

**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
September 26, 2023**

OTHERS

PRESENT:

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

ROLL CALL:

At 9:35 a.m., Vice Chairman Reed 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 Mayoral Designee Rodriguez.

RESOLUTION

PRESENTATION:

At this time, Vice Chairman Reed read the Resolution to be presented to State Senator Jose Menendez:

WHEREAS, the Fire and Police Pension Fund, San Antonio, oversees the retirement benefits for over 7,000 Plan participants and beneficiaries, and;

WHEREAS, the Fund has as its sole objective providing retirement security for firefighters and police officers, past, present and future, and;

WHEREAS, legislative adjustments to benefits and plan improvements must be made to the Plan as an acknowledgment of the sacrifices made by the members during their long careers in protecting the safety and welfare of the citizens of San Antonio and to provide a more efficient operation of the Fund, and;

WHEREAS, the leadership exhibited by State Senator Jose Menendez was instrumental in passage of the Fund's legislative package in the 2023 Session, and;

WHEREAS, the acts of State Senator Jose Menendez reflect his belief in the principles of dignity in retirement and respect for the service of firefighters and police officers in our community;

NOW, THEREFORE, BE IT RESOLVED;

1. That the dedication and leadership of State Senator Jose Menendez in the Legislature be recognized by our community;

2. That the relentless effort exhibited by State Senator Jose Menendez be acknowledged as a quality of a noble lawmaker and a legislator with a sense of community;
3. That this resolution be recorded in the minutes of the annals of the Fund; and;
4. That a copy of this resolution be tendered to the Honorable Jose Menendez for all the citizens of Texas to know of the outstanding leadership and commitment by State Senator Jose Menendez in the preservation and protection of retirement benefits for members and beneficiaries of the Fire and Police Pension Fund, San Antonio.

Signed this 26th day of September 2023

RESOLUTION

PRESENTATION: Vice Chairman Reed then read the Resolution to be presented to State Representative Steve Allison:

WHEREAS, the Fire and Police Pension Fund, San Antonio, oversees the retirement benefits for over 7,000 Plan participants and beneficiaries, and;

WHEREAS, the Fund has as its sole objective providing retirement security for firefighters and police officers, past, present and future, and;

WHEREAS, legislative adjustments to benefits and plan improvements must be made to the Plan as an acknowledgment of the sacrifices made by the members during their long careers in protecting the safety and welfare of the citizens of San Antonio and to provide a more efficient operation of the Fund, and;

WHEREAS, the leadership exhibited by State Representative Steve Allison was instrumental in passage of the Fund's legislative package in the 2023 Session, and;

WHEREAS, the acts of State Representative Steve Allison reflect his belief in the principles of dignity in retirement and respect for the service of firefighters and police officers in our community;

NOW, THEREFORE, BE IT RESOLVED.

1. That the dedication and leadership of State Representative Steve Allison in the Legislature be recognized by our community;

2. That the relentless effort exhibited by State Representative Steve Allison be acknowledged as a quality of a noble lawmaker and a legislator with a sense of community;
3. That this resolution be recorded in the minutes of the annals of the Fund; and;
4. That a copy of this resolution be tendered to the Honorable Steve Allison for all the citizens of Texas to know of the outstanding leadership and commitment by State Representative Steve Allison in the preservation and protection of retirement benefits for members and beneficiaries of the Fire and Police Pension Fund, San Antonio.

Signed this 26th day of September 2023

Senator Menendez and Representative Allison were both in attendance and thanked the Board as well as the various constituent groups for working together to get the Pension Fund bill passed into law.

Vice Chairman Reed invited comments from the Trustees. Mr. Smith thanked everyone for their work in developing the package, and especially the increased death benefit for active members. Mayoral Designee Rodriguez thanked Senator Menendez and Representative Allison for their hard work and dedication in getting the Pension Fund bill passed. Mr. S. Griffin thanked everyone for coming together for the good of the families who will be receiving the increased death benefit. Vice Chairman Reed thanked SAPOA, the Local 624, the Pensioners Association as well as some of the former Trustees who played a role in the development of the Pension Fund bill.

Several family members who are receiving the increased death benefit thanked the Board and the various entities and individuals who helped get the Pension Fund bill passed, and noted how much the new benefit will impact the lives of their families.

The Board then recessed to Executive Session at 10:00 a.m. pursuant to Texas Govt. Code §551.071, §551.074, §551.078, and §551.0785, and reconvened at 10:30 a.m.

At this time, Vice Chairman Reed moved to Item “J (4)” of the Agenda.

**COMMITTEE
REPORTS:**

INVESTMENT COMMITTEE

Mr. H. Griffin reported the Investment Committee met on Wednesday,

September 20th. The first item on the agenda was a presentation from Global Alpha, one of the Pension Fund's international small cap managers.

Global Alpha was invited to present to the Committee due to its net since inception underperformance of 60 bps versus its benchmark, the MSCI EAFE Small Cap Index, as of June 30, 2023. Representatives from Global Alpha discussed the strategy and performance of the International Small Cap strategy and answered the Committee members' questions. No action was taken.

The Committee then received a presentation from The London Company, one of the Pension Fund's large cap value managers. The London Company was invited to present to the Committee due to its underperformance on an annualized return basis. As of June 30, 2023, The London Company has underperformed its benchmark, the Russell 1000 Value Index, by 500 bps as of 1 year and by 360 bps as of 3 years. Representatives from the London Company discussed the strategy and performance of the Income Equity strategy. After discussion, the Committee decided to put The London Company on the Pension Fund's watchlist.

Finally, the Committee briefly discussed the positioning of the large cap portfolio, and in particular, the weightings of the three large cap value managers, The London Company, Cooke & Bieler, and Seizert. Staff explained that Seizert had a smaller portion of the total large cap value assets because it was originally in the now-terminated Attucks Emerging Manager Program. No action was taken.

MINUTES: Mr. S. Griffin moved to approve the minutes of the Regular Board Meeting of August 29, 2023. The motion was seconded by Councilman Whyte, and the motion carried unanimously.

EDUCATIONAL OPPORTUNITIES

PRESENTATIONS: Mr. Schott gave a brief presentation on the Public Funds Summit he had attended. He noted that the sessions focused largely on ways for investors to guard against securities fraud. He stated that the Conference was well attended, and the sessions were very informative. Mr. H. Griffin noted that he also had attended the Summit, and he found the sessions also to be very useful.

EDUCATIONAL

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

1. ZMC Annual Meeting
October 19, 2023
2. EnCap Investor Conference
November 6-7, 2023
3. EMG Annual Meeting
November 8-9, 2023
4. Invesco Client Conference
November 14-16, 2023
5. BLBG Forum for Institutional Investors
November 15-18, 2023

The motion was seconded by Mayoral Designee Rodriguez. The motion carried unanimously.

**APPLICATIONS
AND REFUND OF**

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

Service Pensions

1. A 29 year service pension for Police Detective Mark A. Garza, effective September 1, 2023.
2. A 28 year, 7 month service pension for Police Sergeant Josph M. Barcena, effective October 1, 2023.
3. A 27 year service pension for Police Sergeant Arthur Casas, III, effective October 1, 2023.
4. A 28 year service pension for Police Detective Mark A. Duke, effective October 1, 2023.
5. A 26 year, 4 month service pension for Police Officer Alex Guajardo, effective October 1, 2023.
6. A 28 year service pension for Police Officer Gregory A. Hovis, effective October 1, 2023.
7. A 20 year, 5 month service pension for Police Sergeant Tommy J. Johnson, effective October 1, 2023.

8. A 22 year, 1 month service pension for Police Detective Joe H. Rios, effective October 1, 2023.
9. A 27 year, 3 month service pension for Police Officer Juan C. Torres, effective October 1, 2023.
10. A 28 year service pension Police Sergeant Jesse J. Allen, effective October 6, 2023.

Beneficiary Pensions

1. A beneficiary pension for Mrs. Natalia A. Conrad, widow of active Police Officer Richard Conrad, effective August 3, 2023.
2. A beneficiary pension for Mrs. Maggie Lozano, widow of retired Police Detective Reyes M. Lozano, III, effective August 28, 2023.

Refund of Contributions

1. A 6 year, 8 month refund of contributions for Firefighter Randell Smith, effective August 6, 2022.
2. A 2 year, 11 month refund of contributions for Police Officer Adrian De La Cruz, effective August 18, 2023.
3. A 5 year, 8 month refund of contributions for Firefighter Kevin Nelson, effective August 20, 2023.
4. A 5 year, 11 month refund of contributions for Police Officer Michael C. Sepanski, effective August 25, 2023.
5. A 6 year refund of contributions for Police Officer Trevor J. Yannutz, effective September 5, 2023.
6. A 5 month refund of contributions for Police Officer Austin Carrow, effective September 10, 2023.
7. A 1 year, 3 month refund of contributions for Police Officer Eric A. De La Rosa, effective September 10, 2023.

8. A 6 year, 6 month refund of contributions for Police Officer Raquel Sepanski, effective September 15, 2023.

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

At this time, Vice Chairman Reed moved to Item “J (2)” of the Agenda.

**COMMITTEE
REPORTS:**

DISABILITY COMMITTEE

Disability Pension

1. A First Hearing for a regular disability pension for Police Officer Hilario Flores.

Mr. H. Griffin reported the Disability Committee met on Thursday, September 21, 2023, to conduct its initial review of the Regular Disability Pension Application for Police Officer Hilario Flores. Officer Flores submitted all the required documents so that his application is complete, and the Police Chief confirmed there is no position available for him in the Department. As such, the Committee unanimously recommended that the Board send Officer Flores to two independent physicians for further evaluation. Mr. H. Griffin made a motion on behalf of the Committee to approve the recommendation. The motion was seconded by Mr. S. Griffin, and it passed unanimously.

Mr. H. Griffin also reported the Committee reviewed additional information regarding one of the disability pensioner’s employment income. He reminded the Board that the pensioner had previously been identified by the Committee in its annual review of pensioners’ tax returns for possible reduction of benefits in light of the Board’s policy on Excessive Outside Income. At the meeting, Staff provided the Committee information regarding the pensioner’s new job title and salary, which is now below the income threshold in the policy. After a lengthy discussion, the Committee took no action.

**EXECUTIVE
DIRECTOR
REPORT:**

POLICE CADET CLASS 2023-A PRESENTATION

Mr. Schott informed the Board that the Police Cadet Presentation is scheduled for September 27, 2023, at 9:45 a.m. He also noted that the police cadet class graduation is scheduled for September 29, 2023.

**ADMINISTRATIVE SERVICES CONTRACT WITH THE CITY
OF SAN ANTONIO**

Mr. Schott reminded the Board that the Administrative Services Contract with the City expires on September 30th. He reported that a meeting with the City has been scheduled for Wednesday, September 27, and that Vice Chairman Reed and Mr. Smith will be joining him at the meeting. The City had previously informed the Pension Fund it would like to keep the details of the contract the same.

PRE-RETIREMENT SEMINAR

Mr. Schott reminded the Board that the bi-annual Pre-Retirement Seminar will be held Friday, November 17, 2023, at the Alzafar Shrine Temple and he encouraged Board members to attend, if their schedules allow.

MEMBER COMMUNICATION POLICY REQUESTS

Mr. Schott reported that he had received three requests from affiliated groups with regards to communications with the membership, in accordance with the Pension Fund's Membership Communication Policy.

- SAPOA
- Pensioners' Association PAC
- SA Police Benevolent Fund

After discussion, Mr. Smith made a motion to approve all three requests. The motion was seconded by Mayoral Designee Rodriguez, and the motion carried by a vote of 5:2, with Mr. H. Griffin and Mr. S. Griffin opposed.

ADVISOR NEWSLETTER

Mr. Schott informed the Board that Pension Fund staff will be working on the next issue of *Advisor Newsletter* over the next several weeks and he encouraged Trustees to submit articles or other materials for inclusion.

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 a report showing the number of attendees at the Pension Fund's monthly Financial Planning Seminars.

FINANCIAL REPORTS FOR PERIOD ENDING AUGUST 31, 2023

The Statement of Net Plan Assets for the period ending August 31, 2023, was \$3.76B.

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

Mr. Smith reported the Personnel/Audit Committee did not meet this month; however, the Committee will be scheduling a meeting in October to begin working on the Executive Director's contract. The Executive Director's current contract expires at the end of December, and he has informed the Chairman of the Board of his intention to negotiate a new three-year contract.

LEGISLATIVE COMMITTEE

Mayoral Designee Rodriguez reported the Legislative Committee did not meet this month; however, Staff had advised that the Annual Report, the Pension Law, and the Summary Plan Description books are all at the printers. Once the Pension Fund has received all documents, Staff will have hard copies of the Annual Report sent to the various organizations including the City Council, City Management, the actuary, auditor, and the PRB. Mayoral Designee Rodriguez also informed the Board that all of these documents are already available on the Pension Fund's website.

SAN ANTONIO F&P PROPERTY HOLDING CORPORATION

Mr. S. Griffin reported the Property Holding Corporation met on Thursday, September 21, 2023, to discuss numerous issues. The first item was the possible postponement of the Annual Meeting of the Shareholders of the Corporation. Mr. S. Griffin reminded the Board that the Bylaws of the Corporation require there to be a meeting of the Corporation's shareholders at least once a year for the primary purpose of electing the Corporation's directors. Typically, these Annual Meetings have occurred in the Fall, but it was suggested that the meeting be moved to June to better align with the Pension Fund's Trustee election cycle.

After a brief discussion, the Corporation unanimously approved a motion to postpone the 2023 Annual Meeting until June 2024 and to conduct future Annual Meetings of the Corporation in June, subject to the consent of the Pension Fund, as its sole shareholder. Mr. Smith made a motion that the Board, as the sole shareholder of the Corporation, consent to the postponement of the Corporation's 2023 Annual Meeting to June, 2024, and to the shifting of all future annual meetings to June. The motion was seconded by Mayoral Designee Rodriguez, and it carried unanimously.

The Corporation next briefly discussed a proposed lease for a prospective tenant, Sono Bello. After discussion, the Corporation directed staff to move forward with the lease.

Next, Sullivan Commercial proposed a budget amendment to the Corporation's 2023 Annual Budget to renovate portions of Shavano Center III. The renovation will include updates to all of the building's common areas, the lobby, the corridor and the restrooms. Representatives from The Jordan Group provided samples of the materials that will be used in the different areas. After a lengthy review of the samples and the associated costs, the Corporation approved a budget amendment of \$600,000 to renovate Shavano Center III.

Next, The Jordan Group provided recommendations for the renovation of the Pension Fund's offices. The Corporation noted that the Pension Fund has occupied its current space for over 12 years without any material updates to the flooring and paint. The Corporation reviewed the samples and directed The Jordan Group to bring pricing information to the next meeting. Sullivan noted that the renovations will be done at night and during the weekends to limit any disruption in the office.

Finally, Sullivan Commercial reviewed the 2023 property tax appraisals on all three of the Corporation's buildings. They noted that they had worked with the Appraisal District to get the valuations reduced but the reductions were still not acceptable. As such, Sullivan recommended the Corporation file litigation to contest the appraisals, with the goal of getting a combined reduction of approximately \$1 million, which would result in a net savings to the Corporation of approximately \$12,000. The Corporation concurred with Sullivan's recommendation and directed them to proceed with litigation.

DISBURSEMENTS: Mr. S. Griffin made a motion to approve the disbursements for August 2023. Mr. Smith seconded the motion, and it was approved unanimously.

**MEMBERS TO
BE HEARD:**

SAPOA Treasurer Jason Sanchez invited the Pension Fund Staff and

Board to the SAPOA Picnic scheduled for Friday, September 29, 2023.

ADJOURNMENT: Mr. H. Griffin made a motion to adjourn the meeting at 11:12 a.m. The motion was seconded by Mayoral Designee Rodriguez, and it carried unanimously.

**APPROVED BY THE BOARD OF TRUSTEES AT THE
REGULAR MEETING HELD ON October 31, 2023.**

Mayoral Designee Justin Rodriguez, Chairman

ATTEST:

Councilwoman Dr. Adriana Rocha Garcia, Secretary