



City of Austin Police Retirement System

MINUTES REGULAR MONTHLY BOARD MEETING Wednesday, May 20, 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 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

Chuck Campbell
Alyca Riley
Jon Breth
Peter Brown
Mark Harkrider

Staff Present

Pattie Featherston
Jennifer Grahmann

Guest Attendance

Jim Link, PFM
Greg Butler, PFM
Elaine Hart, COA
Bryan Rivera, COA
Vickie Schubert, COA
Marija Jukic, COA
Joyce Perry, COA
James King, PRB
Robert Gross, APROA
Teddy Haines, Fin News

I. Call to Order and Roll Call

Chair Tyler Link called the meeting to order at 11:44 a.m. and roll call was taken.

II. Public Comment

There was no public comment.

III. Consent Agenda

- A. Minutes of the Regular Board Meeting held on April 15, 2020
- B. Approval of Membership Transactions for April 2020
- C. CONFIDENTIAL MATERIAL
 1. New Retired Members
 2. Forward DROP Activity
 3. PROP Disbursements
 4. Service Credit Purchases
 5. Retiree Survivor & Death Benefit Payments
- D. Treasury Report for March 2020

Motion was made by Keith Harrison to approve the Consent Agenda items, as presented.

Motion was seconded by Belinda Weaver. Motion passed.

IV. Report Presented by the City of Austin Financial Consultant, PFM, Related to the City's Retirement Systems

Jim Link and Greg Butler, PFM consultants, presented a report prepared for the City of Austin regarding its pension plans, specifically with regard to APRS.

V. Report of the Actuarial Review Committee

Committee Chair Tyler Link reported the committee met on May 14, 2020 and reviewed various actuarial modeling analyses.

Chair Link presented the following potential motion for the Board's consideration in order to provide the perspective of the APRS Board to the City prior to the June 3 meeting of the Audit and Finance Committee of the Austin City Council.

The motion reads as follows:

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 by Keith Harrison to adopt the motion as presented. Seconded by Mike Cowden. Amendment to the motion made by Kathie Tovo to require a meeting of the Actuarial Review Committee next week, with any recommendations to be presented to a Special Called Board meeting prior to the June 3 meeting of the City Council Audit and Finance Committee; amendment was seconded by Tom Hugonnett. Motion as amended was passed unanimously.

VI. Report of the Disability Committee

Committee Chair Chesley Wood reported about the committee’s meeting earlier that morning, and that the committee asked for additional information through a new physician’s assessment.

Motion by Chair Chesley Wood to adopt the committee recommendation to require an additional independent physician examination of the pending applicant for disability retirement benefits. Motion seconded by Belinda Weaver. Motion passed.

VII. Report of the Investment Committee

Committee Chair Keith Harrison reported that the committee received the First Quarter Performance Report and the April Flash report from AndCo Consulting, showing a total fund loss for the quarter of -15.24% with total assets at \$721.5 million on 3/31/2020, followed by \$773.1 million on 4/30/2020.

The committee reviewed investments in global bonds, currently managed by Franklin Templeton Investments Global (Templeton Global Total Return strategy), in the amount of \$35.7 million. The committee reviewed with its investment consultant similar strategies of three other firms compared to Templeton. AndCo Consulting recommended moving the assets to management by Pacific Investment Management Company (PIMCO) to the PIMCO Diversified Income strategy.

Motion was made by Keith Harrison to move global bond asset management from Templeton to PIMCO. Motion seconded by Chesley Wood. Motion passed.

The committee also reviewed a report from AndCo Consulting regarding investment management as required by Senate Bill 322, 86th Texas Legislature.

Motion was made by Keith Harrison to accept the final review by AndCo Consulting of the investment practices of APRS pursuant to SB 322. Motion seconded by Mike Cowden. Motion passed.

VIII. Executive Director Report

There were no items reported by the Executive Director.

IX. Adjournment

Chair Link adjourned the meeting at 1:13 p.m.



Tyler Link
Chair, Board of Trustees