

GFOAT Board:

I attended the TMRS Board Meeting on October 25<sup>th</sup> in Grapevine at the Gaylord Texan Hotel. This month's Board Meeting coincided with the TMRS Conference that is currently underway.

Takeaways from the meeting:

Agenda Item #2 – Consider and Act on Meeting Dates and Locations for 2018 Board of Trustees Meetings

- Adopted final 2018 meeting dates consisting of (8) TMRS Board Meetings with the May 24-25, 2018 meeting being the joint TMRS Advisory Committee and TMRS Board meeting.
- Motion made and passed.

Agenda Item #3 – Consider and Act on Proposed Amendments to Strategic Plan

- This was the second reading of the revised 2018-2022 TMRS Strategic Plan. Still a work in progress.
- Various Mission Statement alternatives were discussed by the Board. The Mission Statement for the TMRS Strategic Plan was revised to read: **“Providing Secure, Reliable Retirement Benefits”**
- A motion was made and passed to adopt the revised Mission Statement.
- Various Vision Statement alternatives were discussed by the Board. The Vision Statement for the TMRS Strategic Plan was revised to read: **“To Be the Model for Empowering Retirement”**
- A motion was made and passed to adopt the revised Vision Statement.
- Various Core Values/TMRS ACTIVE Principles alternatives were discussed by the Board.
- The Board requested a little more time to digest and discuss the proposed Core Values/TMRS ACTIVE Principles alternatives. Thus, no motion was made. This will be a future discussion by the Board.
- The Board had previously requested no changes to the Goals, Objectives, Timing, or Performance Measures of the Strategic Plan. However, it was discussed and decided that staff would look take another look at the Performance Measures and clarify any that seem to be confusing or seem to lack specificity. Thus, no motion was made. This will be a future discussion by the Board.
- The plan is to try and finalize any remaining loose ends of the Strategic Plan at the December, 2017 meeting.

Agenda Item #4 – Review and Discussion of 2018 Preliminary Operating Budget

- Highlights of the 2018 Draft Budget were discussed. Still a work in progress.
- A comprehensive 3-5 year Budget projection will be provided at the December, 2017 meeting. Also, a look at how the 2017 Budget year ended will be provided.
- Final 2018 Budget will be approved at the December, 2017 meeting.

Agenda Item #5 – Consider and Act on Real Return Manager Search Recommendation(s)

- The following (3) Real Return Managers were recommended for investing to increase the real return energy exposure, principally in the mid-stream sector, in the total amount of \$525 million:
  1. Magnetar (MTP) Energy Management LLC (MTP Energy Opportunities Fund III, LLC) - \$125 million recommendation.

2. Stonepeak Infrastructure Partners III, LP - \$150 million recommendation. (Stonepeak is new to TMRS)
  3. Chicksaw Capital Management - \$250 million recommendation.
- Staff also provided notification of a co-investment with Orion Mine Finance Co-Fund II - \$25 million.
  - Motion made to accept the (3) Real Return Manager recommendations and accept notification of Orion co-investment. Motion passed.

Agenda Item #6 – Consider and Act on Real Estate Manager Search Recommendation(s)

- The following (2) Real Estate Managers were recommended for investing to increase East Coast and European exposure , in the total amount of \$200 million:
  1. TPG Real Estate Partners (TPG Real Estate Fund III, LP) (Re-Up) - \$100 million recommendation.
  2. Madison Realty Capital (Madison Realty Debt Fund IV, LP) (Re-Up) - \$100 million recommendation.
- Motion made to accept the (2) Real Estate Manager recommendations. Motion passed.

Agenda Item #9 – Review and Discussion of Annual Proposed Investment Policy Statement Revisions

- Board continued discussion of various proposed Policy Statement revisions. Staff provided various updates. Still a work in progress.
- Staff will bring back a revised version at the December, 2017 meeting.

The following agenda items were pushed back to the December, 2017 meeting due to time constraints:

1. Agenda Item #7 – Private Equity Annual Asset Class Review
2. Agenda Item #8 – Investment Staff Quarterly Report/Asset Class Updates
3. Agenda Item #10 – Chief Investment Officer Management Update, Including Governance, Personnel, Manager Update, Fee Structures and Other Investment Related News or Matters
4. Agenda Item #11 – Executive Director Update

Hand-outs and Agenda for the TMRS Board Meeting are available on the following site: <http://www.tmrs.com/governance.php>

I provided a little more detail with this report compared to last month's report as I felt that there were some significant items on this month's agenda. Do not hesitate to let me know if this is too detailed. Also, please let me know if you have any questions.

Next TMRS Board Meeting: December 7-8, 2017

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