

Focus



Employees' Retirement Fund
of the City of DALLAS ®

February 2017

Dallas ERF Earns a Robust 9.08% in 2016

From the desk of ERF's Executive Director - Cheryl D. Alston

Happy New Year!

The Employees' Retirement Fund of the City of Dallas (ERF) investment portfolio generated a return of 9.08% (net of fees) for calendar year 2016, ending the year with \$3.3 billion in assets. ERF has performed well over longer time periods, with a 5 year return of 8.8% and a 30 year return of 8.5%.

The best performing asset class in 2016 was Public Real Assets. Public Real Assets include investments in energy Master Limited Partnerships (MLPs). Energy MLPs invest in energy infrastructure in the United States including pipelines, natural gas, gasoline, oil, storage, terminals, and processing plants. ERF's MLP managers earned 23.1% exceeding the Alerian MLP Index benchmark of 18.3%. ERF also has investments in both Global Equity and Global Low Volatility portfolios. Global Low Volatility portfolios screen out high volatility stocks to limit downside risk. The Global Low Volatility portfolio earned 8.3% and the Global Equity portfolio earned 5.5%.

ERF's Domestic Equity portfolio earned 13.4%, exceeding the S&P 500 Index return of 11.96%. ERF's investment in International Equity was also positive, with a return of 4.9% for 2016, exceeding the MSCI ACWI ex USA IMI Index of 4.4%. ERF Real Estate investments generated 4.8% for the year. The Real Estate investments consist of publicly traded Real Estate Investment Trusts (REITs) as of December 31, 2016 and domestic private real estate funds as of September 30, 2016. The reporting of Private Equity returns always lag a quarter behind. As of the last reported quarter of September 30, 2016, Private Equity returned 4.3%.

Fixed Income is 30% of the ERF investment portfolio. Our investment in Global Fixed Income returned 3.9% exceeding the respective Barclays Aggregate benchmark of 2.7%. ERF's high yield investments also posted a positive return of 14.3%.

While 2016 was generally another volatile year for the stock market, I want to thank the Board members for their discipline, patience, and investment expertise. As pension fund investors, we have to remember to focus on the long term investment horizon. I would also like to commend the ERF staff for their diligence and commitment to providing excellent services to employees and pensioners.

In summary, active members, terminated employees with a vested pension and retirees should feel confident that ERF remains sound and your retirement benefits are safe and secure. We welcome your questions, comments, or suggestions.

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2016 ERF
Member Meetings
& Seminars

"It is our mission to provide retirement benefits and superior service to advance the financial security of our members."

New Tier B Retirement Plan - What You Should Know

Recent studies find that people are living longer. To account for the additional costs associated with longer life spans, the Employees' Retirement Fund (ERF) recommended changes to the pension plan for new employees. The ERF Board, City Council and Dallas voters approved Proposition 1 to save \$2 billion in future funding costs by establishing a new tier of benefits.

January 1, 2017, the Employees' Retirement Fund (ERF) implemented a new tier of benefits, Tier B, for City of Dallas employees hired **after December 31, 2016**. These benefit changes do **NOT** impact the benefits of any active, deferred vested or retired members of ERF hired before December 31, 2016.

TIER A BENEFITS

Multiplier - 2.75%
Normal Retirement - Age 60
Service Retirement - 30 Years of Service
Rule of 78
Final Average Pay - Best of 3 Years or last 36 Months
Health Benefit Supplement - Up to \$125
Retiree Cost of Living Adjustment Maximum - 5%

TIER B BENEFITS

Multiplier - 2.50%
Normal Retirement - Age 65
Service Retirement - 40 Years of Service
Rule of 80
Final Average Pay - Best of 5 Years or last 60 Months
Health Benefit Supplement - None
Retiree Cost of Living Adjustment Maximum - 3%

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Our Sincere Sympathy To The Families Of Our Deceased Members

September 2016 - December 2016

DEPARTMENT	AGE	DEPARTMENT	AGE	DEPARTMENT	AGE
Aviation		Health & Human Services		Sanitation Services	
Preston O'Neal	87	Fred M. Barnes	82	Chester S. Harden	73
				Danny R. Hulsey	62
City Controller's Office		Library		Street Services	
Fred C. Chang	65	John A. Nordstrom	83	Carolyn J. Matthews	71
		Ellen A. Stamelos	74	Van G. Cook	70
Communication & Information Services		Park & Recreation		Carolyn J. Flemings	64
Paul D. Call	87	Pauline Daniels	90		
		Billy F. Murkledove	72	Street & Sanitation	
Convention & Event Services		Darlene Session	66	Gregory Hernandez	98
Donald L. Jones	66	Jesus O. Padilla	64	Alvin Clewis	95
		Larry D. Peck	61	Elias R. Lucio	85
Environmental & Health Services		James F. Johnson	52	Roy C. Cummings	77
Jeanne Joseph	89				
Argemiro Bustista	73	Office of Cultural Affairs		Trinity Watershed Management	
Margaret A. Hatcher	71	John K. Pytcher	55	Mary E. Lyons	43
Equipment & Building Services		Police		Water Utilities	
Kenneth R. Adway	71	Jerry G. Pollard	81	Serban Constantinescu	85
Loretta Conaway	67	Jimmie R. Rodgers	80	Robert Swanson	78
Delia A. Perez	59	Bette K. Hand	67	Yandell J. Burge	77
		Gloria Z. Martinez	64	Thomas M. Fryman	70
Fire		Shirley A. Council	60	Neil H. Casteel	66
Loretta Schauer	73			Richard D. Flowers	62
		Public Works & Transportation		Kendrick D. Forrest	39
General Services		Max Porter	80		
Jose Altamero	82	Arlis M. Wilks	79		
		Nancy K. Kipriotis	73		
		David M. Krebs	69		

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ADDITIONAL PLAN CHANGES

RESTRICTED PRIOR SERVICE CREDIT

Restricted prior service credit is a benefit available to Tier B members only. If you worked for a federal, state or local government entity and you complete a Restricted Prior Service Credit Form within three years of your plan entry date, you may receive credit for vesting and eligibility purposes only. Credit received will not be used for calculating a pension benefit.

MONTHLY BENEFIT FOR SERVICE CONNECTED DEATH

The minimum monthly benefit for service related deaths has been increased from \$500 to \$1000 for both Tier A **and** Tier B members.

MONTHLY BENEFIT FOR DISABILITY RETIREMENT

The minimum monthly benefit for disability retirement has been increased from \$500 to \$1000 for both Tier A **and** Tier B members.

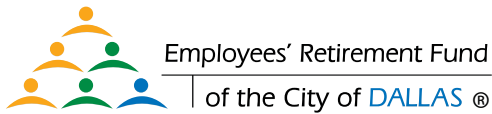
Visit www.dallaserf.org/changes-to-chapter-40A to read more or, if you have additional questions, call ERF at 214-580-7700.



Congratulations To Some Of Our Newest Retirees!

Employees who retired in the months of September 2016 - December 2016 and agreed to let us share the news are listed by their department and years of City service.

DEPARTMENT	SERVICE	DEPARTMENT	SERVICE	DEPARTMENT	SERVICE
Aviation		Library		Street Services, cont.	
Robin M. Dickens	25	Nancy E. Kennamer	21	Kenneth R. Epperson	28
				Bobby R. Allen	23
City Attorney's Office		Management Services		Jose L. Gallegos	21
Evelyn L. Johnson	7	Jose L. Torres	13		
				Sustainable Development & Construction	
City Secretary's Office		Park & Recreation		Stevie R. Coulter	32
Brenda K. Neyra	10	Jerry L. Foote	40		
		Fred Thompson	34	Trinity Watershed Management	
Code Compliance Services		Daunisha C. Parks	26	Donna G. Dones	11
Carter R. Robinson	9	Jerald L. Morgan	24		
		Aloise M. Erims	19	Water Utilities	
Communication & Information Services		Amie R. Sudds	7	Patricia A. Jones	33
Michael Puente	18			Margaret J. Williams	32
		Police		Gary W. Lewis	32
Court & Detention Services		Sandra M. Jones	26	James W. Modesitt	32
Vanessa L. Stewart	32			Michael A. Simpson	31
Cysenthia C. Wilson	3	Sanitation Services		Monique R. Smith	30
		Sherman Sampson, Jr.	32	Harold C. Irving	29
Equipment & Building Services		Charles E. Smith	26	James L. Yellowfish	27
Robert L. Rodriguez	27	John A. Barlow, IV	21	Bennie J. White, III	27
Ronald E. Ritchie	19	Zachary O. Guthrie	15	Carol R. Davis	18
Cornell Jackson	17			Richard L. Statser	17
		Street Services		Lafayette Register	13
Housing & Community Services		Wayne L. Kruger, Jr.	32	Karen S. Kahler	7
Esther Hernandez	30	Ariel P. Gonzalez	30		
Joseph Hillenbrand	27	Michael T. Alford	28		



Employees' Retirement Fund
of the City of DALLAS®

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RETIREMENT strategy

The 2017 theme challenges members to develop a retirement strategy. It's never too early to plan for retirement and answer questions like; where will you live, what will you be doing, will you have enough income and much more. Throughout 2017, ERF will continue to add new features in the myERF portal to improve member access to personal information, visit myERF to keep up to date, www.dallaserf.org/myERF.

2017 brought with it a new tier of benefits. Tier B was implemented January 1, 2017, for all new employees, *current members pension benefits will remain the same*. ERF staff and trustees will travel to work locations throughout the City and host informal Member Sessions from July through September. Sessions offer an opportunity for groups of 25 or more to learn about Tier B, their pension benefits, get updates on the state of the Fund, and to have their questions answered.

Visit our website www.dallaserf.org/member-meetings to request a summer session at your job site. A full schedule of the meetings will be posted on our website in June.

ERF will host six Pre-Retirement Seminars this year. These all-day seminars will help you plan your retirement strategy. The 2017 seminars dates are listed below.



To register for a Pre-Retirement Seminar, visit our website, www.dallaserf.org/member-meetings. Registration will begin at 9 AM, 30 days before each session date. You will know registration is open when the registration link below the seminar date is bold and the color blue. If you are retiring within a few months and are having difficulty securing a spot in the next Pre-Retirement Seminar, let us know. We will do our best to accommodate you.