

**Dallas Police and Fire Pension System**  
**Thursday, April 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, Ryan Wagner, Christina Wu, Greg Irlbeck, Linda Rickley

**Others**

Gary Lawson, Charlie Kodatt, Will Harrell, Jerry Kelso, Beverly Shealy, Wayne Antrobus, Ed Dresser, Cathryn Lafitte

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The meeting was called to order and recessed at 8:31 a.m.

The meeting was called to order at 8:45 a.m.

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**A. CONSENT AGENDA**

**1. Approval of Minutes**

- a. Regular meeting of March 8, 2012
- b. Special meeting of March 8, 2012

**2. Approval of Retired Member Returning to Active Service, Section 6.02 Group B**

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**A. CONSENT AGENDA (continued)**

- 3. Approval of Refunds of Contributions for the Month of March 2011**
- 4. Approval of Activity in the Deferred Retirement Option Plan (DROP) for April 2012**
- 5. Approval of Estate Settlements**
- 6. Approval of Survivor Benefits**
- 7. Approval of Service Retirements**
- 8. Approval of Alternate Payee Benefits**
- 9. Approval of Five-Year Certificates for the First Quarter 2012**
- 10. 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. Audit report schedule**

Mr. Taylor reported during the meeting of the Administrative and Audit Advisory Committee (AAAC) meeting on this date that System staff provided the System's external auditor, MFR, PC, with preliminary information in preparation for this year's audit. The field work and report schedule is as follows:

May 7-18 On-site  
June 14 Report to Board of Trustees

The engagement principal for the audit is Elissa Posway.

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

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**2. 2011 Calendar Year-End Close Review of the Administrative and Professional Services Budgets for the year ended December 31, 2011**

During the Administrative and Audit Advisory Committee (AAAC) meeting on this date, Mr. Rohan reviewed expenses for 2011, reporting that the Administrative and Professional Services Budget for 2011 expenses net of investment management fees totaled \$6,667,890. This is 14.74% less than budgeted and represents approximately 22 basis points against total assets under management as of December 31, 2011. A preliminary review reports investment manager fees of \$31,605,288, approximately 4.37% under the amount budgeted, and about 106 basis points on assets under management as of December 31, 2011.

After discussion, Mr. Wachsman made a motion to accept the recommendation of the AAAC to receive and file the 2011 Calendar Year-End Close Review of the Administrative and Professional Services budgets. Mr. Umlor seconded the motion, which was unanimously approved by the Board.

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**3. 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. Umlor seconded the motion, which was unanimously approved by the Board.

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**4. Employee recognition – First Quarter 2012**

- a. Employee Service Awards
  - b. Employee of the Quarter Award
- a. Mr. Tomasovic, Chairman, and Mr. Tettamant, Administrator, presented Employee Service Awards to Ann Matthews, Retirement Benefits Counselor, for five years of service, to Patricia McGennis, Benefits Manager, for ten years of service, and to Carol Huffman, Executive Secretary, for thirty-five years of service to the City of Dallas and the Pension System.

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4. Employee recognition – First Quarter 2012 (continued)



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**4. Employee recognition – First Quarter 2012 (continued)**



- b. Mr. Tomasovic and Mr. Tettamant presented a performance award for Employee of the Quarter, First Quarter 2012, to Jerry Chandler, Systems Analyst.



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**4. Employee recognition – First Quarter 2012 (continued)**

After discussion, Mr. Umlor 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. 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 legal issues briefing was given. No motion was made.

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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:** Oaktree Conference  
**Dates:** March 14-15, 2012

Messrs. Salinas, Umlor

- b. Conference:** Society of Pension Professionals  
**Dates:** March 20, 2012

Messrs. White, Wojcik

- c. Conference:** TEXPERS Annual Conference  
**Dates:** March 25-28, 2012

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

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

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**7. Robert Harrell, Inc.**

Will Harrell, Senior Vice President of Robert Harrell, Inc., Jerry Kelso, Chief Technologist, and Beverly Shealy, Senior Technologist, both with EMA Softech, joined with Staff in presenting the new Property Reporting System (PRS) to the Members of the Board of Trustees.

After discussion, Mr. Umlor 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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The meeting was recessed at 9:57 a.m.

The meeting was reconvened at 10:11 a.m.

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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. Performance report unaudited draft
- c. 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. Mays seconded the motion, which was unanimously approved by the Board.

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**9. Request by Cathryn Lafitte for consideration of disability retirement**

Cathryn Lafitte, former police officer, spoke to the Board to request that she be permitted to apply for a disability, though her request was received more than 180 days after she left Active Service.

The Board went into a closed executive session – legal at 10:44 a.m.

The meeting was reopened at 10:55 a.m.

The Board directed the Administrator to further study Cathryn Lafitte's request to apply for a disability retirement.

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**10. Approval of extension of duration of North Texas Opportunity Fund LP**

Mr. Tettamant stated that the North Texas Opportunity Fund LP, one of the System's private equity investments, is approaching the expiration of the second one-year extension of the fund on May 10, 2012. The manager requests that the System consent to a one-year extension in order to wind down the remaining assets in the fund and maximize investors' return.

After discussion, Mr. Umlor made a motion to approve the one-year extension of duration of North Texas Opportunity Fund LP, subject to successful contract negotiations, and the final approval of the Administrator and legal counsel, and authorize the Administrator to perform all necessary acts and exercise all appropriate discretion to consummate and execute the contract amendment. 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**

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

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**2. Administrator's report**

- a. Associations' newsletters
  - TEXPERS Outlook (April 2012)
- b. Future continuing education and investment research programs and conferences
- c. DROP-Trusts

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

Mr. Salinas made a motion to receive and file the Administrator's Report. Mr. Umlor 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. Mays, the meeting was adjourned at 11:03 a.m.

*[signature]*

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George J. Tomasovic  
Chairman

**ATTEST:**

*[signature]*

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Richard L. Tettamant  
Secretary

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