

MINUTES

MEETING OF THE BOARD OF TRUSTEES

EMPLOYEES' RETIREMENT FUND OF THE CITY OF DALLAS

TUESDAY, OCTOBER 10, 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, Deirdre Taylor and C. Kay Watson

Others Present: Zaman Hemani, 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 9:12 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 September 14, 2017 regular meeting for approval.

Dr. Peavy moved approval of the Minutes of the Employees' Retirement Fund Board of Trustees September 14, 2017 regular meeting. Mr. Kleinman seconded the motion and the Minutes of the Employees' Retirement Fund Board of Trustees September 14, 2017 regular meeting were unanimously approved.

Consent Agenda of October 10, 2017

Total Number of Retirees:	28
Total Number of Survivors:	7
Total Number of Termination/Redistribution of Survivor Benefits:	1
Total Number of QDRO Benefits:	0
Total Number of Small Estates:	6
Total Number of Large Estates:	0
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 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 October 10, 2017 regular meeting. Ms. Richardson 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 October 10, 2017 regular meeting was unanimously approved.

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INDIVIDUAL ITEMS – DISCUSSION OF AND/OR APPROVAL OF:

1. Request for Proposals for Real Estate Investment Trust (REIT) Managers

Ms. Brewer arrived at the meeting at 9:13 a.m.

Mr. Bowman made a motion to approve the RFP issuance for Real Estate Investment Trust (REIT) Managers. Following a second by Ms. Richardson, the motion was unanimously approved.

2. Revisions to the ERF General Investment Policy (Attachment)

Mr. Kinton made a motion to defer this item and asked staff to come back with a presentation on how the program has performed the past five years. Mr. Bowman seconded the motion.

Further discussion ensued.

The motion was voted on as follows:

Aye – Mr. Kinton

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

The motion failed.

Further discussion ensued.

Dr. Peavy made a motion to approve the ERF General Investment Policy to reflect the Next Generation Investment Manager Program range be changed from a minimum of 10%, to a minimum of 10% allocation with a range of 5% to 15% as it applies throughout the policy. Ms. Richardson seconded the motion.

The motion was voted on as follows:

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

No – Mr. Kinton

The motion was approved.

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

3. Finals Presentations and Selection of Next Generation Investment Manager(s) – Equity (Attachment)
 - a. Ariel Investments by Rupal Bhansali and Malik Murray (Attachment)

The meeting recessed at 10:43 a.m. The meeting reconvened at 10:51 a.m.

- b. Ativo Capital Management by Ricardo Bekin, Michael Brooks and Kelly O'Malley (Attachment)

The meeting recessed at 11:32 a.m. The meeting reconvened at 11:37 a.m.

- c. Matarin Capital Management by Nili Gilbert, Stuart Kaye and Valerie Malter (Attachment)

The meeting recessed at 12:06 p.m. The meeting reconvened at 12:12 p.m.

- d. Smith, Graham and Co. by William Charcalis and Lynda Leslie (Attachment)

Mr. Kleinman left the meeting at 12:13 p.m.

There was no motion made on this item at that time.

The meeting recessed at 12:41 p.m. The meeting reconvened at 12:55 p.m.

4. ERF Equity Investment Manager Review (Attachment)

There was no motion made on this item.

3. Finals Presentations and Selection of Next Generation Investment Manager(s) – Equity (continued)

Further discussion ensued.

Ms. Richardson made a motion to hire Ariel Investments as a Next Generation Investment Manager – Global Equity with a 2% portfolio allocation to be moved from the Northern Trust International Equity ACWI Index Fund and authorize the Chair to sign the contract, pending legal review. Following a second by Dr. Peavy, the motion was unanimously approved.

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

3. Finals Presentations and Selection of Next Generation Investment Manager(s) – Equity (continued)

Ms. Richardson made a motion to hire Ativo Capital Management as a Next Generation Investment Manager – International Equity with a 1% portfolio allocation to be moved from Barings International and authorize the Chair to sign the contract, pending legal review. Following a second by Dr. Peavy, the motion was unanimously approved.

Further discussion ensued.

Mr. Kinton made a motion to hire Smith, Graham and Co. as a Next Generation Investment Manager – Mid-cap Equity with a 2% portfolio allocation to be moved from the NTGI S&P 500 Equity Index Fund and authorize the Chair to sign the contract, pending legal review. Ms. Brewer seconded the motion.

Further discussion ensued.

The motion was unanimously approved.

5. Possible Attendance at:

- a. Southern Methodist University Presents Commerce Street Investment Conference to be held October 19, 2017 (Attachment)
- b. The Private Equity and Secondaries Investor Summit 2017 to be held November 30 – December 1, 2017 (Attachment)
- c. 2018 National Conference on Public Employee Retirement Systems (NCPERS) Legislative Conference to be held January 28-30, 2018 (Attachment)

Mr. Bowman made a motion to approve eight ERF representatives to attend the Southern Methodist University Presents Commerce Street Investment Conference, three ERF representatives to attend The Private Equity and Secondaries Investor Summit 2017 and four ERF representatives to attend the 2018 National Conference on Public Employee Retirement Systems (NCPERS) Legislative Conference. Following a second by Ms. Brewer, the motion was unanimously approved.

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

7. Reports and Recommendations by Executive Director and Staff:
 - a. Asset Allocation Report
 - b. Monthly Performance Report

Mr. Bowman left the meeting at 1:25 p.m.

- c. ERF at a Glance (Attachment)

There was no motion made on this item.

6. Highlights of Past Conference(s)

There was no motion made on this item.

8. CLOSED SESSION (LEGAL)

Discussion of legal matters will be closed to the public under the terms of Section 551.071 of the Texas Open Meetings Act.

Dallas City Code Chapter 8, Boards and Commissions

The meeting then went into Closed Session at 1:30 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 2:01 p.m. No other matters were discussed in Closed Session. There was no motion made on this item.

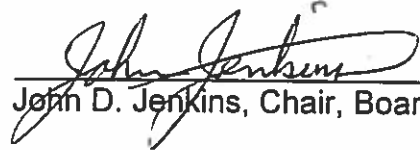
The Executive Director stated that there was no further business to come before the Board. The Board Chair adjourned the meeting at 2:01 p.m.

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

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

APPROVED:



John D. Jenkins, Chair, Board of Trustees

ATTEST:



Cheryl D. Alston, Executive Director



C. Kay Watson, Board Coordinator