



D A L L A S
POLICE & FIRE
PENSION SYSTEM



MINUTES SUMMARY
Board Meeting
Thursday, June 11, 2015

The regular meeting of the Dallas Police and Fire Pension System Board of Trustees was held at 8:30 a.m. on Thursday, June 11, 2015, in the Second Floor Board Room at 4100 Harry Hines Blvd., Dallas, Texas. Items of the following agenda were presented to the Board:

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

A. MOMENT OF SILENCE

The Board observed a moment of silence in memory of members and pensioners who recently passed away.

B. BOARD OF TRUSTEES

1. The Board welcomed newly-elected and re-elected Trustees, who completed the Oath of Office form for the term that began on June 1, 2015 and will end on May 31, 2019, as follows:

Police Trustee Place P-2
Joe Schutz

Fire Trustee Place F-2
Brian Hass

Police Trustee Place P-3
Tho Tang Ho

Fire Trustee Place F-3
Clint Conway

2. The Board elected officers for the period from June 1, 2015 through May 31, 2017 as follows: Sam Friar, Chairman, Lee Kleinman, Vice-Chairman, and Joe Schutz, Deputy Vice-Chairman.
3. The Board officers completed a new Signature Authorization Form to facilitate the day-to-day operations of the System.
4. The discussion of Committees of the Board was postponed to the June 18, 2015 special Board meeting.

C. CONSENT AGENDA

Approved as amended, subject to the final review of the staff.

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D. DISCUSSION AND POSSIBLE ACTION REGARDING ITEMS FOR INDIVIDUAL CONSIDERATION

1. Received and filed the NEPC reports.
2. Postponed the private equity educational session.
3. Received and filed the monthly investment and financial reports.
4. The Executive Director and the Chairperson of the Executive Search Committee provided an update on the search for the Chief Investment Officer.
5. The Chief Financial Officer updated the Board on the status of the valuation process for real estate assets as it relates to the finalization of the 2014 financial statements.
6. The Executive Director briefed the Board on the status of Museum Tower.
7. The Chairman and Executive Director, on behalf of the Board, presented plaques of appreciation to Battalion Chief George Tomasovic and Fire Rescue Officer Rick Salinas for their dedicated service on the Board of Trustees as Fire Trustees and to Sergeant Dan Wojcik for his dedicated service on the Board of Trustees as a Police Trustee.
8. Received and filed reports by Board and staff members on due diligence meetings, seminars and/or conferences attended.
9. Received and filed the update on pension-related legislative matters.
10. Directed the staff regarding Board preferences for workshop agenda topics and speakers.
11. Received and filed the update on legal issues.

E. BRIEFING ITEMS

1. Heard comments from a member during the open forum.
2. Received and filed the Executive Director's report.

The meeting was adjourned at 2:38 p.m.

MINUTES SUMMARY
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SUPPLEMENTAL POLICE AND FIRE PENSION BOARD MEETING

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

The meeting was reconvened at 2:38 p.m.

A. CONSENT AGENDA

Approved, subject to the final review of the staff.

B. DISCUSSION AND POSSIBLE ACTION REGARDING ITEMS FOR INDIVIDUAL CONSIDERATION

Received and filed the monthly investment and financial reports.

The Supplemental Board meeting was adjourned at 2:47 p.m.

In previous months, the Asset Distribution by Advisor Report was attached to the Minutes Summary. DFPF has discontinued use of this report in its previous form and is therefore no longer including it as an attachment to the Minutes Summary; however, the asset distribution by advisor information is presented to and discussed with the Board monthly. In addition, the Annual Report will continue to disclose net asset values by asset class in the footnotes to the audited financial statements.

Dallas Police and Fire Pension System
Thursday, June 11, 2015
8:30 a.m.
4100 Harry Hines Blvd., Suite 100
Second Floor Board Room
Dallas, TX

Regular meeting, Samuel L. Friar, Chairman, presiding:

ROLL CALL

Board Members

Present: Samuel L. Friar, Lee M. Kleinman, Joseph P. Schutz, Brian Hass, Scott Griggs, Clint Conway, Kenneth S. Haben, Tennell Atkins, Gerald D. Brown, Tho T. Ho, John M. Mays, Philip T. Kingston

Absent: None

Staff

Kelly Gottschalk, Don Rohan, Joshua Mond, Summer Loveland, Greg Irlbeck, Christina Wu, John Holt, Corina Terrazas, Carlos Ortiz, Pat McGennis, Ryan Wagner, Milissa Schmidt, Linda Rickley, Kevin Killingsworth

Others

Gary Lawson, Rhett Humphreys, Keith Stronkowsky, George Tomasovic, Dan Wojcik, Rick Salinas, Michael Barrett, Ron Pinkston, James Parnell, Steve Umlor, Richard Todd, Samuel Hanson, Thomas White, Jerry M. Rhodes, Ken Sprecher, Jim Aulbaugh, Mike Flusche, Barbara Lim

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

Ms. Gottschalk, Executive Director, facilitated the meeting until the election of officers was completed.

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A. MOMENT OF SILENCE

The Board observed a moment of silence in memory of retired police officers Robert B. Counts, Dale Hankins, Reginald W. Harris, Bobby G. Horn, Jerry M. Rose, Cline Wright, and retired firefighters Brian Partington and B. D. Wolcott, who recently passed away.

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**Regular Board Meeting
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B. BOARD OF TRUSTEES

1. Welcome of newly-elected and re-elected Trustees

Ms. Gottschalk stated that DPFPP conducted an election from March 27 through April 6, 2015, to fill the expiring terms of four Trustee positions. The Board certified the results of the election for Police Trustee Places P-3 and Fire Trustee Places F-2 and F-3, at the regular meeting of the Board on April 9, 2015. Joe Schutz was unopposed for Police Trustee Place P-2. Because no candidate received a majority of the vote for any of the three positions included in the election, the Board called a run-off election for Police Place P-3 and Fire Places F-2 and F-3. The run-off election was held from April 28 through May 8, 2015. The Board certified the results of the run-off election at the regular meeting on May 14, 2015.

The re-elected and newly elected Trustees completed the Oath of Office form for the term that began on June 1, 2015 and will end on May 31, 2019, as follows:

Police Trustee Place P-2
Joe Schutz

Fire Trustee Place F-2
Brian Hass

Police Trustee Place P-3
Tho Tang Ho

Fire Trustee Place F-3
Clint Conway

No motion was made.

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2. Election of officers of the Board of Trustees for June 1, 2015 through May 31, 2017

Ms. Gottschalk stated that in accordance with Section 3.01(f) of the Plan Document, the Board will elect from among its Trustees a Chairman, a Vice Chairman and a Deputy Vice Chairman for the period June 1, 2015 through May 31, 2017. All three of the officer positions were vacant after the Trustee election.

Mr. Haben made a motion to nominate Sam Friar as Chairman of the Board. Mr. Mays seconded the motion.

Mr. Griggs made a motion to nominate Joe Schutz as Chairman of the Board. Mr. Ho seconded the motion.

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2. Election of officers of the Board of Trustees for June 1, 2015 through May 31, 2017 (continued)

Ms. Gottschalk asked if there were any other nominations. Nominations ceased. Both nominees accepted the nomination. A record vote was taken on each of the candidates as follows:

Regarding the nomination of Sam Friar, the vote was as follows:

For: Haben, Mays, Brown, Friar, Hass, Conway

Against: Atkins, Griggs, Ho, Kingston, Kleinman, Schutz

Regarding the nomination of Joe Schutz, the vote was as follows:

For: Atkins, Griggs, Ho, Kingston, Kleinman, Schutz

Against: Mays, Brown, Haben, Friar, Hass, Conway

The vote was tied 6 to 6 for both of the nominees.

Mr. Kingston made a motion to postpone the decision until the July 9, 2015 Board meeting. Mr. Griggs seconded the motion, which passed by the following vote:

For: Kingston, Schutz, Brown, Haben, Conway, Griggs, Ho, Kleinman

Against: Mays, Friar, Hass

Not voting: Atkins

Mr. Kingston made a motion to reconsider the postponement. Mr. Kleinman seconded the motion, which was unanimously approved by the Board.

Mr. Atkins made a motion to nominate Sam Friar as Chairman, Lee Kleinman as Vice Chairman, and Joe Schutz as Deputy Vice Chairman. Mr. Kingston seconded the motion which was unanimously approved by the Board.

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3. Authorized signatories for the Board of Trustees

Ms. Gottschalk stated that certain signature authorizations are necessary to facilitate the day-to-day operations of the System. In the past, the Board has authorized the Chairman to sign all documents (including any necessary payments) for the Board and System. If the Chairman is not available, then the Vice-Chairman may sign in the Chairman's place. If both the Chairman and Vice-Chairman are unavailable, then the Deputy Vice-Chairman is authorized to sign for the System.

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3. Authorized signatories for the Board of Trustees (continued)

Current procedures provide that the Chairman's and Executive Director's signatures are digitized and may be placed on all checks to the retirees and vendors.

The new officers completed the signature authorization form.

After discussion, Mr. Mays made a motion to receive and file the authorized signatories for the Board of Trustees. Mr. Haben seconded the motion, which was unanimously approved by the Board.

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4. Committees of the Board

No discussion was held. No motion was made. The item was postponed to the June 18 special Board meeting.

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C. CONSENT AGENDA

1. Approval of Minutes

Regular meeting of May 14, 2015

2. Approval of Refunds of Contributions for the Month of May 2015

3. Approval of Activity in the Deferred Retirement Option Plan (DROP) for June 2015

4. Approval of Estate Settlements

5. Approval of Survivor Benefits

6. Approval of Service Retirements

7. Approval of Alternate Payee Benefits

8. Approval of Earnings Test

9. Approval of Payment of Military Leave Contributions

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C. CONSENT AGENDA (continued)

After discussion, Mr. Haben made a motion to approve the items on the Consent Agenda, as amended, subject to the final review of the staff. Mr. Brown seconded the motion, which was unanimously approved by the Board.

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D. DISCUSSION AND POSSIBLE ACTION REGARDING ITEMS FOR INDIVIDUAL CONSIDERATION

1. NEPC, general investment consultants: Quarterly investment performance report for the first quarter ended March 31, 2015 and Private Markets Review for the fourth quarter of 2014

Rhett Humphreys, CFA, Partner, and Keith Stronkowsky, Senior Consultant, of NEPC, presented the quarterly investment performance report for the first quarter ended March 31, 2015. At the Board's request, presentation of the Private Markets Review for the fourth quarter of 2104 was postponed.

After discussion, Mr. Brown made a motion to receive and file the NEPC presentation. Mr. Mays seconded the motion, which was unanimously approved by the Board.

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The meeting was recessed at 10:32 a.m.

The meeting was reconvened at 10:52 a.m.

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2. Private equity educational session

No discussion was held. No motion was made. The item was postponed.

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3. Investment and financial reports

Mr. Irlbeck reviewed the investment and financial reports with the Board.

After discussion, Mr. Brown made a motion to receive and file the Group Trust Asset Allocation Report, Monthly NAV and DROP Balances Report, DROP as % of NAV Report, and JPMorgan DPFPS Performance - Preliminary Report Package. Mr. Haben seconded the motion, which was unanimously approved by the Board.

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4. Executive search for Chief Investment Officer position

Status update

Ms. Gottschalk and Mr. Friar, Chair of the Executive Search Committee, provided an update on the search for the Chief Investment Officer.

After discussion, Mr. Haben made a motion to receive and file the status update. Mr. Mays seconded the motion, which was unanimously approved by the Board.

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5. 2014 real estate valuations

The Board went into a closed executive session – real estate at 11:13 a.m.

The meeting was reopened at 12:12 p.m.

After discussion, Mr. Brown made a motion to receive and file the status report on the valuation process for real estate assets as it relates to the finalization of the 2014 financial statements, including descriptions of adjustments to carrying values for specific investments. Mr. Schutz seconded the motion, which was unanimously approved by the Board.

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The meeting was recessed at 12:17 p.m.

The meeting was reconvened at 1:01 p.m.

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6. Museum Tower update

The Board went into a closed executive session – real estate at 1:02 p.m.

The meeting was reopened at 1:53 p.m.

No motion was made.

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7. Recognition of former Trustees of the Dallas Police & Fire Pension

Mr. Friar and Ms. Gottschalk, on behalf of the Board, presented plaques of appreciation to Battalion Chief George Tomasovic and Fire Rescue Officer Rick Salinas for their dedicated service on the Board of Trustees as Fire Trustees and to Sergeant Dan Wojcik for his dedicated service on the Board of Trustees as a Police Trustee.

Bn. Chief Tomasovic served from June 1, 1999, through May 31, 2015 and as Chairman from August 12, 2010, through the end of his term as Trustee. FRO Salinas served from April 9, 2009, through May 31, 2015 and as Deputy Vice Chairman from August 12, 2010, through the end of his term as Trustee. Sgt. Dan Wojcik served from June 1, 2011, through May 31, 2015 and as Vice Chairman from June 13, 2013, through the end of his term as Trustee.

No motion was made.

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8. Staff and Board Members' reports on due diligence meetings, seminars and/or conferences attended

Reports were given on the following meetings. Those who attended are listed.

a. NEPC Orientation Meeting

Messrs. Brown, Haben, Friar, Kleinman, Irlbeck, Ms. Gottschalk

b. NEPC Annual Investment Conference

Messrs. Brown, Salinas, Haben, Friar, Schutz, Wojcik, Kleinman, Irlbeck, Ms. Gottschalk

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8. Staff and Board Members' reports on due diligence meetings, seminars and/or conferences attended (continued)

c. Opal: Emerging Managers Summit

Mr. Haben

After discussion, Mr. Schutz made a motion to receive and file the reports. Mr. Mays seconded the motion, which was unanimously approved by the Board.

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9. Pension-related legislative issues

- a. Hillco Partners – client advisory on state and local legislative issues**
- b. Locke Lord LLP – client advisory on federal and state legislative issues**

Mr. Mond, General Counsel, gave an update on House Bill 23 and House Bill 3310.

After discussion, Mr. Brown made a motion to receive and file the report. Mr. Mays seconded the motion, which was unanimously approved by the Board.

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10. 2015 Annual Board/Staff Workshop

The Board and staff discussed preliminary topics for the 2015 annual workshop.

No motion was made.

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11. Legal issues

- a. Police Officer and Firefighter pay lawsuits**
- b. 2014 Plan amendment election and litigation**

The Board went into a closed executive session – legal at 2:17 p.m.

The meeting was reopened at 2:36 p.m.

No motion was made.

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E. BRIEFING ITEMS

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

Received comments from a retired member.

No motion was made.

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2. Executive Director's report

Associations' newsletters

- NCPERS Persist (Spring 2015)
- TEXPERS Outlook (June 2015)

After discussion, Mr. Haben made a motion to receive and file the Executive Director's report. Mr. Schutz seconded the motion, which was unanimously approved by the Board.

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Ms. Gottschalk stated that there was no further business to come before the Board. On a motion by Mr. Schutz and a second by Mr. Brown, the meeting was adjourned at 2:38 p.m.

[signature]

Samuel L. Friar
Chairman

ATTEST:

[signature]

Kelly Gottschalk
Secretary

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