





August Policy Committee

Schedule	Thursday, August 31, 2023 1:00 PM — 2:00 PM CDT
Venue	6850 Austin Center Blvd., Suite 320, Austin, TX 78731
Organizer	Sarah McCleary



Agenda

1. Call roll of Committee members 1
Presented by Chair Liu
 Item #1 Summary.docx 2






 2. Review order of business and establish meeting objectives 3
Presented by Chair Liu
 Item #2 Summary.docx 4

 3. Consider approval of the March 9, 2023 Policy Committee minutes 5
Presented by Chair Liu
 Item #3 Summary.docx 6
 2023 03 09 Policy Committee Minutes.docx 7

 - Vote on Minutes 10
Vote Motion to approve the minutes (as presented)(as amended)

 4. Discuss and consider Communications Policy 11
Presented by Christopher Hanson
 Item #4 Summary.docx 12
 Communications Policy in Mark Up Mode.pdf 13

 - Vote on Communications Policy 21
Vote Vote to refer the Communications Policy (as written)(as amended) to the Board for approval
-

5. Discuss and consider administrative budgets including:	22
A. 2023 administrative budget	
B. 2024 administrative budget priorities	
Presented by Christopher Hanson	
 Item #5A Summary.docx	23
 05A 2023 YTD Administrative Budget Report.pdf	24
 Item #5B Summary.docx	27
<hr/>	
6. Review key meeting takeaways and call for future agenda items	29
Presented by Chair Liu	
 Item #6 Summary.docx	30
 2023 Policy Committee Work Plan.docx	31
<hr/>	

1. Call roll of Committee members

Presented by Chair Liu



**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.

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 Chair Liu



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. The time frames on the agenda are for informational purposes only.

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

The Committee will:

1. Consider proposed revisions to the Board Communications Policy.
2. Receive a report on the 2023 year-to-date administrative budget.
3. Receive a report on emerging priorities for the 2024 administrative budget.

3. Consider approval of the March 9, 2023
Policy Committee minutes
Presented by Chair Liu



COMMITTEE MEETING Agenda Item Information Sheet

AGENDA ITEM 3:

Consider approval of the March 9, 2023 Policy Committee minutes

AGENDA ITEM OBJECTIVE

This standing agenda item seeks approval of the minutes from the prior Policy Committee meetings.

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 March 9, 2023 Policy Committee meeting.

ATTACHMENT

1. Draft minutes of March 9, 2023 Policy Committee meeting



MINUTES

Policy Committee

Public Meeting held via videoconference on March 9, 2023 at 11:45 a.m. CT
Pursuant to Texas Govt. Code 551.127 – COVID-19 circumstances

Committee Members

Present/(Absent)

(Yuejiao Liu, Chair)
Michael Benson
Kelly Crook
Brad Sinclair
Diana Thomas

Guests:

Paige Saenz, General
Counsel

Other Board Trustees

Present/(Absent)

(Amy Hunter)
Michael Granof
(Dick Lavine)
Chris Noak†
Anthony B. Ross, Sr.
(Leslie Pool)

Others Present

Staff:

Christopher Hanson
Sarah McCleary
Russell Nash
Mehrin Rahman
David Kushner*
Jenni Bonds
Yun Quintanilla
Cathy Edwards*

*Present telephonically

† present via videoconference

1 Call roll of Committee members

Vice Chair Brad Sinclair called the meeting to order at 12:18 p.m. The following Committee members were present in person: Benson, Crook, Sinclair, and Thomas.

Vice 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 comments.

2 Review order of business and establish meeting objectives

Vice Chair Sinclair reviewed the order of business and objectives with the Committee. No changes were made to the order of business.

3 Review 2023 Policy Committee Work Plan

Mr. Christopher Hanson presented the Policy Committee Work Plan for 2023. Trustees discussed it and gave general approval.

3 Consider approval of the November 10, 2022 Policy Committee meeting minutes

Vice Chair Sinclair asked Trustees to review the minutes. Ms. Diana Thomas moved to approve the November 10, 2022 Policy Committee minutes as presented. Mr. Michael Benson seconded, and the motion passed 4-0.

5 Discuss and consider Whistleblower Policy

Mr. Russell Nash presented a proposed Whistleblower policy. Mr. Nash reported to the Committee that the Policy's intent is to institute a method of reporting fraud, waste and abuse without the fear of reprisal for those raising such issues. Mr. Nash noted that this policy was recommended as a part of the Board's 2020 Governance Effectiveness Assessment. Staff also outlined the plan to communicate and implement the provisions of the Policy. Trustees discussed the Policy emphasizing its important reporting function and ensuring its scope fits within the provisions of other similar policies and rights created by law. Trustees revised the title of the policy to be consistent with its intent to report waste, fraud, and abuse.

Ms. Kelly Crook moved to refer the policy to the Board for approval as revised and renamed. Ms. Diana Thomas seconded, and the motion passed 4-0.

6 Discuss and consider Board policy review cycle

Mr. Hanson presented the Committee with the current list of Board policies, noting several policies due to be reviewed by various Committees in 2023. Trustees asked that no policies be designated for update cycles "as necessary" and that a specific time frame be added for each. Staff was directed to review the Appointments to Fill Unexpired Terms Policy for possible incorporation into the Bylaws.

7 Receive report on 2022 administrative budget

Mr. Hanson presented the final numbers for the 2022 budget. He noted that several line items that were underspent were due to supply chain issues where hardware was ordered but not delivered in 2022.

8 Review key meeting takeaways and call for future agenda items

Vice Chair Sinclair 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 12:55 p.m.

Vote on Minutes

4. Discuss and consider Communications Policy

Presented by Christopher Hanson



COMMITTEE MEETING Agenda Item Information Sheet

AGENDA ITEM 4: Discuss and consider Board Communications Policy

AGENDA ITEM OBJECTIVE

This item is designed for the Committee to consider revisions to the Board Communications Policy.

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 policies on a regular basis.

RECOMMENDATION FOR COMMITTEE ACTION

Staff recommends the Committee refer to the Board the adoption of the proposed revisions to the Board Communications Policy.

BACKGROUND

In 2021, the COAERS Board adopted the Board Communications Policy, which was recommended for creation as part of the 2020 Governance Effectiveness Assessment. The Policy requires an annual review. Staff has reviewed and proposed only minor grammatical revisions to the Policy.

ATTACHMENT

1. Revised Board Communications Policy



Board Approved Policy

Subject: Communications

Review Committee: Policy

Date Implemented: September 21, 2021

Date Updated: September ~~22, 2022~~21, 2023

Signature of Chairperson:

~~Chris Noak~~Yuejiao Liu

**City Of Austin Employees' Retirement System
Board Approved Policy
Communications Policy**

I. PURPOSE AND SCOPE

The City of Austin Employees' Retirement System ("COAERS" or "System") is committed to openness and transparency with its members, stakeholders, and the broader community it serves. The purpose of this Communications Policy is to codify the Board's communication principles and describe how the principles are met through the activities of every Trustee, manager, employee, intern, and individual employed under contract.

II. COMMUNICATION PRINCIPLES

COAERS Communications Policy principles are to provide accountability and transparency, through the provision of information about the Board and the System to its members, beneficiaries, plan sponsor, and community stakeholders. All communications will be clear and concise; accurate and consistent; timely, and accessible.

At all times and to the best of COAERS' capabilities, communications will:

1. Raise awareness and educate key stakeholders on how COAERS is funded, structured and managed;
2. Engage stakeholders and ensure that they feel confident about their continued involvement with the System;
3. Reassure stakeholders that the System is well managed and sustainable in the long-term;
4. Raise the collective level of pension understanding and dispel myths; and
5. Advocate on behalf of COAERS.

III. ROLES AND RESPONSIBILITIES

A. Board of Trustees

The COAERS Board is responsible for establishing the Communications Policy and has the sole authority to amend it. The Board is responsible for establishing the System's overall strategic communication plan and provides direction to the System with respect to communicating with System members, plan sponsor and other stakeholders. The Board may, at its discretion, delegate the approval of communications materials to the Executive Director.

B. Policy Committee

The Policy Committee will review this Policy annually and recommend to the Board any amendments, as necessary and is responsible for ensuring this Policy is properly followed by every Trustee, staff member, and individual employed under contract.

The Policy Committee is responsible ~~to approve~~for approving COAERS Operational Communications Procedures and COAERS Social Media Policy and Usage Guidelines. The Policy Committee may undertake quality assurance reviews of published materials.

C. Executive Director

The Executive Director shall provide advice and recommendations to the Policy Committee regarding any changes to this Policy. The Executive Director is responsible for ensuring operational compliance and reporting to the Board and the Policy Committee in accordance with this Policy.

The Executive Director or designee shall create Operational Communications Procedures. The Procedure cannot be inconsistent with this policy or applicable law. The Procedures will establish operational guidelines consistent with the Policy to ensure that COAERS Staff understand and adhere to the principles outlined in this policy, as well as the System adheres to all applicable reporting and disclosure requirements.

The Executive Director is responsible ~~to ensure~~for ensuring the production and distribution of the information as required by law to members and their beneficiaries. This includes but is not limited to:

1. *Member Handbook* – A detailed summary of plan provisions that provides members with general information and an overview of the System.
2. *System Reports and Accounts* – Details of the value of the System during the financial year, income, and expenditures, as well as other related details, for example, the current System membership numbers and related actuarial assessments.

D. The Chair and the Vice-Chair of the Board of Trustees

The Board Chair speaks on behalf of the Board. The Vice Chair will speak on behalf of the Board in the absence of the Chair. When deemed appropriate, the Board Chair may delegate this role, as required, to staff or another Board member.

E. Individual Trustees of the Board

Trustees recognize their sole and exclusive fiduciary duty to represent the interests of all System members. Trustees shall protect the integrity of the System and, at all times, adhere to the principles of this Communication Policy.

Trustees can only speak on behalf of the Board if they:

1. First contact the Board Chair to obtain the Chair's authorization to speak on matters related to the System.
2. Confirm that the presentation content will entail general information but not matters that are specific or confidential to the Board.
3. Provide copies of the speaking points and materials to be used, for preview by the Board Chair.

If Trustees are speaking to the media or other parties but not acting on behalf of the Board, they must make it clear that they are doing so in a capacity other than as a Trustee and that the information being provided is not information that the Trustee is aware of only because they are Trustees.

IV. COMMUNICATION GUIDELINES

A. Communication with the Media

In the interest of keeping Trustees abreast of issues involving the organization, the Board Chair and Executive Director will ensure that Trustees receive relevant media and other communication on the organization's activities and business.

Trustees shall refer any requests for media interviews to the Board Chair and Executive Director. Media requests for information usually require a speedy response and will be handled on a priority basis. In the event COAERS is required to respond during a crisis, the Incident Response Plan would outline overall organizational protocol in such a situation.

In instances where the issues are high profile and/or contentious, all information requests of any kind must be referred to the Board Chair and Executive Director and the Board Chair and Executive Director will ensure that Trustees are kept informed and up to date and receive key messages at an appropriate time via email.

B. Social Media Usage

Social media refers to online tools that provide individual users and organizations with the ability to create and share content with online communities. This may include, but is not limited to, Facebook, Twitter, LinkedIn, Instagram, YouTube, WhatsApp, TikTok, and Snapchat.

The System may use social media to disseminate information about COAERS. The Executive Director or designee is responsible for managing all social media accounts for this purpose and shall adhere to the COAERS Social Media Policy and Guidelines at all times.

The Board acknowledges that some Trustees may use social media tools for personal

or professional use in their capacity other than as a Trustee of the System. Trustees will ensure that their online activity does not conflict with their fiduciary obligations, the Ethics and Code of Conduct Policy or this Communications Policy.

Trustees may list or reference their official role on the COAERS Board of Trustees on any social media platform that is primarily recognized as a business and employment-oriented professional networking platform. To avoid being identified as a spokesperson for the Board and/or System, they shall refrain from engaging in any discussion about matters related to COAERS and are not permitted to use the platform to solicit, or field solicitations, pertaining to COAERS business activities. Trustees may share content or documents that are made publicly available by COAERS; however, in accordance with Board policy, may not comment on them without proper authorization from the Board prior to doing so. Trustees should contact the Executive Director if they have questions regarding compliance with this Policy.

Trustees who use social media tools for personal use will consider how it may affect the System and other Trustees, recognizing that social media content is pervasive, often permanent and in many cases out of personal control once posted. Trustees will ensure that no material is posted to their personal pages or sites that could jeopardize the reputation of the Trustee, the System, or the Board and, similar to all staff, are expected to adhere to the COAERS Social Media Policy and Usage Guidelines.

C. Communication with Government Officials

The Executive Director handles contact with governmental officials regarding the established positions or actions of the COAERS Board of Trustees. A governmental official includes anyone appointed or elected to a position in local, state, or federal government, including employees of governmental agencies, entities, or bodies; local, state, and federal legislative offices; and local, state, and federal agencies.

When governmental officials request the presence of a member of the Board, the Chair of the Board (or in his or her absence, the Vice-Chair) will normally attend with the Executive Director, unless in the opinion of the Executive Director, another Trustee would be better suited to the purpose of the meeting. If a Trustee has been specifically requested by a governmental official, that Trustee will attend with the Executive Director.

In the event a governmental official contacts a Trustee directly about COAERS business and/or operations, the Trustee shall inform the Executive Director to help ensure consistency and coherency of the information relayed to officials. When Trustees provide factual information about COAERS business and/or operations during such contacts, it should be information which COAERS has previously released to the public (or that COAERS has provided to Trustees for this purpose). The Executive Director will communicate information regarding Trustee contacts with governmental officials to other members of the Board.

D. Communication During Legislative Sessions

The Executive Director and the Chair of the Legislative Committee will serve as the designated spokespersons on all pending matters before legislative sessions. As the designated spokespersons, the Executive Director and the Legislative Committee Chair will oversee all communications surrounding legislation and related matters, including contact with government officials.

In the event that a Trustee is contacted about pending legislative matters, the Trustee shall inform and direct any inquiries to the Executive Director and the Legislative Committee Chair to help ensure consistency and coherency of the information relayed to officials.

E. Communication with Plan Members

Trustees shall mitigate the risk of miscommunication with plan members and third parties by not giving explicit advice, counsel, or education with respect to the technicalities of COAERS laws, policies, or processes. When receiving questions from a plan member, Trustees shall:

1. Refer the member to the main telephone number of COAERS or the COAERS website; or
2. Refer the member question directly to the appropriate COAERS management team member for handling and a response.

The Executive Director or designee will respond to all written communication from System members and other related parties and will respond to written communication which simply requires directing the member or interested party to publicly available information. The Executive Director shall ensure that appropriate written communications from members are presented to the Board during Board meetings under the agenda item "System Member and Public Comments".

F. Board Materials

All Board materials are available to external parties and the public at large, once they have been considered at a Board meeting, unless explicitly restricted. Standing restrictions include but are not limited to legal opinions and documents; due diligence and proprietary research; appeals material and personal information of individuals. Following each Board meeting, unrestricted materials may be shared by individual Trustees. Trustees should contact the Executive Director if they have questions regarding the dissemination of Board materials.

G. Third Party Requests to Service Providers

Service Providers of the Board, including but not limited to the actuary, legal counsel,

Plan Administrators, and Investment Managers and other consultants are occasionally approached by a third party to speak on matters related to the System. In this case, the service provider is asked to:

1. First contact the Executive Director to obtain the Board Chair's authorization to speak to the third party on matters related to the System.
2. Clearly establish with the third party and to the audience that the service provider does not speak on behalf of the Board.
3. Confirm that the presentation content will entail general information but not matters that are specific or confidential to the Board.
4. Provide copies of the speaking points and materials to be used, for preview by the Board Chair.
5. The Board Chair or the Executive Director will inform the Board when such authorization is granted.

H. Third Party Requests to Provide Information to System Members

The Board may approve a request from a third party to provide information to System members if the following conditions are met:

1. The Board remains in compliance with the Texas Penal Code Sec 16.02 and Title 109, Article 6243n, Section 13 Vernon's Texas Civil Statutes on the use of personal information.
2. In the opinion of the Board, the purpose, and values of the third party are consistent with those of the Board and System.
3. The information is not of a commercial or lobbying nature.
4. The information does not directly or indirectly imply that the Board endorses a product, service, or organization.
5. Any direct costs to provide the information to System members are not borne by the System.
6. New communication products and vehicles will not be created solely to disseminate third party information.

The Board will not charge a third party a fee for providing access to COAERS members through System-related communications products and vehicles, other than to recover any direct costs.

The Board may approve posting links to third party websites on the COAERS website subject to the criteria above.

V. REGULATORY FRAMEWORK

The System is administered in accordance with state law Title 109, Article 6243n,

Vernon's Texas Civil Statutes; Chapter 802, Texas Government Code; the Texas Administrative Code Title 40: Part 17; and various state statutes, including but not limited to tax and privacy legislation, the Texas Open Meetings Act and Texas Public Information Act, and all communication activities of the Board will be administered in compliance with that legal framework.

VI. ROUTINE DISCLOSURE OF INFORMATION

The System will make the following information available on the public website or on the request of interested parties:

1. COAERS foundation documents and Board policies: COAERS statute; COAERS Board Policies including the Code of Ethics, Investment Policy Statement, Investment Implementation Policy, the Funding Policy; and the Benefits Administration Operating Procedures.
2. Information including the requirements of Texas Government Code Section 801.209 regarding the System's membership, annual investment, actuarial and financial reports.
3. COAERS Annual Comprehensive Financial Report, COAERS Member Handbook, newsletters, forms for members and retirees, appeals process and website content on a wide range of pension information.
4. The names of the individuals on the Board and how to contact the Board.
5. Highlights of each Board and committee meeting including governance and policy decisions, through the publishing of approved meeting minutes.

The System will make available, on request, any other document or information that is not protected due to its personal, legal, or otherwise confidential nature.

Vote on Communications Policy

5. Discuss and consider administrative budgets including:

A. 2023 administrative budget

B. 2024 administrative budget priorities

Presented by Christopher Hanson



COMMITTEE MEETING Agenda Item Information Sheet

AGENDA ITEM 5:

Discuss and consider administrative budgets including:

A. 2023 administrative budget

AGENDA ITEM OBJECTIVE

This item is designed for the Committee to receive a report on the year-to-date 2023 administrative budget comparing actual versus budgeted expenditures.

RELEVANCE TO STRATEGIC PLAN

The objective of this agenda item relates to the **COAERS Strategic Plan** “Dependable Operations: Managing the financial and operational commitments within appropriate measurable standards.”

RECOMMENDATION FOR COMMITTEE ACTION

At the Committee’s discretion

BACKGROUND

The Executive Director will review the year-to-date expenditures against the approved administrative budget. The Executive Director will also discuss with the Committee a proposed 2023 budget amendment for consideration to refer to the Board at its September meeting. The proposed amendment is for one new staff position, Cybersecurity Analyst, with a budgeted start date of October 9. The proposed amendment for the new position would include pro-rated salary, benefits, and taxes associated with the position as well as changing the listed number of approved FTEs from 25 to 26. The details are listed below:

Adding 1 FTE (Total of 26)				
Start Date: October 9, 2023				
Categories	Pay Period Cost	# Pay Periods	Total 2023	
Salary	3,770	5	18,848	
Payroll Taxes	288	5	1,442	
Group Insurance	1,015	5	5,077	
Retirement Contributions	716	5	3,581	
			28,948	

ATTACHMENT

1. 2023 Year-to-Date Administrative Budget Report

COAERS 2023 Administrative Budget: YTD Report (through July)			
	2023	2023 YTD Expenditures	2023 Percent Expended
Total Personnel Budget			
Total Salaries and Cash Compensation	3,440,944	1,791,966	52%
Payroll Taxes	269,706	136,213	51%
Group Insurance Benefits	488,728	231,094	47%
Retirement Contributions	653,780	337,796	52%
Retirement/Terminal Pay	60,000	-	0%
Contract labor	2,600	-	0%
Total personnel costs	4,915,758	2,497,069	51%
Total Approved FTEs: 25			
Professional Services			
Total Professional Services costs	445,000	264,062	59%
Building and Equipment			
Total Building and Equipment costs	526,725	266,504	51%
Information Technology Resources			
Total Information Technology costs	764,550	449,108	59%
Travel and Training			
Total Travel and Training costs	85,000	60,254	71%
Communications			
Total Communications costs	124,250	60,385	49%
Other Administrative			
Total Other Administrative costs	353,500	200,078	57%
Capital Projects and Events			
Pension Administration System	54,600	-	0%
Capital Improvements Program	60,000	15,395	26%
Total Capital Projects	114,600	15,395	13%
Total Administrative Expense Budget	\$ 7,329,383	\$ 3,812,856	52%

COAERS 2023 Administrative Budget: Detail YTD (through July)			
	2023	2023 YTD Expenditures	2023 Percent Expended
Personnel			
Total Personnel Budget			
Total Salaries and Cash Compensation	3,440,944	1,791,966	52%
Payroll Taxes	269,706	136,213	51%
Group Insurance Benefits	488,728	231,094	47%
Retirement Contributions	653,780	337,796	52%
Retirement/Terminal Pay	60,000	-	0%
Contract labor	2,600	-	0%
Total personnel costs	4,915,758	2,497,069	51%
Total Approved FTEs: 25			
Professional Services			
Actuary	140,000	95,149	68%
Attorney: General Counsel	100,000	25,015	25%
Attorney: Tax Counsel	20,000	12,436	62%
Audit: Internal and External	70,000	64,400	92%
Medical Review: Disability	11,000	3,062	28%
Governmental Relations	84,000	64,000	76%
Other	20,000	-	0%
Total Professional Services costs	445,000	264,062	59%
Building and Equipment			
Building Maintenance	25,600	3,505	14%
Northpoint Lease	480,000	257,148	54%
Equipment Maintenance & Leases	8,000	4,187	52%
Insurance: Property & Casualty	13,125	1,664	13%
Total Building and Equipment costs	526,725	266,504	51%
Information Technology			
Business Continuity	71,200	50,515	71%
General Computer Support	138,150	60,224	44%
Dynamics GP License and Support	30,000	12,208	41%
Pension Admin System Licenses and Support	157,000	106,313	68%
Cybersecurity Initiatives	299,200	188,110	63%
Telecommunications	69,000	31,739	46%
Total Information Technology costs	764,550	449,108	59%

COAERS 2023 Administrative Budget: Detail YTD (through July)			
	2023	2023 YTD Expenditures	2023 Percent Expended
Travel and Training			
Board Continuing Education	40,000	33,452	84%
Staff Continuing Education	45,000	26,802	60%
Total Travel and Training costs	85,000	60,254	71%
Communications			
Printing	61,250	38,019	62%
Postage and Mailing	34,500	15,504	45%
Member Education	10,000	212	2%
Digital Communications	18,500	6,650	36%
Total Communications costs	124,250	60,385	49%
Other Administrative			
Insurance: Fiduciary/D&O Liability	227,500	172,420	76%
Advertising	5,000	2,100	42%
Bank Fees	4,500	-	0%
Delivery Service	5,000	321	6%
Memberships, Subscriptions, and fees	45,000	13,815	31%
Meetings and Events	40,000	4,688	12%
Awards and Recognition	2,500	622	25%
Mileage	2,000	73	4%
Miscellaneous	2,000	-	0%
Office Supplies	20,000	6,040	30%
Total Other Administrative costs	353,500	200,078	57%
Capital Projects and Events			
Capital Projects			
Pension Administration System	54,600	-	0%
Capital Improvements Program	60,000	15,395	26%
Total Capital Projects	114,600	15,395	13%
Total Administrative Budget	7,329,383	3,812,856	52%



COMMITTEE MEETING Agenda Item Information Sheet

AGENDA ITEM 5:

Discuss and consider administrative budgets including:

B. 2024 administrative budget priorities

AGENDA ITEM OBJECTIVE

This item is designed to allow the Executive Director and Committee the opportunity to discuss key elements and horizon issues in the development of the 2024 administrative budget.

RELEVANCE TO STRATEGIC PLAN

The objective of this agenda item advances **COAERS Strategic Plan** Goal 2: Responsibly Manage the Risks of the System. Strategy 2.2 connects budgets, strategies, and risk management across all divisions. This agenda item also meets the core competency established in the **COAERS Strategic Plan** “Dependable Operations: Managing the financial and operational commitments within appropriate measurable standards.”

RECOMMENDATION FOR COMMITTEE ACTION

For informational purposes only; no action required.

BACKGROUND

The development of the administrative budget for 2024 is ongoing. This agenda item is intended for Staff to preview significant emerging budget priorities for 2024 with the Committee, including:

1. Personnel: Staffing will be a focal point for the organization over the next few years. Additional staff positions will be requested at the November Committee meeting for most of COAERS’ divisions including Member Services, Finance, and Investments. During the 2022 Board Workshop, one of the “Challenges” identified for the organization were limitations due to staffing. Part of the limitation stems from the leased space at the Northpoint facilities and moving to 4700 Mueller will remove this limitation. The move will allow for COAERS staff expansion to address the growing customer demand, expand member resources and engagement, mitigate potential succession risks, support a diversified asset allocation, and provide needed back-office financial and operational support for that asset allocation.



COMMITTEE MEETING Agenda Item Information Sheet

2. Professional Services: With the successful completion of the 88th Legislative Session, there should be reductions in the requested funding for COAERS actuary, attorney, and governmental relations service providers to align with non-session funding more closely.
3. Building and Equipment: While COAERS will have lease costs for the Northpoint offices through February 2024, there will be a significant reduction in the requested funding due to the move to 4700 Mueller.
4. Information Technology: With COAERS information technology program fully matured, there are no notable new programs or initiatives planned for 2024. Subscription-based services, third party vendors, and other IT licenses are expected to see cost increases due to ongoing price inflation. Additionally, Staff will review the pros and cons of paying certain IT licenses and subscriptions upfront for two-year or three-year contract periods to gain annualized savings for those licenses and subscriptions.
5. Travel and Training: With the request for additional staff positions, a corresponding increase in the staff continuing education budget will also be made. Conference events have seen price increases post-pandemic, as have airfare and hotel costs which will require additional funding for both Board and Staff continuing education accounts.
6. Communications/Member Engagement: With the addition of more Spanish language member events, Staff anticipates the need for additional funding for translation services for related COAERS member materials. Staff is also reviewing the possibility of bringing the development and production of member education content fully in-house which would require some additional resources associated with the production of that content. Finally, printing and postage costs will be rising and require additional funding for 2024 as mailing costs with the U.S. Postal Service increased in July.
7. Other Administrative: Costs associated with fiduciary/directors' and officers' insurance have increased significantly over the last two years. Staff have been successful in negotiating lower-than-expected costs, but the insurance industry continues to raise rates across the board. Additional funding for Membership and Subscriptions will be requested to account for additional staff and annual increases in the costs of many subscriptions. Higher interest rates should lead to the elimination of bank fee funding for 2024.
8. Capital Projects and Events: The request for additional staffing will also mean additional funding for computers, monitors, office furniture and other equipment.

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

Presented by Chair Liu



COMMITTEE MEETING Agenda Item Information Sheet

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.

2023 Policy Committee Work Plan

Scheduled Quarterly Meetings

1. March meeting
 - ✓ Cycle-review of Board Policies
 - ✓ Report on 2022 administrative budget
 - ✓ Whistleblower Policy

2. August meeting
 - ✓ Communications Policy
 - ✓ 2024 administrative budget horizon issues
 - ✓ Report 2023 YTD administrative budget

3. November meeting
 - 2024 administrative budget
 - Records Management Policy
 - Cycle-review of Board Policies
 - 2023 Legal counsel report
 - 2024 Committee Work Plan