

TMRS E-Bulletin for Cities – Vol. 9
March 14, 2008

THIS ISSUE: Travel Team Expansion, Press Coverage

TMRS Expands the Travel Team

In response to increased requests from cities for TMRS services, we have expanded the Travel Team to six members.

Most of you know the TMRS Travel Team member who is responsible for your part of the state, but here's a guide to the new, expanded team.

North Texas (TML Regions 2, 3, 5, 6, 13, and the northern portion of Region 4)

- TMRS Regional Manager for North Texas – David Rodriguez
- TMRS Regional Representative for North Texas – Colin Davidson

East Texas (TML Regions 8, 9, 14, 15, and 16)

- TMRS Regional Manager for East Texas – Anthony Mills
- TMRS Regional Representative for East Texas – Shannon Lucero

South Texas (TML Regions 7, 10, 11, 12, and the south portion of Region 4)

- TMRS Regional Manager for South Texas – Lorraine Moreno
- TMRS Regional Representative for South Texas – Maryann Malave-Jaini

Travel Team members are available for benefit fairs, employee meetings, and city council sessions on request. You can reach your Regional Manager and request a visit by calling TMRS at 800-924-8677 or by e-mailing communications@tmrs.com.

Status Report on TMRS Changes

Most TMRS cities received rate projection information at the beginning of February, and TMRS has answered many questions from cities regarding changes in their rates. It is important to remember that final rates will not be available until May, following the 12/31/07 actuarial valuation, currently in progress.

The first two Regional Funding Workshops, in McAllen and Victoria, were well-attended by cities, and the cost projection tool provided by TMRS' actuaries is answering many of the questions cities have about potential changes in benefits.

Regional Funding Workshops have been scheduled for Richardson, Austin, Amarillo, and Odessa, and more are being added to the calendar weekly. If you are unable to attend a workshop in your area and want to arrange a session, please contact the Travel Team. The TMRS staff actuary is also available to provide consultation. Call TMRS and ask for Leslee Hardy or e-mail lhardy@tmrs.com.

Press Coverage

Generally, the press coverage TMRS has been receiving is doing a fair job of covering a complex issue. To restate the basic facts about the actuarial changes TMRS is making:

- We have changed our Actuarial Cost Method from Traditional Unit Credit to Projected Unit Credit to provide advance funding for annually repeating benefits, including Updated Service Credit (USC) and Annuity Increases (COLAs).
- This change is resulting in higher contribution rates for cities that have adopted those benefits. Cities that see increases of more than 0.5% will be subject to a 30-year amortization period (instead of 25) and have 8 years to phase in the increases.
- Every city in TMRS has control over the benefit levels it offers. Cities have indicated to us that they plan to address increased costs through a variety of responses. Some may change benefits while others intend to use the phase-in rate and some have said they will probably pay the whole rate in 2009.
- TMRS is continuing to diversify our investments to achieve higher returns in the future. As of March, 3% of our assets have been moved from bonds into passive indexed stock investments.
- TMRS is putting together its package for the next session of the Texas Legislature. More information on this package will be available after the March meeting of the Board of Trustees. In the meantime, TMRS welcomes input from cities, employee associations, and individual members on any legislative issues. Eddie Solis is the TMRS Government Relations Director; he can be reached at 800-924-8677 or by e-mailing esolis@tmrs.com.

Some of the statements that have appeared in the press are not true and need to be clarified.

- TMRS is not suffering a “shortfall.” All benefits that have been earned in TMRS are secure. Cities may adjust benefits for the future, and those benefits, like all TMRS benefits, will be soundly funded under appropriate actuarial principles.
- “Overtime” and “bad investments” have nothing to do with the TMRS issues, as stated in one of the articles.
- Changes in city plan provisions do not require legislative change.

We are anticipating more coverage from other media sources soon. Again, these are very complex issues, and the more we can all work together to keep the stories accurate, the better off our cities and members will be.

New Benefit Guide

Just a reminder that TMRS has published a 2008 edition of the Member Benefits Guide. These are automatically sent to newly enrolled members. Call or e-mail TMRS to order a supply of the guides for your city's employees. The new guide can also be downloaded from the Website.

Regional Pre-Retirement Seminars

The schedule of Regional Pre-Retirement Seminars around the state has been set. All TMRS members in the region are welcome to attend, but the seminars are primarily designed for employees within five years of retirement. Besides a presentation from TMRS, the seminars provide speakers on Social Security benefits and financial planning.

We will mail detailed information to cities in each region a few weeks before each seminar, or contact TMRS for more information.

April 8-9	Addison
April 23	Tyler
May 7	Amarillo
May 13	Beaumont

There may be one or two more added in the latter half of the year and we will announce them as soon as they are scheduled.

What's Next ...

TMRS Annual Statements will be mailed between March 17 and April 4, according to the following schedule:

- March 17 • First Mailing — Zip Codes: 00000-75999
- March 20 • Second Mailing — Zip Codes: 76000-77499
- March 26 • Third Mailing — Zip Codes: 77500-78299
- April 4 • Fourth Mailing — Zip Codes: 78300-99999

City rate letters will be coming in May.

TMRS is redesigning its Website. Watch for an announcement this summer.

The 2008 TMRS Annual Training Seminar will be in Corpus Christi, September 2-4. This seminar will focus on training for TMRS benefits administration. We are planning an event early in 2009 that will focus on plan design and funding.

NOTE - Previously issued e-bulletins and correspondence are posted in the "Breaking News for Cities" section on the TMRS Website.