AGENDA

DALLAS POLICE & FIRE PENSION SYSTEM

Date: November 6, 2026

The regular meeting of the Dallas Police and Fire Pension System Board of Trustees will be held at **8:30 a.m. on Thursday, November 12, 2026, in the Second Floor Board Room at 4100 Harry Hines Boulevard, Dallas, Texas and via online Zoom meeting for audio and visual https://us02web.zoom.us/j/87016110261?pwd=X5Bl7ZPfbAJ9e7dkj6bbwtsdEXgskX.1 (Meeting ID: 870 1611 0261, Passcode: 455566), or participants may join the meeting audio via telephone by calling 1-719-359-4580.** Items of the following agenda will be presented to the Board:

A. MOMENT OF SILENCE

B. APPROVAL OF MINUTES

Regular meeting of October 8, 2026

C. DISCUSSION AND POSSIBLE ACTION REGARDING ITEMS FOR INDIVIDUAL CONSIDERATION

1. Quarterly Financial Reports

2. **Report on Compensation Committee Meetings**
3. **Second Reading and Discussion of the 2027 Budget**
4. **Contract Extension for Financial Auditing Services**
5. **Report on Professional Service Committee Meeting**
6. **Executive Director Approved Pension Ministerial Actions**
7. **Board Approval of Trustee Education and Travel**
8. **Future Board Meeting Agenda Planning**
9. **Portfolio Update**
10. **Report on Investment Advisory Committee Meeting**
11. **Consideration of Additional Investment in Lexington Partners**
12. **Required Training Manual Delivery & Ethics Policy Certification**
13. **Hardship Request – 2026-1H**
14. **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.**

15. 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.

D. BRIEFING ITEMS

1. Public Comment

2. Executive Director's Report

a. Associations' newsletters

- NCPERS Monitor (November 2026)
- NCPERS PERSist (Fall 2026)
- TEXPERS Pension Observer (Vol. 3 2026)

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.

DALLAS POLICE & FIRE PENSION SYSTEM

MOMENT OF SILENCE

In memory of our Members and Pensioners who recently passed away

NAME	ACTIVE/ RETIRED	DEPARTMENT	DATE OF DEATH
James R. Vineyard	Retired	Police	Sep. 21, 2026
August M. Eberhardt	Retired	Police	Sep. 30, 2026
Charles Womble	Retired	Fire	Oct. 04, 2026
Claude K. Bullard	Retired	Fire	Oct. 1, 2026
Robert N. Vaughan	Retired	Fire	Oct. 08, 2026
Carol A. Carlan	Retired	Police	Oct. 08, 2026
J. J. Franklin	Retired	Fire	Oct. 08, 2026
Michael Meldrum	Retired	Police	Oct. 26, 2026

Dallas Police and Fire Pension System
Thursday, October 8, 2026
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, Tom Tull, Tina Hernandez Patterson, Matthew Shomer, David Kelly, Yvette Duenas, Rob Walters
Virtual at 8:32 a.m.	Joe Colonnetta, Scott Letier, Anthony Scavuzzo
Present at 8:42 a.m.	Steve Idoux
Absent	None
Staff	Kelly Gottschalk, Joshua Mond, Sherrelle Evans-Jones, Ryan Wagner, Divyesh Shah, Kyle Schmit, Luis Solorzano Trejo, Nien Nguyen, John Holt, Milissa Romero, Malaya Samuel
Virtual	Lydia LoSasso, Cynthia Thomas, Bill Scoggins
Others	Spencer Edge
Virtual	Aaron Lally, Trevor Lowman, Kevin Balaod, Nate Weinstein, Nic Tapia, Brian Moody

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

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A. MOMENT OF SILENCE

The Board observed a moment of silence in memory of active police officer Ray C. Cunningham, retired police officers Sandra D. Caro, Andrew J. Scogin Jr., and retired firefighters Jack S Thrasher, John P Gross, and Don G. Stoy.

No motion was made.

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DRAFT

Regular Board Meeting
Thursday, October 8, 2026

B. APPROVAL OF MINUTES

Regular meeting of September 10, 2026

After discussion, Mr. Walters made a motion to approve the minutes of the Regular meeting of September 10, 2026. Mr. Tull 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. Initial Reading and Discussion of the 2027 Budget

The Chief Financial Officer presented the initial reading of the 2027 budget, prepared in total for both the Combined Pension Plan and the Supplemental Plan.

After discussion, Mr. Tull made a motion to direct staff to revise the proposed budget based on the direction of the Board and bring the revised proposed budget to the Board at the November 2026 Board meeting for consideration for adoption and to authorize forwarding the 2027 proposed budget to the City of Dallas for comment and the posting of the proposed budget to www.dpfp.org for member review prior to the November Board meeting. Mr. Kelly seconded the motion, which was unanimously approved by the Board.

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2. Executive Director Approved Pension Ministerial Actions

The Executive Director reported on the October pension ministerial actions.

No motion was made.

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3. Board Approval of Trustee Education and Travel

The Board and staff discussed future Trustee education. There was no future Trustee education or travel scheduled.

No motion was made.

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DRAFT

Regular Board Meeting
Thursday, October 8, 2026

4. Future Board Meeting Agenda Planning

Staff provided a list of anticipated agenda items for the next 3 months for Board meeting planning purposes.

No motion was made.

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5. Portfolio Update

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

No motion was made.

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6. Potential Private Equity Investments

Staff reported that due diligence on a private equity investment opportunity had been completed with the assistance of Albourne. The Private Markets Sub-Committee of the Investment Advisory Committee had previously interviewed the recommended manager after reviewing staff's recommendation, Albourne's IDD and ODD reports. Staff and Spencer Edge of Albourne provided an overview of the proposed commitment and the recommended investment strategy.

After discussion, Ms. Hernandez Patterson made a motion to authorize the Executive Director, subject to legal review, to commit up to $25M to GTCR Fund XV. Mr. Shomer seconded the motion, which was unanimously approved by the Board.

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7. Private Markets Approval Process

Staff discussed the current private market investment approval process and proposed enhancements to the process.

No motion was made.

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DRAFT

Regular Board Meeting
Thursday, October 8, 2026

8. Public Credit Asset Class Structure

Staff reviewed the proposed Public Credit Asset Class Structure with the Board.

After discussion, Mr. Tull made a motion to approve the Public Credit Asset Class Structure. Mr. Walters seconded the motion, which was unanimously approved by the Board.

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9. Fixed Income & Defense Asset Class Structure

Staff reviewed the proposed Fixed Income & Defensive Asset Class Structure with the Board.

After discussion, Mr. Shomer made a motion to approve the Fixed Income and Defensive Asset Class Structure. Mr. Kelly seconded the motion, which was unanimously approved by the Board.

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10. 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.

No discussion was held, and no motion was made regarding legal issues.

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11. 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.

No discussion was held, and no motion was made regarding Lone Star Investment Advisors.

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DRAFT

Regular Board Meeting
Thursday, October 8, 2026

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 October 2026

b. Open Records

c. Employee Service Award

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 10:14 a.m.

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Michael Taglienti,
Chairman

ATTEST:

_____
Kelly Gottschalk,
Secretary

DRAFT

DALLAS POLICE & FIRE PENSION SYSTEM

DISCUSSION SHEET

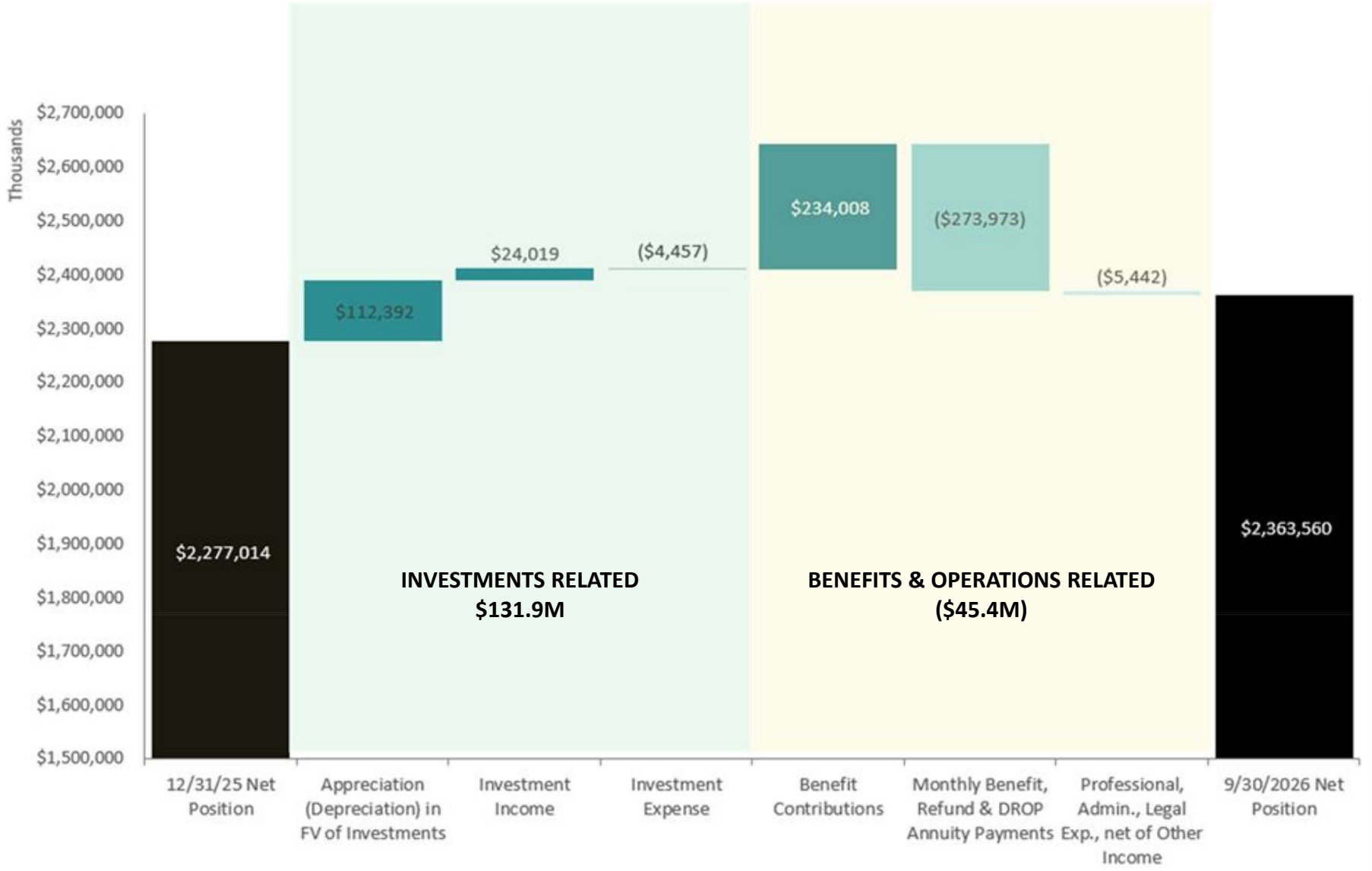
ITEM #C1

Topic: **Quarterly Financial Reports**

Discussion: The Chief Financial Officer will present the third quarter 2026 financial statements.

Change in Net Fiduciary Position

December 31, 2025 – September 30, 2026



Components may not sum exactly due to rounding.

DALLAS POLICE & FIRE PENSION SYSTEM
Combined Statements of Fiduciary Net Position

	September 30, 2026	December 31, 2025	$ Change	% Change
Assets				
Investments, at fair value				
Short-term investments	$ 21,622,172	$ 17,560,934	$ 4,061,238	23%
Fixed income securities	358,181,266	284,768,892	73,412,374	26%
Equity securities	1,202,889,323	1,233,728,877	(30,839,554)	(2%)
Real assets	178,102,335	202,557,259	(24,454,924)	(12%)
Private equity	57,175,701	191,130,861	(133,955,160)	(70%)
Private credit	10,819,139	-	10,819,139	100%
Public credit	324,001,331	227,502,357	96,498,974	42%
Forward currency contracts	(2,712)	-	(2,712)	(100%)
Total investments	2,152,788,555	2,157,249,180	(4,460,625)	(0%)
Receivables				
City	5,372,987	12,587,730	(7,214,743)	(57%)
Members	1,781,232	3,154,591	(1,373,359)	(44%)
Interest and dividends	6,689,912	5,772,629	917,283	16%
Investment sales proceeds	6,234,502	3,532,229	2,702,273	77%
Lease receivable	398,016	2,460,749	(2,062,733)	(84%)
Other receivables	10,594	19,553	(8,959)	(46%)
Total receivables	20,487,242	27,527,481	(7,040,239)	(26%)
Cash and cash equivalents	199,127,772	93,564,406	105,563,366	113%
Prepaid expenses	594,213	570,263	23,950	4%
Capital assets, net	11,561,568	11,341,777	219,791	2%
Total assets	$ 2,384,559,350	$ 2,290,253,107	$ 94,306,243	4%
Liabilities				
Payables				
Securities purchased	16,557,747	5,449,156	11,108,591	204%
Accounts payable and other accrued liabilities	4,108,190	5,689,381	(1,581,191)	(28%)
Total liabilities	20,665,938	11,138,537	9,527,401	86%
Deferred inflow of resources	333,515	2,100,783	(1,767,268)	(84%)
Net position restricted for pension benefits	$ 2,363,559,897	$ 2,277,013,787	$ 86,546,110	4%

DALLAS POLICE & FIRE PENSION SYSTEM
Combined Statements of Changes in Fiduciary Net Position

	Nine Months Ended September 30, 2026	Nine Months Ended September 30, 2025	$ Change	% Change
Contributions				
City	$ 173,553,117	$ 154,722,457	$ 18,830,660	12%
Members	60,455,237	56,534,050	3,921,187	7%
Total Contributions	234,008,354	211,256,507	22,751,847	11%
Investment income				
Net appreciation (depreciation) in fair value of investments	112,391,605	209,018,936	(96,627,330)	(46%)
Interest and dividends	24,018,887	21,624,063	2,394,824	11%
Total gross investment income	136,410,492	230,642,999	(94,232,506)	(41%)
less: investment expense	(4,457,462)	(6,131,581)	1,674,119	27%
Net investment income	131,953,030	224,511,417	(92,558,387)	(41%)
Other income	305,378	403,693	(98,315)	(24%)
Total additions	366,266,763	436,171,617	(69,904,855)	(16%)
Deductions				
Benefits paid to members	269,386,643	261,065,964	8,320,679	3%
Refunds to members	4,586,237	3,077,694	1,508,543	49%
Legal expense	31,701	860,246	(828,544)	(96%)
Legal expense reimbursement	(285,276)	-	(285,276)	(100%)
Legal expense, net of reimbursement	(253,575)	860,246	(1,113,820)	(129%)
Staff Salaries and Benefits	3,196,498	2,920,420	276,078	9%
Professional and administrative expenses	2,804,849	2,466,290	338,559	14%
Total deductions	279,720,653	270,390,614	9,330,039	3%
Net increase (decrease) in net position	86,546,110	165,781,004		
Beginning of period	2,277,013,787	2,034,276,938		
End of period	$ 2,363,559,897	$ 2,200,057,942		

DALLAS POLICE & FIRE PENSION SYSTEM

DISCUSSION SHEET

ITEM #2

Topic: **Report on Compensation Committee Meetings**

Discussion: The Executive Director and members of the Compensation Committee will provide a report on the Compensation Committee meetings. The Committee will provide the Board any recommendations it may have and the Executive Director will review the budgetary impact of a Committee recommendation with respect to the staff retirement plan.

TMRS City Benefit Plans

2027 Plan Change Study Options | October 2026

At a glance

Counts of cities and members tell different stories: larger cities tend to have higher benefits and higher city rates

936

Participating cities

Every city fits one of 16 COLA / USC combinations

133,649

Contributing members

Average of 143 members per city

52.4%

Members in 70% COLA + 100% USC plans

vs. 43.2% of cities

14.88%

Member-weighted avg. city rate

Simple average across cities is 10.42%

Topics covered

- COLA and Updated Service Credit (USC) defined • Participating Cities and Membership Statistics COLA and USC
- TMRS City Contribution Rates • 2027 DPFP Plan Change Study Options

Source: TMRS City Benefit Plans, October 2026 (936 cities, 133,649 contributing members)

How the cost-of-living adjustment (COLA) works

A COLA raises retiree benefits by the city's chosen share of inflation since retirement; retirees must be retired one year to receive it

First-time COLA example

Original monthly benefit	**$1,000**
Current monthly benefit	**$1,000**
A Inflation since retirement (CPI)	**7%**
B City COLA percentage	**70%**
C 7% × 70%	**4.9%**
D 4.9% × $1,000 = COLA	**$49**
E New benefit: $1,000 + $49	**$1,049**

In the 2027 study, Options 4–12 add a 30%, 50% or 70% repeating COLA, applied retroactively.

Subsequent COLA example

Original monthly benefit	**$1,000**
Current monthly benefit	**$1,077**
A Inflation since retirement (CPI)	**18.7%**
B City COLA percentage	**70%**
C 18.7% × 70%	**13%**
D 13% × $1,000	**$130**
E Less prior COLAs: $130 − $77	**$53**
F New benefit: $1,077 + $53	**$1,130**

How TMRS calculates it

Share of inflation: cumulative CPI inflation since retirement × the city's COLA percentage (30%, 50% or 70%).

Based on original benefit: the result is applied to the original monthly benefit, not the current one.

No double counting: each later COLA is reduced by COLAs already received.

Eligibility: retired at least one year, e.g., retired in 2021 or earlier to receive a 2023 COLA.

Source: TMRS fact sheet, Cost of Living Adjustment (COLA) Calculation (For Retirees), revised November 2022

3

How Updated Service Credit works

USC brings a member's account up to date with recent pay and the city's current plan; TMRS recalculates it every January

1

Average recent salary

Average the three years before the most recent year. For example, USC calculated in 2023 uses 2019, 2020 and 2021 salaries.

2

Build a hypothetical balance

Project the account as if the member earned that salary under the city's current plan for their entire city career, with 3% annual interest. A city may also count service at other TMRS cities.

3

Compare and apply the USC %

If the hypothetical balance is higher than the actual balance, the difference is multiplied by the city's USC percentage: 50%, 75% or 100%.

4

Credit grows until retirement

USC earns 5% annual interest, can be replaced by a higher USC in a later year, and is added to the cash balance at retirement.

In the 2027 study: Options 1–3 add 50%, 75% or 100% repeating USC with no COLA, raising the total city rate from 9.65% to 10.85%–12.11%.

Statewide: 588 of 936 cities (62.8%) provide 100% USC, covering 85.6% of contributing members; 304 cities (32.5%) provide none.

Source: TMRS fact sheet, Updated Service Credit (For Members), revised January 2023

COLA × USC: number of cities

Two combinations account for 76% of all cities

COLA ↓ / USC →	No	50%	75%	100%	Total
No	**304** 32.5%	**5** 0.5%	**2** 0.2%	**104** 11.1%	**415** 44.3%
30%	0	**12** 1.3%	**2** 0.2%	**37** 4.0%	**51** 5.4%
50%	0	**6** 0.6%	**3** 0.3%	**43** 4.6%	**52** 5.6%
70%	0	**9** 1.0%	**5** 0.5%	**404** 43.2%	**418** 44.7%
Total	**304** 32.5%	**32** 3.4%	**12** 1.3%	**588** 62.8%	**936** 100.0%

Cell shows number of cities and share of all 936 cities.

1. 404 cities (43.2%) offer 70% COLA with 100% USC

2. 304 cities (32.5%) offer neither benefit

3. A USC is required to offer a COLA; 111 cities have USC with no COLA

Source: TMRS City Benefit Plans, October 2026 (936 cities, 133,649 contributing members)

COLA × USC: contributing members

Over half of all members are in 70% COLA / 100% USC plans

COLA ↓ / USC →	No	50%	75%	100%	Total
No	**9,272** 6.9%	**902** 0.7%	**74** 0.1%	**19,960** 14.9%	**30,208** 22.6%
30%	0	**1,317** 1.0%	**314** 0.2%	**10,258** 7.7%	**11,889** 8.9%
50%	0	**1,931** 1.4%	**1,251** 0.9%	**14,128** 10.6%	**17,310** 13.0%
70%	0	**1,914** 1.4%	**2,296** 1.7%	**70,032** 52.4%	**74,242** 55.5%
Total	**9,272** 6.9%	**6,064** 4.5%	**3,935** 2.9%	**114,378** 85.6%	**133,649** 100.0%

Cell shows contributing members and share of all 133,649 members.

1. 70,032 members (52.4%) are in 70% COLA / 100% USC plans

2. Cities with neither benefit hold only 6.9% of members

3. 85.6% of members have 100% USC; partial USC covers just 7.4%

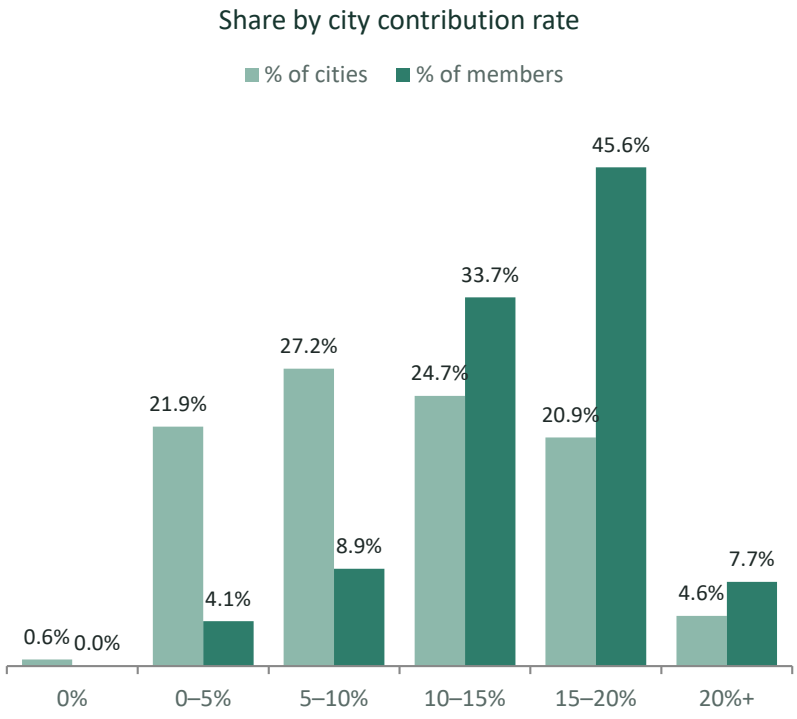
Source: TMRS City Benefit Plans, October 2026 (936 cities, 133,649 contributing members)

TMRS city contribution rates

Half of cities contribute under 10% of payroll, but 79% of members are in cities contributing 10–20%

City rate band	Cities	Members	Avg. members	Avg. rate
0%	6	53	9	0.00%
Over 0% to <5%	205	5,488	27	2.79%
5% to <10%	255	11,887	47	7.42%
10% to <15%	231	45,005	195	12.63%
15% to <20%	196	60,955	311	17.16%
20% and over	43	10,261	239	23.54%
Total	**936**	**133,649**	**143**	**10.42%**

Avg. rate is the simple average across cities. Member-weighted average: 14.88%; median: 10.04%.



Source: TMRS City Benefit Plans, October 2026 (936 cities, 133,649 contributing members)

7

2027 Plan Change Study: what was priced

12 options adding Updated Service Credit, with or without a COLA

Current

No USC, no COLA

Total DPFP rate: 9.65%
Funded ratio: 102.2%

Options 1–3

USC only

USC of 50%, 75% or 100%
No COLA

Total DPFP rate: 10.85% to 12.11%
Funded ratio: 93.9% to 86.8%

Options 4–12

USC + retroactive COLA

Each USC level (50%, 75%, 100%) paired with a 30%, 50% or 70% repeating COLA

Total DPFP rate: 12.37% to 15.85%
Funded ratio: 88.3% to 75.6%

All other provisions are unchanged in every option. Benefit increases are amortized over 20 years.

Source: TMRS Plan Change Study, 2027 Rates – Dallas Police and Fire PS (01502), October 14, 2026

2027 DPFP employer rate and funded ratio by option

Each step up in USC or COLA raises the DPFP rate and lowers the funded ratio

COLA ↓ / USC →	None	50%	75%	100%
None	Current **9.65%** Funded 102.2%	Option 1 **10.85%** Funded 93.9%	Option 2 **11.49%** Funded 90.2%	Option 3 **12.11%** Funded 86.8%
30%	*Not an option*	Option 4 **12.37%** Funded 88.3%	Option 7 **13.05%** Funded 84.8%	Option 10 **13.73%** Funded 81.6%
50%	*Not an option*	Option 5 **13.36%** Funded 85.0%	Option 8 **14.07%** Funded 81.6%	Option 11 **14.78%** Funded 78.5%
70%	*Not an option*	Option 6 **14.36%** Funded 81.9%	Option 9 **15.11%** Funded 78.6%	Option 12 **15.85%** Funded 75.6%

Cell shows option, 2027 total DPFP employer contribution rate, and funded ratio. Gold cell = current plan. All COLA options are retroactive.

1. Adding USC alone raises the DPFP rate by 1.20 to 2.46 points (to 10.85%–12.11%)

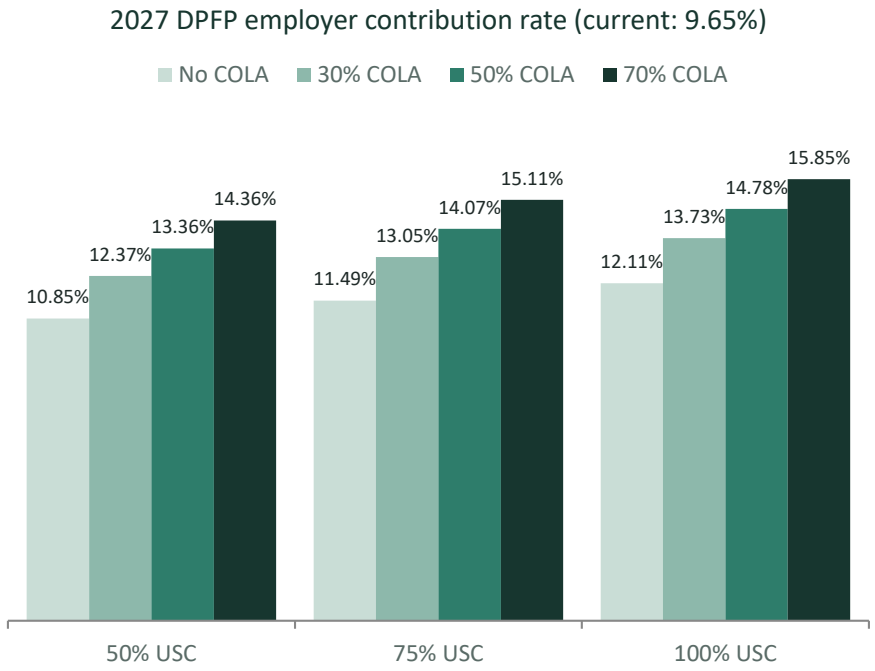
2. Each COLA step (30% → 50% → 70%) adds about 1.0 point at any USC level

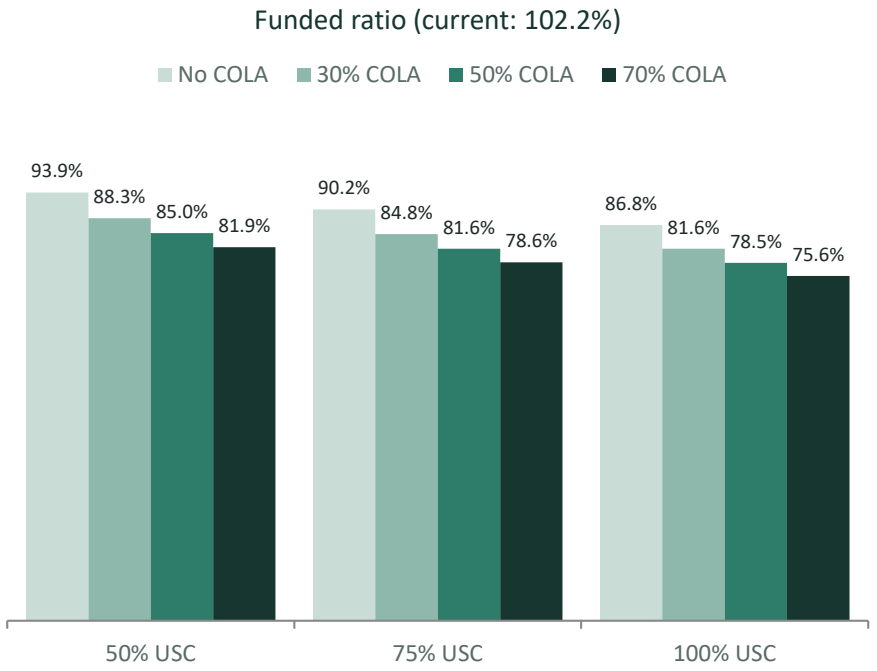
3. Option 12 (100% USC, 70% COLA) costs 15.85%, 6.20 points above current, with funding falling to 75.6%

Source: TMRS Plan Change Study, 2027 Rates – Dallas Police and Fire PS (01502), October 14, 2026

Cost and funding trade-off

Total DPFP rate rises from 9.65% today to as much as 15.85%, while the funded ratio falls from 102.2% to 75.6%





Unfunded actuarial liability moves from a $43,812 surplus today to $130,120 (Option 1) up to $648,115 (Option 12).

Source: TMRS Plan Change Study, 2027 Rates – Dallas Police and Fire PS (01502), October 14, 2026

2027 annual DPFP employer cost by option

At a $3,715,000 payroll, options add $44,580 to $230,330 a year compared with the current 9.65% rate

Scenario	USC	COLA	Total rate	Annual employer cost	Change vs. 9.65% current	Change vs. 10.06% rate
Current	None	None	9.65%	**$358,498**	—	($15,232)
Additional rate	—	—	10.06%	**$373,729**	+$15,232	—
Option 1	50%	None	10.85%	**$403,078**	+$44,580	+$29,349
Option 2	75%	None	11.49%	**$426,854**	+$68,356	+$53,125
Option 3	100%	None	12.11%	**$449,887**	+$91,389	+$76,158
Option 4	50%	30%	12.37%	**$459,546**	+$101,048	+$85,817
Option 5	50%	50%	13.36%	**$496,324**	+$137,827	+$122,595
Option 6	50%	70%	14.36%	**$533,474**	+$174,977	+$159,745
Option 7	75%	30%	13.05%	**$484,808**	+$126,310	+$111,079
Option 8	75%	50%	14.07%	**$522,701**	+$164,203	+$148,972
Option 9	75%	70%	15.11%	**$561,337**	+$202,839	+$187,608
Option 10	100%	30%	13.73%	**$510,070**	+$151,572	+$136,341
Option 11	100%	50%	14.78%	**$549,077**	+$190,580	+$175,348
Option 12	100%	70%	15.85%	**$588,828**	+$230,330	+$215,099

1. Payroll assumption: $3,715,000. Annual cost = payroll × 2027 total city contribution rate.

2. Current plan costs $358,498; the additional 10.06% rate costs $373,729 (+$15,232).

3. USC-only options cost $403,078–$449,887. The highest, Option 12, costs $588,828 (+$230,330 vs. current).

Source: TMRS Plan Change Study, 2027 Rates – Dallas Police and Fire PS (01502), October 14, 2026

2027 unfunded liability and funded ratio by option

Option	USC	COLA	Total rate	Change vs. current	Unfunded liability	Funded ratio
Current	None	None	**9.65%**	—	($43,812)	**102.2%**
Option 1	50%	None	**10.85%**	+1.20	$130,120	**93.9%**
Option 2	75%	None	**11.49%**	+1.84	$217,091	**90.2%**
Option 3	100%	None	**12.11%**	+2.46	$304,038	**86.8%**
Option 4	50%	30%	**12.37%**	+2.72	$266,057	**88.3%**
Option 5	50%	50%	**13.36%**	+3.71	$353,959	**85.0%**
Option 6	50%	70%	**14.36%**	+4.71	$443,044	**81.9%**
Option 7	75%	30%	**13.05%**	+3.40	$359,695	**84.8%**
Option 8	75%	50%	**14.07%**	+4.42	$452,094	**81.6%**
Option 9	75%	70%	**15.11%**	+5.46	$545,544	**78.6%**
Option 10	100%	30%	**13.73%**	+4.08	$453,428	**81.6%**
Option 11	100%	50%	**14.78%**	+5.13	$550,174	**78.5%**
Option 12	100%	70%	**15.85%**	+6.20	$648,115	**75.6%**

All options: 8% employee rate, 2:1 match, 20-year retirement, 5-year vesting, SDB for actives and retirees, 20-year amortization of benefit increases. Change vs. current in percentage points.

Source: TMRS Plan Change Study, 2027 Rates – Dallas Police and Fire PS (01502), October 14, 2026

12

How the options compare with TMRS cities statewide

Current plan matches the most common no-benefit design; Option 12 matches the most common full-benefit design

32.5%

of cities share the current design

No COLA and no USC: 304 cities, but only 6.9% of members statewide

43.2%

of cities have Option 12's design

70% COLA with 100% USC: 404 cities covering 52.4% of members

14.88%

member-weighted avg. city rate

Statewide simple average is 10.42%; median is 10.04%

1. At 9.65%, the current rate sits in the 5–10% band, where 27.2% of cities but only 8.9% of members are

2. Options 1–10 (10.85%–13.73%) fall in the 10–15% band; Options 11 and 12 (14.78%–15.85%) fall in the 15–20% band, where 45.6% of members are

Source: TMRS Plan Change Study, 2027 Rates – Dallas Police and Fire PS (01502), October 14, 2026

Key takeaways

1. Adding either the USC, COLA, or both will increase the required DPFP contribution rate and lower the plan-funded level. The DPFP contribution rate is lower than it was before joining TMRS.

2. TMRS does not allow a COLA without a USC. Without a COLA and with no Social Security, no part of an employee's retirement benefit will be inflation-protected in retirement.

3. 32.5% of cities have no COLA and no USC, these plans cover less than 7% of all members in TMRS. 70% COLA with 100% USC is the most common plan (43.2% of cities) and covers over half of all members (52.4%).

4. Delaying implementation increases costs because it requires making up for years prior to the change.

Source: TMRS City Benefit Plans, October 2026 (936 cities, 133,649 contributing members)

DISCUSSION SHEET

ITEM #C3

Topic: **Second Reading and Discussion of the 2027 Budget**

Discussion: Attached is the budget proposal for Calendar Year 2027.

The budget has been prepared in total for both the Combined Pension Plan and the Supplemental Plan. Total expenses are then allocated to the Supplemental Plan based upon the Group Trust allocation reported by BNY.

The first reading of the proposed 2027 budget was at the October 8, 2026, Board meeting. The proposed budget was posted on the DPFP website and submitted to the City of Dallas for comment.

Staff Recommendation: **Approve** the proposed 2027 budget.



DALLAS POLICE & FIRE PENSION SYSTEM

DALLAS POLICE AND FIRE PENSION SYSTEM

2027 PROPOSED BUDGET REVIEW

October 8, 2026

DALLAS POLICE & FIRE PENSION SYSTEM

2027 BUDGET PROCESS

For the Fiscal Year ending December 31, 2027

1

October

Proposed budget presented to the Board

Authorize the Proposed Budget (including any Amendments from the Board) to be posted to the website and send to the City of Dallas for comment

2

November

Members may comment on budget

Board may amend or approve budget. The Board may also request additional information for consideration in December

Compensation Committee recommendations considered

Any comments received from the City of Dallas considered

3

December

If necessary, the revised budget returns to the Board for final approval

DALLAS POLICE & FIRE PENSION SYSTEM

2027 BUDGET AT A GLANCE

				Variances			
Expense Type	2026 Budget	2026 Projected Actual	2027 Proposed Budget	2027 Proposed Budget vs. 2026 Budget		2027 Proposed Budget vs. 2026 Projected Actual	
Administrative Expenses	**$ 6,903,596**	**$ 6,413,297**	**$ 7,206,263**	**$ 302,667**	**4.4%**	**$ 792,966**	**12.4%**
Investment Management Fees	9,927,000	9,758,708	12,249,000	2,322,000	23.4%	2,490,292	25.5%
Other Investment Expenses	2,058,167	1,855,728	2,406,215	348,048	16.9%	550,487	29.7%
Total Investment Expenses	**11,985,167**	**11,614,436**	**14,655,215**	**2,670,048**	**22.3%**	**3,040,779**	**26.2%**
Professional Expenses	**1,924,725**	**989,483**	**1,467,000**	**(457,725)**	**(23.8%)**	**477,517**	**48.3%**
Total	**$ 20,813,488**	**$ 19,017,216**	**$ 23,328,478**	**$ 2,514,990**	**12.1%**	**$ 4,311,262**	**22.7%**

DALLAS POLICE & FIRE PENSION SYSTEM

2027 BUDGET AT A GLANCE (CONTINUED)

$23.3M **Total Proposed Budget**

Administrative - $7.2M

Salaries & Benefits - $4.6M
increase of $338K or 7.9% over 2026 Budget

Consists of a variety of expenses
including Building expenses ($544K), IT Projects ($410K), and Liability Insurance ($569K)

Total Administrative Expenses increased by $303K or 4.4% from the 2026 Budget

Investment - $14.7M

Management Fees - $12.2M
increase of $2.3M or 23% over 2026 Budget

Portfolio Operating Expenses - $1.2M
increase of $170K or 16% over 2026 Budget (this includes legal, valuation and tax expenses)

Consultant & Reporting Fees - $890K
increase of $191K or 27% over 2026 Budget

All Other Investment Expenses - $278K
decrease of $12K or 4.7% from 2026 Budget

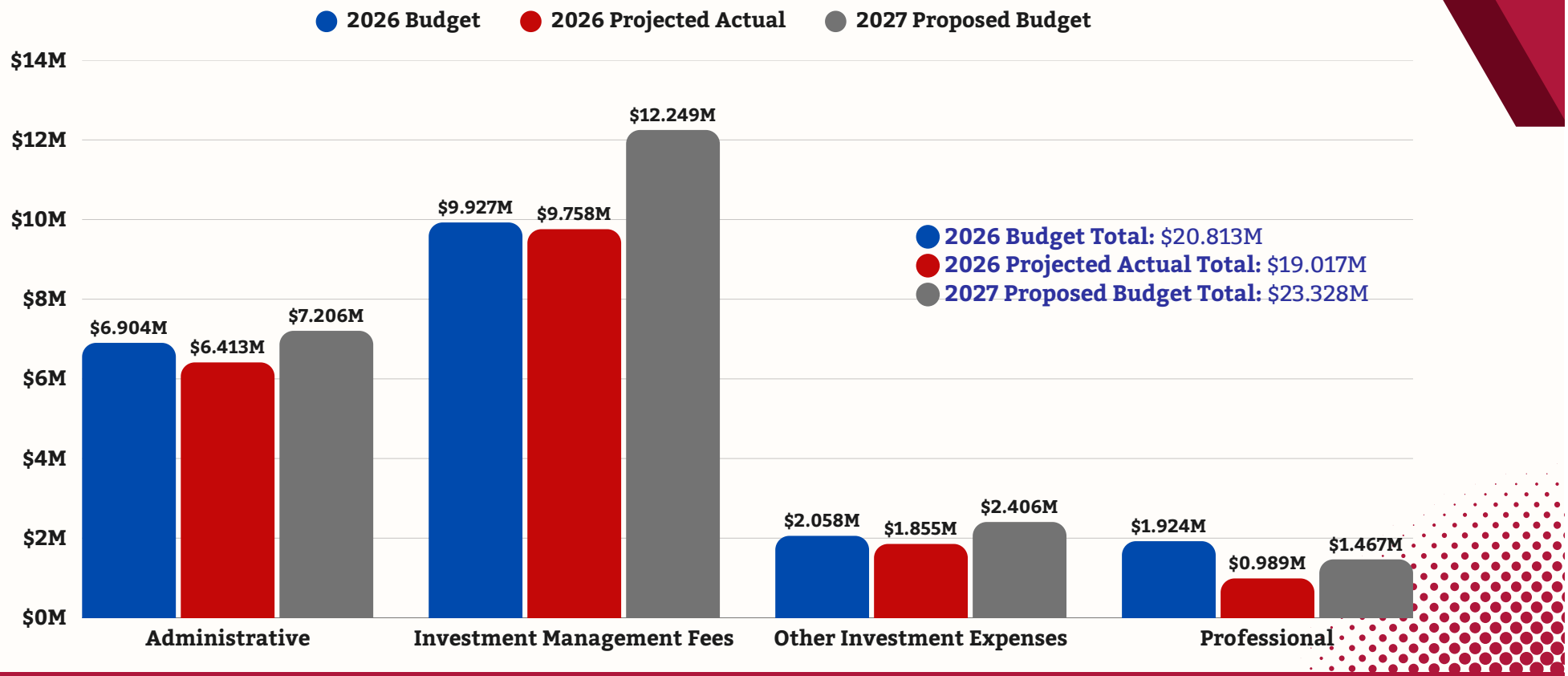
Professional - $1.4M

This area consists of a variety of fees
including Actuarial and Accounting Services, Legal (non-Investment), External Audit, Pension Administration Software, Network Security Monitoring

Total Professional Expenses decreased by $457K or 24%, largely due to a reduction in non-investment legal fees pertaining to resolved legal cases.

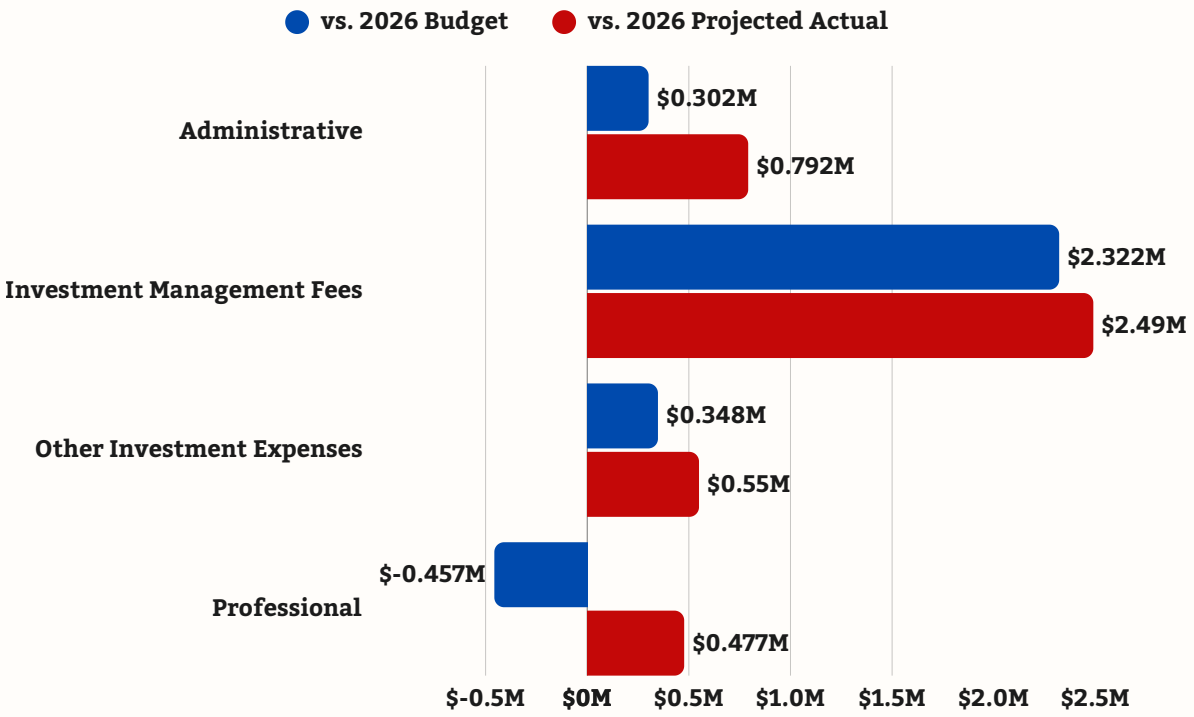
DALLAS POLICE & FIRE PENSION SYSTEM

2027 BUDGET SUMMARY



DALLAS POLICE & FIRE PENSION SYSTEM

2027 BUDGET VARIANCES



2027 Proposed Budget vs. 2026 Budget

- Administrative Expenses: 4.4% increase
- Investment Management Fees: 23.4% increase
- Other Investment Expenses: 16.9% increase
- Professional Expenses: 23.8% decrease
- **Total ($)**: $2.514M
- **Total (%)**: 12.1% increase

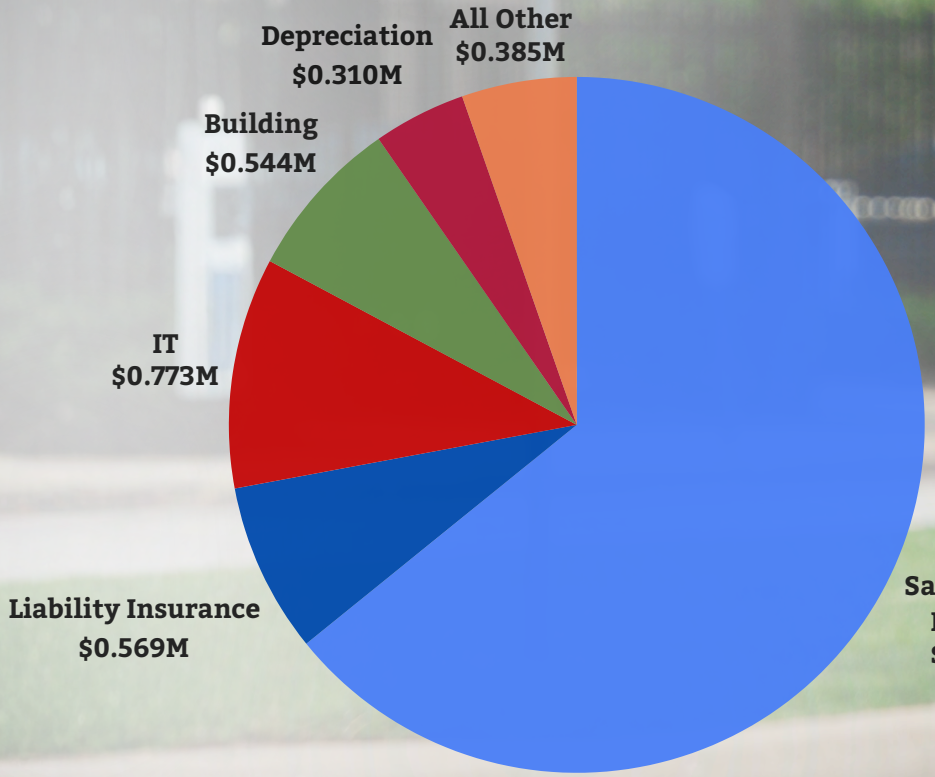
2027 Proposed Budget vs. 2026 Projected Actual

- Administrative Expenses: 12.4% increase
- Investment Management Fees: 25.5% increase
- Other Investment Expenses: 29.7% increase
- Professional Expenses: 48.3% increase
- **Total ($)**: $4.311M
- **Total (%)**: 22.7% increase

DALLAS POLICE & FIRE PENSION SYSTEM

2027 PROPOSED BUDGET

ADMINISTRATIVE EXPENSES - $7.2M





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DALLAS POLICE & FIRE PENSION SYSTEM

ADMINISTRATIVE EXPENSES: SALARY AND BENEFITS - $4.6M

- The Administrative Expenses area of the 2027 Proposed Budget includes $4.6M of Salaries and Benefit costs.
- Current staff level is 25 – no change budgeted for 2027.
- Per DPFP Compensation policy, CBIZ, a compensation consulting expert, submitted their annual salary letter. The 2027 Proposed Budget includes a 4% salary increase.
- The Compensation Policy calls for a compensation study to be completed every five years. CBIZ has been retained to complete the study. Based on preliminary work a placeholder of $135K has been added to the salary budget. The next step in the process is to review preliminary study recommendations with the Compensation Committee. Adjustments will be made to the budget based on the Committee's recommendations.

DALLAS POLICE & FIRE PENSION SYSTEM

ADMINISTRATIVE EXPENSES: SALARIES AND BENEFITS - $4.6M (CONTINUED)

- For the 2026 year, health insurance premiums were quoted at a single-year rate which is not anticipated to continue into 2027. Accordingly health insurance estimates for the 2027 budget were estimated using a higher 2025 rate.
- Other benefit insurance costs (LTD, STD, and Dental, Vision) are projected with increases of 4-5% for next year.
- Life and LTC are projected with no increases for 2027.
- Neither DPFP nor its employees pay into Social Security.



DALLAS POLICE & FIRE PENSION SYSTEM

IT PLANS & EXPENSES

- The IT Operating Budget is included in several Expense Classes within the budget:
  - Administrative IT Expenses - $773K - Includes annual IT projects and Cyber security software. IT annual projects total $410K which include a Storage Array Upgrade, Training Room AV Refresh and Data Backup related projects.
  - Professional IT Expenses - $619K - Includes contracts with third-party professionals to provide services such as virtual cyber-intrusion testing.
- Pension Administration Software (PAS) Project
  - Pre-Engagement with LRS underway, expected to be complete by year-end
  - LRS will then provide a fixed-price quote and timeline for delivering PensionGold V4, including customizations, workflows, and ongoing maintenance and support
  - Not yet approved: no PAS implementation (LRS or other vendor) has been approved; Board decision expected in 2027
  - Capital Budget figures are illustrative only and will be amended once the Board determines the path forward on the PAS and more is known about pricing and timing



DALLAS POLICE & FIRE PENSION SYSTEM

ADMINISTRATION EXPENSES:
HARRY HINES BUILDING - $544K

- The expenses for the Harry Hines building of $544,474 are included in the 2027 Administration budget. Building expenses have decreased by $4K when compared to 2026 Budget.
- Currently have one tenant on the 4th floor. Leasing efforts underway for the 3rd floor. When the building is fully leased 100% of building expenses are offset by lease revenue.
- Lease revenue expected in 2026 is $145K and will offset 15% of the cash building expenses.
- Building HVAC is being addressed in a 2026 Budget. This update includes significant investment in HVAC systems operating the 1st, 3rd, and 4th floor. The 2nd floor was addressed in 2026; next update for 2nd floor anticipated in 2028.
- Roof replacement for the building is planned for 2029 in the Capital Budget.


DALLAS
POLICE & FIRE
PENSION SYSTEM
2027 PROPOSED BUDGET
PROFESSIONAL EXPENSES - $1.4M
Actuarial, Accounting, Auditing $322K
Legal (Non-Investment) $150K
All Other $67K
Legislative $192K
IT $736K
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DALLAS POLICE & FIRE PENSION SYSTEM

2027 PROPOSED BUDGET
PROFESSIONAL EXPENSES - $1.4M

- 2027 Budgeted Actuary and Accounting services of **$322K** are lower by $35K or 9.8%, when compared to the 2026 Budget. DPFP began work with a new Actuary firm in 2026. 2026 included non-recurring actuarial costs related to the funding plan. A RFP for financial audit services is anticipated in 2026.

- Legislative Consulting expenses are highter in years when the legislature is in session. The 2027 budget of **$192K** is a $66K or 52% over 2026 Budget. The Legislative Consultant has not increased their fees since 2017.

- Budgeted legal fees of **$150K** are lower than the 2026 budget by $480K or 76%. Planned legal fees for the Pension Administration Software were budgeted in 2026, but will not be expended until 2027.

- IT related expenses of **$736K** included estimates of spending related to Network Security Monitoring, Pension Software maintenance and Business Continuity services. These expenses are expected to increase by $59K or 8.7% from 2026 Budget.

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DALLAS POLICE & FIRE PENSION SYSTEM

OTHER INVESTMENT EXPENSES - $2.406M

MANAGEMENT FEES - $12.249M



DALLAS POLICE & FIRE PENSION SYSTEM

INVESTMENT MANAGEMENT FEE EXPENSES

Investment Management Fee Expenses are estimated to increase by $2.3M or 23.4% from 2026 Budget due to increased market value in plan assets (a $280.5M increase).

Management Fee Budget Comparison - 2027 & 2026

Asset Category	Asset Class	2026 Budget	2026 Estimated Average Market Value	2026 Fee as a % of Market Value	2027 Management Fee Budget*	2027 Estimated Average Market Value	2027 Fee as a % of Market Value
Equity	Public Equity	4,551,000	1,264,000,000	0.36%	4,559,000	1,270,000,000	0.36%
	Private Equity	1,136,000	174,000,000	0.65%	2,649,000	73,500,000	3.60%
Credit	Public Credit	1,019,000	242,000,000	0.42%	1,538,000	375,000,000	0.41%
	Private Credit	565,000	37,000,000	1.53%	667,000	40,000,000	1.67%
Real Assets	Infrastructure & Other Real Estate Assets	920,000	67,000,000	1.37%	1,146,000	70,000,000	1.64%
	Real Estate	1,363,000	110,000,000	1.24%	1,136,000	112,000,000	1.01%
Fixed Income & Defensive		373,000	286,000,000	0.13%	554,000	520,000,000	0.11%
TOTAL		$ 9,927,000	$ 2,180,000,000	0.46%	$ 12,249,000	$ 2,460,500,000	0.50%

* - The budget includes management fees, performance/incentive fees, carried interest & disposition fees paid to the fiduciary investment managers. It does not include any commingled or private equity fund operating expenses.

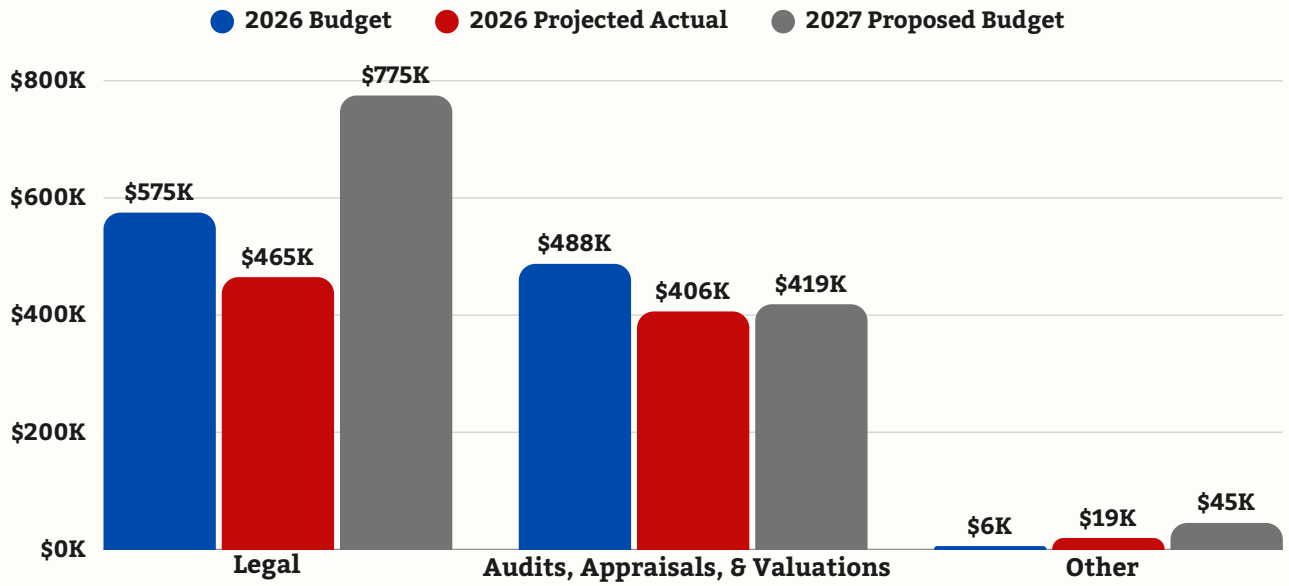
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PORTFOLIO OPERATING EXPENSES

$1.2M

2027 Portfolio Operating Expense Budget

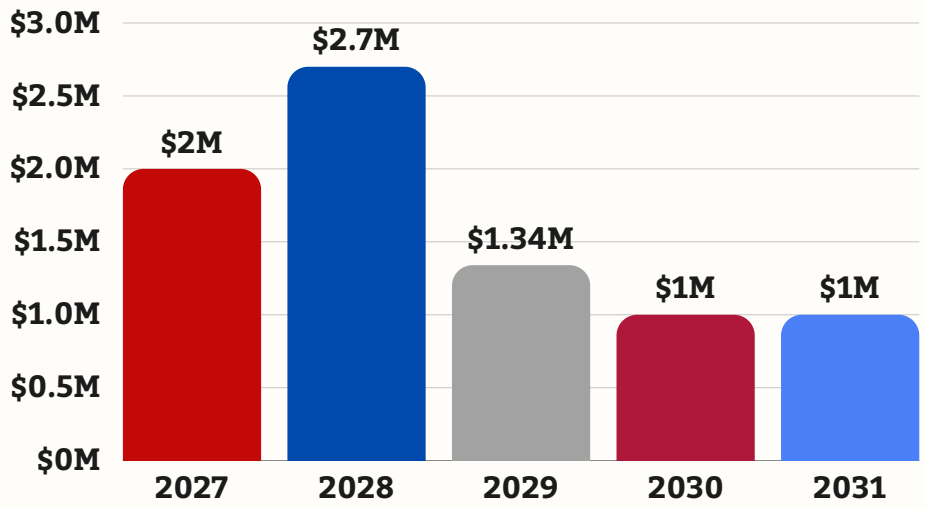
+7.8% vs. 2026 Adopted Budget



Investment Portfolio Operating Expenses are expected to increase in 2027, primarily related to legal expenses for private equity legacy funds.

DALLAS POLICE & FIRE PENSION SYSTEM

CAPITAL BUDGET



Budget Totals

Building

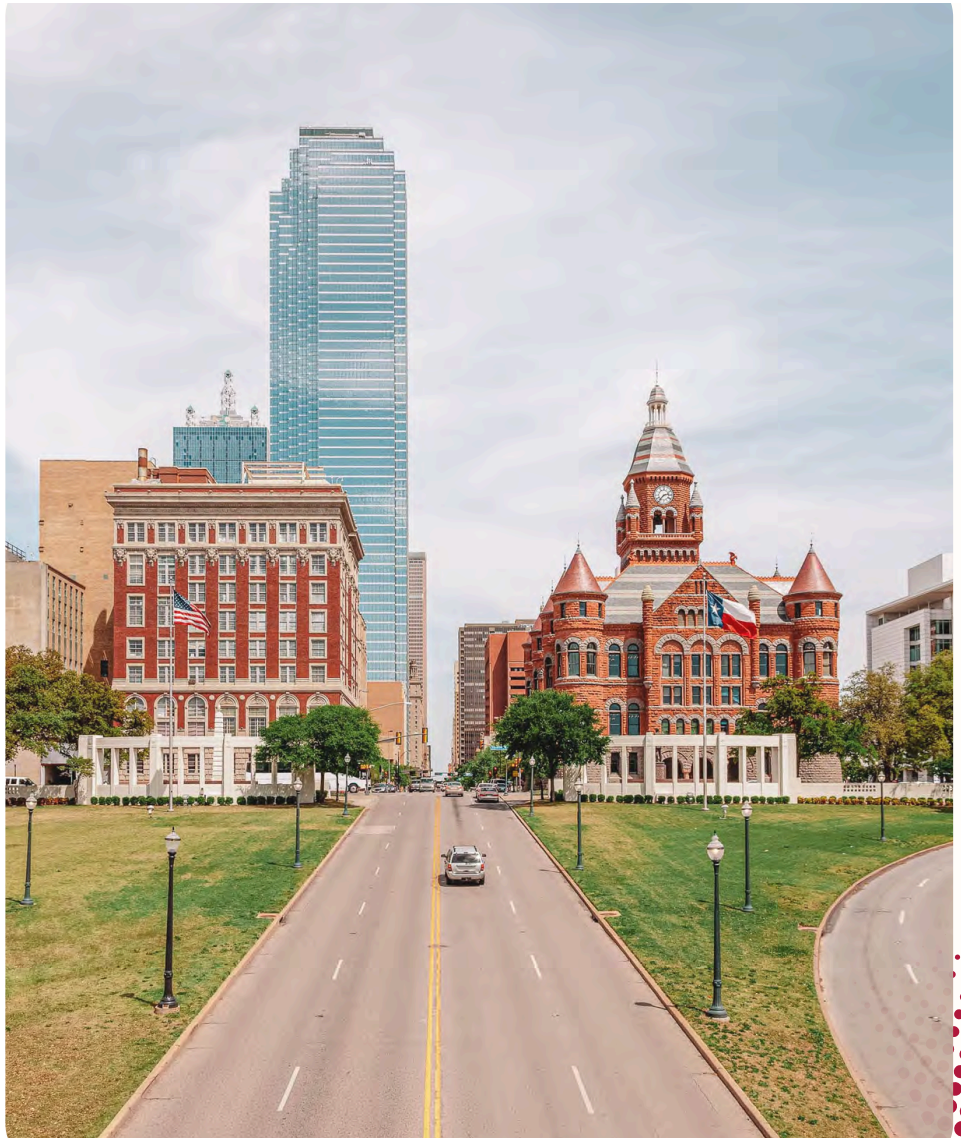
- **Total Roofing & HVAC:** $490K

Pension Admin System / Imaging

- **Total PAS & Imaging:** $7.550M

Pension Administration System Notes:

1. Preliminary Project Phase - Expense items such as define system requirements, formulate a plan, evaluating alternatives & technology, vendors.
2. Application Development Phase - Capitalize items such as design, coding, hardware, installation, testing.
3. Post-implementation Phase - Expense items such as training, routine maintenance.
4. Upgrade & Enhancements - Capitalize or expense items such as changes beyond routine maintenance.



ANY QUESTIONS?

DALLAS POLICE & FIRE PENSION SYSTEM

DALLAS POLICE & FIRE PENSION SYSTEM

	Description	2026 Budget	2026 Projected Actual*	2027 Proposed Budget	$ Change 2027 Prop. Bud. vs. 2026 Bud.	% Change 2027 Prop. Bud. vs. 2026 Bud.	$ Change 2027 Prop. Bud. vs. 2026 Proj. Actual	% Change 2027 Prop. Bud. vs. 2026 Proj. Actual
Administrative Expenses								
1	Salaries and benefits	4,285,600	4,196,930	4,623,634	338,034	7.9%	426,704	10.2%
2	Employment Expense	27,535	28,173	32,500	4,965	18.0%	4,327	15.4%
3	Memberships and dues	20,383	20,513	25,514	5,131	25.2%	5,001	24.4%
4	Staff meetings	600	151	600	-	0.0%	449	297.4%
5	Employee service recognition	4,000	1,858	6,000	2,000	50.0%	4,142	222.9%
6	Member educational programs	6,000	4,062	8,500	2,500	41.7%	4,438	109.3%
7	Board meetings	4,900	4,042	5,900	1,000	20.4%	1,858	46.0%
8	Conference registration/materials - Board	18,500	4,640	15,000	(3,500)	(18.9%)	10,360	223.3%
9	Travel - Board	22,000	12,713	22,000	-	0.0%	9,287	73.1%
10	Conference/training registration/materials - Staff	29,830	22,219	37,150	7,320	24.5%	14,931	67.2%
11	Travel - Staff	56,950	63,494	72,450	15,500	27.2%	8,956	14.1%
12	Liability insurance	569,916	545,377	569,200	(716)	(0.1%)	23,823	4.4%
13	Communications (phone/internet)	32,444	28,772	35,980	3,536	10.9%	7,208	25.1%
14	Information technology projects	519,000	329,763	410,000	(109,000)	(21.0%)	80,237	24.3%
15	IT subscriptions/services/licenses	214,910	147,310	195,800	(19,110)	(8.9%)	48,490	32.9%
16	IT software/hardware	25,000	15,860	25,000	-	0.0%	9,140	57.6%
17	Building expenses	554,662	487,029	544,474	(10,188)	(1.8%)	57,445	11.8%
18	Repairs and maintenance	100,001	132,135	142,251	42,250	42.2%	10,116	7.7%
19	Office supplies	27,125	16,787	23,900	(3,225)	(11.9%)	7,113	42.4%
20	Leased equipment	23,000	25,492	26,000	3,000	13.0%	508	2.0%
21	Postage	25,700	26,166	30,975	5,275	20.5%	4,809	18.4%
22	Printing	6,350	7,729	8,700	2,350	37.0%	971	12.6%
23	Subscriptions	1,535	1,198	1,635	100	6.5%	437	36.5%
24	Records storage	3,925	3,733	4,100	175	4.5%	367	9.8%
25	Administrative contingency reserve	12,000	583	12,000	-	0.0%	11,417	1958.3%
27	Depreciation Expense	298,730	270,252	310,000	11,270	3.8%	39,748	14.7%
28	Bank fees	13,000	16,210	17,000	4,000	30.8%	790	4.9%

DALLAS POLICE & FIRE PENSION SYSTEM

	Description	2026 Budget	2026 Projected Actual*	2027 Proposed Budget	$ Change 2027 Prop. Bud. vs. 2026 Bud.	% Change 2027 Prop. Bud. vs. 2026 Bud.	$ Change 2027 Prop. Bud. vs. 2026 Proj. Actual	% Change 2027 Prop. Bud. vs. 2026 Proj. Actual
Investment Expenses								
29	Investment management fees	9,927,000	9,758,708	12,249,000	2,322,000	23.4%	2,490,292	25.5%
30	Investment consultant and reporting	699,167	681,944	889,667	190,500	27.2%	207,723	30.5%
31	Bank custodian services	215,000	225,807	235,000	20,000	9.3%	9,193	4.1%
32	Other portfolio operating expenses (legal, valuation, tax)	1,068,000	890,282	1,238,500	170,500	16.0%	348,218	39.1%
33	Investment due diligence	76,000	57,695	43,048	(32,952)	(43.4%)	(14,647)	(25.4%)
Professional Services Expenses								
34	Actuarial services	150,000	145,000	110,000	(40,000)	(26.7%)	(35,000)	(24.1%)
35	Accounting services	61,950	59,000	62,000	50	0.1%	3,000	5.1%
36	Independent audit	145,000	141,750	150,000	5,000	3.4%	8,250	5.8%
37	Legal fees	630,000	(240,276)	150,000	(480,000)	(76.2%)	390,276	(162.4%)
38	Legislative consultants	126,000	126,000	192,000	66,000	52.4%	66,000	52.4%
39	Public relations	50,000	-	-	(50,000)	(100.0%)	-	100.0%
40	Pension administration software & WMS	344,000	286,106	349,000	5,000	1.5%	62,894	22.0%
41	Business continuity	73,000	112,693	117,000	44,000	60.3%	4,307	3.8%
42	Network security monitoring	260,000	260,867	270,000	10,000	3.8%	9,133	3.5%
43	Disability medical evaluations	5,500	6,000	7,000	1,500	27.3%	1,000	16.7%
44	Elections	14,500	10,911	-	(14,500)	(100.0%)	(10,911)	(100.0%)
45	Miscellaneous professional services	64,775	81,432	60,000	(4,775)	(7.4%)	(21,432)	(26.3%)
	Total Budget	20,813,488	19,017,110	23,328,478	2,514,990	12.1%	4,311,368	22.7%
	Less: Investment management fees	9,927,000	9,758,708	12,249,000	2,322,000	23.4%	2,490,292	25.5%
	Adjusted Budget Total	10,886,488	9,258,402	11,079,478	192,990	1.8%	1,821,076	19.7%
	SUPPLEMENTAL BUDGET							
	Total Budget (from above)	20,813,488	19,017,110	23,328,478	2,514,990	12.1%	4,311,368	22.7%
	Less: Allocation to Supplemental Plan Budget**	193,996	174,957	214,622	20,626	10.6%	39,665	22.7%
	Total Combined Pension Plan Budget	**20,619,492**	**18,842,153**	**23,113,856**	**2,494,364**	**12.1%**	**4,271,703**	**22.7%**

** Projected based on 6/30/26 YTD annualized or estimated*

*** Allocation to Supplemental is based on BNY allocation between accounts as of 8/31/26 of .00920%*

DISCUSSION SHEET

ITEM #C4

Topic: **Contract Extension for Financial Auditing Services**

Discussion: BDO has been the auditor for DPFP since 2014.

The Board has a policy to conduct a competitive selection process for certain services every five years unless the Board explicitly waives the requirement.

DPFP conducted an RFP process for the audit for five years (2020 – 2024). At the December 2023 board meeting, the Board waived the requirement to conduct a competitive selection process through the 2025 audit year.

Staff will discuss the contract for future auditing services.

Staff Recommendation: **Authorize** the Executive Director to renew the contract with BDO USA, LLC and waive the requirement to conduct a competitive selection process for the 2026 audit year.

DALLAS POLICE & FIRE PENSION SYSTEM

DISCUSSION SHEET

ITEM #C5

Topic: **Report on Professional Services Committee Meeting**

Discussion: According to the Committee Policy and Procedure, the Professional Services Committee is responsible for meeting privately with the external service providers, without DPFP staff present, at a minimum on an annual basis. The purpose of such a meeting is to provide a forum for the service provider to provide candid comments to the Professional Services Committee.

Staff Recommendation: The Professional Services Committee shall **report** to the Board any material comments and **recommend** to the Board any appropriate actions needed as a result of the meeting with Meketa, Albourne, and Jackson Walker.

DALLAS POLICE & FIRE PENSION SYSTEM

DISCUSSION SHEET

ITEM #C6

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.

Membership Actions -2026

	January	February	March	April	May	June	July	August	September	October	November	December	YTD Totals
Refunds	9	24	14	20	7	18	16	34	9	19	19		189
DROP - Join	0	1	0	2	1	1	2	0	0	1	1		9
Estate Payments	3	7	5	8	4	3	8	4	7	6	4		59
Survivor Benefits	2	6	5	6	4	3	5	5	5	4	5		50
Retirements	7	20	5	7	13	9	7	14	11	16	15		124
Alternate Payees	1	0	0	4	2	1	1	1	1	1	1		13
Spouse Wed After Retirement	0	0	0	0	0	0	0	1	0	0	0		1
Service Purchases	0	1	0	0	2	2	1	0	3	0	1		10
Earnings Test	0	0	0	0	0	0	10	0	0	0	0		10
Stipend Payments	0	0	4,937	0	0	0	4,937	0	0	0	0		9,874

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	21	13	4	18	11	198
DROP - Join	2	2	0	0	0	0	0	0	0	4	1	0	9
Estate Payments	6	7	8	9	3	4	3	9	6	9	4	4	72
Survivor Benefits	4	11	4	9	3	4	1	5	3	7	3	2	56
Retirements	7	10	8	9	10	7	11	13	8	9	9	5	106
Alternate Payees	0	0	2	1	2	1	2	1	2	4	1	0	16
Spouse Wed After Retirement	0	0	0	1	0	0	0	0	0	0	0	0	1
Service Purchases	1	1	0	0	2	2	1	1	2	1	1	2	14
Earnings Test	0	0	0	0	0	0	11	0	0	0	0	0	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

G:\Kelly\Executive Director Ministerial Action Approvals\Membership Actions Data 2026

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

Stipend A was paid 2/27/2026, reported at the March 2026 Board Meeting. Stipend B was paid 6/30/2026, reported at the July 2026 Board Meeting.

G:\Kelly\Executive Director Ministerial Action Approvals\Membership Actions Data 2026

DALLAS POLICE & FIRE PENSION SYSTEM

DISCUSSION SHEET

ITEM #C7

Topic: **Board Approval of Trustee Education and Travel**

Discussion: Per the Education and Travel Policy and Procedure, planned Trustee education and travel requires Board approval prior to attendance.

Attached is a listing of requested future education and travel noting approval status.

Regular Board Meeting – Thursday, November 12, 2026

Future Education and Travel
Regular Board Meeting – November 12, 2026

REQUESTED APPROVED

1. **Conference:** NCPERS Communications & Member Services Summit 2027
   Dates: March 1 – 3, 2027
   Location: New Orleans, LA
   Est Cost: $850

2. **Conference:** TEXPERS Annual Conference 2027
   Dates: April 4 – 7, 2027
   Location: Fort Worth, TX
   Est Cost: TBD

3. **Conference:** NCPERS Trustee Essentials Training 2027
   Dates: May 15 – 16, 2027
   Location: New York City, NY
   Est Cost: $645

4. **Conference:** NCPERS Advanced Fiduciary (NAF) Institute 2027
   Dates: May 15 – 16, 2027
   Location: New York City, NY
   Est Cost: TBD

5. **Conference:** NCPERS Annual Conference & Exhibition (ACE) 2027
   Dates: May 16 – 19, 2027
   Location: New York City, NY
   Est Cost: TBD

DALLAS POLICE & FIRE PENSION SYSTEM

DISCUSSION SHEET

ITEM #C8

Topic: **Future Board Meeting Agenda Planning**

Discussion: Article 6243a-1 of Vernon's Revised Civil Statutes requires the DPFP Board meetings to be held every month. Staff will provide a list of anticipated agenda items for the next 3 months for Board meeting planning purposes.

Regular Board Meeting – Thursday, November 12, 2026

Future Board Meeting Agenda Planning (Subject to Change)

	December 10, 2026
1	Second Reading and discussion of the 2027 Budget, if necessary
2	Milliman 1-1-2026 Actuarial Valuation Replication Report
3	Investment Policy Statement Amendments
4	Report from the Compensation Committee
5	Public Equity Asset Class Structure
6	Investment Advisory Committee Appointments
7	Executive Director Performance Evaluation
8	Third Quarter 2026 Investment Performance Analysis (Meketa)
9	Second Quarter 2026 Private Markets Review (Albourne)
10	Approval of the Minutes
11	Portfolio Update
12	Executive Director Approved Pension Ministerial Actions
13	Board Approval of Trustee Education and Travel
14	Future Agenda Planning
15	Legal issues
16	Executive Directors Report
17	Supplemental Meeting

Future Board Meeting Agenda Planning (Subject to Change)

	January 14, 2027
1	Private Markets Committee Appointments
2	Private Markets Annual Plan
3	Callan Investment Program Review to the City of Dallas
4	Approval of the Minutes
5	Portfolio Update
6	Executive Director Approved Pension Ministerial Actions
7	Board Approval of Trustee Education and Travel
8	Future Agenda Planning
9	Legal issues
10	Executive Directors Report
11	Supplemental Meeting

	February 11, 2027
1	Report on Investment Advisory Committee Meeting
2	Quarterly Financial Reports
3	Approval of the Minutes
4	Portfolio Update
5	Executive Director Approved Pension Ministerial Actions
6	Board Approval of Trustee Education and Travel
7	Future Agenda Planning
8	Legal issues
9	Executive Directors Report
10	Supplemental Meeting

DALLAS POLICE & FIRE PENSION SYSTEM

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.

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Portfolio Update

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MEETING DETAILS

November 12, 2026

Board Meeting

PERIOD ENDING

October 31, 2026

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Executive Summary

5.7%

DPFP Portfolio Preliminary YTD

October 31, 2026

6.6%

Public Portfolio Preliminary YTD

October 31, 2026

90.0%

Public Portfolio Share

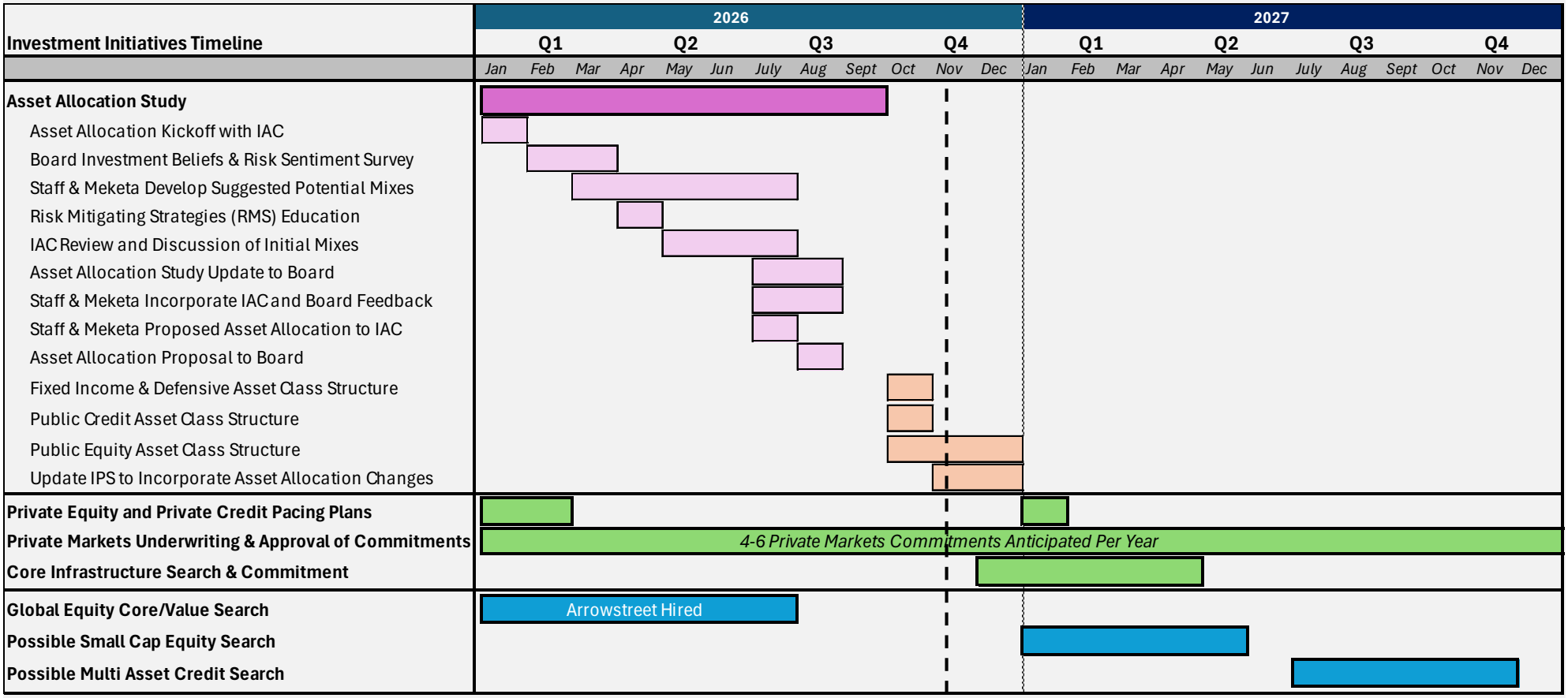
Of Total Fund Assets

Investment Activity

- **Meketa and Staff presented the proposed Public Equity asset class structure to the IAC at its October meeting. The structure will be presented to the Board in December.**
- **Staff is updating the Investment Policy Statement (IPS) to reflect new long-term Asset Allocation and changes to the Private Markets approval process. The Board is expected to review the updated IPS in December.**
- **Following the Board's approval of the new private markets target allocation, staff and Albourne are updating the private markets pacing plans accordingly.**
- **Staff continues to conduct due diligence on private credit, infrastructure, and private equity managers.**

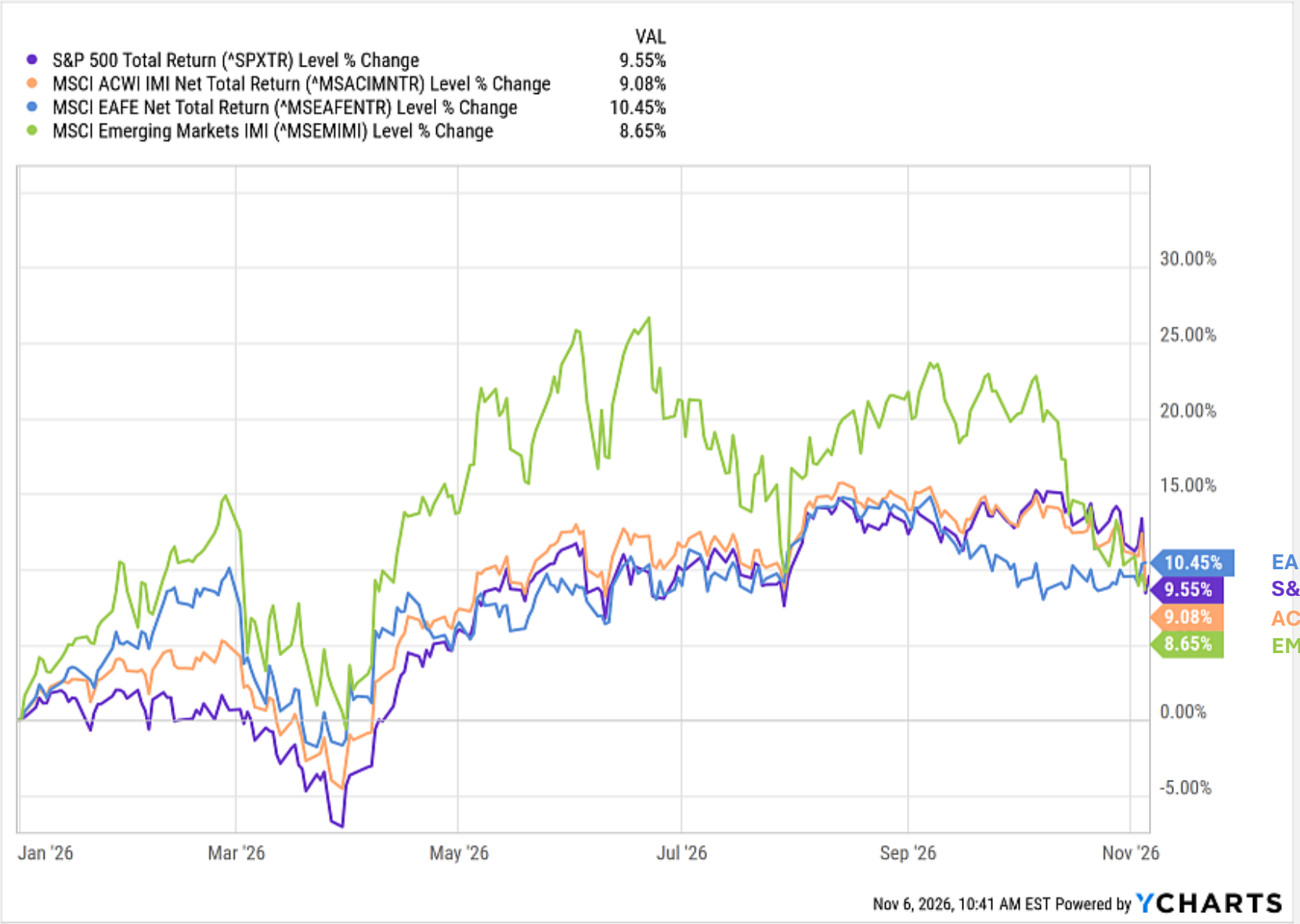
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Investment Initiatives – 2026/27 Plan



YTD Equity Markets Returns

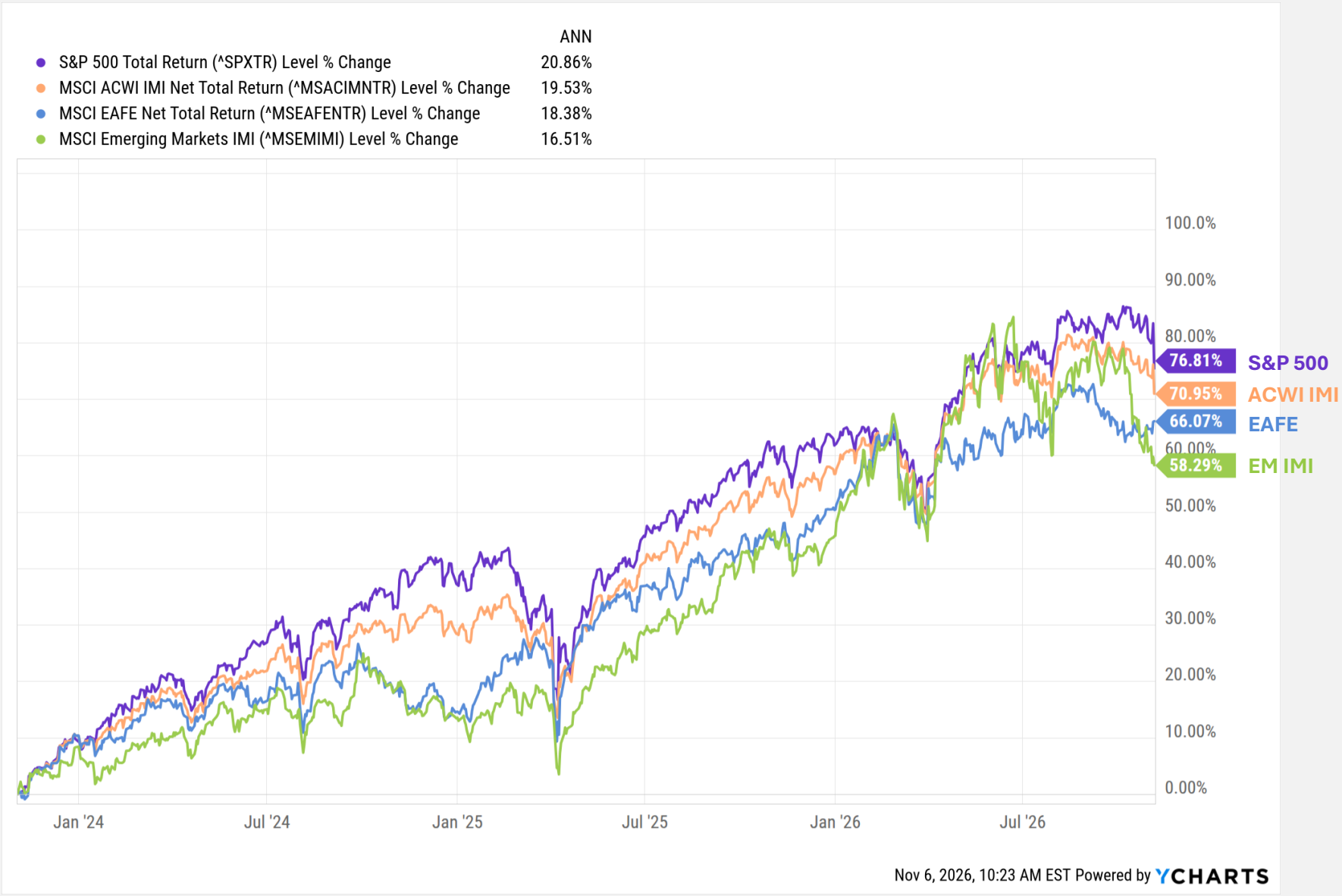
As of November 5, 2026



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3-Year Equity Markets Returns

As of November 5, 2026

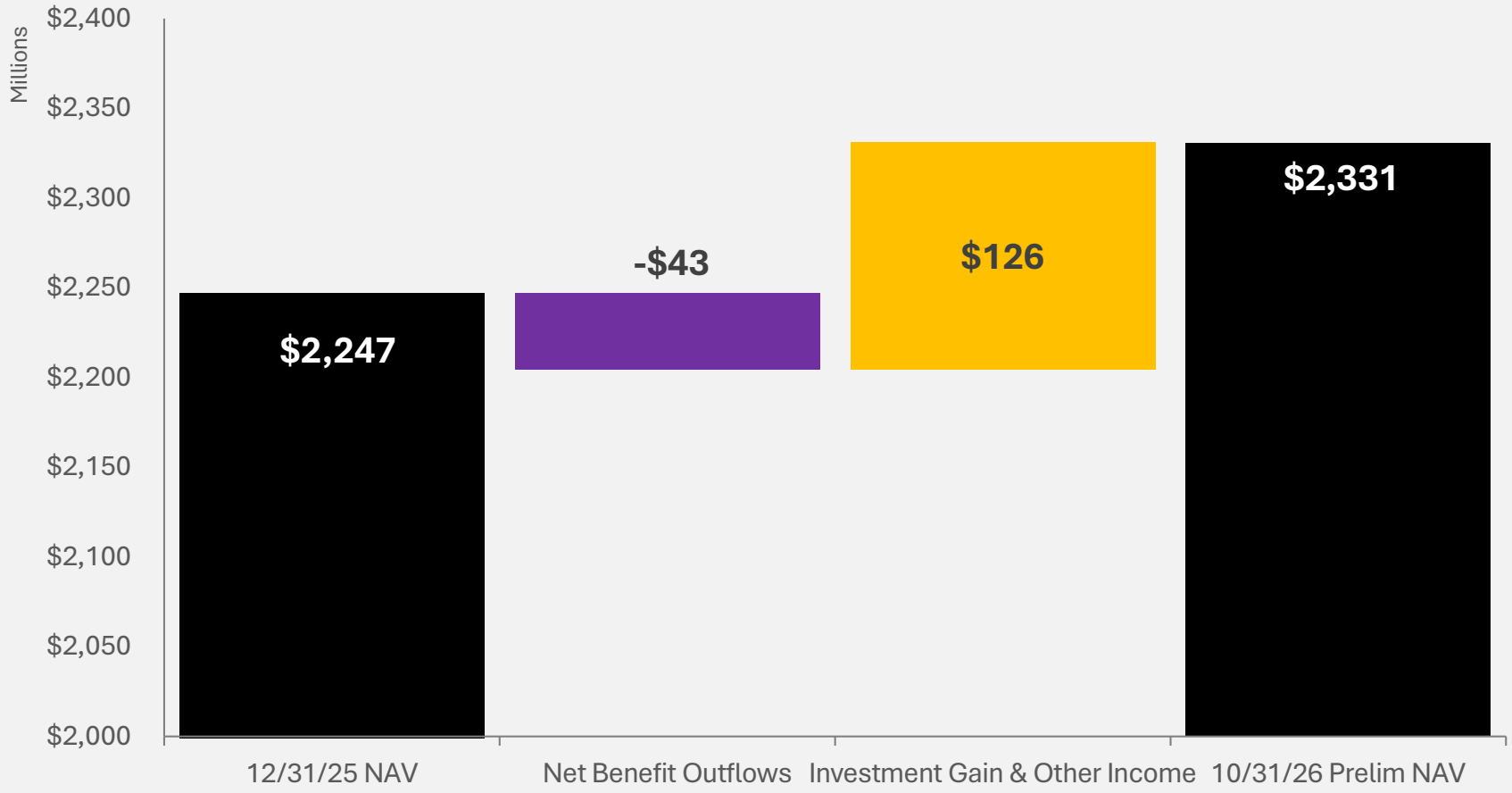


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Change in Market Value Bridge Chart

In Millions
As of October 31, 2026

2026 YTD Preliminary Investment Return Estimated at 5.7%

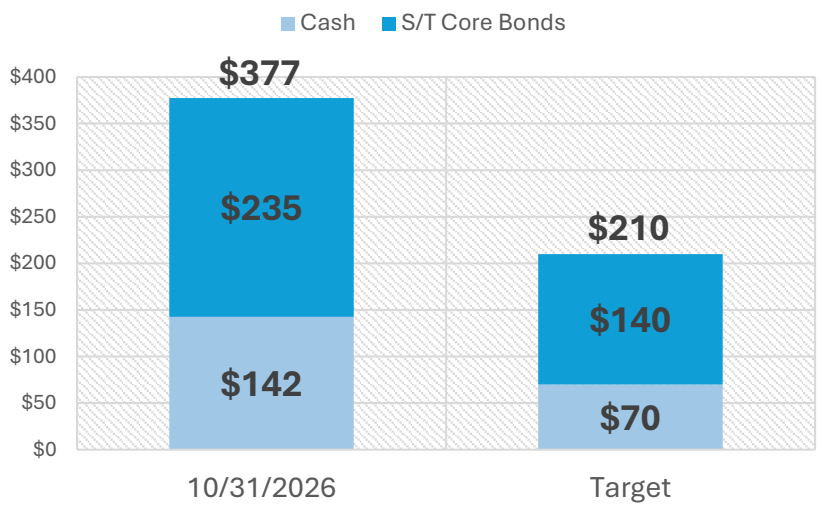


The beginning 12/31/25 value includes a one-quarter lag on private assets.
Numbers may not foot due to rounding.

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Liquidity Dashboard – As of October 31, 2026

Cash & ST Bonds vs. Target ($M)



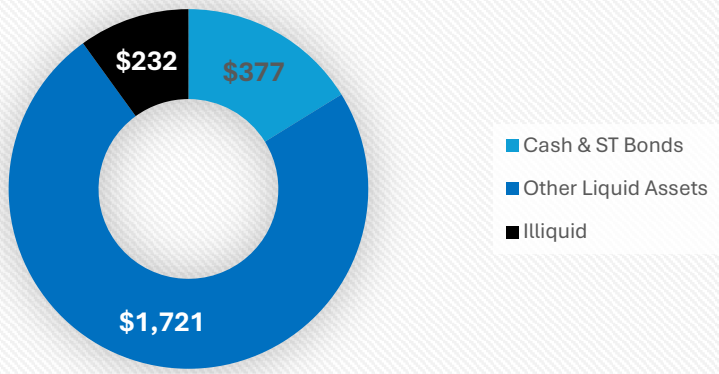
$3.7 M

Projected Net Monthly outflows

2034

Cash and Short-Term Bonds would cover net outflows through this year

Liquidity Profile ($M)



Expected Cash Activity	Date	Amount ($M)	Projected Cash Balance ($M)	Projected Cash (%)
	10/31/26		**$142.4**	**6.1%**
City & Member Contribution	11/6/26	$12.3	$154.7	**6.6%**
City & Member Contribution	11/20/26	$12.3	$167.0	**7.2%**
Pension Payroll	11/25/26	($29.4)	$137.6	**5.9%**
City & Member Contribution	12/4/26	$12.3	$149.9	**6.4%**
City & Member Contribution	12/18/26	$12.3	$162.1	**7.0%**
Pension Payroll	12/30/26	($29.4)	$132.8	**5.7%**
City & Member Contribution	1/1/27	$12.3	$145.0	**6.2%**
City & Member Contribution	1/15/27	$12.3	$157.3	**6.7%**
Pension Payroll	1/27/27	($29.4)	$127.9	**5.5%**

Numbers may not foot due to rounding.

DALLAS POLICE & FIRE PENSION SYSTEM

Current Asset Allocation

DPFP Asset Allocation	10/31/2026		Targets		Target Ranges			Variance	
	NAV	%	$ mil.	%	Min %	Max %	% of Target	$ mil.	%
Equity	**1,240**	**53.2%**	**1,492**	**64%**			**83%**	**-252**	**-10.8%**
Public Equity	1,196	51.3%	1,352	58%	50%	66%	88%	-155	-6.7%
Northern Trust ACWI IMI Index	*529*	*22.7%*	*629*	*27%*	*16%*	*30%*	*84%*	*-100*	*-4.3%*
Boston Partners	*133*	*5.7%*	*140*	*6%*	*4%*	*8%*	*95%*	*-6*	*-0.3%*
Arrowstreet ACWI - Long Only	*94*	*4.0%*	*140*	*6%*	*4%*	*8%*	*86%*	*-20*	*-0.8%*
Arrowstreet ACWI - 130/30	*26*	*1.1%*							
Walter Scott	*140*	*6.0%*	*140*	*6%*	*4%*	*8%*	*100%*	*0*	*0.0%*
WCM	*130*	*5.6%*	*140*	*6%*	*4%*	*8%*	*93%*	*-10*	*-0.4%*
Northern Trust Russell 2000	*37*	*1.6%*	*35*	*1.5%*	*0.5%*	*2.5%*	*105%*	*2*	*0.1%*
Global Alpha Intl Small Cap	*32*	*1.4%*	*35*	*1.5%*	*0.5%*	*2.5%*	*92%*	*-3*	*-0.1%*
RBC Emerging Markets Equity	*75*	*3.2%*	*93*	*4%*	*2%*	*6%*	*80%*	*-19*	*-0.8%*
Private Equity	44	1.9%	140	6%			31%	-96	-4.1%
Huff Energy Fund	0	0.0%	0	0%				0	0.0%
Credit	**368**	**15.8%**	**350**	**15%**			**105%**	**18**	**0.8%**
Public Credit	356	15.3%	256	11%	7%	15%	139%	100	4.3%
ICG Global Total Credit	*109*	*4.7%*	*93*	*4%*	*2%*	*6%*	*117%*	*16*	*0.7%*
Aristotle Pacific Bank Loans	*100*	*4.3%*	*47*	*2%*	*1%*	*3%*	*214%*	*53*	*2.3%*
Loomis Sayles High Yield Bonds	*62*	*2.6%*	*47*	*2%*	*1%*	*3%*	*132%*	*15*	*0.6%*
MetLife Emerging Market Debt	*85*	*3.7%*	*70*	*3%*	*1%*	*5%*	*122%*	*15*	*0.7%*
Private Credit	11	0.5%	93	4%			*12%*	-82	-3.5%
Real Assets	**177**	**7.6%**	**186**	**8%**			**95%**	**-9**	**-0.4%**
Real Estate	107	4.6%	117	5%			92%	-9	-0.4%
Natural Resources	59	2.5%	70	3%			84%	-11	-0.5%
Infrastructure	11	0.5%	0	0%				11	0.5%
Fixed Income & Cash	**546**	**23.4%**	**303**	**13%**			**180%**	**243**	**10.4%**
Cash	142	6.1%	70	3%	0%	6%	204%	73	3.1%
IR+M Short Term Bonds	235	10.1%	140	6%	0%	9%	168%	95	4.1%
Longfellow IG Bonds	168	7.2%	93	4%	2%	6%	181%	75	3.2%
Total	**2,331**	**100.0%**	**2,331**	**100%**				**0**	**0.0%**
Private Market Assets	232	10.0%	420	18%				-187	-8.0%

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

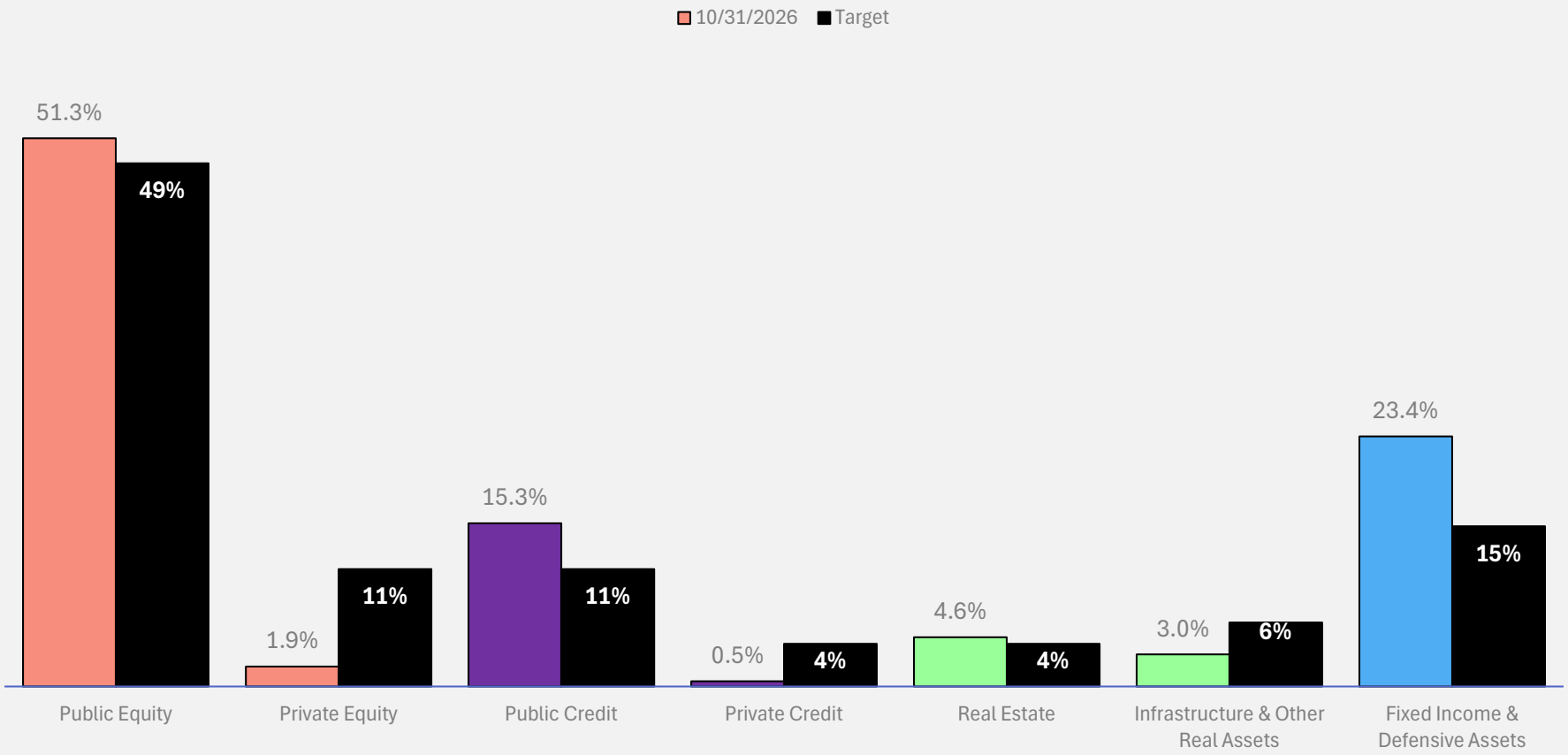
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Asset Allocation – Newly Approved Asset Allocation

DPFP Asset Allocation	10/31/2026 NAV	%	Targets $ mil.	%	Target Ranges Min %	Max %	Variance $ mil.	%
Equity	**1,240**	**53.2%**	**1,398**	**60%**			**-159**	**-6.8%**
Public Equity	1,196	51.3%	1,142	49%	39%	59%	54	2.3%
Northern Trust ACWI IMI Index	*529*	*22.7%*						
Boston Partners	*133*	*5.7%*						
Arrowstreet ACWI - Long Only	*94*	*4.0%*						
Arrowstreet ACWI - 130/30	*26*	*1.1%*						
Walter Scott	*140*	*6.0%*						
WCM	*130*	*5.6%*						
Northern Trust Russell 2000	*37*	*1.6%*						
Global Alpha Intl Small Cap	*32*	*1.4%*						
RBC Emerging Markets Equity	*75*	*3.2%*						
Private Equity	44	1.9%	256	11%			-213	-9.1%
Credit	**368**	**15.8%**	**350**	**15%**			**18**	**0.8%**
Public Credit	356	15.3%	256	11%	6%	20%	100	4.3%
ICG Global Total Credit	*109*	*4.7%*	*93*	*4%*	*2%*	*8%*	*16*	*0.7%*
Aristotle Pacific Bank Loans	*100*	*4.3%*	*47*	*2%*	*1%*	*6%*	*53*	*2.3%*
Loomis Sayles High Yield Bonds	*62*	*2.6%*	*47*	*2%*	*1%*	*6%*	*15*	*0.6%*
MetLife Emerging Market Debt	*85*	*3.7%*	*70*	*3%*	*1%*	*6%*	*15*	*0.7%*
Private Credit	11	0.5%	93	4%			-82	-3.5%
Real Assets	**178**	**7.6%**	**233**	**10%**			**-56**	**-2.4%**
Real Estate	107	4.6%	93	4%			14	0.6%
Infrastructure & Other Real Assets	70	3.0%	140	6%			-70	-3.0%
Fixed Income & Defensive Assets	**546**	**23.4%**	**350**	**15%**	**8%**	**25%**	**196**	**8.4%**
Cash	*142*	*6.1%*	*47*	*2%*	*0%*	*6%*	*96*	*4.1%*
IR+M Short Term Bonds	*235*	*10.1%*	*152*	*6.5%*	*3%*	*12%*	*84*	*3.6%*
Longfellow IG Bonds	*168*	*7.2%*	*152*	*6.5%*	*3%*	*12%*	*17*	*0.7%*
Total	**2,331**	**100.0%**	**2,331**	**100%**			**0**	**0.0%**
Private Market Assets	232	10.0%	583	25%			-350	-15.0%

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

Asset Allocation – Actual vs. Newly Approved Targets



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DISCUSSION SHEET

ITEM #C10

Topic: **Report on the Investment Advisory Committee**

Discussion: The Investment Advisory Committee met on October 22, 2026. The Committee Chair and Investment staff will comment on Committee observations and advice.

DISCUSSION SHEET

ITEM #C11

Topic: **Consideration of Additional Investment in Lexington Partners**

Attendees: Spencer Edge, Senior Portfolio Analyst – Albourne (Via Zoom)
Trevor Lowman, Portfolio Analyst – Albourne (Via Zoom)

Discussion: Staff conducted due diligence on Lexington Continuation Vehicle Investors Fund I (LCVI I) with the assistance of Albourne. The Board approved a $15 million commitment to LCVI I on March 12, 2026. Staff and Albourne will discuss the possibility of upsizing the commitment in light of the increase in the Private Equity target allocation from 6% to 11%, as approved in the recent Asset Allocation Study.

Staff Recommendation: **Approve** an increased commitment from $15 million to $25 million to the Lexington Continuation Vehicle Investors Fund I.

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Private Equity Secondaries: Lexington Commitment Up-Sizing

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MEETING DETAILS

November 12, 2026

Board Meeting

Private Equity Pacing Plan at 6% Target

Private Equity Commitment Schedule ($ millions) based on 6% Target

Strategy	2026	2027	2028	2029	2030
Buyouts	$33	$30	$30	$30	$27
Secondaries	$50	$ -	$15	$15	$15
Opportunistic	$ -	$15	$ -	$13	$ -
Total Commitments	**$83**	**$45**	**$45**	**$58**	**$42**

- The pacing plan reviewed by the IAC in January called for **$83M** in 2026 commitments to Private Equity.
- To date in 2026, the Board has approved $75M in commitments:
  - $15M to **Lexington Continuation Vehicle Investors Fund** (Secondaries)
  - $35M to **Blackstone Strategic Partners X** (Secondaries)
  - $15M to **Francisco Partners Fund VIII and Agility IV** (Buyout)
  - $10M to **GTCR Fund XV** (Buyout)

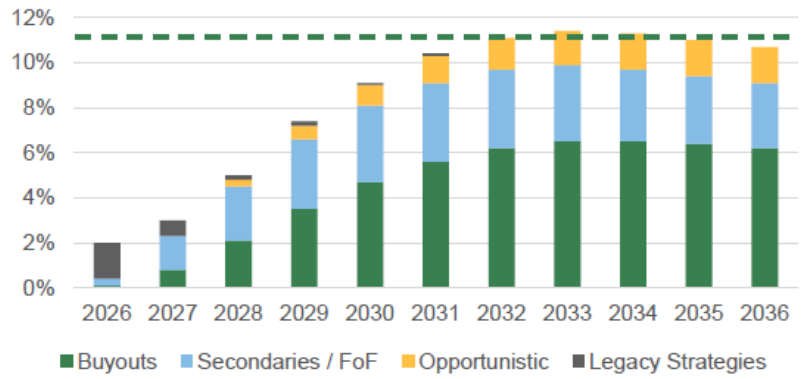
- Staff and Albourne have developed an updated draft Private Equity pacing plan based on the recently approved **11% Private Equity** target.

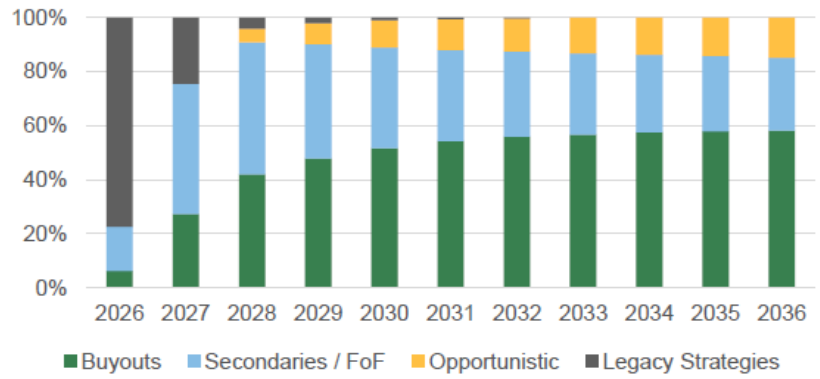
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Albourne Private Equity Pacing Plan at 11% Target

Pacing and Cash Flow Projections

Assumptions	
Current AUM	$2.3bn
Growth Rate	6.5%
Target	11%





	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
NAV as % of Total Portfolio											
PE Portfolio	2.1%	3.5%	5.9%	8.1%	9.7%	10.7%	11.3%	11.4%	11.2%	10.9%	10.4%
PE Portfolio (mn)	$51	$91	$163	$237	$303	$356	$398	$430	$451	$466	$475
Future Commitment Schedule (mn)											
Buyouts	$25	$45	$45	$45	$45	$45	$45	$45	$45	$45	$45
Secondaries / FoF	$60	$20	$20	$20	$20	$20	$20	$20	$20	$20	$20
Opportunistic		$10	$10	$10	$10	$10	$10	$10	$10	$10	$10
Total Commitments	$85	$75	$75	$75	$75	$75	$75	$75	$75	$75	$75
Projected Capital Calls	$22	$53	$66	$74	$74	$74	$77	$75	$75	$77	$75
Projected Distributions	$21	$18	$6	$19	$34	$53	$69	$82	$94	$104	$109
Projected Cash Flow	($1)	($35)	($60)	($55)	($40)	($22)	($7)	$7	$19	$27	$35

Private Equity Pacing Plan at 11% Target

Private Equity Commitment Schedule ($ millions) based on 11% Target

Strategy	2026 To Date	2026 Remaining	2027	2028	2029	2030
Buyouts	$25	$ -	$45	$45	$45	$45
Secondaries/FoF's	$50	**$10**	$20	$20	$20	$20
Opportunistic	$ -	$ -	$10	$10	$10	$10
Total Commitments	**$75**	**$85**	**$75**	**$75**	**$75**	**$75**

- The revised pacing plan leaves an additional **$10M** available to deploy in 2026.
- The updated draft pacing plan outlines **$75M** in annual Private Equity commitments from 2027-2030, with expected commitment sizing for a typical buyout to be **$15M-25M**.
- Staff is recommending upsizing Lexington Continuation Vehicle Investors by **$10M** to a $25M commitment, spread equally between the fund and no fee no carry co-investment sidecar.

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LCVI Fund Summary

Proposed New Investment	
Vehicle Name	Lexington Continuation Vehicle Investors (LCVI) Fund
DPFP Asset Class	Private Equity
Asset Class Benchmark	MSCI ACWI IMI Net + 2% 1Q lag
Investment Strategy	Secondaries
Recommended Commitment	$25 Million ($12.5m in the fund and $12.5m in co-investment sidecar) Upsizing the existing commitment of $15m by an additional $10m
Investment Vehicle Structure and Terms	
Investment Manager Name	Lexington Partners
Legal Structure	Drawdown Fund Structure
Year of First Closing	2025
Investment Period	4 years
Planned Termination Year	2035, with the option for 3 one-year extensions
Target Return	22-25% Gross / 18-22% Net
Expected Vehicle Size	$3 billion ($5 billion hard cap) – Raised $3.0b till Oct 26
Geographical Focus	North America and Europe
Management Fees	1.5% on Committed Capital during investment period, 1.5% on Capital Contributions for all unrealized portfolio investments during follow on period
Carried Interest	15% with 8% Hurdle Rate (Deal by Deal with fund level clawback provisions)
Due Diligence Info	
Consistent with Pacing Plan	Yes - $25 million commitment
Initial Private Markets Sub- Committee Review Date	February 18, 2026
Initial Board Approval Date	March 12, 2026
Subsequent Private Markets Sub-Committee Review Date	Oct 22, 2026

DALLAS POLICE & FIRE PENSION SYSTEM

Staff Recommendation Thesis and Analysis

Investment Thesis

- Staff and Albourne believe LCVI provides compelling opportunity in the current environment, complementing the BSP LP-led strategy through a dedicated team with proven single-asset CV experience. LCVI should offer buyout-like exposure to high-quality assets managed by high-quality sponsor GPs.
- LCVI has deployed capital at a steady pace, with approximately 40% of the fund invested to date at an average 20% discount to comparable multiples. Portfolio companies are expected to deliver 22% NTM EBITDA growth.

Investment Strengths

Lead-Investor Model with Control
Sets terms, captures full economics, and secures board seats

Scale and Check Size Advantage
Up to $500m equity per deal; leads where peers cannot

Dedicated Single-Asset Team
Led by Christophe Browne with 12+ yrs of CV experience from ICG

Strong GP Alignment
GP commit of lesser of $150m or 5%; meaningful personal capital at risk

Co-Investment Opportunities
Up to 1:1 no-fee, no-carry sidecar enhances net returns

Risk Factors

First-Time Fund Risk
First dedicated SCV fund; limited realized track record in this structure

Key Person Risk
Execution tied to Christophe Browne; weak key person provision in place

Limited Price Discounts
GP-led CVs acquired at or near NAV; narrower margin of safety

Deal-by-Deal Waterfall
Deal-level carry with no escrow; clawback and vesting schedule mitigate concern

Confidential Information - Client

ALBOURNE

Dallas Police & Fire Pension System

March 5, 2026

Re: **Dallas Police & Fire Pension System Private Equity Investment Memo**

Albourne America LLC (“Albourne”) supports Staff’s recommendation to invest $15m in the following fund:

Lexington Partners ("Lexington," the “Manager,” or the "Firm")

Lexington Continuation Vehicle Investors Fund

Lexington Partners ("Lexington," the “Manager,” or the "Firm") traces its roots back to the 1990s, when its Co-Founders were part of Landmark Partners, a pioneering firm in the secondary market. After disagreeing over the firm's direction, the team spun out from Landmark to form Lexington Partners. The Firm has grown to become one of the largest secondary managers with approximately $79bn of committed capital (4Q 2024), managing its flagship secondaries offering alongside its middle-market secondaries fund series and co-investments business.

The Manager is currently fundraising for its inaugural single-asset secondaries fund, Lexington Continuation Vehicle Investors (“LCVI” or the “Fund”), with a $3bn target. Christophe Browne, strategically hired as a Partner in May 2024, leads the LCVI strategy, bringing over a decade of specialized experience in leading large CV transactions from his previous role as Head of North America at ICG Strategic Equity. The Fund is seeking to create a diversified portfolio of single-asset continuation funds backed by high-quality small and middle-market buy-out sponsors. Albourne believes that single-asset deals can replicate buy-out-like returns with lower risk due to the GP's existing relationship with the management team and general strong performance through one period of ownership.

Strengths

Single-asset CV focus: Albourne believes that single-asset continuation fund transactions currently represent one of the most attractive risk-adjusted return offerings in private equity, given the focus on continuing ownership of trophy assets in attractive industries coupled with strong alignment with the existing GP, whilst multi-asset transactions may be prone to adverse selection due to the existence of some poorer quality assets that the GP may have struggled to exit. Albourne believes that single-asset deals can replicate buy-out-like returns with lower risk due to the GP's existing relationship with the management team and general strong performance through one period of ownership. Albourne believes that the single-asset market currently benefits from strong positive selection bias as there is currently a strong supply overhang for such transactions. In recent years, continuation funds have become a viable exit route for sponsors, particularly in a challenged exit environment, providing the ability for GPs to hold onto their best assets rather than sell to competitors. Whilst this is a fast-growing space, Albourne believes that the single-asset market is still relatively underpenetrated as a proportion of total private equity exits.

Christophe Brown: Christophe Browne, strategically hired as a Partner in May 2024, leads the LCVI strategy, bringing over a decade of specialized experience in leading large CV transactions from his previous role as Managing Director and Head of North America at ICG Strategic Equity. In Albourne's opinion, Christophe is one of the most experienced professionals in the GP-led secondaries space, having developed strong relationships with intermediaries and GPs over the past decade.

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Established franchise: As one of the largest and most experienced secondary managers, Lexington has a strong brand and maintains close relationships with GPs, LPs, and intermediaries. The Lexington brand is anchored by its global network of offices, inbound deal flow resulting from high-profile transactions, the tenure of its Investment Team, and its longstanding participation in the market. Lexington has invested in over 2,700 private investment funds and more than 570 co-investments, resulting in a comprehensive proprietary database of information on over 900 sponsors and 50,000 underlying portfolio companies.

Platform synergies: Despite the lack of a primary fund-of-funds platform, the Manager's co-investment fund series provides several strategic advantages, including enhanced deal flow, increased certainty of execution, and greater visibility into new investment opportunities. The Manager cities its ability to leverage the informational advantage driven by the Co-Investment Team's existing investment in a Clearlake portfolio company, whilst conducting due diligence on the single-asset continuation fund involving the same asset.

Strong GP commitment: The 5% GP commitment is sizeable compared to the peer group, with a large portion funded by the Manager in cash, representing strong alignment with LPs.

Scale and LP co-investments: Lexington is seeking to lead transactions rather than being a passive syndicate participant. Given the $3bn target (although this is reliant upon the success of the LCVI fundraise), along with capacity from Lexington's other products and 1:1 LP co-investments for larger investors, the Manager believes it has the potential to underwrite up to $500m equity checks to single-asset CVs. Owing to the highly intermediated nature of the CV market, Lexington's ability to provide a sizeable equity check and mitigate potential syndication/fundraising risk for brokers and GPs is considered crucial.

Considerations

Increasing competition: Albourne has observed an emergence of dedicated GP-led secondaries funds launched over the past three years. Whilst many of these strategies initially started out as executing a broad spectrum of GP-led secondaries, Albourne has seen several funds exclusively focused on single-asset continuation fund transactions, which are expected to represent credible peers to LCVI. Whilst competition initially stemmed from credible fund-of-fund organizations, several direct buy-out managers have launched or are attempting to launch single-asset strategies, including TPG and Leonard Green, although some of these players may face sourcing issues with GPs whom they are deemed to be competing against.

Weak key-person clause: Both Christophe Browne and Jeffrey Bloom, the two most senior members of the dedicated LCVI team, can leave the Firm without triggering the key-person clause. Albourne has expressed a preference for a stronger key-person clause, particularly with specific emphasis on Christophe Browne given his longstanding experience in the CV space and broader networks across the private equity landscape.

Limited track record in single-asset continuation vehicles: While this is not exclusive to Lexington, the Manager's experience with single-asset continuation funds remains relatively immature. These transactions gained traction during and following the COVID-19 pandemic, and substantial exit activity within the industry has yet to materialize. As of 3Q 2024, the Manager's 50 single-asset transactions have generated a capital-weighted 0.1x gross DPI.

Dallas Police & Fire Pension System

Absence of a primary platform: Although this is not inherently an issue, as many large peers operating a continuation fund strategy face the same hindrance, the Manager does not operate a dedicated fund-of-funds program. There is a possibility that underlying GPs may prefer to collaborate with secondary firms affiliated with a primary fund-of-funds platform due to the potential for future primary capital amidst a challenging fundraising environment. However, Albourne believes that scale and reputation, both of which are significant strengths of the Manager's strategy, are also critical factors for GPs undertaking CVs.

Reason for Investment

This Fund may be suitable for those LPs seeking exposure to single-asset continuation fund transactions, with a similar diversification to buy-out and co-investment funds. LCVI presents an opportunity to partner with a credible secondaries organization, leveraging the strong GP-led secondaries experience of the team to execute a strategy exhibiting attractive demand/supply dynamics.

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Compliance Disclosure

Albourne Partners Limited and/or its affiliates (the "Albourne Group") advises an entity that it believes (i) to be an affiliate of the management company of this Fund or (ii) has an economic interest in the revenues of the management company of this Fund. The Albourne Group does not believe that this potential conflict of interest impacts its ability to provide objective advice regarding this Fund but is disclosing this to you nonetheless.

Separately, based on a review of compliance records for the Albourne Group, there were the following gifts and entertainment between the Albourne Group and the Lexington Partners Group during the past five years:

- In November 2025, an Albourne Group employee attended a Lexington Partners Group AGM event
- In October 2024, a Lexington Partners Group employee attended an Albourne Group client event in New York

Sincerely,

Spencer Edge
Senior Portfolio Analyst

Trevor Lowman
Portfolio Analyst

ALBOURNE

Dallas Police & Fire Pension System

Important Notice

The information in this report does not contain all material information about the fund that is the subject of this report, its investment manager, any of their affiliates or any other related entity to which this report relates, including important disclosures and risk factors associated with an investment in the fund. As used herein, the term "Fund" refers to (i) the specific fund that is the subject of this report, (ii) collectively, the specific fund that is the subject of this report, its investment manager, any of their affiliates or any other related entity to which this report relates, or (iii) investment funds generally, as the context requires.

Before making an investment, you should obtain and carefully review the relevant fund offering documents before investing in the Fund mentioned herein, as such documents may contain important information needed to evaluate the investment and may provide important disclosures regarding risks, fees and expenses. Funds are speculative, involve a high degree of risk, and are illiquid. Past performance is not indicative of future results and you could lose all or a substantial amount of any investment it makes in such Funds. Furthermore, Funds may involve complex tax structures and delays in the distribution of important tax information, may have a limited operating history, may be highly volatile, and there may not be a secondary market for Fund interests. There may be restrictions on redemptions and transfers of Fund interests and such interests may otherwise be illiquid. Funds may also be highly leveraged and may have a fund manager with total investment and/or trading authority over the Fund. It should also be noted that, in the case of hedge funds, there may be a single adviser applying generally similar trading programs with the potential for a lack of diversification and corresponding higher risk; hedge funds may also affect a substantial portion of trades on foreign exchanges, which have higher trading costs.

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DALLAS POLICE & FIRE PENSION SYSTEM

DISCUSSION SHEET

ITEM #C12

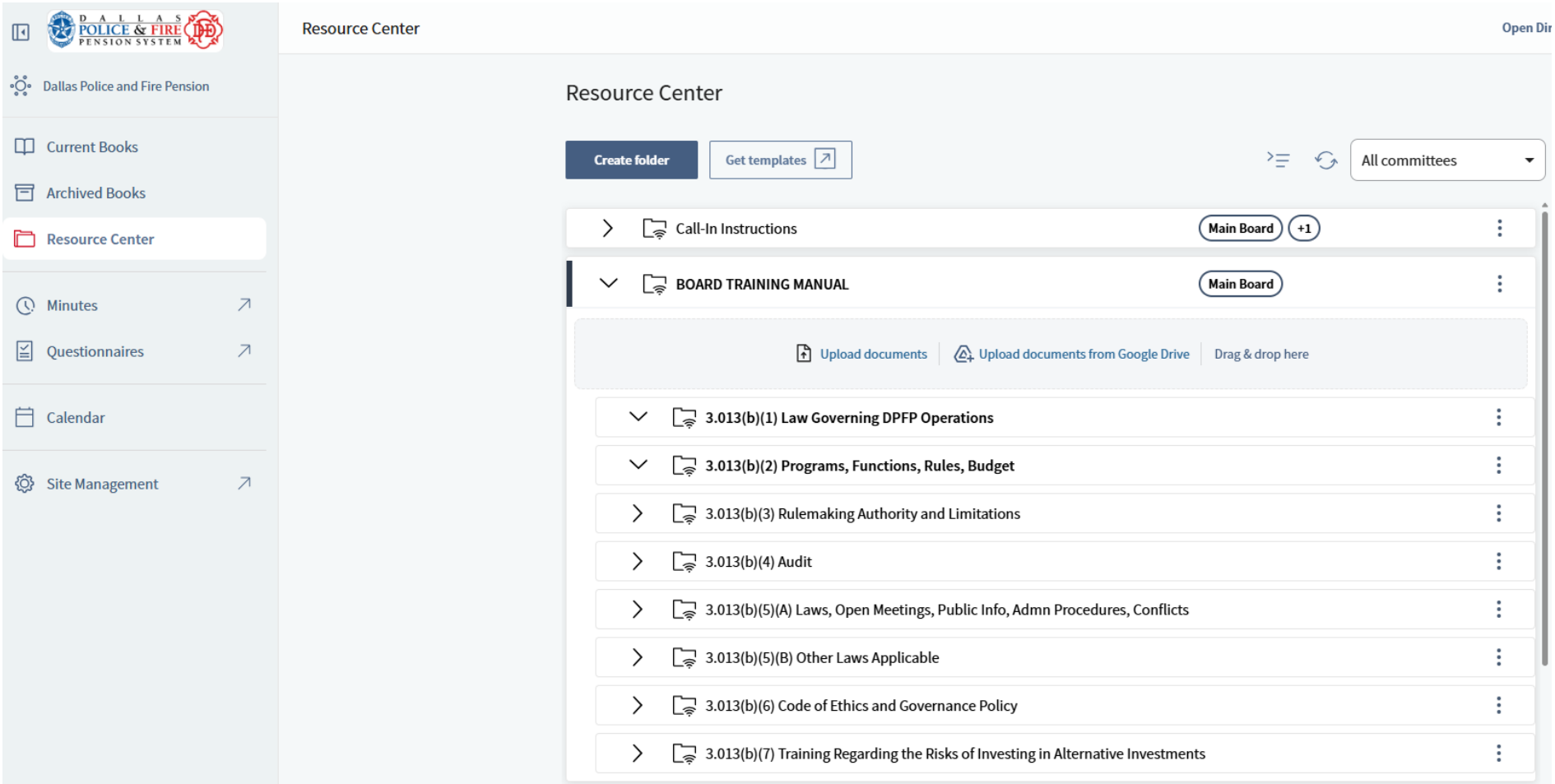
Topic: **Required Training Manual Delivery & Ethics Policy Certification**

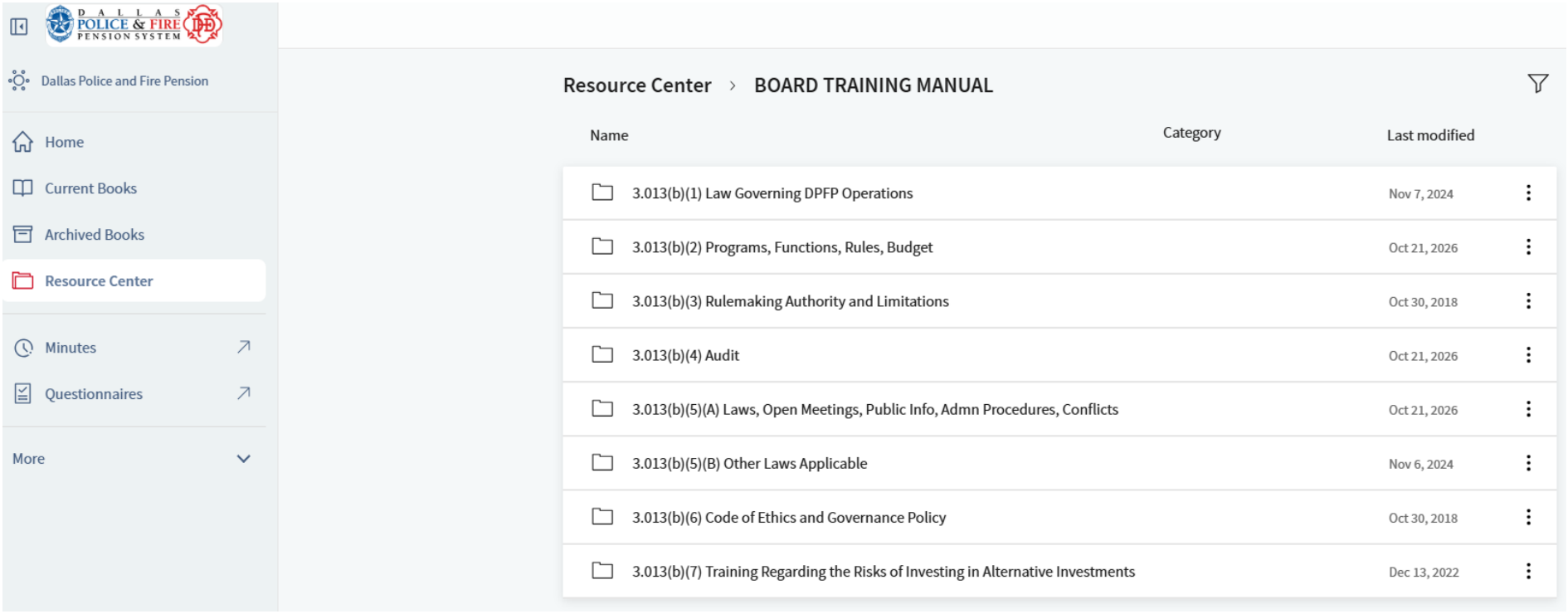
Discussion: Section 3.013(c) of Article 6243a-1 requires the Executive Director annually deliver a training manual covering certain subject areas set forth in Section 3.013(b). The Executive Director will provide an overview of the contents, address new items in the manual and answer any questions concerning the training manual.

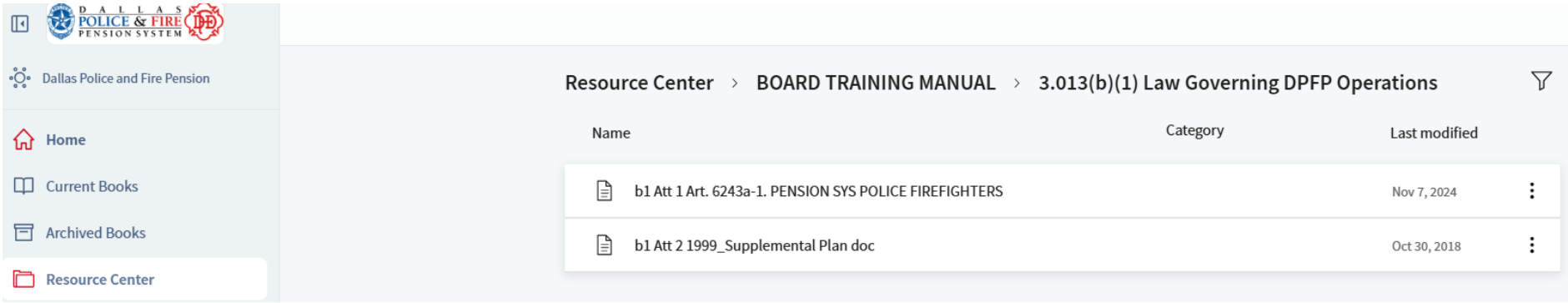
Additionally, Trustees are required to acknowledge that they have read, understand and will comply with the Board of Trustees and Employees Ethics and Code of Conduct Policy on an annual basis.

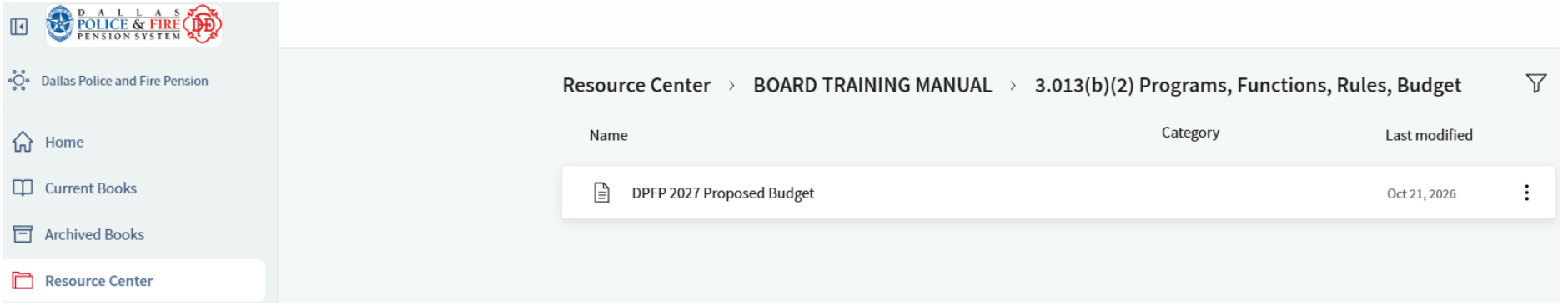
Trustees can access the training manual and the Board of Trustees and Employees Ethics and Code of Conduct Policy electronically through Diligent under the Resource Center.

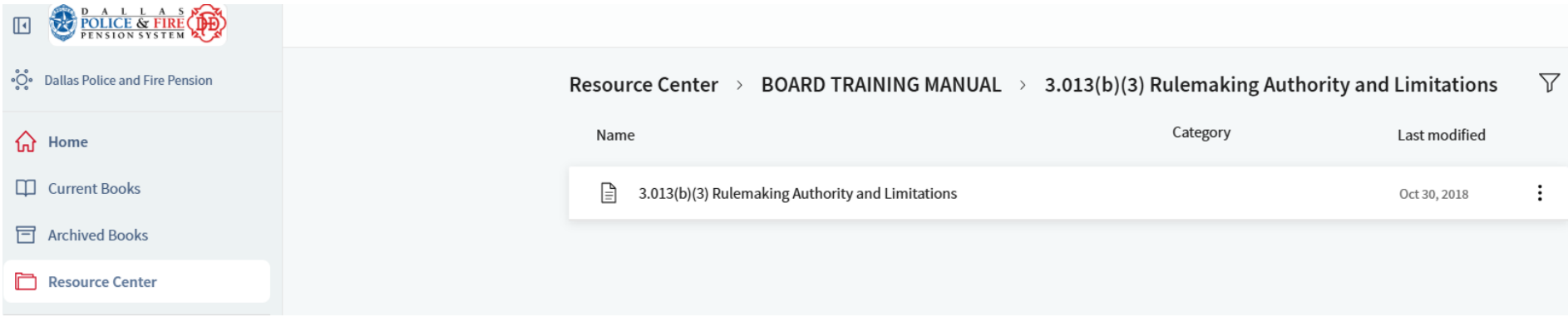
Staff Recommendation: **Acknowledgement** by each Trustee of receipt of the training manual and acknowledgment that they have read, understand and will comply with the provisions of the Ethics and Code of Conduct Policy by signing and submitting the Trustee acknowledgment form.

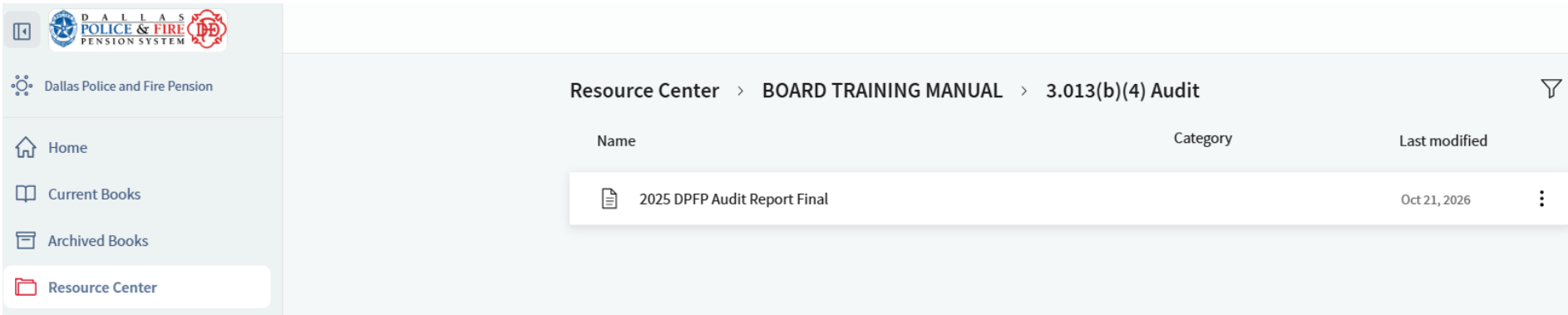

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3.013(b)(3) Rulemaking Authority and Limitations
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3.013(b)(5)(B) Other Laws Applicable
3.013(b)(6) Code of Ethics and Governance Policy
3.013(b)(7) Training Regarding the Risks of Investing in Alternative Investments

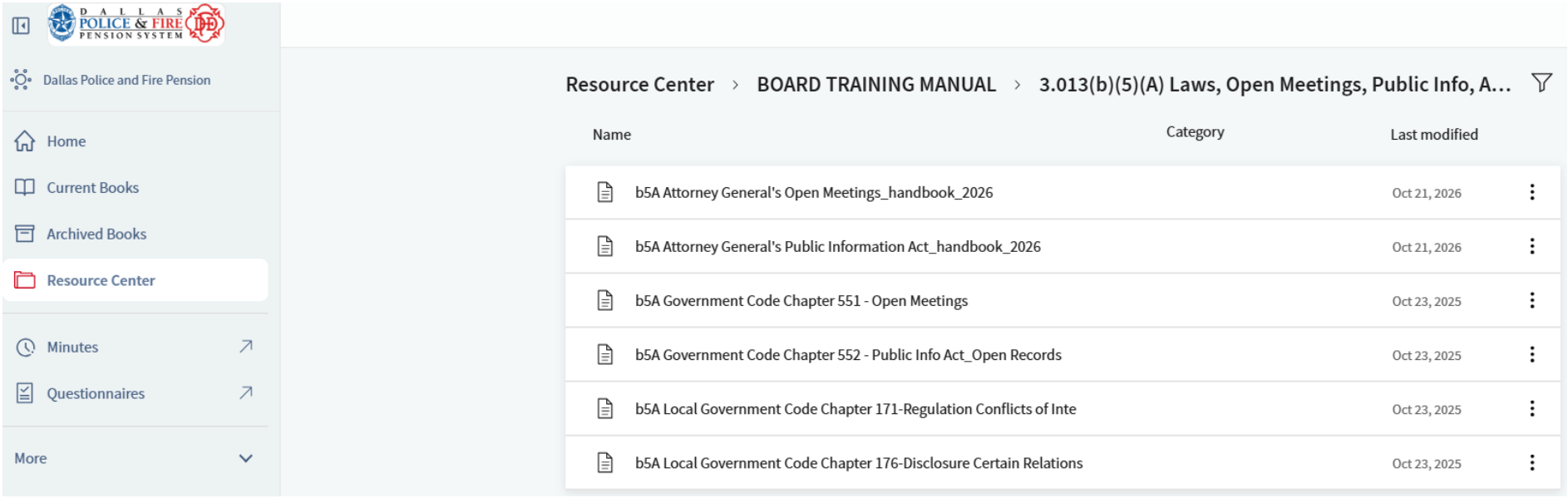

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3.013(b)(4) Audit Oct 21, 2026
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3.013(b)(6) Code of Ethics and Governance Policy Oct 30, 2018
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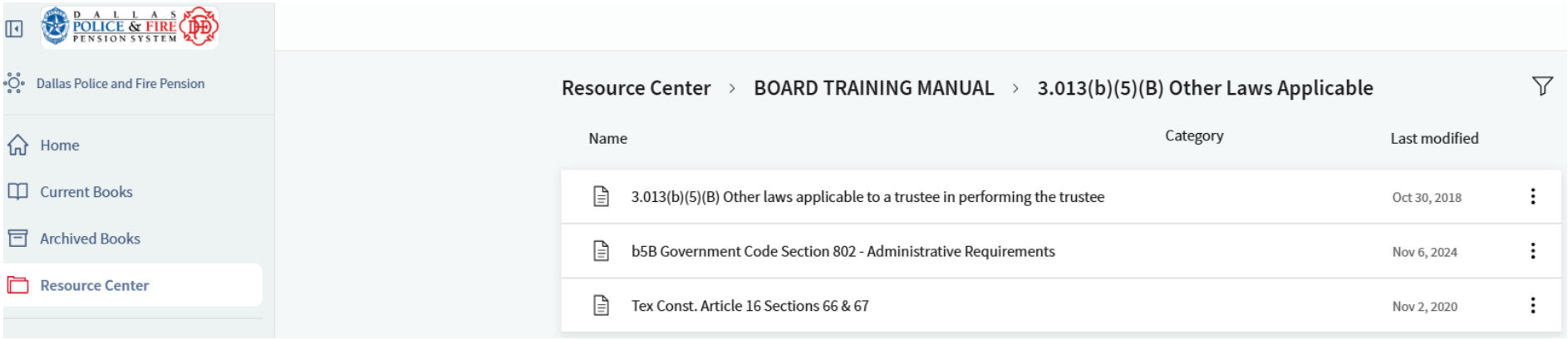

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b1 Att 2 1999_Supplemental Plan doc Oct 30, 2018

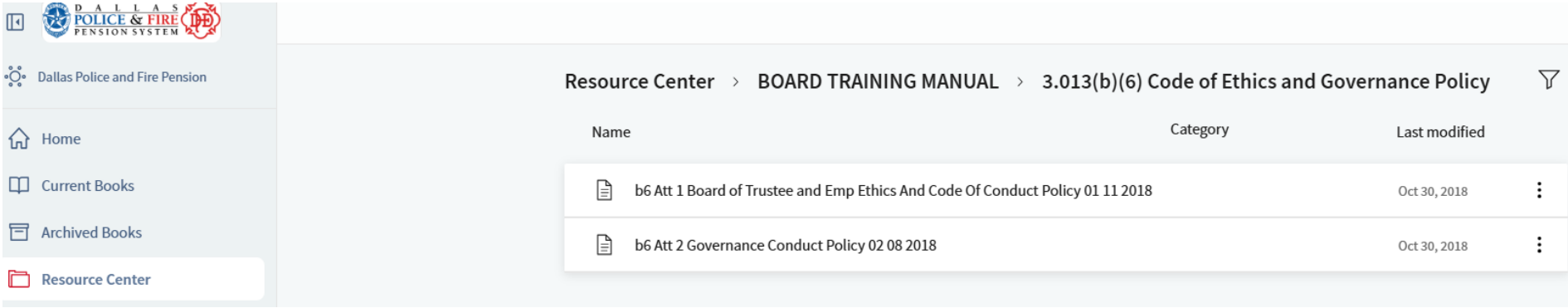

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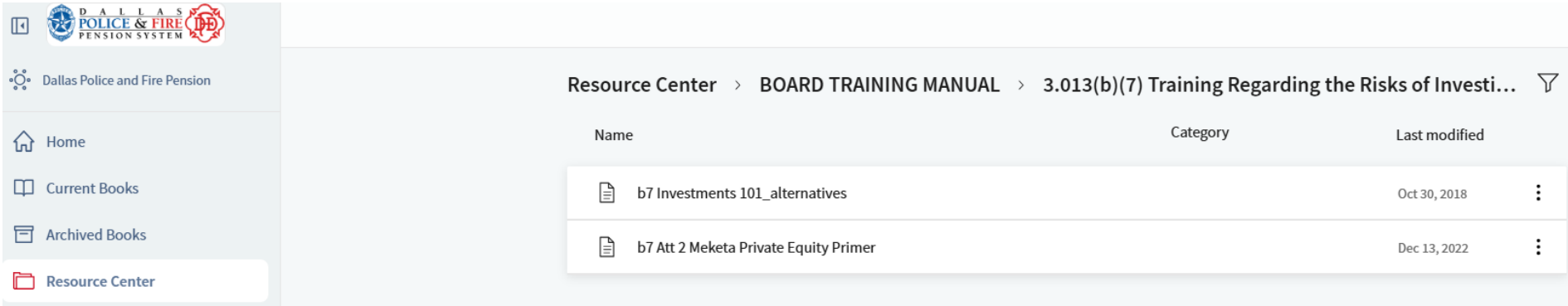

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b5A Government Code Chapter 552 - Public Info Act_Open Records
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DALLAS POLICE & FIRE PENSION SYSTEM

BOARD OF TRUSTEES AND EMPLOYEES ETHICS AND CODE OF CONDUCT POLICY

As Amended Through January 11, 2018

BOARD OF TRUSTEES AND EMPLOYEES ETHICS AND CODE OF CONDUCT POLICY

Adopted January 11, 1996
As amended through January 11, 2018

A. Purpose

The Board of Trustees ("Board") of the Dallas Police and Fire Pension System ("DPFP" or the "System") is obligated to administer its pension system as a trust fund solely in the interest of members and beneficiaries. In performance of this obligation, the Board is required to administer DPFP in accordance with Chapter 802, Title 8 of the Texas Government Code and other applicable state and federal laws and regulations. In furtherance of these obligations, the Board adopts the following Ethics and Code of Conduct Policy (this "Policy"), which shall be applicable to all System Representatives. By adopting this Policy, all System Representatives agree to act with integrity, competence, dignity, and in an ethical manner when dealing with the public, members and beneficiaries of the System, current and prospective Consultants and Vendors, DPFP staff, and fellow System Representatives.

B. Definitions

1. **Benefit** – anything reasonably regarded as economic gain or advantage, including benefit to any other person in whose welfare the beneficiary is interested, or anything expressly included as a benefit by applicable law.

2. **Consultants** – independent contractors (whether individuals, partnerships, corporations or other organizations) which provide legal, economic, investment, actuarial or other advice to the Trustees or staff to be used in the performance of fiduciary functions. Any limitations or obligations under this Policy apply to the individuals involved with the System and the contracting organization, if any.

3. **Fiduciary** – any person who (1) exercises any discretionary control over the management of DPFP or any authority or control over the management or disposition of its assets, (2) renders investment advice for a fee or other compensation, direct or indirect, with respect to any moneys or other property of DPFP or has any authority or discretionary responsibility to do so, (3) has any discretionary authority or discretionary responsibility in the administration of DPFP, or (4) has been designated by the Trustees as a fiduciary in the performance of certain duties for DPFP.

4. **Gift** – anything of tangible value given without adequate consideration, which shall include, but not be limited to, any payment of cash, or receipt of goods or services, or anything expressly included as a gift by applicable law.

B. Definitions (continued)

5. **Key Staff** – The Executive Director, Chief Investment Officer, Chief Financial Officer, and General Counsel of the System. For purposes of this Policy, the Executive Director may designate one or more other DPFP employees as Key Staff as reasonably determined by the Executive Director.

6. **Permitted Benefit or Gift -** A Benefit or Gift that (A) is food, lodging, transportation, or entertainment and is accepted as a guest, (B) has a value of less than $50 (including taxes), (C) is an honorarium speaking at a conference or event that only includes meals, lodging and transportation, or (D) is deemed a Permitted Benefit or Gift by the Board pursuant to Section F.3. A Benefit or Gift is accepted as a guest if the person or representative of the entity providing the Benefit or Gift is present. Disclosure and related reporting requirements under Chapter 176, Tex. Local Gov't Code ("Chapter 176"), may apply to a Permitted Benefit or Gift, with specific dollar limitations applying for lodging, transportation, or entertainment, including lodging, transportation, or entertainment that is accepted as a guest.

7. **System Representative** –Trustees, Investment Advisory Committee members of the System, and Key Staff.

8. **Third Party** - means and includes a person or entity that is seeking action, opportunity or a specific outcome from DPFP regarding a DPFP matter. The Third Party may be seeking the action, opportunity or outcome for his or her or its own behalf or the third party may be seeking it on behalf of another person or entity in the capacity of a representative, agent or intermediary, or as an advocate for a cause or group of individuals or entities. This definition includes public officials.

9. **Trustee** –Members of the Board of Trustees of DPFP and persons who are candidates for the position of a Trustee.

10. **Undue Influence** - the employment of any improper or wrongful pressure, scheme or threat by which one's will is overcome, and he or she is induced to do or not to do an act which he or she would not do, or would do, if left to act freely.

11. **Vendors** – independent contractors, whether individuals, partnerships, corporations or other organizations, which perform services for DPFP for direct or indirect compensation. Services include, but are not limited to, custodianship of funds, management of investments, maintenance of official records and provision of professional advice.

C. Standards of Conduct

The following legal standards of conduct apply to all System Representatives.

A System Representative shall not:

1. solicit, accept or agree to accept any Benefit or Gift that the System Representative knows or should know is being offered with the intent to influence the System Representative's official conduct.

2. solicit, accept, or agree to accept any Benefit or Gift for having exercised the System Representative's official powers or performed the System Representative's official duties in favor of another.

3. solicit, accept, or agree to accept a Benefit or Gift that is not a Permitted Benefit or Gift from a person the System Representative knows is interested in or likely to become interested in any contract, purchase, payment, claim, or transaction involving the exercise of the System Representative's discretion.

4. accept other employment or compensation or engage in a business or professional activity that could reasonably be expected to impair the System Representative's independence of judgment in the performance of the System Representative's official duties or that might reasonably be expected to require or induce the System Representative to disclose confidential information acquired by reason of the official position.

5. make personal investments that could reasonably be expected to create a substantial conflict between the System Representative's private interest and the public interest (this does not include investments in publicly traded index funds or mutual funds where the System Representative has no control over the selection of holdings).

6. use official position for financial gain, obtaining privileges, or avoiding consequence of illegal acts.

7. have any direct or indirect pecuniary interest in a contract entered into by DPFP other than an interest incidental to the System Representative's membership in a large class such as that of participants in DPFP (this does not include investments in publicly traded index funds or mutual funds where the System Representative has no control over the selection of holdings).

D. Fiduciary Duties

1. Under Texas State statutes and applicable federal law and regulations, the System is a trust fund to be administered solely in the interest of the members and beneficiaries thereof for the exclusive purpose of providing benefits to members and beneficiaries and to defray reasonable expenses of DPFP.

2. In the performance of these duties, all Fiduciaries are subject to the "prudent person" rule which requires that they exercise their duties with the care, skill, prudence, and diligence under the prevailing circumstances that a prudent person acting in a like capacity and familiar with matters of the type would use in the conduct of an enterprise with a like character and like aims. Further, all Fiduciaries shall maintain high ethical and moral character both professionally and personally, including interactions with other Trustees and DPFP staff, such that the conduct of all Fiduciaries shall not reflect negatively upon the Board or DPFP.

3. In making or participating in decisions, Fiduciaries shall give appropriate consideration to those facts and circumstances reasonably available to the Fiduciary which are relevant to the particular decision and shall refrain from considering facts or circumstances which are not relevant to the decision.

4. Investment decisions of Fiduciaries must be made in accordance with the approved Investment Policy Statement of the System.

5. As a Fiduciary, each Trustee shall adhere to the following:

   A. A Trustee’s loyalty must be to the members and beneficiaries of the System and not to the source of his or her appointment. A Trustee must exercise care and caution always to place the interest of members and beneficiaries ahead of the Trustee’s own interest.

   B. All members and beneficiaries of DPFP are to be treated fairly and impartially. A Trustee’s duty is to the members and beneficiaries of DPFP as a whole and not to individuals or groups of individuals within DPFP.

   C. Trustees must possess the ability and willingness to dedicate the time required to satisfy the duties of serving as a Fiduciary. This includes but is not limited to possessing a complete understanding of the obligations and duty to act in accordance with plan documents, as well as having a substantive base of knowledge that contributes to sufficient analysis of recommendations by DPFP staff and other professionals and fulfillment of fiduciary obligations. A Trustee is responsible for preparing himself or herself for Board work, including committee meetings.

D. Fiduciary Duties (continued)

D. A Trustee shall treat executive session and closed meeting information as confidential.

E. A Trustee shall not give, disclose or provide access to any confidential information owned, obtained, or developed by DPFP.

F. Trustees should delegate duties, when appropriate, and prudently select, instruct, and monitor all Vendors, Consultants, DPFP staff, and agents to whom they delegate such duties.

6. No Trustee shall knowingly or negligently participate in the breach of fiduciary duty by another fiduciary, participate in concealing such breach, or knowingly or negligently permit such breach to occur or continue.

E. Conflicts of Interest and Prohibited Transactions

1. Certain transactions by System Representatives of DPFP are strictly prohibited, specifically:

A. Compensation from any person in connection with any action involving assets of DPFP.

B. Participation in a decision or action involving any asset or benefit for personal interest.

C. The purchase, sale, exchange or leasing of property with DPFP if that System Representative holds an interest in the property.

D. The purchase, sale or exchange of any direct investment with DPFP if that System Representative holds an interest in the investment.

E. Causing the Fund to engage in any of the prohibited transactions described herein with any immediate relative or business associate of the System Representative, any other Trustee, employee, custodian, or counsel to DPFP, any other Fiduciary, any person providing services to DPFP, any employee organization whose members are covered by DPFP, or the City of Dallas and its officers, officials and employees.

E. Conflicts of Interest and Prohibited Transactions (continued)

2. In addition, any goods, services, or facilities furnished by DPFP to any person shall be used for the exclusive benefit of DPFP unless reasonable consideration is received by the System for the use of the goods, services, or facilities.

3. Black-Out List for Investment Entities

A. For purposes of this subsection, "Investment Entity" means an investment firm, partnership, fund, advisor, consultant, placement agent or owner of property that is being considered for purchase.

B. The Chief Investment Officer shall maintain and periodically update as

C. appropriate a list (the "Black-out List") of Investment Entities that meet any of the following criteria:

i. The Investment Entity is under consideration by DPFP staff for a recommendation to the Board or the Board's Investment Advisory Committee on a mandate, commitment, increased allocation or any retention for investment-related services (exclusive of rebalancing);

ii. The Investment Entity is under consideration by the DPFP staff for a recommendation to the Board or the Investment Advisory Committee to decrease the allocation to the Investment Entity (exclusive of rebalancing) or to discontinue use of the Investment Entity, provided, however, this shall not include any Investment Entity where the assets managed by the Investment Entity that are being considered to be reduced in whole or in part are contained within an asset class where the actual assets held by DPFP are higher than the target allocation for such asset class in the Investment Policy Statement; or

iii. The Investment Entity is in negotiations with DPFP for contractual terms after a conditional selection has been made.

D. During the first half of each month, the Chief Investment Officer shall supply the current Black-out List to Trustees and any DPFP employees that, in the Chief Investment Officer's opinion, might potentially be affected by this section (the "Affected Employees"). Additionally, prior to departure for DPFP-related travel, Trustees and Affected Employees shall be issued the most current Black-out List.

E. Conflicts of Interest and Prohibited Transactions (continued)

E. Notwithstanding any other DPFP policies, including those in this Policy concerning Benefits or Gifts, while an Investment Entity's name appears on the Black-out List, Trustees and Affected Employees and their immediate relatives shall not accept payment, reimbursement, complimentary admission or similar extension or subsidy for food, lodging, travel or entertainment, including any Permitted Benefit or Gift, from any person or entity identified or affiliated with said Investment Entity, including, without limitation, any placement agent of an Investment Entity (an "Investment Entity Representative"), except for:

i. food and beverages that would be typically or conventionally provided by a business host in connection with a business meeting and that are provided by the host at its place of business during a due diligence visit;

ii. food and beverages provided at regularly scheduled Investment Entity annual meetings or advisory committee meetings; and

iii. food and beverages provided at educational conferences where such food and beverages may be sponsored by an Investment Entity, but are available to all conference attendees.

F. Trustees shall not reciprocate communications from an Investment Entity Representative about the Investment Entity outside of committee or Board meetings ("ex-parte communications").

4. A System Representative shall report to the Executive Director any business relationship with a current or prospective Vendor on a signed document upon establishment of such relationship if the System Representative knows or should know that the person or entity is a current or prospective Vendor for DPFP.[1] Upon receipt of such information, the Executive Director will as promptly as practicable report apprise the Board of the facts involved.

5. A Trustee shall not lobby against legislative proposals pertaining to DPFP pension issues and benefits that have been duly approved by the Board or an authorized committee of the Board.

6. A System Representative shall not disclose any information deemed confidential by DPFP.

[1] Chapter 176, Texas Local Gov't Code.

E. Conflicts of Interest and Prohibited Transactions (continued)

7. Other than as a member or beneficiary of DPFP, a System Representative may have no conflict of interest during such System Representative's tenure with DPFP and for one year after tenure ends, such that System Representative shall comply with the provisions of this Policy during such System Representative's tenure, and a System Representative shall not, during such System Representative's tenure with DPFP and for one year after such tenure ends, represent any Third Party in any formal or informal appearance before the Board or DPFP staff. DPFP will not enter into or renew an existing contract with any Vendor during the one year period after the System Representative's tenure with DPFP if such Vendor employs or is represented by the System Representative unless the Board determines that such a restriction would not be in DPFP's best interest

8. Nothing in this Section shall exempt any System Representative from applicable provisions of any other laws. The standards of conduct set forth in this Section are in addition to those prescribed elsewhere in this Policy and in applicable laws and rules.

F. Gifts, Travel and Expenses

1. System Representatives shall not solicit any Benefit or Gift, including a Permitted Benefit or Gift, from any source which is a current or prospective Vendor of DPFP. All Trustees and Key Staff of DPFP shall exercise care in accepting any Permitted Benefit or Gift from any source, particularly those sources which are current or prospective Vendors of the System.

2. System Representatives shall not accept from a Vendor or prospective Vendor a Benefit or Gift that is not a Permitted Benefit or Gift. Any Benefit or Gift to a System Representative that is not a Permitted Benefit or Gift shall be returned to its source whenever possible or donated to a suitable charitable organization upon its receipt.

3. If a System Representative has a relationship with a Vendor or prospective Vendor (the "Prior Relationship") which predates the System Representative's relationship with DPFP, then the System Representative may disclose to the Board the Prior Relationship and Benefits or Gifts previously received from the Vendor or prospective Vendor (the "Prior Benefits or Gifts") due to the Prior Relationship. The Board may determine that future Benefits or Gifts received by the System Representative that are similar to the Prior Benefits or Gifts are the result of the continuation of the Prior Relationship and shall be deemed a Permitted Benefit or Gift and no further reporting obligation shall be required. If the Board has deemed a Benefit or Gift from a vendor or prospective

F. Gifts, Travel and Expenses (continued)

Vendor a Permitted Benefit or Gift due to a Prior Relationship as described in the sentence above, a System Representative shall report to the Board any Benefit or Gift received from such Vendor or prospective Vendor which would not reasonably be considered similar to the Prior Benefits or Gifts. The Board may require recusal of a System Representative from discussion of any matter that directly or indirectly involves a Vendor or prospective Vendor with whom such System Representative has a Prior Relationship.

4. No System Representative shall receive any Permitted Benefit or Gift through an intermediary, if the person knows, or has reason to know, that the Permitted Benefit or Gift has originated from another source.

5. In no event shall any System Representative accept a Permitted Benefit or Gift if the source of the Permitted Benefit or Gift is not identified. If the source of any Permitted Benefit or Gift cannot be ascertained, the Permitted Benefit or Gift shall be donated to a suitable charitable organization.

6. Under no circumstances shall a System Representative accept a cash Gift.

7. In no event shall any System Representative accept any expenses related to travel, other than working meals or ground transportation, the purpose of which is to determine the selection of new Vendors or to determine the assignment of continuing or additional business to existing Vendors.

G. Examples of Situations That Involve a Permitted Benefit or Gift[2]

1. Permitted Benefit or Gift or No Benefit or Gift Provided (and Reporting Required in Certain Situations)

   A. A Vendor (not currently in a search) invites a System Representative to attend a sporting event at no cost to the System Representative. The Vendor and the System Representative both attend the event. Because the Vendor accompanies the System Representative to this event, the event is a Permitted Benefit or Gift. However, for purposes of Chapter 176, whether the event has to be reported depends on the whether the value of the sporting event and the value of any Gift, including transportation, lodging or entertainment received by the System Representative from the Vendor in the applicable 12-month period (as described in Chapter 176) would, in the aggregate, exceed $100.

[2] In all scenarios, the Vendor does not have a separate employment or other business relationship with the System Representative or the System Representative's family member (see Chapters 171 and 176 for details).

G. Examples of Situations That Involve a Permitted Benefit or Gift[3] (continued)

B. A Vendor (not currently in a search) invites several System Representatives to a dinner at a restaurant. The Vendor and the System Representatives attend the dinner. Because the Vendor accompanies the System Representatives to the dinner, the dinner is a Permitted Benefit or Gift.

C. While attending a conference, a System Representative attends a reception sponsored and attended by Vendors (none of which currently are in a search). Because the reception is widely attended and the Vendors are present, the reception is a Permitted Benefit or Gift.

D. While attending a conference, a System Representative and all other attendees of the conference receive a bag with various items and the aggregate value of the items is under $50 (including taxes). Because the value of the gift bag is under $50, the gift bag is a Permitted Benefit or Gift. Whether these items must be reported under Chapter 176 depends on whether the items are from a specific Vendor or prospective Vendor and whether that Vendor has provided other gifts within the applicable 12-month period (as described by Chapter 176) that would, in the aggregate, exceed $100.

E. A System Representative realizes that seven months ago, he participated in a golf outing valued at $175 as a guest of a company who had representatives at the golf outing. The company, however, now enters into a contract with DPFP in the current month. The System Representative did not know at the time of the golf outing that the company or DPFP was considering entering into the contract. Because representatives of the company were in attendance at the golf outing, the outing was a Permitted Benefit or Gift, even though the outing was over $50. However, because the golf outing was valued at over $100, it must be reported under Chapter 176 because the System Representative received a Gift from the Vendor during the 12-month period preceding the date that he became aware that a contract with the Vendor had been executed.

F. A System Representative and her spouse attend a professional basketball game as guests of a company with representatives of the company present. The value of the tickets is over $100. Six months later, the System Representative becomes aware that DPFP and the company are considering entering into a contract, even though no contract is being entered into at such time. Because the basketball

[3] In all scenarios, the Vendor does not have a separate employment or other business relationship with the System Representative or the System Representative's family member (see Chapters 171 and 176 for details).

G. Examples of Situations That Involve a Permitted Benefit or Gift[4] (continued)

game was attended by a representative of the company, the basketball game was a Permitted Benefit or Gift, even though the value was over $50. However, because the tickets were valued at over $100, it must be reported under Chapter 176 because the System Representative received a Gift from the Vendor during the 12-month period preceding the date that she became aware that DPFP and the Company were considering entering into a contract.

G. While attending a conference, a System Representative and all other attendees of the conference receive an item such as a shirt/sweater or briefcase type bag with the Vendor's name on it. Because items with Vendors' logos and/or company name generally are advertising and do not have retail value, no Benefit or Gift is provided.

H. A System Representative attends a conference as a speaker and in return the conference pays for transportation, meals and lodging. This is a permitted honorarium, and no Benefit or Gift is provided. Whether the honorarium must be reported under Chapter 176, depends on whether the transportation, meals and lodging are from a current or prospective Vendor and whether that Vendor has provided other gifts within the applicable 12-month period (as described in Chapter 176) that would, in the aggregate, exceed $100.

2. Benefit or Gift Provided that is Not Permitted

A. A Vendor (not currently in a search) invites a System Representative to attend a sporting event at no cost to the System Representative, but does not plan on attending the event. Because the Vendor does not attend the event with the System Representative, a Benefit or Gift is provided that is not permitted.

B. A System Representative, while attending a conference, wins a raffle sponsored by the conference. The prize is $25 cash. The System Representative may not accept the cash, as it is a Benefit or Gift that is expressly prohibited under Section F.5.

C. A System Representative, during the Christmas Holidays, receives a pen and pencil set from a Vendor. The value of the set is obviously over $50 (including taxes). Because the value of the pen and pencil set is over $50, the pen and pencil set is a Gift that is not permitted and should be returned to the Vendor, or if return is not possible, donated to a charitable organization.

[4] In all scenarios, the Vendor does not have a separate employment or other business relationship with the System Representative or the System Representative's family member (see Chapters 171 and 176 for details).

H. Undue Influence

1. Trustees recognize that, by virtue of their position of authority with the System, may have Undue Influence on DPFP staff or Consultants when communicating directly with such staff or Consultants.

2. Individual Trustees shall refer all proposals or other communications regarding potential or existing investments or other contracts or services, or matters involving general System operations, directly to the Executive Director or his or her designee and shall not communicate as to such matters with other DPFP staff or Consultants.

3. Any communication regarding a potential investment transaction, other contract, or System operations initiated by a Trustee with either DPFP staff or a Consultant in which the Trustee is advocating for a specified outcome must be documented by the employee or Consultant and reported to the Executive Director. The Executive Director will notify the Chairman of such communications for appropriate action.

I. General Provisions

1. Nothing in this policy shall excuse any Trustee, officer, or employee from any other restrictions of state or federal law concerning conflicts of interest and fiduciary duties, including but not limited to Chapters 171 and 176, Tex. Local Gov't Code, as amended (Attachment III), and the Securities and Exchange Commission "Pay to Play" Regulations, Rule 206(4)-5.[5]

2. Violation of this Policy by a Vendor will result in corrective action, up to and including termination of contract or relationship with DPFP, discipline, or initiation of removal action pursuant to any and all applicable laws. Enforcement of this Policy with respect to Trustees is provided in Section J.

J. Enforcement

1. It is the duty of all System Representatives to be aware of all provisions of this document and to abide by the letter and the spirit of this Policy.

2. If the Executive Director is notified in writing of an alleged violation of this Policy, the Executive Director shall promptly notify the Chairman of the alleged violation. If the

[5] http://www.sec.gov/rules/final/2010/ia-3043.pdf.

J. Enforcement (continued)

violation is alleged against a Trustee, the Chairman is authorized to call an ad hoc committee of four (4) Trustees who are not the subject of the allegation to review the alleged violation and make recommendations to the Board for resolution of the matter. If the Chairman is a subject of the alleged violation, the Executive Director shall promptly notify the Vice Chairman of the alleged violation. The Vice Chairman is authorized to call an ad hoc committee of four (4) Trustees who are not the subject of the allegation to review the alleged violation and make recommendations to the Board for resolution of the matter.

3. The Board shall have final decision-making authority with respect to Trustee violations of this Policy. The Executive Director shall have final decision-making authority with respect to staff violations of this Policy.

   A. Available decisions for Trustee violations of this Policy are:

      i. Require that the Trustee file disclosure or conflicts report(s) within a specified time period.

      ii. Require that the Trustee attend approved specialized training within a specified time period.

      iii. Removal of the Trustee from any Committee Chairman role for a specified time period.

      iv. Removal of the Trustee from any Committee membership for a specified time period.

      v. Censure of the Trustee.

      vi. Bring suit against the Trustee for breach of fiduciary duty.

   B. A decision under this Section is binding on the Trustee.

K. Compliance

Trustees and Key Staff are required to file an annual form with the System acknowledging that they have read, understand and will comply with the provisions of this Policy.

L. Effective Date

APPROVED on January 11, 2018 by the Board of Trustees of the Dallas Police and Fire Pension System.

/s/ William F. Quinn

William F. Quinn
Chairman

ATTEST:

/s/ Kelly Gottschalk

Kelly Gottschalk
Secretary

Attachment I

The fiduciary responsibilities of a Trustee of a Public Retirement System in the state of Texas under Texas Government Code, Title 8, Section 802.203.

Sec. 802.203. FIDUCIARY RESPONSIBILITY. (a) In making and supervising investments of the reserve fund of a public retirement system, an investment manager or the governing body shall discharge its duties solely in the interest of the participants and beneficiaries:

(1) for the exclusive purposes of:

(A) providing benefits to participants and their beneficiaries; and

(B) defraying reasonable expenses of administering the system;

(2) with the care, skill, prudence, and diligence under the prevailing circumstances that a prudent person acting in a like capacity and familiar with matters of the type would use in the conduct of an enterprise with a like character and like aims;

(3) by diversifying the investments of the system to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so; and

(4) in accordance with the documents and instruments governing the system to the extent that the documents and instruments are consistent with this subchapter.

(b) In choosing and contracting for professional investment management services and in continuing the use of an investment manager, the governing body must act prudently and in the interest of the participants and beneficiaries of the public retirement system.

(c) A Trustee is not liable for the acts or omissions of an investment manager appointed under Section 802.204, nor is a Trustee obligated to invest or otherwise manage any asset of the system subject to management by the investment manager.

(d) An investment manager appointed under Section 802.204 shall acknowledge in writing the manager's fiduciary responsibilities to the fund the manager is appointed to serve.

(e) The investment standards provided by Subsection (a) and the policies, requirements, and restrictions adopted under Section 802.204(c) are the only standards, policies, or requirements for, or restrictions on, the investment of funds of a public retirement system by an investment manager or by a governing body during a 90-day interim between professional investment management services. Any other standard, policy, requirement, or restriction provided by law is suspended and not applicable during a time, and for 90 days after a time, in which an investment manager is responsible for investment of a reserve fund. If an investment manager has not begun managing investments of a reserve fund before the 91st day after the date of termination of the services of a previous investment manager, the standards, policies, requirements, and restrictions otherwise provided by law are applicable until the date professional investment management services are resumed.

Attachment II

Chapters 171 and 176 of the Texas Local Government Code

CHAPTER 171. REGULATION OF CONFLICTS OF INTEREST OF OFFICERS OF MUNICIPALITIES, COUNTIES, AND CERTAIN OTHER LOCAL GOVERNMENTS

Sec. 171.001. DEFINITIONS. In this chapter:

(1) "Local public official" means a member of the governing body or another officer, whether elected, appointed, paid, or unpaid, of any district (including a school district), county, municipality, precinct, central appraisal district, transit authority or district, or other local governmental entity who exercises responsibilities beyond those that are advisory in nature.

(2) "Business entity" means a sole proprietorship, partnership, firm, corporation, holding company, joint-stock company, receivership, trust, or any other entity recognized by law.

Sec. 171.002. SUBSTANTIAL INTEREST IN BUSINESS ENTITY. (a) For purposes of this chapter, a person has a substantial interest in a business entity if:

(1) the person owns 10 percent or more of the voting stock or shares of the business entity or owns either 10 percent or more or $15,000 or more of the fair market value of the business entity; or

(2) funds received by the person from the business entity exceed 10 percent of the person's gross income for the previous year.

(b) A person has a substantial interest in real property if the interest is an equitable or legal ownership with a fair market value of $2,500 or more.

(c) A local public official is considered to have a substantial interest under this section if a person related to the official in the first degree by consanguinity or affinity, as determined under Chapter 573, Government Code, has a substantial interest under this section.

Sec. 171.0025. APPLICATION OF CHAPTER TO MEMBER OF HIGHER EDUCATION AUTHORITY. This chapter does not apply to a board member of a higher education authority created under Chapter 53, Education Code, unless a vote, act, or other participation by the board member in the affairs of the higher education authority would provide a financial benefit to a financial institution, school, college, or university that is:

(1) a source of income to the board member; or

(2) a business entity in which the board member has an interest distinguishable from a financial benefit available to any other similar financial institution or other school, college, or university whose students are eligible for a student loan available under Chapter 53, Education Code.

Sec. 171.003. PROHIBITED ACTS; PENALTY. (a) A local public official commits an offense if the official knowingly:

(1) violates Section 171.004;

(2) acts as surety for a business entity that has work, business, or a contract with the governmental entity; or

(3) acts as surety on any official bond required of an officer of the governmental entity.

(b) An offense under this section is a Class A misdemeanor.

Sec. 171.004. AFFIDAVIT AND ABSTENTION FROM VOTING REQUIRED. (a) If a local public official has a substantial interest in a business entity or in real property, the official shall file, before a vote or decision on any matter involving the business entity or the real property, an affidavit stating the nature and extent of the interest and shall abstain from further participation in the matter if:

(1) in the case of a substantial interest in a business entity the action on the matter will have a special economic effect on the business entity that is distinguishable from the effect on the public; or

(2) in the case of a substantial interest in real property, it is reasonably foreseeable that an action on the matter will have a special economic effect on the value of the property, distinguishable from its effect on the public.

(b) The affidavit must be filed with the official record keeper of the governmental entity.

(c) If a local public official is required to file and does file an affidavit under Subsection (a), the official is not required to abstain from further participation in the matter requiring the affidavit if a majority of the members of the governmental entity of which the official is a member is composed of persons who are likewise required to file and who do file affidavits of similar interests on the same official action.

Sec. 171.005. VOTING ON BUDGET. (a) The governing body of a governmental entity shall take a separate vote on any budget item specifically dedicated to a contract with a business entity in which a member of the governing body has a substantial interest.

(b) Except as provided by Section 171.004(c), the affected member may not participate in that separate vote. The member may vote on a final budget if:

(1) the member has complied with this chapter; and

(2) the matter in which the member is concerned has been resolved.

Sec. 171.006. EFFECT OF VIOLATION OF CHAPTER. The finding by a court of a violation under this chapter does not render an action of the governing body voidable unless the measure that was the subject of an action involving a conflict of interest would not have passed the governing body without the vote of the person who violated the chapter.

Sec. 171.007. COMMON LAW PREEMPTED; CUMULATIVE OF MUNICIPAL PROVISIONS. (a) This chapter preempts the common law of conflict of interests as applied to local public officials.

(b) This chapter is cumulative of municipal charter provisions and municipal ordinances defining and prohibiting conflicts of interests.

Sec. 171.009. SERVICE ON BOARD OF CORPORATION FOR NO COMPENSATION. It shall be lawful for a local public official to serve as a member of the board of directors of private, nonprofit corporations when such officials receive no compensation or other remuneration from the nonprofit corporation or other nonprofit entity.

Sec. 171.010. PRACTICE OF LAW. (a) For purposes of this chapter, a county judge or county commissioner engaged in the private practice of law has a substantial interest in a business entity if the official has entered a court appearance or signed court pleadings in a matter relating to that business entity.

(b) A county judge or county commissioner that has a substantial interest in a business entity as described by Subsection (a) must comply with this chapter.

(c) A judge of a constitutional county court may not enter a court appearance or sign court pleadings as an attorney in any matter before:

(1) the court over which the judge presides; or

(2) any court in this state over which the judge's court exercises appellate jurisdiction.

(d) Upon compliance with this chapter, a county judge or commissioner may practice law in the courts located in the county where the county judge or commissioner serves.

CHAPTER 176. DISCLOSURE OF CERTAIN RELATIONSHIPS WITH LOCAL GOVERNMENT OFFICERS; PROVIDING PUBLIC ACCESS TO CERTAIN INFORMATION

Sec. 176.001. DEFINITIONS. In this chapter:

(1) "Agent" means a third party who undertakes to transact some business or manage some affair for another person by the authority or on account of the other person. The term includes an employee.

(1-a) "Business relationship" means a connection between two or more parties based on commercial activity of one of the parties. The term does not include a connection based on:

(A) a transaction that is subject to rate or fee regulation by a federal, state, or local governmental entity or an agency of a federal, state, or local governmental entity;

(B) a transaction conducted at a price and subject to terms available to the public; or

(C) a purchase or lease of goods or services from a person that is chartered by a state or federal agency and that is subject to regular examination by, and reporting to, that agency.

(1-b) "Charter school" means an open-enrollment charter school operating under Subchapter D, Chapter 12, Education Code.

(1-c) "Commission" means the Texas Ethics Commission.

(1-d) "Contract" means a written agreement for the sale or purchase of real property, goods, or services.

(2) "Family member" means a person related to another person within the first degree by consanguinity or affinity, as described by Subchapter B, Chapter 573, Government Code.

(2-a) "Family relationship" means a relationship between a person and another person within the third degree by consanguinity or the second degree by affinity, as those terms are defined by Subchapter B, Chapter 573, Government Code.

(2-b) "Gift" means a benefit offered by a person, including food, lodging, transportation, and entertainment accepted as a guest. The term does not include a benefit offered on account of kinship or a personal, professional, or business relationship independent of the official status of the recipient.

(2-c) "Goods" means personal property.

(2-d) "Investment income" means dividends, capital gains, or interest income generated from:

(A) a personal or business:

(i) checking or savings account;

(ii) share draft or share account; or

(iii) other similar account;

(B) a personal or business investment; or

(C) a personal or business loan.

(3) "Local governmental entity" means a county, municipality, school district, charter school, junior college district, water district created under Subchapter B, Chapter 49, Water Code, or other political subdivision of this state or a local government corporation, board, commission, district, or authority to which a member is appointed by the commissioners court of a county, the mayor of a municipality, or the governing body of a municipality. The term does not include an association, corporation, or organization of governmental entities organized to provide to its members education, assistance, products, or services or to represent its members before the legislative, administrative, or judicial branches of the state or federal government.

(4) "Local government officer" means:

(A) a member of the governing body of a local governmental entity;

(B) a director, superintendent, administrator, president, or other person designated as the executive officer of a local governmental entity; or

(C) an agent of a local governmental entity who exercises discretion in the planning, recommending, selecting, or contracting of a vendor.

(5) "Records administrator" means the director, county clerk, municipal secretary, superintendent, or other person responsible for maintaining the records of the local governmental entity or another person designated by the local governmental entity to maintain statements and questionnaires filed under this chapter and perform related functions.

(6) "Services" means skilled or unskilled labor or professional services, as defined by Section 2254.002, Government Code.

(7) "Vendor" means a person who enters or seeks to enter into a contract with a local governmental entity. The term includes an agent of a vendor. The term includes an officer or employee of a state agency when that individual is acting in a private capacity to enter into a contract. The term does not include a state agency except for Texas Correctional Industries.

Sec. 176.002. APPLICABILITY TO VENDORS AND OTHER PERSONS. (a) This chapter applies to a person who is:

(1) a vendor; or

(2) a local government officer of a local governmental entity.

(b) A person is not subject to the disclosure requirements of this chapter if the person is:

(1) a state, a political subdivision of a state, the federal government, or a foreign government; or

(2) an employee or agent of an entity described by Subdivision (1), acting in the employee's or agent's official capacity.

Sec. 176.003. CONFLICTS DISCLOSURE STATEMENT REQUIRED. (a) A local government officer shall file a conflicts disclosure statement with respect to a vendor if:

(1) the vendor enters into a contract with the local governmental entity or the local governmental entity is considering entering into a contract with the vendor; and

(2) the vendor:

(A) has an employment or other business relationship with the local government officer or a family member of the officer that results in the officer or family member receiving taxable income, other than investment income, that exceeds $2,500 during the 12-month period preceding the date that the officer becomes aware that:

(i) a contract between the local governmental entity and vendor has been executed; or

(ii) the local governmental entity is considering entering into a contract with the vendor;

(B) has given to the local government officer or a family member of the officer one or more gifts that have an aggregate value of more than $100 in the 12-month period preceding the date the officer becomes aware that:

(i) a contract between the local governmental entity and vendor has been executed; or

(ii) the local governmental entity is considering entering into a contract with the vendor; or

(C) has a family relationship with the local government officer.

(a-1) A local government officer is not required to file a conflicts disclosure statement in relation to a gift accepted by the officer or a family member of the officer if the gift is:

(1) a political contribution as defined by Title 15, Election Code; or

(2) food accepted as a guest.

(a-2) A local government officer is not required to file a conflicts disclosure statement under Subsection (a) if the local governmental entity or vendor described by that subsection is an administrative agency created under Section 791.013, Government Code.

(b) A local government officer shall file the conflicts disclosure statement with the records administrator of the local governmental entity not later than 5 p.m. on the seventh business day after the date on which the officer becomes aware of the facts that require the filing of the statement under Subsection (a).

(c) Repealed by Acts 2015, 84th Leg., R.S., Ch. 989 , Sec. 9(1), eff. September 1, 2015.

(d) Repealed by Acts 2015, 84th Leg., R.S., Ch. 989 , Sec. 9(1), eff. September 1, 2015.

(e) The commission shall adopt the conflicts disclosure statement for local government officers for use under this section. The conflicts disclosure statement must include:

(1) a requirement that each local government officer disclose:

(A) an employment or other business relationship described by Subsection (a)(2)(A), including the nature and extent of the relationship; and

(B) gifts accepted by the local government officer and any family member of the officer from a vendor during the 12-month period described by Subsection (a)(2)(B) if the aggregate value of the gifts accepted by the officer or a family member from that vendor exceeds $100;

(2) an acknowledgment from the local government officer that:

(A) the disclosure applies to each family member of the officer; and

(B) the statement covers the 12-month period described by Subsection (a)(2)(B); and

(3) the signature of the local government officer acknowledging that the statement is made under oath under penalty of perjury.

Sec. 176.006. DISCLOSURE REQUIREMENTS FOR VENDORS AND OTHER PERSONS; QUESTIONNAIRE. (a) A vendor shall file a completed conflict of interest questionnaire if the vendor has a business relationship with a local governmental entity and:

(1) has an employment or other business relationship with a local government officer of that local governmental entity, or a family member of the officer, described by Section 176.003(a)(2)(A);

(2) has given a local government officer of that local governmental entity, or a family member of the officer, one or more gifts with the aggregate value specified by Section 176.003(a)(2)(B), excluding any gift described by Section 176.003(a-1); or

(3) has a family relationship with a local government officer of that local governmental entity.

(a-1) The completed conflict of interest questionnaire must be filed with the appropriate records administrator not later than the seventh business day after the later of:

(1) the date that the vendor:

(A) begins discussions or negotiations to enter into a contract with the local governmental entity; or

(B) submits to the local governmental entity an application, response to a request for proposals or bids, correspondence, or another writing related to a potential contract with the local governmental entity; or

(2) the date the vendor becomes aware:

(A) of an employment or other business relationship with a local government officer, or a family member of the officer, described by Subsection (a);

(B) that the vendor has given one or more gifts described by Subsection (a); or

(C) of a family relationship with a local government officer.

(b) The commission shall adopt a conflict of interest questionnaire for use under this section that requires disclosure of a vendor's business and family relationships with a local governmental entity.

(c) The questionnaire adopted under Subsection (b) must require, for the local governmental entity with respect to which the questionnaire is filed, that the vendor filing the questionnaire:

(1) describe each employment or business and family relationship the vendor has with each local government officer of the local governmental entity;

(2) identify each employment or business relationship described by Subdivision (1) with respect to which the local government officer receives, or is likely to receive, taxable income, other than investment income, from the vendor;

(3) identify each employment or business relationship described by Subdivision (1) with respect to which the vendor receives, or is likely to receive, taxable income, other than investment income, that:

(A) is received from, or at the direction of, a local government officer of the local governmental entity; and

(B) is not received from the local governmental entity; and

(4) describe each employment or business relationship with a corporation or other business entity with respect to which a local government officer of the local governmental entity:

(A) serves as an officer or director; or

(B) holds an ownership interest of one percent or more.

(d) A vendor shall file an updated completed questionnaire with the appropriate records administrator not later than the seventh business day after the date on which the vendor becomes aware of an event that would make a statement in the questionnaire incomplete or inaccurate.

(e) A person who is both a local government officer and a vendor of a local governmental entity is required to file the questionnaire required by Subsection (a)(1) only if the person:

(1) enters or seeks to enter into a contract with the local governmental entity; or

(2) is an agent of a person who enters or seeks to enter into a contract with the local governmental entity.

(f) Repealed by Acts 2015, 84th Leg., R.S., Ch. 989 , Sec. 9(3), eff. September 1, 2015.

(g) Repealed by Acts 2015, 84th Leg., R.S., Ch. 989 , Sec. 9(3), eff. September 1, 2015.

(h) Repealed by Acts 2015, 84th Leg., R.S., Ch. 989 , Sec. 9(3), eff. September 1, 2015.

(i) The validity of a contract between a vendor and a local governmental entity is not affected solely because the vendor fails to comply with this section.

Sec. 176.0065. MAINTENANCE OF RECORDS. A records administrator shall:

(1) maintain a list of local government officers of the local governmental entity and shall make that list available to the public and any vendor who may be required to file a conflict of interest questionnaire under Section 176.006; and

(2) maintain the statements and questionnaires that are required to be filed under this chapter in accordance with the local governmental entity's records retention schedule.

Sec. 176.008. ELECTRONIC FILING. The requirements of this chapter, including signature requirements, may be satisfied by electronic filing in a form approved by the commission.

Sec. 176.009. POSTING ON INTERNET. (a) A local governmental entity that maintains an Internet website shall provide access to the statements and to questionnaires required to be filed under this chapter on that website. This subsection does not require a local governmental entity to maintain an Internet website.

(b) Repealed by Acts 2013, 83rd Leg., R.S., Ch. 847, Sec. 3(b), eff. January 1, 2014.

Sec. 176.010. REQUIREMENTS CUMULATIVE. The requirements of this chapter are in addition to any other disclosure required by law.

Sec. 176.012. APPLICATION OF PUBLIC INFORMATION LAW. This chapter does not require a local governmental entity to disclose any information that is excepted from disclosure by Chapter 552, Government Code.

Sec. 176.013. ENFORCEMENT. (a) A local government officer commits an offense under this chapter if the officer:

(1) is required to file a conflicts disclosure statement under Section 176.003; and

(2) knowingly fails to file the required conflicts disclosure statement with the appropriate records administrator not later than 5 p.m. on the seventh business day after the date on which the officer becomes aware of the facts that require the filing of the statement.

(b) A vendor commits an offense under this chapter if the vendor:

(1) is required to file a conflict of interest questionnaire under Section 176.006; and

(2) either:

(A) knowingly fails to file the required questionnaire with the appropriate records administrator not later than 5 p.m. on the seventh business day after the date on which the vendor becomes aware of the facts that require the filing of the questionnaire; or

(B) knowingly fails to file an updated questionnaire with the appropriate records administrator not later than 5 p.m. on the seventh business day after the date on which the vendor becomes aware of an event that would make a statement in a questionnaire previously filed by the vendor incomplete or inaccurate.

(c) An offense under this chapter is:

(1) a Class C misdemeanor if the contract amount is less than $1 million or if there is no contract amount for the contract;

(2) a Class B misdemeanor if the contract amount is at least $1 million but less than $5 million; or

(3) a Class A misdemeanor if the contract amount is at least $5 million.

(d) A local governmental entity may reprimand, suspend, or terminate the employment of an employee who knowingly fails to comply with a requirement adopted under this chapter.

(e) The governing body of a local governmental entity may, at its discretion, declare a contract void if the governing body determines that a vendor failed to file a conflict of interest questionnaire required by Section 176.006.

(f) It is an exception to the application of Subsection (a) that the local government officer filed the required conflicts disclosure statement not later than the seventh business day after the date the officer received notice from the local governmental entity of the alleged violation.

(g) It is an exception to the application of Subsection (b) that the vendor filed the required questionnaire not later than the seventh business day after the date the vendor received notice from the local governmental entity of the alleged violation.

DALLAS POLICE & FIRE PENSION SYSTEM

DISCUSSION SHEET

ITEM #C13

Topic: **Hardship Request – 2026-1H**

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

c. the amount requested in the application is reasonably related to and no greater than necessary to relieve the financial hardship.

DISCUSSION SHEET

ITEM #C13
(continued)

d. the hardship must relate to a circumstance authorized by the Board Policy or other similar extraordinary circumstances.

Staff Recommendation: **Deny** the hardship request.

Hardship Request: 2026-1H

Information about the DROP account

This request is from a person who only has a DROP annuity and no pension benefit. (inherited DROP)
Monthly DROP annuity amount is $366.28 per month until 2/28/2046.

Hardship Request	$78,000	Note - this exceeds the Present Value of the remaining DROP annuity

Details of Request	**Amount**	**Details**	**Executive Director's Recommendation**
Gazabo Replacement	$ 17,000	Winter storm damaged a gazabo. Insurance denied the claim because the gazabo is not part of the insured structure.	**Deny** - the gazabo is not part of the primary residence
Remaining DROP balance	$ 48,794	Job termination - loss of income.	**Deny** - loss of income is not unforeseeable
	$ 65,794		

Out of courtesy to the applicant, Staff notified them that their hardship request would be submitted to the Board in November and that the Executive Director intended to recommend denial. In response, they sent a detailed letter to the Board requesting reconsideration. The Board has not made a decision, so there is nothing to reconsider. However, the letter provides detailed information from the applicant to support their request.

Note: This person, requested a hardship in 2024 related to planned dental work. A hardship of $19,950 was granted. DPFP normally requires that the costs have been incurred prior to the hardship distribution and that the applicant is reimbursed, but the Board made an exception and paid based on a dental treatment plan. Staff requested Explanation of Benefit documents from the completed benefit procedures to be done with the prior hardship but the requestor has refused to provide the information.

DALLAS POLICE & FIRE PENSION SYSTEM

DISCUSSION SHEET

ITEM #C14

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 DPFP 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.

DALLAS POLICE & FIRE PENSION SYSTEM

DISCUSSION SHEET

ITEM #C15

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.

DALLAS POLICE & FIRE PENSION SYSTEM

DISCUSSION SHEET

ITEM #D1

Topic: **Public Comment**

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

DISCUSSION SHEET

ITEM #D2

Topic: **Executive Director's Report**

a. Associations' newsletters
- NCPERS Monitor (November 2026)
- NCPERS PERSist (Fall 2026)
- TEXPERS Pension Observer (Vol. 3 2026)

b. Open Records

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