

MINUTES

MEETING OF THE BOARD OF TRUSTEES

EMPLOYEES' RETIREMENT FUND OF THE CITY OF DALLAS

TUESDAY, MAY 9, 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, Dr. John W. Peavy III, and Tina B. Richardson

Absent: Lee M. Kleinman

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

Others Present: Ashley Alson, Don Anderson, Amanda Bonneau, Zaman Hemani, Ned McGuire, Stefan Smith, Kathy Stevenson, Thomas Toth, Lewis Ward, and Lori Winland

With a quorum present, the regular meeting of the Employees' Retirement Fund Board of Trustees was called to order at 9:05 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 April 13, 2017 regular meeting for approval.

Dr. Peavy moved approval of the Minutes of the Employees' Retirement Fund Board of Trustees April 13, 2017 regular meeting. Mr. Bowman seconded the motion and the Minutes of the Employees' Retirement Fund Board of Trustees April 13, 2017 regular meeting were unanimously approved.

Consent Agenda of May 9, 2017

Total Number of Retirees:	20
Total Number of Survivors:	5
Total Number of Termination/Redistribution of Survivor Benefits:	0
Total Number of QDRO Benefits:	2
Total Number of Small Estates:	5
Total Number of Large Estates:	5
Total Number of Disability Continuations:	4
Total Number of Deferred Vested:	12
Total Number of Final Calculations	0
Total Number of Corrections	1
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 May 9, 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 May 9, 2017 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 Meetings Act.

APPLICATIONS of Total and Permanent Disability Retirement:

Total Number of Disability Applications: 2

Dr. Peavy made a motion to approve the disability retirement applications. Following a second by Mr. Bowman, the motion was unanimously approved.

2. First Quarter 2017 Review by Thomas Toth of Wilshire Associates, Inc. (Attachments)

Ms. Brewer arrived at the meeting at 9:35 a.m.

There was no motion made on this item.

3. Asset Allocation Analysis by Thomas Toth and Ned McGuire of Wilshire Associates (Attachment)

There was no motion made on this item.

The meeting recessed at 10:51 a.m. The meeting reconvened at 11:09 a.m.

4. Avoiding Pitfalls: Factors Contributing to Active Management Success or Failure by Thomas Toth of Wilshire Associates (Attachment)

There was no motion made on this item.

5. Real Estate Investment Trust (REIT) Asset Class

a. REIT Asset Class and Active Management Review by Thomas Toth of Wilshire Associates (Attachment) Possible Action Plan

b. Possible Action Plan

There was no motion made on this item.

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

6. Northern Trust Update by Kathryn Stevenson, Don Anderson, and Ashley Alson of The Northern Trust Company (Attachment)

There was discussion on this item.

7. Amendment Number 5 to the Master Custody Agreement between the Employees' Retirement Fund of the City of Dallas and The Northern Trust Company (Attachment)

Ms. Brewer made a motion to approve Amendment Number 5 to the Master Custody Agreement between the Employees' Retirement Fund of the City of Dallas and The Northern Trust Company and authorize the Chair to sign. Following a second by Mr. Bowman, the motion was unanimously approved.

6. Northern Trust Update by Kathryn Stevenson, Don Anderson, and Ashley Alson of The Northern Trust Company (Attachment) (continued)

There was further discussion on this item.

There was no motion made on this item.

8. Review and Consideration of Possible Changes to Actuarial Assumptions Regarding Future Rate of Return on Investments and Inflation

Ms. Brewer made a motion to approve the change to the plan's actuarially assumed rate of return, which includes assumptions of the rate of return on plan investments and the rate of inflation, from 8.00% to 7.75%. Following a second by Mr. Bowman, the motion was unanimously approved.

9. Actuarial Valuation Report as of December 31, 2016 by Lewis Ward of Gabriel Roeder Smith & Company (Attachments)

Ms. Richardson made a motion to accept the results of the ERF Actuarial Valuation Report as of December 31, 2016. Following a second by Ms. Brewer, the motion was unanimously approved.

Mr. Bowman left the meeting at 12:55 p.m.

10. Legislative Update by Stefan Smith and Lori Winland of Locke Lord LLP

There was no motion made on this item.

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

11. Possible Attendance at:

- a. The Chief Investment Officer 2017 Summit to be held May 24-25, 2017 (Attachment)
- b. Institutional Investor Private Equity Summit to be held June 5, 2017 (Attachment)
- c. Pensions & Investments Global Future of Retirement to be held June 25-27, 2017 (Attachment)

Dr. Peavy made a motion to approve three ERF representatives to attend the Institutional Investor Private Equity Summit and one ERF representative to attend the Pensions & Investments Global Future of Retirement conference. Following a second by Ms. Brewer, the motion was unanimously approved.

12. Highlights of Past Conference(s)

There was no motion made on this item.

13. Reports and Recommendations by Executive Director and Staff:

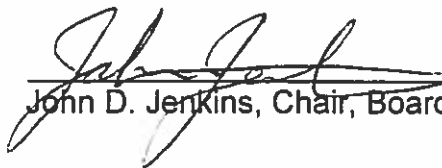
- a. Asset Allocation Report
- b. Monthly Performance Report
- c. ERF at a Glance (Attachment)

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 1:29 p.m.

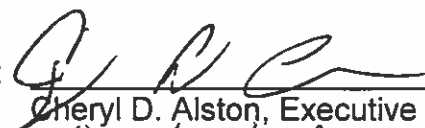
All materials presented at the meeting of the Board of Trustees are now part of the Official Minutes.

APPROVED:

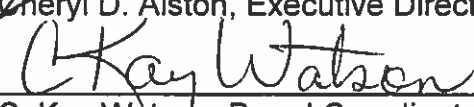


John D. Jenkins, Chair, Board of Trustees

ATTEST:



Cheryl D. Alston, Executive Director



C. Kay Watson, Board Coordinator