

Texas Emergency Services Retirement System

Board Meeting Minutes

February 16, 2023 8:30 a.m.

Hilton Austin Airport- Chennault Room

9515 Hotel Drive, Austin, TX 78719

Members Present:

Pilar Rodriguez, Chairman
Jerry Romero, Vice Chair
Edward Keenan, Secretary
Jenny Moore, Trustee
Rod Ryalls, Trustee
Brian Smith, Trustee
Nathan Douglas, Trustee
Stephanie Wagner, Trustee

Members Absent:

Matt Graves, Trustee

Staff and Others Present:

Tiffany White, Executive Director, TESRS
Jessica O'Brien, Data & Technology Officer, TESRS
Scott Miller, Business Development, TESRS
Tiara Bouldwin, Benefits Specialist, TESRS
Rosalind Hunt, Assistant Attorney General
Jonathan D Breth, CFP, AndCo Consulting LLC
Rebecca Goldstein, Weaver and Tidwell, L.L.P.
Donny Boggs, State Firefighters' & Fire Marshals' Association
Chuck Richardson, State Firefighters' & Fire Marshals' Association

Chairman Rodriguez called the meeting to order at 8:32 a.m.

1) Roll Call and Excuse of Board Member Absences

Tiara Bouldwin, Benefits Specialist, called the roll. Seven board members were present. Trustee Smith and Trustee Graves were absent. Chairman Rodriguez announced that a quorum of the board was present.

Trustee Smith arrived at 8:36 a.m.

2) Invitation for Public Comment

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

No action was taken on this agenda item.

3) Approval of Minutes for February 16, 2023

Trustee Moore moved to adopt the minutes for February 16, 2023 as presented. The motion was seconded by Vice Chair Romero and unanimously passed by the

board.

Board Members	Vote
Jerry Romero	Yay
Edward Keenan	Yay
Jenny Moore	Yay
Rod Ryalls	Yay
Brian Smith	Yay
Nathan Douglas	Yay
Stephanie Wagner	Yay

4) Investment Consultant Report on Investment Performance

- A. Investment Performance Report for Quarter Ending December 31, 2022**
- B. Investment Manager Watch List Report**
- C. Written Investment Policy and Asset Allocation**

Jon Breth, CFP, AndCo Consulting LLC, presented his report entitled *Investment Performance Report for the Quarter Ending December 31, 2022*. Mr. Breth report included an overview of the market environment and economy, domestic and international equities, fixed income, and market themes.

Mr. Breth did not see a need to make reallocations at this time. Mr. Breth recommend maintaining Allspring Emerging Markets and Jackson Square on the Watch List.

Mr. Breth stated at this time there is no recommended changes for the written investment policy but would like to visit this year would to and evaluate and discuss the language and make minor changes for the new year.

Vice chair Romero moved to accept the Investment Performance Report for Quarter Ending December 31, 2022. The motion was seconded by Trustee Moore and unanimously passed by the board.

Board Members	Vote
Jerry Romero	Yay
Edward Keenan	Yay
Jenny Moore	Yay
Rod Ryalls	Yay
Brian Smith	Yay
Nathan Douglas	Yay
Stephanie Wagner	Yay

Vice chair Romero moved to accept the Investment Manager Watch List Report. The

motion was seconded by Trustee Moore and unanimously passed by the board.

Board Members	Vote
Jerry Romero	Yay
Edward Keenan	Yay
Jenny Moore	Yay
Rod Ryalls	Yay
Brian Smith	Yay
Nathan Douglas	Yay
Stephanie Wagner	Yay

Vice chair Romero moved to accept the Written Investment Policy and Asset Allocation. The motion was seconded by Trustee Douglas and unanimously passed by the board.

Board Members	Vote
Jerry Romero	Yay
Edward Keenan	Yay
Jenny Moore	Yay
Rod Ryalls	Yay
Brian Smith	Yay
Nathan Douglas	Yay
Stephanie Wagner	Yay

5) TESRS 2022 Audited Financial Report

Rebecca Goldstein, Weaver and Tidwell L.L.P., presented her report on TESRS 2022 Audited Financial report entitled *Independent Auditor's Report*. Ms. Goldstein advised that her firm's objective was to form and express an opinion as to whether the financial statements prepared by management is correct in all material aspects.

Ms. Goldstein described the audit process and reported that Weaver and Tidwell L.L.P., had reviewed TESRS financial statements and issued a clean opinion letter because they believe the financial statements are accurate, complete, and in accordance with Generally Accepted Accounting Principles.

Ms. Goldstein noted that they did not find any control deficiencies or significant audit adjustments. However, she did note there were some significant difficulties in getting information and questions answered during the audit process due to recent TESRS staff vacancies that resulted in the audited financial report being submitted later than usual.

Secretary Keenan moved to adopt the TESRS 2022 Audited Financial Report. The motion was seconded by Trustee Douglas and unanimously passed by the board.

Board Members	Vote
Jerry Romero	Yay
Edward Keenan	Yay
Jenny Moore	Yay
Rod Ryalls	Yay
Brian Smith	Yay
Nathan Douglas	Yay
Stephanie Wagner	Yay

6) Chief Financial Officer's Budget Report

A. FY2023 Non-Appropriated Budget and Expenditures

B. FY2023 Appropriated Budget and Expenditures

Tiffany White, Executive Director, presented her handout entitled *96965 Pension*. Ms. White's handout covered budget line item updates for FY2023 Non-Appropriated Budget and Expenditures expenses recorded through January 2023.

Ms. White then presented her handout entitled *Appropriation 13002 Fund Budget for FY 2023*. She explained that the handout detailed expenses related to the administration of the pension fund that had been recorded through the first quarter of FY 2023. She advised we are right on target as it relates to the first quarter of spending for FY2023 for appropriated funds.

No motion was taken on this agenda item.

7) Contracts and Procurement

A. Lauterbach- additional CFO duties

B. Contract Amendment for Lauterbach & Amen LLP

Tiffany White, Executive Director, presented a memorandum for *Lauterbach & Amen, LLP*.

Ms. White asks the board for permission to hire Lauterbach for two additional services as Chief Financial Officer Accountant Assistant and Contract Amendment duties. She explained that TESRS requires a CPA expertise in order for certain reports to be completed. Ms. White report also detailed the exact duties Lauterbach provide for the agency and their budget.

Trustee Wagner moved that the board accept Lauterbach contract in addition to adding on CFO duties to their task. The motion was seconded by Vice Chair Romero and unanimously passed by the board.

Board Members	Vote
Jerry Romero	Yay

Edward Keenan	Yay
Jenny Moore	Yay
Rod Ryalls	Yay
Brian Smith	Yay
Nathan Douglas	Yay
Stephanie Wagner	Yay

Vice Chair Romero moved that the board accept the contract amendment for Lauterbach & Amen, LLP. The motion was seconded by Trustee Smith and unanimously passed by the board.

Board Members	Vote
Jerry Romero	Yay
Edward Keenan	Yay
Jenny Moore	Yay
Rod Ryalls	Yay
Brian Smith	Yay
Nathan Douglas	Yay
Stephanie Wagner	Yay

8) Tax Table Programming

Jessica O’Brien, Data and Technology Officer presented her handout entitled *IRS Tax Table Database*. Ms. O’Brien requested \$3,500 to program the updated IRS tax table for 2023 into TOL database. She explained that the IRS has removed the filing status head of household from single. Ms. O’Brien also requested permission to work with Tax advisor to verify calculations configured input in TOL database. She noted additional funding may be needed to support the Tax advisor role. Tiffany White noted that Lauterbach can be a potential candidate to check the tables because they are CPA certified.

Trustee Moore moved to adopt the recommendation as presented by Ms. O’Brien. The motion was seconded by Trustee Ryalls and unanimously passed by the board.

Board Members	Vote
Jerry Romero	Yay
Edward Keenan	Yay
Jenny Moore	Yay
Rod Ryalls	Yay
Brian Smith	Yay
Nathan Douglas	Yay
Stephanie Wagner	Yay

9) Strategic Planning update

Scott Miller, Business Development, presented his handout entitled *Texas Emergency Services Retirement System Strategic Plan Update* to describe the action taken to address the goals. He explained that special projects had been organized to address goals identified by the board in order to:

- Increase membership
- Create a Marketing and Branding Plan
- Build a Legislative Relationship

Mr. Miller presented his report for increased membership he explained since the last board meeting he has been sending out friendly reminders every two weeks to departments that have not made any activity in the last couple years. He noted we are currently working on Annual Reports and Member Reconciliation Reports and will have a better update at the upcoming meeting after reports are completed to see if the strategy worked.

Mr. Miller stated he would like to explore the governing body and political subdivision (education, public safety, utilities, etc.) because it offers many opportunities to TESRS.

Mr. Miller reported the outreach committee now has 5 members, he is seeking 10 to 15 total to join throughout the remainder of the year.

Mr. Miller stated he is working on developing a relationship with the State Firemans' & Fire Marshals' Association of Texas. He noted they have upcoming events and it is his full intention to attend.

Mr. Miller gave a Social Media update report. He attended the Safe-D conference and will be following up with those departments. Email updates and reminders were being sent out every week but he has noticed a decrease in engagement so has resorted to sending them out every other week and will continue to update and post content onto the agency website and social media pages.

Mr. Miller presented his handout to update the board on enrolling new departments. Smith Co. ESD #2 is still in process of joining; he is working with the boards to try to comprise into one local board for all 11 departments. Henrietta VFD met with department and City Council and would have buyback. Beach City VFD received letter of participation on Monday February 13th by the city to join TESRS. He reported Magnolia FD is stagnant. Cooper VFD TLFFRA department. Discussion on pass-through or buyback.

No motion was taken on this agenda item.

10) Executive Director's Report on System Activity Fiscal and budgetary matters, training, compliance, audits, outreach, and agency personnel

A. 88th Legislative Session Update

Tiffany White, Executive Director, presented her report entitled TESRS Executive Director's Report. Her report covered system administration and system activity, pension

system activity-benefits, and recruiting and technical assistance efforts.

Ms. White reported on departments in the revocation stage. Forney Fire Department was scheduled to revoke February 2023. Princeton Fire Department did not have a scheduled revocation date. She stated it is a work in progress.

Ms. White introduced new employee hired Tiara Bouldwin who will resume her role as Benefits Specialist with the agency.

Ms. White reported that last board meeting the board made a motion to bring all staff salary up from the minimum state auditors' classification to the midpoint range. She noted it will be around \$124,000 per finance and this will be classified as an exceptional item to be prepared and presented to the Senate Finance Committee. Ms. White reported that the Senate approved a 5% salary adjustment for all state employees that will be for FY2024 and FY2025.

Ms. White presented a calendar report entitled "88th Legislature, Regular Session Deadlines for Action Under House and Senate Rules" that detailed May deadlines that are intended to be a practical summary guide to the end-of-session deadlines for legislative session. Ms. White also discussed upcoming meetings and invited the board to attend.

No motion was taken on this agenda item.

11) Board Training Opportunities

Tiffany White, Executive Director, reported that she sent an email to board members to take the Minimum Educational Training (MET) Requirements and information on upcoming TEXPERS conference.

12) Proposed Board Meeting Dates, Locations and Agenda Items

Tiffany White, Executive Director, stated future board meeting dates were approved in December's board meeting verify if still accurate. The dates proposed are May 18, 2023 and August 17, 2023.

After discussion, tentative board meeting locations would be Hilton Austin Airport or the Texas Capitol. Ms. White suggested that the August board meeting should be at the Capitol because session will still be in effect in May 2023 and chances may be slim to be reserve a meeting room.

Trustee Ryalls noted that State Firefighters' & Fire Marshals' Association have an upcoming firefighter's memorial on April 5, 2023.

13) Personnel matters regarding the appointment, employment, compensation, evaluation, reassignment, duties, discipline, or dismissal of the Executive Director.

Chairman Rodriguez announced that at 10:41 a.m. on February 16, 2023 the board would go into closed session pursuant to Texas Government Code Section 551.074 to discuss personnel matters under Agenda Item 13. The Board requested that all non-board members leave the room, except for legal counsel.

The board returned to open session at 11:16 a.m.

Chairman Rodriguez announced that no action was taken during the executive session. No action was taken regarding this agenda item.

14) Adjourn

Chairman Rodriguez called for a motion to adjourn at 11:20 AM.

The motion was made by Vice Chair Romero, seconded by Trustee Ryalls and unanimously passed by the board.

Minutes Approved by:


Edward Keenan, Secretary

_5/30/2023

Date