



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



**MINUTE SUMMARY**  
**Board Meeting**  
**Thursday, April 10, 2014**

The regular meeting of the Dallas Police and Fire Pension System Board of Trustees was held at 8:30 a.m. on Thursday, April 10, 2014, 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 reports from Brandywine Global Investment Management, LLC.
2. Postponed discussion of the Hudson Clean Energy Annex Fund to the May 22 Board meeting.
3. Approved a one-year extension of the North Texas Opportunity Fund contract.
4. Received and filed the investment and financial reports.
5. Approved the loan modification and renewal with Bank of America at the current principal balances and authorized the Administrator to negotiate all terms, execute all documentation, perform all necessary acts, and amend and renew this facility in the future.
6. Approved the disability continuation.

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7. The Chairman and the Administrator presented the Employee of the Quarter Award to Cynthia Reyes, Receptionist.
8. Received and filed reports by staff and Board members on due diligence meetings, seminars and/or conferences attended.
9. No report was given on legal issues. No motion was made.
10. Received and filed the Merit Energy Company presentation.

**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 10:57 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 10:57 a.m.

**A. CONSENT AGENDA**

Approved, subject to the final review of the staff.

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

Received and filed the monthly investment and financial reports.

The meeting was adjourned at 10:58 a.m.

DALLAS POLICE & FIRE PENSION SYSTEM

ASSET DISTRIBUTION BY ADVISOR - AS OF February 28, 2014

	NET ASSET VALUE	FUND % OF ASSETS	ADVISOR % OF CLASS
<b>GLOBAL PUBLIC EQUITY</b>			
EAGLE ASSET MANAGEMENT	100,915,454.40	2.9 %	15.9 %
OFI INSTITUTIONAL ASSET MGMT	140,485,138.43	4.1 %	22.1 %
PYRAMIS GLOBAL ADVISORS TRUST CO	197,119,306.49	5.7 %	31.0 %
RREEF REIT	59,146,228.98	1.7 %	9.3 %
WALTER SCOTT & PARTNERS LIMITED	137,641,000.13	4.0 %	21.7 %
*** TOTAL GLOBAL PUBLIC EQUITY ***	635,307,128.43	18.3 %	100.0 %
<b>GLOBAL PRIVATE EQUITY</b>			
ASHMORE INVESTMENT MGMT GSSF IV	22,452,600.77	0.6 %	3.1 %
BANKCAP PARTNERS FUND I, LP	17,295,469.00	0.5 %	2.4 %
BANKCAP PARTNERS OPPORTUNITY LP	748,087.43	0.0 %	0.1 %
CREATIVE HOLDINGS	15,195,330.00	0.4 %	2.1 %
DPPF HM CAPITAL PARTNERS	1,125,836.52	0.0 %	0.2 %
HUFF ALTERNATIVE FUND LP	43,084,112.34	1.2 %	5.9 %
HUFF ENERGY FUND - HUFF ENERGY	200,502,996.01	5.8 %	27.3 %
KAINOS CAPITAL PARTNERS, LP	2,000,372.00	0.1 %	0.3 %
LEVINE LEICHTMAN CAPITAL PARTNER IV,	44,883,792.74	1.3 %	6.1 %
LEVINE LEICHTMAN CAPITAL PTNERS V	2,941,421.14	0.1 %	0.4 %
LEVINE LEICHTMAN DEEP VALUE FUND	25,830,231.42	0.7 %	3.5 %
LEVINE LEICHTMAN PCS II	5,749,378.06	0.2 %	0.8 %
LONE STAR CRA FUND LP	21,196,151.06	0.6 %	2.9 %
LONE STAR GROWTH CAPITAL LP	15,901,798.10	0.5 %	2.2 %
LONE STAR OPPORTUNITIES FUND V	13,822,659.04	0.4 %	1.9 %
MERIT PARTNERS LP	27,031,537.43	0.8 %	3.7 %
NORTH TEXAS OPPORTUNITY FUND	7,489,629.24	0.2 %	1.0 %
OAKTREE POWER OPPORTUNITIES FUND III	16,128,894.19	0.5 %	2.2 %
PHAROS CAPITAL PARTNERS III, LP	5,362,288.00	0.2 %	0.7 %
PHAROS IIA AND CO-INVESTMENTS	76,524,162.99	2.2 %	10.4 %
RED CONSOLIDATED HOLDINGS	164,580,983.14	4.8 %	22.4 %
SOUTHERN CROSS	2,031,000.03	0.1 %	0.2 %
YELLOWSTONE ENERGY VENTURES	2,083,165.34	0.1 %	0.2 %
*** TOTAL GLOBAL PRIVATE EQUITY ***	733,961,895.99	21.2 %	100.0 %
<b>GLOBAL NATURAL RESOURCES</b>			
BTG PACTUAL	88,894,803.96	2.6 %	20.6 %
ENERGY OPPORTUNITIES CAPITAL MGMT	40,408,809.52	1.2 %	9.4 %
FOREST INVESTMENT ASSOCIATES	40,623,822.66	1.2 %	9.4 %
HANCOCK AGRICULTURAL INVEST FD	115,364,875.41	3.3 %	26.7 %
HUDSON CLEAN ENERGY PARTNERS	16,232,788.65	0.5 %	3.8 %
RCM ECOTRENDS	35,327,108.85	1.0 %	8.2 %
SUSTAINABLE ASSET MANAGEMENT	49,420,773.90	1.4 %	11.5 %
THE MITCHELL GROUP	45,090,362.79	1.3 %	10.4 %
*** TOTAL GLOBAL NATURAL RESOURCES *	431,363,345.74	12.5 %	100.0 %
<b>GLOBAL FIXED INCOME</b>			
ASHMORE EM MKTS LOCAL CURRENCY	21,626,984.17	0.6 %	4.1 %
ASHMORE EMERGING MARKETS DEBT FUND	45,351,369.41	1.3 %	8.7 %
BRANDYWINE ASSET MANAGEMENT	63,374,492.66	1.8 %	12.1 %
HIGHLAND CREDIT OPPTS CDO LP - HIGHLA	18,701,231.62	0.5 %	3.6 %
HIGHLAND CRUSADER FUND LP	8,855,769.76	0.3 %	1.7 %
LONE STAR FUND VII	10,142,579.64	0.3 %	1.9 %
LONE STAR FUND VIII, LP	8,791,894.89	0.3 %	1.7 %
LOOMIS SAYLES & CO	144,111,758.75	4.2 %	27.6 %
LOOMIS SAYLES SENIOR FLTG RT & FI TR	50,637,777.42	1.5 %	9.7 %
MONDRIAN INVESTMENT PARTNERS	56,276,151.45	1.6 %	10.8 %
OAKTREE FUND IV & 2X LOAN FUND	2,627,035.02	0.1 %	0.5 %
W.R. HUFF HIGH YIELD	91,729,244.39	2.6 %	17.6 %
*** TOTAL GLOBAL FIXED INCOME ***	522,226,289.18	15.1 %	100.0 %
<b>GLOBAL ASSET ALLOCATION</b>			
AQR CAPITAL MANAGEMENT, LLC	10,198,159.00	0.3 %	2.7 %
BRIDGEWATER ASSOCIATES, INC	122,771,581.46	3.5 %	32.7 %
GMO MULTI-STRATEGY FUND	123,976,223.46	3.6 %	33.0 %
PANAGORA ASSET MANAGEMENT	10,023,584.19	0.3 %	2.7 %
PUTNAM TOTAL RETURN	60,349,601.00	1.7 %	16.1 %
ROBECO TRANSTREND DIVERSIFIED FUND	48,382,677.52	1.4 %	12.8 %

DALLAS POLICE & FIRE PENSION SYSTEM  
ASSET DISTRIBUTION BY ADVISOR - AS OF February 28, 2014

	NET ASSET VALUE	% OF ASSETS	FUND % OF CLASS
*** TOTAL GLOBAL ASSET ALLOCATION **	375,701,826.63	10.8 %	100.0 %
<u>GLOBAL INFRASTRUCTURE</u>			
J P MORGAN ASIAN INFRASTRUCTURE & RE	32,249,533.65	0.9 %	20.4 %
JP MORGAN GLOBAL MARITIME INV FUND	13,055,214.75	0.4 %	8.3 %
JP MORGAN INFRASTRUCTURE INV FUND	35,682,718.60	1.0 %	22.6 %
LBJ INFRASTRUCTURE	36,564,257.27	1.1 %	23.1 %
NTE MOBILITY PARTNERS HOLDINGS LLC	36,530,013.01	1.1 %	23.1 %
NTE SEGMENTS 3	4,013,518.15	0.1 %	2.5 %
*** TOTAL GLOBAL INFRASTRUCTURE ***	158,095,255.43	4.6 %	100.0 %
<u>REAL ESTATE</u>			
BENTALL KENNEDY REAL ESTATE	27,690,393.55	0.8 %	4.7 %
CDK REALTY ADVISORS	373,389,201.72	10.8 %	63.4 %
CRISWELL RADOVAN	35,840,303.29	1.0 %	6.1 %
DALLAS P & F - REAL ESTATE FUND	35,272,596.05	1.0 %	6.0 %
LONE STAR REAL ESTATE FUND II	14,680,210.00	0.4 %	2.5 %
HUNT INVESTMENT MANAGEMENT	0.33	0.0 %	0.0 %
INVESCO	6,323,845.12	0.2 %	1.1 %
KNUDSON LUXURY HOUSING	540,690.00	0.0 %	0.1 %
L & B	38,880,641.08	1.1 %	6.6 %
LAND BARON	32,561,488.34	0.9 %	5.5 %
M&G REAL ESTATE DEBT FUND II	1,125,971.73	0.0 %	0.2 %
TDB REAL ESTATE	22,497,113.00	0.6 %	3.8 %
*** TOTAL REAL ESTATE ***	588,802,454.21	17.0 %	100.0 %
<u>CASH/LOAN PROGRAM</u>			
CONTRIBUTION & EXPENSE ACCOUNT			
CONTROL CASH	17,880,273.48	0.5 %	99.0 %
DPPF TRANSITION ACCOUNT	172,180.92	0.0 %	1.0 %
*** TOTAL CASH/LOAN PROGRAM ***	18,052,454.40	0.5 %	100.0 %
TOTAL MASTER TRUST	3,463,510,650.01	100.0 %	100.0 %
CITY CONTRIBUTIONS	8,182,941.51		
EMPLOYEE CONTRIBUTIONS	2,206,090.52		
BENEFIT DISTRIBUTIONS	-19,932,946.00		
ADVISORY FEES	-288,937.76		

**Dallas Police and Fire Pension System**  
**Thursday, April 10, 2014**  
**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, Lee M. Kleinman, John M. Mays, Richard A. Salinas, Joseph P. Schutz, George J. Tomasovic, Daniel W. Wojcik

Absent: Philip T. Kingston

**Staff** Richard Tettamant, Don Rohan, Brian Blake, Summer Loveland, Mike Taylor, Joshua Mond, John Holt, Jerry Chandler, Corina Terrazas, Pat McGennis, Ryan Wagner, Milissa Schmidt, Christina Wu, Greg Irlbeck, Linda Rickley

**Others** Gary Lawson, Brian Hass, Nedra Hadley, Richard Lawrence, Terry Gottberg, Ann Mennel, Scott Gallagher, Katie Sibley, Anthony Bookman

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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**

- a. Quarterly meeting of March 11, 2014
- b. Regular meeting of March 20, 2014

**2. Approval of Refunds of Contributions for the Month of March, 2014**

**3. Approval of Activity in the Deferred Retirement Option Plan (DROP) for April, 2014**

**4. Approval of Estate Settlements**

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**A. CONSENT AGENDA (continued)**

- 5. Approval of Survivor Benefits**
- 6. Approval of Service Retirements**
- 7. Approval of Alternate Payee Benefits**
- 8. Approval of Payment of Previously Withdrawn Contributions**

After discussion, Mr. Haben made a motion to approve the items on the Consent Agenda, subject to final approval by the Administrator. Mr. Brown 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. Brandywine Global Investment Management, LLC**

Nedra Hadley, Senior Vice President, Institutional Client Service, and Richard Lawrence, Senior Vice President, Portfolio Management, of Brandywine, provided an organizational update and portfolio review.

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

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**2. Hudson Clean Energy Annex Fund**

Discussion of the Hudson Clean Energy Annex Fund was postponed to the May 22, 2014, Board meeting.

No motion was made.

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**3. Amendment to the North Texas Opportunity Fund contract**

The North Texas Opportunity Fund LP, managed by Lone Star Investment Advisors, is one of the System's private equity investments and is valued at approximately \$7.5 million. The manager recommends that the System consent to a one-year extension in order to wind down the remaining assets in the fund and maximize investors' return. This extension of the fund is the fifth extension requested by manager under the terms of the limited partnership and requires approval of two-thirds of the limited partners.

After discussion, Mr. Mays made a motion to approve the extension, subject to successful contract negotiations, and the final approval of the Administrator and legal counsel, and authorize the Administrator to perform all necessary acts and exercise all appropriate discretion to consummate and execute the contract amendment. Mr. Atkins seconded the motion, which was unanimously approved by the Board.

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The meeting was recessed at 9:18 a.m.

The meeting was reconvened at 9:31 a.m.

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**4. Investment and financial reports**

The Board and staff reviewed the investment and financial reports.

After discussion, Mr. Salinas 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. Mays seconded the motion, which was unanimously approved by the Board.

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**5. Bank of America credit facility**

Mr. Tettamant stated that in September of 2005, based on Townsend's recommendation, the System obtained a line of credit from Bank of America for \$100 million and direct loan on JMM Dry Creek for \$37.2 million. Over time, the Board has approved renewals and increased the line of credit to \$400 million.

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**5. Bank of America credit facility (continued)**

The current agreement with Bank of America, which was renewed in 2011, expires on April 15, 2014. Staff has been negotiating a renewal with Bank of America, subject to final Board approval. It is currently contemplated that \$400 million revolving facility will be split evenly as to the principal balance between fixed and floating interest rates.

After discussion, Mr. Brown made a motion to approve the loan modification and renewal with Bank of America at the current loan limits and authorize the Administrator to negotiate all terms, execute all documentation, perform all necessary acts, and amend and renew these facilities in the future. Mr. Atkins seconded the motion, which was unanimously approved by the Board.

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**6. Closed Session – Board serving as Medical Committee**

Disability recall

The Board went into a closed executive session – medical at 9:43 a.m. to review the on-duty disability pension of a Plan B Member.

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

After discussion, Mr. Brown made a motion to grant continuance of the on-duty, Combined Pension Plan, Group B disability benefits, according to the staff recommendations. Mr. Mays seconded the motion, which was unanimously approved by the Board.

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**7. Employee recognition – First Quarter 2014**

Employee of the Quarter Award

Messrs. Tomasovic and Tettamant presented a performance award for Employee of the Quarter, First Quarter 2014, to Cynthia Reyes, Receptionist.

After discussion, Mr. Salinas made a motion to receive and file the employee of the quarter award. Mr. Haben seconded the motion, which was unanimously approved by the Board.



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**7. Employee recognition – First Quarter 2014 (continued)**



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**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. TEXPERS CTT Course Module C**

Messrs. Friar, Haben, Mays, Salinas, Schutz, Tomasovic, Wojcik, Tettamant, Taylor

**b. TEXPERS Annual Conference**

Messrs. Brown, Friar, Haben, Kleinman, Mays, Salinas, Schutz, Tomasovic, Wojcik, Tettamant, Blake, Mond, Scoggins, Irlbeck, Taylor

Mmes. Loveland, Wu

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

c. Opal Real Estate Investors Summit

Messrs. Schutz, Wojcik

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

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**9. Legal Issues**

Police Officer and Firefighter pay lawsuits

No discussion was held. No motion was made.

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The meeting was recessed at 10:09 a.m.

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

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**10. Merit Energy Company**

Terry Gottberg, CEO, Ann Mennel, Manager of Investor Relations, and Scott Gallagher, Analyst, of Merit, were present and gave an organizational update of the firm, the status of the existing portfolio, and plans for future activities with regard to that portfolio. They also discussed recent industry events.

After discussion, Mr. Brown made a motion to receive and file the presentation by Merit Energy Company. Mr. Mays 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 members or pensioners requested to discuss concerns with the Board.

No motion was made.

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**2. Administrator's report**

Associations' newsletters

- NCPERS Monitor (April 2014)
- TEXPERS Outlook (April 2014)

Mr. Brown made a motion to receive and file the reports. Mr. Mays 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. Haben and a second by Mr. Friar, the meeting was adjourned at 10:57 a.m.

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George J. Tomasovic  
Chairman

**ATTEST:**

[signature]

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Richard L. Tettamant  
Secretary

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