

**Pete Morin, Chairman, Board of Trustees
Austin Police Retirement System**

Talking Points for September 4 Academy Forum

**Opposed to the Academy's Advocacy of Disclosure of Market
Value of Liabilities**

Issue 1

Disclosure by Our Actuary of a Second Measure of Liability, Called a Market Value of Liabilities, Will Confuse Our Board Members, Our Police Officers and the City of Austin

- a. Why are you showing us two amounts of liability?
- b. Which amount of liability is the right amount?
- c. Actuaries already hard to understand, and this will make it even harder
- d. Why do you call it a market value of liability when there is no market?
- e. We couldn't find someone to pay the amount of money calculated as the market value of liability and have them assume our liabilities

Issue 2

Credibility of actuaries will be questioned if MVL disclosed

Issue 3

City may become alarmed because we have "hidden" some liabilities from them

Issue 4

Use of low risk free or Treasury bond rates to determine MVL, such as 4% or 5%, is unrealistically low and understates our investment return

Issue 5

Our police officers would not understand why our board's actuary is making calculations, using such a low interest rate based on Treasury bonds, when they are investing their own deferred compensation money, with encouragement of financial advisors, in diversified investments (stocks and alternative investments) to get a better investment return than the pension board says it can earn

Issue 6

Nobody is asking us for this information – who needs it?

Issue 7

Credibility of actuaries and their national association will be weakened