

**MINUTES**

**MEETING OF THE BOARD OF TRUSTEES**

**EMPLOYEES' RETIREMENT FUND OF THE CITY OF DALLAS**

**TUESDAY, DECEMBER 11, 2018**

**1920 MCKINNEY AVENUE**

**10<sup>th</sup> 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, Dr. John W. Peavy III, and Carol A. Smith

Absent: None

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

Others Present: Bryan Arnold, Ryan Fitzpatrick, Angus Franklin, Kathrin Hamilton, Zaman Hemani, Harry Johnson, Ali Kazemi, Seth Roberts, Dinkar Singh, Gail Smith, Stefan Smith and Paul E. Viera

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.

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**DISCUSSION AND APPROVAL OF:**

The Board Chair presented the Minutes of the Employees' Retirement Fund Board of Trustees November 13, 2018 regular meeting for approval.

Dr. Peavy moved approval of the Minutes of the Employees' Retirement Fund Board of Trustees November 13, 2018 regular meeting. Ms. Brewer seconded the motion and the Minutes of the Employees' Retirement Fund Board of Trustees November 13, 2018 regular meeting were unanimously approved.

Consent Agenda of December 11, 2018

Total Number of Retirees:	14
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:	12
Total Number of Large Estates:	2
Total Number of Disability Continuations:	0
Total Number of Deferred Vested:	0
Total Number of Final Calculations	0
Total Number of Corrections	1
Total Number of Resolution 2015-2 Retirements (Hardship)	0

Ms. Brewer moved approval of the Consent Agenda of the Employees' Retirement Fund of the City of Dallas at the Employees' Retirement Fund Board of Trustees December 11, 2018 regular meeting. Ms. Smith 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 December 11, 2018 regular meeting was unanimously approved.

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**INDIVIDUAL ITEMS – DISCUSSION AND/OR APPROVAL OF:**

1. Finals Presentations and Selection of International Equity Investment Manager(s)
  - a. Baillie Gifford by Ryan Fitzpatrick, Angus Franklin and Kathrin Hamilton (Attachment)

The meeting recessed at 9:58 a.m. The meeting reconvened at 10:10 a.m.

- b. EARNEST Partners by Dinkar Singh and Paul E. Viera (Attachment)

The meeting recessed at 10:55 a.m. The meeting reconvened at 11:01 a.m.

Dr. Peavy made a motion to approve an allocation of 2.5% of the portfolio to each of the two International Equity Manager finalists and authorize the Chair to sign the contracts. Ms. Brewer seconded the motion.

There was discussion.

The vote was as follows:

Aye – Ms. Richardson, Mr. Bowman, Ms. Brewer, Mr. Kleinman, Dr. Peavy and Ms. Smith  
No – Mr. Jenkins

The ayes had it and the motion was approved.

2. Presentation by Harry Johnson and Kathy Gilmore of HUB International Insurance Services (Attachment)

Discussion, Consideration and Possible Action to Approve:

- a. Fiduciary Liability Insurance Policy
- b. Excess Fiduciary Liability Insurance Policy
- c. Commercial Package (Property and General Liability Insurance Policy)
- d. Cyber Security Insurance Policy (Newly Proposed)

Ms. Gilmore did not attend the meeting.

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

2. Presentation by Harry Johnson and Kathy Gilmore of HUB International Insurance Services (Attachment) (continued)

Mr. Bowman made a motion to approve the Fiduciary Liability, Excess Fiduciary Liability, Commercial Package & Cyber Security Insurance Policies and increase the budget line item up to \$30,000 or the total premium that needs to be paid. Following a second by Ms. Richardson, the motion was unanimously approved.

3. Discussion of Pension Fund Return Article Dated November 25, 2018 and Board Member Response (Attachments)

There was no motion made on this item.

Mr. Kleinman left the meeting at 11:46 a.m.

4. Discussion, Consideration and Possible Action to Approve Resolution 2018-3

Ms. Richardson made a motion to defer item #4. Following a second by Dr. Peavy, the motion was unanimously approved.

5. Possible Attendance at:

- a. NCPERS 2019 Legislative Conference to be held January 27-29, 2019 (Attachment)
- b. The 12<sup>th</sup> Annual Women's Private Equity Summit to be held March 13-15, 2019 (Attachment)

Mr. Bowman made a motion to approve three ERF representatives to attend the NCPERS 2019 Legislative Conference and three ERF representatives to attend The 12<sup>th</sup> Annual Women's Private Equity Summit. Following a second by Ms. Richardson, the motion was unanimously approved.

6. Highlights of Past Conference(s)

There was no motion made on this item.

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

7. Reports and Recommendations by Executive Director and Staff:

a. Asset Allocation Report

There was no motion made on this item.

b. Monthly Performance Report

There was no motion made on this item.

c. ERF at a Glance (Attachment)

There was no motion made on this item.

d. Cost of Living Adjustment (COLA) (Attachment)

The Chief Financial Officer stated that based on the COLA calculation as outlined in Dallas City Code Chapter 40A that the COLA will be 2.689% effective January 1, 2019.

There was no motion made on this item.

The meeting recessed at 11:57 a.m.

The Board of Trustees convened in a Closed Executive Session at 12:19 p.m. pursuant to Texas Government Code Section 551.071 for the purpose of consultation with legal counsel.

8. Discussion of The Employees' Retirement Fund of the City of Dallas v The City of Dallas and Christopher J. Caso, in his official capacity as Interim City Attorney, Cause No. DC-18-14682

There was no action taken on this item.

The Board of Trustees reconvened its open meeting at 1:26 p.m. No other matters were discussed in Closed Executive Session.

The Board Chair congratulated Ms. Richardson on her permanent appointment as Assistant Director of Mobility and Street Services Department.

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

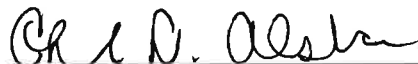
The Executive Director stated that there was no further business to come before the Board. The Board Chair adjourned the meeting at 1:27 p.m.

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

APPROVED:

  
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John D. Jenkins, Chair, Board of Trustees

ATTEST:

  
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Cheryl D. Alston, Executive Director

  
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C. Kay Watson, Board Coordinator