

**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  
March 27, 2024**

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

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

**OTHERS**

**PRESENT:** Warren Schott, Mark Gremmer, Gail Jensen, Cary Hally, Rick Matye, Giovanni Nunez, 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.

**POLICE PLAQUE**

**PRESENTATION:** The Board then presented plaques to the following 2023 Police Retirees: Stanley Brown, Roman DeLeon, Richard Perez, Troy Ragland, James Ratcliff, Dee Smith, Larence Smith, Juan Torres, Marcus Trujillo, Anastasia Anders, Scot Arriaga, Casey Campos, David Curry, James Dolgener, James Foster, Harry Gonzales, Richard Hodge, Paul Moreno, Edward Oviedo, Ruben Perez, Michael Reeder, Richard Schoenberger, Jose Diaz, Arthur Lindley, Bartholomew Vasquez, Jesse Allen and Kennth Albrecht.

The Board congratulated each of the police retirees and thanked them for their dedicated service. San Antonio Police Department Assistant Chief Karen Falks was in attendance and she also extended her congratulations to the new retirees.

**MINUTES:** Councilman Whyte moved to approve the minutes of the Regular Board Meeting of February 27, 2024. The motion was seconded by Vice Chairman Reed, and the motion carried unanimously.

**EDUCATIONAL  
OPPORTUNITIES**

**PRESENTATIONS:** Mr. Smith gave a brief presentation on the DFA Annual Conference, Dimensional Forum he attended. He reported that DFA was giving their annual update to investors and he found the presentations to be interesting. He added that he appreciated the opportunity to attend the conference and meet the team.

Mr. Giovanni Nunez, Investment Analyst, gave a brief presentation on the StepStone Client Conference he attended. He reported that the Pension Fund is an investor in StepStone VC Global Partners X and StepStone Global Partners XI, which are both Fund of Funds. He stated that the presentations focused on the current turbulence in the market, especially in the tech sector. He also noted that StepStone anticipates launching a new fund at the end of 2024.

Mr. Schott gave a brief presentation on the Comvest Client Conference he attended. The Pension Fund has invested \$65 million across three of Comvest's various funds, including a senior credit fund and two buy-out funds. Mr. Schott reported that the Conference was well-attended, primarily by investment staff, and that the sessions were very informative. Mr. Schott noted that because the Comvest Conference took place near one of the Pension Fund's other managers, Kayne Anderson, he used the opportunity to also conduct a site visit at Kayne Anderson. The Pension Fund is invested in Kayne Anderson Fund VI, but Mr. Schott reminded the Board that the investment was made at a time when we were not traveling due to COVID, so he felt it was important to visit their headquarters when the opportunity arose.

Mr. Smith gave a brief presentation on the PREA Real Estate Conference he attended. He reported that there were 1,100 attendees, and the sessions were interesting and informative, including a session on the current "retirement crisis" presented by a representative of Oaktree Capital, and another session presented by the Executive Director of New York Teachers. Mr. Smith noted that while at the conference, he also took the opportunity to visit one of the Pension Fund's other managers, Covenant, which focuses on multi-family housing units. He noted that part of the site visit included touring one of the apartment buildings that the Fund refurbishes. He found the visit especially informative.

**EDUCATIONAL**

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

1. Motley Rice Pension Investor Conference  
April 28-30, 2024
2. Siguler Guff Annual Conference  
May 1-2, 2024
3. Exeter Annual Investor Meeting  
May 1-2, 2024
4. The Link Pension Institute  
May 5-8, 2024
5. Rockpoint Annual Meeting  
May 8-9, 2024
6. Covenant Annual Meeting  
May 9-10, 2024
7. HarbourVest Annual Meeting  
May 13-15, 2024
8. Ares Annual Meeting  
May 13-16, 2024
9. Apollo Equity Annual Meeting  
May 15, 2024
10. NCPERS Annual Conference  
May 19-22, 2024
11. Constitution Capital Partners Annual Meeting  
May 20-22, 2024

The motion was seconded by Councilman Whyte, 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 25 year, 11 month service pension for Fire Lieutenant Jay Govan, Jr., effective February 24, 2024.
2. A 28 year, 5 month service pension for Police Sergeant Derrick W. Kraft, effective March 1, 2024.

3. A 26 year, 3 month service pension for Fire Engineer Melissa D. Potucek Vinson, effective March 16, 2024.
4. A 26 year, 6 month service pension for Police Sergeant Daniel J. Anders, effective April 1, 2024.
5. A 28 year, 7 month service pension for Police Detective Robert J. Lopez, effective April 1, 2024.
6. A 30 year, 4 month service pension for Police Officer Roland Ortegon, effective April 1, 2024.
7. A 29 year, 7 month service pension for Police Officer James Foster, effective April 2, 2024.
8. A 25 year service pension for Police Officer Jesus Reyes, Jr., effective April 2, 2024.
9. A 30 year service pension for Fire Engineer Edward Lee Gideon, effective April 9, 2024.
10. A 28 year, 7 month service pension for Police Officer Eric S. Huckabee, effective April 16, 2024.
11. A 26 year, 11 month service pension for Police Captain Jason M. Engquist, effective May 1, 2024.
12. A 31 year service pension for Police Detective Paul A. Lopez, effective May 1, 2024.

#### Beneficiary Pensions

1. A beneficiary pension for Mrs. Rachel Mahl, widow of retired Police Officer Kenneth L. Mahl, effective January 30, 2024.
2. A beneficiary pension for Mrs. Anita D. Burgett, widow of retired Police Detective Cecil Burgett, effective February 14, 2024.
3. A beneficiary pension for Mrs. Deborah R. Jensen, widow of retired Fire Lieutenant Michael J. Jensen, effective February 25, 2024.
4. A beneficiary pension for Mrs. Shirley J. Gonzales, widow of retired Police Officer Fernando Gonzales, effective March 4, 2024.

Refund of Contributions

1. A 4 year, 7 month refund of contributions for Police Officer Michael A. Garcia, Jr., effective February 1, 2024.
2. A 3 year, 5 month refund of contributions for Fire Fighter Jackson Rearick, effective February 4, 2024.
3. A 1 year, 5 month refund of contributions for Police Officer Devin C. Mandry, effective February 28, 2024.
4. A 2 month refund of contributions for Police Officer Rogelio Guillen, effective March 9, 2024.

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

Councilman Whyte left the meeting at 11:05 a.m.

**EXECUTIVE  
DIRECTOR  
REPORT:****POLICE CADET CLASS 2023-C – GRADUATION DATE MARCH 15, 2024**

Mr. Schott requested Board approval to accept the Police Cadet Class 2023-C into the membership. Ms. Viera made a motion to approve. The motion was seconded by Mr. H. Griffin, and it carried unanimously.

**FIRE CADET CLASS 2023-B – GRADUATION DATE MARCH 21, 2024**

Mr. Schott requested Board approval to accept the Fire Cadet Class 2023-B into the membership. Vice Chairman Reed made a motion to approve. The motion was seconded by Ms. Viera, and it carried unanimously.

**PRE-RETIREMENT SEMINAR**

Mr. Schott reminded the Board that the bi-annual Pre-Retirement Seminar will be held Monday, May 6, 2024, at the Alzafar Shrine Temple and he encouraged Board members to attend, if their schedules allow.

**13TH CHECK UPDATE**

Mr. Schott reported that the unofficial investment return for calendar year 2023 was 11.0%, with a 5-year investment average of 8.48%. He advised the Board that as a result, the Board likely would have the discretion to issue a 13<sup>th</sup> Check, since the 5-year historical investment performance was more than 1% above the actuarial assumption rate, as required by Pension Law Section 5.11. After discussion, the Board agreed to consider the issuance of a 13<sup>th</sup> Check at the April 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 FEBRUARY 29, 2024**

The Statement of Net Plan Assets for the period ending February 29, 2024, was \$3.9B.

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

Ms. Viera reported the Personnel/Audit Committee did not meet in March. She noted that although the audit is still several months away, the plan is for the auditors to begin their audit in May and then present their report in late June. The actuary will also be presenting at that same meeting.

### **DISABILITY COMMITTEE**

Mr. H. Griffin reported the Disability Committee did not meet in March; however, there is one Regular Disability Pension Application pending for Fire Engineer Eliseo Alvarez III. Engineer Alvarez submitted all the required documents so that his application is complete; however, the Committee had been waiting for the Fire Chief to confirm there is no position available for Engineer Alvarez in the Department before sending him to the two independent physicians for further evaluation. Staff informed the Committee that the Billet from the Chief was received, stating the Department has no position for Engineer Alvarez, so the medical evaluations are proceeding. Both evaluations are scheduled for mid-April. Upon receipt of the reports, the Committee will schedule another meeting to review them and provide a recommendation to the Board.

### **LEGISLATIVE COMMITTEE**

Vice Chairman Reed reported the Legislative Committee met on Monday, March 25, 2024, to receive input from the City of San Antonio, the membership and the three associations on proposed legislative changes for the upcoming legislative session.

The Retirees Association requested the 100% COLA be extended to those members that retired between October 1, 1999, and September 30, 2001; between October 1, 1999, and September 30, 2003; and between October 1, 1999, and September 30, 2005. The San Antonio Professional Firefighters Association requested a change in the benefits formula that would provide for an 85% pension at 28 years of service. The San Antonio Police Officers Association did not submit any requests at the time but indicated their support of the Firefighters' request. The City of San Antonio reported that it did not have any recommendations at this time.

The Committee accepted all the proposals and approved a motion to recommend that the Board have its actuary cost out these proposals, contingent on the actuary's cost of providing this service being a reasonable amount. It was subsequently determined that the cost of providing the service would be \$5,000. Vice Chairman Reed made a motion on behalf of the Committee to approve. The motion was seconded by Mr. H. Griffin. After discussion, the motion was withdrawn, and the matter was referred back to the Legislative Committee for further discussion.

### **INVESTMENT COMMITTEE**

Mr. Smith reported the Investment Committee met on Monday, March 18, 2024.

The meeting began with an asset allocation review. As a follow-on from the

February Committee meeting, the Committee continued discussing the option of eliminating the 6% emerging markets equity policy target in light of the underperformance of that asset class. NEPC and staff reviewed the Pension Fund's current policy targets and allocations and the proposals for modifying those allocations. In accordance with the Committee's previous direction, NEPC and staff presented an implementation plan 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%. Staff also provided the Committee with additional information regarding the Pension Fund's international equity managers' historical exposure to emerging markets.

After discussions, the Committee voted to recommend to the Board to adopt the amended asset allocation targets. Mr. Smith made a motion on behalf of the Committee to approve. The motion was seconded by Ms. Viera, and it carried unanimously.

To implement the new asset allocation, the Committee then voted to recommend to the Board to terminate the Pension Fund's two emerging markets equity managers (Fidelity Institutional Asset Management Concentrated Emerging Markets Fund and the WCM Focused Emerging Markets Fund) and reallocate \$140 million of the proceeds among six existing managers as follows: \$25 million to William Blair Small Cap Growth, \$25 million to Cooke & Bieler SMID Cap Value, \$20 million to WCM Focused International Growth, \$20 million to William Blair International Leaders, \$25 million to Victory Trivalent, and \$25 million to EAM International Small Cap. Mr. Smith made a motion on behalf of the Committee to approve. The motion was seconded by Ms. Viera, and it carried unanimously.

Next, the Committee discussed a potential re-up commitment with HarbourVest Co-Investment Fund VII. The Fund will build a diversified portfolio of direct co-investments in buyout, growth equity, and other private market investments. The Pension Fund is currently invested in Funds V and VI. HarbourVest Co-Investment Fund V is a second quartile fund in terms of IRR. As of September 30, 2023, The Pension Fund's investments in Fund V and Fund VI have IRRs of 20.79% and 7.96%, respectively.

After discussions, the Committee voted to recommend to the Board to commit \$20 million to HarbourVest Co-Investment Fund VII. 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 a potential re-up commitment with 400



Capital Asset Based Term Fund IV. The Fund will focus on asset origination, risk-transfer and regulatory capital solutions, and market-dislocation opportunities to deliver current income and long-term capital appreciation. The Pension Fund is currently invested in Fund III, which has an IRR of 11.0% as of December 31, 2023. After discussions, the Committee voted to recommend to the Board to commit \$25 million to 400 Capital Asset Based Term Fund IV. 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 next agenda item was a discussion on rebalancing to raise cash in anticipation of expected capital calls and covering pension benefits. After discussions, the Investment Committee voted to recommend that the Board liquidate \$25 million from the Northern Trust Russell 1000 Index Fund 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 Ms. Viera, and it carried unanimously.

The final agenda item was a discussion on a potential re-up commitment with Kayne Anderson Real Estate Fund VII. Fund VII plans to invest in 100-150 properties across medical offices, senior housing, and off-campus student housing. The strategy will include acquiring existing properties, both individual and entire portfolios, along with developing new assets. The Pension Fund is currently invested in Kayne Anderson Real Estate Fund VI, which is a second quartile fund in terms of IRR. As of September 30, 2023, the Pension Fund's investment in Fund VI has an IRR of 7.40%. After discussions, the Committee voted to recommend to the Board to commit \$25 million to the Kayne Anderson Real Estate Fund VII. Mr. Smith made a motion on behalf of the Committee to approve. The motion was seconded by Ms. Viera, and it carried unanimously.

### **SAN ANTONIO F&P PROPERTY HOLDING CORPORATION**

Ms. Viera reported the Property Holding Corporation met on Monday, March 25, 2024, primarily to receive a legal update on the tenant in Shavano III that has defaulted on its lease. The Corporation has retained outside Counsel Elliott Cappuccio of Pulman, Cappuccio & Pullen to pursue litigation. Mr. Cappuccio was in attendance at the Corporation's meeting, and he and the Pension Fund's General Counsel, Gail Jensen, updated the Corporation on the status of the lawsuit. Ms. Viera noted that because the details of that update are attorney-client privileged, they can only be discussed in Executive Session. After a brief discussion, the Board opted to wait to receive the update until the April Board Meeting.

Next, the Corporation received an update from Sullivan Commercial on the leasing activity on the Corporation's three buildings. Representatives from

Sullivan noted that Shavano III is leased at 87%, Shavano IV is at 66% and Parkway Center is at 75%. Considering the current office environment, all three of these occupancy rates remain strong.

Lastly, Sullivan gave an update on the renovations at Shavano III and Parkway Center building. Sullivan had previously informed the Corporation that slight shifting had been detected at Shavano III, so the renovations to the common areas had been temporarily paused while that issue was further investigated. Sullivan reported that upon review, the engineers determined that the shifting was minor, and the renovations could continue. Regarding the Pension Fund's office renovations, most of the work has been completed with only minor touch-up items left.

**DISBURSEMENTS:** Vice Chairman Reed made a motion to approve the disbursements for March 27, 2024. Ms. Viera seconded the motion. The motion was approved unanimously.

**MEMBERS TO  
BE HEARD:**

None.

**ADJOURNMENT:** Mr. H. Griffin made a motion to adjourn the meeting at 11:41 a.m. The motion was seconded by Vice Chairman Reed, and it carried unanimously.

**APPROVED BY THE BOARD OF TRUSTEES AT THE REGULAR  
MEETING HELD ON April 30, 2024.**

---

**Mayoral Designee Justin Rodriguez, Chairman**

**ATTEST:**

---

**Councilwoman Dr. Adriana Rocha Garcia, Secretary**