AGENDA

DALLAS POLICE & FIRE PENSION SYSTEM

Date: August 7, 2026

The supplemental meeting of the Dallas Police and Fire Pension System Board of Trustees will be held at **8:30 a.m. on Thursday, August 13, 2026, in the Second Floor Board Room at 4100 Harry Hines Boulevard, Dallas, Texas and via online Zoom meeting for audio and visual https://us02web.zoom.us/j/87016110261?pwd=X5Bl7ZPfbAJ9e7dkj6bbwtsdEXgskX.1 (Meeting ID: 870 1611 0261, Passcode: 455566), or participants may join the meeting audio via telephone by calling 1-719-359-4580.** Items of the following agenda will be presented to the Board:

A. APPROVAL OF MINUTES

Regular meeting of July 9, 2026

B. DISCUSSION AND POSSIBLE ACTION REGARDING ITEMS FOR INDIVIDUAL CONSIDERATION

1. **2026 Mid-Year Budget Review**

2. **Quarterly Financial Reports**

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 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, July 9, 2026
8:30 a.m.
4100 Harry Hines Blvd., Suite 100
Second Floor Board Room Dallas, TX

Supplemental meeting, Michael Taglienti, Chairman, presiding:

ROLL CALL

Board Members

Present at 8:33 a.m.	Michael Taglienti, Tom Tull, Tina Hernandez Patterson, Matthew Shomer, Joe Colonnetta, Anthony Scavuzzo, David Kelly, Scott Letier
Virtual at 8:33 a.m.	Yvette Duenas, Rob Walters
Absent	Steve Idoux
Staff	Kelly Gottschalk, Josh Mond, Brenda Barnes, Ryan Wagner, Divyesh Shah, Luis Solorzano Trejo, John Holt, Nien Nguyen, Milissa Romero
Virtual	Jami Allen, Lydia LoSasso, Bill Scoggins, Trish Wiley, Sasha Sigman, Cynthia Thomas
Others	None
Virtual	Leandro Festino, Colin Kowalski, Kevin Balaod, Zack Cziryak, David Elliston, Ryan Falls, Matt Larabee, Trevor Lowman, Tom Moore, Scott Olguin, Nate Weinstein

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The meeting was called to order and recessed at 8:33 a.m.

The meeting was reconvened at 10:02 a.m.

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A. APPROVAL OF MINUTES

Regular meeting of June 11, 2026

After discussion, Mr. Shomer made a motion to approve the minutes of the meeting of June 11, 2026. Mr. Scavuzzo seconded the motion, which was unanimously approved by the Board.

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Supplemental Board Meeting
Thursday, July 9, 2026

B. 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. Letier and a second by Mr. Scavuzzo, the meeting was adjourned at 10:03 a.m.

____
Michael Taglienti,
Chairman

ATTEST:

____
Kelly Gottschalk,
Secretary

DALLAS POLICE & FIRE PENSION SYSTEM

DISCUSSION SHEET

Supplemental
ITEM #B1

Topic: **2026 Mid-Year Budget Review**

Discussion: Attached is a review of the 2026 Operating Expense Budget detailing expenses for the first six months of the calendar year.

Expense items with significant variances to the prorated budget as of June 30, 2026 are discussed in the attached review.

Supplemental Board Meeting – Thursday, August 13, 2026

DALLAS POLICE AND FIRE PENSION SYSTEM

2026 Mid-Year Budget Review

Board Presentation | August 13, 2026

Six months ended June 30, 2026

EXECUTIVE SUMMARY

Six-Month Results at a Glance

$20.8M	$7.69M	$8.43M	-$0.74M
2026 Annual Budget	H1 2026 Actual	H1 2026 Budget	Variance to Budget
Straight-lined Jan–Dec	*Admin + Professional + Investment (direct)*	*Same three categories*	*-8.7% under budget*

Headline Items

- **Building Expenses** ran 82.1% over budget ($335K) due to a one-time third-floor lease termination; the recurring run-rate is on plan.
- **Legal fees** were 94.1% under budget. Additionally, a $285K one-time insurance reimbursement for covered litigation was received.
- **Employee expenses** came in 2.0% under budget for the first half of the 2026.

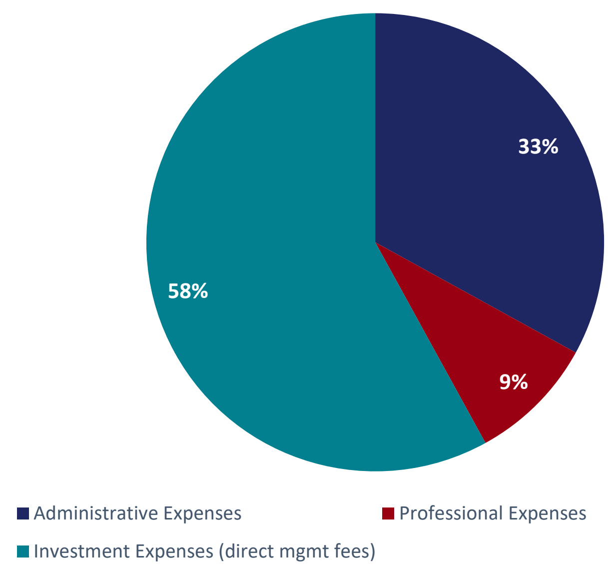
Scope note: figures above reflect Administrative, Professional, and direct Investment expenses per the Summary Budget. The $20.8M annual total also includes indirect investment management fees, which are netted against investment returns and not shown in this expense detail. Capital budget is not included.

BUDGET FRAMEWORK

How the Budget Is Structured

- The System's budget year runs January through December.
- The Budget Adoption Policy requires a mid-year review each August.
- The 2026 annual budget of $20.8M is straight-lined evenly across the year.
- Expenses are tracked in three categories: Administrative, Professional, and Investment.

2026 Budget Mix — All Fund Mgmt. Fees (Annual)



$ SUMMARY BUDGET

Summary Budget — Actual, Budget, and Full-Year Outlook

Expense Type	H1 Actual	H1 Budget	H1 Var $	H1 Var %
Administrative Expenses	3,457,321	3,442,798	14,523	0.4%
Professional Expenses	431,899	962,363	(530,464)	(55.1%)
Investment Expenses**	3,804,034	4,024,659	(220,625)	(5.5%)
Total	**7,693,253**	**8,429,819**	**(736,566)**	**(8.7%)**

***Excludes Indirect Investment Management Fees. Category totals may differ by $1 from the sum of underlying accounts due to rounding.*

Reading the table

Teal figures are under budget. **Cherry** figures are over budget.

$ ADMINISTRATIVE EXPENSES

Administrative Expenses

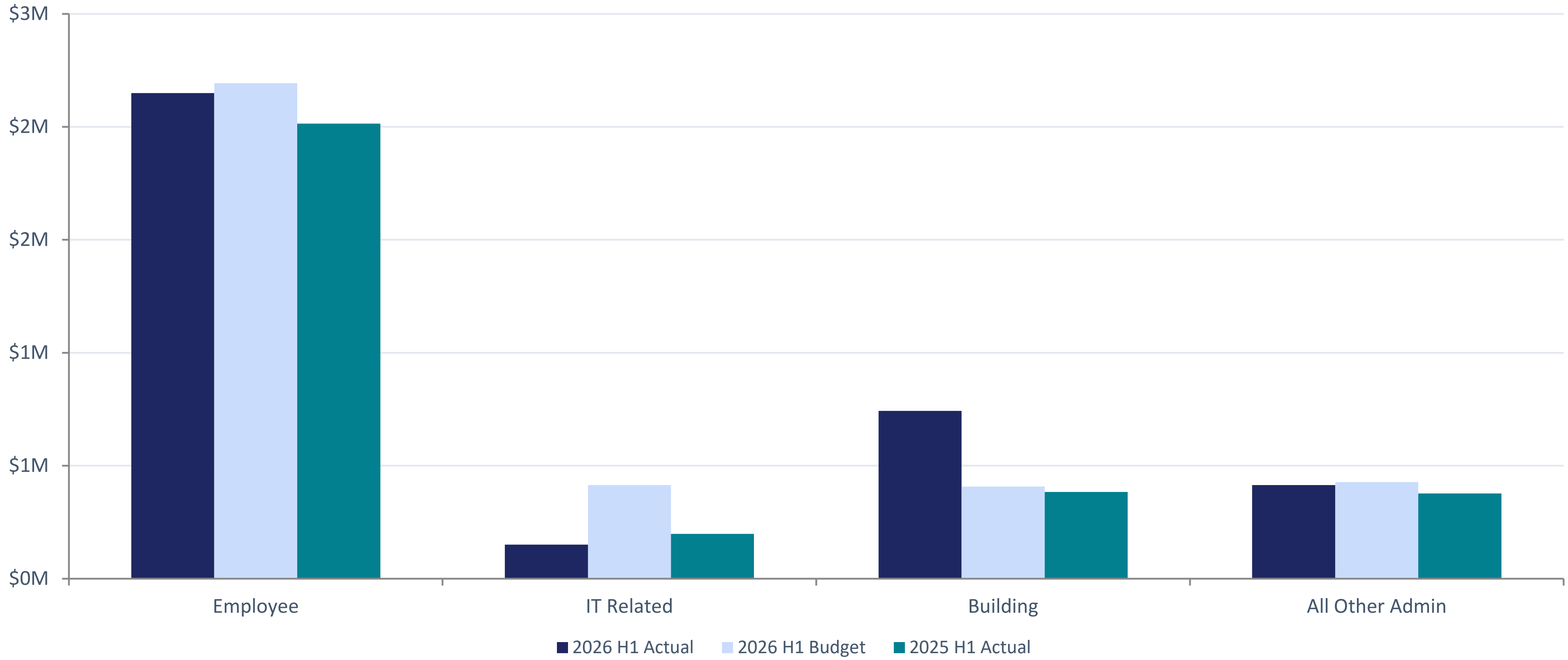
Expense Type	H1 Actual	H1 Budget	2025 H1 Actual	Var $ H1 Actual v. H1 Budget	Var % H1 Actual v. H1 Budget
Employee Expenses	2,149,508	2,192,958	2,014,582	(43,450)	(2.0%)
IT Related Expenses	150,620	414,351	198,068	(263,731)	(63.6%)
Building Expenses, incl. depr.	743,192	408,022	384,068	335,170	82.1%
All Other Admin	414,002	427,468	377,632	(13,466)	(3.2%)
Total	**3,457,321**	**3,442,798**	**2,974,350**	**14,523**	**0.4%**

Notes

- **IT Related Expenses —** under budget on timing of the Pension Administration Project and other IT initiatives; more spend is expected in H2.
- **Building Expenses —** over budget due to a one-time third-floor lease termination and related costs. Excluding that one-time item, recurring building costs are tracking near plan.

ADMINISTRATIVE EXPENSES

Administrative Expense Comparison



$ PROFESSIONAL EXPENSES

Professional Expenses

Expense Type	H1 Actual	H1 Budget	2025 H1 Actual	Var $ H1 Actual v. H1 Budget	Var % H1 Actual v. H1 Budget
Legal Expenses	18,559	315,000	236,562	(296,441)	(94.1%)
Legal Fee Reimbursement	(285,276)	-	-	(285,276)	n/m
IT Related Expenses	329,833	338,500	282,921	(8,667)	(2.6%)
Acctg / Actuarial / Audit Exp.	263,459	178,475	207,124	84,984	47.6%
All Other Professional Exp.	105,324	130,388	124,577	(25,063)	(19.2%)
Total	**431,899**	**962,363**	**851,183**	**(530,464)**	**(55.1%)**

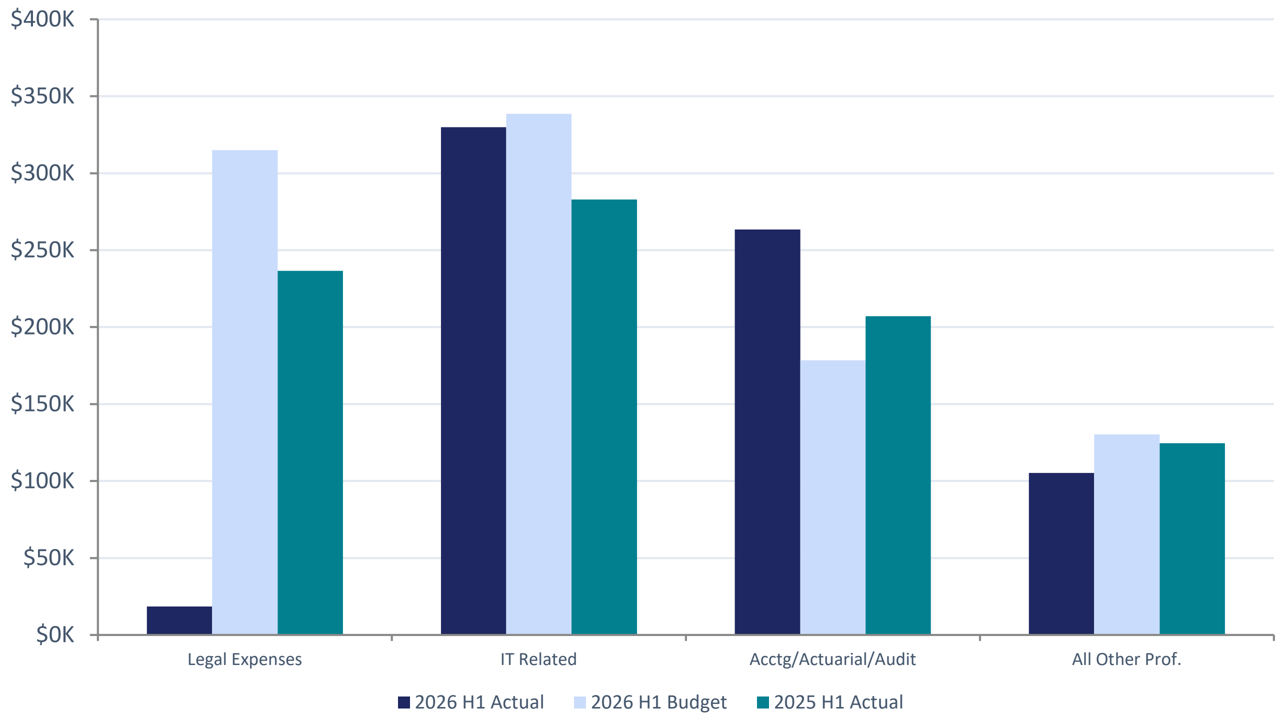
Notes

- **Legal Expenses —** reflects the level of litigation activity in the first six months; this category can vary significantly year to year. Excludes investment related legal expenses.
- **Legal Fee Reimbursement —** a one-time insurance recovery for covered litigation costs in prior years; not budgeted for and not expected to recur at this level.
- **Accounting / Actuarial / Audit —** $85K over budget on timing of work performed; expected to be within or below budget by year-end.

PROFESSIONAL EXPENSES

Professional Expense Comparison

Legal Fee Reimbursement is a one-time credit with no corresponding budget line — shown separately from expense categories below.



Legal Fee Reimbursement

$(285,276)

One-time insurance recovery; no budget line existed

$ INVESTMENT EXPENSES

Investment Expenses

Expense Type	H1 Actual	H1 Budget	2025 H1 Actual	Var $ H1 Actual v. H1 Budget	Var % H1 Actual v. H1 Budget
Investment Due Diligence	29,364	38,000	31,141	(8,636)	(22.7%)
Custodian Fees	80,023	107,500	113,500	(27,478)	(25.6%)
Investment Portfolio Operating Exp.	439,588	534,000	727,562	(94,412)	(17.7%)
Investment Consultant & Reporting	342,944	349,584	311,250	(6,639)	(1.9%)
Fund Management Fees (direct only)	2,912,114	2,995,575	2,159,986	(83,461)	(2.8%)
Total Investment Expenses	**3,804,034**	**4,024,659**	**3,343,440**	**(220,625)**	**(5.5%)**

Notes

- **Portfolio Operating Expenses —** variance relates to timing of legal, appraisal, audit, and other investment-related costs across the portfolio.

- **Fund Management Fees —** below budget due to negotiated fee reductions and the timing of certain fee payments.

Excludes Indirect Investment Management Fees.

$ ACCOUNT DETAIL

Notable Account-Level Variances

Sorted by absolute dollar variance. Line items varying by less than $15K are omitted as immaterial (24 accounts, full detail available on request).

Account	H1 Actual	H1 Budget	Var $	Var %
Legal Fees	18,559	315,000	(296,441)	(94.1%)
Building Expenses, incl. depr.	743,192	408,022	335,170	82.1%
Legal Fee Reimbursement	(285,276)	-	(285,276)	n/m
Information Technology Projects	36,863	259,500	(222,637)	(85.8%)
Investment Portfolio Operating Exp.	439,588	534,000	(94,412)	(17.7%)
Fund Management Fees (direct only)	2,912,114	2,995,575	(83,461)	(2.8%)
Independent Audit	141,750	72,500	69,250	95.5%
Salaries and Benefits	2,098,531	2,142,800	(44,269)	(2.1%)
IT Subscriptions / Services / Licenses	71,476	107,455	(35,979)	(33.5%)
Pension Administration Software & WMS	143,053	172,000	(28,947)	(16.8%)
Custodian Fees	80,023	107,500	(27,478)	(25.6%)
Public Relations Expense	-	25,000	(25,000)	(100.0%)

IT-related accounts note: “IT Related Expenses” appears under both Administrative and Professional categories (day-to-day IT operating costs in each function); “Information Technology Projects” above is a separate, project-specific capital/initiative budget. The three do not overlap.

BUDGET RECONCILIATION

Total Budget Reconciliation

	H1 Actual	H1 Budget	2025 H1 Actual	Var $	Var %
Gross Total (all categories)	**7,693,253**	**8,429,819**	**7,168,973**	**(736,566)**	**(8.7%)**
Less: Allocation to Supplemental Plan Budget*	76,202	97,115	75,284	(20,913)	(21.5%)
Total Regular Plan Budget	**7,617,052**	**8,332,704**	**7,093,689**	**(715,652)**	**(8.6%)**

***What is the Supplemental Plan allocation?** The System administers both the Regular (Combined) Pension Plan and a smaller Supplemental Plan. A portion of shared administrative, professional, and investment costs is allocated to the Supplemental Plan based on unitization (its relative share of System assets), so it carries its proportionate share of operating costs rather than the Regular Plan bearing 100%.

Takeaway

The Regular Plan's share of the H1 budget came in $715,652 (8.6%) under budget, consistent with the System-wide variance driven primarily by lower legal expense (net of reimbursement) and investment fee savings, partly offset by the one-time building lease termination.

Key Takeaways

- System-wide spending is running 8.7% under the H1 budget, or $736,566.
- The variance is driven by one-time items in both directions: a lease termination (over) and a legal fee reimbursement (under).
- Excluding one-time items, recurring spend is tracking close to plan across all three categories.

Any questions?

DALLAS POLICE & FIRE PENSION SYSTEM

DISCUSSION SHEET

Supplemental

ITEM #B2

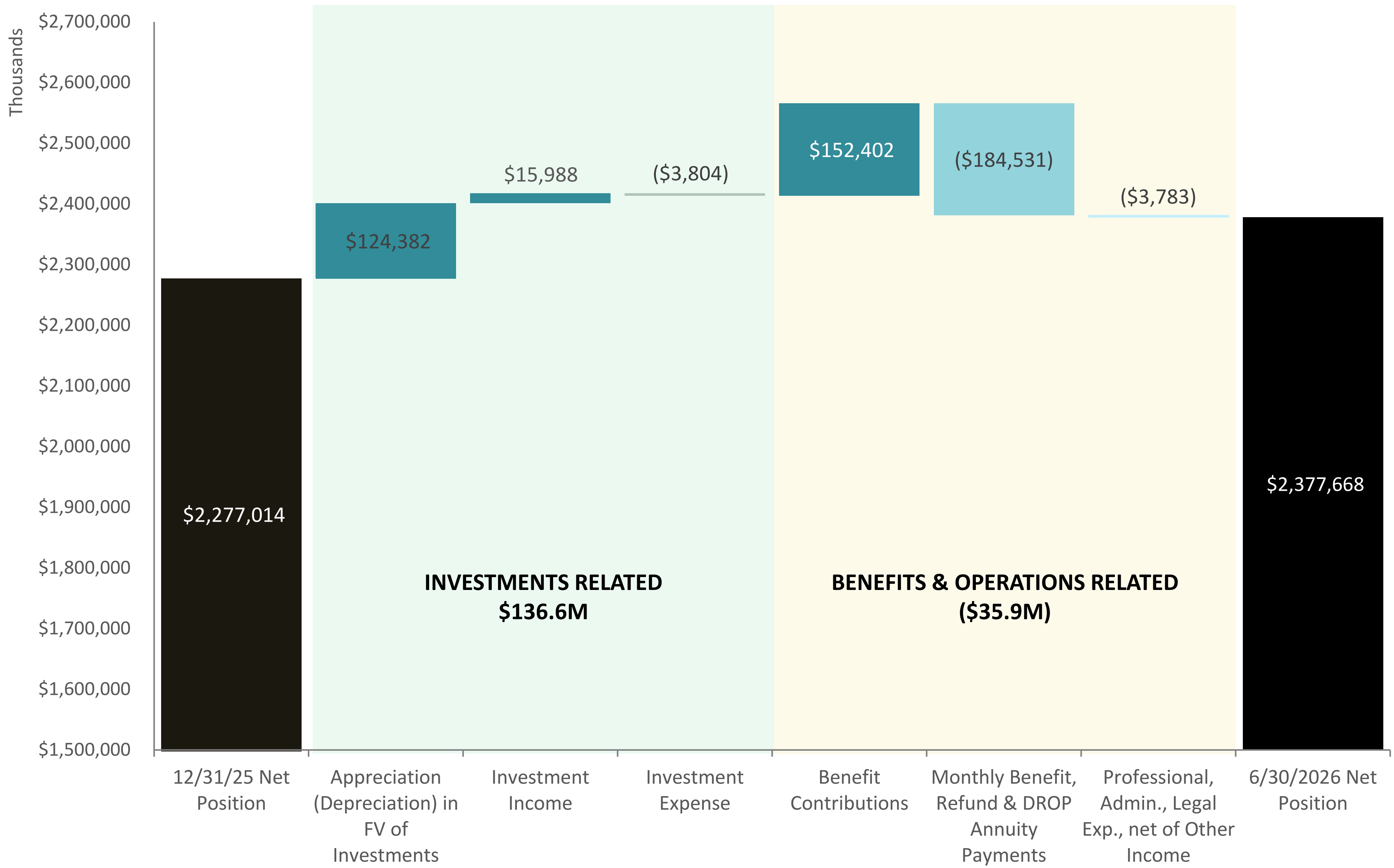
Topic: **Quarterly Financial Reports**

Discussion: The Chief Financial Officer will present the second quarter 2026 financial statements.

Supplemental Board Meeting – Thursday, August 13, 2026

Change in Net Fiduciary Position

December 31, 2025 – June 30, 2026



Components may not sum exactly due to rounding.

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

	June 30, 2026	December 31, 2025	$ Change	% Change
Assets				
Investments, at fair value				
Short-term investments	$ 17,285,925	$ 17,560,934	$ (275,009)	(2%)
Fixed income securities	333,924,256	284,768,892	49,155,364	17%
Equity securities	1,322,950,091	1,233,728,877	89,221,214	7%
Real assets	188,628,591	202,557,259	(13,928,668)	(7%)
Private equity	63,679,867	191,130,861	(127,450,994)	(67%)
Private credit	9,340,040	-	9,340,040	100%
Public credit	315,797,145	227,502,357	88,294,788	39%
Forward currency contracts	(87)	-	(87)	(100%)
Total investments	2,251,605,827	2,157,249,180	94,356,647	4%
Receivables				
City	8,696,822	12,587,730	(3,890,908)	(31%)
Members	3,103,870	3,154,591	(50,721)	(2%)
Interest and dividends	6,165,990	5,772,629	393,361	7%
Investment sales proceeds	2,959,767	3,532,229	(572,462)	(16%)
Lease Receivable	425,776	2,460,749	(2,034,973)	(83%)
Other receivables	10,152	19,553	(9,401)	(48%)
Total receivables	21,362,377	27,527,481	(6,165,104)	(22%)
Cash and cash equivalents	101,491,958	93,564,406	7,927,552	8%
Prepaid expenses	857,950	570,263	287,687	50%
Capital assets, net	11,206,651	11,341,777	(135,126)	(1%)
Total assets	$ 2,386,524,762	$ 2,290,253,107	$ 96,271,655	4%
Liabilities				
Payables				
Securities purchased	3,604,440	5,449,156	(1,844,716)	(34%)
Accounts payable and other accrued liabilities	4,890,582	5,689,381	(798,799)	(14%)
Total liabilities	8,495,022	11,138,537	(2,643,515)	(24%)
Deferred inflow of resources	361,308	2,100,783	(1,739,475)	(83%)
Net position restricted for pension benefits	$ 2,377,668,432	$ 2,277,013,787	$ 100,654,645	4%

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

	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025	$ Change	% Change
Contributions				
City	$ 112,348,459	$ 102,285,631	$ 10,062,828	10%
Members	40,053,872	37,318,877	2,734,995	7%
Total Contributions	152,402,332	139,604,508	12,797,823	9%
Investment income				
Net appreciation (depreciation) in fair value of investments	124,381,577	127,757,283	(3,375,705)	(3%)
Interest and dividends	15,987,923	14,884,539	1,103,384	7%
Total gross investment income	140,369,501	142,641,822	(2,272,322)	(2%)
less: investment expense	(3,804,034)	(3,354,801)	(449,233)	(13%)
Net investment income	136,565,467	139,287,022	(2,721,555)	(2%)
Other income	106,696	265,247	(158,551)	(60%)
Total additions	289,074,495	279,156,777	9,917,718	4%
Deductions				
Benefits paid to members	181,275,554	173,934,224	7,341,331	4%
Refunds to members	3,255,076	2,108,695	1,146,381	54%
Legal expense	18,559	228,286	(209,727)	(92%)
Legal expense reimbursement	(285,276)	-	(285,276)	(100%)
Legal expense, net of reimbursement	(266,717)	228,286	(495,003)	(217%)
Staff Salaries and Benefits	2,098,531	1,982,455	116,076	6%
Professional and administrative expenses	2,057,406	1,606,517	450,889	28%
Total deductions	188,419,850	179,860,177	8,559,674	5%
Net increase (decrease) in net position	100,654,645	99,296,600		
Beginning of period	2,277,013,787	2,034,276,938		
End of period	$ 2,377,668,432	$ 2,133,573,538		

DALLAS POLICE & FIRE PENSION SYSTEM

DISCUSSION SHEET
Supplemental
ITEM C

Topic: **Public Comment**

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

Supplemental Board Meeting – Thursday, August 13, 2026