

## AGENDA



**Date:** December 4, 2009

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 10, 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:

### **A. CONSENT AGENDA**

#### **Approval of Minutes**

Regular meeting of November 12, 2009

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

- 1. Discussion of the 2010 Personalized Benefit Statement for Members of the Dallas Police and Fire Pension System and the Dallas Police & Fire Supplemental Fund**
- 2. Discussion of the 2010 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. Selection of auditor for 2009 audit**
- 4. Discussion of the Administrator's 2009 and 2010 Administrative Plans**
- 5. Performance review of the Administrator**

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, December 10, 2009  
8:30 a.m.  
4100 Harry Hines Blvd., Suite 100  
Second Floor Board Room  
Dallas, Texas**

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

**ROLL CALL**

**Board Members**

Present: Jerry R. Allen, Gerald Brown, John M. Mays, Rector C. McCollum, David A. Neumann, Richard Salinas, Steven G. Shaw, George Tomasovic, Steven H. Umlor, and Richard H. Wachsman

**Staff**

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

**Others**

Gary Lawson

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

The meeting was reconvened at 12:40 p.m.

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**A. CONSENT AGENDA**

**Approval of Minutes**

Regular meeting of November 12, 2009

After discussion, Mr. Mays made a motion to approve the minutes of the regular meeting of November 12, 2009, subject to the final approval of the Administrator. Mr. Brown seconded the motion, which was unanimously approved by the Committee.

**Administrative and Audit Advisory Committee**  
**Thursday, December 10, 2009**

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**B. DISCUSSION OF ITEMS FOR INDIVIDUAL CONSIDERATION**

**1. Discussion of the 2010 Personalized Benefit Statement for Members of the Dallas Police and Fire Pension System and the Dallas Police & Fire Supplemental Fund**

Staff provided the proposed draft of the 2010 Personalized Benefit Statements for members of the Dallas Police and Fire Pension System and the Dallas Police & Fire Supplemental Fund. The statement for each member includes a cover letter from the Chairman and the Administrator, a summary of contributions made and an estimate of future benefits. The format is not appreciably changed from that used the last two years. Staff may make minor content and design changes before printing and distribution.

Mailing of benefit statements to each member's home address of record is scheduled for late February 2010.

After discussion, Mr. Mays made a motion to recommend that the Board approve the proposed 2010 Personalized Benefit Statement, subject to final review by the Administrator and legal counsel. Mr. Umlor seconded the motion, which was unanimously approved by the Board.

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**2. Discussion of the 2010 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 provided the proposed draft of the 2010 Personalized DROP Statement for members of the Dallas Police & Fire Pension System who have joined DROP. The format of the proposed DROP statement has not changed from that used the last two years. A history of activity for the prior year is included. Projections of future DROP balances are not included, but the DROP participant is referred to Web Member Services for this purpose. Staff may make minor content and design changes before printing and distribution.

Mailing of the 2010 DROP statements to each participant's home address of record is scheduled for the last week of February 2010.

After discussion, Mr. Wachsman made a motion to recommend that the Board approve the proposed 2010 Personalized DROP Statement, subject to final review by the Administrator and legal counsel. Mr. Mays seconded the motion, which was unanimously approved by the Board.

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**3. Selection of auditor for 2009 audit**

Mr. Tettamant stated that MFR, PC, (MFR) has been the external auditor for the System since the 2003 audit. MFR is a well established firm headquartered in Houston, Texas. They are knowledgeable of governmental pension plans and perform audits for other Texas pension systems.

After discussion, Mr. Wachsman made a motion to recommend that the Board approve retention of MFR, PC, to perform the 2009 Annual Audit for the Combined Plan and the Supplemental Plan. Mr. Mays seconded the motion, which was unanimously approved by the Board.

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**4. Discussion of the Administrator's 2009 and 2010 Administrative Plans**

Each year, the Administrator 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.

Mr. Tettamant reviewed the status of the plan for 2009 and reviewed the proposed 2010 Plan.

Highlights of the accomplishments in the 2009 Plan are as follows:

- Restructured international investment portfolio to global
- Completed global equity search and hired two new managers (Walter Scott and Tradewinds)
- Increased commitment to green investments and renewable resources
- Finalized infrastructure investment with Cintra
- Implemented eCorrespondence – electronic communications with Members
- Completed set-up of System “hotsite” remote location for business continuity
- Designed Web forms for electronic submission of documents

A summary of major initiatives planned for 2010 includes:

- Evaluate internal electronic information sharing systems
- Complete Web forms project to provide certain forms on website for electronic submission
- Complete restructure of real estate portfolio

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**4. Discussion of the Administrator's 2009 and 2010 Administrative Plans  
(continued)**

- Review and update System policies and procedures
- Perform live test of System Business Continuity Plan
- Complete electronic database of all System investment contracts and contacts

After discussion, Mr. Tomasovic made a motion to recommend that the Board receive and file the 2009 Administrative Plan and approve the 2010 Administrative Plan. Mr. Shaw seconded the motion, which was unanimously approved by the Board.

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**5. Performance review of the Administrator**

The Board went into a closed executive session – personnel at 12:46 p.m.

The meeting was reopened at 1:15 p.m.

After discussion, Mr. Brown made a motion for Board consideration regarding the Administrator's performance review. Mr. Umlor 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. Shaw and a second by Mr. Wachsman, the meeting was adjourned at 1:17 p.m.

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George Tomasovic  
Chairman

**ATTEST:**

*[signature]*

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Richard L. Tettamant  
Secretary