

Dallas Police and Fire Pension System
Thursday, August 11, 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, David A. Neumann, Richard A. Salinas, George J. Tomasovic, Steven H. Umlor, Richard H. Wachsman, Thomas White, Daniel W. Wojcik

Absent: None

Staff

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

Others

Gary Lawson, Richard Brown, Martin Rosenberg, Fred Katani

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

The meeting was reconvened at 10:50 a.m.

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A. CONSENT AGENDA

1. Approval of Minutes

Regular meeting of July 14, 2011

2. Approval of Refunds of Contributions for the Month of July 2011

3. Approval of Activity in the Deferred Retirement Option Plan (DROP) for August 2011

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- 4. Approval of Estate Settlements**
- 5. Approval of Survivor Benefits**
- 6. Approval of Service Retirements**
- 7. Approval of Payment of Military Leave Contributions**

After discussion, Mr. Umlor made a motion to approve the items on the Consent Agenda, subject to the final approval of the Administrator. Mr. Mays 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. Reports and recommendations of The Townsend Group, real estate investment consultants**
 - a. Quarterly real estate investment performance report for the first quarter ended March 31, 2011
 - b. Real estate market update

Richard Brown, Principal, and Martin Rosenberg, Principal, from The Townsend Group, the System's real estate investment consultant, were present and discussed the first quarter real estate performance report. Additionally, they updated the Board on current real estate market conditions.

After discussion, Mr. Wachsman made a motion to receive and file the reports and recommendations from the Townsend Group, real estate investment consultants. Mr. Mays seconded the motion, which was unanimously approved by the Board.

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The meeting was recessed at 11:40 a.m.

The meeting was reconvened at 12:17 p.m.

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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. Wachsman 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 12:59 p.m.

The meeting was reconvened at 1:35 p.m.

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3. Possible revisions to the following Board policies

- a. Policy Against Sexual Harassment
- b. System Employee Personnel Policy

After discussion, Mr. Umlor made a motion to accept the recommendation of the Administrative and Audit Advisory Committee (AAAC) to approve the revised Policy Against Sexual Harassment and Retaliation, subject to the final review and approval of the Administrator and legal counsel. Mr. Wojcik seconded the motion, which was unanimously approved by the Board.

After discussion, Mr. Umlor made a motion to accept the recommendation of the AAAC to approve the revised System Employee Personnel Policy, subject to the final review and approval of the Administrator and legal counsel. Mr. Salinas seconded the motion, which was unanimously approved by the Board.

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4. Administrative and Professional Services Budgets review for the first six months of Calendar Year 2011

The Calendar Year 2011 Administrative and Professional Services Budgets detailing expenditures for the first six months of the calendar year were presented and discussed at the AAAC at its meeting on this date. Actual

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4. Administrative and Professional Services Budgets review for the first six months of Calendar Year 2011, continued

overall expenses for the combined Administrative and Professional Services budgets, net of expenses allocated to the Supplemental Plan, are approximately 5.3% under the prorated 6-month budgets. Further detail is included in the minutes of the AAAC meeting for August 11, 2011.

After discussion, Mr. Wachsman made a motion to accept the AAAC recommendation to receive and file the six-month budget review and approve an adjustment of \$70,000 for actuarial expenses and \$30,000 for election services expenses to the 2011 professional services budget. Mr. Mays seconded the motion, which was unanimously approved by the Board.

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5. Pension-related legislative issues

- a. Hillco Partners - client advisory on federal and state 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. Wachsman made a motion to receive and file the reports on pension-related legislative issues. Mr. Mays seconded the motion, which was unanimously approved by the Board.

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6. Legislative update

Staff reviewed the legislation adopted during the last legislative session having a material impact upon the System. The Board and staff discussed Open Records and Confidentiality of Member Information.

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

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7. 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. Plan amendment

- a. No report was given on the pay lawsuits. No motion was made.
- b. After discussion of plan amendment legal issues, Mr. Salinas made a motion to receive and file the discussion. Mr. Mays seconded the motion, which was unanimously approved by the Board.

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8. 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:** NCPERS Executive Board Meeting
Dates: July 14-17, 2011

Messrs. Wachsman, Tettamant

- b. **Video Training:** Open Meetings Act, Public Information Act
Date: July 15, 2011

Mr. Wojcik

- c. **Conference:** Pension Issues Meeting
Date: July 19, 2011

Messrs. Tomasovic, Rohan, Mond

- d. **Conference:** Society of Pension Professionals Meeting
Date: July 19, 2011

Messrs. Friar, Wojcik

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

- e. Conference:** Investment Research: RMK and Lawson Consulting
Dates: July 19-23, 2011

Messrs. Allen, Tettamant, Taylor, Elass

- f. Conference:** Meeting w/Hillco Partners: "Pension Issues"
Dates: July 25, 2011

Mr. Tomasovic

- h. Conference:** TEXPERS Educational Forum
Dates: August 6-9, 2011

Messrs. Friar, Mays, Tomasovic, Umlor, Salinas, Wachsman, White, Wojcik, Tettamant, Taylor, Rohan, Blake, Mond, Scoggins

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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9. Annual Board/Staff Workshop to be held on October 24 - 27, 2011

The Board and staff discussed the annual workshop plans.

After discussion, Mr. Salinas made a motion to receive and file the Annual Board/Staff Workshop plans. Mr. Mays seconded the motion, which was unanimously approved by the Board.

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10. Revisions to the Investment Implementation Policy

Proposed revisions to the Investment Implementation Policy were presented and discussed at the Investment Advisory Committee (IAC) at its meeting on this date.

After discussion, Mr. Umlor made a motion to accept the recommendation of the IAC to approve the revised Investment Implementation Policy, subject to the final approval of the Administrator and legal counsel. Mr. Salinas seconded the motion, which was unanimously approved by the Board.

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C. BRIEFING ITEMS

1. Reports and concerns of active members and pensioners of the Dallas Police and Fire Pension System

Fred Katani, Active Police Officer, addressed the Board with supportive statements regarding the Board's management of the Pension System.

Mr. Salinas made a motion to receive and file Mr. Katani's comments. Mr. Mays seconded the motion, which was unanimously approved by the Board.

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2. Administrator's report

- a. Associations' newsletters**
 - NCPERS Monitor (July 2011)
 - TEXPERS Outlook (August 2011)
 - TEXPERS Pension Observer (Summer 2011)
- 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. Umlor and a second by Mr. Salinas, the meeting was adjourned at 2:13 p.m.



George J. Tomasovic
Chairman

ATTEST:



Richard L. Tettamant
Secretary