

**PLANO CITY COUNCIL
SPECIAL CALLED SESSION
January 24, 2011**

COUNCIL MEMBERS

Phil Dyer, Mayor
Lee Dunlap, Mayor Pro Tem
Pat Miner, Deputy Mayor Pro Tem
Ben Harris
André Davidson
Lissa Smith
Harry LaRosiliere
Jean Callison

STAFF

Thomas H. Muehlenbeck, City Manager
Frank Turner, Deputy City Manager
Bruce Glasscock, Deputy City Manager
LaShon Ross, Deputy City Manager
Mark Israelson, Assistant City Manager
Diane C. Wetherbee, City Attorney
Diane Zucco, City Secretary

Mayor Dyer called the meeting to order at 2:00 p.m., Monday, January 24, 2011, in the Building Inspections Training Room of the Municipal Center, 1520 K Avenue. All Council Members were present with the exception of Council Member Callison.

Council will receive information and have discussion on the City's Texas Municipal Retirement System (TMRS) and Retirement Security (RSP) plans.

David Rodriguez, TMRS Regional Manager, spoke to basics of the plan advising that it is a hybrid system made up of defined contribution and benefit elements; covers 840 Texas cities; receives no state funding; is governed by statute; and includes benefits determined by individual municipalities. He spoke to creation of the system and the number of employee/retiree accounts managed and retirement eligibility requirements/options. Mr. Rodriguez spoke to Plano benefits including the employee contribution rate; city's matching rate; updated service credits; cost-of-living provision; military service and restricted service credits; retirement eligibility; and disability benefits. He provided history on the system including diversification of investments and changes in actuarial methods in 2007 and creation of a Legislative Stakeholder Group addressing legislation and resulting in HB 360.

Mr. Rodriguez spoke regarding HB 360 which addresses interest credits, enables further diversification of investments, establishes the basis for potential future gain-sharing, and provides a basis for stabilization of municipal contribution rates. He spoke to target levels for diversification and anticipated higher returns with more manageable investment risk and to a proposal to restructure TMRS into a single fund incorporating the employee savings, municipality accumulation and current service annuity reserve funds which would lower contribution requirements without lowering benefits, decrease reserve requirements, reduce cash flow pressure on mature plans, increase the likelihood of sustainable benefit levels and reduce actuarial factors. Mr. Rodriguez responded to the Council and clarified the benefits of restructuring, Plano benefits that may be revised, and calculation of service credits and benefits.

City of Plano Retirement Administrator/Civil Service Director McAndrew spoke regarding the Retirement Security Plan (RSP) started in 1983 when the City opted out of Social Security, the contribution rate of 3.23% of eligible payroll, administration of the plan, retirement eligibility and benefit calculation. She advised regarding the impact of the Social Security Offset for those receiving a government pension and retirement benefits and assistance provide to employees prior to retirement. Ms. McAndrew responded to the Council regarding retirees' health insurance coverage, cost and eligibility for Medicare.

Nothing further was discussed. Mayor Dyer adjourned the Session at 4:16 p.m.

Phil Dyer, Mayor

ATTEST:

Diane Zucco, City Secretary