

Texas Emergency Services Retirement System
Board Meeting Minutes
July 15, 2021 9:00 A.M.
Virtual Meeting Only, No Physical Location

Members Present via Teleconference:

Jenny Moore, Chairman
Courtney Bechtol, Secretary
Nathan Douglas, Trustee
Edward Keenan, Trustee
Matt Graves, Trustee
Jerry Romero, Trustee
Rod Ryalls, Trustee
Stephanie Wagner, Trustee

Staff and Others Present Via Teleconference:

Shirley Hays, Executive Director, TESRS
Jessica O'Brien, Data & Technology Officer, TESRS
Chana Kramer, Contract Specialist, CTCD, CTCM, TESRS
David Gordon, Assistant Attorney General
Scott Miller, Business Development, TESRS
Cassandra Davis, Staff Services Officer, TESRS
Kimberly Fuchs, Assistant Attorney General
Ryan Falls, F.S.A, Gabriel, Roeder, Smith & Company
Janie Shaw, A.S.A, Gabriel, Roeder, Smith & Company
Joseph Newton F.S.A, Gabriel, Roeder, Smith & Company
Mark Fenlaw, F.S.A, Rudd & Wisdom, Inc.
Rebecca Morris, A.S.A, Rudd & Wisdom, Inc.

Chairman Moore called the meeting to order at 9:00 A.M.

1. Roll Call

Cassandra Davis, Staff Services Officer, called the roll. Eight trustees were present. Vice-Chairman Rodriguez 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. Shirley Hays, Executive Director, advised that Rolland Pursley had registered for public comment.

Mr. Rolland Pursley from Edinburg VFD, explained that he has concerns about the actuarial effect of members from Edinburg VFD being given qualified service credit for 2020 as a special allowance due to COVID, even if they did not meet the minimum requirements for attending emergencies and trainings. Mr. Pursley added that he would like to know the impact on the overall health of the fund if the local boards for all participating departments were to award qualified service credit to all members, including those who did not meet plan requirements.

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Chairman Moore directed Mr. Pursley to contact office staff, who would address his concerns.

No action was taken on this agenda item.

3. Minutes of Board Meeting on June 17, 2021 – Discussion and Possible Action

Trustee Romero moved to adopt the minutes for June 17, 2021 as presented. The motion was seconded by Trustee Glaves and unanimously passed by the board.

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

Chairman Moore announced that she was moving out of order to Agenda Item 8.

8. CLOSED SESSION - Administrative Committee Report on Agency Personnel Matters

The board moved into executive session at 9:12 a.m. under Texas Government Code 551.074 to discuss personnel matters.

Chairman Moore announced that the board would reconvene in open session in the Zoom meeting.

The board returned from executive session at 10:07 a.m. and Chairman Moore announced that the board was back on record in open session and that no action was taken in executive session. Trustee Romero left the meeting during the closed session. Chairman Moore noted that a quorum was still present and opened the floor to discussion.

Hearing no discussion, Chairman Moore moved that the board authorize the budgeting and expenditure of not more than \$70,000 from the state fiscal year 2021 non-appropriated fund budget for audit, accounting, and interim CFO services. Chairman Moore moved that the board authorize staff to take any and all actions necessary to execute or amend agreements on behalf of the board due to the vacancy of the agency Chief Financial Officer position. The motion was seconded by Trustee Wagner and passed unanimously by the board.

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Board Members	Vote
Nathan Douglas	Yay
Courtney Bechtol	Yay
Edward Keenan	Yay
Matt Glaves	Yay
Rod Ryalls	Yay
Stephanie Wagner	Yay

Chairman Moore moved that the board authorize the budgeting and expenditure of not more than \$31,500 from the state fiscal year 2022 non-appropriated fund budget to supplement the annual salary of the agency Chief Financial Officer position. The motion was seconded by Secretary Bechtol and passed unanimously by the board.

Board Members	Vote
Nathan Douglas	Yay
Courtney Bechtol	Yay
Edward Keenan	Yay
Matt Glaves	Yay
Rod Ryalls	Yay
Stephanie Wagner	Yay

Chairman Moore announced that she was moving out of order to Agenda Item 6.

6. Update from Attorney General on Expiration of Suspension September 1, 2021, of Certain Provisions of the Texas Open Meeting Act

David Gordon, Assistant Attorney General, Office of the Attorney General (OAG) provided the board with an update on the expiration of suspension of certain provisions of the Texas Open Meetings Act that allowed the board to meet completely virtually. Mr. Gordon explained that after September 1, 2021, the board would be unable to meet completely virtually, but that there was still allowance for board members to attend the meeting by video conference as long as a quorum of the board met in person.

No action was taken on this agenda item.

Chairman Moore announced that she was moving out of order to Agenda Item 5.

5. Request for Qualifications for Procurement of Outside Council, Evaluation Committee Report – Discussion and Possible Action

Trustee Wagner provided an overview of the evaluation process for the Request for Qualifications that the agency issued on May 19, 2021 for Outside Counsel. Ms. Wagner described the proposed contract provisions and the proposal scoring that was completed by committee members. She concluded by making a committee recommendation for the

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board to enter into contract negotiations with Jackson Walker, LLP based on demonstrated competence, Texas specific knowledge and qualifications, reasonableness of their cost proposal, and the quality of services that had been provided to the board since 2009.

Trustee Wagner moved, pursuant to Texas Government Code 2155.148, to select Jackson Walker, LLP for contract award for the performance of Outside Counsel Legal Services and to authorize staff to take any and all actions necessary to obtain OAG approval and execute an agreement on behalf of the board. The motion was seconded by Trustee Keenan and passed unanimously by the board.

Board Members	Vote
Nathan Douglas	Yay
Courtney Bechtol	Yay
Edward Keenan	Yay
Matt Glaves	Yay
Rod Ryalls	Yay
Stephanie Wagner	Yay

Chairman Moore announced that she was moving out of order to Agenda Item 4.

Trustee Wagner left the meeting at 10:25.

4. Actuarial Service Firm Presentations – Discussion and Possible Action

A. Rudd & Wisdom

Mark Fenlaw, F.S.A, Rudd & Wisdom, Inc. and Rebecca Morris, A.S.A, Rudd & Wisdom, Inc. summarized their presentation entitled *A Proposal To Provide Actuarial Services July 15, 2021 Board Meeting Presentation*. The presentation included Rudd & Wisdom's qualifications to provide actuarial services for TESRS and an overview of the proposed team of actuaries. Mr. Fenlaw also explained that data quality improvements have allowed Rudd & Wisdom to bill TESRS less than the agreed upon fixed fees for the last two actuarial valuations and for the recently completed experience study. Mr. Fenlaw further explained that proposed fees are based on time and hourly rates with not-to-exceed amounts less than prior fixed fees.

B. Gabriel, Roeder, Smith & Company

Ryan Falls, F.S.A, Gabriel, Roeder, Smith & Company, Janie Shaw, A.S.A, Gabriel, Roeder, Smith & Company, and Joseph Newton F.S.A, Gabriel, Roeder, Smith & Company provided the board with an overview of their presentation entitled *Texas Emergency Services Retirement System Professional Actuarial Services*. The presentation included a summary of GRS actuarial consulting clients in Texas, the proposed GRS team, a transition plan should GRS be selected, and risk management tools, including projection information.

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Following the presentations, Trustee Keenan, who served on the Evaluation Committee, gave a report to the Board. He noted that he felt both firms were very good. He explained that because of a long history of good service to the board and a lower fee proposal, the Evaluation Committee selected Rudd & Wisdom as the top candidate. Trustee Ryalls agreed with Trustee Keenan.

Trustee Keenan moved to offer Rudd & Wisdom the contract for Actuarial Services, the motion was seconded by Trustee Glaves and passed unanimously by the board.

Board Members	Vote
Nathan Douglas	Yay
Courtney Bechtol	Yay
Edward Keenan	Yay
Matt Glaves	Yay
Rod Ryalls	Yay

7. Executive Director's Report

A. System Administrative and Financial Activity

B. Recruiting and Technical Assistance

Shirley Hays, Executive Director, presented her report entitled Texas Emergency Services Retirement System Executive Director's Report July 15, 2021. Her report covered system administrative and financial activity and recruiting and technical assistance activity.

No action was taken on this agenda item.

9. Future Agenda Items and Meeting Dates

Chairman Moore announced that the next meeting would be on August 19, 2021. The meeting will be in person and held at the Hyatt Place, Austin Airport Hotel.

Ms. Hays noted that the meeting would include officer elections, a quarter investment update, vendor evaluations on board's contractors, and a vendor assessment update from Denim Group, which would be held in executive session.

Chairman Moore explained that she expected to return to quarterly meetings, now that the board is returning to in-person meetings.

No action was taken on this agenda item.

10. Adjourn

Chairman Moore requested a motion to adjourn at 11:10 A.M.

A motion to adjourn was made by Trustee Keenan, seconded by Secretary Bechtol

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and unanimously passed by the board.

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Minutes Approved by:

DocuSigned by:

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Courtney Bechtol, Secretary

8/20/2021 | 15:46:02 EDT

Date