

**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 31, 2017**

PRESENT: Chairman J. T. Trevino, Fire Representative; Vice Chairman Jim Smith, Police Representative; Councilman/Secretary Ray Lopez; Harry Griffin, Police Retiree Representative; Dean Pearson, Fire Representative; Jimmy Foster, Police Representative; Larry Reed, Fire Retiree Representative.

ABSENT: Mayoral Designee Art A. Hall; Councilman Joe Krier.

**OTHERS
PRESENT:**

Warren Schott, Executive Director; Mark Gremmer, Erik Dahler, Beatrice Ahrens, Rick Matye, Pension Fund Staff; Frank Burney, Martin & Drought.

At 9:05 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 9:06 a.m., pursuant to Texas Govt. Code §551.071; §551.074, §551.078 and §551.0785, and reconvened at 9:20 a.m.

Chairman Trevino called for a moment of silence in recognition of the sacrifices of SAFD firefighters Brad Phipps and Scott Deem, and their families.

**ACTIVE FIRE
TRUSTEE
ELECTION
RESULTS:**

Chairman Trevino called for item H1 (Executive Director Report - Active Fire Trustee Election Results) to be taken up at this time. Mr. Schott provided the Board the results of the Active Fire Trustee election. He stated that Dean Pearson has received 207 votes, which was 67% of the votes cast. As such, no run-off election was needed. Vice Chairman Smith then made a motion to approve the results of the election as presented. The motion was seconded by Mr. Griffin, and it carried unanimously.

**OATHS OF
OFFICE:**

Chairman Trevino administered the Oaths of Office to Larry Reed, Retired Fire Representative; Jimmy Foster, Active Police Representative; and Dean Pearson, Active Fire Representative. Term of Office for each position begins June 1, 2017 and ends May 31, 2021.

**OFFICER
ELECTIONS:**

Mr. Reed nominated J. T. Trevino as Chairman of the Board. Being there were no further nominations offered, nominations were then closed. The Board unanimously elected J. T. Trevino as Chairman of the Board. Mr. Reed then nominated Jim Smith as Vice Chairman of the Board. Being there were no further nominations offered, nominations were then closed. The

Board unanimously elected Jim Smith as Vice Chairman of the Board. Councilman Ray Lopez was asked to continue his duties as Secretary of the Board until such time as he will no longer be serving on the Board. Councilman Lopez agreed and there was no objection.

MINUTES: Mr. Griffin moved to approve the minutes of the regular meeting held April 26, 2017. 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. Audits of Employee Benefit Plans Conference
June 12, 2017
2. KORIED Economic & Financial Development Conference
July 12-14, 2017
3. Pension Bridge Private Equity Conference
July 24-25, 2017
4. Opal Public Funds East
July 24-26, 2017

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

APPLICATIONS, ADJUSTMENTS AND REFUND OF

CONTRIBUTIONS: Chairman Trevino pulled the Beneficiary Pension items for separate consideration. Mr. Reed made a motion to approve the following pension applications and refund of contributions:

Pension Applications

1. A 36 year, 9 month service pension for Fire Lieutenant Joseph A. Arrambide, effective May 1, 2017.
2. A 33 year, 8 month service pension for Fire Engineer Steven Lopez, effective May 1, 2017.
3. A 32 year, 9 month service pension for Police Officer Rogelio X. Reyes, effective May 1, 2017.
4. A 29 year, 6 month service pension for Police Sergeant Michael V. Saenz, effective May 1, 2017.
5. A 33 year, 1 month service pension for Police Officer Raul Delgado, effective May 2, 2017.
6. A 20 year, 7 month service pension for Police Sergeant Tina L. Jones, effective June 1, 2017.

7. A 32 year, 10 month service pension for Police Officer Diego Loeffler, effective June 1, 2017.
8. A 26 year, 11 month service pension for Police Officer Jay Edward Krick, effective July 1, 2017.

Refund of Contribution

1. A 6 year, 3 month refund of contribution for Firefighter Daniel M. Cherian, effective May 17, 2017.

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

At this time, Chairman Trevino requested the Disability Committee provide its report.

DISABILITY COMMITTEE

1. A beneficiary pension for Juan Antonio Morales, II, dependent of Active Police Officer Juan Antonio Morales, effective December 30, 2014.

Mr. Pearson stated the Disability Committee met last week to discuss the Beneficiary Pension Application for Juan Antonio Morales II. Mr. Morales is the 20 year old son of Police Officer Juan Antonio Morales who was killed in the Line of Duty in 2001. Mr. Morales filed for a beneficiary pension under Section 1.02(7)(B) as a Dependent Child due to mental or physical disabilities. Mr. Pearson reported the Committee has reviewed the independent medical reports and recommends the Board approve the Beneficiary Pension Application for Juan Antonio Morales II. Mr. Pearson then made a motion on behalf of the Committee to approve. The motion was seconded by Mr. Reed, and it carried unanimously.

Beneficiary Pensions

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

2. A beneficiary pension for Mrs. Mary A. Longoria, widow of Retired Detective Investigator Rudy Longoria, effective April 19, 2017.
3. A beneficiary pension for Mrs. Hannelore Bailey, widow of Retired Fire Captain Tom Bailey, effective April 28, 2017.

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

EXECUTIVE DIRECTOR REPORT:

GENERAL COUNSEL SEARCH UPDATE

Mr. Schott reported that Gail Jensen has accepted the position of General Counsel for the Fund and will begin on June 1, 2017.

**APPROVAL OF POLICE CADET CLASS 2016-D – GRADUATION
5/26/17**

Mr. Schott requested approving Police Cadet Class 2016-D into the membership. Mr. Griffin made a motion to approve. The motion was seconded by Vice Chairman Smith, and it carried unanimously.

FINANCIAL REPORT FOR PERIOD ENDING DECEMBER 31, 2016

Financial reports were unavailable.

**COMMITTEE
REPORTS:**

PERSONNEL COMMITTEE

Mr. Griffin stated that the Personnel/Audit Committee did not have a meeting this month but has scheduled an Audit Committee Meeting in June to receive the Annual Audit and Actuarial Valuation Report. The meeting will be held on Tuesday, June 27th at 2:30 p.m. The auditors and actuaries will be on hand to present their reports. They will also attend the Board Meeting the next day.

Mr. Griffin stated the auditors are scheduled to arrive next week to begin their initial fieldwork and should have the audit completed by mid-June. The actuaries have also been working on their reports and are on track to present their reports at the meeting on the 27th. If either of the firms experience delays, the Committee may need to re-schedule the meeting to July. The Committee will keep the Board posted.

Mr. Griffin also stated discussions will begin on the Executive Director's Contract in June. The Committee held off scheduling this meeting until the Board Elections were over and had new Board Members in place. The Committee would like to get the contract negotiated prior to its expiration date of September 30th. The Committee has not decided if it will schedule a separate meeting for the contract or if it will be included on the June 27th agenda. The Committee will keep the Board posted.

DISABILITY COMMITTEE

Report provided under Beneficiary Pensions.

LEGISLATIVE COMMITTEE

Vice Chairman Smith reported the Legislative Committee did not meet this month but he provided a brief update on the status of several bills the Committee has been watching.

INVESTMENT COMMITTEE

Mr. Reed stated the Investment Committee held a meeting on Wednesday, May 24th, 2017.

The first item on the agenda was regarding the ongoing search for a global macro hedge fund manager. Staff discussed its impressions of the managers

who were visited as part of due diligence trips. The Investment Committee voted unanimously to recommend an allocation of \$17 million to Commonwealth Opportunity Master Fund with the following terms:

Share Class D (June 1st deadline)

Fees: 1.75% management / 17.5% carried

Liquidity: Monthly 30-day liquidity

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 next item on the agenda was an update on the current search for a private debt manager. Staff presented to the Investment Committee its analysis on several funds to continue due diligence with. The Investment Committee recommends continuing due diligence with Bloomfield Capital, CapitalSpring, and Calmwater Capital.

The next item on the agenda was regarding co-investment guidelines. In February, the Investment Committee asked staff to create a policy for how co-investment opportunities will be evaluated. Staff presented the guidelines to the Investment Committee. The Committee asked staff to create a policy using the guidelines.

The final item on the agenda was the South Texas Money Management Core Strategy fund. Representatives from STMM presented its public equity fund which targets stocks that span across large cap and small cap, growth and value, and domestic and international. No action was taken by the Committee.

SAN ANTONIO F&P PROPERTY HOLDING CORPORATION

Mr. Pearson reported the Board of Directors of the Property Holding Corporation did not meet this month. Mr. Pearson stated at last month's meeting the Corporation mentioned it had instructed its brokers to send a non-binding Letter of Intent on two office buildings near its current two buildings in Shavano Park. Shortly after sending the LOI, the Corporation received word that its offer had been rejected. No further action was being taken on these two buildings.

DISBURSEMENTS: Mr. Reed made and Mr. Pearson seconded a motion to approve paying the bills, which was unanimously approved. (See attached disbursements dated May 31, 2017).

LEGAL REPORT: In the Matter of Proceeds from Certificate of Deposit No. 4935755280 (gift/donation by Erwyn E. Clark, deceased, retired fire)

Mr. Reed made a motion giving the Executive Director authority to resolve this matter. The motion was seconded by Mr. Griffin, and it carried unanimously.

**MEMBERS TO
BE HEARD:** None.

ADJOURNMENT: The meeting adjourned at 10:27 a.m.

**APPROVED BY THE BOARD OF TRUSTEES AT THE REGULAR
MEETING HELD ON MAY 31, 2017.**

J. T. Trevino, Chairman

ATTEST:

Jim Smith, Vice Chairman