



## Legislation Text

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**File #:** AI 13-1412, **Version:** 2

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**Consider recommendation from the Finance/Administrative Committee to approve the 2017 plan agreement with the Texas Counties and District Retirement System.**

### RECOMMENDED MOTION:

Move the board adopt Resolution and Order No. [11-16-860](#) of the Edwards Aquifer Authority Board of Directors approving the plan agreement with the Texas Counties and Districts Retirement System, for the period January 1, 2017 through December 31, 2017.

### SUMMARY:

The purpose of this agenda item is for the board to consider a Finance/Administrative Committee recommendation to approve the EAA's 2017 plan agreement with the Texas Counties and Districts Retirement System (TCDRS). No plan changes have been proposed for 2017. The following is a description of the plan provisions for the EAA's TCDRS program and the 2017 employer required contribution rate.

As a participant in the TCDRS defined benefit plan, 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 (2016) required contribution rate for the EAA is 9.70%. For 2017, TCDRS actuaries have determined the EAA contribution rate will decrease to 9.13% of covered payroll, resulting in an EAA expense of approximately \$679,646, which is reflected in the 2017 Proposed Budget. The rate decrease to 9.13% of covered payroll for 2017 is primarily attributable to slightly improved TCDRS investment returns and demographic changes for the EAA's covered group.

Attached to this item is a Plan Assessment that summarizes the EAA's retirement plan for the Plan Year 2017. Also attached is a draft resolution and order, which has been reviewed by legal counsel.

At the October 25 meeting, the Finance/Administrative Committee voted to recommend the board adopt Resolution and Order No. 11-16-860 approving the plan agreement with the Texas Counties and Districts Retirement System, for the period January 1, 2017 through December 31, 2017.

### STRATEGIC PLAN REFERENCE:

This agenda item supports the EAA's policy direction as set forth in the EAA 2016-20 Strategic Plan: Goal F. Develop an Inclusive, Service-Oriented Organization.

**FISCAL IMPACT:**

Funding in the amount of \$679,646 is available in the 2017 proposed operating budget.