

Dallas Police and Fire Pension System
Thursday, October 13, 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, David A. Neumann, Richard A. Salinas, George J. Tomasovic, Steven H. Umlor, Richard H. Wachsmen, Thomas White, Dan Wojcik

Absent: John M. Mays

Staff

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

Others

Gus Fields, Wayne Antrobus, W. B. Wilson, Fred Katani, Mike Barrett, E. R. Dresser, Dr. Kneeland Youngblood, Joseph Acevedo, Bill Criswell, Robert Radovan, Scott Dilloff

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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

Regular meeting of September 8, 2011

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

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

4. Approval of Estate Settlements

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- 5. Approval of Survivor Benefits**
- 6. Approval of Service Retirements**
- 7. Approval of Alternate Payee Benefits**

After discussion, Mr. Wachsman made a motion to approve the items on the Consent Agenda, subject to the final approval of the Administrator. Mr. Umlor 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. Pharos Capital Group, LLC

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

Dr. Kneeland Youngblood, Co-founder and Managing Partner, and Mr. Joseph Acevedo, Vice President, of Pharos Capital Group, LLC, were present to discuss an organizational update and review the status of the existing portfolio and plans for future activities with regard to that portfolio.

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

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3. Annual adjustments for pensioners and survivors to be effective October 1, 2011

Mr. Tettamant stated that the Combined Pension Plan, Section 6.12, provides for an automatic adjustment to base benefits being paid as of October 1 of each year to Active DROP Participants and Pensioners who first became Members of the System before January 1, 2007, and who:

- Enrolled in DROP or retired under Sections 6.01(e) or Section 6.02
- Were granted a disability pension under Subsection 6.04, other than Section 6.04(b), and periodic disability compensation under Section 6.05(b) (other than the last sentence of Subsection 6.05(b))

The adjustment is also payable to the survivors of each group above.

Active DROP Participants and Retired Members who first became Members of the System on or after January 1, 2007, are not eligible for the automatic benefit adjustment. The Board may determine each year whether and at what percentage to provide an ad hoc adjustment to benefit recipients in this group. The Board received a statement from the System's actuary that an ad hoc adjustment would not impair the System's ability to meet future benefit accrual liabilities.

Old Plan Pensioners, except as provided above, and minimum benefit recipients are not eligible to receive the annual adjustment increase. No general pay increase has been granted by the Dallas City Council; therefore, there is no increase to the pension of Members retired under Section 6.01(b), 6.04(b) and 6.05(b) - Group A (formerly Old Plan) or their survivors.

After discussion, Mr. Wachsman made a motion to approve the annual adjustment effective October 1, 2011, and grant an ad hoc annual adjustment of 4% to the one retired member who first became a Member of the System on or after January 1, 2007. Mr. Umlor seconded the motion, which was unanimously approved by the Board.

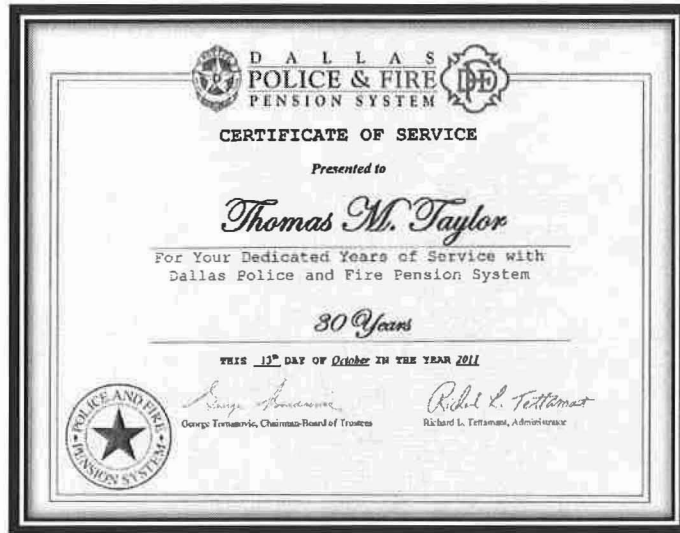
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4. Employee recognition – Third Quarter 2011

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

- a. Mr. Tomasovic, Chairman, and Mr. Tettamant, Administrator, presented an Employee Service Award to Mike Taylor, Chief Financial Officer, for thirty years of service to the City of Dallas and the System.



- b. Messrs. Tomasovic and Tettamant presented a performance award for Employee of the Quarter, Third Quarter 2011, to Annette Matthews, Retirement Benefits Counselor.



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4. Employee recognition – Third Quarter 2011 (continued)

After discussion, Mr. Salinas 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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5. First reading of the 2012 Administrative and Professional Services Budgets

Mr. Tettamant stated that the Administrative and Professional Services Budgets for Fiscal Year 2012 were presented to the Board for review and comment at the September 8, 2011, meeting of the Board. The Board authorized the first reading of the budgets to be presented at the October 13, 2011, Board meeting.

No changes have been made to the budgets as presented at the September 8 meeting of the Board.

The Board went into a closed executive session – personnel at 9:13 a.m.

The meeting was reopened at 9:45 a.m.

After discussion, Mr. Umlor made a motion to approve the first reading of the Fiscal Year 2012 Administrative and Professional Services Budgets and to authorize the second reading to be presented at the November 10, 2011 Board meeting. Mr. Wachsman seconded the motion, which was unanimously approved by the Board.

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The meeting was recessed at 9:45 a.m.

The meeting was reconvened at 9:54 a.m.

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6. Museum Tower quarterly update

Bill Criswell, Principal, Robert Radovan, Principal, and Scott Dilloff, Director of Finance and Planning, from Criswell Radovan, LLC, were present and updated the Board on the Museum Tower Project, one of the System's real estate investments in Dallas.

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6. Museum Tower quarterly update

After discussion, Mr. Salinas made a motion to receive and file the Museum Tower quarterly update. Mr. Umlor 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. Conference:** Texans for Secure Retirement Meeting
Date: September 20, 2011

Messrs. Tomasovic, Rohan

- b. Conference:** IFEBP: Wharton Advanced Investments Management
Dates: September 12-15, 2011

Mr. Tomasovic

- c. Conference:** IMN: Alternative Investments Summit
Dates: September 18-20, 2011

Messrs. Wojcik, White

- d. Conference:** Society of Pension Professionals Meeting
Dates: September 20, 2011

Mr. Friar

- e. Conference:** NCPERS Public Safety Employees Conference
Dates: October 9-12, 2011

Messrs. Allen, Friar, Neumann, Salinas, Umlor, Wachsman, White, Wojcik, Tettamant

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

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8. Annual Board/Staff Workshop to be held on October 24 – 27, 2011

The Board and staff discussed the annual workshop plans.

No motion was made.

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9. 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. Litigation in Denmark

After discussion, Mr. Wachsman made a motion to receive and file the legal briefing. Mr. White 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

Michael Barrett and Fred Katani, Active Members, spoke to the Board.

Mr. Salinas made a motion to receive and file the comments by Messrs. Barrett and Katani. Mr. Umlor seconded the motion, which was unanimously approved by the Board.

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2. Administrator's report

- a. Associations' newsletters
 - NCPERS Monitor (September/October 2011)
 - TEXPERS Outlook (October 2011)
- b. Future continuing education and investment research programs and conferences

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

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2. Administrator's report (continued)

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. Friar, the meeting was adjourned at 11:40 a.m.

[signature]

George J. Tomasovic
Chairman

ATTEST:

[signature]

Richard L. Tettamant
Secretary