

Dallas Police and Fire Pension System
Thursday, January 11, 2018
1:00 p.m.
4100 Harry Hines Blvd., Suite 100
Second Floor Board Room
Dallas, TX

Regular meeting, Nicholas A. Merrick, Vice-Chairman, presiding:

ROLL CALL

Board Members

Present at 1:01 p.m. Nicholas A. Merrick, Samuel L. Friar, Blaine Dickens, Frederick E. Rowe, Tina Hernandez Patterson, Robert C. Walters (by telephone), Joseph P. Schutz, Kneeland Youngblood

Absent: Gilbert A. Garcia, Ray Nixon, William F. Quinn

Staff

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

Others

Chuck Campbell (by telephone), Michael Yang (by telephone), David Elliston, Janis Elliston, Lloyd D. Brown, Kenneth Sprecher, Pat Lewter, Rick Salinas, Andy Acord, James Freeman, Carolyn Freeman, Brian Hass, A. D. Donald, Zaman Hemani

* * * * *

The meeting was called to order at 1:01 p.m.

* * * * *

A. MOMENT OF SILENCE

The Board observed a moment of silence in memory of retired police officers Michael F. Edmonds, Thomas H. Covington, Donald M. Parton, W. J. Prestenberg, James C. Wallace, Jack L. Davis, and retired firefighters J. N. Liebrum, G. E. Renfroe, Freddie L. Turner, James M. Johnson.

No motion was made.

* * * * *

**Regular Board Meeting
Thursday, January 11, 2018**

B. CONSENT AGENDA

1. Approval of Minutes

Regular meeting of December 14, 2017

2. Approval of Refunds of Contributions for the Month of December 2017

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

4. Approval of Estate Settlements

5. Approval of Survivor Benefits

6. Approval of Service Retirements

7. Approval of Payment of Military Leave Contributions

8. Approval of Payment of DROP Revocation Contributions

9. Denial of Unforeseen Emergency Requests

After discussion, Mr. Youngblood made a motion to approve the minutes of the meeting of December 14, 2017. Mr. Friar seconded the motion, which was unanimously approved by the Board.

After discussion, Mr. Youngblood made a motion to approve the remaining items on the Consent Agenda, subject to the final approval of the staff. Mr. Friar seconded the motion, which was unanimously approved by the Board.

* * * * *

C. DISCUSSION AND POSSIBLE ACTION REGARDING ITEMS FOR INDIVIDUAL CONSIDERATION

1. Lone Star Investment Advisors

Staff explained that two funds managed by Lone Star Investment Advisors have subscription lines of credit coming due which may require capital contributions by DFPF to the funds. The staff briefed the Board on DFPF's options, with Michael Yang, Research Consultant, NEPC, participating by telephone.

**Regular Board Meeting
Thursday, January 11, 2018**

1. Lone Star Investment Advisors (continued)

After discussion, Mr. Youngblood made a motion that staff would request that the general partner of two funds managed by Lone Star Investment Advisors not extend the funds' subscription lines of credit, granting discretion to staff to negotiate and report back to the Board before agreeing to any proposal to extend the terms either of the funds or the funds' subscription lines of credit. Ms. Hernandez Patterson seconded the motion, which was unanimously approved by the Board.

* * * * *

Mr. Walters left the meeting at 1:33 p.m.

* * * * *

2. Board of Trustees and Employees Ethics and Code of Conduct Policy

The staff discussed possible changes to the policy to address situations where Trustees have pre-existing relationships with third parties who either do business or desire to do business with DPFP.

After discussion, Mr. Youngblood made a motion to approve the proposed revised Board of Trustees and Employees Ethics and Code of Conduct policy. Ms. Hernandez Patterson seconded the motion, which was unanimously approved by the Board. Mr. Walters was not present for this item.

* * * * *

3. Requirement for Two Annual Public Meetings

Ms. Gottschalk discussed with the Board Section 3.01(j-9) of Article 6243a-1, which states "At least twice each year, the board shall have a meeting to receive public input regarding the pension system and to inform the public about the health and performance of the pension system...."

After discussion, the Board directed staff to hold the two annual public meetings which are required by HB 3158 following the Regular and Supplemental Board meetings in the months of May 2018 and September 2018. Mr. Walters was not present for this item.

* * * * *

**Regular Board Meeting
Thursday, January 11, 2018**

4. Trustee Education Requirements

Ms. Gottschalk discussed Trustee education and training requirements under the Texas Government Code and HB 3158. Mr. Walters was not present for this item.

No motion was made.

* * * * *

5. Education and Travel Policy and Procedure

The staff and Board discussed proposed revisions to the Education and Travel Policy and Procedure.

After discussion, Mr. Youngblood made a motion to approve the proposed revised Education and Travel Policy and Procedure. Mr. Schutz seconded the motion, which was unanimously approved by the Board. Mr. Walters was not present for this item.

* * * * *

6. 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. Youngblood made a motion to approve Mr. Dickens' requested online education. Ms. Hernandez Patterson seconded the motion, which was unanimously approved by the Board. Mr. Walters was not present for this item.

* * * * *

7. Legal issues

- a. DPF v. The Townsend Group and Gary Lawson
- b. Rawlings v. DPF

No discussion was held and no motion was made regarding legal issues.

**Regular Board Meeting
Thursday, January 11, 2018**

* * * * *

8. Unforeseeable Emergency Requests from DROP Members

No discussion was held regarding Unforeseeable Emergency Requests from DROP members.

No motion was made.

* * * * *

9. Board agenda materials

Staff briefed the Board on the status of implementation of a new method for delivering to the Board agenda materials as well as other DFPF information. Mr. Walters was not present for this item.

No motion was made.

* * * * *

10. DROP Revocation – Interest Assessed on Unpaid Contributions in Connection with Service Purchase

At the request of Mr. Dickens, the Board discussed DROP revocation interest assessed on unpaid contributions in connection with service purchase.

After discussion, Mr. Dickens made a motion not to charge interest on unpaid contributions in connection with service purchase. Ms. Hernandez Patterson seconded the motion. The votes were as follows:

For: Dickens, Hernandez Patterson, Friar, Schutz

Against: Merrick, Rowe, Youngblood

Mr. Walters was not present for this item.

The motion failed due to the requirement to have six votes in favor of the motion.

* * * * *

**Regular Board Meeting
Thursday, January 11, 2018**

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.

* * * * *

2. Executive Director's report

Employee recognition – Fourth Quarter 2017

- Employee Service Award
- Employee of the Quarter award
- Employee of the Year

No report was given. No motion was made.

* * * * *

Ms. Gottschalk stated that there was no further business to come before the Board. On a motion by Mr. Youngblood and a second by Mr. Schutz, the meeting was adjourned at 2:36 p.m.

[signature]

Nicholas A. Merrick
Vice-Chairman

ATTEST:

[signature]

Kelly Gottschalk
Secretary