

**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  
May 31, 2022**

**PRESENT:** Chairman Jim Smith, Police Representative; Vice Chairman Dean Pearson, Fire Representative; Jimmy Foster, Police Representative; Larry Reed, Fire Retiree Representative; Secretary Councilman Clayton Perry; Councilwoman Dr. Adriana Rocha-Garcia; Mayoral Designee Justin Rodriguez.

**ABSENT:** Vance Meade, Fire Representative; Harry Griffin, Police Retiree Representative.

**OTHERS**

**PRESENT:** Warren Schott, Mark Gremmer, Cary Hally, Gail Jensen, Rick Matye, Nancy Ybarra, Pension Fund Staff; Frank Burney, Martin & Drought.

**ROLL CALL:** At 9:31 a.m., Chairman Smith 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 Councilman Secretary Perry.

The Board then recessed to Executive Session at 9:32 a.m. pursuant to Texas Gov. Code § 551.071, 551.078 and 551.0785, and reconvened at 9:45 a.m.

Mayoral Designee Rodriguez entered the meeting at 9:35 a.m.

**MINUTES:** Mayoral Designee Rodriguez moved to approve the minutes of the Regular Board Meeting of April 26, 2022. The motion was seconded by Councilwoman Dr. Rocha-Garcia, and it carried unanimously.

**EDUCATIONAL  
OPPORTUNITIES**

**PRESENTATIONS:** Mr. Foster gave a brief presentation on the Siguler Guff Annual Meeting which he had attended. He reported that it was a two-day meeting of the Advisory Board; the first day was an overview of the strategies in which the Pension Fund is invested, and the second day was an overview of all of Siguler Guff's strategies. Mr. Foster noted that it was an informative meeting and he recommended that his fellow trustees attend if they have the opportunity.

Mr. Hally gave a brief presentation on the Covenant Annual Meeting he attended. He noted that Covenant provided in-depth presentations on its

successful strategies and expectations, and that the meeting was well attended.

### **EDUCATIONAL OPPORTUNITIES**

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

1. Opal Public Funds Summit East  
July 18-20, 2022
2. Koried Global Summit  
July 20-22, 2022
3. Pension Bridge Private Equity Exclusive  
July 25-26, 2022

The motion was seconded by Councilwoman Dr. Rocha-Garcia and carried unanimously.

### **APPLICATIONS AND REFUND OF CONTRIBUTIONS:**

Mr. Reed made a motion, seconded by Mayoral Designee Rodriguez, to approve the following Service Pension Applications, Beneficiary Applications and Refund of Contributions. The motion carried unanimously:

#### Service Pensions

1. A 27 year service pension for Police Officer Paul E. Zavala, effective May 10, 2022.
2. A 24 year service pension for Police Officer Ruben G. Gomez, Jr., effective June 1, 2022.
3. A 30 year, 10 month service pension for Police Sergeant Thomas G. Maurice, Jr., effective June 1, 2022.
4. A 27 year, 9 month service pension for Police Sergeant Stephen T. Priore, effective June 1, 2022.

#### Beneficiary Pensions

1. A beneficiary pension for Mrs. Karen Batson, widow of retired Fire Fighter Nathaniel Louis Batson, effective April 4, 2022.
2. A beneficiary pension for Mrs. Rose M. Rojas, widow of Retired Fire Engineer David C. Rojas, effective April 12, 2022.

3. A beneficiary pension for Mrs. Brenda Holder, widow of Retired Police Officer Peter J. Holder, effective April 14, 2022.
4. A beneficiary pension for Mrs. Carol Franks, widow of Retired Fire Fighter Robert Franks, effective April 21, 2022.
5. A beneficiary pension for Mrs. Rosalinda S. Juettemeyer, widow of Retired Police Officer Bernard Juettemeyer, effective April 29, 2022.

#### Refund of Contributions

1. A 9 year, 9 month refund of contributions for Fire Engineer Rudy A. Castillo, effective April 14, 2019.

### **EXECUTIVE DIRECTOR REPORT:**

#### **POLICE CADET CLASS 2021-D BRIEFING – MAY 31, 2022**

Mr. Schott informed the Board that a Police Cadet Briefing is scheduled today at 3:30 p.m., and he encouraged Police Trustees to attend if they were available.

#### **MEMBERDIRECT DUAL FACTOR AUTHENTICATION**

Mr. Schott advised the Board that the dual factor authentication feature in MemberDirect that the Board had approved last month is in the process of being tested and will be implemented in the next couple of weeks to provide our members added security.

#### **PRE-RETIREMENT SEMINAR**

Mr. Schott reported that the bi-annual Pre-Retirement Seminar was held May 16, 2022, at the Alzafar Shrine Auditorium. There were 52 Fire members and 18 Police members in attendance, along with 25 spouses. The speakers were well received, and there was a lot of positive feedback from the attendees. The Fund will continue to host the Pre-Retirement Seminars at the Alzafar Shrine Auditorium if participation levels remain high to ensure appropriate health and safety protocols are maintained.

#### **14TH CHECK**

Mr. Schott informed the Board that the Pension Fund received its final investment return numbers for 2021, reflecting an overall return for the year

of 13.8%. He reported that payment of a 14<sup>th</sup> Check for 2021 had been made to retirees on May 13, 2022, as directed by the Board.

### **BRIEFING ON HISTORICAL DATA – RETIREMENTS AND REFUND OF CONTRIBUTIONS**

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

### **FINANCIAL REPORTS FOR PERIODS ENDING FEBRUARY 28, 2022 AND MARCH 31, 2022**

The Statement of Net Plan Assets for the period ending April 30, 2022, were \$3,759,785,747.

## **COMMITTEE REPORTS:**

### **PERSONNEL/AUDIT COMMITTEE**

Mr. Foster reported the Personnel/Audit Committee did not meet in May. He reminded the Board that the auditors have begun the annual audit of the Pension Fund and have been working at the Pension Fund Office. He noted that the actuary also has begun working on the Actuarial Valuation Report for 2021, and it is expected that both reports will be presented to the Committee at its meeting on June 27, and to the Board at its meeting on June 28.

### **DISABILITY COMMITTEE**

#### **Disability Pension**

1. A First Hearing for a regular disability pension for Firefighter Sean Kirkeby.

Mr. Foster reported the Disability Committee met last week to conduct its initial review of the Regular Disability Pension Application for Firefighter Sean Kirkeby. Firefighter Kirkeby submitted all the required documents so that his application is complete, and the Fire Chief confirmed there is no position available for him in the Department. As such, the Committee unanimously approved a recommendation to the Board to continue the process by sending Firefighter Kirkeby to two independent physicians for further evaluation. Mr. Foster made a motion on behalf of the Committee to approve the recommendation. The motion was seconded by Councilwoman Dr. Rocha-Garcia, and it passed unanimously.

### **LEGISLATIVE COMMITTEE**

Vice Chairman Pearson reported the Legislative Committee met last week to review the actuary's report on the costs of the various proposed benefit changes. He reminded the Board that Segal had been asked to calculate the costs of the following items:

- A change to the benefit formula to provide for an 85% pension at 28 years
- A reduction in the City's contribution
- A 100% COLA for retirees who have been retired for over 10 years
- A 75% Occupational Death Benefit

The Committee reviewed the Actuary's report (**Attached**). In summary, the Actuary calculated that if the Pension Fund were to implement all four benefit improvements, the Pension Fund's unfunded liability would increase by approximately 3 years. The Committee did not take any action on the items, but instead will continue monitoring the Fund's investment performance to determine whether any of these benefit improvements can be included in the 2023 Legislative Package.

Vice Chairman Pearson stated that Pension Fund staff then reviewed the proposed Occupational Death Benefit provision and the draft Slayer provision. Representatives from the Fire Association were in attendance at the meeting and raised concerns with certain aspects of the Slayer provision. After discussion, it was determined that further discussions were needed to more specifically identify the Association's concerns and proposed language. Staff will coordinate with the Association to schedule a meeting.

### **INVESTMENT COMMITTEE**

Mr. Reed reported that the Investment Committee met on Wednesday, May 25th. The meeting started with the first quarter performance review by NEPC. The market value of the Pension Fund as of March 31st was approximately \$3.9 billion, and had a return of -4.60% for the first quarter. While reviewing the broad market environment, NEPC reported that approximately 20% of the Pension Fund's portfolio offers inflation protection or an inflation hedge, specifically holdings in real estate, bank loans, real assets, and treasury inflation-protected securities. The portfolio is close to its policy allocation targets, and within approved ranges. In the first quarter, U.S. equities returned -6.2%, non-U.S. equities returned -10.1%, and total fixed income returned -3.7%. Since inception and over the last five-year period, the Pension Fund has exceeded the 7.25% return target while taking on less risk than peers, as measured by standard deviation.

The Committee next discussed the StepStone VC Global Partners XI re-up commitment opportunity. Greenspring, who the Pension Fund originally committed to in May 2020, was acquired by StepStone in September 2021.

Fund XI will invest in venture capital funds, direct investments and secondary investments which are fully diversified by geography, sector, stage, and vintage year. As a venture capital fund-of-funds, it will target an allocation of 70% in global venture capital managers and 30% in direct investments. The Pension Fund's investment in Fund X is approximately 62% called, as of December 31, 2021. Fund XI will have its first closing on July 15, 2022 and there will be a management fee discount for investors in that closing. The Committee discussed the Pension Fund's venture capital exposure and the fund-of-funds structure, including the longer fund life and additional layer of fees. After discussions, the Investment Committee voted to recommend to the Board to commit \$20 million to StepStone VC Global Partners XI. Mr. Reed made a motion on behalf of the Committee to approve the recommendation. The motion was seconded by Mr. Foster. The motion carried, with Chairman Smith voting against.

The Committee then received an update from Attucks Asset Management on the Pension Fund's Emerging Manager Program Policy. Mr. Reed reminded the Board that the Committee had previously directed staff and Attucks to recommend changes to the Pension Fund's Emerging Manager Policy to allow for private equity investments in the Emerging Manager Program. At the May Committee meeting, Attucks presented its recommended revisions to the policy which included adding private equity investments as an option in the Opportunistic strategy bucket and providing investment criteria guidelines for this asset class. After discussions, the Investment Committee voted to recommend that the Board adopt the revised policy as proposed. (Attached). Mr. Reed made a motion on behalf of the Committee to approve the recommendation. The motion was seconded by Mr. Foster, and it carried unanimously.

The final agenda item was a private markets portfolio review by Albourne. Mr. Reed explained that the item was a follow-up to the Board's determination last fall to have the Pension Fund's private markets program reviewed by other consultants. Albourne, who was previously the Pension Fund's hedge fund consultant, presented its review of the Pension Fund's private markets investments. Overall, the review was informative, and the Committee determined it was comfortable with the Pension Fund's current pacing plan and asset allocation. After discussions, the Committee decided to conclude the private markets program review initiative.

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

Vice Chairman Pearson reported the Property Holding Corporation met last week to receive a leasing update from Sullivan Commercial and an update from CBRE on the sale of the two Shavano Center buildings.

On the leasing update, representatives from Sullivan reported that Shavano Center III is 93% and Shavano Center IV remains 100% leased, with strong demand for space in both buildings. Parkway Center is 100% leased on the first floor but still has the 25,000 feet available on the second floor. Sullivan noted that there has been strong interest from several potential tenants, including the Healthcare Fund, in leasing spaces anywhere from 3,000 feet up to 25,000 feet. The Corporation determined to postpone any decision to divide up the second floor space until it receives a firm commitment from one of the prospective tenants.

The Corporation next heard from CBRE on the sale of the two Shavano buildings. Representatives from CBRE reported that they are in the process of developing the Sales Package and will begin marketing the buildings as soon as the Sales Package is complete. The Corporation plans to meet monthly to receive updates on the progress of the sale.

**DISBURSEMENTS:** Councilwoman Dr. Rocha-Garcia made a motion to approve the disbursements. The motion was seconded by Vice Chairman Pearson, and it was approved unanimously.

**MEMBERS TO  
BE HEARD:** None.

**ADJOURNMENT:** Vice Chairman Pearson made a motion to adjourn the meeting at 10:29 a.m. The motion was seconded by Councilwoman Dr. Rocha-Garcia, and it carried unanimously.

**APPROVED BY THE BOARD OF TRUSTEES AT THE REGULAR  
MEETING HELD ON JUNE 28, 2022.**

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**Jim Smith, Chairman**

**ATTEST:**

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**Dean Pearson, Vice Chairman**