



TEXAS PENSION REVIEW BOARD

Board Meeting Minutes December 8, 2022

1. Meeting called to order (0:11)

The sixth meeting of 2022 of the Pension Review Board was called to order Thursday, December 8, 2022, at 10:00 a.m. in the Capitol Extension, committee room E2.028, N. 1100 Congress Avenue, Austin, Texas, 78701.

2. Roll call of board members (0:22)

Board members present:

Chair Stephanie Leibe
Keith Brainard
Marcia Dush, via videoconference
Rob Ries
Christopher Zook, via videoconference
Christopher "Chris" Gonzales, via videoconference

A quorum being present, the meeting was called to order by Chair Leibe.

3. Administrative matters (0:51)

a. October 6, 2022, board meeting minutes

Mr. Brainard requested an alteration to the minutes. Chair Leibe entertained a motion to suspend the reading of minutes of the October 6, 2022, meeting and approve them as amended.

The motion was made by Mr. Zook and seconded by Mr. Brainard.

The motion passed unanimously.

4. Invitation for public comment (3:01)

Retired Detective Joe Thompson provided comments regarding the Dallas Police and Fire Pension Fund.

5. Actuarial Committee (8:05)

a. Actuarial valuation report

David Fee and the board discussed recent changes to the Longview Firemen's Relief & Retirement Fund, which included a reduced amortization period, an increase in assets, and a City of Longview contribution decrease of 7 percent of payroll. He then discussed systems with significant economic assumption changes, systems with fund exhaustion years, and systems with payroll growth rates significantly less than expected.

Ms. Dush inquired if either Big Spring Fire's or Marshall Fire's actuarial valuation report addressed their negative census growth rates. Mr. Fee responded that Marshall Fire's

report suggested the fund monitor growth and provided the effect on the system if its expected payroll growth assumption was set at 3.5 percent. Ms. Dush suggested discussing the payroll growth assumptions with both systems. Mr. Fee replied that the agency would reach out to them. Mr. Brainard explained that the payroll growth assumption effectively forecasts a volume of revenue from which future pension contributions can come. He continued that a system overstating its projected payroll growth assumptions leads to understating the amount of contributions necessary to pay off its unfunded liability.

b. Systems subject to the Funding Soundness Restoration Plan (FSRP) requirement, including compliance

Mr. Fee updated the board on FSRP status change for Conroe Fire, which was removed from the list of systems at risk of formulating a new FSRP.

c. Public retirement system reporting and compliance, including noncompliant retirement systems under Section 801.209 of the Texas Government Code

Matthew Featherston provided the compliance overview for the board. He discussed 17 noncompliant systems, including five systems that were over 60 days noncompliant with their annual reporting. Mr. Zook requested staff to include noncompliant systems for all years in the future compliance reports to the board, not just the current year's noncompliance. Chair Leibe asked how systems were informed of their noncompliance and the response the PRB has received from systems when informing them. Mr. Featherston and Amy Cardona responded that a letter is sent at 60 days noncompliant but that systems are informally contacted multiple times by staff before the letters are sent. Ms. Dush commented that there were other areas of compliance, such as for the Minimum Educational Training (MET) reporting and investment reporting compliance that are not reflected in the annual compliance report Mr. Featherston was presenting.

6. Education Committee (37:48)

a. Learning management system transition update

Mariah Miller provided a demonstration of the PRB's new learning management system (LMS) on the new educational program website. She stated that there was a core education and continuing education section for trustees to utilize on the website. Features of note included the ability to create user profiles, printing out certifications of completion, and increased ease of access. Ms. Miller stated the new website would be launched on January 3, 2023. She went on to say training videos and virtual office hours to help systems adjust to the new LMS would also be offered.

b. MET compliance reporting

Mr. Burnham presented an overview of system's MET compliance before showing nine systems that were 0 percent trustees compliant with training requirements, contrasted with 23 systems at 100 percent compliant. The board discussed what might prevent a system from being compliant and the importance of completing training as a trustee of a system. Mr. Zook and Mr. Burnham discussed the length of time various systems had been non-compliant for their trustee training. The board discussed non-compliant trustees and possible future legislative recommendations.

7. Executive Director Report (1:12:24)

a. 2021-22 Biennial Report

Ms. Cardona stated that the PRB sent the 2021-22 Biennial Report to the legislature, and the report could be found on the agency's website. She noted that the intensive review update section had been expanded to include the actions taken by systems and the outcomes from said actions.

b. 2023 Guide to Public Retirement Systems in Texas

Ms. Cardona informed the board that this publication would be completed at the beginning of the 88th Legislative Session in February 2023.

c. 88th Legislative Session update

Ms. Cardona stated the House and Senate Interim Reports had not yet been published but that the agency would update the board as soon as they were. She gave a general overview of the themes and anticipated bills for statewide and local systems. Ms. Cardona added that there could be possible action regarding Texas Local Fire Fighters Retirement Act (TLFFRA) plan governance and the PRB's enforcement authority since TLFFRA governance was an interim charge. She gave an estimated timeline of legislative session and the PRB's role in actuarial impact statements.

Ms. Cardona announced that the agency's Pension 101 training for legislative staff would take place in January. She noted that the agency would likely provide ongoing technical assistance to legislative members at their request. She provided a summary of the impact statement process.

d. Preview of major 2023 projects

Ms. Cardona informed the board of the agency's major 2023 projects:

- 88th legislative session
- Continuing IT projects, including finishing the internal database rebuild and beginning the reporting portal project
- Governance study
- Intensive review
- Investment guidelines
- Update to funding policy guidance
- Preparing for Sunset review

e. Staff update

Ms. Cardona reminded the board of the open Educational Program Specialist position before announcing that John Goodell would be leaving the agency. She stated the General Counsel position would be posted online soon.

f. Updated fiscal year 2023 Operating Budget

Ms. Cardona presented an updated fiscal year operating budget for the board's review.

Mr. Brainard thanked Mr. Goodell for his contributions made to the PRB. He acknowledged the work and effort made by PRB staff to complete the 2021-22 biennium report.

8. Future meetings: agenda items, dates, locations, and other arrangements (1:33:33)

The next board meeting will take place after the conclusion of the 88th legislative session with the tentative date of June 29, 2023, at 10 a.m. and followed by a 2 p.m. Education Committee meeting. The subsequent board meetings will be September 21 and November 21, 2023, at 10 a.m. followed by an Investment Committee meeting on November 21 at 2 p.m.

9. Adjournment (1:34:49)

The meeting was adjourned at 11:34 a.m.

PRB staff in attendance:

Matthew Featherston	David Fee	Mariah Miller
Amy Cardona	Robert Munter	Wes Allen
Bryan Burnham	Ashley Rendon	John Goodell



Chair Stephanie Leibe