the deferred compensation 457 program at Great-West Benefits Corp. IRS rules allow the use of

these direct fund rollovers from your tax deferred

FACT:  
SERVICE CREDIT CAN BE  
PURCHASED USING A ROLLOVER  
FROM YOUR DEFERRED  
COMPENSATION 457 ACCOUNT

accounts to purchase service credit in your retirement program for eligible service credit.

If you think you may be eligible to purchase any of the following five service credit options: Uniform Leave of Absence (Military), Pre-membership Military Service, Forfeited Service, Permissive Service or Cadet Service consult the Pension Office at (512) 416-7672 for a quote and verification of eligibility.

## IDENTITY THEFT

Because identification theft is the fastest growing category of crime in the US, protecting the privacy of your personal information is one of our major responsibilities. Every employee at the Pension

Office is responsible for protecting your records and information in our possession. Please do not become offended if asked to identify yourself on the phone or if asked for a call back number to reach you

and never feel embarrassed about requesting the same from the APRS staff.



## INTEREST ON CONTRIBUTIONS & COLA

**A**t the Regular Board Meeting on December 14, 2005, the System's actuary informed Trustees that he could not recommend providing any Interest on Member Contributions or a

Retiree Cost of Living Adjustment Increase be paid this year. State law requires actuarial approval of any increases and although your retirement system remains one of the healthiest in the State and made a 11% return on investments, he

was unable to approve any such increase.

While our Board regrets to inform you of this, they ask you to keep in mind that the financial stability of your System is very sound and future increases will be evaluated.

## 2005 AUDIT & ACTUARIAL VALUATION APPROVED

**T**he Board of Trustees has, once again, hired Arturo Montemayor & Associates to engage in the 2005 year-end

audit of the APRS Financial Statements and has also commissioned Rudd & Wisdom, Inc. to engage in

the 2005 year-end actuarial valuation. These audits begin in April and end on June 30, 2006.

## FINANCIAL PLANNING SEMINAR

**R**eservations are being accepted now for the Spring 2006 pre-retirement seminar that will be held on April 28, 2006.

Anyone wishing to attend may contact the Pension Office at (512) 416-7672 and let a staff member know you would like to sign up. A \$10 per person refundable reservation fee must be on

file with the Pension Office in order for your seat to be reserved.

Seminars of this type usually feature speakers from the Health Insurance

THE SPRING 2006  
SEMINAR WILL BE ON  
APRIL 28, 2006

Benefits division of the City

of Austin Human Resources Department, Austin area Financial Planners, a local accountant, a representative from the local Social Security office, a local Trust Attorney and your retirement specialist from the Pension Office.



## Annual Statements Mailed

**T**he Austin Police Retirement System (APRS) year-end 2005 membership Annual Statements have been

mailed. The statements were prepared to show members the number of years of creditable service on file and, the dollar amount of

contributions and interest on deposit.

City of Austin Police  
Retirement System

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**Staff:**

**Sam Jordan, Pension  
Administrator**

**Stephanie Willie,  
Assistant Pension  
Administrator**

**Gabriella Powers,  
Accountant**

**Michelle Waller,  
Administrative Assistant**

**CHECK US OUT ON  
THE WEB AT  
[WWW.AUSPRS.ORG](http://WWW.AUSPRS.ORG)**

**CONGRATULATIONS TO OUR  
3RD & 4TH QUARTER  
RETIREES!**

NAME	DATE OF RETIREMENT	YEARS OF SERVICE
Roy Gay	7/31/05	27
Michael King	7/31/05	24
Penny Prince	7/31/05	24
Robert A. Gross	10/31/05	30
Danny Campos	10/31/05	27
Danny Thomas	10/31/05	21
Ricky Coy	10/31/05	30
Frederick Cockman	10/31/05	28
Bruce Thompson	11/30/05	26
Brett Wilson	11/30/05	23
Stephen Nichols	12/31/05	20
Curtis Kornfuehrer	12/31/05	30
Edward Blanton	12/31/05	24
Cecilia Hart	12/31/05	30
Daniel Pena	12/31/05	33
Luis Gonzales	12/31/05	28
Mark Thompson	12/31/05	29
Alvin Thompson	12/31/05	24

**2006 Regular Board  
Meetings**

All meeting times are at  
11:30 a.m. unless  
otherwise noted.

Wednesday,  
March 22, 2006

Wednesday,  
April 19, 2006

Wednesday,  
May 10, 2006

Wednesday,  
June 21, 2006

Wednesday,  
July 19, 2006

Wednesday,  
August 16, 2006

Wednesday,  
September 20, 2006

Wednesday,  
October 18, 2006

Wednesday,  
November 15, 2006

Wednesday,  
December 13, 2006

*\*The meeting time for the  
month of December maybe  
adjusted to accommodate  
the Holiday Season*

**NEWS CLIPS**

- Watch for the APRS Active Member Survey coming soon!
- The new Post Retirement Option Plan (PROP) for retirement monthly annuity deferment was approved and will be available soon!
- Contact your Congressman or Senator to urge support for these two important pension bills:

**House Bill 2830-** You would be able to spend up to \$5,000 pre-tax on your health insurance premiums— deduction from taxable income.

**Senate Bill 1783-** Retirees would not have to pay 10% early distribution penalty on DROP withdrawals taken on or after age 50.

**3RD & 4TH QUARTER  
DEATHS**

The Austin Police Retirement System offers sincere condolences to the families that have recently lost their loved ones. May the families of Lloyd Polk (August 28, 2005), James Fann (December 17, 2005) and Margaret Hanson, spouse of Ernest Hanson, (December 2005) be comforted in their memory.

