








# November Legislative Committee

<b>Schedule</b>	Thursday, November 9, 2023 1:30 PM — 2:00 PM CST
<b>Venue</b>	6850 Austin Center Blvd., Suite 320, Austin, TX 78731
<b>Organizer</b>	Sarah McCleary

## Agenda

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# 1. Call roll of Committee members

Presented by Committee Chair Crook

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.

Each Trustee should respond to the roll call, and it will be noted which Trustees are present in person and which Trustees have joined via video conference.

## 2. Review order of business and establish meeting objectives

Presented by Committee Chair Crook

**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.

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.

MEETING OBJECTIVES

1. The Committee will receive a report on COAERS governmental relations consultant and consider an agreement for consulting services for 2024.
2. The Committee will review its 2023 Work Plan and discuss the development of the 2024 Committee Work Plan.

3. Consider approval of the June 15, 2023  
Legislative Committee minutes  
Presented by Kelly Crook

**AGENDA ITEM 3:**

Consider approval of the June 15, 2023 Legislative Committee minutes

**AGENDA ITEM OBJECTIVE**

This standing agenda item seeks approval of the minutes from the prior Legislative 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.*”

**RECOMMENDATION FOR COMMITTEE ACTION**

Staff recommends approval of the minutes of the June 15, 2023 Legislative Committee meeting.

**ATTACHMENT**

1. Draft minutes of June 15, 2023 Legislative Committee meeting





**MINUTES**

**LEGISLATIVE COMMITTEE**

Public Meeting held in person and videoconference

On June 15, 2023 at 12:30 p.m. CT

Pursuant to Texas Govt. Code 551.127 – COVID-19 circumstances

**Committee Members**

**Present/ (Absent)**

Kelly Crook, Committee  
Chair  
(Yuejiao Liu)  
Leslie Pool

**Other Board Trustees**

**Present/ (Absent)**

Anthony Ross  
Diana Thomas  
(Michael Granof)  
Dick Lavine†  
Brad Sinclair  
Amy Hunter†  
Chris Noak†  
Michael Benson†

**Others Present:**

*Staff*

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

\*Present telephonically

† Present via  
videoconference

*Guests*

Paige Saenz, General  
Counsel\*  
Eddie Solis, HillCo\*  
Lewis Ward, GRS

**1 Call roll of Committee members**

Committee Chair Kelly Crook called the meeting to order at 12:40 p.m. The following Committee members were present in person: Crook and Pool.

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

Committee Chair Crook reviewed the order of business and objectives with the Committee. There were no changes to the order of business for the meeting. Committee Chair Crook asked if there were any members of the public who wished to speak, either now or during an agenda item. There were no comments.

**3 Consider approval of the February 24, 2023 Legislative Committee minutes**

Committee Chair Crook asked Trustees to review the February 24, 2023 minutes. Ms.

Leslie Pool moved to approve the February 24, 2023 Legislative Committee minutes as revised. Committee Chair Crook seconded, and the motion passed 2-0.

**4 Discuss and consider 88th Legislative Session including:**  
**A. COAERS/City of Austin pension legislation**  
**B. Other legislation impacting COAERS**

*Mr. Michael Benson arrived at 12:42 p.m.*

*Mr. Anthony Ross arrived at 12:53 p.m.*

Mr. Christopher Hanson reported on S.B. 1444, which was signed into law on May 29. He also reported that another bill COAERS had been closely watching did not pass. Mr. Hanson thanked the members of the City working group, the Board, the bill sponsors, and others who helped in the process to pass S.B. 1444.

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

Committee Chair Crook summarized the actions taken and the information discussed during the meeting and asked for any future agenda items.

As there were no further items to address, the meeting adjourned at 1:00 p.m.

## 4. Discuss and consider governmental relations consultant

Presented by Kelly Crook

**AGENDA ITEM 4:**  
Discuss and consider governmental relations consultant

AGENDA ITEM OBJECTIVE

This agenda item is intended for the Committee to receive a report regarding the governmental relations consultant and to consider an engagement with the consultant for 2024.

RELEVANCE TO STRATEGIC PLAN

This agenda item is part of **COAERS Strategic Plan Goal 1: Achieve and maintain a funding level that ensures the long-term sustainability of the fund.** The Board established action items in Goal 1 including enacting legislation related to long-term plan sustainability and engaging COAERS stakeholders leading up to the legislative session.

RECOMMENDATION FOR COMMITTEE ACTION

Staff recommends the Committee refer to the Board for approval the consulting agreement with HillCo as presented pending final approval by General Counsel.

BACKGROUND

Since 2018, COAERS has engaged HillCo Partners (HillCo) for governmental relations and public affairs consulting. Staff will present to the Committee a report on the work of HillCo during 2023 and then discuss the proposed consulting agreement with HillCo for 2024.

ATTACHMENTS

1. Staff Assessment of Governmental Relations Consultant
2. Proposed HillCo agreement January 2024 through December 2024

**Summary rating: Outstanding.**

HillCo Partners provided objective, strategic advice during the 88<sup>th</sup> Legislative Session ensuring the passage of COAERS and the City of Austin's long-term pension sustainability legislation (SB 1444).

**History:** HillCo Partners (HillCo) has worked with COAERS as a governmental relations consultant since 2018. Up until the 88<sup>th</sup> Legislative Session, HillCo focused on monitoring legislative activity related to public pensions and COAERS specifically, as well as providing reports on meetings and hearings of the Texas House and Senate during legislative sessions and in the interim. HillCo also provided updates on matters related to the Texas Pension Review Board, including meeting updates and notice of relevant events such as rule comment periods.

**Terms of Representation:** COAERS engagement with HillCo has been through a consulting agreement. The original agreement ran from April 1, 2018, through June 30, 2019. In subsequent years, engagements occurred through the amendment of the original agreement by changing the representation date to align with calendar years. The fee for services has been \$4,000 per month for a total of \$48,000 per year. Beginning in January 2023, COAERS engagement with HillCo expanded to include the introduction and passage of COAERS and the City of Austin long-term pension sustainability legislation. The cost of engagement services during the 88<sup>th</sup> Legislative Session increased to \$10,000 per month through June 30, 2023, then was lowered to the historical rate of \$4,000 per month beginning July 1, 2023.

**Consultant:** Mr. Eddie Solis has served as the primary consultant for COAERS during the history of the engagement with HillCo. Mr. Solis has a long history working with Texas public retirement systems, both as a governmental relations consultant and as a member of the Staff of the Texas Municipal Retirement System. Beyond Mr. Solis, HillCo has at times made available other members of their leadership team, including Mr. Bill Miller, a founder of the firm.

**COAERS/CoA Legislation:** During the session, Mr. Solis provided perspective and advice on possible bill sponsors, the approach to committee testimony, managing potential legislative roadblocks, and addressing concerns raised by stakeholders and outside parties. Furthermore, Mr. Solis worked effectively with the governmental relations team at the City of Austin to ensure everyone stayed abreast of key issues.

**88<sup>th</sup> Session Pension Issues:** Mr. Solis provided pertinent advice and information regarding other pension legislation filed during the 88<sup>th</sup> Legislative Session. Staff received updates on committee hearings, committee substitutes, and other relevant legislative activity on all pension legislation that would impact COAERS.

**Special Sessions:** While none of the called special sessions have included public pension related matters, Mr. Solis has continued to brief Staff and monitor bill filings for anything of relevance to COAERS.

**Ongoing Pension Issues:** Mr. Solis monitors and quickly communicates with Staff regarding any public pension issue that could impact COAERS. Mr. Solis regularly emails Staff when the Texas Comptroller updates the list of financial companies that boycott energy, or when the Texas Pension Review Board is seeking feedback on rules or funding guidelines.



**Government and Public Affairs Consulting Agreement**  
for  
**City of Austin Employees Retirement System**  
**2024**

This is a consulting agreement effective **January 2024 through December 2024** (the "Agreement"), between HillCo Partners ("Consultant") and Austin Employees Retirement System, Inc. ("COAERS").

1. BASIC TERMS:

Consultant will provide knowledge and services (including research) in the following areas:

- A. During the 88<sup>th</sup> legislative interim, monitor the implementation of SB1444, the COAERS legislation passed during the recent regular session;
- B. Monitor relevant Texas State Senate and House committee hearings on related interim charges pertaining to Texas public retirement systems, specifically related to COAERS;
- C. Provide hearing summaries and material on matters related to Texas public retirement systems, specifically related to COAERS;
- D. Lobby and represent before Texas legislative members and state officials regarding issues indicated to be of importance including:
  - a. City of Austin legislative delegation
  - b. Members of the Texas Senate and Texas House
  - c. Members of the House Pensions Committee
  - d. Members of the Senate State Affairs committee
  - e. Texas Leadership offices; Governor, Lieutenant Governor, Speaker's Office
  - f. Texas Pension Review Board
- E. Advise of upcoming meetings, hearings, briefings and other formal or informal sessions in a timely manner;
- F. Communicate pertinent information;
- G. During legislative special session(s), work to review legislation and items called by the Governor to identify potential impact and position on pertinent legislation if and when filed;
- H. Comply with all pertinent Texas rules and regulations governing lobbying activities.

## 2. TERM OF AGREEMENT:

The Agreement is for 12 months, unless extended by both parties. Either party has the right to unilaterally terminate the Agreement upon 60 days with prior written notice.

3. PAYMENT RATES AND BILLING: The Consultant shall be compensated at the rate of \$4,000 for the 12-month period during the 88<sup>th</sup> Texas Legislative interim.

Expenses will be reimbursed to Consultant for any direct expenses incurred by Consultant that have been approved in advance. For the purposes of this section, direct expenses may include any printing costs, express mail, and reasonable travel expenses not to exceed \$250 per month during the legislative interim and not to exceed \$500 per month during a regular legislative session.

## 4. STATUS AND RESPONSIBILITY OF CONSULTANT:

Consultant shall in all events perform services as an independent contractor. It shall be the responsibility of Consultant to perform all services in conformity and strict compliance with all applicable laws, rules and regulation of the United States and the State of Texas.

## 5. CONFLICTS OF INTEREST:

Consultant is not to be restricted in his business activities so long as he is reasonably available to perform services hereunder. The Consultant shall not engage in any activity on behalf of others, which would constitute a conflict of interest in light of the Agreement.

## 6. EXCLUSIVITY PRIORITY:

It is understood and agreed that Consultant may provide similar related services to any non-competitive organization.

Consultant agrees to immediate notification of any conflict of interest that arises in the representation of another entity.

## 7. SCOPE OF ENGAGEMENT:

- A. Monitor the implementation and transition of SB1444 passed during the 88<sup>th</sup> Regular legislative session. Monitor and track issues and interim charges that might have an impact on the system or the legislation passed. Also continue to monitor relevant agencies, such as the Pension Review Board, for proposed rules or actions that could have an impact on the system. During legislative special session(s), work to review legislation and items called by the Governor to identify potential impact and position on pertinent legislation if and when filed.

It is expressly agreed by the parties hereto that the legislative services related to COAERS will also involve defensive efforts towards any legislation or amendment that, upon agreement between COAERS and Consultant, could have detrimental impact on the health of the COAERS system.



It is further agreed that support will be provided to Consultant in furnishing any testimony before legislative committees on behalf of COAERS and other reasonable efforts at the request of Consultant.

**8. EXPANSION OF SCOPE OF SERVICES:**

All parties understand that the legislative process is subject to various circumstances which may be of such magnitude to exceed the services contemplated by the parties to be rendered by Consultant under this contract. Should that occur in the course of this agreement, Consultant shall promptly provide notification to COAERS of any such circumstances and the need for additional resources and compensation is addressed by the parties hereto.

If, during the course and scope of this contract, it becomes desirable or necessary to expand the scope of work in this Agreement and propose and work towards passage of legislation, both parties will mutually agree to discuss the role of the expanded services and agree, if necessary, to discuss the payment of additional compensation.

**9. COMPLIANCE WITH LAW:**

Consultant agrees to perform its obligations under this Agreement in compliance with all Texas applicable laws.

**10. COUNTERPARTS:**

This Agreement will be executed in two (2) counterparts, each of which shall be deemed an original, but all of which shall be considered one and the same instrument.

**For HillCo Partners**

\_\_\_\_\_  
(signature)

\_\_\_\_\_  
(printed name)

\_\_\_\_\_  
(date)

**For COAERS**

\_\_\_\_\_  
(signature)

\_\_\_\_\_  
(printed name)

\_\_\_\_\_  
(date)

5. Review 2023 Committee Work Plan  
and discuss development of 2024  
Committee Work Plan

Presented by Christopher Hanson

AGENDA ITEM 5:  
Review 2023 Committee Work Plan and  
discuss development of 2024 Committee Work Plan

AGENDA ITEM OBJECTIVE

This agenda item is for the Committee to review the work done by the Committee in 2023 and discuss the development of the 2024 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. 2023 Committee Work Plan
2. Draft 2024 Committee Work Plan

## **2023 Legislative Committee Work Plan**

### **Scheduled Meetings**

**Note:** Ad-hoc Committee meetings may need to be called during the 88<sup>th</sup> Legislative Session

1. February Meeting
  - ✓ Draft 88<sup>th</sup> Legislative Session Pension Legislation
  - ✓ 88<sup>th</sup> Legislative Session key matters/issues
2. June Meeting
  - ✓ COAERS Pension Legislation update
  - ✓ Review of 88<sup>th</sup> Legislative Session
3. November meeting
  - ~~Interim Report~~
  - ✓ Governmental Relations report and contract
  - ✓ 2024 Committee work plan

## 2024 Legislative Committee Work Plan

### Scheduled Meetings

1. June meeting
  - Review of interim charges and legislative activity
2. November meeting
  - Post-Election Report
  - 89<sup>th</sup> Legislative Session priorities
  - Governmental relations consultant report and agreement
  - 2025 Committee work plan

## 6. Review key meeting takeaways and call for future agenda items

Presented by Kelly Crook

**AGENDA ITEM 6:**

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.

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.

RECOMMENDATION FOR COMMITTEE ACTION

Trustees will review key meeting takeaways and delineate next steps.