



City of Austin Employees' Retirement System

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

**Tuesday, January 30, 2018 – 12:00 PM
418 E. Highland Mall Boulevard, Austin, Texas 78752**

Board Members Present

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

Board Members Absent

(Elizabeth Gonzales)

Others Present

Staff:
Christopher Hanson
Russell Nash
Donna Boykin
David Veal
Sarah McCleary
Michelle Mahaini

Guests:
Paige Saenz, General Counsel
Adewale Odufuye
Corey Martin, Avison Young
Andrew Alizzi, Avison Young
Stephanie Beach

Chair Chris Noak called the meeting to order at 12:20 p.m.

1. Call meeting to order

Chair Noak called the meeting to order

2. Call roll of trustees

The secretary called the roll and the following Trustees were present: Benson, Liu, Merriman, Noak, Pool, and Ross.

3. Review order of business

Chair Noak reviewed the agenda and there were no changes.

4. Welcome new trustee

Chair Noak welcomed the newest member of the Board, Ms. Yuejiao Liu.

5. Receive system member and public comments

Mr. Hanson shared correspondence from a retired member.

6. Election of 2018 Officers: Board Chair and Vice-Chair

Mr. Mike Benson nominated Chris Noak to serve as Chair. Mr. Frank Merriman seconded, and the motion passed unanimously.

Ms. Leslie Pool nominated Mr. Benson to serve as Vice-Chair. Mr. Merriman seconded, and the motion passed unanimously.

7. Receive reports on the following Board administrative matters:

- A. Ethics policy disclosure statement**
- B. Annual acknowledgement of ethics policy**
- C. 2017 Annual Financial Disclosure/Conflicts of Interest Affidavits**
- D. 2018 Board and Committee Meeting Schedule**

Chair Noak reviewed the disclosure statement, the annual acknowledgement of the ethics policy, and the annual conflict of interest statement due from all trustees and key staff.

There was discussion about the length of the recent Board meetings and whether it would be helpful to begin meetings earlier in the day. Staff was directed to poll trustees about possible start times.

Key Staff Declarations:

Mr. Veal declared a group lunch during research presentation by Winton Capital Management in Austin, as well as meetings with Rick Kohly from Millennium Management; Tasleem Jamal and Arjun Kumar from Sprucgrove; Michelle Ewart from Stafford Capital Partners; Larry Epstein from Novarca; Obie McKenzie and Thomas Rose from BlackRock; Julian Bostic and Lori Holland from Neuberger Berman; Jason Kwajala from UBS; Joe Milam from AngelSpan; Neal Howe from Welton Investment Partners; Richard Laughner from FTSE Russell; John Lucarelli from Cloverlay; Chris Henderson from Cohen & Steers; Marc Sharpe from LCR Capital; Seyonne Kang from Greenspring; Terry Beneke of Swank Asset Management; Todd Bitzer from LGIMA; Mark Murphy from Contrarian Capital; Steven Poall from Fidelity; Scott Crossley and Ofer Karline from Magellan Financial; Justin Schmidt from Translunar Ventures; Jason Unger from GT Analytics; Mary Davidson from Abel Noser; and Brian Greene from Zeno Consulting.

Mr. Hanson declared meeting with Paige Rabalais and Kent Scott with Commonfund. Mr. Nash declared contacts with John Bloodworth, Pretorian; Chase Collins, Lexis Nexis; Jennifer Olekas, Lexis Nexis.

Board Declarations:

Mr. Ross declared e-mail contact with GRC Summit. Ms. Canales-Zarate declared attendance at a TEXPERS Board meeting with a meal provided by the South Padre Island Chamber of Commerce.

8. Certification of Active Members Place 7 special election results as announced by the Nominating and Elections Committee

Mr. Nash introduced Mr. Adewale Odufuye from the Nominating and Election Committee, who announced the results of the election. Mr. Odufuye announced the tabulation of votes as follows:

Amy Hunter	279
Write-ins	4

9,643 ballots were mailed and 138 of the ballots were returned undeliverable. A total of 299 votes were cast. 16 ballots were considered invalid.

Ms. Pool moved to certify the election results and declare the official winner as reported by the Nominating and Election Committee. Mr. Merriman seconded, and the motion carried.

Ms. Canales-Zarate arrived at 12:48 p.m.

9. Administer Oath of Office

Mr. Hanson administered the Oath of Office to Ms. Amy Hunter for a term ending December 31, 2019 after which time Ms. Hunter proceeded to participate in the meeting.

After agenda item 12, Mr. Hanson administered the Oath of Office to Mr. Randy Spencer for a term ending December 31, 2021 after which time Mr. Spencer proceeded to participate in the meeting.

10. Consent items

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 Board Member.

- A. December 12, 2017 Board Meeting Minutes**
- B. Ratification of October and November 2017 Retirement and Death Benefits**
- C. Disability Committee recommendation on Disability Application #5220**

Mr. Anthony Ross moved approval of the consent agenda. Mr. Benson seconded, and the motion passed unanimously.

11. Discuss and consider Board Trustee nomination process

Mr. Hanson provided a report to the Board on a best practices for developing and nominating trustee candidates, and for evaluating the effectiveness of board governance. The Board directed the Policy Committee to review the appropriate process and to consider how to encourage more participation and diversity without incurring unintended consequences.

12. Appointment of Trustee Place 3 and 5

- A. Convene into executive session pursuant to Section 551.074, Texas Government Code, to consider candidates to be appointed to Trustee Place 3 and Trustee Place 5**

The Board convened into Executive Session at 1:08 p.m.

Mr. Van Eenoo arrived at 1:21 p.m.

- B. Reconvene into public session and take action as determined appropriate in the Board's discretion regarding the appointment of a candidate to Trustee Place 3 and Trustee Place 5.**

The Board reconvened into public session at 2:26 p.m.

Ms. Canales-Zarate moved to appoint Mr. Randy Spencer for Trustee position Place 5 for a four-year term ending December 2021, and to recommend that the City Council name Ms. Stephanie Beach to fill the unexpired term of Place 3 through December 2020. Mr. Ross seconded and the motion passed unanimously.

At this time the Board returned to Agenda Item 9.

13. Facility Options:

- A. Convene into executive session pursuant to 551.072, Texas Government Code to deliberate the purchase, exchange, lease, or value of real property**

The Board convened into Executive Session at 2:33 p.m.

- B. Reconvene into public session and take action as determined appropriate by the Board regarding the purchase, exchange, lease, or value of real property**

The Board reconvened into public session at 4:22 p.m.

Mr. Benson moved to authorize Staff to proceed as discussed in Executive Session. Mr. Ross seconded, and the motion passed unanimously.

Ms. Pool moved to authorize the Board Chair to enter into a lease for the Northpoint facility subject to final approval of the form by General Counsel. Mr. Ross seconded, and the motion passed unanimously.

The Board discussed the possibility of a called meeting in the near future.

Trustees took a break from 4:24 pm to 4:40 pm

14. Discuss and consider the following:

- A. Proposed changes to TEXPERS bylaws**

Ms. Canales-Zarate briefed the Board on recent and proposed changes to the TEXPERS Bylaws which will be voted upon during the business meeting at the next annual members' meeting.

- B. Certification of delegates for the 2018 TEXPERS Annual Members' Meeting**

Trustees discussed their availability in attending the annual members' meeting and agreed to check their calendars. Trustees who are able to attend TEXPERS were advised to let Staff know so registrations and arrangements could be made.

15. Receive educational presentation on actuarial liabilities from GRS Consulting

Mr. Lewis Ward of GRS Consulting gave an educational presentation on actuarial liabilities.

16. Executive Director Report

- A. Update on staffing
- B. Comparative calculation and retirement activity levels
- C. Board website portal

Mr. Hanson delivered his report and offered to answer any questions.

17. Call for future agenda items

As there were no further items to address, the meeting adjourned at 6:31 p.m.



Chris Noak, Board Chair

March 27, 2018

Date



Christopher Hanson, Executive Director

3/27/2018

Date