

Minutes of the Administrative Committee

September 25, 2015

The Administrative Committee of the Board of Trustees of the Tennessee Consolidated Retirement System met on Friday, September 25, 2015 at 9:00 a.m. The meeting was held in Legislative Plaza Room 29 with Assistant Director James Wayman presiding.

The following members were present: Mr. Kevin Fielden, Ms. Angie Judish, Mr. Alfred Laney, Ms. Patsy Moore, and Mr. Harold Morrison.

Concord Update

Mr. Wayman introduced Mr. Fred Marshall, TCRS Assistant Director for Concord, to provide an update on the Concord project. Mr. Marshall informed the committee that TCRS and Deloitte continue to review and work on correcting the Problem Incident Reports (PIRs). Mr. Marshall indicated current focus is on fiscal year-end, actuarial information, enhancing the calculation of average final compensation, and Member and Employer Self-Service. The focus on Member and Employer Self-Service is to allow members to apply for retirement, service purchase, and refunds online. In the coming months, the Concord team will focus on designing the retirement calculations for the State and Teacher Hybrid plan. Mr. Marshall also informed the committee that Treasury has hired two new Concord Business Analysts to help support the system.

Mr. Marshall discussed that work continues with designing Concord to manage the third-party administration of retirement plans for local governments. Mr. Marshall indicated that this is a new process and requires in-depth review due to the complexity. The current focus is for the City of Alcoa with a tentative implementation date of January 1, 2016.

Next, Mr. Marshall discussed the replacement of ILOG in Concord. ILOG is Concord's rules engine that contains the rules of eligibility for retirement as well as the calculation of benefits. Treasury has selected the InRule product, which is the tool to which Deloitte is migrating, to replace ILOG.

Political Subdivision Participation

Mr. Wayman introduced Ms. Melissa Davis, Supervisor of Employer Services, to provide an update about employer participation in TCRS. Ms. Davis presented information regarding the Town of Covington seeking to join TCRS. Ms. Davis indicated the Town of Covington is petitioning for membership in the Local Government Hybrid Plan. The Administrative Committee gave a unanimous recommendation to the Board that the Town of Covington be approved for participation in TCRS.

Operations Update

Next, Mr. Wayman provided an update on TCRS operations. He reported that TCRS currently has approximately 450 retirement applications to be processed. Mr. Wayman indicated staff had done an outstanding job on working retirement applications. TCRS has recognized an increase in retirement applications as TCRS has processed approximately 8,300 retirement applications in the last year. He also mentioned that most of the retirement applications are being completed within 45 days of receipt and our goal is for retirement applications to be completed within 30 days of receipt. TCRS has

experienced a recent increase in retirement applications received due to TCRS notifying inactive members of their eligibility to retire.

Legal Update

Mr. Wayman introduced Ms. Christy Allen, Assistant Treasurer for Legal, Compliance and Internal Audit, who provided an update on the status of the lawsuit filed by TCRS to recover losses related to investments in residential mortgage-backed securities.

Adjournment

With no other business, the Administrative Committee of the Board of Trustees adjourned at 9:45 a.m. on September 25, 2015.

Respectfully Submitted,



James E. Wayman
Assistant Director, TCRS

Approved:



Jill Bachus
Administrative Committee Chair