



Legislation Details (With Text)

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Title: Consider recommendation from the Finance/Administrative Committee to approve the 2023 plan agreement with the Texas County and District Retirement System.

Sponsors:

Indexes:

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Attachments: 1. 2023 TCDRS Plan Agreement.pdf, 2. RO 2023 TCDRS Retirement 101122.pdf

Date	Ver.	Action By	Action	Result
9/27/2022	1	Finance/Administrative Committee		

Consider recommendation from the Finance/Administrative Committee to approve the 2023 plan agreement with the Texas County and District Retirement System.

RECOMMENDED MOTION:

Move the board adopt Resolution and Order No. 10-22-039 of the Edwards Aquifer Authority Board of Directors approving the plan agreement with the Texas County and District Retirement System, for the period January 1, 2023, through December 31, 2023.

SUMMARY:

The purpose of this agenda item is for the board to consider a Finance/Administrative Committee recommendation to approve the EAA's 2023 plan agreement with the Texas County and District Retirement System (TCDRS). No benefit plan changes have been proposed for 2023. The following is a description of the plan provisions for the EAA's TCDRS program and the 2023 employer elected contribution rate.

As a participant in the TCDRS defined benefit plan since 1978, the EAA matches employee contributions at the time of retirement at 180%. The TCDRS vesting period is eight years of service and employees qualify for normal retirement by meeting any one of the following:

- 20 years of service at any age;
- Rule of 75, that is any combination of age and years of service that equal 75;
- Or age 60 and 8 years of service.

The current (2022) required contribution rate for the EAA is 11.09% of covered payroll. For 2023, TCDRS actuaries have determined the EAA contribution rate will decrease to 10.35% of covered payroll. This actuarially determined rate considers investment returns, demographic changes to the

employee base, and other assumptions occurring during 2021. Due to current market uncertainties, EAA staff recommends making additional contributions or adopting a plan rate at least equal to the 2022 rate. Therefore, EAA staff recommends adopting a plan rate of 11.09% of covered payroll for 2023, which is the same as the current 2022 rate. Adopting this higher rate for 2023 would result in an expense of approximately \$1,087,328, which is about \$72,554 more than the actuarially determined rate, and is about \$49,466 more than the 2022 EAA budgeted contribution.

Attached to this item is a Plan Assessment that summarizes the EAA's retirement plan for the Plan Year 2023 and Resolution and Order No. 10-22-039, both of which have been reviewed by legal counsel.

At the meeting on September 27, the Finance/Administrative Committee voted to recommend the board adopt a resolution and order approving the plan agreement with the Texas County and District Retirement System, for the period January 1, 2023, through December 31, 2023.

STRATEGIC PLAN REFERENCE:

This agenda item supports the EAA's strategic policy direction.

FISCAL IMPACT:

Funding in the amount of \$1,087,328 is reflected in the General Manager's 2023 proposed operating budget.