MINUTES
PERSONNEL/AUDIT COMMITTEE MEETING
FIRE AND POLICE PENSION FUND, SAN ANTONIO
WEDNESDAY, FEBRUARY 19, 2025
PENSION OFFICE – 11:00 AM

ROLL CALL: Amanda Viera, Committee Chair, called the meeting to order at 12:10 p.m. Roll was called, and a quorum was declared present.

COMMITTEE MEMBERS PRESENT: Amanda Viera, Active Police Representative; Jim Smith, Active Police Representative; Harry Griffin, Police Retiree Representative.

COMMITTEE MEMBERS ABSENT: None.

OTHERS PRESENT: Larry Reed, Fire Retiree Representative; Warren Schott, Executive Director; Mark Gremmer, Gail Jensen, Cary Hally, Rick Matye, and Christine Tejeda, Pension Fund staff.

APPROVAL OF MINUTES

Mr. Smith moved to approve the Minutes of the December 11, 2024, meeting of the Personnel/Audit Committee. The motion carried unanimously.

5-YEAR ACTUARIAL EXPERIENCE STUDY, INCLUDING POSSIBLE ADJUSTMENTS TO ACTUARIAL ASSUMPTIONS

Mr. Warren Schott provided the Committee with a copy of the Actuarial Experience Study conducted by Segal Consulting. He reminded the Committee that the State Pension Review Board mandates an Actuarial Experience Study at least once every 5 years to review the demographic and financial data, ensuring the Pension Fund’s assumptions are reasonable. Mr. Schott noted the last Experience Study was conducted in 2019.

At this time, Mr. Malachi Waterman of Segal Consulting presented the 5-Year Actuarial Experience Study to the Committee. Based upon the Pension Fund’s experience over the preceding five years, Segal recommended several assumption changes, including adjusting the service-based salary and retirement rates, using an updated mortality improvement scale, lowering the inflation assumption rate from 3.00% to 2.50%, and lowering the investment return assumption from 7.25% to 7.00%.

In discussions, the Committee agreed with most of the recommended assumption changes, but expressed concerns with the recommendations regarding the inflation rate and investment return. After a lengthy discussion, the Committee decided to take a more conservative approach with respect to the inflation assumption by lowering it from 3.0% to 2.75%, rather than 2.5%. The Committee also opted to keep the investment return rate assumption at 7.25%, but to revisit the issue in approximately one year.

Mr. Griffin made a motion to recommend that the Board approve the Experience Study with the recommended assumption changes, as adjusted. The motion passed unanimously. Mr. Waterman noted that based upon his discussion with the Committee, he would amend his recommendations to reflect these adjustments and their respective impact.

FUNDING POLICY AMENDMENTS

Mr. Waterman also noted that Segal recommended that the Pension Fund revise its Funding Policy slightly in order better align with the Pension Review Board's guidance on funding policies. Mr. Waterman provided the Committee a copy of the proposed revised policy and summarized the specific changes Segal was recommending.

After discussion, Mr. Griffin made a motion to recommend that the Board approve the revised Funding Policy, as presented, contingent upon legal review by the Pension Fund's General Counsel. The motion carried unanimously.

ADJOURNMENT: Mr. Smith made a motion to adjourn the meeting at 1:07 p.m. The motion carried unanimously.

Approved this ____ day of______________, 2025.

____

Harry Griffin, Personnel/Audit Committee Chairman