



Date: November 11, 2005

A special meeting of the Dallas Police and Fire Pension System Board of Trustees will be held at **8:30 a.m. on Friday, November 18, 2005, in the First Floor Conference Room at 2301 North Akard Street, Dallas, Texas.** Items of the following agenda will be presented to the Board:

DISCUSSION AND POSSIBLE ACTION REGARDING ITEM FOR INDIVIDUAL CONSIDERATION

- 1. Certification of the results of the November 2005 Plan Amendment Election**
- 2. Amendment to the Hearthstone – MSII Homebuilding Investors Fund operating agreement**

The term "possible action" in the wording of any Agenda item contained herein serves as notice that the Board may, in its discretion, dispose of any item by any action in the following non-exclusive list: approval, disapproval, deferral, table, take no action, and receive and file.

At any point during the consideration of the above items, the Board may go into Closed Executive Session as per Texas Government Code, Section 551.071 for consultation with attorneys, Section 551.072 for real estate matters, Section 551.074 for personnel matters, and Section 551.078 for review of medical records. An expression of preference or a preliminary vote may be taken by the Board on any briefing item or item discussed in executive session.

At the discretion of the Board, items on this agenda may be considered at times other than those indicated above.

Dallas Police and Fire Pension System
Friday, November 18, 2005
8:30 a.m.
First Floor Conference Room
2301 North Akard Street
Dallas, Texas

Special meeting, Gerald Brown, Chairman, presiding:

ROLL CALL

Board Members

Present: Gerald Brown, Gary W. Edge, Rector C. McCollum, George Tomasovic, and Steven H. Umlor

Absent: Deputy Mayor Pro Tem Donald Hill, John M. Mays, Steven G. Shaw, Councilmember Maxine Thornton-Reese, and Richard H. Wachsman

Staff Brian Blake, Don Rohan, Mike Taylor, and John Holt

Others

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

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DISCUSSION AND POSSIBLE ACTION REGARDING ITEM FOR INDIVIDUAL CONSIDERATION

1. Certification of the results of the November 2005 Plan Amendment Election

Mr. Rohan reported that the 2005 Plan Amendment Election was held from 8:00 a.m., Monday, November 7, 2005, through 12:00 noon, Wednesday, November 16, 2005. Section 7.01 of the Combined Pension Plan requires that 65 percent of the votes cast by Members of the Pension System must be cast in favor of a plan amendment in order for the amendment to pass.

Each of the seven proposed amendments was approved. Therefore, Amendments 1 through 7 are incorporated into the Combined Pension Plan. Proposed revisions to the Plan Document and Member Handbook will be presented to the Board for review and approval so they may be provided to the Membership with the Annual Benefit Statements in February.

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**1. Certification of the results of the November 2005 Plan Amendment Election
(continued)**

A voting summary follows:

Percent of eligible Members who voted – 21.7 %
Number of votes cast – 1009
 By Internet – 40%
 By Telephone – 60%
Votes cast by day
 November 7 – 129
 November 8 – 189
 November 9 – 151
 November 10 – 102
 November 11 – 92
 November 12-14 – 137
 November 15 – 108
 November 16 – 101

Notification of voting results will be provided to each department on Monday,
November 21, 2005.

A copy of the voting results as reported by Voice Retrieval Election Services follows:

**2005 Plan Amendment Election Results
November 7 – November 16, 2005**

■ ***Amendment 1***

Permit Board to Create Medical Expense Account

Passed with 96 % in favor
Votes in favor – 970
Votes against – 37
No vote – 2

■ ***Amendment 2***

Permit Pensioners to Elect 100% Joint and Survivor

Passed with 95 % in favor
Votes in favor – 963
Votes against – 45
No vote – 1

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**1. Certification of the results of the November 2005 Plan Amendment Election
(continued)**

■ ***Amendment 3***

Permit Members and Benefit Recipients to Designate a Beneficiary to Receive Lump Sum Payments after the Benefit Recipient's Death

Passed with 98 % in favor
Votes in favor – 993
Votes against – 16
No vote – 0

■ ***Amendment 4***

Permit Pensioner to Provide a Survivor Benefit to a Surviving Child Acquired after Retirement

Passed with 91 % in favor
Votes in favor – 917
Votes against – 89
No vote – 3

■ ***Amendment 5***

Provide More Flexible DROP Policies

Passed with 98 % in favor
Votes in favor – 992
Votes against – 17
No vote - 0

■ ***Amendment 6***

Eliminate Annual Adjustment to Base Pension for New Members Hired after December 31, 2006

Passed with 89 % in favor
Votes in favor – 899
Votes against – 102
No vote – 8

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**1. Certification of the results of the November 2005 Plan Amendment Election
(continued)**

■ ***Amendment 7***

Extend to Police Officers Provisions of State Law on Certain Heart/Lung
Presumption for Firefighters

Passed with 95 % in favor
Votes in favor – 957
Votes against – 47
No vote – 5

After discussion, Mr. Edge made a motion to certify the November 2005 Plan Amendment Election results in accordance with Section 3 (e) of the Amendment Election Procedure. Mr. McCollum seconded the motion, which was unanimously approved by the Board.

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2. Amendment to the Hearthstone – MSII Homebuilding Investors Fund operating agreement

Mr. Blake stated the Board approved a \$10,000,000 capital commitment to the Hearthstone MSII Homebuilding Investors Fund for the real estate portfolio and the fund has earned a 30.5% IRR since the inception date of March 1999.

Hearthstone is requesting that the investors consent to advance during the calendar year 2006, the amounts being held in Hearthstone’s incentive fee holdback account under the Hearthstone – MSII Homebuilding Investors Fund with respect to projects already closed out. The incentive fees shall be subject to recapture by the investors (clawback) to the extent that, upon final calculation of incentive fees payable to Hearthstone upon the close out of the Fund’s last investment, it is determined that Hearthstone is not entitled to receive any portion of the fees so advanced.

The MSII Homebuilding Investors Fund estimates that the last investment will be completed in November 2007.

After discussion, Mr. McCollum made a motion to approve the amendment to the Hearthstone – MSII Homebuilding Investors Fund operating agreement. Mr. Edge seconded the motion, which was unanimously approved by the Board.

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**Special Board Meeting
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The Assistant Administrator - Investments stated that there was no further business to come before the Board. On a motion by Mr. Tomasovic and a second by Mr. McCollum, the meeting was adjourned at 8:42 a.m.



Gerald Brown
Chairman

ATTEST:



Richard L. Tettamant
Secretary