

**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
December 17, 2024**

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

ABSENT: Secretary Councilwoman Dr. Adriana Rocha Garcia; Dean Pearson, Fire Representative; Shawn Griffin, Fire Representative; Amanda Viera, Police Representative.

OTHERS

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

ROLL CALL: At 9:00 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 9:01 a.m. pursuant to Texas Govt. Code §551.071, §551.074, §551.078 and §551.0785, and reconvened at 9:31 a.m.

MINUTES: Mr. Smith moved to approve the minutes of the Regular Board Meeting of November 26, 2024. The motion was seconded by Vice Chairman Reed, and it carried unanimously.

EDUCATIONAL

OPPORTUNITIES: Councilman Whyte moved to authorize Board members and appropriate staff to attend the following conferences:

1. NAPO Pension & Benefits Seminar
February 2-4, 2025
2. NEPC Public Fund Workshop
February 3-4, 2025
3. Texpers Legislative Advocacy Workshop
February 4-5, 2025

4. Pension Bridge Private Credit Conference
February 11-12, 2025
5. NAPPA Winter Legal Seminar
February 19-21, 2025
6. Stepstone Venture Capital Annual Meeting
February 20-22, 2025
7. Opal Investment Education Symposium
February 26-28, 2025

Mr. Schott informed the Board that he will be attending the Texpers Legislative Advocacy Workshop in early February.

After discussion, the motion was seconded by Mr. H. Griffin, and it carried unanimously.

**APPLICATIONS
AND REFUND OF**

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

Service Pensions

1. A 20 year, 2 month service pension for Fire Lieutenant Melissa Whan, effective December 10, 2024.
2. A 20 year, 3 month service pension for Police Officer Mark Barr, effective January 1, 2025.
3. A 56 year, 2 month service pension for Fire Fighter Gaylon J. Boubel, effective January 2, 2025.
4. A 30 year, 8 month service pension for Fire Engineer Javier Hernandez, effective January 2, 2025.
5. A 26 year, 7 month service pension for Deputy Police Chief Hector Salas, Sr., effective January 4, 2025.
6. A 30 year, 9 month service pension for Police Officer Hilario Gurrola, effective January 11, 2025.
7. A 29 year, 9 month service pension for Police Captain Rene C. Gallegos, effective February 1, 2025.

8. A 31 year, 2 month service pension for Police Sergeant Edwin D. Rivera, effective February 1, 2025.

Beneficiary Pensions

1. A beneficiary pension for Mrs. Rebekah V. Sodrok, widow of retired Fire Engineer Albert Sodrok, effective November 14, 2024.
2. A beneficiary pension for Mrs. Gwendolyn Derry, widow of retired Fire Fighter Jimmy E. Derry, effective November 18, 2024.
3. A beneficiary pension for Mrs. Carmen Barbola, widow of retired Fire Fighter William Barbola, effective December 4, 2024.

Refund of Contributions

1. A 1 year, 7 month refund of contributions for Fire Fighter Casey Ross, effective December 20, 2021.
2. A 4 month refund of contributions for Fire Fighter Luis Gutierrez, effective November 6, 2024.
3. A 7 year, 11 month refund of contributions for Police Officer Stacy M. Mikes, effective November 15, 2024.
4. A 5 year, 6 month refund of contributions for Police Officer Joshua J. Erdmann, effective November 29, 2024.
5. A 7 year, 9 month refund of contributions for Police Officer Andrew R. Gonzalez, effective December 2, 2024.
6. A 2 year, 2 month refund of contributions for Police Officer Nicholas J. Weidner, effective December 9, 2024.

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

EXECUTIVE DIRECTOR REPORT:

ADVISOR NEWSLETTER

Mr. Schott reported that all of the articles for the Pension Fund's upcoming edition of the *Advisor Newsletter* have been received. He thanked the Board members and staff for their contributions. He noted that Joe Gimenez with g3 public relations is working on final formatting issues and the *Newsletter* should be issued in early January 2025.

POLICE CADET CLASS 2024-B PRESENTATION

Mr. Schott informed the Board that the Police Cadet Presentation is scheduled for December 18, 2024, at 9:45 a.m. He encouraged Police Trustees to attend if they were available.

FIRE CADET CLASS 2024-A PRESENTATION

Mr. Schott informed the Board that the Fire Cadet Presentation is scheduled for January 2, 2025, at 1:00 p.m. He encouraged Fire Trustees to attend if they were available.

2024 POLICE & FIRE RETIREMENT PLAQUE PRESENTATIONS

Mr. Schott reminded the Board that the 2024 Fire Retiree plaques will be presented at the February 26, 2025, Board Meeting and the 2024 Police Retiree Plaques will be presented at the March 26, 2025, Board Meeting.

2025 MEETING SCHEDULE

Mr. Schott referred the Board to the revised 2025 Meeting Schedule. He reminded the Board that at the November Board Meeting, the Board had discussed the best day of the week to hold the Board Meetings in order to minimize scheduling conflicts. After discussion, the Board had directed Mr. Schott to revise the proposed 2025 Meeting Schedule so that the Board Meetings occur on the last Wednesday of each month, and to bring the revised schedule to the December Board Meeting for final approval. After discussion, Mr. Smith made a motion to approve the 2025 Meeting Schedule. The motion was seconded by Councilman Whyte, 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 NOVEMBER 30, 2024

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

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

Mr. Smith reported the Personnel/Audit Committee met on December 11th to conduct its final review of the proposed 2025 Annual Budget. The Committee reviewed the updated Budget which incorporated the changes it had requested at its November meeting, and after discussions, the Committee unanimously approved a motion to recommend the Board approve the 2025 Annual Budget, as presented. Mr. Schott referred the Board to the budget materials in their Board Packets and provided the Board a brief overview of the updated 2025 Annual Budget. Mr. H. Griffin made a motion to approve the 2025 Annual Budget. The motion was seconded by Vice Chairman Reed, and it carried unanimously.

Mr. Smith also reminded the Board that the Pension Fund's actuary, Segal Consulting, is finalizing the results of the Pension Fund's 5-year Experience Study. Segal expects to present the Study in early 2025, and then use the results from the Study in their 2025 Actuarial Valuation Report.

DISABILITY COMMITTEE

Mr. H. Griffin reported the Committee did not meet in December, but that there were a couple of outstanding issues the Committee is monitoring.

The first item involved the disability pensioner that has not yet provided their 2023 tax return. Mr. H. Griffin reminded the Board that in November, the Committee asked the pensioner to attend the November Committee Meeting to provide an explanation for still not providing their tax return, but the pensioner did not attend the meeting. As such, the Committee directed staff to continue cutting the monthly checks, but to not release any further checks until the pensioner provides their tax return. Mr. H. Griffin, noted that, as of the Board Meeting, the pensioner still has not provided the tax return, and the Pension Fund is holding both the October and November checks. The Committee will meet again in January to further discuss the issue and determine any new action.

Mr. H. Griffin reported the second outstanding issue involves the beneficiary pension application for a wholly dependent child of a recently deceased member. He reminded the Board that at the November Board Meeting, the Board authorized having the individual evaluated by two

independent physicians. The first evaluation has been scheduled for early January, but the second evaluation is still being scheduled. Once the evaluations have been completed, the Committee will review the reports and provide a recommendation to the Board.

LEGISLATIVE COMMITTEE

Vice Chairman Reed reported the Legislative Committee met on December 11th to review a list of bills filed in the legislature that may have an impact on, or be of interest to, the pension fund. General Counsel, Gail Jensen, briefed the Committee on several bills in the areas of pension funds, labor and employment and open government. Ms. Jensen reported that while none of the bills has a critical impact on the pension fund, several do warrant continued monitoring. After review, the Committee decided to not take a position on any of the bills at this time. Ms. Jensen will continue to monitor the legislative activity and will keep the Committee informed of any significant developments.

At this time, Frank Burney with Martin & Drought informed the Board that the Retiree Healthcare Fund's legislative bill is being reviewed by Legislative Council. The bill has received support from SAPOA and the Pensioners Association, and the Healthcare Fund is working to secure the approval of the City of San Antonio and the Fire Union.

INVESTMENT COMMITTEE

Mr. Smith reported the Investment Committee met on December 11th.

The first item on the agenda was a discussion on a potential re-up commitment with CarVal Aviation Income Fund II. Mr. Smith reminded the Board that in November, the Committee expressed concerns regarding global airline opportunities and the current set of global conflicts, and so had postponed a decision on the re-up until it could hear directly from CarVal representatives on these issues. At the December Committee meeting, representatives from CarVal addressed the Committee's concerns. After discussions, the Committee voted unanimously to recommend to the Board to commit \$25 million to CarVal Aviation Income Fund II. Mr. Smith made a motion on behalf of the Committee to approve. The motion was seconded by Vice Chairman Reed, and it carried unanimously.

Next, representatives from Affinius Capital presented their Data Center Fund strategy and current opportunity set. The strategy seeks to develop and lease a portfolio of turnkey, build-to-suit data centers and powered shells, and sell the assets approximately three years after construction. Fund I is targeting \$1 billion in commitments and Affinius expects to hold its first close in Q1 2025. The Affinius US Eagle Real Estate Fund, one of the Pension Fund's core real estate managers, has invested in Fund I. No action

was taken.

Finally, the Committee discussed the Pension Fund's 5-year asset-liability study. Under the Pension Fund's Investment Policy, it is recommended that the Pension Fund conduct an asset-liability study every five years to ensure the Pension Fund's asset allocation is in-line with the growth of the Pension Fund's liabilities. Mr. Smith noted that the last study was conducted in 2020 by NEPC. After discussions, the Investment Committee voted unanimously to recommend to the Board to retain NEPC to conduct the Pension Fund's 2025 asset-liability study at a cost of \$50,000. Mr. Smith made a motion on behalf of the Committee to approve. The motion was seconded by Vice Chairman Reed, and it carried unanimously.

SAN ANTONIO F&P PROPERTY HOLDING CORPORATION

Mr. H. Griffin reported the Property Holding Corporation met on December 11th to review the proposed 2025 Budget and to receive an update on the leasing activity on the three office buildings.

Representatives from Sullivan Commercial reviewed some of the new leases that had been finalized and noted that Shavano III is 80% leased, Shavano IV is 80% leased and Parkway Center is 75% leased.

Next, Sullivan presented the proposed 2025 Annual Budgets for the three buildings. Shavano Center III is projecting a net income of \$318,000 in 2025 which takes into account the exterior painting of the building and the expected replacement of four HVAC units. Shavano Center IV is projecting a net income of \$258,000 in 2025 which includes landscaping upgrades and the replacement of three HVAC units. Parkway Center is projecting a net income of \$135,000 in 2025. The total net income for all three properties is approximately \$700,000 which translates to an approximate 2.5% cash return on the buildings for 2025. After discussion, the Corporation approved the 2025 budgets as presented.

DISBURSEMENTS: Councilman Whyte made a motion to approve the disbursements for December 17, 2024. Mr. H. Griffin seconded the motion, and it was approved unanimously.

MEMBERS TO BE HEARD:

Charlie Ricketts, President of the Fire & Police Pensioners Association, expressed the Association's support for the Healthcare Fund's legislative package. Victoria Roeder with the City of San Antonio noted that the City of San Antonio is still reviewing the bill.

ADJOURNMENT: Vice Chairman Reed made a motion to adjourn the meeting at 10:18 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 January 29, 2025.**

Mayoral Designee Justin Rodriguez, Chairman

ATTEST:

Councilwoman Dr. Adriana Rocha Garcia, Secretary