

Dallas Police and Fire Pension System
Thursday, November 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 8:33 a.m. Nicholas Merrick, Michael Brown, Tina Hernandez Patterson, Steve Idoux, Mark Malveaux, Nancy Rocha, Anthony Scavuzzo, Matthew Shomer, Marcus Smith, Michael Taglienti, Tom Tull

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, Aubrey Rosalez

Others

Bill Hallmark, Elizabeth Wiley, Jake Libauskas, Jeff Williams, Janis Elliston, David Elliston, Larry Willaims, Rick Salinas, Jesika Jones, Mike Barela, Anna Holmes, Bill Quinn, Gay Willis, Jack Ireland, Paula Blackmon, Brett Shipp, Cara Mendelsohn, Andre Taylor

By telephone Caitlin Grice, Ron Pastore, Mark Morrison, Ken Haben, Aaron Lally

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

The meeting was reconvened at 9:53 a.m.

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A. MOMENT OF SILENCE

The Board observed a moment of silence in memory of retired police officers Donald R. Richie, Thomas E. Pugh, C R. Benefield, and retired firefighters Luther J. Smith Jr., Allen Heckard, Guillermo Luna

No motion was made.

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B. APPROVAL OF MINUTES

Regular meeting of October 12, 2023

After discussion, Mr. Taglienti made a motion to approve the minutes of the meeting of October 12, 2023. Mr. Idoux 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. Independent Actuarial Valuation Preliminary Report

Section 2.025 of Article 6243a-1 requires the Texas Pension Review Board to select, and DPF to hire, an independent actuary to perform an actuarial analysis of DPF's most recently completed actuarial valuation to (i) determine if DPF 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. Bill Hallmark, Jake Libauskas, and Elizabeth Wiley of Cheiron reviewed their preliminary report based upon DPF's January 1, 2022 actuarial valuation. Jeff Williams and Caitlin Grice of Segal Consulting, DPF's actuary since 2016, were present to answer questions. Cheiron's official report under Section 2.025 will be based upon DPF's January 1, 2023 actuarial valuation and is expected to be completed by March 31, 2024.

No motion was made.

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2. Quarterly Financial Reports

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

No motion was made.

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3. Board Officer Election

The Board Vice Chairman (William Quinn) and the Board Deputy Vice Chairman (Armando Garza) are no longer on the Board of Trustees. Board action is needed to elect their replacements.

After discussion, Mr. Merrick made a motion to elect Tina Hernandez Patterson as Vice Chairman and Michael Taglienti as Deputy Vice Chairman. Mr. Tull seconded the motion, which was unanimously approved by the Board.

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4. Report on Professional Services Committee Meeting.

The Professional Services Committee Chair reported to the Board on its meeting with Leandro Festino and Aaron Lally of Meketa Investment Group, DPFPP's Investment Consultant, and its meeting with Jeff Williams and Caitlin Grice of Segal, DPFPP's actuary. The Committee reported that no issues of concern were raised by Meketa or Segal.

No motion was made.

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5. Second Reading and Discussion of the 2024 Budget

The Chief Financial Officer presented the second reading of the 2024 budget, prepared in total for both the Combined Pension Plan and the Supplement Plan.

After discussion, Mr. Taglienti made a motion to approve the proposed 2024 budget. Mr. Smith seconded the motion, which was unanimously approved by the Board.

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6. Financial Audit Status

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

No motion was made.

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7. Benefit Underpayment Notification

Staff briefed the Board regarding an underpayment, notification of which is required to be given to the Board under the Correction of Errors in Benefits Payments Policy.

No motion was made.

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8. Required Training Manual Delivery

Section 3.013(c) of Article 6243a-1 requires the Executive Director to annually deliver a training manual covering certain subject areas set forth in Section 3.013(b). The Executive Director provided an overview of the contents, addressed new items in the manual, and answered questions concerning the training manual. Each Trustee signed the Trustee acknowledgment form to acknowledge receipt of the electronic training manual accessible in Diligent.

No motion was made.

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9. Executive Director Approved Pension Ministerial Actions

The Executive Director reported on the October pension ministerial actions.

No motion was made.

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10. Monthly Contribution Report

The Executive Director reviewed the Monthly Contribution Report.

No motion was made.

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11. Board approval of Trustee education and travel

- a. Future Education and Business-related Travel
- b. Future Investment-related Travel

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11. Board approval of Trustee education and travel (continued)

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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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. Real Estate Overview – AEW Portfolio Update

The Board went into closed executive session – Real Estate at 10:28 a.m.

The meeting reopened at 11:42 a.m.

Ron Pastore and Mark Morrison of AEW Capital Management updated the Board on the status and plans for DPF’s investments they manage.

No motion was made.

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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 DPF 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 10:28 a.m.

The meeting reopened at 11:42 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 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 (November 2023)
 - NCPERS PERSist (Fall 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. Idoux and a second by Ms. Hernandez Patterson, the meeting was adjourned at 11:43 a.m.

/s/ Nicholas A. Merrick

Nicholas A. Merrick,
Chairman

ATTEST:

/s/ Kelly Gottschalk

Kelly Gottschalk
Secretary