

AGENDA



Date: December 5, 2007

A meeting of the Dallas Police and Fire Pension System Administrative and Audit Advisory Committee will be held at **8:30 a.m. on Thursday, December 13, 2007 in the First Floor Conference Room at 2301 North Akard Street, Dallas, Texas.** Items of the following agenda will be presented to the Committee:

A. CONSENT AGENDA

Approval of Minutes

Regular meeting of November 8, 2007

B. DISCUSSION OF ITEMS FOR INDIVIDUAL CONSIDERATION

- 1. Discussion of the 2008 Personalized Benefit Statement for Members of the Dallas Police and Fire Pension System and the Dallas Police & Fire Supplemental Fund**
- 2. Discussion of the 2008 Personalized Deferred Retirement Option Plan (DROP) Statement for Members of the Dallas Police and Fire Pension System and the Dallas Police & Fire Supplemental Fund**
- 3. Discussion of the Administrator's 2007 and 2008 Administrative Plans**
- 4. Performance review of the Administrator**
- 5. Performance and Retention Incentive Plan**

The term "possible action" in the wording of any Agenda item contained herein serves as notice that the Board 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 Board 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 Board on any briefing item or item discussed in executive session.

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

Dallas Police and Fire Pension System
Thursday, December 13, 2007
8:30 a.m.
First Floor Conference Room
2301 North Akard Street
Dallas, Texas

Administrative and Audit Advisory Committee meeting, George Tomasovic, Chairman, presiding:

ROLL CALL

Board Members

Present: Gerald Brown, Gary W. Edge, Rector C. McCollum, Steven G. Shaw, George Tomasovic, Steven H. Umlor, and Richard H. Wachsman

Absent: None

Staff

Richard Tettamant, Brian Blake, Don Rohan, Everard Davenport, Brad Goodsell Mike Taylor, Pat McGennis, John Holt, Corina Terrazas, Talal Ellass, and Linda Rickley

Others

Gary Lawson

* * * * *

The meeting was called to order and recessed at 8:30 a.m.

The meeting was reconvened at 12:26 p.m.

* * * * *

A. CONSENT AGENDA

Approval of Minutes

Regular meeting of November 8, 2007

After discussion, Mr. McCollum made a motion to approve the minutes of the regular meeting of November 8, 2007, subject to the final approval of the Administrator. Mr. Umlor seconded the motion, which was unanimously approved by the Committee.

* * * * *

Administrative and Audit Advisory Committee
Thursday, December 13, 2007

B. DISCUSSION OF ITEMS FOR INDIVIDUAL CONSIDERATION

1. Discussion of the 2008 Personalized Benefit Statement for Members of the Dallas Police and Fire Pension System and the Dallas Police & Fire Supplemental Fund

Staff presented a proposed draft of the 2008 Personalized Benefit Statement for members of the Dallas Police and Fire Pension System and the Dallas Police & Fire Supplemental Fund. Mailing of benefit statements to each member's home address of record is scheduled for late February 2008.

After discussion, Mr. Shaw made a motion for the committee to recommend to the Board approval of the 2008 Personalized Benefit Statement for Members of the Dallas Police and Fire Pension System. Mr. Edge seconded the motion, which was unanimously approved by the Committee.

* * * * *

2. Discussion of the 2008 Personalized Deferred Retirement Option Plan (DROP) Statement for Members of the Dallas Police and Fire Pension System and the Dallas Police & Fire Supplemental Fund

Staff presented a proposed draft of the 2008 Personalized Deferred Retirement Option Plan (DROP) Statement for members of the Dallas Police and Fire Pension System who have joined DROP. Mailing of the DROP statements to each participant's home address of record is scheduled for the last week of February 2008.

After discussion, Mr. Shaw made a motion for the committee to recommend to the Board approval of the 2008 Personalized Deferred Retirement Option Plan (DROP) Statement for Members of the Dallas Police and Fire Pension System. Mr. Umlor seconded the motion, which was unanimously approved by the Committee.

* * * * *

3. Discussion of the Administrator's 2007 and 2008 Administrative Plans

Each year, staff presents an annual administrative plan for the succeeding year. This Administrative Plan is utilized as a guide for Board and Staff in project planning and implementation during the coming year.

Staff reviewed the status of the plan for 2007 and reviewed the proposed 2008 Plan. A summary of major initiatives planned for 2008 includes:

Administrative and Audit Advisory Committee
Thursday, December 13, 2007

3. Discussion of the Administrator's 2007 and 2008 Administrative Plans (continued)

- Continued imaging of inactive files and development of index system
- Office relocation to Harry Hines office site
- Possible Plan amendment election
- Possible changes to asset allocation based on manager searches
- Establishment of business continuity hot site
- Enhanced functionality of Web Member Services

After discussion, Mr. Wachsmann made a motion for the committee to recommend to the Board receiving and filing the Administrator's 2007 and 2008 Administrative Plans. Mr. Umlor seconded the motion, which was unanimously approved by the Committee.

* * * * *

4. Performance review of the Administrator

The annual performance review of the administrator was discussed.

After discussion, Mr. Edge made a motion for Board consideration regarding the Administrator's performance review. Mr. Shaw seconded the motion, which was unanimously approved by the Committee.

* * * * *

5. Performance and Retention Incentive Plan

Mr. Tettamant stated that, as directed by the Committee at its meeting on November 8, 2007, the Committee Chairman and Administrator have researched a performance and retention incentive plan. The goal of such a Plan is to reward the Investment Team when investment performance exceeds certain benchmark parameters in order to retain the proven expertise that has been assembled and facilitate hiring quality replacements for future vacancies on the Investment Team. The incentive compensation would be in addition to regular salary as adjusted from time to time.

Guidelines for the plan were presented for the Committee's consideration.

After discussion, Mr. Edge made a motion to recommend that the Board approve the proposed performance and retention incentive plan. Mr. McCollum seconded the motion, which was unanimously approved by the Committee.

Administrative and Audit Advisory Committee
Thursday, December 13, 2007

* * * * *

The Administrator stated that there was no further business to come before the Committee. On a motion by Mr. Brown and a second by Mr. McCollum, the meeting was adjourned at 1:35 p.m.

George Tomasovic
Chairman

ATTEST:

Richard L. Tettamant
Secretary