



D A L L A S
POLICE & FIRE
PENSION SYSTEM



MINUTES SUMMARY
Board Meeting
Thursday, January 13, 2022

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, January 13, 2022, 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 8:31 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 Board discussed the Active-Duty Survivor Benefits.
2. The Board adopted the Compensation Policies and pay structure.
3. The Executive Director reviewed the Monthly Contribution Report.
4. The Board and staff discussed future Trustee education. The Board approved Kenneth Haben to attend the TEXPERS Annual Conference.

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5. Investment staff briefed the Board on recent events and current developments with respect to the investment portfolio.
6. The Board authorized amending the Investment Policy Statement to remove the maximum of seven Investment Advisory Committee members.
7. The Board appointed the three investment professionals, Ryan Bailey, Nancy Rocha, and Tom Tull to the Investment Advisory Committee with terms ending December 31, 2023.
8. The Investment Advisory Committee met on December 16, 2021. The Committee Chair and Investment Staff commented on Committee observations and advice.
9. The Board approved staff's recommendation to hire Global Alpha International Small Cap to actively manage the allocation to International Small Cap Equity within the Global Equity portfolio.
10. Staff provided the quarterly update on the private asset cash flow projection model.
11. The Board and staff discussed legal issues.
12. The Board granted survivor benefits under the provisions of Article 6243a-1, Section 6.06(o-2).
13. The Board approved a 4.35% salary increase effective January 1, 2022 for the Executive Director.

D. BRIEFING ITEMS

1. 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.
2. The Executive Director's report was presented.

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

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SUPPLEMENTAL POLICE AND FIRE PENSION BOARD MEETING

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

The Supplemental meeting was reconvened at 10:58 a.m.

CONSENT AGENDA

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

The Supplemental meeting was adjourned at 10:59 a.m.

**Dallas Police and Fire Pension System
Thursday, January 13, 2022
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 8:31 Nicholas A. Merrick, William F. Quinn, Armando Garza (by telephone), Robert B. French (by telephone), Gilbert A. Garcia (by telephone), Kenneth Haben, Tina Hernandez Patterson, Mark Malveaux

Present at 8:32 Steve Idoux (by telephone)

Absent: Michael Brown

Staff

Kelly Gottschalk (by telephone), Josh Mond, Brenda Barnes, Ryan Wagner, John Holt, Greg Irlbeck (by telephone), Akshay Patel, Michael Yan, Milissa Romero

Others

Kristi Walters, Leandro Festino (by telephone), Aaron Lally (by telephone), Colin Kowalski (by telephone)

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

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A. MOMENT OF SILENCE

The Board observed a moment of silence in memory of retired police officers William B. Buchanan, Charles R. Bailey, Manuel Guevara, Jimmy W. Page, Anthony D. Gipson, George A. Mabry, Elmer H. Gilbert, Robert S. Holt, active firefighter Aaron R. Dean, and retired firefighters Patricia L. Cantrell, Donovan S. Plummer.

No motion was made.

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**Regular Board Meeting
Thursday, January 13, 2022**

B. CONSENT AGENDA

1. Approval of Minutes

- a. Regular meeting of December 9, 2021
- b. Special meeting of January 4, 2022

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

3. Approval of Activity in the Deferred Retirement Option Plan (DROP) for January 2022

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

After discussion, Mr. Quinn made a motion to approve the minutes of the Regular meeting of December 9, 2021 and Special meeting of January 4, 2022. Mr. Haben seconded the motion, which was unanimously approved by the Board.

After discussion, Mr. Haben made a motion to approve the remaining items on the Consent Agenda, subject to the final approval of the staff. Mr. Malveaux 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. Active-Duty Survivor Benefits

The Board discussed the Active-Duty Survivor Benefits change that occurred in 2018.

No motion was made.

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2. 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 incorporated the Board's direction provided at the December 2021 Board meeting and reviewed the revised compensation policies and pay structure with the Board.

After discussion, Mr. Quinn made a motion to adopt the compensation policies and pay structure as presented. Ms. Hernandez Patterson seconded the motion, which was unanimously approved by the Board.

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3. Monthly Contribution Report

The Executive Director reviewed the Monthly Contribution Report.

No motion was made.

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4. 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 investment-related travel scheduled.

After discussion, Mr. Quinn made a motion to approve Kenneth Haben to attend the TEXPERS Annual Conference. Ms. Hernandez Patterson seconded the motion, which was unanimously approved by the Board.

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5. 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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6. Investment Policy Amendments

Staff reviewed possible amendments to the Investment Policy Statement with the Board.

After discussion, Ms. Hernandez Patterson made a motion to amend the Investment Policy Statement to remove the maximum limit of seven Investment Advisory Committee members. Mr. Quinn seconded the motion, which was unanimously approved by the Board.

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7. Investment Advisory Committee Appointments

The Investment Policy stipulates that there must be a majority of outside investment professionals on the Investment Advisory Committee (IAC) and currently the IAC has an equal number of outside investment professionals and Trustees.

After discussion, Mr. Quinn made a motion to appoint the three investment professionals, Ryan Bailey, Nancy Rocha, and Tom Tull to the Investment Advisory Committee with terms ending December 31, 2023. Mr. Haben seconded the motion, which was unanimously approved by the Board.

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8. Report on the Investment Advisory Committee

The Investment Advisory Committee met on December 16, 2021. The Committee Chair and Investment Staff commented on Committee observations and advice.

No motion was made.

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9. International (Non-US) Small Cap Equity Manager Recommendation

Working with Meketa, staff conducted a search for an International Small Cap Core equity manager. The Investment Advisory Committee provided advice regarding the search and interviewed two finalists. Staff and Meketa discussed the search process and the recommendation for an International Small Cap Core equity manager with the Board.

After discussion, Mr. Haben made a motion to approve the staff's recommendation to hire Global Alpha International Small Cap to actively manage the allocation to International Small Cap Equity within the Global Equity portfolio. Mr. Garcia seconded the motion, which was unanimously approved by the Board.

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10. Private Asset Cash Flow Projection Update

Staff provided the quarterly update on the private asset cash flow projection model. The cash flow model projects estimated contributions to, and distributions from, private assets through the end of 2023. These estimates are intended to assist the Board in evaluating the expected time frame to reduce DPF's exposure to these assets and the implications for the public asset redeployment, overall asset allocation, and expected portfolio risk and return.

No motion was made.

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11. 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 DPF 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 9:58 a.m.

The meeting was reopened at 10:56 a.m.

The Board and staff discussed legal issues.

No motion as made.

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12. Closed Session - Board serving as Medical Committee

The Board went into closed executive session at 9:58 a.m.

The meeting was reopened at 10:56 a.m.

After discussion, Mr. Haben made a motion to grant survivor benefits under the provisions of Article 6243a-1, Section 6.06(o-2). Mr. Malveaux seconded the motion, which was unanimously approved by the Board.

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13. Executive Director Performance Evaluation

The Board went into closed executive session at 9:58 a.m.

The meeting was reopened at 10:56 a.m.

The Board discussed the Executive Director's performance evaluation.

After discussion, Mr. Quinn made a motion to approve a 4.35% salary increase effective January 1, 2022 for the Executive Director. Ms. Hernandez Patterson seconded the motion, which was unanimously approved by the Board.

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D. BRIEFING ITEMS

1. Public Comments

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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2. Executive Director's report

- a. Associations' newsletters
 - NCPERS Monitor (January 2022)
- b. Open Records
- c. CIO Recruitment
- d. Communication Plan

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. Quinn and a second by Mr. Haben, the meeting was adjourned at 10:58 a.m.

Nicholas A. Merrick
Chairman

ATTEST:

Kelly Gottschalk
Secretary