

AGENDA ITEM 26

Discuss and take appropriate action concerning approval of 2004 Plan Rates for participation in Texas County and District Retirement System.

Moved: **Judge Doerfler**

Seconded: **Commissioner Heiligenstein**

Motion: To approve the 2004 Plan Rates for participation in the Texas County and District Retirement System as follows:

10.35% Present Plan Rate

.04% CPI-Based Benefit Increase for Current Retirees (60% of CPI)

10.35% Total

Vote: **5 – 0**

<Attachment>



ORDER AMENDING A CURRENT VARIABLE-RATE PLAN
(County - Revised 2003)

Employer # 345

Part One: Form of Minutes for Adoption of Order

THE STATE OF TEXAS

COUNTY OF Williamson

On this the 26th day of August, 2003, the Commissioners Court of Williamson County, Texas ("the County") was convened in Special session with the following members present:

<u>Johh C. Doerfler</u>	County Judge
<u>Michael Heiligenstein</u>	Commissioner, Precinct #1
<u>Greg Boatright</u>	Commissioner, Precinct #2
<u>David Hays</u>	Commissioner, Precinct #3
<u>Frankie Limmer</u>	Commissioner, Precinct #4
<u>Nancy E. Rister</u>	County Clerk

Mr./Ms. Judge Doerfler moved that the order, (**Exhibit One of these minutes**), be adopted by the County. The motion was seconded by Mr./Ms. Comm Heiligenstein, and was adopted with the following members voting AYE: Doerfler, Heiligenstein, Boatright, Hays, and Limmer; and the following members voting NO: _____, and _____.

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BOARD OF TRUSTEES

John G. Willy, Chairman
County Judge
Brazoria County

Kathy Reeves,
Vice-Chairman
Tax Assessor-Collector
Midland County

Charlotte A. Carey
County Auditor
Pecos County

Robert A. Eckels
County Judge
Harris County

Martha Gustavsen
County Treasurer
Montgomery County

Mitch Liles
Director
Denton County
Adult Probation

John Marshall
Chief Appraiser
Tarrant Appraisal District

Bridget McDowell
County Auditor
Taylor County

Amador E. Reyna
Chief Appraiser
Hardin County
Appraisal District

STAFF

Ray Henry
Director

Paul J. Williams
Investment Officer

August 12, 2003

To: Correspondents, County Judges and Governing Board Chairpersons

From: Plan Administration

Re: 2004 Plan Information Documents – FIRST NOTICE

Our most recent records indicate that we have not received the required 2004 plan information documents for your TCDRS retirement plan. All TCDRS employers must submit at least one of the following by **December 31, 2003**:

- 1) the *No Plan Change Notice and Rate Acknowledgement* signed by your correspondent, county judge, or governing board chairperson if your county or district is not making plan changes for 2004;
- 2) the *Order/Resolution Adopting a Variable-Rate Plan* if your county or district is authorizing the variable-rate for the first time;
- 3) the *Order/Resolution Amending a Current Variable-Rate Plan* if your county or district is adopting new optional benefits, credits¹ or rights for 2004, or authorizing a higher employer contribution rate (elected rate)

The effective date of all benefit plan changes will be Jan. 1, 2004, provided that a completed order or resolution is received at TCDRS offices by **December 31, 2003**. However, to ensure that there is adequate time to review, process, or make proper corrections to your order or resolution, we strongly recommend that you submit paperwork before this deadline.

Please be aware that changes submitted after December 31, 2003 cannot be implemented. Failure to submit the necessary paperwork by the December 31, 2003 deadline will result in your plan deemed to have made no plan changes for 2004. Variable-rate plans will default to the required employer contribution rate for 2004 (shown as "Total Rate" in the *Exhibit A for Year 2004*), unless a higher optional contribution rate was elected in a previous year and that "elected rate" exceeds the "Total Rate" for 2004.

If your county or district would like other benefit level plans presently not shown on the *Exhibit A for Year 2004*, please contact Plan Administration and request a *Supplemental Exhibit A*.

Please contact TCDRS if you have questions. We look forward to the opportunity to assist.

¹ Please contact TCDRS no later than October 1, 2002 if your subdivision wishes to inquire about potential buyback costs.



EXHIBIT A - Present Plan and Sample Plans for Year 2004
Williamson County --- TCDRS Employer # 345

		Present Plan⁽¹⁾	Plan 1	Plan 2	Plan 3	Plan 4
BASIC PLAN	Plan Type	Variable Rate	Variable Rate			
	Employee Deposit Rate	7%	7%			
	Matching Rate	250% (\$2.50/\$1)	225% (\$2.25/\$1)			
	Prior Service Credit	175%	175%			
	Vesting Provision	8 Yrs	8 Yrs			
	Rule of Provision	Rule of 75	Rule of 75			
RATES	Normal Cost Rate	7.88%	7.14%			
	UAAL Rate	2.47%	2.28%			
	Total Rate⁽²⁾	10.35%	9.42%			
ASSETS & LIABILITIES	Actuarial Assets	\$ 55,171,355	\$ 55,171,355			
	Actuarial Liabilities	\$ 68,991,846	\$ 68,008,405			
	Funding Ratio	80%	81%			
	UAAL (Unfunded Amount)	\$ 13,820,491	\$ 12,837,050			
	Years to Finance	20.0 Years	20.0 Years			
OPTIONAL BENEFITS	8-year Vesting ⁽²⁾	adopted	adopted			
	Rule of 75 ⁽²⁾	adopted	adopted			
	20-year Retirement ⁽²⁾	.14%	.13%			
	Partial Lump-Sum ⁽²⁾	.27%	.24%			

Optional Benefit Increases for Current Retirees and Beneficiaries

CPI-Based Benefit Increase		Flat-Rate Benefit Increase⁽³⁾	
Increase Basis⁽⁴⁾	Additional Rate	Increase Basis	Additional Rate
30% of CPI	.00%	1%	.02%
40% of CPI	.00%	2%	.05%
50% of CPI	.01%	3%	.07%
60% of CPI	.04%	4%	.10%
70% of CPI	.08%	5%	.12%
80% of CPI	.11%	6%	.15%

Notes

(1) For comparison, the calculated employer contribution rate for 2003 under the Present Plan is 10.26%.

(2) Calculated employer contribution rates must be increased by the additional contribution rate applicable to any of the optional benefits (8-year vesting, rule of 75, 20-year retirement eligibility, partial lump-sum option, benefit increases for annuitants) being adopted for 2004. Benefits that produce total calculated employer contribution rate greater than 11% cannot be adopted unless you continue your waiver of the maximum contribution rate of 11%.

(3) The Flat Rate Benefit Increase may be any whole number increase, including increases above the 6% shown on this Exhibit A. Contact TCDRS for additional rates.

(4) The actual increase under the CPI-Based Benefit Increase may be less if previous increases have been awarded.

(5) The most recent adoption of the CPI-Based Benefit Increase was 60% in 2003; the Flat Rate Benefit Increase has never been adopted.

If you would like rate information on benefit plans not shown on this statement, please contact TCDRS at 800-823-7782 and ask for Plan Administration.

May 05, 2003 2:08 PM



ORDER AMENDING A CURRENT VARIABLE-RATE PLAN
(County - Revised 2003)

Part Two: Form of Order to be Adopted and Included in Minutes

Exhibit One

Order Amending a Current Variable-Rate Plan
ADCR: (Subchapter H, Chapter 844)

WHEREAS, the County is a participating subdivision in the Texas County and District Retirement System (hereafter "System") under Subtitle F, Title 8, Government Code (hereafter "TCDRS Act"); and

WHEREAS, the County previously adopted the Annually Determined Contribution Rate (referred to as variable-rate) plan under Subchapter H, Chapter 844 of the TCDRS Act and made certain elections and selections authorized by said Act; and

WHEREAS, the Commissioners Court finds it to be in the public interest to amend or add to the selections previously made by the County; now, therefore, be it **ORDERED**, That:

I. Employee Deposit Rate

For each payroll period from and after January 1, 2004, member deposits of each eligible County employee shall be made to the System at the rate of 7 %¹ of compensation; and such deposits shall be certified by the subdivision correspondent and transmitted to the System for deposit to the individual employee account.

II. Current Service Credit Percentage

For county service performed on and after January 1, 2004, each member shall receive *multiple matching credit*, which, when added to the rate used to determine the *current service credit* allowable under Section 843.403, will total 250 %² of the member's deposits. Current service credit for periods ending prior to January 1, 2004, shall be the greater of the rate in effect on December 31, 2003, or the rate to take effect January 1, 2004.

III. Prior Service Credit Percentage

Allocated (special) prior service credits granted to any member by the County and in effect on December 31, 2003, shall be recomputed at 175 %³ of the maximum (special) prior service credit of each member affected.

¹ 4%, 5%, 6% or 7%, unless a lower percentage is required under Section 844.703(h) of the TCDRS Act.

² The percentage may be 100%, 125%, 150%, 175%, 200%, 225% or 250% or the percentage currently in effect.

³ Must be a multiple of 5%; may be the same as, but not less than the percentage previously adopted



ORDER AMENDING A CURRENT VARIABLE-RATE PLAN (County - Revised 2003)

IV. Selection and Adoption of Optional Credits and Benefits

Effective January 1, 2004, in accordance with Section 844.704 of the TCDRS Act, the County adopts the following additional rights, credits and benefits (see Footnote 4). In order to adopt any of the optional rights, credits and benefits described in this section, the county judge must initial in the space preceding each option selected.

Only ONE of the optional benefit increases for current annuitants listed below may be selected.

_____ **CPI-Based Annuity Benefit Increase under Sec. 844.208 at the increase basis of 60% %**
The percentage rate may be 30%, 40%, 50%, 60%, 70%, or 80% of the change in the Consumer Price Index (CPI).

_____ **Flat-Rate Annuity Benefit Increase under Sec. 844.209 at the increase basis of _____ %**
The percentage rate must be an integer (i.e., 1%, 2%, 3%, etc.).

Please do not initial options or credits listed below if previously authorized by the county.

_____ **Optional 8-year/Age 60 Retirement Eligibility under Sec. 844.210**
8-year service eligibility requirement for vesting, service and disability retirement.

_____ **Optional Rule of 75 Retirement Eligibility under Sec. 844.211**
A member shall have the right to retire and receive a service retirement annuity when the years of such credited service added to his or her years of attained age equals or exceeds seventy-five (75).

_____ **Optional 20-Year/Any Age Retirement Eligibility under Sec. 844.212**
A member shall have the right to retire and receive a service retirement annuity when the years of such credited service equals or exceeds twenty (20).

_____ **Partial Lump-Sum Payment on Service Retirement under Sec. 844.009**
At service retirement, this option allows members to receive a portion of their retirement benefit in the form of a partial lump sum distribution that cannot exceed 100% of their account balance.

_____ **Credited Service for Qualified Military Service under Sec. 843.601(c)**
Military service typically performed prior to becoming an employee of the county. An eligible member is one who has service equaling at least the minimum period required to retire at age 60 with the county.

Credits listed below require an actuarial study. Please contact TCDRS for more information.

_____ **Reinstatement (Buyback) of Previously Forfeited Service Credit under Sec. 843.003**
You must receive an actuarial study describing the potential employer costs for granting this credit. To request a study, please contact TCDRS before October 1.

_____ **Pre-Membership Service Credit under Sec. 843.204**
You must receive an actuarial study and supplemental Exhibit A describing the additional employer rates for granting this credit. To request a study, please contact TCDRS before Sept 1.

⁴ An explanation of the optional rights, credits and benefits described on this page can be found in the attached instructions or by contacting TCDRS. Please refer to the Exhibit A for Year 2004 to determine the additional employer rate associated with authorizing a particular optional right, credit and benefit described in this section.



ORDER AMENDING A CURRENT VARIABLE-RATE PLAN
(County - Revised 2003)

V. Employer Contribution Rate

The County hereby undertakes to make monthly normal contributions and prior service contributions to the System at an employer contribution rate that equals or exceeds the minimum required contribution rate (*i.e.*, the "Total Rate" on the Exhibit A for 2004 plus the additional rates for any optional rights, benefits and credits elected in Section IV) determined from year to year by the actuary of the System, and approved by the Board of Trustees of the System as provided by Subchapter H of Chapter 844. Such employer contribution rate, which does not include the rate for "picked-up" contributions under Section 845.403(i) and the rate, if any, for contributions to the Supplemental Death Benefits Fund under Section 845.406, shall not exceed the statutory maximum employer contribution rate prescribed by Section 844.703(c) (*currently 11 percent*) unless this Commissioners Court elects to waive that statutory limit. Any waiver of the statutory maximum rate made in accordance with Section 844.703(c) shall remain in effect until January 1 of the year following the year in which the Commissioners Court repeals the waiver. An "elected" employer contribution rate adopted by the Commissioners Court that exceeds the Total Rate plus the additional rates for any optional rights, benefits and credits elected in Section IV, shall remain in effect until rescinded by the Commissioners Court or the Total Rate exceeds the "elected rate" in a subsequent year. For the 2004 year, the County shall make employer contributions to the System at the employer contribution rate of 10.39 %⁵.

⁵ The employer contribution rate should equal either (a) or (b):

(a) the Total Rate shown on the Exhibit A for Year 2004, plus the sum of (if authorized):

- 1) the additional rate for the cost-of-living annuity benefit increase under Section 844.208 (CPI-Based Benefit Increase) or under Section 844.209 (Flat-Rate Benefit Increase); plus
- 2) the additional rate for 8-year vesting and retirement eligibility at age 60; plus
- 3) the additional rate for Rule of 75 early retirement eligibility; plus
- 4) the additional rate for 20-year retirement eligibility at any age; plus
- 5) the additional rate for Partial Lump-Sum Payment (PLSP) option; plus
- 6) the additional rate for Pre-Membership credit (refer to the *Supplemental Exhibit A*)

OR

(b) any percentage rate (e.g., 4%, 4.50%, 7%, 8%, 8.75%, 9.90%, 10%, 11%) that is equal to or greater than the minimum required contribution rate computed in accordance with the instructions set out in Footnote 5a (immediately above). The County may elect to contribute at a Total Rate in excess of 11% or at an "elected rate" in excess of 11% only if the County waives the statutory maximum employer contribution rate limit in accordance with section 844.703(c). The waiver of the statutory maximum employer contribution rate remains in effect until revoked by the commissioners court. If the County elects to contribute at an "elected rate" above the Total Rate (includes any additional rates for plan changes), the "elected rate" will remain in effect until it is changed by a commissioners court order or the Total Rate exceeds the "elected rate" in a subsequent year.



ORDER AMENDING A CURRENT VARIABLE-RATE PLAN
(County - Revised 2003)

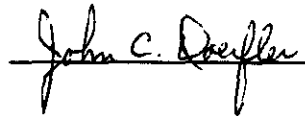
V. Employer Contribution Rate (continued)

Election to Waive the Statutory Maximum Employer Contribution Rate Limit

Please note that the county judge **must** sign the following election, but **ONLY IF**:

1. The Commissioners Court is adopting optional rights, credits or benefits that produce an employer contribution rate in excess of 11 %; or
2. The Commissioners Court is adopting an elected employer contribution rate in excess of 11% (refer to footnote 5 on the previous page).

Effective January 1, 2004, the Commissioners Court elects to waive the statutory maximum employer contribution rate limit as prescribed by Section 844.703(c).⁵

 8-26-03
Signature, County Judge

VI. Other Participation Provisions Continued

Except as modified by this order, the orders previously adopted by the Commissioners Court relating to participation in the System and in effect on December 31, 2003, are continued in effect.

⁵ Information regarding the waiver of the statutory maximum employer contribution rate can be found in the instructions or by contacting TCDRS.



ORDER AMENDING A CURRENT VARIABLE-RATE PLAN
(County - Revised 2003)

Part Three: Clerk's Certification

I, Nancy E. Rister, Clerk of Williamson County and ex-officio Clerk of the Commissioners Court, do hereby certify that the foregoing is a full, true and correct copy of: **Order Amending a Current Variable-Rate Plan**, and of the official minutes pertaining to its adoption, as the same appear of record in the official minutes of the Commissioners Court of the County.

SEAL



Given under my hand and seal of office this 26th day of August, 2003.

Nancy E. Rister
County Clerk and Ex-Officio Clerk of the Commissioners Court

AGENDA ITEM 27

Discuss and take appropriate action on road bond program.

Paul Petrich updated the court on the road bond program.

AGENDA ITEM 28

Discuss and take appropriate action on jail/courthouse annex expansion.

Ed Lee updated the court on the jail/courthouse annex expansion.

COMMISSIONERS' COURT ADJOURNED TO EXECUTIVE SESSION AT 11:05 A.M. ON TUESDAY, AUGUST 26, 2003.

AGENDA ITEM 29

Discuss real estate (EXECUTIVE SESSION as per VTCA Govt. Code sec. 551.071 consultation with attorney.)

There was no action taken in Executive Session.

COMMISSIONERS' COURT RECONVENED FROM EXECUTIVE SESSION AT 11:10A.M. ON TUESDAY, AUGUST 26, 2003.

AGENDA ITEM 30

Discuss and take appropriate action on real estate.

There was action taken on this agenda item.

AGENDA ITEM 31

Consider declaring an emergency and approving a budget amendment for the law library fund:

0350-0680-005758	Law Books	20,000.00
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Moved: **Judge Doerfler**

Seconded: **Commissioner Limmer**

Motion: To declare an emergency and approve a budget amendment for the law library fund:

0350-0680-005758	Law Books	20,000.00
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Vote: 4 – 0. **Commissioner Heiligenstein was absent from the dais.**

< Attachment >