

MINUTES**MEETING OF THE BOARD OF TRUSTEES****EMPLOYEES' RETIREMENT FUND OF THE CITY OF DALLAS****TUESDAY, DECEMBER 12, 2017****600 NORTH PEARL STREET****SUITE 2450****PLAZA OF THE AMERICAS, SOUTH TOWER****9:00 A.M.**

Meeting: John D. Jenkins presiding

Present: John D. Jenkins, Carla D. Brewer, Randy Bowman, Craig D. Kinton, Lee M. Kleinman, Dr. John W. Peavy III, and Tina B. Richardson

Absent: None

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

Others Present: Zaman Hemani, Harry Johnson, Stefan Smith and Jemimah Stratford

With a quorum present, the regular meeting of the Employees' Retirement Fund Board of Trustees was called to order at 9:11 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 14, 2017 regular meeting for approval.

Ms. Brewer moved approval of the Minutes of the Employees' Retirement Fund Board of Trustees November 14, 2017 regular meeting. Ms. Richardson seconded the motion and the Minutes of the Employees' Retirement Fund Board of Trustees November 14, 2017 regular meeting were unanimously approved.

Consent Agenda of December 12, 2017

Total Number of Retirees:	10
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:	8
Total Number of Large Estates:	2
Total Number of Disability Continuations:	0
Total Number of Deferred Vested:	33
Total Number of Final Calculations	0
Total Number of Corrections	0
Total Number of Resolution 2015-2 Retirements (Hardship)	0
Total Number of Resolution 2016-1 Re-Applications for Retirement Benefits	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 12, 2017 regular meeting. Dr. Peavy 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 12, 2017 regular meeting was unanimously approved.

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INDIVIDUAL ITEMS – DISCUSSION AND/OR APPROVAL OF:

1. Presentation by Harry Johnson and Danielle Perry of HUB International Insurance Services (Attachment)

Renewal of Fiduciary Liability & Commercial Property Insurance Effective January 13, 2018

Mr. Kinton arrived at 9:14 a.m.

Ms. Perry did not attend the meeting.

Mr. Kleinman made a motion to approve the Renewal of Fiduciary Liability & Commercial Property Insurance effective January 13, 2018 and authorize the Chair to sign. Following a second by Ms. Brewer, the motion was unanimously approved.

2. Selection of REIT Manager(s) for Due Diligence Process (Attachment)

Mr. Bowman made a motion to approve the REIT Manager(s) for due diligence process: CenterSquare Investment Management; Heitman LLC; Principal Real Estate Investors; and Wellington Management. Following a second by Ms. Brewer, the motion was unanimously approved.

3. Review and Possible Amendment of the ERF Manager Selection and Monitoring Policy (Attachment)

Mr. Kinton made the motion to approve the amendment to the ERF Manager Selection and Monitoring Policy. Following a second by Ms. Richardson, the motion was unanimously approved.

Mr. Kinton made a motion to reconsider the motion approving the amendment to the ERF Manager Selection and Monitoring Policy. Following a second by Mr. Kleinman, the motion to reconsider was unanimously approved.

There was further discussion.

Mr. Kinton made a motion to approve the amendment to the ERF Manager Selection and Monitoring Policy to include the revisions as amended: D. DISCIPLINARY ACTION, 2. Watch Period: to include "The watch period is at the discretion of the Board;" B. MANAGER SELECTION, 2. Selection Process: d) RFP Process: i) adding "along with the specific evaluation and rating scale;" and B. MANAGER SELECTION, 1. Minimum Criteria: a) "changing the AIMR acronym to Chartered Financial Analyst (CFA) Institute." Following a second by Dr. Peavy, the motion was unanimously approved.

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

4. Consideration and Possible Action to remove Adelante Capital Management from the Investment Manager watch list

Ms. Brewer made a motion to remove Adelante Capital Management from watch. Following a second by Ms. Richardson, the motion was unanimously approved.

5. Revisions to the ERF Guidelines for Acadian Small Cap (Attachment)

Dr. Peavy made a motion to approve the revisions to the ERF Guidelines for Acadian Small Cap. Following a second by Mr. Kinton, the motion was unanimously approved.

6. Request for Proposals to Provide Pension Accounting Software System Update – Board Selection (Attachment)

Mr. Kleinman made a motion to approve the Executive Director to negotiate exclusively with Vitech Systems Group, Inc. regarding the preparation of a software license, services and support agreement relating to the Fund's pension accounting system, subject to the following conditions: (i) the aggregate project fee does not exceed the current best and final offer; (ii) Vitech must provide alternate proposals for cloud-based and on-site administration solutions; and (iii) a final agreement will be submitted to the Board for approval at its January meeting. Following a second by Mr. Bowman, the motion was unanimously approved.

7. Possible Attendance at:

- a. Public Funds Summit 2018 to be held January 8-10, 2018 (Attachment)
- b. Sponsors for Educational Opportunity (SEO) 9th Annual Alternative Investments Conference to be held February 8-9, 2018 (Attachment)
- c. Global Real Assets Investment Forum to be held February 27-28, 2018 (Attachment)

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

7. Possible Attendance at: (continued)

- d. The 11th Annual Women's Private Equity Summit to be held March 7-9, 2018 (Attachment)

Mr. Bowman made a motion to approve one ERF representative to attend the Public Funds Summit 2018, four ERF representatives to attend the Sponsors for Educational Opportunity (SEO) 9th Annual Alternative Investments Conference, four ERF representatives to attend the Global Real Assets Investment Forum and three ERF representatives to attend The 11th Annual Women's Private Equity Summit. Following a second by Ms. Brewer, the motion was unanimously approved.

8. Highlights of Past Conference(s)

There was no motion made on this item.

9. 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 Executive Director stated that based on the COLA calculation as outlined in Dallas City Code Chapter 40A that the COLA will be 2.053% for 2018.

There was no motion made on this item.

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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 11:25 a.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