

Main Street

For city officials and staff

Preparing for the 86th Legislative Session

At the Board meeting on December 6, 2018, the Board of Trustees finalized their proposal for amendments to the TMRS Act and authorized staff to convey the recommendations to the Legislature. The Board's recommendations for amendments to the TMRS Act include:

- Providing flexibility for scheduling Board meetings by removing specific month requirements and allowing Trustees to participate by video or conference call
- Incorporating existing common law protections from liability into the TMRS Act
- Clarifying the Board's authority to hire external legal counsel in addition to internal staff
- Amending the TMRS Act relating to confidentiality of member information to match the other statewide systems and the Public Information Act and to add protection for audit working papers
- Updating the definition of "security" to better reflect the diverse investment portfolio of the System's trust fund
- Clarifying that the maximum amortization period for a city's unfunded actuarial liabilities is 30 years, and clarifying the Board's authority to set amortization periods and policy
- Amending the law relating to Prior Service Credit (PSC) to require that a city, or a city department, that has not previously participated in TMRS and that has an existing retirement plan would have 0% PSC when they joined TMRS
- Allowing TMRS to offer members and retirees an option to receive annual statements and other information electronically
- Making changes to post-retirement portion of the Occupational Disability provisions by clarifying that TMRS can require affirmation of continuing disability by the TMRS medical board and removing the income test required by current law

Detailed information about the provisions is available on the TMRS website, and updates will be provided there and in E-Bulletins throughout the session. ■

From the Executive Director



Dear City Correspondents
and Officials,

This has been a busy year for TMRS, and this issue of *Main Street* highlights our initiatives to make the System secure, to improve our communications, and to provide first-rate customer service.

For the first time in several years, the TMRS Board of Trustees is recommending legislative changes when the 86th Regular Session convenes in January. The recommended changes will improve TMRS administration and clarify some areas of the law (see story, page 1).

The Board also updated the System's Strategic Plan for 2018, providing us with a new mission, vision, and core values statement (see page 6).

We continue to update our online programs to allow changes to personal information to be self-directed. The story on page 3 summarizes how MyTMRS[®] helps your employees stay secure when accessing their accounts and changing their contact information as needed.

We thank you for your continuing involvement with TMRS administration. If there is anything we can do to make your job easier, please let us know. Happy holidays from TMRS!

Sincerely,



David Gavia
Executive Director

2018 Board Year in Review

The Board of Trustees is composed of six Governor-appointed members serving staggered six-year terms. Trustees are all employees of TMRS cities who volunteer their time and expertise to guide the retirement system.

2018 Appointments to the Board of Trustees

In early 2018, Governor Abbott reappointed TMRS Chair Jim Parrish, Deputy City Manager of the City of Plano, for a second term and appointed Jesús A. Garza, City Manager of the City of Kingsville, for his first term on the TMRS Board of Trustees. Both terms end February 1, 2023. Mr. Garza replaced outgoing Trustee Roy Rodriguez on the Board beginning with the February 2018 Board meeting.

2018 Board Committees:

- **Advisory Committee on Benefit Design**
Chair David Landis, Vice Chair Jesús A. Garza
- **Legislative Committee**
Chair Bill Philibert, Vice Chair Jim Parrish
- **Internal Audit Committee**
Chair Jim Jeffers, Vice Chair David Landis
- **Compensation Committee**
Chair Julie Oakley, Vice Chair Bill Philibert
- **Budget Committee**
Chair Julie Oakley, Vice Chair Jim Jeffers

2018 Board of Trustees

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

Bill Philibert, Vice Chair
Director of Human Resources and Risk Management, Deer Park

Jesús A. Garza
City Manager, Kingsville

Jim Jeffers
City Manager, Nacogdoches

David Landis
City Manager, Perryton

Julie Oakley
Assistant City Manager, Lakeway

For the Board meeting calendar and additional information, go to: <https://www.thrs.com/governance.php>.

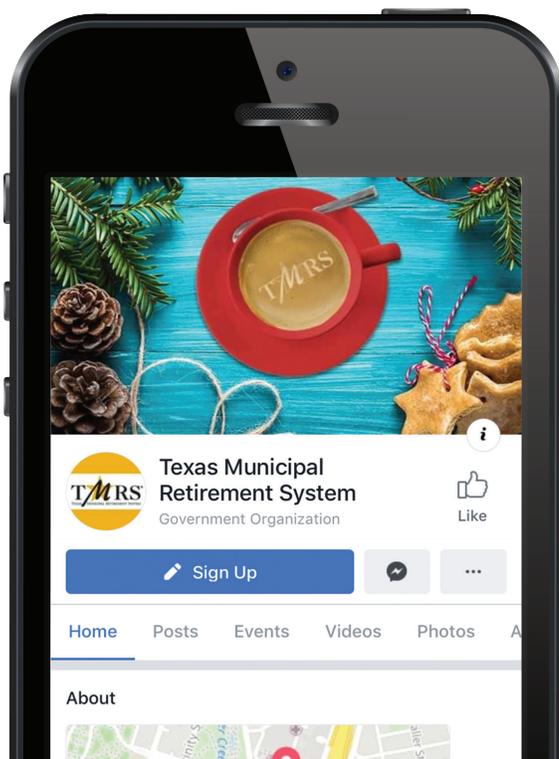
At its last meeting in December 2018, the Board made its recommendations for the 2019 Board Chair and Vice Chair positions. They nominated and approved Bill Philibert for Chair and David Landis for Vice Chair. ■

Socialize with TMRS

TMRS is dedicated to engaging and educating members, retirees, and cities, and is employing more ways to reach you. We expanded our social media initiatives in 2018 to provide regular postings on benefits, retirement processes, plan design, and TMRS events. On Facebook you can stay on top of TMRS news and benefit information, and on Instagram you can join us on our training journeys across Texas.

TMRS pages are monitored by the Communications team, so any nonconfidential questions you may have about TMRS can be answered there. Confidential questions about your personal benefits should be directed to TMRS by phone or through the contact form on our website.

We encourage you to be a part of the conversation! Like and Follow us on Facebook and Instagram @TexasMunicipalRetirementSystem. ■



Cybersecurity Protection Tips

As a city representative, you may be contacted by TMRS for various reasons, such as payroll questions and other System-related matters. Be aware that fraudsters may try to contact you pretending to be TMRS. For example, cities have received fraudulent emails from an address that appears to pertain to the annual rate letters. This is an attempt to trick city employees into clicking on an attachment that looks like an invoice.

To protect yourself from fraud, here are a few things to remember:

- TMRS never sends invoices or bills to members, retirees, or cities. If you receive an invoice in the mail or an attachment to an email claiming it is a bill from TMRS, do not open or respond to it.
- If you are unsure if you're dealing with a TMRS representative, call us at 800.924.8677 to report the suspicious activity. Common sense and caution are the best defenses.
- Some criminals use legal threats to frighten their targets. Obviously, TMRS will never do this.

No one is completely safe from hacking and cyber crime, and the most vulnerable point of attack is human error. Here are some steps you can take to protect yourself and your employees:

1. Educate yourself, and regularly schedule security training for employees
2. Don't share passwords — always keep them safe
3. Encourage members to create MyTMRS accounts — unclaimed accounts are vulnerable to hackers (see story below)
4. Keep your TMRS authorized contacts current (see page 5)

Free Cybersecurity Training for Cities Available Online

Basic tips and advice: <https://www.stopthinkconnect.org/>

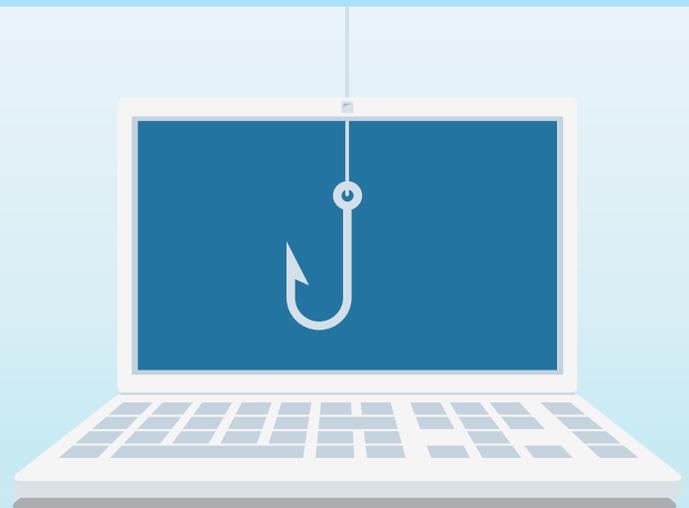
Training about phishing for small organizations from Cofense: <https://cofense.com/free/>

Free SANS resources (also free subscription to OUCH! newsletter): <https://www.sans.org/security-awareness-training/resources>

RSA Conference resources (links to general security awareness information) <https://www.rsaconference.com/about/rsac-cybersafety/external-resources>

Some basic personal awareness/phishing tests:
<http://www.pewinternet.org/quiz/cybersecurity-knowledge/>
<https://www.opendns.com/phishing-quiz/>
<https://www.sonicwall.com/en-us/phishing-iq-test-landing>

SOURCE: TMRS Annual Seminar, Fraud and Security Panel. For live links, open the presentation here: https://www.tmr.com/download/seminar/2018/4-Batten_Hatches_Panel.pdf ■



MyTMRS® — Encourage your Employees to Register Now!

Registering for MyTMRS provides an additional level of security by putting ownership of the account in the user's hands. MyTMRS gives registrants the ability to review and manage their account details, including:

- Login credentials – user name, password, and challenge questions
- Contact information – home address, phone numbers, and email address
- Communication preferences – choose email only, or email and mail delivery for publications
- Beneficiary designation – if the selection does not require spousal consent
- Withholding instructions – for retired members

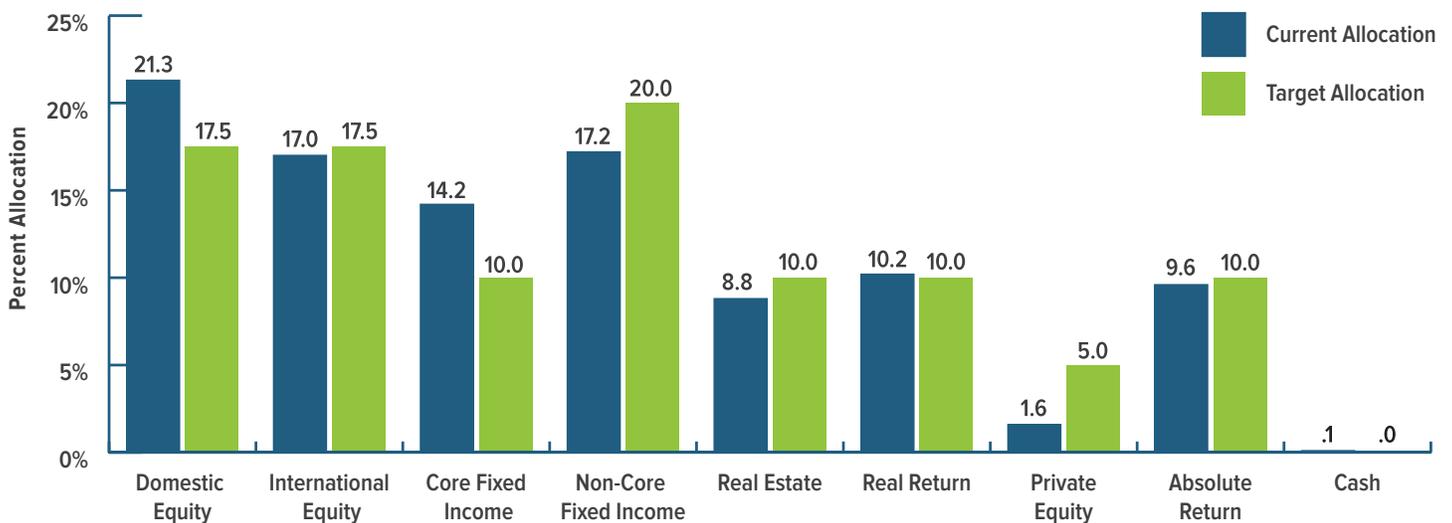
If you have not yet established your MyTMRS account, sign up now! It's easy – from the TMRS website, click the MyTMRS Log In button, then click Create an Account and follow the instruction prompts. ■

Overview of Investments

TMRS enhances the System’s long-term stability with continued diversification of our investment portfolio by working toward Board-approved allocation targets. The current and target investment allocations and the total plan performance as of September 30, 2018 are shown in the chart below. TMRS’ investment portfolio achieved a total gross return of 14.27% in 2017. Before “smoothing,” the annual interest credit to the city Benefit Accumulation Fund (BAF) accounts was 13.05%, substantially higher than the 6.75% investment return assumption. Under TMRS’ asset smoothing policy, the difference between actual and expected interest credits is recognized or smoothed over a 10-year period in order to minimize the contribution rate volatility related to investment performance. For 2017, the 13.05% BAF interest credit resulted in a smoothed or actuarial return of approximately 7.11% (varies by city).

TMRS Investment Portfolio Asset Allocation and Performance

As of September 30, 2018



	Market Value (\$)	Quarter	YTD	One Year	Five Years	Ten Years	Since Inception	Inception Date
Total Plan	29,139,302,483	1.89	2.83	6.18	6.53	7.31	8.52	1/1/1989
Total Plan Benchmark		2.02	2.81	5.96	6.28	7.25	7.98	
Difference		-0.13	0.02	0.22	0.25	0.06	0.54	

Investment-related Powerpoints are posted the day of the TMRS Board meeting on the Agendas | Minutes page: www.tmr.com/agendas_minutes.php. Quarterly summaries of investment performance and other data are posted on the Investments page after they have been presented to the Board. ■

Financial Documents & GASB Resources

TMRS’ Comprehensive Annual Financial Report (CAFR) can be viewed through the Publications page on the TMRS website under the “Financial Reports” tab.

GASB-related materials are under the Cities page | Actuarial & Accounting tab | Eye on GASB. Under “What You Need for GASB Compliance,” you will find GASB 68 Reporting Packages by year and the new GASB 75 Reporting Packages (if your city offers the Supplemental Death Benefit, your auditor will need documents relating to GASB 75).

If you have questions about these resources, send an email to pensionaccounting@tmr.com. ■

Information en Español

Guías (Guides)

- Member Benefits Guide: *La Guía de Beneficios para Miembros*
- TMRS FACTS: *Información Sobre TMRS*

Formularios (Forms)

- New Member form: *Formulario de Miembro Nuevo (TMRS-0016S)*

Folleto (Flyers)

- How to Retire with TMRS: *Cómo Jubilarse con TMRS*
- Your TMRS Retirement Benefit (for new members): *Su beneficios de jubilación con TMRS*

If you need copies of any of these products or have a suggestion for additional translations, send a note to communications@tmrs.com. ■

Other New Educational Resources

These materials were created in 2018 and are available on the TMRS website under Resources | Video Training Library:

Videos

- How to Retire – for eligible members
- Your TMRS Retirement Benefit – for new members (both also available in Spanish)
- CITY BRIEF: Service Retirement Checklist for City Administrators
- CITY BRIEF: What to Do if a Public Safety Officer is Killed in the Line of Duty

Videos

- Returning to Work After Retirement
- Funding the Benefit (How TMRS Funding Policy Works)



City Correspondent

REMINDERS

Keeping City Contacts Up-To-Date Is Extremely Important!

Security is of the utmost importance to us, and we request that you notify TMRS immediately if there is a change in your city's authorized contact list. TMRS depends on authorized contacts to help serve our members. Authorized contacts also have access to the City Portal for self-service features and confidential information.

Please email cityportal@tmrs.com if you know of any personnel changes we should be aware of.

Remember, if the person designated as your City Portal Administrator has changed, you will need to sign a new City Portal Use Agreement. Download a new agreement at tmrs.com/city_portal.php.

Tax Documents and Annual Statements Coming Soon:

- In late January, 1099-R tax documents will be mailed to all retirees and any members who refunded in 2018.
- Retiree Annual Statements will be mailed in early February to all retirees. This statement reflects each retiree's monthly annuity payment amount for the 2019 calendar year and confirms their option selection and beneficiary designation(s).
- Member Annual Statements will be mailed in March to all members with a TMRS account (contributing and noncontributing). The annual statement indicates each member's account balance for the 2018 calendar year and provides beneficiary information and estimates of future retirement annuities.

Stay tuned to the website for mailing announcements. At the time these documents mail, they will also be available securely through the Documents tab in MyTMRS. ■

Main Street is sent to TMRS city contacts once per year. If you have questions or suggestions, email communications@tmrs.com. Issued December 2018 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, the TMRS logo, TMRSDirect, and the TMRSDirect logo are registered trademarks of the Texas Municipal Retirement System.

Calendar

2018

December 24-25 Holidays (Christmas)

2019

January 1 Holiday (New Year's Day)
January 8 Legislative Session Begins
January 21 Holiday (Martin Luther King Jr Day)
February 14-15 TMRS Board Meeting
February 18 Holiday (Presidents' Day)
March 28-29 TMRS Board Meeting
April 19 Holiday (Good Friday)
May 27 Holiday (Memorial Day)
May 27 Regular Legislative Session Ends
May 30-31 TMRS Board Meeting; Joint Advisory Committee Meeting
June 20-21 TMRS Board Meeting
July 4 Holiday (Independence Day)

Events and Training

TMRS training events, such as next year's Annual Seminar, Correspondent Certification Courses, Executive Workshops, and Pre-Retirement Regional Seminars, are posted on the website. Stay tuned to the E-Bulletin for Cities or consult www.tmr.com/calendars.php in early 2019 for upcoming events.

IMPORTANT:

Submit December 2018 Payroll reports no later than 1/15/2019!

TMRS' Strategic Plan

TMRS has engaged in strategic planning since the 1990s. The Strategic Plan, which can be accessed on the TMRS website, has been a roadmap for continuous improvement of TMRS policies and processes. The current plan covers the years 2018 to 2022 and includes both near-term and long-term goals and objectives, as well as the System's Mission, Vision, and Values Statements:

MISSION

Providing secure, reliable retirement benefits

VISION

To be the model for empowering retirement

CORE VALUES

Accountability, Excellence, Integrity, Respect, Teamwork

Contact TMRS

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