



## MINUTES

### BOARD MEETING

Public Meeting held in-person and telephonically on December 14, 2021 at 12:00 pm CT  
Pursuant to Texas Govt. Code 551.125 – COVID-19 circumstances

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#### Board Members Present

Kelly Crook†  
Michael Benson, Vice-Chair  
Amy Hunter  
Yuejiao Liu†  
Frank Merriman†  
Chris Noak, Chair  
Leslie Pool  
Anthony B. Ross, Sr. †  
Brad Sinclair  
Randy Spencer  
Diana Thomas

#### Board Members Absent

**Guests:**  
Paige Saenz, General  
Counsel  
Art Alfaro  
Joe Ebisa, withIntelligence\*  
Bhakti Patel, CLA\*  
Craig McColloch\*  
512-678-3243\*  
Ian Spencer, RVK\*  
Ed Van Eenoo, COA\*  
Dick Lavine\*  
Stephanie Beach\*  
Lewis Ward, GRS

#### Staff:

Christopher Hanson  
Russell Nash  
David Stafford  
Sarah McCleary  
Mehrin Rahman  
Donna Boykin\*  
Jenni Bonds\*  
Kelly Doggett\*  
Michelle Mahaini\*  
Ty Sorrel\*  
Yun Quintanilla\*  
Amy Kelley\*

\* present telephonically

† present via videoconference

#### **1 Call meeting to order**

Chair Chris Noak called the meeting to order at 12:03 p.m.

#### **2 Call roll of Trustees**

Ms. Sarah McCleary called the roll. The following Trustees were present in person: Benson, Hunter, Noak, Pool, Sinclair, Spencer, and Thomas. The following Trustees were present virtually: Crook, Merriman, Liu, and Ross.

#### **3 Review order of business and establish meeting objectives**

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Chair Noak reviewed the objectives of the meeting and asked if Trustees needed to take any agenda items out of order. No changes were made to the order of business.

#### **4 Receive System member and public comments**

Chair Noak asked if there were any visitors who wished to make a public comment. Mr. Art Alfaro spoke on behalf of TEXPERS.

#### **5 Receive reports on the following Board administrative matters including:**

- A. Report from October 12 and November 17, 2021 Governance Committee meetings**
- B. Report from November 16, 2021 Audit and Risk Committee meeting**
- C. Report from November 16 and December 2, 2021 Policy Committee meetings**
- D. Report from November 19, 2021 Investment Committee meeting**
- E. Quarterly ethics policy disclosure form**

Chair Noak noted the presence of Committee reports and asked Trustees to direct any questions to Staff.

Mr. Russell Nash declared meetings with Daniel Bair of Greenshades and Mike Murphy of Berwyn.

#### **6 Consent items**

- A. September 21, 2021 Board meeting minutes**
- B. October 26, 2021 Board workshop meeting minutes**
- C. November 17, 2021 Board meeting minutes**
- D. Ratification of September, October, and November 2021 retirements**
- E. Interest allocation on member accounts**
- F. Report on disability retirement continuation**

Chair Noak noted that two routine matters, interest allocation and the report on disability retirement continuation, were included in the consent items. Ms. Leslie Pool moved to approve the consent agenda as presented. Mr. Michael Benson seconded, and the motion passed unanimously.

#### **7 Certification of election results as announced by the Nominating and Election Committee**

Mr. Russell Nash delivered a report regarding the 2021 active member election. Mr. Nash thanked the members of the Nominating and Election Committee for their work. Mr. Nash introduced the Chair of the Committee for Active Member Places 8 and 9, Mr. Craig McColloch, who announced the results of the election as follows: Chris Noak received 416 votes, Yuejiao Liu received 374 votes, Lanzi Liu received 345

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votes, Ben Ellinor received 339 votes, Lauren Wynn received 148 votes, Kaz Wojtewicz received 106 votes, and there were 3 write-in ballots received. Of the 906 processed ballots, 635 were online and 271 were paper. Mr. Noak and Ms. Liu were declared the winners of Places 8 and 9 respectively.

Ms. Diana Thomas moved to declare the official winners as reported by the Nominating and Election Committee. Ms. Amy Hunter seconded, and the motion passed unanimously.

*Mr. Ross left the meeting from 12:15 – 12:17 p.m.*

## **8 Executive Session**

**A. Convene into Executive Session pursuant to Section 551.071, Tex. Government Code, and Section 1.05, Texas Disciplinary Rules of Professional Conduct, to consult with legal counsel regarding requirements for holding Board and committee meetings by videoconference**

**B. Reconvene into public session and take action, if any, as determined appropriate regarding requirements for holding Board and committee meetings by videoconference**

The Board convened into Executive Session at 12:18 p.m.

*Mr. Ross left the meeting at 12:36 p.m.*

The Board reconvened into public session at 1:05 p.m.

## **9 Benefits and Services Committee:**

### **A. Discuss and consider long-term sustainability**

Mr. Christopher Hanson provided an update to Trustees on discussions with the City of Austin and Benefits and Services Committee. Mr. Hanson introduced Mr. Ed Van Eenoo, CFO for the City of Austin, who shared some ideas regarding long-term sustainability efforts and outlined the agreement that was made between the City and the Austin Police Retirement Board in the last legislative session. Mr. Hanson proposed that Staff at COAERS and the City of Austin work on the development of a framework to address COAERS long-term sustainability and present the framework at the March 2022 COAERS Committee meetings. The Board directed Mr. Hanson to proceed with the proposed direction and report back to the Committees in March.

*Mr. Ross re-joined the meeting in person at 1:19 p.m.*

### **B. Discuss and consider engagement letter with GRS**

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Mr. Nash presented a draft Engagement Letter with GRS for actuarial services through 2024.

Ms. Leslie Pool moved to approve the engagement letter with GRS. Mr. Brad Sinclair seconded, and the motion passed unanimously.

*Trustees took a break from 1:35 to 1:45 p.m.; Mr. Merriman and Ms. Liu rejoined the meeting at 1:47 p.m.*

**10 Audit and Risk Committee:**

**A. Discuss and consider Financial Statement Audit Request for Proposal**

Mr. Nash briefed the Board on the financial statement audit Request for Proposal (RFP) process, due diligence, and Committee recommendation. Mr. Ross moved to approve the engagement letter with CLA. Mr. Benson seconded, and the motion passed unanimously.

**B. Discuss and consider Enterprise Risk Management Policy and Risk Management Report**

Mr. Hanson presented the Enterprise Risk Management policy and report. Trustees and staff discussed updating this document as the aspects of risk change over time. Ms. Thomas moved to approve the Enterprise Risk Management Policy and Risk Management report. Mr. Spencer seconded, and the motion passed unanimously.

**C. Discuss and consider 2022 administrative budget**

Mr. Hanson presented the proposed 2022 administrative budget. Mr. Hanson noted the budget was built with focus on strategic and risk management priorities for 2022, including personnel, professional services, information technology and communications.

Mr. Ross moved to approve the 2022 administrative budget as presented. Ms. Thomas seconded, and the motion passed unanimously.

**11 Policy Committee:**

**A. Discuss and consider nomination and appointment for Place 5 Trustee**

Chair Noak noted that both applicants to Trustee Place 5 interviewed by the Policy Committee were extremely qualified and expressed his gratitude for their time. Mr. Ross moved to appoint Mr. Michael Granof to Trustee Place 5 for the term of January 1, 2022 to December 1, 2025. Ms. Pool seconded, and the motion passed unanimously.

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## **B. Discuss and consider Board Bylaws**

Mr. Hanson reported that the draft Board Bylaws included previously discussed changes in Committee structure by adding a Governance and Human Resources Committee, a Legislative Committee, and with the Disability Committee being subsumed by the Benefits and Services Committee. He also highlighted proposed changes to the composition of the Policy Committee and the change regarding the Board Chair acting as a voting ex-officio member of each committee. Mr. Hanson noted other proposed changes including those related to emergency succession at the Executive Director position.

Mr. Sinclair moved to approve the Board Bylaws as presented. Mr. Benson seconded, and the motion passed unanimously.

## **C. Discuss and consider Personnel Policy**

Mr. Hanson presented the policy with only minor changes recommended by the Policy Committee. After discussion, Ms. Thomas moved to approve the Personnel Policy as presented. Mr. Benson seconded, and the motion passed 10-1 with Mr. Ross dissenting.

## **12 Investment Committee:**

### **A. Discuss and consider Premier List for Real Assets**

Mr. David Stafford reviewed the role of Real Assets in the total portfolio context and noted that this asset class is expected to provide growth, diversification, and inflation protection. He discussed how current implementation has led to strong risk adjusted returns and that both public and private markets implementation provide important characteristics in achieving these goals. Mr. Stafford also reviewed the proposed Premier List for Real Assets.

Mr. Benson moved to approve the Premier List for Real Assets. Mr. Spencer seconded, and the motion passed unanimously.

### **B. Discuss and consider 2022 investment budget**

Mr. Stafford provided a history of investment expenses and noted that a recent CEM Benchmarking report placed COAERS in the top 6-8% for cost effectiveness. Mr. Stafford presented the proposed 2022 investment budget, which was recommended by the Investment Committee.

Mr. Benson moved to approve the 2022 investment budget. Mr. Ross seconded, and the motion passed unanimously.

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### **13 Discuss and consider 2022-2026 Strategic Plan**

Mr. Hanson presented the revisions since the September Board meeting and the October Board Workshop outlining updates in certain key performance indicators.

*Ms. Crook left the meeting from 3:06 p.m. to 3:12 p.m.*

Trustees discussed keeping the action items related to cyber security, as confidential when publishing the plan externally.

Mr. Spencer moved to approve the 2022-2026 Strategic Plan. Ms. Hunter seconded, and the motion passed unanimously.

### **14 Discuss and consider amendment to governmental relations agreement**

Mr. Hanson presented an amendment to the expiring governmental relations agreement with HillCo Partners which would retain HillCo at the current rate for one year. Mr. Hanson noted that the hours and price would increase in 2023 due to the expected work during the next Legislative Session.

Ms. Pool moved to approve the amendment to the governmental relations agreement. Mr. Ross seconded, and the motion passed unanimously.

### **15 Review and discuss the Executive Director's report on the following matters:**

#### **A. State minimum education training requirements**

Mr. Hanson reported that all Trustees are in compliance with the PRB requirements.

#### **B. Upcoming educational programs and conferences**

Mr. Hanson noted several upcoming conferences and urged Trustees who had a particular interest to reach out to Staff for recommendations or registration.

#### **C. 2022 Board and Committee calendar**

Mr. Hanson presented two potential versions of the 2022 calendar and noted that all Trustees including those not yet on the Board were surveyed. With no majority on either version, Trustees preferred Option A (Thursdays) as there were fewer conflicts with Council. Trustees asked that one Investment Committee meeting be moved, and that the workshop be moved to earlier in the same week. It was

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agreed that the start time of Board and Committee meetings in 2022 would be 10:00 a.m.

#### **D. Call for nominations Chair and Vice Chair**

Mr. Hanson outlined the process for nominating trustees to serve as Chair and Vice Chair for 2022 based on the Bylaws and indicated that Staff would email the relevant dates and information with the January Board meeting date chosen.

### **16 Executive Session**

**A. Convene into executive session pursuant to Tex. Government Code 551.074 to deliberate the evaluation, employment, and/or duties of the Executive Director**

**B. Reconvene into public session and take action, if any, as determined appropriate**

The Board convened into Executive Session at 3:34 p.m.

The Board reconvened into public session at 4:16 p.m.

Mr. Benson moved to approve the Executive Director's evaluation and approve a 4% raise for Mr. Hanson. Ms. Pool seconded, and the motion passed unanimously.

Ms. Crook left the meeting at 4:24 p.m.

### **17 Discuss and conduct annual Board self-evaluation**

Trustees discussed the accomplishments and challenges during 2021.

### **18 Review key meeting takeaways and call for future agenda items**

Chair Noak summarized the decisions made at this meeting.

### **19 Recognition of outgoing Trustees**

This item was taken out of order, before agenda item #18.

Chair Noak thanked Stephanie Beach, Frank Merriman, and Randy Spencer and presented plaques as a token of COAERS' appreciation. Several Trustees expressed their gratitude for the service of Ms. Beach, Mr. Merriman, and Mr. Spencer.

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As there were no further items to address, the meeting adjourned at 5:10 p.m.

These minutes were approved at the January 31, 2022 Board Meeting.