

**Dallas Police and Fire Pension System
Tuesday, December 18, 2001
8:30 a.m.
2301 North Akard, Suite 200
Dallas, Texas**

Special 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 Wachsmann

Absent: Councilmember Leo V. Chaney, Jr., Councilmember Donald Hill, Councilmember Mitchell Rasansky, Councilmember Maxine Thornton-Reese

Staff Richard Tettamant, Don Rohan, Brian Blake, Everard Davenport, Jerry Baldree, Linda Rickley

Others Alex Fitzenhagen, G. Andrews Smith, Daniel Plumlee, Christine Mullis, Mark Gerigk, Karen Tucker

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The meeting was called to order at 11:00 a.m.

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DISCUSSION AND POSSIBLE ACTION REGARDING ITEMS FOR INDIVIDUAL CONSIDERATION

1. Certification of the results of the December 2001 Plan Amendment Election

Refer to the minutes of November 8, 2001 for the Board-approved Ballot, Ballot Explanation, and the proposed revised Plan document.

Mr. Tettamant discussed the election results for the December 2001 Plan Amendment Election. According to Section 7.01 of the Combined Pension Plan, in order for a plan amendment to pass, 65 percent of the votes cast by Members of the Pension System must be cast in favor of the amendment. The results are as follows:

The December 2001 Plan Amendment Election results are included in Minute Book 30 on pages _____.

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**2001 Plan Amendment Election Results
December 17, 2001**

Amendment 1: Allow payroll deductions for Pension Service purchase on a pre-tax basis.

Passed. Fire: 451 in favor, 10 against.
Police: 750 in favor, 8 against.
Total: 98.44% in favor.
Effective date: January 1, 2002

Amendment 2: Allow rollovers for Pension Service purchases with pre-tax dollars.

Passed. Fire: 446 in favor, 15 against.
Police: 749 in favor, 9 against.
Total: 97.95% in favor.
Effective date: January 1, 2002

Amendment 3: Permit partial Pension Service purchases.

Passed. Fire: 448 in favor, 14 against.
Police: 746 in favor, 12 against.
Total: 97.87% in favor.
Effective date: December 18, 2001

Amendment 4: Provide a non-service disability pension for a person disabled while on military leave of absence.

Passed. Fire: 442 in favor, 20 against.
Police: 735 in favor, 21 against.
Total: 96.48% in favor.
Effective date: December 18, 2001

Amendment 5: Provide a 100 percent joint and survivor annuity option.

Passed. Fire: 449 in favor, 12 against.
Police: 748 in favor, 10 against.
Total: 98.11% in favor.
Effective date: December 18, 2001

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**2001 Plan Amendment Election Results
December 17, 2001
(continued)**

Amendment 6: Increase pensioner and qualified survivor minimum benefits.

Passed. Fire: 453 in favor, 8 against.
Police: 753 in favor, 5 against.
Total: 98.85% in favor.
Effective date: January 1, 2002

Amendment 7: Increase DROP interest, and base future changes on System's 10-year investment return.

Passed. Fire: 453 in favor, 8 against.
Police: 745 in favor, 13 against.
Total: 98.20% in favor.
Effective date: January 1, 2002

Amendment 8: Require special elections to fill vacant trustee positions.

Passed. Fire: 455 in favor, 7 against.
Police: 754 in favor, 4 against.
Total: 99.10% in favor.
Effective date: December 18, 2001

Amendment 9: Make Combined Pension Plan technical and grammatical language revisions.

Passed. Fire: 456 in favor, 6 against.
Police: 756 in favor, 2 against.
Total: 99.34% in favor.
Effective date: January 1, 2002

All of the Amendments were approved by the voters. Therefore, Amendments 1 through 9 are incorporated into the Combined Pension Plan.

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1. Certification of the results of the December 2001 Plan Amendment Election (continued)

After discussion, Mr. Mays made a motion to certify the December 2001 Plan Amendment Election results. Mr. Wachsman seconded the motion, which was unanimously approved by the Board.

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2. Deferred Retirement Option Plan (DROP) interest rate

Mr. Tettamant stated that in previous years, the interest rate paid on DROP accounts was reset annually based on a formula defined in the Plan Document. In the plan amendment election completed yesterday, the membership approved Amendment #7, which resets the current DROP annual interest rate to nine percent (9%), effective January 1, 2002.

After discussion, Mr. Wachsman made a motion to approve the DROP interest rate of nine percent (9%), effective January 1, 2002. Mr. Tomasovic seconded the motion, which was unanimously approved by the Board.

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3. State Street contract extension

Mr. Tettamant explained that State Street's fee agreement for master custody services is set to expire on December 31, 2001. Therefore, staff has requested a six-month extension of the existing custody contract. Approval of the fee agreement will allow staff to complete the Board-authorized review of master custody services.

After discussion, Mr. Mays made a motion to approve a six-month extension to the State Street contract for master custody services. Mr. Tomasovic seconded the motion, which was unanimously approved by the Board.

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4. Possible revisions to the Service Retirement Application Processing Policy

Mr. Tettamant stated that the 2001 Plan Amendment Election included a provision authorizing a 100% joint and survivor pension. He discussed a proposed revision to the Service Retirement Application Policy to define the process for application for the joint and survivor pension, and noted that the policy requires additional revision to fully incorporate necessary changes.

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**4. Possible revisions to the Service Retirement Application Processing Policy
(continued)**

After discussion, Mr. Edge made a motion to approve the revision to the Service Retirement Application Processing Policy, and authorize the Administrator to prepare a comprehensive revision of the policy. Mr. McCollum seconded the motion, which was unanimously approved by the Board.

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The meeting was recessed at 11:11 a.m.

The meeting was reconvened at 11:45 a.m.

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5. Annual portfolio review by L&B Realty Advisors, Inc.

The Board and staff discussed various real estate issues with L&B Realty representatives.

No motion was made.

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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. Mays, the meeting was adjourned at 1:15 p.m.

Gerald Brown
Chairman

ATTEST:

Richard L. Tettamant
Secretary