



D A L L A S
POLICE & FIRE
PENSION SYSTEM



MINUTES SUMMARY

Board Meeting

Thursday, July 14, 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, July 14, 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 and recessed 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. Directed Segal to use its recommended assumptions in preparing the January 1, 2022 Actuarial Valuation for the Regular Plan (Combined Plan) and the Supplemental Plan.
2. Directed staff to pursue a legislative change to provide for 100% death benefits for active members who die in the line of duty.
3. Certified the election of Nancy Rocha, Anthony R. Scavuzzo, and Marcus Smith as Non-member Trustees to serve from September 1, 2022, until August 31, 2025.
4. The Executive Director reviewed the Monthly Contribution Report.
5. The Board and staff discussed future Trustee education. The Board approved Kenneth Haben to attend the NCPERS Public Safety Conference.

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6. The Chief Financial Officer provided a status update on the annual financial audit.
7. Investment staff briefed the Board on recent events and current developments with respect to the investment portfolio.
8. The Investment Advisory Committee met on July 13, 2022. The Committee Chair and Investment Staff commented on Committee observations and advice.
9. The Board approved the Investment Advisory Committee's and staff's recommendation to hire MetLife for the Emerging Markets Debt allocation and to liquidate the current Ashmore EMD Blended strategy to fund the new investment with MetLife.
10. Representatives of Hancock Natural Resource Group updated the Board on the status and plans for DPF's agricultural portfolio and provided a market update on the major crops in the DPF portfolio.
11. Staff provided the quarterly update on the private asset cash flow projection model.
12. The Board and staff discussed legal issues.

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 12:06 p.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 12:06 p.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

January 1, 2022 Actuarial Valuation Assumptions

Directed Segal to use its recommended assumptions in preparing the January 1, 2022 Actuarial Valuation for the Regular Plan (Combined Plan) and the Supplemental Plan.

**Dallas Police and Fire Pension System
Thursday, July 14, 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 a.m. Nicholas A. Merrick, William F. Quinn, Armando Garza (by telephone), Michael Brown, Robert B. French, Kenneth Haben (by telephone), Tina Hernandez Patterson, Mark Malveaux

Present at 8:34 a.m. Gilbert A. Garcia

Absent: Steve Idoux

Staff

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

Others

Jeff Williams (by telephone), Leandro Festino, Aaron Lally (by telephone), Colin Kowalski (by telephone), Tom Tull (by telephone), Stuart Pattillo, Mitchell Zaniboni, Greg Taylor, Mark Sales, Nancy Rocha, Joseph Thompson

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The Regular 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 officer Robert D. Browning, Charles T. Grady, Ricardo Terrones, Robert W. Brashear, Tommy Q. Akins, Ronnie Brigance, and retired firefighters Ronald D. Barree, John E. Boaz, William F. Woody, Lewis A. Foster, Jimmie J. Hendrix.

No motion was made.

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B. CONSENT AGENDA

1. Approval of Minutes

Regular meeting of June 2, 2022

2. Approval of Refunds of Contributions for the Month of June 2022

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

9. Approval of Payment of QDRO Buyback Contributions

After discussion, Mr. Quinn made a motion to approve the minutes of the Regular meeting of June 2, 2022. Ms. Hernandez Patterson seconded the motion, which was unanimously approved by the Board.

After discussion, Mr. Quinn 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. January 1, 2022 Actuarial Valuation Assumptions

Jeff Williams, Vice President and Actuary of Segal Consulting, reviewed the assumptions used for January 1, 2021 Actuarial Valuation and believes they remain appropriate and has recommended only minor changes to the assumptions for the January 1, 2022 Actuarial Valuation for the Regular Plan (Combined Plan) and the Supplemental Plan.

After discussion, Mr. Garcia made a motion to direct Segal to use its recommended assumptions in preparing the January 1, 2022 Actuarial Valuation for the Regular Plan (Combined Plan) and the Supplemental Plan. Mr. Quinn seconded the motion, which was unanimously approved by the Board.

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2. Active-Duty Survivor Benefits

Jeff Williams, Vice President and Actuary of Segal Consulting, reviewed the actuarial analysis of proposed changes to pre-retirement death benefits for members in active service.

After discussion, Mr. Garza made a motion to direct staff to pursue a legislative change to provide for 100% death benefits for active members who die in the line of duty. Mr. Haben seconded the motion, which was unanimously approved by the Board.

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3. Certification of Non-member Trustee Election Results

The terms of the three Non-member Trustees (Gilbert Garcia, Tina Hernandez Patterson, and Robert French) expire on August 31, 2022.

Pursuant to the election rules adopted by the Board, three trustees have been elected by the members and pensioners from a slate of nominees selected and vetted by the nominations committee as required by Article 6243a-1 of the Texas Statutes. The terms of the three Non-member Trustees will run from September 1, 2022 to August 31, 2025.

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3. Certification of Non-member Trustee Election Results (continued)

The election process was conducted in accordance with the Board’s election policy by an independent third-party election company. The election company, YesElections, powered by Election America, provided a report of the results of the election.

After discussion, Mr. Garcia made a motion to certify the election of Nancy Rocha, Anthony R. Scavuzzo, and Marcus Smith as Non-member Trustees to serve from September 1, 2022, until August 31, 2025. Mr. French seconded the motion, which was unanimously approved by the Board.

Election-America, Inc.
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Election-America, Inc.
1773 Eye Street NW, Suite 1150
Washington, DC 20006
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www.election-america.com

Results - 2022 Non-Member Trustee

Candidate	Choice	Votes	% Voted
Nancy Rocha	Yes, I approve	646	83.14%
	No, I do not approve	131	16.86%
Anthony R. Scavuzzo	Yes, I approve	577	74.26%
	No, I do not approve	200	25.74%
Marcus Smith	Yes, I approve	551	70.91%
	No, I do not approve	226	29.09%

Turnout by Member Type

Member Type	Internet	Phone	Total	Electorate	Total %
Active	157	46	203	5058	4.01
Retiree	425	149	574	3917	14.65
Total	582	195	777	8975	8.66%

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4. Monthly Contribution Report

The Executive Director reviewed the Monthly Contribution Report.

No motion was made.

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5. 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 investment-related travel scheduled.

After discussion, Mr. Garcia made a motion to approve Kenneth Haben to attend the NCPERS Public Safety Conference. Mr. French seconded the motion, which was unanimously approved by the Board.

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6. Financial Audit Status

The Chief Financial Officer provided a status update on the annual financial audit.

No motion was made.

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7. Portfolio Update

Investment staff briefed the Board on recent events and current developments with respect to the investment portfolio. Staff discussed a preference to redeploy future private asset proceeds into the public portfolio, and most likely public equity, given that the Safety Reserve is currently at its target allocation. Staff noted that the IAC concurred with this direction at the July meeting and that staff would communicate any planned rebalancing actions to the IAC.

No motion was made.

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8. Report on Investment Advisory Committee

The Investment Advisory Committee met on July 13, 2022. The Committee Chair and Investment Staff commented on Committee observations and advice.

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9. Emerging Market Debt Manager Recommendation

Working with Meketa, staff conducted a search for an Emerging Markets Debt manager. The Investment Advisory Committee provided advice regarding the search and interviewed two finalists. Staff and Meketa discussed the search process and the recommendation.

After discussion, Mr. Garcia made a motion to approve the Investment Advisory Committee’s and staff’s recommendation to hire MetLife for the Emerging Markets Debt allocation and to liquidate the current Ashmore EMD Blended strategy to fund the new investment with MetLife. Mr. Malveaux seconded the motion, which was unanimously approved by the Board.

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10. Natural Resources: Hancock Presentation

Stuart Pattillo, Director, Senior Agriculture Portfolio Manager and Mitchell Zaniboni, Agriculture Portfolio Analyst, representatives of Hancock Natural Resource Group updated the Board on the status and plans for DPF’s agricultural portfolio, as well as provided a market update on the major crops in the DPF portfolio.

The Board went into closed executive session at 10:22 a.m.

The meeting was reopened at 11:49 a.m.

No motion was made.

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Mr. Haben left the meeting at 11:31 a.m.

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11. 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 DPFPP’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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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 DPFPP 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 10:22 a.m.

The meeting was reopened at 11:49 a.m.

The Board and staff discussed legal issues.

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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2. Executive Director's report

- a. Associations' newsletters
 - NCPERS PERSist (Spring 2022)
- b. Open Records
- c. Employee Service Awards

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. Malveaux and a second by Ms. Hernandez Patterson the meeting was adjourned at 12:06 p.m.

Nicholas A. Merrick
Chairman

ATTEST:

Kelly Gottschalk
Secretary