

**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 31, 2018**

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

**ABSENT:** Councilman Clayton Perry; Councilman William “Cruz” Shaw.

**OTHERS**

**PRESENT:** Warren Schott; Mark Gremmer, Matt O’Reilly, Gail Jensen, Beatrice Ahrens; Rick Matye, Pension Fund Staff.

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 9:47 a.m.

**MINUTES:** Vice Chairman Smith moved to approve the minutes of the regular meeting held December 20, 2017. The motion was seconded by Mr. Foster, and it carried unanimously.

**EDUCATIONAL**

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

1. NIRS Policy Conference  
February 26-27, 2018
2. Entrust Permal Client Conference  
February 27-28, 2018
3. PREA Real Estate Conference  
March 8-9, 2018
4. RSK Institutional Investor’s Conference  
March 11-13, 2018
5. Opal Real Estate Investment Summit  
March 25-27, 2018

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

**APPLICATIONS,  
ADJUSTMENTS  
AND REFUND OF****CONTRIBUTIONS:** Mr. Griffin made a motion to approve the following pension applications:Pension Applications

1. A 27 year, 8 month service pension for Fire Engineer Patrick M. Grams, effective January 1, 2018.
2. A 29 year, 7 month service pension for Police Officer Jesus M. Oliva, effective January 1, 2018.
3. A 26 year, 9 month service pension for Police Officer Timmy L. Bowen, effective January 4, 2018.
4. A 31 year service pension for Police Officer Erik R. Doyle, effective January 4, 2018.
5. A 31 year, 6 month service pension for Fire Engineer John M. Sandoval, effective January 5, 2018.
6. A 23 year, 9 month service pension for Police Sergeant Marc A. Ebinger, effective January 30, 2018.
7. A 29 year, 1 month service pension for Police Sergeant David S. Anderson, effective February 1, 2018.
8. A 29 year, 8 month service pension for Police Sergeant Barry K. Gresham, effective February 1, 2018.
9. A 32 year service pension for Police Sergeant David R. Lopez, effective February 1, 2018.
10. A 28 year, 2 month service pension for Detective Investigator Leslie Ann Saenz, effective February 1, 2018.
11. A 31 year, 4 month service pension for Detective Investigator Jeffery R. Smith, effective February 1, 2018.
12. A 32 year service pension for Detective Investigator Chinee Edwards, Jr., effective February 3, 2018.
13. A 32 year, 4 month service pension for Detective Investigator Mark L. Frost, effective February 3, 2018.
14. A 29 year, 1 month service pension for Police Officer Paul S. Woodward, effective February 3, 2018.
15. A 31 year, 1 month service pension for Police Sergeant Joseph D. McKay, effective March 1, 2018.

Beneficiary Pensions

1. A beneficiary pension for Mrs. Consuelo Flores, widow of Retired Firefighter Armando C. Flores, effective November 24, 2017.

2. A beneficiary pension for Mrs. Brenda P. Lewis, widow of Retired Police Lieutenant William S. Lewis, effective December 28, 2017.
3. A beneficiary pension for Mrs. Alice Laurel, widow of Retired Police Officer Adalberto Laurel, Jr., effective January 13, 2018.
4. A beneficiary pension for Mrs. Bertha M. Garza, widow of Retired Assistant Fire Chief Eugene Garza, effective January 23, 2018.

#### Refund of Contributions

1. A 4 year refund of contributions for Police Officer Keith J. Bell, effective January 7, 2018.
2. A 12 year, 2 month refund of contributions for Detective Investigator Adrian M. Owens, effective January 12, 2018.

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

### **EXECUTIVE DIRECTOR REPORT:**

#### **CYBERSECURITY UPDATE**

Mr. Paul Brubaker from Office Network Solutions briefed the Board on the status of the cybersecurity scans that have been performed on the Pension Fund's software and hardware. He stated that no major issues were found but several computers had old software that needed updating. These issues have been taken care of and he will continue to monitor on a weekly basis.

#### **13<sup>TH</sup> CHECK ANALYSIS**

Mr. Schott provided the Board with an updated analysis on the 13<sup>th</sup> Check. He noted, per Section 5.11 of the Pension Law, the Fund's five-year investment return would need to average 14.05% in order for the Board to have discretion to issue a 13<sup>th</sup> Check. The current return is 13.9%. Mr. Schott again reminded the Board that additional investment income, dividends and gains will continue to be received. Therefore, a final decision on the 13<sup>th</sup> Check will not be determined until late April or early May.

#### **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. The deadline to submit the list is March 16, 2018.

The Board decided to wait until its February Board meeting to select Official and Alternate Delegates.

**ANNUAL STATEMENTS**

Mr. Schott reported that annual statements were available on the Pension Fund's website for members to view through its MemberDirect link.

**FINANCIAL DISCLOSURE FORMS**

Mr. Schott provided the Board with a copy of the Financial Disclosure Forms for reporting period 2017. He stated the forms are due March 31, 2018.

**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 2017 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. Reed made a motion to approve. The motion was seconded by Mr. Pearson, and it carried unanimously.

**2017 POLICE RETIREE PLAQUE PRESENTATION @ FEBRUARY BOARD MEETING**

Mr. Schott informed the Board that the 2017 Police Retiree plaque presentation would be held during the February 28<sup>th</sup> Board meeting. There are approximately 65 retirees who have been invited to the presentation.

**FINANCIAL REPORTS FOR PERIODS ENDING OCTOBER 31, 2017 AND NOVEMBER 30, 2017**

Mr. Gremmer reported that the Statement of Net Plan Assets for the period ending November 30, 2017 were \$3,153,835,744.02.

The Statement of Net Plan Assets for period ending December 31, 2017 were unavailable.

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

Mr. Griffin reported the Personnel/Audit Committee did not have a meeting this month. However, as an update, the auditors are planning on conducting field work in the office beginning in April. The Committee's plan is to receive the Annual Audit at a Committee Meeting on June 26<sup>th</sup> and then at the Board Meeting on June 27<sup>th</sup>.

**DISABILITY COMMITTEE**

Mr. Pearson stated the Disability Committee did not have a meeting this month because it had not received any new disability applications nor did it have any pending disability applications. However, there is a meeting scheduled for February 13<sup>th</sup> at 10:00 a.m. to review a request from a disability

pensioner to have their original pension reinstated. Mr. Pearson reminded the Board that this retiree had their pension reduced in 2016 due to outside income. The Committee will review this case and bring a recommendation to the next Board Meeting.

### **LEGISLATIVE COMMITTEE**

Vice Chairman Smith reported that the Legislative Committee did not have a meeting this month, but stated he, along with Dean Pearson, Warren Schott and Frank Burney, had just returned from the Legislative Conference in Washington, D.C. He noted there was nothing in the UBIT tax plan that would impact the Fund. He stated the Committee was able to meet with Councilman Manny Pelaez to discuss the Fund and is reaching out to other Councilmembers and the Mayor to see if they can meet with them as well. The Committee has scheduled a meeting for February 13<sup>th</sup> at 9:00 a.m. to begin discussions on the 2019 Legislative Session.

### **INVESTMENT COMMITTEE**

Mr. Reed stated the Investment Committee held a meeting on Wednesday, January 24, 2018.

The first item on the agenda was the annual strategic study. Staff and NEPC discussed various topics including: current market conditions, the current state of our portfolio, 2018 allocations to the private markets and potential re-up opportunities.

The next item on the agenda was a discussion about rebalancing the portfolio. NEPC presented a few options of how to rebalance the portfolio away from public equities. The Investment Committee recommends the following:

- Redeeming \$20 million from First Eagle International Value Fund, \$20 million from PIMCO RAE Fundamental Global Ex-US Fund, and \$20 million from LSV International Large Cap Value
- Allocating \$60 million to SAFP's existing investment with AQR GRP EL Fund
- Redeeming \$30 million from NTGI Russell 1000 Growth index fund
- Allocating \$30 million to SAFP's existing investment with Goldman Sachs Strategic Income fund

Mr. Reed then made a motion on behalf of the Committee to approve. The motion was seconded by Mr. Griffin, and it carried unanimously.

The final item on the agenda was a discussion regarding the Fund's consulting contracts with Attucks and NEPC.

The Investment Committee recommends terminating the contract with Attucks Asset Management. Mr. Reed then made a motion on behalf of the Committee to approve. The motion was seconded by Mr. Foster. After much discussion, the motion failed unanimously. The Investment Committee will reconsider this issue at its next meeting.

The Investment Committee recommends accepting NEPC's proposed revisions to its agreement. Mr. Reed then made a motion on behalf of the Committee to approve. The motion was seconded by Vice Chairman Smith, and it carried unanimously.

**SAN ANTONIO F&P PROPERTY HOLDING CORPORATION**

President Foster reported the Board of Directors of the Property Holding Corporation did not meet this month. The Holding Corporation will schedule its next meeting in March unless an issue arises that requires it to meet earlier.

President Foster informed the Board that Connexion Point's current lease in the Parkway Center Building expires in July 2018. He stated the Corporation has begun working with a space planner on the possible expansion of the Pension Fund offices into a portion of that space and should receive more information within the next couple of weeks. He also stated that the Corporation is working with Spectrum on its expressed interest to expand into the remaining portion of the Connexion Point space. The Corporation will keep the Board posted on the progress.

Both buildings in Shavano Park continue to be over 90% leased, so they are doing very well.

**DISBURSEMENTS:** Mr. Reed made and Mr. Foster seconded a motion to approve paying the bills, which was unanimously approved. (See attached disbursements dated January 31, 2018).

**MEMBERS TO  
BE HEARD:** None.

**ADJOURNMENT:** Mr. Foster made a motion to adjourn the meeting at 10:49 a.m. The motion was seconded by Mr. Griffin, and it carried unanimously.

**APPROVED BY THE BOARD OF TRUSTEES AT THE REGULAR  
MEETING HELD ON FEBRUARY 28, 2018.**

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**J. T. Trevino, Chairman**

**ATTEST:**

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**Jim Smith, Vice Chairman**