


# August 2024 Benefits and Services Committee Meeting


**Schedule** Friday, August 23, 2024 10:00 AM — 10:15 AM CDT  
**Venue** 4700 Mueller Blvd., Austin, TX 78723  
**Organizer** Sarah McCleary

## Agenda


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# 1. Call roll of Committee members

Presented by Diana Thomas



## COMMITTEE MEETING Agenda Item Information Sheet

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### AGENDA ITEM 1: Call roll of Committee members

#### AGENDA ITEM OBJECTIVE

The objective of the agenda item is to determine for the record which Trustees are present at the start of the meeting.

Each Trustee should respond to the roll call, and it will be noted which Trustees are present in person and which Trustees have joined via video conference.

## 2. Review order of business and establish meeting objectives

Presented by Diana Thomas



## COMMITTEE MEETING Agenda Item Information Sheet

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### AGENDA ITEM 2:

Review order of business and establish meeting objectives

#### AGENDA ITEM OBJECTIVE

This agenda item provides Trustees the opportunity to review the order of business and to express a desire to take an agenda item out of order, and to discuss the key objectives of the meeting.

1. The Committee will consider Disability Application #2407.
2. The Committee will receive a report on the actuarial service consultant

#### RELEVANCE TO STRATEGIC PLAN

This agenda item meets **COAERS Strategic Plan Goal 4: Identify and implement leading practices in board governance, pension administration, and investment management.** It is an industry best practice to establish meeting objectives and review them at the outset of each meeting.

### **3. Receive public comments**

Presented by Diana Thomas



## COMMITTEE MEETING Agenda Item Information Sheet

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### AGENDA ITEM 3: Receive public comments

#### AGENDA ITEM OBJECTIVE

This standing agenda item allows System members and members of the public the opportunity to provide comments to the Board.

#### ITEM SUMMARY

The Chair will recognize any person who wishes to comment for up to three minutes per person.

#### RELEVANCE TO STRATEGIC PLAN/CORE COMPETENCIES

This agenda item meets the core competency established in the **COAERS Strategic Plan** “*Transparency: Complying with open meeting and public information laws to ensure the decision-making process is clear to members and the public.*”



4. Consider approval of the June 13 and  
June 27, 2024 Benefits and Services  
Committee minutes

Presented by Diana Thomas



## COMMITTEE MEETING Agenda Item Information Sheet

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### AGENDA ITEM 4:

Consider approval of the June 13 and June 27, 2024 Benefits and Services Committee minutes

#### AGENDA ITEM OBJECTIVE

This standing agenda item seeks approval of the minutes from the prior Benefits and Services Committee meetings.

#### RECOMMENDATION FOR COMMITTEE ACTION

Staff recommends approval of the minutes of the June 13 and June 27, 2024 Benefits and Services Committee meetings.

#### RELEVANCE TO STRATEGIC PLAN

This agenda item meets the core competency established in the **COAERS Strategic Plan** “*Transparency: Complying with open meeting and public information laws to ensure the decision-making process is clear to members and the public.*”

#### ATTACHMENTS

1. Draft minutes of June 13, 2024 Benefits and Services Committee meeting
2. Draft minutes of June 27, 2024 Benefits and Services Committee meeting



CITY OF AUSTIN  
EMPLOYEES' RETIREMENT SYSTEM

Benefits and Services Committee Meeting  
**MINUTES**

Public Meeting held in-person and videoconference  
Pursuant to Texas Govt. Code 551.127  
4700 Mueller Blvd., Austin, TX 78723  
Thursday, June 13, 2024

**Committee Members Present/(Absent)**

Diana Thomas, Committee Chair  
Mike Benson †  
Chris Noak (Leslie Pool)  
Anthony Ross

**Guests:**

Paige Saenz, General Counsel  
Dr. Harold Skaggs  
Eddie Solis, HillCo  
Belinda Weaver, City of Austin\*

\* Present telephonically  
† Present via videoconference

**Other Board Trustees Present/(Absent)**

Kelly Crook  
Michael Granof  
Dick Lavine †  
Yuejiao Liu (Brad Sinclair)  
(Ed Van Eenoo)

**Others Present**

**Staff:**

Christopher Hanson  
Russell Nash  
Michelle Mahaini  
Sarah McCleary  
Jenni Bonds  
Mehrin Rahman  
Amy Kelley  
Yun Quintanilla  
Deverett Morrow\*  
David Kushner\*

**1 Call roll of Committee members**

Committee Chair Diana Thomas called the meeting to order at 10:02 a.m. The following Committee members were present in person: Thomas, Noak, and Ross. Mr. Benson was available via videoconference.

**2 Review order of business and establish meeting objectives**

Committee Chair Thomas reviewed the order of business and meeting objectives with the Committee. There were no changes to the order of business for the meeting.

**3 Receive public comments**

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

**4 Consider approval of the March 6 and March 28, 2024 Benefits and Services Committee minutes**

Committee Chair Thomas asked the committee to review the Benefits and Services Committee minutes from March 6 and March 28, 2024. Mr. Anthony Ross moved approval of the March 6 and March 28, 2024 minutes as presented. Mr. Chris Noak seconded, and the motion passed 4-0.

**5 Discuss and consider disability retirement application**

**A. Convene into Executive Session pursuant to sec. 13, art. 6243n, and sec. 551.0785 Texas Government Code, to review disability retirement #2405**

**B. Reconvene from Executive Session pursuant to sec. 13, art. 6243n, and sec. 551.0785 Texas Government Code, to make recommendations as determined appropriate by the Committee on disability retirement #2405**

This agenda item was taken out of order, after agenda item #6.

Trustees convened into Executive Session at 10:14 a.m. and reconvened into open session at 10:16 a.m.

Mr. Noak moved to approve application #2405. Mr. Michael Benson seconded, and the motion passed 4-0.

**6 Discuss and consider Funding Policy**

This agenda item was taken out of order, after agenda item #4.

Mr. Hanson presented a draft funding policy, which was worked on jointly by COAERS and the City of Austin, as required by State law. Mr. Hanson discussed the possible approval process, including the process for approval by the plan sponsor. He noted that if recommended by the Committee, the draft policy would go to the City Council Audit and Finance Committee in August, then to the COAERS Board in September.

Mr. Ross suggested two technical edits, both of which were noted. Mr. Ross moved to refer to the Board for approval the Funding Policy with the two technical edits as discussed, to be placed on the consent agenda. Mr. Noak seconded, and the motion passed 4-0.

**7 Review key meeting takeaways and call for future agenda items**

Committee Chair Thomas summarized the actions taken and the information discussed during the meeting and asked for any future agenda items.

As there were no further items to address, the meeting adjourned at 10:19 a.m.



CITY OF AUSTIN  
EMPLOYEES' RETIREMENT SYSTEM

Called 2024 Benefits and Services Committee Meeting  
**MINUTES**

Public Meeting held in-person and videoconference  
Pursuant to Texas Govt. Code 551.127  
4700 Mueller Blvd., Austin, TX 78723  
Thursday, June 27, 2024

**Committee Members  
Present/(Absent)**

Diana Thomas, Committee  
Chair  
Mike Benson  
Chris Noak  
Leslie Pool †  
Anthony Ross †

**Other Board Trustees  
Present/(Absent)**

(Kelly Crook)  
(Michael Granof)  
(Dick Lavine)  
Yuejiao Liu  
(Brad Sinclair)  
(Ed Van Eenoo)

**Others Present**

Staff:  
Christopher Hanson  
Russell Nash  
Michelle Mahaini  
Sarah McCleary  
Jenni Bonds  
Mehrin Rahman

Guests:

Paige Saenz, General Counsel  
Dr. Harold Skaggs

\* Present telephonically  
† Present via videoconference

**1 Call roll of Committee members**

Committee Chair Diana Thomas called the meeting to order at 9:32 a.m. The following Committee members were present in person: Thomas, Noak, and Benson. Mr. Ross and Ms. Pool were available via videoconference.

**2 Discuss and consider disability retirement application**

**A. Convene into Executive Session pursuant to sec. 13, art. 6243n, and sec. 551.0785 Texas Government Code, to review disability retirement #2406**

**B. Reconvene from Executive Session pursuant to sec. 13, art. 6243n, and sec. 551.0785 Texas Government Code, to make a recommendation as determined appropriate by the Committee on disability retirement #2406**

Trustees convened into Executive Session at 9:33 a.m. and reconvened into open session at 9:36 a.m.

Mr. Chris Noak moved to recommend approval of application #2406 to the Board. Ms. Leslie Pool seconded, and the motion passed unanimously.

**3 Review key meeting takeaways and call for future agenda items**

Committee Chair Thomas summarized the actions taken and the information discussed during the meeting and asked for any future agenda items.

As there were no further items to address, the meeting adjourned at 9:38 a.m.

DRAFT

5. Discuss and consider disability retirement application

A. Convene into Executive Session pursuant to sec. 13, art. 6243n, and sec. 551.0785 Texas Government Code, to review disability retirement #2407

B. Reconvene from Executive Session pursuant to sec. 13, art. 6243n, and sec. 551.0785 Texas Government Code, to make recommendations as determined appropriate by the Committee on disability retirement #2407



## COMMITTEE MEETING Agenda Item Information Sheet

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### AGENDA ITEM 5:

Discuss and consider disability retirement application

- A. Convene into Executive Session pursuant to sec. 13, art. 6243n, and sec. 551.0785 Texas Government Code, to review Disability Retirement #2407
- B. Reconvene from Executive Session pursuant to sec. 13, art. 6243n, and sec. 551.0785 Texas Government Code, to make recommendations as determined appropriate by the Committee on Disability retirement #2407

### AGENDA ITEM OBJECTIVE

The objective of this agenda item is to provide a hearing for an initial application for disability retirement benefits.

### RECOMMENDATION FOR COMMITTEE ACTION

No action is allowed while in Executive Session; action may be considered upon reconvening into public session. The Medical Consultant opinion is included in confidential packet material.

### RELEVANCE TO STRATEGIC PLAN

This agenda item meets with the core competency established in the **COAERS Strategic Plan** “Dependable operations: Managing the financial and operational commitments of the system within appropriate measurable standards” as this item fulfills the Trustee’s statutory duty to hear initial applications for disability retirement benefits.

### ATTACHMENTS

- 1. #2407 Medical opinion and selected disability application information (CONFIDENTIAL)
- 2. Unsigned recommendation for application #2407



**NOTE: This packet  
contains  
confidential  
medical  
information that  
must be protected.**



**August 30, 2024**  
**DISABILITY RECOMMENDATION**

**Disability retirement application #2407**

**The Benefits and Services Committee recommends that Board**

**Approve**    **Deny**

**Retirement application #2407.**

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Diana Thomas  
Committee Chair

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Date

**The physician recommends that Board**

**Approve**    **Deny**

**Retirement application #2407.**

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Harold Skaggs, M.D.  
Physician

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Date

## 6. Receive report on actuarial service consultant

Presented by Russell Nash



## COMMITTEE MEETING Agenda Item Information Sheet

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### AGENDA ITEM 6: Receive report on actuarial service consultant

#### AGENDA ITEM OBJECTIVE

The Committee will conduct the required annual review of the System's actuarial consultant, for which the Committee has oversight responsibility

#### RECOMMENDATION FOR COMMITTEE ACTION

At the Committee's discretion.

#### ITEM SUMMARY

The Benefits and Services Committee has oversight responsibility for COAERS actuarial consultant and annually receives a report on the performance, contract provisions, and working relationship with the actuarial consultant. The review is summarized in the attached report, which will be discussed at the Committee meeting.

#### RELEVANCE TO STRATEGIC PLAN

This item supports **Strategic Plan Goal 4: Identify and implement leading practices in Board governance, pension administration, and investment management**. Best practices for fiduciaries require the regular evaluation of key service providers, including the System's actuarial consultant.

#### ATTACHMENT

1. Report on actuarial service provider



## Staff Report on COAERS Actuarial Consulting Firm

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### Summary Rating

Good. GRS Retirement Consulting has provided timely work related to COAERS annual actuarial valuation, the newly required Risk Sharing Valuation Study (RSVS), recently enacted legislation, and support with plan administration.

### Firm Information

COAERS currently retains the services of GRS Retirement Consulting (formerly Gabriel, Roeder, Smith, and Company) for actuarial consultation services. GRS is a national actuarial and benefits consulting firm. Mr. Lewis Ward leads the engagement and has served as the COAERS lead consultant for this engagement for more than 25 years.

In 2023, Ms. Janie Shaw joined Mr. Ward in supporting COAERS. Ms. Shaw is graduate of the University of Texas at Austin and is a member of the Society of Actuaries and the American Academy of Actuaries.

### Observations

The GRS team is responsive, knowledgeable, and accessible. The GRS team is responsive to inquiries from Staff on any variety of matters and always provides deliverables in a timely fashion.

GRS' work was audited in 2024. Texas law required the City to conduct an audit of COAERS actuarial valuations from 2018 through 2022. Accordingly, the City hired Athena Actuarial Consultants (Athena) to perform the audit and Athena concluded that there were no significant deficiencies in the actuarial reporting, nor deficiencies in the basis for which the actuarial assumptions were determined.

Athena provided recommendations for consideration for future actuarial assumption setting and valuation reporting. Staff and GRS have reviewed these recommendations and provided a response. GRS will take these recommendations into consideration when establishing assumption recommendations for the 2025 Experience Study (discussed infra).

GRS also supports the City's monitoring of COAERS by providing census and other information to the City's contractor, GovInvest.

## Future Activities

In 2025, GRS will conduct an Experience Study for COAERS. An Experience Study is a comprehensive analysis by an actuary that looks at historical experience and current factors to arrive at a set of assumptions that are used for future actuarial valuations. All the assumptions used in actuarial valuations are reviewed – both demographic assumptions (e.g. mortality rates, rates of termination, retirement, and disability) and economic (e.g. rate of investment return and inflation). Prior to the study, GRS staff will provide an educational session at the Board’s October Workshop outlining the Experience Study process, decisions, and deliverables.

## Terms of the Representation

GRS provides services to COAERS under an Engagement Letter that defines the scope and fees of the relationship. The current engagement letter expires at the end of 2024.

	<b>2024</b>
Valuation/RSVS	\$46,000
Experience Study	\$45,000
In Person Meeting Attendance	\$2,500
GASB 68 City Information	\$3,700
Janie Shaw	\$410
Lewis Ward	\$410
Senior Analyst	\$280

## 2025 Draft Engagement Letter

Staff is currently working with GRS on a draft Engagement Letter for 2025. Staff will bring the 2025 Engagement Letter to the November Committee meeting for consideration.

## 7. Review key meeting takeaways and call for future agenda items

Presented by Diana Thomas



## COMMITTEE MEETING Agenda Item Information Sheet

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### AGENDA ITEM 7:

Review key meeting takeaways and call for future agenda items

#### AGENDA ITEM OBJECTIVE

This standing agenda item provides Trustees the opportunity to review the key takeaways from the meeting.

#### RECOMMENDATION FOR COMMITTEE ACTION

Trustees will review key meeting takeaways and delineate next steps.

#### RELEVANCE TO STRATEGIC PLAN

This agenda item meets **COAERS Strategic Plan Goal 4: Identify and implement leading practices in board governance, pension administration, and investment management**. It is an industry best practice to review key meeting takeaways to summarize what was accomplished at the meeting as well as ensure Staff has clear direction on further work and future agenda items.



## **2024 Benefits and Services Committee Work Plan**

### **Scheduled Quarterly Meetings**

1. March meeting
  - ✓ 12/31/2023 Actuarial Valuation
  - ✓ Disability applications TBD
2. June meeting
  - ✓ Funding Policy with City of Austin
  - ~~• Adopt Benefits Resolution for IRS compliance~~
  - ✓ Disability applications TBD
3. August meeting
  - ✓ Actuarial service provider review
  - ✓ Disability applications TBD
4. November meeting
  - Medical consultant provider review
  - Committee Charter review
  - Disability continuation review
  - Disability applications TBD
  - 2025 Committee Work Plan