



D A L L A S
POLICE & FIRE
PENSION SYSTEM



MINUTES SUMMARY
Board Meeting
Thursday, March 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, March 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 8:31 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 adopted the draft 2023 Police Officer and Fire Fighter Trustee Election schedule.
2. The Executive Director reviewed the Monthly Contribution Report.
3. The Board and staff discussed future Trustee education. There was no future Trustee business-related travel or investment-related travel scheduled.
4. The Executive Director provided an update on the transition to TMRS, the closure of the 401(a) plan, and an update on the employee voluntary 457 plan.
5. Investment staff briefed the Board on recent events and current developments with respect to the investment portfolio.

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6. The Board approved the staff's recommendation to terminate Invesco and use Russell Investments as a transition manager until a new active manager is selected.
7. Meketa and Investment staff presented the fourth quarter 2022 Investment Performance Analysis and third quarter 2022 Private Markets & Real Assets reports.
8. Clarion updated the Board on the status and plans for DPFP's investment in CCH Lamar.
9. Staff briefed the Board on pension bills that have been filed which may bear on DPFP and the Board approved amending the pending legislation to provide the same benefits for all surviving spouses and children of members who have previously died in the line of duty as those provided for in the currently filed bill for surviving spouses and children of members who may in the future die in the line of duty.
10. The Board and staff discussed legal issues.
11.
 - a. The Board granted survivor benefits to applicant 2023-1c under the provisions of Article 6243a-1, Section 6.06(o-2).
 - b. The Board granted survivor benefits to applicant 2023-2c under the provisions of Article 6243a-1, Section 6.06(o-2).
12. The Board denied a portion of a hardship request.

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 11:21 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 11:21 a.m.

CONSENT AGENDA

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

The Supplemental meeting was adjourned at 11:22 a.m.

**Dallas Police and Fire Pension System
Thursday, March 9, 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 8:31 a.m. Nicholas A. Merrick, William F. Quinn, Armando Garza (by telephone), Michael Brown, Kenneth Haben, Steve Idoux (by telephone), Mark Malveaux (by telephone), Tina Hernandez Patterson, Anthony Scavuzzo (by telephone), Marcus Smith

Absent: Nancy Rocha

Staff

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

Others

Steve Kosoris (by telephone), Travis Bagley (by telephone), Marc Larson (by telephone), Leandro Festino, Colin Kowalski, Bohdy Hedgcock, Kevin McCabe, Tom Tull, Kristi Walters, Jim McDade, Sheri Kowalski, Tennell Atkins

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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 officers James F. Decker, Kirk T. Thomas, Charles R. Galyon, Joel D. Curtis, and retired firefighters Benny B. Howard, Mark L. Dawson, Joe A. Hogan, Jack H. Hickey, Kalon T. Cohen, William E. McCarter.

No motion was made.

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**Regular Board Meeting
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B. CONSENT AGENDA

1. Approval of Minutes

Regular meeting of February 9, 2023

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

3. Approval of Estate Settlements

4. Approval of Survivor Benefits

5. Approval of Service Retirements

6. Approval of Alternate Payee Benefits

After discussion, Mr. Quinn made a motion to approve the minutes of the Regular meeting of February 9, 2023. Mr. Brown 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. Brown 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. Trustee Terms and Draft Election Schedule

As required by the Trustee Election Procedures, staff presented the draft election schedule and notified the Board that the terms of the following Trustees expire on August 31, 2023:

Nicholas A. Merrick, Mayoral Appointee
William Quinn, Mayoral Appointee
Armando Garza, Fire Fighter Trustee
Kenneth Haben, Police Officer Trustee

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1. Trustee Terms and Draft Election Schedule (continued)

After discussion, Mr. Brown made a motion to adopt the draft 2023 Police Officer and Fire Fighter Trustee Election schedule. Mr. Smith seconded the motion, which was unanimously approved by the Board.

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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.

No motion was made.

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4. Employee Retirement Plan Transition and 457 Plan Update

The Executive Director provided an update on the transition to TMRS, the closure of the 401(a) plan, and an update on the employee voluntary 457 plan.

No motion was made.

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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. Invesco Global Equity Allocation

Staff and Meketa discussed concerns with the Invesco Global Equity portfolio.

Steve Kosoris, Travis Bagley, and Marc Larson (by telephone) with Russell Investments provided an overview of the transition management strategy.

After discussion, Mr. Smith made a motion to approve the staff’s recommendation to terminate Invesco and use Russell Investments as a transition manager until a new active manager is selected. Mr. Quinn seconded the motion, which was unanimously approved by the Board.

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7. Fourth Quarter 2022 Investment Performance Analysis and Third Quarter 2022 Private Markets & Real Assets Review

Leandro Festino, Managing Principal; Colin Kowalski, Investment Analyst of the Meketa Investment Group and the Investment staff presented the fourth quarter 2022 Investment Performance Analysis and third quarter 2022 Private Markets & Real Assets reports.

No motion was made.

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8. Real Estate: Clarion Presentation

The Board went into closed executive session at 10:39 a.m.

The meeting reopened at 11:20 a.m.

Bohdy Hedgcock and Kevin McCabe of Clarion updated the Board on the status and plans for DPFP’s investment in CCH Lamar.

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 DPFP, including the bill DPFP was sponsoring to increase the benefit for line of duty death. Staff indicated that there would be an increased actuarial cost to amend the bill to provide for increasing previously granted benefits to surviving spouses and children.

Dallas City Council Member Atkins, who serves as the Chair of the City’s Legislative Committee, participated in the discussion on HB 4034, the Line of Duty Survivor bill, and did not express opposition to the bill even given the increased actuarial cost. After discussion, Mr. Quinn made a motion to amend the pending legislation to provide the same benefits for all surviving spouses and children of members who have previously died in the line of duty as those provided for in the currently filed bill for surviving spouses and children of members who may in the future die in the line of duty. Ms. Hernandez Patterson seconded the motion, which was unanimously approved by the Board.

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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 DPFP 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 10:39 a.m.

The meeting reopened at 11:20 a.m.

The Board and staff discussed legal issues.

No motion was made.

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**Regular Board Meeting
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11. Closed Session – Board serving as Medical Committee

- a. Application for death benefits for disabled child 2023-1c
- b. Application for death benefits for disabled child 2023-2c

The Board went into closed executive session at 10:39 a.m.

The meeting reopened at 11:20 a.m.

The Executive Director reviewed two applications of death benefits for disabled child and materials with the Board.

- a. After discussion, Mr. Haben made a motion to grant survivor benefits to applicant 2023-1c under the provisions of Article 6243a-1, Section 6.06(o-2). Mr. Quinn seconded the motion, which was unanimously approved by the Board.
- b. After discussion, Mr. Haben made a motion to grant survivor benefits to applicant 2023-2c under the provisions of Article 6243a-1, Section 6.06(o-2). Mr. Smith seconded the motion, which was unanimously approved by the Board.

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12. Hardship Request

Article 6243a-1 Section 6.14(e-3)(2) allows a lump-sum distribution from the DROP account in the event of a financial hardship that is not reasonably foreseeable. Section 6.14(e-4) required the Board to adopt rules related to hardship distributions. The Board’s rules are contained in Section G of the DROP Policy.

The Board went into closed executive session at 10:39 a.m.

The meeting reopened at 11:20 a.m.

The Executive Director reviewed the hardship request with the Board.

After discussion, Mr. Haben made a motion to support the Executive Director’s recommendation and deny a portion of the hardship request. Mr. Smith seconded the motion, which was approved by the following vote:

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

Opposed: Mr. Quinn

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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 (March 2023)
 - TEXPERS Pension Observer (Vol. 1 2023)
[TEXPERS Pension Observer Vol 1, 2023 \(anyflip.com\)](http://anyflip.com)
- b. Open Records
- c. Fiduciary Insurance Update
- d. Employee Service Award

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. Smith, the meeting was adjourned at 11:21 a.m.

Nicholas A. Merrick
Chairman

ATTEST:

Kelly Gottschalk
Secretary