



**Board Meeting Minutes
December 4, 2024**

1. Meeting called to order (00:05)

The Pension Review Board's (PRB) fourth meeting of 2024 was called to order Wednesday, December 4, 2024, at 10:02 a.m. in the Capitol Extension, Committee Room E1.028, 1100 N. Congress Avenue, Austin, Texas, 78701.

2. Roll call of board members and consideration to excuse absence (00:13)

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

Board members present:

Chair Stephanie Leibe
Keith Brainard
Marcia Dush
Christopher Gonzales
Daniel Harper
Roel Rodriguez
Christopher Zook

3. Administrative Matters (02:02)

a. Consideration and possible action to approve September 25, 2024, board meeting minutes (01:41)

Chair Leibe entertained a motion to suspend reading the minutes of the July 25, 2024, board meeting and approve them as circulated.

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

Motion passed unanimously.

b. Recognition of outgoing board member (02:24)

Chair Leibe acknowledged Rob Ries for his contributions to the board and recognized him for his service. Board members thanked him for his service. Mr. Ries thanked the members for the opportunity to serve and thanked the PRB staff for their work.

c. Introduction of new board members (06:39)

Chair Leibe introduced and welcomed two new members, Mr. Daniel Harper, and Mr. Roy Rodriguez. The new members provided remarks.

4. Public comment (09:32)

Sheila Beckett provided testimony concerning the Nacogdoches Hospital District pension plan. She thanked the board for including the topic on the agenda and voiced her concerns.

Midland Mayor Lori Blong and Midland Firemen's Relief and Retirement Fund Chair Justin Graham provided comments, noting an agreement between the city and system to address funding issues.

5. Update from Nacogdoches County Hospital District Retirement Plan (19:02)

Lynn Lindsay, CFO, and Rhonda McCabe, CEO of the Nacogdoches County Hospital District, provided an overview of membership meetings, and board meetings held to discuss potential termination of the plan.

The board expressed concern that no actions to address plan funding had been taken since the last PRB meeting and discussed the next steps for the plan. The representatives confirmed that their board plans to meet again to decide on next steps.

The board and the Nacogdoches hospital representatives discussed plan contributions, membership communication, and board governance. The board emphasized the importance of maintaining communication with the PRB to provide updates on how the situation progresses.

6. Actuarial Committee (57:34)

a. Actuarial Valuation Report and Funding Soundness Restoration Plan (FSRP) report, including compliance

Mr. Fee provided updates since the last board meeting, highlighting significant changes systems have made to benefits, contributions, and assumptions.

He provided an overview of funding progress over the past two years, noting that the expected return had decreased by 7 basis points, which is positive as a lower return is more achievable. He highlighted that while Texarkana Fire shifted from a funding period of over 30 years to infinite between September and December, the number of systems with funding periods exceeding 30 years has decreased since 2022.

He noted that across all plan types, expected returns have decreased in the last six years by 30 to 50 basis points. Funded ratios increased for all system types except municipal plans. Mr. Fee also presented a list of systems with funded ratios below 65 percent and projected full funding dates beyond September 1, 2055.

The board discussed systems at risk of triggering or currently subject to the FSRP requirement, and how systems set assumptions. Mr. Fee outlined which systems are expected to deplete their assets before paying all promised benefits. He discussed systems with a retiree funded ratio of less than 100 percent, systems with an employer normal cost of less than 1 percent, and systems with employer normal costs for new hires at or below 0 percent.

The board took a break from 11:41-11:51. Mr. Zook left the meeting upon return from the break.

b. Overview of actuarially determined contributions; consideration and possible action on Texas Local Fire Fighters Retirement Act (TLFFRA) governance recommendations

Mr. Fee presented on actuarially determined contributions (ADCs), as requested by the board in September. He noted that more TLFFRA systems use fixed-rate contributions, while most non-TLFFRA systems have ADC arrangements. He also addressed the effects of the 2021 changes to the FSRP statute, highlighting that as of September 1, 2025, any revised FSRPs must adopt a 25-year ADC.

He reviewed ADC percentages by system type and explained the different contribution types, including fixed percent of pay and ADCs. He provided examples of 20-year ADCs, which may include one or multiple layers of amortization. Additionally, he explained how the allocation of risk varies based on the contribution type.

Mr. Fee reviewed several considerations when evaluating potential changes to the TLFFRA statute and provided the board with options for potential next steps.

Mr. Brainard moved to direct staff to further study plans to improve TLFFRA fund performance. Motion seconded by Ms. Leibe.

The motion passed unanimously.

Mr. Brainard moved to direct staff to monitor recent FSRP statute effects and update the board after September 2025. Motion seconded by Ms. Dush.

The motion passed unanimously.

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

Bryan Burnham provided an overview of FY 2023 information. He also reviewed the PRB's noncompliance policy and discussed the 60-day noncompliance list, which included six new systems. He also outlined upcoming deadlines and potential noncompliance dates.

7. Executive Director Report (2:18:57)

a. Conference Updates

Amy Cardona discussed staff attendance and presentations at the TLFFRA Annual Conference in Irving in October 2024. She noted that staff actuary David Fee moderated an actuarial panel and staff demonstrated the Pension Online Reporting Tool.

b. 2023-2024 Biennial Report

Ms. Cardona noted the biennial report was submitted to the legislature and governor. She reviewed some of the PRB's accomplishments included in the report. Ms. Dush highlighted the MET compliance report and expressed concern over systems with 0 percent MET compliance.

c. 89th Legislative Session Update

Ms. Cardona provided legislative updates, including the Legislative Appropriations Request submission in August, staff testimony at the Joint budget hearing in September, and the start of bill filing in November.

d. Staff Update

Ms. Cardona announced staff changes, including two new interns and a full-time research analyst. She also mentioned that the Director of Business Operations position has been filled.

e. Update on Minimum Educational Training Rule Implementation

Ms. Cardona stated that the new education program rules took effect on October 16, 2024, and she discussed implementation activities and key dates.

8. Future meetings: agenda items, dates, locations, and other arrangements (2:31:11)

Ms. Leibe noted that the next board meeting will take place at 10:00 a.m. on July 10, 2025, with the meeting location to be determined.

9. Adjournment (2:34:20)

The meeting was adjourned at 12:40 p.m.

PRB staff in attendance:

Amy Cardona	David Fee	Tamara Aronstein
Ashley Rendon	Robert Munter	Mariah Miller
Bryan Burnham	Jasmin Loomis	Annika Leong

Members of the public in attendance:

Terry Bratton – Houston Police Officers Pension System	John Posey – Legislative Budget Board
Brian Hebert – Beaumont Fire Pension	Joe Gimenez – TEXPERS
Tyler Grossman – El Paso Firemen’s and Policemen’s Pension System	Scott Olguin – Dimensional Fund Advisors
Paul Thompson – TEXPERS	Sheila Beckett
Lynn Lindsay – Nacogdoches County Hospital District	Eddie Solis
	Art Alfaro – TEXPERS
	Rhonda McCabe – Nacogdoches County Hospital District



Stephanie Leibe, Chair