



City of Austin Police Retirement System

MINUTES REGULAR MONTHLY BOARD MEETING Wednesday, September 16, 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: 346 248 7799, Meeting ID: 839 2124 2383.

Board Members Present

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

Consultants Present

Chuck Campbell
Alyca Riley Garrison
Lewis Ward
Mark Harkrider
Jon Breth
Peter Brown

Staff Present

Pattie Featherston
Stephanie Willie
John Poth
Michelle Ruland
Jennifer Grahmann

Guests Present

Ed Grant, MFS
Brett Fleishman, MFS
Paul Black, WCM
Kurt Winrich, WCM
Mark Dombrowski, COA
Mike Nadol, PFM

I. Call to Order and Roll Call

Chair Tyler Link called the meeting to order at 11:41 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 August 19, 2020
- B. Approval of Membership Transactions August 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 July 2020

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

IV. Presentations by International Growth Equity Managers

- A. MFS Institutional Advisors, Inc.
- B. WCM Investment Management

Each group made presentations to the Board about their firm and the product recommended.

Motion by Tyler Link to select WCM Investment Management to award approximately \$40 million to the WCM International Growth, LP. Motion second by Chesley Wood. Motion passed.

V. Review of the Board Ethics Policy

Legal counsel Chuck Campbell reviewed and summarized the main points of the policy, including: conflicts of interest; gifts/benefits; duty of loyalty; duty of impartiality; speaking publicly; and confidential information. No revisions were recommended.

Motion by Scott Askew to reaffirm adoption of the Board Ethics policy as presented. Motion seconded by Keith Harrison. Motion passed.

VI. Consideration of the Motion Adopted on May 26 Regarding Actuarial Funding

Motion by Tyler Link to amend the previously adopted motion as specified below. Motion seconded by Ed Van Eenoo. Motion passed.

Revised motion for proposed changes to address actuarial funding reads as follows:

- 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, 2022
- Increased City contributions
 - Within the City's Fiscal Year 2021, no later than September 30, 2021, an increased City contribution rate and/or lump sum sufficient to secure a funding period of 30 years or less.
- Following the actuarial valuation of data as of December 31, 2022, or earlier:
 - 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
 - Based on the City's support for carving out the legacy liability as of 12/31/2020 and amortize the amount on a schedule of payments over the next 30 years

VII. Executive Director Report

Executive Director Pattie Featherston reported the issuance of the recent newsletter.

She also talked about efforts underway with the System actuary and investment consultant to make improvements to the Funding Policy and the Investment Practices report to hopefully bring to the Board next month.

In addition, she thanked all of the APRS staff for the exceptional work they have done lately including preparations for the actuarial valuation and annual audit, production of the System annual report, the recent newsletter, and the operation of the Zoom meetings.

VIII. Consideration of Disability Retirements

- A. Annual Board Review of an Application for Continuing Disability Retirement
- B. Request to Consider New Information Related to an Initial Application for Disability Retirement Previously Denied

The Board meeting was closed at 2:10 p.m. after a statement read by the Chair which stated, *The Austin Police Retirement System Board of Trustees is now in Executive Session on September 16, 2020, at 2:10 p.m., pursuant to Texas Government Code Section 551.078 regarding disability benefits.*

The Board meeting re-opened at 2:41 p.m., and the Chair read the following statement, *The Executive Session of the Board of Trustees ended on September 21, 2020, at 2:41 p.m. No action was taken in closed session.*

Motion by Mike Cowden to accept the application for continuing benefits from Applicant A. Motion seconded by Nick Moore. Motion Passed.

Motion by Tyler Link to refer the consideration of new information submitted by Applicant B to the APRS Medical Board for review. Motion seconded by Mike Cowden. Motion passed.

IX. Adjournment

Chair Link adjourned the meeting at 2:43 p.m.



Tyler Link
Chair, Board of Trustees