

Dallas Police and Fire Pension System
Thursday, March 24, 2016
8:30 a.m.
4100 Harry Hines Blvd., Suite 100
Second Floor Board Room
Dallas, TX

Special meeting, Samuel L. Friar, Chairman, presiding:

ROLL CALL

Board Members

Present at 8:30: Samuel L. Friar, Lee M. Kleinman, Joseph P. Schutz, Brian Hass, Kenneth S. Haben, Erik Wilson, Gerald D. Brown, Clint Conway, John M. Mays
Present at 9:00: Philip T. Kingston
Present at 9:15: Tho T. Ho (after City business)
Present at 9:59: Scott Griggs

Absent: None

Staff

Kelly Gottschalk, Joshua Mond, James Perry, John Holt, Corina Terrazas, Carlos Ortiz, Damion Hervey, Ryan Wagner, Milissa Romero, Christina Wu, Greg Irlbeck, Linda Rickley

Others

Andrea Kim, Greg Taylor, Darrell Jordan, Ron Pinkston, Mike Hamilton, Rick Salinas, Tristan Hallman

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The meeting was called to order at 8:30 a.m.

DISCUSSION AND POSSIBLE ACTION REGARDING ITEM FOR INDIVIDUAL CONSIDERATION

1. Legal issues

- a.** Police Officer and Firefighter pay lawsuits
- b.** Potential claims involving fiduciaries and advisors

The Board went into a closed executive session – legal at 8:30 a.m.

The meeting was reopened at 10:35 a.m.

No motion was made.

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The meeting was recessed at 10:35 a.m.

The meeting was reconvened at 10:48 a.m.

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2. Real estate investment consultant

At the February 11, 2016 Board meeting, The Townsend Group was terminated as the real asset investment consultant. Staff is recommending that DFPF expand the scope of the general investment consultant, NEPC, to include the real estate and natural resource assets that were previously covered by Townsend. NEPC's real asset services would include performance reporting, investment monitoring and investment recommendations.

After discussion, Mr. Haben made a motion to authorize the Executive Director to enter into an agreement with NEPC for investment consulting services for the entire DFPF portfolio. Mr. Mays seconded the motion, but no vote was taken, due to an amendment to the motion that was proposed by Mr. Schutz.

Mr. Schutz amended the motion to authorize the Executive Director to enter into an agreement with NEPC for investment consulting services for the entire DFPF portfolio, with the fees for the entire engagement not to exceed the current base fee structure, plus \$200,000 for all other services, including real estate and private equity consulting. Mr. Mays seconded the motion, which passed by the following vote:

For: Mays, Friar, Kleinman, Hass, Haben, Wilson, Ho, Brown, Conway
Against: Schutz, Griggs, Kingston

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3. Potential action relating to NTE 3a and 3b

In August 2012, the Board approved a \$50 million infrastructure investment commitment to facilitate a 10% equity stake in the North Tarrant Express 3a-3b (I-35W) project. This managed lanes public-private partnership extends north just over 10 miles along I-35W from downtown Fort Worth at I-30 to IH-820 (Segment 3a), and IH-820 to US 81/287 (Segment 3b). Construction commenced in 2013 and DFPF has funded approximately \$21 million of the commitment.

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3. Potential action relating to NTE 3a and 3b (continued)

Texas Department of Transportation (TxDOT) has now requested the developer also construct another segment (3c) extending from US 81/287 another 7.1 miles to Eagle Parkway, north of Alliance Airport. The proposal would be a change order to add this segment as part of the original 3a-3b project, requiring additional equity contributions. Staff reviewed the options as it relates to the addition of this segment to the project.

The Board went into a closed executive session – real estate at 12:30 p.m.

The meeting was reopened at 12:50 p.m.

After discussion, Mr. Haben made a motion to authorize the Executive Director to sell DPF’s interest in the NTE 3A/3B project, execute documentation, and perform all necessary acts and exercise all appropriate discretion to complete the sale. Mr. Hass seconded the motion, which was unanimously approved by the Board.

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4. Consideration of recent public statements by Trustees

The Board went into a closed executive session – real estate at 10:48 a.m.

The meeting was reopened at 11:13 a.m.

The Board went into a closed executive session – real estate at 11:29 a.m.

The meeting was reopened at 11:52 a.m.

No motion was made.

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The meeting was recessed at 12:00 p.m.

The meeting was reconvened at 12:13 p.m.

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Ms. Gottschalk stated that there was no further business to come before the Board. On a motion by Mr. Haben and a second by Mr. Hass, the meeting was adjourned at 12:50 p.m.

[signature]

Samuel L. Friar
Chairman

ATTEST:

[signature]

Kelly Gottschalk
Secretary