

**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 29, 2020**

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

ABSENT: Mayoral Designee Justin Rodriguez; Councilwoman Dr. Adriana Rocha Garcia.

**OTHERS
PRESENT:**

Warren Schott, Mark Gremmer, Gail Jensen, Rick Matye, Beatrice Ahrens, Cary Hally, Jason Hsu, Giovanni Nunez, 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.

Chairman Smith requested approval of the Resolution for J. T. Trevino. He stated that the resolution would be presented to Mr. Trevino during the February Board Meeting.

Mr. Griffin made a motion to approve. The motion was seconded by Councilman Perry, and it carried unanimously.

The Board then recessed to Executive Session at 9:02 a.m., pursuant to Texas Gov. Code §551.071; §551.078, §551.0785, and § 551.074, and reconvened at 9:57 a.m.

MINUTES: Mr. Griffin moved to approve the minutes of the regular board meeting held December 18, 2019, and the special board meeting held January 10, 2020. The motion was seconded by Vice Chairman Pearson, and it carried unanimously.

**EDUCATIONAL
OPPORTUNITIES**

PRESENTATIONS: Mayoral Designee Rodriguez was not in attendance to provide the report on the NCPERS Conference.

Mr. Nunez provided a report on the Albourne Workshop he attended along with Mr. Hally and Mr. Hsu. Mr. Foster and Mr. Smith provided a report on the KORIED Conference they attended. Copies of their reports are attached to these Minutes.

EDUCATIONAL

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

1. Albourne Workshop
January 14, 2020
2. ENTRUST Annual Investment Summit
March 11-12, 2020
3. RSK Strategy Development Group Conference
March 14-18, 2020
4. PREA Spring Real Estate Conference
March 4-5, 2020
5. Opal Group Real Estate Investment Summit
March 29-31, 2020
6. NIRS Retirement Policy Conference
March 2-3, 2020

The motion was seconded by Vice Chairman Pearson, 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 31 year, 3 month service pension for Fire Engineer Rolando F. Garza, effective January 1, 2020.
2. A 39 year, 10 month service pension for Police Officer Roberto Moreno, effective January 1, 2020.
3. A 30 year service pension for Police Officer Ruben E. Ruiz, effective January 1, 2020.
4. A 26 year, 8 month service pension for Police Officer George Morales, effective January 3, 2020.
5. A 29 year service pension for Police Officer Henry Quiroga, effective January 11, 2020.
6. A 30 year, 7 month service pension for Police Sergeant Robert V. Solis, effective January 11, 2020.
7. A 23 year, 10 month service pension for Police Sergeant Kimberly Ann Andretti-Bower, effective January 18, 2020.
8. A 27 year, 11 month service pension for Police Officer Feliciano F. Rendon, Jr., effective January 19, 2020.
9. A 31 year, 8 month service pension for Police Captain Tracy L. Powers, effective February 1, 2020.

10. A 30 year, 1 month service pension for Police Sergeant Randy Joseph Resendez, effective February 1, 2020.
11. A 32 year service pension for Police Sergeant Giles K. Snively, effective February 1, 2020.
12. A 24 year, 5 month service pension for Police Officer Thomas B. Sowell, III, effective February 1, 2020.
13. A 33 year, 10 month service pension for Police Officer George Nelson Sexton, effective February 28, 2020.
14. A 32 year, 4 month service pension for Police Sergeant Barney D. Whitson, effective March 1, 2020.

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

Mr. Reed made a motion to approve the following beneficiary pension application:

Beneficiary Pension

1. A killed in the line of duty beneficiary pension for Mrs. Sonia Garza, widow of Active Firefighter Gregory Paul Garza, effective October 16, 2019.

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

Vice Chairman Pearson acknowledged what a kind and wonderful person Gregory Paul Garza was and how much he is missed by the Fire Department.

Mr. Foster then made a motion to approve the following beneficiary pension applications:

2. A beneficiary pension for Mrs. Peggy M. Giles, widow of Retired Fire District Chief Neal Douglas Giles, effective November 19, 2019.
3. A beneficiary pension for Mrs. Paula Metheny, widow of Retired Firefighter Perry A. Metheny, effective November 21, 2019.
4. A beneficiary pension for Mrs. Barbara J. Horan, widow of Retired Fire Assistant Chief Noel Thomas Horan, effective December 13, 2019.
5. A beneficiary pension for Mrs. Niomi Y. Flores, widow of Retired Fire Engineer Arthur P. Flores, effective December 14, 2019.
6. A beneficiary pension for Mrs. Sandra Fiske, widow of Retired Police Captain Charles A. Fiske, effective December 18, 2019.
7. A beneficiary pension for Mrs. Laurie Miller, widow of Retired Police Officer Adrian L. Miller, effective December 30, 2019.

8. A beneficiary pension for Mrs. Christina Madero, widow of Retired Police Officer Carlos A. Madero, effective January 21, 2020.

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

At this time, the Disability Committee provided its report.

DISABILITY COMMITTEE

Disability Pension

1. A first hearing for a disability pension for Detective Investigator Julie K. Johnson.

Vice Chairman Pearson reported the Disability Committee met last week to review two disability pension applications and to review the tax returns of the disability pensioners that had filed extensions.

At its meeting, the Disability Committee reviewed the Regular Disability Pension Application for Police Detective Julie Johnson. Detective Johnson has submitted all the required documents so that her application is complete and the Police Chief confirmed there is no position available for her in the Department. As such, the Committee unanimously approved a recommendation to the Board to continue the process by sending Detective Johnson to two independent physicians for further evaluation. Vice Chairman Pearson then made a motion to approve. The motion was seconded by Mr. Foster, and it carried unanimously.

The Disability Committee also reviewed documentation related to the Catastrophic Disability Pension Application for Firefighter Brad Phipps. Mr. Phipps has been evaluated by two independent physicians, in accordance with the Fund's policy. The Committee will be bringing Mr. Phipps' application to the Board for action in February.

Lastly, the Committee was provided information on the tax returns of three of the disability pensioners that had filed extensions. Staff reported that there were no issues of concern with the tax returns so no further action was needed. Staff noted that there is still one tax return outstanding, but the pensioner has stated that they will be providing it to the Pension Fund as soon as possible.

EXECUTIVE DIRECTOR REPORT:

ANNUAL STATEMENTS

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

FINANCIAL DISCLOSURE FORMS

Mr. Schott provided the Board with current financial disclosures forms. He stated the completed forms need to be submitted by March 31st.

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 2019 was 2.3%; therefore, members retiring prior to October 1, 1999 will receive a 2.3% COLA, and members retiring after September 30, 1999 will receive a 1.7% COLA. The increase will be included in the members' January checks. Mr. Reed made a motion to approve. The motion was seconded by Mr. Griffin, and it carried unanimously.

13TH CHECK UPDATE

Mr. Schott provided the Board with an updated analysis of the 13th Check. Because the 5-year historical investment return performance was less than 1% above the actuarial assumption rate, the Board will not have discretion to issue a 13th Check for 2019.

ACTIVE FIRE TRUSTEE ELECTION UPDATE

Mr. Schott reported there are three active fire members running to fill the unexpired term of J. T. Trevino. The candidates include Vance Meade, Keith Crusius and Michael McCarty. Election ballots are scheduled to be mailed out on February 7th. The deadline to receive ballots is February 24, 2020.

ADVISOR NEWSLETTER

Mr. Schott stated that work has begun on a new Advisor Newsletter. He requested that Board Members submit any articles they may have for this issue within the next couple of weeks.

2019 POLICE RETIREE PLAQUE PRESENTATION - FEBRUARY BOARD MEETING

Mr. Schott reminded the Board that the 2019 Police Retiree plaque presentation will be held during the February 26th Board meeting.

FINANCIAL REPORTS FOR PERIODS ENDING NOVEMBER 30, 2019 AND DECEMBER 31, 2019

The Statement of Net Plan Assets for the period ending November 30, 2019 were \$3,318,284,397.72.

The Statement of Net Plan Assets for the period ending December 31, 2019 were \$3,376,051,527.12.

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

Vice Chairman Pearson reported the Personnel/Audit Committee did not meet this month; however, he informed the Board that the Executive Director had notified him of his desire to begin negotiations on his contract. He stated that the Executive Director's current contract is set to expire September 30th of this year, and the contract requires that the Executive Director provide at least 6 months' notice prior to its expiration if he wishes to enter a new agreement. Vice Chairman Pearson noted that the Committee will begin scheduling meetings in the next couple of months to begin the contract negotiations.

LEGISLATIVE COMMITTEE

Mr. Reed reported the Legislative Committee did not meet in January but it is still monitoring the lawsuit filed by the Park and Airport Police against the City of San Antonio. Mr. Reed noted that there is no new information regarding the lawsuit to report at this time.

Mr. Reed stated he will be scheduling a Committee meeting in February to begin the legislative process for the 2021 Legislative Session. At that meeting, the Committee will discuss whether it wants to file a similar Legislative Package to the one filed by the Fund last Session. Mr. Reed reminded the Board that the Fund's proposed legislation did not pass the Senate last session due to opposition from the Fire Union. Because the Bill is already in a substantially final form, any expenses associated with re-filing should be minimal.

INVESTMENT COMMITTEE

Mr. Griffin reported that the Investment Committee met on Wednesday, January 22nd.

The first item on the agenda was a discussion regarding the performance and overall make-up of the emerging manager program. Staff reported that over the course of several years, the majority of the emerging manager portfolio has underperformed, and there have been some specific setbacks with respect to more recent investments in the program. After some discussion, the Committee decided that Attucks should be invited to a future Investment Committee meeting to discuss whether the portfolio should to be restructured to improve its performance and better meet the expectations of the Committee.

The final item on the agenda was a presentation by Acadian Asset Management. Acadian manages approximately \$140 million in an emerging market equity fund. The relationship started in 2005 and has slightly underperformed its benchmark. Acadian gave the Committee a review of the process they utilize in managing the portfolio. Over the almost 15 years since their inception period, Acadian has generated a 7.3% annualized net return versus the benchmark's 7.4% return. Staff

noted that in general, the more inefficient the market, the greater the opportunity for outperformance, and given the inefficiencies within the emerging markets, one would expect outperformance after fees. The Fund's general consultant, NEPC, will be presenting next month so the Committee asked staff to make sure that NEPC addresses Acadian's fit within the portfolio and a discussion of the firm's relative performance.

SAN ANTONIO F&P PROPERTY HOLDING CORPORATION

Mr. Foster reported that the Property Holding Corporation did not meet this month. The Corporation approved the 2020 Annual Budgets in December, so the Board will not meet until later in the quarter unless something comes up that needs attention.

DISBURSEMENTS: Mr. Reed made and Mr. Griffin seconded a motion to approve paying the bills, which was unanimously approved. (See attached disbursements dated January 29, 2020.)

MEMBERS TO BE HEARD:

Mr. Alex Ortiz, Retired Police, requested that the Board consider purchasing a building to use for gatherings and events which would allow members and their families a place to come together and stay in contact with one another. He noted that the space also could be rented out for special occasions or meetings. Chairman Smith stated that Dean Fischer with the Police Union would be a better point of contact to discuss this type of venue.

Mr. Ortiz also informed the Board that there was an awards ceremony at the Carver Center tomorrow honoring past members, Rudy Lozano and Elo Gonzales, as well as others.

ADJOURNMENT: Mr. Foster made a motion to adjourn the meeting at 10:57 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 FEBRUARY 26, 2020.**

Jim Smith, Chairman

ATTEST:

Dean Pearson, Vice Chairman