

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF DENTON, TEXAS APPROVING THE DENTON FIREMEN'S RELIEF AND RETIREMENT FUND ACTUARIAL VALUATION AS OF DECEMBER 31, 2023; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Denton participates in the Texas Municipal Retirement System and the Denton Firemen's Relief and Retirement Fund pension plans; and

WHEREAS, the Denton Firemen's Relief and Retirement Fund covers firefighters in the Denton Fire Department, and the Texas Municipal Retirement System covers all other eligible city of Denton employees with the exception of temporary positions; and

WHEREAS, due to actuarial issues the City increased its contribution rate to the Texas Municipal Retirement System over time, which provided no increase in benefits and instead reduced liabilities and improved the overall health of the plan; and

WHEREAS, due to the increases in the Texas Municipal Retirement System contribution rate, the Denton Firemen's Relief and Retirement Fund requested the same contribution rate; and

WHEREAS, in 2010 the City agreed to increase the Denton Firemen's Relief and Retirement Fund through the meet and confer process; and

WHEREAS, due to changes in the demographic and investment climate, the Denton Firemen's Relief and Retirement Fund needed to be decoupled from the Texas Municipal Retirement System contribution rate; and

WHEREAS, as a result of changing demographic and investment factors, the Denton Firemen's Relief and Retirement Fund, the City of Denton, and the Denton Firefighter's Association entered into an agreement in 2017 intended to achieve a 100% funding ratio over a closed 25 year amortization period; and

WHEREAS, the 2017 agreement required the Denton Firemen's Relief and Retirement Fund to conduct an actuarial analysis every two years and the City Council has the opportunity to review and approve each actuarial report. Once the report is approved by the City Council, the City's contribution rate will be adjusted to achieve actuarial goals; and

WHEREAS, in 2019 the City and the Denton Fire Fighters Association agreed to a new Meet & Confer (2019-2023), agreement that incorporated all the pension provisions included in the 2017 agreement; and

WHEREAS, in 2023 the City and the Denton Fire Fighters Association agreed to a new Meet & Confer (2023-2027) agreement that maintained the incorporated pension provisions included in the 2017 agreement; and

WHEREAS, An actuarial valuation of the assets and liabilities of the Denton Firemen's Relief and Retirement Fund as of December 31, 2023, was completed, such valuation being based on the plan effective July 1, 2022, and on the provisions of the Texas Local Fire Fighters' Retirement Act (TLFFRA) in effect on December 31, 2023; and

WHEREAS, the overall results of the actuarial report are very positive, the funded ratio has increased from 88.8% to 91.1%, and the amortization period has been decreased from 9.1 years to 6.5 years; and

WHEREAS, The TMRS rate for the year beginning January 1, 2024 is 18.94% and for the year beginning January 1, 2025 is 18.88%; and

WHEREAS, the budgeted contribution rate for the fire fighters pension for the year beginning January 1, 2024 is 18.94% and for the year beginning January 1, 2025 is 18.88%; and

WHEREAS, despite the health of the fund, staff is recommending that the City's contribution rate to the Denton Firemen's Relief and Retirement Fund be maintained at 18.5% or above due to various actuarial factors impacting the fund as well as the current economic uncertainty and investment market challenges; NOW THEREFORE,

THE CITY COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. The findings and recitations contained in the preamble of this ordinance are incorporated herein by reference.

SECTION 2. The City Council of the City of Denton hereby approves the Denton Firemen's Relief and Retirement Fund Actuarial Valuation as of December 31, 2023 attached to this ordinance and incorporated herein for all purposes.

SECTION 3. This ordinance shall become effective immediately upon its passage and approval.

The motion to approve this ordinance was made by [_____] and seconded by [_____].

The ordinance was passed and approved by the following vote [__ - __ - __]:

	Aye	Nay	Abstain	Absent
Mayor Gerard Hudspeth:	_____	_____	_____	_____
Vicki Byrd, District 1:	_____	_____	_____	_____
Brian Beck, District 2:	_____	_____	_____	_____
Paul Meltzer, District 3:	_____	_____	_____	_____

Joe Holland, District 4: _____
Brandon Chase McGee, At Large Place 5: _____
Jill Jester, At Large Place 6: _____

PASSED AND APPROVED this the _____ day of _____, 2025.

GERARD HUDSPETH, MAYOR

ATTEST:
LAUREN THODEN, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: _____