



MINUTES

Benefits and Services Committee

Public Meeting held via videoconference on June 2, 2022 at 2:00 p.m. CT
Pursuant to Texas Govt. Code 551.127 – COVID-19 circumstances

Committee Members Present/(Absent)

Chris Noak, ex officio
Anthony Ross
Brad Sinclair
Diana Thomas
Leslie Pool†

Guests:

Paige Saenz, General
Counsel
Lewis Ward*, GRS
Belinda Weaver*
Brad Oxford*
Dr. Jonathan Decherd
Thomas Adams*
James Adams*

Other Board Trustees Present/(Absent)

Mike Benson
Kelly Crook
Amy Hunter†
(Yuejiao Liu)
Michael Granof
(Dick Lavine)

Others Present

Staff:

Christopher Hanson
Sarah McCleary
Russell Nash
Mehrin Rahman
Michelle Mahaini
Teresa Cantu*
Jenni Bonds*
Amy Kelley*
David Kushner
Bertie Corsentino*
Cathy Edwards*

*Present telephonically

† present via videoconference

1 Call roll of Committee members

Chair Chris Noak called the meeting to order at 2:01 p.m. The following Committee members were present in person: Ross, Sinclair, Thomas, and Noak. The following Committee member was present via teleconference: Pool.

2 Review order of business and establish meeting objectives

Chair Noak reviewed the order of business and objectives with the Committee. Agenda Item #6 was taken out of order.

3 Consider approval of the March 10, 2022 Benefits and Services Committee meeting minutes

(This agenda item was taken after item #6)

Chair Noak asked Trustees to review the minutes. Mr. Brad Sinclair moved to approve the March 10, 2022 Benefits and Services Committee minutes as presented. Mr. Anthony Ross seconded, and the motion passed unanimously.

4 Discuss and consider long-term plan sustainability including benefits policy and funding report

Mr. Christopher Hanson briefed the Committee on the progress of the working group with the City of Austin. The following recommendations were added to the working group's framework, and Mr. Hanson asked for Committee feedback.

- Set the amortization period for gain and loss layers at 20-years to prevent future negative amortization
- Establish a funded ratio at 90% where the City would be allowed to contribute less than the corridor midpoint if the ADEC calculated rate is less than the midpoint
- Change the interest rate for prior service buyback from the current statutory rate (member interest credit rate divided by .75) to the assumed rate of return (currently 6.75%)
- Convert the actuarial cost of sick leave conversion to an actuarial assumption to be priced into the System's normal cost calculation and keep the member's purchase rate at the current statutory level (the employee contribution rate)

Mr. Hanson confirmed that the working group had decided not to move forward with the alternative Defined Contribution Plan as part of this session's proposed legislation.

Mr. Ross moved to refer to the Board for approval the contribution and benefit policy recommendations of the working group as presented. Mr. Sinclair seconded, and the motion passed unanimously.

Mr. Hanson then presented the funding summary as of December 31, 2021 including metrics such as amortization period, funded ratio, percent of ADC (actuarially determined contribution) funded, and unfunded actuarial accrued liability. He also noted that the change in the assumed rate of return had an impact on the report.

5 Receive report on annual IRS compliance

Mr. Russell Nash reported that Tax Counsel Brad Oxford had reviewed the federal tax legislation that affects the Plan and recommended no changes to the COAERS plan documents. Mr. Nash explained that Mr. Oxford will also be consulted during the full review of the Benefits Operating Procedures to identify and address any items from an operational federal tax compliance perspective.

Ms. Pool was off camera from 2:44 p.m. to 2:49 p.m.

6 Discuss and consider disability retirement application – Chair Noak
a. Convene into Executive Session pursuant to Sec. 13, Art. 6243n, Tex. Rev. Civ. Stat. and Sec. 551.0785 Texas Government Code to deliberate on disability retirement application ref. #2201

This agenda item was taken out of order at the beginning of the meeting.

Trustees convened into Executive Session at 2:05 p.m.

b. Reconvene into public session and make recommendations as determined appropriate by the Committee regarding disability retirement application ref. #2201

Trustees reconvened into Public Session at 2:11 p.m.

Ms. Diana Thomas moved to recommend that the Board approve Disability Application #2201. Ms. Leslie Pool seconded, and the motion passed unanimously.

7 Review key meeting takeaways and call for future agenda items

Chair Noak 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 2:49 p.m.

These minutes were approved at the August 25, 2022 Benefits and Services Committee meeting.