



FIRE AND POLICE RETIREE HEALTH CARE FUND, SAN ANTONIO

Minutes of the Meeting of the Board of Trustees of the Fire and Police Retiree Health Care Fund, San Antonio July 27, 2020

PRESENT: Doug Berry, Fire Department Representative;
Henry Trevino, Fire Department Retiree Representative;
Michael Despres, Police Department Representative;
Chris Lutton, Police Department Representative;
Alex Perez, Police Department Retiree Representative; and
Mayoral Appointee Tom Silliman, City of San Antonio.

ABSENT: Andrew Estrada, Fire Department Representative;
Councilperson Melissa Cabello Havrda, City of San Antonio;
Councilperson Jada Andrews-Sullivan, City of San Antonio;

OTHERS PRESENT: James Bounds, Executive Director,
Cecilia Puga Retiree Health Care;
Frank Burney, Martin & Drought, P.C.;
Jerry Strickland, Police retiree; and
Representatives of the San Antonio Fire and Police Pensioners' Association

At 10:05 a.m., Chair Despres called the meeting to order. The roll was called, and a quorum was declared present. The minutes from the meeting held on June 29, 2020 were reviewed and unanimously approved upon motion by Trustee Silliman and second by Trustee Perez.

EXECUTIVE
SESSION: Executive Session: None

ACTION
ITEMS:

1. Investments: All investments meeting will be virtual. Next meeting will address absence of site visits due to COVID.
2. Personnel/ Audit: Audit is finished, but Mr. Bounds is discussing three adjustments for final resolution. It should be finalized quickly.

3. Benefits:

- a. WEB: Ms. Puga and Mr. Burney reported on the status of negotiations of WEB TPA contract. Primary issues relate to indemnity and liability re administration of claims.

4. Legislative: None

5. Administrative Report:

- a. Expenses: Mr. Bounds presented the expenditures for the Fund. Upon motion by Trustee Berry and second by Trustee Trevino, a list of expenses and claims and the Financial Report were unanimously approved by the Board. Trustee Berry asked about budget for clinic, which Mr. Bounds responded that budget was on target except utilities.

- b. Elections: Chair Despres announced that he would be retiring from SAPD this month and therefore would no longer serve on the Board. Mr. Bounds was instructed to commence election process for active Police Trustee.

- c. Administrative Agreement with COSA: Mr. Bounds reported on proposed Administrative Agreement with COSA re sharing of personal data with the Health Fund on active members. Upon motion by Trustee Perez and second by Trustee Lutton, the Board approved the Administrative Agreement with COSA for five years subject to thirty days termination provision (with Trustee Berry voting no).

6. Consultant Report:

- a. Legal: None
- b. Actuarial: None

7. Educational Opportunities: None

8. Other Matters Requiring Board Action: None

9. Members to be Heard:

- a. Mr. Stickland voiced that he was not pleased with the service provided by Welldyne re providing prescriptions to his wife. Customer service is not helpful, and many times he has to make several calls to insure delivery of prescriptions. Ms. Puga indicated that Welldyne has been responsive to her requests for customer service, but some of the problems are issues relating to manufacturing supplies and delivery. She is having bi-monthly meetings with Welldyne to address members' concerns. Staff was requested to schedule a teleconference with Welldyne to address members' concerns.
- b. Retirees Trainer and other representatives of the Pensioners' Association voiced its concern that medical benefits should be continued for a surviving spouse if they remarry. Board directed that the Benefits Committee discuss this issue. Mr. Burney noted that this request required review of Section 5.01d.

10. Next Meeting: The next regularly scheduled meeting will be August 31, 2020 at 10:00 a.m.

ADJOURNMENT: There being no further business, a motion was made by Trustee Berry and second by Trustee Silliman that the meeting adjourn. The motion carried unanimously. The meeting adjourned at 11:01 a.m.

Enclosures

- Financial Statement
- List of approved claims and expenses
- Agenda
- Minutes
- Letter from Pensioners' Association



FIRE AND POLICE RETIREE HEALTH CARE FUND, SAN ANTONIO



AGENDA
BOARD OF TRUSTEES MEETING
FIRE AND POLICE RETIREE HEALTH CARE FUND
TO BE HELD AT HILTON GARDEN INN SAN ANTONIO AIRPORT
12828 SAN PEDRO AVENUE, SAN ANTONIO, TX 78216
Monday, July 27, 2020-10:00 a.m.

COVID-19 NOTICE: Due to the COVID-19 Pandemic, special rules are in effect for members of the public who choose to attend this meeting. Guidelines issued by the City of San Antonio will be observed: <https://covid19.sanantonio.gov/Home>

To protect the health of the public and limit the potential spread of COVID 19 as directed by Governor of Texas, Bexar County and City of San Antonio, the meeting will be held in compliance with the suspended provisions of the Texas Open Meetings Act with a hybrid format:

- *in-person attendance for those Trustees that can attend;
- *for those that cannot attend, Trustees can join the meeting through: Zoom

For additional information, please call 210-494-6500

Call to Order:

1. Roll Call: Mike Despres, Doug Berry, Henry Trevino, Andrew Estrada, Chris Lutton, Alex Perez, Councilperson Jada Andrews-Sullivan, Councilperson Melissa Cabello Havrda, Tom Silliman.
2. EXECUTIVE SESSION (Discussion only -- Closed to Public):

The Board of Trustees may recess the meeting to the public at any time and hold an Executive Session pursuant to the Texas Open Meetings Act, Chapter 551.071, of the Texas Government Code. Such Act provides for Executive Session on any matter to be considered during the meeting as it relates to consultation with attorneys, real property, personnel and other matters. While any matter on the Agenda may also be discussed, these specific matters may be discussed with counsel in Executive Session:

- a. **Government Code §551.072 – Discussions Regarding Purchase, Exchange, Lease, or Value of Real Property if Deliberation in an Open Meeting Would Have a Detrimental Effect on the Position of Health Fund in Negotiations with a Third Party;**
- b. **Government Code §551.071 - All Matters Where Health Fund Seeks the Advice of its Attorney as Privileged Communications under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas:**
- c. **Pending or Contemplated Litigation; and**
- d. **Government Code §551.074- Personnel Matters involving Senior Executive Staff and Employees of Health Fund.**

3. Minutes (Discussion and possible action):
 - Board Meeting Minutes for June 29, 2020
4. Public Comment
5. Committee Reports (discussion and possible action):
 - a. Investments:
 - b. Personnel/Audit:
 - Update on Audit
 - c. Benefits:
 - Update of WEB-TPA agreement
 - d. Legislative:
6. Administrative report (discussion and possible action):
 - a. Draft financial reports and list of expenditures
 - b. Proposed agreement with COSA for Administrative Services
7. Consultant Reports (discussion and possible action):
 - a. Legal: Report by Frank Burney
 - b. Rudd & Wisdom: None.
8. Educational Opportunities (discussion and possible action):
9. Adjournment:

NOTE:

Speakers may address the Board regarding any specific Agenda Item, on any matter related to Fund business, or on matters that are within the scope of the authority and legislative functions of the Board. Speakers shall be given the opportunity to speak at the beginning of the meeting during "Public Comment" for up to 3 minutes (6 minutes if translation is needed.) Enumerated agenda items are assigned numbers for ease of reference only and will not necessarily be considered by the Board in that particular order. For those who need assistance due to physical challenges, accommodations can be made by contacting James Bounds at 210-494-6500.



FIRE AND POLICE RETIREE HEALTH CARE FUND, SAN ANTONIO



Minutes of the Meeting of the Board of Trustees of the Fire and Police Retiree Health Care Fund, San Antonio June 29, 2020

COVID-19 NOTICE: Due to the COVID-19 Pandemic, special rules are in effect for members of the public who choose to attend this meeting. Guidelines issued by the City of San Antonio will be observed: <https://covid19.sanantonio.gov/Home>

PRESENT: Henry Trevino, Fire Department Retiree Representative;
Michael Despres, Police Department Representative;
Chris Lutton, Police Department Representative;
Alex Perez, Police Department Retiree Representative;
Mayoral Appointee Tom Silliman, City of San Antonio.

ABSENT: Doug Berry, Fire Department Representative;
Andrew Estrada, Fire Department Representative;
Councilperson Melissa Cabello Havrda, City of San Antonio;
Councilperson Jada Andrews-Sullivan, City of San Antonio;

OTHERS: James Bounds, Executive Director,
PRESENT: Cecilia Puga Retiree Health Care; and
Frank Burney, Martin & Drought, P.C.

At 10:05 a.m., Chair Despres called the meeting to order. The roll was called, and a quorum was declared present. The minutes from the meeting held on May 18, 2020 were reviewed and unanimously approved upon motion by Trustee Perez and second by Trustee Trevino.

EXECUTIVE

SESSION: Executive Session: The Board adjourned into Executive Session at 10:40 a.m. pursuant to state law to discuss with counsel legal issues relating to benefit issues. The Executive Session adjourned at 11:13 a.m.

ACTION ITEMS:

1. Investments: None.

2. Personnel/Audit:

Audit update: Field work is completed. Final review in next few weeks.

3. Benefits:

(i) Status of RFP for TPA Services and selection of Provider: Ms. Puga briefed the Board on the status of RFP for TPA services. She negotiated additional terms to keep costs at current level with WEB. Trustee Silliman asked for information on all fees. Upon motion by Trustee Lutton and second by Trustee Trevino, the Board unanimously approved a three-year extension with WEBTPA -subject to legal review.

(ii) Coverage costs of Telemed Medical Services in light of COVID: Ms. Puga is still reviewing costs of telemedicine, which are covered through June 30, 2020 (approximately 150 users). She recommends extension of coverage through August 30, 2020. Upon motion by Trustee Perez and second by Trustee Silliman, the extension until August 30, 2020, was unanimously approved.

(iii) Mid-year review of Alternative Therapy treatments: Ms. Puga circulated list of Alternative Therapy drugs. Notable change include affected Lyrica (non-generic). Upon motion by Trustee Silliman and second by Trustee Perez, the Board unanimously approved the revised list and requested review every six (6) months. Mr. Silliman requested information on drug utilization.

4. Legislative: No report.

5. Administrative Report:

a. Expenses: Mr. Bounds presented the expenditures for the Fund. Upon motion by Trustee Perez and second by Trustee Lutton, a list of expenses and claims and the Financial Report were unanimously approved by the Board. Trustee Silliman asked if fees are lower as a result of increased use of index funds and reduction in accounts?

6. Consultant Report:

a. Legal: Report by Frank Burney

(i) Settlement of the shareholder derivative lawsuit on behalf of the Fire and Police Retiree Health Care Fund, San Antonio ("San Antonio Health") against officers and directors of

Sinclair Broadcast Group. Upon motion by Trustee Silliman and second by Trustee Perez, the Board unanimously approved the Sinclair settlement.

- (ii) ProAssurance Corporation: Mr. Burney reported on possible action in a securities class action litigation against ProAssurance Corporation for misrepresentations, failure to disclose material information, and violating federal securities laws. Upon motion by Trustee Silliman and second by Trustee Perez, the Board unanimously approved a lawsuit against ProAssurance.
- (iii) Update on new clinic opening at 5530 Tezel Road: Mr. Bounds briefed the Board on the opening of Tezel clinic today.
- (iv) 1604 and Rogers Road: Briefing on acquisition of property and future steps. Mr. Bounds reported on the due diligence for this location in anticipation of an October closing for purchase. Mr. Burney recommends formation of a holding company to own the property. Chair Despres formed a new Real Estate Committee to manage real estate issues composed of Trustees Berry, Lutton and Trevino. Mr. Lowe will notify the Board of key dates.
- (v) Schertz Parkway: Mr. Bounds and Mr. Lowe briefed the Board on the status of negotiation for this future location for a clinic.

Authorization for the Chairman of the Board and/or Executive Director to (I) enter into a Contract of Sale with PINPOINT LEGACY AT FOREST RIDGE, LLC, (the "Contract") for the purchase of an unimproved 2.54-acre tract of land on Schertz Parkway approximately one block south of Legacy Oaks Parkway in Guadalupe County, Texas (the "Property") containing the following material terms: (a) a purchase price of \$916,766.37; (b) earnest money in the amount of \$30,000.00 due upon Contract execution; (c) a 90 day feasibility period during which the earnest money is refundable, and (d) closing to occur 30 days following the end of the feasibility period, (II) execute any amendments to the Contract the Chairman deems necessary or appropriate in consultation with the Fund's counsel, and (III) take any and all actions required to effectuate the Fund's performance of its obligations under the Contract or that the

Chairman and/or Executive Director otherwise deems necessary or appropriate in consultation with the Fund's counsel in order to effectuate the closing of the transaction contemplated by the Contract.

Authorization for the Executive Director to take any and all action and expend such funds as he deems necessary to perform a thorough due diligence investigation of the Property during the feasibility period to determine if the Property is suitable for the Fund's purposes.

Upon motion by Trustee Perez and second by Trustee Lutton, the Board unanimously approved the action.

- (vi) 25111 IH-10 West: Mr. Bounds and Mr. Lowe briefed the Board on the status of negotiation for this future location for a clinic.

Authorization for the Chairman of the Board and/or Executive Director to (I) enter into a Contract of Sale with TEXAS E.P. ENTERPRISES, INC., (the "Contract") for the purchase of an unimproved 1.32-acre tract of land located at 25111 IH 10 W (near the intersection of Ralph Fair Road) in Bexar County, Texas (the "Property") containing the following material terms: (a) a purchase price of \$999,999.00; (b) earnest money in the amount of \$27,000.00 due upon Contract execution; (c) a 60 day feasibility period during which the earnest money is refundable, and (d) closing to occur 30 days following the end of the feasibility period, (II) execute any amendments to the Contract the Chairman deems necessary or appropriate in consultation with the Fund's counsel, and (III) take any and all actions required to effectuate the Fund's performance of its obligations under the Contract or that the Chairman and/or Executive Director otherwise deems necessary or appropriate in consultation with the Fund's counsel in order to effectuate the closing of the transaction contemplated by the Contract.

Authorization for the Executive Director to take any and all action and expend such funds as he deems necessary to perform a thorough due diligence investigation of the Property during the feasibility period to determine if the Property is suitable for the Fund's purposes.

Upon motion by Trustee Lutton and second by Trustee Trevino, the Board unanimously approved the action.

b. Actuarial: None.

7. Educational Opportunities:

None.

8. Members to be Heard: None.

9. Next Meeting: The next regularly scheduled meeting will be July 27, 2020 at 10:00 a.m.

ADJOURNMENT: There being no further business, a motion was made by Trustee Trevino and second by Trustee Perez that the meeting adjourn. The motion carried unanimously. The meeting adjourned at 11:22 a.m.

Enclosures

- Financial Statement
- List of approved claims and expenses
- Agenda
- Minutes
- Certificate – Executive Session
- Alternative Therapy Drug List



FIRE AND POLICE RETIREE HEALTH CARE FUND, SAN ANTONIO



CERTIFIED AGENDA OF CLOSED MEETING

HEALTH FUND

I, MIKE DESPRES, THE PRESIDING OFFICER OF HEALTH FUND, CERTIFY THAT THIS DOCUMENT ACCURATELY REFLECTS ALL SUBJECTS CONSIDERED IN AN EXECUTIVE SESSION OF THE BOARD CONDUCTED ON JUNE 29, 2020.

1. The executive session began with the following announcement by the presiding officer: "Health Fund is now in executive session on June 29, 2020 at 10:40 a.m."
2. SUBJECT MATTER OF EACH DELIBERATION:
 - Discussions with attorney relating to his or her advice on legal matters related to any matter in which the duty of the attorney to Health Fund under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the Open Meetings Act; and
 - Discussions regarding current and pending benefits, real estate, litigation and personnel matters.
3. No further action was taken.
4. The executive session ended with the following announcement by the presiding officer: "This executive session ended on June 29, 2020 at 11:13 a.m."

Presiding Officer

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F&P Retiree Health Care Fund - Calendar
Statement of Plan Net Assets
June 30, 2020

June 30, 2020 December 31, 2019

ASSETS

Cash - City	\$ 0.00	\$ 0.00
Cash - Trust	382,498.04	0.00
Leasehold Improvements	458,601.69	458,601.69
Investments - Trust	402,958,206.03	402,508,156.16
Accrued Interest - Trust	2,012,835.01	3,653,074.93
Pre-paid Expenses	402,454.00	15,000.00
	406,214,594.77	406,634,832.78
Total Assets	406,214,594.77	406,634,832.78

LIABILITIES

Claims Payable	4,205,738.96	4,139,357.67
Accounts Payable	88,195.47	92,062.37
Security Lending Collateral	0.00	0.00
	4,293,934.43	4,231,420.04
Total Liabilities	4,293,934.43	4,231,420.04

Net Assets Held in Trust	\$ 401,920,660.34	\$ 402,403,412.74
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F&P Retiree Health Care Fund - Calendar
Statement of Changes in Plan Net Assets
For the Six Months Ending June 30, 2020

	Current Month	Current Budget	Year to Date	YTD Budget
Additions				
Contributions:				
City of San Antonio	\$ 2,994,171.83	3,200,000.00	\$ 19,347,977.53	19,086,000.00
Active	1,498,398.16	1,600,000.00	9,662,996.77	9,544,000.00
Retirees less than 30	55,472.22	58,000.00	333,226.74	348,000.00
COBRA	3,096.00	2,100.00	7,814.74	12,400.00
Children	66,216.00	69,000.00	401,468.49	409,000.00
	<u>4,617,354.21</u>	<u>4,929,100.00</u>	<u>29,753,484.27</u>	<u>29,399,400.00</u>
Total Contributions				
Investment Income:				
Interest	217,429.69	48,600.00	1,398,477.22	291,600.00
Net Appreciation of Inves	4,412,144.00	2,087,000.00	(14,187,839.80)	12,493,000.00
Other Income	0.00	450.00	23.24	2,500.00
Less Investment Expense	(37,633.33)	(37,333.00)	(225,614.61)	(232,400.00)
	<u>4,591,940.36</u>	<u>2,098,717.00</u>	<u>(13,014,953.95)</u>	<u>12,554,700.00</u>
Net Investment Income				
	<u>9,209,294.57</u>	<u>7,027,817.00</u>	<u>16,738,530.32</u>	<u>41,954,100.00</u>
Total Additions				
Deductions				
Members Benefit Paymen	1,980,323.22	2,973,000.00	13,403,254.56	17,834,000.00
COBRA Benefit Payment	240.90	2,100.00	316.39	12,200.00
Children's Benefit Payme	62,838.97	68,000.00	139,771.72	408,000.00
General and Administrati	623,443.25	606,100.00	3,677,940.05	3,635,100.00
	<u>2,666,846.34</u>	<u>3,649,200.00</u>	<u>17,221,282.72</u>	<u>21,889,300.00</u>
Total Deductions				
	<u>6,542,448.23</u>	<u>3,378,617.00</u>	<u>(482,752.40)</u>	<u>20,064,800.00</u>
Net Increase				

July 27, 2020

Expenses Paid since last Board Meeting

5252	Cincinnati	Ins 20-21	\$	5,360.00
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7/12/2020	Frost		\$	286.25
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Expenses to be paid at this Board Meeting

5253	Alex Perez	Phone	\$	70.00
5254	Andrew Estrada	Phone	\$	70.00
5255	AT&T Mobility	Data	\$	68.75
5256	Doug Berry	Phone	\$	70.00
5257	Henry Trevino	Phone	\$	70.00
5258	JCH	Web	\$	20.00
5259	Lee Munder	Apr-Jun 2020	\$	38,497.40
5260	Christopher Lutton	Phone	\$	70.00
5261	Martin Drought	June	\$	41,213.50
5262	Meketa	July	\$	20,833.33
5263	Mike Despres	Phone	\$	70.00
5264	USI	July	\$	6,909.00
5265	USI Rx	June	\$	9,034.00
5266	US Treasury	PCORI 2020	\$	10,259.00
5267	T-Moble	July	\$	83.33
5268	City Base	Aug Rent	\$	7,275.63
5269	SA F&P	Aug Rent	\$	7,898.92
5270	5530 Tezel	Aug Rent	\$	17,669.17
5271	SA F&P	Aug Rent	\$	6,550.38

		Total	\$	172,378.66
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CPS	Electric	\$	2,526.02
AT&T	Phone	\$	498.91
Supplies	sam's	\$	611.39
Documation	Copier	\$	204.44
Meeting		\$	299.19
Mailout		\$	1,000.00
Express News	News	\$	117.00
Frost	Fees	\$	25.93

		Total	\$	5,282.88
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San Antonio Fire and Police Pensioners' Association

Founded in 1970

Michael Trainer
President

Bart Moczygemba
Vice President

Earnest Gay
Recording Secretary

Charles Ricketts
Treasurer

William Lambrides
Sgt-At-Arms

David Perez
Corresponding Secretary-Fire

Armando Ynostrosa
Corresponding Secretary-Police

Mary Holub
Parliamentarian

July 27th, 2020

Petition to: Fire and Police Retiree Health Care Fund, San Antonio

Dear Fund Board Members:

The San Antonio Fire and Police Pensioners Association held a General Meeting of our members on March 10th, 2020. A motion was made at this meeting. It was voted on by all members present. It passed unanimously.

The Motion: The San Antonio Fire and Police Pensioners Association to petition the Fire and Police Retiree Health Care Fund the following: Health Care Coverage benefits should be continued for surviving spouse if they remarry.

This motion was not presented to the Fund Board Members earlier due to the Covid-19 virus. We felt this motion should be presented in person. No SAFPPA Executive Committee member has attended a Health Fund meeting in person since March 10th, 2020.

A handwritten signature in cursive script that reads "Michael M. Trainer".

Michael M. Trainer
President

San Antonio Fire and Police Pensioners Association
P.O. Box 461566
210-452-7553