

## Potential Trustee Information



D A L L A S  
**POLICE & FIRE**  
PENSION SYSTEM



### MEMO

**Date:** February 13, 2017

**To:** Potential Candidates for Position of Trustee  
Member and Pensioner

**Subject:** Trusteeship of the Dallas Police and Fire Pension System

The following fact sheet was prepared to provide background information on the role of a Trustee to any member deciding whether or not to run for the Board of Trustees. It is general in nature, but summarizes the primary requirements of the position.

#### I.

#### *TIME REQUIREMENTS*

##### **A. Meetings**

The Board meets on the second Thursday of each month, for up to a full day. Several days prior to the meeting, each Trustee is given a packet of materials that should be reviewed before the meeting. The Board may also hold a 3-day strategic planning workshop annually.

Each Trustee may serve on an advisory committee (Audit, Investment Advisory, Professional Services). Each committee meets periodically as necessary. The length of a committee meeting and the time spent in preparation will depend on the issues to be addressed. Usually, committee meetings last about two or three hours.

##### **B. Education and Training**

The Board receives professional investment advice from external consultants, but the Trustees are ultimately responsible for the investment of DFPF's portfolio of assets. A significant amount of study is essential to the effective performance of that responsibility. Trustees may find it appropriate to attend investment and/or educational conferences each year. Self-directed study is also essential.

## **II.** ***LEGAL ISSUES***

### **A. Responsibility for Trust Fund**

Texas law places the highest possible level of responsibility on fiduciaries such as public pension trustees. They are to invest the assets of the trust “with the care, skill, prudence, and diligence under the prevailing circumstances that a prudent person acting in a like capacity and familiar with matters of the type would use in the conduct of an enterprise with like character and aims.” This standard, commonly called the “prudent expert rule,” is found in Section 802.203 of the Texas Government Code. You must become informed and stay informed of investment strategies, pension policies and administrative procedures.

The duty of a Trustee is to administer the program “for the *exclusive* purposes of providing benefits to participants and their beneficiaries and defraying reasonable expenses of administering the system or program.” This requirement from Article 16, Section 67 of the Texas Constitution gives DPFP’s Plan participants and beneficiaries the right to rely on Trustees putting their interests ahead of their own or any other person or entity that may have dealings with the DPFP.

### **B. Responsibility of Administration**

The Board is responsible for appointing the Executive Director who is responsible for day-to-day operations. This means that the participants will hold you, as a Trustee, responsible for acts and omissions of the staff. The Board will sit in judgment of the staff in the event of grievance or disciplinary appeals.

## **III.** ***UNPRECEDENTED TIME***

This is an unprecedented time for DPFP. It is difficult, if not impossible, to fully anticipate the time demands of the Board members in the next year.

## **IV.** ***COMPENSATION***

Trustees receive no compensation from the Pension System.