Dallas Police and Fire Pension System
Thursday, March 24, 2016
8:30 a.m.
4100 Harry Hines Blvd., Suite 100
Second Floor Board Room
Dallas, TX

Special meeting, Samuel L. Friar, Chairman, presiding:

ROLL CALL

Board Members

Present at 8:30:	Samuel L. Friar, Lee M. Kleinman, Joseph P. Schutz, Brian Hass, Kenneth S. Haben, Erik Wilson, Gerald D. Brown, Clint Conway, John M. Mays
Present at 9:00:	Philip T. Kingston
Present at 9:15:	Tho T. Ho (after City business)
Present at 9:59:	Scott Griggs
Absent:	None
Staff	Kelly Gottschalk, Joshua Mond, James Perry, John Holt, Corina Terrazas, Carlos Ortiz, Damion Hervey, Ryan Wagner, Milissa Romero, Christina Wu, Greg Irlbeck, Linda Rickley
Others	Andrea Kim, Greg Taylor, Darrell Jordan, Ron Pinkston, Mike Hamilton, Rick Salinas, Tristan Hallman

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The meeting was called to order at 8:30 a.m.

DISCUSSION AND POSSIBLE ACTION REGARDING ITEM FOR INDIVIDUAL CONSIDERATION

1. **Legal issues**

   a. Police Officer and Firefighter pay lawsuits
   b. Potential claims involving fiduciaries and advisors

   The Board went into a closed executive session – legal at 8:30 a.m.

   The meeting was reopened at 10:35 a.m.

   No motion was made.

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The meeting was recessed at 10:35 a.m.

The meeting was reconvened at 10:48 a.m.

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2. Real estate investment consultant

At the February 11, 2016 Board meeting, The Townsend Group was terminated as the real asset investment consultant. Staff is recommending that DPFP expand the scope of the general investment consultant, NEPC, to include the real estate and natural resource assets that were previously covered by Townsend. NEPC's real asset services would include performance reporting, investment monitoring and investment recommendations.

After discussion, Mr. Haben made a motion to authorize the Executive Director to enter into an agreement with NEPC for investment consulting services for the entire DPFP portfolio. Mr. Mays seconded the motion, but no vote was taken, due to an amendment to the motion that was proposed by Mr. Schutz.

Mr. Schutz amended the motion to authorize the Executive Director to enter into an agreement with NEPC for investment consulting services for the entire DPFP portfolio, with the fees for the entire engagement not to exceed the current base fee structure, plus $200,000 for all other services, including real estate and private equity consulting. Mr. Mays seconded the motion, which passed by the following vote:

For: Mays, Friar, Kleinman, Hass, Haben, Wilson, Ho, Brown, Conway
Against: Schutz, Griggs, Kingston

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3. Potential action relating to NTE 3a and 3b

In August 2012, the Board approved a $50 million infrastructure investment commitment to facilitate a 10% equity stake in the North Tarrant Express 3a-3b (I-35W) project. This managed lanes public-private partnership extends north just over 10 miles along I-35W from downtown Fort Worth at I-30 to IH-820 (Segment 3a), and IH-820 to US 81/287 (Segment 3b). Construction commenced in 2013 and DPFP has funded approximately $21 million of the commitment.

3. **Potential action relating to NTE 3a and 3b** (continued)

   Texas Department of Transportation (TxDOT) has now requested the developer also construct another segment (3c) extending from US 81/287 another 7.1 miles to Eagle Parkway, north of Alliance Airport. The proposal would be a change order to add this segment as part of the original 3a-3b project, requiring additional equity contributions. Staff reviewed the options as it relates to the addition of this segment to the project.

   The Board went into a closed executive session – real estate at 12:30 p.m.

   The meeting was reopened at 12:50 p.m.

   After discussion, Mr. Haben made a motion to authorize the Executive Director to sell DPFP's interest in the NTE 3A/3B project, execute documentation, and perform all necessary acts and exercise all appropriate discretion to complete the sale. Mr. Hass seconded the motion, which was unanimously approved by the Board.

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4. **Consideration of recent public statements by Trustees**

   The Board went into a closed executive session – real estate at 10:48 a.m.

   The meeting was reopened at 11:13 a.m.

   The Board went into a closed executive session – real estate at 11:29 a.m.

   The meeting was reopened at 11:52 a.m.

   No motion was made.

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The meeting was recessed at 12:00 p.m.

The meeting was reconvened at 12:13 p.m.

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Ms. Gottschalk stated that there was no further business to come before the Board. On a motion by Mr. Haben and a second by Mr. Hass, the meeting was adjourned at 12:50 p.m.

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Samuel L. Friar
Chairman

ATTEST:

[signature]

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Kelly Gottschalk
Secretary

AGENDA

Date: March 18, 2016

A special meeting of the Dallas Police and Fire Pension System Board of Trustees will be held at **8:30 a.m. on Thursday, March 24, 2016, in the Second Floor Board Room at 4100 Harry Hines Boulevard, Dallas, Texas.** Items of the following agenda will be presented to the Board:

DISCUSSION AND POSSIBLE ACTION REGARDING ITEMS FOR INDIVIDUAL CONSIDERATION:

1. Legal issues

Portions of the discussion under this topic may be closed to the public under the terms of Section 551.071 of the Texas Government Code.

a. Police Officer and Firefighter pay lawsuits
b. Potential claims involving fiduciaries and advisors

2. Real estate investment consultant

3. Potential sale of interest in NTE 3a and 3b

Portions of the discussion under this topic may be closed to the public under the terms of Section 551.072 of the Texas Government Code.

4. Consideration of recent public statements by Trustees

Portions of the discussion under this topic may be closed to the public under the terms of Section 551.071 of the Texas Government Code.

The term "possible action" in the wording of any Agenda item contained herein serves as notice that the Board may, as permitted by the Texas Government Code, Section 551, in its discretion, dispose of any item by any action in the following non-exclusive list: approval, disapproval, deferral, table, take no action, and receive and file. At the discretion of the Board, items on this agenda may be considered at times other than in the order indicated in this agenda.

At any point during the consideration of the above items, the Board may go into Closed Executive Session as per Texas Government Code, Section 551.071 for consultation with attorneys, Section 551.072 for real estate matters, Section 551.074 for personnel matters, and Section 551.078 for review of medical records.

DISCUSSION SHEET

ITEM #1

Topic: **Legal issues**

Portions of the discussion under this topic may be closed to the public under the terms of Section 551.071 of the Texas Government Code.

a. Police Officer and Firefighter pay lawsuits
b. Potential claims involving fiduciaries and advisors

Discussion: Counsel will brief the Board on these issues.

DALLAS POLICE & FIRE PENSION SYSTEM

DISCUSSION SHEET

ITEM #2

Topic: **Real estate investment consultant**

Discussion: At the February 11, 2016 Board meeting, The Townsend Group was terminated as the real asset investment consultant. Staff is recommending that DPFP expand the scope of the general investment consultant, NEPC, to include the real estate and natural resource assets that were previously covered by Townsend. NEPC's real asset services would include performance reporting, investment monitoring and investment recommendations.

Staff Recommendation: **Authorize** the Executive Director to enter into an agreement with NEPC for investment consulting services for the entire DPFP portfolio.

DALLAS POLICE & FIRE PENSION SYSTEM

DISCUSSION SHEET

ITEM #3

Topic: **Potential action relating to NTE 3a and 3b**

Portions of the discussion under this topic may be closed to the public under the terms of Section 551.072 of the Texas Government Code.

Discussion: In August 2012, the Board approved a $50 million infrastructure investment commitment to facilitate a 10% equity stake in the North Tarrant Express 3a-3b (I35W) project. This managed lanes public-private partnership extends north just over 10 miles along I35W from downtown Fort Worth at I-30 to IH-820 (Segment 3a), and IH-820 to US 81/287 (Segment 3b). Construction commenced in 2013 and DPFP has funded approximately $21 million of the commitment.

TxDOT has now requested the developer also construct another segment (3c) extending from US 81/287 another 7.1 miles to Eagle Parkway, north of Alliance Airport. The proposal would be a change order to add this segment as part of the original 3a-3b project, requiring additional equity contributions. Staff will review the options as it relates to the addition of this segment to the project.

Staff Recommendation: Available at the meeting.

DALLAS POLICE & FIRE PENSION SYSTEM

DISCUSSION SHEET

ITEM #4

Topic: **Consideration of recent public statements by Trustees**

Portions of the discussion under this topic may be closed to the public under the terms of Section 551.071 of the Texas Government Code.

Discussion: The Chairman has requested a discussion about recent public statements by Trustees.