



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



**MINUTE SUMMARY**  
**Board Meeting**  
**Thursday, January 10, 2013**

The regular meeting of the Dallas Police and Fire Pension System Board of Trustees was held at 8:30 a.m. on Thursday, January 10, 2013, 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 of the staff.

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

1. Received and filed the update from OFI Institutional Asset Management.
2. Received and filed the update from GMO LLC.
3. Approved the disability application and disability continuation.
4. Received and filed the update from L & B Realty Advisors, LLP.
5. Held a closed executive session - legal. No motion was made.
6. Called for the election for the four expiring Trustee Places, approved the election schedule and approved the Application for Trustee Candidacy packet, all subject to final review by the Administrator and legal counsel.
7. Received and filed reports on pension-related legislative issues.
8. Received and filed the Group Trust's monthly asset allocation report, the performance report unaudited draft, and the unaudited statements of net assets available for benefits. The monthly unitization report was not available.

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9. The Chairman and the Administrator presented the Employee Service Award for 5 years of service to Alberta Patterson, Administrative Clerk, the Employee of the Fourth Quarter 2012 award to Laura Banda, Administrative Clerk, and the William G. Baldree 2012 Employee of the Year Award to Laura Banda, Administrative Clerk.
10. Received and filed reports by staff and Board members on due diligence meetings, seminars and/or conferences attended.
11. Held a closed executive session – real estate regarding the Museum Tower project. No motion was made.
12. Authorized the Administrator to (i) make the determination as to which HM Capital Partners LLC Sector Performance Fund interests to sell and which to retain and (ii) perform due diligence, negotiate and execute documentation, and perform all necessary acts and exercise all appropriate discretion to facilitate these transactions.

**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 1:05 p.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 1:05 p.m.

**A. CONSENT AGENDA**

Approved, subject to the final review of the staff.

**MINUTE SUMMARY**  
**Board Meeting**  
**Thursday, January 10, 2013**

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

Received and filed the Group Trust's monthly asset allocation report, the performance report unaudited draft, and the unaudited statements of net assets available for benefits. The monthly unitization report was not available for approval.

The meeting was adjourned at 1:06 p.m.

## DALLAS POLICE &amp; FIRE PENSION SYSTEM

ASSET DISTRIBUTION BY ADVISOR - AS OF November 30, 2012

	NET ASSET VALUE	% OF ASSETS	FUND	ADVISOR
			% OF ASSETS	% OF CLASS
<b>GLOBAL PUBLIC EQUITY</b>				
BERNSTEIN GLOBAL STRATEGIC VALUE	17,803.72	0.0 %		0.0 %
EAGLE ASSET MANAGEMENT	101,377,108.17	3.2 %		17.1 %
OFI INSTITUTIONAL ASSET MGMT	116,652,222.86	3.7 %		19.7 %
PYRAMIS GLOBAL ADVISORS TRUST CO	193,936,494.07	6.1 %		32.7 %
RREEF REIT	54,204,703.21	1.7 %		9.2 %
TRADEWINDS GLOBAL INVESTORS	7,183.03	0.0 %		0.0 %
WALTER SCOTT & PARTNERS LIMITED	125,972,374.55	4.0 %		21.3 %
*** TOTAL GLOBAL PUBLIC EQUITY ***	592,167,889.61	18.8 %		100.0 %
<b>GLOBAL PRIVATE EQUITY</b>				
ASHMORE INVESTMENT MGMT GSSF IV	39,009,218.14	1.2 %		6.0 %
BANKCAP PARTNERS FUND I, LP	16,721,018.01	0.5 %		2.6 %
DALLAS POLICE AND FIRE RED CONSOLIDA	114,536,124.86	3.6 %		17.8 %
DPPF HM CAPITAL PARTNERS	41,374,784.23	1.3 %		6.4 %
HUFF ALTERNATIVE FUND LP	36,083,231.55	1.1 %		5.6 %
HUFF ENERGY FUND LP - HUFF ENERGY	143,044,904.38	4.5 %		22.9 %
LEICHTMAN CAPITAL PARTNERS DEEP VALU	4,028,819.29	0.1 %		0.6 %
LEVINE LEICHTMAN CAPITAL PARTNER IV,	52,380,414.91	1.7 %		8.1 %
LLCP DEEP VALUE FUND LP	51,987,284.57	1.6 %		8.0 %
LONE STAR CRA FUND LP	15,102,665.00	0.5 %		2.3 %
LONE STAR GROWTH CAPITAL LP	14,737,984.56	0.5 %		2.3 %
LONE STAR OPPORTUNITIES FUND V	5,060,354.00	0.2 %		0.8 %
MERIT PARTNERS LP	27,380,982.77	0.9 %		4.2 %
NORTH TEXAS OPPORTUNITY FUND	11,136,339.98	0.4 %		1.7 %
OAKTREE POWER OPPORTUNITIES FUND III	8,211,466.21	0.3 %		1.3 %
PHAROS CAPITAL PARTNERS	63,543,911.55	2.0 %		9.8 %
YELLOWSTONE ENERGY VENTURES	2,143,696.35	0.1 %		0.3 %
*** TOTAL GLOBAL PRIVATE EQUITY ***	646,483,200.36	20.5 %		100.0 %
<b>GLOBAL NATURAL RESOURCES</b>				
ENERGY OPPORTUNITIES CAPITAL MGMT	31,324,716.54	1.0 %		8.8 %
FOREST INVESTMENT ASSOCIATES	39,020,436.58	1.2 %		11.0 %
HANCOCK AGRICULTURAL INVEST FD	100,761,324.99	3.2 %		28.5 %
HUDSON CLEAN ENERGY PARTNERS	21,069,204.72	0.7 %		5.9 %
RCM	24,360,231.54	0.8 %		6.9 %
RKM TIMBERLAND GROUP	67,452,943.69	2.1 %		19.0 %
SUSTAINABLE ASSET MANAGEMENT	35,270,240.13	1.1 %		10.0 %
THE MITCHELL GROUP	35,134,311.04	1.1 %		9.9 %
*** TOTAL GLOBAL NATURAL RESOURCES *	354,393,409.23	11.2 %		100.0 %
<b>GLOBAL FIXED INCOME</b>				
ASHMORE EMERGING MARKETS	25,570,436.51	0.8 %		5.0 %
ASHMORE INVESTMENT MANAGEMENT	48,828,531.12	1.5 %		9.5 %
BRANDYWINE ASSET MANAGEMENT	77,524,514.22	2.5 %		15.1 %
HIGHLAND CREDIT OPPTS CDO LP - HIGHLA	14,701,401.59	0.5 %		2.9 %
HIGHLAND CRUSADER FUND LP	16,922,988.62	0.5 %		3.3 %
LONE STAR FUND VII	17,990,434.38	0.6 %		3.5 %
LOOMIS SAYLES & CO	130,311,951.58	4.1 %		25.2 %
MONDRIAN INVESTMENT PARTNERS	71,512,811.17	2.3 %		13.9 %
OCM FUND IV	21,352,949.71	0.7 %		4.1 %
W.R. HUFF HIGH YIELD	89,928,242.10	2.8 %		17.5 %
*** TOTAL GLOBAL FIXED INCOME ***	514,644,261.00	16.3 %		100.0 %
<b>GLOBAL ASSET ALLOCATION</b>				
BRIDGEWATER ASSOCIATES, INC	97,876,034.19	3.1 %		36.3 %
GMO MULTI-STRATEGY FUND	89,480,076.88	2.8 %		33.1 %
PUTNAM TOTAL RETURN	32,744,703.00	1.0 %		12.1 %
ROBECO TRANSTREND DIVERSIFIED FUND	49,970,204.50	1.6 %		18.5 %
*** TOTAL GLOBAL ASSET ALLOCATION **	270,071,018.57	8.6 %		100.0 %
<b>GLOBAL INFRASTRUCTURE</b>				
J P MORGAN ASIAN INFRASTRUCTURE & RE	21,172,202.94	0.7 %		20.0 %
JP MORGAN GLOBAL MARITIME INV FUND	2,598,064.31	0.1 %		2.5 %
JP MORGAN INFRASTRUCTURE INV FUND	35,109,473.02	1.1 %		33.2 %
LBJ INFRASTRUCTURE	23,034,777.35	0.7 %		21.8 %
NTE MOBILITY PARTNERS HOLDINGS LLC	23,955,056.61	0.8 %		22.5 %

DALLAS POLICE & FIRE PENSION SYSTEM

ASSET DISTRIBUTION BY ADVISOR - AS OF November 30, 2012

	NET ASSET VALUE	% OF ASSETS	FUND % OF CLASS	ADVISOR % OF CLASS
*** TOTAL GLOBAL INFRASTRUCTURE ***	105,869,574.23	3.4 %		100.0 %
REAL ESTATE				
BENTALL KENNEDY REAL ESTATE	47,558,570.20	1.5 %		7.4 %
CDK REALTY ADVISORS	400,873,255.24	12.7 %		62.8 %
CRISWELL RADOVAN	39,923,536.63	1.3 %		6.2 %
DALLAS P & F - REAL ESTATE FUND	59,986,563.56	1.9 %		9.5 %
LONE STAR REAL ESTATE FUND II	10,409,789.12	0.3 %		1.6 %
INVESCO	14,907,086.02	0.5 %		2.3 %
KNUDSON LUXURY HOUSING	590,304.35	0.0 %		0.1 %
L & B	40,527,300.68	1.3 %		6.3 %
LAND BARON	22,687,029.28	0.7 %		3.5 %
TRECAP PARTNERS LLC	1,839,601.57	0.1 %		0.3 %
*** TOTAL REAL ESTATE ***	639,303,036.65	20.2 %		100.0 %
CASH/LOAN PROGRAM				
CONTRIBUTION & EXPENSE ACCOUNT				
CONTROL CASH	35,085,305.43	1.1 %		99.4 %
LOAN PROGRAM	0.00	0.0 %		0.0 %
DPFP TRANSITION ACCOUNT	222,077.36	0.0 %		0.6 %
*** TOTAL CASH/LOAN PROGRAM ***	35,307,382.79	1.1 %		100.0 %
TOTAL MASTER TRUST	3,158,239,772.44	100.0 %		100.0 %
CITY CONTRIBUTIONS	10,662,955.14			
EMPLOYEE CONTRIBUTIONS	1,958,543.38			
BENEFIT DISTRIBUTIONS	-18,110,667.38			
ADVISORY FEES	-210,078.52			

**Dallas Police and Fire Pension System**  
**Thursday, January 10, 2013**  
**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, Mitchell Miller

**Others** Gary Lawson, Gary Jacobson, Steve Shaw, James Parnell, Steve Thompson, Jason Trattan, Rebecca Shaw, Anna Merlan, Paul Rios, Brett Shipp, Wayne Antrobus, W. B. Wilson, Larry Eddington, Nikki Noriega, Richard Walsh, John Allen, Bill Criswell, G. Andrews Smith, Christine Mullis

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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**

Regular meeting of December 13, 2012

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

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3. **Approval of Activity in the Deferred Retirement Option Plan (DROP) for January 2013**
4. **Approval of Estate Settlements**
5. **Approval of Survivor Benefits**
6. **Approval of Service Retirements**
7. **Approval of Alternate Payee Benefits**

After discussion, Mr. Wachsman made a motion to approve the items on the Consent Agenda, subject to final approval by 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. OFI Institutional Asset Management, Inc.**

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

Nikki Noriega, Vice President - Senior Client Portfolio Manager, and Richard Walsh, Vice President - Senior Institutional Relationship Manager, provided an organizational update and discussed the status of the System's existing investment portfolio with OFI Institutional Asset Management, Inc.

After discussion, Mr. Wachsman made a motion to receive and file the OFI presentation. Mr. Mays seconded the motion, which was unanimously approved by the Board.

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The meeting was recessed at 9:36 a.m.

The meeting was reconvened at 9:54 a.m.

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**Regular Board Meeting**  
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**2. GMO LLC**

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

John Allen, Client Relationship Manager, provided an organizational update and discussed the status of the System's existing investment portfolio with GMO LLC.

After discussion, Mr. Mays made a motion to receive and file the GMO presentation. Mr. Salinas seconded the motion, which was unanimously approved by the Board.

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**3. 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:

- a. Disability application
- b. Disability recall

The Board went into a closed executive session – medical at 10:18 a.m.

The meeting was reopened at 10:23 a.m.

- a. After discussion, Mr. Mays made a motion to grant an off-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. The Member is subject to the Annual Earnings Test Review as he/she was hired and suffered a disability after May 1, 1990. Mr. Friar seconded the motion, which was unanimously approved by the Board.
- b. After discussion, Mr. Mays made a motion to grant continuance of the on-duty, Combined Pension Plan, Group B disability benefits, according to the staff recommendations. Mr. Friar seconded the motion, which was unanimously approved by the Board.

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**4. L & B Realty Advisors, LLP**

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

G. Andrews Smith, Chief Executive Officer, and Christine M. Mullis, Vice President - Portfolio Management, provided an organizational update and discussed the status of the System's existing investment portfolio with L & B Realty Advisors, LLP.

After discussion, Mr. Umlor made a motion to receive and file the L & B presentation. Mr. Salinas 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:

- a. Police Officer and Firefighter pay lawsuits
- b. Closed session – Legal briefing on confidentiality

The Board went into a closed executive session – legal at 9:54 a.m.

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

No motion was made.

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**Regular Board Meeting**  
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**6. 2013 Trustee Election**

- a. Call for an election
- b. Trustee Election schedule
- c. Application for Trustee packet

Mr. Tettamant stated that the terms of the following Trustees will expire on May 31, 2013:

Samuel Friar	Fire Trustee (Place F-1)
Steve Umlor	Police Trustee (Place P-1)
Richard Wachsman	Fire Pensioner Trustee (Place 1)
John Mays	Police Pensioner Trustee (Place 1)

Staff provided a proposed Trustee Election Schedule and a proposed Application for Trustee Candidacy packet for the Board's review.

- a. After discussion, Mr. Salinas made a motion to call for the election for the four expiring Trustee Places, subject to final review by the Administrator and legal counsel. Mr. Umlor seconded the motion, which was unanimously approved by the Board.
- b. After discussion, Mr. Salinas made a motion to approve the election schedule, subject to final review by the Administrator and legal counsel. Mr. Umlor seconded the motion, which was unanimously approved by the Board.
- c. After discussion, Mr. Salinas made a motion to approve the Application for Trustee Candidacy packet, subject to final review by the Administrator and legal counsel. Mr. Umlor seconded the motion, which was unanimously approved by the Board.

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**7. 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. Wachsman made a motion to receive and file the reports from the legislative consultants. Mr. Umlor seconded the motion, which was unanimously approved by the Board.

**Regular Board Meeting  
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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 investment and financial reports named above, with the exception of the monthly unitization report, which was not available. Mr. White seconded the motion, which was unanimously approved by the Board.

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The meeting was recessed at 11:19 a.m.

The meeting was reconvened at 12:05 p.m.

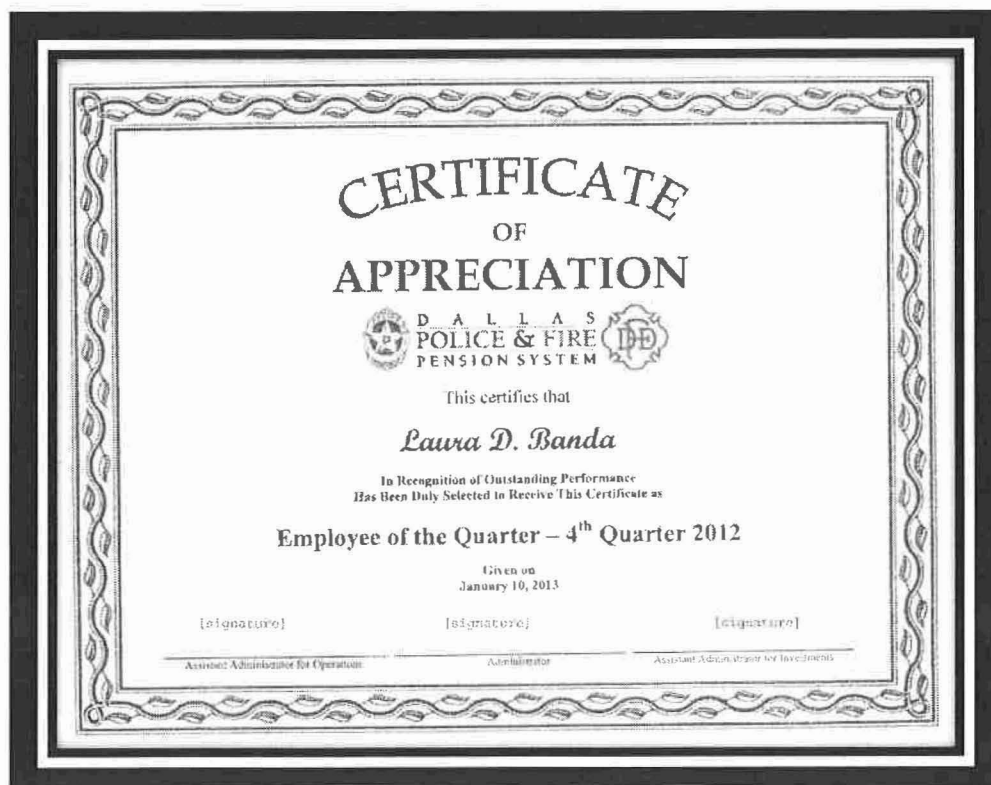
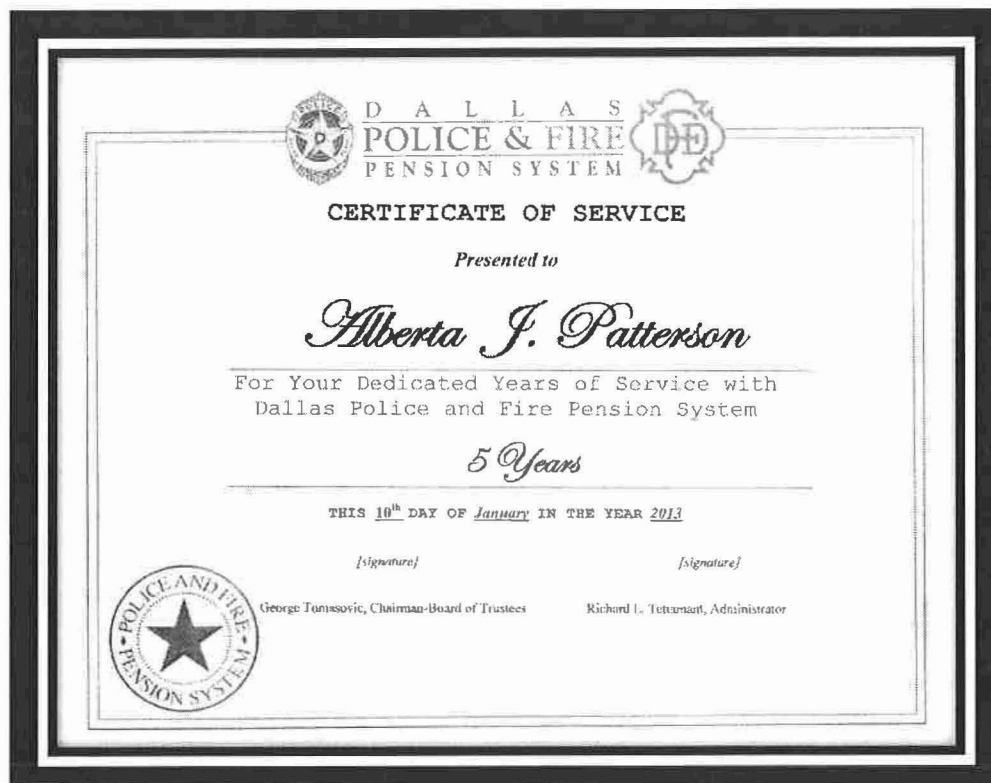
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**9. Employee recognition – Fourth Quarter 2012**

- a. Employee Service Award
  - b. Employee of the Quarter Award
  - c. The William G. Baldree Employee of the Year Award
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- a. Mr. Tomasovic, Chairman, and Mr. Tettamant, Administrator, presented the Employee Service Award to Alberta Patterson, Administrative Clerk, for five years of service.
  - b. Messrs. Tomasovic and Tettamant presented a performance award for Employee of the Quarter, Fourth Quarter 2012, to Laura Banda, Administrative Clerk.
  - c. Messrs. Tomasovic and Tettamant presented the William G. Baldree Employee of the Year Award for 2012 to Laura Banda, Administrative Clerk. The Employee of the Year is chosen from among the four Employee of the Quarter Award recipients for the year.

No motion was made.

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

Society of Pension Professionals

Mr. Wojcik reported on the meeting.

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

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**11. Museum Tower**

The Board went into a closed executive session – real estate at 10:24 a.m.

The meeting was reopened at 11:07 a.m.

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

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**12. HM Capital Partners LLC**

Mr. Tettamant reported that HM Capital Partners, one of the System's private equity managers, has entertained offers from multiple parties to purchase the assets of the Sector Performance Fund. The System will have the option to either sell all or part of our interest in the assets of the fund or remain invested in all or part of the portfolio companies through new Partnerships.

After discussion, Mr. Umlor made a motion to authorize the Administrator to (i) make the determination as to which interests to sell and which to retain and (ii) perform due diligence, negotiate and execute documentation, and perform all necessary acts and exercise all appropriate discretion to facilitate these transactions. Mr. Wachsman seconded the motion, which was unanimously approved by the Board.

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**Regular Board Meeting  
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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**

Articles

- How GASB Changes Will Affect Public Pensions, Parts I and II
- Public Pensions: Is There a Problem?

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. Wachsman 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. Salinas, the meeting was adjourned at 1:05 p.m.

*[signature]*

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George J. Tomasovic  
Chairman

**ATTEST:**

*[signature]*

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Richard L. Tettamant  
Secretary

**Regular Board Meeting  
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