

**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
October 30, 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; Amanda Viera, Police Representative; and Councilman Marc Whyte.

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

OTHERS

PRESENT: Warren Schott, Mark Gremmer, Gail Jensen, Cary Hally, Rick Matye, Cinzia Davenport Pence 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.

The Board then recessed to Executive Session at 9:31 a.m. pursuant to Texas Govt. Code §551.071, §551.078 and §551.0785, and reconvened at 10.06 a.m.

MINUTES: Mr. S. Griffin moved to approve the minutes of the Regular Board Meeting of September 24, 2024. The motion was seconded by Vice Chairman Reed, and it carried unanimously.

**EDUCATIONAL
OPPORTUNITIES**

PRESENTATIONS: Mr. Gremmer gave a brief presentation of the TXCPA Accounting Conference he attended, which focused on government accounting updates. He reported there were fourteen sessions on various topics, including Current Economic Developments, Cybersecurity, Artificial Intelligence, and Third-Party Supply Chain Relationships. Overall, he considered the conference to be very good.

Mr. Smith reported that he had attended the TLFFRA Education Conference, a conference designed to educate fire fighter pension board members. He stated that the speakers were good and provided helpful

information. He encouraged Board Members to attend future conferences. Mr. Smith noted that because he attended the conference on behalf of Texpers, his travel expenses had been paid for by Texpers.

Rick Matye and Cinzia Davenport Pence gave a brief presentation on the LRS Teaming Conference they both attended. Mr. Matye informed the Board that LRS is the provider of the Pension Fund's Pension Gold Software. He noted this was an annual conference and it was well attended with representatives from thirty-two pension funds across the country. He noted that there were multiple sessions covering important information about the software and its functionality, including pension fund data security, 1099 reporting, and the SECURE Act. Ms. Davenport Pence reported that the conference also showcased different versions of the Pension Gold software. Mr. Matye noted that there was no registration fee for the first two attendees from each pension system, and each staff member who attended earned 10 hours of customer support credit for the Pension Fund to utilize.

Mr. Cary Hally gave a brief presentation regarding his attendance at various of our managers' Annual Meetings, including Palistar, EQT, Tiger Infrastructure, ZMC and Varde. He noted that while he was in New York for the Annual Meetings, he took the opportunity to also conduct site visits with several of our existing managers, including JP Morgan and Ares. Overall, he found the annual partner meetings and site visits to be informative.

EDUCATIONAL

OPPORTUNITIES: Ms. Viera moved to authorize Board members and appropriate staff to attend the following conferences:

1. OPAL Alternative Investing Summit
December 8-10, 2024

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 24 year, 2 month service pension for Battalion Fire Chief Mark A. Hasso, effective October 2, 2024.

2. A 26 year, 4 month service pension for Fire Fighter John H. Fest, effective October 14, 2024.
3. A 33 year, 10 month service pension for Assistant Police Chief Karen M. Falks, effective November 1, 2024.
4. A 29 year, 6 month service pension for Police Officer Marco A. Garza, effective November 1, 2024.
5. A 30 year, 6 month service pension for Police Officer Todd James Johnson, effective November 1, 2024.
6. A 31 year, 6 month service pension for Police Officer Michael Robert Lazcano, effective November 1, 2024.
7. A 25 year, 5 month service pension for Fire Fighter James M. Nolen, effective November 1, 2024.
8. A 30 year, 9 month service pension for Police Sergeant Timothy R. Rawson, effective November 1, 2024.
9. A 33 year, 10 month service pension for Police Detective Terry D. Moten, effective December 1, 2024.

Beneficiary Pensions

1. A beneficiary pension for Mrs. Mary Meyer Larsen, widow of retired Fire Fighter Robert Carl Larsen, effective September 14, 2024.
2. A beneficiary pension for Mrs. Maria Elena Rodriguez, widow of retired Fire Engineer Frank Rodriguez, effective September 23, 2024.
3. A beneficiary pension for Mrs. Margarita Canales-Garcia, widow of Fire Fighter Tomas G. Garcia, effective October 12, 2024.

Refund of Contributions

1. A 4 year, 6 month refund of contributions for Police Officer Jonathan L. Lopez, effective September 20, 2024.

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

Chairman Rodriguez announced that the following Beneficiary Pension would be referred to the Disability Committee for further review, in accordance with the Pension Law:

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

**EXECUTIVE
DIRECTOR
REPORT:**

ADVISOR NEWSLETTER

Mr. Schott reminded the Board that the latest edition of the *Advisor Newsletter* will be issued soon, and he encouraged Trustees to submit articles or other materials for inclusion as soon as possible.

PRE-RETIREMENT SEMINAR

Mr. Schott reminded the Board that the bi-annual Pre-Retirement Seminar will be held Friday, November 15, 2024, at the San Antonio Shrine Auditorium and he encouraged Board members to attend, if their schedules allow.

**POLICE CADET CLASS 2024-A – GRADUATION DATE
OCTOBER 11, 2024**

Mr. Schott requested Board approval to accept the Police Cadet Class 2024-A into the membership. Councilman Whyte made a motion, seconded by Mr. Smith, to approve, 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 SEPTEMBER 30,
2024**

The Statement of Net Plan Assets for the period ending September 30, 2024, was \$4B.

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

Ms. Viera reported the Personnel/Audit Committee did not meet this month, but she will be scheduling a meeting in mid-November to begin the process of reviewing the Proposed 2025 Annual Budget.

Ms. Viera reminded the Board that the Pension Fund's actuary, Segal Consulting, is still working on the Pension Fund's 5-year Experience Study. Segal expects to complete the report by the end of the year, with the intention of using the results in their 2025 Actuarial Valuation Report.

DISABILITY COMMITTEE

Mr. H. Griffin reported the Disability Committee did not meet this month. However, he reported there is still one disability pensioner that has not yet provided their 2023 tax return. Mr. H. Griffin reminded the Board that two months prior, the Board had stopped the direct deposit of the pensioner's monthly payments, requiring the pensioner to personally retrieve the pension check from the Pension Fund Office. Staff noted that as of today, the pensioner has picked up the August and September checks, but still has not provided the 2023 tax return. The Committee will be meeting in the next few weeks to consider suspending the disability annuity entirely, as allowed under the Pension Law. If, prior to that time, the disability pensioner provides the tax return, the Committee will notify the Board.

Mr. H. Griffin also reminded the Board that, as noted by Chairman Rodriguez, the Committee will review the Beneficiary Pension for Mario A. Rodriguez.

LEGISLATIVE COMMITTEE

Vice Chairman Reed reported the Legislative Committee did not meet this month. However, early filing of bills for the 2025 Session begins in mid-November, so the Committee will have staff begin tracking any bills that may be of interest to the Pension Fund, and the Committee will meet to review those, as needed.

INVESTMENT COMMITTEE

Mr. Smith reported the Investment Committee met on October 23.

The first item on the agenda was an update on the Pension Fund's IDR commitment. Mr. Smith reminded the Board that it had approved the IDR commitment in July 2022, but based on the advice from Townsend, staff, and IDR, the Board had delayed funding the commitment, as the Pension

Fund monitored the real estate market. Mr. Smith informed the Board that staff and representatives from Townsend informed the Committee that IDR had presented a unique opportunity to purchase a portfolio of core real estate funds at a discount to net asset value, and that after reviewing the proposal, staff and Townsend believe the opportunity will enable the Pension Fund to gain exposure to a subset of IDR's core open-end portfolio at a discount, while achieving the Pension Fund's pro rata share in the IDR fund within the next 12-to-18 months as the real estate market continues to improve. The Committee was supportive of moving ahead with funding the commitment, although no formal action was required, as the Board had already approved the commitment.

The Committee then discussed rebalancing to raise cash to fully fund the IDR commitment. After discussions, the Committee voted to recommend that the Board liquidate the remaining Northern Trust Russell 1000 Index Fund balance of roughly \$27 million 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 Vice Chairman Reed, and it carried unanimously.

A discussion arose regarding the progress of the Pension Fund's core real estate redemption requests. Mr. Smith reminded the Board that in January 2023, the Board approved redeeming \$10 million from the JP Morgan Strategic Property Fund, and \$15 million from the Affinius US Eagle Real Estate Fund to fund the IDR commitment. As of today, JP Morgan has returned approximately \$4.5 million and Affinius has not returned any funds. Affinius recently informed the Pension Fund that roughly \$1.5 million of the Pension Fund's total redemption request will be returned in mid-November. The Committee discussed the pros and cons of rescinding the Pension Fund's redemption requests from one or both funds. After discussions, the Committee decided to discuss the issue at a future Committee meeting.

Next, representatives from Garcia Hamilton, the Pension Fund's core fixed income manager, provided a performance update and a fixed income education presentation. As of September 30, 2024, the market value of the Pension Fund's investment with Garcia Hamilton was approximately \$195 million. The strategy returned 6.2% in the third quarter, 12.9% in the last 12 months, and 1.0% since inception in June 2019. Over the same time periods, the strategy has outperformed the Bloomberg US Aggregate index by 1.0%, 1.3%, and 0.2%, respectively. Throughout the discussion, the firm's Chief Investment Officer, Gilbert Garcia, discussed the macroeconomic environment, the firm's forecasts, and compared how their strategy is invested compared to the index. Following the presentation, representatives from NEPC reminded the Committee that due to the strategy's high tracking error, more volatility is expected compared to the

index, and that over a three- to five-year period, Garcia Hamilton should provide outperformance.

Finally, representatives from NEPC provided a brief update on their firm. NEPC recently announced that Hightower had acquired a majority stake in NEPC. After the transaction closes, NEPC will retain its name and act as its own unit within Hightower. The Committee was assured that NEPC's public fund business will operate as normal, and no team member changes are expected. No action was taken, but the Committee and staff will continue to monitor the transition.

SAN ANTONIO F&P PROPERTY HOLDING CORPORATION

Mr. S. Griffin reported the Property Holding Corporation met on October 24, to discuss several issues.

The Corporation first received its 2023 Annual Audit. The audit was conducted by a new firm, ADKF, which is the largest, locally owned accounting firm in San Antonio. ADKF reviewed the financial information and trends it sees in the operations of the Corporation's three buildings. More importantly, they noted that the financial statements presented fairly the financial position of the Corporation as of December 31, 2023. In other words, the Corporation received a "clean audit".

Next, Sullivan Commercial presented the building appraisals for the three buildings. As a reminder, the Corporation has the buildings appraised every three years. The appraisals this year were conducted by Lowry Property Advisors. After reviewing the appraisals, the Corporation accepted them, and staff will be updating the financial statements to reflect the new values.

The Corporation also received a leasing update from Sullivan Commercial. Shavano Center III is 89% leased, Shavano Center IV is 80% leased, and Parkway Center is 75% leased. Sullivan noted that interest continues to increase for office space in the Shavano area of town.

Finally, Sullivan reported that all the major renovations that were approved late last year for the Shavano buildings have been completed, and they and the tenants are very pleased with the results.

DISBURSEMENTS: Mr. H. Griffin made a motion to approve the disbursements for October 30, 2024. Councilman Whyte seconded the motion, and it was approved unanimously.

**MEMBERS TO
BE HEARD:**

None.

ADJOURNMENT: At this time, Chairman Rodriguez noted that the next Regular Board Meeting will be held on Tuesday, November 26, 2024, during the week of Thanksgiving. He instructed staff to ensure a quorum is present.

Vice Chairman Reed made a motion to adjourn the meeting at 11:02 a.m. The motion was seconded by Councilman Whyte, and it carried unanimously.

**APPROVED BY THE BOARD OF TRUSTEES AT THE REGULAR
MEETING HELD ON November 26, 2024.**

Mayoral Designee Justin Rodriguez, Chairman

ATTEST:

Councilwoman Dr. Adriana Rocha Garcia, Secretary