

**Dallas Police and Fire Pension System**  
**Thursday, May 13, 2004**  
**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, Deputy Mayor Pro Tem Donald Hill, John M. Mays, Councilmember Maxine Thornton-Reese, Rector C. McCollum, Steven G. Shaw, and Steven H. Umlor

Absent: George Tomasovic and Richard H. Wachsman

**Staff** Richard Tettamant, Brian Blake, Everard Davenport, Pat McGennis, Jay Jackson, John Holt, Jerry Chandler, and Linda Rickley

**Others** Robert Fabiszewski, Gene Conway, Paul Dolinoy, Richard Brown, Tony Freitas, Robert Janis, Sam Dedio, Leo Grohowski (by telephone), Audrey Jones (by telephone), Christine Mullis, Dan Plumlee, Jason Blake, Gary Lawson, Richard R. Casillas, Jason B. Atchley, and Andrew Davis

\* \* \* \* \*

The meeting was called to order at 8:31 a.m.

The meeting was recessed at 8:31 a.m.

The meeting was reconvened at 9:44 a.m.

\* \* \* \* \*

**A. CONSENT AGENDA**

**1. Approval of Minutes**

Regular meeting of April 8, 2004  
Quarterly meeting of April 15, 2004

**2. Approval of the Monthly Trustee Summary for the Month of March 2004**

**Regular Board Meeting  
Thursday, May 13, 2004**

**3. Approval of Refunds of Contributions for the Month of April 2004**

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

<u>EMPLOYEE NAME</u>	<u>DEPT.</u>	<u>REFUND DATE</u>
Lance C. Lemberg	F	Apr. 9, 2004
John A. Rodgers	F	Apr. 23, 2004
John P. Barcelo	P	Apr. 9, 2004
Michael Barron	P	Apr. 23, 2004
Dianna L. Bell	P	Apr. 23, 2004
Adam J. Bush	P	Apr. 2, 2004
David L. Caperton	P	Apr. 23, 2004
Douglas E. Carson	P	Apr. 9, 2004
Shawna Egan	P	Apr. 2, 2004
Justin B. Holton	P	Apr. 9, 2004
Young M. Kim	P	Apr. 9, 2004
Marcus Rink	P	Apr. 23, 2004

**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 May 2004**

**New DROP Participants**

<u>EMPLOYEE NAME</u>	<u>DEPT.</u>
Paul L. Anderson	Fire
Michael L. Hudgins	Fire
Raymond E. Kelley	Police
Robert C. Ludwig	Police
Alan W. Wammack	Police
Dennis L. Williams	Police

**Retiree DROP Status Changes**

<u>NAME</u>	<u>DEPT.</u>	<u>STATUS CODE</u>
Johnny R. Cross	Fire	2
Ronald A. Hamilton	Fire	4
Ronald R. Johnson	Fire	1
Susan C. McCurdy	Fire	1

**Regular Board Meeting  
Thursday, May 13, 2004**

**4. Approval of Activity in the Deferred Retirement Option Plan (DROP) for May 2004 (continued)**

**Retiree DROP Status Changes**

(continued)

NAME	DEPT.	STATUS CODE
Bobby J. Talbot	Fire	1
Jack L. Beavers	Police	2
Thomas W. Conway	Police	1
Steven A. Erhardt	Police	4
Dolan K. Hargrove	Police	1
David J. Hawkins	Police	1
Michael A. Hibbs	Police	1
Michael A. Logan	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

**Transfer Funds from DROP to 401(k)**

MEMBER	DEPT.
--------	-------

None

**5. Approval of Payment of Withdrawn Contributions**

Guy B. Hargrove, Firefighter

**6. Approval of Payment of Group A Contributions**

Ronald W. Miles, Police Officer

**7. Approval of Vested Rights Letter**

- a. Kenneth D. Cooper, Firefighter
- b. Jason H. Johnston, Police Officer

**8. Approval of Earnings Test**

Michael D. Zang, retired Police Officer

**Regular Board Meeting  
Thursday, May 13, 2004**

**9. Approval of Estate Settlements**

<b>Deceased (Member (M) or Survivor (S))</b>	<b>Dept.</b>	<b>Date Of Death</b>	<b>Estate Payment To</b>	<b>Group</b>
Kenneth E. Lyon (M)	Police	Feb. 13, 2004	Julie Lyon, Kim Howell, Karen White, and Jimmy Lyon	B - Sec. 6.02

**10. 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>
W. B. Schell	Fire	Mar. 14, 2004	Helen L. Schell	Yes	B - Sec. 6.02
James E. Clark	Police	Apr. 9, 2004	Sheryie A. Clark	Yes	A - Sec. 6.01
A. B. Gass	Police	Mar. 26, 2004	Patricia A. Gass	Yes	A - Sec. 6.01
Thomas W. Herndon	Police	Mar. 24, 2004	Sally L. Herndon	Yes	B - Sec. 6.02

**11. 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>
Ronald A. Hamilton	Fire	Mar. 27, 2004	B - Sec. 6.02(b)	Yes/VIII	Yes
Robert A. Jefferson	Fire	Apr. 14, 2004	B - Sec. 6.02(c)	No	No
Ronald R. Johnson	Fire	Apr. 21, 2004	B - Sec. 6.02(b)	Yes/VIII	No
Susan C. McCurdy	Fire	Apr. 2, 2004	B - Sec. 6.02(b)	Yes/VIII	No
Bobby J. Talbot	Fire	Apr. 20, 2004	B - Sec. 6.02(b)	Yes/VIII	No
Norman D. Cates	Police	Apr. 1, 2004	B - Sec. 6.02(b)	Yes/V	Yes
Thomas W. Conway	Police	May 5, 2004	B - Sec. 6.02(b)	Yes/VIII	Yes
Steven A. Erhardt	Police	April 21, 2004	B - Sec. 6.02(b)	No/VIII	No
Jimmie D. Garrison	Police	May 5, 2004	B - Sec. 6.02(b)	Yes/IV/V	Yes
Russell G. Graves	Police	May 5, 2004	B - Sec. 6.02(b)	Yes/V	Yes
Dolan K. Hargrove	Police	Apr. 24, 2004	B - Sec. 6.02(b)	Yes/VIII	No
David J. Hawkins	Police	Apr. 29, 2004	B - Sec. 6.02(b)	Yes/VIII	Yes
Michael A. Hibbs	Police	May 4, 2004	B - Sec. 6.02(b)	Yes/VIII	No
Michael A. Logan	Police	May 5, 2004	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	IX - 100% Joint & Survivor

**12. Approval of Alternate Payee Benefits**

<b>Alternate Payee</b>	<b>Member</b>	<b>Dept.</b>	<b>Group</b>
Cecilia Luna	Guillermo Luna	Fire	B - Sec. 6.02(c)

**Regular Board Meeting  
Thursday, May 13, 2004**

**A. CONSENT AGENDA (continued)**

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. Real estate issues**

- a. Potential multi-family investment through GMAC Institutional Advisors, LLC
- b. Local real estate investment opportunity
- c. Overview of current and pending real estate investments

In accordance with the terms of Texas Government Code, Section 551.072, the Board went into a closed executive session – real estate at 9:45 a.m.

- a. Mr. Tettamant stated that GMAC is a Registered Investment Advisor that currently manages approximately \$2.8 billion in equity real estate investments. If approved by the System, the proposed GMAC multi-family co-investment portfolio, including future funding commitments, is estimated to be \$27,479,000 for a 70% ownership of five multi-family properties.

Messrs. Conway, Dolinoy, and Fabiszewski, of GMAC Institutional Advisors, discussed a potential real estate investment in multi-family properties.

The meeting was reopened at 11:00 a.m.

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

\* \* \* \* \*

In accordance with the terms of Texas Government Code, Section 551.072, the Board went into a closed executive session – real estate at 11:22 a.m.

- b. Councilmember Don Hill led a discussion on a potential local investment opportunity for the System’s real estate investment portfolio.

The meeting was reopened at 11:40 a.m.

**Regular Board Meeting  
Thursday, May 13, 2004**

**1. Real estate issues (continued)**

After discussion, Mr. McCollum made a motion to approve the local real estate investment opportunity, subject to successful due diligence and contract negotiations, and subject to the final approval of the Administrator and legal counsel. Mr. Umlor seconded the motion, which was unanimously approved by the Board.

\* \* \* \* \*

- c. Mr. Tettamant, Administrator, and Mr. Blake, Assistant Administrator - Investments, reviewed the System's pending real estate transactions for the next six months, which total approximately \$83 million. In order to fund all of the transactions, the System would have to opportunistically redirect it from other asset classes. The current real estate allocation is 14.75%; with the funding of all commitments, the allocation would exceed 15%. Mr. Tettamant reviewed the real estate allocation with the System's general investment consultant, Wilshire Associates.

No motion was made

\* \* \* \* \*

The meeting was recessed at 11:40 a.m.

The meeting was reconvened at 12:15 p.m.

\* \* \* \* \*

**2. Personnel changes at Deutsche Asset Management micro-cap equity**

Mr. Tettamant stated that Robert Janis, Sam Dedio, and Tony Freitas, of Deutsche Asset Management (DeAM), were present to discuss personnel changes in the organization. Audrey Jones and Leo Grohowski joined the meeting by telephone. Audrey Jones, Managing Director and Portfolio Manager, will be retiring June 30, 2004, after 18 years of leading DeAM's small and mid-cap investment teams. Audrey Jones is the lead portfolio manager of the System's micro-cap portfolio, which was currently valued at approximately \$107,026,000 as of March 31, 2004.

Robert Janis is joining DeAM's small-mid investment team and will be working with an existing team member, Sam Dedio. Robert Janis was most recently the lead portfolio manager for the small-cap strategies at Credit Suisse Asset Management. Robert Janis and Sam Dedio will be co-leads on the small-mid investment team replacing Audrey Jones.

**Regular Board Meeting  
Thursday, May 13, 2004**

**2. Personnel changes at Deutsche Asset Management micro-cap equity (continued)**

After discussion, Mr. McCollum made a motion to receive and file the report on personnel changes at the Deutsche Asset Management micro-cap equity group. Mr. Umlor seconded the motion, which was unanimously approved by the Board.

\* \* \* \* \*

**3. Closed Session - Board serving as Medical Committee**

Discussion of the following disability application and recall was closed to the public under the terms of Section 551.078 of the Texas Government Code at 11:00 a.m.:

**a. Disability application**

Richard R. Casillas, Police Officer

**b. Disability recall**

Michael Harrison, retired Police Officer

Mr. Tettamant reviewed with the Board members the medical information and physicians' reports regarding the disability application of Mr. Casillas and the disability recall of Mr. Harrison. Mr. Casillas was present and represented by his attorney, Jason B. Atchley. Sergeant Andrew Davis, of the Dallas Police Department, Personnel Division, discussed the disability application and recall with the Board.

The meeting was reopened at 11:18 a.m.

After discussion, Mr. Shaw made a motion to grant **Richard R. Casillas** an on-duty, Combined Pension Plan, Group B disability benefit, subject to the System's right under the Board-approved disability procedure to require him to undergo future medical examination(s) to determine if the disability still exists or if recovery has been made to the point that Mr. Casillas is able to return to duty or two years, whichever is sooner. The Member will be subject to an annual earnings test. Mr. Edge seconded the motion, which was unanimously approved by the Board.

After discussion, Mr. Shaw made a motion to grant continuance of **Michael Harrison's** on-duty, Combined Pension Plan, Group B disability benefit, without further recall, as noted in the disability recall policy about recall age maximum. Mr. McCollum seconded the motion, which was unanimously approved by the Board.

**Regular Board Meeting  
Thursday, May 13, 2004**

\* \* \* \* \*

**4. Legal issues including, but not limited to:**

Police Officer and Firefighter pay lawsuits

In accordance with the terms of Texas Government Code, Section 551.071, the Board went into a closed executive session – legal at 2:44 p.m.

Mr. Lawson, outside legal counsel, reported on the status of the pay lawsuits.

The meeting was reopened at 2:57 p.m.

No motion was made.

\* \* \* \* \*

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

- a. Pensions and Investments Committee meeting
- b. Reports from legislative consultants
- c. Other legislation

Mr. Tettamant briefed the Board regarding the Pensions and Investment Committee meeting that he attended in Austin. He also discussed reports from Locke, Liddell and Sapp, LLP and from Hillco Partners regarding pension-related legislative activity.

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

\* \* \* \* \*

**6. 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 33 on pages \_\_\_\_\_.

Wilshire Associates Inc. stated that all of the asset class allocations are within their respective target ranges; therefore, no rebalancing is necessary. The System does not have any additional cash needs at this time.



**Regular Board Meeting  
Thursday, May 13, 2004**

**DALLAS POLICE AND FIRE PENSION SYSTEM  
MAY 2004 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	348.04	16.00	328.55	15.10	9.00	17.50		(19.49)
Large Cap Growth	Oak Assoc.	130.52	6.00	115.47	5.31	5.00	7.00		(15.05)
Micro Cap	Deutsche Asset Mgmt	108.76	5.00	103.02	4.74	4.00	6.00		(5.74)
Large Cap Value	Alliance Capital	130.52	6.00	123.89	5.70	5.00	7.00		(6.63)
Private Equity	NTOF/Huff Alternative	0.00	0.00	47.88	2.20	0.00	5.00		47.88
Energy	Mitchell Group	21.75	1.00	24.83	1.14	0.50	1.50		3.08
<b>Total Domestic Equity</b>		<b>739.59</b>	<b>34.00</b>	<b>743.64</b>	<b>34.19</b>				<b>4.05</b>
<b><u>International Equity</u></b>									
Active Large Cap	Bank of Ireland	239.28	11.00	245.95	11.31	9.50	12.50		6.67
Active ACWI x US	Clay Finlay	130.52	6.00	132.19	6.08	5.00	7.00		1.67
Active Enhanced EAFE	Fidelity	152.27	7.00	159.72	7.34	6.00	8.00		7.45
<b>Total International Equity</b>		<b>522.07</b>	<b>24.00</b>	<b>537.86</b>	<b>24.72</b>				<b>15.79</b>
<b>Total E quity</b>		<b>1,261.66</b>	<b>58.00</b>	<b>1,281.50</b>	<b>58.91</b>				<b>19.84</b>
<b>FIXED INCOME</b>									
<b><u>Global High Quality</u></b>	Delaware Int. Advisors	108.76	5.00	103.09	4.74	4.00	6.00		(5.67)
	Pareto Partners	108.76	5.00	102.36	4.71	4.00	6.00		(6.40)
<b><u>Domestic High Yield</u></b>	W.R. Huff	108.76	5.00	106.91	4.91	3.00	7.00		(1.85)
<b><u>Global Opportunistic</u></b>									
Global Opportunistic Funds	Huff Alternative Income	No Target		0.07	0.00				0.00
	Oaktree	No Target		35.37	1.63				0.00
	TCW Spl Credits	No Target		0.33	0.02				0.00
	Highland Crusader Fund	No Target		26.32	1.21				0.00
<b>Total Global Opportunistic Funds</b>		<b>65.26</b>	<b>3.00</b>	<b>62.09</b>	<b>2.84</b>	<b>0.00</b>	<b>4.00</b>		<b>(3.17)</b>
GOFI Separate Account	Loomis-Sayles	195.77	9.00	197.16	9.06	8.00	10.00		1.39
<b>Total Global Opportunistic</b>		<b>261.03</b>	<b>12.00</b>	<b>259.25</b>	<b>11.91</b>				<b>(1.78)</b>
<b>Total Fixed Income</b>		<b>587.31</b>	<b>27.00</b>	<b>571.61</b>	<b>26.27</b>				<b>(15.70)</b>
<b><u>REAL ESTATE</u></b>		<b>326.29</b>	<b>15.00</b>	<b>316.17</b>	<b>14.53</b>	<b>13.00</b>	<b>17.00</b>		<b>(10.12)</b>
<b><u>SHORT TERM INVESTMENTS</u></b>		<b>0.00</b>	<b>0.00</b>	<b>5.98</b>	<b>0.27</b>	<b>0.00</b>	<b>0.00</b>		<b>5.98</b>
<b>Total Assets</b>		<b>2,175.26</b>	<b>100.00</b>	<b>2,175.26</b>	<b>100.00</b>				<b>0.00</b>

**Regular Board Meeting  
Thursday, May 13, 2004**

**DALLAS POLICE AND FIRE PENSION SYSTEM  
MAY 2004 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
<b>Managers in Redemption</b>					
Heitman Capital Management (JMB III & IV)	18,004	0.01%	0.00%		18,004
Prudential (Strategic Value Investors. LLC)	6,528,713	2.06%	0.00%		6,528,713
<b>Subtotal</b>	6,546,717	2.07%	0.00%	0	6,546,717
<b>Separate Account Managers</b>					
Agricultural - Hancock	30,099,343	9.52%	10.00%	32,628,527	(2,529,184)
Forest Investment Associates	41,953,654	13.27%	12.50%	40,785,658	1,167,996
INVESCO Realty	15,300,217	4.84%	12.50%	40,785,658	(25,485,441)
Kennedy Associates	34,744,994	10.99%	10.00%	32,628,527	2,116,467
L & B Real Estate Counsel	27,159,653	8.59%	12.50%	40,785,658	(13,626,005)
RREEF	34,352,761	10.87%	15.00%	48,942,790	(14,590,029)
CDK Realty Advisors	42,059,680	13.30%	12.50%	40,785,658	1,274,022
<b>Subtotal</b>	225,670,302	71.38%	85.00%	236,556,819	(52,946,197)
<b>Opportunistic Partnerships</b>					
Hearthstone (MSII, MSIII Homebuilding)	4,431,985	1.40%		10,000,000	(5,568,015)
Crow Holdings Realty Partners II	14,252,259	4.51%		20,000,000	(5,747,741)
Oaktree Capital Management (OCM R E Opportunities Fund B)	12,559,079	3.97%		15,000,000	(2,440,921)
Hudson Advisors (Brazos, Lone Star I, II, III,IV)	34,841,313	11.02%		32,724,458	2,116,855
Olympus Real Estate Fund II & III	17,865,196	5.65%		30,000,000	(12,134,804)
<b>Subtotal</b>	83,949,832	26.55%	15.00%	107,724,458	(23,774,626)
<b>Total Real Estate</b>	316,166,851	100.00%	100.00%	344,281,277	(70,174,106)

Market value total fund

**2,175,235,114**

\$ %

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

326,285,267	15.00%
316,166,851	14.53%
(10,118,416)	-0.47%

Total Committed Capital  
Managers in Redemption  
Actual Committed Capital

350,827,994
6,546,717
344,281,277

**Regular Board Meeting  
Thursday, May 13, 2004**

**6. Monthly asset allocation report (continued)**

After discussion, Mr. Mays made a motion to receive and file the May 2004 monthly asset allocation report and approve the investment consultant's recommendations regarding the Pension System's investment portfolio. Mr. Umlor seconded the motion, which was unanimously approved by the Board.

\* \* \* \* \*

**7. 2003 actuarial valuation**

Mr. Tettamant stated that due to the illness of the System's auditor, Jerry Baldree, information required by Mellon Consultants for completion of the annual valuation as of January 1, 2004, has been delayed. The actuary, Rich Mackesey, will attend the June meeting of the Board to present and discuss the actuarial valuation with the Board and staff.

No motion was made.

\* \* \* \* \*

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

**a. Conference: Merit Energy 2004 Annual Partnership Meeting**

**Date:** April 20, 2004

Messrs. Brown, Umlor, and Blake discussed the partnership meeting with the Board.

**b. Conference: Due Diligence: Kennedy Assoc. Scripps Center Building**

**Date:** April 24, 2004

Messrs. Shaw, Blake, and Tettamant discussed the due diligence research with the Board.

**c. Conference: Wilshire Annual Client Conference**

**Dates:** April 25-27, 2004

Messrs. Shaw, Blake, and Tettamant briefed the Board regarding the client conference.

**d. Conference: 7<sup>th</sup> Annual Milken Institute Global Conference**

**Dates:** April 26-28, 2004

Mr. Hill attended the conference.

**Regular Board Meeting  
Thursday, May 13, 2004**

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

**e. Conference: CDK Client Conference**

**Dates:** April 29 - May 2, 2004

Messrs. Brown and McCollum briefed the Board regarding the client conference.

**f. Conference: NCPERS Annual Conference**

**Dates:** May 2-6, 2004

Messrs. Mays, Edge, Tomasovic, Wachsmann, Hill, Tettamant, Rohan, and Davenport discussed the conference with the remainder of the Board.

\* \* \* \* \*

**9. Potential investment through L&B Realty Advisors, Inc.**

In accordance with the terms of Texas Government Code, Section 551.072, the Board went into a closed executive session – real estate at 1:20 p.m.

Ms. Mullis, and Messrs. Plumlee and Blake from L&B Realty Advisors, discussed a potential investment for the System's real estate investment portfolio.

The meeting was reopened at 2:17 p.m.

After discussion, Mr. Shaw made a motion to receive and file the L&B Realty Advisors Inc.'s presentation. Mr. Umlor seconded the motion, which was unanimously approved by the Board.

\* \* \* \* \*

**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.

\* \* \* \* \*

**Regular Board Meeting  
Thursday, May 13, 2004**

**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
- g. City health benefit and payroll reporting issues

The Administrator presented the monthly report on performance returns by JPMorgan Chase & Company, the System's custodial bank.

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

\* \* \* \* \*

**3. Board operations and procedures**

No discussion was held.

\* \* \* \* \*

The Administrator stated that there was no further business to come before the Board. On a motion by Mr. Umlor and a second by Mr. Shaw, the meeting was adjourned at 3:43 p.m.

\_\_\_\_\_  
Gerald Brown  
Chairman

ATTEST:

\_\_\_\_\_  
Richard L. Tettamant  
Secretary

CITY OF DALLAS - POLICE & FIRE PENSION SYSTEM

ASSET DISTRIBUTION BY ADVISOR - AS OF March 31, 2004

	NET ASSET VALUE	FUND % OF ASSETS	ADVISOR % OF CLASS
<b>EQUITY-DOMESTIC ADVISORS:</b>			
-----			
ALLIANCE CAPITAL MANAGEMENT	127,446,962.92	5.7 %	16.6 %
DEUTSCHE ASSET MGMT MCRO-CAP	106,963,726.23	4.8 %	14.0 %
HUFF ALTERNATIVE FUND LP	44,101,957.09	2.0 %	5.8 %
NORTH TEXAS OPPORTUNITY	3,799,282.11	0.2 %	0.5 %
OAK ASSOCIATES	123,746,584.87	5.6 %	16.2 %
SSGA S&P 500 FLAGSHIP	333,664,186.87	15.0 %	43.7 %
THE MITCHELL GROUP	24,242,590.63	1.1 %	3.2 %
*** TOTAL EQUITY-DOMESTIC ADVISORS:	763,965,290.72	34.4 %	100.0 %
<b>FIXED INCOME ADVISORS:</b>			
-----			
HIGHLAND CRUSADER FUND LP	26,232,272.00	1.2 %	16.2 %
HUFF ALTERNATIVE INCOME FUND	67,588.04	0.0 %	0.0 %
OCM FUND IV	28,125,415.00	1.3 %	17.4 %
TCW SPECIAL CREDITS TR III	327,972.87	0.0 %	0.2 %
W.R. HUFF HIGH YIELD	107,010,859.08	4.8 %	66.2 %
*** TOTAL FIXED INCOME ADVISORS: ***	161,764,106.99	7.3 %	100.0 %
<b>INTERNATIONAL FIXED INCOME ADVISORS:</b>			
-----			
DELAWARE INTERNATIONAL ADVISORS	107,544,477.69	4.8 %	25.8 %
DEUTSCHE ASSET MGMT GLOBAL FIX. INC	39,171.05	0.0 %	0.0 %
LOOMIS SAYLES & CO	202,189,682.71	9.1 %	48.6 %
PARETO PARTNERS	106,488,756.86	4.8 %	25.6 %
*** TOTAL INTERNATIONAL FIXED INCOME	416,262,088.31	18.8 %	100.0 %
<b>REAL ESTATE ADVISORS:</b>			
-----			
CDK REALTY ADVISORS	42,012,285.00	1.9 %	13.3 %
CROW HOLDINGS	14,288,109.05	0.6 %	4.5 %
FOREST INVESTMENT ASSOCIATES	42,013,517.89	1.9 %	13.3 %
HANCOCK AGRICULTURAL INVEST FD	30,099,342.66	1.4 %	9.5 %
HEARTHSTONE MS II	676,601.05	0.0 %	0.2 %
HEARTHSTONE MS III	2,578,384.51	0.1 %	0.8 %
HEITMAN CAPITAL MANAGEMENT	18,004.00	0.0 %	0.0 %
HUDSON ADVISORS	34,928,607.95	1.6 %	11.0 %
INVESCO	15,208,784.07	0.7 %	4.8 %
KENNEDY ASSOCIATES	28,240,747.21	1.3 %	8.9 %
L & B	27,159,653.00	1.2 %	8.6 %
OCM REAL ESTATE/OPPORTUNITIES FUND	13,159,079.00	0.6 %	4.2 %
OLYMPUS REAL ESTATE	19,928,654.96	0.9 %	6.3 %
PRUDENTIAL INVESTMENTS	6,528,713.01	0.3 %	2.1 %
RREEF	39,390,052.45	1.8 %	12.5 %
*** TOTAL REAL ESTATE ADVISORS: ***	316,230,535.81	14.3 %	100.0 %
<b>EQUITY-INTERNATIONAL ADVISORS:</b>			
-----			
BANK OF IRELAND	251,869,066.99	11.4 %	45.6 %
CLAY FINLAY INC	136,849,632.88	6.2 %	24.8 %
FIDELITY ENHANCED EAFE	163,283,855.48	7.4 %	29.6 %
*** TOTAL EQUITY-INTERNATIONAL ADVISORS	552,002,555.35	24.9 %	100.0 %
<b>CASH:</b>			
-----			
COMMINGLED CASH	679,079.06	0.0 %	9.1 %
CONTRIBUTION & EXPENSE ACCOUNT	6,761,618.35	0.3 %	90.9 %
*** TOTAL CASH: ***	7,440,697.41	0.3 %	100.0 %

CITY OF DALLAS - POLICE & FIRE PENSION SYSTEM

ASSET DISTRIBUTION BY ADVISOR - AS OF March 31, 2004

	NET ASSET VALUE	FUND % OF ASSETS	ADVISOR % OF CLASS
TOTAL MASTER TRUST	2, 217, 665, 274. 59	100. 0 %	100. 0 %
CITY CONTRIBUTIONS	6, 272, 102. 74		
EMPLOYEE CONTRIBUTIONS	1, 304, 603. 78		
BENEFIT DISTRIBUTIONS	- 7, 869, 246. 67		
EXPENSES	- 757, 845. 75		