

AGENDA



Date: November 8, 2007

A quarterly meeting of the Dallas Police and Fire Pension System Board of Trustees will be held at **8:30 a.m. on Tuesday, November 13, 2007 in the First Floor Conference Room at 2301 North Akard Street, Dallas, Texas.** Items of the following agenda will be presented to the Board:

I. DISCUSSION AND POSSIBLE ACTION REGARDING ITEMS FOR INDIVIDUAL CONSIDERATION

A. Reports and recommendations of NEPC, including, but not limited to the following:

Quarterly investment performance report for the third quarter ended September 30, 2007

B. Review of Pension Protection Act of 2006

C. Financing of real estate investment in California

II. BRIEFING ITEMS

Administrator's report

Administrative update

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
Thursday, November 13, 2007
8:30 a.m.
2301 North Akard Street
First Floor Conference Room
Dallas, Texas

Special meeting, Gerald Brown, Chairman, presiding:

ROLL CALL

Board Members

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

Absent: None

Staff

Brian Blake, Don Rohan, Everard Davenport, Mike Taylor, Brad Goodsell, Pat McGennis, John Holt, Jerry Chandler, Matt Siekielski, Talal Ellass, and Linda Rickley

Others

Rhett Humphreys, Gary Lawson, Gus Fields, Josh Mond, Jon Donahue, Brent Kroener, Regina Weaver, Jack Matthews, Kristian Teleki, and Scott Towns

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

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I. DISCUSSION AND POSSIBLE ACTION REGARDING ITEMS FOR INDIVIDUAL CONSIDERATION

A. Reports and recommendations of NEPC, including, but not limited to the following:

Quarterly investment performance report for the third quarter ended September 30, 2007

Rhett Humphreys, CFA, Partner and Senior Consultant, from NEPC, the System's general investment consultant, discussed and reviewed reports and recommendations from NEPC, including the quarterly investment performance for the third quarter ended September 30, 2007. The investment performance is summarized in the following chart:

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A. Reports and recommendations of NEPC, including, but not limited to the following: (continued)

	1.1%	17.5%	16.1%	17.9%
	1.5%	19.1%	15.8%	18.3%

* Financial Composite excludes the Real Estate and Alternative Equity Managers.

After discussion, Mr. Wachsman made a motion to receive and file the quarterly investment performance report for the third quarter ended September 30, 2007. Mr. Mays seconded the motion, which was unanimously approved by the Board.

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B. Review of Pension Protection Act of 2006

Mr. Rohan, Assistant Administrator-Operations, stated that the President signed the Pension Protection Act into law on August 17, 2006. While the new law has major impact on private plans, two particular provisions, the \$3,000 tax exclusion for health care premiums and the age change from 55 to 50 for exemption from the 10% penalty tax on DROP distributions, have significant impact on public pension plans providing retirement benefits to public safety officers. The Board has discussed these provisions at length and staff has implemented appropriate changes to our systems and procedures to deal with the issues raised.

The law also includes other changes that could possibly affect public plans. Gus Fields of Godwin Pappas Ronquillo LLP discussed likely ramification of these provisions of the Pension Protection Act.

After discussion, Mr. Wachsman made a motion to receive and file the review of the Pension Protection Act of 2006. Mr. Mays seconded the motion, which was unanimously approved by the Board.

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C. Financing of real estate investment in California

Mr. Blake, Assistant Administrator-Investments, stated that the Board has approved a loan for the financing of a real estate investment in California. Due to certain changes in the terms of the original loan, the real estate operator has requested that the Board consider other possible structures in the financing of the real estate investment in California.

Staff gave an update to the Board on the financing and requested authorization for financing options to complete the investment.

After discussion, Mr. Wachsman made a motion to authorize the Administrator to negotiate terms and conditions for an equity, convertible equity, preferred, or loan interest in the financing of the real estate investment in California, with the investment terms subject to the final approval of the Administrator and legal counsel. Mr. Umlor seconded the motion, which was approved by the following vote.

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

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II. BRIEFING ITEMS

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Mr. Tettamant briefed the Board on current developments related to the Pension System, including personnel changes.

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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The meeting was recessed at 10:52 a.m.

The meeting was reconvened at 11:45 a.m.

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ADDENDUM

CDK Realty Advisors

- a. Due diligence review of new investments in North Texas
- b. Status of existing portfolio and plans for future activities with regard to that portfolio

The Board and staff reported on a due diligence review of certain new real estate investments through CDK Realty Advisors in North Texas.

No motion was made.

The Assistant Administrator-Operations stated that there was no further business to come before the Board. On a motion by Mr. Umlor and a second by Mr. McCollum, the meeting was adjourned at 4:02 p.m.

[Signature]

Gerald Brown
Chairman

ATTEST:

[Signature]

Richard L. Tettamant
Secretary