EXHIBIT A

FUNDING AGREEMENT

1. City Contributions.

(a) Under Article 6243a-1, Section 4.02(d), "Use of Public Funds," the City will make contributions to DPFPS biweekly as described below and step-up to using an Actuarially Determined Contribution (ADC) beginning October 2024, subject to the governance provisions set forth in Section 2, and the contribution maximums set forth in (c).

(b) ACTUARIALLY DETERMINED CONTRIBUTION is, for any fiscal year, the sum of the following as determined in the actuarial valuation for the plan year preceding such fiscal year:

(1) an established fixed-dollar 30-year closed amortization amount with five-year step-up and no step-down for the unfunded actuarial accrued liability and administrative expenses, determined based on analysis derived from the January 1, 2023 Actuarial Valuation Report, as shown in the schedule below. The contributions will be paid by the City each bi-weekly pay period as a fixed-dollar amount equal to 1/26th of the fixed dollar schedule for each City fiscal year. At its discretion, the City may choose to pre-pay or make contributions in excess of the 30-year closed amortization schedule and reduce the City's subsequent annual contributions listed in the below amortization schedule;

Fiscal Year ending 9/30	Amortization of January 1, 2023 Unfunded Actuarial Accrued Liability	Administrative Expenses	Total		Fiscal Year ending 9/30	Amortization of January 1, 2023 Unfunded Actuarial Accrued Liability	Administrative Expenses	Total
2025	$ 161,656,000	$ 7,000,000	$ 168,656,000		2040	$ 310,217,000	$ 7,042,000	$ 317,259,000
2026	$ 179,482,000	$ 7,000,000	$ 186,482,000		2041	$ 317,972,000	$ 7,218,000	$ 325,190,000
2027	$ 197,889,000	$ 7,000,000	$ 204,889,000		2042	$ 325,921,000	$ 7,399,000	$ 333,320,000
2028	$ 217,163,000	$ 7,000,000	$ 224,163,000		2043	$ 334,069,000	$ 7,584,000	$ 341,653,000
2029	$ 237,336,000	$ 7,000,000	$ 244,336,000		2044	$ 342,421,000	$ 7,773,000	$ 350,194,000
2030	$ 242,341,000	$ 7,000,000	$ 249,341,000		2045	$ 350,982,000	$ 7,967,000	$ 358,949,000
2031	$ 248,399,000	$ 7,000,000	$ 255,399,000		2046	$ 359,756,000	$ 8,167,000	$ 367,923,000
2032	$ 254,609,000	$ 7,000,000	$ 261,609,000		2047	$ 368,750,000	$ 8,371,000	$ 377,121,000
2033	$ 260,975,000	$ 7,000,000	$ 267,975,000		2048	$ 377,969,000	$ 8,580,000	$ 386,549,000
2034	$ 267,499,000	$ 7,000,000	$ 274,499,000		2049	$ 387,418,000	$ 8,795,000	$ 396,213,000
2035	$ 274,186,000	$ 7,000,000	$ 281,186,000		2050	$ 397,104,000	$ 9,014,000	$ 406,118,000
2036	$ 281,041,000	$ 7,000,000	$ 288,041,000		2051	$ 407,031,000	$ 9,240,000	$ 416,271,000
2037	$ 288,067,000	$ 7,000,000	$ 295,067,000		2052	$ 417,207,000	$ 9,471,000	$ 426,678,000
2038	$ 295,269,000	$ 7,000,000	$ 302,269,000		2053	$ 427,637,000	$ 9,708,000	$ 437,345,000
2039	$ 302,650,000	$ 7,000,000	$ 309,650,000		2054	$ 438,328,000	$ 9,950,000	$ 448,278,000

Note: Above schedule based on analysis derived from the January 1, 2023 Actuarial Valuation Report.

(2) employer normal cost rate, a rate of contribution expressed as a percentage of members' projected computation pay for such fiscal year. The City contributions to fund the normal cost are subject to the corridor described in Section 2(e) below and will be remitted bi-weekly on each pay date, calculated as the percentage multiplied by the actual computation pay for that given pay period;

(3) gain and loss amortization rate, a rate of contribution expressed as a percentage of members' projected computation pay for such fiscal year. A new gain/loss amortization layer is added as necessary to amortize the difference between the expected remaining balance of all previous year's layers and the actual unfunded actuarial accrued liability for the given valuation. New amortization layers will be amortized over a closed amortization period of 20 years or until January 1, 2053, whichever is later, as a level percentage of payroll. If the actuarial assets of the fund exceed the actuarial liabilities for a given valuation, the outstanding layers may be collapsed into a single layer with a closed amortization period of 20 years or until January 1, 2053, whichever is later. The City contributions to fund the amortization of future gains and losses are subject to the corridor described in Section 2(e) below and will be remitted bi-weekly on each pay date, calculated as the percentage multiplied by the actual computation pay for that given pay period;

(4) new fixed-dollar net loss amortization amount to amortize the combined total of gains and losses for calendar years beginning January 1, 2025, 2026, 2027, 2028, and 2029 only if it results in a net loss. No new amortization will be added if the combined total is a net gain. This new amortization layer will be amortized over a closed amortization period until January 1, 2053, as a level percentage of payroll. This fixed-dollar schedule will be calculated by the DPFPS actuary and provided in the January 1, 2030 actuarial valuation. The contributions will be paid by the city each bi-weekly pay period as a fixed-dollar amount equal to 1/26th of the fixed dollar schedule for each city fiscal year beginning in the fiscal year ending September 30, 2032; and

(5) new fixed-dollar supplemental pay amortization amount will be added in the January 1, 2026 valuation and amortized until January 1, 2053, as a level percentage of payroll, for cost associated with two supplemental pay components below. This fixed-dollar schedule will be calculated and provided in the January 1, 2026 actuarial valuation. The contributions will be paid by the City each bi-weekly pay period as a fixed-dollar amount equal to 1/26th of the fixed dollar schedule for each City fiscal year beginning in the fiscal year ending September 30, 2028.

(A) For individuals in pension status prior to January 1, 2026, an amount equal to 1% of these individuals' total annual pension benefits (excluding DROP) determined as of the beginning of each plan year may be offered, but only to individuals in pension status prior to January 1, 2026, as supplemental pay each year beginning in the plan year beginning January 1, 2026, and continuing up to the year that DPFPS is able to grant a Cost of Living Adjustment in accordance with the provisions of 6243a-1 after the fund has reached 70% funding;

(B) For all individuals in pension status (now and in the future), an amount equal to 1% of these individuals' total annual pension benefits (excluding DROP) determined as of the beginning of each plan year may be offered as supplemental pay to individuals in pension status each year beginning in the plan year beginning January 1, 2026, contingent upon

DPFPS having a one-year rate of return (on market value of assets) greater than 0.0% in the prior plan year as reported in the most current actuarial valuation report, and continuing up to the year that DPFPS is able to grant a Cost of Living Adjustment in accordance with the provisions of 6243a-1 after the fund has reached 70% funding. For any year in which DPFPS does not achieve a rate of return greater than 0.0%, DPFPS shall not provide supplemental pay to individuals in pension status;

(C) The supplemental pay described in this section shall not add to an individual's base pension benefit; and

(D) DPFPS shall not pay the supplemental pay authorized by Section 1(b)(5) to individuals in any fiscal year in which DPFPS provides a Cost of Living Adjustment for any reason.

(c) For fiscal years ending September 30, 2025, through September 30, 2029, in no event shall the City contributions exceed:

(1) the dollar amounts set forth in Section 1(b)(1), plus

(2) the maximum percentage set forth in Section 2(e) multiplied by the members' computation pay for each fiscal year, plus

(3) the new fixed-dollar amortization amount described in Section 1(b)(5).

2. **Governance.** This Plan to comply with the funding and amortization period requirements applicable to DPFPS by adopting an ADC with a five-year step-up is a significant financial commitment to DPFPS. For some predictability in its funding commitment, the Plan implements the following governance provisions:

(a) DPFPS shall not lower the assumed Rate of Return (discount rate) used to determine unfunded actuarial accrued liability in an amount that is greater than one-quarter of a percentage point below the average assumed rate of return (discount rate) of the top 20 public pension plans (excluding DPFPS) as measured by market value of assets most recently reported by the Texas Pension Review Board.

(b) Settlement of any benefits-related lawsuit by DPFPS that increases the City's contribution in an amount greater than 0.5% of projected computation pay must be prospectively approved by the City Council.

(c) The parties agree that DPFPS has the authority to implement supplemental pay consistent with the terms of this Plan and Cost of Living Adjustments consistent with the terms of Article 6243a-1 Section 6.12 (after 70% funded) without further action of the City Council. Other benefit increases will follow the requirements under Article 6243a-1 Section 3.01(j-1)(3) and will require joint approval of DPFPS and City Council.

(d) Annually, DPFPS and the City will each calculate an ADC for the following fiscal year. The City will accept the ADC that is determined by DPFPS' actuary and presented to the DPFPS Board, except, if the difference between the ADCs calculated by the actuaries of the City and DPFPS is greater than three percentage points of projected computation pay, DPFPS and the City will engage in a 30-day good faith reconciliation period. If, within such period, the actuaries of the City and DPFPS reach an agreement for the applicable fiscal year, the ADC agreed to by the City and DPFPS shall be adopted. If no such agreement is reached within the 30-day good faith reconciliation period, the City will present DPFPS with a list of three independent actuaries from which DPFPS shall select one independent actuary to consider the facts and recommend either the City's or DPFPS' recommended ADC or an ADC that falls between the two. The City and DPFPS shall both be a party to all communications with the independent actuary. Neither the City nor DPFPS, including any of its members, may communicate with the independent actuary without ensuring that the other party is part of or copied on the communication. The DPFPS Board shall adopt the ADC recommended by the independent actuary that is the City's or DPFPS' recommended ADC or an ADC that falls between the two. If the independent actuary calculates an ADC that does not fall on or between the City's and DPFPS' recommended ADC, the DPFPS Board shall adopt the recommended ADC of the City or DPFPS, whichever is closer to the independent actuary's calculation. The DPFPS Board shall provide the City with the final ADC, that has completed the process described in this section, for the upcoming fiscal year no later than July 1 prior to the start of the new fiscal year. If at any time the City Council requires the City Manager to present the annual budget prior to the current Charter requirements, the final ADC for the upcoming year must be provided to the City at least 45 days prior to the date that the City Manager presents the upcoming budget to the City Council. The City Actuary calculation deadlines are set forth in (g). The method to determine the contributions if the final ADC is not provided to the City by July 1, prior to the start date, or earlier, as described in this section, is set forth in (h).

(e) If in any plan year the sum of the annual calculated employer normal cost rate (Section 1(b)(2)) and the cumulative gain and loss amortization rate (Section 1(b)(3)) exceeds the minimum or maximum shown in the schedule as follows, the excess will be amortized as a new amortization layer over a closed period of 20 years or until January 1, 2053, whichever is later, as a level percentage of payroll. To acknowledge that assumptions and other factors will change through 2053, it is necessary to allow adjustments to the minimum and maximum corridors represented in the table below after the DPFPS actuary completes the Experience Study that must be performed at least every five years as required by law. The minimum and maximum corridors will be reset every five years beginning with the fiscal year ending September 30, 2030. DPFPS and the City will each recalculate the next five years of employer normal cost rate based on the most recent actuarial valuation report (reflecting the most recent Experience Study and any subsequent assumption updates) that is available and finalized at least 12 months before the start of the first fiscal year of the next five-year period (for example, by 10/1/2028). This will serve as the midpoint for the next five years (for example, the fiscal year ending on September 30, 2030, 2031, 2032, 2033, and 2034). A five-percentage point corridor will be added (maximum) and subtracted (minimum) from the calculated employer normal cost rate to create the corridor. The City will accept the corridor that is determined by DPFPS' actuary and presented to the DPFPS

Board, except, if the difference between any of the next five years of employer normal cost rates that are calculated by the actuaries of the City and DPFPS is greater than one percentage point of projected computation pay, DPFPS and the City will engage in a 30-day good faith reconciliation period. If, within such period, the actuaries of the City and DPFPS reach an agreement for the applicable five-year period, the corridor agreed to by the City and DPFPS shall be adopted. If no such agreement is reached within the 30-day good faith reconciliation period, the parties will follow the reconciliation process set forth in Section 2(d). If the City Council determines that the fund is projected to be fully funded in over 30 years, the City Council may, in its sole discretion, waive this paragraph. DPPFS may make a recommendation to City Council requesting that City Council waive this paragraph.

	Normal Cost (% of Pay)					Normal Cost (% of Pay)		
Fiscal Year ending 9/30	Minimum	30-year projection of Normal Cost*	Maximum		Fiscal Year ending 9/30	Minimum	30-year projection of Normal Cost*	Maximum
2025	6.78%	6.78%	6.78%		2040	1.03%	6.03%	11.03%
2026	6.66%	6.66%	6.66%		2041	0.99%	5.99%	10.99%
2027	6.57%	6.57%	6.57%		2042	0.97%	5.97%	10.97%
2028	6.51%	6.51%	6.51%		2043	0.95%	5.95%	10.95%
2029	6.45%	6.45%	6.45%		2044	0.94%	5.94%	10.94%
2030	1.39%	6.39%	11.39%		2045	0.95%	5.95%	10.95%
2031	1.34%	6.34%	11.34%		2046	0.96%	5.96%	10.96%
2032	1.29%	6.29%	11.29%		2047	0.96%	5.96%	10.96%
2033	1.25%	6.25%	11.25%		2048	0.96%	5.96%	10.96%
2034	1.21%	6.21%	11.21%		2049	0.96%	5.96%	10.96%
2035	1.17%	6.17%	11.17%		2050	0.96%	5.96%	10.96%
2036	1.14%	6.14%	11.14%		2051	0.96%	5.96%	10.96%
2037	1.12%	6.12%	11.12%		2052	0.96%	5.96%	10.96%
2038	1.09%	6.09%	11.09%		2053	0.96%	5.96%	10.96%
2039	1.06%	6.06%	11.06%		2054	0.96%	5.96%	10.96%

*30-year Normal Cost projection based on the January 1, 2023 actuarial valuation report

Note: The full 30-year schedule (above) indicates the best estimate of the future employer cost rate and corridors based on analysis derived from the January 1, 2023 Actuarial Valuation Report. The table will be updated to reflect any changes following each Experience Study described above.

(f) For all actuarial calculations contained in this agreement, the City's actuary will use DPFPS' actuarial assumptions and methods as long as DPFPS' actuarial assumptions and methods were developed in accordance with Actuarial Standards of Practice.

(g) The City's actuary will calculate the ADC 45 days after receiving the raw census data from DPFPS, final valuation census data from DPFPS' actuary, details of any changes to assumptions and methods, and estimated Market Value of Assets. The City's actuary will provide an updated ADC 15 days after receiving final Market Value of Assets. When an experience Study is performed, DPFPS will share draft results with the City's actuary well in advance of the valuation date for which the new assumptions are effective so that the City's actuary can review the assumptions to confirm that they were developed in accordance with Actuarial Standards of Practice.

(h) DPFPS and the City will ensure that the reconciliation process is completed by July 1 each year for purposes of determining the City's contribution for the City's next annual budget.

If the reconciliation process is not completed by July 1, the City will use the latest ADC provided by DPFPS that completed the process in 2(d). It would follow the fixed schedules for the applicable year from 1(b)(1), 1(b)(4), and 1(b)(5), and the prior year percentage of computation pay rate for the amounts from 1(b)(2) and 1(b)(3).