

MINUTE SUMMARY
Board Meeting
Thursday, April 13, 2006

The regular meeting of the Dallas Police and Fire Pension System Board of Trustees was held at **8:30 a.m. on Thursday, April 13, 2006 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 began at 8:31 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.** Received and filed the quarterly real estate performance reports of The Townsend Group, the System's real estate investment consultants, for the fourth quarter ended December 31, 2005.
- Item 2.** Received an organizational update from GMAC. Approved a new real estate investment opportunity through GMAC, subject to successful due diligence and contract negotiations.
- Item 3.** The Administrator provided a review of transactions at the special Board meetings held on April 6, 2006, regarding Kennedy Associates Real Estate Counsel, Inc. No motion was made.
- Item 4.** Postponed the discussion of LandBaron Investments until the May 11, 2006 regular Board meeting. The Administrator gave a brief report on the topic.
- Item 5.** No report was given on current legal issues. No motion was made.
- Item 6.** Received and filed the report on pension-related issues for possible legislative consideration.
- Item 7.** Approved the Request by the National Conference on Public Employee Retirement Systems for support of shareholder proposals on political disclosure and board oversight.

- Item 8.** The Vice-Chairman and the Administrator presented the following awards:
a) Brian Blake, 5 years Service Award; b) Don Rohan, 5 years Service Award; c) Zahidé Torresdey, 5 years Service Award; and d) performance award for Employee of the Quarter, First Quarter 2006 to Susan Cluse, Accountant.
- Item 9.** Received and filed an educational session by the Assistant Administrator-Investments on unitization.
- Item 10.** Approved the monthly asset allocation report for April 2006 and approved the recommendations for rebalancing the System's portfolio.
- Item 11.** Received and filed the reports by staff and Board members on due diligence meetings, seminars and/or conferences attended.
- Item 12.** Approved the revised DROP Policy, subject to the final approval of the Administrator and legal counsel and received and filed the report on the new DROP Procedure.

C. BRIEFING ITEMS

- Item 1.** The Administrator reported on a pensioner's concern. No motion was made.
- 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 2:13 p.m.

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Dallas Police and Fire Pension System
Thursday, April 13, 2006
8:30 a.m.
2301 North Akard Street
First Floor Conference Room
Dallas, Texas

Regular meeting, Steve Shaw, Vice-Chairman, presiding:

ROLL CALL

Board Members

Present: Gary W. Edge, John M. Mays, Rector C. McCollum, Steven G. Shaw, George Tomasovic, Steven H. Umlor, and Richard H. Wachsman

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

Staff Richard Tettamant, Don Rohan, Brian Blake, Everard Davenport, Mike Taylor, Pat McGennis, Jay Jackson, John Holt, Jerry Chandler, and Linda Rickley

Others Gary Lawson, Richard W. Brown, Michael Baron, Gene Conway, Mirek Niemynski, and John Musgrove

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

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A. CONSENT AGENDA

1. Approval of Minutes

- a. Regular meeting of March 9, 2006
- b. Special meeting of March 15, 2006
- c. Special meeting of March 20, 2006

2. Approval of Five-Year Certificates for the First Quarter, 2006

Fire

Cynthia Bustillos
Felicia D. Hill

January 17, 2006
January 24, 2006

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**2. Approval of Five-Year Certificates for the First Quarter of 2006
(continued)**

Fire

Dameon Kaiser	January 24, 2006
Julie Kumar	February 7, 2006
John Mills	March 4, 2006
Brian S. Moody	January 17, 2006
Nikkita Reese	January 10, 2006
Whitney Stark	January 24, 2006

Police

Julie B. Arnott	February 28, 2006
Roger A. Bearden	January 5, 2006
Curtis C. Blocker	January 5, 2006
Benjamin M. Bonya	January 5, 2006
Eddie R. Flores	January 8, 2006
Barney R. Gilliom	March 24, 2006
Todd E. Haecker	January 5, 2006
John R. Hepworth	January 5, 2006
Jerry L. Jernigan	January 5, 2006
Brian M. Lashley	January 7, 2006
Richard S. Martinez	January 5, 2006
Agustin Martinez	January 5, 2006
Jeremy L. Mills	January 5, 2006
Cathy E. Mobley	March 14, 2006
Brian M. Murphy	January 5, 2006
Charles A. Ned	January 5, 2006
Arnulfo Pargas	March 29, 2006
Fernando R. Perez	January 31, 2006
Erick Richards	January 5, 2006
Larvtha L. Shepard	January 5, 2006
Mark A. Torres	January 5, 2006
Keith S. Tyler	January 5, 2006
Duane S. Westerlund	January 5, 2006
Anthony W. Williams	May 3, 1991
Jesse L. Woods	January 5, 2006

3. Approval of Refunds of Contributions for the Month of March 2006

Refund of Combined Pension Plan, Section 6.02 Group B Contributions
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<u>EMPLOYEE NAME</u>	<u>DEPT.</u>	<u>REFUND DATE</u>
None		

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4. Approval of Activity in the Deferred Retirement Option Plan (DROP) for April 2006

New DROP Participants

Mark L. Dawson	Fire
Norman D. Ellis	Fire
Karen L. Florence	Fire
Stephen L. Harris	Fire
Robert C. Jones	Fire
Dustin J. Koellhoffer	Fire
Willie Reynolds	Fire
Marjorie L. Cunningham	Police
Jeffrey D. Wiginton	Police

Retiree DROP Status Changes

Isaac F. Conway, Jr.	Fire	1
Bobby J. Galloway	Fire	3
H. G. Giddens	Fire	3
Martin E. Shamburg	Fire	1
William E. Young	Fire	2
Edwin R. Dresser	Police	2
T. G. Hershberger	Police	1
Robert Rommel	Police	1
David M. Sullivan	Police	1
Barry L. Whisenhunt	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 Jourden	Fire
Jerry R. Ramage, Sr.	Police

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5. Approval of Vested Rights Letters (continued)

- a. Scott M. Jay, Police Officer
- b. Sabrina L. Johnson, Police Officer
- c. Patti A. Saldaña, Police Officer
- d. Adolfo Vega, Police Officer

6. Approval of Estate Settlements



Lewis L. Gann (<i>P</i>)	Fire	Feb. 20, 2006	Caroline Grant, Bryan Gann, Shirley Schmerbeck	A - Sec. 6.01
Frances V. McMains (<i>S</i>)	Fire	Jan. 3, 2006	Elizabeth A. Tidwell	B - Sec. 6.08
Kim E. Hammond (<i>M</i>)	Police	Mar. 1, 2006	Kimberlee Hughes, Trent Hammond, Troy Hammond, Jennifer Pasley	B - Sec. 6.02
Alma L. Holcomb (<i>S</i>)	Police	Feb. 8, 2006	Cathy Deatherage & David Holden	B - Sec. 6.08

7. Approval of Survivor Benefits - Deceased Retirees



Travis E. Bollier	Fire	Jan. 28, 2006	Zelma M. Bollier	No	A - Sec. 6.07
Val Garrick	Fire	Feb. 22, 2006	Carolyn S. Garrick	Yes	A - Sec. 6.07
Roland O. Sullivan	Fire	Feb. 13, 2006	Cornelia L. Sullivan	Yes	B - Sec. 6.08

8. Approval of Service Retirements



Samuel E. Conner	Fire	Mar. 1, 2006	B - Sec. 6.02(b)	Yes/VI	Yes
Isaac F. Conway Jr.	Fire	Mar. 22, 2006	B - Sec. 6.02(d)	Yes/VIII	Yes
Leland G. Hancock	Fire	Apr. 6, 2006	B - Sec. 6.02(b)	Yes/V	Yes
Martin E. Shamburg	Fire	Mar. 8, 2006	B - Sec. 6.02(d)	Yes/VIII	No
Patrick A. Boyd	Police	Apr. 1, 2006	B - Sec. 6.02(b)	Yes/VIII/VI	No
Donnie W. Chapman	Police	Apr. 5, 2006	B - Sec. 6.02(b)	Yes/VI	No
Joe D. Harrington	Police	Apr. 5, 2006	B - Sec. 6.02(b)	Yes/V	No
T. G. Hershberger	Police	Apr. 5, 2006	B - Sec. 6.02(b)	Yes/VI	No
Donald L. Mann	Police	Apr. 11, 2006	B - Sec. 6.02(b)	Yes/VIII	Yes
Charles E. Plumlee	Police	Apr. 5, 2006	B - Sec. 6.02(b)	Yes/V	No

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8. Approval of Service Retirements (continued)

Freddie E. Rich	Police	Mar. 29, 2006	B - Sec. 6.02(b)	Yes/VI	No
Robert Rommel	Police	Apr. 5, 2006	B - Sec. 6.02(b)	Yes/VIII	No
David M. Sullivan	Police	Apr. 5, 2006	B - Sec. 6.02(b)	Yes/VIII	No
Barry L. Whisenhunt	Police	Apr. 5, 2006	B - Sec. 6.02(b)	Yes/VIII	No
James E. Wright	Police	Apr. 5, 2006	A - Sec. 6.01(e)	Yes/V/VI	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

9. Approval of Alternate Payee Benefits

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After discussion, Mr. Tomasovic made a motion to approve the items on the Consent Agenda, subject to the final review and approval of the Administrator. Mr. McCollum seconded the motion, which was unanimously approved by the Board.

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B. DISCUSSION AND POSSIBLE ACTION REGARDING ITEMS FOR INDIVIDUAL CONSIDERATION

1. Reports and recommendations of The Townsend Group, real estate investment consultants, including, but not limited to:

- a. Real Estate market overview
- b. Quarterly real estate investment performance report for the fourth quarter ended December 31, 2005

Mr. Richard Brown, Principal, from The Townsend Group, the System's real estate investment consultant, reviewed the System's real estate performance for the fourth quarter ended December 31, 2005. The real estate investment performance was as follows:

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1. Reports and recommendations of The Townsend Group, real estate investment consultants (continued)

	8.96%	28.53%	20.95%	15.07%	14.67%
	7.70%	25.23%	18.77%	13.24%	13.13%

After discussion, Mr. Wachsman made a motion to receive and file The Townsend Group's reports and the real estate investment performance review for the fourth quarter of 2005. Mr. McCollum seconded the motion, which was unanimously approved by the Board.

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The meeting was recessed at 10:05 a.m.

The meeting was reconvened at 10:15 a.m.

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2. GMAC Institutional Advisors

- a. Organizational update
- b. Possible new real estate investment in Texas
- c. Status of existing portfolio and plans for future activities with regard to that portfolio

Mr. Tettamant provided the following background information: GMAC Institutional Advisors LLC is one of the System's real estate investment advisors. GMAC Institutional Advisors (GMACIA) and Select Apartment Properties, LLC are parties to an Asset Management Agreement with the System dated August 1, 2004. As of March 31, 2006, Select Apartment Properties LLC was valued at approximately \$16,386,000. The net return from September 2004 through December 2005 (since inception) is approximately 20.5%. Representing GMACIA for today's meeting were Michael Baron, Senior Vice President & Managing Director – Acquisitions, Gene Conway, Senior Vice President – Portfolio Manager, Mirek Niemynski – Vice President – Acquisitions, and John Musgrove, Assistant Vice President – Acquisitions.

GMAC has completed the sale of a 78% interest in GMAC Commercial Holding Corporation to a group including Five Mile Capital Partners, Kohlberg Kravis Roberts & Co. (KKR) and Goldman Sachs Capital Partners. GMAC Commercial Holding Corporation is the indirect parent of GMAC Institutional Advisors, LLC.

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2. GMAC Institutional Advisors (continued)

GMACIA spoke to the Board regarding the recent announcement by GM (General Motors) to sell a majority interest in GMAC to a private investor group. In addition, the representatives from GMACIA discussed an organizational update of their firm.

The Board went into a closed executive session – real estate at 10:28 a.m.

The meeting was reopened at 11:38 a.m.

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The meeting was recessed at 11:38 a.m.

The meeting was reconvened at 12:24 p.m.

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3. Update on investments through Kennedy Associates Real Estate Counsel, Inc.

Mr. Tettamant reported on the special Board meetings held on April 6, 2006 with Kennedy Associates Real Estate Counsel, Inc. and the resulting Board action.

No motion was made.

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4. LandBaron Investments

- a. Possible purchase of property in Oregon
- b. Status of existing portfolio and plans for future activities with regard to that portfolio

LandBaron representatives were unable to attend the meeting. Mr. Tettamant introduced the possible investment to the Board. Mike Chernine, of LandBaron, will be available at a later date to discuss it with the Board.

No motion was made.

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5. Legal issues including, but not limited to:

Police Officer and Firefighter pay lawsuits

No report was given. No motion was made.

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6. Pension-related issues for possible legislative consideration

- a. Pending legislation
- b. Reports from legislative consultants

Mr. Tettamant discussed the reports from the legislative consultants with the Board.

After discussion, Mr. Wachsman 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.

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7. Request by the National Conference on Public Employee Retirement Systems for support of shareholder proposals on political disclosure and board oversight

Mr. Tettamant discussed with the Board a letter from NCPERS President Robert Podgorny regarding shareholder proposals on political disclosure and board oversight of political contributions. NCPERS urged member pension systems to support the proposals and reflect this support through proxy voting. A sample letter to investment managers who vote proxies for the System was provided in the event the Board votes to support the proposals.

After discussion, Mr. Wachsman made a motion to take the action recommended by NCPERS and to send letters to the System's investment managers to inform them of the Board's support of the shareholder proposals on political disclosure and board oversight of political contributions. Mr. Umlor seconded the motion, which was unanimously approved by the Board.

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8. Employee recognition – First Quarter 2006

- a. Employee Service Awards
- b. Employee of the Quarter award

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8. Employee recognition – First Quarter 2006 (continued)

Mr. Brown, Chairman, and Mr. Tettamant, Administrator, presented Employee Service Awards for the First Quarter, 2006 to the following individuals:

NAME	DATE	YEARS OF SERVICE
Brian F. Blake	March 1, 2006	Five Years
Donald C. Rohan	January 30, 2006	Five Years
Zahide Torresdey	February, 2006	Five Years

The Chairman presented a performance award for Employee of the Quarter, First Quarter 2006 to Susan Cluse, Accountant.



No motion was made.

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9. Educational session on unitization

Mr. Blake, Assistant Administrator – Investments, presented an educational session on unitization.

The Board has approved a group trust structure into which the assets of Dallas Police & Fire Pension System (DPFPS) and the assets of the Supplemental Plan are both invested in a trust arrangement where the assets are managed and invested as one pool. The separate plan accounting is known as unitization where the individual owners, DPFPS and the Supplemental Plan, own separate units in one investment pool.

After discussion, Mr. Edge made a motion to receive and file the educational presentation on unitization. Messrs. Mays and Tomasovic jointly seconded the motion, which was unanimously approved by the Board.

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10. Monthly asset allocation report

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

The Asset Allocation Monitoring Reports and the Real Estate Portfolio Reports for March 2006 are included in Minute Book Number 35 on pages _____.

The staff stated that one manager is not within its respective allocation range: Oak Associates is below the minimum range (actual of 4.85% versus a range of 5.00% to 7.00%). Staff recommends allocating \$5 million from T. Rowe Price to get the allocation back within range. There are cash needs of \$9.5 million. No other rebalancing is recommended at this time.

After discussion, Mr. Edge made a motion to receive and file the April 2006 monthly asset allocation report and approve the staff's recommendations. Messrs. Tomasovic and Mays jointly seconded the motion, which was unanimously approved by the Board.

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

- a. **Conference:** **TEXPERS 17th Annual Conference**
Dates: March 12-15, 2006

Messrs. Brown, Tomasovic, Wachsmann, Edge, McCollum, Shaw, Tettamant, Rohan, Blake, Davenport, Taylor, and Jackson discussed the annual conference.

- b. **Conference:** **II: Public Funds Roundtable**
Dates: April 6-7, 2006

Mr. Tettamant briefed the Board on the meeting.

- c. **Conference:** **Due Diligence: RMK Timberland**
Dates: April 12, 2006

Messrs. Umlor, McCollum, and Tettamant reported their due diligence findings.

After discussion, Mr. Edge made a motion to receive and file the reports by Board and staff members on due diligence meetings, seminars and/or conferences attended. Mr. Mays seconded the motion, which was unanimously approved by the Board.

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**DALLAS POLICE AND FIRE PENSION SYSTEM
APRIL 2006 ASSET ALLOCATION MONITORING REPORT**

Asset Class		Target		Actual		Range		Difference vs.	
		\$	%	\$	%	Minimum	Maximum	Target	\$
EQUITY									
<u>Domestic Equity</u>									
S & P Enhanced Index	INTECH	231.76	8.00	243.81	8.42	6.00	10.00		12.05
S & P Enhanced Index	T Rowe Price	115.88	4.00	144.48	4.99	2.00	6.00		28.60
Large Cap Growth	Oak Associates	173.82	6.00	140.46	4.85	5.00	7.00		(33.36)
Small Cap	Eagle Asset Management	144.85	5.00	135.38	4.67	4.00	6.00		(9.47)
Large Cap Value	Alliance Capital	173.82	6.00	162.13	5.60	5.00	7.00		(11.69)
Energy	Mitchell Group	0.00	0.00	34.30	1.18	0.00	0.00		34.30
Private Equity									
	NTOF	0.00	0.00	5.82	0.20	0.00	0.00		5.82
	Huff Alternative Fund	0.00	0.00	89.67	3.10	0.00	0.00		89.67
	Merit	0.00	0.00	7.81	0.27	0.00	0.00		7.81
	Pharos	0.00	0.00	1.81	0.06	0.00	0.00		1.81
Total Private Equity		144.85	5.00	105.11	3.63	4.00	6.00		(39.74)
Total Domestic Equity		984.98	34.00	965.67	33.34				(19.31)
<u>International Equity</u>									
Active Large Cap	Bank of Ireland	202.79	7.00	228.71	7.89	5.50	8.50		25.92
Active ACWI x US	Clay Finlay	202.79	7.00	181.42	6.26	5.50	8.50		(21.37)
Active Enhanced EAFE	Fidelity	289.70	10.00	309.15	10.67	8.50	11.50		19.45
Total International Equity		695.28	24.00	719.28	24.82				24.00
Total Equity		1,680.26	58.00	1684.95	58.16				4.69
FIXED INCOME									

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**DALLAS POLICE AND FIRE PENSION SYSTEM
APRIL 2006 ASSET ALLOCATION MONITORING REPORT
(Continued)**

Asset Class		Target		Actual		Range		Difference vs.	
		\$	%	\$	%	Minimum	Maximum	Target	\$
<u>Global High Quality</u>	Mondrian Investment Partners	144.85	5.00	125.96	4.35	4.25	5.75		(18.89)
	Brandywine	144.85	5.00	130.55	4.51	4.25	5.75		(14.30)
<u>Domestic High Yield</u>	W.R. Huff	144.85	5.00	135.06	4.67	3.00	7.00		(9.79)
<u>Global Opportunistic</u>									
Global Opportunistic Funds	Huff Alternative Income	No Target		0.06	0.00				0.00
	Oaktree	No Target		4.31	0.15				0.00
	TCW Spl Credits	No Target		0.06	0.00				0.00
	Ashmore	57.94	2.00	61.26	2.11	1.00	3.00		3.32
	Highland Crusader Fund	86.91	3.00	89.70	3.10	2.00	4.00		2.79
Total Global Opportunistic Funds		144.85	5.00	155.39	5.36				10.54
GOFI Separate Account	Loomis-Sayles	202.79	7.00	190.94	6.59	5.00	9.00		(11.85)
Total Global Opportunistic		347.64	12.00	346.33	11.95				4.80
Total Fixed Income		782.19	27.00	737.92	25.48				(44.27)
<u>REAL ESTATE</u>		434.55	15.00	465.86	16.08	13.00	17.00		31.31
<u>SHORT TERM INVESTMENTS</u>		0.00	0.00	8.27	0.28	0.00	0.00		8.27
Total Assets		2,897.00	100.00	2,897.00	100.00				0.00

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**DALLAS POLICE AND FIRE PENSION SYSTEM
APRIL 2006 ASSET ALLOCATION MONITORING REPORT
Real Estate Portfolio**

Real Estate Manager	Total Market Value	Loan Program	Net Equity	Percentage of Real Estate Assets
Managers in Redemption				
Heitman Capital Management (JMB III)	11,751	0	11,751	0.00%
Prudential (Strategic Value Investors. LLC)	3,941,589	0	3,941,589	0.85%
Subtotal	3,953,340	0	3,953,340	0.85%
Separate Account Managers				
Agricultural - Hancock	50,805,819	0	50,805,819	10.91%
Forest Investment Associates	32,624,438	0	32,624,438	7.00%
INVESCO Realty	46,773,430	25,126,500	21,646,930	4.65%
Kennedy Associates	21,063,108	0	21,063,108	4.52%
L & B Real Estate Counsel	75,826,211	25,768,000	50,058,211	10.75%
GMAC Institutional Advisors	16,456,728	0	16,456,728	3.53%
Land Baron	125,927,017	112,656,987	13,270,030	2.85%
RREEF	42,565,701	0	42,565,701	9.14%
CDK Realty Advisors	180,887,533	23,942,000	156,945,533	33.69%
Subtotal	592,929,985	187,493,487	405,436,498	87.03%
Opportunistic Partnerships				
Hearthstone (MSII, MSIII Homebuilding)	1,363,090	0	1,363,090	0.29%
Crow Holdings Realty Partners II	3,854,791	0	3,854,791	0.83%
Oaktree Capital Management (OCM R E Opportunities Fund B)	7,927,574	0	7,927,574	1.70%
Hudson Advisors (Brazos, Lone Star I, II, III,IV,V)	33,824,363	0	33,824,363	7.26%
Olympus Real Estate Fund II & III	9,498,801	0	9,498,801	2.04%
Subtotal	56,468,619	0	56,468,619	12.12%
Total Real Estate	653,351,944	187,493,487	465,858,457	100.00%

Total Real Estate with Loan Program (net)

465,858,457

Total Fund Market Value

2,897,004,560

\$

%

Target Value (\$ and %)

434,550,684

15.00%

Market Value (\$ and %)

465,858,457

16.08%

Variance from Target

31,307,773

1.08%

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12. Possible revision to the following Board Policies and Procedures

- a. Deferred Retirement Option Plan Policy
- b. Deferred Retirement Option Plan Procedure

Mr. Tettamant stated that at the November 10, 2005 meeting, the Board approved a revised DROP Policy to incorporate changes approved in the 2005 Plan Amendment election, subject to final approval of the Administrator. In finalizing the Policy, staff made material changes to the draft approved by the Board; therefore, the Policy was returned to the Board for further approval. Material changes in the new draft included:

- (1) Added definitions to describe “Active DROP” and “Retiree DROP” and provided policy to distinguish between the two forms of DROP membership.
- (2) Simplified policy by deleting unnecessary detail that served only to repeat language in the Plan Document.
- (3) Reorganized structure.

The DROP policy requires the Administrator to establish procedures to implement the policy. Staff reviewed for the Board the major features of the DROP Procedure.

After discussion, Mr. Edge made a motion to approve the revised DROP Policy, subject to the final approval of the Administrator and legal counsel, and to receive and file the report on the new DROP Procedure. Mr. McCollum seconded the motion, which was unanimously approved by the Board.

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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 discuss concerns with the Board.

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1. Reports and concerns of active members and pensioners of the Dallas Police and Fire Pension System (continued)

H. A. Munro had asked that his concern regarding eligibility for survivor benefits be brought to the Board's attention. Mr. Munro was divorced from his spouse after he left Active Service and later remarried his former spouse. He feels his spouse should be eligible for survivor benefits. Under Plan Document provisions, the divorce disqualifies his spouse from survivor eligibility, even though they remarried. Subsection 2.01 (42) defines a Qualified Survivor, in part, as:

- (A) A surviving Spouse, if the Spouse was continuously married to the Primary Party from the date when the Primary Party either voluntarily or involuntarily left Active Service as a Member through the date of the Primary Party's death ...

Mr. Munro has petitioned the Board in the past to gain survivor benefits for his spouse, including most recently several months ago when the Board informally reviewed the situation. In each case, Mr. Munro was advised that his spouse no longer is eligible for survivor benefits because of the divorce. Mr. Munro did not elect the Spouse Wed After Retirement provision when it was available to him. He has indicated that he thinks the reduction for a 100% Joint and Survivor payment option is too expensive.

Mr. Umlor made a motion to receive and file the report on Mr. Munro's request. Mr. Edge seconded the motion, which was unanimously approved by the Board.

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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.

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2. Administrator's report (continued)

Mr. Tettamant briefed 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. Umlor seconded the motion, which was unanimously approved by the Board.

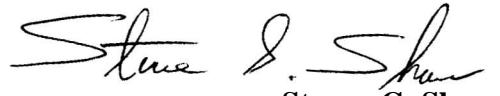
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3. Board operations and procedures

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. Umlor, the meeting was adjourned at 2:13 p.m.


Steven G. Shaw
Vice-Chairman

ATTEST:


Richard L. Tettamant
Secretary