

Dallas Police and Fire Pension System
Thursday, July 12, 2018
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 (by phone), Ray Nixon, Gilbert A. Garcia, Frederick E. Rowe, Tina Hernandez Patterson, Robert C. Walters, Joseph P. Schutz, Kneeland Youngblood

Absent: None

Staff

Kelly Gottschalk, Josh Mond, Kent F. Custer, John Holt, Damion Hervey, Cynthia Thomas, Ryan Wagner, Milissa Romero, Greg Irlbeck, Linda Rickley, Aimee Crews, Patricia Wiley

Others

Chuck Campbell, Sheila Asher, Eileen Fortis (by phone), Leandro Festino, Ron Pastore, Alexandra Wallace, Aaron Lally, Janis Elliston, David Elliston, Rick Salinas, Darryl Wachsman, Zaman Hemani

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The meeting was called to order at 8:30 a.m.

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A. WELCOME CHIEF INVESTMENT OFFICER

The Board welcomed Kent F. Custer, Chief Investment Officer.

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 Claude T. Cook, Gerald W. Owen, and retired firefighters Hugh R. Craft, Fred Wallin.

No motion was made.

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C. CONSENT AGENDA

1. Approval of Minutes

Regular meeting of June 14, 2018

- 2. Approval of Refunds of Contributions for the Month of June 2018**
- 3. Approval of Estate Settlements**
- 4. Approval of Survivor Benefits**
- 5. Approval of Service Retirements**
- 6. Approval of Alternate Payee Benefits**
- 7. Approval of Earnings Test**
- 8. Approval of Payment of DROP Revocation Contributions**

After discussion, Mr. Garcia made a motion to approve the minutes of the meeting of June 14, 2018. Ms. Hernandez Patterson 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. 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. Securities Lending

After a review of the securities lending program at the May 10, 2018 meeting, the Board requested the topic be placed on a future agenda item for further discussion and to address a few remaining questions. Staff and representatives from Meketa and JPMorgan facilitated discussion and provided a further review of certain aspects of the securities lending program per the Board's request.

Sheila Asher, Vice President - Custody and Fund Services, and Eileen Fortis, Vice President – Securities Lending, of JP Morgan, and Leandro Festino, of Meketa Investment Group, DFPF's investment consultant, participated in the discussion.

No motion was made.

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2. Fiduciary Minimum Educational Training (MET)

Ms. Gottschalk stated that Section 801.2011 of the Texas Government Code requires trustees and pension administrators (Executive Director) of public pension systems to meet minimum educational training requirements.

Chuck Campbell, of Jackson Walker, DFPF's outside attorney, conducted the fiduciary training from 8:51 a.m. to 9:51 a.m. The fiduciary training is counted as 1 credit hour toward the MET.

No motion was made.

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3. Camel Square proposed rezoning

Ron Pastore, Senior Portfolio Manager – AEW, was present.

The Board went into a closed executive session – real estate at 9:55 a.m.

The meeting was reopened at 10:47 a.m.

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3. Camel Square proposed rezoning (continued)

After discussion, Mr. Walters made a motion to authorize AEW to seek rezoning of Camel Square, subject to the approval of the Executive Director. Ms. Hernandez Patterson seconded the motion, which was unanimously approved by the Board.

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4. Meketa onboarding update

Meketa representatives Leandro Festino, Managing Principal, Alexandra Wallace, Principal, and Aaron Lally, Executive Vice President, provided an update on their onboarding progress to date, as well as discussed the expected timeline going forward to address their Initial Fund Review and asset allocation recommendations.

No motion was made.

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5. Investment Advisory Committee

The Board went into a closed executive session – personnel at 10:52 a.m.

The meeting was reopened at 11:09 a.m.

The Board discussed recommendations for the members of the Investment Advisory Committee.

No motion was made.

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6. 2017 Financial Audit Status

Ms. Gottschalk gave an update to the Board on the status of the 2017 financial statement audit.

No motion was made.

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7. 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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8. Hardship Requests from DROP Members

No discussion was held, and no motion was made regarding hardship requests from DROP members.

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9. Legal issues

- a. Claims against fiduciaries and other third-party advisors
- b. Pay lawsuits settlement
- c. Eddington, et al. v. DFPF, et al.

The Board went into a closed executive session – legal at 11:19 a.m.

The meeting was reopened at 12:23 p.m.

Staff noted that the legal agenda item would change so that only items requiring action would be noted.

No motion was made.

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Mr. Dickens left the meeting at 11:25 a.m.

Mr. Rowe left the meeting at 11:30 a.m.

Mr. Garcia left the meeting at 12:05 p.m.

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10. October 2018 Board Meeting

Ms. Gottschalk stated that the Supreme Court hearing date for the Eddington case has been set for October 11, 2018 at 9:00 a.m. in Austin. October 11, 2018 is a scheduled Board meeting date; the Executive Director and General Counsel will be attending the hearing in Austin.

The consensus of the Board was to change the October regular Board meeting date to Wednesday, October 10, 2018, with a start time of 8:30 a.m.

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E. BRIEFING ITEMS

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

The Board received a member comment during the open forum.

No motion was made.

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2. Executive Director’s report

- Associations’ newsletters
- NCPERS Monitor (July 2018)

The Executive Director’s report was presented. 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. Nixon and a second by Mr. Merrick, the meeting was adjourned at 12:24 p.m.

/s/ William F. Quinn

William F. Quinn
Chairman

ATTEST:

/s/ Kelly Gottschalk

Kelly Gottschalk
Secretary

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