

**Minutes of the Meeting
of the Board of Trustees of the
Fire and Police Retiree Health Care Fund, San Antonio
January 27, 2025**

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;
Mayoral Appointee Tom Silliman, City of San Antonio.

ABSENT: Councilperson Melissa Cabello Havrda, City of San Antonio.

OTHERS James Bounds, Executive Director;
PRESENT: Cecilia Puga Retiree Health Care; and
Frank Burney, Martin & Drought, P.C.
Melanie Keeton, Department of Finance Director, COSA.
Charlie Ricketts, Retirees Association.

At 10:02 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 16, 2025, were reviewed and unanimously approved upon motion by Trustee Sanchez and second by Trustee Carse.

EXECUTIVE

SESSION: The Board went into Executive Session at 10:31 a.m. to discuss legal issues regarding litigation and benefits. The Executive Session adjourned at 11:30 a.m.

**MEMBERS
TO BE**

HEARD: Retiree Association President Ricketts urged its members to encourage Fire Union to support Legislative Proposals.

**ACTION
ITEMS:**

1. Investments: Chair Berry reported on a due diligence review of managers based in New York City. Special attention was given to Portfolio Advisors, which was recently purchased by another firm.
2. Personnel/ Audit: Chair Sanchez reported on the annual evaluation of

Executive Director which was sent to all Trustees.

3. Benefits:

- a. Next Level Prime: Submitted an introductory presentation on its qualifications. The Board asked for further investigation on options for emergency and after-hours care.
- b. Health-by-Design: Chair Despres reported on his attendance at an “Ambassador” outreach by Health-by-Design.

4. Legislative:

- a. 2025 Legislative Proposals: Chair Carse reported on the trip for the opening of the Texas Legislature and visit with entire delegation. Mr. Burney reported on IGR Meeting that supports Council approval of the Health Fund Legislative Proposal.

5. Administrative Report:

- a. Expenses: Mr. Bounds presented the expenditures for the Fund. Upon motion by Trustee Despres and second by Trustee Lutton, a list of expenses and claims and the Financial Report were unanimously approved by the Board.
- b. Strategic Business Planning Committee: The Committee requested that the actuary determine any actuarial impact of lifetime maximums.
- c. Schertz Parkway Building #2: Mr. Bounds reported on a \$1.4M offer to purchase Building #2. Upon motion by Trustee Sanchez and second by Trustee Silliman, the contract was unanimously approved.

6. Consultant Report:

- a. Legal: No report.

7. Educational Opportunities:

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

- OPAL: Investment Education Symposium 2025, February 26-28, 2025.
- 2025 Kayne Anderson Real Estate Investor Conference, April 3-4, 2025.

8. Next Meeting: The next regularly scheduled meeting will be February 24, 2025 at 10:00 a.m. The March meeting has been rescheduled for March 24, 2025. The Annual Retreat will be held on February 18-20, 2025.

ADJOURNMENT: There being no further business, a motion was made by Trustee Despres and second by Trustee Silliman that the meeting adjourn. The motion carried unanimously. The meeting adjourned at 11:31 a.m.

Enclosures

- Financial Statement
- List of approved claims and expenses
- Agenda
- Minutes
- Next Level Presentation

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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 27, 2025.

1. The executive session began with the following announcement by the presiding officer: "Health Fund is now in executive session January 27, 2025 at 10:31 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 litigation and benefits.
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 27, 2025 at 11:30 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 27, 2025-10:00 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 December 16, 2024
 5. Public Comment

6. Committee Reports (discussion and possible action):
 - a. Investments:
 - b. Personnel/Audit:
 - c. Benefits:
 - d. Legislative:
 - Update on 2025 Legislative Proposals for the Texas Legislature
7. Administrative report (discussion and possible action):
 - a. Draft financial reports for December 2024
 - b. Discussion of Strategic Business Planning Committee Meeting
 - c. Ratification of contract for sale of Schertz Parkway Building #2
8. Consultant Reports (discussion and possible action):
 - a. Legal: Report by Frank Burney
 - initiation of litigation against WelldyneRx, a Florida LLC, for default and breach of PBM Service Agreement with the Health Fund.
9. Educational Opportunities (discussion and possible action):
 - OPAL: Investment Education Symposium 2025
February 26-28, 2025
 - 2025 Kayne Anderson Real Estate Investor Conference
April 3-4, 2025
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 16, 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; 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;
Cecilia Puga Retiree Health Care;
Frank Burney, Martin & Drought, P.C.;
Victoria Roeder, COSA;
Charlie Ricketts and Michael Trainer, Retirees Association; and
Robert McConaughy, Local 124 Fire Fighters Union.

At 1:03 p.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 25, 2024, were reviewed and unanimously approved upon motion by Trustee Despres and second by Trustee Carse.

EXECUTIVE SESSION: The Board went into Executive Session at 1:45 p.m. to discuss legal issues regarding litigation and benefit issues. The Executive Session adjourned at 2:52 p.m.

MEMBERS TO BE HEARD: Charlie Ricketts expressed the Retirees' support for the Health Fund's Legislative proposals.

ACTION ITEMS:

1. Investments: Chair Lutton advised the Board of directive by Meketa to fully explore the selection of CBRE Open-ended Real Estate for placement of \$10M.

2. Personnel/ Audit: None.
3. Benefits:
 - a. Plan Design: Board directed staff to address pricing of high cost therapy generics and publish to members under plan recommended by CapitalRx.
4. Legislative:
 - a. 2025 Legislative Proposals Update: Upon motion by Trustee Lutton and second by Trustee Despres, the 2025 Legislative Proposals were unanimously approved. Mr. Burney reported on outreach to Local 124 and COSA relating to their support. SAPOA and Retirees Association have provided letters of support. Legislative drafts have been provided to House and Senate potential authors.
5. Administrative Report:
 - a. Expenses: Mr. Bounds presented the expenditures for the Fund. Upon motion by Trustee Sanchez and second by Trustee Silliman, a list of expenses and claims and the Financial Report were unanimously approved by the Board.
 - b. Strategic Business Planning Committee Meeting: None.
 - c. Budget for Fiscal Year 2025: Upon motion by Trustee Sanchez and second by Trustee Despres, the Budget for FY2025 was unanimously approved.
 - d. Agreement of Understanding with Garza & Gonzalez: Auditor has proposed a new compensation proposal for future audits (approximately \$32,000.00 annually). It will be an engagement at hourly rates on an “evergreen” basis.
6. Consultant Report:
 - a. Legal: No report.
7. Educational Opportunities:

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

- TEXPERS: Legislative Workshop, February 4-5, 2025.

8. Next Meeting: The next regularly scheduled meeting will be January 27, 2025 at 10:00 a.m.

ADJOURNMENT: There being no further business, a motion was made by Trustee Sanchez and second by Trustee Carse that the meeting adjourn. The motion carried unanimously. The meeting adjourned at 2:53 p.m.

Enclosures

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

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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 DECEMBER 16, 2024.

1. The executive session began with the following announcement by the presiding officer: "Health Fund is now in executive session December 16, 2024 at 1:45 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 relating to litigation and 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 December 16, 2024 at 2:52 p.m."

Presiding Officer

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

December 31, 2024 December 31, 2023

ASSETS

Cash - City	\$	0.00	\$	0.00
Cash - Trust		0.00		0.00
Leasehold Improvements		45,179,271.96		45,371,860.41
Investments - Trust		616,070,241.11		537,868,897.86
Accrued Interest - Trust		3,169,168.41		1,898,302.26
Pre-paid Expenses		57,806.87		40,985.50
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Total Assets		664,476,488.35		585,180,046.03
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LIABILITIES

Claims Payable		5,191,924.20		4,895,039.90
Accounts Payable		1,010,174.52		1,391,505.91
Security Lending Collateral		0.00		0.00
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Total Liabilities		6,202,098.72		6,286,545.81
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Net Assets Held in Trust	\$	<u>658,274,389.63</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 Twelve Months Ending December 31, 2024

	Current Month	Current Budget	Year to Date	YTD Budget
Additions				
Contributions:				
City of San Antonio	\$ 3,988,602.19	4,155,000.00	\$ 50,319,680.60	49,651,000.00
Active	1,994,489.86	2,069,200.00	25,162,696.69	24,826,000.00
Retirees less than 30	117,691.16	141,500.00	1,528,292.40	1,643,000.00
COBRA	6,343.36	4,000.00	48,108.98	48,000.00
Children	61,250.00	57,500.00	706,650.00	668,000.00
Total Contributions	<u>6,168,376.57</u>	<u>6,427,200.00</u>	<u>77,765,428.67</u>	<u>76,836,000.00</u>
Investment Income:				
Interest	740,904.75	179,900.00	2,918,121.55	2,150,000.00
Net Appreciation of Inves	15,810,879.62	2,763,100.00	65,936,366.30	32,990,000.00
Other Income	17.33	1,740.00	329,773.90	20,000.00
Less Investment Expense	<u>(26,583.33)</u>	<u>(26,540.00)</u>	<u>(336,282.12)</u>	<u>(342,000.00)</u>
Net Investment Income	<u>16,525,218.37</u>	<u>2,918,200.00</u>	<u>68,847,979.63</u>	<u>34,818,000.00</u>
Total Additions	<u>22,693,594.94</u>	<u>9,345,400.00</u>	<u>146,613,408.30</u>	<u>111,654,000.00</u>
Deductions				
Members Benefit Paymen	4,772,186.57	4,050,200.00	62,144,336.80	48,600,200.00
COBRA Benefit Payment	1,772.45	5,100.00	40,660.83	48,000.00
Children's Benefit Payme	29,550.82	56,400.00	709,687.05	668,000.00
General and Administrati	<u>267,951.37</u>	<u>330,650.00</u>	<u>4,337,834.21</u>	<u>3,849,000.00</u>
Total Deductions	<u>5,071,461.21</u>	<u>4,442,350.00</u>	<u>67,232,518.89</u>	<u>53,165,200.00</u>
Net Increase	<u>17,622,133.73</u>	<u>4,903,050.00</u>	<u>79,380,889.41</u>	<u>58,488,800.00</u>