



AGENDA ITEM SUMMARY FORM

PROPOSED MEETING DATE: October 1, 2025
PREPARED BY: Tracey Vasquez, Director
DEPARTMENT: Human Resources

AGENDA ITEM DESCRIPTION:

Consideration, discussion, and possible action regarding an Ordinance authorizing and allowing an Updated Service Credit for qualifying members of the Texas Municipal Retirement Systems (TMRS) of the City of Manor; and increasing the rate of deposits to Texas Municipal Retirement Systems by the employees.

BACKGROUND/SUMMARY:

The city and its employees participate in the Texas Municipal Retirement System as part of their retirement benefits. Currently, the employee contribution rate is set at 7%, while the city contributes a two-to-one match once the employee is vested and at the time of retirement.

A recent survey was conducted regarding a proposed increase in the employee contribution rate from 7% to 8% adhering to the current HB 3161: Signed into law on June 20, 2025, this bill introduces an 8% employee contribution rate as an additional option for participating cities, alongside the existing rates. This rate is effective September 1, 2025, and requires cities to adopt an ordinance to implement it. The results showed strong support for the increase, with 100% in favor of the increase. Additionally, the city is offering a one-time benefit of an Updated Service Credit.

LEGAL REVIEW: Yes, Shruti Vanaparthi, Assistant City Attorney
FISCAL IMPACT: No
FORM 1295 FILED: Not Applicable
PRESENTATION: No
ATTACHMENTS: Yes

- TMRS Ordinance No. 800
- Assets and Liabilities
- Surrounding Cities Plans (50-mile radius)
- Funded Ratio
- Manor Rate Letter
- Manor Plan Change Study Options

STAFF RECOMMENDATION:

The city staff recommends that the City Council approve Ordinance No. 800 authorizing and allowing an Updated Service Credit for qualifying members of the Texas Municipal Retirement Systems (TMRS) of the City of Manor and increasing the rate of deposits to Texas Municipal Retirement Systems by the employees.