

"Provide retirement and superior service to advance
the financial security of our members"

July 30, 2018

VIA E-MAIL PRB@PRB.STATE.TX.US

Texas Pension Review Board
P. O. Box 13498
Austin, Texas 78711-3498

TO WHOM IT MAY CONCERN:

The Employees' Retirement Fund of the City of Dallas has attached the following documents
(as of December 31, 2017):

1. PRB-100
2. PRB-200
3. PRB-300
4. PRB-400
5. PRB-1000
6. 2017 Annual Financial Report
7. 2017 Actuarial Valuation Report
8. General Investment Policy (revised October 2017)

Best regards,



Cheryl D. Alston
Executive Director

Attachments

Pension Review Board

P.O. Box 13498, Austin, TX 78711 • FAX: (512)463-1882 • (800)213-9425 or (512)463-1736

Please fill in only portions of form that pertain to your pension plan

prb@prb.state.tx.us

PENSION SYSTEM REGISTRATION

PRB-100

RETIREMENT SYSTEM PROFILE

System Name and Mailing Address
 Employees' Retirement Fund of the City of Dallas
 1920 McKinney Avenue, 10th Floor, Dallas, TX 75201

John D. Jenkins
 CEO, Chairperson or other key contact

214-580-7700 214-580-3515
 Phone Number Fax Number

calston@dallaserf.org
 E-mail Address

http://www.dallaserf.org
 Web Address

ADMINISTRATOR PROFILE

Company Name and Mailing Address
 Employees' Retirement Fund of the City of Dallas
 1920 McKinney Avenue, 10th Floor, Dallas, TX 75201

Cheryl D. Alston
 Contact Person

214-580-7700 214-580-3515
 Phone Number Fax Number

calston@dallaserf.org
 E-mail Address

http://www.dallaserf.org
 Web Address

SYSTEM BACKGROUND INFORMATION

Dallas City Code Chapter 40A

1944 12/31/2017
 Year Plan Created Plan's Fiscal Year End

Specify plan statute, ordinance, or charter governing the system

Benefit Type: Defined Benefit Defined Contribution Other: _____

Participant Desc: General Employees Police Fire Volunteer Fire Other: _____
(check all that apply)

Are employees covered by Social Security? Yes No

If yes, are pension benefits offset by Social Security payments? Yes No

RETIREMENT SYSTEM GOVERNING BODY

Need to report more than 6 members? Please attach a separate sheet.

Name	Position	Occupation	Mailing Address	Phone Number
John D. Jenkins	Board Chair	Deputy Director	1920 McKinney Avenue, 10th Floor Dallas, TX 75201	214-580-7700
Carla D. Brewer	Board Vice Chair	Manager	1920 McKinney Avenue, 10th Floor Dallas, TX 75201	214-580-7700
Randy Bowman	Board Trustee	Self-Employed	1920 McKinney Avenue, 10th Floor Dallas, TX 75201	214-580-7700
Craig Kinton	Board Trustee	City Auditor	1920 McKinney Avenue, 10th Floor Dallas, TX 75201	214-580-7700
Lee Kleinman	Board Trustee	City Councilmember	1920 McKinney Avenue, 10th Floor Dallas, TX 75201	214-580-7700
Dr. John W. Peavy III	Board Trustee	President/Chief	1920 McKinney Avenue, 10th Floor Dallas, TX 75201	214-580-7700

CERTIFICATION

I hereby certify that the information provided above is complete and accurate and that I am duly authorized by the pension system to complete this form.


 Authorizing Signature

7/30/18
 Date

Cheryl D. Alston
 Printed Name

 Name(s) of other form contributors

RETIREMENT SYSTEM GOVERNING BODY				continued
Name	Position	Occupation	Mailing Address	Phone Number
Tina B. Richardson	Board Trustee	Interim Asst Director Street Services	1920 McKinney Avenue, 10 th Floor Dallas, TX 75201	214- 580-7700

Pension Review Board

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BENEFITS AND MEMBERSHIP REPORT PRB-200

RETIREMENT SYSTEM PROFILE

Employees' Retirement Fund of the City of Dallas	214-580-7700
System Name	Phone Number
Cheryl D. Alston	calston@dallaserf.org
Report Contact Name (Please Print)	E-mail Address

BACKGROUND INFORMATION

November 2016 - Effective January 1, 2017
 Last Plan Amendment Date

5 years
 Vesting Period

Tier A: 60 or 55 if credited service began <5/9/1972 or 30 years credited
 Normal Eligibility Requirements (Age + Service)

Tier A: Rule of 78 if 50 or more years of age, Tier B: Rule of 80 if 65 or
 Early Retirement Eligibility Requirements (Age + Service)

N/A
 DROP Eligibility Requirements (Age + Service)

None
 Minimum Benefit

100% final average earning
 Maximum Benefit

FORMULAS AND BENEFITS

Normal Retirement Benefit Formula

Tier A: $2.75\% \times \text{FAE} \times \text{credited service (max 36.3636 yrs)}$
 + \$125 health supplement prorated for < 5 yrs credited
 service. Tier B: $2.50\% \times \text{FAE} \times \text{credited service (max 40 yrs)}$

Service-Related Disability Benefit Formula

Same as normal but calculated based on minimum 10
 years credited service (minimum \$1000 monthly
 pension)

Service-Related Survivor Benefit Formula

Same as above but actuarially reduced for joint & 100%
 survivor option

Nonservice-Related Disability Benefit Formula

Same as normal w/minimum 5 years credited service for
 active; minimum 10 years credited service for vested
 members

Nonservice-Related Survivor Benefit Formula

Same as above but actuarially reduced for joint & 100%
 survivor option


MEMBERSHIP REPORT

Active Members	7,838
Retirees and Beneficiaries	7,042
Terminated Vested	1,248
Total Members	16,128

CERTIFICATION

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Note: For e-mail submissions, by typing your name on the signature line below you are signing this document.

 Authorizing Signature	Cheryl D. Alston Printed Name
7/30/18 Date	

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FINANCIAL STATEMENT REPORT **PRB-300**

RETIREMENT SYSTEM PROFILE

Employees' Retirement Fund of the City of Dallas	214-580-7700
System Name	Phone Number
Cheryl D. Alston	calston@dallaserf.org
Report Contact Name (Please Print)	E-mail Address

ANNUAL FINANCIAL REPORT

Cash and Cash Equivalents	\$ 406,033,000
Receivables	\$ 482,506,000
Investments Valued at: <u>fair, estimated fair</u> (i.e. fair, book, market, etc.)	
Fixed Income	\$ 930,414,000
Equities	\$ 2,049,660,000
Real Estate	\$ 302,767,000
Other Assets	\$ 210,182,000
Total Assets	\$ 4,381,562,000
Total Liabilities	\$ 769,302,000
Net Assets	\$ 3,612,260,000

FINANCIAL BACKGROUND DATA

12/31/2017
Financial Statement Date (mm/dd/yyyy)
12/31/2017
Fiscal Year End (mm/dd/yyyy)
13.29 %
1 Year Rate of Return (% Net of Fees)
Grant Thornton LLP
Auditing Firm Name
The Northern Trust Company
Custodian Firm Name
Wilshire Associates (Investment Consultant)
Investment Management Firm
Gabriel Roeder Smith & Company
Actuarial Firm

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 _____ Authorizing Signature	 _____ Printed Name
_____ Date	

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ACTUARIAL REPORT

PRB-400

RETIREMENT SYSTEM PROFILE

Employees' Retirement Fund of the City of Dallas

System Name

Cheryl D. Alston

Report Contact Name (Please Print)

214-580-7700

calston@dallaserf.org

Phone Number

E-mail Address

ACTUARIAL VALUATIONS Date of Actuarial Valuation: 12/31/2017

Actuarial Value of Assets (AVA) \$ 3,601,612,000

Actuarial Accrued Liability (AAL) \$ 4,377,844,000

Unfunded Actuarial Accrued Liability (AAL-AVA) \$ 776,232,000

Funded Ratio (AVA/AAL) 82.3 %

Covered Payroll \$ 421,269,000

UAAL as % of Covered Payroll ((AAL-AVA)/Covered Payroll) 184.26 %

Present Value of Future Benefits \$ 4,933,111,000

ACTUARIAL BACKGROUND

Gabriel Roeder Smith & Company

Actuarial Firm

36 %

Recommended Contribution Rate

36 %

Actual Contribution Rate

UAL Payment Rate

20.04 %

Normal Cost Rate

30 (years)

Amortization Period

13.32 %

Employee Contribution Rate

22.68 %

Employer Contribution Rate

36 %

Total Contribution Rate (Employee CR + Employer CR)

ACTUARIAL ASSUMPTIONS

Entry Age Normal

Actuarial Cost Method (Entry Age Normal, Standard Unit Credit, etc.)

Market

Asset Valuation Method (i.e. Book, Market, etc.)

3.25 % 2.75 % 7.75 %

Proj. Salary Increase Proj. Payroll Growth Investment Return

2.75 % RP - 2000 using improvement scale BB for health retirement

Inflation Component Mortality Table

N/A

Detail of Assumption Changes

Amortization Method: Level Dollar Level % Other: _____

Market Smoothing? ⁵ _____ years

COLA Adjustment Method: Adhoc Automatic

COLA Adjustment Calculation: Simple Compound

2.05 %

COLA Adjustment Rate

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Authorizing Signature

Printed Name

Date

[Handwritten Signature]
7/30/18

Cheryl D. Alston

Pension Review Board

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INVESTMENT RETURNS AND ASSUMPTIONS REPORT

PRB-1000

Retirement System Profile

Employees' Retirement Fund of the City of Dallas	214-580-7700
System Name Cheryl D. Alston	Phone Number: (xxx) xxx-xxxx calston@dallaserf.org
Report Contact Name (Please Print)	E-mail Address

Actual Rate of Return

(Most Recent 10 Fiscal Years)

Fiscal Year End (MM/DD/YYYY)	Net Return (Percent)	Gross Return (Percent)	Gross Return Methodology	
			Not Net of Admin Expenses	Net of Admin Expenses
12/31/2008	-31.31%		<input checked="" type="radio"/>	<input type="radio"/>
12/31/2009	30.35%		<input checked="" type="radio"/>	<input type="radio"/>
12/31/2010	15.77%		<input checked="" type="radio"/>	<input type="radio"/>
12/31/2011	.86%		<input checked="" type="radio"/>	<input type="radio"/>
12/31/2012	14.29%		<input checked="" type="radio"/>	<input type="radio"/>
12/31/2013	16.75%		<input checked="" type="radio"/>	<input type="radio"/>
12/31/2014	6.50%		<input checked="" type="radio"/>	<input type="radio"/>
12/31/2015	-1.77%		<input checked="" type="radio"/>	<input type="radio"/>
12/31/2016	9.17%		<input checked="" type="radio"/>	<input type="radio"/>
12/31/2017	13.29%		<input checked="" type="radio"/>	<input type="radio"/>

Gross Return Methodology - In the last column, please indicate the methodology used to calculate each gross return presented as either: The Gross Return is not net of administrative expenses or the Gross Return is net of administrative expenses.

Actuarial Assumed Rate of Return

(Most Recent 10 Actuarial Valuations)

Valuation Date (MM/DD/YYYY)	Assumed Return (Percent)	Assumed Return Methodology		
		Net All Expenses	Net Investment Fees Only	Other
12/31/2008	8.25%	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
12/31/2009	8.25%	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
12/31/2010	8.25%	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
12/31/2011	8.25%	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
12/31/2012	8.25%	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
12/31/2013	8.25%	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
12/31/2014	8.0%	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
12/31/2015	8.0%	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
12/31/2016	7.75%	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
12/31/2017	7.75%	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>

Assumed Return Methodology - In the last column, please indicate the methodology underlying each assumed rate of return as either: The return is net of all expenses; the return is net of investment fees; or, "Other". If "Other", please describe methodology used in **Additional Comments** section.

Information provided in this document may be based on methodologies assumed to be reasonable by the reporting entity. The information provided herein may be unaudited and is considered the best approximation of the plan at the time of submission. Additionally, the information provided in this document must be based on the fiscal year of the public retirement system submitting the report.

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LONG-TERM RATES OF RETURN

PRB-1000

Annualized Rolling Rate of Return Information

Please check the appropriate box for the methodology used to calculate the rates of return requested in the following section:

Arithmetic Mean Geometric Mean (Time-Weighted Return) Internal Rate of Return

Most Recent	1-Year Period	3-Year Period	10-Year Period	30-Year or Since Inception Period
Rolling Gross				
Rolling Net	13.29%	6.74%	6.22%	8.53%

*If the system's inception date is less than 30 years from the report date, please enter the inception date:

Date of Inception (MM/DD/YYYY)

RETURNS AND ASSUMPTIONS – ADDITIONAL COMMENTS

Please use this text box to provide any additional information or commentary that may help clarify information provided in the previous form.

Actual Rate of Return - net of investment fees only

Annualized Rolling Rate of Return - net of investment fees only

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RETURNS AND ASSUMPTIONS – UNAVAILABLE INFORMATION

PRB-1000

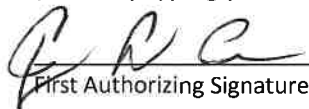
Please list any unavailable information requested in this form in the text box below, including an explanation of why the information is unavailable. Completion of this form fulfills the requirements stated in Section 802.108 (c) of Texas Government Code.

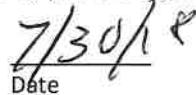
By marking this box, I certify that the information provided is accurate based on the methodology used; and that the retirement system for which this form is being provided agrees to a timely submission of the unavailable information if it becomes available.

CERTIFICATION

I certify that, as an official representative of the retirement system for which this report is being presented, I have the authority to provide the requested information, and that I have verified, to the best of my knowledge, that the information presented is complete, as far as indicated, and accurate.

(Note: By typing your name below, you are signing this document.)


First Authorizing Signature


Date

Executive Director and Chief Investment Officer
Title of First Authorizer


214-580-7700

First Authorizer Phone Number

calston@dallaserf.org

First Authorizer Email


Second Authorizing Signature


Date

Deputy Director

Title of Second Authorizer

214-580-7700

Second Authorizer Phone Number

detheridge@dallaserf.org

Second Authorizer Email

Information provided in this document may be based on methodologies assumed to be reasonable by the reporting entity. The information provided herein may be unaudited and is considered the best approximation of the plan at the time of submission. Additionally, the information provided in this document must be based on the fiscal year of the public retirement system submitting the report.