

AGENDA



Date: May 3, 2024

The supplemental meeting of the Dallas Police and Fire Pension System Board of Trustees will be held at **8:30 a.m. on Thursday, May 9, 2024, in the Second Floor Board Room at 4100 Harry Hines Boulevard, Dallas, Texas and via telephone conference for audio at 214-271-5080 access code 588694 or Toll-Free (US & CAN): 1-800-201-5203 and Zoom meeting for visual <https://us02web.zoom.us/j/83364156526?pwd=OG5CbEFhajN5V0hWaUFJMIhYcHQ2Zz09> Passcode: 923237.** Items of the following agenda will be presented to the Board:

A. APPROVAL OF MINUTES

Regular meeting of April 11, 2024

B. DISCUSSION AND POSSIBLE ACTION REGARDING ITEMS FOR INDIVIDUAL CONSIDERATION

- 1. Quarterly Financial Reports**
- 2. January 1, 2024 Actuarial Valuation Assumptions**

C. BRIEFING ITEMS

Public Comment

The term "possible action" in the wording of any Agenda item contained herein serves as notice that the Board may, as permitted by the Texas Government Code, Section 551, in its discretion, dispose of any item by any action in the following non-exclusive list: approval, disapproval, deferral, table, take no action, and receive and file. At the discretion of the Board, items on this agenda may be considered at times other than in the order indicated in this agenda.

At any point during the consideration of the above items, the Board may go into Closed Executive Session as per Texas Government Code, Section 551.071 for consultation with attorneys, Section 551.072 for real estate matters, Section 551.074 for personnel matters, Section 551.076 for deliberation regarding security devices or security audits, and Section 551.078 for review of medical records.

**Dallas Police and Fire Pension System
Thursday, April 11, 2024
8:30 a.m.
4100 Harry Hines Blvd., Suite 100
Second Floor Board Room Dallas, TX**

Supplemental meeting, Nicholas A. Merrick, Chairman, presiding:

ROLL CALL

Board Members

Present at 8:30 a.m. Nicholas Merrick, Tina Hernandez Patterson, Michael Taglienti, Michael Brown, Anthony Scavuzzo, Tom Tull, Marcus Smith, Matthew Shomer, Steve Idoux, Nancy Rocha

Present at 8:35 a.m. Mark Malveaux

Absent None

Staff

Kelly Gottschalk, Josh Mond, Brenda Barnes, Ryan Wagner, Christina Wu, Akshay Patel, Kyle Schmit, John Holt, Nien Nguyen, Milissa Romero, Cynthia J. Thomas

Others

Ron Pastore, David Elliston, James Parnell, Tennell Atkins, Gay Donnell Willis, Maddy Madrazo, Brian Moody, Cara Mendelsohn

By telephone Ken Haben

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The Supplemental meeting was called to order and recessed at 8:30 a.m.

The Supplemental meeting was reconvened at 11:50 a.m.

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A. APPROVAL OF MINUTES

Regular meeting of March 14, 2024

After discussion, Mr. Taglienti made a motion to approve the minutes of the meeting of March 14, 2024. Ms. Rocha seconded the motion, which was unanimously approved by the Board.

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**Supplemental Board Meeting
Thursday, April 11, 2024**

C. BRIEFING ITEMS

Public Comment

Prior to commencing items for Board discussion and deliberation, the Chairman extended an opportunity for public comment. No one requested to speak to the Board.

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Ms. Gottschalk stated that there was no further business to come before the Board. On a motion by Mr. Idoux and a second by Mr. Scavuzzo, the meeting was adjourned at 11:51 a.m.

ATTEST:

Kelly Gottschalk
Secretary

Nicholas A. Merrick,
Chairman



DISCUSSION SHEET

Supplemental

ITEM #B1

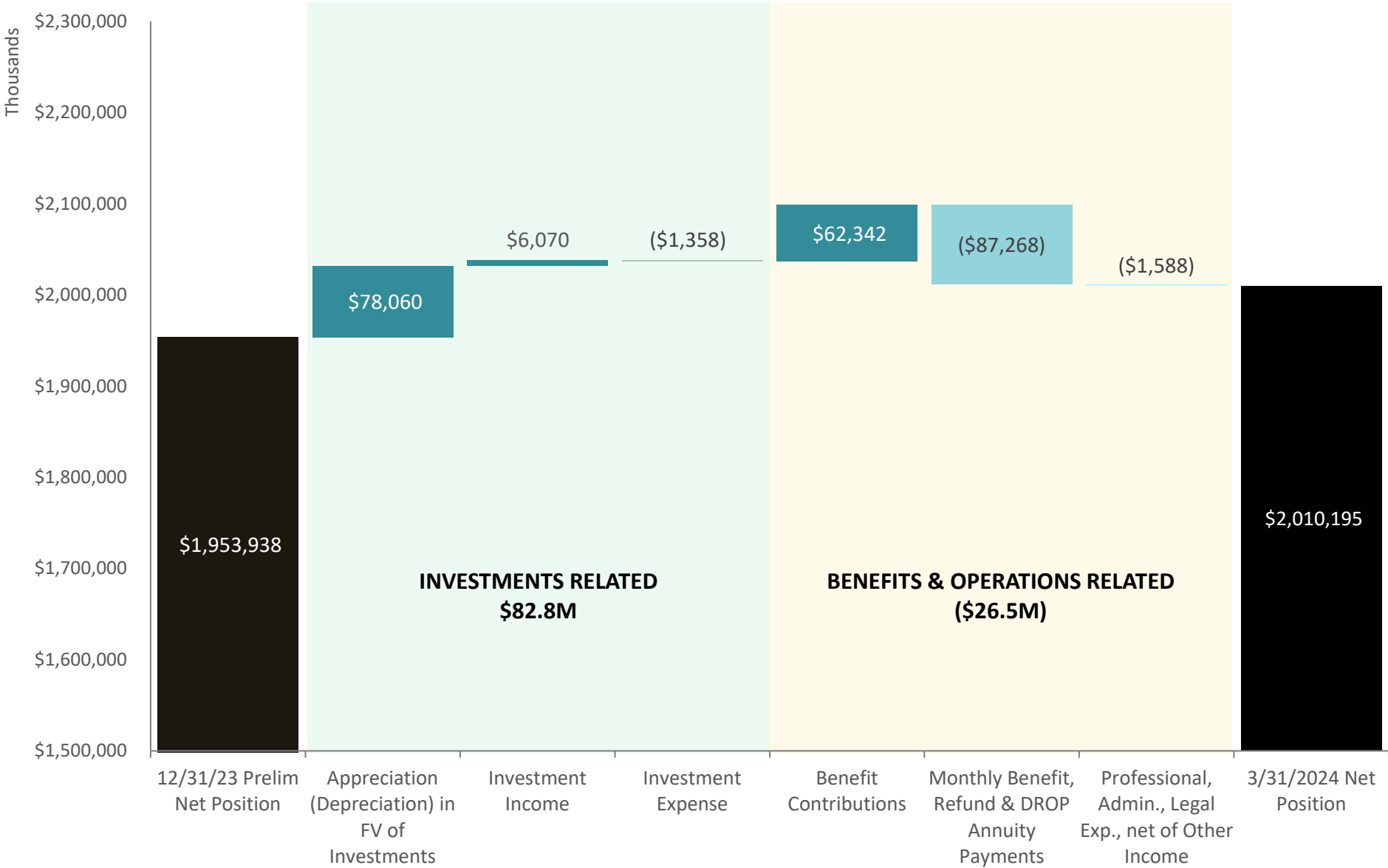
Topic: **Quarterly Financial Reports**

Discussion: The Chief Financial Officer will present the first quarter 2024 financial statements.

Supplemental Board Meeting – Thursday, May 9, 2024

Change in Net Fiduciary Position

PRELIMINARY - December 31, 2023 – March 31, 2024



Components may not sum exactly due to rounding.

DALLAS POLICE & FIRE PENSION SYSTEM
Combined Statements of Fiduciary Net Position

	<u>March 31, 2024</u>	<u>PRELIMINARY December 31, 2023</u>	<u>\$ Change</u>	<u>% Change</u>
Assets				
Investments, at fair value				
Short-term investments	\$ 24,918,770	\$ 16,982,561	\$ 7,936,209	47%
Fixed income securities	370,844,861	365,809,375	5,035,486	1%
Equity securities	1,070,495,992	995,629,628	74,866,364	8%
Real assets	278,937,376	279,500,191	(562,815)	0%
Private equity	215,778,463	217,778,463	(2,000,000)	-1%
Forward currency contracts	(177)	-	(177)	0%
Total investments	<u>1,960,975,285</u>	<u>1,875,700,218</u>	<u>85,275,067</u>	<u>5%</u>
Receivables				
City	2,513,732	5,728,687	(3,214,955)	-56%
Members	923,838	2,083,312	(1,159,474)	-56%
Interest and dividends	4,369,172	4,668,499	(299,327)	-6%
Investment sales proceeds	2,230,108	1,963	2,228,145	113507%
Other receivables	115,288	95,848	19,440	20%
Total receivables	<u>10,152,138</u>	<u>12,578,309</u>	<u>(2,426,171)</u>	<u>-19%</u>
Cash and cash equivalents	42,411,699	62,346,331	(19,934,632)	-32%
Prepaid expenses	968,973	561,465	407,508	73%
Capital assets, net	11,446,438	11,455,745	(9,307)	0%
Total assets	<u>\$ 2,025,954,533</u>	<u>\$ 1,962,642,068</u>	<u>\$ 63,312,465</u>	<u>3%</u>
Liabilities				
Payables				
Securities purchased	11,789,764	4,476,298	7,313,466	163%
Accounts payable and other accrued liabilities	3,969,423	4,228,132	(258,709)	-6%
Total liabilities	<u>15,759,187</u>	<u>8,704,430</u>	<u>7,054,757</u>	<u>81%</u>
Net position restricted for pension benefits	<u>\$ 2,010,195,346</u>	<u>\$ 1,953,937,638</u>	<u>\$ 56,257,708</u>	<u>3%</u>

*The ending period amounts are preliminary and may change as the 2023 results are finalized.

DALLAS POLICE & FIRE PENSION SYSTEM
Combined Statements of Changes in Fiduciary Net Position

	<u>Three Months Ended March 31, 2024</u>	<u>Three Months Ended March 31, 2023</u>	<u>\$ Change</u>	<u>% Change</u>
Contributions				
City	\$ 45,558,137	\$ 42,316,896	\$ 3,241,241	8%
Members	16,784,131	15,421,728	1,362,403	9%
Total Contributions	<u>62,342,268</u>	<u>57,738,624</u>	4,603,644	8%
Investment income				
Net appreciation (depreciation) in fair value of investments	78,060,034	71,255,683	6,804,351	10%
Interest and dividends	6,069,586	5,696,968	372,618	7%
Total gross investment income	84,129,620	76,952,651	7,176,969	9%
less: investment expense	(1,357,980)	(1,515,716)	157,736	10%
Net investment income	<u>82,771,640</u>	<u>75,436,935</u>	7,334,705	10%
Other income	99,091	59,767	39,324	66%
Total additions	<u>145,212,999</u>	<u>133,235,326</u>	11,977,673	9%
Deductions				
Benefits paid to members	86,047,464	84,415,207	1,632,257	2%
Refunds to members	1,220,371	1,318,628	(98,257)	-7%
Legal expense	834	139,457	(138,623)	-99%
Legal expense reimbursement	-	-	-	0%
Legal expense, net of reimbursement	<u>834</u>	<u>139,457</u>	<u>(138,623)</u>	<u>-99%</u>
Staff Salaries and Benefits	979,185	980,093	(908)	0%
Professional and administrative expenses	707,437	697,125	10,312	1%
Total deductions	<u>88,955,291</u>	<u>87,550,510</u>	1,404,781	2%
Net increase (decrease) in net position	<u>56,257,708</u>	<u>45,684,816</u>		
Beginning of period	1,953,937,638 *	1,823,207,743		
End of period	<u>\$ 2,010,195,346</u>	<u>\$ 1,868,892,559</u>		

*The beginning period amounts are preliminary and may change as the 2023 results are finalized.



DISCUSSION SHEET

Supplemental

ITEM #B2

Topic: **January 1, 2024 Actuarial Valuation Assumptions**

Discussion: An Actuarial Valuation is performed to determine whether the assets and contributions are sufficient to provide the prescribed benefits and it is an important part of the annual financial audit. Segal Consulting is preparing the January 1, 2024 Actuarial Valuation for the Regular Plan (Combined Plan) and the Supplemental Plan. Many economic and demographic assumptions are required to prepare the valuation. Pursuant to Article 16, Section 67 (f)(3) of the Texas Constitution, the Board determines the assumptions used in the valuation.

Segal does not recommend changing any assumptions for January 1, 2024 Actuarial Valuation. After this Actuarial Valuation and before next Actuarial Valuation (January 1, 2025) an Experience Study is due which may result in recommendations for modifications to some assumptions.

Staff

Recommendation: **Direct** Segal to use the same assumptions for the January 1, 2024 Actuarial Valuation that were used in January 1, 2023 Actuarial Valuation for the Regular Plan (Combined Plan) and the Supplemental Plan.

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DISCUSSION SHEET
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ITEM C

Topic: **Public Comment**

Discussion: Comments from the public will be received by the Board.

Supplemental Board Meeting – Thursday, May 9, 2024