

Dallas Police and Fire Pension System
Thursday, April 14, 2011
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 R. Allen, Samuel L. Friar, Sheffield Kadane, John M. Mays, Rector C. McCollum, Richard A. Salinas, Steven G. Shaw, George J. Tomasovic, Richard H. Wachsman

Absent: David A. Neumann, Steven H. Umlor

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, D. D. Pierce, Thomas White, W. B. Wilson, Wayne Antrobus, Fred Katani, Ed Jefferson, Michael J. Falls, Velmea Wisdom, Bill Criswell, Robert Radovan, Eric Calhoun, Lyle Burgin, Greg Greene, John Sughrue, Steve Sanborn, Scott Dilloff, Selina Richardson

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

The meeting was reconvened at 8:48 a.m.

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A. CONSENT AGENDA

1. Approval of Minutes

- a. Quarterly meeting of March 8, 2011
- b. Regular meeting of March 10, 2011
- c. Special meeting of April 1, 2011

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- 2. Approval of Refunds of Contributions for the Month of March 2011**
- 3. Approval of Activity in the Deferred Retirement Option Plan (DROP) for April 2011**
- 4. Approval of Survivor Benefits**
- 5. Approval of Service Retirements**
- 6. Approval of Five-Year Certificates for the First Quarter, 2011**
- 7. Spouse Wed After Retirement (SWAR)**

After discussion, Mr. Wachsman made a motion to approve the items on the Consent Agenda, subject to the final approval of the Administrator. Mr. Shaw 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. 2011 Trustee Election

- a. Certify regular and special election results
- b. Call for a run-off election, if necessary
- c. Review and approve run-off ballot and election materials, if necessary

- a. Mr. Tettamant stated that at the January 13, 2011 meeting, the Board called for an election to fill four Trustee positions that will expire on May 31, 2011. Voting for the 2011 Trustee Election began on Friday, April 1, 2011 at 8:00 a.m. and ended at 12:00 noon on Monday, April 11, 2011.

The notarized results of the 2011 Trustee Election, as reported by Voice Retrieval and Information Services, Inc. and the Pension System Administrator, are shown in Minute Book Number 41, page 141.

Rick Salinas received a majority of the votes cast and is re-elected as Fire Trustee, Place #F-2, for the term of office from June 1, 2011 through May 31, 2015.

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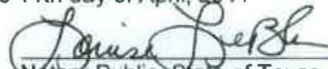


April 11, 2011

Dallas Police & Fire Pension System
4100 Harry Hines Blvd Ste. 100
Dallas, Texas 75219

Police Trustee, Place 2				
Candidates	Total	% Total	Telephone	Internet
Jack R. Bragg, Jr.	107	11.61%	77	30
Eric Jez	118	12.80%	67	51
Steven Shaw	314	34.06%	198	116
Ernest Sherman	71	7.70%	47	24
Thomas White	312	33.84%	176	136
Total	922	100.01%	565	357
Police Trustee, Place 3				
Candidates	Total	% Total	Telephone	Internet
Robert Benitez	187	20.26%	124	63
Terran Dickerson, Jr.	63	6.83%	44	19
Rector McCollum	332	35.97%	191	141
Eugene Reyes	60	6.50%	40	20
Dan Wojcik	281	30.44%	166	115
Total	923	100.00%	565	358
Fire Trustee, Place 2				
Candidates	Total	% Total	Telephone	Internet
Rick Salinas	514	66.67%	336	178
Darryl Wachsman	257	33.33%	159	98
Total	771	100.00%	495	276
Fire Trustee, Place 3				
Candidates	Total	% Total	Telephone	Internet
Ryan Aylward	179	23.37%	115	64
George Tomasovic	587	76.63%	376	211
Total	766	100.00%	491	275

Sworn to and subscribed before me this 11th day of April, 2011


Notary Public, State of Texas

My commission expires 9/21/2013



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1. 2011 Trustee Election (continued)

George Tomasovic received a majority of the votes cast and is re-elected as Fire Trustee, Place #F-3, for the term of office from June 1, 2011 through May 31, 2015.

No candidate received a majority of the votes cast for Police Place # P-2; therefore, in accordance with the Board's Trustee Election Procedure, a run-off election between Sgt. Shaw and Officer White, the two candidates who received the most votes, is necessary to determine the winning candidate.

No candidate received a majority of the votes cast for Police Place # P-3; therefore, in accordance with the Board's Trustee Election Procedure, a run-off election between Sgt. McCollum and Sgt. Wojcik, the two candidates who received the most votes, is necessary to determine the winning candidate.

- b. Mr. Tettamant stated that as required in Section 4 (f) of the Trustee Election Procedures, since the official election results showed that no candidate for Police Trustee Place #2 or Police Trustee Place #3 received a majority of the votes cast for that position, the Board will call a run-off election between the two candidates who received the greatest number of votes cast for the two places. A run-off election must be held within 30 days after the Board certifies that there was no winning candidate for the Place.

Staff recommended a run-off election for Police Place #P-2 and #P-3 be held from Friday, April 29 through Monday, May 9. The Board will then certify the results of the run-off election at the regular meeting on May 12, 2011. A run-off election voting ballot will be sent to Active Police Officer Members at the home address as it is recorded in the Pension Office. Voting instructions will be included in the letter.

- c. Run-off election material and a proposed election schedule were provided for review by the Board.

After discussion, Mr. McCollum made a motion to certify the results of the 2011 Trustee Election, call for a run-off election and approve run-off election materials. Mr. Wachsman seconded the motion, which was unanimously approved by the Board.

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2. Audit report schedule

Mr. Taylor reported to the Administrative and Audit Advisory Committee (AAAC) on April 14, 2011, that System staff has been providing the System's external auditor, MFR, PC, with preliminary information in preparation for this year's audit.

After discussion, Mr. Wachsman made a motion to approve the recommendation of the AAAC to receive and file the 2010 audit report schedule. Mr. Mays seconded the motion, which was unanimously approved by the Board.

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3. 2010 Calendar Year-End Close Review of the Administrative and Professional Services Budgets for the year ended December 31, 2010

Mr. Rohan gave the final Administrative and Professional Services Budget Review for 2010 to the AAAC on April 14, 2011.

After discussion, Mr. Wachsman made a motion to approve the recommendation of the AAAC to receive and file the 2010 Calendar Year-End Close Review of the Administrative and Professional Services Budgets for the year ended December 31, 2010. Mr. Mays seconded the motion, which was unanimously approved by the Board.

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4. Approval of extension of duration of North Texas Opportunity Fund LP.

The North Texas Opportunity Fund LP., one of the System's private equity investments, commenced in May 2000 and is approaching the expiration of the first one-year extension of the fund on May 10, 2011. The partnership agreement permits up to three successive one-year extensions to the duration of the fund with consent of two-thirds in interest of the limited partners. The manager recommended that the System consent to a one-year extension in order to wind down the remaining assets in the fund and maximize investors' return. This extension of the fund is the second extension requested by the manager under the terms of the limited partnership.

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**4. Approval of extension of duration of North Texas Opportunity Fund LP.
(continued)**

After discussion, Mr. Shaw made a motion to approve the second one-year extension of duration of the North Texas Opportunity Fund LP., subject to successful contract negotiations, and the final approval of the Administrator and legal counsel, to authorize the Administrator to perform all necessary acts and exercise all appropriate discretion to consummate and execute the contract amendment. Mr. McCollum seconded the motion, which was unanimously approved by the Board.

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5. 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. Shaw made a motion to receive and file all of the investment and financial reports listed above. Mr. Salinas 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:** IMN Distressed Investment Summit
Dates: March 14-15, 2011

Mr. Shaw

- b. **Conference:** NEPC: 2011 Public Funds Workshop
Dates: March 21-22, 2011

Messrs. Tettamant, Blake

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

- c. Conference:** CDK: RED Property Tour
Dates: March 24, 2011

Messrs. Umlor, Shaw, Tettamant

- d. Conference:** TEXPERS Annual Conference
Dates: March 26-30, 2011

Messrs. Allen, Friar, Kadane, Mays, McCollum, Neumann, Salinas, Tomasovic, Wachsman, Tettamant, Taylor, Blake, Mond, Davenport

- e. Conference:** IMN: Real Estate Investment & Search Consultants Congress
Dates: March 30, 2011

Mr. Shaw

- f. Conference:** Video Training: Open Meetings Act, Public Information Act
Dates: March 30, 2011

Mr. Friar completed the open government training required of newly elected or appointed officials.

- g. Conference:** Pensions, Investments & Financial Services Committee meeting
Dates: April 5, 2011

Messrs. Shaw, Davenport

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

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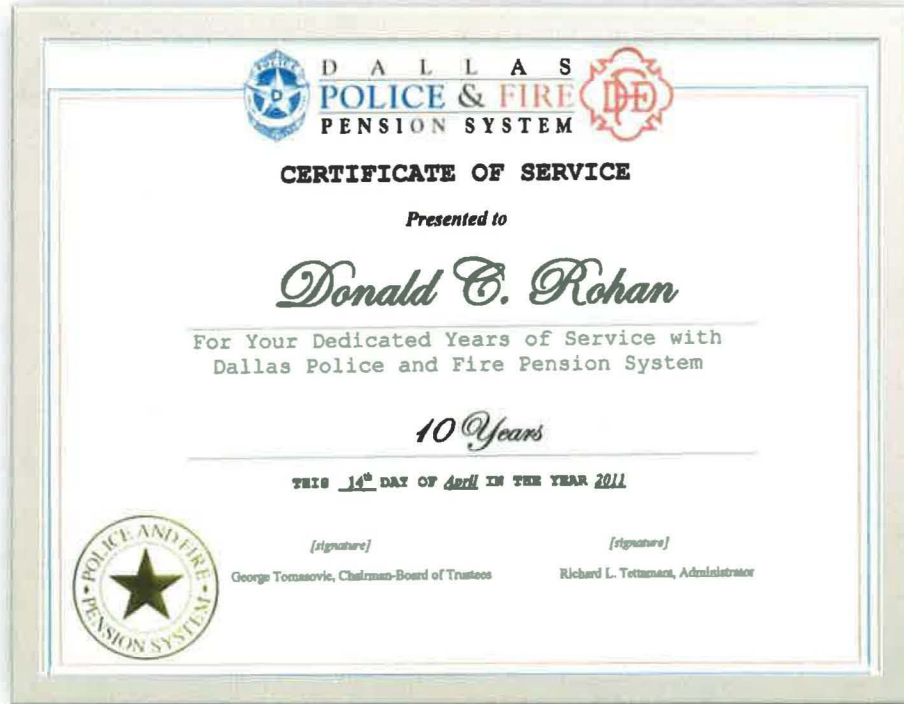
7. Employee recognition – First Quarter 2010

- a.** Employee Service Awards
- b.** Employee of the Quarter Award

- a.** The Chairman presented Employee Service Awards to Don Rohan, Assistant Administrator – Operations, for ten years of service, and to Brian Blake, Assistant Administrator – Investments, for ten years of service.

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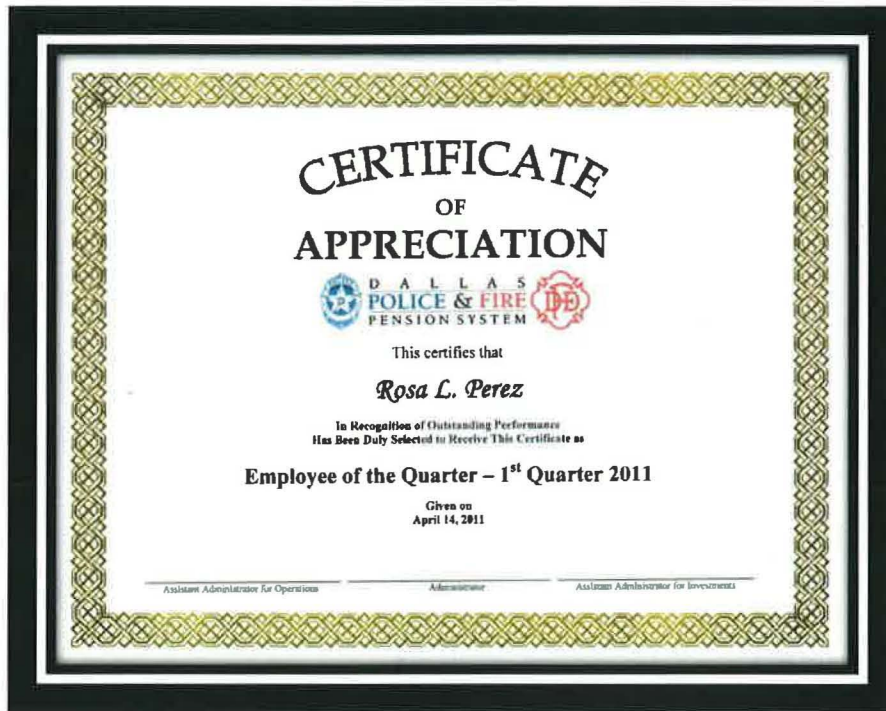
7. Employee recognition – First Quarter 2010 (continued)



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7. Employee recognition – First Quarter 2010 (continued)

- b. The Chairman presented a performance award for Employee of the Quarter, First Quarter 2011, to Rosa Perez, Administrative Clerk.



Mr. Shaw made a motion to receive and file the employee recognition awards. Mr. Friar seconded the motion, which was unanimously approved by the Board.

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The meeting was recessed at 9:20 a.m.

The meeting was reconvened at 9:36 a.m.

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8. 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

Mr. Davenport briefed the Board on current pension-related legislative issues.

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8. Pension-related legislative issues (continued)

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

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9. Request by Velmea Wisdom for consideration of right to apply for a service-connected disability retirement

Velmea Wisdom addressed the Board, requesting to apply for a disability retirement, as an exception to Plan Section 6.03(g), which provides that a written application for a disability pension must be made not later than 180 days after the date the Member left Active Service. Ms. Wisdom, former police officer, terminated employment with the Department effective January 27, 2007. Her current status is terminated vested.

After discussion, Mr. Shaw made a motion to deny Velmea Wisdom's request to apply for a disability retirement, based on the provisions of Plan Section 6.03(g). Mr. McCollum seconded the motion, which was unanimously approved by the Board.

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10. Open Government current issues

Staff discussed with the Board some recent events with respect to Open Meetings and Open Records laws.

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

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11. TEXPERS resolution

At the recent legislative conference, TEXPERS adopted a resolution in support of defined benefit pension plans for public employees and has asked the chairperson of each member system to sign it.

After discussion, Mr. Shaw made a motion to authorize the chairman to execute the TEXPERS resolution on behalf of the System. Mr. Salinas seconded the motion, which was unanimously approved by the Board.

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The meeting was recessed at 10:42 a.m.

The meeting was reconvened at 10:51 a.m.

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12. Museum Tower quarterly update

Bill Criswell, Principal, and Robert Radovan, Principal, from Criswell Radovan, LLC, presented an update on the Museum Tower Project (“Project”), one of the System’s real estate investments.

Museum Tower is a 42-story, high-rise condominium project located in the heart of the Arts District of Downtown Dallas. The Project broke ground in July of 2010 and is currently under construction. Criswell Radovan, LLC is the System’s representative and advisor facilitating the development of the Project.

After discussion, Mr. Salinas made a motion to receive and file the quarterly update on Museum Tower. Mr. McCollum 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 lost a quorum at 12:10 p.m.

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13. Museum Tower site visit at 2120 Woodall Rodgers Freeway, Dallas, Texas

A site visit was conducted by Messrs. Burgin, Greene, Sughrue, Sanborn, Dilloff, and Ms. Selina Richardson, but a quorum was not present.

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The meeting was reconvened with a quorum at 1:53 p.m.

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14. 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

The Board went into a closed executive session at 1:54 p.m. for a briefing by Messrs. Calhoun and Lawson, the System's outside legal counsel.

The meeting was reopened at 2:15 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

Mr. D. D. Pierce, active Firefighter, addressed the Board with concerns regarding the Texas House Committee on Pensions, Investments and Financial Services.

No motion was made.

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2. Administrator's report

a. Associations' newsletters

- NCPERS Monitor (March 2011)
- TEXPERS Outlook (April 2011)
- TEXPERS Pension Observer (Winter 2011)

b. Future continuing education and investment research programs and conferences

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

Mr. Wachsman 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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The Administrator stated that there was no further business to come before the Board. On a motion by Mr. Shaw and a second by Mr. Salinas, the meeting was adjourned at 2:15 p.m.

[signature]

George J. Tomasovic
Chairman

ATTEST:

[signature]

Richard L. Tettamant
Secretary

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