

SCANNED
Date: 5/17/10

TYLER COUNTY COMMISSIONERS COURT
SPECIAL MEETING
MAY 10, 2010 ---- 8:30 a.m.

THE STATE OF TEXAS ON THIS THE 10th day of May, 2010 the
Commissioners' Court in and for Tyler County, Texas convened in a Special Meeting at
the Commissioners' Courtroom in Woodville, Texas, the following members of the Court
present, to wit:

JACQUES L. BLANCHETTE	COUNTY JUDGE, Presiding
MARTIN NASH	COMMISSIONER, PCT. #1
RUSTY HUGHES	COMMISSIONER, PCT. #2
MIKE MARSHALL	COMMISSIONER, PCT. #3
JACK WALSTON	COMMISSIONER, PCT. #4
DONECE GREGORY	COUNTY CLERK, Ex-Officio

The following were absent: none thereby constituting a quorum. In addition to the above
were:

JOYCE MOORE	COUNTY AUDITOR
JOE SMITH	CRIMINAL DISTRICT ATTORNEY
SHARON FULLER	COUNTY TREASURER
DAVID HENNIGAN	SHERIFF
LOU CLOY	ASST. CRIM. DISTRICT ATTORNEY
KIM NAGYPAL	ASSISTANT COUNTY TREASURER

Ralph Wallace with the **Texas County and District Retirement System** presented an
update of the funding of the TCDRS Retirement plan and enrolling part-time employees.

Judge Blanchette requested a report comparing Tyler County with counties similar
showing the percentage of contribution into the retirement account.

Mr. Wallace recounted the history of enrolling part-time employees:

- Their agency had received numerous calls as to benefits for part-time employees. TCDRS attorneys did some research and used a rule of 900 hours for guidelines of part-time employment of the counties.
- Legislation was passed in 2005, to which "they made every effort to get the word out to counties" stating that it doesn't matter whether a person works two hours or 100 hours a week, if there is no "end date" to the duties of the position-they should be enrolled in the retirement system. There was a grace period of one year for counties to get their payroll in order to enroll part-time employees.
- Definitions were given as to the classification of Temporary employees and Seasonal employees versus Part-time employees.
- FORM 8 Employers Correction of Error will need to be used to send in the contribution and enrollment of part-time employees.
- County and the effected employees can decide where the money will come from/ how the retirement system will get their money. The contribution has to be a one time payment. The county can not make partial payments.
- No penalty to the county. However the county will have to pay the interest the benefits would have accrued at the time, from 2006 to the present.

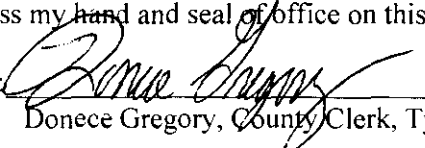
No action was taken.

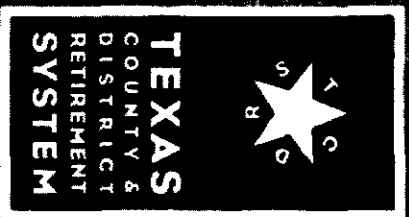
Commissioner Walston motioned to adjourn the meeting. The motion was seconded by
Commissioner Marshall. All voted yes and none no.

THERE BEING NO FURTHER BUSINESS, THE MEETING ADJOURNED: 9:34 a.m.

I, Donece Gregory, County Clerk and ex officio member of the Tyler County Commissioners
Court, do hereby certify to the fact that the above is a true and correct record of the Tyler County
Commissioners Court session held on May 10, 2010.

Witness my hand and seal of office on this the 12th day of May, 2010.

Attest: 
Donece Gregory, County Clerk, Tyler County, Texas



Funding Your TCDRS Retirement Plan and Enrolling Part-Time Employees

Ralph Wallace

Employer Services Representative

Employer Funding Process



- ★ Look at what is expected to happen
- ★ Look at what actually happened
- ★ Compare what happened to what was expected to happen
- ★ Receive New Employer Contribution Rate

May 7, 2010



What is Expected to Happen: Setting Actuarial Assumptions

May 7, 2010

What are Actuarial Assumptions?



- ★ Some are system-wide assumptions and some are locally determined assumptions
- ★ Based upon past 4 years of plan experience
- ★ Reviewed and modified every 4 years to ensure that they reflect current plan trends

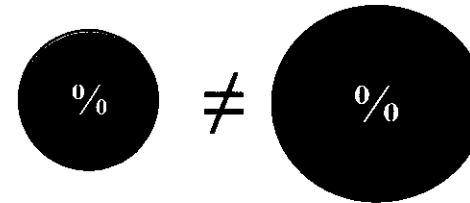
May 7, 2010

The Major Assumptions



★ Expected employee withdrawals

★ Expected payroll growth



★ Expected return on investments

★ Expected retirements

★ Mortality Rates

May 7, 2010



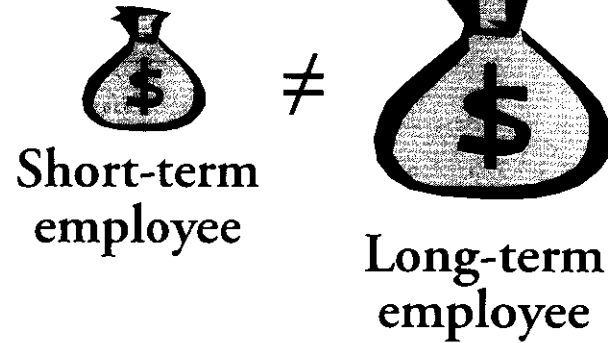
What Actually Happened: Measuring Annual Plan Experience

May 7, 2010

Annual Plan Experience



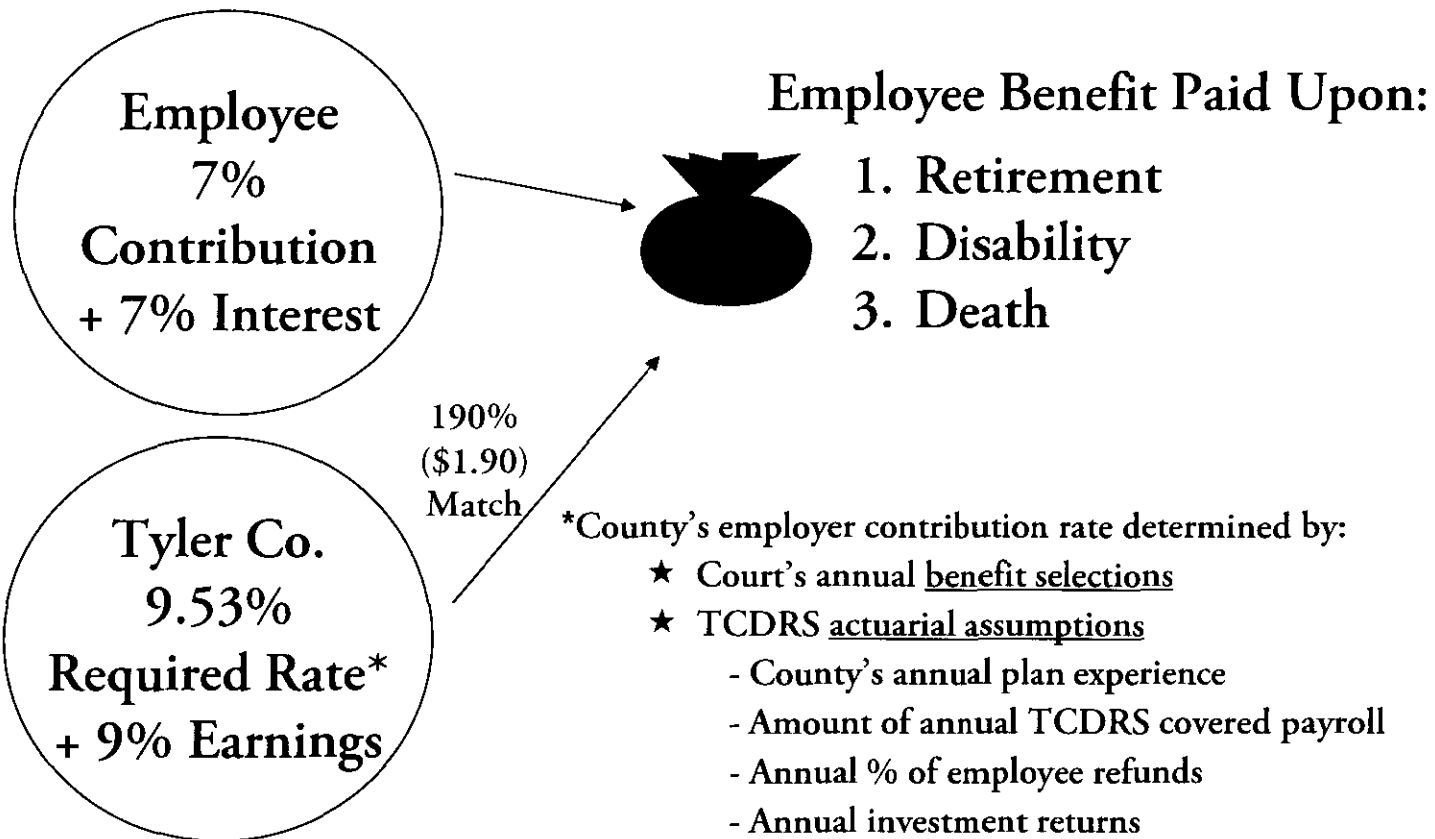
- ★ Actual employee withdrawals
- ★ Actual payroll growth
- ★ Actual retirements
- ★ Actual return on investments
- ★ Actual Mortalities
- ★ Actual benefit changes, if any
 - Addition of benefits
 - Changes to existing benefits



Pension Funding



Employee and Employer dollars are kept in separate accounts until a benefit is paid out.



May 7, 2010

Tyler County Rates/Costs For 2011



Normal Cost Rate	7.15%
UAAL Rate	<u>+2.21%</u>
Total Rate	9.36%

May 7, 2010

We Assess an Employer Contribution Rate



1. Normal Cost Rate

Rate that spreads the expected cost for an employee across their entire career

In a world where nothing ever changed, the NCR would likely be enough to fund future benefits. But:

- ★ Annual gains and losses will occur
- ★ Benefits may be changed

We Assess an Employer Contribution Rate



2. Unfunded Liability Rate

Remaining liability for benefits earned that have not yet been funded

$$\begin{array}{r} \text{Normal Cost Rate} \\ + \text{Unfunded Liability Rate} \\ \hline = \text{Total Employer Contribution Rate} \end{array}$$

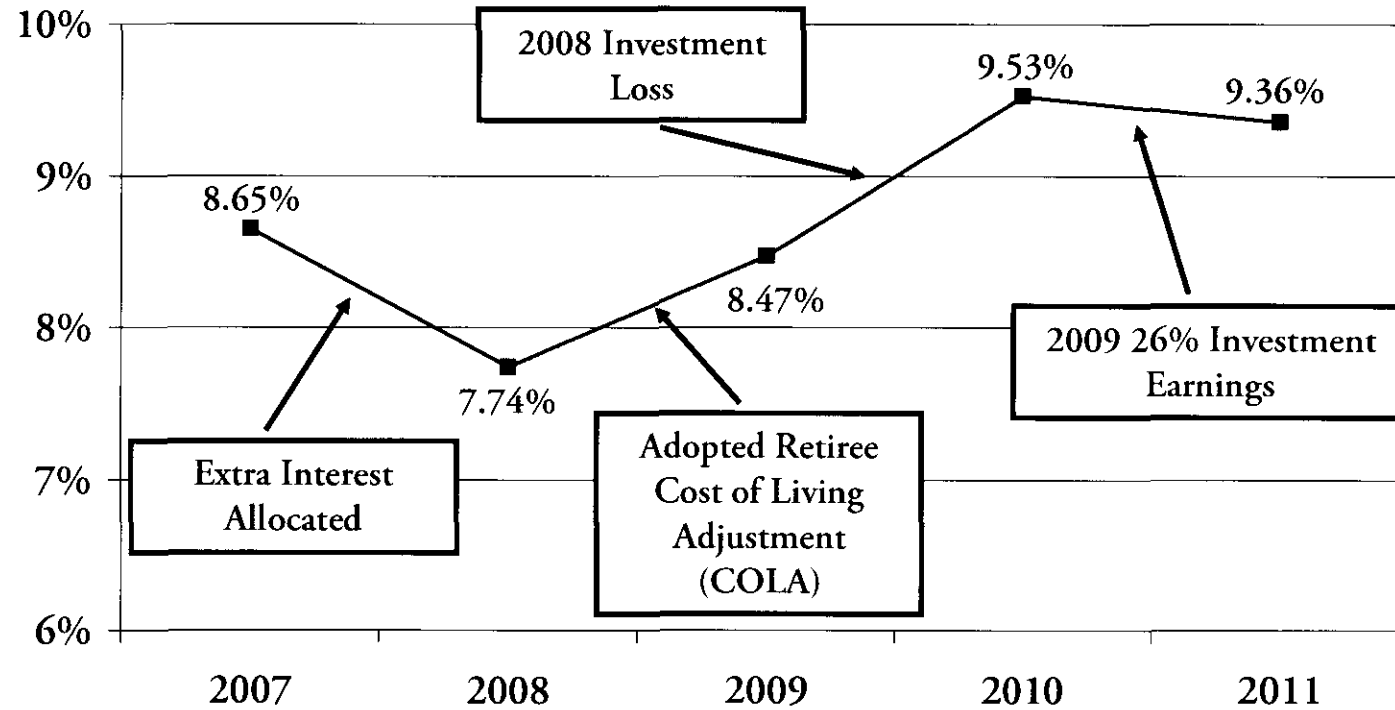
May 7, 2010

Tyler County Rate History



Five Year History of Employer Rates as a Percentage of Payroll

Tyler County

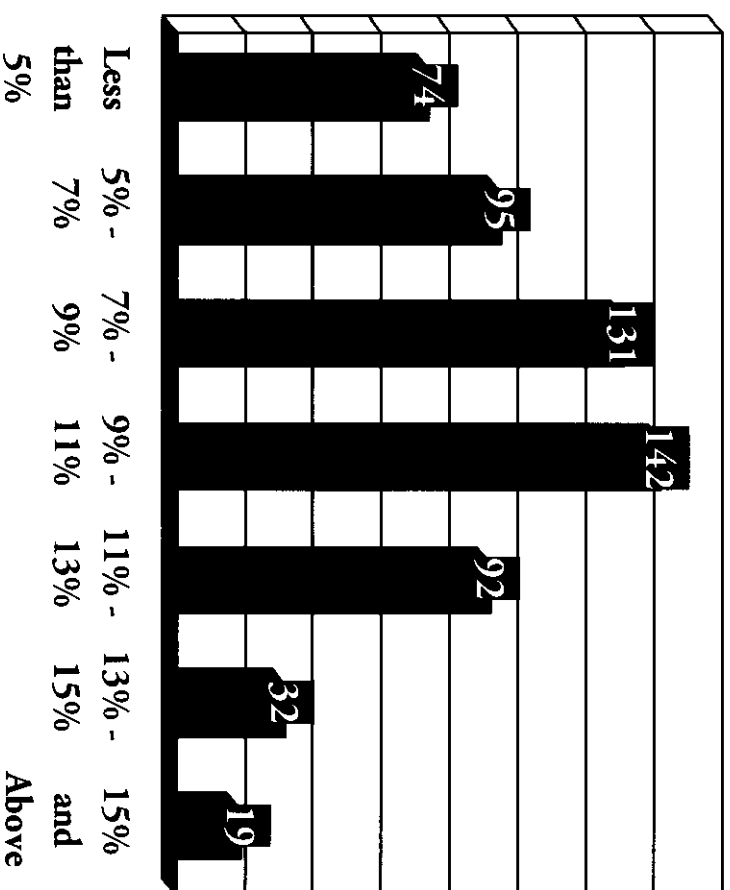


May 7, 2010

Required Rates Across the System



■ Plan Year 2010



May 7, 2010

Tyler County Funded Ratio



Funded Ratio	89%
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May 7, 2010

What is a Funded Ratio?



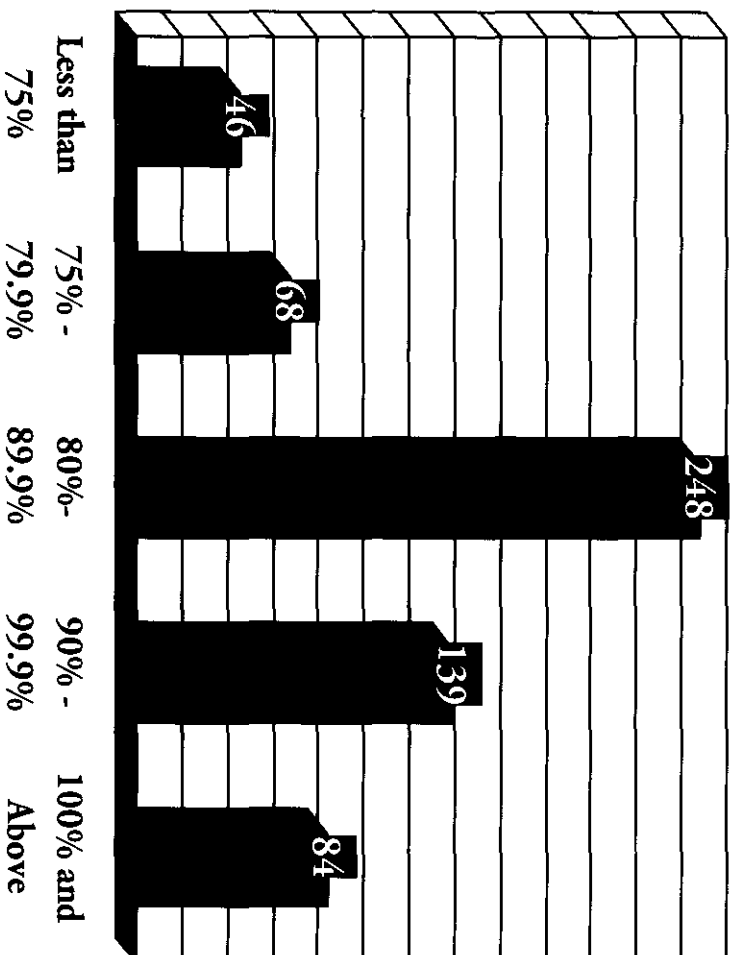
- ★ Not a measure of total funding
- ★ Not a percentage that can be paid off in full
- ★ Is a snapshot of your plan's funding status for a given year (variable)
- ★ Can't be accurately compared with another employer's funded ratio

May 7, 2010

Funded Ratios Across the System



■ Plan Year 2010



May 7, 2010

Tyler County Unfunded Amount Going Into 2011



UAAAL (Unfunded Amount)	\$1,022,168
UAAAL (Going into 2010)	\$1,037,069

May 7, 2010

What is an Unfunded Liability?



- ★ One indication of your plan's funding status
- ★ Is a number influenced by your annual plan experience
- ★ Is an amount paid off over a 20 year period

May 7, 2010

Consider Additional Contributions



- ★ An annual lump-sum contribution helps pay down your UAAL (annual payment)
- ★ Electing a higher monthly rate helps pay down your UAAL and may insure a stable budget amount (monthly payments)

May 7, 2010

The Moral of the Story



- ★ The "true" cost of your plan won't be known until the last benefit is paid out; you won't be overcharged or undercharged.
- ★ Projections of employer assets, benefit obligations and unfunded liabilities are measures of *funding progress*.

May 7, 2010



2005 Legislation Affecting Employee Enrollment

May 7, 2010

TCDRS Bill (HB 633)



Employer:

- ★ More flexibility to change benefits

Retiree:

- ★ Changes affecting retirees returning to work

Employee:

- ★ All permanent employees must be enrolled

May 7, 2010

“900 Hour” Rule



- ★ Employees should be classified as permanent or temporary for TCDRS purposes
 - **Permanent:** Is the person expected to be in the position for the foreseeable future ?
 - **Temporary:** Is the position known to have an end date ?
- ★ Effective January 2006; those needing extra time may complete a waiver to extend to January 2007

May 7, 2010

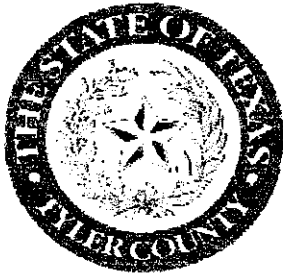
Correction of Errors



If an error is realized beyond the 12 month period:

- ★ Get affected employees enrolled as soon as possible
- ★ County would normally complete an *Employer's Request for Error Correction Calculation* (TCDRS-8)
- ★ County must decide whether and how to make a correction
- ★ TCDRS can only accept funds from the employer
- ★ TCDRS can only make adjustments when the employer remits the funds corresponding to the credited service (time)

May 7, 2010



TYLER COUNTY COMMISSIONERS COURT

County Courthouse, Room 102 / Woodville, Texas

MONDAY
May 10, 2010
8:30 AM

MARTIN NASH
Commissioner, Pct. 1

RUSTY HUGHES
Commissioner, Pct. 2

JACQUES L. BLANCHETTE
County Judge

MIKE MARSHALL
Commissioner, Pct. 3

JACK WALSTON
Commissioner, Pct. 4

NOTICE Is hereby given that a *Special Meeting* of the Tyler County Commissioners Court will be held on the date stated above, at which time the following subjects will be discussed;

Agenda

"the wisdom to know what's right and the courage to do it"

➤ **CALL TO ORDER**

- Establish quorum

I. PRESENTATION:

- A. **Ralph Wallace** with Texas County and District Retirement System: Information Update --
Sharon Fuller, Treasurer

➤ **ADJOURN**

I do hereby certify that the above Notice of Meeting of the Tyler County Commissioners Court is a true and correct copy of said Notice and that I posted a true and correct copy of said Notice at the Tyler County Courthouse in a place readily accessible to the general public at all times and that said Notice remained so posted continuously for at least 72 hours preceding the scheduled time of said meeting, as is required by Section 551.002 & 551.041.

Executed on May 7 2010 Time 8:30 AM

DONECE GREGORY, County Clerk/Ex Officio Member of Commissioners Court

By: Sharon Fuller (Deputy)

Part Time Employees

Year	# Part Time Employees	Gross Wages	Employer % Match	Employer \$ Match
2009	46	\$245,567.34	8.47	\$20,799.55
2008	55	\$188,775.55	7.74	\$14,611.22
2007	58	\$166,200.58	8.65	\$14,376.35
2006	46	\$175,221.00	7.90	\$13,842.45
Total.....		\$775,764.47		\$63,629.57

Summary of Part-Time Employees

			Wages	Estimated Retro Retirement Cost
Co. Clerk:	Part-Time	Co.Clerk	2006 \$	8,045.08
			2007 \$	6,054.10
Co.Clerk			Total Part-Time \$ 14,099.18
Veteran's:	Part-Time	Veterans	2007 \$	2,556.00
			2008 \$	10,632.00
			2009 \$	12,312.00
		Y-T-D as of 4.1.10	2010 \$	3,378.00
	Part-Time	Veterans	2006 \$	3,944.90
			2007 \$	2,384.85
	Part-Time	Veterans	2007 \$	1,667.25
		Treasurer's	2007 \$	52.65
		Veterans	2008 \$	1,828.12
	Part-Time	Veterans	2008 \$	2,004.30
			2009 \$	4,902.42
	Part-Time	Veterans	2009 \$	489.37
	Y-T-D as of 4.1.10	2010 \$	1,740.00	
Veterans			Total Part-Time \$ 47,891.86
J.P. #1 :	Part-Time	J.P. #1	2006 \$	7,116.00
			2007 \$	1,200.00
	Part-Time	J.P. #1	2007 \$	7,084.00
			2008 \$	3,808.00
J.P. #1			Total Part-Time \$ 19,208.00
Judge's Secretary:	Part-Time	Judge's Secretary	2009 \$	667.00
		Y-T-D as of 4.1.10	2010 \$	3,000.00
	Judge's Secretary			Total Part-Time

Maint./Custodial:

				Wages	Estimated Retro Retirement Cost	
Part-Time	Maint./Custodial	2006	\$	300.00		
		2007	\$	1,638.00		
		2007	\$	1,008.00		
		2007	\$	2,352.00		
		2008	\$	4,949.82		
	Y-T-D as of 4.1.10	2009	\$	5,080.50		
		2010	\$	768.50		
	Part-Time	Maint./Custodial	2007	\$	2,364.00	
			2008	\$	1,725.00	
	Part-Time	Maint./Custodial	2006	\$	10,267.50	
2007			\$	10,387.50		
2008			\$	390.00		
Part-Time	Maint./Custodial	2008	\$	4,192.50		
		2009	\$	5,808.75		
		Y-T-D as of 4.1.10	2010	\$	1,057.50	
Part-Time	Maint./Custodial	2008	\$	6,158.25		
Part-Time	Maint./Custodial	2006	\$	7,539.00		

Maint./Custod.	Total Part-Time	\$	65,986.82	\$5,575.89
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Sheriff's:

Part-Time	Sheriff's #426	2006	\$	7,124.48	
		2007	\$	1,002.00	
		2008	\$	10,501.48	
		2009	\$	15,330.00	
		Y-T-D as of 4.1.10	2010	\$	4,272.00
Part-Time	Sheriff's #426	2008	\$	3,114.96	
		2009	\$	21,238.50	
		Y-T-D as of 4.1.10	2010	\$	4,451.61

Sheriff's	Total Part-Time	\$	67,035.03	\$5,664.46
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R&B #2:

Part-Time	R&B #2	2009	\$	15,800.00	
	Y-T-D as of:4.1.10	2010	\$	4,600.00	

R&B #2	Total Part-Time	\$	20,400.00	\$1,723.80
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			Wages	Estimated Retro Retirement Cost
R&B #3:	Part-Time	R&B #3	2006 \$	12,750.00
		R&B #3	2007 \$	1,910.00

R&B #3	Total Part-Time \$	14,660.00	\$1,238.77
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R&B #4:	Part-Time	R&B #4	2006 \$	9,736.15	\$822.70
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Collection Center					
	Part-Time	Collection Center	2009 \$	6,851.36	
	Part-Time	Collection Center	2006 \$	692.16	
			2007 \$	12,322.92	
			2008 \$	9,649.04	
			2009 \$	3,075.36	
	Part-Time	Collection Center	2007 \$	308.00	
			2008 \$	10,210.20	
			2009 \$	13,356.00	
			Y-T-D as of 4.1.10	2010 \$	3,456.60
	Part-Time	Collection Center	2006 \$	9,802.10	
			2007 \$	7,550.90	
	Part-Time	Collection Center	2006 \$	11,437.12	
Collection Center Total Part-Time		 \$	98,247.91	\$8,301.95

				Wages	Estimated Retro Retirement Cost
Emergency Mgmt.:	Part-Time	Emergency Mgmt.	2007 \$	3,874.90	
			2008 \$	6,430.83	
		2009 \$	4,932.30		
		2010 \$	1,725.50		
		Y-D-D as of 4.1.10			
	Part-Time	Emergency Mgmt.	2007 \$	10,224.00	
			2008 \$	10,632.00	
			2009 \$	5,868.00	
	Part-Time	Emergency Mgmt	2008 \$	14,552.00	
			2009 \$	34,232.00	
			Y-D-D as of 4.1.10	2010 \$	8,400.00
Part-Time	Emergency Mgmt	2008 \$	11,920.00		
		2009 \$	29,256.00		
		2010 \$	992.00		

Emergency Mgmt. Total Part-Time	\$ 143,039.53	\$12,086.84
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			2006 thru Y-T-D 2010 Wages	Estimated Retro Retirement Cost
Tyler County	Total Part-Time	\$ 503,971.48	\$42,585.59