

AGENDA



Date: April 5, 2007

A meeting of the Dallas Police and Fire Pension System Administrative Advisory Committee will be held at **8:30 a.m., on Thursday, April 12, 2007 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 14, 2006

B. DISCUSSION OF ITEMS FOR INDIVIDUAL CONSIDERATION

- 1. Discussion of the 2006 Fiscal Year-End Close Review of the Administrative and Professional Services Budgets for the year ended December 31, 2006**
- 2. Discussion of the 2006 Fiscal Year End Close Review of the Supplemental Fund Budget for the year ended December 31, 2006**
- 3. 2006 audit update**

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, April 12, 2007
8:30 a.m.
2301 N. Akard
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

Staff Richard Tettamant, Brian Blake, Don Rohan, Everard Davenport, Mike Taylor, Pat McGennis, John Holt, Jerry Chandler, Matt Siekielski, and Talal Elass

Others None

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

The meeting was reconvened at 3:40 p.m.

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A. CONSENT AGENDA

Approval of Minutes

Regular meeting of December 14, 2006

After discussion, Mr. McCollum made a motion to approve the minutes of the December 14, 2006 meeting, subject to final review by the Administrator. Mr. Tomasovic seconded the motion, which was unanimously approved by the Committee.

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Administrative Advisory Committee
Thursday, April 12, 2007

B. DISCUSSION OF ITEMS FOR INDIVIDUAL CONSIDERATION

1. Discussion of the 2006 Fiscal Year-End Close Review of the Administrative and Professional Services Budgets for the year ended December 31, 2006

The Administrator presented the final Administrative and Professional Services Budgets for 2006.

Administrative expenses, including fixed asset expenses and revenue from the Supplemental Fund, totaled \$2,823,696 for the year ending December 31, 2006, or 7.11% under the budgeted amount of \$3,039,963. Three line items: Medical, Leased Equipment, and Employment Expense line items exceeded budgeted amounts by greater than 5%.

Expenses for professional services included \$2,207,074 in non-investment manager expenses, 2.0% over the budgeted amount of \$2,163,100. Three line items: Legal Expenses, Miscellaneous Professional Fees, and Independent Audit, which exceeded the budgeted amount by greater than 5%, are explained in the budget summary.

A preliminary review reported investment manager fees of \$13,920,369, approximately 11% over the budgeted amount. This amount may increase as final reports from investment managers are received. The budgeted amount was based on an estimated 50 basis points on assets. The actual fees exceeded the budgeted amount because assets increased during the year at a greater rate than expected.

Total expenses were approximately 60 basis points on total assets of \$3.152 billion as of the end of the year.

After discussion, Mr. Brown made a motion to recommend that the Board receive and file the 2006 Fiscal Year-End Close Review of the Administrative and Professional Services Budgets for the year ended December 31, 2006. Mr. Edge seconded the motion, which was unanimously approved by the Committee.

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2. Discussion of the 2006 Fiscal Year End Close Review of the Supplemental Fund Budget for the year ended December 31, 2006

The Administrator discussed the 2006 Calendar Year End Close Review of the Supplemental Fund Budget for the year ended December 31, 2006. The actual administrative expense of \$81,080 was \$30,901 more than the budgeted amount of \$50,179. Actual expenses were determined by the portion of total

Administrative Advisory Committee
Thursday, April 12, 2007

2. Discussion of the 2006 Fiscal Year End Close Review of the Supplemental Fund Budget for the year ended December 31, 2006 (continued)

expenses allocated to the Supplemental Plan through the unitization of assets for investments. The audit expense of \$14,000 for Supplemental Plan was added to the allocated expenses. No legal expenses specific to the Supplemental Plan were incurred.

After discussion, Mr. Shaw made a motion to recommend that the Board receive and file the 2006 Fiscal Year End Close Review of the Supplemental Fund Budget for the year ended December 31, 2006. Mr. Edge seconded the motion, which was unanimously approved by the Committee.

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3. 2006 audit update

Messrs. Tettamant and Taylor briefed the Committee on the schedule for the 2006 audit, which will be prepared by Mir•Fox & Rodriquez. The Auditors are scheduled to begin during the week of April 16.

After discussion, Mr. Wachsman made a motion receive and file the update on the 2006 audit. Mr. Mays 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. Shaw and a second by Mr. Edge, the meeting was adjourned at 3:48 p.m.



George Tomasovic
Chairman

ATTEST:



Richard L. Tettamant
Secretary