

**State Pension Review Board  
Minutes of October 8, 2015**

**1. Meeting called to order**

The second meeting of 2015 of the State Pension Review Board (PRB) was called to order by Chair Paul Braden on Thursday, October 8, 2015 at 10:00 AM, at the Capitol Extension Building, Room E1.012 in Austin, Texas.

**2. Roll call of Board members**

**Board Members Present:**

Chair Paul Braden  
Keith Brainard  
Leslie Greco-Pool  
Robert Massengale  
Robert May  
Wayne Roberts  
Andrew Cable

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

**3. Discuss and consider Board administration matters, including the following items – Chair Braden:**

**A. Consider approval of the June 25, 2015 Board meeting minutes.**

Chair Braden entertained a motion to suspend the reading of the minutes of the PRB meeting held June 25, 2015 and to approve them as circulated.

Motion made by Mr. Roberts, seconded by Mr. Massengale.

**MOTION CARRIED UNANIMOUSLY**

Chair Braden entertained a motion for approval of the minutes as submitted.

Motion made by Mr. Brainard, and seconded by Mr. Roberts.

**MOTION CARRIED UNANIMOUSLY**

**B. Consider excusing the absence of board members from the June 25, 2015 Board meeting.**

No members were absent from the June 25, 2015 Board meeting.

**4. Education and Research Committee – Discuss and consider the following items relating to the Minimum Educational Training (MET) Program for trustees and system administrators pursuant to Section 801.211 of the Texas Government Code – Leslie Greco-Pool:**

Michelle Kranes updated the Board on the following items.

**A. Update on select MET issues for upcoming Education and Research Committee meeting.**

1. Online training standards

Ms. Kranes stated that the issue of how to issue a certificate of completion for online training should be addressed.

**State Pension Review Board  
Minutes of October 8, 2015**

2. Training taken before service begins

Ms. Kranes stated that this would require a rule amendment as the rules currently do not allow for a trustee or system administrator to earn credit for training taken prior to the service start date.

3. Compliance Reporting to the Legislature

Ms. Kranes stated that the first MET compliance report is due at the beginning of the next legislative session as part of the agency's biennial report.

**B. MET Curriculum Guide**

Ms. Kranes stated that new learning objectives for the core requirements have been added as well as language about the need for the core to be basic and foundational, as well as the need for a substantial amount of the subtopics in each area to be covered. This is due to applications not meeting requirements because either the course does not address enough of the subtopics or the content is too advanced to be considered foundational. Ms. Kranes stated that the Committee will be asked to consider whether they wish to adopt a quantitative threshold for the number of subtopics that need to be covered.

Chair Braden asked for a motion to adopt the MET Curriculum Guide as updated.

Motion made by Mr. Cable and seconded by Mr. Roberts.

**MOTION CARRIED UNANIMOUSLY**

**C. PRB online training development update**

Ms. Kranes stated that two courses, Benefits Administration and Risk Management, should be available by the end of this year, and the remaining five will be coming online in spring 2016. The first two courses were chosen because they tend to be the least well covered topics available.

Chair Braden noted that those courses were the greatest need.

**D. Previous Training Approval Applications update**

Ms. Kranes stated that the agency has begun processing applications from eight systems and that any approved previous training will be reported by the system in the PRB 2000 form, the first of which will be due in February 2016.

**E. Update on MET Program databases**

Ms. Kranes stated that both databases have been built.

**F. MET Program educational sponsors update**

Ms. Kranes stated that 13 applications for sponsor accreditation have been received, of which 11 have been approved (7 are retirement systems offering in-house training), 1 has been rejected, 1 is currently pending.

Ms. Kranes provided a brief update on the following events.

1. 2015 TEXPERS Summer Educational Forum

**State Pension Review Board  
Minutes of October 8, 2015**

2. 2015 TLFFRA Conference

**5. Actuarial Committee – Receive reports on the following matters – Bob May:**

**A. 40<sup>th</sup> Enrolled Actuaries Meeting and current activities of the Actuarial Standards Board**  
Mr. May provided a brief update of the annual meeting. Mr. May noted that the Actuarial Standards Board is considering making changes to their standards.

**B. Public retirement system reporting and compliance**

Anumeha stated that the number of plans not compliant over 60 days has gone up significantly since the June Board meeting and that the plans have cited the new GASB requirements as the primary reason for the late reports. The list should be smaller by the December Board meeting.

Anumeha noted that Brownwood Fire has informed the PRB that they will conduct a 2015 financial audit and will try to structure the audit to ensure there are no issues that will arise from their 2013 and 2014 fiscal years.

**C. Actuarial Valuations Report**

Anumeha briefly explained the report and noted that the number of plans with an infinite amortization period has decreased from nine plans to six.

**D. Update on changes to state reporting requirements**

Anumeha noted that a memo was sent to systems to remind them of the updated requirements. Anumeha briefly explained the Summary of Reporting Requirements and the PRB Due Date Calendar.

**6. Legislative Committee – Discuss and consider the following items – Wayne Roberts:**

**A. Updates relating to the list of companies engaged in scrutinized business operations in Iran.**

Anumeha briefly explained the following:

**1. 2015 PRB list of companies engaged in scrutinized business operations in Iran.**

Anumeha briefly explained the agency's role with the List.

Chair Braden entertained a motion to adopt the updated PRB List of Scrutinized Companies as presented.

Motion made by Mr. Roberts and seconded by Mr. Brainard.

**MOTION CARRIED UNANIMOUSLY**

**2. Procedure for Maintaining PRB List of Scrutinized Companies.**

Anumeha briefly explained a proposed update to the Procedure for Maintaining the PRB List which allows 30 rather than 14 days, as indicated in statute, for statewide systems to submit to the PRB their responses to the Iran List.

**State Pension Review Board  
Minutes of October 8, 2015**

Chair Braden entertained a motion to adopt the updated Procedure for Developing the Prohibition on Investment in Iran List.

Motion made by Mr. May and seconded by Mr. Roberts.

**MOTION CARRIED UNANIMOUSLY**

**B. Updates to Model Ethical Standards & Conflict-of-Interest Policy.**

Anumeha explained the proposed changes to the Model Ethical Policy that will conform to updated law.

Chair Braden entertained a motion to adopt the updated Model Ethical Standards & Conflict-of-Interest Policy.

Motion made by Mr. Brainard and seconded by Mr. Massengale.

**MOTION CARRIED UNANIMOUSLY**

**C. Annual report for retirement systems organized under TLFRA.**

Anumeha explained the type of information to be included in the annual report and thanked TLFRA representatives for their input to the outline for the report. Anumeha stated that the PRB hopes to present the final report at the December Board meeting.

**7. Administrative Committee – Receive reports on the following matters – Paul Braden:**

**A. Report on end of Fiscal Year 2015 Operating Budget:**

Anumeha stated that the PRB remained within budget for the year.

**B. Consider approval of Fiscal Year 2016 Operating Budget.**

Anumeha briefly explained the Fiscal Year 2016 Operating Budget and that the 2.5% salary increase has not been included in the operating budget as presented and hopes to bring back an updated budget for the December board meeting.

Chair Braden entertained a motion to adopt the Fiscal Year 2016 Internal Operating Budget.

Motion made by Mr. Roberts and seconded by Ms. Greco-Pool.

**MOTION CARRIED UNANIMOUSLY**

**C. Agency organizational structure and staff updates.**

Anumeha announced that Michelle Kranes became the Deputy Directory effective September 1, 2015, and introduced new staff members, Shelia Bledsoe and Eloisa Mata. Additionally, Anumeha noted that three staff positions are open.

Members discussed the requirements and compensation for the staff actuary position.

**State Pension Review Board  
Minutes of October 8, 2015**

Anumeha also noted that Madalene Allen retired and thanked her for her dedication and service to the agency.

**8. Review and discuss report from the Executive Director on the following matters - Anumeha:**

**A. Revised Government Code including 84<sup>th</sup> Session.**

Anumeha noted that copies of the booklet may be requested from the agency and is available on the website. It contains changes to Chapters 801 and 802 of the Government Code.

**B. 2015 Customer Service Survey report.**

Anumeha noted that emails were sent to 335 customers and 54 responses were received. The survey consisted of 14 questions regarding customer service at the agency. The survey resulted in an overall satisfaction rating for the agency.

**C. Agency website improvements**

Anumeha stated that the agency will work on modernizing the website. Further updates will be provided at the December Board meeting.

**D. Consider recommendations of the State Office of Risk Management (SORM) Program Review report**

Following research into the recommendations, Anumeha recommended for the Board not to purchase the Director's and Officer's Insurance Coverage. Anumeha recommended purchasing property insurance.

Chair Braden entertained a motion to procure property insurance for the agency through SORM.

Motion made by Mr. Brainard and seconded by Mr. Roberts.

**MOTION CARRIED UNANIMOUSLY**

**E. 2015 Attorney General's Government Law & Liability Conference**

The Board briefly discussed interest in attending the conference.

Chair Braden entertained a motion to approve the attendance of Mr. Bob May at the 2015 Attorney General's Government Law & Liability Conference.

Motion made by Mr. Massengale and seconded by Ms. Greco-Pool.

**MOTION CARRIED UNANIMOUSLY**

**State Pension Review Board  
Minutes of October 8, 2015**

**9. Call for future PRB agenda items – Chair Braden:**

Chair Braden stated that persons with items for the agenda should contact Anumeha.

**10. Date and location of next PRB meeting – December 10, 2015, Austin Texas – Chair Braden**

**11. Invitation for public comment.**

No public comment.

**12. Adjournment.**

With the business of the Board completed, Chair Braden entertained a motion to adjourn the meeting.

Motion made by Mr. Brainard.

**MOTION CARRIED UNANIMOUSLY**

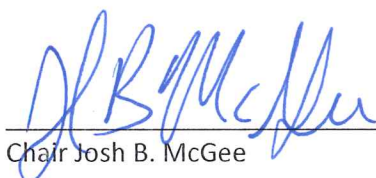
**In Attendance:**

**PRB Staff Present**

Anumeha  
Christine Wagner-Powers  
Ashley Rendon  
Michelle Kranes  
Bryan Burnham  
Reece Freeman  
Jamie Kings  
Shelia Bledsoe  
Eloisa Mata

**Guests Present**

Tom Harrison, Texas County and District Retirement System  
Michael Trainer, San Antonio Fire and Police Pensioners' Association  
Jason McElvaney, Texas County and District Retirement System  
Steve Waas, Houston Employees Municipal Pension System  
Max Patterson, Texas Association of Public Employee Retirement Systems  
Jeremy Mazur, Senator Van Taylor  
Ann McGeehan, Texas County and District Retirement System  
Meredyth Fowler, Speaker Straus  
Andrew Clark, Speaker Straus  
Sampson Jordan, Austin Police Retirement System  
Mitch Landry, Texas Auto Insurance Plan Association

  
\_\_\_\_\_  
Chair Josh B. McGee