



Travis County Commissioners Court Agenda Request

Meeting Date: October 28, 2014

Prepared By/Phone Number: Diana Ramirez (512) 854-9694

Appointed Official: Leroy Nellis, Acting County Executive

Commissioners Court Sponsor: Judge Samuel T. Biscoe

*EAR for
Leroy Nellis*

AGENDA LANGUAGE: APPROVE SUBMISSION OF APPROPRIATE ELECTRONIC NOTICE TO THE TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM AUTHORIZING THE 2015 PLAN YEAR RETIREMENT BENEFIT CONTRIBUTION RATE

BACKGROUND/SUMMARY OF REQUEST AND ATTACHMENTS:

Please see attached memo.

STAFF RECOMMENDATIONS: PBO recommends approval of the submission of the electronic notice to TCDRS before the December 15, 2014 deadline.

ISSUES AND OPPORTUNITIES: Please see attached memo.

FISCAL IMPACT AND SOURCE OF FUNDING: None.

REQUIRED AUTHORIZATIONS:

Leroy Nellis, Acting County Executive, Planning and Budget Office

Jessica Rio, Budget Director, Planning and Budget Office

Debbie Maynor, Director, Human Resources Management

Nicki Riley, Travis County Auditor

Bernadette Gutilla, James Rannefeld, Kathryn Madden, County Auditor's Office

AGENDA REQUEST DEADLINE: All agenda requests and supporting materials should be submitted as a pdf to the County Judge's office, agenda@co.travis.tx.us by **Tuesdays at 5:00 p.m.** for the next week's meeting.



PLANNING AND BUDGET OFFICE

TRAVIS COUNTY, TEXAS

700 Lavaca Street, Ste. 1560
Austin, Texas 78701

P.O. Box 1748
Austin, Texas 78767

MEMORANDUM

TO: Members of Commissioners Court

FROM: Diana A. Ramirez, Assistant Budget Director 

DATE: October 23, 2014

RE: Approve submission of appropriate electronic notice to the Texas County and District Retirement System authorizing the 2015 plan year retirement benefit contribution rate

The Texas County and District Retirement System (TCDRS) requires that each jurisdiction with a retirement plan within the system confirm the provisions of its plan for the next calendar year. In previous years, this confirmation was required to be submitted in a prescribed form. Beginning this year, TCDRS is allowing plan participants to submit this notice electronically via the Plan Customizer, a new online program developed by TCDRS. This notice is due no later than December 15, 2014.

The contribution rate in the FY 2014 Adopted Budget was 13.67% of employee salaries and included the cost of a 2% COLA awarded to retirees. During the 2014 budget process, TCDRS indicated that the retirement system's portfolio performed at more than double the projected return in 2013 (16.4% return versus the projected 8% return). As a result of this performance, TCDRS informed the County that the required contribution rate was dropping from the 13.67% to 13.56% for plan year 2015. However, PBO recommended that the contribution rate remain at the same rate as in plan year 2014 to increase the plan's funded ratio from the plan year 2014 amount of 83% to 84.1% for plan year 2015. The funded ratio is the percent of the plan's accrued liabilities that are funded by the plan's actuarial assets.

As part of the FY 2015 budget process, PBO included the same retirement contribution rate in the Preliminary Budget which was adopted as a starting point for the budget mark-up process. On July 29, 2014, PBO and HRMD updated Commissioners Court on PBO's proposal to keep the retirement contribution rate at the 13.67% level for the 2015 plan year. The Adopted Budget approved by Commissioners Court includes the 13.67% retirement contribution rate.

PBO recommends Commissioners Court approval of the submission of the appropriate electronic notice to TCDRS by the Auditor's Office. This information has been reviewed by the Auditor's Office and the County Attorney's Office.

