

**Dallas Police and Fire Pension System**  
**Thursday, January 10, 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 8:30 a.m. William F. Quinn, Nicholas A. Merrick, Samuel L. Friar, Blaine Dickens, Ray Nixon, Gilbert A. Garcia (by telephone), Frederick E. Rowe, Tina Hernandez Patterson, Robert C. Walters, Joseph P. Schutz, Kneeland Youngblood (by telephone)

Absent: None

**Staff**

Kelly Gottschalk, Josh Mond, Kent Custer, Brenda Barnes, John Holt, Damion Hervey, Cynthia Thomas, Ryan Wagner, Greg Irlbeck, Carol Huffman

**Others**

Kenneth Sprecher, Janis C. Elliston, David Elliston, Rick Salinas, Ken Haben, Darryl Wachsman, Zaman Hemani

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The meeting was called to order at 8:31 a.m.

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**B. MOMENT OF SILENCE**

The Board observed a moment of silence in memory of retired police officers Lawrence B. Harris, Stephen B. Swafford, and William L. Cannaday.

No motion was made.

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**B. CONSENT AGENDA**

**1. Approval of Minutes**

Regular meeting of December 13, 2018

**2. Approval of Refunds of Contributions for the Month of December 2018**

**3. Approval of Activity in the Deferred Retirement Option Plan (DROP) for January 2019**

**4. Approval of Estate Settlements**

**5. Approval of Survivor Benefits**

**6. Approval of Service Retirements**

After discussion, Mr. Friar made a motion to approve the minutes of the meeting of December 13, 2019. Ms. Hernandez Patterson seconded the motion, which was unanimously approved by the Board. Mr. Merrick was not present at the vote.

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. Mr. Merrick was not present at the vote.

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**C. DISCUSSION AND POSSIBLE ACTION REGARDING ITEMS FOR INDIVIDUAL CONSIDERATION**

**1. 2019 Board Calendar**

Staff presented the 2019 Board Calendar.

No motion was made.

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**2. Monthly Contribution Report**

Staff presented the Monthly Contribution Report.

No motion was made.

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**3. Trustee Election Procedures**

Section 3.01(f) of Article 6243a-1 requires that the Board adopt rules for the election of Trustees. The policy has been rewritten to reflect the changes in Article 6243a-1 and as well as changes in technology.

Board reviewed the Trustee Election Procedures. Board directed it to be brought back at the February Board meeting.

No motion was made.

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**4. City of Dallas Health Savings Account Deductions**

The City of Dallas offers retirees the opportunity to have a Health Savings Account (HSA) and the City communicated that contributions to the HSA would be made through deductions from the retiree's monthly pension direct deposit.

Article 6243a-1 Section 8.03(c)(5) allows deductions for health care or life insurance or similar payments from the monthly benefit payment

Staff has been working with the City of Dallas to understand the implications for DPF staff and retirees and the cost of performing this function. All impacts to the retirees will be addressed by the City of Dallas.

After discussion, Ms. Hernandez Patterson made a motion to allow Health Savings Account contributions to be deducted on an after-tax basis from monthly benefit payments if, in the opinion of the Executive Director, the processing of such deductions (i) does not require DPF to exercise discretion and (ii) does not place an undue burden on DPF resources. Mr. Walters seconded the motion, which was unanimously approved by the Board.

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

No discussion was held, and no motion was made regarding Trustee education and travel.

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Mr. Dickens left the meeting at 9:25 a.m.

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**6. Investment Policy Statement**

Investment Staff and Meketa previously presented recommended changes to the Investment Policy Statement at the December 13, 2018 meeting of the Board. Staff presented a new draft of the Investment Policy Statement incorporating the Board's comments and requested changes.

After discussion, Mr. Nixon made a motion to approve the Investment Policy Statement as amended. Mr. Walters seconded the motion, which was unanimously approved by the Board. Mr. Dickens was not present at the vote.

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**7. Investment Advisory Committee**

One of the appointed Investment Advisory Committee (IAC) members is no longer able to serve on the committee. The Board discussed a possible candidate to serve on the Investment Advisory Committee.

After discussion, Mr. Nixon made a motion to appoint Robert Jones as a member of the Investment Advisory Committee. Mr. Merrick seconded the motion, which was unanimously approved by the Board. Mr. Dickens was not present at the vote.

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**8. Lone Star Investment Advisors Update**

Investment Staff updated the Board on recent performance and operational developments with respect to DPFPP investments in funds managed by Lone Star Investment Advisors.

No motion was made.

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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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Mr. Dickens returned to the meeting at 9:46 a.m.

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**10. Private Asset Cash Flow Projection Update**

Staff provided the quarterly update on the private asset cash flow projection model first discussed at the February 2018 Board meeting. The cash flow model projects estimated contributions to, and distributions from, private assets through the end of 2022. These estimates are intended to assist the Board in evaluating the expected time frame to reduce DPFPP's exposure to these assets and the implications for the overall asset allocation and expected portfolio risk and return.

The Board requested the Investment staff to provide a private asset cash flow projection model since September 1, 2017.

No motion was made.

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**11. Real Estate Overview**

Staff provided an overview of the asset and a review of the strategy for Vista Ridge 7 managed by Bentall Kennedy, Kings Harbor managed by L&B, and Museum Tower, which is internally managed by staff. No motion was made.

The Board went into a closed executive session – Real Estate issues at 10:00 a.m.

The meeting was reopened at 10:48 a.m.

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Mr. Youngblood left the Board meeting at 10:05 a.m. (by telephone)  
Mr. Youngblood returned to the Board meeting at 10:24 a.m. (by telephone)  
Mr. Walters left the Board meeting at 10:30 a.m.

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No motion was made.

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**12. 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 DPF and the Board under the Texas Disciplinary Rules of Professional Conduct clearly conflicts with Texas Open Meeting laws.**

The Board went into a closed executive session – Legal issues at 10:55 a.m.

The meeting was reopened at 11:08 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**

No active member or pensioner requested to address the Board with concerns.

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**2. Executive Director's report**

- a. Open Records Requests
- b. Pension Obligation Bond Funding Exploration

The Executive Director's report was presented. No motion was made.

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On a motion by Mr. Rowe and a second by Ms. Hernandez Patterson, the meeting was adjourned at 11:09 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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