



D A L L A S  
**POLICE & FIRE**  
P E N S I O N S Y S T E M



2301 North Akard Street, Suite 200

Dallas, Texas 75201

*“Serving Those Who Protect  
the Dallas Community”*

**Condensed  
Annual  
Report for  
Pensioners**

# Condensed Annual Report for Pensioners

## Overview: Pension System continues to be strong and sound

The Board of Trustees and staff of the Dallas Police and Fire Pension System are pleased to present highlights from the *2001 Annual Report*. The Dallas Police and Fire Pension System provides comprehensive retirement, death, and disability benefits for the City's approximately 7,373 Police Officers, Firefighters, Pensioners, and their beneficiaries. Established in 1916, the System recently celebrated its 85th anniversary of ensuring the financial future of its Members and their families.

In 2001, the System paid more than \$83 million to almost 3,000 Pensioners and beneficiaries. Our number one priority is to ensure that pension checks are paid correctly and on time.

The System remains financially sound, even though declining financial markets caused the market value of the System to decrease from \$2.04 billion to \$1.9 billion as of December 31, 2001. The annual return for 2001 was -6.74%. However, the annualized return during the last 20 years of 12.35% significantly exceeds the actuarial assumed investment return.

In 2001, the System's member programs continued to serve both Active Members and Pensioners.

*“Serving Those Who Protect  
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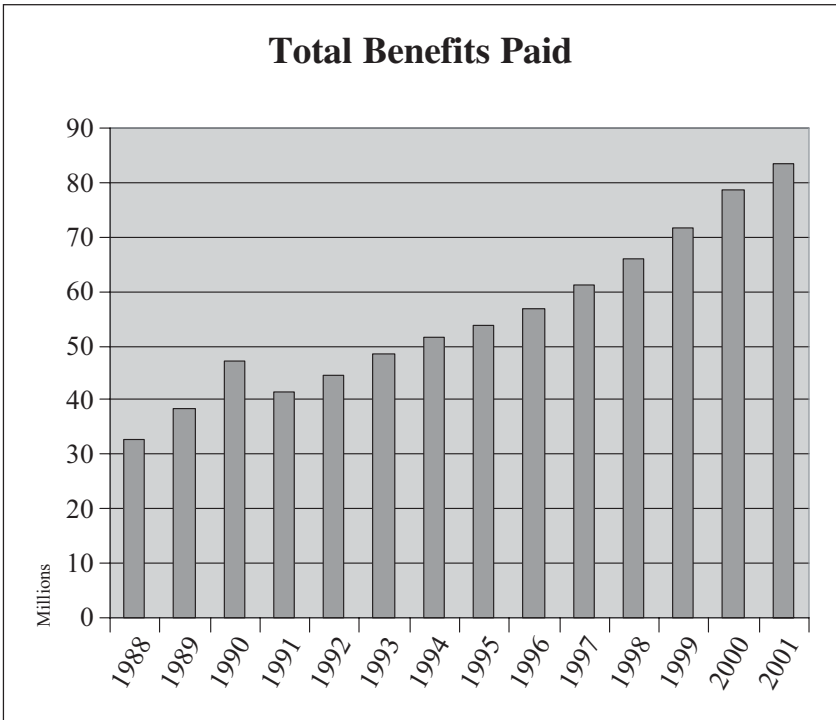


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PENSION SYSTEM



Newsletters were produced each month for both Active Members and Pensioners. The System's Internet Web page and e-mail system were used by Active Members and Pensioners to communicate with the Pension System. The Internet address is *www.dpfp.org*. You may reach us by e-mail at *info@dpfp.org*.

The combination of Member and City contributions with an outstanding long-term record of investment performance has led to the excellent financial condition of the Pension System.



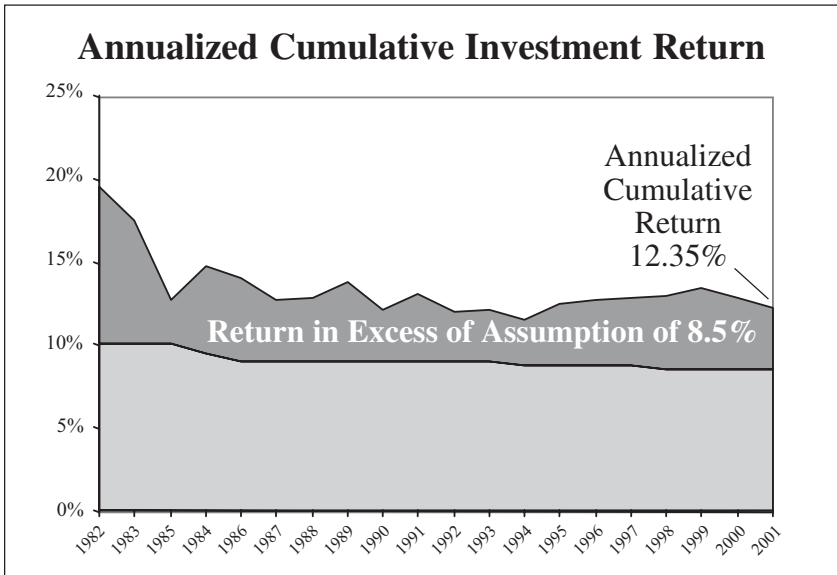
*The amount of benefits paid to Pensioners and survivors has steadily increased throughout the years. In 2001, benefit payments totaled more than \$83.4 million.*

## Investment Performance: Cumulative return on investments has consistently exceeded the long-term investment return assumption

The System retains the services of financial consultants and investment managers who assist the Board in investing the System's assets. The Board has an investment policy and funding plan to further secure Members' benefits.

This *Condensed Annual Report* of the Dallas Police and Fire Pension System has been derived from the audited financial statements of the System and the actuarial valuation for the year ending December 31, 2001. Its purpose is to highlight the key points from the full annual report. The Board of Trustees is pleased to inform the membership that funding progress is on schedule and the overall performance of the fund is excellent.

The Board of Trustees' primary commitment to our Members is to maintain the excellent financial condition of the System.

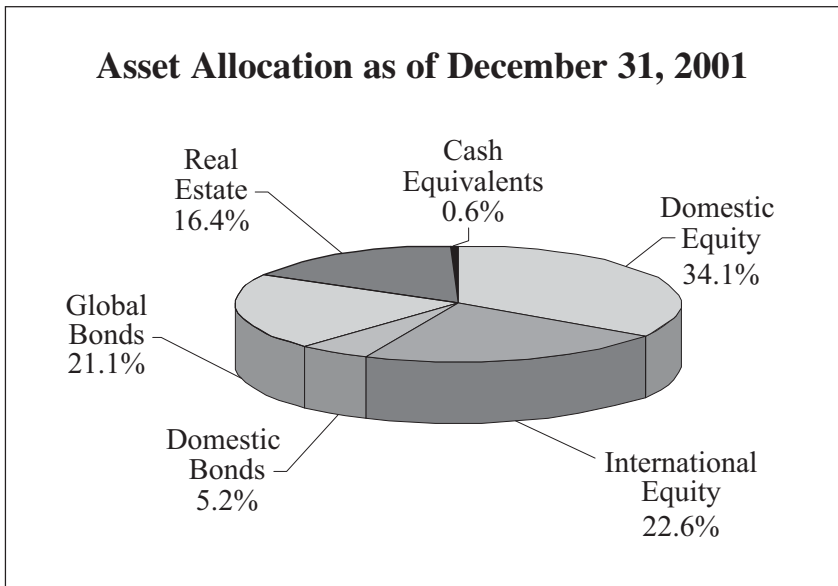


*The graph above shows the System's 20-year cumulative investment return.*

## Investment Policy: Diversified investments provide stability and long-term growth

The primary objective of the Dallas Police and Fire Pension System Investment Policy is to implement a prudent asset allocation plan that seeks to maximize return while preserving asset value.

A cornerstone of this policy is diversification. Investments are diversified among various asset classes, including common stocks, bonds, real estate, foreign securities, and short-term cash instruments. The goal of this diversification policy is to provide benefits to our participants and their qualified survivors through a carefully planned and executed investment program. The graph below demonstrates the diversification of the System's assets among the various asset classes.



*Pension System assets were diversified into the categories shown above as of December 31, 2001.*

## Membership: Serving more than 7,300 public safety Members and their families

During the past 20 years, the number of Active Members, Pensioners, and Qualified Survivors participating in the Dallas Police and Fire Pension System has grown from just over 5,000 to more than 7,300, an increase of approximately 2,300 participants. Today, the System serves more Active Members, Pensioners, and Qualified Survivors than ever before.

The charts below detail Pensioner membership and benefits paid for 2001.

### Benefit Recipients As of December 31, 2001

	Fire	Police
Pensioners .....	812	1,100
Survivors .....	313	360
Disabled Pensioners .....	145	83
<b>Totals .....</b>	<b><u>1,270</u></b>	<b><u>1,543</u></b>

### Pension Benefits Year Ending December 31, 2001

	Total	Average
Pensioners	\$64,309,441	\$33,635
Survivors	10,865,891	16,145
Disabled Pensioners	<u>6,952,097</u>	30,492
	<b><u>\$82,127,429</u></b>	

## 2001 Board of Trustees

Gerald Brown, Chairman .....	Fire
Steve Shaw, Vice-Chairman .....	Police
Gary W. Edge, Deputy Vice-Chairman .....	Fire
Rector C. McCollum .....	Police
George Tomasovic .....	Fire
Steve Umlor .....	Police
John Mays .....	Police Pensioner
Richard Wachsman .....	Fire Pensioner
Donald W. Hill .....	City Councilmember
John Loza .....	City Councilmember
Mary Poss .....	City Councilmember
Maxine Thornton-Reese .....	City Councilmember

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## 2001 System Staff

Administrator .....	Richard L. Tettamant
Assistant Administrators	
Investments .....	Brian F. Blake
Operations .....	Donald C. Rohan
General Counsel .....	Everard Davenport
Board Coordinator .....	Linda Rickley
Executive Assistant .....	Carol Turbeville
Receptionist .....	Erica Douglas
Acting Benefits Manager .....	Linda Stevenson
Benefits Counselors .....	Don McMillan Zahide Torresdey
Benefits Specialist .....	Gail Borneman
Communications Manager .....	Pat Vawter
Auditor .....	Jerry Baldree
Accounting Manager .....	Linda Stevenson
Accountant .....	Vijay Freeman
Payroll Specialist .....	Barbara McCann
Investment Analyst .....	Jay Jackson
Information Technology Manager .....	John Holt
Systems Analyst .....	Jerry Chandler

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## Pension System Contact Information

Telephone .....	214.638.3863 or toll-free 1.800.638.3861
E-mail .....	info@dpfp.org
Internet .....	www.dpfp.org

## To the Pensioners and Survivors of the Dallas Police and Fire Pension System:

It is with great pleasure that we present to you the *Condensed Annual Report*. The Board of Trustees is pleased to announce that the funding progress of the Pension System is on track and the overall performance of the fund is excellent. This report provides highlights from the complete *2001 Annual Report*. We assure you that the System is well managed and your pension funds remain safe.

If you have any questions, please contact the Pension System office at 214.638.3863 or 1.800.638.3861.

Thank you,



John Mays  
Police Pensioner



Richard Wachsman  
Fire Pensioner



Richard Tettamant  
Administrator

### ***Inside:***

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