

Authorize to Approve the FY 2025 Operating and Capital Budget Amendment #1

CCRTA Board Priority

Public Image and Transparency

Administration & Finance Committee Meeting

August 27, 2025



Background

- On November 6, 2024, the CCRTA Board of Directors adopted the Fiscal Year 2025 Operating and Capital Budget. The Board of Director adopted a balanced budget, which included revenues and expenses both totaling \$58,983,064.

Operating Revenues	\$51,649,096
Capital Grants	\$ 6,410,044
Other Sources	<u>\$ 923,924</u>
Total Revenue	\$58,983,064

Operating Expenses	\$51,022,267
CIP Expenses	<u>\$ 7,960,797</u>
Total Expenses	\$58,983,064

Identified Need

- As a governmental unit, CCRTA offers two separate 401(a) plans to assist full-time employees in planning for retirement.
- **Defined Benefit Plan (DBP)** – Funded by employer annual contributions determined by an actuary and investment earnings focusing on long-term investment strategies. The DBP is governed by a qualified formal written document authorized by the Internal Revenue Service and the plan's funding policy. It is also required to comply with accounting standards set by the Governmental Accounting Standards Board (GASB) and with the legal requirements of the Texas Pension Review Board.
- **Defined Contribution Plan (DCP)** – 100% employee funded as a condition of employment with mandatory pre-tax contributions of 7.51% of taxable wages.

Identified Need

- Since the Defined Benefit Plan is funded by the CCRTA, the annual contribution is determined by an actuarial study performed each year. The annual contribution for 2025 was determined by the actuary at **\$3,016,257**. The amount paid in January 2025 was **\$1,994,276** which requires an additional contribution of **\$1,021,981**.
- The CCRTA Board of Directors has an adopted funding policy for the Defined Benefit Plan and Trust. The policy states that the CCRTA Board of Directors approved a minimum funding level between 85% - 95%.

Financial Impact

On September 10, 2025, the Board of Directors authorized the additional Actuarial Determined Contribution of \$1,021,981 to the Defined Benefit Plan and Trust. The additional funding was necessary to ensure the CCRTA stays within the Board adopted 85% - 95% funding level.

Recommendation

- Staff request the Administration & Finance Committee recommend the Board of Directors authorize the Chief Executive Officer (CEO) or Designee to approve the 2025 Operating and Capital Budget – Amendment #1 to include the additional \$1,021,981 for the Defined Benefit Plan and Trust.

Have Questions?

Thank You!

