

**MINUTES OF THE  
TEXAS MUNICIPAL RETIREMENT SYSTEM  
Meeting of the Board of Trustees**

**January 24, 2020 – 12:00 p.m.**

On January 24, 2020, the Board of Trustees of the Texas Municipal Retirement System (TMRS) convened for a meeting at 12:00 p.m. at TMRS Headquarters, located at 1200 North IH 35 in Austin, Texas, with the following members present:

**Board of Trustees**

Bill Philibert, Chair  
David Landis, Vice Chair  
Julie Oakley  
Jim Jeffers  
Jesús Garza

Absent:  
Jim Parrish

**Present also were:**

David Gavia, Executive Director  
Eric Davis, Deputy Executive Director  
TJ Carlson, Chief Investment Officer  
Christine Sweeney, General Counsel  
Dan Wattles, Director of Governmental Relations  
Leslee Hardy, Director of Actuarial Services  
Leslie Ritter, Director of Human Resources  
Rhonda Covarrubias, Director of Finance  
Bill Wallace, Director of Communications  
Sandra Vice, Director of Internal Audit  
Chris Schelling, Director of Private Equity  
Karen Jackson, Executive Assistant  
Robert Klausner, Klausner, Kaufman, Jensen & Levinson  
Marcia Beard, RVK  
Gary Hudepohl, Hudepohl & Associates

**Also in attendance:**

Nick O'Keefe, Lead Investment Attorney  
Kelsey Baldwin, Investment Attorney  
Cindy Morse, Investment Support Analyst  
Peter Teneriello, Private Equity Analyst II

Mr. Philibert called the meeting to order at 12:02 p.m. and Mr. Jeffers gave the invocation.

Mr. Philibert announced that the January Board of Trustees meeting would be Mr. Jeffers last Board meeting due to his retirement from the City of Nacogdoches. He was recognized for his long career in city government and for his contributions as a TMRS Board member. Mr. Jeffers expressed his gratitude and stated that his service on the TMRS Board has been a highlight of his career, and it has been a pleasure to serve the System.

**1. Consider and Act on Private Equity Manager Search Recommendation**

Mr. Schelling and Mr. Teneriello presented the manger recommendation for Private Equity. The proposed top-up allocation to one private equity manager totals \$25 million, and will be allocated to the 2019 vintage year pacing plan to align it with the original investment approval of \$50 million, which was given by the Board in September 2019.

Mr. Schelling reviewed the recommendation for the FTV VI, L.P. (FTV VI), due diligence processes, and portfolio construction. This capacity was not available at the time of the original allocation. Now that the capacity is available, in a top performing fund, the recommendation is being brought forward.

Ms. Oakley moved that the Board approve the following:

(i) Authorize the following allocation(s), each as proposed and in accordance with the TMRS Investment Policy Statement, with an additional investment allocation up to the amount set out below and at fees no greater than presented in the TMRS Staff Memo to Board, each individually contingent on favorable background checks, if required below, and successful negotiation of the investment agreements:

Name of Investment Manager, Investment Fund, or Fund Strategy	Asset Class Strategy	Additional Investment Allocation	Background Check Required (Yes or No)
FTV VI, L.P. ("FTV VI")	Growth Equity	\$25 million (top-up)	Yes

(ii) Approve and incorporate by reference for all purposes the Board Standard Investment Authorizations for each such investment allocation.

Mr. Landis seconded the motion; which passed 5-0.

**2. Consider and Act on Election of Board Officers for 2020**

Mr. Philibert introduced the election of Board Officers for 2020. Since not all members of the Board were present at the December 5, 2019 Board meeting, the Board voted at the December meeting to re-appoint the current officers (Chair – Bill Philibert; Vice Chair – David Landis) until the next Board meeting and include the election of officers on the agenda of that meeting.

Ms. Oakley moved that the Board approve Mr. Philibert to be the Chair of the TMRS Board of Trustees for 2020 and Mr. Landis serve as the Vice Chair. Mr. Garza seconded the motion; which passed 5-0.

**3. Executive Director Search Update**

Mr. Hudepohl provided a brief update on the Executive Director Search process.

Mr. Hudepohl indicated that the process has gone well. Results of the search to date are as follows:

- 235 recruiting contacts
- Over 40 applications
- 26 phone interviews
- 14 expected personal interviews with "high interest" candidates

The search is on schedule and has been very positive due to the financial status of the System, Mr. Gavia's reputation, and the economic conditions in Texas. Mr. Hudepohl indicated there were several candidates of high interest.

Mr. Philibert asked for a definition of "high interest" candidates. Mr. Hudepohl provided that candidates of high interest "check the box" on a number of key factors.

**4. Executive Session**

At 12:16 p.m., the Board entered into Executive Session, pursuant to Texas Government Code §§551.071 and 551.074 to consult with Legal Counsel to receive legal advice, and to discuss personnel matters. No action was taken during the Executive Session. The meeting was opened to the public again at 1:45 p.m. and all members of the Board that were present before the Executive Session were still present.

**5. Call for Future Agenda Items**

Mr. Garza asked about Committee appointments, which should be on the February Board meeting agenda.

The meeting adjourned at 1:46 p.m.



David Gavia  
Executive Director



Bill Philibert, Chair  
Board of Trustees