



CITY OF AUSTIN
EMPLOYEES' RETIREMENT SYSTEM

Investment Committee
MINUTES
Meeting held in person
4700 Mueller Blvd., Austin TX 78723
Thursday, April 11, 2024 10:00 AM

Committee Member

Present/(Absent)

Ed Van Eenoo, Committee
Chair
Michael Granof
Dick Lavine
Brad Sinclair
Diana Thomas

Other Board Trustees

Present/(Absent)

Michael Benson
(Kelly Crook)
Yuejiao Liu
Chris Noak
(Leslie Pool)
Anthony Ross

Others Present

Staff:

Christopher Hanson
David Kushner
David Stafford
Ty Sorrel
Sarah McCleary
Mehrin Rahman
Russell Nash
Jenni Bonds
Blake Lemen

Guests:

Spencer Hunter, RVK
Ian Bray, RVK
Paige Saenz, General Counsel

1 Call roll of Committee members

Committee Chair Van Eenoo called the meeting to order at 10:00 a.m. The following Committee members were present in person: Van Eenoo, Granof, Lavine, Sinclair.

2 Review order of business and establish meeting objectives

Committee Chair Van Eenoo referred Trustees to the order of business and meeting objectives. No changes were made to the order of business.

3 Receive public comments

Committee Chair Van Eenoo asked if any members of the public wished to speak, either now or during an agenda item. There were no comments.

4 Consider approval of the February 22, 2024 Investment Committee minutes

Committee Chair Van Eenoo asked the Committee to review the Investment Committee minutes. Mr. Brad Sinclair moved approval of the February 22, 2024 Investment Committee minutes. Mr. Dick Lavine seconded. The motion passed 3-0-1 (Lavine, Van Eenoo, and Sinclair “for” and Granof as “abstain”).

5 Discuss and consider Fixed Income asset class including Strategic Asset Allocation and benchmarking

Mr. Benson arrived at 10:07 a.m.

Mr. Spencer Hunter of RVK presented a recommendation to use the Bloomberg US Aggregate Bond Index as the benchmark for Fixed Income. Mr. Hunter also presented the recommendation of a single set of allowable ranges around neutral, and elimination of the sub-asset class structure within the Fixed Income asset class.

Ms. Thomas arrived at 10:16 a.m.

Mr. David Stafford added that Staff concurred with these recommendations and noted that at a time when the Private Credit allocation reaches a larger, more material amount of its target in the total Fund, Staff would recommend to the Board reducing the upper bound for Fixed Income as presented. Mr. Stafford also noted that until an implementation plan for the new structure is approved, rebalancing will take place only with prior Board approval.

Mr. Sinclair moved to refer to the Board the acceptance of the RVK recommendations regarding the Fixed Income asset class and to require rebalancing in Fixed Income to receive Board approval. Mr. Granof seconded, and the motion passed unanimously.

6 Discuss and consider Cash & Equivalents asset class including strategic asset allocation and benchmarking

Mr. Hunter of RVK presented a recommendation to continue to use the Bloomberg US T-Bills 1-3 Month Index for the Cash & Equivalents asset class. Mr. Hunter also recommended a set of allowable ranges (0% minimum, 1% neutral, and 10% maximum) for Cash & Equivalents.

Mr. Stafford reported to the Committee that Staff concurred with the RVK recommendations, noting that the neutral 1% allocation to cash equates to approximately 12 months of required operating needs and benefit payments.

Mr. Lavine moved to refer to the Board the acceptance of the RVK recommendations regarding the Cash & Equivalents asset class. Ms. Thomas seconded, and the motion passed unanimously.

7 Discuss and consider general investment consultant Request for Proposals including:

7A. Results of scoring submitted bids

Mr. David Kushner explained that of the seven responses to the RFP, all met the minimum qualifications, and that four Staff members and the Executive Director scored all responses according to the approved scoring matrix. Mr. Kushner explained that the scores had a natural break between the top four and the bottom three bidders and recommended that the site visit team evaluate the top four bidders.

Ms. Thomas moved to approve the recommended four firms for the next phase of the RFP process. Mr. Sinclair seconded, and the motion passed unanimously.

7B. Total scoring process and next steps

Mr. Christopher Hanson outlined two different scoring systems that could be utilized to pick the finalists for the general investment consultant. Option one was a clean slate whereby the rankings for the onsite visits would solely determine the finalists. Option two was a cumulative ranking of 50% the Staff scoring of the initial applications and 50% scoring of the site visit team.

Ms. Thomas moved to approve scoring option two for the RFP. Mr. Sinclair seconded, and the motion passed unanimously.

8 Review key meeting takeaways and call for future agenda items

Committee Chair Van Eenoo noted that the Work Plan had been updated to include a discussion of the investment manager selection process (Premier List) at the May meeting.

As there were no further items to address, the meeting adjourned at 11:08 a.m.

These minutes were approved at the May 23, 2024 Investment Committee meeting.