












November 2024 Governance and HR Committee

Schedule	Thursday, November 14, 2024 12:45 PM — 1:00 PM CST
Venue	4700 Mueller Blvd., Austin, TX 78723
Notes for Participants	This has been posted at 12:15 start time; if earlier meeting(s) run short it can be started.
Organizer	Sarah McCleary

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1. Call roll of Committee members

Presented by Kelly Crook



COMMITTEE MEETING Agenda Item Information Sheet

AGENDA ITEM 1: Call roll of Committee members

AGENDA ITEM OBJECTIVE

The objective of the agenda item is to determine for the record which Trustees are present at the start of the meeting.

Please note that logging in to this meeting in real-time on Convene will automatically mark you as “present”. Sarah will indicate in the minutes if you are in person or virtual. If there are any Trustees who have not yet logged into Convene, please indicate to Sarah so she can mark you as present.

2. Review order of business and establish meeting objectives

Presented by Kelly Crook



COMMITTEE MEETING Agenda Item Information Sheet

AGENDA ITEM 2:

Review order of business and establish meeting objectives

AGENDA ITEM OBJECTIVE

This agenda item provides Trustees the opportunity to review the order of business and to express a desire to take an agenda item out of order, and to discuss the key objectives of the meeting.

1. The Committee will conduct its scheduled review of the Committee Charter.
2. The Committee will review the work done by the Committee in 2024 and discuss the development of the 2025 Committee Work Plan.

RELEVANCE TO STRATEGIC PLAN

This agenda item meets **COAERS Strategic Plan Goal 4: Identify and implement leading practices in board governance, pension administration, and investment management**. It is an industry best practice to establish meeting objectives and review them at the outset of each meeting.

3. Receive public comments

Presented by Kelly Crook



COMMITTEE MEETING Agenda Item Information Sheet

AGENDA ITEM 3: Receive public comments

AGENDA ITEM OBJECTIVE

This standing agenda item allows System members and members of the public the opportunity to provide comments to the Board.

The Chair will recognize any person who wishes to comment for up to three minutes per person.

RELEVANCE TO STRATEGIC PLAN/CORE COMPETENCIES

This agenda item meets the core competency established in the **COAERS Strategic Plan** “*Transparency: Complying with open meeting and public information laws to ensure the decision-making process is clear to members and the public.*”

4. Consider approval of the August 30,
2024 Governance and HR Committee
minutes

Presented by Kelly Crook



COMMITTEE MEETING Agenda Item Information Sheet

AGENDA ITEM 4:

Consider approval of the August 30, 2024 Governance and HR Committee minutes

AGENDA ITEM OBJECTIVE

This standing agenda item seeks approval of the minutes from the prior Governance and HR Committee meeting.

RECOMMENDATION FOR COMMITTEE ACTION

Staff recommends approval of the minutes of the August 30, 2024 Governance and HR Committee meeting.

RELEVANCE TO STRATEGIC PLAN

This agenda item meets the core competency established in the **COAERS Strategic Plan** “*Transparency: Complying with open meeting and public information laws to ensure the decision-making process is clear to members and the public.*”

ATTACHMENT

1. Draft minutes of August 30, 2024 Governance and HR Committee meeting



MINUTES
GOVERNANCE AND HR COMMITTEE
Public Meeting held in person and videoconference

Pursuant to Texas Govt. Code 551.127
4700 Mueller Blvd., Austin, TX 78723
Friday, August 30, 2024

Committee Members
Present/ (Absent)

Brad Sinclair, Committee
Chair
Kelly Crook
Yuejiao Liu

* Present telephonically

† Present via
videoconference

Other Board Trustees
Present/ (Absent)

Michael Benson
Michael Granof
(Dick Lavine)
Chris Noak
Anthony B. Ross
(Leslie Pool)
(Diana Thomas)
(Ed Van Eenoo)

Guests

Paige Saenz, General
Counsel

Others Present:
Staff

Christopher Hanson
Russell Nash
Sarah McCleary
Jenni Bonds
Mehrin Rahman
Yun Quintanilla
Teresa Cantu*
David Kushner*
Amy Kelley*

1 Call roll of Committee members

Committee Chair Brad Sinclair called the meeting to order at 11:25 a.m. The following Committee members were present in person: Sinclair, Liu, and Crook.

2 Review order of business and establish meeting objectives

Committee Chair Sinclair reviewed the order of business and objectives with the Committee. There were no changes to the order of business for the meeting.

3 Receive public comments

Committee Chair Sinclair asked if there were any members of the public who wished to speak, either now or during an agenda item. There were no public comments.

4 Consider approval of the March 6, 2024 Governance and HR Committee minutes

Committee Chair Sinclair asked Trustees to review the minutes. Mr. Ross noted that the start time was incorrect. Ms. Kelly Crook moved to approve the March 6, 2024 Governance and HR Committee minutes as amended. Ms. Yuejiao Liu seconded, and the motion passed unanimously.

5 Discuss and consider Emergency Succession Policy

Mr. Christopher Hanson presented the Emergency Succession Policy to the Committee. Mr. Hanson noted that the Policy is required to be reviewed annually, and that staff did not have any proposed revisions. Ms. Liu moved to refer to the Board approval of the Emergency Succession Policy as presented, with direction to place this item on the Consent Agenda. Ms. Crook seconded, and the motion passed unanimously.

6 Discuss and consider Diversity Policy

Mr. Hanson presented the Diversity Policy to the Committee and noted the recommendation to change the review cycle to at least every three years from the current annual requirement. Ms. Crook moved to refer to the Board approval of the Diversity Policy as presented, with direction to place this item on the Consent Agenda. Ms. Liu seconded, and the motion passed unanimously.

7 Review key meeting takeaways and call for future agenda items

Committee Chair Sinclair summarized the actions taken and information discussed at the meeting and provided an opportunity to add future agenda items.

As there were no other items to be discussed, the meeting adjourned at 11:32 a.m.

5. Discuss and consider Governance and HR Committee Charter

Presented by Kelly Crook



COMMITTEE MEETING Agenda Item Information Sheet

AGENDA ITEM 5:

Discuss and consider Governance and HR Committee Charter

AGENDA ITEM OBJECTIVE

This agenda item is intended for the Committee to conduct its scheduled review of the Governance and HR Committee Charter.

RECOMMENDATION FOR BOARD ACTION

Staff recommends the Committee refer to the Board for adoption the proposed revisions to the charter.

ITEM SUMMARY

The Committee Charter is to be reviewed at least every three years, and its review is on the Committee work plan for 2024. Staff has reviewed the Committee Charter and has two proposed revisions:

1. Update the charter language related to the frequency of meetings; and
2. Update the date of last review and adoption.

RELEVANCE TO STRATEGIC PLAN

This agenda item meets **COAERS Strategic Plan Goal 4: Identify and implement leading practices in board governance, pension administration, and investment management**. Regular review of Committee Charters is a best practice and ensures the Board is carrying out its governance functions effectively.

ATTACHMENT

1. Draft Governance and Human Resources Committee Charter

City of Austin Employees' Retirement System Charter for the Governance and Human Resources Committee

INTRODUCTION

The Governance and Human Resources Committee (Committee) has been established to support the City of Austin Employees' Retirement System (COAERS) Board in promoting the best interests of COAERS, its members, retirees, and beneficiaries through the implementation of Board governance policies that promote good, fair, and open decision-making and sound human resource practices that enhance the attraction, retention, and fair treatment of skilled professionals.

The Committee is committed to actively seeking governance best practices or regulatory constructs and focusing the Board on the utilization of tools and methods available to proponents of good corporate governance to enhance Board performance. The extent of the Committee's actions will vary on a case-by-case basis.

AUTHORITY

The Committee will consider matters necessary to assist the Board in its strategic planning and governance activities, as well as human resource responsibilities. The Committee may engage professional service consultants and counsel, as necessary. All Committee actions must be ratified or adopted by the Board.

COMPOSITION

The Committee shall consist of at least three (3) members.

MEETINGS

The Committee shall meet at ~~least quarterly~~ three times a year and on an as-needed basis as determined by the Committee Chair and will be subject to the Open Meetings Law.

POSITION DESCRIPTION FOR CHAIR OF GOVERNANCE AND HUMAN RESOURCES COMMITTEE

The Chair of the Committee shall:

1. Provide leadership to enhance the Committee's effectiveness by:
 - a. Facilitating all Committee meetings and ensuring that all proceedings and committee decisions are accurately recorded.
 - b. Overseeing the discharge of the Committee's responsibilities, including its reporting to all Board Trustees.
 - c. Ensuring that the areas of responsibilities of the Committee and management are understood and respected by both.
2. Act as the liaison between the Committee and management by working with the Executive Director or their delegate to:
 - a. Carry out the annual calendar of the Committee's business.

- b. Set the agenda for each Committee meeting.
 - c. Ensure that proper information is brought to the Committee, including regular management reports and documentary materials in support of management's proposals.
3. In concert with management, provide the insight for Enterprise Risk Management by providing input into COAERS' top governance and human resources risks as part of the COAERS' overall risk framework.

RESPONSIBILITIES

The Governance and Human Resources Committee shall have the authority and responsibility for the following:

Human Resources

1. To develop and review relevant human resource policies to protect the System's ability to attract and retain talented employees and make recommendations for change.
2. To ensure that the Executive Director compensation program is properly designed to support organizational objectives.
3. To determine the components (base salary, incentive, benefits) of the Executive Director total compensation and their respective measures.
4. To develop policies that document the Executive Director compensation plan and its administration.
5. To review periodic reports and decide on appropriate labor market benchmarks (select appropriate peer groups) to be utilized in the competitive assessment of the Executive Director's total compensation package.
6. To conduct a periodic examination of the Executive Director compensation structure to assess its competitiveness and recommend adjustments, if warranted.
7. To lead and administer the Executive Director annual performance review cycle.
8. To review the criteria that are used for Executive incentive awards to ensure that the performance measures are relevant and effective.
9. To ensure that the Executive Director periodically reviews labor market data on the System's employees to assess the impact of the compensation plan on the recruitment and retention of staff.
10. To oversee preparation and maintenance of an organizational succession plan that provides for continuity in senior management and other critical positions within the System, with specific focus on the Executive Director position.
11. To review emerging and significant human resources risks and to report those risks to the Board.
12. To ensure that the Executive Director operates within policy parameters pertaining to compensation and performance program administration.

Governance

13. To oversee the Board's development of appropriate processes to ensure governance policies are current and that COAERS' actions are compliant with such policies.
14. To establish processes and methods to maintain and monitor standards of Board conduct as well as Board compliance with ethics and conflict of interest policies.
15. To review and make recommendations to the Board for the format and organization of the Board's policies, including the content on Board governance.
16. To review the overall effectiveness of the Board on an ongoing basis and recommend improvements where warranted.
17. To recommend changes in the structure of the Board meetings and the preparation of materials and records of Board actions.
18. To recommend the roles and responsibilities of the various committees of the Board.
19. To assess and inventory trustee skills and work to proactively manage their strength and composition through strong communication and nomination practices.
20. To oversee and facilitate educational opportunities for Board trustees.
21. To oversee the process for the election of those trustees elected by members.
22. To oversee the maintenance and delivery of the Board's orientation program for all new trustees.
23. To review and recommend to the Board the delegation of organizational management authority to the Executive Director.
24. To recommend the hiring or termination of corporate governance advisors.
25. To identify the need for and to recommend to the Board positions relating to Board governance.
26. To adhere to the various Board policies established by the Board.
27. To review emerging and significant governance risks and to report those risks to the Board.
28. The Committee shall perform other duties as may from time to time be assigned by the Board of Trustees.

CHARTER REVIEW AND HISTORY

1. This Charter will be reviewed at least every three years for continued relevancy and appropriateness.
2. The Board adopted this Charter on ~~January 31, 2022~~ December 17, 2024.

6. Review 2024 Committee Work Plan and discuss development of 2025 Work Plan

Presented by Christopher Hanson



COMMITTEE MEETING Agenda Item Information Sheet

AGENDA ITEM 6:
Review 2024 Committee Work Plan and
discuss development of 2025 Committee Work Plan

AGENDA ITEM OBJECTIVE

This agenda item is for the Committee to review the work done by the Committee in 2024 and discuss the development of the 2025 Committee work plan.

RELEVANCE TO STRATEGIC PLAN

This agenda item meets **COAERS Strategic Plan Goal 4: Identify and Implement Best Practices**. It is an industry best practice to establish and review Committee work plans.

RECOMMENDATION FOR BOARD ACTION

At the Committee's discretion.

ATTACHMENTS

1. 2024 Committee Work Plan
2. Draft 2025 Committee Work Plan



Governance and HR Committee 2024 Work Plan

2024 Governance and HR Committee Work Plan

Scheduled Meetings

1. March meeting
 - ✓ Board Bylaws
 - ✓ Appointments to Fill Unexpired Terms Policy
 - ✓ Election Policy
2. August meeting
 - ✓ Emergency Succession Policy
 - ✓ Diversity Policy
3. November meeting
 - ✓ Committee Charter
 - ✓ 2025 Work Plan

2025 Governance and HR Committee Work Plan

Scheduled Meetings

1. March meeting
 - Election Policy
 - Board Bylaws
2. August meeting
 - Code of Ethics Policy
 - Emergency Succession Policy
3. November meeting
 - Personnel Policy
 - 2026 Work Plan

7. Review key meeting takeaways and call for future agenda items

Presented by Kelly Crook



COMMITTEE MEETING Agenda Item Information Sheet

AGENDA ITEM 7:

Review key meeting takeaways and call for future agenda items

AGENDA ITEM OBJECTIVE

This standing agenda item provides Trustees the opportunity to review the key takeaways from the meeting.

RECOMMENDATION FOR COMMITTEE ACTION

Trustees will review key meeting takeaways and delineate next steps.

RELEVANCE TO STRATEGIC PLAN

This agenda item meets **COAERS Strategic Plan Goal 4: Identify and implement leading practices in board governance, pension administration, and investment management**. It is an industry best practice to review key meeting takeaways to summarize what was accomplished at the meeting as well as ensure Staff has clear direction on further work and future agenda items.