

**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  
April 25, 2018**

**PRESENT:** Vice Chairman Jim Smith, Police Representative; Mayoral Designee W. Reed Williams; Councilman Clayton Perry; Councilman William “Cruz” Shaw; Jimmy Foster, Police Representative; Dean Pearson, Fire Representative; Larry Reed, Fire Retiree Representative; Harry Griffin, Police Retiree Representative.

**ABSENT:** Chairman J. T. Trevino, Fire Representative.

**OTHERS**

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

At 9:01 a.m., Vice Chairman Smith called the meeting to order. Roll was called, and a quorum was declared present.

The Board then recessed to Executive Session at 9:02 a.m., pursuant to Texas Govt. Code §551.071, and reconvened at 10:26 a.m.

**MINUTES:** Mr. Griffin moved to approve the minutes of the regular meeting held March 28, 2018, and the minutes of the special board meetings held on April 5, 2018 and April 12, 2018. The motion was seconded by Mr. Pearson, and it carried unanimously.

**EDUCATIONAL**

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

1. Greenhill Capital Partners Annual Meeting  
June 13, 2018
2. Neuberger Berman Annual Meeting  
June 20 – 21, 2018
3. Landmark Partners Annual Meeting  
June 20 – 21, 2018
4. NAPPA 2018 Legal Education Conference  
June 26 – 29, 2018

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

**APPLICATIONS,  
ADJUSTMENTS  
AND REFUND OF  
CONTRIBUTIONS:**

Councilman Shaw made a motion to approve the following pension applications:

Pension Applications

1. A 32 year, 9 month service pension for Police Officer Darryl E. Christensen, effective April 1, 2018.
2. A 32 year, 2 month service pension for Fire Engineer Mario Cortes, effective April 1, 2018.
3. A 31 year, 9 month service pension for Fire Engineer Richard F. Garcia, effective April 1, 2018.
4. A 31 year, 9 month service pension for District Fire Chief Jacob Mendiola, effective April 6, 2018.
5. A 27 year, 5 month service pension for Police Officer Robert Rosales, effective April 12, 2018.
6. A 27 year, 9 month service pension for Fire Engineer Edward Casias, effective April 14, 2018.
7. A 33 year, 2 month service pension for Police Officer David W. Szczepanik, effective May 1, 2018.
8. A 36 year, 6 month service pension for Detective Investigator Loy C. Wong, Jr., effective May 1, 2018.
9. A 33 year, 3 month service pension for Police Sergeant Rodolfo Lopez, effective June 1, 2018.

Beneficiary Pension

1. A beneficiary pension for Mrs. Laura J. Holson, widow of Retired Detective Investigator Steven A. Holson, effective April 8, 2018.

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

The Board congratulated Mr. Richard Garcia who was in attendance at the meeting and thanked him for his many years of service to the City of San Antonio. Mr. Garcia then thanked the Board for all they do.

**EXECUTIVE  
DIRECTOR  
REPORT:**

**PRE-RETIREMENT SEMINAR – MONDAY, MAY 7TH**

Mr. Schott stated that the Pension Fund's next Pre-Retirement Seminar is scheduled for Monday, May 7<sup>th</sup>, from at 8:00 a.m. until 3:30 p.m. He encouraged the Board's attendance at the seminar.

**CIO SEARCH UPDATE**

Mr. Schott informed the Board that he has received approximately 50 resumes for the CIO position. He stated he has narrowed the pool to 23 applicants who are highly qualified and will begin the interview process as soon as possible.

**FINANCIAL REPORT FOR PERIOD ENDING FEBRUARY 28, 2018**

The Statement of Net Plan Assets for the period ending February 28, 2018 were \$3,213,100,745.59.

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

Mr. Griffin reported the Personnel/Audit Committee did not meet this month however the Pension Fund closed its year-end books in early April so the Auditors (BDO) could begin working on the Annual Audit. He reported BDO will be arriving in early May to begin their fieldwork with the intention to complete the audit by the end of June. The actuaries have already received their demographic information from the Pension Fund and are working on their Valuation Report. Mr. Griffin stated the Audit Committee is still on track to receive the Annual Audit and Actuarial Valuation Report at the Committee Meeting scheduled for June 26<sup>th</sup> and then have them presented at the Board Meeting the next day. Mr. Griffin stated he will inform the Board if something changes with those dates.

**DISABILITY COMMITTEE**

Mr. Pearson stated that the Disability Committee did not meet this month because there were no disability pension applications pending. However, he will likely be scheduling a meeting in June to review the tax returns of the current disability pensioners. That meeting could get pushed back to July depending on whether the Committee has received all of the tax returns for the disability pensioners.

**LEGISLATIVE COMMITTEE**

Vice Chairman Smith reported that the Legislative Committee did not meet this month; however, it has scheduled a meeting for May 9<sup>th</sup> at 9:00 a.m. to finalize the proposed language changes that need to be done either for clarification purposes or to comply with IRS Code. None of these changes has a cost associated with them, so they are not in conflict with the Fund's Funding Policy. Once approved by the Committee, the Committee will bring the recommendation to the Board for approval and will then begin meeting with the Associations and the City Staff to review the changes with them. The Committee's plan is to get the Associations to approve the changes in the Summer and then get the City Council to approve in the Fall. We will then pre-file the Bill in November or December.

**INVESTMENT COMMITTEE**

Mr. Reed stated the Investment Committee held a meeting on Thursday, April 19th.

The first item on the agenda was a discussion regarding the pension fund's general consulting contract and emerging manager consulting contract. After discussions were held, the committee decided to table the contracts until further information is gathered.

The next item on the agenda was an update regarding the fixed income search that was initiated at the March 2018 Investment Committee meeting. Due to the vacancy in the CIO position, the committee has decided to put the fixed income search on hold until the new CIO is hired.

The next item on the agenda was an update regarding the ongoing global macro search. The managers have been narrowed to 4 firms and Staff was working on scheduling site visits to the firms. However, due to the new City Policy limiting the amount of administrative leave for pension fund travel, the Committee has decided to put the site visits on hold.

The next item on the agenda was a discussion regarding one of the Fund's current hedge fund managers, Brevan Howard. After some underperformance and personnel turnover, the Investment Committee recommends fully redeeming from Brevan Howard. Mr. Reed then made a motion on behalf of the Committee to approve. The motion was seconded by Mr. Pearson, and it carried unanimously.

The final item on the agenda was a discussion on rebalancing options to increase the Fund's cash position. After discussing several options, the Investment Committee recommends rescinding the January 2018 motion to allocate \$30 million to the Goldman Sachs Strategic Income Fund. Mr. Reed then made a motion on behalf of the Committee to approve. The motion was seconded by Mr. Foster, and it carried unanimously.

In conjunction with the previous motion, the Investment Committee also recommends retaining the \$30 million redeemed from the Acadian Emerging Markets Equity Fund in our cash account. Mr. Reed then made a motion on behalf of the Committee to approve. The motion was seconded by Mr. Griffin, and it carried unanimously.

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

President Foster reported the Board of Directors of the Property Holding Corporation did not meet this month. He stated there are however two items that are ongoing. The first is the expansion of the Fund's current pension office. The Corporation approved a plan for the expansion and is waiting for the Property Manager to provide pricing for the expansion. He noted that the current tenant will not vacate until July 31<sup>st</sup>, so there is no immediate rush to get the pricing. The Holding Corporation will schedule a meeting when the pricing is received.

The second item the Corporation has pending is the possibility of developing a retirement community for first responders. The Corporation has directed Staff to collect information on this development and also to reach out to other area organizations for a possible partnership. President Foster stated once the Corporation receives information on the possibility of this development, it will provide that information to the Board.

**DISBURSEMENTS:** Mr. Griffin made and Mr. Reed seconded a motion to approve paying the bills, which was unanimously approved. (See attached disbursements dated April 25, 2018).

**MEMBERS TO  
BE HEARD:**

Mr. Michael Trainer, President of the Retiree's Association congratulated Vice Chairman Smith on becoming the First Vice President of TEXPERS. He also thanked the Councilmembers on the Board for their attendance and involvement on the Board. He also thanked the Board for the 13<sup>th</sup> Check, and stated the importance of the Board members being allowed time to conduct site visits when hiring managers for the Fund.

Mr. Richard Garcia, Recent Retiree, thanked the Board again for all they have done and continue to do, to make the Pension Fund one of the most successful. He also thanked the Board for looking into the possibility of having a facility for first responders who may require assistance during retirement.

**ADJOURNMENT:** Mr. Reed made a motion to adjourn the meeting at 10:54 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 MAY 30, 2018.**

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**J. T. Trevino, Chairman**

**ATTEST:**

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**Jim Smith, Vice Chairman**