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## December Board of Trustees Meeting

The TMRS Board of Trustees met in Austin on December 5, 2019. The Board:

- Approved the TMRS operating and capital expenditures **budget** for 2020
- Approved the hiring of Albourne America LLC as the fund's consultant for **alternative investments**, including Absolute Return, Real Return, Real Estate, Private Equity, and Private Credit for a term of up to five years, pending successful contract negotiations
- Approved an allocation of \$50 million to Parthenon Investors VI, L.P. in the **Private Equity** portfolio
- Approved amendments to the TMRS **Actuarial Funding Policy** effective January 1, 2020
- Approved the 2020 Investments Pacing Plan
- Heard an annual review of the Fixed Income asset class
- Approved amendments to the Board's bylaws and other governing documents regarding Board officer terms, roles, and other matters
- Discussed the Board's processes for investment manager selection
- Set the calendar for 2020 Board meetings

The Internal Audit Committee of the Board met on December 5 before the Board Meeting. The Committee:

- Heard the Quality Assessment Review of the Internal Audit department by external reviewer Marci Sundbeck; this review concluded that the activity "generally conforms" with the International Standards for the Professional Practice of Internal Auditing and the Code of Ethics. "Generally conforms" is the highest rating available.

The Board's next meeting will be in Austin February 13–14, 2020. The Board's **meeting calendar for 2020** is posted on the website.

## TMRS Bill Becomes Effective January 1

The statutory changes made by the TMRS Bill, SB 1337, will go into effect January 1, 2020, with the exception of one change affecting eligibility for Updated Service Credit that becomes effective January 1, 2022. For an explanation of all significant changes included in the TMRS Bill (SB 1337), see the two-page flyer, **Summary of TMRS Bill**, on the TMRS website.

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## Executive Director Search

Last year, Executive Director David Gavia announced his retirement effective May 2020. To fill his position, TMRS is searching for an experienced and accomplished candidate to serve as the next Executive Director. For information on the position and how to apply, please see the **position specification**.

## TMRS' CIO Receives International Recognition

TMRS' Chief Investment Officer, TJ Carlson, was interviewed for Chief Investment Officer magazine's Power 100 List, which highlights the top 100 CIOs in the world. TJ moved up the list to #22 from #51 last year. In the article accompanying the list, TJ discusses the changes TMRS has gone through over the past few years, including building a top-tier team of asset class directors, creating an award-winning in-house Investment Data Warehouse, and other key initiatives. Read the story **here**. Congratulations to TJ and the Investments team!

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## Actuarial "Dashboard" Coming Soon!

TMRS' consulting actuary, GRS, has created a "TMRS Dashboard" that will be available for cities to use by the end of the year. This new tool will allow TMRS cities to analyze various funding metrics on a historical basis as well as show a peer comparison with other TMRS cities. The historical analysis will show up to nine years of data (newer cities will have fewer), while the peer comparison analysis is based on the December 31, 2018 valuation and data. Stay tuned--we'll notify you when the TMRS Dashboard is ready to use!

## YEAR-END REMINDERS FOR CITY ADMINISTRATORS

### **Ordinance Deadline**

File your January 2020 Plan Change Ordinances with TMRS by December 31. Be sure 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, 2020, 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, 2019. If you have already sent in your ordinance and have not received an acknowledgment from TMRS, please call or email Veronica Escobedo at 800-924-8677 or [vescobedo@tmrs.com](mailto:vescobedo@tmrs.com) as soon as possible.

### **December 2019 Payroll Reminder**

As we approach year-end, remember to submit your city's monthly payroll report by the 15th of the month. In order to ensure all 2019 payroll contributions are accounted for, please submit the December 2019 reports no later than January 15, 2020.

It is very important that your city makes this deadline. If you miss it, several things will happen:

- TMRS will begin notifying your city's employees of the impact of late payroll reports.
- Your city will receive a late interest assessment.
- Late reports will affect estimates contained in the 2019 Member Annual Statements and delay the processing of December 2019 retirements.

If you need assistance or have questions, contact Member Services at 800-924-TMRS (8677).

### **Maximum Compensation Limit**

The IRS has announced that the 2020 annual compensation limit (aka Max Comp) for deferred compensation plans under IRC §§ 401(a)(17), 404(l), 408(k)(3)(C), and 408(k)(6)(D) (ii) is increased from \$280,000 to \$285,000 for 2020. TMRS is a qualified plan under Section 401(a) of the Internal Revenue Code. If any of your city employees will receive gross compensation over \$285,000 for 2020, contact TMRS for instructions. See the full list of IRS 2020 limitations **here**.

### **Submit Payroll with the City Portal**

The most secure option to transfer documents to TMRS is the **City Portal**. TMRS strongly encourages cities to upload all official documents and forms (including monthly payroll reports) through the City Portal. **IMPORTANT:** In the City Portal, use the Payroll tab (not the upload tab!) for payroll documents. TMRS also highly recommends that cities send their funds via EFT/ACH. Questions? Contact Jennifer Andrews at 800.924.8677 or send her an **email**.

**NOTE: The **City Portal Training Manual** has been updated and is available on the TMRS website. If you would like a hard copy, send a note to [communications@tmrs.com](mailto:communications@tmrs.com).**

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