

Minutes of Meeting
Administration, Personnel & Communications (APC) Committee
October 27, 2010

Present: Chair Linda Wishard, Jan Neese, Don Paczkowski, Judy Wallace, Lois Willis, Earl Foster
Linda Wishard called the meeting to order at about 5:20 p.m.

TCDRS Retirement Planning Workshop

Don and Judy gave an overview of the TCDRS "Perspectives 2010" Conference they attended in July (see attached summary). The general terms of the LMUD retirement plan were discussed. Because none of the APC committee members have much *public* retirement plan experience, we agreed to invite LMUD's customer representative, Tim Krause, to a "working session" to help us better understand LMUD's plan, options for revisions, etc. Judy took the action to contact Tim and let the committee members know when he will be available to meet in the next two or three weeks. Buddy Cook, who was in attendance, asked if the Finance Committee members could also be included. Earl agreed to also attend the meeting, not only to lock up the building but so he can also better understand administration of the Plan. Linda will ask Margaret Cathey for information on the current LMUD Plan participation and funding to help us prepare for the meeting.

APC Committee Resolution

As the committee began to review the resolution, it became clear that we had multiple versions. Board Chair Karl Ansbach had apparently made some revisions prior to the meeting, and none of us had the most recent version. The committee expressed concern about its own role in recommending changes. We all feel the APC members should first present its recommendations to the Board (before it has been filtered through or revised by a staff or board member), and the Board should then decide to accept or revise them. Earl agreed to provide the APC members a copy of Karl's latest version, after which we will review it and give feedback via email. Earl will also let us know by what date he needs our input for inclusion in the Board packet.

Authority Matrix

The committee members unanimously agreed that the matrix is far too detailed. We feel that most line items can be eliminated and summary statements used instead. For example, the APC Committee's section could read something like "All HR policies and practices, compensation and benefits," or "All items included in the HR Policy Manual." We also told Earl that we feel we should be called the Human Resource Committee, as that is our sole area of responsibility. We agreed we should confine our functions to HR, and that administrative and communication issues should be handled by LMUD Management. The committee abstained from advising on non-APC areas of the authority matrix, as we consider those to be management and administrative ("back office") responsibilities.

Earl suggested that we might end up merging the authority matrix items into the various policies and procedures.

Personnel Policy Manual

Earl presented two additions he wishes to make to the policy manual:

- Cell Phone Usage – The committee members agreed with Earl's draft with one minor adjustment, which he had planned to make anyway.
- Progressive Discipline – In general, the committee members agreed the policy is a good one. Earl is going to check with LMUD's legal counsel to make sure the language in section 4.3 is legally acceptable.

The committee members agreed they will review the Travel and Ethics policies and Section 1 of the policy manual at the next regular meeting (to be scheduled within 30 days). Thereafter, we will review the rest of the policy manual section by section with the hope of having all revisions finalized by May. Linda distributed a copy of the manual with her suggested changes, and members will review Section 1 prior to the next meeting.

With no further business to be discussed, the meeting adjourned at about 7:00 p.m.

REPORT TO APC COMMITTEE
Texas County & District Retirement System (TCDRS)
Perspectives 2010 Conference
July 22-23, 2010

- **Attending:** APC Members Don Paczkowski and Judy Wallace
- **Key Conference Topics:**
 - Emerging Markets: Transformative 21st Century
 - Increasing competition in global markets
 - Investing for the Long Term
 - Diversified portfolio in TCDRS plan
 - Expected return with current asset allocation – 7.79%
 - Funding Your Retirement Plan
 - TCDRS Plan is combination of DB/DC
 - Public Pension Trends: Challenges and Solutions
 - “Commercial” for public pensions
 - Gave stats on American adults’ preparation for retirement
 - Elements of Defined Benefit (DB) Plan:
 - Mandatory participation
 - A benefit that reflects worker’s salary and length of service
 - Assets that are pooled and professionally invested
 - A benefit that cannot be outlived
 - Make Your Plan Shine: Breakout Session
 - 4 Basic Plan Provisions:
 - Employee Deposit Rate Options: 4%, 5%, 6%, or 7%
 - Out of 600 TCDRS plans, 490 use 7%
 - Employer Match Options: Between 100% and 250%
 - Prior Service – Employees get credit for prior service
 - Retirement Eligibility (see below)
 - Optional Plan Provisions:
 - COLAs (for retirees) – 2 Types:
 - Flat Rate – Same % increase to all employees
 - CPI-Based – Restores purchasing power lost due to inflation
 - ***Must let TCDRS know by December 31 if we are implementing***
 - What a Difference a Year Makes
 - Discussion about economic downturn
 - Web Showcase: Breakout Session
 - www.tcdrs.org/employer
 - ***Who is LMUD’s Security Administrator?***
 - ***Who else has web access?***
 - Meet Your Rep: Tim Krause – Phone 800-651-3848 x357, tim@tcdrs.org
- **MUD Plan:**
 - Employee Deposits = 7%
 - MUD Match = 175%
 - Interest Credit (Statutory) – 7%
 - Vesting Years – 8
 - Retirement:
 - Rule of 80; 30 Years Service; Age 60 with 8 Years of Service
- **Recommendation:**
 - Invite Tim Krause to meet with APC (and Board?) to further educate and advise on LMUD’s Plan