



**D A L L A S**  
**POLICE & FIRE**  
**PENSION SYSTEM**



**MINUTE SUMMARY**  
**Board Meeting**  
**Thursday, July 12, 2012**

The regular meeting of the Dallas Police Fire Pension System Board of Trustees was held at 8:30 a.m. on Thursday, July 12, 2012, in the Second Floor Board Room at 4100 Harry Hines Blvd., Dallas, Texas. Items of the following agenda were presented to the Board:

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

**A. CONSENT AGENDA**

Approved, subject to the final review and approval of the staff.

**B. DISCUSSION AND POSSIBLE ACTION REGARDING ITEMS FOR INDIVIDUAL CONSIDERATION**

1. The Board discussed Museum Tower options. No motion was made.
2. Approved the second and final reading of the proposed revised Strategic Investment Policy, subject to the final approval of the Administrator.
3. Approved the amendment to the Lone Star Growth Partners Fund agreement, subject to the final approval of the Administrator and legal counsel and authorized the Administrator to execute the amendment.
4. Received and filed the legal issues.
5. Approved the staff recommendation regarding the earnings tests for Thomas E. Devine and Jeffrey D. Livingston.
6. Granted continuance of Jeffrey Livingston'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. Livingston at such time that he is again eligible to receive disability benefit payments under the disability earnings test to undergo future medical examination(s) to determine if the disability still exists or if recovery has been made to the point that he is able to return to duty, or two years, whichever is sooner.
7. Approved publication of the 2011 Annual Report, subject to final review and approval by the Administrator and legal counsel.

**MINUTE SUMMARY**  
**Board Meeting**  
**Thursday, July 12, 2012**

8. Received and filed 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.
9. Received and filed reports by staff and Board members on due diligence meetings, seminars and/or conferences attended.
10. Received and filed reports on pension-related legislative issues.
11. Received and filed the preliminary workshop agenda.

**C. BRIEFING ITEMS**

1. No active members or pensioners requested to discuss concerns with the Board.
2. Received and filed the Administrator's report.

The meeting was adjourned at 10:16 a.m.

**MINUTE SUMMARY**  
**Board Meeting**  
**Thursday, July 12, 2012**

**SUPPLEMENTAL POLICE AND FIRE PENSION BOARD MEETING**

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

The meeting was reconvened at 10:15 a.m.

**A. CONSENT AGENDA**

Approved, subject to the final review and approval of the staff.

**B. DISCUSSION AND POSSIBLE ACTION REGARDING ITEMS FOR INDIVIDUAL CONSIDERATION**

1. Approved publication of summary financial information of the Supplemental Plan with the 2011 Annual Report, subject to final review and approval of the Administrator and legal counsel.
2. Received and filed 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.

The meeting was adjourned at 10:16 a.m.

DALLAS POLICE & FIRE PENSION SYSTEM  
ASSET DISTRIBUTION BY ADVISOR - AS OF May 31, 2012

	NET ASSET VALUE	% OF ASSETS	FUND % OF CLASS
<u>GLOBAL PRIVATE EQUITY</u>			
ASHMORE INVESTMENT MGMT GSSF IV	41,655,010.10	1.4 %	6.6 %
BANKCAP PARTNERS FUND I, LP	16,567,841.06	0.5 %	2.6 %
DPPF HM CAPITAL PARTNERS	33,445,043.45	1.1 %	5.3 %
HUFF ALTERNATIVE FUND LP	37,984,226.22	1.2 %	6.0 %
HUFF ENERGY FUND LP - HUFF ENERGY	137,975,767.37	4.5 %	21.9 %
J P MORGAN ASIAN INFRASTRUCTURE & RE	18,536,797.31	0.6 %	2.9 %
JP MORGAN GLOBAL MARITIME INV FUND	1,945,226.79	0.1 %	0.3 %
JP MORGAN INFRASTRUCTURE INV FUND	34,436,240.18	1.1 %	5.5 %
LBJ INFRASTRUCTURE	17,320,105.75	0.6 %	2.8 %
LEVINE LEICHTMAN CAPITAL PARTNER IV, LLCP DEEP VALUE FUND LP	43,638,835.83	1.4 %	6.9 %
LONE STAR CRA FUND LP	54,850,773.50	1.8 %	8.7 %
LONE STAR FUND VII	13,759,124.00	0.5 %	2.2 %
LONE STAR GROWTH CAPITAL LP	11,505,410.56	0.4 %	1.8 %
LONE STAR OPPORTUNITIES FUND V	24,871,577.98	0.8 %	4.0 %
LONE STAR REAL ESTATE FUND II	5,000,000.00	0.2 %	0.8 %
MERIT PARTNERS LP	9,377,532.32	0.3 %	1.5 %
NORTH TEXAS OPPORTUNITY FUND	27,024,584.84	0.9 %	4.3 %
NTE MOBILITY PARTNERS HOLDINGS LLC	11,035,864.01	0.4 %	1.8 %
PHAROS CAPITAL PARTNERS	18,977,365.54	0.6 %	3.0 %
YELLOWSTONE ENERGY VENTURES	66,629,381.79	2.2 %	10.7 %
	2,606,420.33	0.1 %	0.4 %
*** TOTAL GLOBAL PRIVATE EQUITY ***	629,143,128.93	20.7 %	100.0 %
<u>GLOBAL EQUITY</u>			
BERNSTEIN GLOBAL STRATEGIC VALUE	72,496.28	0.0 %	0.0 %
EAGLE ASSET MANAGEMENT	92,940,126.14	3.1 %	15.7 %
OFI INSTITUTIONAL ASSET MGMT	111,388,607.05	3.7 %	18.8 %
PYRAMIS GLOBAL ADVISORS TRUST CO	215,616,963.39	7.1 %	36.3 %
RREEF REIT	48,052,631.74	1.6 %	8.1 %
TRADEWINDS GLOBAL INVESTORS	307,987.08	0.0 %	0.1 %
WALTER SCOTT & PARTNERS LIMITED	124,607,062.00	4.1 %	21.0 %
*** TOTAL GLOBAL EQUITY ***	592,985,873.68	19.5 %	100.0 %
<u>GLOBAL NATURAL RESOURCES</u>			
ENERGY OPPORTUNITIES CAPITAL MGMT	29,457,804.50	1.0 %	8.5 %
FOREST INVESTMENT ASSOCIATES	38,531,323.50	1.3 %	11.1 %
HANCOCK AGRICULTURAL INVEST FD	96,529,735.07	3.2 %	27.8 %
HUDSON CLEAN ENERGY PARTNERS	19,074,302.60	0.6 %	5.5 %
OAKTREE POWER OPPORTUNITIES FUND III	5,402,390.18	0.2 %	1.6 %
RCM	22,166,512.80	0.7 %	6.4 %
RMK TIMBERLAND GROUP	70,555,170.11	2.3 %	20.4 %
SUSTAINABLE ASSET MANAGEMENT	31,629,888.68	1.0 %	9.1 %
THE MITCHELL GROUP	33,351,678.99	1.1 %	9.6 %
*** TOTAL GLOBAL NATURAL RESOURCES *	346,698,806.43	11.4 %	100.0 %
<u>GLOBAL FIXED INCOME</u>			
ASHMORE EMERGING MARKETS	22,743,055.55	0.7 %	4.6 %
ASHMORE INVESTMENT MANAGEMENT	51,941,352.60	1.7 %	10.6 %
BRANDYWINE ASSET MANAGEMENT	72,260,621.32	2.4 %	14.8 %
HIGHLAND CREDIT OPPS CDO LP - HIGHLA	12,870,246.05	0.4 %	2.6 %
HIGHLAND CRUSADER FUND LP	24,293,318.72	0.8 %	5.0 %
LOOMIS SAYLES & CO	124,878,685.00	4.1 %	25.6 %
MONDRIAN INVESTMENT PARTNERS	69,651,235.84	2.3 %	14.2 %
OCM FUND IV	26,207,196.18	0.9 %	5.4 %
W.R. HUFF HIGH YIELD	84,298,758.14	2.8 %	17.2 %
*** TOTAL GLOBAL FIXED INCOME ***	489,144,469.40	16.1 %	100.0 %
<u>GAA</u>			
BRIDGEWATER ASSOCIATES, INC	92,860,663.44	3.1 %	35.2 %
GMO MULTI-STRATEGY FUND	87,147,861.79	2.9 %	33.1 %
PUTNAM TOTAL RETURN	31,752,196.00	1.0 %	12.1 %
ROBECO TRANSTREND DIVERSIFIED FUND	51,520,682.00	1.7 %	19.6 %
*** TOTAL GAA ***	263,281,403.23	8.7 %	100.0 %
<u>REAL ESTATE</u>			
BENTALL KENNEDY REAL ESTATE	33,947,162.53	1.1 %	4.7 %

DALLAS POLICE & FIRE PENSION SYSTEM  
 ASSET DISTRIBUTION BY ADVISOR - AS OF May 31, 2012

	NET ASSET VALUE	% OF ASSETS	FUND % OF CLASS	ADVISOR % OF CLASS
CDK REALTY ADVISORS	519,601,579.04	17.1 %		71.1 %
CRISWELL RADOVAN	37,199,030.66	1.2 %		5.1 %
DALLAS P & F - REAL ESTATE FUND	65,852,020.15	2.2 %		9.0 %
INVESCO	20,566,788.13	0.7 %		2.8 %
KNUDSON LUXURY HOUSING L & B	37,590,303.64	0.0 %		0.1 %
LAND BARON	37,622,912.05	1.2 %		5.2 %
TRECAP PARTNERS LLC	245,029.07	0.0 %		0.0 %
	14,260,112.91	0.5 %		2.0 %
*** TOTAL REAL ESTATE ***	729,884,938.18	24.0 %		100.0 %
<u>ACCOUNTS IN LIQUIDATION</u>				
BANK OF IRELAND	14,694.17	0.0 %		16.2 %
CLAY FINLAY INC	75,888.29	0.0 %		83.8 %
*** TOTAL ACCOUNTS IN LIQUIDATION ***	90,582.46	0.0 %		100.0 %
<u>CASH/LOAN PROGRAM</u>				
CONTRIBUTION & EXPENSE ACCOUNT				
CONTROL CASH	-10,556,685.36	-0.3 %		103.6 %
LOAN PROGRAM	0.00	0.0 %		0.0 %
DPFP TRANSITION ACCOUNT	371,185.51	0.0 %		-3.6 %
*** TOTAL CASH/LOAN PROGRAM ***	-10,185,499.85	-0.3 %		100.0 %
TOTAL MASTER TRUST	3,041,043,702.46	100.0 %		100.0 %
CITY CONTRIBUTIONS	7,977,063.91			
EMPLOYEE CONTRIBUTIONS	1,818,464.38			
BENEFIT DISTRIBUTIONS	-17,114,826.11			
ADVISORY FEES	-2,541,478.21			

**Dallas Police and Fire Pension System**  
**Thursday, July 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, John M. Mays, Richard A. Salinas, George J. Tomasovic, Steven H. Umlor, Richard H. Wachsman, Thomas White

Absent: Sheffield Kadane, Dan Wojcik

**Staff** Richard Tettamant, Brian Blake, Mike Taylor, Josh Mond, John Holt, Jerry Chandler, Corina Terrazas, Pat McGennis, Larry Landfried, Ryan Wagner, Christina Wu, Mitchell Miller, Linda Rickley

**Others** Gary Lawson, Fred Katani, W. B. Wilson, Wayne Antrobus, George Eaton, Gary Jacobson, Steve McGonigle, Anna Merlan

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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 June 12, 2012
- b. Regular meeting of June 14, 2012
- c. Special meeting of June 15, 2012

**2. Approval of Refunds of Contributions for the Month of June 2012**

**Regular Board Meeting  
Thursday, July 12, 2012**

- 3. Approval of Activity in the Deferred Retirement Option Plan (DROP) for July 2012**
- 4. Approval of Estate Settlements**
- 5. Approval of Survivor Benefits**
- 6. Approval of Service Retirements**
- 7. Approval of Alternate Payee Benefits**
- 8. Approval of Five-Year Certificates for the Second Quarter of 2012**

After discussion, Mr. Umlor 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. Museum Tower options for Board consideration**

The Board went into a closed executive session – real estate and legal at 8:31 a.m.

The meeting was reopened at 9:34 a.m.

No motion was made.

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The meeting was recessed at 9:35 a.m.

The meeting was reconvened at 9:47 a.m.

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**Regular Board Meeting  
Thursday, July 12, 2012**

**2. Possible revisions to the Strategic Investment Policy, second reading**

Mr. Tettamant stated that as part of the Board's regular review and as discussed at the June 12 quarterly meeting with the Board and the consultant,

certain revisions are being proposed for the Strategic Investment Policy. The Strategic Investment Policy was last amended on January 8, 2009. The first reading of the proposed revised Strategic Investment Policy was approved at the June 12, 2012, quarterly meeting.

After discussion, Mr. Wachsman made a motion to approve the second and final reading of the proposed revised Strategic Investment Policy, subject to the final approval of the Administrator. Mr. Umlor seconded the motion, which was unanimously approved by the Board.

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**3. Amendment to the Lone Star Growth Partners Fund agreement**

Mr. Tettamant explained that the General Partner has requested approval for an amendment to the Limited Partnership Agreement of the Fund. The amendment would not increase the System's total capital commitment.

After discussion, Mr. Wachsman made a motion to approve the amendment, subject to the final approval of the Administrator and legal counsel and to authorize the Administrator to execute the amendment. Mr. Salinas seconded the motion, which was unanimously approved by the Board.

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**4. 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. Open records requests
- b. Police Officer and Firefighter pay lawsuits

No closed session was held.

Mr. Tettamant notified the Board that over the last month, the System has received a number of open records requests from the media.



**Regular Board Meeting  
Thursday, July 12, 2012**

**4. Legal issues (continued)**

After discussion, Mr. Salinas made a motion to receive and file the report on open records requests. Mr. Wachsman seconded the motion, which was unanimously approved by the Board.

No discussion was held on the pay lawsuits. No motion was made.

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**5. Approval of Earnings Test**

- a. Thomas E. Devine, Fire
- b. Jeffrey D. Livingston, Police

In accordance with Section 6.03 (k) of the Plan, staff has tested the current disability pension and outside earnings of Jeffrey Livingston, retired Police Officer, and Thomas Devine, retired Firefighter. The disability pension benefit of each is subject to change based on earnings received in 2011.

After discussion, Mr. Wachsman made a motion to approve the staff recommendation regarding the earnings tests for Thomas E. Devine and Jeffrey D. Livingston. Mr. Mays seconded the motion, which was unanimously approved by the Board.

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**6. Closed Session - Board serving as Medical Committee**

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

Disability recall of Jeffrey D. Livingston, retired Police Officer

The Board went into a closed executive session – medical at 9:52 a.m.

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

**Regular Board Meeting  
Thursday, July 12, 2012**

**6. Closed Session - Board serving as Medical Committee (continued)**

After discussion, Mr. Wachsman made a motion to **grant** continuance of Jeffrey Livingston'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. Livingston to undergo future medical examination(s) to determine if the disability still exists or if recovery has been made to the point that he is able to return to duty, or **two years**, whichever is sooner. Mr. Mays seconded the motion, which was unanimously approved by the Board.

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**7. 2011 annual report**

Staff provided a preliminary draft copy of the 2011 Annual Report. On completion, the Annual Report will be distributed to the State Pension Review Board and the City of Dallas and posted on the System's website.

After discussion, Mr. Umlor made a motion to approve publication of the 2011 Annual Report, subject to final review and approval by the Administrator and legal counsel. Mr. Salinas 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. Umlor 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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**Regular Board Meeting  
Thursday, July 12, 2012**

**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  
**Date:** June 19, 2012

Messrs. Friar, White, Wojcik

- b. **Conference:** Terrapinn: The Trading Show Chicago "Quant Invest Chicago"  
**Dates:** June 25-27, 2012

Mr. White

- c. **Conference:** TEXPERS 2012 Commodities and Futures Symposium  
**Dates:** June 28-29, 2012

Messrs. Tomasovic, White

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

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**10. Pension-related legislative issues**

- a. Hillco Partners - legislative update
- b. Locke Lord Bissell & Liddell LLP – legislative update

The Board and staff discussed legislative issues and reports from legislative consultants.

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

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**Regular Board Meeting  
Thursday, July 12, 2012**

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

Staff presented an updated preliminary agenda for the 2012 annual workshop.

After discussion, Mr. Salinas made a motion to receive and file the preliminary workshop agenda. 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 member or pensioner requested to address the Board with concerns.

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**2. Administrator's report**

- a. Associations' newsletters
  - NCPERS Monitor (June/July 2012)
  - NCPERS Washington Update
    - June 15, 2012
    - June 22, 2012
    - June 29, 2012
- 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. Salinas seconded the motion, which was unanimously approved by the Board.

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**Regular Board Meeting  
Thursday, July 12, 2012**

The Administrator stated that there was no further business to come before the Board. On a motion by Mr. Umlor and a second by Ms. Jasso, the meeting was adjourned at 10:15 a.m.

*[signature]*

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George J. Tomasovic  
Chairman

**ATTEST:**

*[signature]*

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Richard L. Tettamant  
Secretary