

Memorandum



CITY OF DALLAS

DATE July 22, 2016
TO Honorable Mayor and Members of the City Council
SUBJECT Dallas Police and Fire Pension – July 21, 2016 board meeting

The Dallas Police and Fire Pension System (the System) Board held a meeting July 21, 2016. Among the topics briefed during this meeting were the results of the Combined Pension Plan's January 1, 2016 actuarial valuation report. The actuarial valuation reports are available online at: https://www.dpfp.org/Required_Public_Information.html.

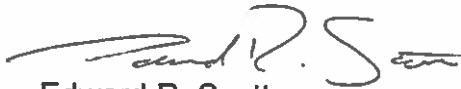
The System's actuaries, Segal Consulting, briefed the Board on the unfunded actuarial accrued liability (UAAL). The UAAL helps the System determine a funding strategy. It is the amount of cash needed to fully fund the pension liability today at 100%. Segal informed the Board that the UAAL increased from \$2.1 billion in 2014 to \$3.3 billion in 2015, with a corresponding decrease in the funded ratio from 64% to 45%. This increase in the liability resulted primarily from a decrease of approximately \$400 million in the System's net assets for the year ended December 31, 2015, together with the reset of actuarial value of assets to market value as of December 31, 2015.

Currently, the City contributes 27.5% of pay, while members contribute 8.5%, for a total contribution rate of 36%. The maximum currently allowed under State of Texas statutes governing the pension plan is 28.5% from the City and 9% from members, for a total of 37.5%. The City is proposing to budget at this higher amount for fiscal year 2016-17. Based on the actuarial report prepared by Segal, the total contribution rate would have to increase to approximately 73% in order to fully fund the pension plan over a 40-year period.

Segal also briefed the Board on the effect this would have on the accounting liability reported by the City of Dallas in the Fiscal Year 2016 Comprehensive Annual Financial Report. This accounting liability, referred to as the Net Pension Liability (NPL), utilizes a lower discount rate as required by the Governmental Accounting Standards Board (GASB Statements 67 and 68). The NPL is not a legal liability of the City and, unlike the UAAL, the NPL is not intended to guide funding decisions made by the System. It is a measure of the unfunded pension liability based on a standard set of guidelines for cities to follow in order to ensure comparability and consistency in financial reporting.

According to Segal, the NPL for the Combined Plan increased from \$4.97 billion to \$6.86 billion. The funded ratio based on the NPL decreased from 38.2% to 28.1%. Much of the increase in the NPL resulted from a lower discount rate of 3.95%.

Please let me know if you need additional information.



Edward R. Scott
City Controller

c: AC Gonzalez, City Manager
Christopher D. Bowers, Interim City Attorney
Craig D. Kinton, City Auditor
Rosa A. Rios, City Secretary
Daniel F. Solis, Administrative Judge

Ryan S. Evans, First Assistant City Manager
Eric D. Campbell, Assistant City Manager
Jill A. Jordan, P.E., Assistant City Manager
Mark McDaniel, Assistant City Manager
Joey Zapata, Assistant City Manager
Jeanne Chipperfield, Chief Financial Officer
Sana Syed, Public Information Officer
Elsa Cantu, Assistant to the City Manager – Mayor & Council

Memorandum



CITY OF DALLAS

DATE July 22, 2016

TO The Honorable Mayor and Members of the City Council

SUBJECT Integrated Pipeline Project Envision Award

We are pleased to report that on July 19, 2016 the Institute for Sustainable Infrastructure (ISI) awarded the Integrated Pipeline Project (IPL) its Envision Platinum Award. The IPL is the first water transmission system to receive the Platinum Award and only the 15th project in North America to receive an award rating from ISI.

ISI's rating system is a comprehensive framework of 60 sustainability criteria arranged in five categories: Quality of Life, Leadership, Resource Allocation, Natural World, and Climate and Risk that address the full range of environmental, social, and economic impacts to sustainability in project design, construction, and operation.

Although the current total cost estimate for the IPL is \$2.4 Billion, the actual construction bids and owner provided valve bids have been on average 27% below budget estimates.

For more information, please see attachment describing IPL project background.

A handwritten signature in black ink, appearing to read 'Mark McDaniel'.

Mark McDaniel
Assistant City Manager

Attachment

c: A.C. Gonzalez, City Manager
Christopher D. Bowers, Interim City Attorney
Craig D. Kinton, City Auditor
Rosa A. Rios, City Secretary
Daniel F. Solis, Administrative Judge
Ryan S. Evans, First Assistant City Manager

Eric D. Campbell, Assistant City Manager
Jill A. Jordan, P.E., Assistant City Manager
Joey Zapata, Assistant City Manager
Jeanne Chipperfield, Chief Financial Officer
Sana Syed, Public Information Officer
Elsa Cantu, Assistant to the City Manager – Mayor & Council

IPL Project Background

In 2007 the City entered into an Interlocal Cooperation Contract with TRWD which began a fatal flaw analysis to determine if there were benefits to working together on a joint water transmission line to move both Dallas' Lake Palestine and TRWD's Cedar Creek Reservoir and Richland Chambers Reservoir water to the Metroplex. The results of the analysis indicated that the joint project would increase water supply reliability and have significant cost savings for the both Dallas and TRWD. Dallas' cost savings alone were projected to be approximately \$200 million in capital costs and approximately \$20 million per year in debt service coverage savings for the life of the bonds.

In 2010 The City entered into a Water Transmission Facilities Financing Agreement that established Dallas' 150 million gallons per day (MGD) capacity right in the pipeline and TRWD owns and is responsible for development, operation, and financing of the pipeline. Following the Finance Agreement, the City entered into the Integrated Water Transmission Facilities Delivery Contract in 2011 that established operational guidelines and a methodology of equitable distribution of the operation and maintenance costs.

Memorandum



DATE: July 22, 2016
TO: Honorable Mayor and Members of the City Council
SUBJECT: **City License Applications**

Attached is a list of the most recent Dance Hall and/or Sexual Oriented Business applications received for the week of July 11 – 15, 2016 by the Investigations Bureau Licensing Squad of the Dallas Police Department.

Please have your staff contact Sergeant Lisette Rivera, #7947 at (214) 670-4811 and/or by email at lisette.rivera@dpd.ci.dallas.tx.us should you need further information.



Eric D. Campbell
Assistant City Manager

cc: A.C. Gonzalez, City Manager
Christopher D. Bowers, (I) City Attorney
Craig D. Kinton, City Auditor
Rosa A. Rios, City Secretary
Daniel F. Solis, Administrative Judge
Ryan S. Evans, First Assistant City Manager
Jill A. Jordan, P.E., Assistant City Manager

Mark McDaniel, Assistant City Manager
Joey Zapata, Assistant City Manager
Jeanne Chipperfield, Chief Financial Officer
Sana Syed, Public Information Officer
Elsa Cantu, Assistant to the City Manager – Mayor & Council
Chief David O. Brown, Dallas Police Department

Weekly License Application Report

July 11, 2016 - July 15, 2016

<i>BEAT</i>	<i>DIST.</i>	<i>NAME OF BUSINESS</i>	<i>ADDRESS</i>	<i>LICENSE</i>	<i>STATUS</i>	<i>LATE HOUR</i>	<i>DATE</i>	<i>APPLICANT</i>
154	14	LIZARD LOUNGE	2424 SWISS AVENUE	DH-CLASS A	RENEWAL	YES	7/12/2016	NEDLER, DONALD

License Definitions: ***DH - Class "A" -Dance Hall - Dancing Permitted 3 Days Or More A Week***
DH - Class "B" Dance Hall - Dancing Permitted Less Than Three Days a Week
DH - Class "C"Dance Hall - Dancing Scheduled One Day At A Time
DH - Class "E" Dance Hall - Dancing Permitted Seven Days A Week for Persons Age 14 through Age 18 Only
LH - Late Hours Permit - Can Operate A Dance Hall Until 4:00
BH - Billiard Hall - Billiards Are Played
***SOB - Sexually Oriented Business - Adult Arcade / Adult Book/Video Store / Adult Cabaret / Adult
Adult Theater / Escort Agency / Nude Model Studio***