TMRS® in 2015 — In it for the Long Run

In July the TMRS Board of Trustees voted to change the System’s strategic investment target allocation as well as its actuarial investment return assumption. The actuarial funding policy, investment policy, and plan design are the three key ingredients to a sound retirement program, and all three elements should be examined and adjusted regularly to keep the System strong.

Following the advice of investment consultant RVK, the TMRS Board adopted a new strategic investment target allocation with a more widely diversified portfolio (see illustration, page 2). Based on this allocation and recommendations by our consulting actuary, the Board also adopted a new actuarial investment return assumption of 6.75%. TMRS is also currently undertaking an actuarial experience study that will examine all of the economic and demographic assumptions. The experience study and the actuaries’ recommendations to the Board for any changes will be considered later this year for use in future actuarial valuations of the System. Actuarial documents and presentations are posted on the TMRS website and will be included in the e-bulletins following each Board meeting.

TMRS has made many changes to the System since 2007, and adjusting investment allocations and actuarial assumptions and methodology are important to our overall goal of ensuring long-term security and keeping city contribution rates as stable as possible over time. Cities considering plan changes may wish to wait until the results of the December 31, 2015 valuation are re-

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From the Executive Director

Dear City Correspondents and Officials,

Main Street is sent to keep you informed about what’s been happening at TMRS over the past year. Our front page story summarizes recent changes approved by the Board of Trustees to help the System stay actuarially strong. Other initiatives important to our cities include financial reporting under the new GASB standards (page 4) and our project to move TMRS from paper-based work to “straight through processing,” TMRSDirect (page 3). One important step in this transformation has recently been put into place and many of your cities are now using the TMRS City Portal to enroll new members. More functionality for cities and members will be rolled out soon.

We’re excited to be holding our 2015 TMRS Annual Training Seminar in San Antonio this year. This issue has a schedule and registration form, so be sure to send in your form and join us on the Riverwalk in early November. This year’s theme is “The Direct Approach,” and we hope you can attend the seminar to learn about the issues surrounding pensions and current news about your retirement plan.

Thanks for being a part of TMRS, and for your role as an “authorized city contact” (see TMRS Terms, page 4). We appreciate the partnership we have with our member cities and are grateful for your role in communicating information about TMRS to your employees, retirees, and elected officials. Stay in touch!

Sincerely,

David Gavia
Executive Director
File Payroll Electronically and Receive FREE TMRS training!

In order to improve payroll processing, TMRS is giving away free registration to either our 2015 or 2016 Annual Training Seminar or any Correspondent Certification course through 2016 for cities that sign up and submit their payroll electronically.

Why submit your payroll electronically? It’s:
- Faster
- Easier
- More secure
- Money-saving
- Fewer errors (from retyping)

TMRS will provide free registration for one employee from your city to one of our training events (a $50 or $125 value).

To take advantage of this offer, your city only needs to sign up to send us your payroll electronically. We will also provide quick and easy training on how to electronically submit your payroll.

To sign up, email Chris Gillis at c agile @ tmrs.com or Chad Nichols at cnichols @ tmrs.com, or call our office at 1-800-924-8677 and ask to speak to Chris or Chad.

After you are set up and have submitted your first payroll, you may choose which free TMRS event you wish to attend! ▲

2015 Board of Trustees

Julie Oakley, CPA, Chair
Director of Finance, Lakeway

Jim Parrish, Vice Chair
Deputy City Manager – Administrative Services, Plano

James “Jim” Paul Jeffers
City Manager, Nacogdoches

David Landis
City Manager, Perryton

Bill Philibert
Human Resources Director, Deer Park

Roel “Roy” Rodriguez, PE
City Manager, McAllen

Important TMRS Facts

TMRS is a long-term investor. Recent volatility in the stock market has generated questions and concerns from members, cities, and retirees. It is important for retirees to understand that their benefit is not affected by current investment performance and for members to realize that their individual account balance cannot be reduced. Active TMRS members are guaranteed by law to receive at least a 5% interest credit on their accounts every year. When an employee retires, he or she chooses a lifetime annuity; that amount is guaranteed for life and cannot be decreased.

TMRS is a “cash balance” defined benefit plan. Instead of providing a traditional defined benefit based on a percentage of salary, the TMRS benefit is based on each member’s account balance at retirement. The benefit is funded through mandatory employee deposits, plus the matching amount agreed to by the city, plus interest income credited to the employee’s account over his or her career. Cash balance plans are increasingly gaining favor as an alternative for providing retirement benefits.

TMRS offers flexibility. Each TMRS city designs its own plan benefits from a menu of available options, choosing its employee deposit rate and city match, and optional provisions such as COLAs and Updated Service Credit. Cities can control the cost of their TMRS benefit program by the plan options they choose.

Funding discipline is a requirement. State law requires every TMRS city to pay the full actuarially required contribution each year. Benefits are advance-funded over the employee’s active working career, with any unfunded liability amortized over a maximum of 25 or 30 years.

Conservative assumptions, long-term, diversified investments, benefit flexibility, and a strong structure of legal protections all help ensure the security of TMRS for cities and members. ▲

TMRS in 2015 — In it for the Long Run

ported in May 2016. If you have questions about your individual city’s plan, please contact your area Regional Manager or TMRS’ Actuarial Services department.

Important TMRS Facts

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TMRSDirect is the TMRS initiative to move paper-based processes to a secure online environment to give members and cities the ability to make “direct” changes. This “straight-through processing” not only reduces paperwork but improves data accuracy while enhancing the security and timeliness of our systems. TMRSDirect encompasses our two online programs, MyTMRS® and the City Portal. To highlight these improvements, the theme for this year’s Annual Training Seminar, “The Direct Approach,” focuses on TMRSDirect, and includes tutorials for online features in the seminar sessions (see schedule and registration form on pages 6 and 7).

For Cities – The City Portal

Accessed through a secure web URL, the City Portal gives TMRS cities self-service capabilities for both employee and city data. The most recent feature is online employee enrollment. To use the City Portal, each city must first designate a City Portal Administrator (usually the City Correspondent), who then adds and manages Authorized Users. Currently, Authorized Users may:

- Submit the city’s monthly payroll files
- Run city reports (so you can track things such as vested employees and retirement-eligible employees)
- Enroll new members – NEW!
- Make inquiries for members (such as account balances, payroll information, address on file)
- Run retirement estimates for members

In addition to these capabilities, the City Portal is a secure area where TMRS can post non-public documents for cities, such as the TMRS SOC-1 Audit Report and your city’s census data (see GASB story, page 4).

For Members – MyTMRS

MyTMRS is the online tool that allows members to view their personal account data, check on their service credit and beneficiary information, and run retirement estimates. The newest feature in MyTMRS is the ability for members to change addresses online.

Legislative Summary

The 84th Legislative Session ended on June 1, 2015. None of the bills that proposed changes to the TMRS plan design passed the Legislature.

In the interim period before the next legislative session, the Lieutenant Governor and Speaker of the House will determine what critical issues need to be studied by the standing committees prior to the next session. The TMRS Advisory Committee is also expected to meet in 2016 to help provide input to the TMRS Board.
Keep City Contact Names and Emails Up-to-Date!

It’s very important for TMRS to have correct information, including email addresses, for your city’s TMRS contacts and City Portal authorized users. We are providing more and more information electronically, so it is crucial, particularly when people resign or retire and replacements are named, to notify TMRS of any email address or other changes. Please let your employees, authorized contacts, and City Portal users know of the importance of keeping this information up to date.

Financial Publications Available

The 2014 TMRS Comprehensive Annual Financial Report, or CAFR (157-page pdf) is available on the TMRS website. Note that the Schedule of Changes in Fiduciary Net Position for each city (54-page pdf) is a separate document starting this year. The four-page 2014 TMRS Summary Annual Financial Report, sent to all members and retirees in the summer issues of INSIGHT and RetirementWise, is also available. Financial publications are grouped under the Publications/Financial Reports tab.

Upcoming Training Events

Two important training opportunities for cities take place in November. Our largest training event, the TMRS Annual Training Seminar, will be held November 9 and 10 at the San Antonio Marriott Rivercenter, 101 Bowie St. As in past years, we will be offering two training tracks — one for TMRS administrators and one for city finance personnel. The registration form and seminar flyer for “The Direct Approach” are included in this issue.

On September 30 and October 1, we’ll be offering our last City Correspondent Certification Course of the year. This one is in Plano, so Metroplex-area City Correspondents will find it easier to attend. Be sure to sign up right away! Check the calendar for the remaining Regional Pre-Retirement Conferences and let your employees know if they’re in your area. All registration forms are available on the TMRS website. If you have questions about any of these events, send a note to communications@tmrs.com.

TMRS TERMS

“Authorized Contact”

A city employee who is an “authorized contact” may perform one or several different roles. TMRS maintains contact information for these key city personnel:

- **City Correspondent** – a key employee designated by each city to be responsible for the city’s administration of TMRS benefits. The correspondent generally is in management, HR, or payroll.
- **Authorized City Contact** – a city employee kept as a contact in the TMRS database to provide and/or receive important information to/from TMRS. These contacts can include (in addition to City Correspondents) city managers, finance officers, HR personnel, and others.
- **City Portal Administrator** – the city’s official designee (such as the City Correspondent or HR director) who handles the sign up, training, and administration of the City Portal. Once a city is set up on the Portal, the Administrator assigns “roles” on the Portal for each of the city’s authorized users.
- **City Portal Authorized User** – employees of the city designated and trained to perform tasks on the City Portal.

It is important that you let TMRS know when TMRS contacts or City Portal users are no longer with your city. For changes in authorized contacts, please send an email to communications@tmrs.com. City Portal administrators should remove terminated users to prevent their access to the City Portal, and immediately notify TMRS at cityportal@tmrs.com.

GASB Resources – More Materials Available

The TMRS “Eye on GASB” web page is a repository of materials you need for your financial statement audit and your financial reporting. The page contains links to documents, including your city’s individual GASB Employer Reporting Package, a document prepared by TMRS’ external actuary that will be posted each year.

In addition, the page links to a manual, the GASB Employer Reporting Guide, that includes a GASB 68 timeline, AICPA Audit Guidance, information about the new GASB Employer Reporting Package, Pension Disclosure Requirements Table (a cross-reference tool), and sample GASB 68 Pension Note Disclosures and RSI.

TMRS will continue to keep cities informed about GASB implementation under the “Eye on GASB” page. Specific questions from Finance personnel and city auditors can be emailed to pensionaccounting@tmrs.com.
The Direct Approach

Secure Online Access for Members and Cities

TMRSDirect
San Antonio Marriott Rivercenter  •  101 Bowie Street  •  San Antonio, Texas
Make your hotel reservation online at https://resweb.passkey.com/go/tmrs2015 or call 877.622.3056 by October 25, 2015

**Secure Online Access for Members and Cities**

The Direct Approach

**TMRS 2015 Annual Training Seminar**

November 9–10, 2015

Registration fee (payable to TMRS) is $125

Send TMRS this **registration form with fee** by 10/26/2015. Space is limited to the first 250 registrants.

Method of Payment:  □ Check  □ Money Order  □ EFT (see below)

Return this form with your payment to the address below. Sorry, we cannot accept credit cards.

Please check the events you will attend — your registration fee includes one guest for the Monday evening events.

☐ Monday breakfast and lunch *(registrant only)*

☐ Monday evening buffet reception...................................................  ☐ Guest

☐ Monday evening boat ride .............................................................  ☐ Guest

*(Rio San Antonio Cruises; board near the hotel)*

☐ Tuesday breakfast *(registrant only)*

If you are paying with EFT — Identify your City as the Originator to ensure your registration. For Payee, specify this TMRS account:

JP Morgan Chase Bank  •  Routing Number: 111000614  •  Account Number: 09920049060

Then mail, fax, or email this form to:

TMRS Annual Training Seminar
ATTN: Accounting Department
P.O. Box 149153
Austin TX 78714-9153

Fax: 512-225-3781
Email: communications@tmrs.com
Please call Angela Deats at 800.924.8677 (ext. 3715) or email communications@tmrs.com if you have questions.

We look forward to seeing you in San Antonio!
# TMRS 2015 Annual Training Seminar • November 9–10, 2015

## The Direct Approach

<table>
<thead>
<tr>
<th>Monday</th>
<th>Tuesday</th>
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<tbody>
<tr>
<td><strong>7:30 — 8:30 am</strong></td>
<td><strong>7 — 9 am</strong></td>
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<tr>
<td>Registration</td>
<td>Breakfast</td>
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<tr>
<td><strong>7:30 — 8:30</strong></td>
<td><strong>8:30 — 9</strong></td>
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<tr>
<td>Continental Breakfast</td>
<td>Introductory Remarks</td>
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<tr>
<td><strong>8:30 — 9</strong></td>
<td><strong>9 — 10</strong></td>
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<tr>
<td>Welcome and Opening Remarks</td>
<td>Legislative and Pension Overview</td>
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<tr>
<td><strong>9 — 10</strong></td>
<td><strong>9 — 10</strong></td>
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<tr>
<td>Cybersecurity Threats and Counter-measures John Sileo • Security expert and author</td>
<td>Leigh Snell • Dir. of Federal Relations, NCTR&lt;br&gt;Dan Wattles • Dir. of Govt. Relations, TMRS</td>
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<tr>
<td><strong>10 — 10:15</strong></td>
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<td>Break</td>
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<td><strong>10:15 — 11:15</strong></td>
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<td>GASB Standards — Global Perspective Bob Scott • CFO, City of Carrollton&lt;br&gt;Susan Warren • Partner, KPMG</td>
<td>Public Pension Plans and the Uniqueness of TMRS&lt;br&gt;Alison Cooke Mintzer • Global Editor-in-Chief&lt;br&gt;PLANSPONSOR/PLANADVISER</td>
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<tr>
<td><strong>11:15 — 12:15 pm</strong></td>
<td><strong>11:15 — 11:30</strong></td>
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<tr>
<td>GASB 68 — Local Perspective Bob Scott • CFO, City of Carrollton&lt;br&gt;Rhonda Covarrubias • Dir. of Finance, TMRS</td>
<td>Farewell Remarks</td>
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<td><strong>12:15 — 1:45</strong></td>
<td><strong>12:15 — 1:45</strong></td>
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<tr>
<td>Lunch and Post-Lunch Remarks Hon. José Menéndez&lt;br&gt;Texas State Senator</td>
<td>Lunch and Post-Lunch Remarks</td>
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<td><strong>1:45 — 2:45</strong></td>
<td><strong>1:45 — 2:45</strong></td>
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<td>The Actuarial/Investment Partnership I&lt;br&gt;Mark Randall • CEO, Gabriel, Roeder, Smith &amp; Co.</td>
<td>The Actuarial/Investment Partnership II&lt;br&gt;TJ Carlson • CIO, TMRS</td>
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<td><strong>3 — 4</strong></td>
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<td><strong>5:30 — 7:30</strong></td>
<td><strong>5:30 — 7:30</strong></td>
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<tr>
<td>Buffet Dinner followed by Rio San Antonio Cruises</td>
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Beginning at 9 am both days, the City Information Suite will be open for benefit information, City Portal assistance, plan change questions, etc. in Conference Room 15.
Main Street
For city officials and staff

Texas Municipal Retirement System
PO Box 149153 • Austin, Texas 78714-9153

Calendar

2015

September 23   TMRS Board of Trustees Meeting – San Antonio
September 30 – October 1 City Correspondent Certification Course – Plano
October 21   Regional Pre-Retirement Conference – Midland
October 22-23   TMRS Board of Trustees Meeting – Austin
October 29   Regional Pre-Retirement Conference – Lubbock
November 9-10 TMRS 2015 Annual Training Seminar – San Antonio
                  (See registration form in this issue)
November 11   Holiday (Veterans Day)
November 26-27   Holidays (Thanksgiving)
December 3-4   TMRS Board of Trustees Meeting – Austin
December 24-25   Holidays (Christmas Eve and Christmas Day)

2016

January 1   Holiday (New Year’s Day)
January 18   Holiday (Martin Luther King Jr. Day)
February 15   Holiday (President’s Day)

How to Contact TMRS
Toll-free • 800.924.8677
Local (in Austin) • 512.476.7577
Website • www.tmrs.com
Email • help@tmrs.com
Fax • 512.476.5576

Main Street is sent to TMRS city contacts once per year. If you have questions or suggestions, email communications@tmrs.com. Issued September 2015 by the Texas Municipal Retirement System. ISSN 1559-9760.

This newsletter is an informal presentation of information about TMRS and related issues. If any specific questions of fact or law should arise, the statutes will govern. TMRS, MyTMRS, and the TMRS logo are registered trademarks of the Texas Municipal Retirement System. TMRSDirect and the TMRSDirect logo are trademarks of the Texas Municipal Retirement System.