

**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 28, 2020**

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

ABSENT: Councilwoman Dr. Adriana Rocha Garcia; Justin Rodriguez, Mayoral Designee.

**OTHERS
PRESENT:**

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

At 9:00 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 9:01 a.m., pursuant to Texas Gov. Code §551.071, and reconvened at 9:40 a.m.

Secretary Councilman Clayton Perry arrived at 9:02 a.m.

MINUTES: Mr. Reed moved to approve the minutes of the regular board meeting of September 30, 2020. The motion was seconded by Vice Chairman Pearson and it carried unanimously.

**EDUCATIONAL
OPPORTUNITIES** No action was needed on this item.

**APPLICATIONS
AND REFUND OF**

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

Service Pensions

1. A 27 year, 6 month service pension for Police Detective Tony J. Arcuri, effective October 27, 2020.
2. A 24 year, 9 month service pension for Fire Engineer Rudolph Mazon, effective November 1, 2020.

3. A 33 year service pension for Fire Engineer Isidro Medina, Jr., effective November 1, 2020.
4. A 26 year, 6 month service pension for Fire Lieutenant John J. Roche, effective November 1, 2020.
5. A 25 year, 1 month service pension for Firefighter Daniel Rodriguez, effective November 1, 2020.
6. A 27 year, 6 month service pension for Police Detective Travis A. Stevenson, effective November 1, 2020.
7. A 29 year, 9 month service pension for Police Detective Paul Gregory Stoeckle, effective November 1, 2020.
8. A 30 year, 11 month service pension for Police Sergeant Billy Wayne Rutland, effective December 1, 2020.
9. A 33 year, 4 month service pension for Police Sergeant David W. Evans, effective January 1, 2021.

Beneficiary Pensions

1. A beneficiary pension for Mrs. Brenda J. Williams, widow of Retired Fire Engineer Allen R. Williams, effective October 1, 2020.
2. A beneficiary pension for Mrs. Susan L. Bramhall, widow of Retired Fire Captain Eddie R. Bramhall, effective October 5, 2020.

Refund of Contributions

1. A 5 year refund of contributions for Police Officer Daniela Rabonza, effective January 11, 2017.
2. A 2 month refund of contributions for Police Officer Elliott S. Gangwer, effective February 8, 2018.
3. A 2 month refund of contributions for Police Officer Jose Alfredo De La Vega, effective November 6, 2019.
4. A 14 year, 4 month refund of contributions for Police Officer Joseph A. Smarro, effective September 25, 2020.
5. A 10 year, 1 month refund of contributions for Police Detective Jesus Trevino, effective October 2, 2020.

**EXECUTIVE
DIRECTOR
REPORT:**

COVID-19 UPDATE

Mr. Schott reported the Office continues to work on-site with social distancing and health/safety measures. He informed the Board that one employee is currently under self-quarantine because of close contact with someone who tested positive for COVID-19. Mr. Schott assured the Board that he will closely monitor the COVID-19 situation in the community and keep them informed.

PRE-RETIREMENT SEMINAR – NOVEMBER 9, 2020

Mr. Schott reported the Pre-Retirement Seminar is scheduled for November 9th at the Alzafar Shrine Auditorium. He noted that appropriate health and safety protocols will be implemented including social distancing measures, symptom screening and mandated face coverings. He encouraged Board members to attend.

INVESTMENT ANALYST POSITION UPDATE

Mr. Schott reminded the Board that an Investment Analyst position is currently vacant due to the resignation of Jason Hsu last month. Cary Hally and Mr. Schott have scheduled an interview with a candidate on October 29th and they will keep the Board informed on the filling of the vacancy.

FINANCIAL REPORT FOR PERIOD ENDING SEPTEMBER 30, 2020

The Statement of Net Plan Assets for the period ending September 30, 2020 were \$3,357,880,720.04.

**COMMITTEE
REPORTS:**

PERSONNEL/AUDIT COMMITTEE

Vice Chairman Pearson reported the Committee did not meet this month but that a meeting will be held in November to conduct the first review of the 2021 Budget.

DISABILITY COMMITTEE

Mr. Foster reported the Committee did not meet this month. He reminded the Board that there is one pending catastrophic disability pension application for Police Detective Julie Johnson. Detective Johnson has completed one of the independent medical evaluations and is scheduled for the second one in early November. He noted that after both medical reports

are received, the Committee will meet to review the results and bring a recommendation to the Board.

Mr. Foster also informed the Board that at the September Committee Meeting, the Committee requested additional information on one of the disability pensioners regarding whether the individual held a TCOLE License. He reported that staff was able to confirm that the individual does not hold the license.

LEGISLATIVE COMMITTEE

Mr. Reed reported the Committee did not meet this month. He reminded the Board that it had approved the 2021 Legislative Package at the September Board Meeting, and that the Package has been forwarded to the three associations and the City of San Antonio. He stated that the Retirees Association has already voted to support the Package, and that the City and Police Association have verbally communicated their support as well. However, there has been no word from the Fire Association yet.

Mr. Burney informed the Board that the office of Representative Barbara Gervin-Hawkins had contacted him to convey the Representative's interest in filing the Pension Fund's Bill in the upcoming session. After some discussion, the Board agreed it needed to first hear from the Fire Association before making a final decision on whether to file the Bill in the 2021 Session.

Mr. Reed also reported that in light of the current petition drive to repeal Chapters 143 and 174 of the Local Government Code, Segal Consulting has been engaged to model the impact on the Pension Fund if a significant number of police officers were to retire at one time. The results of that analysis are expected in mid-November.

INVESTMENT COMMITTEE

Mr. Griffin reported that the Investment Committee met on October 21st. The Committee first heard a presentation from the Pension Fund's real estate consultant, Townsend, providing an update and performance review on the real estate portfolio. Townsend reported that the Pension Fund's real estate portfolio has consistently outperformed the NFI-ODCE benchmark while maintaining the portfolio's target allocation. As of Q2 2020, the 5-year annualized net return is 7.9% vs 6.3% of the NFI-OCDE, and the 10-year annualized net return is 11.4% vs 9.8%, respectively. The market value at the end of the second quarter 2020 is 6.5% of the total fund, slightly below the 7% target. Townsend noted that additional commitments continue to be necessary due to redemption of the L&B Core Income Fund and the investment theme changes and exposure within USAA Eagle Fund, and

Townsend recommended committing as least \$40 million as 2020 ends and 2021 begins, with an emphasis on non-core opportunistic strategies.

Mr. Griffin reported that the Committee then discussed conducting a real estate search. Townsend had noted that while the real estate market has been affected by the COVID-19 pandemic, it is anticipating commercial real estate to surge going forward and yield positive returns. As a result, the Investment Committee voted to recommend that the Board launch an opportunistic real estate search. Mr. Griffin made a motion, seconded by Vice Chairman Pearson to approve the Committee recommendation. The motion carried unanimously.

Mr. Griffin reported that the Committee's final item of discussion was a possible rebalancing of the overall investment portfolio. Staff had reported that cash inflows from the termination and redemption of the Hedge Fund Program have begun to accrue and rebalancing was necessary to avoid having too much cash out of the market or falling outside the strategic cash range. After discussion, the Committee recommended investing \$60 million as follows: \$30 million in the Russell 1000 Growth Index, \$15 million in Cooke & Bieler Large Cap Value portfolio, and \$15 million in The London Company portfolio. Mr. Griffin made a motion, seconded by Vice Chairman Pearson to approve the Committee recommendation. The motion carried unanimously.

SAN ANTONIO F & P PROPERTY HOLDING CORPORATION

President Meade reported the Property Holding Corporation did not meet this month, but that it would meet next month to review the appraisals that are being conducted by Lowery Property Advisors on the three buildings. He reminded the Board that the Corporation has the buildings appraised every three years.

DISBURSEMENTS: Mr. Foster made a motion to approve paying the bills. The Motion was seconded by Mr. Meade, and it was approved unanimously. (See attached disbursements dated September 30, 2020).

**MEMBERS TO
BE HEARD:**

None.

ADJOURNMENT: Vice Chairman Pearson made a motion to adjourn the meeting at 10:30 a.m. The motion was seconded by Mr. Griffin, and it carried unanimously.

APPROVED BY THE BOARD OF TRUSTEES AT THE REGULAR MEETING HELD ON OCTOBER 28, 2020.

Jim Smith, Chairman

ATTEST:

Dean Pearson, Vice Chairman