

**Dallas Police and Fire Pension System**  
**Thursday, February 9, 2023**  
**8:30 a.m.**  
**4100 Harry Hines Blvd., Suite 100**  
**Second Floor Board Room**  
**Dallas, TX**

Regular meeting, William F. Quinn, Vice-Chairman, presiding:

**ROLL CALL**

**Board Members**

Present at 8:30 a.m. William F. Quinn, Armando Garza (by telephone), Michael Brown (by telephone), Kenneth Haben, Steve Idoux (by telephone), Tina Hernandez Patterson, Nancy Rocha (by telephone), Anthony Scavuzzo, Marcus Smith

Absent: Nicholas A. Merrick, Mark Malveaux

**Staff**

Kelly Gottschalk, Josh Mond, Brenda Barnes, Ryan Wagner, Michael Yan, Akshay Patel, John Holt, Nien Nguyen, Milissa Romero

**Others**

Iva Giddiens, James Martinez (by telephone), Tom Tull, Aaron Lally (by telephone), Michael Taglienti, Kristi Walters

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The Regular 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 Richard E. Balluch, Booker T. Wolfe, and active firefighter John M. Calix and retired firefighters John E. Hobbs, Billy G. Roberts, Ray D. Riddles, Nickey S. Richardson.

No motion was made.

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**B. CONSENT AGENDA**

**1. Approval of Minutes**

Regular meeting of January 12, 2023

**2. Approval of Refunds of Contributions for the Month of January 2023**

**3. Approval of Activity in the Deferred Retirement Option Plan (DROP) for February 2023**

**4. Approval of Estate Settlements**

**5. Approval of Survivor Benefits**

**6. Approval of Service Retirements**

**7. Approval of Alternate Payee Benefits**

After discussion, Mr. Scavuzzo made a motion to approve the minutes of the Regular meeting of January 12, 2023. Mr. Haben seconded the motion, which was unanimously approved by the Board.

After discussion, Mr. Haben made a motion to approve the remaining items on the Consent Agenda, subject to the final approval of the staff. Ms. Hernandez Patterson 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. Risk Insurance Renewal**

Representatives of DFPF's insurance broker, Arthur J. Gallagher & Co. were present to discuss the insurance market and the risk renewal status. The Board directed staff to renew the primary cyber coverage of \$5 million and the crime insurance with the \$35,000 retention.

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**1. Risk Insurance Renewal (continued)**

After discussion, Mr. Smith made a motion to approve a reduction of the Fiduciary insurance coverage to \$20 million. Mr. Haben seconded the motion, which was approved by the following vote:

For: Mr. Garza, Mr. Haben, Mr. Idoux, Ms. Hernandez Patterson, Mr. Scavuzzo, Mr. Smith

Opposed: Mr. Brown, Mr. Quinn, Ms. Rocha

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**2. Quarterly Financial Reports**

The Chief Financial Officer presented the fourth quarter 2022 financial statements.

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 investment-related travel scheduled.

After discussion, Mr. Haben made a motion to approve Ms. Hernandez Patterson's request to attend the TEXPERS Annual Conference. Mr. Smith seconded the motion, which was unanimously approved by the Board.

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**4. 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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**5. Committee Appointments and Terms**

- a. Consultant Search Sub-Committee
- b. Investment Advisory Committee Appointments

At the January 12th Board meeting, the Board approved forming a sub-committee to advise staff regarding the planned consultant search process and subsequently, Ms. Hernandez Patterson expressed interest in joining the sub-committee.

The Investment Policy stipulates that there must be a majority of outside investment professionals on the Investment Advisory Committee (IAC) and that members shall serve two-year terms. Currently, the IAC has four outside investment professionals and four Trustees serving on the IAC. Staff discussed two potential outside investment professionals for the Board’s consideration and re-appointing IAC members Mr. Brown, Mr. Haben, and Mr. Jones.

The current IAC members, terms, and proposed terms (\*) are as follows:

<b>IAC Seat</b>	<b>Name</b>	<b>IAC Start Date</b>	<b>IAC Term End Date</b>
Board Member #1	Bill Quinn	9/8/2022	8/31/2023
Board Member #2	Michael Brown	11/12/2020	12/31/2024*
Board Member #3	Ken Haben	11/12/2020	8/31/2023*
Board Member #4	Nancy Rocha	1/13/2022	12/31/2023
External #1	Robert Jones	1/10/2019	12/31/2024*
External #2	Rakesh Dahiya	7/9/2020	12/31/2023
External #3	Tom Tull	1/13/2022	12/31/2023
External #4	Ryan Bailey	1/13/2022	12/31/2023
External #5	Luke Gittemeier	2/10/2023	12/31/2024
External #6	Jamil McNeal	2/10/2023	12/31/2024

- a. After discussion, Mr. Quinn made a motion to appoint Ms. Hernandez Patterson to the consultant search sub-committee. Mr. Scavuzzo seconded the motion, which was unanimously approved by the Board.
- b. After discussion, Mr. Quinn made a motion to appoint Mr. Jamil McNeal and Mr. Luke Gittemeier to the Investment Advisory Committee (IAC) with terms ending 12/31/24 and extended the terms of current IAC members Mr. Jones and Mr. Brown ending 12/31/2024 and Mr. Haben ending 8/31/2023. Mr. Scavuzzo seconded the motion, which was unanimously approved by the Board.

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**6. Investment Policy Statement Amendment**

Staff reviewed the revised language of the Investment Policy Statement (IPS) to focus on the inclusion of diverse managers in public manager searches in accordance with the Board's direction at the January 12<sup>th</sup> Board meeting.

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

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**7. Employee Handbook**

The Executive Director reviewed the revised Employee Handbook including the draft of the Information Technology Exhibits.

After discussion, Mr. Quinn made a motion to approve the revised Employee Handbook. Mr. Scavuzzo seconded the motion, which was unanimously approved by the Board.

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**8. Monthly Contribution Report**

The Executive Director reviewed the Monthly Contribution Report.

No motion was made.

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**9. Legislative Update**

Staff briefed the Board on pension bills that have been filed which may bear on DFPF.

No motion was made.

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- 10. 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 DFPF 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 at 10:08 a.m.

The meeting was reopened at 10:37 a.m.

The Board and staff discussed legal issues.

No motion was made.

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**D. 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 (February 2023)
- b.** Open Records
- c.** Kenneth Haben Appointed to the TEXPERS Board of Directors

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. Scavuzzo and a second by Mr. Haben, the meeting was adjourned at 10:37 a.m.

/s/ William F. Quinn

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William F. Quinn  
Vice-Chairman

**ATTEST:**

/s/ Kelly Gottschalk

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Kelly Gottschalk  
Secretary

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