DRIPPING SPRING	STAFF REPORT City of Dripping Springs PO Box 384 511 Mercer Street Dripping Springs, TX 78620
Submitted By:	Lisa Sullivan, People & Communications Director
Council Meeting Date: Agenda Item Wording:	November 5, 2024 Approval of an Ordinance of the City of Dripping Springs Authorizing Restricted Prior Service Credit for Employees Who Are Members of the Texas Municipal Retirement System. Sponsor: Mayor Bill Foulds, Jr.
Agenda Item Requestor:	Michelle Fischer, City Administrator and Lisa Sullivan, People & Communications Director
Summary/Background:	The City currently has an ordinance regarding the Texas Municipal Retirement System (TMRS) for Prior Service Credit to cover former City employees who leave and return to work at the City, so their prior service is counted when it comes to retirement. However, we currently don't have a "restricted" one. A Restricted Prior Service Credit (RPSC) provision provides time credit towards vesting and retirement eligibility for full-time employment with any U.S. public employer, including federal, state, county, or city.
	To receive a TMRS retirement benefit, an employee who retires must be vested and 60 years of age or an employee can retire and receive a TMRS retirement benefit at any age if they have 20 years of service credit.
	If an employee worked for more than one TMRS city, their time with all cities is combined to meet retirement eligibility, as long as the city they are retiring from allows restricted prior service credit. If the employee worked for cities that have different service credit requirements, the employee must meet the higher requirement for retirement eligibility.
	Adopting a Restricted Prior Service Credit policy will support the recruitment and retention of qualified employees, particularly those with prior relevant experience in other government entities other than the City of Dripping Springs.
	There is no immediate cost to the city. In future years, there might be a minimal cost to the city after employees submit their RPSC applications and receive their eligibility credit. There is no time limit on how far back an employee can apply for this credit.

	Currently two-thirds of TMRS cities have adopted the Restricted Prior Service Credit. Cities we often look to for comparison that allow Restricted Prior Service Credit according to the TMRS website are: Bastrop, Boerne, Bee Cave, Blanco, Buda, Bulverde, Burnet, Cedar Park, Elgin, Fredericksburg, Georgetown, Hutto, Johnson City, Jonestown, Kyle, Lago Vista, Lakeway, Leander, Liberty Hill, Lockhart, Manor, Marble Falls, New Braunfels, Pflugerville, Round Rock, San Marcos, and West Lake Hills. Those cities that do not allow restricted prior service credit that we often look to for comparison are: Horseshoe Bay, Wimberley, and Woodcreek. By recognizing the valuable contributions of experienced public sector employees, we can attract and retain the best talent, ultimately improving the quality of services we provide.
Commission Recommendations:	N/A
Recommended Council Actions:	Approve the RPSC Ordinance
Attachments:	TMRS RPSC Model Ordinance Transmittal Letter; Proposed Ordinance; TMRS Prior Public Service Credit Info Page; TMRS Application for Restricted Prior Service Credit
Next Steps/Schedule:	Approve the ordinance. Send to TMRS and it will be effective on December 1, 2024.