

## AGENDA



**Date:** February 15, 2008

A special meeting of the Dallas Police and Fire Pension System Board of Trustees will be held at **8:30 a.m. on Thursday, February 21, 2008, 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. Possible co-investment through Pharos Capital Group, LLC**
- 2. Possible investment in real estate management companies**
- 3. Museum Tower updated business plan**

**B. BRIEFING ITEMS**

**Administrator's report**

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, February 21, 2008**  
**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, John M. Mays, Rector C. McCollum, David A. Neumann, Steven G. Shaw, George Tomasovic, Steven H. Umlor, and Richard Wachsman

**Absent:** Dwaine R. Caraway, Vonciel Jones Hill, and Pauline Medrano

**Staff** Richard Tettamant, Brian Blake, Don Rohan, Everard Davenport, Mike Taylor, Brad Goodsell, Pat McGennis, John Holt, and Talal Elass

**Others** Dr. Kneeland Youngblood and Robert Crants

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

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

**1. Possible co-investment through Pharos Capital Group, LLC**

Mr. Tettamant stated that the System has a private equity investment known as Pharos Capital IIA through Pharos Capital Group, LLC based in Dallas, Texas. The System has a \$30,000,000 capital commitment through Pharos Capital II A and two existing co-investments.

Dr. Kneeland Youngblood, Founder and Managing Partner, and Bob Crants, Co-Founder and Managing Partner, from Pharos Capital Group, LLC, discussed a possible co-investment for the System's private equity portfolio.

The meeting was recessed at 9:29 a.m.

The meeting was reconvened at 9:34 a.m.

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**1. Possible co-investment through Pharos Capital Group, LLC (continued)**

After discussion, Mr. Umlor made a motion to authorize the Administrator to negotiate a \$50 million capital commitment to the new co-investment through Pharos Capital and subject to recommendation of the Administrator and legal counsel, the Chairman to execute all necessary documents and thereafter, the Administrator to carry out all necessary operations and manage administrative details. Mr. McCollum seconded the motion, which was unanimously approved by the Board.

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**2. Possible investment in real estate management companies**

Staff briefed the Board on various investment issues regarding the System's real estate management companies.

After discussion, Mr. McCollum made a motion to authorize the Administrator to negotiate with the real estate management company with respect to Lake Luciana regarding an additional investment of approximately \$15 million and subject to recommendation of the Administrator and legal counsel, the Administrator to execute all necessary documents and to carry out all necessary operations and manage administrative details. Mr. Edge seconded the motion, which passed by the following vote:

For: McCollum, Edge, Brown, Mays, Neumann, Shaw, Tomasovic, and Umlor  
Against: Wachsman

After discussion, Mr. McCollum made a motion to authorize the Administrator to negotiate with the real estate management company with respect to Knudson Luxury Housing to refinance certain high interest rate loans and provide working capital for approximately \$30 million and subject to recommendation of the Administrator and legal counsel, the Administrator to execute all necessary documents and to carry out all necessary operations and manage administrative details. Mr. Edge seconded the motion, which passed by the following vote:

For: McCollum, Edge, Brown, Mays, Tomasovic, Umlor, and Wachsman  
Against: Neumann and Shaw

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**3. Museum Tower updated business plan**

Mr. Tettamant stated that Brook Partners, the System's developer in the Museum Tower real estate investment, has requested changes to the project budget, the pre-development budget, and the 2008 annual budget. No additional funds are required for the proposed budget changes.

Criswell Radovan, the System's consultant on Museum Tower, has recommended approval of all the proposed budget changes.

After discussion, Mr. Wachsman made a motion to approve the requested changes for the project budget, the pre-development budget, and the 2008 annual budget for the Museum Tower investment. Mr. Edge 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. McCollum and a second by Mr. Edge, the meeting was adjourned at 10:50 a.m.

*[Signature]*

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Gerald Brown  
Chairman

**ATTEST:**

*[Signature]*

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Richard L. Tettamant  
Secretary