

The Southern Municipal Finance Society presents:

Friday, August 31st

Bob Scott, Director of Finance for the City of Carrollton and
Eric Henry, Executive Director for the Texas Municipal Retirement System

A Roundtable Discussion regarding TMRS Projected Unit Credit

The program will cover the change from Unit Credit actuarial method to Projected Unit Credit for all TMRS cities. As many TMRS cities grew rapidly and added updated service credits and annuity increases to their basic plan, the unit credit method helped to keep rates low. Now, however, as many cities are nearing build out, payroll growth is slowing and the number of retirees is growing rapidly. As a result, required contribution rates have escalated but funding status keeps declining as unfunded liabilities grow each year. Switching to Projected Unit Credit will result in an initial rate spike for cities with updated service credits and annually repeating annuity increases that could result in significant budgetary impacts beginning in fiscal 2009. However, once the Projected Unit Credit is phased in, cities should not experience the annual increase in rates and liabilities.

Since a May 2007 letter from the TMRS introduced this concept, the TMRS has been making detailed estimates of the unfunded costs using actual cities as representative profile cities. Those estimates will be discussed at an upcoming mid-August TMRS board meeting and discussed in this presentation.

This presentation is open to all SMFS and NFMA members as well as the finance directors that will soon have to build the unfunded costs into their financial plans.

A Complimentary Lunch Will Be Served

The Coyote Ridge Golf Course

Ballroom

1640 Hebron Parkway

Carrollton, Texas 75010

972-395-0786

Friday August 31st

11:30 a.m. – 1:30 p.m.

Please RSVP by Thursday August 30th to Kathy Walton at
kathryn_walton@sandp.com or by calling 214-871-1404

The Southern Municipal Finance Society is a constituent society of the National Federation of Municipal Analysts. The SMFS serves members throughout the South with regular representation from Texas, North Carolina, Florida, Georgia and Missouri. For more information on the SMFS and the NFMA, see www.nfma.org.