



Continuation of TMRS Governance Discussion – Board Officer Positions

TMRS Board of Trustees Meeting

Presented in Connection with TMRS Strategic Plan Goal 3

September 26-27, 2019



Recap of August Meeting Discussion



- Reviewed a sampling of peer research and discussed “difference drivers”
- Discussed expectations for Board Chair and Vice-Chair positions
- Identified a model with a 1-year term
- Directed Mosaic and Staff to bring more detail on how model could work for additional discussion
- Did not resolve role of Board Chair and Vice-Chair positions with respect to Legislative Committee and Advisory Committee on Benefit Design

Discussion of Board Chair Current Model and Alternative Identified at August Meeting

Current Model

- 1-year term (Informal Practice)
- No term limit per ByLaws
- Preference for Rotation of Board Chair (Informal Practice)
- Presumption that Vice-Chair becomes Chair (Informal Practice)

August Meeting Consensus Model

- 1-year term (explicit)
- No term limit per ByLaws
- No preference for Rotation of Board Chair
- Preference, but not a requirement that the Vice-Chair becomes Chair

**BYLAWS OF THE BOARD OF TRUSTEES
OF THE TEXAS MUNICIPAL RETIREMENT SYSTEM
(As Amended Through December 4, 2014 _____, 2019)**

CHAPTER 1

ORGANIZATION OF THE BOARD OF TRUSTEES

Section 1.1 Authority. The Texas Municipal Retirement System of Texas (hereinafter sometimes referred to as “TMRS” or “the retirement system”) is an agency of the State of Texas, organized and existing pursuant to Texas Government Code, Title 8, Subtitle G (the “TMRS Act”). Section 855.101 of the TMRS Act provides that the TMRS Board of Trustees (hereinafter sometimes referred to as the “Board”) is responsible for the administration of the retirement system. The assets of TMRS are required by state and federal law to be held in trust for the exclusive benefit of its participants and beneficiaries. (See Texas Government Code, Sections 851.002 and 855.101; United States Internal Revenue Code, Section 401(a).) The Board of Trustees of TMRS is the trustee of all assets of TMRS, is responsible for the general administration and operation of TMRS, and is authorized to adopt rules for the administration of TMRS and the transaction of the business of the Board. (See Texas Government Code, Sections 855.101, 855.102).

Section 1.2 Composition. The Board of Trustees is composed of six members, who serve staggered terms of six years each, two of which expire on February 1 of each odd-numbered year. (See Texas Government Code Sections 855.001 and 855.004.) Trustees are appointed by the Governor, with the advice and consent of the Senate (Texas Government Code, Section 855.002). The TMRS Act provides that three Trustees are to be “executive trustees” (the chief executive officer, chief finance officer, or other officer, executive, or department head of a participating municipality) and the other three are to be “employee trustees” (an employee of a participating municipality); two or more trustees may not be employed by or serve the same municipality (Texas Government Code, Section 855.003).

What
Adjustments are
Needed to the
ByLaws?
(please see handout)

What is the Consensus Preference of the Board?

1. Should we proceed with the updates to the ByLaws? Any additional clarifications needed?

2. Are there any additional responsibilities that the Board would like to discuss for the Vice-Chair position?

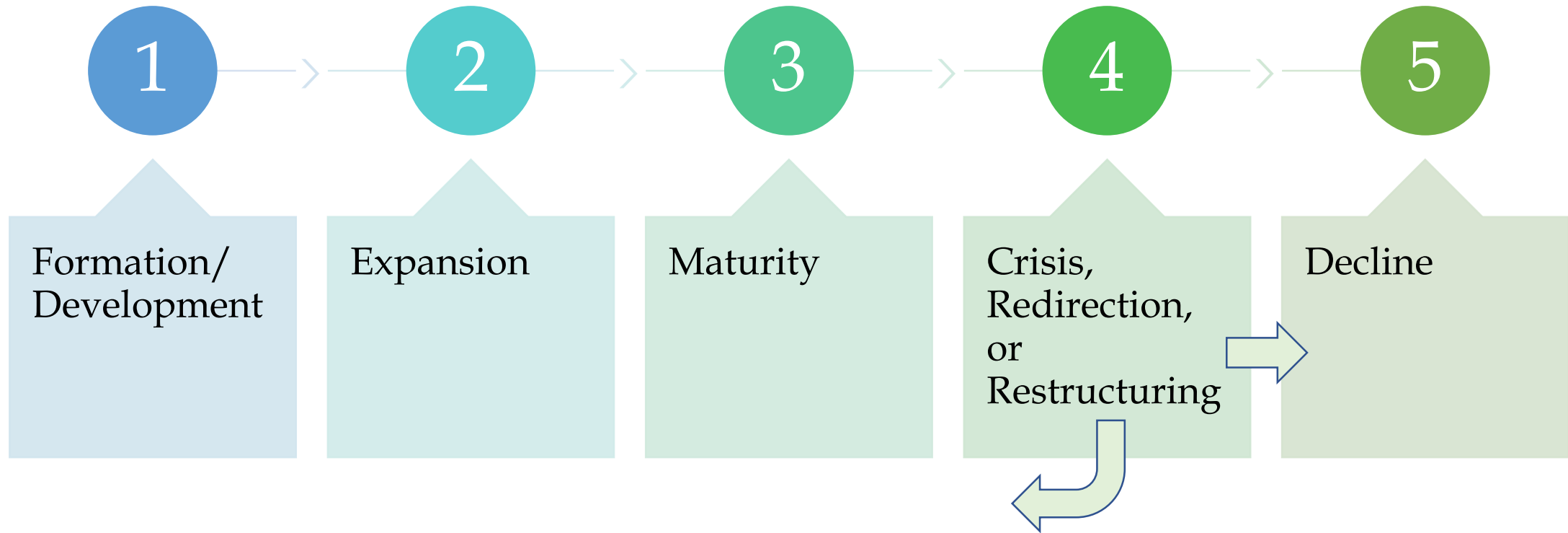
3. Is the Board Chair simply a member of the Legislative Committee, or should service as Committee Chair be required?

4. Is the Vice-Chair simply a member of the Advisory Committee on Benefits Design, or should service as Committee Chair be required?



Next Steps | Open Discussion

Appendix: Common Organizational Lifecycle Stages



Where in the organizational lifecycle is TMRS today?