



# Austin Police Retirement System

## MINUTES REGULAR MONTHLY BOARD MEETING Wednesday, August 18, 2021

Location: Kendall Thomas, Chesley Wood Building, 2520 South IH-35, Suite 100

### Board Members Present

Tyler Link, Chair  
Keith Harrison,  
Vice Chair  
Sheldon (Scott) Askew  
Michael Cowden  
Thomas Hugonnett  
Nicholas (Nick) Moore  
Diana Thomas  
Kathie Tovo  
Belinda Weaver  
Chesley Wood

### Consultants Present

Jonathan Breth  
Peter Brown  
Chuck Campbell  
Alyca Garrison  
Lewis Ward  
Mark Harkrider

### Staff Present

Pattie Featherston

### Board Members Absent

Carl Zimmerman

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

Chair Tyler Link called the meeting to order at 11:55 a.m. and roll call was taken.

#### II. Public Comment

No public comments.

#### III. Consent Agenda

A. Minutes of the Regular Board Meetings held on July 21, 2021

B. Approval of Membership Transactions for July 2021

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 June 2021

**Motion made by Michael Cowden to approve the consent agenda items. Motion seconded by Keith Harrison. Motion passed.**

- IV. Report of the Investment Committee
- A. Second Quarter Investment Performance Review
  - B. July Flash Report
  - C. Report on Interim Investment Decisions Between Board Meetings

Committee Chair Keith Harrison summarized the reports made by AndCo Consulting, which included the growth in assets from \$937 million on 1/1/2021 to \$1.021 billion on 6/30/2021 (Q2) and \$1.029 billion on 7/31/2021 (July Flash Report). Interim actions included the sale of certain real estate and timber holdings.

- V. Interest Rate for Post Retirement Option Plan (PROP) and the Five-Year Forward Deferred Retirement Option Plan (DROP)

Executive Director Pattie Featherston provided an overview of the PROP and the various DROP programs offered to APRS members.

Trustee discussion included the desire that a study be conducted early next fiscal year by the Board Goals and Objectives Committee to identify possible standards for setting the annual rate of interest each year.

**Motion by Keith Harrison to continue the current rate of interest at 2.25% with the intention of further study to be launched in the first quarter of 2022. Motion seconded by Sheldon (Scott) Askew. Motion passed.**

- VI. Consideration of the Actuarial Review of the Cost of Purchasing Permissive Service Credit

Follow up discussion from an agenda item last month that was tabled. At the July meeting, APRS actuaries, Gabriel, Roeder, Smith & Co. (GRS), presented the results of an experience study which assessed the cost of allowing members to purchase Permissive Service Credit. GRS recommended two different options for an increase in the cost to provide a suitable risk premium that would protect the System from adverse experience and keep the cost of the purchase in line with state law that requires members pay the actuarial present value of the enhanced benefit achieved through the purchase.

**Motion by Michael Cowden to adopt Option 1 as presented by GRS, which would entail using a discount rate adjustment of 75 basis points less than the investment return assumption to produce**


**purchase calculation factors with a 6%-9% risk premium. Motion seconded by Thomas Hugonnett. Motion opposed by Diana Thomas and Belinda Weaver. Kathie Tovo abstained. Motion passed.**

VII. Executive Director Report

The Executive Director provided the recently published newsletter and discussed plans to reopen the office potentially in October, depending on developments with the pandemic.

VIII. Adjournment

Chair Link adjourned the meeting at 1:08 p.m.



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