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## May Board Meeting Summary

The TMRS Board of Trustees met in Austin on May 24 and in a Joint Meeting with the Advisory Committee on Benefit Design on May 25. The Board:

- Approved 2018 revisions to the [TMRS Employee Policies and Benefits Manual](#).
- Heard a presentation from consultant [Gallagher Benefits Services' Fox Lawson Group](#) and approved new salary structures for TMRS employees.
- Approved the appointment of Robert Hanna as an alternate Group Representative for the Texas City Management Association (TCMA) to the Advisory Committee (see item below).
- Heard reports from the Board's Legislative Committee and Internal Audit Committee.
- Approved a [Real Estate manager recommendation](#) for a commitment up to \$75 million, pending successful contract negotiations.
- Approved a [Real Return manager recommendation](#) for a commitment up to \$75 million, pending successful contract negotiations.
- Heard an [Actuarial Valuation Report presentation](#) from consulting actuary Gabriel, Roeder, Smith & Company (GRS) and approved the [2017 Actuarial Valuation Report](#), which also includes 2019 Contribution Rates and Supplemental Death Benefit Contribution Rates (see item below).
- Heard a report on the Advisory Committee on Benefit Design (see item below).
- Heard a report on the [Annual Economic Outlook](#) from consulting economist Dr. A. Gary Shilling.
- Heard a presentation on [Public Pension Trends](#) from Keith Brainard, Research Director for the National Association of State Retirement Administrators (NASRA).
- Heard the [first quarter report](#) from the Investment Staff.

The next meeting of the Board of Trustees will be June 28 – 29, 2018 in Austin.

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## Advisory Committee Update

Members of the Advisory Committee on Benefit Design attended the May 25 Board meeting and heard presentations. They approved the minutes of the Advisory Committee meeting that was held April 26, 2018, and Committee Chair David Landis gave an overview of the meeting. The Board and committee members discussed the accomplishments of that meeting. Advisory Committee activities are posted on the [Advisory Committee web page](#).

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## What Is an Actuarial Valuation?

The purpose of an Actuarial Valuation is to provide an analysis of the System's assets and liabilities, using economic and demographic assumptions to determine the contribution requirements and funded status for TMRS system-wide and for each individual city's plan. The results of the Actuarial Valuation include city

contribution rates for 2019 as well as a reconciliation from the prior valuation report, plan assets versus liabilities, funded ratio, and amortization period.

TMRS is required to have an annual valuation by an external consulting actuary. GRS is TMRS's consulting actuary. The [Actuarial Valuation Report as of December 31, 2017](#), approved by the Board of Trustees in the May meeting, is now posted on TMRS' website. Using this document, cities can see what their rate for 2019 will be before City Rate Letters are posted (see timeline in item below).

Highlights from the 2017 Actuarial Valuation are:

- 883 Texas cities participated in TMRS
- The net investment return for 2017 was 13.76%
- The market value of assets increased from \$25.23 billion in 2016 to \$28.65 billion in 2017
- The funded ratio increased from 86.3% in 2016 to 87.4% in 2017, and has increased from 73.7% in 2007 to 87.4% in 2017
- The average funding (amortization) period for TMRS system-wide decreased from 19.7 years in 2016 to 18.8 years in 2017

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## Timeline for Rate Letters and GASB Packets

City Rate Letters will contain detailed information on city contribution rates for the year beginning January 1, 2019. The information cities will need for financial disclosures (the GASB reporting packages) will be available as a separate download on the TMRS website in late July. Note that there will be a separate GASB package this year <sup>3</sup>/<sub>4</sub> for the new GASB Statement 75 disclosures.

New reporting standards under GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits other than Pensions," or OPEBs, are first effective for cities with a fiscal year ending June 30, 2018. For TMRS cities, the OPEB is the Retiree Supplemental Death Benefit (SDB). The new GASB 75 standard requires additional information that will be provided to cities separately from the GASB 68 disclosures.

- June 8, 2018 City Contribution Rate Letters for all TMRS cities
- July 30, 2018 GASB 68 Employer Reporting Packages for all TMRS cities
- July 30, 2018 GASB 75 Employer Reporting Packages for TMRS cities that offer SDB for retirees

TMRS will notify cities when the above documents are available for download. As in previous years, you may send questions regarding GASB to [pensionaccounting@tmrs.com](mailto:pensionaccounting@tmrs.com).

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## 2018 City Correspondent Certification Courses



The City Correspondent Certification Course is the best way to acquire the knowledge and tools you need to answer any TMRS benefit questions your employees have. This one-and-a-half-day course covers forms used, online tools, special situations, and other issues you may encounter when assisting active and retiring members.

Register to attend this important training using the links below or through our [Facebook Events page](#). Email questions about this course to [registration@tmrs.com](mailto:registration@tmrs.com).

The remaining Correspondent Courses for 2018 are:

- July 19-20 • [North Richland Hills, Texas](#)
  - October 16-17 • [Cedar Park, Texas](#)
  - November 13-14 • [Plano, Texas](#)
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## Keeping City Contacts Up-To-Date Is Extremely Important!

We understand that cities experience staff turnover throughout the year. Many of these staff members may be City Portal users and authorized city contacts for TMRS purposes. It is extremely important to notify TMRS of any personnel changes listed as authorized city contacts. **Authorized city contacts are able to provide and receive confidential information, and to sign and certify TMRS applications and forms.**

Security is of the utmost importance to us, and we request that you notify TMRS immediately if there are staffing changes that affect your city's contact list. If you

would like to confirm the names of the staff members currently listed, please email [cityportal@tmrs.com](mailto:cityportal@tmrs.com).

Remember, if the person designated as your City Portal Administrator has changed, you will need to sign a new [City Portal Use Agreement](#).

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## **Annual Seminar – Save the Date!**

The TMRS Annual Seminar will be held at the Lakeway Resort and Spa, 101 Lakeway Drive, Lakeway, Texas on November 7-9, 2018. Mark your calendar now to join your fellow city administrators and other interested employees “Sailing into Retirement” with TMRS! We are planning a lineup of interesting and enlightening speakers and activities with fantastic views of Lake Travis. Stay tuned for registration information and an event page posting later this summer!

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## **Short Video on Returning to Work**

The Communications staff has created a new video for retirees, posted in the online [Video Training Library](#) and viewable on YouTube. [Returning to Work After Retirement](#) addresses issues retirees may not be aware of about how their retirement benefit is affected if they return to their former city, a different TMRS city, or a non-TMRS entity. We appreciate your spreading the word about this video to retirees and employees who are considering retirement.

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