

Dallas Police and Fire Pension System
Thursday, March 10, 2011
8:30 a.m.
4100 Harry Hines Blvd., Suite 100
Second Floor Board Room
Dallas, TX

Regular meeting, Steven G. Shaw, Vice-Chairman, presiding:

ROLL CALL

Board Members

Present: Jerry R. Allen, Samuel L. Friar, Sheffield Kadane, John M. Mays, Rector C. McCollum, David A. Neumann, Richard A. Salinas, Steven G. Shaw, Steven H. Umlor, Richard H. Wachsman

Absent: George J. Tomasovic

Staff

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

Others

Gary Lawson, Wayne Antrobus, W.B. Wilson, Ed Dresser, Fred Katani, Robert Miller, Yuniedth Midence-Steen, James F. Steen, Ken Cooley, Jon Donahue, Michael Ebert, Steven Perkins, Richard Brown, Martin Rosenberg, Gerald Brown, Larry Eddington, Dwight Walker

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The meeting was called to order at 8:31 a.m.

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A. CONSENT AGENDA

1. Approval of Minutes

- a. Special meeting of February 4, 2011
- b. Special meeting of February 10, 2011
- c. Regular meeting of February 10, 2011
- d. Special meeting of February 17, 2011
- e. Special meeting of February 18, 2011

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- 2. Approval of Refunds of Contributions for the Month of February 2011**
- 3. Approval of Activity in the Deferred Retirement Option Plan (DROP) for December 2011**
- 4. Approval of Estate Settlements**
- 5. Approval of Survivor Benefits**
- 6. Approval of Service Retirements**
- 7. Approval of Alternate Payee Benefits**
- 8. Approval of Payment of Military Leave and Previously Withdrawn Contributions**

After discussion, Mr. Wachsmann 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.

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B. DISCUSSION AND POSSIBLE ACTION REGARDING ITEMS FOR INDIVIDUAL CONSIDERATION

1. Bank of America credit facility

Mr. Tettamant explained that in September of 2005, the System obtained a line of credit (LOC) from Bank of America for \$100 million and a direct loan on JMM Dry Creek for \$37.2 million at an interest rate of LIBOR+40 bps. The LOC limit was increased over subsequent years. In September of 2008, both the line of credit and JMM Dry Creek loans were extended for one year and the rate increased to LIBOR+45 bps. Another one year extension for both loans was executed in September of 2009 with the rate being increased to LIBOR+75bps. This last extension expired in October of 2010, and the System entered into negotiations with the bank for the renewal of both loans. Meanwhile, a short term extension was executed and expires on March 31, 2011. Staff negotiated proposed new loan terms with the bank.

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1. Bank of America credit facility (continued)

After discussion, Mr. Wachsman made a motion to approve the new loan terms and authorize the Administrator to execute documentation, perform all necessary acts and exercise all appropriate discretion to use the \$50 million increase in funding new real estate investments approved recently by the Board. Mr. Umlor seconded the motion, which was unanimously approved by the Board.

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2. 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. Mays seconded the motion, which was unanimously approved by the Board.

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The meeting was recessed at 8:45 a.m.

The meeting was reconvened at 9:33 a.m.

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3. Pension-related legislative issues

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

Robert Miller and Yuniedth Midence-Steen, from Locke Lord Bissell & Liddell LLP, were present and gave an update on the current legislative sessions. The Board and staff discussed reports from legislative consultants.

After discussion, Mr. Wachsman made a motion to receive and file the legislative reports. Mr. Salinas 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 report was given. No motion was made.

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5. Certification of applications for Trustee for 2011 Trustee election ballot

Mr. Tettamant stated that at the January 13, 2011 meeting, the Board called for an election to fill four Trustee positions that expire May 31, 2011:

<u>Place</u>	<u>Incumbent</u>
Fire Trustee (Place F-2)	Rick Salinas
Fire Trustee (Place F-3)	George Tomasovic
Police Trustee (Place P-2)	Steve Shaw
Police Trustee (Place P-3)	Rector McCollum

The period for submitting applications for candidacy was scheduled for the period from 8:00 a.m., February 22, 2011, through 4:00 p.m. on March 4, 2011.

The Administrator has determined that the applicants listed below have completed the required Trustee Education Class and have been duly qualified to be placed on the official ballot for the Trustee election. In accordance with the Trustee Election Procedure, the Board will certify the names to be placed on the election ballot not less than fourteen (14) days before regular voting commences. The voting period is scheduled from 8:00 a.m., Friday, April 1, 2011, through 12:00 noon, Monday, April 11, 2011.

Qualified applicants for the place positions indicated (in alphabetic order):

<u>Police Trustee Place #2 (P-2)</u>	<u>Police Trustee Place #3 (P-3)</u>
Cpt. Jack R. Bragg, Jr.	Sgt. Robert Benitez
Sr. Cpl. Eric Jez	Ofcr. Terran Dickerson, Jr
Sgt. Steven Shaw *	Sgt. Rector McCollum *
Lt. Ernest Sherman	Sgt. Eugene Reyes
Ofcr. Tom White	Sgt. Dan Wojcik

*Incumbent

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**5. Certification of applications for Trustee for 2011 Trustee election ballot
(continued)**

Fire Trustee Place #2 (F-2)

FRO Rick Salinas *
Lt. Darryl Wachsman

Fire Trustee Place #3 (F-3)

Dr. Engr. Ryan Aylward
Bn. Ch. George Tomasovic *

*Incumbent

After discussion, Mr. McCollum made a motion to certify the trustee applicant names to be placed on the ballot and determine the order of names on the ballot. Mr. Mays seconded the motion, which was unanimously approved by the Board.

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**6. 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:** TAPPA Meeting
Dates: February 11, 2011

Messrs. Mond, Davenport

- b. Conference:** State Pension Review Board Legislative Meeting
Dates: February 25, 2011

Mr. Davenport

- c. Conference:** Opal: Investment Education Symposium
Dates: February 28 – March 2, 2011

Mr. Mond

- d. Conference:** Highland Annual Investment Summit
Dates: March 1, 2011

Messrs. Shaw, Salinas

- e. Conference:** Project Finance Awards Dinner – Meridiam
Dates: March 3, 2011

Messrs. Tettamant, Taylor, Blake, Ellass, Irlbeck

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

After discussion, Mr. Umlor made a motion to receive and file the staff and Board members' reports on due diligence meetings, seminars and/or conferences. Mr. Mays seconded the motion, which was unanimously approved by the Board.

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7. Special Request of Police Officer, James F. Steen

Mr. Steen requested Board approval to purchase pension service under provisions of Plan Section 5.08 for period(s) in the uniformed services under the Uniformed Services Employment and Reemployment Rights Act (USERRA) from December 2004 through August 2009 and under provisions of Plan Section 5.09 for periods on family medical leave (FMLA) from November 2007 through February 2011.

After discussion, Mr. Umlor made a motion to approve Mr. Steen's request to purchase pension service credit. Mr. Friar seconded the motion, which was unanimously approved by the Board.

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The meeting was recessed at 11:30 a.m.

The meeting was reconvened at 12:07 p.m.

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8. CDK Realty Advisors

RED Real Estate Operating Company

Based on the Investment Advisory Committee's discussion of this topic on March 10, 2011, the consensus of the Board was to postpone Board discussion to a special meeting to be held on April 1, 2011.

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9. Recognition of former Trustee of the Dallas Police & Fire Pension System

Mr. Shaw, Vice-Chairman, on behalf of the Board, presented a plaque of appreciation to Mr. Gerald Brown for his dedicated service on the Board of Trustees as a Fire Trustee from June 1, 1983 through February 10, 2011. Mr. Brown served continuously on the Board as an elected Trustee for more than 27 years.

No motion was made.

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The meeting was recessed at 2:19 p.m.

The meeting was reconvened at 2:30 p.m.

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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 members or pensioners requested to address the Board with concerns.

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2. Administrator's report

a. Associations' newsletters

- NCPERS Monitor (February 2011)
- TEXPERS Outlook (February 2011)
- TEXPERS Outlook (March 2011)

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. Umlor 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. Shaw, the meeting was adjourned at 2:37 p.m.

[signature]

Steven G. Shaw
Vice-Chairman

ATTEST:

[signature]

Richard L. Tettamant
Secretary