



D A L L A S
POLICE & FIRE
PENSION SYSTEM



MINUTES SUMMARY

Board Meeting

Thursday, April 13, 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, April 13, 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. Representatives of AEW Capital Management (AEW) updated the Board on the status and plans for the investments they manage for DPFP.
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.

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4. Mr. Haben and Ms. Hernandez Patterson reported on the TEXPERS 2023 Annual Conference.
5. Investment staff briefed the Board on recent events and current developments with respect to the investment portfolio.
6. The Investment Advisory Committee met on March 23, 2023. The Committee Chair and staff commented on Committee observations and advice.
7. The Board approved the DPFPP responses to the report submitted by Meketa and authorized the submission of the Meketa report and DPFPP responses to the Texas Pension Review Board.
8. Staff provided the quarterly update on the private asset cash flow projection model.
9. The Board authorized the Executive Director to execute an Amended and Restated 457(b) Deferred Compensation Plan.
10. Staff briefed the Board on pension bills that have been filed which may bear on DPFPP.
11. Authorized the Executive Director and General Counsel to oppose the current version of HB 4653 until such time as the bill is amended appropriately in their discretion at which time the Board will be neutral on the bill.

D. 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 11:30 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 11:30 a.m.

CONSENT AGENDA

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

The Supplemental meeting was adjourned at 11:31 a.m.

**Dallas Police and Fire Pension System
Thursday, April 13, 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 8:31 a.m. Nicholas A. Merrick (by telephone), William F. Quinn, Armando Garza (by telephone), Kenneth Haben, Steve Idoux (by telephone), Mark Malveaux (by telephone), Tina Hernandez Patterson, Anthony Scavuzzo, Marcus Smith

Absent: Michael Brown, Nancy Rocha

Staff

Kelly Gottschalk, Josh Mond, Ryan Wagner, Brenda Barnes, Akshay Patel, John Holt, Nien Nguyen, Milissa Romero, Cynthia J. Thomas

Others

Ron Pastore, Aaron Lally, Tom Tull, Mark Morrison (by telephone), John Gnann, Shawn Rabb, Kristi Walters, Michael Taglienti

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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 Clinton L. Metcalf, Johnnie M. Wilson, William W. Simpson, John H. Cheung, John N. Feinglas, Richard F. Moore, and retired firefighters Allen J. Richards, Robert E. Melton, Craig G. Anderson, Gerald R. Sellers.

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 March 9, 2023

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

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

4. Approval of Estate Settlements

5. Approval of Survivor Benefits

6. Approval of Service Retirements

7. Approval of Payment of Military Leave Contributions

After discussion, Mr. Scavuzzo made a motion to approve the minutes of the Regular meeting of March 9, 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. Mr. Scavuzzo 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. Real Estate: AEW Presentation

The Board went into closed executive session at 8:37 a.m.

The meeting reopened at 9:51 a.m.

Ron Pastore, Senior Portfolio Manager for AEW Capital Management (AEW) updated the Board on the status and plans for DFPF's investments in RED Consolidated Holdings (RCH) and Camel Square.

No motion was made.

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Mr. Idoux left the meeting at 9:33 a.m.

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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. Board Members' reports on meetings, seminars and/or conferences attended

Mr. Haben and Ms. Hernandez Patterson reported on the TEXPERS 2023 Annual Conference.

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. Report on the Investment Advisory Committee

The Investment Advisory Committee met on March 23, 2023. The Committee Chair and Investment Staff commented on the Committee’s observations and advice.

No motion was made.

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7. Investment Practices and Performance Report

Section 802.109 of the Texas Government Code requires that a public retirement system shall select an independent firm to evaluate the appropriateness, adequacy, and effectiveness of the retirement system's investment practices and performance and to make recommendations for improving the retirement system's investment policies, procedures, and practices.

Section 802.109 requires systems with assets of at least \$100 million to complete an evaluation once every 3 years. Meketa was hired to conduct the initial report in 2020 and was re-engaged in 2023. Section 802.109 calls for any written responses from the system to accompany the evaluation report.

Aaron Lally, Principal of Meketa Investment Group discussed the Investment Practices and Performance Report.

After discussion, Mr. Scavuzzo made a motion to approve the DPFPP responses to the report submitted by Meketa and authorize submission of the Meketa report and DPFPP responses to the Texas Pension Review Board. Mr. Smith seconded the motion, which was unanimously approved by the Board.

Mr. Idoux was not present when the vote was taken.

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8. 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 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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9. Staff 457 Plan

At the March Board meeting staff briefed the Board on changing the investment selections for the staff 457(b) plan. During the process of implementing these changes, staff discovered that the original 457(b) plan from 2005 was implemented without Board approval.

After discussion, Mr. Quinn made a motion to authorize the Executive Director to execute an Amended and Restated 457(b) Deferred Compensation Plan. Mr. Smith seconded the motion, which was unanimously approved by the Board.

Mr. Idoux was not present when the vote was taken.

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10. Legislative Update

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

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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 11:04 a.m.

The meeting reopened at 11:29 a.m.

The Board and staff discussed legal issues.

After discussion, Mr. Scavuzzo made a motion to authorize the Executive Director and General Counsel to oppose the current version of HB 4653 until such time as the bill is amended appropriately in their discretion at which time the Board will be neutral on the bill. Mr. Smith seconded the motion, which was unanimously approved by the Board.

Mr. Idoux was not present when the vote was taken.

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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 (April 2023)
 - NCPERS PERSist (Spring 2023)
- b. Open Records

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 Ms. Hernandez Patterson, the meeting was adjourned at 11:30 a.m.

ATTEST:

Kelly Gottschalk
Secretary

William F. Quinn
Vice Chairman