



TEXAS PENSION  
REVIEW BOARD

**Board Meeting Minutes  
November 21, 2023**

**1. Meeting called to order (10:37)**

The third meeting of 2023 of the Pension Review Board (PRB) was called to order Tuesday, November 21, 2023, at 10:07 a.m. in the William P. Clements building, room 402, 300 W. 15<sup>th</sup> Street, Austin, Texas, 78701.

**2. Roll call of board members and consideration to excuse absence (11:04)**

Board members present:

Chair Stephanie Leibe  
Keith Brainard  
Marcia Dush, via videoconference  
Rob Ries  
Christopher Zook

Board members absent:

Christopher "Chris" Gonzales

A quorum being present, the meeting was called to order by Chair Leibe.

Chair Leibe entertained a motion to excuse Christopher Gonzales' absence from the meeting.

The motion was made by Mr. Zook and seconded by Mr. Brainard.

**The motion passed unanimously.**

**3. Administrative matters (12:25)**

**a. Consideration and possible action to approve September 21, 2023, board meeting minutes**

Chair Leibe entertained a motion to suspend reading the minutes of the September 21, 2023, board meeting and approve them as circulated.

The motion was made by Mr. Zook and seconded by Mr. Ries.

**The motion passed unanimously.**

**b. Consider excusing the absence of board member from the September 21, 2023, board meeting**

Mr. Brainard entertained a motion to excuse Chair Leibe's absence from the September 21, 2023, board meeting.

The motion was made by Mr. Zook and seconded by Mr. Ries.

**The motion passed unanimously.**

**c. Update on committee assignments**

Chair Leibe assigned Christopher Gonzales to the Education Committee. All other assignments will remain the same.

**4. Public comment (14:15)**

There were no public comments.

**5. Consideration and possible action on revisions to bylaws (14:38)**

Tamara Aronstein explained key revisions to the board's bylaws.

Chair Leibe entertained a motion to adopt the revisions to the bylaws as presented.

The motion was made by Mr. Zook and seconded by Mr. Brainard.

**The motion passed unanimously.**

**6. Rule review and possible revision of 40 T.A.C. 607 Public Retirement System Minimum Educational Training Program rules; and 40 T.A.C. Chapter 609, Public Retirement System Investment Expense Reporting rules (19:55)**

Jasmin Loomis noted that the notice of intent to review rules was published in the Texas Register earlier in the year and the agency received no comments. She added that staff would focus on the Minimum Educational Training (MET) rules and the investment expense rules, where staff expected more extensive revisions. She stated that potential changes to the MET rules include possible adjustments made to definitions, core training requirements, compliance deadlines, and the accreditation process for MET sponsors and individual course approval.

Chair Leibe noted that revisions to the MET rules should prioritize helping bring system trustees and administrators into compliance with training requirements.

Ms. Aronstein presented a project timeline and process for updating the MET and investment expense reporting rules.

Chair Leibe entertained a motion to direct staff to work with the Education Committee on MET rule review and with the Investment Committee on investment expense reporting rule review and possible revisions to be presented to the full board for final adoption in fall of 2024.

The motion was made by Mr. Brainard and seconded by Mr. Zook.

**The motion passed unanimously.**

**7. Actuarial Committee (31:10)**

**a. Actuarial Valuation Report**

David Fee provided an overview of changes systems have made to address funding issues, including making contribution changes, implementing a new tier of benefits, or changing other benefit calculations. Ms. Dush noted that knowing the normal cost for each plan tier would provide a higher level of transparency.

Mr. Fee noted that Laredo Fire and Longview Fire have both completed the FSRP requirement and Paris Fire is now fully funded after receiving pension obligation bonds.

Mr. Fee provided a summary of current metrics, including:

- significant assumption changes
- funding progress
- expected returns
- payroll growth rates
- amortization periods
- actuarial terminology
- funded ratios
- fund exhaustion
- normal cost
- contributions

The board discussed the information. They suggested potentially studying discount rates related to the risk each system is taking through asset allocations and making sure to keep an eye on systems that do not pay into social security.

**b. Funding Soundness Restoration Plan (FSRP) report, including compliance**

Mr. Fee noted as previously mentioned, both Laredo Fire and Longview Fire completed the requirement. Austin Fire, Greenville Fire, Laredo Fire, and the Nacogdoches County Hospital District were added to the list of systems at risk of triggering the 30-year FSRP requirement. Cleburne Fire and Lubbock Fire were removed from the list of systems with amortization periods between 30-40 years.

Mr. Fee provided an overview of FSRP progress updates. Atlanta Fire has increased city contributions. Beaumont Fire is planning to meet with their sponsor to discuss potential funding options. Brownwood Fire's actuary recommended that the sponsor and system increase contributions by 2 percent each, but instead the system increased member contributions by 4 percent. The board discussed the progress that systems have made towards achieving the FSRP requirement.

**c. Public retirement system reporting and compliance, including noncompliant retirement systems under Texas Government Code §801.209**

Bryan Burnham noted that nine systems with reports due July 30, 2023, were noncompliant for over 60 days. The board discussed current steps staff takes when a system is noncompliant with reporting requirements, and whether additional steps should be taken.

**d. Review of PRB Pension Funding Guidelines and Guidance for Developing a Funding Policy**

Mariah Miller explained that the guidelines were last revised in 2017 and the guidance was first created in 2019. Since then, there have been changes to statute and best practices that warrant updates to both documents. Ms. Miller detailed the PRB staff's plan to update these documents, including a timeline leading to the presentation to the board for final approval. Ms. Dush requested that staff consider addressing benefit equity and the roles of member versus employer contributions.

Mr. Brainard entertained a motion to direct staff to work with the Actuarial Committee to review and propose revisions to the PRB Pension Funding Guidelines and Guidance for Developing a Funding Policy.

The motion was made by Mr. Zook and seconded by Chair Leibe.

**The motion passed unanimously.**

**e. Texas Local Fire Fighters Retirement Act (TLFFRA) governance project overview**

Ms. Miller explained that prior research, legislative charges, and board requests have set the background for a larger study into TLFFRA governance. Ms. Miller noted that TLFFRA systems have underperformed as a group, but since all TLFFRA systems operate under the same statute the study could have a wide impact. She noted that the PRB established a work group composed of TLFFRA systems and sponsors to help staff form preliminary recommendations. Ms. Miller presented a timeline for deliverables, stakeholder feedback, and potential board approval. Mr. Brainard and Chair Leibe noted the potential benefits of the study. Chair Leibe also asked about the possibility of an interim charge related to TLFFRA and asked that staff prepare any recommendations to be in place for the next legislative session. Amy Cardona noted that there has not been any discussion of interim charges yet, but staff will make efforts to keep the project on a timeline to align with the next legislative session.

Mr. Brainard entertained a motion to direct staff to work with the Actuarial Committee to research and provide recommendations to the board regarding TLFFRA governance.

The motion was made by Mr. Ries and seconded by Chair Leibe.

**The motion passed unanimously.**

**8. Executive Director Report (1:46:50)**

**a. 2023 TEXPERS Summer Educational Forum update**

Ms. Cardona noted that she and Ashley Rendon attended the 2023 TEXPERS Summer Educational Forum held in the Woodlands in August.

**b. 2023 TLFFRA Educational Conference update**

Ms. Cardona announced that PRB staff attended the TLFFRA Educational Conference held in Corpus Christi in October. Mr. Fee moderated an actuarial panel at the conference.

**c. Staff Update**

Ms. Cardona announced that Matthew Featherston had resigned and that the PRB would be hiring two part-time interns. One position would be an actuarial intern and the other position would be a financial analyst intern.

**d. Updated Fiscal Year 2024 Operating Budget**

Ms. Cardona discussed the updated fiscal year 2024 operating budget.

**9. Future meetings: agenda items, dates, locations, and other arrangements (1:49:08)**

Chair Leibe announced that the Investment Committee will meet on the same day following the board meeting at 2:00 p.m. in the same location. The Actuarial Committee meeting will take place on January 25, 2024, at 10:00 a.m. with the location to be determined. The next PRB meeting would take place on March 6, 2024, at 10:00 a.m. with the location to be determined. Chair Leibe also announced that all meetings for 2024 have been scheduled and can be found on the PRB's website.

**10. Adjournment (1:50:07)**

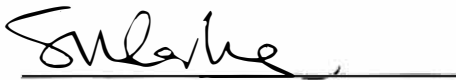
The meeting was adjourned at 11:46 a.m.

**PRB staff in attendance:**

Amy Cardona	David Fee	Mariah Miller	Tamara Aronstein
Ashley Rendon	Robert Munter	Wes Allen	Jasmin Loomis
Bryan Burnham	Noah Jones	Lindsay Seymour	

**Members of the public in attendance:**

Lisa Hughes- El Paso Firemen & Policemen's Pension	Erik Brown- Odessa Firemen's Relief and Retirement Fund	Scott Olguin Eddie Solis
Pat Haggerty- El Paso Firemen & Policemen's Pension	John Posey- Legislative Budget Board	



**Stephanie Leibe, Chair**

