

**December Board Meeting, End-of-Year Reminders,
“Eye on GASB” Vol. 4 Issued**

TMRS Board of Trustees December Meeting Summary

The TMRS Board of Trustees met on December 6 and 7, 2012, the last meeting for this calendar year. The Board considered the following items.

- Approved a \$300 million allocation to four (4) real estate managers, pending successful negotiation of a contract for each manager:
 - Mesa West Capital (*Core Debt Fund*): \$100 million
 - Harrison Street Securities (*Core Real Estate Securities*): \$100 million
 - Harrison Street Real Estate Capital (*Core Fund*): \$50 million
 - Core and Value Advisors, affiliate of Stockbridge Capital Group (*Core Fund*): \$50 million
- Heard reports from TMRS investment staff, Real Estate consultant ORG Portfolio Management, and Investment Consultant, R.V. Kuhns & Associates. A [summary of investment performance](#) for the period ending October 31, 2012, is posted on the website.
- Approved the updated Investment Policy Statement for December 2012.
- Approved a [resolution](#) addressing potential issues in the upcoming Regular Session of the Texas Legislature.
- Chose KPMG LLC as the System’s external auditor for the fiscal years ending December 31, 2012 through 2016.
- Approved the 2013 TMRS Operating and Capital Expenditures Budget.
- Approved the final adoption of proposed amendments to two existing Board Rules (§127.4 and §125.7) to address compliance with the federal HEART Act and USERRA and to update terminology related to the fund restructuring enacted by the Texas Legislature in 2011.
- Approved the appointments of two members in the Group Class of the TMRS Advisory Committee. Mr. Joe Angelo replaces Ms. Flor Garcia as the representative of the City of San Antonio. Ms. Debbie Maynor replaces Mr. Don Byrne as the representative of the Texas Municipal Human Resources Association. TMRS extends gratitude to Ms. Garcia and Mr. Byrne for their service.
- Named Ms. Julie Oakley as 2013 Chair of the TMRS Board and Mr. Roy Rodriguez as Vice Chair.

The next meeting of the Board of Trustees will be February 21 and 22, 2013 in Austin.

(over)

END-OF-YEAR REMINDERS

Time is Running out for Ordinance Changes

The year is almost over, so if your city wants to adopt an ordinance changing TMRS provisions (such as Annuity Increases or Updated Service Credits), to be effective January 1, 2013, send TMRS a copy of the ordinance right away! By law, these changes need to be transmitted to TMRS before the ordinance's effective date. The last date of acceptance before January 1 is December 31, 2012.

IMPORTANT: If you have already sent in your ordinance and have not received an acknowledgment from TMRS, please call or e-mail La Shelle Ruiz at 800-924-8677 or lruiz@tmrs.com ASAP.

Remind Employees Considering Retirement about Ordinance Changes

If any of your employees have been talking to you about retiring, please advise them to check their estimates using the [online benefit calculator](#) in both December 2012 and January 2013. If your city has adopted any ordinance changes that go into effect on January 1, such as Updated Service Credit, retirement estimates may show differing amounts in December and January.

Online Resource Explains GASB Changes

In August 2012, the Governmental Accounting Standards Board (GASB) published new accounting and financial reporting standards for pension plans provided through state and local retirement systems and their sponsoring employers. These new standards were approved by the GASB on June 25, 2012.

GASB Statement 67, *Financial Reporting for Pension Plans*, will replace GASB Statement 25 for fiscal years beginning after June 15, 2013. GASB Statement 68, *Accounting and Financial Reporting for Pensions by State and Local Governmental Employers*, will replace GASB Statements 27 and 50 for fiscal years beginning after June 15, 2014. The GASB's new accounting standards have totally separated pension accounting measures from pension funding measures, which are closely linked under the current standards.

In their October 2012 *Insight* publication, TMRS' consulting actuary, Gabriel, Roeder, Smith & Company (GRS), has provided a detailed explanation of many of the major changes established under the GASB's new standards affecting public pension plans and the employers who contribute to them (available at http://www.gabrielroeder.com/news/pdf_insight/Insight-2012-Oct.pdf). It is important to note that the new GASB standards differ by plan type: single employer pension plans, agent multiple-employer pension plans, and cost-sharing multiple-employer pension plans. For their TMRS plan accounting and financial reporting, all TMRS employers fall under the new standards for agent multiple-employer pension plans only.

For a printable flyer of the above information, the ["Eye on GASB"](#) is now available on the TMRS website.

NOTE - Previously issued e-bulletins are posted in the E-Bulletin section under the City Services page on the TMRS website.