

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF DENTON, TEXAS APPROVING AN AGREED AMENDMENT TO ARTICLE 12 OF THE EXISTING MEET AND CONFER AGREEMENT BETWEEN THE CITY OF DENTON AND THE DENTON FIRE FIGHTERS ASSOCIATION, RELATING TO THE FUNDING OF FIRE PENSIONS; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, after negotiations among administrative representatives from the City Manager's Office, the Denton Firemen's Relief and Retirement Fund Board, and the Denton Fire Fighters Association, the proposed amendment to Article 12 of the current Meet and Confer agreement between the City of Denton and the Denton Fire Fighters Association (the "Agreement") was reached, relating to the funding of fire pensions; and

WHEREAS, the proposed Agreement has already been reviewed and formally approved by vote of the Denton Fire Fighters Association and the Denton Firemen's Relief and Retirement Fund Board; NOW THEREFORE,

THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. The City Manager, or his designee, is hereby authorized to execute the attached Agreement, in substantially the form of the agreement attached hereto and made a part of this ordinance for all purposes.

SECTION 2. This ordinance shall become effective immediately upon its passage and approval.

PASSED AND APPROVED this the _____ day of _____, 2017.

CHRIS WATTS, MAYOR

ATTEST:
JENNIFER WALTERS, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
AARON LEAL, CITY ATTORNEY

BY: /s/ Jerry E. Drake, Jr.

**Addendum to Meet and Confer Agreement
Between the City of Denton and
Denton Fire Fighters Association, IAFF Local 1291**

This addendum constitutes a written agreement in accordance with sec. 142.117, and preempts, to the extent of any conflict, all contrary state statutes, local ordinances, executive orders, civil service provisions, and rules adopted by the head of the fire department and the City of Denton, and by any division or agent of the City, such as a personnel board or a civil service commission, including the Denton Firemen's Relief and Retirement Fund (DFRRF), including but not limited to Article 6243e, Vernon Texas Civil Statutes and Texas Government Code Title 8, Subtitle A.

Additionally, this addendum includes the DFRRF to the extent necessary to accomplish the objectives stated herein.

Therefore, by agreement of the parties, Article 12 of the Meet and Confer Agreement is hereby replaced in its entirety by the following:

**Article 12
Pension**

Section 1. It is the intent of the parties to develop and adopt a funding policy for the Fund which achieves a 100% funding ratio over a closed 25-year amortization period.

Section 2. The City will increase its current contribution level to the DFRRF to 18.5% of compensation beginning with the first pay period after the effective date of this agreement. Each year of this agreement, the City's contribution level will be based on an actuarial study which calculates the rate needed to amortize all unfunded liabilities over the 25 year closed amortization period. However, the contribution rate will not be lowered based upon actuarial experience until the amortization period is 20 years or less.

Section 3. The DFRRF will commission an actuarial analysis every two years, commencing with a valuation as of December 31, 2017, to determine the contribution level required to achieve a 100% funding ratio over a closed 25-year amortization. The City will review the actuarial report, and if the report and contribution level is determined to be reasonable, the City Council will formally approve the actuarial report. The City's contribution rate will then be adjusted to this level on October 1st of the subsequent fiscal year following the submission of the analysis. Any change to the contribution level is subject to final approval by the City, but in no event will the contribution level be less than the City's actual contribution rate to the Texas Municipal Retirement System for that fiscal year, nor shall it fall below the minimum rate established under Article 6243e, Sec. 29(b), Vernon Texas Civil Statutes. If the contribution rate is set at the Texas Municipal Retirement System for any fiscal year, then the actuarial analysis will be commissioned for the following fiscal year, and then resume its biennial schedule. If the City Council does not approve the actuarial report, the City and the DFRRF mutually agree to discuss potential changes which would satisfy any deficiency. However, any additional analysis or reports required by the actuarial firm will be paid by the City.

Section 4. The DFRRF agrees that it will not approve any benefit enhancements during the term of the current Meet and Confer agreement which expires on September 30, 2019, and may be mutually extended by all parties.

Section 5. The parties will utilize an investment rate of return assumption of no greater than 6.75%.

Section 6. If the performance of the Fund exceeds expectations, the contribution rates will not be reduced until the amortization period is 20 years or less. In other words, any actuarial gains will be used to pay down unfunded liabilities rather than reducing the contribution rate during the first 5 years of the amortization period.

Section 7. This addendum does not modify any other provision of the meet and confer agreement except those specifically modified herein.

Section 8. This addendum shall become effective when finally approved by all parties, and shall run through the term of the current Meet and Confer Agreement, or September 30, 2019, and may be mutually extended by all parties.


Approved at a duly called meeting of the City Council on December 5, 2017.

By: _____
Todd Hileman, City Manager

Approved at a duly called meeting of the Denton Firemen's Relief and Retirement Fund on November 15, 2017.

By:  _____
Derek Oswald, Chairman

Ratified by the Denton Fire Fighters Association, IAFF Local 1291 on November 18, 2017.

By:  _____
Jason Ballard, President