

**Minutes of the
Regular Meeting of the
Board of Trustees of the
Fire and Police Pension Fund Board of Trustees
11603 W. Coker Loop, Suite 201
San Antonio, Texas
August 26, 2020**

PRESENT: Chairman Jim Smith, Police Representative; Vice Chairman Dean Pearson, Fire Representative; Secretary Councilman Clayton Perry; Vance Meade, Fire Representative; Larry Reed, Fire Retiree Representative;; Jimmy Foster, Police Representative.

ABSENT: Harry Griffin, Police Retiree Representative; Councilwoman Dr. Adriana Rocha Garcia; Justin Rodriguez, Mayoral Designee.

**OTHERS
PRESENT:**

Warren Schott, Mark Gremmer, Cary Hally, Jason Hsu, Gail Jensen, Rick Matye, Nancy Ybarra, Pension Fund Staff; Frank Burney, Martin & Drought.

At 9:03 a.m., Chairman Smith 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 Gov. Code §551.071, § 551.078 and § 551.0785, and reconvened at 9:43 a.m.

MINUTES: Mr. Reed moved to approve the minutes of the regular board meeting of July 29, 2020. The motion was seconded by Vice Chairman Dean Pearson and it carried unanimously.

**EDUCATIONAL
OPPORTUNITIES** No action was needed on this item.

**APPLICATIONS
AND REFUND OF**

CONTRIBUTIONS: Mr. Foster made a motion, seconded by Mr. Reed, to approve the following pension applications and it carried unanimously:

Service Pensions

1. A 38 year, 3 month service pension for Police Lieutenant Michael Despres, effective August 1, 2020.
2. A 31 year, 3 month service pension for Police Detective Dean Fischer, effective August 1, 2020.

3. A 31 year, 10 month service pension for Fire Engineer Alejandro Ibarra, effective August 1, 2020.
4. A 22 year, 2 month service pension for Police Officer Patrick Levine, effective August 1, 2020.
5. A 32 year, 9 month service pension for Police Sergeant Richard Rangel, effective August 1, 2020.

Disability Pension

1. A final hearing for a disability pension for Fire Engineer Dawn Solinski.

At this time Mr. Foster reported that the Disability Committee met on August 20, 2020, to conduct its final review of the Regular Disability Application for Fire Engineer Dawn Solinski. Engineer Solinski underwent two independent medical evaluations in accordance with the Fund's policy. After reviewing the doctors' evaluation reports and the other materials that had been submitted, the Committee recommended the Board approve the Regular Disability Pension Application for Fire Engineer Dawn Solinski. Mr. Foster made a motion on behalf of the Committee to approve the regular disability pension for Engineer Bradley. The motion was seconded by Vice Chairman Pearson, and it carried unanimously. Mr. Foster noted that he would provide the remainder of his Committee Report during the Committee Reports portion of the Meeting.

Mr. Meade made a motion, seconded by Mr. Reed, to approve the following beneficiary pension application and refund of contributions and it carried unanimously:

Beneficiary Pensions

1. A beneficiary pension for Mrs. Shannon Pointon, widow of Retired Police Detective Mark Pointon, effective August 1, 2020.

Refund of Contributions

1. A 4 year, 5 month refund of contributions for Police Officer Matthew Luckhurst, effective June 19, 2020.
2. A 15 year, 2 month refund of contributions for Police Detective Harry Clark, effective July 24, 2020.
3. A 1 year, 7 month refund of contributions for Police Officer Terrell Flagg-Jones, effective July 27, 2020.
4. A 11 year, 3 month refund of contributions for Police Officer Robert Gaitan, effective August 6, 2020.

**EXECUTIVE
DIRECTOR
REPORT:**

COVID-19 UPDATE

Mr. Schott reported that Pension Fund staff continue to work remotely, with staff members coming in as needed. He noted that there has been no interruption of service to our Members. Mr. Schott recommended, and the Board concurred, that the staff continue to work remotely through the month of September, at which time the situation will be re-assessed.

**BRIEFING OF HISTORICAL DATA-RETIREMENTS AND
REFUNDS OF CONTRIBUTIONS**

Mr. Schott provided the Board a report showing the number of fire and police members who had separated from service (whether through retirement or otherwise) and the number of fire and police members in cadet classes over the past 5 years. Councilman Perry thanked Mr. Schott for the report and asked that the data be tracked on an ongoing basis.

FIRE CADET CLASS 2020-A BRIEFING-SEPTEMBER 1ST @ 2:30

Mr. Schott informed the Board that a Fire Cadet Briefing is scheduled for September 1 at 2:30 p.m., and he encouraged the active fire representatives to attend if they were available.

FINANCIAL REPORT FOR PERIOD ENDING MAY 31, 2020

The Statement of Net Plan Assets for the period ending June 30, 2020 were \$3,312,532,642.44.

Secretary Perry left the meeting at 10:00 a.m.

**COMMITTEE
REPORTS:**

PERSONNEL/AUDIT COMMITTEE

Vice Chairman Pearson reported that the Personnel/Audit Committee met last week. At the meeting, the Committee received a presentation from the securities litigation firm of Levi & Korsinsky. The firm discussed its portfolio monitoring capabilities and demonstrated its online portal that allows board members and staff to monitor ongoing securities litigation cases and recoveries. Because the Pension Fund already has retained five securities litigation firms, which is the limit under Board Policy, no action was taken by the Committee.

Vice Chairman Pearson reported that the Committee next discussed the Pension Fund's Administrative Services Contract with the City. He reminded the Board that the Contract is currently nearing the end of its first one-year extension, and that the Contract allows up to four one-year extensions. After discussion, the Committee recommended that the Board approve a second one-year extension. Vice Chairman Pearson made a motion on behalf of the Committee to approve. The motion was seconded by Mr. Meade, and the motion carried, with one opposed, Mr. Reed.

Vice Chairman Pearson reported that the final item discussed at the Committee Meeting was the Executive Director's Contract. Mr. Schott provided the Committee Members a copy of his Employment Contract, which is set to expire on September 30, 2020. Vice Chairman Pearson stated that the Committee will be reviewing the contract for possible amendments and will schedule a follow-up meeting with the Executive Director in September to discuss those items.

DISABILITY COMMITTEE

At this time, Mr. Foster provided the remainder of his Committee Report. At its August 20, 2020 meeting, the Committee also conducted its annual review of the disability pensioners' tax returns. The Committee reviewed the tax return information regarding several of the disability pensioners but took no action. There was one disability pensioner that has filed an extension and the Committee recommended its approval. Mr. Foster made a motion on behalf of the Committee to approve the requested extension. The motion was seconded by Vice Chairman Pearson, and the Motion carried unanimously.

LEGISLATIVE COMMITTEE

Mr. Reed reported that the Legislative Committee met last week to finalize the Legislative Package for the 2021 Legislative Session. At the meeting, the Committee reviewed all the proposed changes and unanimously approved a motion to recommend the Board approve the Package. However, in light of the current political environment, the Committee recommended that the Board wait to formally approve the Legislative Package and begin the process of requesting support from the Unions and City. As a result, the Legislative Package is not on this month's Board Agenda for action. The Committee hopes to bring its recommendation to the Board in the next couple of months. Mr. Reed noted that pre-Filing of bills does not begin until November, so there is still plenty of time to get the language changes reviewed by the three Associations, approved, and in bill-format.

Mr. Reed reported that the Committee also discussed two issues that had been previously discussed in the last Legislative Session involving COLAs and an Occupational Death Benefit. He noted that because of the passage of

time, the Committee thought it best to get an updated cost of each benefit and recommended that the Board engage Segal Consulting to calculate the cost. The specific benefits that the Committee recommends costing are: increasing the COLA for those members that retired between Oct 1999 and Sept 2000 (1 yr), Oct 1999 and Sept 2001 (2 yr), and Oct 1999 and Sept 2003 (4 yr); and adding a 75% occupational death benefit for active members who die of cancer. This benefit would be retroactive back to September 1, 2005, the effective date of the State's presumptive cancer legislation. After discussion, Mr. Reed made a motion on behalf of the Committee to retain Segal to cost out these items. The Motion was seconded by Vice Chairman Pearson and it carried unanimously.

INVESTMENT COMMITTEE

Mr. Reed informed the Board that the Investment Committee met last week. The first item on the agenda was the finalist presentations for the emerging market equity search. Mr. Reed noted that three firms, RBC, Axiom, and WCM, presented their capabilities to the Committee, and that after discussing the presentations, the Committee recommended that the investment be made with WCM, who also invests a growth-focused international public equity fund for the pension fund. Mr. Reed made a motion on behalf of the Committee to invest in WCM Emerging Markets. Mr. Foster seconded the motion, and it carried unanimously.

Mr. Reed reported that the funding for the WCM Investment would come from the termination of Acadian Asset Management, although there was not a specific Committee Recommendation on this item. Mr. Reed made a motion to terminate Acadian Asset Management. The motion was seconded by Mr. Meade, and the motion carried.

There also was some discussion regarding the performance of Lazard and whether funds from that investment should also be used towards the investment with WCM. Mr. Reed reported that the Investment Committee will review these issues at its next Committee Meeting and bring a recommendation to the next Board Meeting for possible action.

Finally, Mr. Reed reported that the Committee discussed a possible commitment to Charlesbank Equity Fund X. Mr. Reed noted that the Pension Fund has an existing \$30 million investment in a Charlesbank distressed debt fund. The Equity Fund X is Charlesbank's tenth middle-market focused buyout fund, and the prior funds have consistently ranked in the top quartile based on net multiple. The Investment Committee recommended that the Board commit \$20 million to Charlesbank Equity Fund X. Mr. Reed made a motion on behalf of the Committee to approve; it was seconded by Mr. Foster, and it carried unanimously.

SAN ANTONIO F & P PROPERTY HOLDING CORPORATION

Mr. Meade reported that the Property Holding Corporation did not meet in August, but that he had just been informed that Sullivan Commercial had received the three bids that the Corporation had requested for conducting appraisals on our three buildings. As such, the Corporation will be scheduling a meeting in September to review the bids and select an appraiser. Mr. Meade noted that at that meeting, the Corporation also would be getting an update on the leasing status of the three buildings.

DISBURSEMENTS: Vice Chairman Pearson made, and Mr. Meade seconded, a motion to approve paying the bills, which was unanimously approved. (See attached disbursements dated July 31, 2020).

**MEMBERS TO
BE HEARD:**

None.

ADJOURNMENT: Mr. Reed made a motion to adjourn the meeting at 10:29 a.m. The motion was seconded by Vice Chairman Pearson, and it carried unanimously.

**APPROVED BY THE BOARD OF TRUSTEES AT THE REGULAR
MEETING HELD ON AUGUST 26, 2020.**

Jim Smith, Chairman

ATTEST:

Dean Pearson, Vice Chairman