

2018

Annual Report of Non-Financial Data

Employees Retirement System of Texas | A Component Unit of the State of Texas
Fiscal Year Ended August 31, 2018



ERS supports the state workforce by offering competitive benefits at a reasonable cost.

2018
Annual Report of Non-Financial Data

Porter Wilson, Executive Director

Prepared by: Finance Division



A Component Unit of the State of Texas
Fiscal Year Ended August 31, 2018



Table of Contents

Introductory Section

Letter of Transmittal	3
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Nonfinancial Data Section

Schedules:

1. Professional/Consulting and Legal Service Fees.....	7
2. Space Occupied	10
3. Schedule of Proprietary Purchases.....	11
3. Historically Underutilized Businesses (HUB) Strategic Plan Progress Report.....	12



INTRODUCTORY SECTION

Letter of Transmittal





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PORTER WILSON
EXECUTIVE DIRECTOR

December 19, 2018

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John McGeady, Assistant Director, Legislative Budget Board
Sarah Keyton, Assistant Director, Legislative Budget Board
Julie Ivie, Assistant Director, Legislative Budget Board
Paul Priest, Assistant Director, Legislative Budget Board

Ladies and Gentlemen:

We are pleased to submit the *Annual Report of Nonfinancial Data* of the Employees Retirement System of Texas for the year ended August 31, 2018, in compliance with the Texas Government Code Ann. Sec. 2101.0115 and in accordance with the requirements established by the Governor's Office of Budget and Planning.

The report has not been audited and is considered to be independent of the ERS Comprehensive Annual Financial Report.

If you have any questions, please contact Machel Pharr, Chief Financial Officer, at (512) 867-7667.

Sincerely,

Porter Wilson
Executive Director



NON-FINANCIAL DATA SECTION

Schedules:

1. Professional/Consulting and Legal Service Fees
 2. Space occupied
 3. Proprietary Purchases
 4. Historically Underutilized Business (HUB) Strategic Plan Progress Report
-



Schedule 1
Professional/Consulting and Legal Service Fees
Year Ended August 31, 2018

Service Rendered and Vendor Name	Totals
	\$
Professional/Consulting Fees:	
Medical Board Member	
Ace Alsup III, M.D.	13,800
William J Deaton M.D.	6,900
William M. Loving M.D.	3,500
William P Taylor M.D.	13,100
	<u>37,300</u>
Investment Consulting	
Albourne America LLC	424,587
Aon Hewitt Investment Consulting, Inc.	616,333
Pension Consulting Alliance, LLC	175,000
Pavilion Alternatives Group Limited	723,000
Other	717
	<u>1,939,637</u>
Investment Advisors	
Acadian Asset Management	992,975
Barrow Hanley Large Cap Value Fund	996,903
Blackrock International Focus	1,738,541
Bob Alley	2,035
Brandywine global Investment Management, LLC	376,876
Caroline A. Cooley	4,910
Fisher Investments	2,285,050
Gene L Needles JR	2,703
James R. Hille	2,242
Ken D. Mindell	3,396
Laura T. Starks, PH.D.	800
Lazard Asset Management	1,734,776
Lenore M Sullivan	2,523
Margaret Didi Weinblatt	2,443
Mari Kooi	2,816
Templeton Investment Counsel, LLC	2,075,885
	<u>10,224,874</u>
Information Technology Software and Services	
Amazon Web Services, LLC	1,310
Audio Fidelity Communications Corporation	18,879
Capitol Systems Inc	795,794
ConnectTel, Inc.	1,053,700
Daman Consulting	235,028
EKHP Consulting LLC	104,222
Emerald Data Solutions	20,000
Fibertown DC LLC	31,375
FactSet Research Systems, Inc.	102,000
GovDelivery, Inc	32,007
IBM Corporation	61,176
Neos Consulting Group LLC	532,754
ObjectWin Technology, Inc	727,963
Sistema Technologies, Inc.	431,597
T I B H Industries, Inc.	160,211
	<u>4,308,016</u>
Actuarial Services	
Gabriel Roeder Smith & Company	256,177
Rudd And Wisdom, Inc.	699,110
	<u>955,287</u>

Schedule 1 (Continued)
Professional/Consulting and Legal Service Fees
Year Ended August 31, 2018

Service Rendered and Vendor Name	Totals
	\$
Professional/Consulting Fees (Continued):	
Audit Fees - Financial	
State Auditor's Office	257,250
	<u>257,250</u>
Audit Fees - Insurance Carrier	
Mountjoy Chilton Medley LLP	158,169
The Burchfield Group, Inc.	7,094
	<u>165,263</u>
Audit Services-Other	
Weaver and Tidwell, LLP	11,680
	<u>11,680</u>
Educational Services	
Aurora Audio, LLC	599
Austin Travis County EMS/CPR	630
Becker Professional Education	79
Citibank NA	6,491
Citibank Procurement Card	1,618
National Seminars Group	598
Oracle America, Inc.	2,380
Peai Limited	17,600
SANS Institute	38,780
StormWind Studios	9,950
Texas Workforce Commission	1,421
University of Texas at Austin	53,370
Workers Assistance Program, Inc.	2,088
	<u>135,604</u>
Other Services	
ACA Performance Services, LLC	40,000
Neos Consulting Group, LLC	240,696
Segal Waters Consulting	65,000
n-Tier Financial Services, LLC	600
Broaddus & Associates, Inc.	174,362
Consortium for Advanced Management International	12,500
Dell Marketing, LP	62,295
Ernst & Young US, LLP	64,305
Fibertown DC LLC	17,800
Facility Interiors Inc	1,500
Gartner, Inc.	149,835
Indoor Environmental Consultants, Inc.	3,560
JN3 Global Enterprises, LLC	29,823
Keara Holm-Nielsen	981
TXC Texas Creative, Ltd.	32,448
University of Texas at Austin	2,329
Workers Assistance Program, Inc.	4,089
	<u>902,123</u>
Total Professional/Consulting Fees	<u>18,938,948</u>

Schedule 1 (Concluded)
Professional/Consulting and Legal Service Fees
 Year Ended August 31, 2018

Service Rendered and Vendor Name	Totals
	\$
Legal Service Fees	
Legal Services	
BLG Legal Services, PLLC	28,420
Chapman and Cutler, LLP	117,870
Cox, Castle & Nicholson, LLP	106,000
Foster Pepper, LLC	137,501
Ice Miller, LLP	6,275
Jackson Walker, LLP	163,887
Nixon Peabody, LLP	14,515
Orrick, Herrington & Sutcliffe, LLP	49,967
Pillsbury Winthrop Shaw Pittman, LLP	3,938
Proskauer Rose, LLP	115,392
Tim Sims	23,920
Total Legal Service Fees	<u>767,685</u>
Total Professional/Consulting and Legal Service Fees	<u><u>19,706,633</u></u>

Schedule 2
Space Occupied

Year Ended August 31, 2018

Location	Address	Lessor/ Lessee	Type	Usable Square Feet	Full-Time Equivalent Employees	Rental			Comments
						Revenue per Square Foot	Revenue per Month	Annual Rental Income	
ERS-Owned Building:									
Austin	200 E. 18th Street	N/A	N/A	110,422	392.52	N/A	N/A	N/A	
Space Leased to Other State Agency:									
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	

Schedule 3
Proprietary Purchases
 Year Ended August 31, 2018

Vendor	Amount of Purchase	Product/Service	Justification
StormWind Studios	\$9,950	This contract is for a customizable comprehensive computer-based software training for ERS' specific training needs and certification requirements.	Sole-Source
Phire, Inc.	\$19,917	This contract is for software support and maintenance. Phire is a change-management software that provides testing environment management, deployment and production support.	Sole-Source
Optuminsight, Inc.	\$10,085	GeoNetworks Software License is a software application currently licensed to ERS to analyze accessibility of healthcare networks based on geographic data.	Sole-Source


Schedule 4

Historically Underutilized Businesses (HUB) Strategic Plan Progress Report

Year Ended August 31, 2018

As required by Texas Government Code, Title10, Subchapter C, Section 2161.124

Actual = Percent Spent with HUBs from HUB Report Goal = Strategic Plan HUB Goal	Actual FY2017 %	Actual FY2018 %	Goal FY2019 %
Heavy Construction Other than Building Contracts	0.00	0.00	0.00
Building Construction, Including General Contractors and Operative Builders Contracts	78.20	0.12	21.10
Special Trade Construction Contracts	38.49	33.35	32.90
Professional Services Contracts	0.00	0.00	23.70
Other Services Contracts	29.03	30.53	26.00
Commodities Contracts	50.42	39.89	21.10



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ERS SUPPORTS THE STATE WORKFORCE BY OFFERING
COMPETITIVE BENEFITS AT A REASONABLE COST.

ERS

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SYSTEM OF TEXAS

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