

**Minutes of the
Regular Meeting of the
Board of Trustees of the
Fire and Police Pension Fund
11603 W. Coker Loop, Suite 201
San Antonio, Texas
February 26, 2025**

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

ABSENT: Secretary Councilwoman Dr. Adriana Rocha Garcia; Shawn Griffin, Fire Representative; Dean Pearson, Fire Representative; and Councilman Marc Whyte.

OTHERS

PRESENT: Warren Schott, Mark Gremmer, Gail Jensen, Cary Hally, Rick Matye, Jessica Pelaez, Christine Tejada, Pension Fund Staff; and Frank Burney, Martin & Drought.

ROLL CALL: At 9:30 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 2024 Fire Retirees: Ralph Diaz, James Nolen, Marvin Borth, Don Denning, Michael Dixon, Edward Gideon, Heath Hadley, Paul Hanley, Tana K. Jureczki, Jeffery A. Mahan, Michael W. Pierce, Melissa Vinson Potucek, Edward Guerra, Jesse C. Renteria, Jr., Douglas E. Hatton, and Sean Kirkeby.

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

MINUTES: Mr. Smith moved to approve the minutes of the Regular Board Meeting of January 29, 2025. The motion was seconded by Ms. Viera, and it carried unanimously.

At this time, Chairman Rodriguez moved to Item “G” of the Agenda.

EDUCATIONAL

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

1. Kayne Anderson Real Estate Investor Conference
April 3-4, 2025
2. OPAL Real Estate Investment Summit
April 6-8, 2025
3. Merit Annual Meeting
April 15-16, 2025
4. IREI Real Estate Advisory Board Meeting
April 15-17, 2025
5. Ares Secondaries Annual Meeting
April 23, 2025
6. AIF Southwest Investors’ Forum
April 23-24, 2025
7. Affinius Capital Investor Conference
April 23-25, 2025
8. Motley Rice Pension Investor Conference
April 27-29, 2025
9. Institutional Investor Public Funds Roundtable
April 28-30, 2025
10. Rockpoint Annual Meeting
April 29-30, 2025
11. Capital Spring Annual Meeting
April 30-May 1, 2025

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

APPLICATIONS AND REFUND OF

CONTRIBUTIONS: Vice Chairman Reed made a motion to approve the following Service Pension Applications, Beneficiary Applications and Refund of Contributions:

Service Pensions

1. A 27 year, 1 month service pension for Fire Fighter Raul Cardenas, effective February 1, 2025.
2. A 28 year, 2 month service pension for Fire Lieutenant Jack Halpin, effective February 1, 2025.
3. A 30 year, 2 month service pension for Fire Captain Brian W. Stanush, effective February 1, 2025.
4. A 30 year service pension for Police Sergeant Samuel Hernandez, effective March 1, 2025.
5. A 26 year, 1 month service pension for Fire Lieutenant George M. Hohon, effective March 1, 2025.
6. A 29 year, 6 month service pension for Police Lieutenant Ricky D. Lopez, effective March 1, 2025.
7. A 26 year, 2 month service pension for Fire Engineer Daniel Mc Curtain, effective March 1, 2025.
8. A 30 year service pension for Police Officer Marc A. Valero, effective March 1, 2025.
9. A 29 year, 11 month service pension for Police Detective Thomas F. Ortiz, Jr., effective March 15, 2025.
10. A 27 year, 10 month service pension for Police Officer Rudy A. Kierstead, effective April 2, 2025.

Beneficiary Pensions

1. A beneficiary pension for Mrs. Judith B. Weaver, widow of retired Police Sergeant George W. Weaver, effective December 29, 2024.
2. A beneficiary pension for Mrs. Elva V. De Leon, widow of retired Fire Lieutenant Benito G. De Leon, effective February 5, 2025.

Refund of Contributions

1. A 8 year, 1 month refund of contributions for Police Officer Austin T. Wilke, effective January 9, 2025.

2. A 2 year, 9 month refund of contributions for Fire Fighter Jaymes Schrank, effective February 9, 2025.

The motion was seconded by Ms. Viera, and it carried unanimously.

Chairman Rodriguez noted that consideration of the following Beneficiary Pension would be deferred until later in the meeting, after the Board had an opportunity to review the matter in Executive Session:

1. A beneficiary pension for Mario A. Rodriguez, dependent of retired Fire Fighter Frank Rodriguez, effective September 23, 2024.

**EXECUTIVE
DIRECTOR
REPORT:**

13th CHECK ANALYSIS - UNOFFICIAL

Mr. Schott provided the Board with a preliminary analysis of the 13th Check. He noted that while the numbers had not yet been finalized, the current analysis shows the Pension Fund's 5-year historical investment return performance is significantly below the necessary threshold to give the Board discretion to issue a 13th Check for 2024.

POLICE CADET CLASS 2024-C-PRESENTATION

Mr. Schott informed the Board that the Police Cadet Presentation was held on February 25, 2024, at 9:45 a.m. He noted that the Cadet Class will be included in next month's board agenda to approve into the membership.

**2024 POLICE RETIREMENT PLAQUE PRESENTATION
REMINDER**

Mr. Schott reminded the Board that the 2024 Police Retiree plaques will be presented at the March 26th Board Meeting.

FINANCIAL DISCLOSURE STATEMENTS

Mr. Schott reminded the Board that the annual Financial Disclosure Forms for the 2024 reporting period are due March 31, 2025.

**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 REPORT FOR PERIOD ENDING JANUARY 31, 2025

The Statement of Net Plan Assets for the period ending January 31, 2025, was \$4.2B.

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

Ms. Viera reported that the Personnel/Audit Committee met on February 19 to receive the 5-year Actuarial Experience Study from Segal Consulting. Ms. Viera reminded the Board that the Pension Fund conducts an Experience Study every 5 years to ensure the Fund's financial and demographic assumptions are reasonable. Segal Consulting was in attendance at the Committee Meeting to present the Study, which included numerous recommended assumption changes. The Committee discussed those recommendations, and noted its concern with the recommendation to lower the Investment Return Assumption from 7.25% to 7.00% in light of the Fund's history of achieving the 7.25% return. The Committee also preferred to take a more conservative approach with regards to the recommendation to lower the inflation assumption from 3.0% to 2.50%, and instead, opted to lower it only to 2.75%. After a lengthy discussion, the Committee voted unanimously to recommend the Board approve the Experience Study with the recommended assumption changes, as adjusted. Based on the Committee's discussion, the actuary noted that it was in agreement with the Committee's adjustments to the investment return and inflation assumptions, and would provide an amended report that incorporated those modifications. Ms. Viera noted that a copy of the Experience Study, including the amended recommendations and their respective impacts, was included in the Board materials.

Ms. Viera made a motion to approve the amended Experience Study with the recommended assumption changes. The motion was seconded by Mr. Smith and it carried unanimously.

Mr. H. Griffin requested that staff remind the Board to revisit the Assumed Rate of Return assumption at the end of the year. Mr. Schott noted that the Pension Fund is currently conducting an Asset Liability Study which should be completed in May or June, at which time, the Board will have better data on which to determine whether the Pension Fund can achieve its 7.25% assumed rate of return.

Ms. Viera reported that at the Committee Meeting, Segal also recommended that the Pension Fund revise its current Funding Policy to better align with the guidelines issued by the State Pension Review Board. Segal noted that the biggest change was to extend the deadline for the Pension Fund to be fully funded from 2044 to 2049. Ms. Viera noted that a copy of the revised policy was included in the Board materials. She reported that after reviewing the revisions, the Committee had unanimously approved a motion to recommend the Board approve the updated Funding Policy.

Ms. Viera made a motion on behalf of the Committee to approve the updated Funding Policy. The motion was seconded by Vice Chairman Reed, and it passed unanimously.

DISABILITY COMMITTEE

Mr. H. Griffin reported the Disability Committee did not meet in February, but that the Committee is continuing to monitor two outstanding items.

The first item involves the disability pensioner that has not yet provided their 2023 tax return. Mr. H. Griffin reminded the Board that the Pension Fund is still holding the pensioner's checks until they provide their return. The pensioner has informed staff that they are finalizing their returns and should submit them to the Pension Fund by mid-March. Mr. H. Griffin will continue to keep the Board apprised of the status of this issue.

Mr. H. Griffin also reported the Pension Fund has received another application for a wholly dependent beneficiary. He plans to schedule a meeting in March for the Committee to review the application and determine the next steps.

LEGISLATIVE COMMITTEE

Vice Chairman Reed reported the Legislative Committee met on February 19 to review a list of bills filed in the legislature that may have an impact on, or be of interest to, the Pension Fund. He noted that General Counsel, Gail Jensen, briefed the Committee on several bills in the areas of pension funds, labor and employment and open government. Ms. Jensen noted while none of the bills has a critical impact on the Pension Fund, several do warrant continued monitoring. Vice Chairman Reed informed the Board that the Committee decided to not take a position on any of the bills at this time and that Ms. Jensen will continue to monitor the legislative activity and let the Committee know if action is needed.

Mr. H. Griffin inquired about the TEXPERS' proposed by-law changes that will be considered at the TEXPERS Annual Meeting. Mr. Schott noted that several bylaw amendments had been proposed, including an amendment

that would change the required qualifications of TEXPERS Board Members. There was a brief discussion regarding any potential unintended consequences of the proposed changes. Chairman Rodriguez noted that because the TEXPERS meeting was not until the end of March, there was sufficient time for staff to conduct additional analysis of the changes and present the information at the next Board Meeting.

Mr. Frank Burney provided a brief update on the Retiree Healthcare Fund's legislative package. He reported that the Fire Union had submitted a letter in support of the Bill, and the City Council was scheduled to consider the Bill at the February 27 Council Meeting.

INVESTMENT COMMITTEE

Mr. Smith reported the Investment Committee met on Wednesday, February 19. The meeting began with NEPC providing a private equity co-investment education presentation. NEPC discussed the co-investment market dynamics, pros and cons of co-investing, and different ways to access co-investment opportunities. The Committee discussed the best way to implement a co-investment program within the confines of the Pension Law and the Pension Fund's corporate governance. Mr. H. Griffin requested that staff present options for implementing a co-investment program at a future Committee meeting. No action was taken.

The Committee then received a quarterly performance review from NEPC. As of year-end 2024, the Pension Fund's market value was approximately \$4.1 billion, and the one-year return was 8.3%. For the year, total U.S. equities returned 19.2%, total non-U.S. equities returned 2.4%, and total fixed income returned 5.1%. The total portfolio is close to its policy allocation targets and within approved ranges. A discussion arose regarding domestic small cap value equities. In November 2020, the Board terminated a small cap manager and promoted the Cooke & Bieler small cap value portfolio from the Emerging Manager Program into the Pension Fund's broader domestic small cap equity portfolio. At that time, the Cooke & Bieler small cap value strategy was closed to additional capital, so the Board committed capital to the Cooke & Bieler SMID cap value strategy as a substitute. Staff reported that the opportunity to add capital to the Cooke & Bieler small cap value strategy recently arose. After discussions, the Committee voted unanimously to recommend to the Board to transfer the approximately \$107 million from the Cooke & Bieler SMID cap value strategy to the Pension Fund's existing investment of approximately \$40 million in the Cooke & Bieler small cap value strategy. Mr. Smith made a motion on behalf of the Committee to approve. The motion was seconded by Vice Chairman Reed, and it carried unanimously.

The Committee then discussed the Ullico Infrastructure Taxable Fund.

Representatives from Ullico had presented to the Committee at its January meeting. After discussions, the Committee voted 3-1 to recommend that the Board commit an additional \$10 million to the Ullico Infrastructure Taxable Fund. Mr. Smith made a motion on behalf of the Committee to approve. The motion was seconded by Ms. Viera, and the motion carried by a vote of 4:1, Mr. H. Griffin opposing.

The Committee then received an update regarding the various private markets re-up opportunities that are anticipated over the next several months. Chief Investment Officer, Cary Hally, explained that staff closely monitors the performance of managers in the Pension Fund's portfolio and tracks the expected launch of subsequent funds. He presented a list of the re-up opportunities that are expected to come to market throughout 2025, and noted that staff will provide periodic updates as the year progresses.

Finally, the Committee discussed rebalancing to raise cash in anticipation of expected capital calls and covering pension benefits. After discussions, the Committee voted unanimously to recommend to the Board to liquidate \$25 million from the Northern Trust Russell 1000 Growth Index Fund and \$25 million from The London Company and move those funds to the Pension Fund's cash account. Mr. Smith made a motion on behalf of the Committee to approve. The motion was seconded by Mr. H. Griffin, and it carried unanimously.

SAN ANTONIO F&P PROPERTY HOLDING CORPORATION

Mr. H. Griffin reported the Property Holding Corporation did not meet in February, so there was nothing to report. However, he noted that the Corporation likely will be scheduling a meeting in March.

DISBURSEMENTS: Mr. Smith made a motion to approve the disbursements for February 26, 2025. Vice Chairman Reed seconded the motion, and it was approved unanimously.

The Board then recessed to Executive Session at 10:32 a.m. pursuant to Texas Govt. Code §551.071; §551.078; and §551.0785, and reconvened at 10:58 a.m.

At this time, Chairman Rodriguez moved to Item "H" (1) of the Agenda.

1. A beneficiary pension for Mario A. Rodriguez, dependent of retired Fire Fighter Frank Rodriguez, effective September 23, 2024.

Mr. H. Griffin reminded the Board that at the November Board Meeting, the Board authorized sending Mr. Rodriguez to be evaluated by two independent physicians. He noted that one of those evaluations was

completed and had been reviewed by the Board in Executive Session. Based upon the information provided in the medical evaluation, Mr. H. Griffin stated that there was sufficient information for the Board to make a determination on the application, without the need for a second evaluation, and he made a motion to approve the Wholly Dependent status of the applicant and approve the Beneficiary application. The motion was seconded by Ms. Viera, and it carried unanimously.

Family members of Mr. Rodriguez were in attendance and thanked the Board for their time and consideration. Mr. Mark Rodriguez, Mr. Rodriguez's brother, requested that the Board adjust the distribution of the benefit to accommodate other aid Mr. Rodriguez is receiving. Chairman Rodriguez directed Pension Fund Staff to follow-up with Mr. Rodriguez regarding his request.

At this time, Chairman Rodriguez noted that Item "F" of the Agenda, Educational Opportunities Presentations, would be postponed until the March Board Meeting.

**MEMBERS TO
BE HEARD:**

None.

ADJOURNMENT: Mr. H. Griffin made a motion to adjourn the meeting at 11:01 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 26, 2025.**

Mayoral Designee Justin Rodriguez, Chairman

ATTEST:

Councilwoman Dr. Adriana Rocha Garcia, Secretary