

**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
April 25, 2023**

PRESENT: Chairman Dean Pearson, Fire Representative; Vice Chairman Larry Reed, Fire Retiree Representative; Secretary Councilwoman Dr. Adriana Rocha Garcia; Jim Smith, Police Representative; Harry Griffin, Police Retiree Representative; Shawn Griffin, Fire Representative; Councilwoman Melissa Cabello Havrda.

ABSENT: Mayoral Designee Justin Rodriguez; Amanda Viera, Police Representative.

OTHERS

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

At 9:30 a.m., Chairman Pearson called the meeting to order.

OATH OF OFFICE:

Chairman Pearson administered the following Oath of Office to Jim Smith, Police Representative:

I, James Smith, hereby elected by the Active Police members of the Fire and Police Pension Fund, San Antonio to serve as a Trustee of such Fund, do solemnly swear: that I will faithfully execute the duties of my office, recognizing the fiduciary standards that are a fundamental trust, duty and responsibility; that I will serve in this capacity exclusively for the benefit of the plan participants and their beneficiaries; that I have not directly or indirectly paid, offered, promised to pay, contributed, or promised to contribute any money or thing of value, or promised any public office or employment for the giving or withholding of a vote at the election at which I was elected; that I will, to the best of my ability, preserve, protect, and defend the Constitution and laws of the United States and of this State, so help me God.

ROLL CALL: Roll was called, and a quorum was declared present.

All in attendance were asked to rise for the Pledge of Allegiance, led by Mr. Smith.

RESOLUTION

PRESENTATION: Chairman Pearson then presented Councilman Clayton Perry with the following resolution: WHEREAS, CLAYTON H. PERRY, Trustee of the

Fire and Police Pension Fund of San Antonio, Texas, is ending his service with this Board as of November 14, 2022, and;

WHEREAS, CLAYTON H. PERRY has served with distinction as a member of the Board since December 20, 2017, and;

WHEREAS, the market value of the Fund in December 2017, was \$3.1 billion, and in November 2022, the Fund had grown to \$3.6 billion, and;

WHEREAS, CLAYTON H. PERRY is recognized as a true fiduciary of the Fund, whose knowledge of investments has been most instrumental in guiding the Pension Fund during his term, and;

WHEREAS, CLAYTON H. PERRY has displayed exceptional leadership and unmatched dedication in the pursuit of superior Pension Fund investment returns, administrative efficiency and stability of operations, and;

WHEREAS, the Fund's success has been due, in large part, to CLAYTON H. PERRY'S guidance and direction; now therefore;

Be it resolved by the Board of Trustees of the Fire and Police Pension Fund of San Antonio, Texas:

1. That the Fire and Police Pension Fund Board of Trustees of San Antonio, Texas, hereby expresses its most sincere appreciation to COUNCILMAN CLAYTON H. PERRY, TRUSTEE OF THE BOARD, for his invaluable contribution to the Fund in enhancing the market value of the Fund and increasing benefits to its members, while preserving the integrity and stability of the Fund.
2. That CLAYTON H. PERRY is recognized as a leader whose influence has benefited all pensioners, past, present, and future.
3. That this Board go on record as expressing its desire of lasting health, good wishes and sincere thanks to a long-term friend of the Fund.
4. That the original of this Resolution, duly subscribed by all members of the Board, be presented to CLAYTON H. PERRY as an official expression of the sentiments set forth above, and that a copy be spread in full upon the minutes of the Board as a permanent and official expression of the sincere appreciation herein expressed. Signed this 28th day of February 2023

Councilwoman Cabello Havrda arrived at 9:35 a.m.

POLICE PLAQUE

PRESENTATION: The Board then presented plaques to the following 2022 Police Retirees: Roger Gill, Alfonso Peeler, Russell Seguin, Bryan Baldwin, Joseph Combs, Guy Durden, Sean Preyor-Johnson, Matthew Rosenfield, Michael Verastegui, Daniel Alonzo, Steven Markgraf, Robert Perez, Jr., Dale Sanders, and Richard Solis.

Secretary Councilwoman Dr. Rocha Garcia arrived at 9:55 a.m.

The Board congratulated each of the police retirees and thanked them for their dedicated service. Detective Ruben Perez was also in attendance, and the Board congratulated him on his retirement.

Chairman Pearson noted that representatives of the Fire and Police Pensioners Association had signed up to speak and he invited Mr. Mike Trainor and Mr. Charlie Ricketts to do so. Messrs. Trainor and Ricketts congratulated the police retirees and informed them about the Pensioners Association, including the opportunities to volunteer and become involved.

The Board then recessed to Executive Session at 10:21 a.m. pursuant to Texas Govt. Code §551.071 and § 551.074, and reconvened at 10:58 a.m.

MINUTES: Mr. Smith moved to approve the minutes of the Regular Board Meeting of March 29, 2023. The motion was seconded by Councilwoman Cabello Havrda, and the motion carried unanimously.

**EDUCATIONAL
OPPORTUNITIES**

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

1. GCP Capital Partners Annual Meeting
June 21, 2023
2. Neuberger Berman Annual Meeting
June 21-22, 2023
3. NAPPA Legal Education Conference
June 27-30, 2023

The motion was seconded by Secretary Councilwoman Dr. Rocha Garcia. The motion 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 27 year, 2 month service pension for Fire Engineer Leoncio Bartolame Popoy, effective April 1, 2023.
2. A 29 year service pension for District Fire Chief Keith A. Crusius, effective April 13, 2023.
3. A 30 year service pension for Police Sergeant Arthur T. Lindley, Jr., effective May 1, 2023.
4. A 22 year service pension for Fire Lieutenant Jason P. Neeper, effective May 1, 2023.
5. A 28 year service pension for Police Detective Edward Oviedo, effective May 1, 2023.
6. A 22 year, 1 month service pension for Police Detective Ruben Perez, effective May 1, 2023.
7. A 30 year service pension for Police Sergeant Richard J. Silva, effective May 1, 2023.
8. A 26 year, 10 month service pension for Police Officer Edwin C. Turner III, effective May 1, 2023.
9. A 28 year, 2 month service pension for Police Sergeant Frank S. Gutierrez V, effective May 3, 2023.

Refund of Contributions

1. A 4 year, 10 month refund of contributions for Police Officer Randall Allen Baker, effective April 18, 2023.

The motion was seconded by Secretary Councilwoman Dr. Rocha Garcia. The motion carried unanimously.

**EXECUTIVE
DIRECTOR
REPORT:****TRUSTEE ELECTION RESULTS**

Mr. Schott reported the results of the Retiree Police Trustee election: Harry Griffin received 609 votes, and Jimmy Foster received 430 votes, with one abstention (blank ballot). Mr. Schott reported that both Mr. Smith and Mr. S. Griffin were unopposed in their respective elections and eligible for election, so that they should be certified as elected. Secretary Councilwoman Dr. Rocha Garcia made a motion to approve the results of the election with regard to Mr. H. Griffin, and to certify Mr. S. Griffin and Mr. Smith as elected to the Board, all for the term beginning June 1, 2023, and ending May 31, 2027. The motion was seconded by Vice Chairman Reed, and it carried unanimously. Congratulations were extended to all three Trustees.

PRE-RETIREMENT SEMINAR

Mr. Schott reminded the Board that the bi-annual Pre-Retirement Seminar will be held Monday, May 1, 2023, at the Alzafar Shrine Auditorium and he encouraged Board members to attend, if their schedules allow.

INVESTMENT COMMITTEE APPOINTMENTS

Mr. Schott informed the Board that Chairman Pearson had revised his committee appointments to appoint five members to serve on the Investment Committee. Mr. Schott noted that the Pension Law requires Board approval for a committee to have more than four members. Mr. S. Griffin made a motion, seconded by Councilwoman Cabello Havrda, to approve the appointees to the Investment Committee. The motion carried unanimously.

FINANCIAL DISCLOSURE STATEMENTS

Mr. Schott reminded the Board that the annual Financial Disclosure Forms for the 2022 reporting period were due March 31, 2023.

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 REPORTS FOR PERIOD ENDING JANUARY 31, 2023

The Statement of Net Plan Assets for the period ending March 31, 2023, was \$3.6B.

COMMITTEE REPORTS:**PERSONNEL/AUDIT COMMITTEE**

Mr. H. Griffin reported the Personnel/Audit Committee did not meet in April. He reminded the Board that the auditors will begin their fieldwork in the Pension Fund Office for the 2022 audit in late May. During that same time, the actuaries will be working on the Actuarial Valuation Report for 2022. It is anticipated that both reports will be presented to the Personnel/Audit Committee and the Board at their respective June 26th and 27th Meetings.

DISABILITY COMMITTEE

Mr. S. Griffin reported the Disability Committee did not meet in April and there are no disability pension applications pending.

LEGISLATIVE COMMITTEE

Vice Chairman Reed reported the Legislative Committee did not meet this month but there was an update on the status of the Pension Fund Bill. Specifically, the Pension Fund Bill has passed through the Senate and was sent to the House, where it was referred to the Pensions Committee. Last Thursday, the Pensions Committee voted the Bill out of Committee with a recommendation that it go on the House's Local & Consent calendar. Given where we are in the Session, the Bill is making very good progress.

Vice Chairman Reed noted that if passed, the Bill will become effective September 1, 2023, and Pension Fund staff will begin identifying the beneficiaries that will be impacted by the 75% death benefit increase and developing a plan for implementing the increase and notifying those affected. In addition, the Summary Plan Description document will need to be updated to reflect all the changes that have been made.

INVESTMENT COMMITTEE

Vice Chairman Reed reported the Investment Committee met last week to discuss several items. The Committee first received a review from NEPC with respect to public equity international value managers. NEPC compared the Pension Fund's current managers in the space (First Eagle and PIMCO) with six firms on NEPC's Focus Placement List. NEPC discussed each manager's investment strategy, portfolio characteristics and performance. After discussions, the Committee voted to recommend that the Board initiate an international value public equity manager search that includes the Pension Fund's current managers, First Eagle and PIMCO. Vice Chairman Reed made a motion on behalf of the Committee to approve the recommendation. The motion was seconded by Secretary Councilwoman Dr. Rocha Garcia, and it carried unanimously.

Next, the Committee discussed the Comvest Credit Partners Evergreen Fund opportunity. The Fund will primarily issue senior secured loans and junior debt to both non-sponsored and sponsored lower-middle market companies in the U.S. The Pension Fund has invested in two of Comvest's private equity funds, Comvest Investment Partners V and VI. Although the Evergreen Fund is not a traditional re-up opportunity, NEPC and staff consider the opportunity as an extension of the Pension Fund's relationship with Comvest. Furthermore, NEPC has issued their highest rating to Comvest Credit Partners IV, V and VI and staff has negotiated favorable fee discounts. After considering the strategy, the evergreen structure, and relationship, the Committee voted to recommend the Board commit \$25 million to the Comvest Credit Partners Evergreen Fund. Vice Chairman Reed made a motion on behalf of the Committee to approve the recommendation. The motion was seconded by Mr. H. Griffin, and it carried unanimously.

The Committee then discussed the Exponent Private Equity Partners V re-up opportunity. Fund V will seek middle-market buyout opportunities in businesses that have headquarters in the UK or Ireland with enterprise values between 100 million and 400 million pounds. The Fund will consider targets within the consumer, media, financial services, and business services sectors and make portfolio investments only after identifying a clear operational plan to double profits through revenue driven growth initiatives. The Pension Fund invested in Funds III and IV. As of September 30th, 2022, the IRR for Fund III is 12.8%, and for Fund IV is 30.2%. The Committee voted to recommend the Board commit £20 million (approximately \$24.8 million) to Exponent Private Equity Partners V. Vice Chairman Reed made a motion on behalf of the Committee to approve the recommendation. The motion was seconded by Mr. S. Griffin, and it carried unanimously.

Finally, the Committee considered the Angelo Gordon Direct Lending Evergreen Fund DRIP proposal. Staff presented the DRIP offering and discussed its mechanics and fee discounts. The DRIP election allows investors in prior Angelo Gordon direct lending funds to roll their principal distributions from those funds into the Angelo Gordon Direct Lending Evergreen Fund. This would allow the approximately \$30 million remaining value in Fund III and Fund IV to be added over the next four years to the \$25 million 2022 commitment to the Evergreen Fund. After the rollover is complete, the Pension Fund's total commitment to Angelo Gordon Direct Lending Evergreen Fund would be approximately \$55 million. The Committee voted to recommend the Board approve the DRIP election. It was noted that this was simply a reallocation of the Pension Fund's existing investments with Angelo Gordon, not an allocation of new funds. Vice Chairman Reed made a motion on behalf of the Committee to approve the recommendation. The motion was seconded by Mr. H. Griffin, and it carried unanimously.

SAN ANTONIO F&P PROPERTY HOLDING CORPORATION

Mr. S. Griffin reported that the Property Holding Corporation met a couple of weeks ago to again discuss the sale of the two Shavano Center Buildings. The Corporation first received a leasing update from Sullivan Commercial with respect to the two Buildings. Shavano Center III is still 82% leased. Shavano Center IV is 100% leased, but the Tenant currently occupying 14,000 square feet will be vacating its space when the lease expires in the fall. With that in mind, Sullivan is in the process of negotiating lease terms with a prospective Tenant for the entire space.

The Corporation then revisited the options presented by CBRE regarding the sale of the two buildings. Mr. S. Griffin reminded the Board that at an earlier meeting of the Corporation's Board, CBRE had presented various options, and the Corporation chose to weigh those options further before making a decision. At this month's meeting, the Corporation again discussed its options with CBRE. After a lengthy discussion, the Corporation decided to negotiate a sales price that is contingent on Sullivan finalizing the lease for the 14,000-foot space in Shavano IV. While this option will require the Corporation to cover the tenant improvement and leasing costs for that space, the negotiated sales price will more than cover those additional costs.

DISBURSEMENTS: Secretary Councilwoman Dr. Rocha Garcia made a motion to approve the disbursements for April 2023. Mr. S. Griffin seconded the motion, and it was approved unanimously. Mr. H. Griffin requested that staff include the

itemized statement of the Pension Fund credit card for their review at each Board meeting.

**MEMBERS TO
BE HEARD:**

None.

ADJOURNMENT: Mr. H. Griffin made a motion to adjourn the meeting at 11:22 a.m. The motion was seconded by Secretary Councilwoman Dr. Rocha Garcia, and it carried unanimously.

**APPROVED BY THE BOARD OF TRUSTEES AT THE REGULAR
MEETING HELD ON May 30, 2023.**

Dean Pearson, Chairman

ATTEST:

Councilwoman Dr. Adriana Rocha Garcia, Secretary