

Dallas Police and Fire Pension System
Thursday, August 18, 2016
8:30 a.m.
4100 Harry Hines Blvd., Suite 100
Second Floor Board Room
Dallas, TX

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

ROLL CALL

Board Members

Present at 8:30	Samuel L. Friar, Kenneth S. Haben, Joseph P. Schutz, Brian Hass, Tho T. Ho, Gerald D. Brown, Clint Conway, John M. Mays
Present at 8:31	Jennifer S. Gates
Present at 8:46	Scott Griggs
Present at 8:56	Philip Kingston
Absent:	Erik Wilson

Staff

Kelly Gottschalk, Josh Mond, Summer Loveland, John Holt, Corina Terrazas, Damion Hervey, Pat McGennis, Ryan Wagner, Milissa Romero, Greg Irlbeck, Carol Huffman

Others

Jeff Williams, Michael Egan, Zia Uddin, R. Sean Duff, Rhett Humphreys, Richard Langley, Steven DeGroff, Steve Hollywood, Marcus Dollar, Linda Dollar, Mike Arnold, Doug Mallon, Willie Noel, Tom Caton, James M. Smith, Edwin R. Dresser, Deborah Hughbanks, Keith Caruso, David Beideck, Bill Ingram, Terry Roberts, Steve Carter, Thomas M. Payne, James Elliston, Gary Coleman, Roy Ferguson, Dan Wojcik, Smith Ribble, Edward Davis, Elida Acosta, Will Mixon, Hamp Patterson, William Murrell, Steve Potrykus, Bob Murdock, Tony L. Speck, Michael Tidwell, Bill Warrick, Leftwich Jones, Johnny Bates, Don Smith, Robert Hargrove, James E. Bates, Rowland Tucker, William Everett, Gloria Perez, Richard Perez, Clarrissia Chambers, Carlton Evans, Ray Lemasters, Bill Hornick, Marlin Price, Nathan O. Christopher, Tom Stark, Cindy Stark, Shbrone Mims, Karen Walker, Jeff Walker, Ken Sprecher, David Polls, Stanley Griffis, Eddie Douglas, Frank Ruspoli, Andrew G. Brown, Frankie Joe Losoya, Donald L. Barton, Robert Cummings, Lynn A. Curry, Howard Russell, Frank Varner, Gloria Broadnax, Michael Adamek, Ronnie Bratt, Chris Harry, Thomas Moorman, Luther Moore, Charles Hampton, Donald Robb, Roman Kilgore, David M. Greer, Carl C. Smith, Mary Lavender, Joel Lavender, Michael Yudizky, Nancy Hall, James C. Pearson, Pat Lewter, Greg Courson, Steven Corder, Alan Wammack, Jerry M. Rhodes, Donnie Graham, Ed McFadden, Marshall Cook, Roger D. Hetrick, Wes Johnson, Darrell Dugan, H. C. Stinson, David M. Thomas, Connie Steindorf, Steven Winters, Ray Gonzalez, A. D. Donald, Randy Hooper,

**Regular Board Meeting
Thursday, August 18, 2016**

Others (continued) Eddie R. Higgins, Bobby Baughn, David E. Gibson, Brian Johnson, George D. Payne, John Moore, Charles E. Plumlee, Rick Salinas, Clarence Lockett, William E. Phillips, Leon Hullins, Ron Tucker, Dan Smith, Kenneth Cullins, Shelly G. Henderson, Mark E. Tyler, David Smith, Thomas White, Danny Millaway, Napoleon Tucker Jr., Judy Katz, Stuart L. Peterson, Geraldine White, Robert Neuman, W. James Brown, Lingburge Williams, Laura Martin, Murphy Rogers, Rick Brewer, Harold Varner, Richard Duggan, Johnny Rudder, Sallie J. Henderson, David Davis, Beth Sundquist, James R. Moore Jr., Kenneth L. Johnson, Ronnie E. Harris, Richard Ewing, Larry A. Lewis, Harold Symn, Edward Padilla, Antoinette Padilla, David Hill, Glen Bradshaw, Blaine Danyluk, Dwane C. Gidab, Mark Mladenka, Charles E. Gale, Angela Petrovic, Mike Ballance, David Diggs, H. Richard Andrews, Michael Bell, Keith Allen, Carol A. Berry, Jaime Castro, Jerry R. Ramage, Sr., John W. Carr, Doug Jones, Lisa Clayton, Nancy Webb, C. McDonnold, Ron Acker, Elton Garrett, Charles E. Luedeker, Ronnie T. Smith, Arthur P. Richardson, Tracy Landess, Rusty Morgan, Alan Southard, Rick Narramore, Russell Stephens, David Scott Tremain, Jean E. Tremain, Michael Cline, Helen Cline, George R. Scott, David Landry, Lyndon Britt, Danny W. Robinson, Claude Hight, Dennis Wilson, James H. Freeman, Larry Williams, Michael W. Jones, James Baker, Byron Fassett, Judy Richie, Steve Myers, Gregory L. Waddleton, Delridge Williams, Emory Nash, Gregory Dugger, Steve Davis, Roderick Janich, Aaron Anderson, Esteban Maldonado, Jim Aulbaugh, Randy Loboda, Ann T. Robinson, Jason Smith, Charles Hale, Sally D. Lannom, Steve Johnson, Luther J. Smith Jr., Rosemary R. Smith, Sheryl S. Scott, Octavio Saldana, Judith McGee, Diana S. Salinas, Kalon Cohen, Alex Garcia, Joseph M. Dunn, Joseph Allen, Harold Holland, Orlando Robinson, Dominique Artis, Tom Gamez, F.T. Duncan, C.M. Barney, James Parnell, Sherman Evans, Kevin Luper, John D. Wells, Diane Hetrick, Joe Alexander, John W. McKinney, Edward Scott, Byron Titsworth, Mario Valadez, Tristan Hallman, Michael Botsford, Andrea Rega, Tanya Eiserer

* * * * *

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

* * * * *

**Regular Board Meeting
Thursday, August 18, 2016**

**A. DISCUSSION AND POSSIBLE ACTION REGARDING ITEMS FOR
INDIVIDUAL CONSIDERATION**

1. Possible Plan amendments

- a. Election Policy and process
 - b. Discussion of, and possible action on, Plan amendments
-
- a. The Executive Director reviewed the process for conducting an election as required by the Election Policy and the timeframes for a potential plan amendment election.
 - b. The Long-Term Financial Stability Sub-committee, together with DPFP's actuary, Segal, and staff, presented the Sub-committee's recommendations for possible Plan Amendments on August 11, 2016. The Board continued the discussion of possible Plan amendments.

The Board went into a closed executive session – legal at 8:31 a.m.

The meeting was reopened at 10:22 a.m.

After discussion, Mr. Kingston made a motion to authorize Segal to calculate the effect of a phase-in of member contributions up to 14 percent. Mr. Griggs seconded the motion, which passed by the following vote:

For: Kingston, Griggs, Mays, Friar, Gates, Haben
Against: Brown, Conway, Hass, Ho, Schutz

Mr. Griggs made a motion to make all Plan amendment provisions unconditional except for an increase in the multiplier for members hired after February 28, 2011, and increases in contribution rates for all members over 9%. Mr. Kingston seconded the motion, which was unanimously approved by the Board.

* * * * *

The meeting was recessed at 11:46 a.m.

The meeting was reconvened at 12:41 p.m.

* * * * *

**Regular Board Meeting
Thursday, August 18, 2016**

1. Possible Plan amendments (continued)

b. Discussion of, and possible action on, Plan amendments (continued)

The Board went into a closed executive session – legal at 2:08 p.m.

The meeting was reopened at 2:52 p.m.

No motion was made.

* * * * *

2. Monroe Capital Private Credit Fund II LP

As part of the new asset allocation policy and the Private Equity and Private Credit pacing plans, the Board approved a 5% allocation to private credit and \$30 million commitment to 2016 vintage year private credit funds. Year to date, DPFPP has made a \$10 million commitment to Riverstone Credit Partners LP as part of the \$30 million commitment. As of June 30, 2016, the actual allocation to private debt strategies is approximately \$95 million, or 3.5%, of DPFPP’s investment portfolio relative to the 5% target.

Staff recommended that the Board approve a commitment of \$10 million to the Monroe Capital Private Credit Fund II LP levered vehicle.

After discussion, Mr. Griggs made a motion take no action at this time. Ms. Gates seconded the motion, which was passed by the following vote:

For: Griggs, Gates, Mays, Friar, Schutz, Ho, Conway, Haben, Kingston

Against: Brown, Hass

* * * * *

3. Possible revisions to the Board’s Budget Adoption Policy

Staff discussed proposed revisions to the Budget Adoption Policy as a result of the termination of the Administrative and Audit Advisory Committee (AAAC) at the May 12, 2016 Board meeting.

After discussion, Mr. Brown made a motion to approve the Budget Adoption Policy as amended. Mr. Griggs seconded the motion, which was unanimously approved by the Board.

* * * * *

**Regular Board Meeting
Thursday, August 18, 2016**

4. Investment reporting - Maples Fund Services

The Board approved hiring Maples Fund Services in October, 2015 and they were subsequently engaged to provide the Board and staff (i) monthly investment reports, (ii) investment manager transparency reports and (iii) support for ad-hoc reports based on DPF investment data. James Perry, the former CIO who resigned from DPF effective July 19, 2016, began working at Maples effective July 26, 2016.

The Board of Trustees and Staff Statement of Ethics, Section J, states:

A Trustee or Employee who leaves the service or employment of the System may not, within twelve (12) months after leaving that service or employment, represent any other person or organization in any formal or informal appearance before the System concerning a project for which the person had responsibility or material involvement as a Trustee or Employee. Moreover, the System will not enter into or renew an existing contract with any entity or any affiliate of any entity during that twelve (12) month period of such Trustee or Employee leaving the service or employment by the System if such entity employs or is represented by the former Trustee or Employee unless the Trustees determine that such a restriction would not be in the System's best interest.

The existing contract with Maples is a month-to-month contract, but the pricing will increase upon the 1-year anniversary as of October 20, 2016. Staff plans to review the current Maples services, as well as performance reporting alternatives, at the Annual Board Workshop in October.

After discussion, Mr. Schutz made a motion to proceed with the planned review of performance reporting services, including Maples Fund Services, at the Workshop in October. Mr. Brown seconded the motion, which was unanimously approved by the Board.

* * * * *

5. 2016 Board/staff workshop

Staff discussed the workshop plans with the Board.

No motion was made.

* * * * *

**Regular Board Meeting
Thursday, August 18, 2016**

6. Ad hoc committee reports

Reports were given.

No motion was made.

* * * * *

7. Board Members' reports on meetings, seminars and/or conferences attended

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

a. Society of Pension Professionals

Mr. Schutz

b. Wharton: International and Emerging Market Investing

Messrs. Ho, Hass

c. Pension Review Board Meeting

Mr. Schutz, Ms. Gottschalk

d. TEXPERS Basic Trustee Training Class

Messrs. Friar, Haben, Ho, Mays, Brown

e. TEXPERS Summer Educational Forum

Messrs. Friar, Haben, Ho, Conway, Mays, Brown

No motion was made.

* * * * *

8. Chief Investment Officer position

No discussion was held.

No motion was made.

* * * * *

**Regular Board Meeting
Thursday, August 18, 2016**

The meeting was recessed at 2:53 p.m.

The meeting was reconvened at 2:59 p.m.

* * * * *

9. Personnel

To discuss the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of public officer or employee: (i) Chief Financial Officer and (ii) General Counsel. Portions of the discussion under this topic may be closed to the public under the terms of Section 551.074 of the Texas Government Code.

The Board went into a closed executive session – personnel at 2:59 p.m.

The meeting was reopened at 3:05 p.m.

No motion was made.

* * * * *

B. BRIEFING ITEMS

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

The Board received comments during the open forum.

No motion was made.

* * * * *

**Regular Board Meeting
Thursday, August 18, 2016**

2. Executive Director's report

- a. Future Education and Business Related Travel
- b. Future Investment Related Travel
- c. Associations' newsletters
 - NCPERS Monitor (July 2016)
 - NCPERS Monitor (August 2016)
 - TEXPERS Outlook (August 2016)
 - TEXPERS Pension Observer (Summer 2016)

The Executive Director's report was presented. No motion was made.

* * * * *

Ms. Gottschalk stated that there was no further business to come before the Board. On a motion by Mr. Brown and a second by Mr. Mays, the meeting was adjourned at 3:05 p.m.

[signature]

Samuel L. Friar
Chairman

ATTEST:

[signature]

Kelly Gottschalk
Secretary