



**MINUTES
CITY OF AUSTIN EMPLOYEES' RETIREMENT SYSTEM
BOARD MEETING**

**Public Meeting held telephonically on September 22 at 1:30 pm CT
Pursuant to Texas Govt. Code 551.15 – COVID-19 2020 circumstances**

Board Members Present

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

Board Members Absent

Yuejiao Liu

Guests:

Paige Saenz, General
Counsel
Ian Bray, RVK
Luther Yost
Mark Dombroski
Jonathan Kowolik, RVK
Art Alfaro
Eddie Solis
Lindsey Longwell
727-623-9890
214-228-9321
512-658-1051
469-703-0650
512-913-2966
773-562-8101
214-364-4428

Staff:

Christopher Hanson
Russell Nash
Donna Boykin
Sarah McCleary
David Veal
David Stafford
Ty Sorrel
Jenni Bonds
Mehrin Rahman
Amy Kelley
Kelly Doggett
Yun Quintanilla
Teresa Cantu

1. Call meeting to order – Chair Canales-Zarate

Chair Canales-Zarate called the meeting to order at 1:31 p.m. and outlined the structure of the telephonic meeting.

2. Call roll of Trustees – Chair Canales-Zarate

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

3. Review order of business and establish meeting objectives – Chair Canales-Zarate

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

4. Receive System member and public comments – Chair Canales-Zarate

Chair Canales-Zarate asked if there were any visitors who wished to make a public comment. There were none.

5. Investment Committee Receive reports on the following Board administrative matters including – Chair Canales-Zarate:

A. Ethics policy disclosure statements

B. 2020 Board and Committee meeting schedule

Chair Canales-Zarate reviewed the schedule for the remainder of the year. Mr. Hanson discussed the possibility of revising the schedule to accommodate shorter days.

C. Report from the Audit and Risk Committee

Chair Canales-Zarate asked that Trustees with any questions on the report to reach out to Staff.

6. Consent items – Chair Canales-Zarate:

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. June 30, 2020 Board meeting minutes**
- b. July 21, 2020 Board meeting minutes**
- c. July 29, 2020 Members Meeting minutes**
- d. August 11, 2020 Board meeting minutes**
- e. September 1, 2020 Board meeting minutes**

Chair Canales-Zarate noted one spelling change of a name in the June 30, 2020 minutes. Mr. Randy Spencer moved to approve the consent agenda as presented. Ms. Leslie Pool seconded, and the motion passed 10-0.

7. Discuss and consider custodial banking Request for Proposal – Christopher Hanson

Mr. Christopher Hanson reviewed the timeline for the custodial bank Request for Proposal (RFP). Mr. Jonathan Kowolik of RVK reviewed the process and metrics which led the Investment Committee to recommend the two finalists. It was noted that Staff and RVK conducted all diligence meetings and reference checks for the two finalists virtually due to the COVID-19 pandemic. Mr. Hanson reviewed the summary of the diligence and

Mr. Kowolik presented the findings in terms of price, capability and offerings, and contract terms.

Ms. Stephanie Beach moved to approve the recommendation to select Bank of New York Mellon for trust and custodial services and to:

1. Authorize the Board Chair or Executive Director to sign the Custody Agreement with the Bank of New York Mellon.
2. Approve Board resolution 2020-0922.
3. Direct the Executive Director to send an appointment letter to the Bank of New York Mellon to serve as notification of the Board's decision to appoint the Bank of New York Mellon custodian effective January 1, 2021.
4. Direct the Executive Director to send a termination letter to the Northern Trust Company to terminate the Master Custody Agreement effective January 1, 2021.
5. Authorize the Executive Director to take other actions as necessary to give effect to the transition of custodial services from to Northern Trust Company to Bank of New York Mellon.

Mr. Anthony Ross seconded, and the motion passed 10-0.

8. Discuss and consider Funding Policy – Christopher Hanson

Mr. Hanson presented the draft Funding Policy which he stated incorporated the changes directed by the Trustees from prior discussions, including the funding model of 25-year initial with 15-year layers.

Ms. Beach moved to approve the Funding Policy as proposed. Mr. Ross seconded, and the motion passed 10-0.

9. Discuss and consider long-term plan sustainability and the City of Austin retirement study – Christopher Hanson and Mark Dombroski

Mr. Hanson and Mr. Mark Dombroski reported on the status of the working group. Without an agreed-upon solution yet, the working group concluded that there was not enough time to successfully navigate the 2021 legislative session. Trustees agreed and gave direction to continue working collaboratively.

Mr. Benson moved to support the approach as follows:

1. Establish the 88th Legislative Session (beginning January 2023) as the goal for comprehensive pension reform legislation.
2. Increase the City's contribution during the period leading up to the 88th Legislative Session to bring immediate short-term relief to COAERS funding needs contingent on the agreement between the City and COAERS to engage in a productive, meaningful, and collaborative effort to develop a long-term solution which encompasses possible reforms to contributions, benefits, and governance policies.

Ms. Beach seconded, and the motion passed by acclamation.

10. Receive the Executive Director’s report on the following matters – Christopher Hanson

A. State minimum educational training requirements

Mr. Hanson reported that all Trustees had either completed their training or were on track to complete their training.

B. Upcoming educational programs and conferences

Mr. Hanson noted upcoming educational opportunities.

C. Update on MemberDirect

Mr. Hanson presented Trustees with a preview of the MemberDirect interface and discussed Trustees working with Staff to provide final feedback on MemberDirect before the public launch.

11. Review key meeting takeaways and call for future agenda items – Chair Canales-Zarate

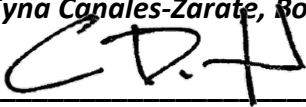
Chair Canales-Zarate reviewed the actions taken and direction to Staff. As there were no further items to address, the meeting adjourned at 3:03 p.m.



Eyna Canales-Zarate, Board Chair

December 17, 2020

Date



Christopher Hanson, Executive Director

December 17, 2020

Date