

Texas Emergency Services Retirement System
Board Meeting Minutes
December 6, 2024 1:00 p.m.
North Lamar Blvd. Building, Conference Room 170
4800 N. Lamar Blvd., Austin, TX 78756

Members Present:

Pilar Rodriguez, Chairman (Via Zoom))
Jerry Romero, Vice Chair
Edward Keenan, Secretary (Via Zoom)
Matthew Glaves, Trustee (Via Zoom)
Rod Ryalls, Trustee (Via Zoom)
Nathan Douglas, Trustee (Via Zoom)
Rupal Chaudhari, Trustee (Via Zoom)
Brian Smith, Trustee (Via Zoom)

Members Absent:

Brad Landi, Trustee

Staff and Others Present:

Jessica Almaguer, Executive Director, TESRS
Michael Villanueva, Executive Assistant, TESRS
Scott Miller, Director of Compliance and Marketing, TESRS (Via Zoom)
Mark Fenlaw, Rudd & Wisdom, Inc. (Via Zoom)
Rebecca Morris, Rudd & Wisdom, Inc. (Via Zoom)

Vice Chairman Romero called the meeting to order at 1:05 p.m.

1) Roll Call and Excuse of Board Member Absences

Michael Villanueva, Executive Assistant, called the roll. Seven board members were present. Trustee Landi and Trustee Douglas were absent. Vice Chairman Romero announced that a quorum of the board was present.

Vice Chairman Romero called for a motion to excuse the absent members. The motion to excuse the absent members was made by Trustee Douglas, seconded by Trustee Chaudhari and unanimously passed by the board.

It was noted that Trustee Glaves joined the Zoom at 1:23 p.m. That is making eight members were present.

2) Invitation for Public Comment

Vice Chairman Romero called for public comment. No public comments were made.

No action was taken on this agenda item.

3) Administration and Actuarial Committee Report

A. Actuarial Evaluation

Mark Fenlaw and Rebecca Morris, Rudd & Wisdom, Inc. (Via Zoom), presented the Actuarial Valuation Report as of August 31, 2024, and their recommendations to the board.

In summary of the report The Texas Emergency Services Retirement System has an inadequate contribution arrangement, even if the state provides the maximum annual contribution required by law to amortize the unfunded actuarial accrued liability (UAAL) and approximately \$825,000 annually for administrative expenses. These contributions, combined with the legacy Part One and maximum Part Two contributions from participating departments, are insufficient to establish an adequate funding arrangement.

The System is advised to consider the following options:

- Request additional state appropriations: Seek funding from the Legislature that, combined with legacy Part One contributions, would cover the normal cost and amortize the UAAL within 30 years or less.
- Adjust contribution rates and benefits: Implement the maximum 15% Part Two contributions and commission an analysis from Rudd and Wisdom to explore potential reductions in the benefit formula that would achieve a 30-year or shorter amortization period.

The actuarial valuation has been conducted in compliance with established actuarial standards, methodologies, and the guidelines set forth by the Texas State Pension Review Board for public employee retirement systems.

Vice Chairman Romero called for a motion to accept the recommendation from Administration and Actuarial to adopt to finalize the 2024 Actuarial Valuation Report as presented with the possible changes to Section 865.015. The motion to accept recommendation from Administration and Actuarial to adopt to finalize the 2024 Actuarial Valuation Report as presented with the possible changes to Section 865.015 was made by Chairman Rodriguez, seconded by Secretary Keenan and passed unanimously by Trustees.

4) Adjourn

Vice Chairman Romero called for a motion to adjourn at 1:40 p.m. The motion was made by Secretary Keenan and second motion by Trustee Chaudhari, and unanimously passed by the Trustees.

Minutes Approved by:



Edward Keenan, Secretary

February 5, 2025

Date