



CENTRAL TEXAS REGIONAL  
**MOBILITY AUTHORITY**

May 27, 2020  
**AGENDA ITEM #7**

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Discuss and consider approving a cost of living adjustment for Mobility Authority retirees

Strategic Plan Relevance:	Transparency/Accountability
Department:	Finance
Contact:	William Chapman, CFO
Associated Costs:	Funded via CTRMA's incremental contribution rate
Funding Source:	FY 2021 Operating Budget
Action Requested:	Consider and act on draft resolution

**Background** - CTRMA provides employees a retirement benefit managed through the Texas County & District Retirement System (TCDRS). This benefit can provide a cost of living adjustment (COLA) granted annually by the Board to active retirees drawing their pension. A COLA increases a retiree's benefit to make up for the loss of buying power due to inflation.

Currently, four former CTRMA employees, or their beneficiaries, are collecting retirement benefits through TCDRS.

The TCDRS system allows for two types of retiree COLAs:

**Flat-rate:** Increases the benefit amounts of all CTRMA retirees by the same percentage. With this type of adjustment, the benefit payment increases by a percentage of the Board's choosing up to the limit set by the TCDRS Board of Trustees each year. The TRDRS Board reviews this annually and most recently adopted a maximum 2% flat-rate increase.

**CPI-based:** With this type of adjustment, the Board may choose to increase CTRMA retirees' benefit payments by a percentage based on the increase in the Consumer Price Index for all Urban Consumers (CPI-U), an index the federal government uses to measure inflation. Each retiree's benefit is individually increased according to how much inflation has occurred as measured by the CPI-U. The Board chooses a percentage of CPI-U change you wish to cover. The TCDRS plan allows a range between 10% and 100% of the CPI-U. A CPI-based COLA, specific for each individual retiree, helps restore the lost buying power for each retiree, based on their original benefit payment amount and how much



**GENERAL MEETING OF THE BOARD OF DIRECTORS  
OF THE  
CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY**

**RESOLUTION NO. 20-0XX**

**APPROVING A COST-OF-LIVING ADJUSTMENT  
FOR MOBILITY AUTHORITY RETIREES**

WHEREAS, in Resolution No. 04-19, dated May 5, 2004, the Board of Directors approved participation by the Central Texas Regional Mobility Authority (“Mobility Authority”) in the Texas County & District Retirement System (“TCDRS”) to provide benefits to Mobility Authority employees under the Central Texas Regional Mobility Authority TCDRS Plan (the “Plan”); and

WHEREAS, the Plan requires certain authorizations from time to time by the Board of Directors regarding ongoing provisions of and/or changes to the Plan; and

WHEREAS, former Mobility Authority employees and/or their beneficiaries, are collecting retirement benefits through TCDRS; and

WHEREAS, the Plan provides an annual opportunity for a retiree cost-of-living adjustment (“COLA”); and

WHEREAS, the Chief Financial Officer of the Mobility Authority recommends adopting a one-year retiree COLA to be effective January 1, 2021 at the maximum flat-rate increase established by TCDRS of 2%; and

NOW THEREFORE, BE IT RESOLVED, that the Board of Directors hereby approves and adopts a one-year retiree COLA to be effective January 1, 2021 at the maximum flat-rate increase established by TCDRS of 2%; and

BE IT FURTHER RESOLVED that the Chief Financial Officer is hereby authorized to execute such documents and take all other actions necessary to implement the one-year retiree cost-of-living adjustment approved herein.

Adopted by the Board of Directors of the Central Texas Regional Mobility Authority on the 27<sup>th</sup> day of May 2020.

Submitted and reviewed by:

Approved:

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Geoffrey Petrov, General Counsel

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Robert W. Jenkins, Jr.  
Chairman, Board of Directors



# PLAN CUSTOMIZER SUMMARY FOR PLAN YEAR 2021

Central Texas Regional Mobility Authority

## CURRENT PLAN AND PROPOSED PLAN(S)

	Current Plan	CPI2020	Flat2020
<b>Basic Plan Options</b>			
Employee Deposit Rate	7.00%	7.00%	7.00%
Employer Matching	250%	250%	250%
Application of Matching	Past & Future	Past & Future	Past & Future
Prior Service Credit	175%	175%	175%
<b>Retirement Eligibility</b>			
Age 60 (Vesting)	5 yrs of service	5 yrs of service	5 yrs of service
Rule Of	75 yrs total age + service	75 yrs total age + service	75 yrs total age + service
At Any Age	30 yrs of service	30 yrs of service	30 yrs of service
<b>Optional Benefits</b>			
Partial Lump-Sum Payment at Retirement	No	No	No
Group Term Life	ACTIVE-PLUS-RETIREEES	ACTIVE-PLUS-RETIREEES	ACTIVE-PLUS-RETIREEES
COLA	N/A	100% CPI	2% FLAT
<b>Retirement Plan Funding</b>			
Normal Cost Rate	12.43%	12.43%	12.43%
UAAL/(OAAL) Rate	-0.50%	-0.46%	-0.46%
Required Rate	11.93%	11.97%	11.97%
Elected Rate	14.00%	14.00%	14.00%
Additional Employer Contribution	\$0.00	\$0.00	\$0.00
<b>Total Contribution Rate</b>			
Retirement Plan Rate	14.00%	14.00%	14.00%
Group Term Life Rate	0.33%	0.33%	0.33%
Total Contribution Rate	14.33%	14.33%	14.33%
<b>Valuation Results</b>			
Actuarial Accrued Liability	\$9,813,446	\$9,833,132	\$9,830,678
Actuarial Value of Assets	\$9,998,662	\$9,998,662	\$9,998,662
Unfunded/(Overfunded) Actuarial Liability	(\$185,216)	(\$165,530)	(\$167,984)
Funded Ratio	101.9%	101.7%	101.7%