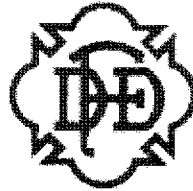




**D A L L A S**  
**POLICE & FIRE**  
**PENSION SYSTEM**



**MINUTE SUMMARY**  
**Board Meeting**  
**Thursday, September 13, 2012**

The regular meeting of the Dallas Police Fire Pension System Board of Trustees was held at 8:30 a.m. on Thursday, September 13, 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. Approved the proposed revisions to the Investment Implementation Policy, subject to the final review of the Administrator.
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.
3. Authorized the first reading of the Calendar Year 2013 Administrative and Professional Services Budget at the October 11, 2012, regular meeting of the Board.
4. Received and filed reports on pension-related legislative issues.
5. Received and filed reports by staff and Board members on due diligence meetings, seminars and/or conferences attended.
6. Approved the disability continuations.
7. Received and filed the update from Huff Energy Fund.
8. No report was given on legal issues. No motion was made.

**MINUTE SUMMARY**  
**Board Meeting**  
**Thursday, September 13, 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.

**ADDENDUM**

Held a closed executive session – legal. No motion was made.

The meeting was adjourned at 10:28 a.m.

**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 10:28 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. Authorized the first reading of the Calendar Year 2013 Supplemental Plan Budget at the October 11, 2012, regular meeting of the Board.
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 10:29 a.m.

DALLAS POLICE & FIRE PENSION SYSTEM

ASSET DISTRIBUTION BY ADVISOR - AS OF July 31, 2012

	NET ASSET VALUE	% OF ASSETS	FUND % OF CLASS	ADVISOR % OF CLASS
<b>GLOBAL PRIVATE EQUITY</b>				
ASHMORE INVESTMENT MGMT GSSF IV	39,331,031.25	1.3 %		6.0 %
BANKCAP PARTNERS FUND I, LP	16,707,841.00	0.5 %		2.5 %
DPPF HM CAPITAL PARTNERS	34,058,575.56	1.1 %		5.2 %
HUFF ALTERNATIVE FUND LP	36,859,349.18	1.2 %		5.6 %
HUFF ENERGY FUND LP - HUFF ENERGY	157,693,758.12	5.1 %		24.1 %
J P MORGAN ASIAN INFRASTRUCTURE & RE	18,536,797.31	0.6 %		2.8 %
JP MORGAN GLOBAL MARITIME INV FUND	881,847.32	0.0 %		0.1 %
JP MORGAN INFRASTRUCTURE INV FUND	34,685,162.12	1.1 %		5.3 %
LBJ INFRASTRUCTURE	19,063,437.61	0.6 %		2.9 %
LEICHTMAN CAPITAL PARTNERS DEEP VALU	3,862,612.62	0.1 %		0.6 %
LEVINE LEICHTMAN CAPITAL PARTNER IV,	44,301,875.94	1.4 %		6.7 %
LLCP DEEP VALUE FUND LP	54,670,572.43	1.8 %		8.3 %
LONE STAR CRA FUND LP	13,759,124.00	0.4 %		2.1 %
LONE STAR FUND VII	16,639,964.42	0.5 %		2.5 %
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	8,921,420.73	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	20,027,239.69	0.6 %		3.0 %
PHAROS CAPITAL PARTNERS	66,629,381.79	2.2 %		10.1 %
YELLOWSTONE ENERGY VENTURES	2,711,295.33	0.1 %		0.4 %
*** TOTAL GLOBAL PRIVATE EQUITY ***	656,979,054.12	21.2 %		100.0 %
<b>GLOBAL EQUITY</b>				
BERNSTEIN GLOBAL STRATEGIC VALUE	71,923.09	0.0 %		0.0 %
EAGLE ASSET MANAGEMENT	95,744,293.19	3.1 %		15.9 %
OFI INSTITUTIONAL ASSET MGMT	111,441,924.94	3.6 %		18.5 %
PYRAMIS GLOBAL ADVISORS TRUST CO	217,166,543.00	7.0 %		36.1 %
RREEF REIT	52,479,308.20	1.7 %		8.7 %
TRADEWINDS GLOBAL INVESTORS	8,288.70	0.0 %		0.0 %
WALTER SCOTT & PARTNERS LIMITED	125,456,025.75	4.1 %		20.8 %
*** TOTAL GLOBAL EQUITY ***	602,368,306.87	19.5 %		100.0 %
<b>GLOBAL NATURAL RESOURCES</b>				
ENERGY OPPORTUNITIES CAPITAL MGMT	31,585,480.75	1.0 %		9.1 %
FOREST INVESTMENT ASSOCIATES	38,858,681.34	1.3 %		11.2 %
HANCOCK AGRICULTURAL INVEST FD	96,529,735.07	3.1 %		27.7 %
HUDSON CLEAN ENERGY PARTNERS	20,771,643.73	0.7 %		6.0 %
OAKTREE POWER OPPORTUNITIES FUND III	5,402,390.18	0.2 %		1.6 %
RCM	22,678,067.05	0.7 %		6.5 %
RMK TIMBERLAND GROUP	63,788,025.00	2.1 %		18.3 %
SUSTAINABLE ASSET MANAGEMENT	33,159,330.77	1.1 %		9.5 %
THE MITCHELL GROUP	35,127,254.29	1.1 %		10.1 %
*** TOTAL GLOBAL NATURAL RESOURCES *	347,900,608.18	11.2 %		100.0 %
<b>GLOBAL FIXED INCOME</b>				
ASHMORE EMERGING MARKETS	24,479,166.67	0.8 %		5.0 %
ASHMORE INVESTMENT MANAGEMENT	45,571,083.23	1.5 %		9.3 %
BRANDYWINE ASSET MANAGEMENT	75,508,818.07	2.4 %		15.4 %
HIGHLAND CREDIT OPPS CDO LP - HIGHLA	13,198,486.82	0.4 %		2.7 %
HIGHLAND CRUSADER FUND LP	20,613,121.72	0.7 %		4.2 %
LOOMIS SAYLES & CO	127,355,240.48	4.1 %		26.0 %
MONDRIAN INVESTMENT PARTNERS	70,913,635.39	2.3 %		14.5 %
OCM FUND IV	25,819,052.58	0.8 %		5.3 %
W.R. HUFF HIGH YIELD	86,705,521.42	2.8 %		17.6 %
*** TOTAL GLOBAL FIXED INCOME ***	490,164,126.38	15.8 %		100.0 %
<b>GAA</b>				
BRIDGEWATER ASSOCIATES, INC	93,105,217.21	3.0 %		35.2 %
GMO MULTI-STRATEGY FUND	87,053,683.74	2.8 %		33.0 %
PUTNAM TOTAL RETURN	31,016,174.00	1.0 %		11.7 %
ROBEKO TRANSTREND DIVERSIFIED FUND	52,989,223.00	1.7 %		20.1 %
*** TOTAL GAA ***	264,164,297.95	8.5 %		100.0 %

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

	NET ASSET VALUE	FUND % OF ASSETS	ADVISOR % OF CLASS
<u>REAL ESTATE</u>			
BENTALL KENNEDY REAL ESTATE	34,268,928.97	1.1 %	4.6 %
CDK REALTY ADVISORS	519,122,435.39	16.8 %	69.7 %
CRISWELL RADOVAN	38,833,536.63	1.3 %	5.2 %
DALLAS P & F - REAL ESTATE FUND	65,098,534.90	2.1 %	8.8 %
INVESCO	21,129,171.25	0.7 %	2.8 %
KNUDSON LUXURY HOUSING	21,590,303.64	0.0 %	0.1 %
L & B	32,122,912.02	1.0 %	4.3 %
LAND BARON	20,822,029.07	0.7 %	2.8 %
TRECAP PARTNERS LLC	12,867,117.69	0.4 %	1.7 %
*** TOTAL REAL ESTATE ***	744,854,969.56	24.1 %	100.0 %
<u>ACCOUNTS IN LIQUIDATION</u>			
BANK OF IRELAND	14,635.94	0.0 %	15.9 %
CLAY FINLAY INC	77,670.19	0.0 %	84.1 %
*** TOTAL ACCOUNTS IN LIQUIDATION **	92,306.13	0.0 %	100.0 %
<u>CASH/LOAN PROGRAM</u>			
CONTRIBUTION & EXPENSE ACCOUNT			
CONTROL CASH	-11,531,729.26	-0.4 %	101.9 %
LOAN PROGRAM	0.00	0.0 %	0.0 %
DPPF TRANSITION ACCOUNT	217,713.99	0.0 %	-1.9 %
*** TOTAL CASH/LOAN PROGRAM ***	-11,314,015.27	-0.4 %	100.0 %
TOTAL MASTER TRUST	3,095,209,653.92	100.0 %	100.0 %
CITY CONTRIBUTIONS	7,822,380.38		
EMPLOYEE CONTRIBUTIONS	1,664,132.71		
BENEFIT DISTRIBUTIONS	-16,612,634.36		
ADVISORY FEES	-2,369,276.95		

**Dallas Police and Fire Pension System**  
**Thursday, December 13, 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, Dan Wojcik

Absent: Sheffield Kadane

**Staff**

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

**Others**

Gary Lawson, Gary Jacobson, Ed Dresser, Brian Hass, Steve Shaw, James Parnell, Steve Thompson, Lara Solt, Cathryn LaFitte, Arthur Levine, Brian Stewart, Monica Holec, Aaron Perlmutter

\* \* \* \* \*

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

\* \* \* \* \*

**A. CONSENT AGENDA**

**1. Approval of Minutes**

- a. Annual Board/Staff Workshop of October 22 – 26, 2012
- b. Regular meeting of November 8, 2012

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

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

**Regular Board Meeting  
Thursday, December 13, 2012**

**A. CONSENT AGENDA (continued)**

- 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 Previously Withdrawn Contributions**
- 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 final approval by the Administrator. Mr. Umlor seconded the motion, which was unanimously approved by the Board.

\* \* \* \* \*

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

**1. Levine Leichtman Capital Partners, Inc.**

- a.** Organizational update
- b.** Status of existing portfolio and plans for future activities with regard to that portfolio
- c.** Possible new investment in Levine Leichtman Capital Partners V, L.P.

Arthur Levine, President and Founding Partner, Brian Stewart, Managing Director, and Monica Holec, Managing Director, provided an organizational update and discussed the status of the System's existing Levine Leichtman, Inc. investment portfolio. In addition, the representatives also introduced a new investment opportunity, the Levine Leichtman Capital Partners V, L.P. fund.

**Regular Board Meeting  
Thursday, December 13, 2012**

**1. Levine Leichtman Capital Partners, Inc. (continued)**

After discussion, Mr. Wachsman made a motion to receive and file the update from Levine Leichtman Capital Partners, Inc. and approve a \$25 million commitment to the Levine Leichtman Capital Partners V, L.P. fund, and to authorize the Administrator to perform due diligence, execute documentation, and perform all necessary acts and exercise all appropriate discretion to facilitate this investment. The motion was seconded by Mr. Allen and approved by the following vote:

For: Wachsman, Allen, Friar, Griggs, Jasso, Mays, Salinas, Tomasovic, Umlor, Wojcik

Against: White

\* \* \* \* \*

The meeting was recessed at 9:37 a.m.

The meeting was reconvened at 9:48 a.m.

\* \* \* \* \*

**2. 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 application

The Board went into a closed executive session – medical at 9:55 a.m.

The meeting was reopened at 10:00 a.m.

The Board went into a closed executive session – legal at 10:00 a.m.

The meeting was reopened at 10:21 a.m.

**Regular Board Meeting**  
**Thursday, December 13, 2012**

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

After discussion, Mr. Wachsman made a motion to grant an on-duty, Combined Pension Plan, Group B disability benefit, subject to the System's right under the Board-approved disability procedure to require the Member to undergo future medical examination(s) to determine if the disability still exists or if recovery has been made to the point that the Member is able to return to duty, or two years, whichever is sooner. The Member is subject to the Annual Earnings Test Review as he/she was hired and suffered a disability after May 1, 1990. Mr. Allen seconded the motion, which was approved by the following vote:

For: Wachsman, Allen, Friar, Mays, Tomasovic, Wojcik

Against: Griggs, Jasso, Salinas, Umlor, White

\* \* \* \* \*

**3. 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. Wachsman made a motion to receive and file the investment and financial reports named above. Mr. Umlor seconded the motion, which was unanimously approved by the Board.

\* \* \* \* \*

**4. 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. Hudson Clean Energy Committee & Annual Meeting

Messrs. Tettamant, Taylor, Mond

- b. Annual National Pension & Institutional Investor Summit

Mr. Wojcik



**Regular Board Meeting**  
**Thursday, December 13, 2012**

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

**c. Bankcap Partners Meeting**

Messrs. Wojcik, Blake

**d. Opal: Alternative Investment Summit**

Mr. Friar

**e. IMN Global Fixed Indexing**

Mr. Wojcik

**f. TEXPERS: DFW Regional Training**

Messrs. White, Wojcik, Salinas, Tomasovic

After discussion, Mr. Mays 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.

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**5. Pension-related legislative issues**

**a. Hillco Partners - client advisory on federal and state legislative issues**

**b. Locke Lord 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 the reports from the legislative consultants. Mr. Mays seconded the motion, which was unanimously approved by the Board.

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**Regular Board Meeting**  
**Thursday, December 13, 2012**

**6. 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 and no motion was made.

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The meeting was recessed at 10:50 a.m.

The meeting was reconvened at 11:05 a.m.

\* \* \* \* \*

The meeting was recessed at 11:05 a.m.

The meeting was reconvened at 12:26 p.m.

\* \* \* \* \*

**7. 2013 Personalized Benefit Statement for Members of the Dallas Police & Fire Pension System**

Staff presented to the Administrative and Audit Advisory Committee (AAAC) for review and comment on this date a proposed draft of the 2013 Personalized Benefit Statement for Members of the Dallas Police and Fire Pension System.

After discussion, Mr. Mays made a motion to approve the recommendation of the AAAC to approve the proposed 2013 Personalized Benefit Statement, subject to final review by the Administrator and legal counsel. Mr. Umlor seconded the motion, which was unanimously approved by the Board.

\* \* \* \* \*

**8. 2013 Personalized Deferred Retirement Option Plan (DROP) Statement for Members of the Dallas Police & Fire Pension System**

Staff presented to the Administrative and Audit Advisory Committee for review and comment on this date a proposed draft of the 2013 Personalized DROP Statement for Members of the Dallas Police & Fire Pension System who have joined DROP.

**Regular Board Meeting  
Thursday, December 13, 2012**

**8. 2013 Personalized Deferred Retirement Option Plan (DROP) Statement for Members of the Dallas Police & Fire Pension System (continued)**

After discussion, Mr. Mays made a motion to approve the recommendation of the AAAC to approve the proposed 2013 Personalized DROP Statement, subject to final review by the Administrator and legal counsel. Mr. Umlor seconded the motion, which was unanimously approved by the Board.

\* \* \* \* \*

**9. Administrator's 2012 and 2013 Administrative Plans**

Each year, staff presents an annual administrative plan for the succeeding year. This Administrative Plan is utilized as a guide for Board and Staff in project planning and implementation during the coming year.

The Administrator reviewed the status of the plan for 2012 and reviewed the proposed 2013 Plan with the AAAC on this date.

After discussion, Mr. Umlor made a motion to approve the AAAC's recommendation to receive and file the 2012 Administrative Plan and approve the 2013 Administrative Plan. Mr. Salinas seconded the motion, which was unanimously approved by the Board.

\* \* \* \* \*

**10. Performance review of the Administrator**

Mr. Umlor made a motion to approve the recommendation of the AAAC regarding the Administrator's performance review. Mr. Mays seconded the motion, which was unanimously approved by the Board.

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The meeting was recessed at 12:30 p.m.

The meeting was reconvened at 12:31 p.m.

\* \* \* \* \*

**Regular Board Meeting**  
**Thursday, December 13, 2012**

**11. Museum Tower**

The Board went into a closed executive session – real estate at 12:31 p.m.

The meeting was reopened at 12:45 p.m.

The Board then conducted a tour of Museum Tower.

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.

\* \* \* \* \*

**2. Administrator's report**

No report was given and no motion was made.

\* \* \* \* \*

The meeting ended at 2:32 p.m. for lack of a quorum.

*[signature]*

\_\_\_\_\_  
George J. Tomasovic  
Chairman

**ATTEST:**

*[signature]*

\_\_\_\_\_  
Richard L. Tettamant  
Secretary