

**Minutes of the  
Regular Meeting of the  
Board of Trustees of the  
Fire and Police Pension Fund, San Antonio  
11603 W. Coker Loop, Suite 201  
San Antonio, Texas  
September 25, 2019**

**PRESENT:** Chairman Jim Smith, Police Representative; Vice Chairman Dean Pearson, Fire Representative; Councilman Clayton Perry; Councilwoman Dr. Adriana Rocha Garcia; J. T. Trevino, Fire Representative; Jimmy Foster, Police Representative; Larry Reed, Fire Retiree Representative.

**ABSENT:** Mayoral Designee Justin Rodriguez; Harry Griffin, Police Retiree Representative.

**OTHERS  
PRESENT:**

Warren Schott, Mark Gremmer, Gail Jensen, Rick Matye, Cary Hally, Jason Hsu, Giovanni Nunez, Beatrice Ahrens, Pension Fund Staff; Frank Burney, Martin & Drought.

At 9:04 a.m., Chairman Smith called the meeting to order. Roll was called, and a quorum was declared present.

At this time, Chairman Smith administered the Oath of Office to Councilwoman Dr. Adriana Rocha Garcia.

The Board then recessed to Executive Session at 9:07 a.m., pursuant to Texas Govt. Code §551.071, and reconvened at 9:53 a.m.

Councilman Perry left the meeting at 9:50 a.m.

**MINUTES:** Mr. Foster moved to approve the minutes of the regular board meeting held August 28, 2019. The motion was seconded by Vice Chairman Pearson, and it carried unanimously.

**EDUCATIONAL  
OPPORTUNITIES**

**PRESENTATIONS:** Mr. Schott provided a report on the Public Funds Forum he attended. A copy of the report is attached to the September 25, 2019 minutes.

Mr. Matye provided a report on the PensionGold Teaming Conference he attended. A copy of the report is attached to the September 25, 2019 minutes.

Councilwoman Adriana Rocha Garcia left the meeting at 9:59 a.m.

**EDUCATIONAL**

**OPPORTUNITIES:** Vice Chairman Pearson moved to authorize Board members and appropriate staff to attend the following conferences:

1. 2019 Governmental Accounting & Single Audits Conference  
September 30-Oct. 1, 2019

2. EMG Annual Meeting  
November 4-5, 2019
3. National Pension & Institutional Investment Summit  
November 5-6, 2019
4. INVESCO Real Estate Client Conference  
November 5-7, 2019
5. USAA Real Estate Client Conference  
November 13-15, 2019
6. Paladin Realty Partners' Annual Meeting  
November 20-22, 2019

The motion was seconded by Mr. Reed, and it carried unanimously.

**APPLICATIONS,  
ADJUSTMENTS  
AND REFUND OF**

**CONTRIBUTIONS:** Mr. Trevino made a motion to approve the following pension and beneficiary pension applications:

Pension Applications

1. A 30 year, 2 month service pension for Police Officer Arthur De Hoyos, Jr., effective September 1, 2019.
2. A 32 year, 11 month service pension for Deputy Fire Chief Yvette B. Granato, effective September 1, 2019.
3. A 31 year, 10 month service pension for Fire Engineer Lawrence Hernandez, effective September 1, 2019.
4. A 30 year, 2 month service pension for Police Sergeant William D. Rohn, effective September 1, 2019.

Beneficiary Applications

1. A beneficiary pension for Mrs. Juliana K. Carlo, widow of Active Police Lieutenant Anthony V. Carlo, effective August 7, 2019.
2. A lump sum death benefit for Mrs. Antonia F. Lestourgeon, widow of Retired Police Officer Bruce H. Lestourgeon, effective August 10, 2019.

The motion was seconded by Vice Chairman Pearson, and it carried unanimously.

**EXECUTIVE  
DIRECTOR  
REPORT:****POLICE CADET CLASS 2019-A – GRADUATION AUGUST 30, 2019**

Mr. Trevino made a motion to approve Police Cadet Class 2019-A into the membership. The motion was seconded by Mr. Foster, and it carried unanimously.

**FIRE CADET CLASS 2019-A – GRADUATION SEPTEMBER 20, 2019**

Vice Chairman Pearson made a motion to approve Fire Cadet Class 2019-A into the membership. The motion was seconded by Mr. Trevino, and it carried unanimously.

**FINANCIAL REPORT FOR PERIOD ENDING JULY 31, 2019**

The Statement of Net Plan Assets for the period ending July 31, 2019 were unavailable.

**COMMITTEE  
REPORTS:****PERSONNEL/AUDIT COMMITTEE**

Mr. Trevino reported the Personnel/Audit Committee met on September 24th to discuss the renewal of the Administrative Services Contract with the City of San Antonio. The original contract provides for a one-year term, ending September 30, 2019, but it allows the parties to renew the contract for up to four additional one-year periods. The Committee recommends the Board approve a one-year renewal of the Contract. Mr. Trevino then made a motion on behalf of the Committee to approve. The motion was seconded by Vice Chairman Pearson, and it carried unanimously.

The Committee also reviewed an amended Securities Class Action Litigation Policy. Over the years, the practice of securities litigation has evolved, and the Fund's current policy does not reflect that evolution. In particular, the rules regarding cases involving foreign securities have changed significantly. As such, Staff provided language addressing this and other issues. In addition, the new policy sets a limit of up to five law firms that will monitor the Fund's investments for potential class action claims. The previous policy did not have a limit. The Committee recommends the Board approve the amended Securities Litigation Policy. Mr. Trevino then made a motion on behalf of the Committee to approve. The motion was seconded by Mr. Foster, and it carried unanimously.

### **DISABILITY COMMITTEE**

Vice Chairman Pearson reported that the Disability Committee did not have a meeting in September, but that the Fund has received a Catastrophic Disability Pension Application for Firefighter Brad Phipps. Mr. Phipps has completed the application itself, but has not yet submitted all of the supporting documentation. Once the Fund receives all of the required documentation, the Committee will schedule a meeting to review the application and if it complies with the Fund's Pension Law, the Committee will schedule the application for its first hearing at the following Board Meeting, in accordance with the Fund's process.

### **LEGISLATIVE COMMITTEE**

No report.

### **INVESTMENT COMMITTEE**

Mr. Reed stated the Investment Committee met on Wednesday, September 18<sup>th</sup>.

The first item on the agenda was a presentation by Attucks on the ongoing search for an emerging manager within the domestic large cap growth and large cap core space. After presenting numerous options, the Committee narrowed the finalists to four managers. The Investment Committee voted unanimously to conduct on-site due diligence with Zevenbergen Capital Investments, DL Carlson Investment Group, Granite Investment Partners, and Martin Capital Advisors.

The next item on the agenda was an update on the ongoing distressed private debt search. Staff has been working with NEPC to narrow down a list of finalists. At this point, staff have identified three strong candidates and are collaborating with NEPC to conduct further due diligence. NEPC is also screening its database for potential candidates. At the October Committee meeting, the Committee will be provided a list of finalists to consider for on-site due diligence visits, as well as potential dates for those visits.

The next item on the agenda was a discussion regarding a potential re-up with Bloomfield Capital Income Fund V. Bloomfield provides bridge loans to real estate operators and investors. In 2017, the Fund made a \$15 million commitment to Bloomfield's third fund. That fund has achieved a 10.5% net IRR at the fund level. The Investment Committee recommends committing \$16 million to Bloomfield Capital Income Fund V. Mr. Reed then made a motion on behalf of the Committee to approve. The motion was seconded by Vice Chairman Pearson, and it carried unanimously.

The final item on the agenda was a discussion regarding a potential re-up with Exeter Industrial Value Fund V. Exeter, an industrial real estate investor, has worked for the Pension Fund since 2011, when the pension

fund committed \$15 million to Fund II. The Pension Fund later committed \$15 million each to funds III and IV. Funds II and III have achieved 30% net IRRs. Fund IV, which is still making investments, has achieved a 12% net IRR. Given the strong performance, Staff and Townsend recommended committing to Exeter's Fund V. The Investment Committee concurred and recommends committing \$20 million to Exeter Industrial Value Fund V. Mr. Reed then made a motion on behalf of the Committee to approve. The motion was seconded by Mr. Foster, and it carried unanimously.

**SAN ANTONIO F&P PROPERTY HOLDING CORPORATION**

Mr. Foster reported that the Property Holding Corporation did not meet this month but will be scheduling a meeting in October to receive its quarterly update on the three office buildings owned directly by the Fund.

**DISBURSEMENTS:** Mr. Reed made and Mr. Trevino seconded a motion to approve paying the bills, which was unanimously approved. (See attached disbursements dated September 25, 2019.)

**MEMBERS TO  
BE HEARD:**

None.

**ADJOURNMENT:** Mr. Trevino made a motion to adjourn the meeting at 10:19 a.m. The motion was seconded by Mr. Foster, and it carried unanimously.

**APPROVED BY THE BOARD OF TRUSTEES AT THE REGULAR  
MEETING HELD ON OCTOBER 30, 2019.**

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**Jim Smith, Chairman**

**ATTEST:**

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**Dean Pearson, Vice Chairman**