

**Minutes of the Meeting  
of the Board of Trustees of the  
Fire and Police Retiree Health Care Fund, San Antonio  
November 30, 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>

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. For those members of the public that would like to participate by phone, please call:

Dial-in Information:

<https://zoom.us/j/98517533208?pwd=U095YTZjTVFvTjhOdUt0RlhYYkZqdz09>

Meeting ID: 985 1753 3208

Passcode: 794861

**PRESENT:** Henry Trevino, Fire Department Retiree Representative;  
Chris Lutton, Police Department Representative;  
Doug Berry, Fire Department Representative;  
Andrew Estrada, Fire Department Representative;  
Jason Sanchez, Police Department Representative; and  
Alex Perez, Police Department Retiree Representative.

**ABSENT:** Councilperson Melissa Cabello Havrda, City of San Antonio;  
Councilperson Jada Andrews-Sullivan, City of San Antonio; and  
Mayoral Appointee Tom Silliman, City of San Antonio.

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

At 10:06 a.m., Chair Berry called the meeting to order. The roll was called, and a quorum was declared present. The minutes from the meetings held on October 26, 2020 were reviewed and unanimously approved upon motion by Trustee Trevino and second by Trustee Perez.

EXECUTIVE  
SESSION: None.

MEMBERS  
TO BE  
HEARD: None.

ACTION  
ITEMS:

1. Investments: Chair Lutton reported on the quarterly investment report. The Committee recommended a \$20 Million long-term investment in private equity by Portfolio Advisors Secondary Fund IV (presentation to be scheduled for Investment Committee in mid-December) to be funded over 3-5 years. Upon motion by Trustee Lutton and second by Trustee Sanchez, the investment in Portfolio Advisors was unanimously approved.
2. Personnel/ Audit: Chair Estrada briefed the Board on extension of Mr. Bounds contract for two years with a one-year option. Upon motion by Trustee Sanchez and second by Trustee Perez, the contract was unanimously approved.
3. Benefits: Ms. Puga informed the Board that pre-certification process with Methodist was still in process. Mr. Bounds reported that no annual retirees meeting was held (due to COVID) but mail-out response is good.
4. Legislative: Mr. Burney reported on several public safety bills and procedures for legislative matters in light of COVID.
5. Administrative Report:
  - a. Expenses: Mr. Bounds presented the expenditures for the Fund. Upon motion by Trustee Perez and second by Trustee Trevino, a list of expenses and claims and the Financial Report were unanimously approved by the Board.
  - b. Budget (CY2021): Upon motion by Trustee Estrada and second by Trustee Lutton, the budget was unanimously approved.
6. Consultant Report:
  - a. Legal: Mr. Burney commented on Amazon buying a PBM and long-term business plan on sales of prescriptions. Board asked for discussion at annual meeting.
  - b. Actuarial: Mr. Bounds reported that the actuary has not completed its study on spousal coverage upon remarriage

7. Educational Opportunities: None. Chair asked for possibility of virtual conferences.
8. Next Meeting: The next regularly scheduled meeting will be December 14, 2020 at 10:00 a.m. Upon motion by Trustee Perez and second by Trustee Trevino.

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 10:45 a.m.

Enclosures

- Financial Statement
- List of approved claims and expenses
- Agenda
- Budget
- Minutes

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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, November 30, 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/98517533208?pwd=U095YTZjTVFvTjhOdUt0RlhYYkZqdz09>

Meeting ID: 985 1753 3208

Passcode: 794861

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. Minutes (Discussion and possible action):
  - Board Meeting Minutes for October 26, 2020
4. Public Comment
5. Committee Reports (discussion and possible action):
  - a. Investments:
    - September 30<sup>th</sup> Quarterly Report from Meketa
    - Commit 20 Million to Portfolio Advisors Secondary Fund IV
  - b. Personnel/Audit:
    - Renewal of Executive Directors Contact
  - c. Benefits:
    - Hospital Precertification
  - d. Legislative:
6. Administrative report (discussion and possible action):
  - a. Draft financial reports and list of expenditures
  - b. Draft of 2021 Budget
7. Consultant Reports (discussion and possible action):
  - a. Legal: Report by Frank Burney
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.



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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 PRESENT: James Bounds, Executive Director,  
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 4<sup>th</sup>. 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."

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Presiding Officer

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F&P Retiree Health Care Fund - Calendar  
Statement of Plan Net Assets  
October 31, 2020

October 31, 2020                      December 31, 2019

**ASSETS**

Cash - City	\$	0.00	\$	0.00
Cash - Trust		379,279.91		0.00
Leasehold Improvements		458,601.69		458,601.69
Investments - Trust		420,979,656.95		402,468,272.77
Accrued Interest - Trust		1,651,039.33		3,803,346.93
Pre-paid Expenses		396,334.00		15,000.00
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Total Assets		423,864,911.88		406,745,221.39
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**LIABILITIES**

Claims Payable		4,291,156.79		4,139,357.67
Accounts Payable		61,911.12		92,062.37
Security Lending Collateral		0.00		0.00
		<hr/>		<hr/>
Total Liabilities		4,353,067.91		4,231,420.04
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Net Assets Held in Trust	\$	419,511,843.97	\$	402,513,801.35
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F&P Retiree Health Care Fund - Calendar  
Statement of Changes in Plan Net Assets  
For the Ten Months Ending October 31, 2020

	Current Month	Current Budget	Year to Date	YTD Budget
<b>Additions</b>				
Contributions:				
City of San Antonio	\$ 4,782,073.79	3,600,000.00	\$ 33,099,708.69	32,286,000.00
Active	2,390,771.84	1,800,000.00	16,537,998.99	16,144,000.00
Retirees less than 30	55,480.95	59,000.00	546,862.53	583,000.00
COBRA	2,752.00	2,100.00	19,304.34	20,800.00
Children	65,388.30	69,000.00	677,157.03	685,000.00
<b>Total Contributions</b>	<b>7,296,466.88</b>	<b>5,530,100.00</b>	<b>50,881,031.58</b>	<b>49,718,800.00</b>
Investment Income:				
Interest	223,297.85	48,800.00	2,353,746.68	486,400.00
Net Appreciation of Inves	1,187,001.53	2,098,000.00	(2,404,616.16)	20,869,000.00
Other Income	328,696.65	450.00	333,070.65	4,300.00
Less Investment Expense	(40,733.33)	(40,234.00)	(384,634.34)	(390,434.00)
<b>Net Investment Income</b>	<b>1,698,262.70</b>	<b>2,107,016.00</b>	<b>(102,433.17)</b>	<b>20,969,266.00</b>
<b>Total Additions</b>	<b>8,994,729.58</b>	<b>7,637,116.00</b>	<b>50,778,598.41</b>	<b>70,688,066.00</b>
<b>Deductions</b>				
Members Benefit Paymen	6,480,894.87	2,973,000.00	27,133,109.25	29,726,000.00
COBRA Benefit Payment	0.00	2,100.00	329.37	20,600.00
Children's Benefit Payme	26,023.08	70,000.00	233,720.40	685,000.00
General and Administrati	789,660.26	629,700.00	6,413,396.77	6,142,700.00
<b>Total Deductions</b>	<b>7,296,578.21</b>	<b>3,674,800.00</b>	<b>33,780,555.79</b>	<b>36,574,300.00</b>
<b>Net Increase</b>	<b>1,698,151.37</b>	<b>3,962,316.00</b>	<b>16,998,042.62</b>	<b>34,113,766.00</b>

November 30, 2020

Expenses Paid since last Board Meeting

5340	SWCA Inc	Land	\$	4,850.50
5341	Terracon	Land	\$	7,850.00

11/12/2020	Frost		\$	277.82
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Expenses to be paid at this Board Meeting

5342	Alex Perez	Phone	\$	70.00
5343	Andrew Estrada	Phone	\$	70.00
5344	AT&T Mobility	Data	\$	68.75
5345	Doug Berry	Phone	\$	70.00
5346	Henry Trevino	Phone	\$	70.00
5347	JCH	Web	\$	20.00
5348	Jason Sanchez	Phone	\$	70.00
5349	Christopher Lutton	Phone	\$	70.00
5350	Martin Drought	October	\$	17,618.09
5351	Meketa	November	\$	20,833.33
5352	Rudd & Wisdom	Valuation	\$	48,500.00
5353	Sonia Rodriguez-Garz	Refund	\$	5,555.34
5354	USI	November	\$	6,909.00
5355	USI Rx	October	\$	10,987.50
5356	T-Mobile	November	\$	83.33
5357	City Base	Dec Rent	\$	7,275.63
5358	SA F&P	Dec Rent	\$	9,014.93
5359	5530 Tezel	Dec Rent	\$	17,669.17
5360	SA F&P	Dec Rent	\$	6,550.38

Total	\$	164,483.77
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FRA		\$	1,494.10
CPS	Electric	\$	2,882.13
AT&T	Phone	\$	507.52
Supplies	sam's	\$	217.02
Documation	Copier	\$	385.00
Meeting		\$	93.28
Mailout		\$	4,658.98
Dues	IFEBP, Ncpers	\$	1,831.00
Frost	Fees	\$	24.75

Total	\$	12,093.78
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