

**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
May 25, 2016**

PRESENT: Chairman J. T. Trevino, Fire Representative; Vice Chairman Jim Smith, Police Representative; Mayoral Designee Art A. Hall (as of the time indicated below); Councilman Joe Krier; Dean Pearson, Fire Representative; Larry Reed, Fire Retiree Representative; and Harry Griffin, Police Retiree Representative.

ABSENT: Councilman/Secretary Ray Lopez; Shawn Ury, Police Representative.

OTHERS

PRESENT: Warren Schott, Executive Director; Erik Dahler; Beatrice Ahrens; Cinzia Davenport, Pension Fund Staff; Frank Burney, Martin & Drought.

At 9:00 a.m., Chairman Trevino 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 9:01 a.m. pursuant to Texas Govt. Code §551.071; §551.078 and §551.0785.

The Board reconvened at 9:09 a.m.

MINUTES: Mr. Pearson moved to approve the minutes of the regular meeting held April 27, 2016. The motion was seconded by Vice Chairman Smith, 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 2, 2016
2. KORIED Economic & Financial Development Conference
July 13-15, 2016
3. Opal Public Funds East
July 18-20, 2016
4. Pension Bridge Private Equity Conference
July 25-26, 2016

The motion was seconded by Councilman Krier, 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 35 year, 2 month service pension for Police Officer Hector J. Flores, effective May 1, 2016.
2. A 28 year service pension for Detective Investigator Julian E. Sanchez, effective May 1, 2016.
3. A 32 year, 8 month service pension for Fire Engineer Ty Siebert, effective May 1, 2016.
4. A 30 year, 3 month service pension for Fire Engineer John H. Campa, effective June 1, 2016.
5. A 25 year, 5 month service pension for Police Officer Adolph R. Garcia, effective June 1, 2016.

Beneficiary Pensions

1. A beneficiary pension for Mrs. Martha Villanueva, widow of Retired Fire Captain Mike Villanueva, effective April 9, 2016.
2. A beneficiary pension for Mrs. Helen B. Shaw, widow of Retired Assistant Fire Chief Charles C. Shaw, effective April 11, 2016.
3. A beneficiary pension for Mrs. Leslie V. Franco, widow of Active Police Officer Steven Franco, effective April 20, 2016.
4. A beneficiary pension for Alexandra Franco, dependent of Active Police Officer Steven Franco, effective April 20, 2016, guardianship pending.
5. A beneficiary pension for Jessie Franco, dependent of Active Police Officer Steven Franco, effective April 20, 2016, guardianship pending.
6. A beneficiary pension for Emiliano Franco, dependent of Active Police Officer Steven Franco, effective April 20, 2016, guardianship pending.
7. A beneficiary pension for Amelia Franco, dependent of Active Police Officer Steven Franco, effective April 20, 2016, guardianship pending.
8. A beneficiary pension for Mrs. Veronica Vera, widow of Active Firefighter Daniel Vera, effective April 26, 2016.
9. A beneficiary pension for Juan Vera, Jr., dependent of Active Firefighter Daniel Vera, effective April 26, 2016, guardianship pending.
10. A beneficiary pension for Daniana Vera, dependent of Active Firefighter Daniel Vera, effective April 26, 2016, guardianship pending.
11. A beneficiary pension for Sofia Vera, dependent of Active Firefighter Daniel Vera, effective April 26, 2016, guardianship pending.

12. A beneficiary pension for Mrs. Linda Coronado, widow of Retired Police Officer Angel Coronado, effective May 2, 2016.
13. A beneficiary pension for Mrs. Dolly A. Vasquez, widow of Retired Detective Investigator Eddie R. Vasquez, effective May 2, 2016.
14. A beneficiary pension for Mrs. Ingrid S. Wallis, widow of Retired Firefighter Gary A. Wallis, effective May 2, 2016.

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

**EXECUTIVE
DIRECTOR
REPORT:**

PRE-RETIREMENT SEMINAR REPORT

Mr. Schott reported there were 28 members along with 9 spouses that attended the May 2nd seminar. He noted the number of attendees has lessened likely due to the monthly financial planning seminars.

FINANCIAL REPORT FOR PERIOD ENDING APRIL 30, 2016

Mr. Schott reported that the Statement of Net Plan Assets for the period ending April 30, 2016 were \$2,655,568,948.97.

**COMMITTEE
REPORTS:**

PERSONNEL COMMITTEE

No report.

DISABILITY COMMITTEE

Mr. Reed reported the Disability Committee held a meeting on May 23rd to discuss several issues.

The first item was a review of the medical reports regarding the medical re-examination of Police Officer Brandy Roell. Officer Roell was approved for a catastrophic disability five years ago. Per the Pension Law, the Board is required to conduct a medical evaluation on catastrophic disabilities at least every five years. Based on the medical reports provided, the Committee recommended the Board continue the catastrophic disability pension for police officer Brandy Roell.

Mr. Reed then made a motion to approve continuing the catastrophic disability pension for Officer Roell. The motion was seconded by Mr. Pearson, and it carried unanimously.

Mr. Reed reported the Committee was also provided an update on the regular disability pension application for Firefighter Timothy Harmon. He stated Mr. Harmon has already been sent to one doctor and is being scheduled for two more evaluations. Once all of the evaluations are completed and the reports are received, the Committee will review them and provide a recommendation to the Board.

Mr. Reed reported the Committee directed staff to invite two disability pensioners to its next committee meeting to address the Committee regarding their employment income. If the Committee determines that further action is needed, it will bring a recommendation to the Board.

Lastly, the Committee discussed the possibility of developing a policy dealing with members who are receiving disability benefits from multiple employers involving the same disability. However, after a lengthy discussion, the Committee decided against developing a policy on this and took no action.

LEGISLATIVE COMMITTEE

Vice Chairman Smith reported the Legislative Committee held a meeting on May 23rd to discuss a recent Op Ed that was placed in the San Antonio Express News and several other newspapers that dealt with the issue of local control for the 13 city retirement systems that are codified in state law. The article was written by Gary Gibson, Board Chairman of the Texas Association of Business. Mr. Gibson is also CFO at Star Furniture. Vice Chairman Smith reported he had placed this Op Ed in multiple papers throughout the state. The Committee discussed the possibility of drafting a response to the article, but ultimately decided not to take any action.

INVESTMENT COMMITTEE

Vice Chairman Smith reported the Investment Committee held a meeting on May 18th, 2016.

Vice Chairman Smith stated the first item on the agenda was the Emerging Manager Finalists. Representatives from Attucks Asset Management gave a presentation on the Pension Fund's emerging manager program, which was followed by presentations from the two emerging manager finalists, Altum Capital Management and Varadero Capital. The Committee decided to allocate \$10 million to Altum Capital Management and \$5 million to Varadero Capital, which will be redeemed from the Northern Trust Russell 1000 Index. Vice Chairman Smith then made a motion to approve. The motion was seconded by Mr. Griffin, and it carried unanimously.

Vice Chairman Smith reported the Committee held discussions regarding a potential emerging manager search. The Committee decided to begin an emerging manager search in the Emerging Markets sector. Vice Chairman Smith then made a motion to approve. The motion was seconded by Mr. Griffin, and it carried unanimously.

Vice Chairman Smith reported that the last item on the agenda was a performance update by NEPC. As of the first quarter of 2016, the Pension Fund's total portfolio had a 5-year annualized net return of 5.52% with a standard deviation of 6.65% resulting in a Sharpe ratio of 0.82. This places the Pension Fund in the 38th percentile for risk-adjusted performance.

Vice Chairman Smith stated Staff will send out dates for an on-site visit for Paladin Realty Partners in relation to the recent \$10 million allocation to Paladin's Latin America Investors V fund.

Mayoral Designee Art Hall entered the meeting at 10:05 a.m.

SAN ANTONIO F&P PROPERTY HOLDING CORPORATION

Mr. Pearson reported the San Antonio F&P Property Holding Corporation held a meeting on May 23rd to receive a leasing update on the Shavano III and IV buildings. Pete Tassos and Jaime Sullivan noted that they are finalizing a lease for the 3rd floor of the Shavano IV building. After the completion of this lease, the building will be approximately 89% leased. They are also working on a major lease for Shavano III that, if completed, will result in an 87% leased building.

Mr. Pearson reported that Pete Tassos also informed the Holding Corporation that the Concord Plaza Building located by the Quarry is for sale. Unfortunately, the Holding Corp. was informed yesterday that there are already two buyers in place and it is too late to place an offer.

DISBURSEMENTS: Mr. Griffin moved, and Mr. Reed seconded, a motion to approve paying the bills, which was unanimously approved. (See attached disbursements dated May 25, 2016).

**MEMBERS TO
BE HEARD:**

Michael Trainer, President of the Pensioners' Association thanked Jim Smith his legislative work and presence at the Austin meetings.

Chairman Trevino also thanked Mr. Smith and other members of the Board for their hard work and attendance at these meetings.

ADJOURNMENT: Being that there was no further business, Mr. Reed moved to adjourn the meeting at 10:16 a.m. Mayoral Designee Hall seconded the motion, and it carried unanimously.

**APPROVED BY THE BOARD OF TRUSTEES AT THE REGULAR
MEETING HELD ON JUNE 27, 2016.**

J. T. Trevino, Chairman

ATTEST:

Jim Smith, Vice Chairman