

Dallas Police and Fire Pension System
Thursday, January 12, 2012
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, Scott Griggs, Delia D. Jasso, Sheffield Kadane, John M. Mays, Richard A. Salinas, George J. Tomasovic, Steven H. Umlor, Richard H. Wachsman, Thomas White, Dan Wojcik

Absent: None

Staff

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

Others

Steven G. Shaw, Fred Katani, W. B. Wilson, Wayne Antrobus, Leroy Quigg, Andrew D. Litz, Brian Schiller, Debbie Branton, Luke Lawrence, Jana Brewster, Joe Azelby, John Ide, Bob Pease, Sheila Asher, Alex Leonard, Eric Calhoun, Arthur Hollingsworth, John McGuire, Ellen Billings

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

The meeting was reconvened at 9:29 a.m.

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A. CONSENT AGENDA

1. Approval of Minutes

Regular meeting of December 8, 2011

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- 2. Approval of Refunds of Contributions for the Month of December 2011**
- 3. Approval of Activity in the Deferred Retirement Option Plan (DROP) for January 2012**
- 4. Approval of Estate Settlements**
- 5. Approval of Survivor Benefits**
- 6. Approval of Service Retirements**
- 7. Approval of Five-Year Certificates for the Fourth Quarter 2011**
- 8. Approval of Payment of Military Leave Contributions**

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. JPMorgan Chase & Co

- a. Company overview including local activities**
- b. JPMorgan Asset Management - status of existing portfolio and plans for future activities with regard to that portfolio**

Joe Azelby, Head of Global Real Assets, John Ide, Client Advisor, Bob Pease, Client Portfolio Manager, Sheila Asher, Senior Relationship Manager, and Alex Leonard, Executive Director, the representatives from JPMorgan Chase & Co, presented a company overview including local activities in Texas. The team also provided a review on the status of the existing portfolio and plans for future activities with regard to that portfolio.

After discussion, Mr. Salinas made a motion to receive and file the reports from JPMorgan Chase & Co. Mr. Wojcik seconded the motion, which was unanimously approved by the Board.

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2. Closed Session - Board serving as Medical Committee

Discussion of the following disability application and recall will be closed to the public under the terms of Section 551.078 of the Texas Government Code:

- a. Disability application of Andrew D. Litz, Police, Off-Duty
- b. Disability recall of Kari D. Brannan, Fire, On-Duty

The Board went into closed executive session – legal at 10:43 a.m.

The meeting was reopened at 11:04 a.m.

- a. After discussion, Mr. Mays made a motion to **grant** Andrew D. Litz an off-duty, Combined Pension Plan, Group B disability benefit, subject to the System's right under the Board-approved disability recall procedure to require Mr. Litz to undergo future medical examination(s) to determine if the disability still exists or if recovery has been made to the point that Mr. Litz is able to return to duty, or **two years**, whichever is sooner, and waive the 90 day waiting period for the start of pension payment. Mr. Litz is subject to the Annual Earnings Test Review as he was hired and suffered a disability after May 1, 1990. Mr. Friar seconded the motion, which was unanimously approved by the Board.
- b. After discussion, Mr. Wachsman made a motion to **grant** continuance of Kari Brannan'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. Brannan to undergo future medical examination(s) to determine if the disability still exists or if recovery has been made to the point that Ms. Brannan is able to return to duty, or **two years**, whichever is sooner. Ms. Brannan is subject to the Annual Earnings Test Review as she was hired and suffered a disability after May 1, 1990. Mr. Salinas seconded the motion, which was unanimously approved by the Board, except that Mr. Friar abstained from voting.

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3. Request from Jana Brewster, City of Dallas Park Ranger

Mr. Tettamant explained that Ms. Brewster is a Park Ranger with the City of Dallas. The Park Ranger (Police) classification does not meet the qualifications of the sworn police classification series and, therefore, Park Rangers are not eligible for membership in the Dallas Police and Fire Pension System. Instead, they participate in the City of Dallas Employees' Retirement Fund (ERF).

Ms. Brewster asked the Board to permit her to become a member of the System under the Plan rules in existence before March 1, 2011 when she transitions to a police officer position.

After discussion, Mr. Kadane made a motion to direct the Staff to determine whether the Plan allows for Jana Brewster to be treated as a member prior to March 1, 2011 and, if the Plan so allows, then to provide for such treatment without further action of the Board. Mr. Umlor seconded the motion, which was unanimously approved by the Board.

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4. Texas Open Meetings Act

Mr. Mond stated that the Attorney General of Texas has issued the first opinion specifically indicating that emails between trustees relating to the business carried on by a board can constitute verbal exchanges so that these emails could cause a public meeting to be held in violation of the Open Meetings Act.

After discussion, Mr. Wachsman made a motion to receive and file the reports on the Texas Open Meetings Act. Mr. Mays seconded the motion, which was unanimously approved by the Board.

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The meeting was recessed at 11:29 a.m.

The meeting was reconvened at 12:00 p.m.

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5. 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 – legal at 12:00 p.m.

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

No motion was made.

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6. Pension-related legislative issues

- a. Hillco Partners - client advisory on state and local legislative issues
- b. Locke Lord LLP – client advisory on federal and state legislative issues

The Board and staff discussed legislative issues.

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.

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7. Employee recognition – Fourth Quarter 2011

- a. Employee of the Quarter award
 - b. The William G. Baldree Employee of the Year Award
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- a. The Chairman presented a performance award for Employee of the Quarter, Fourth Quarter 2011, to Christina Wu, Investment Analyst.
 - b. The Chairman presented the William G. Baldree Employee of the Year Award for 2011 to Christina Wu, Investment Analyst. The Employee of the Year is chosen from among the four Employee of the Quarter Award recipients for the year.

After discussion, Mr. Wachsman made a motion to receive and file the employee recognition selections. Mr. Umlor seconded the motion, which was unanimously approved by the Board.

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8. 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. Umlor 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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9. 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:** IIR: Public Fund Boards Forum
Dates: December 11-13, 2011

Mr. White

- b. **Conference:** North Texas Opportunity Fund: Annual Partners' Meeting
Dates: December 14, 2011

Messrs. Neumann, Umlor, Wojcik

- c. **Conference:** Society of Pension Professionals Meeting
Dates: December 20, 2011

Messrs. Friar, White, Wojcik, Tettamant

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

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10. Lone Star Investment Advisors

Arthur Hollingsworth, Managing Partner, John McGuire, Managing Director, and Ellen Billings, Chief Financial Officer, of Lone Star Investment Advisors, were present to give the System a ceremonial check representing proceeds from the sale of a recent portfolio investment.

Mr. Salinas made a motion to receive and file the presentation by Lone Star Investment Advisors. Mr. Umlor 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

Active Members, Fred Katani and Steven G. Shaw, made statements to the Board regarding their issues of concern.

Mr. Salinas made a motion to receive and file the 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 (December 2011)
 - TEXPERS Outlook (December 2011)
- b.** Future continuing education and investment research programs and conferences

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

Mr. Umlor 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. Umlor and a second by Mr. Friar, the meeting was adjourned at 1:05 p.m.

[signature]

George J. Tomasovic
Chairman

ATTEST:

[signature]

Richard L. Tettamant
Secretary