

Dallas Police and Fire Pension System
Thursday, January 8, 2009
8:30 a.m.
4100 Harry Hines Blvd., Suite 100
Second Floor Board Room
Dallas, Texas

Regular meeting, Gerald Brown, Chairman, presiding:

ROLL CALL

Board Members

Present: Jerry R. Allen, Gerald Brown, Gary W. Edge, John M. Mays, Rector C. McCollum, Pauline Medrano, David A. Neumann, Steven G. Shaw, George Tomasovic, Steven H. Umlor, and Richard H. Wachsman

Absent: Dwaine R. Caraway

Staff

Richard Tettamant, Don Rohan, Brian Blake, Everard Davenport, Mike Taylor, Pat McGennis, John Holt, Jerry Chandler, Talal Ellass, Larry Landfried, Greg Irlbeck, Christina Wu, and Linda Rickley

Others

Gary Lawson, Gus Fields, Josh Mond, Sheryl Linck, Eric Goodbar, W. B. Wilson, and Wayne Antrobus

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The meeting was called to order at 8:33 a.m.

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A. CONSENT AGENDA

1. Approval of Minutes

- a. Regular meeting of December 11, 2008
- b. Special meeting of December 17, 2008

2. Approval of Five-Year Certificates for the Fourth Quarter, 2008

Police

Ronnie H. Benedict	December 3, 2008
Jonathan M. Blanchard	October 24, 2008
Terrence R. Burley	October 24, 2008
Billy R. Cansler	December 3, 2008
Kristin N. Cantu	October 24, 2008
Lisa R. Connaway	December 3, 2008

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**2. Approval of Five-Year Certificates for the Fourth Quarter, 2008
(continued)**

Police

Aaron D. Glenn	October 24, 2008
Shawn M. Hejke	October 24, 2008
Justin R. Hellenguard	October 24, 2008
Juan Hernandez	October 24, 2008
Kenny Lopez	October 29, 2008
Carlos A. Marquez	October 24, 2008
Jason W. Massey	October 24, 2008
Dacnguyen C. Nguy	October 24, 2008
Jackie J. Noel	October 24, 2008
Victor Quezada	October 24, 2008
Robert A. Ridley	October 24, 2008
Brad T. Riede	October 24, 2008
Edward F. Tena	October 24, 2008
Michael L. Vaughn	October 24, 2008

3. Approval of Refunds of Contributions for the Month of December 2008

Refund of Combined Pension Plan, Section 6.02 Group B
Contributions

<u>EMPLOYEE NAME</u>	<u>DEPT.</u>	<u>REFUND DATE</u>
Eric N. Whisenant	Fire	December 12, 2008
Michael D. Jones	Police	December 5, 2008
Christopher L. Pritchard	Police	December 5, 2008
Tara L. Smith	Police	December 5, 2008

**4. Approval of Activity in the Deferred Retirement Option Plan (DROP) for
January 2009**

New DROP Participants

Brian Caton	Fire
Sandra D. Marsh	Fire
Randy M. Myers	Fire
Ouida L. Savant	Fire
Michael H. Wesley	Fire
Tommy M. Bailey	Police
Ronnie H. Benedict	Police
Warren K. Breedlove	Police
Billy R. Cansler	Police

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4. Approval of Activity in the Deferred Retirement Option Plan (DROP) for January 2009 (continued)

New DROP Participants (continued)

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Tammy S. Ellzey	Police
Richard S. Elwonger	Police
Valerie McGuire	Police
Charles W. Schmidt, Jr.	Police

Transfer Funds from DROP to 401(k)

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Dudley S. Baker	Fire
Gregory J. Courson	Fire
H. C. Prewitt, Jr,	Fire
Nicky L. Earwood	Police

5. Approval of Estate Settlements

Deceased or Survivor (S))

Ashley D. Marable, Sr. (M)	Fire	Nov. 14, 2008	Ashley Marable, Jr.
Pauline Layman (S)	Police	Oct. 20, 2008	Greg P. Layman

6. Approval of Survivor Benefits - Deceased Retirees

			Qualified Survivor	Estate Payment
George T. Standifer	Fire	Nov. 28, 2008	Rosa L. Standifer	No
Artie Clark	Police	Nov. 9, 2008	Betty Clark	Yes
Grady D. Gandy	Police	Nov. 20, 2008	Loudell C. Gandy	No
Raymond J. Ross	Police	Dec. 6, 2008	Linda S. Ross	Yes

7. Approval of Service Retirements

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Bobby G. Hamilton	Fire	Jan. 1, 2009
David T. Shivers	Fire	Jan. 7, 2009
Thomas R. Tanksley	Fire	Dec. 10, 2008

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7. Approval of Service Retirements (continued)

James M. Zak	Fire	Dec. 24, 2008
Howard R. Hulse	Police	Jan. 7, 2009
Steven Solaja	Police	Dec. 24, 2008

After discussion, Mr. Shaw made a motion to approve the items on the Consent Agenda, subject to the final review and approval of the Administrator. Mr. Edge 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. Mellon Capital Management

- a. Organizational update
- b. Portfolio review

Sheryl Linck, Director, and Eric Goodbar, Managing Director, presented an organizational update and a portfolio review. At the workshop, the Board had requested Mellon meet with the Board to discuss their future strategy and to see if there were any structural reasons for Mellon's negative earnings during 2007 and 2008.

Mellon Capital is one of the System's three Global Asset Allocation investment managers.

The System's account was opened August 1, 2007 with initial funding of \$50 million. The approximate market value of the account as of October 31, 2008 is \$31,382,400. The year to date return as of October 31, 2008 is -30.61% (vs. S&P 500 return of -34.03%) and inception to date return as of October 31, 2008 is -37.24% (vs. S&P 500 return of -28.80% for the same time period). The annual management fee is 1.5%. The incentive fee of 20% will only be earned on returns above the original investment amount, and therefore has not been earned by Mellon.

At the Board's direction, the System's consultant, NEPC, moved the fund to a WATCH status on November 10, 2008. NEPC feels that this is still a viable strategy for global allocation mandates. However, the sizing and role of the strategy within the total portfolio should be reviewed.

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1. Mellon Capital Management (continued)

As of January 1, 2009, Mellon will be combining the active quantitative equity units of Mellon Capital Management and Franklin Portfolio Associates under one common management structure at Mellon Capital. This organizational change will not affect the fund's investment leadership team, client service team, portfolio management team, or investment process.

After discussion Edge made a motion to receive and file the Mellon presentation. Mr. Umlor seconded the motion, which was unanimously approved by the Board.

After further discussion, Mr. Wachsman made a motion to retain and closely monitor Mellon Capital Management, and cease future automatic reallocations to Mellon. Mr. Edge seconded the motion, which was unanimously approved by the Board.

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The meeting was recessed at 9:53 a.m.

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

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2. Possible revisions to the Strategic Investment Policy, second reading

Mr. Tettamant stated the Strategic Investment Policy was last amended on April 10, 2008. As discussed recently with the Board and the Consultant, certain changes are being proposed for a revised Strategic Investment Policy. The proposed changes to the policy are as follows:

	<u>Current Policy</u>	<u>Proposed Policy</u>
Domestic Equity	20.0%	0.0%
Global Private Equity	0.0%	15.0%
Portable Alpha	10.0%	0.0%
Global Public Equity*	20.0%	27.0%
Global Natural Resources	0.0%	10.0%
Global Public Fixed Income	13.0%	13.0%
Global Private Fixed Income	7.0%	7.0%
GAA-Global Asset Allocation	10.0%	10.0%
Global Real Estate	20.0%	18.0%
Total	100.00%	100.00%

*The proposed Global Public Equity target includes a 5% allocation to US Small Cap stocks and 2% allocation to Global REIT which was formally classified Real Estate.

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2. Possible revisions to the Strategic Investment Policy, second reading (continued)

This policy requires two readings to be approved by the board. The first reading of the policy occurred at the December 11, 2008 Board meeting.

After discussion, Mr. Wachsman made a motion to approve the second and final reading of the proposed revised Strategic Investment Policy. Mr. Mays seconded the motion, which was unanimously approved by the Board.

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3. Possible revisions to the Investment Implementation Policy

Mr. Tettamant presented the proposed Investment Implementation Policy. The Investment Implementation Policy is required to provide the framework to implement the broad guidelines of the Strategic Investment Policy. The proposal sets parameters in various investment categories so that the broad policies of the Strategic Investment Policy can be accomplished.

After discussion, Mr. Umlor made a motion to approve the Investment Implementation Policy, subject to the final approval of the Administrator and legal counsel. Mr. Edge seconded the motion, which was unanimously approved by the Board.

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4. Investment and financial reports

- a. Group Trust's monthly asset allocation report and recommendations for rebalancing the Group Trust's investment portfolio
- b. Group Trust's monthly unitization report
- c. Unaudited draft monthly investment performance (Flash) report
- d. Financial statements

The Asset Allocation Monitoring Reports and the Real Estate Portfolio Reports for January 2009 are included in Minute Book Number 39 on pages _____.

Staff discussed the above reports with the Board and reported the following:

All of the asset classes are within their respective asset allocation ranges. There is a cash need for \$5,000,000, which staff recommends withdrawing from INTECH.

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4. Investment and financial reports (continued)

After discussion, Mr. Edge made a motion to approve the January 2009 monthly asset allocation report and approve the staff recommendations. Mr. Wachsman seconded the motion, which was unanimously approved by the Board.

After discussion, Mr. Edge made a motion to receive and file the Group Trust's monthly unitization report. Mr. Tomasovic seconded the motion, which was unanimously approved by the Board.

After discussion, Mr. Wachsman made a motion to receive and file the unaudited draft monthly investment performance (Flash) report. Mr. Edge seconded the motion, which was unanimously approved by the Board.

After discussion, Mr. Wachsman made a motion to receive and file the monthly financial statements for the period ending November 30, 2008. Mr. Edge seconded the motion, which was unanimously approved by the Board.

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5. Closed Session - Board serving as Medical Committee

Discussion of the following disability recall was closed to the public under the terms of Section 551.078 of the Texas Government Code:

Jeffrey D. Livingston, retired Police Officer

The Board went into a closed executive session – medical at 10:42 a.m.

The meeting was reopened at 10:49 a.m.

After discussion, Mr. Wachsman made a motion to grant continuance of Jeffrey Livingston's on-duty, Combined Pension Plan, Group B disability benefit, subject to the System's right under the Board-approved disability recall procedure to require Mr. Livingston at such time that he is again eligible to receive disability benefit payments under the disability earnings test to undergo future medical examination(s) to determine if the disability still exists or if recovery has been made to the point that Mr. Livingston is able to return to duty. Mr. Livingston is subject to the Annual Earnings Test Review as he was hired and suffered a disability after May 1, 1990. Mr. Edge seconded the motion, which was unanimously approved by the Board.

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DALLAS POLICE & FIRE GROUP TRUST

As of January 6, 2009

ASSET ALLOCATION

Asset Class	Target		Actual		Range		Difference vs.	
	\$	%	\$	%	Min	Max	Target	\$
Global Equity								
S & P Enhanced Index	INTECH	0.00	0.00%	45.54	1.65%	0.00	0.00	45.54
Global Equity with Growth Tilt	T Rowe Price	110.41	4.00%	44.93	1.63%	3.00	5.00	(65.48)
Large Cap Growth	INTECH	0.00	0.00%	36.70	1.33%	0.00	0.00	36.70
Large Cap Growth	T Rowe Price	0.00	0.00%	37.26	1.35%	0.00	0.00	37.26
Large Cap Value	AllianceBernstein	0.00	0.00%	44.55	1.61%	0.00	0.00	44.55
Domestic Small Capitalization Core Equity	Eagle Asset Management	138.01	5.00%	112.00	4.06%	4.00	6.00	(26.01)
Global Growth Equity	Clay Finlay	110.41	4.00%	75.93	2.75%	3.00	5.00	(34.48)
Select Global Equity Core	Pyramis (Fidelity)	110.41	4.00%	147.46	5.34%	3.00	5.00	37.05
Strategic Value Global Equity	AllianceBernstein	110.41	4.00%	33.43	1.21%	3.00	5.00	(76.98)
Global Growth Equity	OFI	110.41	4.00%	49.23	1.78%	3.00	5.00	(61.18)
Global REIT	RREEF	55.20	2.00%	20.80	0.75%	1.00	3.00	(34.40)
Total Global Equity		745.25	27.00%	647.83	23.47%			(97.42)
Global Private Equity								
	NTOF	0.00	Committed	2.16	0.08%	0.00	0.00	0.00
	Huff Alternative Fund	100.00	Committed	89.10	3.23%	0.00	0.00	0.00
	Merit Energy	55.00	Committed	16.87	0.61%	0.00	0.00	0.00
	Levine Leichtman Capital Partners	75.00	Committed	48.82	1.77%	0.00	0.00	0.00
	Levine Leichtman Capital Partners IV	50.00	Committed	6.26	0.23%	0.00	0.00	0.00
	Huff Energy Fund LP	100.00	Committed	54.96	1.99%	0.00	0.00	0.00
	Lone Star Growth Capital	16.00	Committed	12.92	0.47%	0.00	0.00	0.00
	Lone Star CRA	50.00	Committed	15.00	0.54%	0.00	0.00	0.00
	JPMorgan Infrastructure	20.00	Committed	23.37	0.85%	0.00	0.00	0.00
	Pharos	30.00	Committed	70.98	2.57%	0.00	0.00	0.00
	Ashmore GSSF 4	70.00	Committed	62.09	2.25%	0.00	0.00	0.00
	JP Morgan Asian Infrastructure	36.00	Committed	6.89	0.25%	0.00	0.00	0.00
	HM Capital Partners	50.00	Committed	28.83	1.04%	0.00	0.00	0.00
	Yellowstone Capital	10.00	Committed	2.00	0.07%	0.00	0.00	0.00
	BankCap Partners	20.00	Committed	11.90	0.43%	0.00	0.00	0.00
Total Private Equity		414.03	15.00%	452.15	16.38%			38.12
Global Natural Resources								
Energy Equity	Orleans Capital	35.88	1.30%	26.88	0.97%	1.10	1.60	(9.00)
Energy Equity	Mitchell Group	35.88	1.30%	37.74	1.37%	1.10	1.60	1.86
Global Water Strategy	SAM	33.12	1.20%	25.37	0.92%	1.00	1.50	(7.75)
Global Environmental Technology Strategy	RCM	33.12	1.20%	24.80	0.90%	1.00	1.50	(8.32)
Agricultural Investments	Hancock Agricultural	49.68	1.80%	71.34	2.58%			
Domestic Timberland	Forest Investment Associates	44.16	1.60%	45.79	1.66%			
Global Timberland	RMK Timberland Group	44.16	1.60%	41.83	1.52%			
Total Global Natural Resources		276.02	10.00%	273.75	9.92%			(2.27)
Global Fixed Income								
High Yield Global Fixed Income	W.R. Huff High Yield	82.81	3.00%	74.21	2.69%	2.00	4.00	(8.60)
Opportunistic Global Fixed Income	Loomis Sayles	138.01	5.00%	120.23	4.36%	4.00	6.00	(17.78)
Investment Grade Global Fixed Income	Mondrian Investment Partners	69.00	2.50%	74.75	2.71%	2.00	3.00	5.75
Investment Grade Global Fixed Income	Brandywine	69.00	2.50%	75.76	2.74%	2.00	3.00	6.76
	Huff Alternative Income	0.00	0.00%	0.13	0.00%	0.00	0.00	0.00
Senior Bank Loans	Oaktree	55.20	2.00%	47.24	1.71%			
Emerging Market Debt	Ashmore	55.20	2.00%	78.53	2.85%			
Senior Bank Loans	Highland Crusader Fund	55.20	2.00%	52.48	1.90%			
Multistrategy Private Debt	Highland Credit Opportunities CDO, L.P	27.60	1.00%	23.71	0.86%			
Total Global Fixed Income		552.04	20.00%	547.04	19.82%			(5.00)
GAA								
Global Asset Allocation	Bridgewater	93.85	3.40%	39.53	1.43%	2.40	4.40	(54.32)
Global Asset Allocation	Mellon	91.09	3.30%	31.38	1.14%	2.30	4.30	(59.71)
Global Asset Allocation	GMO	91.09	3.30%	46.28	1.68%	2.30	4.30	(44.81)
Total GAA		276.02	10.00%	117.19	4.25%			(158.83)
REAL ESTATE								
Total Real Estate	All Real Estate	496.83	18.00%	717.23	25.98%	16.00	20.00	220.40
SHORT TERM INVESTMENTS								
		0.00	0.00%	5.00	0.18%	0.00	0.00	5.00
Total Assets		2,760.19	100.00%	2,760.19	100.00%			0.00

Dallas Police & Fire Group Trust

ASSET ALLOCATION AS OF 01/06/2009

Real Estate Portfolio

Real Estate Manager	Total Market Value	Loan Program	Net Equity	Percentage of Real Estate Assets
Separate Account Managers				
INVESCO	52,757,739	27,054,500	25,703,239	3.58%
Kennedy Associates	49,206,923	0	49,206,923	6.86%
L & B Real Estate Advisors LLP	120,258,851	36,120,000	84,138,851	11.73%
Capmark Investments (GMAC)	70,775,979	31,526,000	39,249,979	5.47%
Land Baron	106,732,491	94,656,987	12,075,504	1.68%
Criswell Radovan	67,136,667	24,000,000	43,136,667	6.01%
Luciana Lots	11,548,891	0	11,548,891	1.61%
CDK Realty Advisors	498,639,095	139,379,513	359,259,582	50.09%
Kundson Luxury Housing	57,773,613	45,000,000	12,773,613	1.78%
Subtotal	1,034,830,249	397,737,000	637,093,249	88.83%
Opportunistic Partnerships				
Hearthstone (MSIII Homebuilding)	281,081	0	281,081	0.04%
Crow Holdings Realty Partners II	194,898	0	194,898	0.03%
Oaktree Capital Management (OCM Fund B)	3,743,557	0	3,743,557	0.52%
Olympus Real Estate Fund II & III	5,470,538	0	5,470,538	0.76%
Hudson Advisors (Lone Star I, II, III,IV,V, VI, Real Estate)	70,449,135	0	70,449,135	9.82%
Subtotal	80,139,209	0	80,139,209	11.17%
Total Real Estate	1,114,969,458	397,737,000	717,232,458	100.00%

Total Real Estate with Loan Program (net)	\$717,232,458	
Total Fund Market Value	\$2,760,190,000	
	\$	%
Target Value (\$ and %)	\$552,038,000	20.00%
Market Value (\$ and %)	\$717,232,458	25.98%
Variance from Target	\$165,194,458	5.98%

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6. Adjustments for retirees and survivors of the Combined Pension Plan, Sections 6.01 (b) and 6.04 (b) – Group A, to be effective January 1, 2009

Mr. Tettamant stated that benefits payable under Sections 6.01(b) and 6.04(b) - Group A (formerly Old Plan) are determined as 50% of Base Pay. The City Budget for 2008-2009 includes an added step to each position classification with a 5% pay increase effective January 1, 2009. Based on this increase, benefits paid to Pensioners retired under Sections 6.01(b) and 6.04(b) - Group A (formerly Old Plan) and their survivors are eligible for adjustment to reflect the 5% pay increase.

Base Pay is defined in Section 2.01 (9) of the Plan as "...the maximum monthly civil service pay established by the City for persons who hold the rank of "police officer" in the City's Police Department or "fire and rescue officer" in the City's Fire Department..." The new Base Pay, as provided in the City pay schedule, for Old Plan benefits is \$5,657 and the new Old Plan base benefit is \$2,828.50.

Approximately 1,000 Old Plan members are eligible for the increase.

After application of the increase above, staff will determine and pay Arnett-eligible Old Plan Pensioners and their survivors the greater amount to which they are eligible.

After discussion, Mr. Wachsmann made a motion to approve adjustments for retirees and survivors of the Combined Pension Plan, Sections 6.01 (b) and 6.04 (b) – Group A, to be effective January 1, 2009. Mr. Mays seconded the motion, which was unanimously approved by the Board.

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7. Acceptance of Trustee resignation

Mr. Tettamant reported that Active Service Member Fire Trustee, Gary Edge, has submitted his resignation from Fire Trustee Place F-2, to be effective January 8, 2009. Mr. Edge's term on the Board expires May 31, 2011. State law requires that a Trustee terminating his/her Trustee position shall continue to serve on the Board until the Trustee's successor is elected or appointed. Section 3.01 of the Plan provides as follows:

"If a vacancy occurs among the Police or Fire Department Active Service Member Trustees more than one year before the end of the Active Service Trustee's or Pensioner Trustee's term, the Board shall call a special election to fill the unexpired portion of the term."

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7. Acceptance of Trustee resignation (continued)

Section 3.01 of the Plan and the Board's Election Procedure requires that a regular election be held this Spring to fill Active Service Member and Pensioner Trustee places that expire May 31, 2009.

After discussion, Mr. Umlor made a motion to accept the resignation of Fire Trustee Gary Edge and call a special election to fill his unexpired term, Trustee Place F-2, with the special election to be held concurrent with the regular election required under Section 3.01 of the Plan. Mr. Wachsman seconded the motion, which was unanimously approved by the Board.

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8. 2009 Trustee Election

- a. Call for an election
- b. Trustee Election schedule
- c. Application for Trustee packet

Call for an election

Mr. Tettamant reported that the terms of the following Trustees expire on May 31, 2009:

Jerry Brown	Fire Trustee (Place F-1)
Steve Umlor	Police Trustee (Place P-1)
Richard Wachsman	Fire Pensioner Trustee (Place 1)
John Mays	Police Pensioner Trustee (Place 1)

In addition, in accordance with Section 3.01 (d) of the Plan, the unexpired term created by the resignation of Fire Trustee, Gary Edge, (Place F- 2), must be filled by a special election called by the Board. Staff recommends that the special election be held concurrent with the regular election.

Staff provided a copy of the Trustee Election Procedure, last amended by the Board February 8, 2007. The Trustee Election Procedures state in Section 4(a):

“The Board shall call an election and specify the voting period to elect Fire and Police Department Trustees and Pensioner Trustees at least sixty (60) calendar days before the term of any Police or Fire Department Trustee or Pensioner Trustee expires.”

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8. 2009 Trustee Election (continued_

Trustee Election Schedule

Staff recommends using telephone and Internet balloting for the 2009 Trustee Election. Staff provided a proposed Trustee Election Schedule to meet the requirements of the Trustee Election Procedure. The schedule proposes that voting begin at 8 A.M. on Friday, March 27, 2009, and end at noon on Monday, April 6, 2009. The Board would then certify the election results at the meeting of the Board the following Thursday, April 9.

Application for Trustee packet

Staff provided a proposed Application for Trustee Candidacy packet. The Plan documents, Board of Trustees and Employees Statement of Ethics, Annual Report and Member Handbook also will be included in the packet. Documents included may be updated or new documents added as necessary.

After discussion, Mr. Wachsman made a motion to call for the election for the four expiring Trustee Places and a special election to be held concurrent with the regular election for the unexpired term of Mr. Edge. Mr. Edge seconded the motion, which was unanimously approved by the Board.

After discussion, Mr. Wachsman made a motion to approve the election schedule. Mr. Tomasovic seconded the motion, which was unanimously approved by the Board.

After discussion, Mr. Shaw made a motion to approve the Application for Trustee Candidacy packet, subject to the final review by the Administrator and legal counsel. Mr. Edge seconded the motion, which was unanimously approved by the Board.

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9. Employee recognition – Fourth Quarter 2008

- a. Employee Service Award
- b. Employee of the Quarter award
- c. The William G. Baldree Employee of the Year Award

Mr. Brown, Chairman, and Mr. Tettamant, Administrator, presented the Employee Service Award to Barbara J. McCann, Pensioner Liaison, for 35 years of service to the City of Dallas and the Pension System.

Messrs. Brown and Tettamant presented a performance award for Employee of the Quarter, Fourth Quarter 2008, to John F. Holt, Information Technology Manager.

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9. Employee recognition – Fourth Quarter 2008 (continued)

Messrs. Brown and Tettamant presented the William G. Baldree Employee of the Year Award for 2008 to John F. Holt. The Employee of the Year is chosen from among the four Employee of the Quarter Awards for the year.

No motion was made.



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9. Employee recognition – Fourth Quarter 2008 (continued)



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10. Legal issues

Portions of the discussion under these topics may be closed to the public under the terms of Section 551.071 of the Texas Government Code:

Police Officer and Firefighter pay lawsuits

Mr. Tettamant stated that no action was needed on legal issues.

No motion was made.

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11. Pension-related legislative issues

- a. Hillco Partners - client advisory on state and local legislative issues
- b. Locke Lord Bissell & Liddell LLP – client advisory on federal and state legislative issues

The Board and staff discussed the above reports from legislative consultants.

After discussion, Mr. Umlor made a motion to receive and file the report on pension-related legislative issues. Mr. Edge seconded the motion, which was unanimously approved by the Board.

After discussion, Mr. Mays made a motion to direct staff to continue monitoring and supporting House Bill 446, Senate Bill 280, and Senate Bill 331. Mr. Edge seconded the motion, which was unanimously approved by the Board.

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

- a. Connex: US Strategic Investment Executive Forum

Messrs. Tettamant and Blake reported on the conference.

- b. IIR: Public Funds Board Forum

Mr. Brown briefed the Board on the seminar.

- c. Napa Executive Board Meeting

Messrs. Shaw and Tettamant discussed the meeting with the Board.

After discussion, Mr. Edge made a motion to receive and file the reports by Board and staff members. Mr. Allen seconded the motion, which was unanimously approved by the Board.

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The meeting was recessed at 11:40 a.m.

The meeting was reconvened at 12:25 p.m.

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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 members or pensioners requested to brief the Board regarding concerns.

No motion was made.

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2. Administrator's report

a. Associations' newsletters

- TEXPERS Outlook (December 2008)

b. Future continuing education and investment research programs and conferences

Mr. Tettamant briefed the Board on the Administrator's report items.

No motion was made.

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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. Edge, the meeting was adjourned at 12:30 p.m.

Gerald Brown
Chairman

ATTEST:

Richard L. Tettamant
Secretary