

Texas Emergency Services Retirement System
Board Meeting Minutes
December 8, 2020 9:00 a.m.
Virtual Meeting Only, No Physical Location

Members Present via Teleconference:

Jenny Moore, Chairman
Pilar Rodriguez, Vice-Chairman
Courtney Gibson Bechtol, Secretary
Nathan Douglas, Trustee
Jerry Romero, Trustee
Rod Ryalls, Trustee
Stephanie Wagner, Trustee

Staff and Others Present Via Teleconference:

Kevin Deiters, Executive Director, TESRS
Shirley Hays, Contract Manager, 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
Jonathan D. Breth, CFP, AndCo Consulting, L.L.C.

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

1. Roll Call

Chairman Jenny Moore called the roll. Six trustees were present. Trustees Glaves, Keenan and Ryalls were absent. Chairman Moore announced that a quorum of the Board was present.

2. Invitation for Public Comment

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

3. Approval of Minutes for December 8, 2020

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

Board Members	Vote
Pilar Rodriguez	Yay
Nathan Douglas	Yay
Stephanie Bechtol	Yay
Jerry Romero	Yay
Stephanie Wagner	Yay

Trustee Ryalls arrived at 9:04 a.m.

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4. Consent Agenda – Discussion and Possible Action

- A. Non-Appropriated Fund Budget as of November 30, 2020**
- B. Appropriated Fund Budget as of November 30, 2020**
- C. Executive Director’s Report on Administration as of November 30, 2020**
- D. Investment Accounting Services Agreement Extension with Lauterbach and Amen**
- E. Cyber Security Consultant Contract Extension with Denim LLC**

Kevin Deiters, Executive Director, explained the concept of using a consent agenda to consolidate routine items into a single agenda item. Mr. Deiters further explained that items can be pulled out of the consent agenda in the event that Board members have questions or if a greater discussion is needed. He advised the Board that items 4D and 4E would be presented at the next meeting in order to give staff additional time to prepare the materials.

Vice-Chairman Rodriguez moved to approve the consent agenda with the exception of Items 4D and 4E, the motion was seconded by Trustee Wagner and passed unanimously by the Board.

No action was taken on this Agenda Item.

5. Investment Consultant Report – Discussion and Possible Action

- A. Investment Performance Report for the Quarter Ending September 30, 2020**
- B. Investment Manager Watch List**
- C. Written Investment Policy and Asset Allocation**

Jonathan D. Breth, CFP, AndCo Consulting, L.L.C. presented his report entitled *Investment Performance Review Period Ending September 30, 2020*, which contained a recap of investment activity seen in the third quarter of 2020. Mr. Breth described the market recovery that began in late March that continued through the third quarter, the impact of Federal Reserve Board actions, and the performance of each of the System’s money managers.

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Asset Class	Amount	Percent
Domestic Equities	\$53,584,207	46.4%
International Equities	\$21,041,108	18.2%
Fixed Income	\$26,965,955	23.3%
US Core Real Estate	\$5,013,727	4.3%
Master Limited Partnership	\$2,737,563	2.4%
Multi-Asset Investments	\$5,795,449	5.1%
Money Market	\$404,461	0.3%
Total	\$115,542,470	100.0%

Comparative Performance	Qtr	FYTD	YTD	1 Yr	3 Yr	5 Yr	7 Yr	Inception
Total Retirement System	5.45%	-1.86%	1.95%	8.35%	6.63%	8.13%	5.97%	6.50%
Total Fund Policy	4.45%	-1.60%	-.10%	5.85%	5.71%	8.16%	8.35%	7.58%
Difference	1.0%	-0.26%	2.05%	2.50%	0.92%	-0.03%	0.19%	1.08%

In his discussion about the asset allocation, Mr. Breth advised the Board that he would work with the staff during the next few weeks to rebalance the domestic equity and fixed income allocations back to the target allocations in preparation of satisfying the \$5 million capital call from the Morgan Stanley Prime Property Fund that is due on December 30th.

He noted that none of the System's money managers were currently on the watch list and he did not recommend any watch list actions based on the performance of the quarter.

No action was taken on this Agenda Item.

6. Reporting Compliance Project – Discussion and Possible Action

Shirley Hays, Contracts Manager, provided an overview of her memorandum entitled *Departmental Compliance Project*.

Ms. Hays explained to the Board that staff have identified participant departments that need assistance from Agency staff in order to become compliant with System requirements. She advised that there were several types of noncompliance being identified and she described the assistance that would be provided to these departments. She further advised that she would provide the Board with a summary of the project outcomes at the March 2021 meeting.

In response to a question from Jenny Moore, Chairman, Kevin Deiters, Executive Director, explained that a video outlining Local Board responsibilities would be posted to the TESRS website.

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

7. Request for Future Agenda Items and Meeting Dates

Chairman Moore advised the Board that the next meeting was scheduled for January 21st at 9:00 A.M. CDT.

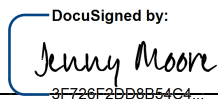
Kevin Deiters requested that the Board members be available the third Thursday of each month at 9:00 A.M. CDT in order to have consistent, reoccurring monthly virtual meetings until the Governor’s suspension of provisions in the Open Meetings Act that require a quorum of the Board to be in a single location are lifted or expire.

No action was taken on this Agenda Item.

9. Adjourn

Secretary Bechtol made a motion to adjourn the meeting, and the Board adjourned at 9:56 P.M.

Minutes Approved by:

DocuSigned by:

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Jenny Moore, Chairman

1/22/2021 | 16:40:23 PST

Date