

**Dallas Police and Fire Pension System
Thursday, August 9, 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, Gilbert A. Garcia, Tina Hernandez Patterson, Robert C. Walters, Joseph P. Schutz, Kneeland Youngblood (by phone)

Present at 8:36 a.m. Frederick E. Rowe

Present at 8:40 a.m. Blaine Dickens

Absent: Ray Nixon

Staff Kelly Gottschalk, Josh Mond, Kent F. Custer, Brenda K. Barnes, John Holt, Damion Hervey, Cynthia Thomas, Ryan Wagner, Milissa Romero, Greg Irlbeck, Carol Huffman

Others Chuck Campbell (by phone), Leandro Festino, Alexandra Wallace. Aaron Lally, Arthur Hollingsworth, Eric Juers, Rick Salinas, Daniel Wojcik, A.G. Tarves, Zaman Hemani

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

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A. WELCOME CHIEF FINANCIAL OFFICER

The Board welcomed Brenda K. Barnes, Chief Financial Officer.

No motion was made.

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B. MOMENT OF SILENCE

The Board observed a moment of silence in memory of active police officers Tyrone D. Andrews, Earl J. Givens, III, retired police officers Richard L. Benton, Lawrence E. Sellers, and retired firefighters Kenneth L. Parker, Dennis E. Page.

No motion was made.

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C. CONSENT AGENDA

1. Approval of Minutes

Regular meeting of July 12, 2018

2. Approval of Refunds of Contributions for the Month of July 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 Payment of DROP Revocation Contributions

After discussion, Mr. Garcia made a motion to approve the minutes of the meeting of July 12, 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. Mr. Walters seconded the motion, which was unanimously approved by the Board.

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C. DISCUSSION AND POSSIBLE ACTION REGARDING ITEMS FOR INDIVIDUAL CONSIDERATION

1. Meketa: Initial Fund Review

Meketa representatives Leandro Festino, Managing Principal, Alexandra Wallace, Principal, and Aaron Lally, Executive Vice President, provided the results of their initial fund review. Major topics of this review included Investment Philosophy, Governance, Asset Allocation, and Operations. Action items were identified to address areas of potential improvement and prioritized based on the expected implementation timeframe.

No motion was made.

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2. Lone Star Investment Advisors Extension Request and Update

The Lone Star Growth Capital fund term expires in October 2018. The General Partner has requested a one-year extension to the fund term. Staff briefed the Board on a recommended course of action regarding the extension, as well as provided an update on two other funds managed by Lone Star Investment Advisors.

Arthur Hollingsworth, Managing Partner of Lone Star Investment Advisors responded to questions from the Board.

No motion was made.

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3. Securities Lending Investment Guidelines

As part of the DPF securities lending review, staff examined the cash collateral investment guidelines, which were last updated in 2002. Staff compared DPF guidelines to the JPMorgan securities lending cash collateral money market fund and the JPMorgan standard collateral pool investment guidelines.

After discussion, Ms. Hernandez Patterson made a motion to approve the proposed changes to the collateral investment guidelines and authorize the Executive Director to execute documentation and perform all necessary acts and exercise all appropriate discretion to facilitate these changes. Mr. Garcia seconded the motion, which was unanimously approved by the Board. Mr. Walters was not present for the vote.

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4. Investment Advisory Committee

The Board discussed the fiduciary status of members of the Investment Advisory Committee.

No motion was made.

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5. Portfolio Update

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

No motion was made.

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6. 2018 Mid-Year Budget Review

The Chief Financial Officer discussed the 2018 Operating Expense Budget detailing expenses for the first six months of the calendar year.

No motion was made.

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7. Second Quarter 2018 Financial Statements

The Chief Financial Officer presented the second quarter 2018 financial statements.

No motion was made.

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- 8. 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 Eddington et al. v. DPFPP et al., Degan et al. v. DPFPP et al., Dan Lowe v. Michael Ebert et al. and potential claims against fiduciaries and other third party advisors, settlement offers, 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 a closed executive session – legal at 11:57 a.m.

The meeting was reopened at 12:46 p.m.

No motion was made.

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Mr. Walters left the meeting at 12:36 p.m.

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- 9. Closed Session - Board serving as Medical Committee**

Disability recall

The Board went into a closed executive session – medical at 11:43 a.m.

The meeting was reopened at 11:50 p.m.

After discussion, Ms. Hernandez Patterson made a motion to approve continuance of this On-duty disability, Combined Pension Plan, Group B disability benefit with no further recalls. Mr. Garcia seconded the motion, which was unanimously approved by the Board.

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10. Benefit Overpayment

The Board went into a closed executive session – legal at 11:57 a.m.

The meeting was reopened at 12:46 p.m.

Staff briefed the Board on a benefits overpayment situation related to one member.

No motion was made.

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11. 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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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. Associations' newsletters
 - NCPERS PERSist (Summer 2018)
- b. Employee Service Awards
- c. Financial Audit Update

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. Garcia and a second by Mr. Schutz, the meeting was adjourned at 12:50 p.m.

/s/ William F. Quinn

William F. Quinn
Chairman

ATTEST:

/s/ Kelly Gottschalk

Kelly Gottschalk
Secretary

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