

**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
February 27, 2024**

PRESENT: Chairman Justin Rodriguez, Mayoral Designee; Vice Chairman Larry Reed, Fire Retiree Representative; Harry Griffin, Police Retiree Representative; Shawn Griffin, Fire Representative; Amanda Viera, Police Representative; Jim Smith, Police Representative; Councilman Marc Whyte.

ABSENT: Dean Pearson, Fire Representative; Secretary Councilwoman Dr. Adriana Rocha Garcia.

OTHERS

PRESENT: Warren Schott, Mark Gremmer, Gail Jensen, Cary Hally, Rick Matye, Wesley Levanduski, Christine Tejeda, Pension Fund Staff; Frank Burney, Martin & Drought.

ROLL CALL: At 9:32 a.m., Chairman Rodriguez called the meeting to order. Roll was called, and a quorum was declared present.

All in attendance were asked to rise for the Pledge of Allegiance, led by Chairman Rodriguez.

FIRE PLAQUE

PRESENTATION: The Board then presented plaques to the following 2023 Fire Retirees: Mark W. Brown, Justin R. Davis, Joel Mark Fox, James Anthony Gonzales, Paul Jeffery Hohman, Leoncio “Deon” Popoy, John Charles Anz, Scott Ashley Hicks, Troy Dee Teague, Keith Crusius, Bradley Vaughn May, Danny R. Wilks, and Kenneth G. Dugger.

The Board congratulated each of the fire retirees and thanked them for their dedicated service.

Chairman Rodriguez noted that Carl Wedige, President of the San Antonio Fire Museum, and Charlie Ricketts, President of the Fire & Police Pensioners Association, had signed up to speak and he invited Mr. Wedige and Mr. Ricketts to do so. Mr. Wedige and Mr. Ricketts congratulated the fire retirees and informed them about their respective organizations, including the opportunities to volunteer and become involved.

The Board then recessed to Executive Session at 9:56 a.m. pursuant to Texas Gov. Code §551.071; §551.078 and §551.0785, and reconvened at 10:11 a.m.

MINUTES: Mr. S. Griffin moved to approve the minutes of the Regular Board Meeting of January 30, 2024. The motion was seconded by Councilman Whyte, and the motion carried unanimously.

**EDUCATIONAL
OPPORTUNITIES**

PRESENTATIONS: Mr. Wesley Levanduski gave a brief presentation on the NEPC Public Funds Workshop he attended. He reported there were nineteen funds in attendance and he found the sessions very informative. He highlighted the sessions which provided updates on capital markets and private equity. He also noted there was a guest speaker, a former executive from OpenAI, who presented on the rapid adoption and development of AI.

EDUCATIONAL

OPPORTUNITIES: Vice Chairman Reed moved to authorize Board members and appropriate staff to attend the following conferences:

1. TEXPERS Annual Conference
April 6-10, 2024
2. IREI Editorial Advisory Board Meeting
April 8-10, 2024
3. Oaktree Conference
April 9-11, 2024
4. Pension Bridge Annual Conference
April 15-17, 2024
5. Merit Energy Annual Partners Meeting
April 16-17, 2024
6. Affinius Capital Investor Conference
April 17-19, 2024
7. Kayne Anderson Real Estate Investor Conference
April 18-19, 2024
8. Western Technology Investment Annual Conference
April 23, 2024

The motion was seconded by Councilman Whyte, and it carried unanimously.

**APPLICATIONS
AND REFUND OF**

CONTRIBUTIONS: Ms. Viera made a motion to approve the following Service Pension Applications, Beneficiary Applications and Refund of Contributions:

Service Pensions

1. A 29 year, 1 month service pension for Fire Lieutenant Anthony De La O, effective February 1, 2024.
2. A 27 year, 4 month service pension for Fire Engineer Dana Lynn Barbeau, effective March 2, 2024.

Beneficiary Pensions

1. A beneficiary pension for Mrs. Elizabeth Rodriguez, widow of retired Police Officer Isaac A. Rodriguez, effective January 20, 2024.

Refund of Contributions

1. A 6 year, 5 month refund of contributions for Fire Engineer Geoffrey Martinez, effective August 4, 2023.
2. A 3 year, 4 month refund of contributions for Police Officer Casey D. Del Castillo, effective January 10, 2024.
3. A 14 year, 1 month refund of contributions for Police Officer Roger D. Cobos, effective February 2, 2024.
4. A 3 year, 11 month refund of contributions for Police Officer Natividad Jurado, effective February 2, 2024.

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

**COMMITTEE
REPORTS:****DISABILITY COMMITTEE**Disability Pension

1. A First Hearing for a regular disability pension for Fire Engineer Eliseo Alvarez, III.

Mr. H. Griffin reported the Disability Committee met on Wednesday, February 21, 2024, to conduct its initial review of the Regular Disability Pension Application for Fire Engineer Eliseo Alvarez, III. Fire Engineer Alvarez submitted all the required documents so that his application is complete; however, the Committee is still waiting on the Fire Chief to confirm there is no position available for him in the Department. As such, the Committee unanimously recommended that the Board send Fire

Engineer Alvarez to two independent physicians for further evaluation, contingent upon receiving the Fire Chief's confirmation there is no position available for Fire Engineer Alvarez. Mr. H. Griffin made a motion on behalf of the Committee to approve the recommendation. The motion was seconded by Mr. S. Griffin, and it passed unanimously.

**EXECUTIVE
DIRECTOR
REPORT:**

POLICE CADET CLASS 2023-C-PRESENTATION

Mr. Schott informed the Board that the Police Cadet Presentation is scheduled for March 12, 2024, at 9:45 a.m. He also noted that the police cadet class graduation is scheduled for March 15, 2024, and he encouraged Police Trustees to attend if they were available.

FIRE CADET CLASS 2023-B-PRESENTATION

Mr. Schott informed the Board that the Fire Cadet Presentation is scheduled for March 20, 2024, at 2:00 p.m. He also noted that the fire cadet class graduation is scheduled for March 21, 2024, and he encouraged Fire Trustees to attend if they were available.

RESCHEDULE MARCH BOARD MEETING

Because of scheduling conflicts for the March Board Meeting, Vice Chairman Reed moved to reschedule the meeting from Tuesday, March 26, 2024, to Wednesday, March 27, 2024, at 9:30 a.m. The motion was seconded by Mr. Smith, and it carried unanimously.

2023 POLICE RETIREMENT PLAQUE PRESENTATION

Mr. Schott informed the Board the 2023 Police Retiree plaques will be presented at the March 27th Board Meeting.

FINANCIAL DISCLOSURE STATEMENTS

Mr. Schott reminded the Board that their annual Financial Disclosure Forms for the 2023 reporting period are due March 31, 2024.

BRIEFING ON HISTORICAL DATA - RETIREMENTS AND REFUND OF CONTRIBUTIONS

Mr. Schott provided the Board with a report showing the number of fire and police members who had separated from service, whether through retirement or otherwise.

MONTHLY FINANCIAL PLANNING SEMINAR – ATTENDANCE NUMBERS

Mr. Schott provided the Board with a report showing the number of attendees at the Pension Fund's monthly Financial Planning Seminars.

FINANCIAL REPORTS FOR PERIOD ENDING JANUARY 31, 2024

The Statement of Net Plan Assets for the period ending January 31, 2024, was \$3.93B.

COMMITTEE REPORTS:**PERSONNEL/AUDIT COMMITTEE**

Ms. Viera reported the Personnel/Audit Committee did not meet this month and there was nothing to report.

LEGISLATIVE COMMITTEE

Vice Chairman Reed reported the Legislative Committee met on Monday, February 12, 2024, to begin discussing a possible legislative package for the 2025 Legislative Session. Members of the Firefighters Association, Retirees Association, and the City of San Antonio were in attendance. Staff reviewed the Pension Fund's Funding Policy, the latest Actuarial Valuation Report, and the Legislative Timeline. The Committee discussed several potential issues that could be addressed in a Bill, including certain death benefits and the COLA, but no action was taken. The Committee asked the constituent groups in attendance to meet with their membership and be prepared to bring any requests for legislative changes to the next Committee meeting. Frank Burney with Martin & Drought also was in attendance, and he confirmed to the Committee that the Retiree Healthcare Fund will be filing a bill this Session and, in that bill, they will revise the provision that requires the Pension Fund to collect Healthcare Fund contributions for certain retirees.

INVESTMENT COMMITTEE

Mr. Smith reported the Investment Committee met on Wednesday, February 21, 2024.

The Committee first received a quarterly performance review presentation from NEPC. As of year-end 2023, the Pension Fund's market value was approximately \$3.9 billion, and the one-year return was 11.0%. For the year, total U.S. equities returned 25.1%, total non-U.S. equities returned 12.6%, and total fixed income returned 8.2%. The total portfolio is close to its

policy allocation targets and within approved ranges. NEPC noted that the Pension Fund's domestic fixed income returns rank in the top quartile over the last three-, five-, seven-, and ten-year periods. They reported that the majority of the underlying investment managers are performing well, relative to their peers and benchmarks, with the exception of emerging markets equities. NEPC noted that the underperformance of this asset class was factored into the overall assessment and recommendations in the asset allocation review, which was the next item for committee discussion.

In the asset allocation review, NEPC highlighted the Pension Fund's current policy targets and allocations and discussed the option of eliminating the 6% emerging markets equity policy target in light of the underperformance of that asset class. NEPC presented three alternative asset allocations and their respective expected return impact for the next ten- and thirty-year periods. After reviewing each option, the Committee focused on "Mix A", which would eliminate the current 6% policy target for emerging markets equity and increase the current policy targets for U.S. small/mid-cap equity by 2%, non-U.S. developed equity by 1%, non-U.S. developed small-cap equity by 2%, and private equity by 1%. Discussions continued regarding the historical exposure of the Pension Fund's international equity managers to emerging markets, and the pros and cons of eliminating the dedicated emerging markets policy target. After discussions, the Committee directed NEPC and staff to review the Pension Fund's international equity managers' exposure to emerging markets over the last 10 years and develop an implementation plan focused on Mix A.

Finally, the Committee received an update on the real estate consultant RFP, which was initiated at the November 2023 Investment Committee meeting. Five firms responded to the RFP, including the Pension Fund's current real estate consultant, The Townsend Group. Staff provided an overview of each respondent and discussed the proposed fees. After discussions, the Committee elected to temporarily pause the RFP until March or April. No further action was taken.

SAN ANTONIO F&P PROPERTY HOLDING CORPORATION

Mr. S. Griffin reported the Property Holding Corporation met on Wednesday, February 21, 2024. The Corporation first received the 2022 Annual Audit, presented by Mr. Mark Gremmer (on behalf of BDO). Mr. Gremmer reviewed the financial statements, Statement of Shareholder Equity, Cash Flows, and the Notes to the Financial Statements, and reported that the Corporation received a "clean" audit, meaning the financial statements fairly present the financial position of the Corporation as of December 31, 2022.

The Corporation next received a leasing update from Sullivan Commercial.

Representatives from Sullivan noted that interest in leasing space in the Corporation's three buildings continues to be solid with Shavano III at 87% occupancy, Shavano IV at 66% occupancy and Parkway Center at 75% occupancy.

Finally, Sullivan provided an update on the office renovations at Shavano III and Parkway Center building. They noted that slight shifting was detected at Shavano III, so the renovations to the common areas have been temporarily paused while that issue is further investigated. They also reported that the first phase of the renovations in the Pension Fund Office are scheduled for the weekend of February 23. The remaining phases will be conducted over subsequent weekends, with an anticipated completion date prior to the March Board Meeting.

DISBURSEMENTS: Mr. S. Griffin made a motion to approve the disbursements for February 27, 2024. Mr. H. Griffin seconded the motion. The motion was approved unanimously.

**MEMBERS TO
BE HEARD:**

None.

ADJOURNMENT: Vice Chairman Reed made a motion to adjourn the meeting at 10:48 a.m. The motion was seconded by Mr. Smith, and it carried unanimously.

**APPROVED BY THE BOARD OF TRUSTEES AT THE
REGULAR MEETING HELD ON March 27, 2024.**

Mayoral Designee Justin Rodriguez, Chairman

ATTEST:

Councilwoman Dr. Adriana Rocha Garcia, Secretary