

Dallas Police and Fire Pension System
Thursday, March 8, 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, 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: Scott Griggs

Staff

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

Others

Ed Dresser, Rector McCollum, Luke Lawrence, Andrew Litz, Gary Lawson

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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 February 9, 2012

2. Approval of Refunds of Contributions for the Month of February 2012

3. Approval of Activity in the Deferred Retirement Option Plan (DROP) for March 2012

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**
- 8. Approval of Payment of Military Leave Contributions**

After discussion, Mr. Salinas made a motion to approve the items on the Consent Agenda, subject to the final approval of the Administrator. Mr. Wachsman 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. Buck Consultants, Inc.

Organizational update

Mr. Tettamant stated that Buck Consultants has announced the resignation of Ryan Falls from the team that provides actuarial consulting services to the System. Buck had announced the departure of Rich Mackesey from Buck in September 2011.

After discussion, Mr. Wachsman made a motion to continue the contract with Buck Consultants through the completion of the January 1, 2012, actuarial valuation and direct staff to monitor the performance of the contract and report back to the board at a later date for possible reevaluation. Mr. Allen seconded the motion, which was unanimously approved by the Board.

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2. Buck Consultants, Inc.

Recommendation regarding actuarial assumptions

Ryan Falls of Buck Consultants, Inc., attended the February 9, 2012, Actuarial Funding Committee meeting to present projected funding results for the System as of January 1, 2012, based on preliminary investment return, contribution and benefit payment information.

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2. Buck Consultants, Inc. (continued)

Mr. Falls also discussed the economic and demographic actuarial assumptions adopted by the Board. Mr. Falls recommended the Board adopt a change in the demographic assumption for determining post-retirement mortality. The change is necessary in order to comply with actuarial standards requiring a margin in the assumption for mortality improvement.

After discussion, Mr. Mays made a motion to adopt the RP-2000 Combined Healthy Mortality table improved in accordance with Scale AA from the year 2000 as the System's actuarial assumption for post-retirement mortality. Mr. Umlor seconded the motion, which was unanimously approved by the Board.

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3. Contract for custodial bank services

The System has engaged JPMorgan Chase Bank as custodian for the System's assets since August of 2002. Those services include asset custody, securities lending, cash management, fund unitization, and accounting. The Board requested that staff review an outside competitor and that review has been completed.

After discussion, Mr. Wachsman made a motion to authorize the Administrator to continue the custody and related services contract with JPMorgan Chase Bank with any changes that the Administrator may deem appropriate. Mr. Salinas seconded the motion, which was unanimously approved by the Board.

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4. Bridgewater Associates, LP

Organizational update

Staff reported to the Board regarding organizational changes at Bridgewater Associates, LP.

After discussion, Mr. Wachsman made a motion to receive and file the Bridgewater organizational update. Mr. Mays 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. Performance report unaudited draft
- c. 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. Umlor seconded the motion, which was unanimously approved by the Board.

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The meeting was recessed at 9:44 a.m.

The meeting was reconvened at 9:55 a.m.

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6. Pension-related legislative issues

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

The Board and staff discussed legislative issues.

After discussion, Mr. Wachsman 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. 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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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:** Highland Capital Management: Annual Investor Summit
Dates: February 9-10, 2012

Messrs. Friar, Kadane, Salinas, Tomasovic, Umlor, Wojcik, Tettamant, Taylor

- b. Conference:** Pension Trustee Round Up
Dates: February 27-28, 2012

Mr. Wachsman

- c. Conference:** RREEF Real Estate Client Conference
Dates: February 28-29, 2012

Messrs. Friar, Umlor

- d. Conference:** Texans for Secure Retirement Meeting
Dates: March 2, 2012

Messrs. Tomasovic, Rohan

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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9. Reconsideration of status of disability pension granted to Andrew Litz

The Board went into closed executive session – medical at 9:56 a.m.

The meeting was reopened at 9:59 a.m.

After discussion, Mr. Umlor made a motion to approve a change in the status of the disability pension granted to Andrew Litz at the January 10, 2012 Board meeting from a regular disability benefit (off-duty) to a service-connected disability (on-duty). Mr. Wachsman seconded the motion, which was unanimously approved by the Board.

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10. Robert Harrell, Inc.

Staff demonstrated the new investment tracking software that is being implemented.

After discussion, Mr. Wachsman made a motion to receive and file the presentation. Mr. Mays 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

No active members or pensioners requested to address the Board with concerns.

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2. Administrator's report

- a. Associations' newsletters
 - NCPERS PERSist (Winter 2012)
 - TEXPERS Outlook (February 2012)
 - TEXPERS Outlook (March 2012)
- 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 11:08 a.m.

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George J. Tomasovic
Chairman

ATTEST:

[signature]

Richard L. Tettamant
Secretary

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