



City of Austin Employees' Retirement System

**MINUTES  
CITY OF AUSTIN EMPLOYEES' RETIREMENT SYSTEM  
BOARD MEETING  
Tuesday, August 27, 2019 – 9:30 AM  
6850 Austin Center Blvd., Suite 320, Austin, TX 78731**

**Board Members Present**

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

**Board Members Absent**

Randy Spencer  
**Guests:**  
Paige Saenz, General Counsel

**Others Present**

**Staff:**  
Christopher Hanson  
Russell Nash  
Donna Boykin  
David T. Veal  
David Stafford  
Kelly Doggett  
Julie Barschow  
Amy Kelley  
Sarah McCleary  
Yun Quintanilla

**1. Call meeting to order – Chair Benson**

Chair Benson called the meeting to order at 9:40 a.m.

**2. Call roll of Trustees – Chair Benson**

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

**3. Review order of business – Chair Benson**

Chair Benson reviewed the order of business and there were no changes.

**4. Investment Committee**

**A. Discuss and consider Real Assets Premier List, investment manager agreements, side letters, and funding implementation plans – David Stafford**

Mr. David Stafford reviewed the key characteristics of the Real Assets portfolio including the current exposure. Mr. Stafford also presented the Premier List as recommended by the Investment Committee along with the proposed Funding Implementation Plan.

Within the Real Estate sub-asset class, he reported that the recommendation of the Committee is to reduce Principal US Property Account from 9.1% to 5.0% of the Fund; to allocate 5.0% to a new passive US REITs completion index; and to fund the increase in Real Estate equally from NT Sci Beta US 4F and 6F accounts.

Within the Infrastructure sub-asset class, he reported that the recommendation of the Committee was to allocate to a new mandate in an open-ended, private markets fund at 2.5%; to allocate to a passive mandate replicating the Dow Jones Brookfield Global Listed Infrastructure index at 2.5%; and to fund the increase in Infrastructure equally from NT Sci Beta US 4F and 6F accounts.

Ms. Eyna Canales-Zarate moved to approve the Premier List for Real Assets; to approve the Funding Implementation Plan; to authorize the Executive Director to sign the associated investment management agreements, side letters, and subscription documents pending final approval by legal counsel; and to authorize the Executive Director to sign redemption requests with real assets managers as outlined in the Funding Implementation Plan. Mr. Anthony Ross seconded, and the motion passed unanimously.

**B. Discuss and consider risk parity portfolio – David Stafford**

Mr. Stafford reviewed the risk parity portfolio and reported concerns over both the mandate performance as well as the overall strategy, which he noted may work against the current COAERS investment approach. He reported that the recommendation of the Committee was to redeem from the AQR GRP EL Fund and allocate the proceeds as follows: 60% to the LGIMA S&P 500 fund and 40% to Hoisington Macroeconomic Fixed Income.

Ms. Amy Hunter moved to approve the recommendation to redeem from the AQR GRP EL Fund and approve the funding implementation recommendation. Mr. Ed Van Eenoo seconded, and the motion passed unanimously.

**C. Discuss and consider amendment to RVK, Inc. Service Agreement – Christopher Hanson**

Mr. Christopher Hanson reported on the newly passed SB 322 which requires public retirement systems to file an investment practices and performance report with the Pension Review Board (PRB). Trustees discussed the use of

this information as potentially valuable internally as well as for meeting reporting requirements.

Mr. Chris Noak moved to approve the RVK, Inc. Service agreement and to direct Staff to engage RVK to conduct the report required under Section 802.109 Texas Government Code. Ms. Canales-Zarate seconded, and the motion passed unanimously.

5. **A. Convene into Executive Session pursuant to Section 551.071, Texas Government Code, Section 1.05, Texas Disciplinary Rules of Professional Conduct, and Section 551.089, Texas Government Code, to consult with legal counsel and deliberate security assessments or deployments relating to information resources technology, network security information described in Section 2059.055, Texas Government Code, and deployment and implementation of security personnel, critical infrastructure, and security devices – Chair Benson**

The Board convened into Executive Session at 10:24 a.m.

- B. Reconvene into open session to take action as determined appropriate regarding security assessments or deployments relating to information resources technology, network security information described in Section 2059.055, Texas Government Code, and deployment and implementation of security personnel, critical infrastructure, and security devices – Chair Benson**


The Board reconvened into public session at 11:57 a.m.

Mr. Van Eenoo moved to direct the Executive Director to proceed as discussed in Executive Session. Ms. Leslie Pool seconded, and the motion passed unanimously.

6. **Call for future agenda items – Chair Benson**

As there were no further items to address, the meeting adjourned at 11:58 a.m.

  
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Michael Benson, Board Chair

  
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Christopher Hanson, Executive Director

9/24/2019  
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9/24/2019  
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