

**Dallas Police and Fire Pension System**  
**Thursday, October 13, 2022**  
**8:30 a.m.**  
**4100 Harry Hines Blvd., Suite 100**  
**Second Floor Board Room**  
**Dallas, TX**

Regular meeting, Nicholas A. Merrick, Chairman, presiding:

**ROLL CALL**

**Board Members**

Present at 8:31 a.m. Nicholas A. Merrick, Michael Brown, Kenneth Haben Nancy Rocha, Marcus Smith attended in person and William F. Quinn, Armando Garza, Steve Idoux, Mark Malveaux attended by phone.

Present at 8:46 a.m. Anthony R. Scavuzzo (by phone)

Absent: None

**Staff**

Kelly Gottschalk, Josh Mond, Brenda Barnes, Ryan Wagner, Akshay Patel, Michael Yan, John Holt, Nien Nguyen, Milissa Romero, Cynthia Thomas (by phone)

**Others**

Mike Stoner, James Martinez, Iva Giddiens (by phone), Michael Taglienti

\* \* \* \* \*

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

\* \* \* \* \*

**A. MOMENT OF SILENCE**

The Board observed a moment of silence in memory of retired police officers Leonard Garza, Jesse R. Dawson, James B. Rucker, James L. Chadwick, and retired firefighter Bobby C. Moore.

No motion was made.

\* \* \* \* \*

**Regular Board Meeting  
Thursday, October 13, 2022**

**B. CONSENT AGENDA**

**1. Approval of Minutes**

Regular meeting of September 8, 2022

**2. Approval of Refunds of Contributions for the Month of September 2022**

**3. Approval of Estate Settlements**

**4. Approval of Survivor Benefits**

**5. Approval of Service Retirements**

**6. Approval of Alternate Payee Benefits**

**7. Approval of Payment of Military Leave Contributions**

**8. Approval of Payment of DROP Revocation Contributions**

After discussion, Mr. Haben made a motion to approve the minutes of the Regular meeting of September 8, 2022. Mr. Smith seconded the motion, which was unanimously approved by the Board.

After discussion, Mr. Brown made a motion to approve the remaining 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.

\* \* \* \* \*

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

**1. Fiduciary Insurance Review**

Mike Stoner, from Haynes & Boone, reviewed the current fiduciary policies and the types of claims that would and would not be covered by the policy so the Board can assess the adequacy of the fiduciary coverage. Representatives from Arthur J. Gallagher, DPFP's insurance broker, were available for questions.

No motion was made.

**Regular Board Meeting  
Thursday, October 13, 2022**

\* \* \* \* \*

**2. Initial Reading and discussion of the 2023 Budget**

The Chief Financial Officer presented the initial reading of the 2023 budget, prepared in total for both the Combined Pension Plan and the Supplement Plan.

After discussion, Mr. Haben made a motion to (i) direct the 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 10, 2022 Board meeting for consideration for adoption and (ii) authorize forwarding the 2023 proposed budget to the City of Dallas for comment and the posting of the proposed budget to [www.dfp.org](http://www.dfp.org) for member review prior to the November meeting. Ms. Rocha seconded the motion, which was unanimously approved by the Board.

\* \* \* \* \*

**3. Financial Audit Status**

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

No motion was made.

\* \* \* \* \*

**4. Monthly Contribution Report**

The Executive Director reviewed the Monthly Contribution Report.

No motion was made.

\* \* \* \* \*

**5. 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.

No motion was made.

\* \* \* \* \*

**Regular Board Meeting  
Thursday, October 13, 2022**

**6. Portfolio Update**

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

No motion was made.

\* \* \* \* \*

**7. Report on Investment Advisory Committee**

The Investment Advisory Committee met on September 22, 2022. The Committee Chair and the Chief Investment Officer commented on Committee observations and advice.

No motion was made.

\* \* \* \* \*

**8. Investment Policy Revisions**

Staff proposed amending the Investment Policy Statement (IPS) to remove the maximum number of current Board members that could serve on the IAC, but retain the requirement of more outside investment professionals than Board members attend to constitute an official meeting since a fourth Board member has expressed interest in serving on the IAC. Also, staff proposed a change to the Private Equity benchmark from the Cambridge Associates U.S. All Private Equity Index (one quarter lag) to the Russell 3000 + 2% (one quarter lag) due to the Cambridge Index no longer being accessible to DPFP free of charge.

After discussion, Ms. Rocha made a motion to approve the proposed changes to the Investment Policy Statement to remove the maximum number of Board members on the Investment Advisory Committee and the change of the Private Equity asset class benchmark. Mr. Smith seconded the motion, which was unanimously approved by the Board.

\* \* \* \* \*

**Regular Board Meeting  
Thursday, October 13, 2022**

**9. Public Fixed Income Portfolio Review**

Staff provided an overview of DFPF public fixed income investments.

No motion was made.

\* \* \* \* \*

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

Staff provided the quarterly update on the private asset cash flow projection model. The cash flow model projects estimated contributions to, and distributions from, private assets through the end of 2023. These estimates are intended to assist the Board in evaluating the expected time frame to reduce DFPF'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.

\* \* \* \* \*

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

\* \* \* \* \*

**11. Board Committee Appointments**

During the September Board meeting, Trustees were appointed to the three Board committees: the Audit Committee, the Professional Services Committee, and the Investment Advisory Committee. Ms. Rocha served as a member of the Investment Advisory Committee prior to being elected as a Trustee and expressed interest in continuing to serve on the Investment Advisory Committee.

After discussion, Mr. Haben made a motion to appoint Nancy Rocha to the Investment Advisory Committee. Mr. Smith seconded the motion, which was unanimously approved by the Board.

\* \* \* \* \*

**Regular Board Meeting  
Thursday, October 13, 2022**

**12. Board Meeting Recordings**

In March 2020, Governor Abbott issued an emergency order that allowed public meetings to be conducted virtually with the requirement that the meetings be recorded, and the recordings made available to the public. Although the emergency order has been lifted, DFPF has continued to post recordings of the Board meetings on the website. In 1986 the Board adopted a policy against recording the Board meetings.

After discussion, Mr. Smith made a motion to repeal the Tape-Recording Board Meeting policy and continue to record Board meetings and post the audio recordings on the website. Mr. Haben seconded the motion, which was unanimously approved by the Board.

\* \* \* \* \*

**13. 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 10:51 a.m.

The meeting was reopened at 10:58 a.m.

The Board and staff discussed legal issues.

No motion was made.

\* \* \* \* \*

**D. BRIEFING ITEMS**

**1. Public Comments**

Prior to commencing items for Board discussion and deliberation, the Chairman extended an opportunity for public comment. No one requested to speak to the Board.

**Regular Board Meeting  
Thursday, October 13, 2022**

\* \* \* \* \*

**2. Executive Director's report**

- a. Associations' newsletters
  - NCPERS Monitor (October 2022)
- b. Open Records
- c. Employee Update

The Executive Director's report was presented.

\* \* \* \* \*

Ms. Gottschalk stated that there was no further business to come before the Board. On a motion by Mr. Smith and a second by Mr. Haben the meeting was adjourned at 10:59 a.m.

/s/ Nicholas A. Merrick

\_\_\_\_\_  
Nicholas A. Merrick  
Chairman

**ATTEST:**

/s/ Kelly Gottschalk

\_\_\_\_\_  
Kelly Gottschalk  
Secretary

**Regular Board Meeting  
Thursday, October 13, 2022**

**This Page was Intentionally Left Blank**