

**Dallas Police and Fire Pension System
Thursday, March 12, 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 8:32 a.m. William F. Quinn, Joseph P. Schutz, Susan M. Byrne, Robert B. French, Gilbert A. Garcia (by phone), Mark Malveaux (present in person until 11:01 a.m. thereafter by phone), Armando Garza, Allen R. Vaught, Tina Hernandez Patterson:

Absent: Nicholas A. Merrick, Steve Idoux

Staff

Kelly Gottschalk, Josh Mond, Kent Custer, Brenda Barnes, John Holt, Cynthia Thomas, Ryan Wagner, Greg Irlbeck, Michael Yan, Milissa Romero

Others

David Elliston, Janis Elliston, Darryl Wachsman, Rick Salinas, Manet Schuman, Sheri Kowalski, Chuck Campbell, Leandro Festino, Aaron Lally (by phone), Alli Wallace (by phone), Bohdy Hedgcock (by phone), Travis Stephens (by phone), David Harper (by phone)

* * * * *

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

The meeting was recessed at 10:49 a.m. and was reconvened at 11:08 a.m.

* * * * *

A. MOMENT OF SILENCE

The Board observed a moment of silence in memory of retired police officers Armond C. Beaty, William F. Lovell, Richard O. Walker, Billy E. Barnes, and retired firefighters R. B. Kimzey, Raymond R. Rowe

No motion was made.

**Regular Board Meeting
Thursday, March 12, 2020**

* * * * *

B. CONSENT AGENDA

1. Approval of Minutes

Regular meeting of February 13, 2020

- 2. Approval of Refunds of Contributions for the Month of February 2020**
- 3. Approval of Activity in the Deferred Retirement Option Plan (DROP) for March 2020**
- 4. Approval of Estate Settlements**
- 5. Approval of Survivor Benefits**
- 6. Approval of Service Retirements**

After discussion, Mr. Garza made a motion to approve the minutes of the meeting of February 13, 2020. Ms. Byrne seconded the motion, which was unanimously approved by the Board.

After discussion, Mr. Vaught made a motion to approve the remaining items on the Consent Agenda, subject to the final approval of the staff. Ms. Byrne seconded the motion, which was unanimously approved by the Board.

* * * * *

C. DISCUSSION AND POSSIBLE ACTION REGARDING ITEMS FOR INDIVIDUAL CONSIDERATION

1. Chairman's Discussion Items

Recap of the meeting with Dallas Citizens Council Representatives

No motion was made.

* * * * *

**Regular Board Meeting
Thursday, March 12, 2020**

2. Report on Professional Services Committee

The Chairman reported that the Professional Services Committee met with Mr. Festino of Meketa Investment Group, DPFP's investment consultant. The Chairman reported that the following issues of concern were raised by Mr. Festino; frequent change in the Board members, staff is stretched in a lot of different directions on multiple issues and tasks, the Investment Advisory Committee (IAC) is a work in progress, and the illiquid assets are not transitioning as quickly as expected.

No motion was made.

* * * * *

3. Speakers at Board Meeting Policy

Staff recommended changes to the policy that reflected changes to the state law as well as instituted both time limits for speakers and discretion with respect to time limits for the Chairman.

After discussion, Ms. Byrne made a motion to adopt the Speakers at Board Meeting Policy as amended. Ms. Hernandez Patterson seconded the motion, which was unanimously approved by the Board.

* * * * *

4. Fiduciary Duties of Trustees

Chuck Campbell with Jackson Walker, fiduciary counsel for the Board, gave a presentation on fiduciary duties of trustees.

No motion was made.

* * * * *

5. Monthly Contribution Report

Staff presented the Monthly Contribution Report.

No motion was made.

* * * * *

**Regular Board Meeting
Thursday, March 12, 2020**

6. Peer Reviews

The Executive Director’s 2020 Performance Objectives included conducting a peer review of staff compensation and an organizational and expense review.

The Board directed the Executive Director to hire Logic Compensation Group to conduct a peer review of staff total compensation and to internally conduct a review of organizational and expenses of DPFP compared to peer Texas plans.

No motion was made.

* * * * *

7. Board approval of Trustee education and travel

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

No motion was made. No future investment-related travel is currently scheduled.

* * * * *

8. Portfolio Update

Investment staff briefed the Board on recent events and current developments with respect to the investment portfolio.

No motion was made.

* * * * *

9. Fourth Quarter 2019 Investment Performance Analysis and Third Quarter 2019 Private Markets & Real Assets Review

Leandro Festino, Aaron Lally and Alli Wallace with Meketa Investment Group and Investment staff reviewed investment performance.

No motion was made.

* * * * *

Regular Board Meeting
Thursday, March 12, 2020

10. Investment Practices and Performance Review (SB 322)

Senate Bill 322 modified Section 802.109 of the Texas Government Code to require that a public retirement system shall select an independent firm to evaluate the appropriateness, adequacy, and effectiveness of the retirement system's investment practices and performance and to make recommendations for improving the retirement system's investment policies, procedures, and practices.

At the October 10, 2019 meeting, the Board approved hiring Meketa Investment Group to conduct the evaluation. Meketa discussed their evaluation and recommendations with the Board.

After discussion, Ms. Byrne made a motion to approve the report required by SB 322 submitted by Meketa and authorize submission of the report to the Texas Pension Review Board. Mr. Vaught seconded the motion, which was unanimously approved by the Board.

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

* * * * *

11. Asset Allocation Review

Meketa and Investment staff reviewed DFPF's strategic asset allocation, capital market assumptions, and expectations for performance and volatility.

No motion was made.

* * * * *

Mr. Malveaux left the meeting at 12:01 p.m.

* * * * *

12. Real Estate Overview – Clarion Partners Portfolio

The Board went into closed executive session – Real Estate at 12:20 p.m.

The meeting was reopened at 12:37 p.m.

Bohdy Hedgcock, with Clarion updated the Board on the status and plans for DFPF's investment in CCH Lamar.

No motion was made.

**Regular Board Meeting
Thursday, March 12, 2020**

* * * * *

13. Closed Session - Board serving as Medical Committee

Application for death benefits for disabled child

The Board went into closed executive session – Medical at 12:38 p.m.

The meeting was reopened at 12:39 p.m.

Staff presented an application for consideration by the Board of a survivor benefits for a disabled child in accordance with Section 6.06(n) of Article 6243a-1.

After discussion, Ms. Byrne made a motion to grant survivor benefits for a disabled child under the provisions of Article 6243a-1, Section 6.06 (o-2). Ms. Hernandez Patterson seconded the motion, which was unanimously approved by the Board.

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

* * * * *

14. Lone Star Investment Advisors Update

The Board went into closed executive session – Legal at 9:48 a.m.

The meeting was reopened at 10:49 a.m.

No motion was made.

* * * * *

15. 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 9:48 a.m.

The meeting was reopened at 10:49 a.m.

No motion was made.

**Regular Board Meeting
Thursday, March 12, 2020**

* * * * *

D. BRIEFING ITEMS

1. Public Comments

No one requested to address the Board with concerns.

* * * * *

2. Executive Director's report

- a. Associations' newsletters
 - (1) NCPERS Monitor (February 2020)
 - (2) NCPERS Monitor (Winter 2020)
- b. Open Records
- c. Staffing Update

The Executive Director's report was presented.

* * * * *

Ms. Gottschalk stated that there was no further business to come before the Board. On a motion by Ms. Byrne and a second by Mr. Garza, the meeting was adjourned at 12:39 p.m.

/s/ William F. Quinn

William F. Quinn
Chairman

ATTEST:

/s/ Kelly Gottschalk

Kelly Gottschalk
Secretary

**Regular Board Meeting
Thursday, March 12, 2020**

This Page was Intentionally Left Blank