

**MINUTE SUMMARY**  
**Board Meeting**  
**Thursday, March 10, 2005**

The regular meeting of the Dallas Police and Fire Pension System Board of Trustees was held at **8:30 a.m. on Thursday, March 10, 2005 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 8:30 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.** Granted continuance of Brian Gibson's on-duty, Combined Pension Plan, Group B disability benefit, subject to the System's right under the Board-approved disability procedure to require Mr. Gibson to undergo future medical examination(s) to determine if the disability still exists or if recovery has been made to the point that Mr. Gibson is able to return to duty or 2 years, whichever is sooner.

**Item 2.** Received and filed the 2003-2004 Fiscal Year-End Close Review of the Administrative and Professional Services Budgets for the year ended December 31, 2004.

**Item 3.** Received and filed the update on the 2005 Trustee Election.

**Item 4.** Approved the contract with The Townsend Group for real estate consulting services.

**Item 5.** Declined the possible Australian investment opportunity through the Hancock Agricultural Investment Group pending additional information and a new proposal.

**Item 6.** Received and filed the report by the outside legal counsel on current legal issues.

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

- Item 7.** Received and filed the report on pension-related legislative issues. Decided the Board's position on certain legislative proposals.
- Item 8.** Tabled discussion of the March 2005 monthly asset allocation reports until the March 17, 2005 Board meeting.
- Item 9.** Received and filed the monthly financial statements for the periods ending December 31, 2004 and January 31, 2005.
- Item 10.** Received and filed the staff and Board members' reports on due diligence meetings, seminars and/or conferences attended.
- Item 11.** Received and filed the portfolio review by CDK Realty Advisors. Approved a new investment proposal in Arizona through CDK, subject to review by the staff and real estate consultant.

**C. BRIEFING ITEMS**

- Item 1.** Discussed the request of a pensioner regarding the System's financial planning sessions.
- Item 2.** Received and filed the Administrator's report.
- Item 3.** No discussion of operational and procedural issues was held.

The meeting was adjourned at 2:39 p.m.

**Dallas Police and Fire Pension System**  
**Thursday, March 10, 2005**  
**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, Rector C. McCollum, Steven G. Shaw, George Tomasovic, Steven H. Umlor, and Richard H. Wachsman

Absent: Councilmember Maxine Thornton-Reese

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

**Others** Kenneth Cooley, Jon Donahue, Brent Kroener, Gary Lawson, Gus Fields, and Lisa Melgoza

\* \* \* \* \*

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

The meeting was reconvened at 9:56 a.m.

\* \* \* \* \*

**A. CONSENT AGENDA**

**1. Approval of Minutes**

Regular meeting of February 10, 2005  
Special meeting of February 17, 2005  
Special meeting of February 23, 2005

**2. Approval of the Monthly Trustee Summary for the Month of January 2005**

**3. Approval of Refunds of Contributions for the Month of February 2005**

<b>Refund of Combined Pension Plan, Section 6.02 Group B Contributions</b>
----------------------------------------------------------------------------

<b><u>EMPLOYEE NAME</u></b>	<b><u>DEPT.</u></b>	<b><u>REFUND DATE</u></b>
William C. Coleman	F	Jan. 28, 2005
Spencer Behrens	P	Jan. 28, 2005
Douglas C. Richards	P	Jan. 28, 2005

**Regular Board Meeting  
Thursday, March 10, 2005**

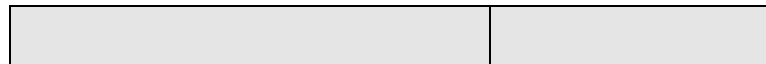
**3. Approval of Refunds of Contributions for the Month of February 2005  
(continued)**



<u>EMPLOYEE NAME</u>	<u>DEPT.</u>	<u>REFUND DATE</u>
Paul R. Stewart	P	Feb. 11, 2005
Hiram E. Valadez	P	Jan. 28, 2005
Cynthia A. Gamez, Alternate Payee		Feb. 18, 2005

**4. Approval of Activity in the Deferred Retirement Option Plan (DROP) for March 2005**

**New DROP Participants**



Michael L. Ballance	Fire
Gregory E. Bouyer	Fire
Delorse A. Brown	Fire
Jeffrey A. Lloyd	Fire
Joe J. Mosqueda	Fire
Dale E. Wilson	Fire
Fredrick C. Akon	Police
Sharon L. Brasher	Police
William S. Everett	Police
Pamela A. Marks	Police
Thomas B. Popken	Police
Charles R. Shields	Police

**Retiree DROP Status Changes**



John L. Fuller	Fire	1
George H. Littlefield, Jr.	Fire	*
Walter M. Neal	Fire	2
Anthony J. Peck	Fire	1
Ronald Remkus	Fire	1
Michael L. Wier	Fire	1
Robert L. Gutkowski	Police	1
Jerry R. Hejl	Police	2

\*Vested to Retiree DROP

**Regular Board Meeting  
Thursday, March 10, 2005**

**4. Approval of Activity in the Deferred Retirement Option Plan (DROP) for March 2005 (continued)**

**Retiree DROP Status Changes**  
(continued)

David S. Hernandez	Police	1
Kathy J. Kresse	Police	1
Michael R. Meldrum	Police	1

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)**

Donald Crockett	Fire

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

Tommy W. Weesner, Police Officer

**6. Approval of Vested Rights Letter**

Donald Bonner, Police Officer

**7. Approval of Estate Settlements**

--	--	--	--	--	--

Nola H. Barnett ( <i>S</i> )	Fire	Oct. 24, 2004	Michael G. Barnett and Kenneth W. Barnett	A - Sec. 6.07
Thirlo J. Dann ( <i>M</i> )	Fire	Nov. 11, 2004	Minnie Dann	B - Sec. 6.02

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

--	--	--	--	--	--

Maurice N. McDonald	Police	Jan. 27, 2005	Rose D. McDonald	No	B - Sec. 6.08
---------------------	--------	---------------	------------------	----	---------------

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

--	--	--	--	--	--

Albert J. Champon	Police	Feb. 3, 2005	Catherine A. Champon	No	B - Sec. 6.08
-------------------	--------	--------------	----------------------	----	---------------

**Regular Board Meeting  
Thursday, March 10, 2005**

**10. Approval of Service Retirements**

Emmett E. Conoly	Fire	Mar. 7, 2005	B - Sec. 6.02(b)	Yes/IV/V	No
John L. Fuller	Fire	Feb. 23, 2005	B - Sec. 6.02(b)	Yes/VIII	No
Leonard F. Johnson	Fire	Feb. 9, 2005	B - Sec. 6.02(b)	Yes/V	No
George H. Littlefield, Jr.	Fire	Feb. 17, 2005	B - Sec. 6.02(b)	No/VIII	No
Anthony J. Peck	Fire	Feb. 1, 2005	B - Sec. 6.02(b)	Yes/VIII	Yes
Ronald Remkus	Fire	Mar. 1, 2005	B - Sec. 6.02(b)	Yes/VIII	No
Michael L. Wier	Fire	Mar. 3, 2005	B - Sec. 6.02(b)	Yes/VIII	Yes
Harold S. Beil	Police	Feb. 23, 2005	B - Sec. 6.02(d)	No	No
Dennis J. Brummett	Police	Mar. 9, 2005	B - Sec. 6.02(b)	Yes/V	No
Danny R. Fisher	Police	Mar. 9, 2005	B - Sec. 6.02(b)	Yes/V	Yes
Robert L. Gutkowski	Police	Mar. 2, 2005	B - Sec. 6.02(b)	Yes/VIII	No
David S. Hernandez	Police	Mar. 9, 2005	B - Sec. 6.02(b)	Yes/VIII	No
Kathy J. Kresse	Police	Mar. 9, 2005	B - Sec. 6.02(b)	Yes/VIII	No
Michael R. Meldrum	Police	Mar. 9, 2005	B - Sec. 6.02(b)	Yes/VIII	No
Janice C. Siddons	Police	Feb. 28, 2005	B - Sec. 6.02(c)	No	No
Ronald V. Statzer	Police	Mar. 9, 2005	B - Sec. 6.02(b)	Yes/V	No

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

**11. Approval of Alternate Payee Benefits**

Patricia Hudson	Kenneth E. Brooks	Fire	B - Sec. 6.02
Emily F. Schorr	Carl Schorr	Police	A - Sec. 6.01

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. Shaw seconded the motion, which was unanimously approved by the Board.

\* \* \* \* \*

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

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

**Disability recall:**

Brian A. Gibson, retired Firefighter

**Regular Board Meeting  
Thursday, March 10, 2005**

**1. Closed Session - Board serving as Medical Committee (continued)**

No closed executive session was held. Mr. Shaw recused himself from the meeting during the discussion of Mr. Gibson's disability recall.

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

After discussion, Mr. Wachsman made a motion to grant continuance of **Brian A. Gibson's**, on-duty, Combined Pension Plan, Group B disability benefit, subject to the System's right under the Board-approved disability procedure to require Mr. Gibson to undergo future medical examination(s) to determine if the disability still exists or if recovery has been made to the point that Mr. Gibson is able to return to duty or two years, whichever is sooner. Mr. Edge seconded the motion, which was unanimously approved by the Board.

\* \* \* \* \*

**2. 2003-2004 Fiscal Year-End Close Review of the Administrative and Professional Services Budgets for the year ended December 31, 2004**

Mr. Tettamant presented the final Administrative and Professional Services Budgets review for Fiscal Year 2003-2004. The 2003-2004 budget was a 15-month transition to a calendar year budget. The review included a detailed analysis of actual System expenses with an explanation for those items where the expense materially exceeded the budgeted amount.

Administrative expenses, including fixed asset expenses and revenue from the Supplemental Fund, totaled \$2,877,879 for the fifteen-month period ending December 31, 2004, or 88.3% of the budgeted amount. Expenses for professional services were \$11,443,930, including \$1,902,769 in non-investment manager expenses (85.1% of the budgeted amount) and investment manager fees of \$9,541,161 (69.9% of budgeted). Total professional services expenses were 72.0% of the total amount budgeted. The total budget expense was \$14,321,809, or 74.8% of the combined budgets.

After discussion, Mr. Edge made a motion to accept the Administrative Advisory Committee's recommendation to approve the 2003-2004 Fiscal Year-End Close Review of the Administrative and Professional Services Budgets for the year ended December 31, 2004. Mr. Mays seconded the motion, which was unanimously approved by the Board.

\* \* \* \* \*

**Regular Board Meeting  
Thursday, March 10, 2005**

**3. 2005 Trustee Election**

Mr. Rohan, Assistant Administrator – Operations, stated that at a special meeting on February 17, 2005 the Board certified the following applicants to be placed on the ballot for the Trustee election:

**Fire Trustee Place #1 (F-1)**

Gerald Brown  
Willie Reynolds

**Fire Pensioner Trustee Place 1**

Richard Wachsman  
Jean Landess

Steve Umlor (Police Trustee Place #1 (P-1)) and John Mays (Police Pensioner Trustee Place 1) are unopposed for reelection. The Trustee Election Procedure provides that when a candidate is unopposed, the candidate is declared elected and his name is not placed on the ballot. Therefore, there will be no election for active or retired police officers.

Staff has advised Chief Abaira of the election to be held for the Fire Trustee position and a flyer announcing the election has been forwarded to each station for posting. Staff also has advised Chief Kunkle that no election is required for the Police Department. An insert was mailed with the February pension checks and direct deposit advices to inform pensioners of the election.

The remaining election schedule is as follows:

- April 1 –11      Election to be held 8:00 a.m., Friday, April 1 through 12:00 noon, on Monday April 11.
- March 31        Ballots mailed. The election will be conducted by telephone and through the Internet.
- April 14        The Board will certify the election results at the regular meeting of the Board.

After discussion, Mr. Edge made a motion to receive and file the status report on the 2005 Trustee Election. Mr. Tomasovic seconded the motion, which was unanimously approved by the Board.

\* \* \* \* \*

**4. Contract with The Townsend Group for real estate consulting services**

Mr. Tettamant gave an update on the current status of the proposed contract with the Townsend Group.

Current contract terms are:

Base Fee 2001-2002    \$102,000 + 20,000 for K. Lynch attendance = \$122,000 total  
Base Fee 2002-2003    \$112,000 + 20,000 for K. Lynch attendance = \$132,000 total  
Base Fee 2003-2004    \$122,000 + 20,000 for K. Lynch attendance = \$142,000 total



**Regular Board Meeting  
Thursday, March 10, 2005**

**4. Contract with The Townsend Group for real estate consulting services  
(continued)**

Proposed contract terms are:

Base fee 2004-2005 \$150,000 total  
Base fee 2005-2006 \$154,500 total  
Base fee 2006-2007 \$159,135 total

After discussion, Mr. Wachsman made a motion to approve the proposed contract with the Townsend Group. Mr. Tomasovic seconded the motion, which was unanimously approved by the Board.

\* \* \* \* \*

**5. Possible Australian investment opportunity through Hancock Agricultural Investment Group**

Mr. Tettamant stated that at the February 10, 2005 Board meeting, the Board approved a \$10 million agricultural investment through Hancock in Australia, subject to the Townsend Group's recommendation. The investment is a co-investment with Hancock's parent company in a fund that will purchase agricultural properties such as wine grapes, macadamia nuts, corn, and other agricultural products. Hancock Agricultural Investment Group was asked by staff to present more detailed performance data on Farm Fund I and Farm Fund II.

The Townsend Group recommended that Hancock should provide more support for the property appreciation projection, that is, show examples of realized sales showing property appreciating at 3% per year. It would also be helpful to see the current commodity pricing for these various crops and examples of production yields from similar crops in the regions they are purchasing.

After discussion, Mr. Wachsman made a motion to invest \$10 million in the proposed agricultural investment through Hancock in Australia. Mr. Tomasovic seconded the motion. After further discussion, a vote was taken and all Board members were opposed to the investment as currently structured. The Board directed the staff to work with Hancock to prepare another investment proposal, which would eliminate investment in row crops and provide more information as recommended by The Townsend Group.

\* \* \* \* \*

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

- a. Police Officer and Firefighter pay lawsuits
- b. TMPC lawsuit
- c. Former Chiefs Jackson and Taylor claims

**Regular Board Meeting  
Thursday, March 10, 2005**

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

No closed executive legal session was held.

Mr. Lawson, the System's outside legal counsel, discussed the above-mentioned cases with the Board.

After discussion, Mr. Tomasovic made a motion to receive and file the report by the Lawson, Fields, & Calhoun, P.C. on legal issues. Mr. Umlor seconded the motion, which was unanimously approved by the Board.

\* \* \* \* \*

The meeting was recessed at 10:30 a.m.

The meeting was reconvened at 10:41 a.m.

\* \* \* \* \*

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

- a. Pending legislation
- b. Reports from legislative consultants
- c. Social Security
- d. Resolution on HCR 63
- e. Board suggestions

Mr. Tettamant and Mr. Davenport, General Counsel, discussed pending legislation with the Board. They also discussed possible adoption of a proposed resolution to be considered by TEXPERS in support of H.C.R. 63, which urges repeal of both the Governmental Pension Offset (GPO) and the Windfall Elimination Provision (WEP).

The Board discussed its position on various bills of interest to the Pension System. The Board and staff also discussed reports from Locke, Liddell and Sapp, LLP and from Hillco Partners regarding pension-related legislative activity.

After discussion, Mr. McCollum made a motion to assign preferences on pending legislation as shown on the charts on the following pages, and adopt the resolution on HCR 63 for consideration by TEXPERS. Mr. Tomasovic seconded the motion, which was unanimously approved by the Board.

**Regular Board Meeting  
Thursday, March 10, 2005**

**Affects Dallas Police and Fire Pension System**

HB 109	Wong	Requires additional actuarial analysis of legislation that might affect funding of pension system from Houston, Dallas or San Antonio and requires City Council opinion. Pension System bills cannot be considered if Council takes no action.	Opposed – gives city council veto authority on legislation	<input checked="" type="checkbox"/> opposed <input type="checkbox"/> neutral <input type="checkbox"/> support
HB 113	Wong	Requires any entity wishing to influence decisions of pension systems from Dallas, San Antonio or Houston to do lobbyist-type registration and reporting. Pension trustees would be required to file lengthy financial reports.	Opposed – extremely burdensome for vendors	<input checked="" type="checkbox"/> opposed <input type="checkbox"/> neutral <input type="checkbox"/> support
HB 223 SB 121	Gattis Duncan	Makes public substantial information about pension system investments. May so infringe on previous protection of trade secrets that investors will refuse to do business with Texas pension systems. Supported by Attorney General.	Opposed – may limit investment opportunity	<input checked="" type="checkbox"/> opposed <input type="checkbox"/> neutral <input type="checkbox"/> support
HB 634 SB 286	Baxter Wentworth	Mandatory training in open meetings by all public officers, including pension trustees, every two years; mandatory training by System staff in open records every two years.	Opposed – no current difficulties	<input checked="" type="checkbox"/> opposed <input type="checkbox"/> neutral <input type="checkbox"/> support
SB 310	Deuell	Rebuttable presumption that heart disease, lung disease, cancer or tuberculosis contracted by 5-year first responder was job-related. First responders who smoke or who have spouses who smoke lose protections. Would apply to our pension plan.	Opposed – actuarial cost	<input type="checkbox"/> opposed <input checked="" type="checkbox"/> neutral <input type="checkbox"/> support

**Affects State Plans Only**

HB 815	Burnham	Prohibits state funds, but not Dallas Police and Fire Pension System, from investing in Sudan.	Opposed – social investing	<input checked="" type="checkbox"/> opposed <input type="checkbox"/> neutral <input type="checkbox"/> support
HB 817	Davis of Dallas	Prohibits state funds, but not Dallas Police and Fire Pension System, from investing in any company that has “outsourced” a job to a foreign country in two previous years.	Opposed – social investing	<input checked="" type="checkbox"/> opposed <input type="checkbox"/> neutral <input type="checkbox"/> support

**Regular Board Meeting  
Thursday, March 10, 2005**

**Affects State Plans Only (Continued)**

HB 1474	Eiland	Strengthens law providing privacy of files of individual members maintained by Texas County and District Retirement System.	Support	<input type="checkbox"/> opposed <input type="checkbox"/> neutral <input checked="" type="checkbox"/> support
SB 549	Ellis (of Dallas)	Makes public information about investments of University of Texas funds, but not Dallas Police and Fire Pension System.	Opposed	<input checked="" type="checkbox"/> opposed <input type="checkbox"/> neutral <input type="checkbox"/> support

**Family Law Issues**

HB 410	Goodman	While bill attempts to clarify pension rights of divorcing spouses, ambiguous language leaves rights unclear.	Opposed in current form	<input type="checkbox"/> opposed <input checked="" type="checkbox"/> neutral <input type="checkbox"/> support
HB 460	Dutton	Attempts to protect rights of children in divorce situation. Grants administrative agencies right to issue QDROs, which can now only be issued by courts. Poorly drafted.	Opposed in current form	<input checked="" type="checkbox"/> opposed <input type="checkbox"/> neutral <input type="checkbox"/> support

**Other Legislation of Interest**

HB 1473	Wong	Restructures the board of trustees of the Houston Municipal Employees' Retirement System to give control to Mayor and Council. Imposes term limits. Bill caption is "relating to the composition of the pension board of certain municipalities."	Opposed – amendments affecting DP&F could be included under caption.	<input checked="" type="checkbox"/> opposed <input type="checkbox"/> neutral <input type="checkbox"/> support
HCR 63	Noriega	Requests Congress to repeal Government Pension Offset and Windfall Elimination Provision in Social Security program.	Support – TEXPERS resolution?	<input type="checkbox"/> opposed <input type="checkbox"/> neutral <input checked="" type="checkbox"/> support

**Regular Board Meeting  
Thursday, March 10, 2005**

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

The Board also discussed Federal tax law related to health insurance. Current federal law allows active employees to pay for their health insurance on a pre-tax basis under Section 125 of the Internal Revenue Code. This option is not available to retirees. NCPERS has drafted "legislation that would permit distributions from retirees' defined benefit or defined contribution plans to pay for health care insurance or long-term care insurance premiums on a pre-tax basis up to \$5,000 annually."

After discussion, Mr. Edge made a motion to have staff present a proposal to permit first responders to purchase health insurance with pre-tax dollars, not restricted in dollar amount, at the next Board meeting. Mr. McCollum seconded the motion, which was unanimously approved by the Board.

State law was also discussed, specifically, Chapter 175 of the Texas Local Government Code, which requires cities and counties to offer identical health coverages to active employees and to retirees that are not Medicare eligible. State law does not prohibit charging the two groups different rates and higher charges for retirees are common. A suggestion was made that the Board propose an amendment requiring local governmental entities to offer retired employees health insurance rates and coverages identical to those offered active employees.

The Board directed the staff to postpone any action regarding the above state law until the next legislative session.

\* \* \* \* \*

The meeting was recessed at 11:39 a.m.

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

\* \* \* \* \*

**8. Monthly asset allocation report**

- a. Monthly asset allocation report
- b. Wilshire Associates' recommendations for rebalancing the Pension System's investment portfolio

The Board postponed discussion of the March 2005 monthly asset allocation report until the March 17, 2005 Board meeting, pending the availability of the report.

No motion was made.

\* \* \* \* \*

**Regular Board Meeting  
Thursday, March 10, 2005**

**9. Pension System's monthly financial statements**

The Board and staff discussed the monthly financial statements for the periods ending December 31, 2004, and January 31, 2005.

After discussion, Mr. Edge made a motion to receive and file the monthly financial statements for the periods ending December 31, 2004, and January 31, 2005. Mr. Wachsman seconded the motion, which was unanimously approved by the Board.

\* \* \* \* \*

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

- a. Conference: Committee on Pension & Investments Meeting**  
**Dates:** February 16-17, 2005

Messrs. Brown, Shaw, and Tettamant reported on the meeting.

- b. Conference: CDK Due Diligence: Camel Square and Prescott**  
**Dates:** February 21-22, 2005

Mr. Shaw reported on the due diligence.

- c. Conference: Klausner & Kaufman 7<sup>th</sup> Annual Client Conference**  
**Dates:** March 2-5, 2005

Mr. Wachsman reported on the conference

- d. Conference: Due Diligence: CDK Realty Advisors**  
**Dates:** March 8-9, 2005

Messrs. Brown and Edge reported on the due diligence

After discussion, Mr. Edge made a motion to receive and file the reports on the conferences attended and the due diligence meetings conducted. Mr. Tomasovic seconded the motion, which was unanimously approved by the Board.

\* \* \* \* \*

**Regular Board Meeting  
Thursday, March 10, 2005**

**11. CDK Realty Advisors**

- a. Update on properties
- b. Possible purchases

In accordance with the terms of Texas Government Code, Section 551.072, the Board went into a closed executive real estate session at 12:48 p.m.

Ken Cooley, Jon Donahue, and Brent Kroener, from CDK Realty Advisors, gave an update to the Board on the existing real estate portfolio managed by CDK Realty Advisors. CDK also discussed possible purchases of real estate investments in Arizona.

The meeting was reopened at 2:20 p.m.

After discussion, Mr. Wachsman made a motion to approve a \$12 million investment in the Arizona property, subject to successful negotiation and due diligence and the recommendation of the consultant. Mr. Edge seconded the motion and the following vote was taken:

For: Wachsman, Edge, Brown, Edge, McCollum, Shaw, Tomasovic, and Umlor  
Against: Mays

The motion passed.

\* \* \* \* \*

**C. BRIEFING ITEMS**

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

The Board discussed a letter received from Gary Price, retiree, regarding his request that the pension financial planning seminar be videotaped and given to the retirees of the system.

The Board directed the staff to send a letter to Mr. Price, stating that on the advice of legal counsel, the Board declined to make videotapes of the financial planning seminars; however, the System would mail the written materials from the most recent financial planning seminar to him.

No motion was made.

\* \* \* \* \*

**Regular Board Meeting  
Thursday, March 10, 2005**

**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 and Mr. Blake 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.

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

\* \* \* \* \*

**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. Shaw and a second by Mr. Tomasovic, the meeting was adjourned at 2:39 p.m.

---

Gerald Brown  
Chairman

ATTEST:

---

Richard L. Tettamant  
Secretary