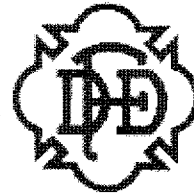




**D A L L A S**  
**POLICE & FIRE**  
**PENSION SYSTEM**



**MINUTE SUMMARY**  
**Board Meeting**  
**Thursday, August 9, 2012**

The regular meeting of the Dallas Police Fire Pension System Board of Trustees was held at 8:30 a.m. on Thursday, August 9, 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. Received and filed the Museum Tower update.
2. Received and filed the Cintra presentation with respect to the System's current investment in the North Tarrant Express project.
3. Received and filed The Townsend Group's quarterly real assets investment performance report for the first quarter ended March 31, 2012, and the real assets markets update.
4. 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.
5. Denied the special request of Bob Hamilton, retired Firefighter.
6. Authorized the Administrator to enter into a contract with Gabriel Roeder Smith (GRS) to conduct a Level II actuarial audit of the January 1, 2012 actuarial valuation of the System at a cost not to exceed \$75,000.

**MINUTE SUMMARY**  
**Board Meeting**  
**Thursday, August 9, 2012**

7. Approved the Plan amendments required for Federal tax compliance in the form presented to the Board. The amendments are purely technical in nature and do not affect benefits or funding of any of the plans. Section 9.01 of the Plan gives the Board the authority to amend the Plan to comply with Federal tax qualification requirements without plan amendment election of the members. Failure to adopt these amendments could have jeopardized the Plan's tax-exempt status.
8. Received and filed reports on pension-related legislative issues.
9. Received and filed reports by staff and Board members on due diligence meetings, seminars and/or conferences attended.
10. No report was given on legal issues. No motion was made.
11. The Chairman and the Assistant Administrator for Operations presented the Employee Service Award for 5 years of service to Aimee Crews, Benefits Counselor, Employee Service Award for 5 years of service to Cynthia Reyes, Administrative Clerk, and the Employee of the Second Quarter 2012 Award to Kristen Holcomb, Administrative Clerk.
12. Received and filed the Administrative and Professional Services Budgets review for the first six months of Calendar Year 2012.

**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 1:11 p.m.

**MINUTE SUMMARY**  
**Board Meeting**  
**Thursday, August 9, 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 1:11 p.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. Authorized the Administrator to enter into a contract with Gabriel Roeder Smith (GRS) to conduct a Level II actuarial audit of the January 1, 2012 actuarial valuation of the Supplemental Plan.
2. Received and filed the Supplemental Plan Budget review for the first six months of Calendar Year 2012.
3. 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 1:12 p.m.

DALLAS POLICE & FIRE PENSION SYSTEM

ASSET DISTRIBUTION BY ADVISOR - AS OF June 30, 2012

	NET ASSET VALUE	FUND % OF ASSETS	ADVISOR % OF CLASS
<b>GLOBAL PRIVATE EQUITY</b>			
ASHMORE INVESTMENT MGMT GSSF IV	38,819,773.07	1.3 %	6.0 %
BANKCAP PARTNERS FUND I, LP	16,707,841.00	0.5 %	2.6 %
DPEP HM CAPITAL PARTNERS	34,058,575.56	1.1 %	5.3 %
HUFF ALTERNATIVE FUND LP	36,859,349.18	1.2 %	5.7 %
HUFF ENERGY FUND LP - HUFF ENERGY	157,693,758.12	5.1 %	24.4 %
J P MORGAN ASIAN INFRASTRUCTURE & RE	18,536,797.31	0.6 %	2.9 %
JP MORGAN GLOBAL MARITIME INV FUND	881,847.32	0.0 %	0.1 %
JP MORGAN INFRASTRUCTURE INV FUND	34,685,162.12	1.1 %	5.4 %
LBJ INFRASTRUCTURE	18,105,590.33	0.6 %	2.8 %
LEVINE LEICHTMAN CAPITAL PARTNER IV,	43,814,776.01	1.4 %	6.8 %
LLCP DEEP VALUE FUND LP	55,241,162.81	1.8 %	8.5 %
LONE STAR CRA FUND LP	13,759,124.00	0.4 %	2.1 %
LONE STAR FUND VII	11,505,410.56	0.4 %	1.8 %
LONE STAR GROWTH CAPITAL LP	24,871,577.98	0.8 %	3.8 %
LONE STAR OPPORTUNITIES FUND V	5,000,000.00	0.2 %	0.8 %
LONE STAR REAL ESTATE FUND II	9,377,532.32	0.3 %	1.4 %
MERIT PARTNERS LP	26,730,325.71	0.9 %	4.1 %
NORTH TEXAS OPPORTUNITY FUND	11,035,864.01	0.4 %	1.7 %
NTE MOBILITY PARTNERS HOLDINGS LLC	19,840,880.07	0.6 %	3.1 %
PHAROS CAPITAL PARTNERS	66,629,381.79	2.2 %	10.3 %
YELLOWSTONE ENERGY VENTURES	2,711,295.33	0.1 %	0.4 %
*** TOTAL GLOBAL PRIVATE EQUITY ***	646,866,024.60	21.0 %	100.0 %
<b>GLOBAL EQUITY</b>			
BERNSTEIN GLOBAL STRATEGIC VALUE	72,514.47	0.0 %	0.0 %
EAGLE ASSET MANAGEMENT	95,193,652.74	3.1 %	16.0 %
OFI INSTITUTIONAL ASSET MGMT	111,222,519.28	3.6 %	18.7 %
PYRAMIS GLOBAL ADVISORS TRUST CO	214,181,069.44	6.9 %	36.0 %
RREEF REIT	50,973,051.20	1.7 %	8.6 %
TRADEWINDS GLOBAL INVESTORS	115,569.14	0.0 %	0.0 %
WALTER SCOTT & PARTNERS LIMITED	123,453,155.57	4.0 %	20.7 %
*** TOTAL GLOBAL EQUITY ***	595,211,531.84	19.3 %	100.0 %
<b>GLOBAL NATURAL RESOURCES</b>			
ENERGY OPPORTUNITIES CAPITAL MGMT	29,398,425.41	1.0 %	8.4 %
FOREST INVESTMENT ASSOCIATES	38,731,327.99	1.3 %	11.1 %
HANCOCK AGRICULTURAL INVEST FD	96,529,735.07	3.1 %	27.7 %
HUDSON CLEAN ENERGY PARTNERS	19,074,302.60	0.6 %	5.5 %
OAKTREE POWER OPPORTUNITIES FUND III	5,402,390.18	0.2 %	1.5 %
RCM	22,672,164.63	0.7 %	6.5 %
RMK TIMBERLAND GROUP	70,555,170.11	2.3 %	20.3 %
SUSTAINABLE ASSET MANAGEMENT	32,722,618.45	1.1 %	9.4 %
THE MITCHELL GROUP	33,491,996.47	1.1 %	9.6 %
*** TOTAL GLOBAL NATURAL RESOURCES *	348,578,130.91	11.3 %	100.0 %
<b>GLOBAL FIXED INCOME</b>			
ASHMORE EMERGING MARKETS	23,983,134.92	0.8 %	4.9 %
ASHMORE INVESTMENT MANAGEMENT	50,702,170.00	1.6 %	10.3 %
BRANDYWINE ASSET MANAGEMENT	74,392,265.37	2.4 %	15.0 %
HIGHLAND CREDIT OPPS CDO LP - HIGHLA	12,957,800.17	0.4 %	2.6 %
HIGHLAND CRUSADER FUND LP	24,293,318.72	0.8 %	4.9 %
LOOMIS SAYLES & CO	128,123,677.16	4.2 %	25.9 %
MONDRIAN INVESTMENT PARTNERS	70,294,745.70	2.3 %	14.2 %
OCM FUND IV	25,364,440.70	0.8 %	5.1 %
W.R. HUFF HIGH YIELD	84,346,159.02	2.7 %	17.1 %
*** TOTAL GLOBAL FIXED INCOME ***	494,457,711.76	16.0 %	100.0 %
<b>GAA</b>			
BRIDGEWATER ASSOCIATES, INC	92,882,177.24	3.0 %	35.2 %
GMO MULTI-STRATEGY FUND	84,555,363.98	2.7 %	32.0 %
PUTNAM TOTAL RETURN	30,277,694.00	1.0 %	11.5 %
ROBECO TRANSTREND DIVERSIFIED FUND	56,285,154.50	1.8 %	21.3 %
*** TOTAL GAA ***	264,000,389.72	8.6 %	100.0 %
<b>REAL ESTATE</b>			
BENTALL KENNEDY REAL ESTATE	34,268,928.97	1.1 %	4.6 %

DALLAS POLICE & FIRE PENSION SYSTEM  
ASSET DISTRIBUTION BY ADVISOR - AS OF June 30, 2012

	NET ASSET VALUE	% OF ASSETS	FUND % OF CLASS	ADVISOR % OF CLASS
CDK REALTY ADVISORS	519,184,244.36	16.8 %		69.6 %
CRISWELL RADOVAN	38,286,060.09	1.2 %		5.1 %
DALLAS P & F - REAL ESTATE FUND	65,433,416.33	2.1 %		8.8 %
INVESCO	20,569,993.13	0.7 %		2.8 %
KNUDSON LUXURY HOUSING	20,590,303.64	0.0 %		0.1 %
L & B	32,122,926.48	1.0 %		4.3 %
LAND BARON	20,822,029.07	0.7 %		2.8 %
TRECAP PARTNERS LLC	14,260,112.91	0.5 %		1.9 %
*** TOTAL REAL ESTATE ***	745,538,014.98	24.2 %		100.0 %
ACCOUNTS IN LIQUIDATION				
BANK OF IRELAND	15,081.59	0.0 %		16.1 %
CLAY FINLAY INC	78,646.46	0.0 %		83.9 %
*** TOTAL ACCOUNTS IN LIQUIDATION **	93,728.05	0.0 %		100.0 %
CASH/LOAN PROGRAM				
CONTRIBUTION & EXPENSE ACCOUNT				
CONTROL CASH	-10,038,046.09	-0.3 %		101.8 %
LOAN PROGRAM	0.00	0.0 %		0.0 %
DPFP TRANSITION ACCOUNT	179,740.87	0.0 %		-1.8 %
*** TOTAL CASH/LOAN PROGRAM ***	-9,858,305.22	-0.3 %		100.0 %
TOTAL MASTER TRUST	3,084,887,226.64	100.0 %		100.0 %
CITY CONTRIBUTIONS	7,880,168.28			
EMPLOYEE CONTRIBUTIONS	1,663,083.68			
BENEFIT DISTRIBUTIONS	-17,006,813.14			
ADVISORY FEES	-561,120.91			

**Dallas Police and Fire Pension System**  
**Thursday, August 9, 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, Richard A. Salinas, George J. Tomasovic, Steven H. Umlor, Richard H. Wachsman, Thomas White, Dan Wojcik

Absent: John M. Mays

**Staff**

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

**Others**

Ron Pinkston, David Waks, Gary Jacobson, Steve McGonigle, David Woo, Nicolas Rubio, Belen Marcos, Juan Sanchez, Kate Flanagan, Lucas Lahitou, Richard Brown, Martin Rosenberg, Dan Geuther

\* \* \* \* \*

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

\* \* \* \* \*

**A. CONSENT AGENDA**

**1. Approval of Minutes**

Regular meeting of July 12, 2012

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

**Regular Board Meeting  
Thursday, August 9, 2012**

**A. CONSENT AGENDA (continued)**

- 3. Approval of Activity in the Deferred Retirement Option Plan (DROP) for August 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 Payment of Military 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.

\* \* \* \* \*

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

**1. Museum Tower update**

After discussion, Mr. Umlor made a motion to receive and file the Museum Tower update. Mr. Salinas seconded the motion, which was unanimously approved by the Board.

\* \* \* \* \*

**2. North Texas infrastructure opportunity**

Messrs. Rubio, Sanchez, and Ms. Flanagan, of Cintra US, Mr. Lahitou of Cintra Developments, LLC, and Ms. Marcos, of North Tarrant Express Mobility Partners, gave an update on an existing North Texas infrastructure investment.

The Board went into closed executive session at 8:44 a.m. to discuss a potential North Texas infrastructure investment.

**Regular Board Meeting  
Thursday, August 9, 2012**

**2. North Texas infrastructure opportunity (continued)**

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

After discussion, Mr. Wachsman made a motion to receive and file the presentation with respect to the System's current investment in the North Tarrant Express project. Mr. Umlor seconded the motion, which was unanimously approved by the Board.

\* \* \* \* \*

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

The meeting was reconvened at 10:47 a.m.

\* \* \* \* \*

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

- a. Quarterly real assets investment performance report for the first quarter ended March 31, 2012
- b. Real assets markets update
- c. Real estate allocation implementation plan
- d. Central Texas investment update

Richard Brown, Principal, Martin Rosenberg, Principal, and Dan Geuther, Analyst, from the Townsend Group, the System's real estate investment consultant, were present to discuss the first quarter 2012 real assets performance report. Townsend also presented an allocation implementation proposal based on the recent reduction in real estate allocation.

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 11:22 a.m.

The meeting was reopened at 11:54 a.m.

After discussion, Mr. Wachsman made a motion to receive and file the quarterly real assets investment performance report for the first quarter and the real assets markets update. Mr. Umlor seconded the motion, which was unanimously approved by the Board.



**Regular Board Meeting  
Thursday, August 9, 2012**

\* \* \* \* \*

The meeting was recessed at 11:54 a.m.

The meeting was reconvened at 12:32 p.m.

\* \* \* \* \*

**4. 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

Mr. Salinas 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. Umlor seconded the motion, which was unanimously approved by the Board.

\* \* \* \* \*

**5. Special request of retired firefighter**

Mr. Rohan advised the Board about a request from a retired firefighter that the Board consider amending the DROP lump sum distribution policy to permit members to request lump sum withdrawal from DROP to be paid with the regular month end pension payment.

After discussion, Mr. Wachsman made a motion to deny the request. Mr. Friar seconded the motion, which was unanimously approved by the Board.

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**6. Actuarial audit**

Mr. Rohan stated that best practices require a periodic peer review, or audit, of the actuarial valuations prepared by a plan's actuary. The System had been following a policy of commissioning such reviews on a schedule of approximately every five years.

**Regular Board Meeting  
Thursday, August 9, 2012**

**6. Actuarial audit (continued)**

After discussion, Mr. Umlor made a motion to authorize the Administrator to enter into a contract with Gabriel Roeder Smith to conduct a Level II actuarial audit of the actuarial valuation of the System at a cost not to exceed \$75,000. Mr. Wachsman seconded the motion, which was unanimously approved by the Board.

\* \* \* \* \*

**7. Required Plan amendments for Federal tax compliance**

- a. Combined Pension Plan
- b. 401(a) Money Purchase Plan

Mr. Mond stated that the Internal Revenue Service (IRS) has issued determination letters approving the tax qualification status of the Combined Pension Plan, the Supplemental Plan and the 401(a) Money Purchase Plan for the Staff. These approvals are contingent on certain technical amendments being made to the Combined Pension Plan and the 401(a) Money Purchase Plan.

Mr. Mond explained that the amendments are purely technical in nature and do not affect benefits or funding of any of the plans. Section 9.01 of the Combined Pension Plan allows for these amendments to be approved by the Board of Trustees without requiring approval of the members.

After discussion, Mr. Umlor made a motion to approve the Plan amendments required for Federal tax compliance in the form presented to the Board. Mr. Wachsman seconded the motion, which was unanimously approved by the Board.

\* \* \* \* \*

**Regular Board Meeting  
Thursday, August 9, 2012**

**8. Pension-related legislative issues**

- a. Hillco Partners - client advisory on federal and state legislative issues
- b. Locke Lord Bissell & Liddell LLP – legislative update

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

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

\* \* \* \* \*

**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:** July 17, 2012

Messrs. Friar, Wojcik

- b. **Conference:** Merit Energy Due Diligence  
**Dates:** July 17-18, 2012

Messrs. Allen, Kadane

- c. **Conference:** NAPO's 34th Annual Convention  
**Dates:** July 21-25, 2012

Messrs. Wojcik, Allen

- d. **Conference:** Opal: Public Funds Forum East  
**Dates:** July 23-25, 2012

Mr. White

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

**Regular Board Meeting  
Thursday, August 9, 2012**

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**10. 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:

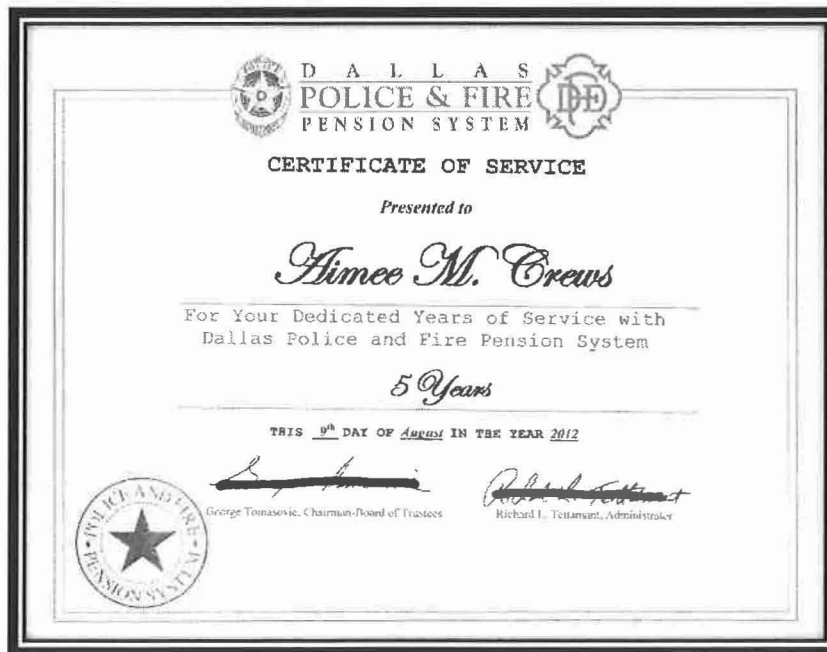
Police Officer and Firefighter pay lawsuits

No report was given. No motion was made.

\* \* \* \* \*

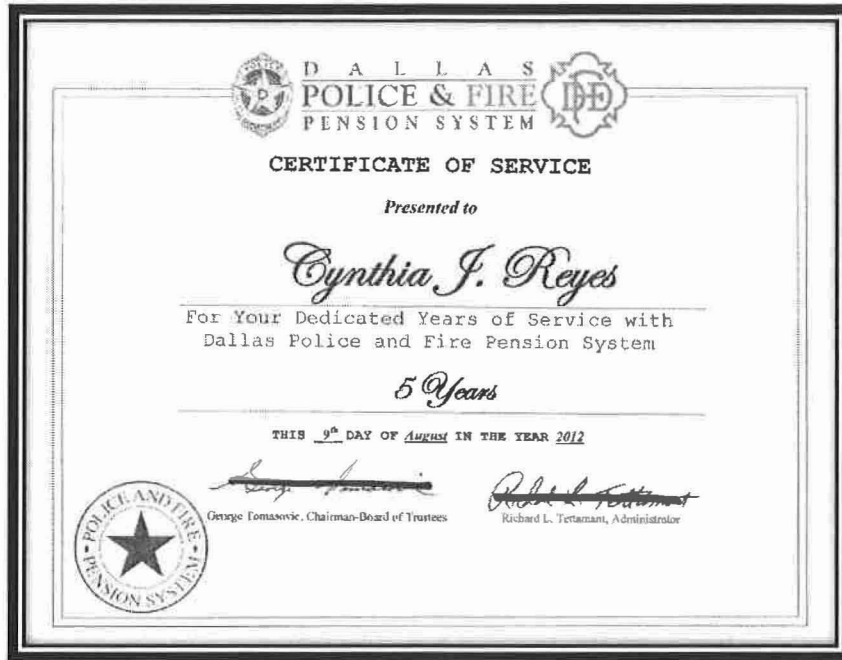
**11. Employee recognition – Second Quarter 2012**

- a. Employee Service Award
- b. Employee of the Quarter award
  
- a. Mr. Tomasovic, Chairman, and Mr. Rohan, Assistant Administrator for Operations, presented Employee Service Awards to Aimee Crews, Retirement Benefits Counselor, for five years of service, and to Cynthia Reyes, Receptionist, for five years of service.



Regular Board Meeting  
Thursday, August 9, 2012

11. Employee recognition – Second Quarter 2012 (continued)



- b. Mr. Tomasovic and Mr. Rohan presented a performance award for Employee of the Quarter, Second Quarter 2012, to Kristen Holcomb, Administrative Clerk.



**Regular Board Meeting  
Thursday, August 9, 2012**

**11. Employee recognition – Second Quarter 2012 (continued)**

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

\* \* \* \* \*

The meeting was recessed at 1:04 p.m.

The meeting was reconvened at 1:10 p.m.

\* \* \* \* \*

**12. Administrative and Professional Services Budgets review for the first six months of Calendar Year 2012**

Mr. Rohan reported that the Calendar Year 2012 Administrative and Professional Services Budgets detailing expenditures for the first six months of the calendar year were presented and discussed at the Administrative and Audit Advisory Committee at its meeting on this date.

After discussion, Mr. Wachsman made a motion to receive and file the Administrative and Professional Services Budgets review for the first six months of Calendar Year 2012. Mr. Umlor seconded the motion, which was unanimously approved by the Board.

\* \* \* \* \*

**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.

\* \* \* \* \*

**Regular Board Meeting  
Thursday, August 9, 2012**

**2. Administrator's report**

- a. Associations' newsletters
  - TEXPERS Outlook (August 2012)
  - TEXPERS Pension Observer (Summer 2012)
- b. Future continuing education and investment research programs and conferences

Mr. Rohan 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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The Assistant 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 1:11 p.m.

*[signature]*

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George J. Tomasovic  
Chairman

**ATTEST:**

*[signature]*

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Richard L. Tettamant  
Secretary