

**Dallas Police and Fire Pension System
Thursday, November 8, 2018
8:30 a.m.
4100 Harry Hines Blvd., Suite 100
Second Floor Board Room
Dallas, TX**

Regular meeting, William F. Quinn, Chairman, presiding:

ROLL CALL

Board Members

Present at 8:32 a.m. William F. Quinn, Nicholas A. Merrick, Samuel L. Friar, Blaine Dickens (by telephone), Gilbert A. Garcia, Frederick E. Rowe, Tina Hernandez Patterson, Robert C. Walters, Joseph P. Schutz,

Present at 9:50 a.m. Kneeland Youngblood (by telephone and in person at 10:20 a.m.)

Absent: Ray Nixon

Staff

Kelly Gottschalk, Josh Mond, Kent Custer, Brenda Barnes, John Holt, Damion Hervey, Cynthia Thomas, Greg Irlbeck, Carol Huffman

Others

Leo Festino (by telephone), Janis Elliston, David Elliston, Kenneth Sprecher, Thomas Moorman, Tony Moore, Frank Ruspoli, Joel Lavender, Lingburge Williams, Bill Ingram, H. Holland, Zaman Hemani

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The meeting was called to order at 8:32 a.m.

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A. MOMENT OF SILENCE

The Board observed a moment of silence in memory of active police officer Eugene J. Fox, and retired police officers Raymond L. Ysasaga, Alexander P. Cszaszar, and Jimmy R. Kincaid

No motion was made.

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B. CONSENT AGENDA

1. Approval of Minutes

Regular meeting of October 10, 2018

2. Approval of Refunds of Contributions for the Month of October 2018

3. Approval of Activity in the Deferred Retirement Option Plan (DROP) for November 2018

4. Approval of Estate Settlements

5. Approval of Survivor Benefits

6. Approval of Service Retirements

7. Approval of Payment of Military Service Contributions

After discussion, Mr. Garcia made a motion to approve the minutes of the meeting of October 10, 2018. Mr. Walters seconded the motion, which was unanimously approved by the Board. Mr. Youngblood was not present for the vote.

After discussion, Mr. Garcia made a motion to approve the remaining items on the Consent Agenda, subject to the final approval of the staff. Mr. Friar seconded the motion, which was unanimously approved by the Board. Mr. Youngblood was not present for the vote.

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C. DISCUSSION AND POSSIBLE ACTION REGARDING ITEMS FOR INDIVIDUAL CONSIDERATION

1. Asset Allocation Implementation

Leandro Festino, Managing Principal of Meketa Investment Group (by telephone) and Kent Custer, DFPF Chief Investment Officer, discussed implementation of the long-term asset allocation that was approved at the October 10 meeting of the Board.

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1. Asset Allocation Implementation (continued)

After discussion, Mr. Merrick made a motion to approve the asset allocation implementation plan, subject to receiving more information concerning emerging markets debt and conducting a search for an active investment grade bond manager within 12 months. Ms. Hernandez Patterson seconded the motion, which was unanimously approved by the Board. Mr. Youngblood was not present for the vote.

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2. 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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3. Legislative Consultant Contract Renewal

DPFP's contract with its legislative consultant HillCo Partners expires November 30, 2018. Staff recommended to the Board that DPFP renew the contract on the same terms through November 30, 2020.

After discussion, Mr. Friar made a motion to authorize the Executive Director to renew DPFP's contract with HillCo Partners on its current terms for two years. Ms. Hernandez Patterson seconded the motion, which was unanimously approved by the Board. Mr. Youngblood was not present for the vote.

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4. Second reading and discussion of the 2019 Budget

The Chief Financial Officer briefed the Board on changes that were made to the proposed budget from the first reading.

After discussion, Mr. Garcia made a motion to approve the 2019 budget. Mr. Walters seconded the motion, which was unanimously approved by the Board. Mr. Youngblood was not present for the vote.

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Mr. Youngblood called in at 9:51 a.m.

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5. Third Quarter 2018 Financial Statements

The Chief Financial Officer presented the third quarter 2018 financial statements.

No motion was made.

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6. Trustee Absences at October 10, 2018 Board Meeting

Because of the short notice in moving the October Board meeting from October 11 to October 10, the Chairman is recommending that the all Trustee absences at the October Board meeting be considered excused absences under the Board of Trustees Governance and Conduct Policy.

After discussion, Mr. Garcia made a motion that all Trustee absences at the October 10, 2018 Board meeting be deemed to be excused absences for all purposes. Mr. Friar seconded the motion, which was unanimously approved by the Board.

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7. 401(a) Money Purchase Plan and 457(b) Deferred Compensation Plan

DPFP maintains for employees of DPFP a mandatory 401(a) money purchase plan and 457(b) voluntary deferred compensation plan. Each plan is administered by the Executive Director. The Board is the ultimate fiduciary with respect to each plan.

After discussion, Ms. Hernandez Patterson made a motion to appoint a committee, chaired by the Executive Director and consisting of all DPFP executives, which is authorized to adopt rules with respect to each plan for meeting periodically to review the plans and their offerings and fees using the Government Finance Officer Association's relevant Best Practices documents for guidance and to report annually to the Board with respect to each plan. Mr. Walters seconded the motion, which was unanimously approved by the Board.

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8. Required Training Manual Delivery

Section 3.013(c) of Article 6243a-1 requires the Executive Director to deliver a training manual covering certain subject areas set forth in Section 3.013(b).

The Executive Director provided an overview of the contents in the Trustee Training Manual and answered questions.

No motion was made.

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9. Internal Controls Review

The Chief Financial Officer presented a brief overview of internal controls in place at DPF and her assessment of the appropriateness of the controls for DPF.

No motion was made.

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10. Reconsideration of Board Motion regarding transmittal of CAFR to City of Dallas

The Board discussed its motion from the earlier month concerning the transmittal letter of the CAFR to the City of Dallas as well as other methods of communicating the intended concerns of the transmittal letter with the City.

After discussion, Mr. Merrick made a motion to rescind its previous motion concerning preparation of a letter to the City of Dallas, authorized the Chairman to appoint a subcommittee of two mayoral appointees and two member appointees to meet with DPF and City staff regarding the Board's concern over future contribution levels and directed staff to begin reporting monthly to the Board the amount of contributions actually received as compared to contribution dollars used by DPF's actuary in preparing DPF's actuarial valuation and contributions based on the City Hiring Plan. Ms. Hernandez Patterson seconded the motion, which was unanimously approved by the Board.

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11. Board approval of Trustee education and travel

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

No discussion was held, and no motion was made regarding Trustee education and travel.

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

Mr. Dickens reported on the following seminar that he attended:

IFEBP New Trustee Training Level 1

No motion was made.

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13. Closed Session – Board serving as Medical Committee

Disability application

The Board went into closed executive session – medical at 10:52 a.m.

The meeting was reopened at 10:56 a.m.

Staff presented an application for On-Duty disability pension for consideration by the Board in accordance with Section 6.03(f) of the Plan.

After discussion, Mr. Youngblood made a motion to deny an application for On-Duty disability pension for Police Officer 2018-1 in accordance with Section 6.03(f) of the Plan. Mr. Garcia 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, including Open Records litigation with the Texas Attorney General 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 a closed executive session – legal at 10:57 a.m.

The meeting was reopened at 11:11 a.m.

After discussion, Mr. Youngblood made a motion to authorize the Executive Director and General Counsel to enter into a Settlement Agreement with the Texas Attorney General with respect to all active open records cases involving Public Information Act requests by the Dallas Morning News. Mr. Walters seconded the motion, which was unanimously approved by the Board.

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- 15. Performance Input to the Executive Director regarding the General Counsel**

The Board went into a closed executive session – personnel at 11:13 a.m.

The meeting was reopened at 12:01 p.m.

No motion was made.

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- 16. Performance Review of Executive Director**

The Board went into a closed executive session – personnel at 11:13 a.m.

The meeting was reopened at 12:01 p.m.

The Board reviewed the performance and provided recommendations concerning yearly objectives, goals, and performance of the Executive Director.

No motion was made.

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D. BRIEFING ITEMS

1. Reports and concerns of active members and pensioners of the Dallas Police and Fire Pension System

No active member or pensioner requested to address the Board with concerns.

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2. Executive Director's report

Associations' newsletters

- NCPERS Monitor (October 2018)
- NCPERS PERSist (Fall 2018)

The Executive Director's report was presented.

No motion was made.

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Ms. Gottschalk stated that there was no further business to come before the Board. On a motion by Mr. Youngblood and a second by Mr. Garcia, the meeting was adjourned at 12:01 p.m.

/s/ William F. Quinn

William F. Quinn
Chairman

ATTEST:

/s/ Kelly Gottschalk

Kelly Gottschalk
Secretary