

AGENDA



Date: December 8, 2010

A quarterly meeting of the Dallas Police and Fire Pension System Board of Trustees will be held at **8:30 a.m. on Tuesday, December 14, 2010 in the Second Floor Board Room at 4100 Harry Hines Boulevard, Dallas, Texas.** Items of the following agenda will be presented to the Board:

DISCUSSION AND POSSIBLE ACTION REGARDING ITEMS FOR INDIVIDUAL CONSIDERATION

1. Plan amendment election

- a. Approval of proposed language
- b. Actuary's letter
- c. Set election schedule
- d. Call for election

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

- a. Market update
- b. Quarterly investment performance analysis report for the third quarter ended September 30, 2010
- c. Second quarter 2010 Private markets review

3. Lone Star CRA Fund LP

Amendment to contract

4. Museum Tower update

5. GMO

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
Tuesday, December 14, 2010
8:30 a.m.
4100 Harry Hines Blvd., Suite 100
Second Floor Board Room
Dallas, TX**

Quarterly meeting, George J. Tomasovic, Chairman, presiding:

ROLL CALL

Board Members

Present: Jerry Allen, Gerald Brown, Sheffield Kadane, John M. Mays, Rector C. McCollum, David A. Neumann, Richard A. Salinas, Steven G. Shaw, George J. Tomasovic, Richard H. Wachsman

Absent: Steven H. Umlor

Staff

Richard Tettamant, Don Rohan, Brian Blake, Mike Taylor, Talal Ellass, Josh Mond, Everard Davenport, John Holt, Jerry Chandler, Corina Rocha, Pat McGennis, Christina Wu, Greg Irlbeck, Linda Rickley, Ann Matthews, Kevin Killingsworth, Aimee Crews, Milissa Schmidt, Kristen Holcomb

Others

Rich Mackesey, Ryan Falls, Rhett Humphreys, Keith Stronkowsky, Bill Criswell, Robert Radovan, Dan Boeckman, Wade Andres, Mark Manske, Jeff Kempf, Gil Andres, Lyle Burgin, John Sughrue, Greg Greene, Brian Martinelli, Jaime I. Ramirez, Richard N. Haight, Al Syverson, Clint Moyes, Todd Harper, Steve Fortmeier, Wayne Antrobus, W. B. Wilson, Steve Teel, Ken Penrod, Brent Rich, Willie Reynolds, Darryl Wachsman, Steven Fass, Charles S. McDonnold, Pat Bassinger, Jerry Fuller, Julio Gonzalez, Bill Hornick

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

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**Quarterly Board Meeting
Tuesday, December 14, 2010**

DISCUSSION AND APPROVAL OF ITEMS FOR INDIVIDUAL CONSIDERATION

1. Plan amendment election

- a. Approval of proposed language
- b. Actuary's letter
- c. Set election schedule
- d. Call for election

Mr. Tettamant presented proposed amendments to the Plan recommended by the actuary and the System's Actuarial Funding Committee.

Active members and pensioners of the System present at the meeting participated in the discussion.

After discussion, Mr. Shaw made a motion to adopt the actuary's recommendation for pension plan amendments. Mr. McCollum seconded the motion, which was unanimously approved by the Board.

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

- a. Market update
- b. Quarterly investment performance analysis report for the third quarter ended September 30, 2010
- c. Second quarter 2010 Private markets review

Rhett Humphreys, Partner and Senior Consultant, and Keith Stronkowsky, Senior Analyst, with NEPC, the System's general investment consultant, were present to review various quarterly reports and recommendations. The reports included a market update, the quarterly investment performance analysis report for the third quarter ended September 30, 2010, and the second quarter 2010 private markets review.

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

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**Quarterly Board Meeting
Tuesday, December 14, 2010**

The meeting was recessed at 9:58 a.m.

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

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3. Lone Star CRA Fund LP

Amendment to contract

Mr. Tettamant explained that the General Partner of Lone Star CRA Fund LP (the “Fund”), a private equity investment through Lone Star Investment Advisors, has requested approval for the Third Amendment to the Limited Partnership Agreement of the Fund.

After discussion, Mr. Brown made a motion to approve the amendment, subject to the final approval of the Administrator and legal counsel and to authorize the Chairman and the Administrator to execute the amendment. Mr. Salinas seconded the motion, which was unanimously approved by the Board.

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4. Museum Tower update

Bill Criswell and Robert Radovan, from Criswell Radovan, LLC, were present to discuss the current status and future activities of the Museum Tower Project (“Project”). Several other members of the Project team were present and were introduced to the Board.

After discussion, Mr. Salinas made a motion to receive and file the status update on the Museum Tower project. Mr. Brown seconded the motion, which was unanimously approved by the Board.

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**Quarterly Board Meeting
Tuesday, December 14, 2010**

5. GMO

Mr. Tettamant stated that the Investment Advisory Committee (IAC), at the November 30, 2010 meeting, reviewed a presentation from GMO regarding a possible conversion of the System's GMO investment from the current strategy to a similar, but less constrained strategy. The IAC approved a recommendation to the Board for a fund conversion from the current GMO investment strategy to the GMO Global Allocation Absolute Return strategy. NEPC consultant, Tim McCusker, recommended the GMO fund conversion to the Board. Mr. McCusker stated the GAAR strategy has fewer constraints and more emerging markets exposure, and is managed by the same GMO team as the current strategy.

After discussion, Mr. Salinas made a motion to authorize the Administrator to execute documentation, perform all necessary acts and exercise all appropriate discretion to facilitate conversion of the System's GMO investment from the Real Return Global Balanced Asset Allocation strategy to the Global Allocation Absolute Return strategy. Mr. Wachsman seconded the motion, which was unanimously approved by the Board.

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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. Salinas, the meeting was adjourned at 1:30 p.m.

[signature]

George J. Tomasovic
Chairman

ATTEST:

[signature]

Richard L. Tettamant
Secretary