Exhibit 2

Estimated Plan Funding and Funding Status
With Proposed Plan Changes and Additional Funding
TCDRS Plan for Williamson County

Scenario 1: 60% CPI-based COLA every year beginning January 1, 2010

Scenario 2: 60% CPI-based COLA every year beginning January 1, 2010
~~Elected rate of 16.50% beginning in 2010~~

Projected Required Employer Rate for Year

Year	Current Plan Funding	Scenario 1	Scenario 2
2009	10.90%	10.90%	10.90%
2010	11.40	11.40	11.40
2011	11.88	11.99	11.59
2012	12.32	12.53	11.69
2013	12.94	13.28	12.11
2014	13.56	14.03	12.52
2015	14.12	14.75	12.92
2016	14.63	15.43	13.32
2017	15.08	16.09	13.73
2018	15.48	16.72	14.14
2019	15.84	17.33	14.56
2020	15.84	17.60	14.68
2021	15.84	17.90	14.83
2022	15.84	18.21	15.02
2023	15.84	18.55	15.24
2024	15.84	18.92	15.51
2025	15.84	19.31	15.82
2026	15.84	19.63	16.09
2027	15.84	19.98	16.40
2028	15.84	20.34	16.76
2029	15.84	20.72	17.14
2030	13.17	18.44	14.85

Projected Unfunded Actuarial Accrued Liability at End of Year

Year	Current Plan Funding	Scenario 1	Scenario 2
2008	$ 25,435,000	$ 25,456,000	$ 25,456,000
2009	30,577,000	31,396,000	31,396,000
2010	35,423,000	37,167,000	32,579,000
2011	42,234,000	45,049,000	36,856,000
2012	49,382,000	53,470,000	41,111,000
2013	56,112,000	61,689,000	45,320,000
2014	62,339,000	69,657,000	49,509,000
2015	68,025,000	77,376,000	53,713,000
2016	73,123,000	84,799,000	57,930,000
2017	77,588,000	91,873,000	62,155,000
2018	77,171,000	94,364,000	62,216,000
2019	76,012,000	96,408,000	62,312,000
2020	74,425,000	98,334,000	62,474,000
2021	72,357,000	100,112,000	62,742,000
2022	69,753,000	101,694,000	63,151,000
2023	66,550,000	103,019,000	63,741,000
2024	62,679,000	104,017,000	64,555,000
2025	58,066,000	104,682,000	65,716,000
2026	52,627,000	105,058,000	67,271,000
2027	46,271,000	105,044,000	69,270,000
2028	38,901,000	104,633,000	71,439,000
2029	30,405,000	103,768,000	73,619,000

Exhibit 2

Estimated Plan Funding and Funding Status

With Proposed Plan Changes and Additional Funding

TCDRS Plan for Williamson County

Scenario 1: 60% CPI-based COLA every year beginning January 1, 2010

Scenario 2: 60% CPI-based COLA every year beginning January 1, 2010
~~Elected rate of 16.50% beginning~~ in 2010

Projected Funded Ratio at End of Year			
Year	**Current Plan Funding**	**Scenario 1**	**Scenario 2**
2008	83.5%	83.5%	83.5%
2009	82.2	82.2	82.2
2010	81.4	81.0	83.4
2011	79.9	79.2	83.0
2012	78.5	77.5	82.8
2013	77.6	76.3	82.7
2014	77.0	75.5	82.7
2015	76.7	74.9	82.7
2016	76.8	74.6	82.8
2017	77.1	74.6	83.0
2018	78.8	75.9	84.3
2019	80.5	77.3	85.6
2020	82.1	78.6	86.6
2021	83.7	79.8	87.6
2022	85.2	80.9	88.4
2023	86.7	82.0	89.2
2024	88.2	83.1	89.9
2025	89.6	84.2	90.4
2026	91.1	85.3	90.9
2027	92.5	86.3	91.3
2028	94.0	87.3	91.7
2029	95.5	88.3	92.1

Notes:

* Current Plan Funding assumes no future COLAs.
* All data, methods and assumptions are the same as those used in the December 31, 2008 actuarial valuation, including 3.5% inflation each year.
* End of year numbers reflect plan changes. That is, the COLA increase that is effective January 1, 2010 is reflected in the December 31, 2009 unfunded amount.

Optional Plan Provisions

Your TCDRS plan also lets you add extra benefits to your retirement plan. These provisions are optional — you can choose to add them or not.

- ★ *Military service credit — Lets vested employees count previous military service toward meeting their retirement eligibility.*
- ★ *Partial lump-sum payment at retirement — Allows an employee to withdraw all or part of his or her TCDRS account balance as a lump sum at retirement.*
- ★ *Authorized buyback — Allows current employees to re-establish a closed TCDRS account from previous service with your organization and receive employer matching on those funds at retirement. In addition to re-depositing the withdrawn money, the returning employee is required to submit a 5% per year penalty to help offset the cost of the buyback to the employer.*
- ★ *Retiree cost-of-living adjustments (COLAs) — Allows you to increase retiree benefit payments to restore purchasing power lost due to the effects of inflation.*

UNDERSTANDING COLAS

The TCDRS benefit payments that your retirees receive don't automatically increase to compensate for inflation. This means that your retirees lose buying power as the years go by. Paying for everyday living expenses — such as groceries, housing and transportation — can get increasingly difficult as prices go up. Granting your retirees a cost-of-living adjustment (COLA) is a good way to help them maintain their buying power throughout their retirement years. You can choose either a flat-rate COLA or one that's based on the Consumer Price Index.

Flat-rate COLAs — With this type of adjustment, the benefit payment increases by a percentage you choose, not to exceed the upper limit set by the TCDRS Board of Trustees each year. All of your retirees get the same percentage increase.

However, a flat-rate COLA may not adequately address a retiree's loss of buying power. For example, a recent retiree may have lost only a small percentage of her buying power, while someone who's been retired for 20 or 30 years may have lost more than 50%. A 3% flat-rate COLA might take care of the recent retiree's loss of buying power, but it wouldn't begin to address the lost buying power of someone who has been retired for many years.

CPI-based COLAs — The Consumer Price Index for All Urban Consumers (CPI-U) is an index the federal government uses to measure inflation. With this type of adjustment, you may choose to increase your retirees' benefit payments by a percentage based on the increase in the CPI-U. A CPI-based COLA helps restore the buying power for each retiree, based on the retiree's original benefit payment amount and how much inflation has occurred since a retiree started receiving the benefit payment.

How COLAs Affect Rates

COLAs are funded over 15-year periods. If you adopt a COLA, your employer contribution rate will reflect the cost of that COLA for 15 years. If you regularly adopt COLAs, the rates for each COLA will stack up on the rates of any previous COLAs granted. As a result, your contribution rate will tend to creep upward. To keep frequent COLA adoptions from causing your contribution rate to climb, consider making extra contributions, either in the form of an elected rate or a lump-sum contribution (see "Keeping Rates Stable").

MONITORING YOUR PLAN'S HEALTH

In general, a healthy TCDRS plan provides an adequate benefit level for career employees — at a reasonable contribution rate for the employer — with adequate funding to provide security and stability. Maintaining a healthy plan requires a careful balance of benefit and funding levels.

Because each plan is unique, there is no one equation that will work for every organization. It's up to you to find the right balance for your particular plan and organization.

There are two tools for measuring the health of your plan:

Employer contribution rate — You may compare your current contribution rate with your rates for the last several years. Has your rate increased significantly? A steady or sudden rise might indicate that something is amiss with your plan.

Any number of factors could be contributing to a rate increase. If your rate has increased unexpectedly, your plan may need some extra help getting back on track.

Funded ratio — You may look at your current funded ratio and compare that with your funded ratios over the last several years. Has your funded ratio decreased significantly? A steady or sudden drop in funded ratio may indicate an issue with your plan.

The funded ratio is a comparison of the actuarial value of your plan assets (what you've invested) to your plan's accrued actuarial liabilities (what you are estimated to owe). Your funded ratio should move to 100% over time because any unfunded accrued actuarial liabilities are amortized over a closed period set by the TCDRS Board of Trustees.

The advantages of a higher funded ratio are that your plan is more stable and current generations of employees are funding their own benefits. In addition, the funded ratio is a widely used measure of plan health and a higher funded ratio may demonstrate prudent public policy-making. Therefore, if your funded ratio is not moving toward 100%, you need to understand why.

For more help pinpointing any issues with the health of your plan, contact your TCDRS Employer Services representative.

KEEPING RATES STABLE

You can stabilize your rate by making extra contributions to your plan. By making extra contributions you are creating a cushion in the event your plan has negative experience (such as investments not performing as well as expected or your payroll not growing as much as expected). On the other hand, if your plan has positive experience, these extra contributions may be used to pre-fund a future benefit increase. There are two approaches:

1. Paying an elected contribution rate (a higher rate than your required contribution rate). This also increases the likelihood that the rate you pay will stay the same from year to year, which can make budgeting easier. If you adopt an elected rate it will remain in effect until rescinded or until the total required rate exceeds the elected rate.
2. Making an extra lump-sum contribution directly to your employer account each year.

YOUR COSTS

Your employer contribution rate represents the percentage of payroll your organization needs to contribute to fund future benefits for your current employees, former employees and retirees.

To calculate your total required rate, add the rate for any COLA you plan to adopt to the provided calculated contribution rate.

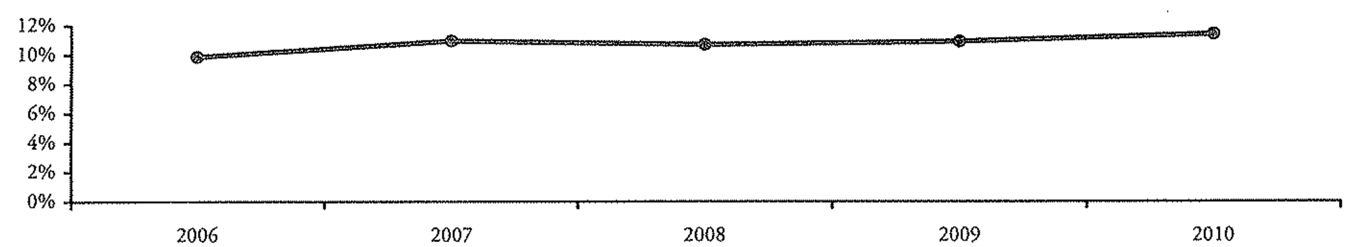
Your normal cost rate		8.72%
Your UAAL rate	+	2.68%
Calculated contribution rate		11.40%
COLA rate (if adopting)	+	________
Total Required Rate		________

To determine the cost of your plan in dollars, move the decimal for your "Total required rate" two places to the left, then multiply it by your estimated payroll for next year.

COLAs must be re-authorized each year. They are not "automatic." If you wish to authorize a COLA for the next plan year, you can estimate the cost based on the schedule of rates below:

CPI-based increases	% of payroll
10%	0.00
20%	0.00
30%	0.00
40%	0.00
50%	0.00
60%	0.00
70%	0.06
80%	0.12
90%	0.18
100%	0.24

Below is a record of your required employer contribution rate history over the last five years.



REASONS FOR RATE CHANGE	2006-2007	2007-2008	2008-2009	2009-2010
Beginning Rate	**9.86%**	**10.96%**	**10.69%**	**10.90%**
Plan Changes Adopted	0.06	0.05	0.10	N/A
Investment Return	0.00	0.00	0.00	1.26
Elected Rate/Lump Sum	0.00	0.00	0.00	-0.06
Demographic/Other Changes	-0.08	-0.17	0.11	-0.16
Assumptions/Methods	1.12	-0.15	0.00	-0.54
Ending Rate	**10.96%**	**10.69%**	**10.90%**	**11.40%**
VALUATION YEAR	2005	2006	2007	2008
FUNDED RATIO	85%	89%	89%	84%

A complete Summary Valuation Report for the Dec. 31, 2008 valuation is available on the Web.

Williamson County, #345

Authorization to maintain TCDRS plan provisions

Plan year 2010

With respect to the participation of Williamson County in the Texas County & District Retirement System (TCDRS) for the 2010 plan year, the following order was adopted:

1. Williamson County makes no change in the plan provisions for non-retirees.

* 2. With respect to benefit payments being paid to retirees or their beneficiaries, Williamson County **(check one box):**

   ☐ does not adopt a cost-of-living adjustment (COLA).

   ☐ adopts a ____% CPI-based COLA.

* 3. The required employer contribution rate for Plan Year 2010 will be the following:

   (a) Required rate without COLA: 11.40%

   (b) COLA rate: + ____________ (enter 0 if not adopting a COLA)

   (c) **Total required rate** (a + b): = ____________

* 4. Employers may elect to pay a rate greater than the **total required rate** listed above. Williamson County adopts for Plan Year 2010 **(check one box)**:

   ☐ the **total required rate** listed above.

   ☐ add a new elected rate of ____________%.

5. In the event the 2010 total required rate as set out above exceeds 11%, and if a current waiver of that limit is not on file with TCDRS, the Commissioners Court of Williamson County hereby waives the 11% limit on the rate of employer contributions and such waiver will remain effective with respect to future plan years until properly revoked by official action.

Certification

I certify that the foregoing authorization concerning the participation of Williamson County in TCDRS for Plan Year 2010 truly and accurately reflects the official action taken during a properly posted and noticed meeting on ____________________, 2009, by the Commissioners Court of Williamson County as such action is recorded in the official minutes.

____

County Judge of Williamson County

Dated: ____________________

** Please fill in the required information for items 2, 3 and 4 before signing and sending this document to TCDRS.*