

AGENDA



Date: July 30, 2009

A meeting of the Dallas Police and Fire Pension System Actuarial Funding Committee will be held at **8:30 a.m. on Thursday, August 6, 2009 in the Second Floor Board Room at 4100 Harry Hines Boulevard, Dallas, Texas.** Items of the following agenda will be presented to the Committee:

DISCUSSION OF ITEMS FOR INDIVIDUAL CONSIDERATION

- 1. Impact of recategorizing Certification Pay as Education Pay**
- 2. Impact of various scenarios of change in the inflation assumption**
- 3. Review of cost impact of benefits**

The term "possible action" in the wording of any Agenda item contained herein serves as notice that the Committee may, 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 any point during the consideration of the above items, the Committee 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, and Section 551.078 for review of medical records. An expression of preference or a preliminary vote may be taken by the Committee on any briefing item or item discussed in executive session.

At the discretion of the Committee, items on this agenda may be considered at times other than those indicated above.

Dallas Police and Fire Pension System
Thursday, August 6, 2009
8:30 a.m.
4100 Harry Hines Blvd., Suite 100
Second Floor Board Room
Dallas, Texas

Investment Advisory Committee meeting, Steven H. Umlor, Chairman, presiding:

ROLL CALL

Board Members

Present: Gerald Brown, John M. Mays, Rector C. McCollum, Richard A. Salinas, Steven G. Shaw, George Tomasovic, and Steven H. Umlor

Absent: None

Staff

Richard Tettamant, Don Rohan, Brian Blake, Everard Davenport, Josh Mond, Mike Taylor, John Holt, Talal Ellass, Larry Landfried, Greg Irlbeck, Christina Wu, and Linda Rickley

Others

Lou Paletta and Ginger Quillen

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

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A. CONSENT AGENDA

Approval of Minutes

- a. Regular meeting of May 12, 2009
- b. Regular meeting of May 14, 2009

After discussion, Mr. Tomasovic made a motion to approve the minutes of the regular meetings of May 12, 2009 and May 14, 2009, subject to the final approval of the Administrator. Mr. Brown seconded the motion, which was unanimously approved by the Committee.

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B. DISCUSSION AND POSSIBLE ACTION REGARDING ITEMS FOR INDIVIDUAL CONSIDERATION

1. Possible new investments through Lone Star Funds

- a. Lone Star Real Estate Fund II
- b. Lone Star Fund VII

Lou Paletta, Director of Investor Relations, and Ginger Quillen, Assistant Director of Investor Relations of Lone Star Funds, were present and discussed possible new investments in Lone Star Fund VII and Lone Star Real Estate Fund II.

Lone Star Funds have typically invested in various distressed debt loan pools that are generated from Japan, South Korea, and Germany. Lone Star also invests in various countries located in the Asia Pacific region, Europe, and North America. The System has invested in all of the Lone Star Funds beginning with the Brazos Fund (\$10 million), Lone Star Opportunities Fund (\$15 million), Lone Star II (\$15 million), and Lone Star III (\$20 million), Lone Star IV (\$20 million), Lone Star V (\$22.5 million), Lone Star VI (\$25 million), and Lone Star Real Estate I (\$25 million).

After discussion, Mr. McCollum made a motion to recommend to the Board that it allocate \$25 million to Lone Star Fund VII and \$25 million to Lone Star Real Estate Fund II. Mr. Tomasovic seconded the motion, which was unanimously approved by the Committee.

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2. Potential Investment Review Process

Mr. Tettamant explained that at the June meeting of the Board, the Board and Staff discussed the process for vetting new investment opportunities. A draft procedure to formalize the process for dealing with proposed investments was presented today. The purpose of the policy is to provide a framework for the Board and Staff to exercise the necessary care, skill, prudence and diligence in considering potential investments.

After discussion, Mr. Brown made a motion to adopt the Investment Review Process. Mr. Shaw seconded the motion, which was unanimously approved by the Committee.

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The Administrator stated that there was no further business to come before the Committee. On a motion by Mr. McCollum and a second by Mr. Brown, the meeting was adjourned at 9:37 a.m.

[signature]

Steven H. Umlor
Chairman

ATTEST:

[signature]

Richard L. Tettamant
Secretary