

MINUTES

MEETING OF THE BOARD OF TRUSTEES

EMPLOYEES' RETIREMENT FUND OF THE CITY OF DALLAS

TUESDAY, DECEMBER 12, 2023

1920 MCKINNEY AVENUE

10th FLOOR

PARKVIEW AT 1920 MCKINNEY

9:00 A.M.

This Employees' Retirement Fund of the City of Dallas Board meeting was held by videoconference and at 1920 McKinney Avenue, 10th Floor.

Meeting: Henry Talavera presiding

Present: Henry Talavera, Carla Brewer, Sunil King, John W. Peavy III, Dupree Scovell, Tina B. Richardson and Mark Swann

Absent: None

Staff: Cheryl D. Alston, Edward Scott, David K. Etheridge, Natalie Jenkins Sorrell, Josh Berman, Ruby Castelano, Melissa Harris, Kate Shaw, and Jaladhi Shukla

Others Present: Daniel Rutter, Stefan Smith, Kathryn Stevenson and Thomas Toth

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 Henry Talavera, Board Chair.

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DISCUSSION AND APPROVAL OF:

The Deputy Executive Director presented the Minutes of the Employees' Retirement Fund Board of Trustees October 10, 2023 regular meeting for approval.

Mr. Scovell moved approval of the Minutes of the Employees' Retirement Fund Board of Trustees October 10, 2023 regular meeting. Mr. Swann seconded the motion and the Minutes of the Employees' Retirement Fund Board of Trustees October 10, 2023 regular meeting were unanimously approved.

Ms. Richardson arrived at the meeting at 9:12 a.m.

Consent Agenda of November 15, 2023

Approved November 21, 2023, by the Executive Director According to Resolution 2015-2

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|--|-----|
| Total Number of Retirees: | 12* |
| Total Number of Survivors: | 15* |
| Total Number of Termination/Redistribution of Survivor Benefits: | 0 |
| Total Number of QDRO Benefits: | 1* |
| Total Number of Estates: | 8* |
| Total Number of Disability Retirement Applications: | 0 |
| Total Number of Disability Continuations: | 9* |
| Total Number of Deferred Vested: | 1* |
| Total Number of Recalculations: | 0 |
| Total Number of Corrections: | 0 |
| Total Number of Resolution 2015-2 Retirements (Hardship): | 46* |

*** Number of Retirements Approved to be Paid Under Resolution 2015-2**

In accordance with Resolution 2015-2 the Consent Agenda of November 15, 2023, was approved by the Executive Director on November 21, 2023.

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DISCUSSION AND APPROVAL OF: (continued)

Consent Agenda of December 12, 2023

| | |
|--|----|
| Total Number of Retirees: | 22 |
| Total Number of Survivors: | 1 |
| Total Number of Termination/Redistribution of Survivor Benefits: | 0 |
| Total Number of QDRO Benefits: | 0 |
| Total Number of Estates: | 3 |
| Total Number of Disability Continuations: | 0 |
| Total Number of Deferred Vested: | 9 |
| Total Number of Recalculations: | 0 |
| Total Number of Corrections: | 0 |
| Total Number of Resolution 2015-2 Retirements (Hardship): | 0 |

Mr. King moved to approve the Consent Agenda of the Employees' Retirement Fund of the City of Dallas at the Employees' Retirement Fund Board of Trustees December 12, 2023 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 December 12, 2023 regular meeting was unanimously approved.

INDIVIDUAL ITEMS – DISCUSSION AND/OR APPROVAL OF:

1. Presentation by Daniel Rutter of HUB International Insurance Services (Attachment)

Discussion, Consideration and Proposed Action to Approve Renewal of Fiduciary Liability, Excess Fiduciary Liability, Commercial Package (Property and General Liability Insurance) & Cyber Security Insurance Policies Effective January 13, 2024

Ms. Brewer arrived at the meeting at 9:20 a.m.

Dr. Peavy made a motion to approve the Renewal of Fiduciary Liability, Excess Fiduciary Liability, Commercial Package (Property and General Liability Insurance) & Cyber Security Insurance Policies, as presented to the board, to be effective as of January 13, 2024, subject to the Chair receiving additional information and assurances regarding the coverage as promised by Mr. Rutter to the Chair. Following a second by Mr. Swan the motion was unanimously approved.

2. Third Quarter 2023 Review by Thomas Toth of Wilshire Advisors LLC (Attachments)

There was no motion made on this item.

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

3. Discussion, Consideration and Possible Action to Approve Weaver and Tidwell, L.L.P. Engagement Letter

Mr. King made a motion to approve the Weaver and Tidwell, L.L.P. Engagement Letter. Following a second by Mr. Swann, the motion was unanimously approved.

4. Discussion, Consideration and Possible Action on Ariel Investments, LLC (Attachment)

Ms. Richardson made a motion to approve extending the Ariel Investments LLC watch period to May 2024. The motion was seconded by Dr. Peavy.

There was discussion.

The motion was unanimously approved.

5. Discussion, Consideration and Possible Action on Ativo Capital Management LLC (Attachment)

Dr. Peavy made a motion to approve extending the Ativo Capital Management LLC watch period to May 2024. Following a second by Mr. King, the motion was unanimously approved.

6. Discussion, Consideration and Possible Action to Revise BlackRock Guidelines (Attachments)

Mr. Scovell made a motion to approve the requested manager guideline changes as noted and authorize the Board Chair to sign. Following a second by Mr. King, the motion was unanimously approved.

7. Discussion, Consideration and Possible Action on Smith, Graham and Co., Investment Advisors L.P. (Attachment)

Mr. King made a motion to approve the Smith, Graham and Co. watch period to June 2024. Ms. Richardson seconded.

There was discussion.

The vote was as follows:

Aye-Mr. Swann, Ms. Brewer, Mr. Talavera, Ms. Richardson, Mr. King and Mr. Scovell

Nay- None

Abstain- Dr. Peavy

The motion was approved.

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

8. Discussion, Consideration and Possible Action to revise T. Rowe Price Associates Inc. Guideline (Attachments)

Mr. King made the motion to approve the requested T. Rowe Price Associates Inc. manager guideline changes as noted and authorize the Board Chair to sign. Ms. Richardson seconded the motion.

There was discussion.

The motion was unanimously approved.

9. 2023 Strategic Plan (Attachment)

There was no motion made on this item.

The meeting recessed at 10:49 a.m.

The meeting reconvened at 11:04 a.m.

10. Milliman Inc. Agreement for Actuarial Validations and Compensation Study of Civilian Members (Attachment)

Ms. Richardson made a motion to approve an agreement with Milliman Inc. to provide actuary services to ERF in an amount not to exceed \$85,000 and authorize the Board Chair to sign. Mr. Swann seconded the motion.

There was discussion.

The motion was unanimously approved.

11. Reports and Recommendations by Executive Director and Staff:

- a. Asset Allocation Report / Cash Rebalance

October 2023 (Attachment)

November 2023

There was no motion made on this item.

- b. Monthly Performance Report

October 2023 (Attachment)

November 2023

There was no motion made on this item.

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

11. Reports and Recommendations by Executive Director and Staff: (continued)

c. ERF at a Glance (Attachments)

October 2023

November 2023

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 4.433% for Tier A and 3.00% for Tier B, effective January 1, 2024.

There was no motion made on this item.

Mr. Swann left the meeting at 11:35 a.m.

12. Executive Director Performance Review

The open meeting closed at 11:36 a.m.

The Board of Trustees convened in a Closed Executive Session at 11:36 a.m. pursuant to the Texas Government Code Section 551.071 for the purpose of consultation with legal counsel, as well as Texas Government Code Section 551.074 for the purpose of personnel matters.


The Board of Trustees reconvened its open meeting at 12:41 p.m.

Ms. Richardson made a motion to approve the salary for the Executive Director at the highest rate and level of merit increase standard that is permitted by law (e.g. “exceptional” = 5%), and authorizing and directing the City of Dallas, HR Department, to pay this authorized increase through its payroll system. Following a second by Mr. King, the motion was unanimously approved.

The Deputy Executive Director stated that there was no further business to come before the Board. The Board Chair adjourned the meeting at 12:43 p.m.

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

APPROVED: Henry Talavera
Henry Talavera (Dec 26, 2023 17:58 CST)
Henry Talavera, Chair, Board of Trustees

ATTEST: 
cherylalston (Dec 26, 2023 23:40 CST)
Cheryl D. Alston, Executive Director

Tiffany McGraw
Tiffany McGraw, Board Coordinator












12 December 12th

Final Audit Report

2023-12-27

| | |
|-----------------|--|
| Created: | 2023-12-26 |
| By: | Tiffany McGraw (tmcgraw@dallaserf.org) |
| Status: | Signed |
| Transaction ID: | CBJCHBCAABAAUNnWnLx7h9t8Hw1y9lSX5H7ReU44iBcO |

"12 December 12th" History

-  Document created by Tiffany McGraw (tmcgraw@dallaserf.org)
2023-12-26 - 11:56:23 PM GMT
-  Document emailed to htalavera@polsinelli.com for signature
2023-12-26 - 11:56:58 PM GMT
-  Email viewed by htalavera@polsinelli.com
2023-12-26 - 11:57:14 PM GMT
-  Signer htalavera@polsinelli.com entered name at signing as Henry Talavera
2023-12-26 - 11:58:22 PM GMT
-  Document e-signed by Henry Talavera (htalavera@polsinelli.com)
Signature Date: 2023-12-26 - 11:58:24 PM GMT - Time Source: server
-  Document emailed to cheryl alston (calston@dallaserf.org) for signature
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-  Email viewed by cheryl alston (calston@dallaserf.org)
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✔ Agreement completed.

2023-12-27 - 2:30:01 PM GMT