

**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
July 25, 2023**

PRESENT: Vice Chairman Larry Reed, Fire Retiree Representative; Mayoral Designee Justin Rodriguez; Jim Smith, Police Representative; Amanda Viera, Police Representative; Harry Griffin, Police Retiree Representative.

ABSENT: Chairman Dean Pearson, Fire Representative; Shawn Griffin, Fire Representative; Secretary Councilwoman Dr. Adriana Rocha Garcia; Councilwoman Melissa Cabello Havrda.

OTHERS

PRESENT: Warren Schott, Mark Gremmer, Cary Hally, Gail Jensen, Rick Matye, Christine Tejeda, Pension Fund Staff.

ROLL CALL: At 9:30 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 Vice Chairman Reed.

MINUTES: Mr. Smith moved to approve the minutes of the Regular Board Meeting of June 27, 2023. The motion was seconded by Mayoral Designee Rodriguez, and the motion carried unanimously.

EDUCATIONAL

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

1. Robbins Geller Annual Conference
September 5-7, 2023
2. Kayne Anderson Annual Partners' Meeting
September 6-7, 2023
3. IREI Advisory Board Meeting
September 12-14, 2023
4. Top Tier Capital Partners Annual Meeting
September 27-28, 2023

The motion was seconded by Ms. Viera. The motion carried unanimously.

Mr. H. Griffin raised the possibility of reinstating the Educational Presentations as an agenda item at Board meetings. He noted that the Board could not consider or take action on the issue at today's meeting (because it was not on the Meeting Agenda), and he moved to include an agenda item at the August Board Meeting for the Board to formally discuss whether to require Educational Presentations by Trustees and Staff who have attended educational conferences. Ms. Viera seconded the motion, but immediately rescinded her second. After a brief discussion, it was determined a formal motion was unnecessary and the Board instead directed the Executive Director to confer with the Chairman on including Educational Presentations on future Board Meeting agendas.

**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, 3 month service pension for Police Detective Paul R. Moreno, effective June 24, 2023.
2. A 27 year service pension for Police Officer Roberto Carrera, effective July 1, 2023.
3. A 21 year, 4 month service pension for Police Detective Gloria Panduro, effective July 1, 2023.
4. A 20 year, 2 month service pension for Police Sergeant Bartholomew A. Vasquez, effective July 1, 2023.
5. A 28 year, 8 month service pension for Police Detective Michael Reeder, effective July 5, 2023.
6. A 27 year, 9 month service pension for Police Sergeant Joe S. Diaz, effective July 8, 2023.
7. A 28 year, 5 month service pension for Police Detective Richard Eugene Hodge, effective July 24, 2023.
8. A 35 year, 9 month service pension for Fire Engineer M. Kelvin Broadnax, effective August 1, 2023.

9. A 33 year, 7 month service pension for Police Detective Robert Anthony Garcia, effective August 1, 2023.
10. A 32 year, 5 month service pension for Fire Engineer James A. Planckaert, effective August 2, 2023.

Beneficiary Pensions

1. A beneficiary pension for Mrs. Linda M. Burnes, widow of retired Police Detective Elvin Burnes, effective June 13, 2023.
2. A beneficiary pension for Mrs. Lynne Ann Roberts, widow of retired Police Detective Richard A. Roberts, effective June 24, 2023.
3. A beneficiary pension for Mrs. Alice A. Juarez, widow of retired Police Detective Abel V. Juarez, Jr., effective June 28, 2023.

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

EXECUTIVE DIRECTOR REPORT:

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

FINANCIAL REPORTS FOR PERIOD ENDING JUNE 30, 2023

The Statement of Net Plan Assets for the period ending June 30, 2023, was \$3.815B.

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

Mr. Smith reported the Personnel/Audit Committee met last week to receive the draft audit report from BDO. After receiving the presentation from BDO representatives, the Committee unanimously recommended to the Board to accept the audit report. Mr. Smith stated that representatives from BDO were scheduled to attend today's Board Meeting to present the final Annual Audit report, but they were not in attendance, and the final Annual Audit report had not yet been received. As a result, the Board was unable to review the final Annual Audit and there was no presentation. Mr. Smith stated that this item will be rescheduled after the final audit report is received.

The Personnel/Audit Committee also discussed the upcoming renewal of the Pension Fund's Administrative Services contract with the City of San Antonio. It was noted that the contract expires at the end of September, and the Committee directed staff to begin negotiations with the City on the contract's renewal.

The Committee also reviewed a draft Procurement Policy. Mr. Smith reminded the Board that at the 2021 Strategic Planning Retreat, the Board directed staff to draft a policy that would implement "best practices" by requiring the Fund to engage in a competitive procurement process when hiring and retaining professionals, and re-engage in that process every five years for each category of professional. A copy of the policy was presented to the Board. Mr. Smith reported that the Committee unanimously recommended the Board adopt the Procurement Policy as presented, and he made a motion on behalf of the Committee to approve. The motion was seconded by Mayoral Designee Rodriguez, and it carried unanimously.

The Committee also discussed possible changes to the Fund's Membership Disclosure Policy. After a lengthy discussion, the Committee directed staff to incorporate certain changes into the policy and bring the updated version to the next Committee meeting.

Finally, Mr. Smith reported that the Committee had received a final status update from the Executive Director on the action items from the 2021 Strategic Planning Retreat. A copy of the Executive Director's report was presented to the Board. It was noted that all items had been completed, with the exception of the potential purchase of "Modeling" software that would allow the Pension Fund to run various scenarios involving investment returns, inflation, mortality, etc. Staff is contacting Segal Consulting for the cost of the software.

DISABILITY COMMITTEE

Mr. H. Griffin reported the Disability Committee met last week to conduct its annual review of the disability pensioners' tax returns. After discussion, the Committee directed Pension Fund Staff to invite one of the disability pensioners to the next Committee Meeting to provide information regarding the pensioner's outside earned income. This meeting has been scheduled for Friday, August 25th at 9:00 a.m. Staff also informed the Committee that four disability pensioners had filed extensions, and the Committee unanimously voted to recommend that the Board approve the extensions. Mr. H. Griffin made a motion on behalf of the Committee to approve. The motion was seconded by Mr. Smith, and it carried unanimously.

Lastly, the Committee reviewed a revised draft of the Pension Fund's Disability Retirement Policy. The revisions incorporate the changes in the Pension Law that will become effective September 1, and also reflect changes to the disability pension process that have occurred over the years. After a brief review, the Committee members determined they wanted time to more thoroughly review the proposed revisions and they directed Staff to include the Policy as an item for discussion at the August Committee meeting.

LEGISLATIVE COMMITTEE

Mayoral Designee Rodriguez reported the Legislative Committee did not meet this month, but a meeting is scheduled for 11:30 a.m., after the Board Meeting. He noted that at the meeting, the Committee would begin reviewing the updated Pension Law book and Summary Plan Description to ensure all of the necessary changes have been made and that the language is clear and concise. After a brief discussion regarding the timeline for printing and distributing the updated Pension Law and Summary Plan Description books, it was determined today's Committee Meeting should be postponed until August.

INVESTMENT COMMITTEE

Mr. Smith reported the Investment Committee met on Monday, July 17, 2023.

The first item on the agenda was the commencement of a private equity search. Mr. Smith noted that for 2023, the Pension Fund has made only one commitment in the private equity space. Based on the pacing plans that were presented last month, the annual commitment target for private equity

is \$85 million. Because there are no expected re-ups for the remainder of 2023, NEPC and Staff recommended the Pension Fund make up to three additional \$20 million private equity commitments by year-end in order to reach the \$85 million commitment target. NEPC and Staff suggested the Committee initiate a private equity search focused on General Partners with buyout or growth equity strategies. After discussions, the Committee voted to recommend the Board launch a private equity search focused on buyout and growth equity strategies. Mr. Smith made a motion on behalf of the Committee to approve. The motion was seconded by Mayoral Designee Rodriguez, and it carried unanimously.

The next agenda item was the WTI Fund XI re-up opportunity. Fund XI will continue WTI's venture debt investment strategy of providing debt financing to venture-backed companies primarily in the technology and life sciences sectors. In addition to making secured loans to venture companies, WTI also receives zero cost warrants in connection with these loans. Since 1994, the Pension Fund has committed to all 10 institutional debt funds from WTI, and has always experienced positive returns.

It was noted that historically, WTI fund investments have been allocated to the Pension Fund's private equity allocation due to limited venture capital exposure. However, in recent years, the Pension Fund has developed its venture capital exposure through multiple fund commitments with Top Tier Capital and StepStone. Staff recommended that WTI Fund XI, and any future re-ups in the fund series, be allocated to the private debt allocation.

Discussions continued regarding the acquisition of WTI by P10 Holdings, the market opportunity, and the collapse of WTI's largest competitor, Silicon Valley Bank. After discussions, the Committee voted to recommend the Board commit \$30 million to WTI Fund XI. Mr. Smith made a motion on behalf of the Committee to approve. The motion was seconded by Mr. H. Griffin, and it carried unanimously.

SAN ANTONIO F&P PROPERTY HOLDING CORPORATION

Ms. Viera reported that the Property Holding Corporation met last week to receive a leasing update and consider several proposed 2023 budget amendments. Representatives from Sullivan Commercial reported that Shavano Center III is 87% leased, Shavano Center IV is 61% leased and the Parkway Center building is 71% leased. Sullivan also stated that there continues to be interest in all three properties, and they are giving regular tours of the available spaces. As for the 15,000 square foot lease with Sono Bello, the Corporation is making progress on the lease negotiations and hopes to have a finalized lease agreement within the month.

Ms. Viera also reported that the Corporation considered various proposed amendments to the 2023 budget. Sullivan identified several construction projects that need to be completed at Shavano III, including updating the restrooms, refreshing the first floor corridor (to include new flooring, tile and paint), and painting the entire building. Sullivan explained that these items had not been included in the original 2023 budget because of the Corporation's plan to sell the buildings, but now that the Corporation will be keeping the buildings, Sullivan recommends these projects be completed. The Board agreed with Sullivan's recommendation to proceed with the projects but determined to wait to approve any budget amendments until the actual costs of the improvements are known. The Corporation directed Sullivan to solicit bids and bring them to the Board at the next meeting. No further action was taken.

DISBURSEMENTS: Mr. H. Griffin made a motion to approve the disbursements for July 25, 2023. Mayoral Designee Rodriguez seconded the motion, and it was approved unanimously.

**MEMBERS TO
BE HEARD:** None.

ADJOURNMENT: Mr. H. Griffin made a motion to adjourn the meeting at 10:17 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 August 29, 2023.**

Dean Pearson, Chairman

ATTEST:

Councilwoman Dr. Adriana Rocha Garcia, Secretary