

AGENDA



Date: July 1, 2025

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 10, 2025, 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

1. Required Public meeting of June 12, 2025
2. Regular meeting of June 12, 2025

C. DISCUSSION AND POSSIBLE ACTION REGARDING ITEMS FOR INDIVIDUAL CONSIDERATION

- 1. Certification of Non-Member Trustees Election Results**
- 2. Board Committee Appointments**
- 3. Financial Audit Status**
- 4. City Contribution Update**
- 5. Executive Director Approved Pension Ministerial Actions**
- 6. Board Approval of Trustee Education and Travel**
 - a. Future Education and Business-related Travel
 - b. Future Investment-related Travel
- 7. Benefit Underpayment Notification**
- 8. Hardship Request – 2025-1H**

9. Portfolio Update

10. 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.

11. 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.

12. DFPF Security Posture

Portions of the discussion under this topic may be closed to the public under the terms of Section 551.076 of the Texas Government Code.

D. BRIEFING ITEMS

- 1. Public Comment**
- 2. Executive Director's Report**
 - a. Associations' newsletters
 - [NCPERS Monitor \(July 2025\)](#)
 - b. Open Records

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

NAME	ACTIVE/ RETIRED	DEPARTMENT	DATE OF DEATH
Walter R. Denny	Retired	Police	06/01/2025
Bobby J. Talbot	Retired	Fire	06/06/2025
William B. Smith	Retired	Police	06/08/2025
Jerry P. Damron	Retired	Police	06/12/2025
William L. Savell	Retired	Police	06/19/2025
Juan O. Chaidez	Active	Fire	06/21/2025

Regular Board Meeting –Thursday, July 10, 2025

**Dallas Police and Fire Pension System
Thursday, June 12, 2025
8:30 a.m.
4100 Harry Hines Blvd., Suite 100
Second Floor Board Room
Dallas, TX**

Required Public meeting, Michael Taglienti, Chairman, presiding:

ROLL CALL

Board Members

Present at 8:32 a.m. Michael Taglienti, Michael Brown, Matthew Shomer (by telephone), Tom Tull, Anthony Scavuzzo, Marcus Smith, Robert Walters

Present at 8:33 a.m. David Kelly

Absent Joe Colonna, Steve Idoux

Staff

Kelly Gottschalk, Josh Mond, Brenda Barnes, Ryan Wagner, Christina Wu, Kyle Schmit, Luis Solorzano Trejo, John Holt, Milissa Romero, Cynthia J. Thomas (by telephone)

Others

David Elliston, Robert Miranda, Gay Donnell Willis, Suzanne Zieman

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The first of two annual public meetings of the Dallas Police and Fire Pension System Board of Trustees as required by Section 3.01 (j-9) of Article 6243a-1 of Vernon’s Revised Civil Statutes.

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The Required Public meeting was called to order at 8:32 a.m.

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1. Report on the health and performance of the Pension System

- a. The Chief Financial Officer presented the first quarter 2025 financial statements.
- b. The Executive Director provided an update on the amount of City Contributions received and any shortage since October 1, 2024.

No motion was made.

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**Required Public Meeting
Thursday, June 12, 2025**

2. Public Comment

Prior to commencing items for Board discussion and deliberation, the Chairman extended an opportunity for public comment. No one requested to speak to the Board.

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Ms. Gottschalk stated that there was no further business to come before the Board. On a motion by Mr. Tull and a second by Mr. Brown, the meeting was adjourned at 8:48 a.m.

Michael Taglienti,
Chairman

ATTEST:

Kelly Gottschalk,
Secretary

**Dallas Police and Fire Pension System
Thursday, June 12, 2025
8:30 a.m.
4100 Harry Hines Blvd., Suite 100
Second Floor Board Room
Dallas, TX**

Regular meeting, Michael Taglienti, Chairman, presiding:

ROLL CALL

Board Members

Present at 8:32 a.m. Michael Taglienti, Michael Brown, Matthew Shomer (by telephone), Tom Tull, Anthony Scavuzzo, Marcus Smith, Robert Walters

Present at 8:33 a.m. David Kelly

Present at 8:49 a.m. Joe Colonna (by telephone)

Absent Steve Idoux

Staff

Kelly Gottschalk, Josh Mond, Brenda Barnes, Ryan Wagner, Christina Wu, Kyle Schmit, Luis Solorzano Trejo, John Holt, Milissa Romero, Cynthia J. Thomas (by telephone)

Others

David Elliston, Robert Miranda, Gay Donnell Willis, Suzanne Zieman

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

The meeting was reconvened at 8:48 a.m.

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A. MOMENT OF SILENCE

The Board observed a moment of silence in memory of retired police officers James E. Aylor, Charles M. Bruton., Albert G. Bliss, James C. Dewees, and retired firefighters Charles E. Evans, Billy J. Thomas and John H. Quarles.

No motion was made.

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**Regular Board Meeting
Thursday, June 12, 2025**

B. APPROVAL OF MINUTES

- 1. Special Board meeting of April 29, 2025
- 2. Regular meeting of May 8, 2025

After discussion, Mr. Smith made a motion to approve the minutes of the Special Board meeting of April 29, 2025. Mr. Kelly seconded the motion, which was unanimously approved by the Board.

After discussion, Mr. Tull made a motion to approve the minutes of the Regular meeting of May 8, 2025. Mr. Walters seconded the motion, which was unanimously approved by the Board.

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C. DISCUSSION AND POSSIBLE ACTION REGARDING ITEMS FOR INDIVIDUAL CONSIDERATION

1. Quarterly Financial Reports

The Chief Financial Officer presented the first quarter 2025 financial statements.

No motion was made.

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2. City Contribution Update

The Executive Director provided an update on the amount of City Contributions received and any shortage since October 1, 2024.

No motion was made.

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3. Board Chairman, Vice Chairman, and Deputy Vice Chairman Election

As required by Section 3.01(g) of Article 6243a-1, the Board shall, in June of each odd-numbered year, elect from among its trustees a Chairman, Vice Chairman, and a Deputy Vice Chairman, each to serve for two-year terms.

After discussion, Mr. Shomer made a motion to elect Michael Taglienti as Chairman. Mr. Brown seconded the motion, which was approved by the following vote:

For: Mr. Taglienti, Mr. Brown, Mr. Shomer, Mr. Tull, Mr. Scavuzzo, Mr. Smith
Opposed: Mr. Kelly, Mr. Walters, Mr. Colonna

**Regular Board Meeting
Thursday, June 12, 2025**

**3. Board Chairman, Vice Chairman, and Deputy Vice Chairman Election
(continued)**

After discussion, Mr. Shomer made a motion to elect Tom Tull as Vice Chairman. Mr. Scavuzzo seconded the motion, which was approved by the following vote:

For: Mr. Taglienti, Mr. Brown, Mr. Shomer, Mr. Tull, Mr. Scavuzzo, Mr. Smith
Opposed: Mr. Kelly, Mr. Walters, Mr. Colonna

No motion was made regarding the position of Deputy Vice-Chairman.

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Mr. Colonna left the meeting at 9:17 a.m.

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4. Financial Audit Status

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

No motion was made.

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5. Executive Director Approved Pension Ministerial Actions

The Executive Director reported on the June pension ministerial actions.

No motion was made.

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6. Approval of a De Minimis DROP Payment

Staff informed the Board that an Alternate Payee with a de minimis monthly DROP annuity, scheduled to terminate October 31, 2050, had not initiated payments and had no other benefit. Staff explained it would be more cost-effective to pay the annuity in full as a lump sum now and that the Board had previously approved a similar de minimis payment.

After discussion, Mr. Kelly made a motion to approve the de minimis lump sum DROP payment. Mr. Tull seconded the motion, which was unanimously approved by the Board.

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**Regular Board Meeting
Thursday, June 12, 2025**

7. Board Approval of Trustee Education and Travel

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

After discussion, Mr. Kelly made a motion to approve Mr. Shomer’s and Mr. Taglienti’s request to attend the NCPERS Accredited Fiduciary Program Modules 3&4. Mr. Tull seconded the motion, which was unanimously approved by the Board.

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8. Board Members’ reports on meetings, seminars and/or conferences attended

Mr. Shomer and Mr. Taglienti reported on the NCPERS Accredited Fiduciary Program Modules 1&2.

No motion was made.

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9. Portfolio Update

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

No motion was made.

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10. Report on Investment Advisory Committee Meeting

The Investment Advisory Committee met on April 24, 2025. The Committee Chair commented on the Committee’s observations and advice.

No motion was made.

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11. Investment Advisory Committee Appointments

The Investment Policy stipulates that there must a majority of outside investment professionals on the Investment Advisory Committee (IAC) and that members shall serve two-year terms. Mr. Tull, the IAC Chair, proposed two new outside investment professionals and Mr. Taglienti, Chairman, proposed adding Board member, Mr. Scavuzzo to the IAC.

After discussion, Mr. Kelly made a motion to appoint Gene Needles, Ken Shoji, and Anthony Scavuzzo to serve on the Investment Advisory Committee with terms ending December 31, 2026 and to extend the terms of Tom Tull and Ken Haben through December 31, 2026. Mr. Brown seconded the motion, which was unanimously approved by the Board.

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**Regular Board Meeting
Thursday, June 12, 2025**

12. First Quarter 2025 Investment Performance Analysis

Aaron Lally, Managing Principal and Colin Kowalski, Senior Investment Analyst of Meketa Investment Group presented the First Quarter 2025 Investment Performance Analysis report.

No motion was made.

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13. Fourth Quarter 2024 Private Markets & Real Assets Review

Staff presented the Fourth Quarter 2024 Private Markets and Real Assets Review report.

No motion was made.

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14. Legislative Update

Staff briefed the Board on key outcomes from the recently concluded legislative session.

No motion was made.

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15. 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.

The Board went into closed executive session – Legal at 10:48 a.m.

The meeting reopened at 11:31 a.m.

The Board and staff discussed legal issues.

No motion was made.

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**Regular Board Meeting
Thursday, June 12, 2025**

D. BRIEFING ITEMS

1. Public Comment

Prior to commencing items for Board discussion and deliberation, the Chairman extended an opportunity for public comment. No one requested to speak to the Board.

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2. Executive Director’s Report

- a. Associations’ newsletters
 - [NCPERS Monitor \(June 2025\)](#)
 - [TEXPERS Pension Observer \(Vol. 2, 2025\)](#)
- b. Open Records
- c. Non-member Trustee Election Update

The Executive Director’s report was presented.

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Ms. Gottschalk stated that there was no further business to come before the Board. On a motion by Mr. Kelly and a second by Mr. Tull, the meeting was adjourned at 11:34 a.m.

Michael Taglienti,
Chairman

ATTEST:

Kelly Gottschalk,
Secretary

**Regular Board Meeting
Thursday, June 12, 2025**

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DISCUSSION SHEET

ITEM #C1

Topic: Certification of Non-member Trustee Election Results

Discussion: The terms of the three Non-member Trustees (Marcus Smith, Anthony R. Scavuzzo, and Nancy Rocha, who resigned in April 2025) expire on August 31, 2025.

Pursuant to the election rules adopted by the Board, three trustees have been elected by the members and pensioners from a slate of nominees selected and vetted by the nominations committee as required by Article 6243a-1 of the Texas Statutes. The terms of the three Non-member Trustees will run from September 1, 2025, to August 31, 2028.

The election process was conducted in accordance with the Board's election policy by an independent third-party election company. The election company, YesElections, provided a report of the election results, a copy of which is included in the agenda materials.

Recommendation: Certify the election of Yvette Duenas, Tina Hernandez Patterson, and Anthony R. Scavuzzo as Non-member Trustees to serve from September 1, 2025 until August 31, 2028.

Regular Board Meeting – Thursday, July 10, 2025



Election-America, Inc.
1775 Eye Street NW, Suite 1150
Washington, DC 20006
Phone: (202) 360-4420
Toll Free: (866) 514-2995
services@election-america.com

July 1, 2025

Dallas Police and Fire Pension System
4100 Harry Hines Boulevard, Ste. 100
Dallas, TX 75219

Dear Milissa Romero:

The attached report contains the results from the 2025 Non-Member Trustee election for Dallas Police and Fire Pension System.

Thank you. It has been a pleasure working with you.

Sincerely yours,

Chris Backert
CEO
Election-America, Inc.



Election-America, Inc.
 1775 Eye Street NW, Suite 1150
 Washington, DC 20006
 Phone: (202) 360-4420
 Toll Free: (866) 514-2995
 services@election-america.com

Results – 2025 Non-Member Trustee

Race	Candidate/Choice	Votes
Yvette Duenas	Yes, I approve	803
Yvette Duenas	No, I do not approve	169
Race	Candidate/Choice	Votes
Tina Hernandez Patterson	Yes, I approve	882
Tina Hernandez Patterson	No, I do not approve	90
Race	Candidate/Choice	Votes
Tony Scavuzzo, CFA	Yes, I approve	812
Tony Scavuzzo, CFA	No, I do not approve	160

Turnout by Division

	Internet	Paper	Phone	Total	Electorate	Total %
Active	278	0	56	334	5528	6.04
Retiree	479	0	159	638	4019	15.87



DISCUSSION SHEET

ITEM #C2

Topic: Board Committee Appointments

Discussion: The Board has three permanent committees, the Audit Committee, the Professional Services Committee, and the Investment Advisory Committee.

The structure of the Audit Committee and the Professional Services Committee is established in the Committee Policy and Procedure. Each committee is comprised of a minimum of three members and a maximum of five members. The committee must include one Mayoral appointed Board member, one Board member selected by the Members (Police, Fire or non-member Trustee) and either the Chair of the Board or a Board member selected by the Chair of the Board.

The structure of the Investment Advisory Committee is established in the Investment Policy Statement. The IAC is composed of a minimum of three members including at least one current Board member and a majority of outside investment professionals.

The policy provides all committee members are nominated by the Chairman and appointed by the Board.

Recommendation: Consider the Chairman's nominees and appoint Trustees to serve on committees.

Regular Board Meeting – Thursday, July 10, 2025



Board Committee Assignments

Audit Committee (AC)	Professional Services Committee (PSC)
Vacant, Chair	Steve Idoux, Chair
Tony Scavuzzo	Marcus Smith
Matt Shomer	Michael Taglienti
	Vacant

The structure of the Audit Committee and the Professional Services Committee is established in the Committee Policy and Procedure. The Audit Committee and Professional Services Committee are composed of a minimum of three members and a maximum of five members. The committee must include one Mayoral appointed Board member, one Board member selected by the Members (Police, Fire, or non-member Trustee), and either the Chair of the Board or a Board member selected by the Chair of the Board. An Audit Committee meeting and a Professional Service Committee meeting requires a quorum of at least two members. There is no term set for the Audit Committee or Professional Service Committee.

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	Investment Advisory Committee (IAC)	Terms Expire
Board Member #1	Tom Tull, Chair	12/31/2026
Board Member #2	Michael Brown	12/31/2026
Board Member #3	Tony Scavuzzo	12/31/2026
External #1	Ryan Bailey	12/31/2025
External #2	Rakesh Dahiya	12/31/2025
External #3	Ken Haben	12/31/2026
External #4	Jamil McNeal	12/31/2026
External #5	Gene Needles	12/31/2026
External #6	Ken Shoji	12/31/2026

The structure of the Investment Advisory Committee (IAC) is established in the Investment Policy Statement. The IAC is composed of a minimum of three members including at least one current Board member and a majority of outside investment professionals. The Board will appoint members of IAC by vote and IAC members will serve two-year terms. IAC meetings require a quorum of at least three IAC members, a majority of whom must not be current Trustees.

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Updated 6/30/2025



D A L L A S
POLICE & FIRE
PENSION SYSTEM



COMMITTEE POLICY AND PROCEDURE

As Amended Through January 9, 2020

COMMITTEE POLICY AND PROCEDURE

**Adopted August 10, 1989
As amended through January 9, 2020**

A. PURPOSE

The Board of Trustees shall create such permanent or ad hoc committees it deems appropriate to investigate options and clarify issues on matters that must be addressed at subsequent Board meetings.

B. PERMANENT COMMITTEE GUIDELINES

1. Permanent committees that have been created by the Board are as follows:
 - a. Investment Advisory Committee
 - b. Audit Committee
 - c. Professional Services Committee
2. Any Board member may attend a committee meeting and take part in all discussions, except for such committee meetings that are specifically contemplated by this Policy not to be public meetings in accordance with the Open Meetings Law of the State of Texas.
3. The committees shall have the authority solely to gather information and to make recommendations to the Board. The committees shall have no authority to make binding decisions for the Board. The chair of each committee, or the chair's designee, will provide the Board a report of the committee's findings and/or recommendations for the Board's discussion and possible action.
4. Committee meetings involving a quorum of the Board shall be posted as public meetings. The committee may go into executive session as permitted by the laws of the State of Texas.
5. Minutes of all committee meetings involving a quorum of the Board will be maintained by the Secretary of the Board. These minutes will be maintained separate and apart from the minutes of the Board.
6. The Chair of the Board shall have the authority to nominate members to the committees, subject to Board approval. Upon Board approval of the committee members, the Chair of the Board will designate a committee chair.
7. The committee chair will schedule and call committee meetings.



C. INVESTMENT ADVISORY COMMITTEE

The role and responsibilities of the Investment Advisory Committee are addressed in the Investment Policy Statement.

D. AUDIT COMMITTEE

1. The Audit Committee is composed of a minimum of three members and a maximum of five members. The committee must include one Mayoral appointed Board member, one Board member selected by the Members (Police, Fire or non-member Trustee) and either the Chair of the Board or a Board member selected by the Chair of the Board.
2. An Audit Committee meeting requires a quorum of at least two members.
3. The Audit Committee shall meet privately with the independent auditor, without DFPF staff present, at minimum on an annual basis. The purpose of such a meeting is to provide a forum for the independent auditor to provide candid comments to the Audit Committee, in addition to any comments the auditor may give to the full Board during the course of providing services. In addition, the Audit Committee is allowed an opportunity to request additional information in a candid setting. All material information received at such a meeting shall be provided by the Audit Committee to the full Board.

The Audit Committee shall:

- a. receive draft copies of independent financial statement audit reports;
- b. review such reports, identify areas that may warrant improvement, if any, and make recommendations as deemed necessary;
- c. review and monitor timely implementation of recommendations and resolution of issues reported by the independent auditor findings;
- d. recommend to the Board any appropriate actions needed as a result of the independent audit.



E. PROFESSIONAL SERVICES COMMITTEE

1. The Professional Services Committee is responsible for meeting privately with the external service providers listed below, without DFPF staff present, at minimum on an annual basis. Meetings with additional service providers may be held as deemed necessary. The purpose of such a meeting is to provide a forum for the service provider to provide candid comments to the Professional Services Committee, in addition to any comments such service provider may give to the full Board during the course of providing services. In addition, the Professional Services Committee is allowed an opportunity to request additional information in a candid setting. All material information received at such a meeting shall be provided by the Professional Services Committee to the full Board.
 - a. Actuary
 - b. Investment Consultant(s)
 - c. Outside Legal Counsel

The Professional Services Committee is composed of minimum of three members and a maximum of five members. The committee must include one Mayoral appointed Board member, one Board member selected by the Members (Police, Fire or non-member Trustee) and either the Chair of the Board or a Board member selected by the Chair of the Board.

2. A Professional Services Committee meeting requires a quorum of at least two members.
3. The Professional Services Committee shall recommend to the Board any appropriate actions needed as a result of the meetings with service providers.

F. AD HOC COMMITTEES

The Chair of the Board shall have the authority to create ad hoc committees to address significant issues, as well as the authority to terminate such committees once it is determined by the Board their purpose has been served. The Chair of the Board shall have the authority to appoint and remove the members of such committees, including chairs for such committees. It shall be at the discretion of the ad hoc committee chair and the Chair of the Board as to whether such committee meetings shall be open to the entire Board. Any such committee meeting which may include a quorum of the Board shall be posted for a public meeting. Any committee created pursuant to this Section shall not have the authority to bind the Board. Such committee shall have the authority solely to gather information and make recommendations and it shall report all findings and/or recommendations to the Board for the Board's discussion and possible action.



Committee Policy and Procedure
As amended through January 9, 2020
Page 4 of 4

APPROVED on January 9, 2020, by the Board of Trustees of the Dallas Police and Fire Pension System.

/s/ William Quinn

William Quinn
Chairman

Attested:

/s/ Kelly Gottschalk

Kelly Gottschalk
Secretary





DISCUSSION SHEET

ITEM #C3

Topic: Financial Audit Status

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

Regular Board Meeting – Thursday, July 10, 2025



DISCUSSION SHEET

ITEM #C4

Topic: City Contribution Update

Discussion: Staff will update the Board on the accumulated amount of City Contributions paid compared to the City Contributions due under the law.

Regular Board Meeting – Thursday, July 10, 2025

City Regular Plan Contributions				
Pay Period Date	Date Contributions Received	City Contribution Paid (Excluding Excess Benefit Plan Contributions)	City Contributions Due under Based on Current Law as Confirmed by the Court	Contribution Shortage
City Contributions Beginning 10-1-2024				
10/1/2024-10/8/2024	Pro-rated last payroll	\$ 3,814,556.76	\$ 4,727,428.57	\$ 912,871.81
10/9/2024 -10/22/2024	10/24/2024	\$ 6,588,862.07	\$ 8,273,000.00	\$ 1,684,137.93
10/23/2024 - 11/5/2024	11/7/2024	\$ 6,707,431.25	\$ 8,273,000.00	\$ 1,565,568.75
11/6/2024 - 11/19/2024	11/21/2024	\$ 6,612,830.37	\$ 8,273,000.00	\$ 1,660,169.63
City Catch Up based on City Plan - with Errors	12/3/2024	\$ 1,762,120.67	\$ -	\$ (1,762,120.67)
11/20/2024 -12/3/2024	12/6/2024	\$ 7,790,959.24	\$ 8,273,000.00	\$ 482,040.76
12/4/2024 -12/17/2024	12/19/2024	\$ 7,708,704.35	\$ 8,273,000.00	\$ 564,295.65
12/18/2024 - 12/31/2024	1/2/2025	\$ 7,787,490.19	\$ 8,273,000.00	\$ 485,509.81
1/1/2025 -1/14/2025	1/17/2025	\$ 7,884,160.99	\$ 8,273,000.00	\$ 388,839.01
1/15/2025 - 1/28/2025	1/30/2025	\$ 7,899,488.32	\$ 8,273,000.00	\$ 373,511.68
1/29/2025 - 2/11/2025	2/13/2025	\$ 7,913,485.36	\$ 8,273,000.00	\$ 359,514.64
2/12/2025 - 2/25/2025	2/28/2025	\$ 7,934,532.31	\$ 8,273,000.00	\$ 338,467.69
2/26/2025 - 3/11/2025	3/14/2025	\$ 7,904,750.02	\$ 8,273,000.00	\$ 368,249.98
3/12/2025 - 3/25/2025	3/28/2028	\$ 7,912,333.15	\$ 8,273,000.00	\$ 360,666.85
3/26/2025 - 4/8/2025	4/11/2025	\$ 7,917,680.65	\$ 8,273,000.00	\$ 355,319.35
4/9/2025 - 4/22/2025	4/25/2025	\$ 7,966,183.27	\$ 8,273,000.00	\$ 306,816.73
4/23/2025 - 5/6/2025	5/8/2025	\$ 7,915,846.40	\$ 8,273,000.00	\$ 357,153.60
5/7/2025 - 5/20/2025	5/22/2025	\$ 7,918,548.61	\$ 8,273,000.00	\$ 354,451.39
5/21/2025 - 6/3/2025	6/6/2025	\$ 7,925,137.14	\$ 8,273,000.00	\$ 347,862.86
6/4/2025 - 6/17/2025	6/18/2025	\$ 7,919,179.02	\$ 8,273,000.00	\$ 353,820.98
FY 2025 YTD Shortage		\$ 143,784,280.14	\$ 153,641,428.57	\$ 9,857,148.43
FY 2024 Shortage - City Commitment (\$184,733,285 minus \$181,798,953.77)				\$ 2,934,331.23
Total Shortage Through 6/17/2025				\$ 12,791,479.66



DISCUSSION SHEET

ITEM #C5

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 10, 2025

Membership Actions -2025

	January	February	March	April	May	June	July	August	September	October	November	December	YTD Totals
Refunds	38	27	16	15	10	13	12						131
DROP - Join	2	2	0	0	0	0	0						4
Estate Payments	6	7	8	9	3	4	3						40
Survivor Benefits	4	11	4	9	3	4	1						36
Retirements	7	10	8	9	10	7	11						62
Alternate Payees	0	0	2	1	2	1	2						8
Spouse Wed After Retirement	0	0	0	1	0	0	0						1
Service Purchases	1	1	0	0	2	2	1						7
Earnings Test	0	0	0	0	0	0	11						11

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	19	37	18	20	32	268
DROP - Join	1	1	2	0	5	1	1	1	0	1	0	0	13
Estate Payments	2	1	3	5	3	1	4	5	10	7	7	9	57
Survivor Benefits	4	6	3	8	5	4	6	5	3	4	5	3	56
Retirements	10	10	16	9	13	10	9	11	7	5	8	6	114
Alternate Payees	2	0	2	1	1	1	0	0	0	1	0	0	8
Spouse Wed After Retirement	0	0	0	0	0	0	0	0	1	0	0	0	1
Service Purchases	0	2	0	1	7	2	1	2	1	2	5	1	24
Earnings Test*	0	0	0	0	0	0	10	0	0	0	0	0	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



DISCUSSION SHEET

ITEM #C6

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 10, 2025

**Future Education and Business Related Travel & Webinars
Regular Board Meeting – July 10, 2025**

		<u>REQUESTED</u>	<u>APPROVED</u>
1.	<p>Conference: TEXPERS 2025 Summer Forum Dates: August 4-5, 2025 Location: El Paso, TX Est Cost: \$25</p>	MT	04/10/2025
2.	<p>Conference: NCPERS Public Pension Funding Forum Dates: August 17-19, 2025 Location: Chicago, IL Est Cost: \$795</p>		
3.	<p>Conference: NCPERS Public Pension HR Summit Dates: September 24-26, 2025 Location: Philadelphia, PA Est Cost: \$800</p>		
4.	<p>Conference: NCPERS Accredited Fiduciary Program (NAF) Dates: October 25-26, 2025 Location: Fort Lauderdale, FL Est Cost: \$900</p>	MT, MS	06/12/2025

**Future Education and Business Related Travel & Webinars
Regular Board Meeting – July 10, 2025**

REQUESTED APPROVED

5. **Conference:** NCPERS Program for Advanced Trustee Studies (PATS)
Dates: October 25-26, 2025
Location: Fort Lauderdale, FL
Est Cost: \$900
6. **Conference:** NCPERS Financial, Actuarial, Legislative & Legal
(FALL) Conference
Dates: October 26-29, 2025
Location: Fort Lauderdale, FL
Est Cost: \$850



DISCUSSION SHEET

ITEM #C7

Topic: **Benefit Underpayment Notification**

Discussion: Staff will brief the Board regarding an underpayment that impacted one member, notification of which is required to be given to the Board under the Correction of Errors in Benefits Payments Policy.

Regular Board Meeting – Thursday, July 10, 2025



**CORRECTION OF ERRORS
IN
BENEFIT PAYMENTS POLICY**

Amended Through February 13, 2020

DALLAS POLICE AND FIRE PENSION SYSTEM

CORRECTION OF ERRORS IN BENEFIT PAYMENTS POLICY

Adopted February 14, 2019

As Amended Through February 13, 2020

**Supersedes the Recapture of Overpayments Policy
as amended through February 13, 2004**

A. Purpose

In order to preserve the financial integrity of DPF and comply with the Board's fiduciary duty, IRS rules and regulations governing overpayment and underpayment of benefit payments known as the Employee Plans Compliance Resolution System (EPCRS) and Section 802.1024 of the Texas Government Code, it is the Board's policy to investigate any overpayment or underpayment promptly and diligently and to recover the overpayment or pay the underpayment in a timely manner. The purpose of this Policy is to provide guidelines and a process for evaluation and collection or payment of overpaid and underpaid benefits made to members and beneficiaries (collectively "Members," for purposes of this Policy).

B. Benefit Underpayments

When a wrongful underpayment of benefits has been identified, the following guidelines and procedures shall be followed:

1. Board Notification

The Executive Director shall report any underpayment in excess of \$10,000 to the Board at the next regularly scheduled Board meeting.

2. Investigation

When an underpayment of benefits is identified, the Executive Director shall investigate the facts and circumstances surrounding the underpayment.

3. Resolution

a. Staff shall notify the affected Member of the underpaid benefit in writing and DPF shall pay any underpaid benefits as soon as reasonably possible.

b. Interest

i. DPF shall include interest in its repayment only if the underpayment of benefits is not paid within the same fiscal year in which the error was made.



B. Benefit Underpayments (continued)

- ii. Interest shall be calculated using the actuarially assumed rate of return in effect during the time the underpayment occurred. Interest shall accrue from the date(s) of the underpayment and shall cease accruing from the earlier of (i) the date of payment or (ii) thirty days after the time notice is given to the party entitled to the payment at the last known address in the records of DPFP.
- iii. Interest shall not be paid if not required by EPCRS.

C. Benefit Overpayments

1. Notification

The Executive Director shall report any overpayments in excess of \$10,000 to the Board at the next regularly scheduled Board meeting. The Executive Director shall report back to the Board on the progress of the investigation and collection of the overpayment within six months if payment in full including interest, if any, is not achieved.

2. Investigation

When an overpayment of benefits is identified, the Executive Director shall immediately investigate the facts and circumstances surrounding the overpayment.

3. Collection

a. Overpayment of Benefits Exceeding \$10,000 – Approval by the Board

- i. Resolution of an overpayment of benefits that exceeds \$10,000 should result in immediate full payment of the entire amount, plus interest, whenever feasible. For purposes of this Policy, full repayment may include an installment repayment plan for the full amount owed, including interest at the actuarially assumed rate. A resolution on these terms does not need Board approval, except for repayment plans exceeding one year which do require Board approval.



C. Benefit Overpayments (continued)

- ii. Any resolution of an overpayment of benefits exceeding \$10,000 that does not result in full payment of the entire amount, plus interest, must be approved by the Board.
- b. Overpayment of Benefits of \$10,000 or Less – Approval by the Executive Director
 - i. Resolution of an overpayment of benefits of \$10,000 or less should result in immediate full payment of the entire amount, plus interest, whenever feasible. For purposes of this Policy, full repayment may include an installment repayment plan for the full amount owed, including interest at the actuarially assumed rate.
 - ii. Subject to the procedures and objectives in this Policy, the Executive Director shall have sole discretion to resolve any overpayment of benefits of \$10,000 or less.
- c. The Board and Executive Director shall use reasonable efforts to resolve an overpayment of benefits. Reasonable efforts include consideration of the facts and circumstances, IRS guidelines for correction of Plan errors and costs and benefits of collection efforts. The plan sponsor has indicated to the Board that it has no statutory authority to make additional payments to DFPF to cover any overpayments.
- d. Interest
 - i. DFPF shall charge the Member interest only if the overpayment of benefits is not fully paid within the same fiscal year in which the error was made.
 - ii. Interest is assessed from the date(s) of the overpayment to the date the overpayment is resolved. “Resolved,” for purposes of including interest for overpayment, means the date when DFPF collects or begins collecting any overpayment.
 - iii. Interest shall be calculated using the actuarially assumed rate in effect during the time the overpayment occurred through the time when the overpayment of benefits is resolved.



Correction of Errors in Benefit Payments Policy
As Amended Through February 13, 2020
Page 4 of 4

C. Benefit Overpayments (continued)

e. General Rules on Recovery of Overpayments

- i. Future payments due to a Qualifying Survivor or an Estate and/or a DROP annuity beneficiary will be reduced to recover the overpayment whenever possible.
- ii. If there is more than one Qualified Survivor or Beneficiary receiving the future payment, the recovery of overpayment will be applied on a pro-rata basis.
- iii. The Executive Director may choose to not pursue collections of overpayments that are below the EPCRS de minimis level of \$100.

D. Procedures

The Executive Director may develop written procedures to implement this policy.

APPROVED on February 13, 2020 the Board of Trustees of the Dallas Police and Fire Pension System.

/s/ William Quinn

William Quinn
Chairman

Attested:

/s/ Kelly Gottschalk

Kelly Gottschalk
Secretary





DISCUSSION SHEET

ITEM #C8

Topic: **Hardship Request – 2025-1H**

Portions of the discussion under this topic may be closed to the public under the terms of Section 551.078 of the Texas Government Code.

Discussion:

Article 6243a-1 Section 6.14(e-3)(2) allows a lump-sum distribution from the DROP account in the event of a financial hardship that is not reasonably foreseeable. Section 6.14(e-4) required the Board to adopt rules related to hardship distributions. The Board’s rules are contained in Section G of the DROP Policy.

A DROP Annuitant submitted an application for a lump sum distribution from the DROP balance in accordance with the DROP policy. The DROP Policy requires that:

- a.** severe financial hardship exists at the time of the application (i.e., not one that may occur sometime in the future);
- b.** the hardship cannot be relieved through any other financial means (i.e., compensation from insurance or other sources, monthly annuity benefits, or liquidation of personal assets) unless using those other sources would also cause a financial hardship; and

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DISCUSSION SHEET

ITEM #C8 (continued)

- c. the amount requested in the application is reasonably related to and no greater than necessary to relieve the financial hardship.
- d. the hardship must relate to a circumstance authorized by the Board Policy or other similar extraordinary circumstances.

Before completing a full financial analysis, the staff is seeking direction from the Board on whether the hardship request meets the circumstances that the Board would consider eligible for a hardship distribution.

Staff

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

Regular Board Meeting – Thursday, July 10, 2025



D A L L A S
POLICE & FIRE
PENSION SYSTEM



DROP Hardship

July 10, 2024
Board Meeting

Hardship Policy

1. Pursuant to the Plan, a DROP Annuitant may apply for a lump sum distribution relating to his or her DROP Annuity in the event that the DROP Annuitant experiences a financial hardship that was not reasonably foreseeable. To qualify for an unforeseeable financial hardship distribution, a DROP Annuitant (or the estate of a DROP Annuitant in the case of subsection G.2.e.) must demonstrate that:
 - a. a severe financial hardship exists at the time of the application (i.e., not one that may occur sometime in the future);
 - b. the hardship cannot be relieved through any other financial means (i.e., compensation from insurance or other sources, monthly annuity benefits, or liquidation of personal assets) unless using those other sources would also cause a financial hardship; and
 - c. the amount requested in the application is reasonably related to and no greater than necessary to relieve the financial hardship.

Hardship Policy - Circumstances

2. The Board shall only recognize the following circumstances as an unforeseeable financial hardship that is eligible for a lump sum distribution:
 - a. the need to repair damage to a DROP Annuitant's primary residence not covered by insurance as the result of a natural disaster or significant event (i.e., fire, flood, hurricane, earthquake, etc.);
 - b. the need to make significant changes to a DROP Annuitant's primary residence not covered by insurance because of medical necessity;
 - c. the need to pay for medical expenses of the DROP Annuitant, a DROP Annuitant's spouse, or a dependent child or relative of the DROP Annuitant as described under Code section 152(c) and (d), including non-refundable deductibles, as well as for the cost of prescription drug medication;

Hardship Policy – Circumstances Continued

- d. the need to pay for the funeral expenses of a parent, child, grandchild or spouse of the DROP Annuitant, including reasonable travel and housing costs for the DROP Annuitant, their spouse, parent, child or grandchild;
- e. the need of the estate of a DROP Annuitant to pay for the medical expenses or the funeral expenses of the Retiree Annuitant; or
- f. other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the DROP Annuitant

Hardship Request Summary

Summary of Hardship Request	
4 court cases/judgements related to unpaid credit card debt	\$ 67,162.15
1 or 2 court cases related to unpaid medical bills related to a car accident in 2020	\$ 5,769.00
Air conditioning unit replacement (financed)	\$ 4,679.00
Total (before tax gross up)	\$ 77,610.15



D A L L A S
POLICE & FIRE
PENSION SYSTEM



**DEFERRED RETIREMENT OPTION PLAN
POLICY
(DROP)**

As Amended Through March 14, 2024

**DEFERRED RETIREMENT OPTION PLAN
POLICY**

As Amended Through March 14, 2024

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DEFERRED RETIREMENT OPTION PLAN POLICY

**Adopted December 10, 1992
Amended through March 14, 2024**

A. PURPOSE

1. This policy provides rules governing the Deferred Retirement Option Plan of the Dallas Police and Fire Pension System (“DPFP”), as contemplated by Section 6.14 of Article 6243a-1 of Revised Statutes (the “Plan”) and the Supplemental Pension Plan for the Police and Fire Departments of the City of Dallas, Texas (the “Supplemental Plan”) where applicable. It is intended that DROP and the terms of this policy allow for the continued qualification of the Plan under Section 401 of the Internal Revenue Code (“Code”).
2. Any reference in this policy to a provision of the Plan shall also be considered a reference to the comparable provision of the Supplemental Plan if the applicant is a member of the Supplemental Plan.
3. The Executive Director may, if necessary, develop written procedures to implement this policy.
4. This policy may be amended at any time by the Board of Trustees (“Board”), consistent with the terms of the Plan.
5. Any capitalized terms not defined in this policy shall have the meaning ascribed to them in the Plan.

B. DEFINITIONS

1. **DROP** - The program whereby a Member while still in Active Service may elect to have an amount equal to the pension benefit that the Member would otherwise be eligible to receive be credited to a notional account on the Member’s behalf. A Member, as of his or her intended date of participation in DROP, must be eligible to retire and receive an immediate pension benefit. An election to enter DROP is irrevocable except for the one-time revocation window for certain Members that is described in Section D.
2. **DROP Account** - The notional account of a Member, retiree, beneficiary or Alternate Payee created pursuant to Section 6.14 of the Plan which existed or exists prior to any annuitization required under the Plan and in conformity with this policy.



Deferred Retirement Option Plan Policy
As amended through March 14, 2024
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B. DEFINITIONS (continued)

3. **DROP Annuitant** – The holder of a DROP Annuity.
4. **DROP Annuity** – The series of equal payments created when a DROP Account is annuitized as required under the Plan and in conformity with this policy.

C. ENTRY INTO DROP

1. The application of any Member applying for DROP participation will be placed on the agenda for a Board meeting as soon as administratively practicable following the date the application is received for consideration and approval.
2. If the Board approves a DROP application, the application will become effective as of the first day of the month in which the Board approves the application.
3. At the time of entry into DROP, the Member irrevocably sets the benefit he or she will receive at the time of his or her retirement with the Member's pension benefit calculated as of the effective date of entering DROP. While on Active Service, these benefit amounts that the Member would have otherwise received if he or she would have retired on his or her effective date of DROP participation will be credited to the DROP Account.
4. Once a Member has elected to participate in DROP, that election is irrevocable.
5. A Group B Member who obtains a rank that is higher than the highest Civil Service Rank for the City of Dallas after the effective date of his or her participation in DROP will not participate in the Supplemental Plan.
6. As of the effective date of his or her participation in DROP, the Member will no longer be entitled to obtain additional Pension Service by repaying previously withdrawn contributions or paying for any Pension Service that could have been purchased under the Plan prior to DROP entry. However, a Member who is entitled, under Section 5.08 of the Plan, to purchase credit for Pension Service for any period he or she was on a military leave of absence may still purchase that Pension Service after entering DROP so long as the required contributions are made no later than the time provided by the Uniformed Services Employment and Reemployment Rights Act ("USERRA") but no adjustment to the Members DROP account will occur as a result of any service purchase subsequent to the Member's entry into DROP.
7. The Board shall interpret the Plan and this policy to ensure that Members' rights are fully protected as required by USERRA.



Deferred Retirement Option Plan Policy
As amended through March 14, 2024
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D. DROP REVOCATION

1. A Member who was a DROP participant on or before June 1, 2017, has a one-time opportunity to revoke his or her DROP election. The revocation must be made before the earlier of February 28, 2018, or the date that the Member terminates Active Service. The revocation must be made by filing with the Executive Director a completed DROP revocation election form that has been approved by the Executive Director.
2. A DROP revocation eliminates the balance in a Member's DROP Account. The Member's benefit will then be established at the earlier of when the Member either (a) reenters DROP or (b) retires with DFPF, and will be calculated at that time under the Plan based upon the Member's total Pension Service and historic Computation Pay (highest 36 consecutive months for Pension Service prior to September 1, 2017 and highest 60 consecutive months for Pension Service on or after September 1, 2017.)
3. Any revocation of DROP participation described in this Section shall be for the entire period that the Member participated in DROP. No partial revocation of DROP participation shall be accepted.
4. No Member shall be entitled to revoke his or her DROP participation if any amount has been transferred out of such Member's DROP Account, except for any transfers related to corrections to DROP Accounts.
5. A Member will be credited with Pension Service for all or a portion (one-half) of the period relating to the revoked DROP participation if the Member who revoked the DROP participation purchases such Pension Service in an amount equal to the sum of: (a) the Member contributions that would have been made if the Member had not been a DROP participant during such period of DROP participation and (b) interest on such Member contributions, calculated on the contributions for the period from the dates the contributions would have been made if the Member had not been a DROP participant through the date of purchase. Interest will be calculated (a) through February 28, 2018 at the monthly rate of change of the U.S. City Average All Items Consumer Price Index (unadjusted) for All Urban Wage Earners and Clerical Workers for the applicable periods and (b) after February 28, 2018 at the interest rate used from time to time in DFPF's actuarial rate of return assumptions, compounded annually. Periods where the monthly rate of change was negative shall be computed as zero interest for such periods. DFPF staff shall be authorized to establish procedures for implementing the interest calculation required in this Section.



Deferred Retirement Option Plan Policy
 As amended through March 14, 2024
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D. DROP REVOCATION (continued)

6. A Member may purchase Pension Service relating to the period of revoked DROP participation in increments of one-half of his or her total Pension Service during DROP participation. If a Member elects to purchase one-half of his or her total Pension Service available to be purchased following the DROP revocation, (a) a Member may not elect to purchase Pension Service relating to specific time periods during his or her DROP participation and (b) the amount of the Member contributions for purposes of such purchase will be one-half of the total amount required to be paid pursuant to Section D.5. above.
7. If a Member elects to purchase one-half of his or her Pension Service available to be purchased following the DROP revocation, the Member may subsequently purchase the remaining one-half of the Pension Service available, but must complete such purchase prior to any election to reenter DROP or terminating Active Service. The amount to be paid for the remaining Pension Service to be purchased will be calculated pursuant to subsections 4 and 5 above, with interest continuing to accrue on the portion that has not yet been paid at the rate used from time to time in DPFP's actuarial rate of return assumptions, compounded annually, calculated from the date of the original Pension Service purchase through the date of the purchase of the remaining Pension Service.
8. Only full payment will be accepted for the amount of any Pension Service elected to be purchased under this Section. No partial payment will be accepted. Direct rollovers from other tax-qualified plans or similar employer plans, including governmental Section 401(k) (including the City of Dallas 401(k) Retirement Savings Plan) and 457(b) deferred compensation plans and Section 403(b) annuity arrangements will be accepted for payment to the extent such plans permit such rollovers. Payment is not permitted from the Member's DROP account.
9. For the purposes of calculating a Member's pension benefit in the case where a Member purchases only one-half of the total Pension Service available for the period relating to a DROP revocation, the purchased Pension Service attributable to time prior to September 1, 2017 shall be equal to the product of: (a) the amount of Pension Service purchased, multiplied by (b) a fraction of which the numerator equals the Pension Service available for purchase representing periods prior to September 1, 2017, and the denominator equals the total Pension Service available for purchase in connection with the DROP revocation.
10. All DROP revocation election forms must be received by DPFP in proper order by February 28, 2018 and will be considered effective as of September 6, 2017 after approval by DPFP staff that the form is in proper order. Approval of the Board shall not be required for a DROP revocation to become effective.



Deferred Retirement Option Plan Policy
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E. ANNUITIZATION OF DROP ACCOUNTS

1. Methodology

DPFP staff, with the assistance of DPFP's Qualified Actuary, shall determine the annuitization of all DROP Accounts as required by the Plan and consistent with this policy.

2. Interest Rates

To reflect the accrual of interest over the annuitization period of a DROP Annuity as required under the Plan, the accrual of interest for all DROP Annuities shall be calculated utilizing an interest rate based on the published United States Department of Commerce Daily Treasury Yield Curve Rates ("Treasury Rates") for durations between 5 and 30 years, rounded to two decimal places. If an annuitization period for a DROP Annuity is between the years for which Treasury Rates are established, then a straight-line linear interpolation shall be used to determine the interest rate. The interest rates for purposes of this subsection E.2. will be set on the first business day of each quarter (January, April, July and October) and will be based upon the average of the Treasury Rates as published on the 15th day of the three prior months, or the next business day after the 15th day of a month if the 15th day falls upon a day when rates are not published. Based upon advice from DPFP's Qualified Actuary upon implementation of this policy, interest rates to be used in calculating DROP Annuities with an annuitization period that exceeds thirty years will be the Treasury Rate published for the 30-year duration as Treasury Rates beyond thirty years do not exist.

3. Mortality Table

The Board shall, based upon the recommendation of DPFP's Qualified Actuary, adopt a mortality table to be utilized in determining life expectancy for purposes of calculating DROP Annuities. The mortality table shall be based on the healthy annuitant mortality tables used in the most current actuarial valuation and blended in a manner to approximate the male/female ratio of holders of DROP accounts and DROP annuities. The Board will review this table and male/female blended ratio upon the earlier of (i) the conclusion of any actuarial experience study performed by DPFP's Qualified Actuary or (ii) any change to mortality assumptions in DPFP's annual actuarial valuation. Actual ages used in calculating life expectancy will be rounded to two decimals. The life expectancy will be rounded to the nearest whole year.



E. ANNUITIZATION OF DROP ACCOUNTS (continued)

4. Initial Annuitization of Non-Member's DROP Accounts

- a. The first payment of DROP Annuities after annuitization of all DROP Accounts in existence on or after September 1, 2017, except those DROP Accounts of Members, shall commence the last business day of the month in which this policy is adopted, or as soon as practicable thereafter.
- b. The initial annuitization of all non-Member DROP Accounts existing on September 1, 2017 will be calculated and implemented on the basis of a monthly annuity. DPFP staff will send notices to the holders of such DROP Annuities to inform them that they have sixty (60) days from the date of such notice to make a one-time election to have the monthly DROP Annuity converted to an annual annuity. If a DROP Annuitant makes such an election, the monthly DROP Annuity payments will cease as soon as administratively practicable, and the first payment of the annual DROP Annuity will begin 12 months after the last monthly payment made to the DROP Annuitant.
- c. For purposes of the initial annuitization described in this subsection E.4., any DROP Account which is held by a non-Member at any time on or after September 1, 2017, but prior to the initial annuitization pursuant to subsection E.4.a. above, shall (i) be adjusted to reflect any distributions to such non-Member after September 1, 2017, but prior to the initial annuitization and (ii) accrue interest for the period from September 1, 2017 through the date of initial annuitization at the same rate as the interest rate applicable pursuant to subsection E.2. in the calculation of the initial DROP Annuity.
- d. Annuitization of any non-Member DROP Account under this subsection E.4. will be based on the age of the holder of such DROP Account as of the first day of the month when the annuitization of DROP Accounts under this subsection E.4. occurs. In the case of a DROP Account which is held by a trust, such DROP Account will be annuitized using the age of the oldest beneficiary of the trust.

5. Annuitization of Member DROP Accounts

- a. The DROP Annuity for a Member shall be calculated based upon the Member's age and DROP Account balance on the effective date of the Member's retirement. The interest rate applicable to the calculation of the Member's DROP Annuity will be the interest rate in effect under subsection E.2. during the month the Member terminates Active Service. Payment of the DROP Annuity shall commence effective as of the first day of the month in which the Member's retirement commences.



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E. ANNUITIZATION OF DROP ACCOUNTS (continued)

5. Annuitization of Member DROP Accounts (continued)

- b. Each Member as part of the retirement process shall be given the opportunity to elect either a monthly or annual DROP Annuity. If no election is made, the Member will be deemed to have elected a monthly DROP Annuity. Any DROP Annuitant who is receiving an annual DROP Annuity will have a one-time opportunity to convert this to a monthly DROP Annuity.

6. Annuitization of Alternate Payee's Account

The DROP Annuity for any Alternate Payee receiving a portion of a Member's DROP Account through a Qualified Domestic Relations Order after the date of this policy shall commence on the earlier of (i) the date the Member's DROP Annuity commences or (ii) the first day of the month the Alternate Payee reaches age 58. Calculation of the DROP Annuity of an Alternate Payee will be based on the age of the Alternate Payee and the interest rate in effect under subsection E.2 upon commencement of the DROP Annuity.

7. Annuitization and Payments to Beneficiaries

- a. Upon the death of a Member, the DROP Account of such Member shall be transferred to the Member's beneficiary(ies) pursuant to Section F of this policy. Such transferred account shall be annuitized as promptly as administratively practicable utilizing the interest rate in effect under subsection E.2. and the age of the beneficiary at the time of the Member's death in calculating the beneficiary's DROP Annuity.
- b. Upon the death of a DROP Annuitant, the remaining DROP Annuity shall be paid to the beneficiary designated by such DROP Annuitant and shall be divided if there are multiple beneficiaries as designated by the DROP Annuitant pursuant to Section F of this policy. DPFP shall only be responsible for payments to beneficiaries after DPFP has actual knowledge of the death of a DROP annuitant.

8. Revised Annuity in the Event of an Unforeseeable Financial Hardship Distribution

If any DROP Annuitant shall receive a distribution pursuant to Section G hereof, the DROP Annuity of such DROP Annuitant shall be re-annuitized through a calculation using (a) the interest rate utilized in the calculation of the original DROP Annuity, (b) the present value of the DROP Annuity on the date of the unforeseeable financial hardship distribution as calculated by DPFP's Qualified Actuary, and (c) the remaining number of months in the life expectancy utilized in the calculation of the original DROP Annuity.



Deferred Retirement Option Plan Policy
As amended through March 14, 2024
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E. ANNUITIZATION OF DROP ACCOUNTS (continued)

9. Annuitization Procedure in the Event of a Rehiring

If a DROP Annuitant is rehired and becomes a Member, such person's DROP Annuity will cease (the "Ceased DROP Annuity") effective upon the DROP Annuitant resuming Active Service. When the DROP Annuitant leaves Active Service, the Ceased DROP Annuity will be re-annuitized and recommence based upon the original interest rate and the remaining number of years in the existing DROP Annuity. If the DROP Annuitant shall be eligible under the Plan for additional credits to a DROP Account (the "Additional DROP Account") after recommencing Active Service, then upon the DROP Annuitant leaving Active Service, any amount in the Additional DROP Account shall be annuitized pursuant to subsection E.5.

F. DESIGNATION OF BENEFICIARIES

1. A DROP participant will have the opportunity to designate a primary beneficiary (or primary beneficiaries) and a contingent beneficiary (or contingent beneficiaries) of his or her DROP Account either when filing the application for DROP participation, or thereafter, on a beneficiary form provided by DFPF for this purpose. A DROP Annuitant who receives a DROP Annuity will have the opportunity to designate a primary beneficiary (or primary beneficiaries) and a contingent beneficiary (or contingent beneficiaries) of his or her DROP Annuity upon or after receipt by the DROP Annuitant of notice that they are entitled to a DROP Annuity. The named beneficiary must be a living person at the time of the filing of the beneficiary form. No trusts may be named as a beneficiary, except for a trust established for a child who is entitled to benefits pursuant to Section 6.06 (n)(1) of the Plan ("Special Needs Trust"). Existing trusts which have a DROP Account as of the date of this policy will be permitted and will be annuitized pursuant to Section E.4. and the age of the oldest beneficiary of the trust will be utilized for purposes of the annuitization. Special Needs Trusts will be annuitized based upon the age of the child.
2. In the case of a holder of DROP Annuity who dies where no living person is named as a beneficiary, the remaining DROP Annuity will be paid to the deceased DROP Annuitant's estate. In the case of a Member who dies with a DROP Account where no living person is named as a beneficiary, the DROP Account will be annuitized based upon the life of the youngest heir to the deceased Member's estate and the resulting DROP Annuity will be paid to the estate.
3. Beneficiaries of a Member's DROP Account are not limited to the Qualified Survivors. Upon request, DFPF will divide a deceased participant's DROP Account or DROP Annuity among the designated beneficiaries at the time of the DROP participant's death.



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As amended through March 14, 2024
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F. DESIGNATION OF BENEFICIARIES (continued)

4. Upon the death of a DROP participant, the DROP participant's DROP Account or DROP Annuity shall become the property of the surviving spouse unless either (i) the surviving spouse has specifically waived his or her right to such funds or (ii) the surviving spouse's marriage to the DROP participant occurred after January 14, 2016 and the participant had already joined DROP and named a beneficiary other than the surviving spouse who was not the participant's spouse at the time of the beneficiary election, and will be transferred to the name of the surviving spouse or such other named beneficiary or beneficiaries. DROP Annuities shall be paid to the designated beneficiaries in accordance with the last beneficiary form on file in the DFPF administrative office upon that office's receipt of sufficient evidence of the DROP participant's death.

G. HARDSHIPS

1. Pursuant to the Plan, a DROP Annuitant may apply for a lump sum distribution relating to his or her DROP Annuity in the event that the DROP Annuitant experiences a financial hardship that was not reasonably foreseeable. To qualify for an unforeseeable financial hardship distribution, a DROP Annuitant (or the estate of a DROP Annuitant in the case of subsection G.2.e.) must demonstrate that:
 - a. a severe financial hardship exists at the time of the application (i.e., not one that may occur sometime in the future);
 - b. the hardship cannot be relieved through any other financial means (i.e., compensation from insurance or other sources, monthly annuity benefits, or liquidation of personal assets) unless using those other sources would also cause a financial hardship; and
 - c. the amount requested in the application is reasonably related to and no greater than necessary to relieve the financial hardship.
2. The Board shall only recognize the following circumstances as an unforeseeable financial hardship that is eligible for a lump sum distribution:
 - a. the need to repair damage to a DROP Annuitant's primary residence not covered by insurance as the result of a natural disaster or significant event (i.e., fire, flood, hurricane, earthquake, etc.);
 - b. the need to make significant changes to a DROP Annuitant's primary residence not covered by insurance because of medical necessity;



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As amended through March 14, 2024
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G. HARDSHIPS (continued)

- c. the need to pay for medical expenses of the DROP Annuitant, a DROP Annuitant's spouse, or a dependent child or relative of the DROP Annuitant as described under Code section 152(c) and (d), including non-refundable deductibles, as well as for the cost of prescription drug medication;
 - d. the need to pay for the funeral expenses of a parent, child, grandchild or spouse of the DROP Annuitant, including reasonable travel and housing costs for the DROP Annuitant, their spouse, parent, child or grandchild;
 - e. the need of the estate of a DROP Annuitant to pay for the medical expenses or the funeral expenses of the Retiree Annuitant; or
 - f. other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the DROP Annuitant.
3. DFPF staff will develop procedures relating to the application for an unforeseeable financial hardship distribution, which will include, at a minimum, a notarized statement by the applicant relating to the requirements for eligibility and documentation sufficient to demonstrate such eligibility. Following submission of the required financial hardship distribution application, the notarized statement, and other required documentation as stated in the application form, DFPF staff shall review the materials and inform the DROP Annuitant within thirty (30) days whether any additional information or documentation is required or requested. Once all required and/or requested documentation has been submitted, the Retiree Annuitant shall be informed within thirty (30) days if (i) the DROP Annuitant is eligible for an unforeseeable financial hardship distribution or (ii) the matter has been referred to the Board for consideration at the next regular meeting. After an unforeseeable financial hardship distribution has been made to a DROP Annuitant, a DROP Annuitant may not request an additional unforeseeable financial hardship distribution for ninety (90) days from the date of distribution of any amount under this Section.
4. The Executive Director shall have the authority to approve an application for an unforeseeable financial hardship distribution. The Executive Director shall submit to the Board for final action by the Board any recommended denial, in whole or in part, of any request for an unforeseeable financial hardship distribution. Determinations of the Board and the Executive Director on applications for unforeseeable financial hardship distributions are final and binding. Once an unforeseeable financial hardship distribution has been approved by either the Executive Director or the Board, payment of the distribution shall be made to the DROP Annuitant as soon as administratively practicable.



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As amended through March 14, 2024
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G. HARDSHIPS (continued)

5. For the purposes of this Section G, the term “dependent” shall mean any person who is claimed by a DROP Annuitant as a dependent on the Retiree Annuitant’s federal income tax return in any year for which a distribution is sought under this Section G.
6. Distributions under this Section G shall only be available for persons who (a) entered DROP prior to June 1, 2017 and (b) who have not revoked a DROP election under Section D. of this policy.
7. No claims for hardship distributions will be accepted for any circumstances which give rise to the hardship where such circumstances occurred more than six months (nine months in the case of a filing by the estate of a DROP Annuitant pursuant to subsection G.2.e.) prior to the date of filing of the application pursuant to subsection G.3.

H. 100% Joint and Survivor Benefit

1. Coterminal with entry into DROP, a Member shall have the right to make the election provided for under Section 6.063(a)(1) of the Plan and such an election will not be subject to the requirement set forth in Section 6.063(e) of the Plan.
2. Subsequent to a Member’s entry into DROP, if the Member has not made the election provided for in Section H.1., the Member shall have the right to make the election provided for under Section 6.063(a)(1) and such an election will be subject to the requirement set forth in Section 6.063(e). If a Member shall die while on Active Service within one year after making the election under this Section H.2., then the Member’s DROP Account shall be increased by the reduced benefit amount which is contemplated by Section 6.063(e) to be paid to the surviving spouse.
3. If a Member makes an election under either Section H.1. or H.2., the amount credited to the Member’s DROP balance will be adjusted accordingly.
4. If a Member should remarry while on Active Service after making an election under Section H.1 or H.2, then the Member’s benefit shall be recalculated and adjusted based upon the age of the new spouse, effective as of the date of marriage as if the Member had made a new election under Section 6.063(a)(1); provided however, that (i) if the Member had made the election pursuant to Section H.1., the Member shall not be subject to the requirement set forth in Section 6.063(e) for such remarriage and recalculation and (ii) if the Member had the election pursuant to Section H.2., the one year requirement under Section 6.063(e) shall be deemed to have commenced upon the original election.



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H. 100% Joint and Survivor Benefit (continued)

5. Members who are in DROP as of the effective date of this Policy shall be afforded the opportunity through the first to occur of (i) their retirement date or (ii) October 31, 2018 to make the election provided for in Section H.1 and after October 31, 2018, such Members shall be entitled to make the election provided for in Section H.2.
6. Nothing in this DROP Policy shall affect or impair the right of a Member to make the election provided for in Section 6.063(a) upon or after the Member's retirement if the Member shall not make the election provided for in this Section H, provided, however, that any election made by a Member of Pensioner after their entry into DROP, notwithstanding any other provision of Section 6.063, shall be subject to the provisions of Section 6.063(e).

I. COMMENCEMENT OF RETIREMENT BENEFIT

For any Member retiring and commencing receipt of their monthly retirement benefit, other than Members who have participated in DROP for ten years or more and are subject to the limitation set forth in the last sentence of Section 6.14(c) (a "10 Year Limitation DROP participant"), such Member's retirement benefit shall commence on the first day of the month such Member's retirement becomes effective. For any 10 Year Limitation DROP participant, such Member's monthly retirement benefit shall commence on the effective date of such Member's retirement.

J. EFFECTIVE DATE

APPROVED on March 14, 2024, by the Board of Trustees of the Dallas Police and Fire Pension System.

/s/ Nicholas A. Merrick

Nicholas Merrick
Chairman

ATTEST:

/s/ Kelly Gottschalk

Kelly Gottschalk
Secretary





DISCUSSION SHEET

ITEM #C9

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 10, 2025



D A L L A S
POLICE & FIRE
PENSION SYSTEM



Portfolio Update

July 10, 2025

Board Meeting

Executive Summary

- **Estimated YTD Return (through 6/30):** 7.3% for DPFP Portfolio; 9.4% for Public Portfolio which makes up 80.7% of the assets.
- **Direct Lending:** KKR legal review has been completed, and subscription docs were submitted for the 6/30/25 closing. Golub legal review is underway, next closing date is 9/30/25.
- Staff conducted semi-final interviews with a group of 4 Multi Asset Credit (MAC) managers after initial review of 11 RFP responses. Staff is planning to narrow the search to two finalists prior to conducting on site due diligence. The finalist firms will present at the July 24th IAC meeting.
- Staff and Meketa continue to monitor the portfolio for potential rebalancing opportunities.

Investment Initiatives – 2025 Plan

Q1 & Q2 2025

- Appointment of Private Markets Sub-Committee
- Private Credit Pacing Plan
- Public Equity and Public Credit Asset Class Structure Reviews
- Private Equity Pacing Plan
- Sub-Committee Review of New Private Credit Investments
- Initiate Multi Asset Credit Search
- Board Approval of Initial Private Credit Commitments

Q3 2025

- Multi Asset Credit (MAC) Search
- Diligence of Secondary Private Equity Funds
- Diligence of Additional Private Credit Investments

Q4 2025 & Beyond

- MAC Manager Selection and Funding
- Possible Global Equity Value Search

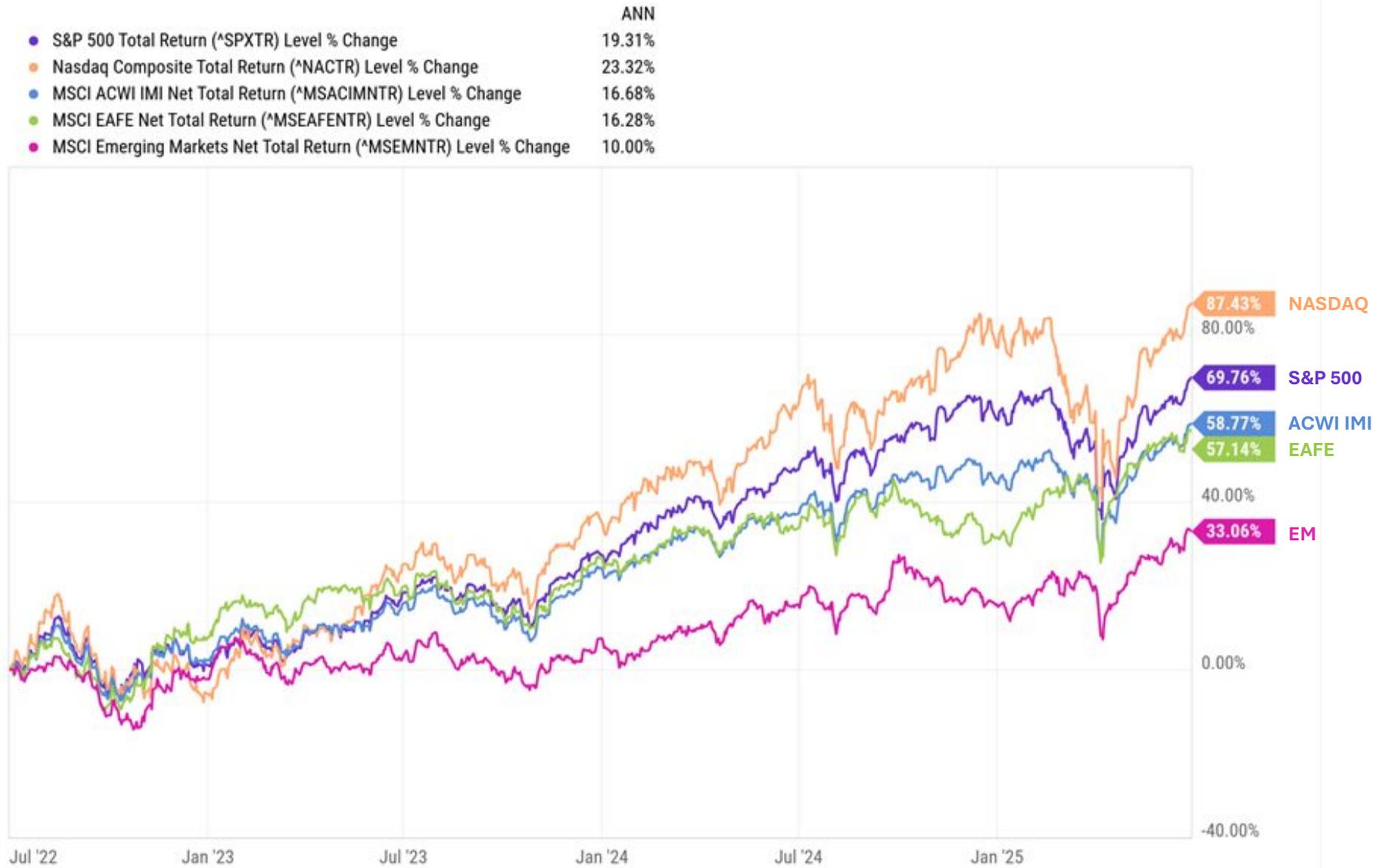
Asset Class Returns (as of 6/30/25)

2010-2024		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	YTD
Ann.	Vol.																
Large Cap	Small Cap	REITs	REITs	REITs	Small Cap	REITs	REITs	Small Cap	EM Equity	Cash	Large Cap	Small Cap	REITs	Comdty.	Large Cap	Large Cap	DM Equity
13.9%	20.6%	27.9%	8.3%	19.7%	38.8%	28.0%	2.8%	21.3%	37.8%	1.8%	31.5%	20.0%	41.3%	16.1%	26.3%	25.0%	19.9%
Small Cap	EM Equity	Small Cap	Fixed Income	High Yield	Large Cap	Large Cap	Large Cap	High Yield	DM Equity	Fixed Income	REITs	EM Equity	Large Cap	Cash	DM Equity	Small Cap	EM Equity
10.3%	17.9%	26.9%	7.8%	19.6%	32.4%	13.7%	1.4%	14.3%	25.6%	0.0%	28.7%	18.7%	28.7%	1.5%	18.9%	11.5%	15.6%
REITs	REITs	EM Equity	High Yield	EM Equity	DM Equity	Fixed Income	Fixed Income	Large Cap	Large Cap	REITs	Small Cap	Large Cap	Comdty.	High Yield	Small Cap	Asset Alloc.	Asset Alloc.
9.4%	16.8%	19.2%	3.1%	18.6%	23.3%	6.0%	0.5%	12.0%	21.8%	-4.0%	25.5%	18.4%	27.1%	-12.7%	16.9%	10.0%	7.0%
Asset Alloc.	DM Equity	Comdty.	Large Cap	DM Equity	Asset Alloc.	Asset Alloc.	Cash	Comdty.	Small Cap	High Yield	DM Equity	Asset Alloc.	Small Cap	Fixed Income	Asset Alloc.	High Yield	High Yield
7.2%	16.5%	16.8%	2.1%	17.9%	14.9%	5.2%	0.0%	11.8%	14.6%	-4.1%	22.7%	10.6%	14.8%	-13.0%	14.1%	9.2%	6.8%
High Yield	Comdty.	Large Cap	Cash	Small Cap	High Yield	Small Cap	DM Equity	EM Equity	Asset Alloc.	Large Cap	Asset Alloc.	DM Equity	Asset Alloc.	Asset Alloc.	High Yield	EM Equity	Large Cap
5.9%	16.1%	15.1%	0.1%	16.3%	7.3%	4.9%	-0.4%	11.6%	14.6%	-4.4%	19.5%	8.3%	13.5%	-13.9%	14.0%	8.1%	6.2%
DM Equity	Large Cap	High Yield	Asset Alloc.	Large Cap	REITs	Cash	Asset Alloc.	REITs	High Yield	Asset Alloc.	EM Equity	Fixed Income	DM Equity	DM Equity	REITs	Comdty.	Comdty.
5.7%	15.1%	14.8%	-0.7%	16.0%	2.9%	0.0%	-2.0%	8.6%	10.4%	-5.8%	18.9%	7.5%	11.8%	-14.0%	11.4%	5.4%	5.5%
EM Equity	Asset Alloc.	Asset Alloc.	Small Cap	Asset Alloc.	Cash	High Yield	High Yield	Asset Alloc.	REITs	Small Cap	High Yield	High Yield	High Yield	Large Cap	EM Equity	Cash	Fixed Income
3.4%	10.4%	13.3%	-4.2%	12.2%	0.0%	0.0%	-2.7%	8.3%	8.7%	-11.0%	12.6%	7.0%	1.0%	-18.1%	10.3%	5.3%	4.0%
Fixed Income	High Yield	DM Equity	DM Equity	Fixed Income	Fixed Income	EM Equity	Small Cap	Fixed Income	Fixed Income	Comdty.	Fixed Income	Cash	Cash	EM Equity	Fixed Income	REITs	Cash
2.4%	9.4%	8.2%	-11.7%	4.2%	-2.0%	-1.8%	-4.4%	2.6%	3.5%	-11.2%	8.7%	0.5%	0.0%	-19.7%	5.5%	4.9%	2.1%
Cash	Fixed Income	Fixed Income	Comdty.	Cash	EM Equity	DM Equity	EM Equity	DM Equity	Comdty.	DM Equity	Comdty.	Comdty.	Fixed Income	Small Cap	Cash	DM Equity	REITs
1.2%	4.7%	6.5%	-13.3%	0.1%	-2.3%	-4.5%	-14.6%	1.5%	1.7%	-13.4%	7.7%	-3.1%	-1.5%	-20.4%	5.1%	4.3%	1.8%
Comdty.	Cash	Cash	EM Equity	Comdty.	Comdty.	Comdty.	Comdty.	Cash	Cash	EM Equity	Cash	REITs	EM Equity	REITs	Comdty.	Fixed Income	Small Cap
-1.0%	0.9%	0.1%	-18.2%	-1.1%	-9.5%	-17.0%	-24.7%	0.3%	0.8%	-14.2%	2.2%	-5.1%	-2.2%	-24.9%	-7.9%	1.3%	-1.8%

Source: Bloomberg, FactSet, MSCI, NAREIT, Russell, Standard & Poor's, J.P. Morgan Asset Management.
 Large Cap: S&P 500, Small Cap: Russell 2000, EM Equity: MSCI EME, DM Equity: MSCI EAFE, Comdty: Bloomberg Commodity Index, High Yield: Bloomberg Global HY Index, Fixed Income: Bloomberg U.S. Aggregate, REITs: NAREIT Equity REIT Index, Cash: Bloomberg 1-3m Treasury. The "Asset Allocation" portfolio is for illustrative purposes only and assumes annual rebalancing with the following weights: 25% in the S&P 500, 10% in the Russell 2000, 15% in the MSCI EAFE, 5% in the MSCI EME, 25% in the Bloomberg U.S. Aggregate, 5% in the Bloomberg 1-3m Treasury, 5% in the Bloomberg Global High Yield Index, 5% in the Bloomberg Commodity Index, and 5% in the NAREIT Equity REIT Index. Annualized (Ann.) return and volatility (Vol.) represents the period from 12/31/2009 to 12/31/2024. Please see the disclosure page at the end for index definitions. All data represent total return for stated period. Past performance is not indicative of future returns.
 Guide to the Markets – U.S. Data as of June 30, 2025.



Equity Market Returns (3 Years Ending 6/30/25)



Jul 7, 2025, 4:30 PM EDT Powered by YCHARTS

Public Markets Performance Snapshot

Public Markets made up 80.7% of DPFP Investment Portfolio.

Trailing Net Performance | As of June 30, 2025

Performance Summary Ending June 30, 2025						
	Market Value (\$)	1 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)
Total Public Portfolio	1,686,034,572	3.3	9.4	13.7	13.4	9.1
<i>60% MSCI ACWI IMI Net/40% Bloomberg Global Aggregate Index</i>		3.5	8.9	13.2	11.1	7.5
Public Equity	1,210,621,447	4.1	11.8	16.8	16.3	13.1
<i>MSCI AC World IMI Index (Net)</i>		4.5	9.8	15.9	16.8	13.4
Boston Partners Global Equity Fund	142,426,616	3.6	22.1	24.1	18.4	18.0
<i>MSCI World Net</i>		4.3	9.5	16.3	18.3	14.6
Manulife Global Equity Strategy	129,854,571	3.5	9.5	11.7	14.5	12.9
<i>MSCI ACWI Net</i>		4.5	10.0	16.2	17.3	13.7
Walter Scott Global Equity Fund	128,556,310	2.3	6.1	7.4	14.1	10.6
<i>MSCI ACWI Net</i>		4.5	10.0	16.2	17.3	13.7
WCM Global Equity	140,595,815	4.2	15.2	32.1	--	--
<i>MSCI AC World Index Growth (Net)</i>		5.1	9.3	16.7	21.4	13.9
NT ACWI Index IMI	452,284,397	4.6	10.1	16.2	17.2	--
<i>MSCI AC World IMI Index (Net)</i>		4.5	9.8	15.9	16.8	13.4
Eastern Shore US Small Cap	63,326,703	5.3	1.6	12.5	10.8	--
<i>Russell 2000 Index</i>		5.4	-1.8	7.7	10.0	10.0
Global Alpha International Small Cap	63,407,207	4.6	19.2	14.0	7.7	--
<i>MSCI EAFE Small Cap (Net)</i>		4.3	20.9	22.5	13.3	9.3
RBC Emerging Markets Equity	90,169,828	5.3	15.3	14.5	11.1	7.8
<i>MSCI Emerging Markets IMI (Net)</i>		6.0	14.6	14.3	10.2	7.6

Public Markets Performance Snapshot

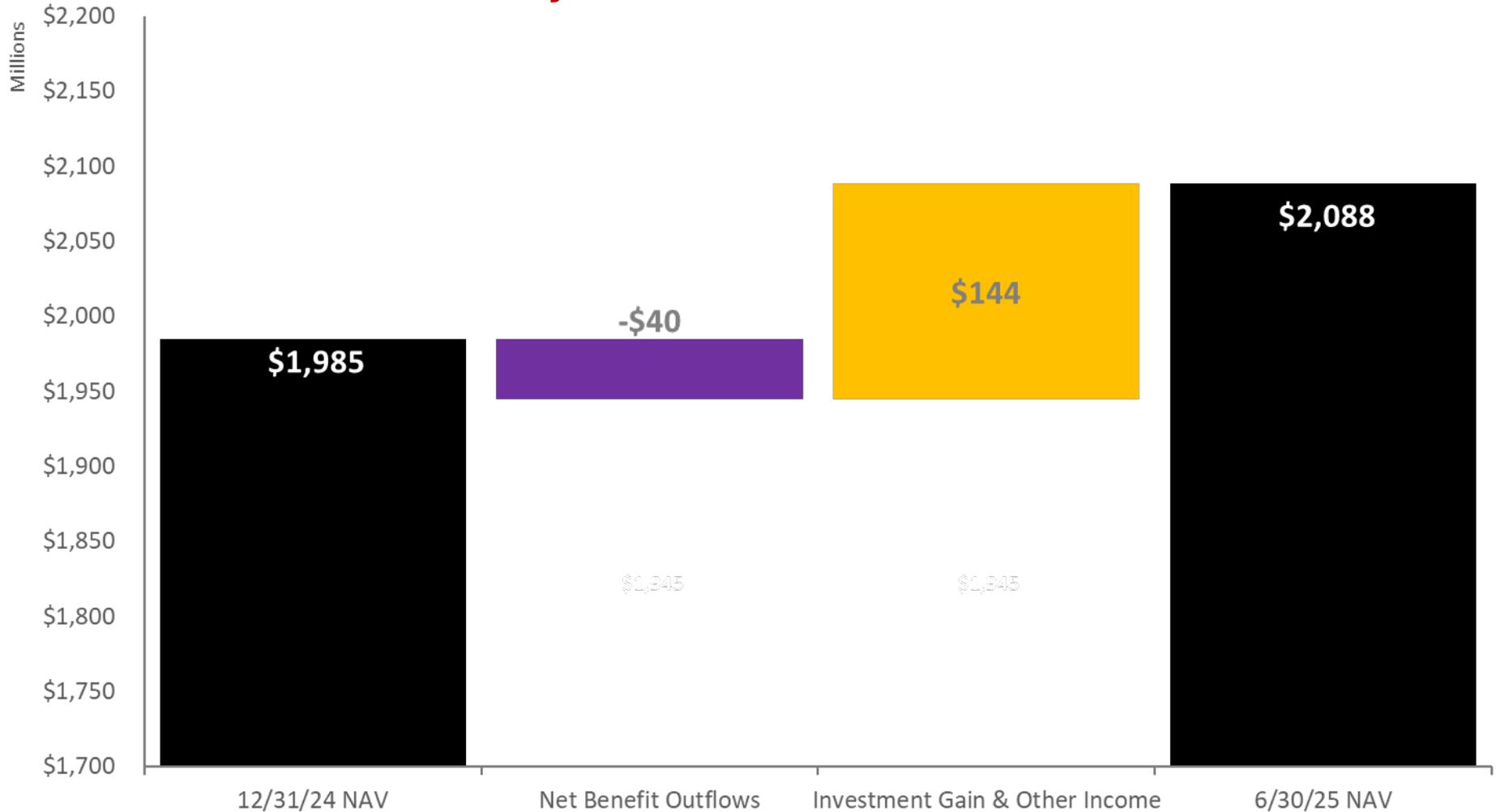
Trailing Net Performance | As of June 30, 2025

	Market Value (\$)	1 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)
Fixed Income and Cash	253,506,335	1.0	3.3	6.2	3.9	1.8
<i>Fixed Income and Cash Blended Benchmark</i>		0.8	3.1	5.7	3.6	1.2
IR&M 1-3 Year Strategy	127,183,869	0.7	3.1	6.4	4.3	2.1
<i>Blmbg. U.S. Aggregate 1-3 Yrs</i>		0.6	2.9	5.9	3.8	1.6
Longfellow Core Fixed Income	83,220,456	1.8	4.2	6.4	3.2	-0.1
<i>Blmbg. U.S. Aggregate Index</i>		1.5	4.0	6.1	2.5	-0.7
Cash Equivalents	43,102,010	0.3	2.3	5.0	4.8	2.9
<i>ICE BofA 3 Month U.S. T-Bill</i>		0.3	2.1	4.7	4.6	2.8
Public Credit	221,906,790	1.7	4.6	9.8	9.4	4.5
<i>Credit Blended Benchmark</i>		1.5	4.7	9.3	9.4	5.5
Aristotle Pacific Capital Bank Loan	86,494,828	0.9	2.9	7.1	10.0	7.2
<i>S&P UBS Leveraged Loan Index</i>		0.8	3.0	7.6	9.6	7.4
Loomis US High Yield Fund	71,819,723	1.8	4.7	11.6	9.6	-
<i>Blmbg. U.S. High Yield - 2% Issuer Cap</i>		1.8	4.6	10.3	9.9	6.0
Metlife Emerging Markets Debt Blend	63,592,239	2.6	7.0	11.1	-	-
<i>35% JPMEMBI Global Index/35% JPM CEMBI Broad Diversified Index/ 30% JPMGBI-EM Di</i>		2.1	7.0	10.2	8.1	2.3

Change in Market Value Bridge Chart - As of 6/30/2025

In Millions

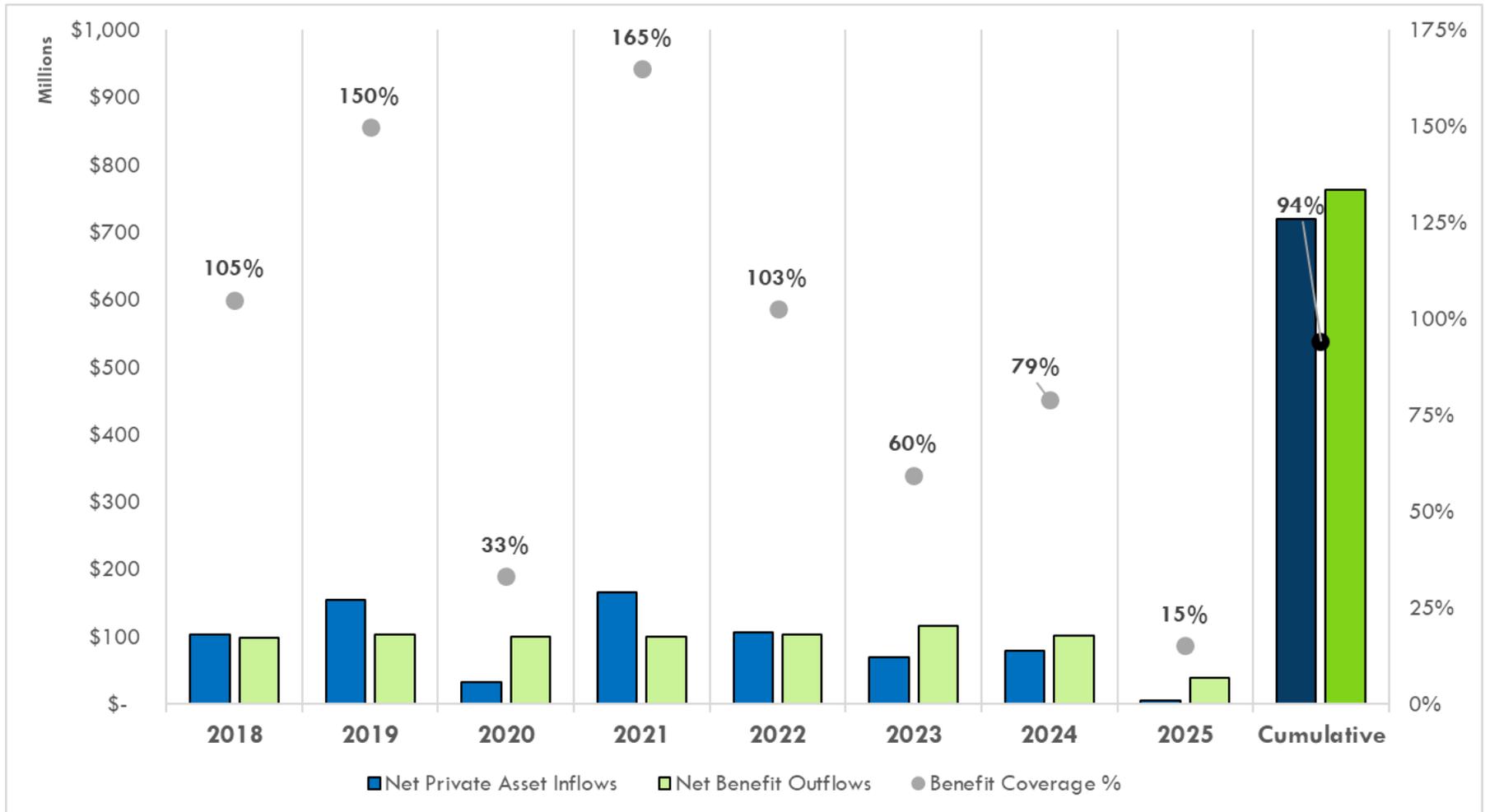
2025 YTD Preliminary Investment Return estimated at 7.3%



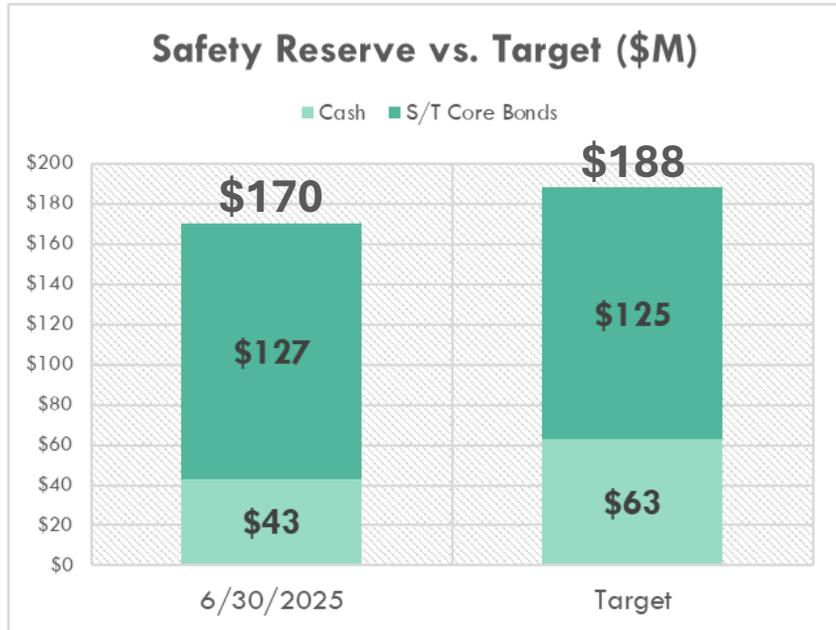
The beginning 12/31/24 value includes a one-quarter lag on private assets.
 Numbers may not foot due to rounding.

Benefit Outflow Coverage

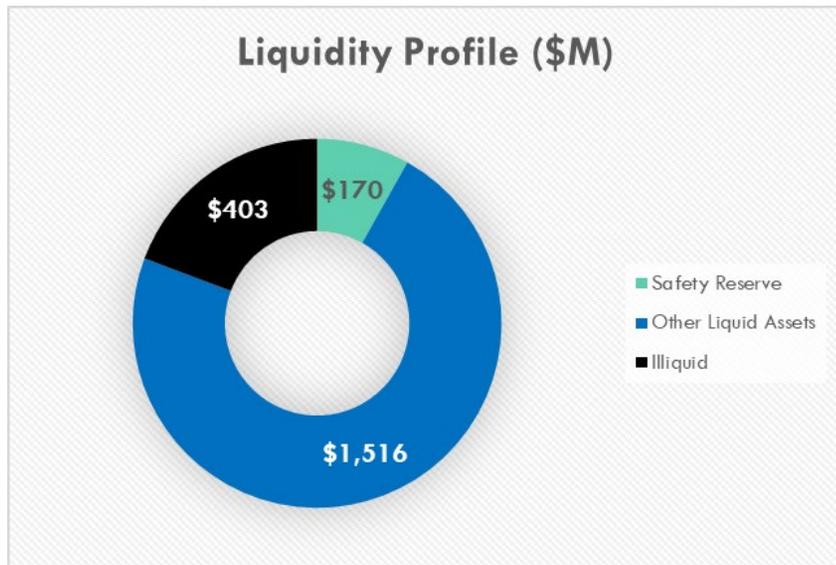
Since 2018, net Private Asset inflows have covered 95% of net benefit outflows.



Safety Reserve Dashboard – As of 6/30/25



Projected Net Monthly outflows of **\$6.3M** per month. Safety Reserve of **\$170M** would cover net monthly outflows for next **26 months** or through **August 2027**.



Expected Cash Activity	Date	Amount (\$M)	Projected Cash Balance (\$M)	Projected Cash (%)
	6/30/25		\$42.8	2.1%
City & Member Contribution	7/3/25	\$10.8	\$53.7	2.6%
City & Member Contribution	7/18/25	\$10.8	\$64.5	3.1%
Pension Payroll	7/30/25	(\$28.9)	\$35.6	1.7%
City & Member Contribution	8/1/25	\$10.8	\$46.4	2.2%
City & Member Contribution	8/15/25	\$10.8	\$57.3	2.7%
Pension Payroll	8/27/25	(\$28.9)	\$28.4	1.4%
City & Member Contribution	8/29/25	\$10.8	\$39.2	1.9%
City & Member Contribution	9/12/25	\$10.8	\$50.0	2.4%
Pension Payroll	9/24/25	(\$28.9)	\$21.1	1.0%
City & Member Contribution	9/26/25	\$10.8	\$32.0	1.5%

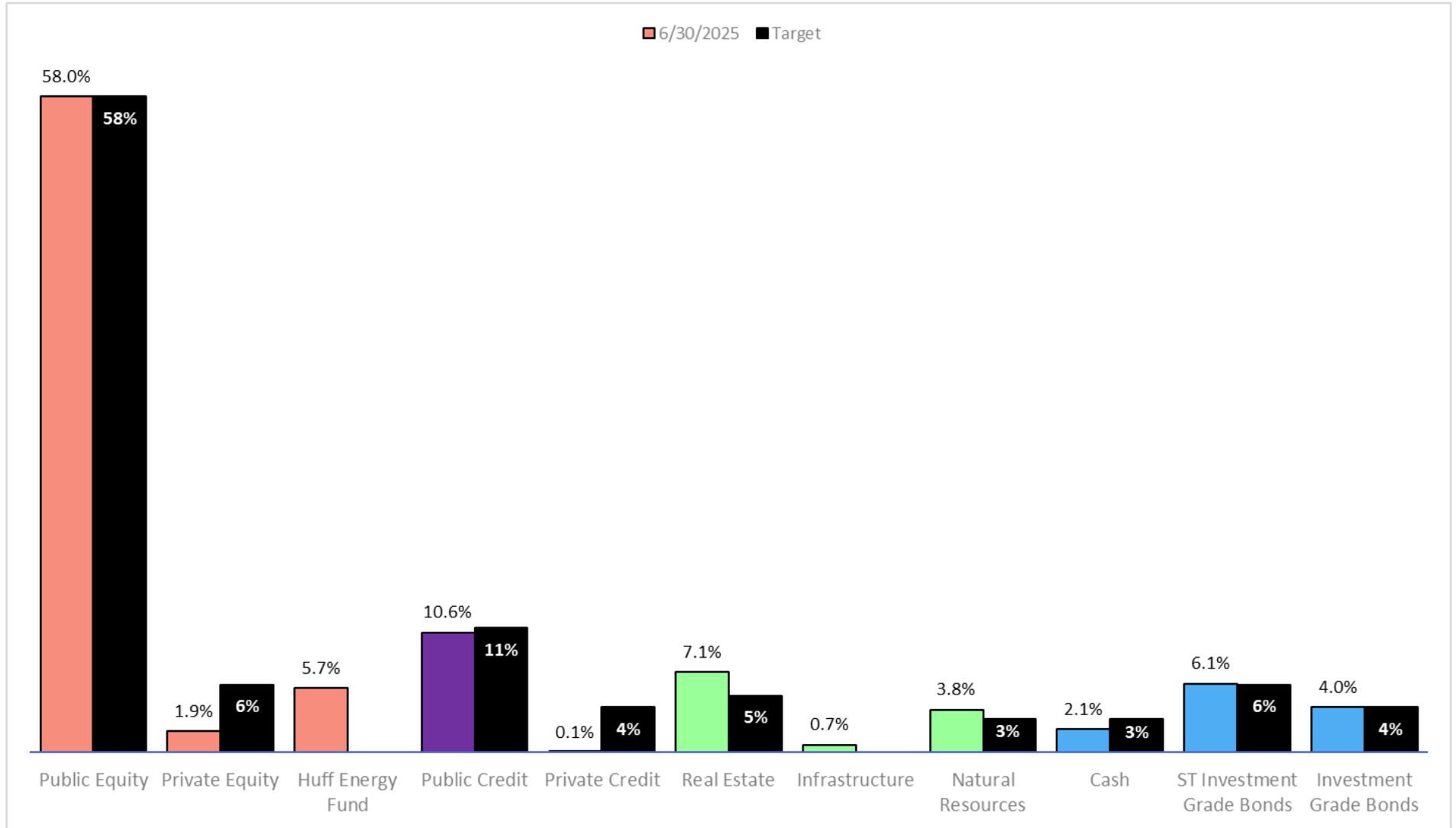
Numbers may not foot due to rounding.

Asset Allocation Detail

DPFP Asset Allocation	6/30/2025		Targets			Variance	
	NAV	%	\$ mil.	%	% of Target	\$ mil.	%
Equity	1,370	65.6%	1,337	64%	103%	34	1.6%
Public Equity	1,211	58.0%	1,211	58%	100%	-1	0.0%
<i>Northern Trust ACWI IMI Index</i>	452	21.7%	501	24%	90%	-49	-2.3%
<i>Boston Partners</i>	142	6.8%	125	6%	114%	17	0.8%
<i>Manulife</i>	130	6.2%	125	6%	104%	5	0.2%
<i>Walter Scott</i>	129	6.2%	125	6%	103%	3	0.2%
<i>WCM</i>	141	6.7%	125	6%	112%	15	0.7%
<i>Eastern Shore US Small Cap</i>	63	3.0%	63	3%	101%	1	0.0%
<i>Global Alpha Intl Small Cap</i>	63	3.0%	63	3%	101%	1	0.0%
<i>RBC Emerging Markets Equity</i>	90	4.3%	84	4%	108%	7	0.3%
Private Equity	40	1.9%	125	6%	32%	-85	-4.1%
Huff Energy Fund	120	5.7%	0	0%		120	5.7%
Credit	223	10.7%	313	15%	71%	-90	-4.3%
Public Credit	222	10.6%	230	11%	97%	-8	-0.4%
<i>Aristotle Pacific Bank Loans</i>	86	4.1%	84	4%	104%	3	0.1%
<i>Loomis Sayles High Yield Bonds</i>	72	3.4%	84	4%	86%	-12	-0.6%
<i>MetLife Emerging Market Debt</i>	64	3.0%	63	3%	102%	1	0.0%
Private Credit	1	0.1%	84	4%	2%	-82	-3.9%
Real Assets	242	11.6%	167	8%	145%	75	3.6%
Real Estate	148	7.1%	104	5%	142%	44	2.1%
Natural Resources	79	3.8%	63	3%	126%	16	0.8%
Infrastructure	14	0.7%	0	0%		14	0.7%
Fixed Income & Cash	253	12.1%	271	13%	93%	-18	-0.9%
Cash	43	2.1%	63	3%	68%	-20	-0.9%
IR+M Short Term Bonds	127	6.1%	125	6%	102%	2	0.1%
Longfellow IG Bonds	83	4.0%	84	4%	100%	0	0.0%
Total	2,088	100.0%	2,088	100%		0	0.0%
Safety Reserve	170	8.1%	188	9%	90%	-18	-0.9%
Private Market Assets	403	19.3%	376	18%		27	-4.5%

Source: Preliminary BNY Custodial Data, Staff Estimates and Calculations. Numbers may not foot due to rounding.

Asset Allocation – Actual vs Target





DISCUSSION SHEET

ITEM #C10

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 10, 2025



DISCUSSION SHEET

ITEM #C11

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 10, 2025



DISCUSSION SHEET

ITEM #C12

Topic: DFPF Security Posture

Portions of the discussion under this topic may be closed to the public under the terms of Section 551.076 of the Texas Government Code.

Discussion: Staff will provide a briefing on building security.

Regular Board Meeting – Thursday, July 10, 2025



DISCUSSION SHEET

ITEM #D1

Topic: Public Comment

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

Regular Board Meeting – Thursday, July 10, 2025



DISCUSSION SHEET

ITEM #D2

Topic: Executive Director's Report

- a. Associations' newsletters
 - [NCPERS Monitor \(July 2025\)](#)
- b. Open Records

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

Regular Board Meeting – Thursday, July 10, 2025