

COAERS CONNECT

SUMMER 2022 | WWW.COAERS.ORG



2022 COAERS MEMBER MEETING

AN IN-PERSON EVENT
LIVE BROADCAST ON FACEBOOK.COM/COAERS

THURSDAY, JULY 21 AT 5:30 PM

AUSTIN CENTRAL LIBRARY
SPECIAL EVENT CENTER (1ST FLOOR)
710 W CESAR CHAVEZ ST

PLEASE RSVP:
WWW.COAERS.ORG/2022COAERSMEMBERMEETING
DETAILS TO FOLLOW UPON RSVP



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COAERS HOURS OF OPERATION

COAERS offices are open to the public by appointment only. Schedule an appointment with our Staff for help via telephone, email, virtual visits or for select in-person services.

Monday - Friday
8:00 a.m. to 5:00 p.m.

Tel: (512) 458-2551
www.coaers.org
member.services@coaers.org

COAERS BOARD OF TRUSTEES

Chris Noak - Chair
Michael Benson
Kelly Crook
Michael Granof
Amy Hunter
Dick Lavine
Yuejiao Liu - Vice Chair
Leslie Pool
Anthony B. Ross, Sr.
Brad Sinclair
Diana Thomas

The City of Austin Employees' Retirement System (COAERS) is pleased to invite COAERS members and stakeholders to the 2022 Annual Member Meeting on July 21, 2022, at 5:30 pm.

For the first time since the onset of the COVID-19 pandemic, the annual meeting for members will be held in person at the Austin Central Library. For those who cannot attend in person and wish to participate virtually, the event will also be broadcast live on facebook.com/coaers.

The annual event is an opportunity for all COAERS members to learn about important System updates. During the event, members will hear from the System's Board of Trustees and the Management Team about the COAERS initiatives, the investment program, the financial state of the retirement system, and legislative

initiatives for the plan's long-term sustainability.

Additionally, members will have the opportunity to ask the Board and Staff questions. In order to facilitate an informative and comprehensive discussion, members should submit their questions for the event panelists in advance of the meeting.

To ensure the health and safety of attendees, we highly encourage members to RSVP to the event. To RSVP, please visit www.coaers.org/2022coaersmembermeeting. Event details will be emailed to participants upon RSVP.

For assistance or questions about the Member Meeting, please contact member.services@coaers.org or (512) 458-2551.

2022 Retired Member Election: Call for Candidates

The 2022 election for the COAERS Board will be held in the fall. This year, an election will take place for the Retired Member Place 11 position. The current term for Place 11 is set to expire at the end of December 2022, and the new four-year term begins January 2023 and ends December 2026.

If you are interested in becoming a candidate

for Place 11, please email Michelle Mahaini at michelle.mahaini@coaers.org.

For the latest information about official election deadlines, when candidate application forms and packets will be available, and other key election related resources and news, please visit the COAERS website at www.coaers.org/board-elections.

COAERS Names New CIO and Deputy CIO

This May, COAERS announced the appointment of industry veteran David Kushner, CFA, as the retirement system's new Chief Investment Officer. This marks the completion of a nationwide search which began last fall.

Mr. Kushner will helm the \$3.5 billion pension fund's investment program and work collaboratively with the Executive Director, Investment Committee, and the investment consultant to guide the strategic investment decisions of the Board.

"COAERS is thrilled to welcome Mr. Kushner to lead the System's investment program in its next phase of growth as a best-in-class fund," said Executive Director Christopher Hanson. "As an industry expert, Mr. Kushner possesses strong credentials and brings a detailed knowledge of investment management, strategy, and innovation in both public pensions and private equity."

Mr. Kushner joins COAERS after previously working at Los Angeles County Employees Retirement Association and the San Francisco

Employees' Retirement System, where he served as the Chief Investment Officer. His experience also includes service on many industry boards and advisory committees. He also served on the U.S. Comptroller's General Educators Advisory Panel.

COAERS also named David Stafford Deputy Chief Investment Officer. He will serve alongside Mr. Kushner to oversee the investment program.

Mr. Stafford joined COAERS in 2018. He most recently served as the Interim CIO following the departure of former CIO David Veal last summer. Mr. Stafford has an extensive background in multi-asset portfolio construction, investment strategy, and financial services.

"David has been an integral part of the COAERS investment team and brings immense dedication to his work in serving the System," said Mr. Hanson. "His knowledge and experienced skill set will continue to help drive COAERS' growth."



David Kushner
COAERS CIO



David Stafford
COAERS Deputy CIO

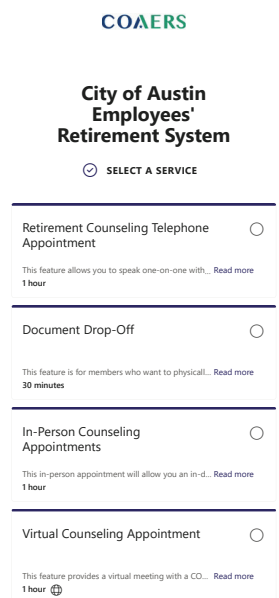
COAERS Business Operations Update: In-Person Appointments Now Available

Over the past two years, COAERS has greatly expanded its offerings to members, making all services, resources, and events readily available and easily accessible in the virtual environment. In this next phase of our operations plan, the System is pleased to announce that our offices are now open for in-person services on an appointment-only basis.

Members will have the ability to schedule in-person service appointments such as one-on-one retirement counseling with a Member Services Specialist at our office. In addition to in-person counseling appointments, members will also be able to schedule short in-person appointments for general inquiries, form submissions and requests.

COAERS Virtual Visits - our secure, online one-on-one counseling sessions for members, will continue to remain as a top service available to members. Virtual Visits allow COAERS members to meet with a Member Services Specialist from the comfort of your home or office through secure, video and telephone conferencing. Just like in-person office visits, members can use Virtual Visits to learn about benefits, receive personalized estimates, process requests, and review benefit payment options and more.

Again, it is important to note that the in-person services will be provided by appointment only; at this time, walk-in appointments will not be accepted. However, if you need to drop off documents, our new drop box is located in front of our office at 6836 Austin Center Blvd, Suite 190 and is available Monday through Friday from 7:30 am to 6:30 pm.



COAERS remains steadfast in our commitment to serving members and fulfilling our mission to provide promised benefits while successfully carrying out business operations.

To schedule an in-person appointment, members can email member.services@coaers.org, call (512) 458-2551, or scan the QR code shown here.



Board News Breakdown

These highlights are a summary of topics discussed and actions taken by the COAERS Board.

COAERS Actuarial Valuation Report

At the March meeting of the COAERS Board, Trustees approved the December 31, 2021 actuarial valuation results and adopted a new assumed rate of 6.75%, reduced from 7%.

The COAERS actuarial consultant reported that the Fund showed strong investment returns for 2021 which exceeded the assumed rate of return. However, the results based on the reduced assumed rate increased the funding period from 32 years in 2020 to 33 years. The Plan's funded ratio is 66.5% (70.8% on market value of assets), which is up from 65.3% in 2020.

While the results show positive returns on investments over the past three years, which have increased the actuarial value of assets above expectations, the funding period for COAERS is still above the Board's funding policy target.

Investment Update

The Board also approved updates to the Investment Policy Statement (IPS) and Investment Implementation Plan (IIP). During the meeting, Interim Chief Investment Officer David Stafford reviewed key changes proposed to the IPS and IIP, which require annual reviews of the strategic goals of the investment program, risk budget, the strategic asset allocation parameters, performance benchmarks of the Fund and the key policies that govern its management.

Additionally, COAERS Executive Director Christopher Hanson presented reports on the updated administrative budget. To learn about upcoming Board and Committee meetings, visit www.coaers.org/calendar.

2021 Annual Comprehensive Financial Report

The 2021 Annual Comprehensive Financial Report for COAERS is now available.

The annual report provides an overview of the retirement system including detailed information about the financial, investment and actuarial aspects of the System. The report reflects the combined efforts of COAERS Staff under the leadership of the Board of Trustees. For the latest copy of the report, visit www.coaers.org/resources/publications.

If you have any questions regarding the report and how to access it, please contact us at news@coaers.org or call (512) 458-2551.

COAERS Board Considers Legislative Framework for Long-Term Plan Funding and Sustainability



Following comprehensive discussions between City of Austin representatives and COAERS, the Board of Trustees moved to approve a proposed framework for legislation for the 88th Texas Legislative Session to enhance the System's long-term funding and health.

Over the past year, a joint City of Austin and COAERS working group has been deeply engaged in productive, meaningful, and collaborative efforts to develop solutions to improve the retirement system's long-term financial health and sustainability. As part of its proposal, the working group crafted key legislative concepts as they relate to changes in the Plan's existing benefit and contribution policies, plan governance, and administration.

Why is this Legislative Framework Being Proposed?

While the retirement system is financially sound and not in crisis, the COAERS Board wants to adopt best-in-class pension system practices for funding the retirement plan and optimize the System for the extreme and historically unprecedented market environments to protect the future lifetime benefit promised to COAERS members.

What is Being Proposed?

The legislative proposal framework touches on several policy areas, including funding, benefits and contributions, and governance. The key concepts proposed for consideration include:

- Moving to a flexible actuarially determined employer contribution rate, which can increase to keep the plan on a steady path toward full funding;
- Implementing a phased-in payment schedule for the City of Austin to pay off the Unfunded Actuarial Accrued Liability, or "legacy liability," within a 30-year period;
- Increasing employee contributions by 2%;
- Modifying benefit policies such as service purchases and sick-leave conversions that will mitigate the risk of future costs to the System;
- Converting one elected active member COAERS board position to a City of Austin appointed position; and
- Requiring support from both COAERS and the City of Austin for future cost of living adjustments.

What's Next?

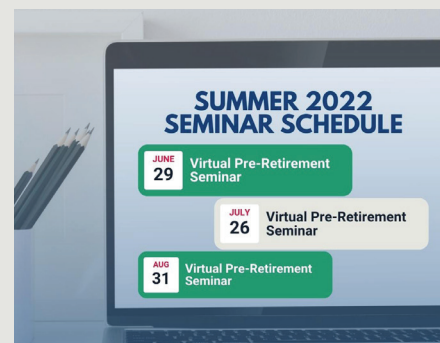
In the coming months, the City and COAERS will meet with stakeholders, draft and approve a detailed legislative bill based on the framework to be presented during the 88th Texas Legislative Session in 2023. COAERS will continue to work in partnership with the City to keep all members well informed of the progress on plan sustainability and the legislative proposals related to the retirement system.

Sign Up for a Pre-Retirement Seminar

Are you planning for retirement in the next two years? COAERS offers virtual seminars to discuss how the retirement process works, what to expect when you're applying for retirement, what types of retirement benefit options are available to you, and when to apply. The seminars provide you with the important information you need to prepare for a successful retirement.

Log on to MemberDirect to register for an upcoming seminar. For the full 2022 calendar of events, visit www.coaers.org/calendar.

If you need assistance registering, please contact member.services@coaers.org.



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IMPORTANT 2022 DATES

JUNE

6/29 Virtual Pre-Retirement Seminar
6/30 Retiree Annuity Issue Date

JULY

7/04 Independence Day Holiday - Office Closure
7/15 Retirement Application Deadline
7/21 Annual Member Meeting
7/26 Virtual Pre-Retirement Seminar
7/29 Retiree Annuity Issue Date

AUGUST

8/15 Retirement Application Deadline
8/31 Virtual Pre-Retirement Seminar
8/31 Retiree Annuity Issue Date

SEPTEMBER

9/05 Labor Day Holiday - Office Closure
9/15 Retirement Application Deadline
9/22 Board Meeting
9/27 Virtual Pre-Retirement Seminar
9/28 Mid-Career Seminar
9/30 Retiree Annuity Issue Date

OCTOBER

10/14 Retirement Application Deadline
10/17 Board Workshop
10/18 Board Workshop
10/25 Virtual Pre-Retirement Seminar
10/31 Retiree Annuity Issue Date

COAERS

CITY OF AUSTIN

EMPLOYEES' RETIREMENT SYSTEM

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Austin, TX 78731

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CITY OF AUSTIN EMPLOYEES' RETIREMENT SYSTEM

SUMMER NEWSLETTER

