



November 23, 2021

**To: Board of Trustees**  
**From: David Wescoe, Executive Director**  
**Re: Agenda Item 9: Executive Director's Report**

*David*

As I write this Report, two questions keep popping into my mind:

“Did any public pension plan accomplish more in 2021 than TMRS?” and

“Could TMRS’ staff have accomplished more in 2021 than they did?”

My answer to both questions is “No.”

2021 has been a year of remarkable accomplishment: TMRS is rebranded; SB 1105 is law, amending TMRS’ return to work provisions to help cities and retirees; The Grove move is a success; an ambitious Action Plan is completed; the Board’s 2018-2022 Strategic Plan is completed, one year ahead of schedule; PASMd is on schedule and under budget; the Senior Staff is reconstituted and more effective; the new “C Suite,” which includes Michelle Kranes, Christine Sweeney, Sandra Vice, and a soon-to-be hired outstanding Chief Investment Officer, is as strong as any; a new asset allocation and benchmarks were adopted; investment reporting is improved; participating city service is improved; the City Conference was the best-attended ever; the website is easier to navigate; TMRS introduced the first-ever Texas statewide pension system mobile app; operating expenses are lower; and the Comprehensive Annual Financial Report’s readability is improved.

And it was all was accomplished during an historic pandemic that restricted travel, inter-personal contact, and Karen Jackson’s social life.

I couldn’t be prouder of TMRS’ staff. They had a phenomenal year – and it’s not even over yet!

Now, for some recent updates.

**TMRS’ 900<sup>th</sup> Participating City.** The City of Garrett adopted a Participation Ordinance effective November 1, that made Garrett TMRS’ 900<sup>th</sup> participating city.

**Chief Investment Officer (CIO) Search.** The search is going well (more in my CIO Report). TMRS will hire a great CIO.

**Investment Department Activities.** As I will discuss during my CIO Report, the investment team is working hard and making progress on many fronts.

**Investment Principles Published.** Investment and Legal staff finalized eight TMRS Investment Principles that capture the core attributes of what it means to be an investment manager investing for the benefit of TMRS retirees. They will ensure a uniform approach to making sure TMRS' core requirements are communicated to and met by managers. The principles are posted on the website. Tom Masthay, Eddie Schultz, Nick O'Keefe, and Kelsey Baldwin played big roles in drafting the Principles, and I am proud of them.

**PASMod: The City Portal.** On November 22, staff rolled out TMRS' new City Portal that has a new look and feel and enhanced functionality. There is an updated, intuitive interface, and City Portal Administrators will now be able to make real-time updates to city contact information in the City Portal. Cities will be able to assign multiple City Portal Administrators in the Portal. City Portal registration has been streamlined. Staff also produced a terrific City Portal Reference Guide; I sent an all-employee email about it that said, "This is an outstanding document. Clear, concise, and beautifully presented. It is a tribute to the many staff who worked on it for hundreds of hours. Thank you to all. Nyquist!"

**The Grove.** Dan Wattles is chairing the staff planning committee for our Grand Opening on December 1, and we all are looking forward to showcasing our new space.

**Audit Committee Meeting.** Andi Focht-Williams, our Internal Audit Manager, hosted the Committee's virtual meeting on November 17. Chair Bob Scott and Vice Chair Johnny Huizar participated and were complimentary of the staff's presentations.

**GFOAT Meeting.** Anthony Mills and the City Services team, Leslee Hardy, Sandra Vice, and some of the Communications team attended the Government Finance Officers Association of Texas' Annual Conference meeting in College Station and hosted a successful reception for attendees.

**TMRS Receives the Public Pension Coordinating Council Award – Again!** The Public Pension Coordinating Council informed us that TMRS has received their 2021 Public Pension Standards Award for Funding and Administration. The award recognizes public pension systems that meet professional standards for plan funding and administration. TMRS has received the award since 2004 - 18 years straight! The PPCC is a confederation of the National Association of State Retirement Administrators (NASRA), the National Conference on Public Employee Retirement Systems (NCPERS), and the National Council on Teacher Retirement (NCTR).

**Yvonne Huang.** Yvonne is a TMRS investment analyst, and she just passed the final exam to become a Chartered Alternative Investment Analyst (CAIA) Charterholder. This is an impressive professional achievement. Before Yvonne took the exam, she also passed the three exams necessary for the CFA designation. Yvonne is a real talent, and TMRS is lucky she's on the team.