



Legislation Text

File #: AI 13-2481, Version: 2

Consider recommendation from the Finance/Administrative Committee to approve the 2021 plan agreement with the Texas County and District Retirement System.

RECOMMENDED MOTION:

Move the board adopt Resolution and Order No. 10-20-979 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, 2021 through December 31, 2021.

SUMMARY:

The purpose of this agenda item is for the board to consider a Finance/Administrative Committee recommendation to approve the EAA's 2021 plan agreement with the Texas County and District Retirement System (TCDRS). No benefit plan changes have been proposed for 2021. The following is a description of the plan provisions for the EAA's TCDRS program and the 2021 employer elected 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 (2020) required contribution rate for the EAA is 9.43% of covered payroll. For 2021, TCDRS actuaries have determined the EAA contribution rate will decrease to 9.33% of covered payroll. This actuarially determined rate considers investment returns, demographic changes to the employee base, and other assumptions occurring during 2019. Due market uncertainties associated with the 2020 coronavirus pandemic, TCDRS is recommending participants consider making additional contributions or adopting a plan rate at least equal to the 2020 rate. Therefore, EAA staff recommends adopting a plan rate of 9.43% of covered payroll for 2021, which is the same as the current 2020 rate. Adopting this higher rate for 2021, would result in an expense of approximately \$826,551, which is about \$8,765 more than actuarially determined rate.

Attached to this item is a Plan Assessment that summarizes the EAA's retirement plan for the Plan Year 2021. Also attached is Resolution and Order No. 10-20-979, which was reviewed by legal counsel.

At the September 22 meeting, the Finance/Administrative Committee voted to recommend the board

adopt a resolution and order 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, 2021 through December 31, 2021.

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 \$826,551 is reflected in the General Manager's 2021 proposed operating budget.