

AGENDA



Date: March 2, 2005

A meeting of the Dallas Police and Fire Pension System Administrative Advisory Committee will be held at **8:30 a.m., on Thursday, March 10, 2005 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. CONSENT AGENDA

Approval of Minutes

Regular meeting of December 9, 2004

B. DISCUSSION OF ITEMS FOR INDIVIDUAL CONSIDERATION

- 1. Discussion of the 2003-2004 Fiscal Year-End Close Review of the Administrative and Professional Services Budgets for the year ended December 31, 2004**
- 2. Discussion of the 2003-2004 Fiscal Year End Close Review of the Supplemental Fund Budget for the year ended December 31, 2004**

C. BRIEFING ITEMS

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, March 10, 2005
8:30 a.m.
2301 North Akard Street
First Floor Conference Room
Dallas, Texas

Administrative Advisory Committee meeting, George Tomasovic, Chairman, presiding:

ROLL CALL

Committee Members

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

Absent: None

Staff Richard Tettamant, Brian Blake, Don Rohan, Everard Davenport, Pat McGennis, Jay Jackson, John Holt, and Linda Rickley

Others None

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

The meeting was reconvened at 9:50 a.m.

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A. CONSENT AGENDA

Approval of Minutes

Regular meeting of December 9, 2004

After discussion, Mr. Edge made a motion to approve the item on the Consent Agenda, subject to the final approval of the Administrator. Mr. Wachsman seconded the motion, which was unanimously approved by the Committee.

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Administrative Advisory Committee
Thursday, March 10, 2005

B. DISCUSSION OF ITEMS FOR INDIVIDUAL CONSIDERATION

1. Discussion of the 2003-2004 Fiscal Year-End Close Review of the Administrative and Professional Services Budgets for the year ended December 31, 2004

Messrs. Tettamant and Rohan presented the final Administrative and Professional Services Budgets for Fiscal Year 2003-2004. The 2003-2004 budget was a 15-month transition to a calendar year budget.

Administrative expenses, including fixed asset expenses and revenue from the Supplemental Fund, totaled \$2,877,879 for the fifteen-month period ending December 31, 2004, or 88.3% of the budgeted amount. Expenses for professional services were \$11,443,930, including \$1,902,769 in non-investment manager expenses (85.1% of the budgeted amount) and investment manager fees of \$9,541,161 (69.9% of budgeted). Total professional services expenses were 72.0% of the total amount budgeted. The total budget expense was \$14,321,809, or 74.8% of the combined budgets.

The review included a detailed analysis of actual System expenses with an explanation for those items where the expense materially exceeded the budgeted amount.

After discussion, Mr. Wachsman made a motion that the Committee recommend Board approval of the 2003-2004 Fiscal Year-End Close Review of the Administrative and Professional Services Budgets for the year ended December 31, 2004. Mr. Edge seconded the motion, which was unanimously approved by the Committee.

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2. Discussion of the 2003-2004 Fiscal Year End Close Review of the Supplemental Fund Budget for the year ended December 31, 2004

Messrs. Tettamant & Rohan presented the 2003-2004 Fiscal Year End Close Review of the Supplemental Fund Budget for the year ended December 31, 2004. The actual administrative expense of \$56,574 was less than the budgeted amount of \$64,601 due to a reduction in the ratio of Supplemental Fund assets to the assets of the regular plan and a reduction in total expenses. Audit expense of \$16,213 and legal expenses of \$1,008 were included in the expenses of the Supplemental Fund. The audit expense included charges from KPMG for the 2002 audit, as well as partial charges from Mir, Fox & Rodriguez for the 2003 audit.

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2. Discussion of the 2003-2004 Fiscal Year End Close Review of the Supplemental Fund Budget for the year ended December 31, 2004 (continued)

After discussion, Mr. Wachsman made a motion that the Committee recommend Board approval of the 2003-2004 Fiscal Year End Close Review of the Supplemental Fund Budget for the year ended December 31, 2004. Mr. Edge seconded the motion, which was unanimously approved by the Committee.

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Mr. Tettamant stated that there was no further business to come before the Committee. On a motion by Mr. Edge and a second by Mr. Brown, the meeting was adjourned at 9:56 a.m.

George Tomasovic
Chairman

ATTEST:

Richard L. Tettamant
Secretary