

Dallas Police and Fire Pension System
Thursday, February 13, 2020
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 8:31 a.m. William F. Quinn, Nicholas A. Merrick, Joseph P. Schutz, Susan M. Byrne, Robert B. French, Steve Idoux, Mark Malveaux, Armando Garza (by phone), Allen Vaught, Tina Hernandez Patterson

Absent: Gilbert A. Garcia

Staff Kelly Gottschalk, Josh Mond, Brenda Barnes, Kent Custer, John Holt, Damion Hervey, Cynthia Thomas, Ryan Wagner, Michael Yan, Milissa Romero

Others Rick Salinas, David Elliston, Manet Schuman, Sheri Kowalski, Rob Gauss (by phone)

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The meeting was called to order at 8:31 a.m.

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A. MOMENT OF SILENCE

The Board observed a moment of silence in memory of retired police officer Tommie R. Murphy, Donald Kirkpatrick, Jose Losoya, Jr., James W. Nunn, Homer L. Hinton, and retired firefighters Joe B. Davis, J. W. McElroy, Gene E. Bennett, Hubert Townsend.

No motion was made.

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B. CONSENT AGENDA

1. Approval of Minutes

Regular meeting of January 9, 2020

2. Approval of Refunds of Contributions for the Month of January 2020

3. Approval of Estate Settlements

4. Approval of Survivor Benefits

5. Approval of Service Retirements

After discussion, Ms. Byrne made a motion to approve the minutes of the meeting of January 9, 2020. Mr. Vaught seconded the motion, which was unanimously approved by the Board.

After discussion, Ms. Byrne made a motion to approve the remaining items on the Consent Agenda, subject to the final approval of the staff. Ms. Hernandez Patterson 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 Statements

The Chief Financial Officer presented the fourth quarter 2019 financial statements.

No motion was made.

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2. Monthly Contribution

Staff presented the Monthly Contribution Report.

No motion was made.

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3. 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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4. Rebalancing Report

In accordance with Investment Policy section 6.C.7, the staff reported on recent rebalancing recommendations and activity. During January 2020 staff rebalanced short term and high yield bonds to target and added \$20 million to investment grade bonds.

No motion was made.

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5. Investment Policy Statement Review

Section 5.A.7 of the Investment Policy Statement (IPS) establishes a responsibility for the Board of Trustees to review the IPS annually and revise as needed. Staff reviewed the IPS and had a few recommended revisions. Meketa concurred with these recommendations.

After discussion, Mr. Merrick made a motion to approve the proposed Investment Policy Statement revisions. Mr. Malveaux seconded the motion, which was unanimously approved by the Board.

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6. Bank Loan Investment Allocation

Staff and Meketa analyzed the structure of the bank loan portfolio. Staff provided the Board a recommendation memo and discussed the analysis.

After discussion, Mr. Malveaux made a motion to approve staff's recommendation to liquidate the Loomis Sayles' Senior Floating Rate & Fixed Income portfolio and redeploy assets to Pacific Asset Management Bank Loans portfolio. Ms. Hernandez Patterson seconded the motion, which was unanimously approved by the Board.

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7. Correction of Errors in Benefit Payments Policy

Amendments to the interest provisions of the policy were proposed to clarify the interest calculations on benefit payment errors.

After discussion, Mr. Malveaux made a motion to adopt the amended Correction of Errors in Benefit Payments Policy. Ms. Hernandez Patterson seconded the motion, which was unanimously approved by the Board.

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8. Board approval of Trustee education and travel

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

After discussion, Ms. Hernandez Patterson made a motion to approve the Southwest Trustee Education Program to be included on the Future Education and Trustee Travel list. No future investment-related travel is currently scheduled.

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9. SB 944

Counsel discussed SB 944 which was passed during the 2019 legislative session and its requirements regarding preserving public information on private devices.

No motion was made.

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10. Lone Star Investment Advisors Update

The Board went into closed executive session – Legal at 9:53 a.m.

The meeting was reopened at 11:01 a.m.

No motion was made.

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- 11. 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 DPF's VCP filing with the Internal Revenue Service, consideration of legal options regarding DPF's interests in funds managed by Lone Star Investment Advisors 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 9:53 a.m.

The meeting was reopened at 11:01 a.m.

After discussion, Ms. Byrne made a motion to authorize the Executive Director to execute the Internal Revenue Service Closing Agreement. Mr. Schutz seconded the motion, which was unanimously approved by the Board.

Mr. Idoux was not present when the vote was taken.

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- 12. Closed Session - Board serving as Medical Committee**

Disability application

The Board went into closed executive session – Medical at 11:02 a.m.

The meeting was reopened at 11:25 a.m.

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

After discussion, Mr. Idoux made a motion to approve the On-Duty disability pension for Police Officer 20-01, not subject to future medical recalls but subject to the earning test until the age of 58. Mr. Quinn seconded the motion, which was unanimously approved by the Board.

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D. BRIEFING ITEMS

1. Public Comments

The Board received public comments during the open forum.

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2. Executive Director's report

- a. Associations' newsletters
NCPERS Monitor (January 2020)
- 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 Ms. Hernandez Patterson and a second by Mr. Schutz, the meeting was adjourned at 11:26 a.m.

/s/ William F. Quinn

William F. Quinn
Chairman

ATTEST:

/s/ Kelly Gottschalk

Kelly Gottschalk
Secretary