

# Pension Update

Summer 2008

## RETIREMENT ROAD TO SUCCESS CLASSES

Join us in exploring your retirement resources. This class will identify resources and guide you in preparing for a comfortable retirement. A brief overview of the retirement options will also be covered.

July 29th 8:00 a.m. -10:00 a.m.  
(City Annex.)

Aug. 28th 3:00 p.m. -5:00 p.m.  
(Meacham)

Sept. 23rd 10:00 a.m. -12:00 p.m.  
(Meacham)

Register online via the intranet at:  
[www.cfwnet.org/hr/learn/class.htm](http://www.cfwnet.org/hr/learn/class.htm)  
 or contact Jane Walker at  
 817.392.7767.

## FUND FALLS OFF LIST

In April, the Retirement Fund's actuaries presented the results of the January 1, 2008 valuation. This is the first actuarial valuation that has been completed since the Retirement Fund Board and City Council implemented several major changes that benefited the system. Those changes included a 5% increase in contributions and offering a new ad hoc (conditional) COLA option to vested active members and retirees. The State Pension Review Board agreed that using the term "conditional" was more appropriate than "ad hoc", since the COLA will be granted whenever certain conditions are met, where "ad hoc" seems to indicate it is up to the Board's discretion.

The highlights of the actuarial valuation include:

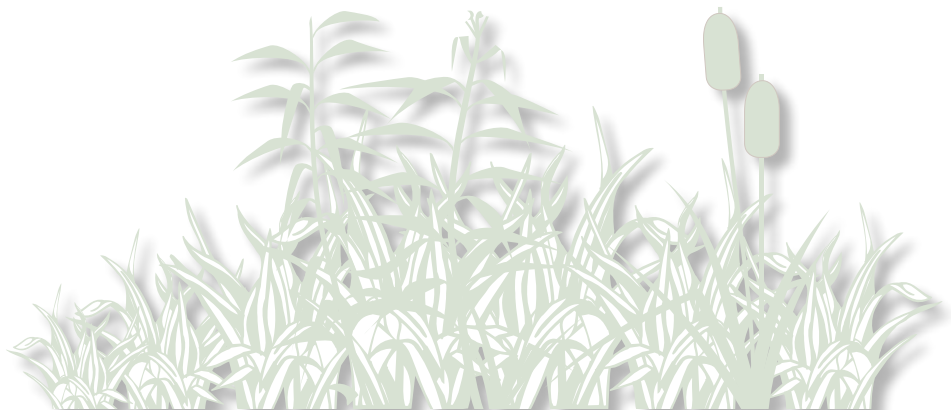
- 67.5% of current active employees are in the new 0-4% conditional COLA program
- 36.4% of current benefit recipients are in the new 0-4% conditional COLA program
- Any vested employee or retiree who did not make a selection remained with the 2% guaranteed COLA
- Non-vested employees and future hires are automatically in the new conditional COLA program
- The funding period for the plan went from infinite to 13.8 years
- The conditional COLA for 1-1-09 will be 4% compounded (4% times a retiree's December 2008 benefit), since any funding period 18 years or less equates to a 4% COLA
- The Plan's unfunded accrued actuarial liability (UAAL) decreased from \$410.7 million to \$237.5 million
- The Plan's funded ratio increased from 80.2% to 88.5% using the actuarial value of assets, and increased from 88.4% to 92.2% using the market value of assets

Based on the healthy status of the Retirement Fund and the shortened funding period of 13.8 years, on June 23rd the State Pension Review Board officially removed the Fort Worth Employees' Retirement Fund from its "watch list".

## PENSION PAYMENT SCHEDULE

The schedule below is the mailing date and payable date of your pension check or direct deposits for August, September and October of 2008:

<u>Pension</u>	<u>Mail Date</u>	<u>Payable Date</u>
Aug. 1, 2008	July 28, 2008	Aug. 1, 2008
Sept. 1, 2008	Aug. 26, 2008	Sept. 2, 2008
Oct. 1, 2008	Sept. 25, 2008	Oct. 1, 2008



## WELCOME NEW STAFF!

The Employees' Retirement Fund has a new Accountant, Christian Wetshi-Lunula and a new Investment Analyst, Bryan Hedrick on its team. These two individuals bring a wealth of knowledge and we are proud to have them join us.

Christian has been living in the state of Texas since 2004. He was born and raised in Kinshasa, Democratic Republic of Congo in a Christian family of six children. He attended Lon Morris College in Jacksonville, TX. While there, Christian was involved in the soccer program, Students in Free Enterprise and International Club. He also attended Texas Wesleyan University in Fort Worth where he earned, in May 2008, his Bachelor of Business Administration with a concentration in Accounting. Christian is planning to attend the University of Texas or Texas Christian University for his graduate degree.



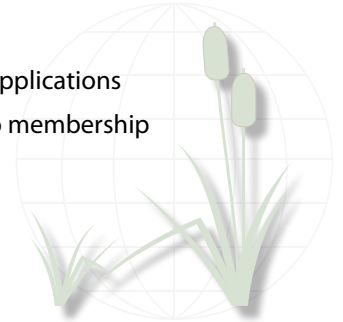
Bryan was born and raised in Tulsa, OK. Bryan attended Oklahoma State University where he received his Bachelor of Science degree in Finance in 2000. A diehard Cowboy, he was active in the Business Student Council and Delta Tau Delta fraternity. After graduation, Bryan worked in Oklahoma City, OK for Morgan Stanley, TD Waterhouse, and finally JP Morgan Chase as a registered financial advisor until 2006. He relocated to Fort



## WE HAVE A NEW WEBSITE!

Haven't been to the new site? Then check it out at: [www.fwretirement.org](http://www.fwretirement.org) . This new, user-friendly site is full of valuable information. Easy to navigate tabs take you to:

- Board meeting agendas and minutes
- Retirement Benefit explanations and applications
- Board Member profiles and updates to membership
- Investment information
- Forms to update personal information
- Calendar of Events

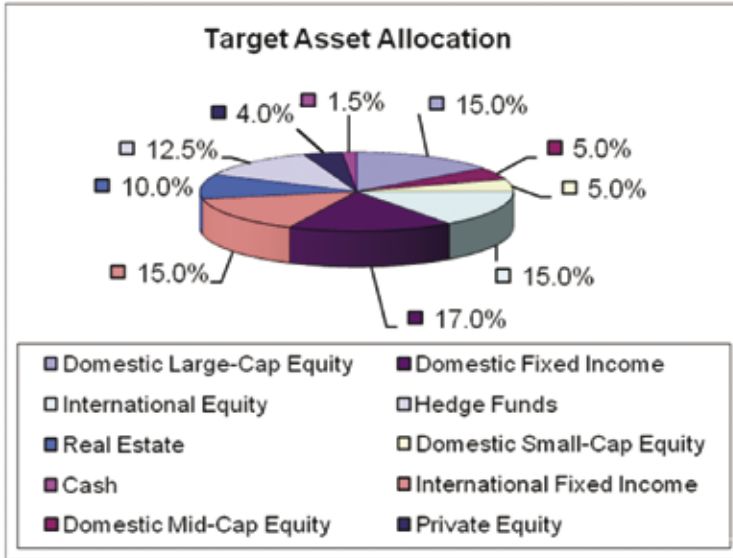


Here's a look at what's in store for you:



Worth to attend graduate school at Texas Christian University. While at TCU, Bryan was active in the MJ Neeley School of Business as member of the prestigious W.C. Conner Educational Investment Fund, President of the TCU chapter of Students in Free Enterprise, co-founder of the TCU Capital Markets Club, and inductee into the business honor society Beta Gamma Sigma. In addition to his studies, Bryan interned with the TCU Endowment Fund in 2007. He graduated with his MBA in May of this year. Currently, he is a Level II candidate in the Chartered Financial Analyst program. Bryan and his wife Sunny are expecting their first child, a daughter, in August.

Welcome aboard Christian and Bryan! We are certainly glad you are here.



## PORTFOLIO ALLOCATION UPDATE

In April, the Board of Trustees approved a new asset allocation to reflect the Fund's return goal of 8.5% while minimizing risk. The broad diversification of the Fund limits the effect of asset classes that may perform poorly over the near-term while capitalizing on asset classes that may be generating excess positive returns. Compared to last year, our target asset allocation only changed modestly. Our allocation to small and mid-cap U.S. equities decreased from 10% each to 5% each. Allocation to domestic fixed income increased by 5.5% and to international fixed income by 7.5%. The hedge fund allocation increased slightly, by two-and-a-half percent, while private equity decreased by 3.5%. Domestic large cap equity and real estate remained the same at 15% and 10%, respectively.

## INVESTMENT UPDATE

The past 3 months have been a period of high volatility and uncertainty in the market. The Dow is below 11,500 and crude oil continues to set new record highs on a daily or weekly basis. The pinch at the pump has caused dramatic reduction in consumer spending, unemployment is high, and inflation is being felt by all. Are we in a recession? Ironically, the answer depends on the economist answering that question. Some economists believe we are in a recession, some say that we are emerging from a recession, while others say that we are headed in to a recession. Who is right? The truth of the matter is that the economy is bleeding and people are hurting. The fall of the greenback and the unending rise in the price of crude oil is making matters worse. However, with all these market and economic problems facing our beloved country and hardworking citizens, our economic fundamentals remain strong.

The City of Fort Worth Employees' Retirement Fund has performed better than most public pension funds. The Fund had a positive return of 0.43% this past quarter ending June 30, 2008, net of all fees, which is an outstanding performance compared with the S&P 500 index. Our well rounded asset allocation positioned the portfolio to withstand the wrath of the financial market. Almost all of our fund managers outperformed their various indices. Our alternative investments boosted the overall portfolio performance. The consultants and staff of the Employees' Retirement Fund have been engaged in aggressive due diligence of the managers. This has resulted in the firing of underperforming managers and hiring of some new managers who have added measurable value to the overall portfolio. The board and staff, with the help of our consultants, continue to work toward a more balanced portfolio through rebalancing to new, more conservative asset allocation targets.

It is good to know that the City of Fort Worth Employees' Retirement Fund is well positioned to weather the storm in the financial market this cycle and to gain from any market upswing after the turmoil. We will continue to monitor the situation and we will make every necessary adjustment to our positions in order to preserve and create new value to the fund.

## OUR DEARLY DEPARTED

### March

J. B. Batch	Water Dept.
Webb N. Batson	Equipment Svcs.
John A. Bonin	Fire Dept.
Billy H. Breed	Water Dept.
David Eubanks	Finance Dept.
Kenneth L. Hinds	Fire Dept.
Marion J. Moore	Aviation Dept.
Bruce L. Presnell	Parks & Comm. Svcs.
Edward E. Ravey	Equipment Svcs.
John W. Southard	Police Dept.

### April

Blanche S. Brown	Development
Robert Carpenter	Equipment Svcs.
Glynn W. Huddleston	Police Dept.
Kenneth W. Hughey	Police Dept.
James O. Ratliff	Parks & Comm. Svcs.
James W. Tindall	Police Dept.
Delmer J. Wood	Equipment Svcs.

### June

William D. Caton	Fire Dept.
William H. Hodge	Public Events
Patricia M. Whitehead	Water Dept.

(March 2008 – June 2008)

# PensionUpdate

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## RETIREMENT OFFICE

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Jennifer Sierra

Member Services Specialist . . . . . 817-632-8902

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**Investments & Operations** . . . . . 817-632-8918

Okey Anagbor

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**Toll Free Number**

1-800-741-9914 or

[www.fwretirement.org](http://www.fwretirement.org)

## Se Habla Español

Jennifer Sierra y Rebecca Couch están disponibles para contestar sus preguntas en español. Llame al 817.632.8900 de lunes a viernes de las 7:30 de la mañana hasta las 5:30 de la tarde. ¡Llame hoy para una cita!

## Look Who's Retired... March 2008 – June 2008

**Aviation Dept.**

Lisa Pyles

**Code Compliance**

Dolores Camp

Jack W. Harris

**Development**

Katja L. Kirsch

**Environmental Mgmt.**

Linden R. Blackmon

Ronald Lewis

Margaret Simons

**Fire Dept.**

Gary L. Brown

Federico Gonzales

Robert A. Jandrucko

Danny Miller

Leonard M. Pennington, II

Don W. Tindall

**Housing Dept.**

Beatriz Cura

**Legal Dept.**

Patricia Van Horne

**Municipal Courts**

Emma Sample

**Parks & Comm. Svcs.**

Lester D. Hardin

Arthur Reynosa

Darrell L. Talley

**Police Dept.**

Edward B. Adcock

Brad D. Johnson

Judith L. Jones

Barbara Livingston

Otho McClain

Elisama Ramon

Richard Salinas

John Stokes

Walter T. Gordon

Rodolfo Zavala

Ralph Mendoza

**Public Events**

Charles G. Daily

Sheila A. Franklin

Paul Strong

**Trans. & Public Works**

John V. Garcia

Ruperto Orozco

James R. Sullivan

Terry J. Thomas

**Water Dept.**

Jon C. Bowman

Larry W. Cody

Ramon Dominguez

Herman E. Franklin

Cory G. Hanson

Carolyn J. Jones

Urban M. Sanchez

Larry Steadman

Terry L. Trammel

Delores Williams

