

**To the Mayor and Members of the City Council****December 15, 2015****Page 1 of 2****SUBJECT: PENSION REVIEW COMMITTEE UPDATE**

The purpose of this Informal Report is to provide an update on the Pension Review Committee. In August 2015, the City Council requested that the City Manager form a committee “to determine what additional steps may be necessary to manage the risk of the (retirement) plan and improve the overall financial condition.”

Since that time, the City Manager has assembled a Committee of the following members:

- David Cooke, City Manager
- Joelle Mevi, Retirement Fund Executive Director
- Rick VanHouten, Fort Worth POA
- Jim Tate, Fire Fighters #440
- Glenn Balog, General Employee Representative
- Laura Alexander, Citizen/Business Representative (Laura works with First Southwest, the City’s Financial Advisor)
- Mike Ward, Citizen/Business Representative (Mike serves on the City’s Aviation Advisory Committee and is Chair of the City’s Building Standards Commission. Mike is also an actuary.)

The committee has held their first meeting and has begun the research and data collection necessary for the review.

Committee Charge and Review Process

The Committee will be charged with:

- Defining and assessing the long-term sustainability of the Fort Worth Employees’ Retirement Fund and evaluating options to improve the current position of the retirement fund, without directly or indirectly, requiring additional contributions from taxpayers/ratepayers.

In order to meet the charge, the Committee will:

- Discuss and agree in how long-term sustainability will be defined (as it relates to amortization period; discount rates; funded ratios, etc.)
- Evaluate the competitiveness of the City’s pension plan in the context of total compensation – with the goal of maintaining competitive recruitment and retention. Total compensation will include salary, pension, healthcare and other benefits such as paid leave.

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- Evaluate pension marketplaces to include other Texas stand-alone plans and the Texas Municipal Retirement System (TMRS) to include, at a minimum, the following data:
 - Financial condition of other plans
 - Vesting
 - Benefit formula (multiplier, final salary calculation, overtime, etc.)
 - Employer/Employee Contributions

If you have any questions, please let me know.

David Cooke
City Manager