

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

RESOLUTION NO. 04-19

WHEREAS, the Central Texas Regional Mobility Authority ("CTRMA") was created pursuant to the request of Travis and Williamson Counties and in accordance with provisions of the Transportation Code and the petition and approval process established in 46 Tex. Admin. Code § 26.01, *et. seq.* (the "RMA Rules"); and

WHEREAS, the Board of Directors of the CTRMA desires its employees to partake in the Texas County and District Retirement System (TCDRS), which is a multi-employer, defined benefit pension plan under section 401(a) of the Internal Revenue Code; and

WHEREAS, the Texas Legislature has established the Texas County and District Retirement System (hereinafter called "TCDRS") pursuant to Section 67 of Article XVI of the Texas Constitution; and

WHEREAS, the governing statute Subtitle F, Title 8, Government Code (hereinafter "TCDRS Act") directs that the governing body shall determine whether a district (hereinafter, "CTRMA") shall participate in TCDRS so established; and

WHEREAS, the CTRMA board has reviewed the TCDRS "Acknowledgment of Conditions Governing TCDRS Participation" attached as Exhibit A to this Resolution; and

WHEREAS, the CTRMA board has reviewed the "Resolution Authorizing TCDRS Participation" attached as Exhibit B to this Resolution;

NOW THEREFORE, BE IT RESOLVED that the CTRMA board hereby approves participation in TCDRS to provide benefits to CTRMA employees; and


BE IT FURTHER RESOLVED, that the CTRMA board members shall each execute the "Acknowledgment of Conditions Governing TCDRS Participation" attached as Exhibit A hereto; and

BE IT FURTHER RESOLVED, that the board hereby grants the Chairman the authority to execute the "Resolution Authorizing TCDRS Participation" attached as Exhibit B hereto; and

BE IT FURTHER RESOLVED, that upon execution of both of these documents, the board directs CTRMA staff to transmit the executed documents, along with a copy of this Resolution, to the appropriate TCDRS staff to facilitate participation in TCDRS.

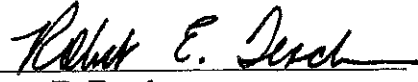
Adopted by the Board of Directors of the Central Texas Regional Mobility Authority on the 5th day of May, 2004.

Submitted and reviewed by:



C. Brian Cassidy
Legal Counsel for the Central
Texas Regional Mobility Authority

Approved:



Robert E. Tesch
Chairman, Board of Directors
Resolution Number 04-19
Date Passed 05/05/04

Exhibit A: "Acknowledgment of Conditions Governing TCDRS Participation"



Acknowledgment of Conditions Governing TCDRS Participation

General Conditions

- The Texas County and District Retirement System (TCDRS) is a qualified retirement plan under Section 401(a) of the Internal Revenue Code. The TCDRS Act (Subtitle F, Title 8, Texas Government Code) is the basis for administration of the retirement system. *In all cases, the actual provisions of state and federal governing law take precedence over information provided in any other form.*
- The assets of all TCDRS members and employer plans are pooled for investment purposes. Neither an individual member nor the District directs the investment of those assets.
- Information held by TCDRS that is identifiable with an individual member's personal account, benefit amounts or beneficiary designations is confidential under state law and may be disclosed to the District's governing board only if it is necessary for the local administration of the District's TCDRS plan.

Plan Funding and Employer Contributions

- The TCDRS plan of each participating county or district is treated actuarially and financially as a separate retirement plan.* There is no pooling of costs or benefits.
- Employer contribution rates are actuarially determined by TCDRS.* An employer cannot determine its own required rate, but may elect to contribute at an optional higher rate.
- Employer contributions are held in trust by TCDRS and may not be returned to the District. Employer assets can be used only to fund benefits for plan participants.
- TCDRS is authorized to impose remedial measures on any plan determined to have a funding deficiency if its governing board declines to take corrective action.
- Monthly reports and employee/employer contributions must be received by TCDRS no later than 5 p.m. of the 15th day following the month for which they are submitted. *Contributions or reports received after the deadline are deemed late and incur a \$500 penalty. Late contributions also incur penalty interest at the annual rate of 12% for each day the contributions are past due.* Reports may be filed electronically and monthly contributions may be submitted by ACH Debit to ensure their timely submission.

Employee Participation and Benefit Elections

- Participation in TCDRS may not be terminated by the District.* The District may elect to discontinue the enrollment of future new hires starting on a specified date, but it is legally obligated to continue the participation of all previously enrolled members.
- TCDRS participation is mandatory for all eligible employees.* All participating employees must contribute the same percentage of salary as elected by the governing board.
- The governing board of the District is responsible for establishing the initial employee deposit level, benefit levels and retirement eligibility factors for the District's retirement plan. The Board may adopt future plan changes based on selected optional benefits and rates provided by TCDRS and may request employer rates for other allowable benefit options.



Acknowledgment of Conditions Governing TCDRS Participation

Actuarial Assumptions and Cost/Benefit Projections

- Projections of employer costs and contribution rates are based on actuarial assumptions, the most important being the assumed annual allocation of 9% interest to employer accounts, and assumed levels of member withdrawals and payroll growth. *Investment return and interest allocations are assumed, but not guaranteed. Actual employer interest allocations or plan experience that differ significantly from assumptions can result in significant rate variation, especially in smaller plans.* Actuarial assumptions are reviewed every four years and may be adjusted by TCDRS, with the adjustments affecting employer rates.

- Projections of benefit payments provided now or in the future are not guarantees of payments, but estimates. These estimates assume the continued existence of the District, its ongoing employer contributions and no decrease in the number of contributing employees. *Termination of the District or a significant decrease in the number of its depositing members can cause funding problems for its TCDRS plan and prevent it from providing current or future benefits at promised levels.*

Board Members' Acknowledgment

(All Board members should sign below. It is not necessary to include titles.)

We hereby acknowledge that we have been advised of the conditions governing the participation of the
Central Texas Regional Mobility Authority in the Texas County and
District Retirement System. Witness our hands officially on this 5th day of
May 2004.

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Attest (By Other Than Board Member):

Exhibit B: "Resolution Authorizing TCDRS Participation"



RESOLUTION AUTHORIZING TCDRS PARTICIPATION
(District) - Revised 2003

V. Employer Contribution Rate (continued)

Election to Waive the Statutory Maximum Employer Contribution Rate Limit

Please note that the presiding officer of the governing board must sign the following election, but ONLY IF:

1. The District's governing board is adopting optional rights, credits or benefits that produce an employer contribution rate in excess of 11 %; or
2. The District's governing board is adopting an elected employer contribution rate in excess of 11% (see footnote 6).

Effective the date of participation, the District's governing board elects to waive the statutory maximum employer contribution rate limit as prescribed by Section 844.703(c).⁶

Signature, Presiding Officer of the District's Governing Board

Part Three: Secretary's Certification

„ Robert E. Tesch, Secretary⁷ of the Central Texas Regional Mobility Authority⁸ of _____,⁹ and custodian of its official records, do hereby certify that the foregoing is a full, true and correct copy of: **Resolution Authorizing TCDRS Participation and Making Plan Selections Thereunder, and of the official minutes pertaining to its adoption, as the same appear of record in the official minutes of the District.**

Given under my hand and seal of office this 5th day of May, 2004.

SEAL
(IF AVAILABLE)

Signature of Governing Board Official

Chairman, Board of Directors

Title

⁶ Please contact TCDRS for more information regarding the waiver of the statutory maximum employer contribution rate.

⁷ The Chairman or the Vice-Chairman of the Board may complete Part III in the absence of the Board Secretary

Title of Governing Body ("Board of Directors", Board of Trustees", etc.)

⁹ Name of subdivision.



RESOLUTION AUTHORIZING TCDRS PARTICIPATION
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Part Two: Form of Resolution to be Adopted and Included in Minutes

Exhibit One

Resolution Authorizing TCDRS Participation and Making Plan Selections Thereunder

WHEREAS, the Texas Legislature has established the Texas County and District Retirement System (hereafter called "TCDRS") pursuant to Section 67 of Article XVI of the Texas Constitution; and

WHEREAS, the governing statute Subtitle F, Title 8, Government Code (hereafter "TCDRS Act") directs that the governing body shall determine whether the District shall participate in TCDRS¹ so established; and

WHEREAS, the District's governing board has determined that it is in the public interest that the District participate in TCDRS, to more adequately provide for the retirement security of its eligible employees; now, therefore, be it **RESOLVED**, That:

I. Election to Participate

Pursuant to the provisions of the TCDRS Act, the District hereby elects to participate in, and have its employees participate in the TCDRS, such participation to begin and be effective on the date approved by the TCDRS Board of Trustees.

Membership of Employees

All persons who are employees of said District on the effective date of participation prescribed above shall become members of TCDRS and shall be allowed credit for prior service in accordance with the provisions of the TCDRS Act and the Rules and Regulations of the TCDRS Board of Trustees. Each person, who shall become an employee of the District subsequent to the effective date of participation who is not already a member of TCDRS, shall become a member on the date of employment.

III. Adoption of Plan Selections

Pursuant to the provisions of the TCDRS Act, the District hereby makes the plan selections authorized by Subchapter H of Chapter 844 of the said TCDRS Act.

A. Basic Plan Benefit Eligibility

(Ten-year credited service requirement for vesting and service/disability retirement)

Effective the date of participation, the District adopts the 10-year/Age 60 Retirement Eligibility described in Section 844.207 of the TCDRS Act, under which:

- (a) Any TCDRS member who has ten (10) or more years of service credit with the District and other subdivisions that have adopted the provisions of Section 844.207 or 844.210, is a vested member under Section 844.207(d) and shall have the right to retire and receive a service retirement annuity after attaining age 60, unless the Optional 8-year/Age 60 Retirement Eligibility described under Section 844.210 is adopted in this resolution (refer to Section IV of this resolution).

¹ in this resolution, the respective terms "contributions", "employee", "compensation", "prior service", "service" and "System" have the meanings defined for such term by the TCDRS Act.



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- (b) Any TCDRS member who is a vested member may terminate employment with all participating subdivisions prior to attaining age 60, and remain eligible to retire and receive a service retirement annuity after attaining age 60 provided his or her membership is not terminated other than by retirement.
- (c) Any TCDRS member who is a vested member under Section 844.207(d) may retire and receive a disability retirement annuity if he or she is certified as disabled in accordance with Section 844.303(b)(2).
- (d) Any TCDRS member who is a vested member under Section 844.207(d) or who is described in Section 844.207(e) shall have the right to retire and receive a service retirement annuity when the member's years of credited service added to his or her attained age equals or exceeds the sum of eighty (80), unless the Optional Rule of 75 Retirement Eligibility described under Section 844.211 is adopted in this resolution (refer to Section IV of this resolution).

B. Survivor Annuity Death Benefit

(Four year credited service requirement for survivor annuity death benefit)

By adopting this resolution, the provisions of Section 844.407, "Survivor Annuity Death Benefit", shall apply to the District. Any TCDRS member who has four (4) or more years of service credit with the District and other subdivisions that are subject to Section 844.407(a)(1) is an eligible member for purposes of the "Survivor Annuity Death Benefit" provided under Section 844.407.

C. Employee Deposit Rate

For each payroll period from and after the effective date of participation, member deposits of each eligible District employee shall be made to TCDRS at the rate of 7.0 %² of compensation; and such deposits shall be certified by the subdivision correspondent and transmitted to TCDRS for deposit to the individual employee account.

D. Current Service Credit Percentage

For service performed for the District on and after the effective date of participation, each member shall receive *multiple matching credit*, which when added to the rate used to determine the *current service credit* allowable under Section 843.403, will total 250 %³ of the member's deposits.

E. Prior Service Credit Percentage

Allocated (special) prior service credits granted to any member by the District shall be computed at 175 %⁴ of the maximum (special) prior service credit of each member affected.

² Four, five, six or seven percent unless a lower percentage is required under Section 844.703(h) of the TCDRS Act.

³ The percentage may be 100%, 125%, 150%, 175%, 200%, 225% or 250% or the percentage currently in effect.

⁴ Must be a multiple of 5%; the prior service credit percentage is the rate at which the employer has elected to award monetary credit for the service employees performed prior to the district's participation in TCDRS. Member employees who are eligible for prior service credit must file paperwork with the Subdivision Correspondent.



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IV. Selection and Adoption of Optional Credits and Benefits

Pursuant to Section 844.704 of the TCDRS Act, the District adopts the following additional rights, credits and benefits, effective as of the date of participation. **The presiding officer of the governing board must sign in the space preceding each option selected.**

 X **Optional 8-year/Age 60 Retirement Eligibility under Sec. 844.210**
8-year service eligibility requirement for vesting, service and disability retirement.

 X **Optional Rule of 75 Retirement Eligibility under Sec. 844.211**
A member shall have the right to retire and receive a service retirement annuity when the years of such credited service added to his or her years of attained age equals or exceeds seventy-five (75).

 Optional 20-Year/Any Age Retirement Eligibility under Sec. 844.212
A member shall have the right to retire and receive a service retirement annuity when the years of such credited service equals or exceeds twenty (20).

 Credited Service for Qualified Military Service under Sec. 843.601(c)
Military service typically performed prior to becoming an employee of the District. An eligible member is one who has service equaling at least the minimum period required to retire at age 60 with the District.

 Partial Lump-Sum Distribution on Service Retirement under Sec. 844.009
The option of Partial Lump-Sum distribution (PLSD) at retirement allows your current members who are eligible for service retirement to receive a portion of their retirement benefit in the form of a partial lump sum distribution that cannot exceed 100 percent of their account balance. This distribution is made in addition to a lifetime monthly annuity under one of the TCDRS retirement options.

V. Employer Contribution Rate

The District hereby undertakes to make monthly normal contributions and prior service contributions to the System at an employer contribution rate that equals or exceeds the total calculated employer contribution rate (*i.e.*, the calculated employer contribution rate plus the rates for any optional rights, benefits and credits elected in Section IV), determined from year to year by the actuary of the System, and approved by the Board of Trustees of the System as provided by Subchapter H of Chapter 844 of the TCDRS Act; such rates (excluding those for "picked-up" contributions under Section 845.403(i) of the TCDRS Act and those, if any, to the Supplemental Death Benefits Fund under Section 845.406) not to exceed the statutory maximum, currently 11 percent, prescribed by Section 844.703(c) of said Act, unless the District's governing board elects to waive that statutory limit. Any waiver of the statutory maximum rate made in accordance with Section 844.703(c) shall remain in effect until January 1 of the year following the year in which the waiver is repealed by the District's governing board. An employer contribution rate adopted by the District's governing board that exceeds the total calculated employer contribution rate shall remain in effect for each subsequent year until rescinded by the District's governing board. **Effective the date of participation, the District shall make subdivision contributions to the System at the employer contribution rate of 13.95 %⁵ for the first two plan years of participation.**

⁵ The employer contribution rate should equal either (a) or (b):

- (a) the Calculated Employer Contribution Rate shown on the Exhibit 1, plus the sum of additional rates for optional credits and benefits selected.
- (b) any percentage rate (e.g., 4%, 4.50%, 7%, 8%, 8.75%, 9.90%, 10%, 11%) that is equal to or greater than the rate computed in accordance with the instructions set out in (a) immediately above. The District may elect to contribute at a total calculated employer contribution rate in excess of 11% (as determined by the actuary) or at an elected rate in excess of 11% only if the District waives the statutory maximum employer contribution rate limit in accordance with section 844.703(c). The waiver of the statutory maximum employer contribution rate remains in effect until revoked by the District's governing board. If the District elects to contribute at a rate above the required rate, that elected rate will remain in effect unless changed by a subsequent District's governing board resolution. However, if the total calculated employer contribution rate exceeds the elected rate in a subsequent year, the District must pay at the higher calculated employer contribution rate or higher elected rate.