

AGENDA



Date: February 5, 2021

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 11, 2021, 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/81503722209?pwd=am9oem5wM0Mzclg3ZzNwelFTdHI3dz09> **Passcode: 758128.** Items of the following agenda will be presented to the Board:**

A. CONSENT AGENDA

1. Approval of Minutes

Regular meeting of January 14, 2021

2. Approval of Survivor Benefits

3. 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 14, 2021
8:30 a.m.
Via telephone conference**

Supplemental meeting, William F. Quinn, Chairman, presiding:

ROLL CALL

Board Members

Present at 8:31 a.m.: William F. Quinn, Nicholas A. Merrick, Armando Garza, Michael Brown, Robert B. French, Gilbert A. Garcia, Kenneth Haben, Tina Hernandez Patterson, Steve Idoux, Mark Malveaux, Allen R. Vaught

Absent: None

Staff

Kelly Gottschalk, Josh Mond, Kent Custer, Brenda Barnes, John Holt, Damion Hervey, Cynthia Thomas, Ryan Wagner, Greg Irlbeck, Michael Yan, Milissa Romero

Others

None

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

The meeting was recessed at 8:31 a.m. and reconvened at 11:34 a.m.

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CONSENT AGENDA

Approval of Minutes

Regular meeting of December 10, 2020

After discussion, Mr. Garza made a motion to approve the minutes of the meeting of December 10, 2020. Ms. Hernandez Patterson seconded the motion, which was unanimously approved by the Board.

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**Supplemental Board Meeting
Thursday, January 14, 2021**

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. Brown, the meeting was adjourned at 11:35 a.m.

William F. Quinn
Chairman

ATTEST:

Kelly Gottschalk
Secretary

DRAFT



DISCUSSION SHEET

Supplemental

ITEM B

Topic: **Quarterly Financial Reports**

Discussion: The Chief Financial Officer will present the fourth quarter 2020 financial statements.

Supplemental Board Meeting – Thursday, February 11, 2021

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

	PRELIMINARY			
	December 31, 2020	December 31, 2019		
	(unaudited)		\$ Change	% Change
Assets				
Investments, at fair value (NOTE)				
Short-term investments	\$ 20,430,187	\$ 25,311,029	\$ (4,880,842)	-19%
Fixed income securities	472,487,992	555,384,168	(82,896,176)	-15%
Equity securities	701,317,440	555,230,590	146,086,850	26%
Real assets	518,797,567	567,186,915	(48,389,348)	-9%
Private equity	197,022,780	267,586,704	(70,563,924)	-26%
Forward currency contracts	(296,918)	652,498	(949,416)	-146%
Total investments (NOTE)	1,909,759,048	1,971,351,904	(61,592,856)	-3%
Invested securities lending collateral	-	13,025,117	(13,025,117)	-100%
Receivables				
City	4,032,755	3,035,500	997,255	33%
Members	1,445,883	1,055,869	390,014	37%
Interest and dividends	3,782,458	4,459,663	(677,205)	-15%
Investment sales proceeds	9,296,619	52,570,414	(43,273,795)	-82%
Other receivables	140,320	186,104	(45,784)	-25%
Total receivables	18,698,035	61,307,550	(42,609,515)	-70%
Cash and cash equivalents	88,491,051	89,461,720	(970,669)	-1%
Prepaid expenses	544,957	402,596	142,361	35%
Capital assets, net	12,087,827	12,328,774	(240,947)	-2%
Total assets	\$ 2,029,580,918	\$ 2,147,877,661	\$ (118,296,743)	-6%
Liabilities				
Payables				
Securities lending obligations	-	13,025,117	(13,025,117)	-100%
Securities purchased	11,783,719	54,957,185	(43,173,466)	-79%
Accounts payable and other accrued liabilities	4,858,914	4,730,610	128,304	3%
Total liabilities	16,642,633	72,712,912	(56,070,279)	-77%
Net position				
Net investment in capital assets	12,087,827	12,328,774	(240,947)	-2%
Unrestricted	2,000,850,458	2,062,835,976	(61,985,518)	-3%
Net position held in trust - restricted for pension benefits	\$ 2,012,938,285	\$ 2,075,164,750	\$ (62,226,465)	-3%

(NOTE) Private asset values have not yet been reported for Q4 20. Values will be updated as final reporting is received.

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

PRELIMINARY

	12 Months Ended 12/31/2020	12 Months Ended 12/31/2019	\$ Change	% Change
Contributions				
City	\$ 163,727,494	\$ 157,251,349	\$ 6,476,145	4%
Members	57,550,636	52,378,953	5,171,683	10%
Total Contributions	<u>221,278,130</u>	<u>209,630,302</u>	11,647,828	6%
Investment income				
Net appreciation (depreciation) in fair value of investments (NOTE)	22,036,218	94,127,837	(72,091,619)	-77%
Interest and dividends	29,811,259	37,976,218	(8,164,959)	-22%
Total gross investment income	51,847,477	132,104,055	(80,256,578)	-61%
less: investment expense	(8,331,681)	(8,149,475)	(182,206)	-2%
Net investment income	<u>43,515,796</u>	<u>123,954,580</u>	(80,438,784)	-65%
Securities lending income				
Securities lending income	89,355	847,622	(758,267)	-89%
Securities lending expense	(54,329)	(733,169)	678,840	-93%
Net securities lending income	<u>35,026</u>	<u>114,453</u>	(79,427)	-69%
Other income	346,615	359,569	(12,954)	-4%
Total additions	<u>265,175,567</u>	<u>334,058,904</u>	(68,883,337)	-21%
Deductions				
Benefits paid to members	318,457,640	310,008,100	8,449,540	3%
Refunds to members	2,275,841	2,618,228	(342,387)	-13%
Legal expense	373,883	657,358	(283,475)	-43%
Legal expense reimbursement	-	(58,584)	58,584	-100%
Legal expense, net of reimbursement	<u>373,883</u>	<u>598,774</u>	(224,891)	-38%
Staff Salaries and Benefits	3,675,346	3,410,084	265,262	8%
Professional and administrative expenses	2,619,322	2,490,991	128,331	5%
Total deductions	<u>327,402,032</u>	<u>319,126,177</u>	8,275,855	3%
Net increase (decrease) in net position	<u>(62,226,465)</u>	<u>14,932,727</u>		
Beginning of period	2,075,164,750	2,060,232,023		
End of period	<u>\$ 2,012,938,285</u>	<u>\$ 2,075,164,750</u>		

(NOTE) Private asset values have not yet been reported for Q4 20. Values will be updated as final reporting is received.

