

**Dallas Police and Fire Pension System**  
**Thursday, September 12, 2019**  
**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, Nicholas A. Merrick, Joseph P. Schutz, Robert B. French, Ray Nixon, Susan M. Byrne, Tina Hernandez Patterson, Robert C. Walters, Armando Garza, Kneeland Youngblood (by phone)

Absent: Gilbert A. Garcia

**Staff**

Kelly Gottschalk, Josh Mond, Kent Custer, Brenda Barnes, John Holt, Damion Hervey, Cynthia Thomas, Aimee Crew, Trish Wiley, Ann Mathews, Ryan Wagner, Greg Irlbeck, Michael Yan, Milissa Romero

**Others**

Sheri Kowalski, Kenneth Latz, Andrew Kramer, Elizabeth Reich, David Harper, Jason Jordan, Bohdy Hedgcock, Leandro Festino, Sandy Alexander, Kenneth Sprecher, David Dunnahoo, John G. Myers, Tom Moore, Janis Elliston, David Elliston, Jose Deleon, Jerry M. Rhodes, Rick Salinas, Frank Ruspoli, Carolyn Freeman, James Freeman, Brian Williams, Stanley Allport, Harold Holland

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

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**A. TRUSTEES**

Welcome Non-member Trustees

The Chairman welcomed the Non-members Trustees, Robert French, Gilbert Garcia, and Tina Hernandez Patterson, that were certified and deemed elected by the Board at the August Board meeting and will serve from September 1, 2019 until August 31, 2022.

No motion was made.

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**B. MOMENT OF SILENCE**

The Board observed a moment of silence in memory of retired police officers Edgar L. Smith, William Bricker, Julian B. Allen, James D. Collett, William B. Frazier, James R. Leavelle, and retired firefighters Roy W. Williams, Rodney R. Gant, J. C. Minter, Neal Hunter.

No motion was made.

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**C. CONSENT AGENDA**

**1. Approval of Minutes**

Regular meeting of August 8, 2019

- 2. Approval of Refunds of Contributions for the Month of August 2019**
- 3. Approval of Activity in the Deferred Retirement Option Plan (DROP) for September 2019**
- 4. Approval of Estate Settlements**
- 5. Approval of Survivor Benefits**
- 6. Approval of Service Retirements**
- 7. Approval of Payment of Military Leave Contributions**

After discussion, Mr. Garza made a motion to approve the minutes of the meeting of August 8, 2019. Mr. Walters seconded the motion, which was unanimously approved by the Board.

After discussion, Mr. Walters 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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**D. DISCUSSION AND POSSIBLE ACTION REGARDING ITEMS FOR INDIVIDUAL CONSIDERATION**

**1. City Budget Overview**

Elizabeth Reich, City of Dallas CFO, provided an overview of the City of Dallas 2019-2020 Recommended Budget and an overview of the new Meet and Confer Agreement.

No motion was made.

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**2. Treatment of Final Month Payment for DROP Participants**

- a. Possible Overpayment to DROP Participants subject to 10-year Limitation
- b. DROP Policy Amendment

a. In the month DROP participants retire, staff has been paying a full monthly benefit to all DROP members. Staff believes the payment in the retirement month for members who have reached the 10-year limitation in DROP should be pro-rated to include only those days in which the member was retired.

b. Staff presented an amendment to the DROP Policy to provide for clarity of the treatment of the payment of the monthly benefit in the month of retirement for DROP participants.

After discussion, Mr. Merrick made a motion to authorize the Executive Director to collect, commencing October 31, 2019, all overpayments to retirees having reached the 10-year limitation in DROP who were overpaid in their first month of retirement with a collection period over 3 to 12 months with such collection policy to be implemented in the Executive Director's discretion. Mr. Walters seconded the motion, which was unanimously approved by the Board.

After discussion, Mr. Garza made a motion to approve the DROP Policy as amended. Ms. Hernandez Patterson seconded the motion, which was unanimously approved by the Board.

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**3. 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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**4. Rebalancing Report**

In accordance with Investment Policy section 6.C.7, staff reported on recent rebalancing recommendations and activity.

No motion was made.

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**5. Private Equity and Debt Portfolio Review**

Staff provided an overview of DFPF investments in private equity and private debt.

No motion was made.

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**6. Second Quarter 2019 Investment Performance Analysis and First Quarter 2019 Private Markets & Real Assets Review**

Leandro Festino, Managing Principal - Meketa Investment Group and Investment Staff reviewed investment performance.

No motion was made.

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**7. Chairman's Discussion Items**

Recap of the meeting with the City of Dallas Mayor

The Chairman briefed the Board on the meeting with the City of Dallas Mayor.

No motion was made.

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**8. Audit Status**

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

No motion was made.

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**9. Monthly Contribution Report**

Staff presented the Monthly Contribution Report.

No motion was made.

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**10. Board approval of Trustee education and travel**

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

No discussion was held, and no motion was made regarding Trustee education and travel. There was no future investment-related travel.

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**11. Board Members' reports on meetings, seminars and/or conferences attended**

Mr. Garza reported on the following seminar that he attended:

TEXPERS Basic Trustee Training

No motion was made.

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**12. Clarion – Possible sale of The Tribute**

The Board went into closed session executive session –Real Estate at 11:43 a.m.

The meeting was reopened at 11:54 a.m.

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**12. Clarion – Possible sale of The Tribute (continued)**

Bohdy Hedgcock, Senior Vice President, Clarion discussed the proposed sale of DPFPP’s interest in The Tribute, a master planned community development in The Colony, TX.

After discussion, Ms. Hernandez Patterson made a motion to approve the sale of DPFPP’s interest in The Tribute, subject to the final approval of the Executive Director. Mr. Walters seconded the motion, which was unanimously approved by the Board.

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**13. Lone Star Investment Advisors Update**

The Board went into closed session executive session – Legal at 9:33 a.m.

The meeting was reopened at 10:32 a.m.

No motion was made.

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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, including DPFPP et al. v. Alexander, consideration of legal options regarding DPFPP’s interests in Lone Star Funds, changes to Texas Open Meetings Act or any other legal matter in which the duty of the attorneys to DPFPP and the Board under the Texas Disciplinary Rules of Professional Conduct clearly conflicts with Texas Open Meeting laws.**

The Board went into closed session executive session – Legal at 9:33 a.m.

The meeting was reopened at 10:32 a.m.

No motion was made.

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**D. BRIEFING ITEMS**

**1. Reports and concerns of active members and pensioners of the Dallas Police and Fire Pension System**

The Board received member's comments during the open forum.

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**2. Executive Director's report**

**a. Associations' newsletters**

- NCPERS Monitor (August 2019)

**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. Nixon and a second by Ms. Hernandez Patterson, the meeting was adjourned at 11:55 a.m.

/s/ William F. Quinn

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William F. Quinn  
Chairman

**ATTEST:**

/s/ Kelly Gottschalk

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Kelly Gottschalk  
Secretary

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