

**Minutes of the Meeting
of the Board of Trustees of the
Fire and Police Retiree Health Care Fund, San Antonio
January 29, 2024**

PRESENT: Frank Gutierrez, Fire Department Retiree Representative;
Mike Despres, Retired Police Representative;
Steve Carse, Fire Department Representative;
Doug Berry, Fire Department Representative;
Jason Sanchez, Police Department Representative;
Councilperson Marc Whyte, City of San Antonio; and
Mayoral Appointee Tom Silliman, City of San Antonio.

ABSENT: Chris Lutton, Police Department Representative;
Councilperson Melissa Cabello Havrda, City of San Antonio;

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

At 10:03 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 December 18, 2023, were reviewed and unanimously approved upon motion by Trustee Despres and second by Trustee Sanchez.

EXECUTIVE
SESSION:

The Board went into Executive Session at 10:05 a.m. to discuss legal issues with its counsel. The Executive Session adjourned at 10:08 a.m.

The Board went into a Second Executive Session with the Board at 10:59 a.m. to discuss personnel issues. The Executive Session adjourned at 11:57 a.m.

MEMBERS
TO BE

HEARD: Mr. Phillip Franzone, SAPD retiree, informed the Board of his struggle to combat diabetes. He recounted his usage of new diabetes drugs to control weight and diabetes (Ozempic). He now in on Mounjaro, with great success. Welldyne notified him that Mounjaro would no longer be paid for since his condition had improved. He requested that he be allowed to continue to receive Mounjaro prescriptions. Board asked staff to discuss options with him.

ACTION
ITEMS:

1. Investments: None.

2. Personnel/ Audit: Chair Sanchez reported an annual Executive Director review/evaluation at annual meeting by Board.

3. Benefits:

a. Reimbursement Request from Mrs. Jeannine Williams: Ms. Williams presented a request for reimbursement of third party insurance she purchased by mistake in January 2022. She was informed that she did have coverage under Health. Board asked Cecilia to discuss with her possible reimbursement, if any, for claims that would have been covered by Fund.

4. Legislative: Mr. Burney and Mr. Lowe explained the calendar for Legislative process with frequent hearings to hear input from COSA, the Unions, and Retirees as to their suggestions for issues to be included in the 2025 legislation. They also presented a list of possible issues to be considered by the Legislative Committee in the 2025 Legislation.

Ms. Richetts, President of San Antonio Fire & Police Pensioner's Association, presented the Associations' recommendations for issues to be considered by the Health Fund in its Legislative proposals in 2025 (attached). Mr. Trainer and Mr. Franz indicated their support for the Pensioners' recommendations.

5. Administrative Report:

a. Expenses: Mr. Bounds presented the expenditures for the Fund. Upon motion by Trustee Sanchez and second by Trustee Despres, a list of expenses and claims and the draft year-end Financial Report were unanimously approved by the Board.

b. Strategic Business Planning Committee Meeting:

6. Consultant Report:

a. Legal: None.

7. Educational Opportunities:

Upon motion by Trustee Carse and second by Trustee Gutierrez, the Board approved attendance at any of the following educational opportunities:

- Crow Holdings Capital Annual Partner Meeting 2024 Annual Partners Meeting, April 17-18, 2024

8. Next Meeting: The next regularly scheduled meeting will be February 26, 2024 at 10:00 a.m. Board retreat is scheduled for February 13-15, 2024.

ADJOURNMENT: There being no further business, a motion was made by Trustee Silliman and second by Trustee Carse that the meeting adjourn. The motion carried unanimously. The meeting adjourned at 12:00 p.m.

Enclosures

- Financial Statement
- List of approved claims and expenses
- Agenda
- Minutes
- Legislative Draft Issues from Counsel
- Legislative Timeline
- San Antonio Fire & Police Pensioner's Association's recommendations for issues to be considered in 2025 Legislative Proposal.

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CERTIFIED AGENDA OF CLOSED MEETING

HEALTH FUND

I, DOUG BERRY, THE PRESIDING OFFICER OF HEALTH FUND, CERTIFY THAT THIS DOCUMENT ACCURATELY REFLECTS ALL SUBJECTS CONSIDERED IN AN EXECUTIVE SESSION OF THE BOARD CONDUCTED ON JANUARY 29, 2024.

1. The executive session began with the following announcement by the presiding officer: "Health Fund is now in executive session January 29, 2024 at 10:05 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.
3. No further action was taken.
4. The executive session ended with the following announcement by the presiding officer: "This executive session ended on January 29, 2024 at 10:08 a.m."

Presiding Officer

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CERTIFIED AGENDA OF CLOSED MEETING

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1. The executive session began with the following announcement by the presiding officer: "Health Fund is now in executive session January 29, 2024 at 10:59 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 attorney-client discussions on benefits issues.
3. No further action was taken.
4. The executive session ended with the following announcement by the presiding officer: "This executive session ended on January 29, 2024 at 11:57 a.m."

Presiding Officer

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AGENDA
BOARD OF TRUSTEES MEETING
FIRE AND POLICE RETIREE HEALTH CARE FUND
LOCATED AT 11603 W. COKER LOOP, SUITE 210, SAN ANTONIO, TX 78216
Monday, January 29, 2023-10:00 a.m.

Members of the public may provide comment on any Agenda item, consistent with procedural rules governing the Board meetings and state law. Public comment may be provided as follows:

- a. Written: Submit written comments, along with name and address, by emailing them to Leticia Deleon at ldeleon@thefundsa.org by 12:00 p.m. on the day before the meeting. Comments will be read into the record during the designated time on the agenda.
- b. In Person: 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).

1. Call to Order:

2. Roll Call: Doug Berry, Frank Gutierrez, Steven Carse, Chris Lutton, Michael Despres, Jason Sanchez, Councilperson Melissa Cabello Havrda, Councilperson Marc Whyte, Tom Silliman.

3. 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.**

4. Minutes (Discussion and possible action):

- Board Meeting Minutes for December 18, 2023

5. Public Comment
6. Committee Reports (discussion and possible action):
 - a. Investments:
 - b. Personnel/Audit:
 - c. Benefits:
 - Reimbursement to Mrs. Williams
 - d. Legislative:
 - 2025 Draft Legislative Proposals
7. Administrative report (discussion and possible action):
 - a. Draft financial reports and list of expenditures for December 2023
 - b. Discussion of Strategic Business Planning Committee Meeting
8. Consultant Reports (discussion and possible action):
 - a. Legal: Report by Frank Burney
9. Educational Opportunities (discussion and possible action):
 - Crow Holdings Capital Annual Partner Meeting
 - 2024 Annual Partners Meeting April 17-18, 2024
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 order. For those who need assistance due to physical challenges, accommodation can be arranged by contacting James Bounds at 210-494-6500.



**Minutes of the Meeting
of the Board of Trustees of the
Fire and Police Retiree Health Care Fund, San Antonio
December 18, 2023**

PRESENT: Frank Gutierrez, Fire Department Retiree Representative;
Chris Lutton, Police Department Representative;
Mike Despres, Retired Police Representative;
Steve Carse, Fire Department Representative;
Doug Berry, Fire Department Representative;
Jason Sanchez, Police Department Representative; and
Mayoral Appointee Tom Silliman, City of San Antonio.

ABSENT: Councilperson Marc Whyte, City of San Antonio; and
Councilperson Melissa Cabello Havrda, City of San Antonio;

OTHERS PRESENT: James Bounds, Executive Director and Cecilia Puga;
Frank Burney, Martin & Drought, P.C.; and
Melissa Gonzales, Frost Bank.

At 10:30 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 November 27, 2023, were reviewed and unanimously approved upon motion by Trustee Despres and second by Trustee Carse.

EXECUTIVE

SESSION: The Board went into Executive Session at 10:45 a.m. to discuss legal issues regarding attorney-client discussions on benefits and personnel issues. The Executive Session adjourned at 12:00 p.m.

MEMBERS

TO BE

HEARD: None.

ACTION

ITEMS:

1. Investments: Mr. Bounds executed a contract with CBRE pursuant to Investment Committee direction.
2. Personnel/ Audit: No report.
3. Benefits: No report, but Ms. Puga briefed the Board on training the new employees.

4. Legislative: Chair Carse reported that the Legislative Committee had its first meeting to discuss 2025 Legislative Proposals and Timeline. Next meeting will be January 8, 2024.
5. Administrative Report:
 - a. Expenses: Mr. Bounds presented the expenditures for the Fund. Upon motion by Trustee Despres and second by Trustee Sanchez, a list of expenses and claims and the Financial Report were unanimously approved by the Board.
 - b. Strategic Business Planning Committee: Next meeting will be January 18, 2024 at 10:00 a.m. to discuss with F & F the status of pending engagements. (Rx Study; Value of Benefits compared to the market; and operational efficiency).
 - c. 2024 Budget: Mr. Bounds reviewed the proposal budget. Upon motion by Trustee Sanchez and second by Trustee Gutierrez, the 2024 Annual Budget was unanimously approved.
6. Consultant Report:
 - a. Legal: None.
7. Educational Opportunities:

Upon motion by Trustee Silliman and second by Trustee Lutton, the Board approved attendance at any of the following educational opportunities:

 - OPAL: Investment Education Symposium 2024, February 7-9, 2024
 - TEXPERS: TEXPERS 35th Annual Conference, April 7-10, 2024
8. Next Meeting: The next regularly scheduled meeting will be January 29, 2024 at 10:00 a.m.

ADJOURNMENT: There being no further business, a motion was made by Trustee Sanchez and second by Trustee Silliman that the meeting adjourn. The motion carried unanimously. The meeting adjourned at 12:01 p.m.

Enclosures

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



CERTIFIED AGENDA OF CLOSED MEETING

HEALTH FUND

I, DOUG BERRY, THE PRESIDING OFFICER OF HEALTH FUND, CERTIFY THAT THIS DOCUMENT ACCURATELY REFLECTS ALL SUBJECTS CONSIDERED IN AN EXECUTIVE SESSION OF THE BOARD CONDUCTED ON DECEMBER 18, 2023.

1. The executive session began with the following announcement by the presiding officer: "Health Fund is now in executive session December 18, 2023 at 10:30 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 attorney-client discussions on benefits and personnel issues.
3. No further action was taken.
4. The executive session ended with the following announcement by the presiding officer: "This executive session ended on December 18, 2023 at 12:00 p.m."

Presiding Officer

DRAFT ISSUES: TEXAS LEGISLATURE 2025

Fire And Police Retiree Health Care Fund, San Antonio

I. Substantive Changes:

(the “Act” is the governing state statute found in Art. 6243q; the “Retiree Health Plan” is the Board approved plan setting out benefits and requirements.)

A. Obligation of the Pension Fund to Collect Contributions Post-Retirement

The Act requires retirees who retire with less than 30 years of service (and their surviving spouses, if applicable) to continue making contributions until (i) the retiree becomes or would have become eligible for Medicare coverage, or (ii) the 30-year level of contributions are made. The Pension Fund is required by the Act to deduct those contributions from annuity payments made by the Pension Fund. [Section 4.02 (c), (d)]

The recommendation is to remove the requirement that the Pension Fund make the deductions. Instead, the obligation to make the contributions would rest with the retirees/surviving spouses as facilitated by the Health Care Fund, and the contribution for each month must be made by the last day of that month, commencing on the first month following the month in which the retiree retires. Contributions not made in a timely manner would bear interest at the Health Fund’s actuarial rate of return then in effect.

B. Benefits for Widows who Remarry after Retirement

It is our understanding that some retirees have expressed concern over the requirement that widows of retirees who remarry then become ineligible for coverage under the Retiree Health Plan. That provision is not set out in the Act, but rather in the Retiree Health Plan. The Act provides that the Retiree Health Plan may be amended by the Board so long as the Health Fund’s total actuarial unfunded liability is not thereby increased. The recommendation is to amend the Act to give the Board specific authority to amend the Retiree Health Plan to address the remarriage issue regardless of the effect on the actuarial unfunded liability, thereby allowing widows who remarry to continue to receive benefits subject to certain conditions.

C. Members who are Married Couples

The Act requires that members who are married must each make contributions to the Health Fund while they are active, and, if necessary to satisfy the 30 years of service contribution requirement, post-retirement. [Section 4.02 (a)] The recommendation is as follows: (i) for as long as either spouse is an active member, that spouse will be required to continue to make contributions, (ii) upon the retirement of the *first* spouse to retire (Spouse A), Spouse A may elect to become covered under Spouse B’s health insurance with the City, and if such election is

made, Spouse A's obligation to make post-retirement contributions for purposes of satisfying the 30 years of service contribution requirement will be suspended, and (iii) if Spouse A and Spouse B become divorced following Spouse A's retirement, Spouse A's obligation to make contributions to the Fund will resume, beginning in the first month following the month in which the divorce occurs, at the then-current contribution level.

II. Clean-up Changes

A. Retiree Health Plan Coverage of Dependent Children

The Plan currently provides for health coverage for dependent children, subject to certain conditions. The recommendation is to clarify that the Board has authority to set a premium for the coverage.

B. Division of Benefits Upon Divorce

The recommendation is to specifically set out in the Act that benefits payable by the Health Fund do not constitute property divisible upon divorce.

C. Waiver of Right to Receive Benefits

The Act does not specifically provide that a member or other beneficiary may waive his or her rights to receive benefits under the Act post-retirement. The recommendation is to amend the Act to include such a provision. The option will only be available to retirees and dependents.

Fire and Police Retiree Health Care Fund 2025 Legislative Timeline

	Legislation Passed in Austin
Mar - May 2025	Legislative Hearings
Nov 2024	Pre-File Pension Bill in Austin
Oct 2024	Consideration by City Council
Aug 2024	Consideration by Fire, Police and Retirees Associations
July 2024	Initial Draft of Bill Consideration by Health Care Fund Board
Jun 2024	Present Proposal to All Interested Constituents ID Senate and House Sponsors and reach out to them
May 2024	Committee will finalize and approve Proposal- Independent Actuarial Review
Mar - Apr 2024	Committee Will Begin Developing Proposal
Feb 20, 2024 10:00 a.m.	Meet with Fire, Police, Retirees Associations and City of San Antonio Gather input (Pension Fund Offices)



San Antonio Fire and Police Pensioners' Association

Founded in 1970

Charles J Ricketts
President

Bart Moczygmba
Vice President

Jose Carrillo
Recording Secretary

Open
Treasurer

James Baer
Sgt-At-Arms

David Perez
Corresponding Secretary-Fire

Armando Ynostrosa
Corresponding Secretary-Police

Mary Holub
Parliamentarian

January 29th, 2024

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 January 09th, 2024. 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 motion:

Eliminate all references to a surviving spouse losing coverage due to re-marriage.

Eliminate requirement for pre-certification for emergency services which results in admission to the hospital. Emergency services are those from a traumatic injury or an unforeseen medical emergency, resulting in a visit to the emergency room and admission to the hospital for treatment.

Charles J. Ricketts
President
San Antonio Fire and Police Pensioners Association
P.O. Box 461566
San Antonio, TX. 78246
210-452-7553

F&P Retiree Health Care Fund - Calendar
Statement of Plan Net Assets
December 31, 2024

	December 31, 2023	December 31, 2022
ASSETS		
Cash - City	\$ 0.00	\$ 0.00
Cash - Trust	(41,875.44)	0.00
Leasehold Improvements	45,279,218.13	45,640,483.05
Investments - Trust	451,670,700.49	549,641,195.01
Accrued Interest - Trust	2,160,000.00	2,202,612.26
Pre-paid Expenses	36,485.50	36,485.50
	<u>499,104,528.68</u>	<u>597,520,775.82</u>
Total Assets		
LIABILITIES		
Claims Payable	4,895,039.90	4,895,039.90
Accounts Payable	1,244,561.19	1,604,485.39
Security Lending Collateral	0.00	0.00
	<u>6,139,601.09</u>	<u>6,499,525.29</u>
Total Liabilities		
Net Assets Held in Trust	<u>\$ 492,964,927.59</u>	<u>\$ 591,021,250.53</u>

F&P Retiree Health Care Fund - Calendar
 Statement of Changes in Plan Net Assets
 For the Twelve Months Ending December 31, 2023

	Current Month	Current Budget	Year to Date	YTD Budget
Additions				
Contributions:				
City of San Antonio	\$ 3,736,957.35	3,674,000.00	\$ 47,831,824.18	47,765,000.00
Active	1,868,746.79	1,837,000.00	23,920,005.49	23,882,000.00
Retirees less than 30	130,896.75	127,000.00	1,561,442.58	1,520,000.00
COBRA	0.00	4,000.00	59,968.54	45,000.00
Children	54,950.00	48,000.00	640,850.00	567,000.00
Total Contributions	5,791,550.89	5,690,000.00	74,014,090.79	73,779,000.00
Investment Income:				
Interest	137,274.47	179,900.00	1,594,679.91	2,150,000.00
Net Appreciation of Inves	7,927,162.52	2,696,000.00	34,292,792.25	32,220,000.00
Other Income	0.00	2,000.00	114,042.78	20,000.00
Less Investment Expense	(24,293.44)	(23,300.00)	(318,939.43)	(316,000.00)
Net Investment Income	8,040,143.55	2,854,600.00	35,682,575.51	34,074,000.00
Total Additions	13,831,694.44	8,544,600.00	109,696,666.30	107,853,000.00
Deductions				
Members Benefit Paymen	3,231,069.60	3,976,000.00	50,566,487.80	47,702,000.00
COBRA Benefit Payment	1,803.65	5,000.00	11,146.45	45,000.00
Children's Benefit Payme	19,742.53	48,000.00	488,864.87	567,000.00
General and Administrati	(2,235,299.97)	296,750.00	8,247,402.96	3,759,000.00
Total Deductions	1,017,315.81	4,325,750.00	59,313,902.08	52,073,000.00
Net Increase	12,814,378.63	4,218,850.00	50,382,764.22	55,780,000.00