

AGENDA



Date: April 2, 2010

The regular meeting of the Dallas Police and Fire Pension System Board of Trustees will be held at **8:30 a.m. on Thursday, April 8, 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:

A. CONSENT AGENDA

1. Approval of Minutes

- a. Quarterly meeting of March 9, 2010
- b. Regular meeting of March 11, 2010

2. Approval of Refunds of Contributions for the Month of March 2010

3. Approval of Activity in the Deferred Retirement Option Plan (DROP) for April 2010

4. Approval of Estate Settlements

5. Approval of Survivor Benefits – Deceased Retirees

6. Approval of Service Retirements

7. Approval of Alternate Payee Benefits

B. DISCUSSION AND POSSIBLE ACTION REGARDING ITEMS FOR INDIVIDUAL CONSIDERATION

1. Award received by the System

Infrastructure Journal Award 2009

2. Real estate investment in North Texas

3. Pension-related legislative issues

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

4. Legal issues

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

Police Officer and Firefighter pay lawsuits

5. Approval of amendments to agreements

- a. Lone Star Real Estate Fund II
- b. Lone Star Fund VII
- c. Hearthstone MS II Homebuilding Investors, LLC

6. 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. Performance report unaudited draft
- d. Unaudited statements of net assets available for benefits

7. Employee recognition – First Quarter 2010

Employee of the Quarter Award

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

- a. Society of Pension Professionals Meeting
- b. RREEF Americas Real Estate Fund Conference
- c. Napa Executive Board Meeting
- d. PREA CEO Leadership Forum & Spring Conference
- e. NEPC Public Funds Workshop

9. Possible revision to the Continuing Education and Investment Research Expense Policy and Procedure

C. BRIEFING ITEMS

1. Reports and concerns of active members and pensioners of the Dallas Police and Fire Pension System

2. Administrator's report

- a.** Associations' newsletters
 - NCPERS Monitor (February/March 2010)
 - TEXPERS Outlook (March & April 2010)
 - TEXPERS Pension Observer (Spring 2010)
- b.** 2009 Public Pension Plan of the Year, Mid-sized Public Plan
- c.** Future continuing education and investment research programs and conferences

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.

**Police and Fire Pension System
Thursday April 8, 2010
8:30 a.m.
4100 Harry Hines Blvd., Suite 100
Second Floor Board Room
Dallas, TX**

Regular meeting, Gerald Brown, Chairman, presiding:

ROLL CALL

Board Members

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

Absent: None

Staff

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

Others

Gary Lawson, Clint Smith, Bobby Dhillon, Cassie Gibson, Ted Wilson, Robert Radovan, Wayne Antrobus, Brent Wilson, Ed Dresser

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The meeting was called to order at 8:32 a.m.

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A. CONSENT AGENDA

1. Approval of Minutes

- a. Quarterly meeting of March 9, 2010
- b. Regular meeting of March 11, 2010

2. Approval of Refunds of Contributions for the Month of March 2010

3. Approval of Activity in the Deferred Retirement Option Plan (DROP) for April 2010

4. Approval of Estate Settlements

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- 5. Approval of Survivor Benefits – Deceased Retirees**
- 6. Approval of Service Retirements**
- 7. Approval of Alternate Payee Benefits**

After discussion, Mr. Wachsman made a motion to approve the items on the Consent Agenda, subject to the final review and approval of the Administrator. Mr. Allen seconded the motion, which was unanimously approved by the Board.

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B. DISCUSSION AND APPROVAL OF ITEMS FOR INDIVIDUAL CONSIDERATION

1. Award received by the System

Infrastructure Journal Award 2009

Mr. Tettamant announced that the System has been awarded the Infrastructure Journal's 2009 Transport Deal of the Year Award for the North Tarrant Express project. The award was presented to the Dallas Police & Fire Pension System and co-sponsors Cintra and Meridiam, along with several investment advisers and bond arrangers involved in the project.

After discussion, Mr. Wachsman made a motion to receive and file the award. Mr. Mays seconded the motion, which was unanimously approved by the Board.

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2. Real estate investment in North Texas

The Board went into a closed executive session- real estate at 8:38 a.m.

After extensive discussion, the Board took a vote on the question of the best course of action with respect to the property located in the Arts District in Dallas, Texas in closed session in accordance with Section 551.072 of the Government Code. The motion which was made by Mr. Wachsman and seconded by Mr. McCollum was as follows:

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2. Real estate investment in North Texas (continued)

Authorize the Administrator to negotiate and execute agreements and expend funds as required to achieve the following:

1. Consummate renegotiated contracts making the System the sole owner of the development.
2. Consummate financing arrangements with lenders to finance the construction of the development.
3. Cause the development to enter into a construction contract.
4. Oversee the construction, development, marketing, sales and operation of the development.
5. Take any other action necessary to complete the development, operation and sale of the System's real estate investment.
6. Take back to the Board any material changes to the budget or scope of the development.

The motion was approved by the Board with Ms. Margolin and Messrs. Kadane, Mays, and Shaw voting against the motion.

The meeting was reopened at 11:46 a.m.

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3. 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 reports from the legislative consultants.

Clint Smith, of Hillco Partners, one of the System's legislative consultants, gave a legislative update to the Board.

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

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4. Legal issues

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

Police Officer and Firefighter pay lawsuits

No reports were given. No motion was made

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5. Approval of amendments to agreements

- a. Lone Star Real Estate Fund II
- b. Lone Star Fund VII
- c. Hearthstone MS II Homebuilding Investors, LLC

After discussion about the amendments, Mr. Umlor made a motion to approve the amendments for Lone Star Real Estate Fund II, Lone Star Fund VII, and Hearthstone-MS II Homebuilding Investors, subject to the final approval of the Administrator and legal counsel, to authorize the Administrator to perform all necessary acts and to exercise all appropriate discretion to consummate and execute the amendments. Mr. Mays seconded the motion, which was unanimously approved by the Board.

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6. 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. Performance report unaudited draft
- d. Unaudited statements of net assets available for benefits

Staff discussed the monthly asset allocation report with the Board and reported that all of the asset classes are within their respective asset allocation ranges.

After discussion, Mr. Wachsman made a motion to approve the April 2010 monthly asset allocation report and approve the staff recommendations. Mr. Shaw seconded the motion, which was unanimously approved by the Board.

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

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6. Investment and financial reports (continued)

After discussion, Mr. Umlor made a motion to receive and file the performance report unaudited draft. Mr. Mays seconded the motion, which was unanimously approved by the Board.

After discussion, Mr. Umlor made a motion to receive and file the unaudited statements of net assets available for benefits for the period ending January 31, 2010. Mr. Mays seconded the motion, which was unanimously approved by the Board.

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7. Employee recognition – First Quarter 2010

Employee of the Quarter Award

The Chairman and Administrator presented a performance award for Employee of the Quarter, First Quarter 2010 to Crystal Flores, Administrative Clerk.

No motion was made.



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Thursday, April 8, 2010**

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8. Staff and Board Members' reports on due diligence meetings, seminars and/or conferences attended (continued)

Reports were given on the following meetings. Those who attended are listed.

a. Conference: Society of Pension Professionals Meeting

Dates: March 16, 2010

Messrs. Shaw and McCollum

b. Conference: RREEF Americas Real Estate Fund Conference

Dates: March 17-18, 2010

Mr. Shaw

c. Conference: Napa Executive Board Meeting

Dates: March 18, 2010

Messrs. Brown, Shaw, Tettamant, Taylor, and Mond

d. Conference: PREA CEO Leadership Forum & Spring Conference

Dates: March 23-25, 2010

Mr. Brown

e. Conference: NEPC Public Funds Workshop

Dates: March 29-30, 2010

Messrs. Shaw, Tettamant, Taylor, and Blake

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

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The meeting was recessed at 1:30 p.m.

The meeting was reconvened at 1:48 p.m.

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**Regular Board Meeting
Thursday, April 8, 2010**

9. Possible revision to the Continuing Education and Investment Research Expense Policy and Procedure

After discussion, Mr. Wachsmann made a motion to accept the Administrative and Audit Advisory Committee's recommendation to approve proposed revisions to the Continuing Education and Investment Research Expense Policy and Procedure. Mr. Mays seconded the motion, which was unanimously approved by the Board.

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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 active member or pensioner requested to address the Board with concerns.

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2. Administrator's report

- a. Associations' newsletters
 - NCPERS Monitor (February/March 2010)
 - TEXPERS Outlook (March & April 2010)
 - TEXPERS Pension Observer (Spring 2010)
- b. 2009 Public Pension Plan of the Year, Mid-sized Public Plan
- c. Future continuing education and investment research programs and conferences

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

Mr. Wachsmann made a motion to receive and file the Administrator's Report. Mr. Mays seconded the motion, which was unanimously approved by the Board.

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**Supplemental Board Meeting
Thursday, April 8, 2010**

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

Group Trust's monthly unitization report

Staff discussed the monthly unitization report with the Board.

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

The Administrator stated that there was no further business to come before the Board. On a motion by Mr. Tomasovic and a second by Mr. McCollum, the meeting was adjourned at 1:56 p.m.

[signature]

Gerald Brown
Chairman

ATTEST

[signature]

Richard L. Tettamant
Secretary