

MINUTES

MEETING OF THE BOARD OF TRUSTEES

EMPLOYEES' RETIREMENT FUND OF THE CITY OF DALLAS

MONDAY, AUGUST 20, 2018

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 and Dr. John W. Peavy III

Absent: Craig D. Kinton, Lee M. Kleinman

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

Others Present: Marquette Chester, Chris Cleghorn, Zaman Hemani, Ali Kazemi, Stefan Smith, Max Swango, Thomas Toth and Meredith Weatherby

With a quorum present, the regular meeting of the Employees' Retirement Fund Board of Trustees was called to order at 9:10 a.m. by John D. Jenkins, Board Chair.

MINUTES
 August 20, 2018
 PAGE 2

DISCUSSION AND APPROVAL OF:

The Board Chair presented the Minutes of the Employees' Retirement Fund Board of Trustees June 12, 2018 regular meeting for approval.

Mr. Bowman moved approval of the Minutes of the Employees' Retirement Fund Board of Trustees June 12, 2018 regular meeting. Dr. Peavy seconded the motion and the Minutes of the Employees' Retirement Fund Board of Trustees June 12, 2018 regular meeting were unanimously approved

Consent Agenda of July 10, 2018

Approved July 10, 2018 by the Board Chair and Executive Director According to Resolution 2015-2

Total Number of Retirees:	26
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:	13
Total Number of Large Estates:	4
Total Number of Disability Continuations:	0
Total Number of Deferred Vested:	0
Total Number of Final Calculations	0
Total Number of Corrections	2
Total Number of Resolution 2015-2 Retirements (Hardship):	0

There was no motion made on this item.

MINUTES
August 20, 2018
PAGE 3

DISCUSSION AND APPROVAL OF: (continued)

Consent Agenda of August 20, 2018

Total Number of Retirees:	22
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:	3
Total Number of Large Estates:	0
Total Number of Disability Continuations:	3
Total Number of Deferred Vested:	0
Total Number of Final Calculations	0
Total Number of Corrections	4
Total Number of Resolution 2015-2 Retirements (Hardship)	0

Ms. Richardson moved approval of the Consent Agenda of the Employees' Retirement Fund of the City of Dallas at the Employees' Retirement Fund Board of Trustees August 20, 2018 regular meeting. Ms. Brewer seconded the motion and the Consent Agenda of the Employees' Retirement Fund of the City of Dallas at the Employees' Retirement Fund Board of Trustees August 20, 2018 regular meeting was unanimously approved.

INDIVIDUAL ITEMS – DISCUSSION OF AND/OR APPROVAL OF:

1. CLOSED SESSION (MEDICAL DETERMINATIONS)

Discussion of disability retirement applications will be closed to the public under the terms of Section 551.078 of the Texas Open Meeting Act.

APPLICATION of total and permanent disability retirement:

Total Number of Disability Applications:	1
--	---

Ms. Richardson made a motion to deny the disability retirement application. Following a second by Ms. Brewer, the motion was unanimously approved.

MINUTES
August 20, 2018
PAGE 4

INDIVIDUAL ITEMS – DISCUSSION OF AND/OR APPROVAL OF:

1. CLOSED SESSION (MEDICAL DETERMINATIONS) (continued)

TERMINATION of Total and Permanent Disability Retirement:

Total Number of Terminations: 1

Dr. Peavy made a motion to approve the disability retirement termination. Following a second by Ms. Richardson, the motion was unanimously approved.

2. Recognition of Former City Auditor and Board Trustee Mike Taylor

Mr. Jenkins requested a moment of silence in remembrance of Former City Auditor and Board Trustee Mike Taylor.

There was no motion made on this item.

3. Second Quarter 2018 Review by Ali Kazemi of Wilshire Associates Incorporated (Attachments)

Thomas Toth from Wilshire Associates Incorporated attended as well.

There was no motion made on this item.

4. Selection of International Equity Investment Manager(s) for Due Diligence Process (Attachment)

Ms. Brewer made a motion to approve the International Equity Investment Manager(s) for due diligence process: AllianceBernstein; Baillie Gifford; EARNEST Partners; and Invesco Advisers, Inc. Following a second by Dr. Peavy, the motion was unanimously approved.

Later in the meeting Mr. Bowman amended the motion to approve Trustees to attend the due diligence process. Following a second by Ms. Richardson, the motion was unanimously approved.

MINUTES
August 20, 2018
PAGE 5

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

5. Vitech Project Update Presentation (Attachment)

There was no motion made on this item.

The meeting recessed at 10:46 a.m. The meeting reconvened at 11:09 a.m.

The meeting went into Closed Session at 1:17 p.m. under the provisions of Section 551.074 (personnel) of the Texas Open Meetings Act for the purpose of discussing personnel matters.

The meeting reconvened at 1:40 p.m. No other matters were discussed in Closed Session.

Mr. Bowman made a motion to authorize the Executive Director the ability to administer the performance incentive award plan and approve the \$75,000 annual budget for fiscal years 2018-19 and 2019-20. Ms. Richardson seconded the motion. The motion was unanimously approved.

6. Presentation by Marquette Chester, Chris Cleghorn and Max Swango of Invesco (Attachment)

Meredith Weatherby from Invesco attended as well.

There was no motion made on this item.

The meeting then went into Closed Session at 11:54 a.m. under the provisions of Section 551.072 (real estate) of the Texas Open Meetings Act for the purpose of discussing real estate matters.

The meeting reconvened at 12:31 p.m. No other matters were discussed in Closed Session. There was no motion made on this item.

The meeting recessed at 12:32 p.m. The meeting reconvened at 12:59 p.m.

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

Ms. Richardson made a motion to approve the proposed FY 2018-19 budget totaling \$23,069,600 as outlined on the attachment and authorize the Executive Director to administer the budget as noted below.

MINUTES
August 20, 2018
PAGE 6

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

7. Discussion, Consideration and Possible Action to Approve Fiscal Year 2018-2019 ERF Budget (Attachments) (continued)

The Executive Director is authorized to expend, as required, up to 110% of each line item or \$50,000 whichever is less of the funds appropriated herein, but in no instance, is the authorization given to exceed the total budgeted for each category (Administrative, Benefits Management, Investments Management, Capital, or Special Projects) without Board approval. The Executive Director is authorized to negotiate and sign contracts which are required in the conduct of Fund business and funds have been approved in this budget. This authorization is limited to \$50,000 per contract. The Executive Director is authorized to pay pensions and member refunds which are authorized by law but are not specifically included in this budget. Following a second by Mr. Bowman, the motion was unanimously approved.

8. Possible Attendance at:

- a. Emerging Managers Summit 2018 to be held September 12-13, 2018 (Attachment)
- b. The Money Show Dallas – Money USA 20/20 to be held October 21-24, 2018 (Attachment)
- c. AQR Forum 2018 to be held October 23, 2018 (Attachment)
- d. National Association of Investment Companies (NAIC) Private Equity and Hedge Fund Conference to be held October 24-25, 2018 (Attachment)
- e. Council of Institutional Investors (CII) Fall 2018 Meeting to be held October 24-26, 2018 (Attachment)
- f. Women's Alternative Investment Summit to be held November 8-9, 2018 (Attachment)

Mr. Bowman made a motion to approve three ERF representatives to attend the Emerging Managers Summit 2018, seven ERF representatives to attend The Money Show Dallas, four ERF representatives to attend the AQR Forum 2018, three ERF representatives to attend the National Association of Investment Companies (NAIC) Private Equity and Hedge Fund Conference, one ERF representative to attend the Council of Institutional Investors (CII) Fall 2018 Meeting and one ERF representative to attend the Women's Alternative Investment Summit. Following a second by Ms. Brewer, the motion was unanimously approved.

MINUTES
August 20, 2018
PAGE 7

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

9. Highlights of Past Conference(s)

The meeting then went into Closed Session at 1:44 p.m. under the provisions of Section 551.071 (legal) of the Texas Open Meetings Act for the purpose of discussing legal matters.

The meeting reconvened at 1:59 p.m. No other matters were discussed in Closed Session. There was no motion made on this item.

10. Reports and Recommendations by Executive Director and Staff:

a. Asset Allocation Report

June 2018

July 2018

There was no motion made on this item.

b. Monthly Performance Report

June 2018

July 2018

There was no motion made on this item.

c. ERF at a Glance (Attachments)

June 2018

July 2018

There was no motion made on this item.

11. **CLOSED SESSION (PERSONNEL) and (REAL ESTATE)**

Discussion of personnel and real estate matters will be closed to the public under the terms of Sections 551.074 and 551.072 of the Texas Open Meetings Act.

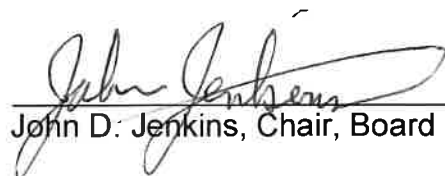
MINUTES
August 20, 2018
PAGE 8

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

The Executive Director stated that there was no further business to come before the Board. The Board Chair adjourned the meeting at 2:00 p.m.

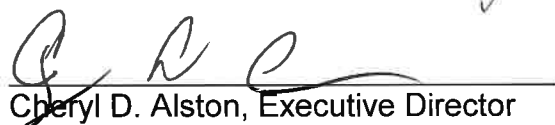
All materials presented at the meeting of the Board of Trustees are now part of the Official Minutes.

APPROVED:



John D. Jenkins, Chair, Board of Trustees

ATTEST:



Cheryl D. Alston, Executive Director



C. Kay Watson, Board Coordinator