

AGENDA



Date: February 3, 2023

The supplemental meeting of the Dallas Police and Fire Pension System Board of Trustees will be held at **8:30 a.m. on Thursday, February 9, 2023, 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/83492141892?pwd=YUd4WnBEUURHN3VXR3VvSnJ5ckJKdz09> Passcode: 736936.** Items of the following agenda will be presented to the Board:

A. CONSENT AGENDA

1. Approval of Minutes

Regular meeting of January 12, 2023

2. Approval of Service Retirements

B. DISCUSSION AND POSSIBLE ACTION REGARDING ITEMS FOR INDIVIDUAL CONSIDERATION

Quarterly Financial Statements

The term "possible action" in the wording of any Agenda item contained herein serves as notice that the Board may, as permitted by Texas Government Code, Section 551, in its discretion, dispose of any item by any action in the following non-exclusive list: approval, disapproval, deferral, table, take no action, and receive and file. At the discretion of the Board, items on this agenda may be considered at times other than in the order indicated in this agenda.

At any point during the consideration of the above items, the Board may go into Closed Executive Session as per Texas Government Code, Section 551.071 for consultation with attorneys, Section 551.072 for real estate matters, Section 551.074 for personnel matters, and Section 551.078 for review of medical records.

**Dallas Police and Fire Pension System
Thursday, January 12, 2023
8:30 a.m.
4100 Harry Hines Blvd., Suite 100
Second Floor Board Room Dallas, TX**

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

ROLL CALL

Board Members

Present at 8:32 a.m. Nicholas A. Merrick, William F. Quinn, Armando Garza (by telephone), Michael Brown, Kenneth Haben, Steve Idoux, Mark Malveaux (by telephone), Tina Hernandez Patterson, Nancy Rocha, Anthony Scavuzzo, Marcus Smith (by telephone)

Absent: None

Staff

Kelly Gottschalk, Josh Mond, Brenda Barnes, Ryan Wagner, Michael Yan, John Holt, Nien Nguyen, Milissa Romero

Others

Chuck Campbell, Michael Taglienti, David Elliston, Sheri Kowalski, Tom Tull (by telephone), Aaron Lally (by telephone)

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The Supplemental meeting was called to order at 8:32 a.m. and recessed at 8:34 a.m.

The Supplemental meeting was reconvened at 10:47 a.m.

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CONSENT AGENDA

Approval of Minutes

Regular meeting of December 8, 2022

After discussion, Mr. Idoux made a motion to approve the minutes of the meeting of December 8, 2022. Mr. Quinn a seconded the motion, which was unanimously approved by the Board.

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**Supplemental Board Meeting
Thursday, January 12, 2023**

Ms. Gottschalk stated that there was no further business to come before the Board. On a motion by Mr. Haben and a second by Mr. Scavuzzo, the meeting was adjourned at 10:48 a.m.

Nicholas A. Merrick
Chairman

ATTEST:

Kelly Gottschalk
Secretary

DRAFT



DISCUSSION SHEET

Supplemental

ITEM B

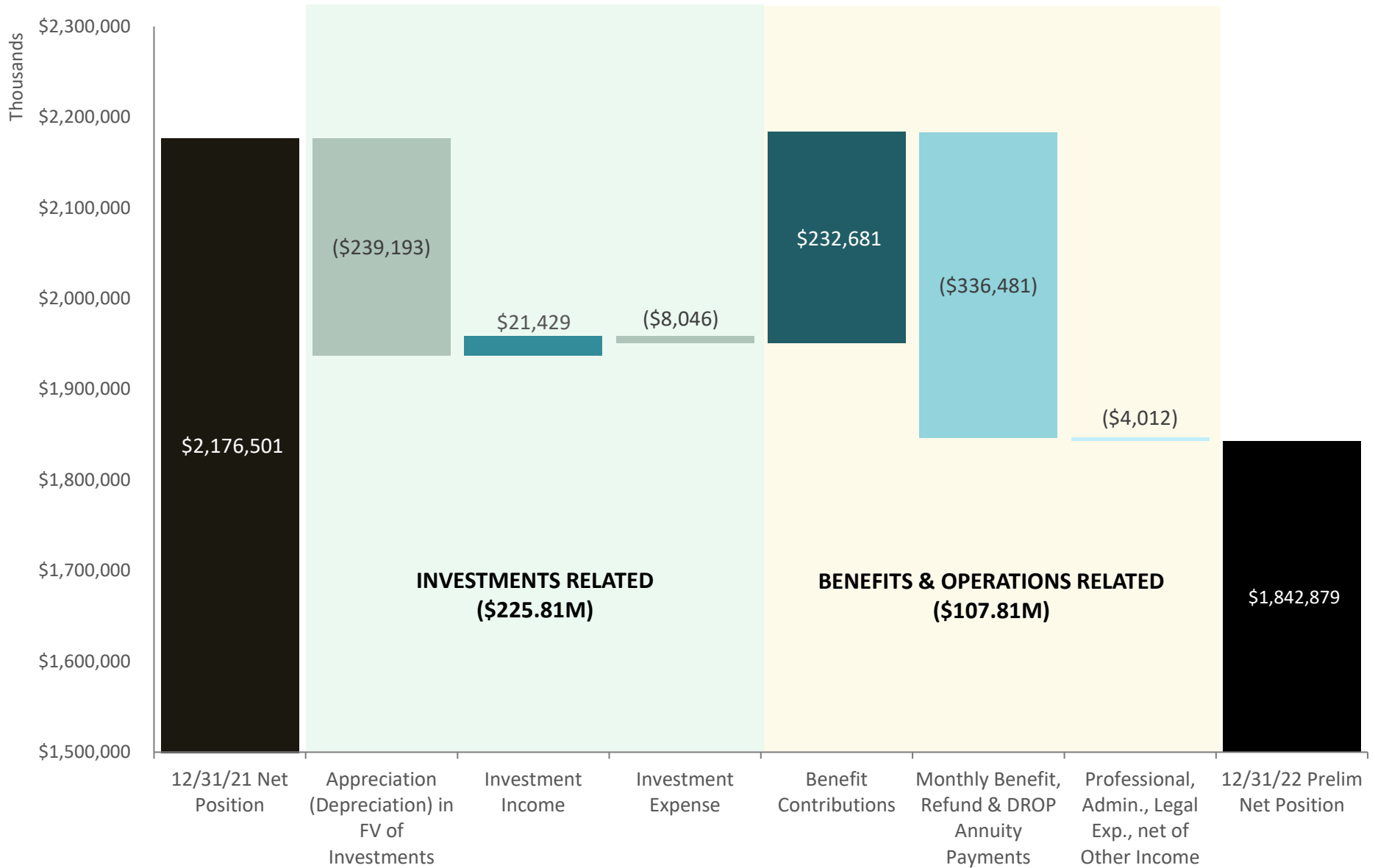
Topic: **Quarterly Financial Statements**

Discussion: The Chief Financial Officer will present the fourth quarter 2022 financial statements.

Supplemental Board Meeting – Thursday, February 9, 2023

Change in Net Fiduciary Position

PRELIMINARY - December 31, 2021 – December 31, 2022



Components may not sum exactly due to rounding.

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

	PRELIMINARY			
	December 31, 2022	December 31, 2021	\$ Change	% Change
Assets				
Investments, at fair value				
Short-term investments	\$ 14,890,840	\$ 12,939,975	\$ 1,950,865	15%
Fixed income securities	322,059,764	420,098,166	(98,038,402)	-23%
Equity securities	826,996,060	968,323,984	(141,327,924)	-15%
Real assets	346,681,874	409,453,987	(62,772,113)	-15%
Private equity	238,629,334	289,687,641	(51,058,307)	-18%
Forward currency contracts	(970)	(46)	(924)	-2009%
Total investments	1,749,256,902	2,100,503,707	(351,246,805)	-17%
Receivables				
City	5,140,929	4,558,571	582,358	13%
Members	1,819,338	1,613,390	205,948	13%
Interest and dividends	3,788,204	3,444,616	343,588	10%
Investment sales proceeds	1,152,406	223,273	929,133	416%
Other receivables	49,887	124,614	(74,727)	-60%
Total receivables	11,950,764	9,964,464	1,986,300	20%
Cash and cash equivalents	75,285,529	60,032,434	15,253,095	25%
Prepaid expenses	402,666	411,295	(8,629)	-2%
Capital assets, net	11,605,932	11,846,879	(240,947)	-2%
Total assets	\$ 1,848,501,793	\$ 2,182,758,779	\$ (334,256,986)	-15%
Liabilities				
Payables				
Securities purchased	1,138,945	358,266	780,679	218%
Accounts payable and other accrued liabilities	4,483,465	5,899,372	(1,415,907)	-24%
Total liabilities	5,622,410	6,257,638	(635,228)	-10%
Net position restricted for pension benefits	\$ 1,842,879,383 *	\$ 2,176,501,141	\$ (333,621,758)	-15%

*The ending period amounts are preliminary and may change as the 2022 results are finalized.

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

PRELIMINARY

	<u>Twelve Months Ended December 31, 2022</u>	<u>Twelve Months Ended December 31, 2021</u>	<u>\$ Change</u>	<u>% Change</u>
Contributions				
City	\$ 172,718,283	\$ 167,639,853	\$ 5,078,430	3%
Members	59,962,277	58,787,873	1,174,404	2%
Total Contributions	<u>232,680,560</u>	<u>226,427,726</u>	6,252,834	3%
Investment income				
Net appreciation (depreciation) in fair value of investments	(239,193,273)	305,979,615	(545,172,888)	-178%
Interest and dividends	21,429,284	28,668,875	(7,239,591)	-25%
Total gross investment income	(217,763,989)	334,648,490	(552,412,479)	-165%
less: investment expense	(8,045,874)	(11,159,243)	3,113,369	28%
Net investment income	<u>(225,809,863)</u>	<u>323,489,247</u>	(549,299,110)	-170%
Other income	2,317,478	338,620	1,978,858	584%
Total additions	<u>9,188,175</u>	<u>550,255,593</u>	(541,067,418)	-98%
Deductions				
Benefits paid to members	332,030,747	324,097,893	7,932,854	2%
Refunds to members	4,449,977	3,285,148	1,164,829	35%
Legal expense	318,473	489,623	(171,150)	-35%
Legal expense reimbursement	-	-	-	0%
Legal expense, net of reimbursement	<u>318,473</u>	<u>489,623</u>	(171,150)	-35%
Staff Salaries and Benefits	2,673,672	2,624,073	49,599	2%
Professional and administrative expenses	3,337,064	3,332,492	4,572	0%
Total deductions	<u>342,809,933</u>	<u>333,829,229</u>	8,980,704	3%
Net increase (decrease) in net position	<u>(333,621,758)</u>	<u>216,426,364</u>		
Beginning of period	2,176,501,141	1,960,074,777		
End of period	<u>\$ 1,842,879,383</u> *	<u>\$ 2,176,501,141</u>		

*The ending period amounts are preliminary and may change as the 2022 results are finalized.