

**Dallas Police and Fire Pension System**  
**Thursday, May 17, 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, Sheffield Kadane, John M. Mays, Richard A. Salinas, George J. Tomasovic, Steven H. Umlor, Richard H. Wachsman, Thomas White, Dan Wojcik

Absent: Delia D. Jasso

**Staff**

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

**Others**

Gary Lawson, David Driscoll, David Kent, Pat McDonald, Scott Mallonee, Richard Brown, Marcy S. Harris, Todd Rittenhouse, Dan Philps, Nedra Hadley, Steve Smith, Eric Calhoun, Charlie Kodatt, J. S. Parnell, Greg Holliday, Ron Waldrop

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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**

- a. Quarterly meeting of April 10, 2012
- b. Regular meeting of April 12, 2012
- c. Special meeting of April 19, 2012

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

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- 3. Approval of Refunds of Contributions for the Month of April 2012**
- 4. Approval of Activity in the Deferred Retirement Option Plan (DROP) for May 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 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. Salinas 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 Buck Consultants, Inc., including, but not limited to:**
  - a. Company update
  - b. 2011 actuarial valuation
- a. David Driscoll, David Kent, Pat McDonald, and Scott Mallonee, of Buck Consultants, Inc, the Systems actuary, reviewed changes to the firm and its representation of the System.
- b. The Buck team presented and discussed the actuarial valuation report for the Plan as of January 1, 2012.

After discussion, Mr. Umlor made a motion to receive and file the company update and the January 1, 2012, Actuarial Valuation Report. Mr. Salinas seconded the motion, which was unanimously approved by the Board.

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The meeting was recessed at 9:10 a.m.

The meeting was reconvened at 9:21 a.m.

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**2. Reports and recommendations of The Townsend Group, real estate investment consultants**

- a. Quarterly real assets investment performance report for the fourth quarter ended December 31, 2011
- b. Real assets markets update
- c. Central Texas investment update

Richard Brown, Principal, from the Townsend Group, the System's real estate investment consultant, was present and discussed the fourth quarter 2011 real assets performance report.

Additionally, The Townsend Group updated the Board on the current real assets market conditions and the central Texas investment.

The Board went into a closed executive session – real estate at 10:06 a.m.

The meeting was reopened at 10:17 a.m.

After discussion, Mr. Wachsman made a motion to receive and file the reports and recommendations from The Townsend Group. Mr. Wojcik seconded the motion, which was unanimously approved by the Board.

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The meeting was recessed at 10:17 a.m.

The meeting was reconvened at 10:30 a.m.

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**3. 2011 audit update**

Mr. Taylor discussed the progress of the 2011 financial audit, stating that the audit team from MFR, PC, arrived on site Monday, May 7, and are scheduled to complete the field work portion of the audit on Friday, May 18, 2012. The audit is on schedule to be presented to the Board at its June 2012 regular meeting.

After discussion, Mr. Wachsman made a motion to receive and file the 2011 audit update. Mr. Salinas seconded the motion, which was unanimously approved by the Board.

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**4. 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 Marcy Harris, Firefighter
- b. Disability recall of Anthony Platt, retired Firefighter

The Board went into a closed executive session – medical at 10:31 a.m.

The meeting was reopened at 10:35 a.m.

- a. After discussion, Mr. Wachsman made a motion to **grant** Marcy S. Harris an on-duty, Combined Pension Plan, Group B disability benefit, **waive** the 90-day waiting period for the start of pension payment, and waive requirement for future recalls. Ms. Harris 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.
- b. After discussion, Mr. Umlor made a motion to **grant** continuance of Anthony Platt'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 Mr. Platt to undergo future medical examination(s) to determine if the disability still exists or if recovery has been made to the point that Mr. Platt is able to return to duty, or **two years**, whichever is sooner. Mr. Platt is subject to the Annual Earnings Test Review as he was hired and suffered a disability after May 1, 1990. Mr. Salinas seconded the motion, which was unanimously approved by the Board.

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**5. Update on request by Cathryn Lafitte for consideration of disability retirement**

The Board went into a closed executive session – legal at 10:40 a.m.

The meeting was reopened at 10:57 a.m.

Mr. Rohan stated that Cathryn Lafitte had appeared before the Board at the April 2012 regular Board meeting to request that the Board waive the 180 day requirement for application for a disability pension. He updated the Board regarding the staff inquiry into the circumstances around her efforts to seek a disability.

No motion was made.

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**6. Mondrian Investment Partners**

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

Todd Rittenhouse, Senior Vice President, and Dan Philps, CFA and Senior Portfolio Manager, of Mondrian Investment Partners Limited, were present and gave an organizational update and portfolio overview to the Board.

After discussion, Mr. Wachsman made a motion to receive and file the reports from Mondrian Investment Partners. Mr. Umlor seconded the motion, which was unanimously approved by the Board.

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The meeting was recessed at 11:30 a.m.

The meeting was reconvened at 12:08 p.m.

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**7. Brandywine Global Investment Management, LLC**

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

Nedra Hadley, Senior Vice President, and Steve Smith, Managing Director, of Brandywine, were present and gave an organizational update and portfolio overview to the Board.

After discussion, Mr. Salinas made a motion to receive and file the reports from Brandywine Global Investment Management, LLC. Mr. Umlor seconded the motion, which was unanimously approved by the Board.

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**8. Investment and financial reports**

- a. Group Trust monthly asset allocation report
- b. Group Trust monthly unitization report
- c. Group Trust performance report unaudited draft
- d. Group Trust unaudited statement of net assets available for benefits

After discussion, Mr. Mays made a motion to receive and file the Group Trust's monthly asset allocation report, the monthly unitization report, the performance report unaudited draft, and the unaudited statements of net assets available for benefits. Mr. Wachsman 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:** Society of Pension Professionals  
**Dates:** April 17, 2012

Messrs. Friar, White, Wojcik

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**9. Staff and Board Members' reports on due diligence meetings, seminars and/or conferences attended (continued)**

- b. Conference:** Merit Energy Partners Meeting  
**Dates:** April 23-24, 2012

Messrs. Mays, White

- c. Conference:** HighQuest: Global AgInvesting Conference  
**Dates:** April 23-25, 2012

Mr. Friar

- d. Conference:** Texans for Secure Retirement Meeting  
**Date:** May 2, 2012

Messrs. Tomasovic, Rohan

- e. Conference:** NCPERS Trustee Educational Seminar (TEDS)  
**Dates:** May 5-6, 2012

Ms. Jasso, Messrs. Allen, Kadane, Tomasovic, Wachsman, White, Wojcik, Tettamant

- f. Conference:** NCPERS Annual Conference  
**Dates:** May 6-10, 2012

Ms. Jasso, Messrs. Allen, Friar, Kadane, Mays, Salinas, Tomasovic, Umlor, Wachsman, White, Wojcik, Tettamant, Taylor, Rohan, Mond

- g. Conference:** NEPC Annual Client Conference  
**Dates:** May 15-16, 2012

Messrs. Friar, Umlor, White, Wojcik

After discussion, Mr. Salinas made a motion to receive and file reports by staff and Board members on due diligence meetings, seminars and/or conferences attended. Mr. Wachsman seconded the motion, which was unanimously approved by the Board.

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**10. 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 and reports from the System’s legislative consultants.

After discussion, Mr. Wachsman made a motion to receive and file the reports on pension-related legislative issues. Mr. White seconded the motion, which was unanimously approved by the Board.

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**11. Museum Tower update**

Mr. Tettamant provided an update on the Museum Tower project, one of the System’s real estate investments.

After discussion, Mr. Wachsman made a motion to receive and file the report on the Museum Tower update. Mr. Mays seconded the motion, which was unanimously approved by the Board.

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**12. Preliminary agenda for the annual Board/Staff Workshop to be held on October 22 – 25, 2012**

The Board and staff discussed preliminary topics for the 2012 annual workshop.

After discussion, Mr. Salinas made a motion to receive and file the discussion of the preliminary agenda for the Board/staff annual workshop. Mr. Umlor seconded the motion, which was unanimously approved by the Board.

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**13. 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 2:04 p.m.

The meeting was reopened at 2:19 p.m.

No motion was made.

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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 member or pensioner requested to address the Board with concerns.

No motion was made.

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**2. Administrator's report**

**a. Associations' newsletters**

- NCPERS PERSist (Spring 2012)
- TEXPERS Pension Observer (Winter 2012)

**b. Future continuing education and investment research programs and conferences**

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

Mr. Friar 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. Friar and a second by Mr. Umlor, the meeting was adjourned at 2:20 p.m.

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George J. Tomasovic  
Chairman

**ATTEST:**

*[signature]*

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Richard L. Tettamant  
Secretary