



D A L L A S
POLICE & FIRE
PENSION SYSTEM



MINUTES SUMMARY
Board Meeting
Thursday, December 8, 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, December 8, 2022, in the Second Floor Board Room at 4100 Harry Hines Blvd., Dallas, Texas.

REGULAR POLICE AND FIRE PENSION SYSTEM BOARD MEETING

The Regular meeting was called to order at 8:34 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. Approved issuance of the 2021 audit report, subject to final review and approval by BDO and the Executive Director.
2. Authorized the Executive Director to issue the 2021 Annual Comprehensive Financial Report upon finalization.
3. The Audit Committee Chair commented on the Audit Committee meeting with BDO on December 8, 2022.
4. Representatives from HillCo Partners, DPF's legislative consultants, were present to discuss the upcoming legislative session.

MINUTE SUMMARY
Board Meeting
Thursday, December 8, 2022

5. The Executive Director reviewed the Monthly Contribution Report.
6. The Board and staff discussed future Trustee education. There was no future Trustee business-related travel or investment-related travel scheduled.
7. Investment staff briefed the Board on recent events and current developments with respect to the investment portfolio.
8. Meketa reviewed their private market capabilities and discussed high level considerations that need to be addressed prior to making new private market commitments.
9. Meketa and the Investment staff presented the third quarter 2022 Investment Performance Analysis and the second quarter 2022 Private Markets & Real Estate Review reports.
10. Authorized the Executive Director to send the required notice under the Funding Policy to the City of Dallas and recommend an increase in City contribution rates.
11. Authorized the Executive Director, with the approval of the Chairman, to consummate a settlement of the pending lawsuit involving Buck Consultants.
12. Authorized the Executive Director the authority to grant an on-duty disability for applicant 2022-3 if the independent medical report concludes the member is disabled and granted an off-duty disability for applicant 2022-4.
13. The Board met with the Executive Director to review performance and provide recommendations concerning yearly objectives, goals, and performance.

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 12:10 p.m.

MINUTE SUMMARY
Board Meeting
Thursday, December 8, 2022

SUPPLEMENTAL POLICE AND FIRE PENSION BOARD MEETING

The Supplemental meeting was called to order and recessed at 8:34 a.m.

The Supplemental meeting was reconvened at 12:10 p.m.

A. 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. Approved issuance of the 2021 audit report, subject to final review and approval by BDO and the Executive Director.
2. Authorized the Executive Director to issue the 2021 Annual Comprehensive Financial Report upon finalization.

The Supplemental meeting was adjourned at 12:11 p.m.

**Dallas Police and Fire Pension System
Thursday, December 8, 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 8:34 a.m. Nicholas A. Merrick, William F. Quinn, Armando Garza, Michael Brown, Kenneth Haben, Steve Idoux (by telephone), Nancy Rocha, Anthony Scavuzzo (by telephone), Marcus Smith

Absent: Mark Malveaux

Staff

Kelly Gottschalk, Josh Mond, Brenda Barnes, Ryan Wagner, Michael Yan, John Holt, Nien Nguyen, Milissa Romero

Others

Jill Svoboda, Matt Liu, Leandro Festino, Steve Hartt, Neal T. "Buddy" Jones, Eddie Solis, James Elliston, Michael Taglienti, Rick Salinas, Kristi Walters, Sheri Kowalski, Colin Kowalski (by telephone)

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The Regular meeting was called to order at 8:34 a.m.

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A. MOMENT OF SILENCE

The Board observed a moment of silence in memory of retired police officers Thomas R. Gregory, Donald P. Williams, and retired firefighters Billy R. Pemberton, Steve G. Perry, Jr., Don Gentry.

No motion was made.

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**Regular Board Meeting
Thursday, December 8, 2022**

B. CONSENT AGENDA

- 1. Approval of Minutes**
 - a. Required Public meeting #2 of November 10, 2022
 - b. Regular meeting of November 10, 2022
- 2. Approval of Refunds of Contributions for the Month of November 2022**
- 3. Approval of Activity in the Deferred Retirement Option Plan (DROP) for December 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 DROP Revocation Buyback Contributions**

After discussion, Mr. Quinn made a motion to approve the minutes of the Required Public meeting and the Regular meeting of November 10, 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. Smith seconded the motion, which was unanimously approved by the Board.

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**Regular Board Meeting
Thursday, December 8, 2022**

C. DISCUSSION AND POSSIBLE ACTION REGARDING ITEMS FOR INDIVIDUAL CONSIDERATION

1. 2021 Financial Audit

Jill Svoboda, Partner and Matt Liu, Audit Senior Manager, representatives from BDO, DPFPP’s independent audit firm, were present to discuss the results of their audit for the year ended December 31, 2021.

After discussion, Mr. Haben made a motion to approve issuance of the 2021 audit report, subject to final review and approval by BDO and the Executive Director. Mr. Quinn seconded the motion, which was unanimously approved by the Board.

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2. 2021 Annual Comprehensive Financial Report

Staff presented a draft of the 2021 Annual Comprehensive Financial Report.

After discussion, Mr. Garza made a motion to authorize the Executive Director to issue the 2021 Annual Comprehensive Financial Report upon finalization. Ms. Rocha seconded the motion, which was unanimously approved by the Board.

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3. Report on Audit Committee

The Audit Committee met with representatives of BDO on December 8, 2022. The Committee Chair commented on the Committee’s observations and advice and noted that BDO had no negative comments regarding their dealings with staff

No motion was made.

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4. Hillco - Legislative Preview for 2023

Neal T. “Buddy” Jones, and Eddie Solis, representatives from HillCo Partners, DPFPP’s legislative consultants, were present to discuss the upcoming legislative session.

No motion was made.

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**Regular Board Meeting
Thursday, December 8, 2022**

5. Monthly Contribution Report

The Executive Director reviewed the Monthly Contribution Report.

No motion was made.

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6. 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.

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.

No motion was made.

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8. Private Market Considerations

Leandro Festino, Managing Principal and Steve Hartt, Managing Principal of Meketa Investment Group reviewed their private market capabilities, outlined various private market investment program models and discussed high level considerations that need to be addressed prior to making new private market commitments.

No motion was made.

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**Regular Board Meeting
Thursday, December 8, 2022**

9. Third Quarter 2022 Investment Performance Analysis and Second Quarter 2022 Private Markets & Real Assets Review

Leandro Festino, Managing Principal of Meketa and the Investment Staff reviewed the Third Quarter 2022 Investment Performance Analysis and Second Quarter 2022 Private Markets & Real Assets.

No motion was made.

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10. Funding Policy Benchmark

The DFPF Funding Policy requires the Board to notify the City of Dallas upon receipt of two actuarial valuations showing the actual contribution varies from the Actuarially Determined Contribution by more than 2%. This has occurred with the January 1, 2022 valuation. The Funding Policy also requires in that situation, upon a two-thirds vote of the Board, that the Board recommend an increase in City contribution rates.

The Board went into closed executive session at 11:12 a.m.

The meeting was reopened at 12:07 p.m.

After discussion, Mr. Quinn made a motion to authorize the Executive Director on behalf of the Board to (i) send the required notice under the Funding Policy to the City of Dallas and (ii) recommend an increase in City contribution rates. Mr. Smith seconded the motion, which was unanimously approved by the Board.

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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 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 11:12 a.m.

The meeting was reopened at 12:07 p.m.

After discussion, Mr. Haben made a motion to authorize the Executive Director, with the approval of the Chairman, to consummate a settlement of the pending lawsuit involving Buck Consultants. Ms. Rocha seconded the motion, which was unanimously approved by the Board.

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**Regular Board Meeting
Thursday, December 8, 2022**

12. Closed Session - Board Serving as Medical Committee

- a. Disability application 2022-3**
- b. Disability application 2022-4**

The Board went into closed executive session at 11:12 a.m.

The meeting was reopened at 12:07 p.m.

The Executive Director reviewed two disability applications and materials with the Board.

- a. After discussion, Mr. Garza made a motion to authorize the Executive Director the authority to grant an on-duty disability for applicant 2022-3 if the independent medical report concludes the member is disabled and granted an off-duty disability for applicant 2022-4. Mr. Haben seconded the motion, which was unanimously approved by the Board.
- b. After discussion, Mr. Garza made a motion to grant disability retirement for applicant 2022-4 in accordance with Section 6.03 of Article 6243a-1. Mr. Quinn 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 11:12 a.m.

The meeting was reopened at 12:07 p.m.

The Board met with the Executive Director to review performance and provide recommendations concerning yearly objectives, goals, and performance.

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 8, 2022**

2. Executive Director’s report

- a.** Associations’ newsletters
 - NCPERS Monitor (December 2022)
- b.** Open Records
- c.** Board Meeting Schedule

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. Haben and a second by Mr. Quinn the meeting was adjourned at 12:10 p.m.

 Nicholas A. Merrick
 Chairman

ATTEST:

 Kelly Gottschalk
 Secretary