



D A L L A S
POLICE & FIRE
PENSION SYSTEM



MINUTES SUMMARY
Board Meeting
Thursday, August 10, 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, August 10, 2023, in the Second Floor Board Room at 4100 Harry Hines Blvd., Dallas, Texas.

REGULAR POLICE AND FIRE PENSION SYSTEM BOARD MEETING

The meeting was called to order and recessed 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 certified the election results of the Firefighter Trustee runoff election.
2. The Chief Financial Officer presented the second quarter 2023 financial statements.
3. The Chief Financial Officer reviewed the 2023 Operating Expense Budget detailing expenses for the first six months of the calendar year.
4. The Chief Financial Officer provided a status update on the annual financial audit.
5. The Executive Director reviewed the Monthly Contribution Report.

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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. Investment staff provided an overview of the three funds which comprise the infrastructure asset class.
9.
 - a. Amended the DROP Policy as presented.
 - b. Approved the de minimis DROP payment.
 - c. The Board denied a hardship request.
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 10:45 a.m.

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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 10:45 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

1. The Chief Financial Officer presented the second quarter 2023 financial statements.
2. The Chief Financial Officer reviewed the 2023 Operating Expense Budget detailing expenses for the first six months of the calendar year.

C. BRIEFING ITEMS

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.

The Supplemental meeting was adjourned at 10:46 a.m.

**Dallas Police and Fire Pension System
Thursday, August 10, 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 8:30 a.m. Nicholas A. Merrick, William F. Quinn, Armando Garza, Michael Brown, Kenneth Haben, Steve Idoux, Mark Malveaux (by telephone), Tina Hernandez Patterson, Nancy Rocha (by telephone and in person at 8:44 a.m.), Anthony Scavuzzo (by telephone), Marcus Smith

Absent: None

Staff

Kelly Gottschalk, Josh Mond, Ryan Wagner, Brenda Barnes, John Holt, Nien Nguyen, Milissa Romero, Carol Huffman, Cynthia J. Thomas, Brookelynn Bateman

Others

Tom Tull, Michael Taglienti, Matthew Shomer, David Elliston

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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 active police officer Chris Jackson, retired police officers Harold R. Andrews, Floyd D. Pettigrew, David M. Kunkle, William D. Cobb, Stephen R. Norris, and retired firefighters Robert P. Trail, Harold W. Minter.

No motion was made.

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B. CONSENT AGENDA

1. Approval of Minutes

Regular meeting of July 13, 2023

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B. CONSENT AGENDA (continued)

- 2. Approval of Refunds of Contributions for the Month of July 2023**
- 3. Approval of Estate Settlements**
- 4. Approval of Survivor Benefits**
- 5. Approval of Service Retirements**
- 6. Approval of Alternate Payee Benefits**
- 7. Approval of Payment of Previously Withdrawn Contributions**

After discussion, Mr. Garza made a motion to approve the minutes of the Regular meeting of July 13, 2023. Mr. Smith 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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C. DISCUSSION AND POSSIBLE ACTION REGARDING ITEMS FOR INDIVIDUAL CONSIDERATION

- 1. Certification of Firefighter Trustee Runoff Election Results and Recognition of Outgoing Trustees**

The terms of Trustees William Quinn (Mayoral), Kenneth Haben (Police), and Armando Garza (Fire) expire on August 31, 2023. A general election was held for the Police Officer and Firefighter Trustee positions in June 2023. At the July 13th Board meeting, the Board certified the election results and authorized a runoff election for the Firefighter Trustee position because no candidate received more than 50% of the votes cast. In the general election, Michael Taglienti was elected as the Police Officer Trustee. The Mayor of Dallas will appoint the successor for William Quinn's Trustee position.

YesElections, an independent third-party election company, conducted the runoff election between the two candidates (Armando Garza and Matthew Shomer) that received the most votes in the general election process for the Firefighter Trustee position. The voting period for the Firefighter Trustee runoff election ended on August 1, 2023.

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1. Certification of Firefighter Trustee Runoff Election Results and Recognition of Outgoing Trustees (continued)

Matthew Shomer received the most votes in the runoff election and was elected as the Firefighter Trustee. Both new trustees' terms are from September 1, 2023, to August 31, 2026.

Staff and the Board thanked William Quinn, Kenneth Haben, and Armando Garza for their dedication to the pension system and service to the Board and DFPF members.

After discussion, Mr. Brown made a motion to certify the election results of Firefighter Trustee election. Mr. Quinn seconded the motion, which was unanimously approved by the Board.

Mr. Haben abstained from the vote.

The screenshot shows the 'YesElections' interface with the following data:

Results		
Race	Candidate/Choice	Votes
Firefighter Trustee	Matthew Shomer	257
Firefighter Trustee	Armando Garza (Incumbent)	196

Turnout				
Internet	Phone	Total	Eligible	Turnout %
372	81	453	2024	22.38

At the bottom of the screenshot, there are three addresses: 1775 I St NW, Suite 1150, Washington, DC 20006; 155 Mineola Blvd., Suite 102, Mineola, NY 11501; and 4275 Executive Sq., Suite 200, San Diego, CA 92037. The footer also includes the phone number (800) 914-2999 and the website URL YesElections.com.

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2. Quarterly Financial Reports

The Chief Financial Officer presented the second quarter 2023 financial statements.

No motion was made.

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3. 2023 Mid-Year Budget Review

The Chief Financial Officer presented a review of the 2023 Operating Expense Budget detailing expenses for the first six months of the calendar year.

No motion was made.

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4. Financial Audit Status

The Chief Financial Officer provided a status update on the annual financial audit.

No motion was made.

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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 Trustee business-related travel or 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. Infrastructure Portfolio Review

Investment staff provided an overview of the three funds which comprise the infrastructure asset class: the Global Maritime Investment Fund managed by JPMorgan Asset Management, and the Asian Infrastructure and Related Resources Opportunity funds I and II, both managed by The Rohatyn Group.

No motion was made.

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9. Deferred Retirement Option Plan (DROP) Policy

- a.** DROP Policy Revisions
- b.** Approval of a De Minimis Payment
- c.** Hardship Request

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

The meeting reopened at 10:42 a.m.

- a.** The DROP Policy was amended for the legislative change in 2021, allowing hardship distributions to any holder of a DROP annuity rather than just retirees. Staff reviewed this and other technical changes to the policy. After discussion, Mr. Garza made a motion to approve the DROP Policy Revisions. Ms. Hernandez Patterson seconded the motion, which was unanimously approved by the Board.
- b.** A surviving spouse with a DROP annuity passed away and left a monthly DROP annuity payment of 25 cents to the beneficiary. The DROP annuity term ends in 2028. Staff believes it is more cost-effective to pay the annuity in full in a lump sum now rather than on a monthly basis over the next five years and is seeking Board approval to pay the de minimums payment as a lump sum. After discussion, Mr. Quinn made a motion to approve the De Minimis Payment. Mr. Smith seconded the motion, which was unanimously approved by the Board.

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9. Deferred Retirement Option Plan (DROP) Policy (continued)

- c. Staff reviewed a hardship request with the Board. After discussion, Mr. Idoux made a motion to deny the hardship request. Mr. Quinn seconded the motion, which was approved by the following vote:

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

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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 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 – Legal at 9:42 a.m.

The meeting reopened at 10:42 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 (August 2023)
 - NCPERS PERSist (Summer 2023)
- b. Open Records
- c. Employee Update
- d. Independent Actuary

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. Idoux and a second by Mr. Brown, the meeting was adjourned at 10:45 a.m.

Nicholas A. Merrick
Chairman

ATTEST:

Kelly Gottschalk
Secretary