

## AGENDA



**Date:** February 4, 2022

The regular meeting of the Dallas Police and Fire Pension System Board of Trustees will be held at **8:30 a.m. on Thursday, February 10, 2022, 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/84714118660?pwd=ODBFcGlSaE84Q0JxZS9LSC9FcTRFZz09> Passcode: 137409.** Items of the following agenda will be presented to the Board:

### **A. CONSENT AGENDA**

#### **1. Approval of Minutes**

Regular meeting of January 13, 2022

#### **2. Approval of Service Retirements**

### **B. DISCUSSION AND POSSIBLE ACTION REGARDING ITEMS FOR INDIVIDUAL CONSIDERATION**

#### **Quarterly Financial Statements**

The term "possible action" in the wording of any Agenda item contained herein serves as notice that the Board may, as permitted by 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, and Section 551.078 for review of medical records.

**Dallas Police and Fire Pension System  
Thursday, January 13, 2022  
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 8:31 Nicholas A. Merrick, William F. Quinn, Armando Garza (by telephone), Robert B. French (by telephone), Gilbert A. Garcia (by telephone), Kenneth Haben, Tina Hernandez Patterson, Mark Malveaux

Present at 8:32 Steve Idoux (by telephone)

Absent: Michael Brown

**Staff**

Kelly Gottschalk (by telephone), Josh Mond, Brenda Barnes, Ryan Wagner, John Holt, Greg Irlbeck (by telephone), Akshay Patel, Michael Yan, Milissa Romero

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The meeting was called to order and recessed at 8:31 a.m.

The meeting was reconvened at 10:58 a.m.

Mr. French was not present when the meeting was reconvened.

\* \* \* \* \*

**CONSENT AGENDA**

**Approval of Minutes**

Regular meeting of December 9, 2021

After discussion, Mr. Haben made a motion to approve the minutes of the meeting of December 9, 2021. Mr. Malveaux seconded the motion, which was unanimously approved by the Board.

**Supplemental Board Meeting  
Thursday, January 13, 2022**

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Ms. Gottschalk stated that there was no further business to come before the Board. On a motion by Mr. Quinn and a second by Mr. Haben, the meeting was adjourned at 10:59 a.m.

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Nicholas A. Merrick  
Chairman

**ATTEST:**

\_\_\_\_\_  
Kelly Gottschalk  
Secretary

DRAFT



# **DISCUSSION SHEET**

## **Supplemental**

### **ITEM B**

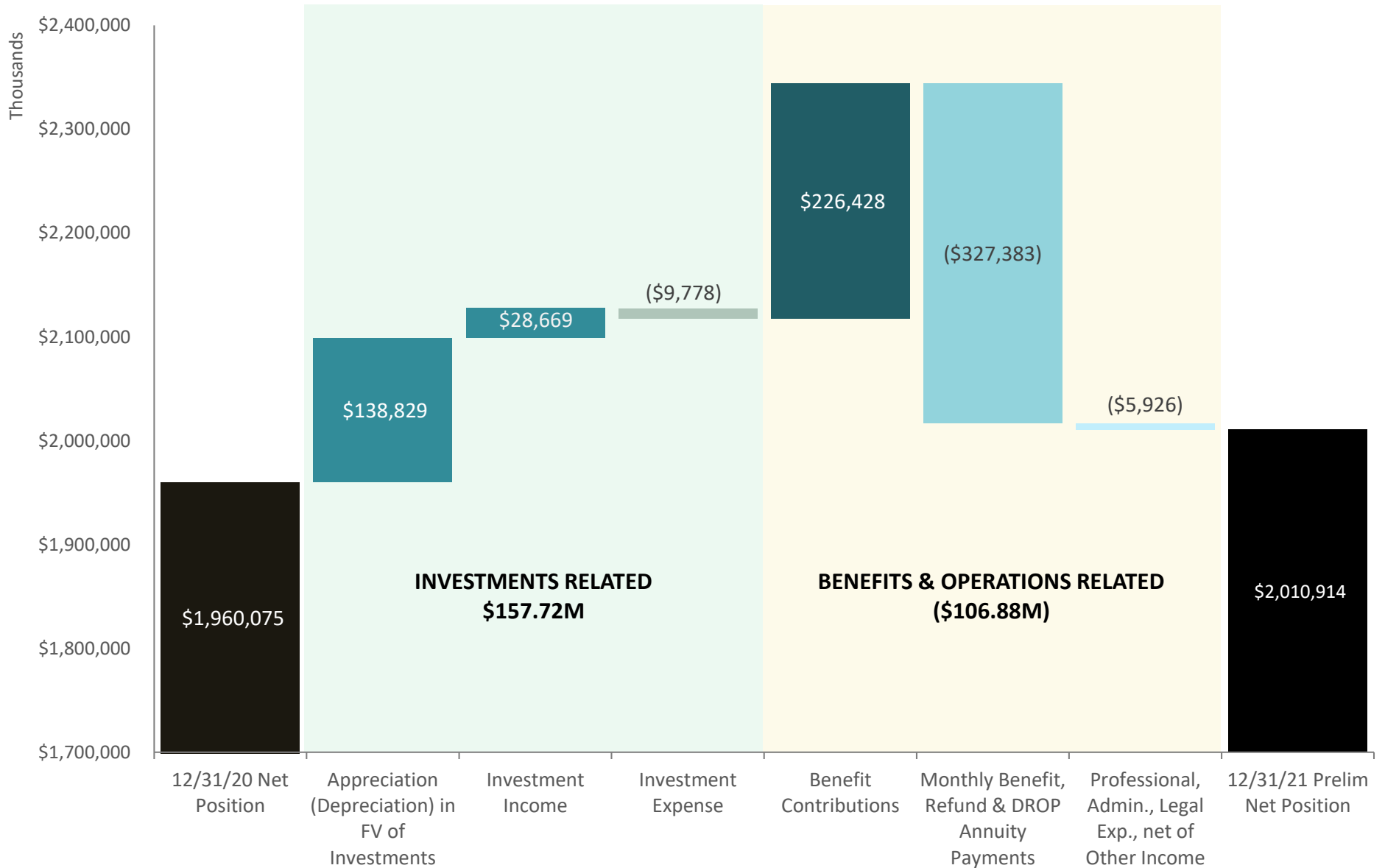
**Topic:** **Quarterly Financial Statements**

**Discussion:** The Chief Financial Officer will present the fourth quarter 2021 financial statements.

*Supplemental Board Meeting – Thursday, February 10, 2022*

## Change in Net Fiduciary Position

**PRELIMINARY** - December 31, 2020 – December 31, 2021



Components may not sum exactly due to rounding.

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

	<b>PRELIMINARY</b>			
	<b>December 31, 2021</b>	<b>December 31, 2020</b>		
	(unaudited)		<b>\$ Change</b>	<b>% Change</b>
<b>Assets</b>				
<b>Investments, at fair value (NOTE)</b>				
Short-term investments	\$ 12,939,975	\$ 20,430,187	\$ (7,490,212)	-37%
Fixed income securities	420,600,845	473,421,597	(52,820,752)	-11%
Equity securities	968,323,984	700,767,440	267,556,544	38%
Real assets	397,883,676	525,332,602	(127,448,926)	-24%
Private equity	133,604,797	137,309,870	(3,705,073)	-3%
Forward currency contracts	(45)	(296,918)	296,873	-100%
<b>Total investments (NOTE)</b>	<b>1,933,353,232</b>	<b>1,856,964,778</b>	<b>76,388,454</b>	<b>4%</b>
<b>Receivables</b>				
City	4,558,572	4,032,755	525,817	13%
Members	1,613,390	1,445,883	167,507	12%
Interest and dividends	3,444,616	3,782,403	(337,787)	-9%
Investment sales proceeds	223,273	9,296,619	(9,073,346)	-98%
Other receivables	124,478	675,642	(551,164)	-82%
<b>Total receivables</b>	<b>9,964,329</b>	<b>19,233,302</b>	<b>(9,268,973)</b>	<b>-48%</b>
Cash and cash equivalents	60,032,434	88,491,051	(28,458,617)	-32%
Prepaid expenses	411,295	544,957	(133,662)	-25%
Capital assets, net	11,846,879	12,087,827	(240,948)	-2%
<b>Total assets</b>	<b>\$ 2,015,608,169</b>	<b>\$ 1,977,321,915</b>	<b>\$ 38,286,254</b>	<b>2%</b>
<b>Liabilities</b>				
<b>Payables</b>				
Securities purchased	358,266	11,783,719	(11,425,453)	-97%
Accounts payable and other accrued liabilities	4,336,216	5,463,419	(1,127,203)	-21%
<b>Total liabilities</b>	<b>4,694,482</b>	<b>17,247,138</b>	<b>(12,552,656)</b>	<b>-73%</b>
<b>Net position</b>				
Net investment in capital assets	11,846,879	12,087,827	(240,948)	-2%
Unrestricted	1,999,066,808	1,947,986,950	51,079,858	3%
<b>Net position held in trust - restricted for pension benefits</b>	<b>\$ 2,010,913,687</b>	<b>\$ 1,960,074,777</b>	<b>\$ 50,838,910</b>	<b>3%</b>

**(NOTE)** Private asset values have not yet been reported for Q4 21. Values will be updated as final reporting is received.

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

**PRELIMINARY**

	Twelve Months Ended 12/31/2021	Twelve Months Ended 12/31/2020	\$ Change	% Change
<b>Contributions</b>				
City	\$ 167,639,854	\$ 163,727,494	\$ 3,912,360	2%
Members	58,787,873	57,550,636	1,237,237	2%
<b>Total Contributions</b>	<u>226,427,727</u>	<u>221,278,130</u>	5,149,597	2%
<b>Investment income</b>				
Net appreciation (depreciation) in fair value of investments <b>(NOTE)</b>	138,829,138	(30,758,052)	169,587,190	551%
Interest and dividends	28,668,875	29,811,204	(1,142,329)	-4%
Total gross investment income	167,498,013	(946,848)	168,444,861	17790%
less: investment expense	(9,777,954)	(8,484,854)	(1,293,100)	-15%
<b>Net investment income</b>	<u>157,720,059</u>	<u>(9,431,702)</u>	167,151,761	1772%
<b>Securities lending income</b>				
Securities lending income	-	89,355	(89,355)	-100%
Securities lending expense	-	(54,330)	54,330	-100%
<b>Net securities lending income</b>	<u>-</u>	<u>35,025</u>	(35,025)	-100%
Other income	338,620	346,615	(7,995)	-2%
<b>Total additions</b>	<u>384,486,406</u>	<u>212,228,068</u>	172,258,338	81%
<b>Deductions</b>				
Benefits paid to members	324,097,893	318,452,498	5,645,395	2%
Refunds to members	3,285,148	2,275,841	1,009,307	44%
Legal expense	332,641	763,621	(430,980)	-56%
Legal expense reimbursement	-	(469,248)	469,248	-100%
Legal expense, net of reimbursement	<u>332,641</u>	<u>294,373</u>	38,268	13%
Staff Salaries and Benefits	3,333,272	3,675,346	(342,074)	-9%
Professional and administrative expenses	2,598,542	2,619,983	(21,441)	-1%
<b>Total deductions</b>	<u>333,647,496</u>	<u>327,318,041</u>	6,329,455	2%
<b>Net increase (decrease) in net position</b>	<u>50,838,910</u>	<u>(115,089,973)</u>		
Beginning of period	1,960,074,777	2,075,164,750		
End of period	<u>\$ 2,010,913,687</u>	<u>\$ 1,960,074,777</u>		

**(NOTE)** Private asset values have not yet been reported for Q4 21. Values will be updated as final reporting is received.