

**Minutes of the
Regular Meeting of the
Board of Trustees of the
Fire and Police Pension Fund, San Antonio
311 Roosevelt Avenue
San Antonio, Texas
June 24, 2008**

PRESENT: Chairman Larry A. Reed, Fire Retiree Representative; Vice Chairman Justin Rodriguez, Councilman; Secretary Harry Griffin, Police Representative; Art Hall, Mayoral Designee; Bart Moczygemba, Fire Representative; and Alex Perez, Police Retiree Representative.

ABSENT: Councilman Philip Cortez.; Shawn Ury, Police Representative; and Donald R. Wagoner, Fire Representative.

**OTHERS
PRESENT:** Warren Schott, Executive Director; Aubrey Berry; Mark Gremmer; Beatrice Ahrens; Dora Barrientos, Pension Fund Staff; Ryan Sweeney, Martin & Drought, P.C.

At 9:15 a.m., Chairman Reed called the meeting to order. Roll was called, and a quorum was declared present.

Pursuant to state law, the Board recessed to Executive Session at 9:04 a.m. to discuss Attorney-Client Matters including, but not limited to, the following issues (Real Estate, Litigation, Contracts, Personnel and Security), and to have an attorney-client consultation regarding legal issues pertaining to: Executive Director's Contract (551.071, 551.074); Anheuser-Busch Litigation (551.071).

The Board reconvened at 9:30 a.m.

MINUTES: Secretary Griffin moved to approve the minutes of the regular meeting held on May 27, 2008. The motion was seconded by Mr. Moczygemba, and it carried unanimously.

EDUCATIONAL OPPORTUNITIES

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

- A. Wharton School – Hedge Funds, Real Estate & Other Alt. Investments
June 23-25, 2008
- B. Wharton School – International Investing & Emerging Markets
August 25-27, 2008
- C. Opal – Investment Trends Summit
July 20-22, 2008
- D. IIR Guns & Hoses Conference
September 21-23, 2008

- E. Brandywine Global Conference
September 24-26, 2008
- F. Legacy Partners Annual Conference
September 15-16, 2008
- G. Wellington Management Research Forum
September 17-18, 2008
- H. IMN Alternative Investments Summit
September 22-23, 2008

Mr. Perez seconded the motion, and it carried unanimously.

**PENSION
APPLICATIONS,
ADJUSTMENTS
AND REFUND OF
CONTRIBUTIONS: STRAIGHT ANNUITY**

Vice Chairman Rodriguez made a motion to approve the following pension:

1. A 25 year, 3 month service pension for Police Officer Jose R. Trevino, effective June 2, 2008.

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

**ANNUITY WITH A BACKDROP TO BE ROLLED OVER INTO A QUALIFIED PLAN OR PAID DIRECTLY TO INDIVIDUAL-
(LISTED BY EFFECTIVE DATE OF RETIREMENT)**

Secretary Griffin made a motion to approve the following pensions:

1. A 32 year, 9 month service pension for Police Officer Tomas Estrada, effective May 5, 2008.
2. A 24 year, 1 month service pension for Police Officer Jesus Longoria, Jr., effective June 1, 2008.
3. A 29 year, 5 month service pension for Police Officer Gregory L. Field, effective June 20, 2008.
4. A 32 year, 10 month service pension for Fire Engineer Robert M. Belzung, effective August 1, 2008.
5. A 34 year, 3 month service pension for Police Captain Rudy A. Gonzales, effective August 1, 2008.

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

REFUND OF CONTRIBUTION

Mr. Moczygemba made a motion to approve the following refund of contribution:

1. A 10 year, 6 month refund of contribution for Fire Engineer Dennis Medeiros, effective June 10, 2008.

Mr. Perez seconded the motion, and it carried unanimously.

BENEFICIARY PENSION

Vice Chairman Rodriguez made a motion to approve the following beneficiary pensions:

1. A lump sum death benefit for Mrs. Norma G. Webster, widow of retired Fire Apparatus Operator Howard M. Webster, effective May 25, 2008.
2. A beneficiary pension for Eric Webster, dependent of retired Fire Apparatus Operator Howard M. Webster, effective May 25, 2008.
3. A beneficiary pension for Brittany Webster, dependent of retired Fire Apparatus Operator Howard M. Webster, effective May 25, 2008.
4. A beneficiary pension for Charles A. Webster, dependent of retired Fire Apparatus Operator Howard M. Webster, effective May 25, 2008.

Mr. Moczygemba seconded the motion, and it carried unanimously.

EXECUTIVE DIRECTOR REPORT:

PENSION PROTECION ACT SURVEY ANALYSIS

Mr. Schott provided Board with a spreadsheet indicating results from the survey sent to the retired membership regarding the 2006 Pension Protection Act (PPA) which allows healthcare and long-term care premiums to be deducted from gross income. The premiums must be paid through payroll deduction. Mr. Schott reported that staff will be calling insurance companies on behalf of these members to see if these premiums can be paid monthly instead of quarterly or on an annual basis. Mr. Schott reported that he will continue to keep Board updated on this issue.

MID-YEAR STATEMENTS

Mr. Schott reported that mid-year statements would be mailed to all vested members in mid-July.

FINANCIAL REPORT FOR PERIOD ENDING MAY 31, 2008

Financials for period ending May 31, 2008 were unavailable.

COMMITTEE REPORTS

PERSONNEL/AUDIT COMMITTEE

No report.

DISABILITY COMMITTEE

Mr. Perez reported the Disability Committee would be scheduling a meeting in July to discuss and review the 2007 income tax returns for disability pensioners.

LEGISLATIVE COMMITTEE

Mr. Perez reported the Legislative Committee held a meeting on June 20, 2008, to conduct interviews for State Representation Services. Four firms were interviewed, and the Committee short-listed the firms to two finalists. The Committee has asked staff for additional information on both firms. The Committee will provide a recommendation at the August Board meeting.

The four firms interviewed were: K & L Gates; Shelton & Valadez; Locke Lord; and Marc Rodriguez. Mr. Perez reported that K&L Gates and Shelton & Valadez are the two finalists.

INVESTMENT COMMITTEE

Mr. Moczygemba reported the Investment Committee held a meeting on June 3, 2008. The Committee received presentations from three firms that discussed their respective investment strategies. One discussed commodities, one discussed environmental investing, and one discussed mezzanine financing. No action was taken due to the pending Asset/Liability Study.

The Committee reported that CSG also provided an update on the Fund's portable alpha program. The program continues to under-perform its benchmark since its inception date of October 2006.

The Committee also reported that CSG reviewed the Asset/Liability Study, and provided two proposals on asset allocation. The Committee requested additional proposals be provided at the next meeting. The next meeting has been scheduled for Friday, July 25, 2008 at 9:00 a.m.

The Committee then offered the following recommendation:

Rebalance \$5 million from Declaration Management & Research into Ironwood Capital Management

Mr. Moczygemba made a motion to approve. The motion was seconded by Secretary Griffin, and it carried unanimously.

AD-HOC REAL ESTATE COMMITTEE

The Real Estate Committee reported that a meeting has been scheduled for Thursday, June 26, 2008 at 9:00 a.m. to meet with its real estate broker. The purpose of the meeting will be to review the Committee's parameters for an office building for the Pension Fund.

**LEGAL
REPORT:****MR. RYAN SWEENEY, MARTIN & DROUGHT, P.C.**

No report.

DISBURSEMENTS: Mr. Perez moved and Mr. Moczygemba seconded a motion to approve paying the bills, which was unanimously approved.

(See attached disbursements dated June 24, 2008).

**OTHER ITEMS
REQUIRING**

BOARD ACTION: None.

MEMBERS TO

BE HEARD: None.

ADJOURNMENT: Being that there was no further business; Vice Chairman Rodriguez moved to adjourn the meeting at 10:03 a.m. Mr. Perez seconded the motion, and it carried unanimously.