

**Trustees Adopt Legislative Proposal, GASB Update,  
Annual Training Seminar, Correspondent Certification Course in November**

**September Board of Trustees Meeting**

The TMRS Board of Trustees met on September 24 and considered the following items:

- The Trustees approved a legislative proposal to restructure TMRS funds, following a recommendation of the TMRS Advisory Committee. In August, the Committee had recommended the Board pursue fund restructuring and no other items in the upcoming session. The next step for TMRS will be to have a bill drafted by the Legislative Council and to seek a legislative sponsor so the bill can be filed soon after pre-filing begins on November 8. For a more detailed discussion of restructuring, see the most recent issue of our newsletter [Main Street](#), available on the TMRS website.
- The Board selected Colchester Global Investors to manage a global inflation-linked bond mandate within the Real Return component of the TMRS portfolio. The TMRS diversification strategy calls for a 5% allocation to Real Return. At the fund's current value of approximately \$17 billion, the allocation will be approximately \$850 million and will be invested over the next year using funds from TMRS' current fixed income allocation. The Board also approved amendments to the TMRS Investment Policy adding guidelines for the real return component of the portfolio. The updated [Investment Policy](#) is available on the website.
- The Board discussed the TMRS Strategic Plan in anticipation of possible amendments to the plan in the near future.
- The Board passed a resolution honoring former Board member Carolyn Linér.

**TMRS Responds to GASB's Preliminary Views on Pension Accounting**

As many of you may know, the Government Accounting Standards Board (GASB) has issued Preliminary Views on employer accounting for pension benefits. There are a number of issues in the Views that have caused concern for the public sector. Summary information on the issues can be found in the presentation delivered by Bob Scott at the TMRS Annual Seminar (link). Along with numerous other public retirement plans, plan sponsors, associations, and firms, TMRS issued a letter of comment on the Views. This page on the GASB website includes TMRS' letter, as well as the others received by GASB:

<http://www.gasb.org/cs/ContentServer?site=GASB&c=Page&pagename=GASB%2FPage%2FGASBSectionPage&cid=1176157376653>.

NOTE: the links on this page will save the comment letters to your Downloads folder, after which you can open them with Adobe Acrobat.

TMRS will continue to keep cities informed about this important issue.

### **Annual Training Seminar a Success**

The TMRS 2010 Annual Training Seminar, “TMRS and Cities — Staying in Tune,” was held September 26 – 28 at the Sheraton Austin Hotel. Approximately 160 city personnel attended, representing 104 TMRS cities. During the seminar, TMRS staff, consultants, and visiting speakers provided information to give a clear understanding of how TMRS operates.

One of the most important topics addressed during several sessions was the recommendation approved by the Board to seek legislation that will restructure the current TMRS funds. Executive Director David Gavia; our consulting actuary, Mark Randall of GRS; and our Government Relations Director, Eddie Solis, all discussed why the Fund Restructuring proposal in TMRS’ legislative package for the 2011 session is so important.

Other sessions addressed the continuing diversification of our investments, how the TMRS program is administered, the legislative outlook, proposed GASB changes, and the upcoming changes in healthcare as a result of the passage of the Patient Protection and Affordable Care Act of 2010. City correspondents were given an introduction to and an online demo of the new TMRS City Portal. The City Portal is a great way for cities to access their specific city and employee data online. Look for more information about the City Portal in future e-bulletins and on our website.

Complete [presentations](#) and the Annual Training Seminar [program](#) are available on the TMRS website.

### **Reminders for Cities**

As we approach the end of a calendar year, there are some things to keep in mind if you are considering any plan changes.

- If your city wants to make a plan change in 2010 affecting Updated Service Credit or COLAs, an ordinance has to be adopted by the City Council, and transmitted to TMRS, prior to January 1, 2011.
- The decision to terminate Supplemental Death Benefits has to be adopted by city ordinance and transmitted to TMRS prior to November 1, 2010 for the change to be effective January 1.
- If your city has reached its statutory maximum contribution rate limit (“Stat Max”), you will need to make changes to your city plan by December 31, 2010, or USC and COLAs may be turned off. TMRS has provided all cities that have exceeded the Stat Max with a sample ordinance to remove the limitation.

## **Certification Course Still Has Openings**

There is still time to sign up for the last City Correspondent Certification Class of 2010. Those correspondents who wish to learn all aspects of helping members throughout their careers may still sign up for the November 16-17 course, which will be held in Austin at TMRS Headquarters. Included in this course offering will be a session of training on how to use the new City Portal, an online tool for cities.

The cost to enroll in the course is \$75, which includes materials, breakfast both days, and catered lunch on Monday. See the website for [registration](#) and [hotel information](#). Government rates for area hotels are \$104 for both the Doubletree – University Area and the Sheraton Austin hotels, and TMRS will offer shuttle service to and from both hotels.

Correspondent training focuses on day-to-day situations and helping members at all stages of their careers, from enrollment through retirement. There are still plenty of spots available for the November course, so act now!

## **TMRS Representatives at TML Conference**

The Texas Municipal League's 98th Annual Conference and Exhibition, "Texas Cities: Charting New Horizons," will be held October 26 – 29 at the American Bank Center in Corpus Christi. TMRS will have a booth in the TML exhibition area, so please stop by and visit with members of our City Support and Travel Teams. TMRS staff can run retirement estimates, provide counseling services, and help with plan cost projections for cities considering benefit changes.

TMRS Executive Director David Gavia and Chief Investment Officer Nancy Goerdel also will make two joint presentations on current TMRS issues. Their presentation will be available from the TMRS website after TML.

## **New Facts and Funding Booklet Addresses Current Issues**

Because so many people in the media and the private sector have questions about public pension plans lately, we have created a new publication that is meant to clarify how TMRS works and to help cities answer some of these questions when they arise.

The 8-page booklet, "[Understanding Benefits, Funding, and Economic Impact](#)" is available from TMRS and also on the website. The booklet stresses that TMRS pensions are funded through a combination of employee deposits, city contributions, and investment income. It addresses these four main areas:

- TMRS Plan Design
- Municipal Employee Salaries and Benefits
- TMRS Funding
- Economic Impact of TMRS

Send an e-mail to [communications@tmrs.com](mailto:communications@tmrs.com) if you would like to receive hard copies of the booklet.

*NOTE - Previously issued e-bulletins are posted in the E-Bulletin section under the [Publications](#) page on the TMRS Website.*