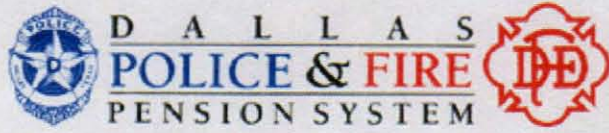


AGENDA



Date: December 3, 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, December 9, 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. Annual Board/Staff Workshop of October 25-28, 2010
- b. Regular meeting of November 11, 2010

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

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

4. Approval of Estate Settlements

5. Approval of Survivor Benefits

6. Approval of Service Retirements

7. Approval of Alternate Payee Benefits

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:

Glenda M. Eller, retired Firefighter

2. 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:

- a. Police Officer and Firefighter pay lawsuits
- b. Dallas Police & Fire Pension System v. CSE Mortgage, LLC, CapitalSource Finance LLC, and CapitalSource Bank

3. Mellon

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

4. Merit Energy Company

Possible new investment in Merit Energy Fund H

5. 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

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. National Pension & Institutional Investor Summit
- b. Hudson Clean Energy LP Advisory Committee Meeting and Partners Annual Meeting
- c. PRB Actuarial Committee Meeting
- d. Yellowstone Advisory Board
- e. Connex: Strategic Investment Executive Forum
- f. Opal: Alternative Investing Summit
- g. State Pension Review Board Meeting

- 8. Special Trustee election update**
- 9. Real estate consultant**
 - a. The Townsend Group
 - b. Courtland Partners, Ltd.
- 10. 2011 Personalized Benefit Statement for Members of the Dallas Police & Fire Pension System**
- 11. 2011 Personalized Deferred Retirement Option Plan (DROP) Statement for Members of the Dallas Police & Fire Pension System**
- 12. Selection of auditor for 2010 audit**
- 13. Administrator's 2010 and 2011 Administrative Plans**
- 14. Performance review of the Administrator**

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 (November 2010)
 - NCPERS Persist (Fall 2010)
 - TEXPERS Outlook (November 2010)
 - TEXPERS Outlook (December 2010)
 - TEXPERS Pension Observer (Fall 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.



D A L L A S
POLICE & FIRE
PENSION SYSTEM



MINUTE SUMMARY
Board Meeting
Thursday, December 9, 2010

The regular meeting of the Dallas Police Fire Pension System Board of Trustees was held at 8:30 a.m. on Thursday, December 9, 2010 in the Second Floor Board Room at 4100 Harry Hines Blvd., Dallas, Texas. Items of the following agenda were presented to the Board:

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

A. CONSENT AGENDA - Approved, subject to the final review and approval of the staff.

B. DISCUSSION AND APPROVAL OF ITEMS FOR INDIVIDUAL CONSIDERATION

1. Granted continuance of Glenda Eller'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 Ms. Eller to undergo future medical examination(s) to determine if the disability still exists or if recovery has been made to the point that Ms. Eller is able to return to duty, or two years, whichever is sooner.
2. Received and filed the report on legal issues.
3. The Mellon item was postponed. No action was taken.
4. Approved a \$10,000,000 capital commitment to the Merit Energy Partners H, LP Fund.
5. Received and filed reports on pension-related legislative issues.
6. Received and filed the Group Trust's monthly asset allocation report. Received and filed the Group Trust's monthly unitization report, the performance report unaudited draft, and the unaudited statements of net assets available for benefits.
7. Received and filed reports by staff and Board members on due diligence meetings, seminars and/or conferences attended.

MINUTE SUMMARY
Board Meeting
Thursday, December 9, 2010

8. Received and filed the Special Trustee election update.
9. Approved the retention of The Townsend Group as the System's real estate consultant.
10. Approved the 2011 Personalized Benefit Statement for Members of the Dallas Police & Fire Pension System.
11. Approved the 2011 Personalized Deferred Retirement Option Plan (DROP) Statement for Members of the Dallas Police & Fire Pension System.
12. Approved the selection of the auditor for the 2010 audit.
13. Received and filed the Administrator's 2010 and 2011 Administrative Plans.
14. Approved the Administrative and Audit Advisory Committee's recommendation regarding the performance review of the Administrator.

C. BRIEFING ITEMS

1. No members or pensioners requested to address the Board.
2. Received and filed the Administrator's report.

MINUTE SUMMARY
Board Meeting
Thursday, December 9, 2010

SUPPLEMENTAL POLICE AND FIRE PENSION BOARD MEETING

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

The meeting was reconvened at 12:59 p.m.

A. CONSENT AGENDA – Approved, subject to the final review and approval of the staff.

B. DISCUSSION AND POSSIBLE ACTION REGARDING ITEMS FOR INDIVIDUAL CONSIDERATION

1. Received and filed the Group Trust's monthly unitization report.
2. Approved the 2011 Personalized Benefit Statement for Members of the Supplemental Fund.
3. Approved the 2011 Personalized Deferred Retirement Option Plan (DROP) Statement for Members of the Supplemental Fund.

The meeting was adjourned at 1:00 p.m.

* * * * *

CITY OF DALLAS - POLICE & FIRE PENSION SYSTEM
ASSET DISTRIBUTION BY ADVISOR - AS OF October 31, 2010

GLOBAL PRIVATE EQUITY

ASHMORE INVESTMENT MGMT GSSF IV	54,250,877.81	1.8%	10.2%
BANKCAP PARTNERS FUND I, LP	17,294,735.09	0.6%	3.2%
DPPF HM CAPITAL PARTNERS	30,572,274.82	1.0%	5.7%
HUFF ALTERNATIVE FUND LP	65,318,384.11	2.1%	12.2%
HUFF ENERGY FUND LP - HUFF ENERGY	92,587,425.83	3.0%	17.4%
J P MORGAN ASIAN INFRASTRUCTURE & RE	10,608,013.47	0.3%	2.0%
JP MORGAN	34,124,416.61	1.1%	6.4%
LBJ INFRASTRUCTURE	4,362,785.39	0.1%	0.8%
LEVINE LEICHTMAN CAPITAL PARTNER IV,	17,933,899.24	0.6%	3.4%
LLCP DEEP VALUE FUND LP	55,934,179.81	1.8%	10.5%
LONE STAR CAPITAL GROWTH LP	19,819,897.98	0.6%	3.7%
LONE STAR CRA FUND LP	22,111,088.85	0.7%	4.1%
MARITIME INVESTMENT FUND	320,033.72	0.0%	0.1%
MERIT PARTNERS LP	26,732,532.02	0.9%	5.0%
NORTH TEXAS OPPORTUNITY	12,657,939.68	0.4%	2.4%
NTE MOBILITY PARTNERS HOLDINGS LLC	9,064,839.45	0.3%	1.7%
PHAROS CAPITAL PARTNERS	57,379,783.25	1.9%	10.7%
RREEF INFRASTRUCTURE	0.02	0.0%	0.0%
YELLOWSTONE ENERGY VENTURES	2,713,674.00	0.1%	0.5%
*** TOTAL GLOBAL PRIVATE EQUITY ***	533,786,781.15	17.4%	100.0%

GLOBAL EQUITY

BERNSTEIN GLOBAL STRATEGIC VALUE	74,722,183.54	2.4%	11.5%
EAGLE ASSET MANAGEMENT	119,205,761.71	3.9%	18.4%
OFI INSTITUTIONAL ASSET MGMT	74,960,331.84	2.4%	11.5%
PYRAMIS GLOBAL ADVISORS TRUST CO	163,663,832.07	5.3%	25.3%
RREEF REIT	50,254,899.96	1.6%	7.7%
TRADEWINDS GLOBAL INVESTORS	86,463,396.63	2.8%	13.3%
WALTER SCOTT & PARTNERS LIMITED	79,864,189.60	2.6%	12.3%
*** TOTAL GLOBAL EQUITY ***	649,134,595.35	21.2%	100.0%

GLOBAL NATURAL RESOURCES

FOREST INVESTMENT ASSOCIATES	41,077,975.78	1.3%	12.4%
HANCOCK AGRICULTURAL INVEST FD	76,543,094.95	2.5%	23.1%
HUDSON CLEAN ENERGY PARTNERS	15,404,828.08	0.5%	4.6%
ORLEANS CAPITAL MANAGEMENT	38,824,900.96	1.3%	11.7%
RCM	26,379,873.95	0.9%	7.9%
RMK TIMBERLAND GROUP	60,910,850.96	2.0%	18.3%
SUSTAINABLE ASSET MANAGEMENT	35,147,089.21	1.1%	10.6%
THE MITCHELL GROUP	37,944,682.29	1.2%	11.4%
*** TOTAL GLOBAL NATURAL RESOURCES *	332,233,296.18	10.9%	100.0%

GLOBAL FIXED INCOME

ASHMORE INVESTMENT MANAGEMENT	71,175,952.80	2.3%	13.0%
BRANDYWINE ASSET MANAGEMENT	79,491,072.07	2.6%	14.5%
HIGHLAND CREDIT OPPS CDO LP - HIGHLA	12,529,232.51	0.4%	2.3%
HIGHLAND CRUSADER FUND LP	20,999,012.88	0.7%	3.8%
LOOMIS SAYLES & CO	143,128,732.20	4.7%	26.1%
MONDRIAN INVESTMENT PARTNERS	78,978,238.46	2.6%	14.4%
OCM FUND IV	42,036,378.03	1.4%	7.7%
W.R. HUFF HIGH YIELD	99,834,271.42	3.3%	18.2%
*** TOTAL GLOBAL FIXED INCOME ***	548,172,890.37	17.9%	100.0%

GAA

BRIDGEWATER ASSOCIATES, INC	58,079,641.50	1.9%	25.0%
GMO MULTI-STRATEGY FUND	78,026,936.31	2.5%	33.5%
MELLON CAPITAL MANAGEMENT	41,725,350.00	1.4%	18.0%
PUTNAM TOTAL RETURN	27,414,083.00	0.9%	11.8%

CITY OF DALLAS - POLICE & FIRE PENSION SYSTEM
 ASSET DISTRIBUTION BY ADVISOR - AS OF October 31, 2010

	NET ASSET VALUE	% OF ASSETS	FUND % OF CLASS
ROBECO TRANSTREND DIVERSIFIED FUND	27,074,550.75	0.9 %	11.7 %
*** TOTAL GAA ***	232,320,561.56	7.6 %	100.0 %
<u>REAL ESTATE</u>			
CAPMARK INVESTMENTS LP	-1,102,170.17	0.0 %	-0.1 %
CDK REALTY ADVISORS	506,453,113.91	16.5 %	65.9 %
CRISWELL RADOVAN	30,476,108.57	1.0 %	4.0 %
DALLAS P & F - REAL ESTATE FUND	87,217,533.52	2.9 %	11.3 %
INVESCO	24,783,728.28	0.8 %	3.2 %
KENNEDY ASSOCIATES	36,480,677.12	1.2 %	4.7 %
KNUDSON LUXERY HOUSING	15,162,824.32	0.5 %	2.0 %
L & B	56,371,627.78	1.8 %	7.3 %
LAND BARON	13,214,673.47	0.4 %	1.7 %
*** TOTAL REAL ESTATE ***	769,058,116.80	25.1 %	100.0 %
<u>ACCOUNTS IN LIQUIDATION</u>			
ALLIANCE CAPITAL MANAGEMENT	9,267.09	0.0 %	1.8 %
BANK OF IRELAND	187,906.51	0.0 %	36.1 %
CLAY FINLAY INC	320,358.02	0.0 %	61.6 %
INTECH	705.41	0.0 %	0.1 %
INTECH BROAD LARGE CAP GROWTH	682.66	0.0 %	0.1 %
T ROWE PRICE	1,701.47	0.0 %	0.3 %
*** TOTAL ACCOUNTS IN LIQUIDATION **	520,621.16	0.0 %	100.0 %
<u>OPPORTUNISTIC PARTNERSHIP</u>			
*** TOTAL OPPORTUNISTIC PARTNERSHIP	0.00	0.0 %	100.0 %
<u>CASH/LOAN PROGRAM</u>			
CONTRIBUTION & EXPENSE ACCOUNT			
CONTROL CASH	-5,058,245.33	-0.2 %	100.0 %
LOAN PROGRAM	0.00	0.0 %	0.0 %
DPFP TRANSITION ACCOUNT	4.87	0.0 %	0.0 %
*** TOTAL CASH/LOAN PROGRAM ***	-5,058,240.46	-0.2 %	100.0 %
TOTAL MASTER TRUST	3,060,168,622.11	100.0 %	100.0 %
CITY CONTRIBUTIONS	12,223,481.18		
EMPLOYEE CONTRIBUTIONS	2,245,253.59		
BENEFIT DISTRIBUTIONS	-15,474,443.77		
ADVISORY FEES	-1,807,490.75		



D A L L A S
POLICE & FIRE
PENSION SYSTEM



MINUTE SUMMARY
Board Meeting
Thursday, December 9, 2010

The regular meeting of the Dallas Police Fire Pension System Board of Trustees was held at 8:30 a.m. on Thursday, December 9, 2010 in the Second Floor Board Room at 4100 Harry Hines Blvd., Dallas, Texas. Items of the following agenda were presented to the Board:

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

- A. CONSENT AGENDA** - Approved, subject to the final review and approval of the staff.
- B. DISCUSSION AND APPROVAL OF ITEMS FOR INDIVIDUAL CONSIDERATION**
1. Granted continuance of Glenda Eller'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 Ms. Eller to undergo future medical examination(s) to determine if the disability still exists or if recovery has been made to the point that Ms. Eller is able to return to duty, or two years, whichever is sooner.
 2. Received and filed the report on legal issues.
 3. The Mellon item was postponed. No action was taken.
 4. Approved a \$10,000,000 capital commitment to the Merit Energy Partners H, LP Fund.
 5. Received and filed reports on pension-related legislative issues.
 6. Received and filed the Group Trust's monthly asset allocation report. Received and filed the Group Trust's monthly unitization report, the performance report unaudited draft, and the unaudited statements of net assets available for benefits.
 7. Received and filed reports by staff and Board members on due diligence meetings, seminars and/or conferences attended.

MINUTE SUMMARY
Board Meeting
Thursday, December 9, 2010

8. Received and filed the Special Trustee election update.
9. Approved the retention of The Townsend Group as the System's real estate consultant.
10. Approved the 2011 Personalized Benefit Statement for Members of the Dallas Police & Fire Pension System.
11. Approved the 2011 Personalized Deferred Retirement Option Plan (DROP) Statement for Members of the Dallas Police & Fire Pension System.
12. Approved the selection of the auditor for the 2010 audit.
13. Received and filed the Administrator's 2010 and 2011 Administrative Plans.
14. Approved the Administrative and Audit Advisory Committee's recommendation regarding the performance review of the Administrator.

C. BRIEFING ITEMS

1. No members or pensioners requested to address the Board.
2. Received and filed the Administrator's report.

MINUTE SUMMARY
Board Meeting
Thursday, December 9, 2010

SUPPLEMENTAL POLICE AND FIRE PENSION BOARD MEETING

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

The meeting was reconvened at 12:59 p.m.

A. CONSENT AGENDA – Approved, subject to the final review and approval of the staff.

B. DISCUSSION AND POSSIBLE ACTION REGARDING ITEMS FOR INDIVIDUAL CONSIDERATION

1. Received and filed the Group Trust's monthly unitization report.
2. Approved the 2011 Personalized Benefit Statement for Members of the Supplemental Fund.
3. Approved the 2011 Personalized Deferred Retirement Option Plan (DROP) Statement for Members of the Supplemental Fund.

The meeting was adjourned at 1:00 p.m.

* * * * *

CITY OF DALLAS - POLICE & FIRE PENSION SYSTEM
 ASSET DISTRIBUTION BY ADVISOR - AS OF October 31, 2010

GLOBAL PRIVATE EQUITY

ASHMORE INVESTMENT MGMT GSSF IV	54,250,877.81	1.8%	10.2%
BANKCAP PARTNERS FUND I, LP	17,294,735.09	0.6%	3.2%
DPPF HM CAPITAL PARTNERS	30,572,274.82	1.0%	5.7%
HUFF ALTERNATIVE FUND LP	65,318,384.11	2.1%	12.2%
HUFF ENERGY FUND LP - HUFF ENERGY	92,587,425.83	3.0%	17.4%
J P MORGAN ASIAN INFRASTRUCTURE & RE	10,608,013.47	0.3%	2.0%
JP MORGAN	34,124,416.61	1.1%	6.4%
LBJ INFRASTRUCTURE	4,362,785.39	0.1%	0.8%
LEVINE LEICHTMAN CAPITAL PARTNER IV,	17,933,899.24	0.6%	3.4%
LLCP DEEP VALUE FUND LP	55,934,179.81	1.8%	10.5%
LONE STAR CAPITAL GROWTH LP	19,819,897.98	0.6%	3.7%
LONE STAR CRA FUND LP	22,111,088.85	0.7%	4.1%
MARITIME INVESTMENT FUND	320,033.72	0.0%	0.1%
MERIT PARTNERS LP	26,732,532.02	0.9%	5.0%
NORTH TEXAS OPPORTUNITY	12,657,939.68	0.4%	2.4%
NTE MOBILITY PARTNERS HOLDINGS LLC	9,064,839.45	0.3%	1.7%
PHAROS CAPITAL PARTNERS	57,379,783.25	1.9%	10.7%
RREEF INFRASTRUCTURE	0.02	0.0%	0.0%
YELLOWSTONE ENERGY VENTURES	2,713,674.00	0.1%	0.5%
*** TOTAL GLOBAL PRIVATE EQUITY ***	533,786,781.15	17.4%	100.0%

GLOBAL EQUITY

BERNSTEIN GLOBAL STRATEGIC VALUE	74,722,183.54	2.4%	11.5%
EAGLE ASSET MANAGEMENT	119,205,761.71	3.9%	18.4%
OFI INSTITUTIONAL ASSET MGMT	74,960,331.84	2.4%	11.5%
PYRAMIS GLOBAL ADVISORS TRUST CO	163,663,832.07	5.3%	25.3%
RREEF REIT	50,254,899.96	1.6%	7.7%
TRADEWINDS GLOBAL INVESTORS	86,463,396.63	2.8%	13.3%
WALTER SCOTT & PARTNERS LIMITED	79,864,189.60	2.6%	12.3%
*** TOTAL GLOBAL EQUITY ***	649,134,595.35	21.2%	100.0%

GLOBAL NATURAL RESOURCES

FOREST INVESTMENT ASSOCIATES	41,077,975.78	1.3%	12.4%
HANCOCK AGRICULTURAL INVEST FD	76,543,094.95	2.5%	23.1%
HUDSON CLEAN ENERGY PARTNERS	15,404,828.08	0.5%	4.6%
ORLEANS CAPITAL MANAGEMENT	38,824,900.96	1.3%	11.7%
RCM	26,379,873.95	0.9%	7.9%
RMK TIMBERLAND GROUP	60,910,850.96	2.0%	18.3%
SUSTAINABLE ASSET MANAGEMENT	35,147,089.21	1.1%	10.6%
THE MITCHELL GROUP	37,944,682.29	1.2%	11.4%
*** TOTAL GLOBAL NATURAL RESOURCES *	332,233,296.18	10.9%	100.0%

GLOBAL FIXED INCOME

ASHMORE INVESTMENT MANAGEMENT	71,175,952.80	2.3%	13.0%
BRANDYWINE ASSET MANAGEMENT	79,491,072.07	2.6%	14.5%
HIGHLAND CREDIT OPPS CDO LP - HIGHLA	12,529,232.51	0.4%	2.3%
HIGHLAND CRUSADER FUND LP	20,999,012.88	0.7%	3.8%
LOOMIS SAYLES & CO	143,128,732.20	4.7%	26.1%
MONDRIAN INVESTMENT PARTNERS	78,978,238.46	2.6%	14.4%
OCM FUND IV	42,036,378.03	1.4%	7.7%
W.R. HUFF HIGH YIELD	99,834,271.42	3.3%	18.2%
*** TOTAL GLOBAL FIXED INCOME ***	548,172,890.37	17.9%	100.0%

GAA

BRIDGEWATER ASSOCIATES, INC	58,079,641.50	1.9%	25.0%
GMO MULTI-STRATEGY FUND	78,026,936.31	2.5%	33.5%
MELLON CAPITAL MANAGEMENT	41,725,350.00	1.4%	18.0%
PUTNAM TOTAL RETURN	27,414,083.00	0.9%	11.8%

CITY OF DALLAS - POLICE & FIRE PENSION SYSTEM
 ASSET DISTRIBUTION BY ADVISOR - AS OF October 31, 2010

	NET ASSET VALUE	% OF ASSETS	FUND % OF CLASS
ROBECO TRANSTREND DIVERSIFIED FUND	27,074,550.75	0.9 %	11.7 %
*** TOTAL GAA ***	232,320,561.56	7.6 %	100.0 %
<u>REAL ESTATE</u>			
CAPMARK INVESTMENTS LP	-1,102,170.17	0.0 %	-0.1 %
CDK REALTY ADVISORS	506,453,113.91	16.5 %	65.9 %
CRISWELL RADOVAN	30,476,108.57	1.0 %	4.0 %
DALLAS P & F - REAL ESTATE FUND	87,217,533.52	2.9 %	11.3 %
INVESCO	24,783,728.28	0.8 %	3.2 %
KENNEDY ASSOCIATES	36,480,677.12	1.2 %	4.7 %
KNUDSON LUXURY HOUSING	15,162,824.32	0.5 %	2.0 %
L & B	56,371,627.78	1.8 %	7.3 %
LAND BARON	13,214,673.47	0.4 %	1.7 %
*** TOTAL REAL ESTATE ***	769,058,116.80	25.1 %	100.0 %
<u>ACCOUNTS IN LIQUIDATION</u>			
ALLIANCE CAPITAL MANAGEMENT	9,267.09	0.0 %	1.8 %
BANK OF IRELAND	187,906.51	0.0 %	36.1 %
CLAY FINLAY INC	320,358.02	0.0 %	61.6 %
INTECH	705.41	0.0 %	0.1 %
INTECH BROAD LARGE CAP GROWTH	682.66	0.0 %	0.1 %
T ROWE PRICE	1,701.47	0.0 %	0.3 %
*** TOTAL ACCOUNTS IN LIQUIDATION **	520,621.16	0.0 %	100.0 %
<u>OPPORTUNISTIC PARTNERSHIP</u>			
*** TOTAL OPPORTUNISTIC PARTNERSHIP	0.00	0.0 %	100.0 %
<u>CASH/LOAN PROGRAM</u>			
CONTRIBUTION & EXPENSE ACCOUNT			
CONTROL CASH	-5,058,245.33	-0.2 %	100.0 %
LOAN PROGRAM	0.00	0.0 %	0.0 %
DPFP TRANSITION ACCOUNT	4.87	0.0 %	0.0 %
*** TOTAL CASH/LOAN PROGRAM ***	-5,058,240.46	-0.2 %	100.0 %
TOTAL MASTER TRUST	3,060,168,622.11	100.0 %	100.0 %
CITY CONTRIBUTIONS	12,223,481.18		
EMPLOYEE CONTRIBUTIONS	2,245,253.59		
BENEFIT DISTRIBUTIONS	-15,474,443.77		
ADVISORY FEES	-1,807,490.75		

Dallas Police and Fire Pension System
Thursday, December 9, 2010
8:30 a.m.
4100 Harry Hines Blvd., Suite 100
Second Floor Board Room
Dallas, TX

Regular 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, 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, Christina Wu, Greg Irlbeck, Linda Rickley, Aimee Crews, Kevin Killingsworth, Milissa Schmidt

Others

Gary Lawson, Gus Fields, Kevin Lynch, Richard Brown, Martin Rosenberg, Wayne Antrobus, Warren B. Wilson, Ed Dresser

* * * * *

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

The meeting was reconvened at 9:46 a.m.

* * * * *

A. CONSENT AGENDA

1. Approval of Minutes

- a. Annual Board/Staff Workshop of October 25-28, 2010
- b. Regular meeting of November 11, 2010

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

**Regular Board Meeting
Thursday, December 9, 2010**

- 3. Approval of Activity in the Deferred Retirement Option Plan (DROP) for December 2010**
- 4. Approval of Estate Settlements**
- 5. Approval of Survivor Benefits**
- 6. Approval of Service Retirements**
- 7. Approval of Alternate Payee Benefits**

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

* * * * *

The meeting was recessed at 11:15 a.m.

The meeting was reconvened at 11:58 a.m.

* * * * *

B. DISCUSSION AND POSSIBLE ACTION REGARDING 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:

Glenda M. Eller, retired Firefighter

The Board went into a closed executive session – medical at 11:58 a.m.

The meeting was reopened at 11:59 a.m.

After discussion, Mr. Brown made a motion to **grant** continuance of **Glenda Eller'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 Ms. Eller to undergo future medical examination(s) to determine if the disability still exists or if recovery has been made to the point that Ms. Eller is able to return to duty, or **two years**, whichever is sooner. Mr. McCollum seconded the motion, which was unanimously approved by the Board.

**Regular Board Meeting
Thursday, December 9, 2010**

2. 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:

- a. Police Officer and Firefighter pay lawsuits
- b. Dallas Police & Fire Pension System v. CSE Mortgage, LLC, CapitalSource Finance LLC, and CapitalSource Bank

Legal counsel briefed the Board on current legal issues. No closed session was held.

After discussion, Mr. Shaw made a motion to receive and file the report on legal issues. Mr. McCollum seconded the motion, which was unanimously approved by the Board.

* * * * *

3. Mellon

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

Discussion was postponed until January.

No motion was made.

* * * * *

4. Merit Energy Company

Possible new investment in Merit Energy Fund H

At the November 30, 2010 Investment Advisory Committee (IAC) meeting, the IAC approved a recommendation for a \$10,000,000 capital commitment in the Merit Energy Partners Fund H, LP that would be presented to the Board at the next meeting.

After discussion, Mr. Brown made a motion to approve a \$10,000,000 capital commitment to the Merit Energy Partners Fund H, LP and authorized the Administrator to perform all necessary acts and exercise all appropriate discretion to consummate the documents and direct ongoing operations. Mr. Umlor seconded the motion, which was unanimously approved by the Board.

Regular Board Meeting
Thursday, December 9, 2010

* * * * *

5. 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 legislative consultants.

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

* * * * *

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

After discussion, Mr. Salinas made a motion to receive and file all of the investment and financial reports listed above. Mr. Shaw seconded the motion, which was unanimously approved by the Board.

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. **Conference:** National Pension & Institutional Investor Summit
Dates: November 15-16, 2010

Messrs. Brown, Shaw

- b. **Conference:** Hudson Clean Energy LP Advisory Committee Meeting and Partners Annual Meeting
Dates: November 16 & 17, 2010

Messrs. Tomasovic, McCollum, Tettamant, Taylor, Ellass

Regular Board Meeting
Thursday, December 9, 2010

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

- c. Conference:** Pension Review Board Actuarial Committee Meeting
Date: November 18, 2010

Mr. Davenport

- d. Conference:** Yellowstone Advisory Board
Date: November 22, 2010

Messrs. Umlor, Landfried

- e. Conference:** Connex: Strategic Investment Executive Forum
Dates: December 5-7, 2010

Mr. Tettamant

- f. Conference:** Opal: Alternative Investing Summit
Dates: December 5-7, 2010

Mr. Mond

- g. Conference:** State Pension Review Board Meeting
Date: December 8, 2010

Mr. Davenport

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

* * * * *

8. Special Trustee election update

Mr. Rohan gave a status update on the Special Trustee election.

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

* * * * *

**Regular Board Meeting
Thursday, December 9, 2010**

The meeting was recessed at 11:07 a.m.

The meeting was reconvened at 11:12 a.m.

* * * * *

9. Real estate consultant

- a. The Townsend Group
- b. Courtland Partners, Ltd.

Messrs. Lynch, Brown, and Rosenberg of The Townsend Group, were present and discussed their firm with the Board.

The Investment Advisory Committee (IAC) at the November 30, 2010 IAC meeting reviewed a presentation from Courtland Partners, Ltd. for possible real estate investment consulting services for the System. At the meeting, the IAC approved a recommendation to the Board that Courtland Partners be retained as real estate investment consultant.

After discussion, Mr. McCollum made a motion to continue retaining The Townsend Group as the System's real estate consultant, subject to final negotiations by the Administrator and legal counsel. Mr. Umlor seconded the motion, which was unanimously approved by the Board.

* * * * *

The meeting was recessed at 12:37 p.m.

The meeting was reconvened at 12:55 p.m.

* * * * *

10. 2011 Personalized Benefit Statement for Members of the Dallas Police & Fire Pension System

Staff provided a proposed draft of the 2011 Personalized Benefit Statement for Members of the Dallas Police and Fire Pension System.

Regular Board Meeting
Thursday, December 9, 2010

10. 2011 Personalized Benefit Statement for Members of the Dallas Police & Fire Pension System (continued)

After discussion, Mr. Shaw made a motion to approve the Administrative and Audit Advisory Committee's (AAAC) recommendation that the Board approve the proposed 2011 Personalized Benefit Statement, subject to final review by the Administrator and legal counsel. Mr. Mays seconded the motion, which was unanimously approved by the Board.

* * * * *

11. 2011 Personalized Deferred Retirement Option Plan (DROP) Statement for Members of the Dallas Police & Fire Pension System

Staff provided a proposed draft of the 2011 Personalized DROP Statement for Members of the Dallas Police and Fire Pension System.

After discussion, Mr. Shaw made a motion to approve the Administrative and Audit Advisory Committee's (AAAC) recommendation that the Board approve the proposed 2011 Personalized DROP Statement, subject to final review by the Administrator and legal counsel. Mr. Mays seconded the motion, which was unanimously approved by the Board.

* * * * *

12. Selection of auditor for 2010 audit

Mr. Taylor, Chief Financial Officer, stated that MFR, PC, has been the external auditor for the System since the 2003 Audit. MFR is a well established firm headquartered in Houston, Texas, is knowledgeable of governmental pension plans and performs audits for other Texas pension systems. The System has been pleased with MFR's performance in the past.

After discussion, Mr. Shaw made a motion to approve the AAAC's recommendation that the Board approve retention of MFR, PC, to perform the 2010 Annual Audit for the Combined Plan and the Supplemental Plan. Mr. Mays seconded the motion, which was unanimously approved by the Board.

* * * * *

**Regular Board Meeting
Thursday, December 9, 2010**

13. Administrator's 2010 and 2011 Administrative Plans

Each year, the Administrator presents an annual administrative plan for the succeeding year. This Administrative Plan is utilized as a guide for Board and Staff in project planning and implementation during the coming year.

The Administrator reviewed the status of the plan for 2010 and reviewed the proposed 2011 Plan.

After discussion, Mr. Shaw made a motion to approve the AAAC's recommendation to receive and file the 2010 Administrative Plan and approve the 2011 Administrative Plan. Mr. Mays seconded the motion, which was unanimously approved by the Board.

* * * * *

14. Performance review of the Administrator

The annual performance review of the administrator was discussed at the Administrative Advisory Committee meeting and a recommendation to the Board was made.

After discussion, Mr. Shaw made a motion to approve the recommendation of the Administrative and Audit Advisory Committee regarding the Administrator's performance review. Mr. Mays seconded the motion, which was unanimously approved by the Board.

* * * * *

D. 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.

* * * * *

Regular Board Meeting
Thursday, December 9, 2010

2. Administrator's report

- a. Associations' newsletters
 - NCPERS Monitor (November 2010)
 - NCPERS Persist (Fall 2010)
 - TEXPERS Outlook (November 2010)
 - TEXPERS Outlook (December 2010)
 - TEXPERS Pension Observer (Fall 2010)
- b. Future continuing education and investment research programs and conferences

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

Mr. Salinas made a motion to receive and file the Administrator's Report. Mr. Shaw 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. Salinas and a second by Mr. Shaw, the meeting was adjourned at 12:59 p.m.

[signature]

George J. Tomasovic
Chairman

ATTEST:

[signature]

Richard L. Tettamant
Secretary

**Regular Board Meeting
Thursday, December 9, 2010**

THIS PAGE WAS INTENTIONALLY LEFT BLANK