

# Memorandum



CITY OF DALLAS

DATE October 6, 2023

TO Honorable Mayor and Members of the City Council

SUBJECT **Bond Program and Pension System**

In recent days, a false narrative has begun to develop that the City Council must choose between having a General Obligation Bond election in May 2024 or addressing the Dallas Police and Fire Pension System (DPFP) unfunded liability. This is not an either-or decision. I am committed to both protecting the pension benefits of our first responders as well as addressing the infrastructure needs that our residents demand and deserve.

The Mayor recently appointed the Ad Hoc Committee on Pensions which will be meeting over the next several months to consider strategies to address the unfunded liability. While issuance of Pension Obligation Bonds (POB) will be one of the options considered, they are less likely to be the best option given current interest rates. We will continue to work with our Financial Advisors and the Police and Fire Pension Study Group and bring all options to the Ad Hoc Committee over the next several months.

Based on current analysis, we have recommended a General Obligation Bond Program not to exceed \$1.1 billion with an election in May 2024 to address the significant infrastructure needs throughout the city. In order to have a May 2024 election, City Council will be asked to call the election no later than mid-February which is more than four months from now.

I recommend that the Ad Hoc Committee on Pensions and the Bond Task Force both continue their work over the next several months and present findings and recommendations to the full City Council in January. At that time, the City Council will be able to make a much more informed decision instead of conflating these two critical but distinct concerns.

If you need additional information, please contact me.

A handwritten signature in black ink, appearing to read 'T.C. Broadnax'.

T.C. Broadnax  
City Manager

c: Honorable Mayor and Members of the City Council  
Tammy Palomino, Interim City Attorney  
Mark Swann, City Auditor  
Biliera Johnson, City Secretary  
Preston Robinson, Administrative Judge  
Kimberly Bizzor Tolbert, Deputy City Manager  
Jon Fortune, Deputy City Manager

Majed A. Al-Ghafry, Assistant City Manager  
M. Elizabeth (Liz) Cedillo-Pereira, Assistant City Manager  
Dr. Robert Perez, Assistant City Manager  
Carl Simpson, Assistant City Manager  
Genesis D. Gavino, Chief of Staff to the City Manager  
Jack Ireland, Chief Financial Officer  
Directors and Assistant Directors