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June 7, 2018 MEMORANDUM

AUSTIN, TEXAS 78701

TO: DPROA, Pete Bailey and Dwight Walker

FROM: Randy Elliston

SUBJECT: Legislative Update

Texas Primary elections for 2018 left over 30 races to be decided by runoff elections that were held on May 22, 2018. I have listed several races of interest below and included a link to the Texas Tribune report of full election results that further breaks down the races. https://apps.texastribune.org/elections/2018/runoff-election-results/

STATEWIDE:

In the Democratic runoff for Governor, former Dallas County Sheriff **Lupe Valdez** defeated Andrew White, the son of former Texas Governor Mark White, and she will face Republican **Governor Greg Abbott** in the general election.

TEXAS SENATE:

Senate District 17 (Includes Harris County) Democrat Rita Lucido defeated Fran Watson and will face Incumbent Republican Joan Huffman in the general election.

TEXAS HOUSE:

House District 4 (Kaufman, Henderson Counties) Republican Keith Bell defeated Stuart Spitzer and will face Democratic candidate Eston Williams in the general election.

House District 8 (Navarro, Anderson, Hill, Freestone Counties) Republican Cody Harris defeated Thomas McNutt and will face Democrat Wesley D. Ratcliff in the general election.

House District 62 (Grayson, Fannin, Delta Counties) Republican Reggie Smith defeated Brent Lawson and will face Democrat Valerie N. Hefner in the general election.

House District 64 (Denton County) Democrat Andrew Morris defeated Mat Pruneda and will face incumbent Republican Lynn Stucky in the general election.

House District 107 (Dallas County) Republican Deanna Maria Metzger defeated Joe Ruzicka and will face incumbent Democrat Victoria Neave in the general election.

House District 109 (Dallas County) Democrat Carl Sherman defeated Deshaundra Lockhart Jones and will be unopposed in the general election.

TEXAS HOUSE COMMITTEE ON PENSIONS:

On behalf of DPROA, I attended the Texas House Committee on Pensions chaired by Representative Dan Flynn in Dallas May 10, 2018, at Dallas City Hall. The Committee convened to hear invited and public testimony on several interim charges. One of the interim charges on the agenda was "Legislative Oversight". This charge definition is to "Conduct legislative oversight and monitoring of the agencies and programs under the committee's jurisdiction and the implementation of relevant legislation passed by the 85th Legislature" which includes HB 3158.

This meeting does not appear to have been recorded and posted on the House of Representatives Online website since it was held in Dallas.

The witnesses that testified on Legislative Oversight included:

Mike Rawlings, Mayor, City of Dallas Lee Klienman, Dallas City Council William Quinn, Chairman, Board of Trustees of Dallas Police and Fire Pension Nicholas Merrick, Board of Trustees of Dallas Police and Fire Pension

Also present on the dais with House Members were State Senators Royce West and Don Huffines.

Mayor Rawlings provided the majority of the testimony to update the committee on the state of the Dallas Police and Fire Pension System. He thanked the Committee on its role in preserving a defined benefit plan for Dallas' first responders. He said if HB 3158 had not passed, the pension issues could have derailed retirement security for close to 10,000 members and their families. He said HB 3158 solves a significant portion of the problem, and according to their actuary, Deloitte, will fully fund the pension within 39 years. He said since the changes only took effect eight months ago, they do not have any changes to suggest at this time. He praised the new DPFP board and said it was a critical step that gave the taxpayers majority control of the board. He said all three major credit rating agencies see the passage of HB 3158 as credit positive for the City of Dallas. He said the city was taking steps to stop the attrition of police officers and are projecting to hire slightly more officers than they lose next fiscal year. He concluded by stating the bill was a good compromise and that the fund has stabilized. He asked that the board be given the opportunity to continue its work before we begin a conversation about possible changes to this compromise bill. I have included a full transcript of Mayor Rawlings testimony as a separate document.

DPFP Board Chair Bill Quinn testified that the board has not had a lot of time but has worked well together and accomplished a lot in the past six months.

Councilman Klienman testified and railed against defined benefit pensions and objected to HB 3158 citing it as a fiscal drain on Dallas tax payers.

As this was only an update on interim charges, no action was taken by the Committee.

OVERSIGHT COMMITTEES:

Senate State Affairs: No future meetings scheduled at this time.

House Committee on Pensions: No future meetings scheduled at this time.

Randy Elliston is a retired Chief of the Texas Highway Patrol with over 35 years of experience in Texas State Government Relations. He is now a member of the Ratliff Company team representing clients in areas of public safety, law enforcement, transportation and state administrative processes.