



# City of Pflugerville

## Legislation Details (With Text)

**File #:** ORD-0747    **Version:** 2    **Name:**  
**Type:** Ordinance    **Status:** Approved  
**File created:** 10/24/2023    **In control:** Human Resources  
**On agenda:** 11/14/2023    **Final action:**  
**Title:** Approving an ordinance on second reading with the caption reading: An ordinance regarding the City of Pflugerville's Texas Municipal Retirement System benefits: (1) adopting non-retroactive repeating COLAs for retirees and their beneficiaries under TMRS Act §853.404(f) and (f-1), and (2) authorizing annually accruing updated service credits and transfer updated service credits.

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. Ordinance, 2. TMRS Benefit Design Comparison

Date	Ver.	Action By	Action	Result
11/14/2023	2	City Council	Approved on Second Reading	Pass
10/24/2023	1	City Council	Approved on First Reading	Pass

Approving an ordinance on second reading with the caption reading: An ordinance regarding the City of Pflugerville's Texas Municipal Retirement System benefits: (1) adopting non-retroactive repeating COLAs for retirees and their beneficiaries under TMRS Act §853.404(f) and (f-1), and (2) authorizing annually accruing updated service credits and transfer updated service credits.

This year the Texas Legislature passed House Bill 2464 to make it less expensive for cities to adopt a repeating cost of living adjustment (COLA) in their Texas Municipal Retirement System (TMRS) plan. However, for Cities like Pflugerville it also provides a means of changing our retroactive COLA plan into a more sustainable non-retroactive COLA plan.

In the City of Pflugerville's current retroactive COLA plan, TMRS looks back to the year each former employee retired and calculates an average COLA. However, with a non-retroactive COLA, TMRS looks at the immediate past 12-month period to determine the COLA. The difference in payouts to the average retiree is only a few dollars less per month, but the impact to the City is significant. This adjustment would increase our funded ratio from 84.5% to 85.3% and reduce the city's liability by about one million dollars over the next 20 years.

### Prior City Council Action

City Council approved the ordinance on first reading October 24, 2023.

### Deadline for City Council Action

December 31, 2023

**Funding Expected:** Revenue \_\_\_ Expenditure \_\_\_ N/A \_X\_

**Budgeted Item:** Yes \_\_\_ No \_\_\_ N/A \_X\_

**Amount:** N/A

**1295 Form Required?** Yes ☐ No ☒

**Legal Review Required:** N/A ☐ Required ☒ Date Completed: 10/5/2023

**Supporting documents attached:**

Ordinance

TMRS Benefit Design Comparison

**Recommended Action**

Approve an ordinance on second reading with the caption reading: An ordinance regarding the City of Pflugerville's Texas Municipal Retirement System benefits: (1) adopting non-retroactive repeating COLAs for retirees and their beneficiaries under TMRS Act §853.404(f) and (f-1), and (2) authorizing annually accruing updated service credits and transfer updated service credits.