



D A L L A S
POLICE & FIRE
PENSION SYSTEM



MINUTES SUMMARY
Board Meeting
Thursday, February 9, 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, February 9, 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 8:30 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 approved a reduction to the Fiduciary insurance coverage to \$20 million.
2. The Chief Financial Officer presented the fourth quarter 2022 financial statements.
3. The Board approved Ms. Hernandez Patterson'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.

MINUTE SUMMARY
Board Meeting
Thursday, February 9, 2023

5.
 - a. The Board appointed Ms. Hernandez Patterson to the consultant search sub-committee.
 - b. The Board appointed Mr. Jamil McNeal and Mr. Luke Gittemeier to the Investment Advisory Committee (IAC) with terms ending 12/31/24 and extended the terms of current IAC members Mr. Jones and Mr. Brown ending 12/31/2024 and Mr. Haben ending 8/31/2023.
6. Approved the proposed revised Investment Policy Statement.
7. Approved the revised Employee Handbook.
8. The Executive Director reviewed the Monthly Contribution Report.
9. Staff briefed the Board on pension bills that have been filed which may bear on DPFP.
10. 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 10:37 a.m.

MINUTE SUMMARY
Board Meeting
Thursday, February 9, 2023

SUPPLEMENTAL POLICE AND FIRE PENSION BOARD MEETING

The Supplemental meeting was called to order and recessed at 8:30 a.m.

The Supplemental meeting was reconvened at 10:37 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

The Chief Financial Officer presented the fourth quarter 2022 financial statements.

The Supplemental meeting was adjourned at 10:38 a.m.

**Dallas Police and Fire Pension System
Thursday, February 9, 2023
8:30 a.m.
4100 Harry Hines Blvd., Suite 100
Second Floor Board Room
Dallas, TX**

Regular meeting, William F. Quinn, Vice-Chairman, presiding:

ROLL CALL

Board Members

Present at 8:30 a.m. William F. Quinn, Armando Garza (by telephone), Michael Brown (by telephone), Kenneth Haben, Steve Idoux (by telephone), Tina Hernandez Patterson, Nancy Rocha (by telephone), Anthony Scavuzzo, Marcus Smith

Absent: Nicholas A. Merrick, Mark Malveaux

Staff

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

Others

Iva Giddiens, James Martinez (by telephone), Tom Tull, Aaron Lally (by telephone), Michael Taglienti, Kristi Walters

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The Regular meeting was called to order at 8:30 a.m.

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A. MOMENT OF SILENCE

The Board observed a moment of silence in memory of retired police officers Richard E. Balluch, Booker T. Wolfe, and active firefighter John M. Calix and retired firefighters John E. Hobbs, Billy G. Roberts, Ray D. Riddles, Nickey S. Richardson.

No motion was made.

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**Regular Board Meeting
Thursday, February 9, 2023**

B. CONSENT AGENDA

1. Approval of Minutes

Regular meeting of January 12, 2023

2. Approval of Refunds of Contributions for the Month of January 2023

3. Approval of Activity in the Deferred Retirement Option Plan (DROP) for February 2023

4. Approval of Estate Settlements

5. Approval of Survivor Benefits

6. Approval of Service Retirements

7. Approval of Alternate Payee Benefits

After discussion, Mr. Scavuzzo made a motion to approve the minutes of the Regular meeting of January 12, 2023. 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. Ms. Hernandez Patterson 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. Risk Insurance Renewal

Representatives of DFPF's insurance broker, Arthur J. Gallagher & Co. were present to discuss the insurance market and the risk renewal status. The Board directed staff to renew the primary cyber coverage of \$5 million and the crime insurance with the \$35,000 retention.

**Regular Board Meeting
Thursday, February 9, 2023**

1. Risk Insurance Renewal (continued)

After discussion, Mr. Smith made a motion to approve a reduction of the Fiduciary insurance coverage to \$20 million. Mr. Haben seconded the motion, which was approved by the following vote:

For: Mr. Garza, Mr. Haben, Mr. Idoux, Ms. Hernandez Patterson, Mr. Scavuzzo, Mr. Smith

Opposed: Mr. Brown, Mr. Quinn, Ms. Rocha

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2. Quarterly Financial Reports

The Chief Financial Officer presented the fourth quarter 2022 financial statements.

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. Haben made a motion to approve Ms. Hernandez Patterson's request to attend the TEXPERS Annual Conference. Mr. Smith seconded the motion, which was unanimously approved by the Board.

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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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**Regular Board Meeting
Thursday, February 9, 2023**

5. Committee Appointments and Terms

- a. Consultant Search Sub-Committee
- b. Investment Advisory Committee Appointments

At the January 12th Board meeting, the Board approved forming a sub-committee to advise staff regarding the planned consultant search process and subsequently, Ms. Hernandez Patterson expressed interest in joining the sub-committee.

The Investment Policy stipulates that there must be a majority of outside investment professionals on the Investment Advisory Committee (IAC) and that members shall serve two-year terms. Currently, the IAC has four outside investment professionals and four Trustees serving on the IAC. Staff discussed two potential outside investment professionals for the Board’s consideration and re-appointing IAC members Mr. Brown, Mr. Haben, and Mr. Jones.

The current IAC members, terms, and proposed terms (*) are as follows:

IAC Seat	Name	IAC Start Date	IAC Term End Date
Board Member #1	Bill Quinn	9/8/2022	8/31/2023
Board Member #2	Michael Brown	11/12/2020	12/31/2024*
Board Member #3	Ken Haben	11/12/2020	8/31/2023*
Board Member #4	Nancy Rocha	1/13/2022	12/31/2023
External #1	Robert Jones	1/10/2019	12/31/2024*
External #2	Rakesh Dahiya	7/9/2020	12/31/2023
External #3	Tom Tull	1/13/2022	12/31/2023
External #4	Ryan Bailey	1/13/2022	12/31/2023
External #5	Luke Gittemeier	2/10/2023	12/31/2024
External #6	Jamil McNeal	2/10/2023	12/31/2024

- a. After discussion, Mr. Quinn made a motion to appoint Ms. Hernandez Patterson to the consultant search sub-committee. Mr. Scavuzzo seconded the motion, which was unanimously approved by the Board.
- b. After discussion, Mr. Quinn made a motion to appoint Mr. Jamil McNeal and Mr. Luke Gittemeier to the Investment Advisory Committee (IAC) with terms ending 12/31/24 and extended the terms of current IAC members Mr. Jones and Mr. Brown ending 12/31/2024 and Mr. Haben ending 8/31/2023. Mr. Scavuzzo seconded the motion, which was unanimously approved by the Board.

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6. Investment Policy Statement Amendment

Staff reviewed the revised language of the Investment Policy Statement (IPS) to focus on the inclusion of diverse managers in public manager searches in accordance with the Board’s direction at the January 12th Board meeting.

After discussion, Mr. Haben made a motion to approve the proposed revised Investment Policy Statement. Mr. Smith seconded the motion, which was unanimously approved by the Board.

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7. Employee Handbook

The Executive Director reviewed the revised Employee Handbook including the draft of the Information Technology Exhibits.

After discussion, Mr. Quinn made a motion to approve the revised Employee Handbook. Mr. Scavuzzo seconded the motion, which was unanimously approved by the Board.

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8. Monthly Contribution Report

The Executive Director reviewed the Monthly Contribution Report.

No motion was made.

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9. Legislative Update

Staff briefed the Board on pension bills that have been filed which may bear on DFPF.

No motion was made.

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**Regular Board Meeting
Thursday, February 9, 2023**

- 10. 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 10:08 a.m.

The meeting was reopened at 10:37 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 Monitor (February 2023)
- b. Open Records**
- c. Kenneth Haben Appointed to the TEXPERS Board of Directors**

The Executive Director's report was presented.

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**Regular Board Meeting
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Ms. Gottschalk stated that there was no further business to come before the Board. On a motion by Mr. Scavuzzo and a second by Mr. Haben, the meeting was adjourned at 10:37 a.m.

William F. Quinn
Vice-Chairman

ATTEST:

Kelly Gottschalk
Secretary

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