



## Summary of TCDRS Board Meeting Held June 17, 2021

*The key events at the board meeting were:*

- The board received an operations report from the executive director that highlighted the upcoming virtual [TCDRS Annual Conference](#) that will be held July 21–23, employer response to 2022 employer contribution rates and the workload of TCDRS' Member Services department.
- The board approved the consent agenda, which included:
  - March 2021 board education workshop and regular meeting minutes
  - Quarterly financial statements
  - Participation of six new districts (Bexar County Emergency Service District No. 11, Chambers-Liberty Counties Navigation District, East Texas Council of Governments, Harris County Fresh Water Supply District 6, Kimble Central Appraisal District, and Palo Pinto County Emergency Services District No. 1).
- The board received an investment performance report and a report from the outside investment consultant, Cliffwater LLC, and approved the board resolution for approval of investments.
- The board adopted clean-up amendments to the [TCDRS Investment Policy](#) as recommended by the chief investment officer concerning clarifying the requirements regarding co-investments and clarifying benchmark calculations regarding cash since the target investment allocation no longer has a policy target of zero percent (was raised to 2%) as amended at the previous board meeting.
- Milliman presented the results of the Dec. 31, 2020 valuation and the board adopted the recommended 2022 employer contribution rates and Group Term Life premium rates. The aggregate funded ratio of the system decreased to 87.2% and the weighted-average employer contribution rate increased by 1.1% of payroll. This was primarily due to the impact of the reduction in the investment return assumption from 8.0% to 7.5%.
- The board received an educational presentation on Risk Management by the TCDRS director of compliance assurance.



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- KPMG presented the results of their financial audit. TCDRS received an unmodified or “clean” opinion. This means that KPMG found the financial statements fairly present TCDRS’ financial results for 2020. In addition, KPMG reviewed the results of the SOCI audit, which provides TCDRS participating employers’ auditors assurance that the numbers provided for their financial reports are reliable. TCDRS received an unmodified or “clean” SOCI audit. The board accepted both audit reports.
- The operations report to the board included a presentation of the [Comprehensive Annual Financial Report](#) for the year ending Dec. 31, 2020 by the chief administrative officer and an update by the chief customer officer concerning the new customer relationship management tool implemented in April 2021 and the digital communications strategy for members and employers.

**Note:** *The official meeting minutes will be posted after the board approves them at their next meeting on Sept. 16.*