



City Manager's Office

215 E. McKinney St., Denton, TX 76201 • (940) 349-8307

MEMORANDUM

DATE: June 27, 2025
TO: The Honorable Mayor Hudspeth and Council Members
FROM: Sara Hensley, City Manager
SUBJECT: Friday Staff Report

Upcoming Meetings

- A. **CANCELLED** - Agenda Committee on **Thursday, July 3, 2025, at 8:00 a.m.** in the City Council Work Session Room.

Please check the City of Denton website for final meeting days and times as information is subject to change after the Friday Report is published. [Public Meetings & Agendas | Denton, TX \(civicplus.com\)](https://www.denton-tx.gov/civicplus.com)

OUR CORE VALUES

Inclusion • Collaboration • Quality Service • Strategic Focus • Fiscal Responsibility

General Information & Status Updates

- A. 2025 Texas Environmental Excellence Award Winner: On June 10, the City of Denton was honored with the award for Innovative Operations and Management for its Commercial Organics Diversion Program at the 2025 Governor's Texas Environmental Excellence Awards by the Texas Commission on Environmental Quality (TCEQ) in Austin, Texas. The City's Solid Waste and Wastewater departments partnered to launch a Commercial



Figure 1(Left to Right): Bobby Janecka, TCEQ Commissioner, Brandi Neal (SWR), Arturo Garica (SWR), and Brooker Paup, TCEQ Chairwoman

Organics Diversion Pilot targeting food waste at restaurants within the downtown and Fry Street areas. The project utilizes existing infrastructure and improves Denton's environment by sustainably diverting food waste, which is a significant portion of the waste going to the City's landfill. Staff contact: Brandi Neal, Solid Waste and Recycling

- B. Expanding Opportunities in Southern Downtown – The [Design Downtown Denton \(DDD\) Plan](#) was adopted by City Council in September 2024. The Plan recommends examining the rezoning of parcels south of the Square, which are currently zoned Mixed-Use Neighborhood (MN) to Mixed-Use Downtown (MD), to stimulate development. Community engagement meetings were held on May 7 and May 15, 2025. Attendees at both meetings provided feedback that supported the recommendation to rezone the majority of the area to MD zoning. Staff will present the proposed rezoning recommendations to the Planning & Zoning Commission during a Work Session on July 23, 2025. Sean Jacobson, Development Services
- C. Monthly Financial Reports – The Monthly Financial Report provides a year-to-date comprehensive overview of the City of Denton's financial performance, including key revenue and expenditure highlights, as well as budget variances. The Monthly Financial Report can be accessed [here](#). Staff contact: Vis Bouaphanthavong, Finance
- D. Governor Bill Signing – On June 16, Governor Greg Abbott held a bill signing ceremony at Denton's Robson Ranch for the Legislature's property tax relief package. The event brought together state and local leaders, including Mayor Gerard Hudspeth, Congressman Brandon Gill, Senators Tan Parker and Brent Hagenbuch, Representatives Jared Patterson, Ben Bumgarner, and Andy Hopper, as well as Denton County Commissioner Dianne Edmondson. The newly signed HB 9, SB 4, and SB 23 are set to provide substantial tax relief for Texans. These bills will raise the personal business property tax exemption to

\$125,000, increase the homestead exemption to \$140,000 for all homesteads, and increase the homestead exemption for seniors and individuals with disabilities to \$200,000. During the ceremony, Mayor Hudspeth engaged in discussions with Governor Abbott, Speaker of the House Dustin Burrows, and Chair of the Senate Local Government Committee Paul Bettencourt. Their conversation centered on the positive impact these property tax reforms will have on Denton residents. Mayor Hudspeth also extended a warm welcome to Denton. The City was honored to be chosen as the location for such a momentous occasion, and extends thanks to the Governor and his staff for coordinating the event. Staff contact: Kristi Fogle, City Manager's Office



Figure 2 Gov. Greg Abbott shaking hands with Mayor Gerard Hudspeth at Bill Signing in Robson Ranch.

E. Mobility Plan Amendments – On June 17, the City Council approved amendments to the City of Denton [Mobility Plan](#). Staff received questions regarding the amendments following the meeting and wanted to provide additional information. The Mobility Plan is a long-range plan that identifies the location and type of roadway, bicycle, and pedestrian facilities required to meet the City of Denton's long-term growth needs. Staff made recommendations regarding road placements and their respective functional classifications by considering future needs. The current plan was adopted by the Council in 2022. A comprehensive update to the Mobility Plan is expected to be initiated by mid-2026.

- MPA25-0001
 - Removing a portion of future Underwood Road, extending from FM 1515 to Springside Road, and instead realigning Underwood Road to align with Westcourt Road.
 - Removing the proposed realignment of future Corbin Road as shown on the Mobility Plan, extending west from the existing north-south segment of Corbin Road to Springside Road.
 - Extending the functional classification of the north-south segment of Corbin Road, southward to the intersection with the east-west segment of Corbin Road, as a Collector roadway.
 - Downgrading the functional classification of Springside Road from a Secondary Arterial to a Collector.
- MPA 25-0002
 - Remove a proposed Future Collector roadway between Interstate 35 (I-35) and Western Boulevard, south of West University Drive (US 380) and north of Jim Christal Road. Following a thorough study of the area, staff recommends removing this Future Collector as it has been determined that the roadway is

not necessary for the overall traffic circulation, accessibility, and safety of the area; will help avoid the additional requirements and costs associated with securing an additional railroad crossing; and will minimize potential environmental impacts to the floodplain within the area

Staff contact: Farhan Butt, Transportation Services

- F. Monthly Mobility Report – Innovative Transportation Solutions (ITS) provides a monthly report that includes an overview of Texas Department of Transportation (TxDOT) regional projects. See the **attached** ITS Monthly Mobility Report for review. Staff contact: Seth Garcia, Capital Projects

- G. DTV Video Highlights for June - DTV released several videos this month. The following are highlighted videos that the Council is encouraged to share:

- Building Beds for Denton Youth [YouTube](#)
Volunteers from the Denton Kiwanis Club joined forces with the nonprofit Sleep in Heavenly Peace to build beds for local children in need.
- Mayfaire Renaissance Market [YouTube](#)
Mayfaire Renaissance Market! Thanks to our great community for attending and making merry!
- Pothole Punch-Out! [YouTube](#)
We asked our citizens to download Denton 311 and report pothole locations, which we will then target for repair for the first week of July!

All videos air on DTV, are shared via social media channels, and are available on the [City's YouTube channel](#). Staff contact: Billy Matthews, Marketing and Communications

- H. Mayor's Pet Spotlight – Tuna is a 1-year-old Pit Bull mix with a vibrant personality.



This highly social dog thrives on human interaction and is known for jumping on people to express excitement and affection. Tuna is leash-trained, making walks enjoyable and manageable. Tuna is also good with big dogs, which can be beneficial for adopters with other large pets. Tuna has undergone heartworm treatment and has made a speedy recovery. Tuna is food-motivated, which can be advantageous for training and reinforcing positive behaviors. Having been in the shelter since March 10, Tuna is in urgent need of a home. Providing a stable and loving environment will not only help Tuna continue to thrive but also alleviate the stress of shelter life. Tuna is an ideal companion for someone looking for an affectionate and energetic dog. Please contact Denton Animal Services by phone at (940) [349-7594](tel:940-349-7594), or via email at Animal.Services@cityofdenton.com. Staff contact: Bailey Coleson, Animal Services

Responses to Council Member Requests for Information

- A. Street Lighting – On June 3, Council Member Byrd inquired about additional street lighting on Mayhill Road and Edwards Road. Staff are finalizing the criteria and process for new street lighting. This will be added to the list of requests for the upcoming fiscal year pending approval of the budget. Staff contact: Tony Puente, Denton Municipal Electric
- B. Legislative Recap – At the June 17 Work Session, Mayor Hudspeth inquired about SB 7, which will provide up to \$1 billion in funding to water resources in Texas. Specifically, he asked if the provisions of the bill included new rules regarding water losses and leaks. Staff reviewed the bill and supporting documents and found that the bill does require the Texas Water Development Board (TWDB) to develop and maintain on its website information regarding financial assistance offered to utilities suffering from water losses. While there is not specific funding dedicated to addressing water loss in the bill, TWDB may have the discretion to utilize the allocated funding for such purposes in the future. Staff will continue to monitor the implementation of SB 7 (and HJR 7), which will be considered as a constitutional amendment by Texas voters in November, to ensure that Denton is able to participate in any potential funding opportunities. Staff contact: Kristi Fogle, City Manager's Office
- C. North Lakes Driving Range – On June 20, Mayor Pro Tem Rumohr asked about the expansion plans for the North Lakes Driving Range. Currently, there are no plans for expansion. However, the greens are scheduled for professional cleaning on July 9. This will help increase their lifespan and improve playability. Staff contact: Gary Packan, Parks and Recreation
- D. Aileen Street Completion Date – On June 20, Council Member Holland sent a request inquiring about the completion date for roadway construction on Aileen Street. The estimated completion date for construction is August 16. Construction is part of the Neighborhood 2 and 6 Capital Improvement Project. For more information on ongoing major projects, visit the City's projects [page](#). Staff contact: Scott Fettig, Capital Projects
- E. Parking on South Locust Street at East Hickory Street – On June 20, Council Member Holland inquired about the use of the parking space at the intersection and potentially converting it to an Americans with Disabilities Act (ADA) compliant space. Staff is coordinating with the business owner to transform that specific area into a designated loading zone. Since the ADA requires an accessible loading and unloading area, this space is not ideal for ADA parking. Staff is evaluating other nearby spaces for potential ADA parking spaces. Staff contact: Farhan Butt, Transportation Services
- F. City Jail – On June 21, Mayor Hudspeth shared a resident's inquiry regarding the status of the City Jail website. The City of Denton Jail is temporarily closed while a sewer line is replaced at City Hall East. The closure was initially anticipated to conclude by June 30; however, contractors discovered a branch line servicing part of the jail has fractured and requires full replacement. The jail is expected to reopen by mid-July.

Individuals arrested for Class B and above arrests are being booked directly into the Denton County Jail. For certain Class C offenses where an arrest is necessary, individuals are being booked into the Flower Mound jail. Staff contact: Jessica Robledo, Denton Police Department

Attachments

A. Monthly Mobility Report.....	7
---------------------------------	---

Informal Staff Reports

A. 2025-055 Denton Firemen's Relief and Retirement Fund Actuarial Audit.....	25
B. 2025-056 Council Member Appointments.....	62

Information from the City Manager

From time to time, I would like to share with the City Council local government-related resources that I find insightful, interesting, or timely. These may be studies, periodicals, reports, or web resources. My intent is to make the Council aware of broad perspectives and discussions and not to suggest any policy or service change. – Sara

This year and the upcoming fiscal year are proving to be challenging times for cities and councils. Many cities are facing the same dilemma on how to close the budget gap and still provide services to residents. One of our leading communities in the Metroplex is facing additional tough decisions after cost-cutting measures still left the city with a considerable deficit. Learn more about the strategy to close the gap [here](#).

A community in central Texas has taken a different approach to managing the unhoused in the downtown corridor. The [article](#) shares insight into the problem and how the city council addresses it.

Upcoming Community Events and Public Meetings

Please visit the City of Denton [website](#) for upcoming community events and details.

Information

A. Council Requests for Information	65
B. Public Meetings Calendar	67
C. Future Work Session Items	70
D. Street Closure Report	71



City of Denton Transportation/Mobility Project Status Report

Prepared by ITS

June 2025

PROJECTS

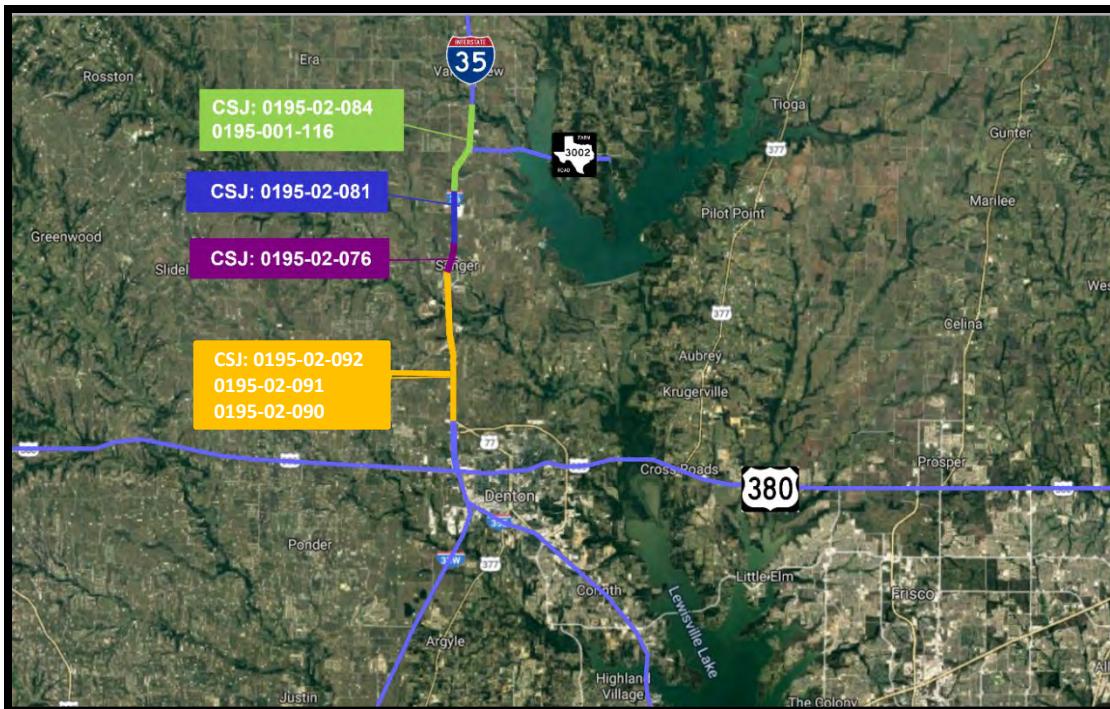
- Project Summary page 2
- I-35 North page 3
- I-35/35E/35W Merge..... page 5
- I-35E/Mayhill page 8
- I-35W Frontage Roads Middle..... page 9
- Loop 288 West Frontage Roads page 10
- Loop 288 East-US 380 Connector..... page 11
- Bonnie Brae Segment 7 page 12
- FM 1515 page 13
- FM 1173 page 14
- Outer Loop..... page 15
- Glossary of Acronyms page 16
- TxDOT Funding Categories page 17
- Denton City Limits page 18

PROJECT SUMMARY

PROJECT	LET DATE	CONTRACTOR/ ENGINEER	CONSTRUCTION COST
I-35 North	Various	Stantec	\$936,000,747
I-35/35E/35W Merge	04-2024	Sema Construction	\$588,780,841
I-35E/Mayhill	06-2025	Zachary Construction	\$123,539,232
I-35W Frontage Roads Middle	09-2028	WSP	\$446,891,327
Loop 288 West Frontage Roads	09-2028	CP&Y	\$227,423,354
Loop 288 East-US 380 Connector	*	Westwood	\$1,262,000,000
Bonnie Brae Segment 7	*	Westwood	*
FM 1515	*	LTRA	\$69,484,709
FM 1173	*	Halff	\$125,852,145
Outer Loop	*	LJA	\$1,547,212,128
TOTAL			\$5,327,184,483

I-35 North

CSJ:	0195-02-074; 0195-02-076; 0195-02-081; 0195-01-116; 0195-02-084; 0195-02-092; 0195-02-091; 0195-02-090	Schematic Approval:	January 31, 2019
Limits:	From US 77 to FM 3002 (Cooke County line)	Environmental Approval:	October 7, 2019
Length:	12.4 miles	ROW Acquisition Complete:	July 2023
Description:	Reconstruct and widen 4- to 6-lane rural freeway with ramp modifications and reconstruct 4- to 4/6-lane frontage roads	Utility Relocations Complete:	-092: August 2026 -091: August 2026 -090: August 2026 -081: June 2025 -116: October 2025 -084: October 2025
Est. Construction Cost:	\$936,000,747 -092: \$187,409,484 -091: \$158,653,846 -090: \$187,500,000 -081: \$175,274,676 -116: \$110,895,970 -084: \$116,266,771	100% Plans:	-092: March 2026 -091: December 2026 -090: June 2027 -081: June 2025 -116: August 2025 -084: August 2025
Construction Funding:	\$801,507,230 CAT 4: \$220,966,122 CAT 11: \$2,574,631 CAT 12: \$577,966,477	Ready to Let Date:	-092: August 2026 -091: December 2026 -090: June 2027 -081: June 2025 -116: October 2025 -084: October 2025
Firm:	Stantec	Let Date:	-092: November 2026 -091: November 2027 -090: November 2028 -081: August 2025 -116: December 2029 -084: December 2029
TxDOT PM:	Dawit Abraham		



Current Activity:

- **PS&E:** Work on the 100% PS&E plan set for the -074 CSJ is underway with updates to 2024 TxDOT Specifications. TxDOT has split -074 CSJ into three separate CSJs for letting.
- The 100% PS&E plan set for the -081 CSJ was submitted to Austin on June 6, 2025.
- Work on the 100% PS&E plan set for -084 CSJ is underway with updates to the 2024 TxDOT Specifications; some scope being shifted from the -081 CSJ.
- **Utilities:** The status of utilities in conflict is listed below by CSJ/segment.

IH-35 from US 77 to South of FM 455; CSJ: 0195-02-074

- Utilities that are clear of construction: Atmos Distribution, Brazos Electric, City of Denton, Frontier, Nortex, OneOK, and Sanger Electric.
- Utilities that are currently relocating: Bolivar WSC, CoServ Electric, CenturyLink/Brightspeed, and UTRWD.
- Utilities that are pending relocations: Altice, MCI/Verizon, and Zayo.
- Utilities that are critical path: None

IH-35 from North of FM 455 to View Road; CSJ: 0195-02-081

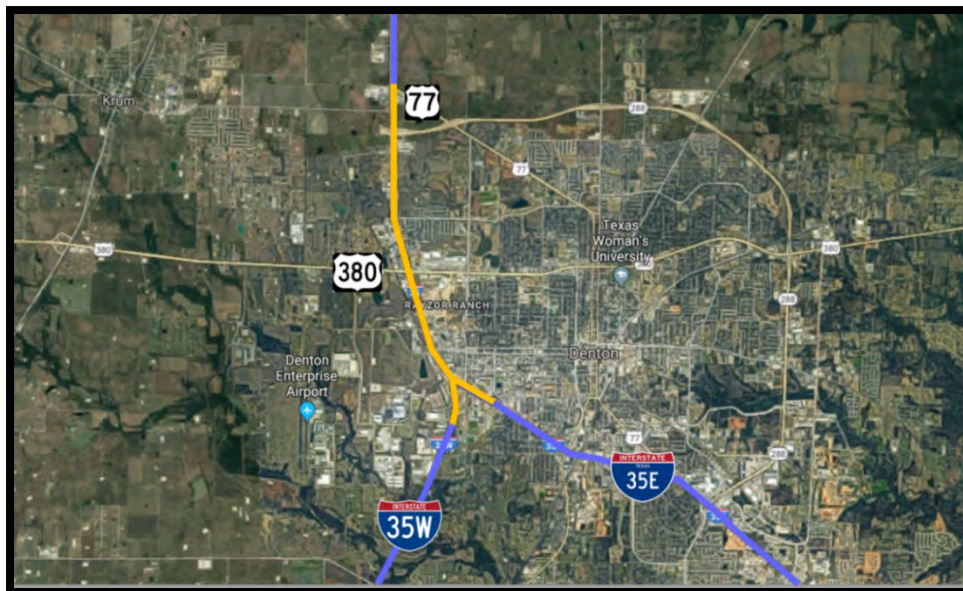
- o Utilities that are clear of construction: AT&T, Bolivar WSC, Brightspeed/CenturyLink, Lumen/Level 3, Nortex, Sanger Electric and Sanger Water/Wastewater.
- o Utilities that are currently relocating: MCI/Verizon and Zayo.
- o Utilities that are critical path: MCI/Verizon.

IH-35 from View Road to Cooke County Line (FM 3002); CSJ: 0195-02-084

- Utilities that are clear of construction: AT&T, Bolivar WSC, CoServ Electric, Lumen/Level 3, Nortex, and Sanger Electric.
- Utilities that are currently relocating: None.
- Utilities that are pending relocations: MCI/Verizon, Oncor, and Zayo.
- Utilities that are critical path: None.

I-35/35E/35W Merge

CSJ:	0195-03-099 (N Texas Blvd to I-35E/W) 0195-03-090 (I-35E/W to US 380) 0195-03-087 (US 380 to US 77)	Schematic Approval:	-090: August 2011 -087: January 31, 2019
Limits:	From North Texas Blvd to US 77 north of Denton	Environmental Approval:	-090: June 2017 -087: October 7, 2019
Length:	5.073 miles	ROW Acquisition Completed:	May 2022
Description:	Reconstruct interchange and existing frontage roads; reconstruct and widen to 6/8-lane rural freeway with ramp modifications	Utility Relocations Complete:	May 2025
Est. Construction Cost:	\$588,780,841	City of Denton Utility Relocations Completed:	December 2024
Construction Funding:	\$588,780,841 CAT 2: \$65,978,054 CAT 3: \$1,452,495 CAT 4: \$75,042,004 CAT 11: \$106,973,305 CAT 12 (Strategic Priority): \$219,334,983 CAT 12 (Texas Clear Lanes): \$120,000,000	100% Plans:	January 2024
Firm & Key Contact:	AECOM (-090); Stantec (-087)	Let Date:	April 4, 2024
TxDOT PM:	John Rich	Construction Completion:	November 2029



Current Activity:

- **Construction:** The project let for construction on April 4, 2024. The project was awarded to Sema Construction with a low bid of \$588,780,840.70, at 18% above engineer's estimate. There are 1,356 working days and 56 months of barricades. **See attached TxDOT construction report.**
- **Utilities:** The status of utilities in conflict is listed below.
 - o Utilities that are clear of construction: AT&T, Atmos Distribution, Atmos Transmission, Brazos Valley Electric, Charter/Spectrum, City of Denton Water/Wastewater, CoServ Electric, DME Distribution, DME Transmission, Fiberlight, Frontier, Lumen, MCI/Verizon, UPN, and Zayo.
 - o Utilities that are currently relocating: City of Denton sewer.
 - o Utilities that are pending relocation: None.
 - o Utilities that are critical path: **UPN conflict with installation; COD NBRF adjustment.**

TxDOT Monthly Project Report

Date of report: June 6, 2025

Report prepared by: Jonathan Rich

Project: **0195-03-087, ETC**

Control: **0195-03-087, ETCA**

Highway: **IH 35**

Limits: IH35E at North Texas Blvd to North of US 77 on IH35

Contractor: **Sema**

TxDOT Project Manager: Jonathan Rich
Contractor's Project Manager: Shea Hurley

Phone: (945) 290-0731
Phone: (720) 215-8056

Date Work Began: January 13, 2025

Anticipated Completion Date: November 2029

Current Activities:

Current activities: Placing asphalt and concrete at I-35W future off-ramp for FM 1515. Continue retaining wall at I-35W future off-ramp for FM 1515. Continue placing temporary detour at 8 locations including southbound main lanes I-35W, northbound frontage road, and southbound frontage road on I-35 south. Finish placing drainage along southbound frontage road on southbound frontage road I-35 from Bonnie Brae to North Texas. Continue placing drainage from Scripture to US 380 and US 380 to Loop 288. Start permanent drainage from US 380 to Airport Road southbound frontage road. Finish partial culvert at southbound frontage road and Bonnie Brae and culvert south of Loop 288. Continue with braided ramp northbound frontage road before US 380. Start building permanent retaining wall southbound frontage road north of US 380. Finish temporary signal installation at Oak and Bonnie Brae. Place overhead temporary signs throughout project. Finish retaining walls on southbound frontage road north of US 380 and northbound before merge. Fixing potholes throughout project. Fixing damaged traffic control devices throughout project. Forming and pouring structural members for bridges; continue drill shafts and columns. SW3P maintenance. Temporary pavement preparation for future detours. Southbound and northbound frontage road from Bonnie Brae to US 380. Installation of temporary and permanent ITS infrastructure. Northbound frontage road and I-35E main lanes from Bonnie Brae to US 380. Excavation, drilling, shotcrete, temporary shoring, and leveling pad installation for retaining walls.

Narrative description of last month's activities: Northbound frontage road bridge demolition over Oak Street. Traffic switch on temporary southbound frontage road at Oak Street. Earthwork at I-35W future off-ramp for FM 1515. Temporary shoring wall for detour along northbound frontage road from Bonnie Brae to Oak Street and southbound I-35 Oak Street to Airport Road. Activation of US 380 intersection temporary signals. Placing asphalt and concrete at I-35W future off-ramp for FM 1515. Continue retaining wall at I-35W future off-ramp for FM 1515. Continue placing temporary detour at 8 locations including southbound main lanes I-35W and northbound and southbound I-35. Finish placing drainage along southbound frontage road I-35E from Bonnie Brae to North Texas. Continue placing drainage from Scripture to US 380 and US 380 to Loop 288. Start permanent drainage from Scripture to US 380 and US 380 to Loop 288. Start permanent drainage from US 380 to Airport Road southbound frontage road. Finish partial culvert at southbound frontage road and Bonnie Brae and culvert south of Loop 288. Continue with braided ramp northbound frontage road before US 380. Start building permanent retaining wall southbound frontage road north of US 380. Finish temporary signals installation at Oak and Bonnie Brae. Place overhead temporary signs throughout project. Finish retaining walls on southbound frontage road north of US 380 and I-35W northbound before merge. Fixing potholes throughout project. Fixing damaged traffic control devices throughout project. Forming and pouring structural members of bridge. Continue drill shafts and columns, SW3P maintenance. Temporary pavement preparation for future detours. Installation of temporary and permanent ITS infrastructure. Excavation, drilling, shotcrete, temporary shoring, and leveling pad installation for retaining walls. Continue temporary shoring wall for detour along northbound frontage road from Bonnie Brae to Oak Street and southbound frontage road on I-35 from Oak Street to Airport Road. Continue placing drainage from Scripture to US 380 and US 380 to Loop 288. Placing culverts on Bonnie Brae and south of Loop 288.

Narrative description of activities planned for next month: Continue placing asphalt and concrete at I-35 future off-ramp for FM 1515. Continue retaining wall at I-35W future off-ramp for FM 1515. Continue placing temporary detour at 8 locations including southbound main lanes I-35W and northbound frontage road I-35E and southbound frontage road I-35E. Finish placing drainage along southbound frontage road I-35E from Bonnie Brae to North Texas. Continue placing drainage from Scripture to US 380 and US 380 to Loop 288. Start permanent drainage from US 380 to Airport Road southbound frontage road. Finish partial culverts at southbound I-35 frontage road and Bonnie Brae and south of Loop 288. Continue with braided ramp northbound frontage road before US 380. Start building permanent retaining wall southbound frontage road north of US 380. Finish temporary signals installation at Oak and Bonnie Brae. Place overhead temporary signs throughout project. Finish retaining walls southbound frontage road I-35 north of US 380 and I-35W northbound before merge. Fixing potholes throughout project. Fixing damaged traffic control devices throughout project. Forming and pouring structural members of bridge. Continue drill shafts and columns. SW3P maintenance. Temporary pavement preparation for future detours. Installation of temporary and permanent ITS infrastructure. Northbound frontage road and I-35E main lane from Bonnie Brae to US 380. Retaining wall excavation, drilling, shotcrete, temporary shoring, and leveling pad installation.

Traffic issues: Nightly lane closures. Temporary one-lane frontage road throughout project in multiple locations.

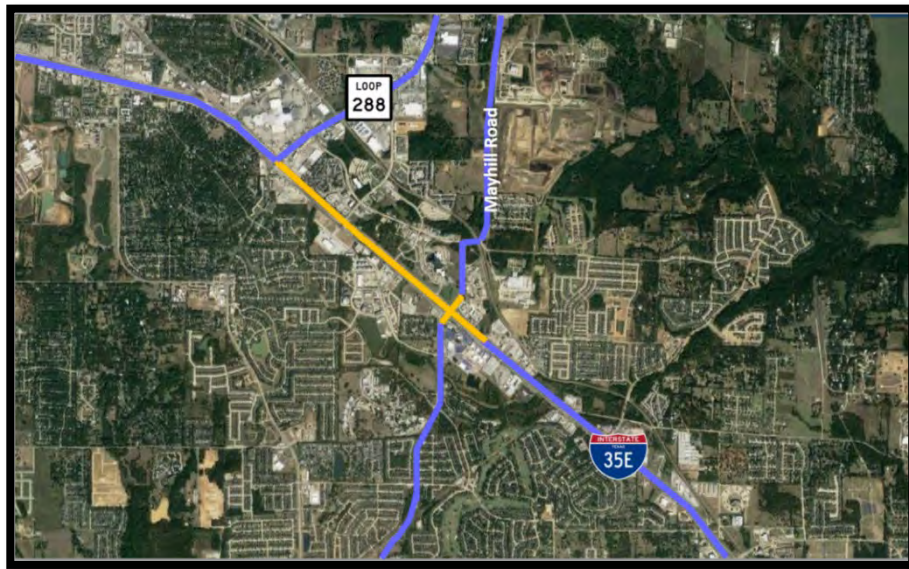
Plans for changes in traffic patterns: None

Item(s) of work currently controlling project completion: Utility conflicts with drainage structures along frontage roads.

Other items of significance: None

I-35E/Mayhill

CSJ:	0196-01-109	Schematic Approval:	February 2011
Limits:	I-35E intersection with Mayhill from Pockrus Page Rd to Loop 288	Environmental Clearance:	January 31, 2012
Length:	1.912 miles	ROW Acquisition Completed:	November 2022
Description:	Reconstruct interchange at Mayhill and I-35E and existing 4-lane frontage roads	Utility Relocations Complete:	August 2025
Construction Cost:	\$123,539,232	City of Denton Utility Relocations Completed:	February 2024
Construction Funding:	\$139,130,349 CAT 2: \$129,130,349 CAT 4: \$10,000,000	100% Plans:	November 2024
Firm & Key Contact:	LTRA, Tyler Martin	Let Date:	June 5, 2025
TxDOT Project Manager:	Chaikou Bah	Construction Start:	*

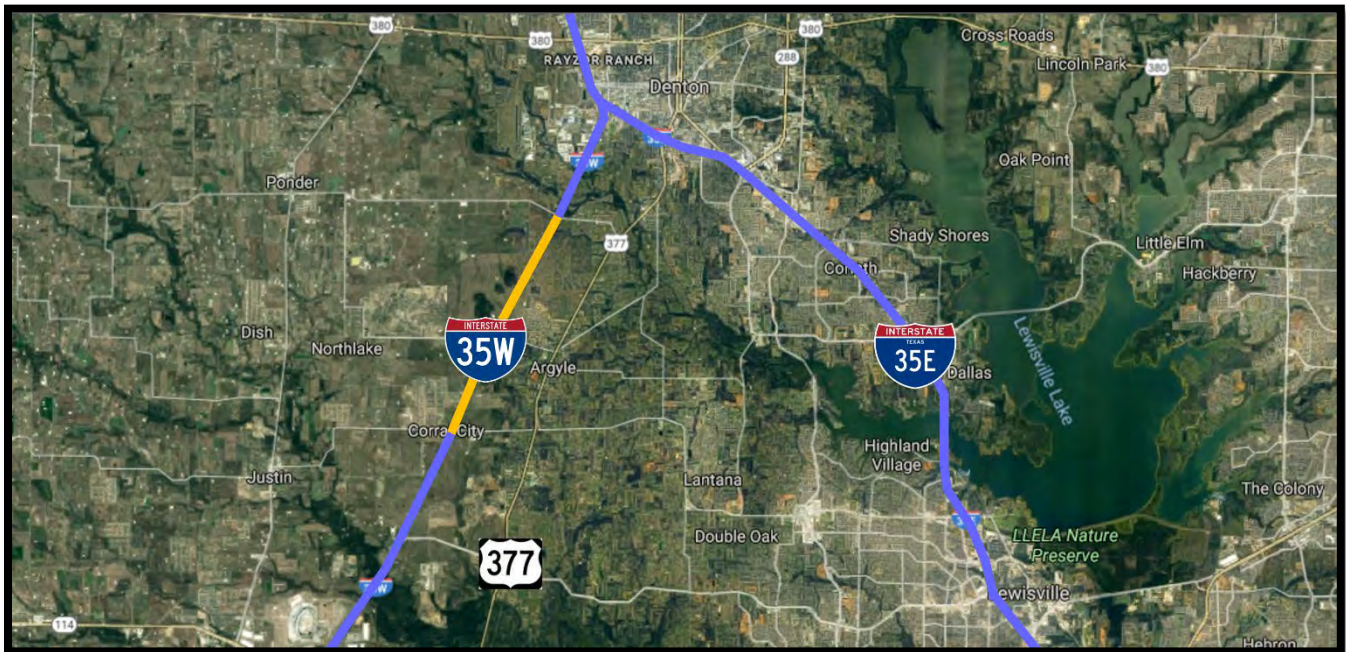


Current Activity:

- **PS&E:** LTRA updated the plan set to the 2024 TxDOT Specifications and included additional sheets and quantities requested by TxDOT. LTRA submitted final plan set to TxDOT.
- **Utilities:** The status of utilities in conflict is listed below.
 - o Utilities currently clear of construction: Atmos Gas (Distribution), AT&T, CoServ Gas, City of Denton Water, City of Denton Wastewater, NGG, Oncor, and United Private Networks.
 - o Utilities that are currently relocating: Astound (Grande), Brightspeed/CenturyLink, Charter/Spectrum, DISD, DME, Frontier, Lumen/Level 3, and Zayo.
 - o Utilities that are pending relocation: None.
 - o Utilities that are critical path: DME is placing new poles needed for Charter and Frontier to complete.
- **Construction:** The project let for construction on June 5, 2025. Apparent low bidder is Zachary Construction Corporation with a low bid of \$123,539,232.30, at 16.2% below engineer's estimate. There are 981 working days and 40 months of barricades.

I-35W Frontage Roads Middle

CSJ:	0081-13-071	Schematic Approval:	March 20, 2020
Limits:	From 0.7 miles south of FM 407 to FM 2449	Environmental Clearance:	June 30, 2020
Length:	6.76 miles		
Project Description:	Construct frontage roads	ROW Acquisition Complete:	June 2026
Est. Construction Cost:	\$446,891,327	Utility Relocations Complete:	December 2027
Construction Funding:	\$213,024,000 CAT 2: \$24,537,247 CAT 12: \$188,486,753	100% Plans:	December 2025
Firm:	WSP	Ready to Let Date:	December 2027
TxDOT Contact:	Gutema Gebriel	Let Date:	Pending Funding



Current Activity:

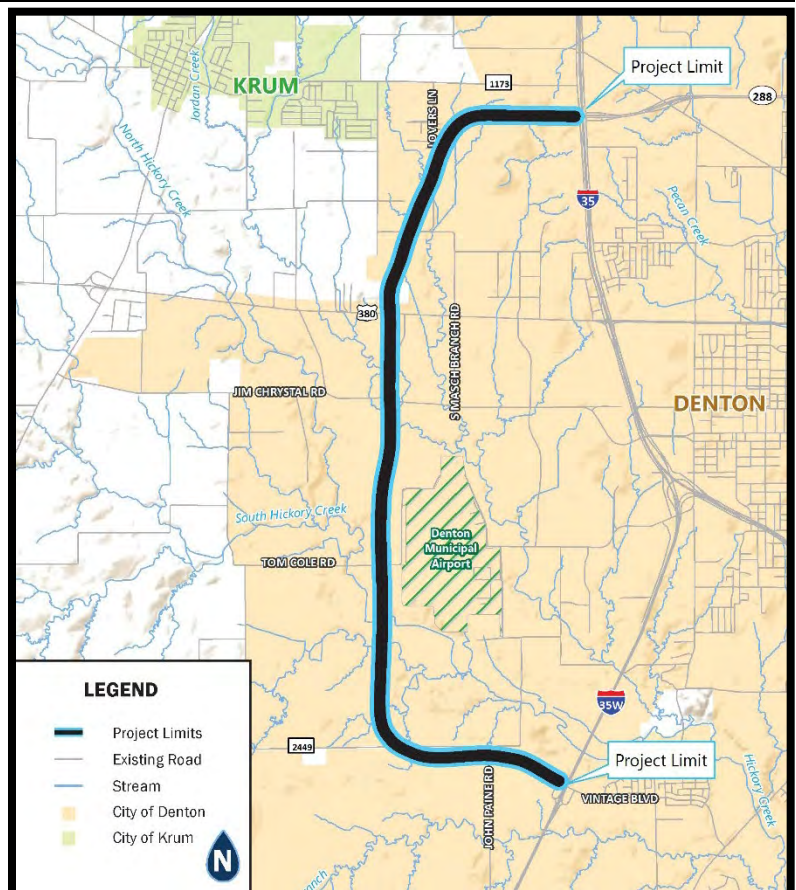
- **PS&E:** WSP continues addressing TxDOT comments to 95% plan set and is working toward completion of final plan set.
- **ROW:** There are 58 parcels to acquire. There are: 3 parcels in ED and 55 parcels acquired. ROW acquisition has been placed on hold due to District budgetary constraints.
- **Utilities:** The status of utilities in conflict is listed below.
 - o Utilities that are clear of construction: DME Transmission and UTRWD.
 - o Utilities that are currently relocating: None.
 - o Utilities that are pending relocations: Atmos, CoServ Electric, DME Distribution, Fiberlight, Frontier, Fiberlight, Lumen, and Zayo.
 - o Utilities that are critical path: CoServ pole placement design and placement is needed for telecoms to finalize their design.

Loop 288 West Frontage Roads

CSJ:	2250-00-013 (from I-35 to US 380) 2250-00-032 (from US 380 to I-35W)	Schematic Approval:	March 20, 2020
Limits:	From I-35 to I-35W	Environmental Clearance:	September 28, 2020
Length:	9.0 miles	ROW Acquisition Complete:	December 2025
Description:	Construct frontage roads	Utility Relocations Complete:	April 2026
Estimated Construction Cost:	\$227,423,354 -013: \$95,315,990 -032: \$132,107,364	100% Plans:	June 2025
Construction Funding:	\$3,000,000 CAT 3 \$1,000,000 CAT 7	Ready to Let Date:	April 2026
Firm & Key Contact:	CP&Y, Tom Cochill & Jacob Roberts	Let Date:	Pending Funding
TxDOT Project Manager:	Gutema Gebriel		

Current Status:

- **ROW:** For RCSJ 2250-02-023, there are 19 parcels to acquire. There are: 2 parcels in ED and 17 parcels in possession. For RCSJ 2250-02-024, there are 20 parcels to acquire. There are: 5 parcels in negotiations and 15 parcels in possession.
- ROW acquisition efforts are on hold due to District budgetary constraints.
- **PS&E:** CP&Y updated PBLR for final submittal.
- CP&Y updated Exhibit A and made final submittal on September 30, 2024.
- The 95% PS&E plan set submittal was made on September 3, 2024. The comment resolution meeting was held on January 28, 2025. CP&Y continued addressing comments and working toward final submittal.
- TxDOT requested revised traffic numbers; CP&Y awaiting new pavement design to finalize submittal.
- Bi-weekly coordination meetings underway.
- **Utilities:** SUE Level A submittal was made on October 11, 2024. Completed two Level A test holes for gas pipeline crossing per TxDOT request. Investigated conflict with Enterprise and Atmos Gas lines.



Loop 288 East-US 380 Connector

CSJ:	2250-02-025; 0135-10-066; 0135-10-066	Schematic Approval:	June 2025
Limits:	from I-35 to US 380 east of Geesling Road	Environmental Clearance:	December 2025
Length:	8 miles	ROW Acquisition Completion:	*
Project Description:	Construct Loop 288 frontage roads and grade separations and an improved connector to US 380	Utility Relocations Completion:	*
Estimated Const. Cost:	\$1.262 billion	100% Plans:	*
Construction Funding:	\$0	Ready to Let Date:	*
Firm & Key Contact:	Westwood, Mark Schluter, Mark Zoellner	Let Date:	*

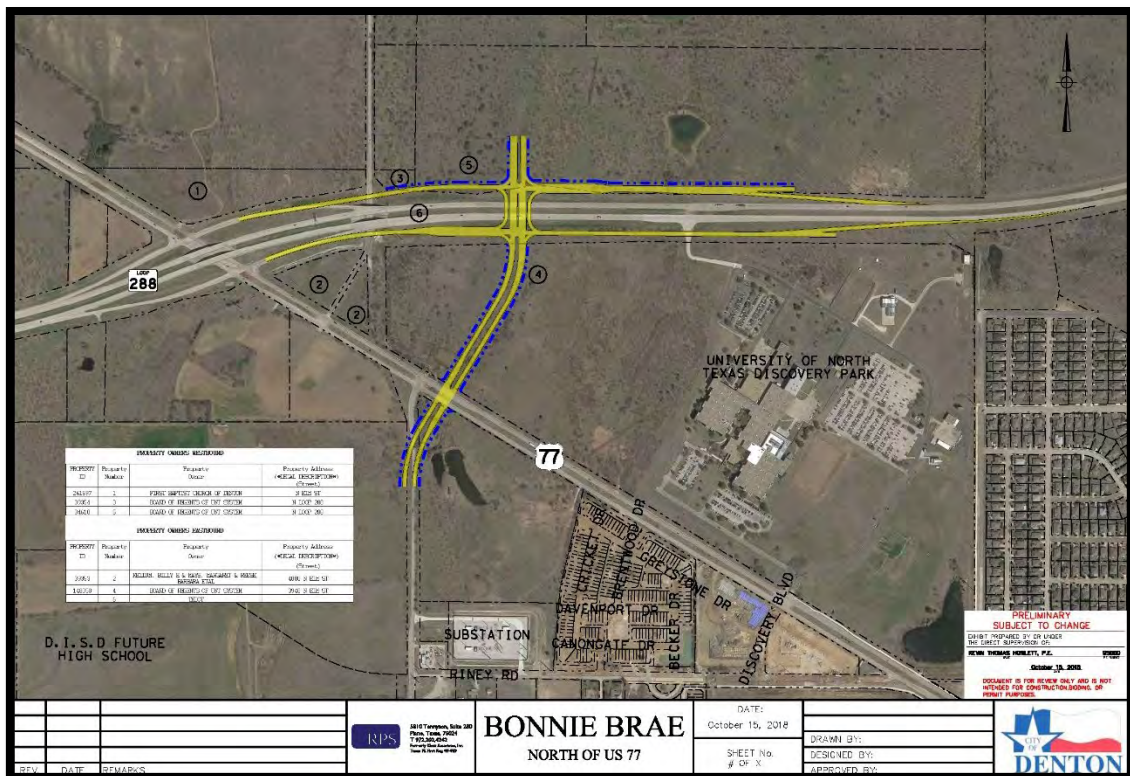


Current Activity:

- **PS&E:** Westwood submitted revised schematic on March 28, 2025. Westwood completed 100% review comments on May 2, 2025. Westwood is making minor right-of-way footprint revisions to schematic.
- Westwood is making minor revisions to the drainage report.
- Westwood is updating estimates, completing traffic control plan, and finalizing TxDOT forms.
- **Environmental:** Tentative public hearing date is April 24, 2025. TxDOT approved project for an Environmental Assessment (EA). Westwood continues working on Environmental Assessment and Technical Reports.

Bonnie Brae Segment 7

CSJ:	*	Schematic Approval:	June 2025
Limits:	From US 77 to Loop 288	Environmental Clearance:	December 2025
Length:	0.2 miles	ROW Acquisition Complete:	*
Description:	Extension of Bonnie Brae north of US 77	Utility Relocations Complete:	*
Est. Construction Cost:	*	100% Plans:	*
Construction Funding:	*	Ready to Let Date:	*
Firm & Key Contact:	Westwood, Mark Schluter, Mark Zoellner	Let Date:	*
TxDOT Project Manager:	Stephen Endres	Construction Start:	*



Current Activity:

- **PS&E:** The segment between US 77 and Loop 288 has been added to Loop 288 East contract with Westwood.

FM 1515

CSJ:	1951-01-011	Schematic Re-approval:	October 13, 2021
Limits:	From Bonnie Brae to Masch Branch Road	Environmental Approval:	August 4, 2020
Length:	2.096 miles	Environmental Re-eval:	March 15, 2022
Description:	Widen existing 2-lane rural section to a six-lane divided urban roadway	ROW Acquisition Complete:	July 2023
Est. Construction Cost:	\$69,484,709	Utility Relocations Complete:	January 2026
Construction Funding:	\$500,000 CAT 7	100% Plans:	June 2024
Firm & Key Contact:	LTRA, Tyler Martin	Ready to Let Date:	January 2026
TxDOT Project Manager:	Bryan Esmaili-Doki	Let Date:	Pending Funding



Current Activity:

- **PS&E:** LTRA updated plans to the 2024 TxDOT Specifications and submitted the final plan 6-25set on June 28, 2024. Plans have been shelved until letting.
- **Exhibit A:** LTRA submitted new Exhibit A for CPKC approval.
- **Utilities:** The status of utilities in conflict is listed below.
 - o Utilities that are clear of construction: none.
 - o Utilities that are currently relocating: none.
 - o Utilities that are pending relocation: AT&T, Atmos, Brightspeed/CenturyLink, Charter/Spectrum, City of Denton Water/Wastewater, DME Distribution, Lumen, MCI/Verizon, and UPN.
 - o Utilities that are critical path: City Water needs to be placed prior to Atmos. DME poles are needed for telecoms to begin.

FM 1173

CSJ:	1059-01-047; 1059-02-002	Schematic Approval:	March 20, 2020
Limits:	From I-35E to FM 156	Environmental Clearance:	August 26, 2021
Length:	3.613 miles		
Description:	Widen and realign to 4/6-lane divided urban road	ROW Acquisition Completed:	September 2023
Est. Construction Cost:	\$125,852,145 -047: \$62,892,803 -002: \$62,959,342	Utility Relocations Complete:	June 2026
Construction Funding:	\$0	100% Plans:	May 2025
Firm & Key Contact:	Halff Associates, Adam Bazar	Ready to Let Date:	June 2026
TxDOT PM:	Kwan Lam	Let Date:	Pending Funding

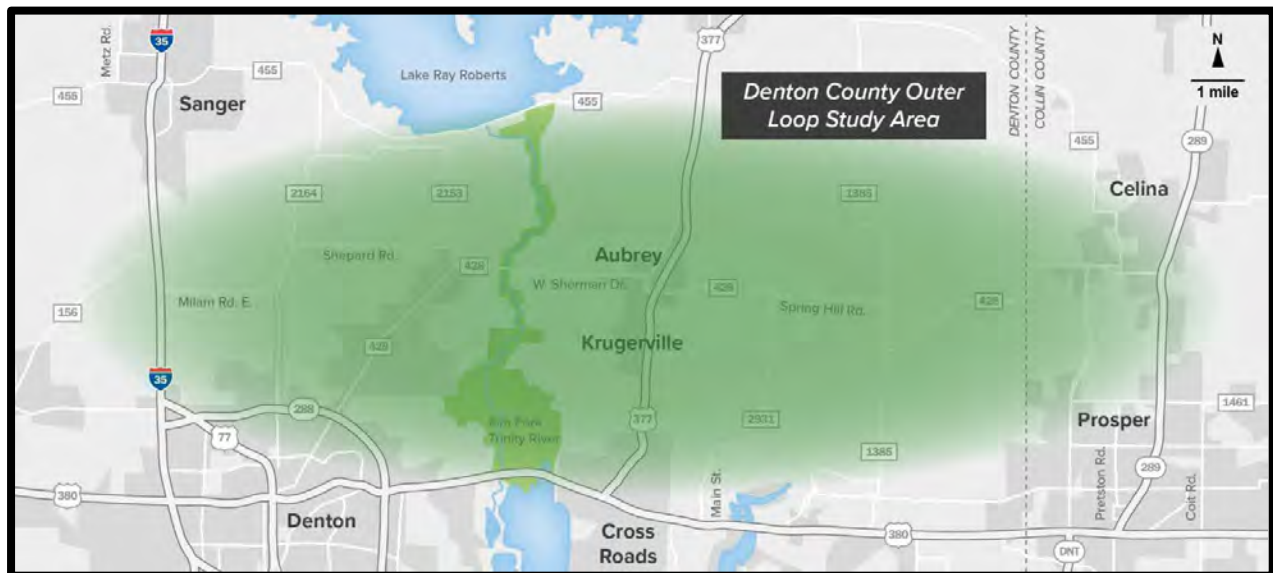


Current Activity:

- **PS&E:** Halff resubmitted final PS&E plan set on May 10, 2025.
- Halff submitted BNSF Exhibit A on September 24, 2024.
- **Utilities:** The status of utilities in conflict is listed below.
 - o Utilities that are clear of construction: None.
 - o Utilities that are currently relocating: AT&T, Atmos Distribution, CoServ Electric, and Oncor.
 - o Utilities that are pending relocations: Altice, Atmos, Brightspeed, City of Denton Sewer, City of Krum Water/Sewer, Fiberlight, and Zayo.
 - o Utilities that are critical path: City of Krum Water/Sewer; Atmos line resolution to avoid adjusting, and CoServ and Oncor poles need to be placed for telecoms.

Outer Loop

CSJ:	0918-46-341	Schematic Approval:	March 2026
Limits:	From I-35 to the DNT at the Denton County Line	Environmental Clearance:	September 2026
Length:	23 miles	ROW Acquisition Complete:	*
Description:	Construct a six-lane controlled access freeway with continuous frontage roads	Utility Relocations Complete:	*
Est. Construction Cost:	\$1,547,212,128	100% Plans:	*
Construction Funding:	\$0	Ready to Let Date:	*
Firm & Key Contact:	LJA, Tony Kimmey	Let Date:	*
TxDOT Project Manager:	Liang Ding	Construction Start:	*



Current Activity:

- **Design:** LJA is reviewing and responding to TxDOT comments to 30% schematic.
- LJA is working toward completion of 60% submittal.
- LJA continues coordination with NCTCOG, TxDOT, USACE, and other agencies.
- LJA continues identifying developments adjacent to proposed Outer Loop alignment.
- LJA is coordinating with survey to identify existing culvert locations and sizes.
- LJA is reviewing IAJR comments.
- **Utilities:** LJA continues developing utility conflict matrix. LJA continues developing Level D map. LJA is coordinating and identifying areas to perform Level B SUE.
- **Environmental:** Evaluating easements and TxDOT property near USACE property. Reviewing additional constraints and areas of concern. Tracking right-of-entry responses. Ongoing field work in areas where right-of-entry has been obtained. LJA is reviewing and responding to comments received regarding various environmental technical reports.
- **Other:** Project website is available: www.DentonCountyOuterLoop.com.
- **Public Involvement:** Anticipate a public meeting to be held in September 2025.

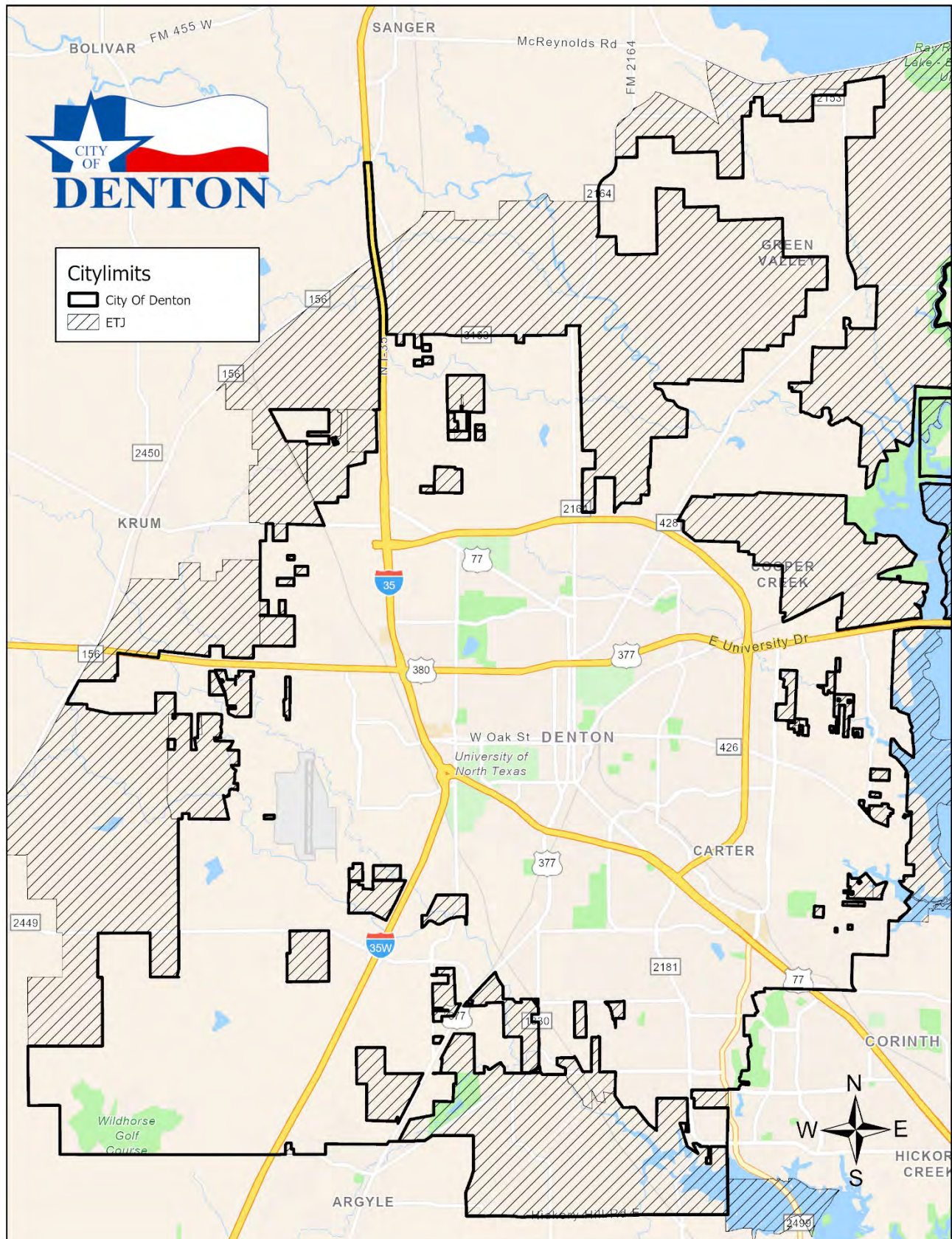
Glossary of Acronyms

- AADT – Annual Average Daily Traffic
- AFA – Advanced Funding Agreement
- ARPA – Archeological Resources Protection Act
- CE – Categorical Exclusion (environmental clearance process for projects that do not involve significant environmental impacts)
- CLOMR – (FEMA’s) Conditional Letter of Map Revision
- Conformity – Federal requirement in nonattainment areas to conduct air quality analysis on projects, programs, and policies identified in transportation plans, transportation improvement programs, federally funded projects, or projects requiring federal approval
- CSJ – (TxDOT’s) Control Section Job Number
- DCC – Design Concept Conference
- EA – Environmental Assessment
- ED – Eminent Domain
- EIS – Environmental Impact Statement
- EPIC – Environmental Permits, Issues, and Commitments
- ESAL – Equivalent Single Axle Load (TxDOT design calculation)
- FONSI – Finding of No Significant Impact
- IAJR – Interstate Access Justification Request
- ICA – Interlocal Cooperative Agreement
- IFP – Initial Financial Plan
- Let – Official date of receipt and opening of bids
- MAPO – Meeting with Affected Property Owners
- MPO – Metropolitan Planning Organization
- MTP – Metropolitan Transportation Plan
- NCTCOG – North Central Texas Council of Governments
- NEPA – National Environmental Policy Act
- NOPC – Notice of Proposed Construction
- NTTA – North Texas Toll Authority
- PBLR – Preliminary Bridge Layout Review
- PS&E – Plans Specifications and Estimate
- PUA – Possession and Use Agreement
- ROW – Right-of-Way
- RTC – Regional Transportation Council
- RTL – Ready to Let (date project is clear for construction but lacks funding for actual let)
- RTR – Regional Toll Revenue (funds resulting from certain toll/managed lane projects in DFW region)
- RULIS – Right-of-Way, Utilities, Leasing, and Information System
- STBG – Surface Transportation Block Grant
- STIP – Statewide Transportation Improvement Program
- SUE – Subsurface Utility Engineering
- SW3P – Storm Water Pollution Prevention Plan
- TCP – Traffic Control Plan
- TIA – Time Impact Analysis
- TPP – Transportation Planning and Programming
- TPWD – Texas Parks & Wildlife Department
- TTC – Texas Transportation Commission
- TxDOT – Texas Department of Transportation
- UTP – Unified Transportation Program
- VE – Value Engineering

TxDOT Funding Categories

- CAT 1: Preventive Maintenance and Rehabilitation
- CAT 2: Metro and Urban Area Corridor Projects / NCTCOG
- CAT 3: Non-Traditionally Funded Transportation Projects
- CAT 4: Statewide Connectivity Corridor Projects
- CAT 5: Congestion Mitigation and Air Quality Improvement / NCTCOG
- CAT 6: Structures Replacement and Rehabilitation (Bridge)
- CAT 7: Metropolitan Mobility and Rehabilitation / NCTCOG
- CAT 8: Safety Projects
- CAT 9: Transportation Alternatives
- CAT 10: Supplemental Transportation Projects
- CAT 11: District Discretionary
- CAT 12: Strategic Priority

Denton City Limits



INFORMAL STAFF REPORT TO MAYOR AND CITY COUNCIL

SUBJECT:

Denton Firemen's Relief and Retirement Fund Actuarial Audit

EXECUTIVE SUMMARY:

Section 802.1012 of the Texas Government Code requires an actuarial audit of public retirement systems in Texas with total assets of at least \$100 million every five years. The City selected Gabriel, Roeder, Smith & Company (GRS) to perform the actuarial audit.

DISCUSSION:**The Actuarial Audit includes the following:**

- Comparison and reconciliation of census data provided by DFRRF and that used by the consulting actuary for preparing the actuarial valuation.
- Review and analysis of the valuation results as well as a review of the mathematical calculations for completeness and accuracy, based on a detailed review of a representative sample of the current plan participants.
- Verification that all appropriate benefits have been valued and valued accurately. • Evaluation of the actuarial cost method and the actuarial asset valuation method in use and whether other methods may be more appropriate for DFRRF.
- Verification of the reasonableness of the calculation of the unfunded actuarial accrued liability and the amortization period used under the actuarial cost method.
- Review of the demographic and economic actuarial assumptions for consistency, reasonableness, and compatibility. Such assumptions shall include, but are not limited to mortality, retirement and separation rates, levels of pay adjustments, rates of investment return, and disability factors.
- Assessment of the adherence to relevant Actuarial Standards of Practice (ASOPs) published by the American Academy of Actuaries.
- Assessment of the adherence to the Texas Pension Review Board (PRB) Pension Funding Guidelines

The Actuarial Audit outcome:

- Based on the review, the actuarial valuation, studies, and reports of the Plan are reasonable, used appropriate assumptions and adhered to Actuarial Standards of Practice and Texas PRB Pension Funding Guidelines.
- The audit was overall clean but one primary recommendation is for the Plan to have an actuarial experience study performed to meet the requirement under Texas Government Code Section 802.1014, which was completed May 30, 2025.

ATTACHMENTS:

1. Denton Firemen's Relief and Retirement Fund Actuarial Audit

STAFF CONTACT:

Jessica Williams
Chief Financial Officer
jessica.jwilliams@cityofdenton.com
(940) 349-8244

REQUESTOR: Staff Initiated

STAFF TIME TO COMPLETE REPORT: 1 Hour

Denton Firemen's Relief and Retirement Fund

Report of an Actuarial Audit

Final Actuarial Audit Report in Accordance with
Section 802.1012(f) of the Texas Government Code
June 19, 2025





June 19, 2025

Jessica Williams
Chief Financial Officer
City of Denton
215 East McKinney Street
Denton, TX 76201

Re: Final Report on the Actuarial Audit of the Denton Firemen's Relief and Retirement Fund

Dear Ms. Williams:

Gabriel, Roeder, Smith & Company (GRS) is pleased to present this report of an actuarial audit of the December 31, 2023 Actuarial Valuation of the Denton Firemen's Relief and Retirement Fund (the Fund). The following documents are intended to demonstrate that the plan sponsor has complied with Section 802.1012 of the Texas Government Code which requires an actuarial audit of public retirement systems with total assets of at least \$100 million every five years.

The following three documents will constitute the final actuarial audit report, as required by Section 802.1012(h) of the Texas Government Code:

1. This cover letter,
2. Actuarial audit report, dated May 16, 2025, and
3. The retained actuary's response to the actuarial audit report, provided to GRS on June 13, 2024.

Following the delivery of the actuarial audit report on May 16, 2025, GRS requested a response to the report, as required by Section 802.1012(g) of the Texas Government Code. On June 9, 2025, the plan sponsor provided an email response to GRS regarding the draft report that states:

"The city has reviewed with no further comments."

In addition, a representative of the Fund replied via email to GRS on June 18, 2025 with the statement:

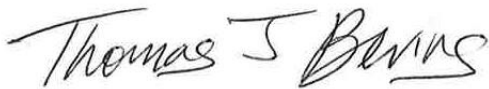
"The Board approved the study and Rudd & Wisdom's response."

GRS is pleased to report that, in our professional opinion, we believe the December 31, 2023 Actuarial Valuation of the Denton Firemen's Relief and Retirement Fund was reasonable, used appropriate assumptions and adhered to Actuarial Standards of Practice and Texas PRB Pension Funding Guidelines.

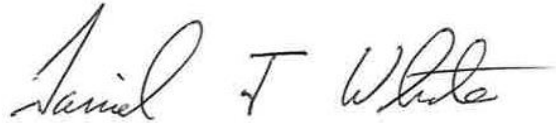
The signing actuaries are independent of the plan sponsor. Mr. Bevins is an Associate of the Society of Actuaries and Mr. White is an Enrolled Actuary, and a Fellow of the Society of Actuaries. Both Mr. Bevins and Mr. White are Members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

Respectfully submitted,

Gabriel, Roeder, Smith & Company



Thomas J. Bevins, ASA, MAAA
Consultant



Daniel J. White, FSA, MAAA, EA
Regional Director

Denton Firemen's Relief and Retirement Fund

Report of an Actuarial Audit

Final Actuarial Audit Report in Accordance with
Section 802.1012(f) of the Texas Government Code
DRAFT – May 16, 2025





May 16, 2025

Jessica Williams
Chief Financial Officer
City of Denton
215 East McKinney Street
Denton, TX 76201

Dear Ms. Williams:

Gabriel, Roeder, Smith & Company (GRS) is pleased to present this report of an actuarial audit of the December 31, 2023 Actuarial Valuation of the Denton Firemen's Relief and Retirement Fund (the Fund). We are grateful to the City of Denton (the City) staff, DFRRF staff, and Rudd and Wisdom, Inc., the retained actuary, for their cooperation throughout the actuarial audit process.

This actuarial audit involves an independent verification and analysis of the assumptions, procedures, methods, and conclusions used by the retained actuary for DFRRF, in the valuation of the Plan as of December 31, 2023, to ensure that the conclusions are technically sound and conform to the appropriate Standards of Practice as promulgated by the Actuarial Standards Board.

GRS is pleased to report to the City and DFRRF that, in our professional opinion, the December 31, 2023 Actuarial Valuation prepared by the retained actuary provides a fair and reasonable assessment of the financial position of the Plan.

Throughout this report we make suggestions for ways to improve the work product. We hope that the retained actuary, the City, and DFRRF find these items helpful. Thank you for the opportunity to work on this assignment.

Mr. Bevins and Mr. White are Members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

Respectfully submitted,
Gabriel, Roeder, Smith & Company

A handwritten signature in black ink that reads "Thomas J. Bevins". The signature is written in a cursive, flowing style.

Thomas J. Bevins, ASA, MAAA
Consultant

A handwritten signature in black ink that reads "Daniel J. White". The signature is written in a cursive, flowing style.

Daniel J. White, FSA, MAAA, EA
Vice President

K:\3409 Denton Fire Audit\Report \DFRRF Actuarial Audit Report 2025.docx

Table of Contents

	<u>Page</u>
Section A	
Executive Summary.....	2
Section B	
General Actuarial Audit Procedure.....	5
Section C	
Actuarial Assumptions	9
Section D	
Actuarial Methods and Funding Policy	18
Section E	
Actuarial Valuation Results	21
Section F	
Content of the Valuation Report	24
Section G	
Final Remarks.....	27

SECTION A

EXECUTIVE SUMMARY

Executive Summary

The City of Denton (“the City”) issued a Request for Proposal (RFP) for an Actuarial Audit of the Denton Firemen’s Relief and Retirement Fund (the Fund) and a peer review, including test lives, of the December 31, 2023 actuarial valuation performed by the retained actuary. The City selected Gabriel, Roeder, Smith & Company (GRS) to perform the actuarial audit. The project commenced in February of 2025.

This Actuarial Audit includes the following:

- Comparison and reconciliation of census data provided by DFRRF and that used by the consulting actuary for preparing the actuarial valuation.
- Review and analysis of the valuation results as well as a review of the mathematical calculations for completeness and accuracy, based on a detailed review of a representative sample of the current plan participants.
- Verification that all appropriate benefits have been valued and valued accurately.
- Evaluation of the actuarial cost method and the actuarial asset valuation method in use and whether other methods may be more appropriate for DFRRF.
- Verification of the reasonableness of the calculation of the unfunded actuarial accrued liability and the amortization period used under the actuarial cost method.
- Review of the demographic and economic actuarial assumptions for consistency, reasonableness and compatibility. Such assumptions shall include, but are not limited to: mortality, retirement and separation rates, levels of pay adjustments, rates of investment return, and disability factors.
- Assessment of the adherence to relevant Actuarial Standards of Practice (ASOPs) published by the American Academy of Actuaries.
- Assessment of the adherence to the Texas Pension Review Board (PRB) Pension Funding Guidelines.

This actuarial audit will satisfy the requirements of Section 802.1012 of the Texas Government Code which requires an actuarial audit of public retirement systems in Texas with total assets of at least \$100 million every five years.

Summary of Findings

Based on our review, the actuarial valuation, studies, and reports of the Plan are reasonable, used appropriate assumptions and adhered to Actuarial Standards of Practice and Texas PRB Pension Funding Guidelines. We offer the following recommendations based on the valuation methods and assumptions used by the retained actuary in the December 31, 2023 actuarial valuation.

Actuarial Assumptions

- During the preparation of this actuarial audit, the retained actuary informed us that an actuarial experience study was planned for later this year. Had this not come to light, this would have been a primary recommendation. Thus, we recommend the retained actuary, the City, and the Fund carry out and complete this project as planned. More specifically, we recommend formal analyses



of demographic assumptions, including but not limited to: retirement rates, termination rates, disability rates, individual salary increases, and mortality assumptions which include whether the more current Pub-2016 mortality tables and mortality improvement assumptions are more appropriate.

- When preparing the actuarial experience study, we recommend the retained actuary consider extending the number of years for which Merit, Promotion, and Longevity increases apply (if supported by the Plan's experience).

Actuarial Methods and Funding Policy

- No Recommendations.

Actuarial Valuation Results

- We believe that the valuation results were developed in a reasonable manner based on the current application of the methods. No Recommendations.

Content of Valuation Report

- Beyond the investment return scenarios shown on p. 3, we recommend the retained actuary expand its disclosures and risk metrics under the guidance of ASOP 51. As an example, this may include a historical table of plan maturity metrics such as:
 - o the ratio of market value of assets to active participant payroll,
 - o the ratio of retired life actuarial accrued liability to total actuarial accrued liability
 - o the ratio of a cash flow measure (such as benefit payments, or contributions less benefit payments) to market value of assets
 - o the ratio of benefit payments to contributions
 - o the duration of the actuarial accrued liability
- We recommend providing a reference to the origin of assumptions, whether it be to a formal experience study, published table, or acquired from prior actuary.
- We recommend additional disclosures to the summary of Actuarial Methods and Assumptions (Exhibit 11) to include:
 - o Decrement timing
 - o Timing of individual salary increases

SECTION B

GENERAL ACTUARIAL AUDIT PROCEDURE

General Actuarial Audit Procedure

At the commencement of this engagement, GRS requested the information necessary to thoroughly review the work product of the retained actuary. Specifically, GRS received and reviewed the following items:

- Actuarial valuation report as of December 31, 2023,
- The Fund's Investment Policy Statement, revised February 19, 2020,
- The Denton Firemen's Relief and Retirement Fund Plan, effective January 1, 2011
- Civil Service Fire Pay Plan, effective January 7, 2023,
- Civil Service Fire Pay Plan, effective February 6, 2024,
- DFRRF census data as of December 31, 2023,
- DFRRF Salary & Contributions from January 1, 2023 through December 31, 2023,
- Northern Trust Pension Benefit Payment Register, dated as of December 19, 2023, and
- Calculations from the retained actuary for a sampling of 22 plan participants as of December 31, 2023.

Note: GRS requested the most recent experience study. However, a formal experience study has yet to be performed but is expected in 2025. The retained actuary provided an analysis of economic assumptions in the valuation report, which was reviewed by GRS.

In performing our review, we:

- Reviewed the plan document to understand the benefits provided by the Plan,
- Reviewed the appropriateness of the actuarial assumptions,
- Reviewed the census data for basic demographic statistics (statuses, pay, benefits, payment forms, etc.),
- Reviewed the actuarial reports/studies, and
- Reviewed the detailed liability calculation of the sample test lives to ensure that the calculations were consistent with the stated plan provisions, actuarial methods and assumptions.

The entire review, which follows, is based on our review of this information and subsequent correspondence with the City, DFRRF, and the retained actuary for clarification and further documentation.

Key Actuarial Concepts

An actuarial valuation is a detailed statistical simulation of the future operation of a retirement plan using the set of actuarial assumptions adopted by the plan sponsor. It is designed to simulate all of the dynamics of such a retirement plan for each current participant of the plan, including:

- Accrual of future service,
- Changes in compensation,
- Leaving the plan through retirement, disability, withdrawal, or death, and



- Determination of and payment of benefits from the plan.

This simulated dynamic is applied to each active participant of the plan. This simulation results in a set of expected future benefit payments to that participant. Discounting those future payments for the likelihood of survival and at the assumed rate of investment return, produces the Total Present Value of Plan Benefits (TPV) for that participant. The actuarial cost method will allocate this TPV between the participant's past service (actuarial accrued liability) and future service (future normal costs).

PRB Pension Funding Guidelines

During our actuarial audit of the Plan, we reviewed the actuarial valuation of the Plan from the perspective of the Texas Pension Review Board's "Guidance for Developing a Funding Policy", as adopted July 25, 2024.

Note: Although this document was adopted after the valuation date of the report being reviewed in this audit, it was dated prior to the date of the valuation report of September 16, 2024. Furthermore, we believe this version of the Funding Policy Guidance is most appropriate for prospective reports should any changes to funding policies be recommended.

The Guidelines state that a funding policy should:

1. Adhere to Texas Government Code, Section 802.2011, which requires **the governing board of a Texas public retirement system and, if the system is not a statewide system, its sponsor to jointly develop and adopt the same written funding policy and timely revise the policy to reflect any significant changes, including those made because of a funding soundness restoration plan (FSRP).**
2. Strive to balance the following three primary funding goals: benefit security, contribution security, and intergenerational equity.
3. Include clear and concrete funding objectives:
 - a. Must target a funded ratio of 100 percent or greater and be jointly developed and adopted with the system's sponsor.
4. Select actuarial methods. The system's actuary should be involved in an advisory role.
 - a. At a minimum, the three actuarial methods that should be addressed are the actuarial cost method, the asset-smoothing method, and the amortization policy.
5. Develop a roadmap to achieve funding objectives. A funding policy should provide a clear plan detailing how the system's funding goals will be met. This may include:
 - a. Contribution rate structure
 - i. If an Actuarial Determined Contribution (ADC) structure is not used, the funding policy should determine an ADC as a benchmark to monitor if actual contributions will satisfy funding objectives.
 - b. Benefit and contribution change parameters.
 - c. Working with the Sponsor
 - d. Monitoring and evaluation

6. Adopt actions that will be taken to address actual experience that diverges from assumptions. This may include:
 - a. Risk sharing
 - b. Contributions
 - c. Benefits
 - d. Surplus Management

These key actuarial concepts will be discussed in more detail throughout this report.

SECTION C

ACTUARIAL ASSUMPTIONS

Actuarial Assumptions

Overview

The actuarial valuation report contains a description of the actuarial assumptions which were used in the actuarial valuation as of December 31, 2023. Within this report (Appendix A) the retained actuary provides a *Review of the Actuarial Economic Assumptions*. Additionally, the retained actuary states in its report: “We review the termination and retirement experience since the prior valuation and periodically look back more than two years. We also periodically review the average salaries by years of service to get insights into the promotion, step, and longevity compensation patterns for the purpose of reviewing our compensation increase assumption.” During the preparation of this actuarial audit, the retained actuary informed us that an actuarial experience study was planned for later this year. We have reviewed the assumptions section of the valuation report and the analysis in Appendix A in detail in order to assess the reasonableness of the assumptions used in the actuarial valuation.

The set of actuarial assumptions is one of the foundations upon which an actuarial valuation is based. An actuarial valuation is, essentially, a statistical projection of the amount and timing of future benefits to be paid under the retirement plan. In any statistical projection, assumptions as to future events will drive the process. Actuarial valuations are no exception.

It is important to understand the nature of the retirement plan and the plan sponsor when assessing the reasonableness of the actuarial assumptions. No projection of future events can be labeled as “correct” or “incorrect”. However, there is a “range of reasonableness” for each assumption. We evaluate individual elements as follows:

- Whether or not they fall within the range of reasonableness, and
- If they fall within that range, whether they are reasonable for the actuarial valuation of the Plan.

Actuarial assumptions for the valuation of retirement plans are of two types: (i) demographic assumptions, and (ii) economic assumptions. We have assessed the reasonableness of both types as part of this actuarial audit.

Demographic Assumptions

General

These assumptions simulate the movement of participants into and out of plan coverage and between status types. Key demographic assumptions are:

- turnover among active participants,
- retirement patterns among active participants, and
- healthy retiree mortality.

In addition, there are a number of other demographic assumptions with less substantial impact on the results of the process, such as:

- disability incidence and mortality among disabled benefit recipients,
- mortality among active participants,
- distribution of form of payment selection, and
- percent of active participants who are married and the relationship of the ages of participants and spouses.

Demographic assumptions for a retirement plan such as DFRRF are normally established by statistical studies of recent actual experience, called experience studies. Such studies underlie the assumptions used in the valuations. The measurement of experience is normally affected by simply counting occurrences of an event. Thus, for example, in reviewing retirement patterns, an actuary might count the number of actual retirees among males aged 55 with 30 years of service. These retirements would be compared against the number of total people in that group to generate a raw rate of retirement for that group.

Once it is determined whether or not an assumption needs adjustment, setting the new assumption depends upon the extent to which the current experience is an indicator of the long-term future.

- Full credibility may be given to the current experience. Under this approach, the new assumptions are set very close to recent experience.
- Alternatively, the recent experience might be given only partial credibility. Thus, the new assumptions may be set by blending the recent experience with the prior assumption.
- If recent experience is believed to be atypical of the future, such knowledge is taken into account.
- Finally, it may be determined that the size of the plan does not provide a large enough sample to make the data credible. In such cases, the experience of the plan may be disregarded and the assumption is set based upon industry standards for similar groups.

Experience Study

Texas Government Code Section 802.1014 states: “a public retirement system that has assets of at least \$100 million shall conduct once every five years an actuarial experience study and shall submit to the board a copy of the actuarial experience study before the 31st day after the date of the study's adoption.” The market value of assets of DFRRF has exceeded the \$100 million threshold since the December 31, 2019 actuarial valuation (however the actuarial value of assets has only exceeded \$100 million since the December 31, 2021 actuarial valuation), and thus the Fund is currently subject to the requirements under Sec. 802.1014.

Dating back to the December 31, 2017 actuarial valuation, the retained actuary has provided a *Review of the Actuarial Economic Assumptions* in Appendix A of its valuation report. The analyses in Appendix A have included a review of gross investment returns (and net of investment expenses), price inflation, and administrative expenses. We believe this satisfies applicable Actuarial Standards of Practice and the requirements outlined in Texas Government Code Section 802.1014.

Under Section B of *Exhibit 11: Actuarial Methods and Assumptions* of the December 31, 2023 actuarial valuation report the retained actuary states: “We review the termination and retirement experience since the prior valuation and periodically look back more than two years. We also periodically review the



average salaries by years of service to get insights into the promotion, step, and longevity compensation patterns for the purpose of reviewing our compensation increase assumption.” Although we believe the retained actuary’s periodic internal review of these assumptions satisfy applicable Actuarial Standards of Practice, it is unclear if the requirements outlined in Texas Government Code Section 802.1014 have been satisfied given there has not been a formal experience study report illustrating and/or describing observed data regarding these and other demographic assumptions. **Given the PRB’s guidelines and knowing that an experience study is expected to be prepared later this year, we recommend the retained actuary, the City, and the Fund collaborate to carry out this project as planned.**

Observations on Assumptions

We acknowledge that valuations performed on a biennial frequency pose a challenge from an actuary’s perspective in regard to measuring demographic gains and losses, as well as simply compiling sufficient data (i.e. exposures, actual counts, and expected counts) necessary to perform experience studies, given that rates used for demographic assumptions are on an annual basis. Thus, there are “gaps” that must be filled in order to align actual outcomes with expected outcomes.

Overall, it appears that the current demographic assumptions are reasonable. However, we did notice that several primary assumptions (specifically retirement rates, termination rates, disability rates, and individual salary increases) have been unchanged since *at least* the December 31, 2015 actuarial valuation. It is important to note that this does not imply these assumptions are not appropriate. This does, however, reinforce our **recommendation for the retained actuary to perform the formal experience study as planned** to ensure the continued appropriateness of these assumptions or recommend adjustments as necessary.

Below, we offer general observations and considerations for the retained actuary based on our experiences with similar plans.

Retirement – The current assumption contains rates that increase incrementally from 5% to 15% to 30% to 50% from the ages of 50 to 64 with an ultimate rate of 100% at age 65. While this assumption is completely reasonable, we have observed that public safety plans that allow for normal retirement at relatively young ages (i.e. attainment of age 50 with 20 years of service for DFRRF) tend to have “spikes” in retirement behavior at certain ages or eligibilities. For example, we may anticipate a spike at the maximum RETRO DROP eligibility of age 56 and 26 years of service (assuming 20 years was attained by age 50). We recommend this be observed and measured in the formal experience study.

Turnover – We believe the current termination rates follow a reasonable decreasing pattern. We have observed that in firefighter plans that as new firefighters experience the physical and mental demands and qualifications of the occupation, this often causes even higher turnover in the first two to three years, but level off significantly once the employee has established themselves in the routine of the occupation and pursue a long-term career. Again, we recommend this be observed and measured in the formal experience study.

Disability Incidence – In general, very little retirement plan experience exists in order to set a reasonable assumption based on actual retirement plan experience. The current assumption is reasonable and within



industry standards. This assumption is less material than others and we have no further comment regarding this assumption.

Mortality – The main demographic assumption in an actuarial valuation is the rates of mortality because this assumption is a predictor of how long pension payments will be made by the trust. The current mortality assumption for active participants, healthy annuitants, and disabled annuitants is based on the gender distinct Pub-2010 Safety Employees Mortality Tables with generational mortality improvements using Scale MP-2019. We concur that the Pub-2010 Safety tables are appropriate tables. However, **we recommend the retained actuary consider using the disabled lives subset for current and future disabled retirees and whether the more current Pub-2016 mortality tables and mortality improvement assumptions developed by the Society of Actuaries are more appropriate when preparing the experience study.**

RETRO DROP Election – The current assumption is 100% of service retirements eligible to elect at least a 12-month lump sum and that participants will elect the maximum allowable months (up to 48 months). Without historical statistics to confirm actual behavior, we believe this is an appropriate assumption.

Percent Married – We have confirmed the 90% married assumption at retirement reasonably aligns with the distribution of forms of payment in the December 31, 2023 census data.

Economic Assumptions

General

These assumptions simulate the impact of economic forces on the amounts and values of future benefits. Key economic assumptions are the assumed rate of investment return and assumed rates of future salary increase. All economic assumptions are built upon an underlying inflation assumption.

Inflation

Inflation refers to mean price inflation as measured by annual increases in the Consumer Price Index (CPI). This inflation assumption underlies most of the other economic assumptions. It primarily impacts investment return and salary increases.

The current explicit inflation assumption is 2.50%. This inflation assumption has been in effect since at least the December 31, 2015 actuarial valuation and was recommended to stay in effect based on analysis shown in Appendix A of the December 31, 2023 valuation report.

In our review of the 2024 capital market assumption sets for the twelve investment consulting firms listed on the next page, the average assumption for inflation was approximately 2.39%, with a range of 2.13% to 2.70%. It should be noted that all of these investment consulting firms set their assumptions based on approximately a ten-year outlook, while actuaries generally must make longer projections.

In the Social Security Administration's 2024 Trustees Report, the Office of the Chief Actuary projected a long-term average annual inflation rate of 2.4% under the intermediate cost assumption. (The low-cost assumption was 3.0% and the high cost assumption was 1.8%). These inflation assumptions forecasts have not materially changed for several years, as they were the same rates as in the corresponding reports from 2020 through 2023.

The Philadelphia Federal Reserve conducts a quarterly survey of the Society of Professional Forecasters. In their forecast immediately preceding the December 31, 2023 actuarial valuation, fourth quarter of 2023, was for inflation over the next ten years to average 2.40%. Over the shorter term, the society of Professional Forecasters are predicting inflation to average 2.5% and 2.3% for the calendar years 2024 and 2025, respectively.

We consider the 2.50% assumption to be within the reasonable range. However, given developments of high inflation in recent years, we also recommend that the retained actuary continue to monitor this assumption (which they appear to be doing annually) to ensure that it remains within a reasonable range.

Investment Return

The investment return assumption is one of the principal assumptions in any actuarial valuation of a retirement plan. It is used to discount future expected benefit payments to the valuation date, in order to determine the liabilities of the retirement plan. Even a small change to this assumption can produce significant changes to the liabilities and contribution rates. The current assumption incorporates inflation of 2.50% per annum plus an annual real rate of return of 4.25%, net of investment-related expenses paid from the trust, for an assumed nominal rate of return of 6.75%.

We believe an appropriate approach to reviewing an investment return assumption is to determine the median expected portfolio return given the retirement plan's target allocation and a given set of capital market assumptions. Per the Plan's Investment Policy Statement, revised February 19, 2020, the Plan's current target asset allocation is:

Asset Class	Target %	Range %
Domestic Large-Cap	40	25-50
Domestic Small & Mid-Cap	10	5-15
International Equity	10	5-15
Fixed Income	15	5-20
Cash and Equivalents	2	1-15
Alternative Investments	8	5-10
Real Estate	15	10-20

Because GRS is a benefit consulting firm and does not develop or maintain our own capital market assumptions, we reviewed assumptions developed and published by the following investment consulting firms:

- Aon
- Black Rock
- BNY Mellon
- Meketa
- Mercer
- NEPC



- Callan
- Cambridge
- JP Morgan
- Northern Trust
- Verus
- Wilshire

These investment consulting firms periodically issue reports that describe their capital market assumptions, that is, their estimates of expected returns, volatility, and correlations. While these assumptions are developed based upon historical analysis, many of these firms also incorporate forward looking adjustments to better reflect near-term expectations. The estimates for core investments (i.e. fixed income, equities, and real estate) are generally based on anticipated returns produced by passive index funds.

In addition to examining the expected geometric return, it is important to review anticipated volatility of the investment portfolio and understand the range of long-term net return that could be expected to be produced by the investment portfolio. Therefore, the following table provides the 40th, 50th, and 60th percentiles of the 20-year geometric average of the expected nominal return, net of investment-related expenses paid from the trust, as well as the probability of exceeding the current 6.75% assumption.

Capital Market Assumption Set (CMA)	Distribution of 20-Year Average Geometric Net Nominal Return			Probability of exceeding 6.75%
	40th	50th	60th	
(1)	(2)	(3)	(4)	(5)
1	4.20%	4.89%	5.58%	24.85%
2	4.65%	5.38%	6.11%	31.83%
3	5.24%	5.93%	6.63%	38.41%
4	5.55%	6.27%	6.99%	43.28%
5	5.89%	6.57%	7.26%	47.38%
6	6.04%	6.74%	7.44%	49.82%
7	6.07%	6.77%	7.48%	50.30%
8	6.09%	6.81%	7.54%	50.83%
9	6.34%	7.00%	7.66%	53.83%
10	6.41%	7.11%	7.82%	55.16%
11	6.56%	7.21%	7.86%	57.09%
12	6.72%	7.43%	8.13%	59.62%
Average	5.81%	6.51%	7.21%	46.9%

The table above shows that the resulting 20-year geometric average of the expected nominal return is 6.51%. Additionally, the table above documents that the average probability of exceeding the current 6.75% investment return assumption over a 20-year period is 46.9%. As an additional point of reference, the average one-year arithmetic return of the 12 investment consultants was 7.23%. However, looking back over previous years of capital market assumptions, the three-year average of arithmetic returns from 2022 through 2024 is 6.80%. This illustrates how short-term outlooks can change significantly from one year to the next.

The current investment return assumption falls within an appropriate range and we believe that the assumption is reasonable for this purpose.

Earnings Progression

In general, assumed rates of pay increase are often constructed as the total of three main components:

- Price inflation – currently 2.50%
- Economic Productivity Increases – currently 0.50%
- Merit, Promotion, and Longevity – This portion of the salary increase assumption reflects components such as promotional increases as well as increases for merit and longevity. This portion of the assumption is not related to inflation. The current assumptions vary this component based on the participant's years of service.

In the context of a typical employer pay scale, pay levels are set for various employment grades. In general, this pay scale is adjusted as follows:

- The inflation and economic productivity assumptions, collectively referred to as wage inflation, reflect the overall increases of the entire pay scale, and
- The Merit, Promotion, and Longevity increase assumption reflects movement of participants through the pay scale.

Based on the building block approach outlined above, the earnings progression assumption is based on the sum of the expected pay increases related to wage inflation plus a component for merit, promotion and longevity.

We find that the current 3.00% wage inflation (2.50% price inflation plus 0.50% economic productivity) is reasonable for this plan.

Currently, the Merit, Promotion, and Longevity increases (combined as a single rate), range from 6.00% for the first five years, 3.00% for the next ten years, and 0% thereafter. These rates are compounded with the 3.00% wage inflation assumption.

As previously noted in this audit report, there has been no formal experience study in which we can validate actual data supporting this assumption. However, based on our experience with similar plans and known pay scales, such as the "2024 Civil Service Pay Plan" provided by the Fund, we believe the current assumption is within the range of reasonableness for the purpose of the intended measurements.

Nonetheless, we once again recommend a careful review of this assumption by the retained actuary in the upcoming experience study. Below we offer some general comments the retained actuary may wish to consider in their review.

The current assumption follows an incrementally decreasing pattern of salary increases over a person's career. This is the standard for most plans and may well continue to be the most appropriate. However, in our experience with a relatively homogenous workforce and a clearly defined hierarchy, an observation of a mid-career pay spike from certain promotions may be relevant. In other words, how many firefighters advance through the ranks and at what point in their career does that typically happen? Each promotion

in title (i.e. Firefighter to Driver to Lieutenant to Fire Captain to Fire Battalion Chief, etc.) may come with a significant pay increase. For example, moving from Step C (4+ years) as Fire Captain to Step A of Fire Battalion Chief comes with a 7.9% increase in pay. After how many years of service does this promotion typically take place, what proportion of employees reach this promotion, and is it in alignment with the Merit, Promotion, and Longevity increase assumptions?

In the current assumptions, the Merit, Promotion, and Longevity increases end after 15 years of service. This essentially implies that no employees get promotions after 15 years of service. Does this align with the timing of actual promotions indicated in the Civil Service Fire Pay Plan hierarchy? If not, we recommend extending this component to greater than 15 years of service.

We find that when it comes to salary increases, a longer duration than the typical four to five years of experience utilized in experience studies illustrates the economic cycle for compensation (e.g. eight to ten years). Based on data provided during this audit, it appears the retained actuary has maintained an extensive amount of historical pay.

In the upcoming experience study, we recommend that the retained actuary consider utilizing eight to ten years of salary data to analyze compensation increases, as well as consider extending the number of years for which Merit, Promotion, and Longevity increases apply.

Summary

The set of actuarial assumptions and methods, taken in combination, are within the range of reasonableness and established in accordance with ASOP No. 27, *Selection of Economic Assumptions for Measuring Pension Obligations*, ASOP No. 35, *Selection of Demographic and Other Noneconomic Assumptions for Measuring Pension Obligations*, and the Texas PRB Guidelines for Actuarial Soundness.

We have the following recommendations regarding the actuarial assumptions:

- (1) In the next experience study, we recommend the retained actuary consider using the disabled lives subset for current and future disabled retirees and updating the mortality improvement table to the most recent version of the MP tables.
- (2) In the next experience study, we recommend the retained actuary consider that observations of atypical patterns (i.e. other than strictly increasing or decreasing) for certain assumptions, specifically retirement rates and salary increases, may be valid and appropriate to use.
- (3) In the next experience study, we recommend the retained actuary utilize a longer duration of data (eight to ten years) for the purpose of determining individual salary increases, as well as consider extending the number of years for which Merit, Promotion, and Longevity increases apply.

SECTION D

ACTUARIAL METHODS AND FUNDING POLICY

Actuarial Methods and Funding Policy

Actuarial Cost Methods

General

The ultimate cost of the Plan is equal to the benefits paid plus the expenses related to operating the Plan. This cost is funded through contributions to the Plan plus the investment return on accumulated contributions which are not immediately needed to pay benefits or expenses. The level and timing of the contributions needed to fund the ultimate cost are determined by the actuarial assumptions, plan provisions, participant characteristics, investment experience, and the actuarial cost method.

An actuarial cost method is a mathematical process for allocating the dollar amount of the Total Present Value of Plan Benefits (TPV) between future normal costs and the Actuarial Accrued Liability (AAL). The retained actuary uses the Entry Age Normal actuarial cost method, characterized by:

- (1) Normal Cost (NC) – the level percent of payroll contribution, paid from each participant’s date of hire to date of retirement, which will accumulate enough assets at retirement to fund the participant’s projected benefits from retirement to death.
- (2) Actuarial Accrued Liability – the excess of the TPV over the present value of all future remaining normal costs.

The Entry Age Normal actuarial cost method is the most prevalent funding method in the public sector. It is appropriate for the public sector because it produces costs that remain relatively stable as a percentage of payroll over time, resulting in intergenerational equity for taxpayers. Historically, most public plans have used the Entry Age Normal actuarial cost method. Therefore, the retained actuary’s stated methods for allocating the liabilities of the Plan are certainly in line with national trends.

Comments on the Cost Method

We believe that the use of the Entry Age Normal actuarial cost method is reasonable in this situation.

Asset Valuation Method

Sharp short-term swings in market value can result in large fluctuations in the contributions required to fund the Plan. Thus, many actuaries use an asset valuation method which smooths out these fluctuations in support of achieving level contributions. A good asset valuation method places values on a retirement plan’s assets which are related to current market value but which will also produce a smoother pattern of costs.

ASOP No. 44, *Selection and Use of Asset Valuation Methods for Pension Valuations*, provides a framework for the determination of the actuarial value of assets (AVA) emphasizing that the method should bear a reasonable relationship to the market value of assets (MVA), recognize investment gains and losses over

an appropriate time period, and avoid systematic bias that would overstate or understate the AVA in comparison to MVA.

The actuarial valuation of the Plan currently utilizes a smoothed asset valuation method that immediately recognizes income equal to the expected return on valuation assets, based on the assumed valuation interest rate (6.75%). Differences between the assumed investment return on valuation assets and the actual market investment return is recognized over a five-year period. Further, the AVA is constrained to be within 90% and 110% of the MVA. This “corridor” assures that the AVA will always be within a reasonable range around the MVA.

The smoothing method used for the actuarial valuation of the Plan is very common among public employee retirement systems. We feel that this method complies with ASOP No. 44, *Selection and Use of Asset Valuation Methods for Pension Valuations*. Additionally, this method is reasonable and appropriately applied for the valuation.

Funding Policy

As stated in the retained actuary’s December 31, 2023 valuation report, the City’s funding policy for the Denton Firefighter’s Relief and Retirement Fund is:

“a modified actuarially determined contribution rate (ADCR). Under that policy, the city’s initial contribution rate was set at 18.5% and is to be re-evaluated by the city council following every actuarial valuation. The funding policy has the intent of paying off the unfunded actuarial accrued liability (UAAL) over a closed 25-year period or sooner. The policy language implies that the rate should stay at 18.5% for at least the first five years, even if the ADCR is less than 18.5%, in order to pay down the UAAL. A key requirement of the policy is city approval of any change to the contribution level.

The funding policy begins with the 18.5% city contribution rate, has an ADCR over a closed 25-year period we assume began January 1, 2018, but in no event will the city contribution rate be less than the contribution rate to its TMRS plan for the other city employees. The ADCR over the 19 years remaining in the closed period as of December 31, 2023 is 13.33% based on this actuarial valuation. The TMRS rate for the year beginning January 1, 2024 is 18.94% and for the year beginning January 1, 2025 is 18.88%.”

Although the ADCR is slightly above the 18.5% floor, the retained actuary assumes contributions of 18.5% of pay for the purpose of determining the amortization period of the Unfunded Actuarially Accrued Liability (“UAAL”). We believe this approach is reasonable and provides some conservatism for potential adverse experience.

We believe the retained actuary’s summary accurately describes the funding policy laid out in Article 12 of the Meet and Confer Agreement approved September 19, 2023. Furthermore, we believe the funding policy in Article 12 complies with the provisions of the Plan and the Texas PRB’s Guidance for Developing a Funding Policy. Additionally, on pages 1 and 2 of the valuation report, the retained actuary provides sound reasoning to support the City maintaining a contribution no less than 18.5%.

SECTION E

ACTUARIAL VALUATION RESULTS

Actuarial Valuation Results

Benefits

At its core, the actuarial valuation and the resulting funding policy contribution must properly reflect the benefit structure of the retirement plan. We have reviewed both the Plan document and the retained actuary's benefit summary and compared these to the individual sample calculations provided to us.

In general, the benefits promised by the Plan were reasonably incorporated in the actuarial valuation of the Plan.

Actuarial Valuation Results

As part of our review, GRS requested sample participant test life calculations from the retained actuary to ensure that the retained actuary valued the correct benefit levels, used the correct assumptions, and calculated the liabilities correctly on an individual basis.

Generally accepted actuarial standards and practices provide actuaries with the basic mathematics and framework for calculating the actuarial results. When it comes to applying those actuarial standards to complex calculations, differences may exist due to individual opinion on the best way to make those complex calculations. This may lead to differences in the calculated results, but these differences should not be material.

Active Participants. At the onset of the review, we requested that the retained actuary provide sample test life calculations for 10 active participants. The retained actuary provided the information we requested regarding the active participants with sufficient detail to allow for a thorough review of the calculations.

Based on our review of the aspects of the actuarial valuation, the liability determination of active participants was reasonable and appropriately determined.

Participants with deferred benefits. At the onset of the review, we requested that the retained actuary provide sample test life calculations for two deferred vested participants waiting to commence their retirement benefits, including two disabled deferred. The retained actuary provided the information we requested regarding these participants with deferred benefits with sufficient detail to allow for a thorough review of the calculations.

Based on our review, the liability determination of these participants was reasonable and consistent with the stated assumptions and methods.

Annuitants. At the onset of the review, we requested that the retained actuary provide sample test life calculations for 10 annuitants. The retained actuary provided the information we requested regarding the annuitants with sufficient detail to allow for a thorough review of the calculations.

Based on our review, the liability determination of annuitants was reasonable and consistent with the stated assumptions and methods.

Summary

Besides the comments made in Section C of this report, we believe that the valuation results are developed in a reasonable manner.

SECTION F

CONTENT OF THE VALUATION REPORT

Content of the Valuation Report

ASOP No. 4, *Measuring Pension Obligations and Determining Pension Plan Costs or Contributions*, and ASOP No. 41, *Actuarial Communications*, provide guidance for measuring pension obligations and communicating the results. The Standards list specific elements to be included, either directly or by references to prior communication, in pension actuarial communications. The pertinent items that should be included in actuarial valuation report on a pension plan should include:

- A. The name of the person and/or firm retaining the actuary and the purposes that the communication is intended to serve.
- B. A statement as to the effective date of the calculations, the date as of which the participant and financial information were compiled, and the sources and adequacy of such information.
- C. An outline of the benefits being discussed or valued and of any significant benefits not included in the actuarial determinations.
- D. A summary of the participant information, separated into significant categories such as active, retired, and terminated with future benefits payable. Actuaries are encouraged to include a detailed display of the characteristics of each category and reconciliation with prior reported data.
- E. A description of the actuarial assumptions, cost method and the asset valuation method used. Changes in assumptions and methods from those used in previous communications should be stated and their effects noted. If the actuary expects that the long-term trend of costs resulting from the continued use of present assumptions and methods would result in a significantly increased or decreased cost basis, this should also be communicated.
- F. A summary of asset information and derivation of the actuarial value of assets. Actuaries are encouraged to include an asset summary by category of investment and reconciliation with prior reported assets showing total contributions, benefits, investment return, and any other reconciliation items.
- G. A statement of the findings, conclusions, or recommendations necessary to satisfy the purpose of the communication and a summary of the actuarial determinations upon which these are based. The communication should include applicable actuarial information regarding financial reporting. Actuaries are encouraged to include derivation of the items underlying these actuarial determinations.
- H. A disclosure of any facts which, if not disclosed, might reasonably be expected to lead to an incomplete understanding of the communication.

Also, recently added to ASOP No. 4 is guidance for the actuary to calculate a Low-Default-Risk Obligation Measure (“LDROM”). This measurement is similar to the Actuarial Accrued Liability, but using a discount rate based on “low-default-risk fixed income securities whose cash flows are reasonably consistent with the pattern of benefits expected to be paid in the future.” The retained actuary has included this measure in Appendix B. We believe the retained actuary used an appropriate discount rate and properly disclosed its source, satisfying this requirement in ASOP No.4.

Regarding Items B. (outline of Plan benefits) and E. (describing assumptions and methods) above, we offer the following minor suggestions to the retained actuary to enhance completeness and clarity:

- Include a disclosure of decrement timing
- Include a disclosure of the timing of individual salary increases

ASOP No. 51, *Assessment and Disclosure of Risk Associated with Measuring Pension Obligations and Determining Pension Plan Contributions*, supplements the guidance in the aforementioned ASOP Nos. 4, 27, 35, and 44. ASOP No. 51 provides several examples of methods to assess risk that may include, but are not limited to “scenario tests, sensitivity tests, stochastic modeling, stress tests, and a comparison of an actuarial present value using a discount rate derived from minimal-risk investments to a corresponding actuarial present value from the funding valuation”.

On page 3 of the valuation report the retained actuary provides scenarios of variation in the investment returns over the short term and the impact on the UAAL amortization period. Throughout the Valuation Summary discussion in Section 1 of the valuation report, the retained actuary provides additional language that satisfies ASOP No. 51.

Section 3.7 of ASOP No. 51 provides guidance for the actuary to calculate and disclose plan maturity measures. Examples include:

- the ratio of market value of assets to active participant payroll;
- the ratio of retired life actuarial accrued liability to total actuarial accrued liability;
- the ratio of a cash flow measure (such as benefit payments, or contributions less benefit payments) to market value of assets;
- the ratio of benefit payments to contributions; and
- the duration of the actuarial accrued liability.

We recommend the retained actuary include in its report a historical table of some or all the measures above to help stakeholders identify risk trends over time.

Summary

In general, the actuarial valuation report complied with the applicable Actuarial Standards of Practice. The presentation of actuarial methods and assumptions is generally complete and understandable. The methods described in this section are reasonable and appropriate for public retirement plans. We recommend the retained actuary clarify a few assumption details and expand its disclosure under the guidance of ASOP No 51, as noted above.

SECTION G

FINAL REMARKS

Final Remarks

The auditing actuarial firm, Gabriel, Roeder, Smith & Company (GRS), is independent of the DFRRF, the plan sponsor (the City), and retained actuarial firm. The auditing actuaries are not aware of any conflict of interest that would impair the objectivity of this work.

We have presented a few suggestions for areas where we believe the product can be improved and we hope that DFRRF, the plan sponsor, and the retained actuary find these suggestions useful. The retained actuary has access to information and an extensive history of experience with DFRRF. We understand that the retained actuary may agree with some of our recommendations, while rejecting others. We ask that the retained actuary and DFRRF consider our recommendations carefully.

W. Lee Bello, A.S.A.
Mitchell L. Bilbe, F.S.A.
Evan L. Dial, F.S.A.
Philip S. Dial, F.S.A.
Charles V. Faerber, F.S.A., A.C.A.S.
Mark R. Fenlaw, F.S.A.
Brandon L. Fuller, F.S.A.
Christopher S. Johnson, F.S.A.
Oliver B. Kiel, F.S.A.
Dustin J. Kim, F.S.A.



Xiuyu Li, A.C.A.S.
Edward A. Mire, F.S.A.
Rebecca B. Morris, A.S.A.
Amanda L. Murphy, F.S.A.
Michael J. Muth, F.S.A.
Khiem Ngo, F.S.A., A.C.A.S.
Timothy B. Seifert, F.S.A.
Raymond W. Tilotta
Ronald W. Tobleman, F.S.A.
David G. Wilkes, F.S.A.

June 13, 2025

Mr. Thomas J. Bevins
Gabriel, Roeder, Smith & Company (GRS)
5605 North MacArthur Blvd., Suite 870
Irving, TX 75038

Re: Response to the Preliminary Report of the
Actuarial Audit of the December 31, 2023
Actuarial Valuation of the Denton FRRF

Dear Mr. Bevins:

The City of Denton engaged your firm, Gabriel, Roeder, Smith & Company (GRS), to conduct an actuarial audit of the December 31, 2023 actuarial valuation we performed for the Denton Firemen's Relief and Retirement Fund (Fund or DFRRF). We received your May 16, 2025 preliminary report of the actuarial audit. The state law requiring actuarial audits of public employee pension plans gives the Fund Board of Trustees the opportunity to make written comments in response to your preliminary audit report. The Board has asked us to prepare the comments below on its behalf for inclusion in your final report to the City.

We are pleased with the results of your actuarial audit. For the City of Denton and the Fund Board of Trustees, the key statement in your preliminary report is this sentence of the cover letter:

"GRS is pleased to report to the City and DFRRF that, in our professional opinion, the December 31, 2023 Actuarial Valuation prepared by the retained actuary provides a fair and reasonable assessment of the financial position of the Plan."

You made several recommendations in the Executive Summary, each of which is repeated below, with our response immediately following.

Actuarial Experience Study

"During the preparation of this actuarial audit, the retained actuary informed us that an actuarial experience study was planned for later this year. Had this not come to light, this would have been a primary recommendation. Thus, we recommend the retained actuary, the City, and the Fund carry out and complete this project as planned. More specifically, we recommend formal analyses of demographic assumptions, including but not limited to: retirement rates, termination rates, disability rates, individual salary increases, and mortality assumptions which include whether the more current Pub-2016 mortality tables and mortality improvement assumptions are more appropriate."

We completed the actuarial experience study project for the Fund on May 30. It included analysis of all the demographic assumptions recommended above. In addition, we recommended the PubS-2016 mortality tables and the most recent mortality improvement projection scale (MP-2021) for the December 31, 2025 actuarial valuation.

Compensation Increases

"When preparing the actuarial experience study, we recommend the retained actuary consider extending the number of years for which Merit, Promotion, and Longevity increases apply (if supported by the Plan's experience)."

In the actuarial experience study, we recommended assumed annual compensation increases for promotion, step, and longevity pay increases for the first 25 years of service. The prior assumption only assumed such increases for the first 15 years.

Content of Valuation Report

"Beyond the investment return scenarios on p. 3, we recommend the retained actuary expand its disclosures and risk metrics under the guidance of ASOP 51."

"We recommend providing a reference to the origin of assumptions, whether it be to a formal experience study, published table, or acquired from prior actuary."

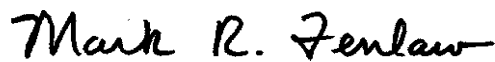
"We recommend additional disclosures to the summary of Actuarial Methods and Assumptions (Exhibit 11) to include decrement timing and timing of individual salary increases."

We are planning to implement these recommended additions to the Fund's biennial actuarial valuation reports beginning with the December 31, 2025 actuarial valuation.

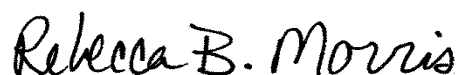
Please let us know if you have any questions about these responses.

We appreciate the professional manner in which you have conducted this actuarial audit and your communications with Rudd and Wisdom.

Sincerely,



Mark R. Fenlaw, F.S.A.



Rebecca B. Morris, A.S.A.

MRF/RBM:nlg

cc: Mr. Gerald Friend, Chairman, Fund Board of Trustees
Ms. Jessica Williams, Chief Financial Officer, City of Denton

INFORMAL STAFF REPORT TO MAYOR AND CITY COUNCIL

SUBJECT:

City Council Member Committee Appointments

EXECUTIVE SUMMARY:

The appointment of City Council Members to internal Council Committees and to other internal and external committees and boards occurs during the summer after each municipal election. Internal Council Committees consist only of Denton City Council Members. City Council Members also can serve on other internal committees and boards that include participation of residents from the community. Finally, City Council Members may be appointed to external boards which operate on a regional level, generally incorporating members from the county, surrounding cities and towns, as well as members of the relevant business community and the residents for which the board was formed to serve.

Council appointments to internal and external committees will be considered on the July 15, 2025, City Council agenda.

DISCUSSION:

City Secretary provided background on the various Council Committees, and internal and external committees and boards on which City Council Members participate and requested Council Members to provide feedback on which committees and boards they wished to serve in ISR 2025-053, issued on June 6, 2025. At the June 17, 2025, Work Session, staff sought direction regarding which nominations to bring forward for appointment on the July 15, 2025, City Council agenda. The following is the direction staff received regarding nominations at the Work Session:

Council Committees:**Committee on the Environment**

- 3 seats open for appointment; 3 nominations
- Nominations from Mayor Hudspeth:
 - Brian Beck
 - Joe Holland
 - Brandon Chase McGee
- Note: The resolution for these nominations will be on the Consent Agenda.

Community Partnership Committee

- 3 seats open for appointment; 2 definitive nominations
- Current Members:
 - Vicki Byrd
 - Joe Holland
 - Jill Jester
- Nominations:

- o Vicki Byrd*
 - o Joe Holland*
- *Council Members Byrd and Holland also serve on the Discover Denton Advisory Board and wish to continue this service upon their reappointment.
- Jill Jester advised she would continue if needed but was interested in different opportunities.
- There were no additional nominations.
- Note: The resolution for these nominations will be on the Individual Consideration Agenda.

Internal Committees:

Mobility Committee

- 0 seats open
- Current Members with terms ending August 31, 2026:
 - o Vicki Byrd
 - o Brian Beck
 - o Joe Holland
- Upon further review of the establishing ordinance, 23-2465, the committee terms are set as for two (2) years, and as such, the current members remain in their positions on this committee through August 31, 2026.

Development Code Review Committee

- 3 seats open for appointment; 4 nominations
- Current Members terms ending August 31, 2025:
 - o Vicki Byrd
 - o Brian Beck
- Nominations:
 - o Vicki Byrd
 - o Brian Beck
 - o Jill Jester
 - o Suzi Rumohr
- Note: The resolution for these nominations will be on the Individual Consideration Agenda.

Economic Development Partnership Board*

- 2 seats open for appointment; 3 nominations
- Current Members:
 - o Mayor Hudspeth (term ending 2025)
 - o Vacant (term ending 2026)
- Nominations:
 - o Vicki Byrd
 - o Brian Beck
 - o Jill Jester
- Note: Appointments must identify the term-ending date for each nomination.
- *Members must also serve on Tax Increment Reinvestment Zone 2 Board.

- Note: The resolution for these nominations will be on the Individual Consideration Agenda.

Tax Increment Reinvestment Zone 1 Board

- 2 seats open for appointment; 2 nominations
- Current Members:
 - o Vicki Byrd
 - o Brian Beck
- Nominations:
 - o Brian Beck
 - o Joe Holland
- Note: Council Member Byrd is not seeking renomination to this board; as such, the resolution for these nominations will be on the Consent Agenda

External Committees:

Dallas Regional Mobility Coalition

- Current Member:
 - o Mayor Hudspeth
- Nominations:
 - o Mayor Hudspeth
 - o Jill Jester – Alternate
- Note: The resolution for these nominations will be on the Consent Agenda

North Texas Commission

- Current Members:
 - o Mayor Hudspeth
 - o City Manager (Proxy)
- Nominations:
 - o Mayor Hudspeth
 - o City Manager (Proxy)
- Note: The resolution for these nominations will be on the Consent Agenda

STAFF CONTACT:

Lauren Thoden
City Secretary
lauren.thoden@cityofdenton.com
(940) 349-8309

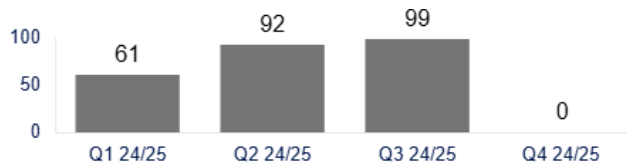
REQUESTOR: Council

STAFF TIME TO COMPLETE REPORT: 1 hour

PARTICIPATING DEPARTMENTS: City Secretary's Office

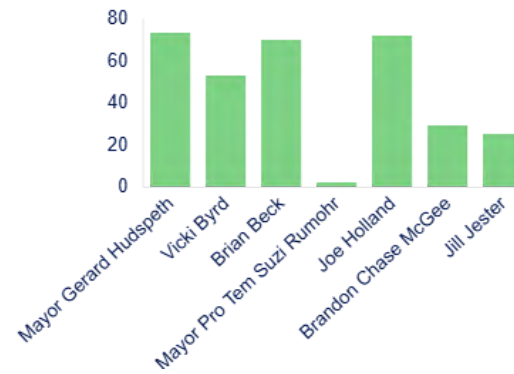
FY 24/25 Council Requests

Number of Requests Per Quarter

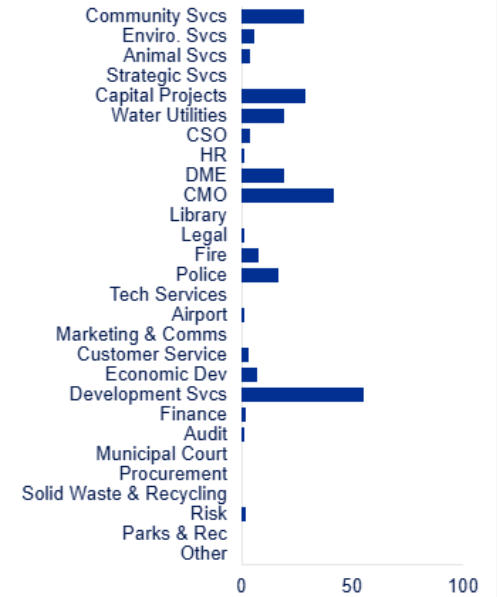


Please Note: the total number of requests per council member or department may not match, as several council members and/ or departments may be associated with a single request.

Total Requests Made by Council Member



Requests by Department



Council Requests

7



Number of Pending Requests by Council Member



Friday Report - Council Requests

	Summary of Request	Council Member Requestor	Date Received	Staff Assigned	Department	Comments	Status
1	HOT Funds for Universities	Council Member Holland	06/25/25	Christine Taylor, Jessica Williams	Finance	Staff investigating.	
2	McCormick Street Meeting	Mayor Pro Tem Rumohr	06/26/25	Cassey Ogden	CMO	Staff updated the MPT.	
3	Class Cancellation	Council Member Beck	06/25/25	Gary Packan	Parks	Staff updated the resident and CM.	
4	City Jail	Mayor Hudspeth	06/21/25	Jessica Robledo	Police	Staff updated the Mayor.	
5	Water leak / Damage	Mayor Hudspeth	06/21/25	Stephen Gay	Water	Staff updated the Mayor.	
6	Potential park space near the old Calhoun property	Mayor Pro Tem Rumohr	06/20/25	Gary Packan	Parks	Staff updated MPT.	
7	North Lakes Driving Range	Mayor Pro Tem Rumohr	06/20/25	Gary Packan	Parks	Staff updated MPT.	
8	Parking space at corner of S. Locust and E. Hickory	Council Member Holland	06/20/25	Farhan Butt	Public Works-Traffic	Staff updated CM.	
9	Completion date for Aileen Street	Council Member Holland	06/20/25	Scott Fetig	Capital Projects/Engineering/Public Works	Staff updated CM.	
10	Carbon offsetting	Council Member McGee	06/19/25	Antonio Puente	DME	Staff updated CM.	
11	Road Upgrade	Council Member Byrd	06/17/25	Cassey Ogden	CMO	Staff updated CM.	
12	Water Cooler at Zera's	Council Member Beck	06/16/25	Jesse Kent	Community Services	Staff updated CM.	
13	Downtown TIRZ funds requirements	Council Member Jester	06/16/25	Christine Taylor	CMO	Staff updated CM.	
14	Business Park Homelessness	Council Member Holland	06/14/25	Jesse Kent, Jessica Robledo	Community Services Police	Staff updated CM.	
15	HOT Funds	Council Member Holland	06/12/25	Christine Taylor, Jessica Williams	Finance	Staff updated CM.	
16	Two Minute Pitch: Ad hoc Committee for Historic City Hall	Council Member Holland	06/11/25	Frank Dixon	CMO	Withdrawn by CM.	
17	Street Lighting	Council Member Byrd	06/03/25	Antonio Puente, Farhan Butt	DME Public Works-Traffic	Staff updated CM.	



City of Denton

Meeting Calendar

City Hall
215 E. McKinney St.
Denton, Texas 76201
www.cityofdenton.com

Criteria : Begin Date: 6/30/2025, End Date: 9/5/2025

Date	Time	Meeting Body	Meeting Location
<u>July 2025</u>			
7/3/2025	8:00 AM	Agenda Committee	Cancelled
7/7/2025	6:00 PM	Parks, Recreation and Beautification Board	Civic Center Community Room
7/9/2025		Animal Shelter Advisory Committee	Animal Services Training Room
7/9/2025	10:00 AM	Animal Shelter Advisory Committee	Animal Services Training Room
7/10/2025		Health & Building Standards Commission	Development Service Center
7/11/2025		Zoning Board of Adjustment	Council Work Session Room
7/11/2025	12:00 PM	Community Services Advisory Committee	Development Service Center
7/14/2025	9:00 AM	Public Utilities Board	Council Work Session Room
7/14/2025	3:00 PM	Development Code Review Committee	Development Services Center
7/14/2025	5:30 PM	Board of Ethics	Council Work Session Room
7/14/2025	5:30 PM	Historic Landmark Commission	Development Service Center
7/14/2025	5:30 PM	Library Board	South Branch Library
7/15/2025	2:00 PM	City Council	Council Work Session Room & Council Chambers
7/17/2025	3:00 PM	Committee on Persons with Disabilities	Development Service Center
7/22/2025	2:00 PM	City Council	Council Work Session Room & Council Chambers
7/23/2025	12:00 PM	Tax Increment Reinvestment Zone Number One Board	Development Service Center
7/23/2025	5:00 PM	Planning and Zoning Commission	Council Work Session Room & Council Chambers
7/25/2025	9:00 AM	Community Partnership Committee	City Council Work Session Room
7/25/2025	1:00 PM	Sustainability Framework Advisory Committee	City Council Work Session Room
7/28/2025	9:00 AM	Public Utilities Board	Council Work Session Room
7/28/2025	5:30 PM	Zoning Board of Adjustment	Development Service Center

Date	Time	Meeting Body	Meeting Location
7/30/2025	10:00 AM	Mobility Committee	Council Work Session Room
<u>August 2025</u>			
8/4/2025	6:00 PM	Parks, Recreation and Beautification Board	Civic Center Community Room
8/5/2025	2:00 PM	City Council	Council Work Session Room & Council Chambers
8/7/2025	8:00 AM	Agenda Committee	Council Work Session Room
8/7/2025	8:30 AM	Downtown Economic Development Committee	Development Service Center
8/7/2025	4:00 PM	Public Art Committee	Civic Center Community Room
8/8/2025	12:00 PM	Community Services Advisory Committee	Development Service Center
8/9/2025	8:00 AM	City Council	Council Work Session Room & Council Chambers
8/11/2025	9:00 AM	Public Utilities Board	Council Work Session Room
8/11/2025	3:00 PM	Development Code Review Committee	Development Services Center
8/11/2025	5:30 PM	Board of Ethics	Council Work Session Room
8/11/2025	5:30 PM	Historic Landmark Commission	Development Service Center
8/11/2025	5:30 PM	Library Board	Emily Fowler Central Library
8/13/2025	11:00 AM	Economic Development Partnership Board	Development Service Center
8/13/2025	3:00 PM	Airport Advisory Board	Airport Terminal Meeting Room
8/13/2025	5:00 PM	Planning and Zoning Commission	Council Work Session Room & Council Chambers
8/14/2025	3:00 PM	Health & Building Standards Commission	Development Service Center
8/19/2025	2:00 PM	City Council	Council Work Session Room & Council Chambers
8/22/2025	9:00 AM	Community Partnership Committee	City Council Work Session Room
8/25/2025	9:00 AM	Public Utilities Board	Council Work Session Room
8/25/2025	3:00 PM	Development Code Review Committee	Development Services Center
8/25/2025	5:30 PM	Zoning Board of Adjustment	Development Service Center
8/27/2025	10:00 AM	Mobility Committee	Council Work Session Room
8/27/2025	5:00 PM	Planning and Zoning Commission	Council Work Session Room & Council Chambers

Meeting Calendar continued...

Date	Time	Meeting Body	Meeting Location
<u>September 2025</u>			
9/4/2025	8:00 AM	Agenda Committee	Council Work Session Room
9/5/2025	1:00 PM	Bond Oversight Committee	Development Service Center

Tentative Work Session Topics and Meeting Information Updated: June 27, 2025					
Meeting Date	Item	Legistar ID	Departments Involved	Type	Estimated Time
July 15 Work Session (@2:00 p.m.) Regular Called Meeting (@6:30 p.m.)	A. Utility Budgets and Rates Fiscal Year 2025-2026	24-2618	Finance	City Business	1:00
	B. Climate Action Plan Update	25-421	Environmental Services	City Business	0:45
	C. Countywide Vote Centers	25-1177	City Manager's Office	Council Request	0:30
	D. Water and Wastewater Impact Fees	25-1139	Water	City Business	0:45
	E. Two Minute Pitch:	25-029	City Manager's Office	Council Request	0:30
	Closed Meeting Item(s):		Legal (if any)	City Business	0:30
				Total Est. Time:	4:00
Other Major Items for Meeting:					
July 22 Work Session (@2:00 p.m.) Special Called Meeting (Upon Conclusion of the Work Session)	A. Capital Improvement Program Fiscal Year 2025-2026	24-2617	Finance	City Business	1:00
	B. EV and Solar Ready Building Code	TBD	Development Services	Council Request	0:30
	C. Two Minute Pitch:	25-030	City Manager's Office	Council Request	0:30
	Closed Meeting Item(s): Council Appointed Position Performance Reviews: City Manager and City Attorney		Legal (if any)	City Business	2:00
				Total Est. Time:	4:00
	Other Major Items for Meeting:				
August 5 Work Session (@2:00 p.m.) Regular Called Meeting (6:30 p.m.)	A. Audit of Public Works Maintenance	25-338	Internal Audit	City Business	0:30
	B. Audit of Parks Management and Planning	25-340	Internal Audit	City Business	0:30
	C. East Hickory Street Parking	25-1059	City Manager's Office	Council Request	0:30
	D. Fair Chance Hiring Ordinance	25-1178	City Manager's Office	Council Request	1:00
	E. Two Minute Pitch:	25-031	City Manager's Office	Council Request	0:30
	Closed Meeting Item(s): Council Appointed Position Performance Reviews: City Auditor and Municipal Judge		Legal (if any)	City Business	1:00
				Total Est. Time:	4:00
	Other Major Items for Meeting:				
August 9 Saturday Budget Workshop (9:00 a.m.)	A. 2025-26 City Manager’s Proposed Budget, Capital Improvement Program, and Five-Year Financial Forecast.	24-2619	Finance	City Business	4:00
	Closed Meeting Item(s):		Legal (if any)	City Business	0:30
				Total Est. Time:	4:30
	Other Major Items for Meeting:				
August 19 Work Session (@2:00 p.m.) Regular Called Meeting (6:30 p.m.)	A. DCTA Update	TBD	City Manager's Office	City Business	0:45
	B. Fiscal Year 2025-26 City Manager's Proposed Budget, Capital Improvement Program, and Five-Year Financial Forecast	24-2620	Finance	City Business	1:00
	C. Animal Services Audit Follow Up	TBD	Internal Audit	City Business	0:30
	D. Water Master Plan	25-363	Water	City Business	0:45
	E. Two Minute Pitch:	25-032	City Manager's Office	Council Request	0:30
	Closed Meeting Item(s):		Legal (if any)	City Business	0:30
				Total Est. Time:	4:00
	Other Major Items for Meeting:				
September 9 Work Session (@2:00 p.m.) Special Called Meeting (Upon conclusion of the Work Session)	A. Inclement Weather Policy	TBD	City Manager's Office	City Business	1:00
	B. Budget Update	TBD	Finance	City Business	1:00
	C. Audit Plan	TBD	City Auditor's Office	City Business	0:30
	D. Leak Adjustment Program	TBD	Customer Service/Water	City Business	0:45
	E. Two Minute Pitch:	25-033	City Manager's Office	Council Request	0:30
	Closed Meeting Item(s):		Legal (if any)	City Business	0:30
				Total Est. Time:	4:15
	Other Major Items for Meeting:				
September 16 Work Session (@2:00 p.m.) Regular Called Meeting (@6:30 p.m.)	A. Budget Update	TBD	Finance	City Business	1:00
	B. Two Minute Pitch:	25-034	City Manager's Office	Council Request	0:30
	Closed Meeting Item(s):		Legal (if any)	City Business	0:30
				Total Est. Time:	2:00
	Other Major Items for Meeting:				
September 30 Work Session (@2:00 p.m.) Special Called Meeting (Upon conclusion of the Work Session)	A. Two Minute Pitch:	25-035	City Manager's Office	Council Request	0:30
	Closed Meeting Item(s):		Legal (if any)	City Business	0:30
				Total Est. Time:	1:00
	Other Major Items for Meeting:				
October 14 Work Session (@2:00 p.m.) Special Called Meeting (Upon conclusion of the Work Session)	A. Two Minute Pitch:	25-036	City Manager's Office	Council Request	0:30
	Closed Meeting Item(s):		Legal (if any)	City Business	0:30
				Total Est. Time:	1:00
	Other Major Items for Meeting:				
Council Priorities and Significant Work Plan Items to be Scheduled					
	Item	Date Approved	Department	Next Step	Requestor
Approved Council Pitches to be Scheduled	Board of Ethics develop guidance for interactions with external partners	6/18/2024	Internal Audit	Work Session	CM Beck
	Rooftop and wall gardens and solar panels on City buildings	12/3/2024	Facilities Management	Agenda Committee	CM Beck

*This is for planning purposes only. Dates are subject to change.

1 Street Closure Report: Upcoming Closures

SCR June 30th - July 6th

	Street/ Intersection	From	To	Closure Start Date	Closure End Date	Description	Department	Department Contact	Closure Type
1	Apollo Dr	Redstone Rd	Selene Dr	07/24/25	02/13/26	Utility installations and pavement replacement.	Engineering	Scott Fettig	Full Closure
2	Bonnie Brae St	Conquest Dr	Windsor Dr	07/07/25	07/21/25	Removing dirt along existing back of curb and removing existing large trees along the back of curb in the same area. Contractor will also tie-in new 16-inch waterline to existing 16-inch waterline.	Engineering	Jesus Perez	Lane Closure
3	Brookside Dr (5700)	Trailridge Dr	At Intersection	07/21/25	08/15/25	Sidewalk Repair	Streets	Roy San Miguel	Lane Closure
4	Sunnydale Ln	Sun Valley Dr	Kings Row	07/10/25	12/05/25	Utility installations and pavement replacement.	Engineering	Scott Fettig	Full Closure

2 Street Closure Report: Current Closures

	Street/ Intersection	From	To	Closure Start Date	Closure End Date	Description	Department	Department Contact	Closure Type
1	Aileen St	Panhandle St	Broadway St	09/27/24	08/16/25	Utility installations and pavement replacement.	Engineering	Scott Fettig	Full Closure
2	Airport Rd (FM 1515)	I35 E Frontage Rd	Airport / I35W Frontage Rd	07/07/25	07/14/25	Construction of the new alignment of Bonnie Brae connecting to Airport Road/FM 1515	Engineering	Robin Davis	Full Closure
3	Alice St	Sunset St	University Dr (US 380)	05/27/25	08/01/25	Utility installations and pavement replacement.	Engineering	Scott Fettig	Rolling Closure
4	Alice St	Panhandle St	Crescent St	05/02/25	12/05/25	Utility installations and pavement replacement.	Engineering	Megan Davidson	Full Closure
5	Ave A	Collins St	Eagle Dr	10/08/24	06/30/25	Utility installations and pavement replacement.	Engineering	Scott Fettig	Full Closure
6	Ave A	Eagle Dr	Highland St	02/03/25	07/01/25	Utility installations and pavement replacement.	Engineering	Scott Fettig	Rolling Closure
7	Ave B	Fannin St	Margie St	11/22/24	07/31/25	Pavement replacement	Engineering	Scott Fettig	Full Closure
8	Ave D	Chestnut St	Mulberry St	05/12/25	08/15/25	Utility installations and pavement replacement.	Engineering	Megan Davidson	Full Closure
9	Ave G	Prairie St	Lousie St	03/13/25	07/25/25	Utility installations and pavement replacement	Engineering	Megan Davidson	Full Closure
10	Bonnie Brae St	Airport Rd (FM 1515)	Walt Parker Dr (Main Stadium Dr)	01/06/25	07/14/25	Utility installations and pavement replacement.	Engineering	Robin Davis	Full Closure
11	Bonnie Brae St S	Willowwood St	Parvin St	06/23/25	10/24/25	Installation of drainage infrastructure, embankment work in advance of street widening. (Access to Natl Wholesale & residents only)	Engineering	Robin Davis	Full Closure
12	Cactus Cir	Yucca Dr	(End of street) Cul de sac	04/28/25	09/02/25	Utilities and Pavement replacement	Engineering	Dante Hale	Full Closure
13	Chestnut St	Ave C	Ave D	05/12/25	08/15/25	Utility installations and pavement replacement.	Engineering	Megan Davidson	Full Closure
14	Clover Ln	Robinwood Ln	Glenwood Ln	11/12/24	07/12/25	Full Road Reconstruction	Engineering	Sheldon Gatewood	Full Closure
15	Congress St	Ponder St	Carroll Blvd	03/31/25	07/04/25	Utility construction	Engineering	Megan Davidson	Rolling Closure
16	Congress St	Ponder St	Coit St	02/03/25	09/30/25	Utility installations and pavement replacement.	Engineering	Scott Fettig	Full Closure
17	Cordell St	Coit St	Fulton St	06/30/25	09/26/25	Full road reconstruction	Engineering	Megan Davidson	Full Closure
18	Crescent St	Aileen St	Malone St	05/21/25	07/21/25	Utility installations and pavement replacement.	Engineering	Megan Davidson	Full Closure
19	Crescent St	Carroll Blvd	Bolivar St	01/24/25	08/01/25	Utility installations and pavement replacement.	Engineering	Scott Fettig	Full Closure
20	Crescent St	Aileen St	Malone St	06/16/25	09/05/25	Utility installations and pavement replacement.	Engineering	Megan Davidson	Full Closure
21	Denton St	Hickory St	Congress St	06/02/25	11/05/25	Utility installations and pavement replacement	Engineering	Megan Davidson	Full Closure
22	Eagle Dr	Ave C	Ave A	03/17/25	08/29/25	Using it or an entrance due to elevation changes in the jobsite it is the only way to get into the site	Public Works Inspections	Collin Cole	Lane Closure
23	Ector St	Cordell St	University Dr (US380)	06/30/25	07/30/25	Sewer Line Being installed, Manholes, pipe, paving	Public Works Inspections	Collin Cole	Full Closure
24	Egan St	Carroll Blvd	Bolivar St	05/07/25	09/10/25	Utility installations and pavement replacement.	Engineering	Megan Davidson	Full Closure
25	Emery St	Alice St	Dead End (West of Fulton)	02/03/25	08/01/25	Utility installations and pavement replacement.	Engineering	Scott Fettig	Full Closure
26	Fry St	Oak St	Hickory St	04/28/25	07/11/25	Mastec relocating gas lines	Public Works Inspections	Stephany Trammell	Rolling Closure
27	Fulton St	Cordell St	Emery St	02/03/25	08/01/25	Utility installations and pavement replacement.	Engineering	Scott Fettig	Full Closure
28	Hickory Creek Rd	Riverpass Dr	Country Club Rd (FM 1830)	03/13/23	12/31/26	Bridge Installation	Engineering	Tracy Beck	Full Closure
29	Hilltop Rd	at Country Club Road (FM 1830)		05/27/25	09/30/25	Hilltop Road at Country Club Road will be reconstructed (new drainage, road, etc.) and new northbound right turn lane will be added to Country Club Road	Engineering	Tracy Beck	Full Closure
30	Hobson Ln	Forrestridge Dr	Country Club Rd	05/08/25	07/01/25	Utility work and turn lane construction on Hobson	Public Works Inspections	Gavin Petner	Full Closure

	Street/ Intersection	From	To	Closure Start Date	Closure End Date	Description	Department	Department Contact	Closure Type
31	Huisache St	Aspen Dr	Yucca Dr	04/09/25	08/08/25	Utilities and Pavement replacement	Engineering	Dante Hale	Rolling Closure
32	Jim Christal Rd	Masch Branch Rd	@ Intersection	03/07/25	07/11/25	Adding 2 Lanes E/W on Jim Christal: Adding a turn Lane on Masch Branch	Public Works Inspections	Kirk Winter	Lane Closure
33	Juno Ln	Atlas Dr	Stuart Dr	04/09/25	08/08/25	Utility installations and pavement replacement.	Engineering	Scott Fettig	Rolling Closure
34	La Mirada (1500)	Manten Blvd	Zilda Way	06/09/25	07/04/25	Concrete Panel Repair	Streets	Roy San Miguel	Lane Closure
35	Margie St	Ave A	Ave B	11/01/24	06/30/25	Utility installations and pavement replacement.	Engineering	Scott Fettig	Full Closure
36	Mistywood Ln	Robinwood Ln	Glenwood Ln	04/28/25	07/12/25	VOIDS underground	Other	Sheldon Gatewood	Full Closure
37	Mockingbird Ln	Mingo Rd	University Dr (U.S. 380)	06/16/25	07/18/25	Bore work to install new sanitary sewer line.	Private Development	Zabdiel Mota	Lane Closure
38	Mounts Ave	Congress St W	Haynes St	03/21/25	07/25/25	Utility installations and pavement replacement	Engineering	Megan Davidson	Full Closure
39	Mulberry St	Elm St	Carroll Blvd	03/17/25	07/11/25	Water/Wastewater connections	Public Works Inspections	Stephany Trammell	Full Closure
40	Mulberry St	Welch St	Bernard St	11/29/24	08/01/25	Utility installations and pavement replacement.	Engineering	Scott Fettig	Full Closure
41	Normal St	Oak St	Scripture St	05/08/25	09/05/25	Utility installations and pavement replacement.	Engineering	Megan Davidson	
42	Northridge St	Hinkle Dr	Bolivar St	04/16/25	04/20/26	Utilities and Pavement replacement	Engineering	Dante Hale	Rolling Closure
43	Oak St	Carroll Blvd	Fry St	04/21/25	07/11/25	Mastec relocating gas lines	Public Works Inspections	Stephany Trammell	Rolling Closure
44	Oak St	Welch St	Ave C	04/28/25	07/11/25	Mastec relocating gas lines	Public Works Inspections	Stephany Trammell	Rolling Closure
45	Oak St E (109)	Austin St	at Intersection	05/19/25	07/04/25	ADA / Sidewalk Work at Intersection	Streets	Roy San Miguel	Lane Closure
46	Ocean Dr	Atlantic Dr	Nautical Ln	04/14/25	07/15/25	Sanitary Sewer install	Private Development	Gavin Petner	Full Closure
47	Pershing Dr	Atlas Dr	Stuart Rd	05/08/25	12/15/25	Utilities and Pavement replacement	Engineering	Dante Hale	Full Closure
48	Ponder Ave	Oak St W	Broadway St	06/02/25	12/31/25	Utility installations and pavement replacement.	Engineering	Scott Fettig	Rolling Closure
49	Ponder St	Oak St	Panhandle St	06/19/25	04/27/26	Utility installations and pavement replacement	Engineering	Megan Davidson	Full Closure
50	Prairie St	Welch St	Bernard St	03/13/25	07/25/25	Utility installations	Engineering	Megan Davidson	Full Closure
51	Precision Dr	Airport Rd	UNT Library Annex	04/01/25	07/31/25	Reconstruction	Engineering Other	Gio Pineiro	Full Closure
52	Redstone Rd	Hercules Ln	Neptune Dr	05/05/25	06/12/26	Utilities and Pavement replacement	Engineering	Dante Hale	Full Closure
53	Riney Rd	Bonnie Brae St	Hardaway Rd	03/08/25	08/01/25	Contractor to install 12-inch waterline to provide water to the new DISD elementary school	Engineering	Jesus Perez	Full Closure
54	Robinwood Ln	Emerson Ln	Live Oak St	11/12/24	07/12/25	Full Road Reconstruction	Engineering	Sheldon Gatewood	Full Closure
55	Robinwood Ln	Live Oak	Kayewood Dr	01/27/25	07/31/25	Road reconstruction (Milling and C/G Removal, Stabilization)	Engineering	Sheldon Gatewood	Full Closure
56	Scripture St	Jagoe St	Ponder St	03/04/25	10/17/25	Utility installations and pavement replacement.	Engineering	Scott Fettig	Full Closure
57	Selene Dr	Neptune Dr	Stuart Rd	06/04/25	11/28/25		Engineering	Scott Fettig	Full Closure
58	Seven Oaks Ln (7912)	Clear River Ln	@ Intersection	06/23/25	07/18/25	Sidewalk Repair	Streets	Roy San Miguel	Lane Closure
59	Stuart Rd	Hercules Ln	Kings Row	06/09/25	07/18/25	Offsite utility work for Landmark at Locust project	Public Works Inspections	Alexander Cervantes	Lane Closure
60	Sun Valley Dr	Stuart Rd	Atlas Dr	06/09/25	07/18/25	Offsite utility work for Landmark at Locust project	Public Works Inspections	Alexander Cervantes	Full Closure
61	Sunset St	University Dr W	Anna St	01/20/25	08/31/25	Utility installations and pavement replacement.	Engineering	Scott Fettig	Full Closure
62	Trinity Rd S	McKinney St E	Mary Ln	06/09/25	08/29/25	Force Main Waterline being installed, staging area and line install. Road closed to through traffic	Public Works Inspections	Collin Cole	Full Closure
63	Unicorn Lake Blvd	State School Rd	Wind River Ln	03/25/25	06/30/25	Sanitary sewer work	Private Development	Gavin Petner	Lane Closure
64	Union Cir (in entirety)	Chestnut St	Prairie St	05/12/25	10/01/25	Utility installations and pavement replacement.	Engineering	Megan Davidson	Full Closure
65	Welch St	Chestnut St	Mulberry St	02/03/25	07/01/25	Utility installations and pavement replacement.	Engineering	Scott Fettig	Full Closure

	Street/ Intersection	From	To	Closure Start Date	Closure End Date	Description	Department	Department Contact	Closure Type
66	Welch St	Eagle Dr	Highland St	03/13/25	07/04/25	Utility installations and pavement replacement	Engineering	Megan Davidson	Full Closure
67	Welch St	Highland St	Hickory St	08/26/24	07/31/25	Utility installations and pavement replacement.	Engineering	Scott Fetting	Rolling Closure
68	Welch St	Eagle Dr	Hickory St	06/03/24	10/01/25	Utility installations and pavement replacement.	Engineering	Scott Fetting	Full Closure
69	Welch St	Sycamore St	Mulberry St	06/30/25	10/06/25	Full road reconstruction	Engineering	Megan Davidson	Full Closure
70	Westway St	Anna St	Bolivar St	01/24/25	07/31/25	Utility installations and pavement replacement.	Engineering	Scott Fetting	Full Closure
71	Yellowstone Pl	Hercules Ln	Juno Ln	06/30/25	09/01/25	Utilities and Pavement replacement	Engineering	Dante Hale	Full Closure

3 Street Closure Report: Completed Closures

	Street/ Intersection	From	To	Closure Start Date	Closure End Date	Description	Department	Department Contact	Closure Type
1	Bell Ave	University Dr (Hwy 380)	Texas St	05/12/25	06/03/25	Waterline tap and new installation	Atmos Drainage Engineering Private Development Public Works Inspections Streets Traffic TXDOT Water Wastewater	Christopher Yanez	Full Closure
2	Bell Ave N (1000)	Chappel Dr	Texas St	05/12/25	06/03/25	Waterline tap and new installation	Water	Christopher Yanez	Full Closure
3	Bernard St	Lindsey St	Fannin St	08/26/24	06/20/25	Utility installations and pavement replacement.	Engineering	Scott Fettig	Rolling Closure
4	Camelot St	Hercules Ln	Stuart Rd	04/28/25	06/27/25	Utilities and Pavement replacement	Engineering	Dante Hale	Rolling Closure
5	Collins St	Ave A	Bernard St	08/26/24	06/20/25	Utility installations and pavement replacement.	Engineering	Scott Fettig	Full Closure
6	Cornell Ln	University Dr W	Amherst Dr	06/02/25	06/12/25	Water Taps	Public Works Inspections	Alexander Cervantes	Lane Closure
7	Granada Trail	Granada Trail	Seville Rd	06/16/25	06/27/25	installing sewer pipe	Wastewater	John, Cantu	Lane Closure
8	Morse St	Loop 288	Mayhill Rd	12/02/24	06/20/25	Water Line Replacement and Road Reconstruction	Public Works Inspections Streets Water	Kristine Stewart	Lane Closure
9	North Bell Ave	US 380	Administration	06/12/25	06/13/25	Atmos Main Repair	Atmos	Sheldon Gatewood	Lane Closure
10	Panhandle St	Ector St	Aileen St	09/27/24	05/30/25	Utility installations and pavement replacement.	Engineering	Scott Fettig	Full Closure
11	Parvin St	@ Bonnie Brae St		06/09/25	06/11/25	Installation of storm drain infrastructure crossing Parvin - (No access to Bonnie Brae from Parvin)	Engineering	Robin Davis	Full Closure
12	Robson Ranch Rd	Frontage Rd (SB)	Briarwood Rd	06/20/25	06/24/25	Grading of new right turn lanes	Private Development Public Works Inspections Other	Gary Hatfield	Lane Closure
13	Tawakoni Dr (5908)	Amistad Ln	at Intersection	05/19/25	06/27/25	ADA Ramp Repair	Streets	Roy San Miguel	Lane Closure
14	Trinity Rd	McKinney St	Blagg Rd	05/05/25	06/06/25	Utilities and Pavement replacement	Engineering	Dante Hale	Full Closure
15	Willowwood St	Westwood Dr	Leslie St	03/10/25	06/27/25	Sanitary sewer, water and storm sewer install	Private Development	Gavin Petner	Lane Closure