

## AGENDA



**Date: May 15, 2002**

A meeting of the Dallas Police and Fire Pension System Internal Controls Committee will be held at **1:45 p.m. on Tuesday, May 21, 2002 at 2301 North Akard Street, Suite 200; Dallas, Texas.** Items of the following agenda will be presented to the Committee:

### **DISCUSSION OF ITEMS FOR INDIVIDUAL CONSIDERATION**

**Interviews and possible selection of one of the following accounting firms to conduct an audit of the System's financial processes and internal controls:**

- KPMG, LLP
- McGladrey & Pullen, LLP

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.

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**  
**Tuesday, May 21, 2002**  
**1:45 p.m.**  
**2301 N. Akard, Suite 200**  
**Dallas, Texas**

Internal Controls Committee meeting, Rector McCollum, Committee Chairman, presiding:

**ROLL CALL**

**Board Members**

Present: Rector C. McCollum, John Mays, Steve Shaw, George Tomasovic,  
and Steven Umlor

Absent: None

**Staff** Richard Tettamant, Don Rohan, Brian Blake, and Linda Stevenson

**Others** Gary Lawson, Leland C. Giannini, William W. Rudolph, and  
Dennis K. Lavin

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The meeting was called to order at 1:46 p.m.

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**DISCUSSION OF ITEMS FOR INDIVIDUAL CONSIDERATION**

**Interviews and possible selection of one of the following accounting firms to conduct an audit of the System's financial processes and internal controls:**

- KPMG, LLP
- McGladrey & Pullen, LLP

In accordance with the terms of Sections 551.071 and 551.074, Texas Government Code, the Committee went into a closed executive legal and personnel session at 1:47 p.m.

The meeting was reopened at 2:20 p.m.

The Committee interviewed two accounting firms: KPMG, LLP, and McGladrey & Pullen, LLP.

**Special Board Meeting  
Tuesday, May 21, 2002**

After discussion, Mr. Tomasovic made a motion to hire KPMG, LLP to conduct an audit of the System's financial processes and internal controls, subject to successful negotiation of terms, and the final approval of the Administrator and the attorney. Mr. Mays seconded the motion, which was unanimously approved by the Committee.

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Mr. Tettamant stated that there was no further business to come before the Board. On a motion by Mr. Umlor and a second by Mr. Shaw, the meeting was adjourned at 4:15 p.m.

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Rector McCollum  
Committee Chairman

ATTEST:

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Richard L. Tettamant  
Secretary

CITY OF DALLAS - POLICE & FIRE PENSION SYSTEM

ASSET DISTRIBUTION BY ADVISOR - AS OF March 31, 2002

	NET ASSET VALUE	FUND % OF ASSETS	ADVISOR % OF CLASS
<b>EQUITY- DOMESTIC ADVISORS:</b>			
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ALLIANCE CAPITAL MANAGEMENT	119,659,644.98	6.5 %	18.6 %
DEUTSCHE ASSET MGMT MICRO-CAP	98,507,836.07	5.2 %	15.3 %
HUFF ALTERNATIVE FUND LP	3,554,168.23	0.2 %	0.6 %
NORTH TEXAS OPPORTUNITY	5,982,887.82	0.3 %	0.9 %
OAK ASSOCIATES	115,861,048.84	6.1 %	18.0 %
SSGA S&P 500 FLAGSHIP	276,051,552.87	14.6 %	43.0 %
THE MITCHELL GROUP	22,489,970.41	1.2 %	3.6 %
*** TOTAL EQUITY- DOMESTIC ADVISORS:	642,107,109.22	34.1 %	100.0 %
<b>FIXED INCOME ADVISORS:</b>			
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HUFF ALTERNATIVE INCOME FUND	28,971,859.00	1.5 %	20.1 %
OCM FUND IV	16,633,156.00	0.9 %	11.6 %
TCW SPECIAL CREDITS TR III	553,264.00	0.0 %	0.4 %
W.R. HUFF HIGH YIELD	97,805,481.23	5.2 %	67.9 %
*** TOTAL FIXED INCOME ADVISORS: ***	143,963,760.23	7.6 %	100.0 %
<b>INTERNATIONAL FIXED INCOME ADVISORS:</b>			
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DEUTSCHE ASSET MGMT GLOBAL FIX. INC	169,781,765.92	9.0 %	49.9 %
LOOMIS SAYLES & CO	170,290,264.23	9.0 %	50.1 %
*** TOTAL INTERNATIONAL FIXED INCOME	340,072,030.15	18.0 %	100.0 %
<b>REAL ESTATE ADVISORS:</b>			
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CROW HOLDINGS	8,253,113.68	0.4 %	2.8 %
FOREST INVESTMENT ASSOCIATES	47,842,024.13	2.5 %	16.2 %
HANCOCK AGRICULTURAL INVEST FD	18,700,767.00	1.0 %	6.3 %
HEARTHSTONE MSH HOMEBUILDING	1,605,275.69	0.1 %	0.5 %
HEITMAN CAPITAL MANAGEMENT	1,371,979.65	0.1 %	0.5 %
HUDSON ADVISORS	22,257,572.94	1.2 %	7.5 %
INVESCO	16,219,989.00	0.9 %	5.5 %
KENNEDY ASSOCIATES	30,987,493.51	1.6 %	10.5 %
L & B	42,877,498.00	2.3 %	14.5 %
OCM REAL ESTATE/OPPORTUNITIES FUND	15,137,132.00	0.8 %	5.1 %
OLYMPUS REAL ESTATE	17,195,170.13	0.9 %	5.8 %
PRUDENTIAL INVESTMENTS	8,980,144.00	0.5 %	3.0 %
RREEF	63,429,383.32	3.4 %	21.8 %
*** TOTAL REAL ESTATE ADVISORS: ***	294,857,543.05	15.7 %	100.0 %
<b>EQUITY- INTERNATIONAL ADVISORS:</b>			
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BANK OF IRELAND	201,405,706.38	10.7 %	44.3 %
CLAY FINLEY INC	104,136,758.31	5.5 %	22.9 %
FIDELITY ENHANCED EAFE	129,253,039.01	6.9 %	28.4 %
TRANSITION/STATE STREET	9,614,389.22	0.5 %	2.1 %
TRANSITION/FRANK RUSSELL	10,124,709.90	0.5 %	2.2 %
*** TOTAL EQUITY- INTERNATIONAL ADVIS	454,534,602.82	24.1 %	100.0 %
<b>CASH:</b>			
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COMMINGLED CASH	1,332,265.46	0.1 %	14.0 %
CONTRIBUTION & EXPENSE ACCOUNT	8,164,717.62	0.4 %	86.0 %
*** TOTAL CASH: ***	9,496,983.08	0.5 %	100.0 %
TOTAL MASTER TRUST	1,885,761,016.32	100.0 %	

CITY OF DALLAS - POLICE & FIRE PENSION SYSTEM

ASSET DISTRIBUTION BY ADVISOR - AS OF March 31, 2002

	FUND	ADVISOR
	NET ASSET VALUE % OF ASSETS	% OF CLASS
CITY CONTRIBUTIONS	8,464,202.93	
EMPLOYEE CONTRIBUTIONS	1,817,298.26	
BENEFIT DISTRIBUTIONS	-7,086,968.12	
EXPENSES	-463,656.67	