

**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  
January 27, 2016**

**PRESENT:** Chairman J. T. Trevino, Fire Representative; Vice Chairman Jim Smith, Police Representative; Councilman/Secretary Ray Lopez; Councilman Joe Krier; Shawn Ury, Police Representative; Dean Pearson, Fire Representative; Larry Reed, Fire Retiree Representative; and Harry Griffin, Police Retiree Representative.

**ABSENT:** Mayoral Designee Art A. Hall.

**OTHERS  
PRESENT:**

Warren Schott, Executive Director; Mark Gremmer; Erik Dahler; Beatrice Ahrens; Rick Matye, Pension Fund Staff.

At 9:03 a.m., Chairman Trevino called the meeting to order. Roll was called, and a quorum was declared present.

The Board then recessed to Executive Session at 9:04 a.m., pursuant to Texas Govt. Code §551.071.

The Board reconvened at 9:17 a.m.

Chairman Trevino requested that the Personnel/Audit Committee present its report at this time.

**PERSONNEL/AUDIT COMMITTEE**

Mr. Griffin reported the Personnel/Audit Committee held a meeting on January 26<sup>th</sup> to receive the Annual Audit and the Actuarial Valuation Reports.

He noted both the Auditor and Actuary were in attendance to provide the reports to the Board. At this time, Mr. Gary Hoyak and Jared Vogel, BDO, provided its report of the Annual Audit. They reported the financial statements present fairly the fiduciary net position of the Pension Fund as of September 30, 2015. BDO made special note that the active members had dropped from 3,944 to 3,815 and retirees increased from 2,373 to 2,478. Mr. Griffin made a motion on behalf of the Committee to accept the report as presented. The motion was seconded by Mr. Pearson, and it carried unanimously.

Next, Mr. Rocky Joyner, The Segal Company, presented the Actuarial Valuation Report dated October 1, 2015. He noted the funded ratio decreased from 92.91% to 88.82% mainly due to the Board decision to lower the investment return assumption from 7.50% to 7.25%. He also noted the increase in retirees and decrease in active members, but stated this issue is only of concern if the trend continues. After discussion, Mr. Griffin then made a motion on behalf of the Committee to accept the report as presented. Mr. Reed seconded the motion, and it carried unanimously.

**MINUTES:** Vice Chairman Smith moved to approve the minutes of the regular meeting held December 16, 2015. 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. National Institute on Retirement Security  
February 29 – March 1, 2016
2. PREA Real Estate Conference  
March 8-9, 2016
3. Opal Real Estate Investors Summit  
March 29-30, 2016
4. TEXPERS Annual Conference  
April 4-6, 2016

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

**PENSION  
APPLICATIONS,  
ADJUSTMENTS  
AND REFUND OF**

**CONTRIBUTIONS:** Mr. Reed made a motion to approve the following pension applications:

Pension Applications

1. A 32 year, 6 month service pension for Police Officer Anthony Delgado, effective January 1, 2016.
2. A 20 year, 3 month service pension for Detective Investigator Lisa A. Miranda, effective January 1, 2016.
3. A 29 year service pension for Detective Investigator Philip Franzone, effective January 2, 2016.
4. A 28 year, 2 month service pension for Fire Lieutenant Cynthia Alcala, effective January 5, 2016.
5. A 29 year, 8 month service pension for Detective Investigator Daniel Flaharty, effective January 5, 2016.
6. A 31 year, 9 month service pension for Fire Captain Anthony A. San Miguel, effective January 9, 2016.
7. A 30 year, 5 month service pension for Firefighter William Barbola, effective January 30, 2016.
8. A 30 year, 5 month service pension for Firefighter Oscar G. Estrada, effective January 30, 2016.

9. A 24 year, 6 month service pension for Police Officer Nellis V. Tiller, effective January 30, 2016.
10. A 31 year, 10 month service pension for Fire Engineer Roger Riojas, effective January 31, 2016.
11. A 25 year, 9 month service pension for Fire Engineer Darren D. Cook, effective February 1, 2016.
12. A 29 year, 9 month service pension for Detective Investigator Frank C. Freeman, effective February 1, 2016.
13. A 27 year, 7 month service pension for Police Sergeant Anthony W. Hill, effective February 1, 2016.
14. A 37 year, 1 month service pension for Police Sergeant George A. Jahant, effective February 1, 2016.
15. A 20 year, 5 month service pension for Police Officer Jerome Jones, effective February 1, 2016.
16. A 32 year, 8 month service pension for Detective Investigator Roger C. Robles, effective February 1, 2016.
17. A 32 year, 8 month service pension for Deputy Police Chief Joery E. Smittick, Jr., effective February 1, 2016.
18. A 30 year, 11 month service pension for Police Sergeant Warren K. Gilstrap, effective February 2, 2016.
19. A 27 year, 2 month service pension for Police Sergeant Daniel D. Scott, effective February 3, 2016.
20. A 26 year, 8 month service pension for Police Officer William M. Jenkins, effective February 18, 2016.

#### Beneficiary Pensions

1. A beneficiary pension for Mrs. Judith W. Biedrzycki, widow of Retired Police Captain Stanley R. Biedrzycki, II, effective December 16, 2015.
2. A beneficiary pension for Mrs. Beverly Ahrens, widow of Retired Firefighter Charles Ahrens, effective January 3, 2016.
3. A beneficiary pension for Mrs. Susan Henry, widow of Retired Detective Investigator Lawrence C. Henry, Jr., effective January 4, 2016.

#### Refund of Contributions

1. A 12 year, 10 month refund of contribution for Detective Investigator Victor M. Barahona, effective November 30, 2015.
2. A 4 year, 5 month refund of contribution for Police Officer Vedran Tomic, effective December 31, 2015.

3. A 3 year, 11 month refund of contribution for Police Officer Bettina Hernandez, effective January 2, 2016.

The motion was seconded by Councilman Krier, and it carried unanimously.

Mr. Reed expressed his condolences to the family of Charles Ahrens.

**EXECUTIVE  
DIRECTOR  
REPORT:**

**UPDATE ON MEMBERDIRECT**

Mr. Schott reported on the conversion to MemberDirect. MemberDirect is the online portal that will allow both active and retired members to view their pension information using the pension website. He noted that beginning in January, monthly retiree remuneration statements will no longer be mailed to the membership unless they request this service. Retired members will need to log onto the website to obtain their monthly remuneration statements. He reported there have been approximately 227 members to date who have called the office and requested their statements continue to be mailed. He also noted that active members will no longer be receiving their annual statements by mail; they too will need to log onto the website to view their statements.

**COLA REPORT**

Mr. Schott provided the Board with a copy of the BLS Consumer Price Index Summary. Mr. Schott reported the CPI for calendar year 2015 was 0.7%; therefore, members retiring prior to October 1, 1999 will receive a 0.7% COLA, and members retiring after September 30, 1999 will receive a 0.5% COLA.

Mr. Ury made a motion to approve. The motion was seconded by Vice Chairman Smith, and after discussion, it carried unanimously.

**TEXPERS DELEGATE FORM**

Mr. Schott provided the Board with a copy of the TEXPERS Delegate List and requested the Board provide staff with the names of those to be placed on both the delegate and alternate list. He noted Mr. Reed was one of the Trustees up for re-election to the TEXPERS Board. After some discussion, the Board took no action but will be making its selections for the list at the February Board meeting. Mr. Schott stated the deadline to submit the list is March 3, 2016.

Councilman Krier left the meeting at 10:26 a.m.

**FINANCIAL DISCLOSURE FORMS**

Mr. Schott provided the Board with a copy of the Financial Disclosure Forms and Conflict Disclosure Forms for reporting period 2015. He stated the forms are due March 31<sup>st</sup>.

**RESCHEDULE FEBRUARY BOARD MEETING**

Mr. Schott informed the Board that they may have trouble achieving a quorum for the February Board meeting due to conflicts. After some discussion, Mr. Smith moved to change the February Board meeting to Wednesday, February 17<sup>th</sup> at 9:30 a.m. The motion was seconded by Mr. Pearson, and it carried unanimously.

**2015 POLICE PLAQUE PRESENTATIONS – FEBRUARY BOARD MEETING**

Mr. Schott reported there are approximately 72 Members from the Police Department that retired January through December, 2015. He stated a letter would be sent to them this week inviting them to attend a plaque presentation to be held during the February Board Meeting. He stated that Police Chief William McManus will also be invited to attend the presentation.

**UPDATE ON TEXAS PENSION REVIEW BOARD ONLINE TRAINING**

Mr. Schott informed the Board that the Pension Review Board is now offering online training courses in order for trustees to meet their minimum training requirements. The first course is in the area of Benefits Administration. He reminded the Trustees that state law now requires that each of them complete a minimum of 7 hours before December 31, 2016.

**FINANCIAL REPORTS FOR PERIODS ENDING NOVEMBER 30, 2015 AND DECEMBER 31, 2015**

Mr. Gremmer reported that the Statement of Net Plan Assets for the period ending November 30, 2015 were \$2,657,158,143.91, and for period ending December 31, 2015 were \$2,614,286,293.00.

**COMMITTEE  
REPORTS:****DISABILITY COMMITTEE**

Mr. Griffin reported the Disability Committee met on January 26<sup>th</sup> to consider the regular disability pension application for Police Detective Lisa A. Miranda. Staff informed the Committee that Detective Miranda had withdrawn her application and had retired on a regular pension effective January 1, 2016. As such, there is no action needed regarding her disability application.

The Committee also discussed a procedure for reducing disability pensions due to outside income earned by a pensioner. There was a lengthy discussion on the different options available to the Board for reducing disability pensions due to outside income or medical improvement. The Committee directed staff to develop procedures for both issues and to bring the drafts to the next committee meeting.

**LEGISLATIVE COMMITTEE**

Vice Chairman Smith reported that the Legislative Committee did not meet this month but will be scheduling a meeting in the next couple of weeks to

begin discussing the 2017 Legislative Session. The Committee will also discuss the recently received Actuarial Valuation Report and decide whether there is an opportunity for making legislative changes. The Board will be notified when a date is selected.

### **INVESTMENT COMMITTEE**

Mr. Ury reported that the Investment Committee held a meeting January 20, 2016.

The first item on the agenda was the review of the annual strategic study. Staff provided an annual strategic study for the overall investment portfolio with an emphasis on net cash flows from private equity, private debt, real estate and real asset commitments. A pacing schedule under different macroeconomic scenarios was presented to provide an analysis and to spur discussions for potential projects over the rest of the year.

He reported 2016 target commitments are \$35 million in Private Equity, \$35 million in Private Debt, \$25 million in Real Estate, and \$10 million in Real Assets.

Mr. Ury stated that NEPC provided research and return expectations forecasts for various asset classes and noted further discussions on market expectations will occur next month as well.

Mr. Ury reported the second item on the agenda was discussions of a potential re-up with Siguler Guff Global Emerging Markets (GEM) IV, a successor fund to BRIC III. The Committee decided to allocate \$15 million to Siguler Guff Gem IV. At this time, Mr. Ury made a motion to accept on behalf of the Committee. The motion was seconded by Mr. Reed, and it carried unanimously.

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

Mr. Schott reported the San Antonio F&P Property Holding Corporation did not have a meeting in January, but will be scheduling a meeting in February to discuss several issues. Specifically, it will be reviewing the 2016 Annual Budget, receiving the Annual Audit, receiving the appraisal that was done on the Parkway Center building, as well as receiving an update on the leasing of all three office buildings. Mr. Schott stated he will inform the Board once a date is chosen for the meeting.

**DISBURSEMENTS:** Mr. Griffin moved, and Mr. Pearson seconded, a motion to approve paying the bills, which was unanimously approved. (See attached disbursements dated January 27, 2016).

### **MEMBERS TO BE HEARD:**

Michael Trainer, Pensioners' Association President, stated he has heard some feedback regarding the MemberDirect system, and noted some retirees will want to continue to receive their statements by mail. He also stated that the District Attorney would be attending a Pensioner's meeting in March or April

and would be discussing the best ways to be protected from fraud, and the use of personal information distributed through mail vs. online.

Mr. Reed noted that the next Pension Review Board meeting is scheduled for February 11<sup>th</sup> at 10:00 a.m. The meeting will be held at the State Capitol.

**ADJOURNMENT:** Being that there was no further business, Mr. Reed moved to adjourn the meeting at 10:55 a.m. Mr. Griffin seconded the motion, and it carried unanimously.

**APPROVED BY THE BOARD OF TRUSTEES AT THE REGULAR MEETING HELD ON FEBRUARY 17, 2016.**

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**J. T. Trevino, Chairman**

**ATTEST:**

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**Jim Smith, Vice Chairman**