



September 25, 2024

Edi McIlwain
Chief Finance Officer
City of Bastrop
1311 Chestnut St
Bastrop, TX 78602-3404

Dear Ms. McIlwain:

We are pleased to enclose a model ordinance for your city to adopt:

**100% Updated Service Credit with Transfers
&
70% Non-retroactive Cost of Living Adjustment Increase to Annuitants
Both Annually Repeating
Both Effective January 1, 2025
&
20-Year Retirement Eligibility
&
Removal of the Statutory Maximum Contribution Rate Limit
Both Effective October 1, 2024**

By statute, when a city offers Updated Service Credits (USC) on an annually repeating basis, the city must readopt this annually repeating provision when adopting Cost of Living Adjustments (COLA). Therefore, the enclosed ordinance includes the city's readoption of this benefit.

By adopting this ordinance, the city will not have to adopt an ordinance each year to reauthorize the calculation of USC/COLA. These benefits will remain in effect for future years until such time as they are discontinued by an ordinance adopted by the City Council.

Additionally, prior to adopting the 20-Year Retirement Eligibility provision, the TMRS Act (Texas Government Code, Chapters 851 - 855) requires that the city holds a public hearing pursuant to the notice provisions of the Texas Open Meetings Act (Texas Government Code, Chapter 551). Please have your city attorney review these and any other related necessary actions.

Furthermore, by adopting this ordinance, your city is agreeing to fully fund the cost of the pension benefits included in the city's plan.

This ordinance will allow your city to impose its own "limit" on the contribution rate by using its discretion in determining which potential plan improvements to adopt, or not to adopt, based on

the calculated contribution rate. The TMRS actuary will perform a valuation of the city's plan of benefits each year and forward this rate to your city.

With the adoption of these benefits, the city's contribution rate will be **14.54%** beginning October 1, 2024. Starting January 1, 2025, the city's contribution rate will be **14.47%**.

Please make sure the ordinance is adopted and signed before the effective date. When the ordinance is adopted, please send a copy to City Services at cityservices@tmrs.com.

If you have any questions about the model ordinance or anything else, please call me at 512-225-3742.

Sincerely,



Colin Davidson
Director of City and Member Services