

Dallas Police and Fire Pension System
Thursday, October 13, 2016
8:30 a.m.
4100 Harry Hines Blvd., Suite 100
Second Floor Board Room
Dallas, TX

Regular meeting, Samuel L. Friar, Chairman, presiding:

ROLL CALL

Board Members

Present at 8:30	Samuel L. Friar, Kenneth S. Haben, Joseph P. Schutz, Brian Hass, Erik Wilson, Tho T. Ho, Gerald D. Brown, Clint Conway, John M. Mays
Present at 8:33	Jennifer S. Gates
Present at 8:34	Philip T. Kingston
Present at 9:14	Scott Griggs
Absent:	None

Staff

Kelly Gottschalk, Josh Mond, Summer Loveland, John Holt, Corina Terrazas, Damion Hervey, Pat McGennis, Christina Wu, Linda Rickley

Others

Chuck Campbell, Jeff Williams, Bohdy Hedgcock, John Turner (by telephone), Jason Jordan, Ben Mesches, A. D. Donald, Sammy Rankin, Tommy R. Buggs, Alan D. Johnson, Jerry M. Rhodes, Joel Lavender, Mitchell Smith, Dan Wojcik, Jim Aulbaugh, Michael Aylward, David Dodson, Ken Sprecher, Joe D. Miller, Michael Otto, Alan Shelton, Tom Moore, Michael Jones, Delores Brown, Hoyt Hubbell, David Williams, Elizabeth Reich, Steve Alexander, Mike Heimbuch, Lori Brown, Larry Villapando, Jason Lee, Edward Scott, Tristan Hallman, Ashleigh Barry, Chris Bowers, Ken Kalthoff

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

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A. MOMENT OF SILENCE

The Board observed a moment of silence in memory of retired police officers B. J. Edington, William P. Mann, James D. Wood, Ira J. McKee, Doyle G. Bice, Wilford R. Nunn, and retired firefighters W. L. Lindsay, Jr., Jerry D. Speaks, and L. M. Crocker.

No motion was made.

**Regular Board Meeting
Thursday, October 13, 2016**

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B. CONSENT AGENDA

1. Approval of Minutes

Regular meeting of September 8, 2016
Special meeting of September 26, 2016

2. Approval of Refunds of Contributions for the Month of September 2016

3. Approval of Activity in the Deferred Retirement Option Plan (DROP) for October 2016

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 Military Leave Contributions

9. Approval of Payment of DROP Revocation Contributions

After discussion, Mr. Brown made a motion to approve the items on the Consent Agenda, subject to the final approval of the staff. Mr. Haben seconded the motion, which was unanimously approved by the Board. Messrs. Kingston and Griggs and Ms. Gates were not present when the vote was taken.

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**Regular Board Meeting
Thursday, October 13, 2016**

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

1. Plan amendment election

- a. Further consideration of proposed Plan and DROP Policy changes, including potential proposed changes from the City of Dallas
- b. Approval of proposed Plan language
- c. Actuary's letter
- d. Election schedule
- e. Call for election

The Board went into a closed executive session – legal at 8:34 a.m.

The meeting was reopened at 9:46 a.m.

John Mays resigned his position as Police Pensioner Trustee at 9:07 a.m. Mr. Mays left the meeting at 9:09 a.m.

The meeting was recessed at 9:46 a.m.

The meeting was reconvened at 9:54 a.m.

The Board discussed proposed Plan and DROP Policy changes. Jeff Williams of Segal Consulting, DFP's Actuary, was present for the discussion. The Board gave staff direction with respect to further changes to the proposed Plan amendment and directed staff to come back with final language for the Board's approval at a special meeting to be held on October 20, 2016.

Mr. Haben made a motion to receive and file Segal Consulting's letter regarding the impact of the proposed Plan amendment and DROP Policy changes. Mr. Ho seconded the motion, which was unanimously approved by the Board.

The meeting was recessed at 11:37 a.m.

The meeting was reconvened at 11:48 a.m.

The meeting was recessed at 12:34 p.m.

The meeting was reconvened at 1:00 p.m.

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Mr. Wilson left the meeting at 12:55 p.m.

**Regular Board Meeting
Thursday, October 13, 2016**

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2. Actuary's letter pursuant to Section 4.01(a) of the Plan

The Board went into a closed executive session – legal at 1:31 p.m.

The meeting was reopened at 1:44 p.m.

Segal presented their conclusions regarding the impact of the payment of the 2017 proposed budgeted costs.

After discussion, Mr. Brown made a motion to authorize the Executive Director to send a letter to the City Manager making the City aware of the Actuary's letter regarding DFPF's 2017 administrative expenses, which are projected to be approximately \$36 million, pursuant to Section 4.01 of the Plan. Mr. Ho seconded the motion, which was unanimously approved by the Board. Mr. Wilson was not present when the vote was taken.

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3. Legal issues

- a. Police Officer and Firefighter pay lawsuits
- b. Potential claims involving fiduciaries and advisors
- c. 2014 Plan amendment election and litigation
- d. Open records lawsuit

The Board went into a closed executive session – legal at 1:00 p.m.

The meeting was reopened at 1:17 p.m.

No motion was made.

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4. Proposed 2016 Budget adjustments

- a. Legal
- b. Actuarial
- c. Election

Ms. Loveland discussed with the Board the proposed 2016 Budget adjustments.

**Regular Board Meeting
Thursday, October 13, 2016**

4. Proposed 2016 Budget adjustments (continued)

After discussion, Mr. Kingston made a motion to approve the proposed increases in the legal, actuarial and election budget categories for 2016. Mr. Brown seconded the motion, which was unanimously approved by the Board. Messrs. Griggs and Wilson were not present when the vote was taken.

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5. Presentation and discussion of the 2017 Budget

Ms. Loveland discussed with the Board the proposed 2017 Budget.

After discussion, Mr. Conway made a motion to authorize the staff to address any proposed budget amendments, present the amended budget to the Board at the November 10, 2016 Board meeting, and post the amended budget to www.dfp.org for member review prior to the November meeting. Mr. Schutz seconded the motion, which was unanimously approved by the Board. Mr. Wilson was not present when the vote was taken.

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The meeting was recessed at 2:08 p.m.

The meeting was reconvened at 2:16 p.m.

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6. CDK Multi-Family Fund

The Board went into a closed executive session – real estate at 2:26 p.m.

The meeting was reopened at 2:33 p.m.

Mr. Brown made a motion to authorize the Executive Director to enter into an agreement to sell DFPF's interest in the CDK Multi-Family Fund. Mr. Haben seconded the motion, which was unanimously approved by the Board. Messrs. Griggs and Wilson were not present when the vote was taken.

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**Regular Board Meeting
Thursday, October 13, 2016**

7. Clarion Partners: 1210 South Lamar

The Board went into a closed executive session – real estate at 2:16 p.m.

The meeting was reopened at 2:25 p.m.

After discussion, Mr. Brown made a motion to authorize Clarion Partners to consummate the sale of DFPF's interest in the 1210 South Lamar property, subject to the final approval of terms by the Executive Director. Mr. Haben seconded the motion, which was unanimously approved by the Board. Mr. Wilson was not present when the vote was taken.

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8. Determination of Handicap Status of Dependent Child

The Board went into a closed executive session – medical at 2:55 p.m.

The meeting was reopened at 3:17 p.m.

The Board requested follow-up information with respect to the benefits claim.

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9. Investment reports

Staff reviewed the investment performance and rebalancing reports for the period ending September 30, 2016 with the Board.

No motion was made.

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**Regular Board Meeting
Thursday, October 13, 2016**

10. Employee recognition – Third Quarter 2016

Employee of the Quarter award

Mr. Friar and Ms. Gottschalk presented a performance award for Employee of the Quarter, Third Quarter 2016, to Cynthia Reyes, Receptionist.

No motion was made.



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

- a. PRB Actuarial Committee Meeting
- b. Pensions Committee Hearing

**Regular Board Meeting
Thursday, October 13, 2016**

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

Reports were given on the following meetings. Those who attended are listed.

a. PRB Actuarial Committee Meeting

Ms. Gottschalk

b. Pensions Committee Hearing

Messrs. Friar, Haben, Hass, Mond, and Ms. Gottschalk

No motion was made.

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12. Ad hoc committee report

No report was given.

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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.

2. Executive Director's report

- a. Future Education and Business Related Travel**
- b. Future Investment Related Travel**
- c. Associations' newsletters**
 - NCPERS Monitor (September 2016)
 - NCPERS Monitor (October 2016)
 - NCPERS PERSist (Fall 2016)
 - TEXPERS Outlook (September 2016)
 - TEXPERS Outlook (October 2016)

The Executive Director's report was presented. No motion was made.

**Regular Board Meeting
Thursday, October 13, 2016**

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Ms. Gottschalk stated that there was no further business to come before the Board. On a motion by Mr. Haben and a second by Mr. Brown, the meeting was adjourned at 3:29 p.m.

[signature]

Samuel L. Friar
Chairman

ATTEST:

[signature]

Kelly Gottschalk
Secretary

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