

**Texas Municipal Retirement System
Charter for Legislative Committee
December 2016**

Purpose

The Legislative Committee (“Committee”) is a committee of the Texas Municipal Retirement System (“TMRS” or the “System”) Board of Trustees (“Board”) created to advise and assist the Board in fulfilling its fiduciary oversight responsibilities with respect to:

- monitoring federal and state legislative and regulatory issues of potential impact to TMRS ;
- reviewing proposed legislation of potential impact to the System; and
- assisting the Board in facilitating the System’s federal and state legislative and regulatory communications.

The Committee is not authorized to adopt resolutions on legislation; rather the Committee is responsible for implementing Board resolutions on legislation or, in the absence of Board resolutions on legislation, providing recommendations to and seeking guidance from the Board. For purposes of this Charter, any references to “legislation” or “legislative” shall be interpreted broadly to include any legislation, rules, and/or regulations that may be existing or proposed under any federal and/or state law, rule, and/or regulation, as applicable.

Composition

The Committee is a standing committee of the Board comprised of two (2) members of the Board, appointed by the Board Chair, subject to Board approval.

A. Terms

- i. Members of the Committee will generally serve one-year terms but may be reappointed.
- ii. The Board Chair will review the composition of the Committee each December and will make appointments or reappointments to be effective in January.
- iii. The Board Chair will fill any vacancies, as needed, with Board approval at its next meeting.
- iv. Interim appointments are permitted to serve immediately, pending Board approval.
- v. The Board Chair will appoint the Committee Chair.

B. Resources

- i. The following Resource Team of TMRS staff (“Staff”) may attend and participate in Committee Meetings:
 - a. the Executive Director;
 - b. the Director of Governmental Relations; and

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- c. the General Counsel, as needed.

- ii. The Committee Chair will appoint a member of the TMRS staff, which may be the same as or different from one of the Staff as defined in clause (i) above, to serve as Secretary to the Committee.
- iii. The Committee may retain special legal, political, or other consultants or experts and/or utilize the services of any other TMRS staff as it considers necessary or desirable in the performance of its duties; provided, however, that the retention of any external consultants or experts will be subject to the availability of funds in the TMRS budget to pay for such services.

Meetings

- A. The Committee will meet at least one time each year, with the authority to convene additional meetings, as circumstances require.
 - i. A quorum of the Committee shall consist of two members.
 - ii. Concurrence of two members is required to adopt recommendations to the Board or take other Committee action.
- B. Subject to any applicable requirements of the Texas Open Meetings Act (“TOMA”), the Committee may hold meetings in person or by telephone or video conference call. It is the intent of the Board that this Committee is an advisory committee to the Board, with less than a quorum of Board members participating.
- C. The Committee Chair and Staff will develop the meeting agendas. Meeting agendas will be provided in advance to Committee members and the Resource Team.
- D. Minutes of each meeting will be prepared.
- E. The Committee will report on its activities to the Board through the Committee minutes and special presentations as deemed necessary or desirable by the Committee members. Members of the Resource Team may also provide more frequent updates, including email updates, to the Board on Committee activities.
- F. Subject to the provisions of Subsection B. above, Committee members are expected to attend all meetings in person or via telephone or video conference calls.
- G. The Committee may invite additional members of TMRS staff, experts, consultants and/or others to attend meetings and provide pertinent information, as deemed necessary or desirable by the Committee members.

Responsibilities and Duties

The Committee will:

- A. Provide direction to Staff in implementing any applicable legislative agenda that has been adopted by the Board.

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- B. Review, consider and recommend to the Board action, if any, to be taken regarding any draft legislation developed by Staff at the request of the Board.
- C. Be available to Staff to provide input on, and participate in when appropriate or desirable, legislative related communication issues. Such participation in legislative related communications may occur at any time, whether during or outside of any legislative session, and with regard to any legislative related matter(s), whether initiated by TMRS or by any other person or entity, subject to the parameters set forth in the Board's bylaws and policies¹ and in this Charter.

For these purposes, if the Board adopts any resolution(s) relating to the Board's position(s) on any potential legislative topics that might affect TMRS (each "Legislative Resolution"), then the Board hereby authorizes the Board Chair and the Committee Chair, and their respective designees, to communicate (orally and in writing) with members of any legislative body and their staff, on behalf of TMRS, for the purpose of advancing the Board's position(s) as reflected in the Legislative Resolution(s). Any designee of the Board Chair or Committee Chair must be another member of the Board. The Board Chair or Committee Chair will report to the Board regarding such communication at the next Board meeting. Members of the Resource Team may also provide more frequent reports to the Board on such communications. This limited authority given to the Board Chair and the Committee Chair, and their designees, is in addition to the authority previously given by the Board to the Executive Director and his designees to represent TMRS to legislative bodies and their staff.

- D. During any legislative session, review and recommend to the Board action, if any, to be taken regarding proposed legislation, the filing of which was initiated or requested by persons or entities other than TMRS, that may impact the System (collectively, "Other Legislation").
 - i. The Committee may consider how an item of Other Legislation may impact:
 - a. the sustainability of the System;
 - b. the actuarial or fiscal health or reputation of the System;
 - c. participating municipalities in TMRS;
 - d. TMRS members, retirees, and beneficiaries and/or their benefits;
 - e. the tax status of the System and its tax deferred treatment of contributions and related earnings;

¹ Chapter 1, Section 1.86 of the TMRS Board Bylaws provides that no member of the Board of Trustees shall purport to speak or act as a representative of the retirement system on any matter unless expressly authorized to do so by the Board of Trustees. Further, Chapter 1, Section 1.6(i) of the Bylaws provides that the Board may establish committees to make recommendations to the Board and help carry out responsibilities – however, committees may not speak or act for the Board except when formally given such authority.

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- f. the Board's investment structure or authority;
 - g. the Board's administrative structure or authority; and
 - h. any other aspect of the System and/or its operations.
 - ii. The Committee may develop positions, on any TMRS initiated legislation and on any Other Legislation, that are consistent with the Board's Legislative Resolution(s) and communicate such positions with members of the legislature and their staff, subject to the provisions of Section C. above, and may also direct Staff to develop alternatives to any Other Legislation or to any amendments, modifications, or substitutes proposed for any TMRS initiated legislation for consideration and action by the Board.
- E. Review and approve meeting minutes.
- F. Report to the Board on its activities.

Consistent with applicable statutory parameters and applicable Board policies, Staff will:

- Prepare Committee meeting minutes.
- Prepare regular updates of relevant legislative related issues and proposed legislation of possible impact to the System and report to the Committee and Board as appropriate.
- Provide technical comments, fiscal information, and unbiased analysis, including the advantages and disadvantages of proposals, to the legislative sponsor and the appropriate legislative bodies and staff, when appropriate.

Charter Review and History

This charter will be reviewed at least every four years.

The Board adopted this charter on December 8, 2016.