



September 11, 2025

Brittney Hogan
Accountant
City of Port Lavaca
202 N. Virginia St.
Port Lavaca, TX 77979

Dear Ms. Hogan:

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

**2 To 1 City Matching Ratio
&
100% Updated Service Credit with Transfers
70% Cost of Living Adjustment Increase to Annuitants
Both Annually Repeating**

All Effective January 1, 2026

With respect to your interest in increasing your city's TMRS matching ratio from a 1.5:1 to a 2:1, your City Council must make this change by adopting an ordinance.

By statute, when a city changes its city matching ratio and the city currently offers Updated Service Credits (USC) and Cost of Living Adjustments (COLA) on an annually repeating basis, the city must readopt these annually repeating provisions. These readoptions are necessary because there are new USC and COLA costs associated with the new provisions. Therefore, the enclosed ordinance includes the city's readoption of these benefits.

By adopting this ordinance, your city will not need to adopt an ordinance each year to reauthorize the calculation of the Updated Service Credits and Cost of Living Adjustments. These benefits will remain in effect for future years until they are discontinued by an ordinance adopted by the City Council.

As reflected in the Plan Change Study you previously received, the city's contribution rate will be **9.03%** beginning January 1, 2026.

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,

A handwritten signature in blue ink, appearing to read "Colin Davidson", is written over a light blue circular stamp.

Colin Davidson
Director of City and Member Services

2026 Rates • Port Lavaca

July 29, 2025

Plan Provisions	Current	Option 1
Employee Contribution Rate	5%	5%
City Matching Ratio	1.5 to 1	2 to 1
Updated Service Credit (USC)	100% (Repeating)	100% (Repeating)
Transfer USC *	Yes	Yes
COLA	70% (Repeating)	70% (Repeating)
Retroactive COLA	Yes	Yes
Retirement Eligibility	25 years	25 years
Vesting	5 years	5 years
Supplemental Death Benefit	Actives + Retirees	Actives + Retirees
Contribution Rates	2026	2026
Normal Cost Rate	4.46%	6.27%
Prior Service Rate	<u>0.95%</u>	<u>2.40%</u>
Retirement Rate	5.41%	8.67%
Supplemental Death Rate	<u>0.36%</u>	<u>0.36%</u>
Total Contribution Rate	5.77%	9.03%
Unfunded Actuarial Liability	\$704,289	\$1,827,470
Funded Ratio	95.4%	89.0%
Benefit Increase Amortization Period	20 years	20 years
Stat Max	9.50%	11.50%
Retirement Rate Exceeds Stat Max	No	No

* As of the December 31, 2024 valuation date, there were 9 employees with service in other TMRS cities eligible for transfer USC.