

**Dallas Police and Fire Pension System**  
**Thursday, October 10, 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 8:32 a.m. William F. Quinn, Nicholas A. Merrick, Joseph P. Schutz, Robert B. French, Ray Nixon, Gilbert A. Garcia, Susan M. Byrne, Tina Hernandez Patterson, Armando Garza, Kneeland Youngblood

Present at 8:50 a.m. Robert C. Walters

Absent: None

**Staff**

Kelly Gottschalk, Josh Mond, Kent Custer, Brenda Barnes, John Holt, Damion Hervey, Cynthia Thomas, Ryan Wagner, Greg Irlbeck, Michael Yan, Milissa Romero

**Others**

Chuck Campbell, Jeff Williams, Caitlin Grice, Janis Elliston, David Elliston, Bill Ingram, Rick Salinas, Sheri Kowalski, Leandro Festino (by phone)

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The meeting was called to order and recessed at 8:32 a.m.

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The meeting was reconvened at 9:38 a.m.

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**A. MOMENT OF SILENCE**

The Board observed a moment of silence in memory of retired police officers Robert W. Coker, Kevin G. Bailey, Richard D. Alford, James H. McDonald, Daniel L. Johnson, and retired firefighters H. C. Prewitt, James A. Scott, Jr., John G. Hughes, Larry L. Haygood, S. J. Mewbourn, K. E. Whitsell, J. D. Dike.

No motion was made.

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**B. CONSENT AGENDA**

**1. Approval of Minutes**

Regular meeting of September 12, 2019

**2. Approval of Refunds of Contributions for the Month of September 2019**

**3. Approval of Activity in the Deferred Retirement Option Plan (DROP) for October 2019**

**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 September 12, 2019. 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. Ms. Byrne 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. January 1, 2019 Actuarial Valuation**

Jeff Williams and Caitlin Grice of Segal Consulting, DPFP's actuarial firm, were present to discuss results of the January 1, 2019 actuarial valuation report, including the GASB No. 67 actuarial valuation.

After discussion, Mr. Merrick made a motion to approve issuance of the January 1, 2019 actuarial valuation report, subject to final review by the auditors (BDO) and review and approval by the Executive Director. Mr. Garcia seconded the motion, which was unanimously approved by the Board.

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**2. Initial reading and discussion of the 2020 Budget**

The Chief Financial Officer presented the initial reading of the 2020 budget, prepared in total for both the Combined Pension Plan and the Supplement Plan.

After discussion, staff was directed to revise the proposed budget based on the direction of the Board and bring the revised proposed budget to the Board at the November 2019 Board meeting for consideration.

No motion was made.

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**3. Monthly Contribution Report**

Staff presented the Monthly Contribution Report.

No motion was made.

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**4. 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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**5. Appointment of Professional Services Committee Member**

The Professional Services Committee is composed of three members including one Mayoral appointed Board member, one Board member selected by the Members (Police, Fire or non-member Trustee) and either the Chair of the Board or a Board member selected by the Chair of the Board. The current members of the Committee are Bill Quinn, Joe Schutz and Blaine Dickens

The Chairman of the Board selected Rob French to replace Blaine Dickens on the Committee.

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**5. Appointment of Professional Services Committee Member** *(continued)*

After discussion, Mr. Nixon made a motion to confirm appointment of Mr. French as a member of the Professional Services Committee. Mr. Garcia seconded the motion, which was unanimously approved by the Board.

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**6. Report on Professional Services Committee**

The Chairman reported that the Professional Services Committee met with representatives from Segal, DPFP's actuary. The Chairman stated that Segal was highly complimentary of staff and that they had no issues to report in dealing with staff.

No motion was made.

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**7. Chairman's Discussion Item**

Member Complaint

The Chairman briefed the Board on the status of the Member Complaint.

No motion was made.

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**8. Senate Bill 322 Investment Practices and Performance Evaluations**

Leandro Festino of Meketa Investment Group and the Investment Staff discussed Senate Bill 322 which directs that a public retirement system shall select an independent firm with substantial experience in evaluating institutional investment practices and performance to evaluate the appropriateness, adequacy, and effectiveness of the retirement system's investment practices and performance and to make recommendations for improving the retirement system's investment policies, procedures, and practices.

After discussion, Mr. Walters made a motion to approve staff's recommendation to hire Meketa Investment Group to conduct the evaluation required by SB 322 subject to contract approval and execution by the Executive Director. Ms. Hernandez Patterson seconded the motion, which was approved by the following vote:

For: Mr. Quinn, Mr. Merrick, Mr. French, Mr. Nixon, Mr. Garcia, Ms. Byrne, Ms. Hernandez Patterson, Mr. Walters, Mr. Garza, Mr. Youngblood  
Against: Mr. Schutz

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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. Report on Investment Advisory Committee**

The Investment Advisory Committee Chair and Investment Staff commented on Investment Advisory Committee observations and advice.

No motion was made.

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**11. Public Equity Manager Reviews**

Staff provided an overview of DPFPP public equity investments.

No motion was made.

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**12. Private Asset Cash Flow Projection Update**

Staff provided the quarterly update on the private asset cash flow projection model first discussed at the February 2018 Board meeting. The cash flow model projects estimated contributions to, and distributions from, private assets through the end of 2022. These estimates are intended to assist the Board in evaluating the expected time frame to reduce DPFPP's exposure to these assets and the implications for the overall asset allocation and expected portfolio risk and return.

No motion was made.

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**13. Lone Star Investment Advisors Update**

The Board went into closed session executive session – Legal at 11:59 a.m.

The meeting was reopened at 1:01 p.m.

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 claims against City of Dallas regarding unpaid contributions under USERRA, consideration of legal options regarding DFP's interests in funds managed by Lone Star Investment Advisors or any other legal matter in which the duty of the attorneys to DFP 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 11:59 a.m.

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Mr. Garcia left the meeting at 12:58 p.m.

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The meeting was reopened at 1:01 p.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**

The Board received member's comments during the open forum.

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2. **Executive Director's report**

- a. **Associations' newsletters**
  - NCPERS Monitor (September 2019)
- 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. Merrick and a second by Mr. French, the meeting was adjourned at 1:01 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

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