



**Minutes of the Meeting
of the Board of Trustees of the
Fire and Police Retiree Health Care Fund, San Antonio
October 28, 2024**

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;
Councilperson Marc Whyte, City of San Antonio (left at 11:15 a.m.); and
Mayoral Appointee Tom Silliman, City of San Antonio.

ABSENT: Councilperson Melissa Cabello Havrda, City of San Antonio

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

At 10:05 a.m., Chair Berry called the meeting to order. The roll was called, and a quorum was declared present. The minutes from the meeting held on September 30, 2024, was reviewed and unanimously approved upon motion by Trustee Despres and second by Trustee Silliman. The Board recessed the meeting at 11:41 a.m. and reconvened at 1:05 p.m.

EXECUTIVE

SESSION: The Board went into Executive Session at 10:20 a.m. to discuss legal issues regarding litigation and attorney-client matters. The Executive Session adjourned at 11:40 a.m.

The Board went into a second Executive Session at 1:03 p.m. and adjourned at 2:27 p.m.

MEMBERS

TO BE

HEARD: None.

ACTION

ITEMS:

1. Investments: Chair Lutton announced a meeting with investment consultant on November 18, 2024 at 2:30 p.m.

2. Personnel/Audit: None
3. Benefits:
 - a. Capital RX Contract: Ms. Puga reviewed the final Capital RX agreement. Upon motion by Trustee Sanchez and second by Trustee Gutierrez, the Board unanimously approved the Capital RX Contract.
4. Legislative: Mr. Burney reported on status of Legislative proposals. We are still waiting for final actuarial review.
5. Administrative Report:
 - a. Expenses: Mr. Bounds presented the expenditures for the Fund. Upon motion by Trustee Sanchez and second by Trustee Gutierrez, a list of expenses and claims and the Financial Report were unanimously approved by the Board.
 - b. Strategic Business Planning Committee: Meeting to be scheduled.
 - c. 2025 Holiday Schedule and Tentative 2025 Meeting Schedule: Upon motion by Trustee Lutton and second by Trustee Carse, the 2025 Holiday Schedule and the 2025 Meeting Schedule was approved.
6. Consultant Report:
 - a. Legal: Mr. Burney reported that COSA has provided a letter that it would not be making any adjustment to the contributions from COSA and active members for FY 24-25 as requested in a revised letter from actuary.
7. Educational Opportunities:

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

 - OPAL: Public Funds Summit, January 9-10, 2024.
8. Next Meeting: The next regularly scheduled meeting will be November 25, 2024 at 10:00 a.m.

ADJOURNMENT: There being no further business, a motion was made by Trustee Lutton and second by Trustee Gutierrez that the meeting adjourn. The motion carried unanimously. The meeting adjourned at 2:33 p.m.

Enclosures

- Financial Statement
- List of approved claims and expenses
- Agenda
- Minutes
- 2025 Holiday Schedule
- Tentative 2025 Meeting Schedule
- COSA letter regarding contributions

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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 EXECUTIVE SESSIONS OF THE BOARD CONDUCTED ON OCTOBER 28, 2024.

1. Two executive sessions began with the following announcement by the presiding officer: "Health Fund is now in executive session on October 28, 2024 at 10:20 a.m. and a second executive session began at 1:05 p.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 legal issues regarding litigation.
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 28, 2024 at 11:40 a.m. and the second session ended at 2:27 p.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, October 28, 2024-10:00 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 comments 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 including, but not limited to, PBM contractors and City of San Antonio"**
 - 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 September 30, 2024
 5. Public Comment

6. Committee Reports (discussion and possible action):
 - a. Investments:
 - b. Personnel/Audit:
 - c. Benefits:
 - Capital RX Contract to perform prescription benefit management
 - d. Legislative:
 - Update on 2025 Legislative Proposals for the Texas Legislature
7. Administrative report (discussion and possible action):
 - a. Draft financial reports for September 2024
 - b. Discussion of Strategic Business Planning Committee Meeting
 - c. 2025 Holiday Schedule
 - d. Tentative 2025 Meeting Schedule
8. Consultant Reports (discussion and possible action):
 - a. Legal: Report by Frank Burney
9. Educational Opportunities (discussion and possible action):
 - OPAL: Public Funds Summit
January 9-10, 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.

F&P Retiree Health Care Fund - Calendar
Statement of Plan Net Assets
September 30, 2024

September 30, 2024

December 31, 2023

ASSETS

Cash - City	\$	0.00	\$	0.00
Cash - Trust		516,299.81		0.00
Leasehold Improvements		45,010,595.49		45,371,860.41
Investments - Trust		585,576,891.84		537,868,897.86
Accrued Interest - Trust		2,461,484.25		1,898,302.26
Pre-paid Expenses		1,294,585.50		40,985.50
		<hr/>		<hr/>
Total Assets		634,859,856.89		585,180,046.03
		<hr/>		<hr/>

LIABILITIES

Claims Payable		4,984,016.05		4,895,039.90
Accounts Payable		1,105,339.48		1,391,505.91
Security Lending Collateral		0.00		0.00
		<hr/>		<hr/>
Total Liabilities		6,089,355.53		6,286,545.81
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Net Assets Held in Trust	\$	<u>628,770,501.36</u>	\$	<u>578,893,500.22</u>
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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, 2024

	Current Month	Current Budget	Year to Date	YTD Budget
Additions				
Contributions:				
City of San Antonio	\$ 3,854,639.02	4,136,000.00	\$ 38,348,240.12	37,224,000.00
Active	1,929,856.83	2,068,800.00	19,176,811.42	18,619,200.00
Retirees less than 30	125,013.75	136,500.00	1,156,990.00	1,228,500.00
COBRA	0.00	4,000.00	29,353.88	36,000.00
Children	60,550.00	55,500.00	523,250.00	499,500.00
Total Contributions	<u>5,970,059.60</u>	<u>6,400,800.00</u>	<u>59,234,645.42</u>	<u>57,607,200.00</u>
Investment Income:				
Interest	284,078.76	179,100.00	1,796,315.06	1,611,900.00
Net Appreciation of Inves	6,712,240.19	2,747,900.00	41,347,107.52	24,731,100.00
Other Income	0.00	1,660.00	133,499.11	14,940.00
Less Investment Expense	<u>(32,333.33)</u>	<u>(29,660.00)</u>	<u>(250,599.97)</u>	<u>(256,140.00)</u>
Net Investment Income	<u>6,963,985.62</u>	<u>2,899,000.00</u>	<u>43,026,321.72</u>	<u>26,101,800.00</u>
Total Additions	<u>12,934,045.22</u>	<u>9,299,800.00</u>	<u>102,260,967.14</u>	<u>83,709,000.00</u>
Deductions				
Members Benefit Paymen	5,640,958.65	4,050,000.00	46,638,476.28	36,450,000.00
COBRA Benefit Payment	3,662.80	3,900.00	39,768.55	35,100.00
Children's Benefit Payme	30,088.62	55,600.00	500,159.44	500,400.00
General and Administrati	<u>278,170.93</u>	<u>319,850.00</u>	<u>5,205,561.73</u>	<u>2,878,650.00</u>
Total Deductions	<u>5,952,881.00</u>	<u>4,429,350.00</u>	<u>52,383,966.00</u>	<u>39,864,150.00</u>
Net Increase	<u>6,981,164.22</u>	<u>4,870,450.00</u>	<u>49,877,001.14</u>	<u>43,844,850.00</u>



**Minutes of the Meeting
of the Board of Trustees of the
Fire and Police Retiree Health Care Fund, San Antonio
September 30, 2024**

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;
Mayoral Appointee Tom Silliman, City of San Antonio.

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

OTHERS PRESENT: James Bounds, Executive Director;
Cecilia Puga Retiree Health Care;
Frank Burney, Martin & Drought, P.C.;
Steve Klein, Frost Bank; and
Victoria Roeder, COSA.

At 10:00 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 August 26, 2024, were reviewed and unanimously approved upon motion by Trustee Carse and second by Trustee Silliman.

EXECUTIVE

SESSION: The Board went into Executive Session at 10:41 a.m. to discuss legal issues regarding litigation and competitive bidding. The Executive Session adjourned at 11:02 a.m.

**MEMBERS
TO BE**

HEARD: A representative of the Fire Fighter Union asked when the actuarial report will be completed.

**ACTION
ITEMS:**

1. Investments: No report. Next meeting will be November 18, 2024 at 2:30 p.m.

2. Personnel/ Audit:

- a. Garza & Gonzalez: Presentation of the audit as of December 31, 2023 by Garza Gonzalez. Jason Hyde presented an unqualified opinion (no adjustments, no difficulties, and no control matters). Upon motion by Trustee Sanchez and second by Trustee Despres, the 2023 Audit was accepted.
- b. Foster & Foster: Acceptance of Actuarial Evaluation performed by Foster & Foster. Mr. Bounds reported on the actuarial report showing years to 100% funding (roughly the same) and slight loss in investment return. Upon motion by Trustee Sanchez and second by Trustee Gutierrez, the 2023 actuarial report was unanimously approved.
- c. Levi Ray & Shoup, Inc.: Ratification of Customer Agreement/Contract with Levi Ray & Shoup, Inc. for design, and hosting of Member information/contributions as recommended by the Benefits Committee. Upon motion by Trustee Sanchez and second by Trustee Despres, the Levi Ray & Shoup, Inc. contract was unanimously approved.

3. Benefits:

- a. Capital RX Contract: Prescription Benefit Management. No action.
- b. Precertification Requirements: Benefit Committee recommended changes to precertification requirements. Ms. Puga recommended (i) no precertification required if member is enrolled in Medicare Part A and B and procedure paid for by Medicare and (ii) no precertification for routine colonoscopy. Upon motion by Trustee Despres and seconded by Trustee Carse, the Plan Document was amended.
- c. Bearden: Appeal. Ms. Puga reported that five (5) doctors performed a review of Ms. Bearden's request for orthopedic process and stated that the procedure was experimental, investigational, or unproven. Benefits Committee reviewed these reports and recommended that inclusion of procedure be denied (2-1). Upon motion by Trustee Sanchez and second by Trustee Silliman, the appeal was denied. (Despres voting No).
- d. Children's Rates: Children's Rates for 2025. Mr. Bounds presented a report that the children's rates for 2025 remain at \$350.00 per month. Upon Motion by Trustee Sanchez and second by Trustee Lutton, the rate of \$350.00 for children's coverage was approved.

- e. COBRA: COBRA rates for 2025. Mr. Bounds presented an increase in the COBRA rates for 2025 to \$831.02 per person. Upon motion by Trustee Sanchez and second by Trustee Despres, the rate of \$831.02 per person was approved.

4. Legislative:

- a. 2025 Legislative Proposals: None.

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 Financial Report were unanimously approved by the Board.
- b. Strategic Business Planning Committee Meeting: None.
- c. Rogers Road: Sale of Building #6. Upon motion by Trustee Sanchez and second by Trustee Despres, the sale of Building #6 was unanimously approved by the Board.

6. Consultant Report:

- a. Legal: Frank Burney – no report.

7. Educational Opportunities:

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

- FS Investments + Portfolio Advisors Annual General Meeting; December 4-5, 2024

- 8. Next Meeting: The next regularly scheduled meeting will be October 28, 2024 at 10:00 a.m.

ADJOURNMENT: There being no further business, a motion was made by Trustee Gutierrez and second by Trustee Silliman that the meeting adjourn. The motion carried unanimously. The meeting adjourned at 11:09 a.m.

Enclosures

- Financial Statement
- List of approved claims and expenses
- Agenda
- Minutes
- 12/31/23 Audit
- 2025 Children's Rates
- FY 24-25 Contributions from active member and COSA
- FY 24-25 Adjustments for Max Deductible and out-of-pocket payments

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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 SEPTEMBER 30, 2024.

1. The executive session began with the following announcement by the presiding officer: "Health Fund is now in executive session September 30, 2024 at 10:41 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 legal issues and competitive bidding.
3. No further action was taken.
4. The executive session ended with the following announcement by the presiding officer: "This executive session ended on September 30, 2024 at 11:02 a.m."

Presiding Officer

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**Fire and Police Retiree Health Care Fund
2025 Holiday Schedule**

<i>Holiday</i>	<i>Day</i>	<i>Date</i>
<i>New Year's Day</i>	<i>Wednesday</i>	<i>January 1, 2025</i>
<i>Martin Luther King Jr Day</i>	<i>Monday</i>	<i>January 20, 2025</i>
<i>President's Day</i>	<i>Monday</i>	<i>February 17, 2025</i>
<i>Good Friday</i>	<i>Friday</i>	<i>April 18, 2025</i>
<i>Fiesta San Jacinto Day</i>	<i>Friday</i>	<i>May 2, 2025</i>
<i>Memorial Day</i>	<i>Monday</i>	<i>May 26, 2025</i>
<i>Independence Day</i>	<i>Friday</i>	<i>July 4, 2025</i>
<i>Labor Day</i>	<i>Monday</i>	<i>September 1, 2025</i>
<i>Veteran's Day</i>	<i>Tuesday</i>	<i>November 11, 2025</i>
<i>Thanksgiving Day</i>	<i>Thursday</i>	<i>November 27, 2025</i>
<i>Day after Thanksgiving Day</i>	<i>Friday</i>	<i>November 28, 2025</i>
<i>Christmas Day</i>	<i>Thursday</i>	<i>December 25, 2025</i>
<i>Christmas Holiday</i>	<i>Friday</i>	<i>December 26, 2025</i>

**The Fund Retiree Health & Wellness San Antonio Fire and Police
2025 Meeting Schedule**

JANUARY 2025

Monday, January 27 Board Meeting 10:00 am

FEBRUARY 2025

Tuesday, February 18 Annual Workshop

Wednesday, February 19 Annual Workshop

Thursday, February 20 Annual Workshop

Monday, February 24 Board Meeting 10:00 am

MARCH 2025

Wednesday, March 5 Benefits Committee 10:00 am

Monday, March 31 Board Meeting 10:00 am

APRIL 2025

Wednesday, April 9 Legislative Committee 10:00 am

Monday, April 28 Board Meeting 10:00 am

MAY 2025

Wednesday, May 7 Investment Committee 10:00 am

Tuesday, May 27 Board Meeting 10:00 am

JUNE 2025

Wednesday, June 4 Benefits Committee 10:00 am

Monday, June 30 Board Meeting 10:00 am

JULY 2025

Wednesday, July 9 Personnel/Audit Committee 10:00 am

Monday, July 28 Board Meeting 10:00 am

AUGUST 2025

Wednesday, August 6 Investment Committee 10:00 am

Monday, August 25 Board Meeting 10:00 am

SEPTEMBER 2025

Wednesday, September 10 Benefits Committee 10:00 am

Monday, September 29 Board Meeting 10:00 am

OCTOBER 2025

Wednesday, October 1 Legislative Committee 10:00 am

Monday, October 27 Board Meeting 10:00 am

NOVEMBER 2025

Monday, November 17 Investment Committee 10:00 am

Monday, November 24 Board Meeting 10:00 am

DECEMBER 2025

Wednesday, December 3 Benefits Committee 10:00 am

Monday, December 15 Board Meeting 10:00 am



CITY OF SAN ANTONIO

October 22, 2024

Board of Trustees
Fire and Police Retiree Health
Care Fund, San Antonio
11603 W. Coker Loop, St. 130
San Antonio, Texas 78216

Re: Contributions for Fiscal Year 2024-2025 to the Retirement Health Trust for Firefighters and Police Officers ("Fund")

Dear Board Members:

We are writing in response to the letters addressed to the Board of Trustees Fire and Police Retiree Health Care Fund, San Antonio dated August 12, 2024, which is attached hereto as Attachment A, and dated September 23, 2024, which is attached as Attachment B. As set forth in each letter, the letters purport to contain the contribution rates for the members of the Fund, as well as for the City of San Antonio for each fiscal year. The contribution amounts for each fiscal year are determined in advance of the fiscal year, so that the City of San Antonio may properly allocate in its fiscal year budget its contribution amount.

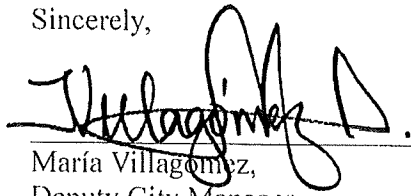
Each budget cycle the City of San Antonio undertakes a lengthy process to set forth a budget that is considered by many stakeholders. That process begins in April with the presentation of a trial budget, which takes into account an approximate increase in the contribution rate to the Fund. It ends with the adoption of the Budget, which this year occurred on September 19, 2024. During that process, changes were made to the Budget that reflect the input of various constituencies. When Attachment A was received on August 12, 2024, the Budget was revised to include the calculated contributions for the City of San Antonio to the Fund. As mentioned above, the City Council for the City of San Antonio adopted a Budget with those specific contribution rates for the City on September 19, 2024.

On or after September 23, 2024, the City of San Antonio was made aware of the revised contribution rates suggested by Foster & Foster in Attachment B. These contribution rates were intended to address changes to the pay structure of Firefighters set forth in the Collective Bargaining Agreement that was approved by the City Council on September 19, 2024 and became effective on October 1, 2024. The changes in the contribution rates impact the Police and Fire Budgets.

In order to include new contribution rates, the City of San Antonio would be required to amend the Budget and make cuts to services that were not originally contemplated when the Budget was adopted on September 19, 2024. The City of San Antonio does not intend to move forward with amendments to the Fiscal Year 2025 Budget; instead, the City of San Antonio will incorporate the contribution rates calculated next summer as part of the proposed Fiscal Year 2026 Budget.

If you have any questions regarding this letter, please feel free to contact me.

Sincerely,



Maria Villagomez,
Deputy City Manager

CC: Colleen M. Atchinson, FSA, MAAA
Foster & Foster
Actuaries and Consultants
870 S. Denton Tap Road, Suite 250
Coppell, TX 75019

August 12, 2024

Attachment A

Board of Trustees
Fire and Police Retiree Health
Care Fund, San Antonio
11603 W. Coker Loop, St. 130
San Antonio, TX 78216

Re: *Contributions for Fiscal Year 2024-2025*

Board Members:

The State Law of Texas Article 6243q, Article 5, Section 4.02 governing the Retirement Health Trust for Firefighters and Police Officers ("Fund") defines how contribution amounts to the Fund are determined each fiscal year, including the contribution rates for the members of the Fund and for the City of San Antonio. The contribution amounts for each fiscal year have been determined in advance of the fiscal year by the Fund's actuary based on the above-referenced state law.

This letter provides documentation supporting the contribution amounts for fiscal year 2024-2025. The table below compares the amounts for 2024-2025 to those for 2023-2024.

	FY 2023-2024	FY 2024-2025	Increase
Biweekly Contributions per member			
• Fire and Police members	\$226.27	\$231.58	2.3%
• City of San Antonio	\$452.53	\$463.17	2.4%
Monthly Contributions for retirees with less than 30 years of service	\$490.25	\$501.76	2.3%

The included Appendix follows the two key sections of the state law governing the Fund that have been in effect each year since October 1, 2007 (Sections 4.02 and 4.021) and a third key section that has resulted in increases in the contribution rates in certain years since 2017 (Section 4.022). The first steps were to determine the estimated average member biweekly pay, one for the police and one for the firefighters, for the upcoming fiscal year reflecting anticipated pay increases. The current collective bargaining agreement for the police includes a 4.0% across-the-board wage increase effective April 1, 2025. Currently, there is no collective bargaining agreement in place for firefighters as of January 1, 2025, so a flat salary was assumed for 2024-2025 for firefighters. Then the weighted average was determined for both police and firefighters together.

Section 4.022 was added to the state law governing the Fund in 2007 and gave 10 years to see if the original contribution rate of 9.4% for the city and the 4.7% contribution rate for the fire and police members (after an initial five-year phase in) would be adequate both to pay the Fund's normal cost and to amortize the Fund's unfunded actuarial accrued liability (UAAL) in 30 years or less. If not, then the city and member contribution rates would be mandatorily increased as often as annually commencing October 1, 2017 based on the then most recent actuarial valuation of the Fund. The maximum increase for a year is 10%.

The most recently completed actuarial valuation is as of January 1, 2023. That report, dated September 5, 2023, indicated no additional increase in the contribution rates beginning October 1, 2024 is required. There have previously been four 10% increases and a 3.9% increase as a result of Section 4.022. Without any additional contribution rate increases since October 1, 2021, the UAAL amortization period was 15 years in the January 1, 2023 actuarial valuation. Therefore, the total contribution as a percentage of pay remains at 21.45% and is unchanged from the prior year.

I certify that I am a member of the Society of Actuaries and the American Academy of Actuaries, and meet the Qualification Standards to make the actuarial opinions contained in this letter.

Please let us know if you have any questions.

Sincerely,



Colleen M. Atchison, FSA, MAAA

Appendix

Contributions for Fiscal Year 2024-2025 According to the Essence of Sections 4.02, 4.021, and 4.022 of Article 6243q, Vernon's Texas Civil Statutes

The City of San Antonio provided a file containing the base pay plus longevity amounts for each member of the Fund for the biweekly pay period ending on June 7, 2024. Foster & Foster Actuaries and Consultants, as the plan actuary, determined the total of the biweekly pay for all members who were active throughout the pay period. The totals below exclude any members who became inactive or withdrew during the pay period.

		Police	Fire	Total
(1)	Biweekly base pay plus longevity amounts paid on June 7, 2024 to active members	\$ 8,178,696	\$ 5,332,562	\$ 13,511,258
(2)	Number of active members	2,444	1,778	4,222
(3)	Average member biweekly pay in June 7, 2024 payroll, (1) ÷ (2)	\$ 3,346.44	\$ 2,999.19	\$ 3,200.20
(4)	Estimated annual increase in biweekly pay for fiscal year*	2.000%	0.000%	
(5)	Estimated average member biweekly pay in fiscal year 2024-2025, (3) increased by (4)	\$ 3,413.37	\$ 2,999.19	\$ 3,238.95
(6)	Biweekly contributions to the Fund for fiscal year 2024-2025			
	(a) Members, (5) x 7.15%			\$ 231.58
	(b) City, (5) x 14.30%			\$ 463.17
(7)	Monthly contributions to the Fund fiscal year 2024-2025 for retirees with less than 30 years of service, (6a) x 26 ÷ 12			\$ 501.76

* The current collective bargaining agreement for police has a 4.0% across-the-board wage increase effective April 1, 2025. Since there is no January 1, 2025 collective bargaining agreement in place for firefighters at the time of this calculation, a flat salary rate was assumed for firefighters throughout 2024-2025. The estimated increases shown in Item 4 reflect the portion of the fiscal year the across-the-board increases will be in effect.

September 23, 2024

Attachment B

Board of Trustees
Fire and Police Retiree Health
Care Fund, San Antonio
11603 W. Coker Loop, St. 130
San Antonio, TX 78216

Re: *Contributions for Fiscal Year 2024-2025 – Updated to Reflect Firefighters Collective Bargaining Agreement Effective October 1, 2024*

Board Members:

The State Law of Texas Article 6243q, Article 5, Section 4.02 governing the Retirement Health Trust for Firefighters and Police Officers (“Fund”) defines how contribution amounts to the Fund are determined each fiscal year, including the contribution rates for the members of the Fund and for the City of San Antonio. The contribution amounts for each fiscal year have been determined in advance of the fiscal year by the Fund’s actuary based on the above-referenced state law.

This letter provides documentation supporting the contribution amounts for fiscal year 2024-2025. The table below compares the amounts for 2024-2025 to those for 2023-2024.

	FY 2023-2024	FY 2024-2025	Increase
Biweekly Contributions per member			
• Fire and Police members	\$226.27	\$237.91	5.1%
• City of San Antonio	\$452.53	\$475.81	5.1%
Monthly Contributions for retirees with less than 30 years of service	\$490.25	\$515.47	5.1%

The included Appendix follows the two key sections of the state law governing the Fund that have been in effect each year since October 1, 2007 (Sections 4.02 and 4.021) and a third key section that has resulted in increases in the contribution rates in certain years since 2017 (Section 4.022). The first steps were to determine the estimated average member biweekly pay, one for the police and one for the firefighters, for the upcoming fiscal year reflecting anticipated pay increases. The current collective bargaining agreement for the police includes a 4.0% across-the-board wage increase effective April 1, 2025. The current collective bargaining agreement for firefighters includes a 7.0% wage increase effective October 1, 2024. Then the weighted average was determined for both police and firefighters together.

Section 4.022 was added to the state law governing the Fund in 2007 and gave 10 years to see if the original contribution rate of 9.4% for the city and the 4.7% contribution rate for the fire and police members (after an initial five-year phase in) would be adequate both to pay the Fund's normal cost and to amortize the Fund's unfunded actuarial accrued liability (UAAL) in 30 years or less. If not, then the city and member contribution rates would be mandatorily increased as often as annually commencing October 1, 2017 based on the then most recent actuarial valuation of the Fund. The maximum increase for a year is 10%.

The most recently completed actuarial valuation is as of January 1, 2023. That report, dated September 5, 2023, indicated no additional increase in the contribution rates beginning October 1, 2024 is required. There have previously been four 10% increases and a 3.9% increase as a result of Section 4.022. Without any additional contribution rate increases since October 1, 2021, the UAAL amortization period was 15 years in the January 1, 2023 actuarial valuation. Therefore, the total contribution as a percentage of pay remains at 21.45% and is unchanged from the prior year.

I certify that I am a member of the Society of Actuaries and the American Academy of Actuaries, and meet the Qualification Standards to make the actuarial opinions contained in this letter.

Please let us know if you have any questions.

Sincerely,



Colleen M. Atchison, FSA, MAAA

Appendix

Contributions for Fiscal Year 2024-2025 According to the Essence of Sections 4.02, 4.021, and 4.022 of Article 6243q, Vernon's Texas Civil Statutes

The City of San Antonio provided a file containing the base pay plus longevity amounts for each member of the Fund for the biweekly pay period ending on June 7, 2024. Foster & Foster Actuaries and Consultants, as the plan actuary, determined the total of the biweekly pay for all members who were active throughout the pay period. The totals below exclude any members who became inactive or withdrew during the pay period.

		Police	Fire	Total
(1)	Biweekly base pay plus longevity amounts paid on June 7, 2024 to active members	\$ 8,178,696	\$ 5,332,562	\$ 13,511,258
(2)	Number of active members	2,444	1,778	4,222
(3)	Average member biweekly pay in June 7, 2024 payroll, (1) ÷ (2)	\$ 3,346.44	\$ 2,999.19	\$ 3,200.20
(4)	Estimated annual increase in biweekly pay for fiscal year*	2.000%	7.000%	
(5)	Estimated average member biweekly pay in fiscal year 2024-2025, (3) increased by (4)	\$ 3,413.37	\$ 3,209.13	\$ 3,327.36
(6)	Biweekly contributions to the Fund for fiscal year 2024-2025			
	(a) Members, (5) x 7.15%			\$ 237.91
	(b) City, (5) x 14.30%			\$ 475.81
(7)	Monthly contributions to the Fund fiscal year 2024-2025 for retirees with less than 30 years of service, (6a) x 26 ÷ 12			\$ 515.47

* The current collective bargaining agreement for police has a 4.0% across-the-board wage increase effective April 1, 2025. The current collective bargaining agreement for firefighters has a 7.0% across-the-board wage increase effective October 1, 2024. The estimated increases shown in Item 4 reflect the portion of the fiscal year the across-the-board increases will be in effect.