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August Board Meeting Summary

The TMRS Board of Trustees met in Austin on August 23–24. The Board:

- Hired CliftonLarsonAllen (CLA) to provide professional auditing services, including audits of annual financial statements and Service Organization Controls 1, Type 2 (SOC-1 Type 2) for TMRS for the next five years ending in 2023 (see article below).
- Received a **report of activities** from the Board's Internal Audit Committee.
- Heard a presentation on staff recommendations for changes and clarifications to the **TMRS Act** and continued a discussion of potential legislation.
- Approved allocations to two managers in the **real estate** portfolio.
- Considered and acted on the recommendations from the **2018 Asset Allocation Study**. As a result of the study, the Board did not make any changes to the current asset allocation for 2018. Staff does, however, plan to pull the Asset Liability Study (projected for 2021) forward to 2019, to be done in conjunction with the 2019 Actuarial Experience Study and the 2019 Annual Asset Allocation Review.
- Approved a staff **recommendation** to develop a Request for Proposal to hire a consultant to perform a comprehensive analysis of TMRS' current automated pension administration system.
- Heard a presentation on **governance** practices for public retirement systems.
- Heard annual asset class reviews of the **real estate** and **real return** portfolios.
- Received an **investment staff report** for the quarter ending June 30, 2018 and a management update from the CIO.
- Heard a presentation on **project management** at TMRS.

The next meeting of the Board is scheduled for September 27–28 at TMRS headquarters in Austin.

Introducing TMRS' New External Auditor, CliftonLarsonAllen LLP (CLA)

The TMRS Board selected CLA as TMRS' external auditor at its August 2018 board meeting. CLA will audit TMRS' financial statements beginning with the year ended December 31, 2018 and will also audit the System's related controls (service organization controls), known as a SOC-1 Type 2 audit.

Who is CLA?

CLA is a Top 10 accounting firm with more than 60 years of quality, service, and experience. In 2017, CLA had more than 110 locations across the United States. They also have more than 5,400 professionals, of which 2,200 are CPAs.

What does this change mean for me?

The change does not affect cities. TMRS and CLA will work with TMRS' previous auditor to implement a smooth transition. CLA's Government Pension Team has one of the largest governmental pension and investment fund practices in the nation. This means CLA has extensive experience auditing entities similar to TMRS. This experience with public pensions includes agent-multiple employer plans. CLA has developed a work plan to ensure timely delivery of required reports that cities and their auditors rely on.

TMRS will provide updates on the transition on our website. More information about CLA is available on the [CLA website](#).

Rate Stabilization

One of the features of this year's Executive Workshops is a presentation by TMRS Director of Actuarial Services, Leslee Hardy, on city contribution rates and the tools available to cities to stabilize those rates from year to year. Since 2007, TMRS has made actuarial changes that have reduced the volatility of rates, and the establishment of stable rates over the long term is a TMRS goal. The workshop presentation explains the advantages of cities being proactive in addressing their benefit design and adjusting contribution rates using provisions available to cities under state law. If you are not able to attend one of the remaining workshops (see item below), we encourage you to review the [Executive Workshop](#) presentations posted on the website.

GASB 75 Packages Available Online

In July, TMRS posted new GASB 75 packages (GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*) for new disclosure requirements applicable to some TMRS cities. Cities that provide a Supplemental Death Benefit for retirees are subject to the new GASB 75 requirements. If applicable, GASB 75 reporting is first effective for cities with a fiscal year ending June 30, 2018. Both the GASB 68 and GASB 75 packages are available from the [Eye on GASB](#) page. Cities may send questions regarding GASB disclosures and materials to pensionaccounting@tmrs.com.

Remaining Training Events - 2018

THE ANNUAL SEMINAR IS COMING SOON!

Don't forget to register for the TMRS Annual Seminar, "Sailing into Retirement." The seminar will be held at the Lakeway Resort and Spa, 101 Lakeway Drive, Lakeway, Texas on November 7 - 9, 2018. To register, go to the [event website](#) and click on Register. The seminar website describes visiting speakers, the session agenda, and how to reserve your room under the TMRS block of rooms (see the [Location](#) tab for full information). We look forward to seeing you at the seminar!



CITY CORRESPONDENT CERTIFICATION

COURSES help you accumulate the knowledge and tools you need to answer any TMRS benefit questions your employees may have. This one-and-a-half-day course covers a host of topics, including enrollment, types of service credit, retirement options, workers compensation, disability, death,

divorce, and the online tools that can make your job easier. Plus, it's a great opportunity to network with your peers!

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. The remaining Correspondent Courses for 2018 are:

- **October 16-17** · Cedar Park, Texas
- **November 13-14** · Plano, Texas



EXECUTIVE WORKSHOPS increase your overall understanding of TMRS' plan design, actuarial issues, and investments. If you're a city manager, finance officer, city secretary, or other city employee involved in decisions affecting city plan choices or administering benefits, sign up now to

attend an Executive Workshop in your area.

These free educational events follow this agenda:

- 9:30 Breakfast
- 10:00 Welcome and Introductions
- 10:15 What's New at TMRS
- 10:30 Actuarial Update – Rate Stabilization
- 11:00 Investments Presentation
- 11:45 Questions/Summary
- 12:00 Lunch

The remaining two Executive Workshops are:

- [Perryton](#) – September 12
 - [Keller](#) – November 13
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City Correspondent REMINDERS

Address Change Reminder

When employees change their addresses with your city, it is important that they also notify TMRS of the change so that we have the most up-to-date contact information. Please let your employees know they also need to change their

address with TMRS online using MyTMRS® or by sending the [TMRS Address or Name Change Form](#) to TMRS. If they are not MyTMRS users, encourage them to sign up so they can take advantage of its new features and keep their information current online.

Service Retirement Processing Tips

As a TMRS Benefit Administrator, you are a partner with TMRS and play an important role in assisting members when they are ready to retire. To initiate retirement with TMRS, an employee must submit the Service Retirement Packet (SRP) to TMRS. In some cases, the employee will want your assistance with the process of completing the forms. Along with using the [most recent version of the SRP](#) from our website, certifying the application, and ensuring the forms are legible, here are some tips to help members complete their retirement paperwork properly.

- Make sure the effective retirement date on the Application for Service Retirement (TMRS-15) falls within 90 days of submitting the forms to TMRS. Otherwise, the packet will be returned for re-submission within that timeframe.
- Be sure the member checked the marital status on the Selection of Retirement Plan (TMRS-24) form, and the spouse has notarized the spousal consent section (if applicable).
- When completing the Direct Deposit Authorization (TMRS-80E) form, be sure the account is in the retiring member's name (either singly or jointly).
- Submit an acceptable, legible proof of birth (Texas Driver's License is preferred for both member and beneficiary).
- Ensure the member has signed and dated all the forms to be submitted.

Other TMRS resources available to retiring employees are the [How to Retire](#) page of the website, the new [How to Retire flyer](#), and assistance from Member Services at 800.924.8677.

Phishing Emails and Phone Calls

“Phishing” is a term referring to con artists fishing for confidential information that they can then use to hack accounts or steal a person's identity.

An example of a phishing phone scam is when a caller pretends to be from the IRS, a bank, or some other official entity and tries to frighten or intimidate you into giving them money or information. A general rule of thumb with any suspicious contact is to refuse to discuss the matter with the caller, hang up, and then contact the actual agency or business using its publicly posted phone number.

Some TMRS cities have reported receiving phishing emails that appear to be from TMRS with “invoices” attached. **TMRS never sends invoices to cities.** Please be aware that you should not open any email attachment from TMRS that you did not request; nor should you forward these emails.

If you receive a suspicious email that appears to come from TMRS, please call us at 800-924-8677.