

**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
October 20, 2015**

PRESENT: Chairman J. T. Trevino, Fire Representative; Vice Chairman Jim Smith and Shawn Ury, Police Representatives; Councilman/Secretary Ray Lopez; Dean Pearson, Fire Representative; Harry Griffin, Police Retiree Representative, and 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 9:03 a.m., Chairman Trevino called the meeting to order. Roll was called, and a quorum was declared present.

MINUTES: Vice Chairman Smith moved to approve the minutes of the regular meeting held September 23, 2015. The motion was seconded by Mr. Reed, and it carried unanimously.

EDUCATIONAL

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

1. EnCap Investor Conference
October 26-27, 2015
2. Opal Alternative Investing Summit
December 9-11, 2015

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

**PENSION
APPLICATIONS,
ADJUSTMENTS
AND REFUND OF**

CONTRIBUTIONS: Vice Chairman Smith made a motion to approve the following pension applications:

Pension Applications

1. A 28 year, 5 month service pension for Police Officer Richard L. Patula, effective September 23, 2015.
2. A 31 year, 3 month service pension for Detective Investigator Johnny G. Rios, Jr., effective September 30, 2015.

3. A 27 year, 1 month service pension for Police Officer Ruben S. Gonzales, effective October 11, 2015.
4. A 29 year, 1 month service pension for Fire Engineer Reynaldo P. Martinez, effective October 31, 2015.
5. A 32 year, 2 month service pension for Fire Engineer Vicente Alvarado, effective November 1, 2015.
6. A 27 year, 8 month service pension for Police Officer Dennis R. Faulkner, effective November 1, 2015.
7. A 32 year, 2 month service pension for Fire Captain Pedro M. Garza, Jr., effective November 1, 2015.
8. A 23 year, 8 month service pension for Police Officer Larry S. Hamilton, effective November 1, 2015.
9. A 33 year, 2 month service pension for Fire Lieutenant James W. Harlos, effective November 1, 2015.
10. A 37 year, 9 month service pension for Fire Captain Richard A. Hernandez, effective November 1, 2015.
11. A 32 year, 4 month service pension for Police Officer Mark S. McDaniel, effective November 1, 2015.

Beneficiary Pensions

1. A beneficiary pension for Mrs. Angela Salvatierra, widow of Active Detective Investigator Robert Salvatierra, effective September 11, 2015.
2. A beneficiary pension for Amanda Salvatierra, dependent of Active Detective Investigator Robert Salvatierra, effective September 11, 2015, guardianship pending.
3. A beneficiary pension for Mrs. Maria A. Campos, widow of Retired Police Officer Eduardo A. Campos, effective October 5, 2015.

Refund of Contributions

1. An 8 year, 9 month refund of contribution for Fire Engineer Juan N. Garcia, effective September 23, 2015.
2. An 8 year refund of contribution for Police Officer Danielle Rodriguez, effective October 29, 2015.
3. A 2 year, 5 month refund of contribution for Police Officer Kenneth J. Dams, effective November 14, 2015.

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

**EXECUTIVE
DIRECTOR
REPORT:****13th CHECK ANALYSIS**

Mr. Schott stated he had conducted an analysis of the 13th Check for Board's review (Pension Law, Section 5.11). Mr. Schott stated that estimates for fiscal year 2015 are projecting a -1.50% investment return with a 5-year investment average of +7.04%. Per Section 5.11 of the Pension Law, the Fund's five-year investment return would have needed to average +8.50% in order to have discretion to issue a 13th Check. Therefore, the Board does not have the discretion to issue a 13th check this year.

RESOLUTION FOR COUNCILMAN REY SALDAÑA

Mr. Schott read the following resolution for Councilman Rey Saldana:

WHEREAS, REY SALDAÑA, Trustee of the Fire and Police Pension Fund of San Antonio, Texas, is ending his service with this Board as of August 20, 2015;

WHEREAS, REY SALDAÑA has served as a member of the Board since January 16, 2014;

WHEREAS, REY SALDAÑA, as a Council Trustee, has represented the interest of our public safety employees and beneficiaries; and;

NOW THEREFORE:

***Be it resolved by the Board of Trustees of the
Fire and Police Pension Fund of San Antonio, Texas:***

1. That the Fire and Police Pension Fund Board of Trustees of San Antonio, Texas, hereby expresses its most sincere appreciation to **REY SALDAÑA, TRUSTEE OF THE BOARD**, for his contribution to the Fund as a Trustee.
2. That this Board go on record as expressing its desire of lasting health, good wishes and sincere thanks to a good friend.
3. That the original of this Resolution, duly subscribed by all members of the Board, be presented to **REY SALDAÑA** as an official expression of the sentiments set forth above, and that a copy hereof be spread in full upon the minutes of the Board as a permanent and official expression of the sincere appreciation herein expressed.

Signed this 20th day of October, 2015

Mr. Reed made a motion to approve the resolution for Councilman Saldaña. The motion was seconded by Mr. Ury, and it carried unanimously.

Mr. Schott stated since Councilman Saldaña was not in attendance, he would be invited to a future meeting so it could be presented to him.

REMINDER OF PRIVATE EQUITY MANAGER WORKSHOP – OCT. 21, 2015

Mr. Schott reminded the Board of the Private Equity/Private Debt Manager Workshop scheduled for Wednesday, October 21, 2015. He stated it will begin at 8:00 a.m. and will be held at the Pension Fund Office.

PRE-RETIREMENT SEMINAR – NOVEMBER 6TH

Mr. Schott stated there are currently 40 members and 22 spouses registered to attend the November 4th seminar. Mr. Schott requested Board's attendance.

REMINDER POLICE CADET BRIEFING - NOVEMBER 10, 2015

Mr. Schott reminded the Board of the Police Cadet Briefing scheduled for Tuesday, November 10, 2015 at 10:30 a.m., and requested the attendance of the active police trustees and retired police trustee if possible.

Mr. Schott also noted there will be a Fire Cadet Briefing on Dec. 4th at 3:00 p.m. and asked the Fire Trustees to mark their calendars.

INVESTMENT ANALYST SINCLAIR NAGY

Mr. Schott introduced Sinclair Nagy who accepted the position of Investment Analyst for the Fund. Mr. Nagy started working on October 12th. The Board welcomed Mr. Nagy and he thanked the Board for the opportunity to work for the Pension Fund.

FINANCIAL REPORT FOR PERIOD ENDING SEPTEMBER 30, 2015

Financials were unavailable.

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

Mr. Griffin reported that the Personnel/Audit Committee did not have a meeting this month; however, it has one outstanding item that he has requested be added to an upcoming Investment Committee Agenda. The Northern Trust Company has offered to attend a future committee meeting to discuss its services as it relates to the collection of securities litigation settlements.

Mr. Griffin reported the Fund's Auditors, BDO, have begun their audit of the Pension Fund. They were in the office last week doing some preliminary work and will be back again in November to complete their fieldwork. The plan is for the audit to be presented to the Audit Committee and then to the Board in late January.

The City's auditor, Padgett Stratemann, was also in the office last week conducting some testing of the Fund's records. As a refresher, GASB 68 was issued in 2012 with an effective date for fiscal years beginning after June 15,

2014. This statement requires the City to list the Fund's Net Pension Liability on its financial statements. Although the Fund's Auditors will be calculating this figure, the City has requested its auditors conduct some testing to verify this figure. Mr. Griffin reported they had completed their work and did not report any issues to our staff.

DISABILITY COMMITTEE

Mr. Pearson stated the Disability Committee met on October 19th to receive information on the job description and income of one of its disability pensioners. After reviewing the information, the Committee directed staff to continue to research and collect further information on the pensioner. In addition, the Committee reviewed one of the two tax returns of the disability pensioners that had filed extensions. After reviewing the return, the Committee decided to take no action. The Committee will meet in November to review the last remaining tax return.

LEGISLATIVE COMMITTEE

Vice Chairman Smith reported that the Legislative Committee did not meet this month. He stated once the Actuarial Valuation Report is received in January, the Committee will schedule a meeting to discuss the possibility of developing a legislative package for the 2017 Legislative Session.

INVESTMENT COMMITTEE

Mr. Ury reported that the Investment Committee will hold the Annual Manager's Workshop on Wednesday, October 21st. The workshop will focus on private equity and private debt managers.

AD HOC GOVERNMENTAL & PUBLIC RELATIONS COMMITTEE

Mr. Reed reported that the Public Relations Committee met yesterday to discuss the contract with G3 Public Relations. G3 has served as the Fund's public relations firm for the past 4 years and has done a commendable job. However, after a lengthy discussion on the costs and benefits, the Committee approved a motion to recommend the Board not renew the contract for G3 Public Relations. Chairman Trevino noted that this item was not on the Board Agenda for action, so this recommendation will be discussed at the November Board Meeting.

Mr. Griffin discussed the possibility of keeping G3 but at a lower cost due to the fact that work pertaining to legislative issues is currently not needed. He also noted that most of the work now being handled by G3 involves the Pension Fund's Facebook page and website. Mr. Schott will provide notice of termination to G3 and the item will be placed on the November Board Meeting agenda for consideration during that meeting. Mr. Schott also will invite G3 to attend the next Public Relations Committee in November, to discuss whether the scope of services and costs can be adjusted to factor-in the fact that the Legislature is not in session. The Committee recommendation may change at that time.

Mr. Reed commented that G3 had done a great job, however its services are currently not needed at this time. The Board may consider hiring G3 in the future should the need for its services arise.

DISBURSEMENTS: Mr. Ury moved, and Mr. Pearson seconded, a motion to approve paying the bills, which was unanimously approved. (See attached disbursements dated October 20, 2015).

**MEMBERS TO
BE HEARD:**

Mr. Schott provided the Board with funeral arrangements for Jerry Clancy. Mr. Reed acknowledged Mr. Clancy as being a true pioneer over the years for his involvement regarding member benefits and stated he will be remembered for what he had done and accomplished for both Fire and Police.

ADJOURNMENT: Being that there was no further business, Mr. Smith moved to adjourn the meeting at 9:32 a.m. Mr. Pearson seconded the motion, and it carried unanimously.

**APPROVED BY THE BOARD OF TRUSTEES AT THE REGULAR
MEETING HELD ON NOVEMBER 25, 2015.**

J. T. Trevino, Chairman

ATTEST:

Jim Smith, Vice Chairman