



STAFF REPORT

MEETING DATE: November 7, 2023

TITLE:

Consider action to approve the first reading of Ordinance No. 2023-41 of the City Council of the City of Bastrop, Texas, authorizing and allowing for (1) an increase in the employee contribution rate to Texas Municipal Retirement System (TMRS); and (2) adopting: (i) annually accruing updated service credits and transfer updated service credits; and (ii) annually accruing annuity increases, also referred to as cost-of-living adjustments (COLAS) for retirees and beneficiaries of deceased retirees, as attached in Exhibit A; providing for findings of fact, enactment, repealer, severability, providing for an effective date, codification, proper notice, and move to include on the December 12, 2023, agenda for second reading.

STAFF REPRESENTATIVE:

Tanya L. Cantrell, Human Resources Director
Laura Allen, Senior Accountant

BACKGROUND/HISTORY:

In Fiscal Year 2023, the City Council found that it would be in the City's interest to increase the employee TMRS contribution rate, reauthorize annually accruing Updated Service Credits, provide transfer Updated Service Credits, and reauthorize annually increased annuities also referred to as COLAS. This change will improve recruiting and retention efforts, especially with public safety positions. Currently the plan is a 6% employee contribution with a 2:1 employer match at retirement. The Human Resources Director researched through the TMRS portal and found that the retirement plans of most of our "competitor" cities when it comes to recruiting efforts are a 7% plan; and after a more comprehensive look, found that 465 TMRS participating cities are at 7% compared to 100 at 6%. The Employer of Choice Team members reached out to the employees and their respective departments in FY 2022 and received nothing but an enthusiastic response in support of this change. Funding for this increase is from the General Fund (\$1,596,000), the Water/Wastewater Fund (\$190,000), and the Bastrop Power & Light Fund (\$150,000) as authorized by Ordinance No. 2023-33, passed and approved on September 26, 2023. This change will have a significant impact on the retirement annuities of our employees beginning January 1, 2024.

FUNDING SOURCE:

General Fund
Water/Wastewater Fund
Bastrop Power & Light Fund

RECOMMENDATION:

Tanya L. Cantrell, Human Resources Director, and Laura Allen, Senior Accountant, recommend approval of first reading of Ordinance 2023-41 of the City Council of the City of Bastrop, Texas, authorizing and allowing for (1) an increase in the employee contribution rate to Texas Municipal Retirement System (TMRS); and (2) adopting: (i) annually accruing updated

service credits and transfer updated service credits; and (ii) annually accruing annuity increases, also referred to as cost-of-living adjustments (COLAS) for retirees and beneficiaries of deceased retirees, as attached in Exhibit A; providing for findings of fact, enactment, repealer, severability, providing for an effective date, codification, proper notice, and move to include on the November 7, 2023 agenda for second reading.

ATTACHMENTS:

- Ordinance No 2023-41
- Exhibit A - Bastrop 2024 TMRS Letter & Plan Change Study

