

**Dallas Police and Fire Pension System**  
**Thursday, March 8, 2018**  
**1:00 p.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 1:00 p.m. William F. Quinn, Samuel L. Friar, Blaine Dickens (by telephone), Ray Nixon, Gilbert A. Garcia, Frederick E. Rowe, Tina Hernandez Patterson, Robert C. Walters (by telephone), Joseph P. Schutz

Present at 1:09 p.m. Kneeland Youngblood

Present at 2:20 p.m. Nicholas A. Merrick (by telephone)

Absent: None

**Staff** Kelly Gottschalk, Josh Mond, John Holt, Damion Hervey, Cynthia Thomas, Ryan Wagner, Milissa Romero, Greg Irlbeck, Linda Rickley

**Others** Chuck Campbell, Rhett Humphreys, Keith Stronkowsky, Greg Taylor, Mark Sales, Larry Williams, James Freeman, Lloyd D. Brown, Kenneth Sprecher, Janis Elliston, David Elliston, Tom Moore, Frank Ruspoli, Tom Moorman, Julian Bernal, Darryl Wachsmann, Jerry M. Rhodes, Kenneth Haben, Andy Acord, Zaman Hemani, Tristan Hallman

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The meeting was called to order at 1:00 p.m.

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**A. MOMENT OF SILENCE**

The Board observed a moment of silence in memory of active police officer Richard C. Harding, retired police officers Jeff D. Chappell, William W. Stanley, Robert O. Kirkpatrick, Billy J. Lawrence, John M. Mays, and retired firefighter Milton J. French.

No motion was made.

**Regular Board Meeting  
Thursday, March 8, 2018**

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**B. CONSENT AGENDA**

**1. Approval of Minutes**

Regular meeting of February 8, 2018

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

**3. Approval of Activity in the Deferred Retirement Option Plan (DROP) for March 2018**

**4. Approval of Estate Settlements**

**5. Approval of Survivor Benefits**

**6. Approval of Service Retirements**

**7. Approval of Alternate Payee Benefits**

**8. Approval of Payment of DROP Revocation Contributions**

**9. Denial of Hardship Request**

After discussion, Mr. Garcia made a motion to approve the minutes of the meeting of February 8, 2018. Mr. Nixon seconded the motion, which was unanimously approved by the Board. Messrs. Merrick and Youngblood were not present for the vote.

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. Hernandez Patterson seconded the motion, which was unanimously approved by the Board. Messrs. Merrick and Youngblood were not present for the vote.

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**Regular Board Meeting  
Thursday, March 8, 2018**

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

**1. NEPC: Fourth Quarter 2017 Investment Performance Analysis and Third Quarter 2017 Private Markets and Real Assets Review**

The investment consultant, NEPC, represented by Rhett Humphreys, CFA – Partner and Keith Stronkowsky, CFA – Senior Consultant, presented the Fourth Quarter 2017 Investment Performance Analysis and Third Quarter 2017 Private Markets and Real Assets Review.

No motion was made.

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**2. Private asset briefing**

Staff discussed with the Board the current private asset holdings in the Private Equity, Private Debt, Infrastructure and Natural Resources asset classes.

No motion was made.

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**3. Legal issues**

- a. Potential claims involving fiduciaries and advisors
- b. DFPF v. The Townsend Group and Gary Lawson

The Board went into a closed executive session – legal at 2:43 p.m.

The meeting was reopened at 4:07 p.m.

No motion was made.

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**4. Confirmation of Chief Legal Officer**

The Board went into a closed executive session – personnel at 4:08 p.m.

The meeting was reopened at 4:37 p.m.

**Regular Board Meeting  
Thursday, March 8, 2018**

**4. Confirmation of Chief Legal Officer (continued)**

Mr. Friar made a motion to confirm Joshua Mond as the DFPF General Counsel. Ms. Hernandez Patterson seconded the motion, which was unanimously approved by the Board.

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Mr. Merrick left the meeting at 4:30 p.m.

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**5. Executive Director Evaluation Process**

The Board went into a closed executive session – personnel at 4:08 p.m.

The meeting was reopened at 4:37 p.m.

The Board discussed the timing of the Executive Director’s evaluation.

No motion was made.

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**6. Investment Consultant Search**

Staff provided an update on the Request for Proposal process, including a discussion of firms who submitted a proposal, evaluation criteria, and recommended next steps.

Mr. Quinn appointed Ms. Hernandez Patterson and Messrs. Dickens, Merrick and Quinn to an ad hoc committee to interview the three finalist firms and report to the full Board at the April 12, 2018 regular meeting.

No motion was made.

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**Regular Board Meeting  
Thursday, March 8, 2018**

**7. Committee Policy and Procedure**

Ms. Gottschalk stated that the Committee Policy and Procedure establishes the formation and roles of permanent and ad hoc committees of the Board. The policy was last amended in May 2016 and requires amendment to reflect the make-up of the new Board.

After discussion, Mr. Garcia made a motion to adopt the proposed revised Committee Policy and Procedure. Mr. Youngblood seconded the motion, which was unanimously approved by the Board.

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**8. Appointment of an Audit Committee**

Ms. Gottschalk stated that the Committee Policy and Procedure provides for the appointment by the Chairman and confirmation by the Board of an Audit Committee and that the Audit Committee meets privately with the independent auditor, without DFPF staff present, at a minimum on an annual basis. The audit process is underway and the audit is expected to be finalized in June or July depending on the timing of the receipt of material asset audited financial statements and the actuarial valuation. The Board discussed the possible appointment of members of the Audit Committee.

No action was taken.

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**9. Quarterly financial reports**

Staff reviewed the fourth quarter 2017 financial statements with the Board.

No motion was made.

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**10. 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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**Regular Board Meeting  
Thursday, March 8, 2018**

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

Harvard Business School: HBX Leading with Finance

No reports were given regarding meetings and seminars attended by Board members.

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**12. Hardship Requests from DROP Members**

Ms. Gottschalk discussed an Unforeseeable Emergency Request from a DROP member. The Board approved the Executive Director's recommendation to pay the maximum amount of the request payable based upon the remaining payments due to the DROP member.

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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 heard member and pensioner comments.

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The meeting was recessed at 5:01 p.m.

The meeting was reconvened at 5:01 p.m.

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**Regular Board Meeting  
Thursday, March 8, 2018**

**2. Executive Director's report**

- a. Associations' newsletters
  - NCPERS Monitor (February 2018)
- b. Employee recognition – Fourth Quarter 2017
  - Employee of the Quarter award
  - Employee of the Year
- c. Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting
- d. DROP revocation update
- e. Chief Investment Officer recruitment update
- f. Chief Financial Officer recruitment update
- g. April Board Meeting start time

The Executive Director's report was presented. She stated that the performance award for Employee of the Quarter, for the Fourth Quarter, 2017, had been awarded to John Holt, Information Technology Manager. The Employee of the Year Award for 2017 also had been awarded to John Holt, Information Technology Manager.

No motion was made.

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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. Nixon, the meeting was adjourned at 5:23 p.m.

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William F. Quinn  
Chairman

**ATTEST:**

[signature]

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Kelly Gottschalk  
Secretary

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