



Pension Review

SUMMER / FALL 2012

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APRS Hires New Actuarial Firm To Study Plan Sustainability

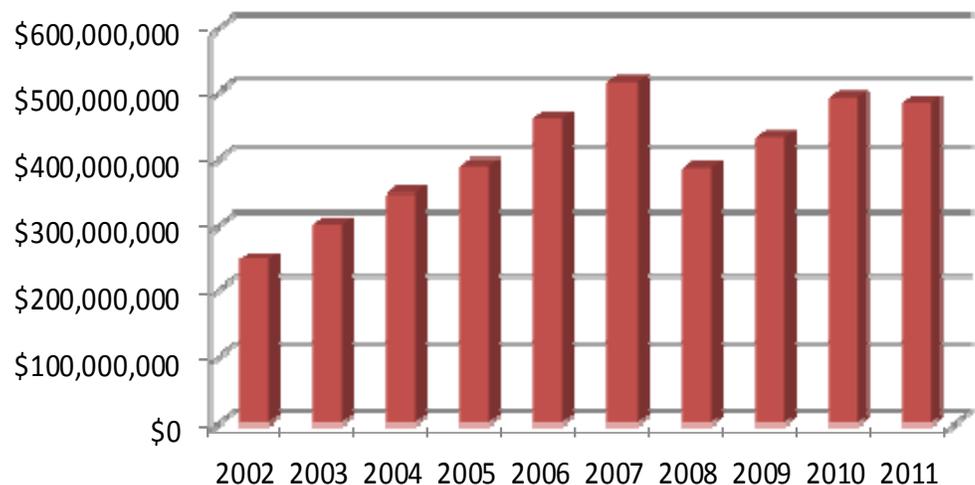
The Austin Police Retirement System hired Foster & Foster, Inc., actuarial firm in Florida, to study APRS financial soundness and sustainability.

During the last decade 2000-2010, APRS suffered investment asset losses in 2001, 2002 & 2008. These losses produced 10 yr. average on asset returns of 7.17%, which is less than the actuarial assumed investment return of 8%. Then again in 2011, the APRS suffered an

investment asset loss of negative -1.72%. Although historically, from 1980-2000 the average rate of return for the system of 19.23% was more than twice our actuarial assumption rate of 8%. The actuarial assumption rate of 8% is what the system's actuaries assume the fund's assets will earn on average per year over a very long term period of 50-70 years to pay its benefits. The time has come to evaluate the plan design and its

sustainability during these volatile times. The investment returns along with added contributions by the city and its members has allowed APRS to grow and prosper and now it is time for reflection. The Goals and Objectives Committee is convening meetings to discuss the long-term financial soundness and sustainability of the APRS retirement system.

Plan Net Asset Value





2011 Audit and Actuarial Valuation and 2012 Mid-Year Report

The December 31, 2011 audit shows the System's financial statements presented fairly, in all material respects, the financial status of the City of Austin Police Retirement System and the changes in its financial status for the year then ended in conformity with generally accepted accounting principles. This is the highest standard of measurement that can be issued as an audit opinion.

The 2011 audited Net Assets Held in Trust Available for Pension Benefits at year-end was \$484,088,631 as recorded by the System's independent auditor Montemayor Hill and Company, PC. This asset value is 1.72% lower than 2010.

The 2011 actuarial valuation showed the unfunded actuarial accrued liability is 30.7 years as presented by the System's actuary, Rudd & Wisdom. This is in compliance with the Texas Pension

Review Board.

The July 31st mid-year report as presented by CSG, Investment Consultant shows the fund has grown to \$510 million, which is 5% greater than the year-end \$484 million.

The Board, Consultants and Staff believe consistent adherence to its Investment Policy in global diversification across many asset classes, provides the best means to sustain continual growth in assets and thus secure financial stability for its members.

Keep Us Updated

The system's Attorney requests that all members update their addresses, record release forms, health insurance forms, beneficiary statements and wills as often as necessary to reflect lifestyle changes such as a death or change in marital status and to help us stay current with your records.

It is very important that the Pension Office have updated forms on file every time there is any type of change in order to serve you better.

Retired members can go to www.ausprs.org to obtain these forms. All forms can be mailed to the Pension Office at P.O. Box 41089, Austin, TX, 78704 . Active members should update their information with APD HR.

When updating your information, please include your name, phone number, date, e-mail address, social security number and signature for verification purposes.

Elaine Hart Joins APRS Board of Trustees

The Austin Police Retirement System would like to welcome it's newest Trustee, Elaine Hart. Elaine is the City of Austin's Chief Financial Officer and has more than 30 years of experience in the financial industry, and 20 with the City of Austin. She most recently served as Senior Vice President of Finance and Corporate Services for Austin Energy, and previously served as Director of Financial Services, Controller and Deputy City Auditor for the City of Austin. Her work on behalf of the City of Austin extends back to 1975, when she worked with an external audit team responsible for the City's accounts. Hart holds a Bachelor of Business Administration degree in Accounting from the University of Texas at Arlington, and is a licensed Certified Public Accountant in the State of Texas.

Retiree Insurance Open Enrollment

Retiree Insurance Open Enrollment begins October 15th and runs through November 18th this year. Your 2013 coverage information packets will be mailed to your home address the first week of October.

Open Enrollment presentations will be held October 26 and November 2 at the Learning & Research Center on 2800 Spirit of Texas Drive. City staff and vendors will be available from 8:00 a.m. to 12:00 noon for enrollment assistance and to answer questions. Free seasonal flu shots are being offered between 7:30 a.m. to 11 a.m. both days.

Remember these key dates:

- Open Enrollment packets mailed - early October
- Open Enrollment begins - October 15, 2012
- Open Enrollment ends - November 18, 2012
- Benefits changes effective Jan. 1, 2013

For more information about retiree insurance or Open Enrollment, call the Human Resources Department at 512-974-3284.



PROP Interest Rate Change

The Austin Police Retirement System's Board of Trustees set the Post Retirement Option Plan interest rate at the Regular Board Meeting on August 22, 2012. The board voted to keep the interest rate at the current rate of 2.5% until August 31, 2013.

Retired members who wish to enter into the PROP can do so by electing to defer all or a portion (\$250 or more) of their monthly annuity into the PROP account. For more information on the PROP Monthly Annuity Deferral program, contact Michelle Ruland, Benefit Services Manager at (512) 416-7672.

**City of Austin Police
Retirement System**

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**Check us out on the web at:
www.ausprs.org**

Staff:

Sampson Jordan, CEO

Stephanie Willie, Deputy Director

**Michelle Ruland, Benefit Services
Manager**

Vernon Webb, Financial Manager

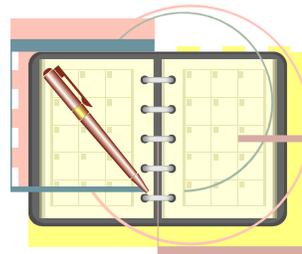
Rose Frank, Administrative Assistant

Financial Planning Seminar

APRS will be holding a Financial Planning Seminar geared toward members with 10 or more years of service on October 18, 2012.

Seating is limited and is granted on a first come, first served basis. If you are interested in attending, please contact Rose Frank at rfrank@ausprs.org or (512) 416-7672.

A \$10 reservation fee along with the Registration form must be on file with the Pension Office to hold your reservation at the seminar. The \$10 fee will be refunded upon your attendance at the seminar.



Texans for a Secure Retirement

Ongoing efforts to take away defined benefits for ALL Texas public employees have prompted the activation of Texans for a Secure Retirement (TSR).

TSR is a coalition of pension funds, employee groups, retiree groups, unions, teachers and anyone or any group that supports public employees having a defined benefit plan for retirement. The stakeholder group includes approximately 2 million active working and retired individuals that participate in a public defined benefit plan from the 175 public defined benefit plans in Texas with net assets of over \$170 billion. TSR's sole purpose is to insure that defined benefit plans remain a viable option and choice for all public employees in Texas while providing sustainable retirement program .

The success of TSR depends upon the willing participation of stakeholders. TSR has begun the task to educate members in the community of the need to protect the financial future of defined benefit plans and their participants.

APRS members interested in contributing to the Texans for a Secure Retirement can send donations to: P.O. Box 684601, Austin, Texas 78768. 100% of your contribution goes to Texans for Secure Retirement for the outreach and media campaign necessary to help Texans understand the value of defined benefit plans.