



**Minutes of the Meeting
of the Board of Trustees of the
Fire and Police Retiree Health Care Fund, San Antonio
October 26, 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 at Martin & Drought, 112 E. Pecan, Suite 1616, San Antonio, Texas 78205. Guidelines issued by the City of San Antonio will be observed: <https://covid19.sanantonio.gov/Home>

PRESENT: Henry Trevino, Fire Department Retiree Representative;
Chris Lutton, Police Department Representative;
Doug Berry, Fire Department Representative;
Jason Sanchez, 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; and

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

At 10:03 a.m., acting Chair Trevino called the meeting to order. The roll was called, and a quorum was declared present. The minutes from the meetings held on August 31, 2020 and October 6, 2020 were reviewed and unanimously approved upon motion by Trustee Trevino and second by Trustee Estrada.

EXECUTIVE

SESSION: Executive Session: The Board adjourned into Executive Session at 11:20 a.m. pursuant to state law to discuss with counsel legal issues relating to benefit issues, and litigation. The Executive Session adjourned at 12:05 p.m.

MEMBERS

TO BE

HEARD: Mr. Trainer expressed his appreciation for Zoom meetings.

ELECTION
OF

OFFICERS: The Trustees nominated Doug Berry to serve as Chair, Chris Lutton as Vice Chair and Henry Trevino as Secretary. Upon motion by Trustee Perez and second by Trustee Trevino, the Board approved the election of officers of the Board of Trustees as follows:

Chair: Doug Berry
Vice-Chair: Chris Lutton
Secretary: Henry Trevino

ACTION
ITEMS:

1. Investments: Real Estate Committee is set for December 4th. Mr. Bounds indicated that an Investment Committee may meet on same date.
2. Personnel/ Audit: Kim Lopez Gonzales with Garza & Gonzales presented the Audit. There were no material audit exceptions and issued a “clean” opinion with no non-compliance and material weaknesses. Funding ratio is 36.1%. Management letter was also clean. Upon motion by Trustee Sanchez and second by Trustee Lutton, the audit was unanimously accepted by the Board.
3. Benefits:
 - a. 2021 Rates
 - (i) Children’s Rates: \$547 (down from \$829);
 - (ii) COBRA Rates: \$579 (down from \$688);
 - (iii) Retirees’ Increases:
Deductible: \$903
Medical OOP: \$1325
Prescription OOP: \$1200

Upon motion by Trustee Lutton and second by Trustee Trevino, the Children’s Rates, COBRA Rates, and Retirees’ deductible and OOP were unanimously approved.

- b. Hospital Precertification: Methodist is refusing to pre-certify members with Medicare as primary. Board requested staff to notify members.

4. Legislative: No report.
5. Administrative Report:
 - a. Expenses: Mr. Bounds presented the expenditures for the Fund. Upon motion by Trustee Lutton and second by Trustee Perez, a list of expenses and claims and the Financial Report were unanimously approved by the Board.
 - b. Committee Assignment: Chair Berry announced Committee appointments. See attached.
6. Consultant Report:
 - a. Legal: No report.
 - b. Actuarial: Mark Fenlaw with Rudd & Wisdom presented the Actuarial Valuation as of January 1, 2020. Mr. Fenlaw reported that an increase of 10% for COSA and member contributions was required to meet the 30-year benchmark for actuarial valuation. A similar increase in deductible and out-of-pocket expenses is recommended for retirees and beneficiaries. These changes are effective October, 2020 and January 1, 2021. Changes in assumptions, lower investment rate of returns, and experience study all contributed to decrease in funding status. Upon motion by Trustee Lutton and second by Trustee Sanchez, the Actuarial Valuation was unanimously approved by the Board.
7. Educational Opportunities: None.
8. Next Meeting: The next regularly scheduled meeting will be November 30, 2020 at 10:00 a.m.

ADJOURNMENT: There being no further business, a motion was made by Trustee Perez and second by Trustee Lutton that the meeting adjourn. The motion carried unanimously. The meeting adjourned at 12:06 p.m.

Enclosures

- Financial Statement
- List of approved claims and expenses
- Agenda
- Minutes
- Rates
- Committee

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 OCTOBER 26, 2020.

1. The executive session began with the following announcement by the presiding officer: "Health Fund is now in executive session on October 26, 2020 at 11:20 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 October 26, 2020 at 12:05 a.m."

Presiding Officer

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BENEFIT HIGHLIGHT CHANGES

EFFECTIVE 1/1/2021

I. Medical

Deductible..... \$903 in network \$1806 out of network
(Per individual)

Out of pocket maximum..... \$1325 in network \$2650 out of network
(Does not include deductible)

II. Prescription

The in network out of pocket is \$1200

III. Mobile Benefits App

The Retiree Health Mobile App powered by USI
Access your benefits insurance policy details and contact information
Annual Notices: Women's Health and Care Rights Act (WHCRA), Children's
Health Insurance Plan (CHIP), Health Insurance Portability and Accountable
Act (HIPAA), Medicare D (Drug coverage), Summary Modifications effective
January 1, 2021

IV. Children's rate \$546.77 effective January 1, 2021

V. Cobra rate \$579.00 effective January 1, 2021

Fire and Police Retiree Health Care Fund, San Antonio

COMMITTEE STRUCTURE
(Current)

INVESTMENTS

Christopher Lutton, Chair
Henry Trevino
Doug Berry

PERSONNEL/AUDIT

Andrew Estrada, Chair
Jason Sanchez
Alex Perez

BENEFITS

Henry Trevino, Chair
Jason Sanchez
Doug Berry

LEGISLATIVE

Alex Perez, Chair
Christopher Lutton
Andrew Estrada

AGENDA
BOARD OF TRUSTEES MEETING
FIRE AND POLICE RETIREE HEALTH CARE FUND
TO BE HELD AT THE OFFICE OF MARTIN & DROUGHT LOCATED AT
112 E. PECAN STREET, SUITE 1616, SAN ANTONIO, TX 78205
Monday, October 26, 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 or public that can attend;

*for those that cannot attend, Public or Trustees can join the meeting through: Zoom

<https://zoom.us/j/98825802856?pwd=eFBCY0hVOEM2bmlTZkxUVGIkb2NPUT09>

Meeting ID: 988 2580 2856

Passcode: 307806

For additional information, please call 210-494-6500

Call to Order:

1. Roll Call: Doug Berry, Henry Trevino, Andrew Estrada, Chris Lutton, Alex Perez, Jason Sanchez 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. Discussion and Possible Action on election of officers of the Board of Trustees: Chair; Vice-Chair; and Secretary
4. Minutes (Discussion and possible action):
 - Board Meeting Minutes for August 31, 2020
 - Special Board Meeting for October 6, 2020
5. Public Comment
6. Committee Reports (discussion and possible action):
 - a. Investments:
 - b. Personnel/Audit:
 - Presentation of Audit by Garza & Gonzales
 - c. Benefits:
 - Hospital Precertification
 - Children's Rates for 2021
 - COBRA Rate's for 2021
 - Deductibles and Out of Pocket for 2021
 - d. Legislative:
7. Administrative report (discussion and possible action):
 - a. Draft financial reports and list of expenditures
8. Consultant Reports (discussion and possible action):
 - a. Legal: Report by Frank Burney
 - b. Rudd & Wisdom: Presentation of Actuarial Valuation for January 1, 2020
9. Educational Opportunities (discussion and possible action):
10. 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
August 31, 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 at the Hilton Garden Inn San Antonio Airport, 12828 San Pedro Avenue, San Antonio, Texas 78216. Guidelines issued by the City of San Antonio will be observed: <https://covid19.sanantonio.gov/Home>

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

ABSENT: 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 10:04 a.m., Vice Chair Berry called the meeting to order. The roll was called, and a quorum was declared present. The minutes from the meeting held on July 27, 2020 were reviewed and unanimously approved upon motion by Trustee Trevino and second by Trustee Perez.

EXECUTIVE SESSION: Executive Session: The Board adjourned into Executive Session at 11:10 a.m. pursuant to state law to discuss with counsel legal issues relating to benefit and litigation issues. The Executive Session adjourned at 11:33 a.m.

MEMBERS
TO BE
HEARD:

Mr. Trainer informed the Board of upcoming Pensioners' Meeting. He also requested the Board provide actuary report on cost of surviving spouse remarriage.

ACTION
ITEMS:

1. Investments: Chair Berry reported on Investment Committee meeting with Meketa. Asset allocation will be considered for adjustment at September meeting as well as review of manager performance.
2. Personnel/ Audit: All final audit adjustments have been made but are waiting for final input from actuary. Final audit will be delivered by October.
3. Benefits:
 - a. TPA Agreement: Ms. Puga reported on TPA Agreement with WEB. While all issues were not resolved, agreement with WEB was executed with attorney approving final contract. Trustee Silliman voiced his concern that the TPA search did not produce the best options and recommends review at Annual Meeting of the Board in February 20, 2021.
 - b. Telemedicine: Coverage for telemedicine services due to COVID is expiring August, 2020. Upon motion by Trustee Perez and second by Trustee Silliman, the Board unanimously approved extending telemedicine services through February, 2021. Trustee Silliman recommended review of use of telemedicine in future contracts.
4. Legislative: Mr. Burney reported on November Texas elections.
5. Administrative Report:
 - a. Expenses: Mr. Bounds presented the expenditures for the Fund. Upon motion by Trustee Estrada and second by Trustee Trevino, a list of expenses and claims and the Financial Report were unanimously approved by the Board.
 - b. Shavano Center: Current lease expires September 1, 2020. New lease is for three years, with an option to terminate early. Item will be scheduled for September Board meeting.
 - c. Election: Two candidates applied: Amanda Viera and Jason Sanchez. Ballots will be sent out this month for voting on active Police Representative until September 30, 2021.
6. Consultant Report:
 - a. Legal: None.

b. Actuarial: None.

7. Educational Opportunities: None.

8. Next Meeting: The next regularly scheduled meeting will be September 28, 2020 at 10:00 a.m.

ADJOURNMENT: There being no further business, a motion was made by Trustee Lutton and second by Trustee Estrada that the meeting adjourn. The motion carried unanimously. The meeting adjourned at 11:35 a.m.

Enclosures

- Financial Statement
- List of approved claims and expenses
- Agenda
- Minutes
- Shavano Lease Renewal Notice
- Certification of Executive Session

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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 AUGUST 31, 2020.

1. The executive session began with the following announcement by the presiding officer: "Health Fund is now in executive session on August 31, 2020 at 11:10 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 August 31, 2020 at 11:33 a.m."

Presiding Officer

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FIRE AND POLICE RETIREE HEALTH CARE FUND, SAN ANTONIO



Minutes of the Special Meeting of the Board of Trustees of the Fire and Police Retiree Health Care Fund, San Antonio October 6, 2020

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

ABSENT: Councilperson Melissa Cabello Hayrda, City of San Antonio; and
Councilperson Jada Andrews-Sullivan, City of San Antonio.

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

At 10:03 a.m., Secretary Trevino called the meeting to order. The roll was called, and a quorum was declared present. The election for Active Police Representative was certified by the Board and the oath of office administered to Jason Sanchez.

**EXECUTIVE
SESSION:** None.

**ACTION
ITEMS:**

1. Actuary Assumptions: Mr. Bounds advised the Board that Rudd & Wisdom had submitted the actuarial assumptions for the Health Fund as of January 1, 2020 at the September meeting. A motion was made by Trustee Trevino, with a second by Trustee Silliman, to approve the assumptions, which unanimously passed. The actuarial study will be presented at the October Board meeting.

Mr. Bounds also informed the Board that the dependents' COBRA rates, Children rates, and out-of-pocket/deductibles increases for CY 2021 will be presented at Benefits Committee later this month.

2. Next Meeting: The next regularly scheduled meeting will be October 26, 2020 at 10:00 a.m.

ADJOURNMENT: There being no further business, a motion was made by Trustee Lutten and second by Trustee Estrada that the meeting adjourn. The motion carried unanimously. The meeting adjourned at 10:14 a.m.

Enclosures

- Agenda
- Actuarial Assumption

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

September 30, 2020 December 31, 2019

ASSETS

Cash - City	\$	0.00	\$	0.00
Cash - Trust		381,377.44		0.00
Leasehold Improvements		458,601.69		458,601.69
Investments - Trust		418,633,620.43		402,493,837.16
Accrued Interest - Trust		2,156,938.38		3,805,344.93
Pre-paid Expenses		452,434.00		15,000.00
		<hr/>		<hr/>
Total Assets		422,082,971.94		406,772,783.78
		<hr/>		<hr/>

LIABILITIES

Claims Payable		4,351,949.73		4,139,357.67
Accounts Payable		91,837.04		92,062.37
Security Lending Collateral		0.00		0.00
		<hr/>		<hr/>
Total Liabilities		4,443,786.77		4,231,420.04
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Net Assets Held in Trust	\$	417,639,185.17	\$	402,541,363.74
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F&P Retiree Health Care Fund - Calendar
Statement of Changes in Plan Net Assets
For the Nine Months Ending September 30, 2020

	Current Month	Current Budget	Year to Date	YTD Budget
Additions				
Contributions:				
City of San Antonio	\$ 3,003,213.61	3,200,000.00	\$ 28,317,634.90	28,686,000.00
Active	1,500,195.40	1,600,000.00	14,147,227.15	14,344,000.00
Retirees less than 30	52,324.86	59,000.00	491,381.58	524,000.00
COBRA	4,609.60	2,100.00	16,552.34	18,700.00
Children	67,043.70	69,000.00	611,768.73	616,000.00
Total Contributions	<u>4,627,387.17</u>	<u>4,930,100.00</u>	<u>43,584,564.70</u>	<u>44,188,700.00</u>
Investment Income:				
Interest	251,048.31	48,800.00	2,130,448.83	437,600.00
Net Appreciation of Inves	(4,511,059.42)	2,096,000.00	(3,819,547.89)	18,771,000.00
Other Income	173.96	450.00	197.20	3,850.00
Less Investment Expense	(40,533.33)	(40,233.00)	(343,901.01)	(350,200.00)
Net Investment Income	<u>(4,300,370.48)</u>	<u>2,105,017.00</u>	<u>(2,032,802.87)</u>	<u>18,862,250.00</u>
Total Additions	<u>327,016.69</u>	<u>7,035,117.00</u>	<u>41,551,761.83</u>	<u>63,050,950.00</u>
Deductions				
Members Benefit Paymen	2,573,123.70	2,973,000.00	20,629,698.63	26,753,000.00
COBRA Benefit Payment	8.31	2,100.00	329.37	18,500.00
Children's Benefit Payme	33,832.53	70,000.00	207,697.32	615,000.00
General and Administrati	748,474.30	630,600.00	5,616,215.08	5,513,000.00
Total Deductions	<u>3,355,438.84</u>	<u>3,675,700.00</u>	<u>26,453,940.40</u>	<u>32,899,500.00</u>
Net Increase	<u>(3,028,422.15)</u>	<u>3,359,417.00</u>	<u>15,097,821.43</u>	<u>30,151,450.00</u>

September 28, 2020

Expenses Paid since last Board Meeting

9/12/2020 Frost \$ 238.74

Expenses to be paid at this Board Meeting

5296	Alex Perez	Phone	\$ 70.00
5297	Andrew Estrada	Phone	\$ 70.00
5298	AT&T Mobility	Data	\$ 68.75
5299	Doug Berry	Phone	\$ 70.00
5300	GDC	Marketing	\$ 33,000.00
5301	Henry Trevino	Phone	\$ 70.00
5302	JCH	Web/PCs	\$ 2,885.62
5303	Christopher Lutton	Phone	\$ 70.00
5304	Martin Drought	August	\$ 36,412.44
5305	Meketa	September	\$ 20,833.33
5306	Rudd & Wisdom	Rates	\$ 2,150.50
5307	USI	September	\$ 6,909.00
5308	USI Rx	August	\$ 10,665.00
5309	T-Mobile	September	\$ 83.33
5310	City Base	Oct Rent	\$ 7,275.63
5311	SA F&P	Oct Rent	\$ 7,761.44
5312	5530 Tezel	Oct Rent	\$ 17,669.17
5313	SA F&P	Oct Rent	\$ 6,550.38

Total \$ 152,853.33

FRA	Made in America	\$ 695.00
CPS	Electric	\$ 3,358.11
AT&T	Phone	\$ 476.38
Supplies	sam's	\$ 1,049.26
Documation	Copier	\$ 405.84
Meeting		\$ 632.65
Mailout		\$ 3,468.10
Express News	News	\$ 56.00
Frost	Fees	\$ 24.16

Total \$ 10,165.50