



Employees' Retirement Fund of the City of Fort Worth

4100 INTERNATIONAL PLAZA
SUITE 730
FORT WORTH, TEXAS 76109

PENSION *Update*

City of Fort Worth, Texas

JUNE 2006

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Special Points of Interest:

- Fund investment returns averaged 18.8% a year, for the three years ending March 31, 2006.
- See Election Notice 2006 on page 4.

Update on The Employees' Retirement Fund of the City of Fort Worth

April 27, 2006

Your fund is currently at an all time high with assets of almost \$1.7 billion. During April we have had investment gains in excess of \$20 million. Your fund is strong and healthy.

For the past one year (ended March 31, 2006) our fund investment return was 15.7%. For the three years ending March 31, 2006 our fund investment returns averaged 18.8% a year. And for the five years ending March 31, 2006, our fund returns averaged 8.8% a year (and this was during the bear market of 2002, when all public pension funds struggled).

Beginning fiscal year 2004, the Fund hired a new investment consultant, Consulting Services Group, from Memphis Tennessee (www.csgrp.com). CSG offers investment advice and counsel to dozens of municipal pension funds across the country, including

several top funds in Texas. With CSG guidance, our fund spent fiscal 2004 implementing a more diversified investment asset mix designed to reduce downside risk and lower investment return volatility. The results have been strong. During fiscal 2004, our fund earned 15.4% and in fiscal 2005 our fund earned 15%. It should be noted that the total consulting fees (including hedge fund fees) paid to CSG during fiscal 2005 are less than one-tenth of one percent of the average investment assets (value of fund) held by the fund during fiscal 2005.

In addition to our investment consultant, we have some of the country's top legal, banking and actuarial experts advising our fund. Mellon Global Security headquartered in Pittsburgh, Pennsylvania is the fund's Master Trustee Banker. The Dallas office

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The Employees' Retirement Fund of the City of Fort Worth provides all city employees equal access to retirement, disability and death benefits in order to help provide for a financially secure future.

RETIREMENT FUND HIGHLIGHTS

Assets as of March, 31, 2006

Book Value..... \$1,405,751,800
 Market Value..... \$1,665,644,714

Asset Growth for the past 12 months is
 down -- **\$173,485,810**

(\$1,665,664,714 - 1,482,178,904)

Book Value represents the purchase
 cost of all assets.

Market Value includes all securities at
 current market prices.

Rate of Return - Rate of return for the last
 5 years ended March 31, 2006 is 8.8%

Contributions (Fiscal YTD):

Employees..... \$ 12,079,146
 City..... \$ 15,726,548
TOTAL..... \$ 27,805,694

Benefits Paid:

Surviving Spouse..... \$ 5,581,058
 Dependents..... \$ 62,250
 Retirees..... \$ 31,836,283
 Disabilities..... \$ 2,536,324
 Actuarial Equiv. Pymts \$ 929,681
 Refunds-Term Emp \$ 1,489,842
Total..... \$ 42,435,438

Update on The Employees' Retirement Fund of the City of Fort Worth continued from front page

of Vinson & Elkins acts as Legal Counsel to our fund. And Irving based Gabriel, Roeder, Smith & Company serves as actuary to our fund. They serve as actuaries to many of the largest public pensions funds in the country and in Texas.

Our eleven Board members and staff regularly work directly with our advisers to make the best investment and fiduciary decisions possible. We have and will continue to work closely with all of them. There are times when working with our advisors entails travel. Pension and investment educational conferences also call for some expenditure for travel and conference registration fees. Our fund has an annual travel and education budget that represents less than 5% of our total operational expenditures.

In the coming months, our fund expects to continue working on several projects and initiatives. We are moving forward with the city on a contribution increase of 3% from the city and 2% from employees and exploring changes to the current cost of living adjustment. These increases will restore the contribution decreases that were made in 1991. As more develops on these changes, we will inform you.

In February of this year the Fund began working with the City's Internal Audit Department on a review

and audit of our Fund. The entire board supports the audit and is pleased that fund dollars will not be paying for the audit. This internal audit is in addition to the annual financial audit conducted by the national firm of Deloitte & Touche. This is the same firm that conducts the City's annual financial audit.

The Board is proud of the long-term investment track record of our Fund. For the last 22 years, the fund has earned 10.5% per year on average, well above the 8.5% actuarial rate of return assumption we use. The Board will continue working hard on your behalf. Your retirement and your peace of mind are important to everyone on the Board and everyone who manages the Fund.

If you have any questions, please contact a board member or contact the Retirement Office. The office is open 7:30 am through 5:30 pm, Monday through Friday. We are located at 4100 International Plaza, Suite 730, Fort Worth. You can also call us if you have any questions. Our telephone number is 817-392-4444 or toll free 1-800-741-9914. Information on our fund can also be found at www.fortworthgov.org/retirement/. Included on our website is a schedule of our Board meetings. You are strongly encouraged to attend these meetings. ■

LOOK WHO'S RETIRED!

November 2005 - March 2006



City Manager's Office
William Sweitzer

Development
William Avett
Jackie Stewert
Hilton Robinson

Engineering
Daniel Callaway
Elton Cottongame
Reynaldo Reyes
John Young

Environmental Mgmt.
Toby Hines
David Thompson

Equipment Svcs.
Thomas Davis
Jesus Olivos

Finance
Kenneth Stewart

Fire
Rodrigo Cruz
John King III
Nelson King
Roy Parham
Gary Renegar
William Renois
Peter Rosenberg

Health
Peggy Trussell
Betty Wilborn

Municipal Courts
Janet Green
Eula McCowan
Calvina Woodard

Parks & Comm. Svcs.
Marva Scott

Police
Robert Adkins
Donald Betz
Thomas Brown
Stephen Cooper
Sophia Flores
David Garrett
Thomas Kimball Jr.
Curtis Mason, Jr.
Darla Murphy
Rodney Trask
Ronald Warren

Public Events
Pamala Quinn

Trans. & Public Works
Deborah Brown
Franklin Cardinal
Robert Daniel
Juventino
Galan-Flores
Martin Rodriguez
Perry Shelton

Water
Ted Agnes
Donnie Johnson
Ronald Kimbrell
Jose Renteria
Ron Sharp



In Loving Memory of...



DECEMBER 2005

Edwin Bilger, Jr.
Police Dept.

Evelyn Clayton
Health Dept.

Nathaniel Davis
Equipment Svcs.

Gary Dodd
Police Dept.

Leon Ponder
Finance Dept.

Thomas Porter
Police Dept.

DECEMBER cont'd

Patsy Rohde
Parks & Comm. Svcs.

Robert Sells
Fire Dept.

Jack Tatum
Fire Dept.

JANUARY 2006

Louis Garcia
Engineering

Dickie Gatlin
Police Dept.

Katherine Hodge
Parks & Comm. Svcs.

JANUARY cont'd

Myrtle Serren
Finance Dept.

Frances Weatherly
Engineering

FEBRUARY 2006

Dorothy Thomason
Police Dept.

Buddy Jones
Trans. & Public Works

Clarence Pollard
Aviation/Airport

Earnest Tallant
Police Dept.

MARCH 2006

Charles Campbell
Parks & Comm. Svcs.

Zelvin Eads
Police Dept.

Betty Johnston
Water Dept.

Maybel Fischer
Library

ELECTION NOTICE 2006

The Retirement Ordinance adopted June 5, 2001, provides that nominees for election to the Board of Directors shall be selected only by petition. Each petition must be signed by at least one hundred (100) members of the same employee group to which the nominee belongs.

Place positions on the Board, the corresponding employees' group(s), and departments comprising each group are as follows:

- Place 1** EMPLOYEE GROUP A **Police Department.**
- Place 2** EMPLOYEE GROUP A **Police Department.**
- Place 3** EMPLOYEE GROUP B **Water Department.**
- Place 4** EMPLOYEE GROUP C **Fire Department.**
- Place 5** EMPLOYEE GROUP D **Library, Parks & Community Services, Zoo, Public Events, & Public Health.**
- Place 6** EMPLOYEE GROUP E **Solid Waste, Equipment Services, Aviation, Code Compliance, Environmental Management, & T/PW.**
- Place 7** EMPLOYEE GROUP F **All Departments not specified in Groups A, B, C, D, and E above.**

Directors in Places 1, 3, 5, and 7 are elected for two (2) year terms every ODD numbered year, currently serving from October 1, 2005 to September 30, 2007. Directors in Places 2, 4, and 6, are elected for two (2) year terms every EVEN year beginning October 1, 2006 to September 30, 2008.

Petition forms for Places 2, 4, and 6 are now available by contacting the Retirement Office at 817-392-4444. The Petitions must be returned to the Executive Director by Wednesday, June 14, 2006. If, however, there is only one nominee for any PLACE, there shall be no election for that PLACE and such nominee shall automatically be elected to the Board of Directors, otherwise the election(s) will take place during the month of JULY, 2006. ■

Retirement Office

Wanda Valentine

Executive Director **817.392.4445**

Robert Hulme

Assistant Director **817.392.4448**

Melissa McDougall

Benefits Specialist **817.392.4447**

Jennifer Sierra

Benefits Specialist **817.392.4446**

Marie Hardeman

Accountant **817.392.2242**

Carla Davila

Administrative Asst. **817.392.4443**

Rebecca Couch

Receptionist **817.392.4444**

Office Fax

817.392.4450

Toll Free Number
1-800-741-9914 or
www.fortworthgov.org/retirement



Are You Ready?

60-90 days prior to retirement be sure you have all required documentation: Social Security Card, Birth Certificate, and driver's license for yourself and your spouse. A copy of your marriage license as well. If not, apply for replacements. If eligible, contact Social Security Administration to finalize your application for social security benefits. If you or your spouse are Medicare eligible then apply for the benefits. Meet with a Benefits Specialist to discuss your retirement and get all necessary paperwork to expedite your retirement.

30 days prior to retirement turn in your Application for Retirement, documentation and optional forms necessary for retirement. Notify your supervisor of your impending retirement date. Contact Maria Gray of Human Resources regarding your Health and Life Insurance.

For an Application for Retirement, visit our website at www.cfwnet.org/retirement or contact the Employees' Retirement Fund directly at (817) 392-4444.