

Dallas Police and Fire Pension System
Thursday, October 12, 2023
8:30 a.m.
4100 Harry Hines Blvd., Suite 100
Second Floor Board Room
Dallas, TX

Regular meeting, Kelly Gottschalk, presiding:

ROLL CALL

Board Members

Present at 8:30 a.m. Michael Brown, Tina Hernandez Patterson (by telephone), Steve Idoux, Mark Malveaux (by telephone), Matthew Shomer, Marcus Smith, Michael Taglienti, Tom Tull

Absent: Nicholas Merrick, Nancy Rocha, Anthony Scavuzzo

Staff

Kelly Gottschalk, Josh Mond, Brenda Barnes, Ryan Wagner, Christina Wu, Akshay Patel, John Holt, Nien Nguyen, Milissa Romero, Cynthia J. Thomas

Others

Leandro Festino (by telephone), Aaron Lally (by telephone), Ken Haben (by telephone), Kevin Middleton, Cara Mendelsohn

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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 Virgil D. Lee Jr., J P. Graybill, John S. Wade and retired firefighters Carl C. Smith, John W. Berry.

No motion was made.

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B. CONSENT AGENDA

1. Approval of Minutes

Regular meeting of September 14, 2023

2. Approval of Refunds of Contributions for the Month of September 2023

3. Approval of Estate Settlements

4. Approval of Survivor Benefits

5. Approval of Service Retirements

6. Spouse Wed After Retirement (SWAR)

After discussion, Mr. Shomer made a motion to approve the minutes of the meeting of September 14, 2023. Mr. Tull seconded the motion, which was unanimously approved by the Board.

After discussion, Mr. Smith made a motion to approve the remaining items on the Consent Agenda, subject to the final approval of the staff. Mr. Taglienti 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. Retirement and Payments Approval Policy

Staff proposed the Retirement and Payments approval Policy for the Board to officially delegate to the Executive Director the authority to approve all consent agenda items with the Executive Director continuing to provide to the Board gross numbers of these items, so the Board is aware of any trends.

After discussion, Mr. Shomer made a motion to approve the Retirement and Payments Approval Policy. Mr. Idoux seconded the motion, which was unanimously approved by the Board.

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2. Monthly Contribution Report

The Executive Director reviewed the Monthly Contribution Report.

No motion was made.

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3. Board approval of Trustee education and travel

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

The Board and staff discussed future Trustee education. There was no future Trustee business-related travel or investment-related travel scheduled.

No motion was made.

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4. Potential Technology Projects

The Board went into closed executive session – Security Devices or Security Audits at 10:15 a.m.

The meeting reopened at 11:16 a.m.

Staff discussed three non-routine technology projects for 2024 with the Board separate from the budget agenda item. The projects have not been included in the budget at this time.

The board directed the Executive Director and IT Manager to canvas the market for pension administration software.

No motion was made.

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5. Initial Reading and discussion of the 2024 Budget

The Chief Financial Officer presented the initial reading of the 2024 budget, prepared in total for both the Combined Pension Plan and the Supplement Plan.

After discussion, Mr. Tull made a motion to (i) direct staff to revise the proposed budget based on the direction of the Board and bring the revised proposed budget to the Board at the November 2023 Board meeting for consideration for adoption. (ii) Authorize forwarding the 2024 proposed budget to the City of Dallas for comment and the posting of the proposed budget to www.dpfp.org for member review prior to the November meeting. Mr. Brown seconded the motion, which was unanimously approved by the Board.

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6. Financial Audit Status

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

No motion was made.

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7. Article 6243a-1 Section 2.025

The Board went into closed executive session – Legal at 10:15 a.m.

The meeting reopened at 11:16 a.m.

The Executive Director briefed the Board on the City of Dallas Ad Hoc Committee on Pensions meetings and the status of Cheiron’s work as the independent actuary. Counsel provided a briefing on the legal requirements of Section 2.025.

No motion was made.

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8. 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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9. Report on Investment Advisory Committee

The Investment Advisory Committee met on September 28, 2023. The Committee Chair and staff commented on the Committee’s observations and advice.

No motion was made.

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10. Global Growth Equity Search

Staff worked with Meketa to conduct a search for a Global Growth Equity manager. The Investment Advisory Committee provided advice regarding the search and interviewed two finalists. Staff and Leandro Festino and Aaron Lally of the Meketa Investment Group discussed the search process and the recommendation.

After discussion, Mr. Taglienti made a motion to authorize the Executive Director to enter into an investment manager agreement with WCM Investment Management. Mr. Shomer seconded the motion, which was unanimously approved by the Board.

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11. Investment Policy Statement Amendments

Staff reviewed with the Board the proposed amendments to the Investment Policy Statement (IPS) that were discussed at the September 28, 2023, Investment Advisory Committee meeting regarding rebalancing considerations for the Safety Reserve allocation, fiduciary requirements for commingled fund managers, and a proposed change involving the IAC meetings.

After discussion, Mr. Smith made a motion to approve the proposed revised Investment Policy Statement. Mr. Idoux seconded the motion, which was unanimously approved by the Board.

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12. Private Asset Cash Flow Projection Update

Staff provided the quarterly update on the private asset cash flow projection. The cash flow model projects estimated contributions to, and distributions from, private assets through the end of 2024. These estimates are intended to assist the Board in evaluating the expected time frame to reduce DPF's exposure to these assets and the implications for the public asset redeployment, overall asset allocation, and expected portfolio risk and return.

No motion was made.

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13. Lone Star Investment Advisors

The Board went into closed executive session – Legal at 10:15 a.m.

The meeting reopened at 11:16 a.m.

Investment staff updated the Board on investments 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 or any other legal matter in which the duty of the attorneys to DPF and the Board under the Texas Disciplinary Rules of Professional Conduct clearly conflicts with Texas Open Meeting laws.

The Board went into closed executive session – Legal at 8:33 a.m.

The meeting reopened at 8:48 a.m.

The Board went into closed executive session – Legal at 10:15 a.m.

The meeting reopened at 11:16 a.m.

The Board and staff discussed legal issues.

No motion was made.

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E. BRIEFING ITEMS

1. Public Comments

Prior to commencing items for Board discussion and deliberation, the Board received public comments during the open forum.

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2. Executive Director's report

- a. Associations' newsletters
 - NCPERS Monitor (October 2023)
 - TEXPERS Pension Observer (Vol. 3 2023)
<https://online.anyflip.com/mxfu/hphj/mobile/index.html>
- b. Open Records

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. Taglienti and a second by Mr. Shomer, the meeting was adjourned at 11:17 a.m.

/s/ Kelly Gottschalk

Kelly Gottschalk
Presiding

ATTEST:

/s/Joshua Mond

Joshua Mond
Acting Secretary

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