

**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  
February 22, 2022**

**PRESENT:** Chairman Jim Smith, Police Representative; Vice Chairman Dean Pearson, Fire Representative; Jimmy Foster, Police Representative; Larry Reed, Fire Retiree Representative; Harry Griffin, Police Retiree Representative  
Councilwoman Dr. Adriana Rocha-Garcia.

**ABSENT:** Secretary Councilman Clayton Perry; Vance Meade, Fire Representative; Mayoral Designee Justin Rodriguez.

**OTHERS**

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

**ROLL CALL:** At 9:32 a.m., Chairman Smith called the meeting to order. Roll was called, and a quorum was declared present.

The Board then recessed to Executive Session at 9:33 a.m. pursuant to Texas Gov. Code § 551.071, and reconvened at 10:00 a.m.

**MINUTES:** Mr. Reed moved to approve the minutes of the Regular Board Meeting of January 25, 2022. The motion was seconded by Vice Chairman Pearson, and it carried unanimously.

**EDUCATIONAL OPPORTUNITIES**

**PRESENTATIONS:** Mr. Foster gave a brief presentation on the Koried Plan Sponsor Educational Institute. He noted that the conference was very informative and he recommended board members attend the event in the future.

**EDUCATIONAL OPPORTUNITIES**

Councilwoman Dr. Rocha-Garcia moved to authorize Board members and appropriate staff to attend the following conferences:

1. NEPC Public Fund Workshop  
March 29-30, 2022
2. TEXPERS Annual Conference  
April 2-6, 2022
3. Kayne Anderson Real Estate Conference  
April 7-8, 2022
4. IREI Advisory Board Meeting

April 12-14, 2022

5. Merit Energy Annual Meeting  
April 20, 2022
6. Siguler Guff Annual Conference  
April 27-28, 2022

The motion was seconded by Mr. Reed and carried unanimously.

**APPLICATIONS  
AND REFUND OF**

**CONTRIBUTIONS:** Mr. Griffin made a motion, seconded by Councilwoman Dr. Rocha-Garcia, to approve the following Service Pension Applications, Beneficiary Applications, Pension Adjustments and Refund of Contributions. The motion carried unanimously:

Service Pensions

1. A 25 year, 7 month service pension for Police Sergeant James Caviness, effective February 1, 2022.
2. A 31 year, 7 month service pension for Police Sergeant Carlos Gonzalez, effective February 1, 2022.
3. A 26 year, 4 month service pension for Fire Lieutenant Brian R. Pierce, effective February 1, 2022.
4. A 28 year, 2 month service pension for Police Sergeant Richard Solis, effective February 1, 2022.
5. A 20 year, 2 month service pension for Police Officer Aarron L. Vetter, effective February 1, 2022.
6. A 24 year, 4 month service pension for Police Officer Aurora L. Villarreal, effective February 1, 2022.
7. A 27 year, 6 month service pension for Police Detective Joseph H. Combs, effective February 5, 2022.
8. A 24 year, 10 month service pension for Police Detective Brian G. Rosson, effective February 9, 2022.
9. A 21 year, 7 month service pension for Fire Engineer Dennis P. Parks, effective February 12, 2022.

10. A 30 year service pension for Police Detective Christopher J. Baldit, effective March 1, 2022.
11. A 31 year, 8 month service pension for Police Sergeant Mark A. Holguin, effective March 1, 2022.
12. A 22 year service pension for Police Detective Daniel Jimenez, effective March 1, 2022.
13. A 26 year, 6 month service pension for Police Officer David E. Lohaus, effective March 1, 2022.
14. A 30 year service pension for Police Officer Stephen M. Prescott, effective March 1, 2022.
15. A 32 year, 3 month service pension for Fire Captain Charles Xavier Camero, effective March 2, 2022.
16. A 26 year service pension for Police Detective Augustin H. Garcia, effective April 1, 2022.

Beneficiary Pensions

1. A beneficiary pension for Mrs. Tana Saunders, widow of Retired Fire Engineer Joe Howard Saunders, effective December 30, 2021.
2. A beneficiary pension for Mrs. Jeannine Williams, widow of retired Fire Fighter Jay A. Williams, effective January 25, 2022.

Refund of Contributions

1. A 11 month refund of contributions for Police Officer Joshua A. Clark, effective January 13, 2022.

**REHEARING OF  
DENIAL OF BENEFITS:**

1. A line of duty beneficiary pension for Mrs. Sylvia Cisneros, widow of Active Police Officer Joseph A. Cisneros, effective February 2, 2021.
2. A line of duty beneficiary pension for Joseph A. Cisneros, III, dependent of Active Police Officer Joseph A. Cisneros, effective February 2, 2021.

3. A line of duty beneficiary pension for Viviana C. Cisneros, dependent of Active Police Officer Joseph A. Cisneros, effective February 2, 2021.

Applicant Sylvia Cisneros was in attendance and presented her case in support of reversing the Board's previous decision to deny the line of duty applications. Frank Burney provided the Board a brief outline of the statutory requirements for line of duty applications and the history of the Board's application of those requirements. The Board was provided with copies of all documents submitted by Mrs. Cisneros in support of her argument. After hearing the arguments and allowing all interested parties to state their positions, Mr. Griffin made a motion to affirm the Board's previous denial of the application. The motion was seconded by Mr. Reed and it carried unanimously.

Chairman Smith expressed condolences on behalf of the Board and noted that the Board hopes to include an intermediate-level occupational death benefit provision in the legislative package for the upcoming 2023 Legislative Session.

#### **EXECUTIVE DIRECTOR REPORT:**

#### **POLICE CADET CLASS 2021-C BRIEFING – MARCH 1, 2022**

Mr. Schott informed the Board that a Police Cadet Briefing has been scheduled for March 1, 2022, at 10:45 am.

#### **TEXPERS DELEGATE CERTIFICATION**

Mr. Schott informed the Board that the Pension Fund needed to select its official delegates for the TEXPERS Members meeting. After discussion, Mr. Reed made a motion to appoint the following delegates: Harry Griffin, Mike Despres, Vance Meade, Bart Moczygemba, Jimmy Foster and Mike Trainer; and the following alternate delegates: Clayton Perry, Adriana Rocha-Garcia, Warren Schott, Giovanni Nunez, Mark Gremmer and Cary Hally. The motion was seconded by Councilwoman Dr. Rocha-Garcia and it carried unanimously.

#### **FINANCIAL DISCLOSURE FORMS**

Mr. Schott informed the Board that the annual Financial Disclosure Forms for the 2021 reporting period are due March 31, 2022.

#### **COVID-19 UPDATE**

Mr. Schott reminded the Board that while all Pension Fund staff have continued to work in the office, because of the spread of COVID-19 in the community, the Pension Fund Office had been closed to visitors and for in-person appointments. He noted that in light of the decline in community COVID-19 cases, the office will re-open for appointments/visitors beginning March 1, 2022, although virtual meetings will still be encouraged.

### **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 DECEMBER 31, 2021 AND JANUARY 31, 2022**

The Statement of Net Plan Assets for the period ending December 31, 2021, were \$4,097,194,985.

## **COMMITTEE REPORTS:**

### **PERSONNEL/AUDIT COMMITTEE**

Mr. Griffin reported that the Personnel/Audit Committee did not meet this month, and so there was nothing to report.

### **DISABILITY COMMITTEE**

Mr. Foster reported the Disability Committee did not meet in February, and there are no disability pension applications pending.

### **LEGISLATIVE COMMITTEE**

Vice Chairman Pearson reported that the Legislative Committee met last week to begin the process of developing a Legislative Package for the 2023 Legislative Session. Representatives from the Firefighters Association and Retirees Association, along with the City of San Antonio, were in attendance. Members of the SAPOA were unable to attend. At the meeting, Staff reviewed the Funding Policy, the latest Actuarial Valuation Report, and the Legislative Timeline. The Committee then requested that each of the organizations meet with their constituent groups and bring any legislative changes they would like considered to the next meeting, which will be scheduled in March.

The Committee also reviewed a draft of a 13th and 14th Check Policy, which sets out the criteria and guidelines for the issuance of a 13th or 14th Check to the estate of a member or beneficiary. The Committee voted to recommend that the Board approve the Policy as drafted, with an effective date of January 1, 2022. Vice Chairman Pearson made a motion on behalf of the Committee to approve the recommendation. The motion was seconded by Mr. Reed, and it carried unanimously. (Policy attached)

#### INVESTMENT COMMITTEE

Mr. Reed reported that the Investment Committee met on Tuesday, February 15th. The meeting started with a presentation from Long Arc Capital. The New York-based private equity firm was founded in 2016 and is in the market with their first fund, Long Arc Capital Fund I. The Fund launched in 2020 and has raised \$150 million of the \$350 million target. The strategy is focused on making growth equity investments by taking majority equity stakes in businesses with \$5-15 million in revenue. With their control investments, they create value and intend to sell through a strategic sponsor or IPO. No action was taken at this time.

The Committee then was given a portfolio review presentation by Townsend, our real estate consultant. As of the end of the third quarter of 2021, the 1-year net return of the Pension Fund's real estate portfolio was 23%. The strong performance was driven by the portfolio's exposure to the industrial and multifamily sectors, primarily through non-core commitments. The portfolio's core exposure underperformed due largely to the restructuring of L&B Core Income Partners, and the overweighting of malls and retail exposure through our core real estate managers. Core real estate exposure provides stable income and minor appreciation to a portfolio. As of the end of the third quarter of 2021, the real estate portfolio is slightly below its core target allocation range of 40-60%. As such, Townsend recommended adding capital to our core real estate. One option they presented was to transition the Ares Industrial Real Estate Fund from its current location in the non-core real estate allocation into the core real estate allocation, and to commit \$15-20 million to a new core open-end commingled fund. The Investment Committee agreed with the re-allocation of the Ares account and directed staff to place the initiation of a core real estate search on the agenda for the next Investment Committee meeting.

Next, the Committee discussed the account structure of EAM Investors, our international small cap equity manager in the Emerging Manager Program. EAM is currently set up as a separate account. In order to increase operational efficiencies and eliminate hurdles of trading in certain international markets, it is recommended that the separate account be transitioned into a commingled vehicle managed by EAM. The Committee voted to recommend that the Board move from the separate account

structure to the commingled vehicle account structure. Mr. Reed made a motion on behalf of the Committee to approve the change in structure. The motion was seconded by Mr. Foster, and it carried unanimously.

The Committee next discussed rebalancing to raise Cash. With the payment of the 13th check and a series of recent capital calls, staff suggested liquidating \$25 million from the Northern Trust Russell 1000 Index Fund to ensure the Pension Fund maintains sufficient cash for any potential future cash outflows. The Committee recommended that the Board liquidate \$25 million from the Northern Trust Russell 1000 Index Fund and move those funds to the Pension Fund's cash account. Mr. Reed made a motion on behalf of the Committee to approve the liquidation. The motion was seconded by Councilman Dr. Rocha-Garcia, and it carried unanimously.

Finally, the Committee received a quarterly performance update from NEPC, our general and private markets consultant. As of year-end 2021, the Pension Fund's market value is \$4.1 billion and 1-year return is 12.8%. Not all the Pension Fund's investments in the private markets have finalized their year-end 2021 valuations, therefore it is expected the year-end 2021 return will be higher than 12.8%. NEPC noted that equity returns were historically high in 2021. The Pension Fund's total equity composite returned 16.5% for the year. Fixed income returns have been hit by interest rate and inflation concerns. The Pension Fund's total fixed income composite returned 1.1% for the year. Overall, the Pension Fund's total fund performance for 2021 was very strong.

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

Vice Chairman Pearson reported that the Property Holding Corporation met last week to receive a leasing update and to begin the process of selling the two Shavano Center buildings.

Representatives from Sullivan Commercial reported that Shavano Center III remains 93% leased and Shavano IV is currently 100% leased. Sullivan noted that the largest tenant in Shavano IV has given notice that it will not be renewing its lease when it expires mid-2023. Sullivan also reported that the Parkway Center Building remains fully leased with the exception of the 25,000 square feet on the second floor. The Corporation discussed its options with regard to the space. Sullivan expressed confidence that a tenant will be found, as they continue to have regular showings of the space and receive interest from prospective tenants. Sullivan also reminded the Corporation that there are relatively few spaces of this size available in the local market, making this space more competitive as a large block. After discussion, the Corporation decided to leave the space intact for now and revisit the issue in 6 months if it is not yet leased.

Finally, the Corporation turned to the process of selling the two Shavano Buildings. It was noted that the first order of business is to engage a broker to prepare an offering memorandum and then begin marketing the properties. Representatives from Sullivan Commercial detailed their qualifications in providing this service to the Corporation. The Corporation also discussed utilizing the services of Invesco, one of the Pension Fund's current real estate managers. The Corporation directed staff to collect more information from Invesco and Sullivan and bring that information to the next meeting to be scheduled in March, with the intent of selecting a broker at that time.

**DISBURSEMENTS:** Vice Chairman Pearson made a motion to approve the disbursements. The motion was seconded by Mr. Reed, and it was approved unanimously.

**MEMBERS TO  
BE HEARD:** None.

**ADJOURNMENT:** Mr. Reed moved to adjourn the meeting at 10:54 a.m. The motion was seconded by Mr. Griffin, and it carried unanimously.

**APPROVED BY THE BOARD OF TRUSTEES AT THE REGULAR  
MEETING HELD ON MARCH 29, 2022.**

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**Jim Smith, Chairman**

**ATTEST:**

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**Dean Pearson, Vice Chairman**



# **FIRE AND POLICE PENSION FUND, SAN ANTONIO PAYMENT OF 13<sup>TH</sup>/14<sup>TH</sup> CHECK TO ESTATES**

## **POLICY STATEMENT**

**Purpose.** To provide criteria and guidelines for the issuance of duly authorized 13<sup>th</sup> and 14<sup>th</sup> checks to the estates of individuals eligible to receive such checks who die prior to the issuance of payment.

**Background.** Under Article 6243o Vernon's Texas Civil Statutes (the "Pension Law"), the Board is vested with the complete authority and power to administer the fund for the exclusive benefit of all members and retirees and to defray the reasonable administrative expenses of the fund as well as to order payments from the fund as required by the Pension Law.

Sections 5.11, 5.12 and 6.12 of the Pension Law give the Board discretion to authorize disbursement of a 13<sup>th</sup> and/or 14<sup>th</sup> pension check under certain conditions. Those sections further provide that those payments shall be paid as the Board directs.

In accordance with that charge, the Board adopts this Policy to address how duly authorized 13<sup>th</sup> and 14<sup>th</sup> checks will be paid in the event a Retiree or Beneficiary is eligible under the Pension Law to receive such a check but dies prior to the issuance of such payment.

### **Conditions:**

- (1) The Board has authorized payment of 13<sup>th</sup> or 14<sup>th</sup> check in accordance with Pension Law;
- (2) A Retiree and/or Beneficiary (as defined by the Pension Law) who received an annuity payment in the last month of the fiscal year preceding the fiscal year in which the check is disbursed and so would be entitled to receive a 13<sup>th</sup> or 14<sup>th</sup> check (hereinafter referred to as an "Eligible Payee") dies prior to payment of that check; and
- (3) In the case of an Eligible Payee who was a Retiree, he or she leaves no surviving spouse or dependent child.

## Procedures

In the event all Conditions have been met, payments of duly authorized 13<sup>th</sup> and/or 14<sup>th</sup> checks will be made/attempted in the following order and under the following conditions:

- (1) Payment first will be direct deposited in the Eligible Payee's bank account on file with the Pension Fund at the time of the Eligible Payee's death.
- (2) Upon being notified that such payment was unsuccessful, Pension Fund staff will send a letter to the Eligible Payee's address on file, advising of the attempted payment and outlining the necessary steps for payment to be issued.

Representatives of the Eligible Payee's Estate must present the following documentation to the Pension Fund:

- (i) A Certified Copy of Letters Testamentary/Letters of Administration or other court order formally recognizing the authority of the individual to act on behalf of the Eligible Payee's Estate ("Court Order"); and
- (ii) Documentation of the Estate's federal Tax ID Number ("IRS Documentation").

Upon receipt of these documents, the 13<sup>th</sup> or 14<sup>th</sup> check will be issued, made payable to the order of the Eligible Payee's Estate (consistent with the Court Order and IRS Documentation, as applicable).

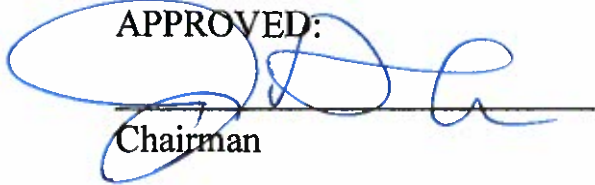
- (3) If the above payment methods are unsuccessful or not possible, a relative of the Eligible Payee may collect a check made payable to the order of the deceased Eligible Payee, but only upon the following conditions:
  - (i) Presentation to the Pension Fund of proper identification establishing the individual's relationship to the Eligible Payee; and
  - (ii) Execution by the individual of appropriate Release/Waiver documentation (a) certifying that no Estate of the Eligible Payee exists or is in existence, that the individual taking possession of the check has appropriate legal standing to accept funds on behalf of the Estate and will handle such funds in accordance with Eligible Payee's wishes, and (b) waiving and releasing the Pension Fund from any and all claims or liability associated with issuance of payment and agreeing to defend and indemnify the Pension Fund against any such claims.

The Board authorizes and directs the Executive Director to take such action as he deems necessary to ensure compliance with this Policy and to be the primary point of contact for any question involving the implementation of this Policy.


Policy to be effective as of January 1, 2022.

ADOPTED BY THE BOARD OF TRUSTEES ON 2/27/22.

APPROVED:

  
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Chairman

ATTEST:

  
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Vice Chairman/Secretary