

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

February 16, 2012 – 2:00 p.m.

February 17, 2012 – 9:00 a.m.

On February 16, 2012, the Board of Trustees of the Texas Municipal Retirement System (TMRS) convened for a regular meeting at 2:00 p.m. at TMRS Headquarters, located at 1200 North IH 35 in Austin, Texas, with the following members present:

Board of Trustees

Frank Simpson, Chair

Julie Oakley, Vice Chair

Jim Parrish

Roel ("Roy") Rodriguez

Absent: Ben Gorzell and April Nixon

Present also were:

David Gavia, Executive Director

Ian Allan, Internal Auditor

Rhonda Covarrubias, Director of Finance

Eric Davis, Deputy Executive Director

Bernie Eldridge, Director of Human Resources

Nancy Goerdel, Chief Investment Officer

Cindy Morse, Executive Assistant

Christine Sweeney, General Counsel

Debbie Munoz, Director of Member Services

Bill Wallace, Director of Communications

Dan Wattles, Director of Governmental Relations

Scott Willrich, Director of Information Resources

Nancy Williams, Hewitt EnnisKnupp

Also in attendance:

Chris Jones, CLEAT

Glenn Johnson, Garland Fire Fighters

Scott Kerr, Texas State Association of Fire Fighters

Jim Moore, Mesquite Fire Fighters

Mr. Simpson called the meeting to order at 2:01 p.m. and Mr. Rodriguez gave the invocation.

1. Executive Session

At 2:01 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 the meeting was opened to the public again at 3:35 p.m. All members of the Board who had been present when the Board went into Executive Session were again present.

2. Consider and Act on 2012 Advisory Committee Agenda, Schedule and Related Matters

Mr. Gavia gave a brief overview of the Advisory Committee meeting held on December 1, 2011. Ms. Williams then gave an overview of those in attendance at the meeting, and discussed the topics being considered for study during the interim. These proposed topics were ranked by the Committee's interest level. Mr. Gavia and Ms. Williams reviewed the alternative COLA features that were of interest to the group. Ms. Williams mentioned that this topic may take a couple of meetings for the Committee to fully discuss and referenced a request that was made to schedule enough time for these discussion meetings.

Mr. Simpson suggested the possibility of starting the Advisory Committee meetings earlier in the day in order that the regularly scheduled Board meetings can still begin on Thursday afternoons.

Ms. Williams then reviewed other topics that were discussed at the December 1, 2011 Advisory Committee meeting. Mr. Gavia briefly reviewed the gain sharing options that were discussed. Also, the suggestion of additional employee contributions in order to secure COLAs or other benefits was also discussed. Further, requirements for later retirement eligibility were discussed. He mentioned that there might be legal ramifications if the age or length of service requirements were extended to existing TMRS members.

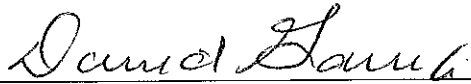
Ms. Williams asked the Board how many meetings need to be scheduled for the Advisory Committee. After some discussion, it was determined that it will depend on how the first, full-length meeting goes. The goal is to have these meetings concluded by August or September so that legislation, if needed, can be drafted in a timely manner.

The Board also discussed and agreed that the Advisory Committee meeting should be filed with the Texas Register as an open meeting, in the event a quorum of the Board attends the meeting.

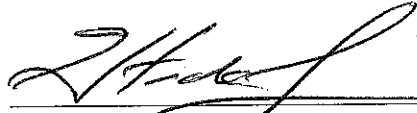
Mr. Gavia thanked the Board for allowing Ms. Williams to serve as the facilitator for the Advisory Committee meetings and said staff will work on getting the meeting materials forwarded to the Advisory Committee members prior to the next scheduled Advisory Committee meeting.

Mr. Simpson asked the Advisory Committee members in attendance if they felt this presentation was an adequate representation of the meeting highlights; they concurred that it was. No formal action was taken.

At 4:14 p.m., the meeting recessed until 9:00 a.m. on Friday, February 17, 2012.



David Gavia
Executive Director



Frank Simpson
Chair, Board of Trustees