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December Board of Trustees Meeting

The TMRS Board of Trustees held its final meeting of 2018 in Austin on December 6–7. The Board:

- Adopted a proposal to take to the State Legislature requesting nine administrative amendments to the TMRS Act (see article below)
- Adopted a **resolution** regarding legislation in the upcoming session
- Approved appointments for two new members of the Advisory Committee on Benefit Design (see below)
- Approved the **2019 TMRS operating budget**
- Approved charters for the Board’s **Budget Committee** and **Compensation Committee**
- Heard a report from the Internal Audit Committee
- Heard a proposal for reporting progress on the System’s **strategic plan**
- Elected Board officers for 2019: Bill Philibert, Director of Human Resources and Risk Management, City of Deer Park, as Chair; and David Landis, City Manager, City of Perryton, as Vice Chair. TMRS staff members extended their thanks to outgoing Board chair Jim Parrish for his service in that office.
- Reappointed Board committees for 2019 and created and appointed Technology Committee (see article below)
- Heard a **presentation** from the TMRS Director of Member Services

The Board also heard or acted on the following investment items:

- Approved a \$50 million allocation in the **Private Equity** portfolio, pending successful completion of legal documents
- Heard an annual review of the **Fixed Income** asset class
- Approved the 2019 investment pacing plan
- Approved amendments to the Investment Policy Statement
- Approved the **redemption of assets** from three managers in the public equity portfolio
- Heard an **investment report** for the third quarter 2018 from RVK

The next meeting of the Board will be in Austin on February 14–15, 2019. The **Board Meeting Calendar** for 2019 is posted on the TMRS website.

TMRS Legislation in the 86th Legislative Session

The Board’s recommendations for amendments to the TMRS Act include:

- Providing flexibility for scheduling Board meetings by removing specific month requirements and allowing Trustees to participate by video or conference call
- Incorporating common law protections from liability into the TMRS Act
- Clarifying the Board’s authority to hire external legal counsel in addition to internal staff
- Amending the TMRS Act relating to confidentiality of member information to match the Public Information Act and to add protection for audit working papers
- Updating the definition of “security” to better reflect the diverse investment portfolio of the System’s trust fund
- Clarifying that the maximum amortization period for a city’s liabilities is 30 years, and clarifying the Board’s authority to set amortization periods and policy
- Amending the law relating to Prior Service Credit (PSC) to require that a city, or a city department, that has not previously participated in TMRS, that has an existing retirement plan, would have 0% PSC when they joined TMRS
- Allowing TMRS to offer members and retirees an option to receive annual statements and other information electronically
- Making minor changes to the Occupational Disability provisions by clarifying that the Board can require affirmation of continuing disability by the TMRS medical board and removing the income test required by current law

Detailed information about the provisions will be available on the TMRS website, and updates will be provided there and in E-Bulletins through throughout the Session.

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Advisory Committee Changes

Trustee David Landis, Chair of the Advisory Committee on Benefit Design, presented plaques to two group-class members of the Advisory Committee who had completed their 6-year terms: Greg Shipley, representing the Combined Law Enforcement Associations of Texas (CLEAT), and Kevin Lawrence, representing the Texas Municipal Police Association (TMPA). On behalf of TMRS members, retirees, and cities, we would like to thank Mr. Lawrence and Mr. Shipley for their service on the committee.

The Board also approved the appointment of two new members: Mitch Landry, representing TMPA, and Scott Leeton, representing CLEAT, with Greg Shipley serving as his alternate.

Board Committee Updates

The Board appointed new Chairs and Vice Chairs to the existing Board committees and added a sixth committee on Technology. Chairs and Vice Chairs for 2019 are:

- Budget Committee: Julie Oakley, Chair; Jim Jeffers, Vice Chair
- Compensation Committee: Julie Oakley, Chair; Bill Philibert, Vice Chair
- Internal Audit Committee: Jim Jeffers, Chair; David Landis, Vice Chair
- Advisory Committee on Benefit Design: Jesús Garza, Chair; David Landis, Vice Chair
- Legislative Committee: Bill Philibert, Chair; Jim Parrish, Vice Chair
- Technology Committee: Jim Parrish, Chair; Jesús Garza, Vice Chair

Committee charters may be found on the [Board of Trustees page](#).

Investment Department and T.J. Carlson Recognized

TMRS' Chief Investment Officer, T.J. Carlson, was named 2018 CIO of the Year at *Institutional Investor's* second-annual Allocators' Choice Awards in New York City. Read the story from *Institutional Investor* [here](#).

In a second award, TMRS and its CIO were voted Technology User of the Year for the Risk Management team's "creation of a data warehouse from the ground up" and other unique technology programs designed to enhance the manager due diligence and oversight process. The TMRS Risk Management team comprises Dimitry Shishkoff, Melissa Jerkins, and Ryan Conner.

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"Be the One" Human Trafficking Awareness Campaign

The Texas Attorney General's Office's training video, "Be the One in the Fight Against Human Trafficking," tells the stories of human trafficking survivors and those who intervened to make a difference in their lives. The Attorney General distributed a link to the video to all state agency employees. As a follow-up, the Governor's office has also reached out to all agencies asking for their help to increase the public's awareness of this issue.

TMRS wants to do its part by providing access to the video to our member cities. See the following link:

<https://www.texasattorneygeneral.gov/initiatives/human-trafficking>.

CITY CORRESPONDENT REMINDERS

Best Way to Transfer Documents

TMRS is working to ensure that all document transfers between cities and TMRS are as secure as possible. Beginning **January 1, 2019**, cities should use the [City Portal](#) to upload all official documents and forms (including monthly payroll reports), because it is the most secure option to transfer documents to TMRS. The City Portal upload feature replaces the email address *Member-Call@tmrs.com*, which will no longer be operational after **December 31, 2018**.

When you send payroll documents through the portal, always use the Payroll tab (not the upload tab). TMRS also highly recommends that cities send their funds via EFT/ACH rather than mailing a check.

Questions? Contact Jennifer Andrews at 800-924-8677 or send her an [email](#).

Keep City Contacts Up-To-Date!

Staying on top of city staff changes throughout the year is important to TMRS. People who leave employment with your city or move to other departments may be City Portal users and/or authorized city contacts for TMRS purposes. It is extremely important to keep TMRS notified of any changes in personnel listed as authorized city contacts. **Authorized city contacts** are able to give and receive confidential employee account information to and from TMRS, and many have signature authority to certify applications and forms.

To assist TMRS with this very important process, please email cityportal@tmrs.com if you know of any changes we should be aware of. Remember, if the person designated as your **City Portal Administrator** has changed, you will need to sign a new City Portal Agreement.

END-OF-YEAR REMINDERS

December 2018 Payroll Deadline Reminder

As we approach year end, TMRS would like to remind our cities to submit monthly payroll reports by the 15th of the month. In order to ensure all 2018 payroll contributions are accounted for, **please submit the December 2018 reports no later than January 15, 2019.**

It is very important that you make this deadline. If it is missed, several things will happen:

- Your city will receive a late interest assessment
- Late reports will affect estimates contained in the 2018 Member Annual Statements and delay the processing of December 2018 retirements
- TMRS will begin notifying your city's employees of the impact of late payroll reports

If we can provide assistance or answer any questions you may have, please do not hesitate to contact us at 800-924-TMRS (8677).

File Your January 2019 Plan Change Ordinances with TMRS by December 31!

Don't forget to send in any ordinances affecting your city's TMRS plan to our office before the end of the year. If your city is adopting or has adopted an ordinance changing TMRS provisions (such as Annuity Increases, Updated Service Credits, or Stat Max actions) to be effective January 1, 2019, send TMRS a copy of the ordinance right away! By law, these changes must be transmitted to TMRS before the ordinance's effective date. **The last date of acceptance is December 31, 2018.** If you have already sent in your ordinance and have not received an acknowledgment from TMRS, please call or email LaShelle Ruiz at 800-924-8677 or lruiz@tmrs.com.

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Happy Holidays from All of Us at TMRS

As we look back on the year, we are grateful for the cities, staff, and employees who continue to make TMRS a great retirement system. We truly appreciate the hard work of city correspondents and city contacts in administering TMRS benefits and in helping us educate members. We hope each of you celebrates this holiday season in your own special way with the people who mean the most to you. TMRS will be closed on Christmas Eve, Christmas Day, and New Year's Day.
