

**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
August 27, 2024**

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

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

OTHERS

PRESENT: Warren Schott, Mark Gremmer, Gail Jensen, Cary Hally, Rick Matye, and Christine Tejada, Pension Fund Staff; 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.

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

**EDUCATIONAL
OPPORTUNITIES**

PRESENTATIONS: It was determined that because most of the Board Members and several staff had attended the Texpers Summer Educational Forum, a presentation was unnecessary.

EDUCATIONAL

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

1. TXCPA Accounting Conference
September 23-24, 2024
2. TLFFRA Conference
October 6-8, 2024
3. PensionGold Teaming Conference
October 8-10, 2024

4. ZMC Annual Meeting
October 16, 2024
5. Palistar Annual Meeting
October 16-17, 2024
6. Tiger Infrastructure Partners Annual Meeting
October 22, 2024
7. Exeter Annual Meeting
October 23, 2024
8. Varde Partners Annual Meeting
October 24, 2024
9. PREA Real Estate Conference
October 23-25, 2024
10. NCPERS Public Safety Conference
October 27-30, 2024
11. EnCap Investor Conference
October 29-30, 2024

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

APPLICATIONS AND REFUND OF

CONTRIBUTIONS: Mr. S. Griffin made a motion to approve the following Service Pension Applications, Beneficiary Applications and Refund of Contributions:

Service Pensions

1. A 34 year, 3 month service pension for Fire Engineer Don Denning, effective August 1, 2024.
2. A 34 year, 8 month service pension for Fire Fighter Ralph Diaz, effective August 1, 2024.
3. A 21 service pension for Fire Engineer Maurice D. Braimer, effective August 2, 2024.
4. A 20 year, 10 month service pension for Fire Lieutenant Dustin M. Titzman, effective August 16, 2024.
5. A 29 year service pension for Police Detective Gregory De Hoyos, effective September 1, 2024.

6. A 29 year, 6 month service pension for Police Detective Jerry J. Fuller, effective September 1, 2024.
7. A 26 year, 11 month service pension for Fire Fighter Louis C. Garcia, effective September 1, 2024.
8. A 27 year, 4 month service pension for Fire Engineer Heath A. Hadley, effective September 1, 2024.
9. A 29 year, 6 month service pension for Police Detective Ronald A. Rocha, effective September 1, 2024.
10. A 26 year, 3 month service pension for Police Detective Rudolfo M. Salgado, effective September 1, 2024.

Beneficiary Pensions

1. A beneficiary pension for Mrs. Linda R. King, widow of retired Police Officer Carl E. King, effective June 29, 2024.
2. A beneficiary pension for Mrs. Betty J. Connally, widow of retired Fire Engineer Michael E. Connally, effective July 19, 2024.
3. A beneficiary pension for Mrs. Vivian Adams, widow of retired Fire Engineer Charles C. Adams, effective August 11, 2024.

Refund of Contributions

1. A 13 year, 8 month refund of contributions for Fire Engineer Raul Garza, III, effective April 8, 2024.
2. A 13 year, 10 month refund of contributions for Fire Engineer Andrew Fox, effective June 16, 2024.
3. A 15 year, 8 month refund of contributions for Fire Fighter John R. McNees, effective July 22, 2024.
4. A 10 year refund of contributions for Fire Engineer Courtney L. Brown, effective August 1, 2024.
5. A 1 year, 1 month refund of contributions for Police Officer Gary D. Harris, effective August 2, 2024.
6. A 16 year, 10 month refund of contributions for Fire Fighter Christopher Duron, effective August 7, 2024.

7. A 4 year, 5 month refund of contributions for Police Officer Thomas M. Rodriguez, effective August 16, 2024.

Fire Lieutenant Dustin Titzman and Fire Engineer Heath Hadley were in attendance and thanked the Board for all they do for the members.

Chairman Rodriguez congratulated each of the fire retirees and thanked them for their dedicated service.

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

**EXECUTIVE
DIRECTOR
REPORT:**

POLICE CADET CLASS 2023-E – GRADUATION DATE AUGUST 8, 2024

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

MEMBER COMMUNICATION POLICY REQUESTS

Mr. Schott reported that he had received a request from an affiliated group with regards to communications with the membership, in accordance with the Pension Fund's Membership Communication Policy:

- SA Police Benevolent Fund

After discussion, Mr. Smith made a motion to approve the request. The motion was seconded by Ms. Viera, and it carried unanimously.

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 JULY 31, 2024

The Statement of Net Plan Assets for the period ending July 31, 2024, was \$4B.

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

Ms. Viera reported the Personnel/Audit Committee met on August 22, 2024, to complete the procurement process for the Pension Fund's securities litigation firms.

The Committee interviewed four securities litigation firms, including Dicello Levitt, Labaton Keller Sucharow, Motley Rice, and Wolf Popper. Representatives from each firm attended the meeting and presented their capabilities and qualifications. The Committee also reviewed the Pension Fund's Securities Litigation Policy which limits the number of monitoring firms to five. The Committee discussed what number of firms was appropriate for the Pension Fund, and whether including a specific "cap" in the policy was necessary. After the interviews and discussion, the Committee made a motion to recommend the Board revise the Securities Litigation Policy to remove the limit on the number of firms the Pension Fund can engage. A draft of the revised Policy was provided to the Board. Ms. Viera made a motion on behalf of the Committee to approve the revised Securities Litigation Policy. The motion was seconded by Mr. Smith, and it passed unanimously.

The Committee also approved a motion to retain Labaton Keller Sucharow and Motley Rice as additional portfolio monitoring firms for the Pension Fund. Ms. Viera made a motion on behalf of the Committee to approve. The motion was seconded by Mr. Smith, and it passed unanimously.

DISABILITY COMMITTEE

Mr. H. Griffin reported the Disability Committee met August 22, 2024, to discuss one of the disability pensioners that has still not provided their 2023 tax return. Staff have sent certified letters, emailed and called the Pensioner to encourage them to provide the return. Due to the Pensioner's continued lack of compliance with the Pension Law, the Committee voted unanimously to recommend the Board stop the direct deposit of the Pensioner's monthly payments, requiring the Pensioner to personally retrieve the pension check from the Pension Fund Office. Mr. H. Griffin made a motion on behalf of the Committee to approve. The motion was seconded by Vice Chairman Reed, and it carried unanimously.

Staff will keep the Committee updated on the status, and if the Pensioner remains out of compliance, the Committee will consider suspending the disability annuity retirement entirely, as allowed under the Pension Law.

LEGISLATIVE COMMITTEE

Vice Chairman Reed reported the Legislative Committee met on August 22, 2024, to continue discussions on proposed legislative changes for the 2025 Legislative Session. Staff provided the Committee with feedback from the Texas Pension Review Board regarding the Pension Fund's proposal to expand the eligibility range for the 100% COLA by two years. The PRB informed staff that it has no authority to take a position for or against any legislative bill, it simply submits a fiscal report. The PRB did note that because the Pension Fund's amortization period is under 30 years, the Fund is considered "actuarially sound".

The Committee had a lengthy discussion regarding the costs of the proposed change and its impact on the Pension Fund's funding level and years to amortize the Pension Fund's liability. After the discussion, Vice Chairman Reed moved that the Committee recommend to the Board to expand the eligibility period for the 100% COLA by two years, but the motion failed by a vote of 1:2.

Vice Chairman Reed noted that the item had not been included on the Board Agenda for consideration at the current Board Meeting, but he requested that it be included for consideration at the next Board Meeting. After a brief discussion, Vice Chairman Reed was referred to the Pension Fund's process for having items placed on the Board Agenda.

INVESTMENT COMMITTEE

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

The first item on the agenda was the finalist presentations for the ongoing special situations-focused private debt search. The six finalists included Cross Ocean European Special Situations Fund V, Irradiant Solutions Fund II, King Street Opportunistic Credit Fund I, Metric Capital Partners Fund V, RoundShield Fund V, and VGO Special Situations III. Onsite visits had been conducted with all the firms. Representatives from each finalist presented their firm overview and history, team member responsibilities, investment strategy and process, and performance history.

Following the presentations, the Committee discussed each manager with NEPC and staff and received feedback from those that had attended the onsite visits. After discussions, the Investment Committee voted to recommend that the Board commit \$25 million to Metric Capital Partners Fund V, and \$25 million to VGO Special Situations Fund III. Chairman Rodriguez inquired into the specific parameters of the search and how the six finalists matched those parameters. There also was discussion of the Pension Fund's pacing plan for 2025 and asset allocation, with a specific

focus on how close the Pension Fund was to its target in the private debt space. It was noted that if the current search yielded other strong candidates, the Pension Fund should consider investing with those candidates now, so as to avoid having to conduct a new private debt search in 2025. Staff noted that the finalists in the current search were in a narrow category of “special situations” private debt, and it was not clear that adding another manager in that space would achieve sufficient diversification in the portfolio. After the discussion, Mr. Smith made a motion on behalf of the Committee to approve the allocation of \$25 million to Metric Capital Partners Fund V and \$25 million to VGO Special Situations III. The motion was seconded by Vice Chairman Reed, and it carried unanimously.

The Committee then received the quarterly performance review from NEPC. The market value of the Pension Fund as of June 30, 2024, was approximately \$4 billion. The Pension Fund's return for the 2nd quarter is 0.8%, and its year-to-date return is 4.3%. The total portfolio is close to its policy allocation targets and within approved ranges. U.S. equities returned 0.7% in the quarter and 9.6% year-to-date, while non-U.S. equities returned -0.2% in the quarter and 4.9% year-to-date. Total fixed income returned 1.1% in the quarter and 2.0% year-to-date. NEPC noted that the majority of the underlying investment managers are performing well relative to their peers and benchmarks, and NEPC has no specific performance concerns, but did suggest monitoring the Global Alpha International Small Cap Fund performance. NEPC noted that the Pension Fund's private debt returns have added significant value over the last three- and five-year periods, and in fact, the Pension Fund achieved a higher three-year return than the median public DB plan while taking on less risk. No action was taken.

SAN ANTONIO F&P PROPERTY HOLDING CORPORATION

Mr. S. Griffin reported the Property Holding Corporation did not meet in August, but the final appraisals for the Corporation's three office buildings are expected in September. Once the final appraisals have been received, the Corporation will meet to review them.

DISBURSEMENTS: Mr. H. Griffin made a motion to approve the disbursements for August 27, 2024. Ms. Viera seconded the motion, and it was approved unanimously.

**MEMBERS TO
BE HEARD:**

None.

ADJOURNMENT: Ms. Viera made a motion to adjourn the meeting at 10:42 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 September 24, 2024.**

Mayoral Designee Justin Rodriguez, Chairman

ATTEST:

Councilwoman Dr. Adriana Rocha Garcia, Secretary