

**Texas Emergency Services Retirement System**  
**Board Meeting Minutes**  
**February 25, 2021 9:00 a.m.**  
Virtual Meeting Only, No Physical Location

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**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:**

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  
Jessica Obrien, Data & Technology Officer, TESRS  
Rebecca Goldstein, Weaver& Tidwell L.L.P.  
Steve Earnhardt, Lauterbach & Amen  
Lindsey Rappeport, Lauterbach & Amen  
Tom Vincente, FSA, EA Bolton Partners, Inc  
Ann Sturner, FSA, EA, MAAA Bolton Partners, Inc  
Ellen Kleinstuber, FSA, FCA, FSPA, EA, MAAA Bolton Partners, Inc  
Ryan Falls, F.S.A., E.A., M.A.A.A, Gabriel, Roeder, Smith & Company  
Rosalind Hunt, Assistant Attorney General  
Matt Snider, Denim Group  
Vennela Gujjula, Denim Group  
Susan Bell, Denim Group

Chairman Moore called the meeting to order at 9:01 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.

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**3. Approval of Minutes for January 21, 2021**

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

<b>Board Members</b>	<b>Vote</b>
Pilar Rodriguez	Yay
Nathan Douglas	Yay
Jerry Romero	Yay
Stephanie Wagner	Yay
Edward Keenan	Yay
Rod Ryalls	Yay
Matt Glaves	Yay

Chairman Moore moved out of order to Agenda Item 7.

**7. Audited Financial Statement Presentation – Discussion and Possible Action**

Rebecca Goldstein, Weaver& Tidwell L.L.P., provided an overview of her report entitled *Independent Auditor's Report* on behalf of her firm, Weaver and Tidwell L.L.P. 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 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 one significant deficiency in internal controls resulted in a misstatement of a prior year payroll expense. The misstatement caused by the error was not considered material, but Ms. Goldstein did recommend that management consider evaluating its year end close procedures.

No action was taken regarding this agenda item.

Chairman Moore moved to Agenda Item 4.

**4. Consent Agenda:****A. Interim Executive Director's Report:**

**1) 87th Legislative Session Update**

**2) Compliance Project Update**

**B. Jackson Walker, LLP, Contract Amendment – Discussion and Possible Action**

Shirley Hays, Interim Executive Director, presented her report entitled *Interim Executive*

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*Director's Report February 25, 2021.* Ms. Hays provided an update on the ongoing compliance project, which identifies participating departments that are not currently in compliance in an effort to correct issues, and she briefly discussed pending legislation with the potential to affect TESRS.

Ms. Hays also referenced the memorandum entitled *Jackson Walker, LLP, Outside Counsel*, written by Chief Financial Officer, Wayne Oberhoff, CPA, which requested the Board's authority to increase the budget for Outside Counsel services. Ms. Hays advised that the increase was needed for legislative matters as well as upcoming rule review.

Vice Chairman Rodriguez moved that the Board approve the Consent Agenda without modification, the motion was seconded by Trustee Glaves and was passed unanimously by the Board.

Due to technical issues, Chairman Moore turned the meeting over to Vice Chairman Rodriguez at 9:25 A.M. Vice-Chairman Rodriguez served as the presiding officer for the remainder of the meeting.

<b>Board Members</b>	<b>Vote</b>
Matt Glaves	Yay
Nathan Douglas	Yay
Edward Keenan	Yay
Jerry Romero	Yay
Rodney Ryalls	Yay
Stephanie Wagner	Yay

## 5. Actuarial Audit Firm Presentations:

### A. Gabriel, Roeder, Smith & Company

Ryan Falls, F.S.A., E.A., M.A.A.A, Gabriel, Roeder, Smith & Company (GRS) provided the Board an overview of his presentation entitled *Texas Emergency Services Retirement System Actuarial Audit Services*. The presentation included a description of the experience that GRS has as both a system actuary and actuarial auditor, as well as the proposed plan to have a final actuarial audit report to the Board in April 2021.

### B. Bolton Partners, Inc.

Tom Vincente, FSA, EA Bolton Partners, Inc. provided the Board with his presentation entitled *Texas Emergency Services Retirement System Actuarial Audit Services RFP 326-21-1*. The presentation included an overview of the firm's audit experience as well as a description of their services and approach.

No action was taken on this Agenda Item.

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**6. Actuarial Audit Contract Award –Discussion and Possible Action**

Trustee Keenan explained that as the chairman of the Actuarial Audit RFP committee, his recommendation is to enter into contract negotiations with GRS.

Trustee Keenan moved pursuant to Texas Government Code 2155.148 to select GRS for contract award for the performance of Actuarial Audit Services and to authorize the staff to take any and all actions necessary to executive an agreement on behalf of the Board, the motion was seconded by Trustee Glaves and was passed unanimously by the Board.

<b>Board Members</b>	<b>Vote</b>
Matt Glaves	Yay
Nathan Douglas	Yay
Edward Keenan	Yay
Jerry Romero	Yay
Rodney Ryalls	Yay
Stephanie Wagner	Yay

**8. Lauterbach & Amen, LLP, Investment Accounting Services Contract Extension – Discussion and Possible Action**

Steve Earnhardt, Lauterbach & Amen, gave the Board an overview of the investment account services that they are currently providing TESRS, which include monthly journal entries into the Agency’s accounting system (MIP), the state’s accounting system (USAS) and the state’s financial management system (CAPPs), reconciliation of the investment accounts, preparation of the Annual Financial Report, coordination with TESRS outside auditor and preparation of ad-hoc reports required by TESRS staff and oversight agencies.

Trustee Romero moved that the Board extend the contract with Lauterbach & Amen for investment accounting services for an additional one-year term to expire on August 31, 2022, and to authorize the staff to take any and all actions necessary to execute an amendment on behalf of the Board. The motion was seconded by Trustee Keenan and was passed unanimously by the Board.

<b>Board Members</b>	<b>Vote</b>
Matt Glaves	Yay
Nathan Douglas	Yay
Edward Keenan	Yay
Jerry Romero	Yay
Rodney Ryalls	Yay
Stephanie Wagner	Yay

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**9. Denim, LLC, Cyber Security Consultant Contract Extension – Discussion and Possible Action**

Matt Snider, Denim Group, provided the Board with a presentation that described the cybersecurity services that Denim Group currently provides TESRS. Mr. Snider also provided an overview of the services and projects that Denim Group proposes for FY22-FY24.

Trustee Keenan moved that the Board renew the contract with Denim Group LLC for cyber security services for a three-year period beginning September 1, 2021 and ending August 31, 2024, and to authorize the staff to take any and all actions necessary to execute an agreement on behalf of the Board, the motion was seconded by Trustee Douglas and it was passed unanimously by the Board.

Trustee Romero left the meeting at 10:16 am. A quorum was still present.

<b>Board Members</b>	<b>Vote</b>
Matt Glaves	Yay
Nathan Douglas	Yay
Edward Keenan	Yay
Rodney Ryalls	Yay
Stephanie Wagner	Yay

**10. Executive Director Hiring Committee Report - Discussion and Possible Action**

Chairman Moore provided Board members with an update on the job posting for Executive Director. Ms. Moore advised that the hiring committee was planning to screen the applications that had been received and bring two or three finalists to interview with the entire Board on March 17<sup>th</sup>. She explained that because of the inclement weather in Texas the previous week, the hiring committee extended the job posting deadline from February 19<sup>th</sup> to February 26<sup>th</sup>.

No action was taken on this Agenda Item.

**11. Request for Future Agenda Items and Meeting Dates**

Vice Chairman Rodriguez advised the Board that a special Board meeting is scheduled for March 17<sup>th</sup>, and a regular Board meeting is scheduled for March 18<sup>th</sup>.

Interim Executive Director, Shirley Hays, announced the following future Agenda Items:

March 17th

- Interviews with selected candidates for the position of Executive Director

March 18th

- 2020 Q4 Investment Report by AndCo
- Executive Director's Report on administrative and financial activities of the System FY2021 Q2

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- Report on Compliance Project
- Chief financial Officer, Budget report
- Selection of candidate for the position of Executive Director

No action was taken on this Agenda Item.

### 12. Adjourn

Vice Chairman Rodriguez requested a motion to adjourn at 10:23 a.m.

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

Minutes Approved by:

DocuSigned by:

*Jenny Moore*

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Jenny Moore, Chairman

3/22/2021 | 08:18:42 PDT

Date