

Dallas Police and Fire Pension System
Thursday, August 12, 2021
8:30 a.m.
Via telephone conference

Regular meeting, Nicholas A. Merrick, Chairman, presiding:

ROLL CALL

Board Members

Present at 8:33 a.m. Nicholas A. Merrick, Armando Garza, Michael Brown, Robert B. French, Gilbert A. Garcia, Kenneth Haben, Tina Hernandez Patterson, Steve Idoux, Mark Malveaux

Absent: William F. Quinn

Staff Kelly Gottschalk, Josh Mond, Ryan Wagner, Brenda Barnes, John Holt, Damion Hervey, Cynthia Thomas, Greg Irlbeck, Milissa Romero

Others None

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

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A. MOMENT OF SILENCE

The Board observed a moment of silence in memory of retired police officers Arlyn J. Brown, Jerry Langbein, James W. Heard, and retired firefighters M. D. Biggerstaff, Samuel H. Atchison, Brad L. Allen, S. C. Gleghorn, Paul E. Overton, Randal P. Luper.

No motion was made.

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B. CONSENT AGENDA

1. Approval of Minutes

Regular meeting of July 15, 2021

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B. CONSENT AGENDA (continued)

- 2. Approval of Refunds of Contributions for the Month of July 2021**
- 3. Approval of Activity in the Deferred Retirement Option Plan (DROP) for August 2021**
- 4. Approval of Estate Settlements**
- 5. Approval of Survivor Benefits**
- 6. Approval of Service Retirements**
- 7. Approval of Alternate Payee Benefits**
- 8. Approval of Payment of Previously Withdrawn Contributions**
- 9. Approval of Payment of QDRO Buyback Contributions**

After discussion, Mr. Garza made a motion to approve the minutes of the meeting of July 15, 2021. Mr. Haben 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. 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. January 1, 2021 Actuarial Valuation Assumptions

At the June 2021 Board meeting Jeff Williams from Segal, discussed the assumptions for the January 2021 valuations and recommended no changes from the Assumptions used in the prior actuarial valuation except for possible consideration of lowering the 7% assumed rate of return. At the July 2021 Board Meeting the rate of return assumption was discussed and the Board requested that Segal prepare an impact study of various return assumptions based on estimated January 1, 2021 net asset values.

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1. January 1, 2021 Actuarial Valuation Assumptions (continued)

The Executive Director reviewed with the Board Segal's impact study of lowering the assumed rate of return from the current 7% assumed rate of return to 6.75% and 6.5%.

After discussion, Mr. Garcia made a motion to direct Segal to use its recommended assumptions in preparing the January 1, 2021 Actuarial Valuation for the Regular Plan (Combined Plan) and the Supplemental Plan and approved a reduction of the assumed rate of return to 6.5%. Mr. Garza seconded the motion, which was unanimously approved by the Board.

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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. Investment Policy Statement

Investment staff reviewed a summary of amendments to the Investment Policy Statement (IPS) reflecting the new long-term asset allocation and its implementation approved at the July 2021 Board meeting.

After discussion, Mr. Garcia made a motion to approve the proposed revised Investment Policy Statement. Mr. Haben seconded the motion, which was unanimously approved by the Board.

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4. Infrastructure Portfolio Review

Staff provided an overview of the three funds which comprise the infrastructure asset class: the Global Maritime Investment Fund managed by JPMorgan Asset Management, and the Asian Infrastructure and Related Resources Opportunity funds I and II, both managed by The Rohatyn Group.

No motion was made.

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5. Monthly Contribution Report

The Executive Director reviewed the Monthly Contribution Report.

No motion was made.

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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. Quarterly Financial Reports

The Chief Financial Officer presented the second quarter 2021 financial statements.

No motion was made.

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8. 2021 Mid-Year Budget Review

The Chief Financial Officer presented a review of the 2021 Operating Expense Budget detailing expenses for the first six months of the calendar year.

No motion was made.

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9. Financial Audit Status

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

No motion was made,

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10. Hardship Request

The consideration of the Hardship request was postponed.

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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 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.

The Board went into closed executive session at 9:59 a.m.

The meeting was reopened at 10:25 a.m.

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 (August 2021)
 - NCPERS PERSist (Summer 2021)
 - TEXPERS Pension Observer (Vol. 3, 2021)
<http://online.anyflip.com/mxfu/jofm/mobile/index.html>
- b. Open Records
- c. Office Reopening Status
- d. CIO Recruitment

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. Garza and a second by Mr. Garcia, the meeting was adjourned at 10:25 a.m.

/s/ Nicholas A. Merrick

Nicholas A. Merrick
Chairman

ATTEST:

/s/ Kelly Gottschalk

Kelly Gottschalk
Secretary