

AGENDA



Date: February 8, 2019

A meeting of the Supplemental Police and Fire Pension Fund Board of Trustees will be held at **8:30 a.m. on Thursday, February 14, 2019, in the Second Floor Board Room at 4100 Harry Hines Boulevard, Dallas, Texas.** Items of the following agenda will be presented to the Board:

A. CONSENT AGENDA

1. Approval of Minutes

Regular meeting of January 10, 2019

2. Approval of Service Retirements

3. Approval of Survivor Benefits

B. DISCUSSION AND POSSIBLE ACTION REGARDING ITEMS FOR INDIVIDUAL CONSIDERATION

Quarterly Financial Reports

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 10, 2019
8:30 a.m.
4100 Harry Hines Blvd., Suite 100
Second Floor Board Room
Dallas, TX**

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

ROLL CALL

Board Members

Present at 8:30 a.m. William F. Quinn, Nicholas A. Merrick, Samuel L. Friar, Blaine Dickens, Ray Nixon, Gilbert A. Garcia (by telephone), Frederick E. Rowe, Tina Hernandez Patterson, Robert C. Walters, Joseph P. Schutz, Kneeland Youngblood (by telephone)

Absent: None

Staff

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

Others

Kenneth Sprecher, Janis C. Elliston, David Elliston, Rick Salinas, Ken Haben, Darryl Wachsman, Zaman Hemani

* * * * *

The meeting was called to order at 8:30 a.m.

The meeting was recessed at 8:30 a.m. and reconvened at 11:09 a.m.

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

* * * * *

A. CONSENT AGENDA

1. Approval of Minutes

Regular meeting of December 13, 2018

2. Approval of Estate Settlements

3. Approval of Refunds of Contributions for the Month of December 2018

**Supplemental Board Meeting
Thursday, January 10, 2019**

A. CONSENT AGENDA (continued)

After discussion, Mr. Nixon made a motion to approve the minutes of the meeting of December 13, 2018. Mr. Merrick seconded the motion, which was unanimously approved by the Board.

After discussion, Mr. Friar made a motion to approve the remaining items on the Consent Agenda, subject to the final approval of the staff. Mr. Hernandez Patterson seconded the motion, which was unanimously approved by the Board.

* * * * *

On a motion by Mr. Nixon and a second by Mr. Friar, the meeting was adjourned at 11:10 a.m.

William F. Quinn
Chairman

ATTEST:

Kelly Gottschalk
Secretary



DISCUSSION SHEET

ITEM #B

Topic: Quarterly financial reports

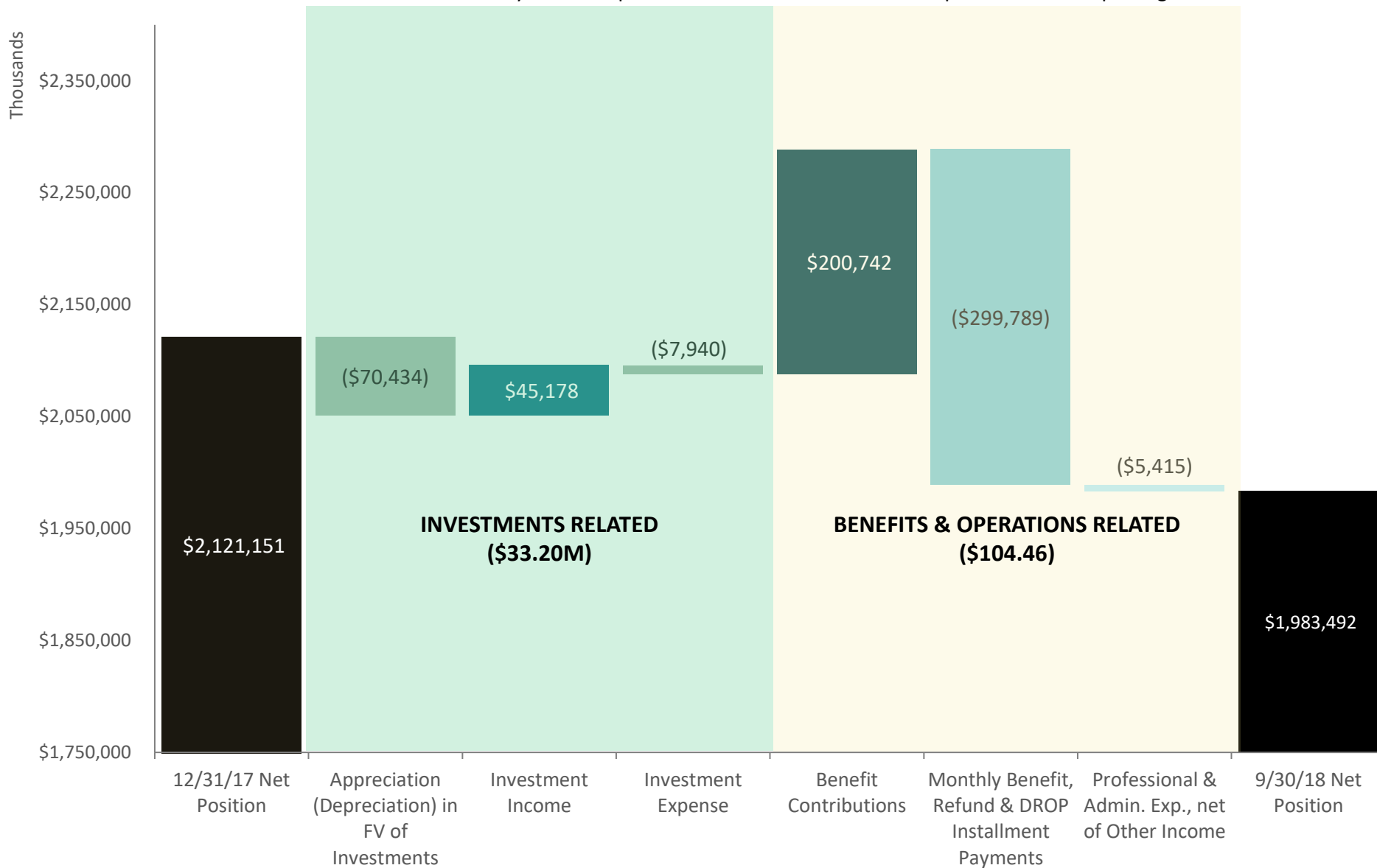
Discussion: The Chief Financial Officer will present the fourth quarter 2018 financial statements.

Supplemental Board Meeting – Thursday, February 14, 2019

Change in Net Fiduciary Position

December 31, 2017 – December 31, 2018 - **PRELIMINARY**

* Private asset values have not yet been reported for Q4 2018. Values will be updated as final reporting is received.



Components may not sum exactly due to rounding.

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

	PRELIMINARY 12/31/18 <i>(unaudited)</i>	12/31/17 <i>Audited</i>
Assets		
Investments, at fair value (NOTE)		
Short-term investments	\$ 41,316,915	\$ 24,132,673
Fixed income securities	516,969,244	328,013,649
Equity securities	435,935,015	470,081,008
Real assets	686,482,380	801,206,306
Private equity	249,550,402	222,106,207
Alternative investments	-	144,926,992
Forward currency contracts	(270,709)	135,273
Total investments (NOTE)	1,929,983,247	1,990,602,108
Invested securities lending collateral	20,559,432	12,152,708
Receivables		
City	2,504,571	2,026,827
Members	803,244	643,145
Interest and dividends	4,802,419	2,949,258
Investment sales proceeds	34,231,149	28,393,783
Other receivables	237,806	616,051
Total receivables	42,579,190	34,629,064
Cash and cash equivalents	50,137,929	118,586,970
Prepaid expenses	365,515	435,431
Capital assets, net	12,488,943	12,715,204
Total assets	2,056,114,255	2,169,121,485
Liabilities		
Payables		
Securities purchased	20,559,432	12,152,708
Securities lending obligations	48,598,173	31,410,927
Accounts payable and other accrued liabilities	3,464,596	4,407,226
Total liabilities	72,622,200	47,970,861
Net position		
Net investment in capital assets	12,488,943	12,715,204
Unrestricted	1,971,003,112	2,108,435,420
Net position held in trust - restricted for position benefits	\$ 1,983,492,055	\$ 2,121,150,623

(NOTE) Private asset values have not yet been reported for Q4 18. 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 12/31/2018 (unaudited)	12 Months Ended 12/31/2017 Audited
Contributions		
City	\$ 151,335,850	\$ 128,395,064
Members	49,406,142	33,043,520
Investments, at fair value	<u>200,741,992</u>	<u>161,438,584</u>
Investment income		
Net appreciation (depreciation) in fair value of investments (NOTE)	(70,433,847)	75,371,777
Interest and dividends	45,066,373	31,185,070
Total gross investment income	(25,367,474)	106,556,847
less: investment expense	(7,940,213)	(9,101,033)
Net investment income	<u>(33,307,687)</u>	<u>97,455,813</u>
Securities lending income		
Securities lending income	312,393	186,728
Securities lending expense	(200,479)	(85,329)
Net securities lending income	<u>111,914</u>	<u>101,399</u>
Other income	479,377	2,093,556
Total additions	<u>168,025,596</u>	<u>261,089,352</u>
Deductions		
Benefits paid to members	297,154,779	295,244,860
Refunds to members	2,634,547	3,577,530
Interest expense	-	1,290,356
Legal expense reimbursement	(294,183)	(1,350,107)
Professional and administrative expenses	6,189,021	9,508,219
Total deductions	<u>305,684,164</u>	<u>308,270,858</u>
Net decrease in net position	<u>(137,658,568)</u>	<u>(47,181,507)</u>
Beginning of period	2,121,150,623	2,168,332,130
End of period	<u>\$ 1,983,492,055</u>	<u>\$ 2,121,150,623</u>

(NOTE) Private asset values have not yet been reported for Q4 18. Values will be updated as final reporting is received.