



Government Finance Officers Association of Texas
Spring Conference

**TMRS 101:
A Great Benefit for Cities and Their Employees**

David Wescoe, Eric Davis, Anthony Mills and Debbie Muñoz

April 14, 2021

TMRS Staff Introductions



David Wescoe
Executive Director



Eric Davis
Chief Service Officer



Anthony Mills
City Services Director



Debbie Muñoz
Member Services Director

What Makes TMRS Great?

These Fundamental Principles

- Strong Governance
- Sustainable Plan Design
- Sound Funding Policy
- Conservative Actuarial Assumptions
- Actuarially Determined Employer Contributions Must Be Paid
- Prudent Investment Strategy and Asset Allocation
- Superior Member and City Service
- Low Administrative Expenses
- Staff Are Public Servants
- A Clear Vision

Strong Governance

- Independent and Experienced Board of Trustees
- Board Audit Committee
- Internal Audit Department
- Advisory Committee on Benefit Design
- Independent Fiduciary Counsel
- Independent Auditor
- Independent Actuary
- Independent Custodian Bank
- Independent Investment Consultants

Sustainable Plan Design

TMRS is a Cash Balance Plan

- Member's retirement benefit is based on their contributions, their city's contributions and an annual 5% interest credit.
- Design ensures stable city contribution costs and flexible benefit design.

Sound Funding Policy

- Closed and Laddered Amortization Periods; Entry Age Normal (EAN) Actuarial Cost Method; and 10-Year Asset Smoothing.
- TMRS meets all the funding guidelines of the Texas State Pension Review Board.

Sound Funding Policy

As a result, TMRS participating cities' Funded Ratios are impressive:

- 232 (26%): 100% or more
- 255 (29%): 90% to 100%
- 302 (34%): 80% to 90%
- 72 (8%): 70% to 80%
- Only 34 (3%) cities that recently joined TMRS are less than 70% funded because of prior service credits

Conservative Actuarial Assumptions

- Since 2015, TMRS' Actuarial Return Assumption has been 6.75%. It was 7% from 2003 to 2015.
- Each TMRS participating city is actuarially funded based on their own actuarial assets and liabilities.

Actuarially Determined Employer Contributions (ADEC) Must Be Paid

The TMRS statute requires that each participating city pay its ADEC every year.

Prudent Investment Strategy and Asset Allocation

The TMRS Trust Fund portfolio is designed to achieve the 6.75% actuarial return assumption with low volatility.

Superior Member and City Service

- Most Member calls are answered in 30 seconds or less.
- 24/7 Member online self-service at tmrs.com.
- In 2020, a new City Services department was established to improve service to participating cities.
- 24/7 online City web portal.

Low Administrative Expenses

- Reduced 2021 budgeted administrative expenses by 5%.
- TMRS does not receive any State appropriations.

Staff Are Public Servants

Passionately dedicated to serving our Members and participating cities: We touch lives every day.

A Clear Vision: Nyquist



TMRS Overview

A New Look



A Retirement System for Texas City Employees Since 1948

- TMRS is a statewide retirement system covering the employees of 895 participating cities.
- Largest participating cities include San Antonio, Arlington, Corpus Christi, Plano and Laredo.
- 218,000 Members, retirees and beneficiaries.

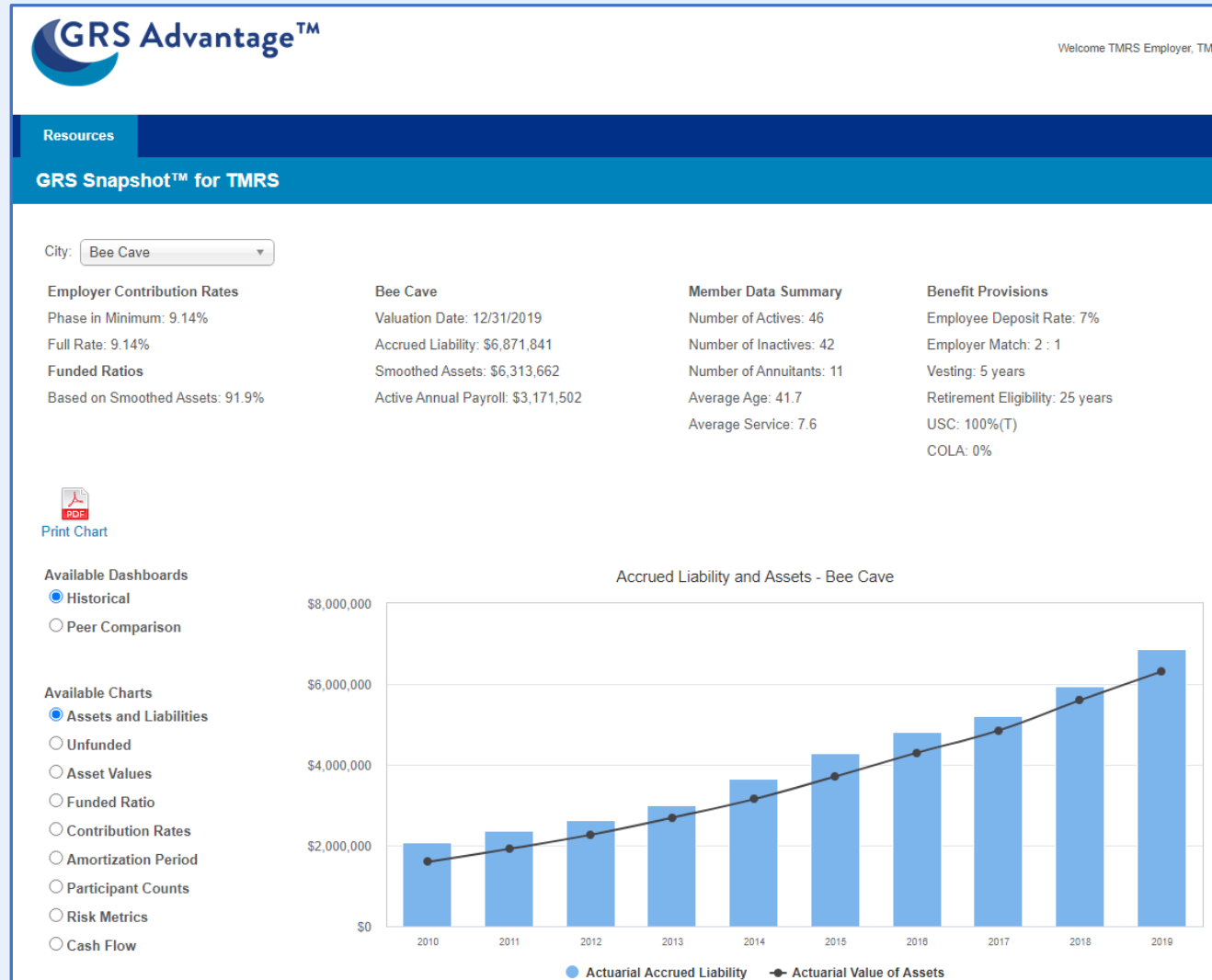
Flexibility for Participating Cities

- Each city chooses its own benefit design.
- Menu of TMRS benefit options: employee deposit rate, city matching ratio, retirement eligibility, Updated Service Credit and COLA.
- Cities can prospectively modify benefits to control costs.

Most Frequently Asked Finance Questions

- Where can I get my rate letter?
tmrs.com/city_rate_letters.php
- Where can I get the GASB 68 package?
tmrs.com/GASB_Resources.php
- Where can I get my city's valuation census data for GASB 68/75?
tmrs.com/CityPortal/Logon
- Where can I find the TMRS SOC-1 Type 2 Report?
tmrs.com/CityPortal/Logon
- Who do I contact if I have questions regarding my GASB statements?
pensionaccounting@tmrs.com

City Dashboard



87th Legislative Session: Proposed RTW Change

- In December 2020, the TMRS Board voted unanimously to pursue allowing a retired TMRS Member to be rehired by the same city after a one-year break in service without having their benefit payment forfeited.
- The TMRS Advisory Committee on Benefit Design, which includes all major statewide stakeholder groups, including Casey Srader and Keith Dagen representing GFOAT, unanimously supported the RTW change.
- If adopted, this will provide participating cities with more flexibility to manage their workforce.

City Services

TMRS and Participating Cities are Partners

- It's the City's plan.
- The TMRS City Services department was created in September 2020 to deliver superior service to participating cities:
 - Administration and ordinances
 - City contributions and reporting
 - City staff/council education and training

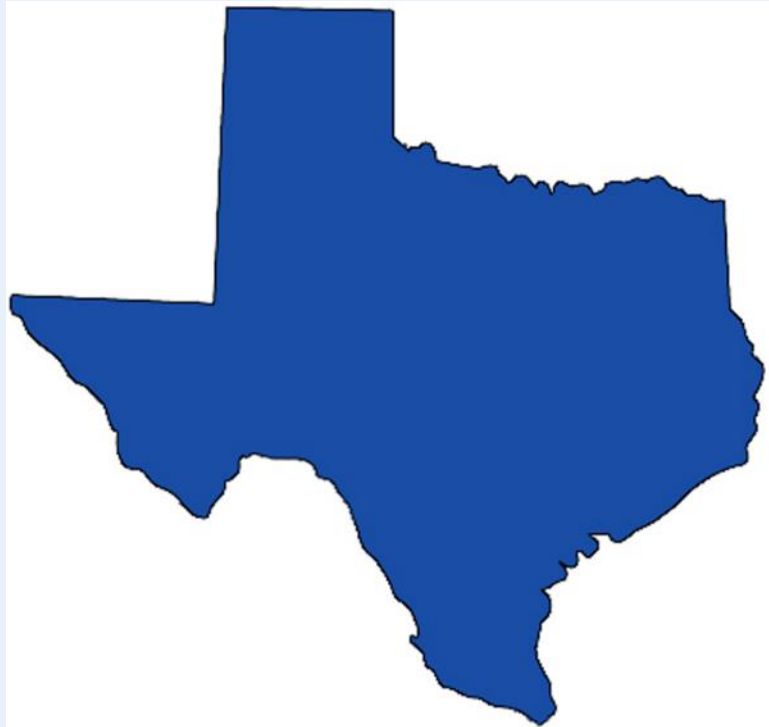
City Services Assists with Plan Administration

- Provide ongoing educational resources for city correspondents and city administration.
- When a participating city wants to modify its plan, actuarial studies are provided and explained by City Services' staff.

City Services' Leadership Team

- Eric Davis, Chief Service Officer; Anthony Mills, Director of City Services; Colin Davidson and Jennifer Andrews, City Services Managers.
- Travel is temporarily suspended, but City Services' staff can meet with city administrators online via Teams, Zoom and GoToMeeting platforms.
- City Correspondent Certification virtual event coming in spring 2021.
- The 2021 Annual City Conference virtual event is scheduled for July 27 – 28.

City Services Administration



Colin Davidson
City Services Manager
cdavidson@tmrs.com



Veronica Escobedo
City Services Support Analyst
vescobedo@tmrs.com

City Services' Contributions Team



Jennifer Andrews
(Manager)



Anna Silva



Ida Gomez



Rhonda Green



Amanda Martinez

City Services' Contributions Team

- Processed \$1.6 billion in Member and city contributions in 2020 from 895 cities.
- Enrolled 18,132 new Members in 2020.
- Reduced payroll processing times by 60%.
- Promoted the use of TMRS' City Portal. Enrollments via the City Portal grew to 6,123 in 2020, an 18% increase from 2019.

City Services' Proactive Communication Efforts

- New cities receive Welcome letters from the Executive Director, Chief Service Officer and Director of City Services
- Communication improvements:
 - All city correspondence is being reviewed to improve clarity
 - City E-Bulletins will be concise and clear
 - Website enhancements, including videos, are underway

City Services' Proactive Communication Efforts



tmrs.com/video_city_services.php

Member Services at Your Service!

Member Service Center

- Committed to providing superior service to Members.
- Member Service Center:
 - Call Center 8 a.m. – 5 p.m. / Monday – Friday
 - Average wait time 30 seconds
 - Regional Managers: Webinars, Fairs and Member counseling
 - MyTMRS: Online Member portal available 24 / 7

Member Service Center

- Virtual Member Webinars
- Member Counseling
- Benefit Fairs
- Retirement Seminars
- Email correspondence

Member Services: Three Benefit Administration Teams

- Member Account Services
- Retiree and Refund Services
- Beneficiary Services

Thank You

