

**Minutes of the Meeting
of the Board of Trustees of the
Fire and Police Retiree Health Care Fund, San Antonio
August 25, 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; and
Jason Sanchez, Police Department Representative.

ABSENT: Councilperson Marc Whyte, City of San Antonio; and
Mayor Gina Jones, City of San Antonio.

OTHERS James Bounds, Executive Director, and Cecilia Puga, Retiree Health Care;
PRESENT: Frank Burney & Jon Lowe, Martin & Drought, P.C.;
Melanie Keeton, COSA;
Steve Klein, Frost National Bank; and
Michael Trainer, Retirees Association.

At 10:00 a.m., Chair Berry called the meeting to order. The roll was called, and a quorum was declared present. After a correction as to educational opportunities, the minutes from the meetings held on July 28, 2025, were reviewed and unanimously approved upon motion by Trustee Despres and second by Trustee Carse.

EXECUTIVE

SESSION: The Board went into Executive Session at 10:20 a.m. to discuss legal issues regarding litigation and benefits. The Executive Session adjourned at 11:30 a.m.

**MEMBERS
TO BE**

HEARD: Ms. Keeton provided an update on the Administrative Services Agreement with COSA and providing personnel records.

**ACTION
ITEMS:**

1. Investments: Chair Lutton reported on investments. Consultant is recommending some changes in investment allocations with final recommendations in November. Tentative next meeting: November 6, 2025 at 1:00 p.m.

2. Personnel/ Audit:

- a. Update on 2024 Audit: Mr. Bounds reported that Audit is waiting for actuarial report.

3. Benefits: None.

4. Legislative: Special Session is underway. SB 15 addressed access to personnel files of police.

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: None.

6. Consultant Report:

- a. Legal: None.

- b. Actuarial Assumptions: Foster & Foster provided its recommendations for changes to Actuarial Assumptions. Upon motion by Trustee Sanchez and second by Trustee Carse, the proposed changes in actuarial assumptions were unanimously approved.

7. Educational Opportunities:

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

- 2026 Constitution Capital Annual Meeting, May 18-21, 2026
- Iron Point Partners: Annual Investor Meeting, October 15, 2025

8. Next Meeting: The next regularly scheduled meeting will be September 29, 2025 at 10:00 a.m.

Upon motion by Trustee Lutton and second by Trustee Despres, the November Board meeting was unanimously changed to Monday, November 17, 2025 at 10:00 a.m.

ADJOURNMENT: There being no further business, a motion was made by Trustee Despres and second by Trustee Sanchez that the meeting adjourn. The motion carried unanimously. The meeting adjourned at 11:40 a.m.

Enclosures

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

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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 MEETING CONDUCTED ON AUGUST 25, 2025.

1. The executive session began with the following announcement by the presiding officer: "Health Fund is now in executive session August 25, 2025 at 10:20 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 legislative, contractual, litigation, tax qualification and benefit 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 August 25, 2025 at 11:30 a.m."

Presiding Officer

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F&P Retiree Health Care Fund - Calendar
Statement of Plan Net Assets
July 31, 2025

July 31, 2025 December 31, 2024

ASSETS

Cash - City	\$	0.00	\$	0.00
Cash - Trust		527,426.90		0.00
Leasehold Improvements		42,505,181.56		43,762,569.84
Investments - Trust		629,522,021.79		595,756,606.07
Accrued Interest - Trust		2,387,072.09		3,350,681.02
Pre-paid Expenses		1,345,662.91		50,806.87
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Total Assets		676,287,365.25		642,920,663.80
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LIABILITIES

Claims Payable		5,951,515.65		6,099,542.73
Accounts Payable		962,516.31		1,411,297.97
Security Lending Collateral		0.00		0.00
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Total Liabilities		6,914,031.96		7,510,840.70
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Net Assets Held in Trust	\$	<u>669,373,333.29</u>	\$	<u>635,409,823.10</u>
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F&P Retiree Health Care Fund - Calendar
Statement of Changes in Plan Net Assets
For the Seven Months Ending July 31, 2025

	Current Month	Current Budget	Year to Date	YTD Budget
Additions				
Contributions:				
City of San Antonio	\$ 4,853,719.35	3,984,615.00	\$ 30,193,212.03	29,884,615.00
Active	2,026,790.90	1,982,923.07	15,138,655.69	14,871,923.07
Retirees less than 30	110,888.96	121,082.32	817,099.44	847,576.24
COBRA	9,141.22	4,166.66	27,063.87	29,166.62
Children	64,400.00	60,583.33	430,150.00	424,083.31
Total Contributions	<u>7,064,940.43</u>	<u>6,153,370.38</u>	<u>46,606,181.03</u>	<u>46,057,364.24</u>
Investment Income:				
Interest	431,628.45	320,833.33	2,274,351.19	2,245,833.31
Net Appreciation of Inves	1,672,937.53	3,109,999.88	21,847,490.40	21,769,999.16
Other Income	0.00	1,666.66	112,359.29	11,666.62
Less Investment Expense	(28,133.33)	(30,666.42)	(213,453.40)	(214,664.94)
Net Investment Income	<u>2,076,432.65</u>	<u>3,401,833.45</u>	<u>24,020,747.48</u>	<u>23,812,834.15</u>
Total Additions	<u>9,141,373.08</u>	<u>9,555,203.83</u>	<u>70,626,928.51</u>	<u>69,870,198.39</u>
Deductions				
Members Benefit Paymen	4,751,472.22	4,296,583.32	33,048,968.91	30,076,083.24
COBRA Benefit Payment	357.42	4,166.66	16,999.40	29,166.62
Children's Benefit Payme	46,683.41	60,583.33	422,328.30	424,083.31
General and Administrati	889,937.60	359,506.33	3,175,121.71	2,503,005.83
Total Deductions	<u>5,688,450.65</u>	<u>4,720,839.64</u>	<u>36,663,418.32</u>	<u>33,032,339.00</u>
Net Increase	<u>3,452,922.43</u>	<u>4,834,364.19</u>	<u>33,963,510.19</u>	<u>36,837,859.39</u>

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, August 25, 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, Mayor Gina Ortiz Jones.

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, including but not limited to, tax qualification of the Fund.**
- c. **Pending or Contemplated Litigation including, but not limited to, PBM contractors.**
- d. **Government Code §551.074- Personnel Matters involving Senior Executive Staff and Employees of Health Fund.**
- e. **Government Code 551.078 and .0785: Deliberation Involving Individuals' Medical or Psychiatric Records.**

4. Minutes (Discussion and possible action):

- Board Meeting Minutes for July 28, 2025

5. Public Comment:
6. Committee Reports (discussion and possible action):
 - a. Investments:
 - b. Personnel/Audit:
 - Update on 2024 Audit
 - c. Benefits:
 - d. Legislative:
7. Administrative report (discussion and possible action):
 - a. Draft financial reports for July 2025
 - b. Discussion of Strategic Business Planning Committee Meeting
8. Consultant Reports (discussion and possible action):
 - a. Legal: Report by Frank Burney
 - b. Update on assumptions for Actuarial Evaluations
9. Educational Opportunities (discussion and possible action):
 - 2026 Constitution Capital Annual Meeting
May 18-21, 2026
 - Iron Point Partners: Annual Investor Meeting
October 15, 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
July 28, 2025**

PRESENT: Frank Gutierrez, Fire Department Retiree Representative;
Chris Lutton, Police Department Representative;
Mike Despres, Retired Police Representative;
Doug Berry, Fire Department Representative;
Jason Sanchez, Police Department Representative;

ABSENT: Steve Carse, Fire Department Representative;
Councilperson Marc Whyte, City of San Antonio; and
Mayor Gina Ortiz Jones, City of San Antonio.

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

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

EXECUTIVE

SESSION: The Board went into Executive Session at 10:29 a.m. to discuss legal issues regarding litigation and IRS qualification. The Executive Session adjourned at 11:25 a.m.

MEMBERS

TO BE

HEARD: Mr. Ricketts extended his congratulations to Police Retiree Trustee Election results. He also commented on favorable reports on staff.

ACTION

ITEMS:

1. Investments: No report. Next meeting is on August 21, 2025 at 1:00 p.m. There also will be an ad hoc real estate meeting on August 21, 2025 at 12:00 p.m.

2. Personnel/ Audit:

- a. 2024 Audit: Mr. Bounds reported on "wrap-up" of audit to be submitted in September to the Board.

3. Benefits: No report.

4. Legislative: No report.

5. Administrative Report:

- a. Expenses: Mr. Bounds presented the expenditures for the Fund. Upon motion by Trustee Despres 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: None.

- c. Board Elections: Trustees Despres and Trustee Sanchez did not have any candidate file for their positions on the Board. Chair Berry drew two opponents:

Kyle Matheu
Robert McConnahay

6. Consultant Report:

- a. Legal: Mr. Burney reported on Final Settlement Agreement with Welldyne, legal review of Fund's IRS status, status of COSA Board appointments, and discussions with COSA on records sharing.

7. Educational Opportunities:

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

- IFEBP: 71st Annual Employee Benefits Conference, November 9-12, 2025

8. Next Meeting: The next regularly scheduled meeting will be August 25, 2025 at 10:00 a.m.

ADJOURNMENT: There being no further business, a motion was made by Trustee Despres and second by Trustee Gutierrez that the meeting adjourn. The motion carried unanimously. The meeting adjourned at 11:30 a.m.

Enclosures

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

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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 SPECIAL BOARD MEETING CONDUCTED ON JULY 28, 2025.

1. The executive session began with the following announcement by the presiding officer: "Health Fund is now in executive session July 28, 2025 at 10:16 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 legislative, contractual, litigation, tax qualification and benefit 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 July 28, 2025 at 11:25 a.m."

Presiding Officer

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August 22, 2025

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

Re: Recommended Actuarial Assumptions for the January 1, 2025 Actuarial Valuation

Dear Board Members:

As part of the process of performing the actuarial valuation of the Retiree Health Care Fund, we have reviewed the actuarial assumptions and have determined our recommended assumption updates. We have relied on the following information to develop our recommendations:

- The actuarial valuation of the Fire and Police Pension Fund ("Pension Fund") as of January 1, 2025;
- Actual health care claims experience over the 36-month period from January 2022 through December 2024; and
- Demographic experience of the Retiree Health Care Fund during the fiscal year ending December 31, 2024.

SUMMARY OF KEY CHANGES

We recommend the following updated assumptions for the January 1, 2025 actuarial valuation of the Retiree Health Care Fund:

- An increase in health care claims costs to reflect recent experience.
- Updated retirement, termination, and disability rate assumptions, based on an experience study performed for the Pension Fund during January of 2025.

HEALTH CARE CLAIMS COSTS

Medical claims were higher than expected during 2024, while prescription claims were lower than expected. After factoring in expected medical inflation, per capita medical claims were approximately 10% higher than expected during 2024. Conversely, per capita prescription claims were approximately 6% lower than expected. The net impact of unfavorable claims experience is a recommended average increase in claims costs of 3% compared to expected. This recommended assumption also considers claims experience during 2022 and 2023, but with more credibility weighting for recent claims experience.

DEMOGRAPHIC ASSUMPTIONS

There was a demographic experience study performed for the Pension Fund by Segal, and was dated January 19, 2025. In order to ensure consistency in common assumptions between the Pension Fund and the Retiree Health Care Fund, we propose adopting the updated assumptions outlined in that study. The updated Pension Fund assumptions that apply to the Retiree Health Care Fund include retirement rates, termination rates, and disability rates.

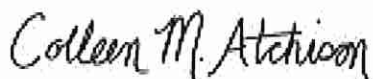
IMPACT OF PROPOSED CHANGES

Proposed Assumption Change:	Estimated Impact on Actuarial Accrued Liability:
Increase in Health Care Claims Costs	1.6%
Updated demographic assumptions based on Pension Fund valuation	-0.2%

We certify that we are members 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
Senior Consulting Actuary, OPEB



Gavin Waite, FSA, CERA, MAAA
Senior Consulting Actuary, Health