



D A L L A S
POLICE & FIRE
PENSION SYSTEM



MINUTES SUMMARY
Board Meeting
Thursday, January 12, 2023

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 12, 2023, 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 8:32 a.m.

A. TRUSTEES

The Board welcomed the newly appointed Trustees.

B. MOMENT OF SILENCE

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

C. CONSENT AGENDA

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

D. DISCUSSION AND POSSIBLE ACTION REGARDING ITEMS FOR INDIVIDUAL CONSIDERATION

1. The Professional Services Committee Chair reported to the Board on its meeting with Jackson Walker LLP, DFPF's outside legal counsel.
2. The Executive Director reviewed the Monthly Contribution Report.

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3. The Board approved Mr. Haben's request to attend the TEXPERS Annual Conference.
4. Investment staff briefed the Board on recent events and current developments with respect to the investment portfolio.
5. The Investment Advisory Committee met on December 15, 2022. The Committee Chair and staff commented on Committee observations and advice.
6. Staff provided the quarterly update on the private asset cash flow projection.
7. Directed staff to revise the language of the Investment Policy Statement based on the Board's feedback regarding the inclusion of diverse managers in future manager searches and bring the revised Investment Policy Statement for approval at the February Board meeting.
8. Approved a sub-committee to be formed to advise staff in regard to the planned consultant search process and appointed Board members Nancy Rocha and Ken Haben, and IAC members Rakesh Dahiya, Tom Tull and Ryan Bailey to the sub-committee.
9. The Board and staff discussed legal issues.
10. The Board approved an 8.3% salary increase effective January 1, 2023 for the Executive Director.

E. 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 10:47 a.m.

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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 10:47 a.m.

CONSENT AGENDA

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

The Supplemental meeting was adjourned at 10:48 a.m.

**Dallas Police and Fire Pension System
Thursday, January 12, 2023
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 (by telephone), Michael Brown, Kenneth Haben, Steve Idoux, Mark Malveaux (by telephone), Tina Hernandez Patterson, Nancy Rocha, Anthony Scavuzzo, Marcus Smith (by telephone)

Absent: None

Staff

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

Others

Chuck Campbell, Michael Taglienti, David Elliston, Sheri Kowalski, Tom Tull (by telephone), Aaron Lally (by telephone)

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

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A. WELCOME NEW AND REAPPOINTED TRUSTEES

The terms of Steve Idoux and Mark Malveaux ended on August 31, 2021, and Michael Brown ended on August 31, 2022. These three trustees were serving as hold-over trustees pending Mayor Johnson’s trustee appointments. Mayor Johnson made the following reappointments to serve a three-year term:

- Michael Brown (term ending August 31, 2025)
- Steve Idoux (term ending August 31, 2024)
- Mark Malveaux (term ending August 31, 2024)

Mayor Johnson also appointed Tina Hernandez Patterson to serve a two-year term ending December 15, 2024.

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A. WELCOME NEW AND REAPPOINTED TRUSTEES (continued)

The Board welcomed reappointed Trustees, Michael Brown, Steve Idoux, Mark Malveaux and Tina Hernandez Patterson.

No motion was made.

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B. MOMENT OF SILENCE

The Board observed a moment of silence in memory of retired police officers Thomas K. Elliott, Robert E. Coffee, James D. Moses, Josias Prelow, David S. Hernandez, Duane H. Boy, and retired firefighter Joe A. Pierce

No motion was made.

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C. CONSENT AGENDA

1. Approval of Minutes

Regular meeting of December 8, 2022

- 2. Approval of Refunds of Contributions for the Month of December 2022**
- 3. Approval of Activity in the Deferred Retirement Option Plan (DROP) for January 2023**
- 4. Approval of Survivor Benefits**
- 5. Approval of Service Retirements**
- 6. Spouse Wed After Retirement (SWAR)**
- 7. Approval of Payment of DROP Revocation Buyback Contributions**
- 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 8, 2022. Mr. Haben seconded the motion, which was unanimously approved by the Board.

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C. CONSENT AGENDA (continued)

After discussion, Ms. Rocha made a motion to approve the remaining items on the Consent Agenda, subject to the final approval of the staff. Mr. Scavuzzo seconded the motion, which was unanimously approved by the Board.

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D. DISCUSSION AND POSSIBLE ACTION REGARDING ITEMS FOR INDIVIDUAL CONSIDERATION

1. Report on Professional Service Provider Meeting

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

No motion was made.

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2. Monthly Contribution Report

The Executive Director reviewed the Monthly Contribution Report.

No motion was made.

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3. 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. Quinn made a motion to approve Mr. Haben’s request to attend the TEXPERS Annual Conference. Mr. Idoux seconded the motion, which was unanimously approved by the Board.

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**Regular Board Meeting
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4. 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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5. Report on the Investment Advisory Committee

The Investment Advisory Committee met on December 15, 2022. The Committee Chair and Investment Staff commented on Committee observations and advice.

No motion was made.

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6. 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 2024. These estimates are intended to assist the Board in evaluating the expected time frame to reduce DPFP’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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7. Possible Amendment to the Investment Policy Statement

Staff discussed the proposed policy language for the inclusion of diverse or emerging managers in future manager searches to incorporate in the Investment Policy Statement.

The Board directed staff to revise the language of the Investment Policy Statement based on the Board’s feedback regarding the inclusion of diverse managers in future manager searches and bring the revised Investment Policy Statement for review at the February Board meeting.

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8. Consultant Search Process

Staff reviewed the consultant search scope and draft timeline as well as the need to establish a sub-committee of Board and IAC members to advise staff relating to the consultant search process. Board members Nancy Rocha and Ken Haben, and Investment Advisory Committee members Rakesh Dahiya, Tom Tull and Ryan Bailey indicated their interest in serving on the sub-committee.

After discussion, Mr. Quinn made a motion to approve a sub-committee to be formed to advise staff in regard to the planned consultant search process and appointed Board members Nancy Rocha and Ken Haben, and IAC members Rakesh Dahiya, Tom Tull and Ryan Bailey to the sub-committee. Mr. Brown seconded the motion, which was unanimously approved by the Board.

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9. 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 9:42 a.m.

The meeting was reopened at 10:46 a.m.

The Board and staff discussed legal issues.

No motion was made.

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10. Executive Director Performance Evaluation

The Board went into closed executive session at 9:42 a.m.

The meeting was reopened at 10:46 a.m.

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

After discussion, Mr. Quinn made a motion to approve an 8.3% salary increase effective January 1, 2023 for the Executive Director. Mr. Idoux 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 2023)
 - NCPERS PERSist (Winter 2023)
- b. Open Records
- c. Staffing Update

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. Scavuzzo, the meeting was adjourned at 10:47 a.m.

Nicholas A. Merrick
Chairman

ATTEST:

Kelly Gottschalk
Secretary