



**Board Meeting Minutes  
February 24, 2022**

**1. Meeting called to order (0:01)**

The second meeting of 2022 of the Pension Review Board (PRB) was called to order Thursday, February 24, 2022, at 2:00 p.m. in the Reagan Building, room 120, 1400 Congress Avenue, Austin, Texas, 78701.

**2. Roll call of board members (0:08)**

Board members present:

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

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

**3. Board administrative matters (0:51)**

**a. January 10, 2022, meeting minutes**

Chair Leibe entertained a motion to suspend the reading of minutes of the January 10, 2022, meeting and approve them as circulated.

The motion was made by Mr. Zook and seconded by Ms. Dush.

**The motion passed unanimously.**

**b. Election of Vice Chair for 2022**

Chair Leibe recognized Vice Chair Brainard for his service in the role during the previous year.

Chair Leibe nominated Mr. Brainard to continue serving as Vice Chair. There were no objections, other nominations or discussion.

**Mr. Brainard was elected as vice chair for 2022.**

**c. Matters related to the search for appointment of a new Executive Director**

Chair Leibe stated the executive director job position had been posted on employment websites and discussed the next steps of the hiring process.

**4. Actuarial Committee (3:58)**

**a. Actuarial Valuation Report**

David Fee presented a summary of key statistics from July 2021 to present. He stated unfunded liabilities had been lowered by approximately two billion dollars due to high return values for the year 2021 but noted returns may be lower in 2022.

Mr. Gonzales asked if the PRB was aware of any intentions from Sweetwater Firemen's Relief and Retirement Fund, as the one plan with an eight percent discount rate, to lower its discount rate. Mr. Fee responded that the PRB was unaware of any plans or efforts by the system to lower it.

Mr. Fee presented plans' updated amortization periods. Ms. Dush stressed that the board should focus on plans with poor funding ratios, which would be in line with the new Funding Soundness Restoration Plan statute. She called attention to plans who had not yet been subject to an intensive review and were below 50 percent funded. Ms. Dush also pointed out systems that had a total normal cost over 25 percent where the benefit plan was poorly funded. She also noted plans that had zero employer normal costs, which means current members are paying a contribution that exceeds the approximate value of the benefit that they are earning in the plan. This could cause problems regarding an equitable distribution of benefits, as current employees' contributions would also be paying towards prior unfunded liabilities.

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

Mr. Fee discussed plans currently subject to FSRPs and plans that were close to triggering an FSRP. MS. Dush asked why certain plans had outdated information and Mr. Fee replied that the plans had submitted updated data, but staff was still processing the reports.

**c. Rulemaking relating to the updated FSRP requirements under Texas Government Code Sections 802.2015 and 802.2016**

Madilyn Jarman presented a projected timeline for the rulemaking process and updated rule concepts based on feedback from the Actuarial Committee and stakeholders. She stated the rule concepts would be posted for stakeholder feedback again after the current board meeting and that staff expected to have a draft of formal rule language for the next Actuarial Committee meeting. Ms. Jarman stated the rules were planned to take effect in October 2022 after final adoption by the board.

Mr. Brainard asked if the rules would provide the board additional enforcement authority. Ms. Jarman responded a rule would clarify the determination process on whether a plan had successfully completed its FSRP but there would be no enforcement authority beyond what the statute currently allowed.

Amy Cardona added that the final draft of the proposed rules would be presented for review of the full board at its July meeting. Ms. Leibe explained that the change in statute to the FSRP process had provided plans with a longer than average period to develop and implement their FSRPs.

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

Bryan Burnham stated 22 plans were non-compliant, with the majority of noncompliance due to the new investment expense reporting requirement. He stated that the PRB staff was in contact with those plans to assist with compliance and understanding of the new requirements. Mr. Burnham provided an update on plans that were over 60 days

noncompliant and noted Plainview Firemen's Relief and Retirement had recently become compliant.

**e. Update on the intensive actuarial review of the Midland Firemen's Relief and Retirement fund**

Robert Munter updated the board on ten plans subject to intensive reviews in 2021, including three plans that lowered various actuarial assumptions, one that passed a new benefit tier, and two plans that were considering pension obligation bonds. Mr. Brainard requested a copy of the memorandum of understanding between Longview Firefighters' Relief and Retirement Fund (Longview) and the City of Longview to be presented to the board at a future meeting. Mr. Zook praised Longview for being proactive in managing its pension obligations and added that pension obligation bonds can be a strong component of funding health for certain plans. Ms. Dush requested that staff update the way the information was presented to the board to compare funding status changes between past and current valuations to see all changes that plans made after being subject to an intensive review in a single chart. Ms. Cardona stated staff will inform the board on whether Irving Firemen's Relief & Retirement Fund requires a bond election to vote to issue a pension obligation bond.

**f. System intensive reviews, including updates on past reviews and timeline for upcoming review**

Mr. Munter stated Midland Firemen's Relief and Retirement Fund and the City of Midland are working together to review forensic and governance audit bids. Ms. Dush asked if member benefits had been altered and Mr. Munter replied that no changes had been confirmed to the PRB but that the fund and the city were at the beginning of their FSRP process.

Mr. Fee stated the PRB had selected Wichita Falls Firemen's Relief and Retirement Fund for intensive review, with the final report to be presented to the board at its October 2022 meeting.

**g. Update on Texas Public Pension Data Center**

Mr. Fee announced the public pension data center had been updated.

**5. Education Committee (1:05:22)**

**a. Update on PRB Core and Continuing Education course offerings**

Ashley Rendon stated the updated Actuarial Matters course was available to the public. She stated that the Benefits Administration, Governance, and Investments courses would be updated next.

**6. Update on new PRB website (1:06:35)**

Mariah Miller presented a preview of the updated PRB website to the board and stated it would be ready for public use in mid-March, 2022.

**7. Executive Director's Report (1:08:33)**

**a. Update on IT projects for 2022-23 biennium**

Ms. Cardona reminded the board that the agency received a one-time appropriation for IT-related projects. She stated staff was in the design phase for updating the agency's



database and creating a reporting portal to allow for more convenient document submissions by plans. Staff anticipates the completed database in early 2023. To finish the portal portion of the IT projects, she stated the agency may need to request unexpended balance authority from the legislature.

**b. 2021-2025 Strategic Plan**

Ms. Cardona noted the strategic plan was for years 2023-2027, and that staff was awaiting instructions to begin the planning process. She stated a customer service survey would be sent to systems and stakeholders in March of 2022.

**c. 2022 TLFRRRA Pension Report**

Ms. Cardona stated staff was in the beginning process of collecting information from TLFRRRA systems to compile the report, which would be published in spring 2022.

**d. Staff update**

Ms. Cardona announced that a new financial analyst would be joining the agency. She noted that it would bring the agency up to 10 staff members. The agency is authorized for 13 employees.

**e. Updated Fiscal Year 2022 Operating Budget**

Ms. Cardona stated the agency was well within the appropriated funds for 2022.

**f. Texas Ethics Commission Personal Financial Statement Filing**

Ms. Cardona reminded the board that personal financial statements needed to be filed by May 2, 2022.

**g. 2022 TEXPERS Annual Conference**

Ms. Cardona stated the TEXPERS conference would take place in early April.

**8. Recognition of past executive staff (1:14:05)**

Chair Leibe stated that item eight would be addressed at a future board meeting.

**9. Recognition of the Executive Director (1:14:05)**

Chair Leibe stated the board wished Anumeha Kumar well on her future endeavors.

**10. Call for future PRB agenda items (1:14:30)**

Ms. Leibe asked the board to reach out to staff with any future agenda items.

**11. Date and location on next PRB meeting (1:14:43)**

Chair Leibe stated the next board meeting would take place at 10 a.m. on July 14, 2022, at the same location.

**12. Invitation for public comment (59:48)**

Due to the late start due to inclement weather, the board would lose a quorum after one hour and fifteen minutes. Chair Leibe chose to take public comments out of order so that they could be heard.

David Stacy provided comments regarding the Midland Intensive Review. Chair Leibe reminded Mr. Stacy that the board can only accept public comment but cannot respond to public comment.

Tyler Grossman thanked Anumeha Kumar for her time as the PRB's Executive Director and provided well wishes for her future endeavors.

**13. Adjournment (1:15:26)**

The meeting was adjourned at 3:15 p.m.

**PRB staff in attendance:**

Anumeha Kumar	David Fee	Mariah Miller	Westley Allen
Amy Cardona	Robert Munter	Madilyn Jarman	
Bryan Burnham	Ashley Rendon	Lindsay Seymour	



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**Chair Stephanie Leibe**

