



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



**MINUTE SUMMARY**

**Board Meeting**

**Thursday, July 17, 2014**

The regular meeting of the Dallas Police and Fire Pension System Board of Trustees was held at 8:30 a.m. on Thursday, July 17, 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. MOMENT OF SILENCE**

The Board observed a moment of silence in memory of pensioners who recently passed away.

**B. CONSENT AGENDA**

Approved, subject to the final review of the staff.

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

1. Approved the compensation of the Interim Administrator.
2. Granted survivor benefits to a handicapped child.
3. Adopted the revised Committee Policy and Procedure and authorized the Interim Administrator to finalize and have signed the revised Committee Policy and Procedure.
4. Received and filed the status update on the City's actuarial audit.
5. Received and filed the 2013 audit report status update.
6. Received and filed the monthly investment and financial reports.
- 7a. The Chairman presented the Employee Service Award for 5 years of service to Laura Banda, Administrative Clerk, Milissa Schmidt, Investment Analyst, and Joshua Mond, General Counsel.

**MINUTE SUMMARY**  
**Board Meeting**  
**Thursday, July 17, 2014**

- 7b. The Chairman also presented a performance award for Employee of the Quarter, Second Quarter 2014, to Vickie Johnson, Accounting Specialist.
8. Received and filed reports by Board and staff members on due diligence meetings, seminars and/or conferences attended.
9. No report was given on legal issues and no motion was made.
10. Discussed the preliminary annual workshop agenda.

**D. BRIEFING ITEMS**

1. Received and filed comments from pensioners.
2. Received and filed the Administrator's report.

The meeting was adjourned at 10:08 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 10:08 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 2013 audit report status.
2. Received and filed the monthly investment and financial reports.

The meeting was adjourned at 10:10.m.

DALLAS POLICE & FIRE PENSION SYSTEM  
ASSET DISTRIBUTION BY ADVISOR - AS OF May 31, 2014

	NET ASSET VALUE	% OF ASSETS	FUND % OF CLASS
<b>GLOBAL PUBLIC EQUITY</b>			
EAGLE ASSET MANAGEMENT	95,667,640.85	2.8 %	15.2 %
OFI INSTITUTIONAL ASSET MGMT	136,792,929.90	4.0 %	21.8 %
PYRAMIS GLOBAL ADVISORS TRUST CO	196,973,272.19	5.7 %	31.3 %
RREEF REIT	62,531,578.63	1.8 %	10.0 %
WALTER SCOTT & PARTNERS LIMITED	136,427,157.66	4.0 %	21.7 %
*** TOTAL GLOBAL PUBLIC EQUITY ***	628,392,579.23	18.2 %	100.0 %
<b>GLOBAL PRIVATE EQUITY</b>			
ASHMORE INVESTMENT MGMT GSSF IV	22,508,512.70	0.7 %	3.0 %
BANKCAP PARTNERS FUND I, LP	18,440,393.00	0.5 %	2.5 %
BANKCAP PARTNERS OPPORTUNITY LP	18,400,000.00	0.0 %	0.1 %
CREATIVE HOLDINGS	15,195,330.00	0.4 %	2.0 %
DPPF HM CAPITAL PARTNERS	1,117,228.52	0.0 %	0.1 %
HUFF ALTERNATIVE FUND LP	43,084,112.34	1.3 %	5.7 %
HUFF ENERGY FUND LP - HUFF ENERGY	200,502,996.01	5.8 %	26.7 %
KAINOS CAPITAL PARTNERS, LP	1,884,020.00	0.1 %	0.3 %
LEVINE LEICHTMAN CAPITAL PARTNER IV,	35,901,566.80	1.0 %	4.8 %
LEVINE LEICHTMAN CAPITAL PTNERS V	2,933,230.70	0.1 %	0.4 %
LEVINE LEICHTMAN DEEP VALUE FUND	14,859,396.85	0.4 %	2.0 %
LEVINE LEICHTMAN PCS II	17,293,785.15	0.5 %	2.3 %
LONE STAR CRA FUND LP	25,939,507.30	0.8 %	3.5 %
LONE STAR GROWTH CAPITAL LP	9,991,751.10	0.3 %	1.3 %
LONE STAR OPPORTUNITIES FUND V	13,911,316.01	0.4 %	1.9 %
LONE STAR REAL ESTATE FUND III	769,142.03	0.0 %	0.1 %
MERIT PARTNERS LP	54,220,569.18	1.6 %	7.2 %
NORTH TEXAS OPPORTUNITY FUND	9,525,197.24	0.3 %	1.3 %
OAKTREE POWER OPPORTUNITIES FUND III	17,368,433.19	0.5 %	2.3 %
PHAROS CAPITAL PARTNERS III,LP	7,925,468.00	0.2 %	1.1 %
PHAROS IIA AND CO-INVESTMENTS	83,962,547.95	2.4 %	11.2 %
RED CONSOLIDATED HOLDINGS	149,497,728.14	4.3 %	19.9 %
SOUTHERN CROSS	2,031,000.03	0.1 %	0.2 %
YELLOWSTONE ENERGY VENTURES	1,451,686.34	0.0 %	0.1 %
*** TOTAL GLOBAL PRIVATE EQUITY ***	750,714,918.58	21.8 %	100.0 %
<b>GLOBAL NATURAL RESOURCES</b>			
BTG PACTUAL	92,124,464.96	2.7 %	21.7 %
ENERGY OPPORTUNITIES CAPITAL MGMT	37,354,250.31	1.1 %	8.8 %
FOREST INVESTMENT ASSOCIATES	42,082,776.34	1.2 %	9.9 %
HANCOCK AGRICULTURAL INVEST FD	117,597,844.65	3.4 %	27.7 %
HUDSON CLEAN ENERGY PARTNERS	17,497,624.65	0.5 %	4.1 %
RCM ECOTRENDS	30,232,556.60	0.9 %	7.1 %
SUSTAINABLE ASSET MANAGEMENT	44,406,026.83	1.3 %	10.4 %
THE MITCHELL GROUP	43,670,070.98	1.3 %	10.3 %
*** TOTAL GLOBAL NATURAL RESOURCES *	424,965,615.32	12.3 %	100.0 %
<b>GLOBAL FIXED INCOME</b>			
ASHMORE EM MKTS LOCAL CURRENCY	22,842,261.93	0.7 %	4.3 %
ASHMORE EMERGING MARKETS DEBT FUND	43,741,065.94	1.3 %	8.3 %
BRANDYWINE ASSET MANAGEMENT	66,116,776.97	1.9 %	12.5 %
HIGHLAND CREDIT OPPS CDO LP - HIGHLA	19,731,220.37	0.6 %	3.7 %
HIGHLAND CRUSADER FUND LP	9,117,864.89	0.3 %	1.7 %
LONE STAR FUND VII	8,711,475.33	0.3 %	1.7 %
LONE STAR FUND VIII, LP	8,181,247.72	0.2 %	1.6 %
LOOMIS SAYLES & CO	146,166,914.15	4.2 %	27.7 %
LOOMIS SAYLES SENIOR FLTG RT & FI TR	51,385,819.42	1.5 %	9.7 %
MONDRIAN INVESTMENT PARTNERS	56,795,122.46	1.6 %	10.8 %
OAKTREE FUND IV & 2X LOAN FUND	2,579,492.21	0.1 %	0.5 %
W.R. HUFF HIGH YIELD	92,439,138.04	2.7 %	17.5 %
*** TOTAL GLOBAL FIXED INCOME ***	527,808,399.43	15.3 %	100.0 %
<b>GLOBAL ASSET ALLOCATION</b>			
AQR CAPITAL MANAGEMENT, LLC	10,782,329.00	0.3 %	2.7 %
BRIDGEWATER ASSOCIATES, INC	130,546,729.30	3.8 %	33.1 %
GMO MULTI-STRATEGY FUND	129,149,800.08	3.7 %	32.8 %
PANAGORA ASSET MANAGEMENT	10,637,449.68	0.3 %	2.7 %
PUTNAM TOTAL RETURN	62,783,055.00	1.8 %	15.9 %
ROBECO TRANSTREND DIVERSIFIED FUND	50,425,941.95	1.5 %	12.8 %

DALLAS POLICE & FIRE PENSION SYSTEM  
 ASSET DISTRIBUTION BY ADVISOR - AS OF May 31, 2014

	NET ASSET VALUE	% OF ASSETS	FUND % OF CLASS
*** TOTAL GLOBAL ASSET ALLOCATION **	394,325,305.01	11.4 %	100.0 %
<b>GLOBAL INFRASTRUCTURE</b>			
J P MORGAN ASIAN INFRASTRUCTURE & RE	34,072,077.75	1.0 %	19.1 %
JP MORGAN ASIAN INFRASTRUCTURE II	11,284,041.14	0.3 %	6.3 %
JP MORGAN GLOBAL MARITIME INV FUND	17,066,371.74	0.5 %	9.6 %
JP MORGAN INFRASTRUCTURE INV FUND	35,255,653.49	1.0 %	19.8 %
LBJ INFRASTRUCTURE	37,165,142.52	1.1 %	20.9 %
NTE MOBILITY PARTNERS HOLDINGS LLC	37,989,866.00	1.1 %	21.3 %
NTE SEGMENTS 3	5,109,889.20	0.1 %	3.0 %
*** TOTAL GLOBAL INFRASTRUCTURE ***	177,943,041.84	5.2 %	100.0 %
<b>REAL ESTATE</b>			
BENTALL KENNEDY REAL ESTATE	28,172,221.69	0.8 %	4.7 %
CDK REALTY ADVISORS	389,134,052.20	11.3 %	64.7 %
CRISWELL RADOVAN	42,810,653.00	1.2 %	7.1 %
DALLAS P & F - REAL ESTATE FUND	30,547,800.95	0.9 %	5.1 %
LONE STAR REAL ESTATE FUND II	15,138,748.10	0.4 %	2.5 %
DALLAS P & F PENSION SYSTEM P&F REAL	17,354,334.00	0.5 %	2.9 %
HUNT INVESTMENT MANAGEMENT	0.33	0.0 %	0.0 %
INVESCO	7,035,407.66	0.2 %	1.2 %
KNUDSON LUXURY HOUSING	8,301,413.28	0.2 %	1.4 %
L & B	42,533,873.03	1.2 %	7.1 %
LAND BARON	18,611,509.43	0.5 %	3.1 %
M&G REAL ESTATE DEBT FUND II	1,389,434.49	0.0 %	0.2 %
*** TOTAL REAL ESTATE ***	601,029,448.16	17.4 %	100.0 %
<b>CASH/LOAN PROGRAM</b>			
CONTRIBUTION & EXPENSE ACCOUNT			
CONTROL CASH	13,886,187.86	0.4 %	15.9 %
DPPF TRANSITION ACCOUNT	173,674.88	0.0 %	0.2 %
MASTER LOANS	-73,387,991.81	-2.1 %	83.9 %
*** TOTAL CASH/LOAN PROGRAM ***	-59,328,129.07	-1.7 %	100.0 %
TOTAL MASTER TRUST	3,445,851,178.50	100.0 %	100.0 %
CITY CONTRIBUTIONS	8,281,729.41		
EMPLOYEE CONTRIBUTIONS	2,216,001.13		
BENEFIT DISTRIBUTIONS	-20,555,550.76		
ADVISORY FEES	-431,775.10		

**Dallas Police and Fire Pension System**  
**Thursday, July 17, 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, Kenneth S. Haben, Richard A. Salinas, Joseph P. Schutz, George J. Tomasovic, Daniel W. Wojcik

Absent: Scott Griggs, Philip T. Kingston, Lee M. Kleinman, John M. Mays

**Staff**

Don Rohan, Brian Blake, Summer Loveland, Mike Taylor, Joshua Mond, John Holt, Jerry Chandler, Carlos Ortiz, Pat McGennis, Linh Ho, Ryan Wagner, Milissa Schmidt, Christina Wu, Greg Irlbeck, Linda Rickley, Kevin Killingsworth

**Others**

Gary Lawson, A. D. (Gus) Fields, Zane Newsom, Frances Newsom, A. D. Donald, Ken Sprecher, Steve Teel, Robert Sharp, R.E. Loboda, S. Potrykus, Gerardo Guardiola, Jaime Castro, M.J. Brady, Gary Jacobson

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

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**A. MOMENT OF SILENCE**

The Board observed a moment of silence in memory of James W. Adams, and Weldon L. Bell, retired firefighters, who recently passed away.

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**B. CONSENT AGENDA**

**1. Approval of Minutes**

Regular meeting of June 12, 2014

**Regular Board Meeting  
Thursday, July 17, 2014**

**B. CONSENT AGENDA (continued)**

- 2. Approval of Refunds of Contributions for the Month of June 2014**
- 3. Approval of Activity in the Deferred Retirement Option Plan (DROP) for July 2014**
- 4. Approval of Estate Settlements**
- 5. Approval of Survivor Benefits**
- 6. Approval of Service Retirements**
- 7. Approval of Alternate Payee Benefits**
- 8. Approval of Earnings Test**
- 9. Approval 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. Atkins seconded the motion, which was unanimously approved by the Board.

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

**1. Compensation of Interim Administrator**

At its June 12, 2014, regular meeting, the Board appointed Don Rohan as the Interim Administrator of the Dallas Police and Fire Pension System. At the June 19, 2014, Administrative and Audit Advisory Committee meeting, the Committee discussed the annual salary to be paid to Mr. Rohan.

After discussion, Mr. Friar made a motion to accept the Administrative and Audit Advisory Committee's recommendation and set Mr. Rohan's salary at an annual rate of \$275,000, effective June 12, 2014, with the provision that Mr. Rohan be paid a retention bonus of \$25,000 if he remains with DFPF for a transition period of two months after the new administrator is hired and begins employment.

**Regular Board Meeting  
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**2. Closed Session - Board serving as Medical Committee**

Determination of Handicap Status of Dependent Child

The Board went into a closed executive session – medical at 8:32 a.m.

The meeting was reopened at 8:43 a.m.

After discussion, Mr. Brown made a motion to grant survivor benefits to Deric L. Tolleson under the provisions of Plan Section 6.06(p). Mr. Atkins seconded the motion, which was unanimously approved by the Board.

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**3. Committee Policy and Procedure**

On June 19, 2014, the Administrative and Audit Advisory Committee recommended to the Board the adoption of a revised Committee Policy and Procedure.

After discussion, Mr. Friar made a motion to adopt the revised Committee Policy and Procedure and authorize the Interim Administrator to finalize and have signed the revised Committee Policy and Procedure. Mr. Atkins seconded the motion, which was approved by the following vote:

For: Friar, Atkins, Haben, Salinas, Schutz, Tomasovic, Wojcik  
Against: Brown

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**4. City's actuarial audit**

In accordance with Texas Government Code Section 802.1012 enacted in 2007, the City of Dallas engaged the actuarial firm Foster and Foster to conduct a review of the System's actuarial valuations. The valuations are performed for the System by Buck Consultants.

Mr. Rohan, Interim Administrator, and Mr. Mond, General Counsel, briefed the Board on the status of this review.

**Regular Board Meeting  
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**4. City's actuarial audit (continued)**

After discussion, Mr. Salinas made a motion to receive and file the update on the City's actuarial audit. Mr. Atkins seconded the motion, which was unanimously approved by the Board.

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**5. 2013 audit report status**

Ms. Loveland discussed the status of the audited financial statements for the year ended December 31, 2013.

After discussion, Mr. Salinas made a motion to receive and file the 2013 audit report status update. Mr. Brown seconded the motion, which was unanimously approved by the Board.

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**6. Investment and financial reports**

The Board and staff reviewed the investment and financial reports.

After discussion, Mr. Haben 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. Atkins seconded the motion, which was unanimously approved by the Board.

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The meeting was recessed at 9:10 a.m.

The meeting was reconvened at 9:25 a.m.

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**Regular Board Meeting  
Thursday, July 17, 2014**

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

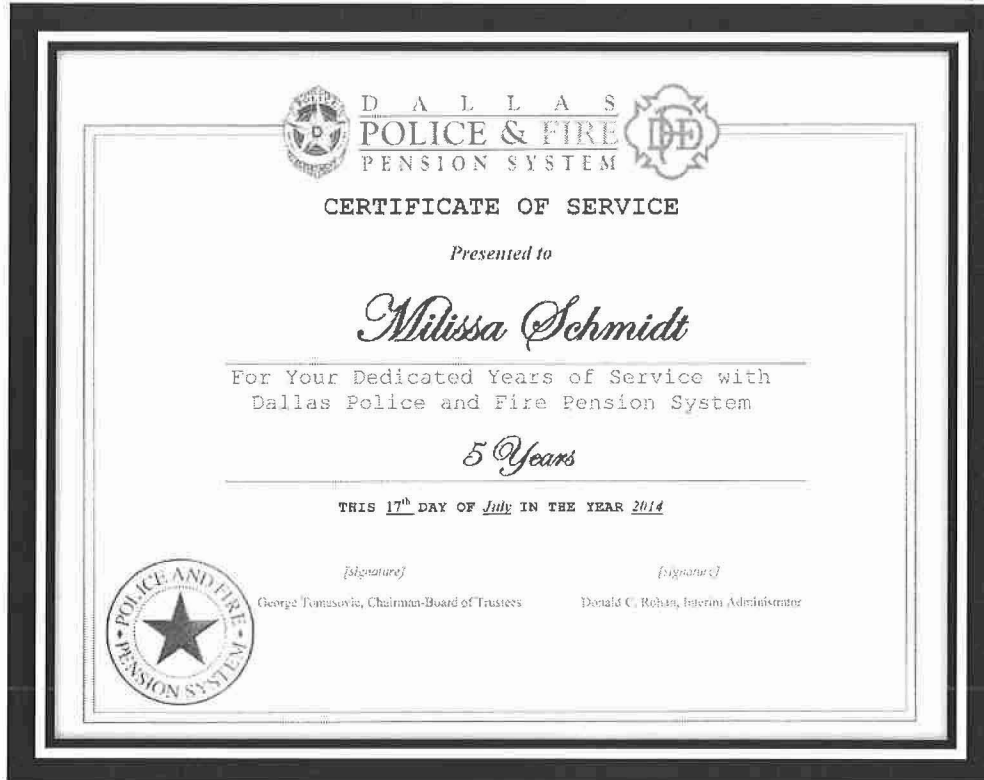
- a. Employee Service Award
  - b. Employee of the Quarter award
- a. Mr. Tomasovic, Chairman, and Mr. Rohan, Interim Administrator, presented the Employee Service Award to Laura Banda, Administrative Clerk, Milissa Schmidt, Investment Analyst, and Josh Mond, Legal Counsel, for five years of service.
- b. Messrs. Tomasovic and Rohan presented a performance award for Employee of the Quarter, Second Quarter 2014, to Vickie Johnson, Accounting Specialist.

Mr. Brown made a motion to receive and file the employee service awards and employee of the quarter award. Mr. Haben seconded the motion, which was unanimously approved by the Board.



Regular Board Meeting  
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7. Employee recognition – Second Quarter 2014 (continued)



**Regular Board Meeting  
Thursday, July 17, 2014**

**7. Employee recognition – Second 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. Society of Pension Professionals**

Messrs. Brown, Schutz, Wojcik

**b. Pharos Annual Investor Conference**

Messrs. Salinas, Wojcik, Brown  
Ms. Wu

**c. 2014 Merit Field Trip: Kalkaska, MI Assets**

Messrs. Schutz, Brown

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

**d. Society of Pension Professionals**

Messrs. Brown, Schutz, Wojcik

**e. TSR Board Meeting**

Mr. Brown

After discussion, Mr. Salinas made a motion to receive and file the reports. Mr. Haben 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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**10. Preliminary agenda for the annual Board/Staff Workshop to be held on October 13 – 16, 2014**

Mr. Rohan discussed the preliminary workshop plans and requested input from the Board. Board members directed the staff regarding their preferences for annual workshop agenda topics and speakers.

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**

Two pensioners addressed the Board with prepared comments.

**Regular Board Meeting  
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**1. Reports and concerns of active members and pensioners of the Dallas Police and Fire Pension System (continued)**

Mr. Brown made a motion to receive and file the member comments. Mr. Atkins seconded the motion, which was unanimously approved by the Board.

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**2. Administrator's report**

Associations' newsletters

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

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

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Mr. Rohan stated that there was no further business to come before the Board. On a motion by Mr. Brown and a second by Mr. Salinas, the meeting was adjourned at 10:08 a.m.

[signature]

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George J. Tomasovic  
Chairman

**ATTEST:**

[signature]

\_\_\_\_\_  
Donald C. Rohan  
Secretary

**Regular Board Meeting  
Thursday, July 17, 2014**

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