

WHEREAS, in accordance with Vernon's Texas Revised Civil Statutes Annotated, Article 6243a-1 (Article 6243a-1), Section 2.025(a), an independent actuary, Cheiron, Inc., was hired by the Dallas Police and Fire Pension System (DPFPS) to perform an actuarial analysis of the most recently completed actuarial valuation of the pension system; and

WHEREAS, per Article 6243a-1, Section 2.025(b), the DPFPS Board, not later than November 1, 2024, shall by rule adopt a plan that complies with the funding and amortization period requirements applicable to DPFPS under the Texas Government Code Chapter 802 Subchapter C (Subchapter C) that takes into consideration the independent actuary's recommendation; and

WHEREAS, per Article 6243a-1, Section 2.025(b-1), the DPFPS Board shall provide to the State Pension Review Board a copy of the independent actuary's analysis prepared under Article 6243a-1, Section 2.025(a), and a summary of any rules adopted by the Board; and

WHEREAS, in 2023, DPFPS, in accordance with Subchapter C, was added by the State Pension Review Board to the list of pension systems that must comply with the funding soundness restoration plan provisions of Subchapter C, "Administration of Assets," as actuarial valuations showed that DPFPS' expected period to amortize the unfunded actuarial accrued liability had exceeded 30 years for three consecutive annual actuarial valuations; and

WHEREAS, the requirements of a jointly agreed plan by DPFPS and the city has been triggered by both the Article 6243a-1, Section 2.025 requirement that the adopted plan must comply with the funding and amortization period requirements applicable to DPFPS under Subchapter C and the requirement that DPFPS must comply with the funding soundness restoration provisions of Subchapter C, "Administration of Assets," as actuarial valuations showed that DPFPS' expected funding period had exceeded 30 years for three consecutive annual actuarial valuations; and

WHEREAS, a funding plan adopted to comply with Subchapter C must be based on actions agreed to be taken by the DPFPS Board and the city, each at an open meeting; and

WHEREAS, in early 2024, representatives of the city and DPFPS began talks to formulate a joint funding soundness restoration plan agreeable to both parties; and

WHEREAS, on August 8, 2024, while the city believed its good faith discussions with DPFPS were ongoing, the DPFPS Board unilaterally adopted a plan (the DPFPS Plan) that purports to obligate the city to increase its contributions to DPFPS without agreement from the city and without regard to the city's budgeting process and constraints; and

WHEREAS DPFPS filed a lawsuit styled *Dallas Police & Fire Pension System v. City of Dallas* (lawsuit) on August 8, 2024, seeking a declaratory judgment that the DPFPS Plan was legally binding on the city; and

WHEREAS, DPFPS ceased negotiations with the city upon adopting the DPFPS Plan and filing the lawsuit on August 8, 2024; and

WHEREAS, the city does not and has not agreed to the DPFPS Plan; and

WHEREAS, on September 11, 2024, to comply with its obligations under Article 6243a-1 and Subchapter C, city council adopted Resolution No. 241318, which adopted a funding soundness restoration plan for DPFPS (the City Plan); and

WHEREAS, in March 2025, at the request of the police and fire associations, the city manager and the chief financial officer resumed meeting with representatives of DPFPS and the associations to resolve the differences between the City Plan and the DPFPS Plan and settle the lawsuit; and

WHEREAS, the City of Dallas has in good faith been working with DPFPS toward an agreed upon funding plan that protects the interests of the taxpayers; and

WHEREAS, on May 8, 2025, the DPFPS Board met and voted to have their attorney make a statement recognizing that although there was not an agreement yet, the DPFPS Board was directing its representative to continue good faith negotiations with the city.

Now, Therefore,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:

SECTION 1. That the city manager and chief financial officer are authorized to continue good faith negotiations with representatives of the DPFPS to work toward an amended funding plan and settlement of the pending litigation.

SECTION 2. That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly resolved.