

RESOLUTION NO. _____

WHEREAS, in accordance with Vernon’s Texas Revised Civil Statute 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 recommendations; 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 DPFPS 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’s 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 to plan by the 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 the DPFPS must comply with the funding soundness restoration provisions of Subchapter C, “Administration of Assets,” as actuarial valuations showed that DPFPS’s 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 accordance with Article 6243a-1, Section 4.02(b), any change to the required contributions of the City may only be made by: (1) the legislature; (2) a majority vote of the voters of the City; or (3) in accordance with a written agreement entered into between the City and the DPFPS Board, by at least a two-thirds vote of all trustees of the DPFPS Board; 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 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, the City does not and has not agreed to the plan adopted by the DPFPS Board on August 8, 2024; and

WHEREAS, despite the actions of DPFPS, and the unwillingness of DPFPS to jointly formulate a plan to comply with Subchapter C, the City wishes to comply with its obligation under Article 6243a-1 and Subchapter C and has worked to develop a plan that satisfies both statutory provisions and fully funds the unfunded actuarial accrued liability of DPFPS within 30 years.

Now, Therefore,

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

SECTION 1. That the City Council, in accordance with and giving effect to both Article 6243a-1 and Subchapter C, hereby adopts the Article 6243a-1 Plan/Subchapter C Funding Soundness Restoration Plan, Exhibit A, attached hereto.

SECTION 2. That the City Manager is authorized and directed to coordinate the submission of the following documents to the State Pension Review Board as soon as practical, but not later than November 1, 2024: (1) the coversheet for the funding soundness restoration plan; (2) the Article 6243a-1 Plan/Subchapter C Funding Soundness Restoration Plan; and (3) all other required documents.

SECTION 3. 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 so resolved.