

**Minutes of the  
Regular Meeting of the  
Board of Trustees of the  
Fire and Police Pension Fund, San Antonio  
11603 W. Coker Loop, Suite 201  
San Antonio, Texas  
February 26, 2020**

**PRESENT:** Chairman Jim Smith, Police Representative; Secretary Councilman Clayton Perry; Jimmy Foster, Police Representative; Larry Reed, Fire Retiree Representative; Harry Griffin, Police Retiree Representative.

**ABSENT:** Vice Chairman Dean Pearson, Fire Representative; Mayoral Designee Justin Rodriguez; Councilwoman Dr. Adriana Rocha Garcia.

**OTHERS**

**PRESENT:** Warren Schott, Mark Gremmer, Gail Jensen, Rick Matye, Beatrice Ahrens, Cary Hally, Jason Hsu, Giovanni Nunez, Pension Fund Staff; Frank Burney, Martin & Drought.

At 9:07 a.m., Chairman Smith called the meeting to order. Roll was called, and a quorum was declared present.

The Board then presented plaques to the following 2019 police retirees: Jason Briseno; Albert Castillo; Alfred Martinez; Donnie Milewski; Robert Rodriguez; John Sherrill; Gerald Hamper; Miguel Mares; Brian Peters; Robert Reyes; John Schiller; George Antu; William Rohn; Edward Wise; Frank Martinez; Terry Lowe; and Robert Wilson. Also present to receive a plaque was Robert Hartle who retired in 2010.

The Board congratulated each of the police retirees and thanked them for their dedicated service.

**MINUTES:** Mr. Reed moved to approve the minutes of the regular board meeting held January 26, 2020. The motion was seconded by Mr. Foster, and it carried unanimously.

**EDUCATIONAL  
OPPORTUNITIES**

**PRESENTATIONS:** Presentations were not given.

**EDUCATIONAL**

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

1. Siguler Guff Annual Conference  
April 29-30, 2020
2. Pension Bridge Annual Conference  
April 14-15, 2020
3. I. I. Public Funds Roundtable  
April 28 – May 1, 2020

4. SkyBridge Alternative Conference  
May 19-21, 2020
5. Merit Energy Annual Meeting  
April 30 – May 1, 2020
6. Westech Investment Advisors  
April 30 – May 1, 2020
7. IREI Editorial Advisory Board Meeting  
April 14-16, 2020

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

**APPLICATIONS,  
ADJUSTMENTS  
AND REFUND OF**

**CONTRIBUTIONS:** Mr. Foster made a motion to approve the following pension applications:

Pension Applications

1. A 24 year, 4 month service pension for Police Officer Anthony D. Bancroft, effective February 1, 2020.
2. A 24 year service pension for Fire Engineer William A. Cooper, effective February 1, 2020.
3. A 25 year, 2 month service pension for District Fire Chief Robert W. Mikel, II, effective February 1, 2020.
4. A 31 year, 1 month service pension for Police Captain Michael W. Mosley, effective February 1, 2020.
5. A 29 year service pension for Detective Investigator Barbara Gaye Thomas, effective February 1, 2020.
6. A 29 year, 10 month service pension for Fire Engineer William Henry Davidson, effective February 15, 2020.
7. A 33 year, 2 month service pension for Fire Lieutenant Douglas L. Johnston, effective February 29, 2020.
8. A 33 year, 5 month service pension for Fire Lieutenant Roger P. Mora, effective February 29, 2020.
9. A 34 year, 1 month service pension for Fire Lieutenant Rudolph John Rangel, effective February 29, 2020.
10. A 29 year, 10 month service pension for Fire Lieutenant Charles F. Sawers, effective February 29, 2020.
11. A 35 year, 11 month service pension for Deputy Fire Chief Carl A. Wedige, effective February 29, 2020.

12. A 20 year service pension for Fire Engineer Michael Burns, effective March 1, 2020.
13. A 30 year, 11 month service pension for Fire Engineer Kristy Lea Crenshaw, effective March 1, 2020.
14. A 34 year, 1 month service pension for Fire Engineer Adolfo O. Flores, effective March 1, 2020.
15. A 31 year, 5 month service pension for Fire Engineer Reynaldo G. Juarez, effective March 1, 2020.
16. A 31 year, 5 month service pension for Police Captain Patrick Francis Murnin, effective March 1, 2020.
17. A 34 year, 5 month service pension for Detective Investigator Rebecca R. Castro, effective March 2, 2020.

#### Beneficiary Pensions

1. A beneficiary pension for Mrs. Sandra Baize Hadden, widow of Retired Detective Investigator Abelardo R. Flores, effective December 31, 2019.
2. A beneficiary pension for Mrs. Kyong C. Corn, widow of Retired Detective Investigator Frank R. Corn, effective January 6, 2020.
3. A beneficiary pension for Mrs. Carol A. Reed, widow of Retired Fire Lieutenant Larry Kent Reed, effective January 17, 2020.
4. A beneficiary pension for Mrs. Sandra G. Tucker, widow of Retired Police Lieutenant R. B. Tucker, effective February 3, 2020.

#### Refund of Contributions

1. A 6 month refund of contributions for Police Officer Johnathan Martinez, effective March 5, 2019.

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

## **COMMITTEE REPORTS:**

### **INVESTMENT COMMITTEE**

Mr. Griffin reported that the Investment Committee met on Tuesday, February 18<sup>th</sup>.

The first item on the agenda was a discussion regarding the ongoing global macro hedge fund search. Cary, Jimmy Foster, and Jim Smith made site visits to Graham Capital Management, Brevan Howard and Alpstone Capital. After discussing these site visits, the selection was quickly narrowed down to Graham and Alpstone. The Investment Committee recommended investing \$20 million with the Graham Capital Management Absolute Return fund.

Mr. Foster made a motion to approve. The motion was seconded by Mr. Reed. The motion carried 4 to 1, with Mr. Griffin opposed.

The next item on the agenda was a presentation by Albourne, the Pension Fund's hedge fund consultant, regarding the portfolio's 2019 performance. There also were discussions about where to reallocate the proceeds from PFM, an equity long / short fund that was shut down. Albourne suggested that the Fund redeploy that capital across two of its existing equity long / short funds, both of whom had strong 2019 performance as well as strong inception-to-date returns. The Investment Committee concurred and recommended allocating an additional \$10 million to its existing investment with Samlyn Capital and an additional \$10 million to its existing investment with Southpoint Capital Advisors. Mr. Griffin then made a motion on behalf of the Committee to approve. The motion was seconded by Chairman Smith, and it carried unanimously.

The next item on the agenda was a presentation by Attucks, the Fund's emerging manager consultant. At the January Investment Committee meeting, Staff along with the Committee discussed the performance of the portfolio as a whole, as well as some concerns regarding recent manager selections. It was suggested that Attucks be brought in to the February Committee meeting to discuss ways to improve the Fund's process and portfolio. At the February meeting, there was general discussion about the portfolio and Attucks' process. One of the options considered was to give Attucks the discretion to bring forward a sole finalist for the Committee to either approve or deny. In the end, the Committee decided not to change the specific steps in the process, but instead to modify how Attucks carried out its process of narrowing down its list of finalists in future searches. Specifically, rather than presenting the Committee a broad list of 10-12 finalists, Attucks was directed to instead forward only their top candidates to the Committee. No further action was taken on this item.

The next item on the agenda was a quarterly performance review by NEPC, the Fund's general consultant. In Q4 2019, the fund was up 4.6%, bringing its preliminary 2019 yearly return up to 14.9%. For the year, every asset class provided a positive return. The largest contributors to its return came from its equity investments, which achieved a 26.1% net return versus the 26.6% return of the MSCI ACWI index. Large outperformance came from The London Company, Cooke & Bieler, and EAM Investors. NEPC also reviewed some of the private market reports, which offer a more accurate and detailed performance breakdown.

Additionally, the performance of Acadian Asset Management was discussed. Acadian manages an emerging markets equity portfolio for the Pension Fund, and they have not outperformed their benchmark over a 15-year period. Given that Acadian's own internal expected return is to achieve 200 basis points of outperformance each year, the performance of the manager has been very disappointing, so Acadian had been brought in to the January Investment Committee to discuss their performance. At the February committee meeting, NEPC noted that even though Acadian is an approved manager, they would not object to starting a search to look for a

replacement. The Investment Committee recommended initiating an emerging markets equity search. Mr. Griffin then made a motion on behalf of the Committee to approve. The motion was seconded by Mr. Reed, and it carried unanimously.

The final item on the agenda was a discussion to begin a search focused on venture capital managers. In the Fund's private equity portfolio, the historical exposure to venture has been on the debt side rather than equity. In venture capital, the dispersion of returns is so great that if you're not invested in the top 10% of managers, the increased risk of investing in start-ups is not worth the uncertainty in the return. With this in mind, staff and NEPC believe that the most prudent way to increase its venture exposure is to access top tier funds through both fund-of-funds managers and secondaries managers. The Investment Committee concurred and recommended initiating a search to commit up to \$40 million to venture capital fund-of-funds and secondaries managers. Mr. Griffin then made a motion on behalf of the Committee to approve. The motion was seconded by Mr. Foster, and it carried unanimously.

**DISBURSEMENTS:** Mr. Reed made and Secretary/Councilman Perry seconded a motion to approve paying the bills, which was unanimously approved. (See attached disbursements dated February 26, 2020.)

Secretary/Councilman Perry left the meeting at 10:01, so a quorum was no longer present.

**ADJOURNMENT:** The meeting ended at 10:01 a.m.

**APPROVED BY THE BOARD OF TRUSTEES AT THE REGULAR MEETING HELD ON MARCH 25, 2020.**

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**Jim Smith, Chairman**

**ATTEST:**

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**Dean Pearson, Vice Chairman**