

**MINUTES OF THE
TEXAS MUNICIPAL RETIREMENT SYSTEM
Meeting of the Board of Trustees**

August 18, 2016 – 1:30 p.m.

On August 18, 2016, the Board of Trustees of the Texas Municipal Retirement System (TMRS) convened for a meeting at 1:30 p.m. at TMRS Headquarters, located at 1200 North IH 35 in Austin, Texas, with the following members present:

Board of Trustees

Jim Parrish, Chair
Bill Philibert, Vice Chair
Roel “Roy” Rodriguez
Julie Oakley
Jim Jeffers
David Landis

Present also were:

David Gavia, Executive Director
Eric Davis, Deputy Executive Director
TJ Carlson, Chief Investment Officer
Christine Sweeney, General Counsel
Kristie O’Hara, Director of Human Resources
Dan Wattles, Director of Governmental Relations
Leslee Hardy, Director of Actuarial Services
Debbie Munoz, Director Member Services
Rhonda Covarrubias, Director of Finance
Robert Klausner, Klausner, Kaufman, Jensen & Levinson
Kristin Qualls, Director of Public Equity
Marc Leavitt, Director of Absolute Return
Chris Schelling, Director of Private Equity
Tom Masthay, Director of Real Assets
Dimitry Shishkoff, Director of Risk Management
Sandra Vice, Director of Internal Audit
Karen Jackson, Executive Assistant
Marcia Beard, RVK
Amy McDuffee, Aon Hewitt Investments
Joe Newton, Gabriel, Roeder, Smith & Company
Mark Randle, Gabriel, Roeder, Smith & Company
Mike Elio, StepStone

Also in attendance:

Michelle Mellon-Werch, Assistant General Counsel
Nick O’Keefe, Senior Staff Attorney
David Rodriguez, Regional Manager – City Services
Melanie Thomas, Editor
Carol Leung, Equities Investment Analyst

Chris Tindell, Private Equity Analyst
Cindy Morse, Investment Support Analyst
Debbie Farahmandi, Investment Operations Specialist
Peter Jeske, Project Specialist
Madison Jechow, Assistant General Counsel
Michael Schaff, Assistant General Counsel
Kate Reed, Compliance Officer
Eddie Schultz, Real Estate Analyst
Martha deLivron, Absolute Return Analyst
Rachel Cleak, Alternative Analyst
Melissa Jerkins, Quantitative Analyst
Candace Nolte, Assistant Finance Director
Bob Scott, City of Carrollton
Greg Shipley, Combined Law Enforcement Associations of Texas
George Kaufman, City of Garland
Keith Dagen, Government Finance Officers Association of Texas
David Riggs, Texas State Association of Fire Fighters
Michael Finley, City of Arlington
Eloisa Mata, Pension Review Board
Jared Schelling

Mr. Parrish called the meeting to order at 1:32 p.m. and Ms. Oakley gave the invocation.

1. **Consider and Act on Adoption of the Minutes from the June 23-24, 2016 Meeting of the Board of Trustees**

Mr. Gavia stated that Staff had nothing to add to the minutes as presented. Mr. Parrish requested that the picture of the Simpson family should be added to the minutes and the family members identified for historical purposes.

Mr. Philibert made a motion that the Board adopt the minutes from the June 23-24, 2016 Meeting of the Board of Trustees with the Chair's recommendation of the addition of the picture of the Simpson family. Mr. Landis seconded the motion, which passed 6-0.

2. **Consider and Act on an Adoption of Board of Trustee Standard Investment Authorization Provisions**

Ms. Sweeney noted that as the investment diversification has progressed, the complexity of the motions to approve have also become more complex and lengthy. With each manager hire, there are common requirements and unique features. This action will allow the common requirements simply to be accepted by the name, "The Board Standard Investment Authorizations." She explained the features that will be included under this name and four paragraphs are included in the provisions. Ms. Sweeney read one paragraph, as requested by Mr. Parrish.

Ms. Oakley asked for clarification of the "reinvestment programs" described in paragraph (ii). Mr. Carlson explained the basic concept, but stated that it was different for each manager.

Mr. Rodriguez moved that the Board approve and adopt the “Board Standard Investment Authorization” as set out below to be included and incorporated by reference for all purposes in future recommendations to the Board, and approvals by the Board of investment allocations:

Board Standard Investment Authorizations: The Board approves that its authorizations for allocations to investment managers and their affiliates, investment funds, and investment strategies includes its:

- (i) authorization to (a) make each such investment directly in or through a separately managed account, the named investment fund, or a fund or other investment vehicle formed by the respective investment manager, their affiliates, or companies associated with the investment manager, for the purpose of investing with the investment manager or in the named fund or fund strategy as described in the TMRS Staff memo, and/or (b) make each such investment indirectly through a parallel fund, feeder fund, or other alternate investment vehicle;
- (ii) authorization to participate in an investment manager’s or fund’s distribution reinvestment programs, if any, and exceed the authorized allocations to the manager or fund by the value of the distribution reinvestments, when TMRS Staff and its applicable investment consultant for the related asset class determine that it is economically advantageous to do so and in accordance with the TMRS Investment Policy Statement (IPS) guidelines for the related asset class;
- (iii) authorization that management and incentive fees in a separately managed account, a fund, or other alternate investment vehicle are exclusive of the capital allocation and may be paid through cash flow of the investment, capital calls, or via invoice; and
- (iv) authorization for the Executive Director to determine the final legal structure of the investment; to negotiate, execute, acknowledge, and deliver any and all contracts, agreements, and other documents or instruments to give effect to such investments on such terms and conditions as are satisfactory to TMRS, such satisfactory terms and conditions to be conclusively evidenced by the execution thereof by the Executive Director; and to do any and all other acts deemed by the Executive Director in his judgment to be necessary or appropriate, in the best interests of TMRS, to give effect to such investment authorizations, including, without limitation, proceeding with the investment even if the name of the fund invested in is different than the name of the fund presented in the applicable Board Communication document, provided that the underlying investment is still substantially the same investment as was proposed in the related TMRS Staff memo submitted with the Board Communication.

Mr. Landis seconded the motion, which passed 6-0.

3. Consider and Act on Private Equity Manager Search Recommendation(s)

Mr. Carlson noted that the Private Equity portfolio is being built out, and the current recommendation will bring TMRS one step closer to the approved pacing target of up to \$600 million of private equity commitments for calendar year 2016. The current manager recommendation of \$100 million, if approved, will bring the 2016 year-to-date commitment total to \$360 million, with contracts executed on a total of \$355 million.

Mr. Schelling reviewed the objectives and the benchmark of the Private Equity portfolio. He discussed the manager search process leading up to the final recommendation and highlighted how the managers fit into the construction and geographic diversification of the portfolio.

Mr. Schelling stated that after final due diligence, the two final manager recommendations were Kainos Capital Partners II LP (Kainos) and FTV V, LP (FTV). Mr. Schelling reviewed the characteristics of Kainos, their buy-out strategy, their focus and corporate make-up. They are a top quartile manager with a very low loss ratio. He discussed the reasons to invest as well as the risks and mitigants.

Mr. Tindell reviewed the characteristics of FTV, a bi-coastal growth and equity focused firm. Their market focus is enterprise technology and services, financial services and payments and transaction processing. He reviewed the reasons to invest as well as the risks and mitigants.

Mr. Parrish asked what FTV stands for and asked for some examples of the types of business transactions FTV has done. Mr. Schelling responded that FTV stands for Financial Technology Ventures. The firm's strategy has evolved over the years away from venture capital investments to more mature growth equity investments across a broader opportunity set. Fund III was the firm's first fund to fully commit to a growth equity approach, and FTV will replicate this strategy. Mr. Schelling explained the types of business transactions they perform.

Mr. Philibert asked about FTV's global partner network. Mr. Schelling discussed how some partners are paired and others participate in the network.

Ms. Oakley moved that the Board approve the following:

- (i) Authorize the following allocations, each as proposed and in accordance with the TMRS Investment Policy Statement (IPS), with an initial investment allocation up to the amount set out below and at fees no greater than presented in the TMRS Staff memo, each individually contingent on favorable background checks, if required below, and successful negotiation of the investment agreements:

Name of Investment Manager, Investment Fund, or Fund Strategy	Asset Class Strategy	Initial Investment Allocation	Background Check Required (Yes or No)
Kainos Capital Partners II LP (Kainos)	Buy-Out	\$50 Million	Yes
FTV V, LP (FTV)	Growth	\$50 Million	Yes

- (ii) Approve and incorporate by reference for all purposes the Board Standard Investment Authorizations for each such investment allocation.

Mr. Philibert seconded the motion, which passed 6-0.

4. Review and Discuss Asset Liability Study

Mr. Carlson introduced Marcia Beard and Jim Voytko from RVK to present the Asset Liability Study. As per the Investment Policy Statement (IPS), an Asset Liability Study is to be conducted at least every five years.

Mr. Voytko discussed the RVK team that performed the study and noted that the study is in sync with actuarial practices. The purpose of an Asset Liability Study is to examine how well differing asset allocations address the objectives served by the Plan. It is the only standard analysis that fully links all three aspects of the Plan's key financial drivers: the Investment Policy, the Contribution Policy and the Benefit Policy. Mr. Voytko also reviewed what an Asset Liability Study is not. It is not a study of the system's liabilities, a prescription for plan benefits, an assessment of the affordability of the plan or the sole determinant of the final asset allocation adopted for the Plan.

Some of the key takeaways from the study were discussed. Assets are available to cover 84% of the System's liabilities as currently estimated by the System's actuary. The funded ratio on a market value basis is expected to gradually improve to approximately 98% by 2035 from the current market value of 84%.

The System is in a strong funded position and the study suggests that continued diversification in the investment strategy of the System's assets is desirable with no suggested changes to the current investment strategy.

Mr. Voytko explained that the deterministic analysis process provides an open group analysis of projected valuation results based on a fixed set of future assumptions. He reviewed those assumptions. He reviewed several projected factors including demographics, benefit

payments, contributions, payout ratio, actuarial accrued liabilities, market value of assets, actuarial funded ratio, market funded ratio, and full funding implied returns.

Mr. Voytko noted that the advantage of the deterministic modeling is that it answers “what if” questions. For example, “What kind of return would it take to pay off the Unfunded Actuarial Accrued Liability over 10 and 20 years?” The answers were 7.9% and 6.9% respectively. He reviewed the sensitivity analysis and discussed the impact of earning 1.00% less than expected over 20 years and the impact on projected payout ratio, employer contributions, funded ratios and others.

Mr. Voytko explained that the Stochastic analysis provides an open group analysis of projected valuation results under many capital market environments based on expected asset returns and inflation, and their expected volatility. He reviewed the long-term return and risk assumptions, the correlation between asset classes, several efficient portfolios, asset mixes, projected actuarial funded ratio, projected market funded ratio, projected payout ratios under different portfolios.

He explained how this type of analysis can answer questions about best/worst case outcomes along with the probability of such outcomes. Mr. Voytko re-emphasized the key takeaways noting that TMRS is in a strong position and the study does not suggest changes to the current investment strategy.

Mr. Parrish asked, “What would make TMRS do another study prior to the end of the next five-year period?” Mr. Voytko explained that any significant change to one of the three major drivers would warrant another study. Mr. Parrish asked if TMRS should consider changing the investment return assumption based on actual returns. Mr. Voytko noted that the investment return assumption sets the level of contributions, not necessarily the investment allocation. He stated that RVK would never step in front of the actuary on this assumption. Mr. Carlson reviewed the process that TMRS goes through each year to keep the System on track. Mr. Parrish wanted it noted that this process is reviewed each year. Mr. Newton with GRS discussed how this study plays into the actuarial experience studies.

5. Annual Portfolio Risk Review

Mr. Shishkoff and Ms. Jerkins were introduced to present the annual Risk Management review. Mr. Shishkoff discussed the Investment Policy Statement (IPS) requirements of the Risk Management program. The IPS creates roles and responsibilities of the risk management function and directs the program to identify, evaluate and manage investment risk, but leaves the method of carrying out those responsibilities to Staff. Risk management is not something a separate group “adds” to the portfolio, it is something that is fully integrated into every step of the investment process. The job of the Risk Management department is to ensure that integration happens and is effective.

The risk management process components were identified. They include clear objectives, risk identification, risk measurement and evaluation, risk response, monitoring and communication. Mr. Shishkoff reviewed how this process is applied across various asset classes because market characteristics across different strategies are very different.

Ms. Jerkins discussed the application of the risk management process across asset classes. She reviewed how each of the key components applied to public, alternative and private markets and by whom. It is this process that should give the Board confidence that risk is being managed.

Mr. Shishkoff summarized that risk management defines risk as the uncertainty of achieving the organizations' objectives, and it is a process that must be fully integrated into investment decision making. The absence of bad outcomes in not evidence of good risk management, a well-designed and transparent risk management process is. TMRS has a well-defined risk management process across all asset classes which are well positioned to evolve with the growth in scope and complexity of the investment program.

6. RVK Quarterly Investment Report

Ms. Beard began with a capital markets update. She reported that 36% of outstanding global developed market government debt is now yielding less than 0%. There is a discussion from the Federal Reserve of a rate increase in December. The S&P and MSCI EAFE Index have improved throughout the year.

TMRS did see an increase from the first to second quarters. The Total Fund Composite was reviewed as well as how the allocation has changed over time. The TMRS actual allocation has more exposure to fixed income than its peers, but the portfolio continues to move towards a well-diversified structure. The Total Fund outperformed the Actual Allocation Benchmark by 28 basis points over a five-year period and underperformed the Policy Index by 22 basis points over the same period. Mr. Carlson noted that our year-to-date performance was 5.2%.

Ms. Beard reviewed the Asset Class Composite Performance. She reported that the Non US Equity, Real Estate and Absolute Return composites were key contributors to relative performance over the trailing one-year period. The Absolute Return Composite had the highest relative return during the same trailing period, while Real Estate had the largest absolute gain.

Mr. Carlson noted that the Board has approved more managers than what shows up on this report. The managers do not show up on RVK's report until the money is invested. The Board requested that RVK add all approved managers to the report regardless of whether they have been funded.

7. Receive Internal Audit Reports Regarding Post Implementation of Mortality Tables and Investment Accounting

Mr. Gavia introduced Ms. Vice to present the Weaver Internal Audit reports with Mr. Jeffers, Chair of the Internal Audit Committee. Ms. Vice discussed the Summary which gave an overview of the audit period, objectives, scope, results and recommendations for both the Internal Audit Report over Post Implementation of Mortality Tables and the Internal Audit Report over Investment Accounting.

The overall assessment in regard to the monthly annuity purchase rate factors the Board adopted in 2014 was that the controls to calculate retirement and disability benefits were strong and the proper factors were uploaded. The controls were also strong in all areas regarding Investment Accounting. Weaver made suggestions for several areas of improvement on both audits that were rated moderate and low risk.

8. Executive Session

At 4:56 p.m., the Board entered into Executive Session, pursuant to Texas Government Code §§551.071 and 551.074 to consult with Legal Counsel to receive legal advice, and to discuss personnel matters. No action was taken during the Executive Session and all members of the Board that were present before the executive session were still present. The meeting was opened to the public again at 6:16 p.m.

At 6:17 p.m. the meeting was recessed until 9:00 a.m. on Friday, August 19, 2016.



David Gavia
Executive Director



Jim Parrish
Chair, Board of Trustees

**MINUTES OF THE
TEXAS MUNICIPAL RETIREMENT SYSTEM
Meeting of the Board of Trustees**

August 19, 2016 – 9:00 a.m.

On August 19, 2016, the Board of Trustees of the Texas Municipal Retirement System (TMRS) convened for a meeting at 9:00 a.m. at TMRS Headquarters, located at 1200 North IH 35 in Austin, Texas, with the following members present:

Board of Trustees

Jim Parrish, Chair
Bill Philibert, Vice Chair
Roel “Roy” Rodriguez
David Landis

Absent:

Julie Oakley
Jim Jeffers

Present also were:

David Gavia, Executive Director
Eric Davis, Deputy Executive Director
Christine Sweeney, General Counsel
Kristie O’Hara, Director of Human Resources
TJ Carlson, Chief Investment Officer
Rhonda Covarrubias, Director of Finance
Leslee Hardy, Director of Actuarial Services
Robert Klausner, Klausner, Kaufman, Jensen & Levinson
Debbie Munoz, Director of Member Services
Bill Wallace, Director of Communications
Dan Wattles, Director of Governmental Relations
Scott Willrich, Director of Information Resources
Sandra Vice, Director of Internal Audit
Kristin Qualls, Director of Public Equity
Marc Leavitt, Director of Absolute Return
Chris Schelling, Director of Private Equity
Tom Masthay, Director of Real Assets
Karen Jackson, Executive Assistant
Marcia Beard, RVK
Amy McDuffee, Aon Hewitt Investments

Also in attendance:

Michelle Mellon-Werch, Assistant General Counsel
David Rodriquez, Regional Manager – City Services
Michael Schaff, Assistant General Counsel

Madison Jechow, Assistant General Counsel
Adrienne Strong, Human Resources Generalist
Pete Krnavek, Information Systems Manager
Melanie Thomas, Editor
Carol Leung, Equities Investment Analyst
Chris Tindell, Private Equity Analyst
Cindy Morse, Investment Support Analyst
Debbie Farahmandi, Investment Operations Specialist
Peter Jeske, Project Specialist
Kate Reed, Compliance Officer
Eddie Schultz, Real Estate Analyst
Martha deLivron, Absolute Return Analyst
Rachel Cleak, Alternative Analyst
German Gaymer, Fixed Income Analyst
Melissa Jerkins, Quantitative Analyst
Candace Nolte, Assistant Finance Director
Arielle Chou, Actuarial Analyst
Peter Jeske, Project Specialist
Bob Scott, City of Carrollton
George Kaufman, City of Garland
Greg Shipley, Combined Law Enforcement Associations of Texas
Michael Finley, City of Arlington
Eloisa Mata, Pension Review Board

Mr. Parrish called the meeting to order and the meeting was reconvened at 9:00 a.m.

9. TMRS Board Education: Ethics and Fiduciary Responsibility Overview

Bob Klausner, the Board's Fiduciary Counsel, presented the Trustee training on Fiduciary and Ethical issues. He began by stating that fiduciary duty is biblical in origin. "That which is not in the best interest to the member, then don't do it." Each Board member must wear only one hat when making Board decisions or in other words the Board must have undivided loyalty to TMRS members and retirees.

Two important responsibilities as a Board members are 1) to set policies and 2) demand accountability. The presentations from yesterday's meeting were text book examples of the Board fulfilling these two responsibilities. The Board has set policies and the presentations, Asset Liability Study and Risk Management Review, were the act of fulfilling the demand of accountability. It is not the Board's job to do individual vetting, and in fact, it would be against best practices. The Board has the ultimate responsibility for the success of the investment program and to monitor staff and professionals to whom it has delegated certain investment functions. There are several bodies of the law that discuss the standards a Board is held to. For example, under the Texas Uniform Prudent Investor Act which is embedded in the Texas Trust Code, the Board is held to the "Prudent Person Standard". The experts are held to the "Prudent Investor Standard" and there is also a higher standard, the "Prudent Expert Standard". The Texas Uniform Prudent Investor Act expressly provides rules for

delegation. The Board has a responsibility to delegate with regards to investments. Delegation of due diligence is not an abdication of ultimate decision making responsibility. The Board remains responsible to monitor the activities and persons to whom it has delegated responsibilities and ensure accountability.

The Board has to make decisions and do it ethically. Texas has a detailed statutory framework addressing both conflicts of interest and financial disclosure. Trustees should remain vigilant in their conduct in ensuring adherence to ethical standards by staff and consultants. If a Board member feels they have a conflict, report it, ask questions and recuse him/her from voting on an item. The Texas Ethics Commission outlines the rules regarding ethics and provides opinions on ethical issues. Mr. Klausner recommended the Board review the materials presented because it is a good compendium on these topics as well as a good reference for the future.

Mr. Landis asked for a discussion regarding the statement on the Board “wearing only one hat”. Mr. Klausner’s answer was that you have to be able to block out other influences and focus solely on the right decision for TMRS. An example was discussed of the decision to advance fund USC and COLAs and the process by which that decision was made.

10. TMRS Board Education: Benefits Administration

Mr. Gavia stated TMRS staff and Amy McDuffee, Board Governance Consultant with Aon Hewitt, have developed an orientation and training curriculum for the TMRS Board of Trustees (Board) that meets the Pension Review Board’s (PRB) trustee training curriculum guidelines. The curriculum is comprised of 10 separate training modules pertaining to various fundamental competencies pertaining to TMRS. The modules are intended to serve as a training resource for new trustees and to meet PRB trustee training requirements.

The Benefits Administration module is the second module to be finalized and presented to the Board. This module provides an overview of TMRS as a qualified defined benefit plan, the benefits that are available under that plan, and the Board’s role in managing benefits and services.

Mr. Gavia introduced Eric Davis, Deputy Director, to present the materials. Mr. Davis gave an overview of the agenda and discussed the basic types of plan design. He reviewed the features of defined benefit, defined contribution and hybrid plans. Mr. Davis stated that one must be aware of the tax qualified pension plan status under the Internal Revenue Code (IRC). Mr. Davis discussed the differences between a defined contribution plan and a defined benefit plan. TMRS is a hybrid benefit plan meaning it has defined contribution features as well as defined benefit features. TMRS is a tax qualified trust under IRC Section 401(a).

Mr. Davis reviewed the TMRS plan design (cash balance) and tax qualified plan characteristics. A qualified plan is an employer-sponsored retirement plan that qualifies for special tax treatment under IRC Section 401(a). The Plan (System) must satisfy IRC in both

form and operation, a Determination Letter provides assurance as to the form of the plan document and the Plan must continue to meet requirements to remain qualified. Mr. Davis discussed certain tax issues important to TMRS.

Mr. Davis discussed basic plan options which include 1) Employee Deposit Rate, 2) City Matching Ratio, 3) Vesting and 4) Retirement Eligibility. Optional plan features were reviewed. Some of the features discussed were Updated Service Credit (USC) adopted on either an Ad Hoc or annually repeating basis, and Annuity Increases or Cost of Living Adjustments (COLA) adopted on either an Ad Hoc or annually repeating basis. Supplemental Death Benefits (SDB), Military Service Credit, Restricted Prior Service Credit and Buy-Back of previously refunded TMRS service credit were also reviewed.

Except for required features, plan benefits are determined by the participating city (local control). Several features can be increased, decreased or terminated (Employee Deposit Rate, Matching Ratio, USC, COLA or SDB), but other features cannot be changed once adopted (Vesting and Retirement Eligibility). An actuarial study is prepared for a city wanting to make a change to its plan of benefits.

Mr. Davis reviewed Staff responsibilities regarding Benefit Administration. Staff is responsible for the day-to-day operations of all aspects of benefits administration. He also discussed TMRS' Partial Lump Sum Distribution (PLSD).

Mr. Davis discussed the division of TMRS retirements upon divorce and the need for Qualified Domestic Relations Orders (QDROs) to divide the benefits. The TMRS Support Services team handles questions, issues and benefit payments concerning QDROs.

Mr. Davis highlighted the customer service contact volume for 2015. The TMRS Travel Team consists of six members and conducted 198 employee meetings with 24,890 attendees. They also provided 1,729 individual counseling appointments.

Ms. McDuffee discussed the Board Communication Policy. It is imperative for Trustees to avoid answering specific benefit questions if asked by members. It is best to refer members to the TMRS website where they can contact TMRS or tell members and retirees about TMRS' publications and forms retrievable from the TMRS website. A Board member may also contact the Executive Director, Deputy Director or General Counsel for any questions. Board members should not try to be benefits counselors.

It is important to be familiar with current issues and trends in benefit administration. Ms. McDuffee discussed various methods for the Board to keep informed on the latest information including the TMRS weekly news summary, stakeholder relations, outreach and communications, and social media.

Mr. Davis concluded with a summary of Benefits Administration and some of the key takeaways.

11. Chief Investment Office Management Update, Including Governance, Personnel, Manager Updates, Negative Interest Rates and Other Investment Related News or Matters

Mr. Carlson noted the Investment Staff took 337 meetings during Q2 2016. He also reported that TMRS was nominated for Public Fund of the Year in the Absolute Return space.

Mr. Carlson discussed the accomplishments of several members of the Investment Staff. Mr. Masthay was recently named to Trusted Insight's ranked list of the Top 30 Future CIOs at Pension Funds. The publication, Chief Investment Officer, inducted Ms. deLivron to their list of "40 Under Forty." Mr. Schelling has published four articles on investment topics for various publications.

The TMRS Staff are involved with the Chartered Alternative Investment Analyst Association (CAIA) chapter that is beginning in Austin. Mr. Carlson stated that Staff is involved in industry issues on the national and regional levels.

12. Update on Advisory Committee Meeting

Mr. Wattles and Ms. McDuffee updated the Board on the Advisory Committee meeting held on August 18, 2016. Mr. Gavia complimented the Committee on their participation and thanked them for their involvement.

Mr. Wattles reviewed the June meeting and noted the additional research that was done by Staff as well as discussed the survey that was completed by the Committee members after the June meeting. Mr. Wattles reviewed the topics discussed during the August Committee meeting and indicated the results of the meeting will be brought to the Board in the form of a list highlighting the pros and cons of each topic that was studied. The Committee was very engaged and had good dialogue in regards to the topics.

13. Executive Director Update: Communications Department

Mr. Gavia introduced Mr. Wallace to review the TMRS Communications Department. Prior to 2007, most of the communications were focused on growth and system administration. Since 2007, the topics have included major actuarial issues, major plan design issues and other very complex topics.

Mr. Wallace reviewed the staff responsible for publications, message and content development. He discussed the travel team and their roles as well as their area of coverage. Mr. Wallace highlighted the current publications and noted that we are currently reviewing methods of delivery which is heading toward electronic delivery. He discussed TMRS' internet and social media presence. Mr. Wallace reviewed the field services provided and events presented by TMRS. Some of the events include the Regional Pre-Retirement Conferences held around the state, City Correspondent Certification Course and Executive Workshops. Mr. Wallace highlighted one of TMRS' biggest events, the Annual Training Seminar. He discussed press relations and noted that the Board's processes have made press relations simple.

As new members become part of TMRS, they are not familiar with retirement plans. The challenge Mr. Wallace sees is to continue the education of those new members.

Mr. Rodriguez and Mr. Landis both thanked the team for their outstanding work as well as acknowledging the challenges moving forward.

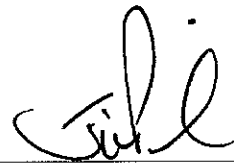
14. Call for Future Agenda Items

Staff will work with Amy McDuffee on strategic planning items for the October agenda.

Mr. Rodriguez made a motion to adjourn the meeting. Mr. Philibert seconded, which passed 4-0. The meeting was adjourned at 11:28 a.m.



David Gavia
Executive Director



Jim Parrish
Chair, Board of Trustees