

## AGENDA



**Date:** January 18, 2007

A special meeting of the Dallas Police and Fire Pension System Board of Trustees will be held at **11:00 a.m. on Monday, January 22, 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:

### **A. DISCUSSION AND POSSIBLE ACTION REGARDING ITEMS FOR INDIVIDUAL CONSIDERATION**

- 1. DROP distribution and deferral rules**
- 2. Reports and recommendations of NEPC regarding, but not limited to the following:**
  - a. Large cap growth equity search
  - b. Global equity manager search
- 3. Selection of large cap growth equity manager finalists**
- 4. Selection of global equity manager, which will include interviews with the following firms:**
  - a. OFI Institutional Asset Management
  - b. The Boston Company
  - c. Bernstein Value Equities

### **B. 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**  
**Monday, January 22, 2007**  
**11:00 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:** Mayor Pro Tem Donald Hill and Councilmember Maxine Thornton-Reese

**Staff** Richard Tettamant, Brian Blake, Don Rohan, Everard Davenport, Mike Taylor, Jerry Chandler, Matt Siekielski, Talal Ellass, and Linda Rickley

**Others** Rhett Humphreys, Chuck McKenzie, Steve Saner, William S. Patzer, Ryan R. Fitzpatrick, Eric J. Franco, and Liz Smith

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The meeting was called to order at 11:00 a.m.

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

**1. DROP distribution and deferral rules**

Messrs. Tettamant and Rohan reviewed the System's DROP distribution and deferral rules with the Board.

No motion was made.

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**2. Reports and recommendations of NEPC regarding, but not limited to the following:**

- a. Large cap growth equity search
- b. Global equity manager search

- a. Mr. Tettamant stated that based on Board authorization, NEPC, the System's general investment consultant, had begun a large cap growth equity search. Rhett Humphreys, of NEPC, reviewed and discussed the large cap growth equity search and his firm's recommendation.
- b. Mr. Humphreys discussed the global equity manager search. The Board will interview three global equity manager firms today.

After discussion, Mr. Shaw made a motion to receive and file the reports and recommendations of NEPC. Mr. Edge seconded the motion, which was unanimously approved by the Board.

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The meeting was recessed at 11:34 a.m.

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

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**3. Selection of large cap growth equity manager finalists**

The Board reviewed the finalists for the large cap growth equity search to be conducted at the February 13, 2007 Board meeting.

Based on discussion with NEPC and staff, Mr. Wachsman made a motion to begin the process to hire another large cap growth equity investment manager, splitting the allocation approximately equally between Oak Associates and a new manager. Mr. Mays seconded the motion, which was unanimously approved by the Board.

After discussion, Mr. Wachsman made a motion to supersede the previous motion, to terminate Oak Associates, and to invite the following four large cap growth equity investment managers to give presentations at the February 13, 2007 special Board meeting: INTECH, Smith Group Asset Management, Waddell and Reed Asset Management Group, and T. Rowe Price. Mr. Mays seconded the motion, which was unanimously approved by the Board.

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**4. Selection of global equity manager, which will include interviews with the following firms:**

- a. OFI Institutional Asset Management
- b. The Boston Company
- c. Bernstein Value Equities

Mr. Tettamant stated that the Board had authorized a global equity search and the following investment firms have been invited to make presentations to the System today: OFI Institutional Asset Management, The Boston Company, and Bernstein Value Equities. NEPC recommended an allocation of approximately 5% for the initial funding of this new asset class for the System. The approval of funding would require a change to the System's current asset allocation guidelines.

OFI Institutional Asset Management was represented by Chuck McKenzie, CIO and CEO, and Steve Saner, Managing Director Sales.

The Boston Company was represented by William Patzer, CFA, Portfolio Management, and Ryan Fitzpatrick, Client Service & New Business Development.

Bernstein Value Equities, a unit of AllianceBernstein, was represented by Eric Franco, Senior Portfolio Manager-International Equities, and Liz Smith, Senior Vice President.

After discussion, Mr. Shaw made a motion to invest \$150 million through two global equity investment managers, divided approximately equally between Bernstein Value Equities and OFI Institutional Asset Management, subject to successful due diligence, contract negotiations, and the final approval of the Administrator and legal counsel, to authorize the Chairman to execute the contracts, and to authorize the Administrator to perform all necessary acts and exercise all appropriate discretion to consummate the investments and ongoing operations. Mr. McCollum seconded the motion, which was unanimously approved by the Board.

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**B. BRIEFING ITEMS**

**Administrator's report**

No report was given.

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The Administrator stated that there was no further business to come before the Board. On a motion by Mr. Wachsman and a second by Mr. Umlor, the meeting was adjourned at 4:13 p.m.



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Gerald Brown  
Chairman

**ATTEST:**



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Richard L. Tettamant  
Secretary