

MINUTE SUMMARY
Board Meeting
Thursday, January 9, 2003

The regular meeting of the Dallas Police and Fire Pension System Board of Trustees was held at **8:30 a.m. on Thursday, January 9, 2003 in the First Floor Conference Room at 2301 North Akard Street, Dallas, Texas.** Items of the following agenda were presented to the Board:

The meeting began at 8:30 a.m.

A. CONSENT AGENDA - Approved, subject to the final review and approval of the staff.

B. DISCUSSION AND APPROVAL OF ITEMS FOR INDIVIDUAL CONSIDERATION

- Item 1.** Received and filed the portfolio review by Hearthstone Advisors and discussed a possible investment opportunity.
- Item 2.** Received and filed the reports and recommendations of The Townsend Group, real estate investment consultants.
- Item 3.** Approved the dissolution of Brazos Fund, L.P.
- Item 4.** Approved the Akard Place budget for 2003.
- Item 5.** Discussed a possible amendment to the contract with L&B Realty Advisors. No action was taken.
- Item 6.** Approved a property and asset management contract for Akard Place through Ashland Real Estate Advisors, formerly known as CDK Advisors, subject to the final approval of the Administrator and the attorney.
- Item 7.** The outside legal counsel briefed the Board regarding current legal issues.

- Item 8.** Approved the requested revision to the contract rate adjustment for Lawson, Fields, McCue, Lee & Campbell, P.C.
- Item 9.** Called for the 2003 Trustee Election. Approved the Trustee Election Schedule, the Trustee Election Procedures, and the Application for Trustee packet, subject to the final approval of the Administrator.
- Item 10.** Received and filed the discussion of pension-related issues for possible legislative consideration. Approved the retention of Locke Liddell & Sapp as state legislative consultants, subject to the final approval of the Administrator and the attorney.
- Item 11.** Tabled the discussion of the monthly financial statement.

C. BRIEFING ITEMS

- Item 1.** The Administrator distributed a copy of a letter from Paul McElroy regarding a requested plan amendment.
- Item 2.** Received and filed the Administrator's report.
- Item 3.** No discussion was held regarding operational and procedural issues.

The meeting was adjourned at 4:06 p.m.

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CITY OF DALLAS - POLICE & FIRE PENSION SYSTEM

ASSET DISTRIBUTION BY ADVISOR - AS OF November 30, 2002

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

ALLIANCE CAPITAL MANAGEMENT	95,517,843.63	5.7 %	17.0 %
DEUTSCHE ASSET MGMT MICRO-CAP	74,498,955.40	4.4 %	13.2 %
HUFF ALTERNATIVE FUND LP	13,387,965.94	0.8 %	2.4 %
NORTH TEXAS OPPORTUNITY	5,590,073.90	0.3 %	1.0 %
OAK ASSOCIATES	114,588,783.63	6.8 %	20.4 %
SSGA S&P 500 FLAGSHIP	241,371,936.16	14.2 %	42.9 %
THE MITCHELL GROUP	17,502,575.46	1.0 %	3.1 %
*** TOTAL EQUITY-DOMESTIC ADVISORS:	562,458,134.12	33.2 %	100.0 %
FIXED INCOME ADVISORS:			

HUFF ALTERNATIVE INCOME FUND	26,070,988.43	1.6 %	15.9 %
OCM FUND IV	47,957,229.00	2.8 %	29.3 %
TCW SPECIAL CREDITS TR III	310,395.56	0.0 %	0.2 %
W.R. HUFF HIGH YIELD	89,411,784.15	5.3 %	54.6 %
*** TOTAL FIXED INCOME ADVISORS: ***	163,750,397.14	9.7 %	100.0 %
INTERNATIONAL FIXED INCOME ADVISORS:			

DEUTSCHE ASSET MGMT GLOBAL FIX. INC	158,660,198.51	9.3 %	51.8 %
LOOMIS SAYLES & CO	147,460,057.19	8.7 %	48.2 %
*** TOTAL INTERNATIONAL FIXED INCOME	306,120,255.70	18.0 %	100.0 %
REAL ESTATE ADVISORS:			

CROW HOLDINGS	10,292,558.98	0.6 %	4.0 %
FOREST INVESTMENT ASSOCIATES	43,699,876.89	2.6 %	17.0 %
HANCOCK AGRICULTURAL INVEST FD	22,304,593.95	1.3 %	8.7 %
HEARTHSTONE MSH HOMEBUILDING	1,572,938.42	0.1 %	0.6 %
HEITMAN CAPITAL MANAGEMENT	64,445.34	0.0 %	0.0 %
HUDSON ADVISORS	25,314,075.58	1.5 %	9.8 %
INVESCO	7,700,065.28	0.5 %	3.0 %
KENNEDY ASSOCIATES	28,716,840.95	1.7 %	11.1 %
L & B	39,553,626.00	2.3 %	15.4 %
OCM REAL ESTATE/OPPORTUNITIES FUND	14,962,578.00	0.9 %	5.8 %
OLYMPUS REAL ESTATE	18,376,649.32	1.1 %	7.1 %
PRIZM	4,049,415.65	0.2 %	1.6 %
PRUDENTIAL INVESTMENTS	10,420,539.16	0.6 %	4.0 %
RREEF	30,629,820.61	1.8 %	11.9 %
*** TOTAL REAL ESTATE ADVISORS: ***	257,658,024.13	15.2 %	100.0 %
EQUITY-INTERNATIONAL ADVISORS:			

BANK OF IRELAND	174,964,330.01	10.3 %	45.0 %
CLAY FINLAY INC	97,450,580.05	5.7 %	25.0 %
FIDELITY ENHANCED EAFE	116,493,997.05	6.9 %	30.0 %
*** TOTAL EQUITY-INTERNATIONAL ADVIS	388,908,907.11	22.9 %	100.0 %
CASH:			

CONTRIBUTION & EXPENSE ACCOUNT	17,200,689.55	1.0 %	100.0 %
*** TOTAL CASH: ***	17,200,689.55	1.0 %	100.0 %
TOTAL MASTER TRUST	1,696,096,407.75	100.0 %	100.0 %
CITY CONTRIBUTIONS	5,817,454.06		
EMPLOYEE CONTRIBUTIONS	1,233,832.60		
BENEFIT DISTRIBUTIONS	-7,982,180.54		
EXPENSES	-161,202.07		

Dallas Police and Fire Pension System
Thursday, January 9, 2003
8:30 a.m.
2301 North Akard Street
First Floor Conference Room
Dallas, Texas

Regular meeting, Gerald Brown, Chairman, presiding:

ROLL CALL

Board Members

Present: Gerald Brown, Steven G. Shaw, George Tomasovic, Rector C. McCollum, Gary W. Edge, John M. Mays, Steven H. Umlor, Richard H. Wachsman, Mayor Pro Tem Donald Hill, and Councilmember Maxine Thornton-Reese

Absent: None

Staff

Richard Tettamant, Brian Blake, Don Rohan, Everard Davenport, Jay Jackson, John Holt, Jerry Chandler, and Linda Rickley

Others

Richard W. Brown, James Z. Pugash, Jim Griffin, Gary Lawson, Gus Fields, Eric Calhoun, Daniel Plumlee, Christine Mullis, Jon Donahue, Kenneth Cooley, Brent Kroener, and Clint Smith (via telephone)

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

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A. CONSENT AGENDA

1. Approval of Minutes

Special meeting of December 4, 2002
Special meeting of December 9, 2002
Special meeting of December 10, 2002
Regular meeting of December 12, 2002
Special meeting of December 17, 2002

2. Approval of Five-Year Certificates for the Fourth Quarter of 2002

Police

James E. Andrews
Bradford W. Davis

December 3, 2002
December 3, 2002

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**2. Approval of Five-Year Certificates for the Fourth Quarter of 2002
(continued)**

Police

Anthony S. Greer	December 3, 2002
Bobby Jones	December 3, 2002
Keitric R. Jones	December 22, 2002
Shelby A. Nowak	December 3, 2002
Edward L. Parker	December 16, 2002
David C. Phillips	December 29, 2002
Gerald Williams	October 15, 2002

Fire

None

3. Approval of the Monthly Trustee Summary for the Month of November 2002

4. Approval of Refunds of Contributions for the Month of December 2002

Refund of Combined Pension Plan, Section 6.02 Group B Contributions
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<u>EMPLOYEE NAME</u>	<u>DEPT.</u>	<u>REFUND DATE</u>
Bryan A. Francis	P	Nov. 30, 2002
Michele Hernandez	P	Nov. 27, 2002
T. K. Tompkins	P	Dec. 6, 2002

Reimbursement to City Controller's Office of Overpaid Pension Contributions for the Following Members:

None

5. Approval of Activity in the Deferred Retirement Option Plan (DROP) for January 2003

New DROP Participants

Employee Name	Dept.
James F. Anderson	Fire
Joe Arocha, Jr.	Fire
Larry G. Bailey	Fire
Joe C. Franklin	Police
Perro W. Henson, Jr.	Police
Steven M. Hoffman	Police
Samuel J. Mandell, Jr.	Police

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5. Approval of Activity in the Deferred Retirement Option Plan (DROP) for January 2003 (continued)

New DROP Participants

Employee Name	Dept.
Patrick L. McAlvey	Police
Craig W. McPhail	Police
Michael R. Scoggins	Police
Bradley Terrell	Police
George F. Wiley	Police

DROP Status Changes

Name	Dept.	Status Code
Paul E. Overton	Fire	2
Jack B. Williams	Police	2

Retiree New DROP Enrollees

Name	Dept.	Status Code
Michael R. Fulton	Fire	1
Dodd J. Miller	Fire	3
Thomas J. Walker	Fire	3
Paul W. Beckwith	Police	1
Randall H. Jackson	Police	3

DROP 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.
None	

6. Approval of Payment of Military Leave Contributions

Samuel J. Mandell, Jr., Police Officer

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7. Approval of Payment of Previously Withdrawn Contributions

Steven K. Sterling, Police Officer

8. Approval of Estate Settlements

Deceased (Member (M) or Survivor (S))	Dept.	Date Of Death	Estate Payment To	Group
Frances L. Fowler (S)	Police	Sept. 21, 2002	Lloyd Fowler	A - Sec. 6.07

9. Approval of Survivor Benefits - Deceased Retirees

Deceased Retiree	Dept.	Date Of Death	Qualified Survivor	Estate Payment	Group
Hubert C. Collins	Fire	Nov. 22, 2002	Suzanne H. Collins	Yes	B - Sec. 6.08
John Rumsey	Police	Nov. 22, 2002	Virginia M. Rumsey	Yes	B - Sec. 6.08

10. Approval of Survivor Benefits - Deceased Member

Deceased Member	Dept.	Date Of Death	Qualified Survivor	Estate Payment	Group
Michael L. DePauw	Fire	Dec. 6, 2002	Sharon L. DePauw	Yes	B - Sec. 6.08

11. Approval of Service Retirements

Member	Dept.	Effective	Group	* DROP Participant
Kenneth E. Brooks	Fire	Dec. 31, 2002	B - Sec. 6.02(b)	Yes/V/IX
Michael R. Fulton	Fire	Dec. 31, 2002	B - Sec. 6.02(b)	Yes/VIII
Robert R. Alexander	Police	Dec. 31, 2002	B - Sec. 6.02(b)	Yes/IV
Paul W. Beckwith	Police	Dec. 6, 2002	B - Sec. 6.02(b)	Yes/VIII
Joseph A. Cheatham	Police	Jan. 1, 2003	B - Sec. 6.02(b)	Yes/V
Jack A. Lilley, Jr.	Police	Jan. 1, 2003	B - Sec. 6.02(b)	Yes/V/IX
Donald R. Marshall	Police	Jan. 1, 2003	B - Sec. 6.02(b)	Yes/IV
Gary D. Melancon	Police	Dec. 19, 2002	B - Sec. 6.02(b)	Yes/V
Thomas W. Moore	Police	Nov. 6, 2002	B - Sec. 6.02(b)	Yes/V
Margaret O. Snowden	Police	Jan. 1, 2003	B - Sec. 6.02(b)	No

* 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 - Retiree DROP
IV - Lump Sum Partial or Delayed Payment	IX - 100% Joint & Survivor

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12. Spouse Wed After Retirement (SWAR)

Donald R. Ponders	Fire

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

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B. DISCUSSION AND POSSIBLE ACTION REGARDING ITEMS FOR INDIVIDUAL CONSIDERATION

1. Hearthstone Advisors

- a. Portfolio review
- b. Possible investment opportunity

Mr. Tettamant, Administrator, stated that the System has invested in Hearthstone's Multi-State Home II since March of 1999 and currently has approximately \$1,957,000 invested in the fund. Messrs. Pugash and Griffin, of Hearthstone Advisors, discussed the Multi-State Home II portfolio. Mr. Pugash began a preliminary discussion on a new investment opportunity for the System.

After discussion, Mr. McCollum made a motion to receive and file the Hearthstone Advisors' portfolio review. Mr. Umlor seconded the motion, which was unanimously approved by the Board.

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The meeting was recessed at 9:15 a.m.

The meeting was reconvened at 9:25 a.m.

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2. Reports and recommendations of The Townsend Group, real estate investment consultants

- a. Quarterly real estate investment performance report for the third quarter ended September 30, 2002
- b. Review of potential net lease managers and authorization of an investment manager search

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2. Reports and recommendations of The Townsend Group, real estate investment consultants (continued)

Mr. Richard Brown, of The Townsend Group, discussed the System's real estate investment performance for the third quarter ended September 30, 2002. The highlights of the real estate portfolio activity are as follows:

The Dallas Police and Fire Pension System ("Dallas P&F") Real Estate Portfolio ended the third quarter (September 30, 2002) with a market value of \$264.951 million. Based on the most current plan assets at Third Quarter 2002, real estate represented 16.3% of plan assets (estimated \$1.621 billion total assets). The allocation target for Real Estate is 15%. In addition, there are unfunded commitments to seven pooled fund investments and to one Individual Managed Account totaling \$64.867 million (representing 4.0% of plan assets). The current market value plus unfunded commitments total \$329.819 million, or 20% of plan assets.

The portfolio produced a -2.03% Total Return (before fees) during the third quarter summarized below. Impacting the portfolio were negative returns in Public REITs, Timber, and Farm Land.

Dallas P&F Portfolio Performance as of September 30, 2002
1st Quarter, 1, 3, 5, 10-Yr. And Inception

Period	Total Return Before Fee	Total Return After Fee
3rd Quarter 2002	-2.03%	-2.52%
1 Yr.	5.95%	4.39%
3 Yr.	10.37%	9.00%
5 Yr.	8.36%	7.03%
10Yr.	10.51%	9.22%
Inception (4 th Q. 1984)	7.07%	6.07%

Dallas P&F Real Estate Investment Classes:

Investment	% Weight of Portfolio 9/30/02	Portfolio Net Asset Value 9/30/02	Un-funded Commitments as of 9/30/02
Private Real Estate	60.08%	161.198 million	55.247 million
Public Real Estate	14.6%	38.708 million	
Timber	16.5%	43.664 million	
Farmland	8.1%	21.379 million	9.620 million
Portfolio Total	100%	264.951 million	64.867 million

Mr. Brown reviewed with the Board each of the individual Pension System's real estate investments. In addition, he reviewed each of the real estate managers for the period ending September 30, 2002.

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2. Reports and recommendations of The Townsend Group, real estate investment consultants (continued)

Mr. Brown also discussed the topic of net lease investing and net lease managers.

After discussion, Mr. Edge made a motion to receive and file the Townsend reports. Messrs. Mays and Wachsman jointly seconded the motion, which was unanimously approved by the Board.

After discussion, Mr. Umlor made a motion to pay Townsend representative Kevin Lynch's fee for quarterly Board meeting attendance, despite his absence, which was due to the terminal illness of his father. Mr. Wachsman seconded the motion, which was unanimously approved by the Board.

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3. Dissolution of Brazos Fund, L.P.

Mr. Tettamant explained that Brazos Principal GenPar, L.P., the general partner of Brazos Fund, L.P., is requesting dissolution of the Brazos Fund, L.P. Brazos Fund L.P. has been in the process of disposing of its assets, and has determined that, given the small amount of assets remaining, it is time to officially dissolve the fund and begin the winding down process. In addition, the general partner is requesting that the 2002 audit will be the final audit for the fund. The System has invested in the fund since March of 1995.

Mr. Richard Brown stated that The Townsend Group supports the request for dissolution of the Brazos Fund, L.P.

After discussion, Mr. Wachsman made a motion to approve the request for dissolution of the Brazos Fund, L.P. Mr. Tomasovic seconded the motion, which was unanimously approved by the Board.

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4. Akard Place budget for 2003

L&B representatives, Mr. Andy Smith, Ms. Christine Mullis, and Ms. Merrill Curtis, discussed the proposed 2003 Akard Place budget and their recommendations.

After discussion, Mr. Wachsman made a motion to approve the proposed 2003 Akard Place budget presented by L&B Realty Advisors, Inc. Mr. Edge seconded the motion, which was unanimously approved by the Board.

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The meeting was recessed at 11:36 a.m.

The meeting was reconvened at 12:21 p.m.

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5. Amendment to contract with L&B Realty Advisors

Mr. Tettamant explained that the Board approved the transfer of Jefferson Pointe, a real estate investment, from L&B Realty Advisors to PRIZM Partners on November 14, 2002. As a result of the transfer, L&B returned an IRR (internal rate of return) of approximately 24.50% using a transfer price of \$84,000,000 (eighty-four million dollars). The current contract and fee structure does not allow for a single property to be calculated with a disposition fee. The current contract only allows the incentive fee to be calculated as a part of the entire portfolio performance.

No action was taken.

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6. Property and asset management for Akard Place through PRIZM Advisors

Messrs. Cooley, Donahue, and Kroener, of CDK Advisors, formerly known as PRIZM Advisors, discussed the property management contract and the asset management contract for the Akard Place property, including the benefits and potential cost savings for the Akard Place property by the using the PRIZM companies for both contracts.

After discussion, Mr. Wachsman made a motion to approve the transfer of the property management contract and the asset management contract for the Akard Place property to CDK Advisors, formerly known as PRIZM Advisors, subject to negotiation of the contract and the final approval of the Administrator and the System's attorney. Mr. Shaw seconded the motion, which was unanimously approved by the Board.

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The meeting was recessed at 1:18 p.m.

The meeting was reconvened at 1:28 p.m.

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7. Legal issues

- a. Police Officer and Firefighter pay lawsuits
- b. Update on legal action in reference to Attorney General's opinion regarding open records request
- c. Jim Gholston v. Dallas Police & Fire Pension System
- d. Hancock Agricultural Investment Group litigation regarding patent rights to apple trees
- e. Park Police

In accordance with the terms of Section 551.071 of the Texas Government Code, the meeting was closed to the public at 2:23 p.m. for an executive legal session.

Discussions were held with legal counsel regarding the above items.

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

Mr. Davenport, the System's General Counsel, reported that the City Attorney's office has responded to the Park Police's attorney concerning their claims of alleged discriminatory treatment. The City has denied their request.

After discussion, Mr. Edge made a motion to receive and file the legal briefings. Mr. Tomasovic seconded the motion, which was unanimously approved by the Board.

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8. Billing rates for Lawson, Fields, McCue, Lee, & Campbell, P.C. for 2003

Mr. Tettamant stated that at its December 12, 2002 meeting, the Board approved an hourly rate adjustment for the services of Lawson, Fields, McCue, Lee, & Campbell, P.C., the System's outside legal counsel. Lawson, Fields, McCue, Lee, & Campbell, P.C., has requested the adjustment be revised to provide for the inclusion of an additional associate (Nicole LeBoeuf) and a correction to the rate for another associate (Deborah Wakefield).

After discussion, Mr. Wachsman and Mr. Mays jointly made a motion to approve the requested revision to the contract rate adjustment for Lawson, Fields, McCue, Lee & Campbell, P.C. Mr. Edge seconded the motion, which was unanimously approved by the Board.

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**Regular Board Meeting
Thursday, January 9, 2003**

9. 2003 Trustee Election

- a. Trustee Election Procedures
- b. Call for an election
- c. Trustee Election schedule
- d. Application for Trustee packet

- a. Trustee Election Procedure

The Board and staff discussed a proposed revision to the Trustee Election Procedure, last amended by the Board on January 20, 2001. The proposed revision incorporates a provision approved in the 2001 Plan Amendment Election to define actions in the event a Trustee Place is vacated by the incumbent prior to the expiration of a Trustee's term.

- b. Call for an Election

The terms of the following Trustees will expire on May 31, 2003:

Gary Edge	Fire Trustee (Place F-2)
George Tomasovic	Fire Trustee (Place F-3)
Rector McCollum	Police Trustee (Place P-3)
Steve Shaw	Police Trustee (Place P-2)

The Trustee Election Procedures state in Section 3(a) that "The Board shall call an election and specify the voting period to elect Fire and Police Department Trustees and Pensioner Trustees at least sixty (60) calendar days before the term of any Police or Fire Department Trustee or Pensioner Trustee expires and at least sixty (60) calendar days before the first Pensioner Trustee election."

- c. Trustee Election Schedule

Staff proposed a Trustee Election Schedule to meet the requirements of the Trustee Election Procedure. The schedule proposed that voting begin at 8:00 a.m. on Friday, March 21, and end at noon on Monday, March 31, 2003. The Board would then certify the election results at a special Board meeting on Wednesday, April 2, 2003. Staff recommended using telephone balloting for the 2003 Trustee Election.

- d. Application for Trustee packet

The Board and staff discussed a proposed Application for Trustee Candidacy packet.

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9. 2003 Trustee Election (continued)

After discussion, Mr. Shaw made a motion to approve the revised Trustee Election Procedures, call for the election for the four expiring Trustee Places, approve the election schedule and approve the Application for Trustee Candidacy packet, all subject to the final approval of the Administrator and legal counsel. Mr. Edge seconded the motion, which was unanimously approved by the Board.

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10. Pension-related issues for possible legislative consideration

- a. Constitutional amendment
- b. Retain Locke Liddell & Sapp as state legislative consultant
- c. Other legislation
 - a. Mr. Tettamant updated the Board on activities related to the efforts to pass a Constitutional amendment to protect the members' rights to their promised benefits.
 - b. Mr. Tettamant discussed retaining Locke, Liddell and Sapp, LLP, (LL&S) as a State legislative consultant during the current legislative session. After the discussion at the December Board meeting and follow-up discussions concerning the possibility of adverse legislation and the constitutional amendment, LL&S believes that they could assist Hillco Partners (the System's state legislative consultant) and the Pension System during this legislative session. LL&S is the state legislative consultant for the three Houston pension funds.
 - c. Mr. Tettamant updated the Board on other relevant pending federal or state legislation.

Mr. Clint Smith, of Hillco Partners, participated in the discussion via telephone. He reviewed the 2003 legislative fact sheet and explained the legislative process for bills and Hillco's monitoring of the process to identify pension-related bills and amendments.

After discussion, Mr. Wachsman made a motion to receive and file the status report on the Constitutional amendment to protect pension benefits. Mr. Edge seconded the motion, which was unanimously approved by the Board.

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10. Pension-related issues for possible legislative consideration (continued)

After discussion, Mr. Umlor made a motion to approve the proposed contract with Locke Liddell & Sapp LLP for state legislative consulting services for the current legislative session and special session, if any, subject to the final approval of the Administrator and the System's legal counsel. Mr. McCollum seconded the motion, which was unanimously approved by the Board.

After discussion, Mr. Shaw made a motion to receive and file the report on other pension-related legislation. Mr. McCollum seconded the motion, which was unanimously approved by the Board.

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11. Pension System's monthly financial statement

Discussion of this item was tabled, pending receipt of the statement.

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C. BRIEFING ITEMS

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

Mr. Tettamant distributed a letter to the Board from Paul R. McElroy, police officer, requesting that the benefit supplement be extended to retirees who had a minimum of 15 years of pension service.

The Board directed Mr. Tettamant to retain Mr. McElroy's letter for consideration the next time the Board studies possible plan amendments.

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2. Administrator's report

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

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2. Administrator's report (continued)

Presentation of the monthly report on performance returns by JPMorgan Chase & Company, the System's custodial bank, was tabled, pending receipt of the report.

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

Mr. Shaw made a motion to receive and file the Administrator's report. Mr. Edge seconded the motion, which was unanimously approved by the Board.

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3. Board operations and procedures

No discussion was held.

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The Administrator stated that there was no further business to come before the Board. On a motion by Mr. Edge and a second by Mr. Tomasovic, the meeting was adjourned at 4:06 p.m.

Gerald Brown
Chairman

ATTEST:

Richard L. Tettamant
Secretary

CITY OF DALLAS - POLICE & FIRE PENSION SYSTEM

ASSET DISTRIBUTION BY ADVISOR - AS OF November 30, 2002

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HANCOCK AGRICULTURAL INVEST FD	22,304,593.95	1.3 %	8.7 %
HEARTHSTONE MSH HOMEBUILDING	1,572,938.42	0.1 %	0.6 %
HEITMAN CAPITAL MANAGEMENT	64,445.34	0.0 %	0.0 %
HUDSON ADVISORS	25,314,075.58	1.5 %	9.8 %
INVESCO	7,700,065.28	0.5 %	3.0 %
KENNEDY ASSOCIATES	28,716,840.95	1.7 %	11.1 %
L & B	39,553,626.00	2.3 %	15.4 %
OCM REAL ESTATE/OPPORTUNITIES FUND	14,962,578.00	0.9 %	5.8 %
OLYMPUS REAL ESTATE	18,376,649.32	1.1 %	7.1 %
PRIZM	4,049,415.65	0.2 %	1.6 %
PRUDENTIAL INVESTMENTS	10,420,539.16	0.6 %	4.0 %
RREEF	30,629,820.61	1.8 %	11.9 %
*** TOTAL REAL ESTATE ADVISORS: ***	257,658,024.13	15.2 %	100.0 %
EQUITY-INTERNATIONAL ADVISORS:			

BANK OF IRELAND	174,964,330.01	10.3 %	45.0 %
CLAY FINLAY INC	97,450,580.05	5.7 %	25.0 %
FIDELITY ENHANCED EAFE	116,493,997.05	6.9 %	30.0 %
*** TOTAL EQUITY-INTERNATIONAL ADVIS	388,908,907.11	22.9 %	100.0 %
CASH:			

CONTRIBUTION & EXPENSE ACCOUNT	17,200,689.55	1.0 %	100.0 %
*** TOTAL CASH: ***	17,200,689.55	1.0 %	100.0 %
TOTAL MASTER TRUST	1,696,096,407.75	100.0 %	100.0 %
CITY CONTRIBUTIONS	5,817,454.06		
EMPLOYEE CONTRIBUTIONS	1,233,832.60		
BENEFIT DISTRIBUTIONS	-7,982,180.54		
EXPENSES	-161,202.07		