

**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
October 20, 2021**

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; Vance Meade, Fire Representative; Councilwoman Adriana Rocha-Garcia.

ABSENT: Councilman Secretary Clayton Perry; 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 9:02 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 9:03 a.m., pursuant to Texas Gov. Code § 551.071, and reconvened at 9:48 a.m.

Councilwoman Adriana Rocha Garcia left the meeting at 9:39 a.m.

MINUTES: Vice Chairman Pearson moved to approve the minutes of the regular board meeting of September 29, 2021. The motion was seconded by Mr. Meade and it carried unanimously.

**EDUCATIONAL
OPPORTUNITIES**

PRESENTATIONS: Mr. Griffin provided a report on the Texpers Summer Educational Conference he attended.

Chairman Smith provided a report on the Koried Global Summit Conference he attended.

Mr. Foster provided a report on the SALT Conference he attended.

Mr. Gremmer provided a report on the Single Audits and Governmental Accounting Conference he attended.

Chairman Smith provided a report on the Texas Local Firefighter Retirement Act Conference he attended.

**EDUCATIONAL
OPPORTUNITIES**

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

1. Opal Alternative Investing Summit

December 8-10, 2021

The motion was seconded by Vice Chairman Pearson, and it carried unanimously.

**APPLICATIONS
AND REFUND OF**

CONTRIBUTIONS: Mr. Meade made a motion, seconded by Mr. Griffin, to approve the following service pension applications and refund of contributions. The motion carried unanimously:

Service Pensions

1. A 23 year, 10 month service pension for Fire Engineer Jason D. Juarez, effective October 20, 2021.
2. A 32 year service pension for Police Detective Timm C. Angell, effective November 1, 2021.
3. A 29 year, 8 month service pension for Police Officer Ricardo A. Campos, effective November 1, 2021.
4. A 27 year, 2 month service pension for Police Detective Michael D. Carter, effective November 1, 2021.
5. A 34 year service pension for Fire Captain Fernando Castaneda, effective November 1, 2021.
6. A 27 year, 6 month service pension for Fire Captain Kenneth M. De Vries, effective November 1, 2021.
7. A 31 year, 11 month service pension for Fire Engineer James H. Koehler, Jr., effective November 1, 2021.
8. A 28 year, 6 month service pension for Police Detective Jesse D. McKinney, effective November 1, 2021.
9. A 25 year, 4 month service pension for Police Officer Jerry R. Musquiz, Jr., effective November 1, 2021.
10. A 26 year, 1 month service pension for Police Officer Michael D. Quinonez, effective November 1, 2021.
11. A 27 year, 2 month service pension for Police Detective Richard E. Richardson, effective November 1, 2021.
12. A 26 year service pension for Police Detective Joe L. Saldana, effective November 1, 2021.
13. A 26 year, 2 month service pension for Police Officer James R. Shirley, effective November 1, 2021.

14. A 27 year, 7 month service pension for Police Sergeant John J. A. Carey, effective November 3, 2021.
15. A 27 year service pension for Police Sergeant Mark T. Kolodziejcki, effective November 6, 2021.

Refund of Contributions

1. A 4 month refund of contributions for Police Officer Sean S. Turner, effective September 22, 2021.
2. A 3 year refund of contributions for Police Officer Colin J. Rosten, effective September 25, 2021.
3. A 1 year, 7 month refund of contributions for Police Officer Agdiel Joel Nieves-Fuentes, effective October 2, 2021.

At this time, the Disability Committee provided its report.

DISABILITY COMMITTEE

Disability Pensions

1. A Final Hearing for a Regular Disability Pension for Police Officer Jaden Bender.

Beneficiary Pensions

1. A beneficiary pension for Francisco J. Villela, Jr., dependent of Retired Police Officer Francisco J. Villela, effective August 17, 2021, guardianship pending.

Mr. Foster reported that the Disability Committee met yesterday to review information regarding one of the disability pensioner's employment income. The Committee had previously identified Police Officer Robert Milks in its annual review of pensioners' tax returns for possible reduction of benefits, in accordance with the Board's Policy on Excessive Outside Income. Mr. Milks had been invited to the meeting – as required by the Policy – to allow him to demonstrate why the benefits should not be reduced. After hearing from Mr. Milks and a lengthy discussion, the Committee decided to take no action at this time.

The Disability Committee also conducted its final review of the Regular Disability Pension Application for Police Officer Jaden Bender. Officer Bender was evaluated by two independent physicians, in accordance with our policy. After reviewing the doctors' evaluation reports and the other materials that had been submitted, as well as hearing from the applicant, the Committee recommended the Board approve the Regular Disability Pension Application for Police Officer Jaden Bender. Mr. Foster made a motion on behalf of the

Committee to approve. The motion was seconded by Vice Chairman Pearson. The Motion passed by a vote of 5:1, with Chairman Smith opposing.

The Committee also reviewed a Beneficiary Pension Application to determine whether the applicant met the criteria of “dependent child” under the Pension Law. Mr. Foster reminded the Board that the Board had considered this application at last month’s meeting, and at that time, the Board had expressed concern because the supporting medical documentation was significantly outdated. As a result, the Board had directed that the applicant be evaluated by two independent physicians to assess whether the applicant met the necessary criteria. Mr. Foster stated that subsequent to the Board Meeting, updated medical documentation was submitted to the Pension Fund Office. In addition, the applicant and his caregiver attended the Disability Committee Meeting and provided the Committee additional information, so that after considering all of the information, the Committee determined there was sufficient, current information to make the determination of “dependent child” status. As a result, the Committee voted to recommend that the Board approve the applicant’s beneficiary pension. Mr. Foster made a motion to approve the Committee recommendation. The motion was seconded by Mr. Reed, and it carried unanimously.

Finally, the Committee considered the request of the Applicant’s caregiver, the Member’s Surviving Spouse, to reduce the Applicant’s annuity as allowed under Section 6.02(j) of the Pension Law to accommodate any State and Federal aid or assistance being received by the Applicant. After reviewing the information provided, the Committee unanimously recommended that the Board reduce the Applicant’s annuity to \$0, and that the annuity be reallocated in accordance with the Pension Law. Mr. Foster made a motion to approve the Committee recommendation. The motion was seconded by Mr. Griffin, and it carried unanimously.

**EXECUTIVE
DIRECTOR
REPORT:**

STRATEGIC PLANNING RETREAT

Mr. Schott informed the Board that the Board’s Strategic Planning Retreat is scheduled for November 22 and 23 at the Tapatio Springs Hill Country Resort. Attendance by all Board members is requested to discuss the 5-year plan for the Pension Fund.

PRE-RETIREMENT SEMINAR REMINDER

Mr. Schott reported that the semi-annual Pension Fund’s Pre-Retirement Seminar is scheduled for Monday, November 1st, and he encouraged all Trustees to attend. He noted that the Seminar will take place at the Alzarfar

Shrine Auditorium again to allow for appropriate social distancing for all attendees.

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 SEPTEMBER 30, 2021

The Statement of Net Plan Assets for the period ending September 30, 2021 were \$4.39 billion.

COMMITTEE REPORTS:

PERSONNEL/AUDIT COMMITTEE

Mr. Griffin reported that the Personnel/Audit Committee did not meet in October, but a meeting will be scheduled in November to review the Pension Fund's annual budget.

LEGISLATIVE COMMITTEE

Vice Chairman Pearson reported that the Legislative Committee did not meet this month.

INVESTMENT COMMITTEE

Mr. Reed reported that the Investment Committee met on Tuesday, October 19, 2021. The meeting began with an update from William Blair Investment Management. The Pension Fund has approximately \$106 million invested in William Blair's International Leaders strategy and \$110 million invested in their Small Cap Growth strategy. The International Leaders strategy has outperformed the MSCI AC World ex-US Index by 3.4% in the third quarter of 2021, outperformed the index by 1.1% year-to-date, and is outperforming by 9.4% since inception. The Small Cap Growth strategy has outperformed the Russell 2000 Growth Index by 6.2% in the third quarter of 2021, outperformed the index by 11.4% year-to-date, and is outperforming by 6.1% since inception.

The Committee then received an update from NEPC on the Private Debt Search. NEPC presented five potential candidates for further due diligence: 400 Capital Asset Based Term Fund III, Callodine Asset Based Loan Fund II, Varde Asset Lending Fund II, PIMCO Private Income Fund, and the

Entrust Blue Ocean Onshore Fund II. The Pension Fund has \$50 million of Private Debt commitment capacity remaining in 2021 and this search will seek to commit at least \$25 million to one manager. After discussion with NEPC and Staff, the Investment Committee voted to perform further due diligence on 400 Capital Asset Based Term Fund III, Callodine Asset Based Loan Fund II, and the Entrust Blue Ocean Onshore Fund II.

The last item discussed was the Ocean Avenue Fund V re-up commitment opportunity. In 2019, the Pension Fund invested \$20 million in Fund IV, and as of September 30, 2021, Fund IV has a net internal rate of return of 43.6% and net total value to paid-in multiple (TVPI) of 1.3x. Fund V will “co-underwrite” investments at or near the Letter of Intent (LOI) stage and employ a value-oriented investment strategy that seeks to invest in turnarounds, corporate carveouts, special situations, operational improvement buyouts, and mis-priced growth opportunities. After discussion with NEPC and Staff, the Investment Committee voted to recommend to the Board to commit \$25 million to Ocean Avenue Fund V. Mr. Reed made a motion to approve the Committee recommendation. The motion was seconded by Vice Chairman Pearson, and it carried unanimously.

SAN ANTONIO F & P PROPERTY HOLDING CORPORATION

Mr. Meade reported that the F&P Property Holding Corporation did not meet this month, but it will schedule a meeting in November to receive a leasing update on the three buildings.

DISBURSEMENTS: Vice Chairman Pearson made a motion to approve paying the bills. The motion was seconded by Mr. Meade, and it was approved unanimously. (See attached disbursements dated October 20, 2021).

**MEMBERS TO
BE HEARD:**

None.

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

**APPROVED BY THE BOARD OF TRUSTEES AT THE REGULAR
MEETING HELD ON NOVEMBER 24, 2021.**

Jim Smith, Chairman

ATTEST:

Dean Pearson, Vice Chairman