



Date: October 8, 2004

The regular meeting of the Dallas Police and Fire Pension System Board of Trustees will be held at **8:30 a.m. on Thursday, October 14, 2004 in the First Floor Conference Room at 2301 North Akard Street, Dallas, Texas.** Items of the following agenda will be presented to the Board:

A. CONSENT AGENDA

1. Approval of Minutes

Regular meeting of September 9, 2004

2. Approval of Five Year Certificates for the 3rd Quarter

Fire

David J. Shelby

September 20, 2004

Police

Don A. Alexander

August 20, 2004

C. C. Anderson

August 11, 2004

Monica Avila

September 17, 2004

Craig A. Bennight

September 17, 2004

John A. Berka

September 17, 2004

Jeremy C. Borchardt

August 25, 2004

Willie D. Byrd

August 20, 2004

Edward L. Cate

September 15, 2004

Derick L. Chaney

September 17, 2004

Brent W. Cox

September 17, 2004

Brian W. Deininger

September 17, 2004

N. M. Delahoussaye

September 17, 2004

Anya E. Eissele

September 17, 2004

Kenneth A. Gardner

September 17, 2004

Jorge A. Guzman

September 17, 2004

Pamela Hampton-Bradley

September 22, 2004

Bennette Harris

August 11, 2004

Sean F. Hensley

September 17, 2004

Kevin R. James

August 20, 2004

Jeffrey D. Jones

August 20, 2004

Michael S. Jones

August 25, 2004

Matthew A. Kobe

August 20, 2004

2. Approval of Five Year Certificates for the 3rd Quarter (continued)

Police (continued)

Antonio Lopez, Jr.	July 7, 2004
Martha P. Lugo	September 17, 2004
Julia K. Menchaca	August 20, 2004
Lucy Morales	September 17, 2004
Chad E. Mraz	September 17, 2004
Daniel B. Nunnolley	September 17, 2004
Roshonda A. Parker	August 25, 2004
Stanley Reece	September 17, 2004
Phillip P. Rhodes	August 20, 2004
Jason K. Scoggins	September 17, 2004
Karen E. Snyder	July 7, 2004
Reid Stacy	September 17, 2004
Katrina A. Swyryn	August 20, 2004
Daniel J. Torres	August 18, 2004

3. Approval of the Monthly Trustee Summary for the Month of August 2004

4. Approval of Refunds of Contributions for the Month of September 2004

5. Approval of Activity in the Deferred Retirement Option Plan (DROP) for October 2004

6. Approval of Payment of Military Leave Contributions

Mark A. Vernon, Police Officer

7. Approval of Payment of Previously Withdrawn Contributions

- a. David M. Kunkle, Police Officer
- b. Laura M. Martin, Police Officer

8. Approval of Earnings Test

Bryan C. Young, Police Officer

9. Approval of Estate Settlements

Deceased (Member (M) or Survivor (S))	Dept.	Date Of Death	Estate Payment To	Group
Dorothy G. Wheless (S)	Fire	June 2, 2004	Robert Wheless	A - Sec. 6.07
Sydney L. Burton (S)	Police	July 6, 2004	James Burton	B - Sec. 6.08

10. Approval of Survivor Benefits - Deceased Retirees

Deceased Retiree	Dept.	Date Of Death	Qualified Survivor	Estate Payment	Group
William J. Wheless	Fire	May 13, 2004	Dorothy G. Wheless	Yes	A - Sec. 6.07
Melvin G. Cook	Police	Sept. 4, 2004	Janice M. Cook	Yes	A - Sec. 6.07
Phillip Fitzhugh	Police	Aug. 24, 2004	Barbara J. Fitzhugh	Yes	B - Sec. 6.08
John T. Slaughter	Police	Aug. 17, 2004	Winnie L. Slaughter	Yes	B - Sec. 6.08

11. Approval of Service Retirements

Member	Dept.	Effective	Group	* DROP Participant	100% J & S
Mickie A. Dye	Fire	Sep. 29, 2004	B - Sec. 6.02(b)	No	No
David M. Stambaugh	Fire	Oct. 6, 2004	B - Sec. 6.02(b)	Yes/IV/V	Yes
Sandra D. Caro	Police	Sept. 30, 2004	B - Sec. 6.02(d)	No	No
Gary R. Henry	Police	Oct. 6, 2004	B - Sec. 6.02(d)	Yes/VIII	Yes
Devoda Robinson, Jr.	Police	Oct. 1, 2004	B - Sec. 6.02(d)	Yes/VI	No

* Distribution Method	
NE - Not Eligible	V - Monthly Payments
I - Life Annuity	VI - Although Eligible - No Distribution Elected
II - Joint/Survivor Annuity	VII - Did Not Join
III - Lump Sum ASAP	VIII - Retiree DROP
IV - Lump Sum Partial or Delayed Payment	IX - 100% Joint & Survivor

12. Approval of Alternate Payee Benefits

Alternate Payee	Member	Dept.	Group
Katherine T. Clearman	Larry A. Clearman	Fire	B - Sec. 6.02
Sandra A. Bell	Stephen R. Bell	Police	B - Sec. 6.02

B. DISCUSSION AND POSSIBLE ACTION REGARDING ITEMS FOR INDIVIDUAL CONSIDERATION:

- 1. Portfolio review by Loomis Sayles & Company, L.P.**
- 2. Adjustments for retirees and survivors of the Combined Pension Plan, Sections 6.01(b) and (e), 6.04(b) and (c), and 6.05 (b) – Group A; and Sections 6.02, 6.04(e) and 6.05 (c) – Group B, to be effective October 1, 2004**
- 3. Possible revisions to the following Board policies:**
 - a. Continuing Education and Investment Research Expense Policy and Procedure
 - b. Trustee Election Procedures

4. Legal issues including, but not limited to:

- a. Police Officer and Firefighter pay lawsuits
- b. TMPC lawsuit
- c. Former Chiefs Jackson and Taylor claims

5. Pension-related issues for possible legislative consideration

- a. Reports from legislative consultants
- b. Other legislation
- c. Pensions and Investments Committee meetings

6. Closed Session - Board serving as Medical Committee

Discussion of the following disability applications will be closed to the public under the terms of Section 551.078 of the Texas Government Code:

Disability applications

Member	Dept.	Effective	Group	On Or Off-Duty
(a) Flynn Coon	Police	Oct. 15, 2004	B - Sec. 6.05	On-Duty
(b) Charleston Handsome	Police	Oct. 15, 2004	B - Sec. 6.05	On-Duty

7. First reading of the 2005 Administrative and Professional Services Budgets

8. Pension System's monthly financial statements

9. Monthly asset allocation report

- a. Monthly asset allocation report
- b. Wilshire Associates' recommendations for rebalancing the Pension System's investment portfolio

10. Side letter amendment to Highland Crusader contract

11. Modification of Hearthstone MS III agreement

12. Small/micro-cap investment manager

- a. Review of due diligence meeting with Eagle Asset Management
- b. Selection and approval of small/micro-cap investment manager
- c. Possible termination of existing micro-cap investment manager
- d. Approval of transition plan

- 13. Selection and approval of emerging market debt manager, which will include interviews with the following prospective managers:**
 - a. PIMCO
 - b. JP Morgan Fleming
 - c. Ashmore
- 14. Staff and Board Members' reports on due diligence meetings, seminars and/or conferences attended**
- 15. Annual Board/Staff Workshop to be held on October 18-21, 2004**

C. BRIEFING ITEMS

- 1. Reports and concerns of active members and pensioners of the Dallas Police and Fire Pension System**
- 2. Administrator's report**
 - a. Custodial bank/consultants update, including monthly investment performance summary
 - b. Investment managers update
 - c. Professional services providers update
 - d. Coalition to Preserve Retirement Security (CPRS), National Conference on Public Employee Retirement Systems (NCPERS), and the Texas Association of Public Employee Retirement Systems (TEXPERS)
 - e. General administration update
 - f. Continuing education/investment research
- 3. Board operations and procedures**

The term "possible action" in the wording of any Agenda item contained herein serves as notice that the Board may, in its discretion, dispose of any item by any action in the following non-exclusive list: approval, disapproval, deferral, table, take no action, and receive and file.

At any point during the consideration of the above items, the Board may go into Closed Executive Session as per Texas Government Code, Section 551.071 for consultation with attorneys, Section 551.072 for real estate matters, Section 551.074 for personnel matters, and Section 551.078 for review of medical records. An expression of preference or a preliminary vote may be taken by the Board on any briefing item or item discussed in executive session.

At the discretion of the Board, items on this agenda may be considered at times other than those indicated above.