

AGENDA



Date: June 4, 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 June 10, 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. Regular meeting of April 8, 2010
- b. Special meeting of May 11, 2010
- c. Regular meeting of May 13, 2010

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

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

4. Approval of Estate Settlements

5. Approval of Survivor Benefits

6. Approval of Service Retirements

7. Approval of Vested Rights Letter

B. DISCUSSION AND POSSIBLE ACTION REGARDING ITEMS FOR INDIVIDUAL CONSIDERATION

1. Closed Session – Board serving as Medical Committee

Discussion of the following disability recalls will be closed to the public under the terms of Section 551.078 of the Texas Government Code:

- a. Flynn O. Coon, retired Police Officer
- b. Thomas W. Jump, retired Police Officer
- c. Lisa M. Mills, retired Police Officer

2. **Closed Executive Session - Personnel**
3. **2009 audit report**
4. **Reports and recommendations of Buck Consultants, including, but not limited to:**
 - a. 2009 actuarial valuation
 - b. Impact of City budget issues on member pension benefits and funding
5. **Staff and Board Members' reports on due diligence meetings, seminars and/or conferences attended**
 - a. Yellowstone Energy Ventures Investors Annual Meeting
 - b. Lone Star Annual Investor Informational Meeting
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. **Real estate investment in North Texas**
8. **Preliminary agenda for the annual Board/Staff Workshop to be held on October 25 – 28, 2010**
9. **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

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
 - TEXPERS Outlook (May 2010)
- b.** 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.

AGENDA



Date: June 6, 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, June 10, 2010 in the Second Floor Board Room at 4100 Harry Hines Boulevard, Dallas, Texas.** The following item is an **addendum** to the agenda and will be presented to the Board:

DISCUSSION AND POSSIBLE ACTION REGARDING ITEM FOR INDIVIDUAL CONSIDERATION

Resolution regarding the continued existence of the Dallas Police and Fire Pension System Pension Plan

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, June 10, 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, John Holt, Jerry Chandler, Corina Rocha, Pat McGennis, Larry Landfried, Christina Wu, Greg Irlbeck, Linda Rickley

Others Gary Lawson, Rich Mackesey, Ryan Falls, Wayne Antrobus, W.B. Wilson

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

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A. CONSENT AGENDA

1. Approval of Minutes

- a. Regular meeting of April 8, 2010
- b. Special meeting of May 11, 2010
- c. Regular meeting of May 13, 2010

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

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

**Regular Board Meeting
Thursday, June 10, 2010**

- 4. Approval of Estate Settlements**
- 5. Approval of Survivor Benefits**
- 6. Approval of Service Retirements**
- 7. Approval of Vested Rights Letter**

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

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B. DISCUSSION AND APPROVAL OF ITEMS FOR INDIVIDUAL CONSIDERATION

1. Closed Session – Board serving as Medical Committee

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

- a. Flynn O. Coon, retired Police Officer
- b. Thomas W. Jump, retired Police Officer
- c. Lisa M. Mills, retired Police Officer

The Board went into a closed executive session – medical at 8:32 a.m.

The meeting was reopened at 8:47 a.m.

After discussion, Mr. Wachsman made a motion to grant continuance of **Flynn Coon'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. Coon to undergo future medical examination(s). Mr. Mays seconded the motion, which was unanimously approved by the Board.

**Regular Board Meeting
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1. Closed Session – Board serving as Medical Committee (continued)

After discussion, Mr. Wachsman made a motion to grant continuance of **Thomas Jump'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. Jump to undergo future medical examination(s). Mr. Mays seconded the motion, which was unanimously approved by the Board.

After discussion, Mr. Wachsman made a motion to grant continuance of **Lisa Mills'** on-duty, Combined Pension Plan, Group B disability benefit, subject to the System's right under the Board-approved disability recall procedure to require Ms. Mills to undergo future medical examination(s). Mr. Mays seconded the motion, which was approved by the Board. Messrs. McCollum, Neumann and Shaw were opposed to the motion.

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2. Closed Executive Session - Personnel

The Board went into a closed executive session – personnel at 8:50 a.m.

The meeting was reopened at 8:57 a.m.

No motion was made.

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3. 2009 audit report

Messrs. Tettamant and Taylor discussed the draft 2009 financial audit. The audit team from MFR (formerly Mir Fox • Rodriguez) arrived on site Monday, May 2, and completed the field work portion of the audit on Thursday, May 20, 2010.

After discussion, Mr. Wachsman made a motion to approve the draft 2009 audit report, subject to final review by the Administrator. Mr. Mays seconded the motion, which was unanimously approved by the Board.

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**Regular Board Meeting
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4. Reports and recommendations of Buck Consultants, including, but not limited to:

- a. 2009 actuarial valuation
- b. Impact of City budget issues on member pension benefits and funding

Richard Mackesey and Ryan Falls of Buck Consultants, Inc., the System's actuary, discussed the actuarial valuation report as of January 1, 2010.

Mr. Mackesey also discussed the possible impact of proposed changes to the City payroll on Member pension benefits and Plan funding.

After discussion, Mr. Wachsman made a motion to receive and file the 2009 actuarial valuation by Buck Consultants. Mr. Mays second the motion, which was unanimously approved by the Board.

After discussion, Mr. Wachsman made a motion to receive and file the report on the impact of City budget issues. Mr. Mays second the motion, which was unanimously approved by the Board.

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The meeting was recessed at 9:54 a.m.

The meeting was reconvened at 9:56 a.m.

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

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

- a. **Conference:** Yellowstone Energy Ventures Investors Annual Meeting
Dates: June 2, 2010

Messrs. Umlor and Blake

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

- b. Conference:** Lone Star Annual Investor Informational Meeting
Dates: June 3, 2010

Mr. Irlbeck

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

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The meeting was recessed at 10:00 a.m.

The meeting was reconvened at 10:24 a.m.

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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

- a. Staff discussed the monthly asset allocation report with the Board. There is no need for cash at this time.

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

- b. After discussion, Mr. Salinas 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.
- c. After discussion, Mr. Wachsman made a motion to receive and file the performance report unaudited draft. Mr. Tomasovic seconded the motion, which was unanimously approved by the Board.

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6. Investment and financial reports (continued)

- d. After discussion, Mr. Wachsman made a motion to receive and file the unaudited statements of net assets available for benefits for the period ending April 30, 2010. Mr. Tomasovic seconded the motion, which was unanimously approved by the Board.

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7. Real estate investment in North Texas

In April 2010, the Board approved proceeding with the System's real estate investment in North Texas. Staff provided an update on the status of the investment since the last Board meeting.

After discussion, Mr. Salinas made a motion to receive and file the report on a real estate investment in North Texas. Mr. Tomasovic seconded the motion, which was unanimously approved by the Board.

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8. Preliminary agenda for the annual Board/Staff Workshop to be held on October 25 – 28, 2010

The Board and staff discussed preliminary topics for the 2010 annual workshop.

After discussion, Mr. Tomasovic made a motion to receive and file the preliminary annual workshop agenda. Mr. Wachsman seconded the motion, which was unanimously approved by the Board.

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9. 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 report was given.

No motion was made.

**Regular Board Meeting
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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

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

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

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ADDENDUM

Resolution regarding the continued existence of the Dallas Police and Fire Pension System Pension Plan

The Board discussed a proposed Board resolution expressing support for the continued existence of the Pension System.

After discussion, Mr. Wachsman made a motion to approve the Board resolution. Mr. McCollum seconded the motion, which was unanimously approved by the Board.

The resolution is located in Minute Book Number ___ on pages _____.

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**RESOLUTION OF THE BOARD OF TRUSTEES OF
THE DALLAS POLICE AND FIRE PENSION SYSTEM**

WHEREAS, the Board of Trustees of the Dallas Police and Fire Pension System believes that the defined benefit pension plan currently in place for police and firefighters employed by the City of Dallas assists the City of Dallas in attracting and retaining qualified personnel to perform safety functions for the benefit of the citizens of Dallas; and

WHEREAS, the City of Dallas has maintained a financially sound defined benefit pension plan for its police officers and firefighters for over 93 years, since 1916, and

WHEREAS, the Board believes that the current pension plan provides fair retirement benefits for active and retired police officers and firefighters; and

WHEREAS, the current pension plan provides retirement protection to over 9,000 families, mostly residing in the greater Dallas area; and

WHEREAS, the current pension plan paid over \$156 million in pension, disability and survivor benefits in 2009, with the System's investment income accounting for almost 68% of total sources of funds received in 2009, and

WHEREAS, the current defined benefit pension plan provides important death and disability benefits for police officers and firefighters who risk injury and even death in the line of duty, and

WHEREAS, the police officers and firefighters of the City of Dallas are not covered by Social Security, and

WHEREAS, the Board believes continuation of the pension plan in its current form is vital for the continued viability and success of the Police Department and Fire Department of the City of Dallas.

NOW, THEREFORE, BE IT RESOLVED THAT, the Board of Trustees of the Dallas Police and Fire Pension System supports the continued existence of the Dallas Police and Fire Pension System in its current form as a defined benefit pension plan.

DALLAS POLICE AND FIRE PENSION SYSTEM

By: THE BOARD OF TRUSTEES ON BEHALF OF THE DALLAS POLICE AND FIRE PENSION SYSTEM

By: _____ *[signature]*
Name: Gerald Brown
Title: Chairman of and on behalf of the Board of Trustees

By: _____ *[signature]*
Name: Steven G. Shaw
Title: Vice-Chairman of and on behalf of the Board of Trustees

**By: THE BOARD OF TRUSTEES ON BEHALF OF THE DALLAS POLICE AND FIRE
PENSION SYSTEM (continued)**

By: _____
Name: George Tomasovic
Title: Deputy Vice-Chairman

By: _____
Name: Jerry R. Allen
Title: Councilmember Trustee

By: _____
Name: Sheffield Kadane
Title: Councilmember Trustee

By: _____
Name: Ann Margolin
Title: Councilmember Trustee

By: _____
Name: John M. Mays
Title: Police Pensioner Trustee

By: _____
Name: Rector C. McCollum
Title: Police Trustee

By: _____
Name: David A. Neumann
Title: Councilmember Trustee

By: _____
Name: Richard A. Salinas
Title: Fire Trustee

By: _____
Name: Steven H. Umlor
Title: Police Trustee

By: _____
Name: Richard H. Wachsman
Title: Fire Pensioner Trustee

ATTEST:

APPROVED AS TO FORM:

By: _____
Name: Richard L. Tettamant
Title: Administrator

By: _____
Name: Joshua Mond
Title: General Counsel

**Regular Board Meeting
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The Administrator stated that there was no further business to come before the Board. On a motion by Mr. Umlor and a second by Mr. Tomasovic, the meeting was adjourned at 11:17 a.m.

Gerald Brown
Chairman

ATTEST

Richard L. Tettamant
Secretary