

MINUTES
MEETING OF THE BOARD OF TRUSTEES
EMPLOYEES' RETIREMENT FUND OF THE CITY OF DALLAS

TUESDAY, SEPTEMBER 10, 2019

1920 MCKINNEY AVENUE

10th FLOOR

PARKVIEW AT 1920 MCKINNEY

9:00 A.M.

Meeting: John D. Jenkins presiding

Present: John D. Jenkins, Tina B. Richardson, Randy Bowman, Carla D. Brewer, Lee M. Kleinman, Mark Swann and Henry Talavera

Absent: None

Staff: Cheryl D. Alston, Edward Scott, David K. Etheridge, Natalie Jenkins Sorrell, Joshua Berman, Anita Gage and C. Kay Watson

Others Present: Gail Smith, Stefan Smith and Thomas Toth

With a quorum present, the regular meeting of the Employees' Retirement Fund Board of Trustees was called to order at 9:12 a.m. by John D. Jenkins, Board Chair.

The Board Chair presented the Minutes of the Employees' Retirement Fund Board of Trustees June 11, 2019 regular meeting for approval.

Mr. Bowman moved approval of the Minutes of the Employees' Retirement Fund Board of Trustees June 11, 2019 regular meeting. Ms. Richardson seconded the motion and the Minutes of the Employees' Retirement Fund Board of Trustees June 11, 2019 regular meeting were unanimously approved.

MINUTES
 SEPTEMBER 10, 2019
 PAGE 2

DISCUSSION AND APPROVAL OF:

Consent Agenda of July 9, 2019

Approved July 9, 2019 by the Board Chair and Executive Director According to Resolution 2015-2

| | |
|--|-----|
| Total Number of Retirees: | 31* |
| Total Number of Survivors: | 5* |
| Total Number of Termination/Redistribution of Survivor Benefits: | 0 |
| Total Number of QDRO Benefits: | 0 |
| Total Number of Small Estates: | 5* |
| Total Number of Large Estates: | 3* |
| Total Number of Disability Retirement Applications: | 1* |
| Total Number of Disability Continuations: | 2* |
| Total Number of Deferred Vested: | 0 |
| Total Number of Final Calculations: | 1* |
| Total Number of Corrections: | 0 |
| Total Number of Resolution 2015-2 Retirements (Hardship): | 0 |

*** Number of Retirements Approved to be Paid Under Resolution 2015-2**

In accordance with Resolution 2015-2 the Consent Agenda of July 9, 2019 was approved by the Board Chair and Executive Director on July 9, 2019.

In error a motion was requested. Ms. Richardson moved approval of the July 9, 2019 Consent Agenda of the Employees' Retirement Fund of the City of Dallas. Ms. Brewer seconded the motion and the July 9, 2019 Consent Agenda of the Employees' Retirement Fund of the City of Dallas was unanimously approved.

MINUTES
SEPTEMBER 10, 2019
PAGE 3

DISCUSSION AND APPROVAL OF: (continued)

Consent Agenda of August 16, 2019

Approved August 16, 2019 by the Board Chair and Executive Director According to Resolution 2015-2

| | |
|--|-----|
| Total Number of Retirees: | 29* |
| Total Number of Survivors: | 10* |
| Total Number of Termination/Redistribution of Survivor Benefits: | 0 |
| Total Number of QDRO Benefits: | 1* |
| Total Number of Small Estates: | 1* |
| Total Number of Large Estates: | 0 |
| Total Number of Disability Continuations: | 0 |
| Total Number of Deferred Vested: | 0 |
| Total Number of Final Calculations: | 1* |
| Total Number of Corrections: | 0 |
| Total Number of Resolution 2015-2 Retirements (Hardship): | 42* |

*** Number of Retirements Approved to be Paid Under Resolution 2015-2**

There was no motion necessary on this item.

MINUTES
 SEPTEMBER 10, 2019
 PAGE 4

DISCUSSION AND APPROVAL OF: (continued)

Consent Agenda of September 10, 2019

| | |
|--|----|
| Total Number of Retirees: | 42 |
| Total Number of Survivors: | 4 |
| Total Number of Termination/Redistribution of Survivor Benefits: | 0 |
| Total Number of QDRO Benefits: | 0 |
| Total Number of Small Estates: | 5 |
| Total Number of Large Estates: | 4 |
| Total Number of Disability Continuations: | 0 |
| Total Number of Deferred Vested: | 2 |
| Total Number of Final Calculations | 0 |
| Total Number of Corrections | 0 |
| Total Number of Resolution 2015-2 Retirements (Hardship) | 0 |

Mr. Bowman moved approval of the September 10, 2019 Consent Agenda of the Employees' Retirement Fund of the City of Dallas. Ms. Brewer seconded the motion and the September 10, 2019 Consent Agenda of the Employees' Retirement Fund of the City of Dallas was unanimously approved.

INDIVIDUAL ITEMS – DISCUSSION OF AND/OR APPROVAL OF:

1. Recognition of Former Board Trustee Carolyn Davis

Mr. Jenkins requested a moment of silence in remembrance of Former Board Trustee Davis.

There was no motion made on this item.

MINUTES
SEPTEMBER 10, 2019
PAGE 5

INDIVIDUAL ITEMS – DISCUSSION OF AND/OR APPROVAL OF: (continued)

2. Presentation by Tedd M. Alexander III, Ira Carnahan and Ann Holcomb of T.Rowe Price (Attachment)

Tedd M. Alexander III, Ira Carnahan and Ann Holcomb of T.Rowe Price were unable to attend the meeting. This item has been deferred until the October Board Meeting.

There was no motion made on this item.

3. Second Quarter 2019 Review by Thomas Toth of Wilshire Associates Incorporated (Attachments)

There was no motion made on this item.

4. 2019 Asset Allocation Discussion by Thomas Toth of Wilshire Associates (Attachments)

The meeting recessed at 11:07 a.m. The meeting reconvened at 11:30 a.m.

4. 2019 Asset Allocation Discussion by Thomas Toth of Wilshire Associates (Attachments) (continued)

There was no motion made on this item.

5. Discussion, Consideration and Possible Action to Approve the ERF Comprehensive Annual Financial Report Fiscal Year Ended December 31, 2018 and 2017 (Attachment)

Mr. Bowman made a motion to approve the ERF Comprehensive Annual Financial Report Fiscal Year Ended December 31, 2018 and 2017. Following a second by Ms. Richardson, the motion was unanimously approved.

6. Discussion, Consideration and Possible Action to Revise BlackRock Financial Management Investment Guidelines (Attachments)

Mr. Talavera made a motion to approve the revisions to BlackRock Financial Management Investment Guidelines. Ms. Brewer seconded the motion.

There was discussion.

Mr. Talavera withdrew his original motion with consent of the Chair.

MINUTES
SEPTEMBER 10, 2019
PAGE 6

INDIVIDUAL ITEMS – DISCUSSION OF AND/OR APPROVAL OF: (continued)

6. Discussion, Consideration and Possible Action to Revise BlackRock Financial Management Investment Guidelines (Attachments) (continued)

Mr. Kleinman made a motion to separate the two changes to BlackRock Financial Management Investment Guidelines so they could be voted on individually. Mr. Bowman seconded the motion.

There was discussion.

The motion was unanimously approved.

Mr. Kleinman made a motion to approve change 1) To invest in bank loans and other floating rate securities up to a maximum of 14% of the market value of the portfolio and authorize the Board Chair to sign. Following a second by Ms. Richardson, the motion was unanimously approved.

There was discussion

Mr. Talavera made a motion to defer change 2) To add a 10% of the market value of the portfolio limit for derivatives to mitigate risk within the portfolio to a later date. Following a second by Ms. Richardson, the motion was unanimously approved.

Mr. Toth left the meeting at 12:35 p.m.

7. Discussion, Consideration and Possible Action to Approve a Contract Extension for Wilshire Associates (Attachment)

Ms. Richardson made a motion to approve the contract extension for Wilshire Associates and authorize the Board Chair to sign. Ms. Brewer seconded the motion.

The vote was as follows:

Aye – Mr. Jenkins, Ms. Richardson, Mr. Bowman, Ms. Brewer, Mr. Swann, and Mr. Talavera

No – Mr. Kleinman

The motion was approved by a majority of the vote.

MINUTES
SEPTEMBER 10, 2019
PAGE 7

INDIVIDUAL ITEMS – DISCUSSION OF AND/OR APPROVAL OF: (continued)

8. Discussion, Consideration and Possible Action to Approve the Request for Proposals for Investment Consultant(s) (Attachment)

Mr. Bowman made a motion to approve the Request for Proposals for Investment Consultant(s). Mr. Talavera seconded the motion.

There was discussion.

Mr. Kleinman made a motion to amend the motion to exclude NEPC from the list of consultants to receive an invitation for the RFP. Staff informed the Board that the RFP process is open, and any firm may apply to the RFP. The RFP will be posted on the Dallas ERF website. Following a second by Mr. Talavera, the motion was unanimously approved.

9. Discussion, Consideration and Possible Action to Approve a Contract Extension for STP Investment Services, LLC (Attachments)

Ms. Brewer made a motion to approve the contract extension for STP Investment Services, LLC and authorize the Board Chair to sign. Following a second by Mr. Bowman, the motion was unanimously approved.

10. Discussion, Consideration and Possible Action to Approve Amendment Two to Fiscal Year 2018-2019 ERF Budget (Attachments)

Mr. Toth rejoined the meeting at 12:43 p.m.

Ms. Brewer made a motion to approve Amendment Two to the Fiscal Year 2018-2019 ERF Budget. Ms. Richardson seconded the motion.

There was discussion.

The motion was unanimously approved.

11. Discussion, Consideration and Possible Action to Approve Fiscal Year 2019-2020 ERF Budget (Attachments)

Mr. Bowman made a motion to approve the Fiscal Year 2019-2020 ERF Budget. Following a second by Ms. Brewer, the motion was unanimously approved.

12. Possible Attendance at:

a. Hamilton Lane Summit 2019 to be held October 28-30, 2019 (Attachment)

MINUTES
SEPTEMBER 10, 2019
PAGE 8

INDIVIDUAL ITEMS – DISCUSSION OF AND/OR APPROVAL OF: (continued)

12. Possible Attendance at: (continued)
 - b. 2019 Women's Alternative Investment Summit to be held November 13-14, 2019 (Attachment)
 - c. GCM Grosvenor Consortium and the Small and Emerging Managers Conference to be held November 14-15, 2019 (Attachment)
 - d. The 3rd Annual Private Equity and Secondaries Investor Summit to be held December 3-4, 2019 (Attachment)

Ms. Brewer made a motion to approve two ERF representatives to attend the Hamilton Lane Summit 2019, two ERF representatives to attend the 2019 Women's Alternative Investment Summit, two ERF representatives to attend the GCM Grosvenor Consortium and the Small and Emerging Managers Conference and four ERF representatives to attend The 3rd Annual Private Equity and Secondaries Investor Summit. Following a second by Mr. Talavera, the motion was unanimously approved.

Mr. Talavera left the meeting at 12:49 p.m.

13. Highlights of Past Conference(s)

There was no motion made on this item.

14. Reports and Recommendations by Executive Director and Staff:

- a. Asset Allocation Report
June 2019 (Attachment)
July 2019 (Attachment)
August 2019

There was no motion made on these items.

- b. Monthly Performance Report
June 2019 (Attachment)
July 2019 (Attachment)

MINUTES
 SEPTEMBER 10, 2019
 PAGE 9

INDIVIDUAL ITEMS – DISCUSSION OF AND/OR APPROVAL OF: (continued)

14. Reports and Recommendations by Executive Director and Staff: (continued)

b. Monthly Performance Report (continued)

August 2019

There was no motion made on these items.

c. ERF at a Glance (Attachments)

June 2019

July 2019

August 2019

There was no motion made on these items.

d. Strategic Plan Update (Attachment)

The Executive Director deferred this item until the October Board Meeting.

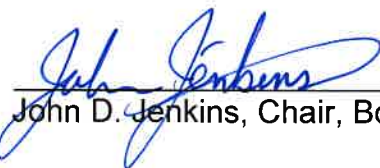
e. Employee Recognition

There was no motion made on this item.

The Executive Director stated that there was no further business to come before the Board. The Board Chair adjourned the meeting at 12:53 p.m.

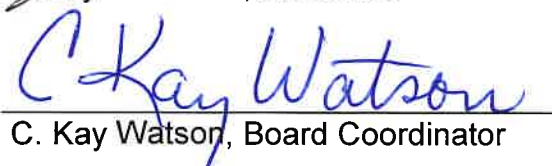
All materials presented at the meeting of the Board of Trustees are now part of the Official Minutes.

APPROVED:


 John D. Jenkins, Chair, Board of Trustees

ATTEST:


 Cheryl D. Alston, Executive Director


 C. Kay Watson, Board Coordinator