

Dallas Police and Fire Pension System
Thursday, October 10, 2024
8:30 a.m.
4100 Harry Hines Blvd., Suite 100
Second Floor Board Room
Dallas, TX

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

ROLL CALL

Board Members

Present at 8:30 a.m. Nicholas Merrick, Tina Hernandez Patterson, Michael Taglienti,
Michael Brown, Tom Tull, Matthew Shomer, Marcus Smith,
Steve Idoux, Nancy Rocha, Mark Malveaux

By telephone at 8:30 a.m. Anthony Scavuzzo

Absent None

Staff

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

Others

Jeff Williams, Caitlin Grice, Leandro Festino, Colin Kowalski,
Fernando Gallegos, Gay Donnell Willis

By telephone Ken Haben

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

The Regular meeting was reconvened at 9:38 a.m.

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A. MOMENT OF SILENCE

The Board observed a moment of silence in memory of active police officer Carlos Guzman, and retired police officers James A. Wallace, Raymond D. Lewis Jr., Thomas C. Rengstorff, Joe B. Warren, Jack F. Allison Jr., Frank J. Dorn Jr., Donald A. Stafford, Sallie J. Henderson, and retired firefighters James K. Doss, David R. Thomas, William A. Massie, Charles T. Allison, Todd M. Wilson.

No motion was made.

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B. APPROVAL OF MINUTES

Regular meeting of September 12, 2024

After discussion, Mr. Taglienti made a motion to approve the minutes of the Regular meeting of September 12, 2024. Mr. Tull seconded the motion, which was unanimously approved by the Board.

Ms. Rocha was not present for the vote.

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C. DISCUSSION AND POSSIBLE ACTION REGARDING ITEMS FOR INDIVIDUAL CONSIDERATION

1. January 1, 2024 Actuarial Valuation

Jeff Williams and Caitlin Grice of Segal Consulting, DFPF’s actuarial firm, discussed the results of the January 1, 2024 actuarial valuation report.

After discussion, Mr. Malveaux made a motion to approve issuance of the January 1, 2024 actuarial valuation report, subject to final review by the auditors (BDO) and review and approval by the Executive Director. Mr. Shomer seconded the motion, which was unanimously approved by the Board.

Mr. Taglienti was not present for the vote.

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2. 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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3. Report on Professional Service Committee Meeting

The Professional Services Committee met on October 10, 2024 with Jeff Williams and Caitlin Grice of Segal, DFPF’s actuary. The Committee Chair reported to the Board that Segal had positive remarks regarding the staff and no concerns were raised by Segal.

No motion was made.

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4. Initial Reading and discussion of the 2025 Budget

The Chief Financial Officer presented the initial reading of the 2025 budget, prepared in total for both the Combined Pension Plan and the Supplemental Plan.

After discussion, Mr. Malveaux made a motion to bring the proposed budget to the Board at the November 2024 Board meeting for consideration for adoption and to authorize forwarding the 2025 proposed budget to the City of Dallas for comment and the posting of the proposed budget to www.dpfp.org for member review prior to the November meeting. Mr. Smith seconded the motion, which was unanimously approved by the Board.

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5. Financial Audit Status

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

No motion was made.

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6. Executive Director Approved Pension Ministerial Actions

The Executive Director reported on the September pension ministerial actions.

No motion was made.

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7. Monthly Contribution Report

The Executive Director reviewed the Monthly Contribution Report.

No motion was made.

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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, Mr. Idoux made a motion to approve Mr. Taglienti's request to attend the NCPERS Public Safety Conference. Mr. Tull seconded the motion, which was unanimously approved by the Board.

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9. 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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10. Report on Investment Advisory Committee Meeting

The Investment Advisory Committee met on September 26, 2024. The Committee Chair commented on the Committee’s observations and advice.

No motion was made.

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11. Private Market Diligence and Approval Process

Staff discussed private market investment diligence and approval process options that were reviewed with the Investment Advisory Committee (IAC) at the September 26, 2024 IAC meeting, and the Board provided guidance on formalizing these processes. The Board agreed with the staff’s recommendation to set up a small Private Markets sub-committee that could meet on an ad hoc basis to review investment opportunities and make recommendations to the Board.

No motion was made.

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12. Asset Allocation Study

Staff and Meketa presented the Asset Allocation Study to the Board including recommended asset class targets, ranges, benchmarks and implementation considerations.

After discussion, Mr. Tull made a motion to approve the long-term asset allocation and direct staff to bring amendments to the Investment Policy Statement reflecting the updated asset allocation back to the Board for its review and approval. Mr. Shomer seconded the motion, which was unanimously approved by the Board.

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13. Lone Star Investment Advisors

The Board went into closed executive session – Legal at 11:50 a.m.

The meeting reopened at 12:25 p.m.

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

After discussion, Mr. Tull made a motion to authorize the Executive Director to manage DFPF’s investments with Lone Star Investment Advisors in her discretion with the approval of the Chairman and Michael Brown. Ms. Hernandez Patterson seconded the motion, which was unanimously approved by the Board.

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14. 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 11:50 a.m.

The meeting reopened at 12:25 p.m.

The Board and staff discussed legal issues.

Mr. Malveaux recused himself during the discussion of the lawsuit with the City of Dallas.

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 (October 2024)
- b. Open Records
- c. Education Class Update

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 Ms. Hernandez Patterson, the meeting was adjourned at 12:27 p.m.

/s/ Nicholas A. Merrick

Nicholas A. Merrick,
Chairman

ATTEST:

/s/ Kelly Gottschalk

Kelly Gottschalk,
Secretary