

Ordinance 2022-46-0808

AN ORDINANCE AUTHORIZING AND ALLOWING, UNDER THE ACT GOVERNING THE TEXAS MUNICIPAL RETIREMENT SYSTEM, "UPDATED SERVICE CREDITS" IN SAID SYSTEM FOR SERVICE PERFORMED BY QUALIFYING MEMBERS OF SUCH SYSTEM WHO PRESENTLY ARE MEMBERS OF THE CITY OF ANTHONY; PROVIDING FOR A CHANGE IN THE MUNICIPAL CONTRIBUTIONS TO THE CURRENT SERVICE ANNUITY RESERVE AT RETIREMENT; AND INCREASING THE RATE OF DEPOSITS TO THE TEXAS MUNICIPAL RETIREMENT SYSTEM BY THE EMPLOYEES OF THE CITY OF ANTHONY; AND ESTABLISHING AN EFFECTIVE DATE.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ANTHONY, TEXAS:

Authorization of Updated Service Credits.

(a) On the terms and conditions set out in Sections 853.401 through 853.403 of Subtitle G of Title 8, Government Code, as amended (hereinafter referred to as the "TMRS Act"), each member of the Texas Municipal Retirement System (hereinafter referred to as the "System") who has current service credit or prior service credit in the System in force and effect on the 1st day of January of the calendar year preceding such allowance, by reason of service in the employment of the City, and on such date had at least 36 months of credited service with the System, shall be and is hereby allowed "Updated Service Credit" (as that term is defined in subsection (d) of Section 853.402 of said title) in an amount that is **75%** of the "base Updated Service Credit" of the member (calculated as provided in subsection (c) of Section 853.402 of said title). The Updated Service Credit hereby allowed shall replace any Updated Service Credit, prior service credit, special prior service credit, or antecedent service credit previously authorized for part of the same service.

(b) In accordance with the provisions of subsection (d) of Section 853.401 of said title, the deposits required to be made to the System by employees of the several participating departments on account of current service shall be calculated from and after the date aforesaid on the full amount of such person's earnings as an employee of the City.

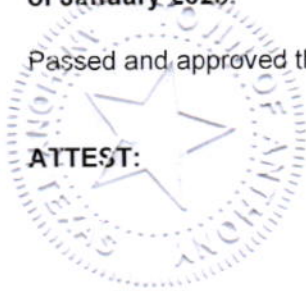
BE IT FURTHER ORDAINED:

Increased Municipal Contributions: That effective **January 1, 2023**, for each month of current service thereafter rendered by each of its employees who are members of the Texas Municipal Retirement System, the City elects to provide for each such member at the time of his or her retirement, a sum that is **200%** of such member's accumulated deposits for such month of employment; and said sum shall be a liability of the City's account in the benefit accumulation fund.

Increased Employee Deposit Rate: That all employees of the City, who are members of the Texas Municipal Retirement System, shall make deposits to the System at the rate of **6%** of their individual earnings.

Subject to approval by the Board of Trustees of the System, this ordinance shall be and become effective on the **1st day of January 2023**.

Passed and approved this the 22nd day of August, 2022.



ATTEST:

City Secretary or Clerk

APPROVED:

Mayor



August 19, 2022

Carlos Enriquez
Chief of Police
City of Anthony
PO Box 1269
Anthony, TX 79821

Re: Employee Contribution Rate, City Matching Ratio, and Updated Service Credit

Dear Chief Enriquez,

With respect to your interest in increasing the employee contribution rate from 5% to 6%, increasing the city matching ratio from 1:1 to 2:1, and adding 75% updated service credit on an ad hoc (one-time only) basis, your city council must make this change by adopting an ordinance. For your convenience, we have enclosed a model ordinance that can be adopted by the city council to make this change.

With the adoption of these additional benefits your city's contribution rate beginning January 1, 2023 will be 10.85%.

When the ordinances are adopted, please send copies to Veronica Escobedo at vescobedo@tmrs.com.

If you have any questions about the ordinances or anything else, please contact me at 512-225-3760.

Sincerely,

A handwritten signature in black ink that reads "Leslee S. Hardy". The signature is written in a cursive style with a large, looping "L" and "H".

Leslee S. Hardy, ASA, FCA, EA, MAAA
Director of Plan Funding & Design



Sincerely,

A handwritten signature in black ink that reads "Leslee S. Hardy". The signature is written in a cursive style with a large, looping "L" and a long, sweeping tail on the "y".

Leslee S. Hardy, ASA, FCA, EA, MAAA
Director of Plan Design & Funding

TEXAS MUNICIPAL RETIREMENT SYSTEM

P.O. Box 149153 • Austin, Texas 78714-9153

800-924-8677 • www.tmr.com



Comparison of Alternate Benefit Design(s)

FOR CITIES

2023 Rates • Anthony (00045)

Report Date - August 8, 2022

Plan Provisions	Current	Option 1	Option 2	Option 3
Deposit Rate	5.00%	6.00%	6.00%	6.00%
Matching Ratio	1 to 1	2 to 1	2 to 1	2 to 1
Updated Service Credit	0%	0%	50%	50% (Repeating)
Transfer USC *	No	No	No	No
Annuity Increase	0%	0%	0%	0%
20 Year/Any Age Ret.	Yes	Yes	Yes	Yes
Vesting	5 years	5 years	5 years	5 years
Supplemental Death Benefit	A & R	A & R	A & R	A & R
Contribution Rates	2023	2023	2023	2023
Normal Cost Rate	1.31%	4.80%	4.80%	5.84%
Prior Service Rate	<u>1.34%</u>	<u>1.87%</u>	<u>4.43%</u>	<u>3.89%</u>
Retirement Rate	2.65%	6.67%	9.23%	9.73%
Supplemental Death Rate	<u>0.28%</u>	<u>0.28%</u>	<u>0.28%</u>	<u>0.28%</u>
Total Rate	2.93%	6.95%	9.51%	10.01%
Unfunded Actuarial Liability	\$236,071	\$335,288	\$620,520	\$707,972
Amortization Period	20 years	20 years	20 years	20 years
Funded Ratio	86.5%	81.8%	70.9%	68.1%

* As of the December 31, 2021 valuation date, there was 1 employee with service in other TMRS cities eligible for transfer USC.



Comparison of Alternate Benefit Design(s)

FOR CITIES

2023 Rates • Anthony (00045)

Report Date - August 8, 2022

Plan Provisions	Current	Option 4	Option 5
Deposit Rate	5.00%	6.00%	6.00%
Matching Ratio	1 to 1	2 to 1	2 to 1
Updated Service Credit	0%	75%	75% (Repeating)
Transfer USC *	No	No	No
Annuity Increase	0%	0%	0%
20 Year/Any Age Ret.	Yes	Yes	Yes
Vesting	5 years	5 years	5 years
Supplemental Death Benefit	A & R	A & R	A & R
Contribution Rates	2023	2023	2023
Normal Cost Rate	1.31%	4.80%	6.36%
Prior Service Rate	<u>1.34%</u>	<u>5.77%</u>	<u>4.93%</u>
Retirement Rate	2.65%	10.57%	11.29%
Supplemental Death Rate	<u>0.28%</u>	<u>0.28%</u>	<u>0.28%</u>
Total Rate	2.93%	10.85%	11.57%
Unfunded Actuarial Liability	\$236,071	\$769,698	\$900,942
Amortization Period	20 years	20 years	20 years
Funded Ratio	86.5%	66.3%	62.7%

* As of the December 31, 2021 valuation date, there was 1 employee with service in other TMRS cities eligible for transfer USC.