

Dallas Police and Fire Pension System
Thursday, May 14, 2020
8:30 a.m.
Via telephone conference.

Regular meeting, William F. Quinn, Chairman, presiding:

ROLL CALL

Board Members

Present at 8:30 a.m. William F. Quinn, Nicholas A. Merrick, Joseph P. Schutz, Susan M. Byrne, Robert B. French, Steve Idoux, Gilbert A. Garcia, Mark Malveaux, Armando Garza, Allen R. Vaught, Tina Hernandez Patterson

Absent: None

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

Others Jeff Williams, Caitlin Grice, Leandro Festino, Mark Sales, Greg Taylor, David Harper, Jason Jordan, Ken Latz, Ken Garnett

* * * * *

The meeting was called to order and recessed at 8:30 a.m. The meeting was reconvened at 10:31 a.m.

* * * * *

A. MOMENT OF SILENCE

The Board observed a moment of silence in memory of retired police officers W. C. Moody, Teddy R. Garner, Calvin J. Howard, Fred T. Chance, Janet S. Taylor, James C. Swinney, and retired firefighters Jack D. Hughes, R. C. Wilson, Donald R. DeWees, Charles E. Fowler, Anthony J. Peck

No motion was made.

* * * * *

**Regular Board Meeting
Thursday, May 14, 2020**

B. CONSENT AGENDA

1. Approval of Minutes

Regular meeting of April 9, 2020

2. Approval of Refunds of Contributions for the Month of April 2020

3. Approval of Activity in the Deferred Retirement Option Plan (DROP) for May 2020

4. Approval of Estate Settlements

5. Approval of Survivor Benefits

6. Approval of Service Retirements

7. Approval of Alternate Payee Benefits

After discussion, Mr. Garcia made a motion to approve the minutes of the regular meeting of April 9, 2020. Mr. Vaught seconded the motion, which was unanimously approved by the Board.

After discussion, Mr. Garcia 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. Actuarial Review and Actuarial Valuation Assumptions

- a. Actuarial Experience Study
- b. January 1, 2020 Actuarial Valuation Assumptions

Jeff Williams, Vice President and Actuary, and Caitlin Grice, Consulting Actuary, of Segal Consulting presented the results of the Actuarial Experience Study and discussed the January 1, 2020 actuarial assumptions for the Board to determine the assumptions to be used in the actuarial valuation reports for the Regular Plan (Combined Plan) and the Supplemental Plan.

**Regular Board Meeting
Thursday, May 14, 2020**

1. Actuarial Review and Actuarial Valuation Assumptions (continued)

After discussion, Ms. Byrne made a motion to accept the Review of Actuarial Experience and submit the document to the Pension Review Board. Mr. Garcia seconded the motion, which was unanimously approved by the Board.

After discussion, the Board provided direction to Segal on the assumptions to be used in preparing the January 1, 2020 actuarial valuation reports for the Regular Plan (Combined Plan) and the Supplemental Plan with some exceptions which will be discussed further next month.

* * * * *

2. Quarterly Financial Reports

The Chief Financial Officer presented the first quarter 2020 financial statements.

No motion was made.

* * * * *

3. Monthly Contribution Report

The Executive Director reviewed the Monthly Contribution Report.

No motion was made.

* * * * *

4. Chairman's Discussion Items

Media Report

The Chairman briefed the Board on a media report.

No motion was made.

* * * * *

**Regular Board Meeting
Thursday, May 14, 2020**

5. Report on Audit Committee

The Audit Committee met with representatives of BDO on April 9, 2020. The Committee Chair commented on BDO’s observations and advice.

No motion was made.

* * * * *

6. Pension Related CARES Act Provisions

The Federal Government passed the CARES Act to provide emergency assistance and health care response for individuals, families, and businesses affected by the 2020 coronavirus pandemic. The Executive Director discussed the CARES Act pension related provisions and their lack of application to DPFP.

No motion was made.

* * * * *

7. Board approval of Trustee education and travel

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

The Board and staff discussed approval of future education and business-related travel. There was no future investment-related travel.

After discussion, Mr. Quinn made a motion to approve Mr. Garcia’s request to attend NAF Virtual Program Modules 1-2. Mr. Garza seconded the motion, which was unanimously approved by the Board.

* * * * *

8. Portfolio Update

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

No motion was made.

* * * * *

Regular Board Meeting
Thursday, May 14, 2020

9. Real Assets Portfolio Review – Hearthstone, Forest Investment Associates and BTG Pactual

Staff provided an overview of the portfolio and the strategy for certain DFPF Real Asset holdings. In the Natural Resources portfolio, staff discussed the timber holdings managed by Forest Investment Associates and BTG Pactual. In the Real Estate portfolio, staff reviewed the land holdings near Boise, ID managed by Hearthstone.

The Board went into closed executive session – at 11:08 a.m.

The meeting was reopened at 1:24 p.m.

No motion was made.

* * * * *

10. Lone Star Investment Advisors Update

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

The Board went into closed executive session – at 11:08 a.m.

The meeting was reopened at 1:24 p.m.

After discussion, Ms. Byrne made a motion to authorize the Executive Director to enter into six-month extensions with no management fee on the Lone Star Growth Capital and Lone Star CRA funds. Ms. Hernandez Patterson seconded the motion, which was unanimously approved by the Board.

After discussion, Mr. Garza made a motion to authorize the Executive Director to execute loan agreements for up to \$4 million to the Lone Star Investment Advisors funds. Ms. Hernandez Patterson seconded the motion, which was unanimously approved by the Board.

* * * * *

**Regular Board Meeting
Thursday, May 14, 2020**

- 11. 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 v. The Townsend Group, et. al. 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 executive session – at 11:08 a.m.

The meeting was reopened at 1:24 p.m.

No motion was made.

D. BRIEFING ITEMS

1. Public Comment

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.

* * * * *

2. Executive Director's report

- a.** Associations' newsletters
 - NCPERS Monitor (April 2020)
 - NCPERS Monitor (May 2020)
 - TEXPERS Pension Observer (April 2020)
<https://online.anyflip.com/mxfu/apyu/mobile/index.html>
- b.** Open Records
- c.** Operational Response to COVID-19
- d.** Member Comments – March 2020 Board Meeting

The Executive Director's report was presented.

* * * * *

**Regular Board Meeting
Thursday, May 14, 2020**

Ms. Gottschalk stated that there was no further business to come before the Board. On a motion by Mr. Garcia and a second by Mr. Merrick, the meeting was adjourned at 1:26 p.m.

/s/ William F. Quinn

William F. Quinn
Chairman

ATTEST:

/s/ Kelly Gottschalk

Kelly Gottschalk
Secretary

This Page was Intentionally Left Blank