

Dallas Police and Fire Pension System
Thursday, November 14, 2024
8:30 a.m.
4100 Harry Hines Blvd., Suite 100
Second Floor Board Room Dallas, TX

Regular meeting, Tina Hernandez Patterson, Vice Chairman, presiding:

ROLL CALL

Board Members

Present at 8:31 a.m. Tina Hernandez Patterson, Michael Taglienti, Michael Brown,
Tom Tull, Marcus Smith, Steve Idoux, Nancy Rocha

Present at 8:33 a.m. Matthew Shomer

By telephone at 8:33 a.m. Nicholas Merrick

Absent Anthony Scavuzzo, Mark Malveaux

Staff

Kelly Gottschalk, Josh Mond, Brenda Barnes, Ryan Wagner,
Christina Wu, Akshay Patel, Kyle Schmit, John Holt, Nien
Nguyen, Milissa Romero, Cynthia Thomas (phone)

Others

Jody Hillenbrand, Jamil McNeal, David Kelly, Joe Colonna,
Jenny Kerzman, Dory Wiley, Matt DenBleyker, Duke
Meythaler, Grant Grover, Ken Goldberg, Sheri Kowalski,
Fernando Gallegos, Gay Donnell Willis, Abdullah Ghaffar,
Paula Blackmon, Nathan Haskins, Nathan Collins, Ivan Guel,
Wally Guerra, Farrah Ali, Jeff Patterson, Lori Brown

By telephone Ken Haben, Luke Gittemeier, Leandro Festino, Jeff Williams

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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 active firefighter Jose E. Chavez, retired police officers Weldon E. Robbins, Thomas L. Butler, Floyd G. Phillips, Larry D. Self, Bird E. Senter, Jerry M. Rhodes, and retired firefighters Robert C. Bunger, Phillip W. Brown, Kenneth R. Pigg, Billy M. Watson.

No motion was made.

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B. APPROVAL OF MINUTES

1. Required Public meeting of October 10, 2024
2. Regular meeting of October 10, 2024

After discussion, Mr. Taglienti made a motion to approve the minutes of the Required Public meeting and Regular meeting of October 10, 2024. Mr. Tull seconded the motion, which was unanimously approved by the Board.

Mr. Shomer was not present for the vote.

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C. DISCUSSION AND POSSIBLE ACTION REGARDING ITEMS FOR INDIVIDUAL CONSIDERATION

1. 2023 Financial Audit

Jody Hillenbrand, Assurance National Technical Principal of BDO, DPFP's independent audit firm, discussed the results of their audit for the year ended December 31, 2023.

After discussion, Mr. Shomer made a motion to approve the issuance of the 2023 audit report, subject to final review and approval by BDO and the Executive Director. Mr. Taglienti seconded the motion, which was unanimously approved by the Board.

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2. Report on Audit Committee Meeting

The Audit Committee commented on its meeting with BDO on November 14, 2024 and BDO had no negative comments regarding their dealings with staff.

No motion was made.

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3. Commerce Street Report for the City of Dallas

The City of Dallas hired Commerce Street to conduct an independent performance evaluation of DPFP. Representatives of Commerce Street, Dory Wiley, President & CEO, Matt DenBleyker, Managing Director and Co-CIO, Duke Meythaler, Managing Director, and Grant Glover, Investment Analyst presented their evaluation report of DPFP to the Board.

No motion was made.

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4. 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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5. Investment Policy Statement Review & Amendments

Staff reviewed with the Board the proposed amendments to the Investment Policy Statement (IPS) that were discussed at the September 26, 2024 Investment Advisory Committee meeting regarding the updated Asset Allocation, new private markets program, updated rebalancing language, updates to sections based on Texas Pension Review Board guidance and other minor changes.

After discussion, Mr. Taglienti made a motion to approve the proposed revised Investment Policy Statement to be effective January 1, 2025. Mr. Shomer seconded the motion, which was unanimously approved by the Board.

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6. Section 2.025 Funding Process Update

The Executive Director provided an update on the Section 2.025 funding process.

No motion was made.

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7. 2023 Annual Comprehensive Financial Report

Staff presented the 2023 Annual Comprehensive Financial Report.

After discussion, Mr. Taglienti made a motion to authorize the Executive Director to issue the 2023 Annual Comprehensive Financial Report and to forward the report to the Pension Review Board, the City of Dallas and to post it on the DFPF website. Mr. Shomer seconded the motion, which was unanimously approved by the Board.

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Mr. Merrick disconnected from the call at 10:53 a.m. and rejoined by phone at 11:32 a.m. for the remainder of the meeting.

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8. Second Reading and Discussion of the 2025 Budget

The Chief Financial Officer presented the second reading of the 2025 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 2025 budget. Mr. Tull seconded the motion, which was unanimously approved by the Board.

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9. Quarterly Financial Reports

The Chief Financial Officer presented the third quarter 2024 financial statements.

No motion was made.

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10. Executive Director Approved Pension Ministerial Actions

The Executive Director reported on the October pension ministerial actions.

No motion was made.

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11. Monthly Contribution Report

The Executive Director reviewed the Monthly Contribution Report.

No motion was made.

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12. Board Members' Report on Meetings, Seminars and/or Conferences Attended

Mr. Taglienti reported on the NCPERS Public Safety Conference.

No motion was made.

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13. 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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14. Required Training Manual Delivery & Ethics Policy Certification

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). Additionally, Trustees are required to acknowledge that they have read, understand and will comply with the Board of Trustees and Employees Ethics and Code of Conduct Policy on an annual basis.

The Executive Director provided an overview of the training manual and the Ethics and Code of Conduct Policy, both accessible in Diligent. Each Trustee signed the acknowledgment form confirming receipt of the electronic training manual and acknowledgment that they have read, understand and will comply with the provisions of the Ethics and Code of Conduct Policy.

No motion was made.

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15. Lone Star Investment Advisors

The Board went into closed executive session – Legal at 11:28 a.m.

The meeting reopened at 11:56 a.m.

Investment staff updated the Board on investments managed by Lone Star Investment Advisors.

No motion was made.

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16. City of Dallas Proposition U

The Board went into closed executive session – Legal at 11:28 a.m.

The meeting reopened at 11:56 a.m.

The Board and staff discussed the City of Dallas Proposition U.

No motion was made.

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17. 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 – Legal at 11:28 a.m.

The meeting reopened at 11:56 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 Board received public comments during the open forum.

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2. Executive Director's Report

- a. Associations' newsletters
 - NCPERS Monitor (November 2024)
 - NCPERS PERSist (Fall 2024)
- 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. Taglienti and a second by Mr. Tull, the meeting was adjourned at 11:56 a.m.

/s/ Tina Hernandez Patterson

Tina Hernandez Patterson,
Vice Chairman

ATTEST:

/s/ Kelly Gottschalk

Kelly Gottschalk,
Secretary

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