

**Dallas Police and Fire Pension System**  
**Thursday, June 13, 2019**  
**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 8:31 a.m. William F. Quinn, Nicholas A. Merrick (by phone), Blaine Dickens (by phone), Ray Nixon, Gilbert A. Garcia, Susan M. Byrne (by phone), Tina Hernandez Patterson, Robert C. Walters, Joseph P. Schutz

Present at 9:01 a.m. Kneeland Youngblood (by phone)

Present at 10:11 a.m. Kneeland Youngblood

Absent: None

**Staff**

Kelly Gottschalk, Josh Mond, Kent Custer, Brenda Barnes, John Holt, Damion Hervey, Cynthia Thomas, Ryan Wagner, Greg Irlbeck, Milissa Romero, Aimee Crews, Ann Mathews, Trish Wiley

**Others**

Jeff Williams, Alexandra Wallace, Aaron Lally, Todd Rosa, Adam Gore, Rick Bodio, Skeet Ponder, Robert Jones, Rick Salinas, Darryl Wachsman, Ken Sprecher, Sandy Alexander, Zaman Hemani, Danielle Huddleston

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The meeting was called to order at 8:31 a.m.

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**A. MOMENT OF SILENCE**

The Board observed a moment of silence in memory of active police officer Stephen S. Comstra, retired police officers Bob L. Jones, Henry L. Ellison, Jerry W. Foster, Grady C. Ford, and retired firefighters John L. Blume, Jon P. Whatley, Jerry D. Morgan, Tommy G. Wyatt.

No motion was made.

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**B. CONSENT AGENDA**

- 1. Approval of Minutes**
  - a. Required Public meeting of May 9, 2019
  - b. Regular meeting of May 9, 2019
- 2. Approval of Refunds of Contributions for the Month of May 2019**
- 3. Approval of Activity in the Deferred Retirement Option Plan (DROP) for June 2019**
- 4. Approval of Estate Settlements**
- 5. Approval of Survivor Benefits**
- 6. Approval of Service Retirements**
- 7. Approval of Alternate Payee Benefits**
- 8. Approval of Earnings Test**

After discussion, Mr. Garcia made a motion to approve the minutes of the meeting of May 9, 2019. Mr. Walters 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. Board Chairman, Vice Chairman and Deputy Vice Chairman Election**

Mr. Quinn opened the floor for officer nominations, beginning with the office of Chairman.

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**1. Board Chairman, Vice Chairman and Deputy Vice Chairman Election  
(continued)**

Mr. Garcia nominated William F. Quinn as Chairman. Mr. Nixon seconded the nomination. Nominations ceased. The Board voted unanimously to elect Mr. Quinn as Chairman.

Mr. Quinn opened nominations for the office of Vice Chairman. He nominated Nicholas A. Merrick as Vice Chairman. Ms. Hernandez Patterson seconded the nomination. Nominations ceased. The Board voted unanimously to elect Mr. Merrick as Vice Chairman.

Mr. Quinn opened nominations for the office of Deputy Vice Chairman. Mr. Garcia nominated Joseph P. Schutz as Deputy Vice Chairman. Mr. Nixon seconded the nomination. Nominations ceased. The Board voted unanimously to elect Mr. Schutz as Deputy Vice Chairman.

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**2. January 1, 2019 Actuarial Valuation Assumptions**

Jeff Williams, Vice President, Segal Consulting is preparing the January 1, 2019 actuarial valuation reports for the Regular Plan (Combined Plan) and the Supplemental Plan. At the April Board meeting Segal reviewed the economic and demographic assumptions required to prepare the valuation. The Board provided direction about most of the assumptions to be used in the valuation and requested additional information about the assumed rate of return assumption. Segal provided information about the assumed rate of return assumption.

After discussion, Mr. Garcia made a motion to direct Segal to continue with the 7.25% assumed rate of return assumption to be used in preparing the January 1, 2019 actuarial valuation reports for the Regular Plan (Combined Plan) and the Supplemental Plan. Mr. Walters seconded the motion, which was unanimously approved by the Board.

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**3. Staff Retirement Plan**

Jeff Williams, Vice President, Segal Consulting was present to discuss the staff retirement plan and provided additional information to address questions that were raised from the May 2019 Board meeting when the modifications to the Staff Retirement Plan were first proposed.

After discussion, the Board directed staff to continue pursuing work with Segal and bring back the proposed Staff Retirement Plan in the fall after further analysis and research is completed.

No motion was made.

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**4. Review Fire Fighter Trustee applicant qualifications**

The Board went into closed session executive session – Personnel at 11:58 a.m.

The meeting was reopened at 12:02 p.m.

After discussion, Ms. Hernandez Patterson made a motion to approve Armando Garza as qualified under Section 3.01(b-1) of the Plan to serve as a Trustee and authorize him to be seated as a Trustee at the next Board meeting pursuant to Section F of the Trustee Election Procedures. Mr. Walters seconded the motion, which was unanimously approved by the Board. Mr. Merrick and Mr. Dickens were not present for the vote.

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**5. Monthly Contribution Report**

Staff presented the Monthly Contribution Report.

No motion was made.

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**6. Audit Status**

The Chief Financial Officer provided a status update on the annual financial audit.

No motion was made.

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**7. Legislative Update**

Staff briefed the Board on new laws passed by the legislature which would affect DPFP.

No motion was made.

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**8. Board approval of Trustee education and travel**

- a. Future Education and Business-related Travel
- b. Future Investment-related Travel

No discussion was held, and no motion was made regarding Trustee education and travel. There was no future investment-related travel.

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**9. Portfolio Update**

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

No motion was made.

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**10. First Quarter 2019 Investment Performance Analysis and Fourth Quarter 2018 Private Markets & Real Assets Review**

Alexandra Wallace, Principal and Aaron Lally, Executive Vice President both of Meketa Investment Group and Investment Staff reviewed investment performance.

No motion was made.

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**11. Hearthstone Portfolio Update and Possible Sale**

The Board went into closed session executive session – Real Estate at 10:19 a.m.

The meeting was reopened at 10:31 a.m.

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Mr. Merrick left the meeting at 10:28 a.m.

Mr. Dickens left the meeting at 10:31 a.m.

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Todd Rosa, Vice President of Hearthstone was present to discuss the marketing process to date and recommended course of action for the two remaining assets in the Hearthstone portfolio, Spring Valley and Harris Creek.

After discussion, Mr. Youngblood made a motion to approve the sale of Spring Valley and Harris Creek. Mr. Garcia seconded the motion, which was unanimously approved by the Board. Mr. Merrick and Mr. Dickens were not present for the vote.

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**12. Natural Resources Overview - Hancock Portfolio**

The Board went into closed session executive session – Real Estate at 11:05 a.m.

The meeting was reopened at 11:16 a.m.

Adam Gore, CFA, Portfolio Manager, Rick Bodio, CFA, Director and Skeet Ponder, Portfolio Analyst Representatives of Hancock Natural Resource Group were present to update the Board on the status and plans for DPFP’s agricultural portfolio.

No motion was made.

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**13. Lone Star Investment Advisors Update**

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

The meeting was reopened at 11:56 a.m.

Investment Staff updated the Board on recent performance, operational, and administrative developments with respect to DFPF investments in funds managed by Lone Star Investment Advisors.

No motion was made.

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**14. 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. DFPF et al., USERRA contributions owed by the City of Dallas or any other legal matter in which the duty of the attorneys to DFPF and the Board under the Texas Disciplinary Rules of Professional Conduct clearly conflicts with Texas Open Meeting laws**

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

The meeting was reopened at 11:56 a.m.

No motion was made.

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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 Monitor (May 2019)
  - NCPERS PERSist (Spring 2019)
- b. Open Records
- c. Nominations Committee Update
- d. Employee Service Award
- e. Executive Performance Evaluation Input

The Executive Director's report was presented.

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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. Walters, the meeting was adjourned at 12:05 p.m.

/s/ William F. Quinn

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William F. Quinn  
Chairman

**ATTEST:**

/s/ Kelly Gottschalk

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Kelly Gottschalk  
Secretary