



D A L L A S
POLICE & FIRE
PENSION SYSTEM



MINUTE SUMMARY
Board Meeting
Thursday, June 13, 2013

The regular meeting of the Dallas Police Fire Pension System Board of Trustees was held at 8:30 a.m. on Thursday, June 13, 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 8:31 a.m.

A. BOARD OF TRUSTEES

1. The Board elected officers of the Board of Trustees for the term from June 1, 2013 through May 31, 2015 as follows: George Tomasovic, Chairman, Dan Wojcik, Vice-Chairman, Rick Salinas, Deputy Vice-Chairman.
2. The Board officers completed a new Signature Authorization Form to facilitate the day-to-day operations of the System.
3. The Chairman made appointments to committees of the Board as follows:

Actuarial Funding Committee: Rick Salinas (Chair), George Tomasovic

Administrative and Audit Advisory Committee: Sam Friar (Chair), Jerry Allen, Scott Griggs, John Mays, Rick Salinas, George Tomasovic

Investment Advisory Committee: Jerry Brown (Chair), Ken Haben, Delia Jasso, Sheffie Kadane, Dan Wojcik

The Chairman also appointed the following Trustees to an ad hoc Benefit Review Committee: George Tomasovic, Dan Wojcik, Rick Salinas

B. CONSENT AGENDA

Approved, subject to the final review of the staff.

C. DISCUSSION AND POSSIBLE ACTION REGARDING ITEMS FOR INDIVIDUAL CONSIDERATION

1. Received and filed the Museum Tower presentation.

MINUTE SUMMARY
Board Meeting
Thursday, June 13, 2013

2. Certified the Trustee applicant names to be placed on the ballot for Police Trustee Place #2, pending confirmation of a request from one of the candidates to be removed from the ballot and determined the order of names on the ballot. Applicants certified were:

Sgt. Robert I. Benitez	Sr. Cpl. James S. Parnell
Sr. Cpl. Patrick B. Bland	PO Joseph Patrick Schutz
Sr. Cpl. Thomas J. McGrath	Sgt. Steven Zuczek

3. Postponed the 2012 audit report to the July Board meeting.
4. Received and filed the monthly investment and financial reports.
5. Received and filed the report on pension-related legislative issues.
6. Received and filed the Regions Timberland Group presentation and approved the assignment of the contract.
7. Received and filed the Westwood Holdings Group presentation.
8. Received and filed staff and Board Members' reports on due diligence meetings, seminars and/or conferences attended.
9. No discussion of legal issues was held. No motion was made.
10. Approved the disability continuation.
11. Directed the staff regarding Board preferences for annual workshop agenda topics and speakers.

D. 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 12:27 p.m.

MINUTE SUMMARY
Board Meeting
Thursday, June 13, 2013

SUPPLEMENTAL POLICE AND FIRE PENSION BOARD MEETING

The meeting was called to order and recessed at 8:31 a.m.

The meeting was reconvened at 12:03 p.m.

A. CONSENT AGENDA

Approved, subject to the final review of the staff.

B. DISCUSSION AND POSSIBLE ACTION REGARDING ITEMS FOR INDIVIDUAL CONSIDERATION

1. Postponed the 2012 audit report to the July Board meeting.
2. Received and filed the monthly investment and financial reports.

The meeting was adjourned at 12:04 p.m.

DALLAS POLICE & FIRE PENSION SYSTEM
ASSET DISTRIBUTION BY ADVISOR - AS OF April 30, 2013

	NET ASSET VALUE	% OF ASSETS	FUND	ADVISOR
			%	% OF CLASS
GLOBAL PUBLIC EQUITY				
EAGLE ASSET MANAGEMENT	110,517,453.20		3.4 %	17.1 %
OFI INSTITUTIONAL ASSET MGMT	128,333,535.90		3.9 %	19.8 %
PYRAMIS GLOBAL ADVISORS TRUST CO	210,583,089.67		6.4 %	32.4 %
RREEF REIT	63,533,083.92		1.9 %	9.8 %
WALTER SCOTT & PARTNERS LIMITED	135,221,458.15		4.1 %	20.9 %
*** TOTAL GLOBAL PUBLIC EQUITY ***	648,190,620.84		19.7 %	100.0 %
GLOBAL PRIVATE EQUITY				
ASHMORE INVESTMENT MGMT GSSF IV	32,118,292.55		1.0 %	4.8 %
BANKCAP PARTNERS FUND I, LP	16,708,455.06		0.5 %	2.5 %
CREATIVE HOLDINGS	15,195,330.05		0.5 %	2.3 %
DALLAS POLICE AND FIRE RED CONSOLIDA	157,679,026.34		4.8 %	23.4 %
DFFP HM CAPITAL PARTNERS	21,517,058.36		0.7 %	3.2 %
HUFF ALTERNATIVE FUND LP	36,083,231.55		1.1 %	5.4 %
HUFF ENERGY FUND LP - HUFF ENERGY	149,332,286.45		4.5 %	22.1 %
LEICHTMAN CAPITAL PARTNERS DEEP VALU	3,960,999.61		0.1 %	0.6 %
LEVINE LEICHTMAN CAPITAL PARTNER IV,	51,090,302.43		1.5 %	7.6 %
LLCP DEEP VALUE FUND LP	33,653,363.11		1.0 %	5.0 %
LONE STAR CRA FUND LP	15,414,451.76		0.5 %	2.3 %
LONE STAR GROWTH CAPITAL LP	12,445,967.10		0.4 %	1.9 %
LONE STAR OPPORTUNITIES FUND V	4,968,986.00		0.2 %	0.7 %
MERIT PARTNERS LP	30,681,084.16		0.9 %	4.6 %
NORTH TEXAS OPPORTUNITY FUND	11,182,640.99		0.3 %	1.7 %
OAKTREE POWER OPPORTUNITIES FUND III	10,182,945.15		0.3 %	1.5 %
PHAROS CAPITAL PARTNERS	63,231,169.07		1.9 %	9.4 %
PHAROS CAPITAL PARTNERS III,LP	2,486,468.01		0.1 %	0.4 %
SOUTHERN CROSS	2,031,000.00		0.1 %	0.3 %
YELLOWSTONE ENERGY VENTURES	2,182,187.35		0.1 %	0.3 %
*** TOTAL GLOBAL PRIVATE EQUITY ***	672,145,245.10		20.4 %	100.0 %
GLOBAL NATURAL RESOURCES				
ENERGY OPPORTUNITIES CAPITAL MGMT	35,869,325.58		1.1 %	9.6 %
FOREST INVESTMENT ASSOCIATES	39,322,872.64		1.2 %	10.5 %
HANCOCK AGRICULTURAL INVEST FD	105,838,851.88		3.2 %	28.2 %
HUDSON CLEAN ENERGY PARTNERS	18,983,419.58		0.6 %	5.1 %
RCM	27,797,087.39		0.8 %	7.4 %
RMK TIMBERLAND GROUP	67,169,961.05		2.0 %	18.0 %
SUSTAINABLE ASSET MANAGEMENT	40,283,684.24		1.2 %	10.8 %
THE MITCHELL GROUP	38,741,046.59		1.2 %	10.4 %
*** TOTAL GLOBAL NATURAL RESOURCES *	374,006,248.95		11.3 %	100.0 %
GLOBAL FIXED INCOME				
ASHMORE EMERGING MARKETS	26,736,111.11		0.8 %	5.2 %
ASHMORE INVESTMENT MANAGEMENT	50,687,272.51		1.5 %	9.9 %
BRANDYWINE ASSET MANAGEMENT	79,368,135.78		2.4 %	15.5 %
HIGHLAND CREDIT OPPS CDO LP - HIGHLA	15,753,553.20		0.5 %	3.1 %
HIGHLAND CRUSADER FUND LP	11,173,110.41		0.3 %	2.2 %
LONE STAR FUND VII	14,781,060.01		0.4 %	2.9 %
LOOMIS SAYLES & CO	138,798,144.23		4.2 %	27.1 %
MONDRIAN INVESTMENT PARTNERS	68,390,867.84		2.1 %	13.4 %
OCM FUND IV	9,261,464.85		0.3 %	1.8 %
W.R. HUFF HIGH YIELD	96,471,221.19		2.9 %	18.9 %
*** TOTAL GLOBAL FIXED INCOME ***	511,420,941.13		15.5 %	100.0 %
GLOBAL ASSET ALLOCATION				
BRIDGEWATER ASSOCIATES, INC	125,456,609.66		3.8 %	36.0 %
GMO MULTI-STRATEGY FUND	111,379,731.16		3.4 %	32.0 %
PUTNAM TOTAL RETURN	60,364,355.00		1.8 %	17.3 %
ROBEKO TRANSTREND DIVERSIFIED FUND	50,883,619.00		1.5 %	14.7 %
*** TOTAL GLOBAL ASSET ALLOCATION **	348,084,314.82		10.6 %	100.0 %
GLOBAL INFRASTRUCTURE				
J P MORGAN ASIAN INFRASTRUCTURE & RE	31,127,727.28		0.9 %	25.4 %
JP MORGAN GLOBAL MARITIME INV FUND	2,503,837.45		0.1 %	2.0 %
JP MORGAN INFRASTRUCTURE INV FUND	35,375,065.85		1.1 %	28.9 %
LBJ INFRASTRUCTURE	27,112,245.81		0.8 %	22.1 %

DALLAS POLICE & FIRE PENSION SYSTEM
ASSET DISTRIBUTION BY ADVISOR - AS OF April 30, 2013

	NET ASSET VALUE	% OF ASSETS	ADVISOR % OF CLASS
NTE MOBILITY PARTNERS HOLDINGS LLC	26,413,686.53	0.8 %	21.6 %
*** TOTAL GLOBAL INFRASTRUCTURE ***	122,532,562.92	3.7 %	100.0 %
<u>REAL ESTATE</u>			
BENTALL KENNEDY REAL ESTATE	25,609,918.43	0.8 %	4.3 %
CDK REALTY ADVISORS	380,768,673.93	11.5 %	64.0 %
CRISWELL RADOVAN	29,652,905.91	0.9 %	5.0 %
DALLAS P & F - REAL ESTATE FUND	41,642,024.48	1.3 %	7.0 %
LONE STAR REAL ESTATE FUND II	9,933,663.57	0.3 %	1.7 %
INVESCO	15,363,789.66	0.5 %	2.6 %
KNUDSON LUXURY HOUSING	655,010.74	0.0 %	0.1 %
L & B	40,680,752.18	1.2 %	6.8 %
LAND BARON	26,842,106.22	0.8 %	4.5 %
TDB REAL ESTATE	23,889,523.69	0.7 %	4.0 %
TRECAP PARTNERS LLC	176,398.52	0.0 %	0.0 %
*** TOTAL REAL ESTATE ***	595,214,767.33	18.1 %	100.0 %
<u>CASH/LOAN PROGRAM</u>			
CONTRIBUTION & EXPENSE ACCOUNT			
CONTROL CASH	25,520,691.91	0.8 %	99.3 %
LOAN PROGRAM	0.00	0.0 %	0.0 %
DPFP TRANSITION ACCOUNT	176,097.70	0.0 %	0.7 %
*** TOTAL CASH/LOAN PROGRAM ***	25,696,789.61	0.8 %	100.0 %
TOTAL MASTER TRUST	3,297,291,490.70	100.0 %	100.0 %
CITY CONTRIBUTIONS	8,114,609.53		
EMPLOYEE CONTRIBUTIONS	1,963,785.55		
BENEFIT DISTRIBUTIONS	-17,960,558.08		
ADVISORY FEES	-1,685,613.79		

Dallas Police and Fire Pension System
Thursday, June 13, 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: Gerald Brown, Samuel L. Friar, Scott Griggs, Ken Haben, Delia D. Jasso, Sheffield Kadane, John M. Mays, Richard A. Salinas, George J. Tomasovic, Dan Wojcik

Absent: Jerry R. Allen, Thomas White

Staff

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

Others

Gary Lawson, Ron Pinkston, Joe Schutz, Rebecca Shaw, Gary Jacobson, Brett Shipp, Billy Bryant, Greg Greene, Steve Sandborg, Kathryne Morris, Elizabeth Jones, Jane Hensley, Mike Snyder, Charles Daniel, Jon Callaghan, Jim McBride, Richard Brown (via teleconference), Mark Easterbrook, Kim Calhoun

* * * * *

The meeting was called to order at 8:31 a.m.

* * * * *

A. BOARD OF TRUSTEES

1. Election of officers of the Board of Trustees for June 1, 2013 through May 31, 2015

In accordance with Section 3.01(f) of the Plan Document, the Board elected from among its Trustees a Chairman, a Vice-Chairman and a Deputy Vice-Chairman for the period from June 1, 2013 through May 31, 2015.

**Regular Board Meeting
Thursday, June 13, 2013**

1. Election of officers of the Board of Trustees for June 1, 2013 through May 31, 2015 (continued)

Mr. Salinas made a motion to nominate George Tomasovic to be Chairman. Mr. Wojcik seconded the motion. No other nominations were made. Mr. Tomasovic's election as Chairman was unanimously approved by the Board.

Mr. Salinas nominated John Mays to be Vice-Chairman. Mr. Friar nominated Dan Wojcik to be Vice-Chairman.

Mr. Tomasovic called for a vote for the two nominees. Mr. Wojcik's election as Vice-Chairman was approved by the following vote:

For Mr. Mays: Salinas, Brown, Mays

For Mr. Wojcik: Friar, Haben, Tomasovic, Wojcik

Ms. Jasso made a motion to nominate Rick Salinas to be Deputy Vice-Chairman. Mr. Wojcik seconded the motion. No other nominations were made. Mr. Salinas' election as Deputy Vice-Chairman was unanimously approved by the Board.

* * * * *

2. Authorized signatories for the Board of Trustees

Mr. Tettamant explained that certain signature authorizations are necessary to facilitate the day-to-day operations of the System. In the past, the Board has authorized the Chairman to sign all documents (including any necessary payments) for the Board and System. If the Chairman is not available, then the Vice-Chairman may sign in the Chairman's place. If both the Chairman and Vice-Chairman are unavailable, then the Deputy Vice-Chairman is authorized to sign for the System.

The newly-elected Board officers completed a signature authorization form.

No motion was made.

* * * * *

**Regular Board Meeting
Thursday, June 13, 2013**

3. Committee appointments and election of Committee officers

Mr. Tomasovic provided a list of his recommendations for appointment of Trustees to serve on the Administrative and Audit Advisory, the Investment Advisory and Actuarial Funding Committees for 2013-2015. Mr. Tomasovic's recommendations were as follows:

Actuarial Funding Committee: Rick Salinas (Chair), George Tomasovic

Administrative and Audit Advisory Committee: Sam Friar (Chair), Jerry Allen, Scott Griggs, John Mays, Rick Salinas, George Tomasovic

Investment Advisory Committee: Jerry Brown (Chair), Ken Haben, Delia Jasso, Sheffie Kadane, Dan Wojcik

The Chairman also recommended creation of an ad hoc Benefit Review Committee to study and report back to the Board regarding Member benefits, with the newly-elected officers being the appointees: George Tomasovic, Dan Wojcik, Rick Salinas.

After discussion, Mr. Salinas made a motion to accept the Chairman's recommendations for committee appointments. Mr. Mays seconded the motion, which was unanimously approved by the Board.

After discussion, Mr. Brown made a motion to schedule Committee meetings on a different day than the Board meetings and have the staff work with the Committee Chairs to develop the new schedule. Mr. Friar seconded the motion, which was unanimously approved by the Board.

* * * * *

B. CONSENT AGENDA

1. Approval of Minutes

Regular meeting of May 9, 2013

2. Approval of Refunds of Contributions for the Month of May 2013

3. Approval of Activity in the Deferred Retirement Option Plan (DROP) for June 2013

**Regular Board Meeting
Thursday, June 13, 2013**

B. CONSENT AGENDA (continued)

- 4. Approval of Survivor Benefits**
- 5. Approval of Service Retirements**
- 6. Approval of Alternate Payee Benefits**
- 7. Approval of Earnings Test**
- 8. Approval of Payment of Previously Withdrawn Contributions**
- 9. Spouse Wed After Retirement (SWAR)**

After discussion, Mr. Brown made a motion to approve the items on the Consent Agenda, subject to final approval by the Administrator. Mr. Mays seconded the motion, which was unanimously approved by the Board.

* * * * *

C. DISCUSSION AND POSSIBLE ACTION REGARDING ITEMS FOR INDIVIDUAL CONSIDERATION

1. Museum Tower

In open session, Mr. Tettamant gave a formal statement and presented a video on the Museum Tower project.

The Board went into a closed executive session – real estate at 8:49 a.m.

The meeting was reopened at 9:45 a.m.

Mr. Brown made a motion to receive and file the update. Mr. Friar seconded the motion, which was unanimously approved by the Board.

* * * * *

**Regular Board Meeting
Thursday, June 13, 2013**

2. Certification of Trustee applications for Special Election Ballot

At the March 14, 2013, meeting of the Board, the Board called for a special election to fill the unexpired term of Officer Thomas White, Police Trustee Place P-2, due to his resignation. The term expires May 31, 2015.

The Administrator reported that the applicants listed below in alphabetic order have completed the required Trustee Education Class and have been duly qualified to be placed on the official ballot for the Trustee election:

Police Trustee Place #2 (P-2)

Sgt. Robert I. Benitez
Sr. Cpl. Patrick B. Bland
Sr. Cpl. Thomas J. McGrath
Sr. Cpl. James S. Parnell
PO Joseph Patrick Schutz
Sgt. Steven Zuczek

After discussion, Mr. Brown made a motion to certify the trustee applicant names to be placed on the ballot, pending confirmation of a request from one of the candidates to be removed from the ballot, and that names on the ballot be in alphabetic order. Mr. Mays seconded the motion, which was unanimously approved by the Board.

* * * * *

3. 2012 audit report

No discussion was held.

Mr. Salinas made a motion to postpone the 2012 audit report to the July Board meeting. Mr. Mays seconded the motion, which was unanimously approved by the Board.

* * * * *

4. Investment and financial reports

The Board and staff reviewed the investment and financial reports.

**Regular Board Meeting
Thursday, June 13, 2013**

4. Investment and financial reports (continued)

After discussion, Mr. Brown made a motion to receive and file the Group Trust monthly asset allocation report, the Group Trust monthly unitization report, the Group Trust performance report unaudited draft, and the Group Trust unaudited statement of net assets available for benefits. Mr. Haben seconded the motion, which was unanimously approved by the Board.

* * * * *

5. Pension-related legislative issues

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

Staff provided reports from legislative consultants.

After discussion, Mr. Brown made a motion to receive and file the reports from the legislative consultants. Mr. Kadane seconded the motion, which was unanimously approved by the Board.

* * * * *

6. Regions Timberland Group

Mr. Tettamant reported that Regions Bank has entered a binding agreement to sell Regions Timberland Group, one of the System’s Global Natural Resources managers, to BTG Pactual Asset Management US, LLC, which is wholly-owned by Banco BTG Pactual S.A., a Brazilian investment firm. Regions Bank has requested the System consent to the assignment of the Investment Management Agreement from Regions Timberland Group to BTG Pactual Asset Management US, LLC.

After discussion, Mr. Brown made a motion to receive and file the Regions Timberland Group presentation and approve the assignment of the contract. Mr. Mays seconded the motion, which was unanimously approved by the Board.

* * * * *

**Regular Board Meeting
Thursday, June 13, 2013**

The meeting was recessed at 10:33 a.m.

The meeting was reconvened at 10:44 a.m.

* * * * *

7. Educational Session: Master Limited Partnerships - Westwood Holdings Group

Mark Easterbrook, CFA, Senior Vice President & Portfolio Manager, and Kim Calhoun, Vice President, Institutional Sales & Client Service, of Westwood Holdings, an institutional investment manager based in Dallas, TX, conducted an educational session on investments in Master Limited Partnerships (MLPs). MLPs represent ownership interests, or “units,” that are traded on public stock exchanges and generally offer a relatively high income yield.

After discussion, Mr. Brown made a motion to receive and file the Westwood Holdings Group presentation. Ms. Jasso seconded the motion, which was unanimously approved by the Board.

* * * * *

8. 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. NCPERS Trustee Educational Seminar (TEDS)

Messrs. Friar, Wojcik

b. NCPERS Annual Conference

Messrs. Friar, Salinas, Mays, Wachsman, Wojcik, Mond, Rohan, Taylor

c. Open Meetings Act, Public Information Act

Messrs. Brown, Haben

**Regular Board Meeting
Thursday, June 13, 2013**

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

- d. Lone Star Real Estate Fund II Investor Meeting
Lone Star Fund VII & VIII Annual Meeting

Messrs. Tomasovic, Wagner, and Ms. Wu

- e. Pharos Annual Investor Conference

Messrs. Mays, Salinas, Wojcik, Tomasovic, Blake

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

* * * * *

9. 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.

* * * * *

10. 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

The Board went into a closed executive session – medical at 11:55 a.m.

The meeting was reopened at 11:58 a.m.

After discussion, Mr. Brown made a motion to grant continuance of the on-duty, Combined Pension Plan, Group B disability benefits, with no further recall, according to the staff recommendation. Mr. Mays seconded the motion, which was unanimously approved by the Board.

**Regular Board Meeting
Thursday, June 13, 2013**

* * * * *

11. Preliminary agenda for the annual Board/Staff Workshop to be held on October 28 – 31, 2013

The Board and staff discussed preliminary topics for the 2013 annual workshop.

No motion was made.

* * * * *

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 discuss concerns with the Board. No motion was made.

* * * * *

2. Administrator's report

Associations' newsletters

- NCPERS Monitor (May 2013)
- TEXPERS Outlook (June 2013)
- TEXPERS Pension Observer (Spring 2013)

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

Mr. Brown made a motion to receive and file the Administrator's report. Mr. Mays seconded the motion, which was unanimously approved by the Board.

* * * * *

The meeting was recessed at 12:03 p.m.

The meeting was reconvened at 12:27 p.m.

* * * * *

**Regular Board Meeting
Thursday, June 13, 2013**

The Administrator stated that there was no further business to come before the Board. On a motion by Mr. Brown and a second by Mr. Friar, the meeting was adjourned at 12:27 p.m.

[signature]

George J. Tomasovic
Chairman

ATTEST:

[signature]

Richard L. Tettamant
Secretary