

**Dallas Police and Fire Pension System**  
**Tuesday, December 13, 2005**  
**8:00 p.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, John M. Mays Rector C. McCollum, George Tomasovic, Steven G. Shaw, Steven H. Umlor, and Richard H. Wachsman

Absent: Deputy Mayor Pro Tem Donald Hill, and Councilmember Maxine Thornton-Reese

**Staff** Richard Tettamant, Brian Blake, Don Rohan, Mike Taylor, Everard Davenport, Jay Jackson, John Holt, and Jerry Chandler

**Others** Gary Lawson, Rhett Humphreys, Mike Manning, Scott Harsch, Richard Grzymajlo, J. David Wetzel, Steve Cummings, Guy Cooper, Brady O'Connell, Dennis Tito, Rosalind Hewsenian, Andrew Junkin, and Al Kim

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The meeting was called to order at 8:00 a.m.

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**DISCUSSION AND POSSIBLE ACTION REGARDING ITEM FOR INDIVIDUAL CONSIDERATION**

- 1. Selection of general investment consultant, which will include interviews with the following firms:**
  - a.** New England Pension Consultants (NEPC)
  - b.** Fund Evaluation Group
  - c.** EnnisKnupp + Associates
  - d.** Wilshire Associates

Mr. Tettamant provided the following background: The Board authorized a search for a general investment consultant for the System using a Request for Information (RFI) questionnaire designed by staff. The Board reviewed answers from the RFI and requested that New England Pension Consultants, Fund Evaluation Group,

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**1. Selection of general investment consultant, which will include interviews with the following firms: (continued)**

EnnisKnupp + Associates, and Wilshire Associates, appear at a finalist presentation for possible selection as the System's general investment consultant.

The four finalist firms each were allotted a one hour and fifteen minute segment to meet with the Board. The firms were represented as follows:

Rhett Humphreys, CFA, Senior Consultant, and Mike Manning, CFA, CAIA, President, represented New England Pension Consultants.

Scott Harsh, President and CEO, Richard Grzymajlo, Managing Principal, and J. David Wetzel, CFP, AAMS, QKA, QPA, Vice President, represented Fund Evaluation Group.

Steve Cummings, CEO and Principal, Guy Cooper, Principal, and Brady O'Connell, CFA, Associate, represented EnnisKnupp + Associates.

Dennis Tito, CEO, Rosalind Hewsenian, Managing Director, Andrew Junkin, CFA, CIMA, CAIA, Vice President, and Al Kim, CFA, Senior Associate, represented Wilshire Associates.

After discussion, Mr. Wachsman made a motion to have a minimum of two Board members and one staff member conduct due diligence research of New England Pension Consultants (NEPC) and give a report to the full Board. The Administrator is to negotiate fees with NEPC. Mr. Mays seconded the motion, which was unanimously approved by the Board.

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**2. Proposed changes to the Limited partnership agreement of Highland Crusader Fund, L.P.**

Mr. Tettamant stated that Highland Capital has proposed certain changes to the Limited Partnership agreement of Highland Crusader Fund, L.P. The System currently has approximately \$79.8 million in market value invested in the Highland Crusader Fund, L.P. , a distressed debt fund.

The Board and staff discussed a letter that outlined the requested changes from Highland Capital.

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**2. Proposed changes to the Limited partnership agreement of Highland Crusader Fund, L.P. (continued)**

After discussion, Mr. Wachsman made a motion to approve the changes requested by Highland Capital, subject to the final approval of the Administrator and legal counsel. Mr. Mays seconded the motion, which was unanimously approved by the Board.

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**3. Possible new investment through RMK Timberland Group**

The Administrator stated that the Investment Advisory Committee (IAC) at its meeting on December 9, 2005, reviewed the RMK Timberland Group. RMK Timberland Group has proposed a timber investment located in Uruguay for the System's real estate portfolio. The Townsend Group's recommendation on the timber investment through RMK Timberland Group was provided.

After discussion, Mr. Umlor made a motion to approve an investment of \$20 million with RMK Timberland Group in Uruguay, subject to successful due diligence, contract negotiations, and the final approval of the Administrator and legal counsel, to authorize the Chairman to execute the contract, and to authorize the Administrator to perform all necessary acts and exercise all appropriate discretion to consummate the investment and ongoing operation. Mr. McCollum seconded the motion, which was unanimously approved by the Board.

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**4. Administrator's report**

Mr. Tettamant reported on current developments relating to the Pension System.

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

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**2. Board operations and procedures**

No discussion was held.

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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. Tomasovic, the meeting was adjourned at 3:32 p.m.



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Gerald Brown  
Chairman

ATTEST:



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Richard L. Tettamant  
Secretary