

PENSION UPDATE



Volume 2004.02, February 2004
Dallas Police & Fire Pension System



Achieving Top Market Returns

When you read the January issue of the *Pension Update* newsletter, you learned that the Pension System had one of its best years ever for financial returns. See the chart for returns and compare this year's returns with the returns we have had in the past 10 years.



*Gary W. Edge,
Deputy
Vice-Chairman
and Fire Trustee*

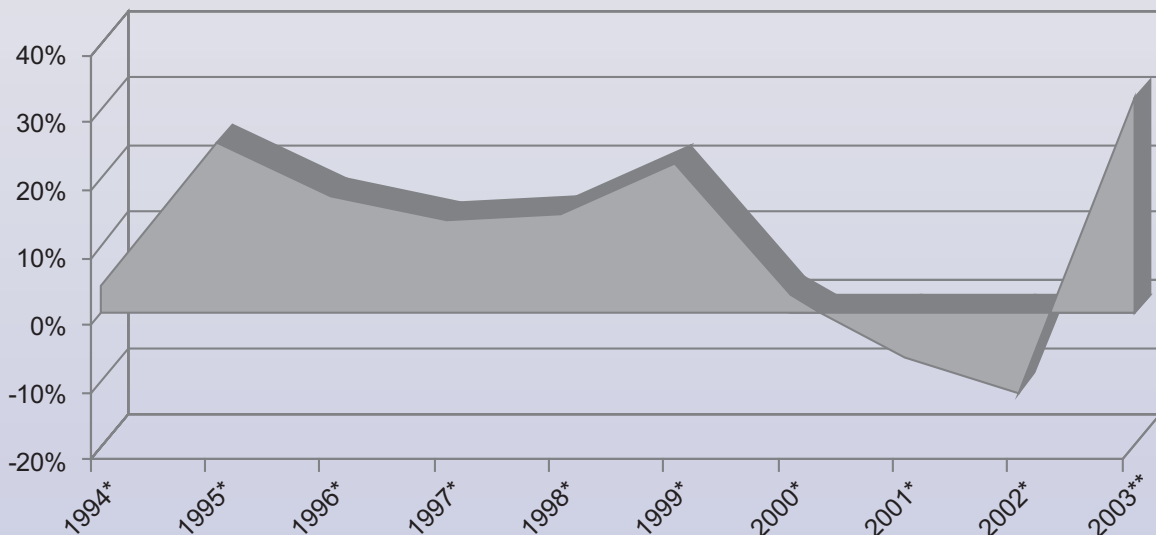
The Board of Trustees, staff, and financial consultants re-

mained with essentially the same asset allocation we had chosen and did not vary far from it. We thought we had a good basic plan, stayed with it for the most part, and did not chase investment returns in other asset classes during the three-year down market. However, we did make some changes to improve our returns.

The Pension System always is looking to improve its funding status. We recently changed our international equities from index funds to managed

continued on page 2

Market Returns



Sources: * Wilshire performance numbers 1994–2002
**JP Morgan unaudited performance number for 2003



Are Your Retirement Contributions Correct?

Be sure to check your pay stub to verify your deduction for pension contributions. Several Police Officers reported that pension contribution deductions on their pay stubs dated pay date 01/16/04 were lower than the pension deductions on the pay stubs dated pay date 01/02/04. The deductions reverted to the amount deducted before the 5% pay increase on December 1, 2003, and in some cases the amounts actually were less than the deductions before the pay increase. A review of pay stubs provided by several Police Officers and Firefighters confirmed this error.

Another issue uncovered in the review is that the City appears to be underpaying both Education Pay and Longevity Pay for Members and the Pension System. In both cases, the City reduces the monthly amount to an hourly figure. The City

then truncates, or rounds down, the hourly rate. The result is that the City underpays Members by a few cents each pay period and sends correspondingly reduced contributions to the Pension System.

The Pension System and the City of Dallas are working together to resolve these issues. No action is required on your part, except that we ask you to review your pay stubs carefully and report any discrepancies to the Pension System and your Human Resources Department.

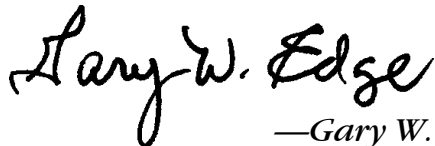
Thanks to the Police Officers and Firefighters who closely analyze their pay stubs. Please remember that it is to your benefit to make sure that you are correctly paid and that your yearly records are accurate.  

Top Market Returns, cont. from page 1

funds. We also changed our bond managers this past year so that we might widen our range of the fixed income portfolio. These changes helped to improve our returns. We currently are looking to change some of our domestic equities to improve our returns in the micro-cap/small-cap area of the stock market.

Hopefully, 2004 will be just as good as 2003.

If you have any questions about this article or any pension issues, please call me.



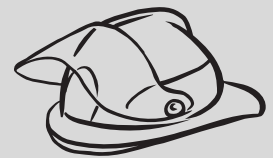
—Gary W. Edge,
Deputy Vice-Chairman and Fire Trustee



Congratulations Retirees!

Fire Department

Kenneth R. Anderson
Larry W. Anderson
Larry V. Clearman
Johnny R. Cross
Ronnie W. Ellis
David Gill
Robert H. Rogers, III



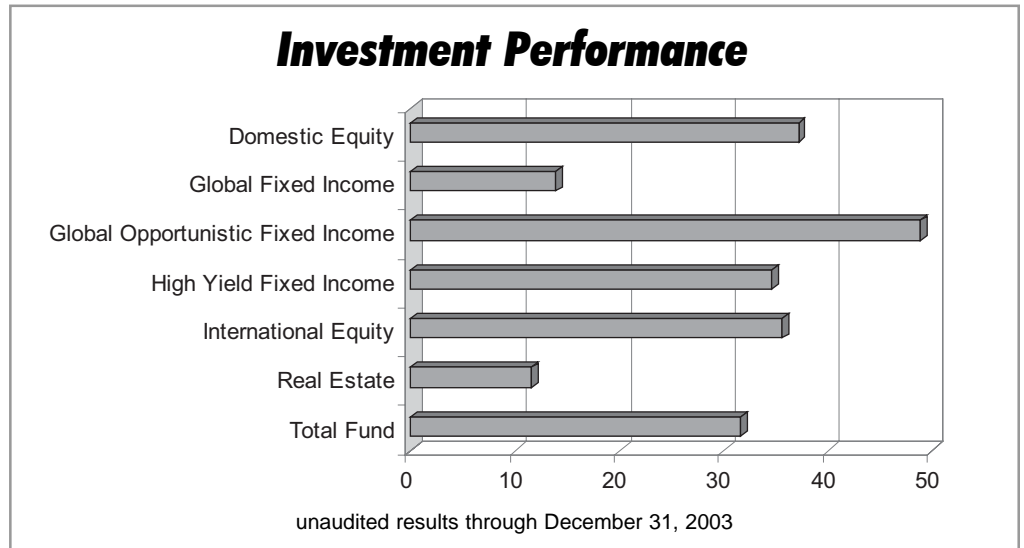
Police Department

Ronald D. Bridges
Patricia D. Carroll
Ronnie J. Harper
Robert L. Massingill
Wilford L. Suber
Julie A. Whitemyer
Ronald B. Williams



Annual Returns for 2003

The Pension System had great returns in 2003—31.59% (unaudited results through December 31, 2003). Please see the chart “Investment Performance” for the returns from December by Market Class. In addition, see below for the percentage return in each category.



Investment Performance

Domestic Equity	37.2%
Global Fixed Income	13.81%
Global Opportunity Fixed Income	48.93%
High Yield Fixed Income	34.62%
International Equity	35.59%
Real Estate	11.51%
Total Fund	31.59%

unaudited results through December 31, 2003



Keeping Your Address Current

Help us keep you informed by updating your mailing address. The Pension System sends important information, such as your Annual Pension Statements and *Pension Update* newsletters, to your home address.

The Pension System receives address changes from the City of Dallas. Members must report any change of address to the City. The City then sends your address to the Pension System with each payroll report.



Pension System Calendar

- ☛ **March 11**—Board of Trustees meeting
- ☛ **March 25**—Financial Planning (open)
- ☛ **March 27**—DFFA Easter Egg Hunt
- ☛ **April 8**—Board of Trustees meeting
- ☛ **April 15**—Board of Trustees meeting
- ☛ **April 27**—PREP (full)
- ☛ **Financial Planning Sessions in 2004**—*Sign up now! All sessions are open!*
 - March 25
 - May 5
 - July 29
 - November 17
- ☛ **PREP Sessions in 2004**—*Sign up now!*
 - April 27 (full)
 - June 16 (full)
 - August 24
 - September 16
 - November 4

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FIRST CLASS MAIL

Serving Those Who Protect the Dallas Community


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Annual Statements

You will receive your *2004 Benefit Statement* or *2003 DROP Statement* in March. Your statement will help you in your personal financial planning.

If you receive a *Benefit Statement*, your statement will provide pension estimates and other information to help you understand your pension benefits. Your statement is based on payroll records provided by the City of Dallas and calculations by the Pension System. If you find any discrepancies, please contact the Pension System office. As noted in the article on Page 2, your payroll information may need to be corrected. Corrections to our records will be made when the issue is resolved.

Members who participate in DROP will receive a *DROP Statement* with a projection to September 30, 2004.

The information in your *Benefit Statement* or *DROP Statement* will help you plan for your retirement. To learn more about retirement, attend a PREP or a Financial Planning session. If you have any questions or do not receive your statement by March 15, please contact the Pension System office at 214.638.3863. You also may send your questions to us via e-mail at info@dpfp.org. 

Published by
Dallas Police and Fire
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Call us at 214.638.3863
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