



MINUTES
CITY OF AUSTIN EMPLOYEES' RETIREMENT SYSTEM
CALLED BOARD MEETING
Public Meeting held telephonically on September 1 at 10:00 am CT
Pursuant to Texas Govt. Code 551.15 – COVID-19 2020 circumstances

Board Members Present

Stephanie Beach
Michael Benson
Eyna Canales-Zarate, Chair
Amy Hunter
Yuejiao Liu
Frank Merriman
Chris Noak
Leslie Pool
Anthony B. Ross, Sr.
Randy Spencer

Board Members Absent

Ed Van Eenoo, Vice-Chair

Guests:

Paige Saenz, General
Counsel
Ian Bray, RVK
Spencer Hunter, RVK
Lewis Ward, GRS
Luther Yost
517-515-8769
512-970-4259
512-751-5779
512-560-0430
512-560-3037

Staff:

Christopher Hanson
Russell Nash
Donna Boykin
Sarah McCleary
David Veal
David Stafford
Ty Sorrel
Jenni Bonds
Mehrin Rahman
Amy Kelley
Kelly Doggett

1. Call meeting to order – Chair Canales-Zarate

Chair Canales-Zarate called the meeting to order at 10:24 a.m. and outlined the structure of the telephonic meeting.

2. Call roll of Trustees – Chair Canales-Zarate

The secretary called the roll and the following Trustees were present: Beach, Benson, Canales-Zarate, Hunter, Liu, Merriman, Noak, Ross, and Spencer.

3. Review order of business and establish meeting objectives – Chair Canales-Zarate

Chair Canales-Zarate reviewed the objectives of the meeting and asked if any Trustees needed to take items out of order. Mr. Anthony Ross indicated he would have to leave if the meeting ran over two hours; Ms. Stephanie Beach indicated she needed to step out

from 11 am until noon but could rejoin the meeting later. No changes were made to the order of the agenda.

4. Receive System member and public comments – Chair Canales-Zarate

Chair Canales-Zarate asked if there were any visitors in the room who wished to make a comment. There were none.

5. Investment Committee

A. Receive report from August 21, 2020 meeting – Michael Benson

Mr. Michael Benson presented a report from the August 21, 2020 meeting.

B. Discuss and consider Premier Lists for Real Assets and proposed funding implementing plan – David Veal

Mr. Veal reviewed the Real Assets portfolio and relevant themes including the rising risk of stagflation (i.e. high inflation with low growth) due to weak economic output and record expansion of the money supply amid the COVID pandemic.

Mr. Benson moved to approve the Premier List for Real Assets and the Funding Implementation Plan as proposed. Ms. Yuejiao Liu seconded, and the motion passed 8-0, as Mr. Spencer had stepped away.

C. Discuss and consider proposed updates to the Investment Implementation Policy – David Veal

Mr. Veal outlined proposed changes to the Investment Implementation Policy, including language allowing ownership of warrants within gold futures mandates, permitting manager data to serve as the secondary basis for manager fee calculations, and providing for virtual due diligence meetings as necessary during extenuating circumstances.

Mr. Anthony Ross moved approval of the revised Investment Implementation Policy (IIP) as presented. Mr. Benson seconded, and the motion passed 8-0, as Ms. Beach had stepped away.

Trustees took a break from 11:07 to 11:17 a.m.

6. Discuss and consider System long-term sustainability including a review of Board Approved Policy F-2 Funding Policy, and receive an update of City of Austin retirement study – Christopher Hanson

Ms. Leslie Pool arrived at 11:37 a.m.

Mr. Lewis Ward shared the results of the contribution models of possible funding methods that were requested. Trustees discussed closed periods and layered periods. Mr. Hanson outlined key portions of the draft Funding Policy to solicit clarification and direction. After discussion, the Board directed Staff to include a 25-year initial and 15-year layer in the Funding Policy. Mr. Hanson noted that the final draft of the Funding Policy would be presented to the Board for adoption on September 22, 2020.

Ms. Leslie Pool left the meeting at 11:40 a.m.

Ms. Canales-Zarate had a message from Ms. Leslie Pool read to the Board for the record.

Trustees also discussed the letter from the City of Austin Audit and Finance Committee and expressed reservations about the governance changes suggested. Ms. Canales-Zarate requested additional information from Staff regarding Board composition. She also requested that COAERS actuarial consultant, GRS, provide a written opinion regarding the risk to the plan sponsor of moving to an actuarial determined contribution model.

7. Review key meeting takeaways and call for future agenda items – Chair Canales-Zarate

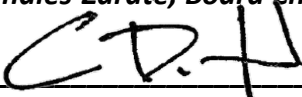
Chair Canales-Zarate reviewed the actions taken and direction to Staff. As there were no further items to address, the meeting adjourned at 12:58 p.m.



Eyna Canales-Zarate, Board Chair

September 23, 2020

Date



Christopher Hanson, Executive Director

September 23, 2020

Date