

**October Board Meeting, TMRS' Letter to the GASB,
Special Notes for City Correspondents**

October Board Meeting Report

The TMRS Board of Trustees met on October 12, 2011. The Board considered the following agenda items:

- TMRS staff presented annual reviews of two fund managers.
 - TMRS' core fixed income manager, BlackRock, was placed on watch list status, as required by the TMRS Investment Policy Statement, due to high turnover of key personnel within the fixed income area and loss of clients over the past year. Blackrock will be monitored over the next few months, and their position on the watch list will be re-evaluated.
 - TMRS' equity manager, Northern Trust Global Investments, was recommended for retention and will be reviewed again in a year.
- Investment consultant R.V. Kuhns made an educational presentation on Absolute Return Strategies. Absolute Return is part of TMRS' diversification plan and will eventually comprise up to 5% of the portfolio. Additional educational sessions will take place through early 2012 before the Board begins to consider its absolute return strategy and manager searches.
- The Board heard a preliminary discussion of the TMRS 2012 proposed (draft) operating and capital expenditures budget.
- Consulting actuary Gabriel, Roeder, Smith & Company (GRS) made a presentation on the GASB Exposure Drafts on Pension Accounting and Financial Reporting. A copy of the GRS presentation has been posted on the Cities webpage and may be found [here](#).

The next meeting of the TMRS Board of Trustees will be in Austin, Thursday and Friday, December 1-2.

TMRS Provided Written Comments to the GASB Exposure Drafts

The previous e-bulletin (September 29, 2011) contained an article about the Government Accounting Standards Board (GASB) proposed amendments to the pension accounting and reporting standards found in GASB Statements No. 25 and No. 27. The deadline for comments regarding these exposure drafts ended on Friday, October 14, 2011.

TMRS provided a written comment letter to the GASB, focusing most of our comments and recommendations on the issues of primary concern to TMRS, which included the following:

- The general complexity and volatility of the new measures relative to current measures
- A safe harbor exemption from blended discount rate calculations for actuarially sound employers
- A smoothed versus market value of assets
- Plan year-end versus fiscal year-end reporting date for participating employers;
- The short implementation timeline relative to the time needed to effectively communicate new standards
- The excessive costs and magnitude of the effort required for compliance relative to the degree in which the GASB's key objectives are met

TMRS also co-signed, along with 130 other public pension officials, a letter from the National Association of State Retirement Administrators. NASRA's letter expressed the consensus of officials in 37 states and the District of Columbia. Copies of that letter (#110) and TMRS' letter (#216) are available on the [comment letters page](#) of the GASB website.

The GASB held several public meetings and received written comments. When the GASB Board and staff members assigned to this project are satisfied that all alternatives have adequately been considered and any modifications have been made, a vote will be taken by the GASB Board; a majority vote is required for adoption. If the GASB remains on its current schedule, the final statements are anticipated to be issued in June 2012. TMRS will continue to monitor the progress on these proposals and will provide updates on these proposed pension accounting and reporting changes.

SPECIAL NOTES FOR CITY CORRESPONDENTS

Last Chance to Sign up for the TMRS Correspondent Certification Class!

There are still a couple of seats open for the TMRS Correspondent Certification course, offered November 1-2 in Austin at the TMRS headquarters. This course is heralded by many cities as the most comprehensive preparation for City Correspondents.

Information about the course is available [here](#). As of today (October 24), if you still need to book a hotel room, mention you are attending the TMRS Correspondent Certification course, and ask for the government rate. For last-minute questions and to check course availability, send an e-mail to mthomas@tmrs.com.

City Portal Training Now Available on the Web!

The City Portal is becoming very popular with cities as a means to access their city and employee data. Authorized Users from TMRS cities are able to generate reports, run estimates for members, submit monthly payroll data, and view member account balances and service credit totals.

Before cities may use the Portal, City Portal Administrators must receive training to ensure that the Administrator and the city's other designated users understand how to navigate the Portal,

what information may be accessed, and the importance of safeguarding member confidentiality. Both Administrators and Users of the Portal must be authorized city contacts with TMRS.

To find out how to become a City Portal Administrator, go to the [online training course](#) information page (also available by clicking the City Portal box on the TMRS website).

***Did You Know? Information on New Member Forms
Affects Your City's Contribution Rate!***

When a new member joins TMRS, certain personal information is provided. This information includes date of birth, gender, and monthly salary. This information is fundamentally important because it is part of the actuary's annual valuation process, which determines your city's contribution rate each year. Please be sure that any **New Member Enrollment** form (TMRS-0016) that is transmitted to TMRS is accurate and complete. Missing or incorrect information can affect your city's contribution rate.

***Effective Immediately —
Changes to the Retirement Confirmation Letter Received by Cities***

Confidentiality of member data is extremely important. In order to improve and ensure the confidentiality of our member records, we are limiting certain personal information provided to cities in our correspondence. This includes the new retiree confirmation letters. We are providing the pending retiree's name and retirement date, but are not providing the personal retirement choices made by the new retiree with regard to retirement option, beneficiary designation, PLSD election, withholding election, and banking information. ■

NOTE - Previously issued e-bulletins are posted in the E-Bulletin section under the Publications page on the TMRS Website.