

MINUTES

MEETING OF THE BOARD OF TRUSTEES

EMPLOYEES' RETIREMENT FUND OF THE CITY OF DALLAS

TUESDAY, JUNE 13, 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, Joshua Berman, Jennifer Chaffin, Minoti Dhanaraj, Anita Gage, Melissa Harris, Naveed Khan, Deirdre Taylor, Saki Vimal and C. Kay Watson

Others Present: Zaman Hemani, Ali Kazemi, and Lori Winland

With a quorum present, the regular meeting of the Employees' Retirement Fund Board of Trustees was called to order at 9:07 a.m. by John D. Jenkins, Board Chair.

DISCUSSION AND APPROVAL OF:

The Board Chair presented the Minutes of the Employees' Retirement Fund Board of Trustees May 9, 2017 regular meeting for approval.

Mr. Kinton moved approval of the Minutes of the Employees' Retirement Fund Board of Trustees May 9, 2017 regular meeting. Dr. Peavy seconded the motion and the Minutes of the Employees' Retirement Fund Board of Trustees May 9, 2017 regular meeting were unanimously approved.

Consent Agenda of June 13, 2017

Total Number of Retirees:	22
Total Number of Survivors:	2
Total Number of Termination/Redistribution of Survivor Benefits:	0
Total Number of QDRO Benefits:	2
Total Number of Small Estates:	12
Total Number of Large Estates:	0
Total Number of Disability Continuations:	0
Total Number of Deferred Vested:	20
Total Number of Final Calculations	0
Total Number of Corrections	0
Total Number of Resolution 2016-1 Re-Applications for Retirement Benefits	0

Mr. Kinton moved approval of the Consent Agenda of the Employees' Retirement Fund of the City of Dallas at the Employees' Retirement Fund Board of Trustees June 13, 2017 regular meeting. Mr. Bowman 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 June 13, 2017 regular meeting was unanimously approved.

INDIVIDUAL ITEMS – DISCUSSION OF AND/OR APPROVAL OF:

1. ERF Financial Statements as of December 31, 2016, and 2015 Audit Presentation by Juliet Williams of Grant Thornton LLP and Dickey Thurman of Owens & Thurman, P.C. (Attachment)

Ms. Richardson arrived at the meeting at 9:15 a.m.

Mr. Kinton made a motion to accept the results of the audit of the ERF Financial Statements as of December 31, 2016, and 2015 pending receipt of the auditor's opinion letter. Following a second by Ms. Richardson, the motion was unanimously approved.

Mr. Kinton recognized Management and Accounting Staff for their work on the audit.

Mr. Kleinman arrived at the meeting at 9:28 a.m.

2. ERF Comprehensive Annual Financial Report Fiscal Year Ended December 31, 2016 (Attachment)

Mr. Kinton made a motion to approve the ERF Comprehensive Annual Financial Report Fiscal Year Ended December 31, 2016. Following a second by Ms. Richardson, the motion was unanimously approved.

3. Risk Parity Education by Ali Kazemi of Wilshire Associates (Attachment)

There was no motion made on this item.

The meeting recessed at 10:39 a.m. The meeting reconvened at 10:58 a.m.

4. Selection of Next Generation Investment Manager(s) – Equity for Due Diligence Process (Attachment)

Ms. Richardson made a motion to approve the Next Generation Investment Manager(s) – Equity for due diligence process: Ariel Investments; Ativo Capital; GlobeFlex Capital; Matarin Capital; Smith, Graham & Co.; and Strategic Global Advisors. Ms. Brewer seconded the motion.

Further discussion ensued.

Ms. Richardson amended the motion to also approve three trustees to attend the due diligence process. Following a second by Ms. Brewer, the motion, as amended, was unanimously approved.

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

5. Third Quarter 2017 Cash Requirements and Rebalancing (Attachment)

Dr. Peavy made a motion to approve the funding of the third quarter 2017 cash requirements and rebalancing as outlined on the attachment. Following a second by Ms. Brewer, the motion was unanimously approved.

6. August and September 2017 Board Meeting Dates

Because the City Council has scheduled Budget Workshops on regularly scheduled ERF Board Meeting dates in August and September 2017, the August Board Meeting is rescheduled to Thursday, August 10, 2017, at 9:00 A.M and the September Board Meeting is rescheduled to Thursday, September 14, 2017, at 8:00 A.M.

7. Possible Attendance at:

- a. Texas Association of Public Employee Retirement Systems (TEXPERS) 2017 Basic Trustee Training, Advanced Trustee Training, and Summer Educational Forum to be held August 13-15, 2017 (Attachment)
- b. Northern Trust Executive Summit to be held August 24-25, 2017 (Attachment)

Mr. Bowman made a motion to approve seven ERF representatives to attend the Texas Association of Public Employee Retirement Systems (TEXPERS) 2017 Basic Trustee Training, Advanced Trustee Training, and Summer Educational Forum and seven ERF representatives to attend the Northern Trust Executive Summit. Following a second by Ms. Richardson, the motion was unanimously approved.

8. Highlights of Past Conference(s)

There was no motion made on this item.

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

9. Reports and Recommendations by Executive Director and Staff:

- a. Asset Allocation Report
- b. Monthly Performance Report
- a. ERF at a Glance (Attachment)
- c. ERF Member Meetings (Attachment)

There was no motion made on this item.

10. **CLOSED SESSION (REAL ESTATE)**

Discussion of real estate will be closed to the public under the terms of Section 551.072 of the Texas Open Meetings Act.

- a. Renewal of Lease for Existing Facility
- b. New Lease for ERF Headquarters

The meeting then went into Closed Session at 11:29 a.m. under the provisions of Sections 551.072 (real estate) of the Texas Open Meetings Act for the purpose of discussing real estate matters.

The meeting reconvened at 12:27 p.m. No other matters were discussed in Closed Session.

- a. Renewal of Lease for Existing Facility

Mr. Bowman made a motion to give authority to the Executive Director to negotiate an extension to the Lease Agreement between POTA JV, LLC and the Employees' Retirement Fund of the City of Dallas on terms substantially similar to the ones presented to the Board, with authority to the Chair to approve modifications to those terms within reasonable discretion, and then sign the extension (subject to legal review). Following a second by Ms. Richardson, the motion was unanimously approved.

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

10. CLOSED SESSION (REAL ESTATE) (continued)

Discussion of real estate will be closed to the public under the terms of Section 551.072 of the Texas Open Meetings Act.

b. New Lease for ERF Headquarters

Ms. Brewer made the motion to approve lease according to the Letter of Intent terms discussed and to authorize the Chair to sign, pending legal approval. Ms. Richardson seconded the motion.

The motion was voted on as follows:

Aye – Mr. Jenkins, Ms. Brewer, Mr. Bowman, Mr. Kinton, Dr. Peavy, and Ms. Richardson

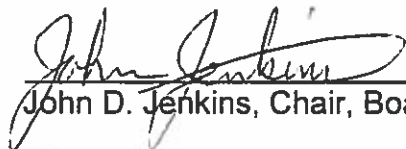
Nay – Mr. Kleinman

The motion was approved.

The Executive Director stated that there was no further business to come before the Board. The Board Chair adjourned the meeting at 12:30 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