



Continuation of TMRS Governance Discussion – Draft Board/Committee Work Plan

TMRS Board of Trustees Meeting

Presented in Connection with TMRS Strategic Plan Goal 3

September 26-27, 2019



Why a Work Plan?



✓ *An annual work plan is considered a board governance best practice.*

- Links the Board's work for the next 1-year period to the broader Strategic Plan and Board priorities
- Serves as a helpful filter to address new issues
- Sets expectations for when routine action items and strategic items will be addressed
- Ensures ample meeting time exists to address items
- Helps balance organizational workload
- Creates a rhythm between the work of the Committees and the full Board

2020 Draft Board/Committee Work Plan

Assumptions:

- Slate of investment manager searches not included
- Includes continuation of investment beliefs development (Goal 1, Obj. B)
- Includes exploration of internal asset management feasibility through dedicated full Board education time

Please see Handout



TEXAS MUNICIPAL RETIREMENT SYSTEM								
Preliminary DRAFT Proposed 2020 Board Workplan - Full Board								
Agenda Topic	February	March	May (Joint AC Mtg)	June	August	September	October	December
Plan Overview	Executive Director Update	Executive Director Update; Executive Director and Staff Reports	Executive Director Update	Executive Director Update; Executive Director and Staff Reports	Executive Director Update	Executive Director Update; Executive Director and Staff Reports	Executive Director Update	Executive Director Update; Executive Director and Staff Reports
Investments	Investment Beliefs/Education		Investment Beliefs/Education		Investment Beliefs/Education		Investment Beliefs/Education	
	Portfolio Risk Review				Asset Allocation Study, Real Estate Asset Class and Real Return Asset Class Annual Review	Absolute Return Annual Asset Class Review	Private Equity/Asset Class Annual Review	Fixed Income Asset Class Annual Review
	RVK Quarterly Report/Asset Class Updates		RVK Quarterly Report/Asset Class Updates		RVK Quarterly Report/Asset Class Updates		RVK Quarterly Report/Asset Class Updates; Annual IPS Review	2019 Systemwide Pricing Plan; Annual IPS Review
CIO Management Update	CIO Management Update	CIO Management Update	CIO Management Update	CIO Management Update	CIO Management Update	CIO Management Update	CIO Management Update	CIO Management Update
Funding & Actuarial Matters		2020 Interest Credit Allocation to the Benefit Accumulation Fund and Interest Reserve Account	2019 Actuarial Valuation and Approval of 2021 Contribution Rates and Supplemental Death Benefit Contribution Rates					
Operations & Finance/Accounting	Receive Risk Assessment and 2019-2020 Audit Plan; External Audit Plan for 2019 and Service Organizational Control	Quarterly Internal Audit Committee Update		2019 External Audit Results and Audit Report; 2019 CAFR; SOC-1 Report; Quarterly Internal Audit Committee Update		Quarterly Internal Audit Committee Update	2019 Preliminary Operating Budget	2019 Proposed Operating Budget; Transferring Monies from Interest Reserve Account to Expense Fund; Quarterly Internal Audit Committee Update
Benefits & Services	Ratification of Ordinances Adopting USC and/or Annuity Increases Effective 1/1/20	Pension Administration System Update		Pension Administration System Update		Pension Administration System Update		Pension Administration System Update
Legislative		Discuss Possible Items for 2021 Legislative Agenda; Consider and Assign Study Topics to the Advisory Committee on Benefits Design		Presentation on Advisory Committee Outcomes	Preliminary Discussion on Possible 2021 Legislative Agenda	Finalize 2021 Legislative Agenda		
Governance/Trustee Education	Appointments/Reappointments to the Advisory Cmte on Benefits Design; TMRs Trustee Training; Fiduciary and Ethics Update; Board Governance Manual Group 1 Policy Review	Government Relations Consultant RFP Decision; Board Governance Manual Group 1 Policy Review	Annual Economic Outlook Presentation; Public Pension Trends Presentation; Strategic Plan Update; Board Governance Manual Group 1 Policy Review	TMRs Trustee Training; Board Governance Manual Group 1 Policy Review	Board Self-Assessment; Board Governance Manual Group 1 Policy Review	Appointments/Reappointments to the Advisory Cmte on Benefits Design; TMRs Trustee Orientation/Training; 2019 Board Meeting Dates and Locations; Board Governance Manual Group 1 Policy Review	TMRs Trustee Orientation/Training; Board Governance Manual Group 1 Policy Review	Appointments to Board Committees and Advisory Committee on Benefits Design; Election of Board Officers; Board Governance Manual Group 1 Policy Review; Fiduciary Counsel RFP Interview Decision
Personnel	Executive Director Search Update/Interviews	Executive Director Search Update/Interviews		Internal Auditor and General Counsel Performance Evaluation and Compensation				

Approach to
Board Policy
Manual
Development:
Group 1
Policies* (16
total items)

October/December 2019

1. Bylaws
2. Board Administrative Governance Policy
3. Statements of Delegation within the Bylaws and Investment Policy Statement (IPS)
4. Board and Board Members Roles and Responsibilities
5. Board Meeting Attendance by Telephone or Videoconference
6. IPS

**At the July 2019 Governance Workshop, the Board identified a group of policies that were to be updated or developed as a first priority in the coming year.*

Approach to
Board Policy
Manual
Development:
Group 1
Policies (*cont'd*)

February/March 2020

7. Actuarial Funding Policy
8. Service Provider/Board Consultant Selection and Evaluation Policy

May/June 2020

9. Ethics Policy
10. Insider Trading
11. Pay to Play Prohibition
12. Placement Agents

August/September 2020

13. Compensation Administration Guidelines

Approach to
Board Policy
Manual
Development:
Group 1
Policies (*cont'd*)

October/December 2020

14. Introduction and Purpose of the Governance Policy Manual
15. Brief Overview of the Retirement System
16. Organizational/ Accountability Chart

Assumptions

Standard practice will be to design two readings of each policy with the Board

- 1st reading
- 2nd reading/approval, if at all possible

Some policies may take more than two readings

Mosaic and staff will use best efforts to align with the timing as outlined; adjustments may be necessary

Questions for the Board

1. What clarification or edits are needed to the draft work plan as presented?

2. Are there any additional items that the Board would like to take on?

3. Are there any items, to the extent they are not a required action, that the Board would like to postpone until a later time?

4. Does staff believe that the work plan as presented is realistic?

5. Any other comments or questions?

Next Steps | Open Discussion