

**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  
December 17, 2014**

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

**ABSENT:** Mayoral Designee Art A. Hall; Councilman Rey Saldana.

**OTHERS**

**PRESENT:** Warren Schott, Executive Director; Mark Gremmer; Erik Dahler; Beatrice Ahrens; Matthew O'Reilly; Sonia Martinez, Pension Fund Staff.

At 9:02 a.m., Chairman Ury 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; 551.078; 551.0785.

The Board reconvened at 9:30 a.m.

**MINUTES:** Mr. Smith moved to approve the minutes of the regular meeting held November 26, 2014. 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. 2015 NAPPA Winter Seminar  
February 11-13, 2015
2. Entrust Investment Summit  
February 3-4, 2015
3. TEXPERS Legislative Seminar  
January 22, 2015
4. Opal Investment Education Symposium  
February 26-28, 2015

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

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

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

Pension Applications

1. A 34 year, 7 month service pension for Firefighter Rodolfo R. Cadena, effective December 1, 2014.
2. A 31 year, 6 month service pension for Police Officer Raul Alonzo, effective December 6, 2014.
3. A 35 year, 2 month service pension for Police Sergeant Larry D. Blackburn, effective January 1, 2015.
4. A 29 year, 4 month service pension for Fire Engineer Richard F. Ozuna, effective January 3, 2015.
5. A 35 year service pension for Fire Captain Nathan R. Peacock, effective January 3, 2015.
6. A 27 year, 8 month service pension for Detective Investigator Kent L. Hamilton, effective January 6, 2015.

Beneficiary Pensions

1. A beneficiary pension for Mrs. Susie Flores, widow of Retired Fire Engineer Andrew O. Flores, effective October 29, 2014.
2. A beneficiary pension for Mrs. Zona Wilkinson, widow of Retired Fire Engineer Jack J. Wilkinson, effective November 11, 2014.
3. A beneficiary pension for Mrs. Gail Carnal, widow of Retired Fire Engineer Scott S. Carnal, effective November 12, 2014.
4. A beneficiary pension for Mrs. Dianna Havlin, widow of Retired Police Officer Edward N. Havlin, effective November 23, 2014.

Refund of Contribution

1. An 8 year, 2 month refund of contribution for Police Officer Christopher Richter, effective December 1, 2014.

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

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

Disability Pension

1. A first hearing for a disability pension for Detective Investigator Salvatore V. Varvaro.

**DISABILITY COMMITTEE**

Mr. Reed reported that the Disability Committee met last week to discuss a Disability Pension Application for Detective Investigator Salvatore Varvaro. Mr. Varvaro has complied with all of the provisions necessary to file a disability pension application. The Chief's office has signed a letter stating that there is no billet for Mr. Varvaro. As such, after reviewing the medical reports for Detective Varvaro, the Committee has determined that there is sufficient evidence to continue the process.

Mr. Reed then made a motion on behalf of the Committee to recommend the Board send Detective Varvaro to two independent physicians for further evaluation. The motion was seconded by Mr. Griffin, and it carried unanimously.

Mr. Reed reported that Staff provided an update on the four Disability Pensioners that had filed tax extensions. He stated Staff has received all four tax returns and there are no issues. As such, all of the disability tax returns have been received and no further action is needed.

**EXECUTIVE  
DIRECTOR  
REPORT:****PRB MINIMUM EDUCATIONAL TRAINING PROGRAM**

Mr. Schott provided the Board with a copy of the Pension Review Board's Minimum Educational Program. He stated the Texas Legislature is requiring the PRB establish a minimum training program for Board Members and Administrators to be taken every 2 years, effective January 1, 2015. At this time, Mr. Schott reviewed the requirements currently being proposed.

**JANUARY FINANCIAL PLANNING SEMINAR**

Mr. Schott stated due to the Holiday schedule, the Pension Fund would not be holding a Financial Planning Seminar in January. He stated the next seminar will be held on Friday, February 6, 2015 at 1:00 p.m.

**CONTRACT WITH TEXAS DEPT. OF STATE HEALTH SERVICES**

Mr. Schott provided the Board with a copy of a contract with the Dept. of Health Services to provide death audits. He stated the Fund will provide the Dept. of Health Services with a list of its members, which the Department will then cross-reference with its records to see if it has received any death certificates that the Fund did not receive. Mr. Schott stated the cost for this service is \$2,500 per year. Mr. Schott stated that currently the Fund only uses the Social Security Administration for this type of service. Mr. Schott requested Board's approval at this time. Mr. Smith made a motion to approve. The motion was seconded by Mr. Pearson, and it carried unanimously.

**FINANCIAL REPORT FOR PERIOD ENDING NOVEMBER 30, 2014**

Financials for period ending November 30, 2014 were unavailable.

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

Mr. Griffin stated that the Personnel/Audit Committee did not have a meeting this month. He stated the auditors have been in the office for the past two weeks conducting fieldwork and should have the audit completed by mid-January.

Mr. Griffin stated a meeting will be held on Tuesday, January 27<sup>th</sup> at 2:30 p.m. to receive the Annual Audit and Actuarial Valuation Report. Mr. Griffin stated both the auditors and actuaries will be on hand to present their reports.

**LEGISLATIVE COMMITTEE**

Mr. Pearson stated that the Legislative Committee did not have a meeting this month, but provided an update on the Pension Fund's Legislative Package.

Mr. Pearson reported that the Pension Fund sent a letter to Mayor Taylor requesting she place the Fund's Legislative Package on the City Council agenda in December. The Committee was told that the Mayor would like to hire an independent actuary to review the Fund's Package and give the Council advice whether the Package is reasonable and would not impact the City's AAA bond rating. The Committee has informed the Mayor that it is okay with this review, but need a decision by January 8<sup>th</sup>. Mr. Pearson stated as of today, the Committee has not received any updates on the progress of this Study. Mr. Pearson stated the Committee sees Council taking one of three positions: 1) It will either vote to approve the Fund's Package, 2) it will take no action on the Package or 3) it will vote to approve the IGR's language which opposes the Package. He stated in either case, the Committee will be scheduling a Legislative Committee Meeting in January to discuss whether it wants to continue with the process of filing legislation.

**INVESTMENT COMMITTEE**

Mr. Smith reported that the Investment Committee held a meeting on December 10, 2014.

He reported the first item on the Agenda was the Asia-Pacific Private Debt finalist presentations. Representatives from Babson Capital Management, OCP Asia, and Shoreline Capital presented its respective fund's strategy and capabilities within the Asia-Pacific Private Debt space. Mr. Smith stated the Committee decided to allocate \$15 million to Babson Capital Global Private Credit Gateway Mezzanine Partners Fund II and \$15 million to Shoreline China Value Fund III. Mr. Smith then made a motion to approve. The motion was seconded by Mr. Pearson, and it carried unanimously.

Mr. Smith stated the next item on the agenda was a discussion of potential Real Estate Re-Ups. The Committee made the decision to commit \$10 million to DSF Capital Partners V, \$10 million to Covenant Apartment Fund VIII, and \$10 million to Rockpoint Real Estate Fund V. Mr. Smith then made a motion to approve. The motion was seconded by Mr. Reed, and it carried unanimously.

Mr. Smith reported that the last item on the agenda was a discussion regarding the actuarial rate of return assumptions. He stated the Committee decided to re-visit the topic at a future Investment Committee.

**AD HOC GOVERNMENTAL & PUBLIC RELATIONS COMMITTEE**

Vice Chairman Trevino reported the Public Relations Committee has a meeting scheduled for December 18<sup>th</sup> at 9:00 a.m. He stated Joe Gimenez and Greg Brockhouse will be in attendance to provide an update on the design and development of the Fund's website. The Committee will also be discussing the creation of member surveys to gather ideas of what members would like to see from the Pension Fund. He stated that, depending on time constraints, the Committee is scheduled to also discuss its Facebook Page and Social Media Policy.

**DISBURSEMENTS:** Vice Chairman Trevino moved, and Mr. Smith seconded, a motion to approve paying the bills, which was unanimously approved. (See attached disbursements dated December 17, 2014).

**MEMBERS TO  
BE HEARD:**

Mr. Bart Moczygamba wished everyone a Merry Christmas and thanked the Board for approving the 13<sup>th</sup> Check for retirees, and thanked Staff for the quick processing of the checks.

Mr. Griffin stated he would like Staff to prepare performance reports for our investment managers comparing them with the investment returns they said they could provide during their interviews.

**ADJOURNMENT:** Being that there was no further business, Vice Chairman Trevino moved to adjourn the meeting at 10:22 a.m. Mr. Griffin seconded the motion, and it carried unanimously.

**APPROVED BY THE BOARD OF TRUSTEES AT THE REGULAR  
MEETING HELD ON JANUARY 28, 2015.**

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**J. T. Trevino, Vice Chairman**

**ATTEST:**

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**Ray Lopez, Secretary**