



**MINUTES OF THE  
TEXAS MUNICIPAL RETIREMENT SYSTEM  
Board of Trustees Retreat**

**April 29, 2021 – 8:30 a.m.**

The Board of Trustees of the Texas Municipal Retirement System (TMRS) held a Board Retreat meeting at 8:30 a.m. at Downtown Hilton Austin, located at 500 E. 4th in Austin, Texas, with the following Trustees present: David Landis, Chair, Jesús Garza, Vice Chair, Anali Alanis, Johnny Huizar, Bill Philibert and Bob Scott.

Board Consultants present included Marcia Beard and Spencer Hunter of RVK, and Joe Newton of Gabriel, Roeder, Smith & Company. Staff present included David Wescoe, Executive Director, Eric Davis, Chief Service Officer, TJ Carlson, Chief Investment Officer, Christine Sweeney, Chief Legal Officer, Madison Jechow, Assistant General Counsel, Debbie Munoz, Director of Member Services, Anthony Mills, Director of City Services, and Michelle Mellon-Werch, Director of Communications.

**1. Introduction and Expectations.**

Mr. Landis called the meeting to order at 8:30 a.m., with all Trustees present. Mr. Landis discussed the overall purpose and expectations of the meeting, and then the Trustees discussed their individual backgrounds and expectations for TMRS and the meeting.

**2. Investment Risk and Risk Tolerance.**

Ms. Beard led a discussion regarding investment risk and risk tolerance. Ms. Beard and Mr. Hunter discussed the history of TMRS investments, the current TMRS asset allocations, and standard deviation as a measure of risk and the risk of various portfolio allocations. Mr. Garza and Mr. Carlson also discussed the pacing plan for private equity and other investments.

Mr. Landis called for a break in the meeting at 10:28 a.m., which lasted until 10:40 a.m.

After the break, Mr. Newton discussed the relationship between contribution rate risk and investment return risk, stating that increasing investment return risk can actually reduce the risk of increased contribution rates, noting however that each additional step of risk does not provide the same rewards.

### **3. Investment Performance Reporting and Benchmarks.**

Mr. Hunter led a discussion regarding investment performance reporting and benchmarks. Mr. Hunter discussed how RVK and TMRS currently calculate investment performance, using both time-weighted and money-weighted methods for various asset classes. He also noted that, because it soon will be possible to receive a new industry certification for investment returns if reported on the time-weighted basis, going forward RVK intends to propose calculating performance for all asset classes using the time-weighted method for TMRS Board reports. Mr. Carlson stated that the TMRS risk team has been working on this for two years. Mr. Hunter next discussed the TMRS benchmarks used for various asset classes and noted that RVK will be proposing changes to the benchmarks for some asset classes at a future Board meeting.

Mr. Landis called for a lunch break at 11:40 a.m. He called the meeting back to order at 12:31 p.m., and all Trustees were present.

### **4. Discuss Ideas to Enhance Communication to and Service for Members and Participating Cities.**

Ms. Mellon-Werch, Ms. Munoz and Mr. Mills introduced the topic and requested feedback from the Trustees on communications with Members and participating cities. Mr. Wescoe provided a general overview of current TMRS communications. The Trustees and staff engaged in a question and answer session, with a variety of comments and suggestions regarding communication techniques and opportunities.

Mr. Scott left the meeting at 1:15 p.m.

Mr. Mills discussed the upcoming TMRS annual city conference, scheduled as a virtual conference for July 27 and 28, 2021, and other communications to cities. During the discussions, the Trustees expressed support for providing resources needed for improving Member and city communications.

### **5. Discuss Ideas for Ongoing Board Education.**

Ms. Sweeney led a discussion regarding ongoing Board education and solicited comments from the Trustees on their preferences for receiving education through a variety of options. She also solicited feedback from the Trustees regarding their areas of interest for future Board education topics.

### **6. The Pandemic: Lessons Learned and the “New Normal”.**

Mr. Wescoe discussed TMRS’ efforts regarding remote and in-office work during the COVID-19 pandemic, including flexible meeting and office space in TMRS’ plans for its new offices at The Grove. Mr. Garza asked about plans for a future meeting of the Advisory Committee on Benefit Design.

7. **Wrap Up.**

There being no action or business taken at the meeting, Mr. Landis adjourned the meeting at 3:14 p.m.



David B. Wescoe  
Executive Director



David Landis  
Chair, Board of Trustees