



TEXAS PENSION  
REVIEW BOARD

Board Meeting Minutes  
September 25, 2024

**1. Meeting called to order (00:06)**

The Pension Review Board's (PRB) third meeting of 2024 was called to order Wednesday, September 25, 2024, at 10:02 a.m. in the William P. Clements building, room 402, 300 W. 15<sup>th</sup> Street, Austin, TX, 78701.

**2. Roll call of board members and consideration to excuse absence (00:13)**

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

Board members present:

Chair Stephanie Leibe  
Keith Brainard  
Marcia Dush  
Christopher Gonzales  
Christopher Zook

**3. Consideration and possible action to approve July 25, 2024, board meeting minutes (00:33)**

Chair Leibe entertained a motion to suspend reading the minutes of the July 25, 2024, board meeting and approve them as circulated.

The motion was made by Mr. Gonzales and seconded by Ms. Dush.

**The motion passed unanimously.**

**4. Recognition of outgoing Board member (01:19)**

Chair Leibe announced Rob Ries had resigned from the board. She expressed gratitude to Mr. Ries for his contributions and stated that Mr. Ries will be formally recognized for his service at the December board meeting.

**5. Public comment (01:59)**

There was no public comment.

**6. Update from Austin Firefighters Retirement Fund on potential plan changes (02:28)**

Anumeha Kumar, executive director of the system, informed the board of potential reforms, which could include modifications to the COLA structure for current retirees, active members, and new hires, as well as the potential option of a DROP for members in lieu of a COLA. The city of Austin discussed the funding situation and the city's work toward resolving the issue with the system so far.

**7. Update on status of Midland Firemen's Relief and Retirement Fund's FSRP progress (58:05)**

Justin Graham, the chairman of Midland Fire, and Mayor Lori Blong provided an update on FSRP progress. Mr. Graham mentioned that the system and the city are in ongoing discussions to address funding issues. He noted that PRB recommendations regarding governance have been implemented, and the fund has shown more positive returns compared to previous years. Mayor Blong added that a subcommittee, composed of members from both the city and the system, has been formed and will meet later in the week.

The board discussed the next deadline, and Mr. Graham responded that further negotiations are necessary. He explained that the city's proposed plan contains elements the system cannot accept, resulting in an impasse.

The board urged both parties to expedite the process, commenting that further delays could lead to increased costs.

**8. Update from Nacogdoches County Hospital District Retirement Plan (1:15:45)**

Lisa King, hospital board president, and Lynn Lindsey, system administrator, explained that the defined benefit plan was frozen in 2017, and by 2021, the plan was overfunded. Since then, the assets decreased greatly, and there were no contributions being made to the fund. Ms. King noted that they are currently working with legal counsel to determine a path forward after the resignation of consultants. She stated that their board scheduled a meeting later in the week to approve actions addressing the unfunded liability or may consider terminating the plan. There was also a resolution to amend the plan and remove the lump sum option for members.

Ms. King mentioned that they are exploring funding options, including asking for an opinion on use of certain funds from the Office of the Attorney General, but have not yet reached a conclusion. The board raised concerns about the lack of communication with plan participants. They also discussed asset allocation and the ongoing search for a new contractor to take over operations of the hospital.

**9. Education Committee (1:35:54)**

**a. Consideration and possible action to repeal 40 T.A.C. Chapter 607 and adopt new rules in 40 T.A.C. Chapter 607, pertaining to the minimum educational training program**

Tamara Aronstein stated that no public comments were received during the comment period.

Ms. Dush entertained a motion to repeal 40 Texas Administrative Code Chapter 607 and adopt the new rules as presented in Texas Administrative Code Chapter 607, pertaining to the minimum educational training program.

The motion was made by Ms. Leibe and seconded by Mr. Gonzales.

**The motion passed unanimously.**

**10. Investment Committee (1:39:18)**

**a. Consideration and possible action to adopt the repeal of 40 T.A.C. Section 609.109 and amendments to 40 T.A.C. Sections 609.105 and 609.111, pertaining to investment expense reporting**

Ms. Aronstein stated that no comments were received during the comment period before presenting the recommended rule changes.

Mr. Zook entertained a motion to adopt the repeal of 40 Texas Administrative Code Section 609.109 and amendments as presented to 40 Texas Administrative Code Sections 609.105 and 609.111, pertaining to investment expense reporting.

The motion was made by Mr. Brainard and seconded by Ms. Dush.

**The motion passed unanimously.**

**b. Draft Investment Performance Report and consideration and possible action to adopt Investment Practices and Performance Evaluations recommendations**

Robert Munter presented the Investment Practices and Performance Evaluation (IPPE) key findings and two legislative recommendations for the board to consider:

1. Adjust language for reporting timeline to a cycle-based approach that has a three-year and six-year reporting period based on asset size applicability. Additionally, clarify as follows, "If a retirement system's asset size increases in a fiscal year to above one of the specified thresholds, they will complete the evaluation by the next cycle's due date."
2. Adjust applicability language to include additional criteria that prevents normal asset fluctuations between years from obscuring reporting expectations.

Recommendation two had three options, A, B, or C that would further clarify the criteria for the retirement system applicability. Mr. Zook summarized the options before stating his preference for option A which would still follow current statute to use total assets to initially determine the reporting requirement, but also incorporate the total pension liability to determine appropriate reporting frequency for ongoing applicability.

Mr. Zook entertained a motion to adopt the Investment Practices and Performance Evaluation legislative recommendations as presented, using option A for recommendation two.

The motion was made by Mr. Gonzales and seconded by Ms. Dush.

**The motion passed unanimously.**

At 11:45 a.m., Mr. Brainard called for a 15-minute break and the meeting resumed at 12:00 p.m.

**11. Actuarial Committee (2:05:28)**

**a. Actuarial Valuation Report**

David Fee presented the actuarial valuation report, beginning with a summary of Texas pension system news. He covered recent updates on several key systems: Beaumont Fire, Dallas ERF, Denison Fire, Floresville Electric, Irving Fire, Nacogdoches County Hospital District, Sweetwater Fire, and Wichita Falls Fire.

Mr. Fee then highlighted significant changes in economic assumptions, including updates to discount rates and payroll growth rates.

Mr. Fee provided an overview of funding progress from 2022 to 2024, categorizing systems based on funding periods below 15 years, between 15-30 years, and over 30 years. He discussed both the aggregate and average funded ratios across these systems. Additionally,

he broke down the median funding periods by system type and the number of systems within each type.

Mr. Fee discussed the statuses of systems with funding periods longer than 40 years.

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

Mr. Fee discussed two new systems that were newly subject to the FSRP requirement, and one system that was newly at risk of becoming subject to the FSRP requirement.

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

Bryan Burnham provided an overview of summary statistics for the defined benefit plans. He also reviewed the PRB's noncompliance policy, which outlines procedures for communicating with plans regarding their compliance status.

Mr. Burnham discussed the 60-day noncompliance list and concluded with a review of upcoming deadlines and potential noncompliance dates, particularly for plans with a December 31 fiscal year end date, which will be noncompliant in the coming month if required documents are not submitted. He mentioned that 11 systems currently lack one of the required reports for compliance and that 45-day notices have been sent to these systems.

**d. Consideration and possible action to adopt Texas Local Firefighters Retirement Act (TLFFRA) governance recommendations**

Mr. Brainard called on James "Ben" Marts representing Odessa Firemen's Relief & Retirement Fund and the TLFFRA Legislative Board to provide comments regarding the TLFFRA Governance project and recommendations. Mr. Marts discussed a letter provided to the PRB from the TLFFRA Legislative Board, Odessa Fire's history with improving its governance with the current TLFFRA statute, and the importance of education and effort in improving system governance.

Mariah Miller gave a background on the TLFFRA governance project, outlined the timeline, and provided an overview of the feedback received.

Ms. Miller provided an overview of the three recommendations in topic area four regarding additional areas for research and consideration for the board.

Mr. Brainard entertained a motion to adopt recommendations 4.1, 4.2, and 4.3 as presented.

The motion was made by Mr. Gonzales and seconded by Ms. Leibe.

**The motion passed unanimously.**

Ms. Miller provided an overview of the topic area three recommendations regarding transparency and communication. She noted that staff made two recommendations for the board's consideration.

Mr. Brainard entertained a motion to adopt recommendations 3.1 and 3.2 as presented.

The motion was made by Mr. Zook and seconded by Ms. Dush.

**The motion passed unanimously.**

Ms. Miller provided an overview of the topic area two recommendations regarding board structure and membership. She noted that this was a lengthier topic with seven recommendations for the board's consideration. She covered each recommendation, along with corresponding feedback and the board discussed the options.

Mr. Brainard entertained a motion to adopt recommendations 2.1a, 2.2, 2.3, 2.4 2.5, 2.6, 2.7, and 2.8, including modifications discussed.

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

**The motion passed unanimously.**

Ms. Miller provided an overview of the topic area one recommendations regarding system funding and decision-making practices. She noted staff had five recommendations for the board's consideration and provided the feedback received from stakeholders. The board discussed the options.

The board discussed Options 1.1 and 1.1a. They asked PRB staff to provide more information on the impact of implementation of a mandatory ADC for TLFFRA systems at the December meeting. Mr. Brainard entertained a motion to adopt Option 1.1 regarding TLFFRA governance as presented.

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

**The motion passed unanimously.**

Mr. Brainard entertained a motion to adopt recommendations 1.2, 1.3, 1.4, and 1.5 regarding TLFFRA governance, as discussed.

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

**The motion passed unanimously.**

**e. *Funding Soundness Restoration Plans: Overview, Implementation, and Case Studies Report***

Mr. Burnham provided the background and purpose of the report, which is to assist systems that are or will become subject to the FSRP requirement. He explained that staff prepared this report instead of a standard intensive overview, which typically focus on one specific system, to focus on several systems and provide a progress update on how the FSRP requirement has impacted Texas systems, particularly since the 2021 legislative changes. He then gave an overview of the FSRP requirements.

Mr. Fee presented FSRP case studies, which included 14 TLFFRA systems that have taken steps since September 1, 2021, to reach a 30-year funding period. The number of TLFFRA systems exceeding the threshold was reduced by half. There were three groups of changes: Group 1 involved new agreements regarding future plan changes, Group 2 had no increase in member contributions, and Group 3 increased member contributions. Mr. Zook asked if the majority of these plans were resolved because city sponsors contributed more to the plans, which was confirmed.

Mr. Burnham concluded by noting that while the original FSRP requirement led to changes in some systems, the 2021 updates were essential for improving financial health across the board. The case studies show how the new laws are helping systems. The median funding

period for TLFRA systems decreased from 34 to 27 years, and for municipal systems, from 27 to 24 years. He also mentioned that the paper will be published on the PRB website and included in the biennial report to the legislature.

Ms. Dush left the meeting after this item’s conclusion.

**12. Update on Pension Online Reporting Tool (3:55:54)**

Ashley Rendon noted that both the database rewrite project and the reporting portal have been completed. Ms. Rendon explained that the goals of the project were to improve overall customer service, streamline the reporting system, and increase efficiency. She provided an overview of the project’s timeline, which spanned from April 2023 to August 2024. Additionally, she gave an overview of the portal’s features and provided a brief demonstration of the portal.

She stated that the next steps involve continuing to seek improvements and opportunities for technical assistance.

**13. Executive Director Report (4:04:41)**

**a. Conference Updates**

Amy Cardona discussed staff attendance and presentations at the TEXPERS Summer Educational Forum in San Antonio, held in August 2024, and the upcoming TLFRA Annual Conference in Irving in October 2024.

**b. 2023-2024 Biennial Report**

Ms. Cardona discussed the biennial report, which is due in November to the legislature and governor. She reviewed some of the PRB’s accomplishments from 2023-2024 that will be included in the report.

**c. Legislative Update**

Ms. Cardona also provided legislative updates, including the submission of the Legislative Appropriations Request in August. She outlined the funding requests and mentioned the PRB staff’s testimony at the House Pensions, Investments, and Financial Services Committee hearing on September 19, 2024.

**d. Updated Fiscal Year 2025 Operating Budget**

Ms. Cardona noted that the updated 2025 operating budget was in attachments.

**14. Future meetings: agenda items, dates, locations, and other arrangements (4:08:54)**

Ms. Leibe noted that the next board meeting will take place at 10:00 a.m. on December 4, 2024, with the meeting location to be determined.

**15. Adjournment (4:10:07)**

The meeting was adjourned at 2:25 p.m.

**PRB staff in attendance:**

Amy Cardona	David Fee	Tamara Aronstein	Mariah Miller
Ashley Rendon	Robert Munter	Wes Allen	Annika Leong
Bryan Burnham	Jasmin Loomis		

**Members of the public in attendance:**

Morris Williams, Jr., Lori Blong, Lance White,  
Jesse Martinez, Nathan Thompson - City of  
Midland

Diana Thomas - City of Austin

Justin Graham, Eric Stewart, Matt Marshall -  
Midland Firemen's Relief and Retirement Fund

Jason and Laura Cotton - Odessa Fire Rescue

Neftali Partida - Locke Lord LLP

Pattie Featherston - Austin Police Retirement  
System

Brian Hebert, Luke Slatton, and William  
Chesire - Beaumont Firemen's Relief and  
Retirement Fund

Jay Dyer - Texas County & District Retirement  
System

Lily Tu- Sage Advisory Services

Eddie Solis

Chuck Campbell, Alyca Garrison - Jackson  
Walker, LLP

John Bass, Anumeha Kumar, and Doug Fowler  
- Austin Firefighters Relief and Retirement  
Fund

Art Alfaro - TEXPERS

Ben Marts, Travis Jones - Odessa Firemen's  
Relief and Retirement Fund

Paul Thompson, Lisa Hughes, and Pat Haggerty  
- El Paso Firemen & Policemen's Pension

Paul Brown - Big Spring Firefighters Relief and  
Retirement Fund

Lisa King, Lynn Lindsay - Nacogdoches County  
Hospital District

Laura Marts - Discover Odessa

John W Beckmeyer, Kaylie Banda - City of  
Odessa

Rebecca Morris - Rudd and Wisdom Inc



**Stephanie Leibe, Chair**





TEXAS PENSION REVIEW BOARD

Board Meeting

December 4, 2024, 10:00AM

NAME (Please Print)	REPRESENTING
TERRY BRATTON	HPDPS
Brian Hebert	BMT Fire Pension
TYLER GROSSMAN	EPFPF
Paul Thompson	Tex Pers
ART ALFARO	TEXPENS
ROY RODRIGUEZ	TPRB
Jimmy Rodriguez	NCHD
Rhonda McCall	NCHD
Jan Posey	LBB
Scott Ogden	DFA
Jose Gomez	Texpers
Sheila Beckett	self
Eddie Solis	

PLEASE TURN OFF CELL PHONES DURING MEETING  
THANK YOU