

**New Board Member and General Counsel, Board and Advisory Committee Meetings,
City Portal, Annual Training Seminar, Extended Supplemental Death Benefits**

Governor Appoints New TMRS Board Member

Governor Rick Perry has appointed Julie Oakley of Spicewood to the Texas Municipal Retirement System Board of Trustees for a term to expire February 1, 2013. Ms. Oakley will complete the term of retiring Board Member Carolyn Linér of San Marcos. The six-member Board of Trustees oversees the Texas Municipal Retirement System, which is responsible for providing a secure retirement benefit plan for more than 830 cities.

Ms. Oakley is a Certified Public Accountant, Certified Investment Officer, and Finance Director for the City of Lakeway. She is a member of the Texas Society of Certified Public Accountants and the Government Finance Officers Association of Texas.

The TMRS Board and staff extend their gratitude and appreciation to Carolyn Linér for her service to TMRS cities, municipal employees, and retirees.

**TMRS Board of Trustees Joint Meeting
with Advisory Committee on Retirement Matters**

The TMRS Board met in joint session with its Advisory Committee on Retirement Matters on August 27 to consider the following agenda items:

- The Board heard a report from its Advisory Committee (see article below). The Committee recommended that the Board seek legislation to restructure TMRS funds. (See the most recent issue of [Main Street](#) for a story on Restructuring.)
- The TMRS Chief Investment Officer, Nancy Goerdel, presented a discussion of Real Return Policy draft guidelines. TMRS is currently nearing the end of a search for a Real Return manager for investment in global inflation-linked bonds. TMRS' diversification strategy calls for 5% of the portfolio to be invested in the Real Return asset class.
- R.V. Kuhns, investment consultants, presented investment reports covering year-to-date investment performance and an update on the diversification of the investment portfolio. A summary of the quarterly investment performance as of June 30, 2010 and the investment performance update as of July 31, 2010 are available [here](#) on the TMRS website.
- TMRS' consulting actuary, Gabriel, Roeder, Smith and Company (GRS), made a presentation on the Government Accounting Standards Board (GASB) Preliminary Views on potential changes to pension accounting disclosure standards. If enacted, the GASB standards will significantly alter pension accounting disclosure standards, notably

by requiring a new net pension liability to be noted on an employer's financial statement rather than stating the unfunded pension liability in the notes to the financial statements and supplemental information, and by requiring the Entry Age Normal actuarial cost method to be used for reporting purposes.

New TMRS Board Trustee, Julie Oakley, and new TMRS General Counsel, Christine Sweeney, were introduced at this meeting (see articles elsewhere in this e-bulletin).

TMRS Advisory Committee Meets

The TMRS Advisory Committee on Retirement Matters met August 26 in Austin. The following agenda items were considered:

- Committee member and NASRA Research Director Keith Brainard presented a report on the wide variety of options in use by other states to provide cost of living adjustments (COLAs) to retirees.
- GRS consulting actuary Joe Newton provided a presentation on potential options for employee cost sharing.
- Jim Parrish, Committee Member representing the Texas Municipal Human Resources Association, presented a letter from a group of six Advisory Committee members and four others to Committee Chair April Nixon, expressing support for a compromise proposal on flexible COLAs.
- After general discussion, the Committee voted to continue studying COLA issues and proposals for allowing cities to establish a new tier of TMRS benefits for new hires. The Committee's vote recommended that fund restructuring be the only item in the Board's legislative initiative in the upcoming session. (At its meeting in July, the Committee had previously sent the recommendation to pursue restructuring legislation to the Board.) The TMRS Board will consider the 2011 legislative package at its meeting on September 24.
- Executive Director David Gavia led the Committee in a discussion of draft legislation to restructure TMRS funds. The draft legislation will continue to be reviewed and considered by the Board at its September meeting.
- The Committee considered and expressed consensus support for a Committee Communications Policy.

TMRS Chooses New General Counsel

TMRS has selected for its new General Counsel, Christine Mullen Sweeney. Ms. Sweeney began working at TMRS on Monday, August 9.

Before joining TMRS, Ms. Sweeney was a shareholder in the law firm of Clark, Thomas & Winters in Austin. She has experience in corporate transactions, commercial real estate, employee benefits, ERISA, and government plans. She completed her undergraduate courses at

the University of Notre Dame in South Bend, Indiana, and received her J.D. from the University of Texas School of Law in Austin.

TMRS City Portal Close to Launching

The City Portal is an important new tool for cities because it gives city-designated users online access to their city's and employees' data. Through the City Portal, users will also be able to generate reports, run estimates for members, and submit payroll.

The City Portal has been in development since the beginning of 2010, using data gathered from cities to guide us in making the Portal more useful. We have been working with a City Portal Preview Team, representing 12 cities. These "pilot program" testers will begin using the City Portal after September 15. More users will be added between now and the end of the year.

Each city will have one "City Portal Administrator." This person is vital to the use of the Portal and will monitor and approve the other users at the City. We hope to train the first City Portal Administrators at the September Annual Training Seminar, followed by a widespread rollout in early 2011 and additional training as needed. Attending the Seminar will give users an early introduction to the new City Portal!

Annual Training Seminar Less than a Month Away

The TMRS 2010 Annual Training Seminar, "TMRS and Cities — Staying in Tune," is scheduled for September 26 – 28 at the Sheraton Austin Hotel at the Capitol, 701 East 11th Street, Austin.

On Sunday evening, September 26, TMRS will host a welcome reception for all registrants. The training sessions will be held in the Sheraton all day Monday September 27 and a half-day Tuesday September 28. A don't-miss session in the seminar will be the overview and demo of the new City Portal. [Register](#) today!

Reserve your hotel room today as well — to get the TMRS Annual Seminar group rate, we strongly recommend you make your reservation by Friday, September 3. The group rate for the TMRS block of rooms at the Sheraton Austin Hotel is \$115 per night. Call 800-325-3535 toll-free to reserve, or register on the page that has been set up for TMRS at: <http://www.starwoodmeeting.com/StarGroupsWeb/res?id=1003297823&key=1F8B3>.

Supplemental Death Benefit – Extended Coverage

Most City Correspondents are familiar with the Supplemental Death Benefit (SDB), but less familiar with how extended coverage for the SDB works. Extended coverage is a means of ensuring coverage when an employee is absent from city employment for an extended period of time. Extended coverage may be granted if:

- The member is unable to engage in any gainful employment due to illness or injury, or if the member is on extended leave under the provisions of the federal Family Medical Leave Act (FMLA);
- The member made a required deposit into TMRS as an employee of the city offering the SDB for the month preceding the first entire month of the member's absence from work; and
- The member's request for extended coverage under the Supplemental Death Benefit program is approved by TMRS.

How does an authorized city official extend the employee's SDB coverage? Submit on city letterhead a request to extend coverage. The written request addressed to TMRS should include following information: 1) employee name, 2) employee Social Security Number, 3) request to extend SDB coverage, 4) effective date of extension, 5) reason for the request and explanation of the circumstances, 6) onset date of extended coverage, 7) signature and title of the authorized city official, and 8) date of request.

Extended coverage continues until the end of the month in which any of the following occurs:

- The employee returns to work with your city (or other participating municipality)
- TMRS finds that the employee has become able to engage in gainful employment
- The employee ceases to be a member of TMRS (refund, escheatment, or five years of inactivity as a non-vested member)
- The employee retires
- The city terminates coverage

If you have any questions about the Supplemental Death Benefit program, please contact TMRS at 800-924-8677.

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