



Legislation Details (With Text)

File #: RES 21-201 **Version:** 1 **Name:**
Type: Resolution **Status:** Agenda Ready
File created: 7/13/2021 **In control:** City Council Workshop
On agenda: 9/21/2021 **Final action:**
Title: Consideration of and action on a resolution maintaining the City of Deer Park's contribution rate to the Texas Municipal Retirement System (TMRS) at 14.10% for 2022 instead of 13.58% in order to prefund the City's Unfunded Actuarial Accrued Liability.

Sponsors:

Indexes:

Code sections:

Attachments: 1. Resolution - TMRS Rate (FY20-21), 2. TMRS prefunding, 3. TMRS - Rate Letter FY20-21, 4. TMRS - Rate Letter FY19-20

Date	Ver.	Action By	Action	Result
------	------	-----------	--------	--------

Consideration of and action on a resolution maintaining the City of Deer Park's contribution rate to the Texas Municipal Retirement System (TMRS) at 14.10% for 2022 instead of 13.58% in order to prefund the City's Unfunded Actuarial Accrued Liability.

Summary:

The City's contribution rate to the Municipal Retirement System (TMRS) for our employees' retirement was 14.10 percent for 2019. The actuarially determined contribution rate for 2020 was lowered to 13.78 percent. In 2020, the City proposed maintaining the rate at 14.10 percent in 2020 instead of lowering it to prefund the City's Unfunded Actuarial Accrued Liability (UAAL). Maintaining the contribution rate at 14.10 could potentially save over \$1.55 million in future contributions and pay off the UAAL 7 years sooner (20 years vs. 27 years) based on the estimates and assumptions at that time. For 2021, the actuarially determined contribution rate was lowered to 13.58 percent while the rate for 2022 is 13.70%. City staff are again recommending the rate be maintained at 14.10 percent to prefund the City's Unfunded Actuarial Accrued Liability (UAAL) for future savings. The following table shows the proposed vs. the actuarially determined rate for the periods referenced:

<u>Fiscal Year</u>	<u>Total Retirement Rate (TMRS)</u>	<u>Total Retirement Rate (Budget)</u>
18-19	14.10%	14.10%
19-20	13.78%	14.10%
20-21	13.58%	14.10%
21-22	13.70%	14.10%

Fiscal/Budgetary Impact:

The proposed FY 2021-2022 Budget maintains the current funding for the 14.10% contribution.

Approve the resolution.