



City of Colleyville City Council Agenda

City Hall
100 Main Street
Colleyville, Texas 76034
817.503.1000
www.colleyville.com

Tuesday, June 21, 2016

City Council Chambers

**PRE COUNCIL MEETING
EXECUTIVE SESSION
5:30 P.M.
EXECUTIVE CONFERENCE ROOM
THIRD FLOOR**

CALL TO ORDER

PC-1 Discussion of Texas Municipal Retirement System (TMRS)

PC-2 Discussion of the City Council Rules of Procedure

PC-3 Discussion and presentation on current Capital Improvement Projects

PC-4 Presentation on residential irrigation system evaluations

PC-5 Discussion of the June 21, 2016, City Council regular agenda items

1. EXECUTIVE SESSION - In accordance with Texas Government Code, Chapter 551, Subchapter D

Section 551.071 - Legal - Consultation with attorney on legal issues raised by public hearing or action items on the agenda

Section 551.071 - Legal - Consultation with and legal briefing by the attorney regarding the Open Meetings Act and social media

Section 551.071 - Legal - Consultation with attorney on contemplated litigation (Camden Lock LLC)

Section 551.071 - Legal - Consultation with attorney regarding litigation - Lincoln et al v. City of Colleyville

Section 551.071 - Legal - Consultation with attorney regarding litigation - Jane Doe v. City of Colleyville

Section 551.072 - Real Estate - Deliberate the purchase, exchange, lease, or value of real property for City facilities

Section 551.087 – Economic Development - Discuss or deliberate regarding commercial or financial information that the City has received from business prospects that the City seeks to have locate, stay, or expand in the City and with which the City is conducting economic development negotiations; deliberate the offer of a financial or other incentive to a business prospect

**RESUME REGULAR MEETING
7:30 P.M.
CITY COUNCIL CHAMBERS**

INVOCATION: Pastor Luke Davidson, Compass Christian Church

PLEDGE OF ALLEGIANCE: City Attorney Matthew Boyle

2. EXECUTIVE SESSION READING AND PUBLIC HEARING: CONSIDER AND TAKE ANY ACTION(S) NECESSARY RELATIVE TO ITEMS DISCUSSED IN EXECUTIVE SESSION - RESOLUTION R-16-4003

3. ANNOUNCEMENTS, PROCLAMATIONS, AND PRESENTATIONS
Announcements of civic and charitable events
Presentation of calendar events and updates
Announcements of awards and recognition

In recognition of Colleyville's featured business - Braums, Kimberly Windham, General Manager, 4500 Colleyville Boulevard - Mayor Richard Newton and Economic Development Coordinator Carlie Dorshaw-Moe

4. CONSENT: READING AND PUBLIC HEARING- Resolution R-16-4004

4a Approval of the City Council worksession minutes on June 6, 2016

4b Approval of the minutes of the regular City Council meeting of June 7, 2016

5. ORDINANCE(S): FIRST READING AND PUBLIC HEARING

5a Ordinance O-16-1980

Approval of the Fiscal Year 2017 (FY 2017) Colleyville Crime Control and Prevention District budget

5b Ordinance O-16-1981

An ordinance amending Section 3A of the Water and Sewer Policy and Procedure manual as contained in the Code of Ordinances of the City of Colleyville, Texas by eliminating tiered water rates and establishing a rate of \$4.36 per thousand gallons of water for all gallons not included in the base rate, and providing for an effective date

6. RESOLUTION(S): READING AND PUBLIC HEARING**6a Resolution R-16-4005**

Approval of soliciting Requests for Proposals for City Attorney services

6b Resolution R-16-4006

Approval to award an economic development incentive grant to Craft & Crab Colleyville, LLC

6c Resolution R-16-4007

Approval of establishing a Charter Review Committee, appointing members, providing committee responsibilities, and selecting a reporting period

7. COUNCIL DISCUSSION ITEMS

Update on the status and activities of the Regional Transportation Council (RTC) - Councilmember Mike Taylor

8. CITIZEN COMMENTS/PRESENTATIONS REGARDING ITEMS NOT ON THE AGENDA**9. REPORTS**

Planning and Zoning Commission Meeting Minutes - May 9, 2016
Monthly Financial Report - May 2016

10. ACTION/RESOLUTION: DISCUSSION AND CONSIDERATION OF A RESOLUTION RATIFYING COUNCIL AGENDA ACTION FOR JUNE 21, 2016 - READING AND PUBLIC HEARING - RESOLUTION R-16-4008**11. ADJOURNMENT**

I hereby certify this agenda was posted on City Hall bulletin boards *Friday, June 17, 2016* by 5:00 p.m.

Amy Shelley, TRMC
City Secretary

A quorum of any Colleyville board, commission, or committee may be present at this meeting.

Any matter on this agenda may, at the discretion of the governing body, be opened for public comment and discussion.

If you plan to attend this public meeting and have a disability that requires special accommodations, please advise the City Secretary at least 48 hours in advance at 817.503.1133, and reasonable accommodations will be made to assist you.



City of Colleyville City Council Agenda Briefing

City Hall
100 Main Street
Colleyville, Texas 76034
www.colleyville.com

Agenda Number PC-1

Agenda Date 06/21/2016

Type Pre Council

Department Human Resources

Title

Discussion of Texas Municipal Retirement System (TMRS)

Strategy Map Connection

B3- Utilize partnerships to implement cost-effective service solutions

B4- Cultivate a culture of transparency and consistent communication

L1- Attract, develop, and retain skilled employees who embrace our values

Explanation

This item was placed on the agenda at the suggestion of Mayor Pro Tem Putnam and the purpose is to discuss the City's Texas Municipal Retirement (TMRS) plan.

Attachments

1. TMRS Presentation
2. Attachment 1 - 2017 TMRS Rate Letter
3. Attachment 2 - 2014 TMRS Comprehensive Annual Financial Report (CAFR)
4. Attachment 3 - TMRS Information for Cities
5. Attachment 4 - TMRS Facts

An Update on the Texas Municipal Retirement System

for
City of Colleyville
June 21, 2016

Presented by
Anthony Mills, Senior Regional Manager
amills@tmrs.com



TMRS History & Membership*

- 867 cities participate in TMRS (not Houston, Dallas, Ft. Worth, Austin, El Paso, or Galveston).
- TMRS has approximately 104,000 active member accounts and 53,000 annuitants.
- Governed by 6-member Board appointed by Governor with Senate approval.
- Participating cities vary in size from over 6,000 employees (San Antonio non-uniformed employees) to just 1 employee (15 TMRS cities).

***As of 12/31/14 TMRS Comprehensive Annual Financial Report (CAFR)**

TMRS Makes Dollars & Sense to Cities

- Plan of choice for Texas cities; **voluntary** statewide retirement plan
- Benefits are funded by mandatory employee deposits, city contributions, and investment income
- Operates by local control: Each participating city controls employer costs by choosing its own options

TMRS Funding Basics

- TMRS is a “hybrid” **cash-balance defined benefit plan** with statutory regulations in place that ensure oversight and responsible funding.
- TMRS has a **strong funding policy** and a healthy funded ratio around 85.8% and \$23.6 billion in assets.*
- TMRS’ investment return assumption is **6.75%**, one of the lowest among large public plans.
- Several changes have been made since 2007 to ensure **long-term, advance funding** of all benefits.
- All changes have also helped **reduce volatility** of city contributions from year-to-year.

*As of 12/31/15 TMRS Annual Valuation Report

City of Colleyville

My City Plan as of June 2016

City name and number

Colleyville (00281) since 10-1979

Employee's deposit rate

7% (01-1986)

City's matching ratio

200% (01-1982)

Vesting requirement

5 years of service

Retirement eligibility

5 years of service/Age 60; 20 years of service/Any Age

Additional provisions

Supplemental Death Benefits (Employee & Retiree)
100% Updated Service Credit (with Transfers) - Auto-Readopt
Military Service Credit
Restricted Service Credit



TMRSFACTS

Texas Municipal Retirement System

1200 North Interstate 35, Austin, Texas 78701 • PO Box 149153, Austin, Texas 78714-9153
512.476.7577 • 800.924.8677 • Fax 512.476.5576 • phonecenter@tmrs.com

Colleyville Valuation 2015

- Funded ratio 101.7%
- AVA \$49,029,491
- AAL \$49,852,738
- (\$823,247)

City of Colleyville Rate Letter



June 2, 2016

City #00281

City Official
City of Colleyville
100 Main Street
Colleyville, TX 76034

Subject: 2017 Municipal Contribution Rate

Dear City Official:

Presented below are your city's contribution requirements to the Texas Municipal Retirement System (TMRS) for Plan Year 2017 (Calendar Year 2017, PY2017) as determined by the December 31, 2015 actuarial valuation. The actuarially determined contribution rates for retirement benefits and Supplemental Death Benefits (SDB), if any, are based on your city's plan provisions in effect as of April 1, 2016 and the actuarial assumptions and methods adopted by the TMRS Board. Effective January 1, 2017, your city's monthly contribution rates will be:

	<u>Phase-in Rate</u>	<u>Full Rate</u>
Normal Cost	8.78%	8.78%
Prior Service	<u>(0.68%)</u>	<u>(0.35%)</u>
Total Retirement Rate	8.10%	8.43%
Supplemental Death Benefit	<u>0.14%</u>	<u>0.14%</u>
Total Combined Contribution	8.24%	8.57%

The Total Retirement Rate shown in the Full Rate column above represents the Actuarially Determined Employer Contribution (ADEC) for PY2017 based on current TMRS funding policy. The **Total Combined Contribution Rate shown in the Phase-in Rate column above represents the minimum required contribution rate to TMRS for PY2017.** The difference represents the portion of your Full Rate that is eligible to be phased in. **Your city must contribute at least the Phase-in Rate, though TMRS highly recommends that each city contribute as much toward the Full Rate as possible.** Please note that if your city chooses to contribute at a rate below the 2017 Full Rate, the contribution shortfall will be reflected in your city's Unfunded Actuarial Accrued Liability (UAAL) and contribution rate in subsequent years. Cities may also choose to contribute at a rate level above the Full Rate. In lieu of phasing in to the Full Rate, a one-time UAAL re-amortization option is available to certain cities that experienced a net contribution rate increase greater than 0.5% due to the 2015 actuarial changes. See the "Phase-in Rates" section for more information on the phase-in/re-amortization options.

The actuarial liabilities and contribution rates determined as part of the December 31, 2015 actuarial valuation reflect a change in actuarial assumptions based on the results of the 2015 experience study for the period ending December 31, 2014. Please see the "Actuarial Changes" section for more detailed information. Full information on your contribution rate, including an explanation of changes, is contained in the attached report.

IMPORTANT NOTE: The pension disclosure and financial statement information necessary to assist your city with the financial reporting requirements of the Governmental Accounting Standards Board (GASB) will be provided in a separate document available later this summer.

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

www.TMRS.com

512.476.7577
TOLL-FREE 800.924.8677
FAX 512.476.5576

City of Colleyville



Plan Change Study

00281 Colleyville

GRID 2017

For Informational Purposes Only

Effective Date - January 1, 2017

Report Date - June 14, 2016

Proposed Plans

<u>Plan Provisions</u>	<u>Current</u>
Deposit Rate	7.00%
Matching Ratio	2 to 1
Updated Service Credit	100% (Repeating)
Transfer USC **	Yes
Annuity Increase	0%
20 Year/Any Age Ret.	Yes
Vesting	5 years
<u>Contribution Rates</u>	<u>2017</u>
Normal Cost Rate	8.78%
Prior Service Rate	<u>-0.35%</u>
Retirement Rate	8.43%
Supplemental Death Rate	<u>0.14%</u> (A & R)
Total Rate	8.57%
Unfunded Actuarial Liability	\$-823,247
Amortization Period	25 years
Funded Ratio	101.7%
Phase-In Total Rate	8.24%

**This is the addition to the Initial Prior Service Rate for USC for transfers. There were 30 eligible transfer employees on the valuation date.

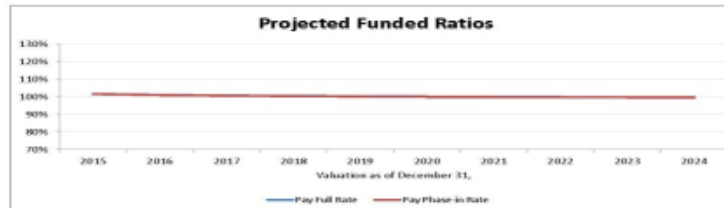
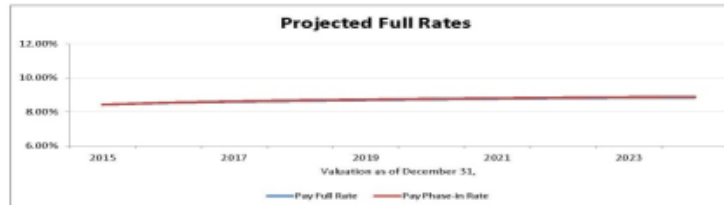
City of Colleyville Projection

Projection of Valuation Results - Pension Only

281, Colleyville

Summary of Current Benefit Provisions			
Employee Contribution Rate	7.00%	USC	100% Recurring with Transfer
Employer Match Rate	2 - 1	COLA	No COLA
Vesting	5 years	Retirement Eligibility	Age 60 with 5 years of service or 20 years of service

Calendar Year	Projection Results							
	2016	2017	2018	2019	2020	2021	2022	2023
Full Rate	7.58%	8.43%	8.54%	8.60%	8.65%	8.70%	8.74%	8.78%
Estimated Contribution	930,936	1,066,388	1,112,712	1,154,145	1,195,681	1,238,670	1,281,696	1,326,189
Funded Ratio	101.7%	101.2%	100.9%	100.6%	100.4%	100.2%	100.1%	100.0%
Phase In Rate Contributed								
Full Rate	7.58%	8.43%	8.55%	8.63%	8.69%	8.73%	8.78%	8.81%
Phase-In Rate	7.37%	8.10%	8.55%	8.63%	8.69%	8.73%	8.78%	8.81%
Estimated Contribution	905,144	1,024,643	1,114,015	1,158,171	1,201,210	1,242,942	1,287,562	1,330,721
Funded Ratio	101.7%	101.1%	100.7%	100.5%	100.3%	100.1%	100.0%	99.9%



QUESTIONS?





June 2, 2016

City #00281

City Official
City of Colleyville
100 Main Street
Colleyville, TX 76034

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IMPORTANT NOTE: The pension disclosure and financial statement information necessary to assist your city with the financial reporting requirements of the Governmental Accounting Standards Board (GASB) will be provided in a separate document available later this summer.



If you have questions about your rate or if you wish to evaluate potential changes in your TMRS plan, contact TMRS at 800-924-8677.

Sincerely,

Eric W. Davis
Deputy Executive Director

Table of Contents

Actuarial Changes	A summary of the changes in actuarial assumptions adopted by the Board and effective with the December 31, 2015 actuarial valuation based on the results of the 2015 experience study.
Executive Summary	A comparison of the highlights of the December 31, 2015 and December 31, 2014 actuarial valuations for your city. Included are membership counts, asset information, actuarial information, and contribution rate requirements.
Calculation of Contribution Requirements	Details the calculation of the Full Retirement Rate (TMRS Plan Year - ADEC), Minimum Required Phase-in Retirement Rate, and the Supplemental Death Rate, if applicable, for your city. Comparisons before and after the actuarial changes and to the 2014 actuarial valuation results are included.
Summary of Benefit Provisions	A summary of plan provisions for plan years 2015 and 2016.
Amortization Bases and Payments	Information on the amortization bases and payments for your city.
Historical and Projected Accumulation of the BAF Balance	This schedule provides your city with historical cash flows, interest credits and the year-end balance of its Benefit Accumulation Fund (BAF), as well as projected values for calendar/plan years 2016 and 2017.
Reconciliation of Full Retirement Rate from Prior Actuarial Valuation Report	A detailed reconciliation of changes in your city's Full Retirement Rate (ADEC) since the prior valuation.
Phase-in Rates	An explanation of "Phase-in" including a question and answer section on Phase-in contributions and how they might affect your city. Also included are details of the one-time re-amortization option available to certain cities in lieu of phase-in.

Actuarial Changes

As part of their continued effort to ensure that TMRS is well funded and that members' benefits remain secure and sustainable over generations, the TMRS Board of Trustees adopted the actuarial changes summarized below at its December 2015 Board meeting, based on the results of the 2015 experience study and the recommendations of the System's consulting actuary, Gabriel Roeder Smith & Company (GRS). The combined impact of the following changes is shown in the "Reconciliation of Full Retirement Rate from Prior Actuarial Valuation Report" section of this letter.

Actuarial Assumption Changes

The TMRS Act requires that at least once every 5 years, the System's consulting actuary perform an actuarial experience study and make recommendations to the Board based on the results of that study. Current Board policy is to conduct an actuarial experience study every four years. Accordingly, during 2015, TMRS' consulting actuary, GRS, conducted an experience study for the period ending December 31, 2014. A single set of assumptions is not expected to be suitable forever. As the actual experience of a plan unfolds or the future expectations change, the assumptions should be reviewed and adjusted accordingly. The actuarial assumptions used in the annual actuarial valuations and reviewed as part of the experience study are generally grouped into the following two major categories:

1. Economic assumptions – investment return, salary increases, overall payroll growth, inflation
2. Demographic assumptions – rates of termination, forfeiture, service retirement, disability retirement, pre-retirement mortality, post-retirement mortality

The Board adopted several changes in actuarial assumptions including:

- Reduction in the investment return assumption from 7% to 6.75%
- Reduction in the inflation assumption from 3% to 2.5%
- Reduction in individual salary increases
- Reduction in projected cost of living adjustments (COLAs) consistent with lower inflation
- Reduction to the 3% payroll growth assumption for cities with patterns of population decline
- Reduction in the rates of termination and modification of classification and city multipliers
- Reduction in forfeiture rates (withdrawal of member deposits) for vested members not eligible for retirement
- Reduction in rates of disability

Asset Valuation (Smoothing) Method Modification

An asset smoothing method is the technique used in determining the Actuarial Value of Assets (AVA) which recognizes gains or losses in pension assets over some period of time in order to reduce the effects of normal market volatility on contribution rates. In TMRS, the AVA is based on the Market Value of Assets (MVA) with ten-year smoothing applied. This is accomplished by recognizing each year 10% of the difference between the MVA and the expected AVA, based on the assumed rate of investment return. The AVA is further adjusted by 33% of any difference between the initial value and a 15% corridor

around the MVA. Effective with the December 31, 2015 actuarial valuation, a provision was added to the current 10-year smoothing method to ensure that an asset gain or loss from an individual year is fully recognized within 10 years. Also, beginning with the December 31, 2015 actuarial valuation, a System-wide calculation to determine the ratio of the smoothed value to the market value in aggregate will be performed and that ratio will then be applied to each city's MVA in determining their individual AVA. Previously, the AVA was determined for each individual city based on the cash flow and asset levels of that city.

Amortization Policy Modification

In TMRS, for underfunded plans, amortization of the Unfunded Actuarial Accrued Liability (UAAL) is a level percentage of payroll over a closed period using the process of "laddering" which separately tracks different amortization components or bases. For all new losses, including benefit enhancements, occurring after December 31, 2015, the maximum amortization period will be 25 years for all cities. Previously, some cities amortized their losses over a 30-year period. Bases created on or before December 31, 2015 will continue to be amortized on their original schedule. This change will have no impact on the December 31, 2015 actuarial valuation, but will affect future valuations for certain cities.

Executive Summary

Valuation as of TMRS Plan Year (PY) Ending	12/31/2015	12/31/2014
Membership as of the Valuation Date		
• Number of		
- Active members	181	180
- Retirees and beneficiaries	106	99
- Inactive members	<u>117</u>	<u>108</u>
- Total	404	387
• Prior year's payroll provided by TMRS	\$ 11,750,753	\$ 10,904,635
• Valuation Payroll	\$ 12,281,471	\$ 11,469,247
Benefit Accumulation Fund (BAF) Assets		
• Market BAF Balance	\$ 48,536,136	\$ 48,597,122
• BAF crediting rate for PY	0.06%	5.68%
• Interest credited on beginning BAF balance	\$ 28,931	\$ 2,624,573
• Municipal contributions	903,631	745,874
• Member contributions during year	822,553	763,324
• Benefit and refund payments	1,816,099	1,728,299
Actuarial Value of Assets (AVA)		
• Market BAF Balance	\$ 48,536,136	\$ 48,597,122
• Actuarial Value of Assets (AVA)	49,852,738	46,766,941
• AVA as a Percentage of BAF	102.7%	96.2%
• Return on AVA*	6.70%	7.47%
Actuarial Information		
• Actuarial accrued liability (AAL)	\$ 49,029,491	\$ 44,992,613
• Actuarial value of assets (AVA)	49,852,738	46,766,941
• Unfunded actuarial accrued liability (UAAL)	(823,247)	(1,774,328)
• UAAL as % of pay	(7.0%)	(16.3%)
• Funded ratio (AVA/AAL)	101.7%	103.9%
• Employer normal cost	8.78%	8.49%
• Prior Service Rate	(0.35%)	(0.91%)
Contribution Rates for TMRS Plan Year (PY)	2017	2016
• Member	7.00%	7.00%
• Full retirement rate (ADEC)	8.43%	7.58%
• Phase-in retirement rate (minimum)	8.10%	7.37%
• Supplemental Death rate	0.14%	0.15%
Total Employer Contribution Estimates for PY	2017	2016
• Projected payroll	\$ 12,649,915	\$ 11,813,324
• Minimum Phase-in contribution rate	8.24%	7.52%
• Estimated employer contribution	\$ 1,042,353	\$ 888,362

Note: TMRS Plan Year coincides with Calendar Year

Results from prior year reflect the plan provisions used in the 12/31/2015 valuation report.

* Return on AVA is calculated prior to actuarial changes.

Calculation of Contribution Requirements

		<u>December 31, 2015</u>		<u>December 31, 2014</u>	
		New Assumptions	Old Assumptions		
1.	Prior year's payroll provided by TMRS	\$ 11,750,753	\$ 11,750,753	\$	10,904,635
2.	Valuation payroll	12,281,471	12,281,471		11,469,247
3.	Employer normal cost rate	8.78%	8.42%		8.49%
4.	Actuarial liabilities				
a.	Present active members	\$ 22,088,010	\$ 21,888,369	\$	21,226,911
b.	Present inactive members	6,195,629	5,937,027		5,677,099
c.	Annuityants	<u>20,745,852</u>	<u>20,266,976</u>		<u>18,088,603</u>
d.	Total actuarial accrued liability	\$ 49,029,491	\$ 48,092,372	\$	44,992,613
5.	Actuarial value of assets	<u>49,852,738</u>	<u>49,809,254</u>		<u>46,766,941</u>
6.	Unfunded actuarial accrued liability (UAAL) (4d - 5)	\$ (823,247)	\$ (1,716,882)	\$	(1,774,328)
7.	Funded ratio (5 / 4d)	101.7%	103.6%		103.9%
8.	Equivalent Single Amortization Period*	25.0 years	25.0 years		25.0 years
9.	Assumed payroll growth rate	3.00%	3.00%		3.00%
Contribution Rate for TMRS Plan Year:		2017		2016	
10.	Full retirement rate				
a.	Normal cost	8.78%	8.42%		8.49%
b.	Prior service	<u>(0.35%)</u>	<u>(0.82%)</u>		<u>(0.91%)</u>
c.	Full retirement rate	8.43%	7.60%		7.58%
11.	Minimum phase-in retirement rate				
a.	Full retirement rate (10c)	8.43%	7.60%		7.58%
b.	Less phase-in deferral	<u>(0.33%)</u>	<u>(0.00%)</u>		<u>(0.21%)</u>
c.	Minimum phase-in retirement rate	8.10%	7.60%		7.37%
12.	Supplemental Death rate	0.14%	0.14%		0.15%
13.	Combined contribution rates				
a.	Combined full rate (10c + 12)	8.57%	7.74%		7.73%
b.	Combined phase-in rate (11c + 12)	8.24%	7.74%		7.52%

* New Losses are laddered on 25-year period.

Summary of Benefit Provisions

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS. Plan provisions for the City were as follows:

	Plan Year 2016	Plan Year 2015
Employee deposit rate	7%	7%
Matching ratio (city to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Retirement Eligibility (Age /Service)	60/5, 0/20	60/5, 0/20
Updated Service Credit	100% Repeating Transfers	100% Repeating Transfers
Annuity Increase (to retirees)	0% of CPI	0% of CPI
Supplemental Death Benefit to Active Employees	Yes	Yes
Supplemental Death Benefit to Retirees	Yes	Yes

Amortization Bases and Payments

Year Established	Description	Years Remaining	Base	Payment
2009	2009 Ad Hoc Benefit Change	9	\$86,572	\$12,722
2015	2015 Overfunded Non-Ad Hoc	25	<u>(909,819)</u>	<u>(55,866)</u>
	Total		(823,247)	(43,144)

Historical and Projected Accumulation of the BAF Balance

Year Ending December 31, (1)	Payroll for the Year (2)	Effective Retirement Contribution Rate ^a (3)	Employer Contributions for the Year (4)	Member Contributions for the Year (5)	Benefit Payments (6)	External Cash Flow for the Year (7)	Interest Credit (8)	BAF Balance ^b (9)
		(4) / (2)				(4) + (5) + (6)		
2013	\$ 10,452,089	6.98%	\$ 729,451	\$ 731,646	\$ (1,981,775)	\$ (520,678)	\$ 4,132,202	\$ 46,191,651
2014	\$ 10,904,635	6.84%	\$ 745,874	\$ 763,324	\$ (1,728,299)	\$ (219,101)	\$ 2,624,573	\$ 48,597,122
2015	\$ 11,750,753	7.69%	\$ 903,631	\$ 822,553	\$ (1,816,099)	\$ (89,915)	\$ 28,931	\$ 48,536,136
2016	\$ 12,281,471	7.37%	\$ 905,144	\$ 859,703	\$ (2,320,285)	\$ (555,438)	\$ 3,276,189	\$ 51,256,887
2017	\$ 12,649,915	8.10%	\$ 1,024,643	\$ 885,494	\$ (2,319,105)	\$ (408,968)	\$ 3,459,840	\$ 54,307,759

a. Effective retirement contribution rate is the actual rate determined by dividing the employer contribution received by the payroll paid.

b. BAF Balance may be off a dollar due to rounding.

Reconciliation of Full Retirement Rate from Prior Actuarial Valuation Report

Actuarial valuations are based on long-term assumptions, and actual results in a specific year can, and almost certainly will, differ as actual experience deviates from the assumptions. The following table provides a detailed breakdown of changes in the retirement portion of your city's contribution rate. This analysis reconciles the change in the retirement portion (ADEC) of your city's contribution rate from 2016 to 2017, but will not reflect any change in the cost of the Supplemental Death Benefit (SDB), if your city currently has this provision. (Any changes in the cost of the SDB are primarily due to the changes in the average age of your city's employee group and/or the number of covered retirees.) Following the table below is a brief description of the common sources for deviation from the expected.

Change in Full Retirement Rate		
Full Rate from 12/31/2014 Valuation (PY 2016 Rate)		7.58 %
Benefit changes	0.00 %	
Return on Actuarial Value of Assets	0.07	
Contribution lag/phase in	(0.01)	
Payroll growth	0.04	
Normal cost	(0.07)	
Liability growth	(0.01)	
Subtotal Experience Change	0.02 %	
Actuarial Changes	0.83	
Total change	0.85 %	
Full Rate from 12/31/2015 Valuation (PY 2017 Rate)		8.43 %

Benefit Changes - Shows the increase or decrease in the contribution rate associated with any modifications made to the member city's TMRS plan provisions. This will also include any changes to the amortization period adopted by ordinance.

Return on Actuarial Value of Assets (AVA) - Shows the change in the contribution rate associated with the return on the AVA being different than the assumed 7.0%. For the year ending December 31, 2015, the return on an AVA basis was 6.70%. The impact may show as 0.00% due to rounding.

Contribution Lag/Phase In - Shows the total increase or decrease in the contribution rate associated with the phase in of contributions and/or any additional contributions above the full rate. The effect of the "Contribution Lag" is also included here and refers to the time delay between the actuarial valuation date and the date the contribution rate becomes effective. For TMRS member cities, the

“Contribution Lag” is one year (i.e., the Actuarial Valuation as of December 31, 2015 sets the rate effective for Calendar Year 2017). **The impact of the “Contribution Lag” is expected to become immaterial once a city is contributing the Full Rate and the Full Rate stabilizes.**

If a city chooses to contribute the minimum phase-in contribution, the difference between the Full Rate and the Phase-in Rate will be reflected as an actuarial loss in the next valuation’s UAAL. This will increase the Full Rate for future valuations.

Cities should carefully consider whether to pay the minimum Phase-in Rate, the Full Rate, or a rate somewhere in between. If a city begins to contribute the Full Rate immediately, the actuarial valuation anticipates that the Full Rate will stabilize for the duration of the amortization period. However, if the minimum phase-in contribution schedule is utilized, the ultimate Full Rate would be expected to be higher than the current Full Rate. For more information on the impact of the phase-in, please refer to the “Phase-in Rates” section.

Payroll Growth - Shows the increase or decrease in the contribution rate associated with higher or lower than expected growth in the member city’s overall payroll. The amortization payments were calculated assuming payroll grows at 3.00% per year. Overall payroll growth in excess of 3.00% will typically cause a decrease in the prior service rate.

Normal Cost - Shows the increase or decrease in the contribution rate associated with changes in the average normal cost rate for the individual city’s population. The normal cost rate for an employee is the contribution rate which, if applied to a member’s compensation throughout their period of anticipated covered service with the municipality, would be sufficient to meet all benefits payable on their behalf. The salary-weighted average of the individual rates is the total normal cost rate.

Liability Growth - Shows the increase or decrease in the contribution rate associated with larger or lower than expected growth in the member city’s overall plan liabilities. The most significant sources for variance will be individual salary increases compared to the assumption and turnover.

Actuarial Changes - Shows the change in the contribution rate associated with the changes in actuarial assumptions based on the results of the 2015 experience study.

Phase-in Rates

Phase-in Policy

After the actuarial changes first reflected in the December 31, 2013 actuarial valuation, any city that experienced a contribution rate increase in excess of 0.5% due to the 2013 actuarial changes was given the option to phase in contributions 0.5% per year until the full retirement rate is reached. Subsequently, at the December 2015 meeting and based on the results of the 2015 experience study, the TMRS Board of Trustees approved a new set of actuarial assumptions to be first reflected in the December 31, 2015 actuarial valuation. At the same time, the Board also approved a phase-in policy to help manage the potential impact of the 2015 actuarial changes on contribution rates. Specifically, any city that experienced a net contribution rate increase in excess of 0.5% due to the 2015 actuarial changes is eligible to phase in 0.5% per year until the full retirement rate is reached. For this purpose, the net contribution rate increase is the contribution rate increase resulting solely from the 2015 change in actuarial assumptions adjusted by the contribution rate decrease attributable to experience gains, if any. See the “Reconciliation of Full Retirement Rate from Prior Actuarial Valuation Report” section for determining your city’s net contribution rate increase.

Your city is eligible for a contribution rate phase-in due to one or both of the phase-in options discussed above. Any remaining 2013 phase-in balance will be combined with the 2015 phase-in amount in determining the final phase-in balance.

Re-Amortization Option

Finally, the TMRS Board also approved, in lieu of phase-in, a one-time re-amortization option for those cities with underfunded plans that experienced a net contribution rate increase (defined above) in excess of 0.5% due to the 2015 actuarial changes. These cities have a one-time option to instruct TMRS to aggregate and re-amortize all individual non-ad hoc UAAL bases up to a maximum of 30 years to offset any net contribution rate increases back to the limit of 0.5%. The resulting single period amortization is rounded up to the next integer, not to exceed 30 years, in determining the final contribution rate. A request for this one-time re-amortization option may be made in 2016-2018 and will be applied prospectively for the next calendar year (2017-2019, as applicable). For more details regarding the re-amortization option and its availability for your city, please contact Leslee Hardy, TMRS Director of Actuarial Services, at lhardy@tmrs.com.

What rate should my city pay?

Your city must contribute at least the Phase-in Rate and should consider paying more than this amount.

Can my city contribute more than the Phase-in Rate?

You may contribute at any rate you choose, but you must contribute at least the Phase-in Rate. Your city may choose to pay (1) the Full Rate, (2) a rate between the Phase-in Rate and the Full Rate, or (3) a rate above the Full Rate. The TMRS Act was amended effective January 1, 2008 to allow cities to make additional contributions to TMRS.

What is the impact of paying the Phase-in Rate or a rate below the Full Rate?

Each year that the actual contribution rate is less than the Full Rate, the difference generates an actuarial loss in the following year's actuarial valuation, which must be amortized as part of the UAAL by an increase in the Prior Service Rate. All other things being equal, the Full Rate for each successive year of the phase-in period will reflect the cumulative increases in the Prior Service Rate from all prior years. Cities that pay the Phase-in Rate or any rate less than the Full Rate are also likely to see their funding ratio decline or increase at a slower rate each year.

What is the impact of contributions in excess of the Full Rate?

Contributions above the Full Rate will have the exact opposite effect on your city as described above for contributions less than the Full Rate. Specifically, the amortization of actuarial gains created by additional contributions will decrease the Full Rate (by a decrease in the Prior Service Rate) in the following year's actuarial valuation. Cities that make contributions in excess of the Full Rate should also see their funding ratios improve more rapidly.

Can my city pay the Full Rate this year and change to the Phase-in Rate in a later year?

Yes. For any year in which your city is eligible to phase in the full retirement rate, TMRS will send you a rate letter showing both the Phase-in Rate and the Full Rate. The Phase-in Rate will be the minimum rate you must pay. As mentioned earlier, a city should consider paying more than the Phase-in Rate.

If my city makes plan changes that increase the cost of our plan (benefit improvements), can we phase in those additional costs?

No. The contribution rate increase due to benefit improvements will not change the Phase-in Amount used in determining the Phase-in Rate. The Phase-in Rate will increase by the same amount as the Full Rate. The Phase-in Rate was intended to assist those cities that needed additional time to budget for the Full Rate. Any city making plan changes should consider paying the Full Rate.

If my city makes changes that decrease the cost of our plan (benefit reductions), will our Phase-in Rate be affected?

Yes. Reductions in the Full Rate because of a plan benefit reduction will change the amount being phased in and the Phase-in Rate beginning with the year the plan changes are effective. The portion of the amount being phased in and not yet recognized will be reduced by the decrease in the Full Rate. If the decrease in the Full Rate due to reductions in plan benefits exceeds the remaining phase-in balance, your required contribution rate will be the reduced Full Rate based on the new plan provisions.

If I make a plan change in 2016, will my 2017 contribution rate be recalculated?

Yes. 2017 contribution rates will be re-determined for cities that adopt changes in plan benefits before the end of calendar year 2016.



Texas Municipal Retirement System

2014

Comprehensive Annual Financial Report
For the Years Ended December 31, 2014 and 2013

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Texas Municipal Retirement System

TMRS®

P.O. Box 149153

Austin, TX 78714-9153

Phone 800.924.8677

Website: www.tmr.com

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Texas Municipal Retirement System

2014

Comprehensive Annual Financial Report

For the Years Ended December 31, 2014 and 2013

Prepared by: The Finance Department of the Texas Municipal Retirement System

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Introductory





Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Texas Municipal Retirement System

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2013

A handwritten signature in black ink, appearing to read 'Jeffrey R. Enen'.

Executive Director/CEO



Public Pension Coordinating Council

Public Pension Standards Award For Funding and Administration 2014

Presented to

Texas Municipal Retirement System

In recognition of meeting professional standards for
plan funding and administration as
set forth in the Public Pension Standards.

Presented by the Public Pension Coordinating Council, a confederation of

National Association of State Retirement Administrators (NASRA)
National Conference on Public Employee Retirement Systems (NCPERS)
National Council on Teacher Retirement (NCTR)

A handwritten signature in black ink, appearing to read 'Alan H. Winkle'.

Alan H. Winkle
Program Administrator



June 10, 2015

To: The Participants and Employers of the Texas Municipal Retirement System
and the Readers of the *Comprehensive Annual Financial Report*

We are pleased to present the *Comprehensive Annual Financial Report* (CAFR) of the Texas Municipal Retirement System (TMRS, or the System) for the year ended December 31, 2014 and 2013. We hope you will find this report informative.

The CAFR is prepared by TMRS staff under the direction of the Board of Trustees. Management of TMRS assumes full responsibility for both the accuracy of the data and the completeness and fairness of its presentation, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatement. This report complies with generally accepted accounting principles as established by the Governmental Accounting Standards Board (GASB).

The TMRS Act requires that independent auditors perform an annual audit on the financial statements contained in this report. The Board selected KPMG LLP to perform the audit for the 2014 fiscal year. For information regarding the scope of the audit, please see the Independent Auditors' Report in the Financial Section. Management's Discussion and Analysis (MD&A) is found in the Financial Section immediately following the Independent Auditors' Report and provides an analysis of condensed financial information for the current and prior fiscal years. MD&A should be read in conjunction with this transmittal letter.

About TMRS

TMRS is a statewide agent multiple-employer public employee retirement system created by law in 1947 to provide retirement, disability, and death benefits to employees of participating cities. As a hybrid, defined benefit plan, TMRS members contribute at a designated rate toward their own retirement benefit. At retirement, the member's account balance (including credited interest) plus employer matching contributions is used to calculate the member's retirement benefit. As of December 31, 2014, TMRS had 860 member cities, 149,073 employee accounts, and 53,455 retirement accounts. TMRS paid \$1.0 billion in benefits in 2014, up from \$946.5 million in 2013.

Activity in 2014

In preparation for the new reporting requirements of GASB Statement No. 67, *Financial Reporting for Pension Plans - An Amendment of GASB Statement No. 25*, and to enable TMRS to provide information to cities for their financial reports, TMRS engaged KPMG LLP to complete a SOC-1 Type 2 audit, with

Letter of Transmittal

Continued

completion in early 2015. Throughout 2014, TMRS continued its communications to cities about the upcoming changes under the new GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - An Amendment of GASB Statement No. 27*. We posted flyers and informational links on the “Eye on GASB” web page, sent targeted emails to cities, and provided speakers at public events to address questions from city finance officers and auditors.

In March 2015, the TMRS Board approved an approximate 5.68% interest credit to city accounts as of December 31, 2014, based on account balances as of January 1, 2014; member accounts were credited with 5%. The System’s smoothing policy and deferred gains from prior years resulted in an actuarial return of approximately 7.45%.

In 2014, during the interim period before the convening of the 84th Texas Legislature, working with the TMRS Advisory Committee on Retirement Matters, TMRS considered a number of potential legislative issues, but the Board chose to pursue no changes in the 84th Regular Session. TMRS also worked during the interim to ensure compliance with legislation passed in 2013, providing reporting and trustee education duties overseen by the Texas State Pension Review Board.

The demand for member and retirement services continued to grow. Ten new cities joined the System in 2014. Staff answered over 101,100 member requests for assistance and processed 3,675 new retirements in 2014, a 11% increase from the previous year.

The number of cities using the City Portal (an application that provides secure online access to member and city data) and the number of members using MyTMRS® (a tool that provides secure online access to personal data) expanded during 2014. This led to increased retirement estimate requests: estimates requested via MyTMRS grew to over 140,000, and those requested through the City Portal totaled approximately 5,050. By comparison, estimates requested from member services representatives totaled over 22,500.

In 2014, TMRS began implementing *TMRSDirect*™ — our strategic initiative to transform TMRS administration from manual paper-based operational processes to “straight-through processing” (online automated administration for cities and members). *TMRSDirect* is a multi-year program that will change both MyTMRS and the TMRS City Portal, by providing new self-service capabilities to support cities, members, and retirees. *TMRSDirect* will reduce paperwork, improve data accuracy, and enhance the security and timeliness of our systems. When the project is completed in 2018, cities will be able to enroll new employees, process retirements, and verify refunds, and members will be able to update their beneficiaries and addresses and apply for refunds and retirements via an enhanced secure online interface.

Staff provided a high level of support to cities in examining contribution rates and plan change requests. In support of this function and member education, the Travel Team made approximately 290 trips to cities, visited with approximately 23,000 members, answered 6,400 emails, and provided individual counseling for 1,700 TMRS members. For group training sessions, the Communications department prepared and presented 12 Regional Pre-Retirement Seminars, 3 City Correspondent Certification Courses, and an Annual Training Seminar in 2014.

Investments

TMRS administered \$23.9 billion in assets as of December 31, 2014. T.J. Carlson was hired to be the Chief Investment Officer of the System effective January 2014 and expanded the staff to handle the new asset classes.

The Investments Department at TMRS follows these Total Portfolio Performance Objectives:

- Achieve a Total Rate of Return, over rolling five-year periods, consistent with the assumed long-term rate of return on TMRS assets established by the consulting actuary (currently 7%)
- Exceed an appropriate benchmark reflective of asset class participation over rolling five-year periods (i.e., Policy Index)

TMRS has adopted a fully diversified asset allocation strategy. Diversification is being implemented through a deliberate multi-year process. The asset allocation strategy is expected to meet the long-term total return objective of 7%, consistent with the actuarial interest rate assumption for the plan. This allows for a more conservative investment allocation, reflected in a lower equity allocation than the median plan sponsor in a peer universe of large public pension plans.

As described in the Investment Section of this CAFR, the overall one-year rate of return for 2014 on the investment portfolio was 5.99%. The Investment Section of this CAFR contains a detailed summary of investment operations during 2014, including performance of different asset classes and diversification progress.

Funding and Actuarial Overview

As required by statute, TMRS obtains an annual actuarial valuation for each participating municipality, with results for the System as a whole presented in the Actuarial Section of this CAFR. Following the completion of the annual actuarial valuation, TMRS provides a Rate Letter to each participating municipality, reconciling the city's rate from the prior valuation to the current valuation and explaining the components of the reconciling items. TMRS makes these Rate Letters available on our website.

The TMRS Board of Trustees has been working with the actuarial firm of Gabriel, Roeder, Smith & Company (GRS) since June 2008, and GRS completed its seventh actuarial valuation for the System for the fiscal year ended December 31, 2014. As certified by GRS, the calculations for funding are prepared in accordance with Actuarial Standards of Practice, GASB principles, and state law. Each city has its own retirement program within the options offered by the plan. Each city's plan objective is to accumulate sufficient assets to pay benefits when they become due and to finance its long-term benefits through a contribution rate that is annually determined by the consulting actuary.

A member city's retirement contribution rate consists of the normal cost contribution rate and the prior service contribution rate, both of which are calculated to be a level percent of payroll from year to year. The normal cost contribution rate finances the portion of an active member's projected benefit allocated to the year immediately following the valuation date; the prior service contribution rate amortizes the unfunded (overfunded) actuarial liability (asset) over the applicable period for that city. Both the normal cost and prior service contribution rates include recognition of the projected impact of annually repeating benefits if adopted by a city — such as Updated Service Credit and Annuity Increases, also called COLAs — as well as future increases in salary.

Since 2013, TMRS has used the Entry Age Normal (EAN) cost method for actuarial funding purposes. While the EAN cost method resulted in initially higher Actuarial Accrued Liabilities and lower funded ratios, the EAN cost method is expected to produce contribution rates that are more predictable and stable than under the previous method (Projected Unit Credit). A Summary of Actuarial Assumptions in effect for the December 31, 2014 valuation is provided in the Actuarial Section of this CAFR.

Conservative features of TMRS' plan include the 7% investment return assumption, and that each city's unfunded liability is amortized over a closed period of 25 or 30 years. As of December 31, 2014, TMRS as a whole was 85.8% funded; this funded ratio increased from 84.1% in 2013. Historical information relating to progress in meeting the actuarial funding objective is presented in the Schedule of Funding Progress, included in the Actuarial Section of this CAFR.

Professional Services

The Board of Trustees appoints consultants to perform services that are essential to the effective and efficient operation of TMRS. The Supplemental Schedules of the Financial Section contain information on professional services.

Awards and Acknowledgments

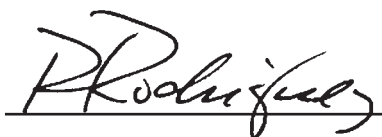
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to TMRS for its *Comprehensive Annual Financial Report for the Year Ended December 31, 2013 and 2012*. This was the 27th consecutive year that TMRS has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. TMRS believes that our current *Comprehensive Annual Financial Report* continues to meet the Certificate of Achievement Program's requirements, and is submitting it to the GFOA to determine its eligibility for another certificate.

TMRS also received the Public Pension Standards 2014 Award from the Public Pension Coordinating Council (PPCC) in recognition of meeting professional standards for plan design and administration as set forth in the Public Pension Standards.

This CAFR is made available to all participating TMRS cities; their combined cooperation contributes significantly to the success of TMRS.

We would like to express our gratitude to the staff, advisors, and all who have contributed to the preparation of this report and to the continued success of the System.

Respectfully submitted,



Roel "Roy" Rodriguez
Chair, Board of Trustees



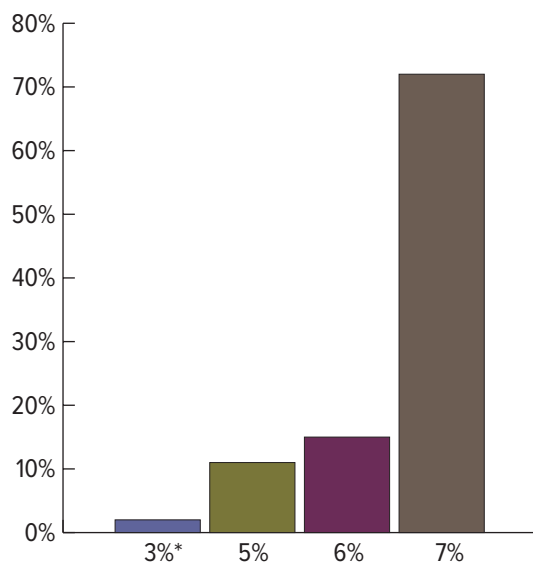
David Gavia
Executive Director



Rhonda H. Covarrubias
Director of Finance

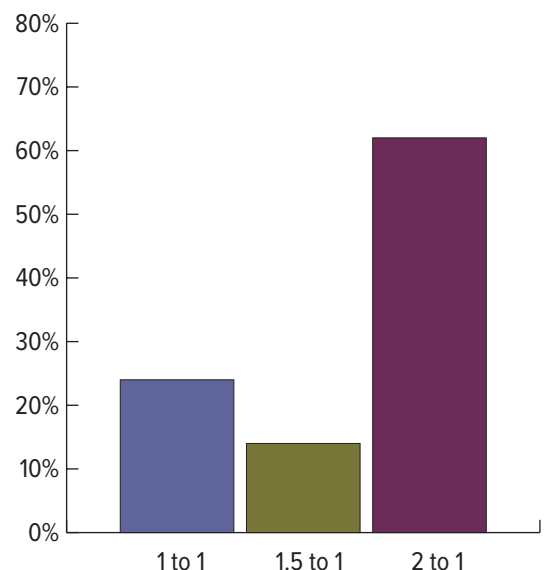
	2012	2013	2014
Employer Contributions	\$664.8 mil	\$681.5 mil	\$719.9 mil
Employee Contributions	\$327.4 mil	\$339.9 mil	\$355.4 mil
Total Amount Paid to Retirees	\$864.9 mil	\$946.5 mil	\$1.0 bil
Amount Paid to Terminated Members	\$57.9 mil	\$57.7 mil	\$58.7 mil
Member Municipalities	849	850	860
New Member Municipalities	2	2	10
Employee Accounts	142,883	145,448	149,073
New Employee Members	13,176	11,093	14,457
Terminated Employee Members	7,500	7,459	7,735
Retirement Accounts	46,902	49,969	53,455
New Retirements	2,995	3,317	3,675
Investments, at Fair Value	\$20.6 bil	\$23.9 bil	\$23.9 bil
Annual Total Return, Gross	10.11%	9.86%	5.99%
Interest Rate on Employee Deposits	5.0%	5.0%	5.0%
Interest Rate on Municipality Deposits	9.95%	9.70%	5.68%
Cities that:			
Adopted Updated Service Credit (USC)	596	597	598
Reduced Percentage or Rescinded USC	3	-	-
Adopted Annuity Increases to Retirees (AI)	476	475	475
Reduced or Rescinded AI	6	4	2
Increased Employee Contribution Rate	8	11	9
Increased City Matching Ratio	17	17	13
Reduced City Matching Ratio	-	-	-
Adopted Supplemental Death Benefits	3	1	-
Rescinded Supplemental Death Benefits	-	-	-
Adopted 5-Year Vesting	1	1	2
Adopted 20-Year, Any Age Retirement	4	11	6

**2014 Distribution of Membership
by Contribution Rate (Employee Deposit Rate)**



* This rate is no longer allowed for new cities

**2014 Distribution of Membership
by City Matching Rate**



TMRS Board of Trustees



Roel "Roy" Rodriguez, PE, 2014 Chair
City Manager
McAllen
Term expires: February 1, 2017



David Landis
City Manager
Perryton
Term expires: February 1, 2015



Julie Oakley, CPA, 2014 Vice Chair
Director of Finance
Lakeway
Term expires: February 1, 2019



Jim Parrish
Deputy City Manager – Administrative Services
Plano
Term expires: February 1, 2017



James "Jim" Paul Jeffers
City Manager
Nacogdoches
Term expires: February 1, 2015



Bill Philibert
Human Resources Director
Deer Park
Term expires: February 1, 2019

The TMRS Act provides that the administration of TMRS is entrusted to a six-member Board of Trustees, appointed by the Governor with the advice and consent of the Senate. Three Trustees are "Executive Trustees" (Landis, Philibert, and Rodriguez) who are either the chief executive officer, chief finance officer, or other officer, executive, or department head of a participating municipality. Three Trustees are "Employee Trustees" (Jeffers, Oakley, and Parrish) who are employees of a participating municipality. Per the Texas Constitution, Trustees continue to perform the duties of their office until a successor has been duly qualified.

TMRS Executive Director



David Gavia

The TMRS Advisory Committee on Retirement Matters is appointed by the TMRS Board of Trustees and serves at the pleasure of the Board. The Advisory Committee provides valuable assistance to the Board in considering benefit changes and improvements to the System, and acts as a voice for member, retiree, and city issues.

The Advisory Committee is a 19-member body composed of nine “Individual Representatives” representing TMRS members, retirees, and elected officials; and ten members representing associations and groups with an interest in the TMRS program, called “Group Representatives.” Group Representatives are chosen by their respective associations and approved by the Board. The following members were on the Committee as of December 31, 2014.

Individual Representatives

- Allen Bogard, City Manager, Sugar Land
- Michael Dane, Assistant City Manager/Chief Financial Officer, San Angelo
- Dean Frigo, TMRS Retiree
- Victor Hernandez, City Councilmember, Lubbock
- Bryan Langley, Assistant City Manager/Chief Financial Officer, Denton
- Julie Masters, Mayor, Dickinson
- Charles Windwehen, TMRS Retiree

Note: Two individual representative positions were vacant as of December 31, 2014.

Group Representatives

- David Crow, Arlington Professional Fire Fighters
- Jerry Gonzalez, Service Employees International Union, San Antonio
- Scott Kerr, Texas State Association of Fire Fighters
- Tadd Phillips, Texas Municipal Human Resources Association
- David Russell, Texas Municipal Police Association
- Bob Scott, Government Finance Officers Association of Texas
- Greg Shipley, Combined Law Enforcement Associations of Texas
- Lori Steward, City of San Antonio
- Greg Vick, Texas City Management Association
- Monty Wynn, Texas Municipal League

The following members of the Advisory Committee served during calendar year 2014, but were not members at year-end: Ron Crabtree – TMRS Retiree, Neil Resnik – City Councilmember / Addison, Joe Angelo – City of San Antonio, Kevin Lawrence – Texas Municipal Police Association, and Mike Perez – Texas City Management Association. TMRS extends sympathy to the family of Mr. Crabtree, who passed away in 2014.

TMRS Professional Advisors

Actuary
Gabriel, Roeder, Smith & Company

Custodian
State Street Bank and Trust Company

Securities Lending Agent
Deutsche Bank AG

Depository Bank
JPMorgan Chase Bank

Economic Advisor
A. Gary Shilling & Co.

Fiduciary Counsel
Robert D. Klausner

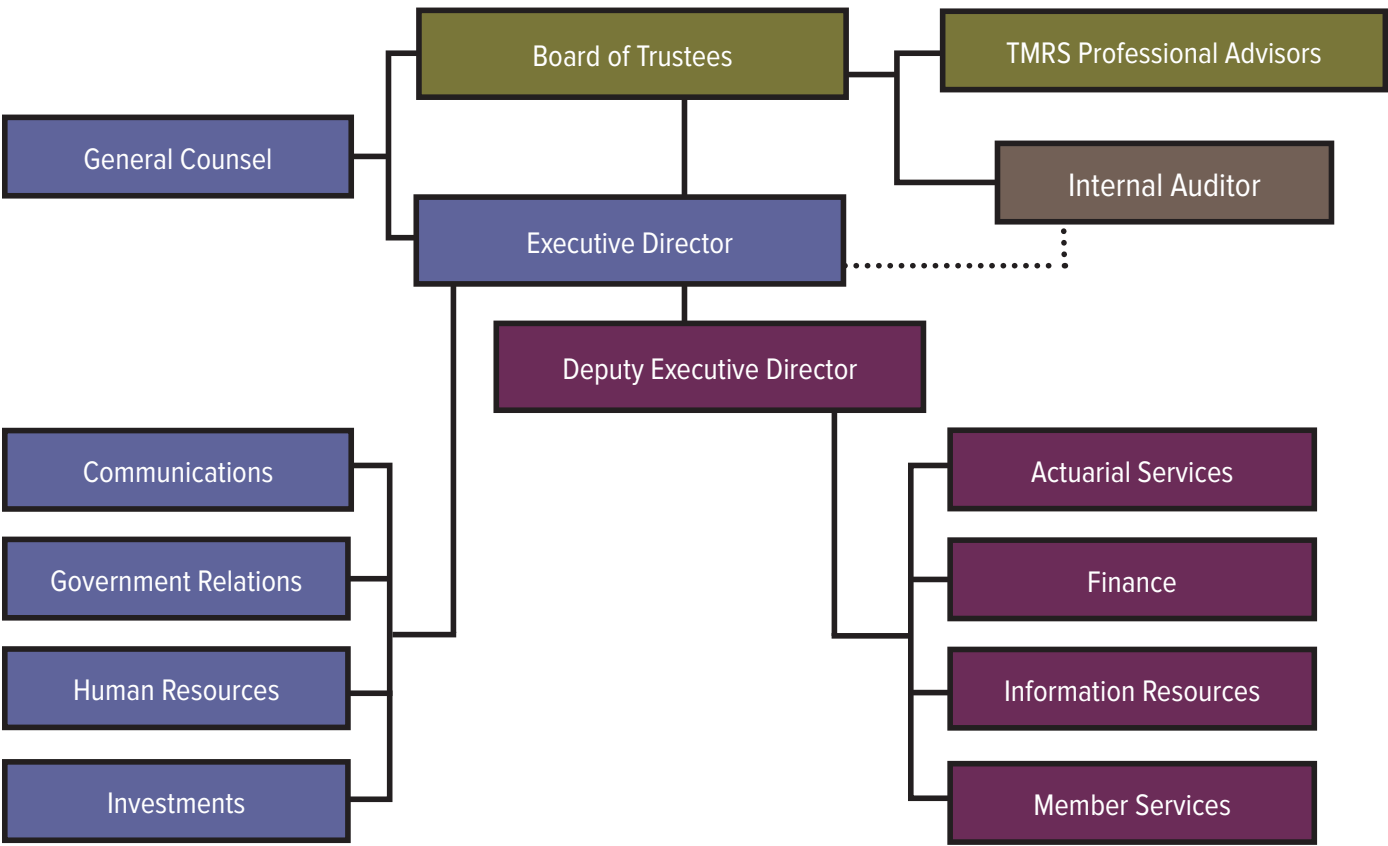
Independent Auditor
KPMG LLP

Investment Consultants
RVK
ORG Portfolio Management, LLC

Medical Board
Marvin Cressman, MD
John A. Genung, MD
William E. McCarron, MD

Note: A schedule of investment management fees, by external manager, is provided in the Investment Section of this report.

TMRS Administrative Organization



Executive/Administrative

David Gavia, Executive Director
 Eric Davis, Deputy Executive Director
 Leslee Hardy, Director of Actuarial Services
 Kristie O'Hara, Director of Human Resources
 Dan Wattles, Director of Governmental Relations
 Bruce Boatright, Facilities Technician
 Ariel Chou, Actuarial Analyst
 Karen Jackson, Executive Assistant
 Jesse Pittman, Senior Project Manager
 LaShelle Ruiz, Administrative Assistant
 Adrienne Strong, Human Resources Generalist

Communications

Bill Wallace, Director of Communications
 Angela Deats, Communications Analyst
 Donna Neal, Communications Technology Design Specialist
 Melanie Thomas, Process & Content Management Specialist

Travel Team/City Services

Colin Davidson, Regional Manager, City Services
 Shannon Lucero, Regional Manager, City Services
 Anthony Mills, Senior Regional Manager, City Services
 Lorraine Moreno, Regional Manager, City Services
 David Rodriguez, Senior Regional Manager, City Services
 Sean Thompson, Regional Manager, City Services

Finance

Rhonda Covarrubias, Director of Finance
 Josette Madry, Accounting Operations Supervisor
 Candace Nolte, Assistant Finance Director
 Nadia Ali, Accounting Specialist
 Sherry Chapman, Investment Accountant
 Paula Nguyen, Investment Accountant

Information Resources

Scott Willrich, Director of Information Resources

Software Development

Pete Krnavek, Information Systems Manager
 Martin Burke, Business Process Analyst
 Ming Cheung, Senior Software Developer
 Blanca DaCosta-Cruz, Quality Assurance Analyst
 David Himawan, Database Administrator/Developer
 Monica Kache, Systems Analyst for Financial Applications
 Steve Li, Database Administrator/Developer
 Steven Lohmeyer, Senior Software Developer
 Gretchen Meyer, Senior Systems Analyst
 Tin-Sze Poon, Senior Software Developer
 Kevin Wang, Senior Software Architect

Network Operations

Brian Farrar, Network Operations Manager
 Chris Gillis, Computer Support Specialist
 Bryan Meche, Network Systems Administrator
 Joseph Roberts, Network Systems Administrator
 Robert Stevenson, Network Systems Administrator

Records

John Carroll, Records and Information Manager
 Chyrlynn Crockett, Records Technician
 Brittany Royal, Records Technician
 Rachael Shipps, Records Technician

Investments

T.J. Carlson, Chief Investment Officer
 Marc Leavitt, Director of Investments/Absolute Return Strategies
 Holly Macki, Director of Investments/Fixed Income
 Tom Masthay, Director of Investments/Real Estate
 Kristin Qualls, Director of Investments/Equities
 Chris Schelling, Director of Investments/Private Equity
 Dimitry Shishkoff, Director of Investments/Risk Management
 Debbie Farahmandi, Administrative Assistant
 Di Fu, Investment Data Analyst
 Melissa Jerkins, Investment Quantitative Analyst
 Carol Leung, Investment Analyst II
 Cindy Morse, Investment Support Analyst
 Kate Reed, Investment Analyst II
 Eddie Schultz, Investment Analyst II

Legal

Christine Sweeney, General Counsel
 Madison Jechow, Assistant General Counsel
 Michelle Mellon-Werch, Assistant General Counsel
 Nicholas O'Keefe, Assistant General Counsel
 Tish Root, Legal Assistant

Member Services

Debbie Muñoz, Director of Member Services
 Chad Nichols, Member Services Manager
 Vikki Vasquez, Member Services Manager
 Jay Adams, Member Services Analyst II
 Jade Danh, Member Services Analyst I
 Debbie Davila, Member Services Analyst II
 David Eastwood, Member Services Analyst II
 Natalie Garza, Member Services Analyst I
 Ida Gomez, Member Services Analyst II
 Rhonda Green, Member Services Analyst II
 April Hernandez, Member Services Analyst I
 Karin Hicks, Member Services Analyst II
 Peter Jeske, Member Services Project Specialist
 Patricia King, Member Services Administrative Aide
 Maryann Malave-Jaini, Member Services Analyst II
 Corinne Moreno, Member Services Analyst II
 Pamela Morgan, Support Services Analyst
 Richard Ramos, Member Services Analyst II
 Shelley Ransom, Member Services Analyst II
 Cris Rodriguez-Horn, Support Services Analyst
 Shavon Rossett, Member Services Analyst I
 Anna Silva, Member Services Analyst I
 Wade Slaton, Member Services Analyst II
 Leslie Smith, Member Services Analyst II
 Tricia Solis, Support Services Analyst
 Caroline Touchet, Member Services Analyst II

Purpose

The Texas Municipal Retirement System (TMRS, or the System) is an entity created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code, as a retirement system for municipal employees in the State of Texas. TMRS is a public trust fund governed by a Board of Trustees with a professional staff responsible for administering the System in accordance with the TMRS Act. The System bears a fiduciary obligation to its members and their beneficiaries.

Administration

The TMRS Act entrusts the administration of TMRS to a six-member Board of Trustees, appointed by the Governor with the advice and consent of the Senate. Three trustees are Executive Trustees, who must be a chief executive officer, chief finance officer, or other officer, executive, or department head of a participating municipality. Three trustees are Employee Trustees, who must be employees of a participating municipality.

The TMRS Act requires regular Board meetings in March, June, September, and December of each year. The Board of Trustees employs actuarial, legal, medical, and other experts for the efficient administration of the System. The Board also forms committees to serve in an advisory role as needed.

The Board appoints an Executive Director to manage TMRS under its supervision and direction.

Membership

Cities choose to participate in TMRS. When a city joins TMRS, all of its eligible employees become members of the System. An employee in a position that normally requires at least 1,000 hours of work in a year, as determined by the city, is an eligible employee and is required to be a member of TMRS.

A person who leaves employment with all TMRS cities may withdraw all member deposits and interest from TMRS and cancel service credit with the System. A member may not refund his/her TMRS account unless there is a “bona fide” separation, and the employing city must certify that the employee has terminated employment.

Service Credit

TMRS members earn a month of service credit for each month they are employed in an eligible position by a participating TMRS city and make the required contribution to the System. Members may also receive Prior Service Credit for periods of city employment before the employing city joined TMRS. Because TMRS is a statewide retirement system, service credit may be a combination of service with several member cities. Service credit may also include Military Service Credit, credit for previously refunded TMRS service that has been purchased, and other types of service credit allowed under the TMRS Act.

A participating municipality can also grant, by ordinance, Restricted Prior Service Credit to an employee for service performed as a full-time paid employee of:

- Any public authority or agency created by the United States
- Any state or territory of the U.S.
- Any political subdivision of any state in the U.S.

- Any public agency or authority created by a state or territory of the U.S.
- A Texas institution of higher education, if employment was as a commissioned law enforcement officer serving as a college campus security employee

Restricted Prior Service Credit also can be granted for credit previously forfeited under one of the following systems:

- Texas Municipal Retirement System
- Teacher Retirement System of Texas
- Employees Retirement System of Texas
- Texas County and District Retirement System
- Judicial Retirement System of Texas
- City of Austin Employees Retirement System

This restricted credit may only be used to satisfy length-of-service requirements for vesting and retirement eligibility, and has no monetary value under TMRS.

Member Contributions

TMRS member cities designate, by ordinance, the rate of member contributions for their employees. This rate is 5%, 6%, or 7% of an employee's gross compensation. Three cities have a 3% rate, no longer available to cities under the TMRS Act. Compensation for retirement contribution purposes includes overtime pay, car allowances, uniform allowances, sick leave, vacation pay, and other payments if they are taxable.

All member contributions since 1984 are tax-deferred under the Internal Revenue Code, pursuant to Sections 401(a) and 414(h)(2). The member contribution rate may be increased by ordinance. However, the member contribution rate may only be reduced if the members in the city, by a 2/3 vote, consent to a reduction, and the city, by ordinance, provides for the reduction.

Interest is credited to member accounts annually on December 31 at a 5% rate, based on the balance in the account on January 1 of that year. In the year of retirement, interest will be prorated for the months of service in that year.

Vesting and Retirement Eligibility

TMRS members vest after either 5 or 10 years of service, based on their city's plan. If a vested member leaves covered employment before reaching retirement eligibility, the member may leave his or her deposits with TMRS, earn interest on the deposits, and, upon reaching age 60, apply for and receive a monthly retirement payment.

A member becomes eligible for service retirement based on various combinations of age and service, depending on which provisions have been adopted by the employing municipality, including:

- Age 60 with 5 years of service
- Age 60 with 10 years of service
- Any age with 20 years of service
- Any age with 25 years of service

Summary of Plan Provisions

Continued

Before a city adopts the 20-year, any-age provision, the System must prepare an actuarial study to determine the provision's effect on the city's contribution rate, and the city must conduct a public hearing on the adoption.

Effective January 1, 2002, TMRS law was changed to give cities the option to choose 5-year vesting. Cities that did not opt out of that vesting provision before December 31, 2001, automatically changed from 10-year to 5-year vesting. Cities that chose to retain 10-year vesting may change to 5-year vesting at any time.

City Contributions

Upon an employee's retirement, the employing city matches the accumulated employee contributions plus interest earned. Each city chooses a matching ratio: 1 to 1 (100%); 1.5 to 1 (150%); or 2 to 1 (200%). This match is funded with monthly contributions by the participating municipality at an annual, actuarially determined rate. A municipality may elect to increase or reduce its matching ratio effective January 1 of a calendar year.

Updated Service Credit

Member cities, at their option, may elect to adopt Updated Service Credit, either annually or on an annually repeating basis, effective January 1 of a calendar year. Updated Service Credit improves retirement benefits by using a member's average monthly salary over a recent three-year period to recalculate the member's retirement credit as if the member had always earned that salary and made deposits to the System, matched by the city, on the basis of that average monthly salary. Updated Service Credit also takes into account any changes in the city's TMRS plan provisions that have been adopted, such as an increase in the member contribution rate or the city's matching ratio. If there is a difference between the recalculated amount and the actual account balances, a percentage (50%, 75%, or 100%) of this difference is granted to the employee, funded by the participating municipality, as the Updated Service Credit. A member must have at least 36 months of service credit as of the study date in the adopting city before becoming eligible to receive this credit. Interest on Updated Service Credit is prorated in the year of retirement.

Retirement Payment Options

After applying for retirement, a TMRS member may choose one of seven optional monthly benefit payments. The member makes this choice before receipt of the first benefit payment, and the choice is irrevocable after the date the first payment becomes due. All options pay a monthly annuity for the life of the retiree. The options include:

- A benefit for the retiree's lifetime only ("Retiree Life Only" option)
- Three guaranteed-term benefits that pay a benefit for the lifetime of the member and to a beneficiary for the balance of 5, 10, or 15 years if the member dies before the term is reached ("Guaranteed Term" options)
- Three options that pay a lifetime benefit to the member and, upon the member's death, a survivor lifetime benefit equal to 50%, 75%, or 100% of the member's benefit ("Survivor Lifetime" options)

As a minimum benefit, TMRS guarantees that an amount equal to at least the member's contributions and interest will be returned, either through payment of a monthly benefit or through a lump-sum refund.

Each of the three survivor lifetime retirement options includes a “pop-up” feature. The “pop-up” feature provides that if the designated beneficiary dies before the retiree, the retiree’s benefit will “pop up” to the Retiree Life Only amount. Retirees who marry or remarry after retirement and who meet specific conditions also have a one-time option to change from a Retiree Life Only benefit to one that provides a survivor benefit.

Members who are eligible for service retirement may choose to receive a Partial Lump Sum Distribution, a portion of the member’s deposits and interest in cash, at the time of retirement. The Partial Lump Sum Distribution is equal to 12, 24, or 36 times the amount of the Retiree Life Only monthly benefit, but cannot exceed 75% of the member’s deposits and interest. The remaining member deposits are combined with the city’s funds to pay a lifetime benefit under the selected retirement option.

The Partial Lump Sum Distribution may be chosen with any of the retirement options and is paid in a lump sum with the first retirement payment. This amount may be subject to federal income tax and an additional 10% IRS tax penalty if not rolled over into a qualified plan.

Section 415(b) of the Internal Revenue Code limits the amount of an annual benefit that may be paid by a pension plan’s trust to a retiree. This provision is known as the Section 415 limit, which is set by Congress and can be periodically adjusted by the IRS. Any portion of a retiree’s annual benefit that exceeds the Section 415 limit cannot be paid from the TMRS trust fund. However, Internal Revenue Code Section 415(m) allows pension plans to create a separate fund, known as a qualified governmental excess benefit arrangement, to pay the benefits above the Section 415 limit. Accordingly, the TMRS Act established such an arrangement, which is referred to as the “Full Benefit Arrangement.” Additional details are made available to affected retirees if they will reach the Section 415 limit in any given year.

Annuity Increases (COLAs)

A member city may elect to increase the annuities of its retirees (grant a cost-of-living adjustment, or COLA), either annually or on an annually repeating basis, effective January 1 of a calendar year. For cities that adopted annuity increases since January 1, 2000, the adjustment is either 30%, 50%, or 70% of the increase (if any) in the Consumer Price Index – All Urban Consumers (CPI-U) between the December preceding the member’s retirement date and the December 13 months before the effective date of the increase, applied to the original monthly annuity.

Survivor Benefits

If a member dies before vesting, the member’s designated beneficiary is eligible to receive a lump-sum refund of the member’s deposits and interest. For a vested member, a beneficiary who is the member’s spouse may select a monthly benefit payable immediately; withdraw the member’s deposits and interest in a lump sum; or leave the member’s deposits with TMRS, where they will earn interest until the date the member would have reached age 60, and then the beneficiary may receive a lifetime benefit. A beneficiary who is not the member’s spouse may select a monthly benefit payable immediately or withdraw the member’s deposits and interest in a lump sum.

Disability Retirement

All active TMRS cities have adopted an Occupational Disability Retirement benefit. If a member is judged by the TMRS Medical Board to be disabled to the extent that the member cannot perform his or her occupation,

Summary of Plan Provisions

Continued

and the disability is likely to be permanent, the member may retire with a lifetime benefit based on the total reserves as of the effective date of retirement. The Occupational Disability annuity will be reduced if the combined total of the Occupational Disability annuity and any wages earned exceeds the member's average monthly compensation for the highest 12 consecutive months during the three calendar years immediately before the year of retirement (indexed to the CPI-U). As the minimum disability benefit, the member's deposits and interest are guaranteed to be returned, either through payment of the monthly benefit, or upon termination of the annuity through a lump-sum refund.

Supplemental Death Benefits

Member cities may elect, by ordinance, to provide Supplemental Death Benefits for active members, including or not including retirees. The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary, calculated based on the employee's actual earnings on which TMRS deposits are made, for the 12-month period preceding the month of death. The death benefit amount for retirees is \$7,500. This benefit is paid in addition to any other TMRS benefits the beneficiary might be entitled to receive. If an individual has multiple retirements, his/her beneficiary will receive only one Supplemental Death Benefit; the last employing city with this provision pays the benefit.

Buyback of Service Credit

When a member terminates employment and chooses to take a refund of his or her deposits and interest, the member forfeits all service credit. If the member is reemployed by a TMRS member city, and if the employing city adopts the buyback provision by ordinance, the member may repay the amount of the refund plus a 5% per year withdrawal charge, in a lump sum, to reinstate the previously forfeited credit. A member must have 24 consecutive months of service with the reemploying city, and must be an employee of that city on the date the buyback ordinance is adopted to be eligible to buy back service credit.

Military Service Credit

Members who leave employment with a TMRS city, serve in the military, and then return to city employment may establish credit for the time they spend in the military, up to 60 months. Members who meet the requirements of the federal Uniformed Services Employment and Reemployment Rights Act (USERRA) may make member contributions to TMRS as though they had been employed by the city for the period of their military service.

In cities that have adopted Military Service Credit, members who are not eligible for USERRA credit, or who choose not to make contributions, may establish service credit for up to 60 months of military time. A member must have five years of TMRS service credit to establish non-USERRA Military Service Credit.

Members with five years of TMRS service credit who were employed on December 31, 2003, by a city that had previously adopted Military Service Credit, may choose to purchase this credit at a cost of \$15 per month of credit sought (purchase amount would increase the member's account balance), or may use the no-cost time-only provision. ■

This discussion is an informal presentation of the TMRS Act. If any specific questions of fact or law should arise, the statutes will govern.

Financiiai



Independent Auditors' Report



KPMG LLP
Suite 1900
111 Congress Avenue
Austin, TX 78701-4091

Independent Auditors' Report

The Board of Trustees
Texas Municipal Retirement System

We have audited the accompanying statements of fiduciary net position of the Texas Municipal Retirement System (TMRS), as of December 31, 2014 and 2013, and the related statements of changes in fiduciary net position for the years then ended and the related notes to the financial statements, which collectively comprise TMRS' basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the fiduciary net position of the Texas Municipal Retirement System as of December 31, 2014 and 2013, and the changes in fiduciary net position for the years then ended in accordance with U.S. generally accepted accounting principles.

Emphasis of Matter

As discussed in Note 1 to the financial statements, in 2014 TMRS adopted the provisions of Governmental Accounting Standards Board Statement No. 67, *Financial Reporting for Pension Plans*. Our opinion is not modified with respect to this matter.

***Other Matters******Required Supplementary Information***

U.S. generally accepted accounting principles require that the Management's Discussion and Analysis, Schedules of Funding Progress and Employer Contributions for the Supplemental Death Benefits Fund, and Schedule of Investment Returns on pages 24-27 and 51-52 respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise TMRS' basic financial statements. The Introductory Section on pages 6-20, Other Supplementary Information – Changes in Fiduciary Net Position by Fund, Schedule of Administrative Expenses, Schedule of Professional Services, and Schedule of Investment Expenses on pages 53-56, the Investment Section on pages 58-70, the Actuarial Section on pages 72-100 and the Statistical Section on pages 102-154 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Other Supplementary Information – Changes in Fiduciary Net Position by Fund, Schedule of Administrative Expenses, Schedule of Professional Services, and Schedule of Investment Expenses are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, Other Supplementary Information – Changes in Fiduciary Net Position by Fund, Schedule of Administrative Expenses, Schedule of Professional Services, and Schedule of Investment Expenses are fairly stated in all material respects in relation to the basic financial statements as a whole.

The Introductory, Actuarial, and Statistical Sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

KPMG LLP

Austin, Texas
June 10, 2015

Management's Discussion and Analysis (MD&A) of the Texas Municipal Retirement System (TMRS, or the System) for the years ended December 31, 2014 and 2013, provides a summary of the financial position and performance of TMRS, including highlights and comparisons. The MD&A is presented as a narrative overview and analysis in conjunction with the Letter of Transmittal, which is included in the Introductory Section of the TMRS *Comprehensive Annual Financial Report* (CAFR). For more detailed information regarding TMRS financial activities, the reader should also review the actual financial statements, including the notes and supplementary schedules.

Overview of the Financial Statements

This MD&A is intended to serve as an introduction to the TMRS basic financial statements, which comprise the following components:

- Fund Financial Statements
- Notes to Financial Statements

This report also contains Required Supplementary Information and other supplemental information in addition to the basic financial statements. Collectively, this information presents the fiduciary net position and the changes in fiduciary net position of TMRS as of December 31, 2014 and 2013. The information contained in each of these fiduciary components is summarized as follows:

Fund Financial Statements. Two statements, both containing financial information for the Pension Trust Fund and the Supplemental Death Benefits Fund (SDBF), are provided. These funds are presented as fiduciary funds of the System and reflect the resources available for benefits to members, retirees, and their beneficiaries (Pension Trust Fund) and other postemployment benefits (SDBF). The Statements of Fiduciary Net Position as of December 31, 2014 and 2013 reflect the financial position of TMRS at a point in time. The Statements of Changes in Fiduciary Net Position for the years ended December 31, 2014 and 2013 present the activities that occurred during the respective periods.

Notes to Financial Statements. The financial statement notes provide additional information that is essential to a full understanding of the data provided in the fund financial statements.

Required Supplementary Information. Required supplementary information consists of the 2014 investment returns on pension plan investments. In addition, schedules and related notes concerning the funding status and contribution trends of the Supplemental Death Benefits Fund administered by TMRS are included.

Other Supplemental Schedules. Supplemental schedules include additional information regarding fund activity, administrative expenses, professional services, and investment expenses.

Financial Highlights

Net Position Restricted for Pensions – Pension Trust Fund

The following table displays a summary of assets, liabilities, and net position for the TMRS Pension Trust Fund at December 31, 2014, 2013, and 2012 (in millions). The overall financial condition of the Pension Trust Fund reflects an increase in net position from 2012 to 2014.

	2014	2013	2012	2014-2013		2013-2012	
				\$ Change	% Change	\$ Change	% Change
Investments, at fair value	\$ 23,896.1	\$ 23,868.4	\$ 20,627.6	\$ 27.7	0.1 %	\$ 3,240.8	15.7 %
Invested securities lending collateral	1,030.8	1,886.1	147.1	(855.3)	(45.3)	1,739.0	1,182.2
Cash, receivables and other	1,602.6	1,241.8	1,808.7	360.8	29.1	(566.9)	(31.3)
Capital assets, net	7.9	8.4	9.0	(0.5)	(6.0)	(0.6)	(6.7)
Total assets	26,537.4	27,004.7	22,592.4	(467.3)	(1.7)	4,412.3	19.5
Securities lending collateral	1,033.5	1,890.4	153.2	(856.9)	(45.3)	1,737.2	1,133.9
Other liabilities	1,776.4	2,645.7	1,948.6	(869.3)	(32.9)	697.1	35.8
Total liabilities	2,809.9	4,536.1	2,101.8	(1,726.2)	(38.1)	2,434.3	115.8
Net Position Restricted for Pensions	\$ 23,727.5	\$ 22,468.6	\$ 20,490.6	\$1,258.9	5.6 %	\$ 1,978.0	9.7 %

The increase in investments during each of the three years ending December 31, 2014 is due to the appreciation in market values during these periods, as well as growth of the Trust Fund from net membership cash flows. The change in the securities lending collateral asset and liability is due to the wind-down of the securities lending program with State Street at the end of 2012 in anticipation of the transfer of the program to Deutsche Bank, effective January 1, 2013, at which time the program resumed lending activity. The fluctuation of receivables and other liabilities from year-to-year is due primarily to trade activity occurring near year-end, impacting the investment trade receivable and payable amounts reported.

Management's Discussion and Analysis

Continued

A summary of the change in net position of the Pension Trust Fund for 2014, 2013, and 2012 is as follows (in millions):

	2014	2013	2012	2014 - 2013		2013 - 2012	
				\$ Change	% Change	\$ Change	% Change
Additions:							
Employer contributions	\$ 719.9	\$ 681.4	\$ 664.8	\$ 38.5	5.7 %	\$ 16.6	2.5 %
Plan member contributions	355.4	339.9	327.4	15.5	4.6	12.5	3.8
Net investment income	1,285.3	1,974.9	1,863.3	(689.6)	(34.9)	111.6	6.0
Total additions	2,360.6	2,996.2	2,855.5	(635.6)	(21.2)	140.7	4.9
Deductions:							
Retirement benefits	1,028.5	946.5	864.9	82.0	8.7	81.6	9.4
Refunds	58.7	57.7	57.9	1.0	1.7	(0.2)	(0.3)
Administrative & other costs	14.5	14.0	13.4	0.5	3.6	0.6	4.5
Total deductions	1,101.7	1,018.2	936.2	83.5	8.2	82.0	8.8
Change in net position	1,258.9	1,978.0	1,919.3	(719.1)	(36.4)	58.7	3.1
Net position - beginning of year	22,468.6	20,490.6	18,571.3	1,978.0	9.7	1,919.3	10.3
Net position - end of year	\$ 23,727.5	\$ 22,468.6	\$ 20,490.6	\$ 1,258.9	5.6 %	\$ 1,978.0	9.7 %

The increase in employer and plan member contributions from 2012 to 2014 is due to the increase in covered payroll (\$5.37 billion in 2014, \$5.14 billion in 2013, and \$4.96 billion in 2012). City membership increased slightly over the three-year period, totaling 860, 850, and 849 at December 31, 2014, 2013, and 2012, respectively.

Net investment income is presented after deduction of investment expenses and comprises interest and dividends, net appreciation in fair value of investments, and net income from securities lending activities. The changes in net investment income from 2012 to 2014 primarily result from the change in the net appreciation in the fair value of investments during those periods (\$980.5 million, \$1.7 billion, and \$1.5 billion appreciation during the years ended 2014, 2013, and 2012, respectively). During 2013 and 2012, TMRS' investment portfolio recognized substantial market gains, with public equities contributing the most significantly. Assets such as equities, which have a greater risk profile, continue to be a source of gains during the ongoing accommodative monetary environment — both in domestic and foreign markets. In addition, while the cost basis of the securities lending collateral pool exceeded market values at each of the three years ending December 31, 2014, the collateral pool continued to experience recovery, resulting in appreciation each year of \$1.6 million, \$1.9 million, and \$9.3 million, respectively. At December 31, 2014, the cumulative unrealized loss on the collateral was \$2.6 million.

The increase in retirement benefits is due primarily to growth in the number of retirement accounts each year (53,455, 49,969, and 46,902 in 2014, 2013, and 2012, respectively), as well as annuity increases (COLA adjustments) that may be applied each year.

Net Position – Supplemental Death Benefits Fund

The following table displays a summary of net position and changes in net position for the Supplemental Death Benefits Fund at December 31, 2014, 2013, and 2012. The overall financial condition of the Supplemental Death Benefits Fund reflects a decrease in net position over the three year period.

	2014	2013	2012
Total assets and net position	\$ 22,720,056	\$23,910,477	\$25,685,451

A summary of the change in net position of the Supplemental Death Benefits Fund for 2014, 2013, and 2012 is as follows (in thousands):

	2014	2013	2012	2014 - 2013		2013 - 2012	
				\$ Change	% Change	\$ Change	% Change
Additions:							
Employer contributions	\$ 6,126.8	\$ 5,673.1	\$ 5,248.4	\$ 453.7	8.0 %	\$ 424.7	8.1 %
Income allocation	1,132.8	1,202.1	1,310.7	(69.3)	(5.8)	(108.6)	(8.3)
Total additions	7,259.6	6,875.2	6,559.1	384.4	5.6	316.1	4.8
Deductions:							
Supplemental death benefits	8,450.0	8,650.1	8,619.7	(200.1)	(2.3)	30.4	0.4
Total deductions	8,450.0	8,650.1	8,619.7	(200.1)	(2.3)	30.4	0.4
Change in net position	(1,190.4)	(1,774.9)	(2,060.6)	584.5	32.9	285.7	13.9
Net position - beginning of year	23,910.5	25,685.4	27,746.0	(1,774.9)	(6.9)	(2,060.6)	(7.4)
Net position - end of year	\$ 22,720.1	\$ 23,910.5	\$ 25,685.4	\$ (1,190.4)	(5.0)%	\$ (1,774.9)	(6.9)%

Employer contributions are based on the covered payroll of the participating municipalities at actuarially determined rates. The increase in contributions from 2012 to 2014 is due to the increase in covered payroll as well as increased rates as a result of the aging population. The fluctuation in supplemental death benefits over the three-year period is a result of the change in total numbers of claims as well as type of claims in those years (active vs. retired). The Supplemental Death Benefits Fund receives a 5% statutory interest allocation from the Pension Trust Fund based on the fund's average balance during the year.

Requests for Information

This financial report is designed to provide a general overview of the Texas Municipal Retirement System's finances. Questions and requests for additional information should be addressed to the Finance Department of the Texas Municipal Retirement System, P.O. Box 149153, Austin, Texas 78714-9153. ■

Statements of Fiduciary Net Position

As of December 31, 2014 and 2013	2014			2013		
	Pension Trust Fund	Supplemental Death Benefits Fund	Total	Pension Trust Fund	Supplemental Death Benefits Fund	Total
ASSETS						
Cash	\$ -	\$ -	\$ -	\$ 1,499,634	\$ -	\$ 1,499,634
Receivables						
Contributions	87,926,093	543,842	88,469,935	81,438,365	488,688	81,927,053
Interest and dividends	52,688,822	-	52,688,822	57,789,872	-	57,789,872
Securities lending income	198,713	-	198,713	208,970	-	208,970
Investment trades	6,796,650	-	6,796,650	138,073,200	-	138,073,200
Securities sold on a when-issued basis	1,454,800,799	-	1,454,800,799	962,486,242	-	962,486,242
Total Receivables	1,602,411,077	543,842	1,602,954,919	1,239,996,649	488,688	1,240,485,337
Investments, at fair value						
Short-term investments	1,377,290,882	-	1,377,290,882	1,902,981,211	-	1,902,981,211
Derivative contracts	7,996,950	-	7,996,950	(1,103,447)	-	(1,103,447)
Fixed income securities	9,599,944,762	-	9,599,944,762	10,334,443,294	-	10,334,443,294
Equities	10,598,674,673	-	10,598,674,673	10,857,317,344	-	10,857,317,344
Absolute return assets	1,113,810,523	-	1,113,810,523	-	-	-
Real estate funds	1,014,662,868	-	1,014,662,868	625,274,935	-	625,274,935
Real estate securities	183,720,245	-	183,720,245	149,450,079	-	149,450,079
Total investments	23,896,100,903	-	23,896,100,903	23,868,363,416	-	23,868,363,416
Invested securities lending collateral	1,030,835,345	-	1,030,835,345	1,886,115,119	-	1,886,115,119
Property and equipment, at cost, net of accumulated depreciation of \$16,790,200 and \$16,455,426 at December 31, 2014 and 2013, respectively	7,889,360	-	7,889,360	8,449,172	-	8,449,172
Funds held by Pension Trust Fund	-	22,176,214	22,176,214	-	23,421,789	23,421,789
Other assets	147,844	-	147,844	253,766	-	253,766
TOTAL ASSETS	26,537,384,529	22,720,056	26,560,104,585	27,004,677,756	23,910,477	27,028,588,233
LIABILITIES						
Due to custodial and depository banks	11,670,372	-	11,670,372	5,113,305	-	5,113,305
Accounts payable and other accrued liabilities	10,518,068	-	10,518,068	5,728,881	-	5,728,881
Funds held for Supplemental Death Benefits Fund	22,176,214	-	22,176,214	23,421,789	-	23,421,789
Securities lending fees payable	29,498	-	29,498	15,385	-	15,385
Securities lending collateral	1,033,480,569	-	1,033,480,569	1,890,371,310	-	1,890,371,310
Investment trades payable	867,627,788	-	867,627,788	520,766,636	-	520,766,636
Securities purchased on a when-issued basis	864,404,094	-	864,404,094	2,090,626,826	-	2,090,626,826
TOTAL LIABILITIES	2,809,906,603	-	2,809,906,603	4,536,044,132	-	4,536,044,132
FIDUCIARY NET POSITION						
Net position restricted for pensions	23,727,477,926	-	23,727,477,926	22,468,633,624	-	22,468,633,624
Fiduciary net position held in trust for other postemployment benefits	-	22,720,056	22,720,056	-	23,910,477	23,910,477
TOTAL FIDUCIARY NET POSITION	\$ 23,727,477,926	\$ 22,720,056	\$ 23,750,197,982	\$ 22,468,633,624	\$ 23,910,477	\$ 22,492,544,101
See accompanying notes to financial statements.						

Statements of Changes in Fiduciary Net Position

For the Years Ended December 31, 2014 and 2013	2014			2013		
	Pension Trust Fund	Supplemental Death Benefits Fund	Total	Pension Trust Fund	Supplemental Death Benefits Fund	Total
ADDITIONS						
Contributions						
Employer	\$ 719,904,310	\$ 6,126,769	\$ 726,031,079	\$ 681,469,222	\$ 5,673,095	\$ 687,142,317
Plan member	355,413,935	-	355,413,935	339,906,924	-	339,906,924
Total contributions	1,075,318,245	6,126,769	1,081,445,014	1,021,376,146	5,673,095	1,027,049,241
Net investment income						
From investing activities						
Net appreciation in fair value of investments	980,540,406	-	980,540,406	1,681,646,053	-	1,681,646,053
Interest and dividends	322,383,177	-	322,383,177	305,366,693	-	305,366,693
Total investing activities income	1,302,923,583	-	1,302,923,583	1,987,012,746	-	1,987,012,746
Less investment activities expense	(21,215,770)	-	(21,215,770)	(15,980,128)	-	(15,980,128)
Net income from investing activities	1,281,707,813	-	1,281,707,813	1,971,032,618	-	1,971,032,618
From securities lending activities						
Securities lending income	1,766,151	-	1,766,151	2,506,550	-	2,506,550
Securities lending expenses						
Borrower rebates	616,308	-	616,308	(151,244)	-	(151,244)
Agent fees	(357,060)	-	(357,060)	(353,296)	-	(353,296)
Net appreciation in fair value of collateral pool	1,610,967	-	1,610,967	1,853,849	-	1,853,849
Net income from securities lending activities	3,636,366	-	3,636,366	3,855,859	-	3,855,859
Net investment income	1,285,344,179	-	1,285,344,179	1,974,888,477	-	1,974,888,477
Other miscellaneous	29,491	-	29,491	17,961	-	17,961
Income allocation from Pension Trust Fund	-	1,132,803	1,132,803	-	1,202,065	1,202,065
TOTAL ADDITIONS	2,360,691,915	7,259,572	2,367,951,487	2,996,282,584	6,875,160	3,003,157,744
DEDUCTIONS						
Benefit payments						
Service retirement	861,959,010	-	861,959,010	794,458,670	-	794,458,670
Disability retirement	16,873,699	-	16,873,699	16,469,149	-	16,469,149
Partial lump sum distributions	149,739,411	-	149,739,411	135,568,703	-	135,568,703
Supplemental death benefits	-	8,449,993	8,449,993	-	8,650,134	8,650,134
Total benefit payments	1,028,572,120	8,449,993	1,037,022,113	946,496,522	8,650,134	955,146,656
Refunds of contributions	58,723,123	-	58,723,123	57,727,674	-	57,727,674
Administrative expenses	13,419,567	-	13,419,567	12,821,721	-	12,821,721
Income allocation to Supplemental Death Benefits Fund	1,132,803	-	1,132,803	1,202,065	-	1,202,065
TOTAL DEDUCTIONS	1,101,847,613	8,449,993	1,110,297,606	1,018,247,982	8,650,134	1,026,898,116
NET INCREASE/(DECREASE) IN NET POSITION	1,258,844,302	(1,190,421)	1,257,653,881	1,978,034,602	(1,774,974)	1,976,259,628
FIDUCIARY NET POSITION						
Net position restricted for pensions						
Beginning of year	22,468,633,624	-	22,468,633,624	20,490,599,022	-	20,490,599,022
End of year	23,727,477,926	-	23,727,477,926	22,468,633,624	-	22,468,633,624
Fiduciary net position held in trust for other postemployment benefits						
Beginning of year	-	23,910,477	23,910,477	-	25,685,451	25,685,451
End of year	-	22,720,056	22,720,056	-	23,910,477	23,910,477
TOTAL FIDUCIARY NET POSITION	\$ 23,727,477,926	\$ 22,720,056	\$ 23,750,197,982	\$ 22,468,633,624	\$ 23,910,477	\$ 22,492,544,101
See accompanying notes to financial statements.						

1. Summary of Significant Accounting Policies

A. Background and Reporting Entity

The Texas Municipal Retirement System (TMRS, or the System) is an agency created by the State of Texas and administered in accordance with the Texas Municipal Retirement System Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement and disability pension system for municipal employees in the State of Texas. As such, TMRS is a public trust fund that has the responsibility of administering the System in accordance with the TMRS Act and bears a fiduciary obligation to its members and their beneficiaries.

The System's financial statements have been prepared in accordance with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). TMRS has no component units and is not a component unit of any other entity. The accompanying financial statements include only the operations of the System, which comprises two fiduciary trust funds — the Pension Trust Fund and the Supplemental Death Benefits Fund. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees (the Board). Three Trustees are "Executive Trustees" who are either the chief executive officer, chief finance officer, or other officer, executive, or department head of a participating municipality. Three Trustees are "Employee Trustees" who are employees of a participating municipality. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas.

B. New Accounting Pronouncements

In June 2012, the GASB issued Statement No. 67, *Financial Reporting for Pension Plans — an Amendment of GASB Statement No. 25*, which replaces the requirements of Statements No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and No. 50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts or equivalent arrangements. The Statement requires defined benefit pension plans to present two financial statements — a statement of fiduciary net position and a statement of changes in fiduciary net position. In addition, the Statement requires certain new note disclosures as well as required supplementary information. The requirements of this Statement have been implemented in 2014.

In February 2015, the GASB issued Statement No. 72, *Fair Value Measurement and Application*, which establishes standards for determining fair value for certain investments and provides guidance for disclosures related to all fair value measurements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Statement 72 is effective for the System's 2016 fiscal year, implementation of which is currently being evaluated.

C. Basis of Accounting

The Pension Trust Fund and the Supplemental Death Benefits Fund are maintained on the accrual basis of accounting. Employer and employee contributions are recognized in the period that the employer reports compensation for the employee, which is when contributions are legally due.

Participant benefits are recorded when payable in accordance with the System's plan terms. Refunds are recorded and paid upon receipt of an approved application for refund.

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The System utilizes various investment instruments. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term, and that any such changes could materially affect the amounts reported in the Statements of Fiduciary Net Position and the Statements of Changes in Fiduciary Net Position.

D. Basis of Presentation

The financial statements are organized on the basis of funds, as required by the TMRS Act, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts. These accounts are segregated for the purpose of carrying out specific activities or attaining certain objectives in accordance with applicable statutory guidelines or restrictions.

Each of the System's funds is considered a Fiduciary Fund. The following is a brief description of each fund category.

Fiduciary Fund — Pension Trust Fund

The Pension Trust Fund reports the resources held in trust for TMRS members and beneficiaries. The TMRS Act does not create legally required reserves, but establishes accounts that comprise the net position restricted for pensions as follows:

Benefit Accumulation Fund — The purpose of the Benefit Accumulation Fund (BAF) is to accumulate the activity impacting the balance of each municipality's reserve fund. The fund is increased by contributions made by employers and employee members, and decreased by benefit payments and refunds due to withdrawals and death. Effective each December 31, the Board of Trustees approves an interest credit to the BAF, allocated to each municipality in proportion to its BAF balance at January 1st of that year. The fund received an approximate 5.68% interest credit on December 31, 2014.

Full Benefit Arrangement Fund — Section 415(b) of the Internal Revenue Code limits the amount of an annual benefit that may be paid by a tax-qualified pension plan trust to its retirees. This provision is known as the Section 415 limit, which is set by Congress and can be periodically adjusted by the IRS. Any portion of a retiree's annual benefit that exceeds the Section 415 limit cannot be paid from the TMRS pension trust fund. However, Internal Revenue Code Section 415(m) allows pension plans to create a separate fund, known as a qualified governmental excess benefit arrangement, to pay the benefits above the Section 415 limit. Accordingly, the TMRS Act established such an arrangement, which is referred to as the "Full Benefit Arrangement." The purpose of the fund is to record the contributions from employers as well as the benefits paid from such contributions.

Supplemental Disability Benefits Fund — The TMRS Board of Trustees initiated legislation to amend the TMRS Act in 1987, which terminated all cities' participation in the Supplemental Disability Benefits Fund effective January 1, 1988. Consequently, there have been no contributions to this Fund since 1987. The fund continues to pay the remaining benefit payments that are obligations of the fund. Each December 31, the Supplemental Disability Benefits Fund receives a 5% interest credit on the mean balance of the fund during the year. This fund will likely experience fluctuations in funding from year to year, as this is a small closed group; TMRS management will continue to annually monitor the balances and obligations of this fund.

Endowment Fund — The purpose of the Endowment Fund is to accumulate unallocated investment income (Interest Reserve Account), escheated accounts, and funds and assets accruing to the System that are not specifically required by the other funds.

Expense Fund — The purpose of the Expense Fund is to record the expenses incurred for the administration and maintenance of the System. The Board, as evidenced by a resolution of the Board and recorded in its minutes, may transfer from the Interest Reserve Account of the Endowment Fund to the Expense Fund the amount estimated to cover the System's administrative costs for the year.

Fiduciary Fund — Supplemental Death Benefits Fund

The Supplemental Death Benefits Fund (SDBF) reports the resources available to pay supplemental death claims for covered participants. Member cities may elect, by ordinance, to provide a "Supplemental Death Benefit" for their active members, including or not including retirees. The SDBF is a separate trust administered by the TMRS Board of Trustees. The TMRS Act requires the Pension Trust Fund to allocate a 5% interest credit to the SDBF each December 31 based on the mean balance in the SDBF during the year. Death benefit payments are payable only from this fund and are not an obligation of, or a claim against, the other funds of the System.

E. Investments

Investments at December 31, 2014 and 2013 include investments in short-term custodian-managed funds, repurchase agreements, fixed income securities, commingled equity funds, equity securities, real estate securities, interests in private real estate funds, hedge fund-of-funds, and private non-core fixed income funds. Investments are reported at fair value, and security transactions are reported on a trade-date basis. Forward currency contracts and Futures contracts are considered derivative financial instruments and are reported at fair value, with valuation changes reported as investment income. Fixed income securities, including TBA securities, are valued by pricing vendors that utilize quoted market prices, broker prices, or other valuation methodologies. Equity securities and real estate securities are valued by the custodian using the last trade date "quoted market price" supplied by various pricing data vendors. Fair values of the commingled equity funds are determined based on the funds' net asset values at the date of valuation. Short-term investment funds and repurchase agreements are reported at cost, which approximates market value. Fair values of the investments in private real estate funds, hedge fund-of-funds and non-core fixed income funds are reported at the net asset values as provided by the respective General Partner, which are based on audited financial statements of the fund. Withdrawal from the private real estate, hedge fund-of-funds and non-core fixed income funds prior to liquidation is allowable, however is subject to certain constraints as defined in the respective Limited Partnership Agreement.

The TBA, or “to be announced,” securities market is a forward, or delayed delivery market for 30-year and 15-year fixed-rate single-family mortgage-backed securities (MBS) issued by Fannie Mae, Freddie Mac, and Ginnie Mae. A TBA trade represents a purchase or sale of single-family mortgage-backed securities to be delivered on a specified future date; however, the specific pools of mortgages that will be delivered are unknown at the time of the trade. Parties to a TBA trade agree upon the issuer, coupon, price, product type, amount of securities, and settlement date for delivery. Settlement for TBA trades is standardized to occur on one specific day each month. Notification date occurs 48 hours prior to settlement date, where the seller communicates to the buyer the exact details of the MBS pools that will be delivered. Securities must meet “good delivery guidelines.” Good delivery guidelines, notification, and settlement dates are established by the Securities Industry and Financial Markets Association (SIFMA). TBAs are an eligible security per the TMRS Investment Policy Statement. The policy requires purchases of TBAs to be backed by cash until settlement, and sales of TBAs to be backed by a deliverable security. The receivables and payables associated with the sale and purchase of TBAs are reflected in the accompanying statements of fiduciary net position as securities sold and purchased on a when-issued basis.

F. Property and Equipment

Property and equipment consisting of building and improvements, furniture, software, equipment, and land are recorded at cost. It is the System’s policy to capitalize items that individually exceed \$5,000. Depreciation on furniture, equipment, and software is calculated on a straight-line basis over their estimated useful lives, which range from three to ten years; depreciation for building and improvements is calculated on a straight-line basis over forty years.

G. Securities Lending

The Board of Trustees has authorized the System to participate in a securities lending program, whereby certain securities are loaned to an approved counterparty with a simultaneous agreement to return the collateral for the same securities. Collateral is in the form of cash or eligible securities and is initially equal to not less than 102% of the market value plus any accrued interest on the loaned securities, and is maintained at a minimum level of 100% of the market value plus any accrued interest. Securities received as collateral may not be pledged or sold without borrower default. The securities lending contract requires the securities lending agent to indemnify the System fully in the event a counterparty defaults on its obligations to the System.

The fair value of securities on loan totaled \$1,014,002,399 and \$1,853,434,350 at December 31, 2014 and 2013, respectively. At December 31, 2014 and 2013, TMRS had no credit risk exposure to borrowers as the collateral amounts received exceeded amounts on loan. Additionally, TMRS did not experience any losses from default of a borrower or lending agent during 2014 or 2013.

Cash collateral received is invested by the securities lending agent. At December 31, 2014 and 2013, the cost basis of the System’s collateral holdings totaled \$1,033,480,569 and \$1,890,371,310, respectively, which exceeded market values by \$2,645,224 and \$4,256,191, respectively. The change in unrealized loss on securities lending collateral is reported as net appreciation in fair value of collateral on the Statements of Changes in Fiduciary Net Position.

2. Plan Description

A. Pension Trust Fund

TMRS is a statewide agent multiple-employer public employee retirement system that administers 860 nontraditional, joint contributory, hybrid defined benefit plans covering all eligible employees of member cities in Texas. Membership in TMRS as of December 31, 2014 and 2013 follows:

	2014	2013
Inactive plan members (or beneficiaries) currently receiving benefits	53,455	49,969
Inactive plan members entitled to but not yet receiving benefits		
Vested	26,018	25,025
Non-vested	19,036	17,553
Total	45,054	42,578
Active plan members		
Vested	66,081	66,934
Non-vested	37,938	35,936
Total	104,019	102,870
Total member municipalities	860	850

Benefits — Upon retirement, benefits depend on the sum of the employee's contributions, with interest, and the city-financed monetary credits, with interest. City-financed monetary credits are composed of three sources: prior service credits, current service credits, and updated service credits. Prior Service Credit, granted by each city joining TMRS, is a monetary credit equal to the accumulated value of the percentage of prior service credit adopted times an employee's deposits that would have been made, based on the average salary prior to participation, for the number of months the employee has been employed, accruing 3% annual interest, and including the matching ratio adopted by the city. Monetary credits for service since each plan began (or current service credits) are a percent (100%, 150%, or 200%) of the employee's accumulated contributions. In addition, each city can grant, either annually or on an annually repeating basis, another type of monetary credit referred to as Updated Service Credit. This monetary credit is determined by hypothetically re-computing the member's account balance by assuming that the current member deposit rate of the currently employing city (3%, 5%, 6%, or 7%) has always been in effect. The computation also assumes that the member's salary has always been the member's average salary — using a salary calculation based on the 36-month period ending a year before the effective date of calculation. This hypothetical account balance is increased by 3% each year (not the actual interest credited to the member's account in previous years), and increased by the city match currently in effect (100%, 150%, or 200%). The resulting sum is then compared to the member's actual account balance increased by the actual city match and actual interest credited. If the hypothetical calculation exceeds the actual calculation, the member is granted a monetary credit (or Updated Service Credit) equal to the difference between the hypothetical calculation and the actual calculation times the percentage adopted.

At retirement, the benefit is calculated as if the sum of the employee's contributions with interest and the city-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payment options: retiree life only; one of three survivor lifetime options; or one of three guaranteed term options. Members may also

choose to receive a portion of their benefit as a Partial Lump Sum Distribution (PLSD) in an amount equal to 12, 24, or 36 monthly payments under the retiree life only option, which cannot exceed 75% of the total member deposits and interest. A member city may elect to increase the annuities of its retirees, either annually or on an annually repeating basis, effective January 1 of a calendar year. Cities may adopt annuity increases at a rate equal to either 30%, 50%, or 70% of the increase (if any) in the Consumer Price Index – all Urban Consumers (CPI-U) between the December preceding the member's retirement date and the December one year before the effective date of the increase, minus any previously granted increases.

The plan provisions are adopted by the governing body of each city, within the options available in the state statutes governing TMRS. Members in most cities can retire at age 60 and above with 5 or more years of service or with 20 years of service regardless of age. Some cities have elected retirement eligibility with 25 years of service regardless of age. Most plans also provide death benefits and all provide disability benefits. Effective January 1, 2002, members are vested after 5 years, unless a city opted to maintain 10-year vesting. Members may work for more than one TMRS city during their career. If a member is vested in one TMRS city, he or she is immediately vested upon employment with another TMRS city. Similarly, once a member has met the eligibility requirements for retirement in a TMRS city, he or she is eligible in other TMRS cities as well.

Contributions — The contribution rates for employees are either 5%, 6%, or 7% of employee gross earnings (three cities have a 3% rate, which is no longer allowed for new cities under the Act), and the city matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of each city. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. (EAN was first used in the December 31, 2013 valuation; previously, the Projected Unit Credit actuarial cost method had been used). This rate consists of the normal cost contribution rate and the prior service cost contribution rate, which is calculated to be a level percent of payroll from year to year. The normal cost contribution rate for an employee is the contribution rate which, if applied to a member's compensation throughout their period of anticipated covered service with the municipality, would be sufficient to meet all benefits payable on their behalf. The salary-weighted average of the individual rates is the total normal cost rate. The prior service contribution rate amortizes the unfunded (overfunded) actuarial liability (asset) over the applicable period for that city. Both the normal cost and prior service contribution rates include recognition of the projected impact of annually repeating benefits, such as Updated Service Credits and Annuity Increases. The employer contribution rate cannot exceed a statutory maximum rate, which is based on a combination of the employee contribution rate and the city matching percentage. There is an optional higher maximum that may be applied in certain circumstances if elected by the city, or a city may elect to remove the maximum rate. For example, with a 6% employee contribution rate and a city matching percentage of 200%, the maximum employer contribution rate is 12.5% (13.5% if the higher maximum is elected). The maximum does not apply at all for cities beginning participation on or after December 31, 1999.

Contributions are made monthly by both the employees and the member cities. Since each member city must know its contribution rate in advance for budgetary purposes, there is a one-year delay between the actuarial valuation that serves as the basis for the contribution rate and the calendar year when the rate goes into effect. Contributions totaling \$710.0 million and \$679.5 million were made in 2014 and 2013, respectively, by the member cities in accordance with the actuarially determined city contribution rates, based on the December 31, 2012 and 2011 actuarial valuations, respectively. In addition, effective January 1, 2008, member cities are allowed to make additional contributions to the Pension Trust Fund. During 2014 and 2013, eight cities contributed

Notes to Financial Statements

Continued

\$9.2 million and eight cities contributed \$1.3 million, respectively, in such additional contributions. Employees of the cities contributed \$355.4 million and \$339.9 million in 2014 and 2013 in accordance with the city-adopted employee contribution rate for each city. If affected, a city may also pay contributions for the Full Benefit Arrangement (FBA). Such contributions totaled \$714,293 and \$693,389 in 2014 and 2013, respectively.

Investment Policy — The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TMRS Board of Trustees. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS. The Board's adopted strategic asset allocation policy as of December 31, 2014 is as follows:

Asset Class	Minimum %	Target %	Maximum %
U.S. Equities	12.5%	17.5%	22.5%
International Equities	12.5%	17.5%	22.5%
Core Fixed Income	25.0%	30.0%	40.0%
Non-Core Fixed Income	5.0%	10.0%	15.0%
Real Estate	5.0%	10.0%	15.0%
Real Return	2.0%	5.0%	10.0%
Absolute Return	0.0%	5.0%	10.0%
Private Equity	0.0%	5.0%	10.0%
Cash Equivalents	0.0%	0.0%	10.0%

For the year ended December 31, 2014, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was 5.85%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

B. Supplemental Death Benefits Fund

TMRS also administers a cost sharing multiple-employer defined benefit group-term life insurance plan known as the Supplemental Death Benefits Fund (SDBF). This is a voluntary program in which participating member cities may elect, by ordinance, to provide group-term life insurance coverage ("Supplemental Death Benefits") for their active members, including or not including retirees. Employers may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1. Participation in the SDBF as of December 31, 2014 and 2013 is summarized below; these counts represent those eligible for the retiree death benefit only:

	2014	2013
Annuitants eligible for benefits	24,569	22,986
Terminated vested employees	7,672	7,233
Current employee accounts		
Vested	43,117	43,422
Non-vested	25,856	24,831
Total	68,973	68,253
Number of municipalities providing retiree coverage	740	731

Benefits — Payments from this fund are similar to group-term life insurance benefits, and are paid to the designated beneficiaries upon the receipt of an approved application for payment. The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings for the 12-month period preceding the month of death). The death benefit for retirees is considered a postemployment benefit other than pension benefit (OPEB, or other postemployment benefit) and is a fixed amount of \$7,500. The obligations of this plan are payable only from the SDBF and are not an obligation of, or a claim against, the Pension Trust Fund.

Contributions — Contributions are made monthly based on the covered payroll of employee members of the participating member city. The contractually required contribution rate is determined annually for each city. The rate is based on the mortality and service experience of all employees covered by the SDBF and the demographics specific to the workforce of the city. There is a one-year delay between the actuarial valuation that serves as the basis for the employer contribution rate and the calendar year when the rate goes into effect. The contributions to the SDBF are pooled for investment purposes with those of the Pension Trust Fund. The TMRS Act requires the Pension Trust Fund to allocate investment income to the SDBF on an annual basis (see note 1-D). The funding policy of this plan is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to prefund retiree term life insurance during employees' entire careers. As such, contributions are utilized to fund active member deaths on a pay-as-you-go basis; any excess contributions and investment income over payments then become net position available for OPEB.

Funded Status and Funding Progress —The funded status of the SDBF as of December 31, 2014, the most recent actuarial valuation date, is as follows (amounts in millions of dollars):

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Funded Ratio (1) / (2)	Unfunded AAL (UAAL) (2) - (1)	Covered Payroll	UAAL as a Percentage of Covered Payroll (4) / (5)
	(1)	(2)	(3)	(4)	(5)	(6)
12/31/2014	\$22.7	\$145.4	15.6%	\$122.7	\$3,526.1	3.5%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each valuation, and reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to

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reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Additional information as of the latest actuarial valuation follows:

Valuation Date	12/31/2014
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percent of Payroll
Remaining Amortization Period	25 Years – Open Period
Asset Valuation Method	Fund Value
Actuarial Assumptions*	
Investment Rate of Return	4.25%
Projected Salary Increases	Varies by age and service
Includes Inflation at	3.0%
Cost-of-Living Adjustments	None

* See Summary of Actuarial Assumptions in the Actuarial Section for more detailed information.

Assets of the SDBF are valued at “fund value” (or fund balance) as these assets are pooled with those of the Pension Trust Fund under the provisions of the TMRS Act. GASB Statement No. 43 requires the investment return (discount rate) assumption to take into account the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits. Benefits are expected to be provided partially from accumulated plan assets (including accumulated investment earnings) and partially from direct employer contributions. While assets invested in the SDBF are expected to earn 5% interest annually, employer contributions will be made from working funds held in cash or short-term investments. Based on the expected blend of the source of these funds, the investment return assumption has been set at 4.25%.

C. TMRS as Employer

Pension Trust Fund — TMRS, as an employer, participates as one of the 860 plans in the statewide agent multiple-employer plan administered by the System, providing pension benefits for all of its eligible employees. The plan provisions that have been adopted by the TMRS Board of Trustees are within the options available in the TMRS Act. Employees can retire at age 60 and above with 5 or more years of service, or with 20 years of service regardless of age. The contribution rate for employees is 7% and the matching percentage for TMRS is 200%. TMRS, as an employer, has also adopted 100% updated service credit (USC) on a repeating basis and annuity increases (AI) on a repeating basis, at 70% of the change in the CPI. Employees are vested after 5 years of service, but their accumulated deposits and interest must remain in the plan to receive any employer-financed benefits. At retirement, death, or disability, the benefit is calculated by converting the sum of the employee’s personal account balance and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TMRS Act. Members may choose to receive their retirement benefit in one of seven payment options. Members may also choose to receive a portion of their benefit as a PLSD (see section A of this note for a full description of the pension benefits).

As an employer, TMRS contributes to the Plan at an actuarially determined rate, which for 2014 was 16.85% of annual covered payroll. TMRS’ annual pension cost and net pension obligation/(asset) for the three years ended December 31, 2014 are as follows:

For Year Ended December 31	Annual Required Contribution (ARC)	Interest on Net Pension Asset	Adjustment to ARC	Annual Pension Cost (APC)	Employer Contributions	Percentage of APC Contributed	Net Pension Obligation/ (Asset)
2012	\$ 1,045,853	(5,051)	\$ 4,096	\$ 1,044,898	\$ 1,045,853	100.1 %	\$ (73,117)
2013	1,184,720	(5,118)	4,150	1,183,752	1,184,720	100.1	(74,085)
2014	1,263,826	(5,186)	4,205	1,262,845	1,266,847	100.3	(78,087)

The above reported amounts for ARC and employer contributions exclude payments made by TMRS to the FBA, which for 2014 and 2013 totaled \$29,507 and \$30,440, respectively.

The funded status as of December 31, 2014 is presented as follows:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Funded Ratio (1) / (2)	Unfunded AAL (UAAL) (2) - (1)	Covered Payroll	UAAL as a Percentage of Covered Payroll (4) / (5)
	(1)	(2)	(3)	(4)	(5)	(6)
12/31/2014	\$27,855,890	\$35,064,284	79.4%	\$7,208,394	\$7,675,567	93.9%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

Actuarial calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each valuation, and reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Additional information as of the latest actuarial valuation follows:

Actuarial Methods and Assumptions • TMRS as Employer	
Valuation Date	12/31/2014
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percent of Payroll
Equivalent Single Amortization Period	25.0 years
Asset Valuation Method	10-year smoothed market
Actuarial Assumptions:	
Investment Rate of Return	7.0%
Projected Salary Increases	Varies by age and service
Includes Inflation at	3.0%
Cost-of-Living Adjustments	2.10%

The following schedule of funding progress, presented as required supplementary information, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

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Required Supplementary Information Schedule of Funding Progress • TMRS as Employer (Amounts in Millions of Dollars)						
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Funded Ratio (1)/(2)	Unfunded AAL (UAAL) (2) - (1)	Covered Payroll	UAAL as a Percentage of Covered Payroll (4)/(5)
12/31/2012	\$23.0	\$28.9	79.6 %	\$5.9	\$6.7	87.9 %
12/31/2013	25.4	32.7	77.8	7.3	7.4	98.7
12/31/2014	27.9	35.1	79.4	7.2	7.7	93.9

Supplemental Death Benefits Fund — TMRS, as an employer, participates in the cost sharing multiple-employer defined benefit group-term life insurance plan it operates known as the Supplemental Death Benefits Fund (SDBF). TMRS elected to provide group-term life insurance coverage to both current and retired employees. The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death). Retired employees are insured for \$7,500; this coverage is an other postemployment benefit, or OPEB.

TMRS contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation, which was 0.16% for 2014 and 0.15% for 2013, of which 0.01% represented the retiree-only portion for each year, as a percentage of annual covered payroll. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to prefund retiree term life insurance during employees' entire careers. As an employer, TMRS' contributions to the SDBF for the years ended December 31, 2014, 2013, and 2012 were \$12,281, \$11,027, and \$9,405, respectively, representing contributions for both active and retiree coverage, which equaled the required contributions each year.

See section B of this note for a full description of the SDBF.

TMRS Insurance Plan — TMRS, as an employer, participates in the Employees Retirement System of Texas (ERS) Group Benefits Program (GBP). ERS provides health, life, disability, and dental insurance benefits through the GBP; the GBP is administered through a trust (irrevocable per statute – Texas Insurance Code, Section 1551.401), which is governed and managed by a Board of Trustees. The State Retiree Health Plan (SRHP) is a cost sharing multiple-employer defined benefit postemployment healthcare plan that covers retired employees of the State and other entities as specified by the state legislature, including TMRS. The plan assets are legally protected from creditors of the State of Texas and ERS. The ERS issues a publicly available financial report that includes financial statements and required supplementary information for SRHP. That report may be obtained by writing to ERS, P.O. Box 13207, Austin, Texas 78711-3207 or by calling 877-275-4377.

As a cost sharing plan, all assets and risks are pooled and the contribution rates are the same for each participating employer. Contribution requirements or "premiums" are established and may be amended by the Texas Legislature. TMRS remits monthly premium contributions to ERS to cover both active employees and TMRS retirees that are covered under the plan. TMRS' contributions to ERS for the years ended December 31, 2014, 2013, and 2012 were \$837,716, \$776,819, and

\$688,579, respectively, for active employees and \$36,309, \$31,766, and \$29,633, respectively, for TMRS retirees, which equaled the required contributions each year.

TMRS provides health coverage to TMRS retirees based on a tenure schedule approved by the TMRS Board of Trustees through the annual budget process. The retiree, at his/her own expense, may elect spouse health coverage, as well as dental and life insurance offered through the plan.

3. Deposits and Investments

A. Cash in Bank and Deposits

Cash balances represent both demand deposit accounts, held by a local banking institution under terms of a written depository contract, and cash on deposit with the custodian.

Demand deposits totaled \$968,636 and \$980,971, with carrying amounts of (\$7,509,309) and (\$5,113,305) at December 31, 2014 and 2013, respectively. Securities pledged had a market value of \$10,511,772 and \$3,277,187 at December 31, 2014 and 2013, respectively. The account, Due to Custodial and Depository Banks on the Statements of Fiduciary Net Position, consists of benefit checks outstanding at each year-end.

Cash on deposit with the custodian totaled (\$4,161,063) and \$1,499,634 at December 31, 2014 and 2013, respectively. The overdraft position at December 31, 2014 is included in the liability, Due to Custodial and Depository Banks, on the Statements of Fiduciary Net Position.

B. Deposit and Investment Risk

State and local governments have deposits and investments that are subject to various risks. GASB Statement No. 40, *Deposit and Investment Risk Disclosures – an amendment of GASB Statement No. 3*, provides disclosure requirements related to deposit and investment risks: custodial credit risk, credit risk, concentration of credit risk, interest rate risk, and foreign currency risk.

Custodial Credit Risk — Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the System's deposits might not be recovered. TMRS does not have a formal deposit policy for custodial credit risk of its deposits. Demand deposits held by the depository bank as of December 31, 2014 and 2013, to the extent not insured by the Federal Deposit Insurance Corporation, were collateralized by securities held by a third party independent custodian, in the System's name, under a joint custody agreement giving the System unconditional rights and claims to collateral. The current FDIC coverage limit is \$250,000 for deposits held in noninterest-bearing accounts. Deposits denominated in a foreign currency are neither collateralized nor insured as of December 31, 2014 and 2013.

Custodial Credit Risk — Investments

Custodial credit risk is the risk that, in the event of failure of the counterparty, the System will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The assets of the System may be held in the name of agents, nominees, depository trust companies, or other entities designated by the Board of Trustees. At December 31, 2014 and 2013, all investment securities were registered in the System's name or in the name of the System's

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custodian, which was established through a master trust custodial agreement, and are held by the custodian in the name of the System.

The System's investments in repurchase agreements of \$690,100,343 and \$769,600,000 at December 31, 2014 and 2013 were collateralized by U.S. Treasury notes, held in the System's name, with a total market value of \$693,778,600 and \$770,135,100, respectively.

The fair values of investments at December 31, 2014 and 2013 are as follows:

	2014		2013	
	Fair Value	Cost	Fair Value	Cost
Short-term investments				
Short-term investment funds	\$ 499,458,640	\$ 499,458,640	\$ 74,052,077	\$ 74,052,077
U.S. Treasury bills	188,594,336	188,579,191	223,195,524	223,199,252
U.S. government agency discount notes	-	-	835,958,610	835,795,400
Broker collateral	(862,437)	(862,437)	175,000	175,000
Repurchase agreements	690,100,343	690,100,343	769,600,000	769,600,000
Derivative contracts				
Forward currency contracts	7,975,085	-	(1,103,447)	-
Futures contracts	21,865	-	-	-
Fixed-income securities				
U.S. Treasury bonds/notes	1,947,723,341	1,934,918,882	2,679,957,480	2,717,595,740
U.S. Treasury inflation-protected	705,067,015	699,593,011	263,517,923	260,574,151
U.S. government agency	183,367,722	149,055,386	289,407,137	277,298,373
Municipal	175,825,469	149,221,387	114,201,582	105,189,433
Corporate	3,136,457,766	3,102,945,086	2,757,541,475	2,740,553,515
Residential mortgage-backed	1,690,018,173	1,640,089,092	3,109,417,519	3,114,467,337
Commercial mortgage-backed	457,754,704	463,294,707	223,518,444	223,803,424
Other asset-backed	41,165,696	41,031,504	30,550,431	30,090,323
Foreign government	200,903,205	197,256,018	445,000,315	426,775,798
Foreign government inflation-linked	661,662,907	629,165,876	421,330,988	402,242,241
Non-core fixed income funds	399,998,764	400,000,000	-	-
Equities				
Equity securities	1,194,140,840	1,175,584,375	386,137,968	377,560,196
Domestic commingled funds	5,576,531,204	2,692,494,452	5,472,573,442	2,963,833,397
International commingled funds	3,828,002,629	3,224,089,488	4,998,605,934	4,068,101,053
Absolute return assets	1,113,810,523	1,100,000,000	-	-
Real estate				
Private real estate funds	1,014,662,868	879,257,539	625,274,935	544,679,909
Real estate securities	183,720,245	163,882,878	149,450,079	152,869,139
Total	\$ 23,896,100,903	\$ 20,019,155,418	\$ 23,868,363,416	\$ 20,308,455,758

Credit Risk — Investments

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. According to TMRS investment policy as adopted by the TMRS Board of Trustees, credit risk is managed by requiring minimum credit ratings by sector and mandate as outlined below:

Core Fixed Income: (1) All securities must be rated at least B- by S&P or Fitch, or B3 by Moody's. (2) The portfolio shall maintain a minimum weighted average credit quality of A+. (3) Global US dollar denominated – issue and issuer's national government (if the issuer is not the national government itself) must be rated investment grade, at least BBB- by S&P or Fitch, or Baa3 by Moody's. (4) Securitized – the weighted average credit quality of securitized product must be AA. (5) Municipal – issue must be rated investment grade, at least BBB- by S&P or Fitch, or Baa3 by Moody's. (6) Non US dollar denominated bonds – issue and issuer's national government (if the issuer is not the national government itself) must be rated at least A- by S&P or Fitch, or A3 by Moody's.

Core Plus Fixed Income: (1) At least 85% of the portfolio shall be invested in fixed income securities with a quality rating of investment grade. (2) The portfolio shall maintain a minimum weighted – average credit quality of A+. (3) Global US dollar denominated – issue and issuer's national government (if the issuer is not the national government itself) must be rated investment grade, at least BBB- by S&P or Fitch, or Baa3 by Moody's. (4) Securitized – must be rated investment grade and the weighted average credit quality must be AA. (5) Municipal – must be rated investment grade, at least BBB- by S&P or Fitch, or Baa3 by Moody's. (6) Non US dollar denominated – issue and the issuer's national government (if the issuer is not the national government itself) must be rated at least A- by S&P or Fitch, or A3 by Moody's. (7) High yield or non-investment grade corporate – issuer must be rated at least B- by S&P or Fitch, or B3 by Moody's.

Non-Core Fixed Income: (1) At the time of issuance, all securities must have had at least one rating of AAA by S&P, or Fitch, or Aaa by Moody's. (2) All securities must be US dollar denominated. (3) Residential mortgage-backed securities must be originally AAA rated mezzanine tranches, or higher, of residential securitizations of Prime, Alt-A, PayOption-ARM, Subprime issued prior to 2009 (4) Commercial mortgage-backed securities must be originally AAA-rated mezzanine tranches, or higher, of commercial securitizations issued prior to 2009. (5) US Treasury Futures - US Treasury bill, note, and bond contracts cleared on a US futures exchange, with a maximum maturity of the futures contract being no greater than 360 days. Cash equivalents equaling the purchase value of the contracts on buy trades and value of the futures contract based on the "cheapest to deliver" bill, note, or bond on sell trades must be maintained during the entire life of the contract to avoid leverage.

Real Return: (1) The portfolio shall maintain a minimum weighted average credit quality of A. (2) The portfolio shall be invested in fixed-income securities with a quality rating of investment grade by Moody's, Standard & Poor's, or Fitch. (3) Local-currency/non US dollar denominated (a) Both the issuer and national government of the country where the issuer's primary operations are located (if the issuer is not the national government itself) must be rated investment grade. Within this set, investments rated BBB+/Baa1 and below shall be at a maximum of 10%. (b) Long-term foreign currency ratings will apply instead of local currency ratings. (c) For 95% of the portfolio, the issuer's country must be part of the Barclays Capital Global Aggregate Index, a widely followed index that includes only those local markets that are fairly liquid and fairly well developed. The portfolio may invest up to 5% of the total market value of the portfolio in countries that are not a part of the Barclays Capital Global Aggregate Index, subject to credit quality restrictions. (4) Global US dollar denominated – Both the issue and the national government of the country where the issuer's primary operations are located (if the issuer is not the national government itself) must be rated investment grade, at least BBB- by S&P or Fitch, or Baa3 by Moody's.

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The System's long-term fixed income investments with exposure to credit risk as of December 31, 2014 and 2013 are presented below by quality category:

	Fair Value at 12/31/14	Fair Value at 12/31/13	Rating
U.S. government agency	\$ 161,745,785	\$ 270,613,653	AAA
U.S. government agency	21,621,937	18,793,484	NR
Municipal	38,632,583	40,136,380	AAA
Municipal	97,281,512	47,258,390	AA
Municipal	39,911,374	26,806,812	A
Residential mortgage-backed	-	3,526,295	AA
Residential mortgage-backed	-	4,381,608	A
Residential mortgage-backed	-	1,641,189	BBB
Residential mortgage-backed	9,152,141	-	CCC
Residential mortgage-backed	1,680,866,032	3,099,868,427	NR
Corporate	436,737,737	479,931,307	AAA
Corporate	416,343,177	303,795,921	AA
Corporate	1,253,325,434	1,201,823,697	A
Corporate	811,504,682	695,334,024	BBB
Corporate	181,098,236	48,235,697	BB
Corporate	33,438,500	6,129,250	B
Corporate	4,010,000	22,291,579	NR
Other asset-backed	16,597,365	-	AAA
Other asset-backed	-	4,189,292	AA
Other asset-backed	8,286,189	3,520,044	A
Other asset-backed	1,521,028	4,127,897	BBB
Other asset-backed	14,761,114	18,713,198	NR
Commercial mortgage-backed	89,829,676	109,676,456	AAA
Commercial mortgage-backed	50,581,866	77,728,472	AA
Commercial mortgage-backed	20,244,418	-	A
Commercial mortgage-backed	25,581,502	28,456,971	BBB
Commercial mortgage-backed	56,367,925	-	BB
Commercial mortgage-backed	105,682,964	-	B
Commercial mortgage-backed	65,661,263	-	CCC
Commercial mortgage-backed	3,473,569	-	CC
Commercial mortgage-backed	16,452,143	-	D
Commercial mortgage-backed	23,879,378	7,656,545	NR
Foreign government	32,663,638	121,968,261	AAA
Foreign government	69,279,543	83,548,576	AA
Foreign government	290,000	146,590,846	A
Foreign government	92,706,309	92,892,632	BBB
Foreign government	5,963,715	-	NR
Foreign government inflation-linked	168,243,333	173,299,384	AAA
Foreign government inflation-linked	343,574,672	248,031,604	AA
Foreign government inflation-linked	86,907,229	-	A
Foreign government inflation-linked	62,937,673	-	BBB
Non-core fixed income funds	399,998,764	-	BB
Total	\$ 6,947,154,406	\$ 7,390,967,891	

Concentration of Credit Risk — Investments

Concentration of credit risk is the risk of loss attributed to the magnitude of the System's investment in a single issuer. The System's investment policy requires that issuer diversification limits be applied separately to investment mandates as follows:

- **Core Fixed Income** — Investments in a single government related issuer (excluding U.S. Treasuries and U.S. government agencies) will not exceed 5% of the total market value of the mandate; investments in a single corporate issuer will not exceed 2% of the total market value of the mandate; and for asset-backed, non-agency mortgage-backed, and commercial mortgage-backed securities, each separate trust (pool of assets) is defined as a separate issuer and shall not exceed 1.5% of the total market value of the mandate.
- **Core Plus Fixed Income** — Investments in a single government related issuer (excluding U.S. Treasuries and U.S. government agencies) will not exceed 5% of the total market value of the mandate; investments in a single corporate issuer will not exceed 2% of the total market value of the mandate; and for asset-backed, non-agency mortgage-backed, and commercial mortgage-backed securities, each separate trust (pool of assets) is defined as a separate issuer and shall not exceed 1.5% of the total market value of the mandate.
- **Global Inflation-Linked Bonds** — Investments in a single issuer (excluding U.S. government guaranteed bonds and sovereign government guaranteed bonds) will not exceed 5% of the total market value of the mandate.

As of December 31, 2014 and 2013, the System did not exceed any of the issuer diversification limits.

Interest Rate Risk — Investments

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The System's investment policy states that interest rate risk will be controlled through duration management, by mandate, as follows:

- **Core Fixed Income** — maintained within +/- 25% of the Barclay's U.S. Aggregate Bond Index.
- **Core Plus Fixed Income** — maintained within +/- 25% of the Barclay's U.S. Aggregate Bond Index on an option-adjusted or effective basis.
- **Real Return (Global Inflation-Linked Bonds)** — maintained within +/- 25% of the Barclay's Capital World Government Inflation-Linked Bond Index on a modified duration basis.

Duration is a measure of the sensitivity of the price (the value of principal) of a fixed income investment to a change in interest rates, and is expressed as a number of years.

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The following tables display the fair value and weighted-average effective duration as of December 31, 2014 and 2013 for TMRS' long-term fixed income securities.

	Fair Value at 12/31/2014	Effective Duration
U.S. Treasury bonds/notes	\$1,947,723,341	5.99
U.S. Treasury inflation-protected	705,067,015	8.35
U.S. government agency	183,367,722	11.36
Municipal	175,825,469	11.27
Corporate	3,136,457,766	4.59
Residential mortgage-backed	1,690,018,173	4.60
Commercial mortgage-backed	457,754,704	2.12
Other asset-backed	41,165,696	1.42
Foreign government	200,903,205	5.08
Foreign government inflation-linked	661,662,907	10.16
Non-core fixed income funds	399,998,764	0.44
TOTAL	\$9,599,944,762	5.49

	Fair Value at 12/31/2013	Effective Duration
U.S. Treasury bonds/notes	\$2,679,957,480	5.85
U.S. Treasury inflation-protected	263,517,923	9.61
U.S. government agency	289,407,137	6.59
Municipal	114,201,582	9.41
Corporate	2,757,541,475	4.27
Residential mortgage-backed	3,109,417,519	4.78
Commercial mortgage-backed	223,518,444	1.15
Other asset-backed	30,550,431	4.59
Foreign government	445,000,315	10.77
Foreign government inflation-linked	421,330,988	8.34
TOTAL	\$10,334,443,294	5.47

Note: Mortgage-backed securities are sensitive to changes in prepayment rates, which impact duration.

Foreign Currency Risk — Investments

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. Currency risk is generally considered in the diversification benefits of foreign investments and so is not expected to be hedged except specifically authorized by TMRS and according to the relevant asset class mandate guidelines. TMRS' exposure to foreign currency risk (in U.S. dollars) as of December 31, 2014 and 2013, is presented below.

Foreign Currency Exposure at December 31, 2014					
Currency	Cash Equivalents	Forward Currency Contracts	Fixed Income Securities	Equities	Total
Australian Dollar	\$ -	\$ 3,158,457	\$ 94,928,121	\$ 4,222,653	\$ 102,309,231
Brazilian Real	-	1,421,030	29,739,844	-	31,160,874
Canadian Dollar	-	-	-	4,505,380	4,505,380
Danish Krone	-	-	-	3,552,665	3,552,665
Euro Currency	455	821,225	142,564,714	96,114,214	239,500,608
Hong Kong Dollar	-	-	-	7,444,542	7,444,542
Japanese Yen	11,327	-	15,351,260	63,589,659	78,952,246
Mexican Peso	-	705,270	43,398,824	-	44,104,094
New Zealand Dollar	-	260,426	73,315,211	-	73,575,637
Polish Zloty	-	1,453,123	28,157,145	-	29,610,268
United Kingdom Pound Sterling	-	155,554	234,207,788	78,128,220	312,491,562
South Korean Won	-	-	-	2,318,266	2,318,266
Swiss Franc	-	-	-	30,529,479	30,529,479
Swedish Krona	-	-	-	12,217,624	12,217,624
Total	\$ 11,782	\$ 7,975,085	\$ 661,662,907	\$ 302,622,702	\$ 972,272,476

Foreign Currency Exposure at December 31, 2013				
Currency	Cash Equivalents	Forward Currency Contracts	Fixed Income Securities	Total
Australian Dollar	\$ 66	\$ 1,050,498	\$ 76,498,636	\$ 77,549,200
Brazilian Real	81,477	330,739	29,514,948	29,927,164
Euro Currency	-	(1,134,960)	216,450,896	215,315,936
Japanese Yen	212,918	-	17,343,138	17,556,056
Mexican Peso	923,728	(180,712)	45,204,273	45,947,289
New Zealand Dollar	282,422	(579,915)	72,198,613	71,901,120
Polish Zloty	-	(519,812)	22,709,390	22,189,578
United Kingdom Pound Sterling	-	(69,285)	230,688,466	230,619,181
Swedish Krona	-	-	9,543,879	9,543,879
Total	\$ 1,500,611	\$ (1,103,447)	\$ 720,152,239	\$ 720,549,403

Note 1: Amounts in U.S. Dollars.

Note 2: Excluded from this schedule are foreign government securities denominated in U.S. Dollars, which total \$200,903,205 and \$148,650,757 at December 31, 2014 and 2013, respectively, and included is a non-USD denominated corporate bond with a market value of \$2,366,638 at December 31, 2013.

Notes to Financial Statements

Continued

Derivatives

Derivative instruments are financial contracts whose values depend on the values of one or more underlying assets, reference rates, or financial indexes. They include forward currency contracts and futures contracts. TMRS' derivative instruments are considered investments and not hedges for accounting purposes. The notional values associated with the derivative contracts are generally not recorded on the financial statements; however, the exposure to forward currency contracts is recorded in the Statements of Fiduciary Net Position. The change in unrealized appreciation on futures contracts for the year is included as investment income in the Statements of Changes in Fiduciary Net Position.

Foreign currency managers may engage in forward currency transactions to eliminate foreign currency risk in the settlement of trades. The following table summarizes the forward currency contracts in the portfolio as of December 31, 2014 and 2013.

Forward Currency Contracts at December 31, 2014		
Currency	Net Notional Long/(Short)	Exposure
Australian Dollar	\$ (90,395,267)	\$ 3,158,457
Brazilian Real	(28,573,916)	1,421,030
Euro Currency	(25,318,563)	821,225
Mexican Peso	(11,882,438)	705,270
New Zealand Dollar	(69,554,916)	260,426
Polish Zloty	(25,463,595)	1,453,123
Pound Sterling	(16,042,863)	155,554
U.S. Dollar	275,206,643	-
Total	\$ 7,975,085	\$ 7,975,085

Forward Currency Contracts at December 31, 2013		
Currency	Net Notional Long/(Short)	Exposure
Australian Dollar	\$ (72,133,855)	\$ 1,050,498
Brazilian Real	(26,152,753)	330,739
Euro Currency	(78,220,358)	(1,134,960)
Mexican Peso	(14,075,249)	(180,712)
New Zealand Dollar	(71,361,635)	(579,915)
Polish Zloty	(19,516,294)	(519,812)
Pound Sterling	(7,395,859)	(69,285)
U.S. Dollar	287,752,556	-
Total	\$ (1,103,447)	\$ (1,103,447)

Note: Amounts in U.S. Dollars.

TMRS could be exposed to risk if the counterparties to the contracts are unable to meet the terms of the contracts. Currently, TMRS limits counterparty exposure on its forward currency contracts to its custodian bank.

TMRS Investment Managers may be allowed to invest in U.S. Treasury Note and U.S. Treasury Bond futures contracts, cleared on a U.S. futures exchange, with a maximum maturity of the contract being no greater than 360 days. Cash equivalents equaling the purchase value of the contracts on buy trades and the value of the futures contract based on the "cheapest to deliver" bond on sell trades must be maintained during the entire life of the contract.

The following table lists the open futures contracts at December 31, 2014. There were no open futures contracts at December 31, 2013.

Futures Contracts at December 31, 2014				
Futures Contract	Expiration Date	Notional Value	Notional Cost	Accumulated Gain
U.S. 5-Yr Treasury Note Futures	3/31/15	\$30,446,000	\$30,400,000	\$46,000
U.S. 10-Yr Treasury Note Futures	3/20/15	38,799,844	38,699,438	100,406
Total		\$69,245,844	\$69,099,438	\$146,406

4. Property and Equipment

The following is a schedule of property and equipment balances as of December 31, 2014 and 2013, and changes to those account balances during the years then ended:

	Land	Buildings and Improvements	Furniture, Software, and Equipment	Total
Property and Equipment				
Balances, December 31, 2012	\$ 254,388	\$ 11,984,784	\$ 12,803,783	\$ 25,042,955
Additions	-	-	23,240	23,240
Retirements	-	-	(161,597)	(161,597)
Balances, December 31, 2013	254,388	11,984,784	12,665,426	24,904,598
Additions	-	-	12,135	12,135
Retirements	-	-	(237,173)	(237,173)
Balances, December 31, 2014	254,388	11,984,784	12,440,388	24,679,560
Accumulated depreciation				
Balances, December 31, 2012	-	3,894,204	12,098,833	15,993,037
Additions	-	344,054	279,932	623,986
Retirements	-	-	(161,597)	(161,597)
Balances, December 31, 2013	-	4,238,258	12,217,168	16,455,426
Additions	-	344,053	227,894	571,947
Retirements	-	-	(237,173)	(237,173)
Balances, December 31, 2014	-	4,582,311	12,207,889	16,790,200
Net balances, December 31, 2014	\$ 254,388	\$ 7,402,473	\$ 232,499	\$ 7,889,360

5. Commitments and Contingencies

TMRS had outstanding commitments to private real estate funds in the amounts of \$579.7 million USD and \$50 million GBP as of December 31, 2014, and \$612.6 million USD as of December 31, 2013. Outstanding commitments to private non-core fixed income funds totaled \$100 million at December 31, 2014.

6. Risk Management

The System is exposed to various risks of loss related to torts; errors and omissions; violation of civil rights; theft of, damage to, and destruction of assets; and natural disasters. These risks, with the exception of pension and welfare fund fiduciary responsibility insurance, are covered by the System's participation in the Texas Municipal League Intergovernmental Risk Pool. This is a pooled arrangement whereby the participants pay experience-rated annual premiums that are designed to pay claims and build sufficient reserves so that the pool will be able to protect the participating entities with its own capital. The pool reinsures excess losses to preserve the capital base. Property physical damage is insured to replacement value with a \$1,000 deductible and a limit of coverage of \$12,798,900; automobile liability limits are set at \$1,000,000 for each occurrence and physical damage is insured to actual value with a \$10,000 deductible per occurrence; general liability is limited to \$1,000,000 per occurrence; sudden events involving pollution are limited to \$1,000,000 for each occurrence with an annual aggregate of \$2,000,000; workers' compensation coverage is in compliance with the workers' compensation laws of the State of Texas with no accident or aggregate deductibles.

The System maintains a pension and welfare fund fiduciary responsibility insurance policy with a commercial carrier. The policy has an aggregate limit of liability of \$1,000,000.

No significant reductions in insurance coverage occurred in the past year, and settled claims have not exceeded insurance coverage in any of the past three fiscal years.

7. Subsequent Event

Subsequent to year-end, TMRS made additional commitments to non-core fixed income managers totaling \$500 million. ■

Pension Trust Fund

Schedule of Investment Returns Last 10 Fiscal Years*	
Annual money-weighted rate of return, net of investment expense	
2014	5.85%

* Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See accompanying Independent Auditors' Report.

Supplemental Death Benefits Fund

Schedule of Funding Progress (Amounts in Millions of Dollars)						
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Funded Ratio (1) / (2)	Unfunded AAL (UAAL) (2) - (1)	Covered Payroll	UAAL as a Percentage of Covered Payroll (4) / (5)
	(1)	(2)	(3)	(4)	(5)	(6)
12/31/2012	\$ 25.7	\$ 147.9	17.4%	\$ 122.2	\$3,233.4	3.8%
12/31/2013	23.9	130.0	18.4	106.1	3,363.3	3.2
12/31/2014	22.7	145.4	15.6	122.7	3,526.1	3.5

See accompanying Independent Auditors' Report.

Schedule of Employer Contributions (Amounts in Millions of Dollars)			
For Year Ended December 31	Annual Required Contribution	Amount Contributed	Percentage Contributed
2012	\$10.5	\$0.2	1.9%
2013	10.3	1.2	11.8
2014	11.0	2.0	18.2

See accompanying Independent Auditors' Report.

Notes to Trend Data — Supplemental Death Benefits Fund

The Schedule of Funding Progress summarizes the actuarial value of the System's assets and actuarial accrued liability for the fiscal years ended December 31, 2014, 2013, and 2012. The amount contributed represents the contributions allocated for OPEB after the payment of active benefits. The data presented in the schedule were obtained from the System's independent actuary's annual valuation report for each year presented.

Additional information as of the latest actuarial valuation follows:

Valuation Date	12/31/2014
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percent of Payroll
Remaining Amortization Period	25 Years – Open Period
Asset Valuation Method	Fund Value
*Actuarial Assumptions:	
Investment Rate of Return	4.25%
Projected Salary Increases	Varies by age and service
Includes Inflation at	3.0%
Cost-of-Living Adjustments	None

* See Summary of Actuarial Assumptions in the Actuarial Section for more detailed information.

See accompanying Independent Auditors' Report.

Changes in Fiduciary Net Position — by Fund • Year Ended December 31, 2014

	Benefit Accumulation Fund	Full Benefit Arrangement	Supplemental Disability Benefits Fund	Endowment Fund	Expense Fund	Total Pension Trust Fund	Supplemental Death Benefits Fund	Total
ADDITIONS:								
Employer contributions	\$ 719,190,017	\$ 714,293	\$ -	\$ -	\$ -	\$ 719,904,310	\$ 6,126,769	\$ 726,031,079
Plan member contributions	355,413,935	-	-	-	-	355,413,935	-	355,413,935
Net investment income	-	-	-	1,289,444,315	(4,100,136)	1,285,344,179	-	1,285,344,179
Other miscellaneous	-	-	-	29,491	-	29,491	-	29,491
Total additions	1,074,603,952	714,293	-	1,289,473,806	(4,100,136)	2,360,691,915	6,126,769	2,367,951,487
DEDUCTIONS:								
Service retirement benefits	861,244,717	714,293	-	-	-	861,959,010	-	861,959,010
Disability retirement benefits	16,791,938	-	81,761	-	-	16,873,699	-	16,873,699
Partial lump sum distributions	149,739,411	-	-	-	-	149,739,411	-	149,739,411
Supplemental death benefits	-	-	-	-	-	-	8,449,993	8,449,993
Refunds of contributions	58,723,123	-	-	-	-	58,723,123	-	58,723,123
Administrative expenses	-	-	-	-	13,419,567	13,419,567	-	13,419,567
Total deductions	1,086,499,189	714,293	81,761	-	13,419,567	1,100,714,810	8,449,993	1,109,164,803
FUND TRANSFERS:								
Operating budget transfer	-	-	-	(19,494,000)	19,494,000	-	-	-
Income allocation	1,269,449,718	-	29,620	(1,270,612,141)	-	(1,132,803)	1,132,803	-
Escheated funds	(1,850,387)	-	-	1,850,387	-	-	-	-
Net Fund Transfers	1,267,599,331	-	29,620	(1,288,255,754)	19,494,000	(1,132,803)	1,132,803	-
Total Change in Plan Net Position	1,255,704,094	-	(52,141)	1,218,052	1,974,297	1,258,844,302	(1,190,421)	1,257,653,881
Net Position, beginning of year	22,341,912,541	-	633,368	113,150,698	12,937,017	22,468,633,624	23,910,477	22,492,544,101
Net Position, end of year	\$ 23,597,616,635	\$ -	\$ 581,227	\$ 114,368,750	\$ 14,911,314	\$ 23,727,477,926	\$ 22,720,056	\$ 23,750,197,982

See accompanying Independent Auditors' Report.

Supplemental Schedules

Continued

Schedule of Administrative Expenses Year ended December 31, 2014	
Personnel services	
Staff salaries	\$ 6,470,383
Payroll taxes	429,733
Retirement contributions	1,074,552
Insurance	759,733
Total personnel services	8,734,401
Professional services	
Consulting	757,420
Actuarial	392,808
Banking	43,052
Legal	142,106
Medical	23,700
Audit	200,125
Total professional services	1,559,211
Communication	
Printing	11,592
Postage	96,411
Travel	254,715
Telephone	81,626
Member education and mailings	468,225
Total communication	912,569
Rentals/equipment maintenance	
Data processing	385,544
Office equipment	79,248
Offsite record storage	136,496
Total rentals/equipment maintenance	601,288
Miscellaneous	
Dues, subscriptions, and training	251,931
Utilities	183,461
Supplies	88,132
Building/grounds maintenance	157,635
Building security	116,386
Bonds and insurance	59,171
Board and Advisory Committee expenses	131,570
Depreciation	571,947
Other administrative expenses	51,865
Total miscellaneous	1,612,098
Total administrative expenses	\$ 13,419,567
See accompanying Independent Auditors' Report.	

Schedule of Professional Services Year ended December 31, 2014	
Consulting	
Business process review/identity management (city portal)	\$ 306,658
Disaster recovery	102,721
Governance/strategic planning	85,000
Legislative	82,500
Information systems support	82,475
Human resources management	57,562
Annuity mortality records and address research	14,176
Internal audit - external quality control review	12,500
Space planning/office expansion	8,125
Administrative hearings	5,703
Total Consulting	757,420
Actuarial	
Gabriel, Roeder, Smith & Company (GRS)	392,808
Banking	
JPMorgan Chase Bank	43,052
Legal	
Klausner, Kaufman, Jensen & Levinson	108,997
Jackson Walker LLP	15,737
Groom Law Group	14,532
Graves, Dougherty, Hearon & Moody	2,840
Total Legal	142,106
Medical	
Marvin Cressman, M.D.	7,600
John A. Genung, M.D.	7,900
William E. McCarron, M.D.	8,200
Total Medical	23,700
Audit	
KPMG LLP - annual financial audit	93,500
KPMG LLP - Service Organization Controls Report	50,000
Weaver and Tidwell, LLP - real estate audit	56,625
	200,125
Total Professional Services	\$ 1,559,211
Note: The members of the Board of Trustees serve without compensation; they are reimbursed for actual expenses incurred.	
See accompanying Independent Auditors' Report.	

Supplemental Schedules

Continued

Schedule of Investment Expenses Year ended December 31, 2014	
Internal operating expenses	
Staff salaries	\$ 1,425,309
Payroll taxes	89,522
Retirement contributions	239,478
Insurance	118,616
Electronic investment services	771,699
Travel	73,756
Dues, subscriptions, and training	19,454
Other administrative expenses	<u>2,945</u>
Total Internal operating expenses	2,740,779
Investment management and other external expenses	
Investment management	17,115,634
Custodial services	470,333
Consulting	715,409
Legal	<u>173,615</u>
	18,474,991
Total investment expenses	\$ 21,215,770
See accompanying Independent Auditors' Report.	

Investment



Report on Investment Activity

May 29, 2015

Board of Trustees
Texas Municipal Retirement System
c/o Mr. David Gavia
Executive Director
P.O. Box 149153
Austin, Texas 78714-9153



Dear Board Members,

The past year witnessed generally positive performance from the U.S. economy. In 2014, U.S. Real Gross Domestic Product grew in all but the first quarter as the economy expanded by 2.4%.¹ The economy added approximately 3,116,000 jobs to nonfarm payrolls, the strongest year of job gains since 1999, as the unemployment rate declined from 6.7% to 5.6%.² Inflation, as measured by the Consumer Price Index, was 0.8% during the year.³ The Federal Reserve kept target short-term interest rates steady at a range of 0.00% – 0.25% over the course of the fiscal year, and Treasury yields fell across maturities five years and longer.

The trailing year through December 31, 2014 exhibited a rising U.S. equity market, while international equities declined. In the United States, the Russell 3000 Index gained 12.6%. Broad international equity markets returned -3.9% (as measured by the MSCI ACW excluding U.S. Investable Market Index). Income-oriented and inflation-sensitive asset classes improved from the previous year. Fixed income securities returned 6.0% (Barclays U.S. Aggregate Bond Index). All of the domestic bond index sectors experienced modest to strong positive performance during the year.

The market value of the Texas Municipal Retirement System (TMRS) investments increased from \$22.414 billion to \$23.667 billion in the year ended December 31, 2014.⁴ The System's current actuarial assumed rate of return is 7.0%, which represents the System's long-term return goal. The System's overall investment return over the past year was 6.0% and the System's three-year annualized return was 8.6%. The five-year annualized return for the System was 7.4% and the System's ten-year annualized return was 6.5%.

The System's portfolio is under a process of diversification and has shifted from an income-oriented strategy to a total return approach similar to most pension funds. The portfolio is diversified across all segments of the U.S. and international equity markets (both developed and emerging).

PORTLAND OFFICE
1211 SW 5th Avenue
Suite 900
Portland, Oregon 97204
MAIN 503.221.4200

CHICAGO OFFICE
30 N LaSalle Street
Suite 3900
Chicago, Illinois 60602
MAIN 312.445.3100

NEW YORK OFFICE
1 Penn Plaza
Suite 2128
New York, New York 10119
MAIN 646.805.7075

¹ Based on data provided by the U.S. Department of Commerce, Bureau of Economic Analysis.

² Based on data provided by the U.S. Department of Labor, Bureau of Labor Statistics.

³ Ibid.

⁴ As reported by TMRS' custodian State Street Bank & Trust. Market value includes accruals and is adjusted for open trades.

rvkuhns.com



The fixed income portfolio consists of core and non-core investments. The System also invests in real return assets (currently global inflation-linked bonds), absolute return strategies and real estate. We believe these investment allocations are consistent with both Investment Policy guidelines and unique legal statutes that govern TMRS.

Over the last year, TMRS has continued to move in a methodical manner to diversify the portfolio. Diversification within the equity portfolio progressed with the addition of actively managed U.S. mid cap and international strategies in the latter part of 2014. Diversification within the fixed income portfolio also progressed with the initial funding of the non-core allocation through investments in commercial and resident mortgage-backed securities as well as bank loans. The initial investment in absolute return strategies was also made, and the allocation to real estate continued to increase toward its target with the funding of one new manager. We believe that the recent actions taken and the future plans under consideration by the Board to diversify the System's investments will enhance future portfolio returns with a commensurate, yet moderate increase in risk.

The System's investment policies, goals, and objectives, as well as the performance of its assets and transaction costs are regularly monitored and evaluated by TMRS Staff, the Board, and RVK, Inc. These evaluations include analysis of the investment management firms and the custodial bank that serve the System.

The System's publicly traded assets managed through separate accounts are held in custody at State Street Bank, with the majority of equity investments held at Northern Trust and J.P. Morgan through commingled funds. Absolute return and private real estate fund assets are held by their respective general partners. Market values and returns referenced above are based upon statements prepared by State Street Bank. Their statements are, to the best of our knowledge, reliable and accurate. Investment performance is calculated using a time-weighted rate of return methodology (gross of fees) based upon market values and cash flows.

An uncertain market environment demands careful attention and thoughtful treatment of the assets entrusted to the Board's care by the System's employee participants. We expect the Board's continued high standard of care for these assets and commitment to diversification to allow the System to meet its long-term goals and objectives.

Sincerely,

Rebecca Gratsinger, CFA
Chief Executive Officer

Outline of Investment Policies

The TMRS Board of Trustees approves the Investment Policy Statement (IPS), which governs the investment of assets for TMRS and is established to provide a framework for the management of those assets. It sets forth the Board's investment objectives and tolerance for investment risk. The IPS outlines objectives, benchmarks, restrictions, and responsibilities so that members of the Board, TMRS staff, investment managers, consultants, and TMRS stakeholders clearly understand the policies, goals, and objectives, and risks connected with the TMRS investment program.

Investment Objectives

The overall objective of TMRS' investment program is to ensure that members, retirees, and beneficiaries are provided with the benefits they have been promised by their employers at a reasonable and predictable cost to the employers. Assets will be invested for total return with appropriate consideration for portfolio volatility (risk) and liquidity. Emphasis is on both capital appreciation as well as the production of income in order to satisfy the short-term and long-term funding needs of TMRS. Total return includes dividends, interest, and realized and unrealized capital appreciation.

General Investment Policies

A. Standard of Prudence Applicable. All participants in the investment process will act responsibly. The standard of prudence to be applied by the Board and investment staff is as follows:

1. In satisfying this standard, the Board and staff shall exercise the degree of judgment and care, under the circumstances that persons of prudence, discretion, and intelligence exercise in the management of their own affairs, considering the probable income from the securities and probable safety of their capital and in consideration of the purposes, terms, distribution requirements, and other circumstances of the trust.
2. Investment and management decisions respecting individual assets will be evaluated not in isolation but in the context of the trust portfolio as a whole and as a part of an overall investment strategy having risk and return objectives reasonably suited to the trust.

B. Conflict of Interest Prohibited. Members of the Board of Trustees, investment staff, investment managers, and consultants involved in the investment of TMRS assets will refrain from personal business activity that could conflict with the proper execution and management of the TMRS investment program, or that could impair their ability to make impartial recommendations and decisions. These parties are required to reveal all relationships that could create or appear to create a conflict of interest in their unbiased involvement in the investment process.

Portfolio Management

The Board of Trustees recognizes that the most important determinant of long-term return and risk is the asset allocation decision. The Board's strategic target allocation is intended to reflect, and be consistent with, the return objective and risk tolerance expressed in the IPS. It is designed to provide the highest probability of meeting or exceeding the Board's objectives at a controlled level of risk and liquidity that is acceptable to the Board. In establishing its risk tolerance, the Board considers its ability to withstand short and intermediate-term volatility in investment performance and fluctuations in the financial condition of the fund.

The strategic target allocation and acceptable ranges as determined by the Board to facilitate the achievement of long-term investment objectives within acceptable risk parameters are as follows:

Asset Allocation Table • Strategic Targets

Asset Class	Minimum %	Target %	Maximum %
U.S. Equities	12.5%	17.5%	22.5%
International Equities	12.5%	17.5%	22.5%
Core Fixed Income	25.0%	30.0%	40.0%
Non-Core Fixed Income	5.0%	10.0%	15.0%
Real Estate	5.0%	10.0%	15.0%
Real Return	2.0%	5.0%	10.0%
Absolute Return	0.0%	5.0%	10.0%
Private Equity	0.0%	5.0%	10.0%
Cash Equivalents	0.0%	0.0%	10.0%

The Board will authorize implementation to this strategic target allocation in stages. During the transition towards the strategic target allocation, certain asset classes will exceed maximum limits and will serve as either the funding source for new strategies or portfolios, or as a proxy pending implementation of certain allocations.

To ensure that the risk tolerance remains appropriate, the strategic target allocation will be reviewed at least annually for reasonableness relative to significant economic and market changes or to changes in the Board's long-term goals and objectives. A formal asset allocation study will be conducted at least every three years to verify or amend the targets, and a formal pension financial (asset-liability) study will be conducted at least every five years.

The Board has chosen to adopt a re-balancing policy that is governed by allocation ranges rather than time periods. The ranges, specified in the table above, are a function of the volatility of each asset class and the proportion of the total fund allocated to the asset class. The goal of the rebalancing policy is to ensure that the integrity of the Strategic Target Allocation is preserved through a disciplined process that allows investment staff the flexibility to rebalance the portfolio between managers within an asset class and between asset classes, within the Board approved ranges, to adjust for market movements and consider current market conditions, or valuations, in portfolio allocations.

Performance measurement will be based on total rate of return and will be monitored over a sufficient time period to reflect the investment expertise of the manager(s) over one full market cycle, or five years, whichever is less. Performance results and evaluation relative to objectives will be reported to the Board on a quarterly basis. Specific performance objectives include, but may not be limited to, the following:

- a. Achieve a total rate of return over rolling 5-year periods meeting or exceeding the Actuarial Return Assumption
- b. Exceed an appropriate benchmark reflective of asset class participation over rolling 5-year periods (i.e. actual allocation index during the implementation period and policy index once fully implemented).

Outline of Investment Policies

Continued

The Board has selected the following Policy Benchmarks and Policy Index:

Asset Class	Policy Benchmark	Asset Class Goal	Policy Index
U.S. Equities	Russell 3000	Benchmark	17.5%
International Equities	MSCI ACW-ex U.S. IMI	Benchmark	17.5%
Core Fixed Income	Barclays U.S. Aggregate Bond Index	Benchmark	30.0%
Non-Core Fixed Income	50% Barclays U.S. Corporate High Yield Index; 25% J.P. Morgan GBI Emerging Markets Global Diversified (\$); 25% J.P. Morgan CEMBI Broad Diversified Index (\$)	Benchmark	10.0%
Real Estate	NCREIF - ODCE	Benchmark	10.0%
Real Return	Barclays World Government Inflation Linked Bond Index	CPI + 4%	5.0%
Absolute Return	HFRI Diversified Fund of Funds Composite Index	Cash (3-month Libor) + 5%	5.0%
Private Equity	S&P 500 + 5%	Benchmark	5.0%
Cash Equivalents	30 Day T-Bill	Benchmark	0.0%

Securities Lending

The objective of the securities lending program is to generate incremental income from overnight and certain term loans of securities held, utilizing a high-quality and reasonably conservative cash collateral re-investment program that safeguards the return of principal and maintains adequate daily liquidity to support trade settlement activity and portfolio restructuring activities.

The securities lending agent will be responsible for in-depth ongoing credit review of borrowers, independent of the agent's securities lending decision-makers. The lending agent cannot make loans to borrowers who do not appear on TMRS' approved borrower list. The market value of TMRS' securities loans outstanding to an approved borrower at the end of each business day should be no greater than 25% of the total market value of TMRS' securities on loan.

The securities lending agent will collect and maintain proper overcollateralization as follows:

- a. Domestic (United States domiciled and non-US domiciled issued in US dollars) securities: Initial Margin of 102%
- b. International (non-US domiciled) securities: Initial Margin of 105%

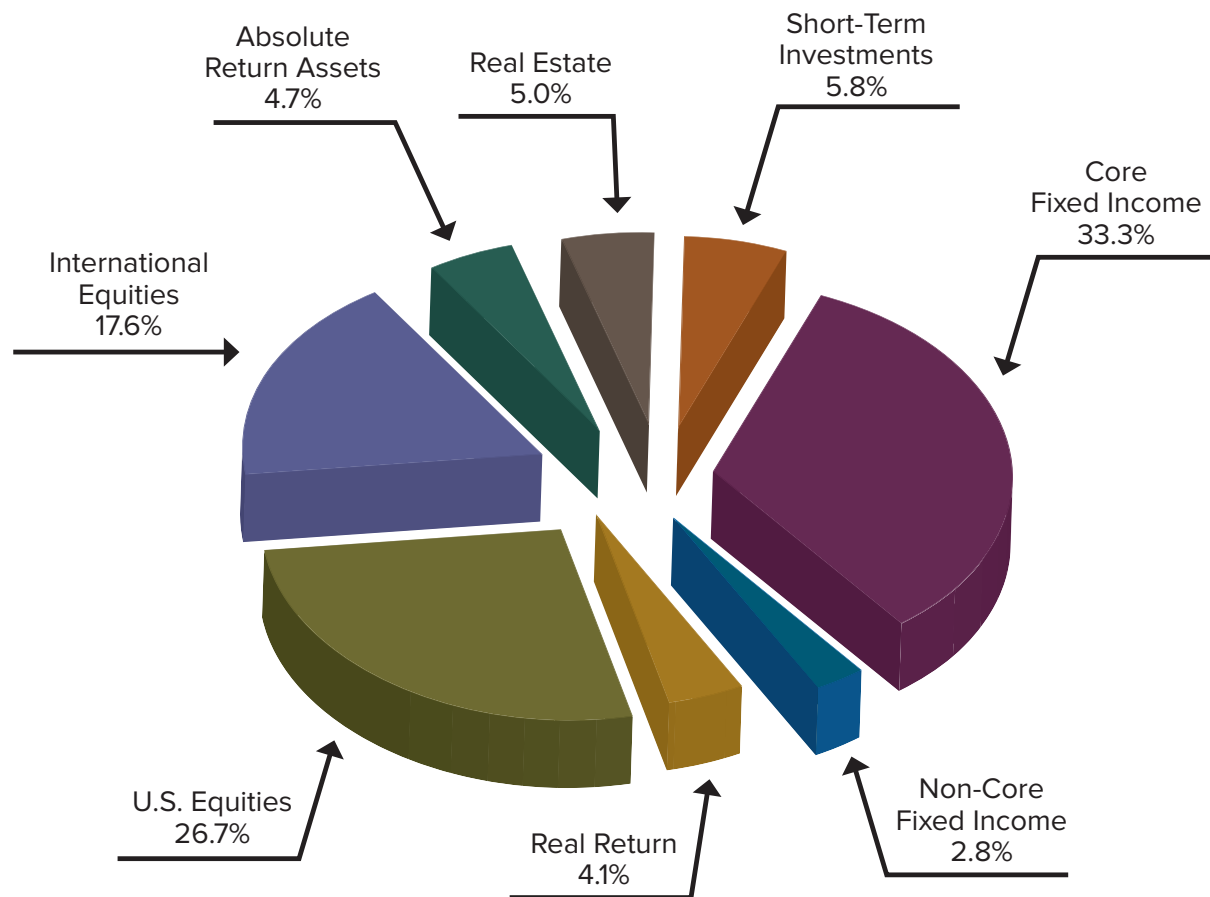
Collateral may be in the form of either Cash (US dollars) or U.S. government securities.

Summary of Investments

	As of December 31, 2014		As of December 31, 2013	
	Fair Value	Percent of Total Fair Value	Fair Value	Percent of Total Fair Value
Short-Term Investments				
Short-term investment funds	\$ 499,458,640	2.1 %	\$ 74,052,077	0.3 %
U.S. Treasury bills	188,594,336	0.8	223,195,524	1.0
U.S. government agency discount notes	-	-	835,958,610	3.5
Broker collateral	(862,437)	(0.0)	175,000	0.0
Repurchase agreements	690,100,343	2.9	769,600,000	3.2
Total short-term investments	1,377,290,882	5.8	1,902,981,211	8.0
Core Fixed Income				
U.S. Treasury bonds/notes	1,947,723,341	8.2	2,679,957,480	11.2
U.S. Treasury inflation-protected	393,988,705	1.6	36,642,340	0.2
U.S. government agency	183,367,722	0.8	289,407,137	1.2
Municipal	175,825,469	0.7	114,201,582	0.5
Corporate	3,136,457,766	13.2	2,755,069,782	11.6
Residential mortgage-backed	1,680,866,032	7.0	3,109,417,519	13.0
Commercial mortgage-backed	199,024,810	0.8	223,518,444	0.9
Other asset-backed	41,165,696	0.2	30,550,431	0.1
Foreign government	200,903,205	0.8	148,650,757	0.6
Total core fixed income	7,959,322,746	33.3	9,387,415,472	39.3
Non-Core Fixed Income				
Residential mortgage-backed	9,152,141	0.0	-	-
Commercial mortgage-backed	258,729,894	1.1	-	-
Non-core fixed income funds	399,998,764	1.7	-	-
Futures contracts	21,865	0.0	-	-
Total non-core fixed income	667,902,664	2.8	-	-
Real Return - Global Inflation-Linked Bonds				
U.S. Treasury inflation-protected	311,078,310	1.3	226,875,583	1.0
Foreign government inflation-linked	661,662,907	2.8	421,330,988	1.8
Foreign government	-	-	296,349,558	1.2
Corporate	-	-	2,471,693	0.0
Forward currency contracts	7,975,085	0.0	(1,103,447)	(0.0)
Total real return	980,716,302	4.1	945,924,375	4.0
Domestic Equities				
Equity securities	820,871,377	3.4	386,137,968	1.6
Commingled funds	5,576,531,204	23.3	5,472,573,442	22.9
Total domestic equities	6,397,402,581	26.7	5,858,711,410	24.5
International Equities				
Equity securities	373,269,463	1.6	-	0.0
Commingled funds	3,828,002,629	16.0	4,998,605,934	21.0
Total international equities	4,201,272,092	17.6	4,998,605,934	21.0
Absolute Return Assets				
Hedge Fund-of-Funds	1,113,810,523	4.7	-	-
Total absolute return assets	1,113,810,523	4.7	-	-
Real Estate				
Real estate securities	183,720,245	0.8	149,450,079	0.6
Real estate funds	1,014,662,868	4.2	625,274,935	2.6
Total real estate	1,198,383,113	5.0	774,725,014	3.2
TOTAL INVESTMENTS	\$ 23,896,100,903	100.0 %	\$ 23,868,363,416	100.0 %

Note: The above table reflects investment assets in categories consistent with the strategic target allocation, and therefore may differ from the presentation within the Notes to the Financial Statements.

2014 Asset Allocation



Largest Holdings (by Fair Value)

Fixed Income Securities • As of December 31, 2014

Par Value	Description	Fair Value
\$ 355,170,000	U.S. Treasury Note: 0.875%, due 12/17	\$ 354,338,902
281,500,000	GNMA II TBA 30 YR: 4.00%	301,818,670
302,320,000	U.S. Treasury Note: 2.0%, due 11/21	300,548,405
231,920,000	U.S. Treasury Note: 0.50%, due 11/16	231,340,200
213,000,000	FNMA TBA 30 YR: 3.5%	222,035,460
206,140,000	U.S. Treasury Note: 1.625%, due 11/19	204,835,134
189,021,100	U.S. Treasury Note: 2.25%, due 11/24	190,291,322
134,004,020	U.S. Treasury Inflation Index: .25%, due 07/24	129,052,571
129,032,402	U.S. Treasury Inflation Index: .125%, due 04/19	127,610,465
109,246,356	GNMA II Pool MA2303 G2; 3.5%, due 10/44	114,847,417
94,300,000	U.S. Treasury Note: 2.625%, due 5/24	97,144,088

Equities • As of December 31, 2014

Shares/Units	Description	Fair Value
175,390,075.08	NTGI - QM Collective Daily Russell 3000 Index Fund - Non Lending	\$ 4,994,056,998
26,468,738.56	NTGI - QM Collective Daily All Country World Ex US IMI Index Fund - Non Lending	3,361,873,891
19,998,890.81	SSGA Russell Fundamental US Index Fund	291,983,806
2,000,000.00	UBS US Equity Minimum Volatility Index Collective Fund	290,490,400
1,999,811.53	UBS World (Ex-US) Equity Minimum Volatility Index Collective Fund	244,139,191
19,982,855.99	SSGA Russell Fundamental Global Ex-US Index Fund	221,989,547
131,920.00	United Health Group Inc. Common Stock	13,335,793
116,011.00	Apple, Inc. Common Stock	12,805,294
123,085.00	CVS Health Corp Common Stock	11,854,316
246,800.00	Microsoft Corp Common Stock	11,463,860

Real Estate Securities • As of December 31, 2014

Shares/Units	Description	Fair Value
103,072.00	Simon Property Group Inc REIT	\$ 18,770,442
120,320.00	American Tower Corp REIT	11,893,632
136,400.00	Ventas Inc REIT	9,779,880
122,600.00	Camden Property Trust REIT	9,052,784
262,678.00	UDR Inc REIT	8,095,736
62,799.00	Boston Properties Inc. REIT	8,081,603
106,100.00	Mid America Apartment Comm REIT	7,923,548
135,100.00	Extra Space Storage Inc. REIT	7,922,264
179,200.00	Prologis Inc REIT	7,710,976
203,037.00	Wettersgaeuser Co. REIT	7,286,998

Note: Space and cost restrictions make it impractical to print a detailed listing of the investment portfolio in this report; however, a portfolio listing is available and will be mailed upon request.

2014 Investment Results

	1 Year	3 Years	5 Years	10 Years
TMRS Total Fund Return	5.99%	8.57%	7.40%	6.45%
Total Fund Active Weighted Benchmark	5.65%	8.25%	7.20%	5.90%
TMRS Core Fixed Income Return	5.77%	2.86%	4.60%	5.04%
Fixed Income Benchmark	5.97%	2.66%	4.45%	4.54%
TMRS Non-Core Fixed Income Return ⁽¹⁾	-	-	-	-
Non-Core Fixed Income Benchmark ⁽¹⁾	-	-	-	-
TMRS Real Return ⁽²⁾	4.44%	3.56%	-	-
Barclay's World Government Inflation-Linked Index ⁽²⁾	4.08%	1.94%	-	-
TMRS Domestic Equity Return ⁽³⁾	12.61%	20.39%	15.56%	-
Russell 3000 Index ⁽³⁾	12.56%	20.51%	15.63%	-
TMRS International Equity Return ⁽⁴⁾	-3.11%	9.73%	4.41%	-
International Equity Active Weighted Index ⁽⁴⁾	-3.89%	9.22%	4.04%	-
TMRS Absolute Return ⁽⁵⁾	-	-	-	-
HFRI Fund of Funds Diversified Index ⁽⁵⁾	-	-	-	-
TMRS Real Estate Return ⁽⁶⁾	20.35%	12.81%	-	-
NCREIF-ODCE 1 Quarter Lag ⁽⁶⁾	12.40%	12.34%	-	-

(1) The inception date of this portfolio is 10/1/2014, and therefore returns are not provided. As of 12/31/2014, inception-to-date returns were 0.81% and -2.23% for TMRS' return and the benchmark, respectively.

(2) The inception date of this portfolio is 2/1/2011, and therefore five-year and ten-year returns are not provided. As of 12/31/2014, inception-to-date returns were 4.53% and 3.98% for TMRS' Real Return and the Barclays World Government Inflation-Linked Index, respectively. The policy benchmark for the Real Return asset class is the CPI + 4%; however, until further diversification within the asset class occurs, the portfolio benchmark for global inflation-linked bonds is used.

(3) The inception date of this portfolio is 1/4/2008, and therefore ten-year returns are not provided. As of 12/31/2014, inception-to-date returns were 8.14% and 8.18% for TMRS' Domestic Equity return and the Russell 3000 Index, respectively.

(4) The inception date of this portfolio is 1/4/2008, and therefore ten-year returns are not provided. As of 12/31/2014, inception-to-date returns were -0.73% and -1.06% for TMRS' International Equity return and the International Equity Active Weighted Index, respectively.

(5) The inception date of this portfolio is 8/1/2014, and therefore returns are not provided. As of 12/31/2014, inception-to-date returns were 0.86% and 1.81% for TMRS' return and the benchmark, respectively.

(6) The inception date of this portfolio is 11/1/2011, and therefore five-year and ten-year returns are not provided. As of 12/31/2014, inception-to-date returns were 12.09% and 12.88% for TMRS' Real Estate return and the NCREIF ODCE 1 Quarter Lag Index, respectively. Privately held real estate fund returns are one-quarter lagged. Publicly traded real estate fund performance is non-lagged.

Note: Rates of return presented are calculated using a time-weighted rate of return methodology based upon market values, and are presented gross of investment management fees.

Total Fund Active Weighted Benchmark – The Total Fund Active Weighted Benchmark is weighted by the average balance of all funds and is comprised of all policy benchmarks associated with each fund/composite.

Fixed Income Benchmark – The Fixed Income Benchmark is weighted by the average balance of fixed income funds and is comprised of 100% Barclays Capital U.S. Aggregate Bond Index beginning July 1, 2009, and 100% Barclays Capital Long Government/Credit Index prior to July 1, 2009.

Barclays Capital U.S. Aggregate Bond Index – This index covers the U.S. investment-grade fixed rate bond market, including government and corporate securities, agency mortgage pass-through securities, and asset-backed securities. To be included in the index, these securities must meet certain criteria. Major sectors are subdivided into more specific indices that are calculated and reported on a regular basis.

Barclays Capital U.S. Long Government/Credit Index – This index measures the investment return of all medium and larger public issues of U.S. Treasury, agency, investment-grade corporate, and investment-grade international dollar-denominated bonds with maturities longer than 10 years.

Non-Core Fixed Income Benchmark – This index is comprised of 50% Barclays Corporate High Yield Index, 25% JPM GBI-EM Global Diversified Index, and 25% JPM CEMBI Broad Diversified Index.

Barclay's World Government Inflation-Linked Index – This index includes only government issuers of inflation-linked bonds in the following major markets: Australia, Canada, France, Germany, Italy, Japan, Sweden, U.K., and the U.S.

CPI – The Consumer Price Index (CPI) is a measure that examines the weighted average of prices of a basket of consumer goods and services, such as transportation, food, and medical care. The CPI is calculated by taking price changes for each item in the predetermined basket of goods and averaging them; the goods are weighted according to their importance. Changes in CPI are used to assess price changes associated with the cost of living.

Russell 3000 Index – This index measures the performance of 3,000 publicly held U.S. companies based on total market capitalization, which represents approximately 98% of the investable U.S. market.

International Equity Active Weighted Index – The International Equity Active Weighted Index is weighted by the average balance of international funds applied to each corresponding benchmark (MSCI EAFE and MSCI All Country World – ex U.S. Investable Market Index) return.

MSCI EAFE Index – This is a free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the U.S. & Canada.

MSCI All Country World – ex U.S. Investable Market Index – This is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets, excluding the U.S.

HFRI Fund of Funds Diversified Index – The HFRI Monthly Indices (“HFRI”) are a series of benchmarks designed to reflect hedge fund industry performance by constructing equally weighted composites of constituent funds, as reported by the hedge fund managers listed within the HFR Database. The Diversified Fund of Funds Composite Index is composed of Fund of Funds that exhibit one or more of the following characteristics: invests in a variety of strategies among multiple managers; historical annual return and/or a standard deviation generally similar to the HFRI Fund of Fund Composite Index; demonstrates generally close performance and returns distribution correlation to the HFRI Fund of Fund Composite Index.

NCREIF-ODCE – The National Council of Real Estate Fiduciaries - Open End Diversified Core Equity (NCREIF-ODCE) is a capitalization-weighted index of investment returns reporting on both a historical and current basis the results of 28 open-end commingled funds pursuing a core investment strategy, some of which have performance histories dating back to the 1970s.

Presented below is the 5-Year Risk-Adjusted Return of the TMRS Total Return in comparison to that of the Total Fund Active Weighted Benchmark. The Sharpe Ratio is used, which measures excess return per unit of total risk. It is calculated by taking the excess return over the risk-free rate, divided by the standard deviation of the excess return; the higher the value, the better the historical risk-adjusted performance.

As of December 31, 2014	TMRS	Total Fund Active Weighted Benchmark
5-Year Risk-Adjusted Return	1.36	1.33

Schedule of Investment Expenses

For the Year ended December 31, 2014	
Internal operating expenses	
Staff salaries	\$ 1,425,309
Payroll taxes	89,522
Retirement contributions	239,478
Insurance	118,616
Electronic investment services	771,699
Travel	73,756
Dues, subscriptions, and training	19,454
Other administrative expenses	<u>2,945</u>
Total internal operating expenses	2,740,779
Investment management and other external expenses	
Investment management	17,115,634
Custodial services	470,333
Consulting	715,409
Legal	<u>173,615</u>
	18,474,991
Total investment expenses	\$ 21,215,770

Schedule of Investment Expenses

Continued

Asset Class	External Investment Manager	Fees	Net Assets Under Management at December 31, 2014 *	Cost Rate (bps)**
Core Fixed Income	BlackRock Financial Management, Inc.	\$ 2,575,853	\$ 6,718,810,937	3.50
Core Fixed Income	Pacific Investment Management Company (PIMCO)	3,948,543	2,029,830,380	19.75
Non-Core Fixed Income	Ellington Management Group LLC	30,079	249,429,051	31.44
Non-Core Fixed Income	Guggenheim Partners Investment Management, LLC	200,831	149,955,987	53.24
Non-Core Fixed Income	Highland Capital Management, LP	100,028	249,742,458	26.85
Non-Core Fixed Income	Voya Investment Management Co. LLC	55,874	249,836,805	34.00
Real Return	Colchester Global Investors	1,596,715	994,900,830	16.02
Equity Index Funds - U.S.	Northern Trust Global Investments	1,029,600	4,994,056,998	2.00
Equity Index Funds - U.S.	UBS Global Asset Management Trust Company	155,988	290,490,400	5.86
Equity Index Funds - U.S.	State Street Global Advisors	131,208	291,983,806	4.77
Equity Index Funds - International	Northern Trust Global Investments	1,859,348	3,361,873,891	4.25
Equity Index Funds - International	UBS Global Asset Management Trust Company	148,096	244,139,192	6.08
Equity Index Funds - International	State Street Global Advisors	113,102	221,989,547	4.76
Domestic Equities	Champlain Investment Partners	130,633	198,843,545	64.47
Domestic Equities	Epoch Investment Partners, Inc.	1,117,115	234,676,566	51.98
Domestic Equities	Sasco Capital, Inc.	901,621	220,424,016	40.90
Domestic Equities	The Boston Company Asset Management, LLC	115,330	205,523,211	54.37
International Equities	Lazard Asset Management	210,225	189,282,398	30.66
International Equities	Wellington Asset Management Company, LLP	331,456	193,744,746	48.31
Real Estate Securities	Harrison Street Securities, LLC	985,099	185,143,231	57.94
Absolute Return	Blackstone Alternative Asset Management Associates LLC	1,378,890	1,112,431,633	29.94
Totals		\$ 17,115,634	\$ 22,587,109,628	7.69

Note: The above schedule excludes management and incentive fees of private real estate funds, which total \$11,723,434 in 2014. Fees for such funds are typically not paid directly, but are instead incurred and paid through the operations of the funds.

* Includes market value of securities, accrued interest, and net receivable/(payable) for open trades.

** Cost rate in basis points (bps) calculated using average monthly net assets under management.

Attuarii



Actuary's Certification Letter (Pension Trust Fund)



Gabriel Roeder Smith & Company
Consultants & Actuaries

5605 N. MacArthur Blvd.
Suite 870
Irving, TX 75038-2631

469.524.0000 phone
469.524.0003 fax
www.gabrielroeder.com

May 22, 2015

Board of Trustees
Texas Municipal Retirement System ("TMRS" or the "System")
Austin, Texas

Dear Trustees:

In accordance with the Texas Municipal Retirement System ("TMRS") Act, the annual actuarial valuation of the assets and liabilities of the TMRS Pension Trust Fund was completed as of December 31, 2014.

Except for healthy annuitant mortality rates and the mortality assumption used to develop the Annuity Purchase Rates (APRs), the actuarial assumptions used for this valuation were initially developed from an actuarial investigation performed by Gabriel Roeder Smith & Company ("GRS") of the experience of TMRS over the four years beginning January 1, 2006 to December 31, 2009. They were adopted in 2011 and first used in the December 31, 2010 actuarial valuation in conjunction with the fund restructuring that resulted from the passage of Senate Bill 350 during the 82nd Regular Session of the Texas Legislature. Healthy post-retirement mortality rates and the APRs used to annuitize members' account balances at retirement were updated based on the Mortality Experience Investigation Study dated December 31, 2013 and were first used in the December 31, 2013 actuarial valuation. In addition, in conjunction with these changes, the Board adopted a change in the actuarial cost method from Projected Unit Credit (PUC) to Entry Age Normal (EAN) and a one-time change to the amortization policy. The change to EAN was made to decrease the rate volatility compared to PUC and to align the assumptions and methods used for funding purposes and financial reporting. The assumptions and methods used in this valuation are summarized in the Actuarial Section of the Comprehensive Annual Financial Report (CAFR).

The results of the actuarial valuation are dependent on the actuarial assumptions used. Actual results can and almost certainly will differ, as actual experience deviates from the assumptions. Even seemingly minor changes in the assumptions can materially change the liabilities, calculated contribution rates and funding periods.

It is our opinion that the recommended assumptions and methods are internally consistent and are reasonably based on past and anticipated future experience of the System and comply with the parameters for disclosure as set forth in Governmental Accounting Standards Board Statement No. 67. We prepared all of the supporting schedules in the Actuarial Section.

The financing objective for each TMRS plan is to provide retirement, death and disability benefits for a member city's employees financed by an employer contribution rate. This rate is determined annually and is expected to remain approximately level as a percentage of the employer's covered payroll. In TMRS, a city's actuarially determined contribution rate consists of two components: the employer normal

Board of Trustees

May 22, 2015

Page 2 of 2

cost contribution rate and the prior service contribution rate. Both rates are determined as a level percentage of payroll. The normal cost contribution rate finances the portion of an active member's projected retirement benefit allocated annually. The prior service contribution rate amortizes the unfunded actuarial accrued liability ("UAAL") over the applicable period for that city. Both the normal cost and prior service contribution rates include recognition of the projected impact of annually repeating updated service credits and annuity increases.

The employer contribution rates for the municipalities participating in TMRS are certified annually by the Board of Trustees which is responsible for establishing and maintaining the funding policy. These rates are actuarially determined and are based upon the plan provisions in effect as of April 1, 2015 and the actuarial assumptions and methodology adopted by the Board. The Board's current policy is that the contribution rates determined by a given actuarial valuation become effective one (1) year after the valuation date. For example, the rates determined by the December 31, 2014 actuarial valuation will be applicable for the calendar year beginning January 1, 2016 and ending December 31, 2016.

To test how well the financing objective for each plan is being achieved, annual actuarial valuations are made. These actuarial valuations recognize differences in the past year between the actuarial assumptions and the actual experience, and any benefit changes for each plan. A separate actuarial valuation for each participating municipality was made based upon the plan of benefits in effect as of April 1, 2015.

The TMRS staff supplied all of the data for retired, active and inactive members as of December 31, 2014. We did not audit this data, but we did apply a number of tests to the data and we concluded that it was reasonable and consistent with the prior year's data. The TMRS staff also supplied all of the asset data and financial information as of December 31, 2014. The amounts of the assets in the actuarial valuations agree with the amounts as reported by TMRS.

All of our work conforms with generally accepted actuarial principles and practices, and with the Actuarial Standards of Practice issued by the Actuarial Standards Board. In our opinion, our calculations also comply with the requirements of the TMRS Act and, where applicable, the Internal Revenue Code and the Statements of the Governmental Accounting Standards Board.

The undersigned are independent actuaries and consultants. Both are Members of the American Academy of Actuaries, both meet all of the Qualification Standards of the American Academy of Actuaries, and both are experienced in performing valuations for large public retirement systems.

Respectfully submitted,



Mark R. Randall, MAAA, FCA, EA
Chief Executive Officer



Joseph P. Newton, MAAA, FSA, EA
Senior Consultant

Summary of Actuarial Assumptions (Pension Trust Fund)

Except for healthy annuitant mortality rates and the mortality assumption used to develop the Annuity Purchase Rates (APRs), these actuarial assumptions were developed from an actuarial investigation of the experience of TMRS over the four-year period from January 1, 2006 to December 31, 2009. They were adopted by the Board of Trustees in May 2011 and first used in the December 31, 2010 actuarial valuation in conjunction with the fund restructuring that resulted from the passage of Senate Bill 350. Healthy post-retirement mortality rates and the APRs used to annuitize members' account balances at retirement were updated based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. These assumptions were first used in the December 31, 2013 actuarial valuation. In conjunction with these changes, the System adopted the Entry Age Normal (EAN) actuarial cost method and a one-time change to the amortization policy. An actuarial investigation of the experience of TMRS for the five-year period ending December 31, 2014 will be conducted during 2015; any changes to the assumptions will be reflected in the December 31, 2015 valuation.

I. Economic Assumptions

A. General Inflation — General inflation is assumed to be 3.00% per year.

B. Discount/Crediting Rates

1. System-wide Investment Return Assumption: 7.00% per year, compounded annually, composed of an assumed 3.00% inflation rate and a 4.00% net real rate of return. This rate represents the assumed return, net of all investment and administrative expenses. This is the discount rate used to value the liabilities of the individual employers.
2. Assumed discount/crediting rate for Supplemental Disability Benefits Fund and individual employee accounts: an annual rate of 5.00% for (1) accumulating prior service credit and updated service credit after the valuation date, (2) accumulating the employee current service balances, (3) determining the amount of the monthly benefit at future dates of retirement or disability, and (4) calculating the actuarial liability of the System-wide Supplemental Disability Benefits Fund.

C. Overall Payroll Growth — 3.00% per year, which is used to calculate the contribution rates for the retirement plan of each participating city as a level percentage of payroll. This represents the expected increase in total payroll. This increase rate is solely due to the effect of wage inflation on salaries, with no allowance for future membership growth.

D. Individual Salary Increases — Salary increases are assumed to occur once a year, on January 1.

Age	Rate (%)
20	5.25
25	5.25
30	5.25
35	5.00
40	4.50
45	4.50
50	4.00
55	4.00
60	3.75
65 & over	3.50

These age-related rates are assumed for plan participants with more than 10 years of service.

For participants with 10 years of service or less, salaries are assumed to increase by the following graduated scale:

Years of Service	Rate(%)
0 - 1	12.00
1 - 2	9.00
2 - 3	7.00
3 - 4	7.00
4 - 5	6.00
5 - 6	6.00
6 - 7	5.50
7 - 8	5.50
8 - 9	5.50
9 - 10	5.50

- E. Annuity Increases** — The Consumer Price Index (CPI) is assumed to be 3.0% per year prospectively. Annuity Increases (also referred to as cost-of-living adjustments, or COLAs), when applicable, are 30%, 50%, or 70% of CPI-U, according to the provisions adopted by each city.

II. Demographic Assumptions

A. Termination Rates

- For the first 10 years of service, the base table rates vary by gender, entry age, and length of service. For each city, the base table is then multiplied by a factor from 75% to 125% based on the experience of the individual city in comparison to the group as a whole. A further multiplier is applied depending on an employee's classification: 1) Fire – 64%, 2) Police – 92%, or 3) Other – 105%. A sample of the base rates follows:

Males	Years of Service									
Age	0	1	2	3	4	5	6	7	8	9
20	0.3298	0.2707	0.2229	0.1876	0.1620	0.1426	0.1249	0.1094	0.0979	0.0867
25	0.3123	0.2485	0.2020	0.1701	0.1479	0.1308	0.1152	0.1013	0.0906	0.0810
30	0.2930	0.2235	0.1775	0.1490	0.1305	0.1163	0.1033	0.0914	0.0818	0.0744
35	0.2778	0.2089	0.1632	0.1356	0.1186	0.1059	0.0946	0.0842	0.0757	0.0696
40	0.2641	0.1987	0.1538	0.1264	0.1099	0.0980	0.0880	0.0789	0.0713	0.0661
45	0.2506	0.1900	0.1470	0.1199	0.1035	0.0922	0.0832	0.0752	0.0685	0.0635
50	0.2364	0.1811	0.1410	0.1149	0.0987	0.0880	0.0799	0.0730	0.0669	0.0616
55	0.2215	0.1718	0.1356	0.1110	0.0950	0.0854	0.0781	0.0720	0.0662	0.0601
60	0.2057	0.1623	0.1307	0.1082	0.0926	0.0844	0.0777	0.0723	0.0666	0.0591
65	0.1899	0.1530	0.1262	0.1058	0.0905	0.0839	0.0778	0.0731	0.0674	0.0584
70	0.1725	0.1427	0.1211	0.1031	0.0881	0.0832	0.0778	0.0739	0.0681	0.0575

Summary of Actuarial Assumptions (Pension Trust Fund)

Continued

Females	Years of Service									
Age	0	1	2	3	4	5	6	7	8	9
20	0.3289	0.2849	0.2465	0.2162	0.1941	0.1780	0.1621	0.1446	0.1274	0.1114
25	0.3079	0.2623	0.2252	0.1972	0.1774	0.1633	0.1496	0.1346	0.1191	0.1037
30	0.2837	0.2343	0.1976	0.1718	0.1549	0.1434	0.1330	0.1214	0.1084	0.0938
35	0.2664	0.2138	0.1761	0.1512	0.1360	0.1264	0.1185	0.1094	0.0984	0.0851
40	0.2532	0.1977	0.1585	0.1335	0.1192	0.1110	0.1048	0.0978	0.0887	0.0770
45	0.2427	0.1856	0.1449	0.1194	0.1051	0.0973	0.0921	0.0865	0.0792	0.0696
50	0.2337	0.1765	0.1352	0.1088	0.0936	0.0854	0.0802	0.0755	0.0698	0.0629
55	0.2250	0.1699	0.1294	0.1020	0.0849	0.0753	0.0692	0.0647	0.0606	0.0569
60	0.2166	0.1659	0.1277	0.0992	0.0793	0.0671	0.0590	0.0541	0.0515	0.0516
65	0.2082	0.1629	0.1275	0.0979	0.0749	0.0596	0.0493	0.0437	0.0426	0.0467
70	0.1990	0.1593	0.1270	0.0962	0.0697	0.0512	0.0384	0.0322	0.0327	0.0412

2. After 10 years of service, base termination rates vary by gender and by the number of years remaining until first retirement eligibility. For each city, the base table is then multiplied by a factor from 75% to 125% based on the experience of the individual city in comparison to the group as a whole (same factor as above). A further multiplier is applied depending on an employee's classification: 1) Fire – 54%, 2) Police – 80%, or 3) Other – 109%. A sample of the base rates follows:

Years From Retirement	Males	Females
1	0.0171	0.0219
2	0.0244	0.0307
3	0.0300	0.0374
4	0.0348	0.0431
5	0.0390	0.0480
6	0.0429	0.0525
7	0.0464	0.0566
8	0.0497	0.0604
9	0.0528	0.0640
10	0.0557	0.0674
11	0.0585	0.0706
12	0.0612	0.0737
13	0.0637	0.0766
14	0.0662	0.0794
15	0.0686	0.0822

Termination rates end at first eligibility for retirement.

- B. Forfeiture Rates** (withdrawal of member deposits from TMRS) for vested members vary by age and employer match, and they are expressed as a percentage of the termination rates shown in (A). The withdrawal rates for cities with a 2-to-1 match are shown below. 2% is added to the rates for 1½-to-1 cities, and 4% is added for 1-to-1 cities.

Age	Percent of Terminating Employees Choosing to Take a Refund
25	52.0%
30	47.9%
35	43.8%
40	39.7%
45	35.6%
50	31.5%
55	27.4%

Forfeiture rates end at first eligibility for retirement.

C. Service Retirees and Beneficiary Mortality Rates

For calculating the actuarial liability and the retirement contribution rates, the Gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by Scale BB to account for future mortality improvements.

Attained Age in 2013	Annual Rate	
	Males	Females
40	0.001437	0.000870
45	0.001880	0.001374
50	0.002528	0.001944
55	0.004398	0.002697
60	0.008228	0.004473
65	0.014477	0.009154
70	0.023964	0.016405
75	0.038627	0.027194
80	0.063179	0.043098
85	0.103059	0.073161

Summary of Actuarial Assumptions (Pension Trust Fund)

Continued

D. Disabled Annuitant Mortality Rates

For calculating the actuarial liability and the retirement contribution rates, the gender-distinct RP2000 Disabled Retiree Mortality Table with both male and female rates multiplied by 80%.

Age	Males	Females
40	0.018057	0.005960
45	0.018057	0.005960
50	0.023180	0.009228
55	0.028354	0.013235
60	0.033634	0.017471
65	0.040139	0.022421
70	0.050066	0.030108
75	0.065654	0.041784
80	0.087498	0.057850

Mortality Improvement: To account for future mortality improvement, the rates were chosen so that the assumed mortality rates are smaller than the rates observed in the most recent experience study. The ratio of the actual number of deaths occurring during this period to the expected number based on the selected assumptions was 98% for disabled male annuitants, 171% for disabled female annuitants, and 108% on a combined basis.

- E. Annuity Purchase Rates** — For determining the amount of the monthly benefit at the time of retirement for both healthy and disabled annuitants, the annuity purchase rates (APRs) for 2014 were based on the UP-1984 Table with an age setback of two years for retirees and eight years for beneficiaries. Beginning in 2027 the APRs will be based on a unisex blend of the RP-2000 Combined Healthy Mortality Tables with Blue Collar Adjustment for males and females with both male and female rates multiplied by 107.5% and projected on a fully generational basis with Scale BB. For members, a unisex blend of 70% of the males table and 30% of the female table is used, while 30% of the male table and 70% of the female table is used for beneficiaries. From 2015 through 2026, the fully generational APRs will be phased in.

F. Pre-Retirement Mortality Rates — Gender-distinct RP2000 Combined Healthy Mortality Table projected to the year 2003 by Scale AA, with a five-year setback for both males and females.

Age	Males	Females
20	0.000254	0.000162
25	0.000326	0.000182
30	0.000365	0.000198
35	0.000437	0.000256
40	0.000761	0.000459
45	0.001053	0.000675
50	0.001450	0.001071
55	0.002025	0.001592
60	0.003421	0.002652
65	0.006428	0.004980

Mortality Improvement: While future mortality improvement is not assumed, the rates were chosen so that the assumed mortality rates are larger than the rates observed in the most recent experience study to build in margin for adverse experience.

G. Disability Rates

Age	Males	Females
20	0.000042	0.000014
25	0.000049	0.000021
30	0.000095	0.000043
35	0.000265	0.000131
40	0.000673	0.000359
45	0.001295	0.000754
50	0.002082	0.001333
55	0.003061	0.002178
60	0.003842	0.002990
65	0.003842	0.002990

Summary of Actuarial Assumptions (Pension Trust Fund)

Continued

H. Service Retirement Rates (applied to both active and inactive members)

The base table rates vary by gender, entry age group, and age. For retirees under the age of 62, the rates for active members are then multiplied by 2 factors based on 1) employee contribution rate and employer match and 2) if the city has a recurring COLA.

Age	Males			Females		
	Entry Age Groups			Entry Age Groups		
	Ages 32 and under	Ages 33-47	Ages 48 and over	Ages 32 and under	Ages 33-47	Ages 48 and over
40-44	0.06	-	-	0.06	-	-
45-49	0.06	-	-	0.06	-	-
50-52	0.08	-	-	0.08	-	-
53	0.08	0.10	-	0.08	0.10	-
54	0.08	0.10	-	0.11	0.10	-
55-59	0.14	0.10	-	0.11	0.10	-
60	0.20	0.15	0.10	0.14	0.15	0.10
61	0.25	0.30	0.20	0.28	0.26	0.20
62	0.32	0.25	0.12	0.28	0.17	0.12
63	0.32	0.23	0.12	0.28	0.17	0.12
64	0.32	0.35	0.20	0.28	0.22	0.20
65	0.32	0.32	0.20	0.28	0.27	0.20
66-69	0.22	0.22	0.17	0.22	0.22	0.17
70-74	0.20	0.22	0.25	0.22	0.22	0.25
75 and over	1.00	1.00	1.00	1.00	1.00	1.00

Note: For cities without a 20-year/any age retirement provision, the active employee rates for entry ages 32 and under are loaded by 20% for ages below 60.

Plan design factors applied to base retirement rates are as follows:

Employer Match	Employee Contribution Rate		
	5%	6%	7%
1 - 1	0.75	0.80	0.84
1.5 - 1	0.81	0.86	0.92
2 - 1	0.86	0.93	1.00

Recurring COLA: 1.00
No Recurring COLA: 0.90

III. Methods and Assumptions

- A. Valuation of Assets** — The actuarial value of assets is based on the market value of assets with ten-year smoothing applied. This is accomplished by recognizing each year 10% of the difference between the market value of assets and the expected actuarial value of assets, based upon the assumed valuation rate of return. The actuarial value of assets is further adjusted by 33% of any difference between the initial value and a 15% corridor around the market value of assets, if necessary. If the corridor is applicable for a given year, the next year's expected actuarial value of assets will be determined from the post-corridor adjusted asset value.
- B. Actuarial Cost Method** — The actuarial cost method being used is known as the Entry Age Normal actuarial cost method. The Entry Age Normal actuarial cost method develops the annual cost of the plan in two parts: that attributable to benefits accruing in the current year, known as the normal cost, and that due to service earned prior to the current year, known as the amortization of the unfunded actuarial accrued liability. The normal cost and the actuarial accrued liability are calculated individually for each member. The normal cost rate for an employee is the contribution rate which, if applied to a member's compensation throughout their period of anticipated covered service with the municipality, would be sufficient to meet all benefits payable on their behalf. The normal cost is calculated using an entry age based on benefit service with the current city. If a member has additional time-only vesting service through service with other TMRS cities or other public agencies, they retain this for determination of benefit eligibility and decrement rates. The salary-weighted average of these rates is the total normal cost rate. The unfunded actuarial accrued liability reflects the difference between the portion of projected benefits attributable to service credited prior to the valuation date and assets already accumulated. The unfunded actuarial accrued liability is paid off in accordance with a specified amortization procedure outlined in C below.
- C. Amortization Policy** — For underfunded cities with 20 or more employees, the amortization as of the valuation date is a level percentage of payroll over a closed period using the process of "laddering." Bases that existed prior to this valuation continue to be amortized on their original schedule. New experience losses are amortized over individual periods of either 25 or 30 years. New gains (including lump sum payments) are offset against and amortized over the same period as the current largest outstanding loss base for the specific city, which in turn decreases contribution rate volatility.

Once a city reaches an overfunded status, all prior non-ad hoc bases are erased and the surplus for overfunded cities is amortized over a 25-year open period.

Ad hoc benefit enhancements are amortized over individual 15-year periods using a level dollar policy.

For the December 31, 2013 actuarial valuation, there was a one-time change in the amortization policy for underfunded cities implemented in conjunction with the changes to the assumptions and cost method to minimize rate volatility associated with these changes. An initial Annual Required Contribution (ARC) was developed using the methodology described above. For cities with a decrease in the rate compared to the rate calculated prior to changes, the amortization period for all non-ad hoc bases was shortened enough to keep the rates stable (if possible). Cities with an increase of more than 0.50% were allowed to extend the amortization periods for non-ad hoc bases up to 30 years to keep the full contribution rate from increasing. For cities with an

Summary of Actuarial Assumptions (Pension Trust Fund)

Continued

increase of 0.50% or less, the amortization periods for all non-ad hoc bases could be extended to 25 years to keep the rate from increasing. The amortization period calculated in the prior steps was then rounded up to the nearest integer to calculate the final full contribution rate.

- D. Small City Methodology** — For cities with fewer than 20 employees, more conservative methods and assumptions are used. First, lower termination rates are used for smaller cities, with maximum multipliers of 75% for employers with less than 6 members, 85% for employers with 6 to 10 members, and 100% for employers with 11 to 15 members.

There is also a load on the life expectancy for employers with less than 15 active members. The life expectancy will be loaded by decreasing the mortality rates by 1% for every active member less than 15. For example, an employer with 5 active members will have the baseline mortality tables multiplied by 90% (10 active members times 1%).

For underfunded plans, the maximum amortization period for amortizing gains and losses is decreased from current levels by 1 year for each active member less than the 20-member threshold. For example, an employer with 8 active members and a current maximum amortization period of 25 will use $(25 - (20 - 8)) = 13$ year amortization period for the gain or loss in that year's valuation. Under this policy, the lowest amortization period will be $(25 - (20 - 1)) = 6$ years. Once the plan is overfunded, the amortization period will revert back to the standard 25 years.

IV. Other Assumptions

1. Valuation payroll (used for determining the amortization contribution rate): A three-year exponential average of the actual salaries paid during the prior fiscal years, moved forward with one year's payroll growth rate and adjusted for changes in population.
2. Individual salaries used to project benefits: Actual salaries from the past three fiscal years are used to determine the Updated Service Credit (USC) final average salary as of the valuation date. For future salaries, this three-year average is projected forward with two years of salary scale to create the salary for the year following the valuation. This is similar to a three-year exponential moving average. This value is then projected with normal salary scales.
3. Timing of benefit payments: Benefit payments are assumed to be made in the middle of the month. Although TMRS benefits are paid at the end of the month, eligibility for that payment is determined at the beginning of the month. A middle of month payment approximates the impact of the combination of eligibility determination and actual payment timing.
4. Percent married: 75% of male and 70% of female employees are assumed to be married.
5. Age difference: Male members are assumed to be three years older than their spouses, and female members are assumed to be three years younger than their spouses.
6. Percent electing annuity on death (when eligible): All of the spouses of vested, married participants are assumed to elect an immediate life annuity.
7. Partial Lump Sum utilization: It is assumed that each member at retirement will withdraw 40% of his/her eligible account balance.
8. Inactive population: All non-vested members of a city are assumed to take an immediate refund if they are not contributing members in another city. Vested members not contributing in another city

are assumed to take a deferred retirement benefit, except for those who have terminated in the past 12 months for whom one year of forfeiture probability is assumed. The forfeiture rates for inactive members of a city who are contributing members in another city are equal to the probability of termination multiplied by the forfeiture rates shown in II(A) and II(B), respectively. These rates are applied each year until retirement eligibility. Once a member is retirement eligible, he or she is assumed to commence benefits based on the service retirement rates shown in II(H).

- 9.** There will be no recoveries once disabled.
- 10.** No surviving spouse will remarry and there will be no children's benefit.
- 11.** Decrement timing: Decrements of all types are assumed to occur mid-year.
- 12.** Eligibility testing: Eligibility for benefits is determined based upon the age at nearest birthday and service at nearest whole year on the date the decrement is assumed to occur.
- 13.** Decrement relativity: Decrement rates are used directly from the experience study, without adjustment for multiple decrement table effects.
- 14.** Incidence of contributions: Contributions are assumed to be received continuously throughout the year based on the computed percent of payroll shown in this report, and the actual payroll payable at the time contributions are made.
- 15.** Benefit service: All members are assumed to accrue one year of eligibility service each year.
- 16.** The decrement rates for service related decrements are based on total TMRS eligibility service.

Definitions (Pension Trust Fund)

1. **Actuarial gain (loss)** — A measure of the difference between actual experience and that expected based upon the actuarial assumptions, during the period between two actuarial valuation dates, as determined in accordance with the actuarial cost method used.
2. **Actuarial accrued liability** — The actuarial present value of benefits attributable to all periods prior to the valuation date.
3. **Actuarial present value** — The value of an amount or series of amounts payable or receivable at various times, determined as of a given date (the valuation date) by the application of the actuarial assumptions.
4. **Actuarial value of assets** — The value of cash, investments, and other property belonging to a pension plan, as used by the actuary for the purpose of an actuarial valuation.
5. **Amortization period** — The period over which the existing unfunded or overfunded actuarial accrued liability is projected to be paid off, as a level percentage of payroll.
6. **Actuarially Determined Employer Contribution (ADEC)** — The employer's periodic required contributions to the defined benefit pension plan, calculated in accordance with current TMRS funding policy.
7. **Average age of contributing members** — The average attained age as of the valuation date.
8. **Average length of service of contributing members** — The average length of total credited service in TMRS as of the valuation date.
9. **Current service benefits** — Benefits attributable to the member's accumulated deposits and an amount provided by the municipality at retirement to match the accumulated deposits at the matching ratio in effect when the deposits were made.
10. **Entry Age Normal actuarial cost method** — The Entry Age Normal actuarial cost method develops the annual cost of the plan in two parts: that attributable to benefits accruing in the current year, known as the normal cost, and that due to service earned prior to the current year, known as the amortization of the unfunded actuarial accrued liability. The normal cost and the actuarial accrued liability are calculated individually for each member. The normal cost rate for an employee is the contribution rate which, if applied to a member's compensation throughout their period of anticipated covered service, would be sufficient to meet all benefits payable on their behalf. The salary-weighted average of these rates is the total normal cost rate. The actuarial accrued liability is based on the portion of benefits attributable to service credited prior to the valuation date. Actuarial gains (losses), as they occur, reduce (or increase) the unfunded actuarial accrued liability.
11. **Funded ratio** — The actuarial value of assets expressed as a percentage of the actuarial accrued liability.
12. **Funding policy** — The program for the amounts and timing of contributions to be made by plan members and employers to provide the benefits specified by a pension plan.
13. **Normal cost contribution rate** — The actuarial present value of benefits allocated to a valuation year by the actuarial cost method, expressed as a percentage of the covered payroll. It is equal to the sum of the actuarial present value of benefits allocated to the year following the valuation date divided by the compensation expected to be received during the next year for the closed group of members as of the valuation date.

- 14. Overfunded actuarial accrued liability** — The excess of the actuarial value of assets over the actuarial accrued liability.
- 15. Phase-in rate** — The minimum required contribution rate to TMRS, which reflects the portion of the full rate being phased in due to the changes in actuarial assumptions and methods.
- 16. Prior service benefits** — Benefits other than current service benefits. These include all benefits arising from prior service credits, special prior service credits, antecedent service credits, updated service credits, and increases in monthly benefit payments to annuitants — also referred to as Annuity Increases (AI) or cost-of-living adjustments (COLAs).
- 17. Prior service contribution rate** — The level percentage of payroll required to amortize the unfunded or overfunded actuarial liability over a specified amortization period. If the rate is negative, it is offset against the normal cost contribution rate, with the limitation that the sum of the two rates cannot be negative.
- 18. Projected Unit Credit actuarial cost method** — A method under which the benefits of each individual included in the valuation are allocated by a consistent formula to valuation years based on years of service. Benefits are allocated equally to each year of service over the individual's career from hire to retirement. Normal costs are based on the portion of the benefit allocated to the year following the valuation year. Accrued liabilities are based on benefits allocated to the time preceding the date of the actuarial valuation. Under this method, actuarial gains (or losses), as they occur, reduce (or increase) the unfunded actuarial liability.
- 19. Retirement contribution rate** — The sum of the normal cost contribution rate and the prior service contribution rate.
- 20. Unfunded actuarial accrued liability** — The excess of the actuarial accrued liability over the actuarial value of assets.

Participating Employers & Active Members (Pension Trust Fund)

		Contributing Members			
Valuation Date	Number of Active Cities	Number	Annual Payroll	Average Annual Pay	Percent Increase In Average
12/31/2005	806	93,780	\$ 3,721,948,875	\$ 40,035	2.4 %
12/31/2006	816	95,583	3,949,180,835	41,710	4.2
12/31/2007	823	98,440	4,221,290,731	43,513	4.3
12/31/2008	829	100,459	4,529,989,369	45,551	4.7
12/31/2009	833	102,419	4,769,041,587	47,014	3.2
12/31/2010	837	101,240	4,797,903,131	47,117	0.2
12/31/2011	842	101,151	4,853,135,055	47,958	1.8
12/31/2012	844	101,827	4,961,671,305	48,889	1.9
12/31/2013	844	102,870	5,142,446,602	50,244	2.8
12/31/2014	853	104,019	5,374,536,634	51,956	3.4

As of December 31, 2014, there were five cities with no contributing members and no city contributions due. In addition, one privatized hospital had no contributing members, but paid a dollar contribution amount to TMRS that is calculated annually by the actuary. Based on the plan of benefits in effect on April 1, 2015, there was also a merger of two participating entities. Thus there were 860 total city plans, with 853 of them active.

The average annual pay was calculated by dividing the annual payroll by the average of the number of contributing members at the beginning and the end of the year.

Retiree and Beneficiary Data (Pension Trust Fund)

Year Ended	Added to Rolls		Removed from Rolls		End of Year		% Increase in Annual Benefit	Average Annual Benefit
	Number of Accounts	Annual Benefit	Number of Accounts	Annual Benefit	Number of Accounts	Annual Benefit		
12/31/2005	3,245	\$ 43,217,805	548	\$ 5,624,311	29,970	\$ 431,414,692	12.0 %	\$ 14,395
12/31/2006	2,834	42,869,323	629	6,559,422	32,175	477,661,259	10.7	14,846
12/31/2007	2,933	44,549,919	598	6,241,842	34,510	523,995,541	9.7	15,184
12/31/2008	2,962	59,560,238	609	6,232,194	36,863	577,323,585	10.2	15,656
12/31/2009	2,750	43,466,305	633	7,356,347	38,980	613,433,543	6.3	15,737
12/31/2010	3,193	61,116,748	714	8,750,654	41,459	665,799,637	8.5	16,059
12/31/2011	3,390	58,001,287	782	4,399,586	44,067	719,401,338	8.1	16,325
12/31/2012	3,545	72,731,553	710	8,898,201	46,902	783,234,690	8.9	16,699
12/31/2013	3,890	72,535,316	823	11,113,993	49,969	844,656,013	7.8	16,904
12/31/2014	4,319	92,940,036	833	11,533,222	53,455	926,062,827	9.6	17,324

The number of retirement accounts is greater than the number of people who retired, as some retirees worked for more than one city in TMRS and retired with a separate benefit from each city. As of December 31, 2014, there were 5,573 more retirement accounts than people who retired. In addition, this schedule excludes 694 retirees with a “cash-out” in lieu of a monthly benefit. These individuals are still entitled to supplemental death benefits.

The annual benefit is 12 times the amount payable in January following the valuation date, including any annuity increase, if applicable.

Summary of Actuarial Liabilities & Funding Progress (Pension Trust Fund)

(Amounts in Millions of Dollars)								
Annual Report Year	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Funded Ratio (1) / (2)	Unfunded AAL (UAAL) (2) - (1)	Covered Payroll	UAAL as a Percentage of Covered Payroll (4) / (5)	City Contributions	Average City Rate (7) / (5)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
2005	\$ 12,486.1	\$ 15,095.2	82.7 %	\$ 2,609.1	\$ 3,721.9	70.1 %	\$ 446.3	12.0 %
2006	13,312.7	16,219.7	82.1	2,907.0	3,949.2	73.6	470.7	11.9
2007*	14,203.3	19,278.8	73.7	5,075.5	4,221.3	120.2	512.9	12.2
2008	15,149.7	20,360.8	74.4	5,211.1	4,530.0	115.0	567.2	12.5
2009	16,305.7	21,525.1	75.8	5,219.4	4,769.0	109.4	641.7	13.5
2010**	16,986.0	20,481.5	82.9	3,495.5	4,797.9	72.9	679.3	14.2
2011	18,347.0	21,563.3	85.1	3,216.4	4,853.3	66.3	703.8	14.5
2012	19,784.8	22,683.8	87.2	2,899.0	4,961.7	58.4	664.4	13.4
2013***	21,293.6	25,320.7	84.1	4,027.1	5,142.4	78.3	680.8	13.2
2014	22,861.0	26,647.5	85.8	3,786.5	5,374.5	70.5	719.2	13.4

* With the December 31, 2007 valuation, the actuarial cost method changed from the Unit Credit actuarial cost method to the Projected Unit Credit actuarial cost method to pre-fund for annually repeating updated service credits and annuity increases.

** Actuarial assumptions were modified with the December 31, 2010 valuation, along with a change in the funding structure of TMRS that resulted from the passage of Senate Bill 350 (combined separate employee, employer and annuity funds into one benefit accumulation fund). This more efficient funding structure reduced year-to-year volatility in city contribution rates, resulted in lower contribution rates for most cities and improved actuarial funding ratios for most cities. The most significant assumption changes from the prior valuation involved altering the structure of the retirement assumption to reflect a city's plan provisions and generally decreasing the turnover and forfeiture assumptions.

*** The healthy annuitant mortality assumption and Annuity Purchase Rates were modified with the December 31, 2013 valuation, along with a change in the actuarial cost method from Projected Unit Credit to Entry Age Normal.

Each city participating in TMRS is financially responsible for its own plan. Therefore, the aggregate numbers shown on the above chart reflect only the aggregate condition of TMRS and do not indicate the status of any one plan.

Columns (1) and (2) on the chart also include the assets and liabilities of the Supplemental Disability Benefits Fund, and for 2008 through 2009 also include the assets and liabilities of the former Current Service Annuity Reserve Fund.

Funded Portion of Actuarial Liabilities by Type (Pension Trust Fund)

(Amounts in Millions of Dollars)							
Valuation Date	Actuarial Liabilities for			Net Assets Available for Benefits	Portion of Actuarial Liabilities Covered by Net Assets		
	(1) Current Member Contributions	(2) Retirees and Beneficiaries	(3) Current Members (Employer-Financed Portion)		(1)	(2)	(3)
12/31/2005	\$ 3,453.9	\$ 5,121.3	\$ 6,520.0	\$ 12,486.1	100.0 %	100.0 %	60.0 %
12/31/2006	3,625.0	5,675.3	6,919.4	13,312.7	100.0	100.0	58.0
12/31/2007	3,784.2	7,201.5	8,293.1	14,203.3	100.0	100.0	38.8
12/31/2008	3,968.0	7,550.3	8,842.5	15,149.7	100.0	100.0	41.1
12/31/2009	4,203.9	7,941.6	9,379.6	16,305.7	100.0	100.0	44.4
12/31/2010	4,403.9	7,598.6	8,479.0	16,986.0	100.0	100.0	58.8
12/31/2011	4,589.5	8,188.0	8,785.9	18,347.0	100.0	100.0	63.4
12/31/2012	4,775.2	8,832.0	9,076.6	19,784.8	100.0	100.0	68.1
12/31/2013	4,956.7	9,861.5	10,502.5	21,293.6	100.0	100.0	61.7
12/31/2014	5,088.2	10,768.5	10,790.8	22,861.0	100.0	100.0	64.9

The financing objective for each TMRS plan is to finance long-term benefit promises through contributions that remain approximately level from year to year as a percentage of the city's payroll. If the contributions to each plan are level in concept and soundly executed, each plan will pay all promised benefits when due — the ultimate test of financial soundness. Testing for level contribution rates is the long-term test.

Presented above is one short-term means of checking a system's progress under its funding program. The present assets are compared with: (1) current member contributions on deposit; (2) the liabilities for future benefits to present retired lives; and (3) the employer-financed portion of the liabilities for service already rendered by current members. In a system that has been following the discipline of level percentage of payroll financing, the liabilities for current member contributions on deposit (liability 1) and the liabilities for future benefits to present retired lives (liability 2) will be fully covered by present assets (except in rare circumstances). In addition, the employer-financed portion of liabilities for service already rendered by current members (liability 3) will be at least partially covered by the remainder of present assets. Generally, if a system has been using level cost financing, and if there are no changes in the plans of benefits, actuarial assumptions, or methods, the funded portion of liability 3 will increase over time, although it is uncommon for it to be fully funded.

Each city participating in TMRS is financially responsible for its own plan. Therefore, the aggregate numbers shown above reflect only the aggregate condition of TMRS and do not indicate the status of any one plan.

Actuary's Certification Letter (Supplemental Death Benefits Fund)



Gabriel Roeder Smith & Company
Consultants & Actuaries

5605 N. MacArthur Blvd.
Suite 870
Irving, TX 75038-2631

469.524.0000 phone
469.524.0003 fax
www.gabrielroeder.com

May 22, 2015

Board of Trustees
Texas Municipal Retirement System ("TMRS" or the "System")
Austin, Texas

Dear Trustees:

Gabriel Roeder Smith & Company ("GRS") has performed an actuarial valuation as of December 31, 2014 for the Supplemental Death Benefits Fund which is administered by the Texas Municipal Retirement System ("TMRS") for the purposes of complying with Governmental Accounting Standards Board ("GASB") Statement No. 43. Except for healthy annuitant mortality rates, the actuarial assumptions used for this valuation were initially developed from an actuarial investigation of the experience of TMRS over the four calendar years 2006-2009 performed by GRS. They were adopted in 2011 by the Board of Trustees and first used in the December 31, 2010 actuarial valuation. Healthy post-retirement mortality rates were updated based on the Mortality Experience Investigation study covering 2009 through 2011 and dated December 31, 2013 and first used in the December 31, 2013 actuarial valuation. In addition, in conjunction with these changes, the Board adopted a change in the actuarial cost method from Projected Unit Credit to Entry Age Normal. The assumptions and methods used in this valuation are summarized in the Actuarial Section of the Comprehensive Annual Financial Report (CAFR).

It is our opinion that the recommended assumptions and methods are internally consistent and are reasonably based upon the past and anticipated long-term future experience of the System. Assumptions and methods were modified as needed for accounting purposes to conform to the requirements for disclosure as set forth in GASB Statement No. 43. We prepared all of the supporting schedules in the Actuarial Section, the Required Supplementary Information in the Financial Section including the Schedule of Funding Progress, the Schedule of Employer Contributions and the Notes to Trend Data, as well as the applicable notes to these schedules in the Financial Section of the CAFR.

The results of the actuarial valuation are dependent upon the actuarial assumptions used. Actual results can and almost certainly will differ, as actual experience deviates from the assumptions. Even seemingly minor changes in the assumptions can materially change the liabilities and calculated contribution rates.

The TMRS Supplemental Death Benefits Fund is an optional cost-sharing multiple-employer defined benefit group life insurance plan. It provides death benefits to both active and retired members. Each participating municipality can elect to cover just active members, or active and retired members. A supplemental death contribution rate is determined annually for each participating municipality as a percentage of that city's covered payroll. The contribution rate finances the expected benefit payments each year on a pay-as-you-go basis. However, this method does not meet the parameters under GASB

Board of Trustees

May 22, 2015

Page 2 of 2

Statements No. 43 and 45. Therefore, for purposes of meeting the GASB financial reporting requirements, retiree benefits are evaluated using the Entry Age Normal actuarial cost method for determining the Other Post-Employment Benefits ("OPEB") cost. Note, however, that the same actuarial assumptions are used for both funding and financial reporting purposes. To the extent that experience differs from what is expected, the pooled assets of the Supplemental Death Benefits Fund act as a reserve. Since the benefit from this Fund is a flat dollar amount, not subject to inflationary factors, and since the asset reserve is adequate to cover adverse experience, we believe that the pay-as-you-go funding approach is reasonable and appropriate.

The employer contribution rates for the municipalities participating in the TMRS Supplemental Death Benefits Fund are certified annually by the Board of Trustees which is responsible for establishing and maintaining the funding policy. These rates are determined actuarially, based on the plan provisions in effect as of April 1, 2015 and the actuarial assumptions and methodology adopted by the Board. The Board's current policy is that the contribution rates determined by a given actuarial valuation become effective one (1) year after the valuation date. For example, the rates determined by the December 31, 2014 actuarial valuation will be applicable for the calendar year beginning January 1, 2016 and ending December 31, 2016.

The TMRS staff supplied all of the member data and annuitant data for active and retired members as of December 31, 2014. We did not audit this data, but we did apply a number of tests to the data and we concluded that it was reasonable and consistent with the prior year's data. The TMRS staff also supplied all of the asset data and financial information as of December 31, 2014. The amounts of the assets in the actuarial valuations agree with the amounts as reported by TMRS.

All of our work conforms with generally accepted actuarial principles and practices, and with the Actuarial Standards of Practice issued by the Actuarial Standards Board. In our opinion, our calculations also comply with the requirements of the TMRS Act and, where applicable, the Internal Revenue Code and the Statements of the Governmental Accounting Standards Board.

The undersigned are independent actuaries and consultants. Both are Members of the American Academy of Actuaries, both meet all of the Qualification Standards of the American Academy of Actuaries, and both are experienced in performing valuations for large public retirement systems.

Respectfully submitted,



Mark R. Randall, MAAA, FCA, EA
Chief Executive Officer



Joseph P. Newton, MAAA, FSA, EA
Senior Consultant

Summary of Actuarial Assumptions (Supplemental Death Benefits Fund)

Except for the healthy annuitant mortality rates, these actuarial assumptions were developed from an actuarial investigation of the experience of TMRS over the four-year period from January 1, 2006 to December 31, 2009. They were adopted by the Board of Trustees in May 2011 and first used in the December 31, 2010 actuarial valuation. Healthy post-retirement mortality rates were updated based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. These assumptions were first used in the December 31, 2013 actuarial valuation. In conjunction with this change, the System adopted the Entry Age Normal (EAN) actuarial cost method. An actuarial investigation of the experience of TMRS for the five-year period ending December 31, 2014 will be conducted during 2015; any changes to the assumptions will be reflected in the December 31, 2015 valuation.

I. Economic Assumptions

- A. General Inflation** — General inflation is assumed to be 3.00% per year.
- B. Discount/Crediting Rates** — 4.25% per year, compounded annually, and derived as a blend of 5.00% for the portion of the benefits financed by advance funding contributions and a short-term interest rate for the portion of the benefits financed by current contributions.
- C. Overall Payroll Growth** — 3.00% per year, which is used to calculate the contribution rates for the retirement plan of each participating city as a level percentage of payroll. This represents the expected increase in total payroll. This increase rate is solely due to the effect of wage inflation on salaries, with no allowance for future membership growth.
- D. Individual Salary Increases** — Salary increases are assumed to occur once a year, on January 1. The age-related rates (below left) are assumed for plan participants with more than 10 years of service. For participants with 10 years of service or less, salaries are assumed to increase by the graduated scale (below right):

Age	Rate (%)	Years of Service	Rate (%)
20	5.25	0 - 1	12.00
25	5.25	1 - 2	9.00
30	5.25	2 - 3	7.00
35	5.00	3 - 4	7.00
40	4.50	4 - 5	6.00
45	4.50	5 - 6	6.00
50	4.00	6 - 7	5.50
55	4.00	7 - 8	5.50
60	3.75	8 - 9	5.50
65 & over	3.50	9 - 10	5.50

II. Demographic Assumptions

A. Termination Rates

- For the first 10 years of service, the base table rates vary by gender, entry age, and length of service. For each city, the base table is then multiplied by a factor from 75% to 125% based on the experience of the individual city in comparison to the group as a whole. A further multiplier is applied depending on an employee's classification: 1) Fire: 64%, 2) Police: 92%, or 3) Other: 105%. A sample of the base rates follows:

Males		Years of Service								
Age	0	1	2	3	4	5	6	7	8	9
20	0.3298	0.2707	0.2229	0.1876	0.1620	0.1426	0.1249	0.1094	0.0979	0.0867
25	0.3123	0.2485	0.2020	0.1701	0.1479	0.1308	0.1152	0.1013	0.0906	0.0810
30	0.2930	0.2235	0.1775	0.1490	0.1305	0.1163	0.1033	0.0914	0.0818	0.0744
35	0.2778	0.2089	0.1632	0.1356	0.1186	0.1059	0.0946	0.0842	0.0757	0.0696
40	0.2641	0.1987	0.1538	0.1264	0.1099	0.0980	0.0880	0.0789	0.0713	0.0661
45	0.2506	0.1900	0.1470	0.1199	0.1035	0.0922	0.0832	0.0752	0.0685	0.0635
50	0.2364	0.1811	0.1410	0.1149	0.0987	0.0880	0.0799	0.0730	0.0669	0.0616
55	0.2215	0.1718	0.1356	0.1110	0.0950	0.0854	0.0781	0.0720	0.0662	0.0601
60	0.2057	0.1623	0.1307	0.1082	0.0926	0.0844	0.0777	0.0723	0.0666	0.0591
65	0.1899	0.1530	0.1262	0.1058	0.0905	0.0839	0.0778	0.0731	0.0674	0.0584
70	0.1725	0.1427	0.1211	0.1031	0.0881	0.0832	0.0778	0.0739	0.0681	0.0575

Females		Years of Service								
Age	0	1	2	3	4	5	6	7	8	9
20	0.3289	0.2849	0.2465	0.2162	0.1941	0.1780	0.1621	0.1446	0.1274	0.1114
25	0.3079	0.2623	0.2252	0.1972	0.1774	0.1633	0.1496	0.1346	0.1191	0.1037
30	0.2837	0.2343	0.1976	0.1718	0.1549	0.1434	0.1330	0.1214	0.1084	0.0938
35	0.2664	0.2138	0.1761	0.1512	0.1360	0.1264	0.1185	0.1094	0.0984	0.0851
40	0.2532	0.1977	0.1585	0.1335	0.1192	0.1110	0.1048	0.0978	0.0887	0.0770
45	0.2427	0.1856	0.1449	0.1194	0.1051	0.0973	0.0921	0.0865	0.0792	0.0696
50	0.2337	0.1765	0.1352	0.1088	0.0936	0.0854	0.0802	0.0755	0.0698	0.0629
55	0.2250	0.1699	0.1294	0.1020	0.0849	0.0753	0.0692	0.0647	0.0606	0.0569
60	0.2166	0.1659	0.1277	0.0992	0.0793	0.0671	0.0590	0.0541	0.0515	0.0516
65	0.2082	0.1629	0.1275	0.0979	0.0749	0.0596	0.0493	0.0437	0.0426	0.0467
70	0.1990	0.1593	0.1270	0.0962	0.0697	0.0512	0.0384	0.0322	0.0327	0.0412

Summary of Actuarial Assumptions (Supplemental Death Benefits Fund)

Continued

2. After 10 years of service, base termination rates vary by gender and by the number of years remaining until first retirement eligibility. For each city, the base table is then multiplied by a factor from 75% to 125% based on the experience of the individual city in comparison to the group as a whole (same factor as above). A further multiplier is applied depending on an employee's classification: 1) Fire: 54%, 2) Police: 80%, or 3) Other: 109%. A sample of the base rates follows:

Years From Retirement	Males	Females
1	0.0171	0.0219
2	0.0244	0.0307
3	0.0300	0.0374
4	0.0348	0.0431
5	0.0390	0.0480
6	0.0429	0.0525
7	0.0464	0.0566
8	0.0497	0.0604
9	0.0528	0.0640
10	0.0557	0.0674
11	0.0585	0.0706
12	0.0612	0.0737
13	0.0637	0.0766
14	0.0662	0.0794
15	0.0686	0.0822

Termination rates end at first eligibility for retirement.

- B. **Forfeiture Rates** (withdrawal of member deposits from TMRS) for vested members vary by age and employer match, and they are expressed as a percentage of the termination rates shown in (A). The withdrawal rates for cities with a 2-to-1 match are shown below. 2% is added to the rates for 1½-to-1 cities, and 4% is added for 1-to-1 cities.

Age	Percent of Terminating Employees Choosing to Take a Refund
25	52.0%
30	47.9%
35	43.8%
40	39.7%
45	35.6%
50	31.5%
55	27.4%

Forfeiture rates end at first eligibility for retirement.

C. Service Retirees and Beneficiary Mortality Rates

For calculating the actuarial liability and the supplemental death contribution rates, the Gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by Scale BB to account for future mortality improvements.

Attained Age in 2013	Annual Rate	
	Males	Females
40	0.001437	0.000870
45	0.001880	0.001374
50	0.002528	0.001944
55	0.004398	0.002697
60	0.008228	0.004473
65	0.014477	0.009154
70	0.023964	0.016405
75	0.038627	0.027194
80	0.063179	0.043098
85	0.103059	0.073161

D. Disabled Annuitant Mortality Rates

For calculating the actuarial liability and the supplemental death contribution rates, the gender-distinct RP2000 Disabled Retiree Mortality Table are used with both male and female rates multiplied by 80%.

Age	Males	Females
40	0.018057	0.005960
45	0.018057	0.005960
50	0.023180	0.009228
55	0.028354	0.013235
60	0.033634	0.017471
65	0.040139	0.022421
70	0.050066	0.030108
75	0.065654	0.041784
80	0.087498	0.057850

Mortality Improvement: To account for future mortality improvement, the rates were chosen so that the assumed mortality rates are smaller than the rates observed in the most recent experience study. The ratio of the actual number of deaths occurring during this period to the expected number based on the selected assumptions was 98% for disabled male annuitants, 171% for disabled female annuitants, and 108% on a combined basis.

Summary of Actuarial Assumptions (Supplemental Death Benefits Fund)

Continued

E. Pre-Retirement Mortality Rates — Gender-distinct RP2000 Combined Healthy Mortality Table projected to the year 2003 by Scale AA, with a 5-year setback for both males and females.

Age	Males	Females
20	0.000254	0.000162
25	0.000326	0.000182
30	0.000365	0.000198
35	0.000437	0.000256
40	0.000761	0.000459
45	0.001053	0.000675
50	0.001450	0.001071
55	0.002025	0.001592
60	0.003421	0.002652
65	0.006428	0.004980

Mortality Improvement: While future mortality improvement is not assumed, the rates were chosen so that the assumed mortality rates are larger than the rates observed in the most recent experience study to build in margin for adverse experience.

F. Disability Rates

Age	Males	Females
20	0.000042	0.000014
25	0.000049	0.000021
30	0.000095	0.000043
35	0.000265	0.000131
40	0.000673	0.000359
45	0.001295	0.000754
50	0.002082	0.001333
55	0.003061	0.002178
60	0.003842	0.002990
65	0.003842	0.002990

Summary of Actuarial Assumptions (Supplemental Death Benefits Fund)

Continued

G. Service Retirement Rates (applied to both Active and Inactive Members)

The base table rates vary by gender, entry age group, and age. For retirees under the age of 62, the rates for active members are then multiplied by 2 factors based on 1) employee contribution rate and employer match and 2) if the city has a recurring COLA.

Age	Males			Females		
	Entry Age Groups			Entry Age Groups		
	Ages 32 and under	Ages 33-47	Ages 48 and over	Ages 32 and under	Ages 33-47	Ages 48 and over
40-44	0.06	-	-	0.06	-	-
45-49	0.06	-	-	0.06	-	-
50-52	0.08	-	-	0.08	-	-
53	0.08	0.10	-	0.08	0.10	-
54	0.08	0.10	-	0.11	0.10	-
55-59	0.14	0.10	-	0.11	0.10	-
60	0.20	0.15	0.10	0.14	0.15	0.10
61	0.25	0.30	0.20	0.28	0.26	0.20
62	0.32	0.25	0.12	0.28	0.17	0.12
63	0.32	0.23	0.12	0.28	0.17	0.12
64	0.32	0.35	0.20	0.28	0.22	0.20
65	0.32	0.32	0.20	0.28	0.27	0.20
66-69	0.22	0.22	0.17	0.22	0.22	0.17
70-74	0.20	0.22	0.25	0.22	0.22	0.25
75 and over	1.00	1.00	1.00	1.00	1.00	1.00

Note: For cities without a 20-year/any age retirement provision, the active employee rates for entry ages 32 and under are loaded by 20% for ages below 60.

Plan design factors applied to base retirement rates are as follows:

Employer Match	Employee Contribution Rate		
	5%	6%	7%
1 - 1	0.75	0.80	0.84
1.5 - 1	0.81	0.86	0.92
2 - 1	0.86	0.93	1.00

Recurring COLA: 1.00
No Recurring COLA: 0.90

III. Methods and Assumptions

- A. Valuation of Assets** – For purposes of actuarial valuation, assets of the Supplemental Death Benefits Fund are valued at “fund value” (or fund balance), as these assets are pooled with those of the Pension Trust Fund under the provisions of the TMRS Act.
- B. Actuarial Cost Method** – For the Supplemental Death Benefit Fund for GASB purposes, the actuarial cost method used is the Entry Age Normal actuarial cost method. The Entry Age Normal actuarial cost method develops the annual cost of the plan in two parts: that attributable to benefits accruing in the current year, known as the normal cost, and that due to service earned prior to the current year, known as the amortization of the unfunded actuarial accrued liability. The normal cost and the actuarial accrued liability are calculated individually for each member. The normal cost rate for an employee is the contribution rate which, if applied to a member’s compensation throughout their period of anticipated covered service with the municipality, would be sufficient to meet all benefits payable on their behalf. The normal cost is calculated using an entry age based on benefit service with the current city. If a member has additional time-only vesting service through service with other TMRS cities or other public agencies, they retain this for determination of benefit eligibility and decrement rates. The unfunded actuarial accrued liability reflects the difference between the portion of projected benefits attributable to service credited prior to the valuation date and assets already accumulated.

The funding policy of this plan is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to prefund retiree term life insurance during employees’ entire careers. As such, contributions are utilized to fund active member deaths on a pay-as-you-go basis; any excess contributions and investment income over payments then become net assets available for OPEB.

IV. Other Assumptions

1. Inactive Population: All non-vested members of a city are assumed to take an immediate refund if they are not contributing members in another city. Vested members not contributing in another city are assumed to take a deferred retirement benefit, except for those who have terminated in the past 12 months for whom one year of forfeiture probability is assumed. The forfeiture rates for inactive members of a city who are contributing members in another city are equal to the probability of termination multiplied by the forfeiture rates shown in II(A) and II(B), respectively. These rates are applied each year until retirement eligibility. Once a member is retirement eligible, he or she is assumed to commence benefits based on the service retirement rates shown in II(G).
2. There will be no recoveries once disabled.
3. Decrement timing: Decrements of all types are assumed to occur mid-year.
4. Eligibility testing: Eligibility for benefits is determined based upon the age at the nearest birthday and service at the nearest whole year on the date the decrement is assumed to occur.

5. **Decrement relativity:** Decrement rates are used directly from the experience study, without adjustment for multiple decrement table effects.
6. **Incidence of contributions:** Contributions are assumed to be received continuously throughout the year.
7. **Benefit service:** All members are assumed to accrue one year of eligibility service each year.
8. **The decrement rates for service related decrements** are based on total TMRS eligibility service.

Definitions (Supplemental Death Benefits Fund)

1. **Actuarial gain (loss)** — A measure of the difference between actual experience and that expected based upon the actuarial assumptions, during the period between two actuarial valuation dates, as determined in accordance with the actuarial cost method used.
2. **Actuarial accrued liability** — The actuarial present value of benefits attributable to all periods prior to the valuation date.
3. **Actuarial present value** — The value of an amount or series of amounts payable or receivable at various times, determined as of a given date (the valuation date) by the application of the actuarial assumptions.
4. **Actuarial value of assets** — The value of cash, investments, and other property belonging to the plan, as used by the actuary for the purpose of an actuarial valuation. For this OPEB plan, assets are valued at “fund value” (or fund balance) as these assets are pooled with those of the TMRS Pension Trust Fund, under the provisions of the TMRS Act.
5. **Annual required contributions (ARC)** — The employer’s periodic required contributions to the OPEB plan, calculated in accordance with GASB parameters under Statement 43.
6. **Entry Age Normal actuarial cost method** — The Entry Age Normal actuarial cost method develops the annual cost of the plan in two parts: that attributable to benefits accruing in the current year, known as the normal cost, and that due to service earned prior to the current year, known as the amortization of the unfunded actuarial accrued liability. The normal cost and the actuarial accrued liability are calculated individually for each member. The normal cost rate for an employee is the contribution rate which, if applied to a member’s compensation throughout their period of anticipated covered service, would be sufficient to meet all benefits payable on their behalf. The salary-weighted average of these rates is the total normal cost rate. The actuarial accrued liability is based on the portion of benefits attributable to service credited prior to the valuation date. Actuarial gains (losses), as they occur, reduce (or increase) the unfunded actuarial accrued liability.
7. **Funded ratio** — The actuarial value of assets expressed as a percentage of the actuarial accrued liability.

Definitions (Supplemental Death Benefits Fund)

Continued

- 8. Funding policy** — The program for the amounts and timing of contributions to be made by plan members and employers to provide the benefits specified by an OPEB plan.
- 9. Other post-employment benefits (OPEB)** — Post-employment benefits other than pension benefits. Specifically, for TMRS, the \$7,500 Supplemental Death Benefit payable to the retirees of municipalities that have elected to offer this benefit.
- 10. Projected Unit Credit actuarial cost method** — A method under which the benefits of each individual included in the valuation are allocated by a consistent formula to valuation years based on years of service. Benefits are allocated equally to each year of service over the individual's career from hire to retirement. Normal costs are based on the portion of the benefit allocated to the year following the valuation year. Accrued liabilities are based on benefits allocated to the time preceding the date of the actuarial valuation. Under this method, actuarial gains (or losses), as they occur, reduce (or increase) the unfunded actuarial liability.
- 11. Supplemental death contribution rate** — The actuarial present value of Supplemental Death Benefits expected to be paid during the coming year, expressed as a percentage of the covered payroll. The benefits include those payable to both active and retired participants after retirement, under the provisions adopted by each municipality.
- 12. Unfunded actuarial accrued liability** — The excess of the actuarial accrued liability over the actuarial value of assets.

Summary of Actuarial Liabilities & Funding Progress (Supplemental Death Benefits Fund)

(Amounts in Millions of Dollars)						
Annual Report Year	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Funded Ratio (1) / (2)	Unfunded AAL (UAAL) (2) - (1)	Covered Payroll	UAAL as a Percentage of Covered Payroll (4) / (5)
	(1)	(2)	(3)	(4)	(5)	(6)
2009	\$ 27.2	\$ 139.1	19.6 %	\$ 111.9	\$ 3,148.4	3.5 %
2010	27.1	147.7	18.3	120.6	3,103.5	3.9
2011	27.7	139.2	19.9	111.5	3,129.2	3.6
2012	25.7	147.9	17.4	122.2	3,233.4	3.8
2013	23.9	130.0	18.4	106.1	3,363.3	3.2
2014	22.7	145.4	15.6	122.7	3,526.1	3.5

Each city participating in TMRS may elect, by ordinance, to offer supplemental death benefits for their active employees, including or not including retirees. The aggregate numbers shown above reflect the aggregate condition of TMRS OPEB benefits.

Statistical



Statistical Section Overview

Information in this section is presented consistent with the provisions of GASB Statement No. 44, *Economic Condition Reporting: The Statistical Section*. The objective of the Statistical Section is to provide statement users with additional historical perspective, context, and detail to assist in using the information in the Financial Statements, Notes to Financial Statements, and Required Supplementary Information to understand and assess a government's economic condition.

The Schedule of Changes in Fiduciary Net Position is presented for the ten-year period ending December 31, 2014. Trend information presented in this schedule is extracted from the Statements of Changes in Fiduciary Net Position located in the Financial Section of this report.

The Schedule of Average Benefit Payments over the last ten years provides information on the average monthly benefit and number of retired members categorized in five-year increments of credited service.

The Schedule of Retired Members by Type of Benefit presents data about the major plan options selected by current retired members. Numbers of retired members are organized by ranges of benefit levels and by major plan features or options.

For multiple-employer plans, a Schedule of Principal Participating Employers for the current period and nine years prior is required. This schedule shows each employer's number of covered employees and each employer's percentage of total covered employees for the top ten participating employers.

The Plan Provisions For Participating Municipalities presents a summary of provisions in effect as of December 31, 2014 for each participating municipality.

Pension Trust Fund • Schedule of Changes in Fiduciary Net Position • Last Ten Fiscal Years

For the Year Ended December 31

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Additions to net position by source										
Employer contributions	\$ 446,302,458	\$ 470,710,457	\$ 512,946,909	\$ 567,236,252	\$ 641,747,222	\$ 679,270,766	\$ 703,778,739	\$ 664,852,429	\$ 681,469,222	\$ 719,904,310
Member contributions	241,695,424	257,268,310	275,982,103	297,953,970	313,475,829	315,643,308	318,986,168	327,363,043	339,906,924	355,413,935
Net investment income (loss)	1,218,108,721	130,492,337	1,079,627,010	(261,043,208)	1,483,308,952	1,496,328,020	434,765,653	1,863,280,541	1,974,888,477	1,285,344,179
Other	14,781	-	-	-	-	32,109	24,289	13,962	17,961	29,491
Total additions to net position	1,906,121,384	858,471,104	1,868,556,022	604,147,014	2,438,532,003	2,491,274,203	1,457,554,849	2,855,509,975	2,996,282,584	2,360,691,915
Deductions from plan net position by type										
Benefit payments										
Service retirements	391,279,705	435,307,270	482,329,053	530,045,818	580,156,863	619,236,211	675,504,722	729,636,554	794,458,670	861,959,010
Disability retirements	13,477,860	14,177,858	14,449,226	14,806,934	15,394,675	15,469,400	15,923,372	16,049,912	16,469,149	16,873,699
Distributive benefits	13,388,067	11,146,810	-	-	-	-	-	-	-	-
Partial lump sum distributions	96,927,134	94,203,122	99,394,156	103,177,637	90,140,135	108,761,489	118,889,171	119,250,573	135,568,703	149,739,411
Total benefit payments	515,072,766	554,835,060	596,172,435	648,030,389	685,691,673	743,467,100	810,317,265	864,937,039	946,496,522	1,028,572,120
Refunds										
Withdrawal/Ineligibility	47,886,445	48,497,888	50,722,429	48,205,272	43,917,853	48,385,106	55,050,211	56,756,327	56,856,706	58,174,242
Death	674,821	493,236	1,899,514	881,547	1,389,635	656,521	616,077	1,086,396	870,968	548,881
Total refunds	48,561,266	48,991,124	52,621,943	49,086,819	45,307,488	49,041,627	55,666,288	57,842,723	57,727,674	58,723,123
Administrative expenses	9,677,961	11,176,096	11,504,442	11,672,174	10,509,869	10,634,956	11,439,672	12,114,375	12,821,721	13,419,567
Income allocation to Supplemental Death Benefits Fund	972,686	1,062,425	1,168,506	1,229,567	1,304,784	1,312,293	1,331,570	1,310,740	1,202,065	1,132,803
Other	-	-	67,161	27,675	4,317	-	-	-	-	-
Total deductions from net position	574,284,679	616,064,705	661,534,487	710,046,624	742,818,131	804,455,976	878,754,795	936,204,877	1,018,247,982	1,101,847,613
Net increase/(decrease) in net position	\$ 1,331,836,705	\$ 242,406,399	\$ 1,207,021,535	\$ (105,899,610)	\$ 1,695,713,872	\$ 1,686,818,227	\$ 578,800,054	\$ 1,919,305,098	\$ 1,978,034,602	\$ 1,258,844,302

Schedule of Changes in Fiduciary Net Position

Supplemental Death Benefits Fund
Schedule of Changes in Fiduciary Net Position • Last Ten Fiscal Years

	For the Year Ended December 31									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Additions to net position by source										
Employer contributions	\$6,248,373	\$6,741,818	\$7,397,969	\$8,143,084	\$7,066,638	\$6,465,510	\$6,978,502	\$5,248,375	\$5,673,095	\$6,126,769
Income allocation from Pension Trust Fund	972,686	1,062,425	1,168,506	1,229,567	1,304,784	1,312,293	1,331,570	1,310,740	1,202,065	1,132,803
Total additions to net position	7,221,059	7,804,243	8,566,475	9,372,651	8,371,422	7,777,803	8,310,072	6,559,115	6,875,160	7,259,572
Deductions from net position by type										
Supplemental death benefits - active	3,008,086	2,895,317	3,842,128	4,676,623	4,103,254	4,230,688	4,063,675	5,001,559	4,462,634	4,164,899
Supplemental death benefits - retiree	2,847,500	2,871,616	3,002,500	3,268,402	3,223,750	3,652,500	3,562,500	3,618,125	4,187,500	4,285,094
Total deductions from net position	5,855,586	5,766,933	6,844,628	7,945,025	7,327,004	7,883,188	7,626,175	8,619,684	8,650,134	8,449,993
Net increase/(decrease) in net position	\$1,365,473	\$2,037,310	\$1,721,847	\$1,427,626	\$1,044,418	\$(105,385)	\$683,897	\$(2,060,569)	\$(1,774,974)	\$(1,190,421)

Schedule of Average Benefit Payments

Retirement Effective Dates • Jan. 1, 2005 — Dec. 31, 2014

	Years Credited Service						
For Year Ended December 31:	0-<5	5-<10	10-<15	15-<20	20-<25	25-<30	30 +
2005							
Average Monthly Benefit	\$153.90	\$312.70	\$664.48	\$1,004.01	\$1,260.53	\$1,975.37	\$2,904.19
Number of Active Retirees	43	190	234	267	660	503	448
2006							
Average Monthly Benefit	\$169.28	\$333.08	\$727.00	\$1,049.54	\$1,289.78	\$1,879.44	\$2,861.16
Number of Active Retirees	66	243	259	299	687	497	398
2007							
Average Monthly Benefit	\$159.32	\$310.85	\$704.23	\$978.74	\$1,376.86	\$1,992.61	\$2,976.80
Number of Active Retirees	56	257	288	310	654	488	412
2008							
Average Monthly Benefit	\$165.91	\$320.16	\$777.41	\$1,078.26	\$1,303.02	\$2,089.79	\$3,246.20
Number of Active Retirees	73	250	325	283	639	484	445
2009							
Average Monthly Benefit	\$155.89	\$365.77	\$699.60	\$1,117.62	\$1,399.44	\$2,101.03	\$3,256.80
Number of Active Retirees	68	244	301	303	574	438	382
2010							
Average Monthly Benefit	\$179.95	\$374.28	\$775.66	\$1,086.18	\$1,414.72	\$2,086.73	\$3,402.20
Number of Active Retirees	87	296	365	321	614	483	527
2011							
Average Monthly Benefit	\$192.08	\$364.59	\$773.29	\$1,144.72	\$1,438.07	\$2,191.75	\$3,634.16
Number of Active Retirees	85	337	337	335	658	519	540
2012							
Average Monthly Benefit	\$209.76	\$370.74	\$837.42	\$1,253.33	\$1,525.77	\$2,267.20	\$3,598.25
Number of Active Retirees	102	353	406	319	641	488	634
2013							
Average Monthly Benefit	\$218.94	\$402.34	\$837.41	\$1,226.22	\$1,535.92	\$2,246.41	\$3,463.35
Number of Active Retirees*	88	426	455	370	675	577	656
2014							
Average Monthly Benefit	\$223.90	\$429.36	\$860.37	\$1,340.43	\$1,597.50	\$2,386.99	\$3,940.89
Number of Active Retirees*	111	427	471	385	770	619	812

* Excludes 80 retirees in 2014 electing a “cash out” in lieu of a monthly benefit.

Note: The above schedule does not include information about the average final average salary. Such information is not relevant to TMRS as the annuity payment is not based on the individual’s final salary.

Schedule of Retired Members by Type of Benefit

Amount of Monthly Benefit	Annuity Recipients		Type of Benefit		Life Only		Survivor Lifetime Options				Guaranteed Term Options		
	Retirees	Beneficiary	Service	Disability	Retiree	Alternate	100%	75%	50%	2/3	5 yrs	10 yrs	15 yrs
\$ 0 - 100	680	119	710	89	160	132	351	15	57	13	24	15	32
\$ 101- 500	7,422	1,742	8,516	648	2,280	672	3,181	270	976	181	485	359	760
\$ 501-1,000	8,681	1,679	9,851	509	2,348	301	3,511	450	1,420	305	734	439	852
\$ 1,001-1,500	7,308	1,098	8,188	218	1,894	128	2,857	464	1,271	268	564	290	670
\$ 1,501- 2,000	5,059	601	5,586	74	1,267	46	1,805	360	882	243	388	243	426
\$ 2,001- 2,500	3,619	370	3,954	35	928	21	1,205	265	658	198	299	138	277
\$ 2,501- 3,000	2,571	236	2,800	7	649	7	807	200	522	131	221	93	177
\$ 3,001- 3,500	1,884	150	2,031	3	488	9	523	170	383	96	173	69	123
\$ 3,501- 4,000	1,273	79	1,347	5	337	1	315	126	246	68	123	58	78
\$ 4,001 & Over	3,182	129	3,309	2	849	3	691	415	695	128	239	108	183
Subtotals	41,679	6,203	46,292	1,590	11,200	1,320	15,246	2,735	7,110	1,631	3,250	1,812	3,578
Totals	47,882		47,882		47,882								

Note: Excluded from this schedule are 694 retirees who retired with a “cash out” in lieu of a monthly annuity, and who remain eligible for the retiree supplemental death benefit.

Retiree Life Only — A retirement annuity payable monthly as long as the retiree lives. Upon the retiree’s death, all payments will cease even though the retiree may have received only one monthly payment.*

Retiree Life – 100% Survivor Benefit — A retirement annuity payable throughout the life of the retiree. Upon the death of the retiree, the same amount is payable throughout the life of the designated beneficiary. If the beneficiary dies before the retiree, the monthly payments the retiree will receive after that will be increased to the amount that would have been payable throughout the retiree’s lifetime only (Retiree Life Only).*

Retiree Life – 75% Survivor Benefit — A retirement annuity payable throughout the life of the retiree. Upon the death of the retiree, $\frac{3}{4}$ the amount is payable throughout the life of the designated beneficiary. If the beneficiary dies before the retiree, the monthly payments the retiree will receive after that will be increased to the amount that would have been payable throughout the retiree’s lifetime only (Retiree Life Only).*

Retiree Life – 50% Survivor Benefit — A retirement annuity payable throughout the life of the retiree. Upon the death of the retiree, $\frac{1}{2}$ the amount is payable throughout the life of the designated beneficiary. If the beneficiary dies before the retiree, the monthly payments the retiree will receive after that will be increased to the amount that would have been payable throughout the retiree’s lifetime only (Retiree Life Only).*

Retiree Life – 2/3 Survivor Benefit (no longer available) — A retirement annuity payable throughout the life of the retiree. Upon the death of the retiree, $\frac{2}{3}$ the amount is payable throughout the life of the designated beneficiary. If the beneficiary dies before the retiree, the monthly payments the retiree will receive after that will be increased to the amount that would have been payable throughout the retiree’s lifetime only (Retiree Life Only).*

Retiree Life – 5 Years Guaranteed — A retirement annuity payable throughout the life of the retiree. If the retiree dies before the expiration of a 5-year period after the date of retirement, the designated beneficiary, or if one does not exist, the retiree’s estate, will receive the same amount for the balance of the 5-year period, and then all payments cease.*

Retiree Life – 10 Years Guaranteed — A retirement annuity payable throughout the life of the retiree. If the retiree dies before the expiration of a 10-year period after the date of retirement, the designated beneficiary, or if one does not exist, the retiree’s estate, will receive the same amount for the balance of the 10-year period, and then all payments cease.*

Retiree Life – 15 Years Guaranteed — A retirement annuity payable throughout the life of the retiree. If the retiree dies before the expiration of a 15-year period after the date of retirement, the designated beneficiary, or if one does not exist, the retiree’s estate, will receive the same amount for the balance of the 15-year period, and then all payments cease.*

* If all eligible recipients die before receiving benefits at least equal to the member deposits and interest in the retiree’s account at the time of retirement, the remaining balance will be paid to the retiree’s estate or beneficiary. If the retiree elected to receive a partial lump sum distribution, the amount of that distribution will reduce the member deposits and interest used for this calculation.

Schedule of Principal Participating Employers

Pension Trust Fund Current Year and Nine Years Ago

Participating Municipality	2014			2005		
	Rank	Current Employee Accounts	Percentage of Total	Rank	Current Employee Accounts	Percentage of Total
San Antonio	1	6,266	6.0 %	1	6,286	7.9 %
Arlington	2	2,462	2.4	3	2,289	2.9
Corpus Christi	3	2,245	2.2	2	2,591	3.3
Plano	4	2,200	2.1	5	1,970	2.5
Laredo	5	2,003	1.9	6	1,854	2.3
Garland	6	1,949	1.9	4	1,987	2.5
Amarillo	7	1,764	1.7	9	1,559	2.0
Lubbock	8	1,683	1.6	8	1,578	2.0
San Antonio Water System	9	1,648	1.6	7	1,595	2.0
Waco	10	1,513	1.5	11	1,453	1.8
All other		80,286	77.1		56,240	70.8
Total		104,019	100.0 %		79,402	100.0 %

Supplemental Death Benefits Fund Current Year and Nine Years Ago

Participating Municipality	2014					2005				
	Rank	Current Employee Accounts	Annuitant Accounts	Total Accounts	Percentage of Total	Rank	Current Employee Accounts	Annuitant Accounts	Total Accounts	Percentage of Total
Arlington	1	2,462	1,207	3,669	3.9 %	1	2,248	719	2,967	3.9 %
Garland	2	1,949	935	2,884	3.1	2	1,962	595	2,557	3.3
Laredo	3	2,003	664	2,667	2.9	3	1,845	381	2,226	2.9
Irving	4	1,383	660	2,043	2.2	4	1,460	311	1,771	2.3
Grand Prairie	5	1,166	483	1,649	1.8	7	1,089	233	1,322	1.7
Abilene	6	1,002	586	1,588	1.7	6	966	395	1,361	1.8
Brownsville	7	1,142	378	1,520	1.6	8	1,022	215	1,237	1.6
Pasadena	8	960	557	1,517	1.6	5	991	405	1,396	1.8
Denton	9	1,156	360	1,516	1.6	10	940	219	1,159	1.5
Killeen	10	1,017	342	1,359	1.5	12	696	166	862	1.1
All other		54,733	18,397	73,130	78.1		49,355	10,565	59,920	78.1
Total		68,973	24,569	93,542	100.0 %		62,574	14,204	76,778	100.0 %

Plan Provisions For Participating Municipalities

Participating Municipality	Employee Deposit Rate	Municipal Current Matching Ratio	Updated Service Credit		Increased Benefits to Retirees		Military Service Credit Effective Date	Buyback Effective Date
			Rate (%)	Year Effective	Rate ^① (%)	Year Effective		
Abernathy	5%	1-1	100 T	1995R	30	1995R		
Abilene	7%	2-1	100 T	2004R	50	2012	1-90	
Addison	7%	2-1	100 T	1994R	70	2015	12-88	11-09-88
Alamo	5%	1.5-1	100 T	2007R	70	2007R		12-17-02
Alamo Heights	6%	2-1	100 T	2006R	70	2006R	1-99	
Alba	5%	1-1						
Albany	5%	1.5-1	100 T	2014R			9-98	
Aledo	7%	2-1						
Alice	5%	2-1	100 T	1999R	70	1999R		
Allen	7%	2-1	100 T	1997R	70	1997R	1-88	5-11-04
Alpine	5%	2-1	100	1988	70	1988		
Alto	7%	2-1	100 T	1998R	70	1998R		
Alton	7%	2-1	100 T	2000R	70	2000R		8-15-00
Alvarado	6%	2-1						
Alvin	7%	2-1	100 T	2008R	70	2008R	10-87	10-01-92
Alvord	5%	2-1	100	2008				
Amarillo	7%	2-1	100	2013R	70	2010	1-86	9-19-06
Amherst	5%	1-1	100	2001R	70	2001R		
Anahuac	5%	2-1	100 T	2002R	70	2002R	10-06	
Andrews	7%	2-1	100 T	1997R	70	1997R	10-02	
Angleton	6%	2-1	100 T	2002R	70	2002R	1-04	8-17-93
Anna	7%	2-1	100 T	2007R	70	2007R		
Annetta	7%	1-1						
Anson	5%	1-1						
Anthony	5%	1-1						
Aransas Pass	6%	2-1	100 T	2002R	70	2002R	10-89	
Archer City	5%	1.5-1						
Argyle	7%	2-1	100 T	2003R	70	2003R	12-02	6-28-05
Arlington	7%	2-1	100 T	1998R	50	2011R	1-89	3-13-01
Arp	5%	1-1	100	1994R				
Aspermont	5%	1-1	100	1989				
Athens	7%	2-1	100 T	2005R	70	2005R	6-84	12-26-89
Atlanta	5%	1-1	100 T	1994R	70	1999R		
Aubrey	7%	1.5-1	100	1990				
Avinger	7%	1-1						
Azle	6%	2-1	100 T	2001R	70	2001R		
Baird	5%	1-1						
Balch Springs	7%	2-1	100 T	2003R	70	2003R	4-99	
Balcones Heights	7%	2-1	100 T	2006R	70	2006R	11-93	2-14-94
Ballinger	5%	1-1	100 T	1993R	70	1993R		3-05-07

Plan Provisions For Participating Municipalities

Vesting	Service Retirement Eligibilities	Restricted Prior Service Credit Effective Date	Supplemental Death Benefits		Statutory Maximum (%)	Participating Municipality	City Number
			Employees	Retirees			
5 yrs	5 yrs/age 60, 25 yrs/any age	7-02	X	X	7.50%	Abernathy	00004
5 yrs	5 yrs/age 60, 20 yrs/any age	1-95	X	X	REMOVED	Abilene	00006
5 yrs	5 yrs/age 60, 20 yrs/any age	5-92	X	X	15.50%	Addison	00007
5 yrs	5 yrs/age 60, 20 yrs/any age	1-03	X	X	9.50%	Alamo	00010
5 yrs	5 yrs/age 60, 20 yrs/any age	1-99	X	X	REMOVED	Alamo Heights	00012
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Alba	00014
10 yrs	10 yrs/age 60, 25 yrs/any age	9-98	X	X	9.50%	Albany	00016
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Aledo	00017
5 yrs	5 yrs/age 60, 20 yrs/any age	1-98			11.50%	Alice	00018
5 yrs	5 yrs/age 60, 20 yrs/any age	3-96	X	X	REMOVED	Allen	00019
5 yrs	5 yrs/age 60, 20 yrs/any age	4-99	X	X	11.50%	Alpine	00020
5 yrs	5 yrs/age 60, 25 yrs/any age	1-09	X	X	13.50%	Alto	00022
5 yrs	5 yrs/age 60, 25 yrs/any age	4-99	X	X	13.50%	Alton	00023
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Alvarado	00024
5 yrs	5 yrs/age 60, 20 yrs/any age	5-92	X	X	REMOVED	Alvin	00026
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Alvord	00028
5 yrs	5 yrs/age 60, 20 yrs/any age	1-92			REMOVED	Amarillo	00030
5 yrs	5 yrs/age 60, 20 yrs/any age	9-00			REMOVED	Amherst	00032
5 yrs	5 yrs/age 60, 25 yrs/any age	10-06	X	X	REMOVED	Anahuac	00034
10 yrs	10 yrs/age 60, 25 yrs/any age				REMOVED	Andrews	00036
10 yrs	10 yrs/age 60, 20 yrs/any age		X	X	12.50%	Angleton	00038
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Anna	00040
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Annetta	00041
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	7.50%	Anson	00044
5 yrs	5 yrs/age 60, 20 yrs/any age	12-05	X	X	REMOVED	Anthony	00045
10 yrs	10 yrs/age 60, 20 yrs/any age	10-91	X	X	REMOVED	Aransas Pass	00048
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	9.50%	Archer City	00050
5 yrs	5 yrs/age 60, 20 yrs/any age	12-02			REMOVED	Argyle	00051
5 yrs	5 yrs/age 60, 20 yrs/any age	1-93	X	X	REMOVED	Arlington	00052
5 yrs	5 yrs/age 60, 25 yrs/any age	1-92	X	X	7.50%	Arp	00054
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	7.50%	Aspermont	00060
5 yrs	5 yrs/age 60, 20 yrs/any age	1-00	X	X	REMOVED	Athens	00062
5 yrs	5 yrs/age 60, 20 yrs/any age	5-09	X	X	7.50%	Atlanta	00064
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	11.50%	Aubrey	00066
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	9.50%	Avinger	00074
5 yrs	5 yrs/age 60, 20 yrs/any age	5-96	X	X	12.50%	Azle	00075
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Baird	00077
5 yrs	5 yrs/age 60, 20 yrs/any age	1-98	X	X	REMOVED	Balch Springs	00078
5 yrs	5 yrs/age 60, 20 yrs/any age	10-95	X	X	REMOVED	Balcones Heights	00079
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	7.50%	Ballinger	00080

Plan Provisions For Participating Municipalities

Continued

Participating Municipality	Employee Deposit Rate	Municipal Current Matching Ratio	Updated Service Credit		Increased Benefits to Retirees		Military Service Credit Effective Date	Buyback Effective Date
			Rate (%)	Year Effective	Rate ^① (%)	Year Effective		
Balморhea	5%	1-1						
Bandera	7%	2-1	100 T	2000R	70	2000R		
Bangs	7%	2-1	100 T	1998R	70	1998R		
Bartlett	7%	1.5-1	100 T	2014R	70	2014R		
Bartonville	7%	2-1	100 T	2012	70	2012		12-20-05
Bastrop	6%	2-1	100 T	2004R	70	2004R		
Bay City	5%	2-1	100 T	1992R	70	1992R	1-84	
Bayou Vista	5%	1.5-1						
Baytown	7%	2-1	100 T	1993R	70	1993R	11-84	1-28-88
Beaumont	7%	2-1	100 T	2012R	70	2012R	1-89	9-12-95
Bedford	5%	2-1						
Bee Cave	7%	2-1	100 T	2001R				
Beeville	5%	2-1	30	1991				
Bellaire	7%	2-1	100 T	2001R	70	2001R		
Bellmead	6%	2-1	100 T	1998R	70	1998R		
Bells	5%	1-1	100	1993				
Bellville	5%	2-1	100 T	1996R	70	1996R	1-90	9-19-94
Belton	5%	2-1	100 T	2004R	30	2004R	9-91	
Benbrook	7%	2-1	100 T	2000R	70	2000R		
Berryville	7%	1-1						
Bertram	5%	1-1					10-01	
Big Lake	7%	2-1	100 T	2014R	70	2014R		
Big Sandy	5%	1-1						
Big Spring	7%	2-1	100 T	1999R	70	1999R	1-90	7-10-01
Bishop	5%	1-1	100 T	2010R	70	2010R		
Blanco	5%	1-1						
Blooming Grove	5%	2-1	100 T	2002R				
Blossom	5%	2-1	100 T	1996R				
Blue Mound	5%	2-1						
Blue Ridge	7%	1-1						
Boerne	7%	2-1	100 T	2006R	70	2006R	12-02	11-26-02
Bogata	5%	1-1						
Bonham	6%	1.5-1	100 T	2008R	50	1976		5-06-96
Booker	5%	1.5-1	100	1992R	70	1992R		
Borger	7%	2-1	100 T	1998R	70	2005R	5-99	1-04-88
Bovina	5%	1-1	50	1990				
Bowie	5%	2-1	100	1992R	70	1992R	10-00	
Boyd	7%	1.5-1						
Brady	6%	2-1	100 T	2012R	70	2012R		
Brazoria	5%	2-1	100 T	1997R	70	1997R		

Plan Provisions For Participating Municipalities

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Vesting	Service Retirement Eligibilities	Restricted Prior Service Credit Effective Date	Supplemental Death Benefits		Statutory Maximum (%)	Participating Municipality	City Number
			Employees	Retirees			
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	REMOVED	Balmorea	00082
5 yrs	5 yrs/age 60, 25 yrs/any age	1-98	X	X	REMOVED	Bandera	00083
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Bangs	00084
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	11.50%	Bartlett	00090
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Bartonville	00091
5 yrs	5 yrs/age 60, 25 yrs/any age	10-01	X	X	12.50%	Bastrop	00092
5 yrs	5 yrs/age 60, 25 yrs/any age	12-05	X	X	11.50%	Bay City	00094
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Bayou Vista	00093
5 yrs	5 yrs/age 60, 20 yrs/any age	1-96	X	X	REMOVED	Baytown	00096
5 yrs	5 yrs/age 60, 20 yrs/any age	11-96			REMOVED	Beaumont	00098
5 yrs	5 yrs/age 60, 20 yrs/any age				REMOVED	Bedford	00100
5 yrs	5 yrs/age 60, 25 yrs/any age	10-99	X	X	13.50%	Bee Cave	00101
5 yrs	5 yrs/age 60, 25 yrs/any age	3-12			11.50%	Beeville	00102
5 yrs	5 yrs/age 60, 20 yrs/any age	3-00	X	X	REMOVED	Bellaire	00106
5 yrs	5 yrs/age 60, 25 yrs/any age	12-11	X	X	12.50%	Bellmead	00109
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	REMOVED	Bells	00110
5 yrs	5 yrs/age 60, 20 yrs/any age	7-92	X	X	REMOVED	Bellville	00112
5 yrs	5 yrs/age 60, 20 yrs/any age	1-98	X	X	11.50%	Belton	00114
5 yrs	5 yrs/age 60, 20 yrs/any age	1-92	X	X	REMOVED	Benbrook	00118
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	9.50%	Berryville	00121
5 yrs	5 yrs/age 60, 20 yrs/any age	10-01			7.50%	Bertram	00123
10 yrs	10 yrs/age 60, 20 yrs/any age	9-97	X	X	REMOVED	Big Lake	00124
5 yrs	5 yrs/age 60, 20 yrs/any age	2-09	X	X	7.50%	Big Sandy	00126
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Big Spring	00128
5 yrs	5 yrs/age 60, 20 yrs/any age	8-07	X	X	11.50%	Bishop	00132
5 yrs	5 yrs/age 60, 20 yrs/any age	10-05	X	X	7.50%	Blanco	00134
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	11.50%	Blooming Grove	00140
5 yrs	5 yrs/age 60, 25 yrs/any age	11-00	X	X	11.50%	Blossom	00142
5 yrs	5 yrs/age 60, 20 yrs/any age	12-10	X	X	REMOVED	Blue Mound	00143
5 yrs	5 yrs/age 60, 20 yrs/any age	5-02	X	X	REMOVED	Blue Ridge	00144
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Boerne	00148
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	7.50%	Bogata	00150
5 yrs	5 yrs/age 60, 25 yrs/any age	6-96			10.50%	Bonham	00152
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	9.50%	Booker	00154
10 yrs	10 yrs/age 60, 20 yrs/any age	1-98	X	X	REMOVED	Borger	00156
5 yrs	5 yrs/age 60, 25 yrs/any age	12-09	X	X	7.50%	Bovina	00158
5 yrs	5 yrs/age 60, 20 yrs/any age	5-02	X	X	11.50%	Bowie	00160
5 yrs	5 yrs/age 60, 25 yrs/any age				11.50%	Boyd	00162
5 yrs	5 yrs/age 60, 25 yrs/any age	7-01	X	X	12.50%	Brady	00166
5 yrs	5 yrs/age 60, 25 yrs/any age	5-03	X	X	11.50%	Brazoria	00170

Plan Provisions For Participating Municipalities

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Participating Municipality	Employee Deposit Rate	Municipal Current Matching Ratio	Updated Service Credit		Increased Benefits to Retirees		Military Service Credit Effective Date	Buyback Effective Date
			Rate (%)	Year Effective	Rate ^① (%)	Year Effective		
Breckenridge	5%	1.5-1	100 T	1993R	70	1993R		
Bremond	7%	2-1	100	2014				
Brenham	5%	2-1	100 T	2015	70	2015		
Bridge City	7%	2-1	100 T	2004R	70	2004R		12-04-90
Bridgeport	7%	2-1	100 T	2007R	70	2007R	11-03	
Bronte	6%	1-1	50 T	2012R				
Brookshire	5%	2-1	100	1992R	30	2013R	10-87	
Brownfield	5%	2-1	100 T	1992R	50	1992R	1-82	12-01-05
Brownsville	7%	2-1	100 T	1996R	70	1996R	10-89	
Brownsville PUB	7%	1.5-1	100 T	1996R	70	1996R	1-87	
Brownwood	7%	2-1	100 T	1994R	70	1994R		2-27-01
Brownwood Health Dept.	7%	2-1	70 T	1994R				
Brownwood Public Library	5%	2-1						
Bruceville-Eddy	7%	1.5-1	100 T	2000R				
Bryan	7%	2-1	100 T	2002R	50	2013R	12-89	8-23-05
Bryson	5%	1.5-1						
Buda	7%	2-1	100 T	2007R	70	2007R		
Buffalo	5%	2-1						2-14-00
Bullard	5%	2-1	100	2009R				8-11-05
Bulverde	6%	2-1	100 T	2005R				
Bunker Hill Village	7%	2-1	100 T	1998R	70	2009		
Burkburnett	7%	2-1	100 T	2003R	70	2008	9-89	8-21-89
Burleson	7%	2-1	100 T	1996R	70	1996R	1-90	
Burnet	7%	2-1	100 T	1997R	70	1997R	6-90	
Cactus	6%	1.5-1						
Caddo Mills	5%	1.5-1						
Caldwell	5%	2-1	100 T	2000R	50	2000R	2-04	
Calvert	5%	1-1						
Cameron	5%	1.5-1	100 T	2013R	70	2013R	5-93	
Canadian	7%	2-1	100 T	2001R	70	2001R		
Canton	7%	2-1	100 T	2011R	30	2011R	10-92	
Canyon	7%	2-1	100 T	1992R	70	1992R	9-87	8-23-99
Carmine	5%	1-1	100 T	1993R	70	1993R		
Carrizo Springs	5%	1.5-1	100 T	1992R	70	1992R		
Carrollton	7%	2-1	75	2009R	50	2010R		
Carthage	7%	2-1	100 T	1992R	70	1993R	2-01	5-08-06
Castle Hills	7%	1.5-1	100 T	2001R	70	2001R	1-91	
Castroville	5%	2-1	100	1994R	70	1994R		
Cedar Hill	7%	2-1	100 T	2000R	50	2013R	1-91	10-13-92
Cedar Park	7%	2-1	100 T	2002R				

Plan Provisions For Participating Municipalities

Continued

Vesting	Service Retirement Eligibilities	Restricted Prior Service Credit Effective Date	Supplemental Death Benefits		Statutory Maximum (%)	Participating Municipality	City Number
			Employees	Retirees			
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Breckenridge	00172
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	REMOVED	Bremond	00174
5 yrs	5 yrs/age 60, 20 yrs/any age	1-98			11.50%	Brenham	00176
10 yrs	10 yrs/age 60, 20 yrs/any age	3-95	X	X	REMOVED	Bridge City	00177
5 yrs	5 yrs/age 60, 20 yrs/any age	11-03	X	X	13.50%	Bridgeport	00178
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	REMOVED	Bronte	00180
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	11.50%	Brookshire	00182
10 yrs	10 yrs/age 60, 20 yrs/any age	1-06			REMOVED	Brownfield	00184
5 yrs	5 yrs/age 60, 20 yrs/any age	2-99	X	X	REMOVED	Brownsville	10188
5 yrs	5 yrs/age 60, 20 yrs/any age	6-96	X	X	REMOVED	Brownsville PUB	20188
5 yrs	5 yrs/age 60, 20 yrs/any age	4-98			REMOVED	Brownwood	10190
5 yrs	5 yrs/age 60, 20 yrs/any age	4-09			REMOVED	Brownwood Health Dept.	30190
5 yrs	5 yrs/age 60, 20 yrs/any age				11.50%	Brownwood Public Library	20190
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	11.50%	Bruceville-Eddy	00195
5 yrs	5 yrs/age 60, 20 yrs/any age	8-95			REMOVED	Bryan	00192
5 yrs	5 yrs/age 60, 25 yrs/any age				9.50%	Bryson	00193
5 yrs	5 yrs/age 60, 20 yrs/any age	4-03	X	X	13.50%	Buda	00194
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	11.50%	Buffalo	00196
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	11.50%	Bullard	00198
5 yrs	5 yrs/age 60, 20 yrs/any age	12-06	X	X	REMOVED	Bulverde	00203
5 yrs	5 yrs/age 60, 25 yrs/any age	10-94	X	X	REMOVED	Bunker Hill Village	00199
10 yrs	10 yrs/age 60, 20 yrs/any age	1-03	X	X	REMOVED	Burkburnett	00200
5 yrs	5 yrs/age 60, 20 yrs/any age	1-94	X	X	REMOVED	Burleson	00202
10 yrs	10 yrs/age 60, 20 yrs/any age	6-00	X	X	13.50%	Burnet	00204
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	10.50%	Cactus	00207
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Caddo Mills	00208
10 yrs	10 yrs/age 60, 20 yrs/any age		X	X	11.50%	Caldwell	00210
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	REMOVED	Calvert	00212
5 yrs	5 yrs/age 60, 20 yrs/any age	1-95	X	X	REMOVED	Cameron	00214
10 yrs	10 yrs/age 60, 20 yrs/any age	10-96	X	X	REMOVED	Canadian	00220
5 yrs	5 yrs/age 60, 20 yrs/any age	8-97	X	X	REMOVED	Canton	00222
5 yrs	5 yrs/age 60, 20 yrs/any age	1-92	X	X	REMOVED	Canyon	00224
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	7.50%	Carmine	00227
10 yrs	10 yrs/age 60, 25 yrs/any age		X	X	9.50%	Carrizo Springs	00228
5 yrs	5 yrs/age 60, 20 yrs/any age	12-91			REMOVED	Carrollton	00230
5 yrs	5 yrs/age 60, 20 yrs/any age	4-98	X	X	REMOVED	Carthage	00232
5 yrs	5 yrs/age 60, 20 yrs/any age	2-98	X	X	REMOVED	Castle Hills	00231
5 yrs	5 yrs/age 60, 20 yrs/any age	4-97	X	X	11.50%	Castroville	00234
5 yrs	5 yrs/age 60, 20 yrs/any age	4-96	X	X	REMOVED	Cedar Hill	00238
5 yrs	5 yrs/age 60, 20 yrs/any age	6-94	X	X	13.50%	Cedar Park	00239

Plan Provisions For Participating Municipalities

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Participating Municipality	Employee Deposit Rate	Municipal Current Matching Ratio	Updated Service Credit		Increased Benefits to Retirees		Military Service Credit Effective Date	Buyback Effective Date
			Rate (%)	Year Effective	Rate ^① (%)	Year Effective		
Celeste	5%	1-1						
Celina	7%	2-1						
Center	7%	2-1	100 T	2008R	70	2008R		
Centerville	7%	2-1	50 T	2015				
Chandler	5%	1-1						
Charlotte	3%	2-1	100 T	2003R	70	2003R		
Chester	6%	2-1	100	1988	70	1988		
Chico	5%	1-1						
Childress	7%	2-1	100 T	2005R	70	2005R	10-96	
Chireno	7%	2-1	100	2000R	70	2000R	7-89	
Christine	5%	1-1						
Cibolo	7%	2-1	100 T	2005R	70	2005R		
Cisco	5%	1.5-1	100 T	1999R	50	2000R	8-97	3-13-03
Clarendon	5%	1-1						
Clarksville	5%	2-1	100	1992R	70	1992R		4-18-00
Clarksville City	7%	2-1	100	2015				
Clear Lake Shores	6%	2-1	100 T	2008R	70	2008R		
Cleburne	7%	2-1	100 T	1992R	50	2012R	1-83	5-27-14
Cleveland	5%	2-1	100 T	2008R	70	2008R		
Clifton	5%	1-1	100 T	1992R				
Clute	7%	2-1	100 T	1992R	70	1992R	11-02	7-22-04
Clyde	7%	2-1	100 T	2002R	70	2002R		
Coahoma	5%	2-1	100 T	1992R			6-91	
Cockrell Hill	7%	2-1	100 T	1996R	70	1996R	6-97	12-18-01
Coleman	7%	2-1	100 T	2003R	50	2003R		
College Station	7%	2-1	75 T	2013R	50	2013R	1-89	6-08-06
Colleyville	7%	2-1	100 T	2003R	70	2011	1-86	
Collinsville	6%	1-1						
Colmesneil	5%	2-1	50	2013				
Colorado City	6%	2-1	100 T	2002R	70	2002R	9-93	
Columbus	6%	2-1	100 T	2008R	70	2008R		
Comanche	5%	1-1	100 T	1992R	70	1992R		
Commerce	5%	2-1	100 T	1993R	70	1993R		
Conroe	7%	2-1	100 T	1992R	70	1992R		6-02-88
Converse	7%	2-1	100 T	1996R	70	1996R	5-94	
Cooper	6%	1-1	100	2008R				
Coppell	7%	2-1	100 T	1995R	70	1995R	5-93	12-14-04
Copper Canyon	7%	2-1						
Copperas Cove	6%	2-1	100 T	2002R	70	2002R	11-93	10-05-93
Corinth	7%	2-1	100 T	2007R	70	2007R		3-02-06

Plan Provisions For Participating Municipalities

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Vesting	Service Retirement Eligibilities	Restricted Prior Service Credit Effective Date	Supplemental Death Benefits		Statutory Maximum (%)	Participating Municipality	City Number
			Employees	Retirees			
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Celeste	00240
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	13.50%	Celina	00242
5 yrs	5 yrs/age 60, 20 yrs/any age	5-06	X	X	REMOVED	Center	00244
5 yrs	5 yrs/age 60, 25 yrs/any age				REMOVED	Centerville	00246
5 yrs	5 yrs/age 60, 20 yrs/any age	10-08	X	X	REMOVED	Chandler	00247
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	9.50%	Charlotte	00248
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	REMOVED	Chester	00249
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	REMOVED	Chico	00245
5 yrs	5 yrs/age 60, 20 yrs/any age	10-96	X	X	REMOVED	Childress	00250
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	REMOVED	Chireno	00253
5 yrs	5 yrs/age 60, 25 yrs/any age				REMOVED	Christine	00254
5 yrs	5 yrs/age 60, 20 yrs/any age	6-98	X	X	13.50%	Cibolo	00255
5 yrs	5 yrs/age 60, 20 yrs/any age		X		9.50%	Cisco	00256
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	7.50%	Clarendon	00258
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	11.50%	Clarksville	00259
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	REMOVED	Clarksville City	00260
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	12.50%	Clear Lake Shores	00263
5 yrs	5 yrs/age 60, 20 yrs/any age	9-05	X	X	REMOVED	Cleburne	00264
5 yrs	5 yrs/age 60, 20 yrs/any age	8-96	X	X	11.50%	Cleveland	00266
5 yrs	5 yrs/age 60, 25 yrs/any age	5-96	X	X	7.50%	Clifton	00268
5 yrs	5 yrs/age 60, 20 yrs/any age	10-91	X	X	13.50%	Clute	00271
5 yrs	5 yrs/age 60, 20 yrs/any age	2-12	X	X	13.50%	Clyde	00272
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	11.50%	Coahoma	00274
5 yrs	5 yrs/age 60, 20 yrs/any age	3-98	X	X	13.50%	Cockrell Hill	00276
5 yrs	5 yrs/age 60, 25 yrs/any age	1-98			REMOVED	Coleman	00278
5 yrs	5 yrs/age 60, 20 yrs/any age	6-95			REMOVED	College Station	00280
5 yrs	5 yrs/age 60, 20 yrs/any age	10-97	X	X	13.50%	Colleyville	00281
10 yrs	10 yrs/age 60, 25 yrs/any age		X	X	8.50%	Collinsville	00282
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Colmesneil	00283
5 yrs	5 yrs/age 60, 25 yrs/any age	10-91	X	X	12.50%	Colorado City	00284
5 yrs	5 yrs/age 60, 25 yrs/any age	7-98	X	X	REMOVED	Columbus	00286
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	7.50%	Comanche	00288
5 yrs	5 yrs/age 60, 20 yrs/any age	1-94	X	X	11.50%	Commerce	00290
5 yrs	5 yrs/age 60, 20 yrs/any age	1-02			REMOVED	Conroe	00294
5 yrs	5 yrs/age 60, 20 yrs/any age	1-98	X	X	REMOVED	Converse	00295
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	8.50%	Cooper	00298
5 yrs	5 yrs/age 60, 20 yrs/any age	5-93	X	X	REMOVED	Coppell	00299
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Copper Canyon	00297
5 yrs	5 yrs/age 60, 20 yrs/any age	1-92	X	X	REMOVED	Copperas Cove	00300
5 yrs	5 yrs/age 60, 20 yrs/any age	5-96	X	X	REMOVED	Corinth	00301

Plan Provisions For Participating Municipalities

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Participating Municipality	Employee Deposit Rate	Municipal Current Matching Ratio	Updated Service Credit		Increased Benefits to Retirees		Military Service Credit Effective Date	Buyback Effective Date
			Rate (%)	Year Effective	Rate ^① (%)	Year Effective		
Corpus Christi	6%	2-1	100	2015	70	2015	1-85	
Corrigan	5%	1-1						
Corsicana	7%	2-1	50 T	2011R	50	2011R	10-89	
Cotulla	5%	2-1	80 T	2014R				
Crandall	7%	2-1	100 T	2001R	70	2008R		
Crane	7%	2-1	100 T	1992R	40	1992R		7-15-87
Crawford	5%	1-1						
Crockett	5%	2-1	100 T	2001R	70	2001R	10-89	
Crosbyton	6%	1.5-1	100	1992R	40	1982		
Cross Plains	5%	1.5-1	100	1992R	70	1992R		
Cross Roads	7%	2-1						
Crowley	6%	2-1	100 T	2002R	70	2002R	1-96	1-20-94
Crystal Beach ^③	5%	2-1						
Crystal City	7%	2-1						
Cuero	5%	2-1	100 T	2010R	70	2010R	1-99	
Cumby	5%	1-1						
Daingerfield	5%	1.5-1	100 T	2000R	70	2000R		
Daisetta	5%	1-1						
Dalhart	5%	2-1	100	1992R	70	1985		
Dalworthington Gardens	7%	2-1	100 T	2007R	70	2007R	11-05	
Danbury	5%	2-1						
Darrouzett	7%	1-1						
Dayton	7%	2-1	100 T	2011	70	2011		
De Leon	5%	1-1						
Decatur	7%	2-1	100 T	2006R	70	2006R	3-01	
Deer Park	7%	2-1	100 T	2003R	50	2003R	2-82	
Dekalb	6%	1-1	100	2001R				
Del Rio	5%	1-1					10-05	
Dell City	5%	2-1	100 T	1999R				
Denison	7%	2-1	100 T	1994R	30	2012R		9-19-88
Denton	7%	2-1	100 T	2000R	70	2000R	1-94	9-04-01
Denver City	5%	2-1	100	1999R	70	1999R	11-86	11-03-86
Deport	5%	1-1						
DeSoto	7%	2-1	100 T	2015R	30	2015R	1-90	
Devine	5%	1-1	100 T	2007R	70	2007R		
Diboll	7%	2-1	100 T	1995R	70	1995R	1-90	
Dickens	7%	1-1						
Dickinson	7%	2-1	100 T	2004R			10-89	
Dilley	5%	2-1	100 T	2014R				
Dimmitt	6%	2-1	100 T	1998R	30	1998R		

Plan Provisions For Participating Municipalities

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Vesting	Service Retirement Eligibilities	Restricted Prior Service Credit Effective Date	Supplemental Death Benefits		Statutory Maximum (%)	Participating Municipality	City Number
			Employees	Retirees			
5 yrs	5 yrs/age 60, 20 yrs/any age	11-95			REMOVED	Corpus Christi	00302
5 yrs	5 yrs/age 60, 25 yrs/any age	11-14	X	X	7.50%	Corrigan	00304
5 yrs	5 yrs/age 60, 20 yrs/any age	1-96	X	X	REMOVED	Corsicana	00306
5 yrs	5 yrs/age 60, 25 yrs/any age	8-04	X	X	11.50%	Cotulla	00308
5 yrs	5 yrs/age 60, 20 yrs/any age	6-07	X	X	13.50%	Crandall	00310
5 yrs	5 yrs/age 60, 20 yrs/any age	12-95	X	X	15.50%	Crane	00312
5 yrs	5 yrs/age 60, 25 yrs/any age				7.50%	Crawford	00314
5 yrs	5 yrs/age 60, 20 yrs/any age	8-97	X	X	11.50%	Crockett	00316
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	10.50%	Crosbyton	00318
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	9.50%	Cross Plains	00320
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Cross Roads	00321
5 yrs	5 yrs/age 60, 20 yrs/any age	1-94	X	X	12.50%	Crowley	00323
5 yrs	5 yrs/age 60, 28 yrs/any age ^③		X	X	11.50%	Crystal Beach ^③	00325
10 yrs	10 yrs/age 60, 25 yrs/any age	7-00			13.50%	Crystal City	00324
5 yrs	5 yrs/age 60, 20 yrs/any age	7-96	X	X	11.50%	Cuero	00326
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Cumby	00328
5 yrs	5 yrs/age 60, 20 yrs/any age	9-97			9.50%	Daingerfield	00332
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	REMOVED	Daisetta	00334
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	11.50%	Dalhart	00336
5 yrs	5 yrs/age 60, 20 yrs/any age	1-07	X	X	REMOVED	Dalworthington Gardens	00339
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Danbury	00340
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Darrouzett	00341
5 yrs	5 yrs/age 60, 20 yrs/any age	1-99	X	X	13.50%	Dayton	00344
5 yrs	5 yrs/age 60, 25 yrs/any age	5-98	X	X	7.50%	De Leon	00352
5 yrs	5 yrs/age 60, 20 yrs/any age	11-99	X	X	REMOVED	Decatur	00346
5 yrs	5 yrs/age 60, 20 yrs/any age	8-97	X	X	REMOVED	Deer Park	00348
5 yrs	5 yrs/age 60, 25 yrs/any age	10-91	X	X	8.50%	Dekalb	00350
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Del Rio	00354
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	REMOVED	Dell City	00353
5 yrs	5 yrs/age 60, 20 yrs/any age	10-93			REMOVED	Denison	00356
5 yrs	5 yrs/age 60, 20 yrs/any age	1-94	X	X	REMOVED	Denton	00358
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	REMOVED	Denver City	00360
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	REMOVED	Deport	00362
5 yrs	5 yrs/age 60, 20 yrs/any age	12-91	X	X	REMOVED	DeSoto	10366
5 yrs	5 yrs/age 60, 20 yrs/any age	1-04	X	X	REMOVED	Devine	00370
5 yrs	5 yrs/age 60, 20 yrs/any age	1-99	X	X	13.50%	Diboll	00371
5 yrs	5 yrs/age 60, 20 yrs/any age	12-07	X	X	REMOVED	Dickens	00372
10 yrs	10 yrs/age 60, 20 yrs/any age	4-97	X	X	13.50%	Dickinson	00373
5 yrs	5 yrs/age 60, 20 yrs/any age	2-95	X	X	11.50%	Dilley	00374
5 yrs	5 yrs/age 60, 20 yrs/any age	6-00			12.50%	Dimmitt	00376

Plan Provisions For Participating Municipalities

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Participating Municipality	Employee Deposit Rate	Municipal Current Matching Ratio	Updated Service Credit		Increased Benefits to Retirees		Military Service Credit Effective Date	Buyback Effective Date
			Rate (%)	Year Effective	Rate ^① (%)	Year Effective		
Donna	5%	1.5-1	100 T	2015R	70	2015R		
Double Oak	5%	2-1					2-10	
Driscoll	5%	1-1						
Dripping Springs	5%	1-1						
Dublin	7%	2-1	100 T	2012R	70	2012R		
Dumas	5%	1.5-1	100 T	1997R	70	1997R	6-97	10-07-91
Duncanville	7%	2-1	100	2009	70	2009	9-90	9-04-01
Eagle Lake	6%	2-1	100 T	1999R	70	1999R		
Eagle Pass	5%	2-1	100 T	1998R	70	1998R	3-97	2-04-97
Early	5%	1.5-1	100 T	2007R				
Earth	5%	1-1	100	2007				
East Mountain	7%	2-1	100 T	2007R	70	2007R		
East Tawakoni	7%	2-1						
Eastland	5%	2-1	100 T	2004R	70	2004R		
Ector	5%	1-1						
Eden	5%	1-1	100	1992R	70	1992R		6-12-84
Edgewood	5%	1-1						
Edinburg	7%	2-1	100 T	2003R	70	2003R	1-85	
Edna	5%	2-1	100 T	2008R	70	2008R	10-89	11-05-92
El Campo	6%	1.5-1	100 T	2014R	70	2014R	10-90	11-07-77
Eldorado	6%	1.5-1	100 T	2009R	70	2009R	12-02	
Electra	5%	1-1						5-11-99
Elgin	6%	2-1	100 T	2001R	70	2001R	11-89	10-01-83
Elkhart	5%	1-1	100 T	2003R	70	2003R		
Elmendorf	5%	1-1						
Emory	5%	2-1						
Ennis	7%	2-1	100 T	1998R	70	2001R		
Eules	7%	2-1	100 T	1992R	70	1992R	9-82	1-12-93
Eustace	7%	2-1	100	2013				
Everman	5%	2-1	100 T	2000R	70	2000R		1-01-91
Fair Oaks Ranch	7%	2-1	100 T	2002R	70	2008R		
Fairfield	5%	2-1	100 T	1992R			10-88	
Fairview	7%	2-1	100 T	2011R				
Falfurrias	5%	1-1						
Falfurrias Utility Board	5%	1-1						
Falls City	6%	1-1	100 T	2001R	70	2001R		
Farmers Branch	7%	2-1	100 T	1996R	70	1996R	10-01	7-07-80
Farmersville	5%	2-1	100 T	2005R	70	2005R		7-14-92
Farwell	6%	2-1	100 T	2003R	70	2003R		
Fate	7%	2-1	100 T	2010R				

Plan Provisions For Participating Municipalities

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Vesting	Service Retirement Eligibilities	Restricted Prior Service Credit Effective Date	Supplemental Death Benefits		Statutory Maximum (%)	Participating Municipality	City Number
			Employees	Retirees			
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	9.50%	Donna	00382
5 yrs	5 yrs/age 60, 20 yrs/any age	2-10	X	X	REMOVED	Double Oak	00379
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Driscoll	00385
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Dripping Springs	00383
5 yrs	5 yrs/age 60, 20 yrs/any age	9-03	X	X	REMOVED	Dublin	00384
5 yrs	5 yrs/age 60, 20 yrs/any age	10-08	X	X	9.50%	Dumas	00386
5 yrs	5 yrs/age 60, 20 yrs/any age	11-95			REMOVED	Duncanville	00388
10 yrs	10 yrs/age 60, 25 yrs/any age	6-99	X	X	12.50%	Eagle Lake	00394
5 yrs	5 yrs/age 60, 20 yrs/any age	9-98	X	X	11.50%	Eagle Pass	00396
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	9.50%	Early	00397
5 yrs	5 yrs/age 60, 20 yrs/any age	1-07	X	X	REMOVED	Earth	00399
5 yrs	5 yrs/age 60, 20 yrs/any age	11-02	X	X	REMOVED	East Mountain	00401
10 yrs	10 yrs/age 60, 25 yrs/any age		X	X	REMOVED	East Tawakoni	00395
5 yrs	5 yrs/age 60, 20 yrs/any age	2-96	X	X	11.50%	Eastland	00398
5 yrs	5 yrs/age 60, 25 yrs/any age	11-08	X	X	REMOVED	Ector	00402
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	7.50%	Eden	00406
5 yrs	5 yrs/age 60, 20 yrs/any age	11-03	X	X	REMOVED	Edgewood	00408
10 yrs	10 yrs/age 60, 20 yrs/any age	1-94	X	X	REMOVED	Edinburg	00410
10 yrs	10 yrs/age 60, 20 yrs/any age	1-99	X	X	REMOVED	Edna	00412
5 yrs	5 yrs/age 60, 20 yrs/any age	4-94	X	X	REMOVED	El Campo	00414
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	10.50%	Eldorado	00416
5 yrs	5 yrs/age 60, 20 yrs/any age	8-95	X	X	7.50%	Electra	00418
5 yrs	5 yrs/age 60, 20 yrs/any age	5-94	X	X	12.50%	Elgin	00420
5 yrs	5 yrs/age 60, 25 yrs/any age				REMOVED	Elkhart	00422
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Elmendorf	00427
5 yrs	5 yrs/age 60, 20 yrs/any age	3-97	X	X	11.50%	Emory	00432
5 yrs	5 yrs/age 60, 20 yrs/any age	1-93	X	X	REMOVED	Ennis	00436
5 yrs	5 yrs/age 60, 20 yrs/any age	1-92			REMOVED	Eules	00439
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	13.50%	Eustace	00440
10 yrs	10 yrs/age 60, 20 yrs/any age	8-07	X	X	11.50%	Everman	00441
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	13.50%	Fair Oaks Ranch	00443
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	11.50%	Fairfield	00442
5 yrs	5 yrs/age 60, 20 yrs/any age	9-03	X	X	REMOVED	Fairview	00445
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	7.50%	Falfurrias	20444
5 yrs	5 yrs/age 60, 25 yrs/any age	9-95	X	X	REMOVED	Falfurrias Utility Board	10444
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	REMOVED	Falls City	00446
5 yrs	5 yrs/age 60, 25 yrs/any age		X		REMOVED	Farmers Branch	00448
5 yrs	5 yrs/age 60, 20 yrs/any age	11-97	X	X	REMOVED	Farmersville	00450
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	REMOVED	Farwell	00451
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Fate	00452

Plan Provisions For Participating Municipalities

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Participating Municipality	Employee Deposit Rate	Municipal Current Matching Ratio	Updated Service Credit		Increased Benefits to Retirees		Military Service Credit Effective Date	Buyback Effective Date
			Rate (%)	Year Effective	Rate ^① (%)	Year Effective		
Fayetteville	5%	1-1						
Ferris	5%	1.5-1	100 T	2000R	70	2000R		
Flatonia	7%	2-1	100	2003R	70	2003R		
Florence	5%	2-1						
Floresville	5%	2-1	100	2007R	70	2007R	10-02	3-22-07
Flower Mound	7%	2-1	100 T	2008R	70	2007	1-95	11-06-00
Floydada	5%	1.5-1	100 T	1992R	70	1992R	10-99	
Forest Hill	7%	2-1	100 T	2007R	70	2007R	1-92	10-03-06
Forney	7%	2-1	100 T	2007R	70	2007R		
Fort Stockton	5%	2-1	100 T	2009R	70	2009R	1-90	
Franklin	5%	2-1						
Frankston	5%	1-1						
Fredericksburg	5%	2-1	50 T	2014R	50	2014R	5-90	
Freeport	7%	2-1	100 T	2003R	70	2003R	7-90	11-17-80
Freer	5%	1-1	100 T	2005R	70	2005R		
Friendswood	7%	2-1	100 T	1999R	50	2012R	2-85	1-21-85
Friona	5%	2-1	100 T	2005R	70	2005R		
Frisco	7%	2-1	100 T	2000R	70	2000R	6-02	12-06-11
Fritch	7%	2-1	100 T	2005R	10	1981	2-86	
Frost	5%	1-1	100	1997R				
Fulshear	5%	2-1	100 T	2014				
Fulton	6%	2-1						
Gainesville	5%	1.5-1	100	1992R	70	1992R	10-97	8-16-94
Galena Park	7%	2-1	100 T	1994R	70	1994R	4-93	1-18-94
Ganado	7%	2-1	100 T	2000R	70	2000R		
Garden Ridge	5%	2-1	100 T	2009R			3-02	
Garland	7%	2-1	100 T	1999R	70	2008	1-90	1-16-90
Garrison	6%	2-1	100 T	1992R	70	1992R		
Gary	5%	1-1	100 T	1999R	70	1999R		
Gatesville	7%	2-1	100 T	1997R	70	1997R		4-13-04
George West	5%	2-1						
Georgetown	7%	2-1	100	2010R	30	2010R	1-12	7-27-76
Giddings	7%	2-1	100 T	2008R	70	2008R	12-94	8-20-07
Gilmer	6%	2-1	100 T	2002R	70	2002R		
Gladewater	5%	1-1	100	1992R	70	1992R		
Glen Rose	7%	2-1	100 T	2002R	70	2002R		
Glenn Heights	6%	1-1	100 T	2011R	70	2011R	1-97	
Godley	6%	1-1						
Goldsmith	5%	1-1						
Goldthwaite	7%	2-1	100	2000R	70	2000R		

Plan Provisions For Participating Municipalities

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Vesting	Service Retirement Eligibilities	Restricted Prior Service Credit Effective Date	Supplemental Death Benefits		Statutory Maximum (%)	Participating Municipality	City Number
			Employees	Retirees			
5 yrs	5 yrs/age 60, 25 yrs/any age				REMOVED	Fayetteville	00454
5 yrs	5 yrs/age 60, 20 yrs/any age	8-01	X	X	9.50%	Ferris	00456
5 yrs	5 yrs/age 60, 20 yrs/any age	5-01	X	X	REMOVED	Flatonia	00458
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Florence	00460
5 yrs	5 yrs/age 60, 20 yrs/any age	5-07			11.50%	Floresville	20462
5 yrs	5 yrs/age 60, 20 yrs/any age	1-95	X	X	13.50%	Flower Mound	00463
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Floydada	00464
5 yrs	5 yrs/age 60, 20 yrs/any age	1-92	X	X	13.50%	Forest Hill	00468
5 yrs	5 yrs/age 60, 20 yrs/any age	1-97	X	X	13.50%	Forney	00470
5 yrs	5 yrs/age 60, 20 yrs/any age	7-96	X	X	11.50%	Fort Stockton	00472
5 yrs	5 yrs/age 60, 25 yrs/any age				11.50%	Franklin	00476
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Frankston	00478
5 yrs	5 yrs/age 60, 20 yrs/any age	6-95	X	X	11.50%	Fredericksburg	00480
5 yrs	5 yrs/age 60, 20 yrs/any age	9-97	X	X	13.50%	Freeport	00482
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Freer	00481
5 yrs	5 yrs/age 60, 20 yrs/any age	11-91	X	X	REMOVED	Friendswood	00483
5 yrs	5 yrs/age 60, 20 yrs/any age	6-03	X	X	REMOVED	Friona	00484
5 yrs	5 yrs/age 60, 20 yrs/any age	1-97	X	X	REMOVED	Frisco	00486
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	13.50%	Fritch	00487
10 yrs	10 yrs/age 60, 25 yrs/any age				7.50%	Frost	00488
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Fulshear	00491
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Fulton	00493
5 yrs	5 yrs/age 60, 20 yrs/any age	10-97	X	X	REMOVED	Gainesville	00492
5 yrs	5 yrs/age 60, 20 yrs/any age	10-93	X	X	REMOVED	Galena Park	00494
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	REMOVED	Ganado	00498
5 yrs	5 yrs/age 60, 20 yrs/any age	7-97	X	X	11.50%	Garden Ridge	00499
5 yrs	5 yrs/age 60, 20 yrs/any age	1-92	X	X	REMOVED	Garland	00500
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Garrison	00502
5 yrs	5 yrs/age 60, 25 yrs/any age				7.50%	Gary	00503
5 yrs	5 yrs/age 60, 20 yrs/any age	9-91	X	X	REMOVED	Gatesville	00504
5 yrs	5 yrs/age 60, 20 yrs/any age	5-06	X	X	REMOVED	George West	00505
5 yrs	5 yrs/age 60, 20 yrs/any age	9-12	X	X	13.50%	Georgetown	00506
5 yrs	5 yrs/age 60, 20 yrs/any age	10-97	X	X	REMOVED	Giddings	00510
5 yrs	5 yrs/age 60, 20 yrs/any age	10-98	X	X	REMOVED	Gilmer	00512
5 yrs	5 yrs/age 60, 20 yrs/any age	11-97	X	X	7.50%	Gladewater	00514
5 yrs	5 yrs/age 60, 20 yrs/any age	8-99	X	X	REMOVED	Glen Rose	00516
5 yrs	5 yrs/age 60, 25 yrs/any age	1-95	X	X	12.50%	Glenn Heights	00517
5 yrs	5 yrs/age 60, 25 yrs/any age	12-12	X	X	8.50%	Godley	00518
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	7.50%	Goldsmith	00519
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Goldthwaite	00520

Plan Provisions For Participating Municipalities

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Participating Municipality	Employee Deposit Rate	Municipal Current Matching Ratio	Updated Service Credit		Increased Benefits to Retirees		Military Service Credit Effective Date	Buyback Effective Date
			Rate (%)	Year Effective	Rate ^① (%)	Year Effective		
Goliad	5%	2-1	100 T	2002	50	2002		
Gonzales	5%	2-1	100	1999R	70	1999R	4-96	
Graford	5%	1-1						
Graham	5%	2-1	100 T	1993R	70	1993R	2-97	2-21-02
Graham Regional Medical Center	5%	2-1	75	2014	70	1989		
Granbury	7%	2-1	100 T	1997R	70	1997R	1-90	10-02-07
Grand Prairie	7%	2-1	100 T	1993R	70	1993R	1-89	11-21-89
Grand Saline	7%	1-1	100 T	2001R	70	2001R	1-90	
Grandview	7%	1.5-1	100 T	1998R	70	1988		
Granger	5%	1-1						
Granite Shoals	5%	2-1						
Grapeland	5%	1-1	100 T	2001R	70	2001R		
Grapevine	7%	2-1	100 T	1998R	70	1998R	10-88	10-19-99
Greenville	7%	2-1	100 T	1995R	70	2009	1-88	2-10-04
Gregory	5%	1.5-1	100 T	1992R	70	1998R		
Grey Forest Utilities	7%	2-1	100 T	2001R	70	2001R	1-90	
Groesbeck	5%	1-1						
Groom	5%	1-1	100	1992R				
Groves	6%	2-1	100 T	2005R	70	1989	10-86	9-08-86
Groveton	5%	1-1						
Gruver	6%	2-1	100 T	1998R				
Gun Barrel City	5%	2-1	100 T	1998R				
Gunter	5%	2-1					10-04	
Hale Center	5%	1-1						
Hallettsville	5%	2-1	100 T	2008R	70	2008R	12-03	9-11-00
Hallsville	5%	1-1						
Haltom City	7%	2-1	100 T	1993R	70	2007R	2-83	1-08-01
Hamilton	7%	2-1	100 T	2011R	70	2011R		
Hamlin	6%	2-1	100	1992R	70	1992R	1-84	
Happy	7%	1.5-1	100 T	1999R	70	1999R		
Harker Heights	7%	2-1	100 T	2003R	70	2003R		10-11-05
Harlingen	7%	2-1	100 T	2006	70	2006	10-89	9-05-01
Harlingen Waterworks System	7%	1-1	100 T	2005	70	2005	4-97	8-12-02
Hart	5%	1-1						
Haskell	7%	1-1					9-89	
Haslet	7%	2-1	100 T	2002R				
Hawkins	7%	2-1	100	2015R	70	1988		2-17-14
Hays	7%	2-1	100 T	2004R				
Hearne	7%	2-1	100 T	2011R	70	2011R	10-85	10-01-85
Heath	7%	2-1	100 T	2005R				

Plan Provisions For Participating Municipalities

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Vesting	Service Retirement Eligibilities	Restricted Prior Service Credit Effective Date	Supplemental Death Benefits		Statutory Maximum (%)	Participating Municipality	City Number
			Employees	Retirees			
5 yrs	5 yrs/age 60, 20 yrs/any age	9-01	X	X	REMOVED	Goliad	00522
5 yrs	5 yrs/age 60, 20 yrs/any age	4-96	X	X	REMOVED	Gonzales	00524
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Graford	00532
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Graham	10534
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	11.50%	Graham Regional Medical Center	20534
5 yrs	5 yrs/age 60, 20 yrs/any age	6-96	X	X	REMOVED	Granbury	00536
5 yrs	5 yrs/age 60, 25 yrs/any age	1-92	X	X	REMOVED	Grand Prairie	00540
5 yrs	5 yrs/age 60, 20 yrs/any age	6-05	X	X	9.50%	Grand Saline	00542
5 yrs	5 yrs/age 60, 20 yrs/any age				11.50%	Grandview	00544
5 yrs	5 yrs/age 60, 20 yrs/any age	10-10			7.50%	Granger	00546
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Granite Shoals	00547
5 yrs	5 yrs/age 60, 25 yrs/any age				7.50%	Grapeland	00548
5 yrs	5 yrs/age 60, 20 yrs/any age	3-92			REMOVED	Grapevine	00550
5 yrs	5 yrs/age 60, 20 yrs/any age	9-93	X	X	REMOVED	Greenville	00552
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	9.50%	Gregory	00551
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	REMOVED	Grey Forest Utilities	00553
5 yrs	5 yrs/age 60, 20 yrs any age		X	X	REMOVED	Groesbeck	00556
5 yrs	5 yrs/age 60, 25 yrs/any age				7.50%	Groom	00558
10 yrs	10 yrs/age 60, 20 yrs/any age	1-01			REMOVED	Groves	00559
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	7.50%	Groveton	00560
5 yrs	5 yrs/age 60, 25 yrs/any age				12.50%	Gruver	00562
5 yrs	5 yrs/age 60, 25 yrs/any age	9-94	X	X	11.50%	Gun Barrel City	00563
5 yrs	5 yrs/age 60, 20 yrs/any age	1-08	X	X	REMOVED	Gunter	00564
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Hale Center	00568
5 yrs	5 yrs/age 60, 25 yrs/any age	10-00	X	X	REMOVED	Hallettsville	00570
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Hallsville	00572
5 yrs	5 yrs/age 60, 20 yrs/any age	4-94	X	X	REMOVED	Haltom City	00574
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Hamilton	00576
5 yrs	5 yrs/age 60, 25 yrs/any age	1-05	X	X	REMOVED	Hamlin	00578
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	REMOVED	Happy	00580
5 yrs	5 yrs/age 60, 20 yrs/any age	10-97	X	X	REMOVED	Harker Heights	00581
5 yrs	5 yrs/age 60, 20 yrs/any age	1-93	X	X	15.50%	Harlingen	10582
5 yrs	5 yrs/age 60, 20 yrs/any age	4-97	X	X	9.50%	Harlingen Waterworks System	20582
5 yrs	5 yrs/age 60, 20 yrs/any age				REMOVED	Hart	00583
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	9.50%	Haskell	00586
5 yrs	5 yrs/age 60, 25 yrs/any age	5-99	X	X	15.50%	Haslet	00587
5 yrs	5 yrs/age 60, 20 yrs/any age	10-00	X	X	13.50%	Hawkins	00588
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Hays	00585
5 yrs	5 yrs/age 60, 20 yrs/any age	10-95	X	X	REMOVED	Hearne	00590
5 yrs	5 yrs/age 60, 20 yrs/any age	3-98	X	X	13.50%	Heath	00591

Plan Provisions For Participating Municipalities

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Participating Municipality	Employee Deposit Rate	Municipal Current Matching Ratio	Updated Service Credit		Increased Benefits to Retirees		Military Service Credit Effective Date	Buyback Effective Date
			Rate (%)	Year Effective	Rate ^① (%)	Year Effective		
Hedley	5%	2-1						
Hedwig Village	5%	2-1						
Helotes	6%	2-1	100T	2013	70	2013	3-01	
Hemphill	5%	1.5-1	100 T	2012R	70	1992	5-95	
Hempstead	5%	2-1	100 T	1998R	70	1998R	11-89	
Henderson	7%	2-1	100 T	2008R	70	2008R	9-98	10-20-81
Henrietta	7%	2-1	100 T	2007R	70	2007R	12-03	11-10-03
Hereford	5%	2-1	100 T	1996R	70	1996R		
Hewitt	7%	2-1	100 T	1998R	70	1998R	12-91	2-18-02
Hickory Creek	7%	2-1	100 T	2013R	70	2013R		8-21-07
Hico	5%	2-1	100	2002R				
Hidalgo	7%	2-1	100 T	2006R	70	2006R		
Higgins	5%	1-1	100	1999R	70	1999R		
Highland Park	7%	2-1	100	2008	50	2008	11-89	
Highland Village	7%	2-1	100 T	1994R	70	1994R		
Hill Country Village	5%	2-1	100 T	2005				
Hillsboro	5%	2-1	100 T	1992R	70	1992R		
Hilshire Village	5%	1-1						
Hitchcock	5%	2-1	50 T	2014				
Holland	6%	1.5-1	100 T	1999R				
Holliday	5%	1.5-1	100	2007				
Hollywood Park	6%	1.5-1	100 T	2003R	70	2003R	5-89	
Hondo	5%	2-1	100 T	1996R	70	1996R		
Honey Grove	5%	1.5-1	100 T	1993R	70	1993R		
Hooks	5%	1-1	100	1992R				
Howe	5%	2-1	100	1992R			3-12	
Hubbard	5%	1-1						
Hudson	5%	2-1						
Hudson Oaks	7%	2-1	100 T	2012R	70	2012R		
Hughes Springs	7%	2-1	100	1998R	70	1998R		
Humble	6%	2-1	100 T	2000R	70	2000R	2-85	
Hunters Creek Village	7%	2-1	100 T	2008R				
Huntington	7%	2-1	100 T	1999R	70	1999R	7-99	
Huntsville	7%	2-1	50 T	2014R	50	2014R	10-89	1-01-99
Hurst	7%	2-1	100	2009R	30	2015	4-87	3-24-87
Hutchins	7%	1.5-1	100 T	2001R	70	2001R		
Hutto	7%	2-1	100 T	2008R	70	2008R		
Huxley	5%	1.5-1	50	2014	30	2014		
Idalou	5%	2-1						
Ingleside	5%	2-1	100 T	2008R	70	2008R		

Plan Provisions For Participating Municipalities

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Vesting	Service Retirement Eligibilities	Restricted Prior Service Credit Effective Date	Supplemental Death Benefits		Statutory Maximum (%)	Participating Municipality	City Number
			Employees	Retirees			
10 yrs	10 yrs/age 60, 25 yrs/any age		X	X	11.50%	Hedley	00592
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Hedwig Village	00595
5 yrs	5 yrs/age 60, 20 yrs/any age	3-01	X	X	12.50%	Helotes	00593
5 yrs	5 yrs/age 60, 25 yrs/any age	7-98	X	X	9.50%	Hemphill	00594
10 yrs	10 yrs/age 60, 20 yrs/any age	1-92	X	X	REMOVED	Hempstead	00596
5 yrs	5 yrs/age 60, 25 yrs/any age	9-98	X	X	REMOVED	Henderson	00598
5 yrs	5 yrs/age 60, 20 yrs/any age	9-94	X	X	REMOVED	Henrietta	00600
5 yrs	5 yrs/age 60, 25 yrs/any age	1-96	X	X	11.50%	Hereford	00602
5 yrs	5 yrs/age 60, 20 yrs/any age	12-91	X	X	REMOVED	Hewitt	00605
5 yrs	5 yrs/age 60, 20 yrs/any age	8-07	X	X	13.50%	Hickory Creek	00609
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	11.50%	Hico	00606
5 yrs	5 yrs/age 60, 20 yrs/any age	9-14			13.50%	Hidalgo	00607
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	REMOVED	Higgins	00608
5 yrs	5 yrs/age 60, 20 yrs/any age	6-95			REMOVED	Highland Park	00610
5 yrs	5 yrs/age 60, 20 yrs/any age	1-92	X	X	13.50%	Highland Village	00611
5 yrs	5 yrs/age 60, 25 yrs/any age	2-00	X	X	11.50%	Hill Country Village	00613
5 yrs	5 yrs/age 60, 20 yrs/any age	6-96			REMOVED	Hillsboro	00612
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Hilshire Village	00619
5 yrs	5 yrs/age 60, 25 yrs/any age	7-98	X	X	11.50%	Hitchcock	00614
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	10.50%	Holland	00615
5 yrs	5 yrs/age 60, 20 yrs/any age				9.50%	Holliday	00616
5 yrs	5 yrs/age 60, 20 yrs/any age	7-95	X	X	10.50%	Hollywood Park	00617
5 yrs	5 yrs/age 60, 20 yrs/any age	8-97	X	X	11.50%	Hondo	00618
5 yrs	5 yrs/age 60, 20 yrs/any age	2-01	X	X	9.50%	Honey Grove	00620
5 yrs	5 yrs/age 60, 25 yrs/any age	12-99	X	X	7.50%	Hooks	00622
5 yrs	5 yrs/age 60, 25 yrs/any age	11-04	X	X	11.50%	Howe	00626
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Hubbard	00627
5 yrs	5 yrs/age 60, 25 yrs/any age	4-01	X	X	REMOVED	Hudson	00628
5 yrs	5 yrs/age 60, 20 yrs/any age	2-98	X	X	13.50%	Hudson Oaks	00629
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Hughes Springs	00630
5 yrs	5 yrs/age 60, 20 yrs/any age	3-96	X	X	REMOVED	Humble	00632
5 yrs	5 yrs/age 60, 25 yrs/any age	3-98	X	X	13.50%	Hunters Creek Village	00633
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Huntington	00634
5 yrs	5 yrs/age 60, 20 yrs/any age	1-98	X	X	REMOVED	Huntsville	00636
5 yrs	5 yrs/age 60, 20 yrs/any age	2-92			REMOVED	Hurst	00637
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	11.50%	Hutchins	00638
5 yrs	5 yrs/age 60, 20 yrs/any age	8-01	X	X	REMOVED	Hutto	00640
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	9.50%	Huxley	00641
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Idalou	00642
5 yrs	5 yrs/age 60, 20 yrs/any age	3-00	X	X	11.50%	Ingleside	00643

Plan Provisions For Participating Municipalities

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Participating Municipality	Employee Deposit Rate	Municipal Current Matching Ratio	Updated Service Credit		Increased Benefits to Retirees		Military Service Credit Effective Date	Buyback Effective Date
			Rate (%)	Year Effective	Rate ^① (%)	Year Effective		
Ingram	5%	1.5-1	100 T	1998R				
Iowa Colony	5%	2-1						
Iowa Park	6%	2-1	100 T	2010R	70	2010R	12-10	
Iraan	7%	2-1	100 T	2009	70	2009		7-21-04
Irving	7%	2-1	100 T	1992R	30	2015R	1-87	6-29-06
Italy	5%	1-1						
Itasca	7%	2-1	100 T	2002R	70	2002R	1-92	
Jacinto City	5%	1.5-1	100 T	1992R	70	1992R		9-24-81
Jacksboro	7%	2-1	100 T	2007R	70	2007R	6-98	8-14-90
Jacksonville	6%	2-1	100 T	2008R	50	2011R	4-91	
Jasper	7%	2-1	100	2013	70	2013	1-82	10-17-83
Jefferson	5%	1-1	100 T	2001R				
Jersey Village	7%	2-1	100 T	2000R	70	2000R	10-95	
Jewett	7%	1-1	100 T	1994R	70	1994R		
Joaquin	5%	1-1						
Johnson City	6%	1.5-1	100 T	2012R	70	2012R		8-08-05
Jones Creek	5%	1.5-1						
Jonestown	5%	2-1						
Josephine	6%	1.5-1	100 T	2007R				
Joshua	7%	2-1						
Jourdanton	5%	1.5-1	100	1992R	70	1992R		8-18-14
Junction	7%	2-1	100 T	1997R	70	1997R		
Justin	5%	1-1	100	1998R				
Karnes City	5%	1-1	100 T	1999R	70	1999R		
Katy	7%	2-1	100 T	1992R	70	1992R	11-85	
Kaufman	7%	2-1	100 T	2008R	70	2008R	10-01	
Keene	7%	2-1	100 T	2001R	70	2001R		
Keller	7%	2-1	100 T	2002R	50	2012R	1-97	12-20-05
Kemah	7%	2-1					8-99	
Kemp	5%	1-1	100 T	2001R				
Kenedy	5%	1-1	100 T	1994R	70	1994R		
Kennedale	7%	2-1	100 T	2006R	70	2006R	9-01	8-09-01
Kermit	7%	2-1	100 T	2004R	70	2004R		9-18-08
Kerrville	7%	2-1	100 T	2012R	50	2010	6-90	
Kerrville PUB	7%	2-1	100 T	1994R	70	2007R		
Kilgore	7%	2-1	100 T	2001R	70	2001R		4-10-07
Killeen	7%	2-1	100 T	2015	70	2015	1-01	2-28-89
Kingsville	7%	1.5-1	100 T	2000R	70	2000R	3-85	
Kirby	7%	2-1	100 T	2008R	70	2008R	3-99	
Kirbyville	5%	1-1	100	1992R	70	1992R		

Plan Provisions For Participating Municipalities

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Vesting	Service Retirement Eligibilities	Restricted Prior Service Credit Effective Date	Supplemental Death Benefits		Statutory Maximum (%)	Participating Municipality	City Number
			Employees	Retirees			
5 yrs	5 yrs/age 60, 20 yrs/any age	11-96			9.50%	Ingram	00646
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Iowa Colony	00647
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	REMOVED	Iowa Park	00644
5 yrs	5 yrs/age 60, 20 yrs/any age	8-97	X	X	REMOVED	Iraan	00645
5 yrs	5 yrs/age 60, 20 yrs/any age	1-93	X	X	REMOVED	Irving	00648
5 yrs	5 yrs/age 60, 20 yrs/any age	12-06	X	X	REMOVED	Italy	00650
5 yrs	5 yrs/age 60, 20 yrs/any age	1-92	X	X	13.50%	Itasca	00652
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	9.50%	Jacinto City	00654
5 yrs	5 yrs/age 60, 20 yrs/any age	11-95	X	X	13.50%	Jacksboro	00656
5 yrs	5 yrs/age 60, 20 yrs/any age	5-96	X	X	REMOVED	Jacksonville	00658
5 yrs	5 yrs/age 60, 20 yrs/any age	1-92	X	X	15.50%	Jasper	00660
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	REMOVED	Jefferson	00664
5 yrs	5 yrs/age 60, 25 yrs/any age	5-95	X	X	REMOVED	Jersey Village	00665
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	9.50%	Jewett	00666
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Joaquin	00668
5 yrs	5 yrs/age 60, 25 yrs/any age	3-02	X	X	10.50%	Johnson City	00670
5 yrs	5 yrs/age 60, 25 yrs/any age	2-13	X	X	REMOVED	Jones Creek	00673
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Jonestown	00675
5 yrs	5 yrs/age 60, 20 yrs/any age	8-11	X	X	REMOVED	Josephine	00677
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	13.50%	Joshua	00671
5 yrs	5 yrs/age 60, 20 yrs/any age	9-14	X	X	9.50%	Jourdanton	00672
10 yrs	10 yrs/age 60, 25 yrs/any age		X	X	REMOVED	Junction	00674
5 yrs	5 yrs/age 60, 20 yrs/any age	5-08			7.50%	Justin	00676
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Karnes City	00678
5 yrs	5 yrs/age 60, 20 yrs/any age	5-96	X	X	REMOVED	Katy	00680
5 yrs	5 yrs/age 60, 20 yrs/any age	6-97	X	X	REMOVED	Kaufman	00682
5 yrs	5 yrs/age 60, 25 yrs/any age	1-93	X	X	REMOVED	Keene	00683
5 yrs	5 yrs/age 60, 20 yrs/any age	1-94	X	X	REMOVED	Keller	00681
5 yrs	5 yrs/age 60, 20 yrs/any age	8-99	X	X	REMOVED	Kemah	00685
5 yrs	5 yrs/age 60, 25 yrs/any age	1-96			7.50%	Kemp	00684
5 yrs	5 yrs/age 60, 25 yrs/any age	10-95	X	X	7.50%	Kenedy	00686
5 yrs	5 yrs/age 60, 20 yrs/any age	9-01	X	X	13.50%	Kennedale	00688
5 yrs	5 yrs/age 60, 25 yrs/any age	3-01	X	X	REMOVED	Kermit	00692
5 yrs	5 yrs/age 60, 20 yrs/any age	3-92	X	X	15.50%	Kerrville	10694
5 yrs	5 yrs/age 60, 25 yrs/any age	11-93	X	X	REMOVED	Kerrville PUB	20694
5 yrs	5 yrs/age 60, 20 yrs/any age	1-97	X	X	REMOVED	Kilgore	10696
5 yrs	5 yrs/age 60, 20 yrs/any age	1-98	X	X	13.50%	Killeen	00698
5 yrs	5 yrs/age 60, 20 yrs/any age	4-00			REMOVED	Kingsville	00700
5 yrs	5 yrs/age 60, 20 yrs/any age	10-08	X	X	13.50%	Kirby	00701
5 yrs	5 yrs/age 60, 20 yrs/any age	11-91	X	X	7.50%	Kirbyville	00702

Plan Provisions For Participating Municipalities

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Participating Municipality	Employee Deposit Rate	Municipal Current Matching Ratio	Updated Service Credit		Increased Benefits to Retirees		Military Service Credit Effective Date	Buyback Effective Date
			Rate (%)	Year Effective	Rate ^① (%)	Year Effective		
Knox City	5%	1.5-1	100	1991	70	1991		
Kountze	5%	1-1						
Kress	7%	1-1	100	1995R				
Krugerville	7%	2-1						
Krum	5%	2-1	100	1997				
Kyle	7%	2-1	100 T	1999R	70	2000R		
La Coste	5%	1-1						
La Feria	7%	1-1	100 T	2004R	70	2004R	10-03	8-28-03
La Grange	7%	2-1	100 T	2012R	50	2014R	10-89	
La Grulla	5%	2-1	100 T	2007R	70	2007R		
La Joya	5%	1-1						
La Marque	5%	2-1	100 T	1993R	70	1993R	1-97	4-24-06
La Porte	7%	2-1	100 T	2004R	70	2004R	1-83	12-22-97
La Vernia	5%	1-1						
Lacy-Lakeview	7%	2-1	100 T	2004R	70	2004R	10-89	
Ladonia	7%	2-1						
Lago Vista	6%	2-1	100 T	2003R			11-95	10-01-90
Laguna Vista	5%	1.5-1						
Lake Dallas	7%	2-1	100 T	2001R	70	2001R		
Lake Jackson	6%	2-1	100 T	2007R	70	2007R	10-93	
Lake Worth	6%	2-1	100 T	2000R	70	2000R	10-98	10-10-00
Lakeport	5%	1.5-1						
Lakeside	6%	2-1	100	2014R				
Lakeside City	5%	1-1						
Lakeway	7%	2-1	100 T	2007R	70	2007R		
Lamesa	7%	1.5-1	100 T	2010R	70	2009	1-90	
Lampasas	7%	2-1	100 T	1992R	70	1992R	11-00	9-08-14
Lancaster	7%	2-1	100 T	1998R	50	2012R	10-89	
Laredo	7%	2-1	100	2007R	70	2007R	10-89	1-20-97
Lavon	5%	2-1						
Lefors	5%	1-1						
League City	7%	2-1	100 T	2001R	70	2001R	5-93	2-08-90
Leander	7%	2-1	100	2013R	50	2014R	11-87	10-04-02
Leon Valley	6%	2-1	100 T	2003R	70	2003R	10-88	9-20-88
Leonard	5%	1-1					1-03	
Levelland	6%	2-1	100 T	2000R	70	2000R		12-09-13
Lewisville	7%	2-1	75 T	2013R	70	2013R	11-89	5-05-97
Lexington	6%	1.5-1	100 T	2000R	70	2000R	9-01	
Liberty	7%	2-1	100 T	2015				
Liberty Hill	7%	1-1						

Plan Provisions For Participating Municipalities

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Vesting	Service Retirement Eligibilities	Restricted Prior Service Credit Effective Date	Supplemental Death Benefits		Statutory Maximum (%)	Participating Municipality	City Number
			Employees	Retirees			
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	9.50%	Knox City	00704
5 yrs	5 yrs/age 60, 20 yrs/any age	6-12	X	X	REMOVED	Kountze	00708
10 yrs	10 yrs/age 60, 25 yrs/any age				REMOVED	Kress	00709
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Krugerville	00699
5 yrs	5 yrs/age 60, 20 yrs/any age	2-06	X	X	11.50%	Krum	00707
10 yrs	10 yrs/age 60, 20 yrs/any age	3-00	X	X	13.50%	Kyle	00710
5 yrs	5 yrs/age 60, 25 yrs/any age				7.50%	La Coste	00725
5 yrs	5 yrs/age 60, 20 yrs/any age	10-03	X	X	REMOVED	La Feria	00714
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	La Grange	00716
5 yrs	5 yrs/age 60, 25 yrs/any age	10-03	X	X	11.50%	La Grulla	00723
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	La Joya	00732
5 yrs	5 yrs/age 60, 20 yrs/any age	12-99	X	X	11.50%	La Marque	00721
10 yrs	10 yrs/age 60, 20 yrs/any age	1-97	X	X	REMOVED	La Porte	00728
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	La Vernia	00731
5 yrs	5 yrs/age 60, 20 yrs/any age	12-97	X	X	13.50%	Lacy-Lakeview	00711
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Ladonia	00712
5 yrs	5 yrs/age 60, 20 yrs/any age	3-97	X	X	12.50%	Lago Vista	00713
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Laguna Vista	00705
5 yrs	5 yrs/age 60, 20 yrs/any age	1-01	X	X	13.50%	Lake Dallas	00717
5 yrs	5 yrs/age 60, 20 yrs/any age	2-98	X	X	REMOVED	Lake Jackson	00718
5 yrs	5 yrs/age 60, 20 yrs/any age	10-98	X	X	12.50%	Lake Worth	00719
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	REMOVED	Lakeport	00727
5 yrs	5 yrs/age 60, 25 yrs/any age	11-99	X	X	12.50%	Lakeside	00715
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Lakeside City	00729
5 yrs	5 yrs/age 60, 20 yrs/any age	9-03	X	X	13.50%	Lakeway	00720
5 yrs	5 yrs/age 60, 25 yrs/any age	6-94			13.50%	Lamesa	00722
5 yrs	5 yrs/age 60, 20 yrs/any age	1-92	X	X	REMOVED	Lampasas	00724
5 yrs	5 yrs/age 60, 20 yrs/any age	1-97	X	X	REMOVED	Lancaster	00726
5 yrs	5 yrs/age 60, 20 yrs/any age	7-93	X	X	REMOVED	Laredo	00730
5 yrs	5 yrs/age 60, 20 yrs/any age	10-12	X	X	REMOVED	Lavon	00733
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Lefors	00735
5 yrs	5 yrs/age 60, 20 yrs/any age	7-99	X	X	15.50%	League City	00736
5 yrs	5 yrs/age 60, 20 yrs/any age	10-02	X	X	13.50%	Leander	00737
10 yrs	10 yrs/age 60, 20 yrs/any age	10-91	X	X	REMOVED	Leon Valley	00739
5 yrs	5 yrs/age 60, 25 yrs/any age	1-03	X	X	7.50%	Leonard	00738
5 yrs	5 yrs/age 60, 20 yrs/any age	1-14	X	X	REMOVED	Levelland	00740
5 yrs	5 yrs/age 60, 20 yrs/any age	2-92			REMOVED	Lewisville	00742
5 yrs	5 yrs/age 60, 25 yrs/any age	8-09			REMOVED	Lexington	00744
5 yrs	5 yrs/age 60, 20 yrs/any age				REMOVED	Liberty	00746
5 yrs	5 yrs/age 60, 20 yrs/any age	3-09	X	X	REMOVED	Liberty Hill	00745

Plan Provisions For Participating Municipalities

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Participating Municipality	Employee Deposit Rate	Municipal Current Matching Ratio	Updated Service Credit		Increased Benefits to Retirees		Military Service Credit Effective Date	Buyback Effective Date
			Rate (%)	Year Effective	Rate ^① (%)	Year Effective		
Lindale	6%	2-1	100 T	2008R	70	2008R		
Linden	5%	1-1						
Lipan	5%	1-1						
Little Elm	7%	2-1	100 T	2001R	70	2001R	11-03	11-20-07
Littlefield	5%	2-1	100 T	1994R	70	1994R	6-98	
Live Oak	7%	2-1	100 T	2007R	70	2007R	1-95	
Liverpool	5%	1-1						
Livingston	7%	2-1	100 T	1992R	70	1992R	8-92	
Llano	7%	1.5-1	100 T	2012R	70	1999		
Lockhart	6%	2-1	100 T	1999R	70	1999R	11-90	1-06-98
Lockney	5%	1-1	100 T	2001R	50	1981		
Lone Star	5%	1-1	100 T	2001R	70	2001R		9-08-81
Longview	7%	2-1	100 T	2000R	70	2012	1-88	2-11-93
Loraine	5%	1.5-1						
Lorena	6%	1.5-1	100 T	2006R	70	2006R		
Lorenzo	5%	1.5-1	100 T	1995R	70	1995R		
Los Fresnos	5%	1.5-1	10	1996R				
Lott	5%	1-1						
Lovelady	5%	2-1						
Lubbock	7%	2-1	100 T	1998R	70	2001R	1-90	
Lucas	7%	2-1	100	2006R	70	2015R		
Lufkin	7%	2-1	100 T	1998R	50	2012R	12-89	10-01-00
Luling	5%	2-1	100 T	1992R	70	1992R		
Lumberton	7%	2-1	100 T	2001R	70	2001R		
Lyford	5%	1-1						
Lytle	5%	2-1	100	1992R	70	1992R		
Madisonville	5%	2-1	100	1992R	70	1992R		
Magnolia	6%	1-1						
Malakoff	7%	2-1	100 T	1993				
Manor	5%	2-1						7-19-06
Mansfield	7%	2-1	100 T	1992R	70	1992R	1-89	
Manvel	7%	2-1						
Marble Falls	7%	2-1	100 T	1996			7-03	5-23-90
Marfa	5%	2-1	100	1990	70	1990		
Marion	5%	2-1	100 T	2008R				
Marlin	5%	2-1	100 T	2000R	70	2000R		
Marshall	7%	2-1	100 T	1998R	50	2013R	1-90	6-09-88
Mart	5%	1.5-1	100	1992R	70	1992R		
Martindale	5%	2-1						
Mason	5%	1.5-1	100	2010R	70	2010R		2-13-89

Plan Provisions For Participating Municipalities

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Vesting	Service Retirement Eligibilities	Restricted Prior Service Credit Effective Date	Supplemental Death Benefits		Statutory Maximum (%)	Participating Municipality	City Number
			Employees	Retirees			
5 yrs	5 yrs/age 60, 20 yrs/any age	5-07			REMOVED	Lindale	00748
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	7.50%	Linden	00750
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Lipan	00755
5 yrs	5 yrs/age 60, 20 yrs/any age	11-03	X	X	13.50%	Little Elm	00751
5 yrs	5 yrs/age 60, 20 yrs/any age	6-98	X	X	11.50%	Littlefield	00752
5 yrs	5 yrs/age 60, 20 yrs/any age	1-95	X	X	REMOVED	Live Oak	00753
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Liverpool	00757
10 yrs	10 yrs/age 60, 25 yrs/any age	3-98	X	X	REMOVED	Livingston	00754
5 yrs	5 yrs/age 60, 20 yrs/any age	1-99	X	X	11.50%	Llano	00756
5 yrs	5 yrs/age 60, 20 yrs/any age	1-94	X	X	REMOVED	Lockhart	00758
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	7.50%	Lockney	00760
5 yrs	5 yrs/age 60, 25 yrs/any age	3-01	X	X	7.50%	Lone Star	00765
5 yrs	5 yrs/age 60, 20 yrs/any age	2-93	X	X	15.50%	Longview	00766
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Loraine	00768
5 yrs	5 yrs/age 60, 20 yrs/any age	4-04	X	X	10.50%	Lorena	00769
5 yrs	5 yrs/age 60, 25 yrs/any age	8-03			9.50%	Lorenzo	00770
5 yrs	5 yrs/age 60, 20 yrs/any age	2-08	X	X	9.50%	Los Fresnos	00771
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Lott	00773
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Lovelady	00774
5 yrs	5 yrs/age 60, 20 yrs/any age	10-95			REMOVED	Lubbock	00778
5 yrs	5 yrs/age 60, 20 yrs/any age	1-07	X	X	13.50%	Lucas	00779
5 yrs	5 yrs/age 60, 20 yrs/any age	6-97	X	X	REMOVED	Lufkin	00782
10 yrs	10 yrs/age 60, 25 yrs/any age	9-95	X	X	11.50%	Luling	00784
5 yrs	5 yrs/age 60, 20 yrs/any age	9-95	X	X	REMOVED	Lumberton	00785
5 yrs	5 yrs/age 60, 20 yrs/any age				REMOVED	Lyford	00786
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	11.50%	Lytle	00787
5 yrs	5 yrs/age 60, 20 yrs/any age	1-93	X	X	11.50%	Madisonville	00790
5 yrs	5 yrs/age 60, 25 yrs/any age	4-98	X	X	8.50%	Magnolia	00791
5 yrs	5 yrs/age 60, 25 yrs/any age	3-07	X	X	13.50%	Malakoff	00792
5 yrs	5 yrs/age 60, 25 yrs/any age	6-14	X	X	REMOVED	Manor	00796
5 yrs	5 yrs/age 60, 20 yrs/any age	3-92	X	X	REMOVED	Mansfield	00798
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	13.50%	Manvel	00799
5 yrs	5 yrs/age 60, 20 yrs/any age	5-96	X	X	13.50%	Marble Falls	00800
5 yrs	5 yrs/age 60, 25 yrs/any age	3-05	X	X	11.50%	Marfa	00802
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	11.50%	Marion	00804
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	11.50%	Marlin	00806
5 yrs	5 yrs/age 60, 20 yrs/any age	1-94	X	X	REMOVED	Marshall	00810
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	9.50%	Mart	00812
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Martindale	00813
5 yrs	5 yrs/age 60, 25 yrs/any age	5-97	X	X	9.50%	Mason	00814

Plan Provisions For Participating Municipalities

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Participating Municipality	Employee Deposit Rate	Municipal Current Matching Ratio	Updated Service Credit		Increased Benefits to Retirees		Military Service Credit Effective Date	Buyback Effective Date
			Rate (%)	Year Effective	Rate ^① (%)	Year Effective		
Matador	5%	1-1						
Mathis	7%	2-1	100	1991	70	1991	11-03	
Maud	5%	1-1						
Maypearl	5%	1-1						
McAllen	7%	2-1	100 T	2013				12-27-07
McCamey	7%	1-1	100	1997R	70	2009		
McGregor	6%	2-1	100 T	1996R	70	1996R		
McKinney	7%	2-1	100 T	1996R	70	2003R		
McLean	5%	1-1						
Meadowlakes	7%	1-1						
McLendon-Chisholm	5%	1-1						
Meadows Place	7%	2-1	100	2015	70	2015		
Melissa	7%	2-1						
Memorial Villages P.D.	7%	2-1	100 T	2009	70	2009		
Memphis	5%	1.5-1	100	1998R	70	1998R		
Menard	5%	1-1	100	2009R	70	2009R		
Mercedes	7%	2-1	100 T	2009R	70	2009R	4-97	7-06-99
Meridian	5%	2-1						
Merkel	6%	2-1	100 T	2004R	70	2004R	4-02	
Mertzson	5%	2-1						
Mesquite	7%	2-1	100 T	2015	50	2015	1-84	9-16-91
Mexia	7%	2-1	100 T	1992R	70	1992R	2-84	
Midland	7%	2-1	100 T	1992R	50	1992R	11-83	
Midlothian	7%	2-1	100 T	2003R	70	2003R	10-88	9-13-88
Milano	5%	1-1						
Miles	5%	1-1	100	1990				
Milford	7%	1-1	100 T	2002R				
Mineola	5%	2-1	100 T	2000R	70	1988	2-99	
Mineral Wells	5%	2-1	100	1992R	70	1992R	12-90	10-18-88
Mission	6%	2-1	100 T	2007R	70	2010		
Missouri City	7%	2-1	100 T	2015	70	2015	3-93	8-06-01
Monahans	5%	2-1	100 T	1992R	70	1992R	11-94	
Mont Belvieu	7%	2-1	100 T	2015R	70	2015R		5-29-79
Montgomery	7%	2-1						
Moody	5%	1-1						
Morgan's Point	7%	2-1	50 T	2013R	30	2013R		
Morgan's Point Resort	7%	2-1	100 T	2006R	70	2003R	1-90	
Morton	5%	2-1	100 T	1999R	70	1999R		
Moulton	6%	1-1	100 T	2013R	70	2013R	12-97	
Mount Enterprise	5%	1-1						

Plan Provisions For Participating Municipalities

Continued

Vesting	Service Retirement Eligibilities	Restricted Prior Service Credit Effective Date	Supplemental Death Benefits		Statutory Maximum (%)	Participating Municipality	City Number
			Employees	Retirees			
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Matador	00816
5 yrs	5 yrs/age 60, 20 yrs/any age	9-99	X	X	13.50%	Mathis	00818
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Maud	00820
5 yrs	5 yrs/age 60, 25 yrs/any age	6-12	X	X	7.50%	Maypearl	00822
10 yrs	10 yrs/age 60, 20 yrs/any age	7-99			13.50%	McAllen	00824
10 yrs	10 yrs/age 60, 25 yrs/any age		X	X	9.50%	McCamey	00826
5 yrs	5 yrs/age 60, 20 yrs/any age	7-96	X	X	12.50%	McGregor	00828
5 yrs	5 yrs/age 60, 20 yrs/any age	1-92	X	X	REMOVED	McKinney	00830
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	REMOVED	McLean	00832
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Meadowlakes	00831
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	McLendon-Chisholm	00833
5 yrs	5 yrs/age 60, 20 yrs/any age	10-97	X	X	13.50%	Meadows Place	00835
5 yrs	5 yrs/age 60, 20 yrs/any age	3-03	X	X	REMOVED	Melissa	00837
5 yrs	5 yrs/age 60, 25 yrs/any age	6-96	X	X	REMOVED	Memorial Villages P.D.	01501
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Memphis	00840
5 yrs	5 yrs/age 60, 25 yrs/any age				REMOVED	Menard	00842
5 yrs	5 yrs/age 60, 20 yrs/any age	1-00	X	X	REMOVED	Mercedes	00844
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	11.50%	Meridian	00846
5 yrs	5 yrs/age 60, 25 yrs/any age	6-01	X	X	REMOVED	Merkel	00848
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Mertzson	00852
5 yrs	5 yrs/age 60, 20 yrs/any age	1-92			REMOVED	Mesquite	00854
5 yrs	5 yrs/age 60, 20 yrs/any age	9-91	X	X	13.50%	Mexia	00856
5 yrs	5 yrs/age 60, 20 yrs/any age	4-94	X	X	REMOVED	Midland	00860
5 yrs	5 yrs/age 60, 20 yrs/any age	10-91	X	X	REMOVED	Midlothian	00862
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Milano	00863
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	7.50%	Miles	00864
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	REMOVED	Milford	00865
5 yrs	5 yrs/age 60, 20 yrs/any age	10-91	X	X	11.50%	Mineola	00868
5 yrs	5 yrs/age 60, 20 yrs/any age	1-92	X	X	11.50%	Mineral Wells	00870
5 yrs	5 yrs/age 60, 20 yrs/any age	9-98	X	X	12.50%	Mission	00874
5 yrs	5 yrs/age 60, 20 yrs/any age	6-93	X	X	15.50%	Missouri City	00875
10 yrs	10 yrs/age 60, 25 yrs/any age	11-95	X	X	REMOVED	Monahans	00876
5 yrs	5 yrs/age 60, 25 yrs/any age	11-95	X	X	REMOVED	Mont Belvieu	00887
5 yrs	5 yrs/age 60, 20 yrs/any age				13.50%	Montgomery	00877
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	7.50%	Moody	00878
5 yrs	5 yrs/age 60, 20 yrs/any age	1-98	X		REMOVED	Morgan's Point	00883
5 yrs	5 yrs/age 60, 20 yrs/any age	1-03	X	X	13.50%	Morgan's Point Resort	00882
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	REMOVED	Morton	00884
5 yrs	5 yrs/age 60, 20 yrs/any age	11-97	X	X	REMOVED	Moulton	00886
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	REMOVED	Mount Enterprise	00890

Plan Provisions For Participating Municipalities

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Participating Municipality	Employee Deposit Rate	Municipal Current Matching Ratio	Updated Service Credit		Increased Benefits to Retirees		Military Service Credit Effective Date	Buyback Effective Date
			Rate (%)	Year Effective	Rate ^① (%)	Year Effective		
Mt. Pleasant	7%	2-1	100 T	2005R	70	2005R		
Mt. Vernon	7%	2-1	100	1992R	70	1992R		1-13-98
Muenster	5%	2-1	100	1981	20	1981		
Muleshoe	7%	2-1	100 T	1992R	70	1992R	2-96	10-18-83
Munday	5%	1-1						
Murphy	7%	2-1	100 T	2002R	70	2002R		
Nacogdoches	7%	2-1	100 T	2000R	30	2012R	11-89	3-09-99
Nacogdoches Mem. Hospital ^③	5%	1-1						
Naples	5%	1.5-1						
Nash	7%	2-1	100	2013	70	2013		
Nassau Bay	7%	2-1	50	2012R	70	2012R	9-02	7-08-02
Natalia	5%	1-1						
Navasota	5%	2-1	100	1992R	70	1992R		5-08-89
Nederland	7%	2-1	100	2000R	30	1984	3-82	12-13-83
Needville	7%	1-1	100 T	1996R	70	1989		
Newark	5%	1-1						
New Boston	5%	1-1	100 T	1993R	70	1993R		
New Braunfels	7%	2-1	100 T	2005R	70	2005R	1-90	1-11-93
New Braunfels Utilities	7%	1.5-1	100 T	2002R	70	2002R	4-04	
New Deal	5%	1-1						
New Fairview	7%	1-1						
New London	5%	1-1	100 T	1997R	70	1997R		
New Summerfield	5%	1-1	100	1992R				5-22-07
New Waverly	5%	1.5-1	100	2004R				
Newton	7%	2-1	100 T	2001R	70	2001R		12-10-91
Nixon	5%	1-1						
Nocona	5%	2-1	100	2008R	70	2008R		
Nolanville	5%	1-1						
Normangee	5%	2-1						
North Richland Hills	7%	2-1	100 T	1992R	70	1992R	1-90	12-12-88
Northlake	7%	2-1	100 T	2011R				
Oak Point	7%	2-1	100	2010				
Oak Ridge North	7%	2-1	100	2007R	70	2009R		
Odem	6%	2-1						
Odessa	7%	2-1	100 T	2011R	50	2011R	10-89	2-28-12
O'Donnell	5%	1-1						
Oglesby	5%	1-1					12-03	
Old River-Winfree	5%	1-1						
Olmos Park	5%	2-1	100 T	2005	70	1998		
Olney	7%	2-1						

Plan Provisions For Participating Municipalities

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Vesting	Service Retirement Eligibilities	Restricted Prior Service Credit Effective Date	Supplemental Death Benefits		Statutory Maximum (%)	Participating Municipality	City Number
			Employees	Retirees			
5 yrs	5 yrs/age 60, 20 yrs/any age	1-96	X	X	REMOVED	Mt. Pleasant	00892
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	13.50%	Mt. Vernon	00894
5 yrs	5 yrs/age 60, 25 yrs/any age				11.50%	Muenster	00896
5 yrs	5 yrs/age 60, 20 yrs/any age	2-96	X	X	REMOVED	Muleshoe	00898
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Munday	00901
5 yrs	5 yrs/age 60, 20 yrs/any age	1-05	X	X	13.50%	Murphy	00903
5 yrs	5 yrs/age 60, 20 yrs/any age	1-98	X	X	REMOVED	Nacogdoches	10904
5 yrs	5 yrs/age 60, 28 yrs/any age				7.50%	Nacogdoches Mem. Hospital ³	20904
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	9.50%	Naples	00906
5 yrs	5 yrs/age 60, 25 yrs/any age	6-96	X	X	13.50%	Nash	00907
5 yrs	5 yrs/age 60, 20 yrs/any age	1-07	X	X	REMOVED	Nassau Bay	00905
5 yrs	5 yrs/age 60, 20 yrs/any age	10-09	X	X	REMOVED	Natalia	00909
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	11.50%	Navasota	00908
10 yrs	10 yrs/age 60, 20 yrs/any age	1-00			REMOVED	Nederland	00910
5 yrs	5 yrs/age 60, 20 yrs/any age	2-98	X	X	9.50%	Needville	00912
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Newark	00913
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	7.50%	New Boston	00914
5 yrs	5 yrs/age 60, 20 yrs/any age	1-92	X	X	REMOVED	New Braunfels	10916
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	New Braunfels Utilities	20916
5 yrs	5 yrs/age 60, 25 yrs/any age				7.50%	New Deal	00915
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	New Fairview	00923
5 yrs	5 yrs/age 60, 20 yrs/any age				7.50%	New London	00918
5 yrs	5 yrs/age 60, 25 yrs/any age				7.50%	New Summerfield	00919
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	9.50%	New Waverly	00917
5 yrs	5 yrs/age 60, 20 yrs/any age	8-10	X	X	REMOVED	Newton	00920
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	REMOVED	Nixon	00922
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	11.50%	Nocona	00924
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Nolanville	00925
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	11.50%	Normangee	00928
5 yrs	5 yrs/age 60, 20 yrs/any age	2-92			REMOVED	North Richland Hills	00931
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	REMOVED	Northlake	00930
5 yrs	5 yrs/age 60, 20 yrs/any age	5-03	X	X	REMOVED	Oak Point	00936
5 yrs	5 yrs/age 60, 25 yrs/any age	7-99	X	X	REMOVED	Oak Ridge North	00937
10 yrs	10 yrs/age 60, 25 yrs/any age		X	X	REMOVED	Odem	00942
5 yrs	5 yrs/age 60, 20 yrs/any age	12-93	X	X	REMOVED	Odessa	00944
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	REMOVED	O'Donnell	00935
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	REMOVED	Oglesby	00945
5 yrs	5 yrs/age 60, 25 yrs/any age				7.50%	Old River-Winfree	00949
5 yrs	5 yrs/age 60, 25 yrs/any age				11.50%	Olmos Park	00950
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Olney	00951

Plan Provisions For Participating Municipalities

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Participating Municipality	Employee Deposit Rate	Municipal Current Matching Ratio	Updated Service Credit		Increased Benefits to Retirees		Military Service Credit Effective Date	Buyback Effective Date
			Rate (%)	Year Effective	Rate ^① (%)	Year Effective		
Omaha	5%	1-1						
Onalaska	5%	1.5-1						
Orange	7%	2-1	100 T	1997R	70	1997R	1-88	
Orange Grove	5%	1.5-1	100	1992R	50	1992R		8-18-10
Ore City	5%	1-1						
Overton	5%	2-1	100 T	1993	70	1993		
Ovilla	7%	2-1	100 T	2012R				11-12-07
Oyster Creek	7%	2-1	100 T	2009R				
Paducah	5%	1.5-1	100	1998R				
Palacios	7%	2-1	100 T	2012R	70	2012R		
Palestine	6%	2-1	100 T	2005R	70	2005R	12-03	6-27-78
Palmer	5%	2-1	100 T	2002R	70	2002R		
Palmhurst	5%	1-1						
Palmview	5%	1-1						
Pampa	7%	2-1	100 T	2012R	70	2012R	10-88	12-08-87
Panhandle	5%	2-1	100 T	2015R	70	2015R		8-26-93
Panorama Village	6%	2-1	100	1990				
Pantego	7%	2-1	100 T	1998R	50	2014R	1-93	
Paris	6%	2-1	100 T	2008	70	2008	9-88	10-09-95
Parker	6%	2-1	100 T	1998R				
Pasadena	7%	2-1	100 T	1993R	40	1993R	1-82	9-29-09
Pearland	7%	2-1	100 T	1998R	70	1998R	10-89	2-11-91
Pearsall	5%	1-1	100 T	2011R	70	2011R		
Pecos City	5%	2-1	100 T	1992R	30	1992R	11-90	8-08-96
Perryton	7%	2-1	100 T	1992R	70	1992R	10-84	10-01-02
Pflugerville	7%	2-1	100 T	2002R	70	2002R	9-89	
Pharr	7%	2-1	100 T	2008	70	2008	4-84	11-19-02
Pilot Point	5%	2-1	100 T	2005R	70	2005R	2-00	
Pinehurst	7%	2-1	100 T	2004R	70	2004R	4-03	3-08-90
Pineland	5%	1.5-1	100	1992R	70	1992R	8-94	8-20-91
Piney Point Village	5%	2-1	100	1999				
Pittsburg	7%	2-1	100 T	1999R	70	1999R		9-08-88
Plains	7%	1.5-1	100 T	1996R				
Plainview	7%	2-1	100 T	1997R	70	1997R	9-95	12-13-77
Plano	7%	2-1	100 T	1994R	70	1994R	1-92	12-27-93
Pleasanton	7%	2-1	100 T	2013R	70	2013R	5-91	9-21-87
Point	7%	1-1	100 T	2014R	50	2014R		
Ponder	5%	2-1						
Port Aransas	6%	2-1	100 T	2014R	70	2014R	2-00	
Port Arthur	5%	2-1	100 T	1999R	70	1999R	10-85	9-27-79

Plan Provisions For Participating Municipalities

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Vesting	Service Retirement Eligibilities	Restricted Prior Service Credit Effective Date	Supplemental Death Benefits		Statutory Maximum (%)	Participating Municipality	City Number
			Employees	Retirees			
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Omaha	00953
5 yrs	5 yrs/age 60, 25 yrs/any age	4-04	X	X	9.50%	Onalaska	00954
10 yrs	10 yrs/age 60, 20 yrs/any age	3-96			REMOVED	Orange	00958
5 yrs	5 yrs/age 60, 25 yrs/any age	9-10	X	X	9.50%	Orange Grove	00960
5 yrs	5 yrs/age 60, 25 yrs/any age	10-01	X	X	7.50%	Ore City	00959
5 yrs	5 yrs/age 60, 25 yrs/any age	3-96	X	X	11.50%	Overton	00962
5 yrs	5 yrs/age 60, 20 yrs/any age	1-92	X	X	13.50%	Ovilla	00961
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	13.50%	Oyster Creek	00963
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	9.50%	Paducah	00964
5 yrs	5 yrs/age 60, 20 yrs/any age	1-98	X	X	REMOVED	Palacios	00966
5 yrs	5 yrs/age 60, 20 yrs/any age	11-01	X	X	REMOVED	Palestine	00968
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	11.50%	Palmer	00970
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Palmhurst	00969
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Palmview	00971
5 yrs	5 yrs/age 60, 20 yrs/any age	2-96	X	X	REMOVED	Pampa	00972
5 yrs	5 yrs/age 60, 20 yrs/any age				REMOVED	Panhandle	00974
5 yrs	5 yrs/age 60, 20 yrs/any age	1-98	X	X	12.50%	Panorama Village	00973
5 yrs	5 yrs/age 60, 20 yrs/any age	7-94	X	X	REMOVED	Pantego	00975
5 yrs	5 yrs/age 60, 20 yrs/any age	11-95	X	X	REMOVED	Paris	00976
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	13.50%	Parker	00977
5 yrs	5 yrs/age 60, 20 yrs/any age	4-94	X	X	REMOVED	Pasadena	00978
5 yrs	5 yrs/age 60, 20 yrs/any age	3-95	X	X	13.50%	Pearland	00983
5 yrs	5 yrs/age 60, 25 yrs/any age	2-04	X	X	7.50%	Pearsall	00984
5 yrs	5 yrs/age 60, 20 yrs/any age	4-95	X	X	11.50%	Pecos City	00988
10 yrs	10 yrs/age 60, 20 yrs/any age	2-97	X	X	REMOVED	Perryton	00994
5 yrs	5 yrs/age 60, 20 yrs/any age	1-95	X	X	13.50%	Pflugerville	01000
5 yrs	5 yrs/age 60, 20 yrs/any age	12-99	X	X	REMOVED	Pharr	01002
5 yrs	5 yrs/age 60, 20 yrs/any age	4-96	X	X	11.50%	Pilot Point	01004
5 yrs	5 yrs/age 60, 20 yrs/any age	12-92	X	X	REMOVED	Pinehurst	01005
5 yrs	5 yrs/age 60, 20 yrs/any age	5-05	X	X	REMOVED	Pineland	01003
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	REMOVED	Piney Point Village	01001
5 yrs	5 yrs/age 60, 25 yrs/any age	2-94	X	X	REMOVED	Pittsburg	01006
5 yrs	5 yrs/age 60, 25 yrs/any age	11-00	X	X	REMOVED	Plains	01007
5 yrs	5 yrs/age 60, 25 yrs/any age	1-92			REMOVED	Plainview	01008
5 yrs	5 yrs/age 60, 20 yrs/any age	1-94			REMOVED	Plano	01010
5 yrs	5 yrs/age 60, 25 yrs/any age	12-96	X	X	REMOVED	Pleasanton	01012
5 yrs	5 yrs/age 60, 20 yrs/any age	11-10			9.50%	Point	01013
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	REMOVED	Ponder	01017
5 yrs	5 yrs/age 60, 20 yrs/any age	2-00	X	X	12.50%	Port Aransas	01014
10 yrs	10 yrs/age 60, 20 yrs/any age	1-92	X	X	REMOVED	Port Arthur	11016

Plan Provisions For Participating Municipalities

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Participating Municipality	Employee Deposit Rate	Municipal Current Matching Ratio	Updated Service Credit		Increased Benefits to Retirees		Military Service Credit Effective Date	Buyback Effective Date
			Rate (%)	Year Effective	Rate ^① (%)	Year Effective		
Port Isabel	5%	1.5-1	100	1992R	70	1992R		
Port Lavaca	5%	1.5-1	100 T	2003R	70	2003R		
Port Neches	7%	2-1	100 T	2001R	30	2015	12-87	11-19-87
Portland	6%	2-1	100 T	2006R	70	2006R	5-91	
Post	5%	2-1	50 T	2004R				
Poteet	5%	1.5-1	100	2007R				
Poth	7%	1-1	100	2004				
Pottsboro	7%	2-1						
Premont	5%	1-1						
Presidio	5%	1-1						
Primera	5%	1-1						
Princeton	7%	2-1	100 T	1992R	70	1992R	1-90	
Prosper	7%	2-1	100 T	2009R	70	2009R		
Quanah	5%	1.5-1	100 T	1995R	70	1995R		
Queen City	5%	1-1	100 T	2000R				5-11-06
Quinlan	6%	2-1	100 T	2015R	70	2015R		
Quintana	5%	1-1						
Quitaque	5%	1-1						
Quitman	5%	2-1	100	1992R	70	1992R		
Ralls	5%	1.5-1	100 T	1997R	70	1997R		
Rancho Viejo	7%	1.5-1	100	1999R				11-13-01
Ranger	6%	2-1	100 T	2005R	70	2005R		
Rankin	5%	1-1	100 T	1993			1-90	
Ransom Canyon	6%	1.5-1	100 T	2014R			8-09	
Raymondville	7%	2-1	90 T	1988	70	1988	1-86	
Red Oak	6%	2-1	100 T	2009	70	2009		
Redwater	7%	1-1						
Refugio	5%	1-1	100	1991				
Reklaw	7%	1.5-1	100 T	2001R	70	2001R		
Reno (Lamar County)	5%	2-1	100	1994R				
Reno (Parker County)	5%	1.5-1						
Rhome	7%	2-1						
Rice	5%	1-1						
Richardson	7%	2-1	50	2011R	50	2011R	1-87	9-28-87
Richland Hills	7%	2-1	100 T	1992R	70	1992R	1-90	12-10-91
Richland Springs	5%	2-1	20	1997				
Richmond	7%	2-1	100 T	1992R	70	1992R	1-90	4-18-05
Richwood	5%	2-1	100 T	1998R	70	1998R	4-90	
Riesel	5%	1-1						
Rio Grande City	6%	1.5-1	100 T	2007R	70	2007R		9-07-06

Plan Provisions For Participating Municipalities

Continued

Vesting	Service Retirement Eligibilities	Restricted Prior Service Credit Effective Date	Supplemental Death Benefits		Statutory Maximum (%)	Participating Municipality	City Number
			Employees	Retirees			
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	9.50%	Port Isabel	01018
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	9.50%	Port Lavaca	01020
10 yrs	10 yrs/age 60, 20 yrs/any age	3-97			REMOVED	Port Neches	01022
10 yrs	10 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Portland	01019
10 yrs	10 yrs/age 60, 20 yrs/any age	1-97	X	X	REMOVED	Post	01024
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	9.50%	Poteet	01026
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	9.50%	Poth	01028
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	13.50%	Pottsboro	01030
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	7.50%	Premont	01032
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	REMOVED	Presidio	01029
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	7.50%	Primera	01033
5 yrs	5 yrs/age 60, 20 yrs/any age	2-02	X	X	13.50%	Princeton	01034
5 yrs	5 yrs/age 60, 20 yrs/any age				13.50%	Prosper	01036
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Quanah	01042
5 yrs	5 yrs/age 60, 25 yrs/any age	11-01	X	X	7.50%	Queen City	01045
5 yrs	5 yrs/age 60, 25 yrs/any age	8-97	X	X	12.50%	Quinlan	01044
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Quintana	01047
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Quitaque	01046
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	11.50%	Quitman	01048
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	9.50%	Ralls	01050
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	11.50%	Rancho Viejo	01051
5 yrs	5 yrs/age 60, 20 yrs/any age				12.50%	Ranger	01052
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	7.50%	Rankin	01054
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Ransom Canyon	01055
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	15.50%	Raymondville	01058
5 yrs	5 yrs/age 60, 20 yrs/any age	10-08	X	X	12.50%	Red Oak	01061
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Redwater	01062
5 yrs	5 yrs/age 60, 25 yrs/any age				7.50%	Refugio	01064
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	REMOVED	Reklaw	01065
5 yrs	5 yrs/age 60, 20 yrs/any age	2-01	X	X	11.50%	Reno (Lamar County)	01066
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Reno (Parker County)	01069
5 yrs	5 yrs/age 60, 20 yrs/any age	10-02	X	X	13.50%	Rhome	01067
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	7.50%	Rice	01068
5 yrs	5 yrs/age 60, 25 yrs/any age	10-91			REMOVED	Richardson	01070
5 yrs	5 yrs/age 60, 20 yrs/any age	1-92	X	X	REMOVED	Richland Hills	01073
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	REMOVED	Richland Springs	01074
5 yrs	5 yrs/age 60, 20 yrs/any age	1-92	X	X	REMOVED	Richmond	01076
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Richwood	01077
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Riesel	01072
5 yrs	5 yrs/age 60, 20 yrs/any age	1-07	X	X	REMOVED	Rio Grande City	01075

Plan Provisions For Participating Municipalities

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Participating Municipality	Employee Deposit Rate	Municipal Current Matching Ratio	Updated Service Credit		Increased Benefits to Retirees		Military Service Credit Effective Date	Buyback Effective Date
			Rate (%)	Year Effective	Rate ^① (%)	Year Effective		
Rio Vista	7%	1-1						
Rising Star	5%	1-1						
River Oaks	7%	2-1	100 T	1992R	70	1992R	8-88	
Roanoke	7%	2-1	100 T	1993R	70	1993R		
Robert Lee	5%	1-1						
Robinson	7%	2-1	100 T	2009R	30	2009R		
Robstown	5%	1.5-1	100	2004R	70	2004R		
Robstown Utility System	5%	2-1	100 T	2004R	70	2004R	11-03	3-07-91
Roby	7%	2-1	100	1994	70	1994		
Rockdale	5%	2-1	100	2004R	70	2004R		
Rockport	7%	2-1	100 T	1993R	70	1993R	6-92	
Rocksprings	7%	1-1						
Rockwall	7%	2-1	100 T	2001R	70	2001R	7-93	8-02-83
Rogers	7%	1-1	100 T	2010R				
Rollingwood	6%	2-1	100 T	2002R				
Roma	5%	2-1	100 T	2009R	70	2009R		
Roscoe	5%	1-1						
Rosebud	5%	1-1						
Rosenberg	6%	2-1	100 T	2003R	70	2003R	2-91	5-18-99
Rotan	5%	1-1						
Round Rock	7%	2-1	100 T	1999R	70	1999R	1-90	6-08-06
Rowlett	7%	2-1	100 T	1999R	50	2012R	1-90	
Roy H. Laird Mem. Hospital	5%	2-1	100	2009	70	2009		
Royse City	7%	2-1	100 T	2009R	30	2012R		
Rule	7%	1.5-1						
Runaway Bay	5%	1.5-1						
Runge	7%	1-1	100 T	2003R	70	2003R		
Rusk	6%	1.5-1	100 T	2004R	70	2004R	2-12	12-19-02
Sabinal	3%	2-1	100 T	1996R			4-95	
Sachse	7%	2-1	100 T	1998R	70	1998R		
Saginaw	6%	2-1	100 T	2008R	70	2008R		
Saint Jo	6%	1.5-1	100	1992R	70	1998R		
Salado	5%	2-1	100 T	2005R			7-02	
San Angelo	7%	2-1	100 T	1995R	50	2010R	1-82	11-13-79
San Antonio	6%	2-1	100 T	2000R	70	2015	10-96	1-01-00
San Antonio Water System	3%	1-1	100	1992R	70	1992R	9-89	
San Augustine	7%	2-1	100 T	1995R	70	1995R	9-99	3-14-00
San Benito	5%	2-1	100 T	2001			6-98	
San Felipe	5%	1-1						
San Juan	6%	1.5-1					4-01	

Plan Provisions For Participating Municipalities

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Vesting	Service Retirement Eligibilities	Restricted Prior Service Credit Effective Date	Supplemental Death Benefits		Statutory Maximum (%)	Participating Municipality	City Number
			Employees	Retirees			
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Rio Vista	01079
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	REMOVED	Rising Star	01080
5 yrs	5 yrs/age 60, 20 yrs/any age	11-95	X	X	REMOVED	River Oaks	01082
5 yrs	5 yrs/age 60, 20 yrs/any age	11-97			REMOVED	Roanoke	01084
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Robert Lee	01088
5 yrs	5 yrs/age 60, 25 yrs/any age	12-97	X	X	13.50%	Robinson	01089
5 yrs	5 yrs/age 60, 20 yrs/any age	1-98	X	X	9.50%	Robstown	21090
5 yrs	5 yrs/age 60, 20 yrs/any age	11-97	X	X	REMOVED	Robstown Utility System	11090
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	REMOVED	Roby	01092
5 yrs	5 yrs/age 60, 20 yrs/any age	7-01	X	X	11.50%	Rockdale	01096
10 yrs	10 yrs/age 60, 20 yrs/any age	3-97	X	X	REMOVED	Rockport	01098
5 yrs	5 yrs/age 60, 25 yrs/any age				REMOVED	Rocksprings	01100
5 yrs	5 yrs/age 60, 20 yrs/any age	11-95	X	X	REMOVED	Rockwall	01102
5 yrs	5 yrs/age 60, 25 yrs/any age	8-09			REMOVED	Rogers	01104
5 yrs	5 yrs/age 60, 25 yrs/any age	1-07	X	X	12.50%	Rollingwood	01105
5 yrs	5 yrs/age 60, 20 yrs/any age	5-02	X	X	11.50%	Roma	01106
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	REMOVED	Roscoe	01109
5 yrs	5 yrs/age 60, 20 yrs/any age	10-05	X	X	REMOVED	Rosebud	01112
5 yrs	5 yrs/age 60, 20 yrs/any age	10-96	X	X	REMOVED	Rosenberg	01114
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	REMOVED	Rotan	01116
5 yrs	5 yrs/age 60, 20 yrs/any age	2-96	X	X	REMOVED	Round Rock	01118
5 yrs	5 yrs/age 60, 20 yrs/any age	5-94			REMOVED	Rowlett	01119
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	11.50%	Roy H. Laird Mem. Hospital	20696
5 yrs	5 yrs/age 60, 20 yrs/any age	8-92	X	X	13.50%	Royse City	01120
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	11.50%	Rule	01122
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	9.50%	Runaway Bay	01123
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	REMOVED	Runge	01124
5 yrs	5 yrs/age 60, 20 yrs/any age	2-12	X	X	10.50%	Rusk	01126
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	9.50%	Sabinal	01128
5 yrs	5 yrs/age 60, 20 yrs/any age	9-95	X	X	13.50%	Sachse	01129
5 yrs	5 yrs/age 60, 20 yrs/any age	11-97	X	X	REMOVED	Saginaw	01131
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	10.50%	Saint Jo	01130
5 yrs	5 yrs/age 60, 20 yrs/any age	6-11	X	X	REMOVED	Salado	01133
5 yrs	5 yrs/age 60, 20 yrs/any age	10-94			REMOVED	San Angelo	01132
5 yrs	5 yrs/age 60, 20 yrs/any age	10-96			REMOVED	San Antonio	21136
5 yrs	5 yrs/age 60, 20 yrs/any age	4-97			5.50%	San Antonio Water System	11136
10 yrs	10 yrs/age 60, 25 yrs/any age	9-99	X	X	13.50%	San Augustine	01138
5 yrs	5 yrs/age 60, 20 yrs/any age	6-98	X	X	11.50%	San Benito	01140
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	San Felipe	01144
5 yrs	5 yrs/age 60, 25 yrs/any age	12-00	X	X	10.50%	San Juan	01148

Plan Provisions For Participating Municipalities

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Participating Municipality	Employee Deposit Rate	Municipal Current Matching Ratio	Updated Service Credit		Increased Benefits to Retirees		Military Service Credit Effective Date	Buyback Effective Date
			Rate (%)	Year Effective	Rate ^① (%)	Year Effective		
San Marcos	7%	2-1	100 T	1999R	70	1999R	4-84	7-09-01
San Saba	6%	1.5-1	100 T	2011R	70	2011R		7-11-78
Sanger	6%	2-1	100	2007R			12-95	8-20-07
Sansom Park	7%	1.5-1	100 T	2008R	70	2008R		
Santa Anna	5%	1.5-1	100 T	1992R	70	1992R		
Santa Fe	7%	1.5-1	100 T	2005R	70	2005R		
Savoy	6%	1.5-1						
Schertz	7%	2-1	100 T	2008R	70	2008R	9-94	8-16-94
Schulenburg	7%	2-1	100 T	2001R	70	2001R		3-09-89
Seabrook	7%	2-1	100 T	2005R	30	2014R	1-88	3-05-13
Seadrift	5%	1-1						
Seagoville	7%	2-1	100 T	2007R	70	1988		
Seagraves	5%	2-1	100	1992R	70	1992R		
Sealy	7%	2-1	100 T	2007R	70	2007R	1-90	
Seguin	7%	2-1	100 T	2015R	70	2015	2-96	
Selma	7%	2-1	100 T	1993R	70	1996R	7-95	
Seminole	7%	2-1	100 T	2000R	70	2000R	7-96	3-23-92
Seven Points	7%	2-1	100 T	1998R	70	1998R		
Seymour	6%	1-1	100 T	1995R	70	1995R	9-89	
Shady Shores	5%	1-1						
Shallowater	5%	1.5-1	100 T	1999R				
Shamrock	5%	1-1	100 T	1992R	70	1992R		
Shavano Park	7%	2-1	100 T	2006R	70	2006R		
Shenandoah	7%	2-1	100 T	2009R	70	2009R		11-28-07
Shepherd	7%	1.5-1	100	1998				
Sherman	7%	2-1	100 T	2007R	30	2007R	1-91	10-01-00
Shiner	5%	1-1	100 T	2005R	70	2005R		
Shoreacres	5%	1.5-1	100 T	1993R	70	1993R		3-26-01
Silsbee	7%	2-1	100	1996R	70	1996R	10-89	11-08-83
Silverton	6%	1.5-1	75	2012R	50	2012R		
Sinton	7%	2-1	100	2012R	70	2012R	5-88	
Skellytown	7%	1-1	100	2012R				
Slaton	6%	2-1	100 T	1992R	70	1996		
Smithville	5%	1.5-1	100 T	2001R	70	2001R	12-95	4-11-94
Smyer	7%	2-1						
Snyder	7%	2-1	100 T	1992R	70	1992R		
Somerset	5%	1.5-1	100 T	2011	70	2011		
Somerville	5%	1.5-1	100 T	2000R	70	2000R		
Sonora	5%	2-1	100 T	2009R	70	2009R		11-18-08
Sour Lake	5%	1-1					5-11	

Plan Provisions For Participating Municipalities

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Vesting	Service Retirement Eligibilities	Restricted Prior Service Credit Effective Date	Supplemental Death Benefits		Statutory Maximum (%)	Participating Municipality	City Number
			Employees	Retirees			
5 yrs	5 yrs/age 60, 20 yrs/any age	2-96	X	X	REMOVED	San Marcos	01150
5 yrs	5 yrs/age 60, 20 yrs/any age	11-08	X	X	10.50%	San Saba	01152
5 yrs	5 yrs/age 60, 20 yrs/any age	3-99	X	X	12.50%	Sanger	01146
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	11.50%	Sansom Park	01153
5 yrs	5 yrs/age 60, 25 yrs/any age	1-92	X	X	9.50%	Santa Anna	01154
10 yrs	10 yrs/age 60, 20 yrs/any age	2-97			REMOVED	Santa Fe	01155
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	10.50%	Savoy	01158
5 yrs	5 yrs/age 60, 20 yrs/any age	2-93	X	X	REMOVED	Schertz	01159
5 yrs	5 yrs/age 60, 20 yrs/any age	1-01	X	X	REMOVED	Schulenburg	01160
5 yrs	5 yrs/age 60, 20 yrs/any age	12-94	X	X	REMOVED	Seabrook	01161
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Seadrift	01162
5 yrs	5 yrs/age 60, 20 yrs/any age	11-95	X	X	13.50%	Seagoville	01164
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	REMOVED	Seagraves	01166
5 yrs	5 yrs/age 60, 20 yrs/any age	1-05	X	X	REMOVED	Sealy	01167
5 yrs	5 yrs/age 60, 20 yrs/any age	6-95	X	X	REMOVED	Seguin	01168
5 yrs	5 yrs/age 60, 20 yrs/any age	1-98	X	X	REMOVED	Selma	01169
5 yrs	5 yrs/age 60, 25 yrs/any age	9-96	X	X	REMOVED	Seminole	01170
10 yrs	10 yrs/age 60, 20 yrs/any age	5-00	X	X	13.50%	Seven Points	01171
5 yrs	5 yrs/age 60, 20 yrs/any age	4-98	X	X	8.50%	Seymour	01172
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Shady Shores	01165
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	9.50%	Shallowater	01177
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Shamrock	01174
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	13.50%	Shavano Park	01173
5 yrs	5 yrs/age 60, 20 yrs/any age	1-08	X	X	REMOVED	Shenandoah	01175
5 yrs	5 yrs/age 60, 25 yrs/any age	7-00	X	X	11.50%	Shepherd	01181
5 yrs	5 yrs/age 60, 20 yrs/any age	10-00	X	X	REMOVED	Sherman	01176
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Shiner	01178
5 yrs	5 yrs/age 60, 20 yrs/any age	11-93	X	X	9.50%	Shoreacres	01179
5 yrs	5 yrs/age 60, 20 yrs/any age	5-98			REMOVED	Silsbee	01180
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	REMOVED	Silverton	01182
5 yrs	5 yrs/age 60, 25 yrs/any age	11-91	X	X	REMOVED	Sinton	01184
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	9.50%	Skellytown	01185
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	12.50%	Slaton	01186
5 yrs	5 yrs/age 60, 20 yrs/any age	1-94	X	X	9.50%	Smithville	01188
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	13.50%	Smyer	01189
5 yrs	5 yrs/age 60, 20 yrs/any age	1-92	X	X	REMOVED	Snyder	01190
5 yrs	5 yrs/age 60, 25 yrs/any age	10-01	X	X	9.50%	Somerset	01191
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	9.50%	Somerville	01192
5 yrs	5 yrs/age 60, 20 yrs/any age	4-00	X	X	REMOVED	Sonora	01194
5 yrs	5 yrs/age 60, 25 yrs/any age	9-12	X	X	7.50%	Sour Lake	01196

Plan Provisions For Participating Municipalities

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Participating Municipality	Employee Deposit Rate	Municipal Current Matching Ratio	Updated Service Credit		Increased Benefits to Retirees		Military Service Credit Effective Date	Buyback Effective Date
			Rate (%)	Year Effective	Rate ^① (%)	Year Effective		
South Houston	5%	2-1	100 T	2007R	70	2007R	12-91	
South Padre Island	7%	2-1	100 T	2002R	70	2002R	1-90	7-01-78
Southlake	7%	2-1	100	2010R	50	2010R	1-95	6-20-00
Southside Place	7%	2-1	100 T	2011R	70	1988	1-03	
Spearman	7%	2-1	100 T	1992R	70	1992R		12-16-86
Spring Valley	7%	2-1	100 T	2009	70	2009		
Springtown	7%	2-1	100 T	2007R	70	2007R		
Spur	5%	1-1	100 T	2013R	70	2015		
Stafford	7%	2-1	100 T	2005R	70	2005R		
Stamford	5%	1.5-1	100 T	1994R	70	1994R	2-89	
Stanton	5%	1.5-1	100	1992R	70	1992R	5-89	
Star Harbor	5%	2-1	100	1992R	70	1992R	9-82	
Stephenville	6%	2-1	100 T	2000R	70	2000R	10-89	12-04-01
Sterling City	5%	1-1						
Stinnett	5%	1.5-1	100	1995	60	1995		3-18-02
Stockdale	5%	1-1						
Stratford	5%	1.5-1	100 T	2006R	70	2006R	1-00	
Sudan	5%	1-1	100 T	2015	70	2015		
Sugar Land	7%	2-1	100 T	2002R	70	2002R		
Sulphur Springs	6%	2-1	100 T	2015	50	2007		
Sundown	7%	2-1	100 T	2010R	50	1996		
Sunnyvale	6%	2-1	100 T	2004R	70	2004R	5-04	
Sunray	7%	2-1	100 T	2000R	70	2000R	2-99	
Sunrise Beach Village	5%	1-1						
Sunset Valley	7%	2-1	100 T	2004R	70	2004R	7-01	
Surfside Beach	5%	1-1						
Sweeny	7%	2-1	100 T	2008R	70	2008R		
Sweetwater	7%	2-1	100 T	2000R	70	2000R		9-10-91
T.M.R.S.	7%	2-1	100 T	1992R	70	2000R	1-82	12-06-13
Taft	7%	2-1	100 T	2013R	30	2013R	11-94	6-12-12
Tahoka	5%	2-1	100	2015	50	1976	12-03	
Tatum	5%	1-1						
Taylor	7%	1.5-1	100 T	2007R	70	2007R	2-92	
Teague	7%	2-1	100 T	2007R	70	2007R		
Temple	7%	2-1	100 T	1992R	70	1992R	1-90	
Tenaha	5%	1-1						
Terrell	7%	2-1	100 T	1996R	70	1996R	1-96	
Terrell Hills	6%	2-1	100 T	1999R	70	1999R	3-02	
Texarkana	7%	2-1	100 T	1992R	70	1992R	10-88	
Texarkana Police Dept.	7%	2-1	100 T	1998R	70	1998R	10-88	

Plan Provisions For Participating Municipalities

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Vesting	Service Retirement Eligibilities	Restricted Prior Service Credit Effective Date	Supplemental Death Benefits		Statutory Maximum (%)	Participating Municipality	City Number
			Employees	Retirees			
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	South Houston	01198
5 yrs	5 yrs/age 60, 20 yrs/any age	1-92	X	X	13.50%	South Padre Island	01199
5 yrs	5 yrs/age 60, 20 yrs/any age	1-95	X	X	13.50%	Southlake	01197
5 yrs	5 yrs/age 60, 20 yrs/any age	1-03	X	X	REMOVED	Southside Place	01202
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	13.50%	Spearman	01204
5 yrs	5 yrs/age 60, 25 yrs/any age	4-97	X	X	REMOVED	Spring Valley	01205
5 yrs	5 yrs/age 60, 20 yrs/any age	10-04	X	X	13.50%	Springtown	01203
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Spur	01206
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Stafford	01207
5 yrs	5 yrs/age 60, 25 yrs/any age	9-96	X	X	9.50%	Stamford	01208
5 yrs	5 yrs/age 60, 25 yrs/any age	10-99	X	X	9.50%	Stanton	01210
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	REMOVED	Star Harbor	01211
5 yrs	5 yrs/age 60, 20 yrs/any age	10-91	X	X	REMOVED	Stephenville	01212
5 yrs	5 yrs/age 60, 25 yrs/any age				7.50%	Sterling City	01213
5 yrs	5 yrs/age 60, 25 yrs/any age	9-98	X	X	9.50%	Stinnett	01214
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Stockdale	01216
5 yrs	5 yrs/age 60, 20 yrs/any age	1-00	X	X	REMOVED	Stratford	01218
5 yrs	5 yrs/age 60, 20 yrs/any age	10-99			7.50%	Sudan	01224
5 yrs	5 yrs/age 60, 20 yrs/any age	7-98	X	X	REMOVED	Sugar Land	01225
5 yrs	5 yrs/age 60, 20 yrs/any age	11-95	X	X	REMOVED	Sulphur Springs	01226
5 yrs	5 yrs/age 60, 20 yrs/any age	4-00	X	X	REMOVED	Sundown	01228
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Sunnyvale	01229
5 yrs	5 yrs/age 60, 20 yrs/any age	2-99	X	X	REMOVED	Sunray	01230
5 yrs	5 yrs/age 60, 25 yrs/any age	4-11	X	X	7.50%	Sunrise Beach Village	01227
5 yrs	5 yrs/age 60, 25 yrs/any age	6-06	X	X	13.50%	Sunset Valley	01231
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	7.50%	Surfside Beach	01233
5 yrs	5 yrs/age 60, 25 yrs/any age	10-11	X	X	REMOVED	Sweeny	01232
5 yrs	5 yrs/age 60, 25 yrs/any age	1-96	X	X	REMOVED	Sweetwater	01234
5 yrs	5 yrs/age 60, 20 yrs/any age	1-97	X	X	REMOVED	T.M.R.S.	01264
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	13.50%	Taft	01236
5 yrs	5 yrs/age 60, 25 yrs/any age	3-04	X	X	11.50%	Tahoka	01238
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	7.50%	Tatum	01241
5 yrs	5 yrs/age 60, 20 yrs/any age	10-91	X	X	REMOVED	Taylor	01246
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	13.50%	Teague	01248
5 yrs	5 yrs/age 60, 20 yrs/any age	1-94	X	X	REMOVED	Temple	01252
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	7.50%	Tenaha	01254
5 yrs	5 yrs/age 60, 20 yrs/any age	1-96	X	X	REMOVED	Terrell	01256
5 yrs	5 yrs/age 60, 20 yrs/any age	8-97	X	X	REMOVED	Terrell Hills	01258
5 yrs	5 yrs/age 60, 20 yrs/any age	6-95			REMOVED	Texarkana	21260
5 yrs	5 yrs/age 60, 20 yrs/any age	6-95			REMOVED	Texarkana Police Dept.	11260

Plan Provisions For Participating Municipalities

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Participating Municipality	Employee Deposit Rate	Municipal Current Matching Ratio	Updated Service Credit		Increased Benefits to Retirees		Military Service Credit Effective Date	Buyback Effective Date
			Rate (%)	Year Effective	Rate ^① (%)	Year Effective		
Texarkana Water Utilities	7%	2-1	100 T	1992R	70	1992R	10-88	
Texas City	7%	2-1	100 T	2003R	70	2003R	6-90	1-01-03
Texas Municipal League	6%	2-1	100 T	2005R	70	2005R	11-91	
Texas Municipal League IEBP	6%	2-1	100	2015				
Texas Municipal League IRP	7%	2-1	100	1993R	70	2003R	3-92	10-19-02
Texhoma	5%	1-1						
The Colony	7%	2-1	100 T	2011R	30	2011R	10-93	
Thompsons	5%	1-1						
Thorndale	5%	1.5-1	100 T	2013R	70	2013R		
Thrall	5%	1-1						
Three Rivers	5%	1-1	100	1992R	70	1992R		
Throckmorton	5%	1.5-1	100	2004R	70	2004R		12-08-87
Tiki Island	6%	1-1						
Timpson	5%	1-1	100	1996R				
Tioga	5%	1-1						
Tolar	7%	2-1						
Tom Bean	5%	1-1						
Tomball	7%	2-1	100 T	1995R	70	1995R	11-89	6-20-88
Trent	7%	1.5-1						
Trenton	5%	1.5-1	100 T	1998R				4-07-94
Trinidad	5%	1-1						
Trinity	5%	2-1	100	2014R	70	2014R		
Trophy Club	7%	2-1	100 T	2001R	30	2015R		
Troup	5%	1.5-1	100 T	2011R	70	2011R		
Troy	6%	2-1	100	2015R				
Tulia	6%	2-1	100 T	1997R	70	1997R		5-05-87
Turkey	5%	1-1						
Tye	7%	1.5-1						
Tyler	7%	2-1	100 T	2005R	70	2005R	2-94	5-24-00
Universal City	7%	2-1	100 T	2014R	70	2014R	3-94	
University Park	7%	2-1	100	2013	70	2013		
Uvalde	5%	1.5-1	100 T	2012R	70	2012R	6-90	
Valley View	5%	1-1						
Van	6%	2-1	100 T	2015R	70	1990	3-11	
Van Alstyne	6%	2-1	100 T	2000R	70	2000R		
Van Horn	5%	1.5-1	100	1994R	70	1994R		12-10-96
Vega	7%	2-1	100 T	2008R	70	2008R		
Venus	7%	2-1	100	2007R	70	2010R		
Vernon	7%	2-1	100 T	2002R	70	2002R	5-91	
Victoria	6%	2-1	100 T	1993R	70	1993R	11-84	8-16-82

Plan Provisions For Participating Municipalities

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Vesting	Service Retirement Eligibilities	Restricted Prior Service Credit Effective Date	Supplemental Death Benefits		Statutory Maximum (%)	Participating Municipality	City Number
			Employees	Retirees			
5 yrs	5 yrs/age 60, 20 yrs/any age	6-95			REMOVED	Texarkana Water Utilities	31260
5 yrs	5 yrs/age 60, 20 yrs/any age				REMOVED	Texas City	01262
10 yrs	10 yrs/age 60, 20 yrs/any age	11-91	X	X	REMOVED	Texas Municipal League	11263
10 yrs	10 yrs/age 60, 25 yrs/any age	1-99	X	X	12.50%	Texas Municipal League IEBP	31263
10 yrs	10 yrs/age 60, 25 yrs/any age	3-92	X	X	REMOVED	Texas Municipal League IRP	21263
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	7.50%	Texhoma	01265
5 yrs	5 yrs/age 60, 20 yrs/any age	1-96	X	X	REMOVED	The Colony	01267
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Thompsons	01269
5 yrs	5 yrs/age 60, 20 yrs/any age	9-99	X	X	9.50%	Thorndale	01268
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Thrall	01272
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	7.50%	Three Rivers	01274
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	9.50%	Throckmorton	01276
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Tiki Island	01277
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	7.50%	Timpson	01278
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	7.50%	Tioga	01280
5 yrs	5 yrs/age 60, 25 yrs/any age	9-12	X	X	REMOVED	Tolar	01283
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	7.50%	Tom Bean	01286
5 yrs	5 yrs/age 60, 20 yrs/any age	9-94	X	X	REMOVED	Tomball	01284
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	11.50%	Trent	01290
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	9.50%	Trenton	01292
5 yrs	5 yrs/age 60, 25 yrs/any age	10-96	X	X	7.50%	Trinidad	01293
5 yrs	5 yrs/age 60, 25 yrs/any age	4-06	X	X	11.50%	Trinity	01294
5 yrs	5 yrs/age 60, 20 yrs/any age	3-01	X	X	REMOVED	Trophy Club	01295
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	9.50%	Troup	01296
5 yrs	5 yrs/age 60, 25 yrs/any age	3-98	X	X	12.50%	Troy	01297
5 yrs	5 yrs/age 60, 20 yrs/any age	12-96	X	X	REMOVED	Tulia	01298
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	REMOVED	Turkey	01299
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Tye	01301
5 yrs	5 yrs/age 60, 20 yrs/any age	1-94	X	X	REMOVED	Tyler	01304
5 yrs	5 yrs/age 60, 20 yrs/any age	4-97	X	X	REMOVED	Universal City	01305
10 yrs	10 yrs/age 60, 20 yrs/any age	12-91			REMOVED	University Park	01306
5 yrs	5 yrs/age 60, 20 yrs/any age	1-98	X	X	9.50%	Uvalde	01308
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Valley View	01313
5 yrs	5 yrs/age 60, 20 yrs/any age	3-11	X	X	12.50%	Van	01314
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	12.50%	Van Alstyne	01316
5 yrs	5 yrs/age 60, 20 yrs/any age	1-97	X	X	9.50%	Van Horn	01318
5 yrs	5 yrs/age 60, 20 yrs/any age	1-03	X	X	REMOVED	Vega	01320
5 yrs	5 yrs/age 60, 25 yrs/any age				13.50%	Venus	01324
5 yrs	5 yrs/age 60, 25 yrs/any age	12-96	X	X	REMOVED	Vernon	01326
5 yrs	5 yrs/age 60, 20 yrs/any age	1-92	X	X	REMOVED	Victoria	01328

Plan Provisions For Participating Municipalities

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Participating Municipality	Employee Deposit Rate	Municipal Current Matching Ratio	Updated Service Credit		Increased Benefits to Retirees		Military Service Credit Effective Date	Buyback Effective Date
			Rate (%)	Year Effective	Rate ^① (%)	Year Effective		
Vidor	7%	2-1	100 T	2006R	70	2006R	1-92	10-11-07
Volente	6%	1.5-1						
Village Fire Dept.	7%	1.5-1	100 T	2009	70	2009		
Waco	7%	2-1	100 T	2005R	50	2014	9-89	4-01-03
Waelder	5%	1-1	100	1992R	30	1988		
Wake Village	7%	2-1	100	1995R	70	1995R		2-14-11
Waller	5%	1.5-1	100 T	2010R				
Wallis	6%	1-1	100	2001R				
Walnut Springs	5%	1-1						
Waskom	5%	1-1	100 T	2005R	70	2005R		
Watauga	7%	2-1	100 T	1999R	70	1999R	11-89	
Waxahachie	7%	2-1	100 T	1997R	70	1997R	1-90	12-16-85
Weatherford	7%	2-1	100 T	2000R	50	2014R	10-88	3-28-89
Webster	7%	2-1	100 T	1998R	70	1998R	2-95	1-02-07
Weimar	7%	2-1	100	2008R	50	2008R		
Wellington	5%	2-1	100 T	2015R	70	2007	10-89	
Wells	5%	1-1	100	1992R	70	1992R		
Weslaco	7%	2-1	50 T	2015	30	2015		8-18-05
West	5%	1.5-1	100	2003R	50	1981		
West Columbia	5%	2-1	100 T	2003R	50	1976		7-12-10
West Lake Hills	7%	2-1	100 T	2000R	70	2000R		5-13-92
West Orange	7%	2-1	100	2003R	70	2003R	11-89	
West Tawakoni	5%	2-1	100 T	2007R				9-13-05
West Univ. Place	7%	2-1	100 T	2004R	70	2010	1-91	11-26-90
Westlake	7%	2-1	100 T	2006R				
Westover Hills	5%	1-1	90	1991	30	1991		
Westworth Village	7%	2-1	100 T	2010R	70	2010R		
Wharton	5%	1.5-1	100 T	2010R	70	2010R	1-97	
Wheeler	5%	2-1	100	1999R	70	1999R		
White Deer	5%	1-1	100	1992R	70	1992R		
White Oak	7%	2-1	100 T	1992R	70	1992R	12-00	
White Settlement	5%	2-1	100 T	1992R	70	1992R	6-90	12-21-99
Whiteface	5%	1.5-1	100 T	1996R	70	1996R	10-01	
Whitehouse	5%	1.5-1	100	1996R	70	2003R		
Whitesboro	5%	1.5-1	100 T	1998R	70	1998R		
Whitewright	5%	1.5-1	100 T	1992R				
Whitney	5%	1-1	100 T	2002R	70	2002R		
Wichita Falls	5% ^②	2-1	50 T	1997R	70	1997R		
Willis	7%	2-1	100 T	2011R	70	2011		
Willow Park	7%	2-1						12-09-14

Plan Provisions For Participating Municipalities

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Vesting	Service Retirement Eligibilities	Restricted Prior Service Credit Effective Date	Supplemental Death Benefits		Statutory Maximum (%)	Participating Municipality	City Number
			Employees	Retirees			
10 yrs	10 yrs/age 60, 20 yrs/any age	7-97	X	X	REMOVED	Vidor	01329
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Volente	01331
5 yrs	5 yrs/age 60, 20 yrs/any age	6-96	X	X	REMOVED	Village Fire Dept.	01500
5 yrs	5 yrs/age 60, 20 yrs/any age	11-91			REMOVED	Waco	01330
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	7.50%	Waelder	01332
5 yrs	5 yrs/age 60, 25 yrs/any age	1-92	X	X	13.50%	Wake Village	01334
5 yrs	5 yrs/age 60, 25 yrs/any age	6-02	X	X	9.50%	Waller	01336
10 yrs	10 yrs/age 60, 20 yrs/any age		X	X	8.50%	Wallis	01337
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	REMOVED	Walnut Springs	01338
10 yrs	10 yrs/age 60, 20 yrs/any age	5-00	X	X	7.50%	Waskom	01340
5 yrs	5 yrs/age 60, 20 yrs/any age	3-92	X	X	13.50%	Watauga	01341
5 yrs	5 yrs/age 60, 20 yrs/any age	11-91	X	X	REMOVED	Waxahachie	01342
5 yrs	5 yrs/age 60, 20 yrs/any age	11-92	X	X	REMOVED	Weatherford	01344
5 yrs	5 yrs/age 60, 20 yrs/any age	2-95	X	X	REMOVED	Webster	01345
5 yrs	5 yrs/age 60, 25 yrs/any age	5-98	X	X	REMOVED	Weimar	01346
10 yrs	10 yrs/age 60, 25 yrs/any age	12-98	X	X	REMOVED	Wellington	01350
5 yrs	5 yrs/age 60, 25 yrs/any age				7.50%	Wells	01352
5 yrs	5 yrs/age 60, 20 yrs/any age	10-95	X	X	REMOVED	Weslaco	01354
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	9.50%	West	01356
5 yrs	5 yrs/age 60, 20 yrs/any age	5-13			11.50%	West Columbia	01358
5 yrs	5 yrs/age 60, 20 yrs/any age	11-96	X	X	REMOVED	West Lake Hills	01359
10 yrs	10 yrs/age 60, 20 yrs/any age	10-95			REMOVED	West Orange	01361
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	West Tawakoni	01365
5 yrs	5 yrs/age 60, 20 yrs/any age	1-96	X	X	REMOVED	West Univ. Place	01364
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Westlake	01363
5 yrs	5 yrs/age 60, 25 yrs/any age	10-93	X	X	7.50%	Westover Hills	01362
5 yrs	5 yrs/age 60, 25 yrs/any age	8-00	X	X	13.50%	Westworth Village	01366
10 yrs	10 yrs/age 60, 20 yrs/any age	11-97	X	X	9.50%	Wharton	01368
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	REMOVED	Wheeler	01370
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	7.50%	White Deer	01372
5 yrs	5 yrs/age 60, 20 yrs/any age	5-00	X	X	REMOVED	White Oak	01377
5 yrs	5 yrs/age 60, 20 yrs/any age	11-91	X	X	11.50%	White Settlement	01378
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Whiteface	01374
5 yrs	5 yrs/age 60, 20 yrs/any age	3-95	X	X	9.50%	Whitehouse	01375
5 yrs	5 yrs/age 60, 20 yrs/any age	8-98	X	X	9.50%	Whitesboro	01376
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	9.50%	Whitewright	01380
5 yrs	5 yrs/age 60, 20 yrs/any age	4-02	X	X	7.50%	Whitney	01382
10 yrs	10 yrs/age 60, 25 yrs/any age	10-96			REMOVED	Wichita Falls	01384
5 yrs	5 yrs/age 60, 20 yrs/any age	8-97	X	X	13.50%	Willis	01386
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Willow Park	01387

Plan Provisions For Participating Municipalities

Continued

Participating Municipality	Employee Deposit Rate	Municipal Current Matching Ratio	Updated Service Credit		Increased Benefits to Retirees		Military Service Credit Effective Date	Buyback Effective Date
			Rate (%)	Year Effective	Rate ^① (%)	Year Effective		
Wills Point	5%	2-1	100 T	2009R	70	2009R		
Wilmer	5%	2-1	100	1991	70	1991		
Wimberley	5%	1-1						
Windcrest	6%	1.5-1	100 T	2004R	70	2004R		
Winfield	5%	1-1						
Wink	7%	2-1	100	1991	70	1991		
Winnsboro	5%	2-1	100 T	2015R	70	2015R	1-89	3-11-08
Winona	7%	2-1	100	2006R	70	2007R		
Winters	5%	2-1	100 T	2001R	70	2001R		
Wolfforth	5%	2-1	100 T	2015R	70	2015R	1-00	
Woodcreek	5%	1-1						
Woodsboro	5%	1-1	100	1992R	70	1992R		
Woodville	7%	2-1	100 T	2000R	70	2000R		
Woodway	7%	2-1	100 T	1992R	70	1992R	1-91	
Wortham	6%	2-1	100 T	2004R				
Wylie	7%	2-1	100 T	1995R	70	1995R	2-89	12-12-00
Yoakum	6%	2-1	100	1992R	70	1992R	5-82	
Yorktown	5%	1-1	100	1988	70	1988		
Zavalla	7%	1-1	100 T	2001R			9-05	

① For years prior to 1982, the rate is the actual percentage in annuities. For 1982 and later, the rate is the percentage of the change in the CPI-U since retirement date, granted to each annuitant as an increase of the original annuity.

② Police Department — 7%.

③ All plans include Vested Employee Survivor benefits and Occupational Disability benefits except for these two inactive cities.

④ Also includes 25 yrs/age 50 retirement eligibility.

T — Includes Transfer Credits.

R — Annually Repeating. Ordinance automatically renews effective January 1 of each successive year.

Plan Provisions For Participating Municipalities

Continued

Vesting	Service Retirement Eligibilities	Restricted Prior Service Credit Effective Date	Supplemental Death Benefits		Statutory Maximum (%)	Participating Municipality	City Number
			Employees	Retirees			
10 yrs	10 yrs/age 60, 25 yrs/any age		X	X	REMOVED	Wills Point	01388
5 yrs	5 yrs/age 60, 20 yrs/any age	10-97	X	X	11.50%	Wilmer	01390
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Wimberley	01392
5 yrs	5 yrs/age 60, 20 yrs/any age	6-00	X	X	10.50%	Windcrest	01393
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Winfield	01395
5 yrs	5 yrs/age 60, 20 yrs/any age	11-99	X	X	REMOVED	Wink	01396
5 yrs	5 yrs/age 60, 25 yrs/any age	1-96	X	X	11.50%	Winnsboro	01398
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	13.50%	Winona	01399
5 yrs	5 yrs/age 60, 20 yrs/any age	10-00	X	X	11.50%	Winters	01400
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	11.50%	Wolfforth	01403
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	REMOVED	Woodcreek	01409
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	7.50%	Woodsboro	01404
5 yrs	5 yrs/age 60, 25 yrs/any age	5-99	X	X	REMOVED	Woodville	01406
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	REMOVED	Woodway	01407
5 yrs	5 yrs/age 60, 25 yrs/any age		X	X	12.50%	Wortham	01408
5 yrs	5 yrs/age 60, 20 yrs/any age	9-91	X	X	REMOVED	Wylie	01410
5 yrs	5 yrs/age 60, 25 yrs/any age	3-98	X	X	REMOVED	Yoakum	01412
5 yrs	5 yrs/age 60, 20 yrs/any age		X	X	7.50%	Yorktown	01414
5 yrs	5 yrs/age 60, 20 yrs/any age	9-09			9.50%	Zavalla	01415

Continued

Continued

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INFORMATION FOR CITIES

(more at www.tmrs.com)

Key Facts About TMRS

- TMRS is a statewide retirement system that cities may elect to join (866 cities as of 12/31/15).
- TMRS has approximately 104,000 contributing members and over 53,000 annuitants.*
- TMRS is a “hybrid” **cash-balance** defined benefit retirement plan rather than a traditional, formula-based defined benefit plan.
- Each city stands on its own by having its own actuarial assets, liabilities, and funded ratio.

Benefits

- Benefits are based on a **member’s account balance** at retirement. The retirement benefit is funded through mandatory employee deposits, city matching contributions, and investment income.
- Each city chooses from a menu of benefit options to design a retirement program that suits its needs (see pages 2 and 3).

Economic Impact

- TMRS paid a total of \$1.1 billion in benefits and refunds in 2014, up from \$1.0 billion in 2013, and \$936.2 million in 2012.*
- Most TMRS annuities are spent by retirees in the community where they worked, benefiting the local and state economy.

Sound Funding

- TMRS’ **Investment Return Assumption is 6.75%**, one of the lowest among large public plans.
- Each city’s unfunded liability is amortized over a closed period of no more than 30 years.
- Each member’s benefits are advance funded over the member’s working career.
- TMRS’ funded ratio was 85.8% as of 12/31/2014.

* 2014 TMRS Comprehensive Annual Financial Report (CAFR)

City Plan Changes Table

By law, each city that decides to join TMRS must adopt the basic plan features designed for all cities (see box at right). The options that individual cities may choose to add, modify, or discontinue are shown in this table. Changes may be made by ordinance at any time, but are effective on the dates shown.

Action / Plan Option	How are plan options added or changed?
Join TMRS	City Council, by ordinance
Increase employee contribution rate (up to 7%)	City Council, by ordinance; no employee consent required
Reduce employee contribution rate	To reduce rate takes a 2/3 vote of employees, then Council must adopt by ordinance
Change city matching ratio	City Council, by ordinance; no employee consent required
Reduce vesting requirement (from 10 years to 5) Note: Vesting may not be increased.	City Council, by ordinance; no employee consent required
Change retirement age/service requirement to 20-year, any age	City Council, by ordinance (after public hearing); no employee consent required
Adopt USC	City Council, by ordinance; USC can be adopted on its own or with COLAs; USC can be adopted ad hoc or annually repeating
Rescind repeating USC	City Council, by ordinance
Adopt or rescind transfer USC	City Council, by ordinance
Adopt COLAs (Annuity Increases)	City Council, by ordinance. If this option is chosen, it must be adopted in tandem with USC or repeating USC. COLAs can be adopted ad hoc or annually repeating
Rescind annually repeating COLAs (Annuity Increases)	City Council, by ordinance. Must be dropped if annually repeating USC is dropped
Adopt or rescind Supplemental Death Benefit	City Council, by ordinance
Military Service Credit	City Council, by ordinance
Restricted Prior Service Credit (also Probationary Prior Service)	City Council, by ordinance
Buyback of refunded TMRS service	City Council, by ordinance. Employee must have previously refunded service, be on the payroll at time of adoption, and have 24 consecutive months of deposits with the city
Stop enrolling new employees*	City Council, by ordinance
Reduce USC percentage (reduction options are 50% or 75% of USC calculation)	City Council, by ordinance
Reduce COLA percentage (reduction options are 30% or 50% of CPI)	City Council, by ordinance

* Once a city has joined TMRS, it must continue to provide TMRS benefits for all eligible employees. By law, if a city stops active participation in TMRS, it must maintain the retirement accounts of the employees who have already joined the System. It must continue to fund existing pension benefits, and it must match at its established rate when its current employees retire.

Basic Plan Options

- Employee contribution rate (5%, 6%, or 7%)
- City matching ratio (1 to 1, 1½ to 1, 2 to 1)
- 5-year vesting (10-year vesting is no longer an option for new cities)
- Retirement Eligibility (5 or 10 years of service and age 60, or 20 or 25 years of service at any age)

When do changes take effect?**	Outcome of changes
First day of month selected	Installs quality, competitive retirement plan for members.
First day of month selected	The higher the rate, the larger the benefit earned by the member; increases employee deposit pool. Increasing the percentage increases the employer contribution rate.
First day of month after the 90th day after ordinance adopted	Reduces benefit for employees.
January 1 of the calendar year after adoption	By law, cities must match at least 1 to 1.
First day of month after adoption	Reducing vesting to 5 years allows members to vest earlier, or be entitled to a retirement benefit assuming a refund is not taken.
First day of month after adoption	Allows for earlier retirement; city can't go back to 25-year retirement once change is made.
January 1 of the year after adoption	Recalculation based on employee's most recent average compensation can mean a better benefit for retirees but increases costs for employer city.
January 1 of the year after adoption	Benefits no longer adjusted for compensation or plan changes.
January 1 of the year after adoption	Adoption potentially increases costs for employer city because it allows USC eligibility to be transferred from another city. Conversely, rescinding potentially reduces costs.
January 1 of the year after adoption	Helps protect retiree benefits from inflation, but increases costs for employer city.
January 1 of the year after adoption	Future increases will only occur when city readopts the COLA. Retiree benefits are not adjusted annually.
First day of the month after adoption. Benefit can only be discontinued effective January 1, if ordinance adopted before preceding November 1	Rescinding it reduces cost to city and eliminates a benefit. Adding it will increase costs.
First day of the month after adoption	Applying this credit to members' accounts does not increase the retirement benefit but may affect retirement eligibility for some members.
First day of month after adoption	Allows eligible employees who have previous public service, including active military, to receive time credit. Applying this credit to members' accounts does not increase the amount of their benefit but can add actuarial cost.
Date of adoption	No up-front cost for adoption of buyback. TMRS will estimate costs that accrue if some or all employees purchase their refunded service.
First day of month after adoption. This change only applies to employees starting after that date	City still must fund retirements of employees enrolled prior to adoption.
January 1 of the year after adoption	If employee is eligible for USC, amount will be smaller; previously granted USC continues to earn 5% interest.
January 1 of the year after adoption	Retirees previously receiving larger COLA (Annuity Increase) percentage may not see a COLA for one or more years.

** The effective dates shown in this column apply after the city has adopted the respective ordinance and the ordinance has been given to TMRS.

Investments & Fees

- TMRS administers \$23.57 billion in assets, as of 12/31/2015.*
- Gross annual investment returns, as of 12/31 of each year:

2008	2009	2010	2011	2012	2013	2014	2015
-1.3%	10.2%	9.0%	2.4%	10.1%	9.86%	5.99%	0.34%*

- Investment management fees were .12%* in 2015. Total administrative costs, including investment management fees, were .20%* in 2015.**

* Preliminary — Final 2015 figures will be available in May 2016.

** This amount does not include real estate fees.

Quarterly asset and performance information and the Investment Policy Statement are posted on the Investment page of the TMRS website.

How to Contact TMRS

Toll-free • 800.924.8677

Local (in Austin) • 512.476.7577

Website • www.tmr.com

E-mail • phonecenter@tmr.com

Fax • 512.476.5576

Travel Team

Colin Davidson • cdavidson@tmr.com

Shannon Lucero • slucero@tmr.com

Anthony Mills • amills@tmr.com

Lorraine Moreno • lmorano@tmr.com

David Rodriguez • drodriguez@tmr.com

Sean Thompson • sthompson@tmr.com

Staff Contacts

Executive Director

David Gavia • dgavia@tmr.com

City Plans/City Contribution Rates

Eric Davis • edavis@tmr.com

Press/Public Relations

Bill Wallace • bwallace@tmr.com

TMRS Legislation

Dan Wattles • dwattles@tmr.com

Actuarial Information

Leslee Hardy • lhardy@tmr.com



TMRS Direct®

TMRS Direct is TMRS' initiative for online self-service, or "straight through processing," for cities and members. Cities should sign up for the TMRS City Portal, and TMRS members and retirees should sign up for MyTMRS. See a Travel Team member or the TMRS website for details.

GASB 68

Information is available on the TMRS website under Eye on GASB. Specific questions may be emailed to pensionaccounting@tmr.com.



Texas Municipal Retirement System



TMRSFACTS

A brief overview of your retirement plan

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TMRS FACTS

What Is TMRS?

The Texas Municipal Retirement System (TMRS®) is the retirement program your city has chosen for its employees. TMRS administers a retirement plan for municipal employees that is funded by the contributions of its members, its member cities, and earnings from investment of those deposits. Under TMRS, each city chooses from a menu of retirement provisions to provide affordable, sound benefits for their employees and families. As a member of TMRS, if you meet the eligibility requirements and retire with the system, ***you will receive a retirement annuity for as long as you live.***

Membership Requirement

Contributing monthly to your individual TMRS retirement account is a requirement if you are an eligible employee of a city that participates in the TMRS plan. All employees who are regularly engaged in a position that normally requires more than 1,000 hours per year at a TMRS-participating city must be enrolled in the program.

How Are We Different from Other Systems?

Most public employee retirement systems provide a benefit based on a multiplier times your years of service and salary. In TMRS, your benefit is based on the actual dollars you and your city contribute, the investment earnings made on those contributions, and other factors and credits that may be adopted by your city. In 2009, the TMRS Act was amended to guarantee a minimum annual 5% interest credit to member accounts.

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This booklet is an informal presentation of information about TMRS and related issues. If any specific questions of fact or law should arise, the statutes will govern. TMRS, MyTMRS, and the TMRS logo are registered trademarks of the Texas Municipal Retirement System.

How Does TMRS Work?

Your Retirement Account

A percentage of your gross compensation is deducted each pay period and deposited into your individual account. The percentage deducted — either 5, 6, or 7% — depends on the plan provision your city has adopted (see the “My City Plan” sheet or go to Member Services/City Plan Provisions at www.tmr.com). Your monthly TMRS deposit is deducted before income taxes are withheld, and you do not pay taxes on those deposits until you refund or retire.

Once your monthly deposit is received, TMRS invests the money, and your account earns interest credits each year. The more you work, the more you put into the system, the more you will get back at retirement. Under the law that governs the system, you cannot borrow from your retirement account.

City Matching

Each city chooses to match employee deposits at a ratio of 1 to 1, 1.5 to 1, or 2 to 1 (see “My City Plan” or Members/City Plan Provisions for your city’s matching ratio). When you retire, the city’s contributions are combined with your deposits and interest credits, and the combined total is used to pay your monthly retirement benefit.

You only receive the city’s matching funds in the form of a monthly payment when you retire.

If at any time you leave city service and choose to receive your deposits and interest, you will not receive the city’s matching funds.

Service Credit

Generally, you earn a month of service credit toward retirement for each month you make a deposit while employed in an eligible position. Depending on your city’s plan, you may establish other types of service credit, including credit for previous employment or active duty military service.

Beneficiaries

Your beneficiary is the person or persons you choose to receive any retirement benefit due upon your death. TMRS will ask you to name a beneficiary when you first become a TMRS member, when you vest (after 5 or 10 years of service), and when you retire. When you vest, it is very important to fill out a vested beneficiary form.

Vesting/Retirement Eligibility

When you have 5 years of service credit (10 in some cities), you are “vested” in the system. As a vested member, if you leave TMRS-covered employment, you may leave your deposits with TMRS. Your deposits will continue to earn interest credits until you withdraw them or retire.

You will be eligible to retire when you meet either of these qualifications, depending on your city’s plan:

- You are age 60 with 5 or 10 years of service credit, or
- You have 20 or 25 years of service credit at any age.

See “My City Plan” or City Plan Provisions for your city’s retirement eligibility requirement.

Service credit with other statewide retirement systems or government entities may also count toward your eligibility for service retirement. The service history shown on your Annual Statement (see page 4) reflects any service credit with other TMRS cities, plus any buybacks, military service credit, or restricted prior service credit you have received.

Proportionate Retirement

TMRS participates in the Proportionate Retirement Program. This program allows you to combine service credit from specific Texas retirement systems to meet service retirement eligibility requirements. With combined service, you may be able to retire earlier.

The systems that participate in this program with TMRS are: Employees Retirement System of Texas, Teacher Retirement System of Texas, Judicial Retirement System of Texas, Texas County and District Retirement System, and the City of Austin Employees Retirement System (see page 8 for contact information).

Updated Service Credit

Updated Service Credit (USC) is an optional feature that updates your TMRS benefit to take into account changes in your salary or in your city’s TMRS plan. USC helps your retirement benefit retain its value over your career. See “My City Plan” or City Plan Provisions to determine if your city offers Updated Service Credit.

How Do I Keep Up with My Account?

Annual Statements

A TMRS Annual Statement is mailed to the home address we have on file for you every spring. This statement includes your service history, your beneficiary information, retirement estimates, your total member deposits, and the past year's interest credit. ***Keeping your personal information (such as mailing address and beneficiary) up-to-date is extremely important.*** The Annual Statement gives you a chance to review the information TMRS has on file for you.

MyTMRS®

The TMRS website (www.tmr.com) provides secure online access to your account information. Use the MyTMRS feature of the website to see your account statements, check your year-to-date totals, change your address, and run retirement estimates. You must register for this service before you can use it. You may register online, set up your password, and access MyTMRS using security questions and your e-mail address; a verification email will be sent to you. It is important that you use a "persistent" email address so that we may contact you electronically for future updates.

Retirement Estimates

You may run retirement estimates through MyTMRS. These estimates show approximately how much money you will receive in your monthly retirement benefit for each of the available retirement options. To compare your annuity amounts, we encourage you to run as many estimates for as many retirement dates as you wish.

For More Details...

For a complete description of your TMRS benefits, see the *Member Benefits Guide* (available in English and Spanish) or the "How Do I..." tutorials on the TMRS website Member Services menu.

How Do I Contact TMRS?

Phone Center

800.924.8677 • Toll free
512.476.7577 • Local
512.476.5576 • Fax

E-mail

help@tmrs.com

Website

www.tmr.com

Mailing Address

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

Headquarters Building

1200 North Interstate 35
Austin, Texas 78701

Se habla español.

How Do I Review or Change My Account?

Account balance				
Address or name change				
Beneficiary info				
Change beneficiary				
Credited service				
Request for statement				
Request for statement to different address				
Retirement estimate				

By phone – include 2 account identifiers.*

Web – use www.mytmrs.com with password.

In writing – by letter or fax; include signature and 2 account identifiers.

Form – needs specific form with signature; forms are available through the Phone Center, website, or your personnel office.

* Account identifiers are personal details known to the member only.

What if I Die Before I Retire?

Death Benefits

If you die before you retire, benefits will be paid to your chosen beneficiary. If you do not properly designate a beneficiary, the TMRS statutes will govern who will receive your benefits. If you were vested in TMRS at the time of your death, your beneficiary can immediately begin to receive a monthly payment. If your spouse is your beneficiary, he or she may choose to leave your deposits in the system until you would have turned age 60 — and then receive a lifetime monthly benefit payment. If you are not vested, your beneficiary or estate will receive a refund of your accumulated deposits and interest. It is extremely important to keep your beneficiary information correct, particularly after you are vested.

Supplemental Death Benefit

Some cities have adopted a Supplemental Death Benefit (see “My City Plan” or City Plan Provisions). If your city has chosen this additional benefit and you die while employed by the city, your beneficiary will also receive a payment approximately equal to your current annual salary; this benefit applies to both vested and nonvested members. You may designate different beneficiaries for your regular retirement benefit and your Supplemental Death Benefit.

What if I Leave City Employment?

Refund vs. Retirement

If you are vested at the time you leave the city, you can leave your accumulated deposits, which continue to receive interest credits, in TMRS until you decide to retire. If you are not vested, then you may only leave your deposits for up to five years. After five years, you must either refund your deposits and interest or roll them over directly into an IRA or another qualified plan. **Remember, if you refund your deposits, you will not receive the city’s matching money.**

Taxes and Penalties

If you are not vested, you may decide to refund or transfer your funds to an IRA or other qualified plan when you leave employment with all TMRS cities. If you refund your member deposits and interest, a 20% tax withholding and a 10% tax penalty may apply. **See the Special Tax Notice Regarding Plan Payments (TMRS website, Forms page) for details on withholding, early withdrawals, and rollovers to IRAs or qualified plans.**

NOTE: Federal tax law permits public safety employees who end employment at age 50 or later (and receive a refund or lump-sum payment) to waive the 10% IRS penalty. The city will need to certify the employee’s status as a public safety employee on form TMRS-PSE for this penalty to be waived.

What Happens When I Retire?

Choosing a Retirement Option

When you become eligible for and apply for retirement, you may select one of these benefit payment plans:

- **Retiree Life Only Option** — a monthly payment for the rest of your life, with no survivor benefits.
- **Lifetime Survivor Options** — a benefit for the rest of your life and a lifetime benefit for your designated survivor at 100%, 75%, or 50% of your monthly retirement benefit. If your beneficiary dies before you, your benefit will “pop up” to a Retiree Life Only Option.
- **Guaranteed Term Options** — a lifetime benefit for you and a survivor benefit paid for the remainder of a guaranteed term (5, 10, or 15 years) if you die before the guaranteed term expires. The term starts at your retirement.

Partial Lump Sum Distributions

At retirement you may choose to receive part of your benefit as a Partial Lump Sum Distribution (PLSD). This amount may equal 12, 24, or 36 times your monthly benefit under the Retiree Life Only Option (not to exceed 75% of your member deposits and interest). A PLSD is subject to income tax; see the Special Tax Notice (Forms page of the TMRS website) for details on withholding, early withdrawals, and rollovers to IRAs or qualified plans.

Annuity Increases (COLAs)

Your city may choose to grant a Cost of Living Adjustment (COLA) to its retirees. COLAs may be granted annually and are based on changes in the Consumer Price Index. If your city has adopted this option (check “My City Plan” or City Plan Provisions), you must be retired for a full year to be eligible for a COLA.

Death Benefits after Retirement

Your beneficiary will continue to receive a monthly benefit if you have chosen a retirement option that provides a survivor benefit. A Supplemental Death Benefit of \$7,500 will be paid upon your death to your beneficiary if the city from which you retired offers this coverage.

Proportionate Retirement Systems

(participating with TMRS)

City of Austin Employees Retirement System

1.512.458.2551

www.coaers.org

Employees Retirement System of Texas

1.877.275.4377 (toll-free)

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Judicial Retirement System of Texas

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Teacher Retirement System of Texas

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Texas County and District Retirement System

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City of Colleyville City Council Agenda Briefing

City Hall
100 Main Street
Colleyville, Texas 76034
www.colleyville.com

Agenda Number PC-2

Agenda Date 06/21/2016

Type Pre Council

Department City Secretary

Title

Discussion of the City Council Rules of Procedure

Strategy Map Connection

B4- Cultivate a culture of transparency and consistent communication

Explanation

Section 3.09 of the City Charter states City Council *"shall determine its own rules and order of business"*; therefore, this item provides an opportunity for City Council to review and discuss the Rules of Procedure and identify possible modifications.

Staff has reviewed the City Council Rules of Procedure, and would propose the following additions: cover sheet, table of contents, history of adoption and amendments, and a section for annual review or amendments. In addition to the Rules of Procedure, staff requests that City Council review the "Welcome to the City of Colleyville City Council Meeting" brochure.

Pending City Council direction, an item will be placed on a future City Council regular agenda for consideration of any proposed changes.

Staff has included an excerpt of the City Charter, the current City Council Rules of Procedure, and the welcome brochure, to this agenda briefing.

Attachments

1. City Charter Excerpt
2. Current Rules of Procedure
3. Welcome to the City of Colleyville City Council Meeting brochure

City Charter Excerpt

Section 3.09 Meetings and Rules of Procedure:

(A) Meetings of City Council. City Council meetings shall be held at the City Hall or such place within the City of Colleyville that the City Council shall direct. The City Council shall meet regularly at least twice (2) in every month at such times as a City Council may prescribe by rule. In the event of a lack of a quorum at a regularly scheduled meeting, the meeting shall be opened and the roll call taken, recorded and adjourned until the regular or called special meeting. Special meetings may be held on the call of the Mayor or four (4) members of the City Council at the place within the City of Colleyville designated in the public notice. All meetings shall be held and public notice thereof given as required by State law. (Amended May 7, 2005)

(B) Minutes and Rules. The City Council shall determine its own rules and order of business, and shall provide for keeping minutes of its proceedings and post copy on the City Bulletin Board until the next meeting. The minutes shall be a public record.

(C) Quorum and Voting. Four (4) voting members of the City Council shall constitute a quorum. Voting, except on procedural motions, shall be by roll call and the "ayes" and "nays" shall be recorded in the minutes. The Mayor and every City Council Person shall vote on all issues unless there is a declared and recorded statutory conflict of interest. If because of a statutory conflict of interest a member steps down and remains in the Chamber to return after the item is resolved, then a quorum will be considered in attendance even though only three (3) City Council Persons are left to vote. However, no action shall be approved with less than four (4) affirmative votes. If during the course of a meeting a quorum ceases to exist, the meeting shall be deemed adjourned and no further business shall be conducted. (Amended May 7, 2005)

**CITY OF COLLEYVILLE
CITY COUNCIL
RULES OF PROCEDURE**

SECTION I.

AUTHORITY

1.1 Section 3.09B of the Charter of the City of Colleyville provides that "the Council shall determine its own rules and order of business...". Further, Section 2.01 of the Charter provides that the City Council shall have the powers, functions, rights, privileges and immunities of every name and nature, that are now or hereafter, may be granted to a Home Rule City by the Constitution and State law, together with all implied powers necessary to carry into execution all such powers granted". In order to provide the framework for the execution of these powers and authority, the following set of rules shall be in effect upon their adoption by the City Council and until such times as they are amended or new rules adopted in the manner provided for by these rules.

SECTION II.

GENERAL RULES

2.1 Meetings to be Public. All meetings of the City Council shall be open to the public, with the exception of Executive Session.

2.2 City Council. For purposes of these rules, the collective membership of the Mayor and City Councilmembers shall be known as the City Council. Individually, each shall be referred to as Mayor, Mayor Pro Tem, or Councilmember.

2.3 Quorum. Four (4) voting members of the City Council shall constitute a quorum.

2.4 Minutes of Meetings. An account of all proceedings of the City Council shall be kept by the City Secretary and shall be entered in a book constituting the official record of the City Council. The Official City Council Minutes are action minutes and provide the action taken by the City Council and a summary of subjects discussed.

2.5 Questions to Contain One Subject. All questions submitted for a vote shall contain only one subject. If two or more points are involved, any Councilmember may require a division, if the question reasonably admits of a division. Division shall be required only on the affirmative vote of three (3) Councilmembers. If no division is so requested and approved, or the questions do not reasonably admit of a division, the question shall be submitted as originally framed.

2.6 City Manager. The City Manager shall attend all City Council meetings unless expressly excused. The City Manager may make recommendations to the City Council and take part in all discussions of the City Council, but shall have no vote.

2.7 City Attorney. The City Attorney shall attend all regular meetings of the City Council unless expressly excused and, shall upon request give an opinion, either written or oral, on questions of law during the meeting. The City Attorney shall act as the City Council's Parliamentarian. The City Attorney shall give an opinion, either written or oral, on questions of law to the City Manager or designated representative, during the course of daily affairs of the City. The City Attorney may make recommendations to the City Council and take part in all discussions of the City Council, but shall have no vote. The City Attorney shall confer and discuss with a Councilmember or the Mayor regarding a question of law pertaining to the affairs of the City. In such event, the City Attorney shall advise the City Manager of the question posed and information provided. The City Manager shall forward the information to the full City Council as soon as reasonably practical.

2.8 City Secretary. The City Secretary shall attend all meetings of the City Council unless expressly excused, and shall keep the official minutes and perform such other duties as may be requested by the City Council.

2.9 Employees. Any employee of the City, when requested by the City Manager, shall attend any meeting of the City Council and, if requested to do so by the City Manager, such employee may present information relating to matters before the City Council. The City Manager will determine the staff spokesperson for providing information, for a particular agenda item, at the City Council meeting.

2.10 Suspension of Rules. Any provisions of these rules not governed by State law, the City Charter, or City Code may be temporarily suspended by a majority vote of all Councilmembers present and eligible to vote.

2.11 Executive Session. All matters discussed in Executive Session, as authorized by the Texas Open Meetings Act, may be deemed confidential and by law, participants authorized to attend Executive Sessions are not required to make public disclosure concerning the matters discussed in Executive Session. It shall be the policy of the City Council, that the Mayor, individual Councilmembers, the City Manager, City Attorney, City Secretary and others who are authorized to attend Executive Sessions shall not make selective disclosure of confidential matters, where the disclosure of the information has not been released to the

general public and/or where such disclosure provides an unfair advantage to the recipient or would be detrimental to the City and its citizens. For the opening and closing of an Executive Session, the Mayor shall do such at the location as noted on the official agenda notice posted in compliance with the Texas Open Meetings Act. For purposes of regular agenda meeting postings, the opening and closing of an Executive Session shall be done in the Executive Conference Room of City Hall.

SECTION III.

TYPES OF MEETINGS

3.1 Regular Meetings. The City Council shall meet in the City Hall on the first and third Tuesday of each month at 5:30 p.m. unless otherwise officially established by the City Council. The City Council shall take a vote at 12:00 a.m. on whether or not to continue a meeting for additional time if further items are on the agenda and have not been considered. The call for and conduct of all meetings of the City Council, both regular and special as provided in Section 3.2 hereof, shall be in accordance with State law.

3.2 Special Meetings. Special meetings may be held on the call of the Mayor or four (4) members of the City Council at the place within the City of Colleyville designated in the public notice. In accordance with State law, the notice to the public of an emergency meeting must be posted at least two hours before the meeting is scheduled to begin. An emergency meeting exists only if immediate action is required of a governmental body because of an "imminent threat to public health and safety" or a "reasonably unforeseeable situation".

3.3 Recessed Meetings. Any meeting of the City Council may be recessed to a later time provided that no recess shall be for a longer period than until the next regularly scheduled City Council meeting.

3.4 Worksession Meetings. Worksession meetings may be called by the Mayor, any three (3) Councilmembers or the City Manager for the purpose of discussing in depth, investigating or exploring matters of interest to the City, without formal action being taken thereon by the City Council. The time, place, and purpose of such worksession meeting shall be stated in a notice complying with the Texas Open Meetings Act. Such worksession meetings may be held in any appropriate location outside the City Hall upon concurrence by any three (3) Councilmembers or as determined by the City Manager. Such worksession meetings may include, but shall not be limited to, meetings with neighboring governmental bodies or

agencies, meetings with one of the City's appointed boards, commissions or committees, meeting with civic organizations or a meeting for Councilmembers to research, evaluate, explore, investigate or discuss any matter of interest or possible action affecting the City, subject to compliance with the provisions of the Texas Open Meetings Act.

The City Council may establish regular worksession meetings immediately prior to regular City Council meetings. In conjunction with the regularly scheduled City Council meeting, a Pre City Council worksession shall be held at 5:30 p.m. unless otherwise officially established by the City Council. The agenda for the Pre City Council meeting shall include, among other items: routine reports, information related to the regular agenda items and issues for which the City Manager seeks direction or clarification.

No official action shall be taken at any worksession meeting, unless a regular or special meeting is called as provided for in these Rules.

SECTION IV.

CONDUCT OF MEETINGS

4.1 Presiding Officer. The Mayor, if present, shall preside at all meetings of the City Council. In the absence of the Mayor, the Mayor Pro Tem shall preside. In the absence of both Mayor and Mayor Pro Tem, the City Council shall elect a Councilmember to preside.

4.2 Call to Order. The meetings of the City Council shall be called to order by the Mayor, or in the Mayor's absence, by the Mayor Pro Tem. In the absence of both the Mayor and Mayor Pro Tem, the meeting shall be called to order by the City Secretary.

4.3 Preservation of Order. The Mayor shall preserve order and decorum, prevent clash of personalities or the impugning of Councilmembers' motives to occur and confine Councilmembers in debate to the question under discussion.

4.4 Points of Order. The Mayor shall determine all points of order, subject to the right of any Councilmember to appeal to the City Council. If any appeal is taken, the question shall be "Shall the decision of the Mayor be sustained?"

4.5 Questions to be Stated. The Mayor shall state all questions submitted for a vote and announce the result.

4.6 Substitution for Mayor. The Mayor may call the Mayor Pro Tem, or in the Mayor Pro Tem's absence, any other Councilmember to take the Mayor's place in the chair, such substitutions not to continue beyond adjournment.

4.7 Amendment to the Minutes. Amendments to the Minutes are made by a motion during the item to consider approval of the minutes. The Minutes are action minutes and provide the action taken by City Council and a summary of subjects discussed. If a Councilmember desires that certain information be included in the minutes, the Councilmember shall state prior to the information, "For the record". If it is a lengthy statement, a written copy shall be provided to the City Secretary.

4.8 Written Correspondence. A citizen's request in the reading of a statement into the public record as part of a City Council agenda item is at the sole discretion of any member or all of the governing body. The City Council is not obligated to provide for a reading of correspondence into the public record on behalf of an absent individual as part of a City Council public hearing. The City Council, any or all Councilmembers, may elect to provide for a reading of the correspondence, make reference indicating the general position of the correspondence, or pass over the correspondence. The correspondence is provided to City Council and is included in the City Council agenda packet.

SECTION V.

AGENDA

5.1 Preparation of Agenda.

- A. The order of business of each meeting shall be as contained in the City Council agenda prepared by the City Manager. The agenda shall be a listing by topic of subjects to be considered by the City Council, and, in the case of regular meetings, shall be delivered to the City Council not less than 72 hours proceeding the Tuesday evening meeting to which it pertains.
- B. Any member of the City Council desiring to present a subject for City Council consideration shall advise in writing to the City Manager of the fact not later than 4:30 p.m. on Wednesday preceding regular City Council meetings.

Subject matter will be accompanied by a summary regarding the purpose for the inclusion of this subject on the agenda.

- C. Items Omitted from Agenda. Any item not appearing on the agenda shall not be taken up for discussion as a matter of City Council business during a regular meeting unless it is of an emergency nature and comes to the City's attention too late to appear on the agenda. Such special, urgent or emergency issues shall be posted in compliance with the Texas Open Meetings Act and the City Charter and may be added as a supplemental item to the regular agenda.

The regular agenda items shall be considered in the following order:

1. Pre Council - 5:30 p.m. - Executive Conference Room
2. Executive Session - 5:30 p.m. - Executive Conference Room
3. Call to Order - 7:30 p.m. - Council Chambers
4. Invocation
5. Pledge of Allegiance
6. Resolution or Ordinance taking action on Executive Session items
7. Announcements, Proclamations and Presentations
8. Consent Items
9. Public Hearings
10. Citizen Comments/Presentations regarding items not on the agenda
11. Reports of Boards, Commissions, and Committees
12. Resolution approving City Council action not otherwise approved
13. Adjournment

- D. The general order of a Public Hearing shall be:

- a. Staff presentation
- b. Open Public Hearing
- c. Applicant introductory presentation - five minutes
- d. Citizen comments - five minutes each (Large groups supporting the same position may be asked to select a representative to speak for the group)
- e. Applicant
- f. Close Public Hearing
- g. City Council discussion and vote
- h. In the alternative, the item may be continued to a future meeting of the City Council.

1. If the City Council wishes to consider additional public testimony, the public hearing shall be reopened and the public hearing and item shall be continued to a date certain.
 2. If the Public Hearing is not reopened and continued to a date certain, the City Council may only conduct an additional public hearing upon publication of notice in accordance with Chapter 211 of the Local Government Code.
- E. The City Manager shall provide the City Council with a written analysis of and recommendation of items to be acted on by the City Council at its meetings. These communications shall be generally referred to as agenda packets. The agenda packets for all regular meetings shall be delivered to the City Council by the Friday preceding the Tuesday regular meeting to which it pertains, unless an emergency condition makes it necessary to deliver the communication on a subsequent day.
- F. The City Secretary shall post notices of all City Council meetings in order to afford compliance with the Texas Open Meetings Act.

5.2 Consent Agenda. In preparing the agenda, the City Manager shall give consideration to the number and degree of complexity of items to be considered by the City Council for the purpose of conserving the City Council's time in meetings. Items which are anticipated to be routine and require little or no discussion by the City Council shall be listed under the agenda category styled "Consent Items". Prior to taking up the Consent Agenda, the Mayor shall determine if there are any items thereon which should be removed from the Consent Agenda for discussion. Any Councilmember may, upon request, remove any item from the Consent Agenda for discussion and separate action. Thereafter, all remaining Consent Agenda items may be acted upon by a single motion approving the Consent Agenda. Items removed from the Consent Agenda shall be considered on the ending Resolution, which is for action not otherwise approved.

5.3 Oral Presentations by City Manager. Matters requiring the City Council's attention or action which may have developed since the deadline for delivery of the agenda packets may, upon approval of the City Council, and after satisfying the requirements of the Texas Open Meetings Act, be presented orally by the City Manager, or designated staff.

5.4 Citizen Participation at Meetings.

- A. Presentations by citizens must be confined to the agenda item being considered and any questions will be directed to the Mayor. Citizens wishing to speak shall be allowed to speak, provided prior to the consideration of the item; said person completes and delivers to the City Secretary a Speaker's Card providing name, address and topic. A person who has not completed the Speaker's Card prior to discussion of the item on the agenda shall not be allowed to speak. Presentation by citizens shall be limited to a time period of not more than five (5) minutes with two (2) additional minutes to conclude, at the option of the Mayor or the consent of the City Council, for each speaker. Any time spent by the City Council will not be counted against the citizen's time allotment. No person shall speak more than the time limits provided herein on any subject. That privilege shall not be accorded unless there is an exception supported by a majority of those eligible to vote. The Mayor shall not be obligated to recognize a speaker for a second comment on a subject until all others have spoken and there is unused time available.
- B. Following a request by a Councilmember, the Mayor may request that the City Council suspend the rules to allow citizens to speak after the public hearing has been closed.
- C. To maintain decorum, the Mayor shall recognize persons who have completed Speaker's Cards indicating a desire to address the City Council.
- D. As a general rule, citizens may not participate in discussions of the City Council except when recognized by the Mayor and during citizen presentations, public hearings and as otherwise provided for in these Rules.
- E. Citizens may speak on items not on the agenda under the item "Citizen Comments/Presentations Regarding Items Not On The Agenda". The presentation time period is as listed herein Section 5.4 A.

SECTION VI.

DECORUM AND DEBATE

6.1 Decorum and Debate.

- A. These rules are intended to serve as a statement of intent as to how this City Council endeavors to conduct itself during City Council meetings. It is the intent of the City Council that all members shall act based on a consistent level of information, with the goal being to act fully informed on

all matters. Accordingly, if and when a Councilmember obtains material relevant to a matter before the City Council which has not otherwise been disclosed to the City Council, such Councilmember shall promptly provide such material to the city manager for dissemination to the City Council. All such information will be disseminated and disclosed to the full City Council, prior to the case being presented.

- B. When a measure is presented for consideration to the City Council, the Mayor shall recognize the appropriate Councilmember to present the case, as needed. When two or more Councilmembers wish to speak, the presiding officer shall name the Councilmember who is to speak first. No member of the City Council shall interrupt another while speaking except to make a point of order or to make a point of personal privilege.
- C. The Mayor shall not be obligated to recognize any Councilmember for a second comment on the subject or amendment until every Councilmember wishing to speak has been allowed a first comment.
- D. Questions from speakers to the City Council with request for an immediate answer, except the applicants and persons representing applicants on platting or zoning cases, shall be prohibited. A Councilmember's questions to speakers should be to specific individuals and the Mayor should explain to those individuals beforehand that they may come to the podium and answer if they choose to; but, they cannot offer additional unsolicited input or engage in question and answer sessions with Councilmembers.
- E. Any Councilmember desiring to speak shall be recognized by the Mayor, and shall confine remarks to the subject under discussion or to be discussed. No Councilmember shall be allowed to speak more than once on any one subject until every Councilmember wishing to speak shall have spoken.
- F. No Councilmember shall be permitted to indulge in personalities, use language personally offensive, impugn motives of Councilmembers, charge deliberate misrepresentation, or use language tending to hold a member of the City Council, the public or City staff up to contempt.
- G. The Mayor shall not permit unrecognized speaker's comments or allow a member of the audience to indulge in personalities, use language tending to hold the City Council, the public or City staff up to contempt.

- H. If a Councilmember is speaking or otherwise transgressing the rules of the City Council, the Mayor shall or any Councilmember may call him/her to order in which case he/she shall immediately be quiet unless permitted to explain. The City Council shall, if appealed to, decide the case without debate. If the decision is in favor of the Councilmember called to order, he/she shall be at liberty to proceed, but not otherwise, and if the case occurs, he/she shall be liable to censure or such punishment as the City Council deems proper, consistent with City Ordinances, Resolutions and Charter.
- I. Any individual of the public who shall disrupt the City Council proceedings or disregard the Mayor shall first be warned of such offense and be requested that they refrain from disrupting the proceedings and/or disregarding the instructions of the Mayor. Any individual of the public failing to honor the first warning of the Mayor for order, shall receive a second and final warning prior to expulsion and/or citation for disturbing a public meeting pursuant to State law. When the Mayor fails to maintain order and decorum, the Councilmembers may compel the Mayor to enforce this provision following due parliamentary procedure, which affirms such compulsion by a majority vote of the City Council.

SECTION VII.

PROCEDURES FOR CITY COUNCIL APPOINTMENTS

7.1 Procedures for City Council Appointments. The following procedures are for making appointments to boards, committees and commissions established by ordinance or resolution. Appointments to ad hoc committees and task forces established by resolution should not necessarily be bound by the same procedures, but may be done in a manner appropriate to the situation as deemed proper by the City Council. The City Council shall set the quorum for a committee. The City Council shall vote whether the committee selection will be handled by the rules of procedures or by slate.

- A. Announce the position(s) to be filled. In the announcement, define the duties of the position(s), define the term of the position and request that applications be formally submitted to the City Council by a specific deadline. This announcement should be made at least 30 days prior to the deadline for submission of applications and should be placed in the local newspaper, posted at City Hall, on the website and placed in the *City e-news* (if timely).

Upon review of the Applications for Appointment, City Council will determine if interviews shall be conducted. If Council desires, interviews will be conducted prior to a City Council meeting, which may be subject to the Texas Open Meetings Act or be conducted in Executive Session. If no applications are received or fewer applications than open positions are received, the City Council may fill positions from the floor or request the City Secretary to advertise the open position(s). In the event of a vacancy other than an expiring term, the City Council may fill the position by a majority vote of the City Council without advertising. The appointee shall serve the unexpired term.

- B. The candidates will be selected to fill the open positions no later than the second City Council meeting after the deadline for application submission, in the following manner:
 - a. If more than one position is to be filled, consider the appointment for each position individually in the order selected by the Mayor, as follows:
 - b. The Mayor shall open the floor for nominations and if there are no nominations, the Mayor will call on each Councilmember for a nomination.

- c. Councilmembers or the Mayor may decline to make a nomination if previous nominations are acceptable.
- d. After each Councilmember has had an opportunity to make a nomination or defer to make a nomination, the Mayor will take a vote on the slate of nominees by asking each Councilmember to state the name of the nominee that the Councilmember votes to appoint to the position under consideration.
- e. Return to Step b and repeat the process for the next position to be filled until all positions are filled.

SECTION VIII.

MEMORIALS

8.1 Memorials. The following procedures are for honoring deceased current or former City elected officials, sitting board, commission or committee members and community volunteers.

- A. Recognition of the death of a current or former City elected official. When the City is notified of the death of a current or former elected official, flowers or a plant will be sent to the memorial service, or a donation to an organization specified by the family (in an amount not to exceed \$50.00), and a sympathy card will be sent to the family. A Memorial Proclamation, honoring the official, will be sent to the memorial service or to the family. The City Manager's Office will coordinate the donation of a book, in which the official's name is inscribed on a bookplate inside of the book, to the Colleyville Public Library, in an amount not to exceed \$50.00. A letter from the Library Director will notify the family of the book donation.
- B. At the family's request and with City Manager approval, members of the Colleyville Police and Fire Department Honor Guard may attend the funeral of a current or former City elected official as representatives of the City.
- C. Recognition of the death of a sitting board, commission or committee member. When the City is notified of the death of a sitting board, commission or committee member, the City Manager's Office will forward a sympathy card to the family.
- D. Recognition of the death of community volunteers. Due to the significant number of community volunteers assisting a multitude of organizations

across the City of Colleyville, it will not be the practice of the City to recognize these individuals in a formal capacity. During a City Council meeting, elected officials may, at their discretion, verbally recognize the efforts of these individuals and their service to Colleyville during the agenda item for Announcements, Proclamations and Presentations.

8.2 Recognition by lowering of the United States Flag. The City is not at liberty to proclaim the Flag of the United States be flown at half-staff in recognition of a City official. Per the United States Code, only the President of the United States or the State Governor can order the flag lowered to half-staff.

8.3 Use of City equipment and personnel. At no time will City equipment be used to carry the casket or participate in the funeral procession of a deceased, current or former City elected official, board, commission, committee member or community volunteer. Exceptions to this rule may include City equipment earmarked for use by community groups, such as the Citizen Fire Academy Alumni Association Rehab Team and the Citizen Police Academy Alumni Association Citizens on Patrol, where equipment use for a group member's funeral may be authorized by the Department Director.

Addressing City Council

Citizens may address the City Council during any public hearing agenda item by completing a speaker card and presenting it to the City Secretary. There is time for the public to address the City Council on any subject. However, in accordance with the Texas Open Meetings Act, the City Council cannot discuss issues raised or make any decisions at this time since the topic is not a posted agenda item. Issues raised may be referred to City staff for research and possible future action.

Each citizen presentation will be limited to five minutes. Delegations or groups are asked to select one spokesperson for the group to speak for five minutes. When addressing City Council, the presentation should be thorough, concise, and complete. No additional information may be given following your presentation, unless specific questions are asked by Councilmembers.

The Mayor will recognize each citizen appearing before the City Council. After recognition, speakers should move to the podium, state their name and address for the public record. If the speaker is representing an organization or group, the group should be identified before the presentation. Presentations and discussions should be directed to the City Council and all questions to the Mayor.

During staff presentations and City Council deliberation, there will be no citizen participation, except to answer questions by City Council. These procedures shall remain flexible and in compliance with the City Charter.

Tips for making successful presentations to the City Council

- ❖ Short and to the point presentations are most effective.
- ❖ All public comments should be addressed through the Mayor.
- ❖ If your point has been expressed by previous speakers, you may wish to inform the Mayor that you choose not to speak as your position has already been articulated.
- ❖ Persons wishing to address the City Council on a specific public hearing item or an item not on the agenda under "Citizen Comments" must complete a "Speaker Card."
- ❖ Be courteous. Profanity, abusive language or general disruption will not be tolerated.

WEBCASTS AND BROADCAST SCHEDULE

Meeting webcasts are available at: www.colleyville.com/webcasts. Meetings are televised live on Verizon Cable Channel 16 and Time Warner Cable Channel 15 and rebroadcast at 6:00 p.m. Thursday and Sunday of the same week.



WELCOME TO THE CITY OF COLLEYVILLE CITY COUNCIL MEETING

The Colleyville City Council welcomes all citizens to attend public meetings. Citizens wishing to address the City Council should become familiar with the procedures listed in this brochure. The City Council is interested in ideas and constructive comments provided by citizens.

The City of Colleyville operates under the laws of the State of Texas and within the framework of a Home Rule Charter adopted by the citizens in 1977 and amended twice. The City Council prepared this brochure to assist in understanding how local government functions, including conduct of the City Council meetings.

Please silence all communication devices during the City Council Meeting

**For more information,
please contact the**
Office of the City Secretary
100 Main Street
Colleyville, Texas 76034
817.503.1130
ashelley@colleyville.com or
cloven@colleyville.com

City Government

The Colleyville City Council is composed of seven members; six City Councilmembers elected by place number and a Mayor. All members are elected from the City at-large. Under the provisions of the City Charter, and subject only to the limitations imposed by State law, the City Council enacts local legislation, adopts the annual operating budget, and sets policy in the Council-Manager form of government. The City Manager carries out policy and administers the day-to-day operation of the City, while the Mayor is recognized as the head of the City government for all ceremonial purposes, and has the responsibility of presiding over all meetings of the City Council.

Guidelines for City Council Meetings

All City Council meetings are open to the public. Public notices of City Council meetings are posted 72 hours in advance of the meeting at City Hall, and on the City's web site. A meeting agenda is available at all meetings. The City Council, on occasion, will call a special meeting or a worksession, as necessary, and reserves the right to change the meeting place and date.

The Meeting Agenda

When an item on the posted agenda is considered by the City Council, staff presentations will be heard first followed by citizen presentations. The item will then go to the City Council for deliberation and action.

During staff presentations and City Council deliberation, there will be no citizen participation except to answer questions by Councilmembers. These procedures shall remain flexible and in compliance with the City Charter.

Pre Council Meeting

The City Council conducts a Pre Council

meeting to discuss and receive information regarding the agenda. Items that are not ready for a City Council vote, but which City Council desires to discuss, may also be placed on the Pre Council agenda. The Pre Council meeting begins at 5:30 p.m., on the first and third Tuesday of each month, prior to the Regular Meeting, in the Executive Conference Room on the third floor of City Hall.

Executive Session

Executive Sessions may be conducted immediately following the Pre Council meeting and prior to, or following, the Regular Meeting. Executive Sessions are closed meetings and are permitted for the discussion of the following items that legitimately fall within the exceptions as stated in the Texas Open Meetings Act. No action is taken during Executive Session.

- ❖ Consultation with the City Attorney to seek advice about pending or contemplated litigation, settlement offer, or other matter as permitted
- ❖ Deliberations regarding the purchase, lease, exchange or value of real property
- ❖ Deliberations regarding personnel matters
- ❖ Deliberations regarding economic development negotiations

Regular City Council Meeting

Regular City Council meetings are scheduled in the City Council Chamber at City Hall, 100 Main Street, at 7:30 p.m., on the first and third Tuesday of each month.

Consent Agenda Items

Consent Agenda items are routine in nature and deemed to require little or no deliberation by the City Council. To save time, these items are considered collectively.

Ordinances

All ordinances exclusive of emergency ordinances as defined by the City Charter, shall be read in an open meeting at two (2) consecutive regular City Council meetings. No final vote of approval or disapproval shall be taken by City Council until after the second reading and public hearing on each ordinance.

Resolutions

Any official action of the City Council not authorized by ordinance shall be authorized by resolution. All resolutions shall be read in an open meeting of the City Council and shall be followed by public hearing.

CITY COUNCIL MEETING PROTOCOL

While City Council is in session, we request the following protocol be followed:

- ❖ All persons shall remove hats and refrain from private conversations in the City Council Chambers. No handguns or other weapons are allowed to be carried openly.
- ❖ Citizens attending City Council meetings shall observe the same rules of propriety, decorum, and good conduct applicable to members of the City Council. Any person making personal, impertinent, and slanderous remarks, or who becomes boisterous while addressing the City Council or attending the City Council meeting, will be asked to leave City Hall by the Mayor.
- ❖ No placards, banners, or signs of any kind will be permitted in the City Council Chambers. However, exhibits, displays, and visual aids used in connection with the presentations to the City Council are permitted.



City of Colleyville City Council Agenda Briefing

City Hall
100 Main Street
Colleyville, Texas 76034
www.colleyville.com

Agenda Number PC-3

Agenda Date 06/21/2016

Type Pre Council

Department Public Works

Title

Discussion and presentation on current Capital Improvement Projects

Strategy Map Connection

B4- Cultivate a culture of transparency and consistent communication

Explanation

Staff will provide the attached presentation on various capital improvement projects. The current Capital Improvement Plan (CIP) includes 29 individual projects which have been initiated in 2016. As these respective projects have progressed through the various stages, some have reached a point in the process that they need to be discussed to verify they are progressing in line with the City Council's preference. The projects to be discussed in detail include:

- John McCain Road Rehabilitation (Pleasant Run Road to Shepherds Glen)
- Cheek-Sparger Road Rehabilitation (Brown Trail to Bedford Road)
- Pleasant Run Road Design (Shelton Drive to John McCain Road)
- Bedford Road Retaining Wall Replacement
- Pleasant Run Park Practice Fields

Staff will be seeking guidance from the City Council in regard to the projects.

Attachments

1. Capital Improvement Projects Presentation



2016 Capital Improvement Projects (CIP) Update

June 21, 2016 Pre Council

Background



Original CIP

- The draft proposed FY 2016-2020 CIP was presented during the June 18, 2015 budget worksession
- The final proposed FY 2016-2020 CIP was presented at the August 11, 2015 budget worksession
- The FY 2016-2020 CIP was presented and approved on September 15, 2015, by Resolution R-15-3907

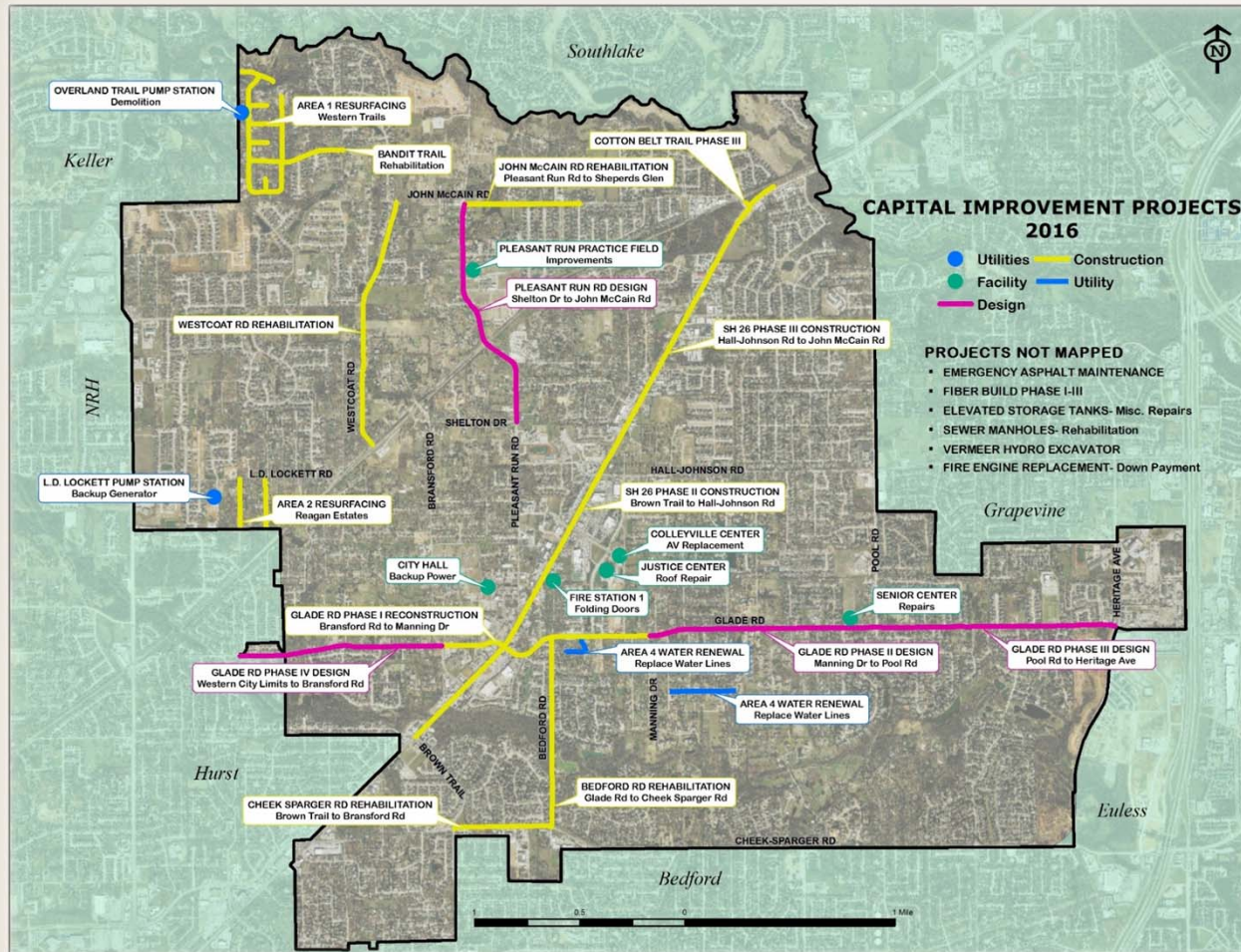
Revised CIP

- The FY 2016-2020 CIP was amended on January 5, 2016 by R-16-3950, this revision added additional projects including:
 - **Western Trails Subdivision Street Rehabilitation**
 - **Street Rehabilitation through Tarrant County Partnership**
 - Lowrie and Reagan Road (portions of which are located in unincorporated Tarrant County)
 - Bedford Road, from Glade Road to Cheek-Sparger Road
 - **Pleasant Run Practice Field Improvements**

2016 Projects



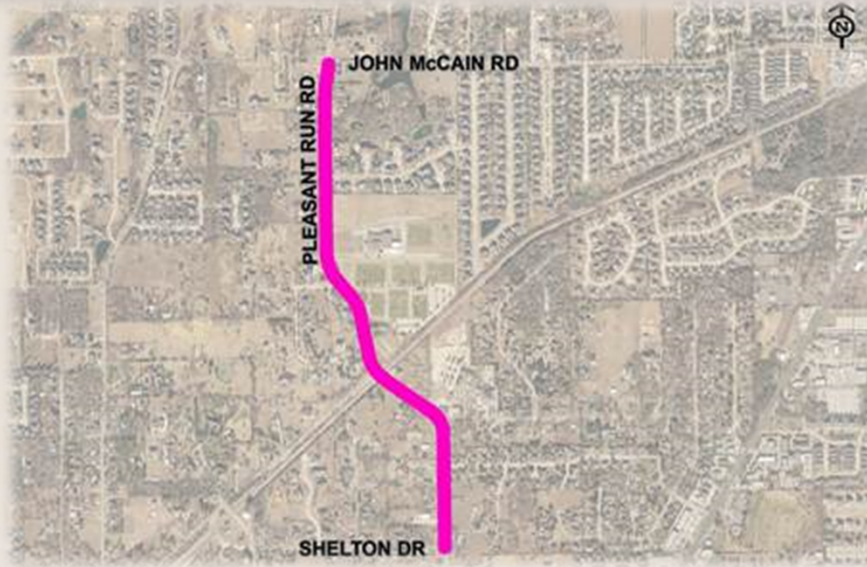
2016 CIP Projects



- 1 Western Trails Subdivision - Rehabilitation
- 2 Bedford Road (County project) - Rehabilitation
- 3 Lowrie and Reagan Road (County project) - Rehabilitation
- 4 Bandit Trail (County project) - Rehabilitation
- 5 Construct SH26 - Phase II and III
- 6 Westcoat - Rehabilitation
- 7 Glade Road Reconstruction (Phase 1 - Bransford to Manning)
- 8 Glade Road Design (Phase 2 - Manning to Pool)
- 9 Glade Road Design (Phase 3 - Pool to Heritage)
- 10 Glade Road Design (Phase 4 - West City Limits to Bransford Road)
- 11 John McCain (Pleasant Run Rd to Shepherds Glen) - Rehabilitation**
- 12 Cheek-Sparger Road (Brown Trail to Bedford Road) - Rehabilitation**
- 13 Pleasant Run Design (Shelton to John McCain)**
- 14 Water Project 4: New Waterlines in Sunrise Ter Subdivision
- 15 Water Project 7: Demolish Overland Trail Pump Station and Storage Tank
- 16 Water Project 9: Misc Repairs to Elevated Storage Tanks
- 17 WW Project 2: Rehabilitate Manholes Identified as poor
- 18 Construct New Trail 2016
- 19 Emergency Asphalt Maintenance
- 20 Fiber Build Phase 1-3
- 21 Pleasant Run Practice Field Improvements**
- 22 Colleyville Center AV Replacement
- 23 Justice Center - Roof Repair
- 24 Senior Center Repairs
- 25 City Hall - Backup Power
- 26 Backup Generator for Emergency Power at L.D. Lockett Pump Station
- 27 Folding Doors- Fire Station #1
- 28 Down-payment on Fire Engine replacement
- 29 Vermeer Hydro Excavator-2008 (886)

Pleasant Run Road Design

(Shelton Drive to John McCain Road)



Funding

- Project budget: \$140,000
- Current funding sources:
 - General Fund - \$140,000

Guidance Actions

- ***Staff would like to confirm the design parameters and the addition of the utility projects prior to bringing forward a professional services agreement for consideration***
- The design parameters are based on the direction received during the December 15, 2015 Pre Council meeting

Project Information

- This is a rehabilitation project that will address the street condition of Pleasant Run Road from Shelton Drive to John McCain Road and will also include a new 10' wide trail. The design parameters of the project were discussed during the December 15, 2015 Pre Council meeting and included rehabilitation of the existing roadway, a trail on the east side of the roadway, and consideration of a ribbon curb. The project design may also include the replacement of the waterline that is currently in the CIP to be replaced in 2020 (slated for design 2018, \$123,000) and replacement of the sewer line at the Pleasant Run Soccer Fields that is currently in the CIP to be replaced in 2018 (slated for design in 2017, \$26,000). If the water and sewer lines are designed in conjunction with the road project the associated design costs should be combined with the current funding. This would result in a total funding amount of **\$289,000**. Staff is currently working with a design consultant to develop the scope of services and the professional services agreement which will be brought forward for council consideration at a future meeting.

John McCain Road Rehabilitation

(Pleasant Run Road to Shepherds Glen)



Funding

- Project budget: \$662,222
- Current funding sources:
 - General Fund - \$662,222

Guidance Actions

- ***Staff is recommending that the project be combined with the future utility work to minimize the disruption to the area (this can be done during the preparation of the 2017 – 2021 CIP)***
- Some Council members have expressed an interest in expanding the limits of this project, which would require additional funding to be allocated

Project Information

- This project includes the rehabilitation of the existing John McCain roadway section from Pleasant Run Road to Shepherds Glen. This is approximately 2,900 linear feet. In preparation for this project it was identified that there are utility needs in the area. The waterline that runs parallel to the roadway is set to be designed in FY2018 and replaced in FY2020. In order to limit the disruption to the area and the possibility of damaging the new roadway surface with the future utility work, staff is proposing to perform the utility renewal in FY2017 and perform the street work immediately upon completion of the utility work.

Bedford Road Retaining Wall Replacement



Funding

- Project budget: \$350,163
- Current funding sources:
 - General Fund - \$350,163

Guidance Actions

- ***Staff will be recommending that additional funding be allocated to allow the project to progress to construction***
- Once the design has been completed staff will bring forward an update on the project, funding options, and options for the aesthetics of the wall for Council consideration

Project Information

- This project is to replace the existing railroad tie retaining wall is along the back of the curb of Bedford Road. The existing wall is in poor condition and has deteriorated to a point where it needs to be replaced. The wall ranges in height from 2 – 7 feet and is approximately 1,000 feet in length. The design for this project was initiated in FY2015 however, due to design complications it has not progressed to construction. There is also an effort to preserve as many trees as possible, as requested by the Saddlebrook neighborhood. Staff is working with a design consultant to finalize the design and construction could begin in the Fall of 2016. Due to the lack of structural stability in the native soil, additional testing is being performed. It is possible, due to the soil instability, the cost of installation of the new wall will significantly exceed the allocated funding. Replacement costs could be as high as \$870,000.

Cheek-Sparger Road Rehabilitation

(Brown Trail to Bedford Road)



Funding

- Project budget: \$750,000
- Current funding sources:
 - General Fund - \$750,000

Guidance Actions

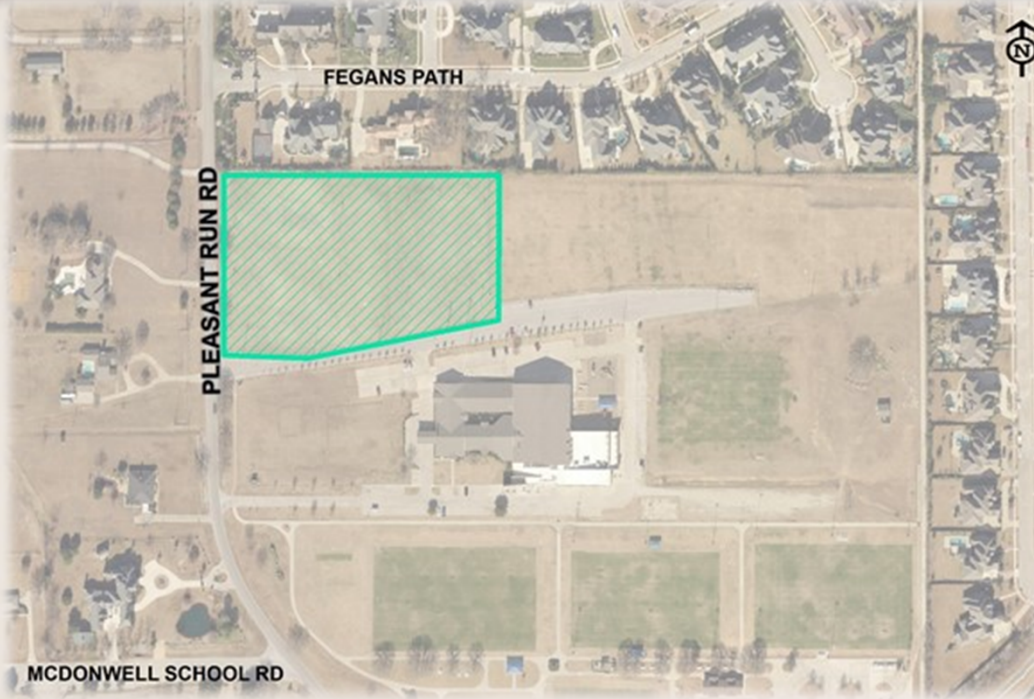
- ***Staff would like to confirm the scope of the project and discuss the funding shortfall prior to the project being placed out for bid***
- The scope of the project could be reduced to only address the pavement condition and be within the current funding allocation
- Additional funding would be needed to construct the project as designed

Project Information

- This project was originally a street rehabilitation project and was changed, per Council direction, to include curb and gutter and the associated drainage improvements. The design for the project has been completed. During the design process several issues were identified, including the existing storm drainage system not having sufficient capacity, the addition of curb and gutter, and the addition of sidewalk on the south side only. These were accommodated in the design phase and have resulted in a significant impact to the estimated cost of construction. The most recent cost estimate was over \$2.1 million which would require an additional \$1.4 million in funding.

Pleasant Run Soccer Fields

(Grading and Irrigation Improvements)



Funding

- Project budget: \$100,000
- Current funding sources:
 - Voluntary Park Fund - \$70,000
 - Colleyville Soccer Association - \$30,000

Guidance Actions

- ***Staff is reevaluating the bid package to separate the soil work from the irrigation work in order to gain more contractor interest and reduce the cost***
- Once the project has been rebid, staff will bring forward an update on the project

Project Information

- At the December 1, 2015, Pre Council meeting, staff brought forward plans for the improvement of approximately 4.5 acres of the soccer practice area at Pleasant Run Park. The proposed project includes dirt work to improve the drainage and playability of the fields in conjunction with the installation of an irrigation system and the establishment of new turf from seed. The proposed project does not include improvements to the lighting or existing chain link fence on the property. The project was placed out for bid and the City received a single bid on May 27, 2016 in the amount of \$301,124.44.

Questions and Discussion



City of Colleyville City Council Agenda Briefing

City Hall
100 Main Street
Colleyville, Texas 76034
www.colleyville.com

Agenda Number PC-4

Agenda Date 06/21/2016

Type Pre Council

Department Public Works

Title

Presentation on residential irrigation system evaluations

Strategy Map Connection

C2- Deliver high quality and unique customer service

Explanation

Councilmember Tammy Nakamura requested that staff review and present information about the W.I.S.E. (Water Irrigation System Evaluation) Guys residential program. This program is a water conservation effort that is available, free of charge, to residents of the City of Colleyville by the Tarrant Regional Water District.

The W.I.S.E. Guys residential program evaluates existing residential irrigation systems and makes recommendations for improvement to the performance of the system and to the scheduling of the controller to eliminate unnecessary waste.

Staff does not anticipate any additional costs or labor requirements associated with participation in the program and with City Council concurrence the program will be initiated and made available to the public.

Attachments

1. W.I.S.E. Guys Presentation

Residential Irrigation System Evaluation (*W.I.S.E. Guys Program*)

**Pre Council Meeting
June 21, 2016**

Irrigation System Evaluation



Irrigation System Evaluation

- This residential program is a water conservation service that is available at no cost to the residential property owners of the City of Colleyville
- This program evaluates existing residential irrigation systems and makes recommendations for improvements to the performance of the system and to the scheduling of the controller to eliminate unnecessary waste
- The program allows face-to-face education with the homeowner on efficient irrigation and proper controller scheduling
- This program is provided by the Tarrant Regional Water District (TRWD), it is managed by a third party (Vepo, LLC), and is called the W.I.S.E. (Water Irrigation System Evaluation) Guys program

W.I.S.E Guys



How does the W.I.S.E. Guys program work?

- A consumer will complete an online request
- If the irrigation system meets the requirements, the evaluation will be assigned to an independent professional contractor selected by W.I.S.E. Guys. The contractor will contact the consumer within seven days to schedule an evaluation
- The contractor will evaluate the irrigation system and make recommendations to the consumer for improvements to the performance and scheduling of the system to eliminate unnecessary waste

What are the requirements to be eligible for the evaluation?

- In order to meet the requirements for an evaluation an existing irrigation system must:
 - Be a residential system that is operational at the time of the request
 - The system must not be manually operated/activated
 - The homeowner should express an interest in water conservation
- If the system does not meet the minimum requirements, the consumer will be notified and a professional contractor will contact them within seven days to schedule an appointment to determine what repairs are necessary to upgrade the system to evaluation status

W.I.S.E Guys



Who will preform the evaluation?

- Each evaluation is assigned to an approved independent contractor selected by W.I.S.E Guys who is a Licensed Irrigator in the State of Texas and has attended the required training for the W.I.S.E. Guys program
- These professionals are trained in proper irrigation design and installation and are capable of evaluating, designing, repairing, and installing irrigation systems

What happens after the evaluation?

- The service is an evaluation only and the customer will be provided a report and a list of recommendations to improve the efficiency of their irrigation system
- The contractor can make the recommended adjustments to the system controller **only** if the customer allows such adjustments. The contractor is not allowed to perform any repairs to the system at the time of the initial evaluation
- The homeowner is under no obligation to hire the contractor to repair the problems found within their system, they can schedule the repairs at a later time with a contractor of their choice

Public Outreach

Public Outreach Methods

- City Website
- Colleyville E-News
- Water Bill Notice



THE OFFICIAL WEBSITE FOR THE CITY OF COLLEYVILLE, TEXAS

COLLEYVILLE Communicator

JULY ACTIVITIES

Super Tots-Hoopster Skills
Senior Center*
Mon., July 11-Aug. 29
Times vary by age
For details, call 817.503.1180

Summer Spa-Tacular
Public Library
Tue., July 12 & 26, 4:00 p.m.
For details, call 817.503.1155

Super Tots-Soccer Touch
Senior Center*
Wed., July 13-Aug. 31
Times vary by age
For details, call 817.503.1180

Big Top party
Public Library
Thu., July 14, 2:00 p.m.
For details, call 817.503.1154

Beginning Yoga
Senior Center*
Tue., July 26-Aug. 16, 5:30 p.m.
For details, call 817.503.1180

Step Right Up, Read! Finale
Public Library
Fri., July 29, 5:30 p.m.



SH 26 CONSTRUCTION EXPECTED TO START SOON

Construction on SH 26/Colleyville Boulevard is anticipated to start soon. Drivers are likely to see activity, especially pre-construction staging, as early as this summer. The Texas Department of Transportation (TxDOT) has named Jagoe-Public Company as the general contractor for the project. The Denton-based firm specializes in highway construction and reconstruction, and has done projects in cities throughout North Texas. SH 26/Colleyville Boulevard will be reconstructed as a six-lane roadway. The project's scope allows for reconstruction from south of John McCain Road (where Phase I construction ended) to Brown Trail, and includes realigning Tinker Road and Oak Pointe Drive into a single signalized intersection. Main Street and Thompson Terrace at SH 26 will be aligned as well. Once construction starts, TxDOT anticipates the project will take about two and a half years. During construction, four lanes of traffic are to be maintained at all times (with the exception of temporary lane closures during off-peak times). The project is expected to be built in multiple stages to allow crews to keep those four lanes open. Early in the project, there will be some initial construction on the east side of SH 26; however, the majority of the first phase will be to construct the outer western edge of the entire project. Then crews will place pavement, including some temporary pavement, in the future median area, which will allow all four travel lanes to be shifted to the western edge. Once that is accomplished, crews will place permanent pavement for future northbound lanes before constructing the center medians. Communication will be critical in keeping Colleyville residents and

...continued on back page



BUSINESS VISITORS GOVERNMENT DEPARTMENTS ABOUT US

Water Irrigation System Evaluations

The city has begun a free program for residential properties in Colleyville. The W.I.S.E. Guys Program is operated through a partnership with Vepo, LLC. The program has been designed to help homeowners evaluate the efficiency of their irrigation system and consider changes that may lower monthly water bills. At this time, the program is only available to residential properties.

Through the city's contract with Vepo, several licensed irrigators have been secured to perform a one-time evaluation of participants' irrigation systems for efficiency, **free to you**.



How It Works

Once you [sign up](#), you can expect the following:

- ▶ Receive an email from Vepo, LLC (W.I.S.E. Guys) confirming you have signed up for an evaluation.
- ▶ Receive a phone call or email from one of the licensed irrigators retained for the program. The irrigator will set up an appointment to evaluate your irrigation system. It is **HIGHLY RECOMMENDED** that you be present for the evaluation.
- ▶ Receive an email from Vepo, LLC (W.I.S.E. Guys) with all the information regarding your evaluation.

Why Participate?

A few years after installation all irrigation systems need a little TLC. Sprinkler heads can break or become ineffective, plant material grows to block spray patterns, or water pressure changes. In addition, there have been significant advancements in irrigation system technology that will increase the effectiveness of your system dramatically.

Colleyville E-News



City of Colleyville | 100 Main Street, Colleyville, Texas 76034 | 817-909-1000 | [Contact the city](#)

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Site by 360ideas.com
Employee Intranet

Requesting Service



How to request the service

- Staff has taken the initial steps for Colleyville to participate in the W.I.S.E. Guys program. Upon approval, staff will activate the link on the City of Colleyville website and citizens will then be able to take advantage of the program
- Residents will fill out an online request form then
 - Receive an email from the W.I.S.E. Guys confirming they have signed up for an evaluation
 - Receive a phone call or email from one of the licensed irrigators retained for the program to schedule an appointment to evaluate their irrigation system
 - Receive an email from W.I.S.E. Guys with detailed information regarding the evaluation

W.I.S.E. Guys Irrigation System Evaluation Program

Contact Name *

Address *
Include words such as Drive, Street, or Circle, or any of their associated abbreviations (e.g., Dr, St, Cir).

City *

State * Texas ▼

Zip Code *

Phone Number *

Alternate Phone

Email Address *

Verify Email Address *

Upon completion, all evaluation information is sent to the email address entered above. We cannot provide your evaluation information without a valid email address. Your evaluation information will come from the wiseguys@vepollc.com.

Email addresses are used for W.I.S.E. Guys information only.
[Click here to review our Privacy Statement.](#)

[Continue To Next Step](#)

Questions and Discussion



City of Colleyville City Council Agenda Briefing

City Hall
100 Main Street
Colleyville, Texas 76034
www.colleyville.com

Agenda Number PC-5

Agenda Date 06/21/2016

Type Pre Council

Department City Secretary

Title

Discussion of the June 21, 2016, City Council regular agenda items



City of Colleyville City Council Agenda Briefing

City Hall
100 Main Street
Colleyville, Texas 76034
www.colleyville.com

Agenda Number 1

Agenda Date 06/21/2016

Type Executive Session

Department City Secretary

Title

Section 551.071 - Legal - Consultation with attorney on legal issues raised by public hearing or action items on the agenda

Section 551.071 - Legal - Consultation with and legal briefing by the attorney regarding the Open Meetings Act and social media

Section 551.071 - Legal - Consultation with attorney on contemplated litigation (Camden Lock LLC)

Section 551.071 - Legal - Consultation with attorney regarding litigation - Lincoln et al v. City of Colleyville

Section 551.071 - Legal - Consultation with attorney regarding litigation - Jane Doe v. City of Colleyville

Section 551.072 - Real Estate - Deliberate the purchase, exchange, lease, or value of real property for City facilities

Section 551.087 - Economic Development - Discuss or deliberate regarding commercial or financial information that the City has received from business prospects that the City seeks to have locate, stay, or expand in the City and with which the City is conducting economic development negotiations; deliberate the offer of a financial or other incentive to a business prospect

Attachments

RESOLUTION R-16-4003

**A RESOLUTION APPROVING COUNCIL ACTION REGARDING
EXECUTIVE SESSION ITEMS AT THE
REGULAR CITY COUNCIL MEETING OF JUNE 21, 2016**

WHEREAS, following discussion in Executive Session, and in full accordance with the requirements of the Open Meetings Act, the City Council determines that the following action is in the best interests of the health, safety, and welfare of the public.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF COLLEYVILLE, TEXAS:

Sec. 1. THAT

AND IT IS SO RESOLVED.

APPROVED BY A VOTE OF ____ AYES, ____ NAYS, AND ____ ABSTENTIONS ON THIS THE 21ST DAY OF JUNE 2016.

Mayor Richard Newton	_____	Mayor Pro Tem Chris Putnam	_____
Place 1, Tammy Nakamura	_____	Place 5, Nancy Coplen	_____
Place 2, Bobby Lindamood	_____	Place 6, Mike Taylor	_____
Place 4, Jody Short	_____		

ATTEST:

CITY OF COLLEYVILLE

Amy Shelley, TRMC
City Secretary

Richard Newton
Mayor



City of Colleyville City Council Agenda Briefing

City Hall
100 Main Street
Colleyville, Texas 76034
www.colleyville.com

Agenda Number 3

Agenda Date 06/21/2016

Type Announcements, Proclamations, and Presentations

Department Economic Development

Title

In recognition of Colleyville's featured business -Braums, Kimberly Windham, General Manager, 4500 Colleyville Boulevard - Mayor Richard Newton and Economic Development Coordinator Carlie Dorshaw-Moe

Attachments

RESOLUTION R-16-4004

**A RESOLUTION APPROVING CITY COUNCIL ACTION UNDER
CONSENT ITEMS AT THE REGULAR CITY COUNCIL MEETING OF
JUNE 7, 2016**

WHEREAS, City Council has taken action on certain items on the agenda under Consent Items.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE
CITY OF COLLEYVILLE, TEXAS:**

- Sec. 1. THAT the agenda decisions approved by City Council action under Consent Items as follows are hereby adopted:
- a. Approval of the City Council worksession minutes on June 6, 2016
 - b. Approval of the minutes of the regular City Council meeting on June 7, 2016

AND IT IS SO RESOLVED.

APPROVED BY A VOTE OF ____ AYES, ____ NAYS, AND ____ ABSTENTIONS
ON THIS THE 21ST DAY OF JUNE 2016.

Mayor Richard Newton	_____	Mayor Pro Tem Chris Putnam	_____
Place 1, Tammy Nakamura	_____	Place 5, Nancy Coplen	_____
Place 2, Bobby Lindamood	_____	Place 6, Mike Taylor	_____
Place 4, Jody Short	_____		

ATTEST:

CITY OF COLLEYVILLE

Amy Shelley, TRMC
City Secretary

Richard Newton
Mayor



City of Colleyville

City Council Worksession

Minutes - Draft

City Hall
100 Main Street
Colleyville, Texas 76034
817. 503.1000
www.colleyville.com

Monday, June 6, 2016
6:30 p.m.

Executive Conference Room
Third Floor – City Hall

Mayor Richard Newton called the Colleyville City Council worksession to order on June 6, 2016, at 6:43 p.m.

ROLL CALL: Mayor Richard Newton, Mayor Pro Tem Chris Putnam, and Councilmembers Tammy Nakamura, Bobby Lindamood, Jody Short, Nancy Coplen and Mike Taylor

City Manager Jennifer Fadden, Deputy City Manager Chris Fuller, Assistant City Manager/Director of Public Safety Mike Holder, Communications and Marketing Director Mona Gandy, Chief Financial Officer Brian Hogan, Public Works Director Jeremy Hutt, Strategic Services Manager Adrienne Lothery, Information Systems Manager Chris Pena, and City Secretary Amy Shelley

2. PRESENTATION AND DISCUSSION

2a Colleyville City Council Priority Setting Worksession

David Eisenlohr facilitated the worksession and assisted the City Council with establishing priorities.

City Councilmembers made an expectations list/priorities for City Council: dialogue, trust building, transparency, common ground, staff understanding/policy direction, and teamwork.

Councilmember Coplen expressed the following as her priorities: reduce the tax rate; keep working on Glade Road; SH26; continue with the water projects (infrastructure); and, come up with a unique branding, such as Grapevine being the Christmas capitol.

Councilmember Nakamura expressed the following as her priorities: reduce the property tax; street repairs (more than just Glade Road); term limits; expand citizen committees; water rates; and define the comprehensive plan (density).

Councilmember Lindamood expressed the following as his priorities: water rates and look at the tiered structure; Glade Road; Master/Comp Plan (redefine the standards); Charter term limits; tax rate; CIP; and citizen input.

Councilmember Taylor expressed the following as his priorities: fiscal policy strength; SH26; Glade Road; 5 Year CIP; and public safety.

Councilmember Short expressed the following as his priorities: infrastructure development; community appearance and amenities (aesthetics of the City); public safety; opportunities for shared/regional cooperation; protecting neighborhoods; and promoting commercial development to broaden the tax base.

Mayor Pro Tem Putnam expressed the following as his priorities: evaluate opportunities to reduce the tax rate; water rate structure and better evaluation for vendor management and seek alternatives; comp plan (density calculations, definitions, transition areas, and Land Development Code impacts); Glade Road (set street prioritization); Charter term limits and an ethics policy; and fiscal responsibility (zero based budget approach to know where the underlying expense levels are).

Mayor Newton expressed the following as his priorities: comp plan (density, protect neighborhoods, quality standards); Land Development Code and ordinance revisions; SH26 (minimize impacts to business); CIP (other roads); Charter review of term limits and financial disclosure reports (City Manager and direct reports); water rate adjustments; and do more with the Senior Center land (to fit in with amenities).

Mayor Pro Tem Putnam asked staff if there is something City Council has not considered, in terms of importance relative to public safety and policy review. Assistant City Manager/Director of Public Safety Mike Holder replied the main issues would be staffing, ongoing compensation issues with smaller pools of applicants, should something be done with the facility, and body cameras.

Councilmember Short asked staff what percentage of the total budget is dedicated to public safety. City Manager Jennifer Fadden replied almost 50 percent of the General Fund. Assistant City Manager/Director of Public Safety Mike Holder added that on the fire side, it is not necessarily a policy issue, but we continue to see increases in emergency services.

Councilmember Lindamood asked staff how much was not spent on the streets that was budgeted. Strategic Services Manager Adrienne Lothery replied what might appear to be leftover funds has historically been budgeted from the General Fund's operating budget, but there are only 12 months to do the project before those funds begin to roll back to the fund balance, based on the fiscal calendar. She stated that because street projects can take longer than 12 months, at the end of that fiscal year, the money is set aside in the capital projects fund, because it is not an annual fund that has to be budgeted, it is more like a savings account; whereas, the General Fund is on a one year rolling basis and we do not want those dollars to disappear and not accomplish finishing those projects, whatever is not spent is set aside to continue paying those bills.

Mayor Newton asked staff about how budgeting is done if there is no capital improvement budget. Manager Lothery replied the project funds are programmed

to transfer on day one, knowing it will be set aside to pay the invoices for the projects.

Mayor Newton stated City Council wants to get into those budget structures to better understand it. Chief Financial Officer Brian Hogan stated what Manager Lothery explained is actually the cleanup process, instead of during it throughout the year as funds are expended, the funds are set aside at the beginning of the fiscal year, October 1.

Mr. Eisenlohr had placed each of the City Council priorities on a board for ranking, and each City Councilmember and Mayor placed a numbered dot (1-8) by each priority. The following chart details the priorities and the rankings.

Priority	Rank
Comp plan improvement (clarify)	1
Water rate restructuring	2
Street Capital Improvement Program	3
Glade Road	4
Property tax relief	5
Fiscal stewardship (umbrella idea, do all of these priorities with an eye toward stewardship)	6
SH26 project management and impacts	7 (tie)
Charter revisions	7 (tie)

Mr. Eisenlohr asked City Manager Jennifer Fadden if these rankings align with her thoughts. City Manager Jennifer Fadden replied yes.

Mayor Newton stated more budget worksessions need to be scheduled, at least two more, to study the details and have questions answered.

Councilmember Lindamood asked Mayor Newton how Glade Road receives TIF funding. Mayor Newton replied the TIF district boundary was changed in 2012 to include Glade Road. Councilmember Lindamood asked Mayor Newton who approved the amendment. Mayor Newton replied City Council.

Councilmember Lindamood asked Mayor Newton if other roads qualify for TIF funding. Mayor Newton replied it is a thought that can be explored.

Mr. Eisenlohr asked City Council the following questions:

- Having identified and ranked the City Council's policy priorities, what are the immediate action steps needed to be taken to advance those priorities?
- Are there any key administrative hurdles / obstacles that will have to be addressed?

Councilmember Nakamura stated she would like to go through a budget process first before action plans are set.

Councilmember Coplen stated there is a key staff position vacant in Community Development which hinders the advancement of the comp plan update. She stated she too would like to go through the 2017 budget process, and then set action steps; and get administrative guidance for hurdles before setting action steps; understand the impacts on staff.

Mayor Newton stated he would like a red line of the comp plan; review PUD ordinance and the Land Development Code; make recommendations for a more robust straight zoning; interim water rate recommendation (water rate study leading to the new water rate by December 2016); Glade Road Phase 1 right-of-way acquisition plan to City Council; Glade Road Phases 2, 3, and 4 review with the focus on right-of-way acquisition options (currently at basic design, but will need one step beyond); and establish Charter revision process and timeline (worksession item).

Councilmember Short asked Mayor Newton if there is a process for a Charter revision. Mayor Newton replied the process is to put revisions to a vote, as has been done in the past. He stated the question to consider is at what election date, November or May; if November, the timeline will move quickly.

Councilmember Taylor asked Mayor Newton if he is considering a full Charter review. Mayor Newton replied it depends, he only has a couple of items to review, and the city manager has a few items as well. He stated the two items are term limits and financial disclosure.

Councilmember Taylor asked Mayor Newton if the financial disclosure item could be accomplished through the passing of an ordinance. Mayor Newton replied it could be done that way; however, not for term limits.

Councilmember Taylor asked Mayor Newton if the capacity of staff has been considered given the action list. Mayor Newton replied yes, but the city manager has stated City Council should not worry about the resources, to some degree.

Councilmember Short suggested compiling the existing citizen comments on the comp plan changes. City Manager Jennifer Fadden stated not having any other input to that effect, and asked for City Council to provide her with any input they have been given. Councilmember Lindamood suggested having a workshop with citizens.

Mayor Pro Tem Putnam suggested having a Council level workshop for needed comp plan changes which will provide better guidance to staff. Councilmember Taylor and Coplen agreed. Mayor Pro Tem Putnam added Land Development Code updates and define transition areas more explicitly.

Mr. Eisenlohr wrote the following on a chart:

1	Complete 2017 budget process – resource and staff implications
2	Receive administrative guidance on policy changes; impact on staff
3	Redline of comp plan – review PUD ord; review LDC; recommend more robust straight zoning
4	Review interim water rate recommendation
5	New water rate study/ New rate by Dec. 2016
6	Glade Road Phase 1 ROW acquisition plan to Council
7	Glade Road Phases 2, 3, 4, staff presentations w/ options and ROW acquisition requirements
8	Establish charter revisions process and timeline (worksession item)
9	Compile citizen comments on comp plan changes
10	Convene Council level workshop on needed comp plan changes – redline intent
11	Line item review of the proposed budget by City Council

Mayor Newton stated items 3, 9, and 10 are all the same. Councilmember Coplen agreed.

Mayor Newton asked Councilmember Coplen about how the budget process impacts the other steps. Councilmember Coplen replied it could affect the street CIP, water rate structure, fiscal stewardship, and property tax rates.

Mayor Pro Tem Putnam stated a review of the CIP will help us to better understand the timing of what is currently in it through the budget process to know what the options are. City Manager Jennifer Fadden explained typically that would be part of what is covered during the budget process and we could do that sooner, but we are currently in the budget process.

Mayor Newton stated City Council needs to consider two additional budget worksessions. City Manager Jennifer Fadden explained there are two currently scheduled for August 9 and 16. Mayor Newton stated he would like one before August 9 and one after August 16, and it is on the agenda to discuss tomorrow. City Manager Jennifer Fadden stated there is general agreement to do a line item review of the budget, and that will take more time than just one evening worksession.

Councilmember Taylor asked City Council if they want to micromanage the budget. Councilmembers replied no. Mayor Pro Tem Putnam stated the previous City Council had lots of experience with the budget, and now a forensic look at the budget will provide a deeper look to provide insight to better understand everything. He added he would like to see the associated department details used to compile the budget, not just the summary level.

Mayor Pro Tem Putnam asked staff if there is a way for staff to share with City Council how they manage it today, like templates. City Manager Jennifer Fadden replied yes and she will share it with them. Councilmember Taylor added it will be beneficial to the new Councilmembers to see the silos in which the funds are in, so that they understand how things can or cannot be moved. Mayor Pro Tem Putnam stated he would like a few examples.

Councilmember Lindamood concurred, and stated it would be very helpful to him. Mayor Pro Tem Putnam stated maybe the next level of detail would be good. City Manager Jennifer Fadden stated the police department overview provided this evening was something we tried to accomplish with this detail. Councilmembers stated there were no numbers for them to see in the details.

Councilmember Lindamood stated he would like to see the actual money committed for future projects, ready to go, in the CIP, whatever bids have been let out, he would like to see that information. City Manager Jennifer Fadden replied staff would provide the information.

Councilmember Taylor asked staff if all of the budget documents are on the website. City Manager Jennifer Fadden replied yes, the ones that exist, others

have to be created. She stated there is a financial transparency page, and staff is in the process of rebuilding the website.

Mayor Pro Tem Putnam stated there have been some pretty big issues, but Council has left a lot of guess work, and filling in the blanks for staff. He stated he believes Council needs to be more prescriptive for staff, and if that means more discussions have to take place to grind it out more, then that is what needs to take place. He stated staff should not have to guess about Council's interpretation. He added we should leave meetings giving very clear direction. Councilmember Coplen concurred.

Mayor Newton agreed and stated City Council should be as clear as possible, and the city manager should let City Council know when she has not been given clear direction.

Councilmember Short agreed, and added as we do provide that greater level of clarity, City Council should be reasonable and realistic. Mayor Newton agreed.

Councilmembers expressed their appreciation to Mr. Eisenlohr for his work.

3. ADJOURNMENT

There being no further business before the City Council, Mayor Newton adjourned the worksession at 9:34 p.m.

APPROVED BY A VOTE OF _ AYES, _ NAYS, AND _ ABSTENTIONS ON THIS THE 21ST DAY OF JUNE 2016.

Minutes taken and prepared by:

Amy Shelley, TRMC
City Secretary



City of Colleyville City Council Minutes - Draft

City Hall
100 Main Street
Colleyville, Texas 76034
817. 503.1000
www.colleyville.com

Tuesday, June 7, 2016

City Council Chambers

Mayor Richard Newton called the Pre Council meeting of the Colleyville City Council to order on June 7, 2016, at 5:30 p.m.

ROLL CALL: Mayor Richard Newton, Mayor Pro Tem Chris Putnam, and Councilmembers Tammy Nakamura, Bobby Lindamood, Jody Short, Nancy Coplen and Mike Taylor

City Manager Jennifer Fadden, Deputy City Manager Chris Fuller, Assistant City Manager/Director of Public Safety Mike Holder, Fire Chief Brian Riley, Assistant Police Chief Robert Hinton, Communications and Marketing Director Mona Gandy, Chief Financial Officer Brian Hogan, Human Resources Director Rachel Huitt, Public Works Director Jeremy Hutt, Recreation and Library Director Mary Rodne, Colleyville Center Manager Leslie Hill, Finance Manager Karen Hines, Parks Manager Heather Dowell, SH26 Coordinator James Hubbard, Strategic Services Manager Adrienne Lothery, Information Systems Manager Chris Pena, City Attorney Matthew Boyle, and City Secretary Amy Shelley

CITY COUNCIL PORTRAIT SITTING - 4:45 P.M.

PC-1 Presentation and discussion of a refunding opportunity of a portion of the City's debt supported by ad valorem taxes and TIRZ revenue

Chief Financial Officer Brian Hogan introduced Jim Sabonis, First Southwest, who presented this item and answered questions of the City Council.

Mayor Newton asked Mr. Sabonis if Colleyville if the expense of doing this is built into the savings. Mr. Sabonis replied yes.

Councilmember Taylor stated this is exciting, and he stated being on board with the recommendations. Mayor Newton agreed.

PC-2 Discussion of Water Rates

Chief Financial Officer Brian Hogan presented this item and briefed City Council.

Mayor Newton asked staff if the \$7.67 of the base rate of Colleyville's operating expenses is really backed into when calculating the base rate; the number is not actually based on computing the actual expenses. Chief Financial Officer Brian Hogan replied yes.

Mayor Newton asked staff if the wastewater bill received every month is based on the winter average. Chief Financial Officer Brian Hogan replied yes.

Mayor Pro Tem Putnam asked staff if \$8.23 is for the treatment of wastewater, and \$13.44 is literally debt service (proportionate share of debt service costs divided by number of sewer customers). Chief Financial Officer Brian Hogan replied yes, and he stated staff took how much is charged for wastewater treatment divided by how much wastewater was run through TRA meters, in other words, how much consumption we had. He added the same thing was done for the debt service piece. City Manager Jennifer Fadden added that is not how we are charged, but to show a per gallon average bill cost, that is what those figures represent. Chief Financial Officer Brian Hogan added the bills do not reflect a per gallon charge.

Mayor Pro Tem Putnam stated it is optically shocking to see that we are paying a third more for debt services.

Mayor Newton asked staff if that debt is just for the wastewater side. Chief Financial Officer Brian Hogan replied yes.

Councilmember Short asked staff what is done with the debt. Chief Financial Officer Brian Hogan replied they are having to increase the capacity at the plant.

Councilmember Lindamood asked staff how long Colleyville has been paying the debt. City Manager Jennifer Fadden replied she would have to get the date for him, and added the debt service has increased in recent years.

Councilmember Lindamood asked staff if anyone from the City can sit on the TRA board. Chief Financial Officer Brian Hogan replied staff is going to start going to those advisory board meetings to represent the City. He added he would share the information with City Council.

Councilmember Nakamura asked staff if this is the first time Colleyville has had representatives there. Chief Financial Officer Brian Hogan replied Colleyville has had representatives there all along, the prior CFO and the prior public works director. City Manager Jennifer Fadden added, for clarification, it is not the governing board for TRA, staff attends the advisory board meetings. She stated the governing board for TRA is appointed by the governor.

Councilmember Short asked staff when there is a need for TRA to expand, such as a water treatment plant, are they able to accumulate cash to pay for it, or is debt the way they have to go. Chief Financial Officer Brian Hogan replied he believes debt is the way they have to go, given their debt situation cannot be met with cash alone. He added TRA is rated AA, whereas Colleyville is AAA rated.

Councilmember Lindamood asked staff if we are bound contractually, as long as there is debt, and we have to buy from them. Chief Financial Officer Brian Hogan replied staff has questioned that with member cities and TRA, asking what would happen if Colleyville left, but the contract states Colleyville has to stay until the debt is paid off. Mayor Newton stated we are not bound to take 100 percent of the water from TRA. Chief Financial Officer Brian Hogan stated he does not know that for certain however, contractually there is language relative to an emergency situation, whereby Colleyville could connect to North Richland Hills, but he is not sure of what constitutes an emergency.

Mayor Pro Tem Putnam stated we obligated ourselves contractually, but we have no influence on how TRA does their business or how much debt they accumulate. Chief Financial Officer Brian Hogan concurred and stated other than staff attending the advisory board meetings to serve as representatives to provide City Council with answers to their questions.

Councilmember Coplen asked staff if some of the higher tiered uses have been schools or commercial. Chief Financial Officer Brian Hogan replied yes, but there were also many residential and irrigation meters.

Councilmember Short asked staff if the overall average would come down about \$30 with a \$4.36 flat rate. Chief Financial Officer Brian Hogan replied yes, in the fourth quartile customers (highest usage).

Mayor Pro Tem Putnam asked if the interim rate could be a hybrid approach. Chief Financial Officer Brian Hogan replied yes.

Mayor Pro Putnam asked about the online payment vendor. Chief Financial Officer Brian Hogan replied Paymentus is the vendor for online payments.

Councilmember Lindamood asked staff how much revenue is made from late payments for the year. City Manager Jennifer Fadden replied she would have to check and get back with him.

Councilmember Nakamura asked staff if this will be on the website. Chief Financial Officer Brian Hogan replied yes, it will be an outside vendor, but it will be seamless for the customer.

Councilmember Nakamura asked staff if there is a monthly service fee. Chief Financial Officer Brian Hogan yes, but the details are not known yet, as we have signed an agreement two years ago for development costs; however, nothing is set until we go live.

Councilmember Lindamood asked staff if the customer can be charged for those fees. Chief Financial Officer Brian Hogan replied we can, but it will be capped with all customers, similar to the credit card fee percentage.

Councilmember Nakamura asked staff if the fee is per transaction. Chief Financial Officer Brian Hogan yes.

Mayor Newton stated the question now becomes how we do this on the short term, the rest of this fiscal year, and then the long term issue done within the budget process. He stated he recommended the need for the rate study to help in this decision making process. He stated it will cost about \$35,000 to accomplish the rate study to figure out what needs to be done. He stated it will be like a flat tax approach to help those out who use more water, but there is no conservation component built into this. He stated if this is implemented, for the rest of this fiscal year, the General Fund will be down \$678,000 in revenue. He suggested making adjustments to the capital projects list to make up this difference, as to not mess with the CEDC budget, and have the city manager accomplish the adjustments through the General Fund.

Mayor Newton stated being a proponent of making this rate adjustment now, and then he asked City Council about their thoughts.

Mayor Pro Tem Putnam stated being in the same place, as this is a significant problem. He stated there are a lot of things to discuss while doing the rate study, and contemplate a different rate structure. He stated options, related to vendor management, need to be evaluated. He stated in the meantime it helps people out now, and he would like for staff to help City Council understand the lower capital projects so that those can be removed first.

Councilmember Nakamura asked Mayor Newton if this will eliminate the tiered rate. Mayor Newton replied yes.

Councilmember Lindamood agreed, and stated we should not penalize the residents for having and investing in the larger lots. He added the flat rate is the best way to go, or in the future do a different tiered structure.

Councilmember Coplen stated she would like to better understand the implications this may have on Colleyville's credit rating. Mayor Newton stated he does not understand why there would be any implications to the Utility Fund. Chief Financial Officer Brian Hogan stated it is complex, and this action alone would not affect the credit rating of the City. The ratings agencies are more concerned with the willingness of the City Council to set appropriate rates and the rate structure consistency.

Mayor Newton stated the intent of the study is to know the costs so that we can better cover costs.

Councilmember Nakamura asked staff if this consultant specializes in doing these studies, because we do not have the expertise, and this is their primary business. Chief Financial Officer Brian Hogan replied yes.

Councilmember Short stated he is looking forward to the study results because when the tier structure was implemented, the watering restrictions existed, and now they do not. He stated he had some concerns about current system. He stated he hopes the rate study will encourage watering restrictions. He added on the long term, deferring maintenance concerns him just to do a short term feel good, and do the flattening of the tiers in a revenue neutral manner.

Councilmember Coplen asked Councilmember Short what the revenue neutral manner would look like. Councilmember Short replied it would be good if the tiers could be flattened and not impact the revenues to have zero impact would be more appealing to him.

Councilmember Lindamood stated currently the one acre lots are in the top tiers, but later there could be a flat rate, up to a certain amount, to help flatten the tiers, and the rate study may show this.

Mayor Newton stated he would like to have an ordinance on the next City Council agenda.

Councilmember Coplen stated she agreed with Councilmember Short and added she does not want us to fall behind on the CIP projects, especially the water projects.

Councilmember Taylor stated he does not support this.

City Manager Jennifer Fadden stated staff will need to give direction to the consultant relative to the flattened rate or a modified tiered rate structure, if City Council is open to that option. Mayor Newton stated no to tiered rate structure based on what he knows now, especially because the large lots are penalized heavily.

PC-3 Discussion of setting City Council worksession dates

City Manager Jennifer Fadden explained City Council's desires for additional budget worksessions, and presented proposed dates for upcoming worksessions.

Councilmember Taylor asked staff if any of the worksession items could be discussed during an upcoming regular Pre Council meeting. City Manager Jennifer Fadden replied she did not believe so, especially between now and August.

Mayor and City Councilmembers explained the dates they are not available, and asked the city manager to target worksession dates around those schedules. City Manager Jennifer Fadden stated she would look at the remaining dates, and will send all an email with the proposed worksession schedule.

PC-4 Discussion of the City Council Rules of Procedure

This item was moved to the July 12, 2016 Pre Council Agenda.

PC-5 Discussion of the June 7, 2016, City Council regular agenda items

There was no discussion of this item.

Mayor Newton adjourned the Pre Council meeting at 6:54 p.m.

The regular meeting of the Colleyville City Council was called to order by Mayor Newton at 7:31 p.m.

ROLL CALL: Mayor Richard Newton, Mayor Pro Tem Chris Putnam, and Councilmembers Tammy Nakamura, Bobby Lindamood, Jody Short, Nancy Coplen and Mike Taylor

City Manager Jennifer Fadden, Deputy City Manager Chris Fuller, Assistant City Manager/Director of Public Safety Mike Holder, Fire Chief Brian Riley, Assistant Police Chief Robert Hinton, Communications and Marketing Director Mona Gandy, Chief Financial Officer Brian Hogan, Public Works Director Jeremy Hutt, Parks Manager Heather Dowell, SH26 Coordinator James Hubbard, Strategic Services Manager Adrienne Lothery, Information Systems Manager Chris Pena, City Attorney Matthew Boyle, and City Secretary Amy Shelley

1. EXECUTIVE SESSION - In accordance with Texas Government Code, Chapter 551, Subchapter D

Section 551.071 - Legal - Consultation with attorney on legal issues raised by public hearing or action items on the agenda

Section 551.071 - Legal - Consultation with and legal briefing by the City Attorney regarding the Open Meetings Act

Section 551.071 - Legal - Consultation with attorney on contemplated litigation (Camden Lock LLC)

Section 551.071 - Legal - Consultation with attorney regarding litigation - Lincoln et al v. City of Colleyville

Section 551.071 - Legal - Consultation with attorney regarding litigation - Jane Doe v. City of Colleyville

Section 551.072 - Real Estate - Deliberate the purchase, exchange, lease, or value of real property for City facilities

Section 551.076 - Deliberate security, personnel, devices, and audits

Section 551.087 – Economic Development - Discuss or deliberate regarding commercial or financial information that the City has received from business prospects that the City seeks to have locate, stay, or expand in the City and with which the City is conducting economic development negotiations; deliberate the offer of a financial or other incentive to a business prospect

Mayor Newton explained the Executive Session had been called in accordance with the Texas Government Code, Chapter 551, Subchapter D, Section 551.071, Legal, Section 551.072, Real Estate, Section 551.076 Deliberate Security, and Section 551.087, Economic Development. He further explained there would be no decisions made or action taken during this time. The meeting was recessed at 6:55 p.m.

**INVOCATION: Bishop Aaron Amacher
Church of Jesus Christ of Latter Day Saints - Colleyville**

PLEDGE OF ALLEGIANCE: City Attorney Matthew Boyle

2. EXECUTIVE SESSION READING AND PUBLIC HEARING: CONSIDER AND TAKE ANY ACTION(S) NECESSARY RELATIVE TO ITEMS DISCUSSED IN EXECUTIVE SESSION - RESOLUTION R-16-3995

This resolution was not needed.

3. ANNOUNCEMENTS, PROCLAMATIONS, AND PRESENTATIONS
Announcements of civic and charitable events
Presentation of calendar events and updates
Announcements of awards and recognition

Proclamation recognizing the Colleyville Lacrosse Boys Varsity Team - Coach Darrell Barabash, Mayor Richard Newton, and Councilmembers Jody Short and Nancy Coplen

Mayor Newton recognized the Colleyville Lacrosse Boys Varsity Team for winning the Texas High School Lacrosse League Division II State Championship. Coach Barabash expressed his appreciation for the recognition.

4. CONSENT: READING AND PUBLIC HEARING- Resolution R-16-3996

4a Approval of the minutes of the Special City Council meeting on May 17, 2016

4b Approval of the minutes of the regular City Council meeting on May 17, 2016

Mayor Newton read Resolution R-16-3996 in its entirety.

Mayor Newton opened the public hearing at 7:42 p.m.

There was no one present wishing to speak and Mayor Newton closed the public hearing at 7:42 p.m.

Mayor Pro Tem Putnam made a motion to approve Resolution R-16-3996. Councilmember Coplen seconded the motion.

The motion carried with the following vote:

Aye: 7 – Mayor Richard Newton, Mayor Pro Tem Chris Putnam, and Councilmembers Tammy Nakamura, Bobby Lindamood, Jody Short, Nancy Coplen and Mike Taylor

5. ORDINANCE(S): SECOND READING AND PUBLIC HEARING

5a Ordinance O-16-1979

Approving a negotiated settlement between the Atmos Cities Steering Committee and Atmos Energy Corp., Mid-Tex Division, regarding the Company's 2016 Rate Review Mechanism Filing and adopting tariffs that reflect rate adjustments consistent with the negotiated settlement

Mayor Newton read the caption of Ordinance O-16-1979.

Strategic Services Manager Adrienne Lothery presented the item and briefed the City Council. Chris Felan, Vice President of Rates and Regulatory Affairs for the Mid-Tex Division, Atmos Energy.

Mayor Newton asked staff about the franchise fee the City charges, and if it is billed back to the citizens. Manager Lothery replied it does include the sales tax and the franchise fee.

Councilmember Lindamood asked Mr. Felan why Atmos waits to provide the information so close to when City Council has to make a decision on rate changes, or if it is just for this time. Mr. Felan replied the typical cycle for filing is around March 1st, no later, so that the consultants can review the filings, and once a settlement has been reached, the settlement is brought to the cities to act upon those rates. He stated we correspond with the cities and can answer questions directly in addition to the consultants.

Mayor Newton asked Mr. Felan if the 2013 agreement refers to the Rate Review Mechanism (RRM) process. Mr. Felan replied correct.

Mayor Newton opened the public hearing at 7:50 p.m.

There was no one present wishing to speak and Mayor Newton closed the public hearing at 7:50 p.m.

Councilmember Short made a motion to approve Ordinance O-16-1979. Councilmember Taylor seconded the motion.

The motion carried with the following vote:

Aye: 7 – Mayor Richard Newton, Mayor Pro Tem Chris Putnam, and Councilmembers Tammy Nakamura, Bobby Lindamood, Jody Short, Nancy Coplen and Mike Taylor

6. RESOLUTION(S): READING AND PUBLIC HEARING

6a Resolution R-16-3997

A resolution appointing a member to the Audit Committee

Mayor Newton read Resolution R-16-3997 in its entirety. Mayor Newton stated the resolution needed to be modified to reflect the appointment being made until August rather than concurrent with City Councilmember terms.

Mayor Pro Tem Putnam asked Mayor Newton if the appointment would be through August. Mayor Newton replied yes.

Councilmember Short asked staff when the audit would be done. City Manager Jennifer Fadden replied immediately following the end of the fiscal year being October 1, and the audit is typically completed and ready for review the first quarter of the calendar year.

Councilmember Short asked Mayor Newton if the committee needs to be in place by the first of the year. Mayor Newton replied by the first of August to follow the process.

Mayor Pro Tem Putnam stated the Audit Committee also reviews quarterly financials even when not looking at the audit.

Mayor Newton opened the public hearing at 7:55 p.m.

There was no one present wishing to speak and Mayor Newton closed the public hearing at 7:55 p.m.

Councilmember Lindamood made a motion to approve Resolution R-16-3997 appointing Councilmember Nakamura to the Audit Committee with a term ending in August. Mayor Pro Tem Putnam seconded the motion.

The motion to approve carried by the following vote:

Aye: 7 – Mayor Richard Newton, Mayor Pro Tem Chris Putnam, and Councilmembers Tammy Nakamura, Bobby Lindamood, Jody Short, Nancy Coplen and Mike Taylor

6b Resolution R-16-3998

A resolution appointing Councilmembers to the Colleyville Economic Development Corporation (CEDC) Board of Directors

Mayor Newton read Resolution R-16-3998 in its entirety and stated the resolution should read for “a term of two years” rather than “a term concurrent with the term on the City Council,” and City Council will be filling four positions as Councilmember Taylor has served two years.

Councilmember Taylor stated he believed he had been appointed last year; therefore, the term would be until 2017. Mayor Newton stated he was using the information provided by the City Secretary’s office, but that he would be using the caveat stating the City Council can at will change the members of this committee.

Councilmember Taylor asked Mayor Newton if that was the caveat he would be operating under. Mayor Newton explained he assumed the two year term, and that City Council can change the membership at will is true too.

Mayor Newton opened the public hearing at 8:02 p.m.

There was no one present wishing to speak and Mayor Newton closed the public hearing at 8:02 p.m.

Mayor Newton made a motion to approve Resolution R-16-3998 appointing Councilmembers Nakamura, Lindamood, Putnam, and himself to the Colleyville Economic Development Corporation Board of Directors with a term of two years. Mayor Pro Tem Putnam seconded the motion.

The motion to approve carried by the following vote:

Aye: 4 – Mayor Richard Newton, Mayor Pro Tem Chris Putnam, and Councilmembers Tammy Nakamura, and Bobby Lindamood

Nay: 3 – Councilmembers Jody Short, Nancy Coplen, and Mike Taylor

6c Resolution R-16-3999

A resolution appointing members to the Tax Increment Financing (TIF) District Board to fill unexpired terms

Mayor Newton read Resolution R-16-3999 in its entirety.

Mayor Newton opened the public hearing at 8:05 p.m.

There was no one present wishing to speak and Mayor Newton closed the public hearing at 8:05 p.m.

Mayor Pro Tem Putnam made a motion to approve Resolution R-16-3999 appointing Councilmembers Nakamura, Lindamood, and Mayor Newton (as Chair) to the Tax Increment Financing District Board of Directors with a term expiring December 2016. Councilmember Lindamood seconded the motion.

The motion to approve carried by the following vote:

Aye: 7 – Mayor Richard Newton, Mayor Pro Tem Chris Putnam, and Councilmembers Tammy Nakamura, Bobby Lindamood, Jody Short, Nancy Coplen and Mike Taylor

6d Resolution R-16-4000

Appointing the Mayor and two Colleyville City Councilmembers to the Municipal Judge Review and Selection Committee

Mayor Newton read Resolution R-16-4000 in its entirety.

Mayor Newton opened the public hearing at 8:07 p.m.

There was no one present wishing to speak and Mayor Newton closed the public hearing at 8:07 p.m.

Councilmember Lindamood made a motion to approve Resolution R-16-4000 appointing Mayor Richard Newton and Councilmembers Lindamood and Nakamura to the Municipal Judge Review and Selection Committee to a term of April 2018. Mayor Newton seconded the motion.

The motion to approve carried by the following vote:

Aye: 7 – Mayor Richard Newton, Mayor Pro Tem Chris Putnam, and Councilmembers Tammy Nakamura, Bobby Lindamood, Jody Short, Nancy Coplen and Mike Taylor

6e Resolution R-16-4001

Approval of changing the date of the November 2, 2016 regular City Council meeting

Mayor Newton read Resolution R-16-4001 in its entirety.

Mayor Newton opened the public hearing at 8:10 p.m.

There was no one present wishing to speak and Mayor Newton closed the public hearing at 8:10 p.m.

Councilmember Taylor made a motion to approve Resolution R-16-4001. Councilmember Lindamood seconded the motion.

The motion carried with the following vote:

Aye: 7 – Mayor Richard Newton, Mayor Pro Tem Chris Putnam, and Councilmembers Tammy Nakamura, Bobby Lindamood, Jody Short, Nancy Coplen and Mike Taylor

7. CITIZEN COMMENTS/PRESENTATIONS REGARDING ITEMS NOT ON THE AGENDA

Kathy Hadley, 204 Timberline Drive North, spoke about the high water rates for larger lots, stating those property owners should not have high water bills because they have wells. She also stated having a concern about her high water bill, even though there are less people living in her home.

8. ACTION/RESOLUTION: DISCUSSION AND CONSIDERATION OF A RESOLUTION RATIFYING COUNCIL AGENDA ACTION FOR JUNE 7, 2016 - READING AND PUBLIC HEARING - RESOLUTION R-16-4002

This resolution was not needed.

9. ADJOURNMENT

There being no further business before the City Council, Councilmember Lindamood made a motion to adjourn. Councilmember Nakamura seconded. Adjournment approved by acclamation.

Mayor Newton adjourned the City Council meeting at 8:13 p.m.

Mayor Newton reconvened the Executive Session at 8:21 p.m. There were no decisions made or action taken during this time. The meeting was adjourned at 9:37 p.m.

APPROVED BY A VOTE OF _ AYES, _ NAYS, AND _ ABSTENTIONS ON THIS THE _____ DAY OF _____ 2016.

Minutes taken and prepared by:

*Amy Shelley, TRMC
City Secretary*



City of Colleyville City Council Agenda Briefing

City Hall
100 Main Street
Colleyville, Texas 76034
www.colleyville.com

Agenda Number 5a

Agenda Date 06/21/2016

Number Ordinance O-16-1980

Type Ordinance

Department Police

Title

Approval of the Fiscal Year 2017 (FY 2017) Colleyville Crime Control and Prevention District budget

Strategy Map Connection

C5- Achieve the highest standards of safety & security

F3- Forecast needs and plan for the future, balancing priorities with resources

F4- Adhere to the City's financial and budgetary policies

Explanation

First Reading and Public Hearing

In accordance with the Local Government Code, the Colleyville Crime Control and Prevention District (CCCPD) annual budget must be approved by the CCCPD Board at least 80 days before the start of the fiscal year. Not later than the 10th day after the date the budget is adopted, the Board shall submit the budget to the governing body of the political subdivision that created the district. In order to comply with this requirement, the City Council will consider and hold a public hearing on the proposed FY 2017 CCCPD budget on June 21, 2016. Second reading of the ordinance and adoption by the City Council is scheduled for July 12, 2016, to comply with the requirement that the governing body approve or reject the budget submitted by the board at least 30 days before the fiscal year begins.

Staff has proposed the attached FY 2017 budget for consideration and approval by the CCCPD Board at their June 21, 2016 meeting, and is now seeking City Council approval of the proposed expenditures.

The FY 2017 CCCPD budget was discussed at the June 6, 2016 CCCPD Board Worksession. At that time, staff presented a complete FY 2017 budget proposal and five-year forecast that meets the needs of the Colleyville Police Department and the community. The only change reflected in the attached FY 2017 proposed CCCPD budget is the addition of one police officer moved over from the General Fund.

Financial Impact

The attached proposed budget provides estimated fund balances and revenues, as well as a detailed list of proposed expenditures.

Recommendation

Approve

Attachments

1. Proposed FY 2017 CCCPD Budget
2. Ordinance O-16-1980

COLLEYVILLE CRIME CONTROL & PREVENTION DISTRICT FY 2017 PROPOSED BUDGET
--

<i>FISCAL YEAR</i>	<i>ADOPTED FY 2016</i>	<i>PROJECTED FY 2016</i>	<i>PROPOSED FY 2017</i>
BEGINNING FUND BALANCE	\$1,492,472	\$1,481,643	\$1,381,476
REVENUES:			
1/2 CENT SALES TAX REVENUE	\$1,529,802	\$1,613,620	\$1,613,620
INTEREST INCOME	\$1,500	\$1,500	\$1,500
USE OF AVAILABLE CASH	\$384,082	\$300,264	\$343,350
TOTAL REVENUES	\$1,915,384	\$1,915,384	\$1,958,470
EXPENDITURES:			
ADMINISTRATIVE BOARD/AUDIT EXPENSES	\$1,850	\$1,850	\$1,850
POLICE SOFTWARE ANNUAL MAINTENANCE CONTRACT	\$49,500	\$49,500	\$49,500
REGIONAL RECRUITING AND HIRING PROCESS	\$2,500	\$2,500	\$2,500
REGIONAL CRIME SCENE RESPONSE UNIT	\$0	\$0	\$10,000
CRIME REPORTS ANALYTICAL CRIME MAPPING SOFTWARE	\$5,492	\$5,492	\$5,492
NETMOTION WIRELESS MAINTENANCE AGREEMENT	\$3,219	\$3,219	\$3,219
L-3 IN-CAR VIDEO SYSTEM SERVER MAINTENANCE	\$3,949	\$3,949	\$3,949
TICKET WRITER REPLACEMENT	\$4,700	\$4,700	\$4,700
PERSONNEL -			
7 POLICE OFFICERS	\$603,556	\$603,556	\$621,663
ADDITIONAL OFFICER IN FY 2016	\$72,058	\$72,058	\$74,220
MOVE OFFICER FROM GENERAL FUND FY 2017	\$0	\$0	\$74,220
TEEN COURT	\$33,750	\$33,750	\$33,750
CAPITAL -			
FACILITY NEEDS ASSESSMENT	\$0	\$0	\$30,000
UPS BATTERY BACKUP REPLACEMENT	\$0	\$0	\$85,000
ROOF REPAIRS & MODIFIED BITUMEN REPLACEMENT - JUSTICE CENTER	\$100,171	\$100,171	\$0
VEHICLES -			
REPLACEMENT - PATROL VEHICLE AND EQUIPMENT	\$195,000	\$195,000	\$113,000
REPLACEMENT - MOTORCYCLE (TWO)	\$72,000	\$72,000	\$0
REPLACEMENT - ADMINISTRATIVE VEHICLES	\$27,000	\$27,000	\$121,500
EQUIPMENT -			
ANNUAL WEAPONS REPLACEMENT	\$8,500	\$8,500	\$8,500
STINGER FLASHLIGHTS	\$3,800	\$3,800	\$0
TWO HANDHELD LASER UNITS	\$7,000	\$7,000	\$0
TWO RADAR SIGNS- REPLACEMENT	\$11,000	\$11,000	\$0
DEBT SERVICE -			
2006 SERIES REFUNDING DEBT	\$500,242	\$500,242	\$503,862
TRANSFERS -			
CAPITAL EQUIPMENT REPLACEMENT FUND - IN-CAR MOBILE DIGITAL COMPUTER SYSTEM	\$10,000	\$10,000	\$10,000
TOTAL EXPENDITURES	<u>\$1,715,287</u>	<u>\$1,715,287</u>	<u>\$1,756,925</u>
EXCESS REVENUES OVER EXPENDITURES ^^	\$200,097	\$200,097	\$201,545
ENDING FUND BALANCE	<u>\$1,308,487</u>	<u>\$1,381,476</u>	<u>\$1,239,671</u>

^^ MUST HAVE A 1.4 TIMES COVERAGE RATIO (\$200,097) FOR DEBT SERVICE PAYMENT IN FY 2016

^^ MUST HAVE A 1.4 TIMES COVERAGE RATIO (\$201,545) FOR DEBT SERVICE PAYMENT IN FY 2017

ORDINANCE O-16-1980

AN ORDINANCE ADOPTING AN ANNUAL BUDGET FOR FISCAL YEAR 2017 FOR THE COLLEYVILLE CRIME CONTROL AND PREVENTION DISTRICT, FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2016 THROUGH SEPTEMBER 30, 2017, A COPY OF SAME BEING ON FILE IN THE OFFICE OF THE CITY SECRETARY, TO BECOME EFFECTIVE UPON PASSAGE BY THE CITY COUNCIL

WHEREAS, the laws of the State of Texas require the Board of Directors of the Colleyville Crime Control and Prevention District to adopt a budget of projected revenues and proposed expenditures, cash on hand at the start of the year, the amount of money received during the prior year, the tax rate, and the projected ending fund balance; and

WHEREAS, on June 21, 2016, the Board of Directors of the Colleyville Crime Control and Prevention District approved the following budget; and

WHEREAS, all statutory and constitutional requirements for the passage of this Ordinance have been adhered to, including but not limited to the Open Meetings Act; and

WHEREAS, the City Council determines that the passage of this Ordinance is in the best interests of the health, safety, and welfare of the public.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF COLLEYVILLE, TEXAS:

Sec. 1. THAT all matters stated hereinabove are found to be true and correct and are incorporated herein by reference as if copied in their entirety.

Sec. 2. THAT the budget for the fiscal year beginning October 1, 2016 and ending September 30, 2017 for the Colleyville Crime Control and Prevention District, a copy of which is on file in the office of the City Secretary, is hereby made a part of this Ordinance by reference and is hereby approved and adopted by the City Council of the City of Colleyville, Texas, as the official budget for the fiscal year beginning October 1, 2016 and ending September 30, 2017 and that the City Manager is authorized to execute all contracts and agreements approved as a part of the budget.

Sec. 3. THAT the budget of the fiscal year beginning October 1, 2016, and ending September 30, 2017, for the Colleyville Crime Control and Prevention District with a sales and use tax rate of .5%, is hereby fixed as follows:

Projected Revenue Received in Fiscal Year 2016	\$ 1,915,384
Projected Cash on Hand as of October 1, 2016	\$ 1,381,476
Revenues	\$ 1,958,470
Expenditures	\$ 1,756,925
Ending Fund Balance at September 30, 2017	\$ 1,239,671

AND IT IS SO ORDERED.

The first reading and public hearing being conducted on the 21st day of June 2016.

The second reading and public hearing being conducted on the 12th day of July 2016.

APPROVED BY A VOTE OF ____ AYES, ____ NAYS, AND ____ ABSTENTIONS ON THIS THE 12TH DAY OF JULY 2016.

Mayor Richard Newton	_____	Mayor Pro Tem Chris Putnam	_____
Place 1, Tammy Nakamura	_____	Place 5, Nancy Coplen	_____
Place 2, Bobby Lindamood	_____	Place 6, Mike Taylor	_____
Place 4, Jody Short	_____		

ATTEST:

CITY OF COLLEYVILLE

Amy Shelley, TRMC
City Secretary

Richard Newton
Mayor

APPROVED AS TO FORM AND LEGALITY:

Matthew C.G. Boyle
City Attorney



City of Colleyville City Council Agenda Briefing

City Hall
100 Main Street
Colleyville, Texas 76034
www.colleyville.com

Agenda Number 5b

Agenda Date 06/21/2016

Number Ordinance O-16-1981

Type Ordinance

Department Public Works

Title

An ordinance amending Section 3A of the Water and Sewer Policy and Procedure manual as contained in the Code of Ordinances of the City of Colleyville, Texas by eliminating tiered water rates and establishing a rate of \$4.36 per thousand gallons of water for all gallons not included in the base rate, and providing for an effective date

Strategy Map Connection

C5- Achieve the highest standards of safety & security

F2- Invest to provide and maintain high quality public assets

F3- Forecast needs and plan for the future, balancing priorities with resources

Explanation

First Reading and Public Hearing

At the June 7, 2016 Pre Council meeting, staff made a presentation to City Council to discuss changing the current water rate structure. Per the Mayor's request, a flat rate of \$4.36 per thousand gallons, for all gallons not included in the base rate was presented. This ordinance would repeal the current tiered rate structure included in Ordinance O-15-1960 (water rates only) and remain in place until a comprehensive water and wastewater review can be completed.

Financial Impact

Adoption of this ordinance will decrease revenue in the Utility Fund over the remainder of the fiscal year. At the direction of the City Council, staff will bring forward ordinances in the future to amend Appendix A – Water and Sewer Policy and Procedure Manual, Section 8 – Financial Management, subsection D (Franchise Fee) and subsection E (Operating Transfer) of the Colleyville Code of Ordinances. These amendments will reduce Utility Fund expenditures to offset the revenue reductions. Staff also seeks City Council direction on methodologies to offset the FY 2016 revenue reduction to the General Fund.

Recommendation

Approve

Attachments

1. Ordinance O-15-1960
2. Ordinance O-16-1981

ORDINANCE O-15-1960

AN ORDINANCE OF THE CITY OF COLLEYVILLE, TEXAS AMENDING SECTIONS 3A AND 3B OF THE WATER AND SEWER POLICY AND PROCEDURE MANUAL OF THE CITY OF COLLEYVILLE BY PHASING OUT THE WATER AND SEWERAGE USAGE INCLUDED IN THE BASE RATE OVER A FOUR YEAR PERIOD; BASING THE MINIMUM MONTHLY USE CHARGE FOR WATER ON WATER METER SIZE, AND INCREASING THE MINIMUM BASE RATE FOR SEWERAGE FOR NON-RESIDENTIAL CUSTOMERS BY \$6.00 PER MONTH OVER A THREE YEAR PERIOD, AND PROVIDING AN EFFECTIVE DATE

WHEREAS, the City Council did authorize a water and wastewater rate study; and

WHEREAS, said rate study offered specific recommendations to provide for a financially viable Utility Fund without adding unnecessarily to the burden of the ad valorem tax payer; and

WHEREAS, all statutory and constitutional requirements for the passage of this Ordinance have been adhered to, including but not limited to the Open Meetings Act; and

WHEREAS, the City Council determines that the passage of this Ordinance is in the best interests of the health, safety and welfare of the public.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF COLLEYVILLE, TEXAS

Sec. 1. THAT all matters stated hereinabove are found to be true and correct and are incorporated herein by reference as if copied in their entirety.

Sec.2. THAT Sections 3A and 3B of the Water and Sewer Policy and Procedure Manual of Colleyville, Texas, which is "Appendix A" to Chapter 11 of the Colleyville Code be replaced in their entirety to read as follows:

Sec. A. – Water rates.

(1) For water meter sizes of less than 1.5 inches:

Effective December 1, 2015, the following water rates go into effect:	
<i>Minimum per month charge for in-city customers</i>	\$13.55
<i>Minimum per month charge for out-of-city customers</i>	\$17.55
Usage:	
1,501 gallons to 20,000 gallons	\$4.30 per 1,000 gallons
20,001 gallons to 30,000 gallons	\$4.86 per 1,000 gallons
30,001 gallons to 40,000 gallons	\$5.42 per 1,000 gallons
40,001 gallons to 50,000 gallons	\$5.98 per 1,000 gallons
Over 50,000 gallons	\$6.54 per 1,000 gallons

Effective December 1, 2016, the following water rates go into effect:	
<i>Minimum per month charge for in-city customers</i>	\$13.69
<i>Minimum per month charge for out-of-city customers</i>	\$17.69
Usage:	
1,001 gallons to 20,000 gallons	\$4.44 per 1,000 gallons
20,001 gallons to 30,000 gallons	\$5.00 per 1,000 gallons
30,001 gallons to 40,000 gallons	\$5.56 per 1,000 gallons
40,001 gallons to 50,000 gallons	\$6.12 per 1,000 gallons
Over 50,000 gallons	\$6.68 per 1,000 gallons

Effective December 1, 2017, the following water rates go into effect:	
<i>Minimum per month charge for in-city customers</i>	\$13.77
<i>Minimum per month charge for out-of-city customers</i>	\$17.77
Usage:	
501 gallons to 20,000 gallons	\$4.60 per 1,000 gallons
20,001 gallons to 30,000 gallons	\$5.16 per 1,000 gallons
30,001 gallons to 40,000 gallons	\$5.72 per 1,000 gallons
40,001 gallons to 50,000 gallons	\$6.28 per 1,000 gallons
Over 50,000 gallons	\$6.84 per 1,000 gallons

Effective December 1, 2018, the following water rates go into effect:	
<i>Minimum per month charge for in-city customers</i>	\$13.90
<i>Minimum per month charge for out-of-city customers</i>	\$17.90
Usage:	
1 gallon to 20,000 gallons	\$4.73 per 1,000 gallons
20,001 gallons to 30,000 gallons	\$5.29 per 1,000 gallons
30,001 gallons to 40,000 gallons	\$5.85 per 1,000 gallons
40,001 gallons to 50,000 gallons	\$6.41 per 1,000 gallons
Over 50,000 gallons	\$6.97 per 1,000 gallons

(2) For water meter sizes of 1.5 inches

Effective December 1, 2015, the following water rates go into effect:	
<i>Minimum per month charge for in-city customers</i>	\$15.57
<i>Minimum per month charge for out-of-city customers</i>	\$19.57
Usage:	
1,501 gallons to 20,000 gallons	\$4.30 per 1,000 gallons
20,001 gallons to 30,000 gallons	\$4.86 per 1,000 gallons
30,001 gallons to 40,000 gallons	\$5.42 per 1,000 gallons
40,001 gallons to 50,000 gallons	\$5.98 per 1,000 gallons
Over 50,000 gallons	\$6.54 per 1,000 gallons

Effective December 1, 2016, the following water rates go into effect:	
<i>Minimum per month charge for in-city customers</i>	\$18.26
<i>Minimum per month charge for out-of-city customers</i>	\$22.26
Usage:	
1,001 gallons to 20,000 gallons	\$4.44 per 1,000 gallons
20,001 gallons to 30,000 gallons	\$5.00 per 1,000 gallons
30,001 gallons to 40,000 gallons	\$5.56 per 1,000 gallons
40,001 gallons to 50,000 gallons	\$6.12 per 1,000 gallons
Over 50,000 gallons	\$6.68 per 1,000 gallons

Effective December 1, 2017, the following water rates go into effect:	
<i>Minimum per month charge for in-city customers</i>	\$20.75
<i>Minimum per month charge for out-of-city customers</i>	\$24.75
Usage:	
501 gallons to 20,000 gallons	\$4.60 per 1,000 gallons
20,001 gallons to 30,000 gallons	\$5.16 per 1,000 gallons
30,001 gallons to 40,000 gallons	\$5.56 per 1,000 gallons
40,001 gallons to 50,000 gallons	\$6.12 per 1,000 gallons
Over 50,000 gallons	\$6.68 per 1,000 gallons

Effective December 1, 2018, the following water rates go into effect:	
<i>Minimum per month charge for in-city customers</i>	\$23.24
<i>Minimum per month charge for out-of-city customers</i>	\$27.24
Usage:	
1 gallon to 20,000 gallons	\$4.73 per 1,000 gallons
20,001 gallons to 30,000 gallons	\$5.29 per 1,000 gallons
30,001 gallons to 40,000 gallons	\$5.85 per 1,000 gallons
40,001 gallons to 50,000 gallons	\$6.25 per 1,000 gallons
Over 50,000 gallons	\$6.97 per 1,000 gallons

(3) For water meter sizes of 2 inches

Effective December 1, 2015, the following water rates go into effect:	
<i>Minimum per month charge for in-city customers</i>	\$20.29
<i>Minimum per month charge for out-of-city customers</i>	\$24.29
Usage:	
1,501 gallons to 20,000 gallons	\$4.30 per 1,000 gallons
20,001 gallons to 30,000 gallons	\$4.86 per 1,000 gallons
30,001 gallons to 40,000 gallons	\$5.42 per 1,000 gallons
40,001 gallons to 50,000 gallons	\$5.98 per 1,000 gallons
Over 50,000 gallons	\$6.54 per 1,000 gallons

Effective December 1, 2016, the following water rates go into effect:	
<i>Minimum per month charge for in-city customers</i>	\$27.30
<i>Minimum per month charge for out-of-city customers</i>	\$31.30
Usage:	
1,001 gallons to 20,000 gallons	\$4.44 per 1,000 gallons
20,001 gallons to 30,000 gallons	\$5.00 per 1,000 gallons
30,001 gallons to 40,000 gallons	\$5.56 per 1,000 gallons
40,001 gallons to 50,000 gallons	\$6.12 per 1,000 gallons
Over 50,000 gallons	\$6.68 per 1,000 gallons

Effective December 1, 2017, the following water rates go into effect:	
<i>Minimum per month charge for in-city customers</i>	\$34.30
<i>Minimum per month charge for out-of-city customers</i>	\$38.30
Usage:	
501 gallons to 20,000 gallons	\$4.60 per 1,000 gallons
20,001 gallons to 30,000 gallons	\$5.16 per 1,000 gallons
30,001 gallons to 40,000 gallons	\$5.72 per 1,000 gallons
40,001 gallons to 50,000 gallons	\$6.12 per 1,000 gallons
Over 50,000 gallons	\$6.84 per 1,000 gallons

Effective December 1, 2018, the following water rates go into effect:	
<i>Minimum per month charge for in-city customers</i>	\$41.43
<i>Minimum per month charge for out-of-city customers</i>	\$45.43
Usage:	
1 gallon to 20,000 gallons	\$4.73 per 1,000 gallons
20,001 gallons to 30,000 gallons	\$5.29 per 1,000 gallons
30,001 gallons to 40,000 gallons	\$5.85 per 1,000 gallons
40,001 gallons to 50,000 gallons	\$6.25 per 1,000 gallons
Over 50,000 gallons	\$6.97 per 1,000 gallons

(4) For water meter sizes of 3 inches

Effective December 1, 2015, the following water rates go into effect:	
<i>Minimum per month charge for in-city customers</i>	\$33.20
<i>Minimum per month charge for out-of-city customers</i>	\$37.20
Usage:	
1,501 gallons to 20,000 gallons	\$4.30 per 1,000 gallons
20,001 gallons to 30,000 gallons	\$4.86 per 1,000 gallons
30,001 gallons to 40,000 gallons	\$5.42 per 1,000 gallons
40,001 gallons to 50,000 gallons	\$5.98 per 1,000 gallons
Over 50,000 gallons	\$6.54 per 1,000 gallons

Effective December 1, 2016, the following water rates go into effect:	
<i>Minimum per month charge for in-city customers</i>	\$53.11
<i>Minimum per month charge for out-of-city customers</i>	\$57.11
Usage:	
1,001 gallons to 20,000 gallons	\$4.44 per 1,000 gallons
20,001 gallons to 30,000 gallons	\$5.00 per 1,000 gallons
30,001 gallons to 40,000 gallons	\$5.56 per 1,000 gallons
40,001 gallons to 50,000 gallons	\$6.12 per 1,000 gallons
Over 50,000 gallons	\$6.68 per 1,000 gallons

Effective December 1, 2017, the following water rates go into effect:	
<i>Minimum per month charge for in-city customers</i>	\$73.03
<i>Minimum per month charge for out-of-city customers</i>	\$77.03
Usage:	
501 gallons to 20,000 gallons	\$4.60 per 1,000 gallons
20,001 gallons to 30,000 gallons	\$5.16 per 1,000 gallons
30,001 gallons to 40,000 gallons	\$5.72 per 1,000 gallons
40,001 gallons to 50,000 gallons	\$6.28 per 1,000 gallons
Over 50,000 gallons	\$6.84 per 1,000 gallons

Effective December 1, 2018, the following water rates go into effect:	
<i>Minimum per month charge for in-city customers</i>	\$92.95
<i>Minimum per month charge for out-of-city customers</i>	\$96.95
Usage:	
1 gallon to 20,000 gallons	\$4.73 per 1,000 gallons
20,001 gallons to 30,000 gallons	\$5.29 per 1,000 gallons
30,001 gallons to 40,000 gallons	\$5.85 per 1,000 gallons
40,001 gallons to 50,000 gallons	\$6.25 per 1,000 gallons
Over 50,000 gallons	\$6.97 per 1,000 gallons

(5) For water meter sizes of 4 inches

Effective December 1, 2015, the following water rates go into effect:	
<i>Minimum per month charge for in-city customers</i>	\$51.27
<i>Minimum per month charge for out-of-city customers</i>	\$55.27
Usage:	
1,501 gallons to 20,000 gallons	\$4.30 per 1,000 gallons
20,001 gallons to 30,000 gallons	\$4.86 per 1,000 gallons
30,001 gallons to 40,000 gallons	\$5.42 per 1,000 gallons
40,001 gallons to 50,000 gallons	\$5.98 per 1,000 gallons
Over 50,000 gallons	\$6.54 per 1,000 gallons

Effective December 1, 2016, the following water rates go into effect:	
<i>Minimum per month charge for in-city customers</i>	\$89.26
<i>Minimum per month charge for out-of-city customers</i>	\$93.26
Usage:	
1,001 gallons to 20,000 gallons	\$4.44 per 1,000 gallons
20,001 gallons to 30,000 gallons	\$5.00 per 1,000 gallons
30,001 gallons to 40,000 gallons	\$5.56 per 1,000 gallons
40,001 gallons to 50,000 gallons	\$6.12 per 1,000 gallons
Over 50,000 gallons	\$6.68 per 1,000 gallons

Effective December 1, 2017, the following water rates go into effect:	
<i>Minimum per month charge for in-city customers</i>	\$127.25
<i>Minimum per month charge for out-of-city customers</i>	\$131.25
Usage:	
501 gallons to 20,000 gallons	\$4.60 per 1,000 gallons
20,001 gallons to 30,000 gallons	\$5.16 per 1,000 gallons
30,001 gallons to 40,000 gallons	\$5.72 per 1,000 gallons
40,001 gallons to 50,000 gallons	\$6.12 per 1,000 gallons
Over 50,000 gallons	\$6.84 per 1,000 gallons

Effective December 1, 2018, the following water rates go into effect:	
<i>Minimum per month charge for in-city customers</i>	\$165.24
<i>Minimum per month charge for out-of-city customers</i>	\$169.25
Usage:	
1 gallon to 20,000 gallons	\$4.73 per 1,000 gallons
20,001 gallons to 30,000 gallons	\$5.29 per 1,000 gallons
30,001 gallons to 40,000 gallons	\$5.85 per 1,000 gallons
40,001 gallons to 50,000 gallons	\$6.25 per 1,000 gallons
Over 50,000 gallons	\$6.97 per 1,000 gallons

(6) Rates for fire hydrant meters:

The use of fire hydrant meters shall only be allowed within the Colleyville city limits. The use of the fire hydrant meters shall be limited to a period of no more than 90 cumulative calendar days. Under special conditions, a customer may submit a written request to the public works department for use of a fire hydrant meter for a period longer than 90 cumulative calendar days, subject to public works director approval. In considering special condition(s), the public works director shall not consider requests which are necessary to relieve a self-created or personal hardship, failure of performance by a contractor, nor for financial reasons. In considering the customer request, the public works director shall solicit the recommendation of the fire chief and fire marshal in consideration of the request. Further, the public works director shall consider alternative means available to the customer. If special condition(s) are approved by the public works director, in no case shall the meter be used for more than an

additional 30 calendar days. The public works director may provide a written ruling within 15 working days of receipt of the customer's written request.

In the event a request for special condition(s) is denied by the public works director, customer shall, within 14 calendar days, make written appeal to the city manager of the public works director's decision. The city manager shall render a written decision within 30 working days of receipt of the customer's appeal. Such decision by the city manager shall be final and not appealable to the city council.

For purposes of this section, written communication shall be considered communication, which is deposited with the United States Postal Service for delivery.

The user must submit in writing, the location of where the meter will be used and such meter shall be used exclusively at the location on record with the city. For purposes of this section, the use of a meter shall be allowed cumulatively for only one location within an individual subdivision and/or development.

For a period of 90 cumulative calendar days after a meter is returned and read by the city, a user shall not be permitted to check out another meter for use at the same designated location, as defined herein.

The minimum monthly bill for water usage for a fire hydrant meter shall be \$50.00 for the first 2,000 gallons of water used each month and the tier five rate (over 50,000 gallons of usage) shall be charged for all usage in excess of 2,000 gallons. If the cost of water used during any month is less than \$50.00; the minimum charge for that month shall be \$50.00.

The customer shall be in possession of and responsible for the meter. The customer will be responsible for bringing the meter to the public works service center by the 20th of each month for reading. The customer is required to use a proper fire hydrant wrench for operation of the fire hydrant. The customer shall be responsible for any damage and repair, as reasonably determined by the city, to the fire hydrant or the fire hydrant meter by the use of a temporary water meter.

The customer will be required to provide for any backflow device necessary to meet the current city ordinance for protection of the city's drinking water supply.

The City of Colleyville, Tarrant County, and Texas Department of Transportation (TxDOT) shall be exempt from the provisions of this policy.

Sec. B. – Sewer rates.

(1) This schedule of rates per month or fraction thereof shall be the basis for determining charges to all customers for rendering sanitary sewage service, where the sewage produced by such customer is a normal strength wastewater (170 mg/l BOD and 260 mg/l suspended solids) and where such customer is located within the City of Colleyville.

A minimum monthly sewer charge shall be charged to all residential customers as follows:	
Effective December 1, 2015	\$ 10.45
Effective December 1, 2016	\$ 10.65
Effective December 1, 2017	\$ 10.73
Effective December 1, 2018	\$ 10.90

A minimum monthly sewer charge shall be charged to all non-residential customers as follows:	
Effective December 1, 2015	\$ 13.45
Effective December 1, 2016	\$ 13.65
Effective December 1, 2017	\$ 16.73
Effective December 1, 2018	\$ 16.90

(2) A monthly sewer volume charge shall also be charged to all customers as set forth hereinafter. The sewer volume charge for residential customers will be based upon the individual customer's average monthly water use during the months of December, January and February. Where no preceding winter quarter average is available from records, a volume of 7,000 gallons shall be used for this volume charge.

The monthly charges to commercial and industrial class customers will be based on total water use each month as measured by appropriate meters, with the provision that if a customer can show to the satisfaction of the public works director that a significant portion of the metered water usage does not enter the sanitary sewers, the customer will be charged for only that volume entering the sewers, as determined by a method approved by the director of public works.

Effective December 1, 2015	\$ 3.14 per 1,000 gallons
Effective December 1, 2016	\$ 3.34 per 1,000 gallons
Effective December 1, 2017	\$ 3.50 per 1,000 gallons
Effective December 1, 2018	\$ 3.63 per 1,000 gallons

Sec. 3. THAT the effective date of this Ordinance shall be December 1, 2015.

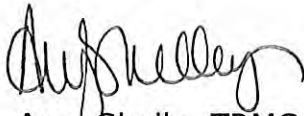
AND IT IS SO ORDERED.

The first reading and public hearing being conducted on the 16th day of June 2015.

The second reading and public hearing being conducted on the 7th day of July 2015.

PASSED AND APPROVED by the City Council of the City of Colleyville, Texas, on this the 7th day of July 2015.

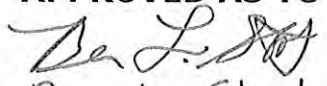
ATTEST:


Amy Shelly, TRMC
City Secretary

CITY OF COLLEYVILLE


David Kelly
Mayor

APPROVED AS TO FORM AND LEGALITY:


Ben L. Stool, Asst City Attorney
Matthew C.G. Boyle
City Attorney

ORDINANCE O-16-1981

AN ORDINANCE OF THE CITY OF COLLEYVILLE, TEXAS AMENDING SECTION 3A OF THE WATER AND SEWER POLICY AND PROCEDURE MANUAL OF THE CITY OF COLLEYVILLE BY ELIMINATING THE TIERED RATE STRUCTURE FOR WATER USAGE AND IMPLEMENTING AN INTERIM, FLAT RATE OF \$4.36 PER 1,000 GALLONS FOR ALL GALLONS NOT INCLUDED IN THE BASE RATE, AND PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, the City of Colleyville charges fees for services and materials as authorized in the Code of Ordinances and it is desirous to update those fees; and

WHEREAS, all statutory and constitutional requirements for the passage of this ordinance have been adhered to, including but not limited to the Open Meeting Act.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF COLLEYVILLE, TEXAS:

Sec. 1. THAT for all customer classes, the rate per thousand gallons of water, for all usage greater than the gallons of usage included in the minimum water bill, shall be \$4.36 effective August 1, 2016.

Sec. 2. THAT Section 3A of the Water and Sewer Policy and Procedure Manual of Colleyville, Texas, which is "Appendix A" of the Colleyville Code be replaced with:

Sec A. – Water Rates

For ALL Meter Sizes (In-City and Out-of-City Customer)

Usage:	
1,501 gallons and over	\$4.36 per 1,000 gallons

Sec. 3. THAT the effective date of this ordinance shall be August 1, 2016.

AND IT IS SO ORDERED.

The first reading and public hearing being conducted on the 21st day of June, 2016.

The second reading and public hearing being conducted on the 12th day of July 2016.

PASSED AND APPROVED by the City Council of the City of Colleyville, Texas, on this the _____ day of _____ 2016.

PASSED AND APPROVED BY A VOTE OF ___ AYES, ___ NAYS, AND ___ ABSTENTIONS ON THIS THE 12TH DAY OF JULY 2016.

Mayor Richard Newton	_____	Mayor Pro Tem Chris Putnam	_____
Place 1, Tammy Nakamura	_____	Place 5, Nancy Coplen	_____
Place 2, Bobby Lindamood	_____	Place 6, Mike Taylor	_____
Place 4, Jody Short	_____		

ATTEST:

CITY OF COLLEYVILLE

Amy Shelley, TRMC
City Secretary

Richard Newton
Mayor

APPROVED AS TO FORM AND LEGALITY:

Matthew C. G. Boyle
City Attorney



City of Colleyville City Council Agenda Briefing

City Hall
100 Main Street
Colleyville, Texas 76034
www.colleyville.com

Agenda Number 6a
Type Resolution
Department City Council

Agenda Date 06/21/2016

Number Resolution R-16-4005

Title

Approval of soliciting Requests for Proposals for City Attorney services

Strategy Map Connection

B4- Cultivate a culture of transparency and consistent communication

Explanation

Reading and Public Hearing

An item was requested by Mayor Newton for City Council consideration to solicit a Request for Proposal (RFP) for City Attorney services. This agenda item will provide for an opportunity for the City Council to provide direction for staff on services to be included in the development of the RFP.

A resolution has been provided for City Council discussion and consideration.

Financial Impact

Soliciting for an RFP will incur advertising costs from the budget line item - Legal 001-11-10-6231.

Recommendation

None

Attachments

1. Resolution R-16-4005

RESOLUTION R-16-4005

A RESOLUTION SOLICITING REQUESTS FOR PROPOSALS FOR CITY ATTORNEY SERVICES

WHEREAS, Article VIII, Section 8.04 of the City Charter provides for the City Council to retain a City Attorney; and

WHEREAS, the City Council has considered and discussed soliciting a Request for Proposals for legal services.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF COLLEYVILLE, TEXAS:

Sec. 1. THAT the city manager be directed to prepare and publish a Request for Proposal for City Attorney services.

Sec. 2. That the Request for Proposal include, among other items, the following services:

- a. Attend all regular City Council meetings and others as requested by the City Council;
- b. Attend all regular Planning and Zoning Commission and Zoning Board of Adjustment meetings, and others as requested;
- c. Provide prosecutorial services for the Colleyville/Keller Municipal Court;
- d. Provide preparation and/or review of Ordinances and Resolutions, contracts, or other legal documents of the City;
- e. Serve as the City Attorney for all legal matters before the City;
- f. Provide legal assistance and counsel for the City staff as directed by the city manager.

AND IT IS SO RESOLVED.

APPROVED BY A VOTE OF ____ AYES, ____ NAYS, AND ____ ABSTENTIONS THIS THE 21ST DAY OF JUNE 2016.

Mayor Richard Newton	_____	Mayor Pro Tem Chris Putnam	_____
Place 1, Tammy Nakamura	_____	Place 5, Nancy Coplen	_____
Place 2, Bobby Lindamood	_____	Place 6, Mike Taylor	_____
Place 4, Jody Short	_____		

ATTEST:	CITY OF COLLEYVILLE
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Amy Shelley, TRMC City Secretary	Richard Newton Mayor
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City of Colleyville City Council Agenda Briefing

City Hall
100 Main Street
Colleyville, Texas 76034
www.colleyville.com

Agenda Number 6b

Agenda Date 06/21/2016

Number Resolution R-16-4006

Type Resolution

Department Economic Development

Title

Approval to award an economic development incentive grant to Craft & Crab Colleyville, LLC

Strategy Map Connection

C3 - Attract and retain high quality businesses to provide a thriving, diversified tax base that attracts visitors

Explanation

Reading and Public Hearing

The applicant, Christopher Putnam, with Craft & Crab Colleyville, LLC, submitted an application for a \$30,000 economic development incentive grant for exterior improvements, on-site signage, and landscaping at 5120 SH 121 (formerly Mac's Bar and Grill). The applicant intends to develop a 7,609 square foot restaurant called Craft & Crab.

The owner intends to "redevelop former Mac's Bar and Grill into a large, upscale, family friendly, entertainment-style, destination restaurant which would be the first of its kind in DFW. This would entail newly finished interior space, new patio, large children's nautical themed playground, arcade games, seafood themed menu sold family style by the pound, extensive audio/visual upgrades including 30-plus flat screen televisions, extensive upscale wine list and craft bar with unique and specialty beverage items. In addition to the patio and playground additions, the applicant will upgrade the interior of the space with a fresh, fun, modern design theme and branding."

The owner has stated that Craft & Crab Seafood House will add over \$1,000,000 of real and personal property value to the tax rolls, with anticipated sales estimated to be \$4,200,000. This figure would generate an annual sales tax of \$346,500 at 8.25% and at 1% of taxable sales it would generate \$42,000. The owner projects the total annual operating budget will exceed \$3,000,000 in the first year of operation.

The owner plans to provide between 50 to 70 full-time jobs in addition to part-time positions. The total anticipated annual payroll expense is projected to be \$1,500,000.

The proposed economic development incentive agreement states:

Developer must meet the conditions set forth in the following subparagraphs:

- The incentives shall be used for exterior building improvements, on-site signage, and landscaping, excluding any playground equipment.
- Open the Craft & Crab no later than ninety (90) days from the date of this Agreement.
- Operate the Craft & Crab for a period of not less than five (5) years from opening in accordance with all requirements of this Agreement.
- Will not knowingly employ an undocumented worker as that term is defined by Section 2264.01(4) of the Texas Government Code. In accordance with Section 2264.052 of the Texas Government Code, if Craft & Crab Colleyville, LLC, or its branch, division, or department is convicted of a violation under 8 U.S.C. Section 1324a(f), Craft & Crab Colleyville, LLC shall repay the City the full amount of the payments made under this agreement, plus ten percent (10%) per annum from the date the payment was made. Repayment shall be paid within one hundred and twenty (120) days after the date Craft & Crab Colleyville, LLC receives notice of violation from the City.
- All incentives provided for herein are wholly subject to Developer's compliance with the terms and conditions of this Agreement.

In consideration of the Developer's completion of the project, the City agrees to provide the following incentives:

- The City will provide a grant of \$30,000 within thirty (30) days of the issuance of a Certificate of Occupancy for the Craft & Crab. The City shall have the right to review and inspect any necessary confirming documentation.

A letter describing the Craft and Crab Seafood House concept and the economic development incentive agreement are attached.

Financial Impact

Sufficient funding is available within the Strategic Initiative Fund.

Recommendation

Approve

Attachments

1. Letter from Applicant
2. Economic Development Incentive Agreement
3. Resolution R-16-4006

Craft and Crab Seafood House
301 W Round Grove Rd. #104
Lewisville, TX 75067
May 26, 2016

City of Colleyville
Economic Development Manager
100 Main Street
Colleyville, Texas 76034

To Whom It May Concern:

Please accept this letter and supporting documentation along with our applications for economic development incentives for a project that we hope to bring to the City of Colleyville. Immediately below you will find the required information for the submittals followed by narrative response to the criteria in Section 2 of the City of Colleyville Economic Development Incentive Policy:

1. Property Owner, Tomorrow Holdings, LLC
2. Mailing Address, 4215 Gateway Drive, Ste 101, Colleyville, TX 76034
3. Phone Number, 817-358-9500
4. Property Owner's Representative, Julia Barth
5. Representative's e-mail address,
6. Mailing Address ,4215 Gateway Drive, Ste 101, Colleyville, TX 76034
7. Property Address, 5120 SH 121, Colleyville, TX 76034
8. Property Legal Description, MAC'S BAR AND GRILL ADDITION Block: 1 Lot: 1B
9. Located Within: Grapevine-Colleyville ISD
10. Description of the project, Applicants seek to redevelop former Mac's Bar and Grill into a large, upscale, family friendly, entertainment-style, destination restaurant which would be the first of its kind in DFW. This would entail newly finished interior space, new patio, large children's nautical themed playground, arcade games, seafood themed menu sold family style by the pound, extensive audio/visual upgrades including 30-plus flat screen televisions, extensive upscale wine list and craft bar with unique and specialty beverage items. In addition to the patio and playground additions applicants will upgrade the interior of the space with a fresh, fun modern design theme and branding.
11. Date projected for occupation of project/initiation of operations, July 2016
12. Narrative response to criteria in Section 2 of the City of Colleyville Economic Development Incentive Policy:

Employment Impact

Craft and Crab Seafood House's fresh new concept will have an immediate and meaningful employment impact on the City of Colleyville. We will generate by our estimation between fifty and seventy new, mainly full time positions in addition to part time staff. These jobs will include full and part-time wait staff, hosts and hostesses, bar staff, sommelier, line-cooks, cooks, chefs, cleaning staff, food runners, catering manager, catering staff, assistant managers, managers and general managers. We believe that our total annual payroll will approach the \$1,500,000.00 mark at our first full year of operations.

Fiscal Impact

We believe that Craft and Crab Seafood House will add over \$1,000,000.00 of real and personal property value to the tax rolls. Our anticipated sales we conservatively estimate to be \$4,200,000.00. This figure would generate an annual sales tax of \$346,500.00 at 8.25% and at 1% of taxable sales it would generate \$42,000.00. We believe that we will generate comparable revenues by way of utility usage and occupancy taxes that most of the restaurants on Colleyville's 121 corridor generate. Craft and Crab would not require any City infrastructure construction. We believe that our total annually operating budget will exceed \$3,000,000 in the first year of operations.

Community Impact

We expect that the 50-70 jobs created will have a minute impact on the local housing market. The environmental impact will as well be minimal and at or below levels of current restaurant operators in the City. Many items are grilled, steamed, boiled and sautéed and produce a smaller need for waste removal.

We believe that Craft and Crab integrates seamlessly with the City's comprehensive plan. Our understanding of Destination Colleyville is that the people desire more sit-down restaurants and entertainment venues. Craft and Crab combines both in an upscale family friendly atmosphere. In addition, residents say that Colleyville is unique in that it is a great place to raise a family, it is family centered and families use the outdoor playgrounds. Craft and Crab blends those unique elements of Colleyville into a destination restaurant concept that is consistent with Destination Colleyville.

Competitive Impact

We believe that Craft and Crab will have an immediate positive impact on existing businesses in Colleyville, particularly those surrounding businesses and restaurants on the 121 corridor. Currently, the City is plagued by two vacant 7,000 square foot- plus restaurants. It presents poorly to passerby's and gives less options to those who

City of Colleyville

May 26, 2016

Page 3

may venture to the east side of the City. The revitalization of the property will serve to draw more patrons from both inside the City and outside who may discover or decide to dine at the other restaurant options, shop for groceries, vitamins, get gas, or have their hair done en route to Craft and Crab. We believe that this destination restaurant will anchor this corner of Colleyville for years to come.

We do not see Craft and Crab as competing with existing businesses so much as complementing them. This concept is new, exciting and provides a genre of food that is not represented in Colleyville to our knowledge. We will serve seafood by the pound which is served family style directly on the tables. The menu will also have some land-lovers options for those who do not opt for sea food. The restaurant will feature rare and unique craft beers, spirits and an extensive wine list with many specialty items that cannot be found at other restaurants. This concept includes a much greater draw to families of all ages. There would be a lovely outdoor patio along with a nautical themed play ground comprised of several large wooden ships as well as arcade games, tetherball, washers and other activities.

Sincerely,

Craft and Crab Seafood House

Christopher Putnam, Authorized Representative

Enclosures

ECONOMIC DEVELOPMENT AND INCENTIVE AGREEMENT

THIS ECONOMIC DEVELOPMENT AND INCENTIVE AGREEMENT (the “Agreement”), is made and entered into as of the 21st day of June, 2016, by and between the **CITY OF COLLEYVILLE, TEXAS**, a home rule municipality located in Tarrant County, Texas (the “City”), and Craft & Crab Colleyville, LLC, a corporation in good standing authorized to do business in the State of Texas (“Developer”). (The City and Developer are sometimes hereinafter referred to individually as a “Party” and collectively as the “Parties”).

RECITALS:

Developer, either directly or through one or more affiliates or permitted assigns, plans to redevelop an existing approximately 7,609 square foot restaurant located in the City of Colleyville, located at 5120 SH 121, Colleyville, TX, 76034, and shown on the attached Site Plan attached hereto as Exhibit “A” (referred to herein as the “Site”) (all exhibits hereto are incorporated herein by reference as if copied in their entirety). Developer plans to develop a 7,609 square foot restaurant called Craft & Crab; and

Developer has requested that the City authorize certain incentives as provided herein (collectively referred to as the “Incentives”) with respect to the Project; and

The City is authorized by Chapter 380 of the *Texas Local Government Code* to provide economic development incentives to support the expansion of local business activity, employment and development; and

For the public purpose of promoting economic development and diversity, increasing employment, reducing unemployment and underemployment, expanding commerce and stimulating business and commercial activity in the State of Texas, Tarrant County and the City, the City desires to offer the incentives to Developer as more particularly described in this Agreement; and

The Agreement and Incentives are authorized by, and are in accordance with Chapter 380 of the Texas Local Government Code and the City of Colleyville Economic Development Incentive Guidelines.

NOW, THEREFORE, for and in consideration of the promises, covenants and agreements set forth herein, the receipt and sufficiency of which are hereby acknowledged, the City and Developer (collectively the “Parties”) agree as follows:

Section I. The representations, covenants and recitations set forth in the foregoing recitals are material to this Agreement and are hereby incorporated into and made a part of this Agreement as though they were fully set forth in this Section I.

Section II. The Project.

The Project shall include a 7,609 square foot restaurant Craft & Crab, which shall be located at the Site.

Section III. The Incentives

A. To qualify for the Incentives provided for herein, Developer must also meet the conditions set forth in the following subparagraphs:

- i. The incentives shall be used for exterior building improvements, on-site signage, and landscaping, excluding any playground equipment.
- ii. Open the Craft & Crab no later than ninety (90) days from the date of this Agreement.
- iii. Operate the Craft & Crab for a period of not less than five (5) years from opening in accordance with all requirements of this Agreement.
- iv. Will not knowingly employ an undocumented worker as that term is defined by Section 2264.01(4) of the Texas Government Code. In accordance with Section 2264.052 of the Texas Government Code, if Craft & Crab Colleyville, LLC, or its branch, division, or department is convicted of a violation under 8 U.S.D. Section 1324a(f), Craft & Crab Colleyville, LLC shall repay the City the full amount of the payments made under this agreement, plus ten percent (10%) per annum from the date the payment was made. Repayment shall be paid within one hundred and twenty (120) days after the date Craft & Crab Colleyville, LLC receives notice of violation from the City.
- vi. All incentives provided for herein are wholly subject to Developer's compliance with the terms and conditions of this Agreement.

B. In consideration of the Developer's completion of the Project, the City agrees to provide the following incentives:

- i. The City will provide a grant, matching the Developer dollar for dollar, of up to \$30,000.00 in exterior construction improvements for exterior building improvements, on-site signage, and landscaping, excluding any playground equipment.
- ii. The City will provide the grant within thirty (30) days of the issuance of a Certificate of Occupancy for the Craft & Crab. The City shall have the right to review and inspect any necessary confirming documentation.

Section IV. Miscellaneous

A. All construction on the Project will be in accordance with applicable codes, regulations and ordinances of the City, and all applicable State and Federal laws, rules and regulations.

B. Successors and Assigns.

This Agreement may not be assigned, transferred, conveyed, or exchanged, in whole or in part, by either party without the written consent of the other party provided, however, that Developer may assign this Agreement to an entity controlled by the members of Developer and may be collaterally assigned to any Project construction or permanent lender. In the event of an approved assignment, the assigning party shall provide written notice of the assignee, including assignee's address and contact information. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and (subject to approval of the other party) assigns.

C. The individuals executing this Agreement on behalf of the respective parties below represent to each other and to others that all appropriate and necessary action has been taken to authorize the individual who is executing this Agreement to do so for and on behalf of the party for which his or her signature appears, that there are no other parties or entities required to execute this Agreement in order for the same to be an authorized and binding agreement on the party for whom the individual is signing this Agreement and that each individual affixing his or her signature hereto is authorized to do so, and such authorization is valid and effective on the date hereof.

- a. This Agreement is executed by the parties hereto without coercion or duress and for substantial consideration, the sufficiency of which is forever confessed.
- b. This Agreement may be executed in a number of identical counterparts, each of which shall be deemed an original for all purposes.
- c. In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision thereof, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.
- d. Each signatory represents this Agreement has been read by the party for which this Agreement is executed and that such party has had an opportunity to confer with its counsel.
- e. Time is of the essence in this Agreement.
- f. The parties agree this Agreement has been drafted jointly by the parties and their legal representatives.

D. Indemnification. **DEVELOPER, AT NO COST TO THE CITY, AGREES TO DEFEND, INDEMNIFY AND HOLD THE CITY, ITS OFFICERS, AGENTS SERVANTS AND EMPLOYEES, HARMLESS AGAINST ANY AND ALL CLAIMS, LAWSUITS, ACTIONS, COSTS AND EXPENSES OF ANY KIND, INCLUDING, BUT NOT LIMITED TO, THOSE FOR PROPERTY DAMAGE OR LOSS (INCLUDING ALLEGED DAMAGE OR LOSS TO CRAFT & CRAB BUSINESS AND ANY RESULTING LOST PROFITS)**

AND/OR PERSONAL INJURY, INCLUDING DEATH, THAT MAY RELATE TO, ARISE OUT OF OR BE OCCASIONED BY (i) DEVELOPER'S BREACH OF ANY OF THE TERMS OR PROVISIONS OF THIS AGREEMENT; OR (ii) ANY ACT OR OMISSION OR INTENTIONAL MISCONDUCT OF DEVELOPER, ITS OFFICERS, AGENTS, ASSOCIATES, EMPLOYEES, CONTRACTORS (OTHER THAN THE CITY, OR ITS EMPLOYEES, OFFICERS, AGENTS, ASSOCIATES, CONTRACTORS OR SUBCONTRACTS), OR SUBCONTRACTORS DUE OR RELATED TO OR ARISING FROM THE REQUIRED IMPROVEMENTS AND ANY OPERATIONS AND ACTIVITIES ON THE LAND OR OTHERWISE TO THE PERFORMANCE OF THIS AGREEMENT.

E. Powers.

(i) The City hereby represents and warrants to Developer that the City has full constitutional and lawful right, power and authority, under currently applicable law, to execute and deliver and perform the terms and obligation of this Agreement, and all of the foregoing have been or will be duly and validly authorized and approved by all necessary City proceedings, findings and actions. Accordingly, this Agreement constitutes the legal, valid and binding obligation of the City, is enforceable in accordance with its terms and provisions and does not require the consent of any other governmental authority.

(ii) Developer hereby represents and warrants to the City that Developer has full lawful right, power and authority to execute and deliver and perform the terms and obligations of this Agreement and all of the foregoing have been or will be duly and validly authorized and approved by all necessary actions of Developer. This Agreement constitutes the legal, valid and binding obligation of Developer, and is enforceable in accordance with its terms and provisions.

F. Authorized Parties.

Whenever under the provisions of this Agreement and other related documents and instruments or any supplemental agreements, any request, demand, approval, notice or consent of the City or Developer is required, or the City or Developer is required to agree or to take some action at the request of the other, such request, demand, approval, notice or consent, or agreement shall be given for the City, unless otherwise provided herein, by the City Mayor or his designee and for Developer by any officer of Developer so authorized (and, in any event, the officers executing this Agreement are so authorized); and any Party shall be authorized to act on any such request, demand, approval, notice or consent, or agreement.

G. Default.

(i) A Party shall be deemed in default under this Agreement (which shall be deemed a breach hereunder) if such Party fails to materially perform, observe or comply with any of its covenants, agreements or obligations hereunder or breaches or violates any of its representations contained in this Agreement. Upon expiration of any repayment deadline, any and all repayment obligations of Developer shall be assessed against the Center and shall constitute a lien against the Center effective upon recording notice thereof in the Office of the County Clerk of Tarrant County, Texas.

(ii) Continuous Operation. In the event Developer fails to open the Craft & Crab, Developer shall be obligated to reimburse the City the full amount of the incentives paid to date.

(iii) Failure to Pay City Taxes.

An event of default shall occur under this Agreement if any legally-imposed City taxes owed on the land by Developer or an Affiliate or arising on account of Developer or an affiliate's operations on the land become delinquent and Developer or the affiliate does not either pay such taxes or follow the legal procedures for protest and/or contest of any such taxes. In this event, the City shall notify Developer in writing and Developer shall have sixty (60) calendar days to cure such default. If the default has not been fully cured by such time, the City shall have the right to terminate this Agreement immediately by providing written notice to Developer and the Developer shall be obligated to reimburse the City the full amount of the incentives paid to date, with such repayment obligation reduced by 1/8 for each year the Craft & Crab has been in operation. In addition, the City shall have all other rights and remedies that may be available to it under the law or in equity.

(iv) Before any failure of any Party to this Agreement to perform its obligations under this Agreement shall be deemed to be a breach of this Agreement, the Party claiming such failure shall notify, in writing per Section V. L. herein, the Party alleged to have failed to perform of the alleged failure and shall demand performance. No breach of this Agreement may be found to have occurred if performance has commenced to the reasonable satisfaction of the complaining Party within thirty (30) days of the receipt of such notice, provided, however, if such matter is such that it cannot be cured within thirty (30) days, no breach may be found to have occurred if the Party has commenced the cure thereof within thirty (30) days and diligently pursues the completion thereof provided that such cure shall in any event occur within ninety (90) days after written notice of the breach. Upon a breach of this Agreement, the non-defaulting Party, in any court of competent jurisdiction, by an action or proceeding at law or in equity, may secure the specific performance of the covenants and agreements herein contained, may be awarded damages for failure of performance, or both, provided, however, that the City's sole remedy hereunder for Developer's failure to complete the Project shall be to withhold the Incentives. Except as otherwise set forth herein, no action taken by a Party pursuant to the provisions of this Section or pursuant to the provisions of any other Section of this Agreement shall be deemed to constitute an election of remedies and all remedies set forth in this Agreement shall be cumulative and non-exclusive of any other remedy either set forth herein or available to any Party at law or in equity. Each of the Parties shall have the affirmative obligation to mitigate its damages in the event of a default by the other Party.

(v) Notwithstanding anything in this Agreement which is or may appear to be to the contrary, if the performance of any covenant or obligation to be performed hereunder by any Party is delayed as a result of circumstances which are beyond the reasonable control of such Party (which circumstances may include, without limitation, pending or threatened litigation, act of God, war, acts of civil disobedience, fire or other

casualty, shortage of materials, adverse weather conditions (such as, by way of illustration and not limitation, severe rain storms or below freezing temperatures, or tornadoes, labor action, strikes or similar acts) the time for such performance shall be extended by the amount of time of such delay. The Party claiming delay of performance as a result of any of the foregoing “force majeure” events shall deliver written notice per Section V. L. herein of the commencement of any such delay resulting from such force majeure event not later than ten (10) days after the claiming Party becomes aware of the same, and if the claiming Party fails to so notify the other Party of the occurrence of a “force majeure” event causing such delay, the claiming Party shall not be entitled to avail itself of the provisions for the extension of performance contained in this Section.

H. This Agreement, and any exhibits attached hereto, may be amended only by the mutual agreement of the Parties evidenced by a written amendment, by the adoption of an ordinance or resolution of the City approving such written amendment, as provided by law, and by the execution of such written amendment by the Parties or their successors in interest.

I. Entire Agreement. This Agreement sets forth all agreements, understandings and covenants between and among the Parties relative to the matters herein contained. This Agreement supersedes all prior agreements, negotiations and understandings, written and oral, and shall be deemed a full integration of the entire agreement of the Parties.

J. Severability. If any provision, covenant, agreement or portion of this Agreement, or its application to any person, entity or property, is held invalid, such invalidity shall not affect the application or validity of any other provisions, covenants, agreements or portions of this Agreement and, to that end, all provisions, covenants, agreements or portions of this Agreement are declared to be severable.

K. Dispute Resolution and Texas Law. The parties hereby agree to make a good faith effort to resolve disputes arising under this Agreement through informal discussions between the parties. In the event that a dispute cannot be resolved through informal discussions, prior to initiating an alternative remedy either party must submit a written complaint per Section IV.L. that sets forth with specificity the basis of the complaint and a proposed resolution to the dispute. The party receiving the complaint shall respond in writing to such written complaint within thirty (30) calendar days, by accepting the proposed resolution, rejecting the proposed resolution or by proposing an alternative resolution to the dispute. Within twenty (20) calendar days of receipt of the party's written response, if such response is a rejection or a counter-proposal, the other party must either accept the counter-proposal or request that the dispute be reconsidered and mediated by an independent third party that is mutually agreed upon by the parties. If the dispute is mediated, both parties shall participate in good faith and attempt to resolve the dispute to their mutual satisfaction. Each party shall be responsible for its own costs incurred in connection with such mediation, but shall also be responsible for one-half of all of the out-of-pocket costs of and incurred by such independent third party in connection with such mediation. In the event that the dispute is unable to be resolved through mediation, both parties shall have full legal remedies provided for in this Agreement and in the courts of the State of Texas.

Failure by either party to raise a dispute through this process shall not constitute waiver or acceptance of an alleged violation of this Agreement. The provisions of this section are strictly limited in scope to serving as a prerequisite to the enforcement of remedies under this Agreement.

This Agreement shall be construed in accordance with the laws of the State of Texas, and any actions concerning this Agreement shall be brought in either the Texas State District Courts of Tarrant County, Texas or the United States District Court for the Northern District of Texas. Neither party shall be entitled to the recovery of their attorney fees as a result of any dispute regarding this Agreement.

L. Notice. Any notice to be given or served hereunder or under any document or instrument executed pursuant hereto shall be in writing and shall be (i) delivered personally, with a receipt requested therefore, or (ii) sent by telecopy facsimile; or (iii) sent by a nationally recognized overnight courier service; or (iv) delivered by United States registered or certified mail, return receipt requested, postage prepaid. All notices shall be addressed to the Parties at their respective addresses set forth below, and shall be effective (a) upon receipt or refusal if delivered personally or by telecopy facsimile; (b) one (1) business day after depositing with such an overnight courier service or (c) two (2) business days after deposit in the United States mails, if mailed. A Party may change its address for receipt of notices by service of a notice of such change in accordance with this Section. All notices by telecopy facsimile shall be subsequently confirmed by U.S. certified or registered mail, return receipt requested.

If to the City:	City of Colleyville 100 Main Street Colleyville, Texas Attn: City Manager Fax: 817-503-1129
with a copy to:	Matthew C. G. Boyle Boyle & Lowry, L.L.P. 4201 Wingren, Suite 108 Irving, Texas 75062-2763 Fax: (972) 650-7105
If to Developer:	Craft & Crab Colleyville, LLC Attn: Chris Putnam Craft and Crab Colleyville, LLC 301 W. Round Grove Rd. #104 Lewisville, Texas 75067
with a copy to:	Julia Barth 4215 Gateway Dr. Ste. 101, Colleyville, Texas 76034

M. Interpretation. This Agreement has been jointly negotiated by the Parties and shall not be construed against a Party because that Party may have primarily assumed responsibility for the drafting of this Agreement.

IN WITNESS WHEREOF, the City Council of the City of Colleyville, Texas, and Craft & Crab Colleyville, LLC have authorized and caused this Agreement to be executed and delivered on this the 21st day of June, 2016.

**THE CITY OF COLLEYVILLE, TEXAS,
a Texas home rule municipality**

By: _____
Richard Newton
Mayor

ATTEST:

City Secretary

APPROVED AS TO FORM:

City Attorney

Craft & Crab Colleyville, LLC

By _____

CORPORATE ACKNOWLEDGMENT:

The State of Texas

County of Tarrant

Before me, the undersigned, on this day personally appeared _____ of _____, 2016, proved to me through the presentation of a valid Texas Drivers License to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he/she executed the same

for the purposes and consideration therein expressed. _____ furthermore attested that he/she is signing this agreement in his/her capacity as _____, and that such capacity makes his signature valid to bind the company _____.

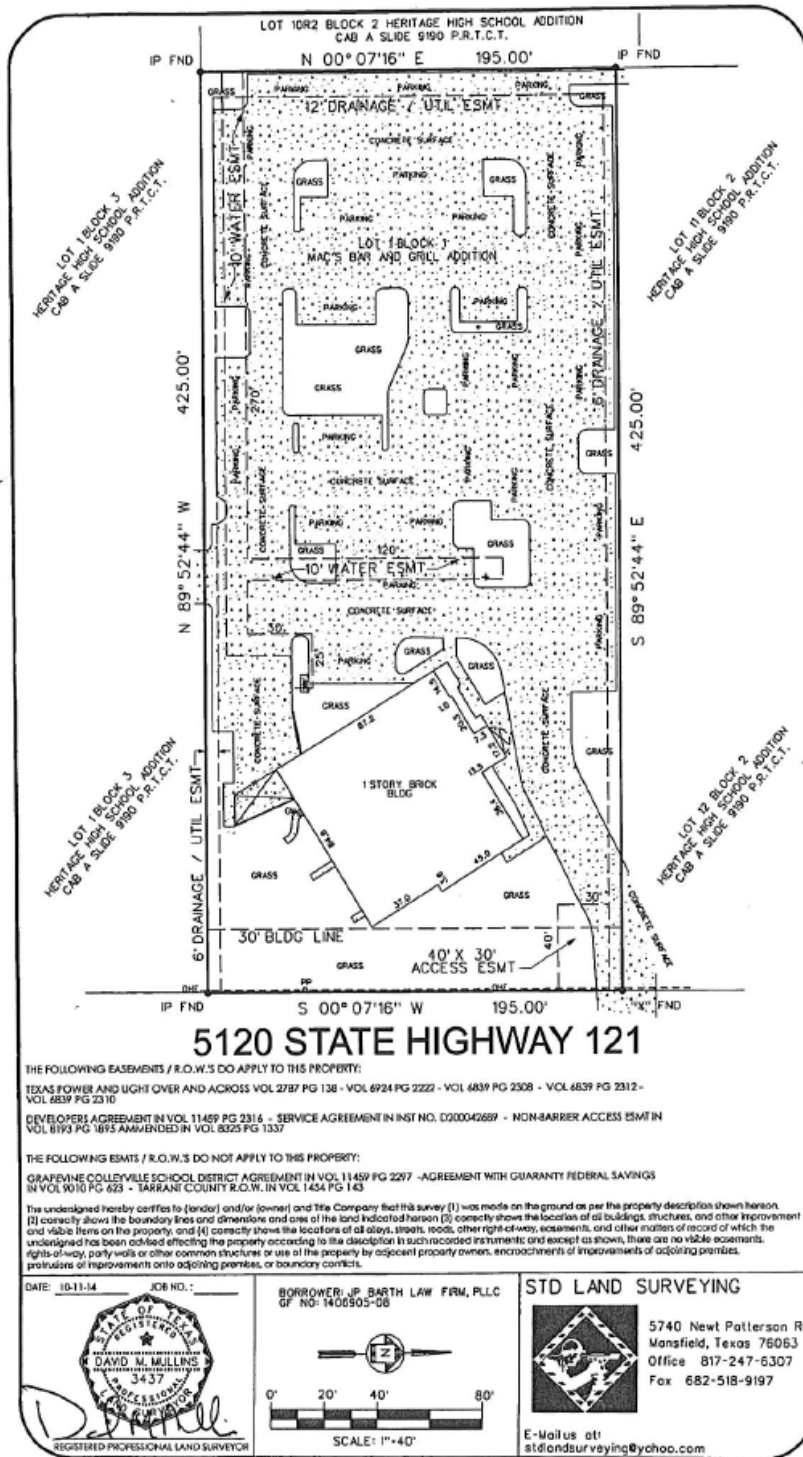
Seal:

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this _____ day of _____, 2016.

My Commission Expires:

Notary Public in and for the State of Texas

Exhibit "A" - Site



RESOLUTION R-16-4006

**A RESOLUTION AWARDING AN ECONOMIC DEVELOPMENT
INCENTIVE GRANT TO CRAFT & CRAB, LLC**

WHEREAS, following discussion in Executive Session, and in full accordance with the requirements of the Open Meetings Act, the City Council determines that the following action is in the best interests of the health, safety, and welfare of the public; and

WHEREAS, the City of Colleyville is authorized by Chapter 380 of the Texas Local Government Code to provide economic development incentives to support the expansion of local business activity, employment, and development; and

WHEREAS, Craft & Crab, LLC, located at 5120 SH 121, has made application for a grant of \$30,000 for exterior improvements, on-site signage, and landscaping as a destination restaurant.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF COLLEYVILLE, TEXAS:

Sec. 1. THAT the Colleyville City Council hereby authorizes and approves an Economic Development Grant Agreement in an amount not to exceed \$30,000, substantially in the form of the agreement attached hereto as "Economic Development and Incentive Agreement."

Sec. 2. THAT this resolution is effective from and after the date of its passage.

AND IT IS SO RESOLVED.

APPROVED BY A VOTE OF ____ AYES, ____ NAYS, AND ____ ABSTENTIONS,
THIS THE 21ST DAY OF JUNE 2016.

Mayor Richard Newton	_____	Mayor Pro Tem Chris Putnam	_____
Place 1, Tammy Nakamura	_____	Place 5, Nancy Coplen	_____
Place 2, Bobby Lindamood	_____	Place 6, Mike Taylor	_____
Place 4, Jody Short	_____		

ATTEST:

CITY OF COLLEYVILLE

Amy Shelley, TRMC
City Secretary

Richard Newton
Mayor

ECONOMIC DEVELOPMENT AND INCENTIVE AGREEMENT

THIS ECONOMIC DEVELOPMENT AND INCENTIVE AGREEMENT (the “Agreement”), is made and entered into as of the 21st day of June, 2016, by and between the **CITY OF COLLEYVILLE, TEXAS**, a home rule municipality located in Tarrant County, Texas (the “City”), and Craft & Crab Colleyville, LLC, a corporation in good standing authorized to do business in the State of Texas (“Developer”). (The City and Developer are sometimes hereinafter referred to individually as a “Party” and collectively as the “Parties”).

RECITALS:

Developer, either directly or through one or more affiliates or permitted assigns, plans to redevelop an existing approximately 7,609 square foot restaurant located in the City of Colleyville, located at 5120 SH 121, Colleyville, TX, 76034, and shown on the attached Site Plan attached hereto as Exhibit “A” (referred to herein as the “Site”) (all exhibits hereto are incorporated herein by reference as if copied in their entirety). Developer plans to develop a 7,609 square foot restaurant called Craft & Crab; and

Developer has requested that the City authorize certain incentives as provided herein (collectively referred to as the “Incentives”) with respect to the Project; and

The City is authorized by Chapter 380 of the *Texas Local Government Code* to provide economic development incentives to support the expansion of local business activity, employment and development; and

For the public purpose of promoting economic development and diversity, increasing employment, reducing unemployment and underemployment, expanding commerce and stimulating business and commercial activity in the State of Texas, Tarrant County and the City, the City desires to offer the incentives to Developer as more particularly described in this Agreement; and

The Agreement and Incentives are authorized by, and are in accordance with Chapter 380 of the Texas Local Government Code and the City of Colleyville Economic Development Incentive Guidelines.

NOW, THEREFORE, for and in consideration of the promises, covenants and agreements set forth herein, the receipt and sufficiency of which are hereby acknowledged, the City and Developer (collectively the “Parties”) agree as follows:

Section I. The representations, covenants and recitations set forth in the foregoing recitals are material to this Agreement and are hereby incorporated into and made a part of this Agreement as though they were fully set forth in this Section I.

Section II. The Project.

The Project shall include a 7,609 square foot restaurant Craft & Crab, which shall be located at the Site.

Section III. The Incentives

A. To qualify for the Incentives provided for herein, Developer must also meet the conditions set forth in the following subparagraphs:

- i. The incentives shall be used for exterior building improvements, on-site signage, and landscaping, excluding any playground equipment.
- ii. Open the Craft & Crab no later than ninety (90) days from the date of this Agreement.
- iii. Operate the Craft & Crab for a period of not less than five (5) years from opening in accordance with all requirements of this Agreement.
- iv. Will not knowingly employ an undocumented worker as that term is defined by Section 2264.01(4) of the Texas Government Code. In accordance with Section 2264.052 of the Texas Government Code, if Craft & Crab Colleyville, LLC, or its branch, division, or department is convicted of a violation under 8 U.S.D. Section 1324a(f), Craft & Crab Colleyville, LLC shall repay the City the full amount of the payments made under this agreement, plus ten percent (10%) per annum from the date the payment was made. Repayment shall be paid within one hundred and twenty (120) days after the date Craft & Crab Colleyville, LLC receives notice of violation from the City.
- vi. All incentives provided for herein are wholly subject to Developer's compliance with the terms and conditions of this Agreement.

B. In consideration of the Developer's completion of the Project, the City agrees to provide the following incentives:

- i. The City will provide a grant, matching the Developer dollar for dollar, of up to \$30,000.00 in exterior construction improvements for exterior building improvements, on-site signage, and landscaping, excluding any playground equipment.
- ii. The City will provide the grant within thirty (30) days of the issuance of a Certificate of Occupancy for the Craft & Crab. The City shall have the right to review and inspect any necessary confirming documentation.

Section IV. Miscellaneous

A. All construction on the Project will be in accordance with applicable codes, regulations and ordinances of the City, and all applicable State and Federal laws, rules and regulations.

B. Successors and Assigns.

This Agreement may not be assigned, transferred, conveyed, or exchanged, in whole or in part, by either party without the written consent of the other party provided, however, that Developer may assign this Agreement to an entity controlled by the members of Developer and may be collaterally assigned to any Project construction or permanent lender. In the event of an approved assignment, the assigning party shall provide written notice of the assignee, including assignee's address and contact information. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and (subject to approval of the other party) assigns.

C. The individuals executing this Agreement on behalf of the respective parties below represent to each other and to others that all appropriate and necessary action has been taken to authorize the individual who is executing this Agreement to do so for and on behalf of the party for which his or her signature appears, that there are no other parties or entities required to execute this Agreement in order for the same to be an authorized and binding agreement on the party for whom the individual is signing this Agreement and that each individual affixing his or her signature hereto is authorized to do so, and such authorization is valid and effective on the date hereof.

- a. This Agreement is executed by the parties hereto without coercion or duress and for substantial consideration, the sufficiency of which is forever confessed.
- b. This Agreement may be executed in a number of identical counterparts, each of which shall be deemed an original for all purposes.
- c. In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision thereof, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.
- d. Each signatory represents this Agreement has been read by the party for which this Agreement is executed and that such party has had an opportunity to confer with its counsel.
- e. Time is of the essence in this Agreement.
- f. The parties agree this Agreement has been drafted jointly by the parties and their legal representatives.

D. Indemnification. **DEVELOPER, AT NO COST TO THE CITY, AGREES TO DEFEND, INDEMNIFY AND HOLD THE CITY, ITS OFFICERS, AGENTS SERVANTS AND EMPLOYEES, HARMLESS AGAINST ANY AND ALL CLAIMS, LAWSUITS, ACTIONS, COSTS AND EXPENSES OF ANY KIND, INCLUDING, BUT NOT LIMITED TO, THOSE FOR PROPERTY DAMAGE OR LOSS (INCLUDING ALLEGED DAMAGE OR LOSS TO CRAFT & CRAB BUSINESS AND ANY RESULTING LOST PROFITS)**

AND/OR PERSONAL INJURY, INCLUDING DEATH, THAT MAY RELATE TO, ARISE OUT OF OR BE OCCASIONED BY (i) DEVELOPER'S BREACH OF ANY OF THE TERMS OR PROVISIONS OF THIS AGREEMENT; OR (ii) ANY ACT OR OMISSION OR INTENTIONAL MISCONDUCT OF DEVELOPER, ITS OFFICERS, AGENTS, ASSOCIATES, EMPLOYEES, CONTRACTORS (OTHER THAN THE CITY, OR ITS EMPLOYEES, OFFICERS, AGENTS, ASSOCIATES, CONTRACTORS OR SUBCONTRACTS), OR SUBCONTRACTORS DUE OR RELATED TO OR ARISING FROM THE REQUIRED IMPROVEMENTS AND ANY OPERATIONS AND ACTIVITIES ON THE LAND OR OTHERWISE TO THE PERFORMANCE OF THIS AGREEMENT.

E. Powers.

(i) The City hereby represents and warrants to Developer that the City has full constitutional and lawful right, power and authority, under currently applicable law, to execute and deliver and perform the terms and obligation of this Agreement, and all of the foregoing have been or will be duly and validly authorized and approved by all necessary City proceedings, findings and actions. Accordingly, this Agreement constitutes the legal, valid and binding obligation of the City, is enforceable in accordance with its terms and provisions and does not require the consent of any other governmental authority.

(ii) Developer hereby represents and warrants to the City that Developer has full lawful right, power and authority to execute and deliver and perform the terms and obligations of this Agreement and all of the foregoing have been or will be duly and validly authorized and approved by all necessary actions of Developer. This Agreement constitutes the legal, valid and binding obligation of Developer, and is enforceable in accordance with its terms and provisions.

F. Authorized Parties.

Whenever under the provisions of this Agreement and other related documents and instruments or any supplemental agreements, any request, demand, approval, notice or consent of the City or Developer is required, or the City or Developer is required to agree or to take some action at the request of the other, such request, demand, approval, notice or consent, or agreement shall be given for the City, unless otherwise provided herein, by the City Mayor or his designee and for Developer by any officer of Developer so authorized (and, in any event, the officers executing this Agreement are so authorized); and any Party shall be authorized to act on any such request, demand, approval, notice or consent, or agreement.

G. Default.

(i) A Party shall be deemed in default under this Agreement (which shall be deemed a breach hereunder) if such Party fails to materially perform, observe or comply with any of its covenants, agreements or obligations hereunder or breaches or violates any of its representations contained in this Agreement. Upon expiration of any repayment deadline, any and all repayment obligations of Developer shall be assessed against the Center and shall constitute a lien against the Center effective upon recording notice thereof in the Office of the County Clerk of Tarrant County, Texas.

(ii) Continuous Operation. In the event Developer fails to open the Craft & Crab, Developer shall be obligated to reimburse the City the full amount of the incentives paid to date.

(iii) Failure to Pay City Taxes.

An event of default shall occur under this Agreement if any legally-imposed City taxes owed on the land by Developer or an Affiliate or arising on account of Developer or an affiliate's operations on the land become delinquent and Developer or the affiliate does not either pay such taxes or follow the legal procedures for protest and/or contest of any such taxes. In this event, the City shall notify Developer in writing and Developer shall have sixty (60) calendar days to cure such default. If the default has not been fully cured by such time, the City shall have the right to terminate this Agreement immediately by providing written notice to Developer and the Developer shall be obligated to reimburse the City the full amount of the incentives paid to date, with such repayment obligation reduced by 1/8 for each year the Craft & Crab has been in operation. In addition, the City shall have all other rights and remedies that may be available to it under the law or in equity.

(iv) Before any failure of any Party to this Agreement to perform its obligations under this Agreement shall be deemed to be a breach of this Agreement, the Party claiming such failure shall notify, in writing per Section V. L. herein, the Party alleged to have failed to perform of the alleged failure and shall demand performance. No breach of this Agreement may be found to have occurred if performance has commenced to the reasonable satisfaction of the complaining Party within thirty (30) days of the receipt of such notice, provided, however, if such matter is such that it cannot be cured within thirty (30) days, no breach may be found to have occurred if the Party has commenced the cure thereof within thirty (30) days and diligently pursues the completion thereof provided that such cure shall in any event occur within ninety (90) days after written notice of the breach. Upon a breach of this Agreement, the non-defaulting Party, in any court of competent jurisdiction, by an action or proceeding at law or in equity, may secure the specific performance of the covenants and agreements herein contained, may be awarded damages for failure of performance, or both, provided, however, that the City's sole remedy hereunder for Developer's failure to complete the Project shall be to withhold the Incentives. Except as otherwise set forth herein, no action taken by a Party pursuant to the provisions of this Section or pursuant to the provisions of any other Section of this Agreement shall be deemed to constitute an election of remedies and all remedies set forth in this Agreement shall be cumulative and non-exclusive of any other remedy either set forth herein or available to any Party at law or in equity. Each of the Parties shall have the affirmative obligation to mitigate its damages in the event of a default by the other Party.

(v) Notwithstanding anything in this Agreement which is or may appear to be to the contrary, if the performance of any covenant or obligation to be performed hereunder by any Party is delayed as a result of circumstances which are beyond the reasonable control of such Party (which circumstances may include, without limitation, pending or threatened litigation, act of God, war, acts of civil disobedience, fire or other

casualty, shortage of materials, adverse weather conditions (such as, by way of illustration and not limitation, severe rain storms or below freezing temperatures, or tornadoes, labor action, strikes or similar acts) the time for such performance shall be extended by the amount of time of such delay. The Party claiming delay of performance as a result of any of the foregoing “force majeure” events shall deliver written notice per Section V. L. herein of the commencement of any such delay resulting from such force majeure event not later than ten (10) days after the claiming Party becomes aware of the same, and if the claiming Party fails to so notify the other Party of the occurrence of a “force majeure” event causing such delay, the claiming Party shall not be entitled to avail itself of the provisions for the extension of performance contained in this Section.

H. This Agreement, and any exhibits attached hereto, may be amended only by the mutual agreement of the Parties evidenced by a written amendment, by the adoption of an ordinance or resolution of the City approving such written amendment, as provided by law, and by the execution of such written amendment by the Parties or their successors in interest.

I. Entire Agreement. This Agreement sets forth all agreements, understandings and covenants between and among the Parties relative to the matters herein contained. This Agreement supersedes all prior agreements, negotiations and understandings, written and oral, and shall be deemed a full integration of the entire agreement of the Parties.

J. Severability. If any provision, covenant, agreement or portion of this Agreement, or its application to any person, entity or property, is held invalid, such invalidity shall not affect the application or validity of any other provisions, covenants, agreements or portions of this Agreement and, to that end, all provisions, covenants, agreements or portions of this Agreement are declared to be severable.

K. Dispute Resolution and Texas Law. The parties hereby agree to make a good faith effort to resolve disputes arising under this Agreement through informal discussions between the parties. In the event that a dispute cannot be resolved through informal discussions, prior to initiating an alternative remedy either party must submit a written complaint per Section IV.L. that sets forth with specificity the basis of the complaint and a proposed resolution to the dispute. The party receiving the complaint shall respond in writing to such written complaint within thirty (30) calendar days, by accepting the proposed resolution, rejecting the proposed resolution or by proposing an alternative resolution to the dispute. Within twenty (20) calendar days of receipt of the party's written response, if such response is a rejection or a counter-proposal, the other party must either accept the counter-proposal or request that the dispute be reconsidered and mediated by an independent third party that is mutually agreed upon by the parties. If the dispute is mediated, both parties shall participate in good faith and attempt to resolve the dispute to their mutual satisfaction. Each party shall be responsible for its own costs incurred in connection with such mediation, but shall also be responsible for one-half of all of the out-of-pocket costs of and incurred by such independent third party in connection with such mediation. In the event that the dispute is unable to be resolved through mediation, both parties shall have full legal remedies provided for in this Agreement and in the courts of the State of Texas.

Failure by either party to raise a dispute through this process shall not constitute waiver or acceptance of an alleged violation of this Agreement. The provisions of this section are strictly limited in scope to serving as a prerequisite to the enforcement of remedies under this Agreement.

This Agreement shall be construed in accordance with the laws of the State of Texas, and any actions concerning this Agreement shall be brought in either the Texas State District Courts of Tarrant County, Texas or the United States District Court for the Northern District of Texas. Neither party shall be entitled to the recovery of their attorney fees as a result of any dispute regarding this Agreement.

L. Notice. Any notice to be given or served hereunder or under any document or instrument executed pursuant hereto shall be in writing and shall be (i) delivered personally, with a receipt requested therefore, or (ii) sent by telecopy facsimile; or (iii) sent by a nationally recognized overnight courier service; or (iv) delivered by United States registered or certified mail, return receipt requested, postage prepaid. All notices shall be addressed to the Parties at their respective addresses set forth below, and shall be effective (a) upon receipt or refusal if delivered personally or by telecopy facsimile; (b) one (1) business day after depositing with such an overnight courier service or (c) two (2) business days after deposit in the United States mails, if mailed. A Party may change its address for receipt of notices by service of a notice of such change in accordance with this Section. All notices by telecopy facsimile shall be subsequently confirmed by U.S. certified or registered mail, return receipt requested.

If to the City:	City of Colleyville 100 Main Street Colleyville, Texas Attn: City Manager Fax: 817-503-1129
with a copy to:	Matthew C. G. Boyle Boyle & Lowry, L.L.P. 4201 Wingren, Suite 108 Irving, Texas 75062-2763 Fax: (972) 650-7105
If to Developer:	Craft & Crab Colleyville, LLC Attn: Chris Putnam Craft and Crab Colleyville, LLC 301 W. Round Grove Rd. #104 Lewisville, Texas 75067
with a copy to:	Julia Barth 4215 Gateway Dr. Ste. 101, Colleyville, Texas 76034

M. Interpretation. This Agreement has been jointly negotiated by the Parties and shall not be construed against a Party because that Party may have primarily assumed responsibility for the drafting of this Agreement.

IN WITNESS WHEREOF, the City Council of the City of Colleyville, Texas, and Craft & Crab Colleyville, LLC have authorized and caused this Agreement to be executed and delivered on this the 21st day of June, 2016.

**THE CITY OF COLLEYVILLE, TEXAS,
a Texas home rule municipality**

By: _____
Richard Newton
Mayor

ATTEST:

City Secretary

APPROVED AS TO FORM:

City Attorney

Craft & Crab Colleyville, LLC

By _____

CORPORATE ACKNOWLEDGMENT:

The State of Texas

County of Tarrant

Before me, the undersigned, on this day personally appeared _____ of _____, 2016, proved to me through the presentation of a valid Texas Drivers License to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he/she executed the same

for the purposes and consideration therein expressed. _____ furthermore attested that he/she is signing this agreement in his/her capacity as _____, and that such capacity makes his signature valid to bind the company _____.

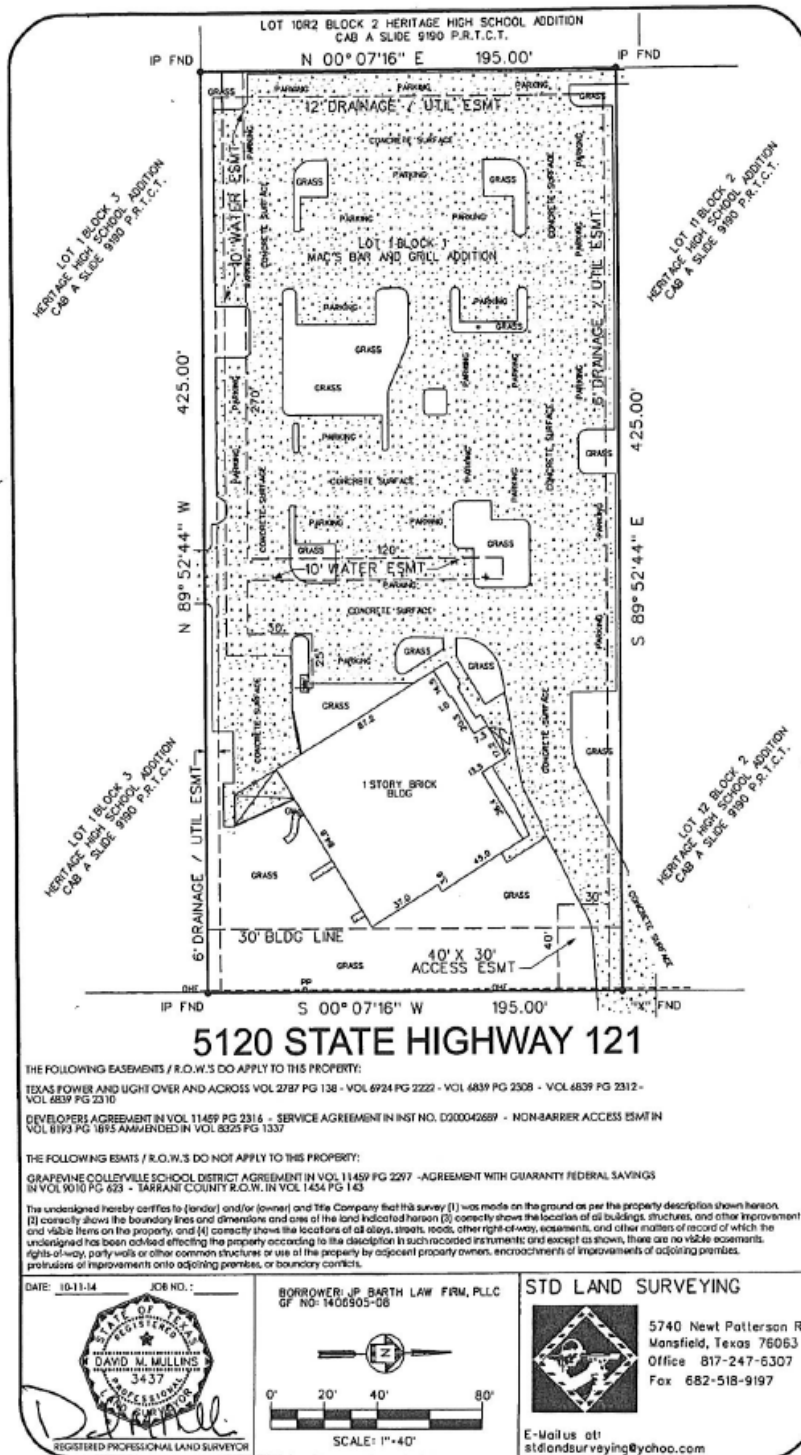
Seal:

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this _____ day of _____, 2016.

My Commission Expires:

Notary Public in and for the State of Texas

Exhibit "A" - Site





City of Colleyville City Council Agenda Briefing

City Hall
100 Main Street
Colleyville, Texas 76034
www.colleyville.com

Agenda Number 6c

Agenda Date 06/21/2016

Number Resolution R-16-4007

Type Resolution

Department City Secretary

Title

Approval of establishing a Charter Review Committee, appointing members, providing committee responsibilities, and selecting a reporting period

Strategy Map Connection

B4- Cultivate a culture of transparency and consistent communication

Explanation

Reading and Public Hearing

At the Charter Review Worksession held on June 14, 2016, City Council provided direction to staff to include this item to further discuss a proposed resolution to establish a Colleyville Citizens City Charter Review Committee, appoint members, and provide a date for the committee to submit a final report.

Mayor Newton requested each City Councilmember provide two (2) names of persons they would like to serve on this committee, of which seven (7) members would be selected to serve. Staff has received the following names for City Council's consideration:

Steve Waltens, Nelson Thibodeaux, Michael Muhm, David Medlin, Claudia Bevill, Tim Weymuth, Frank Carroll, Rich Hendler, Karen Deakin, Ann Nicholson, Kay Allen, Shirley Schollmeyer, and Vince Hawkins

Staff has attached a detailed calendar of events leading up to a Special Charter Election on November 8, however, key dates are highlighted below:

Action

Date

City Council appoint members	June 21, 2016
Initial Committee meeting	June 27-30, 2016
Committee submits final report	July 29, 2016
City Council receives report	August 9, 2016
Special Election called by City Council	August 16, 2016
Special Election conducted	November 8, 2016
Canvassing of Special Election results	Tent. November 15, 2016

This item provides for City Council to approve the attached proposed resolution to appoint members to the Charter Review Committee, provide committee

responsibilities, and provide a reporting period.

Financial Impact

The calling of a Charter special election will be expended through the City Secretary's budget: 001-14-10-6215.

Recommendation

Approve

Attachments

1. Calendar of Events
2. Resolution R-16-4007

**November 8, 2016 – Uniform Election Date
Special Charter Election**

ACTION	DATE
City Council appointments	June 21, 2016
Initial Committee meeting	June 27-30, 2016 (any day)
Second Committee meeting	July 5-8, 2016 (any day)
Third Committee meeting	July 14-15, 2016 (any day)
Fourth Committee meeting	July 20-22, 2016 (any day)
Committee has final report ready for City Council	July 29, 2016
City Council accepts final report at a special meeting (prior to worksession)	August 9, 2016
Deadline for calling special election and posting notice of election on bulletin board	Tuesday, August 16, 2016 at the regular City Council meeting
Last Day to Register to Vote	Tuesday, October 11, 2016
First Day of Early Voting	Monday, October 24, 2016
Last Day to Apply for Ballot by Mail (Received , not Postmarked)	Friday, October 28, 2016
Last Day of Early Voting	Friday, November 4, 2016
Last Day to Receive Ballot by Mail	Tuesday, November 8, 2016 (election day) at 7:00 p.m. (unless overseas deadline applies)
Election Day	Tuesday, November 8, 2016
Recommended period for canvassing the special election	Wednesday, November 16, 2016 through Monday, November 21, 2106 <i>(If official election results are available from Tarrant County earlier than this deadline, the canvass may be moved to the regular City Council meeting on Tuesday, November 15, 2016)</i>

RESOLUTION R-16-4007

A RESOLUTION OF THE CITY OF COLLEYVILLE, TEXAS ESTABLISHING A COLLEYVILLE CITIZENS CITY CHARTER REVIEW COMMITTEE, APPOINTING MEMBERS, AND PROVIDING A DATE FOR THE CHARTER REVIEW COMMITTEE TO SUBMIT A FINAL REPORT

WHEREAS, the City Council believes that positive changes can be possibly made to the Colleyville City Charter to enhance the document without significantly effecting the democratic principles of the Colleyville City Charter or the opportunities of citizens to become informed on City issues and make known to their elected representatives their concerns and comments; and

WHEREAS, the City Council understands the need to review the City Charter to clarify, add or subtract as necessary to ensure the powers, rights and duties of the City government adhere to its original concepts and structure as a "Council-Manager Government."

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF COLLEYVILLE, TEXAS:

- Sec. 1. THAT a Colleyville Citizens City Charter Review Committee is hereby established.
- Sec. 2. THAT the following citizens are appointed to the Colleyville Citizens City Charter Review Committee:
- Sec. 3. THAT _____ is appointed as Chair, and _____ is appointed as Vice Chair.
- Sec. 4. THAT the City Manager shall provide administrative support services to the Colleyville Citizens City Charter Review Committee.
- Sec. 5. THAT the Colleyville Citizens Charter Review Committee's responsibilities may include:
 - a. Section 3.01 Number, Selection, Term: should contain language which limits consecutive terms to two in the same office, and how or when this shall commence. Compare this amendment with those of area cities for benchmarking.

- b. Section 3.09C Quorum and Voting: should provide language which allows electronic voting for City Council meetings, and language that allows for nominations and appointments and voting by name.
- c. Section 14.02 Personal Financial Interest: should include an additional subsection to provide the following:
 - k. Financial Disclosure and Business Conflict of Interest Forms shall be provided by applicants seeking appointments to the Planning and Zoning Commission or the Zoning Board of Adjustment, and shall file within two (2) business days following the end of the application period stated in the official City advertisement for application for the position. The city manager and the city manager's senior staff members shall also file the same within thirty (30) days of hiring. All person(s), as outlined above, shall have a duty to file supplemental disclosures within five (5) days of an occurrence of any change in the information reflected in the forms previously filed by the individual. These forms shall include the following information:
 - i. The location, size, and current use of all property owned within the portion of Tarrant County north of Interstate 30 and east of Interstate 35W, and that portion of Denton County south of State Highway 114 and east of Interstate 35W, or held in trust by the person(s), as outlined above, their spouse, and any dependent minor children, or any business entity in which the person has a financial interest.
 - ii. The name and address of any person or corporation which currently has or during the preceding twelve (12) months has had a contractual relationship with the City and from which the person(s), as outlined above, their spouse or dependent minor children have received a fee, salary, or gift of a value

exceeding one hundred dollars(\$100.00).

- iii. The name and address of any corporation or business, which currently has or in the preceding twelve (12) months has had a contractual relationship with the City, of which the person(s), as outlined above, their spouse, or any dependent minor children own more than two percent (2%) of the outstanding equity interest or more than two percent (2%) of the assets.
- d. Section 7.02 City Secretary: should provide an addition of "with the approval of City Council" to the following statement: "The City Manager, *with the approval of City Council*, shall appoint a qualified individual to fill the position of City Secretary."
- e. Section 7.03(A) Chief of Police: should provide an addition of "with the approval of City Council" to the following statement: "The Chief of Police shall be appointed by the City Manager, *with the approval of City Council*, for an indefinite term."
- f. Section 7.04(A) Fire Chief: should provide an addition of "with the approval of City Council" to the following statement: "The Fire Chief shall be appointed by the City Manager, *with the approval of City Council*, for an indefinite term."
- g. Section 7.05 Department of Public Works: should provide an addition of "with the approval of City Council" to the following statement: "The Director of Public Works shall be appointed by the City Manager, *with the approval of City Council*, for an indefinite term."
- h. Section 7.06 Department of Finance: should provide an addition of "with the approval of City Council" to the following statement: "There shall be a Department of Finance headed by the City Manager or his appointee, *with the approval of City Council*."

Sec. 6. THAT the recommendations of the Colleyville Citizens Charter Review Committee shall be finalized and ready to be presented to the City Council by July 29, 2016.

Sec. 7. THAT this resolution shall take effect immediately upon passage.

AND IT IS SO RESOLVED.

APPROVED BY A VOTE OF ____ AYES, ____ NAYS, AND ____ ABSTENTIONS
ON THIS THE 21ST DAY OF JUNE 2016.

Mayor Richard Newton	_____	Mayor Pro Tem Chris Putnam	_____
Place 1, Tammy Nakamura	_____	Place 5, Nancy Coplen	_____
Place 2, Bobby Lindamood	_____	Place 6, Mike Taylor	_____
Place 4, Jody Short	_____		

ATTEST:

CITY OF COLLEYVILLE

Amy Shelley, TRMC
City Secretary

Richard Newton
Mayor



City of Colleyville City Council Agenda Briefing

City Hall
100 Main Street
Colleyville, Texas 76034
www.colleyville.com

Agenda Number 7

Agenda Date 06/21/2016

Type Report

Department City Secretary

Title

Update on the status and activities of the Regional Transportation Council (RTC) - Councilmember Mike Taylor

Explanation

This item appeared on the Regional Transportation Council's June 16, 2016 agenda:

City of Colleyville Request for Regional Transportation Council Reconsideration and Public Referendum Request

☐ Action ☒ Possible Action ☐ Information Minutes: 10

Presenter: Michael Morris, NCTCOG

Item Summary: The Regional Transportation Council (RTC) took action last month to implement a short-term loan to maintain the construction schedule of the passenger rail line from downtown Fort Worth to the Dallas/Fort Worth International Airport. The City of Colleyville passed a resolution for RTC reconsideration and/or request for a public referendum. This item, for possible action, is for the RTC to consider Colleyville's request.

Background: [Reference Item 6.1](#) contains a copy of the Colleyville City Council resolution from May 17, 2016. [Electronic Item 6.2](#) is a white paper developed by the North Central Texas Council of Governments in 2015. This white paper on rail transit will be updated for the upcoming legislative session. [Electronic Item 6.3](#) is a 50-year history within the Dallas-Fort Worth region on how the private and public sectors have requested passenger rail to be part of broader policy questions. Section 5 of the Colleyville resolution requests that "RTC reconsider the TEX Rail project and/or put the project up for a public referendum in the November 2016 general election." The City of Colleyville requested and received a quiet zone for the rail facility in question.

This report provides for an opportunity for Councilmember Mike Taylor, also RTC representative for Colleyville, to provide information to City Council.

Attachments



City of Colleyville City Council Agenda Briefing

City Hall
100 Main Street
Colleyville, Texas 76034
www.colleyville.com

Agenda Number 9

Agenda Date 06/21/2016

Type Approval of Minutes

Department Community Development

Title

Planning and Zoning Commission Meeting Minutes - May 9, 2016

Attachments

1. Planning and Zoning Commission Meeting



City of Colleyville Planning and Zoning Commission Minutes

City Hall
100 Main Street
Colleyville, Texas 76034
817. 503.1000
www.colleyville.com

Monday, May 9, 2016

City Council Chambers

CALL MEETING TO ORDER

The Planning and Zoning Commission meeting of the City of Colleyville was called to order by the Chairman Byerly on May 9, 2016, at 7:00p.m.

Roll Call

Present: Commissioners, Jason Elms, Carel Tornes, David Wheelwright, Jim Gotcher, Don Davis, David Phelps, and Jeff Byerly

Staff Present: Shane Pace, Abra Nusser, Oscar Chavez, Cheryl Taylor, Rob McKeown, Matthew Butler (City Attorney), and Araceli Botello

1. APPROVAL OF MINUTES

Commissioner Phelps made a motion to approve the April 11, 2016 minutes as written. Commissioner Davis seconded.

The motion to approve the April 11, 2016 minutes as written carried by the following vote:

Aye: 7 – Elms, Tornes, Wheelwright, Gotcher, Davis, Phelps, and Byerly

2. CITIZEN COMMENTS/PRESENTATIONS REGARDING ITEMS NOT ON THE AGENDA AS A PUBLIC HEARING ITEM

Julia Barth, 4810 Shadywood Lane, came forward and spoke regarding her property located at 5120 S.H. 121 (previously Mac's Bar and Grill) and the forthcoming Drunken Donkey restaurant.

3. PUBLIC HEARING AGENDA ITEMS

3a Consideration of a zoning change from the AG-Agricultural zoning district to the R20-Single Family Residential zoning district on Tracts 1A01H1 and 1A01G, of Abstract 1756, in the A T Young Survey, located at 4916 and 4928 Bills Lane, Case ZC16-002.

Shane Pace presented the case and briefed the Commission.

The public hearing was opened at 7:05 p.m.

There being no one wishing to speak, the public hearing was closed at

7:06 p.m.

Commissioner Wheelwright made a motion to withdraw Case ZC16-002. Commissioner Tornes seconded.

The motion to withdraw carried by the following vote:

Aye: 7 – Elms, Tornes, Wheelwright, Gotcher, Davis, Phelps, and Byerly

- 3b** Consideration of a replat (Proposed Lots 1R1 & 17, Block 3, of the Highland Acres Addition), of Lot 1R, Block 3, of the Highland Acres Addition, and Tracts 1B & 1B2, Abstract 206, of the B.B.B. & C.R.R. Survey, located at 5108 Bransford Road, 409 Timberline Drive South, and 411 Timberline Drive South, Case PC16-004.

Shane Pace presented the case and briefed the Commission.

The public hearing was opened at 7:08 p.m.

Kathy Hadley, 204 North Timberline, came forward and spoke in opposition to this case.

There being no others present wishing to speak, the public hearing was closed at 7:12 p.m.

Commissioner Davis made a motion to approve Case ZC16-004. Commissioner Gotcher seconded.

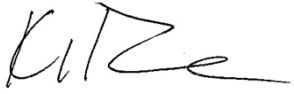
The motion to approve carried by the following vote:

Aye: 7 – Elms, Tornes, Wheelwright, Gotcher, Davis, Phelps, and Byerly

5. ADJOURNMENT

The meeting adjourned at 7:14 p.m.

The minutes were written and prepared by:

A handwritten signature in black ink, appearing to read 'K. Pace'.

Shane Pace
Principal Planner

The meeting minutes were approved on June 13, 2016, by a vote of (7-0).



City of Colleyville City Council Agenda Briefing

City Hall
100 Main Street
Colleyville, Texas 76034
www.colleyville.com

Agenda Number
Type Report
Department Finance

Agenda Date 06/21/2016

Number 9

Title

Monthly Financial Report - May 2016

Explanation

General Fund

The percentage of the current year tax roll collected is above the percentage collected for May 2015. It is anticipated that the budgeted collection rate of 99% will be achieved.

For the month of May, sales tax is up 13.10% (\$46,208) from revenues reported for the same time period last year. Year to date General Fund sales tax is up 7.34% (\$123,604) when compared to the same time period last year. This is the highest May sales tax allocation ever received.

The annual franchise payment received from Atmos in March exceeded budgeted projections by 5.2%, however, due to warmer winter temperatures compared to last year, the annual amount received was 18.11% less than the amount received last fiscal year. The annual franchise payment received by Oncor in February exceeded budgeted projections by 3.31% and was slightly more than last year's annual payment. Tri-County Electric's annual franchise payment also exceeded the budgeted projection by 6.78%.

The quarterly mixed beverage tax allocation came in at \$29,118 compared to \$25,673 last fiscal year, an increase of 13.4%. Year to date revenues currently exceed budgeted projections by almost 32%.

Ten new residential building permits were issued in May, compared to 19 that were issued in May 2015. Revenues received for licenses and permits exceed current year projections by 53.5%. Ambulance revenues exceed budget projections by over 25% and are ahead of last year's collections due to a 15% increase in hospital transports. Colleyville Center revenues are ahead of budgeted projections by 19.7%. Cost recovery for the Center is currently 59%. Revenues related to engineering and construction inspection fees are down compared to budgeted projections and last year due to a minimal number of new development projects so far this fiscal year.

The average amount expended by the General Fund departments at the end of May is 67.26% of the total appropriation versus 71.37%, which was projected to be spent.

Utility Fund

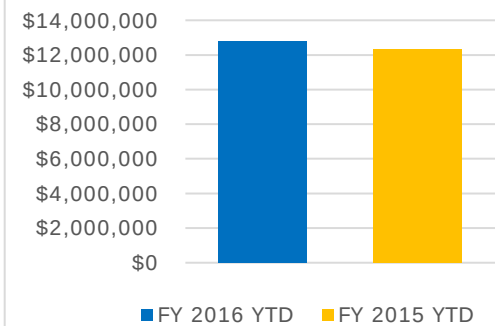
Year to date, water usage has increased as compared to the amount sold through May 2015. This increase is likely related to customers beginning to irrigate lawns for the spring months now that the average sewer calculations have been done. The average amount expended by the Utility Fund departments at the end of May was 41.74% of the total appropriation, versus 44.90%, which was projected to be spent.

Monthly Financial Report: May 2016

General Fund Revenues

Ad Valorem Taxes

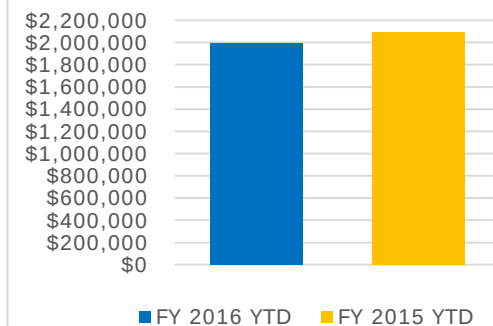
FY 2016 Budget: \$12,928,456



% Change FY/FY: 3.57%
 - Based on 2015 property values
 - Most collections in Dec., Jan., & Feb.

Franchise Fees

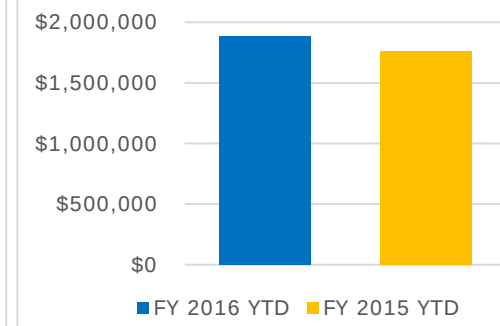
FY 2016 Budget: \$2,061,000



% Change FY/FY: -4.89%
 - Use of City ROW by utilities
 - Gas, Electricity, Telecom., Cable, Waste

Sales Taxes

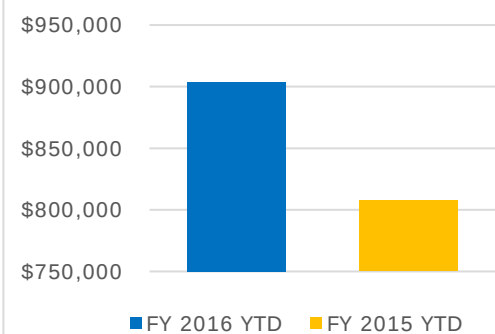
FY 2016 Budget: \$3,480,000



% Change FY/FY: 6.91%
 - Receipts are from sales 2 months prior
 - Sales tax revenues are Dec. - Nov.
 - Also includes mixed beverage tax

Licenses & Permits

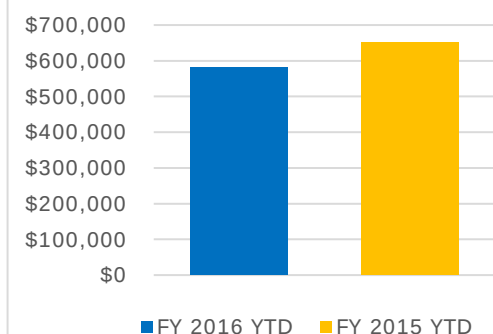
FY 2016 Budget: \$882,800



% Change FY/FY: 11.87%
 - Building, plumbing, mechanical, fence, electrical, sign, etc. permit fees

Fines

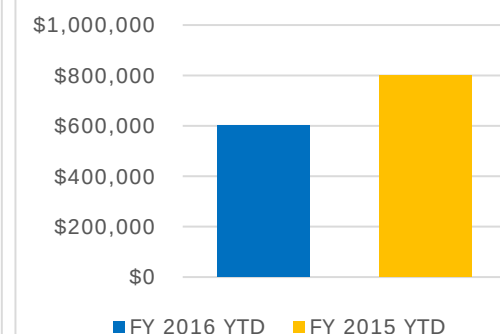
FY 2016 Budget: \$876,000



% Change FY/FY: -10.62%
 - Includes fines from citations, alarm fees, and library fines

Charges for Service

FY 2016 Budget: \$1,089,800

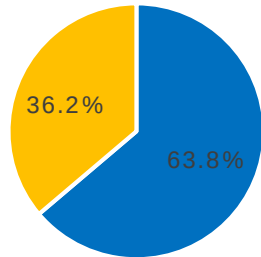


% Change FY/FY: -24.86%
 - Includes zoning, ambulance, parks/rec., engineering, & Colleyville Center charges

Monthly Financial Report: May 2016
General Fund Expenditures

Public Safety

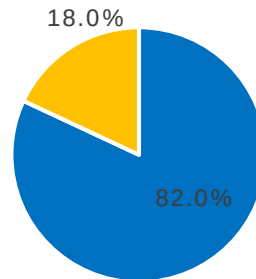
FY 2016 Budget: \$9,424,339
% Expended: 63.8%
% Remaining: 36.2%



■ % Expended: ■ % Remaining:

Infrastructure

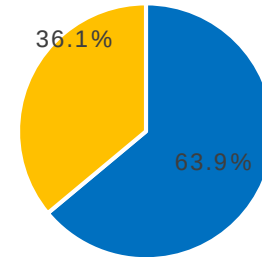
FY 2016 Budget: \$6,482,251
% Expended: 82.0%
% Remaining: 18.0%



■ % Expended: ■ % Remaining:

Development

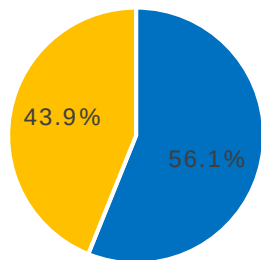
FY 2016 Budget: \$1,100,806
% Expended: 63.9%
% Remaining: 36.1%



■ % Expended: ■ % Remaining:

Operational Support

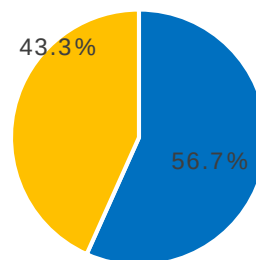
FY 2016 Budget: \$3,286,768
% Expended: 56.1%
% Remaining: 43.9%



■ % Expended: ■ % Remaining:

Community Assets & Programs

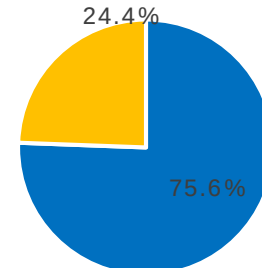
FY 2016 Budget: \$2,808,506
% Expended: 56.7%
% Remaining: 43.3%



■ % Expended: ■ % Remaining:

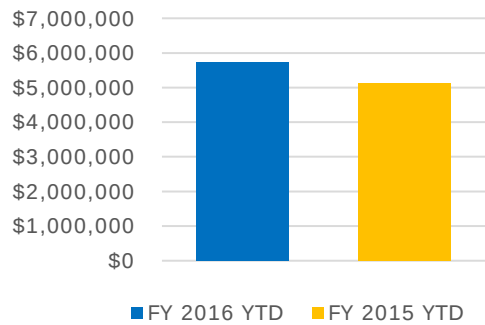
Technology

FY 2016 Budget: \$874,700
% Expended: 75.6%
% Remaining: 24.4%



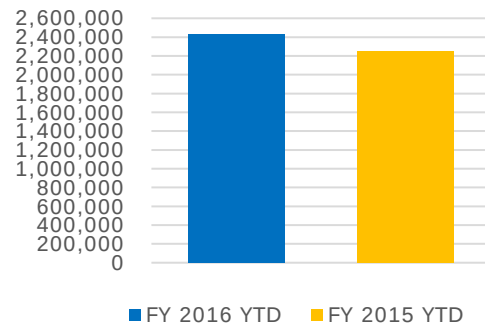
■ % Expended: ■ % Remaining:

Water Sales



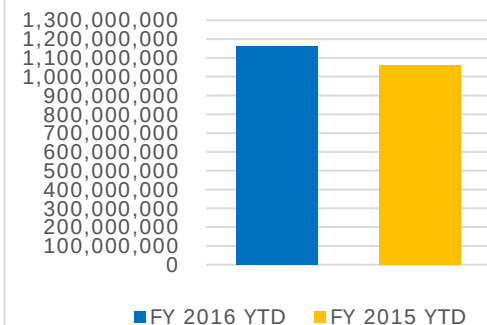
% Change FY/FY: 11.94%

Wastewater Sales



% Change FY/FY: 8.03%

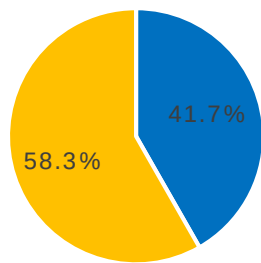
Gallons of Water Sold



% Change FY/FY: 9.14%

Utility Fund Expenditures

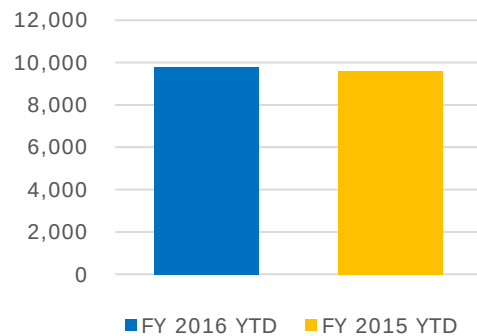
FY 2016 Budget: \$15,886,362
% Expended: 41.7%
% Remaining: 58.3%



■ % Expended: ■ % Remaining:

Number of Water Customers

FY 2016 YTD: 9,782
FY 2015 YTD: 9,592



% Change FY/FY: 1.98%

Notes

Rainfall totals (in inches):
Oct 15-May 16 34.02
Oct 14-May 15 20.02

MONTHLY FINANCIAL REPORT - MAY 2016

GENERAL FUND		RECEIVED	PROJECTED		RECEIVED	
	FY 2016	FY 2016 YTD	FY 2016 YTD	RECEIPT VS	FY 2015 YTD	PERCENT
REVENUE SOURCE	BUDGET	AS OF	AS OF	PROJECTED	AS OF	CHANGE OVER
		5/31/2016	5/31/2016	INCR (DECR)	5/31/2015	PRIOR YEAR
Current Taxes	\$12,823,456	\$12,730,346	\$12,670,842	0.47%	\$12,293,188	3.56%
Delinquent Taxes	50,000	20,513	12,346	66.15%	12,346	66.15%
Penalty & Interest	55,000	32,189	37,341	-13.80%	37,341	-13.80%
TOTAL AD VALOREM TAXES	\$12,928,456	\$12,783,048	\$12,720,528	0.49%	\$12,342,875	3.57%
Oncor Electric	\$875,000	\$903,933	\$875,000	3.31%	\$903,390	0.06%
Tri-County Electric	105,000	112,116	105,000	6.78%	126,855	-11.62%
Atmos Gas	350,000	368,202	350,000	5.20%	449,640	-18.11%
AT&T	70,000	50,497	52,500	-3.81%	54,012	-6.51%
Verizon/Others	65,000	39,737	43,333	-8.30%	62,702	-36.63%
Refuse/Recycling	146,000	113,312	97,332	16.42%	103,310	9.68%
Cable TV	450,000	401,930	337,500	19.09%	392,173	2.49%
TOTAL FRANCHISE TAXES	\$2,061,000	\$1,989,727	\$1,860,666	6.94%	\$2,092,082	-4.89%
Sales Tax	\$3,400,000	\$1,806,541	\$1,788,121	1.03%	\$1,682,938	7.34%
Mixed Beverage Tax	80,000	79,132	60,000	31.89%	80,820	-2.09%
TOTAL SALES TAX	\$3,480,000	\$1,885,673	\$1,848,121	2.03%	\$1,763,758	6.91%
Building	\$580,000	\$563,911	\$386,667	45.84%	\$534,561	5.49%
Plumbing	48,000	52,600	32,000	64.37%	42,588	23.51%
Mechanical	29,000	41,947	19,333	116.97%	25,425	64.98%
Electrical	40,000	51,846	26,667	94.42%	36,952	40.31%
City License	35,000	43,449	23,333	86.21%	30,385	42.99%
Building Plan Review Fee	109,000	92,267	72,667	26.97%	100,828	-8.49%
New Business	3,500	4,311	2,333	84.76%	2,867	50.37%
Sign Permit	6,800	7,840	4,533	72.94%	6,275	24.94%
Fence Permit	9,500	12,725	6,333	100.92%	7,275	74.91%
Fire Permits	7,000	16,205	4,667	247.25%	9,390	72.58%
Irrigation Permit	15,000	16,317	10,000	63.17%	11,081	47.25%
Gas & Oil Well Permit Fee	0	75	0	0.00%	0	0.00%
TOTAL LICENSES & PERMITS	\$882,800	\$903,493	\$588,533	53.52%	\$807,626	11.87%
Fines	\$800,000	\$532,201	\$533,333	-0.21%	\$594,699	-10.51%
Alarm Fees	53,000	35,199	35,333	-0.38%	40,859	-13.85%
Library Fines	23,000	13,651	15,333	-10.97%	14,538	-6.10%
TOTAL FINES	\$876,000	\$581,050	\$584,000	-0.51%	\$650,096	-10.62%

MONTHLY FINANCIAL REPORT - MAY 2016

REVENUE SOURCE	FY 2016 BUDGET	RECEIVED AS OF 5/31/2016	PROJECTED AS OF 5/31/2016	RECEIPT VS PROJECTED INCR (DECR)	RECEIVED AS OF 5/31/2015	PERCENT CHANGE OVER PRIOR YEAR
Re-zoning	\$10,000	\$5,220	\$6,667	-21.70%	\$8,669	-39.78%
Plat Fee/Site Plan	8,200	5,368	5,467	-1.81%	6,708	-19.98%
Board of Adjustment	1,250	1,650	833	98.00%	4,025	-59.01%
Sale of Material	100	413	67	520.22%	20	1967.40%
Weed Mowing	6,500	5,264	4,333	21.48%	4,051	29.96%
Ambulance	300,000	250,846	200,000	25.42%	205,452	22.09%
Recreation Program	160,000	110,844	106,667	3.92%	100,949	9.80%
Non-Resident Fee Parks	37,000	43,800	37,000	18.38%	40,415	8.38%
Field Use Charge	21,500	21,510	21,500	0.05%	24,295	-11.46%
Engineering & Inspection	175,000	399	116,667	-99.66%	234,808	-99.83%
Material Testing	100,000	6,408	66,667	-90.39%	0	100.00%
Colleyville Center Rental	257,250	134,615	112,482	19.68%	156,602	-14.04%
Lot Drainage Insp Fee	13,000	15,250	8,667	75.96%	14,625	4.27%
TOTAL CHARGES FOR SERVICE	\$1,089,800	\$601,588	\$687,015	-12.43%	\$800,618	-24.86%
SRO Officer Reimb	\$94,282	\$94,282	\$94,282	0.00%	\$94,282	0.00%
Keller Court	217,697	123,845	108,849	13.78%	115,705	7.04%
TOTAL INTERGOVERNMENTAL	\$311,979	\$218,127	\$203,131	0.00%	\$209,987	0.00%
Sale of Surplus Property	\$5,000	\$23,339	\$3,333	600.17%	\$3,798	514.58%
Interest Income	25,000	16,262	16,667	-2.43%	16,643	-2.29%
Miscellaneous	55,000	66,924	36,667	82.52%	56,002	19.50%
Use of Available Cash	1,000,000	0	0	0.00%	0	0.00%
Antenna Lease	70,040	73,677	56,568	30.24%	55,709	32.25%
TOTAL MISCELLANEOUS	\$1,155,040	\$180,202	\$113,235	59.14%	\$132,151	36.36%
Transfers-In	\$1,233,417	\$0	\$0	0.00%	\$0	0.00%
TOTAL TRANSFERS	\$1,233,417	\$0	\$0	0.00%	\$0	0.00%
TOTAL GENERAL FUND REVENUES	\$24,018,492	\$19,142,907	\$18,605,229	2.89%	\$18,799,192	1.83%

MONTHLY FINANCIAL REPORT - MAY 2016

	FY 2016 BUDGET	THROUGH 5/31/2016	THROUGH 5/31/2015	TOTAL INCREASE (DECREASE)	PERCENT INCREASE (DECREASE)
% OF CURRENT TAX ROLL COLLECTED	99.0%	98.50%	98.22%	0.28%	0.29%
RESIDENTIAL BLDG PERMITS	125	114	113	1	0.88%
COMMERCIAL BLDG PERMITS	5	5	7	(2)	-28.57%
CITATIONS ISSUED	11,500	5,624	6,837	(1,213)	-17.74%

GENERAL FUND EXPENSES

	FY 2016 BUDGET	EXPENDED THROUGH 5/31/2016	YEAR-TO-DATE PROJECTED EXPENDITURES	% OF BUDGET EXPENDED	BUDGET REMAINING
City Council	\$189,746	\$50,023	\$56,497	26.36%	\$139,723
City Manager	603,241	403,627	404,661	66.91%	199,614
City Secretary	215,281	141,682	143,521	65.81%	73,599
Finance	415,341	286,247	291,894	68.92%	129,094
Legal	200,000	135,233	135,833	67.62%	64,767
Engineering	574,462	401,847	407,975	69.95%	172,615
Economic Development	303,166	196,495	202,111	64.81%	106,671
Building Inspection	464,400	298,605	309,600	64.30%	165,795
Community Development	333,240	208,786	222,160	62.65%	124,454
Fire	4,440,164	3,063,041	3,159,109	68.98%	1,377,123
Police	4,592,988	2,720,701	3,061,992	59.24%	1,872,287
Parks	1,299,413	680,367	776,275	52.36%	619,046
Recreation	380,668	193,385	213,779	50.80%	187,283
Street Maintenance	4,694,578	4,005,953	4,129,719	85.33%	688,625
Library	737,263	492,377	493,009	66.78%	244,886
Communications	212,244	117,435	118,496	55.33%	94,809
Colleyville Center	391,162	226,468	249,775	57.90%	164,694
Human Resources	304,339	199,559	202,893	65.57%	104,780
Municipal Court	391,187	229,000	260,791	58.54%	162,187
Fleet Services	229,302	149,036	152,868	65.00%	80,266
Facility Services	531,909	303,667	354,606	57.09%	228,242
Information Services	874,700	661,203	678,133	75.59%	213,497
Non Departmental	953,559	510,236	635,706	53.51%	443,323
Capital Equipment Reserve	452,000	452,000	452,000	100.00%	0
Compensation Adjustment	193,017	0	0	0.00%	193,017
TOTAL EXPENSES	\$23,977,370	\$16,126,973	\$17,113,402	67.26%	\$7,850,397

MONTHLY FINANCIAL REPORT - MAY 2016

UTILITY FUND						
REVENUE SOURCE	FY 2016 BUDGET	RECEIVED AS OF 5/31/2016	PROJECTED AS OF 5/31/2016	RECEIPT VS PROJECTED INCR (DECR)	RECEIVED AS OF 5/31/2015	PERCENT CHANGE OVER PRIOR YEAR
Water Sales	\$11,467,441	\$5,721,438	\$5,991,910	-4.51%	\$5,111,050	11.94%
Sewer Sales	4,050,786	2,431,620	2,700,524	-9.96%	2,250,876	8.03%
Sewer Installation	7,000	11,800	4,667	152.86%	11,200	5.36%
Water Installation	21,000	35,980	14,000	157.00%	25,981	38.49%
Sewer Tie-on Charges	5,000	0	0	0.00%	0	0.00%
Engineering Charges	50,000	37	0	0.00%	105,051	-99.96%
Penalties	228,772	181,495	152,515	19.00%	116,040	56.41%
Miscellaneous	13,000	17,797	8,667	105.34%	14,182	25.48%
TOTAL OPERATING INCOME	\$15,842,999	\$8,400,167	\$8,872,282	-5.32%	\$7,634,381	10.03%
Interest Income	\$20,300	\$19,931	13,533	47.27%	\$9,591	107.81%
Use of Available Cash	450,000	0	0	0.00%	0	0.00%
TOTAL NON-OPERATING INCOME	\$470,300	\$19,931	\$13,533	100.00%	\$9,591	107.81%
TOTAL INCOME	\$16,313,299	\$8,420,098	\$8,885,815	-5.24%	\$7,643,972	10.15%

	THROUGH 5/31/2016	THROUGH 5/31/2015	TOTAL INCREASE (DECREASE)	PERCENT INCREASE (DECREASE)
GALLONS OF WATER SOLD	1,159,596,800	1,062,493,400	97,103,400	9.14%
NUMBER OF WATER CUSTOMERS	9,782	9,592	190	1.98%

UTILITY FUND EXPENSES					
	FY 2016 BUDGET	EXPENDED THROUGH 5/31/2016	YEAR-TO-DATE PROJECTED EXPENSES	% OF BUDGET EXPENDED	BUDGET REMAINING
Billing	\$382,103	\$258,918	\$263,735	67.76%	\$123,185
Operations	12,402,286	5,081,417	5,468,191	40.97%	7,320,869
Utility Support	1,176,062	710,084	784,041	60.38%	465,978
Non-Departmental	320,803	178,060	213,869	55.50%	142,744
Debt Service	365,325	358,438	358,438	98.11%	6,888
Compensation Adjustment	29,934	0	0	0.00%	29,934
Transfer to General Fund	1,209,849	44,286	44,286	3.66%	1,165,563
TOTAL EXPENSES	\$15,886,362	\$6,631,201	\$7,132,559	41.74%	\$9,255,161

RESOLUTION R-16-4008

**A RESOLUTION APPROVING CITY COUNCIL ACTION
UNDER BUSINESS AT THE REGULAR CITY COUNCIL MEETING OF
JUNE 21, 2016**

WHEREAS, City Council has taken action on certain items on the agenda under Business.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE
CITY OF COLLEYVILLE, TEXAS:**

Sec. 1. THAT

AND IT IS SO RESOLVED.

APPROVED BY A VOTE OF ____ AYES, ____ NAYS, AND ____ ABSTENTIONS ON
THIS THE 21ST DAY OF JUNE 2016.

Mayor Richard Newton	_____	Mayor Pro Tem Chris Putnam	_____
Place 1, Tammy Nakamura	_____	Place 5, Nancy Coplen	_____
Place 2, Bobby Lindamood	_____	Place 6, Mike Taylor	_____
Place 4, Jody Short	_____		

ATTEST:

CITY OF COLLEYVILLE

Amy Shelley, TRMC
City Secretary

Richard Newton
Mayor