



MINUTES

BOARD MEETING

Public Meeting held in-person and telephonically on December 15, 2022 at 1:00 pm CT
Pursuant to Texas Govt. Code 551.127

<u>Board Members Present</u>	<u>Board Member Absent</u>	<u>Staff:</u>
Michael Benson* †	Yuejiao Liu	Christopher Hanson
Kelly Crook		Russell Nash
Michael Granof	<u>Guests:</u>	Sarah McCleary
Amy Hunter	Paige Saenz, General Counsel	Jenni Bonds
Dick Lavine	Andrew Alizzi, Avison Young	Michelle Mahaini
Chris Noak, Chair	Corey Martin, Avison Young	Yun Quintanilla
Leslie Pool	Rod Ellis	Ty Sorrel
Anthony B. Ross, Sr.	Ian Bray, RVK	David Kushner
Brad Sinclair	Kevin Balaod, withIntelligence	David Stafford
Diana Thomas		Kelly Doggett
		Amy Kelley*
		Mehrin Rahman*

* present telephonically
† present via videoconference

*† Mr. Benson was on the telephone and not considered in attendance except during votes. He was on camera from 11:19-11:20 a.m., from 11:22 a.m. to 11:23 a.m., at 11:27 a.m., at 11:51 a.m., from 11:56 a.m. -11:57 a.m., at 12:04 p.m. and 12:10 p.m., and from 12:23 p.m. to 12:24 p.m.

1 Call meeting to order

Chair Chris Noak called the meeting to order at 10:02 a.m.

2 Call roll of Trustees

Ms. Sarah McCleary called the roll. The following Trustees were present in person: Crook, Granof, Hunter, Lavine, Noak, Pool, Ross, Sinclair and Thomas. Mr. Benson

was on the telephone and thus not considered in attendance until his first camera appearance at 11:19 a.m.

3 Review order of business and establish meeting objectives

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 the agenda.

4 Receive System member and public comments

Chair Noak asked if there was anyone who wished to make a public comment; there were none.

5 Consent items - All of the following items may be acted upon by one motion. No separate discussion or action on any of the items is necessary unless desired by a Trustee.

- A. September 22, 2022 Board meeting minutes**
- B. October 17 and 18, 2022 Board Workshop meeting minutes**
- C. November 10, 2022 Board meeting minutes**
- D. Ratification of September, October, and November 2022 retirements**
- E. Interest allocation on member accounts**

Ms. Leslie Pool moved to approve the consent agenda. Ms. Diana Thomas seconded, and the motion passed 9-0. (Mr. Benson was not on camera during this vote).

6 Receive reports on the following Board administrative matters including:

- A. Ethics policy disclosure statements**
- B. Report from November 10, 2022 Legislative Committee**
- C. Report from November 10, 2022 Benefits and Services Committee**
- D. Report from November 10, 2022 Audit and Risk Committee**
- E. Report from November 10, 2022 Governance and HR Committee**
- F. Report from November 10, 2022 Policy Committee**
- G. Report from November 18, 2022 Investment Committee**

Staff declarations:

Michelle Mahaini declared a meeting with Daniel Young of Texas Tropical for assessment and quote for 2023 plant and maintenance services. Jenni Bonds declared that COAERS held an annual recognition event for employees at Burnet Go-To. The expenses were within budget, and she disclosed that the establishment is owned in part by her spouse. Teresa Cantu declared that she won an award from LRS at the Pension Gold 2022 Teaming Conference in October 2022. It was a small homemade wooden plaque with a Top Gun logo. Amy Kelley declared attendance at the Gartner Symposium with lunch, dinner, and swag bag.

Board declarations:

Chris Noak declared a meeting/lunch with Brian Burke and Michael Leifeste with BentallGreenOak.

Chair Noak noted the presence of Committee reports and asked Trustees to contact Staff if they need additional information on the Committee meetings.

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

Mr. Rod Ellis reported that 1,290 votes were cast in the election for Trustee Place 11. Of the 1,290 ballots received, 3 were blank; and 8 were ineligible write-ins. There was a total of 7 eligible write-in votes. Mr. Ross received 1,272 votes and was declared the winner.

Ms. Kelly Crook moved to certify the election results and declare the official winner as reported by the Nominating and Election Committee. Mr. Michael Granof seconded, and the motion passed 10-0.

8 Facility Options

A. Convene into Executive Session pursuant to 551.072, Texas Government Code to deliberate the purchase, exchange, lease, or value of real property

B. Reconvene into public session and take action as determined appropriate by the Board regarding the purchase, exchange, lease, or value of real property

The Board convened into Executive Session at 10:13 a.m.

Ms. Pool stepped out of the meeting at 10:26 a.m.

Ms. Pool returned to the meeting at 10:44 a.m.

Ms. Pool stepped out of the meeting at 10:57 a.m.

Ms. Pool returned to the meeting at 11:00 a.m.

The Board reconvened into public session at 11:19 a.m.

Ms. Diana Thomas moved to authorize the Board Chair to sign the Real Estate Contract and further authorize the Executive Director to sign the Property Management Agreement as discussed in Executive Session. Mr. Dick Lavine seconded, and the motion passed 9-0 with 1 abstention (Benson). (Mr. Benson was not considered present during Executive Session but was on camera during the vote).

9 Governance and HR Committee
A. Discuss and consider Diversity Policy

Mr. Hanson presented an updated draft of the Board's Diversity Policy as recommended by the Governance and HR Committee. Ms. Pool moved to approve the Diversity Policy as presented. Mr. Granof seconded, and the motion passed 9-1 (Ross).

B. Discuss and consider Board Governance Manual

Mr. Hanson presented the Board Governance Manual as recommended by the Governance and HR Committee. Ms. Pool moved to approve the Board Governance Manual as presented with direction to Staff to return in the first quarter of 2023 to provide direction on how often Staff recommends the manual be reviewed. Ms. Crook seconded, and the motion passed 9-1 (Ross).

Trustees took a break from 11:28 a.m. to 11:49 a.m.

10 Discuss and consider CliftonLarsonAllen (CLA) statement of work for 12/31/2022 financial statement audit

Mr. Nash presented the CLA Statement of Work which had been reviewed at the Audit and Risk Committee. Mr. Ross moved approval of the CLA Statement of Work as presented. Mr. Sinclair seconded, and the motion passed 10-0.

11 Discuss and consider Governmental Relations contract

Mr. Hanson presented the governmental relations contract, noting the price increased during the 88th Legislative Session but would return to its base price after the conclusion of the Session. Ms. Pool moved to approve the governmental relations contract as presented. Mr. Ross seconded, and the motion passed 10-0.

12 Discuss and consider 2023 administrative budget

Mr. Hanson presented the draft 2023 administrative budget. He reported the proposed budget had been revised since being presented to the Policy Committee to reflect lower health insurance costs than originally estimated. Ms. Pool moved to approve the 2023 administrative budget as presented. Ms. Thomas seconded, and the motion passed 10-0.

13 Investment Committee:
A. Discuss and consider Premier List for Real Assets

Mr. David Stafford presented a report on Real Assets including their historical context and their role on the portfolio. He noted that the Real Assets portfolio continues to provide diversification of returns and a differentiated risk profile to the Fund.

Ms. Crook moved to approve the proposed changes to the Premier List for Real Assets. Mr. Ross seconded, and the motion passed 10-0.

B. Discuss and consider funding implementation plan

Mr. Stafford presented a funding implementation plan. He noted the plan included additional rebalancing in light of the current market environment and estimated cash needs of the System.

Ms. Crook moved to approve the funding implementation plan as proposed. Ms. Thomas seconded, and the motion passed 10-0.

C. Discuss and consider 2023 investment budget

Mr. Stafford presented the proposed 2023 investment budget, noting that over recent years, a higher percentage of the budget is directed towards internal resources and less towards outside vendors. He also noted the budget is aligned with the organization's mission, vision, and goals.

Mr. Sinclair moved to approve the 2023 investment budget as proposed. Ms. Pool seconded, and the motion passed 10-0.

D. Discuss and consider Investment Committee charter

Mr. David Kushner presented the Investment Committee Charter with revisions to reflect the current practice of formulating and recommending to the Board service providers for professional services. Mr. Ross moved to approve the Investment Committee Charter as proposed. Mr. Lavine seconded, and the motion passed 9-0. (Mr. Benson was not in attendance during this vote).

14 Discuss and consider 2022-2026 Strategic Plan

Mr. Hanson presented proposed updates to the 2022-2026 Strategic Plan in accordance with discussions from the October Board Workshop. He noted one change in addition to what had been presented and that was replacing the word "weaknesses" with the word "challenges" under Goal #5. Mr. Hanson also presented a draft report showing 2022 KPIs.

Trustees asked that the KPI report be more consistent in the use of color-coding, as well as perhaps adding an addendum or links with further explanations to those performance indicators that were not met.

Mr. Sinclair moved to approve the proposed revisions including the verbal revision to the 2022-2026 Strategic Plan. Mr. Lavine seconded, and the motion passed 10-0.

15 Receive report from Executive Director on the following matters:

A. 2023 Board and Committee calendar

Mr. Hanson presented a draft of the 2023 Board and Committee calendar, noting which meetings were changed to avoid a few conflicts with either City Council, the Austin Police Retirement Board, or known Trustee travel plans. Trustees suggested changing November 16 to November 9 for Committee meetings and holding the December 2023 Board meeting on December 19.

B. Call for nominations Chair and Vice Chair

Mr. Hanson noted that in 2023 all Trustees are eligible to serve as Vice Chair, and all but Mr. Noak are eligible to serve as Chair. He reported that nominations will be due no later than two weeks prior to the January Board meeting. Mr. Hanson clarified that elections would occur at the January 31 Board meeting, not the called meeting earlier in the month. He stated that staff will follow up via email with the process.

C. MET report and upcoming educational programs and conferences

Mr. Hanson noted that all Trustees were current or on track to complete their required training and noted several upcoming educational programs.

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 12:38 p.m.

The Board reconvened into public session at 1:42 p.m.

Ms. Pool moved to approve the Executive Director's evaluation, to approve a salary of \$329,000 effective beginning pay period #1 of 2023, and direct General Counsel to give effect to what was discussed in Executive Session and amend the 2023 budget accordingly.

Ms. Crook seconded, and the motion passed 8-1 (Ross). (Mr. Benson was not in attendance during this vote).

17 Review key meeting takeaways and call for future agenda items

Chair Noak summarized the decisions made at this meeting and asked for future agenda items. Ms. Thomas reminded the Chair to include a discussion of the feedback from the Executive Director performance plan in the January meeting.

As there were no other items to discuss, the meeting adjourned at 1:45 p.m.

These minutes were approved at the January 31, 2023 Board meeting.