



**MINUTES**

**BOARD MEETING**

Public Meeting held in-person and telephonically on September 21, 2021 at 1:30 pm CT

Pursuant to Texas Govt. Code 551.125 – COVID-19 circumstances

<u>Board Members Present</u>	<u>Board Members Absent</u>	<u>Staff:</u>
Kelly Crook		Christopher Hanson
Michael Benson, Vice-Chair		Russell Nash†
Amy Hunter		Donna Boykin*
Yuejiao Liu†	<b><u>Guests:</u></b>	Sarah McCleary
Frank Merriman†	Paige Saenz, General	David Stafford*
Chris Noak, Chair	Counsel**	Kelly Doggett*
Leslie Pool	Lewis Ward, GRS*	Ty Sorrel*
Anthony B. Ross, Sr.	Kevin Wyllie, RVK*	Jenni Bonds*
Brad Sinclair	Peter Landers, GGA†	Mehrin Rahman
Randy Spencer	Brad Kelly, GGA†	Michelle Mahaini*
Diana Thomas	Cyril Espanol,	Yun Quintanilla*
	PageantMedia*	Teresa Cantu*
	Lyssette Galvan*	Amy Kelley*

\* present telephonically  
† present via videoconference

**1 Call meeting to order**

Chair Chris Noak called the meeting to order at 1:31 p.m.

**2 Call roll of Trustees**

Ms. Sarah McCleary called the roll and all eleven Trustees were present.

**3 Review order of business and establish meeting objectives**

Chair Noak reviewed the objectives of the meeting and asked if Trustees needed to take any agenda items out of order. No changes were made to the agenda, though Mr. Randy Spencer noted he had a hard stop at 4:55 p.m.

**4 Receive System member and public comments**

Chair Noak asked if there were any visitors who wished to make a public comment. There were none.

**5 Receive reports on the following Board administrative matters including:**

- A. 2021 meeting calendar**
- B. Quarterly ethics policy disclosure form**
- C. Report from August 20, 2021 Investment Committee**
- D. Report from August 26, 2021 Governance Committee**
- E. Report from August 31, 2021 Disability Committee**
- F. Report from August 31, 2021 Audit and Risk Committee**
- G. Report from August 31, 2021 Benefits and Services Committee**
- H. Report from August 31, 2021 Policy Committee**

Chair Noak noted the presence of the calendar, ethics form, and Committee reports in the packet and asked Trustees to direct any questions to Staff. It was noted that the October workshop would begin at 9 a.m., and that the December date should read 2021 not 2020.

Donna Boykin declared participation in group calls to accounting firms who responded to COAERS' Financial Auditor RFP and their references.  
Russell Nash declared meetings with Mark Horvath from Greenshades.

**6 Consent items**

**All of the following items may be acted upon by one motion. No separate discussion or action on any of the items is necessary unless desired by a Trustee.**

- A. Ratification of June, July, and August 2021 retirements**
- B. June 17, 2021 called Board Meeting minutes**
- C. June 29, 2021 Board Meeting minutes**
- D. July 28, 2021 called Board Meeting minutes**
- E. July 28, 2021 Member Meeting minutes**
- F. Ratification, confirmation, and approval of Disability Committee recommendation on disability application #2105**

Mr. Anthony Ross moved to approve the Consent Agenda as presented. Mr. Michael Benson seconded, and the motion passed unanimously.

**7 Discuss and consider the recommendation of the Investment Committee to adopt the Premier List for Global Equities and associated funding plan**

Mr. David Stafford presented proposed revisions to the Global Equity Premier Lists, including recommendations for a passive inflation-oriented US equities index, a passive currency-hedged developed market index, and to rebalance the Fund to reduce risk given the modest overweight to Global Equities.

Mr. Ross moved to approve the proposed Premier List for Global Equities and the associated Funding Plan. Mr. Randy Spencer seconded, and the motion passed unanimously.

**8 Discuss and consider the recommendation of the Governance Committee to approve the Board Communications Policy**

Mr. Brad Kelly of GGA presented a proposed Board Communications Policy, noting revisions after discussion with the Governance Committee. Staff also noted additional language in the Policy concerning social media for Trustees.

Mr. Brad Sinclair moved to approve the Board Communications Policy as presented. Mr. Ross seconded, and the motion passed unanimously.

**9 Receive educational presentation on performance management best practices**

Trustees received an educational presentation outlining best practices for performance management. The presentation reviewed the benefits of the performance management programs, and steps for implementation. The presentation ran from 2:21 p.m. to 3:21 p.m. and will be recorded as PRB-approved continuing education.

*Trustees took a break from 3:22 p.m. to 3:32 p.m.*

**10 Discuss and consider the recommendation of the Audit and Risk Committee to adopt proposed Travel Reimbursement Policy**

Mr. Russell Nash outlined the proposed changes to the Travel Reimbursement Policy, most of which were made to update the policy to current terminology and the emergence of ride-share programs.

Mr. Ross moved to approve the Travel Reimbursement Policy as proposed. Mr. Benson seconded, and the motion passed unanimously.

**11 Discuss and consider the following recommendations from the Policy Committee:**

**A. Adoption of the nomination process for Trustee Place 5**

Mr. Christopher Hanson presented a proposed process for the nomination and appointment of Trustee Place 5. Trustees discussed the mechanics of the proposed process, including how to utilize the Board Skills Matrix. Trustees directed Staff to work with General Counsel to create an interview process that can be recorded or allow Trustees who cannot join the interviews the opportunity to meet applicants.

Mr. Ross moved to approve the process for the nomination and appointment for Trustee Place Five as proposed. Ms. Diana Thomas seconded, and the motion passed unanimously.

**B. Adoption of the Board Personnel Policy**

Mr. Hanson requested the opportunity to bring the Policy back to the Committee for revision prior to the Board vote.

**12 Discuss and consider 2022 retiree annuity adjustment**

Mr. Nash reported on the recommendation of COAERS consulting actuary that the conditions had not been met to recommend an annuity adjustment for 2022.

Mr. Benson moved to accept the GRS recommendation. Mr. Ross seconded, and the motion passed unanimously.

**13 Discuss and consider COAERS strategic planning**

Mr. Hanson noted the wordsmithing since the last discussion and asked for direction prior to the Board Workshop.

For goals, the following direction was given:

Goal 1: Option "A" *Achieve and maintain a funding level that ensures the long-term sustainability of the retirement system*

Goal 2: Keep current language *Responsibly manage the risks of the System*

Goal 3: Option "C" *Provide high-quality stakeholder services, education, and experience*

Goal 4: Option "A" *Identify and implement leading practices in board governance, pension administration, and investment management*

Goal 5: Keep current language *Identify opportunities to capitalize on organizational strengths*

Trustees also discussed the use of measurable objectives for each goal and decided to revisit the measurables at the Board workshop in October.

**14 Discuss and consider the Executive Director's report on the following matters:**

**A. Administrative budget, operational matters, and staffing**

Mr. Hanson presented the year-to-date administrative budget and briefed Trustees on operational matters including return-to-office plans.

**B. MET Report and upcoming educational programs and conferences**

Mr. Hanson presented a list of upcoming educational opportunities and reported that all Trustees were on track to complete required training hours.

**C. October Board workshop**

Mr. Hanson noted the draft agenda for the workshop, which will be held in person at the COAERS Board Room.

**15 Review key meeting takeaways and call for future agenda items**

Chair Noak summarized the meeting.

As there were no further items to address, the meeting adjourned at 4:30 p.m.

These minutes were approved at the December 14, 2021 Board Meeting.