



Summary of TCDRS Board Meeting Held June 16, 2022

The key events at the board meeting were:

- The board received an operations report from the executive director that highlighted recent improvements in service levels, the upcoming TCDRS Annual Conference that will be held July 21-22, and possible changes to the TCDRS workspace.
- The board approved the consent agenda, which included:
 - March 17, 2022 meeting minutes
 - Quarterly financial statements
 - Ten new districts requesting participation (Ables Springs Special Utility District, Agua Poquita Soil and Water Conservation District, Bolivar Peninsula Special Utility District, Copeville Special Utility District, Harris County Emergency Services District No. 6, Housing Authority of the City of Paducah, Memorial Villages Water Authority, San Jacinto Special Utility District, Tom Green County Appraisal District, and Travis County Emergency Services District No. 8)
 - Request for credited service for Harris County Emergency Service District No. 6
- The board received investment performance and investment consultant (Cliffwater) reports and adopted the board resolution for approval of investments.
- Cliffwater presented a due diligence review report on international equity investment managers, and the board approved retention of Marathon for developed international equity, retention of DFA, JP Morgan and Wellington for emerging markets equity, and retention of Viking and Marshall Wace for global equity mandates.
- The board adopted clean-up amendments to the Investment Policy as recommended by the chief investment officer concerning clarifying the restriction on investment vehicle concentration within the private equity asset class, and updating the index names for the measurement benchmark index, Exhibit A.
- Milliman presented the results of the Dec. 31, 2021, valuation, and the board adopted the recommended 2023 employer contribution rates and Group Term Life premium rates. The



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aggregate funded ratio of the system increased to 88.5% (up from 87.2%) and the aggregate required contribution rate decreased to 12.12% (down from 12.95%). The two biggest factors impacting these changes were new demographic assumptions and the strong 2021 investment return (22%).

- KPMG presented the results of their financial audit. TCDRS received an unmodified or “clean” opinion. This means that KPMG found that the financial statements fairly present TCDRS financial results for 2021. 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 [Annual Comprehensive Financial Report](#) for the year ending Dec. 31, 2021, by the chief administrative officer, an update by the chief customer officer concerned the new co-browse functionality for the call center, new functionality added to the employer portal that allows employers to update an employee’s beneficiary, name, birth date and contact information online, and upcoming functionality that will allow members to update their service time.

Note: *The official meeting minutes will be posted after the board approves them at their next meeting on September 15, 2022.*