

**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 26, 2017**

PRESENT: Chairman J. T. Trevino, Fire Representative; Vice Chairman Jim Smith and Jimmy Foster, Police Representatives; Dean Pearson, Fire Representative; Larry Reed, Fire Retiree Representative.

ABSENT: Harry Griffin, Police Retiree Representative; Mayor Ron Nirenberg.

OTHERS

PRESENT: Warren Schott; Mark Gremmer, Gail Jensen, Beatrice Ahrens, Rick Matye, Pension Fund Staff; Frank Burney, Martin & Drought.

At 9:02 a.m., Chairman Trevino called the meeting to order. Roll was called, and a quorum was declared present.

At this time, Chairman Trevino requested the Personnel/Audit Committee provide its report.

PERSONNEL/AUDIT COMMITTEE

Vice Chairman Smith reported that the Personnel/Audit Committee met on September 15th to receive information from staff regarding a Cybersecurity Assessment. Staff had contacted four firms and provided their proposals and capabilities to the Committee. After a thorough review, the Committee unanimously approved a motion to recommend Digital Defense for the cybersecurity assessment. At this time, representatives from Digital Defense who were in attendance at the Board meeting provided a brief overview of their firm and capabilities to the Board.

Vice Chairman Smith then made a motion to hire Digital Defense to conduct a cybersecurity assessment for the Fund. The motion was seconded by Mr. Reed, and it carried unanimously.

MINUTES: Mr. Smith moved to approve the minutes of the regular meeting held August 30, 2017. The motion was seconded by Mr. Pearson, and it carried unanimously.

EDUCATIONAL

OPPORTUNITIES: Mr. Reed moved to authorize Board members and appropriate staff to attend the following conferences:

1. USAA Real Estate Investor Conference
October 18-20, 2017
2. INVESCO Real Estate Client Conference
November 7-9, 2017

3. National Pension & Institutional Investment Summit
November 13-14, 2017
4. Texas Institutional Investor Forum
November 16, 2017

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

**APPLICATIONS,
ADJUSTMENTS
AND REFUND OF**

CONTRIBUTIONS: Vice Chairman Smith made a motion to approve the following pension applications:

Pension Applications

1. A 30 year, 7 month service pension for Police Sergeant Brian E. Custard, effective September 1, 2017.
2. A 20 year service pension for Police Officer Robert A. Ingram, effective September 10, 2017.
3. A 31 year, 8 month service pension for Firefighter Ernest Aleman, Jr., effective October 1, 2017.
4. A 32 year, 7 month service pension for Police Officer Jose R. Garcia, effective October 1, 2017.
5. A 37 year, 3 month service pension for Fire Engineer Joseph L. Jarmon, effective October 1, 2017.
6. A 33 year, 2 month service pension for Detective Investigator Thomas L. McGowan, effective October 1, 2017.
7. A 34 year, 1 month service pension for Fire Engineer Jaime M. Reyes, effective October 1, 2017.
8. A 32 year service pension for Police Officer Herbert Smith, effective October 1, 2017.
9. A 33 year, 6 month service pension for District Fire Chief Lawrence C. Trevino, effective October 1, 2017.

Beneficiary Pension

1. A beneficiary pension for Mrs. Emma Dean Quintana, widow of Retired Detective Investigator Robert J. Quintana, effective July 31, 2017.

Refund of Contributions

1. A 12 year, 4 month refund of contributions for Police Officer Christopher Redman, effective September 6, 2017.

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

The Board congratulated Mr. Jaime M. Reyes who was in attendance at the meeting.

**EXECUTIVE
DIRECTOR
REPORT:**

ADMINISTRATIVE SERVICES CONTRACT

Mr. Schott provided the Board with a copy of the Administrative Services Contract Renewal and requested Board's approval. Mr. Reed made a motion to approve. The motion was seconded by Mr. Pearson, and it carried unanimously.

POLICE CADET CLASS 2017-A – GRADUATION SEPT. 1, 2017

Mr. Schott requested Board's approval to accept Police Cadet Class 2017-A into the membership. Vice Chairman Smith made a motion to approve. The motion was seconded by Mr. Foster, and it carried unanimously.

BENEFITS SPECIALIST POSITION

Mr. Schott informed the Board that Christina Polk-Lopez had turned in her resignation and staff will begin the process to post for this position.

PRIVATE EQUITY/DEBT MANAGER WORKSHOP

Mr. Schott informed the Board of the upcoming Private Equity/Debt Manager Workshop. The meeting will begin promptly at 8:00 a.m. on Wednesday, October 18th and will be an all-day event.

FINANCIAL REPORT FOR PERIOD ENDING AUGUST 31, 2017

Mr. Gremmer reported that the Statement of Net Plan Assets for the period ending August 31, 2017 were \$3,070,894.284.86.

**COMMITTEE
REPORTS:**

PERSONNEL/AUDIT COMMITTEE

Report provided on Page 1 on these minutes.

DISABILITY COMMITTEE

Mr. Pearson stated the Disability Committee met on September 15th to finalize the review of the disability pensions as it relates to their outside income. The Committee had requested staff provide the Committee with the specific jobs of several pensioners earning income in spite of their disability pension. The Committee wants to ensure that there are no disability pensioners that are physically able to return to work. Staff provided the information and the Committee took no action on any of the disability pensioners. The Committee did however ask for additional information on one of the disability pensioner's job duties. Staff will provide the information at the next Disability Committee meeting.

LEGISLATIVE COMMITTEE

No report.

INVESTMENT COMMITTEE

Mr. Reed stated the Investment Committee held a meeting on Wednesday, September 20, 2017.

The first item on the agenda was the finalists' presentations for the Emerging Manager Large Cap search. Representatives from Mar Vista Investment Partners, NorthPointe Capital, Seizert Capital Partners, South Texas Money Management, and Suffolk Capital Management presented their respective capabilities to the Committee. The Investment Committee recommends allocating to the following:

- \$10 million to NorthPointe Capital Large Cap Value **3rd party marketer used by NorthPointe*
- \$10 million to Seizert Capital Partners Large Cap Value
- \$10 million to South Texas Money Management All Cap Core
- \$10 million to Suffolk Capital Management Large Cap Growth

Mr. Reed then made a motion on behalf of the Committee to approve. The motion was seconded by Vice Chairman Smith, and it carried unanimously.

Next item on the agenda was a discussion regarding a Large Cap Value search. The Investment Committee recommends starting a search for a Large Cap Value manager. Mr. Reed then made a motion on behalf of the Committee to approve. The motion was seconded by Mr. Foster, and it carried unanimously.

Last on the agenda was an update regarding The Townsend Group. Townsend announced that its current majority owner, Colony NorthStar, has sold its stake to Aon. Aon is a leading provider of risk, retirement, and health services. The Investment Committee consented to the sale.

Also, subsequent to the Investment Committee Meeting, one of the Fund's hedge fund managers, DaVinciRe Holdings Ltd. had informed Staff of a potential add-on investment opportunity. After some discussion, Vice Chairman Smith made a motion to commit to purchase our pro rata share of the new shares as well as additional shares up to a total of \$7.5 million that may be available. The motion was seconded by Mr. Pearson, and it carried unanimously.

SAN ANTONIO F&P PROPERTY HOLDING CORPORATION

Mr. Pearson reported the Board of Directors of the Property Holding Corporation did not have a meeting this month. The next meeting is tentatively planned for October. At that meeting, the Committee will be getting an update on the leasing activity as well as discussing the possibility of expanding the Pension Fund's offices into a portion of the space across the hall.

DISBURSEMENTS: Mr. Pearson made and Mr. Foster seconded a motion to approve paying the bills, which was unanimously approved. (See attached disbursements dated September 26, 2017).

**MEMBERS TO
BE HEARD:**

Michael Trainer, President of Pensioner's Association, requested if and when the Fund expands its office space, that the Board consider allowing the Pensioner's Association to utilize a small portion of that space for storage and/or for conducting Association business. Warren Schott informed the Board the Fund will not be lead plaintiff in the HD Supply Holdings, Inc. securities litigation case.

ADJOURNMENT: Mr. Foster made a motion to adjourn the meeting at 10:17 a.m. The motion was seconded by Mr. Reed, and it carried unanimously.

**APPROVED BY THE BOARD OF TRUSTEES AT THE REGULAR
MEETING HELD ON OCTOBER 25, 2017.**

J. T. Trevino, Chairman

ATTEST:

Jim Smith, Vice Chairman