

## AGENDA



**Date:** July 3, 2024

The regular meeting of the Dallas Police and Fire Pension System Board of Trustees will be held at **8:30 a.m. on Thursday, July 11, 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=OG5CbEFhajN5V0hWaUFJMLhYcHQ2Zz09> Passcode: 923237.** Items of the following agenda will be presented to the Board:

**A. MOMENT OF SILENCE**

**B. APPROVAL OF MINUTES**

Regular meeting of June 13, 2024

**C. DISCUSSION AND POSSIBLE ACTION REGARDING ITEMS FOR INDIVIDUAL CONSIDERATION**

**1. Independent Actuarial Analysis and Recommendations and Section 2.025 Update**

Portions of the discussion under this topic may be closed to the public under the terms of Section 551.071 of the Texas Government Code.

**2. Financial Audit Status**

**3. Executive Director Approved Pension Ministerial Actions**

**4. Monthly Contribution Report**

**5. Board Approval of Trustee Education and Travel**

**a.** Future Education and Business-related Travel

**b.** Future Investment-related Travel

**6. Pension Administration Software**

**7. Portfolio Update**

**8. Custodian Selection**

**9. Lone Star Investment Advisors**

Portions of the discussion under this topic may be closed to the public under the terms of Section 551.071 of the Texas Government Code.

- 10. Legal issues - In accordance with Section 551.071 of the Texas Government Code, the Board will meet in executive session to seek and receive the advice of its attorneys about pending or contemplated litigation or any other legal matter in which the duty of the attorneys to DPFP and the Board under the Texas Disciplinary Rules of Professional Conduct clearly conflicts with Texas Open Meeting laws.**

## **D. BRIEFING ITEMS**

- 1. Public Comment**
- 2. Executive Director's Report**
  - a. Associations' newsletters
    - NCPERS Monitor (July 2024)
  - b. Open Records
  - c. Employee Service Award

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.



## **MOMENT OF SILENCE**

**In memory of our Members and Pensioners who recently passed away**

| <b>NAME</b>       | <b>ACTIVE/<br/>RETIRED</b> | <b>DEPARTMENT</b> | <b>DATE OF DEATH</b> |
|-------------------|----------------------------|-------------------|----------------------|
| Jerald F. Pickard | Retired                    | Fire              | 06/01/2024           |
| James F. Steen    | Retired                    | Police            | 06/01/2024           |
| V. A. McDaniel    | Retired                    | Police            | 06/01/2024           |
| Richard G. York   | Retired                    | Fire              | 06/02/2024           |
| Carlton T. Evans  | Retired                    | Fire              | 06/08/2024           |
| Albert W. Kirksey | Retired                    | Fire              | 06/11/2024           |
| Charles R. Prater | Retired                    | Fire              | 06/11/2024           |
| Roy C. Chapman    | Retired                    | Fire              | 06/14/2024           |
| Thurman A. Ross   | Retired                    | Police            | 06/19/2024           |
| Donald P. Little  | Retired                    | Fire              | 06/21/2024           |
| Stephen M. Gouse  | Retired                    | Fire              | 06/30/2024           |

*Regular Board Meeting –Thursday, July 11, 2024*

**Dallas Police and Fire Pension System  
Thursday, June 13, 2024  
8:30 a.m.  
4100 Harry Hines Blvd., Suite 100  
Second Floor Board Room  
Dallas, TX**

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

**ROLL CALL**

**Board Members**

Present at 8:31 a.m. Nicholas Merrick, Tina Hernandez Patterson, Michael Taglienti, Michael Brown, Anthony Scavuzzo, Tom Tull, Matthew Shomer, Marcus Smith

By telephone Steve Idoux, Nancy Rocha

Absent Mark Malveaux

**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**

David Elliston, Gay Donnell Willis

By telephone Aaron Lally, Leandro Festino, Ken Haben, Luke Gittemeier

\* \* \* \* \*

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

\* \* \* \* \*

**A. MOMENT OF SILENCE**

The Board observed a moment of silence in memory of retired police officers Ernest A. Reyes, Michael C. Mason, Vincent E. Miles, David A. Brintnell, Elmer L. Boyd, and retired firefighters Charles E. Peters, Mark A. Williamson, D. R. Kern.

No motion was made.

\* \* \* \* \*

**Regular Board Meeting  
Thursday, June 13, 2024**

**B. APPROVAL OF MINUTES**

- 1. Required Public meeting of May 9, 2024
- 2. Regular meeting of May 9, 2024

After discussion, Mr. Scavuzzo made a motion to approve the minutes of the Required Public and Regular meetings of May 9, 2024. Mr. Tull seconded the motion, which was unanimously approved by the Board.

\* \* \* \* \*

**C. DISCUSSION AND POSSIBLE ACTION REGARDING ITEMS FOR INDIVIDUAL CONSIDERATION**

**1. Independent Actuarial Analysis and Recommendations and Section 2.025 Update**

The Executive Director provided an update on the process involving Section 2.025 of Article 6243a-1 and the Board provided feedback.

No motion was made.

\* \* \* \* \*

**2. Financial Audit Status**

The Chief Financial Officer provided a status update on the annual financial audit.

No motion was made.

\* \* \* \* \*

**3. Executive Director Approved Pension Ministerial Actions**

The Executive Director reported on the May pension ministerial actions.

No motion was made.

\* \* \* \* \*

**Regular Board Meeting  
Thursday, June 13, 2024**

**4. Monthly Contribution Report**

The Executive Director reviewed the Monthly Contribution Report.

No motion was made.

\* \* \* \* \*

**5. Board approval of Trustee education and travel**

- a. Future Education and Business-related Travel
- b. Future Investment-related Travel

The Board and staff discussed future Trustee education. There was no future Trustee business-related travel or investment-related travel scheduled.

No motion was made.

\* \* \* \* \*

**6. Portfolio Update**

Investment staff briefed the Board on recent events and current developments with respect to the investment portfolio.

No motion was made.

\* \* \* \* \*

**7. First Quarter 2024 Investment Performance Analysis and Fourth Quarter 2024 Private Markets & Real Assets Review**

Leandro Festino, Managing Principal and Aaron Lally, Managing Principal with Meketa Investment Group presented the Public Credit Review, the First Quarter 2024 Investment Performance Analysis and Fourth Quarter 2023 Private Markets & Real Assets Review reports.

No motion was made.

\* \* \* \* \*



**Regular Board Meeting  
Thursday, June 13, 2024**

**8. Lone Star Investment Advisors**

The Board went into closed executive session – Legal at 10:31 a.m.

The meeting reopened at 10:53 a.m.

Investment staff updated the Board on investments managed by Lone Star Investment Advisors.

No motion was made.

\* \* \* \* \*

**9. Legal issues - In accordance with Section 551.071 of the Texas Government Code, the Board will meet in executive session to seek and receive the advice of its attorneys about pending or contemplated litigation or any other legal matter in which the duty of the attorneys to DFPF and the Board under the Texas Disciplinary Rules of Professional Conduct clearly conflicts with Texas Open Meeting laws.**

The Board went into closed executive session – Legal at 10:31 a.m.

The meeting reopened at 10:53 a.m.

The Board and staff discussed legal issues.

No motion was made.

\* \* \* \* \*

**10. Closed Session - Board serving as Medical Committee**

The Board went into closed executive session - Medical at 10:31 a.m.

The meeting reopened at 10:53 a.m.

The Executive Director reviewed the disability recall 2024-2R and materials for the Board’s consideration.

After discussion, Mr. Taglienti made a motion to approve the continuance of an on-duty disability benefit 2024-2R with no further recalls. Mr. Smith seconded the motion, which was unanimously approved by the Board.

\* \* \* \* \*

**Regular Board Meeting  
Thursday, June 13, 2024**

**D. BRIEFING ITEMS**

**1. Public Comments**

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.

\* \* \* \* \*

**2. Executive Director’s Report**

**a. Associations’ newsletters**

- NCPERS Monitor (June 2024)
- TEXPERS Pension Observer (Vol. 2 2024)  
<https://online.anyflip.com/mxfu/jzon/mobile/index.html>

**b. Open Records**

\* \* \* \* \*

Ms. Gottschalk stated that there was no further business to come before the Board. On a motion by Mr. Taglienti and a second by Mr. Brown, the meeting was adjourned at 10:54 a.m.

/s/ Nicholas A. Merrick

\_\_\_\_\_  
Nicholas A. Merrick,  
Chairman

**ATTEST:**

/s/ Kelly Gottschalk

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



## DISCUSSION SHEET

### ITEM #C1

**Topic:** **Independent Actuarial Analysis and Recommendations and Section 2.025 Update**

Portions of the discussion under this topic may be closed to the public under the terms of Section 551.071 of the Texas Government Code.

**Discussion:** Section 2.025 of Article 6243a-1 requires the Texas Pension Review Board to select, and DFPF to hire, an independent actuary to perform an actuarial analysis of DFPF's most recently completed actuarial valuation to (i) determine if DFPF meets Texas statutory funding requirements and (ii) recommend changes to benefits and contribution rates for employees and the City of Dallas. This analysis is due on or before October 1, 2024.

Cheiron, Inc., was hired as the independent actuary. In November 2023, Cheiron presented the preliminary report based on DFPF's January 1, 2022 actuarial valuation. In February 2024, Cheiron presented its official report under Section 2.025 based on DFPF's January 1, 2023 actuarial valuation. Staff presented recommendations to the Board in April, May, and June 2024.

Staff will provide updates on the process and recommendations since the June meeting.

*Regular Board Meeting – Thursday, July 11, 2024*



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



## **Staff Recommendation on 2.025 Funding Requirement Considering the Independent Actuarial Analysis**

*July 11, 2024*  
Board Meeting

# Update Since June Board Meeting

1. No movement in the positions of either the City or DPFP.
2. We are waiting on the City CFO to find a date when all parties can meet.
3. The City Council held a briefing on June 18<sup>th</sup> to discuss ERF and DPFP, a summary of the recommendations is on the next slide.
4. Commerce Street Evaluation. We have met with Commerce Street and they have agreed to work with us as the Board requested (provide a draft report, allow us to comment on the report & present the report to the Board), but we haven't been able to meet with them further or provide additional information because we and Commerce Street are waiting on the CFO to give approval for this process.

# City of Dallas Presentation – June 18, 2024: Summary of Recommendations slide 32.

## ERF

- Remove 36% contribution cap currently in Chapter 40-A of Dallas City Code which limits funding going into ERF
- Implement ADC with five-year step-up
- Increase Tier A contribution rate from 13.32% to 14.0%, and maintain contribution rate for Tier B employees at 13.32%
- No change to benefit structure
- Strengthen City oversight

## DPFPS

- Implement ADC with five-year step-up
- No change to employee contribution rates
- Continue compliance with HB3158 that requires 70% funding before COLA is available
  - Modify COLA methodology from being based on rate of return to methodology to be based on CPI not to exceed 1.5%
- Offer supplemental pay to bridge 2025 to 2046 (forecast 70% funding threshold)
  - 1% increase added to retiree base in 2025
  - Additional 1% per year as stipend contingent on DPFPS positive returns (not added to base)
- Strengthen City oversight
- Initiate efforts to realize lump sum contribution and/or on-going revenue stream
  - Increase COLA not to exceed 3% contingent on either lump sum contribution or additional revenue stream from the City

# Growth of the Pension Benefit under DPFP with the City's recommendation and ERF.

| Annual Pension Payments   |   |   |    |  |
|---|---|---|----|--|
| Two Employees retiring Under DPFP and ERF in 2024 with the same pension benefit |   |   |    |  |
|   | ERF Tier A (cap of 5%, modeled to match GRS assumption of 2.5%) | ERF Tier B (cap of 3%, modeled at GRS assumption of 2.2%) |    | DPFP with the City's recommended 1% one-time COLA in 2025 until 2045 and COLA up to 1.5% after 2046. |
| 2024  | \$ 54,000   | \$ 54,000   | \$ | 54,000   |
| 2025  | \$ 55,350   | \$ 55,188   | \$ | 54,540   |
| 2026  | \$ 56,700   | \$ 56,376   | \$ | 55,080   |
| 2027  | \$ 58,050   | \$ 57,564   | \$ | 55,080   |
| 2028  | \$ 59,400   | \$ 58,752   | \$ | 55,080   |
| 2029  | \$ 60,750   | \$ 59,940   | \$ | 55,080   |
| 2030  | \$ 62,100   | \$ 61,128   | \$ | 55,080   |
| 2031  | \$ 63,450   | \$ 62,316   | \$ | 55,080   |
| 2032  | \$ 64,800   | \$ 63,504   | \$ | 55,080   |
| 2033  | \$ 66,150   | \$ 64,692   | \$ | 55,080   |
| 2034  | \$ 67,500   | \$ 65,880   | \$ | 55,080   |
| 2035  | \$ 68,850   | \$ 67,068   | \$ | 55,080   |
| 2036  | \$ 70,200   | \$ 68,256   | \$ | 55,080   |
| 2037  | \$ 71,550   | \$ 69,444   | \$ | 55,080   |
| 2038  | \$ 72,900   | \$ 70,632   | \$ | 55,080   |
| 2039  | \$ 74,250   | \$ 71,820   | \$ | 55,080   |
| 2040  | \$ 75,600   | \$ 73,008   | \$ | 55,080   |
| 2041  | \$ 76,950   | \$ 74,196   | \$ | 55,080   |
| 2042  | \$ 78,300   | \$ 75,384   | \$ | 55,080   |
| 2043  | \$ 79,650   | \$ 76,572   | \$ | 55,080   |
| 2044  | \$ 81,000   | \$ 77,760   | \$ | 55,080   |
| 2045  | \$ 82,350   | \$ 78,948   | \$ | 55,080   |
| 2046  | \$ 83,700   | \$ 80,136   | \$ | 54,810   |
| 2047  | \$ 85,050   | \$ 81,324   | \$ | 55,620   |
| 2048  | \$ 86,400   | \$ 82,512   | \$ | 56,430   |
| 2049  | \$ 87,750   | \$ 83,700   | \$ | 57,240   |
| 2050  | \$ 89,100   | \$ 84,888   | \$ | 58,050   |
| 2051  | \$ 90,450   | \$ 86,076   | \$ | 58,860   |
| 2052  | \$ 91,800   | \$ 87,264   | \$ | 59,670   |
| 2053  | \$ 93,150   | \$ 88,452   | \$ | 60,480   |
| 2054  | \$ 94,500   | \$ 89,640   | \$ | 61,290   |
| 2055  | \$ 95,850   | \$ 90,828   | \$ | 62,100   |
| 2056  | \$ 97,200   | \$ 92,016   | \$ | 62,910   |
| 2057  | \$ 98,550   | \$ 93,204   | \$ | 63,720   |
| 2058  | \$ 99,900   | \$ 94,392   | \$ | 64,530   |
| 2059  | \$ 101,250  | \$ 95,580   | \$ | 65,340   |
| 2060  | \$ 102,600  | \$ 96,768   | \$ | 66,150   |
| Total   | \$ 2,897,100  | \$ 2,789,208  | \$ | 2,117,340  |
| Extra Lifetime Payments to the ERF Employee                                     |   |   | \$ | 779,760  |

Beginning in 2026, the City's proposal includes a possible Supplemental Payment that does not get added to the base. The Supplemental Payment is not guaranteed. The calculations in the table assume the Supplemental Payment is received each year. Of the \$55,080 that is received each year from 2026-2045, \$540 is the Supplemental Payment.

If inflation averages 2.5% per year, a benefit of \$54,000 in 2024 will have the purchasing power of \$33,000 in 20 years. If inflation averages 3%, the purchasing power of the benefit in 20 years will be less than \$30,000.

# Inflation and Cost of Living Increases

- A cost-of-living adjustment (COLA) is important to avoid benefit erosion. This is especially important since retirees from the City of Dallas do not have social security.
- The disparity in the COLA feature between retirees from the two City of Dallas retirement systems makes zero sense from a policy, equity or impartiality perspective.

- Since January 2017 Inflation has increased 28%
- ERF retirees have received COLAs equal to 27%
- DPFP retirees have received COLAs equal to 0%

Providing an adequate COLA to current and future retirees of DPFP is a priority.





## DISCUSSION SHEET

### ITEM #C2

**Topic:** Financial Audit Status

**Discussion:** The Chief Financial Officer will provide a status update on the annual financial audit.

*Regular Board Meeting – Thursday, July 11, 2024*



## DISCUSSION SHEET

### ITEM #C3

**Topic:** Executive Director Approved Pension Ministerial Actions

**Discussion:** The Executive Director approved ministerial membership actions according to the Retirement and Payments Approval Policy. Membership actions approved are summarized in the provided report.

*Regular Board Meeting – Thursday, July 11, 2024*

Membership Actions -2024

|                             | January | February | March | April | May | June | July | August | September | October | November | December | YTD Totals |
|-----------------------------|---------|----------|-------|-------|-----|------|------|--------|-----------|---------|----------|----------|------------|
| Refunds                     | 23      | 22       | 21    | 26    | 16  | 21   | 13   |        |           |         |          |          | 142        |
| DROP - Join                 | 1       | 1        | 2     | 0     | 5   | 1    | 1    |        |           |         |          |          | 11         |
| Estate Payments             | 2       | 1        | 3     | 5     | 3   | 1    | 4    |        |           |         |          |          | 19         |
| Survivor Benefits           | 4       | 6        | 3     | 8     | 5   | 4    | 6    |        |           |         |          |          | 36         |
| Retirements                 | 10      | 10       | 16    | 9     | 13  | 10   | 9    |        |           |         |          |          | 77         |
| Alternate Payees            | 2       | 0        | 2     | 1     | 1   | 1    | 0    |        |           |         |          |          | 7          |
| Spouse Wed After Retirement | 0       | 0        | 0     | 0     | 0   | 0    | 0    |        |           |         |          |          | 0          |
| Service Purchases           | 0       | 2        | 0     | 1     | 7   | 2    | 1    |        |           |         |          |          | 13         |
| Earnings Test*              | 0       | 0        | 0     | 0     | 0   | 0    | 10   |        |           |         |          |          | 10         |

Membership Actions -2023

|                             | January | February | March | April | May | June | July | August | September | October | November | December | YTD Totals |
|-----------------------------|---------|----------|-------|-------|-----|------|------|--------|-----------|---------|----------|----------|------------|
| Refunds                     | 26      | 19       | 12    | 13    | 17  | 14   | 23   | 13     | 57        | 53      | 18       | 21       | 286        |
| DROP - Join                 | 3       | 3        | 0     | 2     | 2   | 2    | 0    | 0      | 3         | 0       | 3        | 0        | 18         |
| Estate Payments             | 0       | 5        | 7     | 5     | 1   | 2    | 4    | 92     | 5         | 3       | 5        | 9        | 138        |
| Survivor Benefits           | 1       | 6        | 8     | 6     | 4   | 3    | 5    | 6      | 6         | 2       | 3        | 6        | 56         |
| Retirements                 | 12      | 16       | 11    | 14    | 11  | 12   | 10   | 13     | 10        | 17      | 6        | 12       | 144        |
| Alternate Payees            | 0       | 2        | 1     | 0     | 2   | 3    | 1    | 3      | 2         | 0       | 0        | 1        | 15         |
| Spouse Wed After Retirement | 1       | 0        | 0     | 0     | 0   | 0    | 0    | 0      | 1         | 1       | 1        | 0        | 4          |
| Service Purchases           | 2       | 0        | 0     | 1     | 0   | 2    | 0    | 1      | 0         | 0       | 2        | 0        | 8          |
| Earnings Test               | 0       | 0        | 0     | 0     | 0   | 9    | 0    | 0      | 0         | 0       | 0        | 0        | 9          |

Data is based on Agenda/Executive Approval Date

Service purchases include Military, DROP Revocation, and Previously Withdrawn Contributions

The increase in Refunds in September 2023 and October 2023 is due to the Refund Project

87 of the Estate Payments in August 2023 are approvals for the Pending Death Project

\*In 2024, 9 of 10 of the Earnings Tests did not require a benefit reduction. A piece of information is still needed to determine if the last member will require a reduction.



## DISCUSSION SHEET

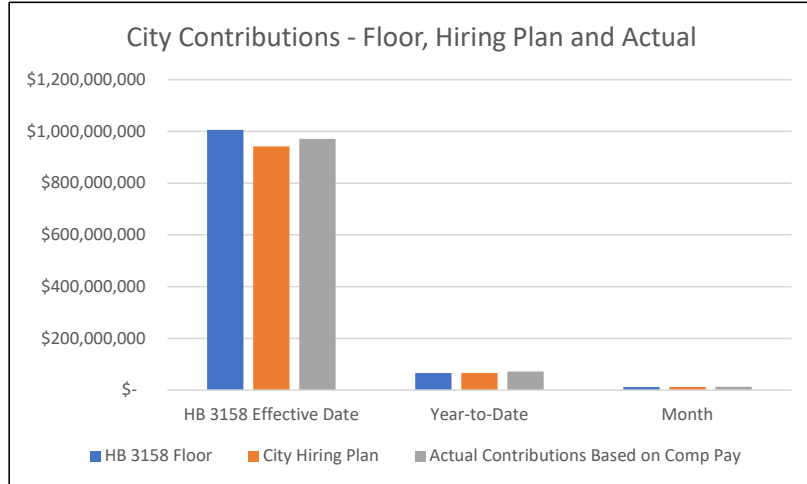
### ITEM #C4

**Topic:** Monthly Contribution Report

**Discussion:** Staff will review the Monthly Contribution Report.

*Regular Board Meeting – Thursday, July 11, 2024*

**Contribution Tracking Summary - July 2024 (May 2024 Data)**

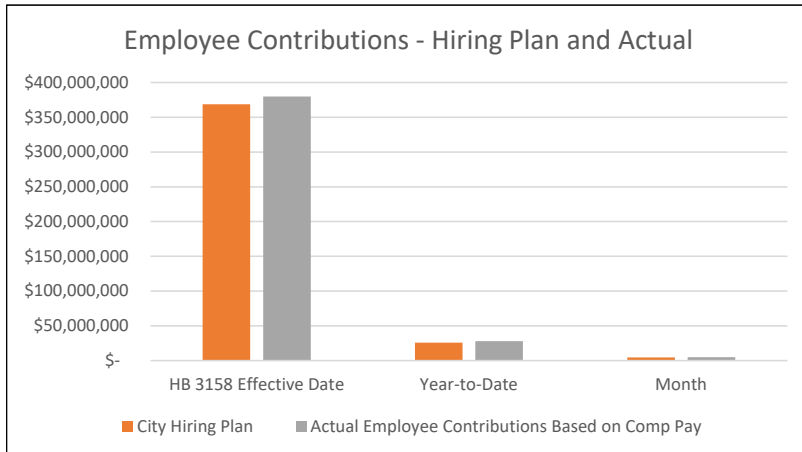


Actual Comp Pay was 103% of the Hiring Plan estimate since the effective date of HB 3158.

The Floor for 2024 is equal to the Hiring Plan estimate of \$6,024,000 per pay period. The Hiring Plan increased by 3.65% in 2024. It is expected that actual contributions will exceed the Floor through 2024.

Through 2024 the HB 3158 Floor is in place so there is no City Contribution shortfall.

The combined actual employees were 31 **more** than the Hiring Plan for the pay period ending May 10, 2024. Fire was over the estimate by 280 Fire Fighters and Police was under by 249 Police Officers.



Employee contributions exceeded the Hiring Plan estimate for the month, the year and since inception.

There is no Floor on employee contributions.

**Contribution Summary Data**

| <b>City Contributions</b>   |   |                      |                         |   |   |   |   |
|---|---|----------------------|-------------------------|---|---|---|---|
| <b>May-24</b>   | <b>Number of Pay Periods Beginning in the Month</b> | <b>HB 3158 Floor</b> | <b>City Hiring Plan</b> | <b>Actual Contributions Based on Comp Pay</b> | <b>Additional Contributions to Meet Floor Minimum</b> | <b>Comp Pay Contributions as a % of Floor Contributions</b> | <b>Comp Pay Contributions as a % of Hiring Plan Contributions</b> |
| Month   | 2   | \$ 12,048,000        | \$ 12,048,462           | \$ 13,157,092                                 | \$ -  | 109%  | 109%  |
| Year-to-Date  |   | \$ 66,264,000        | \$ 66,266,538           | \$ 72,082,033                                 | \$ -  | 109%  | 109%  |
| HB 3158 Effective Date  |   | \$ 1,006,597,000     | \$ 942,486,923          | \$ 971,438,445                                | \$ 48,990,866   | 97%   | 103%  |
| <p><i>Due to the Floor through 2024, there is no cumulative shortfall in City Contributions<br/>Does not include the flat \$13 million annual City Contribution payable through 2024.<br/>Does not include Supplemental Plan Contributions.</i></p> |   |                      |                         |   |   |   |   |

| <b>Employee Contributions</b>  |   |                         |  |   |  |   |  |
|--|---|-------------------------|--|---|--|---|--|
| <b>May-24</b>  | <b>Number of Pay Periods Beginning in the Month</b> | <b>City Hiring Plan</b> | <b>Actual Employee Contributions Based on Comp Pay</b> | <b>Actual Contribution Excess Compared to Hiring Plan</b> | <b>Actuarial Valuation Contribution Assumption</b> | <b>Actual Contributions as a % of Hiring Plan Contributions</b> | <b>Actual Contributions as a % of Actuarial Val Assumption</b> |
| Month  | 2   | \$ 4,714,615            | \$ 5,045,058   | \$ 330,443  | \$ 4,236,924                                       | 107%  | 119%   |
| Year-to-Date   |   | \$ 25,930,385           | \$ 28,103,029  | \$ 2,172,645  | \$ 23,303,082                                      | 108%  | 121%   |
| HB 3158 Effective Date   |   | \$ 368,799,231          | \$ 379,842,353   | \$ 11,043,122   | \$ 355,122,760                                     | 103%  | 107%   |
| Potential Earnings Loss from the Shortfall based on Assumed Rate of Return |   |                         |  | \$ 626,093  |  |   |  |
| <p><i>Does not include Supplemental Plan Contributions.</i></p>            |   |                         |  |   |  |   |  |

**Reference Information**

| City Contributions: HB 3158 Bi-weekly Floor and the City Hiring Plan Converted to Bi-weekly Contributions |                         |                            |   |                                 |                                     |   |
|---|-------------------------|----------------------------|---|---------------------------------|-------------------------------------|---|
|   | HB 3158 Bi-weekly Floor | City Hiring Plan-Bi-weekly | HB 3158 Floor Compared to the Hiring Plan | Hiring Plan as a % of the Floor | % Increase/ (decrease) in the Floor | % Increase/ (decrease) in the Hiring Plan |
| 2017  | \$ 5,173,000            | \$ 4,936,154               | \$ 236,846                                | 95%                             |                                     |   |
| 2018  | \$ 5,344,000            | \$ 4,830,000               | \$ 514,000                                | 90%                             | 3.31%                               | -2.15%                                    |
| 2019  | \$ 5,571,000            | \$ 5,082,115               | \$ 488,885                                | 91%                             | 4.25%                               | 5.22%                                     |
| 2020  | \$ 5,724,000            | \$ 5,254,615               | \$ 469,385                                | 92%                             | 2.75%                               | 3.39%                                     |
| 2021  | \$ 5,882,000            | \$ 5,413,846               | \$ 468,154                                | 92%                             | 2.76%                               | 3.03%                                     |
| 2022  | \$ 6,043,000            | \$ 5,599,615               | \$ 443,385                                | 93%                             | 2.74%                               | 3.43%                                     |
| 2023  | \$ 5,812,000            | \$ 5,811,923               | \$ 77                                     | 100%                            | -3.82%                              | 3.79%                                     |
| 2024  | \$ 6,024,000            | \$ 6,024,231               | \$ (231)                                  | 100%                            | 3.65%                               | 3.65%                                     |

*The HB 3158 Bi-weekly Floor ends after 2024*

| Employee Contributions: City Hiring Plan and Actuarial Val. Converted to Bi-weekly Contributions |  |  |   |  |
|--|--|--|---|--|
|  | City Hiring Plan Converted to Bi-weekly Employee Contributions | Actuarial Valuation Assumption Converted to Bi-weekly Employee contributions | Actuarial Valuation as a % of Hiring Plan |  |
| 2017   | \$ 1,931,538   | \$ 1,931,538   | 100%                                      |  |
| 2018   | \$ 1,890,000   | \$ 1,796,729   | 95%                                       |  |
| 2019   | \$ 1,988,654   | \$ 1,885,417   | 95%                                       |  |
| 2020   | \$ 2,056,154   | \$ 2,056,154   | 100%                                      |  |
| 2021   | \$ 2,118,462   | \$ 2,118,462   | 100%                                      |  |
| 2022   | \$ 2,191,154   | \$ 2,191,154   | 100%                                      |  |
| 2023   | \$ 2,274,231   | \$ 2,274,231   | 100%                                      |  |
| 2024   | \$ 2,357,308   | \$ 2,357,308   | 100%                                      |  |

The information on this page is for reference. The only numbers on this page that may change before 2025 are the Actuarial Valuation Employee Contributions Assumptions for the years 2020-2024 and the associated percentage.

**Reference Information - Actuarial Valuation and GASB 67/68 Contribution Assumptions**

**Actuarial Assumptions Used in the Most Recent Actuarial Valuation - These assumptions will be reevaluated annually & may change.**

City Contributions are based on the Floor through 2024, the Hiring Plan from 2025 to 2037, after 2037 an annual growth rate of 2.75% is assumed  
 Employee Contributions for 2018 are based on the 2017 actual employee contributions inflated by the growth rate of 2.75% and the Hiring Plan for subsequent years until 2038, when the 2037 Hiring Plan is increased by the 2.75 growth rate for the next 10 years

**Actuarial/GASB Contribution Assumption Changes Since the Passage of HB 3158**

|   | Actuarial Valuation | GASB 67/68 |
|---|---------------------|------------|
| <b>YE 2017 (1/1/2018 Valuation)</b>   |                     |            |
| 2018 Employee Contributions Assumption - based on 2017 actual plus growth rate not the Hiring Plan Payroll  | \$ (2,425,047)      | *          |
| <b>2019 Estimate (1/1/2019 Valuation)</b>   |                     |            |
| 2019 Employee Contribution Assumption   | \$ 9,278            | *          |
| *90% of Hiring Plan was used for the Cash Flow Projection for future years in the 12/31/2017 GASB 67/68 calculation. At 12-31-17, 12-31-18 and 12-31-2019 this did not impact the pension liability or the funded percentage. |                     |            |

The information on this page is for reference. It is intended to document contribution related assumptions used to prepare the Actuarial Valuation and changes to those assumptions over time, including the dollar impact of the changes. Contribution changes impacting the GASB 67/68 liability will also be included.



| <b>City Hiring Plan - Annual Computation Pay and Numbers of Employees</b> |                 |                |                 |                     |            |            |
|---|-----------------|----------------|-----------------|---------------------|------------|------------|
| Year  | Computation Pay |                |                 | Number of Employees |            |            |
|   | Hiring Plan     | Actual         | Difference      | Hiring Plan         | Actual EOY | Difference |
| 2017  | \$ 372,000,000  | Not Available  | Not Available   | 5,240               | 4,935      | (305)      |
| 2018  | \$ 364,000,000  | \$ 349,885,528 | \$ (14,114,472) | 4,988               | 4,983      | (5)        |
| 2019  | \$ 383,000,000  | \$ 386,017,378 | \$ 3,017,378    | 5,038               | 5,104      | 66         |
| 2020  | \$ 396,000,000  | \$ 421,529,994 | \$ 25,529,994   | 5,063               | 4,988      | (75)       |
| 2021  | \$ 408,000,000  | \$ 429,967,675 | \$ 21,967,675   | 5,088               | 4,958      | (130)      |
| 2022  | \$ 422,000,000  | \$ 439,104,541 | \$ 17,104,541   | 5,113               | 5,074      | (39)       |
| 2023  | \$ 438,000,000  | \$ 460,982,051 | \$ 22,982,051   | 5,163               | 5,136      | (27)       |
| 2024  | \$ 454,000,000  |                |                 | 5,213               |            |            |
| 2025  | \$ 471,000,000  |                |                 | 5,263               |            |            |
| 2026  | \$ 488,000,000  |                |                 | 5,313               |            |            |
| 2027  | \$ 507,000,000  |                |                 | 5,363               |            |            |
| 2028  | \$ 525,000,000  |                |                 | 5,413               |            |            |
| 2029  | \$ 545,000,000  |                |                 | 5,463               |            |            |
| 2030  | \$ 565,000,000  |                |                 | 5,513               |            |            |
| 2031  | \$ 581,000,000  |                |                 | 5,523               |            |            |
| 2032  | \$ 597,000,000  |                |                 | 5,523               |            |            |
| 2033  | \$ 614,000,000  |                |                 | 5,523               |            |            |
| 2034  | \$ 631,000,000  |                |                 | 5,523               |            |            |
| 2035  | \$ 648,000,000  |                |                 | 5,523               |            |            |
| 2036  | \$ 666,000,000  |                |                 | 5,523               |            |            |
| 2037  | \$ 684,000,000  |                |                 | 5,523               |            |            |

| Comp Pay by Month - 2024 | Annual Divided by 26 Pay Periods | Actual        | Difference   | 2024 Cumulative Difference | Number of Employees - EOM | Difference |
|--------------------------|----------------------------------|---------------|--------------|----------------------------|---------------------------|------------|
| January                  | \$ 52,384,615                    | \$ 56,848,897 | \$ 4,464,281 | \$ 4,464,281               | 5,183                     | (30)       |
| February                 | \$ 34,923,077                    | \$ 37,710,735 | \$ 2,787,658 | \$ 7,251,939               | 5,166                     | (47)       |
| March                    | \$ 34,923,077                    | \$ 38,150,554 | \$ 3,227,478 | \$ 10,479,417              | 5230                      | 17         |
| April                    | \$ 34,923,077                    | \$ 38,086,745 | \$ 3,163,668 | \$ 13,643,085              | 5216                      | 3          |
| May                      | \$ 34,923,077                    | \$ 38,136,499 | \$ 3,213,422 | \$ 16,856,507              | 5244                      | 31         |
| June                     | \$ 34,923,077                    |               |              |                            |                           |            |
| July                     | \$ 52,384,615                    |               |              |                            |                           |            |
| August                   | \$ 34,923,077                    |               |              |                            |                           |            |
| September                | \$ 34,923,077                    |               |              |                            |                           |            |
| October                  | \$ 34,923,077                    |               |              |                            |                           |            |
| November                 | \$ 34,923,077                    |               |              |                            |                           |            |
| December                 | \$ 34,923,077                    |               |              |                            |                           |            |



## DISCUSSION SHEET

### ITEM #C5

**Topic:** Board Approval of Trustee Education and Travel

- a. Future Education and Business-related Travel
- b. Future Investment-related Travel

**Discussion:**

- a. Per the Education and Travel Policy and Procedure, planned Trustee education and business-related travel and education which does not involve travel requires Board approval prior to attendance.

Attached is a listing of requested future education and travel noting approval status.

- b. Per the Investment Policy Statement, planned Trustee travel related to investment monitoring, and in exceptional cases due diligence, requires Board approval prior to attendance.

There is no future investment-related travel for Trustees at this time.

*Regular Board Meeting – Thursday, July 11, 2024*

**Future Education and Business Related Travel & Webinars  
Regular Board Meeting – July 11, 2024**

ATTENDING APPROVED

1. **Conference**      **NCPERS Public Pension Funding Forum**  
**Dates:**            August 18-20, 2024  
**Location:**        Boston, MA  
**Est Cost:**         \$745
  
2. **Conference**      **TEXPERS Summer Educational Forum**  
**Dates:**            August 18-20, 2024  
**Location:**        San Antonio, TX  
**Est Cost:**         \$25
  
3. **Conference:**      **NCPERS Public Pension HR Summit**  
**Dates:**            September 24-26, 2024  
**Location:**        Denver, CO  
**Est Cost:**         \$750
  
4. **Conference:**      **NCPERS Accredited Fiduciary (NAF)**  
**Dates:**            October 26-27, 2024  
**Location:**        Palm Springs, CA  
**Est Cost:**         \$900

**Future Education and Business Related Travel & Webinars  
Regular Board Meeting – July 11, 2024**

ATTENDING APPROVED

- 5. **Conference**      **NCPERS Program for Advanced Trustee Studies (PATS)**  
**Dates:**            October 26-27, 2024  
**Location:**        Palm Springs, CA  
**Est Cost:**         \$900
  
- 6. **Conference:**    **NCPERS Public Safety Conference**  
**Dates:**            October 27-30, 2024  
**Location:**        Palm Springs, CA  
**Est Cost:**         \$775



## DISCUSSION SHEET

### ITEM #C6

**Topic:** Pension Administration Software

**Discussion:** Pension Administration Software (PAS) is integral to carrying out the primary function of any defined benefit pension system. At a high level, PAS provides member tracking, benefit calculations, pension payroll processing, pension payments, contribution refunds, various deductions, and tax withholding.

The last major upgrade of DPFP's PAS was completed in 2003. The vendor has modified the software over the years as our needs/benefits have changed, including implementing the significant benefit and DROP changes from the 2017 legislation. The changes that have been made since the implementation in 2003 have provided the required functionality, but do not take advantage of modern technological advances.

The current DPFP PAS is adequate to correctly process benefits. It is secure and is currently supported by the vendor. However, modern PAS products, including newer versions from our current vendor, would greatly enhance DPFP's ability to administer the pension more accurately and efficiently by automating many of the processes that are now done outside of the PAS and provide better service for the membership in several ways such as enhanced information directly accessible by the member online and quicker answers to questions because of the integration of the member's documents with the

*Regular Board Meeting – Thursday, July 11, 2024*

## **DISCUSSION SHEET**

### **ITEM #C6** (continued)

software. Replacement of a PAS after 20 years would not be inconsistent with what other public plans do.

During the 2024 budget process, the Board asked that staff look further into the available options before committing to either approving funding for a consultant to assist with the selection process or authorizing a project to implement the latest version of our current vendor's software.

Staff will discuss the steps taken and the information learned to date related to the PAS project, and the recommended next steps.

*Regular Board Meeting – Thursday, July 11, 2024*



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



## Pension Administration Software

*July 11, 2024*  
Board Meeting

# Pension Administration Software (PAS)

- The Pension Administration Software (PAS) is mission-critical software for DPFPP and is necessary to perform the key functions of the retirement system.
- The software is necessary to:
  - Track member-specific information (contributions, service earned, employment, demographic, banking and beneficiary information, DROP, and payment information)
  - Calculate and pay pension payments
  - Calculate, withhold, and remit taxes, process 1099s
  - Take and remit other deductions
  - Calculate and pay survivor benefits
  - Split benefits in the event of a divorce
  - Pay final payments and refund contributions
  - Track and provide the data necessary for the actuary to calculate the plan liability and required contributions



# Background

- DPFP currently uses the Levi, Ray & Shoup (LRS) Pension Gold software for Pension Administration
  - Implemented Pension Gold version 1 in 1996
  - Upgraded to Pension Gold version 2 in 2001-2003
- LRS's business model supports all software versions. LRS does not force clients to upgrade to newer versions.
- LRS has been a good, trusted partner of DPFP.
- However, today's software uses modern technical advancements to improve the accuracy and efficiency of managing our complex pension administration requirements.
- Recommend replacing the current Pension Administration Software with either LRS's latest release (Version 4) or software from another vendor.

# Benefits of Modern Software

- Improved service delivery to members, including enhanced self-service.
- Better intelligence to avoid potential errors.
- Less work done manually “outside” of the software.
- More efficient payroll processing.
- Reduce the need for the vendor to be involved with common transactions (scripting-in).
- Manage and store documents electronically with a connection to the PAS.
- Workflow management to track, expedite and plan workload.
- Enhanced member communications.
- Ease of use.
- Easier access to data needed for common queries.

# Why Now?

- To take advantage of the improvements identified on the prior slide and improve the efficiency of our operations and service for members.
- A PAS project can take 4 or more years from the start of a selection process to go live with the software. Time is of the essence now.
  - DFPF has been very lucky to have one person, IT Manager John Holt, who has been with the pension system for decades and understands everything about our current PAS and the pension plan. John has not stated he plans to retire at any certain date, but because PAS projects take years to implement, I believe we should start a project as soon as possible to capitalize on both John's knowledge and to be able to have people involved in the implementation that can support DFPF into the future with the knowledge they gain during the implementation process.

# Process To Date – Current Research

- Discussed the need for changing the software during the 2024 budget process.
  - The Board asked that staff explore the options further and did not include any funding in the 2024 budget for the project.
- Staff identified several viable vendors in the PAS field and had software demonstrations with four vendors, including our current vendor LRS. An additional vendor declined to participate due to the size of DPFP, and we chose not to go forward with another vendor after learning the starting price quote.
- From the demonstrations, we learned that several vendors could meet DPFP's pensions administration needs.

# Process To Date – Current Research

## Peer Pension Systems in Texas

- Of the 11 municipal retirement systems over \$1 billion, six use LRS (PensionGold), and five use different vendors.
- Austin Police, Austin Employees, Austin Fire, San Antonio F&P, Houston Fire, and Houston Municipal are with LRS.
  - Austin Police, Austin Fire, and Houston Fire recently underwent a lengthy RFP process and selected LRS. Austin Police and Austin Fire had been with LRS before the RFP.
- Houston Police (Catapult); El Paso Fire & Police and El Paso City Employees (PTG); Fort Worth Employees (Sagitec); Dallas ERF (Vitech).

# Process To Date – Current Research

- DPF Staff has discussed the procurement and implementation process with other pension systems, and from those conversations and our experience, we note the following:
  - It is important to fully and specifically define all the software requirements in a software selection process. The requirements as defined will become part of the contract.
  - Three vendors with experience writing RFPs for defined benefit pension administration software projects have been identified.
  - A full RFP process with a vendor can take 6-12 months and cost up to \$500k.
  - Hiring an outside attorney specializing in Pension Administration System contracts is advantageous to assist with negotiating the contract and ensuring that DPF is well protected. This firm will also be in place if an issue arises after the project starts. Staff has had identified two firms that work in this area and had a conversation with one firm to date.

# Process To Date – Current Research

- Implementing a new Pension Administration Software will take several years and cost between \$3.5 million and \$12 million, not including ongoing maintenance, document imaging, and the cost of any consultants/lawyers/extra personnel.
- Given the mission-critical nature of the software and the complexity, implementing any new software has risks.
- Staying with our current vendor reduces the risk of the implementation significantly because they know our requirements and processes and have our data, so data conversion would be much easier.
- Other vendors may provide functionality that could improve our operations that is not available with our current vendor.
- Some may believe that it is necessary for a project this size to go through a formal RFP process to get the best solution at the lowest cost.



# Next Steps - Recommendation

- Hire a consultant to advise DPFP on the acquisition and implementation of a pension administration software system.
- Based on that information, move forward with either:
  - A process with our current vendor to determine the requirements of the Version 4 software requirements and negotiate a contract with the assistance of a legal expert or
  - Develop and disseminate a Request for Proposal for Pension Administration Software.



# Next Steps – Recommended Motion

Authorize the Executive Director, in her discretion, to take any or all of the following actions:

- (i) hire a consultant to advise DPF on the acquisition and implementation of a pension administration software system (“PAS”);
- (ii) disseminate a Request for Proposal for a new PAS; and
- (iii) negotiate with the current PAS vendor with respect to a new PAS.



## DISCUSSION SHEET

### ITEM #C7

**Topic:** Portfolio Update

**Discussion:** Investment Staff will brief the Board on recent events and current developments with respect to the investment portfolio.

*Regular Board Meeting – Thursday, July 11, 2024*



D A L L A S  
POLICE & FIRE  
PENSION SYSTEM



## Portfolio Update

*July 11, 2024*  
*Board Meeting*

## Executive Summary

- **Estimated YTD Return (As of 6/30/24):** 4.67% for DPFPP Portfolio; 7.1% for Public Portfolio (ex-Cash) which makes up 73% of the assets.
- **Liquidation of private market assets remains a top focus.**
  - \$9.8M of distributions received YTD, \$69M in distributions received in 2023.
- **Custodian Search:** Staff held interviews with finalist firms on June 11 and will discuss a hire recommendation at the July Board meeting.
- **Albourne Private Markets:** Contract with Albourne began on July 1<sup>st</sup> – Initial work will be focused on Private Credit education for Asset Allocation Study, Investment Policy updates, Agriculture portfolio review and Performance Reporting on-boarding.

# Investment Initiatives – 2024 Plan

## Q3 2024

- Additional Asset Allocation mixes presented to IAC
- Custodian Selection
- Albourne On-Boarding
- Agriculture Portfolio Review
- Asset Allocation Review to Board

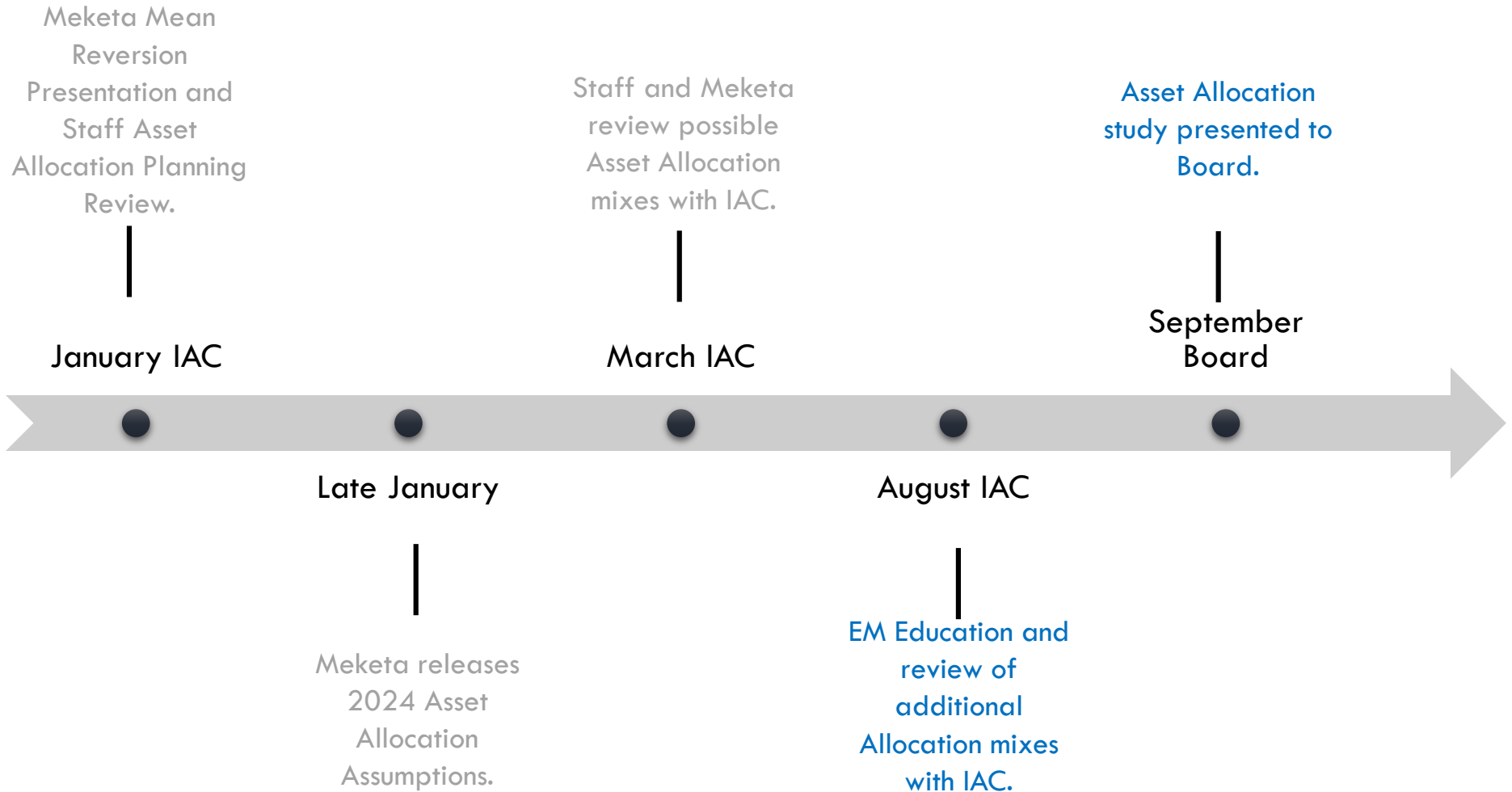
## Q4 2024

- Investment Policy Statement review and updates
- Private Market Planning – Update IPS provision, pacing studies, etc.

## 2025 & Beyond

- Initial New Private Market Investments

# 2024 Asset Allocation Study Timeline



# Equity Market Returns (1/1/22 to 7/3/24)

|  | ANN    |
|--|--------|
| ● S&P 500 Level % Change               | 6.02%  |
| ● Nasdaq Composite Level % Change      | 5.89%  |
| ● MSCI EAFE Level % Change             | -0.22% |
| ● MSCI Emerging Markets Level % Change | -5.13% |
| ● MSCI ACWI IMI Level % Change         | 2.05%  |

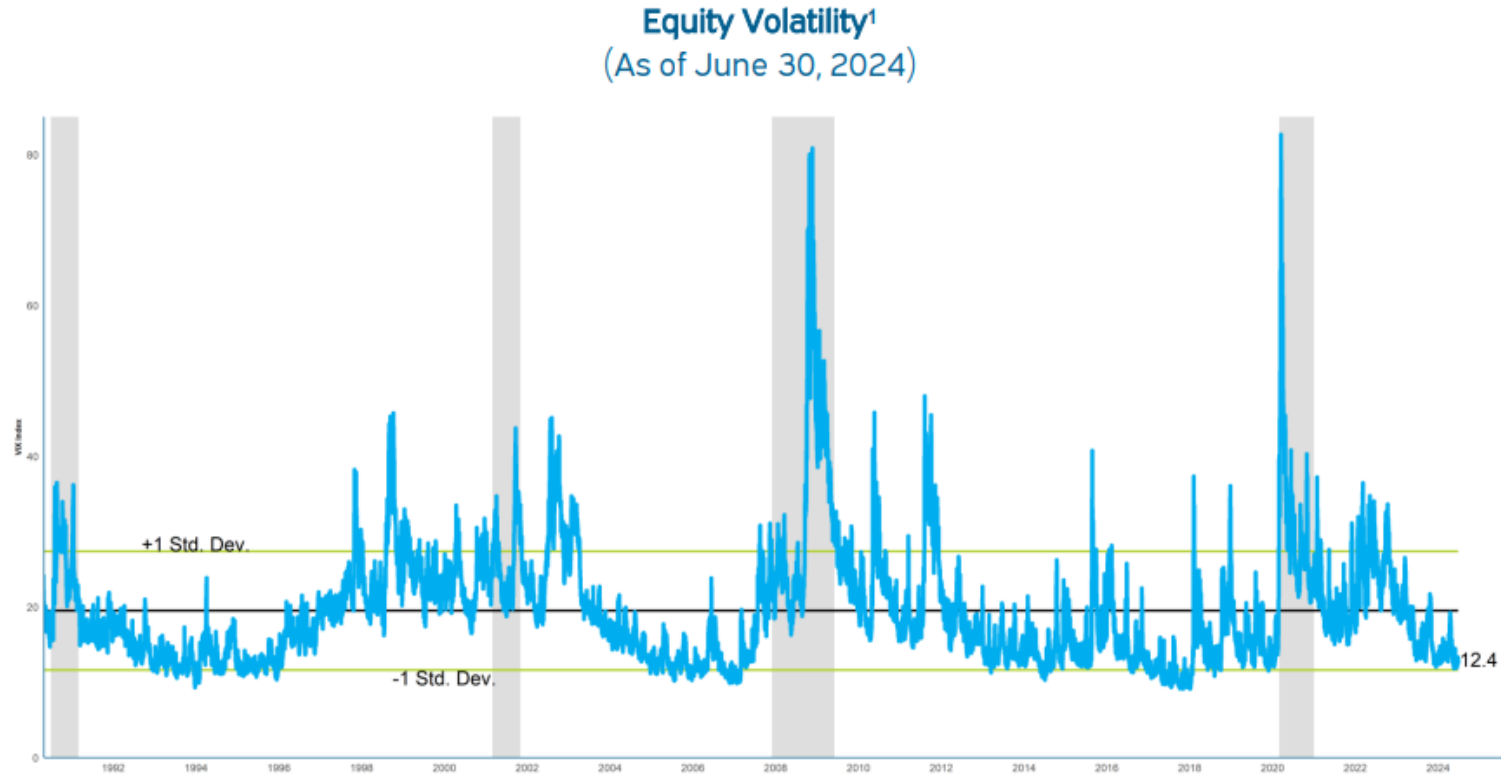


Jul 3, 2024, 10:33 AM EDT Powered by YCHARTS

# US Equity Volatility Level



## Capital Markets Outlook & Risk Metrics



→ This chart details historical implied equity market volatility. This metric tends to increase during times of stress/fear and while declining during more benign periods.

<sup>1</sup> Equity Volatility – Source: FRED, and Meketa Investment Group. Equity Volatility proxied by VIX Index, a Measure of implied option volatility for US equity markets.

<sup>2</sup> Fixed Income Volatility – Source: Bloomberg, and Meketa Investment Group. Fixed Income Volatility proxied by MOVE Index, a Measure of implied option volatility for US Treasury markets.



# International Valuations and Dividend Yields – JPM Guide to The Markets

## International: Price-to-earnings discount vs. U.S.

MSCI All Country World ex-U.S. vs. S&P 500, next 12 months



## International: Difference in dividend yields vs. U.S.

MSCI All Country World ex-U.S. minus S&P 500, next 12 months



Source: FactSet, MSCI, Standard & Poor's, J.P. Morgan Asset Management. Guide to the Markets – U.S. Data are as of June 30, 2024.

# Public Markets Performance Snapshot

Public Markets (ex-Cash) currently make up 73% of DFPF Investment Portfolio.

| Performance Summary<br>Ending June 30, 2024                       |                      |             |             |              |              |
|---|----------------------|-------------|-------------|--------------|--------------|
|   | Market Value<br>(\$) | 1 Mo<br>(%) | YTD<br>(%)  | 3 Yrs<br>(%) | 5 Yrs<br>(%) |
| <b>Total Public Portfolio (ex-Cash)</b>                           | <b>1,442,894,849</b> | <b>0.9</b>  | <b>7.1</b>  | <b>2.9</b>   | <b>6.8</b>   |
| <i>60% MSCI ACWI IMI Net/40% Bloomberg Global Aggregate Index</i> |                      | <i>1.2</i>  | <i>4.8</i>  | <i>0.7</i>   | <i>5.5</i>   |
| <b>Public Equity</b>  | <b>1,068,609,494</b> | <b>1.0</b>  | <b>9.0</b>  | <b>4.0</b>   | <b>9.8</b>   |
| <i>MSCI AC World IMI Index (Net)</i>                              |                      | <i>1.9</i>  | <i>10.3</i> | <i>4.7</i>   | <i>10.4</i>  |
| <b>Global Equity</b>  | <b>969,049,425</b>   | <b>0.7</b>  | <b>9.2</b>  | <b>4.6</b>   | <b>10.2</b>  |
| <i>MSCI AC World IMI Index (Net)</i>                              |                      | <i>1.9</i>  | <i>10.3</i> | <i>4.7</i>   | <i>10.4</i>  |
| Boston Partners Global Equity Fund                                | 116,717,314          | -3.0        | 6.1         | 7.0          | 10.7         |
| <i>MSCI World Net</i>   |                      | <i>2.0</i>  | <i>11.7</i> | <i>6.9</i>   | <i>11.8</i>  |
| Manulife Global Equity Strategy                                   | 119,113,669          | -0.3        | 8.9         | 6.5          | 10.0         |
| <i>MSCI ACWI Net</i>  |                      | <i>2.2</i>  | <i>11.3</i> | <i>5.4</i>   | <i>10.8</i>  |
| Walter Scott Global Equity Fund                                   | 120,872,271          | 1.9         | 7.6         | 5.1          | 10.3         |
| <i>MSCI ACWI Net</i>  |                      | <i>2.2</i>  | <i>11.3</i> | <i>5.4</i>   | <i>10.8</i>  |
| WCM Global Equity   | 124,142,026          | 3.4         | 17.0        | --           | --           |
| <i>MSCI AC World Index Growth (Net)</i>                           |                      | <i>4.8</i>  | <i>16.3</i> | <i>5.5</i>   | <i>13.8</i>  |
| NT ACWI Index IMI   | 368,820,246          | 1.9         | 10.4        | 5.1          | --           |
| <i>MSCI AC World IMI Index (Net)</i>                              |                      | <i>1.9</i>  | <i>10.3</i> | <i>4.7</i>   | <i>10.4</i>  |
| Eastern Shore US Small Cap  | 63,745,635           | 0.7         | 4.2         | --           | --           |
| <i>Russell 2000 Index</i>   |                      | <i>-0.9</i> | <i>1.7</i>  | <i>-2.6</i>  | <i>6.9</i>   |
| Global Alpha International Small Cap                              | 55,638,265           | -4.6        | 0.8         | --           | --           |
| <i>MSCI EAFE Small Cap (Net)</i>                                  |                      | <i>-3.0</i> | <i>0.5</i>  | <i>-3.4</i>  | <i>4.2</i>   |

MEKETA INVESTMENT GROUP

# Public Markets Performance Snapshot

## Asset Allocation & Performance | As of June 30, 2024

|   | Market Value<br>(\$) | 1 Mo<br>(%) | YTD<br>(%)  | 3 Yrs<br>(%) | 5 Yrs<br>(%) |
|---|----------------------|-------------|-------------|--------------|--------------|
| <b>Emerging Markets Equity</b>                                  | <b>99,560,069</b>    | <b>3.6</b>  | <b>7.4</b>  | <b>-1.7</b>  | <b>3.6</b>   |
| <i>MSCI Emerging Markets IMI (Net)</i>                          |                      | <i>3.8</i>  | <i>7.4</i>  | <i>-4.1</i>  | <i>3.9</i>   |
| RBC Emerging Markets Equity                                     | 99,560,069           | 3.6         | 7.4         | -1.7         | 3.6          |
| <i>MSCI Emerging Markets IMI (Net)</i>                          |                      | <i>3.8</i>  | <i>7.4</i>  | <i>-4.1</i>  | <i>3.9</i>   |
| <b>Public Fixed Income</b>                                      | <b>374,285,354</b>   | <b>0.5</b>  | <b>1.9</b>  | <b>-1.1</b>  | <b>1.5</b>   |
| <i>Bloomberg Global Multiverse Index</i>                        |                      | <i>0.2</i>  | <i>-3.0</i> | <i>-5.3</i>  | <i>-1.8</i>  |
| IR&M 1-3 Year Strategy  | 116,629,266          | 0.5         | 1.7         | 0.9          | 1.8          |
| <i>Blmbg. U.S. Aggregate 1-3 Yrs</i>                            |                      | <i>0.6</i>  | <i>1.4</i>  | <i>0.6</i>   | <i>1.2</i>   |
| Longfellow Core Fixed Income                                    | 63,897,289           | 1.1         | 0.2         | -2.7         | --           |
| <i>Blmbg. U.S. Aggregate Index</i>                              |                      | <i>0.9</i>  | <i>-0.7</i> | <i>-3.0</i>  | <i>-0.2</i>  |
| Aristotle Pacific Capital Bank Loan                             | 63,646,641           | 0.2         | 4.4         | 6.5          | 5.6          |
| <i>Credit Suisse Leveraged Loan</i>                             |                      | <i>0.3</i>  | <i>4.4</i>  | <i>6.0</i>   | <i>5.4</i>   |
| Loomis US High Yield Fund                                       | 64,338,408           | 1.0         | 2.1         | 0.3          | --           |
| <i>Blmbg. U.S. High Yield - 2% Issuer Cap</i>                   |                      | <i>0.9</i>  | <i>2.6</i>  | <i>1.6</i>   | <i>3.9</i>   |
| Metlife Emerging Markets Debt Blend                             | 65,773,751           | -0.2        | 1.2         | --           | --           |
| <i>35% JPMEMBI Gbl/35% JPM CEMBI Broad Div/30% JPMGBI-EM Di</i> |                      | <i>0.2</i>  | <i>0.8</i>  | <i>--</i>    | <i>--</i>    |

MEKETA INVESTMENT GROUP

# Global Equity Rolling 3-Year Return

Global Equity | As of March 31, 2024

Rolling 3 Year Annualized Return (%)



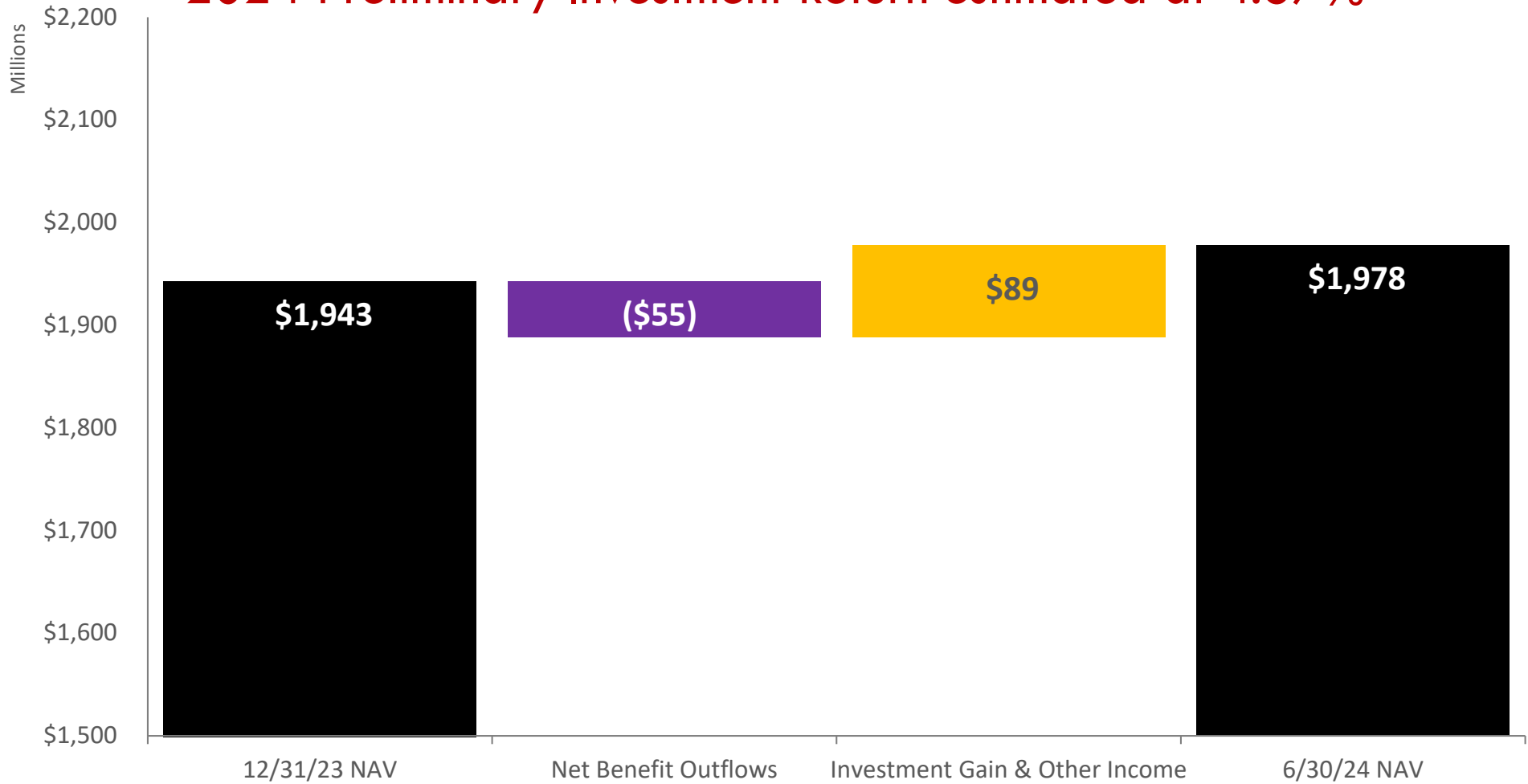
Calculation based on quarterly periodicity.



# 2024 - Change in Market Value Bridge Chart

*In Millions*

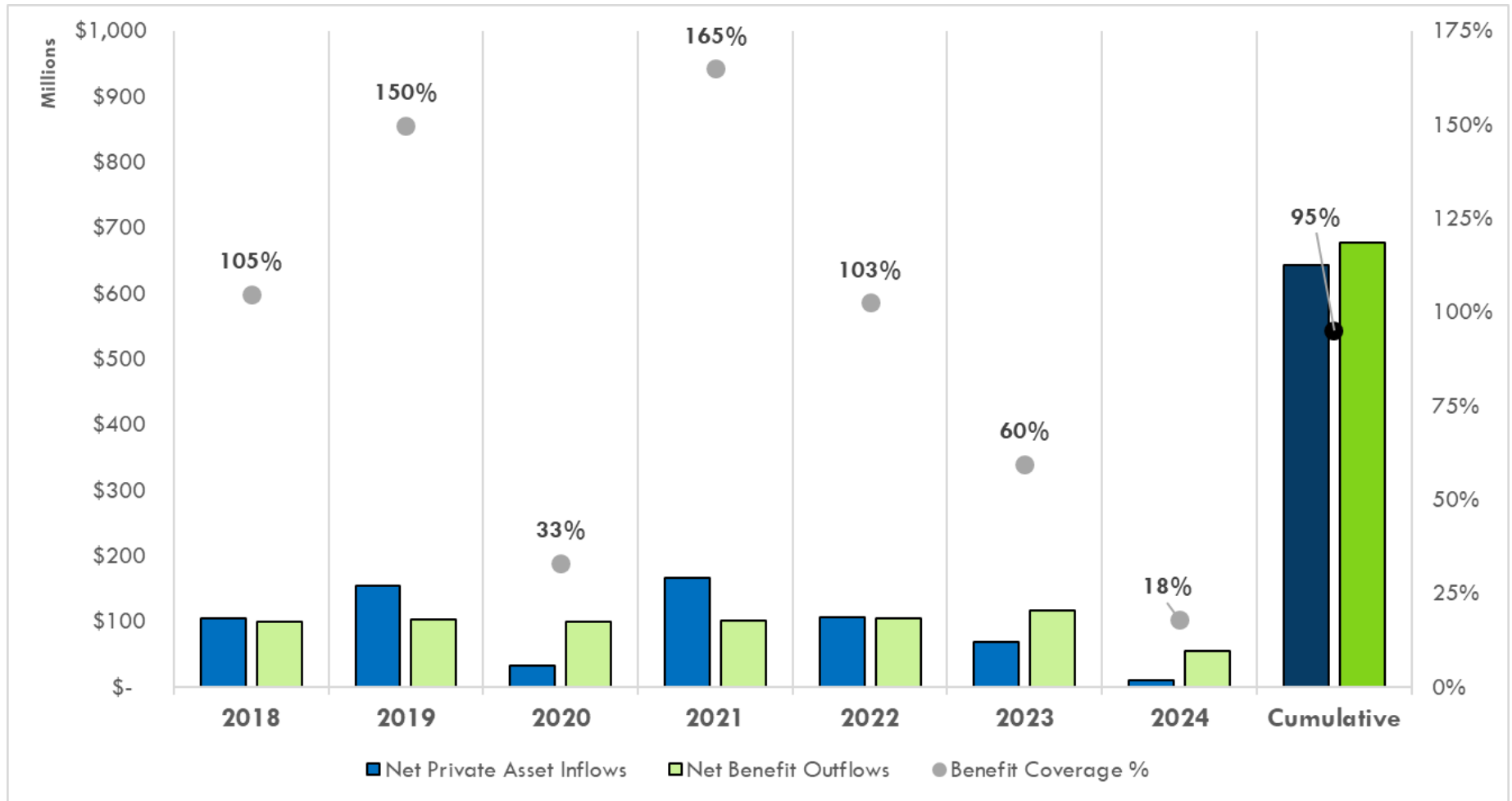
**2024 Preliminary Investment Return estimated at 4.67%**



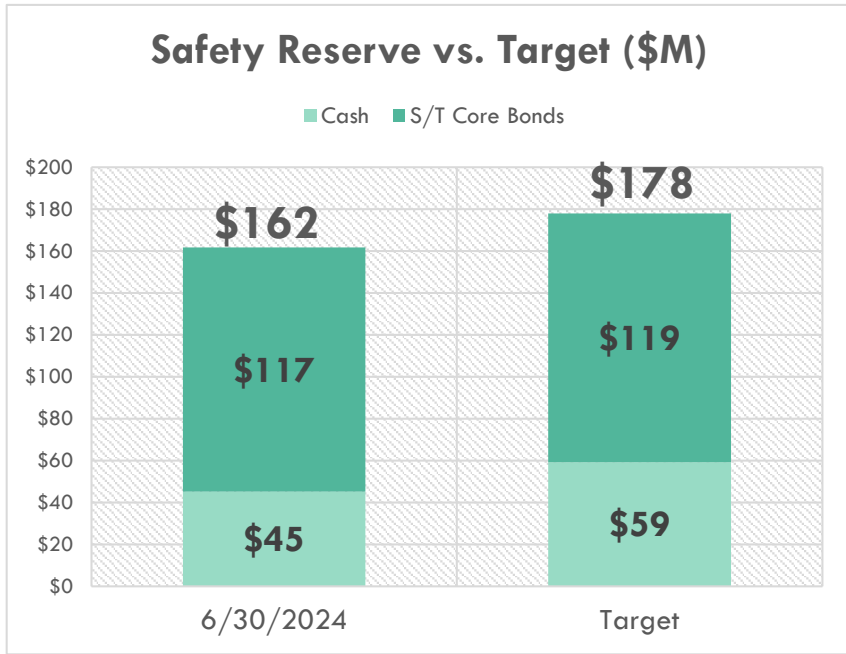
The beginning 12/31/23 value is from the Q4 2023 Meketa Performance Report and includes a one-quarter lag on private assets.  
 Numbers may not foot due to rounding.

# Benefit Outflow Coverage

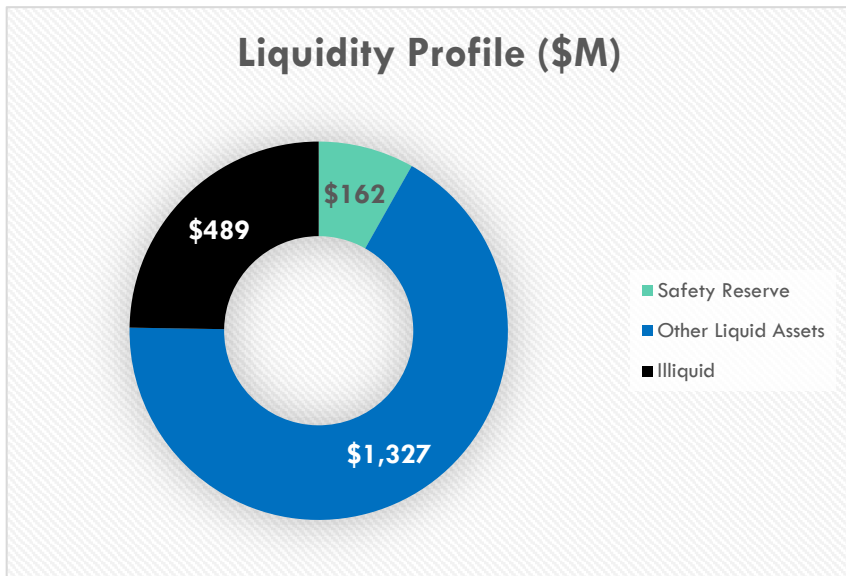
**Since 2018, net Private Asset inflows have covered 95% of net benefit outflows.**



# Safety Reserve Dashboard



Projected Net Monthly outflows of **\$8.5M** per month. Safety Reserve of **\$162M** would cover net monthly outflows for next **18 months** or through **December 2025**.



| Expected Cash Activity | Date    | Amount (\$M) | Projected Cash Balance (\$M) | Projected Cash (%) |
|------------------------|---------|--------------|------------------------------|--------------------|
|                        | 6/30/24 |              | \$45.2                       | 2.3%               |
| City Contribution      | 7/5/24  | \$9.6        | \$54.8                       | 2.8%               |
| City Contribution      | 7/19/24 | \$9.6        | \$64.4                       | 3.3%               |
| Pension Payroll        | 7/31/24 | (\$28.7)     | \$35.7                       | 1.8%               |
| City Contribution      | 8/2/24  | \$9.6        | \$45.4                       | 2.3%               |
| City Contribution      | 8/16/24 | \$9.6        | \$55.0                       | 2.8%               |
| Pension Payroll        | 8/28/24 | (\$28.7)     | \$26.3                       | 1.3%               |
| City Contribution      | 8/30/24 | \$9.6        | \$36.0                       | 1.8%               |
| City Contribution      | 9/13/24 | \$9.6        | \$45.6                       | 2.3%               |
| Pension Payroll        | 9/25/24 | (\$28.7)     | \$16.9                       | 0.9%               |
| City Contribution      | 9/27/24 | \$9.6        | \$26.5                       | 1.3%               |

Numbers may not foot due to rounding.

# Asset Allocation Detail

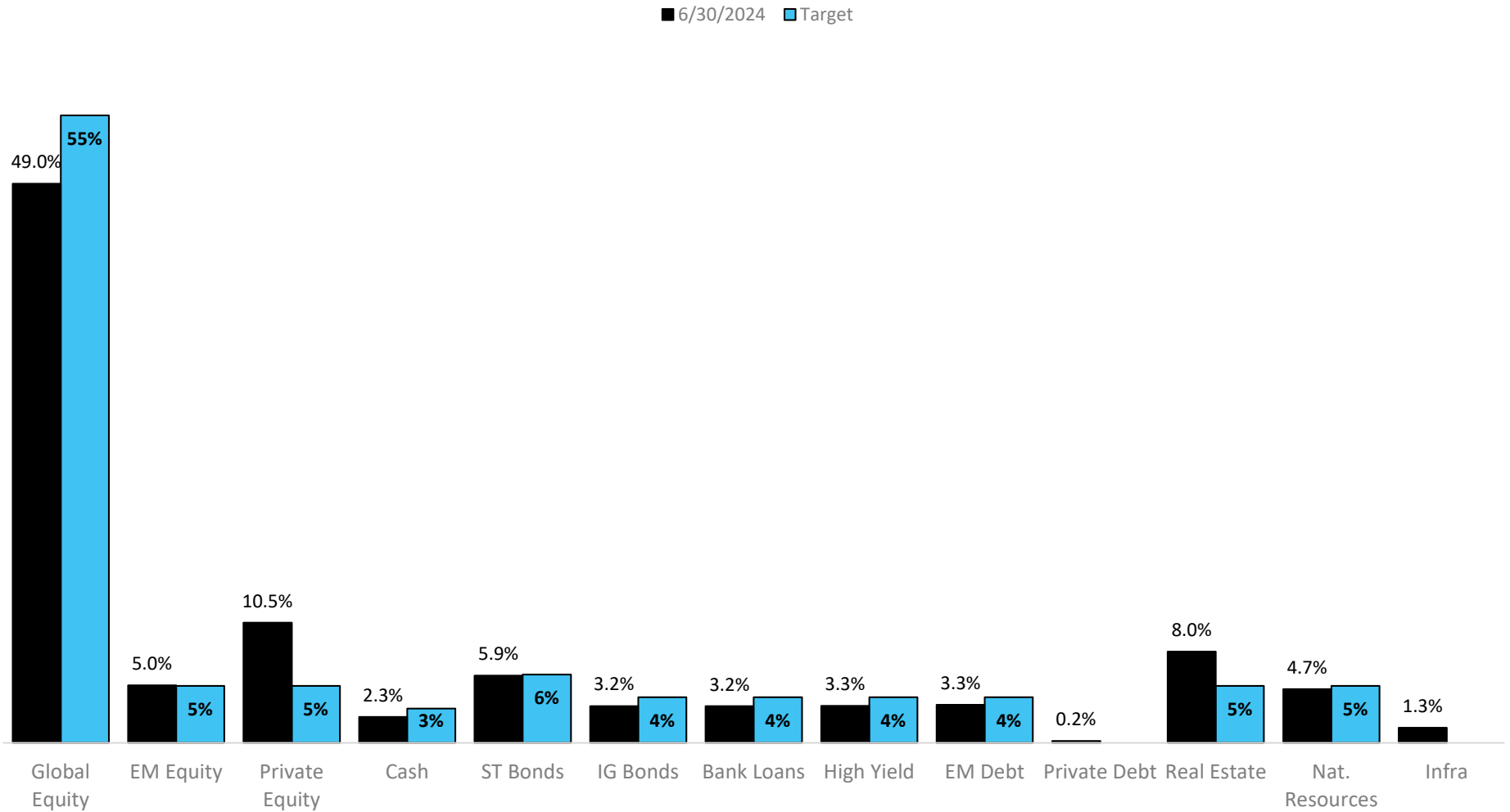
| DPFP Asset Allocation                | 6/30/2024    |               | Targets      |             |             | Variance   |              |
|--------------------------------------|--------------|---------------|--------------|-------------|-------------|------------|--------------|
|                                      | NAV          | %             | \$ mil.      | %           | % of Target | \$ mil.    | %            |
| <b>Equity</b>                        | <b>1,277</b> | <b>64.6%</b>  | <b>1,285</b> | <b>65%</b>  | <b>99%</b>  | <b>-8</b>  | <b>-0.4%</b> |
| Global Equity                        | 969          | 49.0%         | 1,088        | 55%         | 89%         | -118       | -6.0%        |
| <i>Boston Partners</i>               | 117          | 5.9%          | 119          | 6%          | 98%         | -2         | -0.1%        |
| <i>Manulife</i>                      | 119          | 6.0%          | 119          | 6%          | 100%        | 0          | 0.0%         |
| <i>Walter Scott</i>                  | 121          | 6.1%          | 119          | 6%          | 102%        | 2          | 0.1%         |
| <i>WCM</i>                           | 124          | 6.3%          | 119          | 6%          | 105%        | 5          | 0.3%         |
| <i>Northern Trust ACWI IMI Index</i> | 369          | 18.7%         | 494          | 25%         | 75%         | -126       | -6.3%        |
| <i>Eastern Shore US Small Cap</i>    | 64           | 3.2%          | 59           | 3%          | 108%        | 4          | 0.2%         |
| <i>Global Alpha Intl Small Cap</i>   | 56           | 2.8%          | 59           | 3%          | 94%         | -4         | -0.2%        |
| Emerging Markets Equity - RBC        | 100          | 5.0%          | 99           | 5%          | 101%        | 1          | 0.0%         |
| Private Equity*                      | 208          | 10.5%         | 99           | 5%          | 211%        | 109        | 5.5%         |
| <b>Fixed Income</b>                  | <b>423</b>   | <b>21.4%</b>  | <b>494</b>   | <b>25%</b>  | <b>85%</b>  | <b>-72</b> | <b>-3.6%</b> |
| Cash                                 | 45           | 2.3%          | 59           | 3%          | 76%         | -14        | -0.7%        |
| S/T Investment Grade Bonds - IR+M    | 117          | 5.9%          | 119          | 6%          | 98%         | -2         | -0.1%        |
| Investment Grade Bonds - Longfellow  | 64           | 3.2%          | 79           | 4%          | 81%         | -15        | -0.8%        |
| Bank Loans - Aristotle Pacific       | 64           | 3.2%          | 79           | 4%          | 80%         | -15        | -0.8%        |
| High Yield Bonds - Loomis Sayles     | 64           | 3.3%          | 79           | 4%          | 81%         | -15        | -0.7%        |
| Emerging Markets Debt - MetLife      | 66           | 3.3%          | 79           | 4%          | 83%         | -13        | -0.7%        |
| Private Debt*                        | 3            | 0.2%          | 0            | 0%          |             | 3          | 0.2%         |
| <b>Real Assets*</b>                  | <b>278</b>   | <b>14.1%</b>  | <b>198</b>   | <b>10%</b>  | <b>141%</b> | <b>80</b>  | <b>4.1%</b>  |
| Real Estate*                         | 158          | 8.0%          | 99           | 5%          | 160%        | 60         | 3.0%         |
| Natural Resources*                   | 93           | 4.7%          | 99           | 5%          | 94%         | -6         | -0.3%        |
| Infrastructure*                      | 26           | 1.3%          | 0            | 0%          |             | 26         | 1.3%         |
| <b>Total</b>                         | <b>1,978</b> | <b>100.0%</b> | <b>1,978</b> | <b>100%</b> |             | <b>0</b>   | <b>0.0%</b>  |
| Safety Reserve ~\$162M=18 mo net CF  | 162          | 8.2%          | 178          | 9%          | 91%         | -16        | -0.8%        |
| *Private Market Assets               | 489          | 24.7%         | 297          | 15%         |             | 193        | 9.7%         |

Source: Preliminary JP Morgan Custodial Data, Staff Estimates and Calculations.

Numbers may not foot due to rounding



# Asset Allocation – Actual vs Target





## DISCUSSION SHEET

### ITEM #C8

**Topic:** Custodian Selection

**Discussion:** Staff launched a custodian bank search earlier this year. Staff hired the Callan Implementation Solutions Group to assist with the search and RFP. The RFP was issued in April. Staff and Callan held in person interviews with the finalist firms in June. Staff will discuss the search process and make a recommendation on the selection of a new custodian.

**Staff Recommendation:** To be **provided** at the meeting.

*Regular Board Meeting – Thursday, July 11, 2024*



---

---

**CUSTODIAN SEARCH RECOMMENDATION**

---

---

Date: July 11, 2024

To: DFPF Board of Trustees

From: DFPF Investment Staff

Subject: Custodian Search Process and Recommendation

---

Following a robust Request for Proposal (“RFP”) and search process, **staff recommends hiring BNY for custodian services**, subject to final contract negotiations.

**Custodian Search Process Summary:**

To assist in the search process, DFPF hired Callan’s Implementation Solutions Group. Prior to composing the RFP, Callan spent time onsite with staff to understand current custodian usage and how DFPF needs will evolve in coming years.

The RFP was issued in April and responses were received from Northern Trust (“NT”) and BNY. RFPs were scored with the assistance of Callan, and both NT and BNY scored at the same level, with different areas of strength. Notably, BNY has an edge on technology.

Callan and staff held a 3-hour final interview with both BNY and NT at the DFPF offices on June 11<sup>th</sup>. Both firms demonstrated their technology and capabilities and showcased a portion of the relationship management team. Following the finalist interviews, staff held direct calls with the day-to-day contacts of both firms to gain further confidence in the service DFPF would receive.

Additionally, staff conducted six reference calls to develop a better understanding of each firm’s service model, capabilities, and platform. At the conclusion of reference calls, staff generally agreed that, while NT offers a more senior and experienced relationship team, the technology of BNY offered a durable advantage to the firm. References also confirmed that although BNY has experienced turnover in recent years, it hasn’t materially impacted their services.

Callan worked with both NT and BNY on best and final offers, and overall pricing was generally in line between the two firms. The expected annual cost for BNY will range from \$230,000 - \$250,000 depending on ancillary services selected and final negotiations. Notably, BNY charges a far lower account based and asset-based fee for core custody services which serves DFPF better as assets and accounts grow in the future. The official transition date from JP Morgan to BNY is planned to align with the fiscal year end of 12/31/24, with BNY being fully in place as custodian on 1/1/25.



**BNY Key Pros and Cons**

| Pros   | Cons   |
|--|--|
| <ul style="list-style-type: none"> <li>- <b>Superior Technology:</b> Platform is more user friendly and robust, offering a single platform for wire transfers</li> <li>- <b>Strong Accounting Capabilities:</b> BNY custody platform is built to offer seamless and timely accounting</li> <li>- <b>Lower Costs Over the Long Term:</b> BNY offers a lower asset based and account-based fee which will mitigate increasing costs as plan assets increase</li> </ul> | <ul style="list-style-type: none"> <li>- <b>Less Experienced Relationship Team:</b> Relationship manager is new to the custody business, though is well connected in the organization</li> <li>- <b>Organizational Turnover:</b> BNY has experienced a high volume of turnover, and this was evident in reference calls</li> </ul> |



## DISCUSSION SHEET

### ITEM #C9

**Topic:** Lone Star Investment Advisors

Portions of the discussion under this topic may be closed to the public under the terms of Section 551.071 of the Texas Government Code

**Discussion:** Investment staff will update the Board on investments with this manager.

*Regular Board Meeting – Thursday, July 11, 2024*



## DISCUSSION SHEET

### ITEM #C10

**Topic:** Legal issues - In accordance with Section 551.071 of the Texas Government Code, the Board will meet in executive session to seek and receive the advice of its attorneys about pending or contemplated litigation or any other legal matter in which the duty of the attorneys to DFPF and the Board under the Texas Disciplinary Rules of Professional Conduct clearly conflicts with Texas Open Meeting laws.

**Discussion:** Counsel will brief the Board on these issues.

*Regular Board Meeting – Thursday, July 11, 2024*



## DISCUSSION SHEET

### ITEM #D1

**Topic:** Public Comment

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

*Regular Board Meeting – Thursday, July 11, 2024*



## DISCUSSION SHEET

### ITEM #D2

**Topic:** Executive Director's Report

- a. Associations' newsletters
  - NCPERS Monitor (July 2024)
- b. Open Records
- c. Employee Service Award

**Discussion:** The Executive Director will brief the Board regarding the above information.

*Regular Board Meeting – Thursday, July 11, 2024*



THE NCPERS

# MONITOR

The Latest in Legislative News

July 2024

NCPERS

Executive Director's Corner



## Policy Makers Should Consider Long-Term Impacts on Economy Before Making Cuts to Pensions

By [Hank Kim](#), Executive Director and Counsel, NCPERS



**W**hen budgets are tight, policy makers often face tough decisions about cutting services, delaying projects, raising taxes, or even reducing public servants' benefits. But when it comes to closing pension plans or slashing benefits to save money in the short term, policy makers need to think twice: [New research](#) from NCPERS finds that policies that reduce pension benefits or promote transitions to defined contribution plans may end up costing even *more* due to the dynamic interrelationship between pension reforms, income inequality, the economy, and market returns.

The study, [The Hidden Costs of Pension Reforms: Rising Income Inequality, Lagging Economic Growth](#), examines the relationship between pension reforms (consisting primarily of benefit reductions) in both the private and public sector, income inequality, and economic growth. ☺

Between 1977-2021, the share of the US workforce covered by pension plans fell 13 percentage points while income inequality nearly doubled. In 1977, the top income quintile earned only 7 times the amount of the bottom quintile, while in 2021 they made almost 14 times more.

In the last four years alone, the world's five richest men more than doubled their wealth—from \$405 billion to \$869 billion—while nearly five billion people became poorer. As income inequality has steadily increased, not only has the American Dream gotten further and further out of reach for many, but our economy has been dampened.

Rising income inequality reduces growth in GDP by 2 to 4 percentage points annually, and it is inversely related to economic growth. From 2000-2020, when income inequality (defined as the ratio of top to bottom income quintiles) rose by one unit in a state, the annual rate of economic growth fell by 2 percent.

When the economy is depressed, market returns decline. This in turn suppresses the growth of the pooled assets invested in pension funds, reducing returns and ultimately costing plan sponsors (and taxpayers) more. This is especially important for policy makers to consider, since public pensions are [net revenue positive](#) for state and local economies.

In order to isolate the impact of reducing pension benefits or access, the study's lead researcher Dr. Michael Kahn examined other variables that impact income inequality, including the lack of investment in public education, regressive taxation, and a decline in union membership. The analysis found that each of these variables has an inverse relationship with income inequality.

WELCOME TO NCPERS 11TH ANNUAL

# PUBLIC PENSION FUNDING FORUM

Participate in insightful discussions around pension funding solutions, hear the latest research from expert presenters, and network with public pension professionals at the 2024 Public Pension Funding Forum.

**REGISTRATION IS NOW OPEN!**

 August  
18 - 20

 Fairmont Copley Plaza  
Boston, MA



Historically, many policy makers have made cuts to pensions and embraced regressive taxation models with the idea that economic benefits will 'trickle down.' However, this new research makes a powerful statement about the dangers of this approach and the risks we face with rising income inequality. "By broadening access to pensions, instituting a progressive tax framework, or promoting workers' right to organize, we can help increase income equality and ultimately create a positive 'trickle up' economic effect," said Kahn.

On July 10th, NCPERS will host a [webinar](#) to review the findings of this new study. Kahn will be joined by Josh Bivens, chief economist at the Economic Policy Institute, to further discuss the connection between access to pensions, income equality, and economic growth. [Register here](#) to join this important conversation.

Please don't hesitate to reach out to [info@ncpers.org](mailto:info@ncpers.org) with any questions about [NCPERS research](#) or our upcoming [educational events](#). ♦

# The Hidden Costs of Pension Reforms:

## Rising Income Inequality, Lagging Economic Growth

[DOWNLOAD THE REPORT](#)

# The Impact of Demographic Shifts on Public Pensions (And What They Can Do About It)

By: [Lizzy Lees](#), Director of Communications, NCPERS



**T**he workforce looks very different than it did just a decade ago—and there are more changes on the horizon. Currently, we’re experiencing a ‘silver tsunami’ as baby boomers enter their retirement years. And while an estimated 12,000 Americans turn 65 each day, birthrates in the US have reached a [historic low](#).

These demographic shifts have already begun to present challenges as employers struggle to recruit and retain workers. The pandemic compounded these issues, and some industries are still facing severe labor shortages.

But in the public sector especially, these demographic shifts and workforce changes can have a very real impact on the long-term funding of a pension. When the number of retirees receiving benefits exceeds the number of workers contributing to the plan, the result is typically negative cashflow. These plans—often referred to as mature plans—are becoming increasingly common. Looking collectively at state and local plans in the US, all but four states had negative cashflows as of July 2023.

The rise in mature plans is occurring now because of a demographic shift the US began to see approximately 80 years ago. Following the second world war, the birth rate surged and has since continued to decline. So as the generation born 1946-1964 retires, in many instances the number of individuals collecting a pension exceeds the number of workers contributing to the plan. ☺

But what can mature plans do in the face of negative cashflow? While it does present challenges, NCPERS has seen success stories across the country as plans take innovative approaches to fill the gap. For example, the Connecticut State Employees Retirement System was able to improve its funding levels and net amortization position by creating new revenue streams through progressive taxation. Other funds are successfully synchronizing investment and actuarial strategies with cashflow needs.

NCPERS' 11th annual [Public Pension Funding Forum](#) will highlight case studies from mature plans that have successfully implemented strategies to address negative cashflow and showcase solutions for funds looking to address these challenges. Held August 18-20 in Boston, this unique event brings together the public pension community to discuss emerging trends, innovative research, and to share solutions to enhance pension funding. [View the agenda here](#), and [register now](#) to attend.

While shifting demographics may present a challenge, public pensions can adapt and continue to thrive. As resilient long-term investors, pensions have seen funding ratios rebound and [continue to rise](#) after each economic crisis. And in the face of unprecedented shifts in demographics, mature plans can successfully implement policies that enable them to provide secure retirements for generations to come. ♦

# NCPERS Accredited Fiduciary (NAF) Program

**FALL CLASS**  
**October 26-27**  
**Palm Springs, CA**



Earn your NCPERS Accredited Fiduciary (NAF) designation and become a nationally recognized expert in public pension governance. This two-day course educates public pension trustees and administrators about best practices for plan governance, oversight, and administration.

**REGISTER NOW**





## ESG and Public Pensions: The Latest Legislative Developments

By: [Tony Roda](#), Partner, Williams & Jensen



Photo Illustration © 2024, iStock.com

**O**n June 12, the House Judiciary Committee's Subcommittee on the Administrative State, Regulatory Reform, and Antitrust held a hearing titled, Climate Control: Decarbonization Collusion in Environmental, Social, and Governance (ESG) Investing. This is the most recent in a string of ESG-related hearings held by this Congress in the Republican-controlled House.

Previous hearings were held by the Oversight and Accountability Committee, the Financial Services Committee, and the Ways and Means Committee. Each hearing has explored a slightly different angle. For example, the Ways & Means hearing focused on whether trustees of tax-exempt organizations were investing trust fund monies in accordance with their duty under the exclusive benefit rule, which is part of their qualification requirements under the federal tax code.

Despite the different policies discussed in the hearings, each has followed a familiar script, with Republicans to a Member railing against woke capitalism and politically driven investing, and Democrats defending the use of a sustainability filter as a necessary part of the risk and return analysis that fiduciaries must employ to fulfill their legal responsibilities. ☺

For its June 12 hearing the House Judiciary Committee's specific policy angle was whether antitrust laws have been broken in the pursuit of ESG investing. The day before the hearing the Committee's Republican majority released a 47-page [report](#) concluding that antitrust laws, indeed, have been broken, and sent the report to the Department of Justice for review and investigation. On the same day, the Committee's Democratic minority released a [report](#) finding that there is no evidence of collusive behavior or other antitrust violations.

Predictably, the hearing had its share of vitriol. Representative Harriet Hageman (R-WY) said that "...there's one reason why we have seen the [sic] prosperity in the last 100 years, that right that is [sic] never been rivaled in world history, and it's because of the commercial production of affordable energy. Every single one of you and your organizations want to destroy that. You are evil, and what you are attempting to do, and the violations of law that you are engaged in, is absolutely stunning..." Ranking Member Jerry Nadler (D-NY) remarked that the Committee's investigation is a "shadow campaign by the far-right and their allies in the oil and gas industry."

Dan Bienvenue, Interim Chief Investment Officer of CalPERS, was one of the witnesses at the hearing. Bienvenue stated succinctly, "As a fiduciary and a long-term investor, CalPERS considers many risks to its portfolio. This includes climate-related risks. This is, in our view, neither a hard nor a controversial decision. To the contrary, it would be irresponsible for us to ignore factors that can fundamentally impact the long-term viability of investments." His full testimony can be found [here](#).

So, what comes next? It is extremely unlikely that the Biden Administration will initiate an investigation into antitrust violations based on the Committee's majority report. The real hope by Judiciary Committee Chairman Jim Jordan (R-OH), who vowed to continue the investigation, is that there will be a Republican in the White House next year and that the new GOP Attorney General will take up the cause. Also, there is an expectation among Republicans that private plaintiffs will emerge to file antitrust-based lawsuits.

Further hearings are also possible. In a related development, House Oversight Committee Chairman James Comer (R-KY) sent a [letter](#) on June 6 to Internal Revenue Service (IRS) Commissioner Daniel Werfel requesting the following information specifically regarding state pension funds:

- The process used by the IRS to determine plans' compliance with the exclusive benefit requirements;
- Copies of any guidance the IRS has published to ensure the exclusive benefit test is met by plan sponsors; and
- The number of enforcement actions the IRS has taken against plan sponsors related to the exclusive benefit test in fiscal years 2018-24 along with a brief description of the facts and circumstances underlying the enforcement action.

This letter and the IRS's response could lay the groundwork for the next House hearing, possibly a joint hearing between the Oversight Committee and the Ways and Means Committee.

These issues are playing out not only in the halls of Congress and our regulatory agencies, but also in our nation's courts. Of particular note is a recent ruling by a federal district court in Oklahoma, which [ordered a temporary injunction](#) on the state's anti-ESG investing law, titled the Oklahoma Energy Discrimination Elimination Act of 2022. The law prohibits government retirement systems from investing in companies that boycott energy companies.

On May 3, 2023, the state's Treasurer placed 13 companies on the restricted list for boycotting energy companies. Subsequently, the Board of Trustees of the Oklahoma Public Employees Retirement System (OPERS) exercised an exemption to the law. OPERS estimated that the cost of commissions, taxes, and fees related to the divestment activity mandated under the law would cost the pension fund \$9.7 million.

Then, in December, a beneficiary of OPERS sued the Treasurer in his official capacity on the grounds that the new law violated the Oklahoma Constitution. The federal district court on May 7 of this year ordered the temporary injunction noting in its opinion that plaintiff has a substantial likelihood of success in prevailing on the merits. Importantly, the court found that "...divestiture or transfer of assets and investments has the potential to affect the financial soundness of the investment accounts."

Sustainable investing will continue to roil our government for years to come. There is no doubt that woke capitalism is a successful rallying cry and fundraising tool on the right. It also is true that, as it accelerates, climate change will fundamentally reshape investment challenges and opportunities.

Please be assured that NCPERS will keep its members apprised of significant developments in this public policy area. ♦

*[Tony Roda](#) is a partner at the Washington, D.C. law and lobbying firm [Williams & Jensen](#), where he specializes in legislative, regulatory, and fiduciary matters affecting state and local pension plans. He represents the National Conference on Public Employee Retirement Systems and state-wide, county, and municipal pension plans in California, Colorado, Georgia, Kentucky, Ohio, Tennessee, and Texas. Tony has an undergraduate degree in government and politics from the University of Maryland, J.D. from the Catholic University of America, and LL.M (tax law) from the Georgetown University Law Center.*

## NCPERS 2024 Public Retirement Systems Study: Trends in Fiscal, Operational, and Business Practices





# Call for Speakers: NCPERS 2024 Public Safety Conference

By: [Lizzy Lees](#), Director of Communications, NCPERS



**N**CPERS is excited to announce the call for speakers is now open for our upcoming [Public Safety Conference](#), held October 27-30 in Palm Springs, CA. This member-only event offers a unique opportunity for you to share insights with trustees and staff members of fire, police, and other first responder pension systems.

Your expertise enables us to deliver critical pension information to our fund members, ensuring they stay informed and prepared for the challenges they face. By hosting an educational session, you'll demonstrate your commitment to educating and supporting the public pension community. [Submit your proposal by August 5th.](#)

We are looking for sessions that provide a great learning experience (not a commercial for a product or service) and that are lively, entertaining, innovative, informative and interactive. Topics being considered include, but are not limited to:

- Addressing Unique Challenges to Administering Public Safety Plans
- Reducing and Managing Stress for Public Safety Personnel
- Developments/Improvements to Evaluation Disability Claims
- Latest in Health Care Impacting Public Safety
- Sustainability of Deferred Retirement Option Program (DROP) Plans
- For access to topics covered at past conferences, [click here.](#)

Additional details about the submission process and selection criteria are [available here](#). Only proposals from NCPERS members will be accepted for this event.

If you are interested in contributing to our conference as a speaker, please [submit your session proposal by Monday, August 5.](#)

Please direct any questions to [education@ncpers.org](mailto:education@ncpers.org). ♦

# What to Expect at NCPERS 2024 Public Pension HR Summit

By: [Lizzy Lees](#), Director of Communications, NCPERS

Registration is now open for [NCPERS Public Pension HR Summit](#). Join fellow HR professionals in Denver on September 24-26 to learn from the experience of your peers, gain insights into leading industry practices, and develop the skills and connections you need to tackle the challenges your organization may be facing.

## What Will I Learn?

Over the course of three days, you'll have the opportunity to earn up to 9 hours of continuing education credits while gaining insight into current trends, innovative practices, and the latest developments in the field.



Attend the Summit to:

- Participate in breakout 'hot topics' sessions that address common challenges and share solutions in a small group setting;
- Receive advance access to findings from the [2024 Public Pension Compensation Survey](#);
- Learn how to navigate compliance challenges and the latest employment laws impacting your fund;
- Find out how HR professionals are leveraging AI technologies;
- And much more! [View the agenda](#).

Attending the Public Pension HR Summit is a strategic investment in your professional growth and the success of your organization. [Find out why you should attend and hear what fellow HR professionals are saying](#).

## Who Should Attend the Public Pension HR Summit?

Public pension HR professionals, administrators, and staff looking to enhance their understanding of HR-related challenges and solutions in the public sector. The event is open to both [NCPERS members](#) and non-members, but members receive a significant discount on registration fees.

In order to facilitate open dialogue, this educational program is exclusively open to public pension professionals. Service provider members are not eligible to attend.

## How Can I Register?

To attend the Public Pension HR Summit, [register online here](#) or return this [registration form](#) to [registration@ncpers.org](mailto:registration@ncpers.org). Be sure to register by September 2nd to save \$200 with the early-bird rates!

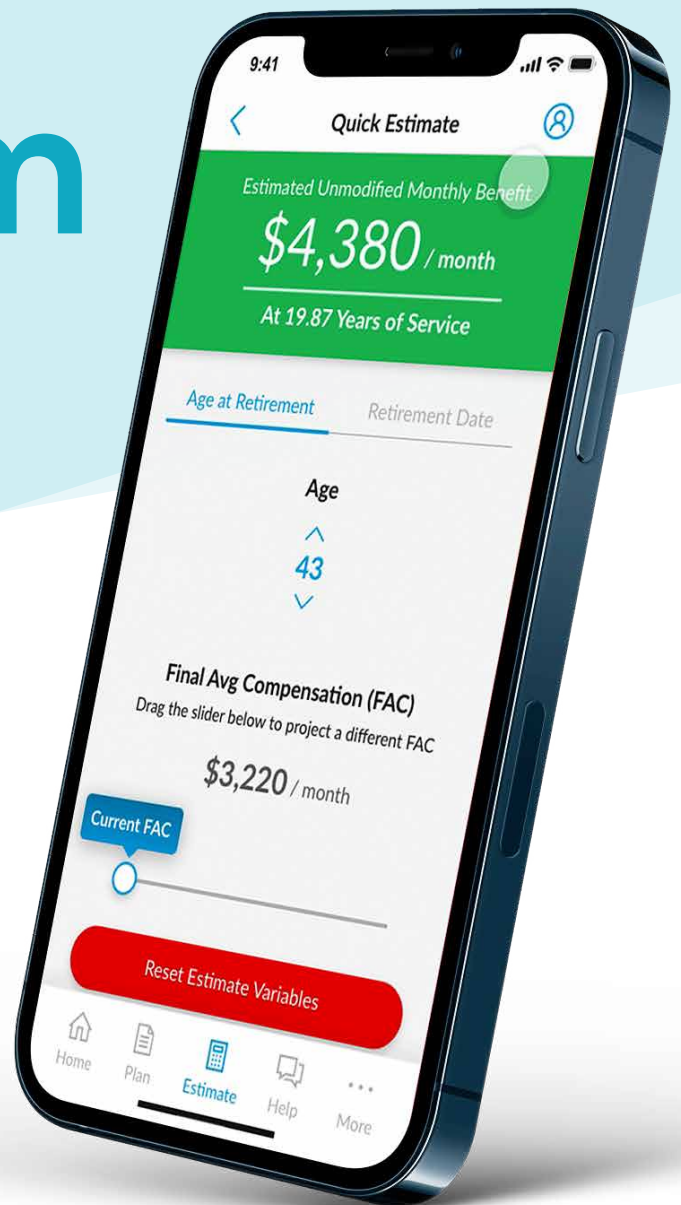
Questions? Contact [events@ncpers.org](mailto:events@ncpers.org). ♦

# NCPERS PensionX Digital Platform

NCPERS has partnered with Digital Deployment to offer its members a **10% DISCOUNT** on PensionX, the premier digital platform that securely enables pensions to engage with active and retired participants via a mobile self-service app and portal.



**pensionX**



Learn more about this new NCPERS member benefit at [ncpers.org/pensionx](https://ncpers.org/pensionx)

**Oklahoma Lawmakers Override Veto of Bill to Increase Police Officer Pension Benefits**

Oklahoma lawmakers have overridden Gov. Kevin Stitt's veto of a bill to increase retirement benefits for police officers participating in the state's \$3.1 billion Oklahoma Police Pension & Retirement System. The bill calls for a 1-percentage-point increase in the contribution rate that employers and employees put into the Oklahoma City-based pension fund.

[READ MORE](#)*Source: Pensions & Investments***Alaska Lawmakers Unanimously Request Social Security Reform to Help Teachers**

The Alaska Legislature has unanimously approved a resolution asking Congress and federal officials to remove the Social Security Windfall Elimination Provision, which reduces Social Security benefits for many public employees, including teachers. The Alaska House of Representatives passed House Joint Resolution 18 by a 40-0 vote on May 1, and the Senate followed suit with a 20-0 vote on May 7.

[READ MORE](#)*Source: Alaska Beacon***Illinois Teachers' Pension to Prioritize Liquidity, Volatility Protection in New Asset Allocation Plan**

The board of the Teachers' Retirement System of the State of Illinois approved a new asset allocation plan at its June 18 board meeting, with the aim of enhancing the pension fund's liquidity, as well as protecting the portfolio from volatile markets. As a part of the new asset allocation target, the fund will raise its long-term target allocation to diversifying strategies to 6% from 4%.

[READ MORE](#)*Source: Chief Investment Officer***STRS Ohio Board Votes Against Performance Bonuses for Investment Staff**

The board of the State Teachers Retirement System of Ohio has voted to deny 69 investment staff of the pension fund \$10 million in performance bonuses for fiscal year 2025, a period which begins July 1, 2024. According to STRS Ohio data, the pension fund has consistently been in the top 10% of performance relative to peers.

[READ MORE](#)*Source: Chief Investment Officer***Rhode Island Passes Bill to Establish State-Run Retirement Savings Program**

Under the legislation, employers with five or more employees will be required to enroll their workers in the RISavers retirement savings program if they don't offer a workplace plan themselves.

[READ MORE](#)*Source: Pensions & Investments*





## UPCOMING EVENTS

### August

#### Public Pension Funding Forum

August 18-20  
Boston, MA

### September

#### Public Pension HR Summit

September 24-26  
Denver, CO

### October

#### NCPERS Accredited Fiduciary (NAF) Program

October 26-27  
Palm Springs, CA

#### Program for Advanced Trustee Studies (PATs)

October 26-27  
Palm Springs, CA

#### Public Safety Conference

October 27-30  
Palm Springs, CA

View all upcoming NCPERS conferences at [www.ncpers.org/future-conferences](http://www.ncpers.org/future-conferences).

Photo Illustration © 2024 iStock.com



The Voice for Public Pensions

The Monitor is published by the National Conference on Public Employee Retirement Systems. Website: [www.NCPERS.org](http://www.NCPERS.org) • E-mail: [info@ncpers.org](mailto:info@ncpers.org)