

Dallas Police and Fire Pension System
Thursday, May 11, 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 8:33 a.m. Nicholas A. Merrick, William F. Quinn, Armando Garza, Michael Brown (by telephone), Kenneth Haben, Tina Hernandez Patterson, Steve Idoux, Mark Malveaux (by telephone), Nancy Rocha, Anthony Scavuzzo, Marcus Smith

Absent: None

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

Others Jill Svoboda, Matt Liu, Tom Tull, Kristi Walters, Michael Taglienti, Aaron Lally (by telephone)

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

The Regular meeting was reconvened at 8:44 a.m.

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A. MOMENT OF SILENCE

The Board observed a moment of silence in memory of active police officer Kevin M. Green, retired police officer Larry L. Howard, and retired firefighters Darryl W. McGuire, Ronald D. Childre, Michael R. Roach, and R. H. Barrett.

No motion was made.

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**Regular Board Meeting
Thursday, May 11, 2023**

B. CONSENT AGENDA

1. Approval of Minutes

Regular meeting of April 13, 2023

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

3. Approval of Activity in the Deferred Retirement Option Plan (DROP) for May 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. Quinn made a motion to approve the minutes of the Regular meeting of April 13, 2023. Mr. Scavuzzo seconded the motion, which was unanimously approved by the Board.

After discussion, Mr. Garza 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. Quarterly Financial Reports

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

No motion was made.

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**Regular Board Meeting
Thursday, May 11, 2023**

2. Monthly Contribution Report

The Executive Director reviewed the Monthly Contribution Report.

No motion was made.

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3. Audit Plan

Jill Svoboda and Matt Liu from BDO, DPF’s external independent audit firm, discussed their audit plan for the year ended December 31, 2022.

No motion was made.

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4. Report on Audit Committee Meeting

The Audit Committee met with Jill Svoboda and Matt Liu from BDO on May 11, 2023 to review the Audit Plan for the 2022 audit. The Committee Chair commented on the meeting and the audit plan.

No motion was made.

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5. Benefits Overpayment

Through an unrelated review process, staff discovered ten members and beneficiaries who have benefits which are overstated. Section 802.1024 of the Government Code requires DPF to recover the overpayments although recovery is limited to overpayments occurring not more than three years of the discovery of the overpayment. The Correction of Errors in Benefits Payment Policy requires Board approval for repayments which exceed \$10,000 and exceed one year.

The Executive Director briefed the Board on the cause of certain benefit overpayments and will propose a plan of recovery for the Board’s consideration at the June Board meeting.

No motion was made.

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**Regular Board Meeting
Thursday, May 11, 2023**

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. Natural Resources Portfolio Review - BTG Pactual

The Board went into closed executive session at 10:03 a.m.

The meeting reopened at 10:50 a.m.

Investment staff provided an overview of the Natural Resources portfolio and the strategy for DFPF's timber holdings managed by BTG Pactual.

No motion was made.

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9. Review Police Officer and Fire Fighter Trustee applicant qualifications

The Board went into closed executive session at 10:03 a.m.

The meeting reopened at 10:50 a.m.

Section 3.01(b-3) requires the Board to make a determination as to whether potential candidates for the police officer and firefighter trustee positions meet the qualifications of Section 3.01(b-1) to serve as a trustee. Section 3.01 (b-1) requires that a trustee not be an elected official of the city and that a trustee has demonstrated financial, accounting, business, investment, budgeting, real estate, or actuarial experience.

**Regular Board Meeting
Thursday, May 11, 2023**

9. Review Police Officer and Fire Fighter Trustee applicant qualifications (continued)

Mr. Garza and Mr. Haben left the meeting and recused themselves during the discussion.

After discussion, Mr. Quinn made a motion to approve the following Police Officer Trustee candidates: Kenneth Haben, Zachary Knetzer, and Michael Taglienti, and the following Firefighter Trustee candidates: Armando Garza, David Hatch, Matthew Shomer, and David Waks as qualified to serve as Trustees pursuant to the requirements of Article 6243a-1 Section 3.01 (b-1) (1). Mr. Idoux seconded the motion, which was unanimously approved by the Board with Mr. Garza and Mr. Haben recusing.

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10. Legislative Update

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

No motion was made.

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11. Independent Actuarial Analysis

The Executive Director briefed the Board on the proposed timeline for the independent actuarial analysis.

No motion was made.

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12. 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 10:03 a.m.

The meeting reopened at 10:50 a.m.

**Regular Board Meeting
Thursday, May 11, 2023**

- 12. 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. (continued)**

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 (May 2023)
- b. Open Records

The Executive Director's report was presented.

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**Regular Board Meeting
Thursday, May 11, 2023**

Ms. Gottschalk stated that there was no further business to come before the Board. On a motion by Mr. Idoux and a second by Ms. Hernandez Patterson, the meeting was adjourned at 10:53 a.m.

/s/ Nicholas A. Merrick

Nicholas A. Merrick
Chairman

ATTEST:

/s/ Kelly Gottschalk

Kelly Gottschalk
Secretary