

## Legislation Text

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### **Consider recommendation from EAA staff to approve the 2018 plan agreement with the Texas Counties and District Retirement System.**

#### STAFF RECOMMENDED MOTION:

Move the board adopt Resolution and Order No. 11-17-888 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, 2018 through December 31, 2018.

#### SUMMARY:

The purpose of this agenda item is for the board to consider an EAA staff recommendation to approve the EAA's 2018 plan agreement with the Texas Counties and Districts Retirement System (TCDRS). No plan changes have been proposed for 2018. The following is a description of the plan provisions for the EAA's TCDRS program and the 2018 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 (2017) required contribution rate for the EAA is 9.13%. For 2018, TCDRS actuaries have determined the EAA contribution rate will increase to 9.31% of covered payroll, resulting in an EAA expense of approximately \$721,992, which is reflected in the 2018 Proposed Budget. The rate increase to 9.31% of covered payroll for 2018 is primarily attributable to demographic changes for the EAA's covered group and actuarial assumptions.

Attached to this item is a Plan Assessment that summarizes the EAA's retirement plan for the Plan Year 2018. Also attached is Resolution and Order No. 11-17-888, which has been reviewed by legal counsel.

#### 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 \$721,992 is available in the 2018 proposed operating budget.