



D A L L A S
POLICE & FIRE
PENSION SYSTEM



MINUTES SUMMARY
Board Meeting
Thursday, December 9, 2021

The Regular and Supplemental meetings of the Dallas Police and Fire Pension System Board of Trustees were held at 8:30 a.m. on Thursday, December 9, 2021, in the Second Floor Board Room at 4100 Harry Hines Blvd., Dallas, Texas.

REGULAR POLICE AND FIRE PENSION SYSTEM BOARD MEETING

The meeting was called to order at 8:32 a.m.

A. MOMENT OF SILENCE

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

B. CONSENT AGENDA

Approved by the Board, subject to the final review of the staff.

C. DISCUSSION AND POSSIBLE ACTION REGARDING ITEMS FOR INDIVIDUAL CONSIDERATION

1. The Audit Committee Chair commented on the Audit Committee meeting with BDO.
2. Approved issuance of the 2020 audit report, subject to final review and approval by BDO and the Executive Director.
3. The Board authorized the Executive Director to issue the 2020 Annual Comprehensive Financial Report upon finalization.
4. The Board discussed the 2022 Board meeting calendar schedule.

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5. The Professional Services Committee reported to the Board on its meetings with Jackson Walker.
6. Investment staff briefed the Board on recent events and current developments with respect to the investment portfolio.
7. Meketa and investment staff reviewed investment performance.
8. Approved the reappointment of Rakesh Dahiya to serve on the Investment Advisory Committee for a two-year term ending 12/31/23.
9. The Executive Director reviewed the Monthly Contribution Report.
10. The Board and staff discussed future Trustee education. There was no future Trustee business-related travel or investment-related travel scheduled.
11. The Executive Director reviewed the compensation policy and pay structure for the Staff Compensation Plan with the Board. The Board provided feedback and requested additional information to be provided at the January 13, 2022 Board meeting.
12. Authorized the Executive Director, with the approval of the Chairman and Michael Brown, to enter into a settlement of the pending litigation involving Lone Star Investment Advisors.
13. The Board discussed the Executive Director's performance evaluation.

D. BRIEFING ITEMS

1. Prior to commencing items for Board discussion and deliberation, the Board received public comments during the open forum.
2. The Executive Director's report was presented.

The Regular meeting was adjourned at 11:55 a.m.

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SUPPLEMENTAL POLICE AND FIRE PENSION BOARD MEETING

The Supplemental meeting was called to order and recessed at 8:32 a.m.

The Supplemental meeting was reconvened at 11:55 a.m.

A. CONSENT AGENDA

Approved by the Board, subject to the final review of the staff.

B. DISCUSSION AND POSSIBLE ACTION REGARDING ITEMS FOR INDIVIDUAL CONSIDERATION

1. Approved issuance of the 2020 audit report, subject to final review and approval by BDO and the Executive Director.
2. The Board authorized the Executive Director to issue the 2020 Comprehensive Annual Financial Report upon finalization.

The Supplemental meeting was adjourned at 11:56 a.m.

**Dallas Police and Fire Pension System
Thursday, December 9, 2021
8:30 a.m.
4100 Harry Hines Blvd., Suite 100
Second Floor Board Room
Dallas, TX**

Regular meeting, Nicholas A. Merrick, Chairman, presiding:

ROLL CALL

Board Members

Present at 8:32 a.m. Nicholas A. Merrick, William F. Quinn, Armando Garza, Michael Brown (by telephone), Robert B. French (by telephone), Gilbert A. Garcia (by telephone), Kenneth Haben, Tina Hernandez Patterson, Steve Idoux, Mark Malveaux

Absent: None

Staff

Kelly Gottschalk, Josh Mond, Ryan Wagner, Brenda Barnes, John Holt, Damion Hervey, Greg Irlbeck, Michael Yan (by telephone), Cynthia Thomas (by telephone), Milissa Romero

Others

Kristi Walters, Jill Svoboda, Matt Liu, Leandro Festino, Aaron Lally, Ryan Cotton

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The Regular meeting was called to order at 8:32 a.m.

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A. MOMENT OF SILENCE

The Board observed a moment of silence in memory of active police officer Danny L. Watley, retired police officers Albert M. Cargile, Jerry L. Craig, active firefighter John K. Crutcher, and retired firefighter Jesse Lee Bean

No motion was made.

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**Regular Board Meeting
Thursday, December 9, 2021**

B. CONSENT AGENDA

1. Approval of Minutes

- a. Required Public meeting of November 11, 2021
- b. Regular meeting of November 11, 2021

2. Approval of Refunds of Contributions for the Month of November 2021

3. Approval of Estate Settlements

4. Approval of Survivor Benefits

5. Approval of Service Retirements

6. Approval of Payment of Military Leave Contributions

After discussion, Mr. Haben made a motion to approve the minutes of the Required Public Meeting and the Regular Meeting of November 11, 2021. Mr. Garza seconded the motion, which was unanimously approved by the Board.

After discussion, Mr. Garza made a motion to approve the remaining items on the Consent Agenda, subject to the final approval of the staff. Mr. Idoux 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. Report on Audit Committee

The Audit Committee met with representatives of BDO on December 9, 2021. The Committee Chair commented on Committee observations and advice.

No motion was made.

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**Regular Board Meeting
Thursday, December 9, 2021**

2. 2020 Financial Audit

Representatives from BDO, DPFPP’s independent audit firm, discussed the results of their audit for the year ended December 31, 2020.

Mr. Quinn made a comment that staff should consider updating the investment policy regarding concentration of credit risk.

After discussion, Mr. Quinn made a motion to approve issuance of the 2020 audit report, subject to final review and approval by BDO and the Executive Director. Ms. Hernandez Patterson seconded the motion, which was unanimously approved by the Board.

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3. 2020 Annual Comprehensive Financial Report

Staff presented a draft of the 2020 Annual Comprehensive Financial Report.

After discussion, Mr. Garza made a motion to authorize the Executive Director to issue the 2020 Annual Comprehensive Financial Report upon finalization. Mr. Garcia seconded the motion, which was unanimously approved by the Board.

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4. Chairman’s Discussion Items

2022 Board Calendar

The Board discussed the 2022 Board meeting calendar schedule.

No motion was made.

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5. Report on Professional Services Provider Meeting

The Professional Services Committee Chair reported to the Board on its meeting with Chuck Campbell of Jackson Walker LLP, DPFPP’s outside legal counsel. No issues of concern were raised by Jackson Walker.

No motion was made.

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**Regular Board Meeting
Thursday, December 9, 2021**

6. Portfolio Update

Investment Staff briefed the Board on recent events and current developments with respect to the investment portfolio.

No motion was made.

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7. Third Quarter 2021 Investment Performance Analysis and Second Quarter 2021 Private Markets & Real Assets Review

Meketa and investment staff reviewed investment performance.

No motion was made.

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8. Investment Advisory Committee Appointments

The Investment Policy stipulates that members of the Investment Advisory Committee shall serve two-year terms (Sec. 5.B.1.e). The Investment Advisory Committee terms for Rakesh Dahiya and William Velasco, II expire December 2021. Mr. Dahiya is willing to continue serving on the Committee. Staff discussed adding one and possibly multiple new external members to the Investment Advisory Committee and a recommendation will be provided at the January 13, 2022 Board meeting.

Position	Name	Appointed	Proposed Expiration
Board Member #1	Gilbert Garcia	9/13/18	12/31/22
Board Member #2	Michael Brown	11/12/20	12/31/22
Board Member #3	Ken Haben	11/12/20	12/31/22
External #1	Scott Freeman	9/13/18	12/31/22
External #2	Robert Jones	1/10/19	12/31/22
External #3	Rakesh Dahiya	7/9/20	12/31/23
External #4	William Velasco, II	7/9/20	12/31/21

After discussion, Ms. Hernandez Patterson made a motion to reappoint Rakesh Dahiya to serve on the Investment Advisory Committee for a two-year term ending 12/31/23. Mr. Idoux seconded the motion, which was unanimously approved by the Board.

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**Regular Board Meeting
Thursday, December 9, 2021**

9. Monthly Contribution Report

The Executive Director reviewed the Monthly Contribution Report.

No motion was made.

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10. Board approval of Trustee education and travel

- a. Future Education and Business-related Travel
- b. Future Investment-related Travel

The Board and staff discussed future Trustee education. There was no future Trustee business-related travel or investment-related travel scheduled.

No motion was made.

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11. Staff Compensation Plan

Staff worked with CBIZ Talent and Compensation Solutions to develop a pay structure and policy related to the administration of the pay structure. The Executive Director reviewed the compensation policy and pay structure for the Staff Compensation Plan with the Board. The Board provided feedback and requested additional information to be provided at the January 13, 2022 Board meeting.

No motion was made.

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Mr. Garcia left the meeting at 10:29 a.m.

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**Regular Board Meeting
Thursday, December 9, 2021**

- 12. Legal issues - In accordance with Section 551.071 of the Texas Government Code, the Board will meet in executive session to seek and receive the advice of its attorneys about pending or contemplated litigation or any other legal matter in which the duty of the attorneys to DFPF and the Board under the Texas Disciplinary Rules of Professional Conduct clearly conflicts with Texas Open Meeting laws.**

The Board went into closed executive session at 10:48 a.m.

The meeting was reopened at 11:53 a.m.

The Board and staff discussed legal issues.

After discussion, Mr. Malveaux made a motion to authorize the Executive Director, with the approval of the Chairman and Michael Brown, to enter into a settlement of the pending litigation involving Lone Star Investment Advisors. Ms. Hernandez Patterson seconded the motion, which was unanimously approved by the Board.

Mr. Garcia was not present for the vote.

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- 13. Executive Director Performance Evaluation**

The Board went into closed executive session at 10:48 a.m.

The meeting was reopened at 11:53 a.m.

The Board discussed the Executive Director’s performance evaluation.

No motion was made.

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D. BRIEFING ITEMS

- 1. Public Comments**

Prior to commencing items for Board discussion and deliberation, the Board received public comments during the open forum.

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**Regular Board Meeting
Thursday, December 9, 2021**

2. Executive Director's report

- a. Associations' newsletters
 - NCPERS Monitor (December 2021)
 - NCPERS PERSist (Fall 2021)
 - TEXPERS Pension Observer (Vol.4, 2021)
<https://online.anyflip.com/mxfu/znio/mobile/index.html>
- b. Open Records
- c. CIO Recruitment

The Executive Director's report was presented.

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Ms. Gottschalk stated that there was no further business to come before the Board. On a motion by Mr. Garza and a second by Mr. Haben, the meeting was adjourned at 11:55 a.m.

Nicholas A. Merrick
Chairman

ATTEST:

Kelly Gottschalk
Secretary

**Dallas Police and Fire Pension System
Tuesday, January 4, 2022
10:00 a.m.
4100 Harry Hines Blvd., Suite 100
Second Floor Board Room
Dallas, TX**

Special meeting, Nicholas A. Merrick, Chairman, presiding:

ROLL CALL

Board Members

Present at 10:02 a.m. Nicholas A. Merrick, William F. Quinn (by telephone), Armando Garza (by telephone), Michael Brown (by telephone), Robert B. French (by telephone), Gilbert A. Garcia (by telephone), Kenneth Haben (by telephone), Tina Hernandez Patterson (by telephone), Mark Malveaux (by telephone)

Present at 10:09 a.m. Steve Idoux (by telephone)

Absent: None

Staff

Kelly Gottschalk, Josh Mond, Brenda Barnes (by telephone), John Holt, Milissa Romero

Others

Mark Sales, Greg Taylor

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The meeting was called to order at 10:02 a.m.

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A. DISCUSSION AND POSSIBLE ACTION REGARDING ITEMS FOR INDIVIDUAL CONSIDERATION

DPFP v. The Townsend Group, Gary Lawson, et.al.

The Board went into closed executive session at 10:02 a.m.

The meeting was reopened at 10:34 a.m.

After discussion, Mr. Garcia made a motion to authorize the Executive Director to enter into an agreement settling DPFP's pending lawsuit with Gary Lawson. Ms. Hernandez Patterson seconded the motion, which was unanimously approved by the Board.

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**Special Meeting
Tuesday, January 4, 2022**

B. BRIEFING ITEMS

Public Comment

Prior to commencing items for Board discussion and deliberation, the Chairman extended an opportunity for public comment. No one requested to speak to the Board.

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Ms. Gottschalk stated that there was no further business to come before the Board. On a motion by Mr. Garcia and a second by Mr. Haben, the meeting was adjourned at 10:36 a.m.

Nicholas A. Merrick
Chairman

ATTEST:

Kelly Gottschalk
Secretary