

**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 29, 2021**

PRESENT: Chairman Jim Smith, Police Representative; Vice Chairman Dean Pearson, Fire Representative; Councilman Secretary Clayton Perry; Jimmy Foster, Police Representative; Larry Reed, Fire Retiree Representative; Harry Griffin, Police Retiree Representative; Vance Meade, Fire Representative; Mayoral Designee Justin Rodriguez.

ABSENT: Councilwoman Adriana Rocha-Garcia

OTHERS

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

ROLL CALL: At 9:07 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 9:08 a.m., pursuant to Texas Gov. Code § 551.071, and reconvened at 9:55 a.m.

Mayoral Designee Rodriguez arrived at 9:33 a.m.

MINUTES: Mr. Reed moved to approve the minutes of the regular board meeting of August 25, 2021. The motion was seconded by Councilman Secretary Perry, and it carried unanimously.

**EDUCATIONAL
OPPORTUNITIES**

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

1. IREI Fall Editorial Advisory Board Meeting
September 1-3, 2021
2. Kayne Anderson Client Conference
September 8-9, 2021
3. SALT Conference
September 13-15, 2021
4. NCPERS FALL Conference
September 26-28, 2021

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

**APPLICATIONS
AND REFUND OF**

CONTRIBUTIONS: Mr. Griffin made a motion, seconded by Vice Chairman Pearson, to approve the following service pension applications and it carried unanimously:

Service Pensions

1. A 21 year service pension for Police Officer Stephen C. May, effective September 1, 2021.
2. A 26 year service pension for Police Officer Michael A. Johnson, effective October 2, 2021.
3. A 27 year service pension for Police Detective Warren Dale Vick, effective November 6, 2021.

Mr. Griffin made a motion, seconded by Vice Chairman Pearson, to approve the following beneficiary pensions and refund of contributions, and it carried unanimously:

Beneficiary Pensions

1. A beneficiary pension for Mrs. Ida M. Villela, widow of Retired Police Officer Francisco J. Villela, effective August 17, 2021.
2. A beneficiary pension for Mrs. Shannon L. Lewis, widow of Retired Police Sergeant Robert L. Lewis, effective August 22, 2021.
3. A beneficiary pension for Mrs. Ana Georgina Yoast, widow of Retired District Fire Chief Kerry A. Yoast, effective August 24, 2021.
4. A beneficiary pension for Mrs. Maria Longoria, widow of Retired Police Officer Jesus Longoria, Jr., effective August 27, 2021.
5. A beneficiary pension for Mrs. Judy A. Brown, widow of Retired Police Officer Thomas W. Brown, effective September 5, 2021.
6. A beneficiary pension for Mrs. Jerry Upton, widow of Retired Fire Captain Larry W. Upton, effective September 6, 2021.
7. A beneficiary pension for Mrs. Mary H. Lozano, widow of Retired Firefighter Roy Vela Lozano, effective September 7, 2021.
8. A beneficiary pension for Mrs. Lori L. Cloud, widow of Retired Police Sergeant Joe M. Cloud, effective September 9, 2021.

9. A beneficiary pension for Mrs. Norma White, widow of Retired Police Officer Carl W. White, effective September 10, 2021.

Refund of Contributions

1. A 5 year, 2 month refund of contributions for Police Officer Aaron Dial, effective July 9, 2021.
2. A 11 month refund of contributions for Police Officer Justin D. Todd, effective August 2, 2021.
3. A 2 year, 8 month refund of contributions for Police Officer Courtney L. McCoy, effective August 31, 2021.
4. A 6 year, 4 month refund of contributions for Police Officer Tyler L. Patterson, effective August 31, 2021.
5. A 3 year, 9 month refund of contributions for Police Officer Joaquin Chincanchan Montiel, effective September 10, 2021.

Mr. Griffin made a motion to have Beneficiary Pension Applicant Francisco J. Villela, Jr, evaluated by two independent physicians to confirm the criteria for a beneficiary pension under the Pension Law have been met. The Motion was seconded by Vice Chairman Pearson and it carried unanimously.

EXECUTIVE DIRECTOR REPORT:

Police Cadet Class 2021-A - Graduation Date October 1, 2021

Mr. Schott requested the Board's approval to accept the Police Cadet Class 2021-A into the membership. Mr. Foster made a motion to approve. The motion was seconded by Mr. Griffin, and it carried unanimously.

STRATEGIC PLANNING RETREAT

Mr. Schott reported that the Board Retreat is scheduled for Monday, November 22 and Tuesday, November 23 at the Tapatío Springs Hill Country Resort. There are currently approximately 10-12 items on the Agenda, and Mr. Schott invited Board Members to submit additional strategic planning topics for inclusion.

RESCHEDULING OF OCTOBER AND NOVEMBER BOARD MEETINGS

Mr. Schott informed the Board that due to upcoming travel and holiday schedules, there may be difficulties in obtaining a quorum at the October and November Board Meetings, as currently scheduled. After discussion, Chairman Smith made a motion to reschedule the October Board Meeting from 9:00 a.m., Wednesday, October 27, 2021, to 9:00 a.m., Wednesday, October 20, 2021. The motion was seconded by Mr. Meade, and it carried unanimously. Mr. Schott advised that the respective Chairs of the Investment and Disability Committees would reschedule their Committee Meetings from Wednesday, October 20, 2021 to Tuesday, October 19, 2021. The Board took no action with regard to the November Board Meeting.

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 PERIOD ENDING AUGUST 31, 2021

The Statement of Net Plan Assets for the period ending August 31, 2021 were \$4.3 billion.

COMMITTEE REPORTS:**PERSONNEL/AUDIT COMMITTEE**

Mr. Griffin reported that the Personnel/Audit Committee met last week to discuss the possible renewal of the Administrative Services Agreement with the City of San Antonio. Mr. Griffin reminded the Board that the original contract was for a one-year term, with up to four 1-yr renewals, and that if approved, this would be the third renewal. After discussion, the Committee voted to recommend that the Board approve the third renewal. Mr. Griffin made a motion to approve the Committee recommendation. The motion was seconded by Vice Chairman Pearson, and it carried unanimously.

DISABILITY COMMITTEE

Mr. Foster reported that the Disability Committee met last week to receive additional information from staff regarding one of the disability pensioner's employment income. After reviewing the information collected as well as the Pension Law and the Board's policy on Outside Income Pension

Reduction, the Committee directed staff to invite the pensioner to the next Committee meeting for further discussion, as required by the Policy.

Mr. Foster also reminded the Board that there is one regular disability pension application pending. The applicant was evaluated by one of the independent physicians last week, and the second evaluation is scheduled for next week. Once the applicant has been evaluated by both physicians, the Committee will review the evaluation reports and bring a recommendation to the Board.

LEGISLATIVE COMMITTEE

Vice Chairman Pearson reported that the Legislative Committee did not meet this month so there was nothing to report.

INVESTMENT COMMITTEE

Mr. Reed reported that the Investment Committee met on Wednesday, September 22, 2021. The meeting started with a discussion on initiating a Private Debt search. As a reminder, in May of 2021, NEPC recommended that the Pension Fund commit \$125 million annually for the next three years to the Private Debt asset class to achieve the Pension Fund's 9% Private Debt asset allocation target. Year-to-date, the Pension Fund has committed a total of \$50 million to Private Debt, with \$25 million each to the MGG SF Evergreen Fund and the GoldenTree Distressed Fund IV. After discussion with NEPC, the Investment Committee voted to recommend that the Board launch a Private Debt search focused on asset-based lending strategies. Mr. Reed made a motion to approve the Committee recommendation. The motion was seconded by Mr. Meade, and it carried unanimously.

The next item was the Hayfin Direct Lending Fund IV re-up commitment opportunity. Hayfin Capital Management is headquartered in London and offers debt investments to businesses primarily in Europe. The Pension Fund has invested in Funds I, II, and III, which have returned net IRRs of 6.7%, 6.7%, and 9.8%, respectively as of June 30, 2021. Fund IV will focus on providing senior secured loans that exhibit strong returns relative to their risk of loss and will target European middle-market companies with strong market positions backed by cash flow generation and/or asset coverage. Limited Partners in Fund IV have the option of an unlevered or levered vehicle, which is a new offering under the Direct Lending strategy. After discussion with NEPC, the Investment Committee voted to recommend that the Board commit \$25 million to the levered Hayfin Direct Lending Fund IV. Mr. Reed then made a motion on behalf of the Committee to approve. The motion was seconded by Mr. Griffin, and it carried unanimously.

Next, the Investment Committee received an update from Bloomfield Capital. The Pension Fund has committed to Bloomfield Capital Income

Funds III and V-Series A, where the since inception net IRRs are 11.9% and 8.6%, respectively as of June 30, 2021. Fund III investments began unwinding in 2021 and distributions are expected to pick up in the next eight to twelve months. In Fund V, 8% of portfolio loans are nonperforming. Bloomfield expects this to improve to 4%, and they are comfortable with the collateral values on these loans.

The Committee then discussed an Opt-out Election for the Bloomfield Capital Income Fund V. Mr. Reed noted that in contrast to Fund III, Fund V utilizes a Series legal structure, which has significant differences from the more traditional drawdown structure. One of those differences is the automatic rollover of invested funds into subsequent Series. In order to discontinue the rollover cycle, investors must make an Opt-out Election. After discussion with NEPC and Staff, the Investment Committee agreed that while it was pleased with Bloomfield's performance, the Committee preferred a more traditionally structured vehicle. The Investment Committee voted to recommend that the Board exercise its Opt-out Election for Bloomfield Capital Income Fund V. Mr. Reed made a motion on behalf of the Committee to approve. The motion was seconded by Mr. Griffin, and it carried unanimously.

SAN ANTONIO F & P PROPERTY HOLDING CORPORATION

Mr. Meade reported the F&P Property Holding Corporation did not meet this month so there was nothing to report.

DISBURSEMENTS: Vice Chairman Pearson made a motion to approve paying the bills. The motion was seconded by Mr. Foster, and it was approved unanimously. (See attached disbursements dated September 29, 2021).

**MEMBERS TO
BE HEARD:**

None.

ADJOURNMENT: Mr. Foster moved to adjourn the meeting at 10:48 a.m. The motion was seconded by Mr. Reed, and it carried unanimously.

**APPROVED BY THE BOARD OF TRUSTEES AT THE REGULAR
MEETING HELD ON OCTOBER 20, 2021.**

Jim Smith, Chairman

ATTEST:

Dean Pearson, Vice Chairman