



Summary of Funding Soundness Restoration Plans (FSRPs) Submitted Since the Prior PRB Meeting

Texas Government Code Section 802.2015(e) requires FSRPs to be developed by the public retirement system and the associated governmental entity in accordance with the system's governing statute; and be designed to achieve a contribution rate that will be sufficient to amortize the unfunded actuarial accrued liability within 40 years not later than the 10th anniversary of the date on which the final version of an FSRP is agreed to. The following table summarizes the FSRPs received by the PRB since the last board meeting.

Retirement System	FSRP Trigger Amortization Period	Plan Changes			Comments
		Employee Contributions	Employer Contributions	Other	
Orange Firemen's Relief & Retirement Fund – Second Revised FSRP	Infinite	Old: 12.80% New: 13.80%	Old: 15.80% New: 18.80%	N/A	N/A
Irving Firemen's Relief & Retirement Fund - Revised FSRP	Infinite	N/A	Old: 16.75% New: 20.25%	<ul style="list-style-type: none"> Lowered assumed rate of return from 7.5% to 7%. Lowered payroll growth assumption from 3.5% to 2.75%. Lowered the interest rate on the DROP to 3.3% Members no longer receive interest on their DROP account when they leave the department. Final average salary raised from 3 years to 5 years. New Benefit Tier (members hired after 1/1/2021): Multiplier is 3% for the first 21 years. Normal retirement is 54/20. 	City contributions increased effective 1/1/2021.

FSRPs Submitted Since the Prior PRB Meeting (cont.)					
Retirement System	FSRP Trigger Amortization Period	Plan Changes			Comments
		Employee Contributions	Employer Contributions	Other	
Plainview Firemen's Relief & Retirement Fund	79.7	N/A	Old: 24.68% New: 25.00%	<ul style="list-style-type: none"> • 1.25 million in additional city contributions over the next 4 years. • Overtime pay removed from the definition of pensionable pay used to determine benefits, but still used to determine City/member contributions. • New benefit formula: <ul style="list-style-type: none"> ○ 2.5% of monthly avg salary for 20 yrs and 2.8% for the next 5 yrs ○ Maximum base benefit formula at 25 yrs of 64% ○ Retain current longevity benefit after 20 yrs (\$78 per month; 15 yrs max) 	Additional City contributions will be as follows: 2020: \$500,000 2021: \$250,000 2022: \$250,000 2023: \$250,000

Systems Immediately Subject to FSRP Formulation Requirement

The FSRP requirement is triggered for retirement systems that have had amortization periods over 40 years for three consecutive annual actuarial valuations, or two consecutive actuarial valuations if the systems conduct the valuations every two or three years.

Systems Immediately Subject to an FSRP Formulation Requirement							
Retirement System	Am Period	Date of AV	Am Period	Date of AV	Am Period	Date of "Trigger" AV	FSRP Due Date
Midland Firemen's Relief & Retirement Fund – Revised FSRP ¹	59.1	1/1/2014	44.7	12/31/2015	Infinite	12/31/2017	8/2019
Longview Firemen's Relief & Retirement Fund	50.7	12/31/2016	40.2	12/31/2017	Infinite	12/31/2018	2/2020
Marshall Firemen's Relief & Retirement Fund – Revised FSRP ^{1,2}	43.2	12/31/2014	56.4	12/31/2016	59.0	12/31/2018	5/2020
Beaumont Firemen's Relief & Retirement Fund ²	39.1	12/31/2014	104.0	12/31/2016	Infinite	12/31/2018	7/2020
Dallas Employees' Retirement Fund – Revised FSRP ¹	47.0	12/31/2017	46.0	12/31/2018	65.0	12/31/2019	1/2021

¹Texas Government Code Section 802.2015(d) requires systems to formulate a revised FSRP if the system conducts an actuarial valuation showing that the system's amortization period exceeds 40 years, and the previously formulated FSRP has not been adhered to.

²The system has made changes expected to satisfy the FSRP requirements, but a formal evaluation of the changes has not yet been provided.

Systems at Risk of FSRP Formulation Requirement

These at-risk systems' most recent actuarial valuation shows an amortization period that exceeds 40 years but does not yet trigger the FSRP requirement.

Systems at Risk of an FSRP - <u>Not Yet Subject to FSRP Requirement</u>							
Retirement System	Am Period	Date of AV	Am Period	Date of AV	Am Period	Date of AV	FSRP Due Date
Atlanta Firemen's Relief & Retirement Fund	36.2	12/31/2014	28.4	12/31/2016	Infinite	12/31/2018	N/A
Austin Police Retirement System	35.0	12/31/2017	Infinite	12/31/2018	Infinite	12/31/2019	N/A
Brownwood Firemen's Relief & Retirement Fund	36.1	12/31/2015	38.6	12/31/2017	94.7	12/31/2019	N/A
Cleburne Firemen's Relief & Retirement Fund	27.3	12/31/2014	28.8	12/31/2016	48.6	12/31/2018	N/A
Conroe Fire Fighter's Retirement Fund	39.0	12/31/2017	Infinite	12/31/2018	Infinite	12/31/2019	N/A
Dallas Police & Fire Pension System (Combined Plan) ¹	45.0	1/1/2018	38.0	1/1/2019	55.0	1/1/2020	N/A
Galveston Firefighter's Relief & Retirement Fund ¹	Infinite	12/31/2016	26.8	12/31/2017	57.6	12/31/2019	N/A
Laredo Firefighters Retirement System	29.8	9/30/2014	28.0	9/30/2016	43.0	9/30/2018	N/A
McAllen Firemen's Relief & Retirement Fund	29.0	10/1/2014	33.4	10/1/2016	Infinite	10/1/2018	N/A
Sweetwater Firemen's Relief & Retirement Fund ¹	58.8	12/31/2014	27.5	12/31/2016	63.3	12/31/2018	N/A
Texas City Firemen's Relief & Retirement Fund	31.6	12/31/2014	28.0	12/31/2016	41.1	12/31/2018	N/A
Texarkana Firemen's Relief and Retirement Fund	16.3	12/31/2015	15.0	12/31/2017	58.3	12/31/2019	N/A

¹These plans previously completed an FSRP.

Progress Report on Previously Submitted FSRPs

The following systems have previously formulated an FSRP. The table below outlines their progress towards the FSRP requirement.

Systems Still Working Towards Meeting the 40-Year Amortization Period Requirement						
Retirement System	FSRP Trigger		Current Progress ¹		Goal Year ²	Update Required
	Am Period	Date	Am Period	Date		
Greenville Firemen's Relief & Retirement Fund – Revised FSRP	Infinite	12/31/2012	40.7	12/31/2018	2026	9/2021
Plainview Firemen’s Relief & Retirement Fund	79.7	12/31/2019	35.0 ³	12/31/2019	2031	2/2022
Fort Worth Employees’ Retirement Fund	72.5	12/31/2015	43.0	12/31/2019	2026	5/2022
Wichita Falls Firemen's Relief & Retirement Fund – Revised FSRP	Infinite	1/1/2015	43.3	1/1/2020	2026	6/2022
Orange Firemen’s Relief & Retirement Fund – Second Revised FSRP	58.2	1/1/2015	35.0 ³	1/1/2020	2026	12/2022
Irving Firemen's Relief & Retirement Fund - Revised FSRP	63.4	1/1/2014	43.6	12/31/2019	2026	3/2023

¹ Based on the most recent actuarial valuation or FSRP.

² The year in which a system must reach an amortization period of 40 years or less.

³ The amortization period reflects estimates of actions that occurred after the valuation date. The system will be removed from the list if a subsequent valuation reflects an amortization period of 40 years or less

Previously Completed FSRP Requirement Systems

The following table is a list of all systems that have submitted an FSRP that has lowered their amortization period below 40 years in a subsequent actuarial valuation.

Systems that Have Submitted Post-FSRP Actuarial Valuations Showing Amortization Period Below 40 Years					
Retirement System	FSRP Trigger		Completed Progress ¹		Goal Year ²
	Am Period	Date	Am Period	Date	
Dallas Police & Fire Pension System (Combined Plan)	44.0	1/1/2017	38.0 ³	1/1/2019	2027
Galveston Employees' Retirement Plan for Police	55.1	1/1/2014	35.3	1/1/2018	2026
Galveston Firefighter's Relief & Retirement Fund – Revised FSRP	50.2	1/1/2014	26.8	12/31/2017	2026
Harlingen Firemen's Relief & Retirement Fund – Revised FSRP	66.6	12/31/2013	38.0	9/30/2019	2026
Lufkin Firemen's Relief & Retirement Fund	40.6	12/31/2014	33.1	12/31/2016	2026
Odessa Firefighters' Relief & Retirement Fund – Revised FSRP	Infinite	1/1/2013	37.5	1/1/2020	2026
Sweetwater Firemen's Relief & Retirement Fund	58.8	12/31/2014	27.5	12/31/2016	2026
University Park Firemen's Relief & Retirement Fund – Revised FSRP	81.3	12/31/2012	28.8	12/31/2018	2026

¹ Based on the valuation in which the system completed its FSRP requirement.

² The year in which a system was expected to reach an amortization period of 40 years or less.

³ The amortization period reflects a payroll projection based upon the City of Dallas' Hiring Plan which has yet to materialize, a concern that was noted by the system's actuary in the 2019 actuarial valuation.