

**MINUTE SUMMARY**  
**Board Meeting**  
**Thursday, June 12, 2003**

The regular meeting of the Dallas Police and Fire Pension System Board of Trustees was held at **8:30 a.m.** on **Thursday, June 12, 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 was called to order at 8:35 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.** Discussed the 2002 actuarial valuation process. Changed the actuarial assumption as recommended by the actuary.
- Item 2.** Approved the Fiscal Year 2003-2004 Administrative and Professional Services Budgets and authorized the first reading at the July 10, 2003 Board meeting.
- Item 3.** The outside legal counsel briefed the Board regarding current legal issues. No motion was made.
- Item 4.** Received and filed the report on pension-related legislative issues.
- Item 5.** Received and filed the Staff and Board members' reports on due diligence meetings, seminars and/or conferences attended.
- Item 6.** The Administrator reviewed the scheduled due diligence meetings for global aggregate bond managers.

**B. DISCUSSION AND APPROVAL OF ITEMS FOR INDIVIDUAL CONSIDERATION (continued)**

- Item 7.** Received and filed the June 2003 monthly asset allocation report and approved the consultant's recommendations for rebalancing the portfolio.
- Item 8.** Received and filed the Pension System's monthly financial statement.
- Item 9.** Viewed and discussed a video supplied by VMS video services. The Board discussed ethics and continuing education and investment research policies and directed staff to do further review.

**C. BRIEFING ITEMS**

- Item 1.** No active members or pensioners were present to address concerns to the Board.
- 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 1:33 p.m.

\* \* \* \* \*

**Dallas Police and Fire Pension System  
Thursday, June 12, 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, Gary W. Edge, John M. Mays, Steven G. Shaw, George Tomasovic, Steven H. Umlor, Richard H. Wachsman, and Deputy Mayor Pro Tem Donald Hill

Absent: Rector C. McCollum (on Pension System business), and Councilmember Maxine Thornton-Reese

**Staff** Richard Tettamant, Brian Blake, Don Rohan, Everard Davenport, Pat McGennis, Jerry Chandler, and Linda Rickley

**Others** Rich Mackesey, Stephen J. Prullage, Gus Fields, Eric Calhoun, and Clint Smith

\* \* \* \* \*

The meeting was called to order at 8:35 a.m.

\* \* \* \* \*

**A. CONSENT AGENDA**

**1. Approval of Minutes**

Special meeting of April 29, 2003  
Emergency meeting of May 1, 2003  
Regular meeting of May 8, 2003

**2. Approval of the Monthly Trustee Summary for the Month of April 2003**

**Regular Board Meeting  
Thursday, June 12, 2003**

**3. Approval of Refunds of Contributions for the Month of May 2003**

**Refund of Combined Pension Plan, Section 6.02 Group B Contributions**

<u>EMPLOYEE NAME</u>	<u>DEPT.</u>	<u>REFUND DATE</u>
Shawn E. Allen	P	Apr. 25, 2003
Harold B. Cornish	P	May 1, 2003
Esmeralda Cortez	P	Apr. 25, 2003
Tjamas Matthews	P	May 9, 2003
Kevin Tyler	P	May 23, 2003
Rodney C. Wallace	P	Apr. 25, 2003
Jason S. Webb	P	May 30, 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  
June 2003**

**New DROP Participants**

Michael H. Cole	Fire
Steven L. Dotson	Fire
Larry F. Massingill	Fire
Richard A. Salinas	Fire
Luster B. Woodard	Fire
Jack R. Bragg, Jr.	Police
Steven J. DeLoach	Police
Judy E. Fries	Police
Mark E. Langford	Police
Elmer V. Reedy	Police
Keith H. Terry	Police
Glenn M. White	Police

**Regular Board Meeting  
Thursday, June 12, 2003**

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

**Retiree New DROP Enrollees**

NAME	DEPT.	STATUS CODE
Samuel F. Cochran	Fire	1
Eddie Z. Fuquay	Fire	1
George W. Hensley	Fire	1
Robert A. Greenwald	Police	1
Donald W. Knight	Police	1
Leslie A. Myers	Police	1
Edward G. Silva	Police	1

**DROP Status Changes**

NAME	DEPT.	STATUS CODE
Paul Hernandez, Jr.	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.
David L. Brewer	Fire
Mac A. Devers	Fire
Eric M. Kidd	Police

**5. Approval of Vested Rights Letters**

- a. Anna M. Mata, Police Officer
- b. Marcus Rink, Police Officer

**6. Approval of Estate Settlements**

Deceased (Member (M) or Survivor (S))	Dept.	Date Of Death	Estate Payment To	Group
Henry L. Gates (M)	Fire	Mar. 21, 2003	Charles H. Gates	A - Sec. 6.01
Harold W. McMullen (M)	Fire	Apr. 10, 2003	Cathy McMullen	B - Sec. 6.02
Harland W. Phillips (M)	Fire	Mar. 3, 2003	Shirley Phillips	A - Sec. 6.01

**Regular Board Meeting  
Thursday, June 12, 2003**

**6. Approval of Estate Settlements (continued)**

<b>Deceased (Member (M) or Survivor (S))</b>	<b>Dept.</b>	<b>Date Of Death</b>	<b>Estate Payment To</b>	<b>Group</b>
Walter E. Williams (M)	Fire	Aug. 4, 2002	Bonnie H. Williams	A - Sec. 6.01
Kenneth C. Barton (M)	Police	Mar. 25, 2003	Rocky J. Barton	A - Sec. 6.01
Charles T. Burnley (M)	Police	Apr. 16, 2003	Charles T. Burnley, Jr.	B - Sec. 6.02
Marvin Johnson, Sr. (M)	Police	Mar. 14, 2003	Gloria Williams	B - Sec. 6.02
Marston E. White (M)	Police	Dec. 8, 2002	Jennifer B. Barton	B - Sec. 6.04

**7. Approval of Survivor Benefits - Deceased Retirees**

<b>Deceased Retiree</b>	<b>Dept.</b>	<b>Date Of Death</b>	<b>Qualified Survivor</b>	<b>Estate Payment</b>	<b>Group</b>
Jerry S. Debenport	Police	Apr. 28, 2003	Patsy G. Debenport	No	B - Sec. 6.08
Jeffrey L. Kirksey	Police	May 16, 2003	Sandra L. Kirksey	Yes	B - Sec. 6.08
Robert E. Looper	Police	May 4, 2003	Julie F. Looper, spouse, & guardian of Edward B. Looper	Yes	A - Sec. 6.07

**8. Approval of Survivor Benefits - Deceased Member**

<b>Deceased Member</b>	<b>Dept.</b>	<b>Date Of Death</b>	<b>Qualified Survivor</b>	<b>Estate Payment</b>	<b>Group</b>
William J. Carollo	Police	April 5, 2003	Ramona K. Carollo, guardian of Nicole Carollo	No	B - Sec. 6.08

**9. Approval of Service Retirements**

<b>Member</b>	<b>Dept.</b>	<b>Effective</b>	<b>Group</b>	<b>* DROP Participant</b>	<b>100% J &amp; S</b>
Samuel F. Cochran	Fire	May 8, 2003	B - Sec. 6.02(b)	Yes/VIII	No
Canda L. Dunn	Fire	May 21, 2003	B - Sec. 6.02(d)	Yes/VI	Yes
Eddie Z. Fuquay	Fire	June 4, 2003	B - Sec. 6.02(b)	Yes/VIII	Yes
George W. Hensley	Fire	May 12, 2003	B - Sec. 6.02(b)	Yes/VIII	No
Anthony R. Ivie	Fire	May 17, 2003	B - Sec. 6.02(b)	Yes/V	No
Thomas W. Oney	Fire	June 1, 2003	B - Sec. 6.02(b)	Yes/V	No
Terry L. Speulda	Fire	June 3, 2003	B - Sec. 6.02(b)	Yes/V	Yes
James T. Stewart	Fire	June 1, 2003	B - Sec. 6.02(b)	Yes/VI	Yes
Joe M. Arce	Police	June 4, 2003	B - Sec. 6.02(b)	Yes/VIII	Yes
Richard N. Dunn	Police	May 16, 2003	B - Sec. 6.02(d)	Yes/VI	Yes
Dee F. Durham	Police	June 4, 2003	B - Sec. 6.02(b)	Yes/VI	No
Robert A. Greenwald	Police	June 3, 2003	B - Sec. 6.02(b)	Yes/VIII	No

**Regular Board Meeting  
Thursday, June 12, 2003**

**9. Approval of Service Retirements (continued)**

<b>Member</b>	<b>Dept.</b>	<b>Effective</b>	<b>Group</b>	<b>* DROP Participant</b>	<b>100% J &amp; S</b>
Donald W. Knight	Police	May 21, 2003	B - Sec. 6.02(b)	Yes/VIII	Yes
Leslie A. Myers	Police	June 4, 2003	B - Sec. 6.02(b)	Yes/VIII	Yes
Johnny L. Nichols	Police	June 1, 2003	B - Sec. 6.02(b)	Yes/V	No
Edward G. Silva	Police	June 3, 2003	B - Sec. 6.02(b)	Yes/VIII	Yes

<b>* Distribution Method</b>	
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	

**10. Spouse Wed After Retirement (SWAR)**

<b>EMPLOYEE NAME</b>	<b>DEPT.</b>
B. Eugene Ridinger	Police

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.

\* \* \* \* \*

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

**1. 2002 actuarial valuation process**

Mr. Mackesey, of Buck Consultants, introduced Stephen J. Prullage, F.S.A., E.A., who will be working with him as Consulting Actuary for the Pension System.

Mr. Mackesey discussed the actuarial assumption regarding the number of retirements annually and recommended a reduction in the number of assumed retirements. He also discussed the actuarial valuation process.

After discussion, Mr. Wachsman made a motion to change the actuarial assumption regarding the number of retirements annually as recommended by the actuary. Mr. Mays seconded the motion, which was unanimously approved by the Board.

**Regular Board Meeting  
Thursday, June 12, 2003**

**1. 2002 actuarial valuation process (continued)**

Mr. Wachsman made a motion to receive and file the actuary's presentation. Mr. Edge seconded the motion, which was unanimously approved by the Board.

\* \* \* \* \*

**2. Presentation and discussion of the Fiscal Year 2003-2004 Administrative and Professional Services Budgets**

A draft of the initial budget proposal for Fiscal Year 2003-2004, as required by the System's budget preparation procedures, was presented. The proposed budget covers the 15-month period from October 1, 2003 through December 31, 2004, as approved by the Board at its November 14, 2002 meeting. The proposed budgets were presented to the Administrative Advisory Committee at its May 8, 2003 meeting. The Committee's recommended revisions have been incorporated into this draft.

The combined Administrative and Professional Services Budget proposals (for the first 12 months) represent an overall decrease of 4.5% from the FY 2002-2003 budget.

The administrative budget proposes an increase of 4.4% (12-month comparison) over the FY 2002-2003 budget (with Board-approved mid-year adjustments). The requested increase primarily reflects an increase in salary and benefits resulting from full year funding of the General Counsel and Pensioner Advocate positions. The proposal also reflects management-imposed reductions in office supplies, printing, postage, memberships, subscriptions and fixed assets. Line items that vary by more than a 5% increase or decrease from the current year budget were detailed in the presentation.

The professional services budget reflects a decrease of 6.2% (12-month comparison) from the FY 2002-2003 budget. The decrease results primarily from a deletion of services no longer needed and from reduced investment management fees. Line items varying by more than a 5% increase or decrease from the current year budget were detailed in the presentation.

After discussion, Mr. Wachsman made a motion to approve the Fiscal Year 2003-2004 Administrative and Professional Services Budgets, with modifications, and authorize the first reading at the July 10, 2003 Board meeting. Mr. Umlor seconded the motion, which was unanimously approved by the Board.

\* \* \* \* \*



**Regular Board Meeting  
Thursday, June 12, 2003**

**3. 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. DFPF Board

In accordance with the terms of Section 551.071 of the Texas Government Code, the meeting was closed to the public at 9:23 a.m. for an executive legal session.

Discussions were held with legal counsel regarding the above items.

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

No motion was made.

\* \* \* \* \*

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

The meeting was reconvened at 10:11 a.m.

\* \* \* \* \*

**4. Pension-related issues for possible legislative consideration**

- a. Constitutional amendment
- b. Reports from legislative consultants
- c. Other legislation

Mr. Tettamant stated that staff is monitoring information from both legislative consultants, Hillco Partners, and Locke, Liddell & Sapp, LLP, regarding pension-related legislative issues as follows:

**Regular Board Meeting  
Thursday, June 12, 2003**

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

The constitutional amendment to protect the Members' rights to their promised benefits, HJR 54, (Rep. King), was referred to the House Pensions and Investments Committee, heard by the Committee on March 24 and passed by the Committee on March 31. The House passed the HJR 54 as amended on April 29, 2003. Amendments to the original bill provide an opportunity for an individual political subdivision to opt out of the constitutional provision; place a joint liability on active members of the retirement system and the state or political subdivision; and, exclude from the provisions members of a retirement system who have not qualified to receive benefits under the requirements of the retirement system. The Senate version of the bill, SJR 38 (Sen. Brimer), was referred to the Committee on Senate State Affairs. The Senate passed HJR 54 on May 27, 2003, by a 31-0 vote and the House concurred with the Senate amendments on May 30. The bill was signed in both the House and Senate on June 2.

Mr. Smith, of Hillco Partners, discussed the 2003 State legislative session. Mr. Tettamant updated the Board on other pending retirement-related federal or state legislation.

After discussion, Mr. Wachsman made a motion to receive and file the reports by the legislative consultants. Mr. Edge seconded the motion, which was unanimously approved by the Board.

\* \* \* \* \*

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

**a. Conference: NCPERS Annual Conference**

**Dates:** May 18 - 22, 2003

Messrs. Edge, Mays, Tomasovic, Wachsman, Tettamant, and Rohan reported on the educational conference, which covered such topics as measuring risk and returns, responding to the media, why consultants are needed, rollovers of 403(b) and 457 funds, bonds, and current legal issues.

**b. Due Diligence: Lone Star Funds Annual Investor Informational Meeting**

**Dates:** June 10, 2003

Messrs. Brown, Tettamant, and Blake reported on the meeting, at which the Lone Star – Hudson Advisors' various investments were discussed.

**Regular Board Meeting  
Thursday, June 12, 2003**

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

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

\* \* \* \* \*

**6. Global bond aggregate manager due diligence site visits**

Mr. Tettamant reviewed the schedule of due diligence meetings for global aggregate bond managers.

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

\* \* \* \* \*

**7. 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 follow and are included in Minute Book Number 32 on pages \_\_\_\_\_.

Wilshire Associates Inc. stated that all of the asset class allocations are within their respective target ranges; therefore, no rebalancing is necessary. Wilshire recommends that the \$16 million in excess cash should be split between the international equity managers because the segment is the most underweight relative to its target weight. The split should be as follows: \$6 million to Bank of Ireland, \$4 million to Fidelity Enhanced EAFE, and \$6 million to Clay Finlay International, for a total of \$16 million.

After discussion, Mr. Edge made a motion to receive and file the June 2003 monthly asset allocation report and approve the investment consultant's recommendations for rebalancing the Pension System's investment portfolio. Mr. Tomasovic seconded the motion, which was unanimously approved by the Board.

\* \* \* \* \*

**Regular Board Meeting  
Thursday, June 12, 2003**

**DALLAS POLICE AND FIRE PENSION SYSTEM  
JUNE 2003 ASSET ALLOCATION MONITORING REPORT**

Asset Class		Target		Actual		Range		Difference vs.	
		\$	%	\$	%	Minimum	Maximum	Target	\$
<b>EQUITY</b>									
<b><u>Domestic Equity</u></b>									
S & P Index	SSgA	292.07	16.00	261.70	14.34	9.00	17.50		(30.37)
Large Cap Growth	Oak Assoc.	109.52	6.00	127.76	7.00	5.00	7.00		18.24
Micro Cap	Deutsche Asset Mgmt	91.27	5.00	79.50	4.36	4.00	6.00		(11.77)
Large Cap Value	Alliance Capital	109.52	6.00	104.45	5.72	5.00	7.00		(5.07)
Private Equity	NTOP/Huff Alternative	0.00	0.00	24.48	1.34	0.00	5.00		24.48
Energy	Mitchell Group	18.25	1.00	19.78	1.08	1.00	1.50		1.53
<b>Total Domestic Equity</b>		<b>620.63</b>	<b>34.00</b>	<b>617.67</b>	<b>33.84</b>				<b>(2.96)</b>
<b><u>International Equity</u></b>									
Active Large Cap	Bank of Ireland	200.80	11.00	192.45	10.54	9.50	12.50		(8.35)
Active ACWI x US	Clay Finlay	109.52	6.00	100.74	5.52	5.00	7.00		(8.78)
Active Enhanced EAFE	Fidelity	127.78	7.00	122.63	6.72	6.00	8.00		(5.15)
<b>Total International Equity</b>		<b>438.10</b>	<b>24.00</b>	<b>415.82</b>	<b>22.77</b>				<b>(22.28)</b>
<b>Total Equity</b>		<b>1,058.73</b>	<b>58.00</b>	<b>1033.49</b>	<b>56.61</b>				<b>(25.24)</b>
<b>FIXED INCOME</b>									
<b><u>Global High Quality</u></b>	Deutsche Asset Mgmt	182.54	10.00	172.03	9.42	8.50	11.50		(10.51)
<b><u>Domestic High Yield</u></b>	W.R. Huff	91.27	5.00	90.09	4.94	3.00	7.00		(1.18)
<b><u>Global Opportunistic</u></b>									
Global Opportunistic Funds	W.R. Huff	No Target		10.24	0.56				0.00
	Oaktree	No Target		46.84	2.57				0.00
	TCW Spl Credits	No Target		0.34	0.02				0.00
	Highland Crusader Fund *	No Target		0.00	0.00				0.00
<b>Total Global Opportunistic Funds</b>		<b>54.76</b>	<b>3.00</b>	<b>57.42</b>	<b>3.14</b>	<b>0.00</b>	<b>4.00</b>		<b>2.66</b>
GOFI Separate Account	Loomis-Sayles	164.29	9.00	158.09	8.66	8.00	10.00		(6.20)
<b>Total Global Opportunistic</b>		<b>219.05</b>	<b>12.00</b>	<b>215.51</b>	<b>11.80</b>				<b>(3.54)</b>
<b>Total Fixed Income</b>		<b>492.86</b>	<b>27.00</b>	<b>477.63</b>	<b>26.16</b>				<b>(15.23)</b>
<b><u>REAL ESTATE</u></b>									
		273.82	15.00	267.22	14.64	13.00	17.00		(6.60)
<b><u>CASH EQUIVALENTS</u></b>									
		0.00	0.00	47.07	2.60	0.00	0.00		47.07
<b>Total Assets</b>		<b>1,825.41</b>	<b>100.00</b>	<b>1,825.41</b>	<b>100.00</b>				<b>(0.00)</b>

**Regular Board Meeting  
Thursday, June 12, 2003**

**DALLAS POLICE AND FIRE PENSION SYSTEM  
JUNE 2003 ASSET ALLOCATION MONITORING REPORT  
Real Estate Portfolio**

<b>Real Estate Manager</b>	<b>Market Value</b>	<b>Percentage of Real Estate Assets</b>	<b>Target Percentage</b>	<b>Committed Capital</b>	<b>Variance from Target Vs Committed</b>
<b>Managers in Redemption</b>					
Heitman Capital Management (JMB III & IV)	53,351	0.02%	0.00%		53,351
Prudential (Strategic Value Investors. LLC)	6,275,918	2.35%	0.00%		6,275,918
<b>Subtotal</b>	<b>6,329,269</b>	<b>2.37%</b>	<b>0.00%</b>	<b>0</b>	<b>6,329,269</b>
<b>Separate Account Managers</b>					
Agricultural - Hancock	22,912,351	8.57%	10.00%	27,653,182	(4,740,831)
Forest Investment Associates	42,533,242	15.92%	12.50%	34,566,477	7,966,765
INVESCO Realty	7,050,033	2.64%	17.50%	48,393,068	(41,343,035)
Kennedy Associates	26,435,212	9.89%	12.50%	34,566,477	(8,131,265)
L & B Real Estate Counsel	22,526,775	8.43%	15.00%	41,479,773	(18,952,998)
RREEF	34,709,391	12.99%	17.50%	48,393,068	(13,683,677)
CDK Realty Advisors	27,046,907	10.12%	NA	NA	
<b>Subtotal</b>	<b>183,213,911</b>	<b>68.56%</b>	<b>85.00%</b>	<b>235,052,046</b>	<b>(78,885,042)</b>
<b>Opportunistic Partnerships</b>					
Hearthstone (MSII Homebuilding)	2,002,683	0.75%		10,000,000	(7,997,317)
Crow Holdings Realty Partners II	15,558,759	5.82%		20,000,000	(4,441,241)
Oaktree Capital Management (OCM R E Opportunities Fund B)	15,056,282	5.63%		15,000,000	56,282
Hudson Advisors (Brazos, Lone Star I, II, III,IV)	27,186,480	10.17%		37,582,424	(10,395,944)
Olympus Real Estate Fund II & III	17,866,793	6.69%		30,000,000	(12,133,207)
<b>Subtotal</b>	<b>77,670,997</b>	<b>29.07%</b>	<b>15.00%</b>	<b>112,582,424</b>	<b>(34,911,427)</b>
<b>Total Real Estate</b>	<b>267,214,177</b>	<b>100.00%</b>	<b>100.00%</b>	<b>347,634,470</b>	<b>(107,467,200)</b>

Market value total fund

**1,825,406,586**

Target Value (\$ and %)  
Market Value (\$ and %)  
Variance from Target

\$	%
276,531,819	15.00%
267,214,177	14.64%
(9,317,642)	-0.36%

Total Committed Capital  
Managers in Redemption  
Actual Committed Capital

353,963,739
6,329,269
347,634,470

**Regular Board Meeting  
Thursday, June 12, 2003**

**8. Pension System's monthly financial statement**

Mr. Tettamant and the Board discussed the monthly financial statement for the period ended April 30, 2003.

No motion was made.

\* \* \* \* \*

**9. Developments involving pension funds in Texas and review of System's policies, procedures, and operations.**

Viewed and discussed a video supplied by VMS video services. The Board discussed ethics and continuing education and investment research policies and directed staff to do further review.

No motion was made.

\* \* \* \* \*

**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.

\* \* \* \* \*

**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.

**Regular Board Meeting  
Thursday, June 12, 2003**

**2. Administrator's report (continued)**

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

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

\* \* \* \* \*

**3. Board operations and procedures**

No action was taken.

\* \* \* \* \*

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 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 April 30, 2003

	NET ASSET VALUE	FUND % OF ASSETS	ADVISOR % OF CLASS
<b>EQUITY-DOMESTIC ADVISORS:</b>			
-----			
ALLIANCE CAPITAL MANAGEMENT	96,760,191.82	5.5 %	16.7 %
DEUTSCHE ASSET MGMT MICRO-CAP	74,081,155.59	4.3 %	12.9 %
HUFF ALTERNATIVE FUND LP	18,217,340.02	1.1 %	3.2 %
NORTH TEXAS OPPORTUNITY	6,263,502.28	0.4 %	1.1 %
OAK ASSOCIATES	113,791,378.67	6.6 %	19.8 %
SSGA S&P 500 FLAGSHIP	248,590,768.10	14.4 %	43.2 %
THE MITCHELL GROUP	17,878,847.82	1.0 %	3.1 %
*** TOTAL EQUITY-DOMESTIC ADVISORS:	575,583,184.30	33.3 %	100.0 %
<b>FIXED INCOME ADVISORS:</b>			
-----			
HUFF ALTERNATIVE INCOME FUND	9,094,817.01	0.6 %	6.4 %
OCM FUND IV	51,838,498.00	3.0 %	36.2 %
TCW SPECIAL CREDITS TR III	333,696.80	0.0 %	0.2 %
W.R. HUFF HIGH YIELD	81,900,516.16	4.7 %	57.2 %
*** TOTAL FIXED INCOME ADVISORS: ***	143,167,527.97	8.3 %	100.0 %
<b>INTERNATIONAL FIXED INCOME ADVISORS:</b>			
-----			
DEUTSCHE ASSET MGMT GLOBAL FIX. INC	165,689,117.92	9.6 %	49.2 %
LOOMIS SAYLES & CO	171,173,327.18	9.9 %	50.8 %
*** TOTAL INTERNATIONAL FIXED INCOME	336,862,445.10	19.5 %	100.0 %
<b>REAL ESTATE ADVISORS:</b>			
-----			
CDK REALTY ADVISORS	23,383,891.92	1.4 %	9.0 %
CROW HOLDINGS	15,558,766.05	0.9 %	6.0 %
FOREST INVESTMENT ASSOCIATES	42,582,894.55	2.5 %	16.4 %
HANCOCK AGRICULTURAL INVEST FD	22,949,916.05	1.3 %	8.8 %
HEARTHSTONE MSH HOMEBUILDING	2,279,096.46	0.1 %	0.9 %
HEITMAN CAPITAL MANAGEMENT	49,928.87	0.0 %	0.0 %
HUDSON ADVISORS	27,109,581.76	1.6 %	10.4 %
INVESCO	6,827,960.00	0.4 %	2.6 %
KENNEDY ASSOCIATES	25,590,555.00	1.5 %	9.8 %
L & B	23,304,700.48	1.3 %	9.0 %
OCM REAL ESTATE/OPPORTUNITIES FUND	14,814,882.00	0.9 %	5.7 %
OLYMPUS REAL ESTATE	16,703,508.91	1.0 %	6.4 %
PRUDENTIAL INVESTMENTS	6,275,914.87	0.4 %	2.4 %
RREEF	32,927,920.33	1.9 %	12.6 %
*** TOTAL REAL ESTATE ADVISORS: ***	260,359,517.25	15.1 %	100.0 %
<b>EQUITY-INTERNATIONAL ADVISORS:</b>			
-----			
BANK OF IRELAND	181,765,914.91	10.4 %	46.5 %
CLAY FINLAY INC	94,214,745.40	5.5 %	24.1 %
FIDELITY ENHANCED EAFE	114,865,488.61	6.7 %	29.4 %
*** TOTAL EQUITY-INTERNATIONAL ADVIS	390,846,148.92	22.6 %	100.0 %
<b>CASH:</b>			
-----			
COMMINGLED CASH	1,148,368.95	0.1 %	5.9 %
CONTRIBUTION & EXPENSE ACCOUNT	18,372,033.65	1.1 %	94.1 %
*** TOTAL CASH: ***	19,520,402.60	1.2 %	100.0 %
TOTAL MASTER TRUST	1,726,339,226.14	100.0 %	100.0 %
CITY CONTRIBUTIONS	6,077,012.06		
EMPLOYEE CONTRIBUTIONS	1,249,884.69		
BENEFIT DISTRIBUTIONS	-7,988,700.19		
EXPENSES	-678,925.68		