



D A L L A S  
**POLICE & FIRE**  
PENSION SYSTEM



# PRESS RELEASE

## FOR IMMEDIATE RELEASE

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## FOR MORE INFORMATION CONTACT

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### **Dallas Police and Fire Pension System Board Adopts Required Funding Plan and Authorizes Declaratory Judgement Action**

DALLAS – The Dallas Police and Fire Pension System (DPFP) Board of Trustees today authorized an action in state court to clarify the process by which DPFP is legally obligated to adopt a plan by November 1, 2024 that meets statutory funding and amortization requirements and confirm that the actions taken by the DPFP Board are sufficient to enact such a plan. Specifically, DPFP seeks to clarify what steps are legally required in the future in to ensure that DPFP is adequately funded so that constitutionally protected benefits that have been earned by retirees and current employees are assured of being paid without concern by these first responders.

“This by no means indicates a departure from working with the City of Dallas” stated Nicholas Merrick, chairman of the DPFP Board of Trustees. “We have had good faith discussions with officials from the City and we applaud their exhaustive efforts to seek a mutually agreeable solution. It is also important to remember that in 2017 the Texas Legislature granted the City control of the DPFP Board as the main mechanism for the City to oversee DPFP. However, there is a legitimate and very important disagreement that exists with respect to the interpretation of our statutory mandate. We believe this clarification by the courts is critical to moving forward with a plan for the pension of the City’s valued first responders.”

“I am very proud of the job our Board and Staff have done in managing DPFP’s investment portfolio” Mr. Merrick continued. “While there has been publicity around some poor investment return numbers, the fact is those are primarily due to decisions regarding private assets that were made more than 15 years ago. DPFP’s public market investments have performed well over most time periods. The investment professionals both on our Board as well as our Investment Advisory Committee (IAC) have a huge amount of experience and have guided the investment process skillfully. This process is very disciplined due both to Board, Staff and IAC involvement as well as the thoughtful changes instituted by the Texas Legislature in 2017.”

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“The DPFP Board has spent a long time considering the correct changes to make to our plan” stated Kelly Gottschalk, the Executive Director of DPFP. “The Board has considered many factors including the report of Cheiron, the statutorily mandated independent actuary appointed by the Texas Pension Review Board. The Board, as required by law, has adopted a plan that satisfies all legal requirements and which ensures financial security for DPFP and prudently provides, as recommended by Cheiron, a modest cost of living adjustment (COLA) for members and retirees while trying to minimize the financial burden on the City. It is also important to note that the COLA the Board has approved is small compared to the one granted to the City of Dallas employees who are not first responders. This is a highly unusual situation for a city in the United States.”

More than 10,000 current and retired first responders and their families count on the retirement and disability benefits provided by DPFP.

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