

**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
January 25, 2016**

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

ABSENT: Mayoral Designee Art A. Hall; Councilman/Secretary Ray Lopez; Councilman Joe Krier.

OTHERS

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

At 9:00 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 9:01 a.m., pursuant to Texas Govt. Code §551.071, and reconvened at 9:31 a.m.

MINUTES: Mr. Reed moved to approve the minutes of the regular meeting held December 21, 2016. The motion was seconded by Vice Chairman Smith, and it carried unanimously.

EDUCATIONAL

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

1. Paladin Real Estate Forum
February 1, 2017
2. PREA Real Estate Conference
February 23-24, 2017
3. RSK Institutional Investor's Forum
March 11-14, 2017
4. TEXPERS
April 9-12, 2017
5. Merit Energy Annual Meeting
April 18-19, 2017
6. Kayne Anderson Annual Meeting
April 26-27, 2017

7. Westech Investment Advisors Annual Meeting
April 27-28, 2017

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

**APPLICATIONS,
ADJUSTMENTS
AND REFUND OF**

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

Pension Applications

1. A 25 year, 9 month service pension for Firefighter William Bryan Bertie, effective January 1, 2017.
2. A 29 year, 2 month service pension for Fire Engineer Domingo Carlin, effective January 1, 2017.
3. A 21 year, 8 month service pension for Detective Investigator Terry M. Condon, effective January 1, 2017.
4. A 30 year service pension for Fire Engineer Lee S. Garcia, effective January 1, 2017.
5. A 34 year, 7 month service pension for Detective Investigator Michael Garcia, effective January 1, 2017.
6. A 26 year, 11 month service pension for Detective Investigator Robert Paul Hadley, effective January 1, 2017.
7. A 23 year, 1 month service pension for Police Sergeant Javier O. Salazar, effective January 1, 2017.
8. A 23 year, 8 month service pension for Police Officer Gasper F. Sifuentes, III, effective January 1, 2017.
9. A 27 year, 8 month service pension for Police Sergeant James L. Serrato, effective January 3, 2017.
10. A 27 year service pension for Police Officer John Aaron Mills, effective January 7, 2017.
11. A 20 year, 7 month service pension for Police Officer Ted Michael Grill, effective January 19, 2017.
12. A 39 year, 3 month service pension for Fire Engineer Carlos Martinez, effective January 28, 2017.
13. A 24 year, 11 month service pension for Detective Investigator Pamela Weiler Arida, effective February 1, 2017.
14. A 31 year service pension for Fire Lieutenant John P. Greiner, effective February 1, 2017.
15. A 30 year, 4 month service pension for Detective Investigator Elizabeth Ann Greiner, effective February 2, 2017.

16. A 27 year, 10 month service pension for Police Lieutenant Michael Vann King, effective March 1, 2017.

Beneficiary Pension

1. A beneficiary pension for Mrs. Estela Ybarra Mireles, widow of Retired Fire Engineer Eugene S. Mireles, effective November 29, 2016.

Refund of Contributions

1. An 18 year, 4 month refund of contribution for Police Officer Phillip S. Lute, effective July 15, 2016.
2. An 11 year, 5 month refund of contribution for Fire Engineer James Michael Villarreal, effective November 29, 2016.
3. An 8 year refund of contribution for Police Officer Sarah Halbert, effective January 10, 2017.

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

EXECUTIVE DIRECTOR REPORT:

COUNCILMAN LOPEZ LETTER

Mr. Schott read a letter sent to Mayor Ivy Taylor from Councilman Ray Lopez expressing his appreciation for allowing him to serve as a Fund Trustee and stated that the Fund is well-managed in providing financial security to the public safety men and women who serve the community.

ANNUAL STATEMENTS

Mr. Schott reported that annual statements were available online for members to view. He also informed the Board that 1099Rs had been sent to the retired members of the Fund.

RESCHEDULE FEBRUARY BOARD MEETING

Mr. Schott informed the Board that they may have trouble achieving a quorum for the February Board meeting due to several conflicts. After some discussion, Mr. Smith moved to change the February Board meeting to Friday, February 17th at 9:00 a.m. The motion was seconded by Mr. Pearson, and it carried unanimously.

FINANCIAL DISCLOSURE FORMS

Mr. Schott provided the Board with a copy of the Financial Disclosure Forms for reporting period 2016. He stated the forms are due March 31, 2017.

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 2016 are projecting an 8.8% investment return with a 5-year investment average of 8.08%. Per Section 5.11 of the Pension Law, the Fund's five-year investment return would have needed to average 8.4% 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.

The Board requested that the information be added to the Fund's website as a way of informing members.

TRUSTEE ELECTION SCHEDULES

Mr. Schott provided the Board a copy of the proposed election schedules for Active Fire Representative, Active Police Representative, and Retired Fire Representative. The current positions will expire on May 31, 2017. Mr. Schott stated the expiring terms were those of Dean Pearson, Jimmy Foster, and Larry Reed. Intelliscan, Inc. will be conducting the elections for the Pension Fund.

Vice Chairman Smith made a motion to approve the schedules. Mr. Griffin seconded the motion, and it carried unanimously.

At this time, Chairman Trevino moved to Item C: Social Security Presentation. Mr. David Zander provided a presentation on Social Security benefits to the Board and members who were present.

COLA REPORT

Mr. Schott provided the Board with a copy of the BLS Consumer Price Index Summary. Mr. Schott reported the CPI for calendar year 2016 was 2.1%; therefore, members retiring prior to October 1, 1999 will receive a 2.1% COLA, and members retiring after September 30, 1999 will receive a 1.6% COLA. The increase will be included on the members' January check.

Mr. Griffin made a motion to approve. The motion was seconded by Mr. Pearson, and after discussion, it carried unanimously.

TEXPERS DELEGATE FORM

Mr. Schott provided the Board with a copy of the TEXPERS Delegate List and requested Board provide staff with the names of those to be placed on both the delegate and alternate list. He stated the deadline to submit the list is March 10, 2017.

Mr. Reed made a motion that Official Delegates be Larry Reed, Harry Griffin, J. T. Trevino, Jim Smith, Jimmy Foster and Dean Pearson. Alternate Delegates be Warren Schott, Matthew O'Reilly, Mark Gremmer, Michael Trainer, Sinclair Nagy, and Jason Hsu. The motion was seconded by Mr. Pearson, and it carried unanimously.

REHEARING OF DENIAL OF BENEFITS

At this time, Chairman Trevino moved to Item H: Rehearing of Denial of Benefits. Applicant Diana Lopez Vasquez and her attorney, Alan Cazier,

were in attendance and presented their case in support of reversing the Board's previous decision to deny the application. Frank Burney also made a few remarks in support of affirming the previous decision. The Board was provided with copies of all documents submitted by Mr. Cazier in support of his argument. After hearing the arguments and allowing all interested parties to state their positions, Mr. Reed made a motion to affirm the Board's previous denial of the application. The motion was seconded by Vice Chairman Smith, and it carried unanimously.

QUALIFICATIONS FOR LINE OF DUTY DEATH BENEFITS

Chairman Trevino stated Item G: Qualifications for Line of Duty Death Benefits would be discussed at a future meeting.

2016 POLICE RETIREE PLAQUE PRESENTATION AT FEBRUARY MEETING

Mr. Schott reported there are 82 Police Officers that retired January through December 2016 who have been invited to attend a plaque presentation during the February Board Meeting.

ADVISOR NEWSLETTER

Mr. Schott reported that Staff is working on the next Advisor Newsletter. He requested that anyone providing an article for the newsletter do so within the next couple weeks.

FINANCIAL REPORTS FOR PERIODS ENDING NOVEMBER 30, 2016 AND DECEMBER 31, 2016

The Statement of Net Plan Assets for period ending November 30, 2016 were \$2,790,011,950.28. Financials for December 31, 2016 were unavailable.

COMMITTEE REPORTS:

PERSONNEL COMMITTEE

Mr. Griffin reported the Personnel/Audit Committee did not meet this month, but has a meeting scheduled for January 26th at 11:00. He stated the main item on the agenda is a review of the Employee Handbook, since the Board has made several changes to the employee benefits over the past several months. Mr. Griffin stated that Staff has incorporated those changes into the Employee Handbook and the Committee wants to review the changes prior to recommending the Handbook's approval to the full Board.

Mr. Griffin reported the Committee will also be discussing its social media contract with G3 Public Relations. Their contract was signed at the beginning of 2016 and does not have an expiration date. However, the contract was written such that either party can terminate the contract with 30 days' notice. The Committee will be discussing the issue to determine if social media services are still needed, and will make a recommendation to the Board in February.

DISABILITY COMMITTEE

No report.

LEGISLATIVE COMMITTEE

Vice Chairman Smith reported the Legislative Committee did not meet this month; however, he provided an update on a meeting that he along with Frank Burney and Warren Schott attended at the Capitol on January 10th.

Chairman Trevino thanked the group for their attendance during the meetings in Austin.

INVESTMENT COMMITTEE

Mr. Reed stated the Investment Committee had not met since the last Board Meeting. The Committee will be meeting on Thursday, January 26 at 9:00 a.m.

SAN ANTONIO F&P PROPERTY HOLDING CORPORATION

Mr. Pearson reported the Property Holding Corp did not meet this month but will be scheduling a meeting in February. He stated the Fund's three properties continue to perform as expected which is why the Committee has quarterly meetings vs. monthly meetings. The Committee is expecting to receive a leasing update, an update on the all-weather directory and a review of the Shavano Building Loans.

DISBURSEMENTS: Vice Chairman Smith made and Mr. Pearson seconded a motion to approve paying the bills, which was unanimously approved. (See attached disbursements dated January 25, 2017).

**MEMBERS TO
BE HEARD:**

None.

ADJOURNMENT: Mr. Reed made a motion to adjourn the meeting at 11:27 a.m. The motion was seconded by Vice Chairman Smith, and it carried unanimously.

**APPROVED BY THE BOARD OF TRUSTEES AT THE REGULAR
MEETING HELD ON FEBRUARY 17, 2017.**

J. T. Trevino, Chairman

ATTEST:

Jim Smith, Vice Chairman