

Dallas Police and Fire Pension System
Thursday, February 8, 2024
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 8:33 a.m. Nicholas Merrick, Tina Hernandez Patterson, Michael Taglienti, Michael Brown, Mark Malveaux, Anthony Scavuzzo, Matthew Shomer, Tom Tull

By telephone Steve Idoux, Marcus Smith

Present at 8:38 a.m. Nancy Rocha

Absent None

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

Others Jill Svoboda, Matt Liu, Bill Hallmark, Jake Libauskas, Elizabeth Wiley, Jeff Williams, Gay Donnell Willis

By telephone Bohdy Hedgcock, Kevin McCabe

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The meeting was called to order at 8:33 a.m.

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A. MOMENT OF SILENCE

The Board observed a moment of silence in memory of retired police officers Harvie G. Eady, Sam C. Gonzales, Albert H. Strebeck, Billy E. Shaffer, Paul D. Tilton, Steven Torres and retired firefighters Danny R. Wampler, Dwayne R. McBride, Bobby D. Wade, R A. Mullins.

No motion was made.

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B. APPROVAL OF MINUTES

Regular meeting of January 11, 2024

After discussion, Mr. Taglienti made a motion to approve the Regular minutes of the meeting of January 11, 2024. 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. 2022 Financial Audit

Jill Svoboda, Partner and Matt Liu, Audit Senior Manager, representatives from BDO, DFPF's independent audit firm, discussed the results of their audit for the year ended December 31, 2022.

After discussion, Mr. Scavuzzo made a motion to approve the issuance of the 2022 audit report, subject to final review and approval by BDO and the Executive Director. Mr. Tull seconded the motion, which was unanimously approved by the Board.

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2. Report on Audit Committee

The Audit Committee met with representatives of BDO on February 8, 2024. The Committee Chair commented on the Committee's observations and advice and noted that BDO had no negative comments regarding their dealings with staff.

No motion was made.

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3. Independent Actuarial Analysis and Recommendations and Section 2.025 Update

Section 2.025 of Article 6243a-1 requires the Texas Pension Review Board to select, and DFPF to hire, an independent actuary to perform an actuarial analysis of DFPF's most recently completed actuarial valuation to (i) determine if DFPF meets Texas statutory funding requirements and (ii) recommend changes to benefits and contribution rates for employees and the City of Dallas. This analysis is due on or before October 1, 2024.

Cheiron, Inc. was hired as the independent actuary and presented the preliminary report based on DFPF's January 1, 2022 actuarial valuation in November 2023.

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3. Independent Actuarial Analysis and Recommendations and Section 2.025 Update (continued)

Bill Hallmark, Jake Libauskas, and Elizabeth Wiley of Cheiron reviewed their analysis and recommendations based on the January 1, 2023 actuarial valuation. Jeff Williams of Segal Consulting, DPF's actuary since 2016, was present to answer questions.

No motion was made.

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4. 2022 Annual Comprehensive Financial Report

Staff presented the 2022 Annual Comprehensive Financial Report.

After discussion, Mr. Tull made a motion to authorize the Executive Director to issue the 2022 Annual Comprehensive Financial Report and to forward the report to the Pension Review Board, the City of Dallas and to post it on the DPF website. Mr. Taglienti seconded the motion, which was unanimously approved by the Board.

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5. Quarterly Financial Reports

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

No motion was made.

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6. Executive Director Approved Pension Ministerial Actions

The Executive Director reported on the January pension ministerial actions.

No motion was made.

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7. Monthly Contribution Report

The Executive Director reviewed the Monthly Contribution Report.

No motion was made.

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8. 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. Taglienti made a motion to approve Ms. Hernandez Patterson’s request to attend the TEXPERS Trustee Training and Annual Conference. Mr. Scavuzzo seconded the motion, which was unanimously approved by the Board.

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9. TMRS Restricted Service Credit Request

The Executive Director discussed adopting the Texas Municipal Retirement System (TMRS) Restricted Service Credit resolution to allow prior service to count for vesting purposes only for anyone with prior DFPF service or service with other governmental agencies.

After discussion, Mr. Tull made a motion to approve the resolutions authorizing Restricted Prior Service Credit in the TMRS staff retirement plan for vesting purposes only. Ms. Hernandez Patterson seconded the motion, which was unanimously approved by the Board.

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10. Potential Budget Amendment – Information Technology

Staff discussed with the Board the budget amendment proposal to replace and upgrade Boardroom audio/visual equipment.

After discussion, Mr. Taglienti made a motion to approve an increase in the information technology budget by \$80,000. Mr. Brown seconded the motion, which was unanimously approved by the Board.

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11. Report on Investment Advisory Committee

The Investment Advisory Committee met on January 23, 2024. The Committee Chair and staff commented on the Committee’s observations and advice.

No motion was made.

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12. 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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13. Clarion – Possible Sale of CCH Lamar

The Board went into closed executive session – Real Estate at 11:01 a.m.

The meeting reopened at 11:59 a.m.

Bohdy Hedgcock and Kevin McCabe of Clarion discussed the proposed sale of DFPF’s interest in CCH Lamar.

Mr. Merrick recused himself from the discussion and the vote.

After discussion, Ms. Hernandez Patterson made a motion to approve the sale of DFPF’s interest in CCH Lamar, subject to the final approval of terms by the Executive Director. Mr. Brown seconded the motion, which was unanimously approved by the Board.

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14. 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 11:01 a.m.

The meeting reopened at 11:59 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 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 (February 2024)
- NCPERS PERSist (Winter 2024)
- TEXPERS Pension Observer (Vol. 1 2024)
<https://online.anyflip.com/mxfu/wdkk/mobile/index.html>

- 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. Malveaux and a second by Mr. Scavuzzo, the meeting was adjourned at 12:01 p.m.

/s/ Nicholas A. Merrick

Nicholas A. Merrick,
Chairman

ATTEST:

/s/ Kelly Gottschalk

Kelly Gottschalk
Secretary