

**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
December 18, 2020**

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

ABSENT: Secretary Councilman Clayton Perry; Councilwoman Dr. Adriana Rocha Garcia; Mayoral Designee Justin Rodriguez.

**OTHERS
PRESENT:** Warren Schott, Mark Gremmer, Cary Hally, Gail Jensen, Rick Matye, Nancy Ybarra, Pension Fund Staff; Frank Burney, Martin & Drought.

At 9:00 a.m., Chairman Smith called the meeting to order. Roll was called, and a quorum was declared present.

MINUTES: Mr. Reed moved to approve the minutes of the regular board meeting of November 18, 2020. The motion was seconded by Vice Chairman Pearson and it carried unanimously.

**EDUCATIONAL
OPPORTUNITIES** No action was needed on this item. Chairman Smith noted the TEXPERS Conference is scheduled for May 22-26, 2021 in Austin, Texas and asked board members to tentatively mark their calendars to attend.

**APPLICATIONS
AND REFUND OF**

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

Service Pensions

1. A 25 year, 11 month service pension for Police Sergeant Timothy J. O'Connell, effective November 1, 2020.
2. A 25 year, 2 month service pension for Police Detective Patrick T. Kilbane, effective December 1, 2020.
3. A 31 year, 6 month service pension for Police Officer Scott L. Boehm, effective January 1, 2021.
4. A 26 year, 1 month service pension for Police Sergeant Valente Garcia III, effective January 1, 2021.

5. A 33 year, 2 month service pension for Fire Lieutenant Jesse M. Guerra, effective January 1, 2021.
6. A 32 year service pension for Police Sergeant Donald Ray Mize, effective January 1, 2021.
7. A 26 year, 1 month service pension for Police Detective John M. Sharp, effective January 1, 2021.
8. A 31 year service pension for Police Sergeant Wayne E. Shoquist, effective January 1, 2021.
9. A 30 year, 6 month service pension for Police Detective Gary Allen Bower, effective January 11, 2021.
10. A 31 year, 7 month service pension for Police Detective John S. Bowers, effective February 1, 2021.

Mr. Griffin made a motion, seconded by Mr. Foster, to approve the following refund of contributions, and it carried unanimously:

Refund of Contributions

1. A 9 year, 1 month refund of contributions for Fire Engineer Leah D. Hoyos, effective March 6, 2020.
2. A 7 year, 6 month refund of contributions for Police Officer Anthony R. Lane, effective November 20, 2020.

DISABILITY COMMITTEE

Mr. Foster reported that the Disability Committee met a couple of weeks ago to conduct its final review of the Catastrophic Disability Pension Application for Police Detective Julie Johnson. Ms. Johnson underwent independent medical evaluations, in accordance with our policy. After reviewing the doctors' evaluation reports and the other materials that had been submitted, as well as hearing from the Applicant, her husband, and others, the Committee recommended the Board deny the Catastrophic Disability Pension Application for Police Detective Julie Johnson.

Mr. Foster further noted that while Ms. Johnson's Catastrophic Disability Application was pending, she also submitted an application for a Regular Disability Application, in the event that her Catastrophic Disability Application was denied. Mr. Foster explained that under our standard process, the Regular Disability Application would first be reviewed by the Committee which would then recommend to the full Board to continue the process by sending her for independent medical evaluation. In an effort to expedite that process, Mr. Foster suggested that if the Board follows the

Committee Recommendation to deny the Catastrophic Disability Application, that the Board also authorize continuing the processing of her Regular Disability Application by sending Ms. Johnson for further medical evaluation as appropriate.

On behalf of the Committee, Mr. Foster made a motion to deny Ms. Johnson's Catastrophic Disability Application. The Motion was seconded by Mr. Pearson. At this time, Chairman Smith acknowledged the individuals who had signed up to speak on this item. Detective Johnson addressed the Board and explained the health issues she has suffered as a result of the injury she sustained while on the job. Mr. Tommy Johnson, spouse of Detective Johnson, described the day-to-day health issues experienced by his wife and the impact on her quality of life.

The Board then recessed to Executive Session at 9:19 a.m., pursuant to Texas Gov. Code §551.071, and reconvened at 10:00 a.m.

Upon reconvening, the Board voted on the motion to deny Ms. Johnson's Catastrophic Disability Application. The motion failed.

Mr. Foster then made a motion to approve Ms. Johnson's Catastrophic Disability Application. The motion was seconded by Mr. Reed, and it carried unanimously.

EXECUTIVE DIRECTOR REPORT:

COVID-19 UPDATE

Mr. Schott recommended, and the Board concurred, that in light of the recent increases in COVID-19 cases in the state and in the community, the Pension Fund staff continue to work remotely with the intent of resuming in-office operations February 1, 2021, subject to re-assessment at the January Board Meeting. Mr. Schott reminded the Board that the Pension Fund staff had maintained remote operations previously with no interruption of services to the membership, and he assured the Board that would be the case this time as well.

FINANCIAL PLANNING SEMINAR UPDATE

Mr. Schott reported the Pre-Retirement Seminar report is included in his reports, with no changes from the previous month. Staff continues to hold the Financial Planning Seminars monthly at the Pension Fund Office. Due to COVID-19, seminar attendance will be capped at 20 members. He stated attendance at the monthly seminars has been standard with no significant changes in attendance.

BRIEFING ON HISTORICAL DATA-RETIREMENTS AND REFUND OF CONTRIBUTIONS

Mr. Schott provided 5-year data of Fire and Police retirements and refunds for the Board's review. He explained that the staff tracks this data and will provide it to the Board each month. Councilman Perry requested that staff include an additional data point reflecting the number of police and fire positions authorized versus the number of positions assigned. Mr. Schott stated he has reached out via email to City staff to obtain this number but has not received a response.

FINANCIAL REPORT FOR PERIODS ENDING OCTOBER 31, 2020 AND NOVEMBER 30, 2020.

Mr. Schott reported that because this month's Board Meeting was earlier in the month, the financial report for November 2020 had not yet been finalized.

COMMITTEE REPORTS:

PERSONNEL/AUDIT COMMITTEE

Vice Chairman Pearson reported that the Personnel/Audit Committee met twice since the last Board Meeting to review the proposed 2021 Annual Budget. At its meeting on December 16, the Committee conducted a final review of the Budget and unanimously recommended the Board approve the 2021 Annual Budget as presented. Vice Chairman Pearson made a motion to approve the Committee Recommendation, Mr. Reed seconded the motion, and it carried unanimously.

LEGISLATIVE COMMITTEE

Mr. Reed reported that the Legislative Committee did not meet this month. He reminded the Board that the Fire Union had sent a letter to the City Council opposing the Pension Fund Legislative Package, and that as a result, we had requested that City Council delay voting on our Package. He also noted that the Pension Fund had sent a letter to the Council Members responding to the Fire Union's claims and offering to meet with each Council Member individually to explain our position and answer any questions. Mr. Reed stated that at this time, the Board needs to make a final decision whether to file our Bill in the upcoming Session. Mr. Griffin made a motion that the Board not file the 2021 Legislative package. Mr. Meade seconded the motion. The Motion carried, with Mr. Foster opposing.

Mr. Reed also reminded the Board that because of the current petition drive to repeal Chapters 143 and 174 of the Local Government Code, the Pension Fund had asked Segal Consulting to model the impact on the Pension Fund

if a significant number of police officers and firefighters were to retire all at one time. He reported that Segal had provided its analysis and their report was behind Tab G, Section 3.

INVESTMENT COMMITTEE

Mr. Griffin reported that the Investment Committee met on Wednesday, December 16, 2020. The first item on the agenda was presentations from the four finalists in the diversified opportunistic real estate search: KKR Real Estate Partners III, Starwood Distressed Opportunity Fund XII Global, Oaktree Real Estate Opportunities Fund VIII, and Kayne Anderson Real Estate Partners VI. After discussing the strengths of each of the four candidates, the Investment Committee recommended that the Board commit \$15 million to Kayne Anderson Real Estate Partners VI. Mr. Griffin made a motion to approve the Committee recommendation, Mr. Reed seconded the motion, and it carried unanimously.

The Committee next discussed possible real estate re-up commitments. Mr. Griffin reported that two of our current value-add multifamily real estate managers, Covenant Capital Group and the DSF Group, are raising their next funds. The Pension Fund has invested in three previous funds managed by Covenant and two previous funds managed by DSF, and all funds all of the funds have had positive performance. The Investment Committee recommended that the Board commit \$15 million to Covenant Apartment Fund X and \$15 million to DSF Multi-Family Fund-2019. Mr. Griffin made a motion to approve the Committee recommendation, Mr. Foster seconded the motion, and it carried unanimously.

The last item the Committee discussed was the allocation to Bloomfield Capital Income Fund V. Mr. Griffin reminded the Board that the Pension Fund had committed \$16 million to Series A of Bloomfield Capital Income Fund V in December of 2019. He reported that Series A had recently reached the end of its Call Period, but that because market conditions had been impacted by Covid, Bloomfield was only able to call approximately \$10 million of our \$16 million commitment and that Bloomfield was requesting that the limited partners roll the uncalled commitment into the next series in the Fund. After discussion, the Investment Committee took no action.

SAN ANTONIO F & P PROPERTY HOLDING CORPORATION

President Meade reported the Property Holding Corporation had its Quarterly Meeting on December 16, 2020 to get a leasing update and to review the 2021 Annual Budgets for our three buildings.

Representatives from Sullivan Commercial reported that leasing continues to be strong with a lot of interest from prospective tenants. Shavano Center

III is now 80% leased, Shavano IV is still 100% leased and Parkway Center is fully leased except for the 20,000 square feet upstairs. Sullivan continues to recommend not dividing the 20,000 square feet into smaller spaces due to the cost involved and the fact that doing so will require the creation of additional common areas, resulting in less rentable space. The Corporation's Board concurred and will revisit this issue later next year if the space remains vacant.

President Meade also reported that the Board reviewed the three budgets for the office buildings and approved them.

DISBURSEMENTS: Mr. Griffin made a motion to approve paying the bills. The Motion was seconded by Mr. Foster, and it was approved unanimously. (See attached disbursements dated December 18, 2020).

**MEMBERS TO
BE HEARD:** None.

ADJOURNMENT: Mr. Griffin made a motion to adjourn the meeting at 10:56 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 DECEMBER 18, 2020.**

Jim Smith, Chairman

ATTEST:

Dean Pearson, Vice Chairman