

AGENDA



Date: February 6, 2008

A meeting of the Dallas Police and Fire Pension System Actuarial Funding Committee will be held at **8:30 a.m. on Thursday, February 14, 2008 in the First Floor Conference Room at 2301 North Akard Street, Dallas, Texas.** Items of the following agenda will be presented to the Committee:

A. DISCUSSION OF ITEM FOR INDIVIDUAL CONSIDERATION

Reports and recommendations of Buck Consultants, including, but not limited to:

- a.** Estimated actuarial funding results
- b.** Cash flow projections

B. BRIEFING ITEM

Administrator's report

The term "possible action" in the wording of any Agenda item contained herein serves as notice that the Committee may, 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 any point during the consideration of the above items, the Committee 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. An expression of preference or a preliminary vote may be taken by the Committee on any briefing item or item discussed in executive session.

At the discretion of the Committee, items on this agenda may be considered at times other than those indicated above.

**Dallas Police and Fire Pension System
Thursday, February 14, 2008
8:30 a.m.
First Floor Conference Room
2301 North Akard Street
Dallas, Texas**

Actuarial Funding Committee meeting, Steven G. Shaw, Chairman, presiding:

ROLL CALL

Board Members

Present: Gerald Brown, Gary W. Edge, John M. Mays, Rector C. McCollum, Pauline Medrano, David A. Neumann, Steven G. Shaw, George Tomasovic, Steven H. Umlor, and Richard H. Wachsman

Absent: None

Staff

Richard Tettamant, Brian Blake, Don Rohan, Everard Davenport, Mike Taylor, Brad Goodsell, Pat McGennis, John Holt, Jerry Chandler, Talal Ellass, Corina Terrazas, and Linda Rickley

Others

Gary Lawson, Rich Mackesey, and Ryan Falls

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

The meeting was reconvened at 10:46 a.m.

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A. DISCUSSION OF ITEM FOR INDIVIDUAL CONSIDERATION

Reports and recommendations of Buck Consultants, including, but not limited to:

- a.** Estimated actuarial funding results
- b.** Cash flow projections

Rich Mackesey and Ryan Falls of Buck Consultants, Inc., were present to discuss estimated funding results for the System based on preliminary investment return figures as of January 1, 2008.

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Reports and recommendations of Buck Consultants (continued)

Mr. Mackesey discussed the mortality assumption and recommended that the Board adopt a change to provide a one-year set-back in the mortality assumption used for the actuarial valuation. In valuing the System with a one-year set-back, the actuary assumes each Member is one year younger than his/her actual age. For example, a 50 year old is viewed as age 49, et cetera. This is a conservative measure to anticipate future mortality improvements by adding additional life expectancy for each Member. Mr. Mackesey estimated that the change would add approximately three years to the System's funding period.

After discussion, Mr. Edge made a motion for the Actuarial Funding Committee to recommend that the full Board approve the change in the mortality assumption recommended by the actuary. Mr. Wachsman seconded the motion, which was unanimously approved by the Committee.

Mr. Mackesey discussed cash flow projections over the next fifteen years and explained the impact on the fund. As the Plan matures, benefit payments to retired members and beneficiaries will grow more than three fold over the fifteen year period of the projection. However, the System will continue to be able to meet obligations as contributions and investment income are projected to grow as well. Mr. Mackesey forecasted that by the end of 2021, the market value of assets will grow from \$3.1 billion to over \$7 billion.

After discussion, Mr. Tomasovic made a motion to receive and file the actuary's report on cash flow projections. Mr. Edge seconded the motion, which was unanimously approved by the Committee.

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B. BRIEFING ITEM

Administrator's report

No report was given.

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The Administrator stated that there was no further business to come before the Committee. On a motion by Mr. Wachsman and a second by Mr. Umlor, the meeting was adjourned at 11:08 a.m.

[Signature]

Steven G. Shaw
Chairman

ATTEST:

[Signature]

Richard L. Tettamant
Secretary