

Dallas Police and Fire Pension System
Thursday, March 13, 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, and Mayor Pro Tem Donald Hill

Absent: Councilmember Maxine Thornton-Reese

Staff

Richard Tettamant, Brian Blake, Don Rohan, Everard Davenport, Pat McGennis, Don McMillan, John Holt, and Jerry Chandler

Others

Gary Lawson, Gus Fields, Eric Calhoun, Jon Donahue, Brent Kroener, Denise Cannefax, Jackie Walker, Blaine Smith, Max Swango, and Scott Dennis

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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

Regular meeting of February 13, 2003
Special meeting of February 19, 2003
Special meeting of February 24, 2003
Special meetings of February 25, 2003
Special meeting of March 3, 2003

2. Approval of the Monthly Trustee Summary for the Month of January 2003

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3. Approval of Refunds of Contributions for the Month of February 2003

Refund of Combined Pension Plan, Section 6.02 Group B Contributions

<u>EMPLOYEE NAME</u>	<u>DEPT.</u>	<u>REFUND DATE</u>
Steven R. Butler	F	Feb 21, 2003
John A. Lage	P	Feb 21, 2003
Shauna L. Lopez	P	Feb 21, 2003
David S. Rooks	P	Feb 07, 2003

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

None

4. Approval of Activity in the Deferred Retirement Option Plan (DROP) for March 2003

New DROP Participants

EMPLOYEE NAME	DEPT.
Howard W. Crawford	Fire
Wylie M. Dykes	Fire
David W. Evitts	Fire
Edward H. Smith	Fire
Randy R. Hampton	Police
John M. Krawczyk	Police
Dudley T. Marchetti, Jr.	Police

Retiree New DROP Enrollees

NAME	DEPT.	STATUS CODE
Denny R. Burris	Fire	1
Paul Hernandez, Jr.	Police	1
Joyce E. Keeter	Police	1

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

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

DROP Status Changes

NAME	DEPT.	STATUS CODE
Nathan O. Christopher	Fire	2
Ronny W. Ross	Police	2

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.
James R. Baker	Fire

5. Approval of Payment of Previously Withdrawn Contributions

Terry L. Labs, Police Officer

6. Approval of Estate Settlements

Deceased (Member (M) or Survivor (S))	Dept.	Date Of Death	Estate Payment To	Group
Oma E. Flowers (S)	Fire	Jan. 18, 2003	Sue Smith	A – Sec. 6.07
Nanna M. Williams (S)	Fire	Jan. 29, 2003	Nan C. Caraway	B – Sec. 6.08

7. Approval of Survivor Benefits - Deceased Member

Deceased Retiree	Dept.	Date Of Death	Qualified Survivor	Estate Payment	Group
Wayne K. Clarke	Fire	Feb. 12, 2003	Jin S. Clarke, spouse & guardian of child, Nakome R. Clarke	No	B - Sec. 6.08
Leon C. Brannon	Police	Dec.13, 2002	Resa Dyer, guardian of Ke'Veon Brannon; Veronica Jackson, guardian of Tanaya N. Clark; Gora A. Johnson, guardian of Anaucia A. Brannon	No	B - Sec. 6.08

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8. Approval of Survivor Benefits - Deceased Retirees

Deceased Retiree	Dept.	Date Of Death	Qualified Survivor	Estate Payment	Group
James W. Blair, Jr.	Fire	Jan. 9, 2003	Ouida F. Blair	Yes	A - Sec. 6.07
T. D. Eades	Fire	Feb. 9, 2003	Dorothy F. Eades	Yes	B - Sec. 6.08
Murvin H. Sanders	Fire	Feb. 12, 2003	Velma C. Sanders	Yes	A - Sec. 6.07

9. Approval of Service Retirements

Member	Dept.	Effective	Group	* DROP Participant
Ralph E. Anderson	Fire	Jan. 30, 2003	B - Sec. 6.02(b)	No/VII
Denny R. Burris	Fire	Feb. 26, 2003	B - Sec. 6.02(b)	Yes/VIII/IX
Roy L. Gardner	Fire	Mar. 2, 2003	B - Sec. 6.02(b)	Yes/VI/IX
Joel D. Hawkins	Fire	Jan. 27, 2003	B - Sec. 6.02(c)	Yes/III
James W. Johnson	Fire	Mar. 5, 2003	B - Sec. 6.02(b)	Yes/V
James D. McCraw	Fire	Mar. 3, 2003	B - Sec. 6.02(b)	Yes/IV/V/IX
Sydney J. Baugh	Police	Mar. 7, 2003	B - Sec. 6.02(b)	Yes/IV/V
Arland D. Donald	Police	Mar. 7, 2003	B - Sec. 6.02(b)	Yes/V
Charles R. Foist	Police	Mar. 12, 2003	B - Sec. 6.02(b)	Yes/V
Paul Hernandez, Jr.	Police	Feb. 26, 2003	B - Sec. 6.02(b)	Yes/VIII
Kenneth R. Johnson	Police	Mar. 1, 2003	B - Sec. 6.02(b)	Yes/V
Joyce E. Keeter	Police	Feb. 12, 2003	B - Sec. 6.02(b)	Yes/VIII
Clifford E. Lewis	Police	Mar. 1, 2003	B - Sec. 6.02(b)	Yes/IX
Gary R. Tate	Police	Mar. 11, 2003	B - Sec. 6.02(b)	Yes/V
David J. MacDonald	Police	Mar. 12, 2003	B - Sec. 6.02(b)	Yes/IV/V/IX

* 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

After discussion, Mr. Shaw 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. Closed Session - Board serving as Medical Committee

Disability recall

John Reschke, retired Firefighter

The Board did not go into a closed executive session.

Mr. Tettamant reviewed with the Board the medical information and physicians' reports regarding the disability recall of John Reschke, retired Firefighter.

After discussion, Mr. Wachsman made a motion to grant continuance of **John Reschke's** 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. Reschke to undergo future medical examination(s) to determine if the disability still exists or if recovery has been made to the point that Mr. Reschke is able to return to duty or two years, whichever is sooner. Mr. Umlor seconded the motion, which was unanimously approved by the Board.

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2. 2003 Trustee Election

Mr. Tettamant, Administrator, stated that at the January 9, 2003 meeting, the Board called for an election for four Trustee positions that expire May 31, 2003 – Police Trustee positions 2 and 3 (P-2, P-3) and Fire Trustee positions 2 and 3 (F-2, F-3).

At its February 13, 2003 meeting, the Board approved a preliminary version of the script to be used for telephone balloting.

Only Police Place 3 is contested. Candidates are Rector McCollum and Mark Stallo. Steve Shaw, Police Place 2, Gary Edge, Fire Place 2, and George Tomasovic, Fire Place 3, will not be on the ballot because they are running unopposed and will be deemed elected when the Board certifies the election results, in accordance with the Trustee Election Policy.

No motion was made.

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3. Update on Pension Gold conversion

Mr. Tettamant said that at its July 19, 2001 meeting, the Board authorized the purchase of an upgrade of the System's pension record keeping and pension payroll administration system to PensionGold Version 2 software, a product of Levi, Ray and Shoup, Inc. (LRS). The System has been working closely with LRS on the conversion since October 2001. Staff members have been running the old and new versions of the system since November 2002.

Staff reported at the February 13, 2003 meeting of the Board that processing went live on PensionGold Version 2 on February 3 with the intention of processing February benefit payments under the new program. However, Staff decided to delay full implementation of Version 2 until March processing is completed. As with February processing, Staff will continue to process all pension records in Version 1 through the month of March to provide back-up until assured that Version 2 is complete and accurate.

After discussion, Mr. Wachsman made a motion to receive and file the status report on the Pension Gold conversion. Mr. Tomasovic seconded the motion, which was unanimously approved by the Board.

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4. Akard Place update by CDK Realty Advisors

Messrs. Donahue and Kroener, from CDK Realty Advisors, were present to discuss the asset management of Akard Place. Representatives from CB Richard Ellis were present to discuss the property management of Akard Place under the direction of CDK Realty Advisors. CDK Realty Advisors was approved by the Board of Trustees as the new asset manager of Akard Place at the January 9, 2003 Board meeting. The contract for Akard Place asset management services was effective March 1, 2003.

No motion was made.

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The meeting was recessed at 9:50 a.m.

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

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5. Pension-related issues for possible legislative consideration

- a. Constitutional amendment
- b. Legislative consultants
- c. Other legislation

Mr. Tettamant reported that Staff is monitoring information from both legislative consultants: Hillco Partners, and Locke, Liddell & Sapp, LLP, regarding pension-related legislative issues. The bill to amend the Texas Constitution to protect the Members' rights to their promised benefits has been filed in the House as HJR54 (copy attached), sponsored by Phil King of Weatherford.

Copies of legislative reports prepared by Hillco Partners were provided. Mr. Tettamant stated that introduction of bills ends March 14. To date, there have been fewer House (down 32.8%) and Senate (down 16.2%) bills filed this session.

After discussion, Mr. Wachsman made a motion to receive and file the report on pension-related issues for possible legislative consideration. Mr. Edge seconded the motion, which was unanimously approved by the Board.

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6. Legal issues including, but not limited to:

- a. Police Officer and Firefighter pay lawsuits
- b. Open records requests
- c. Hancock Agricultural Investment Group litigation regarding patent rights to apple trees
- d. Jim Gholston v. Dallas Police & Fire Pension System
- e. Britton et al. v. DPFPS, Dallas Park Ranger Department, City of Dallas, et al.
- f. Elisabetha Buhk v. DPFPS Board

In accordance with the terms of Section 551.071 of the Texas Government Code, the meeting was closed to the public at 10:26 a.m. for an executive legal session.

Discussions were held with legal counsel regarding the above items.

The meeting was reopened at 10:58 a.m.

No motion was made.

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7. Policy resolutions for consideration by TEXPERS

Mr. Tettamant and Mr. Davenport, the System's general counsel, discussed six resolutions drafted by Mr. Davenport for consideration by TEXPERS for adoption. A summary of the resolutions is as follows:

There have been multiple suggestions by public officials that a variety of social goals be met through investment of public pension funds. The first resolution urges the Texas legislature and the U. S. Congress to oppose investing of trust assets for reasons other than the direct and exclusive benefit of Plan members and beneficiaries.

For several years there has been public debate about mandatory coverage of certain governmental employees in the Social Security program. The second resolution opposes imposition of Social Security coverage on current and future governmental employees.

Certain public officials and service organizations have proposed, with some success, that governmental defined benefit plans be terminated and replaced with defined contribution plans such as 401(k) and 457 plans or with cash balance plans. The third resolution opposes the replacement of defined benefit plans with defined contribution plans or cash balance plan.

The cost of health care for retirees is exorbitant and increasing yearly. Although active employees can pay for insurance with tax-sheltered dollars, retirees cannot. The fourth resolution urges Congress to create mechanisms through which retirees could pay for health insurance with tax-sheltered dollars.

Pension obligation bonds are sold by governmental entities as a means of acquiring large sums of money at low interest rates, then using those funds to pre-pay their pension obligations and reduce the system's unfunded liability. Texas does not permit the sale of pension obligation bonds. The fifth resolution urges statutory amendments that would enable governmental entities that wish to do so to issue pension obligation bonds.

The Board has previously supported passage of a Constitutional amendment that would protect accrued benefits in public pension plans in Texas. The sixth resolution urges TEXPERS' formal support of such an amendment.

After discussion, Mr. Edge made a motion to approve the proposed resolutions for consideration during the TEXPERS 2003 Annual Meeting. Mr. Shaw seconded the motion, which was unanimously approved by the Board.

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8. 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 32 on pages _____.

Wilshire Associates Inc. stated that Bank of Ireland is currently underweighted. Wilshire recommended that the System transfer \$5.7 million and \$9.1 million from Deutsche Asset Management's global bond and W.R. Huff's high yield accounts, respectively, to Bank of Ireland to redress the underweight. All other asset classes are within their target ranges.

After discussion, Mr. Wachsman made a motion to receive and file the monthly asset allocation report and approve the investment consultant's recommendations for rebalancing the portfolio. Mr. Mays seconded the motion, which was unanimously approved by the Board.

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9. Pension System's monthly financial statement

Mr. Tettamant and the Board discussed the monthly financial statement for the period ended January 31, 2003.

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

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

- a. **Conference: Opal: 5th Annual Investment Education Symposium**
Dates: February 26 - March 1, 2003

Mr. Shaw reported on the symposium.

- b. **Conference: State Pension Review Board meeting**
Dates: March 5, 2003

Mr. Brown and Mr. Tettamant reported on the board meeting.

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**DALLAS POLICE & FIRE PENSION SYSTEM
MARCH 2003 ASSET ALLOCATION MONITORING REPORT**

Asset Class		Target		Actual		Range		Difference vs.	
		\$	%	\$	%	Minimum	Maximum	Target	\$
EQUITY									
<u>Domestic Equity</u>									
S & P Index	SSgA	261.55	16.00	227.41	13.91	9.00	17.50		(34.14)
Large Cap Growth	Oak Assoc.	98.08	6.00	98.01	6.00	5.00	7.00		(0.07)
Micro Cap	Deutsche Asset Mgmt	81.73	5.00	67.35	4.12	4.00	6.00		(14.38)
Large Cap Value	Alliance Capital	98.08	6.00	88.89	5.44	5.00	7.00		(9.19)
Private Equity	NTOP/Huff Alternative	0.00	0.00	20.02	1.22	0.00	5.00		20.02
Energy	Mitchell Group	16.35	1.00	18.05	1.10	1.00	1.50		1.70
Total Domestic Equity		<u>555.79</u>	<u>34.00</u>	<u>519.73</u>	<u>31.80</u>				<u>(36.06)</u>
<u>International Equity</u>									
Active Large Cap	Bank of Ireland	179.81	11.00	152.13	9.31	9.50	12.50		(27.68)
Active ACWI x US	Clay Finlay	98.08	6.00	88.02	5.38	5.00	7.00		(10.06)
Active Enhanced EAFE	Fidelity	114.43	7.00	106.46	6.51	6.00	8.00		(7.97)
Total International Equity		<u>392.32</u>	<u>24.00</u>	<u>346.61</u>	<u>21.19</u>				<u>(45.71)</u>
Total Equity		<u>948.11</u>	<u>58.00</u>	<u>866.34</u>	<u>52.99</u>				<u>(81.77)</u>
FIXED INCOME									
<u>Global High Quality</u>	Deutsche Asset Mgmt	163.47	10.00	169.20	10.35	8.50	11.50		5.73
<u>Domestic High Yield</u>	W.R. Huff	81.73	5.00	90.90	5.56	3.00	7.00		9.17
<u>Global Opportunistic</u>									
Global Opportunistic Funds	W.R. Huff	No Target		22.69	1.39				0.00
	Oaktree	No Target		44.25	2.71				0.00
	TCW Spl Credits	No Target		0.34	0.02				0.00
Total Global Opportunistic Funds		49.04	3.00	67.28	4.11	0.00	4.00		18.24
GOFI Separate Account	Loomis-Sayles	147.12	9.00	160.69	9.83	8.00	10.00		13.57
Total Global Opportunistic		<u>196.16</u>	<u>12.00</u>	<u>227.97</u>	<u>13.94</u>				<u>31.81</u>
Total Fixed Income		<u>441.36</u>	<u>27.00</u>	<u>488.07</u>	<u>29.85</u>				<u>46.71</u>
<u>REAL ESTATE</u>		245.20	15.00	265.45	16.24	13.00	17.00		20.25
<u>CASH EQUIVALENTS</u>		0.00	0.00	14.81	0.93	0.00	0.00		14.81
Total Assets		<u>1,634.67</u>	<u>100.00</u>	<u>1,634.67</u>	<u>100.00</u>				<u>(0.00)</u>

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**DALLAS POLICE & FIRE PENSION SYSTEM
MARCH 2003 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					
Heitman Capital Management (JMB III & IV)	62,291	0.02%	0.00%		62,291
Prudential (Strategic Value Investors. LLC)	9,451,922	3.56%	0.00%		9,451,922
Subtotal	9,514,213	3.58%	0.00%	0	9,514,213
Separate Account Managers					
Agricultural - Hancock	22,912,351	8.63%	10.00%	24,792,218	(1,879,867)
Forest Investment Associates	43,565,166	16.41%	12.50%	30,990,273	12,574,893
INVESCO Realty	7,050,033	2.66%	17.50%	43,386,382	(36,336,349)
Kennedy Associates	30,937,500	11.65%	12.50%	30,990,273	(52,773)
L & B Real Estate Counsel	22,146,018	8.34%	15.00%	37,188,328	(15,042,310)
RREEF	30,815,788	11.61%	17.50%	43,386,382	(12,570,594)
CDK Realty Advisors	23,553,819	8.87%	NA	NA	
Subtotal	180,980,675	68.17%	85.00%	210,733,856	(53,307,000)
Opportunistic Partnerships					
Hearthstone (MSII Homebuilding)	2,628,452	0.99%		10,000,000	(7,371,548)
Crow Holdings Realty Partners II	13,074,205	4.92%		20,000,000	(6,925,795)
Oaktree Capital Management (OCM R E Opportunities Fund B)	15,123,301	5.70%		15,000,000	123,301
Hudson Advisors (Brazos, Lone Star I, II, III,IV)	26,431,829	9.96%		37,169,889	(10,738,060)
Olympus Real Estate Fund II & III	17,716,766	6.67%		30,000,000	(12,283,234)
Subtotal	74,974,553	28.24%	15.00%	112,169,889	(37,195,336)
Total Real Estate	265,469,441	100.00%	100.00%	322,903,745	(80,988,123)

Market value total fund

1,634,675,687

\$ %

Target Value (\$ and %)

247,922,184 15.00%

Market Value (\$ and %)

265,469,441 16.24%

Variance from Target

17,547,257 1.24%

Total Committed Capital

332,417,958

Managers in Redemption

9,514,213

Actual Committed Capital

322,903,745

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

- c. Conference: IIR: Absolute Return Strategies**
Dates: March 11-12, 2003

Mr. Tettamant reported on the conference.

After discussion, Mr. Wachsman made a motion to receive and file the Board and staff members' reports on meetings attended. Mr. Mays seconded the motion, which was unanimously approved by the Board.

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11. INVESCO portfolio review

Blaine Smith, Max Swango, and Scott Dennis, from INVESCO Realty Advisors, were present to discuss the real estate portfolio managed by INVESCO. Other topics discussed were an update on INVESCO, a market overview, and the investment process and allocation for the portfolio. INVESCO has been a fiduciary since August 1993 and currently manages approximately \$6,821,000 in real estate assets for the System.

After discussion, Mr. Shaw made a motion to receive and file the INVESCO portfolio review. Mr. Edge seconded the motion, which was unanimously approved by the Board.

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The meeting was recessed at 11:49 a.m.

The meeting was reconvened at 12:30 p.m.

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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 address the Board.

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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

Mr. Tettamant presented the monthly report on performance returns by JPMorgan Chase & Company, 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.

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

The Board discussed possible personnel options. Board direction was given.

No motion was made.

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ADDENDUM

Possible investment opportunity through CDK Realty Advisors

In accordance with the terms of Section 551.072, Texas Government Code, the Board went into a closed executive real estate session at 8:49 a.m. to discuss a possible investment opportunity through CDK Realty Advisors.

The meeting was reopened at 9:49 a.m.

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Possible investment opportunity through CDK Realty Advisors (continued)

After discussion, Mr. Shaw made a motion to proceed with the investment opportunity and terms that were discussed in closed session, subject to successful contract negotiations and 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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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. McCollum, the meeting was adjourned at 1:33 p.m.

Gerald Brown
Chairman

ATTEST:

Richard L. Tettamant
Secretary

CITY OF DALLAS - POLICE & FIRE PENSION SYSTEM

ASSET DISTRIBUTION BY ADVISOR - AS OF January 31, 2003

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

ALLIANCE CAPITAL MANAGEMENT	91,210,703.36	5.6 %	17.3 %
DEUTSCHE ASSET MGMT MICRO-CAP	69,199,174.78	4.2 %	13.2 %
HUFF ALTERNATIVE FUND LP	13,747,160.93	0.8 %	2.6 %
NORTH TEXAS OPPORTUNITY	6,267,943.56	0.4 %	1.2 %
OAK ASSOCIATES	97,153,105.17	5.9 %	18.5 %
SSGA S&P 500 FLAGSHIP	230,863,541.22	14.1 %	43.9 %
THE MITCHELL GROUP	17,347,853.89	1.1 %	3.3 %
*** TOTAL EQUITY-DOMESTIC ADVISORS:	525,789,482.91	32.1 %	100.0 %
FIXED INCOME ADVISORS:			

HUFF ALTERNATIVE INCOME FUND	21,698,125.89	1.3 %	13.6 %
OCM FUND IV	44,245,806.00	2.7 %	27.8 %
TCW SPECIAL CREDITS TR III	336,377.12	0.0 %	0.2 %
W.R. HUFF HIGH YIELD	92,992,772.24	5.7 %	58.4 %
*** TOTAL FIXED INCOME ADVISORS: ***	159,273,081.25	9.7 %	100.0 %
INTERNATIONAL FIXED INCOME ADVISORS:			

DEUTSCHE ASSET MGMT GLOBAL FIX. INC	168,202,934.55	10.2 %	51.7 %
LOOMIS SAYLES & CO	157,220,604.78	9.6 %	48.3 %
*** TOTAL INTERNATIONAL FIXED INCOME	325,423,539.33	19.8 %	100.0 %
REAL ESTATE ADVISORS:			

CDK REALTY ADVISORS	9,497,070.05	0.6 %	3.6 %
CROW HOLDINGS	12,867,829.31	0.8 %	4.8 %
FOREST INVESTMENT ASSOCIATES	43,640,621.07	2.7 %	16.4 %
HANCOCK AGRICULTURAL INVEST FD	21,379,914.88	1.3 %	8.0 %
HEARTHSTONE MSH HOMEBUILDING	2,842,991.72	0.2 %	1.1 %
HEITMAN CAPITAL MANAGEMENT	62,291.00	0.0 %	0.0 %
HUDSON ADVISORS	26,632,775.28	1.6 %	10.0 %
INVESCO	6,795,500.00	0.4 %	2.6 %
KENNEDY ASSOCIATES	30,024,025.00	1.8 %	11.3 %
L & B	39,863,631.38	2.4 %	15.0 %
OCM REAL ESTATE/OPPORTUNITIES FUND	15,016,755.00	0.9 %	5.6 %
OLYMPUS REAL ESTATE	17,710,931.93	1.1 %	6.7 %
PRUDENTIAL INVESTMENTS	9,451,923.81	0.6 %	3.6 %
RREEF	30,313,745.36	1.8 %	11.4 %
*** TOTAL REAL ESTATE ADVISORS: ***	266,100,005.79	16.2 %	100.0 %
EQUITY-INTERNATIONAL ADVISORS:			

BANK OF IRELAND	158,113,950.73	9.7 %	44.5 %
CLAY FINLAY INC	88,817,149.44	5.4 %	25.0 %
FIDELITY ENHANCED EAFE	108,717,332.36	6.6 %	30.6 %
*** TOTAL EQUITY-INTERNATIONAL ADVIS	355,648,432.53	21.7 %	100.0 %
CASH:			

COMMINGLED CASH	400,813.18	0.0 %	4.6 %
CONTRIBUTION & EXPENSE ACCOUNT	8,269,168.80	0.5 %	95.4 %
*** TOTAL CASH: ***	8,669,981.98	0.5 %	100.0 %
TOTAL MASTER TRUST	1,640,904,523.79	100.0 %	100.0 %
CITY CONTRIBUTIONS	9,061,141.38		
EMPLOYEE CONTRIBUTIONS	1,890,109.17		
BENEFIT DISTRIBUTIONS	-8,738,523.17		
EXPENSES	-522,702.77		