

## AGENDA



**Date:** July 2, 2009

The regular meeting of the Dallas Police and Fire Pension System Board of Trustees will be held at **8:30 a.m. on Thursday, July 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 June 8, 2010
- b. Regular meeting of June 10, 2010
- c. Special meeting of June 24, 2010

#### **2. Approval of Refunds of Contributions for the Month of June 2010**

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

#### **4. Approval of Survivor Benefits**

#### **5. Approval of Service Retirements**

#### **6. Approval of Alternate Payee Benefits**

#### **7. Approval of Five-Year Certificates for the Second Quarter, 2010**

#### **8. Approval of Earnings Test**

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

#### **1. Levine Leichtman Capital Partners, Inc.**

- a. Organizational update
- b. Status of existing portfolios and plans for future activities with regard to the portfolios

**2. W. R. Huff Asset Management Company**

- a. Organizational update
- b. Status of existing portfolio and plans for future activities with regard to that portfolio
- c. Possible new investment in The Huff Opportunity Fund, L.P.

**3. Closed Session – Board serving as Medical Committee**

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

James E. Odom, Jr., Fire (Off-Duty)

**4. Approval of Earnings Test**

- a. Thomas E. Devine, Fire
- b. Jeffrey D. Livingston, Police

**5. Implementation of revisions to the Continuing Education and Investment Research Expense Policy and Procedure**

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

- a. State Pension Review Board Annual Seminar
- b. Society of Pension Professionals Meeting
- c. Opal: Investment Trends Summit
- d. Annual Stars & Stripes, Public Funds Summit
- e. NAPPA Meeting
- f. IFE: Market Makers 2010

8. **2009 annual report**
9. **Preliminary agenda for the annual Board/Staff Workshop to be held on October 25 – 28, 2010**
10. **Employee recognition – Second Quarter 2010**

Employee of the Quarter award

11. **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 (June 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.

**Dallas Police and Fire Pension System**  
**Thursday, July 8, 2010**  
**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, Sheffield Kadane, Rector C. McCollum, Richard A. Salinas, Steven G. Shaw, Steven H. Umlor, Richard H. Wachsman

Absent: Ann Margolin, John M. Mays, David A. Neumann, George Tomasovic

**Staff**

Richard Tettamant, Don Rohan, 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, Arthur Levine, Bob Poletti, John Klinge, Aaron Perlmutter, William R. Huff, Bryan Bloom, Dwight Walker, 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**

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**2. Approval of Refunds of Contributions for the Month of June 2010**

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

- 3. Approval of Activity in the Deferred Retirement Option Plan (DROP) for July 2010**
- 4. Approval of Survivor Benefits**
- 5. Approval of Service Retirements**
- 6. Approval of Alternate Payee Benefits**
- 7. Approval of Five-Year Certificates for the Second Quarter, 2010**
- 8. Approval of Earnings Test**

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. Levine Leichtman Capital Partners, Inc.**

- a. Organizational update
- b. Status of existing portfolio and plans for future activities with regard to that portfolio

Arthur Levine, Co-founder, Bob Poletti, Principal, John Klinge, Managing Director and Aaron Perlmutter, Managing Director, with Levine Leichtman Capital Partners (LLCP), one of the System's Private Equity managers, discussed the status of the existing portfolio and plans for future activities with regard to that portfolio.

After discussion, Mr. Wachsman made a motion to receive and file the reports by Levine Leichtman Capital Partners, Inc. Mr. Salinas 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 10:08 a.m.

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**2. W. R. Huff Asset Management Company**

- a. Organizational update
- b. Status of existing portfolio and plans for future activities with regard to that portfolio
- c. Possible new investment in The Huff Opportunity Fund, L.P.

William R. Huff, President, Bryan Bloom, Chief Investment Officer, and Dwight Walker, Vice President, with the W.R. Huff Asset Management Company, presented an organizational update and the status of the existing portfolio and plans for future activities with regard to that portfolio.

The W.R. Huff team also presented an investment opportunity in their new fund, The Huff Opportunity Fund, L.P.

After discussion, Mr. Wachsman made a motion to receive and file the reports by W. R. Huff Asset Management Company. Mr. McCollum seconded the motion, which was unanimously approved by the Board.

After discussion, Mr. Wachsman made a motion to invest \$100 million in The Huff Opportunity Fund, L.P., with the funding to come from current investments that the System has through W. R. Huff Asset Management Company and to authorize the Administrator to execute all documents and take all measures necessary to consummate the investment. Mr. McCollum seconded the motion, which was unanimously approved by the Board.

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**3. Closed Session – Board serving as Medical Committee**

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

James E. Odom, Jr., Fire (Off-Duty)

The Board went into a closed session – medical at 11:28 a.m.

The meeting was reopened at 11:31 a.m.

After discussion, Mr. Wachsman made a motion to grant **James E. Odom** an on-duty, Combined Pension Plan, Group B disability benefit, waive the 90

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**3. Closed Session – Board serving as Medical Committee (continued)**

day waiting period for the start of pension payment, and waive requirement for future recalls. Mr. Odom is not subject to the Annual Earnings Test Review as he was hired and suffered a disability before May 1, 1990. Mr. Salinas seconded the motion, which was unanimously approved by the Board.

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**4. Approval of Earnings Test**

- a. Thomas E. Devine, Fire
- b. Jeffrey D. Livingston, Police

In accordance with Section 6.03 (k) of the Plan, staff has tested the current disability pension and outside earnings, as supported by their Federal income tax return and Form W-2, of, Thomas Devine, retired firefighter, and Jeffrey Livingston, retired police officer. The disability pension benefit of each is subject to change based on earnings received in 2009.

After discussion, Mr. Wachsman made a motion to approve the earnings test calculations and recommendations for Thomas E. Devine and Jeffrey D. Livingston. Mr. Umlor seconded the motion, which was unanimously approved by the Board.

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The meeting was recessed at 11:35 a.m.

The meeting was reconvened at 12:41 p.m.

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**5. Implementation of revisions to the Continuing Education and Investment Research Expense Policy and Procedure**

After discussion, Mr. Shaw made a motion to accept the Administrative and Audit Advisory Committee's (AAAC) recommendation to revise the Continuing Education and Investment Research Expense Policy and Procedure to factor out expenses for the TEXPERS and NCPERS conferences, effective with expenditures in 2011. Mr. Umlor 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
- a. After discussion, Mr. Salinas made a motion to approve the July 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. McCollum seconded the motion, which was unanimously approved by the Board.
- c. After discussion, Mr. Salinas made a motion to receive and file the performance report unaudited draft. Mr. McCollum seconded the motion, which was unanimously approved by the Board.
- d. After discussion, Mr. Salinas made a motion to receive and file the unaudited statements of net assets available for benefits for the period ending May 31, 2010. Mr. McCollum seconded the motion, which was unanimously approved by the Board.

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**7. 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. State Pension Review Board Annual Seminar (Mr. Davenport)
- b. Society of Pension Professionals Meeting (Messrs. Shaw, McCollum)
- c. Opal: Investment Trends Summit (Mr. Umlor)
- d. Annual Stars & Stripes, Public Funds Summit (Mr. Shaw)
- e. NAPPA Meeting (Messrs. Davenport, Mond)
- f. IFE: Market Makers 2010 (Mr. Neumann)



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

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

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**8. 2009 annual report**

Staff provided a draft of the 2009 Annual Report of the Police and Fire Pension Plan of the City of Dallas.

After discussion, Mr. Shaw made a motion to approve the AAAC's recommendation to approve publication of the 2009 Annual Report, subject to final review and approval by the Administrator and legal counsel. Mr. Salinas seconded the motion, which was unanimously approved by the Board.

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**9. Preliminary agenda for the annual Board/Staff Workshop to be held on October 25 - 28, 2010**

The Board and staff discussed the preliminary annual workshop agenda.

No motion was made.

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**10. Employee recognition - Second Quarter 2010**

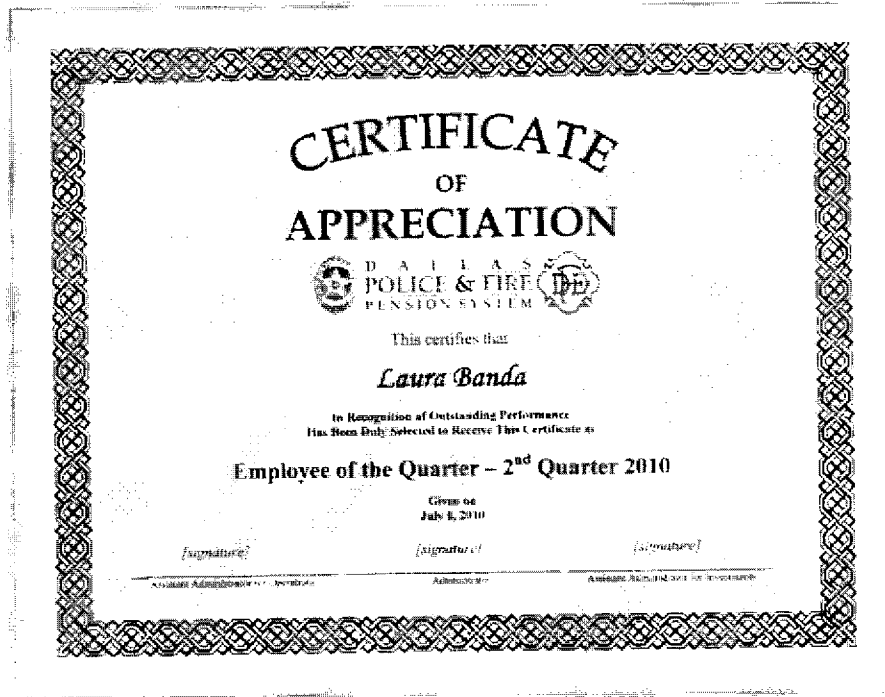
Employee of the Quarter award

The Chairman and Administrator presented a performance award for Employee of the Quarter, Second Quarter 2010, to Laura Banda, Administrative Clerk.

No motion was made.

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**10. Employee recognition – Second Quarter 2010 (continued)**



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**11. 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.

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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
  - TEXPERS Outlook (June 2010)
- 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. Salinas and a second by Mr. McCollum, the meeting was adjourned at 1:13 p.m.

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Gerald Brown  
Chairman

**ATTEST**

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Richard L. Tettamant  
Secretary