

Texas Emergency Services Retirement System
Board Meeting Minutes
January 21, 2020 9:00 a.m.
Virtual Meeting Only, No Physical Location

Members Present via Teleconference:

Jenny Moore, Chairman
Pilar Rodriguez, Vice-Chairman
Nathan Douglas, Trustee
Matt Glaves, Trustee
Edward Keenan, Trustee
Jerry Romero, Trustee
Rod Ryalls, Trustee
Stephanie Wagner, Trustee

Staff and Others Present Via Teleconference:

Kevin Deiters, TESRS
Shirley Hays, Interim Executive Director, TESRS
Scott Miller, Business Development, TESRS
Wayne Oberhoff, CPA, Chief Financial Officer, TESRS
Chana Kramer, Staff Services Officer, CTCD, CTCM, TESRS
David Gordon, Assistant Attorney General
Chuck Campbell, Jackson Walker, LLP
Alyca Garrison, Jackson Walker, LLP
Matt Snider, Denim Group
Vennela Gujjula, Denim Group
Susan Bell, Denim Group

Chairman Moore called the meeting to order at 9 a.m.

1. Roll Call

Chana Kramer, Staff Services Officer, called the roll. Eight trustees were present. Secretary Bechtol was absent. Chairman Moore announced that a quorum of the Board was present.

No action was taken on this Agenda Item.

2. Invitation for Public Comment

Chairman Moore called for public comment. No public comments were made.

No action was taken on this Agenda Item.

3. Approval of Minutes for December 8, 2020

Trustee Keenan moved to adopt the minutes as presented, the motion was seconded by Trustee Romero and passed unanimously by the Board.

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Board Members	Vote
Pilar Rodriguez	Yay
Nathan Douglas	Yay
Stephanie Bechtol	Yay
Jerry Romero	Yay
Stephanie Wagner	Yay
Edward Keenan	Yay
Rod Ryalls	Yay
Matt Glaves	Abstain

4. 87th Legislative Session – Discussion and Possible Action

Chuck Campbell and Alyca Garrison, Jackson Walker, LLP, provided an overview of Senate Joint Resolution 22. Mr. Campbell explained that Senate Joint Resolution is a proposed amendment to the TX Constitution under Section 67, Article 16, and has the potential to impact TESRS. Mr. Campbell further explained that the intent of the resolution is to limit the liability of the State pertaining to the debts or other obligations of a pension system (as defined by section C of the TX Constitution) and also to eliminate the ability of Legislature to appropriate funds to a pension system (as defined by Section C of the TX Constitution). Mr. Campbell noted that it is uncertain if this resolution would apply to TESRS, because TESRS is neither specifically included or excluded as a pension system in Section C.

In response to a question by Kevin Deiters, Mr. Campbell briefly explained the process of amending the TX Constitution.

No action was taken on this Agenda Item.

Chairman Moore moved to Agenda Item 7.

7. Cybersecurity Briefing from Denim, LLC. (Closed Session)

The Board moved into executive session at 9:20 a.m. under Texas Government Code 551.089 to consult with its cybersecurity consultants regarding security relating to information technology.

No action was taken on this Agenda Item.

8. Announcement of Resignation of Executive Director and Appointment of Interim Executive Director – Discussion and Possible Action

In its executive session, the Board discussed personnel matters related to Agenda Item 8 in accordance with Texas Government Code 551.074.

The Board moved into open session at 10:01 a.m.

Kevin Deiters announced his retirement effective January 14, 2021. Mr. Deiters thanked the Board for their support during his time as Executive Director.

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Chairman Moore expressed her appreciation for the work Mr. Deiters had done as Executive Director. Shirley Hays, Interim Executive Director, presented Mr. Deiters with a plaque on behalf of the governor in appreciation of his 38 years of public service.

Vice-Chairman Rodriguez made a motion to appoint Shirley Hays as Interim Executive Director effective January 14, 2021 at a salary of \$100,000 per year. The motion was seconded by Trustee Keenan and passed unanimously by the Board.

Board Members	Vote
Pilar Rodriguez	Yay
Matt Glaves	Yay
Nathan Douglas	Yay
Edward Keenan	Yay
Jerry Romero	Yay
Rodney Ryalls	Yay
Stephanie Wagner	Yay

9. Establishment of Hiring Committee to Evaluate Applicants for Executive Director Position - Discussion and Possible Action

Chairman Moore announced that a hiring committee comprised of herself, Vice-Chairman Rodriguez and Trustee Glaves would meet to create a process for posting the position and screening candidates in order to present candidates at the March meeting in order for the new Executive Director to begin in April. In response to a question from Trustee Romero, Chairman Moore advised that she anticipated bringing two to three candidates to the full Board for the interview.

No action was taken on this Agenda Item.

Chairman Moore moved to Agenda item 5.

5. Interim Executive Director's Report

A. Transition

B. Revocation of Departmental Participation in the Pension System

Shirley Hays, Interim Executive Director, presented her report entitled *Interim Executive Director's Report* which covered the current departmental revocation of a participating department in the pension system.

No action was taken on this Agenda Item.

6. Audited Financial Statement Presentation – Discussion and Possible Action

Wayne Oberhoff, Chief Financial Officer, provided the Board with an informational update on the FY2020 Audited Financial Statement. Mr. Oberhoff advised that the System's auditors, Weaver and Tidwell, LLP, issued an unqualified or "clean" opinion. He further advised that the report was submitted before the deadline and had been distributed to state leadership, and oversight agencies as per requirements. Mr. Oberhoff explained that there was one error listed on the Generally Accepted Government Standards

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(GAGAS) report, which pertained to the System's payroll expense, and that the error was considered by Weaver and Tidwell LLP to be immaterial. In response to a question from Chairman Moore, Mr. Oberhoff described to the Board that the error occurred due to a timing difference in the accounting of salary expense between SFY 2019 and SFY 2020. He stated that a new process he had developed in order to prevent the error from occurring in the future.

Mr. Oberhoff notified the Board that Rebecca Goldstein, Weaver and Tidwell LLP would be at the February 18th Board meeting and would provide the Board with more detail.

No action was taken on this Agenda Item.

Chairman Moore moved to agenda item 10.

10. Request for Future Agenda Items and Meeting Dates

Chairman Moore advised the Board that the next meeting was scheduled for February 18th at 9:00 A.M. CDT.

Chairman Moore announced the following future Agenda Items:

- Interview Actuarial Audit Firms/Award Contract
- Contract Extensions: Denim Group and Lauterbach & Amen
- Interviews of Executive Director Applicants
- Investment Performance Report for December 31, 2020
- Actuarial Audit Presentation

Chairman Moore announced that Ed Keenan, Rodney Ryalls, and Nathan Douglas had been appointed to serve on the newly created Legislative Committee.


No action was taken on this Agenda Item.

11. Adjourn

Chairman Moore requested a motion to adjourn at 10:22 a.m.

A motion to adjourn was made by Trustee Wagner, seconded by Trustee Keenan and was unanimously passed by the Board.

Minutes Approved by:

DocuSigned by:

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Jenny Moore, Chairman

3/3/2021 | 09:20:35 PST

Date