

Dallas Police and Fire Pension System
Thursday, December 13, 2001
8:30 a.m.
2301 North Akard, Suite 200
Dallas, Texas

Regular meeting, Gerald Brown, Chairman, presiding:

ROLL CALL

Board Members

Present: Gerald Brown, Steve Shaw, George Tomasovic, Rector C. McCollum, Gary Edge, Steve Umlor, John Mays, Richard Wachsman, Councilmember Leo V. Chaney, Jr., Councilmember Maxine Thornton-Reese

Absent: Councilmember Donald Hill, Councilmember Mitchell Rasansky

Staff

Richard Tettamant, Don Rohan, Brian Blake, Everard Davenport, Don McMillan, Linda Rickley, Linda Stevenson, Vijay Freeman, Jay Jackson, Jerry Chandler

Others

Acting Mayor Mary Poss, Gregory V. Kirkpatrick, Jane Lewis, Clint Smith, Buddy Jones, Rich Mackesey, Gary Lawson, Gus Fields

* * * * *

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

The meeting was recessed at 8:30 a.m.

The meeting was reconvened at 8:55 a.m.

* * * * *

A. CONSENT AGENDA

1. Approval of Minutes

Board and Staff Workshop of October 15-18, 2001
Regular meeting of November 8, 2001
Special meeting of November 9, 2001

2. Approval of the Monthly Trustee Summary for the Month of October 2001

**Regular Board Meeting
Thursday, December 13, 2001**

3. Approval of Refunds of Contributions for the Month of November 2001

Refund of Combined Pension Plan, Section 6.02 Group B Contributions

<u>EMPLOYEE NAME</u>	<u>DEPT.</u>	<u>REFUND DATE</u>
Jason A. Bean	F	Nov. 19, 2001
Tommie Burns	P	Nov. 19, 2001
Susan K. Harris	P	Oct. 29, 2001
Delia Lugo	P	Nov. 19, 2001
Roderick C. Smith	F	Nov. 21, 2001

**REIMBURSEMENT TO CITY CONTROLLER'S OFFICE OF OVERPAID
PENSION CONTRIBUTIONS FOR THE FOLLOWING MEMBERS:**

Remie J. James	F	Nov. 19, 2001
Terrence P. Peters	P	Nov. 19, 2001
Allen Warren	F	Nov. 19, 2001
Ronald B. Wilson	P	Nov. 28, 2001

**4. Approval of Activity in the Deferred Retirement Option Plan (DROP) for
December 2001**

New DROP* Participants

--	--

G. W. Burnett III	Fire
Donald R. Smith	Fire
Armando Vidal	Fire
John E. Keck, Sr.	Fire
Randy L. Andrews	Police
Robert S. Holt	Police
James W. Lawton	Police
Joseph P. Richtsmeier	Police
Eric B. Tabbert	Police

DROP* Status Changes

--	--	--

James E. Bates	Fire	2
John C. Meeks	Fire	1
Paul R. Stephenson	Fire	1
Richard H. Wachsman	Fire	2

**Regular Board Meeting
Thursday, December 13, 2001**

4. Approval of Activity in the Deferred Retirement Option Plan (DROP) for December 2001 (continued)

DROP* Status Changes
(continued)

NAME	DEPT.	STATUS CODE
Thomas F. Higgins	Police	1
Roberta E. King	Police	1
Charles S. McDonnold	Police	1

* Status Codes	
1 - Active DROP to Retiree DROP	2 - Retiree DROP to Payment
3 - Retiree to Retiree DROP	4 - Active (No DROP) to Retiree DROP

Transfer Funds from DROP* to 401(k)

MEMBER	DEPT.
Larry Clearman	Fire

5. Approval of Vested Rights Letters

- a. Anthony D. Metcalf, Police Officer
- b. Willard R. Rollins, Police Officer
- c. Karen A. Jachna, Police Officer
- d. Melinda K. Harbour, Police Officer

6. Approval of Payment of Previously Withdrawn Contributions

- a. James W. Lawton, Police Officer
- b. Charles D. Spotswood, Firefighter

7. Approval of Estate Settlements

Deceased (Member (M) or Survivor (S))	Dept.	Date Of Death	Estate Payment To	Group
Ann L. Moon (S)	Fire	Aug. 31, 2001	None	A - Sec. 6.01
James H. Winfrey (M)	Fire	Oct. 27, 2001	Kim Ridenour	A - Sec. 6.01
Robert E. Thompson (M)	Police	Oct. 27, 2001	None	B - Sec. 6.02

**Regular Board Meeting
Thursday, December 13, 2001**

8. Approval of Survivor Benefits - Deceased Retiree

Deceased Member	Dept.	Date Of Death	Qualified Survivor	Estate Payment	Group
Charles L. Lynch	Police	Nov. 3, 2001	Peggy J. Lynch	Yes	B - Sec. 6.02

9. Approval of Service Retirements

Member	Dept.	Effective	Group	* DROP Participant
David Dower	Fire	Nov. 17, 2001	B - Sec. 6.02(b)	Yes/IV
John C. Meeks	Fire	Dec. 4, 2001	B - Sec. 6.02(b)	Yes/VIII
James R. Moore Jr.	Fire	Nov. 19, 2001	B - Sec. 6.02(b)	No/VII
Ronald D. Reed	Fire	Nov. 8, 2001	B - Sec. 6.02(d)	Yes/VI
Paul R. Stephenson	Fire	Nov. 30, 2001	B - Sec. 6.02(b)	Yes/VIII
Thomas F. Higgins	Police	Dec. 5, 2001	B - Sec. 6.02(b)	Yes/VIII
Roberta E. King	Police	Nov. 7, 2001	B - Sec. 6.02(b)	Yes/VIII
Charles S. McDonnold	Police	Nov. 14, 2001	B - Sec. 6.02(b)	Yes/VIII

* Distribution Method	
NE - Not Eligible	V - Monthly Payments
I - Life Annuity	VI - Although Eligible - No Distribution Elected
II - Joint/Survivor Annuity	VII - Did Not Join
III - Lump Sum ASAP	VIII - Active to Retiree DROP
IV - Lump Sum Partial or Delayed Payment	

After discussion, Mr. Tomasovic made a motion to approve the items on the Consent Agenda, subject to the final approval of the Administrator. Mr. Wachsman seconded the motion, which was unanimously approved by the Board.

* * * * *

B. DISCUSSION AND POSSIBLE ACTION REGARDING ITEMS FOR INDIVIDUAL CONSIDERATION

1. Recognition of former trustees of the Dallas Police and Fire Pension System

On behalf of the Board of Trustees, Mr. Brown, Chairman, presented a plaque of appreciation to Acting Mayor Mary Poss in recognition of her service on the Board of Trustees from July 1995 through October 2001.

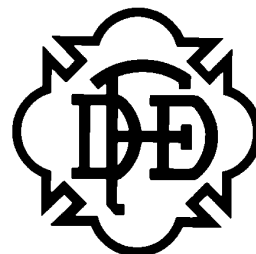
Councilmember John Loza was not present. Mr. Loza served on the Board of Trustees from February 2000 through October 2001.

The text of the plaques is included in the Minute Book Number 30 on pages _____

No motion was made.



D A L L A S
POLICE & FIRE
PENSION SYSTEM



Presented in Appreciation to

Mary Poss

in recognition of exceptional service on the

Board of Trustees

Council Trustee

from

July 1995 through October 2001

This certificate is a measure of appreciation for the time
and
effort you have extended to preserve and improve the
Dallas Police and Fire Pension System.

Your fine work shall not be forgotten.

Gerald Brown
Chairman

Gary W. Edge
Deputy Vice-Chairman

Donald W. Hill
Councilmember

John M. Mays
Police Pensioner Trustee

Rector C. McCollum
Police Trustee

Mary Poss
Councilmember

Steve G. Shaw
Vice-Chairman

Maxine Thornton-Reese
Councilmember

George Tomasovic
Fire Trustee

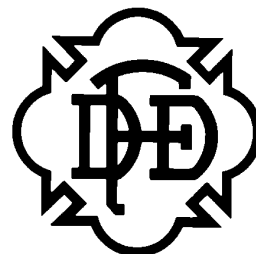
Steve Umlor
Police Trustee

Richard Wachsman
Fire Pensioner Trustee

Richard L. Tettamant
Administrator



D A L L A S
POLICE & FIRE
PENSION SYSTEM



Presented in Appreciation to

John P. Loza

in recognition of exceptional service on the

Board of Trustees

Council Trustee

from

February 2000 through October 2001

This certificate is a measure of appreciation for the time
and
effort you have extended to preserve and improve the
Dallas Police and Fire Pension System.

Your fine work shall not be forgotten.

Gerald Brown
Chairman

Gary W. Edge
Deputy Vice-Chairman

Donald W. Hill
Councilmember

John M. Mays
Police Pensioner Trustee

Rector C. McCollum
Police Trustee

Mary Poss
Councilmember

Steve G. Shaw
Vice-Chairman

Maxine Thornton-Reese
Councilmember

George Tomasovic
Fire Trustee

Steve Umlor
Police Trustee

Richard Wachsman
Fire Pensioner Trustee

Richard L. Tettamant
Administrator

**Regular Board Meeting
Thursday, December 13, 2001**

* * * * *

2. Closed Session - Board serving as Medical Committee

Discussion of the following disability application was closed to the public under the terms of Section 551.078 of the Texas Government Code at 9:59 a.m.:

Disability application:

				On or Off-Duty
Gregory V. Kirkpatrick	Fire	Dec. 13, 2001	B - Sec. 6.05	On-Duty

Mr. Tettamant, Administrator, reviewed with the Board the medical information and physicians' reports regarding the disability application of Gregory V. Kirkpatrick. Mr. McMillan, Benefits Counselor, and Jane Lewis, Manager, Safety and Development, of the Fire Department, were present to assist with the discussion.

The meeting was reopened at 10:05 a.m.

After discussion, Mr. Edge made a motion to grant **Gregory V. Kirkpatrick** an on-duty, Combined Pension Plan, Section 6.05 - Group B disability benefit, subject to the System's right under the Board-approved disability recall procedure to require Mr. Kirkpatrick to undergo future medical examination(s) to determine if the disability still exists or if recovery has been made to the point that Mr. Kirkpatrick is able to return to duty or two years, whichever is sooner. Mr. Umlor seconded the motion, which was unanimously approved by the Board.

* * * * *

3. Plan amendment election

Mr. Tettamant stated that at the regular November Board meeting, the Board called for a Plan amendment election by the membership. The election by telephone ballot began Thursday, December 6, 2001 at 8:00 a.m. and concludes Monday, December 17, 2001 at 12:00 noon. Mr. Tettamant provided an update on the progress of voting through the morning of the Board meeting.

After discussion, Mr. Wachsman made a motion to receive and file the status report on the plan amendment election. Mr. Mays seconded the motion, which was unanimously approved by the Board.

* * * * *

**Regular Board Meeting
Thursday, December 13, 2001**

4. Police officer and firefighter pay lawsuits

No discussions were held regarding the various pay lawsuits.

No motion was made.

* * * * *

5. Hillco Partners legislative report

Mr. Clint Smith and Mr. Buddy Jones of Hillco Partners discussed pension-related legislative activity at the state level.

After discussion, Mr. Edge made a motion to receive and file the Hillco Partners legislative report. Mr. Tomasovic seconded the motion, which was unanimously approved by the Board.

* * * * *

6. Voluntary contributions to the Texas State Pension Review Board

Mr. Tettamant stated that at the November 8, 2001 Board meeting, the Board discussed the State Pension Review Board's annual request for voluntary contributions of up to a maximum of \$.50 per member. The Administrator and actuary expressed concern at that meeting regarding a proposed actuarial review process change at the State Pension Review Board. The Board made a motion at the November 8, 2001 meeting to approve the voluntary contributions to the Texas State Pension Review Board, subject to the favorable resolution of an actuarial requirement issue before the Pension Review Board.

Mr. Tettamant and Board representatives reported on the November 16 State Pension Review Board meeting which they attended and expressed their concerns. Hillco Partners, and Locke Liddell & Sapp also were present at the State Pension Review Board meeting.

After discussion, Mr. Wachsman made a motion to postpone making voluntary contributions to the Texas State Pension Review Board, pending the resolution of an outstanding actuarial review procedures issue. Mr. Umlor seconded the motion, which was unanimously approved by the Board.

* * * * *

**Regular Board Meeting
Thursday, December 13, 2001**

7. 2000-2001 Fiscal Year-End Close review of the Administrative and Professional Services Budgets for the year ending September 30, 2001

Mr. Tettamant discussed the final Administrative and Professional Services Budget for Fiscal Year 2000-2001. He reported that administrative expenses were 88.2 % of the total budgeted amount for the twelve-month period ending September 30, 2001. Year-end expenses totaled \$1,704,245, which included fixed asset expenses and revenue from the Supplemental Fund. Expenses for professional services, including investment manager fees, were 87.2% of the total amount budgeted. Staff provided a detailed analysis of actual Fund expenses with an explanation for those items where the expense exceeded the budgeted amount. The recommendation of the Administrative Advisory Committee (AAC) was to receive and file the review.

After discussion, Mr. Edge made a motion to receive and file the 2000-2001 Fiscal Year-End Close review of the Administrative and Professional Services Budgets for the year ending September 30, 2001. Mr. Wachsman seconded the motion, which was unanimously approved by the Board.

* * * * *

8. 2002 Personalized Benefit Statement for members of the Dallas Police and Fire Pension System

Mr. Tettamant discussed the proposed draft of the individualized benefit statements for members of the Dallas Police and Fire Pension System. The four page statement for each member includes a cover message from the Chairman and the Administrator, the member's benefit estimate with his contributions, and an explanation of terms. Staff will 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. The AAC recommended approval of the draft 2002 Personalized Benefit Statement, as modified, and subject to the final approval of the Administrator.

After discussion, Mr. Umlor made a motion to approve the draft 2002 Personalized Benefit Statement, as modified, for members of the Dallas Police and Fire Pension System, subject to the final approval of the Administrator. Mr. Tomasovic seconded the motion, which was unanimously approved by the Board.

* * * * *

Regular Board Meeting
Thursday, December 13, 2001

9. 2002 Personalized Deferred Retirement Option Plan (DROP) Statement for members of the Dallas Police and Fire Pension System

Mr. Tettamant discussed the proposed draft of the individualized DROP Statement for members of the Dallas Police & 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 2002. Staff will make minor content and design changes before printing and distribution. The AAC recommended approval of the draft 2002 Personalized Deferred Retirement Option Plan (DROP) Statement, as modified, for members of the Dallas Police and Fire Pension System, subject to the final approval of the Administrator.

After discussion, Mr. Tomasovic made a motion to approve the 2002 Personalized Deferred Retirement Option Plan (DROP) Statement, as modified, for members of the Dallas Police and Fire Pension System, subject to the final approval of the Administrator. Mr. Umlor seconded the motion, which was unanimously approved by the Board.

* * * * *

10. Member's Handbook

Mr. Tettamant discussed a draft table of contents for the 2002 Member Handbook indicating the sections to be revised to reflect the changes approved in the 2001 amendment election. The revised Handbook will include other minor changes and corrections. The AAC recommended approval of the draft Member's Handbook, subject to the final approval of the Administrator.

After discussion, Mr. Tomasovic made a motion to approve the draft Member's Handbook, subject to the final approval of the Administrator. Mr. McCollum seconded the motion, which was unanimously approved by the Board.

* * * * *

11. Possible investment in OCM Opportunities Fund IV through Oaktree Capital Management

Messrs. Brown, Wachsman, Tomasovic, Tettamant, and Blake discussed the findings of their December 10, 2001 on-site due diligence visit to the offices of Oaktree Capital Management LLC, accompanied by Ms. Hewsenan, of Wilshire Associates, the System's investment consultant.

After discussion, Mr. Wachsman made a motion to approve an investment of \$50 million in Oaktree Capital Management's Opportunities Fund IV, as recommended by Wilshire Associates. Mr. Mays seconded the motion, which was unanimously approved by the Board.

**Regular Board Meeting
Thursday, December 13, 2001**

* * * * *

12. Pension System's monthly financial statement

Mr. Tettamant discussed the monthly financial statement for the period ending September 30, 2001 with the Board.

After discussion, Mr. Wachsman made a motion to receive and file the Pension System's monthly financial statement. Mr. Tomasovic seconded the motion, which was unanimously approved by the Board.

* * * * *

13. Staff and Board Members' reports on Board-approved seminars and/or conferences they attended

a. Conference: IIR: Fire & Police Pension Funds

Dates: October 31 - November 2, 2001

Mr. Shaw and Mr. Umlor reported on the conference.

b. Conference: 7th Annual Pension Summit Symposium and The National Society of Pension Professionals Annual Members Meeting

Dates: October 15-18, 2001

A report was given by those who attended the symposium.

c. Conference: IIR: Public Fund Boards Forum

Dates: December 2-4, 2001

Mr. Brown reported on the conference.

After discussion, Mr. Shaw made a motion to receive and file the Board and staff members' reports on Board-approved educational seminars and/or conferences they attended. Mr. Tomasovic seconded the motion, which was unanimously approved by the Board.

* * * * *

14. Monthly asset allocation report

- a. Monthly asset allocation report
- b. Wilshire Associates' recommendations for rebalancing the Pension System's investment portfolio

The Asset Allocation Monitoring Report and the Real Estate Portfolio Report are included in Minute Book Number 30 on pages _____.

**Regular Board Meeting
Thursday, December 13, 2001**

**DALLAS POLICE AND FIRE PENSION SYSTEM
DECEMBER 2001 ASSET ALLOCATION MONITORING REPORT**

Asset Class		Target		Actual		Range		Difference
		\$	%	\$	%	Minimum	Maximum	vs. Target \$
EQUITY								
<u>Domestic Equity</u>								
S & P Index	SSgA	302.66	16.00	272.93	14.43	9.00	17.50	(29.73)
Large Cap Growth	Oak Assoc.	113.50	6.00	130.58	6.90	5.00	7.00	17.08
Micro Cap	Deutsche Asset Mgmt	94.58	5.00	93.86	4.96	4.00	6.00	(0.72)
Large Cap Value	Alliance Capital	113.50	6.00	111.05	5.87	5.00	7.00	(2.45)
Private Equity	NTOP/Huff	0.00	0.00	15.63	0.83	0.00	5.00	0.00
	Mitchell Group	18.92	1.00	19.79	1.05	1.00	1.50	0.00
Energy		643.16	34.00	643.84	34.04	29.00	39.00	0.68
Total Domestic Equity								
<u>International Equity</u>								
Active Large Cap	Bank of Ireland	170.25	9.00	152.49	8.06	7.50	10.50	(17.76)
Active Emerging	Deutsche Asset Mgmt	94.58	5.00	85.50	4.52	4.00	6.00	(9.08)
Passive EAFE Int'l Index	SSgA	189.16	10.00	182.45	9.65	8.50	11.50	(6.71)
Total International Equity								
		453.99	24.00	420.44	22.23	20.00	28.00	(33.55)
		1,097.15	58.00	1064.28	56.26	49.00	67.00	(32.87)
FIXED INCOME								
<u>Total Equity</u>								
<u>Global High Quality</u>								
	Deutsche Asset Mgmt	189.16	10.00	175.33	9.27	8.50	11.50	(13.83)
<u>Domestic High Yield</u>								
	W.R. Huff	94.58	5.00	91.77	4.85	3.00	7.00	(2.81)
<u>Global Opportunistic</u>								
Opportunistic Partnership	W.R. Huff	56.75	3.00	54.51	2.88	0.00	4.00	(2.24)
GOFI Separate Account	Loomis-Sayles	170.25	9.00	172.19	9.10	8.00	14.00	1.94
Total Global Opportunistic								
		227.00	12.00	226.70	11.98	10.00	14.00	(0.30)
Total Fixed Income								
		510.74	27.00	493.80	26.10	21.50	32.50	(16.94)
REAL ESTATE								
		283.75	15.00	325.58	17.21	13.00	17.00	41.83
CASH EQUIVALENTS								
		0.00	0.00	7.98	0.42	0.00	0.00	7.98
Total Assets								
		1,891.64	100.00	1,891.64	100.00	83.50	116.50	0.00

**Regular Board Meeting
Thursday, December 13, 2001**

**DALLAS POLICE AND FIRE PENSION SYSTEM
DECEMBER 2001 ASSET ALLOCATION MONITORING REPORT
Real Estate Portfolio**

Real Estate Manager	Market Value	Percentage of Real Estate Assets	Target Percentage	Committed Capital	Variance from Target Vs Committed
Managers in Redemption					
AEW Capital Management (Copley DPA)	18,554	0.01%	0.00%		18,554
Heitman Capital Management (JMB III & IV)	1,371,054	0.42%	0.00%		1,371,054
Prudential (Strategic Value Investors. LLC)	8,980,144	2.76%	0.00%		8,980,144
Subtotal	10,369,751	3.18%	0.00%	0	10,369,751
Separate Account Managers					
Agricultural - Hancock	18,247,264	5.60%	10.00%	28,374,464	(10,127,200)
Forest Investment Associates	46,116,833	14.16%	12.50%	35,468,080	10,648,753
INVESCO Realty	37,127,567	11.40%	17.50%	49,655,312	(12,527,745)
Kennedy Associates	33,385,493	10.25%	12.50%	35,468,080	(2,082,587)
L & B Real Estate Counsel	45,192,368	13.88%	15.00%	42,561,696	2,630,672
RREEF	68,504,720	21.04%	17.50%	49,655,312	18,849,407
Subtotal	248,574,245	76.35%	85.00%	241,182,945	7,391,300
Opportunistic Partnerships					
Hearthstone (MSII Homebuilding)	1,901,384	0.58%		10,000,000	(8,098,616)
Crow Holdings Realty Partners II	5,791,651	1.78%		20,000,000	(14,208,349)
Oaktree Capital Management (OCM R E O i i F d B)	15,657,954	4.81%		15,000,000	657,954
Hudson Advisors (Brazos, Lone Star I, II, III)	26,068,390	8.01%		42,927,064	(16,858,674)
Olympus Real Estate Fund II & III	17,218,064	5.29%		30,000,000	(12,781,936)
Subtotal	66,637,443	20.47%	15.00%	117,927,064	(51,289,621)
Total Real Estate	325,581,439	100.00%	100.00%	359,110,009	(33,528,570)

Market value total fund

1,891,630,938

Target Value (\$ and %)
Market Value (\$ and %)
Variance from Target

\$	%
283,744,641	15.00%
325,581,439	17.21%
41,836,799	2.21%

Total Committed Capital
Managers in Redemption
Actual Committed Capital

369,479,760
10,369,751
359,110,009

**Regular Board Meeting
Thursday, December 13, 2001**

14. Monthly asset allocation report (continued)

Wilshire Associates Incorporated recommended that no rebalancing be done at this time, as all asset classes are within their target ranges.

After discussion, Mr. Wachsman made a motion to receive and file the December 2001 monthly asset allocation report and approve Wilshire Associates' recommendations. Mr. Mays seconded the motion, which was unanimously approved by the Board.

* * * * *

The meeting was recessed at 9:45 a.m.

The meeting was reconvened at 9:59 a.m.

* * * * *

15. 2002 Work Plan

Mr. Tettamant stated that each year, the staff presents an annual work plan, which is utilized as a guide for the Board and staff in project planning and implementation during the coming year. At the October 2001 workshop, the Board referred the 2002 Work Plan for the review and recommendation of the Administrative Advisory Committee. The Administrative Advisory Committee discussed the Plan today and recommended approval of the 2002 Work Plan.

After discussion, Mr. Wachsman made a motion to approve the 2002 Work Plan. Mr. Tomasovic seconded the motion, which was unanimously approved by the Board.

* * * * *

16. Performance review of the Administrator

In accordance with the terms of Section 551.074 of the Texas Government Code, the Board went into a closed executive personnel session at 11:25 a.m. to discuss the performance review of the Administrator.

The meeting was reopened at 11:40 a.m.

After discussion, Mr. Tomasovic made a motion to approve the recommendation of the Administrative Advisory Committee regarding the performance review of the Administrator. Mr. McCollum seconded the motion, which was unanimously approved by the Board.

**Regular Board Meeting
Thursday, December 13, 2001**

* * * * *

17. Possible revisions to Board Deferred Retirement Option Plan Policy and Procedure

In accordance with the terms of Section 551.071 of the Texas Government Code, the Board went into a closed executive legal session at 10:16 a.m. to discuss possible revisions to the Deferred Retirement Option Plan Policy and Procedure.

The meeting was reopened at 10:27 a.m.

No motion was made.

* * * * *

C. BRIEFING ITEMS

1. Reports and concerns of active members and pensioners of the Dallas Police and Fire Pension System

No active members or pensioners were present to discuss concerns.

* * * * *

2. Administrator's report

- a. Custodial bank/consultants update, including monthly investment performance summary
- b. Investment managers update
- c. Professional services providers update
- d. Texas Public Employee Retirement Systems (TEXPERS), National Conference on Public Employee Retirement Systems (NCPERS), and the Coalition to Preserve Retirement Security (CPRS)
- e. Continuing education/investment research

Mr. Tettamant discussed the monthly report on performance returns prepared by State Street Bank & Trust, the System's custodial bank.

Mr. Tettamant updated the Board on the investment managers and professional services providers, and other current developments relating to the Pension System.

After discussion, Mr. Wachsman made a motion to receive and file the Administrator's report. Mr. McCollum seconded the motion, which was unanimously approved by the Board.

**Regular Board Meeting
Thursday, December 13, 2001**

* * * * *

3. Board operations and procedures

This item was tabled.

* * * * *

Mr. Tettamant stated that there was no further business to come before the Board. On a motion by Mr. Tomasovic and a second by Mr. Shaw, the meeting was adjourned at 11:41 a.m.

Gerald Brown
Chairman

ATTEST:

Richard L. Tettamant
Secretary

CITY OF DALLAS - POLICE & FIRE PENSION SYSTEM
ASSET DISTRIBUTION BY ADVISOR - AS OF October 31, 2001

	MARKET VALUE	% OF FUND ASSETS	ADVISOR % OF CLASS
EQUITY-DOMESTIC ADVISORS:			

ALLIANCE CAPITAL MANAGEMENT	105,151,342.47	5.8 %	17.8 %
DEUTSCHE ASSET MGMT MICRO-CAP	87,029,439.82	4.8 %	14.7 %
HUFF ALTERNATIVE FUND LP	10,036,901.00	0.6 %	1.7 %
NORTH TEXAS OPPORTUNITY	6,336,662.46	0.4 %	1.1 %
OAK ASSOCIATES	110,565,123.37	6.1 %	18.6 %
SSGA S&P 500 FLAGSHIP	253,483,125.99	14.0 %	42.7 %
THE MITCHELL GROUP	20,353,835.54	1.1 %	3.4 %
*** TOTAL EQUITY-DOM ADVISORS: ***	592,956,430.65	32.8 %	100.0 %
FIXED INCOME ADVISORS:			

HUFF ALTERNATIVE INCOME FUND	50,749,193.00	2.8 %	31.9 %
TCW SPECIAL CREDITS TR III	543,145.91	0.0 %	0.3 %
W. R. HUFF HIGH YIELD	107,806,661.04	6.0 %	67.8 %
*** TOTAL FIXED INCOME ADVISORS: ***	159,098,999.95	8.8 %	100.0 %
INTERNATIONAL FIXED INCOME ADVISORS:			

DEUTSCHE ASSET MGMT GLOBAL FIX. INC	194,248,516.86	10.7 %	53.9 %
LOOMIS SAYLES & CO	166,318,164.55	9.2 %	46.1 %
*** TOTAL INT FIXED INCOME: ***	360,566,681.41	19.9 %	100.0 %
REAL ESTATE ADVISORS:			

AEW CAPITAL MANAGEMENT	17,821.14	0.0 %	0.0 %
CROW HOLDINGS	4,422,938.20	0.3 %	1.5 %
FOREST INVESTMENT ASSOCIATES	46,254,942.82	2.6 %	15.5 %
HANCOCK AGRICULTURAL INVEST FD	16,175,172.00	0.9 %	5.4 %
HEARTHSTONE MSH HOMEBUILDING	1,692,886.52	0.1 %	0.6 %
HEITMAN CAPITAL MANAGEMENT	1,273,140.12	0.1 %	0.4 %
HUDSON ADVISORS	26,077,247.64	1.4 %	8.7 %
INVESCO	22,296,139.43	1.2 %	7.5 %
KENNEDY ASSOCIATES	30,947,828.39	1.7 %	10.4 %
L & B	43,809,294.71	2.4 %	14.7 %
OAKTREE CAPITAL MANAGEMENT	15,754,860.00	0.9 %	5.3 %
OLYMPUS REAL ESTATE	15,835,102.00	0.9 %	5.3 %
PRUDENTIAL INVESTMENTS	9,560,290.00	0.5 %	3.2 %
RREEF	64,054,079.20	3.5 %	21.5 %
*** TOTAL REAL ESTATE ADVISORS: ***	298,171,742.17	16.5 %	100.0 %
EQUITY-INTERNATIONAL ADVISORS:			

BANK OF IRELAND	147,426,866.53	8.1 %	38.8 %
DEUTSCHE ASSET MGMT (EMERGING MKT)	77,431,108.99	4.3 %	20.3 %
SSGA: EAFE	155,899,258.58	8.6 %	40.9 %
*** TOTAL EQUITY-INT ADVISORS: ***	380,757,234.10	21.0 %	100.0 %
CASH:			

COMMINGLED CASH	313,831.99	0.0 %	1.8 %
CONTRIBUTION & EXPENSE ACCOUNT	17,571,850.14	1.0 %	98.2 %
*** TOTAL CASH: ***	17,885,682.13	1.0 %	100.0 %
TOTAL MASTER TRUST	1,809,436,770.41	100.0 %	
CITY CONTRIBUTIONS	5,997,689.04		
EMPLOYEE CONTRIBUTIONS	1,218,531.43		
BENEFIT DISTRIBUTIONS	-7,060,121.55		
EXPENSES	-358,716.86		