



# City of Austin Police Retirement System

## MINUTES SPECIAL BOARD MEETING Wednesday, May 26, 2020

Pursuant to the Governor's suspension of certain provisions of the Texas Open Meetings Act in response to the COVID-19 disaster, this meeting was not be held at a physical location but was conducted through a telephone conference call. The telephone conference call meeting was open to the public through the toll-free dial-in number of 1-877-760-2047 with passcode of 512 236 2045.

### Board Members Present

Tyler Link, Chair  
Keith Harrison,  
Vice Chair  
Sheldon (Scott) Askew  
Michael Cowden  
Ed Van Eenoo  
Tom Hugonnett  
Nick Moore  
Kathie Tovo  
Belinda Weaver  
Chesley Wood  
Carl Zimmerman

### Consultants Present

Lewis Ward  
Chuck Campbell  
Alyca Riley  
Mark Harkrider

### Staff Present

Pattie Featherston  
Jennifer Grahmann

### Guest Attendance

Elaine Hart, COA  
Devon Desai, COA  
Vickie Schubert, COA  
Marija Jukic, COA  
Joyce Perry, COA  
Kenny Herbold, PRB  
Bryan Burnham, PRB  
Ken Casaday, APA  
Don Baker, APA  
Thomas Villareal, APA

#### I. Call to Order and Roll Call

Chair Tyler Link called the meeting to order at 3:00 p.m. and roll call was taken.

#### II. Public Comment

There was no public comment.

#### III. Report of the Actuarial Review Committee

- A. Review Recent Actuarial Modeling of Scenarios involving Additional Funding and Plan Changes
- B. Possible Consideration of New Actuarial Modeling Scenarios
- C. Review Motion from Prior Board Meeting Reaffirming Commitment towards Achieving the Long-Term Sustainability of the System and Consider Including Recommendations Specifying Potential Funding Increases and Plan Changes to Better Ensure Sustainability

Trustees reviewed with the System actuary, Gabriel, Roeder, Smith & Co., recent actuarial modeling, considering varying options for benefit structure changes and increased contributions.

**Motion by Tyler Link to adopt an amendment to the motion adopted at the May 20 Board meeting.**

**The full revised motion would read:**

Motion adopted May 20 by Board:

*Consistent with the Funding Policy adopted by the Austin Police Retirement System Board of Trustees on December 18, 2019, the Board today reaffirms its commitment toward achieving long-term sustainability of the pension fund through support of the following:*

- *Addressing funding deficiencies through discussions with the City if the funding period exceeds 30 years by three or more years or if the ADC (actuarially determined contribution) is more than 2% above contribution rates for two actuarial valuations.*
- *If contribution levels are insufficient, considering and recommending to its membership and the City the necessary contribution increases and/or benefit changes.*
- *Maintaining a cost sharing arrangement applicable to any contribution increases, with the City paying at least 60% of the combined contribution rate and the members of APRS paying 40% or less.*

*This motion is intended to be consistent with and does not revise the current Funding Policy. It also does not amend or rescind the Resolution adopted by the Board on August 21, 2019, which provides that before the APRS Board takes any action within its authority related to plan changes, it will provide the membership with at least 30 days notice before Board action is taken.*

Motion adopted May 26 by Board:

*Today the Actuarial Review Committee also recommends the Board adopt the following proposed changes to address the current funding situation:*

- *Benefit plan changes applied only to new hires contingent upon and implemented with legislation*
  - *Benefit multiplier reduced from 3.2% to 2.5%*
  - *Retirement eligibility requires age 50 with 25 years of creditable service*
  - *Final average compensation based on highest 60 months salary instead of 36 months*
- *Increased member contributions*
  - *2% on January 1, 2021*
- *Increased City contributions*
  - *On October 1, 2020, an increased City contribution rate or lump sum payment sufficient to secure a funding period of 30 years or less, based on the actuarial valuation of data as of December 31, 2019*
- *Following the actuarial valuation of data as of December 31, 2022:*
  - *Develop a variable contribution rate arrangement based on the actuarial determined contribution (ADC) required to maintain a funding period of 30 years or less that includes:*
    - *Maintaining a cost sharing arrangement, with the City paying at least 60% of any necessary increases*
    - *Minimum and maximum contribution rates, so that when combined with the amount paid by the member to Social Security the member rate will never exceed a total of 24% of pay*

**Motion seconded by Keith Harrison. Motion passed unanimously.**

IV. Adjournment

Chair Link adjourned the meeting at 3:29 p.m.



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**Tyler Link**  
**Chair, Board of Trustees**