

AGENDA



Date: November 7, 2025

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 13, 2025, in the Second Floor Board Room at 4100 Harry Hines Boulevard, Dallas, Texas** and via telephone conference for audio at **214-271-5080** access code **588694** or Toll-Free (US & CAN): **1-800-201-5203** and Zoom meeting for visual <https://us02web.zoom.us/j/83364156526?pwd=OG5CbEFhajN5V0hWaUFJMLhYcHQ2Zz09> Passcode: **923237**. Items of the following agenda will be presented to the Board:

A. MOMENT OF SILENCE

B. APPROVAL OF MINUTES

Regular meeting of October 9, 2025

C. DISCUSSION AND POSSIBLE ACTION REGARDING ITEMS FOR INDIVIDUAL CONSIDERATION

1. 2024 Financial Audit

- 2. 2024 Annual Comprehensive Financial Report**
- 3. Report on Audit Committee Meeting**
- 4. Second Reading and Discussion of the 2026 Budget**
- 5. Report on Professional Service Committee Meeting**
- 6. Executive Director Approved Pension Ministerial Actions**
- 7. City Contribution Update**
- 8. Board Approval of Trustee Education and Travel**
- 9. Board Members' Reports on Meetings, Seminars and/or Conferences Attended**
- 10. Portfolio Update**
- 11. Report on Investment Advisory Committee Meeting**
- 12. Possible New Private Credit Commitments**
- 13. Required Training Manual Delivery & Ethics Policy Certification**

- 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.**

- a. DPFP v. City of Dallas**
- b. Dallas Police Retired Officers Association v. DPFP**

D. BRIEFING ITEMS

1. Public Comment

2. Executive Director's Report

- a. Associations' newsletters**
 - [NCPERS Monitor \(November 2025\)](#)
 - [NCPERS PERSist \(Fall 2025\)](#)
- 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.



MOMENT OF SILENCE

In memory of our Members and Pensioners who recently passed away

NAME	ACTIVE/ RETIRED	DEPARTMENT	DATE OF DEATH
Everett N. Coker	Retired	Fire	Sep. 06, 2025
David P. Roberts	Retired	Police	Sep. 25, 2025
Larry A. Brock	Retired	Fire	Oct. 05, 2025
Stephen R. Patrick	Retired	Fire	Oct. 19, 2025
Joseph E. Spradlin, Jr	Retired	Police	Oct. 22, 2025
Gerald R. Robinson	Retired	Police	Oct. 25, 2025
Gene O. Yee, Jr.	Retired	Police	Oct. 26, 2025
Kerry D. Johnson	Retired	Police	Oct. 27, 2025
Carroll O. Prewitt, Jr.	Retired	Police	Oct. 31, 2025
Ronnie J. Vineyard	Retired	Police	Oct. 31, 2025

Regular Board Meeting –Thursday, November 13, 2025

**Dallas Police and Fire Pension System
Thursday, October 9, 2025
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 8:34 a.m. Michael Taglienti, Tom Tull, Matthew Shomer, Joe Colonna, Anthony Scavuzzo, David Kelly, Tina Hernandez Patterson, Scott Letier, Yvette Duenas, Robert Walters

Absent Steve Idoux

Staff

Kelly Gottschalk, Josh Mond, Brenda Barnes, Ryan Wagner, Kyle Schmit, Luis Solorzano Trejo, John Holt, Nien Nguyen, Milissa Romero, Cynthia J. Thomas (by telephone)

Others

Ben Mesches, Jeff Patterson, Rick Salinas, Kurtis Allen, James Morin, Suzanne Zieman, Chad Anderson

Phone Chuck Campbell, Aaron Lally, Ken Shoji

* * * * *

The Regular 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 retired police officers Jerry W. James, Tommie D. Elliott, Wade C. Small, Melvin P. Southall, Stephen J. Spradling, and retired firefighters John R. Garcia and Edward (E.D.) Strickland.

No motion was made.

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**Regular Board Meeting
Thursday, October 9, 2025**

B. APPROVAL OF MINUTES

1. Required Public meeting of September 11, 2025
2. Regular meeting of September 11, 2025

After discussion, Mr. Shomer made a motion to approve the minutes of the Required Public and Regular meetings of September 11, 2025. Mr. Letier 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. Elect Deputy Vice Chair

The Board discussed electing a Trustee to serve in the open position of Deputy Vice Chairman.

After discussion, Mr. Walters made a motion to elect Tina Hernandez Patterson to serve as Deputy Vice Chair. Mr. Tull seconded the motion, which was unanimously approved by the Board.

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2. Financial Audit Status

The Chief Financial Officer provided a status update on the annual financial audit.

No motion was made.

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3. Initial Reading and discussion of the 2026 Budget

The Chief Financial Officer presented the initial reading of the 2026 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 raising the Texas Municipal Retirement System (TMRS) employee contributions to 8% and bring the revised proposed budget to the Board at the November 2025 Board meeting for consideration for adoption and to authorize forwarding the 2026 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 meeting. Ms. Hernandez Patterson seconded the motion, which was unanimously approved by the Board.

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**Regular Board Meeting
Thursday, October 9, 2025**

4. Possible 2025 Budget Amendment

Staff discussed with the Board the proposed budget amendment to replace the existing building HVAC systems and the Board requested that additional analysis be provided at a future meeting.

No motion was made.

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5. Pension Administration Software

Staff discussed the steps taken and the information learned to date related to the Pension Administration Software project and the Board requested further evaluation be conducted.

No motion was made.

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6. Executive Director Approved Pension Ministerial Actions

The Executive Director reported on the October pension ministerial actions.

No motion was made.

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7. City Contribution Update

The Executive Director provided an update on the amount of City Contributions received and any shortage since October 1, 2024.

No motion was made.

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8. Board Approval of Trustee Education and Travel

The Board and staff discussed future Trustee education.

After discussion, Mr. Tull made a motion to approve Mr. Taglienti's request to attend NCPERS Financial, Actuarial, Legislative & Legal (FALL) Conference. Ms. Duenas seconded the motion, which was unanimously approved by the Board.

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**Regular Board Meeting
Thursday, October 9, 2025**

9. Portfolio Update

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

No motion was made.

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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.

- a. DPFP v. City of Dallas
- b. Dallas Police Retired Officers Association v. DPFP

The Board went into closed executive session – Legal at 9:58 a.m.

The meeting reopened at 11:35 a.m.

The Board and staff discussed legal issues.

After discussion, Mr. Kelly made a motion to authorize staff to pause accrual and payment of a cost of living adjustment as required by the Board's rule adopted on August 8, 2024 until such time as the full Board is present to consider whether the adjustment should be paused until the litigation with the City of Dallas is resolved and the Board has determined there is adequate assured funding to pay for future cost of living adjustments and, if the Board so determines, accrual and payment of any past cost of living adjustments which were paused by this motion. Mr. Walters seconded the motion which failed by the following vote:

For: Mr. Tull, Mr. Colonna, Mr. Kelly, Mr. Letier, Mr. Walters

Opposed: Mr. Taglienti, Mr. Shomer, Mr. Scavuzzo, Ms. Hernandez Patterson, Ms. Duenas

After discussion, Mr. Walters made a motion to authorize staff to pause accrual and payment of a cost of living adjustment as required by the Board's rule adopted on August 8, 2024 until such time as the litigation with the City of Dallas is resolved and the Board has determined there is adequate assured funding to pay for future cost of living adjustments and, if the Board so determines, accrual and payment of any past cost of living adjustments which were paused by this motion. The motion failed for lack of a second.

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**Regular Board Meeting
Thursday, October 9, 2025**

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 2025)
- b. Open Records
- c. Actuarial Services RFP

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. Shomer and a second by Mr. Tull, the meeting was adjourned at 11:38 a.m.

Michael Taglienti,
Chairman

ATTEST:

Kelly Gottschalk,
Secretary

**Regular Board Meeting
Thursday, October 9, 2025**

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DISCUSSION SHEET

ITEM #C1

Topic: 2024 Financial Audit

Attendees: Karolyn Ladas, BDO, Assurance Principal
Matt Liu, BDO, Audit Senior Manager

Discussion: Representatives from BDO, DPFP's independent audit firm, will be present to discuss the results of their audit for the year ended December 31, 2024.

Staff

Recommendation: **Approve** issuance of the 2024 audit report.

Regular Board Meeting – Thursday, November 13, 2025



REPORT TO THOSE CHARGED WITH GOVERNANCE

DALLAS POLICE & FIRE PENSION SYSTEM

2024 AUDIT RESULTS

NOVEMBER 13, 2025

IBDO[®]

Welcome

November 13, 2025

Board of Trustees and Audit Committee
Dallas Police & Fire Pension System

We look forward to discussing with you the current year audit results for Dallas Police & Fire Pension System. On April 10, 2025 we presented an overview of our plan for the audit of the financial statements of Dallas Police & Fire Pension System (the System) as of and for the year ended December 31, 2024.

This communication is intended to elaborate on the significant findings from our audit, including our views on the qualitative aspects of the System's accounting practices and policies, management's judgments and estimates, financial statement disclosures, and other required matters to assist you in fulfilling your obligation to oversee the financial reporting and disclosure process for which management of the System is responsible.

We are pleased to be of service to the System and look forward to meeting with you to discuss our audit findings, as well as other matters that may be of interest to you, and to answer any questions you might have.

Respectfully,
/s/ BDO, USA, P.C.

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The following communication was prepared as part of our audit, has consequential limitations, and is intended solely for the information and use of those charged with governance (e.g., Board of Directors) and, if appropriate, management of the System, and is not intended and should not be used by anyone other than these specified parties.

Executive Summary



Executive Summary

Results of Our Audit

- Overview and Status - We have substantially completed our audit of the financial statements, including procedures applied to the supplemental schedule, of Dallas Police and Fire Pension System (the System) as of and for the year ended December 31, 2024.
- Quality of the System's Financial Reporting
- Significant Risk Overview & Discussion
- Corrected and Uncorrected Misstatements
- Internal Control Over Financial Reporting

Required Communications

Open Discussion and Questions

Year End Inquiries of Those Charged With Governance (see page 23).



Audit Results



Overview & Status of Our Audit

We have substantially completed our audit of the financial statements as of and for the year ended December 31, 2024. Our audit was conducted in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*.

- ▶ The objective of our audit was to obtain reasonable - not absolute - assurance about whether the financial statements are free from material misstatements.
- ▶ The scope of the work performed was substantially the same as that described to you in our earlier Audit Plan communications.
- ▶ We expect to issue an unmodified opinion on the financial statements.
- ▶ We expect to issue our report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards*.
- ▶ Our responsibility for other information in documents containing the System's audited financial statements (e.g., the annual comprehensive financial report) does not extend beyond the financial information identified in the audit report, and we are not required to perform procedures to corroborate such other information. However, in accordance with professional standards, we will read the information included by the System and consider whether such information, or the manner of its presentation, is materially inconsistent with its presentation in the financial statements. Our responsibility also includes calling to management's attention any information that we believe is a material misstatement of fact. We have not identified any material inconsistencies or concluded there are any material misstatements of facts in the other information that management has chosen not to correct.
- ▶ All records and information requested by BDO were freely available for our inspection.



Quality of the System's Financial Reporting

A discussion was held regarding the quality of the System's financial reporting, which included the following:

- ▶ Qualitative aspects of significant accounting policies and practices
- ▶ Our assessment of critical accounting estimates, accounting policies and practices
- ▶ Significant unusual transactions
- ▶ Financial statement presentation
- ▶ New accounting pronouncements
- ▶ Alternative accounting treatments



Areas of Significant Risk

Our areas of significant risk, which are risks with both a higher likelihood of occurrence and a higher magnitude of effect that require special audit considerations, are as follows. Our audit procedures for these risks are detailed starting on page 14.

Financial Reporting and Management Override
(accuracy, completeness, presentation)

Actuarial Valuation (valuation, presentation)

Alternative Investment (valuation)

Corrected and Uncorrected Misstatements

CORRECTED AND UNCORRECTED MISSTATEMENTS

- ▶ There were no corrected misstatements, other than those that were clearly trivial, related to accounts and/or disclosures that we brought to the attention of management.
- ▶ There were no uncorrected misstatements, other than those that were clearly trivial, related to accounts and/or disclosures that we presented to management.

Internal Control Over Financial Reporting



Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the System's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control. Accordingly, we do not express an opinion on the effectiveness of the System's internal control.

Our consideration of internal control was for the limited purpose described above and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses.

We are required to communicate, in writing, to those charged with governance all material weaknesses and significant deficiencies that have been identified in the System's internal control over financial reporting. The definitions of control deficiency, significant deficiency and material weakness follow:

Category	Definition
Control Deficiency	A deficiency in internal control over financial reporting exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis.
Significant Deficiency	A deficiency or combination of deficiencies in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.
Material Weakness	A deficiency or combination of deficiencies in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the System's financial statements will not be prevented or detected and corrected on a timely basis.

In conjunction with our audit of the financial statements, we noted no material weaknesses.

Detail of Significant Risks & Additional Audit Considerations



Financial Reporting and Management Override

SUMMARY OF AREA OF SIGNIFICANT RISK

- ▶ System management controls in place are not designed and operated in a manner to maintain compliance with applicable rules and regulations and provisions of the Plan Document and Amendments.
- ▶ The System does not have sufficient controls to monitor the activities of the outside service providers.
- ▶ Significant changes to personnel and internal control processes increase the risk that an internal control failure will occur due to either the design or operation of a particular control.
- ▶ Entity level controls are not designed sufficiently to identify instances where management, due to the presence of fraud risk factors, may override the established controls and procedures to materially misstate the financial statements.

SUMMARY OF AUDIT PROCEDURES

To address this significant risk, we performed the following procedures:

- ▶ Reviewed internal controls in place over financial reporting, distributions, payroll data, investments, system expenses, and system obligations.
- ▶ Obtained and reviewed the Service Organization Controls reports for JPMorgan, the System's Custodian, and STP Investment Services, LLP, the system's investment accounting service provider.
- ▶ Performed interviews with a sample of members of Management, and other individuals and considered responses received in determining necessary audit procedures.
- ▶ The nature, timing and extent of our procedures across areas of the audit were also varied, mainly by auditing items that would be considered below our normal vouching scope.
- ▶ Performed detailed journal entry testing to review for any potential unusual or fraudulent transactions or instances of management override.

Changed since Planning Communication?	[]
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Specialized Skill or Knowledge Involved	[]
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Misstatement Identified	[]
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Actuarial Valuation

SUMMARY OF AREA OF SIGNIFICANT RISK

- ▶ Management lacks significant judgement and expertise that is required in developing assumptions and performing evaluations.
- ▶ Actuarial valuation data is inaccurate or inconsistent.
- ▶ The effects of amendments, terminations, curtailments and other System events have not been reflected in the calculation.
- ▶ The actuarial calculation does not appropriately apply current standards.
- ▶ Actuarial provisions and assumptions are outside reasonable parameters.
- ▶ Disclosures over actuarial assumptions and funding issues are omitted or inaccurate.

SUMMARY OF AUDIT PROCEDURES

To address this significant risk, we performed the following procedures:

- ▶ Obtained actuarial reports and related requested data directly from the actuary.
- ▶ Ensured the census information provided was complete, accurate, and as of benefit information date.
- ▶ Tested census information in correlation with eligibility testing.
- ▶ Considered cash flow projections and determination of GASB 67 discount rates.
- ▶ Reviewed the actuarial valuation reports and utilized BDO's Actuarial Managing Director to perform an independent review of the reports and assumptions used. Primary areas of focus included demographic assumptions (mortality, termination prior to retirement, retirement and DROP participation eligibility which affect DROP utilization and retirement rates, disability) and economic assumptions (discount rate, inflation rate, investment rate of return, salary scale, administrative expenses, interest on DROP accounts) as well as the actuarial methods used (asset smoothing, actuarial cost method, amortization of unfunded actuarial accrued liability).
- ▶ Reviewed actuarial disclosures for completeness and accuracy during the review of the financial statements.

Changed since Planning Communication?	[]
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Specialized Skill or Knowledge Involved	[✓]
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Misstatement Identified	[]
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Alternative Investments

SUMMARY OF AREA OF SIGNIFICANT RISK

- ▶ Investments are improperly valued or classified in conformity with accounting principles generally accepted in the U.S.
- ▶ Investment transactions are not recorded in conformity with accounting principles generally accepted in the U.S.
- ▶ Management bias over the valuation of investments.

SUMMARY OF AUDIT PROCEDURES

To address this significant risk, we performed the following procedures:

- ▶ Obtained confirmations from investment managers and reviewed audited financial statements for investments selected. Reviewed confirmations for unusual items and misclassifications. Additionally, performed recalculations based on the unit values in the audited financials.
- ▶ Reviewed all complex investment valuation techniques and utilized BDO Valuation experts where necessary.
- ▶ Reviewed Management's valuation memos in obtaining an understanding of the supporting process for establishing fair value.
- ▶ Reconciled unit information recorded by the System to JPMorgan and to the fund's financial statements.
- ▶ Selected a sample of transactions for investment transaction testing and agreed the purchase/sales price to approved pricing sources.
- ▶ Reviewed Management's fair value considerations and fair value hierarchy by investment in correlation with GASB No. 72.

Changed since Planning Communication?	[]
Specialized Skill or Knowledge Involved	[✓]
Misstatement Identified	[]

Detail of Significant Accounting Practices, Policies, Estimates and Disclosures



Significant Accounting Practices (including Policies, Estimates and Disclosures)

ACCOUNTING PRACTICES, POLICIES, ESTIMATES, AND DISCLOSURES

The following summarizes the more significant required communications related to our audit concerning the System's accounting practices, policies, and estimates:

The System's significant accounting practices and policies are those included in the notes to the financial statements. These accounting practices and policies are appropriate, comply with the applicable financial reporting framework and industry practice, were consistently applied, and are adequately described within the notes to the financial statements.

- ▶ There were no changes in significant accounting policies and practices during 2024.

Critical accounting estimates are those that require management's most difficult, subjective, or complex judgments, often as a result of the need to make estimates about the effects of matters that are inherently uncertain. The System's critical accounting estimates, including a description of management's processes and significant assumptions used in development of the estimates, are disclosed in the notes to the financial statements.

Critical Accounting Estimates

Valuation of the co-mingled investments (pooled, alternative, fixed income, & equity, but specifically those which are not publicly traded) and related net appreciation/depreciation and underlying disclosures.

Total and net pension liability and related disclosures and underlying assumptions (i.e. expected rate of return, inflation rates, and retirement rates)

- ▶ Management did not make any significant changes to the processes or significant assumptions used to develop the critical accounting estimates in 2024.

Additional Required Communications



Other Required Communications

Following is a summary of other required items, along with specific discussion points as they pertain to the System:

Requirement	Discussion Point
Significant changes to planned audit strategy or significant risks initially identified	There were no significant changes to the planned audit strategy or significant risks initially identified and previously communicated to those charged with governance as part of our Audit Plan communications.
Obtain information from those charged with governance relevant to the audit	There were no matters noted relevant to the audit, including, but not limited to: violations or possible violations of laws or regulations; risk of material misstatements, including fraud risks; or tips or complaints regarding the System's financial reporting that we were made aware of as a result of our inquiry of those charged with governance.
Alternative accounting treatment	No alternative accounting treatments permissible under the applicable financial reporting framework for policies and practices related to material items were identified and discussed with management.
Significant unusual transactions	During the year ended December 31,2024, we were not aware of any significant unusual transactions.
Consultations with other accountants	We are not aware of any consultations about accounting or auditing matters between management and other independent public accountants. Nor are we aware of opinions obtained by management from other independent public accountants on the application of requirements of an applicable financial reporting framework.
Significant findings and issues arising during the audit in connection with the System's related parties	We have evaluated whether the identified related party relationships and transactions have been appropriately identified, accounted for, and disclosed and whether the effects of the related party relationships and transactions, based on the audit evidence obtained, prevent the financial statements from achieving fair presentation.
Significant findings or issues arising during the audit that were discussed, or were the subject of correspondence, with management	There were no significant findings or issues arising during the audit that were discussed, or were the subject of correspondence, with management.

Other Required Communications (cont.)

Following is a summary of other required items, along with specific discussion points as they pertain to the System:

Requirement	Discussion Point
Other matters significant to the oversight of the System's financial reporting process, including complaints or concerns regarding accounting or auditing matters	There are no other matters that we consider significant to the oversight of the System's financial reporting process that have not been previously communicated.
Representations requested from management	Please refer to the management representation letter that will be provided upon receipt.
Disagreements with management	There were no disagreements with management about matters, whether or not satisfactorily resolved, that individually or in aggregate could be significant to the System's financial statements or to our auditor's report.
Significant difficulties encountered during the audit	There were no significant difficulties encountered during the audit.
Matters that are difficult or contentious for which the auditor consulted outside the engagement team	There were no difficult or contentious matters that we consulted with others outside the engagement team that we reasonably determined to be relevant to those charged with governance regarding their oversight of the financial reporting process.

Independence

Our engagement letter to you dated February 25, 2025, describes our responsibilities in accordance with professional standards and certain regulatory authorities and Government Auditing Standards regarding independence and the performance of our services. This letter also stipulates the responsibilities of the System with respect to independence as agreed to by the System. Please refer to that letter for further information.



Year-end Inquiries of Those Charged with Governance



Obtaining Information from Those Charged with Governance

As we complete our audit procedures, we perform final inquiries related to fraud and other matters to help inform any changes to our audit strategy and execution of our audit procedures. As part of the upcoming meeting with you, we would like to discuss the following topics with you to understand any matters of which you believe we should be aware since we last performed similar inquiries, including, but not limited to:

- ▶ Your views about the risk of material misstatements due to fraud, including the risk of management override of controls
- ▶ How you exercise oversight over the System's assessment of fraud risks and the establishment of controls to address these risks
- ▶ Your awareness of any actual, alleged or suspected fraud or illegal acts affecting the System
- ▶ Your awareness of tips or complaints regarding the System's financial reporting and your response to such tips and complaints
- ▶ Your awareness of other matters relevant to the audit including, but not limited to, violations or possible violations of laws or regulations
- ▶ Your awareness of any investigations or legal proceedings that have been initiated or are in process with respect to the period under audit.
- ▶ Your awareness of any significant communications between the System and regulators
- ▶ Your understanding of the System's relationships and transactions with related parties that are significant to the System
- ▶ Any business relationships between a BDO firm and the System or its affiliates
- ▶ Whether the System has entered into any significant unusual transactions
- ▶ Your awareness of any other information that is important to the identification and assessment of risks of material misstatement

Other Topics



BDO's System of Quality Management

An effective quality management system in an audit firm is crucial for supporting the consistent performance of high-quality audits and reviews of financial statements, or other assurance or related services engagements under professional standards, and applicable legal and regulatory requirements.

Accordingly, BDO has implemented a system of quality management designed to provide reasonable assurance that its professionals fulfill their responsibilities and conduct engagements in accordance with those professional standards, and legal and regulatory requirements. The firm's system of quality management supports the consistent performance of quality audits through many ongoing activities including, at least annually, certification by leaders with responsibility for key controls and related processes. Our Assurance Quality Management team performs regular reviews and testing of key controls and processes throughout the system of quality management and identifies and communicates areas for improvement. In addition, our Audit Quality Advisory Council supports our system of quality management by providing guidance and input on audit quality initiatives.

As required by International Standard on Quality Management 1 (ISQM 1) under the International Auditing and Assurance Standards Board (IAASB), BDO has conducted an evaluation of the effectiveness of its system of quality management and concluded, as of July 31, 2023, that, except for certain deficiencies related to the execution of its issuer audits, that system provides the reasonable assurance that our professionals will perform audits and reviews of financial statements or related assurance services engagements in accordance with professional standards, and applicable legal and regulatory requirements. BDO has either implemented or is designing remedial actions to address those deficiencies prior to our next evaluation.



We will continue to provide you with updates on our progress. Currently, you may find discussion of BDO's system of quality management within our annual [Audit Quality Reports](#), the most recent of which is accessible [here](#).

[CLICK HERE TO ACCESS IAASB ISQM-1 IN ITS ENTIRETY >](#)

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DISCUSSION SHEET

ITEM #C2

Topic: 2024 Annual Comprehensive Financial Report

Discussion: Staff will present the 2024 Annual Comprehensive Financial Report.

Staff

Recommendation: **Authorize** the Executive Director to issue the 2024 Annual Comprehensive Financial Report and to forward the report to the Pension Review Board, the City of Dallas and to post it on the DPFP website.

Regular Board Meeting – Thursday, November 13, 2025



DISCUSSION SHEET

ITEM #C3

Topic: **Report on Audit Committee Meeting**

Discussion: The Audit Committee met with representatives of BDO on November 13, 2025 to review the 2024 Financial Audit. The Committee Chair will comment on the meeting.

Regular Board Meeting – Thursday, November 13, 2025



DISCUSSION SHEET

ITEM #C4

Topic: **Second Reading and Discussion of the 2026 Budget**

Discussion: Attached is the budget proposal for Calendar Year 2026.

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 2026 budget was at the October 9, 2025, Board meeting. The proposed budget was posted on the DPFP website and submitted to the City of Dallas for comment.

Since the first presentation of the proposed budget, the total 2026 proposed budget has increased \$43K to incorporate the change to the contribution rate for the employee retirement plan with Texas Municipal Retirement System (TMRS).

Staff

Recommendation: **Approve** the proposed 2026 budget and **authorize** the Board Chairman and Executive Director to execute the TMRS resolution increasing the employee contribution rate effective January 1, 2026.

Regular Board Meeting – Thursday, November 13, 2025



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 DFPF 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, Jackson Walker, Segal and Albourne.

Regular Board Meeting – Thursday, November 13, 2025



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.

Regular Board Meeting – Thursday, November 13, 2025

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		187
DROP - Join	2	2	0	0	0	0	0	0	0	4	1		9
Estate Payments	6	7	8	9	3	4	3	9	6	9	4		68
Survivor Benefits	4	11	4	9	3	4	1	5	3	7	3		54
Retirements	7	10	8	9	10	7	11	13	8	9	9		101
Alternate Payees	0	0	2	1	2	1	2	1	2	4	1		16
Spouse Wed After Retirement	0	0	0	1	0	0	0	0	0	0	0		1
Service Purchases	1	1	0	0	2	2	1	1	2	1	1		12
Earnings Test	0	0	0	0	0	0	11	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

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



DISCUSSION SHEET

ITEM #C7

Topic: City Contribution Update

Discussion: Staff will update the Board on the accumulated amount of City Contributions paid compared to the City Contributions due under the law.

Regular Board Meeting – Thursday, November 13, 2025

City Regular Plan Contributions								
Pay Period Date	Computation Pay	City Normal Cost Payment (\$ of Comp. Pay) ⁽¹⁾	City UAL & Admn. Payment (Fixed \$)	City Total Payment	DPFP Plan Normal Cost (% of Comp. Pay) ⁽¹⁾	DPFP Plan UAL & Admn. Payment (Fixed \$)	City Contributions Due under Based on Current Law (DPFP Plan) as Confirmed by the Court	Contribution Shortage
FY 2024 Shortage - City Commitment (\$184,733,285 minus \$181,798,953.77)								\$ 2,934,331
FY 2025 Shortage (DPFP Plan \$215,098,000 less City Payments \$204,888,392.20 based on the City Resolution, the City number includes \$3,707,319.89 catch up payment made after the end of the FY)								\$ 10,209,608
City Contributions								
10/1/2024-10/7/2024	\$ 21,670,880	\$ 1,456,283	\$ 7,172,385	\$ 8,628,668	\$ 1,503,959	\$ 8,769,696	\$ 10,273,655	\$ 1,644,987
10/8/2024 -10/21/2024	\$ 21,682,679	\$ 1,431,057	\$ 7,172,385	\$ 8,603,441	\$ 1,504,778	\$ 8,769,696	\$ 10,274,474	\$ 1,671,032
FY 2026 YTD Shortage	\$ 43,353,558	\$ 2,887,340	\$ 14,344,769	\$ 17,232,109	\$ 3,008,737	\$ 17,539,392	\$ 20,548,129	\$ 3,316,020
Total Shortage								\$ 16,459,959



DISCUSSION SHEET

ITEM #C8

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

Discussion: Per the Education and Travel Policy and Procedure, planned Trustee education and business-related travel and education which does not involve 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 13, 2025

**Future Education and Business Related Travel & Webinars
Regular Board Meeting – November 13, 2025**

REQUESTED APPROVED

- 1. Conference:** **NCPERS 2026 Legislative Conference & Policy Day**
Dates: January 25 – 28, 2026
Location: Washington, DC
Est Cost: \$670

- 2. Conference:** **NCPERS Communications & Member Services Summit**
Dates: March 2 – 4, 2026
Location: San Diego, CA
Est Cost: \$800



DISCUSSION SHEET

ITEM #C9

Topic: Board Members' Reports on Meetings, Seminars and/or Conferences Attended

Discussion:

Conference:	NCPERS Accredited Fiduciary Program (NAF)	MT, MS
Dates:	October 25-26, 2025	
Location:	Fort Lauderdale, FL	
Conference:	NCPERS Financial, Actuarial, Legislative & Legal (FALL) Conference	MT
Dates:	October 26-29, 2025	
Location:	Fort Lauderdale, FL	

Regular Board Meeting – Thursday, November 13, 2025



DISCUSSION SHEET

ITEM #C10

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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DISCUSSION SHEET

ITEM #C11

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

Discussion: The Investment Advisory Committee met on October 23, 2025. The Committee Chair and Investment Staff will comment on Committee observations and advice.

Regular Board Meeting – Thursday, November 13, 2025



DISCUSSION SHEET

ITEM #C12

- Topic:** Possible New Private Credit Commitments
- Attendees:** Spencer Edge, Senior Portfolio Analyst – Albourne
- Discussion:** Staff conducted a private credit search with the assistance of Albourne. The Private Markets Sub-Committee of the Investment Advisory Committee provided interviewed the finalist firm after reviewing the Staff Recommendation, Albourne IDD and Albourne ODD. Staff and Albourne will discuss the search process and provide an overview of the recommended strategy.
- Recommendation:** Available at meeting.

Regular Board Meeting – Thursday, November 13, 2025



DISCUSSION SHEET

ITEM #C14

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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>	Investment Fee Documents 08 29 2018	Main Board +1	⋮
>	Education and Travel	Main Board	⋮
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>	Existing Agreements	Main Board	⋮
>	Plan Documents	Main Board	⋮
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> 3.013(b)(3) Rulemaking Authority and Limitations

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> 3.013(b)(4) Audit

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> 3.013(b)(5)(A) Laws, Open Meetings, Public Info, Admn Procedures, Conflicts

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> 3.013(b)(5)(B) Other Laws Applicable

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> 3.013(b)(6) Code of Ethics and Governance Policy

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> 3.013(b)(7) Training Regarding the Risks of Investing in Alternative Investments

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3.013(b)(1) Law Governing DPFP Operations

 b1 Att 1 Art. 6243a-1. PENSION SYS POLICE FIREFIGHTERS

 b1 Att 2 1999_Supplemental Plan doc

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3.013(b)(2) Programs, Functions, Rules, Budget

 2026 Consolidated Budget - First Reading Oct. 9, 2025

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3.013(b)(3) Rulemaking Authority and Limitations



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3.013(b)(5)(A) Laws, Open Meetings, Public Info, Admn Procedures, Conflicts

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b5A Attorney General's Open Meetings_handbook

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b5A Attorney General's Public Information Act_handbook

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b5A Government Code Chapter 551 - Open Meetings

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b5A Government Code Chapter 552 - Public Info Act_Open Records

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b5A Local Government Code Chapter 171-Regulation Conflicts of Inte

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b5A Local Government Code Chapter 176-Disclosure Certain Relations

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3.013(b)(5)(B) Other Laws Applicable

3.013(b)(5)(B) Other laws applicable to a trustee in performing the trustee

b5B Government Code Section 802 - Administrative Requirements

Tex Const. Article 16 Sections 66 & 67

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3.013(b)(6) Code of Ethics and Governance Policy

b6 Att 1 Board of Trustee and Emp Ethics And Code Of Conduct Policy 01 11 2018

b6 Att 2 Governance Conduct Policy 02 08 2018

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3.013(b)(7) Training Regarding the Risks of Investing in Alternative Investments

b7 Investments 101_alternatives

b7 Att 2 Meketa Private Equity Primer

 Diligent

2025.21

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**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 DPFPP other than an interest incidental to the System Representative's membership in a large class such as that of participants in DPFPP (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).



Board of Trustee and Employees Ethics And Code Of Conduct Policy
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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.



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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.



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E. Conflicts of Interest and Prohibited Transactions (continued)

2. In addition, any goods, services, or facilities furnished by DFPF to any person shall be used for the exclusive benefit of DFPF 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 DFPF 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 DFPF 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 DFPF are higher than the target allocation for such asset class in the Investment Policy Statement; or
 - iii. The Investment Entity is in negotiations with DFPF 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 DFPF employees that, in the Chief Investment Officer’s opinion, might potentially be affected by this section (the “Affected Employees”). Additionally, prior to departure for DFPF-related travel, Trustees and Affected Employees shall be issued the most current Black-out List.



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E. Conflicts of Interest and Prohibited Transactions (continued)

- E. Notwithstanding any other DFPF 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 DFPF.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 DFPF 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 DFPF.

¹ Chapter 176, Texas Local Gov't Code.



Board of Trustee and Employees Ethics And Code Of Conduct Policy
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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)

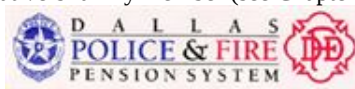
Vendor a Permitted Benefit or Gift due to a Prior Relationship as described in the sentence above, a System Representative shall report to the Board any Benefit or Gift received from such Vendor or prospective Vendor which would not reasonably be considered similar to the Prior Benefits or Gifts. The 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 Gift²

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.

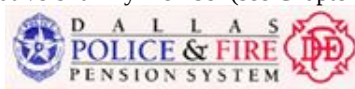
² In all scenarios, the Vendor does not have a separate employment or other business relationship with the System Representative or the System Representative's family member (see Chapters 171 and 176 for details).



G. Examples of Situations That Involve a Permitted Benefit or Gift³ (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 Gift⁴ (continued)

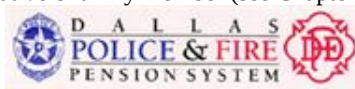
game was attended by a representative of the company, the basketball game was a Permitted Benefit or Gift, even though the value was over \$50. However, because the tickets were valued at over \$100, it must be reported under Chapter 176 because the System Representative received a Gift from the Vendor 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).



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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>.



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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.



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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.



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.

- a. DPFP v. City of Dallas**
- b. Dallas Police Retiree Association v. DPFP**

Discussion:

Counsel will brief the Board on these issues.

Regular Board Meeting – Thursday, November 13, 2025



DISCUSSION SHEET

ITEM #D1

Topic: Public Comment

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

Regular Board Meeting – Thursday, November 13, 2025



DISCUSSION SHEET

ITEM #D2

Topic: Executive Director's Report

- a. Associations' newsletters
 - [NCPERS Monitor \(November 2025\)](#)
 - [NCPERS PERSist \(Fall 2025\)](#)
- b. Open Records

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

Regular Board Meeting – Thursday, November 13, 2025