



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



**MINUTE SUMMARY**  
**Board Meeting**  
**Thursday, September 12, 2013**

The regular meeting of the Dallas Police & Fire Pension System Board of Trustees was held at 8:30 a.m. on Thursday, September 12, 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, with changes, subject to the final review of the staff.

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

1. Received and filed the Administrative and Professional Services Budget review for the first six months of Calendar Year 2013.
2. Reviewed the proposed 2014 Administrative and Professional Services Budgets and accepted the Administrative and Audit Advisory Committee's recommendation to hold the first reading of the budget at the October regular Board meeting.
3. Approved the annual adjustment effective October 1, 2013, and granted an ad hoc annual adjustment of 4% to the eligible Retirees who began membership on or after January 1, 2007, based on the opinion of the actuary that such payment would not have an adverse effect on the System's ability to meet all accrued benefit obligations.
4. The Chairman recommended additional appointments to Board committees, which were approved by the Board.
5. Received and filed the monthly investment and financial reports.
6. Received and filed reports by Board and staff members on due diligence meetings, seminars and/or conferences attended.
7. Received and filed the Annual Board/Staff workshop plans.

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8. Gave recognition to former Trustees of the Dallas Police & Fire Pension System. Jerry Allen, Delia Jasso, and Sheffie Kadane were the honorees.
9. Approved a \$25 million commitment to Lone Star Real Estate Fund III.
10. The Board went into a closed executive session – real estate to discuss the Beneficient Holdings, L.P. agenda item.
- 11a. No report was given on the Police Officer and Firefighter pay lawsuits.
- 11b. Approved joining the AIG class action lawsuit.

**C. BRIEFING ITEMS**

1. No Active Members or Pensioners requested to speak to the Board.
2. Received and filed the Administrator's report.

The meeting was adjourned at 2:17 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 2:17 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. Approved the annual adjustment effective October 1, 2013.
2. Received and filed the Supplemental Plan Budget review for the first six months of Calendar Year 2013.

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**Board Meeting**  
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3. Reviewed the proposed 2014 Supplemental Plan Budget and accepted the Administrative and Audit Advisory Committee's recommendation to hold the first reading of the budget at the October regular Board meeting.
4. Received and filed the monthly investment and financial reports.

The meeting was adjourned at 2:19 p.m.

DALLAS POLICE & FIRE PENSION SYSTEM  
ASSET DISTRIBUTION BY ADVISOR - AS OF July 31, 2013

	NET ASSET VALUE	% OF ASSETS	FUND % OF CLASS
<b>GLOBAL PUBLIC EQUITY</b>			
EAGLE ASSET MANAGEMENT	119,261,852.12	3.5 %	18.1 %
OFI INSTITUTIONAL ASSET MGMT	132,353,917.63	3.9 %	20.0 %
PYRAMIS GLOBAL ADVISORS TRUST CO	215,656,435.51	6.4 %	32.7 %
RREEF REIT	57,388,306.68	1.7 %	8.7 %
WALTER SCOTT & PARTNERS LIMITED	135,557,106.07	4.0 %	20.5 %
*** TOTAL GLOBAL PUBLIC EQUITY ***	660,217,618.01	19.6 %	100.0 %
<b>GLOBAL PRIVATE EQUITY</b>			
ASHMORE INVESTMENT MGMT GSSF IV	30,535,595.07	0.9 %	4.2 %
BANKCAP PARTNERS FUND I, LP	17,433,823.07	0.5 %	2.4 %
CREATIVE HOLDINGS	15,195,330.05	0.5 %	2.1 %
DALLAS POLICE AND FIRE RED CONSOLIDA	166,254,589.85	4.9 %	22.6 %
DPFP HM CAPITAL PARTNERS	1,114,790.51	0.0 %	0.2 %
HUFF ALTERNATIVE FUND LP	42,759,595.15	1.3 %	5.8 %
HUFF ENERGY FUND LP - HUFF ENERGY	201,593,225.67	6.0 %	27.4 %
LEICHTMAN CAPITAL PARTNERS DEEP VALU	5,259,678.62	0.2 %	0.7 %
LEVINE LEICHTMAN CAPITAL PARTNER IV,	46,404,398.65	1.4 %	6.3 %
LEVINE LEICHTMAN CAPITAL PTNERS V	31,373.00	0.0 %	0.0 %
LLCP DEEP VALUE FUND LP	33,690,015.02	1.0 %	4.6 %
LONE STAR CRA FUND LP	20,792,671.24	0.6 %	2.8 %
LONE STAR GROWTH CAPITAL LP	15,470,769.10	0.5 %	2.1 %
LONE STAR OPPORTUNITIES FUND V	11,295,620.00	0.3 %	1.5 %
MERIT PARTNERS LP	31,012,237.98	0.9 %	4.2 %
NORTH TEXAS OPPORTUNITY FUND	9,600,434.00	0.3 %	1.3 %
OAKTREE POWER OPPORTUNITIES FUND III	10,090,578.23	0.3 %	1.4 %
PHAROS CAPITAL PARTNERS	69,504,727.84	2.1 %	9.5 %
PHAROS CAPITAL PARTNERS III,LP	2,390,491.99	0.1 %	0.3 %
SOUTHERN CROSS	2,031,000.00	0.1 %	0.3 %
YELLOWSTONE ENERGY VENTURES	2,294,098.36	0.1 %	0.3 %
*** TOTAL GLOBAL PRIVATE EQUITY ***	734,755,043.40	21.9 %	100.0 %
<b>GLOBAL NATURAL RESOURCES</b>			
ENERGY OPPORTUNITIES CAPITAL MGMT	37,667,178.87	1.1 %	9.7 %
FOREST INVESTMENT ASSOCIATES	40,371,004.26	1.2 %	10.4 %
HANCOCK AGRICULTURAL INVEST FD	116,698,128.98	3.5 %	30.1 %
HUDSON CLEAN ENERGY PARTNERS	17,039,031.54	0.5 %	4.4 %
RCM	29,383,768.82	0.9 %	7.6 %
RMK TIMBERLAND GROUP	64,364,668.72	1.9 %	16.6 %
SUSTAINABLE ASSET MANAGEMENT	41,280,894.23	1.2 %	10.6 %
THE MITCHELL GROUP	40,967,550.02	1.2 %	10.6 %
*** TOTAL GLOBAL NATURAL RESOURCES *	387,772,225.44	11.5 %	100.0 %
<b>GLOBAL FIXED INCOME</b>			
ASHMORE EMERGING MARKETS	23,288,690.47	0.7 %	4.9 %
ASHMORE INVESTMENT MANAGEMENT	43,941,558.81	1.3 %	9.2 %
BRANDYWINE ASSET MANAGEMENT	73,081,669.64	2.2 %	15.4 %
HIGHLAND CREDIT OPPS CDO LP - HIGHLA	16,921,893.39	0.5 %	3.6 %
HIGHLAND CRUSADER FUND LP	11,570,049.50	0.3 %	2.4 %
LONE STAR FUND VII	9,403,654.70	0.3 %	2.0 %
LOOMIS SAYLES & CO	136,702,139.95	4.1 %	28.8 %
MONDRIAN INVESTMENT PARTNERS	65,871,245.08	2.0 %	13.9 %
OCM FUND IV	4,478,427.63	0.1 %	0.9 %
W.R. HUFF HIGH YIELD	89,915,913.23	2.7 %	18.9 %
*** TOTAL GLOBAL FIXED INCOME ***	475,175,242.40	14.1 %	100.0 %
<b>GLOBAL ASSET ALLOCATION</b>			
BRIDGEWATER ASSOCIATES, INC	115,476,749.03	3.4 %	33.8 %
GMO MULTI-STRATEGY FUND	119,492,119.36	3.6 %	35.0 %
PUTNAM TOTAL RETURN	57,039,987.00	1.7 %	16.7 %
ROBECO TRANSTREND DIVERSIFIED FUND	49,300,007.50	1.5 %	14.5 %
*** TOTAL GLOBAL ASSET ALLOCATION **	341,308,862.89	10.2 %	100.0 %
<b>GLOBAL INFRASTRUCTURE</b>			
J P MORGAN ASIAN INFRASTRUCTURE & RE	33,489,528.09	1.0 %	25.2 %
JP MORGAN GLOBAL MARITIME INV FUND	5,236,197.55	0.2 %	3.9 %
JP MORGAN INFRASTRUCTURE INV FUND	34,248,138.43	1.0 %	25.8 %

DALLAS POLICE & FIRE PENSION SYSTEM  
 ASSET DISTRIBUTION BY ADVISOR - AS OF July 31, 2013

	NET ASSET VALUE	% OF ASSETS	FUND % OF ASSETS	ADVISOR % OF CLASS
LBJ INFRASTRUCTURE	30,430,305.18		0.9 %	22.9 %
NTE MOBILITY PARTNERS HOLDINGS LLC	29,407,736.87		0.9 %	22.2 %
*** TOTAL GLOBAL INFRASTRUCTURE ***	----- 132,811,906.12		----- 4.0 %	----- 100.0 %
<u>REAL ESTATE</u>				
BENTALL KENNEDY REAL ESTATE	27,509,471.75		0.8 %	4.5 %
CDK REALTY ADVISORS	385,928,913.76		11.5 %	63.7 %
CRISWELL RADOVAN	31,003,663.48		0.9 %	5.1 %
DALLAS P & F - REAL ESTATE FUND	39,675,447.19		1.2 %	6.5 %
LONE STAR REAL ESTATE FUND II	12,637,533.07		0.4 %	2.1 %
INVESCO	15,546,789.14		0.5 %	2.6 %
KNUDSON LUXURY HOUSING	1,056,235.50		0.0 %	0.2 %
L & B	40,282,622.27		1.2 %	6.6 %
LAND BARON	28,814,855.72		0.9 %	4.8 %
TDB REAL ESTATE	23,632,495.79		0.7 %	3.9 %
TRECAP PARTNERS LLC	167,410.53		0.0 %	0.0 %
*** TOTAL REAL ESTATE ***	----- 606,255,438.20		----- 18.0 %	----- 100.0 %
<u>CASH/LOAN PROGRAM</u>				
CONTRIBUTION & EXPENSE ACCOUNT				
CONTROL CASH	23,528,841.05		0.7 %	99.3 %
LOAN PROGRAM	0.00		0.0 %	0.0 %
DPFP TRANSITION ACCOUNT	170,763.38		0.0 %	0.7 %
*** TOTAL CASH/LOAN PROGRAM ***	----- 23,699,604.43		----- 0.7 %	----- 100.0 %
TOTAL MASTER TRUST	3,361,995,940.89		100.0 %	100.0 %
CITY CONTRIBUTIONS	8,152,080.64			
EMPLOYEE CONTRIBUTIONS	1,973,608.61			
BENEFIT DISTRIBUTIONS	-18,014,447.37			
ADVISORY FEES	-1,793,832.97			

**Dallas Police and Fire Pension System**  
**Thursday, September 12, 2013**  
**8:30 a.m.**  
**4100 Harry Hines Blvd., Suite 100**  
**Second Floor Board Room**  
**Dallas, TX**

Regular meeting, George Tomasovic, Chairman, presiding:

**ROLL CALL**

**Board Members**

Present: Tennell Atkins, Gerald D. Brown, Samuel L. Friar, Scott Griggs, Kenneth S. Haben, Philip T. Kingston, Lee M. Kleinman, John M. Mays, George J. Tomasovic, Joseph P. Schutz, Daniel W. Wojcik

Absent: Richard A. Salinas (absent on Pension System business)

**Staff**

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

**Others**

Gary Lawson, Rebecca Shaw, Brian Hass, Greg Holliday, Steve Thompson, Parker Reed, David A. Neumann, Jerry R. Allen, Sheffield Kadane, Delia D. Jasso

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

The meeting was reconvened at 8:59 a.m.

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**A. CONSENT AGENDA**

**1. Approval of Minutes**

Regular meeting of August 8, 2013

**2. Approval of Refunds of Contributions for the Month of August 2013**

**Regular Board Meeting  
Thursday, September 12, 2013**

**A. CONSENT AGENDA (continued)**

- 3. Approval of Activity in the Deferred Retirement Option Plan (DROP) for September 2013**
- 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 Leave Contributions**
- 9. Approval of Payment of Previously Withdrawn Contributions**

After discussion, Mr. Brown made a motion to approve the items on the Consent Agenda, subject to final approval by the Administrator. Mr. Friar 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. Administrative and Professional Services Budgets review for the first six months of Calendar Year 2013**

Mr. Tettamant reported that the Calendar Year 2013 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. Friar made a motion to receive and file the Administrative and Professional Services Budgets review for the first six months of Calendar Year 2013. Mr. Brown seconded the motion, which was unanimously approved by the Board.

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**Regular Board Meeting  
Thursday, September 12, 2013**

**2. Presentation and discussion of the 2014 Administrative and Professional Services Budgets**

Mr. Tettamant stated that the Administrative and Audit Advisory Committee reviewed the budget proposal at its September 12, 2013, meeting and approved presentation to the Board at the September meeting with recommended changes.

After discussion, Mr. Friar made a motion to authorize the first reading of the Calendar Year 2014 Administrative and Professional Services Budgets at the October 10, 2013, regular meeting of the Board. Mr. Haben seconded the motion, which was unanimously approved by the Board.

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**3. Annual adjustments for pensioners and survivors to be effective October 1, 2013**

Mr. Tettamant stated that the Combined Pension Plan, Section 6.12, provides for an adjustment payable in an amount equal to four percent (4.00%), not compounded, to base benefits being paid as of October 1 of each year to certain Active DROP Participants and Retirees who first became Members of the System before January 1, 2007. The adjustment is also payable to the Survivors of eligible Members.

In accordance with Plan Section 6.12 (c), Active DROP Participants and Retirees who first became Members of the System on or after January 1, 2007, are not eligible for the automatic benefit adjustment. However, the Board may determine each year whether and at what percentage to provide an ad hoc adjustment to benefit recipients in this group. Buck Consultants, the System's actuary, reviewed the benefits of the affected Retirees and determined that granting an ad hoc benefit increase would be immaterial and would not adversely affect the System's ability to meet all accrued pension liabilities.

After discussion, Mr. Mays made a motion to approve the annual adjustment effective October 1, 2013, and grant an ad hoc annual adjustment of 4% to the eligible Retirees who began membership on or after January 1, 2007. Mr. Atkins seconded the motion, which was unanimously approved by the Board.

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**Regular Board Meeting  
Thursday, September 12, 2013**

**4. Board Committee appointments**

Mr. Tomasovic provided a list of his updated 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), Ken Haben, George Tomasovic

Administrative and Audit Advisory Committee: Sam Friar (Chair), Scott Griggs, Philip Kingston, Lee Kleinman, John Mays, Rick Salinas, George Tomasovic

Investment Advisory Committee: Jerry Brown (Chair), Tennell Atkins, Ken Haben, Joe Schutz, Dan Wojcik

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

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**5. Investment and financial reports**

The Board and staff reviewed the investment and financial reports.

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.

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**6. 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. Hancock Due Diligence**

Mr. Tomasovic

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

**b. Texans for Secure Retirement Meeting**

Messrs. Tomasovic, Brown

**c. Public Information Act**

Mr. Schutz

**d. NCPERS: Program for Advanced Trustee Studies**

Mr. Friar

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

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The meeting was recessed at 9:30 a.m.

The meeting was reconvened at 9:50 a.m.

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**7. Annual Board/Staff workshop**

Staff provided updated information and responded to Board members' questions.

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

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The meeting was recessed at 9:59 a.m.

The meeting was reconvened at 10:51 a.m.

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**Regular Board Meeting  
Thursday, September 12, 2013**

**8. Recognition of former Trustees of the Dallas Police & Fire Pension System**

Mr. Tomasovic and Mr. Tettamant, on behalf of the Board, made a presentation to Jerry R. Allen, Delia D. Jasso, and Sheffield Kadane, in appreciation for their dedicated service on the Board of Trustees as City Council Trustees. Mr. Allen served from June 2008 through July 2013, Ms. Jasso served from October 2011 through July 2013, and Mr. Kadane served from February 2010 through July 2013.

No motion was made.

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**9. Possible new real estate investment in Lone Star Funds**

Mr. Tettamant stated that Kevin Carlson, Director - Investor Relations of Lone Star Funds, presented to the Investment Advisory Committee on September 12, 2013.

After discussion, Mr. Brown made a motion to approve a \$25 million commitment to Lone Star Real Estate Fund III and authorize the Administrator to perform due diligence, execute documentation, and perform all necessary acts and exercise all appropriate discretion to facilitate this investment. Mr. Haben seconded the motion, which was unanimously approved by the Board.

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The meeting was recessed at 10:53 a.m.

The meeting was reconvened at 11:51 a.m.

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The meeting was recessed at 11:52 a.m.

The meeting was reconvened at 2:10 p.m.

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**Regular Board Meeting  
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**10. Beneficient Holdings, L.P.**

Mr. Tettamant stated that Beneficient Holdings, L.P. (BEN) presented to the Investment Advisory Committee at the September 12, 2013 IAC meeting.

No motion was made.

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**11. 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. AIG lawsuit

a. No discussion of the pay lawsuits was held. No motion was made.

b. Counsel briefed the Board in open session regarding the AIG lawsuit.

After discussion, Mr. Brown made a motion to join the class action lawsuit. Mr. Atkins 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.

No motion was made.

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**Regular Board Meeting**  
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**2. Administrator's report**

Associations' newsletters

- NCPERS Monitor (August 2013)
- NCPERS Monitor (September 2013)
- TEXPERS Outlook (August 2013)

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

No motion was made.

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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. Haben, the meeting was adjourned at 2:17 p.m.

*[signature]*

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George J. Tomasovic  
Chairman

**ATTEST:**

*[signature]*

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Richard L. Tettamant  
Secretary