



CENTRAL TEXAS REGIONAL
MOBILITY AUTHORITY

June 30, 2021
AGENDA ITEM #5

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

Strategic Plan Relevance:	Transparency/Accountability
Department:	Finance
Contact:	William Chapman, Chief Financial Officer
Associated Costs:	Funded via the Mobility Authority's incremental contribution rate
Funding Source:	FY 2022 Operating Budget
Action Requested:	Consider and act on draft resolution

Project Description/Background: The Mobility Authority 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 retirees drawing their pension. A COLA increases a retiree's benefit to make up for the loss of buying power due to inflation.

Currently, five former Mobility Authority employees, or their beneficiaries, are collecting retirement benefits through TCERS. In order to receive a COLA, the retiree or beneficiary must have drawn their pension for at least 13 months.

The TCERS system allows for two types of retiree COLAs:

Flat-rate: Increases the benefit amounts of all retirees by the same percentage. The TCERS Board reviews this annually and most recently adopted a maximum 1% flat-rate increase.

CPI-based: With this type of adjustment, the Board may choose to increase 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. The TCERS plan allows a range between 10% and 100% of the CPI-U.

The type of COLA (Flat-rate vs CPI-based) can be changed from year to year at the time of the annual Board adoption.

Previous Actions & Brief History of the Program/Project: The Board approved a one year, flat-rate increase of 2% on May 27, 2020 that took effect on January 1, 2021.

For the prior year, the Board approved a CPI-based retiree COLA at 100% of the CPI-U on September 11, 2019 that took effect on January 1, 2020. This was the first time a retiree COLA was considered and approved by the Board.

Action requested/Staff Recommendation: Staff recommends adopting the 100% CPI-U COLA to be effective January 1, 2022.

Backup provided: Draft Resolution
Plan Comparison

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

RESOLUTION NO. 21-0XX

**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, 2022 at 100% of the CPI-based COLA established by TCDRS; 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, 2022 at 100% of CPI-based COLA established by TCDRS; 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 30th day of June 2021.

Submitted and reviewed by:

Approved:

Geoffrey Petrov, General Counsel

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



PLAN CUSTOMIZER SUMMARY FOR PLAN YEAR 2022

Central Texas Regional Mobility Authority

CURRENT PLAN AND PROPOSED PLAN(S)

	Current Plan	1% Flat COLA	100CPI COLA
Basic Plan Options			
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%
Retirement Eligibility			
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
Optional Benefits			
Partial Lump-Sum Payment at Retirement	No	No	No
Group Term Life	ACTIVE-PLUS-RETIREES	ACTIVE-PLUS-RETIREES	ACTIVE-PLUS-RETIREES
COLA	N/A	1% FLAT	100% CPI
Retirement Plan Funding			
Normal Cost Rate	14.30%	14.30%	14.30%
UAAL/(OAAL) Rate	0.24%	0.01%	0.03%
Required Rate	14.54%	14.31%	14.33%
Elected Rate	14.00%	18.00%	18.00%
Additional Employer Contribution	\$0.00	\$117,878.76	\$117,878.76
Total Contribution Rate			
Retirement Plan Rate	14.54%	18.00%	18.00%
Group Term Life Rate	0.36%	0.36%	0.36%
Total Contribution Rate	14.90%	18.36%	18.36%
Valuation Results			
Actuarial Accrued Liability	\$11,958,952	\$11,967,875	\$11,973,633
Actuarial Value of Assets	\$11,864,486	\$11,974,141	\$11,974,141
Unfunded/(Overfunded) Actuarial Liability	\$94,466	(\$6,266)	(\$508)
Funded Ratio	99.2%	100.1%	100.0%